

THE ST. JOE COMPANY

2nd Quarter 2009 Earnings

August 4, 2009

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Earnings Press Release

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JOE Media Contact: Jerry M. Ray
904.301.4430
jray@joe.com

JOE Investor Contact: David Childers
904.301.4302
dchilders@joe.com

The St. Joe Company
245 Riverside Avenue
Jacksonville, FL 32202
904-301-4200

FOR IMMEDIATE RELEASE

THE ST. JOE COMPANY (NYSE: JOE) REPORTS SECOND QUARTER 2009 FINANCIAL RESULTS

JOE Focused on Opening of the New Panama City – Bay County International Airport

Jacksonville, Florida – (August 4, 2009) – The St. Joe Company (NYSE: JOE) today announced a Net Loss for the second quarter 2009 of \$(44.6) million, or \$(0.49) per share, which includes pre-tax non-cash charges of \$64.7 million, or \$0.43 per share after tax. This compares to a Net Loss of \$(20.8) million, or \$(0.23) per share, for the second quarter of 2008, which included significant charges of \$35.3 million, or \$0.24 per share after tax. All per-share references in this release are presented on a diluted basis.

As previously announced, JOE annuitized approximately \$93 million of its pension plan liabilities by transferring approximately \$101 million of its pension plan assets to an insurance company. The transaction resulted in a pre-tax non-cash charge for the second quarter of approximately \$44.7 million, or \$0.30 per share after-tax.

The remaining non-cash charges of \$20.0 million pre-tax, or \$0.13 per share after-tax, included the \$7.4 million write-off of a note receivable from GVA Advantis, the \$6.7 million write-down related to JOE's SevenShores condominium and marina development project, \$5.5 million of impairments associated with homes and home sites in certain of JOE's communities and \$0.4 million of impairments for the write-down of a builder note receivable.

Net Loss for the first half of 2009 was \$(56.3) million, or \$(0.62) per share, compared to Net Income of \$11.2 million, or \$0.13 per share, for the first half of 2008.

Included in the results for the first six months of 2009 were the following significant non-cash charges:

- Settlement charge on pension annuitization of \$44.7 million, or \$0.30 per share after-tax; and
- Pre-tax impairment charges of \$21.5 million, or \$0.14 per share after-tax.

Included in the results for the first six months of 2008 were significant charges of \$38.0 million pre-tax, or \$0.26 per share after tax.

Second Quarter Sales Results

“As a result of a slight uptick in the market in the second quarter, we experienced positive results from our ongoing efforts to sell residential inventory with closings in a number of our communities generating revenue of approximately \$11.7 million,” said Britt Greene, President and CEO of JOE.

Approximately 5,300 acres of rural lands were sold during the second quarter of 2009, generating approximately \$8.4 million of revenue, compared to approximately 29,400 acres for \$39.0 million in the second quarter last year.

Liquidity and Balance Sheet

At June 30, 2009, JOE had cash of \$116.6 million and pledged treasury securities of \$28.0 million, compared to debt of \$49.1 million, \$28.0 million of which is defeased debt. JOE’s \$100 million line of credit remained undrawn at June 30, 2009.

The pre-tax non-cash charge related to the annuitization of the pension plan liabilities did not impact tangible net worth as calculated for purposes of our line of credit covenants due to the offsetting credit to accumulated other comprehensive income. As a result of this transaction, JOE was able to significantly increase the pension plan’s funded status ratio at June 30, 2009, thereby reducing the potential for future funding requirements.

“With economic challenges unabated, we continue to take a very prudent approach as we manage our assets and continue to reduce capital expenditures, as well as operating and overhead expenses,” said William S. McCalmont, JOE’s Executive Vice President and CFO. “Because we have managed our balance sheet in a conservative manner, we now have the flexibility to execute our growth strategy as we begin to implement the initial development plans on our valuable land holdings near the new international airport.”

Capital expenditures for the second quarter this year were \$9.4 million, compared to \$31.6 million in the second quarter last year, a reduction of 70 percent. In addition, JOE incurred cash overhead costs of \$14.3 million during the quarter, compared to \$21.5 million for the second quarter last year, a 33 percent reduction.

The International Airport at West Bay

JOE has accelerated preconstruction development activity on approximately 1,000 acres in West Bay adjacent to the new international airport scheduled to open in May 2010. The land is being planned for office, retail, hotel and industrial users. Aerial photography of the airport construction activity can be seen on the airport authority’s web site, www.newpcairport.com.

“In the coming quarters, our priority will be to take advantage of the opening of the newest international airport in the country that is centered within some of JOE’s most valuable land holdings,” said Greene. “We expect, over time, that this international airport will expand our customer base as it connects Northwest Florida with the global economy and the area is repositioned from a regional to a national destination. While we understand growth around the airport will ramp

up over time, the JOE team is keenly focused on implementing our strategy to maximize these great assets.”

