FRP HOLDINGS, INC./NEWS

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FRP HOLDINGS, INC. (NASDAQ: FRPH) ANNOUNCES RESULTS FOR THE THIRD QUARTER OF 2017.

FRP Holdings, Inc. (NASDAQ-FRPH) Jacksonville, Florida; November 1, 2017 –

Third Quarter Consolidated Results of Operations.

Net income for the third quarter of 2017 was $25,391,000 or $2.52 per share versus $1,957,000 or $.20 per share in the same period last year. The majority of this uptick in income is the result of a gain on remeasurement of investment of $60.2 million in its Dock 79 real estate partnership, which is included in income from continuing operations before income taxes. As a result of the stabilization of Dock 79, the Company is now deemed for accounting purposes to have control of the partnership without the transfer of any consideration. As such the non-taxable gain on remeasurement was calculated based on the difference between the carrying value and the fair value of all the assets and liabilities of the partnership. The gain included $4,727,000 related to the value of leases in place resulting in amortization expense of $1,326,000 for the quarter. The lease value is amortized over the life of the leases, 89% of that value is scheduled to be expensed by June 30, 2018. The gain included $34 million related to the building and improvements which will result in additional deprecation of $220,000 quarterly. The total gain related depreciation and amortization was $1,546,000 which explains the majority of the $1,480,000 reduction in operating profit compared to the same quarter last year. Total revenues were $12,054,000, up 23.3%, versus the same period last year, primarily because of the addition of rental revenues from Dock 79.

Third Quarter Segment Operating Results.

Asset Management Segment:

Total revenues in this segment were $7,578,000, up $255,000 or 3.5%, over the same period last year. Net Operating Income (NOI) in this segment for the third quarter declined slightly to $5,614,000, compared to $5,627,000 in the same period last year. Several factors caused revenue to increase while NOI remained stable. Revenues inclusive of reimbursables and unrealized rents have increased over the same period last year as a result of new buildings and increased occupancy. However, the uptick in reimbursable expenses increased revenue without increasing NOI, and the non-reimbursable expenses did nothing for revenue and adversely affected NOI. Additionally, cash-based NOI as calculated by the Company excludes unrealized rents which are the result of “straight-lining” rental revenue over the life of a lease, i.e. averaging the total rent of the lease over the term. Thus, though revenue as calculated by GAAP may be up because of new leases, cash-based NOI is not as positively affected because the actual rent paid by the tenant in the beginning of a lease is less than the GAAP-based straight-lined rent. We ended the third quarter with total occupied square feet of 3,637,236 versus 3,486,681 at the end of the same period last year, an increase of 4.3% or 150,555 square feet. Our overall occupancy rate was 91.3%.

Mining Royalty Lands Segment:

Total revenues in this segment were $1,786,000, a decrease of 12%, versus $2,037,000 in the same period last year. This drop is due to decreases in tonnage at several locations because of weather, volumes returning to normal levels at Keuka and Newberry Cement, and other factors. Total operating profit in this segment was $1,637,000, a decrease of $229,000 versus $1,866,000 in the same period last year.

Land Development and Construction Segment:

The Land Development and Construction segment is responsible for (i) seeking out and identifying opportunistic purchases of income producing warehouse/office buildings, and (ii) developing our non-income producing properties into income production.

With respect to ongoing projects:

- Our new spec building at Patriot Business Center was placed in service this past April and is currently 100% leased and occupied
- In February, the D.C. Zoning Commission voted 5-0 in favor of the Planned Unit Development (PUD) of Phase II of our RiverFront on the Anacostia project. After formal publishing of the record and a 35 day appeal period we anticipate formal approval by the end of the year
- We are fully engaged in the formal process of seeking PUD entitlements for our 118 acre tract in Hampstead, Md
- We made major progress this quarter in our joint venture with St. John Properties on what remained of our Windlass Run Business Park. The JV secured financing on a $17,580,000 construction and development loan and began construction on what will be a multi-building business park consisting of approximately 329,000 square feet of office and retail space.

