

ANNUAL FUNDING NOTICE

A&B Retirement Plan for Salaried Employees of Alexander & Baldwin, Inc.

Introduction

This notice includes important information about the funding status of your pension plan ("the Plan") and general information about the benefit payments guaranteed by the Pension Benefit Guaranty Corporation ("PBGC"), a federal insurance agency. All traditional pension plans (called "defined benefit pension plans") must provide this notice every year regardless of their funding status. This notice does not mean that the Plan is terminating. It is provided for informational purposes and you are not required to respond in any way. This notice is for the plan year beginning 1/1/2011 and ending 12/31/2011 ("Plan Year").

How Well Funded Is Your Plan

Under federal law, the plan must report how well it is funded by using a measure called the "funding target attainment percentage". This percentage is obtained by dividing the Plan's Net Plan Assets by Plan Liabilities on the Valuation Date for the plan year. In general, the higher the percentage, the better funded the plan. Your Plan's funding target attainment percentage for the Plan Year and each of the two preceding plan years is shown in the chart below, along with a statement of the value of the Plan's assets and liabilities for the same period.

Funding Target Attainment Percentage			
	2011	2010	2009
	1/1/2011	1/1/2010	1/1/2009
1. Valuation Date			
2. Plan Assets			
a. Total Plan Assets	\$ 42,549,280	\$ 47,266,747	\$ 43,722,437
b. Funding Standard Carryover Balance	\$ 1,233,043	\$ 1,071,187	\$ 923,596
c. Prefunding Balance	\$ 0	\$ 0	\$ 0
d. Net Plan Assets (a)-(b)-(c)=(d)	\$ 41,316,237	\$ 46,195,560	\$ 42,798,841
3. Plan Liabilities	\$ 41,913,836	\$ 41,188,757	\$ 40,755,161
4. Funding Target Attainment Percentage (2d)/(3)	98.57%	112.15%	105.01%

Plan Assets and Credit Balances

Total Plan Assets is the value of the Plan's assets on the Valuation Date (see line 2 in the chart above). Credit balances were subtracted from Total Plan Assets to determine Net Plan Assets (line 2d) used in the calculation of the funding target attainment percentage shown in the chart above. While pension plans are permitted to maintain credit balances (also called "funding standard carryover balances" or "prefunding balances", see 2b & c in the chart above) for funding purposes, they may not be taken into account when calculating a plan's funding target attainment percentage. A plan might have a credit balance, for example, if in a prior year an employer made contributions to the plan above the minimum level required by law. Generally, the excess contributions are counted as "credits" and may be applied in future years toward the minimum level of contributions a plan sponsor is required to make by law.

Plan Liabilities

Plan Liabilities shown in line 3 of the chart above are the liabilities used to determine the Plan's Funding Target Attainment Percentage. This figure is an estimate of the amount of assets the Plan needs on the Valuation Date to pay for promised benefits under the plan.

Year-End Assets and Liabilities

The asset values in the chart above are measured as of the first day of the Plan Year and are actuarial values, not market values. Because market values can fluctuate daily based on factors in the marketplace, such as changes in the stock market, pension law allows plans to use actuarial values that are designed to smooth out those fluctuations for funding purposes. The asset value below is a market value and is measured as of the last day of the plan year. Market values tend to show a clearer picture of a plan's funded status as of a given point in time. As of 12/31/2011, the fair market value of the Plan's assets was \$40,852,924. On this same date, the Plan's liabilities were \$50,961,910.

Participant Information

The total number of participants in the Plan as of the Plan's valuation date was 528. Of this number, 166 were active participants, 241 were retired or separated from service and receiving benefits, and 121 were retired or separated from service and entitled to future benefits.

