

AB ALEXANDER & BALDWIN, INC.



Separation Plan Announcement

Friday, December 2, 2011

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, December 2, 2011.

Actual results may differ materially, due to risks and uncertainties, such as those described in our December 1 press release announcing the separation plan and on pages 17-25 of our 2010 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.



A New Chapter in Alexander & Baldwin's History

Alexander & Baldwin's Board of Directors has approved a plan to pursue the separation of the Company creating two companies better positioned to enhance long-term shareholder value. The separate companies will continue to reliably serve our customers and the Hawaii community

- A&B: A Hawaii-based real estate and agricultural company with high-quality assets and operations that are well positioned for growth
- Matson: A Hawaii-based transportation company with a prominent brand, a superior fleet, complementary logistics services and the financial and operating capability to grow in other markets

Call Agenda

1

Business Evolution and Transaction Summary –
S. Kuriyama

2

Transaction Strategic Rationale – J. Wine

3

A&B Overview and Strategic Outlook – C. Benjamin

4

Matson Overview and Strategic Outlook – M. Cox

5

Transaction Overview – J. Wine

6

Concluding Remarks – S. Kuriyama

7

Q&A

Alexander & Baldwin: The Evolution of Our Business

Agribusiness (1870)

- Sugar plantation served as the foundation of the Company, eventually leading to energy production, property development, commercial real estate and shipping

Real Estate (1949)

- Development of homes for plantation workers evolved into residential and commercial development across the state
- Commercial property experience commenced with commercial properties on Maui to service the local community, and through tax-deferred (1031) exchanges, has grown into a substantial portfolio of commercial properties in Hawaii and on the Mainland

Transportation (1969)

- Matson founded in 1882
- Sugar transport to the West Coast was the beginning of the core Hawaii trade
- Matson became a wholly-owned subsidiary of A&B in 1969
- Expansion to Guam and China followed
- Logistics business began in 1987 in response to customer demand for coordination of transportation activities across multiple modes, including rail and highway

Successful track record of strategically entering and exiting industries over the years, including:

Retail

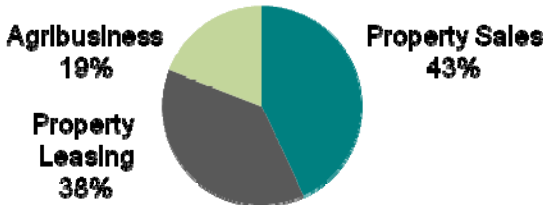
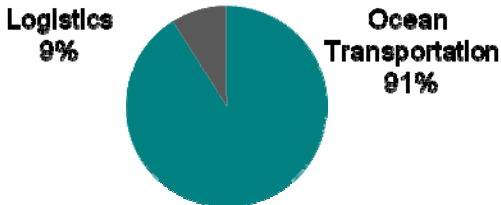





