UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

[X] **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2015.

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: 001-36769

FRP HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Florida	**47-2449198**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
200 W. Forsyth St., 7th Floor, Jacksonville, FL	**32202**
(Address of principal executive offices)	(Zip Code)

904-396-5733
(Registrant's telephone number, including area code)

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 [x] 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 [x] No [_]

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," "non-accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer [_]	Accelerated filer [x]
Non-accelerated filer [_]	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 [x]

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at June 30, 2015
Common Stock, $.10 par value per share	9,779,770 shares

FRP HOLDINGS, INC.
FORM 10-Q
QUARTER ENDED JUNE 30, 2015

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Preliminary Note Regarding Forward-Looking Statements.

Certain matters discussed in this report contain forward-looking statements, including without limitation relating to the Company's plans, strategies, objectives, expectations, intentions, capital expenditures, future liquidity, plans and timetables for completion of pending development projects and other transactions. The words or phrases "anticipate," "estimate," "believe," "budget," "continue," "could," "intend," "may," "plan," "potential," "predict," "seek," "should," "will," "would," "expect," "objective," "projection," "forecast," "goal," "guidance," "outlook," "effort," "target" and similar expressions identify forward-looking statements. The following factors and others discussed in the Company's periodic reports and filings with the Securities and Exchange Commission are among the principal factors that could cause actual results to differ materially from the forward-looking statements: uncertainties as to whether the Company will recognize the benefits of the spin-off of the transportation group; uncertainties as to whether the Company can complete, and the timetable for completion of pending or proposed development projects and other transactions; levels of construction activity in the markets served by our mining properties; risk insurance markets; availability and terms of financing; competition; interest rates, inflation and general economic conditions; demand for flexible warehouse/office facilities in the Baltimore-Washington-Northern Virginia area; and ability to obtain zoning and entitlements necessary for property development. However, this list is not a complete statement of all potential risks or uncertainties.

These forward-looking statements are made as of the date hereof based on management's current expectations, and the Company does not undertake an obligation to update such statements, whether as a result of new information, future events or otherwise. Additional information regarding these and other risk factors may be found in the Company's other filings made from time to time with the Securities and Exchange Commission.

PART I. FINANCIAL INFORMATION, ITEM 1. FINANCIAL STATEMENTS
FRP HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(Unaudited) (In thousands, except share data)

	June 30 2015	September 30 2014
Assets:		
Real estate investments at cost:		
Land	$ 102,339	102,146
Buildings and improvements	174,231	164,317
Projects under construction	1,982	8,971
Total investments in properties	278,552	275,434
Less accumulated depreciation and depletion	72,546	67,998
Net investments in properties	206,006	207,436
Real estate held for investment, at cost	7,306	7,304
Real estate held for sale, at cost	4,791	4,473
Investment in joint ventures	18,745	18,537
Net real estate investments	236,848	237,750
Cash and cash equivalents	739	1,013
Cash held in escrow	26	61
Account receivable	674	1,127
Federal and state income taxes receivable	536	-
Assets of discontinued operation	-	61,134
Unrealized rents	4,789	4,780
Deferred costs	5,653	7,027
Other assets	176	179
Total assets	$ 249,441	313,071
Liabilities:		
Secured notes payable, less current portion	$ 37,082	41,059
Secured notes payable, current portion	4,114	4,534
Line of credit payable	8,679	10,363
Accounts payable and accrued liabilities	2,570	3,948
Environmental remediation liability	542	1,771
Deferred revenue	36	872
Federal and state income taxes payable	-	572
Deferred income taxes	14,056	12,969
Liabilities of discontinued operation	-	28,412
Deferred compensation	1,369	1,247
Deferred lease intangible, net	59	103
Tenant security deposits	890	906
Total liabilities	69,397	106,756
Commitments and contingencies (Note 8)	-	-
Equity:		
Common stock, $.10 par value 25,000,000 shares authorized, 9,779,770 and 9,703,270 shares issued and outstanding, respectively	978	970
Capital in excess of par value	49,650	47,892
Retained earnings	129,428	157,413
Accumulated other comprehensive (loss) income, net	(12)	40
Total shareholders’ equity	180,044	206,315
Total liabilities and shareholders’ equity	$ 249,441	313,071

See accompanying notes.

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

	THREE MONTHS ENDED JUNE 30, 2015	THREE MONTHS ENDED JUNE 30, 2014	NINE MONTHS ENDED JUNE 30, 2015	NINE MONTHS ENDED JUNE 30, 2014
Revenues:				
Rental revenue	$ 5,784	5,418	17,531	15,809
Royalty and rents	1,714	1,371	4,349	3,819
Revenue – reimbursements	999	890	3,867	3,287
Total Revenues	8,497	7,679	25,747	22,915
Cost of operations:				
Depreciation, depletion and Amortization	1,805	1,694	5,566	4,993
Operating expenses	818	837	3,487	3,232
Property taxes	994	874	3,323	2,593
Management company indirect	434	358	1,228	1,142
Corporate expenses	557	1,053	3,750	4,094
Total cost of operations	4,608	4,816	17,354	16,054
Total operating profit	3,889	2,863	8,393	6,861
Interest income	—	1	—	2
Interest expense	(459)	(410)	(1,524)	(1,009)
Equity in loss of joint ventures	(75)	(29)	(255)	(92)
Gain (Loss) on investment land sold	—	450	(20)	528
Income from continuing operations before income taxes	3,355	2,875	6,594	6,290
Provision for income taxes	1,308	1,121	2,572	2,453
Income from continuing operations	2,047	1,754	4,022	3,837
Gain from discontinued transportation operations, net of taxes	—	1,731	2,179	3,692
Net income	$ 2,047	3,485	6,201	7,529
Earnings per common share:				
Income from continuing operations-				
Basic	0.21	0.18	0.41	0.40
Diluted	0.21	0.18	0.41	0.40
Discontinued operations-				
Basic	0.00	0.18	0.23	0.38
Diluted	0.00	0.18	0.22	0.38
Net Income-				
Basic	0.21	0.36	0.64	0.78
Diluted	0.21	0.36	0.63	0.78
Number of shares (in thousands) used in computing:				
-basic earnings per common share	9,777	9,651	9,745	9,613
-diluted earnings per common share	9,839	9,718	9,822	9,700

See accompanying notes.

FRP HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED JUNE 30, 2015 AND 2014
(In thousands) (Unaudited)

	2015	2014
Cash flows from operating activities:		
Net income	$ 6,201	7,529
Adjustments to reconcile net income to net cash provided by operating activities:		
Income from discontinued operations, net	(2,179)	(3,692)
Depreciation, depletion and amortization	5,663	5,117
Deferred income taxes	981	835
Equity in loss of joint ventures	255	92
Loss (Gain) on sale of equipment and property	87	(518)
Stock-based compensation	763	1,053
Net changes in operating assets and liabilities:		
Accounts receivable	453	1,278
Deferred costs and other assets	458	(265)
Accounts payable and accrued liabilities	(3,443)	(798)
Income taxes payable and receivable	(1,108)	18
Other long-term liabilities	62	202
Net cash provided by operating activities of continuing operations	8,193	10,851
Net cash provided by operating activities of discontinued operations	4,984	8,592
Net cash provided by operating activities	13,177	19,443
Cash flows from investing activities:		
Investments in property, plant and equipment	(3,693)	(14,134)
Cash held in escrow	35	1,349
Investment in joint ventures	(469)	(297)
Proceeds from the sale of real estate held for investment, property, plant and equipment	76	1,882
Net cash used in investing activities of continuing operations	(4,051)	(11,200)
Net cash used in investing activities of discontinued operations	(2,694)	(17,555)
Net cash used in investing activities	(6,745)	(28,755)
Cash flows from financing activities:		
Repayment of long-term debt	(4,397)	(3,206)
Proceeds from borrowing on revolving credit facility	16,657	735
Payment on revolving credit facility	(18,341)	—
Excess tax benefits from exercises of stock options	175	692
Exercise of employee stock options	831	875
Net cash used in financing activities of continuing operations	(5,075)	(904)
Net cash (used in) provided by financing activities of discontinued operations	(1,631)	10,228
Net cash (used in) provided by financing activities	(6,706)	9,324
Net (decrease) increase in cash and cash equivalents	(274)	12
Cash and cash equivalents at beginning of period	1,013	502
Cash and cash equivalents at end of the period	$ 739	514

See accompanying notes.

(1) Basis of Presentation. The accompanying consolidated financial statements include the accounts of FRP Holdings, Inc. (the “Company” or “FRP”) inclusive of our operating real estate subsidiaries, FRP Development Corp. (“Development”) and Florida Rock Properties, Inc. (”Properties”) subsequent to the completed spin-off (the “Spin-off”) of our transportation assets into a new, publicly traded entity, Patriot Transportation Holding, Inc. (“Patriot”; stock symbol “PATI”) effective January 30, 2015. As a result of the Spin-off the former transportation segment of the Company is reported as a discontinued operation that cannot receive any corporate overhead allocation. Hence, all corporate overhead of the transportation group through the date of the spin-off is included in “corporate expense” on the Company’s consolidated income statements herein. See Note 3 for a breakdown of corporate expenses showing the amounts per the Company’s segments, the unallocated to any segment and the unallocated to discontinued operations. Reclassifications to the appropriate prior period line items and amounts have been made to be comparable to the current presentation. Our investment in the 50% owned Brooksville Joint Venture and in the Riverfront Investment Partners I, LLC are accounted for under the equity method of accounting (See Note 13). These statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and the instructions to Form 10-Q and do not include all the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of management, all adjustments (primarily consisting of normal recurring accruals) considered necessary for a fair statement of the results for the interim periods have been included. Operating results for the nine months ended June 30, 2015 are not necessarily indicative of the results that may be expected for the fiscal year ending September 30, 2015. The accompanying consolidated financial statements and the information included under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" should be read in conjunction with the Company's consolidated financial statements and related notes included in the Company’s Form 10-K for the year ended September 30, 2014.

