

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

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934
For the quarterly period ended September 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
822 Bishop Street, Honolulu, Hawaii

96801
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
September 30, 2006: 42,729,658

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2006	2005	2006	2005
Revenue:				
Operating revenue	\$ 422.9	\$ 450.8	\$ 1,201.0	\$ 1,205.7
Costs and Expenses:				
Costs of goods sold, services and rentals	342.7	361.9	983.4	947.4
Loss on investment	--	0.1	--	2.3

Selling, general and administrative	34.4	34.3	106.5	99.8
Operating costs and expenses	377.1	396.3	1,089.9	1,049.5
Operating Income	45.8	54.5	111.1	156.2
Other Income and (Expense):				
Gain on insurance settlement	0.5	5.2	0.5	5.2
Equity in income (loss) of real estate affiliates	(1.4)	(0.8)	10.8	1.0
Interest income	1.0	1.2	5.9	3.3
Interest expense	(4.0)	(4.1)	(10.2)	(9.9)
Income Before Taxes	41.9	56.0	118.1	155.8
Income taxes	15.7	21.3	44.2	59.2
Income From Continuing Operations	26.2	34.7	73.9	96.6
Discontinued Operations (net of income taxes):	1.7	0.8	21.6	6.0
Net Income	\$ 27.9	\$ 35.5	\$ 95.5	\$ 102.6
Basic Earnings Per Share:				
Continuing operations	\$ 0.62	\$ 0.79	\$ 1.70	\$ 2.22
Discontinued operations	0.04	0.02	0.50	0.13
Net income	\$ 0.66	\$ 0.81	\$ 2.20	\$ 2.35
Diluted Earnings Per Share:				
Continuing operations	\$ 0.61	\$ 0.79	\$ 1.69	\$ 2.19
Discontinued operations	0.04	0.02	0.49	0.14
Net income	\$ 0.65	\$ 0.81	\$ 2.18	\$ 2.33
Average Number of Shares Outstanding	42.5	43.7	43.5	43.6
Average Number of Dilutive Shares Outstanding	42.8	44.2	43.8	44.0

See Notes to Condensed Consolidated Financial Statements.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2006 ----	2005 ----	2006 ----	2005 ----
Revenue:				
Transportation:				
Ocean transportation	\$ 243.2	\$ 227.5	\$ 706.1	\$ 654.7
Logistics services	113.1	108.5	337.9	311.2
Real Estate:				
Leasing	25.5	23.3	74.5	66.6
Sales	5.0	61.7	65.6	122.2
Less amounts reported in discontinued operations	(3.0)	(2.7)	(66.1)	(32.6)
Food Products	41.8	34.6	95.1	89.2
Reconciling Items	(2.7)	(2.1)	(12.1)	(5.6)
	-----	-----	-----	-----
Total revenue	\$ 422.9	\$ 450.8	\$ 1,201.0	\$ 1,205.7
	=====	=====	=====	=====
Operating Profit, Net Income:				
Transportation:				
Ocean transportation	\$ 34.2	\$ 36.8	\$ 76.9	\$ 105.2
Logistics services	5.1	3.5	15.1	10.1
Real Estate:				
Leasing	12.5	11.4	36.8	32.6
Sales	1.2	15.6	39.2	36.9
Less amounts reported in discontinued operations	(2.7)	(1.2)	(34.6)	(9.7)
Food Products	0.6	(0.1)	10.2	9.2
	-----	-----	-----	-----
Total operating profit	50.9	66.0	143.6	184.3
Loss on Investment	--	(0.1)	--	(2.3)
Interest Expense	(4.0)	(4.1)	(10.2)	(9.9)
General Corporate Expenses	(5.0)	(5.8)	(15.3)	(16.3)
	-----	-----	-----	-----
Income From Continuing Operations Before Income Taxes	41.9	56.0	118.1	155.8
Income Taxes	(15.7)	(21.3)	(44.2)	(59.2)
	-----	-----	-----	-----
Income From Continuing Operations	26.2	34.7	73.9	96.6
Discontinued Operations (net of income taxes)	1.7	0.8	21.6	6.0
	-----	-----	-----	-----
Net Income	\$ 27.9	\$ 35.5	\$ 95.5	\$ 102.6
	=====	=====	=====	=====

See Notes to Condensed Consolidated Financial Statements.

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

	September 30, 2006 ----	December 31, 2005 ----
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 44	\$ 57
Accounts and notes receivable, net	191	177
Inventories	22	18
Real estate held for sale	18	9
Deferred income taxes	16	16
Prepaid expenses and other assets	38	25
Accrued deposits, net to Capital Construction Fund	--	1
Total current assets	----- 329	----- 303
Investments	----- 136	----- 154
Real Estate Developments	----- 125	----- 71
Property, at cost	2,437	2,222
Less accumulated depreciation and amortization	966	933
Property - net	----- 1,471	----- 1,289
Capital Construction Fund	----- 1	----- 93
Other Assets	----- 169	----- 161
Total	----- \$ 2,231 =====	----- \$ 2,071 =====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Notes payable and current portion of long-term debt	\$ 78	\$ 31
Accounts payable	141	134
Other	79	89
Total current liabilities	----- 298	----- 254
Long-term Liabilities:		
Long-term debt	356	296
Deferred income taxes	443	415
Post-retirement benefit obligations	49	47
Other	66	45
Total long-term liabilities	----- 914	----- 803
Commitments and Contingencies		
Shareholders' Equity:		
Capital stock	35	36
Additional capital	175	175
Deferred compensation	--	(6)
Accumulated other comprehensive loss	(7)	(7)
Retained earnings	827	827
Cost of treasury stock	(11)	(11)
Total shareholders' equity	----- 1,019	----- 1,014
Total	----- \$ 2,231 =====	----- \$ 2,071 =====

See Notes to Condensed Consolidated Financial Statements.

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

	Nine Months Ended September 30,	
	2006	2005
	----	----
Cash Flows from Operating Activities	\$ 85	\$ 232
	-----	-----
Cash Flows from Investing Activities:		
Capital expenditures	(255)	(209)
Proceeds from disposal of property and other assets	43	25
Deposits into Capital Construction Fund	(62)	(188)
Withdrawals from Capital Construction Fund	155	150
Reduction in Investments	43	1
Increase in Investments	(29)	(20)
	-----	-----
Net cash used in investing activities	(105)	(241)
	-----	-----
Cash Flows from Financing Activities:		
Proceeds from issuances of long-term debt	140	105
Payments of long-term debt	(80)	(21)
Proceeds (payments) related to short-term debt, net	47	(7)
Proceeds from issuances of capital stock, including excess tax benefit	4	10
Repurchase of capital stock	(72)	--
Dividends paid	(32)	(30)
	-----	-----
Net cash provided by financing activities	7	57
	-----	-----
Net (Decrease) Increase in Cash and Cash Equivalents	\$ (13)	\$ 48
	=====	=====
Other Cash Flow Information:		
Interest paid, net of amounts capitalized	\$ (12)	\$ (12)
Income taxes refunded (paid)	(50)	13
Other Non-cash Information:		
Depreciation expense	(62)	(62)
Tax-deferred property sales	58	30
Tax-deferred property purchases	(33)	(28)
Debt assumed in real estate acquisition	--	11

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 interpretation will be effective for fiscal years beginning after December 15, 2006. The company will be required to adopt this interpretation in the first quarter of 2007. At this time, the Company has not completed its review and assessment of the impact of adoption of FIN 48.

On September 15, 2006, the FASB issued Statement of Financial Accounting Standards No. 157 ("SFAS No. 157"), "Fair Value Measurements," which defines fair value, establishes guidelines for measuring fair value, and expands disclosures regarding fair value measurements. SFAS No. 157 does not require any new fair value measurements but rather eliminates inconsistencies in guidance found in various prior accounting pronouncements. SFAS No. 157 is effective for fiscal years beginning after November 15, 2007. Earlier adoption is encouraged. The Company is currently evaluating the impact of SFAS No. 157, but does not expect that the adoption of SFAS No. 157 will have a material impact on the Company's consolidated financial position, results of operations, or cash flows.

On September 29, 2006, the FASB issued Statement of Financial Accounting Standard No. 158 ("SFAS No. 158"), "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans." The standard amends FASB Statements No. 87, 88, 106 and 132(R) and would require an employer to recognize the overfunded or underfunded status of a defined benefit postretirement plan (other than a multiemployer plan) as an asset or liability in its statement of financial position and to recognize changes in that funded status in the year in which the changes occur through comprehensive income. The pension asset or liability is the difference between the plan assets at fair value and the projected benefit obligation as of year end. For other postretirement benefit plans, the asset or liability is the difference between the plan assets at fair value and the accumulated postretirement benefit obligation as of year end. The Company is required to adopt this standard as of December 31, 2006. The Company is currently assessing the impact this standard will have on the Company's financial position, results of operations, and cash flows.

On September 20, 2006, the Financial Accounting Standards Board ratified the consensus reached in Emerging Issues Task Force issued EITF No. 06-5, "Accounting for Purchases of Life Insurance - Determining the Amount that Could Be Realized in Accordance with FASB Technical Bulletin 85-4." The ratified consensus is subject to a 30-day comment period. The consensus in EITF 06-5 concluded that a policyholder should consider any additional amounts included in the contractual terms of the life insurance policy in determining the "amount that could be realized under the insurance contract." The consensus is effective for fiscal years beginning after December 15, 2006. The Company is currently evaluating the impact of EITF 06-5, but does not expect that the adoption of the consensus will have a material effect on the Company's consolidated financial position, results of operations, or cash flows.

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

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

Guarantee of HS&TC debt	(a)	\$	--
Standby letters of credit	(b)	\$	20
Bonds	(c)	\$	8

These amounts are not recorded on the Company's balance sheet and it is not expected that the Company or its subsidiaries will be called upon to advance funds under these commitments.

- (a) The Company is contingently liable for up to \$21.5 million related to a \$30 million Hawaiian Sugar & Transportation Cooperative ("HS&TC") revolving credit line. No amounts were borrowed under HS&TC's facility at the end of the third quarter.
- (b) Consists of letters of credit, totaling approximately \$20 million, which enable the Company to qualify as a self-insurer for state and federal workers' compensation liabilities. This balance also includes approximately \$3 million to ensure full completion of a real estate project on Kauai.
- (c) Consists of approximately \$6 million in U.S. customs bonds, approximately \$1 million related to real estate construction projects in Hawaii, and approximately \$1 million related to transportation and other matters.
- (d) Represents the withdrawal liabilities for multiemployer pension plans, in which Matson is a participant. The withdrawal liability 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. On September 5, 2006, the Company, Kukui'ula, and DMB entered into a General Agreement of Indemnity ("Safeco Indemnity") in favor of Safeco Insurance Company of America ("Safeco"). The Safeco Indemnity was described in the Company's Form 8-K dated September 5, 2006 and filed with the Securities and Exchange Commission on September 11, 2006.

The indemnities were entered into in connection with Travelers' and Safeco's execution of separate agreements 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 indemnities, the Company, Kukui'ula, and DMB, jointly and severally, agree to indemnify and exonerate Travelers and Safeco from all loss in connection with any of the bond(s) issued. In connection with the indemnities, the Company, Kukui'ula, and DMB have separately entered into Mutual Indemnification Agreements under which the parties agree that they shall each be proportionately liable (60% DMB and 40% for the Company) for all payments required to be made under the indemnities.

