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CORPORATE PARTICIPANTS

John Kelley *Alexander and Baldwin, Inc. - VP of Investor Relations*

Allen Doane *Alexander and Baldwin, Inc. - President and CEO*

Christopher Benjamin *Alexander and Baldwin, Inc. - VP and CFO*

PRESENTATION

John Kelley - *Alexander and Baldwin, Inc. - VP of Investor Relations*

Good day everyone. This is John Kelley in Honolulu. For those with me on the Internet my job is Vice President Investor Relations for A&B. Today's presentation is the first of its kind for us. This is the first webcast we've done outside the pattern of our regular quarterly conference calls. It's also part of the first organized site visit to the Company's operations in Honolulu in Hawaii.

I think that everyone would agree that Hawaii is a unique place. It's also a very special place to do business. In our Hawaii assets and operations can best be appreciated by seeing them first hand.

Yesterday and today we have visited or will our real estate, Agra business and transportation operations on Maui and Kauai as well as here on Oahu. This part of the presentation is a discussion of corporate direction because this is the one time during the site visit that company wide strategic issues will be presented.

We thought it would be appropriate to share it with all the investors using the Internet. The discussion here should last about an hour with the Company presentation followed by Q&A with our visitors here. So the webcast will end promptly at 3:00 p.m. Eastern Standard Time.

Representing Alexander & Baldwin today are Allen Doane, President and CEO and Chris Benjamin, CFO and Vice President.

Our guests are representatives from a number of prominent investment firms and lest anyone inviting - lest anyone listening in be to envious let me remind you that abiding by the Code of Professional Ethics of the Investment Industry all of our visitors are paying for their own travel and accommodations. Furthermore, we're running them pretty hard so I can assure you that no one in their offices will accuse them of vacationing with us in Hawaii.

At today's webcast our comments will be accompanied by slides which you will find easier to see by enlarging them using that option on your screen. You may also print the slides using the PDF file under supporting materials and there will be a replay of the call available for one week on the Internet.

So with that let's get started. The statements in the call that set forth our expectations and predictions are based on facts and situations that are known to us as of today November 23, 2004. Actually results may differ materially due to risks and uncertainties such as those described on page 21 of the Form 10-K in our 2002 Annual Report.

I'd now like to introduce Allen Doane, President and CEO of Alexander & Baldwin. Allen.

Allen Doane - *Alexander and Baldwin, Inc. - President and CEO*

Thank you John. I hope you'll indulge me. I have some opening remarks that I'd like to give as an overview for this strategic plan direction discussion we're going to have. Following my open remarks we'll go through a number of slides and it'll be a little more free form than this opening is.

In Hawaii, the business community was once controlled by the Big Five. For much of the 20th Century a few companies with historic Hawaii roots dominated the local scene socially, politically, and economic. Today the Big Five has one survivor, Alexander & Baldwin. I'm pleased to report that not only have we survived, but we are prospering.

Alexander & Baldwin is undergoing a transformation. A recently completed strategic plan reflects significant shifts in the strategies of A&B's two largest businesses. Through a combination of business unit plans for growth and corporate leadership in setting overall business direction our strategic plan establishes a path to a more profitable and valuable A&B.

Now entering my seventh year as CEO of the Company, we've had more than our share of challenges. Hawaii languished in the economic doldrums for years through the year 2000. We were dramatically impacted in 2001 and 2002 by 9/11 and a once in a 30-year long shore work stoppage on the West Coast.

Despite these problems the Company has provided it shareholders with a total return of 16 percent annually over the last six years. We've accomplished this through a two-pronged strategy of transforming A&B properties into we believe the most competitive real estate organization in Hawaii and at the same time, Matson has been fully restored to profitability levels that are the envy of maritime industry worldwide.

All this being said, the work is far from complete. Our transformation continues and you will hear more about it over the next hour. A&B has traditionally been viewed as a good defensive investment asset rich in Hawaii land with strong cash flow from Matson. While this is true, the Company has in recent years asserted itself much more strongly to grow. We may not have the earnings growth philosophy of a high tech stock but we have clearly taken a path that is leading us stronger growth at the same time we are maintaining the attributes of the company with a solid balance sheet and substantial assets.

How this translates into the price of stock is for investors to decide. From my standpoint there're two principal issues.

First, sustaining profit momentum at Matson in spite of recurring external challenges and second continuing success of the never ending task of identifying and investing the profitable real estate. On the issue of sustaining momentum at Matson, we are proud that Matson ranks in the top five globally in terms of maritime industry operating margin for 2003.

You can find the relevant statistics in American Shipper which ranks the top 30 or so companies in the world in terms of profitability. We anticipate an even higher ranking in 2004. However, Matson has historically experienced disruptions in its operating performance all primarily caused by external events. We expect these challenges to continue with the introduction of a new competitor into Hawaii service (inaudible) who will bring an auto carrier vessel into the Hawaii trade in 2005. This will clearly have a disruptive impact for a period of time.

On the positive side, Hawaii's economic environment is favorable with an expectation that economic conditions will benefit Matson for the next several years. In addition, Matson's principal competitor in both Hawaii and Guam Horizon Lines has been sold to a financial investor which should result in improved stability.