Insurance

Container Leasing

Hospitality

Oil Refining

Two Independent, Publicly Traded Companies

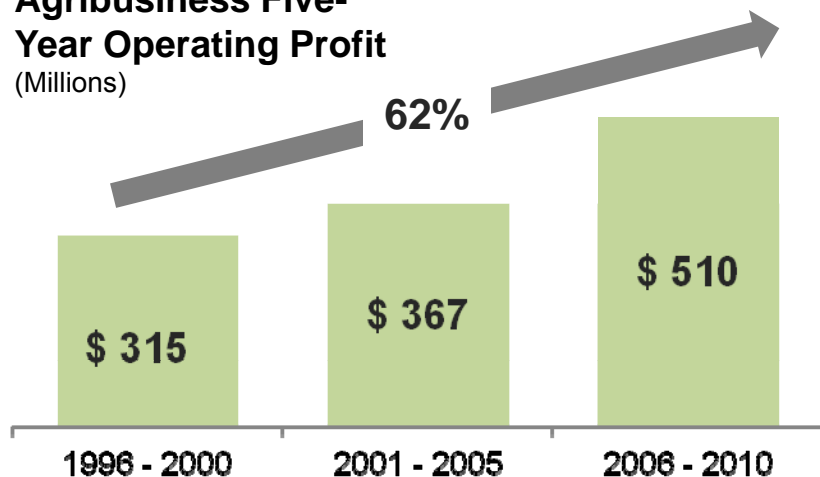
	A&B	Matson
Focus	Premier Hawaii Real Estate and Agricultural Company	Market Leading Ocean Transportation and Logistics Company
Operating Profit Mix*	 <p>Agribusiness 19% Property Sales 43% Property Leasing 38%</p>	 <p>Logistics 9% Ocean Transportation 91%</p>
LTM Revenue and Operating Profit*	Revenue \$371M Operating Profit \$102M	Revenue \$1,451M Operating Profit \$104M
Leadership Team	Chairman & CEO – Stan Kuriyama President & COO – Chris Benjamin CFO – Paul Ito	Chairman – Walter Dods President & CEO – Matt Cox CFO – Joel Wine
Key Business Lines	 A&B PROPERTIES, INC. 	  

* Based on LTM segment performance for the Real Estate and Agribusiness segments (A&B) and the Transportation segments (Matson) as of 9/30/2011. Revenue and operating profit for A&B includes the results from income properties that were sold and classified as discontinued operations. Operating profit for Matson excludes losses from CLX2. Segment operating profit also excludes corporate overhead expenses not allocated to the segments.

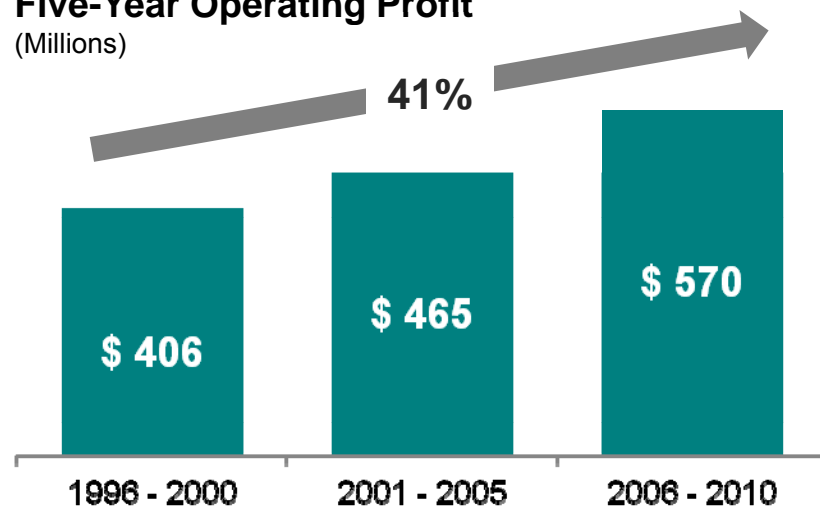
The Last Fifteen Years of Growth

(Excluding Discontinued Operations and Corporate Expenses and Assets Not Allocated to the Segments)

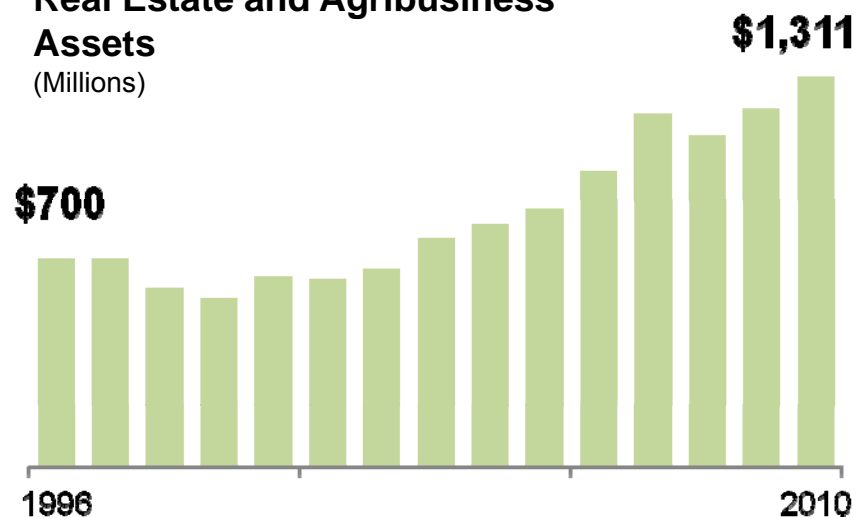
Real Estate and Agribusiness Five-Year Operating Profit
(Millions)



