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PRESENTATION

Suzy Hollinger - *Alexander & Baldwin, Inc. - Director, Investor Relations*

Aloha and welcome to Alexander & Baldwin's Analyst Day. We're going to get started -- everyone has books in front of them with the slide presentation in the front and on slide two, we have information regarding forward looking statements. I'd like you to note that in this presentation and webcast we'll set forth expectations and predictions that are based on facts and situations that are known to us as of today, April 11, 2012.

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

For those on the webcast, slides for this presentation are available for download at www.alexanderbaldwin.com. So, let me get started by introducing the management team that's presenting today. Starting with Stan Kuriyama, A&B's President and CEO.

Stan Kuriyama - *Alexander & Baldwin, Inc. - President, CEO*

Morning.

Suzy Hollinger - *Alexander & Baldwin, Inc. - Director, Investor Relations*

Chris Benjamin, President of A&B Land Group and President of A&B Properties. Paul Hallin, Executive Vice President, Development.

Paul Hallin - *Alexander & Baldwin, Inc. - EVP, Development - A&B Properties*

Good morning.

Suzy Hollinger - *Alexander & Baldwin, Inc. - Director, Investor Relations*

And David Haverly, A&B Properties, Senior Vice President of Leasing.

David Haverly - *Alexander & Baldwin, Inc. - SVP, Leasing - A&B Properties*

Morning.

Suzy Hollinger - *Alexander & Baldwin, Inc. - Director, Investor Relations*

Joel Wine, who's A&B's CFO will be here later in the presentation. He'll be available to answer questions. Slide four provides an agenda for our presentation, after which we'll take your questions. So let me now turn the presentation over to Stan who will provide an overview of our real estate and land businesses.

Stan Kuriyama - *Alexander & Baldwin, Inc. - President, CEO*

Okay and thank you, Suzy, and welcome to this morning's presentation. Give you a quick overview of the Company, a little bit of our history, who we are and will be upon separation and then what our focus and strategy will be going forward from separation.

Starting with slide six, actually I do see a few new faces -- I was going to skip this slide since many of you I know are fully familiar with the Company, but there are a few new faces here. So just quickly. We started off in 1870 as a partnership between Sam Alexander and Henry Baldwin, so we're over 140 years old. They started off purchasing 12 acres on the island of Maui, which over the decades have expanded to include, as you can see here, over 130,000 acres of ownership throughout the state and three plantations.

This is really the roots of the Company. From there we grew our real estate business, we acquired our shipping business. Real estate really started with 1949 when we developed the master plan community of Kahului on the island of Maui for our sugarcane workers.

From there we began to look at lands that weren't used for our sugar cane operations, began to entitle and develop those. Then, about 15 years ago, we realized that in order to meet our growth objectives in real estate we'd have to expand beyond our core landholdings. Our core lands are primarily on the islands of Maui and Kauai, smaller populations. So we knew that as a strategy we had to grow beyond those core landholdings. So we embarked upon a program of investing in real estate in Hawaii outside of those core landholdings. And today, we are probably the most active investor in real estate in the state of Hawaii.

Shipping was a natural outgrowth of our sugar business. We had, at one time, in Hawaii's peak about two dozen sugar plantation. Regrettably we are -- we, A&B owns the last sugar plantation in the state of Hawaii. We farm about 35,000 acres on the island of Maui. But at its peak, Hawaii had about two dozen share plantations, and all that sugar -- raw sugar that was produced in Hawaii had to be shipped to our refinery on the West Coast. Hence the need for a shipping company. And over the years, the sugar companies acquired a larger and larger interest in Matson, which itself is over 100 year-old company.

And then, in the '60s we acquired a majority interest, and then finally in 1969, A&B acquired full ownership of Matson, which is why today we own that -- we own the Matson sugar - Matson transportation company. It is today the largest carrier of goods to Hawaii. It ships about two thirds of the goods from the Mainland to Hawaii. Ships go on to Guam where we historically have shipped about 50% of the goods to that island.

Recently our other competitor in that trade lane went out of business or stopped servicing Guam. So we currently ship 100% of goods to Guam. But historically, it's been about 50%. Our ships then go on to China where they pick up goods in three ports in China and then head back full to Long Beach, California. So that's a loop that we have in service and that's supplemented by a few other ships that go back and forth just between the West Coast, Mainland and Hawaii. So that's our transportation business.

Then turning to slide seven, having built up that business, we have decided now to separate it. It's -- whenever we meet with investors they ask us well why do you have real estate and ag business together with a shipping company and it's -- I've just explained to you why we have it, but it's a good question, especially as the companies have grown over the years and some of the synergies that previously existed between the two businesses no longer exist. So, it's a question we've looked at ourselves every couple years, last ten years.

The most recent evaluation which we started very early 2011. We eventually reached the conclusion that indeed the time was right to separate the two companies. There are a lot of benefits here which we've listed on the left hand side of this slide. But essentially, we've grown two companies large enough, and strong enough, and different enough certainly to stand on their own and be successful as independent public companies.

So on December 1, our Board approved that decision and announced it on that date. Quick update on where we are on separation, we are on track for a third quarter closing. We have submitted all the necessary documents with the SEC and the IRS and we expect to receive those approvals in due course. This will be structured as a tax free spinoff. It's actually the real estate and ag business that will be spun off and we will keep, however, the name Alexander & Baldwin, Matson will operate under its name, Matson Navigation Company.

We just got approval just the other day of our S4 proxy. So that is now official and is being mailed out to our shareholders. Annual meeting will be on May 11th. One of the items that will be voted upon with our shareholders is the structure of the separation. Not the separation itself, that doesn't require shareholder approval.

But in looking at the different alternatives for how to best structure the separation, we came up with a plan that's most efficient given all the diverse holdings we have and most efficiently accomplishes that separation. And so it's that structure that under Hawaii law requires shareholder approval, so there's a 50% approval requirement for that.

We don't expect any problems there, but on the off chance that it's not approved, there are alternatives we will use to affect our separation. Since it's a question that's asked, let me address it upfront, we did fully evaluate the possibility of spinning out our real estate as a REIT. There are obvious tax advantages to doing that.

But there are a number of important limitations on a REIT, obviously including the type of activities you can conduct, the income that qualifies for REIT treatment and given our future focus on development and creating value from our development activities, given our agricultural businesses which don't qualify for REIT income and a few other factors which we can get into later. At the end, it was actually a very clear decision for us that becoming a REIT at this point was not the right move for us. So we will not be adopting a REIT structure for the real estate.

As far as planned capital structure is -- excuse me, is concerned. Time of separation are book assets for real estate and ag should be about $1.4 billion that will be total gross book asset value. We will have term debt of about $245 million. That's based upon an assumption that at the time of separation we have about $600 million of term debt at consolidated level, and upon separation, about 60% will be allocated to Matson -- assumed by Matson, and 40% by the real estate business. We also plan to have in place, at the time of separation, a revolver -- a revolving line of credit for about $250 million an undrawn facility that we will use to fund our operating and investment activities for the foreseeable future.

So that's separation, who we will be upon separation is kind of covered by the next slide. We are a company, we believe, with unique assets and competitive strengths. We are the fourth largest private landowner in the state of Hawaii, 88,000 acres. By selling real estate, our legacy lands over the years and reinvesting the proceeds in 1031 tax deferred exchanges, we have built up a quality commercial portfolio, nearly 8 million square feet of properties on the Mainland and in Hawaii.

We have we continually worked on building a development pipeline and so we have been very active in the recent real estate downturn. We've worked hard at developing a pipeline of future development projects, what we now have over 3500 fully entitled residential and commercial units in our pipeline that we can roll out assets supported by market demand.

We have the largest farm in the state of Hawaii and that has some very interesting and real energy potential down the road for us. I mentioned a strong balance sheet and ample debt capacity we will have at the time of separation. But we also have important intangible assets. They reside primarily in our staff, in who we are, the reputation we've built up. We're not just old, but I think over the many decades we built up a reputation for the highest integrity, trust within the state. Hawaii is not a big state, as you know, and we're a big fish in a small pond.

So the focus is always on us and that's important for us, therefore to respond accordingly and we've shown, I think, huge commitment to our communities and I think have earned the respect of most of the people throughout the state of Hawaii.

Part of our DNA is also a very disciplined approach to underwriting and making investments. We've learned a lot, we have staff here of many decades of experience and if you've watched real estate for over 30 years, as I have, you know A, it goes into cycles, and B, you've watched the mistakes and successes of people who invest in real estate in the state, and I think we've all learned quite a few lessons from being participants in real estate for these many years. So we're very disciplined, and I believe very smart underwriters and investors in real estate in Hawaii.

And hopefully, we don't just talk the talk, but we walk it. We do have a track record of success. We have invested over the last 15 years well over $1 billion in commercial properties and development projects with favorable results and we'll be describing some of those projects to you today.

And of course, we are going to be a Hawaii public company. There are very few Hawaii public companies, certainly there is no other real estate company of scale in Hawaii. So if you're looking for a vehicle for investing in Hawaii real estate, we're going to be at the top of your list.

That's kind of who we will be upon separation. Slide nine, we have just a map here of our landholdings. About 20,000 acres on Kauai, 70,000 acres on Maui. We will be getting into more detail on how you break down that acreage within our portfolio.

Let me just mention though that you see a lot of blue, which is conservation. Conservation lands really can't be developed but in our case, they do have value for us. On the island of Kauai, we have a hydroelectric plant in that Wainiha conservation area that produces very nice, steady income for us and so that land itself has high value because of the income that hydro plant generates and on the island of Maui, all that blue land provides irrigation water for the green land. So we harvest water off those blue lands to irrigate our plantation in the central area of Maui.

Then turning to management for a bit, slide ten. Upon separation, I will be Chair and CEO of the new company. You can see beneath me the senior executives at A&B. Chris Benjamin will be President and Chief Operating Officer. He will be giving the bulk of the presentation this morning and he will be responsible for our two operating divisions. Our real estate division and our agribusiness division.

Then on slide 11, we've listed under him his senior management team, kind of divided into four basic divisions within -- within real estate and ag. We have our agribusiness who heads by -- headed by a fellow named Rick Volner on the island of Maui. Entitlement and development is headed by Paul Hallin, who's here with us today. David Haverly, to my left here, heads our commercial portfolio. And, then we have a growth and acquisitions divisions and you can see the senior managers in that division. Quick summary of some of our financial highlights are on page 12. I won't go over these numbers. You can peruse them later, just note the ten year averages there.

The only number I would point out is the agribusiness number. That's -- that low number is a result of a couple bad years we had. It has traditionally been a volatile business and part of what we'll talk about today is how we've attempted to de-risk that business and reduce some of that volatility going forward. So we certainly do expect better results from ag in future years.

We are a company that's driven by value creation. As you all know, development companies cannot best be measured by EPS, while earnings are important to us, what we really focus on is creating value in everything we do throughout the organization. We also need to capitalize on what we perceive to be our competitive strengths. They're mostly in Hawaii, hence the Hawaii focus for us.

As far as our legacy lands are concerned, those 80,000 acres, we try to create as much value from those lands wherever we can. We identify lands within our 80,000 that are appropriate for development and take them through the entire development process. As I mentioned, we have looked at investing outside of our core landholdings. So finding opportunistic high return investments is something we do every day. We've built up that development pipeline that I've described. We continually enhance value in our commercial portfolio, and over time, our strategy is -- and it's a long term strategy is because again, to capitalize on our competitive strengths to hopefully migrate most of that Mainland portfolio back to Hawaii over time.

De-risking our agricultural business is something we've been working on, we'll continue to work on. We'll talk more about that this morning and then positioning agribusiness, hopefully one day from a producer of sugarcane to a producer of energy. We will continue to maintain our underwriting discipline. We think we create a lot of value through that. And then finally, of course, as the markets return we do intend and will monetize our investments.

Which leads to the question when will that market return. And that's -- page 14, I think Hawaii's at an inflection point. There are a number of very strong economic indicators pointing in the upward direction. We think it's sustainable, but I won't cover this slide because we're going to have economist Paul Brewbaker address us all this afternoon at lunch. And so he'll give you a much more in-depth opinion, much more professional opinion of where we think the economy is headed. But suffice to say I do think we are definitely headed in an upward trajectory. There are a number of very positive indicators.

Let me just spend a minute on this last point and that is tourism. As you know tourism is the primary engine of the state. Most of our tourists come from the US Mainland. A significant number also come from Japan. And on the next page, slide 15, I've given you some of the Japan statistics there. You can see that the last three years, and this is actually a reduction from prior years, but in the last three years the number of visitors from Japan, it's been about 1.2 million out of a total of about 7 million. So it's traditionally been between 15% to 20% of the total visitors to the state.

