

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported) October 24, 2000

The St. Joe Company

(Exact Name of Registrant as Specified in Its Charter)

Florida

(State or Other Jurisdiction of Incorporation)

1-10466

59-0432511

(Commission File Number)

(IRS Employer Identification No.)

1650 Prudential Drive, Suite 400, Jacksonville, FL

32207

(Address of Principal Executive Offices)

(Zip Code)

(904)396-6600

(Registrant's Telephone Number, Including Area Code)

N/A

(Former Name or Former Address, if Changed Since Last Report)

ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS

The purpose of this Form 8-K is to furnish the following information:

(a) On October 9, 2000 the St. Joe Company ("JOE") distributed to its shareholders all of its equity interest in Florida East Coast Industries, Inc. ("FLA"). To effect the distribution, JOE exchanged its 19,609,216 shares of

FLA Common Stock for an equal number of shares of a new class of FLA Common Stock. On October 9, 2000, the new class of stock, FLA.B, was distributed prorata to JOE Shareholders in a tax-free distribution. For each share of JOE Common Stock owned of record on September 18, 2000, JOE Shareholders received 0.23103369 of a share of FLA.B Common Stock.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

99.1 Proforma Financial Statements

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 hereunto duly authorized.

THE ST. JOE COMPANY

Dated: October 24, 2000

By: ROBERT M. RHODES

Name: Robert M. Rhodes
Title: Executive Vice President and
General Counsel

The St. Joe Company
Pro Forma Consolidated Financial Statements

The following unaudited pro forma consolidated balance sheet is based upon the historical consolidated balance sheet of the Company as of June 30, 2000 as if the Company had completed the spin-off of Florida East Coast Industries, ("FLA") as of that date. The following unaudited pro forma consolidated statements of income of the Company are based upon the historical consolidated statements of income for the six-month period ended June 30, 2000 and the year ended December 31, 1999. These statements are presented as if the Company had effected the spin-off as of January 1, 1999. These unaudited pro forma consolidated financial statements should be read in conjunction with the Company's annual report filed on Form 10-K for the year ended December 31, 1999, and Form 10-Q for the period ended June 30, 2000.

The unaudited pro forma consolidated financial statements are not necessarily indicative of what the actual financial position or results of operations of the Company would have been at June 30, 2000 or December 31, 1999 assuming the transaction had been completed as set forth above, nor does it purport to represent the financial position or results of the Company in the future periods.

THE ST. JOE COMPANY
 Pro Forma Consolidated Balance Sheet
 June 30, 2000
 (Unaudited)
 (In thousands)

	Historical -----	Spin-off of FLA(a) -----	Other Adjustments -----	Pro Forma -----
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 80,699	(12,460)	(2,677)(b), (c)	65,562
Short-term investments	89,862	(55,299)	-	34,563
Accounts receivable	45,262	(26,922)	-	18,340
Inventory	5,258	(4,651)	-	607
Other assets	10,373	(5,433)	1,000	5,940
	-----	-----	-----	-----
Total current assets	231,454	(104,765)	(1,677)	125,012
Investments and other assets:				
Marketable securities	118,375	(951)	-	117,424
Investment in unconsolidated affiliates	83,431	(15,392)	-	68,039
Prepaid pension asset	68,271	-	-	68,271
Goodwill	137,623	-	-	137,623
Other assets	27,343	(16,149)	-	11,194
	-----	-----	-----	-----
Total investment and other assets	435,043	(32,492)	-	402,551
Investment in real estate	822,499	(417,066)	-	405,433
Property, plant & equipment, net	449,969	(402,417)	-	47,552
	-----	-----	-----	-----
Total assets	\$1,938,965	(956,740)	(1,677)	980,548
	=====	=====	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities:				
Accounts payable	\$ 50,142	(18,998)	-	31,144
Accrued liabilities	77,567	(45,969)	-	31,598
Income tax payable (receivable)	4,553	(5,379)	1,668(b)	842
Current portion of long-term debt	43,084	-	-	43,084
	-----	-----	-----	-----
Total current liabilities	175,346	(70,346)	1,668	106,668
Reserves and other liabilities	20,460	(12,671)	-	7,789
Deferred income taxes	274,979	(134,031)	(9,608)	131,340
Long-term debt	209,707	-	-	209,707
Minority interest in consolidated subsidiaries	343,932	(341,326)	-	2,606
	-----	-----	-----	-----
Total liabilities	1,024,424	(558,374)	(7,940)	458,110
Stockholders' Equity:				
Common stock, no par value; 180,000,000 shares authorized; 91,697,811 issued and outstanding	13,131	-	-	13,131
Accumulated other comprehensive income	70,314	-	-	70,314
Retained earnings	992,623	(398,366)	6,263(b), (c), (d)	600,520
Restricted stock deferred compensation	(2,910)	-	-	(2,910)
Treasury stock, 6,715,339 shares, at cost	(158,617)	-	-	(158,617)
	-----	-----	-----	-----
Total stockholders' equity	914,541	(398,366)	6,263	522,438
	-----	-----	-----	-----
Total liabilities and stockholders' equity	\$1,938,965	(956,740)	(1,677)	980,548
	=====	=====	=====	=====

