

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

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2006

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	96801
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 No

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one): Large accelerated filer Accelerated filer Non-accelerated filer

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

Number of shares of common stock outstanding as of June 30, 2006: 43,067,453

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

The unaudited, condensed financial statements and notes for the second quarter and first six months of 2006 are presented below, with comparative figures from the 2005 financial statements.

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

	Three Months Ended		Six Months Ended	
	2006	2005	2006	2005
	June 30,	June 30,	June 30,	June 30,
	-----	-----	-----	-----
Revenue:				
Operating revenue	\$ 418.2	\$ 391.2	\$ 779.5	\$ 755.0
	-----	-----	-----	-----
Costs and Expenses:				
Costs of goods sold, services and rentals	347.7	308.1	641.4	585.5
Loss on investment	--	2.2	--	2.2
Selling, general and administrative	36.3	33.4	72.1	65.5

Operating costs and expenses	384.0	343.7	713.5	653.2
Operating Income	34.2	47.5	66.0	101.8
Other Income and (Expense):				
Equity in (loss) income of real estate affiliates	(1.7)	0.8	12.2	1.8
Interest income	2.7	1.2	4.9	2.1
Interest expense	(3.0)	(3.0)	(6.2)	(5.8)
Income Before Taxes	32.2	46.5	76.9	99.9
Income taxes	11.7	17.7	28.7	38.0
Income From Continuing Operations	20.5	28.8	48.2	61.9
Discontinued Operations (net of income taxes)	9.7	0.6	19.4	5.2
Net Income	\$ 30.2	\$ 29.4	\$ 67.6	\$ 67.1
Basic Earnings Per Share:				
Continuing operations	\$ 0.47	\$ 0.66	\$ 1.10	\$ 1.42
Discontinued operations	0.22	0.01	0.44	0.12
Net income	\$ 0.69	\$ 0.67	\$ 1.54	\$ 1.54
Diluted Earnings Per Share:				
Continuing operations	\$ 0.46	\$ 0.65	\$ 1.09	\$ 1.40
Discontinued operations	0.22	0.01	0.44	0.12
Net income	\$ 0.68	\$ 0.66	\$ 1.53	\$ 1.52
Average Number of Shares Outstanding	44.0	43.6	43.9	43.5
Average Number of Dilutive Shares Outstanding	44.3	44.2	44.3	44.1

See Notes to Condensed Consolidated Financial Statements.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2006	2005	2006	2005
Revenue:				
Transportation:				
Ocean transportation	\$ 243.6	\$ 221.0	\$ 462.9	\$ 427.2
Logistics services	116.4	106.6	224.8	202.7
Real Estate:				
Leasing	24.4	21.3	49.0	43.2
Sales	36.8	14.6	60.6	60.5
Less amounts reported in discontinued operations	(37.5)	(2.6)	(61.7)	(29.8)
Food Products	37.8	32.2	53.3	54.6
Reconciling Items	(3.3)	(1.9)	(9.4)	(3.4)
Total revenue	\$ 418.2	\$ 391.2	\$ 779.5	\$ 755.0
Operating Profit, Net Income:				
Transportation:				
Ocean transportation	\$ 24.4	\$ 38.7	\$ 42.7	\$ 68.4
Logistics services	5.3	3.6	10.0	6.6
Real Estate:				
Leasing	12.2	10.5	24.3	21.2
Sales	10.9	4.8	38.0	21.3
Less amounts reported in discontinued operations	(15.6)	(1.0)	(31.2)	(8.4)
Food Products	3.1	0.3	9.6	9.3
Total operating profit	40.3	56.9	93.4	118.4
Loss on Investment	--	(2.2)	--	(2.2)
Interest Expense	(3.0)	(3.0)	(6.2)	(5.8)
General Corporate Expenses	(5.1)	(5.2)	(10.3)	(10.5)
Income From Continuing Operations Before Income Taxes	32.2	46.5	76.9	99.9
Income Taxes	(11.7)	(17.7)	(28.7)	(38.0)
Income From Continuing Operations	20.5	28.8	48.2	61.9

Discontinued Operations (net of income taxes)	9.7	0.6	19.4	5.2
	-----	-----	-----	-----
Net Income	\$ 30.2	\$ 29.4	\$ 67.6	\$ 67.1
	=====	=====	=====	=====

See Notes to Condensed Consolidated Financial Statements.

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

	June 30, 2006 ----	December 31, 2005 ----
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 34	\$ 57
Accounts and notes receivable, net	187	177
Inventories	32	18
Real estate held for sale	2	9
Deferred income taxes	16	16
Prepaid expenses and other assets	25	25
Accrued withdrawals, net to Capital Construction Fund	--	1
	-----	-----
Total current assets	296	303
	-----	-----
Investments	124	154
	-----	-----
Real Estate Developments	105	71
	-----	-----
Property, at cost	2,292	2,222
Less accumulated depreciation and amortization	951	933
	-----	-----
Property - net	1,341	1,289
	-----	-----
Capital Construction Fund	112	93
	-----	-----
Other Assets	179	161
	-----	-----
Total	\$ 2,157	\$ 2,071
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Notes payable and current portion of long-term debt	\$ 54	\$ 31
Accounts payable	135	134
Other	78	89
	-----	-----
Total current liabilities	267	254
	-----	-----
Long-term Liabilities:		
Long-term debt	353	296
Deferred income taxes	437	415
Post-retirement benefit obligations	48	47
Other	64	45
	-----	-----
Total long-term liabilities	902	803
	-----	-----
Commitments and Contingencies		
Shareholders' Equity:		
Capital stock	35	36
Additional capital	174	175
Deferred compensation	--	(6)
Accumulated other comprehensive loss	(7)	(7)
Retained earnings	797	827
Cost of treasury stock	(11)	(11)
	-----	-----
Total shareholders' equity	988	1,014
	-----	-----
Total	\$ 2,157	\$ 2,071
	=====	=====

See Notes to Condensed Consolidated Financial Statements.

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

	Six Months Ended June 30,	
	2006 ----	2005 ----
Cash Flows from Operating Activities	\$ 40 -----	\$ 129 -----
Cash Flows from Investing Activities:		
Capital expenditures	(87)	(174)
Proceeds from disposal of property and other assets	31	19
Deposits into Capital Construction Fund	(22)	(158)
Withdrawals from Capital Construction Fund	4	146
Sales (purchases) of investments, net	21	(13)
Net cash used in investing activities	(53) -----	(180) -----
Cash Flows from Financing Activities:		
Proceeds from issuances of long-term debt	70	105
Payments of long-term debt	(13)	(10)
Proceeds (payments) from short-term borrowings, net	23	(5)
Proceeds from issuances of capital stock, including excess tax benefit	3	8
Repurchase of capital stock	(72)	--
Dividends paid	(21)	(20)
Net cash provided by (used in) financing activities	(10) -----	78 -----
Net (Decrease) Increase in Cash and Cash Equivalents	\$ (23) =====	\$ 27 =====
Other Cash Flow Information:		
Interest paid, net of amounts capitalized	\$ (6)	\$ (7)
Income taxes refunded (paid)	(32)	22
Other Non-cash Information:		
Depreciation expense	41	41
Tax-deferred real estate sales	58	28
Tax-deferred property purchases	(33)	(28)
Debt assumed in real estate acquisition	--	11
Common stock dividends declared but not yet paid	11	10

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. While these statements reflect all normal recurring adjustments that are, in the opinion of management, necessary for fair presentation of the results of the interim period, they do not include all of the information and footnotes required by U.S. generally accepted accounting principles for complete financial statements. Therefore, the interim Condensed Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and Notes thereto included in the Company's annual report filed on Form 10-K for the year ended December 31, 2005.

(2) On July 13, 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes--an interpretation of FASB Statement No. 109" (FIN 48). This Interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. This Interpretation also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. The new rules will be effective for the Company in 2007. At this time, the Company has not completed its review and assessment of the impact of adoption of FIN 48.

(3) The 2006 estimated effective income tax rate of 37.5 percent differs from the statutory rate, due primarily to a land donation and tax credits.

(4) Commitments and Contingencies: Commitments and financial arrangements that are not recorded on the Company's balance sheet at June 30, 2006, other than operating lease obligations, included the following (in millions):

Vessel purchase	(a)	\$	147
Guarantee of HS&TC debt	(b)	\$	--
Standby letters of credit	(c)	\$	20
Bonds	(d)	\$	8
Benefit plan withdrawal obligations	(e)	\$	65

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. The first of these two ships, the MV Manulani, was delivered during the second quarter of 2005, and the second ship, the MV Maunalei, was delivered in July 2006, as further described in footnote 11. The purchase price for the MV Maunalei was approximately \$147 million. The purchase of the MV Maunalei was funded with the Capital Construction Fund ("CCF"), cash from operations and draws on a revolving credit facility with DnB NOR Bank ASA and ING Bank N.V. Payment in full was made upon the delivery of the containership and no further obligations exist after the date of the delivery. As of June 30, 2006, no obligation was recorded on the financial statements for the MV Maunalei because conditions necessary to record either a liability or an asset were not met.
- (b) 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. Under normal circumstances, the guarantee would not exceed \$15 million. The amount would only increase to \$21.5 million if the amounts owed by C&H are outstanding beyond normal 10-day terms. No amounts were borrowed under the facility at the end of the second quarter.
- (c) At June 30, 2006, the Company has arranged for standby letters of credit totaling \$20 million. This includes letters of credit, totaling approximately \$14 million, which enable the Company to qualify as a self-insurer for state and federal workers' compensation liabilities. This balance also includes approximately \$6 million for performance guarantees related to real estate projects.
- (d) Consists of \$6 million in U.S. customs bonds, \$1

million relates to real estate construction projects in Hawaii, and \$1 million relates to ocean transportation matters.

- (e) The withdrawal liabilities for multiemployer pension plans, in which Matson is a participant, aggregated approximately \$65 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.

Other Contingencies: On June 14, 2006, the Company, Kukui'ula Development Company (Hawaii), LLC ("Kukui'ula"), and various DMB entities ("DMB") entered into a General Contract of Indemnity ("Indemnity") in favor of Travelers Casualty and Surety Company of America ("Travelers"). The Indemnity was described in the Company's Form 8-K dated June 14, 2006 and filed with the Securities and Exchange Commission on June 16, 2006. The Indemnity was entered into in connection with Travelers' execution of an agreement with the Kukui'ula joint venture for the delivery of one or more bonds. The bonds are being issued to secure final subdivision approvals, which will allow for closing of the Kukui'ula lots to take place, and will cover various construction activities at Kukui'ula, such as project amenities, roads, utilities and other infrastructure, and subdivision improvements.

Under the Indemnity, the Company, Kukui'ula, and DMB, jointly and severally, agree to indemnify and exonerate Travelers from all loss which Travelers incurs in connection with any of the bond(s) issued. In connection with the Indemnity, the Company, Kukui'ula, and DMB have separately entered into a Mutual Indemnification Agreement ("Agreement") under which the parties agree that they shall each be proportionately liable (60% for DMB and 40% for the Company) for all payments required to be made under the Indemnity.

The Company accounts for guarantees in accordance with FASB Interpretation No. 45 ("FIN 45"), "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others." Under the provisions of FIN 45, the Company recorded a liability for the Indemnity based on its fair value. The fair value of the liability recorded by the Company in connection with the Indemnity was not material.

Financing Agreement: On April 20, 2006, the Company entered into a three-year unsecured note purchase and private shelf agreement with Prudential Investment Management, Inc. and its affiliates (collectively, "Prudential") under which the Company may issue notes in an aggregate amount up to \$400 million less the sum of all principal amounts then outstanding on any notes issued by the Company or any of its subsidiaries to Prudential and the amount of any such notes then committed to be purchased by Prudential. The Agreement also provides for the commitment by Prudential to purchase and, subject to a right of cancellation by the Company, the commitment by the Company to issue three new series of senior promissory notes totaling \$125 million. The note purchase and shelf agreement is more fully described in a Form 8-K filed on April 21, 2006.

Litigation: 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.

- (5) Earnings Per Share: The denominator used to compute basic and diluted earnings per share is as follows (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2006	2005	2006	2005
Denominator for basic EPS - weighted average shares	----	----	----	----
Effect of dilutive securities:	44.0	43.6	43.9	43.5
Employee/director stock options and non-vested restricted stock	0.3	0.6	0.4	0.6
Denominator for diluted earnings per share	===== 44.3	===== 44.2	===== 44.3	===== 44.1

- (6) Share-Based Compensation: The Company may grant incentive and non-qualified options to purchase shares of the Company's stock at an exercise price equal to the fair market value at the grant date, as determined by the Compensation Committee of the Board of Directors. The options vest ratably over three years and, if not exercised, expire 10 years after grant. Shares issued as a result of stock option exercises are funded with the issuance of new shares. Shares tendered to the Company in connection with stock option exercises are retired.

The Company may also issue shares of the Company's common stock, in connection with the stock option plans, as a reward for past service rendered or as an incentive for future service. Service-based restricted shares generally vest over three years. The Company may also

issue performance-based restricted shares that vest one year after grant, with the number of shares earned based on the achievement of annual financial targets established at the beginning of the fiscal year.

The Company's various stock option plans are more fully described in its most recent Form 10-K and in other filings with the Securities and Exchange Commission. As of June 30, 2006, 1,463,588 shares have been authorized for issuance under the equity compensation plans but had not been granted.

On January 1, 2006, the Company adopted Statement of Financial Accounting Standards No. 123 (revised 2004), "Share-Based Payment" (SFAS No. 123R), which requires the measurement and recognition of compensation expense for all share-based payment awards made to employees and directors. Prior to January 1, 2006, the Company accounted for share-based compensation under Accounting Principles Board ("APB") Opinion No. 25, which required recognition of compensation expense based on the intrinsic value of the equity instrument awarded. Consequently, no share-based compensation expense for stock option grants was reflected in net income since all options granted had an exercise price equal to the market value of the underlying common stock on the date of grant. If the Company had applied the fair value recognition provisions of SFAS No. 123, as amended by SFAS No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure," the effect on net income and earnings per share for the three and six month periods ended June 30, 2005 would have been as follows (in millions, except per-share amounts):

	2005	
	Quarter Ended June 30	Six Months Ended June 30
Net Income:		
As reported	\$ 29.4	\$ 67.1
Stock-based compensation expense determined under fair value based method for all awards, net of related tax effects	(0.4)	(0.8)
Pro forma	\$ 29.0	\$ 66.3
Net Income Per Share:		
Basic, as reported	\$ 0.67	\$ 1.54
Basic, pro forma	\$ 0.66	\$ 1.52
Diluted, as reported	\$ 0.66	\$ 1.52
Diluted, pro forma	\$ 0.65	\$ 1.50

SFAS No. 123R requires companies to estimate the fair value of share-based payment awards on the date of grant using an option-pricing model. The Company estimates the grant-date fair value of its stock options using a Black-Scholes valuation model, consistent with the provisions of SFAS No. 123R and Securities and Exchange Commission ("SEC") Staff Accounting Bulletin No. 107, "Share-Based Payment," using the range of assumptions provided in the table below:

	2006	2005
	----	----
Expected volatility	22.1%-22.7%	22.2%-22.3%
Expected term (in years)	6.3-8.1	6.4
Risk-free interest rate	4.5%-5.1%	3.9%-4.0%
Dividend yield	1.7%-2.4%	1.9%-2.2%
Fair value of options granted	\$10.56-\$14.86	\$9.70-\$10.36

- o Expected volatility was primarily determined using the historical volatility of A&B common stock over a 6-year period, but the Company may also consider future events that it reasonably concludes marketplace participants might consider. Accordingly, the Company believes that the expected volatility estimate is representative of the stock's future volatility over the expected term of its employee share options. An increase in the expected volatility assumption will increase stock compensation expense.
- o The expected term of the awards represents expectations of future employee exercise and post-vesting termination behavior and was primarily based on historical experience. The Company analyzed various groups of employees and considered expected or unusual trends that would likely affect this assumption and determined that the historical term of 6.7 years was reasonable for 2006. An increase in the expected term assumption will increase stock compensation expense.
- o The risk free interest rate was based on U.S. Government treasury yields for periods equal to the expected term of

the option on the grant date. An increase in the risk-free interest rate will increase stock compensation expense.

- o The expected dividend yield is based on the Company's current and historical dividend policy. An increase in the dividend yield will decrease stock compensation expense.

Application of alternative assumptions could produce significantly different estimates of the fair value of stock-based compensation, and consequently, the related amounts recognized in the Condensed Consolidated Statements of Income.

Activity in the Company's stock option plans for the first two quarters of 2006 was as follows (in thousands, except exercise price amounts):

	Employee Plans		Directors' Plans		Total Shares	Weighted Average Exercise Price
	1998 Plan	1989 Plan	1998 Directors' Plan	1989 Directors' Plan		
December 31, 2005	1,190.1	38.2	215.8	42.0	1,486.1	\$ 31.16
Granted	174.1	--	56.0	--	230.1	\$ 51.54
Exercised	(62.6)	(11.2)	(6.0)	(12.0)	(91.8)	\$ 26.72
Forfeited & Expired	(20.1)	--	--	--	(20.1)	\$ 40.92
June 30, 2006	1,281.5	27.0	265.8	30.0	1,604.3	\$ 34.21
Exercisable	872.4	27.0	140.6	30.0	1,070.0	\$ 29.19

The following table summarizes stock option information as of June 30, 2006 (excludes restricted stock, in thousands, except exercise price amounts):

Range of Exercise Prices	Options Outstanding as of 6/30/2006	Weighted Average Remaining Contractual Life (in Years)	Weighted Average Exercise Price	Options Exercisable as of 6/30/2006	Weighted Average Price of Exercisable Options
\$20.00 - 24.00	95.9	3.3	\$ 21.39	95.9	\$ 21.39
\$24.01 - 28.00	453.3	5.5	\$ 26.29	453.3	\$ 26.29
\$28.01 - 32.00	211.5	4.3	\$ 28.54	209.4	\$ 28.51
\$32.01 - 36.00	355.5	7.4	\$ 33.48	223.0	\$ 33.48
\$36.01 - 40.00	0.2	5.1	\$ 37.98	--	--
\$40.01 - 44.00	74.8	7.5	\$ 40.46	24.0	\$ 40.38
\$44.01 - 48.00	191.2	8.5	\$ 44.45	64.4	\$ 44.45
\$48.01 - 53.00	221.9	9.6	\$ 51.59	--	--
\$20.00 - 53.00	1,604.3	6.7	\$ 34.21	1,070.0	\$ 29.19

A summary of the compensation cost and other measures related to share-based payments is as follows (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2006	2005	2006	2005
Share-based expense (net of estimated forfeitures):				
Stock options	\$ 0.7	\$ --	\$ 1.4	\$ --
Restricted stock	1.4	0.6	2.6	1.0
Total share-based expense	\$ 2.1	\$ 0.6	\$ 4.0	\$ 1.0
Income tax benefit realized	\$ 0.2	\$ 0.4	\$ 1.9	\$ 2.5
Intrinsic value of options exercised	\$ 0.5	\$ 0.9	\$ 2.1	\$ 5.9
Fair value of stock vested	\$ --	\$ --	\$ 3.0	\$ 0.6

As of June 30, 2006, there was \$4.9 million of total unrecognized compensation cost related to unvested stock options. That cost is expected to be recognized over a weighted average period of

approximately 1.6 years.

The following table summarizes restricted stock information as of June 30, 2006 (in thousands, except weighted-average, grant-date fair value amounts):

	Restricted Stock Shares -----	Weighted Average Grant-Date Fair Value -----
December 31, 2005	184.3	\$ 41.38
Granted	128.4	\$ 52.37
Vested	(57.1)	\$ 41.97
Forfeited	(8.0)	\$ 38.06

June 30, 2006	247.6	\$ 46.73
	=====	

Unrecognized compensation cost related to unvested restricted stock was \$9.2 million, with the cost expected to be recognized over a weighted average period of 1.4 years.

- (7) Accounting for and Classification of Discontinued Operations: As required by Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" (SFAS No. 144), 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 June 30, -----		Six Months Ended June 30, -----	
	2006 ----	2005 ----	2006 ----	2005 ----
Discontinued Operations (net of tax)				
Sales of Assets	\$ 9.4	\$ --	\$ 18.7	\$ 3.9
Leasing Operations	0.3	0.6	0.7	1.3
	-----	-----	-----	-----
Total	\$ 9.7	\$ 0.6	\$ 19.4	\$ 5.2
	=====	=====	=====	=====

- (8) Other Comprehensive Income for the three and six months ended June 30, 2006 and 2005 was as follows (in millions):

	Quarter Ended June 30, -----		Six Months Ended June 30, -----	
	2006 ----	2005 ----	2006 ----	2005 ----
Net Income	\$ 30.2	\$ 29.4	\$ 67.6	\$ 67.1
Company's share of investee's minimum pension liability adjustment	--	(0.4)	0.1	(0.4)
Change in valuation of derivative	(0.1)	--	(0.1)	0.1
	-----	-----	-----	-----
Comprehensive Income	\$ 30.1	\$ 29.0	\$ 67.6	\$ 66.8
	=====	=====	=====	=====

- (9) 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 2006 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 second quarter of 2006 and 2005 were as follows (in millions):

	Pension Benefits		Post-retirement Benefits	
	2006	2005	2006	2005
Service Cost	\$ 1.9	\$ 1.6	\$ 0.2	\$ 0.2
Interest Cost	4.1	4.0	0.8	0.8
Expected Return on Plan Assets	(6.5)	(6.1)	--	--
Amortization of Prior Service Cost	0.1	0.1	--	--
Amortization of Net (Gain) Loss	0.4	0.4	0.3	0.3
Net Periodic Benefit Cost	\$ --	\$ --	\$ 1.3	\$ 1.3

The Components of Net Periodic Benefit Cost for the first half of 2006 and 2005 were as follows (in millions):

	Pension Benefits		Post-retirement Benefits	
	2006	2005	2006	2005
Service Cost	\$ 3.7	\$ 3.0	\$ 0.5	\$ 0.5
Interest Cost	8.2	8.0	1.6	1.6
Expected Return on Plan Assets	(13.0)	(12.2)	--	--
Amortization of Prior Service Cost	0.2	0.2	--	--
Amortization of Net (Gain) Loss	0.8	0.8	0.5	0.6
Net Periodic Benefit Cost (Credit)	\$ (0.1)	\$ (0.2)	\$ 2.6	\$ 2.7

The 2006 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 an expected net periodic pension credit of approximately \$0.2 million for 2006. No contributions to the Company's pension plans are expected to be required during 2006.

(10) Accelerated Share Repurchase Program: On December 9, 2004, A&B's Board of Directors authorized A&B to repurchase up to two million shares of its common stock through December 31, 2006. In June 2006, A&B purchased 200,000 shares on the open market at an average price of \$42.35. Additionally, the Company also entered into an accelerated share repurchase agreement ("ASR") with Goldman, Sachs & Co. on June 27, 2006 to repurchase shares of A&B's common stock for an aggregate purchase price of approximately \$63 million, which is more fully described in a Form 8-K filed on July 11, 2006. The maximum average price per share that will be paid under the ASR is \$46.83, which is based on 984,000 and 361,342 shares delivered on June 30 and July 12, 2006, respectively. The average price per share paid to date under the ASR may not be representative of the final average repurchase price per share because A&B may receive additional shares for no additional consideration. Under the terms of the ASR, the Company may receive up to an additional 184,099 shares upon termination of the agreement in a third installment based on the volume weighted average price of A&B's common stock from July 8, 2006 through to the end of the termination period, which may be determined by Goldman in its discretion from September 8, 2006 through November 10, 2006. A&B has no further obligation to provide additional cash or to issue additional shares under the agreement, and consequently, any additional shares received would reduce the final average price paid per share. The final average repurchase price per share under the ASR will range from \$41.19 to \$46.83 based on the collar established by the agreement. Through July 28, 2006, our total share repurchases totaled 1,545,342 shares for \$71.5 million at an average price of \$46.25 per share. Upon completion of the ASR, A&B will have repurchased between 1,545,342 and 1,729,441 shares of its stock during 2006 and will have between 270,559 and 454,658 shares remaining under its existing share repurchase authorization.

(11) Subsequent Events: On July 12, 2006, Matson took delivery of its newest ship, the MV Maunalei. The purchase price for the MV Maunalei was \$147 million. The purchase of the MV Maunalei was funded with the CCF, cash from operations, and borrowings under the DnB NOR revolving credit facility. The amount drawn under the DnB NOR revolving credit facility upon delivery of the ship totaled approximately \$70 million, of which

\$36 million was applied to the purchase price of the ship and the remainder was used for other general corporate purposes.

On July 12, 2006, a bill prohibiting residential development and the sale of the State's fee simple interest in the Kaka'ako Waterfront project was enacted into law. Consequently, the Company has terminated its development activities related to the Kaka'ako Waterfront project. The incurred costs related to the project were immaterial and were expensed.