Equity in loss of joint ventures was $12,000 because of the Brooksville Joint Venture.

RiverFront on the Anacostia Segment:

In July 2017, Phase I (Dock 79) of the development known as RiverFront on the Anacostia in Washington, D.C., a 300,000 square foot residential apartment building developed by a joint venture between the Company and MRP, reached stabilization, meaning 90% of the individual apartments have been leased and are occupied by third party tenants. Upon reaching stabilization, the Company has, for a period of one year, the exclusive right to (i) cause the joint venture to sell the property or (ii) cause the Company's and MRP's percentage interests in the joint venture to be adjusted so as to take into account the value of the development at the time of stabilization. The attainment of stabilization also resulted in a change of control for accounting purposes as the veto rights of the minority shareholder lapsed and the Company became the primary beneficiary. As such, beginning July 1, 2017, the Company consolidated the assets (at current fair value), liabilities and operating results of the joint venture and established the RiverFront on the Anacostia Segment as its fourth segment.

At the end of September, Dock 79 was 96.4% leased and 95.4% occupied. As the first "generation" of leases came up for renewal this quarter, the renewal rate of 53% is in line with expectations while the average rent increase of 3.89% is stronger than we budgeted.

First Nine Months Consolidated Results of Operations.

Net income for the first nine months of 2017 was $28,547,000 or $2.84 per share versus $4,551,000 or $.46 per share in the first nine months last year. The majority of this uptick in income is the result of a gain on remeasurement of investment of $60.2 million in its Dock 79 real estate partnership, which is included in income from continuing operations before income taxes. As a result of the stabilization of Dock 79, the Company is now deemed for accounting purposes to have control of the partnership without the transfer of any consideration. As such the non-taxable gain on remeasurement was calculated based on the difference between the carrying value and the fair value of all the assets and liabilities of the partnership. This increase in net income when compared to last year was also augmented by a prior year $2,000,000 remediation expense offset by a $665,000 increase this year in equity in loss of joint ventures, primarily as a result of expenses and depreciation during the lease up of Phase I (Dock 79) of RiverFront. Total revenues were $30,736,000, up 7.3%, versus the first nine months last year. Consolidated total operating profit was up 4.4%.

First Nine Months Segment Operating Results.

<u>Asset Management Segment</u>:

Total revenues in this segment were $22,057,000, up $233,000 or 1.1%, over the first nine months last year. The increase in revenue is due to the addition of new buildings and increased total occupancy. Net Operating Income in this segment for the first nine months of 2017 was $16,715,000, compared to $16,555,000 in the first nine months of 2016, an increase of 1%.

Depreciation and amortization expense increased primarily because of the purchase of the Gilroy Center in Baltimore County in July of 2016 and the completion of a 79,550 square foot warehouse at Hollander Business Park in April 2016 and a 103,448 square foot warehouse at Patriot Business Center in April of 2017.

Corporate expense increased due to a first quarter stock option modification expense of $191,000 and increased internal and external audit expense incurred as a result of the conversion from the previous fiscal year (ending September 30) to one that follows the calendar year.

<u>Mining Royalty Lands Segment</u>:

Total revenues in this segment were $5,381,000, a decrease of 8.4%, versus $5,874,000 in the first nine months last year. This drop is due decreases in tonnage at several locations because of weather, volumes returning to normal levels at Keuka and Newberry Cement, and other factors. Total operating profit in this segment was $4,869,000, a decrease of $459,000 versus $5,328,000 in the first nine months last year.

Land Development and Construction Segment:

The Land Development and Construction segment is responsible for (i) seeking out and identifying opportunistic purchases of income producing warehouse/office buildings, and (ii) developing our non-income producing properties into income production.

