



ALEXANDER & BALDWIN, INC.



First Quarter 2012 Earnings Conference Call
May 9, 2012

Disclosure



Statements in this call and presentation that set forth expectations or predictions are based on facts and situations that are known to us as of today, May 9, 2012.

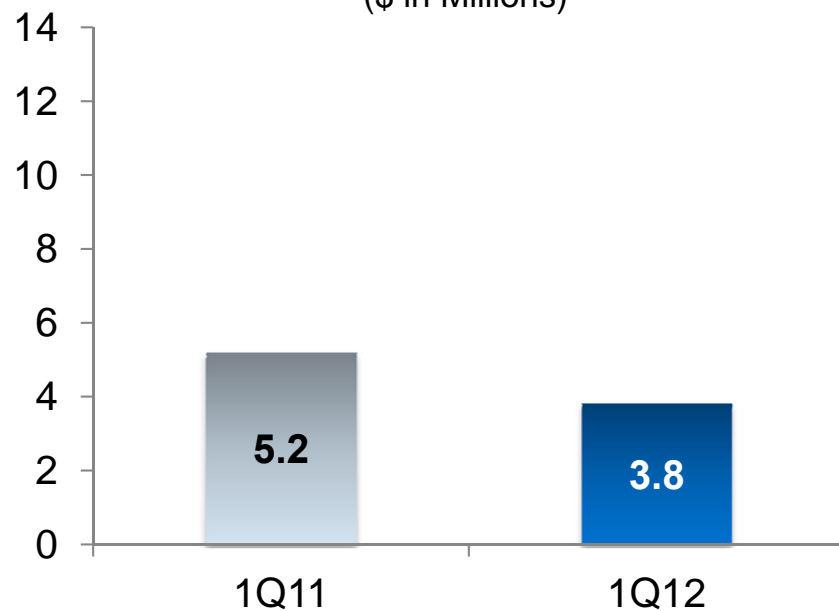
Actual results may differ materially, due to risks and uncertainties, such as those described on pages 19-29 of our 2011 Form 10-K and our other subsequent filings with the SEC. Statements in this call and presentation are not guarantees of future performance. We do not undertake any obligation to update our forward-looking statements.

- Opening remarks – Stan Kuriyama
- Financial matters – Joel Wine
- Business unit performance and outlook
 - Transportation – Matt Cox
 - Real Estate & Agribusiness – Chris Benjamin
- Closing remarks – Stan Kuriyama
- Questions and answers

Earnings

Net Income

(\$ in Millions)



Diluted Earnings Per Share

1Q11

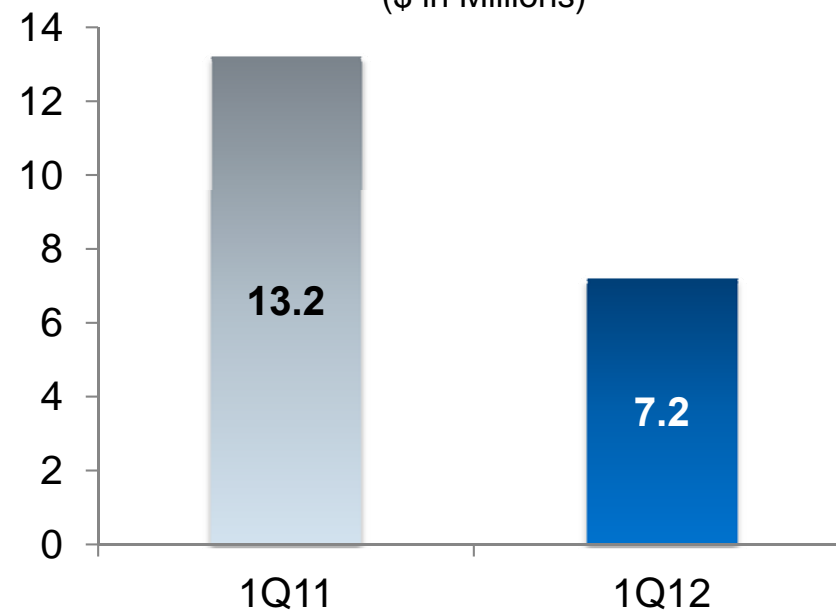
\$0.12

1Q12

\$0.09

Adjusted Net Income¹

(\$ in Millions)



Adjusted Diluted Earnings Per Share¹

1Q11

\$0.32

1Q12

\$0.17

¹ See appendix for a statement regarding management's use of non-GAAP financial measures and reconciliations of GAAP to non-GAAP measures

Separation Update

- **Regulatory filings and requests**

- S-4 declared effective 4/9
- IRS letter ruling request submitted 2/17
- Preliminary Form 10 filed 4/2, and Amendment #1 filed 5/4

- **Increased disclosure**

- 4/11 comprehensive presentations on Matson and A&B
- Enhanced A&B Real Estate Supplement filed 4/11

- **Targeting an early third quarter separation date**



Hawaii Economic Update

March 2012; Oahu Residential Real Estate April 2012

- **Strong YTD performance for Hawaii's visitor industry continues**
 - Expenditures up 14%
 - Arrivals up 9%
 - Outlook for record arrivals and expenditures
- **Unemployment relatively low at 6.4%**
- **2012 real GDP growth of 2.3% forecasted**
- **Oahu residential real estate improving**
 - Six consecutive months of YOY median price increases
 - Months of inventory drops to 3.7 months
 - Neighbor island residential real estate mixed



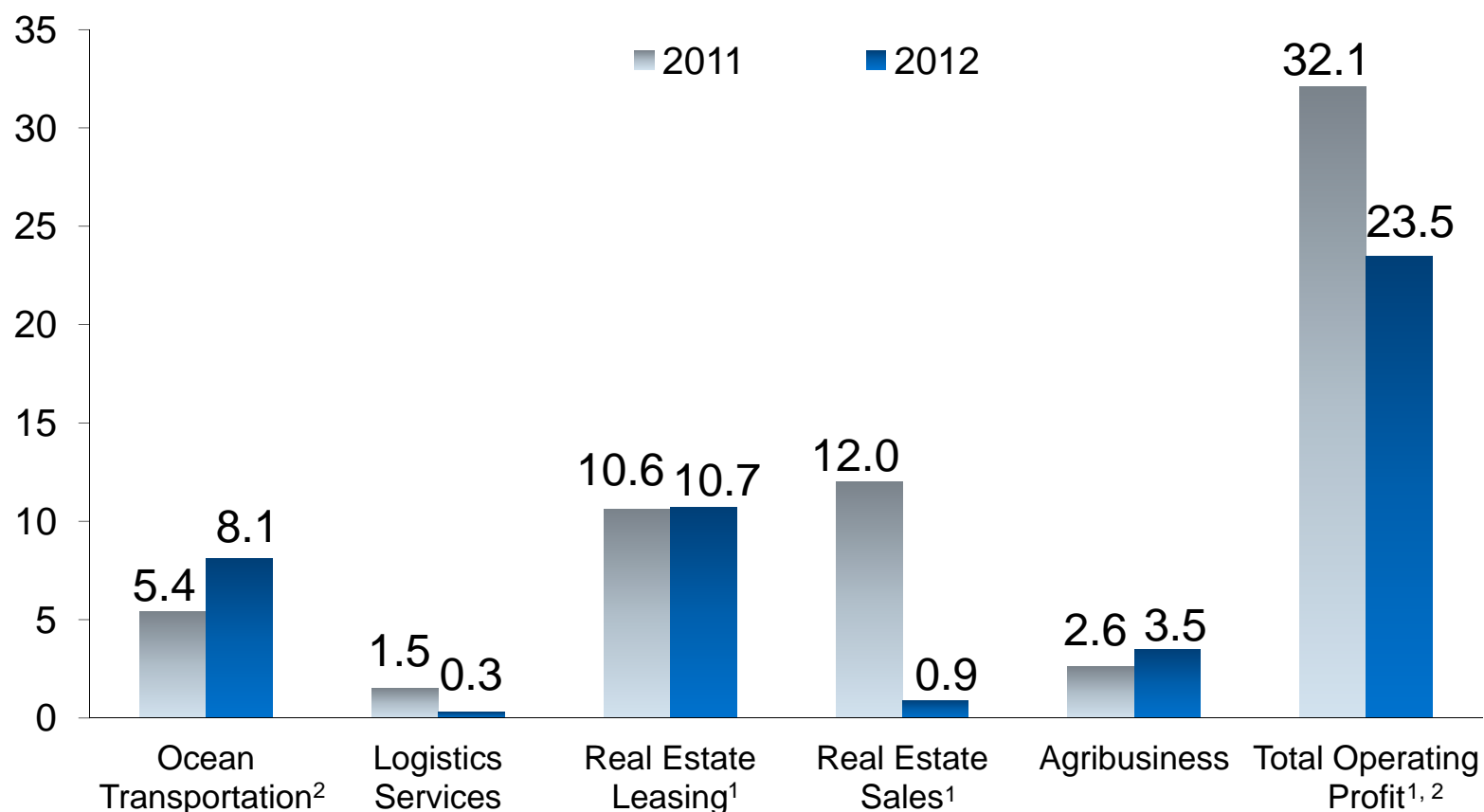
Source: Hawaii Tourism Authority, April 26, 2012; Honolulu Board of Realtors, May 2012
Data provided for informational purposes only; no endorsement of forecast implied.

