UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

|X| QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the quarterly period ended September 30, 2005

OR

|_| TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from __________________ to ________________

Commission file number 0-565

ALEXANDER & BALDWIN, INC.
(Exact name of registrant as specified in its charter)

Hawaii	99-0032630
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
P. O. Box 3440, Honolulu, Hawaii	9680l
822 Bishop Street, Honolulu, Hawaii	96813
(Address of principal executive offices)	(Zip Code)

(808) 525-6611
(Registrant's telephone number, including area code)

N/A
(Former name, former address, and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes |X| No | |

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes |X| No | |

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes | | No |X|

Number of shares of common stock outstanding as of September 30, 2005: 43,889,306

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

The condensed financial statements and notes for the third quarter and first nine months of 2005 are presented below, with comparative figures from the 2004 financial statements. These financial statements are unaudited.

ALEXANDER & BALDWIN, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Income
(In millions, except per-share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2005	2004	2005	2004
Revenue:				
Operating revenue	$ 451.8	$ 381.2	$ 1,208.5	$ 1,096.8
Costs and Expenses:				
Costs of goods sold, services and rentals	362.4	309.4	948.6	870.9
Loss on investment	0.1	--	2.3	--
Selling, general and administrative	34.3	31.3	99.9	93.3
Operating costs and expenses	396.8	340.7	1,050.8	964.2

Operating Income	55.0	40.5	157.7	132.6
Other Income and (Expense):				
Gain on insurance settlement	5.2	--	5.2	--
Equity in income of real estate affiliates	(0.8)	0.5	1.0	2.5
Interest income	1.2	1.1	3.3	2.9
Interest expense	(4.1)	(3.1)	(9.9)	(9.5)
Income Before Taxes	56.5	39.0	157.3	128.5
Income taxes	21.4	14.8	59.7	48.8
Income From Continuing Operations	35.1	24.2	97.6	79.7
Discontinued Operations (net of income taxes):	0.4	0.6	5.0	2.3
Net Income	$ 35.5	$ 24.8	$ 102.6	$ 82.0
Basic Earnings Per Share:				
Continuing operations	$ 0.80	$ 0.57	$ 2.24	$ 1.88
Discontinued operations	0.01	0.01	0.11	0.05
Net income	$ 0.81	$ 0.58	$ 2.35	$ 1.93
Diluted Earnings Per Share:				
Continuing operations	$ 0.80	$ 0.57	$ 2.22	$ 1.86
Discontinued operations	0.01	0.01	0.11	0.05
Net income	$ 0.81	$ 0.58	$ 2.33	$ 1.91
Dividends Per Share[1]	$ 0.225	$ 0.225	$ 0.675	$ 0.675
Average Number of Shares Outstanding	43.7	42.5	43.6	42.5
Average Number of Dilutive Shares Outstanding	44.2	43.0	44.0	43.0

[1]Dividends per share for the third quarter and first nine months include the $0.225 third quarter dividend declared on June 23, 2005 and payable on September 1, 2005. Dividends per share for the third quarter and first mine months of 2004 include the $0.225 third quarter dividend declared on June 24, 2004 and payable on September 2, 2004.

See Notes to Condensed Consolidated Financial Statements.

ALEXANDER & BALDWIN, INC. AND SUBSIDIARIES
Industry Segment Data, Net Income
(In millions)

	Three Months Ended September 30, 2005	Three Months Ended September 30, 2004	Nine Months Ended September 30, 2005	Nine Months Ended September 30, 2004
Revenue:				
Transportation:				
Ocean transportation	$ 227.5	$ 215.0	$ 654.7	$ 619.6
Logistics services	108.5	99.5	311.2	267.1
Real Estate:				
Leasing	23.3	20.9	66.6	62.1
Sales	61.7	11.6	122.2	80.0
Less amounts reported in discontinued operations	(1.7)	(2.3)	(29.8)	(7.6)
Food Products	34.6	38.3	89.2	80.6
Reconciling Items	(2.1)	(1.8)	(5.6)	(5.0)
Total revenue	$ 451.8	$ 381.2	$ 1,208.5	$ 1,096.8
Operating Profit, Net Income:				
Transportation:				
Ocean transportation	$ 36.8	$ 33.0	$ 105.2	$ 83.0
Logistics services	3.5	2.2	10.1	5.8
Real Estate:				
Leasing	11.4	10.1	32.6	28.8
Sales	15.6	2.5	36.9	34.9
Less amounts reported in discontinued operations	(0.7)	(1.0)	(8.2)	(3.7)
Food Products	(0.1)	0.6	9.2	3.5
Total operating profit	66.5	47.4	185.8	152.3
Loss on Investment	(0.1)	--	(2.3)	--
Interest Expense	(4.1)	(3.1)	(9.9)	(9.5)
General Corporate Expenses	(5.8)	(5.3)	(16.3)	(14.3)
Income From Continuing Operations Before Income Taxes	56.5	39.0	157.3	128.5
Income Taxes	(21.4)	(14.8)	(59.7)	(48.8)
Income From Continuing Operations	35.1	24.2	97.6	79.7
Discontinued Operations (net of income taxes):	0.4	0.6	5.0	2.3
Net Income	$ 35.5	$ 24.8	$ 102.6	$ 82.0

See Notes to Condensed Consolidated Financial Statements.

ALEXANDER & BALDWIN, INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets
(In millions)

	September 30, 2005	December 31, 2004
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 90	$ 42
Accounts and notes receivable, net	169	181
Inventories	20	15
Real estate held for sale	27	35
Deferred income taxes	15	10
Prepaid expenses and other assets	23	20
Accrued deposits, net to Capital Construction Fund	--	(15)
Total current assets	344	288
Investments	140	111
Real Estate Developments	49	82
Property, at cost	2,216	1,996
Less accumulated depreciation and amortization	914	863
Property - net	1,302	1,133
Capital Construction Fund	64	40
Other Assets	130	124
Total	$ 2,029	$ 1,778
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Notes payable and current portion of long-term debt	$ 31	$ 31
Accounts payable	117	115
Other	94	89
Total current liabilities	242	235
Long-term Liabilities:		
Long-term debt	302	214
Deferred income taxes	404	339
Post-retirement benefit obligations	47	45
Other	40	41
Total long-term liabilities	793	639
Commitments and Contingencies		
Shareholders' Equity:		
Capital stock	36	35
Additional capital	171	150
Deferred compensation	(6)	(2)
Accumulated other comprehensive loss	(9)	(9)
Retained earnings	813	741
Cost of treasury stock	(11)	(11)
Total shareholders' equity	994	904
Total	$ 2,029	$ 1,778

See Notes to Condensed Consolidated Financial Statements.

ALEXANDER & BALDWIN, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
(In millions)

	Nine Months Ended September 30, 2005	Nine Months Ended September 30, 2004
Cash Flows from Operating Activities	$ 232	$ 124
Cash Flows from Investing Activities:		
Capital expenditures	(209)	(135)
Proceeds from disposal of property and other assets	25	21
Deposits into Capital Construction Fund	(188)	(2)
Withdrawals from Capital Construction Fund	150	142
Investments, net	(19)	(22)
Net cash used in investing activities	(241)	4
Cash Flows from Financing Activities:		
Proceeds from issuances of long-term debt	105	56
Payments of long-term debt	(21)	(134)
Payments of short-term debt, net	(7)	--
Proceeds from issuances of capital stock	10	8
Dividends paid	(30)	(29)
Net cash provided by (used in) financing activities	57	(99)
Net Increase in Cash and Cash Equivalents	$ 48	$ 29
Other Cash Flow Information:		
Interest paid, net of amounts capitalized	$ (12)	$ (11)
Income taxes paid, net of refunds	13	(49)
Other Non-cash Information:		
Depreciation expense	(62)	(59)
Tax-deferred property sales	30	1
Tax-deferred property purchases	(28)	--
Debt assumed in real estate acquisition	11	--
Assets conveyed to joint venture	--	5

See Notes to Condensed Consolidated Financial Statements.