“During the second quarter, we initiated a significant outreach program to site consultants and multinational corporations, as well as their suppliers, within the aerospace, defense, security and aviation economic clusters,” said Greene. “With the airport opening now less than one year away, we are working to position several initial parcels near the airport to be ‘revenue-ready’.”

In June, JOE entered into agreements with The Haskell Company, America’s Green Design-Build Leader, and TranSystems Corporation, one of the world’s leading transportation planning and engineering firms, to master plan JOE land adjacent to the airport.

The team is master-planning a development node capable of joining the Gulf Coast's aerospace corridor. A concentration of U.S. Air Force, Navy and Army aerospace and aviation facilities along the Florida, Alabama and Mississippi Gulf Coast have created a cluster of aerospace and aviation businesses and workforce talent in the region.

JOE’s development program at West Bay is part of the larger West Bay Sector Plan, a product of Florida's unique sector planning process. A planning framework is in place for approximately 75,000 acres, which includes the airport, to ensure long-term land-use compatibility. Already entitled within the West Bay Sector Plan DSAP I are over 5,600 residential units and over 4.4 million square feet of commercial space.

Land Holdings and Entitlements

On June 30, 2009, JOE owned approximately 580,000 acres, concentrated primarily in Northwest Florida. Approximately 405,000 acres, or 70 percent of JOE’s total land holdings, are within 15 miles of the coast of the Gulf of Mexico.

On June 30, 2009, JOE’s land-use entitlements in hand or in process totaled approximately 44,000 residential units and approximately 13.8 million square feet of commercial space, as well as an additional 589 acres with land-use entitlements for commercial uses.

FINANCIAL DATA
(\$ in millions except per share amounts)

Consolidated Results

	<u>Quarter Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Revenues				
Real estate sales	\$20.2	\$46.6	\$28.7	\$147.7
Timber sales	7.2	6.5	13.3	14.1
Rental revenue	0.4	0.3	0.8	0.6
Other revenues	<u>12.8</u>	<u>14.1</u>	<u>19.4</u>	<u>21.7</u>
Total revenues	<u>40.6</u>	<u>67.5</u>	<u>62.2</u>	<u>184.1</u>
Expenses				
Cost of real estate sales	11.6	20.6	15.7	39.5
Cost of timber sales	5.2	4.9	9.6	9.8
Cost of rental revenue	0.1	0.1	0.4	0.2
Cost of other revenues	11.7	13.8	19.8	24.1
Other operating expenses	12.1	13.4	23.3	28.8
Corporate expense, net	5.4	9.4	13.2	18.0
Restructuring charges	--	2.5	--	3.0
Impairment losses	20.0	1.0	21.5	3.2
Pension settlement charge	44.7	--	44.7	--
Depreciation and amortization	<u>4.3</u>	<u>4.5</u>	<u>8.4</u>	<u>9.2</u>
Total expenses	<u>115.1</u>	<u>70.2</u>	<u>156.6</u>	<u>135.8</u>
Operating profit (loss)	(74.5)	(2.7)	(94.4)	48.3
Other income (expense)	<u>0.9</u>	<u>(29.7)</u>	<u>2.1</u>	<u>(31.3)</u>
Pretax income (loss) from continuing operations	(73.6)	(32.4)	(92.3)	17.0
Income tax (expense) benefit	28.3	11.7	35.4	(6.0)
Equity (loss) in income of unconsolidated affiliates	--	(0.1)	--	(0.2)
Discontinued operations, net of tax	<u>--</u>	<u>(0.1)</u>	<u>(0.1)</u>	<u>(0.1)</u>
Net (loss) income	(45.3)	(20.9)	(57.0)	10.7
Less: Net loss attributable to non-controlling interest	<u>0.7</u>	<u>0.1</u>	<u>0.7</u>	<u>0.5</u>
Net (loss) income attributable to The St. Joe Company	<u>\$(44.6)</u>	<u>\$(20.8)</u>	<u>\$(56.3)</u>	<u>\$11.2</u>
Net (loss) income per share	<u>\$(0.49)</u>	<u>\$(0.23)</u>	<u>\$(0.62)</u>	<u>\$0.13</u>
Weighted average shares	<u>91,364,842</u>	<u>91,236,851</u>	<u>91,288,049</u>	<u>85,575,590</u>