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 indemnities based on their fair values. The fair value of the liability recorded by the Company in connection with the indemnities 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 number of shares used to compute basic and diluted earnings per share are as follows (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2006	2005	2006	2005
	----	----	----	----
Basic EPS - weighted average shares	42.5	43.7	43.5	43.6
Effect of dilutive securities:				
Employee/director stock options and non-vested restricted stock	0.3	0.5	0.3	0.4
	-----	-----	-----	-----
Diluted EPS	42.8	44.2	43.8	44.0
	=====	=====	=====	=====

Basic earnings per share is computed based on the weighted-average number of common shares outstanding. Diluted earnings per share is computed based on the weighted-average number of common shares outstanding adjusted by the number of additional shares that would have been outstanding had the potentially dilutive common shares been issued. Potentially dilutive shares of common stock include non-qualified stock options and non-vested restricted stock.

The computation of average dilutive shares outstanding excluded non-qualified stock options to purchase 0.4 million and 0.2 million shares of common stock for the three and nine months ended September 30, 2006, respectively. These amounts were excluded because the options' exercise prices were greater than the average market price of the Company's common stock for the periods presented and, therefore, the effect would be anti-dilutive. There were no options that were anti-dilutive for the three- and nine-month periods ended September 30, 2005.

- (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 September 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 Statement of Financial Accounting Standards No. 123, as amended by Statement of Financial Accounting Standards No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure," the effect on net income and earnings per share for the three and nine month periods ended September 30, 2005 would have been as follows (in millions, except per-share amounts):

	2005	
	Quarter Ended September 30	Nine Months Ended September 30
	-----	-----
Net Income:		
As reported	\$ 35.5	\$ 102.6
Stock-based compensation expense determined under fair value based method for all awards, net of related tax effects	(0.4)	(1.2)

Pro forma	\$ 35.1	\$ 101.4
	=====	=====
Net Income Per Share:		
Basic, as reported	\$ 0.81	\$ 2.35
Basic, pro forma	\$ 0.80	\$ 2.32
Diluted, as reported	\$ 0.81	\$ 2.33
Diluted, pro forma	\$ 0.80	\$ 2.30

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 three 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	(88.0)	(11.2)	(6.0)	(12.0)	(117.2)	\$ 26.18
Forfeited & Expired	(20.1)	--	--	--	(20.1)	\$ 40.92
September 30, 2006	1,256.1	27.0	265.8	30.0	1,578.9	\$ 34.37
Exercisable	847.1	27.0	140.5	30.0	1,044.6	\$ 29.31

The following table summarizes stock option information as of September

30, 2006 (excludes restricted stock, in thousands, except exercise price amounts):

Range of Exercise Prices	Options Outstanding as of 9/30/2006	Weighted Average Remaining Contractual Life (in Years)	Weighted Average Exercise Price	Options Exercisable as of 9/30/2006	Weighted Average Price of Exercisable Options
\$20.00 - 24.00	86.9	3.1	\$ 21.45	86.9	\$ 21.45
\$24.01 - 28.00	436.9	5.2	\$ 26.29	436.9	\$ 26.29
\$28.01 - 32.00	211.5	4.0	\$ 28.54	209.5	\$ 28.51
\$32.01 - 36.00	355.5	7.2	\$ 33.48	223.0	\$ 33.48
\$36.01 - 40.00	0.2	4.9	\$ 37.98	--	--
\$40.01 - 44.00	74.8	7.2	\$ 40.46	24.0	\$ 40.38
\$44.01 - 48.00	191.2	8.3	\$ 44.45	64.3	\$ 44.45
\$48.01 - 53.00	221.9	9.4	\$ 51.59	--	--
\$20.00 - 53.00	1,578.9	6.4	\$ 34.37	1,044.6	\$ 29.31

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2006	2005	2006	2005
Share-based expense (net of estimated forfeitures):				
Stock options	\$ 0.7	\$ --	\$ 2.1	\$ --
Restricted stock	1.5	0.6	4.1	1.6
Total share-based expense	2.2	0.6	6.2	1.6
Total recognized tax benefit	(0.5)	(0.2)	(1.5)	(0.4)
Share-based expense (net of tax)	\$ 1.7	\$ 0.4	\$ 4.7	\$ 1.2
Cash received upon option exercise	\$ 0.6	\$ 1.5	\$ 3.1	\$ 9.5
Intrinsic value of options exercised	\$ 0.5	\$ 1.3	\$ 2.5	\$ 7.2
Tax benefit realized upon option exercise	\$ 0.1	\$ 0.2	\$ 0.9	\$ 2.4
Fair value of stock vested	\$ --	\$ --	\$ 3.0	\$ 0.6

As of September 30, 2006, there was \$4.2 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 1.5 years.

The following table summarizes restricted stock information as of September 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)	\$ 49.18
September 30, 2006	247.6	\$ 46.69

As of September 30, 2006, unrecognized compensation cost related to unvested restricted stock was \$7.7 million. That cost is 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 September 30,		Nine Months Ended September 30,	
	2006 ----	2005 ----	2006 ----	2005 ----
Discontinued Operations (net of tax)				
Sales of Assets	1.5	--	\$ 20.2	\$ 2.1
Leasing Operations	0.2	\$ 0.8	1.4	3.9
Total	\$ 1.7 =====	\$ 0.8 =====	\$ 21.6 =====	\$ 6.0 =====

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

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2006 ----	2005 ----	2006 ----	2005 ----
Net Income	\$ 27.9	\$ 35.5	\$ 95.5	\$ 102.6
Company's share of investee's minimum pension liability adjustment	(0.1)	--	--	(0.4)
Change in valuation of derivative	0.3	--	0.2	0.1
Comprehensive Income	\$ 28.1 =====	\$ 35.5 =====	\$ 95.7 =====	\$ 102.3 =====

(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 third quarters 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	4.2	4.0	0.8	0.8
Expected Return on Plan Assets	(6.6)	(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 nine months of 2006 and 2005 were as follows (in millions):

	Pension Benefits		Post-retirement Benefits	
	2006	2005	2006	2005
Service Cost	\$ 5.6	\$ 4.8	\$ 0.7	\$ 0.7
Interest Cost	12.4	12.0	2.4	2.4
Expected Return on Plan Assets	(19.6)	(18.3)	--	--
Amortization of Prior Service Cost	0.3	0.3	--	--
Amortization of Net (Gain) Loss	1.2	1.2	0.8	0.9
Net Periodic Benefit Cost	\$ (0.1)	\$ --	\$ 3.9	\$ 4.0

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 is not expected to be representative of the final average repurchase price per share because A&B expects to 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 October 30, 2006, A&B's 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 October 11, 2006, the Company, MLR Golf Partners LLC ("MLR"), and BH/JP Hawaii Holdings LLC ("Brookfield") entered into an Indemnification Agreement (the "Agreement"). The Agreement was entered into in connection with Brookfield's execution of an indemnity agreement or agreements (collectively, "Indemnity Agreement") in favor of The Guarantee Company of North America ("The Guarantee"). The Indemnity Agreement relates to, among other things, The Guarantee's execution of an agreement with MLR for the delivery of one or more bonds related to the construction of units at a condominium project (the "Project") being developed by MLR in the Mauna Lani Resort on the island of Hawaii. MLR is a real-estate development joint venture between the Company and Brookfield Homes, and is more fully described in A&B's most recently filed Form 10-K. The Agreement was described in the Company's Form 8-K dated October 11, 2006 and filed with the Securities and Exchange Commission on October 16, 2006.

Under the Indemnity Agreement, Brookfield agrees to indemnify The Guarantee from all loss and expense in connection with any bonds for which it serves as surety for MLR. Under the Agreement, the parties agree that MLR shall be responsible for 100% of all payments related to the Project required to be made under the Indemnity Agreement, and Brookfield and A&B shall each be proportionately liable (50% for Brookfield and 50% for A&B) for all payments related to the Project required to be made under the Indemnity Agreement if MLR fails to timely pay amounts due to The Guarantee. The fair value of the liability related to the indemnity is not expected to be material.

On October 15, 2006, a 6.7 magnitude earthquake, centered off the coast of the island of Hawaii, struck the Hawaiian Islands. The vast majority of the Company's operations are situated on the islands of Maui, Kauai, and Oahu, where damage was much lower than that experienced on the island of Hawaii. The Company has evaluated its properties, reservoirs, and operations and identified no significant damage. The State of Hawaii and the U.S. Army Corps of Engineers have announced that they will be conducting follow-up inspections of all reservoirs in Hawaii. Accordingly, the Company currently does not anticipate that the earthquake will have a material effect on its consolidated financial

position, results of operations, or cash flows.

On October 26, 2006, the Company's board of directors authorized the repurchase of up to 2 million of its common stock in the open market, in privately-negotiated transactions or by other means. The new authorization will expire on December 31, 2008 and augments an existing share repurchase authorization that will expire on December 31, 2006. As of September 30, 2006, under the existing share repurchase authorization, 1,545,342 shares have been repurchased through open market transactions and under an accelerated share repurchase agreement (more fully described in Note 10), and 454,658 shares remain available for repurchase under the existing authorization.

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. The Company undertakes no obligation to update forward-looking statements to reflect events or circumstances occurring after the date of this report.

CONSOLIDATED REVENUE & NET INCOME

Consolidated - Third quarter of 2006 compared with 2005

(dollars in millions)	Quarter Ended September 30,		
	2006	2005	Change
Revenue	\$ 422.9	\$ 450.8	-6%
Cost of goods sold, services, and rentals	\$ 342.7	\$ 361.9	-5%
Selling, general, and administrative	\$ 34.4	\$ 34.3	--
Gain on insurance settlement	\$ 0.5	\$ 5.2	-90%
Loss on investment	\$ --	\$ 0.1	NM
Income taxes	\$ 15.7	\$ 21.3	-26%
Net income	\$ 27.9	\$ 35.5	-21%

Consolidated revenue for the third quarter of 2006 was \$422.9 million, or 6 percent lower than the third quarter of 2005. This decrease was due principally to \$59.1 million in lower revenue from real estate sales (after excluding revenue from discontinued operations), partially offset by \$15.7 million in higher revenue for ocean transportation, \$7.2 million higher revenue for food products, \$4.6 million growth in logistics services revenue, and \$4.3 million higher revenue from real estate leasing (after excluding leasing revenue from assets classified as discontinued operations). The reasons for the revenue change are described below, by business segment, in the Analysis of Operating Revenue and Profit.

Costs of goods sold, services, and rentals for the third quarter of 2006 were \$342.7 million, or 5 percent lower than the third quarter of 2005 due to \$17.7 million higher costs for ocean transportation, \$6.5 million in higher costs for the food products segment (primarily as a result of higher costs per ton and higher sugar sales volume), \$2.5 million in higher purchased transportation costs at the Matson Integrated Logistics business, partially offset by \$48.1 million lower cost of real estate sales (after excluding real estate sales classified as discontinued operations).

Selling, general, and administrative costs for the third quarter of 2006 of \$34.4 million approximated the costs for the third quarter of 2005.

During the third quarter of 2005, the Company recorded a \$5.2 million gain from

an insurance settlement following a fire earlier in the year at the Kahului Shopping Center on Maui. This gain is included in proceeds from disposal of property in the Cash Flows from Investing Activities on the Condensed Consolidated Statement of Cash Flows. In addition, in the third quarters of 2005 and 2006, the Company received approximately \$0.6 million related to business interruption insurance and has included this benefit in operating revenue and in Cash Flows from Operating Activities.

Income taxes were lower than the third quarter of 2005, on a percentage basis, due to a lower effective income tax rate. The effective tax rate for 2006 of 37.5% was less than the effective tax rate of 38% in 2005 due principally to a land donation, tax credits, and non-taxable life insurance proceeds.