Funding & Investment Policies

Every pension plan must have a procedure for establishing a funding policy to carry out plan objectives. A funding policy relates to the level of assets needed to pay for promised benefits. The funding policy of the Plan is:

Alexander & Baldwin, Inc. (A&B) will make contributions to the pension plan sufficient to meet the minimum funding requirements of the Internal Revenue Code and the Employee Retirement Income Security Act as amended, along with any related regulations issued by the Internal Revenue Service and Department of Labor. A&B may, at its sole discretion, make additional contributions to the Plan within the maximum deductible limits imposed by the Internal Revenue Code.

Once money is contributed to the Plan, the money is invested by plan officials, called fiduciaries, who make specific investments in accordance with the Plan's investment policy. Generally speaking, an investment policy is a written statement that provides the fiduciaries who are responsible for plan investments with guidelines or general instructions concerning investment management decisions. The investment policy of the Plan is:

Alexander & Baldwin, Inc. (A&B) maintains various pension plans, the primary goal of which is to provide retirement benefits to Plan participants. Assets of the plans are held in a trust and an Investment Committee, appointed by the A&B Board of Directors, is responsible for overseeing the investment of these assets in accordance with the Employee Retirement Income Security Act, as amended. The Committee engages investment managers to manage the assets, based on the Company's investment objectives and policy guidelines. The guidelines outline safety of principal, liquidity requirements, permitted investment types, and risk management through prudent asset allocation, manager selection and periodic review.

Under the Plan's investment policy, the Plan's assets were allocated among the following categories of investments, as of the end of the Plan Year. These allocations are percentages of total assets:

Asset Allocations

Cash (interest bearing and non-interest bearing)	0.0%
U.S. Government securities	0.0%
Corporate debt instruments (other than employer securities):	
Preferred	0.0%
All other	0.0%
Corporate stocks (other than employer securities):	
Preferred	0.0%
Common	0.0%
Partnership/joint venture interests	0.0%
Real estate (other than employer real property)	0.0%
Loans (other than to participants)	0.0%
Participant loans	0.0%
Value of interest in common/collective trusts	0.0%
Value of interest in pooled separate accounts	0.0%
Value of interest in master trust investment accounts	100.0%
Value of interest in 103-12 investment entities	0.0%
Value of interest in registered investment companies (e.g., mutual funds)	0.0%
Value of funds held in insurance co. general account (unallocated contracts)	0.0%
Employer-related investments:	
Employer securities	0.0%
Employer real property	0.0%
Buildings and other property used in plan operation	0.0%
Other	0.0%

For information about the plan's investment in any of the following types of investments as described in the chart above – common/collective trusts, pooled separate accounts, master trust investment accounts, or 103-12 investment entities – contact the plan administrator identified below under "Where To Get More Information."

Right to Request a Copy of the Annual Report

A pension plan is required to file with the US Department of Labor an annual report called the Form 5500 that contains financial and other information about the plan. Copies of the annual report are available from the US Department of Labor, Employee Benefits Security Administration's Public Disclosure Room at 200 Constitution Avenue, NW, Room N-1513, Washington, DC 20210, or by calling 202.693.8673. For 2009 and subsequent plan years, you may obtain an electronic copy of the plan's annual report by going to www.efast.dol.gov and using the Form 5500 search function. Or you may obtain a copy of the Plan's annual report by making a written request to the plan administrator.

Individual information, such as the amount of your accrued benefit under the plan, is not contained in the annual report. If you are seeking information regarding your benefits under the plan, contact the plan administrator identified below under "Where To Get More Information."

Summary of Rules Governing Termination of Single-Employer Plans

If a plan is terminated, there are specific termination rules that must be followed under federal law. A summary of these rules follows.

There are two ways an employer can terminate its pension plan. First, the employer can end the plan in a "standard termination" but only after showing the PBGC that the plan has enough money to pay all benefits owed to participants. Under a standard termination, the plan must either purchase an annuity from an insurance company (which will provide you with periodic retirement benefits, such as monthly, for life or for a set period of time when you retire) or, if your plan allows, issue one lump-sum payment that covers your entire benefit. Your plan administrator must give you advance notice that identifies the insurance company (or companies) that your employer may select to provide the annuity. The PBGC's guarantee ends when your employer purchases your annuity or gives you the lump-sum payment.

