

2015



FRP Holdings, Inc.

Annual Shareholder Meeting
February 3, 2016

A Real Estate Company

FRP Holdings, Inc. Balance Sheet Excerpts

(in thousands)

	<u>12/31/2015</u>	<u>9/30/2015</u>
Assets:		
Net Investment in properties	\$ 215,939	\$207,205
Real estate held for investment, at cost	7,306	\$7,306
Investment in Joint Ventures	<u>19,168</u>	<u>\$19,010</u>
Net real estate investments	242,413	\$238,347
 Total Assets	 <u>257,109</u>	 <u>\$252,478</u>
 Total Liabilities	 \$ 66,322	 \$70,136
Total Shareholders' Equity	<u>\$ 190,787</u>	<u>\$182,342</u>
Total Liabilities and Shareholders' Equity	<u>\$ 257,109</u>	<u>\$252,478</u>



Comparative Results of Operations

Fiscal Year 2015 versus 2014

	Fiscal Years ended September 30			
	2015	2014	Change	%
Revenues:				
Rental Revenue	\$ 23,410	21,327	\$2,083	9.8%
Royalty and Rents	5,999	5,256	743	14.1%
Revenue – Reimbursements	5,237	4,395	842	19.2%
Total Revenues	34,646	30,978	3,668	11.8%
Cost of operations:				
Depreciation/Depletion/Amortization	7,378	6,705	673	10.0%
Operating Expenses	4,609	4,391	218	5.0%
Property Taxes	4,443	3,494	949	27.2%
Mgmt Co Allocation-In	1,647	1,424	223	15.7%
Corporate Expense	3,307	2,539	768	30.2%
Corp Mgmt Fee not allocated to discontinued operations	1,081	2,685	(1,604)	(59.7%)
Total cost of operations	22,465	21,238	1,227	5.8%
Total operating profit	12,181	9,740	2,441	25.1%
Interest Income and other	-	23	(23)	*
Interest Expense	(2,014)	(1,366)	(648)	47.4%
Equity in loss of joint ventures	(145)	(128)	(17)	13.3%
Gain (loss) on investment land sold	<u>(34)</u>	<u>476</u>	<u>(510)</u>	<u>(107.1%)</u>
Income from continuing operations before income taxes	9,988	8,745	1,243	14.2%
Provision for income taxes	3,895	3,561	334	9.4%
Income from continuing operations	6,093	5,184	909	17.5%
Gain from discontinued transportation operations, net of taxes	2,179	4,835	(2,656)	(54.9%)
Net income	<u>8,272</u>	<u>10,019</u>	<u>(1,747)</u>	<u>(17.4%)</u>

Comparative Results of Operations

Q1 2016 versus Q1 2015

	Three Months ended December 31,	
	2015	2014
Revenues:		
Rental revenue	\$ 6,027	5,868
Royalty and rents	1,638	1,320
Revenue – reimbursements	1,158	1,114
Total Revenues	<u>8,823</u>	<u>8,302</u>
Cost of operations:		
Depreciation, depletion and amortization	1,896	1,883
Operating expenses	973	914
Environmental remediation recovery	(3,000)	—
Property taxes	1,118	1,095
Management company indirect	504	352
Corporate expenses	732	1,713
Total cost of operations	<u>2,223</u>	<u>5,957</u>
Total operating profit	6,600	2,345
Interest income	1	—
Interest expense	(481)	(445)
Equity in loss of joint ventures	(54)	(30)
Gain (Loss) on investment land sold	6,286	(17)
Income from continuing operations before income taxes	<u>12,352</u>	<u>1,853</u>
Provision for income taxes	<u>4,879</u>	<u>722</u>
Income from continuing operations	<u>7,473</u>	<u>1,131</u>
Gain from discontinued transportation operations, net of taxes	<u>—</u>	<u>1,663</u>
Net income	\$ 7,473	2,794



