

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

FORM 10-Q

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

For the quarterly period ended December 31, 2007

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 number: 33-26115

PATRIOT TRANSPORTATION HOLDING, INC.

(Exact name of registrant as specified in its charter)

Florida
(State or other jurisdiction of
incorporation or organization)

59-2924957
(I.R.S. Employer
Identification No.)

**1801 Art Museum Drive,
Jacksonville, FL**
(Address of principal executive
offices)

32207
(Zip Code)

904-396-5733
(Registrant's telephone number, including area code)

Indicate by check mark whether the 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 whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated filer [] Accelerated filer [x] Non-accelerated filer []

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes [] No [x]

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

<u>Class</u>
Common Stock, \$.10 par value per share

<u>Outstanding at December 31, 2007</u>
3,059,808 shares

PATRIOT TRANSPORTATION HOLDING, INC.
FORM 10-Q
QUARTER ENDED DECEMBER 31, 2007

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Preliminary Note Regarding Forward-Looking Statements.

Certain matters discussed in this report contain forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially from those indicated by such forward-looking statements.

These forward-looking statements relate to, among other things, capital expenditures, liquidity, capital resources and competition and may be indicated by words or phrases such as "anticipate", "estimate", "plans", "projects", "continuing", "ongoing", "expects", "management believes", "the Company believes", "the Company intends" and similar words or phrases. The following factors and others discussed in the Company's periodic reports and filings with the Securities and Exchange Commission are among the principal factors that could cause actual results to differ materially from the forward-looking statements: freight demand for petroleum products including recessionary and terrorist impacts on travel in the Company's markets; levels of construction activity in the markets served by our mining properties and our flatbed trucking subsidiary; fuel costs; accident severity and frequency; risk insurance markets; driver availability and cost; the impact of future regulations regarding the transportation industry; availability and terms of financing; competition; interest rates, inflation and general economic conditions; demand for flexible warehouse/office facilities in the Baltimore/Washington area; and ability to obtain zoning and entitlements necessary for property development. However, this list is not a complete statement of all potential risks or uncertainties.

These forward-looking statements are made as of the date hereof based on management's current expectations, and the Company does not undertake an obligation to update such statements, whether as a result of new information, future events or otherwise. Additional information regarding these and other risk factors may be found in the Company's other filings made from time to time with the Securities and Exchange Commission.

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS
PATRIOT TRANSPORTATION HOLDING, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(Unaudited) (In thousands, except share data)	December 31, <u>2007</u>	September 30, <u>2007</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 24,732	26,944
Accounts receivable (including related party of \$454 and \$308 and net of allowance for doubtful accounts of \$214 and \$207, respectively)	10,250	10,983
Inventory of parts and supplies	802	743
Deferred income taxes	1,877	455
Prepaid tires on equipment	2,045	2,028
Prepaid taxes and licenses	1,189	1,652
Prepaid insurance	1,715	1,601
Prepaid expenses, other	85	80
Total current assets	<u>42,695</u>	<u>44,486</u>
Property, plant and equipment, at cost	288,565	282,277
Less accumulated depreciation and depletion	<u>92,670</u>	<u>89,754</u>
Net property, plant and equipment	<u>195,895</u>	<u>192,523</u>
Real estate held for investment, at cost	1,274	1,274
Investment in joint venture	6,143	5,904
Goodwill	1,087	1,087
Unrealized rents	2,889	2,589
Other assets	<u>5,658</u>	<u>5,667</u>
Total assets	<u>\$255,641</u>	<u>253,530</u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 5,931	5,408
Federal and state income taxes payable	1,172	702
Accrued payroll and benefits	7,361	5,202
Accrued insurance reserves	4,239	4,119
Accrued liabilities, other	730	1,035
Long-term debt due within one year	<u>3,825</u>	<u>3,762</u>
Total current liabilities	<u>23,258</u>	<u>20,228</u>
Long-term debt	79,192	80,172
Deferred income taxes	15,846	15,274
Accrued insurance reserves	4,562	4,562
Other liabilities	1,582	2,833
Commitments and contingencies (Note 8)		
Shareholders' equity:		
Preferred stock, no par value;		
5,000,000 shares authorized; none issued	-	-
Common stock, \$.10 par value;		
25,000,000 shares authorized,		
3,059,808 and 3,051,064 shares issued		
and outstanding, respectively	306	305
Capital in excess of par value	32,705	32,154
Retained earnings	98,164	98,087
Accum. other comprehensive income (loss), net	<u>26</u>	<u>(85)</u>
Total shareholders' equity	<u>131,201</u>	<u>130,461</u>
Total liabilities and shareholders' equity	<u>\$255,641</u>	<u>253,530</u>
See accompanying notes.		

