



ALEXANDER & BALDWIN

A&B to Continue Sugar Operations Through at Least Year End 2010

January 29, 2010

Spike in Sugar Prices Influences Board's Decision

HONOLULU, Jan 29, 2010 (BUSINESS WIRE) -- Alexander & Baldwin, Inc. (NYSE:ALEX) today reported that the Company has decided to continue sugar operations at its Hawaiian Commercial & Sugar Company division ("HC&S") through 2010. Continuation of operations beyond 2010, however, remains subject to a favorable outcome in the water cases pending before the State Commission on Water Resource Management, as well as other factors such as HC&S's ability to attain higher sugar production levels.

"Despite the significant operating losses incurred in both 2008 and 2009, rising sugar prices entering 2010 and forecasted higher sugar production have bought HC&S additional time to prove its viability," said HC&S General Manager Chris Benjamin. "Production is expected to increase primarily as a result of the return to near-normal rainfall levels over the past year. HC&S's financial viability depends largely on improving sugar yields, and water is the single biggest prerequisite to doing so. Further clarity regarding HC&S's future remains dependent on both the East and West Maui water decisions."

"The current spike in sugar prices, primarily the result of recent shortages in world sugar supplies, will result in improved near-term financial performance, but is unlikely to persist long-term and will not be counted on to support HC&S's future viability. We have accelerated our efforts to define a new strategic direction for HC&S, rooted, of course, in farming, but possibly putting greater emphasis on the production of energy," continued Benjamin. "We believe that there is no better location in Hawaii for a renewable energy farm, but we will only be able to achieve that long-term potential if we remain a viable sugar plantation in the near term."

Besides supplying the electricity for all of its own operating needs, HC&S produces about 7% of the electricity consumed by the rest of the island of Maui. This 7% represents about 35% of the island's renewable energy supply, which HC&S generates primarily through the burning of bagasse (the remains of the sugar cane plant, after the sugar has been extracted). Ideally located and with irreplaceable resources to support greater renewable energy production for the state, HC&S is actively exploring a future as an energy farm -- producing bio-diesel or ethanol from sugar or other plant feedstock, and generating electricity from biofuels, solar and wind.

"We would like to thank the community for its strong show of support during this time of unprecedented challenge for HC&S," Benjamin concluded. "The broad-based acknowledgement from people across the community that HC&S's future is critical to Maui--through letters, testimony, petitions, roadside rallies--made a difference in the Company's decision to continue operations at HC&S."

Alexander & Baldwin, Inc. is headquartered in Honolulu, Hawaii and is engaged in ocean transportation and logistics services through its subsidiaries, Matson Navigation Company, Inc., Matson Integrated Logistics, Inc. and Matson Global Distribution Services; in real estate through A&B Properties, Inc.; and in agribusiness 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.

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