Notes to Condensed Consolidated Financial Statements
(Unaudited)

(1) The Condensed Consolidated Financial Statements are unaudited. Because of the nature of the Company's operations, the results for interim periods are not necessarily indicative of results to be expected for the year. In the opinion of management, all material adjustments necessary for the fair presentation of interim period results have been included in the interim financial statements.

(2) The 2005 estimated effective income tax rate of 38 percent is substantially the same as the statutory rate.

(3) Commitments and Contingencies: Commitments and financial arrangements that are not recorded on the Company's balance sheet at September 30, 2005, other than operating lease obligations, included the following (in millions):

Vessel purchases	(a)	$ 148
Guarantee of Hokua debt	(b)	$ 15
Guarantee of HS&TC debt	(c)	$ -
Standby letters of credit	(d)	$ 19
Bonds	(e)	$ 13
Benefit plan withdrawal obligations	(f)	$ 70

These amounts are not recorded on the Company's balance sheet and, with the exception of item (a), it is not expected that the Company or its subsidiaries will be called upon to advance funds under these commitments.

(a) In February 2005, Matson Navigation Company, Inc. ("Matson") entered into an agreement with Kvaerner Philadelphia Shipyard Inc. to purchase two containerships for $144.4 million each. The first of these two ships, the MV Manulani, was delivered during the second quarter of 2005, and the second ship, the MV Maunalei, is now expected to be delivered in the third quarter of 2006; in previous filings, the Company had stated that it expected delivery of the MV Maunalei during the second quarter of 2006. The purchase price for the MV Maunalei will also include approximately $3.9 million of interest incurred by the shipyard during construction, bringing the total purchase price to $148.3 million. The purchase of the MV Maunalei is expected to be funded with the Capital Construction Fund ("CCF"), operating cash flows and a revolving credit facility that was executed on June 28, 2005. No progress payments are required under the contract; accordingly, payment in full is required upon the delivery. No obligation is recorded on the financial statements for the MV Maunalei because conditions necessary to record either a liability or an asset have not been met. The purchase agreement gives Matson the right to assign the purchase contract to third parties and the Company is actively pursuing a time-charter option.

(b) A&B Properties, Inc. ("Properties") has a limited loan guarantee equal to the lesser of $15 million or 15.5 percent of the outstanding balance of the construction loan for the Hokua condominium project, in which Properties is an investor. The guarantee could be triggered if the purchasers of condominium apartments become entitled to rescind their purchase obligations. This could occur if, for example, the seller breaches covenants contained in its sales contracts or violates the Interstate Land Sales Practices Act ("ILSPA"), the Hawaii Condominium Act, the Securities Act of 1933 or the Securities Exchange Act of 1934. The ILSPA requires that the building must be constructed and a certificate of occupancy obtained, within two years following execution of a binding sales contract with the buyer. For Hokua, this is December 31, 2005 for most of the contracts. The Hokua general contractor expects that a certificate of occupancy will be obtained by December 31, 2005; however, any unanticipated delays could result in the certificate not being obtained by that date. The Company believes that even if the buyers are able to rescind their contracts and are entitled to a refund, the affected units could be sold for prices greater than the original selling prices, since market prices in Honolulu have risen considerably since the initial contracts were executed.

(c) The Company has guaranteed up to $21.5 million of a $30 million Hawaiian Sugar & Transportation Cooperative ("HS&TC") revolving credit line. HS&TC is a raw sugar marketing and transportation cooperative that is used to market and transport the Company's raw sugar to C&H Sugar Company, Inc. ("C&H"); the Company is a member of HS&TC. This guarantee can range from the lower of the amount drawn by HS&TC under the credit line to $21.5 million. The HS&TC credit line is used primarily to fund purchases of raw sugar from the Hawaii growers and is fully secured by all personal property of the cooperative other than transportation assets. The amount that may be drawn by HS&TC under the facility is limited to its inventory value plus certain cash balances and accounts receivable. If the amounts owed by C&H to HS&TC are outstanding for up to 10 days, the amount of A&B's exposure under the guarantee is limited to the lesser of $15 million or the actual amounts drawn. If HS&TC has extended payment terms to C&H beyond the normal 10 days, then the amount of the guarantee increases to the lesser of the amount drawn on the credit line or $21.5 million. As of September 30, 2005, no amounts were outstanding on the facility.

(d) At September 30, 2005, the Company has arranged for standby letters of credit totaling $19 million. This includes letters of credit, totaling approximately $12 million, which enable the Company to qualify as a self-insurer for state and federal workers' compensation liabilities. This balance includes approximately $4 million for insurance-related matters, principally in the Company's real estate business.

Also included in the outstanding letters of credit is a $3 million letter of credit that serves as a security deposit for self-insured workers' compensation claims incurred by C&H employees prior to the December 24, 1998 sale of a majority interest in the business. The Company's remaining interests in C&H were sold in August 2005 to American Sugar Refining, Inc. ("ASR"). As part of the sales agreement, ASR agreed to indemnify the Company for any draws against the letter of credit and to provide a substitute letter of credit by November 8, 2005.

(e) Of the $13 million in bonds, $6.5 million relate to real estate construction projects in Hawaii. These bonds are required by either state or county governments to ensure that certain infrastructure work required as part of real-estate development is completed as required. The Company has the financial ability and intention to complete these improvements. Also included in the total bond amount are $6 million of customs bonds. The remaining $0.5 million of bonds are for transportation-related matters.

(f) The withdrawal liabilities for multiemployer pension plans, in which Matson is a participant, aggregated approximately $70 million as of the most recent valuation dates. Management has no present intention of withdrawing from and does not anticipate termination of any of the aforementioned plans.

The Company and certain subsidiaries are parties to various legal actions and are contingently liable in connection with claims and contracts arising in the normal course of business, the outcome of which, in the opinion of management after consultation with legal counsel, will not have a material adverse effect on the Company's financial position or results of operations.

(4) Accounting Method for Stock-Based Compensation and Diluted Earnings per Share: As allowed by Statement of Financial Accounting Standards ("SFAS") No. 123, "Accounting for Stock-Based Compensation" and by SFAS No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure," the Company has elected to continue to apply the provisions of Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees." Accordingly, no compensation cost is recognized in the Company's net income for options granted with exercise prices that are equal to the market values of the underlying common stock on the dates of grant.

In April 2005, the Securities and Exchange Commission ("SEC") deferred the application date of Statement of Financial Accounting Standards No. 123 (revised 2004), "Share-Based Payment." The standard requires that the cost of awards that are granted, modified or settled should be charged to compensation expense in the Statement of Income. As permitted by the SEC's deferred application of the standard, the Company plans to adopt this standard on January 1, 2006.

Pro forma information regarding net income and earnings per share, using the fair value method and reported below, has been estimated using a Black-Scholes option-pricing model. This model was developed for use in estimating the fair value of traded options which do not have vesting requirements and which are fully transferable. The Company's options have characteristics significantly different from those of traded options. Had compensation cost for the stock options been based on the estimated fair values at grant dates, the Company's pro forma net income and net income per share for the three and nine months ended September 30, 2005 and 2004 would have been as follows (in millions, except per share amounts):

1

	Quarter Ended September 30, 2005	Quarter Ended September 30, 2004	Nine Months Ended September 30, 2005	Nine Months Ended September 30, 2004
Net Income:				
As reported	$ 35.5	$ 24.8	$ 102.6	$ 82.0
Stock-based compensation expense determined under fair value based method for all awards, net of related tax effects	(0.4)	(0.4)	(1.2)	(1.0)
Pro forma	$ 35.1	$ 24.4	$ 101.4	$ 81.0
Net Income Per-share:				
Basic, as reported	$ 0.81	$ 0.58	$ 2.35	$ 1.93
Basic, pro forma	$ 0.80	$ 0.57	$ 2.32	$ 1.91
Diluted, as reported	$ 0.81	$ 0.58	$ 2.33	$ 1.91
Diluted, pro forma	$ 0.80	$ 0.57	$ 2.30	$ 1.89
Effect on average shares outstanding of assumed exercise of stock options (in millions of shares):				
Average number of shares outstanding	43.7	42.5	43.6	42.5
Effect of assumed exercise of outstanding stock options	0.5	0.5	0.4	0.5
Average number of shares outstanding after assumed exercise of outstanding stock options	44.2	43.0	44.0	43.0

The pro forma effects are not necessarily representative of the pro forma effects on future net income or earnings per share, because the number of future shares that may be issued is not known; shares vest over several years, and assumptions used to determine the fair value can vary significantly. Additional information about stock-based compensation is included in Notes 1 and 12 of Item 8 in the Company's most recently filed Form 10-K and in Item 2 of this Form 10-Q.

