



ALEXANDER & BALDWIN, INC.

Third Quarter 2016
Operating & Financial Results
October 27, 2016

DISCLOSURE

Statements in this call and presentation that are not historical facts, including potential benefits, consequences and impact of a potential REIT conversion, 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.

Factors that could cause actual results to differ materially from those contemplated in the statements include, without limitation, those described on pages 17 to 29 of the Company’s 2015 Annual Report on Form 10-K and in our other subsequent filings with the SEC. These forward looking statements are not guarantees of future performance. We do not undertake any obligation to update our forward-looking statements.

GROWING RECURRING EARNINGS FROM COMMERCIAL PORTFOLIO

- Continued strong performance
 - Operating profit of \$13.7M, up 9.6%
 - NOI of \$21.1M*, up 3.4%
 - Same-store NOI of \$19.5M*, up 3.7%
 - Occupancy at 92%
- Future growth opportunities
 - Lau Hala Shops
 - Pearl Highlands Center food court
 - Advancing development for hold efforts



* See appendix for a statement on management's use of non-GAAP financial measures.

SUCCESSFUL RECOMMITMENT TO HAWAII

- In 2012, A&B redoubled its focus on Hawaii
- Since early 2013, nearly \$1.5 billion invested in Hawaii assets, businesses and developments
 - \$740 million into Hawaii commercial properties (\$410 million from exchange of mainland assets)
 - \$325 million into real estate development projects (condo towers, Kahala properties other developments)
 - \$420 million into infrastructure and energy (Grace Pacific, solar farms, related investments)
- Benefits of local focus are growing
 - Deal flow enhanced by clarity around A&B's strategy
 - Tenants benefit from multi-property leases
 - Community benefits as A&B reinvests in existing assets, new development

EXPLORATION OF REIT CONVERSION

- Considerable growth in and concentration of commercial portfolio facilitates look at structure
- Board approved an in-depth exploration of REIT conversion
- Potential benefits of REIT conversion
 - Could level playing field with other REITs in competing for Hawaii commercial assets
 - Access and exposure to real estate focused investors and analysts
 - Inclusion in major REIT indices
- More efficient operating structure that accommodates all planned A&B business lines

EXPLORATION OF REIT CONVERSION

- Retained advisors
 - Skadden (legal)
 - Goldman Sachs (financial)
 - EY (accounting)
 - Green Street Advisors (market acceptance and disclosure)
- Investor Day on Wednesday, November 2, in NYC
 - Commercial real estate portfolio strategy and growth
 - Address potential REIT structure

ACTIVE DEVELOPMENTS

- The Collection (Oahu)
 - Delivery of units commences in late November
- Ka Milo (Big Island)
 - Sold 6 units in 3Q16 at an average \$720 per sf of living area



KUKUI'ULA

	Closed 1/1/16 – 9/30/16		Escrow (binding) 9/30/16	
	Qty	Average Price	Qty	Average Price
Lot Sales	3	\$1.1M	1	\$0.8M
Home Sales	5	\$2.9M	9	\$3.2M
Total Sales	8		10	

- 40 homes under construction
 - 26 developer homes
 - 14 member homes
- The Shops at Kukui'ula named "Shopping Center of the Year"



KEALA O WAILEA

- 70-unit low-rise, multi-family joint venture project
- 45 units are under binding contract
 - Average unit price: \$1.1M
 - Average unit size: 1,385 sf
- Construction commenced in December 2015
- 20 units currently under construction
- Delivery of initial units in late 2017



KAMALANI

- Entitled for 630 units
- Build out of 170 affordable units in the first increment
 - Expect sales proceeds and affordable housing credits received to largely cover costs
 - Forty-three affordable units for sale with 21 units under binding contract



DEVELOPMENT SALES

- 268-acre ag parcel in Haiku, Maui sold to County of Maui for \$9.5M
- Kahala Avenue
 - Lot sold for \$3.0M
 - \$3.9M binding contract for a non-oceanfront home expected to close in Nov
 - Seven properties remain, including four large beach front lots



Kahala Avenue Lot Sold in 3Q16

MATERIALS & CONSTRUCTION

- Positive contributor to 3Q16 earnings
 - Operating profit of \$5.6M
 - Adjusted EBITDA of \$9.6M*
- Performance somewhat suppressed by wet weather
- Addition of a crew helped paving
- Backlog remains healthy at \$242.5M

* See appendix for a statement on management's use of non-GAAP financial measures and a required reconciliation.



