A&B Reports 2002 Earnings Per Share of $1.42

January 24, 2003

HONOLULU--(BUSINESS WIRE)--Jan. 23, 2003--Alexander & Baldwin, Inc. (Nasdaq:ALEX) today reported that its net income for full-year 2002 was $58,156,000, or $1.42 per basic share. For 2001, the Company reported net income of $110,628,000, or $2.73 per share. Net income in 2001 included one-time gains of $1.92 per share on the sale of marketable bank securities. Revenue in 2002 was $1,088,885,000, compared with $1,189,152,000 in 2001.

In the fourth quarter of 2002, net income was $17,327,000, or $0.43 per basic share. Net income in the fourth quarter of 2001 was $46,368,000, or $1.15 per share, including a one-time gain of $1.69 per share on the sale of a marketable bank security. Revenue in the fourth quarter of 2002 was $281,873,000, compared with $355,188,000 in 2001.

COMMENTS ON 2002 RESULTS, 2003 OUTLOOK

"In the fourth quarter, the West Coast longshore labor disruptions spoiled what had been, up to that time, a strong improvement in quarterly earnings since the start of the year," said Allen Doane, president and chief executive officer of A&B. "We experienced a pretax "hit" of more than $12 million in added expense and lost revenue, but still nearly equaled the earnings level of the third quarter. That was good performance, considering the uncertainty we had in October, when the third quarter results were released."

"It is fairly complex to compare these two years. In 2001, we had earnings per share of $2.73. If you were to take out of that figure the large items that were one-time in nature, like the benefit of the sale of bank stocks, which netted shareholders a total of $1.92 per share; offset, in part, by $0.67 in one-time asset revaluations, the remainder is $1.48. Putting that figure alongside the $1.42 in earnings we just reported for 2002, it is clear how close we came to improvement, even with the burden of the labor disruptions and the economic overhang of 9/11 on the Hawaii economy in the first half of 2002.

"Hawaii's economy continues to grow reasonably well. In addition, the prospective longshore labor agreement is for six years; we have two attractively priced new Jones Act vessels under construction; our Kukui'Ula real estate development on Kauai has an outstanding partner and a solid development plan; and our sugar operations are benefiting from the new Farm Bill enacted in 2002. A&B also continues actively to acquire real estate, both in Hawaii and on the Mainland, and our financial resources remain strong.

"The Company is committed to increase its earnings in 2003, and we have taken a number of actions already to do so. Matson recently implemented a terminal handling surcharge in its rate structure that is intended to provide a means to neutralize its cost increases. With the gradual return of "steady state" operations, and normal schedules, we again can target improvements in Matson's cost structure. A&B Properties continues to expand and expects to maintain its position as a leading acquirer of real estate in Hawaii. Our agricultural operations, principally the HC&S sugar operation, had an outstanding 2002, and we expect a good year in 2003."

OCEAN TRANSPORTATION

Starting with this release, revenue and operating profit from ocean transportation and intermodal services will be reported separately. This change is intended to make the respective growth rates and profit contributions of each of these different business activities clearer for investors.

The fourth quarters of 2002 and 2001 both were marked by unusual events that had negative effects on Matson's results. During the fourth quarter of 2001, the effects of the events of 9/11 were felt most sharply in Hawaii. In the course of the recent longshore contract negotiations, West Coast labor disruptions led to a ten-day lockout from September 29 to October 9, 2002. The lockout was followed by an extended period of port congestion, vessel delays, and low productivity. Agreement on contract terms was reached ultimately, and the contract is presently in the process of ratification.

In the fourth quarter of 2002, ocean transportation revenue was $174.7 million. That was an increase of $14.4 million, or nine percent, from $160.3 million in the fourth quarter of 2001. The principal sources of the increase in revenue were higher cargo volume and, to a lesser extent, higher freight rates and a higher bunker surcharge. Hawaii service container volume was one-percent higher than in the fourth quarter of 2001; automobile volume was 11-percent higher. The rise in container volume was due primarily to westbound demand. Higher auto movements reflected increased rental car activity and higher retail auto demand in Hawaii. Fourth quarter 2002 operating profit in ocean transportation was $9.2 million. That was an increase of $7.6 million from the $1.6 million reported in the fourth quarter of 2001. As noted earlier, the latter period was unusually depressed by the aftereffects of 9/11. The year-to-year quarterly improvement was in spite of more than $12 million in higher costs and lost revenue directly attributable to the longshore labor disruptions. To a lesser extent, also contributing to the improvement in the quarter was slightly better productivity at the Sand Island container terminal in Honolulu.