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Operating Profit

Operating Profit by Business Segment (\$ in Millions)



¹ Includes Real Estate discontinued operations

² Excludes discontinued operations of CLX2

Condensed Cash Flow Table

Dollars in Millions

Condensed Cash Flow	1Q11	1Q12
Operating cash flows	(11)	(20)
Capital expenditures	(15)	(13)
Investment purchases, net	5	(6)
Net debt proceeds	32	37
Dividends	(13)	(13)
Capital stock transactions	5	12
Change in cash and cash equivalents	3	(3)

Capital Expenditures Reconciliation	1Q11	1Q12
Capital expenditures per cash flow statement	15	13
Real estate held for sale	2	8
Joint venture developments, investments, other	7	6
Total capital expenditures	24	27

Capital Expenditures

Dollars in Millions

	2011	2012 Forecast	1Q12
Transportation	49	67	8
Real Estate (excludes 1031 exchanges)	53	110	17
Agribusiness/other	10	25	2
Subtotal	112	195	27
1031 exchanges	39	9	-
Total capital expenditures	151	210	27

Condensed Balance Sheet

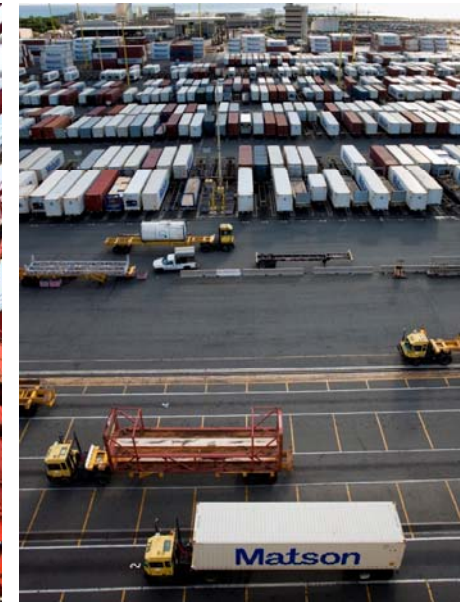
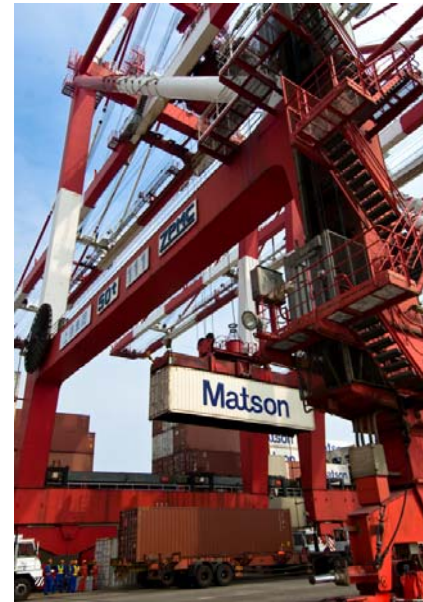
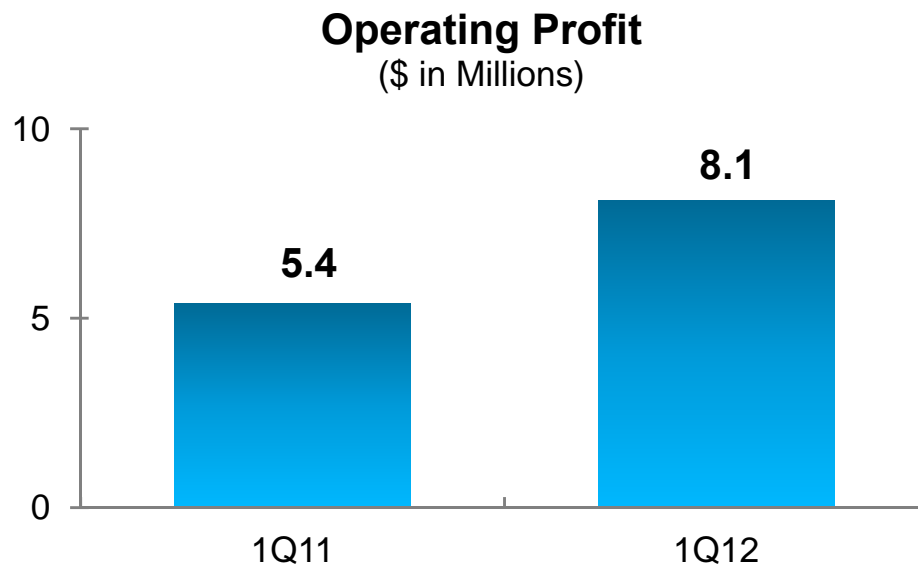
Dollars in Millions, Except Per Share Amount or Unless Otherwise Noted

Assets	12/31/11	3/31/12
Current assets	275	289
Investments in affiliates	347	353
Real Estate developments	143	154
Property, net	1,634	1,614
Other assets	145	164
Total	2,544	2,574
Liabilities & Shareholders' Equity		
Current liabilities – excluding debt	226	221
Total debt	559	596
Liability for benefit plans	168	160
Other long-term liabilities	50	51
Deferred income taxes	418	419
Shareholders' equity	1,123	1,127
Total	2,544	2,574
Other Information		
Net book value per basic share	\$26.90	\$26.72
Debt to debt + equity	33%	35%
Available borrowing capacity	283	245

One-Time Separation Expenses

- **Pre-tax one-time separation expenses of between \$20M and \$22M expected for full-year 2012**
 - Includes first quarter pre-tax expenses of \$3.3M
 - Estimate that Matson's and A&B's shares of one-time separation expenses will be relatively equal
- **Additional non-cash expenses arising from option exchange expected**

