

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 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): November 4, 2008

THE ST. JOE COMPANY

(Exact Name of Registrant as Specified in Its Charter)

Florida

(State or Other Jurisdiction
of Incorporation)

1-10466

(Commission File Number)

59-0432511

(IRS Employer Identification No.)

245 Riverside Avenue, Suite 500
Jacksonville, FL

(Address of Principal Executive Offices)

32202

(Zip Code)

(904) 301-4200

(Registrant's Telephone Number, Including Area Code)

Not Applicable

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On November 4, 2008, The St. Joe Company (the "Company") issued a press release announcing the Company's financial results for the quarter ended September 30, 2008. A copy of the press release is furnished with this Form 8-K as Exhibit 99.1.

Also furnished herewith as Exhibit 99.2 are tables containing certain additional information regarding the results of operations of the Company for the quarter ended September 30, 2008.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS

(c) Exhibits

99.1 Press Release dated November 4, 2008

99.2 Additional information tables for the quarter ended September 30, 2008

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: November 4, 2008

By: /s/ William S. McCalmont
William S. McCalmont
Chief Financial Officer

The St. Joe Company Reports Third Quarter 2008 Financial Results

JACKSONVILLE, Fla.--(BUSINESS WIRE)--November 4, 2008--The St. Joe Company (NYSE:JOE) today announced a Net Loss for the third quarter 2008 of \$(19.2) million, or \$(0.21) per share, compared to a Net Loss of \$(6.8) million, or \$(0.09) per share, for the third quarter of 2007. All per share references in this release are presented on a diluted basis.

JOE's third quarter results included the following significant charges which totaled \$13.0 million, or \$0.09 per share after-tax:

- Pre-tax restructuring charge of \$1.3 million, or \$0.01 per share after-tax, and a related \$1.9 million pension charge, or \$0.01 per share after-tax;
- Pre-tax impairment of \$1.3 million and pre-tax loss of \$1.9 million related to abandoned property, or an aggregate of \$0.02 per share after-tax, associated with certain of JOE's communities; and
- \$6.6 million pre-tax loss, or \$0.05 per share after-tax, related to a fair value adjustment on retained interests of monetized installment notes.

For the third quarter of 2007, JOE recorded pre-tax impairment losses totaling \$20.4 million, a \$5.0 million termination fee paid to a third party management company and the pre-tax gain on the sale of two buildings reported in discontinued operations totaling \$10.2 million, for an aggregate Net Loss per share of \$0.17 after-tax.

Third Quarter Highlights

“During these extraordinary times that are impacting the entire real estate industry, we continue to make progress in the third quarter fortifying JOE,” said Britt Greene, JOE's President and CEO. “With virtually no debt and a strong cash position, JOE's solid balance sheet better positions us to withstand the global financial crisis and the downturn in the Florida real estate market. We remain committed to continuing to manage costs during this prolonged downturn and will maintain our focus on managing our inventory and assets to preserve long-term shareholder value. At the same time, we are focusing on the opportunities presented by the opening of the airport and are positioning JOE for when the real estate markets begin to recover.”

Highlights during the third quarter include:

- JOE entered into a new \$100 million revolving credit facility with Branch Banking and Trust Company;
- JOE ended the quarter with \$106.3 million of cash after receiving \$69.0 million in net cash proceeds from the monetization of \$77.9 million of installment notes receivable; and
- After the end of the third quarter, the U.S. District Court in Jacksonville issued a final order denying an attempt to halt construction of the new airport. Meanwhile, construction of the Panama City – Bay County International Airport continued to move forward on time and on budget.

Third Quarter Operating Results

“The third quarter operating results reflect a challenging environment,” said Greene. “The summer selling season in our resort markets was disappointing and the primary home market remains difficult. We continue to see long-term interest in Northwest Florida commercial markets, but they continue to be affected by the current economic conditions.”

- Resort and primary residential sales generated \$8.7 million in revenue;
- Commercial land sales generated \$2.2 million;
- Rural land sales generated \$2.4 million in revenue from the sale of 346 acres; and
- The forestry segment generated \$5.9 million in revenue primarily from the sale of 327,000 tons of wood fiber.

Commitment to a Solid Balance Sheet

At September 30, 2008, JOE had cash and pledged treasury securities of \$135.7 million, compared to debt of \$50.8 million, which includes \$29.4 million of defeased debt.

In the third quarter, JOE entered into a new \$100 million revolving credit facility with Branch Banking and Trust Company. JOE has not drawn on this facility, which matures in September 2011.

“Given the current state of the capital markets, we are pleased that we were able to close this three-year borrowing facility,” said William S. McCalmont, JOE’s Chief Financial Officer. “We have a solid balance sheet, virtually no debt, and no current plans to draw on this new facility.”