With respect to ongoing projects:

- During the first quarter, we completed construction of the bulkhead at our 664E property on the Anacostia ahead of schedule and under budget.
- Our new spec building at Patriot Business Center was placed in service this past April and is currently 100% leased and occupied
- In February, the D.C. Zoning Commission voted 5-0 in favor of the Planned Unit Development (PUD) of Phase II of our RiverFront on the Anacostia project. After formal publishing of the record and a 35 day appeal period we anticipate formal approval by the end of the year
- We are fully engaged in the formal process of seeking PUD entitlements for our 118 acre tract in Hampstead, Md
- We made major progress during the third quarter in our joint venture with St. John Properties on what remained of our Windlass Run Business Park. The JV secured financing on a $17,580,000 construction and development loan and began construction on what will be a multi-building business park consisting of approximately 329,000 square feet of office and retail space.

Because of operating losses and depreciation during the lease up of Dock 79, equity in loss of joint ventures was $1,589,000 (including a loss of $31,000 in the Brooksville Joint Venture).

RiverFront on the Anacostia Segment:

In July 2017, Phase I (Dock 79) of the development known as RiverFront on the Anacostia in Washington, D.C., a 300,000 square foot residential apartment building developed by a joint venture between the Company and MRP, reached stabilization, meaning 90% of the individual apartments have been leased and are occupied by third party tenants. Upon reaching stabilization, the Company has, for a period of one year, the exclusive right to (i) cause the joint venture to sell the property or (ii) cause the Company's and MRP's percentage interests in the joint venture to be adjusted so as to take into account the value of the development at the time of stabilization. The attainment of stabilization also resulted in a change of control for accounting purposes as the veto rights of the minority shareholder lapsed and the Company became the primary beneficiary. As such, beginning July 1, 2017, the Company consolidated the assets (at current fair value), liabilities and operating results of the joint venture and established the RiverFront on the Anacostia Segment as its fourth segment.

At the end of September, Dock 79 was 96.4% leased and 95.4% occupied. As the first "generation" of lease came up for renewal this quarter, the renewal rate of 53% is in line with expectations while the average rent increase of 3.89% is stronger than we budgeted.

Potential REIT Conversion

We have for some time explored the possibility of converting this company into a Real Estate Investment Trust (REIT), with the idea that this may be a more efficient structure given the nature of our business. In order to have the option to convert to a REIT, the board has already elected to change from our previous fiscal year (ending September 30), to a fiscal year that follows the calendar year as is required of a REIT. This change went into effect January 1, 2017 and required one-time additional auditing expenses of $120,000 which were reflected in 2017. Thus, this past quarter, and every quarter ended September 30 will now be the third quarter of our fiscal year. Finally, consistent with having the option to elect REIT status, we have contributed our mining reserves into a wholly owned subsidiary. Because the parent company still retains control of the land itself, the portion of the mining royalties' income that is not attributable to the reserves, but instead more closely resembles ground rents, will be retained by the parent company and will qualify as "REIT-able" income. The subsidiary will receive only the income attributable to the reserves it now controls. This structure is intended to assure that we will meet the asset and income tests applicable to REITs. These preliminary steps will not have a material impact on our operations if the Company does not elect REIT status. Due to the pending tax reform proposals now in Congress, we have decided to defer the REIT election decision until 2018.

Summary and Outlook

This past quarter was a momentous one across all of our segments. Thanks to the amazing efforts of our Baltimore office, Asset Management increased occupancy from 86.8% at the end of June to our present occupancy of 91.3%, a remarkable 4.5% increase in the span of three months. After twenty years of work by Florida Rock Industries and Vulcan Materials to get our Ft. Myers property fully entitled, Mining Royalties saw the first tons extracted from that quarry. Though production this past quarter was offset by prepaid royalties, going forward, Vulcan's ability finally to realize the 16,000,000 tons of reserves at this site should positively impact revenue and income as it creates an opportunity to collect more than the minimums from this location. Land Development and Construction got the latest building at Patriot fully leased and occupied way ahead of schedule, secured financing for our joint venture with St. John properties, and began construction on the project as well. The ability of this segment to turn vacant land into income production is essential for the growth of the Company. Finally, and perhaps most importantly, this past quarter saw the stabilization and our subsequent consolidation of Dock 79 as the joint venture achieved occupancy greater than 90%. That this consolidation happened ahead of schedule and with stronger rents than expected or budgeted is a testament to the efforts of our partner and the high quality of the asset.