You will hear more in a few minutes about our expansion plans for Matson Integrated Logistics where our growth prospects are excellent as well as several options underway under which we will continue to serve the Guam market.

Coming back to the second issue again, a real estate business has already succeeded in the first transformation. Not too many years ago we were a large landowner in Hawaii who did not stray beyond our landholdings other than an occasional reinvestment on the Mainland U.S. of Hawaii land sale proceeds.

We have definitely jumped over the fence of our landowner mentality and are heavily involved in many types of real estate activity throughout the State of Hawaii. Having had no prior history of acquisitions in Hawaii, we recently announced our 22nd investment in a six year period. About one a quarter.

While we can't predict what our investment activity will be in the future, I can say without qualification that it is our intention to maintain or even accelerate the pace of our investment in quality projects with attractive returns. The robust Hawaii real estate market has made it more difficult to find good investments, but we are still reeling a number of them in.

At the same time, we have begun a second transformation in real estate in the last year. It was launched through the acquisition of all the undeveloped land at Wailea on Maui some 270 acres and followed by our recent decision to co-invest on an equity basis at Kukui'Ula, Kauai 1,000 acre residential development with our joint venture partner DMB.

We call this second transformation adding legs to the stool. We now have two superb residential projects with economic lives of 10-15 years. We are looking for a third and then a fourth leg. As successful as we have been in the development of residential subdivisions, condominiums sites and smaller commercial projects we are actively pursuing larger and longer bid developments with exceptional investment characteristics. We know we have two at Wailea and Kukui'Ula.

Another part of our transformation is the increasing pace of activity to realize value from our extensive landholdings. Maui Business Park 175-acre commercial holding on Maui is an example of this. We will continue to be responsible community members and devoted land stewards, but it is essential that we accelerate realizing the inherent value of a portion of our landholdings. We like dealing in supply constraint markets that are growing in effect positioning ourselves in the path of success. This is a principal strategy in Hawaii that can be replicated for years to come.

Let me now turn for just a moment to our A&B management team. We've an outstanding team in place not just at the senior level but increasingly below the senior management ranks. Although biased in this regard, I truly believe our management team is stronger than ever. Of the top 20 executives in the company 14 are in new positions in the last five years and eight of these are new to the company.

This may not seem like much to many industries, but for A&B this is a sizeable change in the executive ranks and an infusion of new skills, perspectives and enthusiasm. Good is never good enough when it comes to employee and managerial talent and we will strive to improve the capability of our employees to bring new talent into the organization.

There're a number of ways to describe strategic purpose. First let me say it is our intention to grow both our real estate and our transportation businesses while maintaining our agricultural activity.

However, we do have higher growth targets in real estate than in transportation. The transportation area we are targeting growth of 8-10 percent a year in income. Although this growth will likely be irregular as the new competitor ends the Hawaii market and the Guam service strategy is implemented following the expiration of the APL alliance in early 2006.

In real estate we are targeting a growth rate of 13-15 percent a year. Economic conditions may affect year-to-year increases, but we certainly have the intent to grow this business aggressively. It is also possible we could exceed these growth targets in real estate and transportation as large acquisitions are made. You can be sure our growth will not be linear. That's not the nature of the businesses that we're in. There will be little growth and negative growth followed by periods of substantial growth, but we are optimistic about the future.

In summary, the current asset base of the Company is 60 percent in transportation and 40 percent in real estate excluding agriculture. We have a strategic intent to shift the asset distribution and over the next four years invest 60 percent of our incremental capital in real estate and 40 percent in transportation. Both businesses will grow one more than the other.

Now let's take a look at our plans for the future. I'm going to turn it over to Chris and we have a number of Power Point slides and pictures and we'll go through an overview of our strategic plan followed by a Q&A session. Chris.

Christopher Benjamin - *Alexander and Baldwin, Inc. - VP and CFO*

Thank you Allen. I'm going to spend a few minutes before we get into the specifics of our unit plans. We're talking a little bit about how we approached our strategic planning process and how we think about our strategy really on two different levels.

Of course we'll spend a lot of time talking about individual priorities. We like most companies go through a pretty extensive process of evaluating the risks and opportunities that we have in our businesses and developing priorities and I'll get to those in just a minute but I first want to give you a little context - a little sense of a framework that we use that we find helpful in stepping back and thinking about our businesses. How to make prioritization of projects within those businesses and how to make decisions of allocation of resources including capital across our businesses.

This framework again it's very simple. Four dimensions that we think about.

Scale of the businesses; earnings quality; cash flow and those two are not necessarily the same in business mix.

None of these is a litmus test nor do any of these really stand on their own. They're very interdependent, but let me just talk for a second about how we see our businesses along each dimensions.

I'm going to focus on Matson and properties because those clearly are the lion share of our earnings and our two port businesses at this point.

First of all on scale as Allen said, we have fairly significant growth targets on both the Matson and properties side, but as we think about scale and the importance of scale the success of our business in both the consolidated and individual basis, we really feel that properties has a true need to grow when growth is more essential on the property side for a number of reasons. Some of them have to do with the subsequent points I'll talk about here in terms of providing stability of earnings, larger base investments that developing cash flow on a regular basis which would then provide greater self-sufficiency in terms of cash flow generation within the properties group. There're a number of reasons that we believe greater scale of properties is important we'll touch on a number of those as we go through this presentation.