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 those matters discussed in Item 1A of the Company's 2005 10-K.

CONSOLIDATED REVENUE & NET INCOME

Consolidated - Second quarter of 2006 compared with 2005

(dollars in millions)	Quarter Ended June 30,		
	2006	2005	Change
Revenue	\$ 418.2	\$ 391.2	7%
Cost of goods sold, services and rentals	\$ 347.7	\$ 308.1	13%
Selling, general and administrative	\$ 36.3	\$ 33.4	9%
Loss on investment	\$ --	\$ 2.2	-100%
Income taxes	\$ 11.7	\$ 17.7	-34%
Net income	\$ 30.2	\$ 29.4	3%

Consolidated revenue for the second quarter of 2006 increased \$27.0 million, or 7 percent, compared with the second quarter of 2005. This increase was due principally to \$22.6 million higher revenue for ocean transportation, \$9.8 million growth in logistics services revenue, \$5.6 million higher revenue for food products and \$5.0 million higher revenue from real estate leasing (after excluding leasing revenue from assets classified as discontinued operations), partially offset by \$14.5 million in lower revenue from real estate sales (after excluding revenue from 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 for the second quarter of 2006 increased \$39.6 million, or 13 percent, compared with the second quarter of 2005 due to \$36.7 million higher costs for ocean transportation, \$7.9 million in higher purchased transportation costs at the Matson Integrated Logistics business, \$3.1 million in higher costs for the food products segment (primarily as a result of higher sugar sales volume), partially offset by \$9.1 million lower cost of real estate sales (after excluding real estate sales classified as discontinued operations).

Selling, general and administrative costs for the second quarter of 2006 were \$2.9 million, or 9 percent, higher than the second quarter of 2005 due principally to higher professional service fees, salaries, and related employee benefit costs.

Income taxes were lower than the second quarter of 2005, on a percentage basis, due to a change in the effective income tax rate. The effective tax rate for 2006 was reduced from 38% to 37.5% as a result of a land donation and tax credits.

Consolidated - First half of 2006 compared with 2005

Six Months Ended June 30,

(dollars in millions)	2006	2005	Change
Revenue	\$ 779.5	\$ 755.0	3%
Cost of goods sold, services and rentals	\$ 641.4	\$ 585.5	10%
Selling, general and administrative	\$ 72.1	\$ 65.5	10%
Loss on investment	\$ --	\$ 2.2	-100%
Income taxes	\$ 28.7	\$ 38.0	-24%
Net income	\$ 67.6	\$ 67.1	1%

Consolidated revenue for the first half of 2006 increased \$24.5 million, or 3 percent, compared with the first half of 2005. This increase was due principally to \$35.7 million higher revenue for ocean transportation, \$22.1 million growth in logistics services revenue, and \$9.0 million higher revenue from real estate leasing (after excluding leasing revenue from assets classified as discontinued operations), partially offset by \$34.9 million in lower revenue from real estate sales (after excluding revenue from 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 for the first half of 2006 increased \$55.9 million, or 10 percent, compared with the first half of 2005 due to \$58.7 million in higher costs for ocean transportation, \$17.8 million in higher purchased transportation costs for the logistics business, partially offset by \$19.0 million in lower cost of real estate sales (after excluding real estate sales classified as discontinued operations) and \$3.3 million gain on the sale of two surplus and obsolete vessels.

Selling, general and administrative costs for the first half of 2006 were \$6.6 million, or 10 percent, higher than the first half of 2005 due to the same factors cited for the second quarter increase.

Income taxes were lower than the first half of 2005 due primarily to the same factors cited for the second quarter decrease.

ANALYSIS OF OPERATING REVENUE AND PROFIT
TRANSPORTATION INDUSTRY

Ocean Transportation - Second quarter of 2006 compared with 2005

Quarter Ended June 30,			
(dollars in millions)	2006	2005	Change
Revenue	\$ 243.6	\$ 221.0	10%
Operating profit	\$ 24.4	\$ 38.7	-37%
Volume (Units)			
Hawaii containers	44,600	44,700	--
Hawaii automobiles	33,800	43,300	-22%
Guam containers	3,900	4,200	-7%
China containers	7,500	--	NM

Ocean Transportation revenue for the second quarter of 2006 was \$22.6 million, or 10 percent, higher than the second quarter of 2005. Of this increase, approximately \$16.3 million was due to overall container volume increases for Matson's services, \$13.3 million was due to increases in fuel surcharge revenues, and \$4.6 million was due to improved yields and cargo mix. These increases were partially offset by approximately \$8.9 million from the loss of vessel charter revenue resulting from the expiration of the APL Alliance in the first quarter of 2006. Matson's Hawaii automobile volume for the quarter was 22 percent lower than the first quarter of last year, due primarily to the impact of reduced auto manufacturer incentives for rental car agencies, which resulted in lower rental car turnover, as well as competitive pressures. Total Hawaii container volume was down slightly from the second quarter of 2005, reflecting primarily a reduction in eastbound volumes, including lower shipments of agricultural products and lower military-related household good movements. Guam container volume was down slightly from the second quarter of 2005, primarily due to the transition in vessel schedules.

Operating profit was \$14.3 million, or 37 percent, lower than the second quarter of 2005. This decrease was primarily the result of the following operating expense changes, which offset revenue increases. Direct fuel costs increased by \$15.9 million, vessel operating and overhead expenses increased \$5.6 million primarily due to the China service startup, and terminal handling costs increased \$3.8 million due to increased rates. Outside transportation costs, which include barge and trucking expenses paid to third parties, increased \$2.4 million and G&A expense increased \$2.1 million. Earnings from Matson's SSAT joint venture contributed \$0.7 million more than the second quarter of 2005. Earnings from joint ventures are not included in revenue, but are included in operating profit.

Ocean Transportation - First half of 2006 compared with 2005

Six Months Ended June 30,			
(dollars in millions)	2006	2005	Change
Revenue	\$ 462.9	\$ 427.2	8%
Operating profit	\$ 42.7	\$ 68.4	-38%
Volume (Units)			
Hawaii containers	86,400	86,100	--
Hawaii automobiles	65,600	78,900	-17%
Guam containers	7,700	8,200	-6%
China containers	9,500	--	NM

Ocean Transportation revenue for the first half of 2006 was \$35.7 million, or 8 percent, higher than the first half of 2005. Of this increase, approximately \$21.0 million was due to increases in fuel surcharge revenues, \$17.9 million was due to overall container volume increases for Matson's services, and \$7.2 million was due to improved yields and cargo mix. These increases were partially offset by \$11.4 million of lower vessel charter revenue, resulting from the expiration of the APL Alliance. Total Hawaii automobile volume was 17 percent lower, due primarily to competitive pressures and reduced shipments to rental agencies as noted previously. Guam container volume was 6 percent lower than in the first half of 2005, due primarily to changes in vessel schedules.

Operating profit was \$25.7 million, or 38 percent, lower than the first half of 2005. This decrease was primarily the result of the following operating expense changes, which offset revenue increases. Direct fuel costs increased \$28.2 million, vessel operating and overhead expenses increased \$5.6 million primarily due to the China service startup, and terminal handling costs increased \$7.4 million due to increased rates. Outside transportation costs increased \$3.8 million and G&A expense increased \$3.3 million. Matson's SSAT joint venture contributed \$3.6 million less than the first half of 2005, due primarily to a favorable adjustment made during the first half of 2005. Earnings from this venture are not included in revenue, but are included in operating profit. These decreases were partially offset by a \$3.3 million gain on the sale of two surplus and obsolete vessels.

Logistics Services - Second quarter of 2006 compared with 2005

Quarter Ended June 30,			
(dollars in millions)	2006	2005	Change
Revenue	\$ 116.4	\$ 106.6	9%
Operating profit	\$ 5.3	\$ 3.6	47%

Integrated logistics revenue increased by \$9.8 million, or 9 percent, for the second quarter of 2006 compared with the second quarter of 2005. This growth was the result of continued improvements in yields and an 11 percent increase in highway and less-than-truckload volumes, partially offset by lower volumes in domestic and international intermodal services.

Integrated logistics operating profit increased by \$1.7 million, or 47 percent, for the second quarter of 2006 compared with the second quarter of 2005. The increased operating profit was the result of higher yields in all service categories and lower general and administrative costs as a percentage of revenue.

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 half of 2006 compared with 2005

Six Months Ended June 30,			
(dollars in millions)	2006	2005	Change
Revenue	\$ 224.8	\$ 202.7	11%
Operating profit	\$ 10.0	\$ 6.6	52%

Integrated logistics revenue increased by \$22.1 million, or 11 percent, for the

first half of 2006 compared with the first half of 2005. This growth was the result of continued improvements in mix of business and rates, and a 15 percent increase in highway and less-than-truckload volumes, partially offset by a 22 percent decrease in international intermodal volume.

Integrated logistics operating profit increased by \$3.4 million, or 52 percent, for the first half of 2006 compared with the first half of 2005. The operating profit improvement was the result of higher yields in all service categories and lower general and administrative costs as a percentage of revenue.

REAL ESTATE INDUSTRY

Real estate 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- Second quarter of 2006 compared with 2005

(dollars in millions)	Quarter Ended June 30,		
	2006	2005	Change
Revenue	\$ 24.4	\$ 21.3	15%
Operating profit	\$ 12.2	\$ 10.5	16%
Occupancy Rates:			
Mainland	98%	95%	3%
Hawaii	98%	92%	6%
Leasable Space (million sq. ft.):			
Mainland	3.7	3.5	6%
Hawaii	1.5	1.7	-12%

Real estate leasing revenue and operating profit for the second quarter of 2006 were 15 percent and 16 percent higher, respectively, than the amounts reported for the second quarter of 2005. These increases were due principally to \$2.8 million of revenue and \$1.4 million of contribution margin from four properties acquired subsequent to the second quarter of 2005, the results from the completion of a new Oahu commercial development during the second half of 2005, and higher interest income earned on 1031 escrow funds. The higher occupancy rate for the Hawaii commercial leasing portfolio was principally due to the addition of Kunia Shopping Center, a new Oahu commercial development that was fully leased upon completion, the addition of Lanihau Shopping Center, a fully-leased retail center in Kailua-Kona on the island of Hawaii subsequent to the first half of 2005, and higher leasing activity at existing properties.

Leasing- First half of 2006 compared with 2005

(dollars in millions)	Six Months Ended June 30,		
	2006	2005	Change
Revenue	\$ 49.0	\$ 43.2	13%
Operating profit	\$ 24.3	\$ 21.2	15%
Occupancy Rates:			
Mainland	97%	95%	2%
Hawaii	98%	91%	7%

Real estate leasing revenue and operating profit for the first half of 2006 were 13 percent and 15 percent higher, respectively, than the amounts reported for the first half of 2005. Additionally, the Hawaii commercial leasing portfolio's occupancy rate increased by 7 percent. These increases were due to the same reasons as cited for the quarter.

Real Estate Sales - Second quarter and first half of 2006 compared with 2005

(dollars in millions)	Quarter Ended June 30,		
	2006	2005	Change
Revenue	\$ 36.8	\$ 14.6	2.5x
Operating profit	\$ 10.9	\$ 4.8	2.3x

Six Months Ended June 30,

(dollars in millions)	2006	2005	Change
Revenue	\$ 60.6	\$ 60.5	--
Operating profit	\$ 38.0	\$ 21.3	78%

2006 Second Quarter: Real estate sales revenue, before subtracting amounts treated as discontinued operations, was \$36.8 million and was principally comprised of the sale of two retail centers in Phoenix, Arizona and one commercial parcel on Maui. Operating profit for the second quarter of 2006 included the Company's share of \$1.7 million in marketing and other operating expenses of its real estate joint ventures.

2006 First Half: Revenue for the first half of 2006 also included first quarter revenue of \$23.8 million, principally related to the sales of a Maui office building, four commercial parcels on Maui, a commercial property on Oahu and a vacant parcel on Kauai. Operating profit for the first half of 2006 also included \$12.2 million for the Company's earnings from its real estate joint ventures (which are not included in revenue for the segment). The \$12.2 million in joint venture earnings principally relates to a portion of the Company's earnings from its Hokua joint venture, which completed sales of all 247 residential condominium units in the first quarter.

2005 Second Quarter: Revenue for the second quarter of 2005, before subtracting amounts treated as discontinued operations, was principally due to the receipt of 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 from its real estate joint ventures.

2005 First Half: Real estate sales for the first half of 2005 also included first quarter sales revenue from the sale of 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 half operating profit included approximately \$1.8 million for the Company's share of earnings from its real estate joint ventures.

The mix of real estate 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 of the Company's Hawaii land. Consequently, real estate 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 real estate sales is also affected by the classification of certain real estate sales as discontinued operations.

Real Estate Discontinued Operations - 2006 compared with 2005

The revenue and operating profit on real estate discontinued operations for the second quarter and first half of 2006 and 2005 were as follows:

(dollars in millions, before tax)	Quarter Ended June 30,		Six Months Ended June 30,	
	2006	2005	2006	2005
Sales revenue	\$ 36.7	--	\$ 59.6	\$ 24.5
Leasing revenue	\$ 0.8	\$ 2.6	\$ 2.1	\$ 5.3
Sales operating profit	\$ 15.0	--	\$ 30.0	\$ 6.3
Leasing operating profit	\$ 0.6	\$ 1.0	\$ 1.2	\$ 2.1

2006: The sales of two retail centers in Phoenix, Arizona for \$35.6 million, an office building on Maui for \$15.7, and several commercial parcels in Hawaii. Additionally, the revenue and expenses of a commercial parcel on Maui have been classified as discontinued operations because of the Company's plan to sell this property.

2005: 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, an office building in Wailuku, Maui, two office buildings in downtown Honolulu, and the fee interest in a parcel in Maui were included in discontinued operations.

The leasing revenue and operating profit noted above includes the results for properties that were sold through June 30, 2006 and the operating results of a commercial parcel on Maui that the Company intends to sell within the next 12 months. The leasing revenue and operating profit for the second quarter of 2005 have been restated to reflect property that was classified as discontinued

operations subsequent to June 30, 2005.

FOOD PRODUCTS INDUSTRY

Food Products - Second quarter of 2006 compared with 2005

Quarter Ended June 30,			
(dollars in millions)	2006	2005	Change
Revenue	\$ 37.8	\$ 32.2	17%
Operating profit	\$ 3.1	\$ 0.3	10.3x
Tons sugar produced	61,400	58,400	5%

Food products revenue increased 17 percent for the second quarter of 2006 compared with 2005 due mainly to \$2.1 million in equipment rentals, repair services and trucking, \$1.6 million from higher bulk raw sugar sales stemming from higher sugar prices and increased sales volume, \$1.5 million from higher power sales prices and volume, and \$0.6 million in higher molasses sales prices.

Operating profit increased tenfold from the second quarter of 2005 due principally to \$1.5 million in higher power sales, \$0.8 million in higher equipment rentals, and \$0.8 million in higher molasses and specialty sugar sales.

Food Products - First half of 2006 compared with 2005

Six Months Ended June 30,			
(dollars in millions)	2006	2005	Change
Revenue	\$ 53.3	\$ 54.6	-2%
Operating profit	\$ 9.6	\$ 9.3	3%
Tons sugar produced	62,200	77,900	-20%

Food products revenue decreased 2 percent for the first half of 2006 compared with 2005. Excluding the \$5.5 million disaster relief payment received in 2005, revenue increased 9 percent due mainly to \$2.9 million from higher power sales, \$2.1 million in higher repair services and trucking revenue, \$1.6 million in higher specialty sugar and molasses sales, and \$1.1 million in higher equipment rentals and soil sales. Lower revenue of \$4.2 million from lower sugar sales partially offset the previously noted increases.

Operating profit was 3 percent higher than the first half of 2005. However, excluding the \$5.5 million disaster relief payment received in 2005, operating profit improved more than 150 percent, primarily due to \$2.9 million in higher power sales, \$1.5 million in higher equipment rentals, soil sales, repair services and trucking, \$0.9 million in higher sugar sales margin as a result of higher sugar prices, and \$0.4 in higher molasses sales.

Sugar production was 20 percent lower in 2006 than in 2005 because operations commenced one month later, as planned by the Company, than in the prior year. While the Company expects to make up the difference in production, any future impacts to the harvesting schedule, or unanticipated impacts to yields, could affect total year production.

As reported by national media, the island of Kauai experienced the heaviest rainfall in its recent history during March. Based on preliminary inspections of Company-owned reservoirs by both the Company and the State of Hawaii, it is believed that the facilities are sound, although certain remedial action will have to be taken. The Company is currently evaluating both the Kauai and the Maui reservoirs for any necessary follow-up action; the ultimate cost of the reservoir studies and remediation activities is not known at this time.

2006 OUTLOOK

The statements included herein contain forward looking information. The economic, operating results, trends and expectations noted below may be different from actual events; those differences might be significant and might affect, among other measures and trends, revenues, expenses, assets, liabilities, shareholders' equity and cash flows.

Although expectations for statewide economic growth in 2006 and beyond remain favorable, they are below the high rates of growth experienced in 2004 and 2005. However, the Company believes that the current economic outlook will continue to support its earnings growth expectations for 2006.

The first half's financial results were accompanied by favorable progress on major initiatives in both our ocean transportation and real estate segments. Based on the encouraging results of the strong start in 2006, the Company remains confident that progress on major real estate development projects and

Matson's trans-Pacific expansion will position the Company for even stronger performance in the years to come.

Starting in the third quarter, revenue from the China Service should increasingly offset the fixed operating costs of the Guam and China services and the loss of charter revenue from the APL Alliance. As a result, the Company anticipates comparisons in the second half of 2006 will be much more favorable, with second half earnings to approach or perhaps match second half 2005. China volumes in the second quarter continued to ramp up nicely, offsetting lower than planned rates. In the Hawaii trade, cost increases will continue to be an important factor, with negotiated wage increases effective July 1, 2006 and an expectation of continued, but moderate, fuel cost increases. Matson Integrated Logistics produced an outstanding quarter, with positive year-over-year comparisons forecast for the remainder of 2006. The logistics segment is poised for continued growth, though margins may moderate somewhat from very high second quarter levels.

Real estate industry results for the second quarter reaffirm the expectation of full year growth that meets or exceeds the company's long-term annual growth target of 13-15%. For real estate sales, the majority of the Company's remaining property sales for 2006 are likely to take place in the fourth quarter. While the Hawaii residential market appears to be in transition, with lower sales volumes, and prices that appear to be leveling off, the Company's development projects and joint venture investments continue to perform well. At the Company's Kukui'ula project, which is being developed in a partnership with an affiliate of DMB Associates, Inc., 123 lots in the first two phases are being offered to members of the Founders program. As of late July 2006, approximately 70 non-binding letters of intent to purchase have been signed, and an additional 30 letters of intent are pending. Remaining lots are now being offered to members of Kukui'ula's Discoverers program, which consists of approximately 120 potential buyers. As reported in the Company's April 2006 quarterly earnings call, the Founders program had approximately 260 subscriptions. As of late July 2006, besides the 100 executed or pending letters of intent described above, approximately 40 Founders have cancelled their subscriptions, and the remaining 120 Founders will be making their decision on whether to purchase a lot in 2007. Sales contracts will be issued to buyers in the third quarter, with closings scheduled for the fourth quarter.

The Company projects that only a negligible amount of the Company's projected 2006 operating profit, and between 10% to 15% of its 2007 projected operating profit, both as a percentage of consolidated operating profit, is expected to be generated from residential sales that are not currently under binding contracts.

The real estate industry segment outlook is reinforced by continuing robust commercial real estate conditions that are reflected in particularly strong leased properties portfolio occupancy rates which reached a Company record 98% occupancy across its Hawaii and Mainland U.S. properties.

Should current market prices for sugar, power and molasses hold throughout the year, the food products segment should be modestly profitable for the balance of the year. Despite the absence of the one-time payment of \$5.5 million received in 2005, the Company anticipates profitability at or near 2005 levels.

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 borrowing capacity on revolving credit and private placement shelf facilities, less accrued deposits to the CCF, totaled approximately \$665 million at June 30, 2006, an increase of \$45 million from December 31, 2005. The increase was due primarily to \$44 million in higher available balances on revolving credit and private placement shelf facilities, \$15 million in higher sugar and coffee inventories and \$10 million in higher receivables balances, partially offset by \$23 million of lower cash balances.

Balance Sheet: Working capital was \$29 million at June 30, 2006, a decrease of \$20 million from the balance carried at the end of 2005. The decrease in working capital was due primarily to lower cash balances, lower balances for real estate held for sale, and higher balances on revolving credit facilities. These factors were partially offset by higher balances for accounts receivable and higher inventory balances.

Cash and cash equivalents totaled \$34 million at the end of the second quarter compared with \$57 million at the beginning of the year. The lower balance is due principally to share repurchases, net deposits into the CCF, and capital expenditures.

Long-term Debt, including current portion, totaled \$407 million at June 30, 2006 compared with a balance of \$327 million at December 31, 2005. This \$80 million increase was due mainly to capital expenditure financing and share repurchases.

The Company's net deferred tax obligation was \$421 million at June 30, 2006 compared with \$399 million at December 31, 2005. This \$22 million increase was due principally to CCF deposits, and to a lesser extent, tax-deferred real estate sales.

Cash Flows and Capital Expenditures: Cash Flows from Operating Activities totaled \$40 million for the first half of 2006, compared with \$129 million for the first half of 2005. This decrease was principally the result of gains on the sale of properties that are classified as either investing cash flows or non-cash transactions, changes in current and deferred income tax and accounts receivable balances, and lower Matson earnings.

Capital expenditures for the first half of 2006 totaled \$87 million compared with \$174 million for the first half of 2005. The expenditures for the first half of 2006 relate primarily to equipment purchases for the ocean

transportation segment and expenditures related to property development activities. The \$174 million for the first half of 2005 relates primarily to the purchase of the MV Manulani for \$144 million. The amounts reported in Capital Expenditures on the Statement of Cash Flows for the first half of 2006 exclude \$33 million of tax-deferred purchases since the Company did not actually take control of the cash during the exchange period.

On July 12, 2006, the Company took delivery of the MV Maunalei. The purchase price for the MV Maunalei was \$147 million. The purchase of the MV Maunalei was funded with the CCF, cash from operations, and borrowings under the DnB NOR revolving credit facility. The amount drawn under the DnB NOR revolving credit facility upon delivery of the ship totaled approximately \$70 million and, in addition to providing partial financing for the ship, was used for other general corporate purposes.

On April 27, 2006, the Company announced a joint venture partnership with Gentry Investment Properties to develop Phase I of the Waiawa master-planned community in Central Oahu. The joint venture will act as the master developer for Phase I, selling development parcels to homebuilders. Phase I is planned and entitled for approximately 5,000 residential units, to be developed over a 10-year time frame. The Company's total equity contribution is expected to be approximately \$50 million. Equity contributions will be made over the course of development, commencing upon the satisfaction of certain conditions that are expected to be met in the third quarter of 2006.

Tax-Deferred Real Estate Exchanges: Sales - During the first half of 2006, sales and condemnations proceeds which qualified for potential tax-deferral treatment under the Internal Revenue Code Sections 1031 and 1033 totaled approximately \$58 million. The proceeds included the sales of two retail centers in Phoenix, Arizona, a Maui office building, three commercial parcels on Maui, and a vacant parcel on Kauai.

Purchases - During the first half of 2006, the Company acquired, using the proceeds from tax-deferred sales (including reverse 1031 transactions), property totaling approximately \$66 million. The properties acquired with tax-deferred proceeds principally included a two-building office property in Salt Lake City, Utah, a two-building office complex in Plano, Texas, and a two-story office building in Sacramento, California.

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.

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 real estate sales in the Statement.

Commitments, Contingencies and Environmental Matters: A description of commitments and contingencies at June 30, 2006 is described in Note 3 to the financial statements of Item 1.

OTHER MATTERS

Investments: The Company's joint ventures are described in Item 8 of the Company's most recently filed Form 10-K.

Dividends: On April 27, 2006, A&B announced an increase in the second quarter 2006 dividend to 25 cents per share. The previous dividend was 22.5 cents per share. On June 22, 2006, the Company's Board of Directors announced a third-quarter 2006 dividend of 25 cents per share, payable on September 7, 2006 to shareholders of record as of the close of business on August 3, 2006.

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.

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 2005 Form 10-K.

New Accounting Standards: On July 13, 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes--an interpretation of FASB Statement No. 109" (FIN 48). This Interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. This Interpretation also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. The new rules will be effective for the Company in 2007. At this time, the Company has not completed its review and assessment of the impact of adoption of FIN 48.

Information about the impacts of other newly issued accounting standards are discussed in the Company's most recently filed Form 10-K.

Economic Conditions: Two primary sources of periodic economic forecasts for the

state are the University of Hawaii Economic Research Organization (UHERO) and the state's Department of Business, Economic Development & Tourism (DBEDT). Forecasts from these independent organizations suggest that the economic outlook is moderating but sustainable for the next few years. For more information please go to the websites of these organizations at www.uhero.hawaii.edu and

www.hawaii.gov/dbedt/info/economic, respectively.

