FRP HOLDINGS, INC./NEWS

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FRP HOLDINGS, INC. (NASDAQ: FRPH) ANNOUNCES RESULTS FOR THE FOURTH QUARTER AND YEAR ENDED DECEMBER 31, 2017.

FRP Holdings, Inc. (NASDAQ-FRPH) Jacksonville, Florida; March 7, 2018 –

Fourth Quarter Consolidated Results of Operations.

Net income for the fourth quarter of 2017 was $13,203,000 or $1.31 per share versus $1,682,000 or $.17 per share in the same period last year. Fourth quarter 2017 net income included $12,043,000, or $1.20 per share, due to a reduction in the provision for income taxes resulting from revaluing the company's net deferred tax liabilities per the *Tax Cuts and Jobs Act of 2017*. Total revenues were $12,455,000, up 30.9%, versus the same period last year, primarily because of the addition of rental revenues from Dock 79.

Fourth Quarter Segment Operating Results.

Asset Management Segment:

Total revenues in this segment were $7,816,000, up $495,000 or 6.8%, over the same period last year. Net Operating Income (NOI) in this segment for the fourth quarter increased slightly to $5,813,000, compared to $5,689,000 in the same period last year. NOI growth lagged behind revenue growth due to several factors. 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, 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 cash rent paid by the tenant in the beginning of a lease is less than the GAAP-based straight-lined rent. We ended the fourth quarter with total occupied square feet of 3,707,724 versus 3,488,955 at the end of the same period last year, an increase of 6.3% or 218,769 square feet. Our overall occupancy rate was 93.1%.

Mining Royalty Lands Segment:

Total revenues in this segment were $1,860,000, a decrease of 1%, versus $1,880,000 in the same period last year. This drop is due to decreases in tonnage at several locations because of down days associated with the hurricane along with volumes returning to normal levels at Keuka and Newberry Cement, among other factors. Total operating profit in this segment was $1,696,000, a decrease of $12,000 versus $1,708,000 in the same period last year.

In November, Lake County commissioners voted to approve a permit to Cemex to mine our land in Lake Louisa. We expect the county to issue the mining permit during the third quarter of 2018. After an environmental survey and completing the work necessary to prepare this site to become an active sand mine, Cemex expects to begin mining by the end of 2019.

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:

- In February 2017, 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. This past quarter we finally passed the appeal period for the PUD, and we expect to begin construction in the second quarter of 2018.
- We are fully engaged in the formal process of seeking PUD entitlements for our 118 acre tract in Hampstead, Md
- We began construction in the third quarter of this year on our joint venture with St. John Properties and expect to complete construction on the first building by the third quarter of 2018
- This past quarter we began construction on a 96,047 square foot building at Patriot Business Center that we expect to finish in the second quarter of 2018.

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 the year, Dock 79 was 96.7% leased and 96.1% occupied. As the first "generation" of leases came up for renewal this year, the renewal rate of 58% during the fiscal year is in line with expectations while the average rent increase of 3.74% during the fiscal year is stronger than we budgeted. Finally, in November, we secured $90 million in permanent financing for Phase I from EagleBank, the proceeds of which were used to pay off $79 million of construction and mezzanine debt. The remainder was distributed pari passu between the Company and our partners. A prepayment penalty of $440,000 and the remaining deferred loan costs of $714,000 were recorded into interest expense in the quarter ending December 31, 2017.

Calendar Year 2017 Consolidated Results of Continuing Operations.

Net income for 2017 was $41,750,000 or $4.16 per share versus $12,024,000 or $1.22 per share in the twelve months ended September 30, 2016. 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 and the gain of $12,043,000, or $1.20 per share, due to a reduction in the provision for income taxes resulting from revaluing the company's net deferred tax liabilities per the *Tax Cuts and Jobs Act of 2017*. 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 the twelve months ended September 30, 2016 was also augmented by a prior year $1,000,000 remediation expense recovery, but mitigated by a $620,000 increase 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 $43,191,000, up 15.3%, versus the twelve months ended September 30, 2016. Consolidated total operating profit was down 17.0% versus the twelve months ended September 30, 2016 because of the over $5 million increase in depreciation from the change in control of Dock 79.

Calendar Year 2017 Segment Operating Results.

Asset Management Segment:

Total revenues in this segment were $29,873,000, up $1,134,000 or 3.9%, over the twelve months ended September 30, 2016. The increase in revenue is due to the addition of new buildings and increased total occupancy. Net Operating Income in this segment for 2017 was $22,528,000, compared to $21,944,000 in the twelve months ended September 30, 2016, an increase of 2.7%.

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.

Mining Royalty Lands Segment:

Total revenues in this segment were $7,241,000, a decrease of 3.9%, versus $7,533,000 in the twelve months ended September 30, 2016. 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 $6,565,000, a decrease of $233,000 versus $6,798,000 in the twelve months ended September 30, 2016.