See accompanying notes to pro forma consolidated balance sheet.

The St. Joe Company
Notes to Pro Forma Consolidated Balance Sheet
June 30, 2000
(Unaudited)
(In thousands)

- (a) Effective October 9, 2000, the Company completed its tax-free pro-rata spin-off of its 54% equity interest in Florida East Coast Industries, Inc. ("FLA") to the Company's shareholders. The June 30, 2000 historical balance sheet included FLA on a consolidated basis. This pro forma adjustment represents the deconsolidation and dividend distribution of the Company's 54% equity interest in FLA. The adjustment also includes the add-back of intercompany transactions between the Company and FLA, which were formerly eliminated in consolidation. The intercompany transactions primarily relate to management and development fees paid to the Company by FLA, of which \$2,280 was capitalized to investment in real estate and other assets owned by FLA and \$2,280 was recorded as an increase in retained earnings of the Company.
- (b) In contemplating the spin-off, the Company and FLA entered into an Amended and Restated Master Agreement, which provides for several property management and development service agreements between the two companies. In consideration of FLA's execution of the Amended and Restated Master Agreement, the Company will pay to FLA the sum of \$6,000 in three annual installments, the first installment being due on the effective date of the spin-off. Each annual installment will be amortized to expense over the one-year period following the date of payment. The first installment of \$2,000 has been included as a reduction of cash, \$1,000 of which has been prepaid and \$615 of which reduces the Company's retained earnings, net of a corresponding tax benefit of \$385. In addition, in consideration of the abandonment by the Company of its entitlement to become a 50% joint venture partner in certain properties previously agreed to between the Company and FLA, FLA will pay to the Company the sum of \$5,323 on the effective date of the spin-off. Such amount is presented as an increase in cash and retained earnings of the Company, net of a corresponding tax expense of \$2,053.
- (c) The estimated costs related to the spin-off transaction total approximately \$6,000 and include investment banker's, legal and tax advisory fees. This amount is presented as a decrease in cash and retained earnings of the Company. There is no corresponding tax effect as the items are not tax deductible.
- (d) The Company has recorded a deferred tax liability of \$9,608 related to undistributed earnings from FLA during the Company's period of ownership. This deferred tax liability is reversed through operations as of the effective date of the spin-off.

THE ST. JOE COMPANY
 Pro Forma Consolidated Statement of Income
 Six Months Ended June 30, 2000
 (Unaudited)
 (in thousands, except for per share data)

	Historical	Spin-off of FLA (a)	Other Adjustments	Pro Forma
	-----			-----
Operating revenues	\$ 433,044	(129,362)	--	303,682
Expense:				
Operating expenses	324,177	(87,866)	1,000(b)	237,311
Corporate expense, net	11,678	--	--	11,678
Depreciation and amortization	28,436	(18,238)	--	10,198
	-----			-----
Total expenses	364,291	(106,104)	1,000	259,187
	-----			-----
Operating profit	68,753	(23,258)	(1,000)	44,495
	-----			-----
Other income (expense):				
Investment income	8,137	(4,435)	--	3,702
Interest expense	(4,941)	1,087	--	(3,854)
Other, net	3,341	(769)	--	2,572
	-----			-----
Total other income	6,537	(4,117)	--	2,420
	-----			-----
Income before income taxes and minority interest	75,290	(27,375)	(1,000)	46,915
Income tax expense	29,376	(9,673)	(1,056)(b)(c)	18,647
Minority interest	8,328	(8,216)	--	112
	-----			-----
Net income	\$ 37,586	(9,486)	56	28,156
	=====			=====
 EARNINGS PER SHARE				
Basic:	0.44			0.33
Diluted:	0.43			0.32
 Weighted average shares outstanding				
Basic:	85,167			85,167
Diluted:	86,730			86,730

See accompanying notes to pro forma consolidated statement of income.