Grace Paving in East Oahu



New Crushing Facility at Makakilo Quarry

HC&S UPDATE

- Final harvest progressing better than expected
- 3Q16 operating profit of \$1.9M
- Due to favorable experience YTD, Ag pre-tax operating losses and cessation costs expected to be at the favorable end of their previously provided ranges:

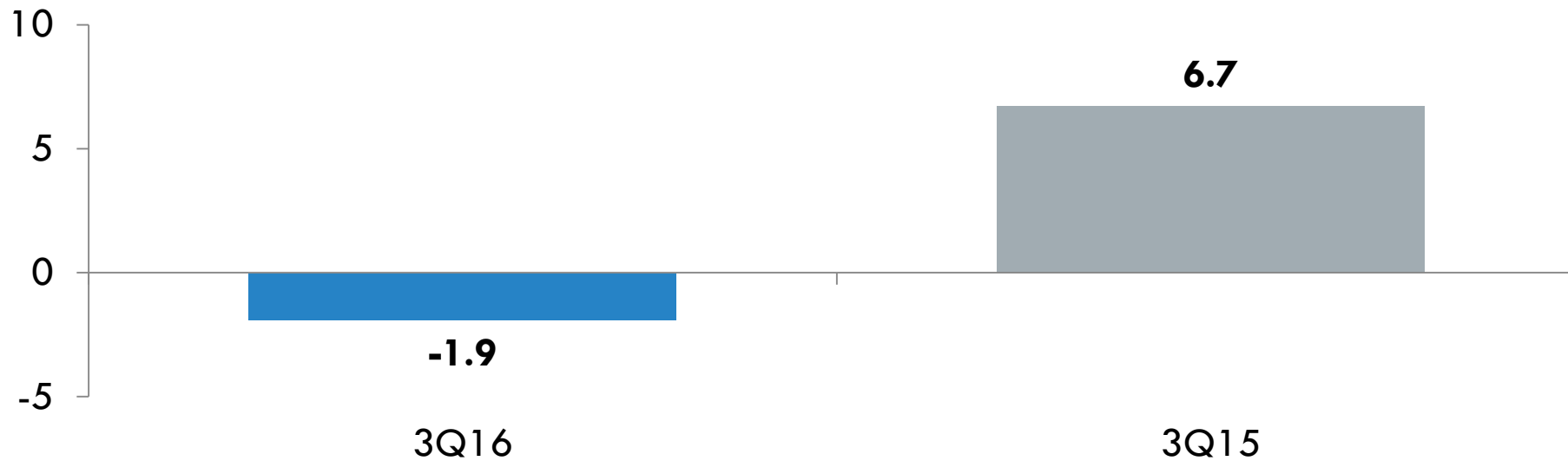
	Range
Agribusiness operations	\$(5)-\$(15) million
HC&S cessation costs	\$(75)-\$(90) million