In the third quarter, JOE implemented its previously announced staff reductions. As a result, the company expects to reduce its projected salary run rate for the fourth quarter 2008 by over 40 percent, compared with the same quarter in 2007.

New Panama City Airport at WestBay

“As construction continues on the new Panama City Airport, JOE is aggressively pursuing opportunities for its assets adjacent to the airport in the 75,000-acre WestBay Sector Plan,” said Greene. “JOE is working with regional and national partners to attract economic development projects to WestBay concentrating on economic clusters expected to have significant growth potential. JOE is also working with business groups in Northwest Florida to attract additional air service to the new airport.”

Almost half of the site infrastructure work, including the primary runway, has been completed. The Airport Authority projects a May 2010 opening. A new web site, www.newpcairport.com, has been created by the Airport Authority to provide updates on the new airport construction project.

Last week, the U.S. District Court in Jacksonville dismissed with prejudice the claims challenging the airport’s Clean Water Act Section 404 permit. There is a 60-day appeal period. JOE was an intervener in the case.

Land Holdings and Entitlements

On September 30, 2008, JOE owned approximately 607,000 acres, concentrated primarily in Northwest Florida. Approximately 426,000 acres, or 70 percent, of JOE’s total land holdings are within 15 miles of the coast of the Gulf of Mexico.

On September 30, 2008, JOE’s land-use entitlements in hand or in process totaled approximately 45,600 residential units and approximately 14.4 million square feet of commercial space, as well as an additional 592 acres with land-use entitlements for commercial uses.

Year-to-Date Results

Net Loss for the first nine months of 2008 was \$(8.0) million, or \$(0.09) per share, compared to Net Income of \$38.2 million, or \$0.51 per share, for the first nine months of 2007. Included in results for the first nine months of 2008 were the following significant charges:

- \$30.6 million pre-tax, or \$0.21 per share after-tax, related to a loss on the early extinguishment of debt;
- Pre-tax restructuring charge of \$4.3 million, or \$0.03 per share after-tax, and a related \$1.9 million pension charge, or \$0.01 per share after-tax;
- Pre-tax impairment charge of \$4.6 million and pre-tax loss of \$1.9 million related to abandoned property, or an aggregate of \$0.04 per share after-tax; and
- \$8.5 million pre-tax loss on the monetization of installment notes, or \$0.06 per share after-tax.

Results for the first nine months of 2007 included the pre-tax gain of \$7.8 million reported in continuing operations related to the sale of three buildings in which we have continuing involvement and the pre-tax gain on the sale of 14 buildings reported in discontinued operations totaling \$47.8 million, for an aggregate Net Income per share of \$0.49 after-tax. In addition to the third quarter 2007 charges referenced above, a charge of \$2.2 million pre-tax, or \$0.02 per share after-tax, was recorded during the first quarter in discontinued operations relating to the 2007 sale of Saussy Burbank.

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

Consolidated Results

	Quarter Ended Sept. 30,		Nine Months Ended Sept. 30,	
	2008	2007	2008	2007
Revenues				
Real estate sales	\$13.3	\$56.1	\$161.4	\$227.9
Timber sales	5.9	7.8	20.0	19.4
Rental revenue	0.4	0.4	1.0	2.4
Other revenues	13.2	13.1	34.9	33.6
Total revenues	<u>32.8</u>	<u>77.4</u>	<u>217.3</u>	<u>283.3</u>
Expenses				
Cost of real estate sales	8.7	17.6	48.2	110.5
Cost of timber sales	4.9	5.9	14.8	15.7
Cost of rental revenue	0.2	0.2	0.4	1.5
Cost of other revenues	13.6	13.1	37.6	34.1
Other operating expenses	14.4	19.4	43.1	50.4
Corporate expense, net	8.0	8.9	26.0	26.1
Restructuring charge	1.3	(0.3)	4.3	2.6
Impairment losses	1.3	13.0	4.6	13.0
Depreciation and amortization	4.1	5.0	13.3	14.4
Total expenses	<u>56.5</u>	<u>82.8</u>	<u>192.3</u>	<u>268.3</u>
Operating profit (loss)	(23.7)	(5.4)	25.0	15.0
Other income (expense)	(6.9)	(5.2)	(38.6)	(1.4)
Pretax income (loss) from continuing operations	(30.6)	(10.6)	(13.6)	13.6
Income tax (expense) benefit	11.5	4.0	5.6	(1.8)
Minority interest income (expense)	--	(0.1)	0.5	(0.9)
Equity (loss) in income of unconsolidated affiliates	--	(1.0)	(0.3)	--
Discontinued operations, net of tax	(0.1)	0.9	(0.2)	27.3
Net (loss) income	<u>\$ (19.2)</u>	<u>\$ (6.8)</u>	<u>\$ (8.0)</u>	<u>\$ 38.2</u>
Net (loss) income per share	<u>\$ (0.21)</u>	<u>\$ (0.09)</u>	<u>\$ (0.09)</u>	<u>\$ 0.51</u>
Weighted average shares	<u>91,323,588</u>	<u>73,936,181</u>	<u>87,236,860</u>	<u>74,303,359</u>