(5) Accounting for and Classification of Discontinued Operations: As required by Statement of Financial Accounting Standards ("SFAS") No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," the sales of certain income-producing assets are classified as discontinued operations if (i) the operations and cash flows of the assets can be clearly distinguished from the remaining assets of the Company, (ii) the cash flows that are specific to the assets sold have been, or will be, eliminated from the ongoing operations of the Company, (iii) the Company will not have a significant continuing involvement in the operations of the assets sold, and (iv) the amount is considered material. Certain assets that are "held for sale," based on the likelihood and intention of selling the property within 12 months, are also treated as discontinued operations. Depreciation on these assets is discontinued upon reclassification. Sales of land, residential houses, and office condominium units are generally considered inventory and are not included in discontinued operations.

Discontinued operations were as follows (in millions):

	Quarter Ended September 30, 2005	Quarter Ended September 30, 2004	Nine Months Ended September 30, 2005	Nine Months Ended September 30, 2004
Discontinued Operations (net of tax)				
Sales of Assets	--	--	$ 3.9	$ 1.4
Leasing Operations	$ 0.4	$ 0.6	1.1	0.9
Total	$ 0.4	$ 0.6	$ 5.0	$ 2.3

(6) Other Comprehensive Income for the three and nine months ended September 30, 2005 and 2004 was as follows (in millions):

	Quarter Ended September 30, 2005	Quarter Ended September 30, 2004	Nine Months Ended September 30, 2005	Nine Months Ended September 30, 2004
Net Income	$ 35.5	$ 24.8	$ 102.6	$ 82.0
Company's share of investee's minimum pension liability				

adjustment	--	--	(0.4)	--
Change in valuation of derivative	--	(0.6)	0.1	0.9
Comprehensive Income	$ 35.5	$ 24.2	$ 102.3	$ 82.9

The change in valuation of derivative reflects the valuation of an interest rate lock agreement related to a containership purchased by Matson during 2004.

(7) Pension and Post-retirement Plans: The Company has defined benefit pension plans that cover substantially all non-bargaining unit and certain bargaining unit employees. The Company also has unfunded non-qualified plans that provide benefits in excess of the amounts permitted to be paid under the provisions of the tax law to participants in qualified plans. The assumptions related to discount rates, expected long-term rates of return on invested plan assets, salary increases, age, mortality and health care cost trend rates, along with other factors, are used in determining the assets, liabilities and expenses associated with pension benefits. Management reviews the assumptions annually with its independent actuaries, taking into consideration existing and future economic conditions and the Company's intentions with respect to these plans. Management believes that its assumptions and estimates for 2005 are reasonable. Different assumptions, however, could result in material changes to the assets, obligations and costs associated with benefit plans.

The Components of Net Periodic Benefit Cost for the third quarters of 2005 and 2004 were as follows (in millions):

	Pension Benefits		Post-retirement Benefits	
	2005	2004	2005	2004
Service Cost	$ 1.6	$ 1.7	$ 0.2	$ 0.2
Interest Cost	4.0	4.0	0.8	0.8
Expected Return on Plan Assets	(6.1)	(5.7)	--	--
Amortization of Prior Service Cost	0.1	0.1	--	--
Amortization of Net (Gain) Loss	0.4	0.5	0.3	0.1
Net Periodic Benefit Cost	$ --	$ 0.6	$ 1.3	$ 1.1

The Components of Net Periodic Benefit Cost for the first nine months of 2005 and 2004 were as follows (in millions):

	Pension Benefits		Post-retirement Benefits	
	2005	2004	2005	2004
Service Cost	$ 4.8	$ 4.7	$ 0.7	$ 0.5
Interest Cost	12.0	11.9	2.4	2.2
Expected Return on Plan Assets	(18.3)	(17.1)	--	--
Amortization of Prior Service Cost	0.3	0.4	--	--
Amortization of Net (Gain) Loss	1.2	1.5	0.9	0.4
Net Periodic Benefit Cost	$ --	$ 1.4	$ 4.0	$ 3.1

The 2005 return on plan assets is expected to be nearly the same as the sum of the service cost, interest cost and amortization components, resulting in no material pension expense. No contributions to the Company's pension plans are expected to be required during 2005.

The 2005 net periodic post-retirement and pension costs do not reflect any amount associated with a subsidy relating to the Medicare Prescription Drug Improvement and Modernization Act of 2003. Although the Company has determined that the plans are actuarially equivalent to Medicare Part D of the Act, the amount cannot be determined until the retiree Medicare elections are known. However, if no retirees elect Medicare Part D, the Company has estimated that the annual pre-tax benefit will be about $500,000. Since some retirees are likely to elect Medicare Part D coverage, the benefit to the Company may be lower.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following analysis of the consolidated financial condition and results of operations of Alexander & Baldwin, Inc. and its subsidiaries (collectively, the "Company") should be read in conjunction with the condensed consolidated financial statements and related notes thereto included in Item 1 of this Form 10-Q.

FORWARD-LOOKING STATEMENTS

The Company, from time to time, may make or may have made certain forward-looking statements, whether orally or in writing, such as forecasts and projections of the Company's future performance or statements of management's plans and objectives. These statements are "forward-looking" statements as that term is defined in the Private Securities Litigation Reform Act of 1995. Such forward-looking statements may be contained in, among other things, Securities and Exchange Commission ("SEC") filings, such as the Forms 10-K, 10-Q and 8-K, press releases made by the Company, the Company's Internet Web sites (including Web sites of its subsidiaries), and oral statements made by the officers of the Company. Except for historical information contained in these written or oral communications, such communications contain forward-looking statements. These forward-looking statements are not guarantees of future performance, and involve a number of risks and uncertainties that could cause actual results to differ materially from those projected in the statements, including, but not limited to the following factors:

1) economic conditions in Hawaii and elsewhere;
2) market demand;
3) competitive factors, such as the entrance of new competitor capacity in the Hawaii shipping trade, and pricing pressures, principally in the Company's transportation businesses;
4) renewal or replacement of significant operating and financial agreements;
5) significant fluctuations in fuel prices;
6) legislative and regulatory environments at the federal, state and local levels, including, among others, government rate regulations, land use regulations, government administration of the U.S. sugar program, and modifications to or retention of cabotage laws;
7) availability of water for irrigation and to support real estate development;
8) performance of unconsolidated affiliates and ventures;
9) significant fluctuations in raw sugar prices;
10) raw sugar and coffee production that can be affected adversely by weather, disease, irrigation, factory reliability, labor availability, age of crop and other factors;
11) vendor and labor relations in Hawaii, the U.S. Pacific Coast, Guam and other locations where the Company has operations;
12) risks associated with construction and development activities, including, among others, construction costs, construction defects, labor issues, ability to secure insurance, and land use regulations;
13) performance of pension assets and federal legislation and rules that could affect single-employer and multi-employer pension plans and plan funding, including changes to the Employee Retirement Income Security Act and Pension Benefit Guarantee Corporation premiums;
14) acts of nature, including but not limited to, drought, greater than normal rainfall, hurricanes and typhoons;
15) resolution of tax issues with the IRS or state tax authorities;
16) acts of war and terrorism;
17) risks associated with current or future litigation; and
18) other risk factors described elsewhere in these communications and from time to time in the Company's filings with the SEC.