FINANCIAL UPDATE

3Q16 RESULTS

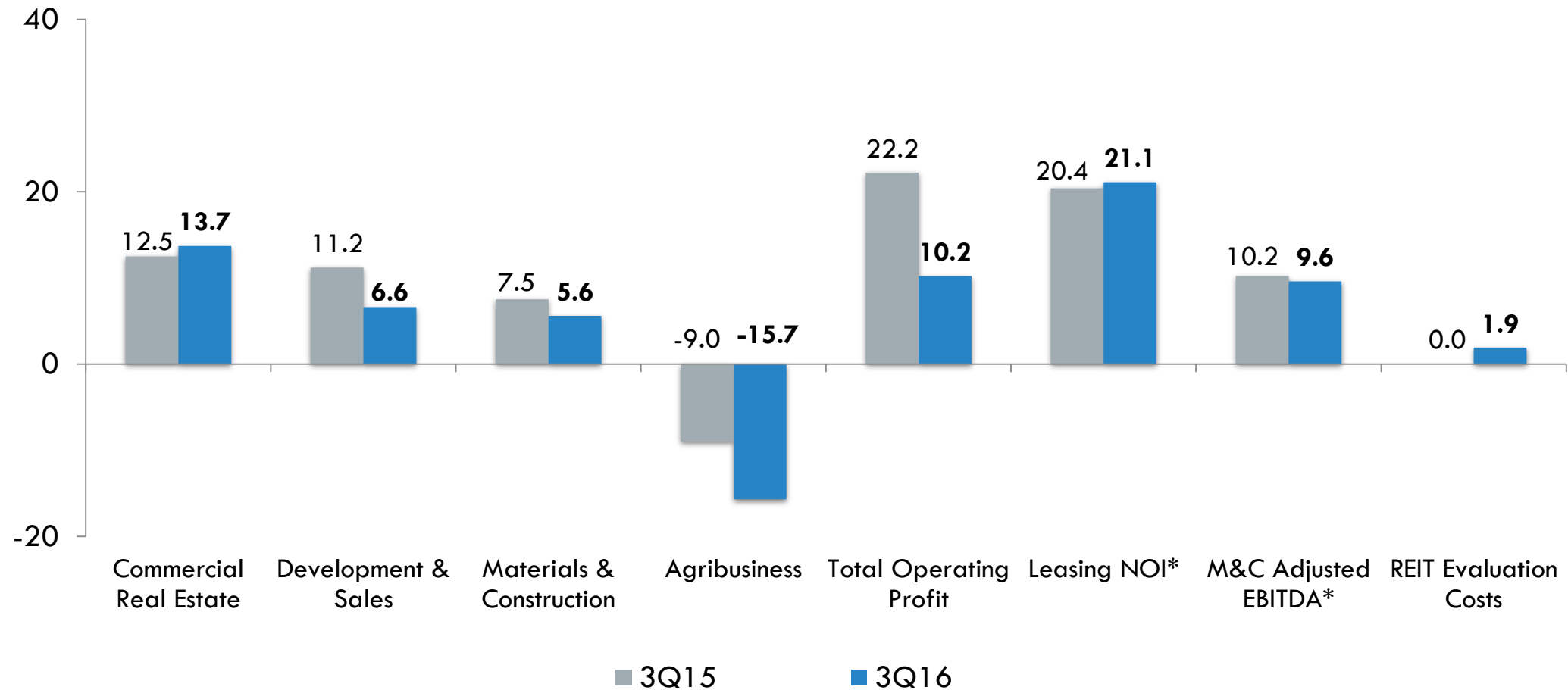
Dollars in Millions, Except Per Share Amounts



Diluted Earnings (Loss) Per Share	
3Q16	3Q15
(0.03)	0.11

3Q16 OPERATING PROFIT, NOI AND M&C EBITDA

Dollars in Millions



* See appendix for a statement on management's use of non-GAAP financial measures.

CONDENSED BALANCE SHEET

Dollars in Millions

Assets	9/30/16	12/31/15
Current assets	145	152
Investments in affiliates	431	416
Real estate developments	192	184
Property, net	1,256	1,269
Other assets	200	221
Total	2,224	2,242
Liabilities & Shareholders' Equity	9/30/16	12/31/15
Current liabilities, excl. current portion of LTD	99	94
Total long-term debt	606	587
Deferred income taxes	184	202
Accrued pension and post-retirement benefits	59	60
Other long-term liabilities and redeemable noncontrolling interest	61	72
Equity	1,215	1,227
Total	2,224	2,242