Revenues by Segment

	<u>Quarter Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Residential				
Real estate sales	\$11.7	\$7.3	\$15.7	\$17.1
Rental revenue	0.3	0.3	0.5	0.6
Other revenues	<u>12.8</u>	<u>14.1</u>	<u>19.4</u>	<u>21.7</u>
Total Residential	<u>24.8</u>	<u>21.7</u>	<u>35.6</u>	<u>39.4</u>
Commercial				
Real estate sales	0.1	0.4	0.5	0.5
Rental revenues	<u>0.1</u>	<u>--</u>	<u>0.2</u>	<u>--</u>
Total Commercial	<u>0.2</u>	<u>0.4</u>	<u>0.7</u>	<u>0.5</u>
Rural Land sales	8.4	39.0	12.6	130.1
Forestry sales	<u>7.2</u>	<u>6.4</u>	<u>13.3</u>	<u>14.1</u>
Total revenues	<u>\$40.6</u>	<u>\$67.5</u>	<u>\$62.2</u>	<u>\$184.1</u>

Summary Balance Sheet

	<u>June 30, 2009</u>	<u>December 31, 2008</u>
Assets		
Investment in real estate	\$869.8	\$890.6
Cash and cash equivalents	116.6	115.5
Pledged treasury securities	28.0	28.9
Notes receivable	35.6	50.1
Tax receivable	47.0	32.3
Prepaid pension asset	43.2	42.0
Property, plant and equipment, net	19.1	19.8
Other assets	30.2	35.1
Assets held for sale	<u>--</u>	<u>4.0</u>
Total assets	<u>\$1,189.5</u>	<u>\$1,218.3</u>
Liabilities and Equity		
Debt	\$49.1	\$49.6
Accounts payable, accrued liabilities	113.1	115.2
Deferred income taxes	59.8	61.5
Liabilities of assets held for sale	<u>--</u>	<u>0.6</u>
Total liabilities	222.0	226.9
Total equity	<u>967.5</u>	<u>991.4</u>
Total liabilities and equity	<u>\$1,189.5</u>	<u>\$1,218.3</u>

Debt Schedule

	<u>June 30, 2009</u>	<u>December 31, 2008</u>
Defeased debt	\$28.0	\$28.9
Community Development District debt	12.2	11.9
Various notes secured by certain real estate	<u>8.9</u>	<u>8.8</u>
Total debt	<u>\$49.1</u>	<u>\$49.6</u>

Cash Overhead

	<u>Quarter Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Other operating expenses	\$12.1	\$13.4	\$23.3	\$28.8
Corporate expense	<u>5.4</u>	<u>9.4</u>	<u>13.2</u>	<u>18.0</u>
Total GAAP overhead	17.5	22.8	36.5	46.8
Plus overhead capitalized	0.5	1.5	1.1	3.8
Less non-cash overhead	<u>(3.7)</u>	<u>(2.8)</u>	<u>(5.9)</u>	<u>(4.6)</u>
Total cash overhead	<u>\$14.3</u>	<u>\$21.5</u>	<u>\$31.7</u>	<u>\$46.0</u>

Cash overhead is a non-GAAP financial measure. We believe this information is useful to investors in understanding the underlying operational performance of the Company, its business and performance trends. Specifically, we believe that the reduction in total cash overhead shows investors the cash savings achieved by management through various restructuring initiatives. Although we believe disclosure of total cash overhead enhances investors' understanding of our business and performance, this non-GAAP financial measure should not be considered an alternative to GAAP basis financial measures.

Other Operating and Corporate Expenses

	<u>Quarter Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Employee costs	\$4.1	\$9.3	\$12.0	\$20.8
Non-cash stock compensation costs	3.3	3.4	5.7	6.5
Marketing and homeowner association cost	1.8	2.8	2.8	5.6
Occupancy repairs and maintenance	1.4	2.8	3.3	5.7
Professional fees	2.3	2.0	4.4	5.0
Other	5.5	5.6	10.2	10.1
Pension (income)	(0.4)	(1.6)	(0.8)	(3.1)
Capitalized costs	<u>(0.5)</u>	<u>(1.5)</u>	<u>(1.1)</u>	<u>(3.8)</u>
Total other operating and corporate expense	<u>\$17.5</u>	<u>\$22.8</u>	<u>\$36.5</u>	<u>\$46.8</u>

Additional Information

Additional information with respect to the Company's results for the second quarter of 2009 will be available in a Form 10-Q that will be filed with the Securities and Exchange Commission today.

Conference Call Information

On August 4, 2009 at 10:30 a.m. (EST), JOE will host a conference call to review the Company's results for the second quarter ended June 30, 2009.

To participate in the call, please phone 866.316.1366 (for domestic calls from the United States) or 913.312.1266 (for international calls) approximately ten minutes before the scheduled start time. You will be asked for a confirmation code which is 5384462. JOE will also webcast the conference call live over the Internet in a listen-only format at the company's website www.joe.com.