Earnings quality is interesting because right now, we are doing very, very well. We have very strong earnings performance on both the Matson and the properties sides, but historically Matson has been a more volatile business than a properties business.

Interestingly and this isn't always the case with real estate businesses, but our real estate business has been remarkably steady and consistent in earnings performance and relatively steady in its growth rates. Matson however has had some volatility brought on by some of the external factors that Allen mentioned a few moments ago.

We do see the potential for volatility on the real estate side and of course continued volatility on the Matson side and so one of the things that we think about as we're developing our strategies is how we can minimize some of the volatility and we'll talk about (inaudible) as we move forward.

From a cash flow perspective however, Matson is very, very consistent. Matson has produced a tremendous amount of cash and over the past many, many years Matson has not only provided cash to support our corporate dividend but also helped defray a significant amount of (inaudible) expenses and those things make possible a lot of our investment in the real estate business. This is one of the true synergies in our businesses and one of the great benefits we have by being able to redirect capital from one part of the business to the other.

Finally let me talk about business mix and business mix really is influenced by how we think about all of these things, but its the transition in our business mix we think is important again on both sides. We're very focused in Hawaii and Guam on the Matson side. We believe that greater longer term stability in our earnings will come from greater diversification outside of the Hawaii and Guam shipping businesses. This is not only in things like our logistics businesses, but could be potentially other shipping interests domestically but potentially outside of these trades.

And finally on the property side, again we do see the need not only - we see the need to expand our property types and the nature of our properties investment not only as a source of new growth but also as a source of greater diversification and stability of earnings.

So with that as a broad corporate perspective let me touch on very briefly because we will be going through these in more detail. Let me touch on some of the specific priorities that we have as a company for the next several years.

As I mentioned earlier we go through a very depth process of looking at the risks and opportunities in our business and we have developed as a result of that process this list of both near term and long term opportunities.

At properties - I'll focus on properties first we - a lot of the next few years is about the pipeline of development projects that we have both harvesting the current pipeline which is very strong. We have a couple of projects that will finish construction next year and will either finish or at least begin the sales processes - (inaudible) .

We also have other projects that are in our development pipeline that are at a much earlier stage where we will kick off significant presale activity and marketing activity in the coming year. But a lot of what we have to do with our pipeline is keep it full and make investments as well as getting new property entitled - existing property we're getting that properly zoned for development so that we can keep the development pipeline full and that's a significant focus for properties and Allen will talk about that more in a moment.

We also can't forget our income portfolio. It generates a significant portion of our properties earnings. It has been a very strong performer and it has been a very stable performer regardless of the economic cycles that we've been through over the past few years. Because of its diversification by both property type and geography it has been a tremendous source of earnings and stability for the company.

Longer term as I touched on a moment ago. Entitlement of land is very important. That is one of the ways in which we're going to expand our Hawaii earnings base. We're also going to look at new property types or some of our investments within Hawaii and we're also going to be looking at Mainland investments and Allen will touch on this in more detail later.

I have put down here transformational acquisition and I've mentioned that on both the properties and Matson sections that you see on the slide. I want to make a point primarily about what that is not and we'll take more in a bit about what that could be. But what that is not is that is not going too far from our core. It's not forgetting what our strengths are. It's not forgetting what we have proven that we can do well as a company and so while I say transformational, don't read that as we're losing focus. We are very focused on what we know we can do well and we're looking for opportunities to expand that significantly potentially through large acquisitions.

On the Matson side we have a couple of very near term projects that we're working on. One is the replacement of our Guam business and again these are details that we'll get into in a moment, but we have a tremendous market position in Guam trade. We intend to retain that position. We have a transition coming up in terms of how we get our cargo to Guam and that is going to be a significant focus for us that Allen will talk about in a moment.

We also have as Allen mentioned the potential entry or the likely entry of a new competitor into the Hawaii trade [Poshia] and that is another focus for this coming year as we make our plans and have actually been implementing plans for the last couple of years to improve our auto carriage service and be as effective a competitor as we can in that trade.

At the same time we continue to look at cost efficiency opportunities within Matson and we will continue to expand our logistics business and moving over to the right hand side looking at our longer term strategies the logistics growth is going to be an important part of that but we're also looking at other growth opportunities to both increase earnings and provide greater stability and that will be both in logistics related businesses and in more traditional transportation oriented businesses.

Finally on food products which I will talk about in a few minutes in more detail, let me just say that our primary focus there is on production. We are in very high fixed costs businesses and we have a need to ensure that we have sufficient production because pricing is very challenging for us and so we have to spread our fixed costs over the greatest number of tons of sugar and pounds of coffee to ensure that these businesses stay successful.

We also have made very successful efforts to increase the margins that we get on our sugar including a product that I'll talk a little bit more about later, but ways that we can create specialty products that give us higher margins.

Finally let me just say and then I'll wrap up this slide and turn it back to Allen that on the food products side we have an interest in thinking about what the future of those businesses are from the standpoint of potentially a new business model. Sugar will absolutely be at the core of any future business model for our agricultural operations, but we may find the opportunity to expand our energy related businesses to go along with and compliment our sugar business and we see that as potentially a direction that we can go to increase the long term viability of those business.

