



ALEXANDER & BALDWIN

A&B Properties, Armstrong Enter Joint Venture to Develop New Residential Project At Ko Olina

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HONOLULU--(BUSINESS WIRE)--Sept. 19, 2001--A&B Properties, Inc., the real estate development and management subsidiary of Alexander & Baldwin, Inc. (A&B) (Nasdaq:ALEX), and Armstrong Builders, Ltd.'s affiliate Armstrong Kai Lani Corp. have entered into a joint venture agreement to develop a 116-unit townhouse condominium project at Ko Olina, it was announced today. The joint venture will be known as Kai Lani Company, LLC. A&B Properties has been a major developer on the islands of Maui and Kauai; this move represents A&B's first substantial investment in a residential project on Oahu.

"This is A&B's 11th investment in newly-acquired Hawaii real estate in the last three years," said A&B President and CEO W. Allen Doane. "In the past three years, our investment in the acquisition and development of these properties has totaled about \$170 million. A&B's continued expansion and diversification beyond its historical land holdings on Maui and Kauai, onto Oahu, clearly demonstrates our commitment to Hawaii's future. These investments -- four office buildings, three residential projects, two industrial projects and two retail projects -- have also provided us with excellent diversification of our portfolio, both geographically and by product type."

Robert H. Armstrong, president of Armstrong Kai Lani Corporation and Armstrong Builders, Ltd., said he is pleased to partner with A&B Properties in the joint venture, adding that, "A&B Properties brings tremendous development experience and financial strength to the team. We look forward to working together with A&B on our shared vision for Kai Lani."

"We are excited about breaking into the Oahu residential market, particularly at the resurgent Ko Olina Resort," added A&B Properties CEO Stanley M. Kuriyama. "This is a project with great potential and we look forward to working with Armstrong, which has a successful track record of quality home building on Oahu. A joint venture with an experienced partner, such as Armstrong, allows us to leverage our capital and people into a greater number of projects."

A&B Properties Vice President Michael G. Wright, charged with implementing A&B's strategy for growth through real estate acquisitions and investments when he joined the company in March, said, "Partnering with high quality home builders like Armstrong Builders is now an integral part of our overall growth strategy. Bob Armstrong has an excellent reputation for developing high quality residential product, and we are very pleased to be a part of this project. Developing a waterfront residential community, within a world class resort like Ko Olina, is a tremendous opportunity."

"We're very excited about this opportunity to bring a top-quality residential development to the area," said Armstrong. "Ko Olina offers the world-class resort amenities many Hawaii buyers and others are looking for, and this outstanding site -- located at the resort's entrance, with direct access to the ocean -- will be the 'entrance piece' development setting the tone for the entire resort," Armstrong added.

Sales for Kai Lani at Ko Olina are expected to begin later this year, with start of construction scheduled for early 2002. Armstrong Builders, Ltd. will be the general contractor for the project.

A&B owns 91,000 acres in Hawaii, making it Hawaii's fifth largest private landowner. A&B also 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.

Founded in 1976 by Robert Armstrong, Armstrong Builders, Ltd. is a leading residential and commercial construction company in Hawaii. The company has been honored as Builder of the Year several times by the Building Industry Association of Hawaii; has won numerous Parade of Homes construction awards; and is a two-time recipient of the Overall Grand Award of the Hawaii Renaissance. Armstrong Builders' projects include the Ko Olina Marina, the Golf Club Estates at Waialeale, Brookview, Hale Kalana and Kapalai Hale at Windward Oahu, among many others. For more information about the company, visit its website at www.armstrongbuilders.com.

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