THE ST. JOE COMPANY
 Pro Forma Consolidated Statement of Income
 Year Ended December 31, 1999
 (Unaudited)
 (In thousands, except for per share data)

	Historical -----	Spin-off of FLA(a) -----	Other Adjustments -----	Pro Forma -----
Operating revenues	\$ 750,412	(321,358)	--	429,054
Expenses:				
Operating expenses	589,588	(229,269)	2,000(b)	362,319
Corporate expense	16,361	--	--	16,361
Depreciation and amortization	49,368	(32,867)	--	16,501
Impairment losses	7,162	--	--	7,162
Total expenses	662,479	(262,136)	2,000	402,343
Operating profit	87,933	(59,222)	(2,000)	26,711
Other income:				
Investment income	13,006	(5,901)	--	7,105
Gains on sales and	15,360	--	--	15,360
Other, net	4,544	(680)	--	3,864
Total other income	32,910	(6,581)	--	26,329
Income from continuing operations before income taxes and minority interest	120,843	(65,803)	(2,000)	53,040
Income tax expense	23,961	(25,231)	(2,320)(b),(c)	(3,590)
Minority interest	19,243	(18,742)	--	501
Income from continued operations	77,639	(21,830)	320	56,129
Income from discontinued operations:				
Earnings from discontinued	5,364	--	--	5,364
Gain on sale of discontinued	41,354	--	--	41,354
Net income	\$ 124,357	(21,830)	320	102,847
	=====	=====	=====	=====
EARNINGS PER SHARE				
Basic:				
Income from continued	\$ 0.89			\$ 0.64
Earnings from discontinued	0.06			0.06
Gain on sale of discontinued	0.47			0.47
Net income	\$ 1.42			\$ 1.17
	=====			=====
Diluted:				
Income from continued	\$ 0.88			\$ 0.63
Earnings from discontinued	0.06			0.06
Gain on sale of discontinued	0.46			0.46
Net income	\$ 1.40			\$ 1.15
	=====			=====
Weighted average shares outstanding				
Basic:	87,691			87,691
Diluted:	88,553			88,553

See accompanying notes to pro forma consolidated statement of income.

The St. Joe Company
Notes to Pro Forma Consolidated Statements of Income
For the Six Month Period Ended June 30, 2000
and the Year Ended December 31, 1999
(Unaudited)
(In thousands)

- (a) This pro forma adjustment represents the deconsolidation of the revenues and expenses, including minority interest and income tax expense, attributable to FLA for the related period. These amounts are removed from the Company's historical balances to reflect the spin-off as if it occurred on January 1, 1999. The adjustment also includes the add-back of intercompany transactions between the Company and FLA, which were formerly eliminated in consolidation. The intercompany transactions primarily relate to asset management fees and management fees expenses between the Company and FLA. The resulting additions to operating revenues for the six months ended June 30, 2000 and the year ended December 31, 1999 totaled \$1,482 and \$3,374, respectively. The resulting additions to operating expenses for the six months ended June 30, 2000 and the year ended December 31, 1999 totaled \$1,309 and \$3,164, respectively.
- (b) As previously discussed in note (b) of the Notes to Pro Forma Consolidated Balance Sheet, in consideration of FLA's execution of the Amended and Restated Master Agreement, the Company will pay to FLA the sum of \$6,000 in three annual installments, with each installment to be amortized to management fee expense over the subsequent one-year period. Included in the six months and year ended pro forma statements of income, are management fee expenses of \$1,000 and \$2,000 and related tax benefits of \$386 and \$772, respectively, related to the amortization of such payments.
- (c) This adjustment represents the reversal of deferred tax expense previously recorded for the undistributed earnings of FLA, which totaled \$670 and \$1,548, respectively, during the six months ended June 30, 2000 and the year ended December 31, 1999.