Following the completion of the spin-off of the transportation business on January 30, 2015, management conducted a strategic review of the Company’s real estate operations. As a result of this review, information that the Company’s chief operating decision maker (its chief executive officer) regularly reviews for purposes of allocating resources and assessing performance changed. Therefore, beginning in fiscal year 2015, the Company is reporting its financial performance based on the three reportable segments described below. Beginning with the quarter ending March 31, 2015, our financial statements reflected the new reporting structure with prior periods adjusted accordingly.

Our Mining and Royalties segment stays the same, but based on our strategic review the Developed Property Rentals segment has been broken down into an Asset Management segment and a Land Development and Construction segment to reflect how management now evaluates the real estate activities previously presented in the Developed Property Rentals segment. The Asset Management segment contains all the developed buildings capable of producing current rental income; the Land Development and Construction segments contains the remaining developable land not yet developed to its eventual highest and best use potential where the Company's focus is to add further entitlements, construct vertical improvements or market the property to third parties all in an effort to bring such property to income producing status or realization of its fair market value through sales or exchange. This Land Development and Construction segment is generally in a pre-income production state where objectives are long term capital investment for eventual production of long-term rental streams or capital investment to achieve highest potential market value for sale to third parties.

(2) Recently Issued Accounting Standards. In January 2015, the FASB issued ASU 2015-01, "Income Statement—Extraordinary and Unusual Items (Subtopic 225-20) Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items." This guidance is effective for annual periods beginning on or after December 15, 2015 and interim periods within those years, with early adoption permitted. Effective first quarter 2015, the Company adopted ASU 2015-01 and will apply the new guidance, as applicable.

In April 2015, the FASB issued ASU No. 2015-03, “Simplifying the Presentation of Debt Issuance Costs”, which relates to the financial statement presentation of debt issuance costs. This guidance requires debt issuance costs to be presented in the balance sheet as a reduction of the related debt liability rather than an asset. The guidance is effective for annual and interim periods beginning after December 15, 2015 and early adoption is permitted and will only result in a change in presentation of these costs on our balance sheets.

(3) Business Segments. The Company operates in three reportable business segments (i) Asset Management and (ii) Mining Royalty Land and (iii) Land Development and Construction. The Asset Management segment owns, leases, manages and operates commercial office/warehouse buildings primarily located in the Baltimore/Northern Virginia/Washington, DC area. The Mining Royalty Land segment owns real estate predominately in Florida and Georgia that is leased to mining companies in exchange for royalty or land rental income. The Land Development and Construction segment acquires, owns, entitles, and develops land to be used for income production via (i) construction by the Company of warehouse/office uses for our Asset Management segment, or (ii) other commercial, residential or mixed use projects through joint ventures or sales to third parties.

Subsequent to the Spin-off, the Company is receiving certain services from Patriot (e.g. executive oversight, accounting, information technology and human resource services) which are billed to the Company on a monthly basis in accordance with the Transition Services Agreement entered into and made effective as of the date of the Spin-off. As was the case prior to the Spin-off, these costs (excluding stock compensation) are included in the Company's corporate expense and are fully allocated to the business segments. Certain other corporate expenses (primarily stock compensation, corporate aircraft and one-time Spin-off related expenses) are reported as "unallocated" on the Company's consolidated income statement and are not allocated to any business segment. As a result of the Spin-off the former transportation segment of the Company is reported as a discontinued operation and thus is not allowed any corporate overhead allocation. Hence, all corporate overhead of the transportation group through the date of the Spin-off is included in "corporate expense" on the Company's consolidated income statements herein. Reclassifications to the appropriate prior period line items and amounts have been made to be comparable to the current presentation.

Operating results and certain other financial data for the Company's business segments are as follows (in thousands):

	Three Months ended June 30,		Nine Months ended June 30,	
	2015	2014	2015	2014
Revenues:				
Asset management	$ 6,509	6,082	20,596	18,422
Mining royalty land	1,735	1,395	4,414	3,889
Land development and Construction	253	202	737	604
	$ 8,497	7,679	25,747	22,915
Operating profit:				
Asset management	$ 3,289	2,972	9,862	8,520
Mining royalty land	1,576	1,242	3,967	3,438
Land development and construction	(419)	(298)	(1,686)	(1,003)
Corporate expenses:				
Allocated to asset management	(185)	(178)	(611)	(534)
Allocated to mining royalty	(196)	(189)	(647)	(567)
Allocated to land development and construction	(109)	(105)	(360)	(315)
Unallocated	(67)	(53)	(1,051)	(606)
Unallocated to discontinued ops.	–	(528)	(1,081)	(2,072)
	(557)	(1,053)	(3,750)	(4,094)
	$ 3,889	2,863	8,393	6,861
Interest expense:				
Asset management	$ 459	410	1,524	1,009
Mining royalty land	-	-	-	-
Land development and construction	-	-	-	-
	$ 459	410	1,524	1,009

Depreciation, depletion and Amortization:				
Asset management	$ 1,694	1,612	5,256	4,763
Mining royalty land	39	36	100	92
Land development and construction	72	46	210	138
	$ 1,805	1,694	5,566	4,993
Capital expenditures:				
Mining royalty land	—	—	-	-
Land development and construction and Asset Management:				
Capitalized interest	258	360	827	1,353
Internal labor	74	146	258	341
Real estate taxes	22	46	88	86
Other costs	910	8,784	2,520	12,354
	$ 1,264	9,336	3,693	14,134

Identifiable net assets	June 30, 2015	September 30, 2014
Asset management	$ 149,864	144,420
Mining royalty land	39,475	39,368
Land development and construction	58,273	67,136
Discontinued operations	-	59,465
Cash items	765	1,074
Unallocated corporate assets	1,064	1,608
	$ 249,441	313,071

(4) Related Party Agreements with Patriot. In order to affect the Spin-off and govern our relationship with Patriot Transportation Holding, Inc. after the Spin-off, we entered into an Employee Matters Agreement and a Transition Services Agreement. The Employee Matters Agreement generally allocates responsibilities to each company for liabilities relating to each company’s current and former employees and allocated responsibilities under employee benefit plans. The Transition Services Agreement sets forth the terms on which Patriot is providing to FRP certain services that were shared prior to the Spin-off, including the services of certain shared executive officers, for a period of 12 or more months after the Spin-off.

The consolidated statements of income reflects charges and/or allocations from Patriot for these services of $924,000 and $525,000 for the three months ended June 30, 2015 and 2014, and $2,361,000 and $2,022,000 for the nine months ended June 30, 2015 and 2014, respectively. Included in the charges above are amounts recognized for stock-based executive compensation expense. These charges are reflected within corporate expenses on the consolidated statements of income.

To determine these allocations between FRP and Patriot, we generally employed the same methodology historically used by the Company pre Spin-off to allocate said expenses and thus we believe that the allocations to FRP are a reasonable approximation of the costs related to FRP's operations but any such related-party transactions cannot be presumed to be carried out on an arm's-length basis as the terms were negotiated while Patriot was still a subsidiary of FRP.

(5) Long-Term debt. Long-term debt is summarized as follows (in thousands):

	June 30, 2015	September 30, 2014
Revolving credit (uncollateralized)	$ 8,679	10,363
5.6% to 7.9% mortgage notes due in installments through 2027	41,196	45,593
	49,875	55,956
Less portion due within one year	4,114	4,534
	$ 45,761	51,422

On January 30, 2015, in connection with the Spin-off, the Company terminated its $55 million credit facility entered into with Wells Fargo Bank, N.A. in 2012 and simultaneously entered into a new five year credit agreement with Wells Fargo with a maximum facility amount of $20 million and a $10 million sublimit available for standby letters of credit. At September 30, 2014, prior to the Spin-off, the total amount outstanding on the credit facility was $17,645,000 of which the Company was allocated $10,363,000 and Patriot was allocated $7,282,000. On the day of the spin-off the Company refinanced $10,483,000 into the Company's new credit facility and Patriot refinanced $5,142,000 into Patriot's new credit facility. As of June 30, 2015, there was $8,679,000 outstanding on the Company's new credit facility and $2,610,000 outstanding under letters of credit and $8,711,000 available for borrowing and the Company was in compliance with all its loan covenants.

In January 2015 the Company prepaid the $1,314,000 remaining principal balance on 8.55% and 7.95% mortgages. The prepayment penalty of $116,000 is included in interest expense. The remaining deferred loan costs of $15,000 were also included in interest expense.

The fair values of the Company's mortgage notes payable were estimated based on current rates available to the Company for debt of the same remaining maturities. At June 30, 2015, the carrying amount and fair value of such long-term debt was $41,196,000 and $44,475,000, respectively.

(6) Earnings per share. The following details the computations of the basic and diluted earnings per common share (dollars in thousands, except per share amounts):

	Three Months ended June 30,		Nine Months ended June 30,	
	2015	2014	2015	2014
Weighted average common shares outstanding during the period - shares used for basic earnings per common share	9,777	9,651	9,745	9,613
Common shares issuable under share based payment plans which are potentially dilutive	62	67	77	87
Common shares used for diluted earnings per common share	9,839	9,718	9,822	9,700
Income from continuing operations	$ 2,047	1,754	4,022	3,837
Discontinued operations	—	1,731	2,179	3,692
Net income	$ 2,047	3,485	6,201	7,529
Basic earnings per common share:				
Income from continuing operations	$ 0.21	0.18	0.41	0.40
Discontinued operations	0.00	0.18	0.23	0.38
Net income	$ 0.21	0.36	0.64	0.78
Diluted earnings per common share:				
Income from continuing operations	$ 0.21	0.18	0.41	0.40
Discontinued operations	0.00	0.18	0.22	0.38
Net income	$ 0.21	0.36	0.63	0.78

For the three and nine months ended June 30, 2015, 62,021 and 76,691 shares attributable to outstanding stock options were excluded from the calculation of diluted earnings per share because their inclusion would have been anti-dilutive. For the three months and nine months ended June 30, 2014, 24,290 and 31,790 shares attributable to outstanding stock options were excluded from the calculation of diluted earnings per common share because their inclusion would have been anti-dilutive.