Following the call, you may access a replay of the call by phoning 888.203.1112 (for domestic calls) or 719.457.0820 (for international calls) using access code 5384462. Access to the replay will be available until August 11, 2009. A webcast archive of the conference call will be posted to the JOE website approximately 90 minutes following the call and will also be available until August 11, 2009.

About JOE

The St. Joe Company (NYSE: JOE), a publicly held company based in Jacksonville, is one of Florida's largest real estate development companies and Northwest Florida's largest private landowner. We are primarily engaged in real estate development and sales, with significant interests in timber.

More information about JOE can be found at our web site at www.joe.com.

Forward-Looking Statements

We have made forward-looking statements in this release pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Any statements in this release that are not historical facts are forward-looking statements. You can find many of these forward-looking statements by looking for words such as “intend”, “anticipate”, “believe”, “estimate”, “expect”, “plan”, “should”, “forecast” or similar expressions. In particular, forward-looking statements include, among others, statements about the following:

- future operating performance, revenues, earnings and cash flows;
- future residential and commercial entitlements;
- development approvals and the ability to obtain such approvals, including possible legal challenges;
- the number of units or commercial square footage that can be supported upon full build out of a development;
- the number, price and timing of anticipated land sales or acquisitions;
- estimated land holdings for a particular use within a specific time frame;
- the levels of resale inventory in our developments and the regions in which they are located;
- the development of relationships with strategic partners, including homebuilders;
- future amounts of capital expenditures;
- the projected completion, opening, operating results and economic impact of the new Panama City-Bay County International Airport;
- the amount of dividends, if any, we pay; and
- the number or dollar amount of shares of Company stock which may be purchased under our existing or future share-repurchase programs.

Forward-looking statements are not guarantees of future performance. You are cautioned not to place undue reliance on any of these forward-looking statements. These statements are made as of the date hereof based on our current expectations, and we undertake no obligation to update the information contained in this release. New information, future events or risks may cause the forward-looking events we discuss in this release not to occur.

Forward-looking statements are subject to numerous assumptions, risks and uncertainties. Factors that could cause actual results to differ materially from those contemplated by a forward-looking statement include the risk factors described in our annual report on Form 10-K and our quarterly reports on Form 10-Q, as well as, among others, the following:

- a continued downturn in the real estate markets in Florida and across the nation;
- a continued crisis in the national financial markets and the financial services and banking industries;
- a continued decline in national economic conditions;
- economic conditions in Northwest Florida, Florida as a whole and key areas of the southeastern United States that serve as feeder markets to our Northwest Florida operations;
- availability of mortgage financing, increases in foreclosures and changes in interest rates;
- changes in the demographics affecting projected population growth in Florida, including the demographic migration of Baby Boomers;
- the inability to raise sufficient cash to enhance and maintain our operations and to develop our real estate holdings;
- an event of default under our credit facility or the restructuring of such debt on terms less favorable to us;
- possible future write-downs of the book value of our real estate assets and notes receivable;
- the termination of sales contracts or letters of intent due to, among other factors, the failure of one or more closing conditions or market changes;
- a failure to attract homebuilding customers for our developments, or their failure to satisfy their purchase commitments;

- the failure to attract desirable strategic partners, complete agreements with strategic partners and/or manage relationships with strategic partners going forward;
- natural disasters, including hurricanes and other severe weather conditions, and the impact on current and future demand for our products in Florida;
- whether our developments receive all land-use entitlements or other permits necessary for development and/or full build-out or are subject to legal challenge;
- local conditions such as the supply of homes and home sites and residential or resort properties or a change in the demand for real estate in an area;
- timing and costs associated with property developments;
- the pace of commercial and economic development in Northwest Florida;
- competition from other real estate developers;
- changes in pricing of our products and changes in the related profit margins;
- changes in operating costs, including real estate taxes and the cost of construction materials;
- changes in the amount or timing of federal and state income tax liabilities resulting from either a change in our application of tax laws, an adverse determination by a taxing authority or court, or legislative changes to existing laws;
- the failure to realize significant improvements in job creation and public infrastructure in Northwest Florida, including the expected economic impact of the new airport under construction in Bay County;
- potential liability under environmental laws or other laws or regulations;
- changes in laws, regulations or the regulatory environment affecting the development of real estate;
- fluctuations in the size and number of transactions from period to period;
- the prices and availability of labor and building materials;
- changes in homeowner insurance rates and deductibles for property in Florida, particularly in coastal areas, and availability of property insurance in Florida;
- high property tax rates in Florida, and future changes in such rates;
- significant tax payments arising from any acceleration of deferred taxes;
- possible negative effects from oil or natural gas drilling, if permitted off the coast of Northwest Florida;
- changes in gasoline prices; and
- acts of war, terrorism or other geopolitical events.