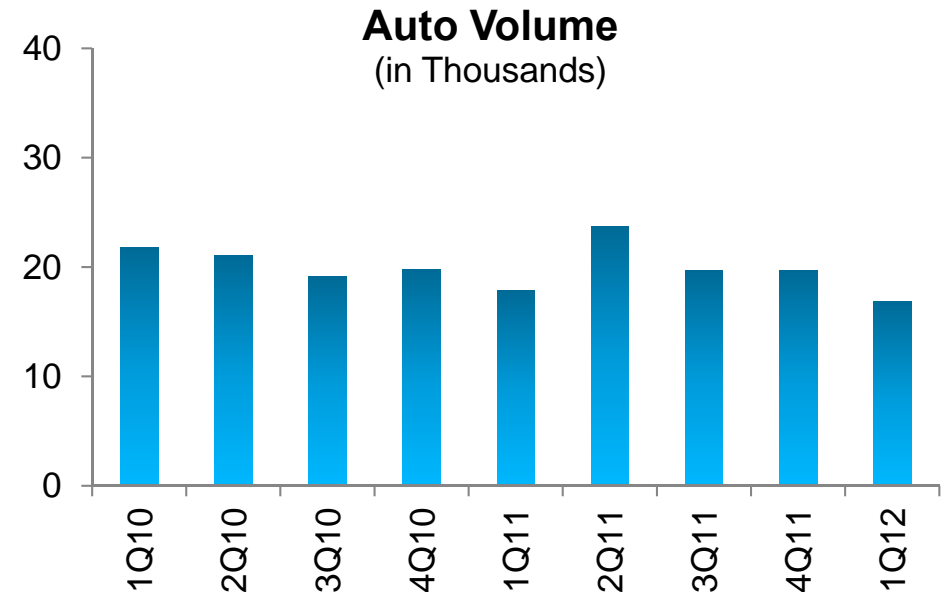
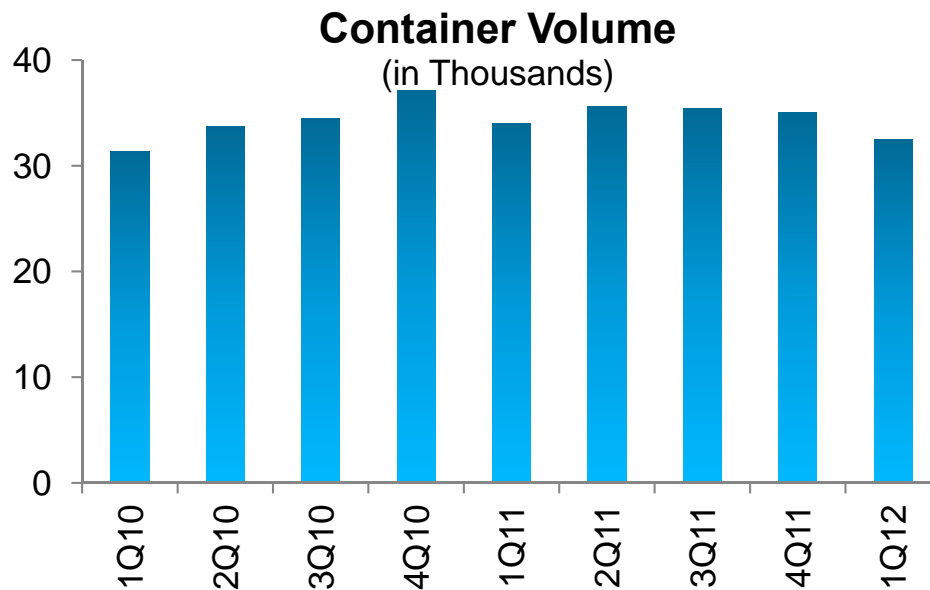
Ocean Transportation



- Guam volume up 94%
- Modest improvement in Transpacific volume and rates
- Hawaii volume declined 4%
- SSAT flat
- Increased operating costs



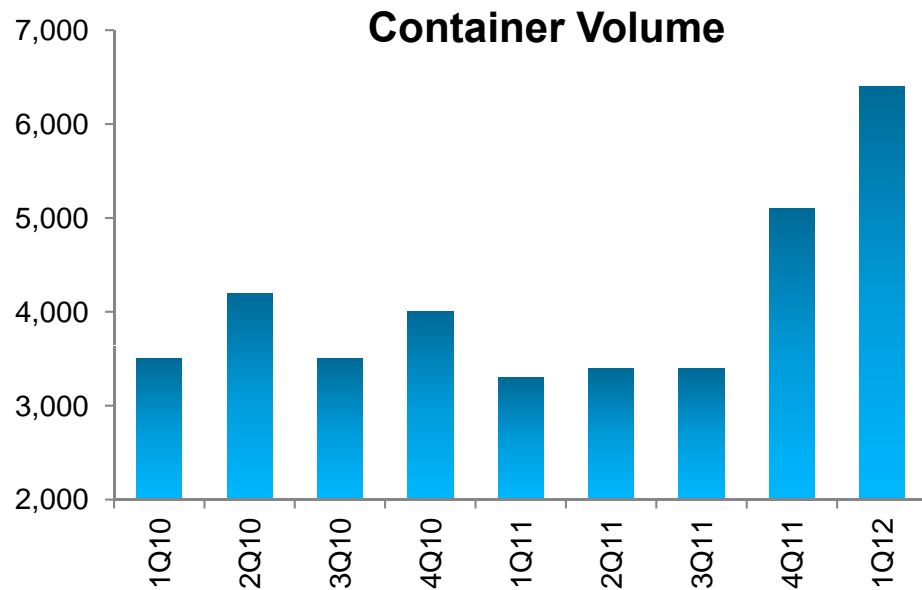
Hawaii Service



- Container volume down 4%
 - Customer routing change
 - 2011 customer store openings and construction projects not replicated
 - Softness in overall market
- Hawaii automobiles down 6%
- Expect flat-to-modest decline in westbound containers in 2012