They also are substantial investors in real estate. They continue to be. They used to be huge investors in Hawaii real estate. When their economy tanked, all that stopped, but even then they have continued at a level of -- you can see here 275 million to continually invest in Hawaii real estate.

And compare those numbers to the Chinese and you can see that China the visitor is a fraction -- visitor count is a fraction of Japanese. We don't even track their investment, it's so small. But China has population of 1.3 billion, Japan about 130 million, so it's ten times larger than Japan. So as wealth begins to increase their number of visitors generated by the country will increase and it just takes a fraction of their visitors to make a major difference for us in Hawaii. So if you look at future in one of the -- what can be one of the sea changes in our economic environment. Certainly, China is the big one.

One other interesting statistic is daily spending. US visitors average about $160 a day in spending. Japan is $290 and they have traditionally been the highest spenders. It's actually their -- the impact they have is a little disproportionate to their number because of the amount they spend per day.

Chinese, thus far, have been spending on average $380 a day. So, that has been a very pleasant, interesting surprise for us. So, that's my introduction to the Company. We are going to break at certain points for questions. So we'll have a question period later on the presentation. But why don't I turn that over now to Chris Benjamin.

Chris Benjamin - *Alexander & Baldwin, Inc. - President - A&B Land Group.*

Thanks, Stan. And I want to thank everybody for coming this morning and those that are listening. We're at a very exciting time for us as a company. We are excited not only about the market and it's -- what we believe is an inflection point and an environment where we think Hawaii is going to recovery very nicely over the next few years.

But we also are at a place within the Company where we think we've positioned a lot of our development assets for success in that environment. And, so I appreciate the opportunity to be able to talk a little bit about why we're excited about the Company, and frankly why we're excited about this opportunity to stand alone as a more focused real estate company. We have obviously a long and very important history with Matson, but we also believe this is the right time to -- to stand alone and to really create value.

What I want to do today though is -- even though we are a more focused company than we were before, we obviously still have some unusual pieces together in terms of a development business and a commercial portfolio and an ag business. And so what I want to do today is help you understand, not only how those businesses work together, but also at least begin the process of helping you value the Company -- some of you already cover the stock and are quite familiar with it. Others of you are just beginning to get involved in it and I think that -- while I don't expect that you'll walk out today with your model completed, what we hope to do today is give you enough background so that you can understand how the pieces work together and set you on a path towards a valuation of the Company.

On 17, what I want to do is explain a little bit about how those pieces work together, 17 and 18 actually help tell that story. Historically, we have been -- we have generated value. When I say historically, I mean for most of our 140 years we've generated it from really two processes, one is land stewardship, including agriculture, which for the majority of history of the Company was the significant primary driver of value creation. And then, entitlement and development of historic legacy lands, or historic land holdings.

We didn't historically have the middle box in this chart on page 17. We essentially were land stewards and farmers and then opportunistically where we could we would move land through the entitlement and development process and create additional value.

As Stan indicated earlier, we realized 15 years ago that we were constrained by the pace of entitlement and our ability to do that and we really had a lot of capability and knowledge and expertise in-house to add value to lands beyond the pace of entitlement. And so that's when we began our new investment program, and we'll talk a lot about examples today of what we've done historically, but more importantly what we've done recently that's in the pipeline on the development front.

But it's important to note that we really believe we create value at every step in this process. And so land stewardship and agriculture I'll talk about last today, but it is not -- it's not just a necessary evil. It's actually, in our view, a great opportunity to create value and we have been creating value over the last couple of years and we see more opportunities going forward. So we'll talk about that.

We'll talk a little bit about the very challenging entitlement environment in Hawaii and why we believe we're best suited or very well suited to create value through entitlement of lands in Hawaii because of the reputation of the company and the relationships the company has, and the people that the company has.

And then we'll talk about new investments again where we're buying fully entitled land to put them through the development process. And -- but the point here is that we really believe that every aspect, every stage of this continuum is important to us and we take each one very seriously and both will help you understand how we do that.

On 18, very simple chart, but it's actually a very important one. Because what this says is that we not only -- the pyramid is intentional, because the land stewardship planning and entitlement and eventually sales supports the stable cash flow from leasing because it is what helped create the leasing portfolio. We'll talk about it a little more later. But the lease portfolio, the commercial portfolio has been primarily built from proceeds of land sales over time. So not only do we create value at the bottom through taking land from raw land agriculturally zoned through the development process.

But when we monetize much of that land, we're able to reinvest it into income producing assets which then throw off the cash flow that allow us to pursue the more cyclical development activity, which is where we believe, going forward, we actually have the potential to create the most value. So this is how these businesses work together. This is why these businesses are together. It gets back to Stan's point about why we're not making a REIT election because we believe that the cash flow from that commercial portfolio is essential to our pursuing what we think is our greatest value creation opportunity, which is in the development side.

So again, it's a simple chart but it helps tell the story of how these businesses fit together. What I'm going to do is I'm going to spend the next three slides just giving a broad overview of our three primary business lines and then we will have one section on each of those businesses, starting with the development business that Paul will take us through.

But let me start with development and investment strategy on 19. As I've already said, our focus is always primarily and initially on entitlement and development of our core Hawaii land and that's a very long process, but it's one that we do, I think particularly well again, because of our history and our people and our reputation in Hawaii.

But as I also said, we are -- if we relied only on our historic landholdings for our development activity we wouldn't be as busy as we'd like to be. And so investing in high return real estate opportunities in Hawaii, new development projects, in some cases raw land, entitled land, in some cases in progress developments and in some cases joint ventures where another party may have initiated a development and we come in with expertise, capital, market knowledge and work with them.

So, these are all -- these are both important sources of projects for our development pipeline, both our legacy lands and our new investment lands. And, we scale and we stage our development portfolio very carefully to what we see as the market.

What I mean by that is we don't get -- we don't overextend ourselves in terms of our development pipeline. The best example of that is 2000 -- late 2006, 2007, 2008. We were on the sidelines in terms of investing in new real estate developments because we saw the market as being very frothy. We couldn't -- projects were not meeting our underwriting -- our underwriting criteria and so we stayed on the sidelines and we were very fortunate when the market turned south that we were not overextended.

We're very conscious of the pace of absorption in Hawaii and the market environment and therefore we take a very disciplined approach to capital deployment. Flip that around, and look at what we did during the downturn. We were not investing significant capital into most of our projects, but we were moving them forward in the entitlement process and we'll talk a little bit more about that in a few -- entitlement and planning. And, we'll talk about that more in a few minutes.

And then again, as I said before, joint ventures are very important to us. We are very conscious of the fact that the areas where we want to grow the most are those areas that are complementary to our existing portfolio. So, Maui and Kauai we have a lot of legacy lands. Oahu is actually a market where we want to grow significantly. We're not a big landowner on Hawaii. So, in some cases through acquisition but also in some cases through joint ventures, we utilize that mechanism, that vehicle to access projects that we wouldn't otherwise have access to and to complement our portfolio. So, that's a little bit about our development investment strategy. We'll come back and drill down on that in a moment.

The next big strategy for us is the lease portfolio, and I indicated that that is today an important source of capital and cash flow for -- I'm sorry for cash flow and essentially liquidity for our development business. But it really started as a tax deferral and investment strategy back in the late 1980s when we sold significant pieces of land on Maui, in both '89 and '90, we sold large pieces of land. We reinvested a good chunk of those proceeds in commercial assets on the Mainland and over the last 15 years -- or I'm sorry, 20 plus years, we have developed and built a portfolio now of 45 assets, most of which have been acquired through 1031 exchanges.

And that has provided a very diverse stable source of income for us. And again, as I've already mentioned provides the cash flow that helps support our development business. But it's not just a place to park money. It's an active strategy of acquiring and managing assets, creating value, realizing that value at the appropriate time.

It is the preponderance of the majority of that portfolio is on the Mainland today. And the reason for that is we have -- when we have done 1031 exchanges and had a limited period of time to make investments, we've wanted, frankly, the biggest sandbox to play in. But what we have decided going forward is that we are going to attempt over time, and we're not putting a timeline on it.

We're going to attempt to bring a lot of that capital back to Hawaii over time as we can identify assets to acquire because we feel that a lot of the same competitive advantages that we have on the development side in Hawaii and we have on the commercial portfolio side. It will be a long process, we'll talk about it a little bit more later, but that will be a strategic direction for us.

And, then finally on the land stewardship side, we take a very integrated approach to identifying the highest and best use of land on the non development side. So this is both conservation and agricultural land. We believe that all land, whether it has development potential in the near term or never, has the highest and best use. And we have to work to make sure that it's in that highest and best use.

We've identified some lands, for example, that were slated for development at some point in the future but were not active and we've put them -- we're putting a solar farm on 20 acres of land on Kauai that fit that description. We're looking at opportunities to either monetize or get tenants for other pieces of land that may currently not be generating as much income as they have the potential to.

And so -- and then of course, most importantly our agricultural operations cover the majority of our undeveloped land and we're working very hard to ensure that those are profitable and I'll talk a little bit more later about how we do that.

So this is -- this is not just sit and wait, this is about creating value from lands that are not either currently, or probably ever slated for development and making sure that we're creating value from them. So, with that is an overview of our three areas of business. Let me dive now into real estate sales. Just a couple set of slides and then I'll turn it over to Paul who'll talk specifically about some of our current development activities.

First of all, the real estate sales segment. What does it include? Well, first of all, it of course includes development sales. Anything that we take through to finished product and sell is included in there. Also commercial property sales. So within the lease portfolio, if we monetize an asset, the gain from those sales will show up in real estate sales as opposed to real estate leasing. Land sales. If we ever sell raw land in Hawaii, that also shows up in the real estate sales section.

And then also, earnings from joint ventures. Typically those would be development joint ventures, but we also have past development joint ventures where we've actually kept an asset in the portfolio or where we've collectively as a joint venture have held on to that asset for income purposes. Those earnings will also show up in the development -- the real estate sales segment. They show up only as operating profit, not as revenue. So you've got to be careful when you look at margins in that business to understand how much it is from joint ventures.

The principal operating activities within this segment, I'm on slide 24 now, are things I've largely touched on already, but its investment in both our legacy and non legacy land holdings in Hawaii, priority always on our historic landholdings, but we also make investments, as I said in new lands. And we're really looking to have a diverse development portfolio. So most of the new development activity that Paul will talk about that's not on our legacy lands is on land, typically on Oahu where we see not only the greatest population on Oahu, but also the nearest term recovery in the real estate markets. And so we have invested recently in the last several years in a significant way on Oahu.

And then development, this one bullet point and the sub points under it really, we could spend a couple hours on everything that's involved and this is really probably more than anything else what distinguishes A&B within Hawaii. It's the depth of our management team, the depth of our experience, our understanding of the planning and the entitlement activities that are needed to see developments from conception through fruition to understand acquisition opportunities. To understand market dynamics. To position ourselves to go after those deals that we think are attractive and quite frankly, to stay away from those that we think are overpriced.

All of this really which is what Paul is responsible for, as well as the acquisition activity which falls under another executive within the real estate group is really, I believe what distinguishes us more than anything else in what we do, and so Paul will talk more about that. And we have a very successful track record that bears this out. We -- since 2000 we've invested about $800 million in Hawaii development projects, I'll highlight a few of them on the next slide, but they really run the gamut from -- by asset class, by geography, by how we acquired the land.

What sort of special situation led to our acquisition of the land and of the $420 million of projects that we've completed, we've had average returns of over 20% on those projects and again, I'll talk about a few examples on the next slide, which is 26. Just to pick out a few, you can see first of all the range of product type. We've got residential, primarily residential, we've got office, we've got retail, we've got resort residential and we've got ground lease for a retail site here on this page.

To pick out a couple examples, the Alakea Corporate Tower in the middle. This is actually not a building that we developed, it was a building that we repositioned and it was a building that we acquired at, I believe, about a quarter of its original construction cost. It is an asset that had struggled for quite a while under a for rent --or for lease structure. We did a condo conversion, sold off floors in this building and did tremendously well over a very short period of time.

Sold it out in a couple of years and it was our understanding -- first of all our ability to negotiate a very attractive purchase price and to do so because of our balance sheet and our ability to close quickly and our understanding of the asset. But also our ability to understand that repositioning that asset would address some of the historical short comings with the building and it was extremely successful and the credit for this goes to our acquisition group, and Mike Wright who is shown on one of the earlier slides heads that effort up. That was a tremendous project.