(7) Stock-Based Compensation Plans. As more fully described in Note 7 to the Company’s notes to the consolidated financial statements in the Company’s Annual Report on Form 10-K for the year ended September 30, 2014, the Company’s stock-based compensation plan permits the grant of stock options, stock appreciation rights, restricted stock awards, restricted stock units, and stock awards. The number of common shares available for future issuance was 419,170 at June 30, 2015.

As a result of the Spin-off and pursuant to the Employee Matters Agreement, we made certain adjustments to the exercise price and number of outstanding FRP stock options. All outstanding options held by the Company directors, Company officers and key employees on January 30, 2015 were cancelled and replaced by an equal number of FRP options at 75.14% of the previous exercise price based upon the market value of FRP less the when issued market value of the Company on that day. For FRP officers additional options were issued rather than issuing Patriot options for the 24.86% market value attributed to Patriot. The adjusted stock options are subject to the same vesting conditions and other terms that applied to the original FRP award immediately prior to the Spin-off, except as otherwise described above.

Subsequent to Spin-off, the realized tax benefit pertaining to options exercised and the remaining compensation cost of options previously granted prior to the Spin-off will be recognized by FRP or Patriot based on the employment location of the related employee or director.

The Company recorded the following stock compensation expense (including unallocated to Patriot in periods prior to the Spin-off) in its consolidated statements of income (in thousands):

	Three Months ended June 30,		Nine Months ended June 30,	
	2015	2014	2015	2014
Stock option grants	$ 9	93	227	355
Annual director stock award	—	—	536	698
	$ 9	93	763	1,053

A summary of changes in outstanding options is presented below (in thousands, except share and per share amounts):

Options	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Term (yrs)	Weighted Average Grant Date Fair Value
Outstanding at October 1, 2014	326,830	$ 25.43	5.0	$ 3,481
Spin-off adjustment				(865)
Spin-off conversion	17,795	20.63		155
Granted	39,425	$ 26.97		$ 432
Forfeited	(6,000)	14.97		$ (35)
Exercised	(60,300)	$ 12.95		$ (344)
Outstanding at June 30, 2015	317,750	$ 21.64	5.9	$ 2,824
Exercisable at June 30, 2015	225,847	$ 20.57	5.0	$ 1,837
Vested during nine months ended June 30, 2015	37,546			$ 329

The aggregate intrinsic value of exercisable in-the-money options was $2,679,000 and the aggregate intrinsic value of all outstanding in-the-money options was $3,429,000 based on the market closing price of $32.43 on June 30, 2015 less exercise prices.

The realized tax benefit to the Company or Patriot from options exercised in the nine months ended June 30, 2015 was $491,000. The unrecognized compensation cost of options granted but not yet vested as of June 30, 2015 was $755,000, which is expected to be recognized over a weighted-average period of 3.4 years. Gains of $1,268,000 were realized by option holders during the nine months ended June 30, 2015.

(8) Contingent liabilities. Certain of the Company's subsidiaries are involved in litigation on matters and are subject to certain claims which arise in the normal course of business. The Company is fully insured and does not retain any self-insurance risk with respect to losses for third party liability and property damage.

Preliminary testing on the site of the Company's four phase master development known as Riverfront on the Anacostia in Washington, D.C. indicated the presence of contaminated soils that will have to be specially handled upon excavation in conjunction with construction of each phase. The Company previously agreed with our joint venture partner to bear the cost of handling the contaminated materials up to a cap of $1.871 million. In connection with that agreement, the Company recorded an expense in the fourth quarter of fiscal 2012 of $1.771 million for this environmental remediation liability. As of June 30, 2015, the total estimated cost of remediation on Phase I reached $2.077 million which is still within the projected budget for these remediation expenses as determined by our development partner. As a result, the Company recorded an additional $100,000 expense in the second quarter of 2015 in the Land Development and Construction segment and incurred a loss of $159,000 in equity in joint ventures as a result of our 77% pro rata share of these additional remediation costs incurred within the joint venture.

The Company has no obligation to remediate the contamination on Phases II, III and IV of the development until such time as it makes a commitment to commence construction there. The Company's position is that the prior tenant on the property is contractually responsible for the cost of removal of the contaminated materials and we are continuing to pursue this claim. The Company's actual expense to address this issue may be materially higher or lower than the expense previously recorded depending upon the actual costs incurred and any reimbursement that we receive from the prior tenant.

(9) Concentrations. Our Land Development and Construction and our Asset Management segments operate predominately in the Baltimore/Northern Virginia/Washington DC market area and a significant economic downturn affecting that region could adversely affect our financial results.

Likewise, our Mining Royalty Land segment generates the predominance of its revenue from mines in Florida and Georgia and is subject to the effects of economic downturns and construction cycles in these markets. Additionally, this segment has one lessee that accounted for 65.0% of the segment's revenues and $272,000 of accounts receivable at

June 30, 2015. The termination of certain of this lessee's underlying leases or non-performance under the leases could have a material adverse effect on the segment.

The Company places its cash and cash equivalents with high credit quality institutions. At times, such amounts may exceed FDIC insured limits.

(10) Fair Value Measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. Level 1 means the use of quoted prices in active markets for identical assets or liabilities. Level 2 means the use of values that are derived principally from or corroborated by observable market data. Level 3 means the use of inputs that are unobservable and significant to the overall fair value measurement.

As of June 30, 2015, the Company had no assets or liabilities measured at fair value on a recurring basis. Assets measured at fair value on a non-recurring basis consist of real estate assets and investments that were subject to impairment charges. There were no assets that met these criteria at June 30, 2015 or September 30, 2014. The fair value of all other financial instruments with the exception of mortgage notes (see Note 5) approximates the carrying value due to the short-term nature of such instruments. In addition, we believe the fair value of the amount outstanding pertaining to the revolver approximates the carrying value as the related debt agreement reflects present market terms and contains certain interest rates that reset periodically based on current market indices.

(11) Real Estate Held for Sale. In fiscal 2015, the Company and a buyer executed an amendment to extend the closing for the sale of phase two of the Windlass Run residential sale from March 2015 to August 2015 and increased the sales price by $188,000, to $11,188,000, to compensate the Company for the delay. Management believes this closing will occur on or before August 31, 2015. The book value of the property was $4,791,000 as of June 30, 2015 and is classified as real estate held for sale.

(12) Unusual or Infrequent Items Impacting Quarterly Results.

Operating profit includes expenses of $17,000 and $324,000 in the third quarter and nine months respectively of fiscal 2015 for non-recurring costs related to the Spin-off.

In January 2015 the Company prepaid the $1,314,000 remaining principal balance on 8.55% and 7.95% mortgages. The prepayment penalty of $116,000 is included in interest expense. The remaining deferred loan costs of $15,000 were also included in interest expense.

(13) Investment in Riverfront and Brooksville Joint Ventures.

Riverfront. On March 30, 2012 the Company entered into a Contribution Agreement with MRP SE Waterfront Residential, LLC. (“MRP”) to form a joint venture to develop the first phase only of the four phase master development known as Riverfront on the Anacostia in Washington, D.C. The purpose of the Joint Venture is to develop, own, lease and ultimately sell an approximately 300,000 square foot residential apartment building (including approximately 18,000 square feet of retail) on approximately 2 acres of the roughly 5.82 acre site. The joint venture, Riverfront Investment Partners I, LLC (“Riverfront I”) was formed in June 2013 as contemplated. The Company contributed land with an agreed to value of $13,500,000 (cost basis of $6,165,000) and contributed cash of $4,866,000 to the Joint Venture for a 76.91% stake in the venture. MRP contributed capital of $5,553,000 to the joint venture including development costs paid prior to formation of the joint venture. The Joint Venture closed on $17,000,000 of EB5 secondary financing and a nonrecourse construction loan for $65,000,000 on August 8, 2014. Both these financing sources are non-recourse to FRP. Construction commenced in October 2014. At this point, the Company anticipates lease up to occur in the second half of calendar 2016 and all of 2017. The Company’s equity interest in the joint venture is accounted for under the equity method of accounting as MRP acts as the administrative agent of the joint venture and oversees and controls the day to day operations of the project.

Other income for the first nine months of fiscal 2015 includes a loss of $226,000 representing the Company’s portion of the loss of this joint venture due primarily to expenses incurred in the joint venture with respect to the environmental remediation.

Brooksville. In 2006, the Company entered into a Joint Venture Agreement with Florida Rock Industries, Inc. (now owned by Vulcan Materials Company) to jointly own and develop approximately 4,300 acres of land near Brooksville, Florida. Under the terms of the joint venture, FRP contributed its fee interest in approximately 3,443 acres formerly leased to Vulcan under a long-term mining lease which had a net book value of $2,548,000. Vulcan is entitled to mine a portion of the property until 2022 and pay royalties to the Company. FRP also contributed $3,018,000 for one-half of the acquisition costs of a 288-acre contiguous parcel. Vulcan contributed 553 acres that it owned as well as its leasehold interest in the 3,443 acres that it leased from FRP and $3,018,000 for one-half of the acquisition costs of the 288-acre contiguous parcel. The joint venture is jointly controlled by Vulcan and FRP, and they each have a mandatory obligation to fund additional capital contributions of up to $2,380,000. Capital contributions of $2,347,000 have been made by each party as of June 30, 2015. Distributions will be made on a 50-50 basis except for royalties and depletion specifically allocated to the Company. Other income for the first nine months of fiscal 2015 includes a loss of $29,000 representing the Company's portion of the loss of this joint venture. In April 2011, the Florida Department of Community Affairs issued its Final Order approving the development of the Project, and zoning for the Project was obtained from Hernando County in August 2012. We will continue to monitor the residential market in Hernando County and pursue opportunities to partner with a master community developer or major homebuilder to commence construction when the market dictates.