Consolidated - First nine months of 2006 compared with 2005

Nine Months Ended September 30,			

(dollars in millions)	2006	2005	Change

Revenue	\$ 1,201.0	\$ 1,205.7	--
Cost of goods sold, services, and rentals	\$ 983.4	\$ 947.4	4%
Selling, general, and administrative	\$ 106.5	\$ 99.8	7%
Loss on investment	\$ --	\$ 2.3	NM
Gain on insurance settlement	\$ 0.5	\$ 5.2	-90%
Income taxes	\$ 44.2	\$ 59.2	-25%

Net income	\$ 95.5	\$ 102.6	-7%

Consolidated revenue for the first nine months of 2006 was \$1,201.0 million, or slightly lower than the results for first nine months of 2005. This decrease was due principally to \$94.1 million in lower revenue from real estate sales (after excluding revenue from discontinued operations), partially offset by \$51.4 million higher revenue for ocean transportation, \$26.7 million growth in logistics services revenue, \$11.9 million higher revenue from real estate leasing (after excluding leasing revenue from assets classified as discontinued operations), and \$5.9 million higher revenue from food products. The reasons for the revenue change are described below, by business segment, in the Analysis of Operating Revenue and Profit.

Costs of goods sold, services, and rentals for the first nine months of 2006 were \$983.4 million, or 4 percent higher than the first nine months of 2005, due to \$73.2 million in higher costs for ocean transportation, \$20.0 million in higher purchased transportation costs for the logistics business, partially offset by \$67.1 million in lower cost of real estate sales (after excluding real estate sales classified as discontinued operations) and a \$3.3 million gain on the sale of two surplus and obsolete vessels.

Selling, general, and administrative costs for the first nine months of 2006 were \$106.5 million, or 7 percent higher than the first nine months of 2005 due to higher personnel costs and professional fees.

The \$2.3 million loss on investment in 2005 was the result of the sale of Company's ownership interests in C&H Sugar Company. The \$5.2 million gain in 2005 was described in the consolidated third quarter comparison.

Income taxes were lower than the first nine months of 2005 due primarily to the same factors cited for the third quarter decrease.

ANALYSIS OF OPERATING REVENUE AND PROFIT
TRANSPORTATION INDUSTRY

Ocean Transportation - Third quarter of 2006 compared with 2005

Quarter Ended September 30,			

(dollars in millions)	2006	2005	Change

Revenue	\$ 243.2	\$ 227.5	7%
Operating profit	\$ 34.2	\$ 36.8	-7%

Volume (Units)			
Hawaii containers	44,600	45,400	-2%
Hawaii automobiles	27,100	32,000	-15%
Guam containers	3,700	4,300	-14%
China containers	10,200	--	NM

Ocean Transportation revenue for the third quarter of 2006 was \$243.2 million, or 7 percent higher than the third quarter of 2005. Of this increase, approximately \$14.4 million was due to an increase in fuel surcharge revenues, \$7.8 million was due to a net increase in volumes, primarily from the establishment of the China service, partially offset by lower volumes in the Hawaii and Guam services, and \$4.0 million was due to improved yields and cargo

mix. These increases were partially offset by \$12.1 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 15 percent lower than the third 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) and competitive pressures. Total Hawaii container volume was down 2 percent from the third quarter of 2005, reflecting reduced shipments in the building materials segment and non-recurring military deployments that occurred in 2005. Guam container volume was down 14 percent from the third quarter of 2005, primarily due to competitive pressures resulting from the transition in vessel schedules, as well as a decline in the Saipan garment trade.

Operating profit was \$34.2 million, or 7 percent lower than the third quarter of 2005. This decrease was primarily the result of the following operating expense changes, which offset revenue increases. Direct and indirect fuel costs increased \$14.7 million, equipment control and leasing costs increased \$4.3 million, and terminal handling costs increased \$3.2 million.

Ocean Transportation - First nine months of 2006 compared with 2005

Nine Months Ended September 30,			

(dollars in millions)	2006	2005	Change

Revenue	\$ 706.1	\$ 654.7	8%
Operating profit	\$ 76.9	\$ 105.2	-27%

Volume (Units)			
Hawaii containers	131,000	131,500	--
Hawaii automobiles	92,700	110,900	-16%
Guam containers	11,400	12,500	-9%
China containers	19,700	--	NM

Ocean Transportation revenue for the first nine months of 2006 was \$706.1 million, or 8 percent higher than the first nine months of 2005. Of this increase, approximately \$35.4 million was due to increases in fuel surcharge revenues, \$11.9 million was due to improved yields and cargo mix, \$12.8 million was due to volume changes in the Hawaii, Guam, and China services, and \$2.3 million was due to higher government services revenue. These increases were partially offset by \$28.4 million in lower vessel charter revenue, resulting from the expiration of the APL Alliance in the first quarter of 2006. Total Hawaii automobile and Guam container volumes were down 16 percent and 9 percent from 2005, respectively, for the same reasons cited for the quarter.

Operating profit was \$76.9 million, or 27 percent lower than the first nine months of 2005. This decrease was primarily the result of the following operating expense changes, which offset revenue increases. Direct and indirect fuel costs increased \$46.7 million, terminal handling costs increased \$13.3 million, and equipment control, leasing, and repair costs increased \$9.4 million. Additionally, G&A expense increased \$3.8 million and Matson's SSAT joint venture contributed \$3.5 million less in 2006, due primarily to a favorable adjustment made during the first nine months of 2005. Earnings from this venture are not included in revenue, but are included in operating profit. These increases were partially offset by a \$3.3 million gain on the sale of two surplus and obsolete vessels.

The Company realized container volume in the China trade that exceeded its original expectations. However, while the service is profitable, performance did not reach planned levels as favorable container volumes were more than offset by lower container rates and higher fuel and intermodal rail costs. The China container rate environment is expected to remain challenging; however, the Company anticipates that its service advantages will translate into improved rates over time. In Hawaii and Guam, softening market conditions led to lower than expected volume, while yields have been favorable. Matson has initiated a number of operating measures to respond to changes in market conditions.

Logistics Services - Third quarter of 2006 compared with 2005

Quarter Ended September 30,			

(dollars in millions)	2006	2005	Change

Revenue	\$ 113.1	\$ 108.5	4%
Operating profit	\$ 5.1	\$ 3.5	46%

Integrated logistics revenue was \$113.1 million, or 4 percent higher than the third quarter of 2005. This growth was the result of continued improvements in mix of business and yields, partially offset by a 12% decrease in volumes for domestic and international intermodal services.

Integrated logistics operating profit was \$5.1 million, or 46 percent higher

than the third quarter of 2005. The increased operating profit was the result of higher yields in all service categories.

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 businesses of the Company. The primary operating profit and investment risk for this business is the quality of receivables, which is monitored closely.

Logistics Services - First nine months of 2006 compared with 2005

Nine Months Ended September 30,			

(dollars in millions)	2006	2005	Change

Revenue	\$ 337.9	\$ 311.2	9%
Operating profit	\$ 15.1	\$ 10.1	50%

Integrated logistics revenue was \$337.9 million, or 9 percent higher than the first nine months of 2005. This growth was the result of continued improvements in mix of business and rates, and a 10 percent increase in highway and less-than-truckload volumes, partially offset by a 13 percent decrease in intermodal volume.

Integrated logistics operating profit was \$15.1 million, or 50 percent higher than the first nine months of 2005. The operating profit improvement was the result of higher yields in all service categories.

The logistics services businesses has benefited from the launch of the Company's China services. Matson Integrated Logistics remains poised for continued growth, though margins may moderate somewhat from the high levels experienced year-to-date.

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.

Real Estate Leasing - Third quarter of 2006 compared with 2005

Quarter Ended September 30,			

(dollars in millions)	2006	2005	Change

Revenue	\$ 25.5	\$ 23.3	9%
Operating profit	\$ 12.5	\$ 11.4	10%

Occupancy Rates:			
Mainland	97%	94%	3%
Hawaii	98%	93%	5%

Leasable Space (million sq. ft.):			
Mainland	3.7	3.5	6%
Hawaii	1.6	1.7	-6%

Real estate leasing revenue and operating profit for the third quarter of 2006 were 9 percent and 10 percent higher, respectively, than the amounts reported for the third quarter of 2005.

These increases were due principally to \$1.9 million of revenue and \$0.7 million of contribution margin from four properties acquired during or subsequent to the third quarter of 2005 and the results from the completion of Kunia Shopping Center, a new Oahu commercial development in the second half of 2005. Higher occupancies and lease rates were the primary remaining factors for the quarter-over-quarter change. These increases were partially offset by sales, during, or subsequent to, the third quarter of 2005, of two retail centers in Phoenix, Arizona, a Maui office building, and a commercial property on Oahu.

Real Estate Leasing - First nine months of 2006 compared with 2005

Nine Months Ended September 30,			

(dollars in millions)	2006	2005	Change

Revenue	\$ 74.5	\$ 66.6	12%
Operating profit	\$ 36.8	\$ 32.6	13%

Occupancy Rates:

Mainland	97%	95%	2%
Hawaii	98%	92%	6%

Real estate leasing revenue and operating profit for the first nine months of 2006 were 12 percent and 13 percent higher, respectively, than the amounts reported for the first nine months of 2005.

In addition to the factors cited for the third quarter increase, these increases were also due to the acquisition of a two-story office building in Arizona and a commercial property in Honolulu.

Real Estate Sales - Third quarter and first nine months of 2006 compared with 2005

----- Quarter Ended September 30, -----			
(dollars in millions)	2006	2005	Change

Revenue	\$ 5.0	\$ 61.7	-92%
Operating profit	\$ 1.2	\$ 15.6	-92%

----- Nine Months Ended September 30, -----			
(dollars in millions)	2006	2005	Change

Revenue	\$ 65.6	\$ 122.2	-46%
Operating profit	\$ 39.2	\$ 36.9	6%

The lower third quarter and nine months revenue and operating profit results were due to the mix and timing of real estate sales in 2006 compared with 2005. The composition of these sales is described below.

2006 - Three Months Ended September 30: Real estate sales revenue, before subtracting amounts treated as discontinued operations, was \$5.0 million and consisted of the sale of several commercial parcels and one agricultural parcel in Hawaii. Operating profit for the third quarter of 2006 included a loss of \$1.4 million, primarily related to the Company's share of marketing and other operating expenses of its real estate joint ventures.

2006 - Nine Months Ended September 30: Real estate sales revenue for the nine months ended September 30, 2006 included first half revenue of \$60.6 million, generated principally by the sale of two retail centers in Phoenix, Arizona, a Maui office building, several commercial parcels on Maui, a commercial property on Oahu, and a vacant parcel on Kauai. Operating profit for the nine months ended September 30, 2006 was significantly higher as a percentage of real estate sales revenue compared to 2005 because operating profit also included \$10.8 million for the Company's earnings from its real estate joint ventures (which are not included in revenue for the segment). The joint venture earnings principally relate 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 - Three Months Ended September 30: Real estate sales revenue for the third quarter of 2005, before subtracting amounts treated as discontinued operations, was primarily due to the sale of 100 units at the Company's Lanikea residential high-rise project in Waikiki for \$59 million and a Maui property for \$2.5 million. A gain of \$5.2 million was recognized in operating profit during the third quarter for a partial property damage insurance settlement related to the Kahului Shopping Center fire. The Company is currently in the process of redeveloping the property. Operating Profit also included a loss of \$0.8 million for the Company's share of earnings in its joint ventures.

2005 - Nine Months Ended September 30: Real estate sales revenue of \$122.2 million for the nine months ended September 30, 2005, before subtracting amounts treated as discontinued operations, also included first half sales revenue from the sale of a warehouse/distribution complex in Ontario, California, seven commercial properties on Maui and Oahu, a residential development parcel and three residential properties, a service center/warehouse complex comprised of three buildings in San Antonio, Texas, 5.5 office condominium floors, and 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 these sales, operating profit for the nine months ended September 30, 2005 included approximately \$1.0 million for the Company's share of earnings from its real estate joint ventures.

