

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) February 2, 2005  
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The St. Joe Company  
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(Exact Name of Registrant as Specified in Its Charter)

Florida  
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(State or Other Jurisdiction of Incorporation)

1-10466

59-0432511  
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(Commission File Number)

(IRS Employer Identification No.)

245 Riverside Avenue, Suite 500, Jacksonville, FL

32202  
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(Address of Principal Executive Offices)

(Zip Code)

(904) 301-4200  
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(Registrant's Telephone Number, Including Area Code)

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

ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The Company issued a Press Release dated February 2, 2005, announcing the Company's financial results for the year ended December 31, 2004. A copy is furnished with this Form 8-K as Exhibit 99.1 and is incorporated by reference.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS

(c) Exhibits

99.1 Press Release dated February 2, 2005

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: February 2, 2005

By: /s/ Michael N. Regan  
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Name: Michael N. Regan  
Title: Senior Vice President

The St. Joe Company Reports Full Year 2004 Net Income of \$1.17 Per Share, an Increase of 19.4 Percent; Fourth Quarter Net Income Was \$28.1 Million, or \$0.37 Per Share

JACKSONVILLE, Fla.--(BUSINESS WIRE)--Feb. 2, 2005--The St. Joe Company (NYSE:JOE):

Milestones Reached in 2004 to Shape JOE's Future:  
 Land-Use Entitlements Received for JOE's Next Generation of Towns & Resorts  
 West Bay Sector Receives Land-Use Approvals  
 JOE Completes Pier Park Land Sale  
 RiverCamps Demonstrates Early Success  
 duPont Trust's JOE Ownership Now 7.5 Percent

The St. Joe Company (NYSE:JOE) today announced that its Net Income for the full year 2004 was \$90.1 million, or \$1.17 per share, compared with \$75.9 million, or \$0.98 per share, for the full year 2003. Net Income for 2004 included after-tax conservation land sales gains of \$1.5 million, or \$0.02 per share, compared to \$22.7 million, or \$0.29 per share, for the full year 2003. The results for 2003 also included an after-tax non-cash asset impairment charge of \$8.8 million, or \$0.11 per share.

Fourth quarter 2004 Net Income was \$28.1 million, or \$0.37 per share, compared with \$28.7 million, or \$0.37 per share, for the fourth quarter of 2003. Net Income in the fourth quarter of 2004 had no conservation land sales, compared to after-tax conservation land sale gains of \$9.0 million, or \$0.12 per share, in the fourth quarter of 2003. All per share references in this release are presented on a fully diluted basis.

#### JOE Turns in an Excellent 2004

"By every measure, 2004 was an excellent year for JOE and our shareholders," said Peter S. Rummell, chairman and CEO of JOE. "We delivered significant value to shareholders, and we made progress on several key strategic initiatives that will enhance JOE's ability to deliver value for many years to come."

"During 2004, we saw the culmination of nearly eight years of effort to transform JOE from an aging industrial conglomerate to a dynamic place-maker," said Rummell. "Our success can only partially be measured in the value we have created thus far. We won't be able to calculate its full measure for years. Our efforts have resulted in a number of significant accomplishments that set the stage for JOE's next wave of value creation. I would like to highlight five of them."

"First, JOE completed a Development of Regional Impact (DRI) land-use entitlement for WindMark Beach in Gulf County for 1,662 units on 2,080 acres," said Rummell. "In addition, a DRI was approved for RiverTown in St. Johns County for 4,500 units on 4,170 acres. Land-use entitlements were also received for WaterSound West Beach in Walton County with 197 units on 62 acres and for Perico Island in Manatee County with 686 units on 352 acres. These projects constitute a significant portion of JOE's next generation of value creation."

"Second, the legal challenges to the land-use changes in the West Bay Sector for 20,556 acres of JOE land and for the proposed relocation of the Panama City-Bay County International Airport were resolved," said Rummell. "At year's end, the Federal Aviation Administration (FAA) released its draft Environmental Impact Statement, which took a favorable view of relocation. While other regulatory steps remain before a final decision is reached on the relocation of the airport, we expect the FAA to issue a Record of Decision on the Environmental Impact Statement by the end of 2005."

"Third, during 2004, JOE closed its most significant commercial transaction to date," said Rummell. "Simon Property Group, one of the nation's largest retail developers, purchased 93 acres from JOE and entered into a development agreement at Pier Park in Panama City Beach. News of the transaction has attracted significant interest from national and regional commercial users and raised Northwest Florida's profile to new heights."

"Fourth, the early success of RiverCamps illustrates our strategy for pushing value inland," said Rummell. "The Southern Living Idea House at RiverCamps on Crooked Creek defines the RiverCamps experience. But just as important, the research and work that went into creating RiverCamps has spawned new product concepts including Farmsteads, Ranches and Preserves."

"Fifth, the Alfred I. duPont Trust (the Trust) completed the diversification plan it began in 1997, reducing its share of ownership in JOE from 69.8 percent to approximately 7.5 percent today," said Rummell. "This marked an important moment in JOE history and increased our common stock liquidity."

"Combined, these milestones have not only transformed JOE, they have also significantly advanced the regional transformation now underway in Northwest Florida," said Rummell. "Few would have believed this possible eight years ago. Today, Northwest Florida is well on its way to becoming the 'next great place.'"

#### A Strong Fourth Quarter for JOE

"JOE ended 2004 with a strong fourth quarter," said Rummell. "Included in the results for the fourth quarter was the proceeds from the sale of approximately 93 acres at Pier Park in Panama City Beach to the Simon Property Group for \$26.5 million, or approximately \$286,000 per acre."

"St. Joe Towns & Resorts performed well during the fourth quarter of 2004 - and for the entire year," said Rummell. "We made a strategic decision to carefully manage inventories at our beachfront communities, and consequently, we released no new inventory in the fourth quarter of 2004. Our primary residential communities continued to perform well."

"St. Joe Land turned in another solid quarter with a good mix of land sales," said Rummell. "In addition, at RiverCamps on Crooked Creek, JOE closed 41 units with prices ranging from \$129,000 to \$595,000, plus one bay-front home site priced at \$750,000. JOE is well positioned in 2005 to begin extending its RiverCamps product to new sites and to bring to market a range of new rural land products."

"Overall, we saw solid contributions from all our business segments during the fourth quarter of 2004 and each enters 2005 in a position of strength," said Rummell.

#### OUTLOOK

##### Full-Year Expectations for 2005

"JOE expects to have another strong year in 2005 with earnings per share, excluding gains from conservation land sales, to be in the range of \$1.35 to \$1.50 per share," said Kevin M. Twomey, JOE's president. "We believe JOE's major segments will produce good results in 2005 as we bring a broad array of real estate products to market. We are well positioned in Florida, a state with one of the nation's strongest economies, where we have significant demographic and geographic advantages."

"The first quarter is traditionally our slowest quarter of the year," said Twomey. "We expect the first quarter of 2005 to be in line with our performance in the first quarter of 2004."

##### Towns & Resorts

"We expect JOE's Towns & Resorts segment to drive the increase in earnings for 2005," said Twomey. "WaterColor and WaterSound Beach combined are expected to deliver fewer units than in 2004 but produce nearly as much earnings. Several existing projects, notably Artisan Park, Victoria Park, Palmetto Trace, Rivercrest and Paseos, should see earnings increases. Three new projects, WindMark Beach phase two, SummerCamp and WaterSound West Beach, are expected to generate income in 2005, subject to the receipt of necessary environmental permits."

"Notably, our expectations for 2005 do not include sales at three major entitled projects we expect to bring to market in 2006: WaterSound phase one, RiverTown and Perico Island," said Twomey.

##### Commercial Real Estate

"During 2005, our commercial real estate segment is expected to continue adding value through development and land sales in Northwest Florida and from rental income from our investment property portfolio," said Twomey. "Results from this segment are expected to be similar to 2004's level, despite the fact that we do not expect to replicate the gains from building sales in 2005."