Real estate revenues included $237,000 of royalties from the mining activities on this property in the nine months ended June 30, 2015 and $156,000 in nine months ended June 30, 2014. Allocated depletion expense of $6,000 was included in real estate cost of operations for the nine months ended June 30, 2015.

Investments in Joint Ventures (in thousands):

	Ownership	Total Investment	Total Assets of the Partnership (Unaudited)	Net Loss of the Partnership (Unaudited)	The Company's Share of Net Loss of the Partnership
As of June 30, 2015					
Riverfront Holdings I, LLC	76.91%	$ 11,239	$ 35,594	$ (273)	$ (226)
Brooksville Quarry, LLC	50.00%	7,506	14,338	(58)	(29)
Total		$ 18,745	$ 49,932	$ (331)	$ (255)
As of September 30, 2014					
Riverfront Holdings I, LLC	76.91%	$ 11,031	$ 33,834	$ (89)	$ (89)
Brooksville Quarry, LLC	50.00%	7,506	14,353	(78)	(39)
Total		$ 18,537	$ 48,187	$ (167)	$ (128)

Summarized Unaudited Financial Information for the Investments in Joint Ventures (in thousands):

	As of 6/30/2015	As of 9/30/2014
Cash	$ 56	$ 208
Cash held in escrow	7,100	18,822
Amortizable Debt Costs	2,069	2,069
Investments in real estate, net.	40,707	27,088
Total Assets	$ 49,932	$ 48,187
Other Liabilities	$ 1,892	$ 313
Long-term Debt	17,000	17,000
Capital – FRP	18,745	18,537
Capital - Third Parties	12,295	12,337
Total Liabilities and Capital	$ 49,932	$ 48,187

(14) Discontinued operations.

Effective January 30, 2015, we spun off our transportation assets into a new, publicly traded entity, Patriot Transportation Holding, Inc.

The Company has accounted for the Patriot operations as discontinued operations for all periods presented. Shareholders' equity was reduced by $34,241,000 due to this distribution on January 30, 2015. Comprehensive income of $40,000 was included in that amount.

The results of operations associated with discontinued operations for the three month and nine month periods ended June 30, 2015 and 2014 were as follows (in thousands):

	Three Months ended June 30,		Nine Months ended June 30,	
	2015	2014	2015	2014
Revenue	$ —	33,569	41,800	97,060
Cost of operations	—	30,702	38,195	90,920
Operating profit	—	2,867	3,605	6,140
Interest expense	—	(28)	(33)	(86)
Income before income taxes	—	2,839	3,572	6,054
Provision for income taxes	—	1,108	1,393	2,362
Income from discontinued Operations	$ —	1,731	2,179	3,692

The components of the balance sheet at September 30, 2014 are as follows (in thousands):

Property and equipment, net	$ 42,174
Accounts receivable, net	7,119
Deferred costs	11,809
Other assets	32
Assets of discontinued operation	$ 61,134
Line of credit	$ 7,282
Accounts payable and accrued liabilities	11,489
Deferred compensation	717
Deferred income taxes	8,924
Liabilities of discontinued operation	$ 28,412

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the consolidated financial information and related notes that appear in Part I, Item 1 of this Quarterly Report on Form 10-Q. The following discussion also presents net operating income ("NOI"), a non-GAAP financial measure within the meaning of Regulation G promulgated by the Securities and Exchange Commission ("Regulation G") to supplement the financial results as reported in accordance with GAAP. FRP uses this metric to analyze its continuing operations and to monitor, assess, and identify meaningful trends in its operating and financial performance. This measure is not, and should not be viewed as, a substitute for GAAP financial measures. Refer to "Non-GAAP Financial Measures" below in this Quarterly Report on Form 10-Q for a more detailed discussion, including a reconciliation of NOI to the most directly comparable GAAP financial measure.

Overview – This section provides management's discussion and analysis of the financial condition and results of operations of FRP Holdings, Inc. for the quarter ended June 30, 2015 as well as the first nine months of fiscal year 2015.

On January 30, 2015, FRP Holdings, Inc. (Nasdaq GM: FRPH) (the "Company") completed the spin-off of its transportation business into a new, separately traded public company - Patriot Transportation Holding, Inc. (Nasdaq GM: PATI) ("Patriot") - resulting in FRPH becoming a pure real estate company. As a result, the former transportation segment is reported as a discontinued operation without any corporate overhead allocation. Hence, all corporate overhead of the transportation group through the date of the spin-off is included in "corporate expense" on the Company's historical consolidated income statements.

In the third quarter, the Company reported net income from continuing operations of $2,047,000 or $.21 per diluted share, an increase of $293,000 over the same quarter last year.

For the first nine months of this fiscal year, the Company reported net income from continuing operations of $4,022,000 or $.41 per diluted share, an increase of $185,000 from the same period last year.

Following the completion of the spin-off of the transportation business on January 30, 2015, management conducted a strategic review of the Company's real estate operations. As a result of this review, information that the Company's chief operating decision maker (its chief executive officer) regularly reviews for purposes of allocating resources and assessing performance changed. Therefore, beginning with the quarter ending March 31, 2015 (with prior periods adjusted accordingly), the Company reports its financial performance based on the three reportable segments, Asset Management, Mining Royalty Lands and Land Development and Construction, as described below.

Our Mining and Royalties segment remains unaffected, but our Developed Property Rentals segment has been broken down into an Asset Management segment and a Land Development and Construction segment to reflect how management now evaluates the real estate activities previously presented in the Developed Property Rentals segment. The Asset Management segment contains all the developed buildings capable of producing current rental income; the Land Development and Construction segments contains the remaining developable land not yet developed to its eventual highest and best use potential where the Company's focus is to add further entitlements, construct vertical improvements or market the property to third parties all in an effort to bring such property to income producing status or realization of its fair market value through sales or exchange. This Land Development and Construction segment includes land that is generally in a pre-income production state where objectives are long term capital investment for eventual production of long-term rental streams or capital investment to achieve highest potential market value for sale to third parties.

The Company’s operations are influenced by a number of external and internal factors. External factors include levels of economic and industrial activity in the United States and the Southeast, construction activity and costs, aggregates sales by lessees from the Company’s mining properties, interest rates, market conditions in the Baltimore/Northern Virginia/Washington DC area, and our ability to obtain zoning and entitlements necessary for property development. Internal factors include administrative costs and group health claims experience. Financial results of the Company for any individual quarter are not necessarily indicative of results to be expected for the year.

Asset Management Segment.

The Asset Management segment owns, leases and manages warehouse/office buildings located predominately in the Baltimore/Northern Virginia/Washington, DC market area. We focus primarily on owning flexible type facilities that cater to the maximum number of tenant types. As most of our buildings are less than 150,000 square feet, we focus on local and regional vs. national tenants. Hands-on service provided by our in-house construction and property management teams keeps us close to our tenant base. These practices are the cornerstone of our mission to provide the highest quality product and services at competitive rates resulting in tenant satisfaction and ultimately, retention.

These assets create revenue and cash flows through tenant rental payments, lease management fees and reimbursements for building operating costs. The major cash outlays incurred in this segment are for operating expenses, real estate taxes, building repairs, lease commissions and other lease closing costs, construction of tenant improvements, capital to acquire existing operating buildings and closing costs related thereto and personnel costs of our property management team. Most of these buildings were constructed by us through our Land Development and Construction segment. Additionally, over the years, we have opportunistically acquired existing operating buildings, typically in connection with a deferred like-kind (Section 1031) exchange opportunity. Today, this segment consists of just over 3.6 million square feet.

Management focuses on several factors to measure our success on a comparative basis in this segment. The major factors we focus on are (1) revenue growth, (2) growth in occupied square feet, (3) actual occupancy rate, (4) average annual occupied square feet, (5) average annual occupancy rate (defined as the occupied sf at the end of each month during a fiscal year divided by the number of months to date in that fiscal year as a percentage of the average number of square feet in the portfolio over that same time period), (6) growth of our portfolio (in square feet), and (7) tenant retention success rate (as a percentage of total square feet to be renewed).

Asset Management segment – nine months ended	**June 30, 2015**	**June 30, 2014**
Revenues	$20,596,000	$18,422,000
Net Operating Income (Cash Basis)	$15,726,476	$13,754,117
Occupied square feet	3,256,405	3,106,635
Overall occupancy rate	90.4%	89.5%
Average annual occupied sf	3,256,962	3,011,506
Average annual occupancy rate	90.8%	89.8%
Portfolio square feet	3,602,159	3,472,309
Retention Success rate	78%	70%

Mining Royalty Lands Segment.

Our Mining Royalty Lands segment owns 14 properties comprising approximately 15,000 acres currently under lease for mining rents or royalties (this does not include the 4,280 acres owned in our Brooksville joint venture with Vulcan Materials). Other than one location in Virginia, all of these properties are located in Florida and Georgia. The typical lease in this segment requires the tenant to pay us a royalty based on the number of tons of mined materials sold from our property during a given fiscal year multiplied by a percentage of the average annual sales price per ton sold. As a result of this royalty payment structure, we do not bear the cost risks associated with the mining operations, however, we are subject to the cyclical nature of the construction markets in these States as both volumes and prices tend to fluctuate through those cycles. In certain locations, typically where the reserves on our property have been depleted but the tenant still has a need for the leased land, we collect a fixed annual rental amount. We believe strongly in the potential for future growth in construction in Florida and Georgia which would directly benefit our profitability in this segment.