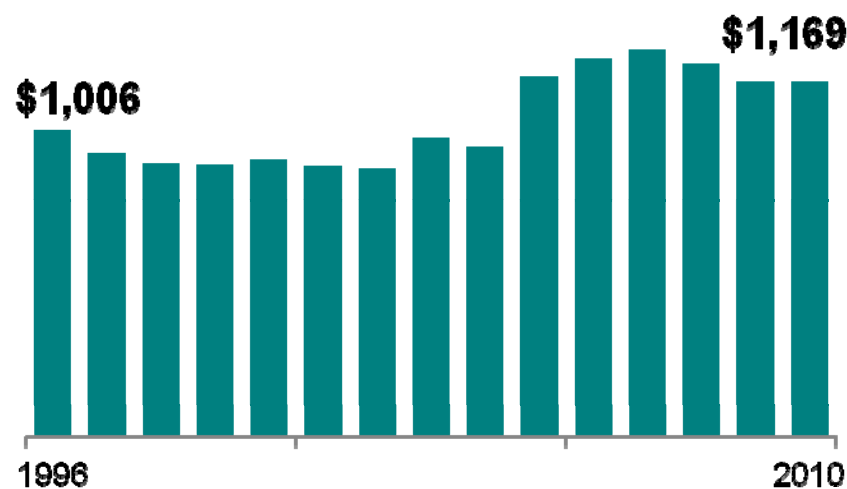
Transportation Segments Five-Year Operating Profit
(Millions)



Real Estate and Agribusiness Assets
(Millions)



Transportation Segments Assets
(Millions)



Separation Will Enhance Shareholder Value

Enhanced Strategic Direction and Focus	<ul style="list-style-type: none">▪ Each company is now of sufficient scale to independently establish and achieve strategic priorities, growth strategies and financial objectives▪ Board and management of each company will be able to focus exclusively on the operation and strategic direction of each business with more direct alignment of incentives
Growth Oriented Capital Structure	<ul style="list-style-type: none">▪ Each company will be able to allocate capital in a manner best tailored to its business and have more direct access to capital to fund future growth
Separate Stock	<ul style="list-style-type: none">▪ Each company will have its own separate stock, which can be used to facilitate acquisition opportunities and equity-based compensation arrangements
Greater Transparency	<ul style="list-style-type: none">▪ Separation will allow for greater visibility into relative financial and operating performance
Sector-Specific Investors and Research Coverage	<ul style="list-style-type: none">▪ Each company will appeal to a more focused shareholder base attracted to the particular business profile of that company and the specific industries in which it operates▪ Each company expects to attract coverage by additional industry-specific analysts, providing the public and investment community with more information and perspectives on the two companies
Timing	<ul style="list-style-type: none">▪ Relatively stable point in each business' investment cycle▪ Businesses are poised for further growth

Both Companies' Unique Assets Position Them Well to Deliver Shareholder Value

A&B



- 88,000 acres of land in Hawaii
- Fourth-largest private land-owner in the State
- Portfolio of 44 commercial properties in Hawaii and 8 Mainland states (7.9 million square feet with 2010 NOI of \$56M)
- Resort, primary residential and commercial development portfolio (2,500 units)
- Largest agricultural operation in Hawaii
- Significant producer of renewable energy

