UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549

FORM 10-K

(MARK ONE)

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2000

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE TRANSITION PERIOD FROM ____________ TO ____________

COMMISSION FILE NO. 1-10466

THE ST. JOE COMPANY
(Exact name of registrant as specified in its charter)

FLORIDA (State or other jurisdiction of incorporation or organization)	59-0432511 (I.R.S. Employer Identification No.)
SUITE 400, 1650 PRUDENTIAL DRIVE JACKSONVILLE, FLORIDA (Address of principal executive offices)	32207 (Zip Code)

Registrant's telephone number, including area code: (904) 396-6600

Securities Registered Pursuant to Section 12(b) of the Act:

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
Common Stock, No par value	New York Stock Exchange

Indicate by check mark whether this Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. YES [X] NO [ ]

Indicate by check mark if the disclosure of delinquent filers pursuant to item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the Registrant's knowledge, in definitive proxy of information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

The aggregate market value of the registrant's Common Stock held by non-affiliates based on the closing price on March 12, 2001 was approximately $714,445,387.

As of March 12, 2001, there were 93,570,577 shares of Common Stock, no par value issued and 82,600,010 shares outstanding with 10,970,567 shares of treasury stock.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's definitive Proxy Statement for the Annual Meeting of Stockholders to be held on May 15, 2001 (the "Proxy Statement") are incorporated by reference in Part III of this Report Other documents incorporated by reference in this Report are listed in the Exhibit Index.

PART I

ITEM 1. BUSINESS

As used throughout this Form 10-K Annual Report, the terms "St. Joe," "Company" and "Registrant" mean The St. Joe Company and its consolidated subsidiaries unless the context indicates otherwise.

St. Joe was organized as a Florida corporation in 1936 by the executors of the estate of Alfred I. duPont, a descendant of the Delaware family that founded the duPont Company, to implement Mr. duPont's plans to establish a paper company in northwest Florida. Over the years, St. Joe, then known as St. Joe Paper Company, expanded into other lines of business primarily by acquiring assets the Company perceived to be undervalued, such as real estate, railroads, banks, a sugar company, a communications company and corrugated box factories.

During the 1990's, the Company began to implement a strategy which led to its transformation from an industrial conglomerate to a real estate operating company.

To implement this strategy, the Company has divested the bulk of its non-core business segments.

- In 1996, the Company sold the stock of St. Joe Communications and St. Joe's interest in three cellular limited partnerships, as well as the Company's linerboard mill and container plants.

- In 1999, the Company completed the sale of its sugar assets for $152.5 million.

- In 1999, the Company entered into a forward sale transaction with a major financial institution that, in effect, provided for the monetization of its long-held portfolio of equity investments. The Company received approximately $111.1 million in cash. The Company must settle the transaction by October 15, 2002 by delivering either cash or a number of the equity securities to the financial institution.

- In 2000, the Company completed the tax free spin-off of its 54% equity interest in Florida East Coast Industries, Inc. ("FLA") to its shareholders.

The Company, headquartered in Jacksonville, Florida, is now one of the Southeast's largest real estate operating companies. St. Joe provides a broad range of real estate services to meet both residential and commercial real estate needs. The Company believes it has assembled a management team with the range of real estate, financial, marketing and regulatory expertise to take a large-scale approach to real estate development and services.

The Company primarily conducts its business in six operating segments. These are:

- Community Residential Development

- Residential Real Estate Services

- Land Sales

- Commercial Real Estate Development and Services

- Forestry

- Transportation

The Company does not currently plan to enter new business lines.

The Company owns nearly one million acres, the majority of which are located in northwest Florida. While the majority of the land is currently utilized in the Company's silviculture operations, the Company believes substantial portions of the land are suitable for other uses, including residential development and large tract sales.

In order to optimize the value of its core real estate assets in northwest Florida, St. Joe's strategic plan calls for the Company to continue to increase the pace of its development.

The Company's businesses are concentrated in Florida and the state's economic health and growth rate will be important factors in creating demand for the Company's products and services.

The Florida economy is growing faster than the national average in many categories. Management expects Florida's economic and population growth to continue and believes that the Company is well positioned to benefit from increasing demand for primary housing, second resort homes, as well as office and industrial space in the Florida real estate market.

The Company's real estate operations are cyclical and are affected by demographic and economic trends and the supply and rate of absorption of new construction.

COMMUNITY RESIDENTIAL DEVELOPMENT

In the community residential development segment, the Company develops large-scale, mixed-use communities primarily on Company-owned lands. The Company's land holdings include large tracts near Tallahassee, the state capital, and in northwest Florida. These tracts include significant Gulf of Mexico beach frontage and other waterfront property which the Company believes to be suited for residential, resort and second-home communities. The Company believes this large, established land inventory, with a very low cost basis, provides an advantage over competitors that must purchase real estate at current market prices before beginning projects. With the development of northwest Florida, the Company has embarked on a regional "placemaking" effort. Through regional economic development organizations such as "Florida's Great Northwest, Inc.", the Company is participating in efforts to improve the present infrastructure of the region, including roads, schools, hospitals and the relocation of the Panama City-Bay County International Airport. The Company also develops smaller scale residential communities that make productive use of existing Company assets and acquired land.

Since November 12, 1997, the Company has been a 74% partner in St. Joe/Arvida Company, L.P., ("St. Joe/Arvida"). The remaining 26% is owned by JMB Southeast Development, L.L.C. and JMB Southeast Development, L.P. The principal assets of St. Joe/Arvida are the "Arvida" name, proprietary information systems and the Arvida management team. The Company directs its residential development efforts through St. Joe/Arvida and conducts the majority of its residential development activity under the Arvida trademark.

In April 1999, the Company acquired all the outstanding stock of Saussy Burbank, a homebuilder located in Charlotte, North Carolina. In 2000, Saussy Burbank closed on 254 homes it constructed in North Carolina and South Carolina.

The community residential development segment generated revenues in 2000 from the sales of developed homesites, the sale of housing units built by the Company, management fees and rental income, and investments in limited partnerships and other affiliates.

The Company manages the conceptual design, planning and permitting process for each new community. The Company then constructs or contracts for the construction of the infrastructure for the community. The Company markets and sells developed homesites and builds, markets and sells finished housing units.

In December 1998, the Company acquired approximately 26% of the outstanding limited partnership interests in Arvida/JMB Partners, L.P. ("Arvida/JMB"). The partnership's assets currently consist primarily of land that is being developed into a master-planned community known as Weston located in Broward County in South Florida.

As of December 31, 2000, St. Joe/Arvida was developing 20 residential or resort communities in various stages of planning and development, including one owned by Arvida/JMB.

The following are some of the communities being developed and planned on lands owned by the Company or to be acquired by the Company:

WaterColor is located on the beaches of the Gulf of Mexico in south Walton County, Florida. WaterColor is situated on approximately 499 acres. All three phases of WaterColor have been approved under Florida's Development of Regional Impact ("DRI") permitting process. St. Joe/Arvida is building homes and condominiums and is selling developed homesites in WaterColor. Sales began in March 2000. As of December 31, 2000, 105 units were under contract or closed. At full build-out, the community is planned to include approximately 1,100 residences, a beach club, tennis club, boathouse on an inland freshwater lake, 60-room inn, 100,000 square feet of commercial space, dune walkovers and boardwalks and a lakefront park. During 2000, construction continued on the town center, where ten buildings housing retail shops and town center homes were nearing completion or have been occupied. Construction of the WaterColor beach club, 22 Gulf-front residences and the WaterColor Inn commenced in 2000. Additionally, work has begun on the marina, boathouse and a casual restaurant, all of which are located on the inland freshwater lake. Construction of the tennis center is expected to commence in the first half of 2001.

WaterSound is located in Walton County, Florida, approximately three miles east of WaterColor. WaterSound includes over one mile of beachfront on the Gulf of Mexico. Sales of residential lots are expected to commence in the second half of 2001.

Camp Creek Golf is located in Walton County, Florida, approximately four miles east of WaterColor and within one-half mile of WaterSound. Plans include 36 holes of golf. Construction of the first 18 hole golf course, designed by Tom Fazio, is complete and is scheduled to open for play in May, 2001.

SouthWood is located in southeast Tallahassee, Florida. SouthWood is situated on approximately 3,800 acres. Plans for SouthWood include approximately 4,250 homes and a traditional town center with restaurants, entertainment facilities, retail shops and offices. Over 35% of the land is designated for greenspaces including a 123-acre central park. As of December 31, 2000, 29 contracts were pending for the 134 single family homes and 60 town homes scheduled to be constructed in phase one. Construction commenced during 2000 on the Florida State Development Research School. This university laboratory school for grades K-12 is scheduled to open in the fall of 2001. Construction also commenced during 2000 on The Pope John Paul II Catholic Academy at SouthWood, a private parochial school for grades 9-12. This school is also scheduled to open in the fall of 2001.

The Point at Sabal Beach is located in Gulf County, Florida. This community is situated on approximately 80 acres and is planned to include 112 lots, many of which will be located on the beachfront, a pool club, several community docks and an extensive conservation area. Sales are expected to commence in the second half of 2001.

Victoria Park is located in Volusia County in central Florida. Victoria Park is situated on approximately 1,859 acres being acquired by the Company near Interstate 4 in Deland, Florida between Daytona Beach and Orlando, Florida. Plans for Victoria Park include approximately 3,600 single and multi-family units with a traditional town center and an 18-hole golf course. Infrastructure construction commenced during 2000 and sales are expected to commence in the second half of 2001.

St. Johns Golf and Country Club is located in St. Johns County, Florida. St. Johns Golf and Country Club is situated on approximately 820 acres, some of which has been acquired and the remainder of which the Company intends to acquire. The community is planned to include a total of 799 housing units and an 18-hole golf course. Most homes will be adjacent to golf, conservation land, lakes, or natural wooded areas. Construction of infrastructure is substantially complete and sales are expected to commence in the second half of 2001. The golf course is expected to be ready for play in June, 2001.

James Island is located in Jacksonville, Florida, near Interstate 95 and new elementary and middle schools. James Island is situated on approximately 194 acres recently acquired by the Company. At full build-out, the community is expected to include approximately 365 housing units. Phase one of James Island opened in the spring of 1999. Phase two opened in December 1999. Phase three opened in the fourth quarter of 2000. During 2000, 91 homes were sold.

RiverTown is located in St. Johns County in northeast Florida, just south of Jacksonville, Florida along the St. Johns River. RiverTown is situated on approximately 4,300 acres. In late 1998, the Company sold 120 acres in RiverTown to the St. Johns County School Board to be used as a site for a new high school. This school opened for the 2000-2001 school year. In the fourth quarter of 1999, St. Joe filed an application for a Planned Rural Development (PRD) for riverfront homesites in RiverTown. In January, 2000, the Company obtained approval to develop the first 23 riverfront homesites. During 2000, 15 of the 23 lots were sold. Contracts for additional riverfront lots are expected to close during the first quarter of 2001.

Sabal Beach is located in Gulf County, Florida and is situated on approximately 810 acres. Conceptual design and land planning is underway, however timing is uncertain until the planning process is finished.

Mexico Beach is located in Bay County, Florida and is situated on approximately 946 acres. Conceptual design and land planning is underway, however timing is uncertain until the planning process is finished.

Summerwood is located in Panama City Beach, Florida. Summerwood includes 219 residential units being developed in three phases. As of December 31, 2000, 167 units had been sold.

Woodrun is located in Lynn Haven, Bay County, Florida. Woodrun includes 51 residential units situated around an environmental preserve. As of December 31, 2000, 13 homesites and 18 homes had been sold.

The Hammocks is located in Lynn Haven, Bay County, Florida. The Hammocks is situated on approximately 143 acres and includes 475 homesites. As of December 31, 2000, four homesites had been sold.

Huntington is located in Bay County, Florida. Huntington is situated on approximately 138 acres includes 268 homesites. Sales are expected to begin in 2001.

Hampton Park is located in Jacksonville, Florida. Hampton Park is situated on approximately 150 acres and includes 158 homesites. Sales are expected to begin in 2001.

Several of the planned developments described above are in the midst of the entitlement process or are in the planning stage. No assurances can be given that the necessary entitlements for development will be secured, that any of the Company's projects can be successfully developed, if at all, or that they can be developed in a timely manner. It is not feasible to estimate project development costs until entitlements have been obtained. As is typical of large-scale development projects, development of these tracts could require significant infrastructure development costs and may raise environmental issues that require mitigation.

RESIDENTIAL REAL ESTATE SERVICES

In July 1998, St. Joe purchased Arvida Realty Services ("ARS"), formerly known as Prudential Florida Realty. ARS is Florida's largest independent residential real estate brokerage company and the fifth largest in the nation. ARS has over 103 offices throughout Florida, more than 3,100 licensed sales professionals and approximately 600 employees.

ARS offers a complete array of real estate services, including residential real estate sales, relocation services, asset and property management, title and mortgage services, annual and seasonal rentals and international real estate marketing. During the fourth quarter of 2000, ARS began offering integrated, internet-based real estate services to simplify residential real estate transactions and home ownership for consumers. This new service, called Home-Link, offers clients home-related products and services, such as home inspections, homeowner and service warranties, moving services, utility connections, and home, yard and pool maintenance.

ARS's operations are seasonal with the volume of transactions increasing in the spring and summer, which corresponds to the increase in housing relocations. This seasonality is somewhat offset by the vacation home (second home) market which is active in the winter months.

ARS generated revenue in 2000 by closing on 35,893 units.

ST. JOE LAND COMPANY

This segment was created in 1999 to facilitate land sales at higher prices than would be received from bulk timberland sales. This segment markets parcels which are typically between five and 5,000 acres. This land is from a portion of the timberlands long-held by St. Joe in northwest Florida and southwest Georgia that consist of forests and meadowlands with frontage on rivers, lakes and bays. These parcels are being marketed as large secluded home sites, some of which could be used as quail plantations, ranches, farms, hunting and fishing preserves and for other recreational uses. The Company believes that there is an opportunity to create additional value on between 300,000 and 500,000 acres of its timberland that are not included in the Company's current development plans. The vast majority of the holdings marketed by St. Joe Land Company will continue to be managed as timberland until sold.

This segment generated revenues in 2000 from the sale of 137 parcels of land totaling 51,599 acres, including two conservation land sales. In the third quarter of 2000, the Company sold to the State of Florida 8,867 acres of conservation land to be used to protect 10 miles along the Wacissa River located in Jefferson County, Florida. In the fourth quarter of 2000, the Company sold 15,443 acres in southwest Georgia near Albany, known as the Chickasawhatchee Swamp, to The Nature Conservancy. It is anticipated that the property will be conveyed to the Georgia Department of Natural Resources to be used as a wildlife management area.

COMMERCIAL REAL ESTATE DEVELOPMENT AND SERVICES

The Company's commercial real estate segment ("St. Joe Commercial") develops and manages office, industrial and retail properties mainly in Florida.

This segment generated revenues in 2000 from rentals on properties owned by the Company and, through October 9, 2000, from the operations of FLA's real estate subsidiary. Revenues were also generated in 2000 from property management fees, development fees, sales of developed properties and investments in partnerships and other affiliates.

The spin-off of the Company's interest in FLA to its shareholders eliminated the Company's ownership interest in Flagler Development Company ("FDC"), the commercial and industrial real estate subsidiary of FLA. In contemplating the spin-off, the Company and FLA entered into an Amended and Restated Master Agreement, which provides for several property management and development service agreements between the two companies. In consideration of FLA's execution of the Amended and Restated Master Agreement, the Company will pay FLA $6 million in three annual installments. The first installment was paid in October, 2000. In addition, in consideration of the abandonment by the Company of its entitlement to become a 50% joint venture partner in certain properties previously agreed to between the Company and FLA, FLA paid the Company $5.323 million in October, 2000. Under the terms of the various agreements, which will extend for up to three years, FDC has retained the Company to develop and manage certain commercial real estate holdings of FDC. FDC pays fees for these services based upon market rates.

Development. The Company directs the conceptual design, planning and permitting process for each new development. The Company then constructs or contracts for the construction of the infrastructure and building. The Company generally receives a development fee equal to a percentage of the cost of the project. The amount of the fee depends on the type and location of the project.

The Company has entered into strategic partnerships that allow it to provide development services in certain competitive markets. In February 1998, the Company acquired a one-third interest in Codina Group, Inc. ("CGI"). In March 2000, CGI bought back Duke-Weeks Realty Corporation's one-third interest in CGI. As a consequence, the Company now owns one-half of CGI. CGI develops and services commercial properties for the Company in the south Florida market. The Company has also formed a 50/50 partnership with Means Knaus LLC ("Means Knaus"), a Texas developer, to develop commercial properties in the Dallas and Houston, Texas markets.

The Company's development operations, combined with the Company's tax strategy to reinvest asset sales proceeds into "like-kind" properties, have created a portfolio of rental properties totaling 1.7 million square feet. Including "like-kind" properties and projects developed by the Company, the portfolio was 89% leased at December 31, 2000.

St. Joe Commercial
Portfolio of Operating Properties
At December 31, 2000

	MARKET	DATE ACQUIRED	NET RENTABLE SQ. FT.	LEASED PERCENTAGE
Prestige Place I & II	Clearwater, FL	December 23, 1999	143,000	95%
Harbourside	Clearwater, FL	December 23, 1999	147,000	96%
Lakeview	Tampa, FL	May 18, 2000	125,000	94%
Palm Court	Tampa, FL	July 28, 2000	62,000	100%
Westside Corporate Center	Plantation, FL	October 17, 2000	100,000	95%
Total			577,000	96%

Projects developed and currently being held for lease by the Company include:

CNL Center: The Company, in partnership with CNL Realty Group ("CNL"), completed construction in November 1999 of a 14-story, 346,000-square-foot building in downtown Orlando. The project is located off Interstate 4, adjacent to City Hall and a portion of which is being leased by CNL as its corporate headquarters. The building was 80% leased at December 31, 2000.

Millenia Park One: The Company, in partnership with CNL, completed construction in the fourth quarter of 1999 of the first building at Millenia Park, a new corporate campus in Orlando, Florida. This Class-A building is a six-story, 158,000 square foot office building. The site is located on 31 acres fronting Interstate 4. Plans provide for up to four buildings totaling 750,000 square feet of Class-A office space. The building was 85% leased at December 31, 2000.

Westchase Corporate Center: The Company, in partnership with Means/Knaus, developed a six-story Class-A, 184,000-square-foot office building located on a 5.4-acre tract in Houston, Texas. The building has frontage along Richmond Avenue, two blocks east of the Westbelt. The building was 70% leased at December 31, 2000.

NCCI: The Company developed the build-to-suit headquarters for NCCI, Inc. (National Council of Compensation Insurance) in Boca Raton, Florida. The 310,000-square-foot, Class-A office building (290,000 rentable square feet) was completed in 2000 and was 100% leased at December 31, 2000.

Deerfield Commons I: The Company is a partner in Deerfield Park, LLC, which owns a mixed-use community, located at the Windward Parkway and GA 400 interchange in the North Fulton area of Atlanta, Georgia. The Company, in a joint venture with Hines Interests, LP, developed Deerfield Commons within Deerfield Park. Phase one includes a four-story, 120,000 square foot Class-A, corporate office building. At December 31, 2000 the building was 85% leased.

At December 31, 2000, the Company had six properties totaling approximately 626,000 square feet under construction or in the planning stages.

Projects being developed by the Company include:

355 Alhambra: The Company, in partnership with Armando Codina, individually, and J. P. Morgan Investment Management, is developing a 16-story, 224,000-square-foot, Class-A office building at 355 Alhambra in Coral Gables, Florida. CGI is the construction, leasing and management company for this development. The building is scheduled to be completed in the first quarter of 2001.

IBM: The Company is developing a 168,000-square foot, build-to-suit building for IBM at the Beacon Square Park in Boca Raton, Florida. The building is scheduled to be completed in the second quarter of 2001.

Pier Park: Pier Park is to be situated on approximately 275 acres located in Panama City Beach, Florida. The property is to be developed jointly with the City of Panama City Beach, Florida. Pier Park is planned to include retail, dining and entertainment components. The master plan has been completed and development is expected to commence in 2001.

The Company's strategy includes acquiring land positions in its targeted markets to enable it to continue its development of commercial properties including build-to-suit opportunities. At December 31, 2000, the Company owned approximately 225 acres of land with entitlements for future development of approximately 5.4 million square feet of commercial property.

Service. The Company provides property management services for projects owned by FDC and others. The Company generally receives a property management fee equal to a percentage of the gross rental revenues of a managed building or project. The amount of these fees depends on the type and location of the building or project.

The Company provides commercial real estate services through Advantis. Advantis was formed in early 1999 by combining the businesses of Goodman Segar Hogan Hoffler, L.P. and Florida Real Estate Advisors, Inc., firms acquired by the Company in late 1998. Advantis provides a full array of services for its clients including brokerage, property management and construction management.

A summary of properties managed follows:

STATE	RENTABLE SQUARE FEET
Florida	21,138,000
Virginia	8,918,000
North Carolina	2,175,000
Georgia	1,494,000
Washington, DC area	470,000
	34,195,000

MANAGEMENT TYPE	RENTABLE SQUARE FEET
Office property	14,421,000
Industrial property	10,513,000
Retail property	5,298,000
Facilities management	1,641,000
Asset management	1,082,000
Residential property	1,240,000
	34,195,000

FORESTRY

This segment focuses on the management and harvesting of the Company's extensive timberland holdings. The Company grows, harvests, and sells timber and wood fiber. The Company is the largest private holder of timberlands in Florida, with approximately 700,000 acres of planted pine forests, primarily in northwestern Florida, and approximately 300,000 acres of mixed timberland, wetlands, and lake and canal properties. The Company's timberlands also stretch into southern Georgia.

This segment generated revenues in 2000 from the sale of pulpwood and bulk land and timber sales.

St. Joe estimates that its standing pine inventory on December 31, 2000, totaled 23.216 million tons and its hardwood inventory totaled 11.088 million tons. The timberlands are harvested by local independent contractors pursuant to agreements that are generally renewed annually. St. Joe's principal forestry product is softwood pulpwood. The company also grows and sells softwood and hardwood sawtimber.

In August of 1998, the Florida Coast Paper Company, L.L.C. ("FCP"), the Company's major pulpwood customer, shut down its mill in Port St. Joe. Under the terms and conditions of the amended fiber supply agreement with FCP, the Company began redirecting the volumes of pulpwood from the FCP mill in Port St. Joe to another mill in Panama City, Florida. Sales of pulpwood resumed in November 1998 and continued through June 30, 2000 with no significant loss in volume of sales. FCP filed for protection from its creditors in the Federal Bankruptcy Court for the District of Delaware. Pursuant to an order entered by the Bankruptcy Court, the amended fiber supply agreement was terminated, effective June 30, 2000. On July 1, 2000, a new fiber agreement with Smurfit-Stone Container Corporation, one of the original principals of FCP, went into effect. The agreement is for twelve years and it requires an annual pulpwood volume of 700,000 tons per year that must come from company-owned fee simple lands. 311,870 acres are encumbered, subject to certain restrictions, by this agreement, although the obligation may be transferred to a third party if a parcel is sold.

Many of the Company's timberlands are located near key transportation links including roads, waterways and railroads, allowing the Company to deliver fiber to its customers on a cost-efficient basis.

St. Joe maintains a genetics research facility in Capps, Florida, which grows seedlings for use in reforestation of its lands. The genetic department conducts research to produce faster growing, more disease-resistant species of pine trees, and produces seedlings for planting on Company-owned plantations. In addition, the Company, in cooperation with the University of Florida, is doing experimental work in genetics on the development of superior pine seed.

St. Joe's current strategy in its forestry segment is to increase the average age of its timber by extending growing periods before final harvesting in order to capitalize on the higher margins of older-growth timber. The Company intends to extend growing periods for its softwood forest from a historical average of approximately 18-22 years to approximately 28-30 years. This change is expected to shift the Company's product mix from approximately 85% pulpwood and 15% higher-margin products in 1997 to approximately 60% pulpwood and 40% higher-margin products by 2005. This strategy should ultimately increase the revenues and returns of the Company's timber operations when a sustainable harvest of older-growth timber is achieved, although there can be no assurances in this regard. The Company will also seek to maximize sustainable harvest volumes through the continued use and development of genetically improved seedlings, soil mapping, extensive fertilization, vegetation control, thinning and selective harvesting practices.