Officer and Management Changes: The following management changes occurred between April 1, 2006 and July 28, 2006.

Christopher J. Benjamin was named treasurer of A&B effective May 1, 2006. Mr. Benjamin was also named treasurer of A&B Properties, Inc, and continues in the positions of senior vice president and chief financial officer of A&B.

W. Allen Doane was named chairman of the boards of A&B and Matson effective April 28, 2006. Mr. Doane is also president and chief executive officer of A&B.

Paul K. Ito was promoted to controller of A&B effective May 1, 2006.

Charles M. Stockholm retired as chairman of the boards of A&B and Matson effective April 27, 2006.

Thomas A. Wellman resigned as vice president, treasurer and controller of A&B effective May 1, 2006. He also resigned from other subsidiaries in which he held officer positions.

Ruthann S. Yamanaka resigned as vice president human resources of A&B, effective May 13, 2006.

John B. Kelley, vice president investor relations of A&B, passed away on May 24, 2006.

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, 2005. There has been no material change in the quantitative and qualitative disclosure about market risk since December 31, 2005.

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
Apr 1 - 30, 2006	--	--	--	--
May 1 - 31, 2006	--	--	--	--
Jun 1 - 30, 2006	1,184,000	\$46.25 (1)	1,184,000	816,000

- (1) On December 9, 2004, A&B's Board of Directors authorized A&B to repurchase up to two million shares of its common stock through December 31, 2006. In June 2006, A&B purchased 200,000 shares on the open market at an average price of \$42.35. Additionally, the Company also entered into an accelerated share repurchase agreement ("ASR") with Goldman, Sachs & Co. ("Goldman") on June 27, 2006 to repurchase shares of A&B's common stock for an aggregate purchase price of approximately \$63 million. The maximum average price paid per share that will be paid under the ASR is \$46.83, which is based on 984,000 and 361,342 shares delivered on June 30, 2006 and July 12, 2006, respectively. The average price per share paid to date under the ASR may not be representative of the final average repurchase price per share because A&B may receive additional shares for no additional consideration. Under the terms of the ASR, the Company may receive up to an additional 184,099 shares upon termination of the agreement in a third installment based on the volume weighted average price of A&B's common stock from July 8, 2006 through to the end of the termination period, which may be determined by Goldman in its discretion from September 8, 2006 through November 10, 2006. A&B has no further obligation to provide additional cash or to issue additional shares under the agreement, and consequently, any additional shares received would reduce the final average price paid per share. The final average repurchase price per share under the ASR is expected to range from \$41.19 to \$46.83. Through July 28, 2006, our total share repurchases totaled 1,545,342 shares for \$71.5 million at an average price of \$46.25 per share.

ITEM 6. EXHIBITS

10.a.(lv) Amendment No. 3 dated July 7, 2006, to Shipbuilding Contract (Hull BN460) between Aker Philadelphia Shipyard, Inc. and Matson Navigation Company, Inc., dated February 14, 2005.

10.b.1.(xiv) Amendment No. 4 to the Alexander & Baldwin, Inc. 1998 Stock Option/Stock Incentive Plan, effective June 22, 2006.

10.b.1.(xv) Form of Restricted Stock Issuance Agreement pursuant to the Alexander & Baldwin, Inc. 1998 Stock Option/Stock Incentive Plan.

10.b.1.(xvi) Form of Non-Qualified Stock Option Agreement pursuant to the Alexander & Baldwin, Inc. 1998 Stock Option/Stock Incentive Plan.

10.b.1.(xxiv) A&B Deferred Compensation Plan for Outside Directors, amended and restated effective January 1, 2005.

10.b.1.(xxv) A&B Excess Benefit Plan, amended and restated effective January 1, 2005.

10.b.1.(xxvi) A&B Executive Survivor/Retirement Benefit Plan, amended and restated effective January 1, 2005.

10.b.1.(xxvii) A&B 1985 Supplemental Executive Retirement Plan, amended and restated effective January 1, 2005.

10.b.1.(xlii) Alexander & Baldwin, Inc. Deferred Compensation Plan, amended and restated effective January 1, 2005.

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 thereunto duly authorized.

ALEXANDER & BALDWIN, INC.

(Registrant)

Date: July 28, 2006

/s/ Christopher J. Benjamin

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

Date: July 28, 2006

/s/ Paul K. Ito

Paul K. Ito
Controller

EXHIBIT INDEX

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ALEXANDER & BALDWIN, INC.
1998 STOCK OPTION/STOCK INCENTIVE PLAN

AMENDMENT NO. 4

The Alexander & Baldwin, Inc. 1998 Stock Option/Stock Incentive Plan, as previously amended (the "Plan"), is hereby further amended, effective as of June 22, 2006, as follows:

1. Section I.B of Article Five of the Plan is hereby amended in its entirety to read as follows:

B. The Plan Administrator may, in its discretion, provide any or all holders of options, restricted stock awards or any other share right awards pursuant to which shares of Common Stock are to be issued under the Plan with the right to use shares of Common Stock in satisfaction of all or part of the Withholding Taxes to which such holders may become subject in connection with the exercise of their options, the issuance to them of vested shares or the subsequent vesting of shares of restricted stock issued to them. Such right may be provided to any such holder in either or both of the following formats and shall be subject to such terms, procedures and conditions governing its exercise as the Plan Administrator may establish at the time such right is granted:

Stock Withholding: The election to have the Corporation withhold,

from the shares of Common Stock otherwise issuable upon the exercise of stock options or the direct issuance of fully-vested shares, a portion of those shares with an aggregate Fair Market Value equal to the percentage of the Withholding Taxes (not to exceed one hundred percent (100%)) designated by the holder.

Stock Delivery: The election to deliver to the Corporation, at

the time the option is exercised, the vested shares are issued or the unvested shares of restricted stock subsequently vest, one or more shares of Common Stock previously acquired by such holder (including the shares subject to the restricted stock award which subsequently vests and triggers the Withholding Taxes) with an aggregate Fair Market Value equal to the percentage of the Withholding Taxes (not to exceed one hundred percent (100%)) designated by the holder.

The following limitations shall be in effect for restricted stock awards and other share right awards (other than stock options):

(i) The right to use shares of Common Stock in satisfaction of all or part of the Withholding Taxes which become due upon the issuance of vested shares pursuant to a share right award or the subsequent vesting of a restricted stock award shall apply to share right awards or restricted stock awards outstanding on June 22, 2006 or made at any time on or after that date.

(ii) The shares of Common Stock withheld in satisfaction of all or part of the Withholding Taxes which become due upon the issuance of vested shares pursuant to a share right award or the vesting of a restricted stock award shall reduce on a share-for-share basis the number of shares of Common Stock authorized for issuance under the Plan. Accordingly, the share reserve under Section V of Article One shall be reduced by the gross number of shares of Common Stock which vest under such share right award or restricted stock award, and not by the net number of shares actually issued after the applicable Withholding Taxes have been collected.

(iii) The shares of Common Stock delivered in satisfaction of all or part of the Withholding Taxes which become due upon the subsequent vesting of restricted stock awards shall not be added to the shares of Common Stock authorized for issuance under the Plan and, accordingly, shall not increase the share reserve under Section V of Article One.

For purposes of this Section I.B, the term Withholding Taxes shall mean the minimum federal, state and local income taxes and the employee portion of the federal, state and local employment taxes required to be withheld by the Corporation in connection with the issuance of shares of Common Stock under the Plan, whether pursuant to a stock option exercise or the vesting of any restricted stock or other stock-based award.

2. Except as modified by this Amendment No. 4, all the terms and provisions of the Plan as currently in effect shall continue in full force and effect.

IN WITNESS WHEREOF, Alexander & Baldwin, Inc. has caused this Amendment No. 4 to be executed on its behalf by its duly-authorized office as of the date first written above.

ALEXANDER & BALDWIN, INC.

By /s/ Nelson N. S. Chun

Its Senior Vice President

By /s/ Alyson J. Nakamura

Its Secretary

A&B DEFERRED COMPENSATION PLAN
FOR OUTSIDE DIRECTORS
(Amended and Restated Effective as of January 1, 2005)

Alexander & Baldwin, Inc. ("A&B") hereby provides Directors of A&B who are not A&B employees ("Outside Directors") the opportunity to defer payment of retainer and meeting fees in accordance with the following:

1. Amount Which May Be Deferred. An Outside Director may elect to defer

all or a portion of his/her fees in accordance with the options set forth on the deferral election form shown as Attachment 1.

2. Period of Deferral. All deferrals shall be until retirement or until

other termination as a Director of A&B. Once specified, the date(s) for payment of deferred fees may not be changed.

3. Election to Defer. Election to defer may be made within 30 days

following the date an individual first becomes an Outside Director of A&B or thereafter in December of each year. In December of each year, the Human Relations Department will send to each Outside Director a deferral election form as shown by Attachment 1. Elections to defer will remain in effect from one calendar year to the next until terminated or modified. For an election to be effective for any calendar year, the form must be executed by the Outside Director, returned to A&B, and accepted and approved by the Human Relations Department before the beginning of the calendar year for which the election is to be effective. An election to defer may be terminated at any time by written notice to the A&B Human Relations Department.

4. Payout of Deferred Fees. Except as provided otherwise in this

paragraph, deferred fees will be paid to Outside Directors in accordance with the schedule of payments specified in the deferral election form. Payments will be made on or about January 15 of the year in which payments are scheduled. Notwithstanding the foregoing, upon the occurrence of a Change in Control, as defined hereafter, the Plan shall automatically terminate, and the present value of the benefit to which each Participant is entitled shall be paid to the Participant in a single lump sum within thirty (30) days following the Change in Control. For purposes of this Plan, a "Change in Control" of the Company shall mean a "Change in Control Event" as defined in Internal Revenue Service Notice 2005-1 or any successor guidance issued by the Internal Revenue Service.

5. Interest on Account Balance. Deferred fees will be credited with

interest, compounded annually, at a per annum rate equal to 1% above the New York Federal Reserve Bank discount rate in effect on December 31 of each calendar year.

6. Funding the Deferral Account. Deferred fee accounts will not be

funded. The accounts will be maintained by A&B only as book accounts, and no trust account, fiduciary relationship, or other security arrangement will be established, other than, at the option of the Company, an escrow account the amounts in which remain subject to the claims of the Company's general creditors in the event of insolvency or bankruptcy. Outside Directors must rely solely on the general credit of A&B for payment of deferred fees. However, if A&B shall adopt a funding arrangement for deferred compensation and/or unfunded retirement benefits, the Company may include this Plan in such arrangement.

7. Designation of Beneficiaries. Each participating Outside Director may

file with A&B a written designation of one or more primary beneficiaries and one or more contingent beneficiaries to whom payments otherwise due the Outside Director at the date of his/her death shall be made after the death of the Outside Director. Such payments will be made in such amounts and at such times as would have been made to the Outside Director had he/she lived. Such payments will be divided among the primary beneficiaries who survive the Outside Director in such proportion as directed in the written designation. If no primary beneficiary survives the Outside Director, such payment will be divided among the contingent beneficiaries who survive the Outside Director in such proportion as directed in the written designation. If no primary or contingent beneficiary survives the Outside Director or is designated by the Outside Director, such payments will be made to the estate of the Outside Director. At the discretion of the Compensation Committee, payments to the estate of the Outside Director may be made in a lump-sum equal to the full amount of the Outside Director's deferred fee account. The form of beneficiary designation is shown as Attachment 2.

8. Inalienability. No Outside Director or beneficiary, or any other

person having or claiming to have any interest of any kind or character in or under this Plan or in any of the deferred fees or any part thereof or payment therefrom shall have the right to sell, assign, transfer, convey, hypothecate, anticipate, pledge or otherwise dispose of such interest; and to the extent permitted by law, such interest shall not be subject to any liabilities or obligations of the Outside Director or to any bankruptcy proceedings, creditor claims, attachment, garnishments, execution, levy or other legal process against such Outside Director or his/her property.

IN WITNESS WHEREOF, Alexander & Baldwin, Inc. has caused this plan to be executed and its seal to be affixed hereunder by its officers thereunto duly authorized, effective as of January 1, 2005.

By /s/ Nelson N. S. Chun

Its Senior Vice President

By /s/ Alyson J. Nakamura

Its Secretary

Attachment 1

A&B DEFERRED COMPENSATION PLAN FOR OUTSIDE DIRECTORS
DEFERRAL ELECTION

(Hawaii)

As a participant in the A&B Deferred Compensation Plan For Outside Directors, I make the following elections with respect to deferral of director's fees. I understand that my elections will apply to all future director's fees I may earn and that my elections will remain in effect until changed or revoked in writing.

1. No Deferral

 I elect not to defer any of my director's fees.

2. Deferral (for those who did not mark "No Deferral") I elect to defer payment of all or a portion of my director's fees as indicated below:

	Annual Retainer Fee	Board and Committee Meeting Attendance Fees
	-----	-----
50%	<input type="checkbox"/>]	<input type="checkbox"/>]
100%	<input type="checkbox"/>]	<input type="checkbox"/>]

3. Schedule of Payments (for those who elected "Deferral" above)

Please pay me the amount I have elected to defer as follows: In ____ annual installment(s) beginning in the ____ year following my retirement or other termination.

I understand that all deferred payments are expected to be made on or about January 15 of the year in which they are scheduled to be made.

I acknowledge that all deferred amounts will be subject to the terms of the A&B Deferred Compensation Plan For Outside Directors, a copy of which I have received.

State of Hawaii)
) SS:
City and County of Honolulu)

Outside Director

On this ____ day of _____, 20____, before me appeared _____, to me known to be the person described in and who executed the foregoing instrument and acknowledged that he/she executed the foregoing instrument and acknowledged that he/she executed the same as his/her free act and deed.

Notary Public, State of Hawaii
My Commission Expires: _____

Accepted and approved this
____ day of _____, 20____
ALEXANDER & BALDWIN, INC.

By _____

A&B DEFERRED COMPENSATION PLAN FOR OUTSIDE DIRECTORS
DEFERRAL ELECTION

(California)

As a participant in the A&B Deferred Compensation Plan For Outside Directors, I make the following elections with respect to deferral of director's fees. I understand that my elections will apply to all future director's fees I may earn and that my elections will remain in effect until changed or revoked in writing.

1. No Deferral

I elect not to defer any of my director's fees.

2. Deferral (for those who did not mark "No Deferral") I elect to defer payment of all or a portion of my director's fees as indicated below:

	Annual Retainer Fee	Board and Committee Meeting Attendance Fees
50%	<input type="checkbox"/>	<input type="checkbox"/>
100%	<input type="checkbox"/>	<input type="checkbox"/>

3. Schedule of Payments (for those who elected "Deferral" above)

Please pay me the amount I have elected to defer as follows: In ____ annual installment(s) beginning in the ____ year following my retirement or other termination.

I understand that all deferred payments are expected to be made on or about January 15 of the year in which they are scheduled to be made.

I acknowledge that all deferred amounts will be subject to the terms of the A&B Deferred Compensation Plan For Outside Directors, a copy of which I have received.

Outside Director
State of California)
) SS:
County of _____)

On this ____ day of _____, 20____, before me, a Notary Public in and for the State of California, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to this instrument, and acknowledged that such person executed it.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County of _____ the day and year in this certificate first above written.

Notary Public

Accepted and approved this
____ day of _____, 20____
ALEXANDER & BALDWIN, INC.
By _____

Attachment 2

A&B DEFERRED COMPENSATION PLAN FOR OUTSIDE DIRECTORS

BENEFICIARY DESIGNATION

(please type or print)

Outside Director
Last Name, First Name, Middle Initial

Social Security No.

Check appropriate box:

Initial Designation Beneficiary Change

I hereby designate the following beneficiaries to receive after my death all payments otherwise due me under the A&B Deferred Compensation Plan For Outside Directors after the date of my death, in such amounts and at such times as such payments would have been made to me had I lived (one or more beneficiaries may be designated):

Primary Beneficiary

Name _____
Address _____

Relationship _____

Contingent Beneficiary

Name _____
Address _____

Relationship _____

Payment under the Plan shall be made to my Primary Beneficiary unless my Primary Beneficiary does not survive me for thirty (30) days, in which event payment shall be made to my Contingent Beneficiary, provided that he or she survives me for thirty (30) days. This designation shall supersede all previous designations made by me under the Plan. I reserve the right to change this designation at any time.

Date

Signature of Outside Director

Forward this form to the A&B Human Relations Department, 822 Bishop Street, Honolulu, Hawaii 96813.

Acknowledged by _____
A&B Human Relations Dept.

Date _____

ARTICLE I

ESTABLISHMENT AND PURPOSE

1.01. Establishment of Plan. Alexander & Baldwin, Inc. hereby

establishes an excess benefits/top hat plan for certain eligible executives.

1.02. Purpose of Plan. It is the purpose of this Plan to

provide certain eligible executives with benefits equal to the benefits they would receive under the A&B Retirement Plan and the A&B Profit Sharing Plan if certain changes had been made to those plans. The Plan is intended to be exempt from the participation, vesting, funding, and fiduciary requirements of Title I of the Employee Retirement Income Security Act of 1974, pursuant to Sections 201(2), 301(3) and 401(1) of that Act.

ARTICLE II

DEFINITIONS

The following terms have the meanings indicated:

2.00. "Actuarial Equivalent" means a form of benefit differing in time period, or manner of payment from a specified benefit provided in the Plan, but having the same present value when determined in accordance with generally accepted actuarial practice and the rules contained in Appendix C of this Plan.

2.01. "A&B" means Alexander & Baldwin, Inc. and its affiliates and their successors.

2.02. "A&B Master Trust Agreement" means the Alexander & Baldwin, Inc. Retirement and Pension Trust Agreement, as amended from time to time.

2.03. "A&B Retirement Plan" means the A&B Retirement Plan for Salaried Employees.

2.04. "A&B Profit Sharing Plan" means the Alexander & Baldwin, Inc. Profit Sharing Retirement Plan, as amended from time to time.

2.05. "Administrator" means the person specified in Section 5.01.

2.06. "Beneficiary" means the person or persons designated by the Participant as such in accordance with the provisions of Section 4.01(f) and to whom the benefit, if any, provided for in Section 4.01(e) is payable.

2.07. "Board of Directors" means the Board of Directors of Alexander & Baldwin, Inc.

2.08. "Fair Market Value" shall, with respect to the per share valuation of A&B common stock on any relevant date, be the mean between the highest and lowest selling prices per share of A&B common stock on such date, as quoted on the NASDAQ National Market (or any successor system). Should A&B common stock become traded on a national securities exchange, then the Fair Market Value per share shall be the mean between the highest and lowest selling prices on such exchange on the date in question, as such prices are quoted on the composite tape of transactions on such exchange. If there is no reported sale of A&B common stock on the NASDAQ National Market (or national securities exchange) on the date in question, then the Fair Market Value shall be the mean between the highest and lowest selling prices on the NASDAQ National Market (or such securities exchange) on the last preceding date for which such quotation exists.

2.09. "Participant" means an eligible employee selected by the Administrator pursuant to Section 3.02.

2.10. "Plan" means the plan set forth in this document, as amended from time to time.

2.11. "Section 16 Insider" shall mean any Participant who is, at the time of the relevant determination or was at any time within the immediately preceding six (6) months, an officer or director of A&B subject to the short-swing profit restrictions of Section 16(b) of the Securities Exchange Act of 1934, as amended.

ARTICLE III

ELIGIBILITY AND PARTICIPATION

3.01. Eligibility. Any employee of A&B who is a participant in

either the A&B Retirement Plan or the A&B Profit Sharing Plan and who is highly compensated or who is one of a select group of management employees shall be eligible to participate in this Plan.

3.02. Participation. Participants in this Plan shall be any

eligible employees who have been assigned at least three hundred and fifty (350) accountability points under A&B's job evaluation program. In addition, the Administrator shall have the exclusive and unfettered discretion to select additional Plan Participants from among eligible employees. A Participant in this Plan shall remain as such until the date he/she ceases to satisfy the participation requirements in the first sentence of this Section 3.02, until the date upon which the Participant's employment terminates for any reason or until such earlier time as may be specified by the Administrator.

3.03. Transfers of Employment to and from A&B Subsidiaries.

The following transfers of employment shall not be deemed terminations of employment under Section 3.02 if the A&B subsidiary or subsidiaries involved have adopted this Plan and either the A&B Retirement Plan or the A&B Profit Sharing Plan, or both such plans:

(a) transfer from Alexander & Baldwin, Inc. to a subsidiary of Alexander & Baldwin, Inc.;

(b) transfer from a subsidiary of Alexander & Baldwin, Inc. to Alexander & Baldwin, Inc.; and

(c) transfer from one subsidiary of Alexander & Baldwin, Inc. to another subsidiary of Alexander & Baldwin, Inc. Beginning with such transfer, and for the period of employment with the new employer, the new employer shall be obligated for all payments to the Participant required by Article IV of this Plan. The prior employer shall remain responsible for any payments to be made that pertain to the period of the Participant's participation while employed by that prior employer.

ARTICLE IV

BENEFITS

4.01. Pension Benefits.

(a) Entitlement to Pension Benefits. Except as provided

in Section 4.01(e) below, a Participant's pension benefit under this Plan shall equal one hundred percent of the difference between the benefit to which the Participant is entitled under the A&B Retirement Plan determined without regard to limitations imposed by the Internal Revenue Code (and, with respect to Participants listed in Appendix A to this Plan, without regard to amendments in the benefit formula after December 31, 1988, unless such amendment would produce a higher benefit) and the benefit to which the Participant is entitled under such plan determined after giving effect to those limitations. For the purpose of this Plan, the benefit to which the Participant is entitled under the A&B Retirement Plan shall be determined by including as part of the Participant's monthly compensation all deferred base salary and all deferred incentive awards under A&B's One-Year Performance Improvement Incentive Plan.

(b) Former Employees of California and Hawaiian Sugar

Company. Notwithstanding the terms of Section 4.01(a) above and Section 4.01(e)

below, the benefit payable to a Participant (or Participant's Beneficiary) under this Plan shall be reduced by the amount of any benefit payable to such Participant (or Beneficiary) under the California and Hawaiian Sugar Company Supplemental Retirement Plan.

(c) Payment of Pension Benefits Other Than Death

Benefits. A Participant's pension benefit under this Plan, other than the

benefits described in Sections 4.01(d) or (e) below, shall be a lump sum payment, payable upon the earlier of termination of employment or retirement, which equals the greater of the amounts determined under paragraph (1) and paragraph (2):

(1) An amount which is the Actuarial Equivalent of the benefit described in paragraphs (a) and (b) above.

(2) An amount which is the before-tax equivalent of the lower of two quotations obtained by the Administrator from insurance companies for the cost of a lifetime annuity that provides after-tax monthly benefits equivalent to those that a Participant would receive under this Plan if this Plan allowed monthly payments of the pension benefits hereunder.

Notwithstanding the foregoing, payment of any benefit described in this Section 4.01(c) may only be made following the Participant's "separation from service" within the meaning of section 409A of the Internal Revenue Code. In the case of a Participant who is a "key employee" (as defined in section 416(i) of the Internal Revenue Code without regard to paragraph (5) thereof), payment of any benefit described in this Section 4.01(c) may not be made until at least six months following the Participant's "separation from service" within the meaning of section 409A of the Internal Revenue Code.

(d) Select Benefits Provided to Retired Former

Employees of California and Hawaiian Sugar Company.

(1) Prior to the closing of the transactions contemplated by the Asset Purchase Agreement by and among California and

Hawaiian Sugar Company, Inc., A&B-Hawaii, Inc., McBryde Sugar Company, Limited, and Sugar Acquisition Corporation, and the Stock Sale Agreement by and between California and Hawaiian Sugar Company, Inc. and Citicorp Venture Capital, Ltd. (the "Closing Date"), all other provisions of the Plan notwithstanding, the retired former employees of California and Hawaiian Sugar Company who are listed in Appendix B of this Plan shall be eligible to receive the benefits shown in Appendix B, and no other benefits shall be paid to such retired former employees under the provisions of this Plan. Payment of these benefits shall be according to the terms shown in Appendix B, and no other provisions of this Plan shall affect the amount or the form of payment of these benefits.

(2) As of the Closing Date, all other provisions of this Plan notwithstanding, the obligation of this Plan to pay any benefit shown in Appendix B to the retired former employees of California and Hawaiian Sugar Company, Inc. listed in Appendix B shall cease, and the obligation to pay such benefits, with respect to any period on and after such date, is assumed by Sugar Acquisition Company.

(e) Entitlement to Alternate Death Benefits. In the event that a Participant dies prior to retirement, or prior to termination of employment, such Participant's Beneficiary shall be entitled to a death benefit determined as provided in Sections 4.01(e)(1), (2) and (3) in lieu of any other benefit provided by this Plan.