##### St. Joe Land Company

"We expect St. Joe Land Company to deliver modestly higher income in 2005, with a substantially different mix of earnings sources," said Twomey. "We have decided not to sell two large tracts of land, which we had initially planned to sell in 2005 and 2006, because we see

significantly greater profit opportunity from this land through future development. At the same time, we expect our RiverCamps products to deliver more sales with increased unit pricing."

#### DIVIDENDS AND STOCK REPURCHASE PROGRAM

A quarterly cash dividend of \$0.14 per share of common stock was paid on December 31, 2004 to shareholders of record at the close of business on December 15, 2004. For the year, JOE paid \$0.52 per share in dividends on its common stock.

During the fourth quarter of 2004, the company expended an aggregate of \$30.0 million for dividends and the acquisition of its shares. JOE acquired 353,965 of its shares at a cost of \$19.4 million, an average price of \$54.76 per share, during the fourth quarter. Of these amounts, 339,700 shares were acquired through open market purchases for \$18.7 million (an average of \$54.95 per share) and 14,265 shares of stock, having a value of \$0.7 million, were surrendered by company executives as payment for the strike price and taxes due on exercised stock options. For the full year, the company expended a total of \$144.5 million for dividends and the acquisition of its shares.

Table 1 summarizes the company's stock repurchase activity from 1998 through December 31, 2004.

Table 1  
Stock Repurchase Activity  
Through December 31, 2004

Period	Shares			Total	Total Cost (in millions)	Avg Price
	Purchased From Public	Purchased From Trust (1)	Surrendered			
1998	2,574,200	--	11,890	2,586,090	\$55.5	\$21.41
1999	2,843,200	--	11,890	2,855,090	69.5	24.31
2000	3,101,566	415,500	--	3,517,066	80.2	22.78
2001	3,485,400	3,585,900	58,550	7,129,850	176.0	24.67
2002	2,583,700	2,586,206	256,729	5,426,635	157.6	29.03
2003	1,469,800	1,085,374	812,802	3,367,976	102.9	30.55
2004	1,298,200	263,365	884,633	2,446,198	105.0	42.90
Total/ Weighted Average	17,356,066	7,936,345	2,036,494	27,328,905	\$746.8	\$27.30

(1) We previously repurchased shares from the Trust from time to time on a proportionate basis to shares repurchased on the open market. This program with the Trust was discontinued as of August 9, 2004.

On December 31, 2004, 75,893,250 JOE shares were outstanding. The number of weighted-average diluted shares in the fourth quarter of 2004 was 76,635,116. On December 31, 2004, approximately \$123.5 million remained of the company's current stock repurchase authorization.

"We continue to view the dividend and repurchase program as an important contributor to shareholder value. Our benchmark for this program in 2005 is \$125 million to \$175 million," said Twomey.

#### ENTITLEMENTS

"JOE's pipeline of land-use entitlements continues to build," said Rummell. "The management of the entitlements process has become a clear strategic focus and a core competency for us. We continue to improve our understanding of our land and to find higher and better uses for it."

At December 31, 2004, JOE owned approximately 820,000 acres, concentrated primarily in Northwest Florida. These holdings included approximately 352,000 acres within 10 miles of the coast of the Gulf of Mexico.

#### Land-Use Entitlements

JOE has a broad range of land-use entitlements in hand or in various stages of the approval process for primary residential, resort

and RiverCamps in Northwest Florida and other high-growth regions of the state.

Table 2 summarizes JOE's Florida residential, resort and RiverCamps projects with land-use entitlements at December 31, 2004.

Table 2  
Summary of Land-Use Entitlements (1)  
JOE Residential, Resort and RiverCamps Projects in Florida  
December 31, 2004

Project	County	Total Project Acres	Maximum Project Units(1)	Units
				Sold/Under Contract As of 12/31/04
Artisan Park (2)	Osceola	160	616	309
CampCreek Golf Cottages	Walton	10	50	0
Cutter Ridge	Franklin	10	24	0
East Lake Powell	Bay	181	360	0
Hawks Landing	Bay	88	167	0
Palmetto Trace	Bay	138	480	298
Paseos (2)	Palm Beach	175	325	322
Perico Island (3)	Manatee	352	686	0
Pier Park (Residential)	Bay	10	125	0
RiverCamps on Crooked Creek	Bay	1,500	450	41
RiverCamps on Sandy Creek	Bay	6,000	600	0
Rivercrest (2)	Hillsborough	413	1,300	1,085
RiverSide at Chipola	Calhoun	271	10	0
RiverTown	St. Johns	4,170	4,500	23
SouthWood	Leon	3,770	4,770	858
St. Johns Golf & County Club	St. Johns	820	799	664
SummerCamp	Franklin	782	499	0
The Hammocks	Bay	143	457	383
Timber Island (4)	Franklin	49	400	0
Victoria Park	Volusia	1,859	4,000	683
Walton Corners	Leon	60	33	0
WaterColor	Walton	499	1,140	813
WaterSound Beach	Walton	256	499	362
WaterSound Phase I	Walton	506	487	0
WaterSound West Beach	Walton	62	197	0
WaterMill	Gulf	94	120	0
WaveCrest	Bay	7	95	0
West Bay DSAP Phase I	Bay	4,234	685	0
WindMark Beach	Gulf	2,080	1,662	104
<b>Total (5)</b>		<b>28,699</b>	<b>25,536</b>	<b>5,945</b>

(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. Maximum project units represent the number of units entitled. The actual number of units to be constructed at full build-out may be lower than the number entitled.

(2) Paseos and Rivercrest are each 50 percent owned by JOE. Artisan Park is 74 percent owned by JOE.

(3) JOE has an option to purchase the land for this project.

(4) Timber Island entitlements are approved for hotel or other transient uses (including units held with fractional ownership such as private residence clubs) and include 480 wet/dry marina slips.

(5) James Island and Hampton Park are not included in this table since only 4 units remain to be sold, including 3 models.

Table 3 summarizes JOE's Florida residential, resort and RiverCamps projects in the entitlement process as of December 31, 2004.

Table 3  
JOE Residential, Resort and RiverCamps Projects  
In the Land-Use Entitlement Process in Florida (1)  
December 31, 2004

Total	Estimated Maximum
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Project	County	Project Acres	Project Units (2)
Cutter Ridge future phases	Franklin	10	30
Port St. Joe Millsite (3)	Gulf	126	600
WaterSound next phase	Walton	900+	573
St. James Island (4)	Franklin	8,020	3,566
West Bay DSAP Phases II & III (5)	Bay	6,789	5,157
Total		15,845+	9,926

- (1) All developments listed are in the preliminary planning process and have significant entitlement steps remaining that could affect timing, scale and viability. There can be no assurance that these entitlements will ultimately be received. No RiverCamps projects were in the land-use entitlement process as of December 31, 2004.
- (2) The actual number of units to be constructed at full build-out may be lower than the number ultimately entitled.
- (3) JOE owns 50 percent of a joint venture that owns the Port St. Joe mill site.
- (4) As shown on the proposed Franklin County St. James Island Future Land-Use Map Amendments.
- (5) See description of the West Bay DSAP below.

#### JOE's Residential Pipeline

JOE's pipeline of residential projects extends well into the future with approximately 30,000 units entitled or in various stages of the land-use entitlement process in a variety of markets across Florida.

"JOE owns enough high-quality developable land to create value for decades," said Rummell. "JOE's challenge is to create and develop the next generation of projects that will continue to drive the region's value-creation cycle. We invest significant resources to study our land holdings and understand their development potential. Planning activities continue on JOE's land holdings and are focused on positioning our land to create shareholder value for a long time to come."

#### West Bay Sector

As part of the entitlements process, the West Bay Sector Plan is a vision for future development and conservation of approximately 75,000 acres of JOE-owned land in Northwestern Bay County. The West Bay Sector includes the West Bay Detailed Specific Area Plan (West Bay DSAP), a 16,556-acre land-use planning area, and a 4,000-acre Airport DSAP for the proposed relocation of the Panama City - Bay County International Airport. These two land plans begin the implementation of the West Bay Sector.

