

ALEXANDER & BALDWIN, INC.
 COMPUTATION OF EARNINGS PER SHARE
 (In thousands, except per share amounts)

	Three Months Ended March 31	
	2001	2000
	----	----
Basic Earnings Per Share		

Net income	\$ 22,434	\$ 26,431
	=====	=====
Average number of shares outstanding	40,508	42,131
	=====	=====
Basic earnings per share	\$ 0.55	\$ 0.63
	=====	=====
Diluted Earnings Per Share		

Net income	\$ 22,434	\$ 26,431
	=====	=====
Average number of shares outstanding	40,508	42,131
Effect of assumed exercise of outstanding stock options	302	--
	-----	-----
Average number of shares outstanding after assumed exercise of outstanding stock options	40,810	42,131
	=====	=====
Diluted earnings per share	\$ 0.55	\$ 0.63
	=====	=====

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

The condensed financial statements and notes for the first quarter of 2001 and 2000 are presented below:

ALEXANDER & BALDWIN, INC. AND SUBSIDIARIES
CONDENSED STATEMENTS OF INCOME
(In thousands except per share amounts)

	Three Months Ended March 31,	
	2001	2000
	----	----
	(unaudited)	
Revenue:		
Operating revenue	\$ 272,786	\$ 228,565
Interest and dividends	3,058	3,660
	-----	-----
Total revenue	275,844	232,225
	-----	-----
Costs and Expenses:		
Costs of goods sold, services and rentals	210,335	183,379
Selling, general and administrative	24,944	21,793
Interest	5,779	5,347
Income taxes	12,352	7,525
	-----	-----
Total costs and expenses	253,410	218,044
	-----	-----
Income Before Cumulative Effect of Change in Accounting Method	22,434	14,181
Cumulative Effect of Change in Accounting Method for Drydocking Costs (net of income taxes of \$7,668, Note d)	--	12,250
	-----	-----
Net Income	\$ 22,434	\$ 26,431
	=====	=====
Basic and Diluted Earnings Per Share:		
Before cumulative effect of accounting change	\$ 0.55	\$ 0.34
Accounting change (Note d)	--	0.29
	-----	-----
Net income	\$ 0.55	\$ 0.63
	=====	=====
Dividends Per Share	\$ 0.225	\$ 0.225
Average Number of Shares Outstanding	40,508	42,131

ALEXANDER & BALDWIN, INC. AND SUBSIDIARIES
INDUSTRY SEGMENT DATA, NET INCOME
(In thousands)

	Three Months Ended March 31,	
	2001	2000
	----	----
	(unaudited)	
Revenue:		
Ocean Transportation	\$ 196,609	\$ 200,225

Property Development and Management:		
Leasing	17,096	14,518
Sales	43,084	3,052
Food Products	18,198	13,666
Other	857	764
	-----	-----
Total revenue	\$ 275,844	\$ 232,225
	=====	=====
Operating Profit, Net Income:		
Ocean Transportation	\$ 17,455	\$ 19,893
Property Development and Management:		
Leasing	8,740	7,184
Sales	12,216	701
Food Products	5,105	2,068
Other	840	709
	-----	-----
Total operating profit	44,356	30,555
Interest Expense	(5,779)	(5,347)
Corporate Expenses	(3,791)	(3,502)
	-----	-----
Income Before Taxes and Accounting Change	34,786	21,706
Income Taxes	(12,352)	(7,525)
	-----	-----
Income Before Accounting Change	22,434	14,181
Cumulative Effect of Accounting Change	--	12,250
	-----	-----
Net Income	\$ 22,434	\$ 26,431
	=====	=====

ALEXANDER & BALDWIN, INC. AND SUBSIDIARIES
CONDENSED BALANCE SHEETS
(In thousands)