In full-year 2002, ocean transportation revenue of $686.9 million was $4.6 million, or one percent, higher than $682.3 million in full-year 2001. Hawaii service container volume was two percent higher than in the full-year 2001; automobile volume was two-percent lower. In this case, the small increase in revenue was due to a variety of rate changes, including a general rate increase, bunker surcharge and changes in the mix of commodities carried.

Ocean transportation operating profit in full-year 2002 was $42.4 million. This was a decrease of $18.3 million, or 30 percent, from $60.7 million in full-year 2001. The decrease resulted primarily from effects of the previously mentioned longshore labor disruptions on the West Coast during the third and fourth quarters.

INTERMODAL SERVICES

In the fourth quarter of 2002, intermodal services revenue was $52.4 million. That was an increase of $21.5 million, or 70 percent, from $30.9 million in the fourth quarter of 2001. New customers were the principal source of the increase in revenue. Fourth quarter 2002 operating profit in intermodal services was $0.6 million. That was an increase of $0.3 million from the $0.3 million earned in the fourth quarter of 2001.

In full-year 2002, intermodal services revenue of $195.1 million was $73.1 million, or 60 percent, higher than $122.0 million in full-year 2001. This increase also was due to the new customer activity. Intermodal services operating profit in full-year 2002 was $3.1 million. This was an increase of $1.5 million, or 94 percent, from $1.6 million in full-year 2001.

PROPERTY LEASING

Prior to excluding properties treated as discontinued operations (described further below), operating profit from property leasing activities in the fourth quarter of 2002 was $8.4 million. This was $0.4 million, or five percent, greater than $8.0 million in the fourth quarter of 2001. Fourth quarter 2002 occupancy levels for Mainland properties averaged 94 percent, versus 93 percent in the fourth quarter of 2001. The fourth quarter 2002 occupancy level for Hawaii properties was 90 percent, versus 88 percent in the fourth quarter of 2001. The improvement was due to contributions from newly acquired properties and re-tenanting of available space.

In full-year 2002, also prior to excluding several properties treated as discontinued operations, property leasing operating profit was $32.9 million. This was $1.2 million, or four-percent, lower than the $34.1 million earned in full-year 2001. Year-to-date 2002 occupancy levels for Mainland properties averaged 92 percent, versus 93 percent in full-year 2001. Average occupancy levels for Hawaii properties were 89 percent, versus 90 percent in the comparable period of 2001. Lower operating profit was the net result of lower occupancies and higher expenses, offset, in part, by contributions from newly acquired properties.

During 2002, four properties in the leasing portfolio were sold and three acquired. Sold were two shopping centers, in Colorado and Southern California, and two industrial properties, in Texas and California. A&B acquired a 180,000 square foot shopping center in Mililani (Oahu), Hawaii; a 68,000 square foot shopping center in Long Beach, Calif.; and a 396,000 square foot warehouse/office property in Sparks, Nev.

PROPERTY SALES

Prior to treating several properties as discontinued operations, property sales revenue totaled $31.9 million in the fourth quarter of 2002, compared with $11.9 million in the fourth quarter of 2001. In the fourth quarter of 2002, operating profit resulting from property sales was $5.2 million, an increase of $2.6 million, from $2.6 million in the fourth quarter of 2001. Results for the fourth quarter of 2002 include the sales of a shopping center and an industrial property in Southern California, plus a number of lots in a business park on Maui. Sales in the fourth quarter of 2001 included no similar income-producing properties. Variability in sales revenue and operating profit is an inherent characteristic of property sales activity.