PATRIOT TRANSPORTATION HOLDING, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(In thousands except per share amounts)
(Unaudited)

	THREE MONTHS ENDED DECEMBER 31,	
	<u>2007</u>	<u>2006</u>
Revenues:		
Transportation	\$ 32,919	31,724
Real estate	<u>6,281</u>	<u>5,400</u>
Total revenues (including revenue from related parties of \$2,188 and \$2,062, respectively)	39,200	37,124
Cost of operations:		
Transportation	30,136	27,129
Real estate	<u>2,841</u>	<u>2,536</u>
Total cost of operations	32,977	29,665
Gross profit:		
Transportation	2,783	4,595
Real estate	<u>3,440</u>	<u>2,864</u>
Total gross profit	6,223	7,459
Selling, general and administrative expense (including expenses paid to a related party of \$36 and \$48, respectively) (see Note 10)	<u>5,387</u>	<u>3,058</u>
Operating profit	836	4,401
Interest income and other	326	32
Equity in loss of joint venture	(10)	-
Interest expense	<u>(1,380)</u>	<u>(891)</u>
(Loss) Income before income taxes	(228)	3,542
Provision for income taxes	<u>89</u>	<u>(1,382)</u>
Net (loss) income	\$ <u>(139)</u>	<u>2,160</u>
(Loss) earnings per common share:		
Basic	\$ (.05)	.72
Diluted	\$ (.05)	.69
Number of shares (in thousands) used in computing:		
-basic (loss) earnings per common share	3,042	2,997
-diluted (loss) earnings per common share	3,042	3,109

See accompanying notes.

PATRIOT TRANSPORTATION HOLDING, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED DECEMBER 31, 2007 AND 2006
(In thousands)
(Unaudited)

	<u>2007</u>	<u>2006</u>
Cash flows from operating activities:		
Net (loss) income	\$ (139)	2,160
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation, depletion and amortization	3,549	3,557
Deferred income taxes	(850)	24
Equity in loss of joint venture	10	-
Gain on sale of equipment and real estate	18	(461)
Stock-based compensation	378	190
Net changes in operating assets and liabilities:		
Accounts receivable	733	177
Inventory of parts and supplies	(59)	82
Prepaid expenses and other current assets	327	(1,352)
Other assets	(345)	(194)
Accounts payable and accrued liabilities	2,278	(999)
Income taxes payable	686	1,235
Long-term insurance reserves and other long-term liabilities	(1,251)	74
Net cash provided by operating activities	<u>5,335</u>	<u>4,493</u>
Cash flows from investing activities:		
Purchase of transportation group property and equipment	(2,751)	(3,922)
Purchase of real estate group property and equipment	(4,042)	(2,389)
Investment in joint venture	(250)	(3,118)
Proceeds from the sale of property, plant and equipment	20	531
Net cash used in investing activities	<u>(7,023)</u>	<u>(8,898)</u>
Cash flows from financing activities:		
Net increase in revolving debt	-	5,239
Repayment of long-term debt	(917)	(627)
Excess tax benefits from exercises of stock options and vesting of restricted stock	191	89
Exercise of employee stock options	202	126
Net cash (used in) provided by financing activities	<u>(524)</u>	<u>4,827</u>
Net (decrease) increase in cash and cash equivalents	(2,212)	422
Cash and cash equivalents at beginning of period	26,944	154
Cash and cash equivalents at end of the period	<u><u>\$24,732</u></u>	<u><u>576</u></u>

See accompanying notes.