	March 31, 2001 ----- (unaudited)	December 31, 2000 -----
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 3,311	\$ 3,451
Accounts and notes receivable, net	127,380	141,553
Inventories	27,929	17,137
Real estate held for sale	23,756	19,324
Deferred income taxes	13,211	13,186
Prepaid expenses and other assets	12,547	18,736
Accrued deposits to Capital Construction Fund	(4,795)	(4,520)
	-----	-----
Total current assets	203,339	208,867
	-----	-----
Investments	164,743	183,141
	-----	-----
Real Estate Developments	52,347	62,628
	-----	-----
Property, at cost	1,841,929	1,808,194
Less accumulated depreciation and amortization	867,092	853,502
	-----	-----
Property - net	974,837	954,692
	-----	-----
Capital Construction Fund	152,814	150,405
	-----	-----
Other Assets	110,199	106,279
	-----	-----
Total	\$1,658,279	\$1,666,012
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Notes payable and current portion of long-term debt	\$ 22,500	\$ 30,500
Accounts payable	54,728	63,075
Other	55,228	59,431
	-----	-----
Total current liabilities	132,456	153,006
	-----	-----
Long-term Liabilities:		
Long-term debt	335,288	330,766
Post-retirement benefit obligations	44,449	44,752
Other	57,035	56,698
	-----	-----
Total long-term liabilities	436,772	432,216
	-----	-----
Deferred Income Taxes	384,661	387,139
	-----	-----
Shareholders' Equity:		
Capital stock	33,367	33,248
Additional capital	64,678	58,007
Unrealized holding gains on securities	54,339	61,937
Retained earnings	563,976	552,637
Cost of treasury stock	(11,970)	(12,178)
	-----	-----
Total shareholders' equity	704,390	693,651
	-----	-----
Total	\$1,658,279	\$1,666,012
	=====	=====

ALEXANDER & BALDWIN, INC. AND SUBSIDIARIES
CONDENSED STATEMENTS OF CASH FLOWS
(In thousands)

	Three Months Ended	
	March 31,	
	2001	2000
	----	----
	(unaudited)	
Cash Flows from Operating Activities	\$ 36,860	\$ 22,101
	-----	-----
Cash Flows from Investing Activities:		
Capital expenditures	(25,551)	(19,034)
Capital Construction Fund, net	(2,409)	1,113
Other	174	1,076
	-----	-----
Net cash used in investing activities	(27,786)	(16,845)
	-----	-----
Cash Flows from Financing Activities:		
Proceeds from issuances of long-term debt	4,500	34,500
Payments of debt, net	(8,000)	(7,500)
Proceeds from issuances of capital stock	3,409	--
Repurchases of capital stock	--	(20,260)
Dividends paid	(9,123)	(9,529)
	-----	-----
Net cash used in financing activities	(9,214)	(2,789)
	-----	-----
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (140)	\$ 2,467
	=====	=====
Other Cash Flow Information:		
Interest paid, net of amounts capitalized	\$ 6,095	\$ 5,197
Income taxes paid, net of refunds	24	821
Other Non-cash Information:		
Accrued deposits to (withdrawals from) Capital Construction Fund, net	275	(351)
Depreciation	18,030	17,111
Tax-deferred property sales	30,470	--
Tax-deferred property purchases	26,784	--
Change in unrealized holding gains	(7,598)	711

FINANCIAL NOTES
(Unaudited)

- (a) The condensed balance sheet as of March 31, 2001 and the condensed statements of income and of cash flows for the three months ended March 31, 2001 and 2000 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, but in the opinion of management, all material adjustments necessary for the fair presentation of interim period results have been included in the interim financial statements.
- (b) Estimated effective annual income tax rates differ from statutory rates, primarily due to the dividends-received deduction, various tax credits and the charitable donation of appreciated stock.
- (c) The Company's total non-owner changes in shareholders' equity consist of net income, adjusted for unrealized holding gains (losses) on securities (other comprehensive income). On this basis, comprehensive income for the three months ended March 31, 2001 and 2000 was \$14,836,000 and \$27,142,000, respectively.
- (d) The cumulative effect of an accounting change in the first quarter of 2000 related to the treatment of vessel drydocking costs. The Company changed its method of accounting for these costs from the accrual method to the deferral method. Drydocking costs had been accrued as a liability and an expense on an estimated basis, in advance of the next scheduled drydocking. Under the deferral method, actual drydocking costs are capitalized when incurred and amortized over the period benefited. This change was made to conform with prevailing industry accounting practices. The cumulative effect of this accounting change, as of January 1, 2000, is shown separately in the condensed statements of income and resulted in income of \$12,250,000 (net of income tax expense of \$7,668,000), or \$0.29 per share.

The effect of this change in accounting method as of January 1, 2000, on the condensed balance sheets, was to increase other assets by \$4,765,000, eliminate drydocking reserves of \$15,153,000, increase deferred taxes by \$7,668,000, and increase total shareholders' equity by \$12,250,000.

- (e) Investments and Subsequent Events: As of May 10, 2001, the Company had divested its holdings in Pacific Century Financial Corporation ("Pacific Century") (NYSE:BOH). This was completed through the sales, in April and May, of 749,000 shares of the stock for \$16,200,000 and the donations, in January and March, of 360,000 shares to the Company's charitable foundation. The fair value of the donated stock was \$7.5 million and the historical cost basis of the donated shares was approximately \$500,000. The net expense related to this contribution of \$500,000 is included in the 2001 first quarter financial statements (Selling, General and Administrative Expense in the Condensed Statements of Income, and in Corporate Expenses in the Industry Segment Data.) The after-tax gain on the sale of the Pacific Century stock was approximately \$9.4 million, or \$0.23 per share. This gain will be reflected in the Company's 2001 second quarter financial results.