Property sales revenue totaled $93.0 million in full-year 2002. That was $3.8 million, or four percent, more than $89.2 million in full-year 2001. In full-year 2002, operating profit resulting from property sales was $19.4 million. This was $1.5 million, or eight percent, more than the $17.9 million in full-year 2001. Sales in 2002 included a number of developed, income-producing properties, whereas 2001 had a larger number of lower-margin residential properties.

As a result of the adoption by A&B of SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" in 2001, the sales of certain income-producing assets--even individual buildings within a real estate portfolio-- now are reported as "discontinued operations" if their earnings and cash flows are separately identifiable and are material. One additional property was so classified in the fourth quarter and, in the full year, a total of nine were. The after-tax gains on the sales, and the current and historical earnings of all of these properties, are classified in the financial statements under the caption "Discontinued Operations: Properties."

FOOD PRODUCTS

In the fourth quarter of 2002, the food products segment had an operating profit of $5.9 million. That was an improvement of $9.8 million from the operating loss of $3.9 million in the fourth quarter of 2001. The improvement was primarily due to higher sugar production and lower costs per ton. Also, in the fourth quarter of 2001, there had been a write-off of residual power generating assets.

In full-year 2002, food products had an operating profit of $13.8 million. This was $8.1 million greater than the $5.7 million in full-year 2001. 2002 benefited from greater production and sales of raw and specialty sugars and molasses; higher sugar and molasses prices; tight cost control; higher power sales; and better results from a residual investment in C&H Sugar Company, Inc. The previously mentioned write-off of power-generating assets also depressed the 2001 results.

"OTHER" SEGMENT BEING DISCONTINUED

This release marks the last time that the "Other" segment will be shown. Substantially all of the revenue and operating profit for this category ended with the sales of bank stock holdings in calendar year 2001.

BALANCE SHEET COMMENTS

Balances on deposit in the Capital Construction Fund have risen by a net of $50.0 million since year-end 2001. The increase reflects the deposit of proceeds from the sale of two vessels early in 2002 and additional deposits during the third quarter, in preparation for Matson's construction and purchase of two new ships. Current liabilities declined and debt balances rose, primarily reflecting tax payments due in 2002 for the sale of bank stock in late 2001. Other long-term liabilities rose by $45.4 million, primarily due to recording an additional minimum pension liability, pursuant to pension accounting rules.

CASH FLOW COMMENT

Most of the substantial changes in the cash flow summary derive from the previously mentioned sales of bank stocks, and associated tax payments.

Alexander & Baldwin, Inc., headquartered in Honolulu, is engaged in ocean transportation and intermodal services, 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. Statements in this press release that are not historical facts are "forward-looking" statements that involve a number of risks and uncertainties described on page 19 of the Company's Annual Report on Form 10-K, which is included in the Company's 2001 annual report to shareholders, and in subsequent filings of Forms 10-Q. These factors could cause actual results to differ materially from those projected in the statements.

ALEXANDER & BALDWIN, INC.

2002 and 2001 Fourth-Quarter And Full-Year Results

Three Months Ended December 31:	2002	2001
Revenue	$281,873,000	$355,188,000
Income From Continuing Operations	$13,490,000	$53,202,000
Discontinued Operations: Properties(1)	$3,837,000	$866,000
Discontinued Operations:		
Agriculture(2)	-	($7,700,000)
Net Income	$17,327,000	$46,368,000
Basic Share Earnings		
Continuing Operations	$0.33	$1.31
Net Income	$0.43	$1.15
Diluted Share Earnings		
Continuing Operations	$0.33	$1.31
Net Income	$0.42	$1.15
Average Shares Outstanding	41,211,000	40,498,000

Year Ended December 31:		
Revenue	$1,088,885,000	$1,189,152,000
Income From Continuing Operations	$46,498,000	$116,382,000
Discontinued Operations: Properties(1)	$11,658,000	$3,431,000
Discontinued Operations:		
Agriculture(2)	-	($9,185,000)
Net Income	$58,156,000	$110,628,000
Basic Share Earnings		
Continuing Operations	$1.13	$2.87
Net Income	$1.42	$2.73
Diluted Share Earnings		
Continuing Operations	$1.13	$2.86
Net Income	$1.41	$2.72
Average Shares Outstanding	41,008,000	40,535,000

(1) "Discontinued Operations: Properties" consists of sales, or intended sales, of certain lands and buildings that are material and have separately identifiable earnings and cash flows.