Sales, construction, and permitting progress continue in the Company's diversified real estate pipeline, while a more challenging residential real estate environment in Hawaii will, in varying degrees, affect certain projects. The first units at Kukui'ula have now begun to close. Although sales activity for the last quarter of 2006 will not meet original expectations, the prospects for the development remain favorable. Progress at other key residential developments, Kai Malu at Wailea and Keola La'i in Honolulu, continues to

be positive.

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. Finally, real estate sales segment revenue does not include earnings from joint venture investments, but are included in operating profit.

Real Estate Discontinued Operations - 2006 compared with 2005

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

(dollars in millions, before tax)	Quarter Ended September 30,		Nine Months Ended September 30,	
	2006	2005	2006	2005
Sales revenue	\$ 2.4	\$ 0	\$ 62.1	\$ 24.6
Leasing revenue	\$ 0.6	\$ 2.7	\$ 4.0	\$ 8.0
Sales operating profit	\$ 2.4	\$ 0	\$ 32.3	\$ 6.3
Leasing operating profit	\$ 0.3	\$ 1.2	\$ 2.3	\$ 3.4

2006: The revenue and operating profit of two retail centers in Phoenix, Arizona, an office building on Maui, and several commercial parcels in Hawaii were included in discontinued operations.

2005: The revenue and operating profit of two office buildings in Downtown Honolulu, one warehouse/distribution complex in Ontario, California, one service center/warehouse complex consisting of three buildings in San Antonio, Texas, an office building in Wailuku, Maui, 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 September 30, 2006 and the operating results of a commercial parcel on the island of Hawaii that the Company intends to sell within the next 12 months. The leasing revenue and operating profit for the three and nine months ended September 30, 2005 have been restated to reflect property that was classified as discontinued operations subsequent to September 30, 2005.

FOOD PRODUCTS INDUSTRY

Food Products - Third quarter of 2006 compared with 2005

(dollars in millions)	Quarter Ended September 30,		
	2006	2005	Change
Revenue	\$ 41.8	\$ 34.6	21%
Operating profit (loss)	\$ 0.6	\$ (0.1)	NM
Tons sugar produced	68,500	62,500	10%

Food products revenue was \$41.8 million, or 21 percent higher than the third quarter of 2005 due mainly to \$3.1 million higher bulk raw sugar sales stemming from higher sugar prices and increased sales volume, \$1.8 million from higher power sales prices and volume, and \$1.6 million higher equipment rentals, repair services, trucking, and molasses sales.

Operating profit increased \$0.7 million from the third quarter of 2005 due principally to \$1.8 million in higher power sales, the non-recurrence of a \$1.0 million coffee crop writedown in 2005, and \$0.8 million in higher molasses sales, equipment rentals, and trucking services. These increases were partially offset by \$2.9 million from lower bulk raw sugar margins.

Due to lower crop yields in the quarter, as more fully discussed in the year-to-date results, the Company reduced its full-year production estimate by 7,500 tons, which impacted cost of sales by approximately \$2 million for the quarter.

Food Products - First nine months of 2006 compared with 2005

 Nine Months Ended September 30,

(dollars in millions)	2006	2005	Change
Revenue	\$ 95.1	\$ 89.2	7%
Operating profit	\$ 10.2	\$ 9.2	11%
Tons sugar produced	130,700	140,300	-7%

Food products revenue was \$95.1 million, or 7 percent, higher than the first nine months of 2005. Excluding the \$5.5 million disaster relief payment received in 2005, revenue increased 14 percent due mainly to \$4.7 million from higher power sales, \$3.3 million in higher repair services and trucking revenue, \$1.9 million in higher specialty sugar and molasses sales, and \$1.9 million in higher equipment rentals and soil sales. Lower revenue of \$1.1 million from lower bulk raw sugar sales volumes partially offset the previously noted increases.

Operating profit was 11 percent higher than the first nine months of 2005. However, excluding the \$5.5 million disaster relief payment received in 2005, operating profit improved more than 175 percent, primarily due to \$4.7 million in higher power sales, \$2.6 million in higher equipment rentals, soil sales, repair services and trucking, the non-recurrence of a \$1.0 million coffee crop writedown in 2005, and \$0.8 million in higher molasses sales. These increases were partially offset by \$2.3 million from lower sugar margins.

Sugar production was 7 percent lower in 2006 than in 2005 because of low yields. The year-to-date crop yield of 11.1 tons sugar per acre (TSA) was 0.7 TSA below last year, primarily because of dry-weather conditions during growing months, less-than-optimal fertilizer applications last year, and a lower crop age. With 70% of the 2006 crop harvested, the Company does not anticipate a significant improvement in the 2006 crop yield. As a result, the forecasted sugar production was reduced by 7,500 tons. Any future impacts to the harvesting schedule, or impacts to yields, could affect total year production.

As reported by national media early in the year, the island of Kauai experienced the heaviest rainfall in its recent history during March. Preliminary inspections of Company-owned reservoirs by both the Company and the State of Hawaii found the facilities sound, although certain repair work will be required. Costs required in 2006 and 2007 to repair and maintain the Kauai reservoirs are projected to range from \$3 to \$4 million. The Company is currently evaluating the Maui reservoirs for any necessary follow-up action. Accordingly, the Company believes that food products operating results in the fourth quarter of 2006 and throughout 2007 will be negatively impacted by anticipated expenditures for work on reservoirs located on Kauai and Maui.

2006 OUTLOOK

While the Hawaii economy remains healthy, the growth rate has moderated, which has affected, and may continue to impact, shipping volumes. Similarly, Hawaii's real estate market indicators point to a more challenging residential market. However, unemployment is low and housing prices remain at or near historically high levels. The Company, therefore, anticipates the impact of changing economic factors on its businesses to be moderate for the balance of 2006.

On a consolidated basis, the Company remains on track to complete 2006 with good financial performance and expects that full year 2006 operating profit will be greater than originally anticipated.

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 \$597 million at September 30, 2006, a decrease of \$22 million from December 31, 2005. The decrease was due primarily to higher borrowings on revolving credit facilities and \$13 million in lower cash balances, partially offset by \$14 million in higher receivables balances and \$4 million in higher sugar and coffee inventories.

Balance Sheet: Working capital was \$31 million at September 30, 2006, a decrease of \$18 million from the balance carried at the end of 2005. The decrease in working capital was due primarily to higher balances on short-term borrowings and trade payables and lower cash balances. These factors were partially offset by higher inventories, higher income tax receivable balances, and higher accounts receivable balances.

Cash and cash equivalents totaled \$44 million at the end of the third quarter compared with \$57 million at the beginning of the year. The lower balance is due principally to share repurchases, dividends, income tax payments, and capital expenditures, partially offset by increased borrowings and cash generated from operations.

Long-term Debt, including current portion, and short-term facilities, totaled \$434 million at September 30, 2006 compared with a balance of \$327 million at December 31, 2005. This \$107 million increase was due mainly to capital expenditure financing and share repurchases.

The Company's net deferred tax obligation was \$427 million at September 30, 2006 compared with \$399 million at December 31, 2005. This \$28 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 \$85 million for the first nine months of 2006, compared with \$232 million for the first nine months of 2005. This decrease was principally the result of higher year-to-date income tax payments, higher 2005 proceeds from the sale of units in the Company's Lanikea residential high-rise project in Waikiki and lower 2006 Matson earnings, partially offset by proceeds received from the Company's Hokua joint venture in 2006.

Cash Flows from Investing Activities related to capital expenditures for the first nine months of 2006 totaled \$255 million, compared with \$209 million for the first nine months of 2005. The expenditures for the first nine months of 2006 relate primarily to the purchase of the MV Maunalei for \$147 million, equipment purchases for the ocean transportation segment, \$105 million in expenditures related to property development activities, and \$9 million related to specialty sugar expansion activities and routine asset replacements for agricultural operations. The amounts reported in Capital Expenditures on the Statement of Cash Flows exclude \$33 million of tax-deferred purchases since the Company did not actually take control of the cash during the exchange period. Capital expenditures for 2005 included \$144 million for the purchase of the MV Manulani, \$18 million for other transportation-related assets, \$37 million for real estate related acquisitions, development and property improvements, and \$8 million of routine asset replacements for agricultural operations.

Tax-Deferred Real Estate Exchanges: Sales - During the first nine months of 2006, sales and condemnation proceeds which qualified for potential tax-deferral treatment under the Internal Revenue Code Sections 1031 and 1033 totaled approximately \$60 million. The proceeds consisted primarily of the sales of two retail centers in Phoenix, Arizona, a Maui office building, several commercial parcels on Maui and Oahu, and two parcels on Kauai.

Purchases - During the first nine months 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. As of September 30, 2006, \$14 million of proceeds from tax-deferred sales had not been reinvested.

The funds related to 1031 transactions are not included in the Statement of Cash Flows but are included as non-cash information below the Statement. For "reverse 1031" transactions, the Company purchases a property in anticipation of receiving funds in a future property sale. Funds used for reverse 1031 purchases are included as capital expenditures on the Statement of Cash Flows and the related sales of property, for which the proceeds are linked, are included as property sales in the Statement.

Commitments, Contingencies and Environmental Matters: A description of commitments and contingencies at September 30, 2006 is described in Note 4 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: The Company's third quarter dividend to shareholders was paid on September 7, 2006 to shareholders of record on August 3, 2006. On October 26, 2006, the Company's Board of Directors declared a fourth quarter dividend of 25 cents per share payable on December 7, 2006 to shareholders of record as of November 9, 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 and Proposed Accounting Standards: New and proposed accounting standards are discussed in Note 2 of the Notes to the Condensed Consolidated Financial Statements contained herein.

Information about the impacts of other newly issued accounting standards are discussed in the Item 8 of 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). For more information please go to the websites of these organizations at www.uhero.hawaii.edu and www.hawaii.gov/dbedt/info/economic, respectively.

Management Change: The following management change occurred subsequent to the third quarter.

Kevin L. Halloran was named director of corporate finance and investor relations of A&B, effective October 11, 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
Jul 1 - 31, 2006	362,534 (1)(2)	\$46.83 (1)(2)	1,545,342	454,658
Aug 1 - 31, 2006	--	--	--	--
Sep 1 - 30, 2006	--	--	--	--

(1) On June 27, 2006, the Company entered into an accelerated share repurchase agreement ("ASR") with Goldman, Sachs & Co. ("Goldman") 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 that were delivered on June 30, 2006 and July 12, 2006, respectively. The average price per share paid to date under the ASR is not expected to be representative of the final average repurchase price per share because A&B expects to 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 October 30, 2006, the Company's total share repurchases totaled 1,545,342 shares for \$71.5 million at an average price of \$46.25 per share.

(2) Includes 1,192 shares of restricted common stock repurchased for \$56,420 pursuant to the Company's repurchase right provided under the Alexander & Baldwin, Inc. Restricted Stock Bonus Plan.

ITEM 6. EXHIBITS

3.b. Revised Bylaws of Alexander & Baldwin, Inc. (as amended through October 26, 2006).

10.b.1.(vi) Amendment No. 5 to the Alexander & Baldwin, Inc. 1989 Stock Option/Stock Incentive Plan.

10.b.1.(xi) Amendment No. 4 to the Alexander & Baldwin, Inc. 1989 Non-Employee Director Stock Option Plan.

10.b.1.(xvii) Amendment No. 5 to the Alexander & Baldwin, Inc. 1998 Stock Option/Stock Incentive Plan.

10.b.1.(xxv) Amendment No. 4 to the Alexander & Baldwin, Inc. 1998 Non-Employee Director Stock Option Plan.

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: October 27, 2006

/s/ Christopher J. Benjamin

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

Date: October 27, 2006

/s/ Paul K. Ito

Paul K. Ito
Controller

EXHIBIT INDEX

3.b. Revised Bylaws of Alexander & Baldwin, Inc. (as amended through October 26, 2006).

10.b.1.(vi) Amendment No. 5 to the Alexander & Baldwin, Inc. 1989 Stock Option/Stock Incentive Plan.