The major expenses in this segment are comprised of collection and accounting for royalties, management's oversight of the mining leases, land entitlement for post-mining uses and property taxes at our non-leased locations and at our Grandin location which, unlike our other leased mining locations, are not paid by the tenant. As such, our costs in this business are very low as a percentage of revenue, are relatively stable and are not affected by increases in production at our locations. Our current mining tenants include Vulcan Materials, Martin Marietta and Cemex, among others.

Additionally, these locations provide us with excellent opportunities for valuable "2nd lives" for these assets through proper land planning and entitlement. Examples of this are (i) the 4,200 acre Brooksville, Florida property that we recently entitled as a development of regional impact for a large mixed-use development with our joint venture partner, Vulcan Materials, (ii) the 105 waterfront lots approved for future development at our Ft. Myers, Florida location (iii) the mined out Gulf Hammock quarry, approximately 1,600 acres inclusive of several large lakes resulting from the mining operations, which we currently have listed for sale and (iv) our Lakeside Business park in Maryland which at one time was a 135 acre sand and gravel mining operation.

Land Development and Construction Segment.

Through our Land Development and Construction segment, we own and are continuously monitoring for their "highest and best use" several parcels of land that are in various stages of development. Our overall strategy in this segment is to convert all of our non-income producing lands into income production through (i) an orderly process of constructing new warehouse/office buildings for us to own and operate or (ii) a sale to, or joint venture with, third parties.

Revenues in this segment are generated predominately from land sales and interim property rents. The significant cash outlays incurred in this segment are for land acquisition costs, entitlement costs, property taxes, design and permitting, the personnel costs of our in-house management team and horizontal and vertical construction costs.

Since 1990, one of our primary strategies in this segment has been to acquire, entitle and ultimately develop commercial/industrial business parks providing 5–15 building pads which we typically convert into warehouse/office buildings. To date, our management team has converted 26 of these pads into developed buildings that we continue to own and manage through the Asset Management segment. Our typical practice has been to transfer these assets to the Asset Management segment on the earlier to occur of (i) commencement of rental revenue or (ii) issuance of the certificate of occupancy. We have also opportunistically sold several of these pad sites over time to third party "users".

The remaining pad sites in our inventory today are fully entitled, located in business parks in four different submarkets in the

DC/Baltimore/Northern Virginia area, and can support an additional 1.2 million sf. of warehouse/office buildings.

Summary of Our Remaining Lot Inventory:

Location	Acreage	SF +/-	Status
Lakeside, MD	20	266,530	Horizontal development completed. Ready for vertical permitting.
Windlass Run Business Park, MD	37	386,626	Horizontal development completed. Permitting submitted for 150,000 sf warehouse/office building with the balance ready for further vertical permitting.
Patriot Business Center, Manassas, VA	23	198,150	Horizontal development completed. Ready for vertical permitting.
Hollander 95 Business Park, MD	33	345,750	Horizontal development completed. Construction in progress on 80,000 sf warehouse/office building with the balance of the land ready for vertical permitting.
Total	**113**	**1,197,056**	

We completed a third build-to-suit building for the same tenant at our Patriot Business Park and transferred that asset to the Asset Management segment on or about November 2014 when the building was approved for occupancy. We also submitted plans for vertical construction for one warehouse/office building at each of our Hollander and Windlass Run business parks and are now under construction on an 80,000 sf spec building at Hollander Business Park. Having sites ready for vertical construction has rewarded us in the past. It is the main reason why we were able to convert 3 of our finished pads at Patriot Business Park into build-to-suit opportunities in 2012, 2013 and 2014. We will continue to actively monitor these submarkets where we have lots ready for construction and take advantage of the opportunities presented to us.

In addition to the inventory of finished building lots, we have several other properties that were either spun-off to us from Florida Rock Industries in 1986 or acquired by us from unrelated 3rd parties. These properties, as a result of our “highest and best use” studies, are being prepared for income generation through sale or joint venture with third parties, and in certain cases we are leasing these properties on an interim basis for an income stream while we wait for the development market to ripen.

Our strategy when selling parcels outright is to attempt to convert the proceeds into income producing real estate for our Asset Management segment through a Section 1031 tax-deferred exchange. An example of this would be the Windlass Run residential land whereby we sold phase 1 for $8 million and used the proceeds in a Section 1031 exchange to acquire our Transit Business Park in 2013.

An example of property in this segment being developed through joint venture is Phase I of our Riverfront on the Anacostia project which was contributed to a joint venture with MRP in 2014 and is now under construction as a 305 unit apartment building including 18,000 sf of ground floor retail.

As of June 30, 2015, we have one property in this segment (Windlass Run residential phase II) under contract for sale and expect that transaction to close on or before August 31, 2015 for $11,188,000. In second quarter, we entered into a long term ground lease on a 3.6 acre parcel at our Hollander business park for use by the tenant as a compressed natural gas filling station. Rent will commence when all of the entitlements are complete and the facility placed into service, estimated to be during the 4th quarter of fiscal 2015. We will continue to hold this property in this segment as Management believes it is not appropriate to move it to the Asset Management segment with only a ground lease in place as it still has potential for a second life as an improved building post ground lease.

Significant Investment Lands Inventory:

Location	Approx. Acreage	Status	NBV
Riverfront on the Anacostia Phase I	2.1	Phase I under construction	$11,239,000
Riverfront on the Anacostia Phases II-IV	3.7	Phase II design approval plans to be submitted to Zoning Commission prior to December, 2016.	$10,639,000
Windlass Run residential (Phase 2)	74	Under contract for sale to 3rd party for $11.188M, closing expected August 2015	$4,791,000
Hampstead Trade Center, MD	117	Residential studies ongoing	$7,141,000
Square 664E,on the Anacostia River in DC	2	Under lease to Vulcan Materials as a concrete batch plant through 2021 with one 5 year renewal option.	$4,437,000
Total	**199**		$38,247,000

RIVERFRONT ON THE ANACOSTIA:

This property consists of 5.8 acres on the Anacostia River and is immediately adjacent to the Washington National’s baseball park in the SE Central Business District of Washington, DC. Once zoned for industrial use and under a ground lease, this property is no longer under lease and has been re-zoned for the construction of approximately 1.1M square feet of "mixed-use" development in four phases. In 2014, approximately 2.1 acres (Phase I) of the total 5.8 acres was contributed to a joint venture owned by the Company (77%) and our partner, MRP Realty (23%), and construction commenced in October, 2014 on a 305 unit residential apartment building with approximately 18,000 sq. ft. of first floor retail space. Lease up is expected to commence in 2016 and continue through 2017. Phases II, III and IV are slated for residential, office, and hotel/residential buildings, respectively, all with permitted first floor retail uses. In accordance with our Master Planned Unit Development (PUD) approval, the next step for development of Phase II requires us to submit plans to the Zoning Commission for final design approval within two years of issuance of the construction permit for Phase I (i.e. by December of 2016).

WINDLASS RUN RESIDENTIAL:

We originally purchased this 179 acre tract for $5.2 million in 2002. When purchased, the entire parcel was zoned for commercial/industrial uses. Today, some 70 acres of this original tract makes up our Windlass Run Business Park. We successfully rezoned the remaining acreage for medium density residential development and on April 17, 2013, we entered into a contract to sell the residential portion of the property for $19 million. Phase I of the sale closed within the quarter ending September 30, 2013 for $8.0 million and the proceeds of this sale were used in a Section 1031 exchange to acquire the Transit Business Park. Phase II of the sale is scheduled for settlement in August 2015 for $11 million.

HAMPSTEAD TRADE CENTER: We purchased this 117 acre tract in 2005 for $4.3 million in a Section 1031 exchange with plans of developing it as a commercial business park. The "great recession" caused us to reassess our plans for this property. As a result, Management determined that the prudent course of action is to attempt to rezone the property for residential uses and sell the entire tract to another developer such that we can redeploy this capital into an asset with more near-term income producing potential. Residential studies are on-going today.

SQUARE 664E, WASHINGTON, DC

This property sits on the Anacostia River at the base of South Capitol Street in an area named Buzzard Point, approximately 1 mile down river from our RiverFront on the Anacostia property. The Square 664E property consists of approximately 2 acres and is currently under lease to Vulcan Materials for use as a concrete batch plant. The lease terminates on August 31, 2021 and Vulcan has the option to renew for one additional period of five (5) years. In the quarter ending December 31, 2014, the District of Columbia announced that it had selected Buzzard Point for the future site of the new DC United major league soccer stadium. The selected stadium location, consisting of approximately 5 acres of land, is separated from our property by just one small industrial lot and two side streets.

Comparative Results of Operations for the Three months ended June 30, 2015 and 2014

Consolidated Results

	THREE MONTHS ENDED JUNE 30 2015	2014	Change	%
Revenues:				
Rental Revenue	$ 5,784	$ 5,418	$ 366	6.8%
Royalty and Rents	1,714	1,371	343	25.0%
Revenue-Reimbursements	999	890	109	12.2%
Total Revenues	8,497	7,679	818	10.7%
Cost of operations:				
Depreciation/Depletion/Amortization	1,805	1,694	111	6.6%
Operating Expenses	818	837	(19)	-2.3%
Property Taxes	994	874	120	13.7%
Mgmt Co Allocation-In	434	358	76	21.2%
Corporate Expense	557	525	32	6.1%
Corp Mgmt fee not alloc. to discontinued operations	—	528	(528)	*
Total cost of operations	4,608	4,816	(208)	-4.3%
Total operating profit	3,889	2,863	1,026	35.8%
Interest Income and other	—	1	(1)	*
Interest Expense	(459)	(410)	(49)	12.0%
Equity in loss of joint ventures	(75)	(29)	(46)	158.6%
Gain on investment land sold	—	450	(450)	*
Income before income taxes	3,355	2,875	480	16.7%
Provision for income taxes	1,308	1,121	187	16.7%
Income from continuing operations	2,047	1,754	293	16.7%
Gain from discontinued operations, net	—	1,731	(1,731)	*
Net income	$ 2,047	$ 3,485	$ (1,438)	-41.3%

** Not meaningful*

Net income from continuing operations was $2,047,000, up 16.7% from the same quarter last year. Total revenues for the Company were $8,497,000, up 11%, over the same quarter last year. Our operating profit improved to $3,889,000, a 36% increase over the same quarter last year.