Revenues by Segment

	<u>Quarter Ended Sept. 30,</u>		<u>Nine Months Ended Sept. 30,</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Residential				
Real estate sales	\$8.7	\$18.1	\$25.8	\$79.0
Rental revenue	0.3	0.3	0.9	1.0
Other revenues	13.2	13.1	34.9	33.6
Total Residential	<u>22.2</u>	<u>31.5</u>	<u>61.6</u>	<u>113.6</u>
Commercial				
Real estate sales	2.2	6.1	3.1	17.4
Rental revenue	0.1	0.1	0.1	1.4
Other revenues	--	--	--	--
Total Commercial	<u>2.3</u>	<u>6.2</u>	<u>3.2</u>	<u>18.8</u>
Rural Land sales	2.4	31.9	132.5	131.5
Forestry sales	5.9	7.8	20.0	19.4
Total revenues	<u>\$32.8</u>	<u>\$77.4</u>	<u>\$217.3</u>	<u>\$283.3</u>

Summary Balance Sheet

	<u>September 30, 2008</u>	<u>December 31, 2007</u>
Assets		
Investment in real estate	\$930.4	\$944.5
Cash and cash equivalents	106.3	24.3
Pledged treasury securities	29.4	30.7
Notes receivable	52.1	56.3
Prepaid pension asset	83.2	109.3
Property, plant and equipment, net	20.2	23.7
Other assets	99.4	67.0
Assets held for sale	5.6	8.1
Total assets	\$1,326.6	\$1,263.9
Liabilities and Stockholders' Equity		
Debt	\$50.8 (1)	\$541.2 (1)
Accounts payable, accrued liabilities	129.9	152.3
Deferred income taxes	99.6	83.5
Liabilities of assets held for sale	0.3	0.3
Total liabilities	280.6	777.3
Minority interest	3.0	6.3
Total stockholders' equity	1,043.0	480.3
Total liabilities and stockholders' equity	\$1,326.6	\$1,263.9

Debt Schedule

	<u>September 30, 2008</u>	<u>December 31, 2007</u>
Senior revolving credit facility	\$ --	\$132.0
Senior notes	--	240.0
Term loan	--	100.0
Debt unsecured or secured by properties or securities	50.8(1)	69.2(1)
Total debt	<u>\$50.8</u>	<u>\$541.2</u>

(1) Includes debt defeased in connection with the sale of our office portfolio in the amounts of \$29.4 million at September 30, 2008 and \$30.7 million at December 31, 2007.

Additional Information

Additional information with respect to the Company's results for the third quarter 2008 will be made available in a Form 8-K and Form 10-Q that will be filed with the Securities and Exchange Commission today.

Conference Call Information

On November 4, 2008, at 10:30 a.m. (EST), JOE will host an interactive conference call to review the company's results for the quarter ended September 30, 2008.

To participate in the call, please phone 866.409.1555 (for domestic calls from the United States) or 913.312.1455 (for international calls) approximately ten minutes before the scheduled start time. You will be asked for a confirmation code which is 3949328. Approximately three hours following the call, you may access a replay of the call by phoning 888.203.1112 (domestic) or 719.457.0820 (international) using access code 3949328. The replay will be available for one week.

JOE will also web cast the conference call live over the internet in a listen-only format. Listeners can participate by visiting the company's web site at www.joe.com. Access will be available 15 minutes prior to the scheduled start time. A replay of the conference call will be posted to the JOE web site approximately three hours following the call. The replay of the call will be available for one week.

About JOE

The St. Joe Company (NYSE:JOE), a publicly held company based in Jacksonville, is one of Florida's largest real estate development companies. We are primarily engaged in real estate development and sales, with significant interests in timber. Our mission is to create places that inspire people and make JOE's Florida an even better place to live, work and play. We're no ordinary JOE.