As part of its strategy to maximize the cash flows from its timberlands, the Company engages in several business activities complementary to its land holdings. The Company leases approximately 900,000 acres of its timberlands to private clubs and state agencies for hunting.

TRANSPORTATION

The Company owns the Apalachicola Northern Railroad Company ("ANRR"), a short-line railroad operating between Port St. Joe and Chattahoochee, Florida, where it connects with an unaffiliated carrier. Its transportation facilities include 96 miles of main track, 13 miles of yard switching track and 3 miles of other track. Although it is a common carrier, most of ANRR's business in recent years consisted of carrying coal from Port St. Joe to Chattahoochee pursuant to a contract with Seminole Electric Cooperative, Incorporated ("Seminole") and carrying wood chips, pulpwood and linerboard used or produced at FCP's paper mill in Port St. Joe, Florida. On August 15, 1998, the FCP mill shutdown and is not expected to reopen. The other items carried by ANRR are chemicals, stone and clay products and recyclable items.

In 1982, ANRR entered into a coal contract with Seminole. In January 1999, Seminole halted shipments of coal and Seminole also filed a lawsuit in circuit court in Gulf County, Florida, seeking to terminate its contract with ANRR. The litigation was settled in the fourth quarter of 2000 followed by the payment of $10 million by Seminole to the Company in January 2001.

Revenues for this segment, through October 9, 2000, include revenues from FLA's railroad subsidiary.

REGULATION

Real Estate. Development of real property in Florida entails an extensive approval process involving overlapping regulatory jurisdictions. Real estate projects must generally comply with the provisions of the Local Government Comprehensive Planning and Land Development Regulation Act (the "Growth Management Act"). In addition, development projects that exceed certain specified regulatory thresholds require approval of a comprehensive Development of Regional Impact ("DRI") application. Compliance with the Growth Management Act and the DRI process is usually lengthy and costly and can be expected to materially affect the Company's real estate development activities.

The Growth Management Act requires counties and cities to adopt comprehensive plans guiding and controlling future real property development in their respective jurisdictions. After a local government adopts its comprehensive plan, all development orders and development permits that it issues must be consistent with the plan. Each plan must address such topics as future land use, capital improvements, traffic circulation, sanitation, sewerage, potable water, drainage and solid wastes. The local governments' comprehensive plans must also establish "levels of service" with respect to certain specified public facilities and services to residents. Local governments are prohibited from issuing development orders or permits if facilities and services are not operating at established levels of service, or if the projects for which permits are requested will reduce the level of service for public facilities below the level of service established in the local government's comprehensive plan. If the proposed development would reduce the established level of services below the level set by the plan, the development order will require that, at the outset of the project, the developer either sufficiently improve the services to meet the required level or provide financial assurances that the additional services will be provided as the project progresses.

The Growth Management Act, in some instances, can significantly affect the ability of developers to obtain local government approval in Florida. In many areas, infrastructure funding has not kept pace with growth. As a result, substandard facilities and services can delay or prevent the issuance of permits. Consequently, the Growth Management Act could adversely affect the ability of Florida developers, including the Company, to develop real estate projects.

The DRI review process includes an evaluation of the project's impact on the environment, infrastructure and government services, and requires the involvement of numerous federal, state and local environmental, zoning and community development agencies and authorities. Local government approval of any DRI is subject to appeal to the Governor and Cabinet by the Florida Department of Community Affairs, and adverse decisions by the Governor or Cabinet are subject to judicial appeal. The DRI approval process is usually lengthy and costly, and there are no assurances as conditions, standards or requirements may be imposed on a developer with respect to a particular project. The DRI approval process is expected to have a material impact on the Company's real estate development activities in the future.

In addition, a substantial portion of the developable property in Florida, including much of the Company's property, is raw land located in areas where its development may affect the natural habitats of various endangered or protected wildlife species or in sensitive environmental areas such as wetlands and coastal areas, which are subject to extensive and evolving federal, state and local regulation. Accordingly, federal, state and local wildlife protection, zoning and land use restrictions, as well as community development requirements, may impose significant limitations on the Company's ability to develop its real estate holdings.

The Company's ownership and development of real estate are subject to extensive and changing federal, state and local environmental laws, the provisions and enforcement of which may become more stringent in the future. Pursuant to those laws, the owner or operator of real estate may be required to perform remediation regardless of whether it caused the contamination. The sale or development of properties may also be restricted due to environmental concerns, the protection of endangered species, or the protection of wetlands. In addition, violations of various statutory and regulatory programs can result in civil penalties, remediation expenses, natural resource damages, potential injunctions, cease and desist orders and criminal penalties. The Company is not presently aware of any material contamination at or any material adverse environmental development issues relating to its real estate operations. However, there can be no assurance that environmental issues will not arise in the future relating to the real estate operations.

ARS is subject to regulation by the Florida Real Estate Commission and must comply with federal, state and local laws and regulations governing the marketing of residential real estate including but not limited to licensing, disclosure and anti-discrimination.

Advantis is subject to regulation in the states in which it operates and must comply with all federal, state and local laws and regulations governing the marketing and management of commercial real estate including but not limited to licensing, disclosure and anti-discrimination.

Forestry. Forestry operations generate air emissions through controlled burning. The forestry operations are subject to regulation under the Endangered Species Act ("ESA"), the federal Clean Water Act, the federal Clean Air Act, the Federal Insecticide, Fungicide and Rodenticide Act and the Toxic Substances Control Act as well as similar state laws and regulations. Violations of various statutory and regulatory programs can result in civil penalties, remediation expenses, natural resource damages, potential injunctions, cease and desist orders and criminal penalties. Some environmental statutes impose strict liability, rendering a person liable for environmental damage without regard to negligence or fault on the part of such person.

The ESA and counterpart state legislation protect species threatened with possible extinction. A number of species indigenous to the Company's timberlands have been, and in the future may be, protected under these laws, including the red cockaded woodpecker, the bald eagle and various other species. Protection of endangered and threatened species may include restrictions on timber harvesting, road building and other silvicultural activities on the Company's land containing the affected species. There can be no assurance that such laws or future legislation or administrative or judicial action with respect to protection of the environment will not adversely affect the Company's forestry operations.

In conducting its harvesting activities, the Company voluntarily complies with the "Best Management Practices" recommended by the Florida Division of Forestry. From time to time, proposals have been made in state legislatures regarding the regulation of timber harvesting methods. There can be no assurance that such proposals, if adopted, will not adversely affect the Company or its ability to harvest and sell logs or timber in the manner currently contemplated.

The Company is not presently aware of any facts that indicate that the Company will be required to incur material costs relating to environmental matters in relation to its forestry operations. However, there can be no assurances that environmental regulation or regulation relating to endangered species or wetlands will not have a material adverse effect on the forestry operations in the future.

Transportation. ANRR is subject to regulation by the Surface Transportation Board of the U.S. Department of Transportation and, in some areas, the State of Florida. These governmental agencies must approve, prior to implementation, changes in areas served and certain other changes in operations of ANRR.

The Company's transportation operations are subject to extensive local, state and federal environmental laws and regulations, including the federal Clean Air Act, CERCLA and various other state and local environmental laws and regulations. Violations of various statutory and regulatory programs can result in civil penalties, remediation expenses, natural resource damages, potential injunctions, cease and desist orders and criminal penalties. Some environmental statutes impose strict liability, rendering a person liable for environmental damage without regard to negligence or fault on the part of such person. In addition, the Company's present and historic ownership and operation of real property, including yards, in connection with its transportation operations involve the storage, use or disposal of hazardous substances that have contaminated and may in the future contaminate the environment. The Company may also be liable for the costs of cleaning up a site at which it has disposed (intentionally or unintentionally by virtue of, for example, an accident, derailment or leak) or to which it has transported hazardous substances.

FORWARD LOOKING STATEMENTS

From time to time, the Company has made and will make "forward-looking statements" as defined by the Private Securities Litigation Reform Act of 1995. These statements can be identified by the fact that they do not relate strictly to historical or current facts. Forward-looking statements often use words such as "anticipate," "expect," "estimate," "intend," "plan," "goal," "believe" or other words of similar meaning.

Forward-looking statements give the Company's current expectations or forecasts of future events, circumstances or results. The Company's disclosure in this report, including in the MD&A section, contains forward-looking statements. The Company may also make forward-looking statements in our other documents filed with the SEC and in other written materials. In addition, the Company's senior management may make forward-looking statements orally to analysts, investors, representatives of the media and others.

Any forward-looking statements made by or on behalf of the Company speak only as of the date they are made. The Company does not update forward-looking statements to reflect the impact of circumstances or events that arise after the date the forward-looking statement was made. The reader should, however, consult any further disclosures of a forward-looking nature the Company may make in its other documents filed with the SEC and in other written materials

All forward-looking statements, by their nature, are subject to risks and uncertainties. The Company's actual future results may differ materially from those set forth in the Company's forward-looking statements. In particular, but without limitation, discussions regarding (a) the size and number of commercial buildings and residential units; (b) development timetables, development approvals and the ability to obtain approvals; (c) anticipated price ranges of developments; (d) the number of units that can be supported upon full build-out; (e) absorption rates; and (f) expected gain on land sales are forward-looking statements.

Such statements are based on current expectations and are subject to certain risks discussed in this report and in our other periodic reports filed with the SEC. Other factors besides those listed in this report or discussed in the Company's other reports to the SEC could also adversely affect the Company's results and the reader should not consider any such list of factors to be a complete set of all potential risks or uncertainties.

RISKS RELATING TO REAL ESTATE OPERATIONS

Market Risks. There can be no assurance that the U.S. economy, in general, or the economy of the Southeast in particular, will continue to experience positive growth rates or that the United States, in general, or the Southeast in particular, will not be affected by a recession in the future. Certain significant expenditures associated with the development, management and servicing of real estate (such as real estate taxes, maintenance costs and debt payments, if any) would generally not be reduced if an economic downturn caused a reduction in revenues from the Company's properties.

Development Risks. The Company's real estate development activities require significant capital expenditures. The Company will be required to obtain funds for its capital expenditures and operating activities through cash flow from operations, property sales or financings. There can be no assurances that funds available from cash flow, property sales and financings will be sufficient to fund the Company's required or desired capital expenditures for development. If the Company were unable to obtain sufficient funds, it might have to defer or otherwise limit certain development activities. Further, any new development or any rehabilitation of older projects can require compliance with new building codes and other regulations. The Company cannot estimate the cost of complying with such codes and regulations, and such costs can make a new project or some otherwise desirable uses of an existing project uneconomic.

Joint Venture Risks. The Company has entered into certain joint venture relationships and may initiate future joint venture projects as part of its overall development strategy. A joint venture may involve special risks associated with the possibility that (i) the venture partner at any time may have economic or business interests or goals that are inconsistent with those of the Company, (ii) the venture partner may take actions contrary to the instructions or requests of the Company, or contrary to the Company's policies or objectives with respect to its real estate investments, or (iii) the venture partner could experience financial difficulties. Actions by the Company's venture partners may have the result of subjecting property owned by the joint venture to liabilities in excess of those contemplated by the terms of the joint venture agreement or have other adverse consequences. In addition, the Company's joint venture partners may dedicate times and resources to existing commitments and responsibilities.

The Florida Economy. The Company's businesses are concentrated in Florida and the state's economic health and growth rate will be important factors in creating demand for the Company's products and services.

The Company's real estate operations are cyclical and are affected by local demographic and economic trends and the supply and rate absorption of new construction.

Management expects Florida's economic and population growth to continue and believes that the Company is well positioned to benefit from increasing demand for housing as well as office and industrial space in the Florida real estate market.

COMPETITION

Real Estate. The real estate industry is generally characterized by significant competition. The Company plans to continue to expand through a combination of residential and commercial developments throughout the southeast but concentrated in Florida where the acquisition and/or development of property would, in the opinion of management, result in a favorable risk-adjusted return on investment. There are a number of residential and commercial developers and real estate services companies that compete with the Company in seeking properties for acquisition, resources for development and prospective sellers, purchasers and tenants. Competition from other real estate developers and real estate service companies may adversely affect the Company's ability to sell homes, to attract sellers and purchasers and to attract and retain tenants. The Company may compete with other entities that have greater financial and other resources than the Company. There can be no assurance that the existence of such competition could not have a material adverse effect on the Company's business, operations and cash flow.

Forestry. The forest products industry is highly competitive in terms of price and quality. Many of the Company's competitors are fully integrated companies with substantially greater financial and operating resources than the Company. The products of the Company are also subject to increasing competition from a variety of non-wood and engineered wood products. In addition, the Company is subject to a potential increase in competition from lumber products and logs imported from foreign sources. Any significant increase in competitive pressures from substitute products or other domestic or foreign suppliers could have a material adverse effect on the Company.

Transportation. The Company's railroad competes directly with other modes of transportation, including motor carriers and, to a lesser extent, ships and barges. Competition is based primarily upon the rate charged and the transit time required, as well as the quality and reliability of the service provided. Any improvement in the cost or quality of these alternate modes of transportation could increase competition from these other modes of transportation and adversely affect the Company's business.

EMPLOYEES

The Company has approximately 1,666 employees. Some ANRR employees are covered by collective bargaining agreements that set wage levels and establish work rules and working conditions. The Company considers its relations with its employees to be good. These employees work in the following segments:

- - Residential real estate..................................	254
- - Residential real estate services..........................	750
- - Commercial real estate...................................	516
- - Forestry...	44
- - Transportation...	18
- - Other -- including corporate.............................	84

ITEM 2. PROPERTIES

The material physical properties of the Company at December 31, 2000 are addressed below. All properties shown are owned in fee simple, except where otherwise indicated.

CORPORATE FACILITIES

The Company leases approximately 40,000 square feet in a building owned by FDC in Jacksonville, Florida at market rates.

COMMUNITY RESIDENTIAL DEVELOPMENT

The Company owns thousands of acres in northwestern Florida and St. John's County on the northeastern coast of Florida near Jacksonville, including substantial gulf, lake and riverfront acreage, that it believes to be potentially suited to community residential and resort development. See Item 1--"Community Residential Development" for a description of many of the Company's developments.

St. Joe/Arvida's administrative offices are located in Boca Raton, Florida and are leased from a third party.

RESIDENTIAL REAL ESTATE SERVICES

The administrative offices of ARS are located in Clearwater, Florida. These offices as well as brokerage offices based in 103 locations throughout Florida are leased from third parties.

COMMERCIAL REAL ESTATE DEVELOPMENT AND SERVICES

On December 31, 2000, the Company owned 225 acres of land with entitlements for future development of approximately 5.4 million square feet of commercial property.

On December 31, 2000, the Company owned rental properties totaling 1.7 million square feet.

All Advantis offices are leased from third parties.

FORESTRY

The Company owns, primarily in northwestern Florida, over 700,000 acres of planted pine forests and an additional 300,000 acres of mixed timberland, wetlands, lake and canal properties. The forestry segment's administrative offices are based in Port St. Joe, Florida and it owns forestry management facilities, chip plants and pulpwood procurement offices in the following locations:

FORESTRY MANAGEMENT FACILITIES	PULPWOOD PROCUREMENT OFFICE	CHIP PLANTS
Albany, Georgia	Port St. Joe, Florida	Lowry, Florida
Hosford, Florida		
Newport, Florida		
Port St. Joe, Florida		
West Bay, Florida		
Wewahitchka, Florida		

TRANSPORTATION

ANRR owns a three-story building in Port St. Joe, Florida that is partially used for its administrative offices. Its transportation facilities include 96 miles of main track, 13 miles of yard switching track and 3 miles of other track. ANRR owns six diesel locomotives, 148 freight cars, as well as work equipment and automotive vehicles.

ITEM 3. LEGAL PROCEEDINGS

The Company is named as a Potentially Responsible Party ("PRP") for the remediation of a designated Superfund site near Tampa, Florida. The United States Environmental Protection Agency ("USEPA") has alleged that the Company caused certain materials to be disposed at the site over a period of years in the late

1970s or 1980s. The Company has provided USEPA with evidence indicating the Company did not dispose of any materials at the site. The Company has declined an invitation to join a PRP group as a de minimis party. The Company believes that it does not have any liability and continues to vigorously oppose any attempt to impose any liability upon the Company for the remediation of the site.

The Company received notice of potential involvement in a Superfund Site in Sharonville, Ohio, during the third quarter of 1996. The site was formerly owned and operated by the Company as a container plant. It was sold in the late 1970's. At this time the extent of the contamination and magnitude of the cleanup is unknown. The Company does not believe, based on its preliminary investigation of the Company's use of the property, that it is responsible for the contamination, and if found partially responsible, the Company does not believe its liability would be material.

The Company, under the terms of the various agreements by which it disposed of its sugar assets, is obligated to complete certain defined environmental remediation (the "Remediation"). Approximately $5.0 million of the sales proceeds are being held in escrow pending the completion of the Remediation. The Company must use these funds to pay the costs of the Remediation. Based upon the current environmental studies, the Company does not believe the costs of the Remediation will exceed the amount held in escrow. The Company will receive any remaining funds when the Remediation is complete. In the event other environmental matters are discovered beyond those contemplated by the $5.0 million that is held in escrow, the purchasers of the Company's sugar assets will be responsible for the first $0.5 million of the cleanup. The Company will be responsible for the next $4.5 million, thereafter the parties shall share the costs equally. There may be additional remediation that is encountered not previously anticipated, which the Company does not anticipate to be material.

During the fourth quarter of 2000, the Company became aware of an investigation of the Company's former paper mill site and some adjacent real property in Gulf County, Florida (the "Mill Site") being conducted by the Florida Department of Environmental Protection (the "FDEP"). The real property on which the Company's former paper mill is located is now owned by Smurfit-Stone Container Corporation ("Stone") and the adjacent real property is owned by the Company. The FDEP submitted a "CERCLA Site Discovery/Prescreening Evaluation" to Region IV of the United States Environmental Protection Agency (the "USEPA") in Atlanta on September 26, 2000. Based on this submission, the USEPA included the Mill Site on the "CERCLIS List". The "CERCLIS List" is a list of sites which are to be evaluated to determine whether there is a potential presence of actionable contaminants. The FDEP, under an arrangement with USEPA, is preparing a Preliminary Assessment (the "PA") of the Mill Site. The Company, in cooperation with Stone, has provided the FDEP with information for inclusion in the PA which the Company believes demonstrates no further action is warranted at the Mill Site. Based on current information, the Company does not believe its liability, if any, for the possible cleanup of any potential contaminants detected on the Mill Site will be material.

Compliance with federal, state and local laws and regulations is a principal goal of the company. The Company continues to cooperate with federal, state and local agencies to ensure its facilities are operated in compliance with applicable environmental laws and regulations. The Company is not aware of any monetary sanctions to be imposed, which, in the aggregate, are likely to exceed $100,000, nor does it currently believe that corrections, if any, will necessitate significant capital outlays or cause material changes in the business.

From time to time, the Company is involved in litigation incidental to its business. In the Company's opinion, no litigation to which the Company is currently a party, if decided adversely to the Company, is likely to have a material adverse effect on the Company's results of operation or financial condition.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON STOCK AND RELATED STOCK HOLDER MATTERS

The Company had approximately 19,000 beneficial common stockholders of record as of March 12, 2001. The Company's Common Stock is quoted on the New York Stock Exchange ("NYSE") Composite Transactions Tape under the symbol "JOE."

The range of high and low sales prices for the Common Stock as reported on the NYSE Composite Transactions Tape for the periods indicated is set forth below:

COMMON STOCK PRICE(1)	HIGH	LOW
2000		
First Quarter	$28.94	$23.06
Second Quarter	31.19	27.38
Third Quarter	31.00	27.75
Fourth Quarter(2)	28.31	17.94
1999		
First Quarter	26.00	20.69
Second Quarter	28.13	23.31
Third Quarter	27.13	21.00
Fourth Quarter	24.94	20.63
1998		
First Quarter	36.63	30.11
Second Quarter	34.13	26.94
Third Quarter	28.06	18.88
Fourth Quarter	26.75	20.00

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(1) Prices are rounded to the nearest penny and reflect the 3-for-1 split of the Company's Common Stock on January 12, 1998.
(2) After the close of regular trading on the NYSE on October 9, 2000, the Company distributed to its shareholders all shares of FLA.B Common Stock it owned. The value of the shares distributed was approximately $9.38 per share, and that amount was accordingly subtracted from the price of the Company's stock when the NYSE opened for trading on October 10, 2000.

On March 12, 2001, the closing sale price of the Company's common stock on the NYSE was $22.17.

DIVIDENDS

The Company paid aggregate annual cash dividends of approximately $.08, $.02, and $.08 per share to holders of the Common Stock in 2000, 1999, and 1998, respectively. Although the Company has paid dividends in the past, there can be no assurance that such practice will continue in the future.

ITEM 6. SELECTED CONSOLIDATED FINANCIAL DATA

The selected consolidated financial data set forth below are qualified in their entirety by and should be read in conjunction with the consolidated financial statements and the notes related thereto included elsewhere herein. The statement of operations data with respect to the years ended December 31, 2000, 1999, and 1998 and the balance sheet data as of December 31, 2000 and 1999 have been derived from the financial statements of the Company included herein, which have been audited by KPMG LLP. The statement of operations data with respect to the years ended December 31, 1997 and 1996 and the balance sheet data as of December 31, 1998, 1997 and 1996 have been derived from the financial statements of the Company previously filed with the SEC, and have also been audited by KPMG LLP. Historical results are not necessarily indicative of the results to be expected in the future.

	YEARS ENDED DECEMBER 31,				
	2000	1999	1998	1997	1996
	(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)				
STATEMENT OF OPERATIONS DATA:					
Operating revenues(1)	$880,830	$750,412	$392,181	$296,977	$376,693
Operating expenses	638,603	589,588	286,973	215,941	210,385
Corporate expense	25,115	16,361	6,569	6,514	(4,363)
Depreciation and amortization	51,783	49,368	38,893	28,732	27,831
Impairment losses	6,455	7,162	10,238	--	--
Operating profit	158,874	87,933	49,508	45,790	142,840
Other income	8,046	32,910	31,921	41,982	41,773
Income from continuing operations before income taxes and minority interest	166,920	120,843	81,429	87,772	184,613
Income tax expense	56,643	23,961	36,180	37,971	79,311
Income from continuing operations before minority interest	110,277	96,882	45,249	49,801	105,302
Minority interest	9,954	19,243	19,117	18,401	14,002
Income from continuing operations	100,323	77,639	26,132	31,400	91,300
Income (loss) from discontinued operations(2)	--	5,364	2,706	4,053	(3,919)
Gain on sale of discontinued operations(2)	--	41,354	--	--	88,641
Net income	$100,323	$124,357	$ 28,838	$ 35,453	$176,022
PER SHARE DATA:					
Basic:					
Income from continuing operations	$ 1.18	$ 0.89	$ 0.29	$ 0.34	$ 0.99
Earnings (loss) from discontinued operations(2)	--	0.06	0.03	0.05	(0.04)
Gain on the sale of discontinued operations(2)	--	0.47	--	--	0.97
Net income	$ 1.18	$ 1.42	$ 0.32	$ 0.39	$ 1.92
Diluted:					
Income from continuing operations	$ 1.15	$ 0.88	$ 0.28	$ 0.34	$ 0.99
Earnings (loss) from discontinued operations(2)	--	0.06	0.03	0.04	(0.04)
Gain on the sale of discontinued operations(2)	--	0.46	--	--	0.97
Net income	$ 1.15	$ 1.40	$ 0.31	$ 0.38	$ 1.92
Dividends paid	$ 0.08	0.02	0.08	0.07	0.07
Special distribution(3)	--	--	--	3.67	--
FLA spin-off(4)	$ 4.64	--	--	--	--

	YEARS ENDED DECEMBER 31,				
	2000	1999	1998	1997	1996
	(IN THOUSANDS)				
BALANCE SHEET DATA:					
Cash and investments(5)..................	203,429	330,045	305,395	516,422	819,761
Investment in real estate................	491,772	746,933	548,101	459,496	425,718
Property, plant & equipment, net..........	56,077	384,429	358,916	356,012	363,483
Total assets..............................	1,115,021	1,821,627	1,604,269	1,536,768	1,794,811
Total stockholders' equity................	569,084	940,854	883,297	906,804	1,196,941
EBITDA (Gross) Excluding One time Items(6)................................	235,093	186,933	136,428	120,578	110,259
EBITDA(Net) Excluding One time Items(6)...	203,399	134,986	91,960	82,040	78,382

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(1) Operating revenues includes real estate revenues from brokerage commissions on sales of real estate, property sales, rental revenue and management service fees sales, timber sales and transportation revenues. Net operating results of the sugar segments, communications segment, linerboard mill and container plants are shown separately as income (loss) from discontinued operations for all years presented.