Keola Lai, on the left-hand side, is a great example because it was a high rise condominium on land that we did not historically own. We bought the dirt specifically for development of this building. We planned and got necessary permits, built it and sold it off in early 2008. Our timing was impeccable and this was a very successful project for us.

Next to it, Lanikea -- won't spend a lot of time on that, but it's important to note that Lanikea, which was a smaller condominium project in Waikiki was really the first condominium project that sort of led the recent wave of condominiums about ten years ago in Hawaii and we really led the way with that development and we think we're similarly positioned with a new development in Honolulu that Paul will talk about to lead the way in what we as the coming wave of high rise condos.

And then finally, very briefly, I want to give the example of Daiei, which is a retail site where we bought the ground -- the dirt under this retail center for development. But we were able to negotiate a sale price about a year or so after we bought the dirt and essentially generate as much margin as we had thought we would generate from development of the property through sale of the property and so we're not always -- we're willing to exit an asset before we get all the way to the end if we see the right opportunity and that was a good example of having done that.

On 27, talk a little bit about the -- what we see as a competitive advantage in Hawaii from the standpoint of investing. Essentially we're big enough to go after deals that a lot of the local players can't but small enough to care about and focus on deals and to hear about deals that a lot of the Mainland larger buyers do not. And so we have a sweet spot there, and I'll show you on the next slide that we've done a lot of deals in the sort of $10 million to $50 million range, where we think we've got a real competitive advantage.

And if you just look at the numbers on the slide, you can see that a lot of out-of-state investors bidding on some larger assets, typically. You get some pricing that we quite frankly think is generally too high and we are more than willing to step out of the bidding when that happens.

We like to transact as much as possible through private transactions and we have, as you can see on the next page, the ability to do that and if you look at the deals that we've done in Hawaii over the last ten years or so, you see that the majority of the deals we've done have been private. And the reason that we can do private deals, first of all, our reputation.

People know that we have appetite. People know that we perform. Quite often we have situations where someone needs a cash buyer, they need to close quickly. We have the ability to do that and in several of these cases, in fact probably most of them, our ability to secure these deals and secure them at very favorable prices was a result of that position in the market and the fact that we have this deal flow within Hawaii and the ability to transact deals before they go to wide auctions.

29 is a little bit of repeat so I won't spend a lot of time on it, but basically what it does is just reinforce the notion that we're looking to diversify our pipeline and historically again, our pipeline has been Maui and Kauai. That's where our land holdings are. But we've made a bet on Oahu, a measured bet, and Paul will talk a little bit more about the fact that we've been very measured in the pace of investment on Oahu, but Kakaako is an area that we are very interested in, it's in the urban core of Honolulu.

We've done one high --or actually two high rise condos in Kakaako already. We have another one that we are in the presales process on and another site that we have an option on. We think for a lot of reasons, market issues, commute issues, number of other things that Paul can talk about. It's a tremendous complement to our historically more neighbor island resort oriented portfolio.

And so with that, I'm going to turn it over to Paul to talk starting after slide 30 about some representative projects in our active pipeline, our future pipeline, and then talk a little bit about this entitlement process that I indicated earlier is where we believe we create a significant amount of value.

Paul Hallin - *Alexander & Baldwin, Inc. - EVP, Development - A&B Properties*

Thank you, Chris. Again, I want to thank you all for coming. I wish we could have you in Hawaii and I invite you to Hawaii to see our properties. It's hard to see through the pictures here really how nice things are, but it is absolutely gorgeous.

I'd like to start with slide 31, as Chris and Stan have mentioned, we have a very wide variety of product types and I just want to give you a bit of a market overview on Oahu, Paul Brewbaker will covering this in detail, but Hawaii, they're very different markets between the primary Oahu residential market and the resort residential market, and in this slide, you can see that the cycle that was experienced, we had the Japanese bubble in 1990 and then we had the run up in 2007, '08. And the take away here is that we never had extreme drop offs in prices in the Oahu market and then if you look at the next table over you'll see the inventory.

We're at a point with stable prices and very low inventory, which brings us to the next slide on slide 32 is our next project on Oahu, which is a Waihonua development. On this project, we did competitively bid to secure it. There were a number of issues on this site, archeological community opposition and what not, that we were positioned well to negotiate with the community to solve those issues, ended up taking down the parcel at a very attractive rate, which equated to about $50,000 per unit and move the development process forward.

High rise in Hawaii takes about four years from acquisition to sale. We're almost two years into that process, we started presales in December, had a very strong response, 200 non-binding contracts. We started converting those contracts to binding last month. As of today, we have 175 binding contracts and another 25 contracts in the binding process, which takes 30 days in Hawaii. So we're very excited about the response on this. Typically you see more like a 20% fall out during the binding process and here we've come through it at 100% with 200 units under contract, so 100% inside those binding.

With that, we're in the bid process as you can imagine. There's not a lot of construction going on in Hawaii or the Mainland's, very good time to go out to bid, we've got five locally-based Hawaii contractors, some with Mainland ties that would be bidding this project in June. We'll have those bids in, hopefully those are favorable with our sales, go to our board at the end of June. And, we've actually looked to move the construction of this project up to August, depending on the presales at that time and financing of the project. The cost to build a high rise in Hawaii can run for an upper end -- not a high end but upper end project here for $500, $600 a foot, and we target to sell those in the $700s per foot.

We do see a lot of competition on the horizon. There are a number of entitled sites throughout the Oahu market, we're very active in that as Chris had mentioned. We do have an option for another site that we're looking at and would like to follow this project with that.

And just lastly on these projects now, obviously, Hawaii has the highest electricity rates, energy rates in the nation, we're very conscious of green development on this project. The chill water that cools the units will also heat the swimming pools, will heat the hot water. Maintenance fees are a very big issue when you come to high rise developments and the competitions. So everything we can do to reduce those costs is as important as the price of the units.

On slide 38, is an example of the private acquisition as Chris had mentioned. A large Oahu land owner -- I'm sorry, 33, a large Oahu land owner with a developer looked to sell a partially developed retail project. It was again something we like. It has a cash stream right off the bat, opportunity to do development. We closed on this transaction December, did the design build contract to construct it. We'll have it underway this summer.

So moving quickly. A lot of tenants are involved -- are interested in this project in its location in a primary residential area which is a little bit short on retail, and there is opportunities for us to acquire additional commercial lands from this developer in the future. So we're very excited about that project.

Slide 34, this gets back to A&B's historic lands on Maui, Maui Business Park. I've been with A&B now for 20 years and was involved in the first development -- the first phase in Maui Business Park back in 1995. That we sold out in 2005 at prices from $20 to $40 per foot.

And, the second phase of Maui Business Park, we are fully entitled, we are under construction, we actually closed the sale to Costco for an expansion of their existing store at four acres even though their infrastructure is not complete and that was at $38 a foot for a bulk parcel. We are forecasting sales prices of $40 to $60 a foot in the future and this is a long term project. Of the 179 acres, 155 of them are salable and it's probably about a 20-year absorption period on the project. Cost on that in Hawaii infrastructure costs runs about $500,000 an acre.

Slide 35, want to touch on the Hawaii resort market. Again, different than the primary market. This just shows you on the slide, it's not labeled, but these are resort sales over 500,000 per unit. If you looked at total resort sales in Hawaii we basically double this number. And there is one correction on this slide, 2011 was 754 units not the 585 as reported. But what this shows you is the cyclical nature. It's much more radical ups and downs than in the primary market and with this you can also do much better on the sales price, if you're positioned and ready for those upswings, and we do see that market also recovering.

On slide 36, that moves us to our Wailea project on Maui. Again, this was historic land, the land is actually owned by Matson Navigation and A&B commenced development of it in the '70s. In the '80s, we sold our interests to the Japanese. As Chris had mentioned, and used that money to buy improved properties on the Mainland. Had the opportunity to reacquire the undeveloped lands in 2003 at a favorable price and this was through a public bid process that we prevailed on.

It's been two years, we had sold and developed approximately 100 of those 270 acres that we had acquired and paid off the cost of acquiring those lands. And, so we were able to take our time with no debt, position the balance of the project for development in the future and not have to sell it at the wrong time. On slide 37, that shows you a map of the Wailea area.

The ones darkened in red are those parcels that we sold or developed early on. Active developments are in blue and then the future developments are in clear there. So were -- Wailea, again, very established project really at the end of its cycle, but pricing doing very well there and we're looking forward to the return of the Maui market.

Slide 38 moves us to the island of Kauai. Kukui'ula is our latest large master plan resort community. It is unique in that it is a private club community and there's only three of those in Hawaii. Those of you that might be familiar with Hualalui and Kukio on the Big Island are the other two private clubs. Kukui'ula excuse me is the third. This targets a very high end market and that has been impacted by this latest recession, but just in the last few months we have seen a recovery of that market with for sale since the first of the year and actually we just had a closing here last week at 2.7 million for a 2,000 foot cottage there.

At Kukui'ula, there's been a substantial investment with our partners DMB associates out of Scottsdale. We did partner with DMB to leverage their expertise in this high end market. They developed a number of high end private communities throughout the West Coast. They have a long following. When we initially launched this project in 2005, we did have $100 million in presales that were closed prior to the start of development and those were people that followed the DMB brand.

Currently, we've got $450 million invested in the project between A&B and DMB, no debt on the project. So that does give us the ability to be patient but we are adapting to the market, we are adjusting product coming with some smaller less expensive projects and even larger lots to create value for those buyers. And still though, we are priced below the other two private communities in -- on the Big Island.

And just again, there's a couple of you, Brendon's been there, Steve's been there, you just have to see this project to look at the amenities. We have a private farm and lake. The beauty of it is A&B owns the 1,500 acres adjacent, Mauka, to the mountain of this so it's truly a mountain to ocean project. I've been involved in Hawaii development in all the major islands, and even the small island of Lanai for the last 25 years and there's nothing like this. It's just a wonderful project. The buyers -- those people who bought before we built it couldn't be more pleased now that it's completed. People are residing in the project and really it is the future of Hawaii.

Also, just from an entitlement standpoint. This is 1,000 acres. Currently the Land Use Commission in Hawaii will only approve projects that you can demonstrate that will be sold out within ten years. So you'll never see a project of this magnitude being developed in Hawaii, I don't think, in the future. Slide 39. Touching on our pipeline, I'm sorry is -- I think I've covered most of that at Kukui'ula.

Move on to slide 40. Aside from the major projects on Maui and Kauai. As Chris has mentioned, we do look to acquire other's lands and the resort of Mauna Lani, we joined with Brookfield who's a developer out of the West Coast and a builder and they brought their experience in being a general contractor to the table. Ours are market conditions. We've been very pleased with this project.

Again, it was impacted by the down market. We got into this in 2004. We had very strong presales coming into 2008 and the market went down and we had some cancellations. Recently, we've seen that market recover. We've had six contracts this year. We had a closing yesterday at $1.3 million for a 2,000-foot home. These are less expensive homes, but still nice in part. All in costs about $400 a foot, and we sell those for $500 to $600 a foot.

Moving on to slide 41, Brydeswood project is a little bit different in that the entitlement process, as we've mentioned is very difficult in Hawaii and you do have the ability to develop agricultural lands for residential use. They must be much bigger lots, they need to be obviously very good properties because of the cost of infrastructure over 12-acre lot is more expensive. But this is some beautiful historic lands that we had that had formerly actually been in macadamia nuts and we've broken this into about 12-acre parcels. This appeals both to the local residents who can put multiple homes on those 12 acres, anywhere from three to five in this situation, and also to the Mainland buyer looking for a large estate home. We get further up the mountain the views are spectacular. We anticipate the estate homes will be towards the top and down in the bottom will be the multiple homes by local residents or they can also use for grazing of cattle or horses.

So this is an example, you see that the sales price per foot appears very low but actually from a value creation standpoint, the bulk value of agricultural lands in Hawaii is a range, but let's say it's on this parcel about 20,000 per acre. In doing this development, we elevate that to about 100,000 per acre with the infrastructure improvements.

Slide 42, just summarizing the pipeline, as Chris has mentioned, we are really involved in every type of development in Hawaii. Hawaii is a small market. We touch everything from primary residential, resort residential, resort commercial, primary commercial and industrial on all the islands. If there is any deals to be done in Hawaii we look at them, everybody knows that we are interested and they come to us with their projects and we do work with people both from Japan and the Mainland who have properties in Hawaii.

Slide 43, the entitlement process as touched on earlier is a difficult process in Hawaii. There's three steps to get zoning in Hawaii. First you have to start at the state level, through the State Land Use Commission. As I've mentioned they have specific rules that involves public hearing. You got the Sierra Club and everybody else who has decided there should be no more development in Hawaii coming out, so you have that to work with. Reputation is everything when it comes to the entitlement process. A&B is committed to Hawaii. We follow through on our commitments, we can look back at developments that we've done over the last 40 years and demonstrate that we have honored our commitments. The next step is going through the county, there's two steps in the county.

