



ALEXANDER & BALDWIN

A&B Properties, Gentry Join to Develop New Waiawa Community

April 27, 2006

HONOLULU, Apr 27, 2006 (BUSINESS WIRE) -- Alexander & Baldwin, Inc. (NASDAQ:ALEX), through its real estate development subsidiary, A&B Properties, Inc., has entered into an agreement with Gentry Investment Properties, a part of the Gentry family of companies, to form a joint venture that will develop Phase I of the Waiawa master-planned community in Central Oahu. The joint venture will act as the master developer for Phase I, selling development parcels to homebuilders. Phase I is planned and entitled for approximately 5,000 residential units, to be developed over a 10-year time frame.

A&B's equity contribution to the joint venture will be approximately \$50 million. A&B's agreement to move forward with the joint venture is subject to the satisfaction of certain conditions.

A&B President & CEO Allen Doane said, "Both A&B and Gentry have developed housing in this State for decades. We are pleased to join together to build what will be Honolulu's newest major residential community, one that will help meet the critical need for workforce housing on Oahu. The Waiawa project is an important and exciting new development opportunity for A&B as it represents our first involvement in a large-scale residential project on the island of Oahu, and complements our two other major residential projects in the State -- the Wailea Resort on Maui and the Kukui'ula project on Kauai."

Doane added, "Waiawa is in a great location in Central Oahu, and will be well received in the marketplace. While we look forward to bringing this project on line as quickly as possible, we recognize it is a project that will be developed over a ten-year period, which is consistent with our strategic objective of securing superior, long-term projects. With its focus on providing primary housing, Waiawa will help diversify and strengthen A&B's growing portfolio of near- and long-term projects, much of which consists of residential developments, and resort and commercial projects on the neighbor islands."

Norman Gentry, eldest son of Company founder Tom Gentry, said, "All of us at Gentry are excited about working on Waiawa with A&B Properties. Both organizations have extensive real estate experience, and our combined expertise will provide Waiawa with a unique advantage."

Location and Attributes

Waiawa is about thirteen miles west of downtown Honolulu, and eight miles west of the Honolulu International Airport. It is in close proximity to major employment centers at Kapolei, Aiea/Pearl City, Hickham AFB and Pearlridge Center.

Some key attributes of the Waiawa master-planned community are its proximity to the urban core with access to major transportation arteries; gently sloping terrain that offers panoramic views to the north and south, with coastline views from downtown Honolulu to the Ko Olina Resort; and a cool mountainside environment.

Timing

The joint venture is in the process of designing and securing construction approvals for the project's onsite and offsite infrastructure. Sales to homebuilders are scheduled to commence in 2007, with the first homes expected to be delivered by the homebuilders in 2009. An estimated 530 saleable acres of residential land will be available for fee simple sale to homebuilders. The Phase I lands will be acquired and developed by the joint venture pursuant to a development agreement with Kamehameha Schools, the current landowner.

Residential Component

The residential component of Phase I is planned to address the full spectrum of primary housing needs, from entry-level units to custom homes on view lots. A variety of housing types is envisioned -- targeted to first-time buyers through retirees -- that will include town homes, garden apartments, duplexes, single-family detached condominiums and zero lot line cluster homes, as well as conventional single-family detached homes.

To meet Phase I zoning conditions, 60 percent of the first 1,000 units will be priced for buyers in income brackets ranging from 80 percent to 140 percent of median income. In total, approximately 1,800 units -- or one-third of the 5,000 units planned for Phase I -- will be priced in this manner.

Schools/Recreation/Commercial Components

The joint venture will be providing land in Phase I for elementary and middle school facilities. Passive and active parks, a possible golf course, as well as natural open space, will represent approximately 40 percent of the 1,000 total acres comprising Phase I. Public parks will be dedicated to the City & County, and private parks and recreation centers are to be developed to serve certain communities. An internal network of bikeways and pedestrian pathways will link neighborhoods, schools, parks, and community facilities.

The fee interest in Phase I's 90 acres of commercially zoned land will be retained by Kamehameha Schools; those commercial sites are envisioned for

development, by Gentry, into a Town Center to include a wide array of commercial and civic services for Waiawa residents.

Investments in Infrastructure

Infrastructure improvements by the joint venture will be numerous. The status and a description of key elements are as follows:

- Water resources sufficient to serve most of Phase I needs have been identified and the Board of Water Supply has approved the Master Plan.
- The City has approved a Wastewater Master Plan that connects to the Pearl City pump station.
- A 900-foot extension of Ka Uka Boulevard and roadway crossing of Panakauahi Gulch will be constructed to create the main entrance to the project.
- Freeway access to the project will be from the Waipio Interchange and will include the widening of existing on/off ramps and construction of a southbound loop ramp. Initial interchange improvements will be done to the Ka Uka Boulevard and Moaniani Street intersection to alleviate existing congestion to and from Costco and the Gentry Business Park.

A&B Properties is one of the State's most active real estate companies with residential and commercial development ongoing on four islands; two of its largest projects are on Maui and Kauai. On Maui, A&B is master developer of the final residential and commercial increments of the Wailea Resort, which includes 17 parcels comprising a total of 270 acres of developable property, planned for the development of up to 1,600 residential units over the next 10 years. On Kauai, A&B's joint venture with DMB Associates of Scottsdale, AZ, is proceeding with the Kukui'ula resort residential community, which comprises 1,000 acres on the South Shore near Poipu. Development of approximately 1,250 high-end residential units are anticipated at Kukui'ula over the next decade.

A&B owns 90,000 acres in Hawaii, making it Hawaii's fourth largest private landowner, and has an income portfolio comprising more than 5.1 million square feet of leasable retail, office and industrial space on the Mainland and in Hawaii. 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 25 Hawaii properties since 1999, representing a capital commitment of \$500 million. 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.

Gentry is one of Hawaii's best-known and respected developers with significant residential and commercial experience. Since its founding in 1968, Gentry has built more than 15,000 homes and over two million square-feet of commercial space in more than 40 projects in Hawaii and the western United States. These projects include:

- Waipio by Gentry, a 3,500-residential unit community in Central Oahu, including a neighborhood shopping center and the 125-acre Gentry business Park.
- Ewa by Gentry, a planned community in Leeward Oahu that began in 1987 and now includes 6,300 residential units, a neighborhood shopping center, several parks, an elementary school and an 18-hole golf course. At completion, Ewa by Gentry is expected to add approximately 2,000 more residential units and a commercial/industrial park.

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, failure to satisfy the closing conditions set forth in the definitive agreement 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.

SOURCE: Alexander & Baldwin, Inc.

Alexander & Baldwin, Inc. Meredith J. Ching, 808-525-6669 mching@abinc.com