During the remainder of this year, we expect to find permanent financing for Dock 79 and continue pre-development activities for Phase II with the expectation that we will break ground in the last quarter of this year or the first quarter of 2018. Finally, we have for some time been debating the merits of converting this company into a REIT. Given the White House's stated intention to overhaul our federal tax code, and because a change in the corporate income tax rate would mitigate many of the advantages of becoming a REIT, we are delaying our decision to elect REIT status until it is clear either way whether there will be meaningful change in the corporate income tax rate.

Conference Call.

The Company will host a conference call on Wednesday, November 1, 2017 at 2:00 p.m. (EDT). Analysts, stockholders and other interested parties may access the teleconference live by calling 1-800-311-9401 (pass code 92464) within the United States. International callers may dial 1-334-323-7224 (pass code 92464). Computer audio live streaming is available via the Internet through the Company's website at www.frpholdings.com. You may also click on this link for the live streaming http://stream.conferenceamerica.com/frp110117. For the archived audio via the internet, click on the following link http://archive.conferenceamerica.com/archivestream/frp110117.mp3. If using the Company's website, click on the Investor Relations tab, then select the earnings conference stream. An audio replay will be available for sixty days following the conference call. To listen to the audio replay, dial toll free 1-877-919-4059, international callers dial 1-334-323-0140. The passcode of the audio replay is 52575111. Replay options: "1" begins playback, "4" rewind 30 seconds, "5" pause, "6" fast forward 30 seconds, "0" instructions, and "9" exits recording. There may be a 30-40 minute delay until the archive is available following the conclusion of the conference call.

Investors are cautioned that any statements in this press release which relate to the future are, by their nature, subject to risks and uncertainties that could cause actual results and events to differ materially from those indicated in such forward-looking statements. These include, but are not limited to, levels of construction activity in the markets served by our mining properties, demand for flexible warehouse/office facilities in the Baltimore-Washington-Northern Virginia area, our ability to obtain zoning and entitlements necessary for property development, the impact of lending and capital market conditions on our liquidity, our ability to finance projects or repay our debt, general real estate investment and development risks, vacancies in our properties, risks associated with developing and managing properties in partnership with others, competition, our ability to renew leases or re-lease spaces as leases expire, illiquidity of real estate investments, bankruptcy or defaults of tenants, the impact of restrictions imposed by our credit facility, the level and volatility of interest rates, environmental liabilities, inflation risks, cybersecurity risks, as well as other risks listed from time to time in our SEC filings, including but not limited to, our annual and quarterly reports. In addition, if we elect REIT status these risk factors also would include our ability to qualify or to remain qualified as a REIT, our ability to satisfy REIT distribution requirements, the impact of issuing equity, debt or both, and selling assets to satisfy our future distributions required as a REIT or to fund capital expenditures, future growth and expansion initiatives, the impact of the amount and timing of any future distributions, the impact from complying with REIT qualification requirements limiting our flexibility or causing us to forego otherwise attractive opportunities, our lack of experience operating as a REIT, legislative, administrative, regulatory or other actions affecting REITs, including positions taken by the Internal Revenue Service, the possibility that our Board of Directors will unilaterally revoke our REIT election, the possibility that the anticipated benefits of qualifying as a REIT will not be realized, or will not be realized within the expected time period, We have no obligation to revise or update any forward-looking statements, other than as imposed by law, as a result of future events or new information. Readers are cautioned not to place undue reliance on such forward-looking statements.

FRP Holdings, Inc. is a holding company engaged in the real estate business, namely (i) warehouse/office/residential building ownership, leasing and management, (ii) mining royalty land ownership and leasing and (iii) land acquisition, entitlement and development primarily for future warehouse/office or residential building construction.