CONSOLIDATED REVENUE & NET INCOME

Consolidated - Third quarter of 2005 compared with 2004

	Quarter Ended September 30,		
(dollars in millions)	2005	2004	Change
Revenue	$ 451.8	$ 381.2	19%
Cost of goods sold, services and rentals	$ 362.4	$ 309.4	17%
Selling, general and administrative	$ 34.3	$ 31.3	10%
Loss on investment	$ 0.1	--	--
Gain on insurance settlement	$ 5.2	--	--
Income taxes	$ 21.4	$ 14.8	45%
Net income	$ 35.5	$ 24.8	43%

Consolidated revenue of $451.8 million for the third quarter of 2005 increased $70.6 million, or 19 percent, compared with the third quarter of 2004. This increase was due principally to $50.1 million in higher revenue from real estate sales, $12.5 million higher revenue for ocean transportation, $9 million growth in Matson Integrated Logistics revenue, and $3 million higher revenue from real estate leasing (excluding leasing revenue from assets classified as discontinued operations), partially offset by $3.7 million lower revenue in food products. The reasons for the revenue growth are described below, by business segment, in the Analysis of Operating Revenue and Profit.

Costs of goods sold, services and rentals of $362.4 million for the third quarter of 2005 increased $53 million, or 17 percent, compared with the third quarter of 2004 due to $40.6 million higher cost of property sales (excluding property sales classified as discontinued operations), $8.6 million higher costs for ocean transportation, and $7.2 million of higher purchased transportation services at Matson Integrated Logistics business, partially offset by $4 million of lower cost of sugar sold.

Selling, general and administrative costs of $34.3 million for the third quarter were $3 million, or 10 percent, higher than the third quarter of 2004 due to higher depreciation, amortization of leasehold improvements, professional service fees, employee benefit costs, salaries and wages and charitable contributions, partially offset by lower Sarbanes-Oxley Act internal compliance costs.

During the third quarter, the Company recorded a $5.2 million gain from an insurance settlement following a fire earlier in the year at the Kahului Shopping Center on Maui. This gain is included in proceeds from disposal of property in the Cash Flows from Investing Activities on the Condensed Consolidated Statement of Cash Flows. In addition, the Company received $0.6 million related to business interruption insurance and has included this benefit in operating revenue and in Cash Flows from Operating Activities. The Company intends to re-develop and sell portions of the property.

Income taxes were higher than in the third quarter of 2004 due to higher pre-tax income. The Company's effective tax rate was the same for both quarters.

Consolidated - First nine months of 2005 compared with 2004

	Nine Months Ended September 30,		
(dollars in millions)	2005	2004	Change
Revenue	$ 1,208.5	$ 1,096.8	10%
Cost of goods sold, services and rentals	$ 948.6	$ 870.9	9%
Selling, general and administrative	$ 99.9	$ 93.3	7%
Loss on investment	$ 2.3	--	--
Gain on insurance settlement	$ 5.2	--	--
Income taxes	$ 59.7	$ 48.8	22%
Net income	$ 102.6	$ 82.0	25%

Consolidated revenue of $1,208.5 million for the first nine months of 2005 increased $111.7 million, or 10 percent, compared with the first nine months of 2004. This increase was due principally to $44.1 million growth in Matson Integrated Logistics revenue, $35.1 million higher revenue for ocean transportation, $18.8 million in higher revenue from real estate sales (excluding revenue from discontinued operations), $8.6 million higher revenue in food products and $5.8 million higher revenue from real estate leasing (excluding leasing revenue from assets classified as discontinued operations). The reasons for the revenue growth are described below, by business segment, in the Analysis of Operating Revenue and Profit.

Costs of goods sold, services and rentals of $948.6 million for the first nine months of 2005 increased $77.7 million, or 9 percent, compared with the first nine months of 2004 due to higher purchased transportation services of approximately $36.9 million for the Matson Integrated Logistics business, $25.5 million higher cost of property sales (excluding property sales classified as discontinued operations), $19.3 million higher costs for ocean transportation, and $2.7 million for higher cost of sugar sold, partially offset by $10.2 million higher equity in earnings of SSA Terminals, LLC ("SSAT," in which Matson is a minority owner).

Selling, general and administrative costs of $99.9 million for the first nine months of 2005 were $6.6 million, or 7 percent, higher than the first nine months of 2004 due to the same factors cited for the third quarter increase.

The $2.3 million loss on investment was the result of the sale of Company's ownership interests in C&H Sugar Company.

The $5.2 million gain was described in the consolidated third quarter comparison.

Income taxes were higher than the first nine months of 2004 due to higher pre-tax income. The 2005 income tax rate of 38 percent for both periods approximates the Company's statutory rate.

Additional information about the revenue and profits of the Company are provided in the Analysis of Operating Revenue and Profit shown below. Because the Company operates in five different segments and three industries, the review of operations, on a segment basis, provides an important perspective on the financial results for the Company.

ANALYSIS OF OPERATING REVENUE AND PROFIT
TRANSPORTATION INDUSTRY

Ocean Transportation - Third quarter of 2005 compared with 2004

	Quarter Ended September 30,		
(dollars in millions)	2005	2004	Change
Revenue	$ 227.5	$ 215.0	6%
Operating profit	$ 36.8	$ 33.0	12%
Volume (Units)			
Hawaii containers	45,200	43,600	4%
Automobiles	32,000	32,400	-1%
Guam containers	4,300	4,400	-2%

Ocean Transportation revenue of $227.5 million for the third quarter of 2005 was $12.5 million, or 6 percent, higher than the third quarter of 2004. Of this increase, approximately $5.3 million was due to higher Hawaii container, automobile and conventional volume, $4.9 million was due to increases in the fuel surcharge that, in turn, offset higher fuel costs, $1.2 million was due to yields, and $1 million was due to charter and other revenue. The fuel surcharge provides a means to recover higher fuel costs, one of the largest operating costs for the business. Total Hawaii container volume was 4 percent higher than the third quarter of 2004. This reflects the continuing growth in the Hawaii economy. Matson's automobile volume for the quarter was nearly flat with last year.

Ocean Transportation's profit margin was 16 percent for the third quarter of 2005 compared with 15 percent for the comparable 2004 quarter. Operating profit of $36.8 million was $3.8 million, or 12 percent, better than the third quarter of 2004. This was primarily the result of $2.7 million higher equity in earnings of SSAT, $1.6 million from favorable yields and mix in all services, $1.5 million from lower vessel operating costs, and $0.4 million from higher container, automobile and conventional volumes. Sea Star Line, LLC contributed $1.4 million to last year's third quarter operating profit; Matson's minority interest in that investment was sold in August 2004. Operating profit from vessel charters and other business was $1 million lower than 2004.

Ocean Transportation - First nine months of 2005 compared with 2004

	Nine Months Ended September 30,		
(dollars in millions)	2005	2004	Change
Revenue	$ 654.7	$ 619.6	6%
Operating profit	$ 105.2	$ 83.0	27%
Volume (Units)			
Hawaii containers	130,800	123,700	6%
Automobiles	110,900	110,300	1%
Guam containers	12,500	13,200	-5%

Ocean Transportation revenue of $654.7 million for the first nine months of 2005 was $35.1 million, or 6 percent, higher than the first nine months of 2004. Of this increase, approximately $23.8 million was due to higher Hawaii container, automobile and conventional volume, $13.1 million was due to increases in the fuel surcharge, and $8.9 million was due to yields and cargo mix in all services. Charter and other revenue was $10.7 million lower than 2004. Total Hawaii container volume was 6 percent higher than the first nine months of 2004. Automobile volume was slightly higher than the first nine months of 2004.