You have to have a community plan designation or an island wide plan designation basically within the urban growth boundary and then lastly you have to go through the zoning process through the zoning process through the city council. All of these steps involve public hearings. They're all very difficult and it takes at least ten years to go through the process. So it's a lengthy process, we know it well, we feel we do as well anybody, but still, it is difficult to get through.

Just touching on a couple, or three of the projects that we have in that process right now. Waiale is an expansion of primary residential on the island of Maui. It's both mixed use commercial, residential, about 2,500 units. As we look at this project, there's about 800 units of primary residential absorption in Maui a year on an average basis. This project would be about 30% of that demand.

Kihei residential is also on the island of Maui. It's closer to Wailea, but again, this is primary residential. It's somewhat of an infill project as you can see from the photo that it abuts existing residential and it's small in acreage but in density it's a bit higher, half the project would be affordable housing, 600 units, meeting about 12% of the annual demand on the island.

And moving to the island of Kauai, of course we've got our Kukui'ula project, which is very high end. The Ele'ele expansion, an expansion of primary residential that we've done on the island. The 840 acres is the master plan, but that's too large today to get entitled in one shot. But the first phase of that will be about 280 acres that we are currently working with the county going through their island wide plan process.

To help us along in this, we did sell 75 acres of a portion of this project to the county for an affordable housing project to help get our foot established, and they are moving forward with that and they are looking forward to us moving forward to assist them with the infrastructure costs.

Chris Benjamin - *Alexander & Baldwin, Inc. - President - A&B Land Group.*

Okay, thanks Paul. On 44, just a couple things to note as far as our ten year history and the financial performance in the real estate sales segment. First one is we've made money throughout the cycle. And even in the downturns, 2009, '10, '11, we've continued -- we've remained profitable. The big part of the reason for that is what I said earlier about our discipline back in the 2006, '07 timeframe where we didn't get overextended on our development pipeline.

Another thing to point out is in 2011, we did have a dip in earnings, which was largely driven by the change in strategy or the tweak in our strategy with respect to our commercial portfolio. Historically we have -- when we feel that we've optimized or maximized value in a commercial asset, we will sell it and reinvest the proceeds in a new asset that we think has greater growth potential. Last year we made a conscious decision to hold off on -- or at least scale back our commercial property sales, so that going forward -- and I'll talk about this in a few minutes we can -- or I'll talk about it now, I guess, is it's on a slide in a few minutes. But so that we can focus more on the acquisitions side of the 1031 exchange.

So that we're leading more with want do we want to buy and specifically hope to buy in Hawaii, and let that drive the timing of our sales to generate proceeds for the 1031 acquisition as opposed to being driven by more on the sales side when we feel that an asset has reached its full potential. Now, not that those would be completely decoupled, because we'll still be looking at assets that we think have been maximized in terms of value. But in terms of the timing, and therefore the recognition of gains, that will be driven a little bit more by what we see on the buy side. So just an explanation of why the dip in 2011, a lot of that was a conscious decision.

And then on 45, I want to make the point that beyond just our earnings, as Paul said, it's not all about EPS and the development business. In fact, quite often it's not about current year EPS, it's about the value that you create that may or may not be recognized in a given year. So it's the permitting, the entitlement activities, the investments that we've made. I think that over the last couple of years we've created tremendous value through the investments we've made, even though that value will not be realized until we sell the projects.

We have a lot of ways that we measure that internally. I know that it's more difficult for you as analysts to value some of those things. But we're endeavoring to provide as much detail as we can in our real estate supplement to give you a feel for our entitlement progress, our planning progress, where we are in our pipeline and let you begin to get more of an appreciation for that value creation, even if it may not show up in the P&L in a given year.

And then, finally, to summarize on the real estate sales side, again, value creation always starts with entitlement and we focus on our historic landholdings, but we think we've been extremely successful in demonstrating our knowledge of the market and our ability to invest in new lands. Paul just went through a number of examples of things that are in our pipeline today that are there because we've invested outside our historical landholdings. And we think we've got a very robust pipeline.

I think that the Paul and his team, over the last few years, have done a tremendous job of positioning these projects without a lot of capital spending on things like Waihonua and Wailea and Maui Business Park to be positioned in this current environment, we're now spending some capital and moving toward the sales process. So, with that, I'll wrap up the real estate sales discussion and our introduction and ask if you have any questions on anything we've covered so far. And then we'll take a quick break. Yes, (inaudible - microphone inaccessible).

QUESTIONS AND ANSWERS

Unidentified Participant

Chris, a question on the Kukui'ula joint venture. Did I read that correctly that you guys have a 90% economic interest in that?

Chris Benjamin - *Alexander & Baldwin, Inc. - President - A&B Land Group.*

Yes, this --

Unidentified Participant

Project.

Chris Benjamin - *Alexander & Baldwin, Inc. - President - A&B Land Group.*

There's essentially a waterfall structure and it's a little bit difficult to project exactly what our long term economic interests would be. But, based on our current financial models and what we believe the cash flow from the project will be, we would expect that we would get about 90% of the proceeds from the project. Based on that waterfall.

Unidentified Participant

So, of the remaining, let's call it $400 million roughly that needs to be invested in that project over the next 20 years roughly, is that primarily going to be invested by A&B land or is that going to be through -- will your joint venture partner also be investing alongside you?

Chris Benjamin - *Alexander & Baldwin, Inc. - President - A&B Land Group.*

Well, the primary answer to that question is that most of that additional $400 million of capital will not come from either of us, it will come from sales proceeds.

Unidentified Participant

Okay.

Chris Benjamin - *Alexander & Baldwin, Inc. - President - A&B Land Group.*

As we go along. Because we have infrastructure already built out to support sales of about another 500 to 800 units without any material additional infrastructure work.

Unidentified Participant

Okay.

Chris Benjamin - *Alexander & Baldwin, Inc. - President - A&B Land Group.*

So, as that cash comes in and as we deplete that inventory, we'll then use that to build out the rest of the project.

Paul Hallin - *Alexander & Baldwin, Inc. - EVP, Development - A&B Properties*

Chris, let me just clarify that a bit. If the infrastructure in place is for all the amenities and the back point infrastructure. We do have about 100 lots developed in inventory, but we would have onsite civil infrastructure to bring on the rest of those five to 800 lots.

Unidentified Participant

Okay, thank you.

Chris Benjamin - *Alexander & Baldwin, Inc. - President - A&B Land Group.*

But that should be modest capital relative to the sales proceeds. Yep.

Unidentified Audience Member

Can I add a follow up on that? Ninety percent, is the mark -- is the break out more based on profitability or would that percentage get skewed in timing of the project is accelerated or elongated.

Chris Benjamin - *Alexander & Baldwin, Inc. - President - A&B Land Group.*

I think the answer is yes to both. I mean it's -- well, it's essentially based on the waterfall and the capital that's been put in over the last few years that has a preferred return, disproportionately our capital and so the proceeds would come to us. But to your second question, our projection of 90% is based on our assumptions about absorption and timing and if that changed, that waterfall could change but -- I don't know, Paul, if you can comment on how dramatically the 90% would change. But there's no doubt that it could fluctuate and that's why it's an imprecise -- it's an imprecise number but that's our current projection.

Unidentified Audience Member

And the project end date is 2030, I think that's what your (inaudible - microphone inaccessible).

Paul Hallin - *Alexander & Baldwin, Inc. - EVP, Development - A&B Properties*

Right, that's what we had. Now, so for -- if we were able to, the market just hit, and we sold it in 15 years, our percentage would go down, our partners would go up. If it's elongated it would go the other way.

Unidentified Audience Member

Okay, and then I had a second question. When you look at the real estate sales of the commercial portfolio that you're talking about migrating that capital back to Hawaii over time, do you envision that that's going to be into income producing property or will that be -- wouldn't you target kind of that into new development projects as you talk about the growth engine of the company going forward?

Chris Benjamin - *Alexander & Baldwin, Inc. - President - A&B Land Group.*

It -- in almost all cases, the 1031 proceeds would go into income producing assets, existing assets. The only way that you can put it into a development piece of say -- piece of land for development is if you intend to keep that development, that asset in your portfolio after development. So, if you plan to build for sale, then it doesn't qualify for a like kind exchange. So the best -- easiest, simplest way to think about it is that, that capital be reinvested in commercial assets, income producing assets.

Unidentified Audience Member

You talked about the importance of driving value to entitlements et cetera, not just measuring the sales per year, but (inaudible - microphone inaccessible) value can be created in (inaudible - microphone inaccessible). How do you go about measuring that and how do you go about compensating your people?

Chris Benjamin - *Alexander & Baldwin, Inc. - President - A&B Land Group.*

That's a good question. Let me repeat it just in case it wasn't audible on the webcast. Question is, there's a lot of value created from year to year that may not be recognized on the P&L and so how do we go about measuring it and how do we go about compensating our people?

The -- first of all, what we do not do on a regular basis in any of the analysis and use that as a management tool across the whole portfolio. What we do though is we set very clear objectives over the lifecycle of a project for, in the early stages, the various stages of entitlement, then the planning, then the presales activity sales. And, so every manager that is within in an incentive compensation structure has very specific goals every year for what he or she has to do to move a project along.

And there incentive payments are based on their hitting those milestones as opposed to -- as opposed to just a P&L objective. And we think that those -- and that system and those measures are very well aligned or very closely aligned with what it really is that we do to create value for shareholders, even though again, it may not be recognized with any given year.

Unidentified Audience Member

And you talked about how many acres you have in the entitlement process right now?

Chris Benjamin - *Alexander & Baldwin, Inc. - President - A&B Land Group.*

We have in the past, I don't know if we've mentioned it today, but I think that we've got certainly the slide 43 identifies three projects. We do have some others. I don't know Paul if you can comment on that, or Suzy if you recall what we've disclosed.

Paul Hallin - *Alexander & Baldwin, Inc. - EVP, Development - A&B Properties*

Yes, I think our major projects again are listed here. There are some smaller things that we're involved in at various levels.

The other thing that we do get involved in is changing entitlements on previously entitled projects, whether it be ours or others that need some adjustments. Even with that Waihonua project high rise, we had to go back in and get some approvals adjusted and make some modifications. So even once you have full entitlement in Hawaii, there still can be some issues out there that you need to go in and work through.

Unidentified Audience Member

And then on what have your returns been like on the Mainland versus Hawaii in terms of (inaudible - microphone inaccessible).

Stan Kuriyama - *Alexander & Baldwin, Inc. - President, CEO*

Yes. We have had investments involving projects on the Mainland. We've invested in Valencia and we've had about four or five completed projects there and the returns have been good, I mean they've probably averaged high teens.

But we have some outstanding investments that have stalled in the recession. And so when you -- when we talk about lessons learned, I think part of it from my Mainland experience was recognizing that we do have these competitive strengths and advantages in Hawaii, much less so on the Mainland. And so I think that is partly why we're again driven by the renewed Hawaii focus for future investments going forward.

We do invest heavily of course in Mainland commercial properties and there we get -- we get market returns on those. And, we do have a staff that's devoted to here in a minute, devoted to managing and always enhancing the value of that portfolio, but again, whatever competitive advantage we have probably lies in Hawaii as opposed to those Mainland properties.

Unidentified Audience Member

(inaudible - microphone inaccessible) maybe you're going to get to this when you talk about the financials (inaudible - microphone inaccessible) when you talk about returns, what exactly do you (inaudible - microphone inaccessible) annualized or are you talking about -- what does that mean and -- because I'm sure you're going to get to your financial stuff. What are you including in that and what aren't you including in that in terms of corporate and stuff like that?

Stan Kuriyama - *Alexander & Baldwin, Inc. - President, CEO*

So generally when we recorded returns we were talking about IRs.

Unidentified Audience Member

I know that.

Stan Kuriyama - *Alexander & Baldwin, Inc. - President, CEO*

Yes, well, yes right. From the investment -- from inception to completion. And they can be either leveraged or unleveraged. For the most part, when it's a project that we've developed on our own, the IR is expressed as unlevered returns. Usually when we have a JV or debt on it, so it's usually expressed as a leverage return. And generally corporate overhead is not included in those returns.

Unidentified Audience Member

One follow up from me. On the land that's currently in the entitlement process, where is that in your land holdings? Is that under the agricultural land or is that listed as entitled land already. How should we think about that?

Chris Benjamin - *Alexander & Baldwin, Inc. - President - A&B Land Group.*

Yes, it would show up as agricultural land.