FRP HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(In thousands except per share amounts)
(Unaudited)

	THREE MONTHS ENDED SEPTEMBER 30, 2017	THREE MONTHS ENDED SEPTEMBER 30, 2016	NINE MONTHS ENDED SEPTEMBER 30, 2017	NINE MONTHS ENDED SEPTEMBER 30, 2016
Revenues:				
Rental revenue	$ 8,738	6,259	21,243	18,430
Mining Royalty and rents	1,763	2,016	5,311	5,805
Revenue – reimbursements	1,553	1,501	4,182	4,399
Total Revenues	12,054	9,776	30,736	28,634
Cost of operations:				
Depreciation, depletion and amortization	4,769	2,160	9,030	6,155
Operating expenses	1,879	1,146	3,882	3,651
Environmental remediation expense	—	—	—	2,000
Property taxes	1,401	1,087	3,592	3,357
Management company indirect	560	419	1,504	1,340
Corporate expenses	617	656	2,510	2,348
Total cost of operations	9,226	5,468	20,518	18,851
Total operating profit	2,828	4,308	10,218	9,783
Interest income	—	—	—	1
Interest expense	(1,251)	(273)	(1,870)	(1,080)
Equity in loss of joint ventures	(12)	(652)	(1,589)	(924)
Gain on remeasurement of investment in real estate Partnership	60,196	—	60,196	—
(Loss) on investment land sold	—	(148)	—	(257)
Income before income taxes	61,761	3,235	66,955	7,523
Provision for income taxes	16,577	1,278	18,615	2,972
Net income	45,184	1,957	48,340	4,551
Income attributable to noncontrolling interest	19,793	—	19,793	—
Net income attributable to the Company	$ 25,391	1,957	28,547	4,551
Comprehensive income	$ 25,391	1,957	28,547	4,551
Earnings per common share:				
Basic	$ 2.54	0.20	2.86	0.46
Diluted	$ 2.52	0.20	2.84	0.46
Number of shares (in thousands) used in computing:				
-basic earnings per common share	10,004	9,865	9,967	9,860
-diluted earnings per common share	10,066	9,908	10,035	9,902

Asset Management Segment:

(dollars in thousands)	Three Months Ended September 30 2017	%	2016	%	Change	%
Rental revenue	$ 6,174	81.5%	$ 5,977	81.6%	$ 197	3.3%
Revenue-reimbursements	1,404	18.5%	1,346	18.4%	58	4.3%
Total revenue	7,578	100.0%	7,323	100.0%	255	3.5%
Depreciation, depletion and amortization	2,090	27.6%	2,071	28.3%	19	.9%
Operating expenses	1,123	14.8%	1,102	15.0%	21	1.9%
Property taxes	792	10.5%	729	10.0%	63	8.6%
Management company indirect	237	3.1%	176	2.4%	61	34.7%
Corporate expense	350	4.6%	339	4.6%	11	3.2%
Cost of operations	4,592	60.6%	4,417	60.3%	175	4.0%
Operating profit	$ 2,986	39.4%	$ 2,906	39.7%	$ 80	2.8%

Mining Royalty Lands Segment:

(dollars in thousands)	Three Months Ended September 30 2017	%	2016	%
Mining Royalty and rents	$ 1,763	98.7%	2,014	98.9%
Revenue-reimbursements	23	1.3%	23	1.1%
Total revenue	1,786	100.0%	2,037	100.0%
Depreciation, depletion and amortization	17	.9%	24	1.2%
Operating expenses	43	2.4%	40	2.0%
Property taxes	59	3.3%	58	2.8%
Corporate expense	30	1.7%	49	2.4%
Cost of operations	149	8.3%	171	8.4%
Operating profit	$ 1,637	91.7%	$ 1,866	91.6%

Land Development and Construction Segment:

(dollars in thousands)	Three Months ended September 30 2017	2016	Change
Rental revenue	$ 207	282	(75)
Royalty and rents	—	2	(2)
Revenue-reimbursements	116	132	(16)
Total revenue	323	416	(93)