FRP Financing Summary as of 12/31/2015

REVOLVING CAPITAL FINANCING

Lender	Rate	Total Borrowing Capacity	Amount Drawn	Amount Outstanding on Letters of Credit	Available for Borrowing
Wells Fargo	LIBOR*+1.4%	\$20,000,000	\$2,837,000	\$2,377,000	\$14,786,000
First Tennessee	LIBOR*+1.9%	\$20,000,000	\$91,000	\$0	\$19,909,000
TOTAL		\$40,000,000	\$2,928,000	\$2,377,000	\$34,695,000

* As of 2/1/16 = .43%

MORTGAGE CAPITAL FINANCING

Lender	Rate	Current Portion	Long Term Portion	Total
Multiple	5.6%-7.9%	\$4,247,000	\$37,852,000	\$42,099,000

Anacostia Phase I – First Niagara

First Niagara Loan - Key Terms:

Loan Amount:	\$65,000,000
Closed:	August, 2014
Initial Term:	48 months (summer 2018)
Rate:	30 day LIBOR + 235 bps
Rate Protection:	Required on 75% during extension term only
Extension Term:	48 months (if certain requirements met)

Extension Requirements: Achieving a 1.25x Debt Service Coverage Ratio (“DSCR” = NOI/Debt Service), 80% occupancy on the residential and 30% leased (not occupied) on the retail, LTV<55% and payment of \$162,500 extension fee.

Extension Cure Right: In the event the DSCR test is not met by the 48th month, we have the ability to cure the shortfall by paying down the outstanding loan balance such that the DSCR test is met (if the DSCR is greater than 1.0x this can be done with an LOC versus actually paying down the principal balance).

Monthly Payments: Interest only during initial 48 months, then principal and interest during extension period based on a 30 year amortization.

Prepayment: Anytime w/out penalty

Anacostia Phase I – EB5 Capital

EB5 Financing - Key Terms:

Preferred Equity Investment: \$17,000,000

Closed: August, 2014

Initial Term: 60 months with extension option per below

Preferred Return: 4.95% (8% during extension)

Extension: If the full investment amount is not repaid to EB5 by the end of 60th month the rate rises to 8% on the outstanding balance and the investment is extended indefinitely until repaid. Beginning in year 7, any excess cash flow generated inside the JV is required to pay down any EB5 investment amount outstanding until repaid in full (but there is NO required "due date" for repayment of the EB5 investment other than upon a sale of the Project or a default in payment of the Preferred Return).

Monthly Payments: Interest only (except for the required excess cash flow payments as outlined above in years 7 and beyond)

Investment Call Right: None (unless a default on Preferred Return or a Sale of the Project)

Prepayment: Prohibited during months 1-41
2% penalty months 42-48
1% penalty months 49-54
Open month 55 and beyond



Highlights of Fiscal 2015 Asset Management

- Increased Building Platform by 3.74%, to 3,602,159 s.f.
- Renewed 22 long term leases totaling 734,216 s.f. at 17 locations with an average term of 39 months. 83% Success Rate.
- Average Annual Occupancy rate grew by 100 bps to 90.8%, an increase of 224,647 square feet or 7.4% over 2014.
- NOI up 12.4% to \$21,043,000 from \$18,714,000 year over year.

Highlights of Fiscal 2015 Mining and Royalty

- Mining sales volumes increased by 1,227,485 tons, up 24.8% over fiscal 2014
- Royalty revenues were \$5,999,000, up \$743,000 or 14.1% over fiscal 2014
- Operating profit was \$4,615,000, up \$497,000 or 12.1%, over fiscal 2014



Highlights of Fiscal 2015 Land Development and Construction

- Completed VADATA III building (129,850 s.f.) at Patriot Business Park.
- “Topped out” construction at Dock ’79 (Anacostia Phase I). On schedule for completion in September of 2016.
- Commenced construction of 80,000 square foot “Spec” warehouse/office building at Hollander Business Park.