The Federal Aviation Administration released a draft Environmental Impact Study (DEIS) in November 2004. The DEIS reviewed the alternatives to expand capacity at the airport in Panama City and analyzed safety, environmental, social and other impacts.

The DEIS analysis reduced the number of alternatives selected for further analysis to five: a No-Action Alternative, two alternatives to improve the existing airport and two alternatives that require relocation to a new site proposed by the airport authority in the West Bay Sector on land owned by JOE.

The FAA is required by law to carry forward the No-Action Alternative throughout the process for comparative purposes. However, according to the DEIS, "the No-Action Alternative fails to meet Level 1 screening criteria because it does not meet FAA safety and design criteria and fails to meet future aviation demand. Although the No-Action Alternative has been determined not to be reasonable, feasible, practicable, or a prudent alternative, it will be carried forward in the final Environmental Impact Statement (EIS) for comparative purposes."

The FAA alternatives at the current site would extend the primary runway system, impacting a mixed-use neighborhood, to allow for either a 6,800-foot or an 8,400-foot primary runway and standard runway safety areas.

The FAA alternatives in the West Bay Sector would relocate the airport to the new site in West Bay with either a 6,800-foot or an 8,400-foot primary runway and standard runway safety areas.

On January 11, 2005, the FAA held a public hearing in Panama City

seeking public comment on the DEIS. Written comments were accepted through January 28, 2005. This additional input, along with new information and analysis, may change materially the conclusions reached in the DEIS. The FAA has announced that it expects to release its final EIS later this year and to issue its Record of Decision in late 2005.

In addition to the EIS process, other regulatory steps remain before a final decision is reached on the relocation of the airport. The relocation is also dependent on adequate funding.

Phases two and three of the West Bay DSAP entitlements are conditioned on the relocation of the airport. At full build-out, the West Bay DSAP provides for approximately 4.4 million square feet of industrial, commercial and retail space, 5,842 residential units, 490 hotel rooms and two marinas. Predevelopment planning has started on phase one of the West Bay DSAP and local and state agencies, along with JOE, have started economic development activities for the West Bay Sector.

## SEGMENT RESULTS

### ST. JOE TOWNS & RESORTS

Pretax income from continuing operations for St. Joe Towns & Resorts, JOE's community development segment, was \$24.7 million for the fourth quarter of 2004, compared with \$13.2 million in the fourth quarter of 2003.

Pretax income from continuing operations in 2004 was \$99.9 million, compared to \$80.6 million for the year 2003.

In the fourth quarter of 2004, St. Joe Towns & Resorts sold 598 units and generated revenues from housing and home sites of \$161.5 million, compared to 527 units and \$129.4 million in revenue in the fourth quarter of 2003. JOE accepted contracts for 445 units in the fourth quarter of 2004, compared to 499 units in the fourth quarter a year ago.

"During the recent holiday season, visitor traffic through our sales centers was strong in Northwest Florida, and the year ended with a strong resale market with excellent pricing in Walton, Bay and Gulf Counties," said Rummell. "Over the past year, we believe pricing in Northwest Florida has climbed toward the level of similar product types in other beach-oriented markets in the Southeast."

Tables 4 and 5 summarize sales activity for St. Joe Towns & Resorts for the fourth quarter and full year of 2004 compared to the same periods in 2003.

Table 4  
St. Joe Towns & Resorts  
Sales Activity  
For the Three Months  
Ended December 31,  
(\$ in millions)

	2004			2003		
	Number of Units Closed	Revenue	Gross Profit	Number of Units Closed	Revenue	Gross Profit
Home Sites	84	\$15.8	\$9.8	114	\$24.3	\$15.4
Homes (1)	514	145.7	30.3	413	105.1	15.9
<b>Total</b>	<b>598</b>	<b>\$161.5</b>	<b>\$40.1</b>	<b>527</b>	<b>\$129.4</b>	<b>\$31.3</b>

For the Year Ended December 31,

	2004			2003		
	Number of Units Closed	Revenue	Gross Profit	Number of Units Closed	Revenue	Gross Profit
Home Sites	414	\$109.8	\$74.3	519	\$115.7	\$72.2
Homes (1)	1,660	462.0	79.1	1,241	348.4	60.6
<b>Total</b>	<b>2,074</b>	<b>\$571.8</b>	<b>\$153.4</b>	<b>1,760</b>	<b>\$464.1</b>	<b>\$132.8</b>

(1) Homes include single family, multi-family and Private Resident Club (PRC) units. Multi-family and PRC 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.

Table 5  
Units Placed Under Contract  
For the Three Months  
Ended December 31,

	2004	2003	Percentage Change
Home Sites	82	125	(34.4)%
Homes (1)	363	374	(2.9)
Total	445	499	(10.8)%

For the Year Ended December 31,

	2004	2003	Percentage Change
Home Sites	338	590	(42.7)%
Homes (1)	1,883	1,437	31.0
Total	2,221	2,027	9.6%

(1) Homes include single family homes, multi-family and PRC units. Paseos and Rivercrest, two joint ventures, are not included.

Table 6 summarizes backlog at December 31, 2004 and 2003.

Table 6  
Backlog (1) at  
December 31,  
(\$ in millions)

	Units		Revenue	
	2004	2003	2004	2003
Home Sites	18	94	\$1.6	\$20.6
Homes	953	730	337.6	223.7
Total	971	824	\$339.2	\$244.3

(1) Backlog represents units under contract but not yet closed. Paseos and Rivercrest, two joint ventures, are not included.

#### Northwest Florida

##### WaterColor

There were no releases at JOE's award-winning WaterColor resort in the fourth quarter of 2004. At December 31, 2004, there were 8 homes and 19 home sites in WaterColor's first three phases that have not been released for sale. Development continued in the fourth quarter on WaterColor's 185-unit phase four, on a 60-acre parcel. Sales are expected to begin in WaterColor's phase four in the first quarter of 2005.

##### WaterColor Private Residence Club

The WaterColor Private Residence Club (PRC) is a fractional ownership property adjacent to the WaterColor Inn.

In the fourth quarter, JOE closed 87 of 88 ownership interests of the PRC. A contract for the remaining interest is expected to close in the first quarter of 2005. The interests in 11 two-bedroom, two-bath, fully furnished, luxury vacation multi-family units, were initially offered at \$190,000 in the fourth quarter of 2003 and increased to \$285,000 by the first quarter of 2005.

"Our success with the WaterColor PRC increases our enthusiasm for



bringing the concept to WaterSound Beach and other future projects," said Rummell.

#### WaterSound Beach

Construction of the initial 49 multi-family units at Compass Point continued in the fourth quarter and closings are expected to begin in the third quarter of 2005. Contracts had previously been accepted for all 49 units at an average price of \$1.5 million. In the fourth quarter, the single remaining multi-family unit at The Crossing was closed at a price of \$2.5 million, along with the Southern Accents Showhouse at a price of \$5.1 million.

The remaining 43 units in Compass Point are scheduled to be released for sale in 2006. Construction of 22 of the 43 units is scheduled to begin in late 2005, while construction of the last 21 units is expected to start in early 2006.

WaterSound Beach is set on over a mile of white sand beach in Walton County five miles east of WaterColor.

#### WaterSound West Beach

In the fourth quarter, infrastructure construction started at WaterSound West Beach. This high-end community with 197 units is just over one half mile west of WaterSound Beach on the beach side of County Road 30A. Beach access is through the adjacent Deer Lake State Park.

West Beach is being designed as a gated, high-end community with pricing expected to be comparable to WaterSound Beach. Sales are expected to begin in mid-2005.

#### WaterSound

During the fourth quarter, initial infrastructure construction continued at WaterSound, a resort community approximately three miles from WaterSound Beach. WaterSound is set between U.S. 98 and the Intracoastal Waterway in Walton County. WaterSound is being planned for the second home and pre-retirement markets with six and nine-hole golf courses along with pools and other amenities. Construction of these amenities is expected to be substantially complete before sales begin; sales are currently expected to start in early 2006.