(2) Net operating results of the sugar segment, communications segment, linerboard mill and container plants are shown separately as income (loss) from discontinued operations for all years presented. (See Note 5 to the Consolidated Financial Statements.)

(3) Approximately $359.3 million of proceeds from the sales of the communications segment, linerboard mill and container plants were held in special accounts during 1996. A special distribution of a portion of the net proceeds of the sales of $3.33 per share was paid on March 25, 1997, for stockholders of record on March 21, 1997. The Company made a special distribution of the remaining net proceeds of $.34 per share on December 30, 1997 to stockholders of record on December 19, 1997.

(4) On October 9, 2000, the Company distributed to its shareholders all of its equity interest in Florida East Coast Industries, Inc. ("FLA"). To effect the distribution, the company exchanged its 19,609,216 shares of FLA common stock for an equal number of shares of a new class of FLA common stock. On October 9, 2000, the new class of stock, FLA.B, was distributed pro-rata to the Company's shareholders in a tax-free distribution. For each share of the Company common stock owned of record on September 18, 2000, the Company's shareholders received 0.23103369 of a share of FLA.B common stock.

(5) Includes cash, cash equivalents, marketable securities and short-term investments.

(6) The Company uses a supplemental performance measure along with net income to report its operating results. This measure is Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA). EBITDA is not a measure of operating results or cash flows from operating activities as defined by generally accepted accounting principles. Additionally, EBITDA is not necessarily indicative of cash available to fund cash needs and should not be considered as an alternative to cash flows as a measure of liquidity. However, the Company believes that EBITDA provides relevant information about its operations, and along with net income, is useful in understanding its operating results. Depreciation, amortization, interest expense and all income taxes are excluded from EBITDA (Gross) as well as gains on sales of discontinued operations and gains on the sale of non-strategic land and other assets. Earnings from discontinued operations have been included in EBITDA. Impairment losses and other one-time charges have been excluded from EBITDA. EBITDA (Net) is calculated the same as EBITDA (Gross) except that the 46% non-Company owned portion of FLA's and the 26% non-Company owned portion of St. Joe/Arvida's, pre-tax income, depreciation, amortization and interest are deducted from EBITDA (Gross).

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's discussion and analysis should be read in conjunction with the Consolidated Financial Statements, Item 1."Business," and Item 2. "Properties," included elsewhere herein. The following discussion contains forward-looking statements. The Company's actual results may differ significantly from those projected in the forward-looking statements.

FLA SPIN-OFF

On October 9, 2000, the Company distributed to its shareholders all of its equity interest in Florida East Coast Industries, Inc. ("FLA"). To effect the distribution, the Company exchanged its 19,609,216 shares of FLA common stock for an equal number of shares of a new class of FLA common stock. On October 9, 2000, the new class of stock, FLA.B, was distributed pro-rata to the Company's shareholders in a tax-free distribution. For each share of the Company common stock owned of record on September 18, 2000, the Company's shareholders received 0.23103369 of a share of FLA.B common stock. The holders of the new class of FLA common stock will be entitled to elect 80% of the members of the Board of Directors of FLA, but the new FLA common stock will otherwise have substantially identical rights to the existing common stock. The Company did not retain any equity interest in FLA after the spin-off was completed.

At the closing of the transaction, various service agreements between the Company and FLA's wholly owned subsidiary Flagler Development Company (Flagler), formerly known as Gran Central Corporation, became effective. Under the terms of these agreements, which extend for up to three years after the closing of the transaction, Flagler will retain the Company, through its commercial real estate affiliates, to continue to develop and manage certain commercial real estate holdings of Flagler. The terms of these agreements have been approved by both the Company's and FLA's Boards of Directors, and in the judgment of the boards, reflect arms-length terms and conditions typically found in today's marketplace.

DISCONTINUED OPERATIONS

On December 6, 1997, the Company signed an agreement in principle with the United States of America and the State of Florida (the "Governments"), under which the Governments agreed to purchase substantially all of the sugar lands that Talisman, owned or leased for $133.5 million in cash. Talisman retained the right to farm the land through the 2003 crop year. In December 1998, that sale was closed in escrow pending the resolution of a lawsuit filed in Federal District Court in Washington, D.C. seeking to invalidate the sale. On March 25, 1999, Talisman entered into an Exchange Agreement ("The Exchange Agreement") with The South Florida Water Management District; United States Sugar Corporation; Okeelanta Corporation; South Florida Industries, Inc.; Florida Crystals Corporation; Sugar Cane Growers Cooperative of Florida (collectively the "Sugar Companies"); The United States Department of Interior; and The Nature Conservancy. The Exchange Agreement allowed Talisman to exit the sugar business. Talisman assigned its right to farm the land to the Sugar Companies. In return, the lawsuit was dismissed and the other parties agreed to pay Talisman $19.0 million.

Talisman retained ownership of the sugar mill until August, 1999 when it was sold to a third party. Talisman is also responsible for the cleanup of the mill site and is obligated to complete certain defined environmental remediation (the "Remediation"). Approximately $5.0 million of the purchase price is held in escrow pending the completion of the Remediation. Talisman must use these funds to pay the costs of the Remediation. Based upon the current environmental studies, Talisman does not believe the costs of the Remediation will exceed the amount held in escrow. Talisman will receive any remaining funds when the Remediation is complete. In the event other environmental matters are discovered beyond those contemplated by the $5.0 million that is held in escrow, the Sugar Companies will be responsible for the first $0.5 million of the cleanup. Talisman will be responsible for the next $4.5 million, thereafter the parties shall share the costs equally. There may be additional remediation that is encountered not previously anticipated, which the Company does not anticipate to be material.

In addition, approximately $1.7 million of the sales price is being held in escrow, representing the value of land subject to the Remediation. As Talisman completes the cleanup of a particular parcel, an amount equal to the land value on that parcel will be released from escrow.

The Company recognized $71.8 million in gain ($41.4 million, net of taxes) in 1999 on the combined sale of the land and farming rights.

RESULTS OF OPERATIONS

Results for 2000 Compared to 1999

The Company reports revenues from community residential development sales, residential real estate services, land sales, commercial real estate development and services, timber sales, and transportation operations. Real estate revenues are generated from brokerage commissions from sales of real estate, property sales, rental revenues and service fees from management of commercial properties. The Company also reports its equity in earnings of unconsolidated affiliates as revenues. Revenues increased $130.4 million, or 17.4% from $750.4 million in 1999 to $880.8 million in 2000. Community residential development revenues increased $50.8 million to $166.2 million compared to $115.4 million in 1999 due to increased sales activity primarily in northwest Florida. Residential real estate services revenue increased $47.5 million to $257.0 million in 2000, compared to the $209.5 million earned in 1999 due to increased brokerage transactions. Land sales from St. Joe Land Company increased $101.7 million to $105.6 million in 2000 as compared to $3.9 million in 1999. Commercial real estate development and services revenues decreased $48.1 million to $146.4 million, due to Flagler operations included for a partial year, through October 9, 2000, the effective date of the FLA spin-off. Forestry revenues increased $7.9 million to $36.0 million compared to $28.1 million in 1999, primarily due to increased lump sum bid timber sales. Transportation revenues decreased $33.5 million to $167.7 million from $201.2 million in 1999 due to FLA operations being included for a partial year, through October 9, 2000, the effective date of the FLA spin-off. Revenues not attributable to a particular segment were $2.0 million in 2000 as compared to a loss of $2.2 million recorded on an investment in an unconsolidated affiliate which are not attributable to a particular segment in 1999.

Operating expenses for all segments totaled $638.6 million, an increase of $49.0 million, or 8.3% from $589.6 million in 1999. Operating expenses in the community residential development segment increased $44.7 million to $120.8 million for 2000 as compared to $76.1 million in 1999, due to increased sales activity. Operating expenses in the residential real estate services segment increased $42.1 million to $239.0 million compared to $196.9 million in 1999. Land sales had operating expenses of $12.6 million, mostly from cost of property sold. Commercial real estate development and services operating expenses decreased $25.1 million, to $115.7 million primarily due to Flagler operating expenses being included for a partial year. Forestry's operating expenses increased $3.2 million to $21.6 million. Transportation operating expenses decreased $29.8 million, to $127.1 million as a result of FLA being included for a partial year. Prior year transportation operating expenses included special charges of $8.2 million and increased costs due to a new management team being put in place at FLA. There were $1.8 million and $(0.3) million in operating expenses in 2000 and 1999 not attributable to any particular segment, respectively.

Corporate expense, net, which represents corporate general and administrative expenses, increased $8.7 million, or 53.0% to $25.1 million from $16.4 million in 1999. In 2000 there were costs incurred by the Company totaling $5.5 million relating to the spin-off of FLA compared to $1.0 million of spin-off related costs incurred in 1999. Included in 2000 corporate expense is prepaid pension income of $11.1 million compared to $10.8 million in 1999. The remainder of the increase is primarily due to increased employee salaries and benefits.

Depreciation and amortization increased $2.4 million, or 4.9% to $51.8 million, the majority of the increase pertaining to increased amortization of goodwill.

The Company recorded impairment losses totaling $6.5 million in 2000 as compared to $7.2 million in 1999. In 2000, an impairment loss in the amount of $3.4 million was recorded related to the Company's transportation operation Apalachicola Northern Railroad ("ANRR"). Also in 2000, FLA wrote-off goodwill totaling $3.1 million related to its trucking subsidiary. The 1999 impairments related to an investment in a company involved in the entertainment industry of $5.2 million and a $2.0 million note receivable of FLA's subsidiaries.

Other income was $8.0 million in 2000 compared to $32.9 million in 1999. Other income is made up of investment income, interest expense, gains on sales and dispositions of assets and other income. Investment income was $13.8 million in 2000 compared to $13.0 million in 1999, the increase resulting from higher investment yields. Interest expense was $12.4 million in 2000 compared to $2.9 million in 1999 due to the borrowings on the Company's new revolving credit facility. Gain on sales and dispositions of assets were $1.7 million in 2000 compared to $15.4 million in 1999, resulting primarily from a 1999 timberland sale which had a net gain of $8.7 million. Other income was $5.0 million in 2000 as compared to $7.4 million in 1999.

Income tax expense on continuing operations totaled $56.6 million in 2000 as compared to $24.0 million for 1999. As a result of the FLA spin-off, the Company reversed its deferred tax liability previously recorded on the undistributed earnings of FLA and consequently, a deferred income tax benefit of $8.9 million was recorded in its 2000 operations. Excluding the $8.9 million, the Company's effective tax rate would be 39% in 2000. During 1999, the Company recorded a $26.8 million deferred income tax benefit related to the excise tax on its pension surplus. In 1996, the Company sold the majority of its paper operations, which resulted in a substantial reduction in employees. Management, at the time, determined that the over-funded status of the pension plans would probably not be realized other than by a plan termination and reversion of assets. Since 1996, the Company had recorded deferred income tax expense on its pension surplus at the statutory rate plus a 50% excise tax that would be imposed if the company were to liquidate its pension plans and revert the assets back to the Company. In light of events, including several acquisitions, which significantly increased the number of participants in the pension plan, along with plan modifications and the Company's growth strategy, management reevaluated how the pension plan surplus could be utilized. Management believes it is probable that the Company will utilize the pension surplus over time without incurring the 50% excise tax. Therefore, the Company reversed the deferred tax liability related to the 50% excise tax amounting to $26.8 million as a deferred income tax benefit in its 1999 operations. Income taxes on the change in pension surplus will be recorded at the statutory rate in future periods. Excluding the $26.8 million deferred income tax benefit relating to the pension plan reversal, income tax expense for 1999 would have been $50.8 million for an effective rate of 42%.

Net income for 2000 was $100.3 million or $1.15 per diluted share compared to $124.4 million, or $1.40 per diluted share in 1999. Results for 1999 included income from discontinued operations of the discontinued sugar operation of $5.4 million. Also included in 1999 was the $41.4 million gain on the disposition of the sugar operation's assets.

Results for 1999 Compared to 1998

Revenues increased $358.2 million, or 91.3% from $392.2 million in 1998 to $750.4 million in 1999. Community residential development revenues from property sales increased $109.9 million to $115.4 million due primarily from lot sales at the Retreat in northwest Florida and at its other communities, the April 1999 acquisition of Saussy Burbank, Inc. ("Saussy Burbank"), a North Carolina based homebuilder and a full year of activity from its limited partnership investment in Arvida/JMB Partners, L.P. ("Arvida/JMB"). Residential real estate services revenue increased $130.2 million to $209.5 million in 1999 as a full year of activity is included, compared to the $79.3 million earned in the last five months of 1998 from the date of acquisition of Arvida Realty Services ("ARS"). Land sales from the newly formed St. Joe Land Company were $3.9 million. Commercial real estate development and services revenues increased $125.8 million to $194.5 million, primarily from sales of properties, increased rents and a full year of revenues from Advantis Real Estate Services, Inc. ("Advantis"). Forestry revenues also decreased $5.7 million, to $28.1 million, primarily due to decreased timber and bulk land sales. Transportation revenues decreased $3.5 million to $201.2 million, due to decreased revenues at ANRR. Losses of $2.2 million were recorded on an investment in an unconsolidated affiliate which are not attributable to a particular segment.

Operating expenses for all segments totaled $589.6 million, an increase of $302.6 million, or 105.4% from $287.0 million in 1998. Community residential development operating expenses were $76.1 million for 1999, due to cost of sales of real estate and increased activity, as compared to $10.3 million in 1998. Operating expenses in the residential real estate services segment from ARS increased $123.4 million to $196.9 million as a full year of activity is included, compared to $73.5 million for the five months activity in 1998. Land sales had operating expenses of $.8 million, mostly from cost of property sold. Commercial real estate development and services operating expenses increased $101.1 million, to $140.8 million primarily from increases in cost of property sales and a full year of activity from Advantis. Forestry's operating expenses decreased $.4 million to

$18.4 million. Transportation operating expenses increased $12.7 million, to $156.9 million, primarily due to special charges of $8.2 million and increased costs due to a new management team being put in place at FLA. There were $(0.3) million and $.5 million in operating expenses in 1999 and 1998 not attributable to any particular segment, respectively.

Corporate expense, which represents corporate general and administrative expenses, increased to $16.4 million from $6.5 million in 1998, with a portion of the increase due to the addition of some key management positions at the Company and a non-recurring charge for employee benefits. Included in 1999 corporate expense is prepaid pension income of $10.8 million compared to $12.8 million in 1998. This had a $2.0 million negative effect on corporate expense for 1999. Additionally, in 1999 there were costs incurred by the Company of $1.0 million relating to the spin-off of FLA.

Depreciation and amortization increased $10.5 million, or 26.9%, of which $4.8 million of the increase pertains to amortization expense, primarily of goodwill resulting from several 1999 and 1998 acquisitions and the remainder is from increased depreciation primarily from buildings placed into service over the past two years.

The Company recorded impairment losses totaling of $7.2 million in 1999 as compared to $10.2 million in 1998. The 1999 impairments related to an investment in a company involved in the entertainment industry of $5.2 million and a $2.0 million note receivable of FLA's subsidiaries.

Other income increased $1.0 million in 1999 from $31.9 million in 1998. Other income is made up of investment income, interest expense, gains on sales and dispositions of assets and other income. Investment income was $13.0 million in 1999, as compared to $20.1 million in 1998, the decrease resulting from the utilization of some of the Company's investments as a source of cash. Gain on sales and dispositions of assets were $15.4 million in 1999, as compared to $8.4 million in 1998, the increase resulting primarily from a timberland bulk land sale which had a net gain of $8.7 million. Other income was $7.4 million in 1999, as compared to $4.2 million in 1998.

Income tax expense on continuing operations totaled $24.0 million for 1999 as compared to $36.2 million for 1998. During 1999, the Company recorded a $26.8 million deferred income tax benefit related to the excise tax on its pension surplus. Excluding the $26.8 million deferred income tax benefit relating to the pension plan reversal, income tax expense for 1999 would have been $50.8 million for an effective rate of 42% as compared to an effective tax rate of 44% in 1998, excluding the excise tax effect.

Net income for 1999 was $124.4 million, or $1.40 per diluted share, compared to $28.8 million, or $0.31 per diluted share in 1998. Results for 1999 and 1998 included income from discontinued operations of the discontinued sugar operation of $5.4 million and $2.7 million, respectively and 1999 also included the $41.4 million gain on the disposition of the sugar operations assets.

DISCONTINUED OPERATIONS

As a result of the sale of Talisman, sugar operations are reported as a discontinued operation for all periods presented. Revenues for sugar in 1999 increased $3.0 million, or 7.3% from $41.0 million in 1998. Operating expenses decreased slightly to $35.0 million in 1999, as compared to $35.2 million in 1998. Net income for 1999 was $5.4 million as compared to $2.7 million in 1998.

SEGMENT RESULTS OF OPERATIONS

Community Residential Development

	YEARS ENDED DECEMBER 31,		
	2000	1999	1998
	($ IN MILLIONS)		
Revenues	$166.2	$115.4	$ 5.5
Operating expenses	120.8	76.1	10.3
Depreciation and amortization	0.3	(0.5)	.2
Other income (expense)	0.5	(0.2)	(.1)
Pre-tax income (loss) from continuing operations	45.6	39.6	(5.1)
EBITDA, Gross	47.3	39.7	(4.9)
EBITDA, Net	47.2	40.3	(3.7)

The Company's community residential development operations currently consist of community development on land owned 100% by the Company, its 26% equity interest in Arvida/JMB Partners, L.P. ("Arvida/JMB") and its 74% ownership of St. Joe/Arvida Company, L.P. Arvida/JMB is recorded on the equity method of accounting for investments. These two partnerships develop 20 communities in various stages of planning and development primarily focused in northwest, northeast and central Florida.

In April 1999, the Company acquired all the outstanding stock of Saussy Burbank, a homebuilder located in Charlotte, North Carolina, for approximately $16.5 million in cash and assumption of debt of $5.5 million. Saussy Burbank builds approximately 250 to 300 homes a year and has operations in the greater Charlotte, Raleigh and Asheville, NC market areas. Saussy Burbank's operations are included in community residential real estate operations since acquisition.

Results for 2000 compared to 1999

Total revenues increased $50.8 million, or 44.0% in 2000, to $166.2 million. Operating expenses, including cost of sales and administrative expenses increased $44.7 million, or 58.7% in 2000 to $120.8 million. During 2000, there were 66 lots and 9 multi-family units closed at WaterColor generating gross profit of $18.0 million. Revenues from these sales totaled $36.9 million with related cost of sales of $18.9 million. The average price of a lot sold in 2000 was $335,000 including three Gulf-front lots which sold for an average of $1.2 million each. The average price for a multi-family unit sale in 2000 was $402,000. At the Retreat, the final eight lots of this 90 unit beach club community in Walton County were sold during the first half of 2000 for sales of $3.2 million with related cost of sales of $.2 million. In 1999, sales at the Retreat amounted to $34.5 million. Sales in 2000 at James Island in northeast Florida totaled $27.7 million on closings of 91 units at an average price of approximately $288,000. Related cost of sales at James Island were $25.1 million generating gross profit of $2.6 million. In 1999, James Island had sales of $14.2 million with cost of sales of $13.1 million generating gross profit of $1.1 million. Revenues from 15 of the currently slated 23 riverfront lots at RiverTown in northeast Florida sold in 2000 totaling $4.9 million with cost of sales of $1.1 million. The average price of these lots was $328,000. Other sales in 2000 included land in west Florida totaling $9.9 million with cost of sales of $3.6 million, and housing and lots in the Summerwood, Woodrun, Driftwood and other various developments in west Florida totaling in the aggregate $13.6 million. Related cost of sales for these developments totaled $9.6 million. In 1999, Summerwood, Deerwood, Woodrun and Camp Creek Point had sales aggregating $10.8 million with cost of sales for these developments totaling $6.4 million. Saussy Burbank contributed revenues in 2000 of $52.3 million with related cost of sales of $45.6 million on closing of 254 units at an average price of approximately $206,000. For 1999, Saussy Burbank had sales of $36.5 million with cost of sales of $33.4 million from the date of acquisition.

Other revenues from management fees and rental income totaled $0.6 million with related costs of $1.3 million in 2000 as compared to $1.6 million in revenues and $1.3 million in related costs in 1999. Other operating expenses include noncapitalizeable administrative costs, marketing costs, deal pursuit costs, and predevelopment costs related to community development and totaled $15.4 million in 2000 as compared to $13.1 million in 1999.

Income from the Company's investment in Arvida/JMB was $16.1 million in 2000, as compared to $17.8 million in 1999. During 2000, the Company also had income from other joint ventures of $1.0 million compared with $.3 million during 1999.

Results for 1999 compared to 1998

Total revenues increased $109.9 million in 1999 to $115.4 million, greater than 100%. During 1999, 82 lots at the Retreat closed representing gross profit of $25.7 million. This beach club resort community includes 90 single-family housing units on 76 acres. Revenues from these sales totaled $34.5 million with related cost of sales of $8.8 million. Other sales in 1999 year included 45 housing units and 10 lot sales in the Summerwood, Deerwood, Woodrun, and Camp Creek Point developments in west Florida totaling $10.8 million with cost of sales of $6.4 million and 51 housing unit sales at James Island, in Northeast Florida totaling $14.2 million with cost of sales of $13.1 million. Saussy Burbank contributed revenues of $36.5 million with cost of sales of $33.4 million since its acquisition in April of 1999. Revenues in 1999 also include $17.8 of income from the Company's investment in Arvida/JMB and other affiliates. Management fees and rental income of $1.6 million were also recorded during 1999. Revenues of $5.5 million in 1998 were contributed from $5.0 million in sales of real estate, including 40 lots sold in the Summerwood, Camp Creek, Deerwood and Woods Phase III developments in West Florida and $.5 million in management fees and rental revenues. Cost of real estate sales in 1998 was $1.3 million relating to sales of 40 lots in the Summerwood, Camp Creek, Deerwood and Woods Phase III developments.

Other operating expenses include noncapitalizable administrative costs, deal pursuit costs, and predevelopment costs related to the Company's increased activity, which totaled $14.4 million in 1999 as compared to $9.0 million in 1998.

Residential Real Estate Services

	YEARS ENDED DECEMBER 31,		
	2000	1999	1998
	($ IN MILLIONS)		
Revenues	$257.0	$209.5	$79.3
Operating expenses	239.0	196.9	73.4
Depreciation and amortization	7.2	5.5	2.2
Other income (expense)	1.9	0.5	0.1
Pre-tax income from continuing operations	12.7	7.6	3.8
EBITDA, Net	20.3	14.0	6.4

On July 31, 1998, the Company completed the acquisition of its residential real estate services company, ARS and thus the 1998 results in the table above include only the results of five months of activity. ARS provides complete real estate brokerage services, including, asset management, rental, property management, property inspection, mortgage, relocation and title services. The operations of ARS are seasonal with the volume of transactions increasing in the spring and summer.

Results for 2000 compared to 1999

Residential real estate services revenues were $257.0 million in 2000, a 22.7% increase over the $209.5 million of revenues in 1999. Realty brokerage revenues in 2000 were attributable to 35,893 closed units as compared to 34,526 closed units in 1999. The average home sales price for 2000 increased to $209,000 as compared to $190,000 in 1999. Operating expenses were $239.0 million in 2000, a 21.4% increase over 1999 operating expenses of $196.9 million. Operating expenses represent commissions paid on real estate transactions, underwriting fees on title policies and administrative expenses of the ARS operation. Included in

1999 operating expenses were $2.2 million of conversion expenses related to the operation's name change from Prudential Florida Realty to ARS in March of 1999. Operating expenses were 93.0% of revenues in 2000, as compared to 94.0% in 1999. ARS currently has 103 offices located throughout Florida.