PATRIOT TRANSPORTATION HOLDING, INC. AND SUBSIDIARIES
CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2007
(Unaudited)

(1) **Basis of Presentation.** The accompanying consolidated financial statements include the accounts of Patriot Transportation Holding, Inc. and its subsidiaries (the "Company"). Investment in the 50% owned Brooksville Joint Venture is accounted for under the equity method of accounting. These statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and the instructions to Form 10-Q and do not include all the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of management, all adjustments (primarily consisting of normal recurring accruals) considered necessary for a fair statement of the results for the interim periods have been included. Operating results for the three months ended December 31, 2007 are not necessarily indicative of the results that may be expected for the fiscal year ending September 30, 2008. The accompanying consolidated financial statements and the information included under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" should be read in conjunction with the Company's consolidated financial statements and related notes included in the Company's Form 10-K for the year ended September 30, 2007.

(2) **Recent Accounting Pronouncements.** In July 2006, the FASB issued FASB Interpretation No. 48 (FIN 48) "Accounting for Uncertainty in Income Taxes" which prescribes a recognition threshold and measurement process for recording in the financial statements uncertain tax positions taken or expected to be taken in a tax return. Additionally, FIN 48 provides guidance on derecognition, classification, accounting in interim periods and disclosure requirements for uncertain tax positions. The Company adopted the provisions of FIN 48 on October 1, 2007. As a result of the adoption of FIN 48, the Company recognized a \$216,000 reduction in the liability for unrecognized tax benefits, which was accounted for as an increase to retained earnings. As of October 1, the Company had a liability for unrecognized tax benefits of \$537,000, which is included in income taxes payable. If recognized, \$337,000 of unrecognized tax benefits would impact the Company's effective tax rate. Interest and penalties of \$200,000 has been reflected as a component of the total liability. It is the Company's policy to recognize as additional income tax expense the items of interest and penalties directly related to income taxes. For the three months ended December 31, 2007, there were no material changes to the total amount of unrecognized tax benefits. The Company does not expect any significant increases or decreases for uncertain tax positions during the next 12 months. The Company files income tax returns in the U.S. and various states which are subject to audit for up to five years after filing.

In September 2006, the FASB issued Statement No. 157, Fair Value Measurement (SFAS 157). The Statement defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles (GAAP), and expands disclosures about fair value measurements. This Statement is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. Management believes that the adoption of SFAS 157 will only require additional disclosure on the fair value of its goodwill, asset retirement obligations, and long-term mortgage notes payable and as such will not have a material impact on the consolidated financial results of the Company.

(3) **Business Segments.** The Company has identified two business segments, each of which is managed separately along product lines. The Company's operations are substantially in the Southeastern and Mid-Atlantic states.

The transportation segment hauls primarily petroleum related bulk liquids, dry bulk commodities and construction materials by motor carrier. The real estate segment owns real estate of which a substantial portion is under mining royalty agreements or leased. The real estate segment also holds certain other real estate for investment and develops commercial and industrial properties.

Operating results and certain other financial data for the Company's business segments are as follows (in thousands):

	Three Months ended December 31, _____	
	<u>2007</u>	<u>2006</u>
Revenues:		
Transportation	\$ 32,919	31,724
Real estate	<u>6,281</u>	<u>5,400</u>
	\$ <u>39,200</u>	<u>37,124</u>
Operating profit		
Transportation	\$ 646	2,412
Real estate	3,440	2,864
Corporate expenses	<u>(3,250)</u>	<u>(875)</u>
	\$ <u>836</u>	<u>4,401</u>

Identifiable assets	December 31, <u>2007</u>	September 30, <u>2007</u>
Transportation	\$ 55,578	56,101
Real estate	171,984	168,587
Cash items	24,732	26,944
Unallocated corporate assets	<u>3,347</u>	<u>1,898</u>
	\$ <u>255,641</u>	<u>253,530</u>

(4) **Long-Term debt.** Long-term debt is summarized as follows (in thousands) :

	December 31, <u>2007</u>	September 30, <u>2007</u>
5.6% to 8.6% mortgage notes		
due in installments through 2027	83,017	83,934
Less portion due within one year	<u>3,825</u>	<u>3,762</u>
	\$ <u>79,192</u>	<u>80,172</u>

The Company has a \$37,000,000 uncollateralized Revolving Credit Agreement (the Revolver) with four banks which is scheduled to terminate on December 31, 2009. The Revolver currently bears interest at a rate of 1.25% over the selected LIBOR and may change quarterly based on the Company's ratio of Consolidated Total Debt to Consolidated Total Capital, as defined in the Revolver. A commitment fee of 0.2% per annum is payable quarterly on the unused portion of the commitment. The commitment fee may also change quarterly based upon the ratio described above. The Revolver contains restrictive covenants including limitations on paying cash dividends. Under these restrictions, as of December 31, 2007, approximately \$19,500,000 was available for borrowing. The Company is in compliance with all restrictive covenants as of December 31, 2007. No amounts were outstanding as of December 31 and September 30, 2007.