Post Spin-off we are reporting any net gain/(loss) from the transportation business as “discontinued operations” and we currently have no other discontinued operations being reported. In the quarter we received no benefit to after tax net income versus a $1,731,000 benefit in the same quarter last year. GAAP accounting rules do not allow corporate overhead expense to be allocated to a discontinued operation of the Company which resulted in the third quarter of fiscal 2014 including an additional $528,000 of corporate overhead expense to the Company that was associated with the discontinued transportation operations.

The improvement in results is mostly attributable to the addition of the third build-to-suit building at Patriot Business Park and improved volumes at several of our mining locations somewhat offset by increases in (i) depreciation expense due to the addition of the third build-to-suit at Patriot Business Park, (ii) non-reimbursed property taxes (at our Anacostia property), and (iii) higher interest expense as a result of less capitalized interest in this quarter.

The Company's interest expense increased by $49,000 this quarter due to less debt outstanding and less capitalized interest in this quarter versus the same quarter last year as a result of the completion of construction activities at Patriot Business Park.

Asset Management Segment Results

Highlights of the Third Quarter 2015:

- Revenue up $427,000, or 7%, over the same quarter last year due to the addition of income producing square feet to our portfolio.
- Operating profit was up $310,000, or 11%, over the same quarter last year.

	Three months ended June 30					
(dollars in thousands)	2015	%	2014	%	Change	%
Rental revenue	$5,684	87.3%	$5,295	87.1%	$ 389	7.3%
Revenue-reimbursements	825	12.7%	787	12.9%	38	4.8%
Total revenue	6,509	100.0%	6,082	100.0%	427	7.0%
Depreciation, depletion and amortization	1,694	26.0%	1,612	26.5%	82	5.1%
Operating expenses	730	11.2%	767	12.6%	(37)	-4.8%
Property taxes	551	8.5%	543	9.0%	8	1.5%
Management company indirect	245	3.8%	188	3.1%	57	30.3%
Corporate expense	185	2.8%	178	2.9%	7	3.9%
Cost of operations	3,405	52.3%	3,288	54.1%	117	3.6%
Operating profit	$3,104	47.7%	$2,794	45.9%	$ 310	11.1%

Total revenues in this segment were $6,509,000, up $427,000 over the same quarter last year, and rental revenues in this segment were $5,684,000, up $389,000 over the same quarter last year, due to an increase in square feet occupied in this segment. Cost of operations increased $117,000 due mainly to depreciation on the newest build-to-suit. Operating profit in this quarter was $3,104,000, up $310,000, versus $2,794,000 in the same quarter last year, an 11% increase. Our occupied square feet increased 149,770 square feet (4.8%) over last year's 3rd quarter and our occupancy was up to 90.4% on June 30 versus 89.5% last June. Rent growth for leases renewed or replaced during the quarter showed a 5.57% increase.

Mining Royalty Land Results

Highlights of the Third Quarter 2015:

- Royalty and rents revenue were up $343,000, or 25%, as tons mined continued to increase at several of our locations.

(dollars in thousands)	Three months ended June 30			
	2015	%	2014	%
Royalty and rents	$ 1,714	98.8%	1,371	98.3%
Revenue-reimbursements	21	1.2%	24	1.7%
Total revenue	1,735	100.0%	1,395	100.0%
Depreciation, depletion and Amortization	39	2.2%	36	2.6%
Operating expenses	66	3.8%	57	4.1%
Property taxes	54	3.1%	60	4.3%
Corporate expense	196	11.3%	189	13.5%
Cost of operations	355	20.5%	342	24.5%
Operating profit	$ 1,380	79.5%	$ 1,053	75.5%

Total revenues in this segment were $1,735,000, up $340,000, due mainly to an increase in tons mined this quarter versus the same quarter last year. Our operating profit was $1,380,000, up $327,000 versus the same quarter last year. We believe that volumes will continue to increase at our locations as construction activity in Florida and Georgia improves and the tenant at our Manassas location shifts 100% of their production to our property for the foreseeable future.

Land Development and Construction Segment Results

Highlights of the Third Quarter 2015:

- Commenced construction of a new 80,000 square foot warehouse Hollander Business Park.
- Property taxes at our Anacostia location increased significantly contributing to a $119,000 increase in property taxes this quarter versus the same quarter last year.

(dollars in thousands)	Three months ended June 30		
	2015	2014	Change
Rental revenue	$ 100	$ 123	$ (23)
Revenue-reimbursements	153	79	74
Total revenue	253	202	51
Depreciation, depletion and Amortization	72	46	26
Operating expenses	22	13	9
Property taxes	390	271	119

Management company indirect	188	170	18
Corporate expense	109	105	4
Cost of operations	781	605	176
Operating loss	$ (528)	$ (403)	$ (125)

Revenues were $253,000 up $51,000 from last year's third quarter due to higher real estate tax reimbursement from the ground lease at our Square 664E property in D.C. Costs of operating this segment were $781,000 in the quarter which was an increase of $176,000 driven primarily by higher property taxes of $119,000 due to the increase in assessed value of our future Phases 2 thru 4 at our Anacostia property in DC and the higher use of management resources on: (i) the preparation and initiation of construction of a new 80,000 square foot spec building at our Hollander Business Park; (ii) to search for and select an income producing replacement property (Section 1031 exchange) for the upcoming sale of our Windlass Run Residential Phase 2 land; and (iii) the evaluation of a proposed joint venture for the development and construction of a single story office park on the remainder of our undeveloped lands in the Windlass Run Business Park. We spent over $919,000 in this segment on capital improvements in the 3rd quarter primarily on construction of the new spec building at our Hollander Business Park ($650,000) and completion of the entitlements in preparation for the sale of our Windlass Run Residential property ($90,000) expected to close prior to our fiscal year end.

Comparative Results of Operations for the Nine Months ended June 30, 2015 and 2014

Consolidated Results

	NINE MONTHS ENDED JUNE 30			
	2015	**2014**	Change	%
Revenues:				
Rental Revenue	$ 17,531	$ 15,809	$ 1,722	10.9%
Royalty and Rents	4,349	3,819	530	13.9%
Revenue-Reimbursements	3,867	3,287	580	17.6%
Total Revenues	25,747	22,915	2,832	12.4%
Cost of operations:				
Depreciation/Depletion/Amortization	5,566	4,993	573	11.5%
Operating Expenses	3,487	3,232	255	7.9%
Property Taxes	3,323	2,593	730	28.2%
Mgmt Co Allocation-In	1,228	1,142	86	7.5%
Corporate Expense	2,669	2,022	647	32.0%
Corp Mgmt fee not alloc. to discontinued operations	1,081	2,072	(991)	-47.8%
Total cost of operations	17,354	16,054	1,300	8.1%
Total operating profit	8,393	6,861	1,532	22.3%

Interest Income and other	—	2	(2)	*
Interest Expense	(1,524)	(1,009)	(515)	51.0%
Equity in loss of joint ventures	(255)	(92)	(163)	177.2%
Gain (loss) on investment land sold	(20)	528	(548)	-103.8%
Income before income taxes	6,594	6,290	304	4.8%
Provision for income taxes	2,572	2,453	119	4.9%
Income from continuing operations	4,022	3,837	185	4.8%
Gain from discontinued operations, net	2,179	3,692	(1,513)	-41.0%
Net income	$ 6,201	$ 7,529	$ (1,328)	-17.6%

** Not meaningful*

Income from continuing operations was $4,022,000, up 4.8% from the same period last year. Total revenues for the Company were $25,747,000, up 12.4% over the same period last year. Operating profit improved to $8,393,000, a 22% increase over the same period last year.

Post Spin-off we are reporting any net gain/(loss) from the transportation business as "discontinued operations" and we currently have no other discontinued operations being reported. In this period we received a $2,179,000 benefit to after tax net income versus a $3,692,000 benefit in the same period last year. GAAP Accounting rules do not allow corporate overhead expense to be allocated to a discontinued operation of the Company. This resulted in the first nine month period of fiscal 2014 including an additional $991,000 of corporate overhead expense to the Company that was associated with the discontinued transportation operations.

The increase in revenues is mostly attributable to the addition of occupied square footage in our Asset Management segment and improved volumes at several of our mining locations offset by increases in (i) depreciation expense and operating expenses due to the addition of assets to the portfolio, (ii) non-reimbursed property taxes (at our Anacostia property), (iii) higher interest expense ($515,000) as a result of less capitalized interest in this period due mostly to the completion of construction activities at Patriot Business Park, and (iv) management and corporate expense. Corporate expense increased due to (i) an increase in one-time spin-off costs, (ii) an increase in director compensation mainly due to the addition of a director to our Board of Directors, (iii) higher corporate medical claims.

Asset Management Segment Results

Highlights of the first nine months of 2015:

- Rental Revenues grew $1,742,000 over the same period last year, an 11% increase.
- Operating profit grew $1,265,000 over the same period last

year, a 16% increase.