Ocean Transportation's profit margin was 16 percent for the first nine months of 2005 compared with 13 percent for the first nine months of 2004. Operating profit of $105.2 million was $22.2 million, or 27 percent, better than the first nine months of 2004. This was primarily the result of $14.6 million from higher container, automobile and conventional volume, $10.2 million higher equity in earnings of SSAT, $8.6 million from favorable yields and mix in all services, and $2.6 million from lower vessel operating costs. Operating profit from vessel charters and other business was $5.9 million lower than 2004 and outside transportation costs were $5.8 million higher. Sea Star Line, LLC contributed $2.1 million to last year's operating profit; Matson's minority interest in that investment was sold in August 2004. Overall, the new competitor in the Hawaii trade had a smaller than expected impact on the year-over-year results of the ocean transportation segment.

Logistics Services - Third quarter of 2005 compared with 2004

	Quarter Ended September 30,		
(dollars in millions)	2005	2004	Change

Revenue	$ 108.5	$ 99.5	9%
Operating profit	$ 3.5	$ 2.2	59%

Integrated logistics revenue increased by 9 percent for the third quarter of 2005 compared with the third quarter of 2004. This growth was the result of continued improvements in mix of business and rates and an 18 percent increase in highway volume, partially offset by an 8 percent decrease in domestic intermodal volume and an 11 percent decrease in international intermodal volume. Market shifts were a contributing factor to increased highway and lower domestic intermodal volumes. A portion of the highway volume increase was also the result of a business acquired in late 2004.

Integrated logistics operating profit increased by 59 percent, or $1.3 million, for the third quarter of 2005 compared with the third quarter of 2004 as a result of higher yields and mix of business in all three service categories partially offset by higher personnel costs and other overhead.

The revenue for integrated logistics services includes the total amount billed to customers for transportation services. The primary costs include purchased transportation services. As a result, the operating profit margins for this business are narrower than other A&B businesses. The primary operating profit and investment risk for this business is the quality of receivables, which is monitored closely.

Logistics Services - First nine months of 2005 compared with 2004

	Nine Months Ended September 30,		
(dollars in millions)	2005	2004	Change
Revenue	$ 311.2	$ 267.1	17%
Operating profit	$ 10.1	$ 5.8	74%

Integrated logistics revenue increased by 17 percent for the first nine months of 2005 compared with the first nine months of 2004. This growth was the result of improvements in mix of business, rates and a 24 percent increase in highway volume, partially offset by a three percent decline in domestic and international intermodal volumes. As with the third quarter, the increase in highway volume was principally due to market shifts, the late 2004 business acquisition and organic growth.

Integrated logistics operating profit increased by 74 percent, or $4.3 million, for the first nine months of 2005 compared with the first nine months of 2004. The operating profit improvement was the result of higher yields and overall increased volumes partially offset by higher personnel costs and other overhead.

REAL ESTATE INDUSTRY

Property leasing and sales revenue and operating profit are analyzed before subtracting amounts related to discontinued operations. This is consistent with how the Company's management evaluates and makes decisions for the Company's real estate businesses. A discussion of discontinued operations for the real estate business is included separately.

Leasing - Third quarter of 2005 compared with 2004

	Quarter Ended September 30,		
(dollars in millions)	2005	2004	Change
Revenue	$ 23.3	$ 20.9	11%
Operating profit	$ 11.4	$ 10.1	13%
Occupancy Rates:			
Mainland	94%	95%	-1%
Hawaii	93%	90%	3%
Leasable Space (million sq. ft.):			
Mainland	3.5	3.7	-5%
Hawaii	1.7	1.7	--

Property leasing revenue and operating profit for the third quarter of 2005 were 11 percent and 13 percent higher, respectively, than the amounts reported for the third quarter of 2004.

Comparing 2005 third quarter results with the prior year, property acquisitions and a new commercial property developed by the Company contributed $2.3 million of revenue and $1.4 million of operating profit and property sales reduced revenue by $0.6 million and operating profit by $0.3 million. The business interruption settlement related to a fire earlier this year at the Company's Kahului Shopping Center on Maui contributed $0.6 million to the quarter's revenue and operating profit. Lease rates and occupancies were the primary remaining factor to the quarter-over-quarter change.

Leasing - First nine months of 2005 compared with 2004

	Nine Months Ended September 30,		
(dollars in millions)	2005	2004	Change
Revenue	$ 66.6	$ 62.1	7%
Operating profit	$ 32.6	$ 28.8	13%
Occupancy Rates:			
Mainland	95%	94%	1%
Hawaii	92%	90%	2%

Property leasing revenue and operating profit for the first nine months of 2005 were 7 percent and 13 percent higher, respectively, than the amounts reported for the first nine months of 2004.

Comparing the first nine months of 2005 with the same period of 2004, property acquisitions contributed $3.9 million of revenue and $2.9 million of operating profit and property sales reduced revenue by $1.6 million and operating profit by $0.8 million. The absence of a one-time 2004 siding repair cost for a building in Honolulu benefited the year-over-year operating profit comparison by approximately $0.7 million. As with the third quarter, the business interruption settlement of $0.6 million, higher rental rates and improved occupancies benefited the year-over-year comparison.

Property Sales - Third quarter and first nine months of 2005 compared with 2004

	Quarter Ended September 30,		
(dollars in millions)	2005	2004	Change
Revenue	$ 61.7	$ 11.6	5.3x
Operating profit	$ 15.6	$ 2.5	6.2x

	Nine Months Ended September 30,		
(dollars in millions)	2005	2004	Change
Revenue	$ 122.2	$ 80.0	53%
Operating profit	$ 36.9	$ 34.9	6%

The higher third quarter and nine months revenue and operating results were due to the mix and timing of property sales in 2005 compared with 2004. The composition of these sales is described below. Operating profit also includes marketing expenses incurred by the Company for its development projects and the Company's share of joint venture marketing expenses that cannot be capitalized as part of real estate developments.

2005 Property Sales:

Third quarter 2005 property sales comprised principally all 100 units at the Company's Lanikea residential high-rise project in Waikiki for $59 million and a Maui property for $2.5 million. A gain of $5.2 million was recognized in operating profit during the third quarter for a partial property damage insurance settlement related to the Kahului Shopping Center fire, as previously described. The Company intends to redevelop and sell portions of the property. Operating Profit also included a loss of $0.8 million for the Company's share of earnings in joint ventures.

Second quarter 2005 revenue was principally from the final 80-percent installment payment of $14.1 million for a 30-acre development parcel at Wailea. In addition to the profit contribution from that sale, 2005 second quarter operating profit included $0.8 million for the Company's share of earnings in joint ventures.

First quarter 2005 property sales comprised a warehouse/distribution complex in Ontario, California for $17.8 million, seven Maui and Oahu commercial properties for $7.6 million, a residential development parcel and three residential properties for $7.5 million, a service center/warehouse complex comprised of three buildings in San Antonio, Texas for $6.3 million, and 5.5 office condominium floors for $5.5 million. In addition to the profit contribution from these sales, 2005 first quarter operating profit benefited by about $1 million for the Company's share of earnings in joint ventures.

2004 Property Sales:

Third quarter 2004 property sales comprised seven office condominium units for $7.6 million and three Maui and Oahu commercial properties for $2.8 million.

Second quarter 2004 property sales revenue comprised three residential development parcels for $13.8 million, 13 Maui and Oahu commercial properties for $8.9 million, five residential properties for $4.3 million and one office condominium floor for $1 million. In addition to the profit contribution from these sales, 2004 second quarter operating profit included $1.3 million for the Company's share of earnings in joint ventures.

First quarter 2004 property sales comprised of 23 residential properties for $18.9 million, 17 Maui and Oahu commercial inventory properties for $12.2 million, and 7.5 office condominium floors for $8.8 million. In addition to the profit contribution from these sales, 2004 first quarter operating profit included $0.8 million for the Company's share of earnings in joint ventures.

Effect of Property Sales Mix on Operating Results: The mix of property sales in any year or quarter can be diverse. Sales can include developed residential real estate, commercial properties, developable subdivision lots, undeveloped land, and property sold under threat of condemnation. The sale of undeveloped land and vacant parcels in Hawaii generally provides a greater contribution to earnings than does the sale of developed and commercial property, due to the low historical-cost basis for much of the Company's Hawaii land. Consequently, property sales revenue trends, cash flows from the sales of real estate and the amount of real estate held for sale on the balance sheets do not necessarily indicate future profitability trends for this segment. Additionally, the operating profit reported in each quarter does not necessarily follow a percentage of sales trends because the cost basis of property sold can differ significantly between transactions. The reporting of property sales is also affected by the classification of certain property sales as discontinued operations.