Depreciation, depletion and amortization	98	65	33
Operating expenses	52	4	48
Property taxes	282	300	(18)
Management company indirect	281	243	38
Corporate expense	210	268	(58)
Cost of operations	923	880	43
Operating loss	$ (600)	(464)	(136)

Dock 79 Segment:

	Three Months Ended September 30			
(dollars in thousands)	2017	%	2016	%
Rental revenue	$ 2,357	99.6%	—	— %
Revenue-reimbursements	10	.4%	—	— %
Total revenue	2,367	100.0%	—	— %
Depreciation and amortization	2,564	108.3%	—	— %
Operating expenses	661	27.9%	—	— %
Property taxes	268	11.3%	—	— %
Management company indirect	42	1.8%	—	
Corporate expense	27	1.2%	—	— %
Cost of operations	3,562	150.5%	—	— %
Operating profit	$ (1,195)	-50.5%	$ —	— %

Asset Management Segment:

	Nine Months Ended September 30					
(dollars in thousands)	2017	%	2016	%	Change	%
Rental revenue	$ 18,285	82.9%	$ 17,887	82.0%	$ 398	2.2%
Revenue-reimbursements	3,772	17.1%	3,937	18.0%	(165)	-4.2%
Total revenue	22,057	100.0%	21,824	100.0%	233	1.1%
Depreciation, depletion and amortization	6,112	27.7%	5,891	27.0%	221	3.8%
Operating expenses	2,941	13.3%	3,306	15.1%	(365)	-11.0%
Property taxes	2,317	10.5%	2,059	9.4%	258	12.5%
Management company indirect	616	2.8%	582	2.7%	34	5.8%
Corporate expense	1,424	6.5%	1,213	5.6%	211	17.4%
Cost of operations	13,410	60.8%	13,051	59.8%	359	2.8%
Operating profit	$ 8,647	39.2%	$ 8,773	40.2%	$ (126)	-1.4%

Mining Royalty Lands Segment:

(dollars in thousands)	Nine Months Ended September 30 2017	%	2016	%
Mining Royalty and rents	$ 5,311	98.7%	5,805	98.8%
Revenue-reimbursements	70	1.3%	69	1.2%
Total revenue	5,381	100.0%	5,874	100.0%
Depreciation, depletion and amortization	91	1.7%	70	1.2%
Operating expenses	121	2.2%	124	2.1%
Property taxes	176	3.3%	176	3.0%
Corporate expense	124	2.3%	176	3.0%
Cost of operations	512	9.5%	546	9.3%
Operating profit	$ 4,869	90.5%	$ 5,328	90.7%

Land Development and Construction Segment:

(dollars in thousands)	Nine Months ended September 30 2017	2016	Change
Rental revenue	$ 601	543	58
Revenue-reimbursements	330	393	(63)
Total revenue	931	936	(5)
Depreciation, depletion and amortization	263	194	69
Operating expenses	159	221	(62)
Environmental remediation expense	—	2,000	(2,000)
Property taxes	831	1,122	(291)
Management company indirect	846	758	88
Corporate expense	935	959	(24)
Cost of operations	3,034	5,254	(2,220)
Operating loss	$ (2,103)	(4,318)	2,215

Dock 79 Segment:

(dollars in thousands)	Nine Months Ended September 30 2017	%	2016	%
Rental revenue	$ 2,357	99.6%	—	— %
Revenue-reimbursements	10	.4%	—	— %
Total revenue	2,367	100.0%	—	— %
Depreciation and amortization	2,564	108.3%	—	— %
Operating expenses	661	27.9%	—	— %
Property taxes	268	11.3%	—	— %
Management company indirect	42	1.8%	—	

Corporate expense	27	1.2%	—	— %
Cost of operations	3,562	150.5%	—	— %
Operating profit	$ (1,195)	-50.5%	$ —	— %

Non-GAAP Financial Measures.