(dollars in thousands)	Nine months ended June 30 2015	%	2014	%	Change	%
Rental revenue	$ 17,183	83.4%	$ 15,441	83.8%	$ 1,742	11.3%
Revenue-reimbursements	3,413	16.6%	2,981	16.2%	432	14.5%
Total revenue	20,596	100.0%	18,422	100.0%	2,174	11.8%
Depreciation, depletion and amortization	5,256	25.5%	4,763	25.8%	493	10.4%
Operating expenses	2,931	14.2%	2,978	16.2%	(47)	-1.6%
Property taxes	2,003	9.7%	1,607	8.7%	396	24.7%
Management company indirect	544	2.7%	554	3.0%	(10)	-1.8%
Corporate expense	611	3.0%	534	2.9%	77	14.4%
Cost of operations	11,345	55.1%	10,436	56.6%	909	8.7%
Operating profit	$ 9,251	44.9%	$ 7,986	43.4%	$ 1,265	15.8%

Rental revenues in this segment were $17,183,000 versus $15,441,000 in the same period last year due mainly to an increase in square feet occupied. Cost of operations was up $909,000 due mainly to adding additional square feet to this segment resulting in higher depreciation. Operating profit was $9,251,000 versus $7,986,000 in the same period last year, a 16% increase.

Mining Royalty Land Results

Highlights of the first nine months of 2015:

- Royalty and rents revenue was up $530,000, an increase of 13.9% as volumes mined continue to rise at our locations.

(dollars in thousands)	Nine months ended June 30 2015	%	2014	%
Royalty and rents	$ 4,349	98.5%	3,819	98.2%
Revenue-reimbursements	65	1.5%	70	1.8%
Total revenue	4,414	100.0%	3,889	100.0%
Depreciation, depletion and amortization	100	2.3%	92	2.3%
Operating expenses	180	4.1%	178	4.6%
Property taxes	167	3.8%	181	4.7%
Corporate expense	647	14.6%	567	14.6%
Cost of operations	1,094	24.8%	1,018	26.2%
Operating profit	$ 3,320	75.2%	$ 2,871	73.8%

Total revenues in this segment were $4,414,000 versus $3,889,000 in the same period last year due mainly to increased volume production at most of our locations. Operating profit was $3,320,000, up 16% over the same period last year. We believe that mining volumes will continue to increase at our locations as construction activity in Florida and Georgia continues to improve, our Ft. Myer's location transitions into active mining production and the tenant's mining operations at our Manassas location shifts 100% onto Company owned lands.

Land Development and Construction Segment Results

Highlights of the first nine months of 2015:

- Construction commenced on Phase 1 of Riverfront on the Anacostia and completion is slated for the fall of 2016.
- Completed construction of the third build-to-suit building at Patriot Business Park and transferred the asset to our Asset Management segment.
- Commenced construction on an 80,000 sf spec warehouse at our Hollander Business Park.
- Commenced an exploratory program with respect to potential improvements to the bulkhead on the 664E property which will enhance the use and functionality of the property for its ultimate highest and best use development following termination of the interim lease with Vulcan Materials.

	Nine months ended June 30		
(dollars in thousands)	2015	2014	Change
Rental revenue	$ 348	$ 368	$ (20)
Revenue-reimbursements	389	236	153
Total revenue	737	604	133
Depreciation, depletion and amortization	210	138	72
Operating expenses	376	76	300
Property taxes	1,153	805	348
Management company indirect	684	588	96
Corporate expense	360	315	45
Cost of operations	2,783	1,922	861
Operating loss	$ (2,046)	$ (1,318)	$ (728)

Revenues were $737,000, up $133,000, from the same period last year due to higher real estate tax reimbursement from the ground lease at our Square 664E property in D.C. Costs of operating this segment were $2,783,000 in the period which was an increase of $861,000 driven primarily by higher property taxes of $348,000 due to the increase in assessed values of our 664E property and our future Phases 2 thru 4 land at our Anacostia property, both located in DC; higher operating expenses as we undertook work to shore up the bulkhead on the Anacostia river at our 664E property located adjacent to the recently announced site of the future DC United soccer stadium and the higher use of management resources on: (i) completion of the third build to suit at Patriot Business Park and all the horizontal improvements at Hollander Business Park and (ii) the items previously listed in the third quarter results for the segment. In this period we have spent over $2,000,000 capital with respect to the projects referenced above.

Liquidity and Capital Resources. The growth of the Company's businesses requires significant cash needs to acquire and develop land or operating buildings and to construct new buildings and tenant improvements. As of June 30, 2015, we had $8,679,000 borrowed under our $20 million revolver, $2,610,000 outstanding under letters of credit and $8,711,000 available to borrow under the revolver. The Company expects to close on a $20 Million secured revolver with First Tennessee Bank in the fourth quarter of this fiscal year to provide additional liquidity for growth opportunities. First Tennessee has also committed to provide an additional $20 Million of secured financing to the Company prior to the end of calendar 2015 on a ten year term loan amortizing on a twenty five (25) year basis. We expect to close on this second loan with First Tennessee by the end of calendar year 2015.

Cash Flows - The following table summarizes our cash flows from operating, investing and financing activities for each of the periods presented (in thousands of dollars):

	Nine Months Ended June 30,	
	2015	**2014**
Total cash provided by (used for):		
Operating activities	$ 13,177	19,443
Investing activities	(6,745)	(28,755)
Financing activities	(6,706)	9,324
(Decrease) Increase in cash and cash equivalents	$ (274)	$ 12

Operating Activities - Net cash provided by operating activities decreased $6,266,000 to $13,177,000 for the nine months ended June 30, 2015. The total of net income plus depreciation, depletion and amortization less gains on sales of property and equipment decreased $177,000 versus the same period last year. These changes are described above under "Comparative Results of Operations". The current period includes $2,645,000 more cash used to reduce accounts payable and accrued liabilities, although both periods had substantial uses of cash for this purpose due to the completion of build-to-suit's in each year and a $1,229,000 reduction in environmental remediation liability in the current year. The same period last year included $1,160,000 collection of prior year real estate taxes receivable. The current period includes offsetting increases to deferred income taxes and prepayment of current year income taxes.

Investing Activities - For the first nine months ended June 30, 2015, cash required by investing activities decreased $22,010,000 to $6,745,000. The prior period discontinued operations cash required was $14,861,000 higher due to an acquisition. Cash required by investing activities for continuing operations decreased $7,149,000 due to increased construction activity in the prior period offset by the related release of escrow cash.

Financing Activities – For the first nine months ended June 30, 2015, cash required by financing activities was $6,706,000 versus cash provided by financing activities of $9,324,000 in the first nine months ended June 30, 2014. The prior period discontinued operations cash provided was $11,859,000 higher due to borrowings to fund an acquisition in the prior period compared to debt repayment in the current period. Cash required by financing activities for continuing operations was $4,171,000 higher in the current period primarily due to debt prepayment and payments on the revolver.

In January 2015 the Company prepaid the $1,314,000 remaining principal balance on 8.55% and 7.95% mortgages. The prepayment penalty of $116,000 is included in interest expense. The remaining deferred loan costs of $15,000 were also included in interest expense.

Credit Facilities - On January 30, 2015, in connection with the Spin-off, the Company terminated its $55 million credit facility entered into with Wells Fargo Bank, N.A. in 2012 and simultaneously entered into a new five year credit agreement with Wells Fargo with a maximum facility amount of $20 million (the "Credit Agreement"). The Credit Agreement provides a revolving credit facility (the “Revolver”) with a $10 million sublimit available for standby letters of credit. At the time of the Spin-off, the Company refinanced $10,483,000 of borrowings then outstanding on the terminated revolver. As of June 30, 2015, there was $8,679,000 outstanding on the revolver and $2,610,000 outstanding under letters of credit and $8,711,000 available for borrowing. The letters of credit were issued to guarantee certain obligations to state agencies related to real estate development. Most of the letters of credit are irrevocable for a period of one year and typically are automatically extended for additional one-year periods. The Revolver bears interest at a rate of 1.4% over the selected LIBOR, which may change quarterly based on the Company’s ratio of Consolidated Total Debt to Consolidated Total Capital, as defined. A commitment fee of 0.15% per annum is payable quarterly on the unused portion of the commitment. The commitment fee may also change quarterly based upon the ratio described above. The credit agreement contains certain conditions and financial covenants, including a minimum $110 million tangible net worth. As of June 30, 2015, the tangible net worth covenant would have limited our ability to pay dividends or repurchase stock with borrowed funds to a maximum of $69 million combined. The Company was in compliance with all covenants as of June 30, 2015.

During the first quarter, the company announced the execution of a commitment from First Tennessee Bank to provide up to $40 million dollars of mortgage backed financing in two separate facilities. The first facility is a five year, $20,000,000, secured revolver with a twenty-four month window to convert up to the full amount of the facility into a ten year term loan. The second facility is a $20,000,000 ten year term loan secured by to-be-determined collateral from our current pool of unencumbered warehouse/office properties. We expect to close on the secured revolver in the fourth quarter of fiscal 2015. We expect to close on the ten year term loan by the end of calendar year 2015. The purpose of these loans is to facilitate growth through new construction in the Land Development and Construction segment and/or acquisition of existing, operating buildings to be added to the Asset Management segment.

Cash Requirements – The Board of Directors has authorized Management to repurchase shares of the Company’s common stock from time to time as opportunities arise. During the first nine months of fiscal 2015 the Company did not repurchase any shares of stock. As of June 30, 2015, $5,000,000 was authorized for future repurchases of common stock. The Company does not currently pay any cash dividends on common stock.

The Company currently expects its fiscal 2015 capital expenditures to include approximately $7,275,000 for real estate development, of which $3,693,000 has been expended to date, which will be funded mostly out of cash generation from operations and partly from borrowings under our credit facilities. As of June 30, 2015, there was $8,679,000 outstanding on the revolver and $2,610,000 outstanding under letters of credit and $8,711,000 available for borrowing.