10.b.1.(xi) Amendment No. 4 to the Alexander & Baldwin, Inc. 1989 Non-Employee Director Stock Option Plan.

10.b.1.(xvii) Amendment No. 5 to the Alexander & Baldwin, Inc. 1998 Stock Option/Stock Incentive Plan.

10.b.1.(xxv) Amendment No. 4 to the Alexander & Baldwin, Inc. 1998 Non-Employee Director Stock Option Plan.

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.

ARTICLE I

PRINCIPAL OFFICE, SEAL

SECTION 1. Principal Office. The principal office of the Corporation shall be in Honolulu, Hawaii; there may be such subordinate or branch offices in such place or places within Hawaii or elsewhere as may be considered necessary or requisite by the Board of Directors to transact the business of the Corporation.

SECTION 2. Seal. The Corporation shall have a corporate seal (and one or more duplicates thereof) of such form and device as the Board of Directors shall determine.

ARTICLE II

STOCKHOLDERS

SECTION 1. Annual Meetings. The annual meeting of the stockholders of the Corporation shall be held on such date and at such time and place as shall be designated from time to time by the Board of Directors or the President. The annual meeting shall be a general meeting and at such meeting any business within the powers of the Corporation may be transacted without special notice of such business, except as may be required by law, by the Articles of Association, or by these Bylaws.

SECTION 2. Special Meetings. Special meetings of the stockholders may be held at any time. Such meetings shall be held upon the call of the Chairman of the Board, if appointed, the President or a majority of the directors then in office and shall not be held upon the call of any other person or persons except as provided by Section 416-73, Hawaii Revised Statutes.

SECTION 3. Notices of Meetings. Notices of every meeting of stockholders, whether annual or special, shall state the place, day, and hour of the meeting, whether it is annual or special, and in the case of any special meeting, shall state briefly the business proposed to be transacted thereat. Such notice shall be given by mailing a written or printed copy thereof, postage prepaid, not less than ten nor more than seventy days before the date assigned for the meeting, to each stockholder entitled to vote at such meeting at his address as it appears on the transfer books of the Corporation. Upon notice being given in accordance with the provisions hereof, the failure of any stockholder to receive actual notice of any meeting shall not, in any way, invalidate the meeting or the proceedings thereat.

SECTION 4. Quorum. At all meetings of stockholders the presence in person or by proxy of stockholders owning a majority of all of the shares of stock issued and outstanding and entitled to vote at said meeting shall constitute a quorum, and the action of the holders of a majority of the shares of stock present or represented at any meeting at which a quorum is present, shall be valid and binding upon the Corporation and its stockholders, except as otherwise provided by law, by the Articles of Association, or by these Bylaws.

SECTION 5. Voting, Proxies. At any meeting of the stockholders, each stockholder, except where otherwise provided by the clauses and terms applicable to the stock held by such stockholder, shall be entitled to vote in person or by proxy appointed by an instrument in writing subscribed by such stockholder or his duly authorized attorney and filed with the Secretary, and shall have one vote for each share of voting stock registered in his name at the close of business on such record date as may be fixed by the Board of Directors. In the case of an adjourned meeting, unless otherwise provided by the Board of Directors, the record date for the purpose of voting at such adjourned meeting shall be the same as the original record date fixed for the original meeting. When voting stock is transferred into the name of a pledgee under a pledge agreement, the pledgor shall have the right to vote such stock unless prior to the meeting the pledgee or his authorized representative shall file with the Secretary written authorization from the pledgor authorizing such pledgee to vote such stock. An executor, administrator, guardian, or trustee may vote stock of the Corporation held by him in such capacity at all meetings, in person or by proxy, whether or not such stock shall have been transferred into his name on the books of the Corporation, but if such stock shall have not been so transferred, he shall, if requested as a prerequisite to so voting, file with the Secretary a certified copy of his letters as such executor, administrator or guardian or evidence of his appointment or authority as such trustee. If there be two or more executors, administrators, guardians, or trustees, any one of them may vote the stock in person or by proxy. The instrument appointing a proxy shall be signed by the appointer, or if such appointer is a corporation, by the proper officers thereof, provided that minor variations between such signature and the name of the appointer as it appears upon the stock books of the

Corporation, or in the case of a corporation, failure to affix the corporate seal, shall not invalidate the proxy and, provided further, that if a proxy is appointed by telecopy, telex, datagram, cable or radiogram, the typewritten signature of the appointer shall be sufficient. Unless expressly limited by its terms, every instrument appointing a proxy shall continue in full force and effect until a written revocation thereof shall be filed with the Secretary. It is expressly provided that the provisions of Section 416-77 of the Corporation Law of Hawaii, Title 23 of Hawaii Revised Statutes, shall not be applicable to any annual or special meeting of stockholders of the Corporation.

SECTION 6. Election of Directors. Unless otherwise specifically required by law

(upon the demand of one or more shareholders or otherwise) or by the Corporation's Articles of Association, there shall be no cumulative voting in the election of directors.

SECTION 7. Action at Meetings of Stockholders. No business may be transacted at

an annual meeting of stockholders, other than business that is either (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (b) otherwise properly brought before the annual meeting by or at the direction of the Board of Directors or (c) otherwise properly brought before the annual meeting by any stockholder of the Corporation (i) who is a stockholder of record on the date of the giving of the notice provided for in this Section 7 and on the record date for the determination of stockholders entitled to vote at such annual meeting and (ii) who complies with the notice procedures set forth in this Section 7.

In addition to any other applicable requirements, for business properly to be brought before an annual meeting by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Chairman of the Board, if any, the President, or the Secretary of the Corporation.

To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of the Corporation not less than ninety (90) days nor more than one hundred twenty (120) days prior to the anniversary date of the immediately preceding annual meeting of stockholders; provided, however,

that in the event that the annual meeting is called for a date that is not within thirty (30) days before or after such anniversary date, notice by the stockholder in order to be timely must be so received not later than the close of business on the tenth (10th) day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made, whichever first occurs.

To be in proper written form, a stockholder's notice must set forth as to each matter such stockholder proposes to bring before the annual meeting (i) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (ii) the name and record address of such stockholder, (iii) the class or series and number of shares of capital stock of the Corporation which are owned beneficially or of record by such stockholder, (iv) a description of all arrangements or understandings between such stockholder and any other person or persons (including their names) in connection with the proposal of such business by such stockholder and any material interest of such stockholder in such business and (v) a representation that such stockholder intends to appear in person or by proxy at the annual meeting to bring such business before the meeting.

No business shall be conducted at the annual meeting of stockholders except business brought before the annual meeting in accordance with the procedures set forth in this Section 7, provided, however, that, once business has been brought

properly before the annual meeting in accordance with such procedures, nothing in this Section 7 shall be deemed to preclude discussion by any stockholder of any such business. If the Chairman of an annual meeting determines that business was not brought properly before the annual meeting in accordance with the foregoing procedures, the Chairman shall declare to the meeting that the business was not brought properly before the meeting and such business shall not be transacted.

The business transacted at any special meeting of stockholders called in the manner set forth in Article II, Section 2 hereof shall be confined to the business stated in the notice of meeting, as determined by the person or persons calling such meeting.

SECTION 8. Adjournment. Any meeting of stockholders, whether annual or special,

and whether a quorum be present or not, may be adjourned from time to time by the Chairman thereof, with the consent of the holders of a majority of all of the shares of stock present or represented at such meeting, and entitled to vote thereat, without notice other than the announcement at such meeting. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the original meeting as originally called and noticed.

ARTICLE III

BOARD OF DIRECTORS

SECTION 1. Number and Term of Office. The Board of Directors shall consist of

not less than five directors, the exact number of directors to be determined

from time to time by resolution adopted by the affirmative vote of a majority of the directors then in office. The Directors, except as otherwise in these Bylaws provided, shall hold office until the annual meeting held next after their election and until their respective successors, if any, shall have been elected. The number of directors constituting the Board may be increased by the Board of Directors from time to time during the period between annual meetings.

No person shall be elected as a director at any annual meeting or special meeting who has achieved the age of seventy-two years prior to such annual or special meeting; provided, however, that this provision shall not be applicable to any person who, prior to such annual or special meeting, has served as Chief Executive Officer of the Corporation for a period of not less than five years.

Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the Board of Directors may be made at any annual meeting of stockholders, or at any special meeting of stockholders called in the manner set forth in Article II, Section 2 hereof for the purpose of electing directors, (a) by or on behalf of the Board of Directors or (b) by any stockholder of the Corporation (i) who is a stockholder of record on the date of the giving of the notice provided for in this Section 1 and on the record date for the determination of stockholders entitled to vote at such meeting and (ii) who complies with the notice procedures set forth in this Section 1.

In addition to any other applicable requirements, for a nomination to be made by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Chairman of the Board, if any, the President, or the Secretary of the Corporation.

To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of the Corporation (a) in the case of an annual meeting, not less than sixty (60) days nor more than ninety (90) days prior to the anniversary date of the immediately preceding annual meeting of stockholders; provided, however, that in the event that the annual meeting is

called for a date that is not within thirty (30) days before or after such anniversary date, notice by the stockholder in order to be timely must be so received not later than the close of business on the tenth (10th) day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made, whichever first occurs; and (b) in the case of a special meeting of stockholders called in the manner set forth in Article II, Section 2 hereof for the purpose of electing directors, not later than the close of business on the tenth (10th) day following the day on which notice of the date of the special meeting was mailed or public disclosure of the date of the special meeting was made, whichever first occurs.

To be in proper written form, a stockholder's notice must set forth (a) as to each person whom the stockholder proposes to nominate for election as a director (i) the name, age, business address and residence address of the person, (ii) the principal occupation or employment of the person, (iii) the class or series and number of shares of capital stock of the Corporation which are owned beneficially or of record by the person and (iv) any other information relating to the person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations promulgated thereunder; and (b) as to the stockholder giving the notice (i) the name and record address of such stockholder, (ii) the class or series and number of shares of capital stock of the Corporation which are owned beneficially or of record by such stockholder, (iii) a description of all arrangements or understandings between such stockholder and each proposed nominee and any other person or persons (including their names) pursuant to which the nomination(s) are to be made by such stockholder, (iv) a representation that such stockholder intends to appear in person or by proxy at the meeting to nominate the persons named in its notice and (v) any other information relating to such stockholder that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder. Such notice must be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected.

No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the procedures set forth in this Section 1. If the Chairman of the meeting determines that a nomination was not made in accordance with the foregoing procedures, the Chairman shall declare to the meeting that the nomination was defective and such defective nomination shall be disregarded.

The directors may, at any time upon the affirmative vote of a majority of the directors then in office, be divided into two or three classes, designated Class I, Class II and, if any, Class III. The aggregate number of directors to be divided into classes shall be fixed by the affirmative vote of a majority of the directors then in office, but shall not be less than five directors, or such higher or lower number as may be permitted by the Articles of Association. Each class shall consist, as nearly as may be possible, of one-half or one-third, as the case may be, of the total number of directors constituting the entire Board. Each initial director in Class I shall hold office until the first annual meeting of stockholders following the director's election; each initial director in Class II shall hold office until the second annual meeting of stockholders following the director's election; and each initial director in Class III, if any, shall hold office until the third annual meeting of stockholders following the director's election. At each succeeding annual meeting of stockholders, successors to the class of directors whose term expires at that annual meeting

shall be elected for a two- or three-year term, as the case may be. If the number of directors is changed, any increase or decrease shall be apportioned among the classes so as to maintain the number of directors in each class as nearly equal as possible, and any additional director of any class elected to fill a vacancy resulting from an increase in such class shall hold office for a term that shall coincide with the remaining term of that class, but in no case will a decrease in the number of directors shorten the term of any incumbent director. A director shall hold office until the annual meeting for the year in which the director's term expires and until the director's successor shall be elected, subject, however, to prior death, resignation, retirement, disqualification or removal from office. Any vacancy on the Board of Directors shall be filled by resolution adopted by a majority of the directors then in office. Any director elected to fill a vacancy not resulting from an increase in the number of directors shall have the same remaining term as that of the director's predecessor.