In November, Lake County commissioners voted to approve a permit to Cemex to mine our land in Lake Louisa. We expect the county to issue the mining permit during the third quarter of 2018. After an environmental survey and completing the work necessary to prepare this site to become an active sand mine, Cemex expects to begin mining by the end of 2019.

<u>Land Development and Construction Segment</u>:

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 2017, 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. This past quarter we finally passed the appeal period for the PUD, and we expect to begin construction in the second quarter of 2018.
- 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.
- In the fourth quarter, we began construction on a 96,047 square foot building at Patriot Business Center that we expect to finish in the second quarter of 2018

<u>RiverFront on the Anacostia Segment</u>:

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. This resulted in a gain on remeasurement of investment of $60.2 million in the third quarter.

At the end of the year, Dock 79 was 96.7% leased and 96.1% occupied. As the first “generation” of leases came up for renewal this year, the renewal rate of 58% during the fiscal year is in line with expectations while the average rent increase of 3.74% during the fiscal year is stronger than we budgeted. Finally, in November, we secured $90 million in permanent financing for Phase I from EagleBank, the proceeds of which were used to pay off $79 million of construction and mezzanine debt. The remainder was distributed pari passu between the Company and our partners. A prepayment penalty of $440,000 and the remaining deferred loan costs of $714,000 were recorded into interest expense in the quarter ending December 31, 2017.

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. Because the new tax code mitigates many of the reasons why we considered a REIT election, we have tabled any decision for now.

Summary and Outlook.

2017 was a very big year for your company. Over the last four quarters, we have reached stabilization at Dock 79, permanently financed it, permitted our quarries at Ft. Myers and Lake Louisa, constructed and fully leased a brand new warehouse, begun construction on our JV with St. John Properties, and received formal approval of Phase II of Riverfront on the Anacostia’s Planned Unit Development (PUD). In an ordinary year, any one of these events would have been a major achievement for this company. That they all happened over this past year puts the last twelve months among the most important in our history, the results of which will be generating value for this company for a very long time.

Looking forward to 2018, there is still an atypically high number of expiring leases to overcome in Asset Management. From a development standpoint, the first half of 2018 will be very busy. We should finish construction on our last warehouse at Patriot Business Park and begin construction on another at Hollander; we will finance and begin construction on Phase II of Riverfront on the Anacostia; and we expect to wrap up construction on and begin finding tenants for the first building in our JV with St. John Properties. We have every expectation that mining royalties will grow and grow meaningfully, especially with the increase in royalties from our Ft. Myers quarry. Finally, as Dock 79 establishes itself as the premier waterfront residential building in the most exciting neighborhood of our nation’s capital, we anticipate revenue growth particularly as we begin to collect rent from our retail tenants.

Conference Call.

The Company will host a conference call on Wednesday, March 7, 2018 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/frp030718. For the archived audio via the internet, click on the following link http://archive.conferenceamerica.com/archivestream/frp030718.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, demand for apartments in Washington D.C., 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. 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, (iii) land acquisition, entitlement and development primarily for future warehouse/office or residential building construction, and (iv) leasing and management of a residential apartment building.

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

	THREE MONTHS ENDED DECEMBER 31,		TWELVE MONTHS ENDED DECEMBER 31,	TWELVE MONTHS ENDED SEPTEMBER 30,
	2017	2016	2017	2016
Revenues:				
Rental revenue	$ 9,142	6,328	30,385	24,457
Mining Royalty and rents	1,842	1,857	7,153	7,443
Revenue – reimbursements	1,471	1,327	5,653	5,557
Total Revenues	12,455	9,512	43,191	37,457
Cost of operations:				
Depreciation, depletion and amortization	4,502	2,095	13,532	8,051
Operating expenses	1,739	994	5,621	4,624
Environmental remediation recovery	—	—	—	(1,000)
Property taxes	1,432	1,089	5,024	4,475
Management company indirect	525	475	2,029	1,844
Corporate expenses	870	855	3,380	3,080
Total cost of operations	9,068	5,508	29,586	21,074
Total operating profit	3,387	4,004	13,605	16,383
Interest income	—	—	—	2
Interest expense	(2,453)	(306)	(4,323)	(1,561)
Equity in loss of joint ventures	(9)	(1,119)	(1,598)	(978)
Gain on remeasurement of investment in real estate partnership	—	—	60,196	—
Gain on investment land sold	—	—	—	6,029
Income before income taxes	925	2,579	67,880	19,875
Provision for income taxes	(11,286)	897	7,329	7,851
Net income	12,211	1,682	60,551	12,024
Income (loss) attributable to noncontrolling interest	(992)	—	18,801	—
Net income attributable to the Company	$ 13,203	1,682	41,750	12,024
Earnings per common share:				
Basic	$ 1.32	0.17	4.19	1.22
Diluted	$ 1.31	0.17	4.16	1.22
Number of shares (in thousands) used in computing:				
-basic earnings per common share	10,011	9,879	9,975	9,846
-diluted earnings per common share	10,070	9,923	10,040	9,890