The foregoing list is not exhaustive and should be read in conjunction with other cautionary statements contained in our periodic and other filings with the Securities and Exchange Commission.

Table 1
Summary of Land-Use Entitlements ⁽¹⁾
Active JOE Residential and Mixed-Use Projects
June 30, 2009

Project	Class.⁽²⁾	County	Project Acres	Project Units⁽³⁾	Residential Units Closed Since Inception	Residential Units Under Contract as of 6/30/09	Total Residential Units Remaining	Remaining Commercial Entitlements (Sq. Ft.)⁽⁴⁾
In Development: ⁽⁵⁾								
Artisan Park ⁽⁶⁾	PR	Osceola	175	616	588	—	28	—
Hawks Landing	PR	Bay	88	168	136	—	32	—
Landings at Wetappo	RR	Gulf	113	24	7	—	17	—
RiverCamps on Crooked Creek	RS	Bay	1,491	408	188	—	220	—
RiverSide at Chipola	RR	Calhoun	120	10	2	—	8	—
RiverTown	PR	St. Johns	4,170	4,500	30	—	4,470	500,000
SouthWood	PR	Leon	3,370	4,770	2,535	—	2,235	4,577,360
St. Johns Golf & Country Club	PR	St. Johns	880	799	799	—	—	—
SummerCamp Beach	RS	Franklin	762	499	81	—	418	25,000
Victoria Park	PR	Volusia	1,859	4,200	1,458	40	2,702	43,643
WaterColor	RS	Walton	499	1,140	907	—	233	47,600
WaterSound	RS	Walton	2,425	1,432	26	—	1,406	457,380
WaterSound Beach	RS	Walton	256	511	445	—	66	29,000
WaterSound West Beach	RS	Walton	62	199	40	—	159	—
Wild Heron ⁽⁷⁾	RS	Bay	17	28	2	—	26	—
WindMark Beach	RS	Gulf	2,020	1,662	141	—	1,521	75,000
Subtotal			<u>18,307</u>	<u>20,966</u>	<u>7,385</u>	<u>40</u>	<u>13,541</u>	<u>5,754,983</u>
In Pre-Development: ⁽⁵⁾								
Avenue A	PR	Gulf	6	96	—	—	96	—
Bayview Estates	PR	Gulf	31	45	—	—	45	—
Bayview Multifamily	PR	Gulf	20	300	—	—	300	—
Beacon Hill	RR	Gulf	3	12	—	—	12	—
Beckrich NE	PR	Bay	15	70	—	—	70	—
Boggy Creek	PR	Bay	630	526	—	—	526	—
Bonfire Beach	RS	Bay	550	750	—	—	750	70,000
Breakfast Point, Phase 1	PR/RS	Bay	115	320	—	—	320	—
Carrabelle East	PR	Franklin	200	600	—	—	600	—
College Station	PR	Bay	567	800	—	—	800	—
Cutter Ridge	PR	Franklin	10	25	—	—	25	—
DeerPoint Cedar Grove	PR	Bay	668	950	—	—	950	—
East Lake Creek	PR	Bay	81	313	—	—	313	—
East Lake Powell	RS	Bay	181	360	—	—	360	30,000
Howards Creek	RR	Gulf	8	33	—	—	33	—
Laguna Beach West	PR	Bay	36	268	—	—	268	—
Long Avenue	PR	Gulf	10	30	—	—	30	—
Palmetto Bayou	PR	Bay	58	217	—	—	217	90,000
ParkSide	PR	Bay	48	480	—	—	480	—
Pier Park NE	PR	Bay	57	460	—	—	460	190,000
Pier Park Timeshare	RS	Bay	13	125	—	—	125	—
PineWood	PR	Bay	104	264	—	—	264	—
Port St. Joe Draper, Phase 1	PR	Gulf	639	1,200	—	—	1,200	—
Port St. Joe Draper, Phase 2	PR	Gulf	981	2,125	—	—	2,125	150,000
Port St. Joe Town Center	RS	Gulf	180	624	—	—	624	500,000
Powell Adams	RS	Bay	56	2,520	—	—	2,520	—
Sabal Island	RS	Gulf	45	18	—	—	18	—
SevenShores	RS	Manatee	93	278	—	—	278	20,400
South Walton Multifamily	PR	Walton	40	212	—	—	212	—
St. James Island Granite Point	RS	Franklin	1,000	2,000	—	—	2,000	—
Star Avenue North	PR	Bay	271	1,248	—	—	1,248	380,000
The Cove	RR	Gulf	64	107	—	—	107	—
Timber Island ⁽⁸⁾	RS	Franklin	49	407	—	—	407	14,500
Topsail	PR	Walton	115	627	—	—	627	300,000
Wavecrest	RS	Bay	7	95	—	—	95	—
WestBay Corners SE	PR	Bay	100	524	—	—	524	50,000
WestBay Corners SW	PR	Bay	64	160	—	—	160	—
WestBay DSAP 1	PR/RS	Bay	15,089	5,628	—	—	5,628	4,430,000
WestBay Landing ⁽⁹⁾	RS	Bay	950	214	—	—	214	—
Subtotal			<u>23,154</u>	<u>25,031</u>	<u>—</u>	<u>—</u>	<u>25,031</u>	<u>6,224,900</u>
Total			<u><u>41,461</u></u>	<u><u>45,997</u></u>	<u><u>7,385</u></u>	<u><u>40</u></u>	<u><u>38,572</u></u>	<u><u>11,979,883</u></u>