Matson



- 17 Jones Act Vessels
- 47,000 company-owned containers and equipment
- Dedicated terminal facilities in Hawaii
- 35 percent ownership in SSA Terminals
- Top 10 domestic logistics company

Hawaii: Poised for Growth

- Positive economic trends in the State are expected to support future growth for both A&B and Matson
 - Visitor expenditures on near-record pace
 - Unemployment of 6.4 percent is well below the national average
- International tourism, especially from China and Korea, presents a huge growth opportunity for Hawaii tourism and the economy generally
 - Hawaii is among the world's most desirable vacation destinations
 - Experience catering to Asian tourists
- Real estate has bottomed and is poised for recovery
- Infrastructure projects, like the planned \$5 billion rail project for Honolulu, are expected to support expansion of Hawaii's construction industry



A&B: Deep Knowledge and Expertise in Hawaii Real Estate

Competitive Advantages

- Extensive expertise in entitling and developing Hawaii real estate
- Established track record of working with communities and government agencies to meet Hawaii's needs
- Over a century of farming and renewable energy expertise
- Strong investment discipline embedded in culture
- Wide range of in house resources with full spectrum of development capabilities
- Strong balance sheet

Strategy

- Focus on entitlement / development of core Hawaii lands
- Position portfolio of pipeline projects for market recovery
- Investment in high-returning real estate opportunities across Hawaii
- Targeted investment in complementary Hawaii markets
- Optimize returns from diversified Hawaii commercial portfolio with targeted Mainland commercial assets
- Leverage joint venture opportunities to maximize risk adjusted return
- Grow renewable energy operations



A&B: Successful Development Track Record

Wailea



- Premier resort destination on Maui
- Original developer in the early 1970s
- Sold in 1989, repurchased 270 acres in 2003
- Sold/developed 100 acres, recapturing investment
- 170 remaining acres fully zoned for residential and commercial uses with a plan for up to 700 units
- 27 acres in active development

Urban Oahu Condos



Keola La'i

- Completed in 2008
- 352 residential units
- Located near downtown Honolulu



Hokua

- Completed in 2006
- 347 luxury residential units
- Overlooks Ala Moana Beach Park



Lanikea

- Completed in 2005
- 100 two-bedroom units
- Located in the heart of Waikiki
- First condo development in Waikiki in 10 years

A&B: Development Pipeline



A&B: Value Creation Drivers and Metrics

Key Metrics		
Business	Statistical Drivers	Performance Measures
Commercial Real Estate	<ul style="list-style-type: none"> ▪ Occupancy ▪ “Same Store” performance 	<ul style="list-style-type: none"> ▪ Net operating income ▪ Funds from operations
Property Development	<ul style="list-style-type: none"> ▪ Acres entitled and/or permitted ▪ Development inventory ▪ Development sales (Lot/unit closings) 	<ul style="list-style-type: none"> ▪ Sales margin ▪ Long-term returns on development capital
New Growth Initiatives	<ul style="list-style-type: none"> ▪ Opportunities evaluated and investments made 	<ul style="list-style-type: none"> ▪ Earnings and returns on new growth investments
Agribusiness and Land Stewardship	<ul style="list-style-type: none"> ▪ Pricing ▪ Sugar/power production/sales ▪ Sugar yields (TSA) ▪ New energy initiatives 	<ul style="list-style-type: none"> ▪ Operating profit ▪ Operating cash flow

A&B: A Unique and Differentiated Investment in a Hawaii-Focused Real Estate Company

- “Hawaii Play”: public real estate company positioned to capitalize on Hawaii upside
- Strong track record in creating shareholder value from real estate investments and deep understanding of Hawaii
- Irreplaceable asset base
- Large and diversified commercial real estate portfolio
- Substantial embedded internal growth opportunities with a pipeline of over a dozen development projects
- Growth-oriented capital structure with healthy balance sheet and strong liquidity
- Experienced management team with aligned incentives