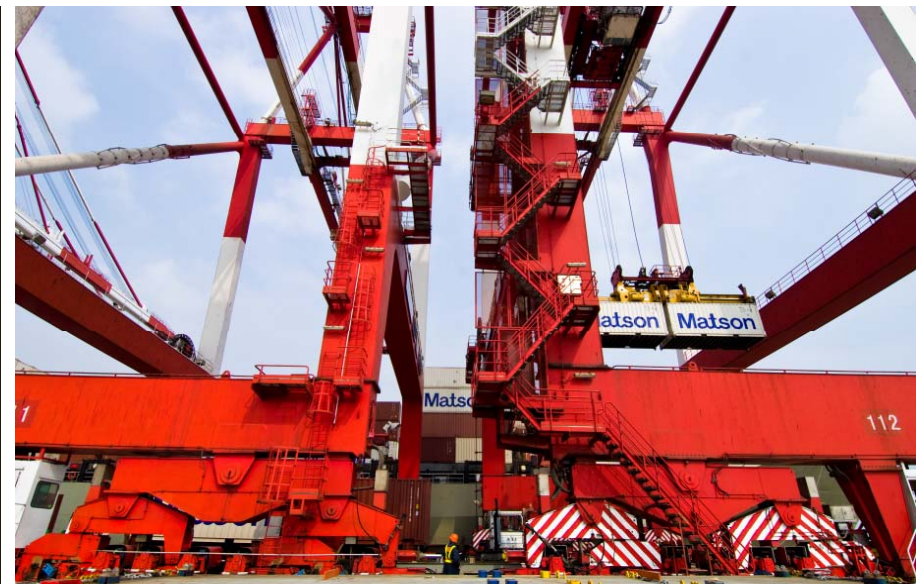
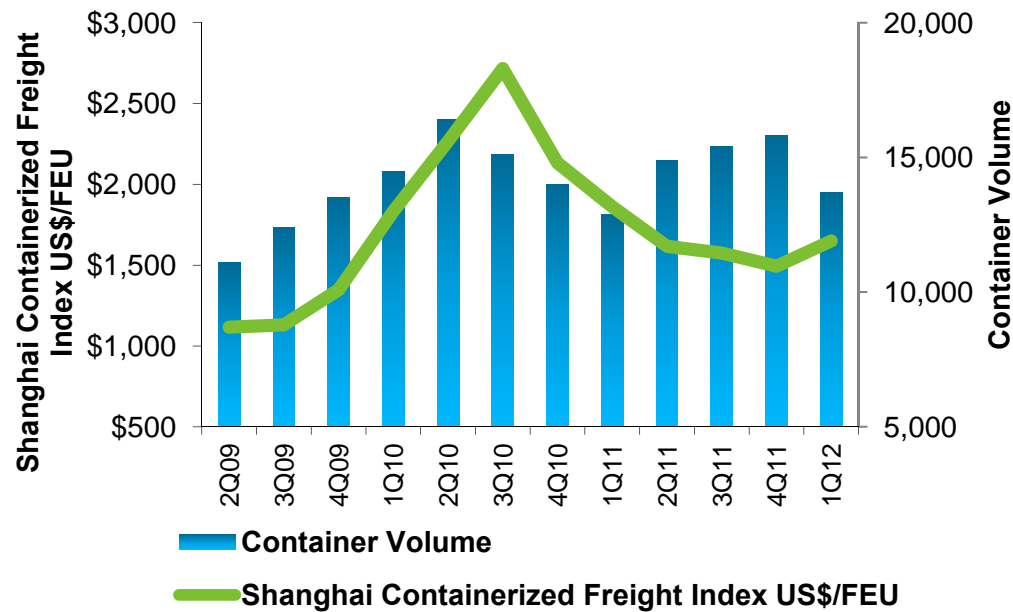


Guam Service



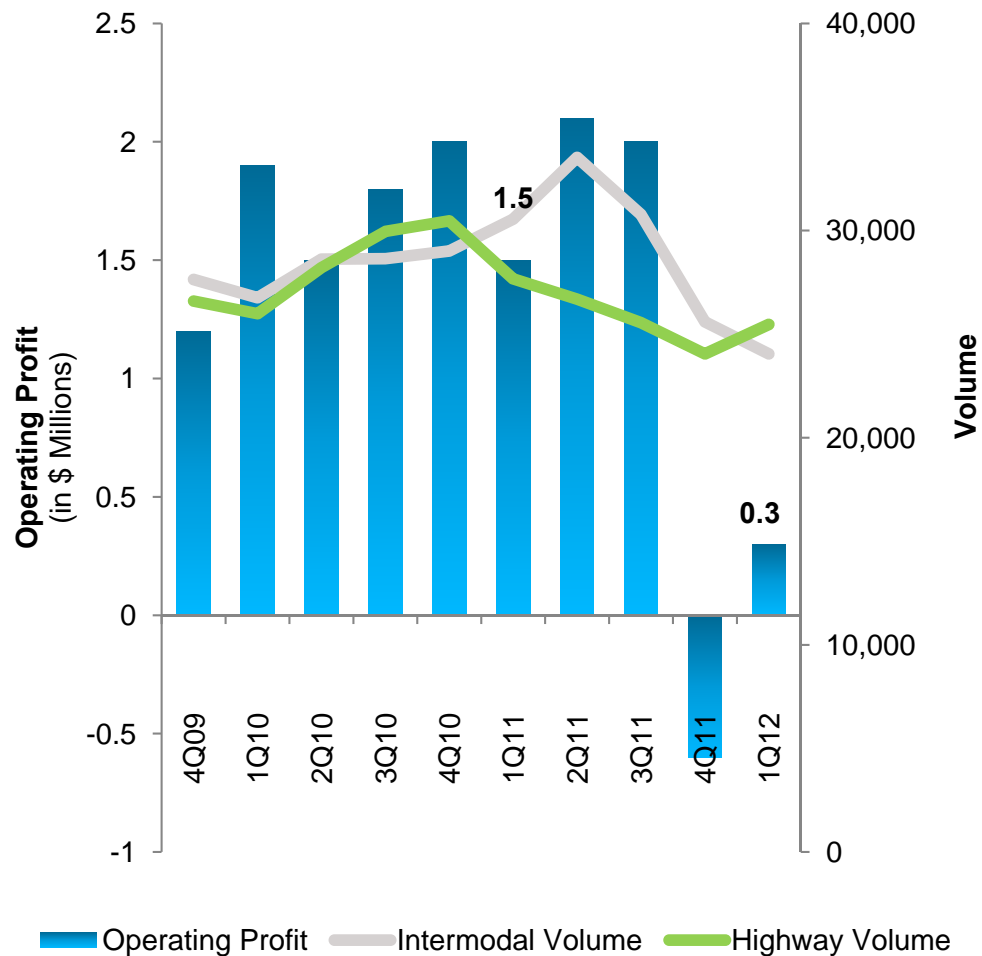
- Volume up 94%
 - Competitor exit
 - Moderate contraction in overall market
- Timing of new carrier entry uncertain
- Revision of plan for relocation of troops from Okinawa
 - 5,000 expected to relocate to Guam
 - 3,000 to Hawaii

CLX1 Service



- Container volume up 6% due to:
 - Increased demand
 - Improved management of vessel capacity by Transpacific trade carriers
- Modest improvement in rates

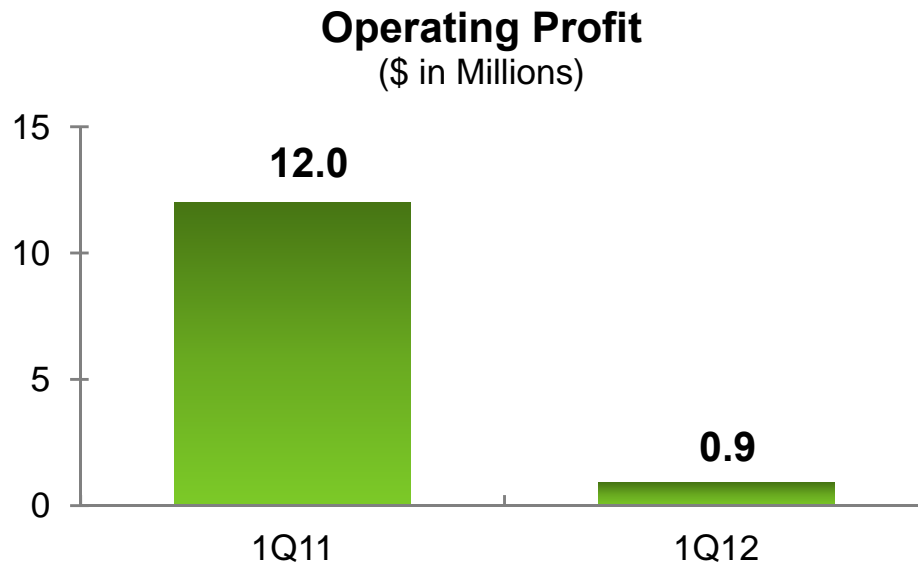
Logistics Services



- Highway volumes decline
- Surplus capacity at West Coast warehouse facilities
- Focus on:
 - Expanding and improving warehouse business
 - Organic growth of intermodal and highway businesses
 - 53-foot container program