Results for 1999 compared to 1998

For a full year of activity in 1999, ARS had realty brokerage revenues of $209.5 million attributable to 34,526 closed units. Realty brokerage net sales and operating revenues of $79.3 million for the five months that the Company owned ARS in 1998 are attributable to 13,236 closed real estate transaction sales. The average home sales price for 1999 was $190,000 as compared to $177,000 in 1998. Operating expenses of $196.9 million are primarily attributable to commissions paid on real estate transactions and underwriting fees on title policies and $2.2 million of conversion expenses related to the operation's name change from Prudential Florida Realty to ARS in March of 1999. Operating expenses were 94.0% of revenues in 1999, as compared to 92.5% in 1998. ARS made several acquisitions during 1999 to bring its office total to 98.

Land Sales

	YEARS ENDED DECEMBER 31,		
	2000	1999	1998
	($ IN MILLIONS)		
Total revenues	$105.6	$3.9	$ --
Operating expenses	12.6	.8	--
Depreciation and amortization	(0.1)	--	--
Other income(expense)	.7	--	--
Pre-tax income from operations	93.6	3.1	--
EBITDA, Net	93.6	3.1	--

During 1999, the St. Joe Land Company was created to sell parcels of land, typically 5 to 5,000 acres, from a portion of the total of 800,000 acres of timberland held by the Company in northwest Florida and southwest Georgia. These parcels could be used as large secluded home sites, quail plantations, ranches, farms, hunting and fishing preserves and for other recreational uses.

During 2000, the land sales division had revenues of $105.6 million with cost of sales of $10.1 million representing a gross profit of $95.5 million. During 2000, 51,599 acres were sold at an average price of $2,047 per acre. Included in 2000 operations were two conservation land sales. In the third quarter of 2000, the Company sold the State of Florida 8,867 acres of conservation land for $16.3 million with a gross profit of $15.3 million. This wildlife management area sale was designed to protect 10 miles along the Wacissa River located in Jefferson County, Florida. In the fourth quarter of 2000, the Company sold 15,443 acres in southwest Georgia to The Nature Conservancy for $30.5 million with a gross profit of $28.9 million. The land, known as the Chickasawhatchee Swamp, is near Albany, Georgia, and is intended to be conveyed to the Georgia Department of Natural Resources to be used as a wildlife management area.

During 1999, the St. Joe Land Company sold 19 parcels of land totaling 1,018 acres for $3.9 million or an average price of $3,831 per acre.

Commercial Real Estate Development and Services

	YEARS ENDED DECEMBER 31, 2000	1999	1998
	($ IN MILLIONS)		
Revenues	$146.4	$194.5	$68.7
Operating expenses	115.7	140.8	39.7
Depreciation and amortization	20.9	18.9	13.1
Other income (expense)	(0.3)	--	.3
Pre-tax income from continuing operations	9.5	34.8	16.2
EBITDA, Gross	31.5	54.1	21.4
EBITDA, Net	17.9	30.3	16.3

Operations of the commercial real estate development and services segment include the development of St. Joe properties ("St. Joe Commercial"), development and management of the Flagler real estate portfolio, the Advantis service businesses and investments in affiliates, including the Codina Group, Inc. ("CGI"), to develop and manage properties throughout the southeast. Until October 9, 2000, the Company owned 54% of FLA and Flagler is the wholly owned real estate subsidiary of FLA.

In September 1998, the Company acquired Goodman, Segar, Hogan, Hoffler, L.P. and in December 1998, the Company acquired the assets of Florida Real Estate Advisors, Inc. These commercial real estate services businesses, as well as other smaller acquisitions made in 1999, have been combined and are doing business under the name Advantis.

Results for 2000 compared to 1999

Revenues generated from rental operations in 2000 are from both St. Joe Commercial owned operating properties and through October 9, 2000, Flagler operating properties and FECR owned rental properties.

Rental revenues generated by St. Joe Commercial owned operating properties were $10.4 million in 2000, with operating expenses relating to these revenues of $6.7 million. St. Joe Commercial had $1.6 million of rental revenues in 1999 with $.5 million in operating expenses related to those revenues. Using tax-deferred proceeds from land sales, St. Joe Commercial has acquired five commercial properties in the Tampa-St. Petersburg, Florida area and one commercial property in Plantation, Florida. As of December 31, 2000, St. Joe Commercial had interests in, either wholly owned or through partnerships, 12 operating properties with 1.7 million total rentable square feet in service. Approximately .6 million square feet of office space is in predevelopment or under construction as of December 31, 2000.

Rental revenues generated by Flagler owned operating properties and FECR rental properties through October 9, 2000 were $44.8 million, compared to $51.9 million for the full year of 1999. Operating expenses on rental revenues, excluding depreciation, were $14.9 million for 2000, compared to $17.8 million in 1999.

Operating revenues generated from Advantis totaled $63.0 million in 2000, an increase of 6.6%, compared with $59.1 million in 1999. The increase was primarily due to an increase in office leasing transactions. Advantis expenses were $62.4 million in 2000, an increase of 10.2% compared to $56.6 million in 1999. The increase in operating expense was primarily due to increased brokerage commissions as well as increased office administration costs. Advantis' expenses include commissions paid to brokers, property management expenses, office administration, and construction costs. St. Joe Commercial also had management and development fees earned of $1.9 million in 1999.

In the first quarter of 2000, St. Joe Commercial sold the Homeside Lending building in Jacksonville, Florida for gross proceeds of $16.0 million and had cost of sales of approximately $14.4 million, resulting in a $1.6 million pre-tax gain. Other land sales in 2000 totaled $4.2 million with cost of sales of $3.2 million. In 1999, St. Joe Commercial had land sales of $1.9 million with $1.9 million of gross profit.

Through October 9, 2000, Flagler sold real estate properties for gross proceeds of $6.7 million with cost of sales of $2.5 million. In 1999 Flagler had revenues of $77.6 million and cost of sales of $56.2 million primarily from the sales of three industrial parks which resulted in a pre-tax gain of $21.0 million ($11.3 million, net of the effect of FLA's minority interest).

The Company has investments in various real estate developments and affiliates that are accounted for by the equity method of accounting. Earnings from these investments contributed $1.3 million to the commercial real estate segment's revenues during 2000 compared to $2.4 million in 1999.

General and administrative expenses for the commercial group, which are included in operating expenses, were $11.6 million in 2000 compared to $10.0 million in 1999. Of total general and administrative expenses for 2000, $8.4 million are St. Joe Commercial related and $3.2 million are related to Flagler. For 1999, St. Joe Commercial related expenses were $5.7 million and $4.3 million were related to Flagler.

Depreciation and amortization was $20.9 million in 2000 compared to $18.9 million in 1999 and was attributable to additional goodwill amortization of $1.2 million and additional depreciation on operating properties of $0.8 million. St. Joe Commercial's increase in depreciation from the addition of operating properties totaled $2.1 million and was offset by a $1.3 million decrease in depreciation on Flagler operating properties due to the partial year results in 2000.

Results for 1999 compared to 1998

Revenues generated from rental operations in 1999 were from both St. Joe Commercial owned operating properties and Flagler operating properties and FECR owned rental properties. In 1998, all revenues from rental operations were from Flagler and FECR. Total rental revenues increased to $53.5 million, an 18.6% increase from $45.1 million in 1998.

Revenues generated by St. Joe owned operating properties were $1.6 million in 1999, while operating expenses relating to these revenues were $.5 million. Revenues from management fees totaled $1.9 million in 1999. As of December 31, 1999, St. Joe had interests in, either wholly-owned or through partnerships, 11 operating buildings with 1.3 million total rentable square feet in service. Approximately .6 million square feet of office and industrial space was under construction as of December 31, 1999.

Revenues generated by Flagler owned operating properties and FECR rental properties were $51.9 million, a 15.1% increase from $45.1 million in 1998, primarily from increases in same store revenues totaling $7.2 million and new store revenues of $3.4 million. Revenues declined $3.8 million due to buildings sold this year. Operating expenses on rental revenues, excluding depreciation, remained steady at $17.8 million in 1999, the same as 1998.

Operating revenues generated from Advantis totaled $59.1 million in 1999 compared with $14.5 million for the period of 1998 that Advantis was owned by the Company. Advantis expenses increased $42.8 million to $56.3 million for a full year of activity from $13.5 million in 1998. Advantis' expenses include commissions paid to brokers, property management expenses and construction costs.

In 1999, Flagler sold real estate properties for gross proceeds of $77.6 million as compared to $7.9 million in 1998. The majority of the revenues were from the sale of three industrial parks, Gran Park at McCahill, Gran Park at Lewis Terminals, and Gran Park at Interstate South which resulted in a pre-tax gain of $21.0 million ($11.3 million, net of the effect of FLA's minority interest). Costs of these sales totaled $56.2 million, an increase of $53.6 million from $2.6 million in 1998. These industrial parks consisted of 16 buildings with 1.5 million square feet.

The Company had investments in various real estate developments and affiliates that are accounted for by the equity method of accounting. Earnings from these investments contributed $2.4 million to the commercial real estate segment's revenues during 1999 compared to $1.2 million in 1998. The majority of these revenues came from the Company's investments in Deerfield Park, LLC, located in Atlanta, Georgia and the Codina Group in South Florida.

General and administrative expenses for the commercial group, which are included in operating expenses, increased $4.2 million to $10.0 million from $5.8 million in 1998. Of total general and administrative expenses for 1999, $5.7 million were St. Joe related and $4.3 million were related to Flagler. This increase is due to an increase in personnel, projects and activities being carried on by the commercial group in 1999, along with increased responsibility for additional properties put into service in 1999.

Depreciation and amortization rose by $5.8 million and is attributable to goodwill amortization as a result of the acquisitions including the Advantis businesses of $2.5 million and additional depreciation on operating properties of $3.3 million.

Forestry

	YEARS ENDED DECEMBER 31,		
	2000	1999	1998
	($ IN MILLIONS)		
Revenues	$36.0	$28.1	$33.8
Operating expenses	21.6	18.4	18.8
Depreciation and amortization	3.2	2.3	2.4
Other income (expense)	2.5	11.3	2.2
Pre-tax income from continuing operations	13.5	18.7	14.8
EBITDA, Net	16.7	12.2	17.1

In August of 1998 the Florida Coast Paper Company, L.L.C. ("FCP"), the Company's major pulpwood customer, shut down its mill in Port St. Joe. Under the terms and conditions of the amended fiber supply agreement with FCP, the Company began redirecting the volumes of pulpwood from the FCP mill in Port St. Joe to another mill in Panama City, Florida. Sales of pulpwood resumed in November of 1998 and continued through June 30, 2000 with no significant loss in volume of sales. FCP filed for protection from its creditors in the Federal Bankruptcy Court for the District of Delaware. Pursuant to an order entered by the Bankruptcy Court, the amended fiber supply agreement was terminated, effective June 30, 2000. On July 1, 2000, a new fiber agreement with the surviving entity, Jefferson Smurfit (U.S.), also known as Smurfit-Stone Container Corporation went into effect. The agreement is for twelve years and it requires an annual pulpwood volume of 700,000 tons per year that must come from company-owned fee simple lands. 311,870 acres are encumbered, subject to certain restrictions, by this agreement, although the obligation may be transferred to a third party if a parcel is sold.

Results for 2000 compared to 1999

Total revenues for 2000 increased $7.9 million, or 28.1%, to $36.0 million compared to 1999 revenues of $28.1 million. Sales under the fiber agreement were $16.5 million (682,000 tons) in 2000 as compared to $18.2 million (643,000 tons) in 1999. The lower sales generated in 2000 compared to 1999 relates to lower delivered price of wood per the terms of the fiber agreement, since pulpwood prices have fallen over the past four quarters. Sales to other customers increased to $18.5 million (678,000 tons) in 2000 from $9.4 million (376,000 tons) in 1999. In the first quarter of 2000, the Company conducted several lump sum bid timber sales to take advantage of favorable market conditions. The Company did not conduct such sales in 1999, as the market conditions were not favorable for such sales. Revenues in 2000 include bulk land sales of $1.0 million compared to $0.5 million in 1999.

Operating expenses in 2000 increased $3.2 million, or 17.4%, to $21.6 million. Cost of sales, included in operating expenses, increased $3.1 million, or 18.6%, to $19.8 million compared to 1999 due to higher harvest volumes. Cost of sales as a percentage of sales were lower in 2000 than in 1999, due to the lump sum timber sales in 2000, which do not incur cut and haul charges. Other operating expenses were $1.8 million in 2000 and $1.7 million in 1999.

Results for 1999 compared to 1998

Total timber revenues decreased $5.7 million in 1999 to $28.1 million, or 17%, compared to 1998. Timber sales decreased $3.5 million and bulk land and timber sales decreased $2.2 million from the prior year. Sales to FCP were $18.2 million (642,806 tons) in 1999 as compared to $19.1 million (664,784 tons) in 1998. Sales to other customers decreased $2.6 million in 1999 to $9.4 million (375,726 tons) as compared to $12.0 million (474,085 tons) in 1998. During 1998, the Company conducted several lump sum bid timber sales to take advantage of favorable market conditions, which was not the case in 1999. Revenues in 1999 include bulk land and timber sales of $0.5 million, as compared to $2.7 million in bulk land and timber sales in 1998.

Operating expenses, including costs of sales and general and administrative expenses, for 1999 decreased $.4 million, or 2%, as compared to 1998 due to the lower harvest volumes. Cost of timber sales, excluding depletion, decreased $.1 million from $17.3 million in 1998 to $17.2 million in 1999. Cost of sales as a percentage of sales was 67.4% in 1999 compared to 43.2% in 1998. Cost of sales as a percentage of sales was lower in 1998 due to the lump sum timber sales in 1998, which do not incur cut and haul charges. The Company had no sales of procured wood in 1999 compared to 13,700 tons in 1998. The cost of sales of procured wood was approximately $30/ton in 1998. General and administrative expenses were $.4 million lower in 1999 than 1998, at $1.8 million primarily due to a property tax settlement of $.4 million paid in 1998.

Other income was $11.3 million for 1999 compared to $2.2 million for 1998. The 1999 amount included an $8.7 million gain from a timberland sale to the State of Florida with the assistance of The Nature Conservancy.

TRANSPORTATION

	YEARS ENDED DECEMBER 31,		
	2000	1999	1998
	($ IN MILLIONS)		
Revenues	$167.7	$201.2	$204.7
Operating expenses	127.1	156.9	144.2
Depreciation and amortization	16.8	19.8	18.8
Impairment loss	6.4	0.0	8.0
Other income (expense)	3.0	1.1	0.8
Pre-tax income from continuing operations	20.4	25.6	34.5
EBITDA, Gross	33.9	51.8	61.0
EBITDA, Net	18.3	30.8	34.0

The Company's transportation operations consist of ANRR and, through October 9, 2000, the effective date of the spin-off of FLA, the operations of Florida East Coast Railway Company ("FECR"), International Transit, Inc. ("ITI"), and EPIK Communications Incorporated ("EPIK"), FLA's telecommunications division.

Results for 2000 compared to 1999

FLA's transportation operating revenues were $154.9 million through October 9, 2000 compared to $194.6 million for the full year of 1999. FLA's operating expenses were $124.1 million through October 9, 2000 as compared to 151.8 million in 1999. Included in 2000 operating expenses are restructuring and other costs totaling $2.2 million associated with revamping ITI. In addition, FLA recorded a $3.1 million impairment loss related to the write-off of ITI's goodwill. Included in 1999 results was $8.2 million in special charges that FECR took in the second quarter of 1999 relating to a reorganization and workforce reduction in its railway operations.

ANRR's operations reflect the lost traffic due to the FCP mill shutdown in 1998 and from lost traffic from Seminole Electric Cooperative, Inc. ("Seminole"). Seminole halted shipments of coal in January 1999, and filed a lawsuit seeking to terminate its contract with ANRR to provide transportation of coal from Port St. Joe. Florida to Chattahoochee, Florida. ANRR subsequently filed suit to enforce the contract. ANRR's workforce was reduced significantly, commensurate with the loss in traffic. In December 2000, ANRR settled the contract dispute with Seminole and received $10.0 million, which has been included in revenues in 2000.

ANRR's operating revenues increased $6.3 million, or 96.9% to $12.8 million in 2000 as compared to $6.5 million in 1999. Included in 2000 operating revenues is the $10.0 million settlement received by ANRR from Seminole and contractual payments from Seminole of $.6 million. In 1999, included in the $6.5 million of revenues recorded by ANRR were contractual payments from Seminole of $4.5 million. ANRR's operating expenses decreased $1.5 million to $3.0 million in 2000 as compared to $4.5 million in 1999. In addition, the Company recorded a $3.4 million impairment loss in 2000 to reflect the current net realizable value of ANRR's net assets. The Company is currently working to develop new commerce at Port St. Joe and along the ANRR line, which could utilize ANRR's freight handling capacity.

Results for 1999 compared to 1998

FLA's operating revenues decreased $0.2 million to $194.6 million for 1999 as compared to $194.8 million for 1998. FLA's transportation segment's operating expenses increased $15.3 million, or 11% to $151.8 million, compared to $136.5 million in 1998. Exclusive of the special charges totaling $8.2 million, the increase of $7.1 million relates to increases in transportation's general and administrative expenses due to a new management team being put in place, the setup of the new telecom division and the settlement of a 1997 lawsuit for $2.7 million.

ANRR's operating revenues were $6.5 million reflecting a decrease in revenues of $3.4 million, or 34%, due to lost traffic due to the FCP mill shutdown and from lost traffic from ANRR's largest customer, Seminole. In 1999, included in the $6.5 million of revenues recorded by ANRR were contractual payments from Seminole of $4.5 million. These payments ceased during the first quarter of 2000. ANRR's workforce was reduced significantly, commensurate with its loss in traffic. ANRR's operating expenses decreased $2.4 million commensurate with the reduction in their workforce and traffic.

FINANCIAL POSITION AND CAPITAL RESOURCES

In August 1998, the Company's Board of Directors authorized $150 million for the repurchase of outstanding common stock through open-market purchases. During the first quarter of 2000, the Company completed this program having purchased 6.5 million shares at an average price of $23.13. In February 2000, the St. Joe Board of Directors authorized a second $150 million stock repurchase plan and the Company has purchased 2.0 million shares as of December 31, 2000 (.6 million shares pre-spin at an average price of $27.95 per share, 1.4 million shares post-spin at an average price of $20.98 per share) under this program. In December, 2000, the Company entered into an agreement with the Alfred I. DuPont Testamentary Trust (the "Trust"), the majority stockholder of the Company, and the Trust's beneficiary, The Nemours Foundation (the "Foundation"), to participate in the St. Joe Stock Repurchase Program for a 90-day period. As of December 31, 2000, the Company had repurchased 0.4 million shares from the Trust at an average price of $20.98. The Board believes that the current price of the Company's common shares does not reflect the value of the Company's assets or its future prospects. The Company's goal remains to repurchase from the public, on average, approximately one million shares per quarter over the next several quarters.

Cash used in operations in 2000 was $6.2 million. Included in cash flows from operations were expenditures of $196.4 million relating to its community residential development segment.

Capital expenditures, other than community residential development expenditures, in 2000 were $254.0 million consisting of building acquisitions, real estate development and FLA transportation and telecom expenditures. Excluding expenditures related to FLA, the Company expended $100.0 million, primarily for commercial property acquisitions and development.

During 2000, the Company obtained a $250 million line of credit of which it has drawn $115 million as of December 31, 2000. The $250 million credit facility has an initial term of 2 years. This facility will be available for general corporate purposes, including repurchases of the Company's outstanding common stock. The facility includes financial performance covenants relating to its leverage position, interest coverage and a minimum net worth requirement and also negative pledge restrictions.

Management believes that its financial condition is strong and that its cash, investments, other liquid assets, operating cash flows, and borrowing capacity, taken together, provide adequate resources to fund ongoing operating requirements and future capital expenditures related to the expansion of existing businesses including the continued investment in real estate developments.

For 1999, cash provided by operations was $55.1 million. Included in cash flows from operations were expenditures of $60.1 million relating to its community residential development segment. During 1999, the Company received $152.5 million, net of closing costs of $1.8 million, from the proceeds of the sale of the Talisman land and farming rights. Significant proceeds from investing activities were also received from the sales of Flagler's industrial parks in 1999, sales of investment securities and from the timberland sale to the State of Florida and the monetization of the Company's equity securities in the transaction described below. Capital expenditures in 1999 were $45.7 million.

During 1999 and 1998, the Company utilized hedging strategies that minimized the risk of loss in its investments in equity securities. In early 1999, the Company used the hedged positions as collateral for a line of credit. On October 15, 1999, the Company settled the hedge positions for a pre-tax gain of $5.0 million and terminated the line of credit related to these securities. Simultaneously, the Company entered into a three-year forward sale transaction with a major financial institution that will lead to the ultimate disposition of the securities. Under the forward sale agreement, the Company received approximately $111.1 million in cash and must settle the forward transaction by October 15, 2002 by delivering either cash or a number of these equity securities to the financial institution. The agreement permits the Company to retain an amount of the securities that represents appreciation up to 20% of their value on October 15, 1999 should the value of the securities increase. The securities will continue to be recorded at fair value on the balance sheet with additional unrealized gains and losses, net of tax, being recorded through other comprehensive income. The Company recorded a liability in long-term debt for approximately $111.1 million, which will increase as interest expense is imputed at an annual rate of 7.9%. The liability will also increase by the amount, if any, that the securities increase beyond the 20% that the Company retains. On October 15, 2002, the liability will be $139.4 million plus any appreciation in the securities beyond the first 20%. The balance of this liability on December 31, 2000 was $121.7 million and is included in long-term debt.

The Financial Accounting Standards Board issued Statement of Financial Accounting Standard No. 138, "Accounting for Derivative Instruments and Hedging Activities" ("FAS 138"), an amendment to FAS 133, which is effective for all fiscal quarters of all fiscal years beginning after June 15, 2000. FAS 138 and 133 establish accounting and reporting standards for derivative instruments and hedging activities. FAS 138 and 133 requires entities to recognize all derivatives as either assets or liabilities in the balance sheet and measure those instruments at fair value. The Company adopted FAS 138 and 133 on January 1, 2001. The cumulative effect of the adoption of these standards, recorded as a separate component of other comprehensive income at January 1, 2001, was approximately $10.5 million, net of income taxes. The impact on the statement of operations for the adoption of FAS 138 and 133 was not material.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company's primary market risk exposure is interest rate risk related to the Company's long-term debt. In March 2000, the Company entered into a senior unsecured revolving credit facility for up to $200.0 million, which was increased to $250.0 million in September 2000 and matures in March 2002. As of December 31, 2000, $115.0 million was outstanding. This debt accrues interest at different rates based on timing of the loan and the Company's preferences, but generally will be either the one, two, three or six month London Interbank Offered Rate ("LIBOR") plus a LIBOR margin in effect at the time of the loan. This loan subjects the Company to interest rate risk relating to the change in the LIBOR rates. The Company manages its interest rate exposure by monitoring the effects of market changes in interest rates.

In addition, in order to minimize the Company's price risk related to its equity securities, the Company entered into a three year forward sale transaction in 1999 that will lead to the ultimate disposition of the securities on October 15, 2002. The Company received approximately $111.1 million in cash at the time of transaction. The agreement allows that the Company may retain an amount of the securities that represents appreciation up to 20% of their value on October 15, 1999 should the value increase. Conversely, if the value of the securities decreases below their value on October 15, 1999, the Company retains no additional liability.

The table below presents principal amounts and related weighted average interest rates by year of maturity for the Company's investment portfolio and its long-term debt. The weighted average interest rates for the various fixed rate investments and its long-term debt are based on the actual rates as of December 31, 2000.