Unidentified Audience Member

Okay.

Chris Benjamin - *Alexander & Baldwin, Inc. - President - A&B Land Group.*

Yes, it would -- it's currently agriculturally zoned.

Unidentified Audience Member

And so for the sake of thinking about valuation clearly, I would assume land that's in the entitlement process would be worth more than just say on a per acre basis than the agricultural land in general. Can you give us -- and I know you guys are going to touch on this later on in the presentation, but how should you think about the valuation of land that's in the entitlement process, but maybe not fully entitled yet?

Chris Benjamin - *Alexander & Baldwin, Inc. - President - A&B Land Group.*

Yes, its - I think to think about that, and we will talk a little bit about this later. I don't know if we'll have time to go in great depth, but essentially, the valuation of ag land depends first of all on whether it has development potential at any point in time. If it doesn't then there are a variety of means you can use to value it from the cash flow it generates in its current and future ag use. Potential it may have to be converted as Paul was describing into large ag lot subdivisions which can be very, very valuable, but certainly not all of our ag land is -- in fact most of our ag land would not be slated for that kind of a development.

Or if it has true urban potential. And then, if it has urban potential, it's a question of how immediately. So, you're exactly right. That if it's currently in the entitlement process, you would tend because of the time value of money to put certainly a higher land value on that because the -- even through entitlement can take some time, its relatively more immediate than something that may be in a master plan somewhere down the road, but isn't currently in the process. So -- and that's a process that we'll give some data later in the presentation along those lines and some land values. But that's really something when I said earlier, you're probably not going to walk out with your models completed. That's an area where typically Suzy or I or our CFO can spend time with you to help you understand what falls into what categories.

Unidentified Audience Member

Sure.

Unidentified Audience Member

How much of that in the Ag of your Ag land do you think has urban potential or entitlement potential beyond its existing entitlement?

Stan Kuriyama - *Alexander & Baldwin, Inc. - President, CEO*

We used to have a category for those lines before and I think we had about 10,000 acres in it. We stopped, I think, providing that statistic because it's just too difficult to project. Certainly, we have done master planning for our lands and we know which lands have the highest in our opinion of urban potential. But again, it's a function of economics and government and community acceptance and so you have to weigh the two together to determine which projects are truly viable and that changes over time.

So, in another decent indicator of where urban potential exists is the counties go through what they call a general plan update periodically. Maui county is in the process of completing theirs. And Kauai county is starting theirs. And within those general plan updates, they have designated areas that at least government believes has the near term urban potential. And so we can later provide data on what lands are included in those plan updates. But it includes more than the land we've described here. But it's really I think probably more misleading than helpful to provide the statistics. But that might be the good place to start anyway.

Unidentified Audience Member

I mean is it fair to say if we look at the roughly 10,000 acres of ag land that you guys have that isn't being leased out to others or isn't being used in your ag business that a portion of that, that doesn't have urban potential has relatively low value, because otherwise wouldn't you be leasing it out or generating some sort of income on it?

Stan Kuriyama - *Alexander & Baldwin, Inc. - President, CEO*

No, I wouldn't say they don't have -- they have a low value and the reason they -- some of these lands actually have decent value is because of where they're located. A lot of these lands have nice ocean views or actually are not beachfront, but ocean front properties. And so they're very nice lands and some of the better lands actually in our portfolio.

And periodically we will sell those lands. We have in the past and we'll continue to do so. But we're pretty careful about which lands we sell and when. But I wouldn't characterize them as low value lands. Now, we of course, some of those lands consist of hundreds of acres of gulches, yes. And those are a very low value. But in the aggregate, I wouldn't consider them low value lands.

Unidentified Audience Member

And are there any restrictions on the -- say 50, 750, 8000 acres of agriculture land that's it's not conservation, right? Do you have any restrictions on that property as far as who you can sell it to -- how quickly you can sell it or maybe the type of person that could buy it. Whether it has to stay in that piece of agriculture land or could it eventually be developed if you wanted to sell it to someone else?

Chris Benjamin - *Alexander & Baldwin, Inc. - President - A&B Land Group.*

Well, I think the first answer is there's no formal restriction on who you can sell to. And if someone for example wants to buy ag land and go through the entitlement process they have every right to do that.

I think one of the things that you find, especially on Maui, where you look at say our 35,000 plus acre sugar plantation that it is sort of inextricably linked with the water -- the conservation lands on which we collect water and it really operates best as a whole. And so to take large chunks of that 35,000 acres and sell that, for example, would -- while there's no formal restriction on that, that probably wouldn't make a lot of sense just because its highest and best use is -- as part of that larger contiguous plantation. But as far as the sale of other lands and for example in Kauai, some of our ag lands are not as linked because they're not in one business. There wouldn't be any particular restriction.

Paul Hallin - *Alexander & Baldwin, Inc. - EVP, Development - A&B Properties*

Add to that, Chris, I mean there have been buyers over the years from the Japan and the US Mainland and then bought large tracts of agricultural land thinking that they would entitle them and they haven't been too successful.

Suzy Hollinger - *Alexander & Baldwin, Inc. - Director, Investor Relations*

Okay, I think we should probably take a quick break. We'll reconvene here at 11.00 for the rest of the presentation. Thank you.

(BREAK)

PRESENTATION

Chris Benjamin - *Alexander & Baldwin, Inc. - President - A&B Land Group.*

Okay, we're back and we're going to pick up on slide 49 with the leasing segment. What's included in the leasing segment is our -- of course the income from the commercial property portfolio as well as our Hawaii unimproved properties that we lease to third parties, and then gains on -- as I said earlier, gains and losses on the sale of assets are not included in this segment. Those are included in the real estate sales segment.

The primary operational activities on slide 50 are to acquire and or develop income properties in markets of strong growth potential. This is what we've done for the last couple decades. And then enhance the assets, and David can talk a little bit about the team that he has and the process that we have for enhancing the assets over time and then repositioning them and, as I said earlier, eventually monetizing them when we feel that we've maximized value. And we do very actively manage these assets. And then, as I said, dispose them at the appropriate time.

There are certain assets in our portfolio that we've held for -- for many decades and are unlikely to be sold. But most of our commercial portfolio on the Mainland has I think flipped at least once since we've acquired it.

On 51, you can get a feel for the mix of our portfolio. All the various shades of green are on the Mainland. The portion of the portfolio on the Mainland and then the blue are in Hawaii. As you can see form a cash NOI perspective, about two thirds -- almost two thirds is on the Mainland, about a third on -- in Hawaii. That again, going back to our earlier discuss is a balance that we would like to shift more towards -- we'd like to see more blue shading over time in the portfolio. You can see the very heavy concentration from the square footage standpoint in industrial in both -- on the Mainland in particular, but on the cash NOI basis it's actually much more balanced just given the low rent per square foot in the industrial portfolio on the Mainland.

And 52, I really already talked about. So I'm not going to spend a lot of time on it other than just we have - we want to evolve the strategy for the portfolio to increase the Hawaii concentration over time. We think that our local market knowledge positions us very well to do that and because of this the pace of our future commercial property sales will be dictated more by the availability of assets in Hawaii than it has historically and because there's not a lot of assets turning over in any given year, we will potentially see fewer commercial property sales in the near future, although we are working very hard with both specific assets and owners of multiple assets to identify assets in Hawaii. And with that, I'll turn it over to David to talk about the Hawaii and the Mainland commercial portfolios.

David Haverly - *Alexander & Baldwin, Inc. - SVP, Leasing - A&B Properties*

Thanks Chris and thank you all for being here this morning. I'm going to kind of quickly run through the overall commercial portfolio both on Hawaii and on the Mainland. The first part, on slide 53, the Hawaii commercial portfolio, currently with 21 properties and four islands, eight on Oahu, eight on Maui, four on Kauai and one on the Big Island or the island of Hawaii.

This 1.4 million square feet represents a pretty significant holding for a Hawaii real estate company as 18% of our overall GLA. This 18% GLA also again represents, as Chris indicated, 36.5% of the portfolio of NOI. So by no small means is a very large indicator of what goes on for the portfolio.

The Hawaii commercial portfolio as it continues to post pretty strong results, closing out 2011 with a 91% occupancy and a 9% increase over 2010's NOI. I'll briefly cover on the next couple of slides some of the neighbor island markets. The first one would be the neighbor island retail market on slide 54. And the quick take away from this is if you look at the trends, overall, the neighbor islands continue to struggle in the commercial market. Both Maui and Kauai are showing negative net absorption and vacancy rates of plus 10%. The Big Island had a positive year in 2011, but again it struggled overall with occupancy and activity.

Now, this is a little in contrast the Hawaii -- to our Hawaii portfolio and if you move to slide 54, or you look at our Maui Mall, which is located in Kahului, just adjacent to the airport in Kahului harbor. This property was repositioned in 2009 and 2010 with the opening of -- excuse me, Maui's first and only Whole Foods. There's only two Whole Foods in the state of Hawaii right now. One on Oahu and one here at Maui Mall. This repositioning allowed us to re look at our tenant mix, the property itself and focus on adding some features to track new and Mainland tenants to the property. As such, we feel this property is well established and well ready for our next growth of tourism in the market itself.

And as you can see from the slide itself, the occupancy remains strong and NOI continues to increase year over year, encountering some of the trends that we were reporting on the overall neighbor island trends. It is also evident if we move to the next slide, on slide 56 and we look at Lanihau marketplace in Kailua Kona. This property's got a little unique history for us. We originally acquired it in 2005 for $16.7 million. Disposed of it in 2006 for $27 million and we reacquired it in 2010 for $22.5 million.

Now, again, countering the trend on the neighbor islands, this property has seen some positive and stable occupancy for this timeframe and if you annualized for 2010 NOI, we reflect a 21% NOI year over year accrual between 2010 and 2011 once we took control of it again.

Moving on to the Oahu retail market. If you look at the trends in slide 57, the top trends indicate that Oahu retail market has been resilient and it really never took the tip that we saw on other markets or on the Mainland. Activity is a strong and the tourism markets rebounded there faster than anywhere else.

We currently have four properties on Oahu, Kaneohe Bay Shopping Center, Waipio Shopping Center, Kunia Shopping Center and Gateway at Mililani which we purchased at the end of 2011.

Here, briefly run through some of these starting off with Kaneohe bay shopping center on slide 58. Kaneohe bay shopping center is located about 12 miles outside of downtown Honolulu and unlike some of the other -- the overall market you saw where occupancy on slide 57 -- or vacancy,

THOMSON REUTERS

excuse me, on slide 57 was reported at 4% or a little higher than 4%. We maintained a stable occupancy through 2011 of roughly 97%. The real key though is in the submarket and at this property we've seen rent growth over the last three years anywhere of between 3 and 5% annually. And as a result, our annual rents for this property for inline space are anywhere between $42 and $54 a square foot annually.

This is further evidence by the fact that we lost Blockbuster obviously in 2009 with this property and replaced them with another tenant paying 200% rent increase over what Blockbuster paid. So again a strong market, typical some of our retail properties in Hawaii.

Moving on to slide 59. This is Kunia shopping center and one that we've highlighted already as a development project that's been moved to the income portfolio. This was completed in 2004 and it's a relatively steady since then. We've had some ups and downs in occupancy, but since 2010, we've posted a 6% increase in occupancy. Again, against the Oahu retail trend. In 2011, there was 14% return on development costs based on NOI that we've developed. Again, this is an infill project, well positioned again for future growth and rent increases.

Moving on to the Oahu industrial market on slide 60. You'll note again the major trends, or the market's been relatively subdued. We've seen a whopping increase in vacancy rate from -- in 2005 to 4.8% in 2011 and that's compared to a Mainland counterpart markets this is -- everyone will be every evidenced of some of these vacancy rates we have here. But the Hawaii industrial market has always been a very tight market, with very high rent overall. Product class, so you need to understand in Hawaii industrials that the product is a little older than what you're seeing in the Mainland markets. We're not looking at Ontario California with 32 foot clear heights, tilt built -- wall building construction, you're seeing steel building, some old Quonset huts potentially from World War II and then some newer product that's tilt wall construction that lasts five or ten years.

Typically tenant sizes for the Oahu market are under 5000 square feet. And a large tenant would probably range between 15 and 40,000 square feet overall. This kind of leads me to slide 61, which is our Waipio industrial portfolio. This property is located 14 miles west of downtown Honolulu and contains four buildings which -- and we would consider this a class A office -- I'm sorry, a class A industrial property in Hawaii. One of the buildings is an 80,000 square foot single tenant property with a balance of multi tenant buildings.

