

## A&B Properties Acquires Kahala Avenue Residential Portfolio

### Unique Opportunity to Create Value Uplift in Honolulu's Premier Residential Neighborhood

HONOLULU, Sept. 10, 2013 /PRNewswire/ -- A&B Properties, Inc. ("A&B Properties"), a wholly owned subsidiary of Alexander & Baldwin, Inc. (NYSE: ALEX) ("Company" or "A&B"), announced today that it has acquired a portfolio of 31 properties from Japanese real estate investor Genshiro Kawamoto for approximately \$98 million.

Twenty-seven of the properties are located on Kahala Avenue, Honolulu's premier residential address, which runs along the ocean from Diamond Head to Waiialae Country Club, home of the Sony Open, and the world-famous Kahala Hotel & Resort. The 27 properties represent nearly 16% of the residential lots on Kahala Avenue, with about half of the lots having ocean frontage or beach access. A&B plans to reposition and refurbish the properties to take advantage of the continuing improvement in the Honolulu real estate market.

(Logo: <http://photos.prnewswire.com/prnh/20120801/LA50085LOGO>)

"The opportunistic acquisition of this highly coveted residential land portfolio in Hawaii represents a significant investment in a key Oahu market and reflects A&B's confidence in Hawaii's economy and real estate markets," said Christopher J. Benjamin, A&B's president & chief operating officer. "From a strategic perspective, the transaction highlights our competitive strengths in Hawaii. We were able to leverage our local market knowledge and relationships to complete an off-market transaction at attractive pricing. Our experience and balance sheet strength allowed us to negotiate and close the all-cash deal in less than 90 days, once the seller indicated a willingness to sell, and we anticipate achieving investment returns consistent with our past Hawaii investments."

"Through this transaction, we have acquired a significant position in Kahala real estate -- nearly 90% of the current inventory on Kahala Avenue, a well-established, world-class residential Honolulu community for local and offshore homeowners," noted Michael G. Wright, executive vice president, A&B Properties. "We will be focused on cleaning up these properties, and anticipate a full recovery in property values. This acquisition is truly a once-in-a-lifetime opportunity, and we are gratified to see our efforts come to fruition."

The acquired portfolio includes 27 fully entitled Kahala residential properties encompassing 13.7 acres, as well as two residential lots and a preservation-zoned parcel in Windward Oahu, and a 146-acre agricultural-zoned parcel in Kihei, Maui. The Kahala residential properties include eight oceanfront lots (6.5 acres); one oceanfront home/lot (0.8 acres); five non-oceanfront lots (1.7 acres) and one home (0.2 acres) located on the makai, or ocean, side of Kahala Avenue; and six lots (2.4 acres) and six homes (2.1 acres) located on the mauka, or mountain, side of Kahala Avenue. The land-only component of the tax assessed value of the 31 properties acquired totals \$117.6 million. Sales will commence immediately and continue over a projected three- to five-year timeframe.

#### About A&B Properties

A&B Properties is the real estate subsidiary of Alexander & Baldwin, Inc., Hawaii's fourth largest private landowner, holding over 87,000 acres primarily on the islands of Maui and Kauai. A&B Properties' diverse real estate holdings include projects on Oahu, Maui, Kauai, the Big Island and in California, and a commercial property/investment portfolio of 47 properties located in Hawaii and eight mainland states comprising eight million square feet of retail, office and industrial space. Additional information may be found at A&B Properties' web site, [www.abprop.com](http://www.abprop.com).

#### About Alexander & Baldwin

Alexander & Baldwin, Inc. is a premier Hawaii land company, with interests in real estate development, commercial real estate and agriculture. With ownership of over 87,000 acres in Hawaii, A&B is the state's fourth largest private landowner, and is one of the state's most active real estate investors. A&B has a diverse portfolio of real estate development projects throughout Hawaii, and a commercial property portfolio comprising eight million square feet of leasable space in Hawaii and on the U.S. mainland. It is also the owner and operator of the Hawaiian Commercial & Sugar plantation on Maui, and a significant provider of renewable energy on the islands of Maui and Kauai. Additional information about A&B may be found at [www.alexanderbaldwin.com](http://www.alexanderbaldwin.com).

#### Forward-Looking Statements

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. These forward-looking statements are not guarantees of future performance. This release should be read in conjunction with pages 18-28 of Alexander & Baldwin, Inc.'s 2012 Form 10-K and 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. We do not undertake any obligation to update our forward-looking statements.

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SOURCE A&B Properties, Inc.

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