So with that I would like to turn it back to Allen and Allen will be talking about both the properties and (inaudible) strategies.

Allen Doane - *Alexander and Baldwin, Inc. - President and CEO*

Thank you Chris. I'll be a little bit more free form now which I definitely enjoy a lot more than reading prepared remarks. Let's talk for a few moments about where we're going for the real estate business. I think that those of you here and those of you who aren't here who are listening know that the Hawaiian economy has really picked up steam over the last couple of years.

Having undergone a period of many years to where the Hawaiian economy was definitely lagging the rest of the United States, it's good and I can say and I said it earlier this year, it's the first time in more than a decade that I can stand in front of people and not only talk about this year and the next 6-12 months, but have confidence that the next two or three years or maybe even longer bode well for the State of Hawaii. There are a lot of factors that have come together to give us a sustainable growth rate for a fairly good period of time and I think heading that list is what I've put down here is a remarkably resilient visitor market.

If you would have asked a couple of years ago what the visitor market would be like today given all the challenges we've had externally, I think anyone would be surprised to see how strong our visitors have been for the Mainland U.S. particularly from the western part of the United States.

It's truly been a very, very, good, good picture and given a lot of factors doesn't seem to have any reason to slow down. You have to realize and we heard a little bit earlier I believe some economic information on Hawaii, but 1997 was the peak year for Japanese visitors to this state; 2.2 million visitors in the year 2004 we'll have somewhere in the neighborhood of about 1.5 so despite the fact that there has been over a period of years the decline in that part of the visitor market overall the picture is really quite strong for Hawaii.

We also have a move up market in Hawaii that is stimulating local demand here which deals with general real estate conditions in the state as well as the underlying economic vitality of Hawaii and then and you'll see it on this chart we have the baby boomer generation second home, third home markets which is providing a lot of additional strength to the Hawaii economy and certainly an integral part of what we do and what we're going to do. If you look at this chart I think the message is while things are good in terms of the demographic economic the best is yet to come.

Our direction. We've had this philosophy. We continue to have it. Hawaii first but not exclusively. It's our home. It's the place where we have the best comparative advantage to perform so we will continue to invest and direct our efforts in Hawaii and do so in a way however that is very disciplined.

We're not going to attempt to buy all available investment opportunities in Hawaii. I said on a number of occasions at this stage we buy somewhere between one to ten to one to - and fifteen projects that we look at fairly seriously. So we go through a very disciplined process of evaluating risk stressing opportunity weighing all the projects in Hawaii and to the extent that they go through the entire test then we if we're fortunate will make an acquisition, but to the extent to which the projects don't meet our requirements we won't. But it is a Hawaii first approach.

An integral part of this is something that I did mention in my opening remarks. An acceleration of our investment program. Where the opportunities are. We can't be specific. I can tell you right now that we're looking at five or six fairly interesting opportunities. Maybe we'll do one. Maybe we'll do two. Maybe we'll do zero, but the important aspect of all this for us is that we have a group of people and have the financial wear with all and really the definite desire to make good investments and expect that we'll be continuing to do so in the future.

Another part - and this really is not new but I think the emphasis is new is that we are absolutely committed to generate additional and increased value from our extensive landholdings. Part of it and it really has two major aspects to it.

One is what we call the "Entitlement Process," say taking land from say an agricultural status through a fully urbanized status over a period of years. It's a very difficult elaborate process. It's not easy for us. It's not easy for anyone in Hawaii, but we're going to continue to do it and we're going to do it in a way that we think will provide positive results.

At the same time, we have a different category of lands that we have termed, "non-essential lands." They're not being used for agricultural activity. They're not slated for any immediate entitlement activity and the intention overtime is to find ways to begin to monetize those lands and then to take that monetization and to invest it in other areas so you're going to see more of that over the next several years as this second transformation that I've talked about begins to pickup steam.

Also as previously discussed very briefly - we call it legs, I really don't know what else to call it but we're really looking for projects that are not one investment here and not one investment there that have a start now and finish in 18-24 months. Those are all good projects we intend and continue to do those, but we really want to become increasingly involved in very high quality substantial real estate projects that have long term return and dynamics 10-15 years and as noted before the Wailea and the Kukui'Ula projects fit that description.

In terms of our landholdings, this information has been disclosed previously but I think it does bear some discussion. If you look at our Hawaii landholdings roughly 90,000 acres. A lot of it's in agriculture related use. Some of its in conservation which has a very limited economic utility value although it has a tremendous community and environmental value.

We have categories of land that we put into two separate segments. One we call designated or the meaning that land has a partial but not a fully entitled status and then we have a much larger category which the slides shows to be more than 8,000 acres which we believe has some future ability to be urbanized over an extended period of time. So looking at this we have we believe about 10,000 acres of land that over a long period of time we'll be able to find increased value from. Where, when and how much we really are not in a position to be that specific but if you tour our lands you'll probably get a sense of exactly of where our emphasis will be and have some idea of the timeframes where we may start to see some monetization.