Matson:

A Premier Ocean Transportation and Logistics Company

Competitive Advantages

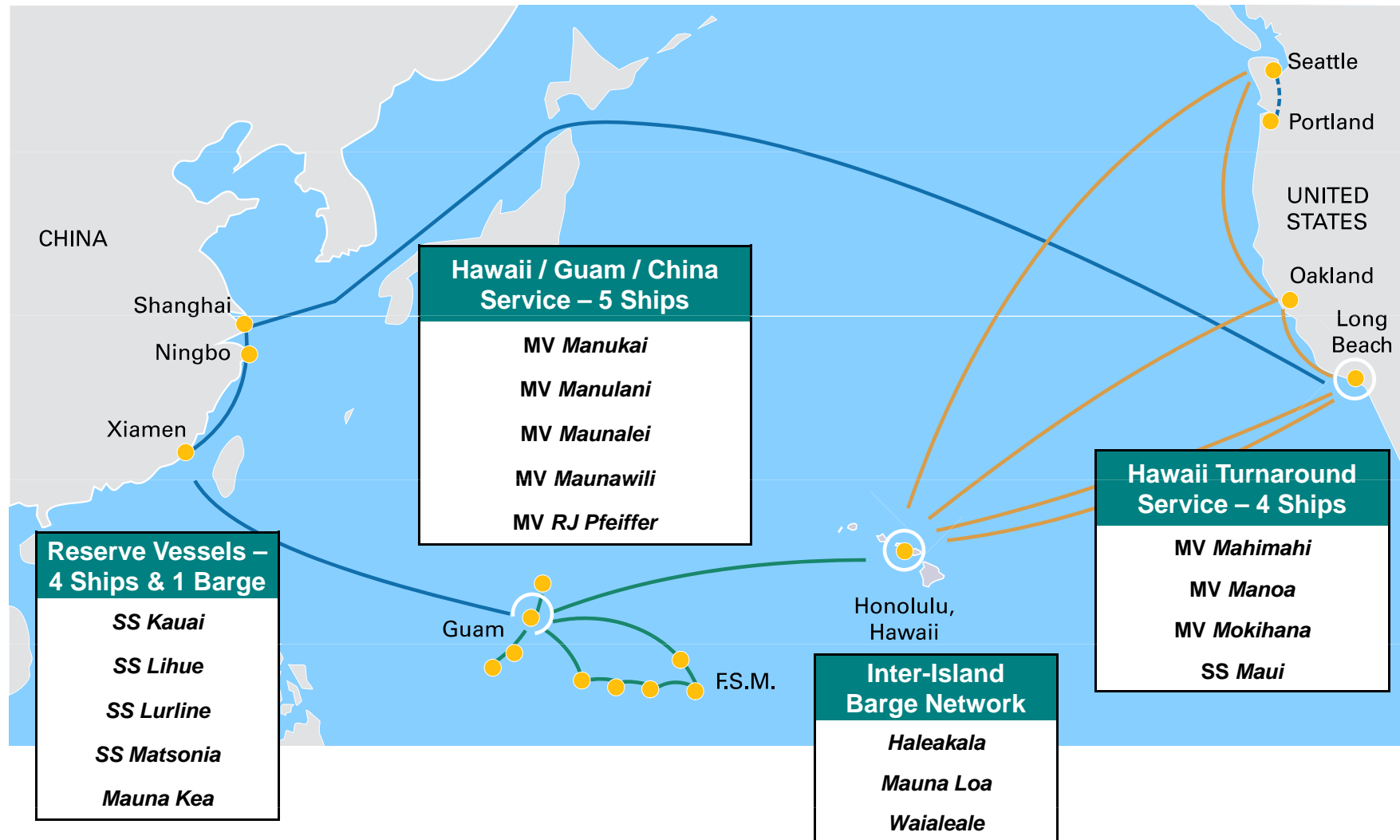
- Powerful brand name
- Leading position in two domestic markets—Hawaii and Guam
- Outstanding reputation in China
- Excel at serving niche markets
- Strategically located terminals in Hawaii
- Dedicated West Coast terminals through ownership in one of the largest West Coast terminal operators
- Strong operating discipline
- Strong cash flows, balance sheet, and liquidity
- Integrated top-tier logistics capability to meet customer needs