(5) **Related Party Transactions.** The Company was a related party to Florida Rock Industries, Inc. (FRI) because four of the Company's directors also served until November 16, 2007, as directors of FRI and such directors owned approximately 24% of the stock of FRI and 47% of the stock of the Company. The Company derived 5.4% of its consolidated revenue from FRI in fiscal 2007. FRI merged with Vulcan Materials Company ("Vulcan") in November 2007.

The Company, through its transportation subsidiaries, hauls commodities by tank and flatbed trucks for the Florida Rock Division of Vulcan. Charges for these services are based on prevailing market prices. The real estate subsidiaries leased certain construction aggregates mining and other properties to Vulcan. Vulcan currently continues to operate under the same mining royalty agreements and leases. The Company also outsourced certain administrative functions to Vulcan. The cost of these administrative functions was \$36,000 and \$48,000 for the three months ended December 31, 2007 and 2006, respectively.

On October 4, 2006, a subsidiary of the Company (FRP) entered into a Joint Venture Agreement with Florida Rock Industries, Inc. (now Vulcan) to form Brooksville Quarry, LLC, a real estate joint venture to develop approximately 4,300 acres of land near Brooksville, Florida. The venture is jointly controlled by Vulcan and FRP, and they each have a mandatory obligation to fund additional capital contributions of up to \$2 million. Capital contributions of \$750,000 have been made by each party as of December 31, 2007. Distributions will be made on a 50-50 basis except for royalties and depletion

specifically allocated to FRP. Other income for the three months ended December 31, 2007 includes a loss of \$10,000 representing the Company's equity in the loss of the joint venture.

(6) **Earnings (loss) per common share.** The following details the computations of the basic and diluted earnings (loss) per common share (in thousands, except per share amounts):

	THREE MONTHS ENDED DECEMBER 31,	
	<u>2007</u>	<u>2006</u>
Weighted average common shares outstanding during the period - shares used for basic earnings (loss) per share	3,042	2,997
Common shares issuable under share based payment plans which are potentially dilutive	<u>-</u>	<u>112</u>
Common shares used for diluted earnings (loss) per share	<u>3,042</u>	<u>3,109</u>
Net (loss) income	\$ <u>(139)</u>	<u>2,160</u>
Earnings(loss) per common share		
Basic	\$ <u>(.05)</u>	<u>.72</u>
Diluted	\$ <u>(.05)</u>	<u>.69</u>

For the three months ended December 31, 2007 a total of 108,000 shares underlying potentially dilutive outstanding stock options and restricted shares were not included in the calculation of diluted earnings per share because such amounts would have been anti-dilutive. For the three months ended December 31, 2006, all outstanding stock options were included in the calculation of diluted earnings per common share because the sum of the hypothetical amount of future proceeds from the exercise price, unrecorded compensation, and tax benefits to be credited to capital in excess of par for all grants of stock options were lower than the average price of the common shares, and therefore were dilutive. For the three months ended December 31, 2006, all outstanding restricted shares were included in the calculation of diluted earnings per common share because the unrecorded compensation and tax benefits to be credited to capital in excess of par for all awards of restricted stock were lower than the average price of the common shares, and therefore were dilutive.

(7) **Stock-Based Compensation Plans.** As more fully described in Note 7 to the Company's notes to the consolidated financial statements in the Company's Annual Report on Form 10-K for the year ended September 30, 2007, the Company's stock-based compensation plans permit the grant of stock options, stock appreciation rights, restricted stock awards, restricted stock units, of stock awards. The number of common shares available for future issuance was 276,400 at December 31, 2007.