Real Estate Sales



- Positive sales activity noted at our development projects
- Modest sales recognized in the quarter



Development Projects

Waihonua at Kewalo



- Presales commenced in December
- 192 binding presales out of 341 units
- Expect to begin vertical construction later this year

Maui Business Park II



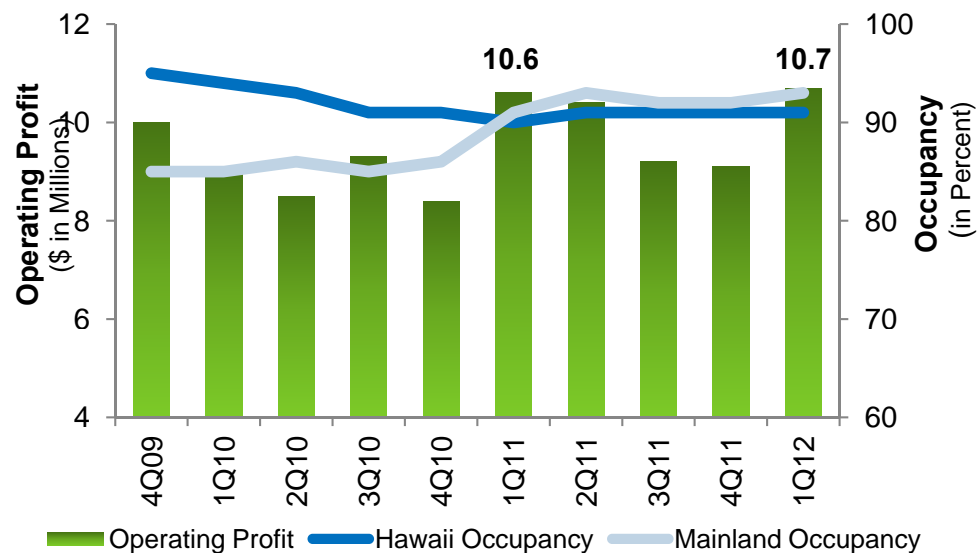
- Offsite infrastructure work completed
- Onsite work progressing
- Sale to Costco in January at \$38 per square foot; book income recognition deferred

Kukui'ula



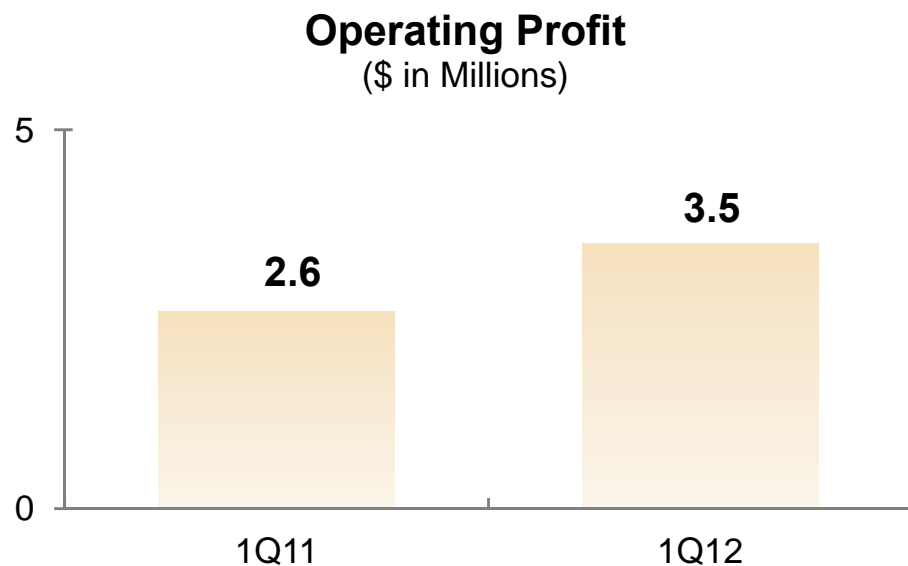
- Recent sales of built product
- \$2.75M sale of spec cottage closed in April
- Working with DMB to expand vertical program

Real Estate Leasing



- 6% increase in NOI
- Improved Mainland occupancy and market rents
- Stable Hawaii occupancy and market rents





- Solid performance continues
 - Higher power and lease margins and lower operating expenses from sale of coffee assets
- Sugar prices locked in for 75 percent of 2012 crop



- **Ocean Transportation**
 - Hawaii container volume modestly lower in second quarter
 - Transpacific ships to run at full or near-full capacity; modest improvement in rates
 - Guam volume will continue to benefit in the near term from carrying 100% of the trade
- **Logistics:** flat-to-modestly better full-year performance than last year
- **Real Estate Leasing:** modest improvement
- **Real Estate Sales**
 - Fewer commercial property sales likely
 - Expect to provide greater clarity as the year progresses
- **Agribusiness:** continued strong performance

Closing Remarks

- **Company remains strong and well-positioned for growth**
 - Highly valuable assets
 - Strong balance sheet
 - Unique franchises and competitive strengths
- **Focused on separation near-term and creating shareholder value over the long-term**





ALEXANDER & BALDWIN, INC.



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Where to Find Additional Information

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval. Alexander & Baldwin Holdings, Inc. (“Holdings”) filed a registration statement that includes a definitive proxy statement/prospectus and other relevant documents in connection with the proposed reorganization on February 15, 2012. ALEXANDER & BALDWIN, INC. (“A&B”) SHAREHOLDERS ARE URGED TO CAREFULLY READ THESE DOCUMENTS BECAUSE THEY CONTAIN AND WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED REORGANIZATION. The definitive proxy statement/prospectus were mailed to A&B shareholders prior to the shareholder meeting. In addition, investors may obtain a free copy of the definitive proxy statement/prospectus and other filings containing information about A&B, Holdings, and the holding company reorganization, from the SEC at the SEC’s website at <http://www.sec.gov>. In addition, copies of the definitive proxy statement/prospectus and other filings containing information about A&B, Holdings, and the holding company reorganization can be obtained without charge by sending a request to Alexander & Baldwin, Inc., P.O. Box 3440, Honolulu, Hawaii 96801-3440, Attention: Investor Relations; by calling (808) 525-6611; or by accessing them on A&B’s web site at <http://www.alexanderbaldwin.com>.

Participants in the Merger Solicitation

A&B, its directors, executive officers, certain other members of management, and employees may be deemed to be participants in the solicitation of proxies from the shareholders of A&B in favor of the proposed holding company reorganization. Additional information regarding the interests of potential participants in the proxy solicitation is included in the definitive proxy statement/prospectus and will be included in other relevant documents that A&B and Holdings intend to file with the SEC in connection with the annual meeting of shareholders of A&B.

Management's Use of Non-GAAP Financial Measures

Alexander & Baldwin, Inc. reports net income and diluted earnings per share in accordance with GAAP and on a non-GAAP basis. Reconciliations of the Company's GAAP to non-GAAP financial measures for the three months ended March 31, 2012 and 2011 are presented on slide 27.

The Company uses these non-GAAP financial measures when evaluating operating performance because management believes that the exclusion from net income of the CLX2 losses and expenses incurred to effect the separation of A&B into two new publicly traded companies provides insight into the Company'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. A&B provides this information to investors as an additional means of evaluating 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.