Summary and Outlook. With the successful completion of the Spin-off and it’s one time costs this year of $324,000 behind us, we are focused on building shareholder value through our real estate holdings - mainly by growing our portfolio and converting non-income producing assets into income production. Our revenues year to date were up a solid 12.4% over the same period in fiscal year 2014. We envision continuing that growth in the near term through (i) the addition of an 80,000 sf warehouse building currently under construction at Hollander Business Park, (ii) the acquisition of an income producing property in a tax deferred Section 1031 exchange using the proceeds from the $11.2M sale of our Windlass Run Phase II residential land, and (iii) increased volumes at most of our mining locations, including the shift to a 100% production on our lands at our Manassas location and the transition into active mining production at our Ft. Myers location. We remain optimistic that the acquisition and operation of the Newberry cement plant by Argos USA, and the continued improvement in the Florida residential construction market, will result in higher volumes at that location in the foreseeable future.

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 on Form 10-Q is net operating income (NOI). FRP uses this metric to analyze its continuing operations and to monitor, assess, and identify meaningful trends in its operating and financial performance. This measure is not, and should not be viewed as, a substitute for GAAP financial measures.

Net Operating Income Reconciliation
Nine months ending 6/30/15 (in thousands)

	Asset Management Segment	Land Development Segment	Mining Royalties Segment	Unallocated Corporate Expenses	FRP Holdings Totals
Income from continuing operations	4,795	(1,398)	1,976	(1,351)	4,022
Income Tax Allocation	3,065	(893)	1,263	(863)	2,572
Inc. from continuing operations before income taxes	7,860	(2,291)	3,239	(2,214)	6,594
Less:					
Gains on investment land sold	—	20			
Other income	—	—			
Lease intangible rents	39	—			
Plus:					
Unrealized rents	103	—			
Equity in loss of Joint Venture	—	226			
Interest Expense	1,390	—			
Depreciation/Amortization	5,257	210			
Management Co. Indirect	544	684			
Allocated Corporate Expenses	611	970			
Net Operating Income (loss)	15,726	(221)			

Net Operating Income Reconciliation
Nine months ending 6/30/14 (in thousands)

	Asset Management Segment	Land Development Segment	Mining Royalties Segment	Unallocated Corporate Expenses	FRP Holdings Totals
Income from continuing operations	4,270	(523)	1,677	(1,587)	3,837
Income Tax Allocation	2,730	(334)	1,072	(1,015)	2,453
Inc. from continuing operations before income taxes	7,000	(857)	2,749	(2,602)	6,290
Less:					
Gains on investment land sold	—	(528)			
Other income	—	—			
Lease intangible rents	69	—			
Plus:					
Unrealized rents	(14)	—			
Equity in loss of Joint Venture	—	67			
Interest Expense	986	—			
Depreciation/Amortization	4,763	138			
Management Co. Indirect	554	588			
Allocated Corporate Expenses	534	315			
Net Operating Income	13,754	779			

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

Interest Rate Risk - We are exposed to the impact of interest rate changes through our variable-rate borrowings under the Credit Agreement. Under the Credit Agreement, the applicable margin for borrowings at June 30, 2015 was 1.6%. The applicable margin for such borrowings will be increased in the event that our debt to capitalization ratio as calculated under the Credit Agreement exceeds a target level. Based upon our indebtedness at June 30, 2015 of $8,679,000, a 1% increase in interest rate would result in $87,000 of additional interest expense annually.

ITEM 4. CONTROLS AND PROCEDURES

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Company’s reports under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to management, including the Company’s Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), as appropriate, to allow timely decisions regarding required disclosure.

The Company also maintains a system of internal accounting controls over financial reporting that are designed to provide reasonable assurance to the Company’s management and Board of Directors regarding the preparation and fair presentation of published financial statements.

All control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance of achieving the desired control objectives.

As reported in our Form 10-Q/A for the quarter ending March 31, 2015 we restated our previously issued financial statements to correct an error in the classification of corporate overhead expenses for the three and six month periods ending March 31, 2014. As a result of the spin-off of the transportation group on January 31, 2015, the Company has reported the former transportation segment as a discontinued operation without any allocation of corporate overhead. Hence, all corporate overhead of the transportation group through the date of the spin-off is included in corporate expense on the Company’s consolidated income statement. As originally filed, the Company’s Form 10-Q correctly allocated the corporate overhead expense for the three and six month periods ending March 31, 2015. The financial statements for the three and six month periods ending March 31, 2014, were incorrect, however, in that they did not allocate corporate overhead expense attributable to the transportation group to continuing operations for the full period. Accordingly, income from continuing operations for the three and six month periods of 2014 was overstated by $395,000 and income from discontinued operations was understated by $395,000. The error was a classification error and had no impact on the consolidated results for the periods presented.

Management performed an extensive review of this classification error in an effort to ensure that the Form 10-Q/A for the quarter ending March 31, 2015 reflected all necessary adjustments. We believe that this review, the Company’s adoption of a new control regarding allocation of corporate overhead in connection with spin-off transactions, and increased scrutiny concerning any reclassifications related to the spin-off and the Company's continuing efforts to evaluate and enhance disclosure controls will provide reasonable assurance that any similar transactions will be accounted for in accordance with generally accepted accounting principles in our subsequent filings.

As of June 30, 2015, the Company, under the supervision and with the participation of the Company's management, including the CEO, CFO and CAO, carried out an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on this evaluation, the Company’s CEO, CFO and CAO concluded that the Company's disclosure controls and procedures are effective in alerting them in a timely manner to material information required to be included in periodic SEC filings.

There have been no changes in the Company’s internal controls over financial reporting during our most recent fiscal quarter other than those discussed above that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1A. RISK FACTORS

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended September 30, 2014, which could materially affect our business, financial condition or future results. The risks described in our Annual Report on Form 10-K are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

Item 2. PURCHASES OF EQUITY SECURITIES BY THE ISSUER

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased As Part of Publicly Announced Plans or Programs	(d) Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (1)
April 1 Through April 30	—	$ —	—	$ 5,000,000
May 1 Through May 31	—	$ —	—	$ 5,000,000
June 1 Through June 30	—	$ —	—	$ 5,000,000
Total	—	$ —	—	

(1) On February 4, 2015, the Board of Directors authorized management to expend up to $5,000,000 to repurchase shares of the Company's common stock from time to time as opportunities arise.

Item 6. EXHIBITS

(a) Exhibits. The response to this item is submitted as a separate Section entitled "Exhibit Index", on page 41.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

August 5, 2015 FRP HOLDINGS, INC.

Thompson S. Baker II
Thompson S. Baker II
Chief Executive Officer

John D. Milton, Jr.
John D. Milton, Jr.
Executive Vice President, Treasurer, Secretary and Chief Financial Officer

John D. Klopfenstein
John D. Klopfenstein
Controller and Chief Accounting Officer

FRP HOLDINGS, INC.
FORM 10-Q FOR THE QUARTER ENDED JUNE 30, 2015
EXHIBIT INDEX

(14)	Financial Code of Ethical Conduct between the Company, Chief Executive Officers and Financial Managers, as revised on January 28, 2004, which is available on the Company's website at www.frpholdings.com.
(31)(a)	Certification of Thompson S. Baker II.
(31)(b)	Certification of John D. Milton, Jr.
(31)(c)	Certification of John D. Klopfenstein.
(32)	Certification of Chief Executive Officer, Chief Financial Officer, and Chief Accounting Officer under Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.XSD	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase

CERTIFICATIONS Exhibit 31(a)

I, Thompson S. Baker II, certify that:

1. I have reviewed this report on Form 10-Q of FRP Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) designed such disclosure controls and procedures, or caused such disclosure controls to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosures controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) disclosed in this report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial report; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
   a) all significant deficiencies in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2015 /s/Thompson S. Baker II

Chief Executive Officer

CERTIFICATIONS Exhibit 31(b)

I, John D. Milton, Jr., certify that:

1. I have reviewed this report on Form 10-Q of FRP Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) designed such disclosure controls and procedures, or caused such disclosure controls to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosures controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) disclosed in this report any changes in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial report; and
5. The registrant’s other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of registrant’s board of directors (or persons performing the equivalent functions):
   a) all significant deficiencies in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: August 5, 2015

/s/John D. Milton, Jr.
Executive Vice President, Treasurer,
Secretary and Chief Financial Officer

CERTIFICATIONS Exhibit 31(c)

I, John D. Klopfenstein, certify that:

1. I have reviewed this report on Form 10-Q of FRP Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) designed such disclosure controls and procedures, or caused such disclosure controls to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosures controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) disclosed in this report any changes in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial report; and
5. The registrant’s other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of registrant’s board of directors (or persons performing the equivalent functions):
   a) all significant deficiencies in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: August 5, 2015

/s/John D. Klopfenstein
Controller and Chief Accounting Officer

Exhibit 32

CERTIFICATION UNDER SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, each of the undersigned certifies that this periodic report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in this periodic report fairly presents, in all material respects, the financial condition and results of operations of FRP Holdings, Inc.

August 5, 2015

FRP HOLDINGS, INC.

THOMPSON S. BAKER II
Thompson S. Baker II
Chief Executive Officer

JOHN D. MILTON, JR._
John D. Milton, Jr.
Executive Vice President,
Treasurer, Secretary and
Chief Financial Officer

JOHN D. KLOPFENSTEIN
John D. Klopfenstein
Controller and Chief
Accounting Officer

A signed original of this written statement required by Section 906 has been provided to FRP Holdings, Inc. and will be retained by FRP Holdings, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification accompanies the issuer’s Quarterly report on Form 10-Q and is not filed as provided in SEC Release Nos. 33-8212, 34-4751 and IC-25967, dated June 30, 2003.