Summary of Conversion of Non-income Producing Assets

- Through development or sale, over the past 5 years we have converted 172 acres into 766,216 sq. ft. of income producing properties with projected FY16 Rental Revenue of \$5,115,000:
 - Converted 26 acres of developed “pad” sites through construction of 373,000 sq. ft. of income producing warehouse/office facilities with projected FY16 Rental Revenue of \$3,211,000 (VADATA I, II, and III)
 - Sold 5 developed parcels totaling 146 acres, located in 3 different business parks, for \$27,582,000 investing \$22,725,000 in the purchase of 393,216 sq. ft. of income producing warehouse/office facilities (including the Mid-October purchase of Port Capital) with projected FY16 Rental Revenue of \$1,904,000.
- Sold 1,844 acres of excess mining lands (Caroline County, VA) and used the proceeds to acquire the 42 acre Hollander Business Park, inclusive of an 80,000 s. f. warehouse, in a Section 1031 exchange.
- In process of converting a 5.4 acre developed “pad” site into income generation upon completion of construction (2nd qtr.) and lease up of an 80,000 sq. ft. Spec building (Hollander).

Conversion of Non-income Producing Lands

Developed Lots for Warehouses

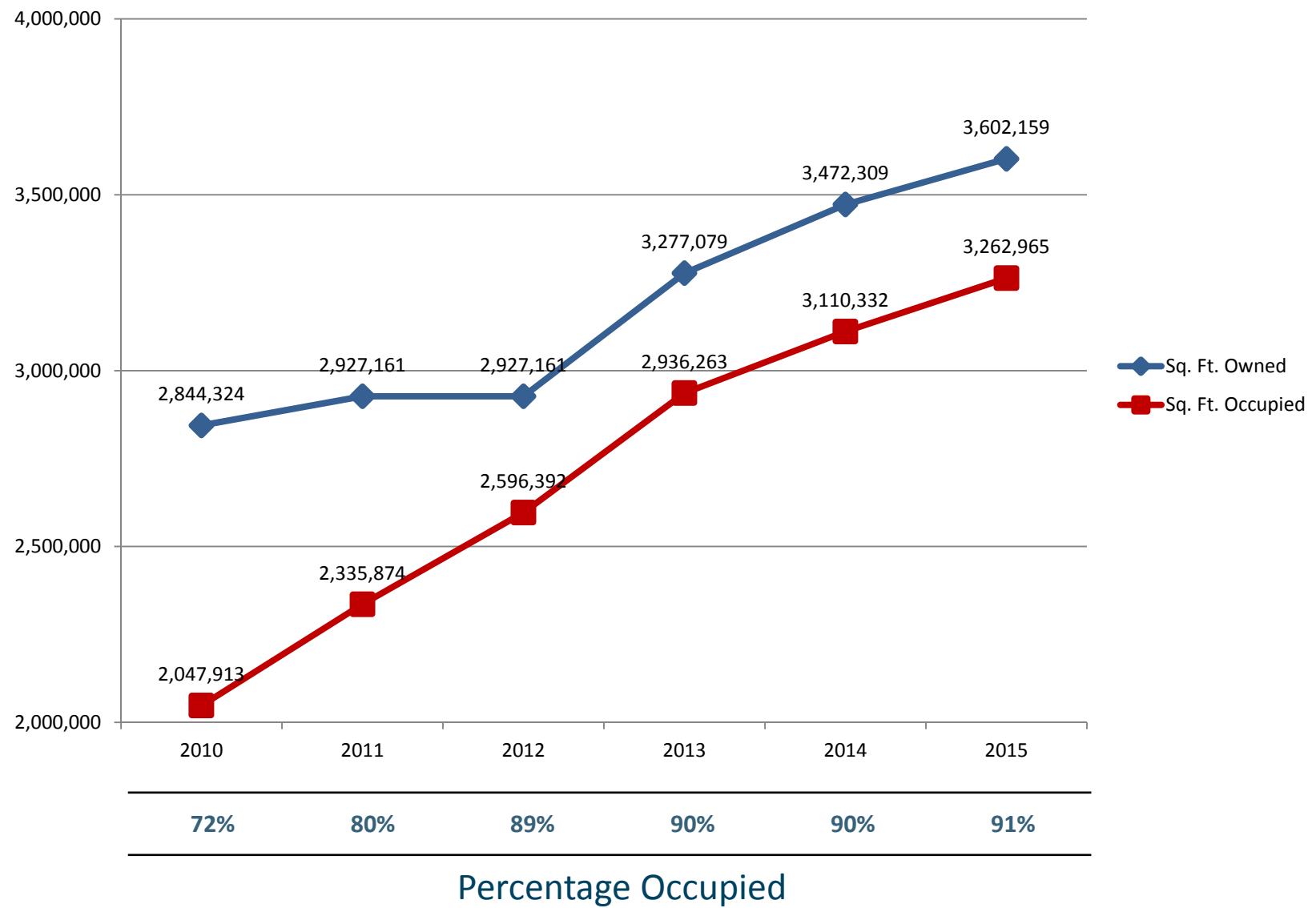
Location	2010 Acreage	2010 s.f.	2015 Acreage	2015 s.f.	Notes
Lakeside, MD (Remainder)	20	266,530	20	266,530	Ready for vertical construction
Windlass Run Business Park, MD (Commercial Remainder)	50	386,626	50	386,626	Negotiations for joint venture for single story office development of 329,000 sf ongoing
Patriot Business Center, Manassas, VA	69	571,150	24	198,150	Ready for vertical construction
Hollander 95 Business Park, MD	42	425,750	38	345,750	80,000 s.f. under construction; remainder ready for vertical construction
Total	181	1,650,056	125	1,197,056	