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

Forward-Looking Statements

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

- future operating performance, revenues, earnings, cash flows, and short and long-term revenue and earnings growth rates;
- future residential and commercial entitlements;
- expected development timetables and projected timing for sales or closings of housing units or home sites in a community;
- development approvals and the ability to obtain such approvals, including possible legal challenges;
- the anticipated price ranges of developments;
- the number of units or commercial square footage that can be supported upon full build out of a development;
- the number, price and timing of anticipated land sales or acquisitions;
- estimated land holdings for a particular use within a specific time frame;
- absorption rates and expected gains on land and home site sales;
- the levels of resale inventory in our developments and the regions in which they are located;
- the development of relationships with strategic partners, including homebuilders;
- the pace at which we release new products for sale;
- comparisons to historical projects;
- the amount of dividends, if any, we pay; and
- the number or dollar amount of shares of company stock which may be purchased under our existing or future share-repurchase programs.

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

Forward-looking statements are subject to numerous assumptions, risks and uncertainties. Factors that could cause actual results to differ materially from those contemplated by a forward-looking statement include the risk factors described in our annual report on Form 10-K for the year ended December 31, 2007 and our quarterly reports on Form 10-Q, as well as, among others, the following:

- a continued downturn in the real estate markets in Florida and across the nation;
- a continued crisis in the national financial markets and the financial services and banking industries;
- a continued decline in national economic conditions;
- economic conditions in Northwest Florida, Florida as a whole and key areas of the southeastern United States that serve as feeder markets to our Northwest Florida operations;
- the lack of available mortgage financing, increases in foreclosures and changes in interest rates;
- changes in the demographics affecting projected population growth in Florida, including the demographic migration of Baby Boomers;
- the inability to raise sufficient cash to enhance and maintain our operations and to develop our real estate holdings;
- an event of default under our credit facility or the restructuring of such debt on terms less favorable to us;
- possible future write-downs to the book value of our real estate assets;
- the termination of sales contracts or letters of intent due to, among other factors, the failure of one or more closing conditions or market changes;
- a failure to attract homebuilding customers for our developments, or their failure to satisfy their purchase commitments;
- the failure to attract desirable strategic partners, complete agreements with strategic partners and/or manage relationships with strategic partners going forward;
- natural disasters, including hurricanes and other severe weather conditions, and the impact on current and future demand for our products in Florida;
- whether our developments receive all land-use entitlements or other permits necessary for development and/or full build-out or are subject to legal challenge;
- local conditions such as the supply of homes and home sites and residential or resort properties or a change in the demand for real estate in an area;
- timing and costs associated with property developments;
- the pace of commercial development in Northwest Florida;
- competition from other real estate developers;
- changes in pricing of our products and changes in the related profit margins;
- changes in operating costs, including real estate taxes and the cost of construction materials;
- changes in the amount or timing of federal and state income tax liabilities resulting from either a change in our application of tax laws, an adverse determination by a taxing authority or court, or legislative changes to existing laws;
- the failure to realize significant improvements in job creation and public infrastructure in Northwest Florida, including the development of a proposed new airport in Bay County, which is dependent on the availability of adequate funding and the successful resolution of any legal challenges;
- potential liability under environmental laws or other laws or regulations;
- changes in laws, regulations or the regulatory environment affecting the development of real estate;
- fluctuations in the size and number of transactions from period to period;
- the prices and availability of labor and building materials;
- changes in insurance rates and deductibles for property in Florida, particularly in coastal areas;
- high property tax rates in Florida, and future changes in such rates;
- changes in gasoline prices; and
- acts of war, terrorism or other geopolitical events.

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

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or

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Table 1
Summary of Land-Use Entitlements ⁽¹⁾
Active JOE Residential and Mixed-Use Projects
September 30, 2008