(2) "Discontinued Operations: Agriculture" consists of an abandoned panelboard manufacturing business.

Industry Segment Data, Net Income

(In Thousands)

	Three Months Ended December 31,		Year Ended December 31,	
	2002	2001	2002	2001
Revenue:				

Transportation				
Ocean Transportation	$174,705	$160,321	$686,927	$682,272
Intermodal Services	52,426	30,909	195,114	121,960
Property Development & Management				
Leasing	19,107	17,996	73,087	70,685
Sales	31,853	11,854	92,965	89,156
Less Amounts Reported In Discontinued Operations	(29,697)	(2,480)	(71,935)	(9,913)
Food Products	33,479	25,420	112,727	105,976
Other	-	111,168	-	129,016
Total Revenue	$281,873	$355,188	$1,088,885	$1,189,152

Operating Profit, Net Income:

Transportation				
Ocean Transportation	$9,243	$1,580	$42,430	$60,704
Intermodal Services	623	271	3,068	1,560
Property Development & Management				
Leasing	8,400	8,016	32,905	34,139
Sales	5,220	2,564	19,418	17,926
Less Amounts Reported In Discontinued Operations	(6,109)	(1,375)	(18,565)	(5,446)
Food Products	5,864	(3,886)	13,841	5,660
Other	-	109,921	-	127,635
Total Operating Profit	23,241	117,091	93,097	242,178
Writedown of C&H	-	(28,600)	-	(28,600)
Interest Expense	(2,718)	(3,679)	(11,680)	(18,658)
Corporate Expenses	(3,630)	(3,301)	(13,185)	(13,161)
Income From Continuing Operations Before Income Taxes	16,893	81,511	68,232	181,759
Income Taxes	(3,403)	(28,309)	(21,734)	(65,377)
Income From Continuing Operations	13,490	53,202	46,498	116,382
Discontinued Operations: Properties	3,837	866	11,658	3,431
Discontinued Operations: Agriculture	-	(7,700)	-	(9,185)
Net Income	$17,327	$46,368	$58,156	$110,628
Basic Earnings Per Share, Continuing Operations	$0.33	$1.31	$1.13	$2.87
Basic Earnings Per Share, Net Income	$0.43	$1.15	$1.42	$2.73
Average Shares	41,211	40,498	41,008	40,535

Consolidated Balance Sheets

(In Thousands)

	December 31, 2002	December 31, 2001
ASSETS		
Current Assets	$233,671	$220,014
Investments	32,923	33,021

Real Estate Developments	42,050	47,840
Property, Net	942,574	977,048
Capital Construction Fund	208,400	158,737
Other Assets	137,951	107,759
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Total	$1,597,569	$1,544,419
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LIABILITIES & EQUITY		
Current Liabilities	$151,087	$195,569
Long-Term Debt	247,789	207,378
Post-Retirement Benefit Obligs.	42,640	42,915
Other Long-Term Liabilities	94,602	49,181
Deferred Income Taxes	337,803	338,709
Shareholders' Equity	723,648	710,667
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Total	$1,597,569	$1,544,419
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Consolidated Statements of Cash Flows

(In Thousands)

	Year Ended December 31, 2002	2001
Operating Cash Flows	$55,654	$150,968
Capital Expenditures	(44,613)	(99,183)
CCF Deposits, Net	(53,663)	(7,854)
Proceeds From Sale of Bank Stocks	-	134,720
Proceeds From Issuance of (Payment of) Debt, Net	30,100	(134,100)
Repurchases of Capital Stock	-	(2,270)
Dividends Paid	(36,889)	(36,488)
All Other, Net	30,678	10,047
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Increase/(Decrease) In Cash	$(18,733)	$15,840
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Depreciation	$70,717	$75,433
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