Developed Lands

Location	2010 Acreage	2015 Acreage	Notes
RiverFront on the Anacostia (1M s. f. mixed use)	6	6	Phase I under construction; Phase II in predevelopment
Brooksville Quarry JV (Residential/mixed use)	4,280	4,280	Master development plan approved
Hampstead Trade Center, MD (Industrial Park)	117	117	Residential studies ongoing
Gulf Hammock Levy County FL (Residential/Recreation)	1,879	1,600	Listed for sale
Windlass Residential Phases I & II	121	0	Sold to Beazer Homes
Caroline County, VA	1,844	0	Excess mining property, sold
Commonwealth Avenue	50	0	Excess land, sold
Total	8,297	6,077	

Building Platform

Square Feet Owned – Tenant Occupancy



Patriot Business Park - 2010

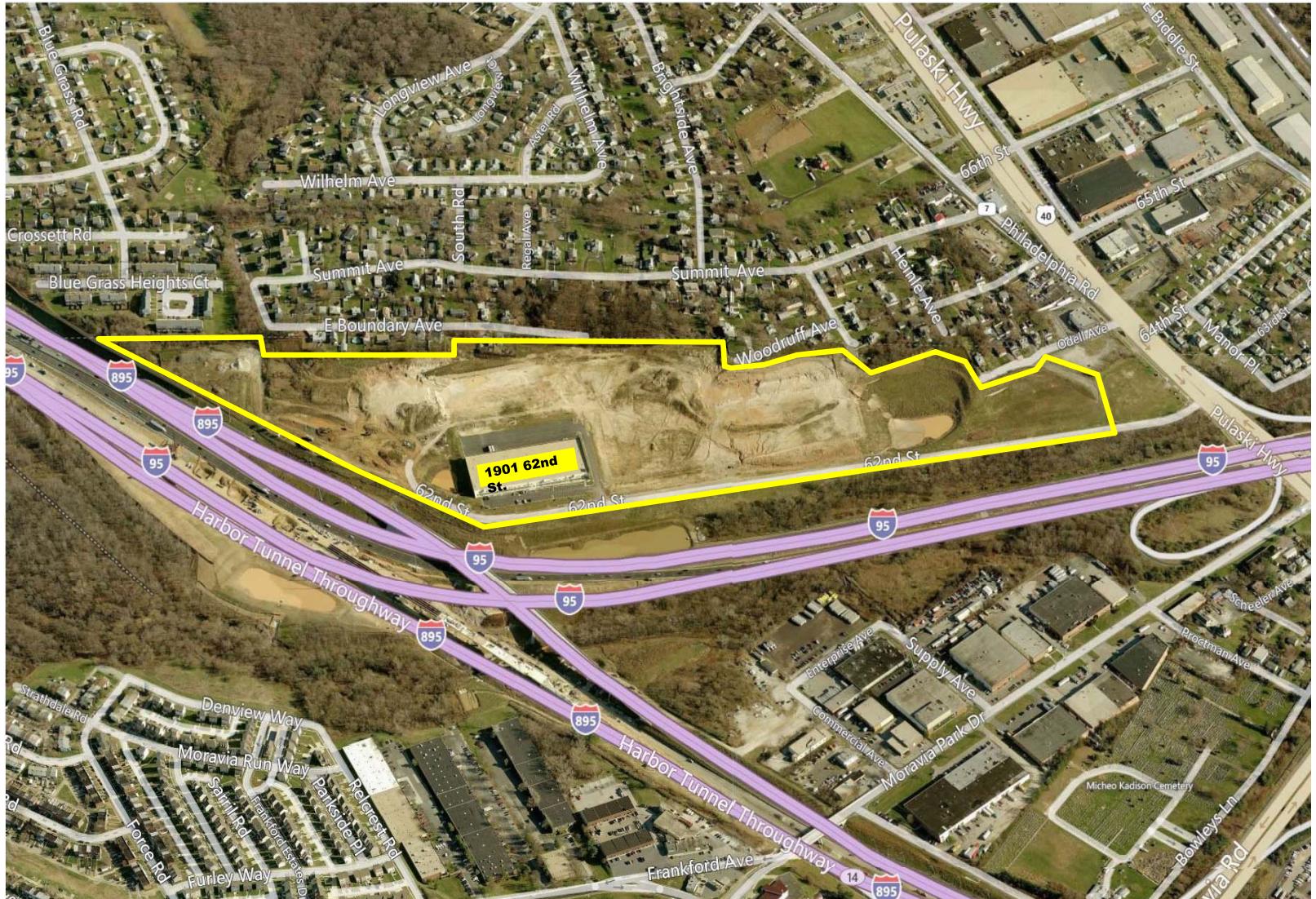


Patriot Business Park - 2015



Hollander Business Park

42 Acres 2011

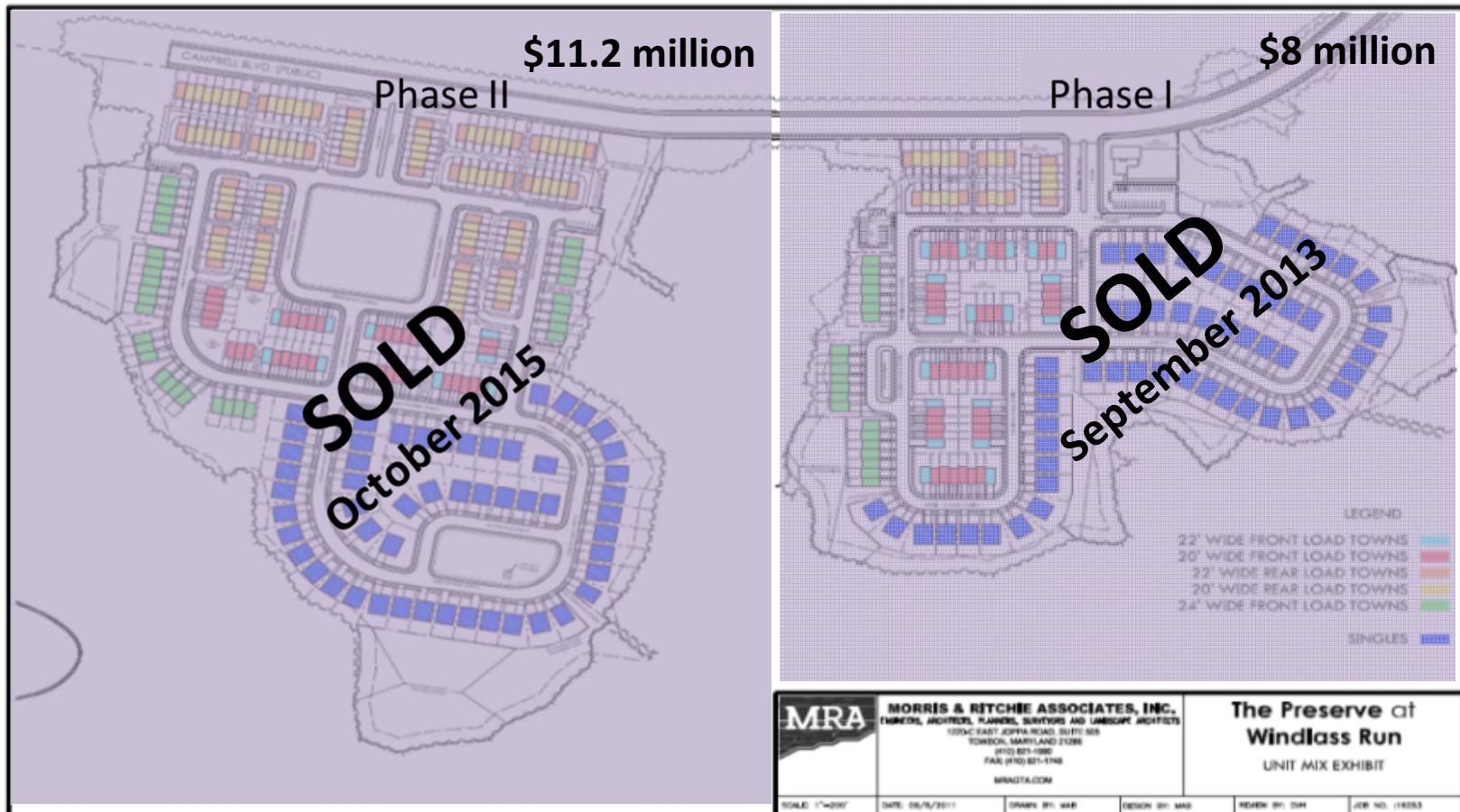


Hollander Business Park

December 2015



Windlass Run Residential



Transit Business Park

Acquired using proceeds from Windlass Run Phase I

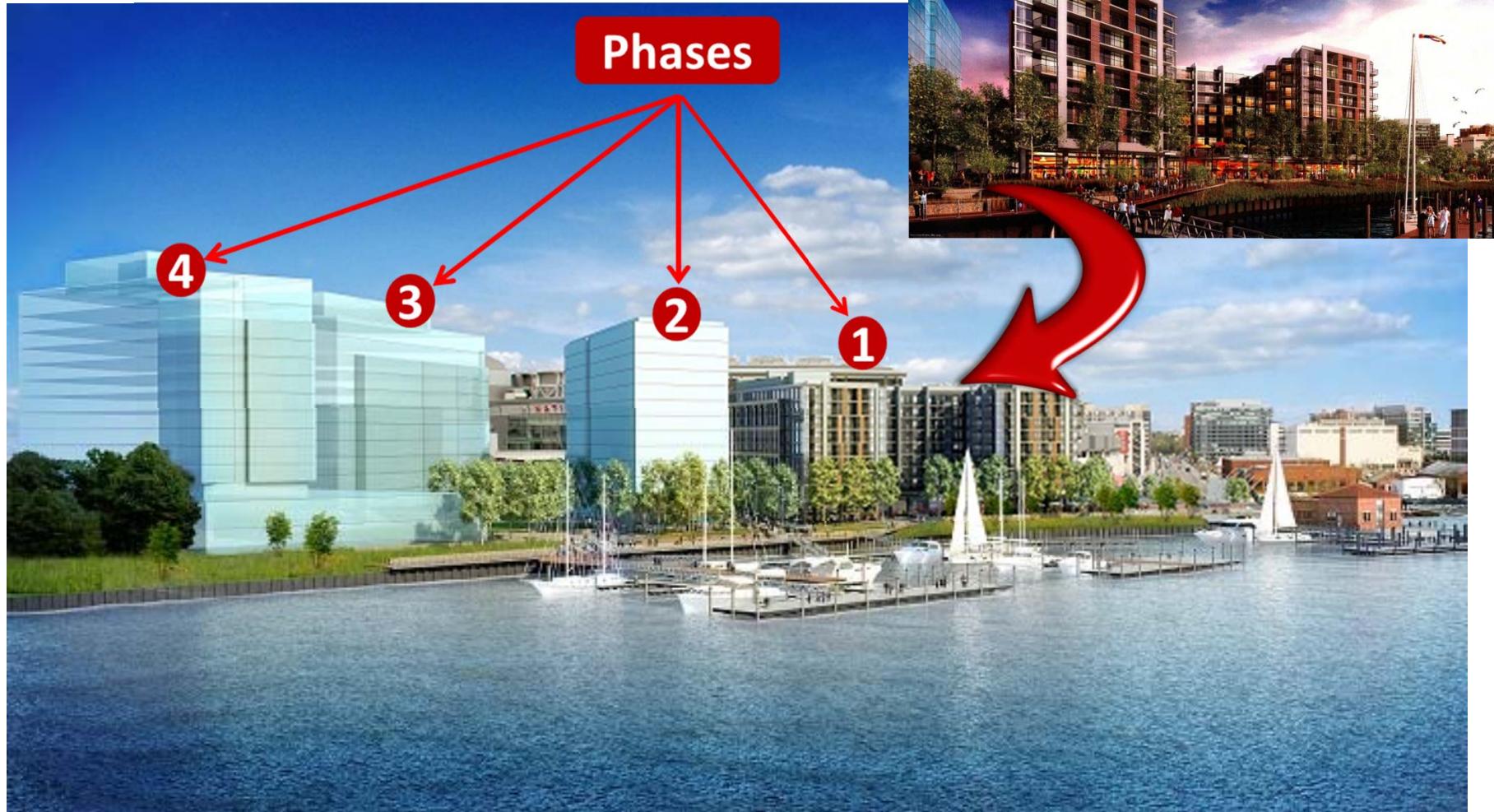


Port Capital Center

Acquired using proceeds from Windlass Run Phase II



RiverFront on the Anacostia



RiverFront On The Anacostia

Dock '79

Phase I – Conceptual Drawing



RiverFront On The Anacostia

Commencement of Construction

Phase I – October 2014



RiverFront On The Anacostia

Dock '79

Phase I – September 2015