Notwithstanding the foregoing, whenever the holders of any one or more classes or series of preferred stock issued by the Corporation shall have the right, voting separately by class or series, to elect directors at an annual or special meeting of stockholders, the election, term of office, filling of vacancies and other features of such directorship shall be governed by the terms of the Articles of Association applicable thereto, and such directors so elected shall not be divided into classes pursuant to this Section unless expressly provided by such terms.

SECTION 2. Removal of Directors. At any annual meeting or any special meeting of

stockholders duly called in accordance with these Bylaws for the purpose, any director may be removed from office only for cause by the affirmative vote of the holders of a majority of all of the shares of capital stock of the Corporation outstanding and entitled to vote, and another person may be elected in his place to serve for the remainder of his term. In case any vacancy so created shall not be filled by the stockholders at such meeting, such vacancy may be filled by the Board of Directors.

In addition, any director may be removed for cause at any time by the affirmative vote of a majority of the other directors then in office. Any vacancy in the Board of Directors created pursuant to the preceding sentence may be filled by the remaining directors as provided in Section 6 of this Article III.

SECTION 3. Registration, Meetings, Notice.

-
- (a) Each director shall, upon election to such office, register with the Corporation his mailing address.
 - (b) The Board of Directors shall, without any notice being given, hold a meeting for the purpose of organization as soon as may be after each annual meeting of stockholders.
 - (c) The Board of Directors may, in its discretion, schedule regular meetings of the Board to be held at a stated time and place and no notice, written or otherwise, of such meetings shall be required. The Board of Directors may, in its discretion, alter the time and place for such regular meetings from time to time.
 - (d) Special meetings of the Board of Directors may be called by the Chairman of the Board of Directors, or in the absence of the Chairman, or if no Chairman shall have been appointed, at the call of the President, and in any case, at the call of any two Directors.
 - (e) The Secretary shall give notice of every special meeting of the Board of Directors orally or by mailing or delivering a copy of the same to each Director at his registered mailing address, not less than twenty-four hours prior to any such meeting. Such notice shall constitute full legal notice of any special meeting, whether actually received or not. No special meeting and no business transacted at any such meeting shall be invalidated or in any way affected by the failure of the Secretary to give notice of such meeting to any director, or of any director to receive such notice, if a quorum of the directors shall be present at such meeting.

SECTION 4. Quorum, Voting, Adjournment. A majority of the Board of Directors in

office from time to time shall constitute a quorum for the transaction of any business. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, except as otherwise provided in these Bylaws. In the absence of a quorum, the Chairman or a majority of the Directors present may adjourn the meeting from time to time without further notice until a quorum shall be had.

SECTION 5. Action Without a Meeting. Any action required or permitted to be

taken by the Board of Directors or any committee thereof may be taken without a meeting if all of the members of the Board of Directors or all of the members of the committee, as the case may be, shall consent in writing to the action taken or to be taken at any time before or after the intended effective date of such action. Such consent shall be filed with the minutes of the meetings of the Board of Directors or committee, as the case may be, and shall have the same effect as a unanimous vote.

SECTION 6. Permanent Vacancies. If any permanent vacancy shall occur in the

Board of Directors through death, resignation, removal or other cause, the remaining directors, by the affirmative vote of a majority of directors then in office, may elect a successor director to hold office for the unexpired portion of the term of the director whose place shall be vacant.

SECTION 7. Temporary Vacancies, Substitute Directors. If any temporary vacancy

shall occur in the Board of Directors through the absence, sickness or disability of any director, the remaining directors, whether constituting a majority or a minority of the whole Board, may by the affirmative vote of a majority of such remaining directors appoint some person as a substitute director, who shall be a director during such absence, sickness or disability and until such director shall return to duty or the office of such director shall become permanently vacant. The determination of the Board of Directors, as shown on the minutes, of the fact of such absence, sickness or disability shall be conclusive as to all persons and to the Corporation.

SECTION 8. Expenses and Fees. By resolution of the Board of Directors, such

compensation, fees and expenses as the Board may from time to time determine shall be allowed and paid to directors for services on the Board of any Committee created by the Board, provided that nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

SECTION 9. Committees. The Board of Directors may create such committees

(including an executive committee or committees) consisting of such members of the Board of Directors as the Board of Directors may designate from time to time. The authorities and powers of each committee shall be as prescribed from time to time by the Board of Directors. Each committee may make its own rules of procedure unless otherwise prescribed by the Board of Directors.

SECTION 10. Election of Persons to Fill Directorships Established During the

Period Between Annual Meetings. The election of persons to fill directorships established by the Board of Directors by an increase in the size of the Board shall be either by (a) the affirmative vote of a majority of the directors then in office or (b) a vote of stockholders at a special meeting of stockholders called for such purpose. Persons elected to newly-established directorships shall hold office until the annual meeting of stockholders held next after their election and until their respective successors, if any, shall have been elected.

SECTION 11. Limitations on Number of Directors. The only limitation on the power

and authority of the Board of Directors to determine the number of directors is that there shall be not less than five directors. There shall be no other limitations, whether numerical, based on percentage increase or decrease in the number of directors, or otherwise, on the power and authority of the Board of Directors to determine the number of directors.

ARTICLE IV

OFFICERS, MANAGEMENT AND AUDITOR

SECTION 1. Appointment, Term, Removal. The officers of the Corporation shall be

the President, one or more vice presidents, the Secretary, the Treasurer, the Controller and in addition thereto, in the discretion of the Board of Directors, a Chairman of the Board, one or more assistant secretaries, one or more assistant treasurers, and such other officers, with such duties, as the Board of Directors shall from time to time determine. All officers shall be appointed annually by the Board of Directors and, subject to removal as hereinafter provided, shall serve until their respective successors shall have been appointed. Any officer shall be subject to removal at any time, with or without cause, by the affirmative vote of the majority of the whole Board. One person may hold more than one office. The Board of Directors may, in its discretion, appoint acting or temporary officers, and may appoint officers to fill vacancies occurring for any reason whatsoever, and may, in its discretion, from time to time limit or enlarge the duties and powers of any officer appointed by it.

SECTION 2. Chairman of the Board. The Chairman of the Board, if appointed, shall

preside at all meetings of the stockholders and the Board of Directors unless otherwise prescribed by the Board. He shall also exercise such powers and perform such other duties as may be assigned to him by the Articles of Association or these Bylaws or by resolution of the Board of Directors.

SECTION 3. The President. The President (in the absence of the Chairman of the

Board, if appointed) shall preside at all of the meetings of the stockholders and Board of Directors. He shall be responsible for the general management and supervision of the operations and affairs of the corporation unless otherwise prescribed by the Board of Directors. He shall also exercise such powers and perform such other duties as may be assigned to him by the Articles of Association or these Bylaws or by resolution by the Board of Directors.

SECTION 4. The Vice President or Vice Presidents. The Vice President or Vice

Presidents shall, in such order as the Board of Directors shall determine, perform all the duties and exercise all of the powers of the President provided by these Bylaws or otherwise, during the absence or disability of the President

or whenever the office of President shall be vacant, and shall perform all other duties assigned to him or them by the Board of Directors.

SECTION 5. The Secretary. The Secretary shall attend all meetings of the

stockholders, the Board of Directors, and, if created, the Executive Committee, and shall have responsibility for preparation and custody of the minutes of such meetings and for authenticating records of the Corporation. He shall give notice, in conformity with these Bylaws, of meetings of stockholders and, where required, of the Board of Directors. In the absence of the Chairman of the Board of Directors and of the President and the Vice President or vice presidents, if more than one, he shall have power to call such meetings and shall preside thereat until a president pro tempore shall be chosen.

The Secretary shall keep, or cause to be kept, at the principal office of the Corporation or at the office of the Corporation's stock transfer agent, a share register, or a duplicate share register, showing the names of the stockholders and their addresses, the number and classes of shares held by each, the number and date of cancellation of every certificate surrendered for cancellation. The Secretary shall perform all other duties incident to his office, or which may be assigned to him by the Board of Directors or the President or the Bylaws.

SECTION 6. The Treasurer. The Treasurer shall have custody of all the funds,

notes, bonds and other investments of the Corporation. He shall deposit or cause to be deposited in the name of the Corporation all monies and other valuable effects in such banks, trust companies, or other depositories as shall from time to time be designated by the Board of Directors. He shall make such disbursements as the regular course of the business of the Corporation may require or the Board of Directors may order. He shall render to the President and Directors, whenever they request it, an account of all of the transactions as Treasurer, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the President or the Bylaws.

SECTION 7. Assistant Secretary and Assistant Treasurer. The Assistant Secretary

or assistant secretaries and the Assistant Treasurer or assistant treasurers, if appointed, shall, in such order as the Board of Directors may determine, perform all of the duties and exercise all of the powers of the Secretary and Treasurer, respectively, during the absence or disability of, and in the event of a vacancy in the office of, the Secretary or Treasurer, respectively, and shall perform all of the duties assigned to him or them by the President, the Secretary in the case of assistant secretaries, the Treasurer in the case of the assistant treasurers, or the Board of Directors.

SECTION 8. Absence of Officers. In the absence or disability of the President

and the Chairman of the Board, if appointed, and the Vice President or vice presidents, if more than one, the duties of the President (other than the calling of meetings of the stockholders and the Board of Directors) shall be performed by such persons as may be designated for such purpose by the Board of Directors. In the absence or disability of the Secretary and of the Assistant Secretary or assistant secretaries, if more than one, or of the Treasurer and the Assistant Treasurer or assistant treasurers, if more than one, the duties of the Secretary or of the Treasurer, as the case may be, shall be performed by such person or persons as may be designated for such purpose by the Board of Directors.

SECTION 9. Auditor. The Auditor shall audit the books and accounts of the

Corporation at such time or times as may be required by the Board of Directors, but in any event not less often than annually, and shall certify his findings and report thereon in writing to the stockholders. The Auditor shall make such other audits, examinations and reports as the Board of Directors shall determine from time to time.

SECTION 10. Controller. The Controller shall have custody of and supervise and

control the keeping of the accounts and books of this Corporation, and shall develop records and procedures for control of costs; maintain proper tax records and supervise the preparation of tax returns, develop procedures for internal auditing and maintain proper relationships with the external auditors designated by the stockholders; administer programs relating to capital expenditure and operating budgets, prepare the financial statements of the Company, and perform such other duties as the President may from time to time determine.

ARTICLE V

EXECUTION OF INSTRUMENTS

SECTION 1. Proper Officers. Except as hereinafter provided, or as required by

law, all checks, drafts, notes, bonds, acceptances, deeds, leases, contracts, bills of exchange, orders for the payment of money, licenses, endorsements, stock powers, powers of attorney, proxies, waivers, consents, returns, reports, applications, notices, mortgages, and other instruments or writings of any nature which require execution on behalf of the Corporation, shall be signed or endorsed by such person or persons and in such manner as the Board of Directors may determine from time to time by resolution.

SECTION 2. Facsimile Signatures. The Board of Directors may, from time to time,

by resolution provide for the execution of any corporate instrument or document, including, but not limited to, checks, warrants, drafts, and other orders for the payment of money, by a mechanical device or machine or by the use of facsimile signatures under such terms and conditions as shall be set forth in such resolution.