Real Estate Discontinued Operations - 2005 compared with 2004

The sales of certain income-producing assets are classified as discontinued operations if the operations and cash flows of the assets clearly can be distinguished from the remaining assets of the Company, if cash flows for the assets have been, or will be, eliminated from the ongoing operations of the Company, if the Company will not have a significant continuing involvement in the operations of the assets sold and if the amount is considered material. Certain assets that are "held for sale," based on the likelihood and intention of selling the property within 12 months, are also treated as discontinued operations. At the time a property is classified as "discontinued," the previously recognized revenue and expenses for the property are reclassified to discontinued operations so historically reported information is updated to reflect discontinued operations at each reporting interval.

The revenue and operating profit on these transactions for the third quarter and first nine months of 2005 and 2004 were as follows:

	Quarter Ended September 30,		Nine Months Ended September 30,	
(dollars in millions, before tax)	2005	2004	2005	2004
Sales revenue	--	--	$ 24.6	$ 1.1
Leasing revenue	$ 1.7	$ 2.3	$ 5.2	$ 6.5
Sales operating profit	--	--	$ 6.3	$ 1.5
Leasing operating profit	$ 0.7	$ 1.0	$ 1.9	$ 2.2

2005 discontinued operations included the sales of one warehouse/distribution complex in Ontario, California, for $17.8 million, one service center/warehouse complex, consisting of three buildings in San Antonio, Texas, for $6.3 million, and the fee interest in a parcel in Maui. Additionally, the revenue and expenses of an office building in Wailuku, Maui and two office buildings in Honolulu have been classified as discontinued operations because of the Company's plans to sell these properties. The two Honolulu properties were sold on October 25, 2005.

2004 discontinued operations included the sale of a Maui property.

The leasing revenue and operating profit noted above includes the results for properties that were sold through September 30, 2005 and the operating results of the three office buildings, noted above, that the Company intends to sell within the next 12 months.

FOOD PRODUCTS INDUSTRY

Food Products - Third quarter of 2005 compared with 2004

(dollars in millions)	Quarter Ended September 30, 2005	2004	Change
Revenue	$ 34.6	$ 38.3	-10%
Operating profit	$ (0.1)	$ 0.6	NA
Tons sugar produced	62,500	77,500	-19%

Food products revenue decreased 10 percent for the third quarter of 2005 compared with 2004 due mainly to $5.1 million for lower sugar sales volume and $0.5 million for lower sugar prices partially offset by $0.8 million for higher power sales prices and $0.7 million in higher molasses sales.

Operating profit was $0.7 million lower than the third quarter of 2004 due to $1.6 million lower margins on sugar sales resulting from higher operating costs and lower sales price and a $1 million charge to reduce the carrying value of coffee inventories to fair market value, partially offset by the higher power and molasses sales.

Food Products - First nine months of 2005 compared with 2004

(dollars in millions)	Nine Months Ended September 30, 2005	2004	Change
Revenue	$ 89.2	$ 80.6	11%
Operating profit	$ 9.2	$ 3.5	2.6x
Tons sugar produced	140,300	142,400	-1%

Food products revenue increased 11 percent for the first nine months of 2005 compared with 2004 due mainly to $5.5 million received as part of an agricultural disaster relief program, $3 million for higher power sales, $1 million of higher trucking and royalty revenue, and $0.9 million of higher molasses sales, partially offset by $2 million of lower sugar and coffee sales.

Operating profit was $5.7 million better than the first nine months of 2004 due mainly to the $5.5 disaster relief payment, $3 million of higher power sales, $0.8 million of royalty and trucking profit improvements and $0.9 million of higher molasses sales, partially offset by $3.9 million of lower sugar sales and a $1 million charge to reduce the carrying value of coffee inventories to fair market value.

FOURTH QUARTER 2005 METRICS

Ocean transportation cargo volumes and yields are expected to remain good but, as with prior years, cargo volumes may be seasonally lower than the second and third quarters. The fourth quarter will be affected by a 12-week quarter compared with 13 weeks in the fourth quarter of 2004. Because the Company evaluates and adjusts its fuel surcharge at the beginning of each quarter, rising fuel costs could affect fourth quarter results. Matson is also beginning to incur start-up costs as it prepares for a February 2006 commencement of the China service.

Logistics services are expected to continue benefiting from margin growth and higher highway volume, offset somewhat by lower international and domestic intermodal volume. Market shifts from domestic intermodal transportation to highway transportation are expected to have a continuing near-term effect on the business.

Real-estate management leasing is expected to have continuing high occupancies and stable rates through the remainder of the year.

Property sales for the fourth quarter will benefit from the previously noted sales of two Honolulu office buildings in October. The sales of residential units in the Hokua luxury-high-rise in Honolulu, in which the Company has an equity investment, are expected to close during the first quarter of 2006.

Food products sugar production for the year is expected to be about 193,000 tons with the fourth quarter results at about break-even.

This section contains forward-looking statements, which involve a number of risks and uncertainties, as described above in the "Forward-Looking Statements" section, that could cause actual results to differ materially from those projected.

FINANCIAL CONDITION, LIQUIDITY, FINANCING ARRANGEMENTS AND CASH FLOWS

Liquid Resources: The Company's principal liquid resources, comprising cash and cash equivalents, receivables, sugar and coffee inventories and unused lines of credit, less accrued deposits to the Capital Construction Fund ("CCF"), totaled $642 million at September 30, 2005, an increase of $9 million from December 31,

2004. The increase was due primarily to $48 million higher cash balances, $15 million lower accrued deposits to the CCF, the repayment of $7 million on short-term credit lines and $4 million of higher sugar and coffee inventories, partially offset by the elimination of a $50 million private shelf facility and receivable balances that were $12 million lower than at the end of 2004. These fluctuations are due to normal operating activities.

Balance Sheet: Working capital was $102 million at September 30, 2005, an increase of $49 million from the balance carried at the end of 2004. The increase in working capital was due primarily to $48 million higher cash balances, $15 million lower accrued net deposits to the CCF and $14 million lower accrued liabilities. These working capital improvements were partially offset by $12 million lower receivable balances and $13 million of higher income taxes payable.

Cash and cash equivalents totaled $90 million at the end of the third quarter compared with $42 million at the beginning of the year. This balance results from continuing strong operating cash flows, including the recent sales of 100 units in the Company's Lanikea development for $59 million, and no outstanding debt balances that could be repaid without penalty.

Long-term Debt, including the current portion, totaled $333 million at September 30, 2005 compared with a balance of $245 million at December 31, 2004. This $88 million increase was due mainly to $105 million of financing for the purchase of the MV Manulani and the assumption of $11 million of debt in connection with a June 2005 real estate purchase, partially offset by $21 million of term debt repayments and $7 million of short-term debt repayments.

Matson renewed and extended its $30 million revolving credit agreement with Wells Fargo Bank National Association. This facility extends to September 30, 2009, including a one-year term option and carries interest at LIBOR plus 47.5 basis points. This facility was described in a Form 8-K filed on October 6, 2005.

On October 31, 2005, the Company extended its committed short-term $78.5 million working capital credit facility with First Hawaiian Bank for one year, until January 1, 2007. The amount available under this facility is reduced by amounts borrowed against First Hawaiian Bank's $53.5 million share of the Company's $200 million revolving credit facility. A copy of the amendment to the agreement is included in Exhibit 10.a.(xx) of this Form 10-Q.

The Company's net deferred tax obligation was $389 million at September 30, 2005 compared with $329 million at December 31, 2004. This $60 million increase was due principally to $188 million in deposits to the CCF, partially offset by book depreciation in excess of tax depreciation, tax-deferred property transactions and other transactions for which the tax and book accounting differs.