- (1) A project is deemed land-use entitled when all major discretionary governmental land-use approvals have been received. Some of these projects may require additional permits for development and/or build-out; they also may be subject to legal challenge.
- (2) Current JOE land classifications for its residential developments or the residential portion of its mixed-use projects:
- PR – Primary residential
 - RS – Resort and seasonal residential
 - RR – Rural residential
- (3) Project units represent the maximum number of units entitled or currently expected at full build-out. The actual number of units or square feet to be constructed at full build-out may be lower than the number entitled or currently expected.
- (4) Represents the remaining square feet with land-use entitlements as designated in a development order or expected given the existing property land use or zoning and present plans. The actual number of square feet to be constructed at full build-out may be lower than the number entitled. Commercial entitlements include retail, office and industrial uses. Industrial uses total 6,128,381 square feet including SouthWood, RiverTown and the West Bay DSAP 1.
- (5) A project is “in development” when JOE has commenced horizontal construction on the project and commenced sales and/or marketing or will commence sales and/or marketing in the foreseeable future. A project in “pre-development” has land-use entitlements but is still under internal evaluation or requires one or more additional permits prior to the commencement of construction. For certain projects in pre-development, some horizontal construction may have occurred, but no sales or marketing activities are expected in the foreseeable future.
- (6) Artisan Park is 74 percent owned by JOE.
- (7) Homesites acquired by JOE within the Wild Heron community.
- (8) Timber Island entitlements include seven residential units and 400 units for hotel or other transient uses (including units held with fractional ownership such as private residence clubs).
- (9) West Bay Landing is a sub-project within WestBay DSAP 1.

Table 2
Proposed JOE Residential and Mixed-Use Projects
In the Land-Use Entitlement Process ⁽¹⁾
June 30, 2009

<u>Project</u>	<u>Class⁽²⁾</u>	<u>County</u>	<u>Project Acres</u>	<u>Estimated Project Units⁽³⁾</u>	<u>Estimated Commercial Entitlements (Sq. Ft.)⁽⁴⁾</u>
Breakfast Point, Phase 2	PR/RS	Bay	1,299	2,780	635,000
SouthSide	PR	Leon	<u>1,625</u>	<u>2,800</u>	<u>1,150,000</u>
Total ⁽⁵⁾			<u>2,924</u>	<u>5,580</u>	<u>1,785,000</u>

- (1) A project is deemed to be in the land-use entitlement process when customary steps necessary for the preparation and submittal of an application, such as conducting pre-application meetings or similar discussions with governmental officials, have commenced and/or an application has been filed. All projects listed have significant entitlement steps remaining that could affect their timing, scale and viability. There can be no assurance that these entitlements will ultimately be received.
- (2) Current JOE land classifications for its residential developments or the residential portion of its mixed-use projects:
- PR – Primary residential
 - RS – Resort and seasonal residential
 - RR – Rural residential
- (3) The actual number of units to be constructed at full build-out may be lower than the number ultimately entitled.
- (4) Represents the estimated number of entitlements that are being sought. The actual number of entitlements approved may be less. Once entitled, the actual number of square feet to be constructed at full build-out may be lower than the actual number eventually entitled. Commercial entitlements include retail, office and industrial uses.
- (5) St. James Island McIntyre and St. James Island RiverCamps have been removed due to action by the Franklin County Board of County Commissioners. The County adopted an ordinance which rescinded these land use amendments before they were deemed final.