In terms of our entitlement activity. We do acknowledge and know that we have some very strong anti-growth sentiment in Hawaii. It's not unique to Hawaii. It exists in many places. Maybe a little stronger here, but yet it's a fact of life and it's actually not all that bad. A number of the concerns that people have about development are legitimate and we as really land stewards, but also in business need to be able to balance the anti-growth sentiments with reasonable what is known today as smart growth initiatives and we really are making the smart growth initiatives integral to our entitlement activity and we expect that in doing that that we will have increasing success in entitling our lands.

In terms of our land sales, I've touched on that briefly already, but just remember that we are looking at this while they're related these are two separate strategies to create more value from our landholdings.

In addition to being a good land steward that we have in developing on our lands is as you've now heard probably too many times already we've kind of gone through this first transformation of going outside our landholdings and have made a number of investments, have been successful in the timing and the nature of our investments and we expect that we're going to continue to be able to perform very well.

We have the financial wear with all to do it. We have definitely the reputation. We have the access to major investment opportunities in Hawaii and I'm quite confident that over the next three to five years that we will have continuing success. Whether we're going to be able to do an investment or a deal every quarter, I can't tell you. Whether we'll have a period - a dry spell could be. Whether we'll have a period where we'll have a tremendous amount of activity possibly I hope so. But it's very episodic opportunistically based and we'll just have faith that over the next number of years that we're going to continue to be successful and success begets success.

It really is - when you look back at where we started that about 40 percent of our income - you remember use to be a shareholder in 3M and they talk about what percentage of their income came from things that didn't exist three or five years ago. Well we went back and we looked and 40 percent of our income comes from activities or new investments that didn't exist about five or six years ago.

In terms of our investment in Hawaii. Continuing Hawaii's focus. We've got a tremendous amount of diversification and that's actually good for us. We're on Maui, we're on Kauai. Five years ago we had essentially not investment in Hawaii other than our buildings - our headquarters building. We now have more than 10 investments on Oahu which has about three quarters of the state's population and that investment base is growing.

We serve a lot of markets in Hawaii. We are a relatively small state and if we were focused as many real estate business have focused in just one area it would be very difficult for us to have the scale and have the growth potential that we know that is there so we're unusual to the extent that we have a broad array of things that we do both in terms of property management, development of the various commercial property types as well as lots and lots of different sorts of residential activity.

What we've done and it's been another sort of subset of our transformation that has gone on over the last several years is we've recognized we can't do everything as well as other people can. We form joint ventures not primarily for financial purposes or deal structuring but as much as anything else a recognition that we had partners and they're people out there that do things better than we do and that if we can tie together with them as partners and projects where we both bring something to the partnership then that's good. An example of that is our DMB project our large master plan residential community. It's on Kauai. Where with DMB we're absolutely convinced we've got the best of the breed in this business and we think we're pretty good but we would not be able to do what they can do with this project.

On a smaller scale on Maui, we've just announced in the last week the formation of a joint venture with a very, very high quality reputable partner who's a great home builder who really knows how to build homes. We just did a project with him on Oahu. His name is Bob Armstrong and now we're doing one on Maui. I think we're going to continue to have partnerships but they're with partners who we know and trust.

In terms of our opportunities and challenges. As I noted - well we always have a number of prospects in the hopper. We've got some interesting ones right now, but I can't talk about them and don't talk about them until we go hard on our deals.

Excellent capability to pursue opportunistic deals. There's a story that goes with almost every investment we make but there are lots of these opportunities will be available in the future we think.

However, there's an increasing competition and a diminishing supply right now of good properties because of real estate conditions in the state and as always in real estate timing is somewhat unpredictable.

New investment. I'm going to go over this really quickly. Why invest on the Mainland? Well you might ask that question. We've asked ourselves that question. We have been on the Mainland for a long time. We've been investors in somewhat mature properties there. We've got a good track record. We've got a very good track record. We have a tendency to go into very good markets but not the top ten markets in the U.S. We'll usually invest in good properties in strong markets and with a combination of good investment management and a turnover of these properties which is something (inaudible) don't do the ability to continue to kind of renew our portfolio and reinvest as we see some markets weakening and other strengthening.

What we've done right now is we've made very much of a small pilot effort into investing in one particular area on the Mainland and Valencia north of Los Angeles. We've kind of styled the model that we know which is to find a partner who we trust and do a couple of very small scale investments to see if works and then begin to accelerate the pace if our results are positive, but never go out very far with anyone partner or anyone investment.

Our intention is to target over the next number of years maybe two more markets and define these markets where we think there essentially good characteristics in the market. To find the right opportunity and then to go in on a fairly nimble basis and to invest with a partner.

Properties financial highlights - 13-15 percent growth expected through both the realization of our existing projects. We have a very good portfolio of commercial properties and then our new development pipeline is the key. We know we've got solid prospects for the next several years but I don't know if I'll be here in five years and I'm going to be telling you what percentage of new products that we had versus what we had in the year 2004, but it could be 30 or 40 percent again and frankly I'd be disappointed if it wasn't. We have to continue to renew our investment base.

Our project returns have been very good. However, we do have a number of projects where we are making investments and we have an extended return on that investment even though the economics are very, very attractive.