	9/30/16	12/31/15
Debt to debt + equity	33%	32%
Debt to total assets	27%	26%

DEBT MATURITIES

As of September 30, 2016

Wtd. Avg.
Interest Rate

3.3

5.6

5.3

5.3

3.3

5.0

4.6

4.7

4.4

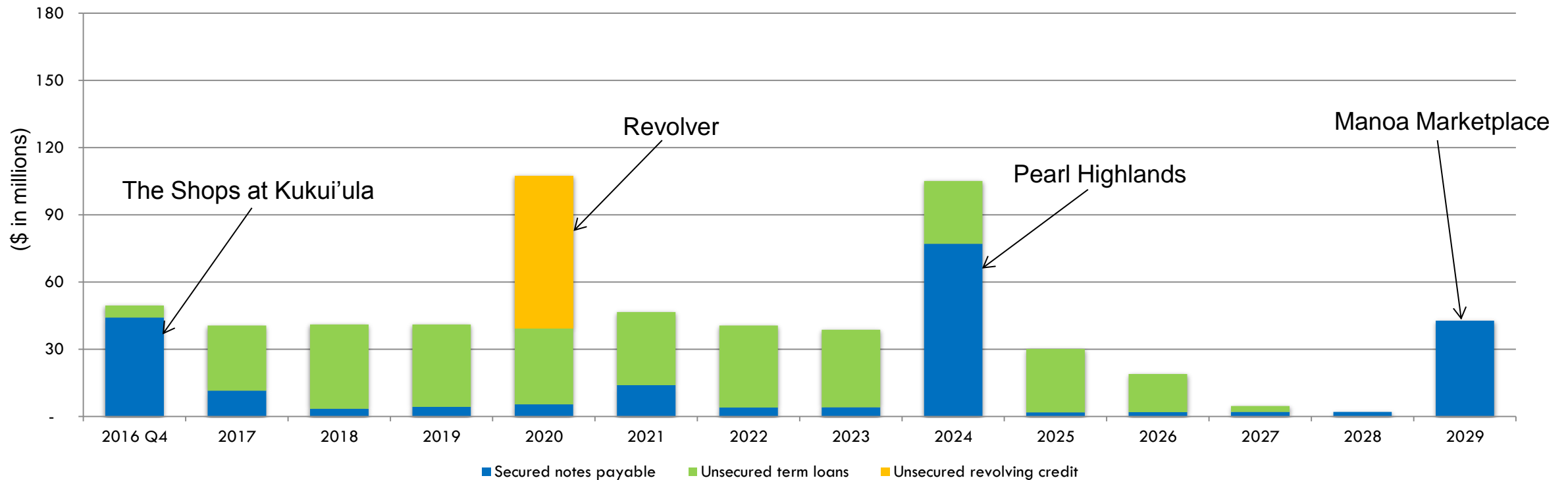
4.9

4.4

3.6

3.1

3.1



CAPITAL EXPENDITURES

Dollars in Millions

	Nine Months Ended 9/30/16	2016
	Actual	Budget
Investment capital		
Development projects/other investments	54	149
Materials & Construction	2	2
Commercial property acquisitions	89	108
Subtotal	145	259
Less: 1031 proceeds/temporary debt	(89)	(108)
Total	56	151
Maintenance capital		
Commercial Real Estate	6	14
Materials & Construction	6	6
Agribusiness/other	2	4
Total	14	24
Net capital expenditures	70	175

CLOSING REMARKS

- Hawaii economy performing well
- Advancing strategic priorities
 - Pursuing repositioning, redevelopment and ground up development to expand our commercial portfolio and grocery-anchored presence
 - REIT conversion evaluation
 - Advancing and monetizing active developments
 - Materially lower losses from the last harvest and sugar cessation
 - Materials & Construction contributed solid cash flows
- More details to come at Investor day in NYC on Nov 2





Artist Rendering



Q&A

USE OF NON-GAAP FINANCIAL MEASURES

The Company calculates NOI as Commercial Real Estate operating profit from continuing operations, and adjusting for general and administrative expenses, straight-line rental adjustments, interest income, interest expense, depreciation and amortization, and gains on sales of interests in real estate. NOI is considered by management to be an important and appropriate supplemental performance metric because management believes it helps both investors and management understand the ongoing core operations of our properties excluding corporate and financing-related costs and noncash depreciation and amortization. NOI is an unlevered operating performance metric of our properties and allows for a useful comparison of the operating performance of individual assets or groups of assets. This measure thereby provides an operating perspective not immediately apparent from GAAP income (loss) from operations or net income (loss). NOI should not be considered as an alternative to GAAP net income as an indicator of the Company's financial performance, or as an alternative to cash flow from operating activities as a measure of the Company's liquidity. Other real estate companies may use different methodologies for calculating NOI, and accordingly, the Company's presentation of NOI may not be comparable to other real estate companies. The Company believes that the Commercial Real Estate segment's operating profit from continuing operations is the most directly comparable GAAP measurement to NOI. A reconciliation of the Commercial Real Estate segment's operating profit to NOI is on the following slide.