Project	Class⁽²⁾	County	Project Acres	Project Units⁽³⁾	Residential Units Closed Since Inception	Residential Units Under Contract as of 9/30/08	Total Residential Unit Remaining	Remaining Commercial Entitlements (Sq. Ft.)⁽⁴⁾
In Development: ⁽⁵⁾								
Artisan Park ⁽⁶⁾	PR	Osceola	175	618	579	--	39	--
Cutter Ridge	PR	Franklin	10	25	--	--	25	--
Hawks Landing	PR	Bay	88	168	129	2	37	--
Landings at Wetappo	RR	Gulf	113	24	7	--	17	--
Palmetto Trace	PR	Bay	141	481	480	--	1	--
PineWood	PR	Bay	104	264	--	--	264	--
RiverCamps on Crooked Creek	RS	Bay	1,491	408	188	--	220	--
RiverSide at Chipola	RR	Calhoun	120	10	2	--	8	--
RiverTown	PR	St. Johns	4,170	4,500	30	--	4,470	500,000
SevenShores	VAR	Manatee	192	686	--	--	686	9,000
SouthWood	VAR	Leon	3,370	4,770	2,535	--	2,235	4,577,360
St. Johns Golf & Country Club	PR	St. Johns	880	799	798	--	1	--
SummerCamp Beach	RS	Franklin	762	499	81	--	418	25,000
Victoria Park	VAR	Volusia	1,859	4,200	1,448	40	2,712	818,654
WaterColor	RS	Walton	499	1,140	886	1	253	47,600
WaterSound	VAR	Walton	2,425	1,432	23	--	1,409	457,380
WaterSound Beach	RS	Walton	256	511	445	--	66	29,000
WaterSound West Beach	RS	Walton	62	199	37	--	162	--
Wild Heron ⁽⁷⁾	RS	Bay	17	28	2	--	26	--
WindMark Beach	RS	Gulf	2,020	1,662	137	1	1,524	75,000
Subtotal			<u>18,754</u>	<u>22,424</u>	<u>7,807</u>	<u>44</u>	<u>14,573</u>	<u>6,538,994</u>
In Pre-Development: ⁽⁵⁾								
Avenue A	PR	Gulf	6	96	--	--	96	--
Bayview Estates	PR	Gulf	31	45	--	--	45	--
Bayview Multifamily	PR	Gulf	20	300	--	--	300	--
Beacon Hill	RR	Gulf	3	12	--	--	12	--
Beckrich NE	PR	Bay	15	70	--	--	70	--
Boggy Creek	PR	Bay	630	526	--	--	526	--
Bonfire Beach	RS	Bay	550	750	--	--	750	70,000
Breakfast Point, Phase 1	VAR	Bay	115	320	--	--	320	--
Carrabelle East	PR	Franklin	200	600	--	--	600	--
College Station	PR	Bay	567	800	--	--	800	--
DeerPoint Cedar Grove	PR	Bay	668	950	--	--	950	--
East Lake Creek	PR	Bay	81	313	--	--	313	--
East Lake Powell	RS	Bay	181	360	--	--	360	30,000
Howards Creek	RR	Gulf	8	33	--	--	33	--
Laguna Beach West	PR	Bay	59	382	--	--	382	--
Long Avenue	PR	Gulf	10	30	--	--	30	--
Palmetto Bayou	PR	Bay	58	217	--	--	217	90,000
ParkSide	PR	Bay	48	480	--	--	480	--
Pier Park NE	VAR	Bay	57	460	--	--	460	190,000
Pier Park Timeshare	RS	Bay	13	125	--	--	125	--
Port St. Joe Draper, Phase 1	PR	Gulf	639	1,200	--	--	1,200	--
Port St. Joe Draper, Phase 2	PR	Gulf	981	2,125	--	--	2,125	150,000
Port St. Joe Town Center	VAR	Gulf	180	624	--	--	624	500,000
Powell Adams	RS	Bay	56	2,520	--	--	2,520	--
Sabal Island	RS	Gulf	45	18	--	--	18	--
South Walton Multifamily	PR	Walton	40	212	--	--	212	--
St. James Island Granite Point	RS	Franklin	1,000	2,000	--	--	2,000	--
Star Avenue North	VAR	Bay	271	1,248	--	--	1,248	380,000
The Cove	RR	Gulf	64	107	--	--	107	--
Timber Island ⁽⁸⁾	RS	Franklin	49	407	--	--	407	14,500
Topsail	VAR	Walton	115	627	--	--	627	300,000
Wavecrest	RS	Bay	7	95	--	--	95	--
WestBay Corners SE	VAR	Bay	100	524	--	--	524	50,000
WestBay Corners SW	PR	Bay	64	160	--	--	160	--
WestBay DSAP	VAR	Bay	15,089	5,628	--	--	5,628	4,330,000
WestBay Landing ⁽⁹⁾	VAR	Bay	950	214	--	--	214	--
Subtotal			<u>22,970</u>	<u>24,578</u>	<u>--</u>	<u>--</u>	<u>24,578</u>	<u>6,104,500</u>
Total			<u>41,724</u>	<u>47,002</u>	<u>7,807</u>	<u>44</u>	<u>39,151</u>	<u>12,643,494</u>

- (1) A project is deemed land-use entitled when all major discretionary governmental land-use approvals have been received. Some of these projects may require additional permits for development and/or build-out; they also may be subject to legal challenge.
- (2) Current JOE land classifications:
 - PR – Primary residential.
 - RS – Resort and seasonal residential.
 - RR – Rural residential.
 - VAR – Includes multiple classifications. For example, a project may have substantial commercial and residential acres.
- (3) Project units represent the maximum number of units entitled or currently expected at full build-out. The actual number of units or square feet to be constructed at full build-out may be lower than the number entitled or currently expected.
- (4) Represents the remaining square feet with land-use entitlements as designated in a development order or expected given the existing property land use or zoning and present plans. The actual number of square feet to be constructed at full build-out may be lower than the number entitled. Commercial entitlements include retail, office and industrial uses. Industrial uses total 6,128,381 square feet including SouthWood, RiverTown and the West Bay DSAP.
- (5) A project is “in development” when construction on the project has commenced. A project in “pre-development” has land-use entitlements but is still under internal evaluation or requires one or more additional permits prior to the commencement of construction.
- (6) Artisan Park is 74 percent owned by JOE.
- (7) In August 2007, we acquired certain home sites within the Wild Heron community.
- (8) Timber Island entitlements include seven residential units and 400 units for hotel or other transient uses (including units held with fractional ownership such as private residence clubs) and include 480 wet/dry marina slips.
- (9) West Bay Landing is a sub-project within WestBay DSAP.