#### Palmetto Trace

In the fourth quarter of 2004, contracts were accepted at Palmetto Trace for 23 homes at an average price of \$243,400, compared to \$152,200 for 18 homes in the fourth quarter a year ago. "The demand and pricing for new primary homes in Panama City Beach continues to increase," said Rummell. In the fourth quarter of 2004, JOE received reservations from 155 potential buyers for two releases totaling 27 homes. New product is being planned to meet the demand in this market.

Palmetto Trace is a primary home community in Panama City Beach planned for 480 units on 138 acres.

#### The Hammocks, Hawks Landing

The Hammocks and Hawks Landing are designed to provide a range of housing options in Bay County to meet the housing needs of the county. In the fourth quarter, contracts were accepted for 11 homes and 4 home sites at The Hammocks at average prices of \$138,700 and \$39,000, respectively. At Hawks Landing, home site sales are expected to start later in 2005 in the \$50,000 range.

#### WindMark Beach

Pending the receipt of environmental permits, JOE expects to begin work simultaneously on the relocation of U.S. 98, the WindMark Beach town center and the initial portion of the 3.5-mile public beachfront trail system.

WindMark Beach is a proposed mixed-use development on approximately 2,080 acres in Gulf County, Florida. Only five retail lots and one home of the 110 units in the first 80-acre phase remain to be sold; none of these units are currently for sale. Sales in the new phases of WindMark Beach are scheduled to begin in late 2005.

#### The Port St. Joe Mill Site

During the fourth quarter, JOE continued to plan the redevelopment of the site of the former Port St. Joe paper mill and continued to participate in a public visioning process. The site is owned by a joint venture of JOE and Smurfit-Stone Container Corporation.

## SouthWood

At SouthWood, contracts were accepted for 73 units in the fourth quarter of 2004, compared to 43 units in the fourth quarter of 2003. Planning for SouthWood's phase two continues. A more detailed land plan is under preparation, designed to optimize the remaining land within the community. SouthWood is a primary hometown in Tallahassee.

## SummerCamp

At SummerCamp in Franklin County, sales of 52 home sites are scheduled to close by the end of the second quarter of 2005, pending the receipt of environmental permits, one of which is the subject of a legal challenge. SummerCamp, a 499-unit development on 782 acres, is located approximately 45 miles south of Tallahassee on the Gulf of Mexico.

## Timber Island

Land-use entitlements were finalized in the first quarter of 2005 for Timber Island in Franklin County. The 49-acre parcel near Carrabelle is entitled for 400 units for resort and transient uses, including private residence clubs with fractional ownership. Timber Island land-use approvals also allow 480 wet/dry marina slips.

## Northeast Florida

### RiverTown

Predevelopment planning continues at RiverTown, a proposed new Southern town in St. Johns County. Planned for 4,500 units on 4,170 acres, RiverTown is set along more than 3.5 miles of frontage on the beautiful St. Johns River. Land use entitlements for RiverTown were finalized in the first quarter of 2004 and environmental permits are pending. Infrastructure development is expected to begin in 2005 and sales in 2006.

### St. Johns Golf & Country Club

St. Johns Golf & County Club is a primary residential community located in St. Johns County.

"Demand for homes in St. Johns Golf & Country Club remained strong in the fourth quarter," said Rummell. "JOE accepted contracts in the fourth quarter of 2004 for 28 homes at an average price of \$424,700, compared to 31 homes at an average price of \$351,500 in the fourth quarter of 2003."

Construction continued in the fourth quarter on infrastructure for the community's final phase. Sales in this community are expected to continue through 2006.

## Central Florida

### Victoria Park

JOE accepted 324 contracts in Victoria Park in 2004, up 60 percent over the 202 contracts for the previous year. In the fourth quarter of 2004, a total of 105 contracts were accepted, compared to 34 in the fourth quarter of 2003.

On January 31, 2005, JOE and Southern Living Magazine announced that Victoria Park had been selected for the location of a 2005 Southern Living Idea House scheduled to be featured in the magazine's August 2005 issue.

Located between Orlando and Daytona Beach, Victoria Park sits on 1,859 acres in the historic college town of DeLand. This mixed-used community is planned for approximately 4,000 residences built among parks, lakes and conservation areas.

## Southwest Florida

### Perico Island

Located in Manatee County on Tampa Bay, Perico Island is being planned as an upscale 686-unit condominium community on 352 acres in the City of Bradenton.

"Perico Island is being designed as an environmentally sensitive community that we expect to set a new standard for quality in this Southeast Florida market," said Rummell. "Our development plan for Perico Island is a one-of-a-kind design solution specifically for this unique property. Approximately 80 percent of the property is to remain as open space with two lakes and an exterior perimeter of native vegetation. The project's small footprint stands in stark contrast to

other developments in the area."

During the fourth quarter, JOE settled a lawsuit brought by Manatee County and others against the City of Bradenton over the city's approval of the proposed Perico Island project. As a result, land-use entitlements for Perico Island became final. Additional environmental permitting is required before construction can begin on the project. Sales activity at Perico Island is expected to begin in late 2006.

#### North and South Carolina

For the fourth quarter 2004, Saussy Burbank, JOE's homebuilder based in Charlotte, N.C., closed 173 homes and accepted contracts for 129 homes, compared to 173 closings and 165 contracts in the fourth quarter of 2003. For the full year 2004, 748 homes were closed and 698 contracts were accepted, compared to 555 closings and 607 contracts in 2003.

#### Joint Venture Communities

##### Celebration, Artisan Park

JOE accepted contracts for 28 condominiums in Artisan Park in the fourth quarter at an average price of \$399,700. There were no condominium sales in the same period last year. In 2004, contracts were accepted on 17 single-family home sites at an average price of \$211,500, compared to 10 home sites at an average price of \$127,900 for 2003.

"Artisan Park is performing very well with the pace of sales and pricing running well ahead of our expectations," said Rummell. Artisan Park is one of the last residential neighborhoods to be developed at Disney's town of Celebration near Orlando. JOE owns 74 percent of the joint venture developing Artisan Park and manages the project.

#### Rivercrest and Paseos

Rivercrest is a 1,300-unit primary residential community located just outside of Tampa, Florida. "We continue to see robust sales at Rivercrest," said Rummell. JOE accepted contracts for 183 homes at Rivercrest at an average price of \$183,000 in the fourth quarter this year, compared to 47 homes at an average price of \$147,800 in the fourth quarter last year. In 2004, contracts were accepted on 729 homes at an average price of \$171,200 at Rivercrest, compared to 231 homes at an average price of \$146,600 for 2003.

Paseos is a 325-unit primary residential community in Jupiter, Florida. At the close of the fourth quarter of 2004, only three units remained for sale at Paseos. JOE accepted contracts for seven homes at an average price of \$664,300 in the fourth quarter of 2004, compared to 34 homes at an average price of \$403,700 in 2003's fourth quarter. In 2004, contracts were accepted on 182 homes at an average price of \$482,900, compared to 108 homes at an average price of \$391,500 for 2003.

JOE owns 50 percent of the joint ventures developing Rivercrest and Paseos and manages each of the projects.

Tables 7 and 8 summarize the sales activity at various residential communities for the fourth quarters of 2004 and 2003 and the years 2004 and 2003.