(1) The amount of the benefit provided by this Section 4.01(e) shall equal the lump sum payment, if any, to which the Participant would have been eligible if he/she had retired, or terminated employment, immediately prior to his/her death.

(2) The amount in Section 4.01(e)(1) above shall be determined by assuming the Participant did not elect any optional form of payment under the A&B Retirement Plan.

(3) Payment of this benefit shall be made in a lump sum payment to the Beneficiary as soon as practicable after the death of the Participant.

(f) Beneficiary Designation. Each Participant shall, at the time he/she becomes a Participant, designate one or more persons as his/her Beneficiary for purposes of Section 4.01(e). The designation shall be made in the form prescribed by the Administrator and shall become effective when filed with the Administrator. A Participant may from time to time change his/her Beneficiary by filing a new designation form with the Administrator. Should the Participant die without having any effectively-designated surviving Beneficiary, then the Beneficiary shall be the spouse of the Participant, if then living. If there is no surviving spouse, then the Beneficiary shall be the Participant's children then living. If there are no living children, then the Beneficiary shall be the estate of the Participant.

4.02. Defined Contribution Benefits.

(a) Entitlement to Defined Contribution Benefits. A

Participant's defined contribution benefit under this Plan shall equal the balance to the Participant's credit in the account maintained under Section 4.03.

No amount shall be credited to a Participant's account for a year unless the Participant is a participant in the A&B Profit Sharing Plan for that year.

(b) Payment of Defined Contribution Benefits. Except

as provided in the next sentence, a Participant's Defined Contribution Benefits shall be paid in a lump sum as soon as practicable following the Participant's "separation from service" within the meaning of section 409A of the Internal Revenue Code. In the case of a Participant who is a "key employee" (as defined in section 416(i) of the Internal Revenue Code without regard to paragraph (5) thereof), the Participant's Defined Contribution Benefits shall be paid in a lump sum no earlier than six months following the Participant's "separation from service" within the meaning of section 409A of the Internal Revenue Code.

4.03. Maintenance of Accounts. The Administrator shall

establish and maintain an individual account for each Participant. The Administrator shall annually credit to a Participant's account as of the end of each year an amount equal to the difference between (i) the employer contribution and forfeitures that would have been allocated to such Participant's account under the A&B Profit Sharing Plan with respect to such year were such allocation to be made without regard to the limitations of the Internal Revenue Code and (ii) the amount actually allocated to such Participant's account after having taken such limitations into account. For the purposes of this Plan, the benefit to which the Participant is entitled under the A&B Profit Sharing Plan shall be determined by including as part of the Participant's compensation all deferred base salary. Subject to the provisions stated below, and pursuant to procedures determined by the Compensation and Stock Option Committee of the Board of Directors, or by the committee or individual(s) to which such authority is delegated, the Participant may make an election ("Conversion Election") to have all or any portion of the amount that is credited to his/her account, converted into common stock-equivalent units which will be valued from time to time on the basis of the Fair Market Value of A&B common stock.

From time to time, the value of each account shall be adjusted to reflect an investment return on the balance credited to such account, and

such value and adjustments periodically shall be communicated to each Participant. Such periodic valuation shall be made as follows:

(a) Cash Balance. The portion of the Participant's

account valued in cash shall be credited with interest, compounded annually, at an annual rate equal to 1% above the New York Federal Reserve Bank discount rate in effect as of the date interest is computed and credited. Interest shall be computed and credited as of such date and on such account balance as specified by the Administrator. In the absence of such specifications, interest shall be credited and computed as of January 1 of each year on the balance of the account on the preceding January 1 or, if payments have been made out of an account during the preceding year, on the average balance of that account during the preceding year.

(b) Common Stock-Equivalent Units.

(1) The common stock-equivalent units will be credited, at the time dividends are paid on outstanding shares of A&B common stock, with an amount ("dividend-equivalent credits") equal to the dividends which otherwise would be paid if the number of common stock-equivalent units in the Participant's account were actually outstanding shares of A&B Common Stock.

(2) Dividend-equivalent credits will be applied in the manner of a dividend reinvestment plan to purchase additional common stock-equivalent units valued at Fair Market Value on the applicable dividend payment date.

(3) Pursuant to procedures determined by the Compensation and Stock Option Committee of the Board of Directors, or by the committee or individual(s) to which such authority is delegated, a Participant may elect to have all or a portion of the Participant's common stock-equivalent units converted into cash on the basis of the Fair Market Value (at date of conversion) of the shares of A&B common stock represented by such units; provided, however, that Participants may not make such an election if they are Section 16 Insiders at the time of such election. Any portion so converted to cash shall begin to earn interest in accordance with paragraph (a) above, and shall stop earning dividend-equivalent credits.

(4) Any common stock-equivalent units credited to a Participant's account shall automatically be converted into cash, on the basis of the Fair Market Value (at the date of conversion) of the shares of A&B common stock represented by such units, upon the Participant's termination of employment with A&B for any reason. Any amounts so converted to cash shall begin to earn interest in accordance with paragraph (a) above.

The account of each Participant shall be entered on the employer's books as a liability, payable when due out of general assets. Participant accounts shall not be funded by any trust or insurance contract; nor shall any assets be segregated or identified with any such account; nor shall any property or assets be pledged, encumbered, or otherwise subjected to a lien or security interest for payment of benefits.

4.04. Vesting of Benefits. Except as otherwise provided in

Section 6.02(a), all pension benefits under this Plan shall be contingent and forfeitable unless and until they vest in accordance with the vesting provisions of the A&B Retirement Plan, and all defined contribution benefits under this Plan shall be contingent and forfeitable unless and until they vest in accordance with the vesting provisions of the A&B Profit Sharing Plan that are applicable to the Participant's profit sharing account.

ARTICLE V

ADMINISTRATION OF THE PLAN

5.01. Administrator. The plan administrator of the A&B

Retirement Plan shall be the Administrator of this Plan. The Administrator shall have full authority to administer the Plan. The Administrator shall have all of the powers granted by the A&B Retirement Plan or the A&B Master Trust Agreement to the plan administrator of the A&B Retirement Plan, and shall be subject to the same selection procedures and limitations of authority.

5.02. Claims Procedures. The Administrator shall employ the

claims procedures applicable under the A&B Retirement Plan.

ARTICLE VI

AMENDMENT AND TERMINATION

6.01. Authority of Compensation and Stock Option Committee.

The right to amend, modify, partially terminate, or completely terminate this Plan shall be reserved to the Compensation and Stock Option Committee of the Board of Directors. However, no amendment, modification or termination shall reduce retroactively the benefits of any Participant under this Plan.

6.02. Change in Control.

(a) Termination, Vesting and Payment. Upon the

occurrence of a Change in Control, as defined in Section 6.02(b), with respect to the company employing a Participant, the Plan shall immediately and automatically terminate with respect to such company. Upon such a termination, the interest of each Participant employed by the company or companies with respect to which the Plan has been terminated shall become non-forfeitable and immediately due and payable. Each such Participant shall receive, within thirty days of such termination, a lump sum payment in an amount equal to the sum of (i) the balance of his or her individual account as described in Sections 4.02 and 4.03 and (ii) an amount which is the Actuarial Equivalent of the benefits defined in Sections 4.01 of this Plan determined as of the date of the Change in Control. If the terms of such Change in Control provide, as a prerequisite to the consummation of the Change in Control, that the employer responsibilities under this Plan are to be assumed by the successor organization, then the Plan shall not terminate and no lump sum payment shall be made to any Participant. In any such case, however, the interest of each Participant employed by the company or companies with respect to which the Change in Control occurs shall become non-forfeitable at the date of such Change in Control.

(b) Definition of Change in Control. For purposes of

this Section 6.02, a "Change in Control" means a "Change in Control Event" as defined in Internal Revenue Service Notice 2005-1 or any successor guidance issued by the Internal Revenue Service. If a Change in Control shall take place with respect to any company, a Change in Control shall be deemed to have taken place with respect to any subsidiary of such company.

ARTICLE VII

MISCELLANEOUS PROVISIONS

7.01. Benefits Non-Assignable. No right or interest of a

Participant in this Plan shall be assignable or transferable, in whole or in part, either directly or by operation of law or otherwise, including but not by way of limitation, execution, levy, garnishment, attachment, pledge, bankruptcy, assignments for the benefit of creditors, receiverships, or in any other manner, excluding transfer by operation of law as a result solely of mental incompetency.

7.02. Controlling Law. This Plan shall be construed,

administered, and governed in all respects in accordance with the laws of the State of Hawaii.

7.03. Not an Employment Contract. The adoption and maintenance

of this Plan shall not be deemed to confer on any Participant any right to continue in the employ of A&B, and shall not be deemed to interfere with the right of A&B to discharge any person or treat any person without regard to the effect that such treatment might have on the person as a Plan Participant.

7.04. Gender and Number. Any masculine pronouns used herein

shall refer to both men and women, and the use of any term herein in the singular may also include the plural unless otherwise indicated by context.

7.05. Severability. If any provision of this Plan is held

invalid or unenforceable by a court of competent jurisdiction, all remaining provisions shall continue to be fully effective.

ARTICLE VIII

ADOPTION BY SUBSIDIARIES

Any subsidiary of Alexander & Baldwin, Inc. that has adopted either the A&B Retirement Plan or the A&B Profit Sharing Plan may adopt this Plan for the benefit of its employees when one of its employees has been selected as a participant by the Administrator. Such adoption shall be authorized by a resolution of the Board of Directors of such subsidiary. In the event of such adoption of the Plan by a subsidiary of Alexander & Baldwin, Inc., the Administrator shall serve as agent of the subsidiary in administering the Plan. All power to amend, modify, or terminate the Plan shall continue as the unfettered prerogative of the Compensation and Stock Option Committee of the Board of Directors.

IN WITNESS WHEREOF, Alexander & Baldwin, Inc. has caused this Restatement to be executed on its behalf by its duly authorized officers, effective as of January 1, 2005.

ALEXANDER & BALDWIN, INC.

By /s/ Nelson N. S. Chun

Its Senior Vice President

By /s/ Alyson J. Nakamura

Its Secretary

APPENDIX A

Participants Referred to in
Section 4.01(a)

-
1. R. F. Cameron
 2. J. C. Couch
 3. R. J. Donohue
 4. F. L. Fleischmann
 5. A. J. Haskell
 6. G. S. Holaday
 7. J. B. Kelley
 8. M. J. Marks
 9. C. B. Mulholland
 10. G. Y. Nakamatsu
 11. G. J. North
 12. R. J. Pfeiffer
 13. G. R. Rogers
 14. R. H. Rothman
 15. R. K. Sasaki
 16. D. P. Scott

APPENDIX B

Participant's Name			Date of Birth	Fixed Monthly Benefit*	Variable Units	Spouse's Name			Date of Birth	Monthly Benefit**
First	MI	Last				First	MI	Last		
Paul	A.	Cooper	7/15/05	437.67					None	
Edwin	R.	Duncan	4/08/20	396.36		Jean	K.	Duncan	4/02/19	66 2/3%
Harry	J.	Fitzgerald	10/26/19	358.58		Kathryn	T.	Fitzgerald	5/16/26	50%
Donald	W.	Hare	5/14/19	748.20		Dorothy	P.	Hare	5/21/19	66 2/3%
Lawrence	A.	Lindsay	2/25/25	786.04		Rita	A.	Lindsay	4/05/25	66 2/3%
Neil	L.	Pennington	5/12/23	613.16		Frances	M.	Pennington	5/28/25	66 2/3%
Frederick	W.	Schwer	4/26/19	228.40		Christine	W.	Schwer	8/14/18	66 2/3%
Lawson	U.	Williams	1/01/19	350.33		Mildred	A.	Williams	7/03/20	66 2/3%
Emmett	V.	Donovan (d)	11/06/18	304.05		June		Donovan	6/10/22	66 2/3%
Edward	F.	Harder (d)	1/07/19	605.28		Bette		Harder	3/02/20	66 2/3%
Robert	O.	Nagle (Note 1)	2/10/29	1333.50	658.85	Louise	H.	Nagle	2/06/28	100%
Robert	O.	Nagle (Note 2)	2/10/29	222.53	658.85	Louise	H.	Nagle	2/06/28	100%
Harold	R.	Somerset	9/25/35	801.30	190.69	Jean	M.	Somerset	10/26/36	66 2/3%
William	H.	Stewart	9/01/29	156.51		Margaret	C.	Stewart	5/23/29	66 2/3%
Deferred Vested Participant										
Raymond	L.	Knecht	4/19/48	48.43						

* The fixed monthly benefit payable plus the current value of the variable units are payable to the participant during the participant's lifetime except if payment option is a 66-2/3% (last survivor). In such case, if either participant or spouse dies, the survivor will receive 66-2/3% of the fixed monthly benefit or the current value of the variable units. The current value of the variable units shall be determined in the same way such value is determined under the provisions of the C and H Pension Plan for Salaried Employees.

** The monthly benefit equal to the percentage shown multiplied times the participant's monthly benefit is payable to the spouse named above after the death of the participant during the spouse's lifetime.

(d) Deceased.

Note 1: The preceding footnotes notwithstanding, this benefit shall not be payable to Mr. Nagle or his surviving spouse on or after March 1, 1994.

Note 2: The preceding footnotes notwithstanding, this benefit shall only be payable to Mr. Nagle or his surviving spouse on or after March 1, 1994.

APPENDIX C

Rules For Determining Lump Sum Benefits

When the terms of this Plan require the determination of a lump sum payment which is the Actuarial Equivalent of any other benefit provided by this Plan, the following rules shall apply to the calculation of such lump sum payment:

1. The mortality table used shall be the mortality table then in use by the A&B Retirement Plan for the purpose of determining lump sum payments to participants of such plan who are entitled to such payments.
2. The discount rate shall be the after-tax equivalent of the discount rate then in use by the A&B Retirement Plan for the purpose of determining lump sum payments to participants of such plan who are entitled to such payments. The after-tax equivalent rate shall be determined by multiplying discount rate in use by the A&B Retirement Plan by the excess of 100% over the tax effected marginal tax rate declared by the Committee.
3. The Committee shall declare the tax effected marginal tax rate at the beginning of each calendar year.
4. The tax effected marginal tax rate shall apply to lump sum payments made at any time during such calendar year and may not be changed during the year.
5. The value of the benefit to a Surviving Spouse which is included in a Participant's Retirement Income shall be included in the calculation of the lump sum payment to which the Participant is entitled. Unless stated otherwise, the benefit to the Surviving Spouse shall be deemed to apply only if the death of the Participant occurs on or after the date the Retirement Income is deemed to commence under the terms of the provision giving rise to the Participant's right to a lump sum payment.
6. If the terms of the Plan provide for a benefit such that if it were paid as a monthly benefit it could have commenced at more than one future date, then for purposes of calculating the lump sum that is the Actuarial Equivalent of such benefit, it shall be deemed that the benefit would have commenced at the earliest possible date.
7. The early retirement reduction factors, if any, used to calculate the lump sum which is the Actuarial Equivalent of the benefit provided by the provisions of paragraph 6.02(a) as a result of a Change in Control, shall be the factors applicable to Participants of the A&B Retirement Plan who terminate employment after attaining eligibility for early retirement regardless of the Participant's age as of the Change in Control date.

ARTICLE I

ESTABLISHMENT AND PURPOSE

- 1.01 Establishment of Plan. Alexander & Baldwin, Inc. established the A&B Executive Survivor/Retirement Benefit Plan (the "Plan"), effective January 1, 1986.
- 1.02 Purpose of Plan. It is the purpose of the Plan to provide supplemental retirement benefits and an optional supplemental death benefit for certain designated executives of A&B. The Plan is intended to be exempt from the participation, vesting, funding and fiduciary requirements of Title I of the Employee Retirement Income Security Act of 1974 because it provides benefits for a select group of highly compensated management employees.

ARTICLE II

DEFINITIONS

- 2.01 "Actuarial Equivalent" means a form of benefit differing in time, period, or manner of payment from a specified benefit provided in the Plan, but having the same present value when determined in accordance with generally accepted actuarial practices, as more particularly specified by the definition of the same term in the A&B Retirement Plan.
- 2.02 "A&B" means Alexander & Baldwin, Inc., its affiliates, and their successors.
- 2.03 "A&B Retirement Plan" means the A&B Retirement Plan for Salaried Employees, as amended from time to time.
- 2.04 "Approved Early Retirement Date" means a date which meets each of the following requirements:
- (a) The Participant has attained age 55,
 - (b) The Participant has at least five Years of Service,
 - (c) The date has been approved by the Chief Executive Officer of A&B.
- 2.05 "Base Compensation" means base salary, including amounts deferred under any deferral plan or arrangement with A&B, but excluding incentive compensation and all other plans or forms of remuneration.
- 2.06 "Beneficiary" means the person, persons or entity designated pursuant to Section 4.10.
- 2.07 "Board" means the Board of Directors of A&B.
- 2.08 "Change in Control" means a "Change in Control Event" as defined in Internal Revenue Service Notice 2005-1 or any successor guidance issued by the Internal Revenue Service. If a Change in Control shall take place with respect to any company, a Change in Control shall be deemed to have taken place with respect to any subsidiary of such company.
- 2.09 "Code" means the Internal Revenue Code of 1986, as amended.
- 2.10 "Committee" means the Compensation Committee of the Board.
- 2.11 "Disabled Participant." "Disabled" means a Participant who is unable to perform substantially all of the material and substantial duties of her or his regular position because of accidental bodily injury sustained or disease originating after the date of such person's designation as a Participant under this Plan. Notwithstanding the foregoing:
- (i) if a Participant has been Disabled for a continuous period of 24 months, the Participant will cease to be considered Disabled unless he or she is unable to perform any occupation for which the Participant is or becomes reasonably qualified by education, training or experience because of such bodily injury or sickness; and
 - (ii) a Participant is not Disabled at any time that the Participant is working for pay or profit at any occupation.
- 2.12 "Early Retirement Factor" means the reduction factors used to calculate early retirement benefits under the A&B Retirement Plan for participants of such plan who retire from active service at or after attaining age 55.
- 2.13 "Final Base Compensation" means a Participant's Base Compensation in effect at the time of the Participant's retirement, termination of employment, termination of participation, death or disability, whichever is applicable, computed as an annual amount by multiplying the then applicable monthly Base Compensation in effect by 12.

- 2.14 "Immediate Change in Control Benefit" means the benefit described in subsection 4.08(a).
- 2.15 "Involuntary Termination Benefit" means the benefit described in Section 4.05.
- 2.16 "Normal Retirement Benefit" means ten annual amounts, each equal to the percentage (which shall be not less than 5% nor greater than 35%) of the Participant's Final Base Compensation as specified in such Participant's individual Participating Agreement, payable in monthly installments.
- 2.17 "Normal Retirement Date" means the first day of the month coincident with or next following the date the Participant attains age 65.
- 2.18 "Normal Survivor Benefit" means ten annual amounts, each equal to 50% of the Participant's Final Base Compensation, payable in monthly installments.
- 2.19 "Participant" means an employee who meets the conditions set forth in Section 3.01.
- 2.20 "Participation Termination Benefit" means the benefit described in Section 4.06.
- 2.21 "Plan" means the plan set forth in this document, as amended from time to time.
- 2.22 "Plan Termination Benefit" means the benefit described in Section 4.07.
- 2.23 "Pre-Retirement Survivor Benefit" means the benefit described in Section 4.02.
- 2.24 "Prorated Retirement Benefit" means Normal Retirement Benefit multiplied by the Proration Factor.
- 2.25 "Prorated Survivor Benefit" means Normal Survivor Benefit multiplied by the Proration Factor.
- 2.26 "Proration Factor" means:
 - (a) In the case of a Participant who is a Participant in the A&B 1985 Supplemental Executive Retirement Plan, or who was a former Participant in such plan, the ratio of (i) 300 minus the number of completed months between the date of calculation and the Participant's Normal Retirement Date, to (ii) 300.
 - (b) In the case of all other Participants, the ratio of (i) the Participant's Years of Service as of the calculation date, to (ii) the Years of Service the Participant would have earned at his or her Normal Retirement Date had he or she remained in employment status until such date.
- 2.27 "Vested Change in Control Benefit" means the benefit described in Section 4.08(b).
- 2.28 "Years of Service" means the number of years and fractions of years which qualify as Years of Credited Vesting Service as that term is defined in the A&B Retirement Plan.

ARTICLE III

PARTICIPATION

- 3.01 Participation. Participants shall be management or highly compensated -----
employees who have been specifically designated as Participants by the Chief Executive Officer of A&B, who have demonstrated insurability to the satisfaction of A&B, and who have executed a Participation Agreement (including a waiver of group life insurance coverage over \$50,000). Participation will begin on the date specified in the Participation Agreement and shall continue until the earlier of termination of the Participant's employee status or until a determination by the Chief Executive Officer of A&B that the Participant no longer is eligible to participate.

ARTICLE IV

BENEFITS

- 4.01 Plan Benefits. A Participant shall be entitled to whichever of the -----
benefits provided by Sections 4.02 to 4.09 provides the greatest benefit. Under no circumstance shall a Participant be entitled to benefits provided by more than one such Section.
- 4.02 Pre-Retirement Survivor Benefit. The Beneficiary of a Participant who -----
dies before termination of employment shall be entitled to receive a Pre-Retirement Survivor Benefit consisting of the Normal Survivor Benefit commencing as soon as practicable after the Participant's death.

4.03 Normal Retirement Benefit.

- (a) Eligibility. A Participant who meets the following

requirements shall be entitled to the Normal Retirement Benefit described in subsection (b) below:
- (1) The Participant has completed three years of participation in the Plan; and
 - (2) The Participant separates from service on or after his or her Normal Retirement Date.
- (b) Benefit. A Participant's Normal Retirement Benefit shall be

the benefit in paragraph (2) below unless prior to retirement, the Participant has applied in writing to receive the benefit in paragraph (1) below in lieu of the benefit in paragraph (2) and the Committee has approved such request; provided that no such request shall become effective until 12 months after the date it is received by the Committee. If the Participant should die before the request becomes effective, the benefit in paragraph (2) below shall be payable. If the Participant survives until the request becomes effective, the Participant's Normal Retirement Benefit shall be the benefit in paragraph (1) below.
- (1) The Participant's Normal Survivor Benefit commencing as soon as practicable after the Participant's death; provided that no benefit shall be paid before the Participant's request for this benefit becomes effective 12 months after it is received by the Committee as described above.
 - (2) The Participant's Normal Retirement Benefit commencing as of the first day of the month following his or her retirement; provided that in the case of a Participant who is a "key employee" (as defined in section 416(i) of the Internal Revenue Code without regard to paragraph (5) thereof), the Participant's Normal Retirement Benefit shall be paid no earlier than six months following the Participant's separation from service.

4.04 Approved Early Retirement Benefit.

- (a) Eligibility. A Participant who meets the following

requirements shall be entitled to the Approved Early Retirement Benefit described in subsection (b) below:
- (1) The Participant has completed three years of participation in the Plan, and
 - (2) The Participant separates from service on or after his or her Approved Early Retirement Date and before his or her Normal Retirement Date.
- (b) Benefit. A Participant's Approved Early Retirement Benefit

shall be the benefit in paragraph (2) below unless prior to retirement, the Participant has applied in writing to receive the benefit in paragraph (1) below in lieu of the benefit in paragraph (2) below and the Committee has approved such request; provided that no such request shall become effective until 12 months after the date it is received by the Committee. If the Participant should die before the request becomes effective, the benefit in paragraph (2) below shall be payable. If the Participant survives until the request becomes effective, the Participant's Approved Early Retirement Benefit shall be the benefit in paragraph (1) below.
- (1) The Participant's Normal Survivor Benefit commencing as soon as practicable after the Participant's death; provided that no benefit shall be paid before the Participant's request for this benefit becomes effective 12 months after it is received by the Committee as described above.
 - (2) The Participant's Normal Retirement Benefit multiplied by the Early Retirement Factor applicable at the Participant's age as of his or her Approved Early Retirement Date and commencing as of the first day of the month following his or her retirement; provided that in the case of a Participant who is a "key employee" (as defined in section 416(i) of the Internal Revenue Code without regard to paragraph (5) thereof), the Participant's Approved Early Retirement Benefit shall be paid no earlier than six months following the Participant's separation from service.

4.05 Involuntary Termination Benefit.

(a) Eligibility. A Participant who meets the requirements in

paragraph (1) and paragraph (2) shall be entitled to the
Involuntary Termination Benefit described in subsection
(b) below:

- (1) The Participant has completed three years of participation in the Plan, and
- (2) The Participant separates from service due to involuntary termination of employment.