Cash Flows and Capital Expenditures: Cash Flows from Operating Activities totaled $232 million for the first nine months of 2005, compared with $124 million for the first nine months of 2004. This increase was the result of increased deferred taxes, lower receivable balances, higher operating results, an increase in cash from the sales of residential properties, and increased depreciation expense.

Capital expenditures for the first nine months of 2005 totaled $209 million compared with $135 million for the first nine months of 2004. The 2005 expenditures included $144 million for the purchase of the MV Manulani, $18 million for other transportation-related assets, $37 million for real estate related acquisitions, development and property improvements, and $8 million of routine asset replacements for agricultural operations. The amounts reported in Capital Expenditures on the Statement of Cash Flows exclude $28 million of tax-deferred purchases since the Company did not actually take control of the cash during the exchange period. Capital expenditures for the first nine months of 2004 were for a new ship and shipping containers, real estate acquisitions and development and other capital replacements.

Tax-Deferred Real Estate Exchanges: Sales - There were five sales and one condemnation of property during the first nine months of 2005, totaling $30 million, which qualified for potential tax-deferral treatment under the Internal Revenue Code Sections 1031 and 1033. The sales included a warehouse/distribution complex in Ontario, California, one service center/warehouse complex, consisting of three buildings in San Antonio, Texas, one commercial parcel in Waikiki and the fee interest in three parcels in Maui. The proceeds from these sales were immediately available for reinvestment in replacement property. During the first nine months of 2004, the Company had recorded $1 million of sales on a tax-deferred basis but these funds were not subsequently reinvested.

Purchases - During the nine months of 2005, the Company purchased, using the proceeds from tax-deferred sales, the fee simple interest in a leased property in Honolulu, a two-story office building in Phoenix, Arizona and the Lanihau shopping center in Kailua-Kona, Hawaii. Of the $22.3 million purchase price for the Phoenix building, the Company assumed $11.4 million of debt and used $10.9 million of tax-deferred proceeds, of which $8.2 million was from 1031 tax-deferred exchanges and $2.7 million was from earlier 1033 land condemnations. The Lanihau shopping center was purchased as a reverse tax-deferred exchange that will re-deploy the funds from other property sales that closed on October 25, 2005. There were no purchases of property during the first nine months of 2004 that utilized proceeds from tax-deferred sales.

The proceeds from 1031 tax-deferred sales are held in escrow pending future use to purchase new real estate assets. The proceeds from 1033 condemnations are held by the Company until the funds are redeployed. As of September 30, 2005, all proceeds from tax-deferred sales had been reinvested. The funds related to 1031 transactions are not included in the Statement of Cash Flows but are included as non-cash information below the Statement.

For "reverse 1031" transactions, the Company purchases a property in anticipation of receiving funds in a future property sale. Funds used for reverse 1031 purchases are included as capital expenditures on the Statement of Cash Flows and the related sales of property, for which the proceeds are linked, are included as property sales in the Statement.

Commitments, Contingencies and Environmental Matters: A description of commitments and contingencies at September 30, 2005 is described in Note 3 to the financial statements of Item 1.

OTHER MATTERS

China Service: On October 24 and 25, 2005, respectively, Matson commemorated the opening of new offices in Shanghai and Ningbo and announced the appointment of Shanghai United International Ocean Shipping Agency Ltd. as port agent in Shanghai and China Marine Shipping Agency Ningbo Co. Ltd. as port agent in Ningbo. The new China to Long Beach service is expected to commence in February 2006.

Investments: The Company's joint ventures are described in Item 8 of the Company's most recently filed Form 10-K and its first and second quarter Forms 10-Q.

In September 2005, the Hawaii Community Development Authority ("HCDA") awarded to the Company a right to negotiate a letter of intent and complete development plans for a 36.5-acre Kaka'ako Waterfront project that spans a half-mile of shoreline in Central Honolulu. The Company has four months to complete negotiations with HCDA for the letter of intent and two additional months to execute a definitive agreement. If these deadlines are not met, then HCDA may award the negotiation rights to another developer. Total development costs are preliminarily estimated at $650-$700 million. Development plans are expected to be completed over a two-year period, after which, the phased construction would begin.

In August 2005, the Company sold its minority interest in C&H Sugar Company, Inc. to American Sugar Refining, Inc. A loss of $2.3 million was recorded to write off the remaining balance of the C&H investment and for transaction costs. $2.2 million of this loss was recorded in the second quarter. Only a nominal amount was paid to the equity owners. This transaction was described in a Form 8-K filed on August 10, 2005.

Dividends and Stock Ownership Guidelines: The Company's third quarter dividend to shareholders was paid on September 1, 2005 to shareholders of record on August 4, 2005. Through September 30, 2005, the Company had paid $30 million in dividends, or approximately 29 percent of its first nine-month net income. On October 28, 2005, the Company's Board of Directors declared a fourth quarter dividend of 22-1/2 cents per share payable on December 1, 2005 to shareholders of record as of November 10, 2005.

Earlier this year, the A&B Board of Directors approved share ownership guidelines for non-employee Directors. At present, all Directors own A&B stock, and it is expected that each Director will meet the guidelines within the specified five-year period. Stock ownership guidelines also are in place for senior executives of the Company.

Significant Accounting Policies: The Company's significant accounting policies are described in Note 1 of the consolidated financial statements included in Item 8 of the Company's most recently filed Form 10-K and in its second quarter Form 10-Q.

Critical Accounting Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, upon which the Management's Discussion and Analysis is based, requires that Management exercise judgment when making estimates and assumptions about future events that affect the amounts reported in the financial statements and accompanying notes. Future events and their effects cannot be determined with absolute certainty and actual results will, inevitably, differ from those estimates. These differences could be material. The most significant accounting estimates inherent in the preparation of A&B's financial statements were described in Item 7 of the Company's 2004 Form 10-K.

New and Proposed Accounting Standards: Information about the impacts of newly issued accounting standards are discussed in the Company's first and second quarter Forms 10-Q and in Item 8 of the Company's most recently filed Form 10-K.

Economic Conditions:
Current measures of Hawaii's economic performance continue to reflect broad, moderate growth. With substantial energy cost increases in place, however, and the potential for additional interest rate hikes, local forecasters are watchful for signs that these factors may begin to affect the local economy. To date none are apparent.

Although the pace of visitor growth moderated during the second quarter, when total visitor arrivals grew 2.2 percent on a year-over-year basis, monthly comparisons have improved since, with July up 7.1 percent and August up 7.7 percent to a new all-time record. Year-to-date through August, five million visitors have come to Hawaii, also a record.

Statewide hotel occupancies remain above 85 percent and they are among the highest in the nation. Room rates were up about 10 percent in August and are second in level only to New York City.

Job growth continues, with a 2.8 percent rise in the second quarter and gains in the important visitor and construction sectors. Hawaii's unemployment rate was 2.6 percent in August, the lowest in the U.S.

Housing prices continue to escalate, although moderation in the pace of appreciation is expected. By island, the median prices in September for single family home re-sales were: Oahu $615,000, up 29.5 percent versus September 2004; Maui $690,000, up 15.8 percent; Kauai $780,000, up 40.2 percent and a new record high; Big Island $427,500, up 43 percent.

Among other positive measures, the State of Hawaii recently forecast a surplus of $632.6 million for fiscal year 2006-07. Consideration is being given both to wage increases for state workers and tax relief.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Information concerning market risk is incorporated herein by reference to Item 7A of the Company's Form 10-K for the fiscal year ended December 31, 2004. There has been no material change in the quantitative and qualitative disclosure about market risk since December 31, 2004.

ITEM 4. CONTROLS AND PROCEDURES

(a) Disclosure Controls and Procedures. The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this report. Based on such evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, the Company's disclosure controls and procedures are effective in recording, processing, summarizing and reporting, on a timely basis, information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act.