Table 7  
St. Joe Towns & Resorts  
Sales of Homes and Home Sites  
For the Three Months Ended December 31,  
(\$ in thousands)

	2004			
	Units Closed	Avg. Price	Contracts Accepted (1)	Avg. Price
<b>WaterColor</b>				
Home Sites	13	\$724.9	13	\$724.9
Single/Multi-Family Homes	3	979.4	0	N/A
PRC Shares	87	208.6	4	255.0
<b>WaterSound Beach</b>				
Home Sites	0	N/A	0	N/A
Single Family Homes	1	5,100.0	0	N/A
Multi-Family Homes	1	2,500.0	1	2,500.0
<b>Palmetto Trace</b>				
Single Family Homes	33	147.0	23	243.4
<b>The Hammocks</b>				

Home Sites	4	39.0	4	39.0
Single Family Homes	29	153.2	11	138.7
WindMark Beach				
Home Sites	0	N/A	0	N/A
SouthWood				
Home Sites	25	95.8	11	100.0
Single Family Homes	52	252.7	62	255.7
St. Johns G & CC				
Home Sites	12	61.2	20	61.0
Single Family Homes	28	362.9	28	424.7
Hampton Park/James Island				
Single Family Homes	14	398.6	1	347.0
Victoria Park				
Home Sites	26	76.8	30	85.2
Single Family Homes	54	226.4	75	270.2
Artisan Park (2)				
Home Sites	4	313.8	4	313.8
Single Family Homes	39	388.4	1	609.5
Multi-Family Homes	0	N/A	28	399.7
Paseos (2)				
Single Family Homes	50	409.4	7	664.3
Rivercrest (2)				
Single Family Homes	110	160.5	183	183.0
Saussy Burbank				
Home Sites	0	N/A	0	N/A
Single Family Homes	173	235.7	129	237.2

2003

	Units Closed	Avg. Price	Contracts Accepted (1)	Avg. Price
WaterColor				
Home Sites	48	\$283.5	64	\$243.2
Single/Multi-Family Homes	8	782.7	3	750.0
PRC Shares	0	N/A	23	189.6
WaterSound Beach				
Home Sites	18	351.1	5	356.2
Single Family Homes	0	N/A	0	N/A
Multi-Family Homes	30	1,177.3	0	N/A
Palmetto Trace				
Single Family Homes	28	168.6	18	152.2
The Hammocks				
Home Sites	0	N/A	0	N/A
Single Family Homes	18	146.6	18	144.2
WindMark Beach				
Home Sites	0	N/A	0	N/A
SouthWood				
Home Sites	13	82.9	12	86.3
Single Family Homes	34	240.9	31	230.2
St. Johns G & CC				
Home Sites	11	66.3	19	115.9
Single Family Homes	41	328.6	31	351.5
Hampton Park/James Island				
Single Family Homes	33	332.6	24	390.1
Victoria Park				
Home Sites	6	72.5	7	82.9
Single Family Homes	48	192.8	27	207.1
Artisan Park (2)				
Home Sites	5	133.6	5	133.6
Single Family Homes	0	N/A	34	386.1
Multi-Family Homes	0	N/A	0	N/A
Paseos (2)				
Single Family Homes	15	365.7	34	403.7
Rivercrest (2)				
Single Family Homes	57	147.0	47	147.8
Saussy Burbank				
Home Sites	13	23.5	13	23.5
Single Family Homes	173	210.7	165	205.8

(1) Contracts accepted during the quarter. Contracts accepted and closed in the same quarter are also included as closed units.

(2) JOE owns 74 percent of Artisan Park and 50 percent each of Paseos and Rivercrest. Sales from Paseos and Rivercrest are not consolidated with the financial results of St. Joe Towns & Resorts.

St. Joe Towns & Resorts  
Sales of Homes and Home Sites  
For the Year Ended December 31,  
(\$ in thousands)

2004

	Units Closed	Avg. Price	Contracts Accepted (1)	Avg. Price
WaterColor				
Home Sites	148	\$488.4	96	\$616.3
Single/Multi-Family Homes	11	896.8	12	942.6
PRC Shares	87	208.6	64	215.5
WaterSound Beach				
Home Sites	29	523.2	17	626.4
Single Family Homes	1	5,100.0	2	3,197.0
Multi-Family Homes	51	1,172.8	50	1,466.2
Palmetto Trace				
Single Family Homes	92	149.5	106	167.5
The Hammocks				
Home Sites	70	37.8	70	37.8
Single Family Homes	77	149.9	81	161.4
WindMark Beach				
Home Sites	4	1,006.3	4	1,006.3
SouthWood				
Home Sites	58	97.7	60	97.6
Single Family Homes	174	235.6	210	250.0
St. Johns G & CC				
Home Sites	35	83.6	20	61.0
Single Family Homes	104	350.3	125	386.5
Hampton Park/ James Island				
Single Family Homes	72	360.6	30	377.4
Victoria Park				
Home Sites	53	76.9	54	79.3
Single Family Homes	179	221.9	270	245.4
Artisan Park (2)				
Home Sites	17	211.5	17	211.5
Single Family Homes	64	404.8	86	452.1
Multi-Family Homes	0	N/A	149	325.3
Paseos (2)				
Single Family Homes	124	396.2	182	482.9
Rivercrest (2)				
Single Family Homes	298	152.2	729	171.2
Saussy Burbank				
Home Sites	0	N/A	0	N/A
Single Family Homes	748	221.3	698	229.4

2003

	Units Closed	Avg. Price	Contracts Accepted (1)	Avg. Price
WaterColor				
Home Sites	206	\$285.8	249	\$277.4
Single/Multi-Family Homes	30	673.8	19	786.7
PRC Shares	0	N/A	23	189.6
WaterSound Beach				
Home Sites	93	399	105	396.5
Single Family Homes	0	N/A	0	N/A
Multi-Family Homes	30	1,177.3	34	1,142.4
Palmetto Trace				
Single Family Homes	88	154.3	101	156.8
The Hammocks				
Home Sites	30	30.4	24	30.3
Single Family Homes	48	142.6	72	149.3
WindMark Beach				
Home Sites	13	567.3	10	518.0
SouthWood				
Home Sites	63	84.6	64	89.1
Single Family Homes	133	203.2	151	228.6
St. Johns G & CC				
Home Sites	40	55.7	63	70.2
Single Family Homes	124	319.1	122	339.5
Hampton Park/ James Island				
Single Family Homes	109	328.5	92	341.5
Victoria Park				
Home Sites	32	72.0	33	75.2
Single Family Homes	124	196.2	169	204.6
Artisan Park (2)				

Home Sites	10	127.9	10	127.9
Single Family Homes	0	N/A	47	400.8
Multi-Family Homes	0	N/A	0	N/A
Paseos (2)				
Single Family Homes	15	365.7	108	391.5
Rivercrest (2)				
Single Family Homes	167	146.3	231	146.6
Saussy Burbank				
Home Sites	32	24.0	32	24.0
Single Family Homes	555	208.2	607	207.2

(1) Contracts accepted during the year. Contracts accepted and closed in the same year are also included as closed units.

(2) JOE owns 74 percent of Artisan Park and 50 percent each of Paseos and Rivercrest. Sales from Paseos and Rivercrest are not consolidated with the financial results of St. Joe Towns & Resorts.

Table 9 summarizes the units sold from project inception through December 31, 2004 at various St. Joe Towns & Resorts residential projects in Florida.

Table 9  
St. Joe Towns & Resorts  
Units Sold in Florida Since Project Inception (1)  
Through December 31, 2004

	Maximum Units(2)	Closed Units	Contracts Accepted (3)
	-----	-----	-----
WaterColor	1,140	802	11
WaterSound Beach	499	312	50
Palmetto Trace/The Hammocks	937	558	123
WindMark Beach	1,662	104	0
SouthWood	4,770	704	154
SummerCamp	499	0	0
St. Johns Golf & Country Club	799	570	94
Hampton Park/James Island	523	510	9
Victoria Park	4,000	504	179
Artisan Park (4)	616	91	218
Paseos (4)	325	139	183
Rivercrest (4)	1,300	541	544
	-----	-----	-----
Total	17,070	4,835	1,565
	=====	=====	=====

(1) Units include home sites, single family and multi-family units and PRC shares, with each PRC share interest treated as one-eighth of a unit.

(2) Maximum units represent the number of units with land-use entitlements. 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. The actual number of units to be constructed at full build-out may be lower than the number entitled.

