



ALEXANDER & BALDWIN

A&B 3rd Quarter Earnings Per Share 23-Percent Higher; Ocean Transportation, Property Transactions Lead Improvement

October 19, 2000

HONOLULU--(BUSINESS WIRE)--October 19, 2000--Alexander & Baldwin, Inc. (Nasdaq:ALEX) today reported that its third quarter 2000 net income increased 16 percent to \$21,354,000, and that its third quarter earnings per share increased 23 percent, to \$0.53 per share, on fewer shares outstanding. Net income in the third quarter of 1999 was \$18,476,000, or \$0.43 per share. Revenue in the third quarter of 2000 was \$273,478,000, compared with revenue of \$244,904,000 in the third quarter of 1999.

After an accounting change, net income for the first nine months of 2000 was \$76,028,000, or \$1.85 per share, versus \$57,563,000, or \$1.33 per share in the first nine months of 1999. The accounting change resulted in a one-time, non-cash increase to first quarter 2000 earnings of \$12,250,000. Revenue in the first nine months of 2000 was \$767,737,000, compared with \$706,189,000 in the first nine months of 1999.

3rd Quarter Results Strong

"A&B's third quarter results reflect continuing strong performance from Matson and our real estate business which, together, comprise more than 90 percent of the Company's operating assets," said W. Allen Doane, president and chief executive officer of A&B. "A 19-percent improvement in Matson's operating profit was achieved despite a significant increase in fuel prices. Auto and freight volume is increasing for the second consecutive year, after many years of declines. The real estate business also is performing positively, with good year-over-year increases in both property sales and leasing. Even U.S. raw sugar prices, which have been a drag on our food products profitability, have begun to recover recently. All in all, the third quarter was a good one."

3rd Quarter, Nine Months Consolidated Operating Profit Higher

In the third quarter of 2000, A&B's consolidated operating profit was \$42.7 million. That was \$7.1 million, or 20-percent, higher than the \$35.6 million in the third quarter of 1999. For the first nine months of this year, operating profit was \$126.4 million, an increase of \$12.9 million, or 11 percent, versus \$113.5 million in the first nine months of 1999. The primary drivers of the higher results in both the third quarter and the first nine months of 2000 were the improved results in property development and management and in ocean transportation.

Interest expense in both periods of 2000 was higher than in the corresponding periods in 1999, reflecting both increased debt balances and higher rates. Corporate expenses were lower in both periods.

Matson 3rd Quarter Results Up 19 Percent

In the third quarter of 2000, ocean transportation operating profit was \$26.1 million. That was an increase of \$4.2 million, or 19 percent, from \$21.9 million in the third quarter of 1999. This improvement was made in spite of a nearly 60-percent increase in the price of bunker fuel from the year-earlier quarter, and it was due primarily to higher Hawaii service auto and container volumes and a fuel surcharge that partially offset the increase in fuel costs. Third quarter 2000 Hawaii service container volume was two percent above the 1999 third quarter, and automobile volume was 28-percent higher.

In the first nine months of 2000, ocean transportation operating profit was \$73.9 million. This was an increase of \$8.4 million, or 13 percent, from \$65.5 million in the first nine months of 1999. Matson's Hawaii service container volume was two-percent higher and its automobile volume was 42-percent higher.

Real Estate Results Up Sharply

A&B Properties, Inc. (Properties) conducts the property management and development activities of A&B. In the third quarter of 2000, Properties operating profit was \$12.9 million, an increase of \$4.8 million, or 59 percent, from \$8.2 million in the corresponding period a year earlier. For the first nine months of 2000, Properties operating profit of \$47.3 million was up \$9.7 million, or 26 percent, from \$37.7 million a year earlier. Real estate sales and property management activities contributed to the improvements in both periods.

In the third quarter, operating profit from property leasing was \$7.5 million. This was \$0.9 million, or 14-percent, higher than \$6.6 million in the third quarter of 1999. The increase was due primarily to additions to the property portfolio and higher occupancies.

In the first nine months of 2000, property leasing operating profit was \$22.3 million. This was eight-percent higher than the \$20.6 million earned in the first nine months of 1999, in spite of the fact that the prior year period had benefited from the one-time buyout of a long-term ground lease. Year-to-date 2000 occupancy levels for U. S. mainland properties averaged 96 percent, versus 94 percent in the first nine months of 1999; Hawaii properties improved to 85 percent, versus 78 percent in the comparable period of 1999.

Property sales totaling \$14.4 million took place in the third quarter of 2000, compared with \$8.0 million in the third quarter of 1999. Operating profit

resulting from these property sales was \$5.5 million, versus \$1.6 million in the prior year period. Results in the third quarter of 2000 included the planned sale of a 13-acre parcel at Properties Maui Business Park to Home Depot.

Property sales revenue totaled \$42.5 million in the first nine months of 2000, compared with \$43.1 million in the first nine months of 1999. Operating profit resulting from these property sales was \$25.1 million, which was \$8.0 million, or 47-percent, higher than the \$17.1 million in the first nine months of 1999.