	EXPECTED CONTRACTUAL MATURITIES							
	2001	2002	2003	2004	2005	THEREAFTER	TOTAL	FAIR VALUE
INVESTMENTS								
Certificates of Deposit...........	$30,101	$ --	$ --	$ --	$ --	$ --	$ 30,101	$ 30,101
Wtd. Avg. Interest Rate.......	6.41%	--	--	--	--	--	6.41%	
Equity Securities and Options.....		1,524	--	--	--	--	1,524	121,717
LONG-TERM DEBT								
VARIABLE RATE								
Minimum Liability on Forward Sale of Equity Securities............	--	121,717	--	--	--	--	121,717	121,717
Wtd. Avg. Interest Rate.......	--	7.90%	--	--	--	--	7.90%	
Senior Revolving Credit Agreement.......................	--	115,000	--	--	--	--	115,000	115,000
Wtd. Avg. Interest Rate.......		7.75%	--	--	--	--	7.75%	
Revolving Credit Agreement........	30,101	--	--	--	--	--	30,101	30,101
Wtd. Avg. Interest Rate.......	1.50%	--	--	--	--	--	1.50%	
Other Long-term debt..............	2,596	434	--	--	--	--	3,030	3,030
Wtd. Avg. Interest Rate.......	6.00%	6.00%		--	--	--	6.00%	
FIXED RATE								
Non-recourse Mortgage debt........	344	400	431	465	503	24,857	27,000	27,000
Wtd. Avg. Interest Rate.......	7.67%	7.67%	7.67%	7.67%	7.67%	7.67%	7.67%	

As the table incorporates only those exposures that exist as of December 31, 2000, it does not consider exposures or positions that could arise after that date. As a result, the Company's ultimate realized gain or loss will depend on future changes in interest rate and market values.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The Financial Statements on pages F-2 to F-21, inclusive and the Independent Auditors' Report on page F-1 are filed as part of this Report and incorporated herein by reference thereto.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Reference is made to the information to be set forth in the section entitled "Election of Directors" in the definitive proxy statement involving the election of directors in connection with the Annual Meeting of Stockholders of St. Joe to be held on May 15, 2001 (the "Proxy Statement"), which section is incorporated herein by reference. The Proxy Statement will be filed with the Securities and Exchange Commission not later than 120 days after December 31, 2000, pursuant to Regulation 14A of the Securities Exchange Act of 1934, as amended.

ITEM 11. EXECUTIVE COMPENSATION

Reference is made to the information to be set forth in the sections entitled "Executive Compensation" in the Proxy Statement, which sections are incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Reference is made to the information to be set forth in the sections entitled "Common Stock Ownership of Certain Beneficial Owners" and "Common Stock Ownership of Management" in the Proxy Statement, which sections are incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Reference is made to the information set forth in the section entitled "Certain Transactions" in the Proxy Statement, which section is incorporated herein by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENTS, SCHEDULES AND REPORTS ON FORM 8-K

(A) 1. Financial Statements

The financial statements listed in the accompanying Index to Financial Statements and Financial Statement Schedules and Independent Auditors' Report are filed as part of this Report.

2. Financial Statement Schedules

The financial statement schedules and Independent Auditors' Report listed in the accompanying Index to Financial Statements and Financial Statement schedules are filed as part of this report.

3. EXHIBITS

The exhibits listed on the accompanying Index to Exhibits are filed as part of this Report.

(B) Reports on Form 8-K

1. Item 9 -- Analyst Presentation -- October 23, 2000

2. Item 9 -- Supplemental Information -- February 15, 2001

3. Item 9 -- Analyst Presentation -- February 22, 2001

INDEX TO FINANCIAL STATEMENTS AND FINANCIAL STATEMENT SCHEDULES

Item 14(A) 1. and 2.

All other schedules have been omitted since the required information is not present or not present in amounts sufficient to require submission on the schedule or because the information required is included in the Consolidated Financial Statements, and the Notes to the Consolidated Financial Statements.

INDEX TO EXHIBITS

EXHIBIT NUMBER		
2.01	--	Limited Partnership Agreement of St. Joe/Arvida Company, L.P. (Incorporated herein by reference to Exhibits filed with the Company's Prospectus filed February 11, 1998 under Rule 424 (b))
2.02	--	Agreement of Limited Partnership of St. Joe/CNL Development, Ltd. (Incorporated herein by reference to Exhibits filed with the Company's Prospectus filed February 11, 1998 under Rule 424 (b))
2.03	--	Stock Purchase Agreement dated as of September 1, 1995 between St. Joe Industries Inc. and TPG Communications, Inc. (Incorporated herein by reference to Exhibits filed with The Registrant's Quarterly Report on Form 10-Q for the third quarter ended September 30, 1995)
2.04	--	Asset Purchase Agreement dated as of November 1, 1995 by and among St. Joe Forest Products Company, St. Joe Container Company and St. Joe Paper Company, on the one Hand and Four M Corporation and St. Joe Paper company in the other hand (the "Asset Purchase Agreement") (incorporated herein by reference and Exhibits filed with the Registrant's Quarterly Report on Form 10-Q for the third quarter ended September 30, 1995)
2.05	--	Amendments dated December 14, 1995; December 20, 1995; January 10, 1996 and January 12, 1996 to the Asset Purchase Agreement (incorporated herein by reference to the Registrant's Proxy Statement for the Special Meeting of Stockholders on April 24, 1996)
2.06	--	Agreement for Purchase and Sale of Assets and Stock between St. Joe Real Estate Services, Inc. et.al. and CMT Holding, Ltd. (Incorporated herein by reference to Exhibits filed in the Registrant's Quarterly Report on Form 10-Q for the second quarter ended June 30, 1998)
2.07	--	Purchase Agreement by and among Dominion Capital, Inc., Goodman-Segar-Hogan-Hoffler, Inc et.al. and St. Joe Commercial Property Services, Inc dated September 24, 1998 (Incorporated herein by reference to Exhibits filed in the Registrant's Quarterly Report on Form 10-Q for the third quarter ended September 30, 1998)
3.01	--	Articles of Incorporation, as amended (Incorporated herein by reference to Exhibits filed with the Company's Prospectus filed February 11, 1998 under Rule 424 (b))
3.02	--	Articles of Amendment dated January 8, 1998 (Incorporated herein by reference to Exhibits filed with the Company's Prospectus filed February 11, 1998 under Rule 424 (b)
3.03	--	Amended By-Laws dated March 18, 1997 (Incorporated herein by reference to Exhibit 3(b) filed with the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1996
3.04	--	Restated and Amended Articles of Incorporation of the St. Joe Company dated May 12 1998 (Incorporated herein by reference to Exhibits filed in the Registrant's Quarterly Report on Form 10-Q for the first quarter ended March 31, 1998
3.05	--	Exchange and Purchase and Sale Agreement by and among The South Florida Water Management District: United States Sugar Corporation; Okeelanta Corporation, South Florida Industries, Inc, and Florida Crystals Corporation and The St. Joe Company; The United States Department of the Interior; and The Nature Conservancy dated March 25,1999 (Incorporated herein by reference to Exhibits filed in the Registrant's Quarterly Report on Form 10-Q for the first quarter ended March 31, 1999.))
4.01	--	Registration Rights Agreement between the Registrant and the Alfred I. DuPont Testamentary Trust, dated December 16, 1997 (Incorporated herein by reference to Exhibits filed with the Company's Prospectus filed February 11, 1998 under Rule 424 (b))
10.01	--	Employment Agreement of Peter Rummell, dated January 7, 1997(Incorporated herein by reference to Exhibits filed with the Company's Prospectus filed February 11, 1998 under Rule 424 (b))

EXHIBIT NUMBER		
10.02	--	Employment Agreement of Robert M. Rhodes, dated November 5, 1997 (Incorporated herein by reference to Exhibits filed with the Company's Prospectus filed February 11, 1998 under Rule 424 (b))
10.03	--	Form of Severance Agreement (Incorporated herein by reference to Exhibits filed with the Company's Prospectus filed February 11, 1998 under Rule 424 (b))
10.04	--	Distribution and Recapitalization Agreement (Incorporated herein by reference to Exhibits filed in the Registrant's Quarterly Report on Form 10-Q for the first quarter ended September 30, 1999.)
10.05	--	Indemnification Agreement (Incorporated herein by reference to Exhibits filed in the Registrant's Quarterly Report on Form 10-Q for the first quarter ended September 30, 1999.)
10.06	--	Master Agreement (Incorporated herein by reference to Exhibits filed in the Registrant's Quarterly Report on Form 10-Q for the first quarter ended September 30, 1999.)
10.07	--	Amended and Restated Master Agreement*
21.01	--	Subsidiaries of The St. Joe Company*
23.01	--	Independent Auditors Consent*
99.01	--	Supplemental Calculation of Selected Consolidated Financial Data*

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* Filed herewith

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned authorized representative.

The St. Joe Company

By: /s/ Kevin M. Twomey

Kevin M. Twomey
President, Chief Operating Officer
and Chief Financial Officer
(Principal Financial Officer)

Dated:

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant in the capacities and dates indicated.

SIGNATURE	TITLE	DATE
/s/ Peter S. Rummell Peter S. Rummell	Chairman of the Board Chief Executive Officer (Principal Executive Officer)	March 13, 2001
/s/ Kevin M. Twomey Kevin M. Twomey	President, Chief Operating Officer Chief Financial Officer (Principal Financial Officer)	March 15, 2001
/s/ Janna L. Connolly Janna L. Connolly	Vice President and Controller (Principal Accounting Officer)	March 15, 2001
/s/ Michael L. Ainslie Michael L. Ainslie	Director	March 13, 2001
/s/ Hugh M. Durden Hugh M. Durden	Director	March 13, 2001
/s/ John S. Lord John S. Lord	Director	March 13, 2001
/s/ Herbert H. Peyton Herbert H. Peyton	Director	March 13, 2001
/s/ John J. Quindlen John J. Quindlen	Director	March 13, 2001
/s/ Walter L. Revell Walter L. Revell	Director	March 13, 2001
/s/ Frank S. Shaw, Jr. Frank S. Shaw, Jr.	Director	March 13, 2001

SIGNATURE	TITLE	DATE
/s/ Winfred L. Thornton Winfred L. Thornton	Director	March 13, 2001
/s/ John D. Uible John D. Uible	Director	March 15, 2001

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
The St. Joe Company:

We have audited the accompanying consolidated balance sheets of The St. Joe Company and subsidiaries as of December 31, 2000 and 1999, and the related consolidated statements of income, changes in stockholders' equity, and cash flow for each of the years in the three-year period ended December 31, 2000. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The St. Joe Company and subsidiaries as of December 31, 2000 and 1999, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States of America.

KPMG LLP

Jacksonville, Florida
February 6, 2001

THE ST. JOE COMPANY

CONSOLIDATED BALANCE SHEETS

	DECEMBER 31, 2000	DECEMBER 31, 1999
	(DOLLARS IN THOUSANDS)	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 51,605	$ 71,987
Short-term investments	30,101	69,174
Accounts receivable	45,328	38,805
Inventory	357	6,360
Other assets	13,555	11,158
Total current assets	140,946	197,484
INVESTMENTS AND OTHER ASSETS:		
Marketable securities	121,723	188,884
Investment in unconsolidated affiliates	73,997	80,652
Prepaid pension asset	74,967	63,771
Goodwill	138,115	138,392
Other assets	17,424	20,867
Net assets of discontinued operations	--	215
Total investments and other assets	426,226	492,781
Investment in real estate	491,772	746,933
Property, plant and equipment, net	56,077	384,429
Total assets	$1,115,021	$1,821,627
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 37,662	$ 45,697
Accrued liabilities	38,683	48,445
Income tax payable	5,057	6,196
Current portion of long-term debt	33,041	31,250
Total current liabilities	114,443	131,588
Other liabilities	9,660	17,705
Deferred income taxes	155,161	278,513
Long-term debt	263,807	115,974
Minority interest in consolidated subsidiaries	2,866	336,993
Total liabilities	545,937	880,773
STOCKHOLDERS' EQUITY:		
Common stock, no par value; 180,000,000 shares authorized; 92,709,185 and 91,697,811 issued at December 31, 2000 and 1999	31,181	13,170
Retained earnings	661,500	961,819
Accumulated other comprehensive income	78,129	90,597
Restricted stock deferred compensation	(2,257)	(3,564)
Treasury stock at cost, 8,782,893 and 5,265,827 shares held at December 31, 2000 and 1999	(199,469)	(121,168)
Total stockholders' equity	569,084	940,854
Total liabilities and stockholders' equity	$1,115,021	$1,821,627

See notes to consolidated financial statements.

THE ST. JOE COMPANY

CONSOLIDATED STATEMENTS OF INCOME

	YEARS ENDED DECEMBER 31, 2000	1999	1998
	(DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS)		
Operating revenues	$880,830	$750,412	$392,181
Expenses:			
Operating expenses	638,603	589,588	286,973
Corporate expense, net	25,115	16,361	6,569
Depreciation and amortization	51,783	49,368	38,893
Impairment losses	6,455	7,162	10,238
Total expenses	721,956	662,479	342,673
Operating profit	158,874	87,933	49,508
Other income:			
Investment income, net	13,784	13,006	20,118
Interest expense	(12,402)	(2,895)	(804)
Gains on sales and other dispositions of assets	1,677	15,360	8,362
Other, net	4,987	7,439	4,245
Total other income	8,046	32,910	31,921
Income from continuing operations before income taxes and minority interest	166,920	120,843	81,429
Income tax expense (benefit):			
Current	32,893	35,467	23,569
Deferred	23,750	(11,506)	12,611
Total income tax expense	56,643	23,961	36,180
Income from continuing operations before minority interest	110,277	96,882	45,249
Minority interest	9,954	19,243	19,117
Income from continuing operations	100,323	77,639	26,132
Income from discontinued operations:			
Earnings from discontinued operations (net of income taxes of $3,368, and $1,699, respectively)	--	5,364	2,706
Gain on sale of discontinued operations, net of income taxes of $30,477	--	41,354	--
Net income	$100,323	$124,357	$ 28,838
EARNINGS PER SHARE			
Basic			
Income from continuing operations	$ 1.18	$ 0.89	$ 0.29
Earnings from discontinued operations	--	0.06	0.03
Gain on sale of discontinued operations	--	0.47	--
Net income	$ 1.18	$ 1.42	$ 0.32
Diluted			
Income from continuing operations	$ 1.15	$ 0.88	$ 0.28
Earnings from discontinued operations	--	0.06	0.03
Gain on sale of discontinued operations	--	0.46	--
Net income	$ 1.15	$ 1.40	$ 0.31

See notes to consolidated financial statements.

THE ST. JOE COMPANY

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(DOLLARS IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

	COMMON STOCK						
	SHARES	AMOUNT	RETAINED EARNINGS	ACCUMULATED OTHER COMPREHENSIVE INCOME	RESTRICTED STOCK DEFERRED COMPENSATION	TREASURY SHARES	TOTAL
Balance at December 31, 1997	91,697,811	$13,054	$817,663	$ 79,559	$(3,472)	$ --	$ 906,804
Comprehensive income:							
Net income	--	--	28,838	--	--	--	28,838
Increase in net unrealized gain on available-for-sale securities, net of tax of $4,781	--	--	--	8,641	--	--	8,641
Total comprehensive income	--	--	--	--	--	--	37,479
Dividends ($.08 per share)	--	--	(7,274)	--	--	--	(7,274)
Amortization of restricted stock deferred compensation	--	--	--	--	868	--	868
Purchase of treasury shares	(2,543,590)	--	--	--	--	(54,580)	(54,580)
Balance at December 31, 1998	89,154,221	13,054	839,227	88,200	(2,604)	(54,580)	883,297
Comprehensive income:							
Net income	--	--	124,357	--	--	--	124,357
Increase in net unrealized gain on available-for-sale securities, net of tax of $1,312	--	--	--	2,397	--	--	2,397
Total comprehensive income	--	--	--	--	--	--	126,754
Dividends ($.02 per share)	--	--	(1,765)	--	--	--	(1,765)
Increase in restricted stock deferred compensation	100,000	--	--	--	(2,194)	2,194	--
Issuance of common stock	32,853	116	--	--	--	750	866
Amortization of restricted stock deferred compensation	--	--	--	--	1,234	--	1,234
Purchase of treasury shares	(2,855,090)	--	--	--	--	(69,532)	(69,532)
Balance at December 31, 1999	86,431,984	13,170	961,819	90,597	(3,564)	(121,168)	940,854
Comprehensive income:							
Net income	--	--	100,323	--	--	--	100,323
Increase in net unrealized gain on available-for-sale securities, net of tax of $14,344	--	--	--	(12,834)	--	--	(12,834)
Total comprehensive income	--	--	--	--	--	--	87,489
Dividends ($.08 per share)	--	--	(6,816)	--	--	--	(6,816)
Spin-off of Florida East Coast Industries	--	--	(393,826)	366	--	--	(393,460)
Issuance of common stock	1,011,374	18,011	--	--	--	326	18,337
Amortization of restricted stock deferred compensation	--	--	--	--	1,307	--	1,307
Purchase of treasury shares	(3,517,066)	--	--	--	--	(78,627)	(78,627)
Balance at December 31, 2000	83,926,292	$31,181	$661,500	$ 78,129	$(2,257)	$(199,469)	$ 569,084

See notes to consolidated financial statements.

THE ST. JOE COMPANY

CONSOLIDATED STATEMENTS OF CASH FLOW

	YEARS ENDED DECEMBER 31,		
	2000	1999	1998
	(DOLLARS IN THOUSANDS)		
Cash flows from operating activities:			
Net income	$ 100,323	$ 124,357	$ 28,838
Adjustments to reconcile net income to net cash (used in) provided by operating activities:			
Depreciation and amortization	51,783	49,368	38,893
Minority interest in income	9,954	19,243	19,117
Gain on sale of property and investments	(106,764)	(28,039)	(6,193)
Equity in unconsolidated affiliates	(18,217)	(20,470)	(1,925)
Gain on sale of discontinued operations	--	(41,354)	--
Deferred income tax (benefit) expense	23,750	(11,506)	12,611
Impairment losses	6,455	7,162	10,238
Purchases and maturities of trading investments, net	25,040	(14,234)	(34,755)
Cost of community residential properties	99,672	24,339	1,138
Expenditures for community residential properties	(196,382)	(60,078)	(10,816)
Distributions from community residential unconsolidated affiliates	17,623	19,428	--
Changes in operating assets and liabilities:			
Accounts receivable	(36,705)	1,004	6,676
Inventory	1,903	5,046	1,376
Other assets	(36,516)	(24,701)	(17,221)
Accounts payable, accrued liabilities, and other	49,624	(29,451)	3,490
Income taxes payable	2,062	7,408	(3,513)
Discontinued operations-noncash charges and working capital changes	215	27,610	2,457
Net cash (used in) provided by operating activities	(6,180)	55,132	50,411
Cash flows from investing activities:			
Purchases of property, plant and equipment	(135,590)	(45,673)	(28,368)
Purchases of investments in real estate	(118,367)	(236,083)	(95,895)
Purchases of investments -- Available for sale	(7,359)	(142,992)	(972,047)
Investments in joint ventures and purchase business acquisitions, net of cash received	(21,071)	(49,433)	(148,859)
Proceeds from dispositions of assets	143,465	95,510	3,589
Proceeds from sale of discontinued operations	--	150,682	--
Maturities and redemptions of investments -- Available for sale	40,404	167,197	1,134,449
Distributions from unconsolidated affiliates	1,875	4,516	--
Net cash used in investing activities	(96,643)	(56,276)	(107,131)
Cash flows from financing activities:			
Proceeds from long-term debt, net	149,455	106,992	872
Issuance of common stock	18,337	--	--
Dividends paid to stockholders	(6,816)	(1,765)	(7,274)
Dividends paid to minority interest	(980)	(1,672)	(1,668)
Proceeds of spin-off transaction, net	1,072	--	--
Treasury stock purchased	(78,627)	(69,532)	(54,580)
Net cash provided by (used in) financing activities	82,441	34,023	(62,650)
Net increase (decrease) in cash and cash equivalents	(20,382)	32,879	(119,370)
Cash and cash equivalents at beginning of year	71,987	39,108	158,478
Cash and cash equivalents at end of year	$ 51,605	$ 71,987	$ 39,108

See notes to consolidated financial statements.

THE ST. JOE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2000, 1999 AND 1998
(DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

1. NATURE OF OPERATIONS

The St. Joe Company, (the "Company") is a real estate operating company primarily engaged in community residential, commercial, hospitality and leisure resort development, along with residential and commercial real estate services and land sales. The Company also has significant interests in timber and a transportation operation. Until recently, the Company also had ongoing sugar operations, which it discontinued for accounting purposes in the fourth quarter of 1998 and ceased all operations by the end of 1999. While the Company's real estate operations are in various states throughout the southeast, the majority of the real estate operations, as well as the transportation operation, are principally within the state of Florida. Forestry has operations in both Florida and Georgia. Consequently, the Company's performance, and particularly that of its real estate operations, is significantly affected by the general health of the Florida economy.

FLA Spin-off

On October 9, 2000, the Company distributed to its shareholders all of its equity interest in Florida East Coast Industries, Inc. ("FLA"). To effect the distribution, the Company exchanged its 19,609,216 shares of FLA common stock for an equal number of shares of a new class of FLA common stock. On October 9, 2000, the new class of stock, FLA.B, was distributed pro-rata to the Company's shareholders in a tax-free distribution. For each share of the Company common stock owned of record on September 18, 2000, the Company's shareholders received 0.23103369 of a share of FLA.B common stock. The holders of the new class of FLA common stock will be entitled to elect 80% of the members of the Board of Directors of FLA, but the new FLA common stock will otherwise have substantially identical rights to the existing common stock. The Company did not retain any equity interest in FLA after the spin-off. The December 31, 2000 balance sheet reflects the deconsolidation and dividend distribution at net book value of the Company's 54% equity interest in FLA as of October 9, 2000, which totaled $393,460. The results of operations of FLA have been included in the Company's consolidated results of operations through October 9, 2000.

In contemplating the spin-off, the Company and FLA entered into an Amended and Restated Master Agreement, which provides for several property management and development service agreements between the two companies. In consideration of FLA's execution of the Amended and Restated Master Agreement, the Company agreed to pay to FLA the sum of $6,000 in three annual installments, the first installment being paid on October 9, 2000. Each installment will be amortized to expense over the one-year period following the date of payment. In addition, in consideration of the abandonment by the Company of its entitlement to become a 50% joint venture partner in certain properties previously agreed to between the Company and FLA, FLA paid to the Company the sum of $5,323 on the effective date of the spin-off. Such amount has been included in the dividend distribution. Other costs related to the spin-off which amounted to $5,100 and $1,000 for 2000 and 1999, respectively, were expensed as incurred.

Real Estate

The Company currently conducts its real estate operations in four principal segments: community residential development, residential real estate services, commercial development and management and land sales. The Company's community residential development division owns large tracts of land in west Florida near Tallahassee, Florida and northwest Florida including significant Gulf of Mexico frontage. The Company is developing and managing residential communities on certain lands owned by the Company, as well as through its 74% owned limited partnership, St. Joe/Arvida Company, L.P. ("Arvida"). The Company also has a 26% interest in the limited partnership interests of Arvida/JMB Partners, L.P., a limited partnership that is developing Weston, a residential community in Florida. During 1999, The Company also acquired Saussy Burbank, Inc., ("Saussy Burbank") a homebuilder located in Charlotte N.C.

The Company owns a residential real estate brokerage, sales and services business in Florida through its acquisition of Arvida Realty Services ("ARS"). The Company owns and develops commercial properties through several wholly owned subsidiaries and partnership ventures. Prior to the FLA spin-off the Company also owned and developed commercial properties through Flagler. Through the Company's wholly owned subsidiary, Advantis Real Estate Services Inc. ("Advantis"), the Company provides commercial real estate services including brokerage, property management and construction management. The Company is also a partner in several joint ventures that develop and manage commercial property in Florida, Georgia and Texas. The St. Joe Land Company ("St. Joe Land") was created during 1999 to sell parcels of land from a portion of the total of 800,000 acres of timberland held by the Company in northwest Florida and southwest Georgia. In 1999, the Company also started a hospitality development group that offers fee-based development services for hospitality real estate projects including hotels, resorts, and timeshare facilities.