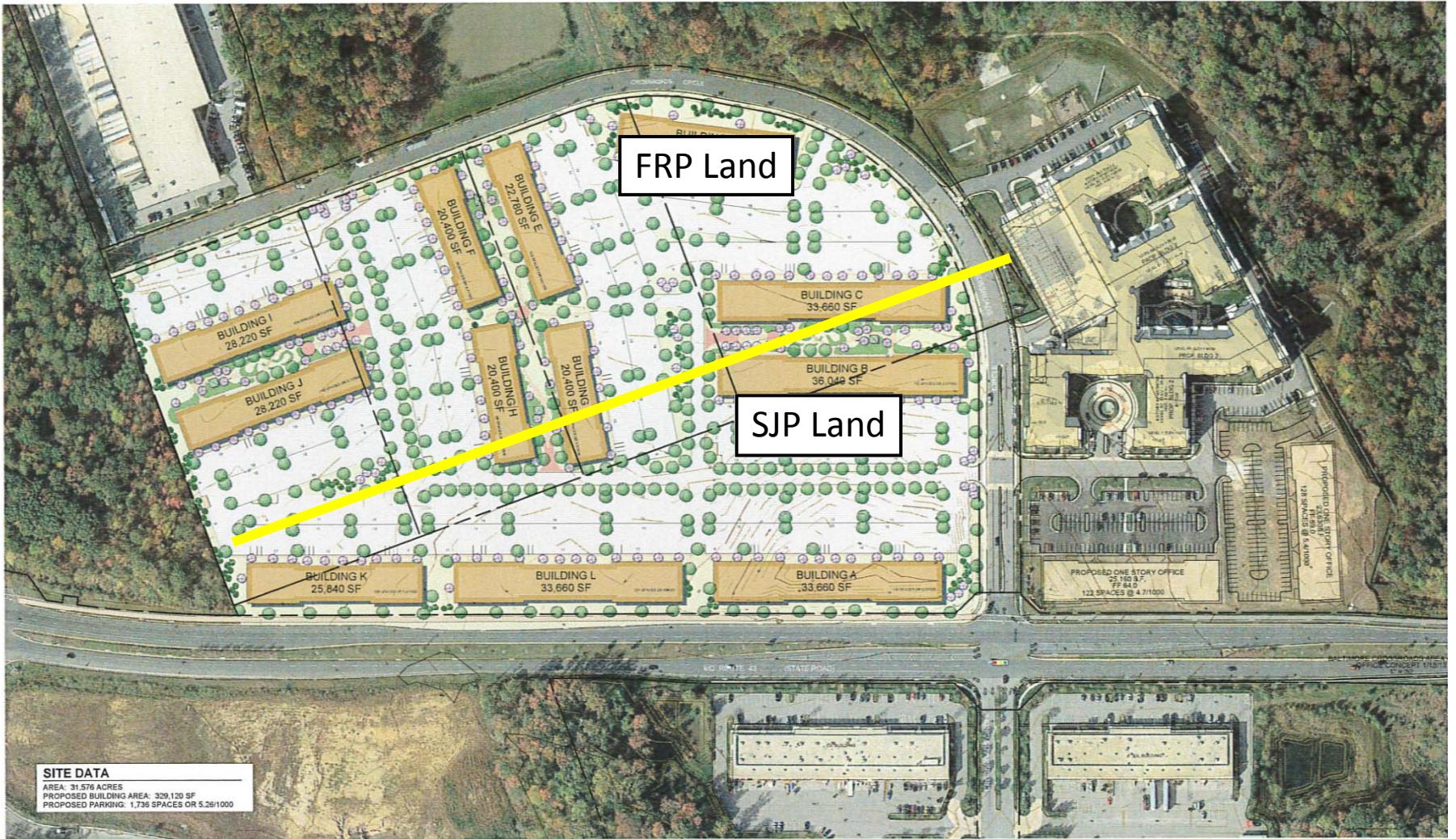
RiverFront On The Anacostia

Dock '79
Phase I – December 2015



St. John Joint Venture

Preliminary Site Plan



St. John Joint Venture

Typical Office Building



Highlights of Q1 2016 Land Development and Construction and Asset Management

- Settled on Phase II of Windlass Residential in October for \$11.3M.
- Purchased Port Capital Drive for \$9,900,000, a 91,218 square feet Warehouse/Office facility with proceeds of Windlass Phase II sale utilizing 1031 tax deferral. The building is 100% occupied.
- Developed Building Platform occupancy levels increased from 90.6% at 9/30/15 to 91.1% at 12/31/15.