Table 3
Summary of Additional Commercial Land-Use Entitlements ⁽¹⁾
(Commercial Projects Not Included in Tables 1 and 2 Above)
Active JOE Commercial Projects
June 30, 2009

<u>Project</u>	<u>County</u>	<u>Project Acres</u>	<u>Acres Sold Since Inception</u>	<u>Acres Under Contract As of 6/30/09</u>	<u>Total Acres Remaining</u>
Airport Commerce	Leon	45	10	—	35
Alf Coleman Retail	Bay	25	23	—	2
Beach Commerce	Bay	157	151	—	6
Beach Commerce II	Bay	112	13	—	99
Beckrich Office Park	Bay	17	12	3	2
Beckrich Retail	Bay	44	41	—	3
Cedar Grove Commerce	Bay	51	5	—	46
Franklin Industrial	Franklin	7	—	—	7
Glades Retail	Bay	14	—	—	14
Gulf Boulevard	Bay	78	27	—	51
Hammock Creek Commerce	Gadsden	165	27	—	138
Mill Creek Commerce	Bay	37	—	—	37
Nautilus Court	Bay	11	7	—	4
Port St. Joe Commerce II	Gulf	39	9	—	30
Port St. Joe Commerce III	Gulf	50	—	—	50
Powell Hills Retail	Bay	44	—	—	44
South Walton Commerce	Walton	38	17	—	21
Total		<u>934</u>	<u>342</u>	<u>3</u>	<u>589</u>

⁽¹⁾ A project is deemed land-use entitled when all major discretionary governmental land-use approvals have been received. Some of these projects may require additional permits for development and/or build-out; they also may be subject to legal challenge. Includes significant JOE projects that are either operating, under development or in the pre-development stage.

Table 4
Residential Real Estate
Sales Activity
Three Months Ended June 30,
(\$ in millions)

	<u>2009</u>				<u>2008</u>			
	<u>Number of Units Closed</u>	<u>Revenue</u>	<u>Cost of Sales⁽¹⁾</u>	<u>Gross Profit</u>	<u>Number of Units Closed</u>	<u>Revenue</u>	<u>Cost of Sales⁽¹⁾</u>	<u>Gross Profit</u>
Home Sites ⁽²⁾	13	\$ 1.8	\$ 1.3	\$ 0.5	6	\$ 1.5	\$ 0.8	\$ 0.7
Homes ⁽³⁾	28	9.9	9.3	0.6	12	5.7	5.4	0.3
Total	<u>41</u>	<u>\$ 11.7</u>	<u>\$ 10.6</u>	<u>\$ 1.1</u>	<u>18</u>	<u>\$ 7.2</u>	<u>\$ 6.2</u>	<u>\$ 1.0</u>

⁽¹⁾ Cost of sales for homesites in the second quarter of 2009 consisted of \$1.1 million in direct costs, \$0.1 million in selling costs and \$0.1 million in indirect costs. Cost of sales for homesites in the second quarter of 2008 consisted of \$0.7 million in direct costs, less than \$0.1 million in selling costs and \$0.1 million in indirect costs. Cost of sales for homes in the second quarter of 2009 consisted of \$7.0 million in direct costs, \$0.6 million in selling costs and \$1.7 million in indirect costs. Cost of sales for homes in the second quarter of 2008 consisted of \$3.9 million in direct costs, \$0.3 million in selling costs and \$1.2 million in indirect costs.

⁽²⁾ Profit has been deferred as a result of continuing development obligations at SummerCamp Beach in 2009 and 2008 and WaterSound West Beach in 2008. As a consequence, revenue recognition and closings may occur in different periods.

⁽³⁾ Homes include single-family and multifamily units. Multifamily revenue is recognized, if preconditions are met, on a percentage-of-completion basis. As a consequence, revenue recognition and closings may occur in different periods.

Table 5
Residential Real Estate Sales Activity
Three Months Ended June 30,
(\$ in thousands)

