



ALEXANDER & BALDWIN

A&B Reports 1st Quarter 2004 Earnings of \$27.1 Million; Earnings Per Share Of \$0.64 Up 49 Percent

April 21, 2004

HONOLULU--(BUSINESS WIRE)--April 21, 2004--Alexander & Baldwin, Inc. (NASDAQ:ALEX) today reported first quarter 2004 net income of \$27,100,000, or \$0.64 per share. Net income in the first quarter of 2003 was \$17,600,000, or \$0.43 per share. Revenue in the first quarter of 2004 was \$344,900,000, compared with revenue of \$273,400,000 in the first quarter of 2003.

COMMENTS ON QUARTER, OUTLOOK

"Results in the quarter were excellent," said Allen Doane, president and chief executive officer of A&B. "A&B's real estate business had exceptional performance--the combination of our increased investments coinciding with favorable market conditions in Hawaii. Most importantly, having acquired all the undeveloped land at Wailea on Maui in October 2003, we are encouraged by the strong initial sales at Golf Vistas, our first transactions at Wailea. In addition, sales performance was strong at a number of other Hawaii development projects.

"Matson had a good quarter, in line with our expectations. Container volume continued to grow, reflecting improved economic conditions in Hawaii. The first quarter is generally the weakest for Matson. Although we do not expect year-to-year increases in Matson's quarterly profitability as significant as was experienced in the first quarter of 2004, profit margins should increase for the remaining three quarters due to normal seasonality.

"Improved income for food products is likely to be a one-quarter event. Sugar prices are lower than the prior year and sugar production is significantly below plan as heavy rainfall has delayed harvesting.

"Overall, A&B is on track to achieve increased earnings in 2004."

TRANSPORTATION--OCEAN TRANSPORTATION

Quarter Ended March 31			
Dollars in Millions	2004	2003	Change
Revenue	\$196.5	\$186.1	6%
Operating Profit	\$18.6	\$12.1	54%
Volume (Units)			
Hawaii Containers	39,700	39,000	2%
Hawaii Automobiles	36,300	37,500	-3%

Operating profit improved strongly in ocean transportation. During the first quarter of 2003, Matson's expenses were higher than normal due to aftereffects of West Coast labor disruptions late in 2002. The improvement this quarter was primarily due to improved cargo yield and mix, higher container volumes in the Hawaii and Guam services, several one-time vessel revenue-charters and improved operating results from joint ventures. Partially offsetting the improvements were higher costs for longshore services, vessel operating expenses and depreciation. The decrease in automobile carriage was primarily the result of an unusually high level of carryover volume in early 2003, following the port disruptions on the West Coast.

TRANSPORTATION--LOGISTICS SERVICES

Quarter Ended March 31			
Dollars in Millions	2004	2003	Change
Revenue	\$74.1	\$51.0	45%
Operating Profit	\$1.0	\$0.5	100%

Record revenue for Matson Integrated Logistics, Inc. in the first quarter of 2004 was due mainly to greater customer volume, principally in the highway sector. Along with internal growth, the revenue boost reflected an acquisition in late 2003. At \$1.0 million, operating profit in the quarter doubled from

the same period in 2003.

PROPERTY DEVELOPMENT & MANAGEMENT--LEASING

Quarter Ended March 31			
Dollars in Millions	2004	2003	Change
Revenue	\$20.8	\$19.1	9%
Operating Profit	\$9.5	\$8.6	10%
Occupancy Rates			
Mainland	94%	87%	7%
Hawaii	90%	89%	1%

Growth in first quarter 2004 revenue and operating profit was primarily the result of higher occupancies in the Mainland leasing portfolio and higher contributions from replacement income-producing properties acquired since the first quarter of 2003.

PROPERTY DEVELOPMENT & MANAGEMENT--SALES

Quarter Ended March 31			
Dollars in Millions	2004	2003	Change
Revenue(1)	\$40.1	\$16.7	2.4X
Operating Profit(1)	\$19.0	\$11.6	64%

(1) Before removing amounts treated as discontinued operations.

The first quarter of 2004 was an unusually strong period for property sales. Lots or units in residential and industrial projects were a large part of the mix, as opposed to sales of large developed or undeveloped properties. Prominent among the sales during the first quarter of 2004 were seven lots at Maui Business Park, nine lots at Mill Town Center on Oahu, seven and one-half floors at Alakea Corporate Tower in Honolulu and 21 resort residential lots at Wailea Golf Vistas. A 71-acre parcel on Maui also was sold and there were 11 sales of homes at the Kai Lani joint venture on Oahu, closing out that project.

Among the larger sale transactions in the first quarter of 2003 were a seven-acre commercial parcel on Maui, three lots at Maui Business Park, and five residential lots at The Summit at Kaanapali. Joint venture sales included 15 homes at Kai Lani and 17 at Holoholo Ku on the island of Hawaii.

