



## **A&B Properties to Build 135 Residences at Port Allen, Kauai; Construction of \$40 Million Project to Begin this August**

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HONOLULU--(BUSINESS WIRE)--Aug. 1, 2005--The latest residential development project from A&B Properties, Inc., a subsidiary of Alexander & Baldwin, Inc. (NASDAQ:ALEX), will be in South Kauai, overlooking Port Allen Harbor, where 135 condominium and single-family units will be built at a total construction cost of approximately \$40 million. Site work is expected to begin in August; Goodfellow Bros., one of the State's largest civil contractors, has been awarded the contract for infrastructure improvements.

The overall project consists of a 75-unit multi-story condominium project named "Kai 'Olino," and 60 single-family homes in an adjacent project called "Keala'ula." Both projects are located on a 17-acre A&B-owned parcel overlooking Port Allen Harbor. The property is zoned for residential development, and has received its SMA (Shoreline Management Area), project development and zoning permits from the County of Kauai. Traffic improvements to be made by A&B Properties include the installation of a traffic signal at the intersection of Kaunualii Highway and Waialo Road. Vertical construction will commence upon receipt of building permits.

"We are very pleased to announce the launch of our latest project in Hawaii," said A&B Properties CEO Stanley Kuriyama. "The project is in a good location, between Koloa and Hanapepe, and adjacent to Port Allen Harbor, with many of the units having excellent ocean views. This project is also located in the vicinity of other A&B lands, which should result in future synergies among residential and commercial uses. The project is intended for the local residential market, and we believe we will be creating a great new community for the residents of Kauai."

"The cooperation we have received from the County for all of our Kauai projects has been exemplary," according to Tom Shigemoto, Vice President of A&B Properties on Kauai. "As a continuing demonstration of our longstanding commitment to Kauai, we are giving Kauai residents who intend to live in the units as owner-occupants a first opportunity to purchase the units."

The sale of the first 48 condominium units at Kai 'Olino were released for pre-sale beginning in May. Non-binding contracts for all 48 units have been entered into, following a lottery process, and all of the units were purchased by owner-occupant buyers. Prices for the 48 units ranged from \$325,000 to \$550,000 for two- and three-bedroom units ranging in size from approximately 1,000 square feet to 1,300 square feet. The remaining 27 Kai 'Olino units are expected to be released for pre-sale in September.

The Keala'ula single-family homes are planned to consist of a variety of efficiently designed three-bedroom homes on lots that will average 6,000 square feet. Pricing has yet to be determined for these homes. Sales are anticipated to begin in the fall, subject to receipt of final subdivision approval from the County. Kauai residents intending to occupy the homes as their primary residence will again be given a first opportunity to purchase the homes.

A&B's largest residential project on Kauai is Kukui'ula, a 1,000-acre master planned residential resort community at Poipu, planned for approximately 1,300 homes. Kukui'ula is in active development with partner DMB Associates of Scottsdale, AZ, with major infrastructure construction expected to begin this fall. Previous A&B Properties residential developments on Kauai since 1980 include more than 450 single-family homes at Ele'ele Nani I and II, located near Port Allen.

A&B Properties, Inc. ([www.abprop.com](http://www.abprop.com)) is the property development and management subsidiary of Alexander & Baldwin, Inc., a diversified corporation headquartered in Honolulu. A&B owns 91,000 acres in Hawaii, making it Hawaii's fourth largest private landowner.

A&B development projects are ongoing in various locations on Oahu, Maui, Kauai, and the Big Island of Hawaii. A&B Properties has an income portfolio of commercial properties in Hawaii and on the Mainland consisting of more than 5.2 million square feet of retail, office, and industrial space. The majority of A&B's recent acquisition and investment activity has been focused on Hawaii where, since 1999, A&B Properties has acquired or invested in 23 properties outside its core land holdings on Maui and Kauai, representing a total capital commitment approaching \$500 million.

A&B's major lines of business are ocean transportation (Matson Navigation Company, Inc.); property development and management (A&B Properties, Inc.); and food products (Hawaiian Commercial & Sugar Company, Kauai Coffee Company, Inc.). Additional information about A&B may be found at its web site: [www.alexanderbaldwin.com](http://www.alexanderbaldwin.com).

Statements in this press release that are not historical facts are "forward-looking statements," within the meaning of the Private Securities Litigation Reform Act of 1995, that involve a number of risks and uncertainties that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Factors that could cause actual results to differ materially from those contemplated in the statements include, without limitation, overall economic conditions and other risks associated generally with acquisitions and developments. These forward-looking statements are not guarantees of future performance. This release should be read in conjunction with our Annual Report on Form 10-K and our other filings with the SEC through the date of this release, which identify important factors that could affect the forward-looking statements in this release.

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