

Alexander & Baldwin, Inc.
Form 10-Q
November 09, 2012

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

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended September 30, 2012

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 001-35492

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

Hawaii
(State or other jurisdiction of
incorporation or organization)

45-4849780
(I.R.S. Employer
Identification No.)

P. O. Box 3440, Honolulu, Hawaii
822 Bishop Street, Honolulu, Hawaii
(Address of principal executive offices)

96801
96813
(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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes No

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company)

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, 2012: 42,865,516

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

ALEXANDER & BALDWIN, INC. AND SUBSIDIARIES

Condensed Consolidated Statements of Income

(In millions, except per share amounts) (Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Operating Revenue:				
Real estate leasing	\$ 24.9	\$ 24.0	\$ 75.8	\$ 72.9
Real estate development and sales	0.1	0.8	9.6	11.9
Agribusiness	67.9	37.1	121.4	96.3
Total operating revenue	92.9	61.9	206.8	181.1
Operating Costs and Expenses:				
Cost of real estate leasing	14.4	14.9	43.2	43.4
Cost of real estate development and sales	0.1	0.7	4.3	7.2
Costs of agribusiness revenues	58.6	33.3	101.5	81.3
Selling, general and administrative	6.5	7.4	21.9	21.8
Gain on sale of agricultural parcel	(7.3)	--	(7.3)	--
Impairment of real estate assets (Santa Barbara)	--	--	5.1	--
Separation costs	0.7	--	6.8	--
Total operating costs and expenses	73.0	56.3	175.5	153.7
Operating Income	19.9	5.6	31.3	27.4
Other Income and (Expense):				
Income (loss) related to real estate joint ventures	(1.0)	(1.0)	(3.7)	0.6
Impairment and equity losses related to Bakersfield joint venture	--	--	(4.7)	--
Gain on sale of investment and other	--	--	--	6.2
Interest income	--	--	--	0.2
Interest expense	(3.6)	(4.4)	(11.7)	(12.9)
Income From Continuing Operations Before Income Taxes	15.3	0.2	11.2	21.5
Income tax expense	1.9	0.1	1.8	9.3
Income From Continuing Operations	13.4	0.1	9.4	12.2
Income From Discontinued Operations (net of income taxes)	--	4.3	2.4	14.3
Net Income	\$ 13.4	\$ 4.4	\$ 11.8	\$ 26.5
Basic Earnings Per Share:				
Continuing operations	\$ 0.31	\$ --	\$ 0.22	\$ 0.29
Discontinued operations	--	0.10	0.06	0.34
Net income	\$ 0.31	\$ 0.10	\$ 0.28	\$ 0.63

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Diluted Earnings Per Share:

Continuing operations	\$	0.31	\$	--	\$	0.22	\$	0.29
Discontinued operations		--		0.10		0.06		0.34
Net income	\$	0.31	\$	0.10	\$	0.28	\$	0.63

Weighted Average Number of Shares

Outstanding:

Basic		42.6		42.4		42.5		42.4
Diluted		43.3		42.4		42.7		42.4

See Notes to Condensed Consolidated Financial Statements.

ALEXANDER & BALDWIN, INC. AND SUBSIDIARIES
 Condensed Consolidated Statements of Comprehensive Income
 (In millions) (Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Net Income	\$ 13.4	\$ 4.4	\$ 11.8	\$ 26.5
Other Comprehensive Income, Net of Tax:				
Defined benefit pension plans:				
Net loss and prior service cost	--	--	(1.9)	--
Less: amortization of prior service cost (credit) included in net periodic pension cost	(0.1)	0.1	(0.5)	0.5
Less: amortization of net loss included in net periodic pension cost	1.8	1.3	5.7	3.9
Income taxes	(0.7)	(0.5)	(1.6)	(1.7)
Other Comprehensive Income	1.0	0.9	1.7	2.7
Comprehensive Income	\$ 14.4	\$ 5.3	\$ 13.5	\$ 29.2

See Notes to Condensed Consolidated Financial Statements.

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

	September 30, 2012	December 31, 2011
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 4.1	\$ 11.7
Accounts receivable, net	7.7	6.7
Inventories	42.0	36.3
Real estate held for sale	1.9	2.8
Deferred income taxes	4.0	3.5
Prepaid expenses and other assets	10.7	7.8
Total current assets	70.4	68.8
Investments in Affiliates	312.5	290.8
Real Estate Developments	144.6	143.3
Property – net	843.8	830.6
Other Assets	67.1	53.1
Total assets	\$ 1,438.4	\$ 1,386.6
LIABILITIES AND EQUITY		
Current Liabilities:		
Notes payable and current portion of long-term debt	\$ 8.1	\$ 34.5
Accounts payable	20.4	20.8
Accrued and other liabilities	27.7	34.7
Total current liabilities	56.2	90.0
Long-term Liabilities:		
Long-term debt	244.0	327.2
Deferred income taxes	156.3	164.1
Accrued pension and postretirement benefits	54.2	54.6
Other non-current liabilities	22.2	24.9
Total long-term liabilities	476.7	570.8
Commitments and Contingencies (Note 3)		
Equity:		
Common stock	938.0	--
Preferred stock	--	--
Net investment	--	773.4
Accumulated other comprehensive loss	(45.9)	(47.6)
Retained earnings	13.4	--
Total equity	905.5	725.8
Total liabilities and equity	\$ 1,438.4	\$ 1,386.6

See Notes to Condensed Consolidated Financial Statements.

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

	Nine Months Ended September 30,	
	2012	2011
Cash Flows used in Operating Activities:	(12.8)	(6.1)
Cash Flows from Investing Activities:		
Capital expenditures	(34.4)	(11.5)
Proceeds from disposal of property and other assets	0.8	8.7
Payments for purchases of investments in affiliates	(8.0)	(22.9)
Proceeds from investments in affiliates	1.8	7.9
Net cash used in investing activities	(39.8)	(17.8)
Cash Flows from Financing Activities:		
Proceeds from issuances of debt	122.0	120.0
Payments of debt and deferred financing costs	(231.1)	(70.7)
Proceeds from (payments on) line-of-credit agreements, net	(3.5)	0.7
Contributions from (distribution to) Alexander & Baldwin Holdings, Inc., net (a)	146.0	(29.0)
Proceeds from issuances of capital stock, including excess tax benefit	11.6	--
Net cash provided by financing activities	45.0	21.0
Cash and Cash Equivalents:		
Net decrease for the period		