If you look at the occupancy here, since our acquisition in 2009, we've been actively able to increase the occupancy from 92% to 100% that records -- that can report as of March 31, 2012. Now, definitely rental income has been something that's been a battle, especially in 2009 and 2010. We were seeing great strides in this going forward, especially in 2011, 2012. Seeing larger increase in the rents we will be able to achieve.

A different type of industrial property that we have is reflected on slide 62. The Komohana Industrial Park is a little further out in west Oahu, about 18 miles out downtown. This is five older buildings with a 29 acres ground lease that's attached to it. T his is in the heavy industrial part of Campbell and West Oahu and its really where the heavy industrial users are located.

We have one vacancy right now, 44,000 square feet which up until probably late 2011 had some little activity on it. We've see a -- excuse me, a large increase in activity in the first quarter of this year on this space and are currently negotiating with a potential user, national user, to take the last remaining 44,000 square feet.

The upside here at Komohana is obviously the 29 acres of ground lease we have. They potentially could be continued at the ground lease income, which produces over $1 million a year in NOI for us at this property. Or it could be split off and used as built to suit sites or even as commercial condos in the future.

In general, on slide 63, when you look at the Hawaii market summary, you see the retail markets improving causing absorption, vacancy rate that's relatively low. The industrial market why its posted a negative net absorption, the vacancy rates are still relatively low.

The office market is slightly different it's kind of what we're seeing nationwide. Higher vacancy rate in 13% and a low -- and a negative net absorption. The good news for us is that we only have 2.5% of our total GLA in office in the Hawaii market in total and only 50 -- excuse me, only 50,000 square feet of that is on Oahu. So our exposure to it is obviously relatively low.

What you will note though on this market overview is that some examples we provide in the portfolio overall were out performing what's going on generally in the Hawaii market. Better occupancy, higher rates, and better renewal rates.

Moving on to our Mainland portfolio on slide 64, I think at first glance you're going to note the map and it kind of looks like a spread out mixed back of a portfolio and it is. I mean it is a mixed bag. We're in eight states eight industrial properties, ten office properties and six retail properties. But it was designed for a specific reason. It was designed for stability and for providing NOI for the portfolio. Currently produces 55% of the NOI for the overall portfolio and closed out 2011 at 92% occupancy, and as similar with the Hawaii portfolio, posted a 9% increase year over year NOI.

I'm going to kind of run through some of the general trends we're seeing in both the Mainland retail office industrial portfolios on the next couple slides, so if you turn to slide 65, we can look at the Mainland retail portfolio. We currently have properties in Texas, Colorado, California and Utah. And our portfolio on our retail side is generally trending with the Mainland trends that we're seeing. The one thing that's a little different for us is we're seeing rents are remaining flat for 2011 going into 2012 at this point.

The upside that we're seeing through, however, is increased investment interests in our properties. We've seen recent activities and offers in some of our properties at cap rates that we haven't seen since 2007 and as such, we anticipate that these will be potential targets for repositioning and redeploying of assets back to Hawaii in the near future.

Moving on to Mainland office portfolio on slide 66. Currently we have ten office buildings in Arizona, Texas, Utah, California and Washington. As you all know, the Mainland office market continues to suffer. Vacancy rates have been so high that we're not going to see major rent increases for years to come. We are luckily, though within some of our properties seeing some positive indicators.

In Texas, we're seeing generally a 2% increase due to the job growth, that's really been tied to the oil and the shale play that's going on out there. Arizona we're seeing some modest economic changes that we're anticipating will increase our occupancy this coming year. But again, that's been a difficult and hard hit market.

In Sacramento, I bring this up because the Sacramento markets been relatively inactive due to the public sector and we're going to post at the end of -- at the end of March this year one of our properties is going to have an occupancy that's going to fall in the high 30% range, following the loss of our anchor tenant University of Phoenix. The good news on it was it was only 58,000 square foot office building in Sacramento, and we've had similar experiences with properties like this where we've lost large anchor tenants but been very successful in retenanting the properties. We've done this in San Antonio in the past and in other markets and we anticipate we'll go do this here in Sacramento pretty quickly.

The bright spot for us has been Mainland industrial market on slide 67. We currently have eight industrial properties, Texas, California, Georgia, Utah and Nevada. The industrial market, specifically in Texas, we've seen a 10% increase year over year in occupancy rates. And in some of our Southern California properties, specifically at Activity Distribution Center, we closed out 2010 at an 80% occupancy rate. At the end of 2011 reported 100% occupancy rate. At the same time, we reported 20% growth in our base rents that we were achieving for the property. So a real strong rebound that came out in California for us.

Now that's not typical for the entire industrial portfolio and what we're seeing over nationwide. We are -- have seen some downward trending in the rents in the industrial market. However, that trend has definitely slowed off as 2011 closed down and leads me into our slide 68 on our renewals. This slide shows us our rent rock -- sorry, our rollovers from 2012 to 2022. You'll specifically note that in 2013 we have a little over 2 million square feet rolling over -- or 29% of the portfolio. A million square feet of this is represented by our Savannah Industrial Park which has leased a single tenant, one of the Matson subsidiaries and we're currently working on a long term negotiation extension of their lease.

The balance of it shows a pretty relatively stable roll over in the main years. What you do want to note through is that in 2010 and 2011, we've been very successful at retaining the tenants, posting 70% and 72% renewal rates on tenants that have expired.

What has also shown is that 2010 we posted almost a 12% reduction across the portfolio, rents and their tenants renewed. That slowed in 2011 to less than 3% rate and primarily that's driven due to several leases that were executed during the peak of the market, 2007 and so on, they're rolling off and burning off at this point. As the rental increases haven't felt the portfolio, we expect that this downward trend will slow further and hopefully turn positive quickly. With that, I'm going to turn it back to Chris for the financial overview in the leasing segment.

Chris Benjamin - *Alexander & Baldwin, Inc. - President - A&B Land Group.*

Thanks, David. So, on 69 you can see the financial review for the segment. You can see as I noted earlier, the sales segment, but even more so for the leasing segment. We've remained profitable through the cycle and we did of course have the dip most notably in 2010 in operating profit, trending down 2008, 2009. But we had a nice recovery in 2011 and some of the 2010 decline which is actually even more noticeable on slide 70, which is cash NOI was a result of the fact that we had a number of assets that had been sold and the proceeds had not yet been reinvested. So some of the impact is a result of that. But nonetheless, 2010 was primarily symptomatic that in fact, it's kind of the end of the cycle of rent so renegotiations in the -- in the recession period and some increase in vacancies.

But if you look at slide 71, I think the best news and what David alluded to is the fact that we actually had quite a nice year over year increase in same store cash NOI in 2011, reversing the trend of the prior few years and that's very good news for us as we go forward and I think as David indicated, we started off last year -- I think the first quarter of last year, our average lease rent renewal was something like 10% or 12% below expiring and by the fourth quarter of last year it was only 3% below expecting. So, we feel that we're reaching the bottom and -- or at the bottom in reaching our turnaround point in terms of year over year -- or I'm sorry, lease renewal rent.

So the last slide on -- last couple slides on the leasing segment, first of all in 72, the value creation drivers and here they're a little bit more measurable than they are on the development side, even though there's certainly more to life than the bottom line. The metrics are much more measureable on a year to year basis and these are largely reported in our real estate supplement and you'll be able on a quarterly and an annual basis to see our NOI and our same store cash NOI occupancy and so it's a little bit more straight forward with this business than it is with our development business to monitor our progress.

As far as the summary of the leasing segment on 73, as I said earlier, the commercial portfolio has been assembled over time. Excuse me. Largely through 1031 exchanges and some development activity, but we've leveraged over $200 million of essentially the government's money through deferred taxes to acquire these assets that are now producing income for us and providing consistent earnings and cash flow. This will continue to be a long term cash flow generator for us.

We've talked a few times now about the desire to focus it more in Hawaii and to add to the discussion I had with Brendon during the Q&A, I should point out that another means of repatriating capital from the Mainland back to Hawaii could be the monetization of assets, the paying of taxes and then reinvestment into our development pipeline in Hawaii.

The point I made earlier is that if want to do a 1031 exchange and avoid the taxation, it has to go into another income portfolio asset, but we certainly could pay taxes and redeploy those dollars -- the capital directly into our development pipeline. So we reserve that right. And we have paid taxes over the last few years when we haven't been able to find attractive replacement assets, we've done that. So that concludes the real estate segment. We can take a minute and talk about any questions you might have and then we'll move on to the agriculture.

QUESTIONS AND ANSWERS

Unidentified Audience Member

You mentioned that there was -- or you felt that there might be an active transaction market for potential sales of assets, could you just expand on that a little bit? Who are the buyers and what's -- what are they looking for in the markets?

David Haverly - *Alexander & Baldwin, Inc. - SVP, Leasing - A&B Properties*

Well, we can't disclose the buyers at this point, but we have received several --

Unidentified Audience Member

I mean -- no, in general, if you could characterize who they are.

David Haverly - *Alexander & Baldwin, Inc. - SVP, Leasing - A&B Properties*

(inaudible - microphone inaccessible)

Unidentified Audience Member

Any appetite on the office side?

David Haverly - *Alexander & Baldwin, Inc. - SVP, Leasing - A&B Properties*

We have not see a -- other than lowball offers and some offers probably, we haven't seen much activity on that side.

Unidentified Audience Member

(inaudible - microphone inaccessible). If I look at your NOI per square foot, or rent per square foot on the retail side, it looks low relative to the market comps NOI, is there a reason for that? And then the second question, is there any of your properties on Hawaii where you guys don't own the land that's under long term ground?

David Haverly - *Alexander & Baldwin, Inc. - SVP, Leasing - A&B Properties*

Sure, on the first question on the NOI from retail per square foot, I guess it really depends on what you're comparing it to. It mean if you're looking at the resort retail, definitely we're (inaudible - microphone inaccessible) probably a little bit lower per square foot rate and you have to look at our typical properties grocer community anchored centers so they're not necessarily core downtown or in Waikiki itself. But for those properties alone, we're posting much higher rental rates than much of our competition. So I find (inaudible - microphone inaccessible) --

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Unidentified Audience Member

Yes, I was just looking at what was in the [taxes]. I think [Collier's] provided the range so (inaudible - microphone inaccessible). So, if I compare that, how does that translate into, do you think cap rates that you would think would be appropriate or values per square foot for your -- the typical product that you guys have in neighborhood shopping centers. So?

David Haverly - *Alexander & Baldwin, Inc. - SVP, Leasing - A&B Properties*

Well, the interesting point is there've been recent comps in neighborhood shopping center in Hawaii that one shopping center, Safeway anchored center just traded for about 5.5 cap and I'm not saying that all of our retail centers would be billing at five and a half caps but there's definitely strong interest in Hawaii retail, specifically grocery anchored. If you want to look at more cap rate guidance on that, you're probably seeing rates overall between five and a half on the low side to maybe seven, seven and a half depending on the product type location.

Unidentified Audience Member

And then the lands -- you guys have anything?

David Haverly - *Alexander & Baldwin, Inc. - SVP, Leasing - A&B Properties*

Yes, the lands. Excuse me. We do have one property in Hawaii that's still under long term ground lease. It's Kaneohe Bay Shopping Center and in my slides. That (inaudible - microphone inaccessible), it's got long term ground lease. I think still extends out a little over 20 years.

Unidentified Audience Member

Thanks.

David Haverly - *Alexander & Baldwin, Inc. - SVP, Leasing - A&B Properties*

Sure.

Unidentified Audience Member

You actually basically answered my question, I think. So does the Hawaii cap rates into why actually you're fairly similar to what you're seeing in the Mainland right now? Would you say?

David Haverly - *Alexander & Baldwin, Inc. - SVP, Leasing - A&B Properties*

Yes, Mainland activity we're seeing, dependent of the product type (inaudible - microphone inaccessible) similar cap rates right now. General overall for the market in Mainland and Hawaii market. In the Mainland we're probably seeing things in the mid fives to eight range and similar to Hawaii.

Unidentified Audience Member

And historically, what has the relationship with cap rates and in the Mainland versus Hawaii tended to be?

David Haverly - *Alexander & Baldwin, Inc. - SVP, Leasing - A&B Properties*

Depending on the market cycle, you could see that cap rates in Hawaii (inaudible - microphone inaccessible) base is probably a 50 point basis between the two depending on where you want to (inaudible - microphone inaccessible).

Unidentified Audience Member

So Hawaii is not systematically tended to have a lower cap rate than the Mainland?