(3) Contracts accepted, but not closed, at December 31, 2004.

(4) Artisan Park is 74 percent owned by JOE. Paseos and Rivercrest are each 50 percent owned by JOE; their sales are not consolidated with the financial results of St. Joe Towns & Resorts.

#### COMMERCIAL REAL ESTATE

The commercial segment consists of St. Joe Commercial, Inc., JOE's commercial real estate development unit, and Advantis, the company's commercial real estate services unit. Pretax income from continuing operations from the commercial segment was \$18.0 million for the fourth quarter of 2004, compared with \$5.4 million in the same quarter of 2003.

For the year 2004, pretax income from continuing operations was \$23.0 million compared to a loss of \$(4.7) million in 2003. Results for 2003 included the Advantis non-cash asset-impairment charge of

\$14.1 million pretax. Pretax income from discontinued operations, resulting from the sale of two operating buildings in 2004's third quarter, was \$8.4 million for 2004, compared to \$1.2 million in 2003.

St. Joe Commercial

For the fourth quarter of 2004, St. Joe Commercial had pretax income from continuing operations of \$17.2 million, compared to \$5.5 million in the fourth quarter a year ago. For the year, pretax income from continuing operations was \$23.0 million, compared to \$13.1 million in 2003.

"Our commercial development division turned in a very strong fourth quarter," said Twomey. Gross proceeds from Northwest Florida commercial land sales totaled \$33.7 million, which included \$26.5 million of proceeds from the sale of land at Pier Park, compared to \$10.5 million in the same period in 2003. For the year 2004, gross proceeds from Northwest Florida commercial land sales totaled \$43.6 million, compared to \$24.5 million in 2003.

During the fourth quarter of 2004, JOE sold 15 Northwest Florida commercial land parcels, totaling 145 acres, at an average price of approximately \$233,000 per acre, including the sale of 93 acres in Pier Park to the Simon Property Group for \$26.5 million, or \$286,000 per acre. Pricing reflects variations in location, parcel quality and the percentage of each parcel that may be developable.

"We are particularly pleased that sales activity for commercial properties in Northwest Florida has increased over the last year," said Twomey. "The Simon Property Group's interest in Pier Park has caused other national commercial and retail developers to take notice."

Table 10 summarizes JOE's commercial land sales in Northwest Florida for the fourth quarters and full years of 2004 and 2003.

Table 10  
St. Joe Commercial Northwest Florida Land Sales

Land	Number of Sales	Acres Sold	Gross Sales Price (in thousands)	Average Price/Acre (in thousands)
-----				
Quarter Ended December 31, 2004				
Unimproved	2	22	\$2,570	\$117
Improved (1)	13	123	31,166	253
Total/Average	15	145	\$33,736	\$233
=====				
Quarter Ended December 31, 2003				
Unimproved	4	107	\$7,035	\$66
Improved	8	45	3,436	76
Total/Average	12	152	\$10,471	\$69
=====				
Land	Number of Sales	Acres Sold	Gross Sales Price (in thousands)	Average Price/Acre (in thousands)
-----				
Year Ended December 31, 2004				
Unimproved	12	220	\$8,347	\$38
Improved (1)	29	164	35,244	215
Total/Average	41	384	\$43,591	\$114
=====				
Year Ended December 31, 2003				
Unimproved	15	258	\$13,020	\$50
Improved	30	129	11,460	89
Total/Average	45	387	\$24,480	\$63
=====				

(1) Includes the sale of 93 acres in Pier Park to the Simon Property Group for \$26.5 million, or \$286,000 per acre, in the fourth

quarter of 2004.

"We are also seeing increased interest from national and regional multi-family developers," said Twomey. "As a result, the value of land for apartment development is moving closer to comparable prices in other parts of the nation."

"Multi-family products are becoming an increasingly important housing option for this region," said Twomey. "The expansion of a full range of housing options is vitally important to keep the Northwest Florida economy growing."

As of December 31, 2004, JOE had four parcels for multi-family development under contract totaling 58 acres at an average price of approximately \$108,000 per acre. These contracts are scheduled to close in 2005.

#### Northwest Florida

##### Pier Park

In December 2004 JOE sold to Simon Property Group, Inc. a 93-acre parcel within and near Pier Park for a retail, restaurant and entertainment project.

Under the terms of the agreement, Simon also has the right to purchase an additional 125 acres in and near Pier Park. JOE will retain approximately 13 acres in Pier Park near the beach for future JOE development. In addition, JOE owns approximately 60 adjacent acres near the beach with zoning allowing high-density residential uses.

##### Beckrich

The Home Depot, located on a 13-acre parcel, opened its new store at Beckrich 10 days earlier than planned to meet the hurricane needs of local residents. In the fourth quarter, two additional out parcels totaling 2.8 acres near The Home Depot were sold for an average price of \$490,000 per acre.

##### WaterColor Crossings

In the fourth quarter, a one-acre out parcel within WaterColor Crossings was sold for \$650,000, marking a new high point for commercial per-acre pricing for JOE. A 28,800-square-foot Publix Super Market was completed earlier in 2004. Construction was also completed on an additional 14,400 square feet of retail space in the fourth quarter.

##### SouthWood Commercial

Construction continued in the fourth quarter on two buildings in SouthWood Town Center totaling approximately 37,000 square feet of commercial space. The Tallahassee YMCA will be an early tenant featuring a full-service health and fitness center. The buildings, which are currently 77 percent leased, were designed to accommodate restaurants and other retail users. Office space ranging from 900 to 2,000 square feet will also be available.

##### Commerce Parks

During the fourth quarter, commercial land sales within JOE's commerce parks totaled \$2.7 million, compared to \$1.9 million in the fourth quarter of 2003. JOE has 11 commerce parks operating or under development in six Northwest Florida counties.

"Demand and pricing was strong in the fourth quarter at JOE's commerce parks," said Twomey. "We are seeing a wide variety of users, many of them local businesses, whose expansions are creating additional jobs."

Our newest commerce park, South Walton Commerce Park, opened in the fourth quarter, with prices ranging from \$150,000 to \$435,000 per acre. Three parcels with prices ranging from \$161,000 to \$302,000 per acre closed in the fourth quarter. There is one additional parcel under contract for \$154,000 per acre.

At Port St. Joe Commerce Park, all 58 acres of the park have been sold or are under contract to close in the first quarter of 2005. Construction on the second phase of Port St. Joe Commerce Park has started with sales scheduled to begin later in 2005.

Table 11 summarizes the status of JOE's commerce parks throughout Northwest Florida as of December 31, 2004.



Commerce Parks	County	Net Saleable Acres	Acres Sold/ Under Contract	Current Asking Price Per Acre
Existing and Under Construction				
Beach Commerce	Bay	161	108	\$70,000-435,000
Port St. Joe Commerce	Gulf	58	58	50,000-60,000
Airport Commerce	Leon	40	--	75,000-260,000
Nautilus Court	Bay	12	4	300,000-400,000
Hammock Creek Commerce	Gadsden	114	27	40,000-150,000
South Walton Commerce	Walton	39	8	200,000-435,000
Beach Commerce II	Bay	115	--	70,000-100,000
Port St. Joe Commerce II	Gulf	40	--	60,000-100,000
Predevelopment				
Cedar Grove Commerce	Bay	100	--	50,000-60,000
Apalachicola Commerce	Franklin	50	--	40,000-50,000
Mill Creek Commerce	Bay	40	--	50,000-60,000
Total		769	205	

### Investment Property Portfolio

JOE has redeployed some of the proceeds of its land sales in a tax-deferred manner through the acquisition of commercial office buildings in select markets within the Southeast.

In the fourth quarter of 2004, JOE acquired Parkwood Point and Deerfield Point I and II, three Class-A office buildings totaling 424,000 square feet in Atlanta, Georgia. The three buildings are 91 percent leased. Advantis will manage these properties for JOE.

