



# ALEXANDER & BALDWIN

## **A&B Reports 1st Quarter 2001 Earnings of \$22.4 Million; Strong Real Estate Activities A Highlight**

April 19, 2001

HONOLULU--(BUSINESS WIRE)--April 18, 2001--Alexander & Baldwin, Inc. (Nasdaq:ALEX) today reported first quarter 2001 net income of \$22,434,000, or \$0.55 per share.

In the first quarter of 2000, the Company reported net income of \$26,431,000, or \$0.63 per share, after an accounting change that resulted in a one-time, non-cash increase in income of \$12,250,000, or \$0.29 per share. Excluding that change, income rose by \$8.3 million (58 percent), or \$0.21 per share. Revenue in the first quarter of 2001 was \$275,844,000, compared with \$232,225,000 in the first quarter of 2000.

### **QUARTER BOOSTED BY PROPERTY SALES, LEASE INCOME**

"A&B's real estate activities were strong across-the-board, with closings of several large commercial sales in the quarter," said W. Allen Doane, president and chief executive officer of A&B. "The leased-income portfolio's performance was excellent as well, with a 22-percent increase in operating profit.

"During the first quarter, Hawaii's economy continued to grow, benefiting from the momentum that began in 2000. The question is how long this good performance can last -- with the U.S. economic outlook increasingly uncertain and Japan's economy stalled.

"We are beginning to see signs of a weakening in tourism in Hawaii, but it is anyone's guess how significant or prolonged this weakness will be. Regardless of what the economy does in the short-term, A&B is committed to perform at the best level possible. Although the first quarter results exceeded our expectations, we are guarded in our outlook for the remainder of the year."

### **CONSOLIDATED OPERATING PROFIT \$14 MILLION HIGHER**

Consolidated operating profit (before interest, corporate expenses and taxes) in the first quarter of 2001 was \$44.4 million, up \$13.8 million, or 45 percent, from the same period in 2000. The increase was led by the results of the property development and management segment.

### **MATSON'S OPERATING PROFIT LOWER IN THE QUARTER**

In the first quarter of 2001, ocean transportation operating profit was \$17.5 million. That was \$2.4 million, or 12 percent, lower than the \$19.9 million in the first quarter of 2000. First-quarter 2001 Hawaii service container volume was two percent above that in the 2000 first quarter, but automobile volume was level on a year-over-year basis. The decrease in operating profit was the net result of a number of factors, including lower contributions from investments in a shipping operation in Puerto Rico and a stevedoring joint venture, and competitive fleet and rate actions, offset, in part, by higher cargo volume and a general rate increase in the Hawaii service.

### **HIGHER SALES DRIVE SHARP INCREASE IN A&B PROPERTIES' RESULTS**

In the first quarter of 2001, A&B Properties' operating profit of \$21.0 million was \$13.1 million above the \$7.9 million earned in the corresponding period a year earlier.

Property leasing operating profit was \$8.7 million in the first quarter of 2001. This was 22 percent higher than the \$7.2 million earned in the first quarter of 2000. The improvement was due to the contribution from newly acquired properties, higher occupancy levels and higher lease rates. For the respective first quarters, occupancy levels for U. S. mainland properties averaged 94 percent in 2001, versus 95 percent last year; but Hawaii properties improved to 89 percent in 2001, versus 84 percent last year.

Property sales revenue totaled \$43.1 million in the first quarter of 2001, compared with \$3.1 million in the first three months of 2000. Operating profit resulting from those sales was \$12.2 million, which was \$11.5 million higher than in the first quarter 2000 results. Variations in sales activity of this nature reflect the normal episodic nature of real estate transactions. Sales in the first quarter of 2001 included a shopping center and several smaller properties on Bainbridge Island, Wash., and a site for the development of a planned Wal-Mart store in Kahului, Maui.

### **FOOD PRODUCTS' RESULTS IMPROVED**

In the first quarter of 2001, food products' operating profit was \$5.1 million, compared with \$2.1 million in the first quarter of 2000. The segment benefited from a one-time distribution from the sugar transportation cooperative that handles the Hawaii growers' production and improved sugar prices, but high energy costs reduced investment results from C&H Sugar Company, Inc., in which A&B has a 36 percent ownership interest.

Alexander & Baldwin, Inc., headquartered in Honolulu, is engaged in ocean transportation, through its subsidiary, Matson Navigation Company, Inc.; property development and management, through A&B Properties, Inc.; and 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](http://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 such as those described on page 31 of the Company's 2000 annual report to shareholders. These factors could cause actual results to differ materially from those projected in the statements.

ALEXANDER & BALDWIN, INC.  
2001 and 2000 First-Quarter Results

2001	2000
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Three Months Ended March 31:

Revenue	\$275,844,000	\$232,225,000
Income Before Accounting Change	\$22,434,000	\$14,181,000
Net Income	\$22,434,000	\$26,431,000
Basic & Diluted Share Earnings		
Before Accounting Change	\$0.55	\$0.34
Net Income	\$0.55	\$0.63
Average Shares Outstanding	40,508,000	42,131,000

Industry Segment Data, Net Income  
(In Thousands)

	Three Months Ended March 31,	
	2001	2000
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Revenue:

Ocean Transportation	\$196,609	\$200,225
Property Devel. & Mgmt		
Leasing	17,096	14,518
Sales	43,084	3,052
Food Products	18,198	13,666
Other	857	764
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Total Revenue	\$275,844	\$232,225
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Operating Profit, Net Income:

Ocean Transportation	\$17,455	\$19,893
Property Devel. & Mgmt		
Leasing	8,740	7,184
Sales	12,216	701
Food Products	5,105	2,068
Other	840	709
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Total Operating Profit	44,356	30,555
Interest Expense	(5,779)	(5,347)
Corporate Expenses	(3,791)	(3,502)
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Income Before Taxes & Accounting Change	34,786	21,706
Income Taxes	(12,352)	(7,525)
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Income Before Accounting Change	22,434	14,181
Cumulative Effect of Acctg. Change	--	12,250
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Net Income	\$22,434	\$26,431
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(In Thousands)

	March 31,	December 31,
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	2001	2000
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(Unaudited)		

#### ASSETS

Current Assets	\$203,339	\$208,867
Investments	164,743	183,141
Real Estate Developments	52,347	62,628
Property, Net	974,837	954,692
Capital Construction Fund	152,814	150,405
Other Assets	110,199	106,279
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Total	\$1,658,279	\$1,666,012
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#### LIABILITIES & EQUITY

Current Liabilities	\$132,456	\$153,006
Long-Term Debt	335,288	330,766
Post-Retirement Benefit Obligs	44,449	44,752
Other Long-Term Liabilities	57,035	56,698
Deferred Income Taxes	384,661	387,139
Shareholders' Equity	704,390	693,651
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Total	\$1,658,279	\$1,666,012
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#### Consolidated Statements of Cash Flows (In Thousands)

	Three Months Ended	
	March 31,	
	2001	2000
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(Unaudited)

Operating Cash Flows	\$36,860	\$22,101
Capital Expenditures	(25,551)	(19,034)
CCF Deposits, Net	(2,409)	1,113
Proceeds From		
(Payment of) Debt, Net	(3,500)	27,000
Repurchases Of Capital Stock	--	(20,260)
Dividends Paid	(9,123)	(9,529)
All Other, Net	3,583	1,076
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Increase (Decrease) In Cash	\$(140)	\$2,467
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Depreciation	\$18,030	\$17,111
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