



ALEXANDER & BALDWIN

A&B Comments On Near-Term Earnings, Factors in Outlook

June 8, 2001

HONOLULU, Jun 8, 2001 (BUSINESS WIRE) -- Alexander & Baldwin, Inc. (NASDAQ:ALEX) today indicated that the Company's current expectation for its per-share earnings in the second quarter, ending June 30, 2001, is 10 to 15 percent lower than the \$0.69 earned in the second quarter of 2000.

One major factor in the difference is in property sales, where there typically are large quarter-to-quarter variances in income. The first quarter of 2001 had several large sales, resulting in operating income of \$12,216,000, while the second quarter will have a much lower result. Because of a large property sale in the second quarter of 2000, 2001 property sales income will be comparatively lower.

Principally offsetting the second quarter reduction in property sales, the Company reported in its SEC Form 10-Q for the first quarter 2001 that it sold its remaining 749,000-share holding of Pacific Century Financial (NYSE:BOH) during April and May 2001. The total proceeds of \$16,200,000 yielded an after-tax gain of about \$9.4 million, or \$0.23 per share, which will be reflected in the 2001 second quarter results.

Separately, BNP Paribas SA announced that, subject to regulatory, shareholder and other approvals, it would purchase the 55 percent of BancWest Corporation (NYSE:BWE) that it does not already own. Assuming the consummation of that transaction, the sale of A&B's 3.4 million share holding of BWE at the offered price of \$35 per share would result in an after-tax realized gain of about \$68 million, or \$1.68 per share. When that transaction closes, prospectively later this year, A&B will have no additional holdings of stock in publicly traded companies.

A significant portion of A&B's earnings derives from business activity in Hawaii. As 2001 progresses, Hawaii's outlook for economic growth appears uncertain. Both April visitor arrivals and the most recent report of leading indicators again were lower--foretelling softer economic conditions for the remainder of the year.

Minimal freight growth in Hawaii and a slowdown of growth in Mainland and other offshore markets have led to increased competitive pressure in ocean transportation, A&B's largest business segment. As a result, lower year-to-year results are anticipated for Matson's Hawaii service, for its stevedoring joint venture on the West Coast and from its investment interest in a shipping service to Puerto Rico.

In direct response, Matson has taken a number of actions to maintain its market share, to reduce operating costs and to increase productivity. These actions include increases in terminal productivity, closure of several container freight station locations, increases in vessel operating efficiency and reductions in overhead expenses.

A&B's property leasing results likely will continue to reflect good occupancy and rental rates. In addition, A&B continues to invest in well-performing income properties, including two commercial acquisitions, one in Hawaii and one on the Mainland, announced yesterday. Results for A&B's food products segment will benefit from the forward sale of raw sugar at higher prices than those of 2000, as well as from operating cost reductions from the consolidation of sugar milling operations.

Combining expected results for the second quarter of 2001 with the first quarter, the Company still will be ahead of the \$1.03 earned (before a non-cash accounting change) in the first six months of 2000.

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.

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