FOOD PRODUCTS

Quarter Ended March 31			
Dollars in Millions	2004	2003	Change
Revenue	\$13.4	\$14.9	- 10%
Operating Profit	\$2.6	\$1.9	37%
Tons Sugar Produced	11,700	18,700	- 37%

In the first quarter of 2004, lower food products revenue resulted primarily from lower production and lower prices for raw sugar. Wet weather unfavorably affected harvest operations. The improvement in operating profit was due to a combination of higher electrical power sales and greater sales of specialty sugars.

COMMENTS ON TAX RATE, BALANCE SHEET

Net income reflects an estimated tax rate of 37.5 percent. Comparing the quarter-end balance sheets with year-end 2003, the changes were relatively few and quite small. The investments account rose by \$14 million, primarily reflecting investment in the Hokua luxury high-rise joint venture. The \$24 million rise in shareholders equity was primarily due to income, but a portion of the increase also was due to the exercise of stock options.

COMMENTS ON CASH FLOW, CAPEX

Comparing the first quarters of 2004 and 2003, operating cash flows increased by a net \$43 million. The increase was due principally to better operating results in 2004 and, especially, the sales of real estate. Capital expenditures were \$3 million lower, primarily the result of timing.

Alexander & Baldwin, Inc., headquartered in Honolulu, is engaged in ocean transportation and intermodal services, through its subsidiaries, Matson

Navigation Company, Inc. and Matson Integrated Logistics, 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 21 of the Company's Annual Report on Form 10-K, which is included in the Company's 2003 annual report to shareholders. These factors could cause actual results to differ materially from those projected in the statements.

ALEXANDER & BALDWIN, INC.

2004 and 2003 First-Quarter Results

	2004	2003
Three Months Ended March 31:		
Revenue	\$344,900,000	\$273,400,000
Income From Continuing Operations	\$26,800,000	\$10,700,000
Discontinued Operations: Properties(1)	\$300,000	\$6,900,000
Net Income	\$27,100,000	\$17,600,000
Basic Share Earnings		
Continuing Operations	\$0.63	\$0.26
Net Income	\$0.64	\$0.43
Diluted Share Earnings		
Continuing Operations	\$0.62	\$0.26
Net Income	\$0.63	\$0.42
Average Shares Outstanding	42,300,000	41,400,000

(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.

Industry Segment Data, Net Income
(In Millions, Except Per Share Amounts, Unaudited)

	Three Months Ended	
	March 31,	
	2004	2003
Revenue:		
Transportation		
Ocean Transportation	\$196.5	\$186.1
Logistics Services	74.1	51.0
Property Development & Management		
Leasing	20.8	19.1
Sales	40.1	16.7
Less Amounts Reported In		
Discontinued Operations	-	(14.4)
Food Products	13.4	14.9
Total Revenue	\$344.9	\$273.4

Operating Profit, Net Income:

Transportation		
Ocean Transportation	\$18.6	\$12.1
Logistics Services	1.0	0.5
Property Development & Management		
Leasing	9.5	8.6
Sales	19.0	11.6
Less Amounts Reported In		
Discontinued Operations	(0.4)	(11.2)
Food Products	2.6	1.9
Total Operating Profit	50.3	23.5
Interest Expense	(3.3)	(2.6)

Corporate Expenses	(4.1)	(4.1)	

Income From Continuing Operations			
Before Income Taxes	42.9	16.8	
Income Taxes	(16.1)	(6.1)	

Income From Continuing Operations		26.8	10.7
Discontinued Operations: Properties		0.3	6.9

Net Income	\$27.1	\$17.6	
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Basic Earnings Per Share, Continuing Operations		\$0.63	\$0.26
Basic Earnings Per Share, Net Income		\$0.64	\$0.43
Average Shares	42.3	41.4	

Consolidated Balance Sheets
(In Millions)

	March 31,	December 31,	
	2004	2003	

(Unaudited)			
ASSETS			
Current Assets	\$253	\$247	
Investments	82	68	
Real Estate Developments		82	77
Property, Net	1,061	1,079	
Capital Construction Fund		165	165
Other Assets	123	124	

Total	\$1,766	\$1,760	
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LIABILITIES & EQUITY			
Current Liabilities	\$177	\$183	
Long-Term Debt	320	330	
Post-Retirement Benefit Obligs.		44	44
Other Long-Term Liabilities	37	36	
Deferred Income Taxes	353	356	
Shareholders' Equity	835	811	

Total	\$1,766	\$1,760	
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Consolidated Statements of Cash Flows
(In Millions)

	Quarter Ended		
	March 31,		
	2004	2003	

(Unaudited)			
Operating Cash Flows	\$50	\$7	
Capital Expenditures	(9)	(12)	
CCF Withdrawals/(Deposits), Net	(1)	(1)	
Proceeds From Issuance of (Payment of)			
Debt, Net	(9)	14	

Dividends Paid	(9)	(9)	
All Other, Net	(7)	2	

Increase/(Decrease) In Cash		\$15	\$1
	=====		=====
Depreciation	\$19	\$18	
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CONTACT:

Alexander & Baldwin, Inc.
John B. Kelley, 808-525-8422
invrel@abinc.com

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