On May 7, 2001, BNP Paribas SA, France's largest bank, announced that, subject to regulatory, shareholder and other approvals, it would purchase the remaining 55 percent of BancWest Corporation ("BancWest") (NYSE:BWE) which it doesn't already own. This offer was 40 percent higher than the market price of BancWest's stock at the time of the offer. The timing of the transaction is not currently known. The sale of the Company's holdings in BancWest, at \$35 per share, would result in an after-tax realized gain of approximately \$68 million, or \$1.68 per share.

- (f) Certain amounts have been reclassified to conform with the current year's presentation.

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

FIRST QUARTER EVENTS:

OPERATING RESULTS: Net income for the first quarter of 2001 was \$22,434,000, or \$0.55 per share. In the first quarter of 2000, income was \$26,431,000, or \$0.63 per share, after an accounting change. The accounting change resulted in a one-time, non-cash increase to first-quarter 2000 earnings of \$12,250,000, or \$0.29 per share. Excluding this change, first-quarter 2000 income was \$14,181,000, or \$0.34 per share. Revenue in the first quarter of 2001 was \$275,844,000 compared with revenue of \$232,225,000 in the first quarter of 2000.

FINANCIAL CONDITION AND LIQUIDITY

The Company's principal liquid resources, comprising cash and cash equivalents, receivables, sugar and coffee inventories and unused lines of credit, less accrued deposits to the Capital Construction Fund, totaled \$278,369,000 at March 31, 2001, an increase of \$33,297,000 from December 31, 2000. This net increase was due primarily to the addition of a new \$40,000,000 revolving credit facility and higher raw sugar inventories, partially offset by lower receivable balances.

Working capital was \$70,883,000 at March 31, 2001, an increase of \$15,022,000 from the amount at the end of 2000. The higher working capital was due primarily to higher sugar inventories due to seasonality, an increase in the amount of real estate inventory held for sale, a decrease in the current portion of long-term debt and lower trade payables, partially offset by lower accounts receivable balances at Matson.

RESULTS OF SEGMENT OPERATIONS -
FIRST-QUARTER 2001 COMPARED WITH THE FIRST-QUARTER 2000

OCEAN TRANSPORTATION revenue of \$196,609,000 for the first quarter of 2001 decreased two percent from that in the comparable period in 2000 and operating profit of \$17,455,000 decreased 12 percent. Although Hawaii container volume for the first quarter of 2001 was two percent higher than in the first quarter of 2000 and a general rate increase was effected in the Hawaii service in February 2001, the lower revenue and operating profit resulted primarily from the return to an 8 vessel fleet for the Hawaii service, transfer of the operations of the former Pacific Coast Shuttle to a subsidiary and lower contributions from investments in a shipping operation in Puerto Rico and a stevedoring joint venture. Automobile volume was level on a year-over-year basis.

PROPERTY DEVELOPMENT AND MANAGEMENT - LEASING revenue of \$17,096,000 for the first quarter of 2001 was 18 percent higher than in the first quarter of 2000 and operating profit of \$8,740,000 was 22 percent higher. The increase in revenue and operating profit was due primarily to the contribution of recently acquired properties, higher occupancy levels and higher lease rates. The January 2001 sale of several properties on Bainbridge Island, Washington reduced rental income slightly. First-quarter 2001 occupancy levels for Mainland properties averaged 94 percent, versus 95 percent in the first quarter of 2000. Occupancy levels for Hawaii properties averaged 89 percent in the first quarter of 2001, versus 84 percent in the comparable period of 2000. The increase in Hawaii occupancy was due primarily to higher tenancy in retail and warehouse properties.

PROPERTY DEVELOPMENT AND MANAGEMENT - SALES revenue of \$43,084,000 and operating profit of \$12,216,000 for the first quarter of 2001 were the result of the sales of the previously-mentioned Washington properties, comprised of a shopping center, office building and a retail building, a 14-acre industrial lot on Maui for a planned Wal-Mart store, two commercial lots and 22 residential properties. Sales revenue of \$3,052,000 and operating profit of \$701,000 for the first quarter of 2000 were the result of the sales of two commercial lots and nine residential properties.