Asset Management Segment:

(dollars in thousands)	Three months ended December 31 2017	%	2016	%	Change	%
Rental revenue	$ 6,488	83.0%	6,148	84.0%	340	5.5%
Revenue-reimbursements	1,328	17.0%	1,173	16.0%	155	13.2%
Total revenue	7,816	100.0%	7,321	100.0%	495	6.8%
Depreciation, depletion and amortization	1,998	25.6%	2,005	27.4%	(7)	-0.3%
Operating expenses	1,033	13.2%	885	12.1%	148	16.7%
Property taxes	839	10.7%	729	10.0%	110	15.1%
Management company indirect	218	2.8%	193	2.6%	25	13.0%
Corporate expense	493	6.3%	485	6.6%	8	1.6%
Cost of operations	4,581	58.6%	4,297	58.7%	284	6.6%
Operating profit	$ 3,235	41.4%	3,024	41.3%	211	7.0%

Mining Royalty Lands Segment:

(dollars in thousands)	Three months ended December 31 2017	%	2016	%
Mining Royalty and rents	$ 1,842	99.0%	1,857	98.8%
Revenue-reimbursements	18	1.0%	23	1.2%
Total revenue	1,860	100.0%	1,880	100.0%
Depreciation, depletion and amortization	19	1.0%	35	1.8%
Operating expenses	38	2.0%	41	2.2%
Property taxes	64	3.5%	54	2.9%
Corporate expense	43	2.3%	42	2.2%
Cost of operations	164	8.8%	172	9.1%
Operating profit	$ 1,696	91.2%	1,708	90.9%

Land Development and Construction Segment:

(dollars in thousands)	Three months ended December 31 2017	2016	Change
Rental revenue	$ 184	180	4
Revenue-reimbursements	115	131	(16)
Total revenue	299	311	(12)

Depreciation, depletion and amortization	74	55	19
Operating expenses	41	68	(27)
Property taxes	277	306	(29)
Management company indirect	267	282	(15)
Corporate expense	296	328	(32)
Cost of operations	955	1,039	(84)
Operating loss	$ (656)	(728)	72

Dock 79 Segment:

	Three Months Ended December 31			
(dollars in thousands)	2017	%	2016	%
Rental revenue	$ 2,470	99.6%	—	— %
Revenue-reimbursements	10	.4%	—	— %
Total revenue	2,480	100.0%	—	— %
Depreciation and amortization	2,411	97.2%	—	— %
Operating expenses	627	25.3%	—	— %
Property taxes	252	10.2%	—	— %
Management company indirect	40	1.6%	—	
Corporate expense	38	1.5%	—	— %
Cost of operations	3,368	135.8%	—	— %
Operating profit	$ (888)	-35.8%	$ —	— %

Asset Management Segment:

	Twelve Months Ended					
	December 31		September 30			
(dollars in thousands)	2017	%	2016	%	Change	%
Rental revenue	$ 24,773	82.9%	$ 23,795	82.8%	$ 978	4.1%
Revenue-reimbursements	5,100	17.1%	4,944	17.2%	156	3.2%
Total revenue	29,873	100.0%	28,739	100.0%	1,134	3.9%
Depreciation, depletion and amortization	8,110	27.1%	7,689	26.8%	421	5.5%
Operating expenses	3,974	13.3%	4,145	14.4%	(171)	-4.1%
Property taxes	3,156	10.6%	2,718	9.5%	438	16.1%
Management company indirect	834	2.8%	813	2.8%	21	2.6%
Corporate expense	1,917	6.4%	1,591	5.5%	326	20.5%
Cost of operations	17,991	60.2%	16,956	59.0%	1,035	6.1%
Operating profit	$ 11,882	39.8%	$ 11,783	41.0%	$ 99	.8%

Mining Royalty Lands Segment:

(dollars in thousands)	Twelve Months Ended December 31 2017	%	September 30 2016	%
Mining Royalty and rents	$ 7,153	98.8%	7,443	98.8%
Revenue-reimbursements	88	1.2%	90	1.2%
Total revenue	7,241	100.0%	7,533	100.0%
Depreciation, depletion and amortization	110	1.5%	104	1.4%
Operating expenses	159	2.2%	165	2.2%
Property taxes	240	3.3%	235	3.1%
Corporate expense	167	2.3%	231	3.1%
Cost of operations	676	9.3%	735	9.8%
Operating profit	$ 6,565	90.7%	$ 6,798	90.2%

