



ALEXANDER & BALDWIN

Kukui'ula Gains Key Approval, Breaks Ground on Bypass Road; Joint Venture Moving Ahead on Infrastructure for Kauai Resort Residential Development

January 24, 2006

KUKUI'ULA, Hawaii--(BUSINESS WIRE)--Jan. 23, 2006--Kukui'ula Development Company (Hawaii), LLC -- the joint venture (JV) partnership between Alexander & Baldwin, Inc. (NASDAQ:ALEX) and DMB Associates, Inc. -- announced today that it gained final County approval on plans for Kukui'ula's Western Bypass Road, the first of the project's two major roadways, and is initiating construction.

Located on approximately 1,010 acres along Kauai's picturesque southern coast, Kukui'ula is a master planned resort residential community, adjacent to the Poipu Beach Resort and historic Koloa Town, Kauai's first sugar plantation town. Within Kukui'ula will be approximately 1,200 custom homesites, cottages and a resort spa. Other amenities will include a Tom Weiskopf-designed championship golf course and clubhouse, a recreational center, a network of parks and trails and an inviting island-style village center with more than 75,000 square feet of boutiques, cafes and restaurants. A 20-acre community park and 2-acre beach park at Kukui'ula Bay also are planned.

A construction contract valued at \$13 million has been awarded to Hawaii-based Kiewit Pacific Co. for the two-mile long Western Bypass Road, the north-south alternative road which runs from the entry of Kukui'ula at Lawai Road north to Koloa Road. The road has been named Ala Kalanikaumaka to honor Hawaii's late Queen Emma (trans: The Chiefess to whom everyone looks.) Notice to the contractor to proceed is anticipated in February; the construction period is projected to be 20 months.

"This is an important day for all of Kukui'ula's stakeholders, especially Kauai's residents," said A&B President and CEO Allen Doane. "Construction of this roadway will fulfill one of the commitments we made to the community and to government officials that the bypass road would be constructed first, before the homes." Doane continued, "Kukui'ula will be a very special project, with a level of quality, location and ambience unlike anything else in Hawaii. This day marks a milestone long anticipated."

To mark the occasion, company officials today held a blessing and groundbreaking ceremony at the site attended by county officials, contractors, builders and leaders from the local business community.

DMB Associates, Inc. Managing Director and CEO Drew Brown said, "This blessing celebrates not only years of planning and preparation but is the first tangible sign of our unique partnership with A&B. We are humbled by the depth of A&B's trust in us and are committed to fulfilling the incredible dream they have for this community."

For more information, visit www.kukuiula.com or call 808-742-0234.

Kukui'ula is being developed by Kukui'ula Development Company (Hawaii) LLC, a partnership between Alexander & Baldwin, Inc., one of Hawaii's largest private landowners and developers, and DMB Associates, Inc., a Scottsdale, Arizona-based development company and a highly acclaimed leader in creating successful legacy communities in the Western U.S. for more than 20 years.

A&B owns 91,000 acres in Hawaii, making it Hawaii's fourth largest private landowner. Besides focusing on the development and management of these core real estate holdings, in recent years A&B has embarked on a strategy of expanding beyond its historical Hawaii landholdings. A&B's strategy has focused primarily on Hawaii, where it has invested in 24 Hawaii properties outside of its core landholdings since 1999. A&B also has a leased portfolio comprising more than 5 million square feet of leasable retail, office and industrial space on the Mainland and in Hawaii. Additional information may be found at its web site: www.abprop.com

Alexander & Baldwin, Inc. is a diversified corporation headquartered in Honolulu. A&B's major lines of business are ocean transportation (Matson Navigation Company, Inc. and Matson Intermodal Logistics, Inc.); real estate (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.

DMB Associates, Inc. (DMB) is a diversified real estate investment and development firm with real estate holdings through affiliated companies where people and their passions unite. Founded in 1984, DMB is one of the most active community developers in the West. Their projects include resort/recreational and primary home communities, country clubs, signature commercial properties, hotels, health clubs and spas.

DMB communities strive to stand apart from traditional "master-planned" communities by demonstrating an innate understanding of how people want to live, including: achieving extraordinary standards of quality design and development at varying price points; promoting community interaction and lifelong learning and incorporating innovative dimensions of environmental stewardship, recreation and wellness.

CONTACT: A&B Linda M. Howe, 808-525-6642 lhowe@abinc.com or Sheila Donnelly & Associates Sweetie Nelson, 808-949-4131 sweetie@sheiladonnelly.com SOURCE: Alexander & Baldwin, Inc.