

Retirement Solutions

A&B Reviews Retirement Plan – Will Adopt Changes for New Employees Starting January 1st

Earlier this year, A&B reviewed its retirement program to determine whether, in its current structure, the program still delivered competitive retirement benefits in the most effective manner. A significant factor behind the review was this reality – our workforce is changing.

A&B employees are more diverse and more mobile than ever before, and the retirement program in its current form is not necessarily the best vehicle through which to help attract the talent we need to achieve our corporate objectives.

At the same time, various economic and regulatory factors have combined to increase the cost and cost volatility of traditional retirement pension plans – such as the A&B Retirement Plan for Salaried Employees (“Retirement Plan”).

Yet, when undertaking this review, it was important that the Company be mindful of the commitment it has made to current employees.

The overall goals of our review, and any resulting changes, were to ensure that the A&B retirement program of the future would:

- Help both current and future employees prepare for a secure financial future, and
- Be one that the company can sustain in a financially responsible manner over the long term.

As a result of this review, the A&B Retirement Plan for Salaried Employees will undergo some changes effective January 1, 2008.

However, these changes will only affect new employees who are hired on or after January 1, 2008 (as well as rehires and transferees). These changes will ***not*** affect the benefits current employees have

already accrued – and will continue to accrue – under the Plan.

In addition, no changes are being made to the A&B Individual Deferred Compensation (IDC) or Profit Sharing Retirement (PSR) Plans – either for current or new employees.

Why Are We Telling You About a Change That Only Applies to New Employees?

While the changes taking place to the Retirement Plan will not affect you, as a current participant, it's important that you understand these changes and why A&B is making them.

The Frequently Asked Questions (FAQs) that accompany this bulletin address the changes, and the factors that led A&B to implement them. In brief, by revising the Retirement Plan, the Company:

- Maintains its place among a select group of U.S. employers that continue to sponsor both defined benefit and defined contribution plans in the form of our Retirement and IDC Plans – plus, A&B also offers a PSR Plan

And

- Takes steps to maintain the long-term financial viability of our retirement program.

In Closing...

Your Alexander & Baldwin, Inc. benefits program is a complete package of employee benefits that provides significant value and can help you create a secure financial future.

We are proud to offer this package to our employees – both today and tomorrow.