	2009				2008			
	Units Closed	Avg. Price	Accepted ⁽¹⁾	Avg. Price	Units Closed	Avg. Price	Accepted ⁽¹⁾	Avg. Price
Artisan Park ⁽²⁾								
Single-Family Homes	7	\$ 355.5	7	\$ 355.5	—	—	—	—
Multifamily Homes	4	246.1	4	246.1	4	359.6	5	371.7
Hawks Landing								
Homesites	3	65.6	3	65.6	—	—	—	—
James Island								
Single-Family Homes	1	\$ 311.0	1	\$ 311.0	—	—	—	—
RiverCamps on Crooked Creek								
Homesites	—	—	—	—	1	300.0	1	300.0
Single-Family Homes	—	—	—	—	1	550.0	1	550.0
St. Johns G & CC								
Single-Family Homes	1	327.9	1	327.9	2	457.5	2	457.5
SummerCamp								
Homesites	—	—	—	—	1	149.9	1	149.9
Victoria Park								
Homesites	—	—	—	—	1	82.9	1	82.9
Single-Family Homes	4	202.0	4	202.0	2	211.3	2	211.3
WaterColor								
Homesites	5	178.6	5	178.6	1	507.0	1	507.0
Single-Family Homes	11	456.8	10	460.0	2	1,212.5	2	1,212.5
WaterSound								
Homesites	1	77.8	1	77.8	—	—	—	—
WaterSound Beach								
Homesites	—	—	—	—	—	—	3	485.0
WaterSound West Beach								
Homesites	2	188.1	2	188.1	2	187.6	3	191.1
WindMark Beach								
Homesites	2	107.7	2	107.7	—	—	—	—
Single-Family Homes	—	—	—	—	1	1,200.0	1	\$1,200.0
Total Homesites	13	\$ 135.3⁽³⁾	13	\$ 135.3⁽³⁾	6	\$ 235.8⁽³⁾	10	\$ 306.8⁽³⁾
Total Single/Multifamily Homes	28	\$ 355.2⁽³⁾	27	\$ 352.6⁽³⁾	12	\$ 579.2⁽³⁾	13	\$ 567.0⁽³⁾

⁽¹⁾ Contracts accepted during the quarter. Contracts accepted and closed in the same quarter are also included as units closed.

⁽²⁾ JOE owns 74 percent of Artisan Park.

⁽³⁾ Average prices differ from quarter to quarter primarily because of the relative mix and location of sales.

Table 6
Commercial Land Sales
Three Months Ended June 30,

	<u>Number of Sales</u>	<u>Acres Sold</u>	<u>Gross Sales Price</u> <u>(in thousands)</u>	<u>Average Price/Acre</u> <u>(in thousands)</u>
2009	—	—	—	—
2008	1	2.2	\$257	\$117

Table 7
Rural Land Sales
Three Months Ended June 30,

	<u>Number of Sales</u>	<u>Acres Sold</u>	<u>Gross Sales Price</u> <u>(in thousands)</u>	<u>Average Price/Acre</u>
2009	4	5,317	\$ 8,450	\$1,589
2008	4	29,398	39,010	1,327

Table 8
Quarterly Segment Pretax Income (Loss)
From Continuing Operations
(\$ in millions)

	<u>June 30,</u> <u>2009</u>	<u>Mar. 31,</u> <u>2009</u>	<u>Dec. 31,</u> <u>2008</u>	<u>Sept. 30,</u> <u>2008</u>	<u>June 30,</u> <u>2008</u>	<u>Mar. 31,</u> <u>2008</u>	<u>Dec. 31,</u> <u>2007</u>	<u>Sept. 30,</u> <u>2007</u>	<u>June 30,</u> <u>2007</u>
Residential	\$ (23.3)	\$ (14.2)	\$ (71.0)	\$ (13.0)	\$ (13.3)	\$ (18.7)	\$ (11.4)	\$ (26.2)	\$ (1.0)
Commercial	(0.7)	(0.6)	(0.3)	(0.6)	(0.5)	(0.8)	4.6	2.3	8.5
Rural Land sales	6.8	2.8	26.3	2.0	24.1	80.1	24.5	27.8	7.2
Forestry	1.1	1.1	0.8	0.2	(1.1)	1.9	(1.9)	1.3	0.9
Corporate and other	<u>(57.5)</u>	<u>(7.8)</u>	<u>(4.5)</u>	<u>(19.2)</u>	<u>(41.6)</u>	<u>(13.0)</u>	<u>(11.0)</u>	<u>(15.8)</u>	<u>(16.4)</u>
Pretax income (loss) from continuing operations ⁽¹⁾	<u>\$ (73.6)</u>	<u>\$ (18.7)</u>	<u>\$ (48.7)</u>	<u>\$ (30.6)</u>	<u>\$ (32.4)</u>	<u>\$ 49.5</u>	<u>\$ 4.8</u>	<u>\$ (10.6)</u>	<u>\$ (0.8)</u>

⁽¹⁾ Includes one time charges as described in our SEC filings.

Table 9
Other Income (Expense)
(\$ in millions)

	<u>Quarter Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Dividend and interest income	\$ 0.6	\$ 1.5	\$ 1.4	\$ 3.3
Interest expense	(0.1)	(0.1)	(0.3)	(3.6)
Gain on sale of office buildings	0.2	0.2	0.4	0.4
Other	0.1	0.5	0.4	1.1
Retained interest in monetized installment notes	0.1	(1.9)	0.2	(1.9)
Loss on early extinguishment of debt	—	(29.9)	—	(30.6)
Total	<u>0.9</u>	<u>\$ (29.7)</u>	<u>2.1</u>	<u>\$ (31.3)</u>