David Haverly - *Alexander & Baldwin, Inc. - SVP, Leasing - A&B Properties*

In recent years I think we're starting to see that more (inaudible - microphone inaccessible) if you go back several years as part of a trend or Hawaii cap rates were higher and [managed] trends at point (inaudible - microphone inaccessible) low cap rate.

Unidentified Audience Member

And you've talked about potentially taking some of your Mainland portfolio and shifting it into Hawaii. How important would it be that you didn't have a negative area from the cap rates as you did that process?

David Haverly - *Alexander & Baldwin, Inc. - SVP, Leasing - A&B Properties*

I think if you look at the NOI that we produce on the GLA that we have in Hawaii, that's somewhat for any potential change in cap rates. But it's definitely under consideration for us, to maximize the cap rate of the Mainland properties and (inaudible - microphone inaccessible) low cap rate and then use our relationships and pulling to fund the market property and buy (inaudible - microphone inaccessible) for us to do that.

Chris Benjamin - *Alexander & Baldwin, Inc. - President - A&B Land Group.*

I think the key for us is going to be long term value creation and if we believe that as a general rule, we are in no hurry to make this transition, so we're not going to go out and sell everything at a seven cap and buy a six cap just to get back to Hawaii. But I wouldn't -- I wouldn't rule out potentially buying at a lower cap rate if we feel that there's value there that we can create on an asset specific basis. But for the most part, I think we have the opportunity if we're patient to make the transition without cap rate compression and that's why we're going to be patient. We're not just going to do this for the sake of saying that our portfolio is in Hawaii.

David Haverly - *Alexander & Baldwin, Inc. - SVP, Leasing - A&B Properties*

And to add to Chris's comments, I think there's several opportunities in Hawaii where the cap rates would be very low for the upside and its very large, either due to vacancy rates or another factor. So one more question.

Unidentified Audience Member

You can third party manage the stuff on the Mainland, do you manage it in-house, your portfolio and why or is that third party managed as well?

David Haverly - *Alexander & Baldwin, Inc. - SVP, Leasing - A&B Properties*

The Mainland is 100% third party. In Hawaii, depending on the island, we do a combination of in house and third party managers. For the island of Kauai, everything is in-house. For Maui, we spilt it, we do some in-house and some third party and then on the island of Hawaii or the Big Island is 100% outsourced. And Oahu is 100% outsourced, but we feel we're sort of embedded in the market that it is much easier to (inaudible - microphone inaccessible) to third party guys and work directly with the deals.

PRESENTATION

Chris Benjamin - *Alexander & Baldwin, Inc. - President - A&B Land Group.*

Okay, if there are no more questions on leasing, you just go into land stewardship and agribusiness. On 76, again, just to follow the pattern, what's included in agribusiness results. First of all, our sugar operation, the raw and specialty sugar sale as well as power sales are included in our revenue and operating profit there. On McBryde's resources, which is the -- essentially the successor to our old Kauai coffee operation, we sold the assets of Kauai coffee and essentially sold the operating business, but we retained the renewable energy business as well as the management of our ag lands on Maui --sorry, on Kauai and third party leases there.

And then we have a couple of small supporting trucking operations that are sort of legacies of our sugar days that are small but profitable trucking operations on both Maui and Kauai and a small business on the Big Island as well. Those together make up the ag segment. The lion share of it is and has been the sugar operation, but renewable energy piece and McBryde resource piece is a growing share there.

As far as land stewardship goes, we have extensive conservation lands in Maui and Kauai that are used not just for collecting water for irrigation, but also for hydro electronic energy purposes, and this is a significant contributor to our operations. We don't break it out separately because it really is part and parcel of the farming operating. But we do sell excess power to the local utility and it's a fairly significant revenue source for us. We own some of the highest quality ag lands in the state and our HC&S plantation really is the -- not only the largest contiguous farm, but its fully irrigated and it is incredibly fertile land and because its contiguous and its relatively flat, it's extremely attractive for growing biomass.

We turn that biomass today into crystallized sugar. It's a sugar business and it has been for 140 years. But it may not always be. What we -- our objective here is to make sure that the land is employed in the highest and best use. Today, given sugar prices and our experience growing sugar that is -- that's the best business for us to be in. but we're very actively looking at other opportunities to grow biomass potentially for renewable energy and that's something we're working closely on. But the recent improvements in sugar pricing and our significant increase in production in the last few years -- the increased production over 40, 45% in the last couple years really provide staying power and a bridge to some potential renewable energy future.

On 78, agribusinesses the core strategy I've already --some of this stuff, it does present -- represent the highest and best use of most of our land and it also provides benefits to us more broadly in terms of helping us maintain our key infrastructure covering significant amount of our land carrying costs and generating nice profits last year and we expect to have another good year this year and we generated about $23.5 million of operating cash flow from our businesses last year.

In addition to the sugar business which has improved a lot over the last few years, we've done a lot to expand and reinforce our renewable energy presence. We are this year under development on our solar farm on the island of Kauai that I alluded to earlier. We are investing in our hydro electric assets, most of which have been in place for a century.

We're doing maintenance to -- and some enhancements to increase electric output and we're also, as I mentioned, looking very actively at biofuel opportunities and we do see growth potential there, although we are very cautious there, because this is a classic case of literally not wanting to bet the farm on a new technology on renewable energy. We've got a profitable business in sugar. We're going to maintain that and we're going to look for opportunities to evolve it but we're not desperate and we're not going to make any dramatic changes there, investing in new technology until its proven.

On 79, the financial results, as Stan alluded to earlier, it's been a volatile business over the last few years, but the drivers of the significant decline in profitability in 2008 and 2009 were primarily weather related and they were -- we had an unprecedented drought in the 2007, 2008 timeframe and since we grow a two year crop, the crop that was starved for water during that item period is the crop we were harvesting in 2008 and '09.

We've not only had a recovery in weather patterns, even though we're still in a relative drought by historical standards, we're in a better situation than we were in that time period, but we've made a lot of operational improvements as well in the way we plant, harvest and process our sugar cane. So I'm very confident that forma production standpoint we won't have a repeat of 2008 and '09. We've also benefited from a very high sugar pricing, which we can't guarantee will last forever, but we are taking steps to lock in pricing as far forward was we can and we're largely priced for this year's crop and next year's crop.

On page 80, just some of the drivers of performance in our ag business. Certainly sugar and power pricing, very -- the single most important determinant, sugar and power production and sales. Obviously very important, but a little bit less volatile than pricing can be. The big driver that we focus on is yields per acre. We've got a finite number of acres that we can grow sugarcane on and we want to get as many tons of sugar per acre as we can and our yields have gone up about 40% over the last couple of years and we're also bringing some additional acreage back into cultivation.

So those are all the things we're doing to try to insure the ongoing profitability of the ag business and we see it not -- as I said before, it's not just a holding strategy or a wait and see, it's very actively being managed to maximize profitability, but I think we have more opportunities on the renewable energy front. Not just but potentially biofuel, but it think we've got other lands that are suitable for solar, potentially lands that are suitable for wind and there's a big push in Hawaii towards more available energy and we're going to be actively looking to participate in that. But with our usual sort of fiscal conservatism as we evaluate opportunities.

So, transitioning then into our land holdings. On 82, you see just a snapshot, a map of the state with the numbers that we summarized earlier on one of Stan's slides. On 83, you see the same picture -- actually it was a repeat of one of Stan's slides with the combination of primarily conservation and agricultural land that he referenced earlier. And then on 84, you see a more detailed breakdown of land between fully entitled land both in -- on the various Hawaii islands and the Mainland as well as our agricultural land with a break down between what's actively farmed by us versus third parties, agricultural leases to third parties and then our watershed lands.

Paul Hallin - *Alexander & Baldwin, Inc. - EVP, Development - A&B Properties*

Just to point out, that excludes our joint venture lands for example Kukui'ula.

Chris Benjamin - *Alexander & Baldwin, Inc. - President - A&B Land Group.*

Right, so we have 1,000 acres in joint venture on Kauai that's now concluded here. This is just what's on our balance sheet. That gets us into the topic of valuation and it's a tough one and I know that we don't have a lot of time left, but what we -- in response to a question earlier, I pointed out that we don't do on an annual basis for example a net asset value calculation. And the reason is that we view our land and our management of that land and value creation from that land really on a parcel specific basis and its based more on where are we in either the utilization of that land for agricultural purposes or the entitlement of that land for development purposes and how can we make progress against that -- the goals that we have for that specific asset. We don't perform in that asset valuation, but we understand that that's an important part of how outsiders value us.

So what we try to do to be helpful to your efforts it to break down the holdings into key a set class, give you some information about those various asset classes and try to give you some information that you can use to value this business. But we certainly refrain from doing it for you. It's -- it requires a lot of assumptions on your part and we understand that that's difficult, but that's what we can try to help with.

The next couple pages are relatively simplistic. Certainly for those of you who have already built models and have attacked this already, but just giving examples of various ways to value the components of our buildings. Clearly the income portfolio I would say is typically relatively -- I'll use the term, easy to value, I know it's very subjective still. But capitalize -- a capital approach or comparable sales approach can be used there.

The development lands even, we try to provide in our real estate supplement enough information so that you can do at least a rough discounted cash flow analysis. Granted, again, there are assumptions that need to be made, but we try to provide as much information as we can. And then on the ag and conservation lands. We are providing here some representative on slide 89, 90, we're giving some market data that we've pulled together on land sales over the last five, six years by the size of the sale as well as the location between Maui and Kauai.

But this is not the be all and end all of data. There are other data sources you certainly can use and we can try to be helpful in breaking down the acreage so that you can get a feel for how to -- how to put values on the various components. But it really is a very subjective process. One that we're happy to take questions on, but ultimately it's -- this is I think where some of the heavy lifting is in terms of valuing the Company and we'll do as we can. Suzy walked out, but Suzy certainly can be a resource to assist with this.

Stan Kuriyama - *Alexander & Baldwin, Inc. - President, CEO*

Okay, well back to me for one last slide. That's 93, where we try to answer the question, why invest in A&B. Why buy our stock a separate company. And we tried to list the primary reasons we think it makes sense to invest in our company. We spoken about the unique assets and competitive strengths, both or physical tangible assets as well as our intangible assets. And the intangibles are important. They're based on many years of experience and just as importantly, decades of building up a reputation and brand in the state of Hawaii.

Second, we have a track record. It's not just all talk, we have a proven track record of success within the state of Hawaii, as well as generating value in our commercial portfolio and our development pipeline, we've worked hard -- especially during the down turn to create this development pipeline and as I mentioned, we now have a pipeline of over 3500 units that are fully entitled that we can roll out as the market recovers.

We've spoken about our liquidity, balance sheet, and combined with a very disciplined and I think very smart, experienced approach to underwriting and making investments. I didn't get much into it today, but you'll hear more at lunch about Hawaii's economic future. We think we are at that inflection point and that we are well positioned to capitalize on the economic rebound that we expect to experience in Hawaii and then finally, again, we are if you're looking for a public company to invest in, they only real estate company of any scale in Hawaii and we think the best at creating long term value for our shareholders.

We don't underestimate some of the problems. There will be encountering as a standalone. We are a smaller company, we are not just a commercial portfolio, we're not just a development property, so we do have a mix of assets and activities within the company, but it's a good business, it's a good state to be investing in and I think now is the right time.

So, those are our concluding remarks. We're excited about separation, we look forward to the challenge ahead -- easy as I would have expected a year ago. But we're getting close to the finish line so I think both Matson and we at A&B feel very good about that. But time (inaudible - microphone inaccessible) is there any other question you may ask.

Chris Benjamin - *Alexander & Baldwin, Inc. - President - A&B Land Group.*

I'd also like to note that Joel Wine who is A&B's Senior Vice President and Chief Financial Officer and Treasurer is now in the room and able to take any questions on the financial side. Should point out that Joel will become the Chief Financial Officer of Matson post separation. Paul Ito who is currently our controller at A&B will become our CFO of A&B. He was not able to make the trip because if anyone's been watching our SEC filings the last couple of days, he's been a little bit busy back in Honolulu. So -- but he'll be on future trips and you'll have an opportunity to meet him. So with that, any questions that you have we'd be happy to take.

QUESTIONS AND ANSWERS

Unidentified Audience Member

Maybe I'll start out. Is there a -- is there a share buyback authorized and perhaps could you comment on your just thoughts on the potential for share repurchase?

Joel Wine - *Alexander & Baldwin, Inc. - SVP, Treasurer, CFO*

We do have a share authorization that we generally keep up and running as part of good housekeeping so if the opportunity arises, we can be opportunistic and don't get boggled down with not having something up and running. That said, we have no intention. We said we have no intention of any kind of share buyback planned especially any time soon.