As of December 31, 2004, JOE's portfolio of commercial office buildings acquired through the capital redeployment program totaled approximately 2.8 million square feet and represented an aggregate investment of \$383 million, compared to 2.3 million square feet and an aggregate investment of \$313 million at December 31, 2003.

Table 12 summarizes JOE's investment property portfolio as of December 31, 2004.

Table 12  
Investment Property Portfolio  
December 31, 2004

Location	Number of Properties	Net Rentable Square Feet	Leased Percentage
Florida			
Tampa	5	489,000	80%
Orlando	2	317,000	69
Jacksonville	1	136,000	57
Northwest Florida	3	156,000	84
Atlanta	8	1,289,000	89
Washington, D.C.	1	119,000	97
Charlotte	1	158,000	100
Richmond	2	129,000	99
Total/Weighted Average	23	2,793,000	85%

### Land Positions Held for Investment

During 2004, JOE sold commercial parcels totaling 35 acres for gross proceeds of \$18.8 million. Additionally, there were 27 acres under contract at December 31, 2004. Our current portfolio of commercial land includes 76 acres in Houston, Atlanta, Northern Virginia, Jacksonville and Orlando.

Table 13 details JOE's land positions held for investment as of December 31, 2004.

Table 13  
St. Joe Commercial

Land Positions Held for Investment  
December 31, 2004

Market	Acres Held at 12/31/2003	Acres Sold During 2004	Acres Held at 12/31/2004	Acres Under Contract 12/31/2004	Sales Proceeds During 2004 (in thousands)
Florida	49.6	28.1	21.5	--	\$16,650
Georgia	9.8	--	9.8	3.0	--
Texas	31.9	6.7	25.2	4.4	2,168
Virginia	19.1	--	19.1	19.1	--
<b>Total</b>	<b>110.4</b>	<b>34.8</b>	<b>75.6</b>	<b>26.5</b>	<b>\$18,818</b>

Development Properties

Table 14 summarizes the development property portfolio as of December 31, 2004.

Table 14  
Development Property Portfolio  
December 31, 2004

Property	Market Location	Ownership Percentage	Net Rentable Square Feet	Leased Percentage
Deerfield Commons I	Atlanta	40%	122,000	82%
Nextel Partners II	Panama City Beach	100	30,000	100
<b>Total/Weighted Average</b>			<b>152,000</b>	<b>86%</b>

"In the fourth quarter of 2004, JOE sold the TNT Logistics Building in Jacksonville for a pretax gain of \$3.0 million," said Twomey.

Advantis

"Advantis has made remarkable progress turning in a successful 2004," said Twomey. "The performance from Advantis was driven by improved results in their commercial real estate brokerage business."

Pretax income from continuing operations in the fourth quarter of 2004 was \$1.2 million before elimination of inter-company profits of \$0.4 million. Advantis had pretax income from continuing operations of \$0.7 million for the fourth quarter of 2003, before elimination of inter-company profits of \$0.8 million.

For the year 2004, Advantis had pretax income from continuing operations of \$1.7 million before the elimination of inter-company profits of \$1.7 million, compared to a pretax loss from continuing operations of \$(15.8) million before elimination of \$2.0 million of inter-company profits in 2003.

ST. JOE LAND COMPANY

St. Joe Land Company had pretax income from continuing operations of \$16.5 million in the fourth quarter of 2004, compared with \$33.2 million in the fourth quarter of 2003. For the year, JOE's land sales division had pretax income from continuing operations of \$57.2 million for the full year 2004, compared with \$78.4 million in 2003.

There were no conservation land sales in the fourth quarter of 2004, compared with \$16.1 million in the fourth quarter of 2003. For the year, there were conservation land sales in 2004 of \$3.0 million, compared with \$40.5 million in 2003.

In the fourth quarter, JOE sold 3,369 acres of land at an average of \$5,105 per acre, compared to 11,405 acres in the same quarter a year ago for an average of \$1,973 per acre.

One large parcel that sold in the fourth quarter of 2004 consisted of approximately 349 acres at a price of \$8.7 million, or \$25,000 per acre. The parcel has water frontage of varying quality on North Bay in Bay County and was sold without entitlements or infrastructure for utilities and other services.

Table 15 summarizes the land division's sales activity for the fourth quarter of 2004 and for the full year 2004.

Table 15  
Land Division Sales (1)  
Quarter Ended December 31,

Period	Number of Sales	Number of Acres	Average Price Per Acre	Gross Sales Price (in millions)	Gross Profit (in millions)
2004	42	3,369	\$5,105	\$17.2	\$16.1
2003	37	11,405	\$1,973	\$22.5	\$19.6

Year Ended December 31,

Period	Number of Sales	Number of Acres	Average Price Per Acre	Gross Sales Price (in millions)	Gross Profit (in millions)
2004	169	18,376	\$3,543	\$65.1	\$59.3
2003	166	29,904	\$1,874	\$56.0	\$47.6

(1) Does not include RiverCamps or conservation land sales.

#### RiverCamps

RiverCamps are planned settlements in rustic settings, offering personal retreats in private woodland preserves. RiverCamps' low-density home sites are sold fee-simple and are surrounded by a large common area preserved for conservation. At JOE's first RiverCamps location, many home sites are almost one acre. Home sites could be larger at future locations.

#### RiverCamps on Crooked Creek

In the fourth quarter of 2004, RiverCamps offered 42 home sites for sale, of which 41 closed during the quarter. Home site prices ranged from \$129,000 to \$595,000, plus one bay-front home site priced at \$750,000. The remaining fourth quarter contract closed in the first quarter of 2005.

On January 11, 2005, JOE announced that 37 home sites with prices ranging from \$148,500 to \$849,500 and averaging \$276,000 would be released for sale in February. Additional home site releases are planned for later in the year.

Permits allowing completion of the entire project have been received, and the pace of infrastructure development is accelerating with 190 home sites currently under construction. The RiverCamps "entry barn" is scheduled to be completed early in the second quarter of 2005 and additional RiverCamps homes are planned to be completed in late 2005. Construction of the boat basin and storage facility, nature trails and viewing platforms is scheduled to start in the second quarter and construction of the RiverHouse, a compound of several community amenities, is set to start in the third quarter.

RiverCamps on Crooked Creek, located in Western Bay County, is entitled for up to 450 home sites on approximately 1,500 acres of former timberland and features views of West Bay, the Intracoastal Waterway and Crooked Creek.

#### RiverCamps on Sandy Creek

Preliminary planning and evaluation continues on RiverCamps on Sandy Creek. Plans initially call for approximately 600 units. RiverCamps on Sandy Creek features views of Sandy Creek and Little Sandy Creek and access to East Bay in eastern Bay County. Pending the receipt of land-use approvals and environmental permits, sales are planned for RiverCamps on Sandy Creek in 2006 or 2007.

Work also continues on other potential RiverCamps locations in Northwest Florida.

#### Other Land Projects

Planned as a primary home community with 24 units on 10 acres, construction started at Cutter Ridge in Franklin County in the fourth quarter. In addition, during the fourth quarter marketing began for RiverSide at Chipola, a 10-unit gated community on the Chipola River in Calhoun County. Predevelopment planning continues on JOE's Farmstead, Ranches and Preserves product lines.

#### FORESTRY

Pretax income from continuing operations for the forestry segment

totalled \$2.1 million for the fourth quarter of 2004, compared with \$2.3 million in the comparable 2003 period.

For the full year 2004, pretax income from continuing operations for the forestry segment totaled \$9.1 million, compared with \$8.1 million for the full year 2003.

#### FINANCIAL DATA

##### Other Income (Expense)

Other income (expense), which includes dividend and interest income, gains (losses) on sales of investments and non-operating assets and miscellaneous income, and interest expense, was an expense of \$(2.3) million in the fourth quarter of 2004, compared to an expense of \$(1.7) million in the comparable 2003 period.

For the year 2004, other income (expense) was an expense of \$(9.2) million, compared to an expense of \$(6.9) million in 2003.

Table 16 summarizes other income (expense) for the fourth quarters and full years of 2004 and 2003.