RECONCILIATION OF GAAP TO NON-GAAP MEASURES

Dollars in Millions

Dollars in millions	Three Months Ended September 30,		
	2016	2015	Change
Commercial Real Estate segment operating profit	13.7	12.5	
Adjustments:			
Depreciation and amortization	7.0	7.4	
Straight-line lease adjustments	(0.4)	(0.8)	
General, administrative and other expenses	0.8	1.3	
Commercial Real Estate segment NOI	21.1	20.4	3.4%
Acquisitions/ disposition and other adjustments	(1.6)	(1.6)	
Commercial Real Estate same-store NOI	\$19.5	\$18.8	3.7%

USE OF NON-GAAP FINANCIAL MEASURES

The Company presents the non-GAAP measure of EBITDA for the Materials & Construction segment. The Company uses this non-GAAP financial measure when evaluating operating performance for the segment because management believes that EBITDA provides insight into the segment's core operating results, future cash flow generation, and the underlying business trends affecting performance on a consistent and comparable basis from period to period. The Company provides this information to investors as an additional means of evaluating the segment's ongoing core operations. The non-GAAP financial information presented herein should be considered supplemental to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. The Company believes that Materials & Construction operating profit is the most directly comparable GAAP measurement to the segment's EBITDA. A reconciliation of segment operating profit to EBITDA is on the following slide.

RECONCILIATION OF GAAP TO NON-GAAP MEASURES

Dollars in Millions

Dollars in millions	Three Months Ended September 30,		
	2016	2015	Change
Materials & Construction segment operating profit	5.6	7.5	
Depreciation & amortization expense	2.9	3.0	
Income attributable to noncontrolling interest	(0.5)	(0.3)	
Non-cash write down of land at an unconsolidated affiliate	1.6	-	
Materials & Construction segment EBITDA	9.6	10.2	(5.9)%