ARTICLE VI

VOTING OF STOCK BY THE CORPORATION

In all cases where the Corporation owns, holds, or represents under power of attorney or by proxy or in any other representative capacity shares of capital stock of any corporation or shares or interests in business trusts, co-partnerships, or other associations, such shares or interest shall be represented or voted in person or by proxy by the Chairman of the Board (if also Chief Executive Officer) or in the absence of the Chairman of the Board (or if such person is not also Chief Executive Officer) by the President, or in his absence by the Vice President, or if there be more than one vice president present, then by such vice president as the Board of Directors shall have designated as Executive Vice President, or failing any such designation, by any vice president, or in the absence of any vice president, by the Treasurer, or in his absence, by the Secretary; provided, however, that any person specifically appointed by the Board of Directors for the purpose shall have the right and authority to represent and vote such shares or interests with precedence over all of the above-named.

ARTICLE VII

CAPITAL STOCK

SECTION 1. Certificates of Stock. The certificates of stock of each class shall

be in such form and of such device as the Board of Directors may, from time to time, determine. They shall be signed by the Chairman of the Board, if appointed, or the President or a vice president and by the Treasurer or the Secretary or an assistant treasurer or assistant secretary and shall bear the corporate seal, provided, however, that the Board of Directors in its discretion may provide that any certificate which shall be signed by a transfer agent or by a registrar may be sealed with only the facsimile seal of the Corporation and may be signed with only the facsimile signatures of the officers above designated. In case any officer who has signed or whose facsimile signature has been placed upon any certificate shall have ceased to be such officer before such certificate is issued, such certificate may, nevertheless, be issued with the same effect as if such officer had not ceased to be such at the date of its issue. Certificates shall not be issued for nor shall there be registered any transfer of any fraction of a share. In the event that fractional parts of or interests in any share shall result in any manner from any action by the stockholders or directors of the Corporation, the Treasurer may sell the aggregate of such fractional interests under such reasonable terms and conditions as the Treasurer shall determine subject, however, to the control of the Board of Directors, and distribute the proceeds thereof to the person or persons entitled thereto.

SECTION 2. Holder of Record. The Corporation shall be entitled to treat the

person whose name appears on the stock books of the Corporation as the owner of any share, as the absolute owner thereof for all purposes, and shall not be under any obligation to recognize any trust or equity or equitable claim to or interest in such share, whether or not the Corporation shall have actual or other notice thereof.

SECTION 3. Transfer of Stock. Transfer of stock may be made in any manner

permitted by law, but no transfer shall be valid (except between the parties thereto) until the transfer shall have been duly recorded in the stock books of the Corporation and a new certificate issued. No transfer shall be entered in the stock books of the Corporation, nor shall any new certificate be issued until the old certificate, properly endorsed, shall be surrendered and canceled.

SECTION 4. Closing of Transfer Books. The Board of Directors shall have power

for any corporate purpose from time to time to close the stock transfer books of the Corporation for a period not exceeding thirty consecutive business days, provided, however, that in lieu of closing the stock transfer books as aforesaid, the Board of Directors may fix a record date for the payment of any dividend or for the allotment of rights or for the effective date of any change, conversion or exchange of capital stock or in connection with obtaining the consent of stockholders in any matter requiring their consent or for the determination of the stockholders entitled to notice of or to vote at any meeting of stockholders, and in any such case, only such stockholders as shall be stockholders of record on the record date so fixed shall be entitled to the rights, benefits and privileges incident to ownership of the shares of stock for which such record date has been fixed, notwithstanding any transfer of stock on the books of the corporation after such record date.

SECTION 5. Lost Certificates. The Board of Directors may, subject to such rules

and regulations as it may adopt from time to time, order a new certificate or certificates of stock to be issued in the place of any certificate or certificates of stock of the Corporation alleged to have been lost or destroyed,

but in every such case, the owner of the lost or destroyed certificate or certificates shall be required to file with the Board of Directors or the stock transfer agent of the Corporation sworn evidence showing the facts connected with such loss or destruction. The Board of Directors may, in its discretion, further require that a notice or notices shall be published not less than once each week for three consecutive weeks or for such other length of time as the Board of Directors may provide in any special case in one or more newspapers of general circulation, which notice shall describe the lost or destroyed certificate, seek its recovery and warn all persons against negotiating, transferring or accepting the same. Unless the Board of Directors shall otherwise direct, the owner of the lost or destroyed certificate shall be required to give to the Corporation a bond or undertaking in such sum, in such form, and with such surety or sureties as the Board of Directors may approve, to indemnify the Corporation against any loss, damage, or liability that the Corporation may incur by reason of the issuance of a new certificate or certificates. Nothing in this section contained shall impair the right of the Board of Directors, in its discretion, to refuse to replace any allegedly lost or destroyed certificate, save upon the order of the court having jurisdiction in the matter.

SECTION 6. Stock Rights and Options. The Corporation may create and issue,

whether or not in connection with the issuance and sale of any of its shares or other securities, rights or options entitling the holders thereof to purchase from the Corporation shares of any class or classes. Such rights or options shall be evidenced in such manner as the Board shall approve and, subject to the provisions of the Articles of Association, shall set forth the terms upon which, the time or times within which, and the price or prices at which, such shares may be purchased from the Corporation upon the exercise of any right or option. The documents evidencing such rights or options may include conditions on the exercise of such rights or options, including conditions that preclude the holder or holders, including any subsequent transferees, of at least a specified percentage of the common stock of the Corporation from exercising such rights or options. No approval by the stockholders of the Corporation shall be required for the issuance of such rights or options to directors, officers or employees of the Corporation or any subsidiary, or to the stockholders.

SECTION 7. Consideration for Shares. The Corporation may issue any share of

stock, with or without par value, in consideration of any one or any combination of more than one of the following: money paid; labor done; services actually rendered; debts or securities canceled; tangible or intangible property actually received; amounts transferred to capital from any surplus of the Corporation upon the issue of shares as a stock dividend; and such other consideration as may be permitted by Chapter 416, Hawaii Revised Statutes. Except as may be prohibited by Chapter 416, nothing herein is intended to prohibit the issuance of shares of stock held as treasury shares by the Corporation to any officer, director or employee of the Corporation pursuant to any stock bonus plan or plans, in consideration of future services to be performed by such officer, director or employee for the Corporation.

SECTION 8. Voting Record. The officer or agent having charge of the

Corporation's stock transfer books shall make a complete record of the stockholders entitled to vote at any meeting of stockholders or adjournment thereof, in accordance with the provisions of Section 415-31, Hawaii Revised Statutes. Such record shall be produced and kept open at the time and place of the stockholders' meeting and shall be subject to the inspection of any stockholder during the whole time of the meeting for the purposes thereof, and such record shall not be produced and kept open for such inspection at any other time and place, or for copying at any time and place, except in either case as may be required pursuant to Section 415-52, Hawaii Revised Statutes.

ARTICLE VIII

AMENDMENT

These Bylaws may be altered, amended or repealed from time to time by the Board of Directors, subject to repeal or change by the affirmative vote of the holders of a majority of all of the shares of capital stock of the Corporation outstanding and entitled to vote.

AMENDMENT TO THE REVISED BYLAWS OF ALEXANDER & BALDWIN, INC.

The Revised Bylaws of Alexander & Baldwin, Inc., as amended effective February 22, 2001 ("Bylaws"), are hereby amended, effective February 24, 2005, as follows:

Article III of the Bylaws is hereby amended by adding the following new Section 12:

"SECTION 12. Limited One-Year Waiver of Retirement Age. The Board of Directors, by resolution adopted on or before March 7, 2005 by a majority of the directors then in office, may waive, for one or more

designated persons who previously have achieved the age of seventy-two years, any prohibition on such person or persons being elected a director at any annual or special meeting after achieving such age; provided, however, that no person to whom such waiver applies shall thereafter be elected as a director at any annual or special meeting if such person has achieved the age of seventy-three years. Subsequent to March 7, 2005, no waivers may be granted by the Board of Directors pursuant to this Section 12."

AMENDMENT TO THE
REVISED BYLAWS OF
ALEXANDER & BALDWIN, INC.

The Revised Bylaws of Alexander & Baldwin, Inc. as amended effective February 22, 2001 ("Bylaws") are hereby amended, effective January 26, 2006, as follows:

Article VII, Section 1 and Section 3 of the Bylaws be, and hereby are, amended in their entireties, effective January 26, 2006, to read as follows:

"SECTION 1. Certificates of Stock. The certificates of stock of each

class shall be in such form and of such device as the Board of Directors may, from time to time, determine, including uncertificated shares. The rights and obligations of the holders of uncertificated shares and the rights and obligations of the holders of certificated shares of the same class and series shall be identical. Every share certificate shall be signed by the Chairman of the Board, if appointed, or the President or a vice president and by the Treasurer or the Secretary or an assistant treasurer or assistant secretary and shall bear the corporate seal, provided, however, that the Board of Directors in its discretion may provide that any certificate which shall be signed by a transfer agent or by a registrar may be sealed with only the facsimile seal of the Corporation and may be signed with only the facsimile signatures of the officers above designated. In case any officer who has signed or whose facsimile signature has been placed upon any certificate shall have ceased to be such officer before such certificate is issued, such certificate may, nevertheless, be issued with the same effect as if such officer had not ceased to be such at the date of its issue. Certificates shall not be issued for nor shall there be registered any transfer of any fraction of a share. In the event that fractional parts of or interests in any share shall result in any manner from any action by the stockholders or directors of the Corporation, the Treasurer may sell the aggregate of such fractional interests under such reasonable terms and conditions as the Treasurer shall determine subject, however, to the control of the Board of Directors, and distribute the proceeds thereof to the person or persons entitled thereto.

"SECTION 3. Transfer of Stock. "Transfer of stock may be made in any

manner permitted by law, but no transfer shall be valid (except between the parties thereto) until the transfer shall have been duly recorded in the stock books of the Corporation and a new certificate or evidence of uncertificated shares are issued. No transfer shall be entered in the stock books of the Corporation, nor shall any new certificate be issued until the old certificate, properly endorsed, shall be surrendered and canceled or proper transfer instructions are received from the holder of uncertificated shares."

AMENDMENT TO THE
REVISED BYLAWS OF
ALEXANDER & BALDWIN, INC.

The Revised Bylaws of Alexander & Baldwin, Inc., as amended effective February 22, 2001 and as thereafter amended (the "Bylaws") be, are hereby amended effective October 26, 2006, as follows:

Article II, Section 7 of the Bylaws, "Action at Meetings of Stockholders," is amended by replacing the third paragraph thereof with the following paragraph:

"To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of the Corporation not less than one hundred twenty (120) days nor more than one hundred fifty (150) days prior to the anniversary date of the immediately preceding annual meeting of stockholders; provided, however, that in the event

that the annual meeting is called for a date that is not within twenty-five (25) days before or after such anniversary date, notice by the stockholder in order to be timely must be so received not later than the close of business on the tenth (10th) day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made, whichever first occurs.

Article III, Section 1 of the Bylaws, "Number and Term of Office," is amended by replacing the fifth paragraph thereof with the following paragraph:

"To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of the Corporation (a) in the case of an annual meeting, not less than one hundred twenty (120) days nor more than one hundred fifty (150) days prior to the anniversary date of the immediately preceding annual meeting of stockholders; provided, however, that in the event that the annual

meeting is called for a date that is not within twenty-five (25) days before or after such anniversary date, notice by the stockholder in order to be timely must be so received not later than the close of business on the tenth (10th) day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made, whichever first occurs; and (b) in the case of a special meeting of stockholders called in the manner set forth in Article II, Section 2 hereof for the purpose of electing directors, not later than the close of business on the tenth (10th) day following the day on which notice of the date of the special meeting was mailed or public disclosure of the date of the special meeting was made, whichever first occurs."

Article III, Section 12 of the Bylaws, "Limited One-Year Waiver of Retirement Age," is amended by deleting the section in its entirety.

