



ALEXANDER & BALDWIN

A&B Properties Buys Phoenix, Arizona Office Building

December 27, 2006

Three-Story Building is A&B's Third Phoenix Office Property

HONOLULU--(BUSINESS WIRE)--Dec. 27, 2006--A&B Properties, Inc., the real estate subsidiary of Alexander & Baldwin, Inc. (NASDAQ: ALEX), and related companies have purchased for \$24.7 million the three-story Concorde Commerce Center, located approximately 11 miles from downtown Phoenix, AZ., in the Northwest office submarket. The transaction closed on December 22nd. The acquisition is intended to be financed entirely with proceeds from the sale of other properties in Section 1031 tax-deferred exchanges. Concorde Commerce Center is 93 percent occupied by three national tenants.

The 9.4 acre property was acquired from Opus Real Estate Arizona, L.C.C. The steel-framed structure with glass curtain walls offers a total of 138,500 square-feet of leasable space and convenient access to the I-17 Freeway - Phoenix's main north/south arterial that connects to the I-10 and Loop 101 freeways.

"Following the June 2006 sale of two retail shopping centers, A&B is again investing in Arizona as a result of the area's consistent job growth - which exceeded five percent last year - increasing population, commitment to expanding its transportation infrastructure, and a relatively low cost of living," explained Norbert M. Buelsing, executive vice president of A&B Properties, Inc. "Phoenix continues to be an attractive investment market." The Phoenix metropolitan region encompasses more than 1.4 million residents, making it the sixth largest metropolitan area in the United States. Population there increased 15.3 percent from 2000 to 2005.

The Concorde Commerce Center was constructed in 1998. Tenants at the property include Star HRG, a subsidiary of Connecticut Life, which occupies 87,000 square feet; Health Dialog, which occupies 28,000 square feet; and Fiserve Solutions, a Fortune 500 company that provides information management systems to financial and health benefit industries, which occupies 12,500 square feet.

Including the Concorde property, A&B's income portfolio of commercial properties in Hawaii and on the U. S. mainland consists of approximately 5.3 million square feet of leasable retail, office and industrial space. A&B owns over 89,000 acres in Hawaii, making it the state's fourth largest private landowner. The majority of A&B's recent acquisition and investment activity has been focused on Hawaii, where various A&B development projects are ongoing on Oahu, Maui, Kauai and the Big Island.

A&B Properties, Inc. (www.abprop.com) is the real estate subsidiary of Alexander & Baldwin, Inc., a diversified corporation headquartered in Honolulu. A&B's major lines of business are ocean transportation (Matson Navigation Company, Inc. and Matson Integrated Logistics, Inc.); real estate (A&B Properties, Inc.); and food products (Hawaiian Commercial & Sugar Company, 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," within the meaning of the Private Securities Litigation Reform Act of 1995, that involve a number of risks and uncertainties that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Factors that could cause actual results to differ materially from those contemplated in the statements include, without limitation, overall economic conditions, failure to satisfy the closing conditions set forth in the definitive agreement and other risks associated generally with acquisitions and developments. These forward-looking statements are not guarantees of future performance. This release should be read in conjunction with our Annual Report on Form 10-K and our other filings with the SEC through the date of this release, which identify important factors that could affect the forward-looking statements in this release.

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SOURCE: Alexander & Baldwin, Inc.