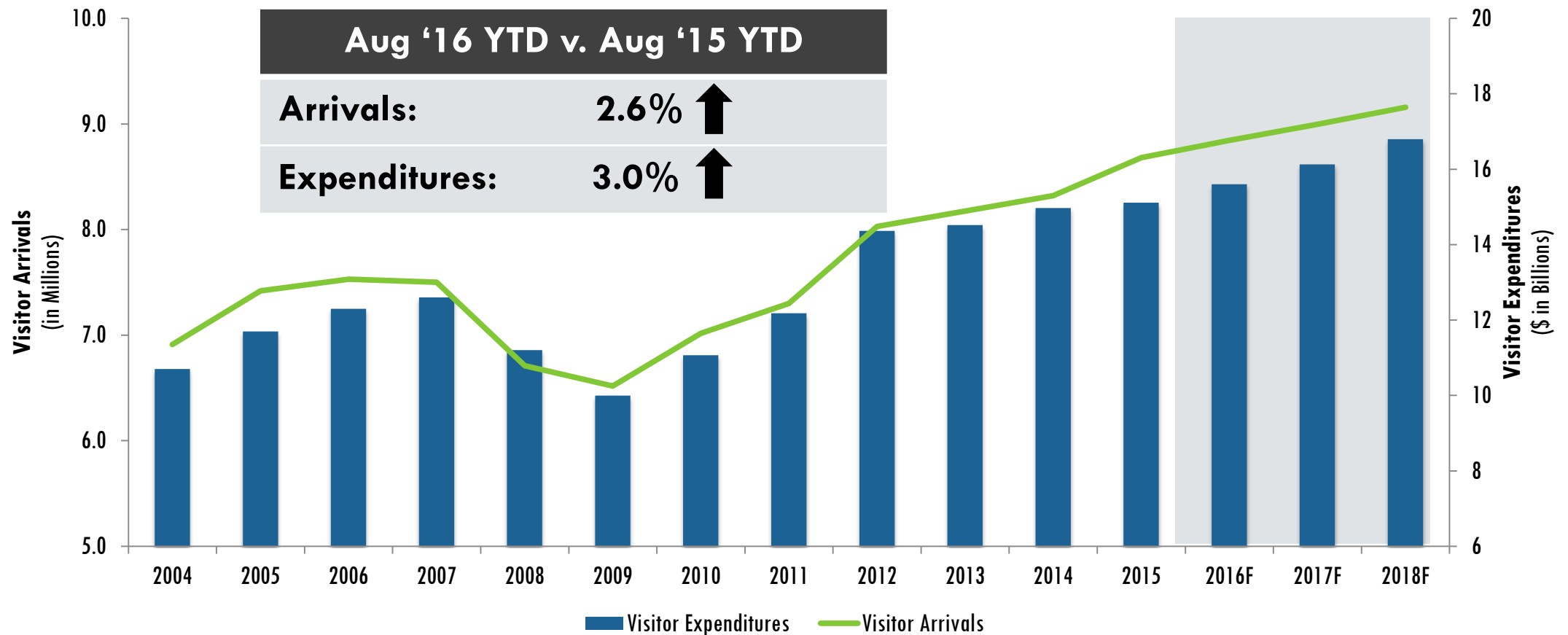
KEY HAWAII ECONOMIC INDICATORS

Indicator (percent change)	2013	2014	2015	2016F		2017F		2018F	
	DBEDT	DBEDT	DBEDT	UHERO	DBEDT	UHERO	DBEDT	UHERO	DBEDT
Real Gross Domestic Product	1.4	0.8	1.7	2.0	1.9	2.4	1.9	1.5	2.0
Visitor Arrivals*	1.8	1.8	4.3	2.3	1.9	1.5	1.7	0.9	1.8
Visitor Expenditures	1.1	3.1	0.9	(0.4)	3.2	(0.6)	3.4	(0.7)	4.1
Real Personal Income	2.0	3.9	4.0	2.2	2.8	1.7	2.6	1.4	2.6
Unemployment Rate	4.8	4.4	3.6	3.1	3.2	3.0	3.4	3.1	3.5

Sources: University of Hawaii Economic Research Organization (UHERO), Hawaii Construction Forecast September 2016 <http://www.uhero.hawaii.edu/>;
Hawaii Department of Business, Economic Development & Tourism (DBEDT), Outlook for the Economy 3Q2016 <http://hawaii.gov/dbedt>.
Data provided for informational purposes only; no endorsement implied.