(b) Internal Control Over Financial Reporting. There have not been any changes in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal quarter to which this report relates that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
Jul 1 - 31, 2005	--	--	--	--
Aug 1 - 31, 2005	--	--	--	--
Sep 1 - 30, 2005	--	--	--	--

ITEM 5. OTHER INFORMATION

On October 31, 2005, the Company extended its committed short-term $78.5 million working capital credit facility with First Hawaiian Bank for one year, until January 1, 2007. The amount available under this facility is reduced by amounts borrowed against First Hawaiian Bank's $53.5 million share of the Company's $200 million revolving credit facility. A copy of the amendment to the agreement is included in Exhibit 10.a.(xx) of this Form 10-Q.

ITEM 6. EXHIBITS

10.a.(xx) Fourteenth Amendment dated October 31, 2005 to the Revolving Credit Agreement between Alexander & Baldwin, Inc. and First Hawaiian Bank, dated December 30, 1993.

31.1 Certification of Chief Executive Officer, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.2 Certification of Chief Financial Officer, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

32 Certification of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ALEXANDER & BALDWIN, INC.

(Registrant)

Date: November 1, 2005

/s/ Christopher J. Benjamin

Christopher J. Benjamin
Senior Vice President and
Chief Financial Officer

Date: November 1, 2005

/s/ Thomas A. Wellman

Thomas A. Wellman
Vice President, Controller and Treasurer

EXHIBIT INDEX

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EXHIBIT 31.2

CERTIFICATION

I, Christopher J. Benjamin, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Alexander & Baldwin, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By /s/ Christopher J. Benjamin

Christopher J. Benjamin, Senior Vice President and Chief Financial Officer

Date: November 1, 2005

EXHIBIT 32

Certification of Chief Executive Officer and
Chief Financial Officer Pursuant to
18 U.S.C. Section 1350, As Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q of Alexander & Baldwin, Inc. (the "Company") for the quarterly period ended September 30, 2005, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), W. Allen Doane, as President and Chief Executive Officer of the Company, and Christopher J. Benjamin, as Senior Vice President and Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to their knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ W. Allen Doane
- ----------------------------------
Name: W. Allen Doane
Title: President and Chief Executive Officer
Date: November 1, 2005

/s/ Christopher J. Benjamin
- ----------------------------------
Name: Christopher J. Benjamin
Title: Senior Vice President and Chief Financial Officer
Date: November 1, 2005

EXHIBIT 31.1

CERTIFICATION

I, W. Allen Doane, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Alexander & Baldwin, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By /s/ W. Allen Doane

W. Allen Doane, President and
Chief Executive Officer

Date: November 1, 2005

FOURTEENTH AMENDMENT TO GRID NOTE

THIS FOURTEENTH AMENDMENT TO GRID NOTE (this "Amendment") is made on October 31, 2005, and effective as of November 1, 2005, by and between ALEXANDER & BALDWIN, INC., a Hawaii corporation, hereinafter called the "Maker," and FIRST HAWAIIAN BANK, a Hawaii corporation, hereinafter called the "Bank";

WITNESSETH THAT;

WHEREAS, the Bank extended to the Maker that certain uncommitted line of credit facility in the principal amount not to exceed FORTY MILLION AND NO/100 DOLLARS ($40,000,000.00) which line of credit is evidenced by that certain Grid Note (the "Note") dated December 30, 1993, with a final maturity of said Note being November 30, 1994; and

WHEREAS, the Maker and the Bank subsequently entered into that certain Amendment to Grid Note dated August 31, 1994, whereby the Note was increased to SIXTY-FIVE MILLION AND NO/100 DOLLARS ($65,000,000.00), Section 4 of the Note, "Limitation" was deleted in its entirety and replaced, and the Note was extended to November 30, 1995; and

WHEREAS, the Maker and the Bank subsequently entered into that certain Second Amendment to Grid Note dated March 29, 1995, whereby the Note was decreased to FORTY-FIVE MILLION AND NO/100 DOLLARS ($45,000,000.00), and Section 4 of the Note, entitled "Limitation" was deleted in its entirety and replaced, and

WHEREAS, the Maker and the Bank subsequently entered into that certain Third Amendment to Grid Note dated November 17, 1995, that certain Fourth Amendment to Grid Note dated November 25, 1996, that certain Fifth Amendment to Grid Note dated November 28, 1997, and that certain Sixth Amendment to Grid Note dated November 30, 1998, all to extend the Maturity Date of the Note, the latest of which extended such Maturity Date to November 30, 1999; and

WHEREAS, the Maker and the Bank subsequently entered into that certain Seventh Amendment to Grid Note dated November 23, 1999, whereby the Note was extended to November 30, 2000, and with the merger of A&B-Hawaii, Inc. into Alexander & Baldwin, Inc., with Alexander & Baldwin, Inc. being the surviving corporation, the obligations of A&B-Hawaii, Inc. under the Note were terminated, with all references in the Note to the Maker deemed to be references to Alexander & Baldwin, Inc.; and

WHEREAS, the Maker and the Bank subsequently entered into that certain Eighth Amendment to Grid Note dated May 3, 2000, whereby the Note was increased to SEVENTY MILLION AND NO/100 DOLLARS ($70,000,000.00), and Section 4 of the Note, "Limitation" was deleted in its entirety and replaced; and

WHEREAS, the Maker and the Bank subsequently entered into that certain Ninth Amendment to Grid Note dated November 30, 2000, that certain Tenth Amendment to Grid Note dated November 30, 2001, that certain Eleventh Amendment to Grid Note dated November 21, 2002, and that certain Twelfth Amendment to Grid Note dated November 12, 2003, the latest of which extended the Maturity Date of the Note to November 30, 2004; and

WHEREAS, the Maker and the Bank subsequently entered into that certain Thirteenth Amendment to Grid Note dated October 19, 2004, whereby the Note was increased to SEVENTY-EIGHT MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS ($78,500,000.00), the Maturity Date of the Note was extended to January 1, 2006, and Section 4 of the Note, "Limitation" was deleted in its entirety and replaced; and

WHEREAS, the Maker has requested the Bank to extend the Maturity Date of the Note to January 1, 2007; and

WHEREAS, the Bank has agreed to the Maker's request, and in accordance and as a condition thereto, the Maker and the Bank desire to further amend the Note as hereinafter provided;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Maker and the Bank agree as follows:

1. The Maturity Date of the Note, as previously amended, shall be and hereby is further amended to provide that all unpaid principal and accrued but unpaid interest shall be due and payable on January 1, 2007, unless sooner due as otherwise provided in the Note.

2. In all other respects, the Note, as herein amended, shall remain unmodified and in full force and effect, and the Maker hereby reaffirms all of its obligations under the Note, as previously amended, and as amended hereby. Without limiting the generality of the foregoing, the Maker hereby expressly acknowledges and agrees that, as of the date of this Amendment, the Maker has no offsets, claims or defenses whatsoever against the Bank or against any of the Maker's obligations under the Note, as previously amended, and as amended hereby, and that if any such claims, defenses or offsets exist, they are hereby irrevocably waived and released.

3. The Maker has all requisite power and authority to execute this

Amendment and to carry out the provisions herein. The execution and delivery of this Amendment by the officers and/or other authorized person(s) specified below has been duly authorized by the Maker and no other corporate action of the Maker is requisite to such execution and delivery of this Amendment. Upon execution of this Amendment by such officers and/or authorized person(s), this Amendment, and all provisions contained herein, shall be the due and binding obligations of the Maker.

IN WITNESS WHEREOF, this Fourteenth Amendment to Grid Note is executed by the undersigned parties on the date first above written.

ALEXANDER & BALDWIN, INC.

By /s/ Christopher J. Benjamin

CHRISTOPHER J. BENJAMIN
Its Senior Vice President and
Chief Financial Officer

By /s/ Thomas A. Wellman

THOMAS A. WELLMAN
Its Vice President, Controller and
Treasurer

"Maker"

FIRST HAWAIIAN BANK

By /s/ Kenneth C. S. Pai

KENNETH C. S. PAI
Its Senior Vice President

"Bank"