To supplement the financial results presented in accordance with GAAP, FRP presents certain non-GAAP financial measures within the meaning of Regulation G promulgated by the Securities and Exchange Commission. The non-GAAP financial measure included in this quarterly report are net operating income (NOI). FRP uses these non-GAAP financial measures to analyze its continuing operations and to monitor, assess, and identify meaningful trends in its operating and financial performance. These measures are not, and should not be viewed as, substitutes for GAAP financial measures.

Net Operating Income Reconciliation
Three months ended 09/30/17 (in thousands)

	Asset Management Segment	Land Development Segment	Dock 79 Segment	Mining Royalties Segment	FRP Holdings Totals
Income from continuing operations	1,581	580	42,040	983	45,184
Income Tax Allocation	1,031	378	14,526	642	16,577
Income from continuing operations before income taxes	2,612	958	56,566	1,625	61,761
Less:					
Gain on remeasurement of investment in real estate partnership	—	—	60,196		
Equity in Joint Venture	—	1,558	—		
Lease intangible rents	1	—	—		
Unrealized rents	48	—	50		
Plus:					
Equity in loss of Joint Venture	—	—	1,558		
Interest Expense	374	—	877		
Depreciation/Amortization	2,090	98	2,564		
Management Co. Indirect	237	281	42		
Allocated Corporate Expenses	350	210	27		
Net Operating Income (loss)	5,614	(11)	1,388		

Net Operating Income Reconciliation
Three months ended 09/30/16 (in thousands)

	Asset Management Segment	Land Development Segment	Mining Royalties Segment	FRP Holdings Totals
Income (loss) from continuing operations	1,592	(758)	1,123	1,957
Income Tax Allocation	1,039	(495)	734	1,278
Inc. (loss) from continuing operations before income taxes	2,631	(1,253)	1,857	3,235
Less:				
Lease intangible rents	4	—		
Plus:				
Unrealized rents	139	—		
Equity in loss of Joint Venture	—	642		
Loss on investment land sold	1	148		
Interest Expense	274	—		
Depreciation/Amortization	2,071	65		
Management Co. Indirect	176	243		
Allocated Corporate Expenses	339	267		
Net Operating Income	5,627	112		

Net Operating Income Reconciliation
Nine months ended 09/30/17 (in thousands)

	Asset Management Segment	Land Development Segment	Dock 79 Segment	Mining Royalties Segment	FRP Holdings Totals
Income (loss) from continuing operations	4,645	(1,280)	42,040	2,935	48,340
Income Tax Allocation	3,009	(823)	14,526	1,903	18,615
Inc. (loss) from continuing operations before income taxes	7,654	(2,103)	56,566	4,838	66,955
Less:					
Gain on remeasurement of investment in real estate partnership	—	—	60,196		
Lease intangible rents	5	—	—		
Unrealized rents	79	—	50		
Plus:					
Equity in loss of Joint Venture	—	—	1,558		
Interest Expense	993	—	877		
Depreciation/Amortization	6,112	263	2,564		
Management Co. Indirect	616	846	42		
Allocated Corporate Expenses	1,424	935	27		
Net Operating Income (loss)	16,715	(59)	1,388		

Net Operating Income Reconciliation
Nine months ended 09/30/16 (in thousands)

	Asset Management Segment	Land Development Segment	Mining Royalties Segment	FRP Holdings Totals
Income (loss) from continuing operations	4,654	(3,316)	3,213	4,551
Income Tax Allocation	3,038	(2,165)	2,099	2,972
Inc. (loss) from continuing operations before income taxes	7,692	(5,481)	5,312	7,523
Less:				
Lease intangible rents	13	—		
Other income	—	1		
Plus:				
Unrealized rents	109	—		
Equity in loss of Joint Venture	—	893		
Loss on investment land sold	1	271		
Interest Expense	1,080	—		
Depreciation/Amortization	5,891	194		
Management Co. Indirect	582	758		
Allocated Corporate Expenses	1,213	959		
Net Operating Income (loss)	16,555	(2,407)		