Second, if the plan is not fully-funded, the employer may apply for a distress termination. To do so, however, the employer must be in financial distress and prove to a bankruptcy court or to the PBGC that the employer cannot remain in business unless the plan is terminated. If the application is granted, the PBGC will take over the plan as trustee and pay plan benefits, up to the legal limits, using plan assets and PBGC guarantee funds.

Under certain circumstances, the PBGC may take action on its own to end a pension plan. Most terminations initiated by the PBGC occur when the PBGC determines that plan termination is needed to protect the interests of plan participants or of the PBGC insurance program. The PBGC can do so if, for example, a plan does not have enough money to pay benefits currently due.

Benefit Payments Guaranteed by the PBGC

When the PBGC takes over a plan, it pays pension benefits through its insurance program. Only benefits that you have earned a right to receive and that cannot be forfeited (called vested benefits) are guaranteed. Most participants and beneficiaries receive all of the pension benefits they would have received under their plan, but some people may lose certain benefits that are not guaranteed.

The amount of benefits that PBGC guarantees is determined as of the plan termination date. However, if a plan terminates during a plan sponsor's bankruptcy and the bankruptcy proceeding began on or after September 16, 2006, then the amount guaranteed is determined as of the date the sponsor entered bankruptcy.

The PBGC maximum benefit guarantee is set by law and is updated each calendar year. For a plan with a termination date or sponsor bankruptcy date, as applicable in 2012, the maximum guarantee is \$4,653.41 per month, or \$55,840.92 per year, for a benefit paid to a 65-year-old retiree with no survivor benefit. If a plan terminates during a plan sponsor's bankruptcy, and the bankruptcy proceeding began on or after September 16, 2006, the maximum guarantee is fixed as of the calendar year in which the sponsor entered bankruptcy. The maximum guarantee is lower for an individual who begins receiving benefits from PBGC before age 65; the maximum guarantee by age can be found on PBGC's website, www.pbqc.gov. The guaranteed amount is also reduced if a benefit will be provided to a survivor of the plan participant.

The PBGC guarantees "basic benefits" earned before a plan is terminated, which includes:

- pension benefits at normal retirement age;
- most early retirement benefits;
- annuity benefits for survivors of plan participants; and
- disability benefits for a disability that occurred before the date the plan terminated or the date the sponsor entered bankruptcy, as applicable.

The PBGC does not guarantee certain types of benefits:

- The PBGC does not guarantee benefits for which you do not have a vested right, usually because you have not worked enough years for the company.
- The PBGC does not guarantee benefits for which you have not met all age, service, or other requirements.
- Benefit increases and new benefits that have been in place for less than one year are not guaranteed. Those that have been in place for less than five years are only partly guaranteed.
- Early retirement payments that are greater than payments at normal retirement age may not be guaranteed. For example, a supplemental benefit that stops when you become eligible for Social Security may not be guaranteed.
- Benefits other than pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay, are not guaranteed.
- The PBGC generally does not pay lump sums exceeding \$5,000.

In some circumstances, participants and beneficiaries still may receive some benefits that are not guaranteed. This depends on how much money the terminated plan has and how much the PBGC recovers from employers for plan underfunding.

Where to Get More Information

For more information about this notice, you may contact:

Plan Administrator (Retirement Plans)
Alexander & Baldwin, Inc.
822 Bishop Street
Honolulu, Hawaii 96813
808.525.6611

For identification purposes, the official plan number is 005 and the plan sponsor's name and employer identification number or "EIN" are Alexander & Baldwin, Inc. and 99-0032630. For more information about the PBGC, go to PBGC's website, www.pbgc.gov.

The plan assets and liabilities shown in this Annual Funding Notice are based on the assumptions and methods specified for the purpose of this notice by the US Department of Labor, which are not necessarily the same as the assumptions and methods used to measure plan assets or liabilities for other purposes.