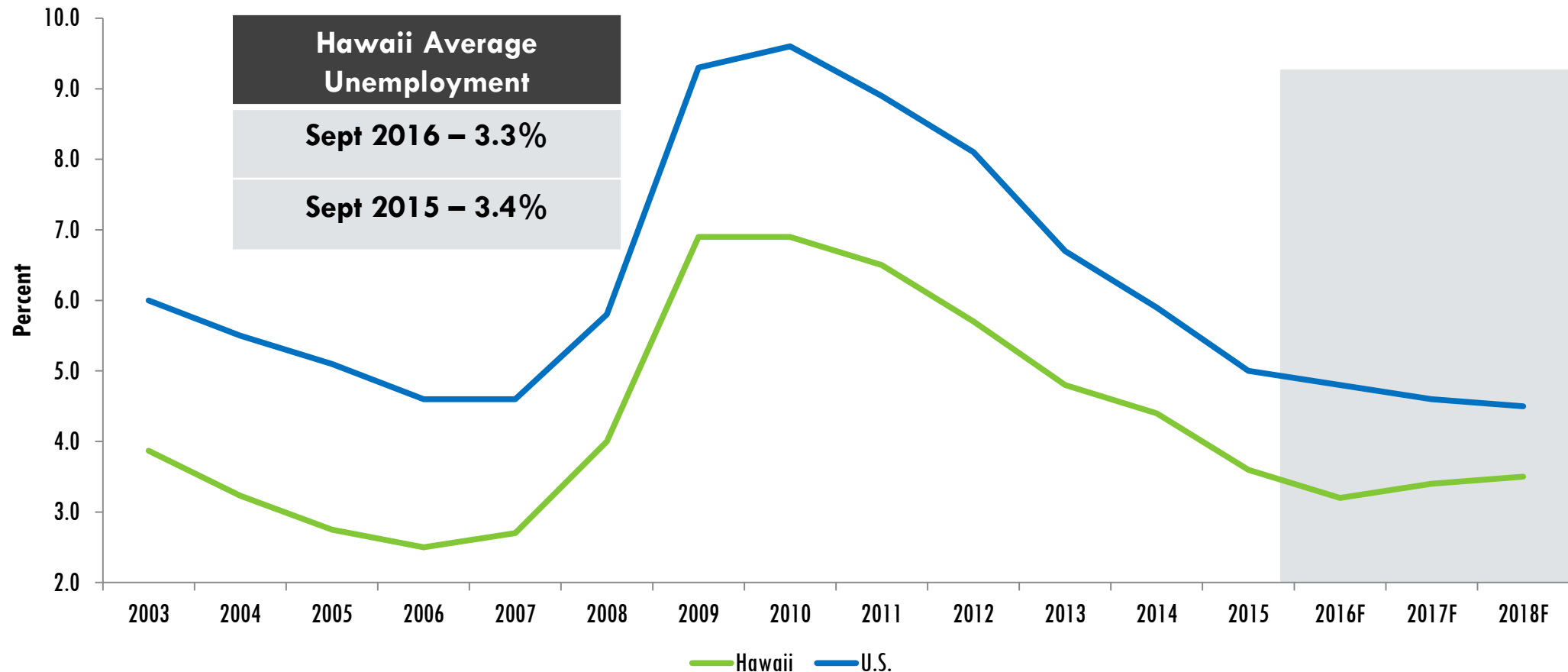
* UHERO forecasts of visitor arrivals consider visitor arrivals by air only. DBEDT forecasts consider air and cruise ship arrivals.

VISITOR ARRIVALS & EXPENDITURES



Source: Hawaii Department of Business, Economic Development & Tourism (DBEDT), Outlook for the Economy 3Q2016 <http://hawaii.gov/dbedt>. Hawaii Tourism August 2016 Visitor Highlights <http://www.hawaii-tourismauthority.org>
Data provided for informational purposes only; no endorsement of forecast implied.

HAWAII & U.S. UNEMPLOYMENT RATE



Sources: Hawaii Department of Business, Economic Development & Tourism (DBEDT), Outlook for the Economy 3Q2016 <http://hawaii.gov/dbedt>; Federal Reserve Forecast as of June 2016; State of Hawaii Department of Labor and Industrial Relations; Data provided for informational purposes only; no endorsement of forecast implied.