With then our real estate business 60 percent of our capital over the turn of this strategic plan which goes through 2008 is allocated toward what we call development related new investments and about 40 percent is for the existing projects that are known.

Just talk for a moment about Matson and I know Chris has provided an overview on both properties in Matson and I'm going to elaborate on a few of the points that he made.

Matson is benefiting does have a tailwind from good economic conditions in Hawaii. We have relative labor certainty. The contracts with our shore side workers go through 2008 an unprecedented six year labor contracts. We do believe that we're going to have pretty growth in Hawaii economy and that's going to be good for Matson.

Matson does have very good experience solid and outstanding management team. We've got new ships vis-à-vis our prime competitor. Our ships are rather youthful compared to the age of the vessels of Horizon Lines and that's not new information to either Horizon or to us. (inaudible) to the marketplace for that matter and we've got good competitive position as we speak. From a competitive standpoint I believe that most people know that our principal competitor Horizon was acquired very recently by Castle Harlan in a highly leveraged transaction. We have not seen any significant changes in the competitive landscape since that acquisition.

Chris has already touched upon and I mentioned in my opening remarks that there will be a new vessel and a new competitor entering the Hawaii market in 2005 with one ship which will provide once every other week service to Hawaii and it is principally an auto carrier. In terms of that part of the business, the auto carriage business - the dimensions of the market are about 180,000 cars shipped two and from Hawaii each year. Matson has about 80 percent of those vehicles over the last period of time and you can see from the chart here that Matson has been able to increase what's known as it roe, roe capacity which is a more efficient and less damaging way of carrying cars to the point where more than 50 percent of the cars that the company carries are via roe, roe. That's been done one through a charter of an additional vessel and second through the [nautification]and existing vessels that provides a garage on the back of that vessel.

So Matson is much better positioned from a competitive standpoint to provide roe, roe service versus where it was a few years ago. In terms of the competitive entry. Matson has the ability whether its roe, roe capacity as well as our other vessels where we can put vehicles in containers to have five sailings from the West Coast a week. So that's a good thing. That gives frequency of service. That's important to many of the customers. We do have agreements with major manufacturers, rental car companies. Posha has noted - is expected to enter the market in 2005 and recently announced an agreement with Chrysler for westbound to Hawaii autos and we can talk more about that so later on.

Guam service is another element of the competitive environment from Matson. It's a very good market for Matson. Matson has a good market presence. Our alliance with APL expires in the second month of 2006. The decision that we have right now is now to get the cargo to Guam given the fact that this alliance we have with APL will be ending in less than a year and a half. We think we have some opportunities to do that. We have several different prospects on how we would do it. We have already made a public disclosure in July that we thinks it going to have somewhere between a $10-$20 million negative impact for a period of time on the company's earnings. That impact could be higher also during the transition period where we're cutting over to this new service.

There will be a capital investment associated with this service. It's fairly complex set of factors that we're not in a position to disclose in any detail now but to the extent to which we have three ships in that service and we bring those ships back to Hawaii then those ships in Hawaii are more fuel efficient for the Hawaii trade. They also have larger capacity and what it does is it differs the need for acquisitions for the vessels that serve the Hawaii fleet for at least some period of time, but in doing that we would have a need to either charter or acquire several vessels to serve the Guam market and we're looking at those alternatives right now.

The interesting note there is while Guam is a Jones Act trade the specifics of the legislation do not require these vessels to be built in the United States so these can be offshore built vessels. They do have to be crewed and owned by a U.S. carrier.

Ocean transportation operating margins. We've used this metric on a number of our quarterly presentations. We've had a couple of extraordinary quarters where our margins have been at Matson at the 15 percent level. Kind of world class in this business. On an annual basis is about a 12 percent margin. Maybe a little bit higher. That's kind of the top of the heap. Last year we had 11 percent margins. This year, year-to-date we've got 13 percent operating margins although you can look at this slide and gather the fourth quarter is not as strong seasonally as the second and the third quarter are. But suffice it to say that Matson is having a very, very good year.

Let me just talk for one moment about Matson Integrated Logistics and just leave you with one contrast. It's a business that's in effect a services business where we match capacity in transportation to customers. Highly fragmented business. CH Robinson I guess would be the best in that business. It is - I'd make two comments.

First is that for several years running our small business which now has a running rate of revenue that I believe is approximating about $400 million a year - slim margins 2-3 percent now. Our Matson Integrated Logistics business has been named the best provider of service by is it Logistics Magazine? Is that the one? Yeah. And that's a good sign. So we definitely have a strong and growing customer base and the underlying idea in investments pieces here is this is a business that is scaleable overtime and that we not only expect that we'll be able to get some pretty good revenue growth internally or through acquisitions but that we'll be able to improve our margins while doing so on a cash flow basis. So that's kind of the underlying premise and like everything we do we're kind of taking it one step at a time, but the results over the last couple of years have been encouraging that we have a good, good vehicle for future growth in this business.

Highlights for Matson. Eight to ten percent long term earnings growth expected. 2006 will give us a couple of challenges. We should had a good strong core market performance but because of the competitive entering in the Guam transition we could have some earnings issues then.