FOOD PRODUCTS revenue of \$18,198,000 for the first quarter of 2001 was \$4,532,000 higher than that in the comparable period of 2000. Operating profit for the first quarter of 2001 was \$5,105,000, compared with \$2,068,000 for the first quarter of 2000. Both of these increases were due primarily to a one-time distribution from the sugar marketing and transportation cooperative that handles the Hawaii sugar growers' production and from higher raw sugar prices. Higher California energy costs reduced investment results from

C&H Sugar Company, Inc., in which A&B has a 36% ownership interest.

OTHER MATTERS

PROPERTY SALES: The mix of property sales in any year or quarter can be diverse. Sales can include property sold under threat of condemnation, developed residential real estate, commercial properties, developable subdivision lots and undeveloped land. The sale of undeveloped land and subdivision lots generally provides a greater contribution margin than does the sale of developed and commercial property, due to the low historical-cost basis of the Company's Hawaii land. Consequently, property sales revenue trends and the amount of real estate held for sale on the balance sheets do not necessarily indicate future profitability trends for this segment.

NEW ACCOUNTING STANDARDS: Statement of Financial Accounting Standards (SFAS) No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended, was adopted by the Company in January 2001 with no impact on the financial statements. SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities," was adopted in 2000 with no significant changes to the Company's accounting practices.

ACCOUNTING CHANGE: In January 2000, the Company changed its method of accounting for vessel drydocking costs from the accrual method to the deferral method. The cumulative effect of this accounting change increased first quarter 2000 net income by \$12,250,000. (See Note (d) to the Company's condensed financial statements.)

TAX-DEFERRED REAL ESTATE EXCHANGES: During the first quarter of 2001, the Company recorded tax-deferred sales of \$30,470,000 and reinvested, on a tax-deferred basis, \$26,784,000 in new real estate assets. These amounts are reported under Other Non-cash Information in the Condensed Statements of Cash Flows.

ENVIRONMENTAL MATTERS: As with most industrial and land-development companies of its size, the Company's operations have certain risks, which could result in expenditures for environmental remediation. The Company believes that it is in compliance, in all material respects, with applicable environmental laws and regulations, and works proactively to identify potential environmental concerns. Management believes that appropriate liabilities have been accrued for environmental matters.

ECONOMIC CONDITIONS: Measures of the current economic performance for the state of Hawaii continue to reflect the momentum of the improvement in 2000. However, eight consecutive monthly declines to the index of leading economic indicators, published by the State of Hawaii's Department of Business, Economic Development & Tourism (DBEDT), indicate that a slowdown is likely in the second half of 2001 as the U. S. Mainland economy decelerates and Japan's economy remains weak.

In its March 2001 outlook, DBEDT projected growth in real gross state product for the year 2001 of 2.8% (from 3.0% in 2000), for 2002 of 2.7%, and for 2003 of 2.5%. The external factors cited for the decline from 2000 were the slower economic growth of the U.S. Mainland economy and uncertainties in the Asian economies. Rising growth in visitor arrivals was anticipated, with the projection for growth in 2001 at 2.9%. One indication of the rapid pace of the changing outlook is that, at nearly the same time, the Hawaii Tourism Authority (HTA) dropped its visitor spending growth projection for 2001 from 10.3% to 0.4%, based on a 2.2% growth in arrivals. The new targets were characterized by the HTA as being ambitious.

PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

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. Such forward-looking statements may be contained in, among other things, Securities and Exchange Commission (SEC) filings, such as the Forms 10-Q, press releases made by the Company 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 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: (1) economic conditions in Hawaii and elsewhere; (2) market demand; (3) competitive factors and pricing pressures in the Company's primary markets; (4) legislative and regulatory environments at the federal, state and local levels, such as government rate regulations, land-use regulations, government administration of the U.S. sugar program, and modifications to or retention of cabotage laws; (5)

dependence on third-party suppliers; (6) fuel prices; (7) raw sugar prices; (8) labor relations; (9) risks associated with current or future litigation; and (10) other risk factors described elsewhere in such communications and from time to time in the Company's filings with the SEC.

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, 2000. There has been no material change in the quantitative and qualitative disclosure about market risk since December 31, 2000.

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

11. Statement re Computation of Per Share Earnings.

(b) Reports on Form 8-K

A report on Form 8-K, dated January 11, 2001, was filed on January 11, 2001 to report, under Item 5 thereof, a plea agreement between Matson Navigation Company, Inc. and U.S. Attorneys for the Central District of California, the Northern District of California, and the Western District of Washington.

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: May 14, 2001

/s/ James S. Andrasick

James S. Andrasick
Sr. Vice President, Chief
Financial Officer and Treasurer

Date: May 14, 2001

/s/ Thomas A. Wellman

Thomas A. Wellman
Controller

EXHIBIT INDEX

11. Statement re Computation of Per Share Earnings.