(b) Benefit. A Participant's Involuntary Termination Benefit shall

be a lump sum payment which is the greater of the Actuarial Equivalent of the benefits defined in paragraph (1) below or the Actuarial Equivalent of the benefits defined in paragraph (2) below. The Involuntary Termination Benefit shall be paid as soon as practicable after the date of the Participant's involuntary termination; provided that in the case of a Participant who is a "key employee" (as defined in section 416(i) of the Internal Revenue Code without regard to paragraph (5) thereof), the Participant's Involuntary Termination Benefit shall be paid no earlier than six months following the Participant's separation from service.

- (1) The Participant's Prorated Survivor Benefit determined as of the involuntary termination date and commencing as soon as practicable after the Participant's death.
- (2) The Participant's Prorated Retirement Benefit commencing on the Participant's Normal Retirement Date.

4.06 Participation Termination Benefit.

(a) Eligibility. A Participant who meets the following

requirements shall be entitled to the Participation Termination Benefit described in subsection (b) below:

- (1) The Participant has completed three years of participation in the Plan, and
- (2) The Participant's participation in the Plan is terminated prior to the Participant's termination of employment or retirement as a result of the determination by the Chief Executive Officer that the Participant is no longer eligible to participate in the Plan.

(b) Benefit. A Participant's Participation Termination Benefit

shall be the benefit in paragraph (2) below during the continuation of the Participant's employment. Upon the Participant's subsequent (voluntary or involuntary) separation from service, it shall be the benefit in paragraph (2) below unless the Participant has applied in writing to receive the benefit in paragraph (1) below in lieu of the benefit in paragraph (2) below and the Committee has approved such request; provided that no such request shall become effective until 12 months after the date it is received by the Committee. If the Participant should die before the request becomes effective, the benefit in paragraph (2) below shall be payable. If the Participant survives until the request becomes effective, the Participant's Participation Termination Benefit shall be the benefit in paragraph (1) below.

- (1) The Participant's Prorated Survivor Benefit determined as of the participation termination date and commencing as soon as practicable after the Participant's death.
- (2) The Participant's Prorated Retirement Benefit commencing on the Participant's Normal Retirement Date or Approved Early Retirement Date, provided that if the benefit commences on an Approved Early Retirement Date it shall be reduced by the Early Retirement Factor applicable to the Participant's age as of his or her Approved Early Retirement Date, and provided further that in the case of a Participant who is a "key employee" (as defined in section 416(i) of the Internal Revenue Code without regard to paragraph (5) thereof), the Participant's Participation Termination Benefit shall be paid no earlier than six months following the Participant's separation from service.

4.07 Plan Termination Benefit.

(a) Eligibility. A Participant of the Plan as of the date the Plan

is terminated by the Committee shall be entitled to the Plan

Termination Benefit described in subsection (b) below.

- (b) Benefit. A Participant's Plan Termination Benefit shall be -----
the benefit in paragraph (2) below during the continuation of employment. Upon the Participant's separation from service, it shall be the benefit in paragraph (2) below unless prior to separation from service, the Participant has applied in writing to receive the benefit in paragraph (1) below in lieu of the benefit in paragraph (2) below and the Committee has approved such request; provided that no such request shall become effective until 12 months after the date it is received by the Committee. If the Participant should die before the request becomes effective, the benefit in paragraph (2) below shall be payable. If the Participant survives until the request becomes effective, the Participant's Plan Termination Benefit shall be the benefit in paragraph (1) below.
- (1) The Participant's Prorated Survivor Benefit commencing as soon as practicable after the Participant's death.
 - (2) The Participant's Prorated Retirement Benefit commencing on the first day of the first month that would have qualified as the Participant's Approved Early Retirement Date if he or she had remained employed as a Participant until such date and then received approval from the CEO for such early retirement reduced by the Early Retirement Factor Applicable to the Participant's age as of such Approved Early Retirement Date; provided that in the case of a Participant who is a "key employee" (as defined in section 416(i) of the Internal Revenue Code without regard to paragraph (5) thereof), the Participant's Plan Termination Benefit shall be paid no earlier than six months following the Participant's separation from service.

4.08 Change in Control Benefits. -----

- (a) Change in Control of Alexander & Baldwin, Inc. Upon the -----
occurrence of a Change in Control, as defined in Section 2.08, with respect to Alexander & Baldwin, Inc., the provisions of paragraph (1) below shall apply unless the terms of such Change in Control provide, as a prerequisite to the consummation of the Change in Control, that the employer responsibilities under this Plan are to be assumed by the successor organization. In such later case, the provisions of paragraph (2) below shall apply.
- (1) The Plan shall immediately and automatically terminate and each Participant shall become entitled to an Immediate Change in Control Benefit. The Immediate Change in Control Benefit shall be a lump sum payment which is the greater of the Actuarial Equivalent of the benefits defined in paragraph (b)(1) below or the Actuarial Equivalent of the benefits defined in (b)(2). The Immediate Change in Control Benefit shall be immediately due and shall be paid within thirty days of such Plan termination.
 - (2) Each Participant, as defined in this paragraph (2), shall become entitled to a Vested Change in Control Benefit. Upon future termination of employment or retirement, the Participant shall be entitled to the greater of his or her Vested Change in Control Benefit or the benefits otherwise provided by any other benefit section of this Plan. During the Participant's continuation of employment, a Participant's Vested Change in Control Benefit shall be the benefit in paragraph (b)(1) below. Upon the Participant's termination (voluntary or involuntary) of employment or retirement, however, the Participant's Vested Change in Control Benefit shall be a lump sum payment which is the greater of the Actuarial Equivalent of benefits defined in paragraph (b)(1) below, the Actuarial Equivalent of the benefits defined in paragraph (b)(2) below, and the Actuarial Equivalent of the benefits defined in paragraph (b)(3) below.
- (b) Benefits.

- (1) The Participant's Normal Survivor Benefit determined as of the date of the Change in Control commencing as soon as practicable after the Participant's death.
 - (2) The Participant's Normal Retirement Benefit determined as of the date of the Change in Control:
 - (i) commencing on the first day of the first month that would have qualified as the

Participant's Approved Early Retirement Date if he or she had remained employed as a Participant until such date and then received approval from the CEO for such early retirement, and

- (ii) reduced by the Early Retirement Factor Applicable to the Participant's age at the date the benefit commences.

(3) Benefits provided by any other Section of this Plan.

4.09 Benefits Upon Change in Control of a Subsidiary. Upon the occurrence of

a Change in Control, as defined in Section 2.08, with respect to a subsidiary of Alexander & Baldwin, Inc., (i) a Participant who is an employee of such subsidiary shall be entitled to the lump-sum equivalent of a Plan Termination Benefit, determined as if the Plan terminated as of the date of the Change in Control, which shall be immediately due and shall be paid within thirty days of the Change in Control, and (ii) the Plan shall immediately and automatically terminate with respect to such subsidiary unless the terms of such Change in Control provide, as a prerequisite to the consummation of the Change in Control, that the employer responsibilities under this Plan are to be assumed by the successor organization.

4.10 Designation of Beneficiaries. A Participant may file with the

Administrator on forms provided by the Administrator a written designation of one or more primary beneficiaries and one or more contingent beneficiaries to whom benefits otherwise due the Participant shall be made after the death of the Participant. Such payments will be divided among the primary beneficiaries who survive the Participant in such proportion as directed in the written designation. If no primary beneficiary survives the Participant for 30 days, such payment will be divided among the contingent beneficiaries who survive the Participant for 30 days in such proportion as directed in the written designation. If no primary or contingent beneficiary survives the Participant for 30 days, or if no beneficiary has been designated by the Participant, such payments will be made to the estate of the Participant.

4.11 Additional Benefits Provisions

- (a) Benefit Agreement. The Administrator shall provide to each

Participant a form of Participation Agreement which shall set forth the Participant's acceptance of the benefits provided under the Plan and the Participant's agreement to be bound by the terms of the Plan.
- (b) Exclusion for Suicide or Self-Inflicted Injury.

Notwithstanding any other provision of the Plan, no benefits shall be paid to any Participant or Beneficiary in the event of the death of the Participant as the result of suicide or self-inflicted injury within two years of the later of the date he or she first became a Participant or the date the Participant executed the Participation Agreement referred to in subsection 4.05(a).
- (c) Leave of Absence. A Participant who is on an approved leave

of absence with salary, or on an approved leave of absence without salary for a period of not more than 90 days, shall be deemed to be a Participant employed by A&B during such leave of absence. A Participant who is on an approved leave of absence with salary for a period in excess of six months shall be deemed to have voluntarily terminated his or her employment as of the end of the first six months of such leave of absence, if the Participant does not have a contractual or statutory right to reemployment. A Participant who is on an approved leave of absence without salary for a period in excess of 90 days shall be deemed to have voluntarily terminated his or her employment as of the end of such 90-day period, if the Participant does not have a contractual or statutory right to reemployment.
- (d) Disability. A Disabled Participant shall continue to be

eligible for retirement benefits under the Plan, regardless of the nonperformance of services for A&B. Failure to return to employee status at the termination of the Participant's disabled status shall be deemed a voluntary termination of employment if the Participant is offered employment in a position substantially equivalent to the position held by the Participant at the time his or her disabled status began. Otherwise, such failure to return to employee status shall be deemed an involuntary termination of employment.
- (e) Termination for Good Cause. Notwithstanding any other

provision of this Plan, all rights of the Participant, any Beneficiary, or the rights of their executors or administrators, or any other person, to receive benefits under this Plan shall be forfeited if the Participant's

employment with A&B is terminated for Good Cause. For purposes of this subsection, "Good Cause" means (a) the willful and continued failure by a Participant to substantially perform his or her duties with A&B (other than any such failure resulting from a Participant's incapacity due to physical or mental illness) or (b) the willful engaging by the Participant in conduct which is demonstrably and materially injurious to A&B, monetarily or otherwise. For purposes of this definition, no act, or failure to act, shall be considered "willful" unless done, or omitted to be done, not in good faith and without reasonable belief that the action or omission was in the best interest of A&B.

(f) Alternative Forms of Benefit. The Board of Directors or the -----
Committee in its sole discretion may elect to pay a Participant's spouse or Beneficiary a lump-sum Actuarial Equivalent or other form of benefit that it deems appropriate in lieu of the benefit form otherwise provided.

(g) Withholding. Benefit payments hereunder shall be subject to -----
applicable federal, state and local withholding for taxes.

4.12 Group Life Insurance. A&B will maintain for each Participant, -----
throughout each Participant's lifetime, group life insurance coverage in the amount of \$50,000. The life insurance benefits payable under such group life insurance will be in addition to the benefits payable under the provisions of this plan, and will be in lieu of any life insurance benefits to which a Participant may otherwise be entitled under the Alexander & Baldwin, Inc. Retiree Health and Welfare Benefit Plan.

ARTICLE V

SOURCE OF PAYMENTS

5.01 Source of Payments. All benefits payable under this Plan shall be -----
paid in cash from the general funds of A&B, and no trust account, escrow, fiduciary relationship or other security arrangement shall be established to assure payment. No Participant or Beneficiary shall have any right, title or interest whatsoever in any investments which A&B may make to aid it in meeting its obligations hereunder. Nothing contained in this Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, or a fiduciary relationship, between A&B and any Participant, any Beneficiary or a Participant, or any other person. Any amounts payable under the Plan shall continue for all purposes to be part of the general assets of A&B and, thus, subject to the claims of A&B's creditors. A&B shall in no way be restricted with regard to the control, investment and use of such amounts. To the extent that any person acquires a right to receive benefits from A&B under this Plan, such right shall be no greater than, nor different from, the right of an unsecured general creditor of A&B.

ARTICLE VI

ADMINISTRATION OF THE PLAN

6.01 Administrator. The Administrator of the A&B Retirement Plan shall be -----
the Administrator of this Plan. The Administrator shall have full authority to administer the Plan. The Administrator shall have all of the powers granted by the A&B Retirement Plan to the Administrator of such plan and shall be subject to the same procedures and limitations of authority.

6.02 Claims Procedure. The Administrator shall employ the claims procedures -----
as are applicable under the A&B Retirement Plan.

ARTICLE VII

AMENDMENT AND TERMINATION

7.01 The right to amend, modify, partially terminate, or completely terminate this Plan is reserved to the Committee. However, no amendment, modification or termination shall adversely affect the right of any Participant or Beneficiary who is receiving benefits under the Plan at the time of such amendment, modification or termination or who is entitled to benefits under the provisions of Section 4.06 as a former Participant of the Plan. The rights of other Participants as of the date the Plan is terminated shall be determined under the provisions of Section 4.07.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

- 8.01 Benefits Not Assignable. No Participant or Beneficiary, or any other

person having or claiming to have any interest of any kind or character
in or under this Plan or in any payment therefrom shall have the right
to sell, assign, transfer, convey, hypothecate, anticipate, pledge or
otherwise dispose of such interest; and to the extent permitted by law,
such interest shall not be subject to any liabilities or obligations of
the Participant or to any bankruptcy proceedings, creditor claims,
attachment, garnishments, execution, levy or other legal process
against such Participant or his or her property.
- 8.02 Controlling Law. This Plan shall be construed, administered, and

governed in all respects in accordance with the laws of the State of
Hawaii.
- 8.03 Not an Employment Contract. The adoption and maintenance of this Plan

shall not be deemed to confer on any Participant any right to continue
in the employ of A&B, and shall not be deemed to interfere with the
right of A&B to discharge any person with or without cause or treat any
person without regard to the effect that such treatment might have on
the person as a Participant.
- 8.04 Binding Agreement. This Plan shall be binding upon and inure to the

benefit of A&B, its successors and assigns, and the Participants and
their Beneficiaries, heirs, executors, administrators and legal
representatives.

IN WITNESS WHEREOF, Alexander & Baldwin, Inc. has caused this Restatement to be
executed on its behalf by its duly authorized officers this 21st day of June,
2006.

ALEXANDER & BALDWIN, INC.

By /s/ Nelson N. S. Chun

Its Senior Vice President

By /s/ Alyson J. Nakamura

Its Secretary

Amended and Restated Effective January 1, 2005

ARTICLE I

ESTABLISHMENT AND PURPOSE

1.01. Establishment of Plan. Alexander & Baldwin, Inc.

established the A&B 1985 Supplemental Executive Retirement Plan (the "Plan") effective January 1, 1986.

1.02. Purpose of Plan. It is the purpose of this Plan to

enhance the Company's ability to hire and retain executives by providing a means for the Company to provide executives selected as participants with retirement benefits and health and welfare benefits equal to the benefits which they would receive under the Alexander & Baldwin, Inc. Retirement Plan for Salaried Employees and the Alexander & Baldwin, Inc. Retiree Health and Welfare Benefit Plan, if certain changes had been made to those plans. This Plan is intended to be a nonqualified supplemental retirement plan for a select group of highly compensated management executives and is exempt from the participation, vesting, funding and fiduciary requirements of Title I of the Employee Retirement Income Security Act of 1974.

ARTICLE II

DEFINITIONS

2.01. "Actuarial Equivalent" means a form of benefit differing in time period, or manner of payment from a specified benefit provided in the Plan, but having the same present value when determined in accordance with generally accepted actuarial practice and the rules contained in Appendix B of this Plan.

2.02. "Approved Early Retirement Date" means the first day of any month after the Participant has attained age 55 and prior to his or her Normal Retirement Date on which the Participant retires with the approval of the Committee.

2.03. "A&B" and "Company" mean Alexander & Baldwin, Inc. and its affiliates and their successors.

2.04. "A&B Retiree Plan" means the Alexander & Baldwin, Inc. Retiree Health and Welfare Benefit Plan, as amended from time to time.

2.05. "A&B Retirement Plan" means the A&B Retirement Plan for Salaried Employees, as amended from time to time.

2.06. "Beneficiary" means the person or persons designated by the Participant as such in accordance with the provisions of Section 4.07 and to whom the benefit, if any, provided for in Section 4.07 is payable.

2.07. "Benefit Commencement Age" means the greater of age 55 and the Participant's age at the date of determination.

2.08. "Board" means the Board of Directors of Alexander & Baldwin, Inc.

2.09. "Change in Control" means a "Change in Control Event" as defined in Internal Revenue Service Notice 2005-1 or any successor guidance issued by the Internal Revenue Service. If a Change in Control shall take place with respect to any company, a Change in Control shall be deemed to have taken place with respect to any subsidiary of such company.

2.10. "Committee" means the Compensation Committee of the Board.

2.11. "Early Retirement Factor" means the reduction defined in Section 4.02(e).

2.12. "Eligible Position" means any employee position that is highly compensated or that is one of a select group of management employee positions. Exceptions to the eligibility requirements of this section may be made by the Chief Executive Officer of Alexander & Baldwin, Inc., with the approval of the Committee.

2.13. "Health Care Contributions" means the contributions paid by the Company, under Article IV of the A&B Retiree Plan, towards the cost of premiums for health care insurance coverage.

2.14. "Immediate Change in Control Benefit" means the benefit described in subsection 4.06(a).

2.15. "Involuntary Termination Benefit" means the benefit described in Section 4.03.

2.16. "Normal Retirement Benefit" means the benefit described in Section 4.01.

2.17. "Normal Retirement Date" means the first day of the month coincident with or next following the date the Participant attains age 65.

2.18. "Other Benefits" means the sum of:

- (1) The benefit payable under the A&B Retirement Plan;
- (2) The benefit payable under the defined benefit provisions of the A&B Excess Benefits Plan; and
- (3) Any benefit which the Participant is eligible to receive or has received from the qualified defined benefit pension plan of another employer excluding benefits attributable to the Participant's own contributions.

2.19. "Participant" means an executive in an Eligible Position selected by the Committee pursuant to Section 3.01.

2.20. "Participation Termination Benefit" means the benefit described in Section 4.04.

2.21. "Plan" means the plan set forth in this document, as amended from time to time.

2.22. "Plan Termination Benefit" means the benefit described in Section 4.05.

2.23. "Preretirement Death Benefit" means the benefit described in Section 4.07.

2.24. "Prorated Retirement Income" means Retirement Income, as defined in Section 2.25 multiplied by a fraction, the numerator of which shall be 300 minus the number of months between the date of determination and the Participant's Normal Retirement Date, and the denominator of which shall be 300.

2.25. "Retirement Income" means the amount determined in (a) below paid in accordance with the provisions of (b) or (c), whichever is applicable below:

(a) The amount of Retirement Income shall equal the amount to which the Participant would be entitled as a single life annuity at his or her Normal Retirement Date under the A&B Retirement Plan determined (i) without regard to limitations imposed by the Internal Revenue Code, (ii) as if the Participant had 25 years of credited benefit service, (iii) as if "Monthly Compensation" as defined in Section 1.20 of the A&B Retirement Plan included in the year earned the deferred portion of base salary and each bonus awarded under the Company's One-Year Performance Improvement Incentive Plan and (iv) with respect to Participants listed in Appendix A to this Plan, as if the benefit formula in effect on December 31, 1988 under the A&B Retirement Plan for Salaried Employees had continued in effect (provided such benefit formula produces a higher benefit than the formula subsequently in effect).

(b) In the case of a Participant who is not married at the time a lump sum payment described in Article IV is paid, Retirement Income shall be deemed payable for the life of the Participant.

(c) In the case of a Participant who is married at the time a lump sum payment described in Article IV is paid, 100% of Retirement Income shall be deemed payable for the life of the Participant and 50% of Retirement Income shall be deemed payable to his or her Surviving Spouse for life following the death of the Participant.

2.26. "Surviving Spouse" means the spouse of a Participant who survives the Participant and to whom the Participant was married on the Participant's retirement date or (if earlier) date of death.

2.27. "Vested Change in Control Benefit" means the benefit described in subsection 4.06(b).

2.28. "Years of Service" means the number of years and fractions of years which qualify as Years of Credited Vesting Service as that term is defined in the A&B Retirement Plan.

ARTICLE III

ELIGIBILITY AND PARTICIPATION

3.01. Participation. A Participant is an employee who holds an Eligible Position or who is being hired or promoted into an Eligible Position, and who is selected by the Chief Executive Officer of Alexander & Baldwin, Inc., with the approval of the Committee, to be a Participant. An employee selected by the Chief Executive Officer of Alexander & Baldwin, Inc., with the approval of the Committee, shall become a Participant as of the date specified by the Committee and shall remain a Participant until the date upon which the Participant's employment in an Eligible Position terminates for any reason.

ARTICLE IV

BENEFITS

4.00. Payment of Benefits. All benefits provided by Sections

4.01 to 4.07 shall be paid in the form of a lump sum payment which is the greater of the amounts determined under paragraph (1) and paragraph (2) below:

(1) An amount which is the Actuarial Equivalent of the benefit otherwise defined by such Sections.

(2) An amount which is the before-tax equivalent of the lower of two quotations obtained by the Company from insurance companies for the cost of a lifetime annuity that provides after-tax monthly benefits equivalent to those that a Participant would receive under the Plan if the Plan allowed monthly payments of the benefits hereunder.

A Participant shall be entitled to whichever of the benefits provided by Sections 4.01 to 4.06 provides the greatest benefit, and under no circumstances shall a Participant be entitled to benefits provided by more than one such Section.

4.01. Normal Retirement.

(a) Eligibility. A Participant who separates from service (i) after completing three years of participation in the Plan and (ii) on or after his or her Normal Retirement Date shall be entitled to a Normal Retirement Benefit as described in (b) below.

(b) Amount of Benefit. A Participant's Normal Retirement Benefit shall equal his or her Retirement Income, reduced by the Participant's Other Benefits in accordance with rules contained in Appendix C.

(c) Monthly Benefit Commencement Date. A Participant's Normal Retirement Benefit shall be deemed to commence as of the Participant's retirement date.

(d) Lump Sum Payment Date. The lump sum payment of the Normal Retirement Benefit shall be paid as soon as practicable after the Participant's retirement date; provided, however, that in the case of a Participant who is a "key employee" (as defined in section 416(i) of the Internal Revenue Code without regard to paragraph (5) thereof), the Participant's Normal Retirement Benefit shall be paid no earlier than six months following the Participant's retirement date.

4.02. Approved Early Retirement

(a) Eligibility. A Participant who separates from active service (i) after completing at least three years of participation in the Plan and (ii) on his or her Approved Early Retirement Date shall be entitled to an Approved Early Retirement Benefit as described in (b) below.

(b) Benefit. A Participant's Approved Early Retirement Benefit shall equal his or her Prorated Retirement Income as of the Participant's Approved Early Retirement Date reduced by (i) the Early Retirement Factor applicable at the Participant's age at his or her Approved Early Retirement Date and (ii) further reduced by Other Benefits as provided in Appendix C.

(c) Monthly Benefit Commencement Date. A Participant's Approved Early Retirement Benefit shall be deemed to commence as of the Participant's Approved Early Retirement Date.

(d) Lump Sum Payment Date. The lump sum payment of the Approved Early Retirement Benefit shall be paid as soon as practicable after the Participant's Approved Early Retirement Date; provided, however, that in the case of a Participant who is a "key employee" (as defined in section 416(i) of the Internal Revenue Code without regard to paragraph (5) thereof), the Participant's Approved Early Retirement Benefit shall be paid no earlier than six months following the Participant's Approved Early Retirement Date.

(e) Early Retirement Factor. The "Early Retirement Factor" shall be a reduction of .25% for each of the first 24 months between the date of determination and the first day of the month coincident with or next following the Participant's 62nd birthday, and an additional reduction of .50% for each such month in excess of 24 months between such dates.

4.03. Involuntary Termination of Employment.

(a) Eligibility. A Participant who separates from service due to involuntary termination of employment after completing at least three years of participation in the Plan shall be entitled to a Involuntary Termination Benefit.

(b) Benefit. A Participant's Involuntary Termination

Benefit shall equal his or her Prorated Retirement Income determined as of the date of the Participant's involuntary termination reduced by (i) the Early Retirement Factor applicable at the Participant's age determined as of monthly benefit commencement date determined under the provisions of subsection (c) below and (ii) further reduced by Other Benefits as provided in Appendix C.

(c) Monthly Benefit Commencement Date. A Participant's

Involuntary Termination Benefit shall be deemed to commence as of his or her Normal Retirement Date unless an Approved Early Retirement Date is approved by the Committee. In such latter case, it shall be deemed to commence as of the Approved Early Retirement Date.

(d) Lump Sum Payment Date. The lump sum payment of

the Involuntary Termination Benefit shall be paid as soon as practicable after the involuntary termination of the Participant's employment; provided, however, that in the case of a Participant who is a "key employee" (as defined in section 416(i) of the Internal Revenue Code without regard to paragraph (5) thereof), the Participant's Involuntary Termination Benefit shall be paid no earlier than six months following the Participant's termination date.

4.04. Termination of Participation.

(a) Eligibility. A Participant, with at least three

years of participation, whose position ceases to qualify as an Eligible Position shall be entitled to a Participation Termination Benefit described in (b) below.

(b) Benefit. A Participant's Participation Termination

Benefit shall equal his or her Prorated Retirement Income determined as of the date his or her participation terminates reduced by (i) the Early Retirement Factor applicable at the Participant's age determined as of the monthly benefit commencement date determined under the provisions of subsection (c) below and (ii) further reduced by Other Benefits as provided in Appendix C.