Forestry

The Company is the largest private owner of timberlands in Florida. The principal product of the Company's forestry operations is softwood pulpwood. In addition, the Company produces and sells sawtimber. Prior to 1998, the majority of the wood harvested by the Company was sold under a long term wood fiber supply agreement to the Company's former linerboard mill, which it sold to Florida Coast Paper Company, L.L.C. ("FCP") in May, 1996.

After the closure of the mill for several months in 1997, the Company renegotiated its 15 year supply contract with FCP to allow it to supply pulpwood to the mill at a level (700,000 tons per year beginning June 1, 1998) significantly lower than historical levels. In August of 1998, FCP shut down its mill in Port St. Joe, Florida. Under the terms of the amended fiber supply agreement with FCP, the Company began redirecting the volumes of pulpwood to another mill in Panama City, Florida. Sales of pulpwood resumed in November of 1998 and continued through June 30, 2000 with no significant loss in volume of sales. FCP filed for protection from its creditors in the Federal Bankruptcy Court for the District of Delaware. Pursuant to an order entered by the Bankruptcy Court, the amended fiber supply agreement was terminated, effective June 30, 2000. On July 1, 2000, a new fiber agreement with the surviving entity, Jefferson Smurfit (U.S.), also known as Smurfit-Stone Container Corporation, went into effect. The agreement is for twelve years and it requires an annual pulpwood volume of 700,000 tons per year that must come from company-owned fee simple lands. 311,870 acres are encumbered, subject to certain restrictions, by this agreement, although the obligation may be transferred to a third party if a parcel is sold.

The Company intends to extend growing periods for certain portions of its timber and to sell such timber in the form of higher-margin products, which the Company anticipates will increase the long-term profitability of its forestry operations. The Company will also have some of its timber resources sold through the Company's new real estate division, St. Joe Land.

Transportation

The Company owns the Apalachicola Northern Railroad Company ("ANRR"), a short-line railroad that operates between Port St. Joe and Chattahoochee, Florida. Its principal commodities include coal, pulpwood, pulpboard woodchips, and tall oil chemicals. Prior to the FLA spin-off, the Company also owned the majority of FLA's transportation subsidiary, Florida East Coast Railway ("FEC"), which provides rail and freight service between Jacksonville and Miami, Florida and branch line track between Fort Pierce and Lake Harbor, Florida. The principal commodities carried by rail are trailers-on-flatcar, containers-on-flatcar, crushed stone, cement, automobile vehicles and parts. FLA also has a trucking operation, which is an interstate, irregular route, common carrier with terminals located throughout the eastern half of the United States. In 1999, FLA created a new subsidiary related to its telecom businesses, EPIK Communications Incorporated ("EPIK"). EPIK's results have been included within the transportation segment for the Company's reporting purposes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and all of its majority-owned subsidiaries. The consolidated financial statements include the accounts of FLA and its wholly owned subsidiaries through October 9, 2000, the effective date of the spin-off. Investments in joint ventures in which the Company does not have majority voting control are accounted for by the equity method. All significant intercompany transactions and balances have been eliminated.

Revenue Recognition

Operating revenues consist of real estate property sales, brokerage commissions, real estate service fees and real estate development fees, rental revenues, transportation revenues, revenues from sales of forestry products and equity in the income of unconsolidated investments. Revenues from real estate property sales and brokerage commissions earned therefrom are recognized upon closing of sales contracts or upon settlement of condemnation proceedings. Multi-unit housing sales are recognized using the percentage of completion method of accounting. Real estate service fees are recognized in the period in which the services are performed. Real estate development fees are recognized as billed, which is essentially when the related services are completed. Rental revenues are recognized upon completion of rental and lease contracts, using the straight-line basis over the life of the contract. Transportation revenues are recognized upon completion of transportation services at destination. Revenues from sales of forestry products are recognized on delivery of the product to the customer.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, bank demand accounts, money market accounts, and repurchase agreements having original maturities at acquisition date of 90 days or less.

Inventories

Inventories consist of transportation materials and supplies and are stated at the lower of cost or market. Costs for substantially all inventories are determined under the first in, first out (FIFO) or the average cost method.

Investment in Real Estate

Investment in real estate is carried at lower of cost or fair value. Depreciation is computed on straight-line and accelerated methods over the useful lives of the assets ranging from 15 to 40 years. Depletion of timber is determined by the units of production method. An adjustment to depletion is recorded, if necessary, based on the continuous forest inventory ("CFI") analysis prepared every 5 years.

Property, Plant and Equipment

Depreciation is computed using both straight-line and accelerated methods over the useful lives of various assets. Railroad properties are depreciated and amortized using the group depreciation method. Gains and losses on normal retirements of these items are credited or charged to accumulated depreciation.

Amortization of Goodwill and Deferred Compensation

Goodwill associated with the Company's business combinations is being amortized on a straight-line basis over periods ranging from 10 years to 30 years. Deferred compensation is being amortized on a straight-line basis over a five-year vesting period, which is deemed to be the period for which services are performed.

Earnings Per Common Share and Stock Repurchase Program

Earnings per common share ("EPS") are based on the weighted average number of common shares outstanding during the year as adjusted for the three-for-one stock split effective January 12, 1998. Diluted EPS assumes weighted average options to purchase 1,908,592, 862,034, and 1,323,498, shares of common stock in 2000, 1999, and 1998, respectively, have been exercised using the treasury stock method. Weighted average basic and diluted shares taking into consideration the treasury shares repurchased and the weighted average options used in calculating EPS for each of the years presented is as follows:

	2000	1999	1998
Basic	84,958,872	87,690,518	90,961,941
Diluted	86,867,464	88,552,552	92,285,439

In August 1998, and in February, 2000 the Company's Board of Directors authorized a total of $300,000 for the repurchase of the Company's outstanding common stock from time to time on the open market ("the St. Joe Stock Repurchase Program"). On December 6, 2000, the Company entered into an agreement with the Alfred I. DuPont Testamentary Trust (the "Trust"), the majority stockholder of the Company, and the Trust's beneficiary, The Nemours Foundation (the "Foundation"), to participate in the St. Joe Stock Repurchase Program for a 90-day period. As of December 31, 2000 the Company had repurchased 8,518,966 shares in the open market and 415,500 shares from the Trust.

Stock-Based Compensation

Statement of Financial Accounting Standards ("SFAS") No. 123, "Accounting for Stock-Based Compensation", permits entities to recognize as expense over the vesting period the fair value of all stock-based awards on the date of grant. Alternatively, SFAS No. 123 also allows entities to apply the provisions of Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees", and provide pro forma net income and pro forma earnings per share disclosures for employee stock option grants as if the fair-value based method defined in SFAS No. 123 has been applied. Under APB No. 25, compensation expense would be recorded on the date of grant only if the current market price of the underlying stock exceeded the exercise price. The Company has elected to apply the provisions of APB Opinion No. 25 and provide the pro forma disclosure provisions of SFAS No. 123.

Comprehensive Income

The Company's comprehensive income differs from net income due to changes in the net unrealized gains on marketable securities available for sale. The Company has elected to disclose comprehensive income in its Consolidated Statements of Changes in Stockholders' Equity.

Income Taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Investments

Investments consist principally of corporate debt securities, government sponsored agency securities, mortgage backed securities, municipal bonds, common stocks, preferred stocks, and U.S. Government obligations. Investments maturing in three months to one year are classified as short term. Those having maturities in excess of one year are classified as marketable securities.

The Company classifies its debt and marketable equity securities in one of three categories: trading, available-for-sale, or held-to-maturity. Trading securities are bought and held principally for the purpose of selling them in the near term. Held-to-maturity securities are those securities for which the Company has the ability and intent to hold the security until maturity. All other securities not included in trading or held-to-maturity are classified as available-for-sale.

Trading and available-for-sale securities are recorded at fair value. Held-to-maturity securities are recorded at amortized cost, adjusted for the amortization or accretion of premiums or discounts. Unrealized holding gains and losses on trading securities are included in earnings. Unrealized holding gains and losses, net of the related income tax effect and minority interest in consolidated subsidiaries, on available-for-sale securities are excluded from earnings and are reported as a separate component of stockholders' equity until realized.

The Company accounts for hedges against its' equity securities at fair value. Unrealized gains or losses are reported as a separate component of stockholders' equity along with the underlying equity securities' net unrealized gain or loss.

A decline in the market value of any available-for-sale or held-to-maturity security below cost that is deemed other than temporary is charged to earnings resulting in the establishment of a new cost basis for the security.

Realized gains and losses for securities classified as available-for-sale and held-to-maturity are included in earnings and are derived using the specific identification method for determining the cost of securities sold.

Long-Lived Assets

The Company reviews its long-lived assets, including goodwill, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used, including goodwill, is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount exceeds the fair value of the assets using a discounted cash flow method.

During 2000, the Company recorded a $3,355 impairment loss to reflect the current net realizable value of ANRR's net assets. During 1999, the Company recorded a $5,183 write-down encompassing its entire investment in Entros, its former entertainment segment, and a $1,979 write-down of a note receivable of one of FLA's subsidiaries, deemed to be uncollectible. During 1998, the Company recorded an $8,000 write-down of transportation property, plant and equipment owned by ANRR.

During 2000, FLA recorded a write-down of goodwill totaling $3,100 in connection with a restructuring of its trucking subsidiary. During 1998, the Company wrote-off $2,238 of intangibles determined to be unrealizable following abandonment of the underlying business.

Reclassifications

Certain prior year amounts have been reclassified to conform with the current year's presentation.

Supplemental Cash Flow Information

Cash flows related to the community residential development segment are included in operating activities on the statements of cash flow.

The Company paid $7,559, $3,790, and $543 for interest and $30,665, $63,882, and $29,690 for income taxes in 2000, 1999, and 1998, respectively. The Company capitalized interest expense of $5,328 in 2000 and $2,701 in 1999.

The Company's non-cash activities included the distribution of its equity interest in FLA totaling $393,460 on October 9, 2000. Other non-cash activities were the issuance of $1,350 and $15,480 of long-term debt in purchase business combinations in 1999 and 1998 and the contribution of $7,762 in property to an investment in an unconsolidated affiliate in 1999.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. BUSINESS COMBINATIONS

During 2000, ARS acquired 8 companies for a total purchase price of $1,629, resulting in goodwill of $1,365 which is being amortized on a straight-line basis over 20 years. In 1999, ARS acquired 9 companies for a total purchase price of approximately $7,400, resulting in goodwill of $6,935 which is being amortized on a straight-line basis over 20 years. Also in 1999, Advantis acquired 3 companies for a total purchase price of approximately $9,100, resulting in goodwill of $8,998 which is being amortized on a straight-line basis over 15 years.

During 2000, in connection with the Company's 1998 acquisition of ARS, $3,000 of contingent consideration was accrued, which increased goodwill. Additional contingent consideration totaling $7,000 will be paid through 2003 if certain performance targets of ARS are met.

The Company acquired Saussy Burbank in 1999 for approximately $16,500, resulting in goodwill of $8,142 which is being amortized on a straight-line basis over 10 years. In 2000, an additional $596 of contingent consideration was accrued, which increased goodwill. The Company may pay additional contingent consideration of up to $2,000 based on Saussy Burbank's 2001 operations. The amount of consideration will depend upon the satisfaction of certain performance criteria relating to the assets acquired.

All of these acquisitions were accounted for as purchases and as such, the results of their operations are included in the consolidated financial statements from the date of acquisition. None of the 2000 or 1999 acquisitions were significant to the operations of the Company in the year in which they were acquired or the year preceding the acquisition.

4. INVESTMENT IN UNCONSOLIDATED AFFILIATES

Investments in unconsolidated affiliates as of December 31, consist of:

	OWNERSHIP	2000	1999
Arvida/JMB Partners, L.P.	26%	$47,612	$45,785
Codina Group, Inc.	50	11,021	10,345
Beacon Station (Flagler)	--	--	9,050
WBP One, L.P. (Flagler)	--	--	5,671
Deerfield Park, LLC	38	3,247	3,412
The I'on Company LLC	13	309	1,845
St. Joe/CNL Realty Group, LTD	50	1,048	1,776
Deerfield Commons	50	3,336	1,729
McNeill Burbank	50	1,117	740
St. Joe Commercial Texas L.P.	50	104	260
Al-Zar LTD	1	39	39
355 Alhambra Plaza, Ltd	45	6,164	--
		$73,997	$80,652

Any differences between the cost of the investments and the underlying equity in an unconsolidated investee's net assets are being amortized over the remaining lives of the investee's assets, ranging from five to fifteen years.

Summarized financial information for the unconsolidated investments on a combined basis, is as follows:

	DECEMBER 31, 2000	DECEMBER 31, 1999
BALANCE SHEET:		
Investment property, net	$280,039	$326,472
Other assets	205,435	190,361
Total assets	$485,474	$516,833
Notes payable and other debt	$116,358	$139,054
Other liabilities	142,142	98,102
Equity	226,974	279,677
Total liabilities and equity	$485,474	$516,833

	YEAR ENDED DECEMBER 31, 2000	YEAR ENDED DECEMBER 31, 1999	YEAR ENDED DECEMBER 31, 1998
STATEMENT OF INCOME			
Total revenues	$443,881	$440,288	$36,730
Total expenses	370,316	341,629	32,368
Net income	$ 73,565	$ 98,659	$ 4,362

5. DISCONTINUED OPERATIONS

On December 6, 1997, the Company signed an agreement in principle with the United States of America and the State of Florida (the "Governments"), under which the Governments agreed to purchase substantially all of the sugar lands that Talisman Sugar Corporation ("Talisman"), a wholly-owned subsidiary of the Company, owns or leases for $133.5 million in cash. Talisman retained the right to farm the land through the

2003 crop year. In December 1998, that sale was closed in escrow pending the resolution of a lawsuit filed in Federal District Court in Washington, D.C. seeking to invalidate the sale. On March 25, 1999, Talisman entered into an Exchange Agreement ("The Exchange Agreement") with The South Florida Water Management District; United States Sugar Corporation; Okeelanta Corporation; South Florida Industries, Inc.; Florida Crystals Corporation; Sugar Cane Growers Cooperative of Florida (collectively the "Sugar Companies"); The United States Department of Interior; and The Nature Conservancy. The Exchange Agreement allows Talisman to exit the sugar business. Talisman assigned its right to farm the land to the Sugar Companies. In return, the lawsuit was dismissed and the other parties agreed to pay Talisman $19.0 million.

Talisman retained ownership of the sugar mill until August 1999 when it was sold to a third party. Talisman is also responsible for the cleanup of the mill site and is obligated to complete certain defined environmental remediation (the "Remediation"). Approximately $5 million of the purchase price is held in escrow pending the completion of the Remediation. Talisman must use these funds to pay the costs of the Remediation. Based upon the current environmental studies, Talisman does not believe the costs of the Remediation will exceed the amount held in escrow. Talisman will receive any remaining funds when the Remediation is complete. In the event other environmental matters are discovered, the Sugar Companies will be responsible for the first $0.5 million of the cleanup. Talisman will be responsible for the next $4.5 million, thereafter the parties shall share the costs equally. In addition, approximately $1.7 million is being held in escrow, representing the value of land subject to the Remediation. As Talisman completes the cleanup of a particular parcel, an amount equal to the land value on that parcel will be released from escrow. The Company recognized $41.4 million in gain, net of taxes, on the combined sale of the land and farming rights. Included in current and noncurrent liabilities are $1.0 million and $6.1 million of liabilities in 2000 and 1999, respectively, related to severance costs, environmental issues and closing costs.

The Company has reported its sugar operations as discontinued operations for all periods presented. Revenues from Talisman were $43,951 and $40,955 in 1999 and 1998 respectively. Earnings for Talisman, net of tax, were $5,364, and $2,706 in 1999, and 1998, respectively.

6. SHORT-TERM INVESTMENTS AND MARKETABLE SECURITIES:

Investments as of December 31, 2000, consist of:

	AMORTIZED COST	FAIR VALUE	UNREALIZED HOLDING GAIN	UNREALIZED HOLDING LOSS
Short term investments (maturing within one year)				
Certificates of deposit....................	$30,101	$ 30,101	$ --	$--
	30,101	30,101	--	--
Marketable securities				
Available for sale				
Equity securities.......................	1,524	121,723	120,199	--
	$ 1,524	$121,723	$120,199	$--

The certificates of deposit collateralize the ARS line of credit.

Investments as of December 31, 1999, consist of:

	AMORTIZED COST	FAIR VALUE	UNREALIZED HOLDING GAIN	UNREALIZED HOLDING LOSS
Short term investments (maturing within one year)				
Trading				
Cash	$ 152	$ 152	$ --	$ --
Tax exempt municipal bonds	46,806	46,281	--	525
	46,958	46,433	--	525
Available for sale				
Commercial paper	22,741	22,741	--	--
	69,699	69,174	--	525
Marketable securities				
Available for sale				
U.S. Government securities				
Maturing in one to five years	30,973	31,012	39	--
Tax exempt municipal bonds				
Maturing in one to five years	5,271	5,271	--	--
Maturing in five to ten years	--	--	--	--
Maturing in more than ten years	2,692	2,692	--	--
Equity securities	1,688	148,644	146,956	--
Other corporate debt				
Maturing in one to five years	788	1,265	477	--
	$41,412	$188,884	$147,472	$ --

Included in short-term investments is $22,741 of restricted commercial paper collateralizing the ARS line of credit.

During 2000 and 1999, the Company utilized hedging strategies that minimized the risk of loss in its investments in equity securities. In early 1999, the Company used the hedged positions as collateral for a line of credit. On October 15, 1999, the Company settled the hedge positions for a pre-tax gain of $5,023 and terminated the line of credit related to these securities. Simultaneously, the Company entered into a three-year forward sale transaction with a major financial institution that will lead to the ultimate disposition of the securities. Under the forward sale agreement, the Company was able to receive approximately $111,100 in cash and must settle the forward transaction by October 15, 2002 by delivering either cash or a number of shares to the financial institution. The agreement also allows that the Company may retain an amount of the securities that represents appreciation up to 20% of their value on October 15, 1999 should the value of the securities increase. The securities will continue to be recorded at fair value on the balance sheet with additional unrealized gains and losses, net of tax, being recorded through other comprehensive income. The Company recorded a liability in long-term debt for approximately $111,100, which will increase as interest expense is imputed at an annual rate of 7.9%. The liability will also increase by the amount, if any, that the securities increase beyond the 20% that the Company retains. On October 15, 2002 the liability will be $139,400 plus any appreciation in the securities beyond the first 20%. The balance of this liability on December 31, 2000 and 1999 is $121,717 and $112,941, respectively, and is included in long-term debt (See note 10).

THE ST. JOE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

7. INVESTMENT IN REAL ESTATE

Real estate as of December 31 consists of:

	2000	1999
Operating property	$261,477	$669,532
Development property	151,342	64,720
Investment property	85,507	74,299
	498,326	808,551
Accumulated depreciation	6,554	61,618
	$491,772	$746,933

Included in operating property are the Company's timberlands, and land and buildings used for commercial rental purposes. Development property consists of community residential land currently under development. Investment property is the Company's land held for future use.

Real estate properties having net book value of approximately $87,809 at December 31, 2000 are leased under non-cancelable operating leases with expected aggregate rentals of approximately $33,799, of which $9,172, $8,294, $6,704, $4,476, and $2,634 is due in the years 2001 through 2005, respectively and $2,518 thereafter.

8. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, at cost, as of December 31 consists of:

	2000	1999	ESTIMATED USEFUL LIFE
Transportation property and equipment	$44,533	$411,098	12-30
Machinery and equipment	53,940	232,846	12-30
Office equipment	8,553	6,069	10
Autos, trucks, and airplane	3,577	3,505	3-10
	110,603	653,518	
Accumulated depreciation	54,526	269,089	
	$56,077	$384,429	

9. ACCRUED LIABILITIES

Accrued liabilities as of December 31 consist of:

	2000	1999
Payroll, payroll taxes and benefits	$21,810	$22,050
Environmental liabilities	5,308	8,180
Accrued casualty liabilities	154	16,812
Accrued purchase price	3,596	--
Other accrued liabilities	17,475	19,108
	48,343	66,150
Less: noncurrent portion	9,660	17,705
	$38,683	$48,445

10. LONG-TERM DEBT

Long-term debt and credit agreements at December 31, 2000 and 1999 consisted of the following:

	2000	1999
Minimum liability owed on forward sale of equity securities, secured by the equity securities, matures October 2002, with interest imputed at 7.9% per annum	$121,717	$112,941
Senior revolving credit agreement, interest payable monthly to quarterly at LIBOR + 80 -- 120 basis points, (7.5% at December 31, 2000) due March 3, 2002, unsecured	115,000	--
Revolving credit agreement, interest payable monthly at 1.5% per annum; secured by restricted short-term investments; matures July 31, 2001	30,101	22,741
Non-recourse debt, interest payable monthly at 7.67%, secured by mortgages on certain commercial property, due January 1, 2008	27,000	--
Non-interest bearing note payable to CMT Holdings, Ltd. due in equal annual installments beginning July 28, 1999, net of discount imputed at 6% of $.2 million at December 31, 1999	--	4,857
Non-interest bearing notes payable to former owners of Goodman Segar GVA due in three annual installments beginning September 24, 1999, net of discount imputed at 6% of $.1 million and $.2 million at December 31, 2000 and 1999, respectively	598	2,401
Non-interest bearing note payable to former owners of Florida Real Estate Advisors due in three annual installments beginning December 21, 1999, net of discount imputed at 6% of $.1 million at December 31, 2000 and 1999	1,326	1,558
Non-interest bearing note payable to former owners of Morris McNair & Associates due in three annual installments beginning October 1, 2000, net of discount imputed at 6% of $.1 million at December 31, 2000 and 1999, respectively	837	1,215
Various secured and unsecured notes and capital leases, bearing interest at rates from the Prime rate (9.5% at December 31, 2000) to 11.25%	269	1,511
Total long-term debt	296,848	147,224
Less: current portion	33,041	31,250
Net long-term debt	$263,807	$115,974

The aggregate maturities of long-term debt subsequent to December 31, 2000 are as follows; 2001, $33,041, 2002, $237,550; 2003, $431; 2004, $465; 2005, $503; thereafter, 24,858.

In March 2000, the Company entered into a senior unsecured revolving credit facility for up to $200,000. In September 2000, the revolving credit facility was increased to $250,000. The debt accrues interest at different rates based on timing of the loan and the Company's preferences, but generally will be either the one, two, three or six month London Interbank Offered Rate ("LIBOR") plus a LIBOR margin in effect at the time of the loan. The agreement also subjects the Company to certain restrictive covenants including financial covenants relating to the Company's leverage position, interest coverage position and minimum net worth.

Based on the current terms and rates of the Company's long-term debt, carrying value approximates fair value, except for the revolving credit agreement which has a below market interest rate of 1.5%. The terms and conditions of the revolving credit agreement are commensurate with the nature of the underlying security.

THE ST. JOE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

11. INCOME TAXES

Total income tax expense for the years ended December 31 was allocated as follows:

	2000	1999	1998
Income from continuing operations	$56,643	$23,961	$36,180
Earnings from discontinued operations	--	3,368	1,699
Gain on the sale of discontinued operations	--	30,477	--
Stockholders' equity, for recognition of unrealized gain on debt and marketable equity securities	14,344	1,027	4,781
	$70,987	$58,833	$42,660

Income tax expense attributable to income from continuing operations differed from the amount computed by applying the statutory federal income tax rate of 35% to pre-tax income as a result of the following:

	2000	1999	1998
Tax at the statutory federal rate	$58,422	$42,295	$28,500
Dividends received deduction and tax free interest	(1,122)	(1,227)	(2,890)
Excise tax on reversion of prepaid pension asset	--	(26,841)	6,411
State income taxes (net of federal benefit)	5,032	4,132	3,178
Undistributed earnings of FLA	(8,110)	1,405	1,513
Other, net	2,421	4,197	(532)
	$56,643	$23,961	$36,180

The tax effects of temporary differences that give rise to significant portions of deferred tax assets and deferred tax liabilities as of December 31 are presented below:

	2000	1999
Deferred tax assets:		
Accrued casualty and other reserves	$ 5,700	$ 8,383
Impairment loss	4,380	5,085
Deferred compensation	4,340	2,591
Other	6,052	2,947
Total deferred tax assets	$ 20,473	$ 19,006
Deferred tax liabilities:		
Tax in excess of book depreciation	$ 5,387	$106,044
Deferred gain on land sales and involuntary conversions	89,000	90,389
Deferred gain on subsidiary's defeased bonds	--	658
Unrealized gain on debt and marketable equity securities	42,070	56,728
Prepaid pension asset recognized for financial reporting	29,267	24,600
Undistributed earnings of FLA	--	8,938
Other	9,910	7,535
Total gross deferred tax liabilities	175,634	294,892
Net deferred tax liability	$155,161	$275,886

Based on the timing of reversal of future taxable amounts and the Company's history of reporting taxable income, the Company believes that the deferred tax assets will be realized and a valuation allowance is not considered necessary. The current deferred tax assets of $2,627 are recorded in other current assets as of December 31, 1999. There were no current deferred tax assets at December 31, 2000.