Non-core growth we'll boost our earnings outside of that, that set of factors for Guam and Hawaii and I think that's going to be a positive. The returns that we have on the business are attractive considerably above our costs of capital and right now we're focused on getting the Guam strategy the way we want it to and increasing our operating efficiency in Hawaii and perhaps even looking at some growth initiatives outside of our integrated logistics business. So with that I'm going to turn it over to Chris who will talk about food, products, and financial perspective and then we'll be ready for Q&A.

Christopher Benjamin - *Alexander and Baldwin, Inc. - VP and CFO*

I get to talk about food and money. Not bad. Before I do so John I just want to verify we can run over - okay so. Really those of you listening on the Internet we're not going to quite hit our target and we will continue. Let me flip to the first slide here.

It's a pretty picture of our sugar operations. Sugar is A&B's heritage. It's also a profitable business for us but it's a very challenging one. A&B is one of two sugar growers remaining in Hawaii. We grow 80 percent of the sugar produced in the state and the reason we've been able to stay successful is that we have a lot of things going for us. We have some of the most fertile land in the state that we farm and as a result the remarkable irrigation system that transports water from one side of Maui to the middle of Maui. That land which in truth is really a desert has been able to be farmed for the last over 100 years and we also have invested a tremendous amount in technology to improve our yields and our production that's - all of those things together have helped us survive.

The other thing that has helped us survive and be very successful in sugar is our workforce. We have a very dedicated workforce at all levels and we also have a very positive relationship with the unions that represent our hourly workers and they really have been a partner in our efforts to keep our sugar operations going.

But as I said a moment ago, it's a touch business. Sugar prices have not increased really over the last 20 years. They've fluctuated a bit. Most recently trending downward. The chart on this page on the upper right hand side shows our sugar return and that's a calculation that includes a lot things and it nets out transportation costs and that sort of thing, but basically what it shows is that we're not getting more money per ton of sugar than we were getting 10 years ago.

At the same time we have other challenges like costs increasing. All sorts of costs increases. Obviously labor costs, benefits, insurance costs. A lot of our costs are driven by petroleum prices because they are petroleum based. Either fertilizers or fuel that we use and of course actually also the tubing that we use in our irrigation to water the cane. All of these things are working against us and as you can see by the chart on the lower right hand side we've taken tremendous steps to reduce our headcount in our sugar operation while keeping our production virtually the same we've reduced our headcount significantly and really that's been key to keeping our labor costs in check so that we can remain competitive.

We have other challenges though that are not just revenue and cost driven. We in effect operate in an industry that has all but showdown in Hawaii and as a result recruiting strong people to work in our mills and manage our businesses is very difficult. Relevant experience is limited. We also have communities that have in some cases lost sight of a lot of the benefits of our farming operation. We focus a lot on some of the nuisances or what they see as negatives. So whether its opposition to the fact that we burn our cane in the field before we harvest it or opposition to our use of water to irrigate our fields we face a variety of sentiments in the community that aren't always positive.

I mentioned some of the challenges in terms of our margin squeeze. We have a very fixed costs business and what this chart shows a pure linear relationship it is generally a trend that you can see. The higher the production, the better our profitability in the business and that is because of the fixed costs nature of it.

It's really all about production for us and that's why most of our initiatives at this point in our sugar business are focused on production improvement and that has to do with both how we grow the cane and how much sugar is contained in that cane as well as how we harvest it and how we put it through our mill and how much sugar we are able to recover. Those things are overriding objectives for the next two years to improve our production levels in good weather and in bad.

We've also been successful as I mentioned earlier in increasing the margins on our sugar. About 90 percent of our sugar is sold at commodity prices, but we've been able to convert between five and ten percent of our sugars - the specialty sugars and many of you may be familiar with the sugar in the raw packets that are in a lot of specialty coffee shops. That's our sugar. We also sell it under the Maui brand name. That has been a very successful business for us and one that we hope to expand.

Finally in terms of our strategic initiatives we are looking at ways to modify the sugar growing model and that will not necessarily be a dramatic change in how we produce sugar but it will be a change in how we utilize some of the byproducts of the sugar whether its converting our molasses to ethanol or converting the fiber that we produce in the process to energy which we already do but we may be able to expand our production of energy.

We see energy as a [inaudible] going forward and an area that we hope will help us keep sugar viable long into the future.

The last thing that I will talk about is some of the financial perspective and the financial highlights of the AG business. The way we thing about our operations in food products and agri businesses is that the core ag operations - the production and selling of sugar and coffee really we target costs of capital returns in those businesses but what we get in addition to those core returns is benefits in our other businesses. Matson benefits from the ability to transport the finished products for these companies and we have a number of other benefits both direct and indirect.

We also benefit our communities which we take very seriously. The last comment that I will make is that we have a relatively modest capital plan for our agricultural businesses and most of that is focused on regular maintenance and as I said earlier improving productivity. But there are capital commitments to the business are likely to be modest. Our commitment to the people that work in the business and the communities in which we operate is very significant and its our intent to do everything we can to keep those operations going. The one last point I should make is that as a significant landowner our AG operations are without a doubt the best and highest use of these lands at this time and so with that let me flip to the financial perspective of the overall plan.