(c) Monthly Benefit Commencement Date. A Participant's

Participation Termination Benefit shall be deemed to commence as of his or her Normal Retirement Date unless an Approved Early Retirement Date is approved by the Committee. In such latter case, it shall be deemed to commence as of the Approved Early Retirement Date.

(d) Lump Sum Payment Date. The lump sum payment of

the Participation Termination Benefit shall be paid as soon as practicable after the Participant subsequently separates from service; provided, however, that in the case of a Participant who is a "key employee" (as defined in section 416(i) of the Internal Revenue Code without regard to paragraph (5) thereof), the Participant's Participation Termination Benefit shall be paid no earlier than six months following the Participant's separation from service.

4.05. Termination of the Plan.

(a) Eligibility. A Participant of the Plan at the

time it is terminated shall be entitled to a Plan Termination Benefit.

(b) Benefit. A Participant's Plan Termination Benefit

shall equal his or her Prorated Retirement Income determined as of the date the Plan is terminated reduced by (i) the Early Retirement Factor applicable at the Participant's age determined as of the monthly benefit commencement date determined under the provisions of subsection (c) below and (ii) further reduced by Other Benefits as provided in Appendix C.

(c) Monthly Benefit Commencement Date. A Participant's

Plan Termination Benefit shall be deemed to commence as of his or her Benefit Commencement Age determined as of the date the Participant subsequently terminates employment or retires.

(d) Lump Sum Payment Date. The lump sum payment of

the Plan Termination Benefit shall be paid as soon as practicable after the Participant separates from service; provided, however, that in the case of a Participant who is a "key employee" (as defined in section 416(i) of the Internal Revenue Code without regard to paragraph (5) thereof), the Participant's Plan Termination Benefit shall be paid no earlier than six months following the Participant's separation from service.

4.06. Change in Control. Upon the occurrence of a Change in

Control, as defined in Section 2.09, with respect to a company employing a Participant, the provisions of subsection (a) below shall apply unless the terms of such Change in Control provide, as a prerequisite to the consummation of the Change in Control, that the employer responsibilities under this Plan are to be assumed by the successor organization. In the latter case, the provisions of subsection (b) below shall apply:

(a) Immediate Change in Control Benefit.

(1) Eligibility. The Plan shall immediately

and automatically terminate with respect to such company and each Participant employed by such company shall be entitled to an Immediate Change in Control Benefit as described in (2) below.

(2) Benefit. A Participant's Immediate

Change in Control Benefit shall equal his or her Prorated Retirement Income determined as of the Change in Control date, reduced by (i) the Early Retirement Factor applicable at the Participant's age determined as of the monthly benefit commencement date determined under the provisions of paragraph (3) below, and (ii) further reduced by Other Benefits as provided in Appendix C.

(3) Monthly Benefit Commencement Date. A

Participant's Immediate Change in Control Benefit shall be deemed to commence as of his or her Benefit Commencement Age determined as of the Change in Control Date.

(4) Lump Sum Payment Date. The lump sum payment of

the Immediate Change in Control Benefit shall be immediately due and shall be paid within thirty days of such Plan termination.

(b) Vested Change in Control Benefit.

(1) Eligibility. Each Participant employed

by such company as of the Change in Control date shall be entitled to a Vested Change in Control Benefit as described in (2) below.

(2) Benefit. A Participant's Vested Change in

Control Benefit shall equal his or her Prorated Retirement Income determined as of the Change in Control date, reduced by (i) the Early Retirement Factor applicable at the Participant's age determined as of the monthly benefit commencement date determined under the provisions of paragraph (3) below, and (ii) further reduced by Other Benefits as provided in Appendix C.

(3) Monthly Benefit Commencement Date. A

Participant's Vested Change in Control Benefit shall be deemed to commence as of his or her Benefit Commencement Age determined as of the date the Participant subsequently terminates employment or retires.

(4) Lump Sum Payment Date. The lump sum payment of

the Vested Change in Control Benefit shall be paid as soon as practicable after the Participant terminates employment or retires.

4.07. Preretirement Death Benefit.

(a) Eligibility. In the event that a Participant dies

prior to retirement, or prior to termination of employment, such Participant's Beneficiary shall be entitled to a Preretirement Death Benefit determined as provided in this Section in lieu of any other benefit provided by this Plan.

(b) Benefit. The Preretirement Death Benefit provided

by this Section shall equal the lump sum payment, if any, to which the Participant would have been eligible under this Plan if he/she had retired, or terminated employment, immediately prior to his/her death, determined without regard to (i) any requirement for Committee approval of an Approved Early Retirement Date, or (ii) any requirement for 3 years of participation. The Preretirement Death Benefit shall be determined by assuming the Participant did not elect any optional form of payment under the A&B Retirement Plan.

(c) Beneficiary Designation. Each Participant shall,

at the time he/she becomes a Participant, designate one or more persons as his/her Beneficiary for purposes of this Section. The designation shall be made in the form prescribed by the Company and shall become effective when filed with the Company. A Participant may from time to time change his/her Beneficiary by filing a new designation form with the Company. Should the Participant die without having any effectively-designated surviving Beneficiary, then the Beneficiary shall be the spouse of the Participant, if then living. If there is no surviving spouse, then the Beneficiary shall be the Participant's children then living. If there are no living children, then the Beneficiary shall be the estate of the Participant.

(d) Lump Sum Payment Date. The lump sum payment of

the Beneficiary's Preretirement Death Benefit shall be paid as soon as practicable after the death of the Participant.

4.08. Retiree Health and Welfare Benefits. For purposes of the

A&B Retiree Plan:

(a) Normal Retirement Date. A Participant who is

entitled to a Normal Retirement Benefit shall be deemed to have the greater of

(i) his or her actual Completed Years of Service, and (ii) twenty-five (25) Completed Years of Service.

(b) Early Retirement Date. A Participant or former

Participant who is entitled to one of the benefits described in paragraph (1) below shall be deemed to have the rights described in paragraph (2) below.

(1) The benefits described by this paragraph are:

(A) an Approved Early Retirement Benefit,

(B) a Participation Termination Benefit if such termination occurs at or after the Participant attained age 55,

(C) a Plan Termination Benefit if such termination occurs at or after the Participant attained age 55,

(D) a Vested Change in Control Benefit or a prior Immediate Change in Control Benefit if such Change in Control occurred at or after the Participant attained age 55.

(2) A Participant who is subject to the provisions of this paragraph shall automatically become a Participant under the A&B Retiree Plan, without regard to the age and service requirements in Article III of the A&B Retiree Plan. For purposes of determining such Participant's Health Care Contributions under the A&B Retiree Plan, the number of Completed Years of Service of such Participant shall be deemed to be equal to 25 years multiplied by the fraction used to determine such Participant's or former Participant's Prorated Retirement Income, provided however, that on or after such Participant's Normal Retirement Date he or she shall be deemed to have twenty-five (25) Completed Years of Service.

ARTICLE V

SOURCE OF PAYMENTS

5.01. Source of Payments. All benefits payable under this Plan

shall be paid in cash from the general funds of the Company, and no trust account, escrow, fiduciary relationship or other security arrangement shall be established to assure payment, other than, at the option of the Company, an escrow account the amounts in which remain subject to the claims of the Company's general creditors in the event of insolvency or bankruptcy. No Participant or Participant's Surviving Spouse shall have any right, title or interest whatsoever in any investments which the Company may make to aid the Company in meeting its obligations hereunder. Nothing contained in this Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, or a fiduciary relationship, between the Company and any Participant, any Surviving Spouse, or any other person. To the extent that any person acquires a right to receive benefits from the Company under this Plan, such right shall be no greater than, nor different from the right of an unsecured general creditor of the Company.

ARTICLE VI

FORFEITABILITY

6.01. Forfeitability of Benefits. Notwithstanding any other

provision of this Plan, no payment of unpaid benefits shall be made, and all rights under the Plan of the Participant, Surviving Spouse, the Participant's executors or administrators, or any other person, to receive benefits under this Plan shall be forfeited if the Participant's employment with the Company is terminated voluntarily or for Cause. For the purpose of this Plan, termination for Cause shall mean termination upon (a) the willful and continued failure by a Participant to substantially perform his or her duties with the Company (other than any such failure resulting from a Participant's incapacity due to physical or mental illness) or (b) the willful engaging by the Participant in conduct which is demonstrably and materially injurious to the Company, monetarily or otherwise. For purposes of this paragraph, no act, or failure to act, shall be considered "willful" unless done, or omitted to be done, not in good faith and without reasonable belief that the action or omission was in the best interest of the Company.

ARTICLE VII

AMENDMENT AND TERMINATION

7.01. Amendment and Termination. The Committee reserves the

right to amend, modify, partially terminate, or completely terminate the Plan. However, no amendment, modification or termination shall reduce retroactively the benefits of any Participant or any Surviving Spouse under the Plan.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

8.01. Benefits Not Assignable. No Participant or Surviving

Spouse, or any other person having or claiming to have any interest of any kind or character in or under this Plan or in any payment therefrom shall have the right to sell, assign, transfer, convey, hypothecate, anticipate, pledge or otherwise dispose of such interest; and to the extent permitted by law, such interest shall not be subject to any liabilities or obligations of the Participant or to any bankruptcy proceedings, creditor claims, attachment, garnishments, execution, levy or other legal process against such Participant or his or her property.

8.02. Controlling Law. This Plan shall be construed,

administered, and governed in all respects in accordance with the laws of the State of Hawaii.

8.03. Not an Employment Contract. The adoption and maintenance

of this Plan shall not be deemed to confer on any Participant any right to continue in the employ of A&B, and shall not be deemed to interfere with the right of A&B to discharge any person with or without cause or treat any person without regard to the effect that such treatment might have on the person as a Participant.

8.04. Severability. If any provision of this Plan is held

invalid or unenforceable by a court of competent jurisdiction, all remaining provisions shall continue to be fully effective.

8.05. Binding Agreement. This Plan shall be binding upon and

inure to the benefit of the Company, its successors and assigns, and the Participants and their heirs, executors, administrators and legal representatives.

8.06. Administration of the Plan. The Plan shall be

administered by the Committee, under the authority of the Board. Subject to the express provisions of the Plan, the Committee shall have complete authority to interpret the Plan, to prescribe, amend and rescind regulations relating to its administration, and to make all other determinations that are necessary in the course of its administration. All decisions made by the Committee with respect to the administration of the Plan shall be final and binding on all persons having an interest in the Plan. The Committee may from time to time delegate any right, power or duty concerning the operation or administration of the Plan to one or more committees, individuals or entities.

8.07. Adoption by Subsidiaries. Any subsidiary of Alexander &

Baldwin, Inc. that has adopted the A&B Retirement Plan may adopt this Plan for the benefit of its employees when one of its employees has been selected as a Participant by the Committee. Such adoption shall be authorized by a resolution of the Board of Directors of such subsidiary. In the event of such adoption of the Plan by a subsidiary of Alexander & Baldwin, Inc. the Committee shall serve as agent of the subsidiary in administering the Plan. All power to amend, modify, or terminate the Plan shall continue as the unfettered prerogative of the Committee.

IN WITNESS WHEREOF, Alexander & Baldwin, Inc. has caused this Restatement to be executed on its behalf by its duly authorized officers, effective as of January 1, 2005.

ALEXANDER & BALDWIN, INC.

By /s/ Nelson N. S. Chun

Its Senior Vice President

By /s/ Alyson J. Nakamura

Its Secretary

APPENDIX A

Participants Referred to in
Section 2.25

1. R. F. Cameron
2. R. J. Donohue
3. F. L. Fleischmann
4. G. Y. Nakamatsu
5. R. H. Rothman

APPENDIX B

Rules For Determining Actuarial Equivalent

When the terms of this Plan require the determination of a lump sum payment which is the Actuarial Equivalent of any other benefit provided by this Plan, the following rules shall apply to the calculation of such lump sum payment:

1. The mortality table used shall be the mortality table then in use by the A&B Retirement Plan for the purpose of determining lump sum payments to participants of such plan who are entitled to such payments.
2. The discount rate shall be the after-tax equivalent of the discount rate then in use by the A&B Retirement Plan for the purpose of determining lump sum payments to participants of such plan who are entitled to such payments. The after-tax equivalent rate shall be determined by multiplying discount rate in use by the A&B Retirement Plan by the excess of 100% over the tax effected marginal tax rate declared by the Committee.
3. The Committee shall declare the tax effected marginal tax rate at the beginning of each calendar year.
4. The tax effected marginal tax rate shall apply to lump sum payments made at any time during such calendar year and may not be changed during the year.
5. The value of the benefit to a Surviving Spouse which is included in a Participant's Retirement Income shall be included in the calculation of the lump sum payment to which the Participant is entitled. Unless stated otherwise, the benefit to the Surviving Spouse shall be deemed to apply only if the death of the Participant occurs on or after the date the Retirement Income is deemed to commence under the terms of the provision giving rise to the Participant's right to a lump sum payment.
6. If the terms of the Plan provide for a benefit such that if it were paid as a monthly benefit it could have commenced at more than one future date, then for purposes of calculating the lump sum that is the Actuarial Equivalent of such benefit, it shall be deemed that the benefit would have commenced at the earliest possible date.
7. The early retirement reduction factors, if any, used to calculate the lump sum which is the Actuarial Equivalent of the benefit provided by the provisions of Section 4.06 as a result of a Change of Control, shall be the factors applicable to Participants of the A&B Retirement Plan who terminate employment after attaining eligibility for early retirement regardless of the Participant's age as of the Change of Control date.

APPENDIX C

Rules for the Offset of Benefits Described in Article IV

1. Any increase in Other Benefits which occur after termination of employment or retirement shall not be taken into account.
2. In the case of a Participant who is not married at the time benefits are deemed to commence under this Plan, Other Benefits shall be determined as though such payments were made in the form of a straight life annuity.
3. In the case of a Participant who is married at the time a lump sum benefit is payable under this Plan, Other Benefits shall be determined as though such payments were made in the form of joint and 50% survivor form of payment with his or her spouse designated as the contingent annuitant.
4. It shall be assumed that Other Benefit payments (whether or not in payment status) commence under such other plans of the same date benefits commence under this Plan. In all cases, the provisions of the A&B Retirement Plan shall be used to determine the adjustment made to the Other Benefits for commencement prior to a Participant's Normal Retirement Date or to determine the equivalent joint and 50% survivor amount.

AMENDED AND RESTATED EFFECTIVE JANUARY 1, 2005

DEFERRED COMPENSATION PLAN

I. PURPOSE. Alexander & Baldwin, Inc. (the "Company") established this Deferred Compensation Plan (the "Plan") effective August 25, 1994, to provide participants in the Company's Three-Year Performance Improvement Incentive Plan (the "Three-Year PIIP") with the opportunity to defer payment of the awards made to them under such Plan and/or under the Company's One-Year Performance Improvement Incentive Plan (the "One-Year PIIP") for a period extending until their retirement or other termination of employment or until the expiration of the specific term (at least one full year in duration) elected by the participant.

II. DEFINITIONS. For purposes of this Plan, the following definitions shall be in effect:

Board shall mean the Company's Board of Directors.

Change in Control shall mean a "Change in Control Event" as

defined in Internal Revenue Service Notice 2005-1 or any successor guidance issued by the Internal Revenue Service..

Common Stock shall mean shares of the Company's common stock.

Fair Market Value shall, with respect to the per share

valuation of the Common Stock on any relevant date, be the mean between the highest and lowest selling prices per share of Common Stock on such date, as quoted on the Nasdaq National Market (or any successor system). Should the Common Stock become traded on a national securities exchange, then the Fair Market Value per share shall be the mean between the highest and lowest selling prices on such exchange on the date in question, as such prices are quoted on the composite tape of transactions on such exchange. If there is no reported sale of Common Stock on the Nasdaq National Market (or national securities exchange) on the date in question, then the Fair Market Value shall be the mean between the highest and lowest selling prices on the Nasdaq National Market (or such securities exchange) on the last preceding date for which such quotation exists.

Plan Administrator shall mean the Compensation and Stock

Option Committee of the Board.

Section 16 Insider shall mean any participant who is, at the

time of the relevant determination or was at any time within the immediately preceding six (6) months, an officer or director of the Company subject to the short-swing profit restrictions of Section 16(b) of the Securities Exchange Act of 1934, as amended.

III. ADMINISTRATION. The Plan Administrator shall administer the Plan and shall have full power and authority (subject to the provisions of the Plan) to establish such rules and regulations as it may deem appropriate for proper administration and to make such determinations under, and issue such interpretations of, the Plan as it may deem necessary or advisable. Decisions of the Plan Administrator shall be final and binding on all parties who have an interest in the Plan.

IV. DEFERRAL ELECTION. An individual selected for participation in the Three-Year PIIP may elect to defer, for the period of time described below ("Deferral Period"), all or part of his/her award(s) under the Three-Year PIIP and/or One-Year PIIP. Any such election ("Deferral Election") must be made in accordance with the following provisions:

1. Deferral Election Procedure. In December of each calendar

year, the Company will send to each individual selected for participation in the upcoming performance cycle under the Three-Year PIIP an election form whereby such individual may elect to defer the payment of all or part of any award made to him/her for that three-year performance cycle or for the upcoming one-year performance cycle under the One-Year PIIP. The Deferral Election form must be executed by the participant and delivered to the Company before the beginning of the particular performance cycle under the One-Year PIIP or Three-Year PIIP to which such election relates.

2. Deferral Period. The Deferral Period shall extend until the

date the participant separates from service with the Company. At the time the Deferral Election form is filed, the participant shall specify the date or dates

following his/her separation from service on which payments of the deferred award are to be made. Once specified, such payment schedule cannot be changed. Notwithstanding the foregoing, prior to January 1, 2005, participants could elect a payment date preceding the participant's separation from service, and any such election applicable to compensation that was earned and vested prior to January 1, 2005, shall continue to be effective on and after January 1, 2005, with respect to the compensation deferred under such election and all interest or dividend equivalents credited to such compensation.

3. Minimum Deferral Amount. A participant may elect to defer

all or any portion of his/her award under the One-Year or Three-Year PIIP (with the balance to be paid currently, i.e., on a non-deferred basis), provided the amount to be so deferred is at least Two Thousand Dollars (\$2,000.00). The portion of each award which is to be deferred pursuant to such election shall be credited to a separate account ("Deferred Compensation Account") maintained for the participant on the Company's books. The credit to such book account shall be made at the time the award otherwise would be payable to the participant under the applicable PIIP in the absence of his/her Deferral Election.

V. CONVERSION ELECTION - COMMON STOCK-EQUIVALENT UNITS. Subject to the provisions stated below and pursuant to procedures determined by the Plan Administrator or by the committee or individual(s) to which such authority is delegated, the participant may make an election ("Conversion Election") to have all or any portion of his/her award under the One-Year or Three-Year PIIP that is credited to his/her Deferred Compensation Account, converted into Common Stock-equivalent units which will be valued from time to time during the Deferral Period on the basis of the Fair Market Value of the Common Stock.

1. Timing of Conversion Election. Conversion Elections shall

be made at the time the applicable PIIP awards are determined. Conversion Elections by Section 16 Insiders, once made, shall be irrevocable.

2. Limitation on Conversion Election. The Conversion Election

shall be subject to the following limitations:

(i) The portion of the award which may be converted into Common Stock-equivalent units shall not exceed fifty percent (50%) of the total dollar amount of such award, including the portion of such award payable currently and the portion deferred under this Plan, and

(ii) The dollar value of the One-Year or Three-Year PIIP award which may be converted into Common-Stock equivalent units under this Plan shall not, when added to the Fair Market Value (at date of issuance) of any shares of Common Stock issued under the Company's Restricted Stock Bonus Plan in payment of all or part of the balance of such award (exclusive of any bonus shares issued under the Restricted Stock Bonus Plan), exceed fifty percent (50%) of the total dollar value of such PIIP award.

3. Approval of Plan Administrator. No Conversion Election

shall be effective, and no portion of the participant's Deferred Compensation Account shall actually be converted into Common Stock-equivalent units, except to the extent such Conversion Election is approved by the Plan Administrator.

4. Bonus Common Stock-Equivalent Units. The deferred portion

of any award converted into Common Stock-equivalent units may, in the Plan Administrator's sole discretion, be credited, as a premium, with additional, bonus Common Stock-equivalent units ("bonus units") equal to up to 50% of the number of Common Stock-equivalent units into which such portion is initially converted.

VI. VALUATION OF DEFERRED COMPENSATION ACCOUNTS. From time to time during the Deferral Period, the value of each Deferred Compensation Account shall be adjusted to reflect an investment return on the balance credited to such account, and such value and adjustments periodically shall be communicated to each participant. Such periodic valuation shall be made as follows:

1. Cash Balance. The deferred portion of any award valued in

cash shall be credited with interest, compounded annually, for each calendar year falling in whole or in part within the Deferral Period. Such interest shall be at a per annum rate equal to the New York Reserve Bank discount rate in effect as of January 15 of each calendar year within the Deferral Period plus 1%.

2. Common Stock-Equivalent Units.

(i) The Common Stock-equivalent units (including bonus units) will be credited, at the time dividends are paid on outstanding shares of Common Stock, with an amount ("dividend-equivalent credits") equal to the dividends which otherwise would be paid if the number of Common Stock-equivalent units in the participant's Deferred Compensation Account were actually outstanding shares of Common Stock.

(ii) Dividend-equivalent credits will be applied in the manner of a dividend reinvestment plan to purchase additional Common Stock-equivalent units valued at Fair Market Value on the applicable dividend payment date.

(iii) If the employment of a participant terminates for any reason, other than by reason of normal or approved early retirement, death, or total and permanent disability, then:

(a) such participant shall no longer have any right, title or interest in any Common Stock-equivalent units which were credited as bonus units within three (3) years prior to the date of such termination or discharge, and such participant shall not be entitled to receive any payment with respect to such bonus units, and

(b) the Company shall have the right, exercisable at its discretion, to convert to cash any or all non-bonus Common Stock-equivalent units which were credited to the participant's account within three (3) years prior to the date of such termination or discharge, at an amount equal to the lesser of the original award amount that was converted to these non-bonus Common Stock-equivalent units, and, an amount equal to the Fair Market Value per share of Common Stock on the date of such termination or discharge multiplied by the number of such Common Stock-equivalent units.

(iv) After the Common Stock-equivalent units have been credited to the participant's Deferred Compensation Account for a period of at least three (3) years, that participant may elect, pursuant to procedures determined by the Plan Administrator or by the committee or individual(s) to which such authority is delegated, to have all or a portion of those units converted into cash on the basis of the Fair Market Value (at date of conversion) of the shares of Common Stock represented by such units; provided, however, that participants may not make such an election if they are Section 16 Insiders at the time of such election. Any portion so converted to cash shall begin to earn interest in accordance with Section VI.1. above and shall stop earning dividend-equivalent credits.

(v) Any Common Stock-equivalent units credited to a participant's Deferred Compensation Account shall automatically be converted into cash, on the basis of the Fair Market Value (at the date of conversion) of the shares of Common Stock represented by such units, upon the earlier of (A) the participant's termination of employment with the Company for any reason or (B) the expiration date of the Deferral Period in effect for such account pursuant to the participant's prior election. Any amounts so converted to cash shall begin to earn interest in accordance with Section VI.1. above.

VII. PAYMENT. Upon the participant's separation from service (or at the time specified in the participant's pre-2005 election as described in the last sentence of Section IV.2), each Deferred Compensation Account maintained for the participant shall be paid out either in installments or in a lump sum in accordance with the payment schedule irrevocably designated by the participant for that account in the Deferral Election form executed and filed by him/her in accordance with Section IV. above; provided, however, that in the case of a participant who is a "key employee" (as defined in section 416(i) of the Internal Revenue Code without regard to paragraph (5) thereof), except as otherwise permitted under the last sentence of Section IV.2, the participant's Deferred Compensation Account(s) shall be paid no earlier than six months following the participant's separation from service.

VIII. FUNDING. Deferred Compensation Accounts shall not be funded and shall be maintained by the Company only as book reserves. The Company's obligation to pay such accounts as they become due and payable under the Plan shall be at all times an unfunded and unsecured obligation of the Company, and the participants only shall have the status of general creditors with respect to the amounts credited to their accounts and shall look solely and exclusively to the general assets of the Company for payment.

IX. CHANGE IN CONTROL. Notwithstanding any other provision of this Agreement, upon the occurrence of a Change in Control, all Common Stock-equivalent units which previously were credited as bonus units shall immediately vest, the provisions of Section VI.2.(iii)(b) with respect to the conversion rights of the Company applicable to non-bonus Common Stock-equivalent units shall terminate, all outstanding Common Stock-equivalent units at the time credited to outstanding Deferred Compensation Accounts shall immediately be converted into cash on the basis of the higher of (i) the Fair Market Value of the Common Stock at the time of such Change of Control or (ii) the highest price paid per share of Common Stock in effecting the Change in Control, and the amount outstanding in each Deferred Compensation Account after such conversion shall be paid out in a single lump sum to the participants within thirty (30) days after such Change in Control, whereupon the Plan shall terminate.