Table 16  
Other Income (Expense)  
(in millions)

	Quarter Ended Dec. 31,		Year Ended Dec. 31,	
	2004	2003	2004	2003
Dividend and interest income	\$0.4	\$0.1	\$0.9	\$0.9
Interest expense	(3.5)	(2.8)	(12.9)	(10.7)
Other	0.8	1.0	2.8	2.9
<b>Total</b>	<b>\$(2.3)</b>	<b>\$(1.7)</b>	<b>\$(9.2)</b>	<b>\$(6.9)</b>

Table 17  
Summary Balance Sheet  
(in millions)

	December 31, 2004	December 31, 2003
<b>Assets</b>		
Investment in real estate	\$942.6	\$886.1
Cash and cash equivalents	94.8	57.4
Prepaid pension asset	94.1	91.8
Property, plant and equipment	33.6	36.3
Other assets	238.5	204.1
<b>Total assets</b>	<b>\$1,403.6</b>	<b>\$1,275.7</b>
<b>Liabilities and Stockholders' Equity</b>		
Debt	\$421.1	\$382.2
Accounts payable, accrued liabilities	212.3	165.8
Deferred income taxes	264.4	232.2
<b>Total liabilities</b>	<b>897.8</b>	<b>780.2</b>
Minority interest	10.4	8.2
<b>Total stockholders' equity</b>	<b>495.4</b>	<b>487.3</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$1,403.6</b>	<b>\$1,275.7</b>

Table 18  
Debt Schedule  
(in millions)

	December 31, 2004	December 31, 2003
Revolving debt facility	\$-	\$40.0
Medium term notes	275.0	175.0
Acquisition and other debt	14.9	4.0
Other collateralized/specific asset		

related debt	131.2	163.2
Total debt	\$421.1	\$382.2

Table 19  
Consolidated Quarterly Comparisons  
(\$ in millions except per share amounts)

	Quarter Ended December 31,		Year Ended December 31,	
	2004	2003	2004	2003
<b>Revenues:</b>				
Real estate sales	\$231.0	\$180.6	\$734.3	\$592.2
Realty revenues	31.4	19.9	98.1	62.5
Timber sales	8.1	8.3	35.2	36.6
Rental revenue	10.7	9.0	40.5	31.0
Other revenues	10.1	6.1	43.4	28.5
Total revenues	291.3	223.9	951.5	750.8
<b>Expenses:</b>				
Cost of real estate sales	151.5	105.7	484.7	353.2
Cost of realty revenues	21.5	12.3	63.9	36.2
Cost of timber sales	4.9	4.9	21.8	24.2
Cost of rental revenue	4.4	3.8	15.9	14.1
Cost of other revenues	9.7	6.5	37.6	27.2
Other operating expenses	28.5	27.0	102.2	91.6
Corporate expense, net	14.5	9.8	43.8	34.5
Depreciation and amortization	9.7	9.4	35.1	28.4
Impairment loss	--	0.3	2.0	14.4
Total expenses	244.7	179.7	807.0	623.8
Operating profit	46.6	44.2	144.5	127.0
Other income (expense)	(2.3)	(1.7)	(9.2)	(6.9)
Pretax income from continuing operations	44.3	42.5	135.3	120.1
Income tax expense	(17.1)	(14.3)	(53.2)	(42.2)
Minority interest (expense) income	(1.7)	0.1	(2.6)	(0.6)
Equity in income (loss) of unconsolidated affiliates	2.6	0.3	5.6	(2.2)
Discontinued operations, net of tax	--	0.1	5.0	0.8
Net income	\$28.1	\$28.7	\$90.1	\$75.9
Net income per diluted share	\$0.37	\$0.37	\$1.17	\$0.98
Weighted average diluted shares outstanding	76,635,116	77,783,671	76,908,300	77,825,790

Table 20  
Quarterly Revenues  
By Segment  
(in millions)

	Quarter Ended December 31,	Year Ended December 31,
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	2004	2003	2004	2003
Towns & Resorts	\$173.4	\$135.7	\$617.6	\$494.9
Commercial real estate	89.2	39.4	226.7	120.1
Land sales	20.7	40.5	72.1	99.2
Forestry	8.0	8.3	35.1	36.6
Total revenues	\$291.3	\$223.9	\$951.5	\$750.8

Table 21  
Quarterly Segment Pretax Income  
From Continuing Operations  
(in millions)

	12/31 2004	9/30 2004	6/30 2004	3/31 2004	12/31 2003	9/30 2003	6/30 2003	3/31 2003
Towns & Resorts	\$24.7	\$31.8	\$34.4	\$9.1	\$13.2	\$32.1	\$23.0	\$12.4
Commercial real estate	18.0	2.9	1.0	1.1	5.4	(1.5)	(11.5)	2.9
Land sales	16.5	11.6	10.3	18.8	33.2	14.8	12.8	17.6
Forestry	2.1	1.9	2.4	2.7	2.3	1.6	2.2	1.9
Corporate and other	(17.0)	(13.6)	(11.9)	(11.5)	(11.6)	(11.9)	(10.7)	(8.1)
Pretax income from continuing operations	\$44.3	\$34.6	\$36.2	\$20.2	\$42.5	\$35.1	\$15.8	\$26.7

#### Conference Call Information

JOE will host an interactive conference call to review the company's results for the year ended December 31, 2004 and discuss guidance for 2005 on Wednesday, February 2, 2005, at 10:00 a.m., Eastern Time.

To participate in the call, please phone 800-553-0358 (for domestic calls from the United States) or 612-332-0802 (for international calls) approximately ten minutes before the scheduled start time. Approximately three hours following the call, you may access a replay of the call by phoning 800-475-6701 (domestic) or 320-365-3844 (international) using access code 766874. The replay will be available for one week.

JOE will also webcast the conference call live over the internet in a listen-only format. Listeners can participate by visiting the company's web site at <http://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, a publicly held company based in Jacksonville, is one of Florida's largest real estate operating companies. It is engaged in town, resort, commercial and industrial development, land sales and commercial real estate services. JOE also has significant interests in timber.

More information about JOE can be found at our web site at <http://www.joe.com>.

#### Forward-Looking Statements

We have made forward-looking statements in this earnings release, particularly in the Outlook Section. The Private Securities Litigation Reform Act of 1995 provides a safe-harbor for forward-looking information to encourage companies to provide prospective information about themselves without fear of litigation so long as that information is identified as forward-looking and is accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ, possibly materially, from those in the information. 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:

- the size and number of residential units and commercial buildings;
- expected development timetables, development approvals and the ability to obtain such approvals, including possible legal challenges;
- the anticipated price ranges of developments;
- the number of units 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 pace at which we release new product for sale;
- future operating performance, cash flows, and short and long-term revenue and earnings growth rates;
- comparisons to historical projects;
- the amount of dividends we pay; and
- the number of shares of company stock which may be purchased under the company's existing or future share-repurchase program.

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 current expectations, and we undertake no obligation to update the information contained in this release.

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, 2003 as well as, among others, the following:

- economic conditions, particularly in Northwest Florida, Florida as a whole and key areas of the southeast United States that serve as feeder markets to our Northwest Florida operations;
- changes in the demographics affecting projected population growth in Florida, including the demographic migration of Baby Boomers;
- 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 and rentals;
- the pace of commercial development in Northwest Florida;
- competition from other real estate developers;
- whether potential residents or tenants consider our properties attractive;
- 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;
- how well we manage our properties;
- changes in interest rates and the performance of the financial markets;
- changes in market rental rates for our commercial and resort properties;
- changes in the prices of wood products;
- the pace of development of public infrastructure, particularly in Northwest Florida, including a proposed new airport in Bay County, which is dependent on approvals of the local airport authority and the Federal Aviation Administration, various permits and the availability of adequate funding;
- potential liability under environmental laws or other laws or regulations;
- adverse 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;
- adverse weather conditions or natural disasters and the impact on future demand in Florida; 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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