- Increased Building Platform by 2.5% to 3,693,577 SF.

Highlights of Q1 2016 Mining and Royalty

- Mining sales volumes increased by 366,000 tons, up 29.0% over the 1st quarter of last year
- Royalty revenues were \$1,638,000, up \$318,000 or 24.1% over the 1st quarter of last year
- Segment operating profit was \$1,470,000, up \$588,000 or 66.7%, over the 1st quarter of last year
- In anticipation of permit issuance in the 2nd quarter, we recorded the required conservation easement over lands at our Ft. Myers location

Officers and Directors

Officers

John D. Baker, II

Executive Chairman

Thompson S. Baker, II

Chief Executive Officer

John D. Milton, Jr.

Executive Vice President, Treasurer, Secretary and Chief Financial Officer

David H. deVilliers, Jr.

President

President, FRP Development Corp. and Florida Rock Properties, Inc.

John D. Klopfenstein

Controller and Chief Accounting Officer

Directors

Thompson S. Baker, II

Chief Executive Officer of the Company

John D. Baker, II

Executive Chairman

Charles E. Commander III

Retired Partner

Foley & Lardner

H. W. Shad, III

Owner, Bozard Ford Company

Martin E. Stein, Jr.

Chairman and Chief Executive Officer of Regency Centers Corporation

James H. Winston

President of LPMC of Jax, Inc. and Citadel Life & Health Insurance Group LLC

William H. Walton

President of Rockpoint Group LLC