And the way we thought about the separation and capitalization, we've been very thoughtful as we've allocated debt across the two companies and we are thinking through and now moving through the process of getting the financing in place to affect the two capitalization structures going forward. It's important that both companies have liquidity, strong access to capital, investor grade credit metrics, etc. So in the short term and midterm, I don't think there's anything out there that at least I see as CFO that would lead to a lot of expectation around share buyback.

Unidentified Audience Member

Question on taxes, is there - can you kind of give an outlook on what you think the tax rate for A&B will be pro forma and is there a difference on that relative to cash taxes versus GAAP taxes?

Joel Wine - *Alexander & Baldwin, Inc. - SVP, Treasurer, CFO*

Sure, there will be differences on your second questions, Brendon on cash verse GAAP, but those won't be materially different than the way they had been in the past. So -- so I don't think there's any new news there or anything happening in the real estate oriented businesses that'll be different than the way they've been in the past.

And from an overall effective tax rate perspective we put that --the tax rate that you use in the Form 10 that you should -- they have been influenced year by year. You should read through that and I think what you see in the Form 10 should be the tax rates that you think about for the A&B businesses going forward.

Unidentified Audience Member

But there's not change --

Joel Wine - *Alexander & Baldwin, Inc. - SVP, Treasurer, CFO*

No.

Unidentified Audience Member

Okay. And the taxes --

Joel Wine - *Alexander & Baldwin, Inc. - SVP, Treasurer, CFO*

No, there's a potential -- there's always a potential for change, but we haven't said anything other than what's in the Form 10. So --

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Unidentified Audience Member

Right -- yes I think you mentioned this morning at the Matson that there was a change, right? But there's not that sort of similar.

Joel Wine - *Alexander & Baldwin, Inc. - SVP, Treasurer, CFO*

Not -- different dynamics on the --

Unidentified Audience Member

Okay. And then, to the extent that we would look at say these land sales, the taxes would be capital gains tax rates on these if you were -- if we were to sort of look at these values and ascribe what the proceeds would be to A&B is that how we should think about that as the after tax?

Chris Benjamin - *Alexander & Baldwin, Inc. - President - A&B Land Group.*

No, to the extent that we don't reinvest those proceeds, those gains are taxes -- normal compare rate, not in capital means or --

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Unidentified Audience Member

Perfect.

Chris Benjamin - *Alexander & Baldwin, Inc. - President - A&B Land Group.*

But that's -- that is what typically when we do large scale land sales we look for opportunities to reinvest the proceeds and avoid the tax issue. Yes?

Unidentified Audience Member

Just a couple follow ups from personal comments on the sugar and the power business. Roughly how much of the revenues or income was coming from sugar versus power last year for instance.

Chris Benjamin - *Alexander & Baldwin, Inc. - President - A&B Land Group.*

We don't break it out and the reason we don't break it out is because this business is so inextricably linked. In other words we couldn't produce the power revenue without the hydroelectric assets that are driven by the irrigation water and the cogeneration that we have and so the bottom line is we don't break it out. Suzy is that --

Suzy Hollinger - *Alexander & Baldwin, Inc. - Director, Investor Relations*

Yes, that's correct.

Chris Benjamin - *Alexander & Baldwin, Inc. - President - A&B Land Group.*

Am I correct?

Suzy Hollinger - *Alexander & Baldwin, Inc. - Director, Investor Relations*

You're correct.

Chris Benjamin - *Alexander & Baldwin, Inc. - President - A&B Land Group.*

I think that's about all I can say.

Unidentified Audience Member

Okay, and the follow up, what you talked about having most of your pricing for sugar locked into the next couple of years. So presumably you have pretty good visibility assuming volumes come out, no big surprises there on what the profitability from that business is going to be. Do you also then have that on the power side or do we have potential variability.

Chris Benjamin - *Alexander & Baldwin, Inc. - President - A&B Land Group.*

That's a great question. So the short answer is today we have great variability on the revenue side on the power. Mitigating that are the following. Number one, even great volatility on the power side because power is small enough that it's not going to wipe out profitability on the sugar side, it gives us confidence that there should -- we're assuming we can get the crop off the field and all that.

Volatility on the power side should not overwhelm, let's say, the strength on the sugar side. Number two, we are moving towards more fixed price contracting on the power side. By the end of this year, we will have our solar farm up and running. That will be generating power at a fixed price for the next 20 years or so. About $0.20 a kilowatt hour. So we will begin to have a little bit less volatility in our overall power revenue fixture as a result of that.

We also will be looking as we go forward to negotiate fixed price power purchase agreements with the utility on our hydroelectric power as well, because that is essentially not a business that's driven by fossil fuel inputs and so the utility would like to get us away from -- and we'd like to get away from the volatility there.

So I would say we'll always have some -- I shouldn't say always, but for the foresee able future, we'll have some portion of our power revenue that will be tied to fossil fuel and will be volatile. But increasingly we will move to fixed price contracting to reduce some of that volatility. Our whole theme in the ag segment right now is trying to de-risk and reduce volatility and so those are important steps towards doing that.

Unidentified Audience Member

And then, just last thing, I'm sorry, don't follow the sugar markets, otherwise I probably wouldn't even need to ask this question. But the types of pricing that you have locked in for this year and next are they comparable higher, lower than what you had in 2011?

Chris Benjamin - *Alexander & Baldwin, Inc. - President - A&B Land Group.*

In the same range, comparable.

Unidentified Audience Member

I think you're retaining a Jones act vessel with the A&B. Why is that done, or why couldn't you sign an arm's length transaction with Matson to kind of avoid the owner restrictions?

Chris Benjamin - *Alexander & Baldwin, Inc. - President - A&B Land Group.*

We could. It's an asset that is used -- well, primarily for the transportation of sugar. We also do charter it -- there are --it would be possible to sell that asset and sell it to Matson, but for a variety of reasons, operational and financial, we've decided that it's our preference to keep it within the -- on the A&B side and have Matson essentially manage the vessel for us. But I'd rather not go into the details on that, but we have thought about it and decided that we want to keep it on our side.

Unidentified Audience Member

Is there a -- on the what you guys talked about with the REIT structure not fitting, is that because you couldn't make it work or was there REIT parameters or is it because the flexibility that you want to have with being able to sell assets and move cash flow and is restrictive enough in the sense? Is it more that you couldn't do it or that you don't want to do it because you don't have -- it doesn't give you enough flexibility.

Chris Benjamin - *Alexander & Baldwin, Inc. - President - A&B Land Group.*

Well, I think the number one reason as we've said a couple times, related to -- we haven't said it specifically related to the REIT but we've talked about the cash flow from the commercial portfolio and the importance of that cash flow to pursuit of the development business, the stability that gives us. Obviously, if we did a REIT, as you know, we'd have to dip it enough that that cash flow -- that those earnings and so that would essentially negate the value of having that commercial portfolio married to the development business.

There are, as you know, a lot of intricacies of forming a REIT. There are mechanisms that can be used to have development businesses within a REIT and taxable REIT subsidiary and there are a lot of options for the way to structure it, but it sort of for us starts and stops with the fact that we think that cash flow is very important to supporting the development business. And as I indicated during the break, I mean we really view ourselves as a -- as a real estate developer that has a commercial portfolio as opposed to say a REIT in the development business and we really think that structure should follow strategy and we think that our strategy is to create value from the development business and the development business makes as lot more sense in a C corp. structure than a REIT structure. I don't know Joel if you want to --

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Unidentified Audience Member

So I mean you have a pro forma amount of $250 million in debt. There is I think about $60 million in cash that's on the balance sheet. You've got the commercial portfolio that's got value in excess of that debt. I mean would it make sense to sell those high multiple assets, low cap rate assets, pay off debt and just not have corporate level debt and then just have a smaller commercial portfolio that generates cash and have that as opposed to having debt.

Joel Wine - *Alexander & Baldwin, Inc. - SVP, Treasurer, CFO*

No, I mean tax implications of that, if you sold it and then didn't redeploy it you'd have to pay taxes also. It wouldn't make any difference.

Unidentified Audience Member

But you're paying tax. I mean you're -- but you're a corporate tax payer, right? So aren't you sort of --

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Joel Wine - *Alexander & Baldwin, Inc. - SVP, Treasurer, CFO*

You pay a big gain and you have to pay a big one time gain so it wouldn't be very (inaudible - microphone inaccessible).

Unidentified Audience Member

But don't' you think it's going to --

Joel Wine - *Alexander & Baldwin, Inc. - SVP, Treasurer, CFO*

The ability to pay down debt would not be dollars for dollars (inaudible - microphone inaccessible), you'd be like redeploy 60% of the proceeds or 65%, whatever the number is and pay debt -- and you'd also lose an income stream they can grow over time.

Unidentified Audience Member

But you -- I mean you're sort of in this corporate structure that's largely probably going to be viewed as a development company. You've got these high multiple assets, low cap rate assets that you're probably not in that structure there's an inefficiency from a tax perspective. If you sold those assets, I mean might you kind of -- we might kind of level out in the sense that you're cap structure --

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Joel Wine - *Alexander & Baldwin, Inc. - SVP, Treasurer, CFO*

Yes, I mean we -- it's not even close. The tax leakage of doing that, a taxable asset sale of this commercial -- I mean not every single commercial portlio asset inaudible -- (microphone inaccessible) --

Unidentified Audience Member

Yes.

Joel Wine - *Alexander & Baldwin, Inc. - SVP, Treasurer, CFO*

That actually have high tax bases, but they're very few. The tax leakage from the sale would -- will dominate the economic analysis of anything you suggesting and we have -- we have (inaudible - microphone inaccessible).

Unidentified Audience Member

Just two quick ones then and follow. One would be, as you think about the life cycle of the company and what you're going to be doing with the cash, so initially you're going to be in all likelihood redeploying from Mainland to Hawaii etc. As you think about getting cash back to shareholders, and I realize that may not be something that's happening in the short term, but how do you conceive the business maturing and developing and are there parameters or timeframes where you think that you transition to a dividend paying company or what is -- what's your mind set as you start on the processes of a standalone entity?

Stan Kuriyama - *Alexander & Baldwin, Inc. - President, CEO*

Certainly over time I think it is our goal to become a dividend paying company. Certainly during periods of market recovery when we're liquidating our investments and selling our development projects. We hope at that time to be able to generate a dividend. And long term figure going to pay one as well.

Short term, we looked at the numbers and we felt that at this point in our cycle, that the investment opportunities were good and that we could better use that dividend money for making investments instead. So with the short term I don't foresee paying those dividends, but assuming when the markets recover, it is our goal to begin paying the dividend.

Stan Kuriyama - *Alexander & Baldwin, Inc. - President, CEO*

And is that something -- and I don't mean to be pressing, but is this something that is -- is this two, three years out or is this ten years out?

Stan Kuriyama - *Alexander & Baldwin, Inc. - President, CEO*

Well, you'll get some inclination hopefully at lunch today, but I would expect that our market will recover in that two to five year timeframe.

Chris Benjamin - *Alexander & Baldwin, Inc. - President - A&B Land Group.*

Yes, I think it's really important, especially for those of you who may be new to the company to understand, I guess as I say, our DNA is relatively conservative. I think we've made a lot of great investments over time. But we've avoided getting trapped because of the overly aggressive. We weren't placing the capital in real estate developments in 2007, late 2006, 2007. We weren't over leveraging our business and as a result we did very well through the cycle and are very strong today.

I think it's that same conservatism and our memory of what happened to the other large real estate companies in Hawaii through the '90s they didn't have Matson cash flow to help support them through that cycle and they really don't exist in anything really close to their previous form today. We got long memories about that. We're being conservative. We want to retain cash flow. So that this business and our ability to pursue our development agenda can be pursued. That we can do that.

I think that if we get to a point, this sort of goes to both Brendon and your comments about convincing ourselves that that cash flow is not essential to keep in-house, then we may get comfortable with that. But I don't think that's going to happen overnight. I think Stan's right, that would be a long term objective, but we're going to --I think -- we're going to continue to try to be reasonably conservative so that we don't get caught in a touch situation.

And it's not just about protecting against downside. It's also about having dry powder for opportunities for investment, which is really historically been something that we've -- the fact that we were able to buy the Wailea lands and we did and the fact that we've been able to invest in some of the assets we have, we can really create value from having that dry powder.

So that's just a little bit about kind of our DNA that I think is important. Well, with that, thank you very much. I'll -- Suzy had to step out so I will close the meeting and thank everybody on the webcast for listening. Thank everybody or coming and if anybody has any follow up questions, please feel free to call Suzy at 808 525-8422 or email any of us. Thanks very much.

Unidentified Company Representative

Thank you.