X. BENEFICIARY DESIGNATIONS. Each participant may file with the Company a written designation of one or more primary beneficiaries and one or more contingent beneficiaries to whom payments otherwise due the participant under the Plan are to be made after his/her death, in such amounts and at such times as would have been made to the participant had he/she lived. Such payments shall be divided among the primary beneficiaries who survive the participant in such proportion as the participant shall direct in his/her written designation. If no primary beneficiary survives the participant, such payment shall be

divided among the contingent beneficiaries who survive the participant in such proportion as the participant shall direct in his/her written designation. If no primary or contingent beneficiary survives the participant or is named by the participant, such payments shall be made to the participant's estate. At the discretion of the Plan Administrator, payments to the participant's estate may be made in a lump sum equal to the total value of the participant's account. The participant may from time to time change his/her beneficiary designation by filing a new written designation with the Company.

XI. **INALIENABILITY.** No participant or beneficiary, or any other person having or claiming to have any interest of any kind or character in or under this Plan or in any of the Deferred Compensation Accounts or any part thereof or payment therefrom shall have the right to sell, assign, transfer, convey, hypothecate, anticipate, pledge or otherwise dispose of such interest; and to the extent permitted by law, such interest shall not be subject to any liabilities or obligations of the participant or to any bankruptcy proceedings, creditor claims, attachment, garnishments, execution, levy or other legal process against such participant or his/her property.

XII. **PLAN DURATION AND AMENDMENT.** The Plan shall become effective immediately upon adoption by the Board. The Board may amend, modify or terminate the Plan at any time thereafter; provided, however, that no such action shall adversely affect the rights of participants with respect to their outstanding Deferral Elections under the Plan and the payment of their Deferred Compensation Accounts in accordance with those elections.

XIII. **NO EMPLOYMENT RIGHTS.** Nothing in the Plan shall confer upon any participant any right to continue in the Company's service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company or of the participant, which rights are hereby expressly reserved by each, to terminate the participant's employment at any time for any reason, with or without cause, except to the extent such right is expressly limited by any written employment in effect between the Company and such participant.

XIV. **WITHHOLDING TAXES.** All amounts which become payable under the Plan shall be subject to the Company's collection of all applicable Federal, state and local income and employment taxes required to be withheld therefrom.

XV. **GOVERNING LAW.** The provisions of the Plan shall, to the extent not preempted by the Employee Retirement Income Security Act of 1974, as amended (ERISA), be governed by and construed in accordance with the laws of the State of Hawaii without resort to that State's conflict-of-laws rules.

XVI. **MISCELLANEOUS.**

A. The liabilities and obligations of the Company hereunder shall be binding upon any successor corporation or entity which succeeds to all or substantially all of the assets and business of the Company by merger, purchase or other transaction.

B. All costs and expenses incurred in the administration of the Plan shall be borne by the Company.

XVII. **ARBITRATION.** In the event that a participant should dispute the decision of the Committee with respect to such participant's claimed benefit entitlement under the Plan, such dispute shall be settled by arbitration proceedings conducted in Honolulu, Hawaii in accordance with the applicable rules of the American Arbitration Association. If the parties cannot agree upon the individual to serve as arbitrator, then they shall request the American Arbitration Association to submit a list of five (5) potential arbitrators, and in the absence of any agreement as to which of the named individuals shall serve as arbitrator, each party shall have the right to remove two (2) of the named individuals from the list, and the last remaining individual on the list shall accordingly serve as the arbitrator. Such arbitrator shall have full power and authority to settle the dispute through interpretation and application of the express provisions of the Plan, but shall have no authority to amend, revise or supplement such provisions. The costs of such arbitration shall be shared equally by the Company and the participant, and the decision of the arbitrator shall be final and binding on them.

IN WITNESS WHEREOF, Alexander & Baldwin, Inc. has caused this Plan to be executed by its duly authorized officers, effective January 1, 2005.

ALEXANDER & BALDWIN, INC.

By /s/ Nelson N. S. Chun

Its Senior Vice President

By /s/ Alyson J. Nakamura

Its Secretary

ALEXANDER & BALDWIN, INC.
1998 STOCK OPTION/STOCK INCENTIVE PLAN

NON-QUALIFIED STOCK OPTION AGREEMENT

Discretionary Option Grant Program

AGREEMENT made as of _____, by and between
ALEXANDER & BALDWIN, INC., a Hawaii corporation (the "Company"), and
_____ (the "Optionee").

W I T N E S S E T H:

RECITALS

A. The Company has, with the approval of the shareholders, adopted the Alexander & Baldwin, Inc. 1998 Stock Option/Stock Incentive Plan (the "Plan") for the purpose of providing eligible persons with the opportunity to acquire a proprietary interest, or otherwise increase their proprietary interest, in the Company as an incentive for them to join and/or remain in the service of the Company or its subsidiaries.

B. Optionee is an individual who is to render valuable services to the Company or its subsidiaries, and this Agreement is executed pursuant to, and is intended to carry out the purposes of, the Plan in connection with the Company's grant of a stock option to Optionee.

C. The granted option is intended to be a non-qualified stock option which does not satisfy the requirements of Section 422 of the Internal Revenue Code.

D. For purposes of this Agreement, the following definitions shall be in effect:

Common Stock: Common Stock shall mean the shares of the Company's

common stock, without par value.

Employee: Optionee shall be considered to be an Employee for so

long as such individual remains in the employ of the Company or one or more of its Subsidiaries.

Parent: A corporation shall be deemed to be a Parent of the Company

if it is a corporation (other than the Company) in an unbroken chain of corporations ending with the Company, provided each corporation in the unbroken chain (other than the Company) owns, at the time of the determination, stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

Section 16(b) Insider: Optionee shall be considered to be a Section

16(b) Insider on any relevant date under this Agreement if Optionee is at the time an officer or director of the Company subject to the short-swing profit restrictions of Section 16(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

Service: Optionee shall be deemed to be in the Service of the

Company for so long as Optionee rendered services on a periodic basis to the Company (or any Parent or Subsidiary) in the capacity of an Employee. Optionee shall be deemed to cease such Service immediately upon the occurrence of either of the following events: (i) Optionee no longer performs services in such capacity for the Company (or any Parent or Subsidiary) or (ii) the entity for which Optionee performs such services ceases to remain a Parent or Subsidiary of the Company, even though Optionee may subsequently continue to perform services for that entity. Service shall not be deemed to cease during a period of military leave, sick leave or other personal leave approved by the Company; provided, however, that except to the extent otherwise required by law or expressly authorized by the Plan Administrator or the Company's written leave of absence policy, no Service credit shall be given for vesting purposes under Paragraph 4 of this Agreement for any period Optionee is on a leave of absence.

Subsidiary: A corporation shall be deemed to be a Subsidiary of the

Company if it is a member of an unbroken chain of corporations beginning with the Company, provided each corporation in such chain (other than the last corporation) owns, at the time of determination, stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. The term "Subsidiary" shall also include any partnership, joint venture or other business entity of which the Company owns, directly or indirectly through another subsidiary corporation, more than a fifty percent (50%) interest in voting power, capital or profits.

NOW, THEREFORE, it is hereby agreed as follows:

1. Grant of Option. Subject to and upon the terms and conditions

set forth in this Agreement, the Company hereby grants to Optionee, as of the

date of this Agreement (the "Grant Date"), a stock option to purchase up to _____ shares of Common Stock (the "Optioned Shares") at the price of [the Fair Market Value on the date of this Agreement] per share (the "Option Price").

2. Option Term. This option shall have a maximum term of ten years measured from the Grant Date and shall accordingly expire at the close of business on _____ (the "Expiration Date"), unless sooner terminated in accordance with Paragraph 5 or 7 of this Agreement.

3. Limited Transferability. During the Optionee's lifetime, this option shall be exercisable only by Optionee and shall not be transferable or assignable by Optionee except for a transfer of this option by will or by the laws of descent and distribution following Optionee's death.

4. Exercisability. The option shall become exercisable for the Optioned Shares in a series of three (3) successive equal annual installments, as set forth in the Exercise Schedule below, with the first such installment to become exercisable on the first anniversary of the Grant Date. As the option becomes exercisable for one or more installments, those installments shall accumulate, and the option shall remain exercisable for the accumulated installments until the expiration or sooner termination of the option term. Except as otherwise expressly provided in subparagraph 5(iv) below, the option shall not become exercisable for any additional Optioned Shares following Optionee's cessation of Service.

Exercise Schedule

Number of Optioned Shares	Exercise Date
_____	_____
_____	_____
_____	_____

5. Cessation of Service; Termination of Options. The option term specified in Paragraph 2 shall terminate (and this option shall cease to be exercisable) prior to the Expiration Date should one of the following provisions become applicable:

(i) Except as otherwise provided in subparagraphs (ii) through (vi) below, should Optionee cease to remain in the Service of the Company at any time during the option term, then the period for exercising this option shall be reduced to a three-month period commencing with the date of such cessation of Service. During such three-month period, this option may not be exercised for more than that number of Optioned Shares (if any) for which this option is exercisable at the time of Optionee's cessation of Service. In no event, however, shall this option be exercisable at any time after the Expiration Date.

(ii) If Optionee is a Section 16(b) Insider at the time of cessation of Service, then Optionee shall have a period of six months following such cessation of Service in which to exercise this option for any or all of the Optioned Shares for which this option is exercisable at the time of Optionee's cessation of Service. In no event, however, shall this option be exercised at any time after the specified Expiration Date.

(iii) Should Optionee die while this option is outstanding, then (A) this option, to the extent it is not otherwise at the time fully exercisable, shall automatically accelerate so that such option shall become fully exercisable with respect to the total number of Optioned Shares at the time subject to this option, and (B) the personal representative of Optionee's estate (or the person or persons to whom the option is transferred pursuant to Optionee's will or in accordance with the laws of descent and distribution) shall have the right to exercise this option for any or all of the Optioned Shares. Such right shall lapse, and this option shall cease to be exercisable, upon the earlier of (A) the expiration of the twelve-month period measured from the date of Optionee's death or (B) the Expiration Date.

(iv) Should Optionee retire on or after attaining age fifty-five (55) in accordance with the terms of the Company's retirement plan, or become disabled and cease by reason thereof to remain in the Service of the Company, at any time while this option is outstanding, then Optionee shall have a period of three years (commencing with the date of such retirement or cessation of Service) to exercise this option for (i) any or all of the Optioned Shares for which this option is exercisable at the time of Optionee's retirement or cessation of Service and (ii) any additional Optioned Shares for which the option becomes exercisable during the subsequent three-year period. In no event, however, shall this option be exercised at any time after the Expiration Date. For purposes of this Agreement, Optionee shall be deemed to be disabled if Optionee is, by reason of any medically-determinable physical or mental impairment (A) which is expected to result in death or (B) which is expected to be, or is, of continuous duration of twelve consecutive months or more, unable to perform his/her usual duties for the Company (or any Subsidiary or Parent) employing his/her services.

(v) Should Optionee's Service be terminated for Misconduct, or should Optionee (a) engage in any post-Service activity, whether as an Employee, consultant, advisor, or otherwise, competitive with the business operations of the Company (or any Subsidiary or Parent), or (b) engage in any

other conduct, while in Service or following cessation of Service, materially detrimental to the business or affairs of the Company (or any Subsidiary or Parent), as determined in the sole discretion of the Plan Administrator, then this option shall terminate immediately and cease to be outstanding. Misconduct shall mean the commission of any act of fraud, embezzlement or dishonesty by Optionee, any unauthorized use or disclosure by such person of confidential information or trade secrets of the Company (or any Subsidiary or Parent), or any other intentional misconduct by such person adversely affecting the business or affairs of the Company (or any Subsidiary or Parent) in a material manner. The foregoing definition shall not be deemed to be inclusive of all the acts or omissions which the Company (or any Subsidiary or Parent) may consider as grounds for the dismissal or discharge of any Optionee or other person in the Service of the Company (or any Subsidiary or Parent).

(vi) Except as otherwise expressly provided in subparagraph 5(iv) above, upon Optionee's cessation of Service, this option shall, to the extent it is not otherwise exercisable at the time, for one or more Optioned Shares, immediately terminate and cease to be outstanding with respect to those shares.

6. Adjustment in Optioned Shares.

a. In the event any change is made to the Common Stock by reason of any stock dividend, stock split, combination of shares or other change affecting the outstanding Common Stock as a class without the Company's receipt of consideration, the number and/or class of shares purchasable under this option and the Option Price payable per share shall be adjusted appropriately to prevent the dilution or enlargement of Optionee's benefits hereunder.

b. If this option remains outstanding following any merger or other business combination involving the Company, then this option shall be adjusted appropriately to apply and pertain to the number and class of securities which would have been issuable, in the consummation of such merger or business combination, to an actual holder of Common Stock for the same number of shares as are subject to this option immediately prior to such merger or business combination. Appropriate adjustments also shall be made to the Option Price payable per share; provided, however, that the aggregate Option Price shall remain the same.

7. Acceleration and Cancellation of Options. In the event there

should occur a Change in Control (defined below), then this option, to the extent outstanding at the time, but not otherwise fully exercisable, shall automatically accelerate so that such option shall, immediately prior to the specified effective date of the Change in Control, become fully exercisable for the total number of Optioned Shares at the time subject to this option and may be exercised for all or any portion of such Optioned Shares. Immediately following the consummation of the Change in Control, this option shall terminate and cease to be outstanding, except to the extent assumed by the successor corporation (or parent thereof) or otherwise expressly continued in full force and effect pursuant to the terms of the Change in Control transaction.

"Change in Control" shall mean a change in control of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the 1934 Act, whether or not the Company in fact is required to comply with Regulation 14A thereunder; provided that, without limitation, such a change in control shall be deemed to have occurred if:

(i) any "person" (defined as such term is used in Sections 13(d) and 14(d) of the 1934 Act) is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the 1934 Act), directly or indirectly, of securities of the Company representing 35% or more of the combined voting power of the Company's then outstanding securities;

(ii) at least a majority of the Company's Board of Directors (the "Board") ceases to consist of (a) individuals who have served continuously on the Board since January 1, 2001 and (b) new directors (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least two-thirds of the directors then still in office who shall at that time have served continuously on the Board since January 1, 2001 or whose election or nomination was previously so approved;

(iii) there is consummated a merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any other entity, other than (a) a merger or consolidation immediately following which the individuals who comprise the Board immediately prior thereto constitute at least a majority of the board of directors of the Company, the entity surviving such merger or consolidation or any parent thereof or (b) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no person is or becomes the beneficial owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such person any securities acquired directly from the Company or its affiliates) representing 35% or more of the combined voting power of the Company's then outstanding securities; or

(iv) the shareholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity at least a majority of the board of directors of which or of any parent thereof is comprised of

individuals who comprised the Board immediately prior to such sale or disposition.

Notwithstanding the foregoing, a Change in Control of the Company shall not be deemed to have occurred by virtue of the consummation of any transaction or series of integrated transactions immediately following which the holders of the common stock of the Company immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Company immediately following such transaction or series of transactions.

8. Shareholder Rights. The holder of this option shall have

none of the rights of a shareholder with respect to the Optioned Shares until such individual shall have exercised the option, paid the Option Price and been issued one or more stock certificates for the purchased shares.

9. Manner of Exercising Option.

a. In order to exercise this option for one or more of the Optioned Shares, Optionee (or in the case of exercise after Optionee's death, Optionee's legal representative, executor, administrator, heir or legatee, as the case may be) must take the following actions:

(i) Deliver to the Secretary of the Company, or his/her designee, a written notice of exercise (the "Exercise Notice") in which there is specified the number of Optioned Shares for which the Option is being exercised.

(ii) Pay the aggregate Option Price for the purchased shares in one of the following alternative forms:

full payment in cash or cash equivalents, such as a certified check, bank draft, personal check or postal or express money order made payable to the Company's order; or

full payment in shares of Common Stock held by the Optionee for the required period (if any) necessary to avoid a charge to the Company's earnings for financial reporting purposes and valued at Fair Market Value on the Exercise Date; or

full payment in a combination of the foregoing.

(iii) Furnish to the Company appropriate documentation that the person or persons exercising the option, if other than Optionee, have the right to exercise this option.

b. For purposes of this Agreement, the following definitions shall be in effect:

Exercise Date: The Exercise Date shall be the first date on

which there shall have been delivered to the Company both (I) the Exercise Notice and (II) the payment of the Option Price for the purchased shares.

Fair Market Value: The Fair Market Value of a share of Common

Stock on any relevant date shall be the mean between the highest and lowest selling prices per share of Common Stock on the date in question, as quoted on the NASDAQ National Market (or any successor system). Should the Common Stock become traded on a national securities exchange, then the Fair Market Value per share shall be the mean between the highest and lowest selling prices on such exchange on the date in question. If there is no reported sale of Common Stock on the NASDAQ National Market (or national securities exchange) on the date in question, then the Fair Market Value shall be the mean between the highest and lowest selling prices on the NASDAQ National Market (or such securities exchange) on the last preceding date for which such quotations exist.

c. As soon as practicable after the Exercise Date, the Company shall issue to Optionee (or to the other person or persons exercising this option) a certificate or certificates representing the purchased shares.

d. In no event may this option be exercised for any fractional shares.

10. Compliance with Laws and Regulations.

a. The exercise of this option and the issuance of Optioned Shares upon such exercise shall be subject to compliance by the Company and Optionee with all applicable requirements of law relating thereto and with all applicable regulations of any stock exchange on which shares of the Common Stock may be listed at the time of such exercise and issuance.

b. In connection with the exercise of this option, Optionee shall execute and deliver to the Company such representations in writing as may be requested by the Company in order for it to comply with the applicable requirements of federal and state securities laws.

11. Successors and Assigns. Except to the extent otherwise

provided in Paragraph 3 or 7, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of Optionee and the successors and assigns of

the Company.

12. Non-Liability of Company.

a. If the Optioned Shares covered by this Agreement exceed, as of the Grant Date, the number of shares of Common Stock which may without stockholder approval be issued under the Plan, then this option may not be exercised with respect to any of those excess shares unless and until stockholder approval of an amendment to the Plan sufficiently increasing the number of shares of Common Stock issuable thereunder is obtained in accordance with the provisions of the Plan and shall become void with respect to those excess shares if such stockholder approval is not obtained.

b. The inability of the Company to obtain approval from any regulatory body having authority deemed by the Company to be necessary to the lawful issuance and sale of any Common Stock pursuant to this option shall relieve the Company of any liability with respect to the non-issuance or sale of the Common Stock as to which such approval shall not have been obtained. However, the Company shall use reasonable efforts to obtain all such approvals.

13. No Impairment of Company's Rights. This Agreement shall not in

any way affect the right of the Company to adjust, reclassify, reorganize or otherwise make changes in its capital or business structure or to merge, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets.

14. No Employment or Service Contract. Nothing in this Agreement or

in the Plan shall confer upon Optionee any right to continue in the Service of the Company (or any Subsidiary or Parent employing or retaining Optionee) for any period of time or otherwise interfere with or restrict in any way the rights of the Company (or such Subsidiary or Parent) or Optionee, which rights are hereby expressly reserved by each, to terminate Optionee's Service at any time for any reason whatsoever, with or without cause.

15. Notices. Any notice required to be given or delivered to the

Company under the terms of this Agreement shall be in writing and addressed to the Company in care of the Corporate Secretary or his/her designee at the principal corporate offices at 822 Bishop Street, Honolulu, HI 96813. Any notice required to be given or delivered to Optionee shall be in writing and addressed to Optionee at the address indicated below Optionee's signature line on this Agreement. All notices shall be deemed to have been given or delivered upon personal delivery or upon deposit in the U.S. mail, postage prepaid and properly addressed to the party to be notified.

16. Construction. This Agreement and the option evidenced hereby

are made and granted pursuant to the Plan and are in all respects limited by and subject to the express terms and provisions of the Plan. All decisions of the Plan Administrator with respect to any question or issue arising under the Plan or this Agreement shall be conclusive and binding on all persons having an interest in this option.

17. Tax Withholding.

a. The Company's obligation to deliver shares of Common Stock upon the exercise of this option shall be subject to the satisfaction of all applicable Federal, State and local income and employment tax withholding requirements.

b. Optionee may elect to have the Company withhold, at the time this option is exercised, a portion of the shares purchased under the option with an aggregate Fair Market Value equal to the designated percentage (any multiple of 5% up to 100% as specified by Optionee) of the applicable Federal and State income tax withholding liability incurred by Optionee in connection with the option exercise (the "Withholding Taxes").

Any such exercise of the election must be effected in accordance with the following terms and conditions:

(i) The election must be made on or before the date the amount of the Withholding Taxes incurred by Optionee in connection with the exercise of the option is determined (the "Tax Determination Date").

(ii) The election shall be irrevocable.

(iii) The election shall be subject to the approval of the Plan Administrator, either at the time the election is made or at any earlier time, and none of the shares purchased under the option actually shall be withheld in satisfaction of the Withholding Taxes incurred in connection with the exercise of the option, except to the extent the election is so approved by the Plan Administrator.

(iv) The shares withheld pursuant to the election shall be valued at Fair Market Value on the Tax Determination Date in accordance with the valuation provisions of paragraph 9.b of this Agreement.

(v) In no event may the number of shares of Common Stock requested to be withheld exceed in Fair Market Value the dollar amount of the Withholding Taxes incurred by Optionee in connection with the exercise of the option.

c. Optionee may elect to deliver to the Company, at the time the option is exercised, shares of Common Stock previously acquired by such individual (other than in connection with such option exercise) with an aggregate Fair Market Value equal to the designated percentage (any multiple of 5% up to 100% as specified by Optionee) of the Withholding Taxes incurred by Optionee in connection with the option exercise.

Any such exercise of the election must be effected in accordance with the following terms and conditions:

(i) The election must be made on or before the Tax Determination Date.

(ii) The election shall be irrevocable.

(iii) The election shall be subject to the approval of the Plan Administrator, either at the time the election is made or at any earlier time, and none of the delivered shares shall be accepted in satisfaction of the Withholding Taxes, except to the extent the election is so approved by the Plan Administrator.

(iv) The delivered shares shall be valued at Fair Market Value on the Tax Determination Date in accordance with the valuation provisions of paragraph 9.b of this Agreement.

(v) In no event may the number of delivered shares exceed in Fair Market Value the dollar amount of the Withholding Taxes incurred by the Optionee in connection with the exercise of the option.

18. Governing Law. The interpretation, performance, and enforcement

of this Agreement shall be governed by the laws of the State of Hawaii.

19. Counterparts. This Agreement may be executed in counterparts,

each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed in duplicate on its behalf by its duly authorized officer, and Optionee also has executed this Agreement in duplicate, all as of the day and year indicated above.

ALEXANDER & BALDWIN, INC.

By _____
Its Vice President

Optionee

Address:

RESTRICTED STOCK ISSUANCE AGREEMENT

AGREEMENT made as of _____, by and between ALEXANDER & BALDWIN, INC., a Hawaii corporation (the "Corporation"), and _____ (the "Participant").

All capitalized terms in this Agreement shall have the meaning assigned to them in this Agreement or in the Corporation's 1998 Stock Option/Stock Incentive Plan, as amended (the "Plan").

A. ISSUANCE OF SHARES

1. Issuance. In consideration for Services and as an incentive to

remain in the Service of the Corporation (or any Parent or Subsidiary), the Participant shall be issued _____ shares (the "Issued Shares") of common stock of the Corporation (the "Common Stock") pursuant to the provisions of the Stock Issuance Program of the Plan. The Issued Shares shall have an issue price per share equal to the Fair Market Value per share of Common Stock on the date of this Agreement, which is \$_____ per share. The Issued Shares shall be unvested and shall be subject to cancellation under the terms described in Paragraph C.2 hereof.

2. Stockholder Rights. Until such time as the Issued Shares vest

pursuant to the provisions of Paragraph C.1 hereof, the Participant shall have all the rights of a stockholder (including voting, dividend and liquidation rights) with respect to the Issued Shares, subject, however, to the restrictions and conditions of this Agreement.

3. Escrow. The Corporation shall hold the Issued Shares in escrow

until those shares have vested in accordance with the vesting schedule described in Paragraph C.1 hereof. The Issued Shares which so vest shall be released from escrow upon the Participant's payment to the Corporation of the federal and state income and employment withholding taxes to which the Participant becomes subject by reason of the Participant's vesting in the Issued Shares.

4. Compliance with Law. Under no circumstances shall shares of

Common Stock be issued or delivered to the Participant pursuant to the provisions of this Agreement unless there shall have been compliance with all applicable requirements of Federal and state securities laws, all applicable listing requirements of the Nasdaq National Market or any successor system and all other requirements of law or of any regulatory bodies having jurisdiction over such issuance and delivery.