AMENDMENT NO. 5

The Alexander & Baldwin, Inc. 1989 Stock Option/Stock Incentive Plan, as previously amended (hereinafter the "Plan"), is hereby further amended, effective as of October 26, 2006, as follows:

1. Subparagraph B.2.b of the "TERMS AND CONDITIONS OF OPTIONS" section under Article II of the Plan is hereby amended in its entirety to read as follows:

b. Each option outstanding under the Plan on October 26, 2006, together with any stock appreciation right pertaining to such option, is hereby amended so that such option may be assigned in whole or in part during the Optionee's lifetime to a revocable living trust established exclusively for the Optionee or the Optionee and his or her spouse, to the extent such assignment is in connection with the Optionee's estate plan. The assigned portion may only be exercised by the person who acquires a proprietary interest in the option pursuant to the assignment. The terms applicable to the assigned portion shall be the same as those in effect for the option immediately prior to such assignment and shall be set forth in such documents to be executed by the assignee as the Committee may deem appropriate. The Optionee may also designate one or more persons as the beneficiary or beneficiaries of his or her outstanding options under the Plan, and those options, together with any stock appreciation rights pertaining to such options, shall, in accordance with such designation, automatically be transferred to such beneficiary or beneficiaries upon the Optionee's death while holding those options. Such beneficiary or beneficiaries shall take the transferred options subject to all the terms and conditions of the applicable agreement evidencing each such transferred option, including (without limitation) the limited time period during which the option may be exercised following the Optionee's death. Except for the limited transferability provided by the foregoing, an outstanding option under the Plan shall not be assignable or transferable and shall be exercisable only by the Optionee during his or her lifetime.

2. Subparagraph D.3.b of the "TERMS AND CONDITIONS OF OPTIONS" section under Article III of the Plan is hereby amended in its entirety to read as follows:

b. Each option, outstanding under the Plan on October 26, 2006, together with any stock appreciation right pertaining to such option, is hereby amended so that such option may be assigned in whole or in part during the Optionee's lifetime to a revocable living trust established exclusively for the Optionee or the Optionee and his or her spouse, to the extent such assignment is in connection with the Optionee's estate plan. The assigned portion may only be exercised by the person who acquires a proprietary interest in the option pursuant to the assignment. The terms applicable to the assigned portion shall be the same as those in effect for the option immediately prior to such assignment and shall be set forth in such documents to be executed by the assignee as the Committee may deem appropriate. The Optionee may also designate one or more persons as the beneficiary or beneficiaries of his or her outstanding options under the Plan, and those options, together with any stock appreciation rights pertaining to such options, shall, in accordance with such designation, automatically be transferred to such beneficiary or beneficiaries upon the Optionee's death while holding those options. Such beneficiary or beneficiaries shall take the transferred options subject to all the terms and conditions of the applicable agreement evidencing each such transferred option, including (without limitation) the limited time period during which the option may be exercised following the Optionee's death. Except for the limited transferability provided by the foregoing, an outstanding option under the Plan shall not be assignable or transferable and shall be exercisable only by the Optionee during his or her lifetime.

3. Except as modified by this Amendment, all the terms and provisions of the Alexander & Baldwin, Inc. 1989 Stock Option/Stock Incentive Plan, as previously amended, shall continue in full force and effect.

IN WITNESS WHEREOF, Alexander & Baldwin, Inc. has caused this Amendment to be executed on its behalf by its duly-authorized officers on this 26th day of October, 2006.

ALEXANDER & BALDWIN, INC.

By /s/ Nelson N. S. Chun
Its Senior Vice President

By /s/ Alyson J. Nakamura
Its Secretary

AMENDMENT NO. 4

The Alexander & Baldwin, Inc. 1989 Non-Employee Director Stock Option Plan, as previously amended (hereinafter the "Plan"), is hereby further amended, effective as of October 26, 2006, as follows:

1. Paragraph A.5 of the TERM AND CONDITIONS OF GRANT section of Article II of the Plan is hereby amended in its entirety to read as follows:

5. Limited Transferability of Options. Each option outstanding

under the Plan on October 26, 2006 is hereby amended so that such option may be assigned in whole or in part during the optionee's lifetime to a revocable living trust established exclusively for the optionee or the optionee and his or her spouse, to the extent such assignment is in connection with the optionee's estate plan. The assigned portion may only be exercised by the person who acquires a proprietary interest in the option pursuant to the assignment. The terms applicable to the assigned portion shall be the same as those in effect for the option immediately prior to such assignment and shall be set forth in such documents to be executed by the assignee as the Corporation may deem appropriate. The optionee may also designate one or more persons as the beneficiary or beneficiaries of his or her outstanding options under the Plan, and those options shall, in accordance with such designation, automatically be transferred to such beneficiary or beneficiaries upon the optionee's death while holding those options. Such beneficiary or beneficiaries shall take the transferred options subject to all the terms and conditions of the applicable agreement evidencing each such transferred option, including (without limitation) the limited time period during which the option may be exercised following the optionee's death. Except for the limited transferability provided by the foregoing, an outstanding option under the Plan shall not be assignable or transferable and shall be exercisable only by the optionee during his or her lifetime.

2. Except as modified by this Amendment, all the terms and provisions of the Alexander & Baldwin, Inc. 1989 Non-Employee Director Stock Option Plan, as previously amended, shall continue in full force and effect.

IN WITNESS WHEREOF, Alexander & Baldwin, Inc. has caused this Amendment to be executed on its behalf by its duly-authorized officers on this 26th day of October, 2006.

ALEXANDER & BALDWIN, INC.

By /s/ Nelson N. S. Chun
Its Senior Vice President

By /s/ Alyson J. Nakamura
Its Secretary

AMENDMENT NO. 5

The Alexander & Baldwin, Inc. 1998 Stock Option/Stock Incentive Plan, as previously amended (hereinafter the "Plan"), is hereby further amended, effective as of October 26, 2006, as follows:

1. Paragraph F of Section I ("OPTION TERMS - Transferability of Options") of Article Two of the Plan is hereby amended in its entirety to read as follows:

F. Transferability of Options. The following transferability

provisions shall be applicable to (i) each option granted under the Plan on or after October 26, 2006 and (ii) each option outstanding under the Plan on such date, with each such outstanding option to be hereby amended to incorporate such provisions:

(a) Each such option may be assigned in whole or in part during the Optionee's lifetime to a revocable living trust established exclusively for the Optionee or the Optionee and his or her spouse, to the extent such assignment is in connection with the Optionee's estate plan. The assigned portion may only be exercised by the person who acquires a proprietary interest in the option pursuant to the assignment. The terms applicable to the assigned portion shall be the same as those in effect for the option immediately prior to such assignment and shall be set forth in such documents to be executed by the assignee as the Plan Administrator may deem appropriate.

(b) The Optionee may also designate one or more persons as the beneficiary or beneficiaries of each such option, and the option shall, in accordance with such designation, automatically be transferred to such beneficiary or beneficiaries upon the Optionee's death while holding that option. Such beneficiary or beneficiaries shall take the transferred option subject to all the terms and conditions of the applicable agreement evidencing that option, including (without limitation) the limited time period during which the option may be exercised following the Optionee's death.

(c) Except for the limited transferability provided by the foregoing, an outstanding option under the Plan shall not be assignable or transferable and shall be exercisable only by the Optionee during his or her lifetime.

2. There is hereby added to Section I ("TERMS AND CONDITIONS OF RELOAD OPTIONS") of Article Three of the Plan, new Paragraph C.9 as follows:

9. Transferability of Reload Options. The following

transferability provisions shall be applicable to (i) each Reload Option granted under the Plan on or after October 26, 2006 and (ii) each Reload Option outstanding under the Plan on such date, with each such outstanding Reload Option to be hereby amended to incorporate such provisions:

(a) Each such Reload Option may be assigned in whole or in part during the Optionee's lifetime to a revocable living trust established exclusively for the Optionee or the Optionee and his or her spouse, to the extent such assignment is in connection with the Optionee's estate plan. The assigned portion may only be exercised by the person who acquires a proprietary interest in the Reload Option pursuant to the assignment. The terms applicable to the assigned portion shall be the same as those in effect for the Reload Option immediately prior to such assignment and shall be set forth in such documents to be executed by the assignee as the Plan Administrator deems appropriate.

(b) The Optionee may also designate one or more persons as the beneficiary or beneficiaries of each such Reload Option, and the Reload Option shall, in accordance with such designation, automatically be transferred to such beneficiary or beneficiaries upon the Optionee's death while holding that option. Such beneficiary or beneficiaries shall take the transferred Reload Option subject to all the terms and conditions of the applicable agreement evidencing that option, including (without limitation) the limited time period during which the Reload Option may be exercised following the Optionee's death.

(c) Except for the limited transferability provided by the foregoing, an outstanding Reload Option under the Plan shall not be assignable or transferable and shall be exercisable only by the Optionee during his or her lifetime.

3. Except as modified by this Amendment, all the terms and provisions of the Alexander & Baldwin, Inc. 1998 Stock Option/Stock Incentive Plan, as previously amended, shall continue in full force and effect.

IN WITNESS WHEREOF, Alexander & Baldwin, Inc. has caused this Amendment to be executed on its behalf by its duly-authorized officers on this 26th day of

October, 2006.

ALEXANDER & BALDWIN, INC.

By /s/ Nelson N. S. Chun
Its Senior Vice President

By /s/ Alyson J. Nakamura
Its Secretary

AMENDMENT NO. 4

The Alexander & Baldwin, Inc. 1998 Non-Employee Director Stock Option Plan, as previously amended (hereinafter the "Plan"), is hereby further amended, effective as of October 26, 2006, as follows:

1. Paragraph A.4 of Section II ("TERMS AND CONDITIONS OF GRANT") of Article Two of the Plan is hereby amended in its entirety to read as follows:

4. Limited Transferability of Options. The following

transferability provisions shall be applicable to (i) each option granted under the Plan on or after October 26, 2006 and (ii) each option outstanding under the Plan on such date, with such outstanding option to be hereby amended to incorporate such provisions:

(a) Each such option may be assigned in whole or in part during the optionee's lifetime to a revocable living trust established exclusively for the optionee or the optionee and his or her spouse, to the extent such assignment is in connection with the optionee's estate plan. The assigned portion may only be exercised by the person who acquires a proprietary interest in the option pursuant to the assignment. The terms applicable to the assigned portion shall be the same as those in effect for the option immediately prior to such assignment and shall be set forth in such documents to be executed by the assignee as the Corporation may deem appropriate.

(b) The optionee may also designate one or more persons as the beneficiary or beneficiaries of each such option, and the option shall, in accordance with such designation, automatically be transferred to such beneficiary or beneficiaries upon the optionee's death while holding those options. Such beneficiary or beneficiaries shall take the transferred option subject to all the terms and conditions of the applicable agreement evidencing that option, including (without limitation) the limited time period during which the option may be exercised following the optionee's death.

(c) Except for the limited transferability provided by the foregoing, an outstanding option under the Plan shall not be assignable or transferable and shall be exercisable only by the optionee during his or her lifetime.

2. Except as modified by this Amendment, all the terms and provisions of the Alexander & Baldwin, Inc. 1998 Non-Employee Director Stock Option Plan, as previously amended, shall continue in full force and effect.

IN WITNESS WHEREOF, Alexander & Baldwin, Inc. has caused this Amendment to be executed on its behalf by its duly-authorized officers on this 26th day of October, 2006.

ALEXANDER & BALDWIN, INC.

By /s/ Nelson N. S. Chun
Its Senior Vice President

By /s/ Alyson J. Nakamura
Its Secretary

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: October 27, 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: October 27, 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 September 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: October 27, 2006

/s/ Christopher J. Benjamin

Name: Christopher J. Benjamin
Title: Senior Vice President, Chief Financial Officer and Treasurer
Date: October 27, 2006