Reconciliation of GAAP to Non-GAAP Measures

Dollars in Millions, Except Earnings Per Share

	Three Months Ended March 31,	
	2011	2012
Net income	5.2	3.8
Net income effect of CLX2 losses	8.0	1.4
Net income effect of separation expenses	-	2.0
Adjusted net income	13.2	7.2
Diluted earnings per share, net income	0.12	0.09
Diluted earnings per share, net income effect of CLX2 losses	0.20	0.03
Diluted earnings per share, net income effect of separation	-	0.05
Diluted earnings per share, adjusted net income	0.32	0.17

Management's Use of Non-GAAP Financial Measures

In addition to adjusted net income and adjusted diluted earnings per share, the Company presents cash NOI, which is a non-GAAP measure derived from real estate revenues (determined in accordance with GAAP, less straight-line rental adjustments) minus property operating expenses (determined in accordance with GAAP). Cash NOI does not have any standardized meaning prescribed by GAAP, and therefore, may differ from definitions of cash NOI used by other companies. Cash NOI should not be considered as an alternative to net income (determined in accordance with GAAP) 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. Cash NOI is commonly used as a measure of operating performance because it is an indicator of the return on property investment, and provides a method of comparing property performance over time. Cash NOI excludes general and administrative expenses, straight-line rental adjustments, interest income, interest expense, depreciation and amortization, and gains on sales of interests in real estate. The Company believes that the Real Estate Leasing segment's operating profit after discontinued operations is the most directly comparable GAAP measurement to cash NOI. A required reconciliation of Real Estate Leasing operating profit to Real Estate Leasing segment cash NOI is on slide 29.

Reconciliation Leasing Operating Profit to Cash NOI

Dollars in Millions

	Three Months Ended March 31,	
	2011	2012
Real Estate Leasing segment operating profit before discontinued operations	10.6	10.7
Less amounts reported in discontinued operations	(0.7)	-
Real Estate Leasing segment operating profit after subtracting discontinued operations	9.9	10.7
Adjustments:		
Depreciation and amortization	5.3	5.4
FASB 13 straight-line lease adjustments	(1.6)	(0.8)
General and administrative expenses	0.9	0.8
Discontinued operations	0.7	-
Real Estate Leasing segment cash NOI	15.2	16.1

Key Hawaii Economic Indicators

Indicator (% Change YOY, except unemployment rate)	2009	2010	2011	2012F		2013F		2014F	
	DBEDT	DBEDT	DBEDT	UHERO	DBEDT	UHERO	DBEDT	UHERO	DBEDT
Real Gross Domestic Product	(2.6)	1.2	1.2	2.3	1.8	3.3	2.0	3.7	2.2
Visitor Arrivals	(4.4)	7.7	3.8	4.1	4.4	2.4	2.3	1.9	2.2
Real Personal Income	(1.4)	1.6	0.6	1.8	1.2	2.8	2.0	3.0	2.4
Unemployment Rate	6.8	6.6	6.2	6.2	NF	5.5	NF	4.9	NF
Building Permits ¹	(29.0)	9.7	(26.2)	48.3	NF	6.2	NF	12.0	NF

NF: Not forecasted

¹ Building permits is a UHERO figure and forecast

Sources: University of Hawaii Economic Research Organization (UHERO), State Forecast, February 10, 2012, and Hawaii Construction Forecast, March 16, 2012, <http://www.uhero.hawaii.edu/>; Hawaii Department of Business, Economic Development & Tourism (DBEDT), 1st Quarter 2012 Report <http://hawaii.gov/dbedt>.

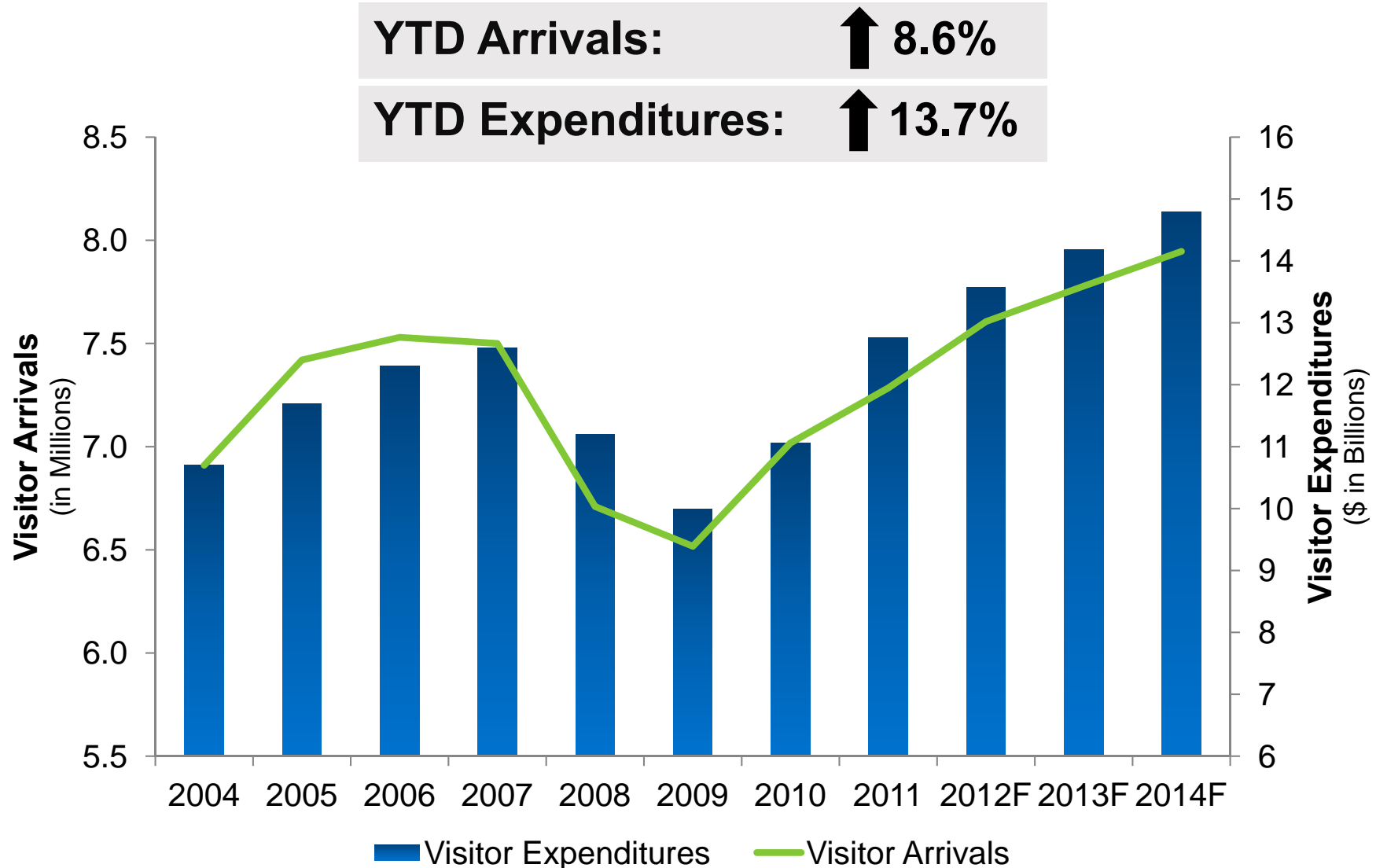
Data provided for informational purposes only; no endorsement implied.