These are in effect some summary comments about the plans. We feel very good about our earnings, not only our current earnings which have already year-to-date exceeded our 2003 earnings but also our earnings going forward. We have great confidence that our businesses will continue to grow at a rate of about 10-12 percent. As Allen said earlier that growth will not be liner but we believe that we will continue that pace. One of the things that does not show as clearly if you simply look at our net income on a year by year basis some of the things that we've overcome in the past few years, if we simply look at some of the costs that we relatively little control over including pension costs, insurance costs, medical costs those costs have increased by about $46 million over the last four years and we've been able to overcome that and achieve very high levels of profitability and that's a good sign for our future.

Capital spending. I think we've touched on each of these numbers in one way or another. Let me first point out that I do know that these numbers don't add to 100 percent. Attribute that to a rounding error.

Within our properties business as Allen said our spending is going to be focused both on development capital for existing projects who (inaudible) in other businesses - other projects but we also have a significant amount of capital as he mentioned earlier targeted for acquisition and development capital for as yet unidentified projects and of course we'll continue to invest in our income portfolio.

At Matson we will be assessing and refining our capital needs for our Guam business over the next several months and we will share more of that with you at some point during the next year but what I will say is that in addition to that we will be investing in our Hawaii operations to continue to improve efficiency and we also have significant amount of capital ear marked for growth for our business, both our logistics businesses and some of the other growth opportunities that we see.

Finally in food products although its a nominal portion of our capital since they reiterate that we intend to continue to invest to keep that business profitable and successful.

From a capital allocation perspective Allen mentioned earlier that we're making a conscious effort to invest in the growth of our real estate business and this slide simply gives you a perspective of what our outfit base is likely to look like at the end of our strategic plan period.

You'll see a significant increase in the percentage of our real estate assets as part of our total. Keep in mind that a lot of that capital is long term investment. Its projects with the two, three, four year horizon and so some of that - some of our earnings distribution will not change as dramatically but we do expect that our investment breakdown will transition over the future time period.

As for how we're going to finance this growth. We are starting off with a very attractive balance sheet. At the end of the third quarter had 23 percent debt to total capital and with total debt at the end of the quarter of $269 million based on our closing stock price yesterday. That's about 14 percent of our total enterprise value so whether you look at it from a total enterprise value perspective or a debt to total capital perspective. We recognize that we have a very low level of leverage at this point. We think that that is going to benefit us as we implement some of the investment strategy that we talked about and we also recognize that overtime we certainly want to increase that.

Finally, because anytime we talk about a very low to total capital ratio we get a question about dividends and share repurchases. Let me preempt that question. With this slide - this is an interesting perspective on the way we have returned cash to shareholders and our commitment to doing so.

Over the past 10 years Alexander & Baldwin has returned 73 percent of its net income to shareholders either in the form of share repurchases or in dividends the lions share of that being dividends.

We are for the first time in a long time with one exception being 2001 when we had some one-time gains from the sale of stock we are now in 2004 back in to what we consider our target range in terms of payout ratio. Year-to-date we're about 35 percent and we typically think about 40 percent as a good target and that's a target that is based on really what we believe is the long term sustainable level of cash that we need to reinvest in our business based on our - the characteristics of our businesses and our growth objective.

So we are slightly below that right now year-to-date and certainly could and we obviously always do think about our dividend policy, but at the same time right now we have some of the issues and challenges that Allen mentioned - some of the investment objectives that we talked about today that we feel we need to think about, get our hands around and it will be sometime before come back with the final decision on whether or net modify our policy but what I do want to point out is that we have demonstrated in the past a very strong commitment to return cash to shareholders and whether its in the near future or the distant future you can rest assured that we will continue to evaluate that and continue to approach in the way we have historically.

Finally as for - to summarize the entire presentation let me just say that we're in a period of remarkable opportunity. We have opportunities in both our Matson and our properties business that probably are better than we have ever had. We've got a very strong economy. We've got very strong management teams. We've got a very good list of prospective investments that we can pursue. As a result we have high growth expectations for both of our core businesses. Within properties we do believe that we will continue to invest in Hawaii and have great success in our entitlement efforts. At the same time, we are still looking for the legs to the stool that Allen said which again our longer term projects that will give us a long and steady earnings pipeline.

At Matson we do continue to enjoy a robust economy which we think will continue and we also feel that we are very well positioned both competitively and from a capital perspective to manage some of the transitions that we have in the coming two years with both Guam and competitive entry in Hawaii.

We've talked about transformational acquisitions though I won't spend anymore time on that, but let me finally say that we feel that we've got an excellent financial foundation for growth and for the pursuit of the opportunities that we see and with that I'd like to conclude our formal remarks and invite our participants here in Honolulu to ask questions.

John Kelley - *Alexander and Baldwin, Inc. - VP of Investor Relations*

This is John Kelley again. In light of the fact we made a commitment to the folks on the Internet to be just about an hour and we've run over that by a fair amount and also those of us here in Hawaii have a fairly tight schedule for some transitions out to map and then some other things we wanted to show you today.

At this point rather than take questions and extend the period as interesting as it may be, we're going to cutoff the Internet broadcast and take just a moment and then invite Matt Cox's to make his presentation about some of Matson's operations.

So with that we're going to end the webcast and say Aloha from Honolulu.