The Company recorded the following stock compensation expense in its consolidated statement of income (in thousands):

	Three Months ended December 31,	
	<u>2007</u>	<u>2006</u>
Stock options issued prior to 123R adoption	\$ 105	131
Restricted stock awards granted in 2006	54	59
Modification to accelerate prior awards made in connection with CEO retirement	<u>219</u>	<u>-</u>
	378	190
Deferred income tax benefit	147	73
Stock compensation net of tax expense	<u>\$ 231</u>	<u>117</u>

A summary of changes in outstanding options is presented below (in thousands, except per share amounts):

<u>Options</u>	<u>Number Of Shares</u>	<u>Weighted Average Exercise Price</u>	<u>Weighted Average Remaining Term (yrs)</u>	<u>Weighted Average Grant Date Fair Value</u>
Outstanding at September 30, 2007	266,611	\$31.42	5.9	
Granted	0	\$ 0		\$ 0
Exercised	8,744	\$22.98		\$ 105
Forfeited	<u>0</u>	\$ 0		
Outstanding at December 31, 2007	257,867	\$31.70	5.6	\$ 4,116
Exercisable at December 31, 2007	229,467	\$30.41	5.5	\$ 3,554
Vested during three months ended December 31, 2007	35,500			\$ 510

The aggregate intrinsic value of exercisable in-the-money options was \$14,466,000 and the aggregate intrinsic value of all outstanding options was \$15,923,000 based on the market closing price of \$93.45 on December 31, 2007 less exercise prices. Gains of \$604,000 were realized by option holders during the three months ended December 31, 2007. The realized tax benefit from options exercised for the three months ended December 31, 2007 was \$232,000. Total compensation cost of options granted but not yet vested as of December 31, 2007 was \$347,000, which is expected to be recognized over a weighted-average period of 1.9 years. The first quarter of fiscal 2008 includes stock compensation expense of \$183,000 related to the modification to accelerate the vesting of 4,000 shares in connection with the retirement benefits for John E. Anderson, the Company's President and CEO, whose retirement is effective February 6, 2008.

A summary of changes in restricted stock awards is presented below (in thousands, except per share amounts):

<u>Number Of</u>	<u>Weighted Average Grant</u>	<u>Weighted Average Remaining</u>	<u>Weighted Average Grant Date</u>
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<u>Restricted Stock</u>	<u>Shares</u>	<u>Price</u>	<u>Term (yrs)</u>	<u>Fair Value</u>
Outstanding at				
September 30, 2007	10,800	\$63.65	2.3	
Granted	0			\$ 0
Vested	0			\$ 0
Forfeited	<u>0</u>			
Outstanding at				
December 31, 2007	10,800	\$63.65	2.0	\$ 687

Total compensation cost of restricted stock granted but not yet vested as of December 31, 2007 was \$396,000 which is expected to be recognized over a weighted-average period of 2.0 years. The first quarter of fiscal 2008 includes stock compensation expense of \$36,000 related to the modification to accelerate the vesting of 400 shares in connection with retirement benefits for John E. Anderson, the Company's President and CEO, whose retirement is effective February 6, 2008.

(8) **Contingent liabilities.** Certain of the Company's subsidiaries are involved in litigation on a number of matters and are subject to certain claims which arise in the normal course of business. The Company has retained certain self-insurance risks with respect to losses for third party liability and property damage. In the opinion of management none of these matters are expected to have a material adverse effect on the Company's consolidated financial condition, results of operations or cash flows.

(9) **Customer Concentration.** The transportation segment primarily serves customers in the petroleum and building and construction industries. Petroleum customers accounted for approximately 72% and building and construction customers accounted for approximately 28% of transportation segment revenues for the three months ended December 31, 2007.

During the first three months of fiscal 2008, the transportation segment's ten largest customers accounted for approximately 53.9% of the transportation segment's revenue. One of these customers accounted for 15.2% of the transportation segment's revenue. The loss of any one of these customers would have an adverse effect on the Company's revenues and income. Accounts receivable from the transportation segment's ten largest customers was \$3,851,000 and \$4,766,000 at December 31, 2007 and 2006 respectively.

(10) **CEO Retirement.** On December 5, 2007, John E. Anderson, age 62, announced his retirement as the Company's President and Chief Executive Officer effective February 6, 2008. Mr. Anderson will continue to serve on the Company's Board of Directors. Also on December 5, 2007, the board of directors approved certain retirement benefits to Mr. Anderson in recognition of his years of service to the Company. Upon Mr. Anderson's retirement, the Company will pay him approximately \$4,700,000 for his accrued benefit under the Management Security Plan, the fair value of his outstanding stock options and

restricted stock and an additional bonus. The Company expects that the total impact of these payments on the Company's earnings for fiscal 2008 to be approximately \$2,371,000 before taxes which is included in selling, general, and administrative expense. On December 5, 2007, the Company's Board of Directors appointed John D. Baker II to succeed Mr. Anderson as President and Chief Executive Officer.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview - The Company has two business segments: transportation and real estate.