Table 2
Proposed JOE Residential and Mixed-Use Projects
In the Land-Use Entitlement Process ⁽¹⁾
September 30, 2008

Project	Class ⁽²⁾	County	Project Acres	Estimated Project Units ⁽³⁾	Estimated Commercial Entitlements (Sq. Ft.) ⁽⁴⁾
Breakfast Point, Phase 2	VAR	Bay	1,299	2,780	635,000
SouthSide	VAR	Leon	1,625	2,800	1,150,000
St. James Island McIntyre	RR	Franklin	1,704	340	--
St. James Island RiverCamps	RS	Franklin	2,500	500	--
Total			7,128	6,420	1,785,000

- (1) A project is deemed to be in the land-use entitlement process when customary steps necessary for the preparation and submittal of an application, such as conducting pre-application meetings or similar discussions with governmental officials, have commenced and/or an application has been filed. All projects listed have significant entitlement steps remaining that could affect their timing, scale and viability. There can be no assurance that these entitlements will ultimately be received.
- (2) Current JOE land classifications:
 - PR – Primary residential.
 - RS – Resort and seasonal residential.
 - RR – Rural residential.
 - VAR – Includes multiple classifications. For example, a project may have substantial commercial and residential acres.
- (3) The actual number of units to be constructed at full build-out may be lower than the number ultimately entitled.
- (4) Represents the estimated number of entitlements that are being sought. The actual number of entitlements approved may be less. Once entitled, the actual number of square feet to be constructed at full build-out may be lower than the actual number eventually entitled. Commercial entitlements include retail, office and industrial uses.

Table 3
Summary of Additional Commercial Land-Use Entitlements ⁽¹⁾
(Commercial Projects Not Included in Tables 1 and 2 Above)
Active JOE Commercial Projects
September 30, 2008

<u>Project</u>	<u>County</u>	<u>Project Acres</u>	<u>Acres Sold Since Inception</u>	<u>Acres Under Contract As of 9/30/08</u>	<u>Total Acres Remaining</u>
Airport Commerce	Leon	45	10	--	35
Alf Coleman Retail	Bay	25	23	--	2
Beach Commerce	Bay	157	151	--	6
Beach Commerce II	Bay	112	13	--	99
Beckrich Office Park	Bay	17	12	--	5
Beckrich Retail	Bay	44	41	--	3
Cedar Grove Commerce	Bay	51	5	--	46
Franklin Industrial	Franklin	7	--	--	7
Glades Retail	Bay	14	--	--	14
Gulf Boulevard	Bay	78	27	--	51
Hammock Creek Commerce	Gadsden	165	27	--	138
Mill Creek Commerce	Bay	37	--	--	37
Nautilus Court	Bay	11	7	--	4
Port St. Joe Commerce II	Gulf	39	9	--	30
Port St. Joe Commerce III	Gulf	50	--	--	50
Powell Hills Retail	Bay	44	--	--	44
South Walton Commerce	Walton	38	17	--	21
Total		934	342	--	592

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

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

	2008				2007			
	<u>Number of Units Closed</u>	<u>Revenue</u>	<u>Cost of Sales ⁽¹⁾</u>	<u>Gross Profit</u>	<u>Number of Units Closed</u>	<u>Revenue</u>	<u>Cost of Sales ⁽¹⁾</u>	<u>Gross Profit</u>
Home Sites ⁽²⁾	74	\$6.0	\$4.5	\$1.5	49	\$8.4	\$4.0	\$4.4
Homes ⁽³⁾	3	2.3	2.1	0.2	17	9.6	8.0	1.6
Total	77	\$8.3	\$6.6	\$1.7	66	\$18.0	\$12.0	\$6.0

(1) Cost of sales for home sites in the third quarter of 2008 consisted of \$3.9 million in direct costs, \$0.2 million in selling costs and \$0.4 million in indirect costs. Cost of sales for home sites in the third quarter of 2007 consisted of \$3.3 million in direct costs, \$0.3 million in selling costs and \$0.4 million in indirect costs. Cost of sales for homes in the third quarter of 2008 consisted of \$1.9 million in direct costs, \$0.1 million in selling costs and \$0.1 million in indirect costs. Cost of sales for homes in the third quarter of 2007 consisted of \$6.5 million in direct costs, \$0.4 million in selling costs and \$1.1 million in indirect costs.