Strategy

- Focus on world class customer service
- Position to grow faster than the overall Hawaii economy
- Pursue growth in Guam routes through the upcoming U.S. military realignment toward Asia
- Pursue other expansion
- Capitalize on global trade growth through SSA Terminals joint venture
- Organic expansion of highway brokerage, intermodal and warehousing services
- Develop international freight forwarding and consolidation offerings with a focus on China



Matson: Connecting the Pacific Unlike Anyone Else



Matson: Value Creation Drivers and Metrics

Key Metrics		
Business	Statistical Drivers	Performance Measures
Ocean Transportation	<ul style="list-style-type: none"> Vessel on-time performance Capacity utilization Freight rates and volumes 	<ul style="list-style-type: none"> EBITDA Operating profit Operating margin Return on invested capital EPS
Logistics	<ul style="list-style-type: none"> Volumes Gross profit margin 	<ul style="list-style-type: none"> Revenue growth Operating profit Operating margin Return on invested capital
SSAT	<ul style="list-style-type: none"> Lifts Profit by terminal Stevedoring productivity 	<ul style="list-style-type: none"> Interest in joint venture earnings

Matson: A Premier Transportation Company Poised to Deliver Value

- Leading shipping company in the Pacific with strong brand reputation
- Unmatched customer service and best-in-class on-time delivery
- Competitive advantage in premium China-Long Beach service
- Well-positioned for market recoveries in core trades and military build up in Guam trade
- Superior asset quality – fleet (18-year average age of active fleet) and harbor infrastructure
- Logistics creates a strong, viable growth platform
- Highly strategic 35 percent ownership in SSA Terminals joint venture
- Attractive dividend to complement core business growth
- Experienced management team with aligned incentives



Transaction Overview

Structure	<ul style="list-style-type: none"> ▪ As of the record date, shareholders of Alexander & Baldwin will own one share of A&B stock and one share of Matson stock for each existing share ▪ Tax-free spin
Timing & Approvals	<ul style="list-style-type: none"> ▪ Expect transaction to close in the 2H of 2012 ▪ Receipt of favorable IRS ruling and tax opinion ▪ Filing and effectiveness of registration statement with the SEC ▪ Final approval by board of directors
Capital Structures & Financial Policies	<ul style="list-style-type: none"> ▪ Approximately 40 percent of debt will be allocated to A&B ▪ Approximately 60 percent of debt will be allocated to Matson ▪ Both companies will retain strong credit metrics and balance sheets ▪ Matson will pay an attractive dividend at or above market averages, currently project to be in the range of 50 to 70 cents per share annually ▪ A&B will not pay a dividend, consistent with other real estate development peers, in order to maximize investment potential in new, high-returning opportunities ▪ Until the separation is completed, the Company expects to maintain its regular quarterly dividend
Business Impact	<ul style="list-style-type: none"> ▪ Both companies will be incorporated and headquartered in Hawaii, and thus, will remain a driving force in the Hawaii economy ▪ No interruption in operations or service to our communities, our customers, vendors or government officials ▪ The general public will not experience any changes in the way we do business or the people they do business with ▪ As the land and transportation businesses already perform their day-to-day functions independently, there will be very little change to each business' organizational structure ▪ No net loss in jobs

AB ALEXANDER & BALDWIN, INC.



Separation Plan Announcement

Friday, December 2, 2011