B. TRANSFER RESTRICTIONS

1. Restriction on Transfer. The Participant shall not transfer,

assign, encumber or otherwise dispose of any of the Issued Shares which are subject to the cancellation provisions of Paragraph C.2 hereof.

2. Restrictive Legend. The stock certificate(s) for unvested

Issued Shares shall be endorsed with the following restrictive legend:

"THIS CERTIFICATE AND THE SHARES REPRESENTED HEREBY HAVE BEEN ISSUED PURSUANT TO THE PROVISIONS OF THE STOCK ISSUANCE PROGRAM OF THE ALEXANDER & BALDWIN, INC. 1998 STOCK OPTION/STOCK INCENTIVE PLAN, AS AMENDED ("PLAN") AND ARE SUBJECT TO CANCELLATION BY THE CORPORATION, UPON THE TERMS AND CONDITIONS SPECIFIED IN A WRITTEN AGREEMENT DATED AS OF _____ BETWEEN THE CORPORATION AND THE REGISTERED HOLDER OF THE SHARES. A COPY OF SUCH AGREEMENT IS MAINTAINED AT THE CORPORATION'S PRINCIPAL CORPORATE OFFICES. WHILE SUCH CANCELLATION RIGHT IS IN EFFECT, THE CERTIFICATE AND THE SHARES REPRESENTED HEREBY MAY NOT BE SOLD, TRANSFERRED, ASSIGNED OR PLEDGED."

C. VESTING/CANCELLATION OF THE ISSUED SHARES

1. Vesting. The Issued Shares shall initially be unvested and

subject to cancellation in accordance with the provisions of Paragraph C.2 hereof. The following vesting schedule shall be in effect for the Issued Shares:

One third (33.3%) of the Issued Shares shall vest in three (3) successive equal annual installments upon Participant's completion of each year of Service over a three-year period measured from the date of this Agreement; provided, however, that any unvested shares shall automatically vest upon the occurrence of:

(i) the Participant's normal retirement (age 65) or approved early retirement (age 55 plus 5 years Service), or

(ii) the Participant's termination of Service by reason of death or Permanent Disability.

Upon vesting, the Participant shall acquire a fully-vested interest in, and the transfer restrictions of Paragraph B hereof and the cancellation provisions of Paragraph C.2 hereof shall terminate with respect to, the vested Issued Shares.

For purposes of the vesting provisions of this Paragraph C.1, Service shall mean the Participant's performance of services for the Corporation (or any Parent or Subsidiary) in the capacity of an Employee or a non-employee member of the board of directors of any Subsidiary. Participant shall be deemed to cease such Service immediately upon the occurrence of either of the following events: (i) Participant no longer performs services in any of the foregoing capacities for the Corporation (or any Parent or Subsidiary) or (ii) the entity for which Participant performs such services ceases to remain a Parent or Subsidiary of the Corporation, even though Participant may subsequently continue to perform services for that entity. Service shall not be deemed to cease during a period of military leave, sick leave or other personal leave approved by the Corporation; provided, however, that except to the extent otherwise required by law or expressly authorized by the Plan Administrator or the Corporation's written leave of absence policy, no Service credit shall be given for vesting purposes for any period the Participant is on a leave of absence.

2. Cancellation of Issued Shares. Should the Participant cease

Service for any reason prior to the completion of the vesting schedule described in Paragraph C.1 hereof, then all of the unvested Issued Shares shall be immediately cancelled, and the stock certificates for those Issued Shares shall be immediately cancelled, without any cash or other payment due from the Corporation with respect to the cancelled Issued Shares, and the Participant shall no longer be entitled to any rights as a stockholder with respect to those shares or to any other entitlement or interest with respect to such shares.

3. Recapitalization. Any new, substituted or additional securities

or other property (including cash paid other than as a regular cash dividend) which the Participant might have the right to receive with respect to unvested Issued Shares by reason of any stock dividend, stock split, recapitalization, combination of shares, exchanges of shares or other change affecting the outstanding Common Stock as a class without the Corporation's receipt of consideration, shall be issued subject to the cancellation provisions and the escrow requirements hereunder.

4. Change in Control. In the event of a Change in Control during

the Participant's period of Service, then the cancellation provisions of Paragraph C.2 hereof shall lapse in their entirety, and the Issued Shares shall vest in full.

D. GENERAL PROVISIONS

1. At Will Employment. Nothing in this Agreement or in the Plan

shall confer upon the Participant any right to continue in Service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Corporation (or any Subsidiary employing or retaining the Participant) or of the Participant, which rights are hereby expressly reserved by each, to terminate the Participant's Service at any time for any reason, with or without cause.

2. Notices. Any notice required to be given under this Agreement

shall be in writing and shall be deemed effective upon personal delivery or upon deposit in the U.S. mail, registered or certified, postage prepaid and properly addressed to the party entitled to such notice at the address indicated below such party's signature line on this Agreement or at such other address as such party may designate by ten (10) days advance written notice under this paragraph to all other parties to this Agreement.

3. No Waiver. No waiver of any breach or condition of this

Agreement shall be deemed to be a waiver of any other or subsequent breach or condition, whether of like or different nature.

4. Cancellation of Shares. Should the cancellation provision

contained in Paragraph C.2 hereof become applicable in connection with the Participant's termination of Service, then from and after that time, the person from whom such shares are to be cancelled shall no longer have any rights as a holder of such shares. Such shares shall be deemed cancelled in accordance with the applicable provisions hereof, and the Corporation shall be deemed the owner and holder of such shares, whether or not the certificates therefor have been delivered to the Corporation.

5. Participant Undertaking. The Participant hereby agrees to take

whatever additional action and execute whatever additional documents the Corporation may deem necessary or advisable in order to carry out or effect one or more of the obligations or restrictions imposed on either the Participant or the Issued Shares pursuant to the provisions of this Agreement.

6. Agreement and Plan Constitute Entire Contract. This Agreement

and the Plan constitute the entire contract between the parties hereto with

regard to the subject matter hereof. This Agreement is made pursuant to the provisions of the Plan and shall in all respects be construed in conformity with the terms of the Plan.

7. Governing Law. This Agreement shall be governed by, and

construed in accordance with, the laws of the State of Hawaii without resort to that State's choice of law rules.

8. Counterparts. This Agreement may be executed in counterparts,

each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

9. Successors and Assigns. The provisions of this Agreement shall

inure to the benefit of, and be binding upon, the Corporation and its successors and assigns.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first indicated above.

ALEXANDER & BALDWIN, INC.

By _____
Its Vice President

Participant

Address:

THIS AMENDMENT NO. 3 TO SHIPBUILDING CONTRACT is made as of July 7, 2006 by and between AKER PHILADELPHIA SHIPYARD, INC., a corporation organized under the laws of Pennsylvania, having its principal office at 2100 Kitty Hawk Avenue, Philadelphia, PA 19112 (the "BUILDER") and MATSON NAVIGATION COMPANY, INC., a corporation organization under the laws of Hawaii, having its principal office at 555 12th Street, Oakland, CA 94607 (the "BUYER").

R E C I T A L S

WHEREAS, the parties entered into that certain Shipbuilding Contract dated as of February, 14, 2005 for the purchase of one (1) CV 2500 type container vessel, designated as Builder's Hull No. BN 460 (the "Shipbuilding Contract"); and

WHEREAS, the parties wish to amend the Shipbuilding Contract to reflect certain agreements as to priority work remaining to be performed on the Vessel and their status upon delivery of the Vessel.

NOW, THEREFORE, in consideration of the foregoing premises, and for other good and valuable consideration, the receipt and adequacy of which are acknowledged, the parties hereby agree as follows:

1. ARTICLE VII, 2, second paragraph, of the Shipbuilding Contract shall be deleted and the following paragraphs substituted therefor:

The BUYER shall take delivery of the VESSEL if it is substantially complete. The VESSEL shall not be deemed to be "substantially complete" if the aggregate value of the delivery deficiencies excluding those items of work as provided in the next paragraph is in excess of ONE MILLION DOLLARS (\$1,000,000.00) or if any of the items identified as required for delivery in Exhibit 1A are not completed.

2. The BUYER and the BUILDER also agree as follows:

a. The BUYER and the BUILDER have agreed that:

(i) The items of work listed in Exhibit 1B constitute priority work items that must be completed by the BUILDER before the VESSEL sails (the "Sailing Work"); and if the VESSEL is delivered without any of such work items having been completed delivery of the Vessel will proceed, but the remaining items will be included in Exhibit 1 to the PROTOCOL OF DELIVERY AND ACCEPTANCE and no funds will be released from the related escrow fund holdback for any work until all Exhibit 1B items are completed or the Vessel sails.

(ii) BUYER has prepared a list of deficiency items and has identified among the deficiencies the work items that BUYER desires to have completed prior to sailing. A list of second priority items is attached as Exhibit 1C (the "Second Priority Sailing Work"). If the VESSEL is delivered without such work items having been completed, the remaining items will be included in Exhibit 1 to the PROTOCOL OF DELIVERY AND ACCEPTANCE and funds will be released as work on such items is completed provided the precondition to payment in (i) above is satisfied.

(iii) BUYER and BUILDER have entered into two change orders for modifications to the galley area, COA-44 and 44b, that were anticipated to be completed by BUILDER after delivery but before sailing of the Vessel (the "Galley Modifications"). BUYER has also provided BUILDER with a list of additional items of work as described in Exhibit 1D (the "Additional Work") that BUYER has requested that BUILDER complete under the Agreement Concerning Post Delivery Work prior to sailing.

(iv) BUYER's planned sailing of the Vessel is now scheduled for August 5, 2006. BUILDER will provide BUYER by July 11, 2006 with a Production Schedule detailing completion of the Sailing Work, the Second Priority Sailing Work, the Galley Modifications and the Additional Work prior August 5, 2006. The Production Schedule must include the following details: estimated major milestones for galley completion, estimated compartment completion of accommodations by deck, estimated completion of open test memos by test memo and estimated final completion date for Vessel departure. Except as provided in (i) and (ii) above and in COA-44 and 44b, payment for such work to be paid as completed. Additional details regarding payment for such work, as well as other matters relating to the Post Delivery availability period contemplated herein shall be set forth in a separate Agreement Concerning Post Delivery Work to be executed at delivery.

b. The BUYER will accept the BUILDER'S force majeure claim of 54 days relating to the late delivery of the main engine and to change the Contract Delivery Date from May 7, 2006 to June 30, 2006.

c. For the purpose of calculating interest pursuant to ARTICLE II, 1, c, the date for the "Float out of the Vessel" shall be May 10, 2006.

d. The BUYER will commit on July 7, 2006 with its lender to have funds available for the planned Vessel delivery on July 12, 2006. If

the Vessel is not or cannot be delivered on July 12, 2006 either because of the Vessel is not substantially complete in accordance with the requirements of ARTICLE VII, 2 of the Shipbuilding Contract or because of any other actions or failures of the BUILDER, then the BUILDER will pay the breakage costs actually incurred by the BUYER to its lender.

3. No Additional Changes Except as otherwise herein expressly

provided, all other provisions of the Shipbuilding Contract shall remain in full force and effect.

4. Counterparts. The Amendment may be executed in any number of

counterparts, each of which shall be deemed to be an original and all of which when taken together shall constitute one and the same instrument. Delivery of an executed counterpart by facsimile or electronic transmission will be deemed as effective as delivery of an originally executed counterpart.

IN WITNESS WHEREOF, the parties have duly executed this Amendment No. 3 to Shipbuilding Contract as of the date first set forth.

AKER PHILADELPHIA SHIPYARD, INC.

By: /s/ David E. Meehan

 David E. Meehan
 Title: President and CEO

MATSON NAVIGATION COMPANY, INC.

By: /s/ K. C. O'Rourke

 K. C. O'Rourke
 Title: Senior Vice President

Exhibit 1A

MAUNALEI - DELIVERY REQUIREMENTS

USCG WORKLIST ITEMS
 7 JULY 2006

- | No. | DESCRIPTION |
|-----|--|
| --- | ----- |
| 1. | Show proper operation of OWS, and post pollution placard. |
| 2. | Show proper operation of Water Mist system. |
| 3. | Ensure G/A alarm, enunciators, is working properly, non-volume controlled. |

WORKLIST ITEMS TO BE COMPLETED PRIOR TO DELIVERY
 3 JULY 2006

REFERENCE DOC.	ITEM #	DESCRIPTION
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4. UNFINISHED WORK ITEMS	178	Replace damaged monorail crane cable
5. UNFINISHED WORK ITEMS	232	Ballast System TLE's Tks 1.04&1.05
6. UNFINISHED WORK ITEMS	267	Prove Bilge Suctions to three valve nitches
7. TEST MEMO STATUS #460	C1	ALFAL LAVAL SEPARATORS
8. TEST MEMO STATUS #460	C18	FIXED WATER MIST FIRE EXTINGUISHING
9. TEST MEMO STATUS #460	C21	BILGE WATER SEPARATOR
10. TEST MEMO STATUS #460	C32	GA\PA SYSTEM

Exhibit 1B

MAUNALEI - SAILING REQUIREMENTS

USCG WORKLIST ITEMS
7 JULY 2006

1. Relocate lower level E/R hose reel closer to hydrant.
2. Provide G/A alarm and siren in #5 hold.
3. Install a red light/lens on SSDG room for the G/A alarm.
4. Provide adequate protective covering on the back of the main electrical switch board.
5. Provide the following documents; Stability letter, ISM manuals, COFR, COD, life raft certificates, loading manual, SOPEP, VRP.
6. Demonstrate proper operation of Emergency lighting in all cargo holds. Correct discrepancies as indicated on inspection record DTD 26 Jun 1006.

GL WORKLIST ITEMS -
7 JULY 2006

No.	DESCRIPTION
---	-----
1.	Water Mist System to complete and re-test outstanding items.
2.	Outstanding certificates for Equipment to supply.
3.	Inclining Experiment to undertake and Stability Booklet to compile and have approved by GL.
4.	Steam Lines and Flanges to complete insulation.
5.	Completion of all outstanding Blue Marks to be undertaken.
6.	Completion of all outstanding inspections, (especially electrical cabling).
7.	LT FW Pumps overheating and overloading, (140/142 Amp; 68C) to rectify.
8.	ME LO Pump E-Motor Temp at 70C to advise or rectify.
9.	SW P/Ps vibration to cure
10.	LT P/Ps vibration to cure.
11.	Boiler Gauge Glasses visibility from control stand to enhance.
12.	Provide approved inclining results
13.	Stbd Emergency exit hatch facing wrong way, to be refitted.
14.	Drains condenser continuous water hammer to be cured.
15.	Cabling installation to be completed, (properly secured, seperated, laid).
16.	Bridge wing consoles, gyro repeaters and aerials vibrations to cure.
17.	Vibration and noise issues exceeding acceptable limits as per GL Consultants report to rectify.

Exhibit 1C

MAUNALEI - SECOND PRIORITY SAILING ITEMS

No.	DESCRIPTION
---	-----
19	Cable splice FR 120
20	Cable splice FR 80
24	Cable temp sensor TK 8 no loop.
35	Cable Splices over LO purifiers
41	CH 4 No separation of control & power cables
42	Armored cables feeding LTFW not grounded.
48	Loose Cables Purifier area.
55	Intrinsicly safe cables - traced in blue.
61	Install rudder post locking device properly.
65	Ballast Tks 1.06&1.07 burn marks in tk-coat
66	Lashing Rod for Monorail Crane
69	Missing PA/GA Horns in CH 5
77	Handrail on P&S platforms @ FR 211
78	SW Overboard Valve From LT Coolers
81	Cargo Hold 2 Cable Separation
82	Main Swbd Loose and Uninsulated Cable
83	Fuel Pipe Heat Trace System
84	Ungrounded Cable Shields Cargo Hold 2
86	Cables too close to heat trace lines.
90	Bridge Batteries
91	Bridge Battery Bank Wiring
94	230V Transformer Cables
97	Main LO Pump Cable - Deck Penetration
99	Electrical Cable Termination
104	Identify and Repair Exposed Cable
105	Properly Splice Cable
112	Remove Excessive Cable
128	Complete Insulation No. 4 Cargo Hold
139	Install Missing Handrail No. 1 Cargo Hold
146	Install missing handrails and caps No 2 CH
150	Install Missing Elec Receptacle
151	Install Missing Elec Receptacle
152	Install Missing Elec Receptacle
153	Install Missing Elec Receptacle
154	Install Missing Elec Receptacle
155	Install Missing Elec Receptacle
156	Install Missing Elec Receptacle
158	Install Missing Elec Receptacle
167	Bow Thruster Cable Chafing
168	Fan E33 Control Circuit Wiring
172	Escape Trunk PT100 Cable Installation
173	Escape Trunk Wiring Support
174	Electric Cable Termination

176 Replace broken hatch indicator switch
178 Replace damaged monorail crane cable
182 Cable Termination 5th deck E room
183 Cable Termination 5th deck E room
184 Cable Termination under Main Swbd
191 Securing of UPS Unit
193 Steering Gear Control Panel Wiring
196 MCT packing under main switchboard
214 Repair Navtex receiver
216 Install missing vessel name boards
218 Repair Gyro Failure Alarm
220 Steam Dump Condenser
221 Repair No. 1 and 2 LT Cooling Pumps
222 Repair Leak on No 1 HFO Separator
226 Replace seals on No. 1&2 Boiler Feed Pump
228 Scavenge Air Drain Tank Relief Valve Piping
229 Replace HVAC Gages
230 Main Engine Exhaust Leak
231 Boiler Exhaust Piping Vibration
232 Ballast System TLE's Tks 1.04&1.05
239 SW Coolers Inlet Thermometers
241 HT Cooling Pipe Support
248 DG Booster Pump Change Over Controls
250 Main SW Strainers
252 Main Engine Turning Gear Motor
254 Main Engine Cyl No.6 Ex. Valve Drain valve
256 Evap Fill Valve to Double Bottom
257 Main Engine CW Vent Piping Support
259 Diesel Gen No.1&2 Turbo outlet Thermometer
263 Main Engine Exhaust Line Supports
290 Steering Gear Flat Handrail
291 Steering Gear Flat Chafing
294 CO2 Piping Hanger
297 Fire Main Hanger
310 Main Deck Penetration
311 Exterior Main Deck Penetration
313 Exterior Main Deck Penetration
314 Exterior Main Deck Penetration
324 Exterior Main Deck Missing Locking Clips
327 Exterior Main Deck Hatch Cover Dogs
331 Exterior Main Deck Leak
353 Diesel Generator Control Cable Support
355 Rescue Boat Heater Indicator Lamp
360 Heeling Pump Junction Box
361 Bridge Control Console Chafing
362 Bridge Radio/GMDSS Console Chafing
377 Deck Containment and Funnel
381 Tank and Bilge Well Cleaning
382 Main & Emergency Fire Pump Controls
385 Securing of Cables on Open Decks
393 SLOPS Disposal 60 tons
398 Remove FO Manhole Cover Handles #4Cargo
399 Install Missing Handrail No. 4 Cargo Hold
400 Replace missing/broken term guardsDBC4
403 Presentation of Machinery Spart Parts for Ver
404 Cable Separation DB2 Platform Deck
405 Cable Separation DB2 Platform Deck
406 Repair Power On Light in Reefer Panel DBC4
408 Flying Bridge floodlight conduit support port
411 Bridge Control & GMDSS frame grounding
412 House Heads drains & vents/Sewage smell
413 Replace missing/broken term guardsDBC3
414 Properly Terminate cables in 5th deck Eroom
417 Cable Separation from heat source Fr 20 port
419 Cable Separation from heat source Fr 20 port
420 Correct Cable Chafing FR 18 Stbd Side
421 Properly Terninate cable in fire control room
425 Weekly Item List Feb16-2 Valve Niche Exh.
426 Weekly Item List Feb 16-8 Tank 1,05 Clean
428 Weekly Item List Mar30-5 Automation Wiring
431 Weekly Item List Apr13-7 Sun Awning
432 Weekly Item List Apr 27-7 Ssplice As built
435 Weekly Item List May18-3 LO Pump Elec.
436 Correct Wiring Jumper on Circuit X15 in DB1
437 Correct Wiring for oil residue pump in DB1
438 Locate splice at FR 170 stbd side in J Box
439 Correct Chafing at FR81 stbd void in ovrhd
440 Properly pack MCT in room 513
442 Correct Chafing on foremast aft of breakwater
443 Properly terminate cables in EngRmEscape
444 Install explosion proof plug in Paint Locker
445 Weekly Item List May25-2 Purifier sensors
451 Fill Open Chicklet in lower ER
454 Fair warped 2nd deck of ER
455 Repair leaking flange FR 10 stbd
456 Repair leaking flange on top of cyl LO tank
457 Connect RTD FR22 stbd
461 Weld pipe hanger above Gen #4
464 Weld pipe hanger above Gen #2
465 Grind Weld seams on Gen flat trollies
466 Install missing pipe hanger above Gen #2
469 Refit lifting beam above inbd air compressor
470 Complete missing structural weld
472 Weld dosing unit at platform deck
474 Provide access or reach rod to sewage valve
476 Provide safe access to steam manifold valves

477 Degrease and clean purifier area
 478 Replace cracked brass water valve HFO pur.
 479 Clear blocked drain near MDO purifier
 481 Clear blocked deck drain near air compressor
 484 Install missing step in void FR 11
 485 Reweld three CO2 hangers FR 14 stbd
 487 Secure tachometer mount on main engine
 489 Weld hanger to tank top in shaft alley
 490 Weld hanger in shaft alley
 492 Weld hanger in shaft alley
 493 Add hanger to tubing in shft alley
 494 Clear blocked drain near dirty oil pump
 499 Repair leaking pneumatic valve
 500 Weld 3 tubing hangers ER bilge
 502 Repair leaking FO fitting ER bilge
 503 Weld pipe hanger in ER bilge
 504 Install hanger cap in ER bilge
 505 Weld out pump and catwalk foundation ER
 506 Provide access to valve on feed water fill pump
 507 Weld cap on kick pipe ER bilge
 510 Provide lint trap main laundry
 512 Properly mount fire detector fwd of boiler
 513 Replace missing watch duty reset button
 516 Install missing handrail safety chain FR 211
 517 Install missing handrail Cargo Hold No. 4
 518 Weld Out Cable Tray Support in 1st dk eroom
 519 Weld Out handrails near treatment rm 2nd dk
 521 Replace and Demonstrate Valve Niche Elec.
 522 Repair Fire Fighting Pump off lights in console
 523 Secure Microprocessor & UPS - Ship' office
 524 Replace Temporary Choker on Compass
 525 Properly terminate cable under DG4 alternator
 526 Install hanger on boiler HFO return line
 527 Install cable to PT100sensor for Tank 5.01
 BLUE MARK INSPECTION DB 3629 FIRE DETECTION SYSTEM
 BLUE MARK INSPECTION DB 3665 QUICK CLOSING VALVE\FIRE DAMPERS

Exhibit 1D

MAUNALEI - ADDITIONAL WORK ITEMS

Item No.	Description
1	Remove existing shelving, install foundations and Lista Cabinets
2	Prefabricate and install foundations, and install Lista cabinets
3	Prefabricate and install foundations, and install Lista cabinets
4	Wire in additional ME sensor points to monitoring system
5	Install 28 cylinder exhaust temperature sensors and rails, wire into monitoring system
6	Install Kyma shaft horsepower meter
7	Marinfloc OWS piping requirements & wiring
8	Install PMI system on ME
9	Modify piping to connect into MDO system
10	Install sink and drinking fountain
11	Modify 28 lashing bar brackets Main deck
12	Furnish and install turnbuckle bins in bson store
13	Paint hatch cover sockets
14	Install accordion door between officer/duty mess
15	Hand rails on aft end of stack exhaust deck
16	2 Pilot ladder stowage boxes on main deck
17	Matson gangway platforms Port & Stbd
18	Cascade air bottle system
19	Remove/relocate deck ladders
20	Install lashing bar bins in-between hatches
21	Install 3 keyless entry security locks
22	Mounting bracket for Billy Pugh on house blkhd
23	Security bars on coaming openings
24	Lista cabinet foundations
25	Piping for livestock feed water
26	Install safety wire for port and stbd gangway
27	Upper Foremast safety cage on ladder
28	Door installation to "Suez Talley office"
29	Land line for cargo operations

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, Chairman and
Chief Executive Officer

Date: July 28, 2006

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,
Chief Financial Officer and Treasurer

Date: July 28, 2006

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 June 30, 2006, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), W. Allen Doane, as Chairman and Chief Executive Officer of the Company, and Christopher J. Benjamin, as Senior Vice President, Chief Financial Officer and Treasurer 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: Chairman and Chief Executive Officer
Date: July 28, 2006

/s/ Christopher J. Benjamin

Name: Christopher J. Benjamin
Title: Senior Vice President, Chief Financial Officer and Treasurer
Date: July 28, 2006