(2) Profit has been deferred as a result of continuing development obligations at SummerCamp Beach in 2008 and 2007 and WaterSound West Beach in 2007. As a consequence, revenue recognition and closings may occur in different periods.

(3) Homes include single-family, multifamily units. Multifamily revenue is recognized, if preconditions are met, on a percentage-of-completion basis. As a consequence, revenue recognition and closings may occur in different periods. Paseos and Rivercrest, two joint ventures 50 percent owned by JOE, are not included; sales are complete at both of these communities.

Table 5
Residential Real Estate
Units Placed Under Contract
Three Months Ended September 30,

	2008	2007	Percentage Change
Home Sites	33	43	(23.3) %
Homes ⁽¹⁾	3	15	(80.0) %
Total	36	58	(37.9) %

⁽¹⁾ Homes include single-family homes, multifamily units. Paseos and Rivercrest, two unconsolidated joint ventures, are not included; sales are complete at both of these communities.

Table 6
Residential Real Estate
Backlog ⁽¹⁾
(\$ in millions)

	September 30, 2008		September 30, 2007	
	Units	Revenues	Units	Revenues
Home Sites	44	\$2.9	165	\$6.5
Homes	--	--	8	6.9
Total	44	\$2.9	173	\$13.4

⁽¹⁾ Backlog represents units under contract but not yet closed.

Table 7
Residential Real Estate
National Homebuilder Summary
of Home Site Commitments and Purchases
Activity During the
Three Months Ended September 30, 2008

	6/30/08 Commitments ⁽¹⁾	Closed	Average Price Closed Units	Change in Commitments	9/30/2008 Commitments
Beazer Homes					
Laguna West	232	--	--	--	232
SouthWood	20	20	\$47,934	--	--
Shea Homes					
Victoria Park	618	41	38,144	--	577
David Weekley Homes					
RiverTown	84	--	--	(38)	46
SouthWood	106	--	--	--	106
American Home Builders					
RiverTown	59	--	--	(59) ⁽²⁾	--
Cornerstone Homes					
RiverTown	23	--	--	--	23
Issa Homes					
RiverTown	66	--	--	--	66
Total	1,208	61		(97)	1,050

(1) Includes agreements with minimal down payments. Homebuilders may be more willing to delay or cancel commitments if they have only minimal down payments at risk.

(2) Commitment terminated during October 2008.

Table 8
Residential Real Estate Sales Activity
Three Months Ended September 30,
(\$ in thousands)

	2008				2007			
	Units Closed	Avg. Price	Accepted ⁽¹⁾	Avg. Price	Units Closed	Avg. Price	Accepted ⁽¹⁾	Avg. Price
Artisan Park ⁽²⁾								
Single-Family Homes	--	\$ --	--	\$ --	3	\$ 699.4	2	\$ 680.5
Multifamily Homes	2	437.5	2	414.6	3	387.5	3	387.5
Hawks Landing								
Home Sites	--	--	2	73.1	20	60.9	20	60.9
Paseos ⁽²⁾								
Single-Family Homes	--	--	--	--	1	605.0	3	458.3
Port St. Joe Primary								
Home Sites	1	55.0	1	55.0	--	--	--	--
RiverCamps at Crooked Creek								
Home Sites	--	--	--	--	2	300.4	2	300.4
Rivercrest ⁽²⁾								
Single-Family Homes	--	--	--	--	1	227.5	1	227.5
SouthWood								
Home Sites	20	47.9	20	47.9	14	95.9	14	94.5
St. Johns G & CC								
Single-Family Homes	--	--	--	--	2	479.0	2	479.0
The Hammocks								
Single-Family Homes	--	--	--	--	1	257.9	1	257.9
Victoria Park								
Home Sites	41	38.1	--	--	5	38.1	--	--
Single-Family Homes	1	202.0	1	202.0	3	285.4	2	253.5
WaterColor								
Home Sites	1	90.0	2	565.0	2	395.1	2	395.1
WaterSound								
Home Sites	1	120.0	1	120.0	1	188.1	1	188.1
WaterSound Beach								
Home Sites	5	452.5	2	408.6	1	2,000.0	1	2,000.0
Single-Family Homes	--	--	--	--	5	858.2	11	822.8
PRC Shares	--	--	--	--	--	--	(7)	275.0
WaterSound West Beach								
Home Sites	2	186.6	1	175.0	3	334.0	2	385.0
Single-Family Homes	--	--	--	--	--	--	1	895.0
Wild Heron								
Home Sites	1	215.0	1	215.0	--	--	--	--
WindMark Beach								
Home Sites	2	157.9	3	175.9	1	695.0	1	695.0
Total Home Sites	<u>74</u>	<u>\$ 80.5</u>	<u>33</u>	<u>\$ 125.6</u>	<u>49</u>	<u>\$ 163.8</u>	<u>43</u>	<u>\$ 176.4</u>
Total Single/Multifamily Homes	<u>3</u>	<u>\$ 359.0</u>	<u>3</u>	<u>\$ 343.7</u>	<u>19</u>	<u>\$ 550.3</u>	<u>19</u>	<u>\$ 730.0</u>