Low Raw Sugar Prices, Drought Impact Food Products' Results

In the third quarter of 2000, the food products segment had operating profit of \$2.9 million, compared with \$4.8 million in the third quarter of 1999. In the first nine months of 2000, food products operating profit also was \$2.9 million, compared with \$8.3 million in the first nine months of 1999. The primary reasons for the declines were historically low U. S. raw sugar prices and lower raw sugar production that resulted from drought conditions on the island of Maui.

Alexander & Baldwin, Inc., headquartered in Honolulu, is engaged in ocean transportation, through its subsidiary, Matson Navigation Company, Inc, in property development and management, through A&B Properties, Inc., and in food products, through Hawaiian Commercial & Sugar Company and Kauai Coffee Company, Inc. Additional information about A&B may be found at its web site: www.alexanderbaldwin.com. Statements in this press release that are not historical facts are "forward-looking" statements that involve a number of risks and uncertainties described on page 29 of the Company's 1999 annual report to shareholders. These factors could cause actual results to differ materially from those projected in the statements.

Alexander & Baldwin, Inc.

2000 and 1999 Third-Quarter And Nine-Months Results

	2000	1999
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Three Months Ended September 30:

Revenue	\$273,478,000	\$244,904,000
Net Income	\$21,354,000	\$18,476,000
Basic Share Earnings	\$0.53	\$0.43
Diluted Share Earnings	\$0.52	\$0.43
Average Shares Outstanding	40,439,000	43,223,000

Nine Months Ended September 30:

Revenue	\$767,737,000	\$706,189,000
Income Before Accounting Change	\$63,778,000	\$57,563,000
Net Income	\$76,028,000	\$57,563,000
Basic & Diluted Share Earnings:		
Income Before Accounting Change	\$1.55	\$1.33
Net Income	\$1.85	\$1.33
Average Shares Outstanding	41,095,000	43,366,000

Industry Segment Data, Net Income (In Thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2000	1999	2000	1999

Revenue:

Ocean Transportation	\$211,214	\$185,529	\$606,397	\$542,560
Property Devel. & Mgmt.				
Leasing	12,759	10,852	37,064	33,272
Sales	14,435	7,985	42,474	43,096
Food Products	34,294	39,812	79,464	85,083
Other	776	726	2,338	2,178
Total Revenue	\$273,478	\$244,904	\$767,737	\$706,189

Operating Profit, Net

Income:

Ocean Transportation	\$ 26,106	\$ 21,896	\$ 73,913	\$ 65,479
Property Devel. & Mgmt.				
Leasing	7,467	6,562	22,257	20,578
Sales	5,472	1,590	25,090	17,079
Food Products	2,901	4,828	2,909	8,318
Other	745	693	2,218	2,033
Total Operating Profit	42,691	35,569	126,387	113,487
Interest Expense	(6,661)	(4,209)	(17,967)	(13,105)
Corporate Expenses	(2,392)	(3,941)	(8,600)	(10,921)

Income Before Taxes				
& Accounting Change	33,638	27,419	99,820	89,461
Income Taxes	(12,284)	(8,943)	(36,042)	(31,898)
Income Before Acctg.				
Change	21,354	18,476	63,778	57,563
Cumulative Effect of				
Acctg. Change	--	--	12,250	--
Net Income	\$ 21,354	\$ 18,476	\$ 76,028	\$ 57,563

Consolidated Balance Sheets
(In Thousands)

	September 30, 2000	December 31, 1999
	(unaudited)	
Assets		
Current Assets	\$ 195,197	\$ 202,450
Investments	159,123	158,726
Real Estate Developments	65,167	60,810
Property, Net	961,447	928,627
Capital Construction Fund	144,664	145,391
Other Assets	95,432	65,456
Total	\$1,621,030	\$1,561,460
Liabilities & Equity		
Current Liabilities	\$ 151,680	\$ 142,645
Long-Term Debt	332,240	277,570
Post-Retirement Benefit Obligs.	46,173	60,767
Other Long-Term Liabilities	44,788	51,161
Deferred Income Taxes	370,307	358,354
Shareholders' Equity	675,842	670,963
Total	\$1,621,030	\$1,561,460

Consolidated Statements of Cash Flows
(In Thousands, Unaudited)

	Nine Months Ended September 30, 2000	1999
Operating Cash Flows	\$ 88,075	\$112,852
Capital Expenditures	(78,718)	(41,375)
CCF Deposits, Net	(797)	(10,258)
Proceeds From/(Payment of) Debt, Net	69,500	(91,709)
Repurchases of Capital Stock	(43,294)	(20,724)
Dividends Paid	(27,722)	(29,264)
All Other, Net	898	(2,553)
Increase/(Decrease) in Cash	\$ 7,942	\$(83,031)
Depreciation	\$ 52,411	\$ 56,647

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