Hawaii Economic Indicators

	1Q12	% Change From 1Q11
Visitors (by air)		
Arrivals (millions)	1.9	8.6
Expenditures (billions)	\$3.6	13.7
Building permits (millions)	\$556.7	46.2 ¹
Oahu residential real estate		
Median home prices	\$616,950	10.4
Home volumes	626	(1.3)
Median condo prices	\$310,000	-
Condo volumes	849	(6.0)
Unemployment rate (March)	6.4	(0.2)

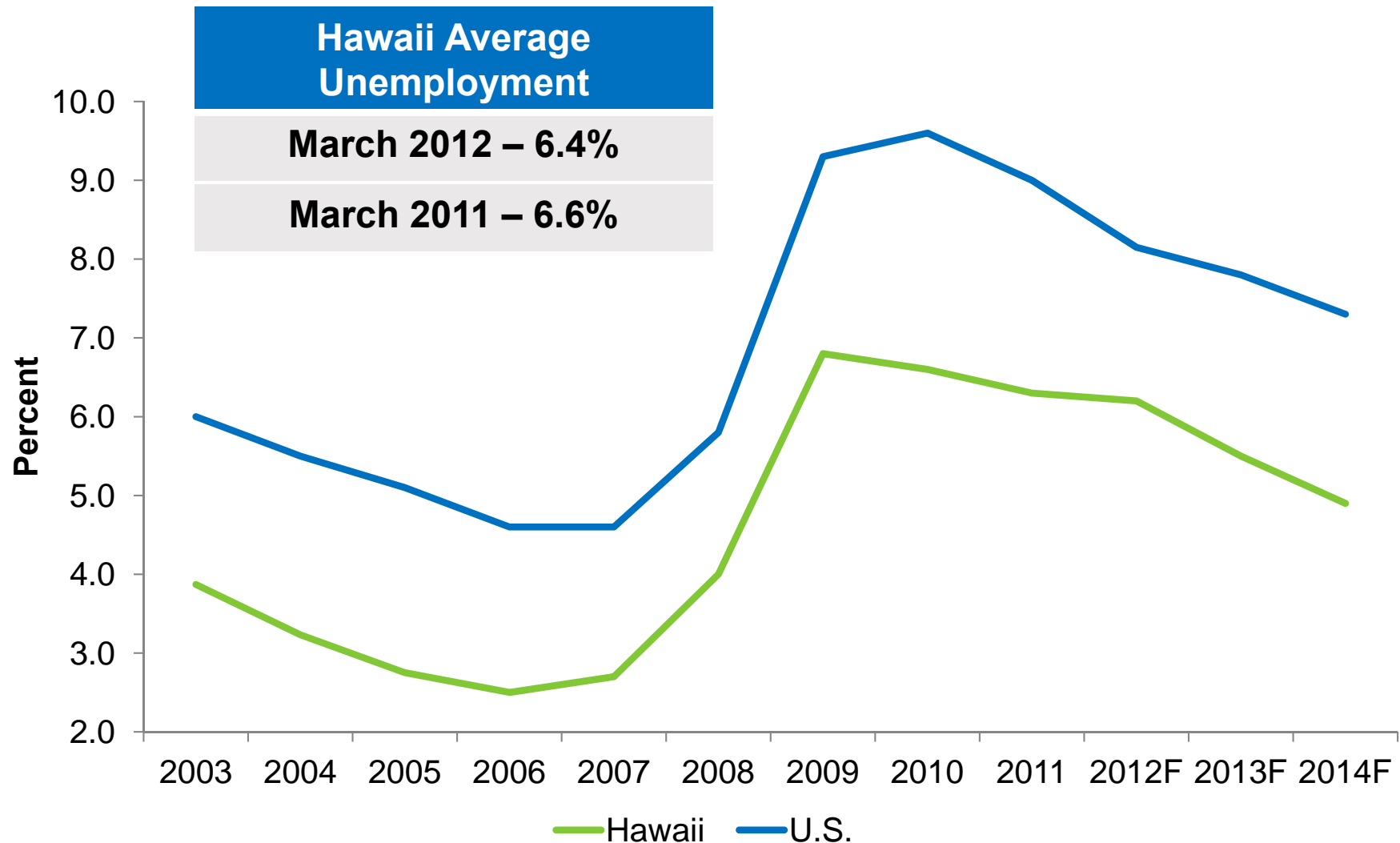
¹Increase in building permits primarily due to increase in alterations and additions. Residential permits were down 1 percent for the first quarter compared to last year.
 Sources: Hawaii Tourism Authority, Monthly Visitor Statistics, December 2011; DBEDT Monthly Economic Indicators, Month of December – 2011;
 Title Guaranty Report, January, February, March 2012; Hawaii Department of Labor and Industrial Relations.
 Data provided for informational purposes only; no endorsement implied.

Visitor Arrivals and Expenditures



Source: DBEDT Quarterly Statistical & Economic Report, 4th Quarter 2011 <http://hawaii.gov/dbedt>;
Hawaii Tourism March 2012 Visitor Highlights <http://www.hawaiitourismauthority.org>
Data provided for informational purposes only; no endorsement of forecast implied.

Hawaii and U.S. Unemployment Rate



Sources: DBEDT Quarterly Statistical & Economic Report, 4th Quarter 2011 <http://hawaii.gov/dbedt>; UHERO State Forecast Update, February 10, 2012 <http://www.uhero.hawaii.edu/>; United States Department of Labor, Unemployment Data; Bloomberg Composite Forecast as of April 20, 2012
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Hawaii Real Estate Overview

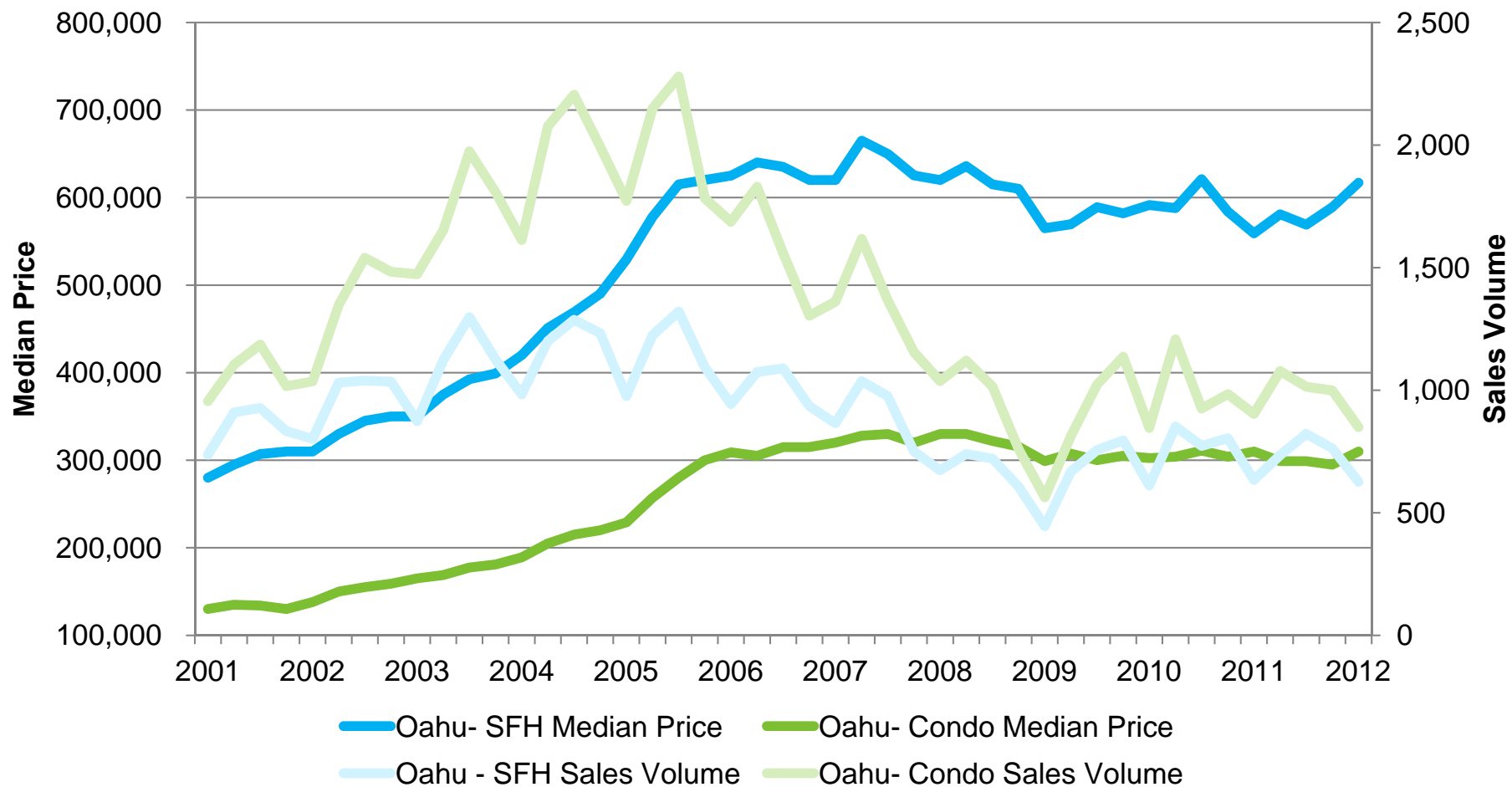
Residential Real Estate Resales; Quarter Ended March 31, 2012