(1) Contracts accepted during the quarter. Contracts accepted and closed in the same quarter are also included as units closed. Average prices shown reflect variations in the product mix across time periods as well as price changes for similar product.

(2) JOE owns 74 percent of Artisan Park and 50 percent of Paseos and Rivercrest. Sales from Paseos and Rivercrest are not consolidated with the financial results of residential real estate.

Table 9
Commercial Land Sales
Three Months Ended September 30,
(Gross Sales Prices \$ in Thousands)

	Number of Sales	Acres Sold	Gross Sales Price	Average Price/Acre
2008	3	32	\$2,468	\$77,125
2007	10	20	6,208	310,400

Table 10
Rural Land Sales
Three Months Ended September 30,
(Gross Sales Price \$ in Thousands)

	Number of Sales	Acres Sold	Gross Sales Price	Average Price/Acre
2008	5	346	\$2,436	\$7,041
2007	7	21,073	31,884	1,513

FINANCIAL DATA
(\$ in millions)

Quarterly Segment Pretax Income (Loss)
From Continuing Operations

	Sept. 30, 2008	June 30, 2008	Mar 31, 2008	Dec 31, 2007	Sept 30, 2007	June 30, 2007	Mar 31, 2007	Dec 31, 2006	Sept 30, 2006
Residential	\$(13.0)	\$(13.3)	\$(18.7)	\$(11.4)	\$(26.2)	\$(1.0)	\$(5.4)	\$4.3	\$(7.6)
Commercial	(0.6)	(0.5)	(0.9)	4.6	2.3	8.5	0.1	13.6	8.2
Rural Land sales	2.0	24.1	80.1	24.5	27.8	7.2	40.4	26.7	12.2
Forestry	0.2	(1.1)	1.9	(1.9)	1.3	0.9	0.1	1.5	1.0
Corporate and other	(19.2)	(41.6)	(12.9)	(11.0)	(15.8)	(16.4)	(10.2)	(18.9)	(16.3)
Pretax income (loss) from continuing operations	<u>\$(30.6)</u>	<u>\$(32.4)</u>	<u>\$49.5</u>	<u>\$4.8</u>	<u>\$(10.6)</u>	<u>\$(0.8)</u>	<u>\$25.0</u>	<u>\$27.2</u>	<u>\$(2.5)</u>

Discontinued Operations, Net of Tax

	Three Months Ended Sept. 30,		Nine Months Ended Sept. 30,	
	2008	2007	2008	2007
Loss on sale of Saussy Burbank, net of tax	\$ --	\$ --	\$ --	\$ --
Income from Saussy Burbank operations, net of tax	--	--	--	1.0
Income (loss) from office buildings, net of tax	--	0.1	--	1.6
Gain from sale of office buildings, net of tax	--	2.5	--	28.4
Income (loss) from Sunshine State Cypress operations, net of tax	(0.1)	(1.7)	(0.2)	(3.7)
Net income (loss) from discontinued operations	<u>\$(0.1)</u>	<u>\$0.9</u>	<u>\$(0.2)</u>	<u>\$27.3</u>

Other Income (Expense)

	Three Months Ended Sept. 30,		Nine Months Ended Sept. 30,	
	2008	2007	2008	2007
Dividend and interest income	\$1.7	\$1.4	\$5.0	\$4.1
Interest expense	(0.1)	(3.5)	(4.4)	(14.5)
Gain on sale of office buildings	0.2	0.2	0.5	7.8
Other	0.5	(3.3)	1.3	1.2
Loss on early extinguishment of debt	(0.7)	--	(30.6)	--
Loss on demolition of property	(1.9)	--	(1.9)	--
Retained interest in monetized installment notes	(6.6)	--	(8.5)	--
Total	<u>\$(6.9)</u>	<u>\$(5.2)</u>	<u>\$(38.6)</u>	<u>\$(1.4)</u>