At December 31, 1999, the Company recognized a deferred tax liability of approximately $8,938 for the undistributed earnings of FLA. On October 9, 2000, the Company distributed to its shareholders all of its equity interest in FLA in a tax-free spin-off and, accordingly the deferred tax liability was reversed.

12. EMPLOYEE BENEFITS PLANS

The Company sponsors defined benefit pension plans that cover substantially all of its salaried employees excluding FLA. The benefits are based on the employees' years of service or years of service and compensation during the last five or ten years of employment. The Company complies with the minimum funding requirements of ERISA.

A summary of the net periodic pension credit follows:

	2000	1999
Service cost	$ 4,518	$ 2,986
Interest cost	8,413	7,563
Expected return on assets	(21,312)	(17,092)
Transition asset	(2,519)	(2,519)
Actuarial gain	(1,771)	(1,604)
Prior service costs	1,475	573
Total pension income	$(11,196)	$(10,093)

A reconciliation of projected benefit obligation as of December 31 follows:

	2000	1999
Projected benefit obligation, beginning of year	$121,968	$114,912
Service cost	4,518	2,986
Interest cost	8,413	7,563
Actuarial loss (gain)	(4,869)	5,487
Benefits paid	(11,148)	(10,661)
Plan amendment	904	1,681
Projected benefit obligation, end of year	$119,786	$121,968

A reconciliation of plan assets as of December 31 follows:

	2000	1999
Fair value of assets, beginning of year	$253,032	$242,118
Actual return on assets	25,255	21,575
Benefits paid	(11,148)	(10,661)
Fair value of assets, end of year	$267,139	$253,032

A reconciliation of funded status as of December 31 follows:

	2000	1999
Pension benefit obligation		
Accumulated benefit obligation	$115,592	$118,921
Projected benefit obligation	119,786	121,968
Market value of assets	267,139	253,032
Funded status	(147,353)	(131,064)
Unrecognized net transition asset	1,302	3,821
Unrecognized prior service costs	(7,054)	(7,619)
Unrecognized net gain	78,139	71,091
(Prepaid) pension cost	$(74,967)	$(63,771)

The weighted-average discount rates for the plans were 7.5% and 6.75% in 2000 and 1999, respectively. The rate of increase in future compensation levels used in determining the actuarial present value of the projected benefit obligation for salaried employees was 4.0% and 3.25% in 2000 and 1999, respectively. The expected long-term rate of return on assets were 9.2% and 8% in 2000 and 1999, respectively.

The Company's pension plans are in an overfunded position with the reduction in employees resulting from the sales of several of the Company's operations, and in prior years the Company thought it unlikely that the overfunding would be realized other than by a plan termination and reversion of assets and a 50% excise tax was included on the tax effects of the prepaid asset. During 1999, due to recent events such as acquisitions which greatly increased the number of participants in the Company's pension plan, along with plan modifications and the Company's growth strategy, management reevaluated how the pension surplus could be utilized. Management believes it is now probable that the Company will utilize the pension surplus over time without incurring the 50% excise tax. Therefore, the Company reversed the deferred tax liability related to the 50% excise tax amounting to $26.8 million as a deferred income tax benefit in 1999. Income taxes on the pension surplus will be recorded at the statutory rate in future periods.

During 1998, the Company's board of directors approved a partial subsidy to fund certain postretirement medical benefits of currently retired participants, and their beneficiaries, in connection with the previous disposition of several subsidiaries. No such benefits are to be provided to active employees. The board reviews the subsidy annually and may further modify or eliminate such subsidy at their discretion. The actuarial present value of this unfunded postretirement benefit obligation approximated $8,600 and $9,000 at December 31, 2000 and 1999. Postretirement benefit expense approximated $1,230, $1,300, and $1,400 for 2000, 1999, and 1998. This actuarially determined obligation was computed based on actual claims experience of this group of retirees and a discount rate of 7.5% and 7.75% for 2000 and 1999 and an ultimate medical trend rate of 5% in both 2000 and 1999. A 1% increase in the medical cost trend would increase this obligation by $753 at December 31, 2000.

(a) Deferred Compensation Plans and ESOP

The Company also has other defined contribution plans that cover substantially all its salaried employees. Contributions are at the employees' discretion and are matched by the Company up to certain limits. Expense for these defined contribution plans was $1,452, $893, and $951 in 2000, 1999, and 1998, respectively.

In February 1999, the Company adopted (retroactive to January 1, 1998), the "St. Joe Supplemental Executive Retirement Plan ("SERP"). The SERP is a non-qualified retirement plan to permit certain selected management and highly compensated employees to defer receipt of current compensation and to provide certain supplemental retirement and death benefits. The Company has recorded expense in 2000 and 1999 related to the SERP of $969 and $1,939, respectively.

THE ST. JOE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

Beginning in November 1999, the Company also implemented an employee stock purchase plan ("JoeShare"), whereby all employees may purchase the Company's common stock through payroll deductions at a 15% discount from the fair market value. As of December 31, 2000, 22,387 shares of the Company's stock had been sold to employees under the JoeShare Plan.

(b) Stock Based Compensation Plans

Effective January 6, 1997, the Company granted Mr. Rummell, Chairman and CEO of the Company, 201,861 restricted shares of the Company's common stock and in February 1999, the Company granted Mr. Twomey, President, CFO and COO, 100,000 restricted shares. The restricted shares vest in equal installments on the first five anniversaries of the date of each grant. The Company carries deferred compensation of approximately $2,257 for the unamortized portion of these grants as of December 31, 2000. Compensation expense related to these grants totaled approximately $1,307, $1,234 and $868 in 2000, 1999, 1998, respectively.

On January 7, 1997, the Company adopted the 1997 Stock Incentive Plan (the "1997 Incentive Plan"), whereby awards may be granted to certain employees and non-employee directors of the Company in the form of restricted shares of Company stock or options to purchase Company stock. Awards are discretionary and are determined by the Compensation Committee of the Board of Directors. The total amount of restricted shares and options available for grant under the Incentive Plan is 6.03 million shares. The options are exercisable in equal installments on the first anniversaries of the date of grant and expire generally 10 years after date of grant.

On February 24, 1998, the Company adopted the 1998 Stock Incentive Plan (the "1998 Incentive Plan") whereby awards may be granted to employees and non-employee directors of the Company in the form of restricted shares of Company stock, options to purchase Company stock or stock appreciation rights (SAR's). The total amount of restricted shares, options, and stock appreciation rights available for grant under the 1998 Incentive Plan was one million. On May 9, 1999, the Company converted all of its outstanding SAR's to options. The terms of the options are similar to the terms under the 1997 Incentive Plan.

On February 22, 1999, the Company adopted the 1999 Stock Incentive Plan (the "1999 Incentive Plan") with similar terms to the 1997 Incentive Plan. The total amount of restricted shares or options under the 1999 Plan is 1.5 million shares.

Stock option activity during the period indicated is as follows:

	NUMBER OF SHARES	WEIGHTED AVERAGE EXERCISE PRICE
Balance at December 31, 1997	5,643,480	21.69
Forfeited	(252,000)	24.10
Balance at December 31, 1998	5,391,480	21.57
Granted	1,130,500	24.02
SARS converted to options	891,000	25.39
Forfeited	(105,000)	31.83
Balance at December 31, 1999	7,307,980	22.27
Granted	730,000	24.24
Exercised	(1,178,946)	15.32
Forfeited	(262,525)	25.32
FLA spin-off adjustment	3,351,487	(7.23)
Balance at December 31, 2000	9,947,996	$15.65

Effective on the date of the FLA spin-off, the number of options was adjusted and all exercise prices were decreased to preserve the economic value of options that existed prior to the spin-off.

All options have been granted at the Company's current market price on the date of grant and ranged from $13.14 to $22.82 after adjustment for the effects of the FLA spin-off.

The per share weighted-average fair value of stock options granted/converted during 2000 and 1999 was $8.21 (as adjusted for the spin-off of FLA) and $13.00 on the date of grant using the Black Scholes option-pricing model with the following weighted average assumptions: 2000 -- 0.4% expected dividend yield, risk-free interest rate of 5.11%, weighted average expected volatility of 25.50% and an expected life of 7.5 years; 1999 -- .3% expected dividend yield, risk-free interest rate of 6.81%, weighted average expected volatility of 25.76% and an expected life of 7.5 years.

The Company applies APB Opinion No. 25 in accounting for its Incentive Plans and, accordingly, no compensation cost has been recognized for its stock options in the consolidated financial statements. Had the Company determined compensation costs based on the fair value at the grant date for its stock options under SFAS No. 123, the Company's net income would have been reduced to the pro forma amounts indicated below:

Net income -- pro forma -- $91,013 in 2000, $116,630 in 1999, and $ 22,540 in 1998

Per share -- pro forma -- $1.07 per basic and $1.05 per diluted share in 2000, $1.32 and $1.31 per basic and diluted share in 1999, and $.25 and $.24 per basic and diluted share in 1998

The following table presents information regarding all options outstanding at December 31, 2000.

NUMBER OF OPTIONS OUTSTANDING	WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE	RANGE OF EXERCISE PRICES	WEIGHTED AVERAGE EXERCISE PRICE
8,287,217	6.9 years	$13.14 - $19.71	$14.46
1,660,779	7.5 years	$19.72 - $22.82	$21.56
9,947,996	7.0 years	$13.14 - $22.82	$15.65

The following table presents information regarding options exercisable at December 31, 2000:

NUMBER OF OPTIONS EXERCISABLE	RANGE OF EXERCISE PRICES	WEIGHTED AVERAGE EXERCISE PRICE
3,306,592	$13.14 - $19.71	$13.97
759,315	$19.72 - $23.64	$21.80
4,065,907	$13.14 - $23.64	$15.43

13. QUARTERLY FINANCIAL DATA (UNAUDITED)

	QUARTERS ENDED			
	DECEMBER 31,	SEPTEMBER 30,	JUNE 30,	MARCH 31,
2000				
Operating revenues	$216,348	$231,438	$222,013	$211,031
Operating profit	53,280	36,841	35,175	33,578
Net income	41,109	21,628	18,829	18,757
Earnings per share -- Basic	.49	.25	.22	.22
Earnings per share -- Diluted	.47	.25	.22	.22
1999				
Operating revenues	$216,813	$181,483	$170,131	$181,985
Operating profit	27,241	23,233	13,279	24,180
Income from continuing operations	17,826	14,402	35,877	9,534
(Loss) income from discontinued operations	(1,213)	527	2,874	44,530
Net income	16,613	14,929	38,751	54,064
Earnings per share -- Basic	.19	.18	.44	.61
Earnings per share -- Diluted	.19	.17	.43	.61

14. SEGMENT INFORMATION

The Company conducts primarily all of its business in six reportable operating segments, which are residential real estate services, community residential real estate, commercial real estate, transportation, forestry, and land sales. Residential real estate services provides complete real estate brokerage services, including asset management, rental, property management, property inspection, mortgage brokerage, relocation and title services. The community residential real estate segment develops and manages residential communities. The commercial real estate segment owns, leases, and manages commercial, retail, office and industrial properties throughout the Southeast. Transportation consists of the railroad, telecom and trucking operations of FEC and ANRR. The forestry segment's operations produces and sells softwood pulpwood and sawtimber. Land sales sells parcels of land included in the Company's vast holdings of timberlands.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. Total revenues represent sales to unaffiliated customers, as reported in the Company's consolidated income statements. All intercompany transactions have been eliminated. The Company evaluates a segment's performance based on net EBITDA. Net EBITDA is defined as earnings before interest expense, income taxes, depreciation and amortization and is net of the effects of minority interests. Net EBITDA is considered a key financial measurement in the industries that the Company operates. Net EBITDA excludes gains from discontinued operations and gains on sales of non-strategic lands and other assets. The "Other" Net EBITDA primarily consists of investment income, net of general and administrative expenses and is presented to reconcile to consolidated results.

THE ST. JOE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

The Company's reportable segments are strategic business units that offer different products and services. They are each managed separately and decisions about allocations of resources are determined by management based on these strategic business units.

Information by business segment follows:

	2000	1999	1998
OPERATING REVENUES:			
Residential real estate services	$ 256,968	$ 209,538	$ 79,255
Community residential development	166,187	115,401	5,516
Commercial real estate	146,413	194,514	68,688
Transportation	167,661	201,187	204,662
Forestry	35,951	28,103	33,844
Land sales	105,568	3,900	--
Other	2,082	(2,231)	216
Consolidated operating revenues	$ 880,830	$ 750,412	$ 392,181
Net EBITDA:			
Residential real estate services	$ 20,333	$ 13,997	$ 6,369
Community residential development	47,252	40,267	(3,677)
Commercial real estate	17,878	30,340	16,328
Transportation	18,281	30,800	34,003
Forestry	16,725	12,191	17,088
Land sales	93,622	3,060	--
Other	(17,419)	(4,739)	16,038
Consolidated Net EBITDA	$ 196,672	$ 125,916	$ 86,149
ADJUSTMENTS TO RECONCILE TO INCOME FROM CONTINUING OPERATIONS:			
Depreciation and amortization	(51,783)	(49,368)	(38,893)
Other income (expense)	11,614	6,662	748
Interest expense	(13,821)	(3,325)	(804)
Impairment loss	(6,455)	(7,162)	(10,238)
Income taxes	(56,643)	(23,961)	(36,180)
Minority interest	20,739	28,877	25,350
Income from continuing operations	$ 100,323	$ 77,639	$ 26,132
TOTAL ASSETS:			
Residential real estate services	$ 159,557	$ 137,758	$ 128,870
Community residential development	203,421	116,857	33,830
Commercial real estate	88,008	579,975	476,716
Transportation	36,948	469,213	471,723
Forestry	171,004	157,488	137,406
Land sales	91,297	--	--
Unallocated corporate investments	364,786	360,121	283,406
Discontinued operations	--	215	72,318
Total assets	$1,115,021	$1,821,627	$1,604,269

	2000	1999	1998
CAPITAL EXPENDITURES:			
Residential real estate services	$ 5,106	$ 5,728	$ 639
Community residential development	187,615	64,036	29,964
Commercial real estate	144,131	226,567	66,820
Transportation	102,258	40,474	31,332
Forestry	7,038	2,998	3,305
Land sales	411	--	--
Other	3,780	2,031	3,019
Total capital expenditures	$ 450,339	$ 341,834	$ 135,079

15. COMMITMENTS AND CONTINGENCIES

The Company has obligations under various noncancelable long-term operating leases for office space and equipment. Some of these leases contain escalation clauses for operating costs, property taxes and insurance. In addition, the Company has various obligations under other office space and equipment leases of less than one year. Total rent expense was $15,805 and $13,107 and $5,417 for the years ended December 31, 2000, 1999 and 1998, respectively.

The future minimum rental commitments under noncancelable long-term operating leases due over the next five years are as follows:

2001	$13,706
2002	9,597
2003	7,003
2004	6,041
2005	3,376
Thereafter	2,990
	$42,713

The Company and its affiliates are involved in litigation on a number of matters and are subject to certain claims which arise in the normal course of business, none of which, in the opinion of management, is expected to have a material adverse effect on the Company's consolidated financial position, results of operations or liquidity.

The Company has retained certain self-insurance risks with respect to losses for third party liability, property damage and group health insurance provided to employees.

The Company is jointly and severally liable as guarantor on four credit obligations entered into by partnerships in which the Company has equity interests. The maximum amount of the guaranteed debt totals $148.6 million; the amount outstanding at December 31, 2000 totaled $112.7 million.

The Company is subject to costs arising out of environmental laws and regulations, which include obligations to remove or limit the effects on the environment of the disposal or release of certain wastes or substances at various sites including sites which have been previously sold. It is the Company's policy to accrue and charge against earnings environmental cleanup costs when it is probable that a liability has been incurred and an amount is reasonably estimable. As assessments and cleanups proceed, these accruals are reviewed and adjusted, if necessary, as additional information becomes available.

The Company is currently a party to, or involved in, legal proceedings directed at the cleanup of Superfund sites. The Company has accrued an allocated share of the total estimated cleanup costs for these sites. Based upon management's evaluation of the other potentially responsible parties, the Company does not expect to incur additional amounts even though the Company has joint and several liability. Other proceedings involving environmental matters such as alleged discharge of oil or waste material into water or soil are pending against the Company. It is not possible to quantify future environmental costs because many issues relate to actions by third parties or changes in environmental regulation. However, based on information presently available, management believes that the ultimate disposition of currently known matters will not have a material effect on the consolidated financial position, results of operations or liquidity of the Company. Environmental liabilities are paid over an extended period and the timing of such payments cannot be predicted with any confidence. Aggregate environmental-related accruals were $5.3 million and $8.2 million as of December 31, 2000 and 1999, respectively.

INDEPENDENT AUDITORS' REPORT

FINANCIAL STATEMENT SCHEDULE

The Board of Directors and Stockholders
The St. Joe Company:

Under date of February 6, 2001, we reported on the consolidated balance sheets of The St. Joe Company and subsidiaries as of December 31, 2000 and 1999, and the related consolidated statements of income, changes in stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2000, as contained in this annual report on Form 10-K for the year 2000. In connection with our audits of the aforementioned consolidated financial statements, we also audited the related consolidated financial statement schedule as listed in the accompanying index. This financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement schedule based on our audit.

In our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

KPMG LLP

Jacksonville, Florida
February 6, 2001

THE ST. JOE COMPANY
SCHEDULE III (CONSOLIDATED) -- REAL ESTATE AND ACCUMULATED DEPRECIATION
DECEMBER 31, 2000
(IN THOUSANDS)

	INITIAL COST TO COMPANY				CARRIED AT CLOSE OF PERIOD		
DESCRIPTION	ENCUMBRANCES	LAND	BUILDINGS & IMPROVEMENTS	COSTS CAPITALIZED SUBSEQUENT TO ACQUISITION	LAND & LAND IMPROVEMENTS	BUILDINGS AND IMPROVEMENTS	TOTAL
Bay County, Florida							
Land w/Infrastructure.....	$--	$ 2,378	$ --	$ 11,108	$ 13,486	$ --	$ 13,486
Office and Misc. Buildings............	--	2	297	2,561	464	2,397	2,860
Timberlands............	--	3,896	--	13,793	17,689	--	17,689
Leasehold improvements.........	--	--	--	27	27	--	27
Broward County, Florida							
Building...............	--	2,474	--	10,186	2,474	10,186	12,660
Leasehold improvements.........	--	--	--	500	--	500	500
Calhoun County, Florida							
Timberlands............	--	1,774	--	6,281	8,056	--	8,056
Duval County, Florida							
Office Buildings.......	--	--	1,034	540	423	1,151	1,574
City & Residential Lots.................	--	115	5	--	115	5	120
Timberlands............	--	69	--	244	313	--	313
Construction in Progress.............	--	172	--	57,981	14,246	43,906	58,152
Franklin County, Florida							
Unimproved Land........	--	68	--	(0)	68	--	68
Land with Infrastructure.......	--	--	--	170	170	--	170
Timberlands............	--	1,241	--	4,395	5,636	--	5,636
Gadsden County, Florida							
Timberlands............	--	1,302	--	4,611	5,914	--	5,914
Gulf County, Florida							
Misc. Buildings........	--	112	111	231	343	111	454
Land with Infrastructure.......	--	--	--	1,744	1,744	--	1,744
Timberlands............	--	5,238	--	18,543	23,780	--	23,780
Hillsborough County, Florida							
Leasehold Improvements.........	--	--	--	342	--	342	342
Land with Infrastructure.......	--	3,485	--	15,044	3,485	15,044	18,529
Jefferson County, Florida							
Misc. Buildings........	--	--	--	181	--	181	181
Timberlands............	--	1,547	--	5,476	7,023	--	7,023
Leon County, Florida							
Land w/Infrastructure.....	--	603	--	22,732	23,335	--	23,335
Misc. Buildings........	--	36	264	4	--	304	304
Timberlands............	--	923	--	3,269	4,192	--	4,192

DESCRIPTION	ACCUMULATED DEPRECIATION	DATE CAPITALIZED OR ACQUIRED	DEPRECIABLE LIFE USED IN CALCULATION IN LATEST INCOME STATEMENT
Bay County, Florida			
Land w/Infrastructure.....	$ 37	Various	20 years
Office and Misc. Buildings............	861	Various	10 to 30 years
Timberlands............	334	Various	20 years
Leasehold improvements.........	3	Various	Lesser of lease term to 5 years
Broward County, Florida			
Building...............	84	Various	30 years
Leasehold improvements.........	176	Various	Lesser of lease term to 5 years
Calhoun County, Florida			
Timberlands............	152	Various	20 years
Duval County, Florida			
Office Buildings.......	375	Various	30 to 40 years
City & Residential Lots.................	5	Various	10 to 20 years
Timberlands............	6	Various	20 years
Construction in Progress.............	--		
Franklin County, Florida			
Unimproved Land........	--		
Land with			

Infrastructure.......	--	2000	--
Timberlands............	107	Various	20 years
Gadsden County, Florida			
Timberlands............	112	Various	20 years
Gulf County, Florida			
Misc. Buildings........	1	Various	10 to 30 years
Land with Infrastructure.......	--	Various	--
Timberlands............	449	Various	20 years
Hillsborough County, Florida			
Leasehold Improvements.........	52	Various	Lesser of lease term to 5 years
Land with Infrastructure.......	283	Various	--
Jefferson County, Florida			
Misc. Buildings........	--	Various	10 to 30 years
Timberlands............	133	Various	20 years
Leon County, Florida			
Land w/Infrastructure.....	73	Various	20 years
Misc. Buildings........	0	Various	10 to 30 years
Timberlands............	79	Various	20 years

THE ST. JOE COMPANY
SCHEDULE III (CONSOLIDATED) -- REAL ESTATE AND ACCUMULATED DEPRECIATION -- (CONTINUED)
DECEMBER 31, 2000
(IN THOUSANDS)

	INITIAL COST TO COMPANY				CARRIED AT CLOSE OF PERIOD		
DESCRIPTION	ENCUMBRANCES	LAND	BUILDINGS & IMPROVEMENTS	COSTS CAPITALIZED SUBSEQUENT TO ACQUISITION	LAND & LAND IMPROVEMENTS	BUILDINGS AND IMPROVEMENTS	TOTAL
Liberty County, Florida							
Misc. Buildings........	$--	$ --	$ --	$ 73	$ --	$ 73	$ 73
Timberlands............	--	2,930	--	10,372	13,302	--	13,302
Manatee County							
Leasehold improvements.........	--	--	--	111	111	--	111
Orange County, Florida							
Leasehold improvements.........	--	--	--	257	--	257	257
Construction in Progress............	--	10,356	99	6	10,362	99	10,461
Palm Beach County, Florida							
Leasehold improvements.........	--	--	--	447	--	447	447
Construction in progress............	--	--	--	14,346	--	14,346	14,346
Pinellas County, Florida							
Office Buildings.......	--	--	28,960	--	--	28,960	28,960
Leasehold improvements.........	--	--	--	416	--	416	416
St. Johns County, Florida							
Land w/Infrastructure.....	--	3,846	--	21,885	25,731	--	25,731
Leasehold Improvements.........	--	--	--	14	--	14	14
Volusia County, Florida							
Land w/infrastructure.....	--	4,091	--	13,537	17,628	--	17,628
Building..............	--	--	107	--	--	107	107
Wakulla County, Florida							
Misc. Buildings........	--	--	--	112	--	112	112
Unimproved Land........	--	8	--	--	8	--	8
Timberlands............	--	1,175	--	4,159	5,334	--	5,334
Walton County, Florida							
Land w/Infrastructure.....	--	59	--	53,533	50,919	2,673	53,592
Building..............	--	--	90	--	--	90	90
Timberlands............	--	354	--	1,255	1,609	--	1,609
Other Florida Counties							
Misc. Land............	--	29	--	3,544	3,317	255	3,572
Leasehold improvements.........	--	--	--	1,671	--	1,671	1,671
Timberlands............	--	685	--	2,710	3,395	--	3,395