County	Single Family Homes				Condominiums			
	Sales	% Change from 1Q11	Median Price	% Change from 1Q11	Sales	% Change from 1Q11	Median Price	% Change from 1Q11
Hawaii	370	(4)	230,000	(6)	128	(27)	250,750	21
Kauai	96	6	449,250	-	59	(13.2)	290,000	55
Maui	208	3	444,000	(1)	300	(3.2)	340,000	6
Oahu	626	(1)	616,950	10	849	(6)	310,000	-
Total	1,300	-			1,336	(8)		

Source: Title Guaranty Sales of Existing Homes & Condominiums report, March 2012
Data provided for informational purposes only; no endorsement implied.

Hawaii Real Estate Overview - Oahu

Oahu Single Family Homes and Condo Resales



Source: Title Guaranty Sales of Existing Homes & Condominiums report, Honolulu Board of Realtors March 2012.
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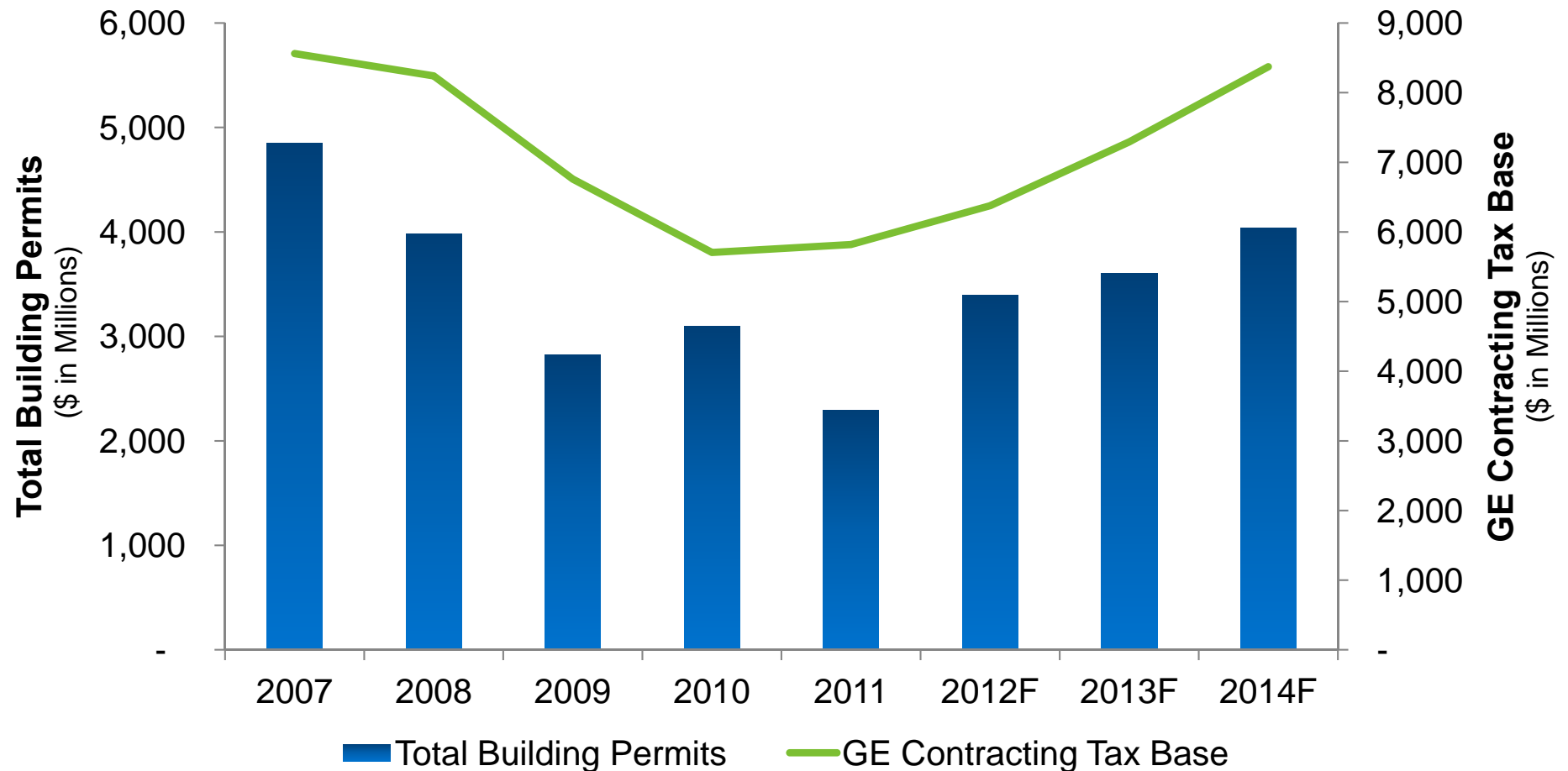
Hawaii Real Estate Overview

Oahu Commercial Markets, as of March 31, 2012

Retail		Industrial		Office	
YTD net absorption	61,831 SF	YTD net absorption	19,925 SF	YTD net absorption	(8,033) SF
Vacancy rate	3.60%	Vacancy rate	4.72%	Vacancy rate	13.60%
Average asking rent range	\$2.61 - \$3.65 PSF/MO	Average asking rent NNN	\$0.95 PSF/MO	Average full asking rent	\$2.84 PSF/MO
Average operating expense	\$1.19 PSF/MO	Average operating expense	\$0.32 PSF/MO	Average operating expense	\$1.27 PSF/MO

Sources: Colliers International Oahu First Quarter 2012, Office and Industrial Market Reports;
CB Richard Ellis First Quarter 2012, Retail Market Report
Data provided for informational purposes only; no endorsement implied.

Total Building Permits and General Excise Contracting Tax Base*



* In 2011 dollars

Source: UHERO, Hawaii Construction Forecast Update, March 16, 2012

Data provided for informational purposes only; no endorsement implied.