Land Development and Construction Segment:

(dollars in thousands)	Twelve months Ended December 31 2017	September 30 2016	Change
Rental revenue	$ 785	662	123
Revenue-reimbursements	445	523	(78)
Total revenue	1,230	1,185	45
Depreciation, depletion and amortization	337	258	79
Operating expenses	200	314	(114)
Environmental remediation recovery	—	(1,000)	1,000
Property taxes	1,108	1,522	(414)
Management company indirect	1,113	1,031	82
Corporate expense	1,231	1,258	(27)
Cost of operations	3,989	3,383	606
Operating loss	$ (2,759)	(2,198)	(561)

Dock 79 Segment:

(dollars in thousands)	Twelve Months Ended December 31 2017	%	September 30 2016	%
Rental revenue	$ 4,827	99.6%	—	— %
Revenue-reimbursements	20	.4%	—	— %
Total revenue	4,847	100.0%	—	— %

Depreciation and amortization	4,975	102.7%	—	— %
Operating expenses	1,288	26.6%	—	— %
Property taxes	520	10.7%	—	— %
Management company indirect	82	1.7%	—	
Corporate expense	65	1.3%	—	— %
Cost of operations	6,930	143.0%	—	— %
Operating profit	$ (2,083)	-43.0%	$ —	— %

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 12/31/17 (in thousands)

	Asset Management Segment	Land Development Segment	Dock 79 Segment	Mining Royalties Segment	Unallocated Corporate Expense	FRP Holdings Totals
Income (loss) from continuing operations	1,747	(397)	(2,203)	1,021	12,043	12,211
Income Tax Allocation	1,141	(259)	(791)	666	(12,043)	(11,286)
Income (loss) from continuing operations before income taxes	2,888	(656)	(2,994)	1,687	—	925
Less:						
Lease intangible rents	1	—	—			
Unrealized rents	131	—	73			
Plus:						
Interest Expense	347	—	2,106			
Depreciation/Amortization	1,999	72	2,411			
Management Co. Indirect	218	267	40			
Allocated Corporate Expenses	493	296	38			
Net Operating Income (loss)	5,813	(21)	1,528			

Net Operating Income Reconciliation
Three months ended 12/31/16 (in thousands)

	Asset Management Segment	Land Development Segment	Mining Royalties Segment	FRP Holdings Totals
Income (loss) from continuing operations	1,644	(1,115)	1,153	1,682
Income Tax Allocation	1,074	(728)	551	897
Income (loss) from continuing operations before income taxes	2,718	(1,843)	1,704	2,579
Less:				
Lease intangible rents	4	—		
Unrealized rents	14	—		

Plus:		
Equity in loss of Joint Venture	—	1,115
Interest Expense	306	—
Depreciation/Amortization	2,005	55
Management Co. Indirect	193	282
Allocated Corporate Expenses	485	328
Net Operating Income (loss)	5,689	(63)

Net Operating Income Reconciliation
Twelve months ended 12/31/17 (in thousands)

	Asset Management Segment	Land Development Segment	Dock 79 Segment	Mining Royalties Segment	Unallocated Corporate Expense	FRP Holdings Totals
Income (loss) from continuing operations	6,392	(1,677)	39,837	3,956	12,043	60,551
Income Tax Allocation	4,150	(1,082)	13,735	2,569	(12,043)	7,329
Income (loss) from continuing operations before income taxes	10,542	(2,759)	53,572	6,525	—	67,880
Less:						
Gain on remeasurement of investment in real estate partnership	—	—	60,196			
Lease intangible rents	6	—	—			
Unrealized rents	210	—	123			
Plus:						
Equity in loss of Joint Venture	—	—	1,558			
Interest Expense	1,340	—	2,983			
Depreciation/Amortization	8,111	335	4,975			
Management Co. Indirect	834	1,113	82			
Allocated Corporate Expenses	1,917	1,231	65			
Net Operating Income (loss)	22,528	(80)	2,916			

Net Operating Income Reconciliation
Twelve months ended 9/30/16 (in thousands)

	Asset Management Segment	Land Development Segment	Mining Royalties Segment	FRP Holdings Totals
Income from continuing operations	6,188	1,738	4,098	12,024
Income Tax Allocation	4,041	1,134	2,676	7,851
Inc. from continuing operations before income taxes	10,229	2,872	6,774	19,875
Less:				
Gains on investment land sold	8	6,006		
Lease intangible rents	27	—		
Other income	—	2		
Plus:				
Unrealized rents	95	—		
Equity in loss of Joint Venture	—	938		
Interest Expense	1,562	—		
Depreciation/Amortization	7,689	258		
Management Co. Indirect	813	1,031		
Allocated Corporate Expenses	1,591	1,257		
Net Operating Income	21,944	348		