HAWAII REAL ESTATE OVERVIEW

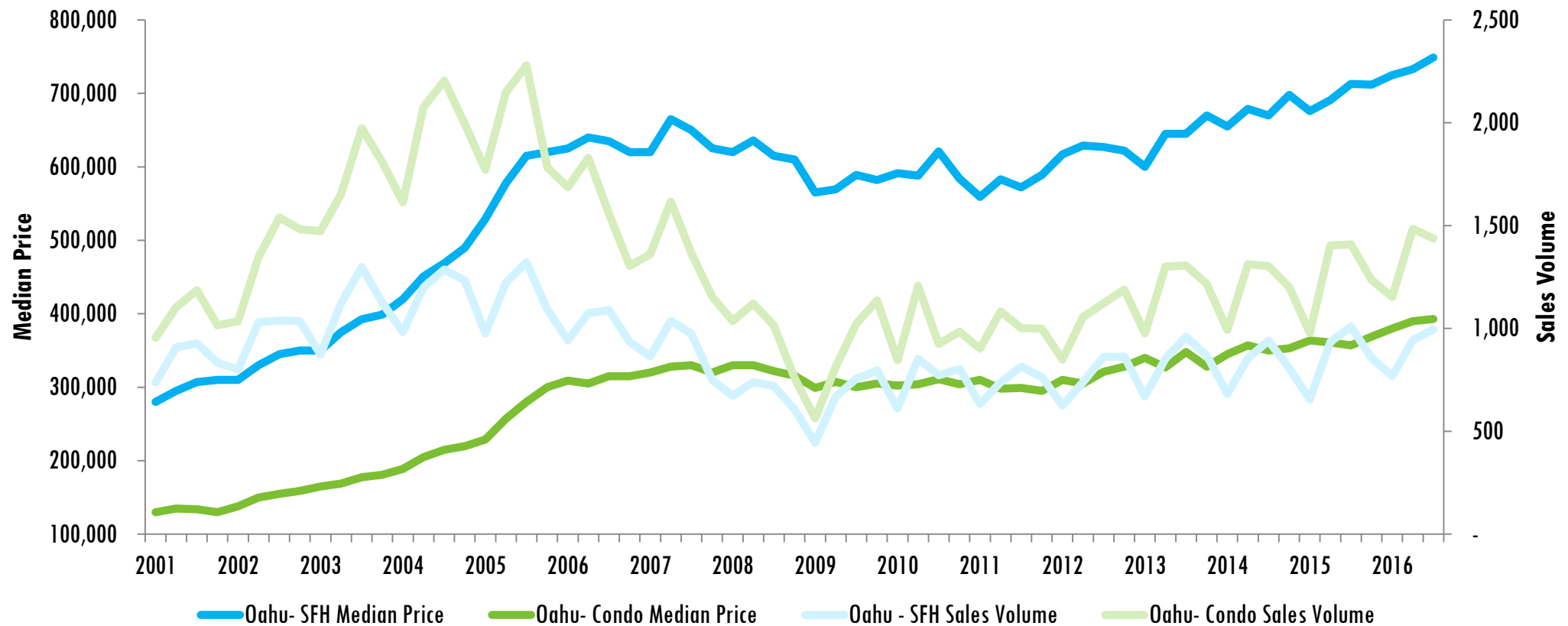
First Nine Months Ended September 30, 2016 Residential Real Estate Resales

County	Single Family Homes				Condominiums			
	Sales	% Change from YTD 9/30/15	Median Price	% Change	Sales	% Change from YTD 9/30/15	Median Price	% Change
Hawaii	1,742	15.3	327,000	(2.4)	540	5.7	299,000	8.7
Kauai	413	14.7	625,000	2.3	272	-	398,250	10.5
Maui	804	(1.8)	635,000	8.5	979	7.5	417,000	2.3
Oahu	2,723	4.8	732,000	5.2	4,133	9.0	386,000	8.7
Total	5,682	7.4			5,924	8.0		

Source: Title Guaranty Statewide Housing Statistics report, September 2016.
Data provided for informational purposes only; no endorsement implied.

HAWAII REAL ESTATE OVERVIEW — OAHU

Oahu Single Family Homes & Condo Resales (Quarterly Data)



Source: Title Guaranty Statewide Housing Statistics report, Honolulu Board of Realtors September 2016.
Data provided for informational purposes only; no endorsement implied.

OAHU COMMERCIAL REAL ESTATE

Property Type	Vacancy Rate for the Quarter Ended September 30, 2016	Vacancy Rate for the Quarter Ended September 30, 2015	Percentage Point Change	Average Asking Rent Per Square Foot Per Month for the Quarter Ended September 30, 2016	Average Asking Rent Per Square Foot Per Month for the Quarter Ended September 30, 2015	Percent Change
Retail	5.5%	3.7%	1.8%	\$3.94	\$3.82	3.1%
Industrial	1.8%	2.2%	(0.4)%	\$1.19	\$1.16	2.6%
Office	12.4%	13.2%	(0.8)%	\$1.71	\$1.67	2.4%

Sources: Colliers International (Hawaii)
Data provided for informational purposes only; no endorsement implied.