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A&B Buys Shopping Centers in Hawaii and Arizona; Purchase of Kaneohe Bay Shopping Center Marks Entry Into Oahu Retail Arena

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HONOLULU, Jun 7, 2001 (BUSINESS WIRE) -- Alexander & Baldwin, Inc. (A&B) (Nasdaq:ALEX) continues to expand its real estate portfolio with the agreement to purchase two neighborhood shopping centers: the Kaneohe Bay Shopping Center in Windward Oahu, HI, and the Carefree Shopping Center in Carefree, AZ, announced A&B President and Chief Executive Officer W. Allen Doane. The Kaneohe Bay Shopping Center is A&B's first shopping center on the island of Oahu, and further demonstrates its commitment to Hawaii investments. The Carefree property is located in a growing and prosperous area north of Phoenix, Arizona, where A&B already owns two improved properties. The purchase prices were not disclosed.

"These purchases continue the implementation of our strategy to build and diversify our real property portfolio and to invest in Hawaii," said Doane. "A&B's three-year program of Hawaii acquisitions now totals \$170 million. The company's overall strategy of growing our earnings includes both the development of our own lands and the investment in non-A&B lands with good opportunities for appreciation and above-average returns. For example, A&B has recently acquired residential and commercial projects in Kaanapali, Maui and on Oahu -- geographic areas in which the company traditionally had not been involved," Doane added.

A&B adds the Kaneohe Bay Shopping Center to the seven Oahu properties it already owns or is developing -- which include five office buildings in Honolulu, and two industrial parks in Central Oahu. In Arizona, A&B already owns a shopping center and an office building in the Phoenix area.

Kaneohe Bay Shopping Center is located across Kamehameha Highway from Windward Mall and is anchored by a Safeway and a Longs Drug Store. It recently underwent an extensive renovation and current occupancy is 98 percent. The Center comprises nearly 125,000 square feet of leasable space on leasehold land totaling 9.8 acres. The seller was Fifty Associates, which had owned the shopping center since it was built in 1971.

"We were attracted to the Kaneohe Bay Shopping Center because its location, quality tenants, and recent renovation and expansion have made it the premier neighborhood center on the Windward side of the island," said Norbert Buelsing, executive vice president of A&B Properties.

A&B owns and manages two of Central Maui's major shopping centers, the Maui Mall and the Kahului Shopping Center, as well as eight other shopping centers on the Mainland. Buelsing added, "Grocery-anchored shopping centers, providing basic goods and services to established residential neighborhoods, are a resilient investment choice that, in our experience, provide stable returns even during periods of economic fluctuation."

In addition to the 43,700 square foot Safeway and 29,000 square foot Longs Drug Store, sub-anchor tenants include Checkers Auto Parts and Goodyear; other prominent tenants include First Hawaiian Bank and national retailers Kinkos, Blockbuster, Voice Stream Wireless and Subway.

The Carefree Shopping Center is located in one of the most desirable high-end residential communities in the Phoenix metropolitan area, north of Scottsdale. It contains 85,000 square feet of leasable area on a 6.5-acre parcel, anchored by a 35,200 square foot Basha's Grocery Store (a southwest regional grocer), an ACE Hardware and a casual dining restaurant. The shopping center was constructed in 1988, and serves several large, upscale master-planned resort communities in the vicinity. The seller was a private investor.

"Phoenix is a rapidly growing area and the Carefree center is an attractive property that draws well from the upscale communities surrounding it," said Buelsing. "The Center presently enjoys 100 percent occupancy, but we believe continued growth in the region, as well as changes in the tenant mix, will position this property well for significantly improved performance in the coming years."

Including these newest acquisitions, A&B Properties now has a portfolio of commercial properties in Hawaii and on the U.S. Mainland consisting of more than 5.4 million square feet of leasable retail, office and industrial space.

A&B Properties, Inc. is the property development and management subsidiary of Alexander & Baldwin, Inc., a diversified corporation headquartered in Honolulu. Additional information may be found at its web site: www.abprop.com.

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). Additional information about A&B may be found at its web site: www.alexanderbaldwin.com.

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