



# ALEXANDER & BALDWIN

## **A&B Properties Adds Logistics-Friendly Industrial Park to Portfolio**

October 26, 2007

Part of Asset-Class and Geographic Expansion, Tax-Efficient Funding in Place

HONOLULU--(BUSINESS WIRE)--Oct. 26, 2007--A&B Properties, Inc., the real estate subsidiary of Alexander & Baldwin, Inc. (NASDAQ:ALEX), has entered into a contract to purchase a seven-building industrial complex, Heritage Business Park ("Heritage"), adding 1.3 million square feet of leasable space to the company's income portfolio. The \$102 million purchase transaction is expected to close escrow in early November and will be funded through the use of Section 1031 tax-deferred proceeds.

"Heritage Business Park is a Class A, institutional-grade property with a roster of blue-chip tenants, ideally located next to the Dallas-Fort Worth International Airport," said A&B Chairman and CEO Allen Doane, "and while it is a sizeable asset, the purchase will incrementally align our portfolio with some of the logistics-related operational and strategic objectives highlighted in our recent presentation to investors. In addition to the existing seven buildings, we will acquire 28 acres of industrial zoned land which can be developed with up to more than 400,000 square feet of warehouse space. The immediate impact to our portfolio, and the potential this investment offers for longer-term value creation are precisely the strategic combination we seek."

The purchase of Heritage advances the implementation of A&B's income portfolio expansion and complements two other offices and retail properties A&B owns in the greater Dallas-Fort Worth area. The company's investments in Texas began in 1990.

"This acquisition also extends our proven strategy of reinvesting tax-deferred proceeds from current sales and recycling these dollars into new assets," said Norbert Buelsing, A&B Properties' executive vice president in charge of the company's income portfolio. "The entitled acreage provides an opportunity for us to apply our development expertise, to grow the property's value and to increase our returns in a market we know. And we believe that Heritage's location can capitalize on a major distribution hub, with its immediate access to freeways and the DFW Airport."

Heritage Business Park comprises eight parcels (seven buildings) totaling 111 acres of fee simple land, including 28 undeveloped acres that are fully entitled. The buildings were built over the course of a five-year period from 1997 to 2002. The park is presently 98 percent occupied and leased to 18 national and regional tenants, the majority of which are original tenants. Tenants include logistics and distribution companies; electronics, IT and web-hosting data centers; and product distribution firms.

With the purchase, A&B's leased income/investment portfolio will be comprised of approximately 6.6 million square feet of retail, office and industrial space located in Hawaii (25 properties) and throughout the mainland United States (22 properties).

Alexander & Baldwin, Inc., headquartered in Honolulu, Hawaii is engaged in ocean transportation and logistics services, through its subsidiaries, Matson Navigation Company, Inc. and Matson Integrated Logistics, Inc.; in real estate, through A&B Properties, Inc.; and in food products, through Hawaiian Commercial & Sugar Company and Kauai Coffee Company, Inc. Additional information about A&B may be found at its web site: [www.alexanderbaldwin.com](http://www.alexanderbaldwin.com). A&B Properties is Hawaii's fourth largest private landowner; its diverse pipeline of projects are located on some of the 89,000 acres it owns in Hawaii, or on lands more recently acquired or being developed in joint ventures with third parties, including projects on Oahu, Maui, Kauai, the Big Island and in California. Additional information may be found at web site: [www.abprop.com](http://www.abprop.com).

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 our Annual Report on Form 10-K and our 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.

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