

Alexander & Baldwin acquires three premier Hawai'i retail centers

HONOLULU, Feb. 26, 2018 /PRNewswire/ -- Alexander & Baldwin (NYSE: ALEX) ("A&B" or the "Company") further solidified its position as Hawai'i's foremost owner of grocery/drug-anchored shopping centers with the acquisition of three premier retail centers: Lualani Village Shopping Center ("Lualani Village"), Hokulei Village Shopping Center ("Hokulei Village") and Pu`unene Shopping Center.

A&B acquired the shopping centers from California-based Terramar Retail Centers, LLC, for \$254 million, including the assumption of \$62 million in mortgage debt. The transaction closed on February 23, 2018.

"The acquisition of these three centers enables us to complete the strategic migration of our commercial real estate portfolio from the U.S. mainland back to Hawaii. This reinvestment in our local communities has been aided by our conversion to a real estate investment trust last year, and we are pleased to bring these important centers under local ownership," said Chris Benjamin, A&B president and CEO.

Lance Parker, A&B chief real estate officer said, "All three of these centers are high-quality, newly constructed projects that provide convenience and value to their surrounding communities, much like the other centers in our Hawai'i portfolio. We are excited to work with our new tenants to help them succeed in serving their customers and neighborhoods, and we look forward to having these strategic assets in our portfolio attract new tenants to the islands."

Lualani Village, located in Ewa Beach, Oahu, is a new, 175,000 square-foot community retail center that provides A&B with a strategic presence in West Oahu, one of Hawai'i's highest growth markets. Lualani Village is 95 percent leased and anchored by Safeway, Ross Stores, Petco and City Mill, and also features other tenants such as Buffalo Wild Wings, Teddy's Bigger Burgers, Starbucks and Panda Express.

Hokulei Village, a new neighborhood retail center, is located in Lihue, Kaua'i. A&B's first grocery-anchored retail center on the island, Hokulei Village is a 103,000 square-foot center that is 97 percent leased to tenants including Safeway, Petco, American Savings Bank, Chevron, Jack in the Box, Dominos and Panda Express.

Pu`unene Shopping Center, completed in 2017, is a 113,000 square-foot retail center in Kahului, Maui, collocated with the island's only Target store. Existing and signed tenants include Ulta Beauty, Starbucks, Petco, Maui Tacos, Massage Envy, Planet Fitness and Verizon.

Terms of the Transaction & Mainland Disposition Program

The acquisition is expected to be financed primarily with proceeds from the sales of A&B's final mainland commercial real estate properties and the assumption of a \$62 million mortgage. Other asset sale proceeds and cash are expected to be used to finance the balance, or about 15%, of the acquisition cost. The disposition of the Company's seven mainland properties commenced in the fourth quarter of 2017 and is currently expected to be completed by mid-2018. Although the Company expects to realize an aggregate gain on the disposition of the remaining mainland commercial properties that will fund the acquisition, the Company's fourth quarter results included a net charge of \$16.1 million due to impairment charges on three of the seven assets that were held for sale and under contract as of year-end, partially offset by a gain on a mainland property sold.

Since 2012, A&B has invested nearly \$1.8 billion in Hawai'i, including \$400 million of commercial real estate capital from assets across the U.S. mainland migrated back to the islands. During this time, A&B also contributed more than \$5 million to non-profit and community organizations across the state.

ABOUT ALEXANDER & BALDWIN

[Alexander & Baldwin, Inc.](http://www.alexanderbaldwin.com) is Hawai'i's premier commercial real estate company and the state's foremost owner of grocery/drug-anchored retail centers. With a portfolio of approximately 87,000 acres in Hawai'i, A&B is the state's fourth largest private landowner. A&B is a fully integrated real estate investment trust and owns, operates and manages 4.1 million square feet of retail, industrial and office space primarily in Hawai'i and on the U.S. Mainland. A&B's interests extend beyond commercial real estate into diversified agriculture, renewable energy, and land stewardship. A&B also is Hawai'i's largest construction materials company and paving contractor. Over its nearly 150-year history, A&B has evolved with the state's economy and played a lead role in the development of the agricultural, transportation, tourism, construction and real estate industries. Learn more about A&B at www.alexanderbaldwin.com.

FORWARD-LOOKING STATEMENTS

Statements in this 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 statements. These forward-looking statements include, but are not limited to, statements regarding possible or assumed future results of operations, business strategies, growth opportunities and competitive positions. Such forward-looking statements speak only as of the date the statements were made and are not guarantees of future performance. Forward-looking statements are subject to a number of risks, uncertainties, assumptions and other factors that could cause actual results and the timing of certain events to differ materially from those expressed in or implied by the forward-looking statements. These factors include, but are not limited to, prevailing market conditions and other factors related to the Company's REIT status and the Company business generally discussed in the Company's most recent Form 10-K, Form 10-Q and other filings with the Securities and Exchange Commission. The information in this call and presentation should be evaluated in light of these important risk factors. We do not undertake any obligation to update the Company's forward-looking statements.

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