DESCRIPTION	ACCUMULATED DEPRECIATION	DATE CAPITALIZED OR ACQUIRED	DEPRECIABLE LIFE USED IN CALCULATION IN LATEST INCOME STATEMENT
Liberty County, Florida			
Misc. Buildings........	$ --	Various	10 to 30 years
Timberlands............	251	Various	20 years
Manatee County			
Leasehold improvements.........	9	Various	Lesser of lease term to 5 years
Orange County, Florida			
Leasehold improvements.........	50	Various	Lesser of lease term to 5 years
Construction in Progress............	--	1998	--
Palm Beach County, Florida			
Leasehold improvements.........	125	Various	Lesser of lease term to 5 years
Construction in progress............	328	Various	--
Pinellas County, Florida			
Office Buildings.......	759	1999	10 to 30 years
Leasehold improvements.........	111	Various	Lesser of lease term to 5 years
St. Johns County, Florida			
Land w/Infrastructure.....	--	Various	--
Leasehold			

Improvements.........	3	Various	Lesser of lease term to 5 years
Volusia County, Florida			
Land			
w/infrastructure.....	--	Various	--
Building...............	3	--	--
Wakulla County, Florida			
Misc. Buildings........	41	Various	10 to 30 years
Unimproved Land........	--	Various	--
Timberlands............	101	Various	20 years
Walton County, Florida			
Land			
w/Infrastructure.....	--	Various	--
Building...............	4	--	--
Timberlands............	30	Various	20 years
Other Florida Counties			
Misc. Land.............	284	Various	20 years
Leasehold			
improvements.........	368	Various	Lesser of lease term to 5 years
Timberlands............	59	Various	20 years

THE ST. JOE COMPANY
SCHEDULE III (CONSOLIDATED) -- REAL ESTATE AND ACCUMULATED DEPRECIATION -- (CONTINUED)
DECEMBER 31, 2000
(IN THOUSANDS)

	INITIAL COST TO COMPANY				CARRIED AT CLOSE OF PERIOD		
DESCRIPTION	ENCUMBRANCES	LAND	BUILDINGS & IMPROVEMENTS	COSTS CAPITALIZED SUBSEQUENT TO ACQUISITION	LAND & LAND IMPROVEMENTS	BUILDINGS AND IMPROVEMENTS	TOTAL
Georgia							
Leasehold improvements.........	$--	$ --	$ --	$ 176	$ --	$ 176	$ 176
Office Buildings.......	--	18,947	--	141	18,947	141	19,088
Construction in Progress.............	--	--	--	3,820	3,820	--	3,820
Timberlands............	--	235	--	2,276	2,512	--	2,512
North Carolina							
Land w/infrastructure.....	--	23,709	--	2,317	26,026	--	26,026
Leasehold improvements.........	--	--	--	39	--	39	39
Virginia							
Office Buildings.......	--	5,582	--	17	5,582	17	5,599
Leasehold improvements.........	--	--	--	526	--	526	526
Tennessee							
Unimproved Land........	--	36	--	--	36	--	36
Texas							
Office Buildings.......	--	27,834	--	--	27,834	--	27,834
Construction in Progress.............	--	--	--	24,198	83	24,115	24,198
District of Columbia							
Leasehold improvements.........	--	--	--	128	--	128	127
Totals...........	$--	$125,312	$30,967	$342,047	$349,537	$148,788	$498,326

DESCRIPTION	ACCUMULATED DEPRECIATION	DATE CAPITALIZED OR ACQUIRED	DEPRECIABLE LIFE USED IN CALCULATION IN LATEST INCOME STATEMENT
Georgia			
Leasehold improvements.........	$ 24	Various	Lesser of lease term to 5 years
Office Buildings.......	--	Various	10 to 30 years
Construction in Progress.............	--	2000	--
Timberlands............	47	Various	20 years
North Carolina			
Land w/infrastructure.....	--	Various	--
Leasehold improvements.........	5	Various	Lesser of lease term to 5 years
Virginia			
Office Buildings.......	--	1999	10 to 30 years
Leasehold improvements.........	49	Various	Lesser of lease term to 5 years
Tennessee			
Unimproved Land........	--	Various	--
Texas			
Office Buildings.......	156	1998	10 to 30 years
Construction in Progress.............	404	1999	--
District of Columbia			
Leasehold improvements.........	24	Various	Lesser of lease term to 5 years
Totals...........	$6,554		

- ---------------
Notes:

(A) The aggregate cost of real estate owned at December 31, 1999 for federal income tax purposes is approximately $246,203.

(B) Reconciliation of real estate owned (in thousands of dollars):

	2000	1999	1998

Balance at Beginning of Year..............	$ 808,551	$ 602,994	$507,779
Amounts Capitalized.......................	314,749	310,254	109,915
Amounts Retired or Adjusted...............	(624,974)	(104,697)	(14,700)
Balance at Close of Period................	$ 498,326	$ 808,551	$602,994

(C) Reconciliation of accumulated depreciation (in thousands of dollars):

Balance at Beginning of Year..............	$ 61,618	$ 54,893	$ 42,343
Depreciation Expense......................	15,047	14,817	12,784
Amounts Retired or Adjusted...............	(70,111)	(8,092)	(234)
Balance at Close of Period................	$ 6,554	$ 61,618	$ 54,893

EXHIBIT 10.07

AMENDED AND RESTATED MASTER AGREEMENT

THIS AMENDED AND RESTATED MASTER AGREEMENT (the "Agreement") is made and entered into as of this 4th day of July, 2000, by and among THE ST. JOE COMPANY, a Florida corporation ("St. Joe"), and GRAN CENTRAL CORPORATION, a Florida corporation ("GCC").

WHEREAS, GCC and St. Joe entered into that certain Master Agreement dated as of October 26, 1999 (the "Original Agreement") under the terms of which St. Joe and GCC agreed to enter into certain joint venture agreements on property owned by or under contract with GCC or St. Joe and options to enter into future joint ventures (the "Joint Venture Agreements"), as well as to enter into certain agreements for the transition of asset management services to GCC and the provision of property management and development services by St. Joe for properties owned by GCC (the "Service Agreements").

WHEREAS pursuant to that certain Distribution and Recapitalization Agreement dated October 26, 1999 by and between St. Joe and Florida East Coast Industries, Inc. (FEC) (the "Distribution Agreement") and subject to all the terms and conditions set forth in the Distribution Agreement, FEC intends to effect a Recapitalization as described therein and St. Joe intends to effect a Distribution as described therein ("Distribution");

WHEREAS GCC, a wholly owned subsidiary of FEC, and St. Joe (and certain affiliates of St. Joe) intend to enter into the Service Agreements, each of which is to become effective only upon the Distribution Date, as defined in the Distribution Agreement ("Distribution Date");

WHEREAS, GCC and St. Joe have determined it is in their respective best interests to amend and restate the Original Agreement to provide that both GCC and St. Joe intend to only enter into the Service Agreements and not the Joint Venture Agreements.

NOW, THEREFORE, in consideration of the foregoing premises, and the mutual covenants contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1
Development of GCC and St. Joe Properties
[DELETED IN ITS ENTIRETY]

ARTICLE 2
Future Development
[DELETED IN ITS ENTIRETY]

ARTICLE 3
Assignment and Institutional Debt
[DELETED IN ITS ENTIRETY]

ARTICLE 4
Asset Management

4.1 On the Effective Date, GCC and St. Joe shall execute and deliver the Amended and Restated Asset Management Agreement attached as Exhibit F hereto.

ARTICLE 5

Property Management

5.1 On the Effective Date, GCC and St. Joe shall execute and deliver the Property Management and Leasing Agreement substantially in the form attached as Exhibit G hereto. Exhibit A to the Property Management and Leasing Agreement shall be amended to include SouthPark II as a Project for which St. Joe shall provide property management services.

ARTICLE 6

Development Management

6.1 On the Effective Date, GCC and St. Joe shall execute and deliver the Development Management Services Agreement substantially in the form attached as Exhibit H hereto. Exhibit A to the Development Management Services Agreement shall be amended to include SouthPark II.

ARTICLE 7

Hialeah Rail Yard

7.1 On the Effective Date, St. Joe shall, and GCC shall cause Florida East Coast Railway Company to execute and deliver the Florida East Coast Railway Agreement attached as Exhibit I hereto.

ARTICLE 8

Consideration

8.1 Consideration to GCC. In consideration of the execution and delivery of this Agreement and of the Service Agreements, St. Joe shall pay to GCC the sum of Six Million Dollars ($6,000,000) in three (3) equal annual installments, the first installment being due and payable on the Effective Date and the next two installments on the first and second anniversary of the Effective Date, respectively. In the event St. Joe fails to pay any installment when due, and such failure continues for a period of thirty (30) days after written notice to such effect from GCC to St. Joe, GCC shall, in addition to its remedies at law or in equity, have the right to offset against fees next becoming due to St. Joe, or its affiliates, under the Property Management and Leasing Agreement referred to in Section 5.1 hereof and the Development Management Services Agreement referred to in Section 6.1 hereof.

8.2 Consideration to St. Joe. In consideration of the execution and delivery of this Agreement and the abandonment by St. Joe of its entitlement to become a 50% joint venture partner in the properties listed on Exhibit A to the Original Agreement, GCC shall pay to St. Joe the sum of Five Million Three Hundred Twenty Three Thousand Four Hundred Sixty Five Dollars ($5,323,465) on the Effective Date.

ARTICLE 9
Miscellaneous

9.1 Entire Agreement. This Agreement, together with the Exhibits attached hereto, all of which are incorporated herein by reference, represents the entire understanding and agreement between the parties with respect to the subject matter hereof, and supersedes all other negotiations, understandings and representations (if any) made by and between such parties which are merged into this Agreement.

9.2 Amendments. The provisions of this Agreement may not be amended, supplemented, waived or changed orally, but only by a writing signed by the party as to whom enforcement of any such amendment, supplement, waiver or modification is sought and making specific reference to this Agreement.

9.3 Severability. If any provision of this Agreement or any other agreement entered into pursuant hereto is contrary to, prohibited by or deemed invalid under applicable law or regulation, such provision shall be inapplicable and deemed omitted to the extent that it is contrary, prohibited or invalid, but the remainder hereof shall not be invalidated thereby and shall be given full force and effect so far as possible. If any provision of this Agreement may be construed in two or more ways, one of which would render the provision invalid or otherwise voidable or unenforceable and another of which would render the provision valid and enforceable, such provision shall have the meaning which renders it valid and enforceable.

9.4 Binding Effect. All of the terms and provisions of this Agreement shall be binding upon, inure to the benefit of, and be enforceable by the parties and their respective legal representatives, successors and permitted assigns, whether so expressed or not.

9.5 Third Parties. Unless expressly stated herein to the contrary, nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than the parties hereto and their respective legal representatives, successors and permitted assigns. Nothing in this Agreement is intended to relieve or discharge the obligation or liability of any third persons to any party to this Agreement, nor shall any provision give any third persons any right of subrogation or action over or against any party to this Agreement.

9.6 Headings. The headings contained in this Agreement are for convenience of reference only, are not to be considered a part of the Agreement and shall not limit or otherwise affect in any way the meaning or interpretation of this Agreement.

9.7 No Construction Against Drafter. The parties acknowledge that this is a negotiated agreement, and that in no event shall the terms hereof be construed against either party on the basis that such party, or its counsel, drafted this Agreement.

9.8 Brokers. Each of the parties represents and warrants that such party has dealt with no broker or finder in connection with any of the transactions contemplated by this Agreement, and, insofar as such party knows, no broker or other person is entitled to any commission or finder's fee in connection with any of these transactions. The parties each agree to indemnify and hold harmless one another against any loss, liability, damage, cost, claim or expense incurred by reason of any brokerage commission or finder's fee alleged to be payable because of any act, omission or statement of the indemnifying party. The provisions of this Section shall survive each conveyance of a parcel or assignment of partnership interests, as applicable, and the delivery of the deeds or assignments in connection therewith.

9.9 Further Assurances. The parties hereby agree from time to time to execute and deliver such further and other transfers, assignments and documents and do all matters and things which may be convenient or necessary to more effectively and completely carry out the intentions of this Agreement.

9.10 Outside Businesses. Except as expressly prohibited by the terms of this Agreement, nothing contained in this Agreement shall be construed to restrict or prevent, in any manner, any party or any party's representatives or principals from engaging in any other businesses or investments.

9.11 Recordation. The parties agree not to record this Agreement or any memorandum or other evidence hereof in the public records of any jurisdiction. Any attempt to record this Agreement or any evidence hereof shall be deemed to be null and void and shall be deemed to be a Default under this Agreement.

9.12 Governing Law. This Agreement and all transactions contemplated by this Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Florida.

9.13 Enforcement Costs. If any civil action, arbitration or other legal proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any provision of this Agreement, the parties shall be responsible for their own costs and expenses including, without limitation, fees of experts and attorneys.

9.14 Jurisdiction and Venue. Any civil action or legal proceeding arising out of or relating to this Agreement shall be brought in the courts of record of the State of Florida in St. Johns County or the United States District Court, Middle District of Florida. Each party consents to the jurisdiction of such court in any such civil action or legal proceeding in such court. Service of any court paper may be effected on such party by mail, as provided in this Agreement, or in such other manner as may be provided under applicable laws, rules of procedure or local rules.

9.15 JURY WAIVER. IN ANY CIVIL ACTION, COUNTERCLAIM, OR PROCEEDING, WHETHER AT LAW OR IN EQUITY, WHICH ARISES OUT OF, CONCERNS, OR RELATES TO THIS AGREEMENT, ANY AND ALL TRANSACTIONS CONTEMPLATED HEREUNDER, THE PERFORMANCE HEREOF, OR THE RELATIONSHIP CREATED HEREBY, WHETHER SOUNDING

IN CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE, TRIAL SHALL BE TO A COURT OF COMPETENT JURISDICTION AND NOT TO A JURY. EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY. ANY PARTY MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS AGREEMENT WITH ANY COURT, AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO OF THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY. NEITHER PARTY HAS MADE OR RELIED UPON ANY ORAL REPRESENTATIONS TO OR BY ANY OTHER PARTY REGARDING THE ENFORCEABILITY OF THIS PROVISION. EACH PARTY HAS READ AND UNDERSTANDS THE EFFECT OF THIS JURY WAIVER PROVISION.

9.16 ADVICE OF COUNSEL. EACH PARTY ACKNOWLEDGES THAT IT HAS BEEN ADVISED BY ITS OWN COUNSEL WITH RESPECT TO THE TRANSACTIONS GOVERNED BY THIS AGREEMENT, AND SPECIFICALLY WITH RESPECT TO THE TERMS OF SECTION 9.15, WHICH CONCERNS THE WAIVER OF EACH PARTY'S RIGHT TO TRIAL BY JURY.

9.17 Notices. All notices, requests, consents and other communications required or permitted under this Agreement shall be in writing (including electronic transmission) and shall be (as elected by the person giving such notice) hand delivered by messenger or courier service, electronically transmitted or mailed (airmail if international) by registered or certified mail (postage prepaid), return receipt requested, addressed to:

ST. JOE:

The St. Joe Company
c/o St. Joe Commercial, Inc.
David D. Fitch, President
Suite 400 du Pont Center
1650 Prudential Drive
Jacksonville, Florida 32207
Telephone: 904/396-6600
Telecopy: 904/396-4042

with a copy to:

Robert M. Rhodes, Esq.
Executive Vice President and General Counsel
The St. Joe Company
1650 Prudential Drive, Suite 400
Jacksonville, Florida 32207

GCC:

Robert W. Anestis, President
Gran Central Corporation
One Malaga Street, P.O. Drawer 1048
St. Augustine, Florida 32085-1048
Telephone: 904/826-2202
Telecopy: 904/826-2376

with a copy to:

Heidi J. Eddins, Esq.
Secretary and General Counsel
Gran Central Corporation
One Malaga Street, P.O. Drawer 1048
St. Augustine, Florida 32085-1048

or such other addresses as any party may designate by notice complying with the terms of this Section. Each such notice shall be deemed delivered (a) on the date delivered if by personal delivery; (b) on the date of transmission with confirmed answer back if by electronic transmission; and (c) on the date upon which the return receipt is signed or delivery is refused or the notice is designated by the postal authorities as not deliverable, as the case may be, if mailed.

9.18 Confidentiality. No party hereto, without the written approval of the other party, during the period of time this Agreement is in effect or thereafter divulge to any person not a party hereto, other than its attorneys, accountants, employees and professional advisers, any information concerning the content of this Agreement, unless (i) such information is already known to such party or to others not bound by a duty of confidentiality or such information becomes publicly available through no fault of such party, (ii) the use of such information is necessary or appropriate in making any filing or obtaining any consent or approval, or (iii) furnishing of such information is required by law; provided, however, that in the event of disclosure pursuant to (ii) or (iii) hereof, such disclosing party shall agree to provide prompt written notice to the other parties hereto prior to disclosure, if practicable, and to disclose only that portion of the confidential information which is legally required or otherwise necessary.

9.19 Counterparts. This Agreement, and any document or instrument entered into, given or made pursuant to this Agreement or authorized hereby, and any amendment or supplement thereto may be executed in two or more counterparts, and, when so executed, will have the same force and effect as though all signatures appear on a single document. Any signature page of this Agreement or of such amendment, supplement, document or instrument may be detached from any counterpart without impairing the legal effect of any signatures thereof, and may be attached to another counterpart identical in form thereto but having attached to it one or more additional signatures pages.

9.20 Survival. The provisions of this Agreement shall survive the Distribution Date.

9.21 Effective Date. It is the intention of GCC and St. Joe and it is hereby agreed that the Service Agreements shall not become legally effective unless and until the Distribution Date shall occur, as that term is described in the Distribution Agreement (herein the "Effective Date"). If for any reason whatsoever the Distribution Agreement is terminated or the Distribution does not occur, this Agreement and the Service Agreements attached as Exhibits hereto shall be of no further force and effect and neither GCC (including affiliates) nor St. Joe (including affiliates) shall have any further rights or obligations hereunder.

[SIGNATURES APPEAR ON THE FOLLOWING PAGES]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

WITNESS:	GRAN CENTRAL:
	GRAN CENTRAL CORPORATION, a Florida corporation
________________________________	
Name: ___________________________	By: /s/ Heidi J. Eddins
________________________________	Name: Heidi J. Eddins
Name: ___________________________	Title: Secretary

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

/s/ Alison D. Kennedy

Name: Alison D. Kennedy

/s/ David Herrin

Name: David Herrin

THE ST. JOE COMPANY, a Florida corporation

By: /s/ Robert M. Rhodes

Name: Robert M. Rhodes

Title: Executive Vice-President

EXHIBIT "A"

GCC PROPERTY
[DELETED IN ITS ENTIRETY]

EXHIBIT "B"

ST. JOE PROPERTY
[DELETED IN ITS ENTIRETY]

EXHIBIT "C"

CORAL GABLES PARCEL AND SOUTHPARK II PARCEL
[DELETED IN ITS ENTIRETY]

EXHIBIT "D"

FORM PROJECT PARTNERSHIP AGREEMENT
[DELETED IN ITS ENTIRETY]

EXHIBIT "E"

ADDITIONAL GCC PROPERTIES
[DELETED IN ITS ENTIRETY]

EXHIBIT "F"

AMENDED AND RESTATED ASSET MANAGEMENT AGREEMENT

EXHIBIT "G"

PROPERTY MANAGEMENT AND LEASING AGREEMENT

EXHIBIT "H"

DEVELOPMENT MANAGEMENT SERVICES AGREEMENT

EXHIBIT "I"

FLORIDA EAST COAST RAILWAY AGREEMENT

EXHIBIT 21.01

THE ST. JOE COMPANY
SUBSIDIARY LIST

280 Interstate North, L.L.C.
Advantis Construction Company
Advantis Real Estate Services Company
Apalachicola Northern Railroad Company
Arvida Capital Contracting, Inc.
Arvida Central Florida Contracting, Inc.
Arvida Community Sales, Inc.
Arvida Housing L.P., Inc.
Arvida Mid-Atlantic Homes, Inc.
Arvida Mid-Atlantic Contracting, Inc.
Arvida Northeast Florida Contracting, Inc.
Arvida Resorts & Clubs, L.L.C. f/k/a St. Joe/Arvida West Florida Resort Holdings, L.L.C.
Arvida West Florida Contracting, Inc.
CCK Real Estate, Inc.
Southeast Bonded Homebuilder Warranty Association, L.L.C.
Southhall Center, L.L.C.
St. Joe Capital I, Inc.
St. Joe Commercial Development, Inc.
St. Joe Commercial, Inc.
St. Joe Deerwood Park, L.L.C.
St. Joe Development, Inc.
St. Joe Hospitality Development, Inc.
St. Joe Land Company
St. Joe Real Estate Services, Inc. d/b/a Arvida Realty Services
St. Joe Residential Acquisitions, Inc.
St. Joe Terminal Company
St. Joe Timberland Company, L.L.C.
St. Joe Utilities Company
St. Joe Westfields, Inc.
St. Joe/Alhambra Development Company
St. Joe/Alhambra Management Company
St. Joe/Arvida Company, Inc.
St. Joe/Central Florida Development, Inc.
St. Joe/Central Florida Management, Inc.
St. Joe/CNL Plaza, Inc.
St. Joe/Legacy, Inc.
St. Joe-Southwood Properties, Inc. (reinstated)
Talisman Sugar Corporation
The Port St. Joe Marina
Westside Corporate Center, L.L.C.

EXHIBIT 23.01

Independent Auditors' Consent

The Board of Directors
The St. Joe Company:

We consent to the incorporation by reference in the registration statements (No. 333-23571, No. 333-43007, No. 333-51726 and No. 333-51728) on Forms S-8 of The St. Joe Company of our reports dated February 6, 2001, relating to the consolidated balance sheets of The St. Joe Company and subsidiaries as of December 31, 2000 and 1999, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2000, and related schedule, which reports appear in the December 31, 2000 annual report on Form 10-K of The St. Joe Company.

KPMG LLP

Jacksonville, Florida
March 16, 2001

EXHIBIT 99.01

THE ST. JOE COMPANY

SUPPLEMENTAL CALCULATION OF SELECTED CONSOLIDATED FINANCIAL DATA

The following table calculates EBITDA (Gross) and EBITDA (Net) as set forth in Note (6) to Item 6. Selected Consolidated Financial Data.

	2000	1999	1998	1997	1996
	($ IN THOUSANDS)				
Income from continuing and discontinued operations before income taxes and minority interest	$166,920	$129,574	$ 85,834	$ 94,374	$181,715
Depreciation and amortization	51,783	49,706	40,340	30,233	28,758
Interest expense	13,821	3,325	804	389	600
Gain on sales of other assets	(1,676)	(14,623)	(788)	(4,417)	(3,423)
Impairment losses and other one-time charges	4,245	18,951	10,238		
Condemnation sales					(97,391)
EBITDA -- Gross	235,093	186,933	136,428	120,578	110,259
Less minority interest % of Income before income taxes	(15,774)	(30,778)	(31,261)	(28,960)	(22,134)
Depreciation and amortization	(13,297)	(15,114)	(13,225)	(10,194)	(10,813)
Interest expense	(1,026)	(174)	(163)	(179)	(276)
Gain on sales of other assets	858	5	181	795	1,346
Impairment losses and other one-time charges	(2,455)	(5,886)			
EBITDA -- Net	$203,399	$134,986	$ 91,960	$ 82,040	$ 78,382