



ALEXANDER & BALDWIN

Matson's Operations Disrupted

September 30, 2002

HONOLULU, Sep 29, 2002 (BUSINESS WIRE) -- The Matson news release below provides information on the operating impact of the current shutdown of West Coast ports. A shutdown of a few days is not expected to be a significant drag on Alexander & Baldwin, Inc. income, but a protracted shutdown will be costly to the Company.

In the current unsettled environment, the Company does not have the ability to predict the length of a shutdown. It is hoped the PMA and the ILWU will be able to resolve differences at the negotiating table and, in the meantime, resume normal port activity.

Alexander & Baldwin does have sufficient resources to remain financially secure in the event of a protracted shutdown.

West Coast Port Operations Shut Down in Response to Ongoing Work Slowdowns by ILWU

In accordance with a Pacific Maritime Association recommendation issued today, Matson Navigation Company's West Coast operations will close for business beginning tonight and continuing through Tuesday, October 1. The action is in response to ongoing work slowdowns by the ILWU at all West Coast port facilities.

Following a 38-hour "cooling down" period implemented by the PMA on Friday, all West Coast ports reopened this morning, with disappointing results. While work resumed at many West Coast facilities, productivity remained far below normal levels. In addition, many terminals received insufficient labor to conduct their operations.

As a result the PMA today instructed all members to not order any ILWU labor for the Sunday night shift, Monday day and night shift and Tuesday day shift. The PMA has expressed to the ILWU that it cannot continue to work under the present conditions and will not resume operations until a contract extension has been made.

Status of Matson's Fleet Schedule

While the shutdown will impact Matson's vessel schedule this week, two Matson vessels were able to depart the West Coast for Hawaii over the weekend, with one ship departing Oakland shortly before Friday's lockout and the other departing from Los Angeles today prior to PMA's announcement.

The reserve vessel S.S. Lihue, which was added to Matson's regular seven ship fleet last week to accommodate additional freight and auto demands, departed from Oakland on Friday, September 27, a few hours prior to the weekend lockout. It is scheduled to arrive in Honolulu on Wednesday, October 2.

The MV R. J. Pfeiffer departed Los Angeles mid-day today, shortly before the lockout. Because of the situation, the vessel departed before all cargo booked for the voyage could be loaded. It is scheduled to arrive in Honolulu on Thursday, October 3.

Other Matson vessels at West Coast port facilities will remain idle in port until operations are resumed. One vessel is currently sailing from Northern California to Southern California as part of its triangulating route.

The S.S. Ewa was in port in Oakland Sunday morning, but the facility did not receive sufficient labor to commence with stevedoring operations. No cargo was discharged or loaded. The vessel is currently en route to Los Angeles.

In Seattle, the S.S. Kauai was docked this morning and operations commenced. While productivity was below normal, some cargo was discharged. At this time, it remains dockside at the SSAT facility.

Hawaii Operations Continue

In Honolulu, stevedoring operations have been normal. The S.S. Matsonia departed Honolulu for Oakland late Friday night. It is scheduled to arrive in Oakland early Wednesday morning.

The S.S. Manulani arrived in Honolulu Saturday evening from Oakland. It is scheduled to depart for Seattle tomorrow morning.

Our Neighbor Island service is also operating normally. Matson's Customer Focus Intensified

In this current environment, Matson is working closely with customers in providing timely service updates, as well as one-on-one communications pertaining to specific shipment information. The company's Customer Support Center and sales force are making special efforts to keep customers apprised of any information that will help them manage their supply chain and track their shipments during this period.

"We regret that this action on the West Coast is necessary," James Andrasick, Matson president and CEO, said. "All involved hope that normal operations can be resumed soon and that the negotiations can continue without further service problems. Disruptions such as this can only hurt our nation's economy -- and is clearly a matter of concern for those of us who live in Hawaii. Given the state's dependence on ocean transportation, Matson Navigation Company recognizes that this situation is one that impacts virtually all residents of the Islands. We will do our best to communicate regularly with our customers, government officials, and the general public as new developments occur."

Matson Navigation Company provides ocean transportation, intermodal and logistics services in U.S. domestic markets. Matson is a wholly-owned subsidiary of Alexander & Baldwin, Inc. of Honolulu (Nasdaq:ALEX).

Alexander & Baldwin, Inc. is a diversified corporation headquartered in Honolulu. Its major lines of business are ocean transportation (Matson); 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.

Statements in this news release that are not historical facts are "forward-looking" statements that involve a number of risks and uncertainties such as those described on page 19 of the Company's Annual Report on Form 10-K, which is incorporated in the Company's 2001 annual report to shareholders. These factors could cause actual results to differ materially from those projected in the statements.

CONTACT:

Alexander & Baldwin

Allen Doane, 808/525-8478 (president and CEO)

or

Matson Navigation Company

James Andrasick, 808/525-8404 (president and CEO)