The Company's transportation business is conducted through two wholly owned subsidiaries, Florida Rock & Tank Lines, Inc. ("Tank Lines"), and SunBelt Transport, Inc. ("SunBelt"). Tank Lines is a Southeastern U.S. based transportation company concentrating in the hauling of primarily petroleum related bulk liquids and dry bulk commodities by tank trailers. SunBelt serves the flatbed portion of the trucking industry primarily in the Southeastern U.S., hauling mainly construction materials.

The Company's real estate activities are conducted through two wholly owned subsidiaries. Florida Rock Properties, Inc. ("Properties") and FRP Development Corp. ("Development"). Properties owns a number of mining and other properties that are leased to Vulcan Materials Company ("Vulcan"). Properties also owns certain other real estate for investment. Development owns, manages and develops commercial warehouse/office rental properties in the Mid-Atlantic United States.

The Company's operations are influenced by a number of external and internal factors. External factors include levels of economic and industrial activity in the United States and the Southeast, driver availability and cost, regulations regarding driver qualifications and hours of service, petroleum product usage in the Southeast which is driven in part by tourism and commercial aviation, fuel costs, construction activity in the Southeast, Vulcan's sales from the Company's mining properties, interest rates, market conditions and attendant prices for casualty insurance, demand for commercial warehouse space in the Mid-Atlantic area, and ability to obtain zoning and entitlements necessary for property development. Internal factors include revenue mix, capacity utilization, auto and workers' compensation accident frequencies and severity, other operating factors, administrative costs, group health claims experience, and construction costs of new projects. Financial results of the Company for any individual quarter are not necessarily indicative of results to be expected for the year.

**Comparative Results of Operations for the Three Months Ended
December 31, 2007 and 2006**

Consolidated Results. - Net loss for the first quarter of fiscal 2008 was \$139,000, a decrease of \$2,299,000 compared to net income of \$2,160,000 for the same period last year. Diluted earnings per common share for the first quarter of fiscal 2008 were (\$0.05) compared to \$0.69 in the first quarter of fiscal 2007. Net income for the first quarter of fiscal 2008 was adversely impacted by the accrual of retirement benefits of \$1,460,000, net of income tax benefits, for the Company's President and CEO, whose retirement is effective February 6, 2008. The transportation segment was negatively impacted in the first quarter of fiscal 2008 from continuing adverse demand, fuel expense and operating disruptions for the flatbed trucking operations. The first quarter of fiscal 2007 benefited from gains on equipment sales and prior period insurance recoveries.

Transportation Results

(dollars in thousands)	Three Months Ended December 31			
	<u>2007</u>	<u>%</u>	<u>2006</u>	<u>%</u>
Transportation revenue	\$ 27,762	84%	27,889	88%
Fuel surcharges	<u>5,157</u>	<u>16%</u>	<u>3,835</u>	<u>12%</u>
Revenues	32,919	100%	31,724	100%
Compensation and benefits	12,624	38%	12,104	38%
Fuel expenses	8,346	26%	6,744	21%
Insurance and losses	3,273	10%	2,875	9%
Depreciation expense	2,221	7%	2,283	7%
Other, net	<u>3,672</u>	<u>11%</u>	<u>3,123</u>	<u>10%</u>
Cost of operations	<u>30,136</u>	<u>92%</u>	<u>27,129</u>	<u>85%</u>
Gross profit	<u>\$ 2,783</u>	<u>8%</u>	<u>4,595</u>	<u>15%</u>

Transportation segment revenues were \$32,919,000 in the first quarter of 2008 an increase of \$1,195,000 over the same quarter last year. Excluding fuel surcharges, revenue per mile increased 2.7% over the same quarter last year. Decreased construction material freight demand and pricing softness from the downturn in housing pushed revenues down in the flatbed operation compared to the same quarter last year. Revenue miles in the current quarter were down 3.1% compared to the first quarter of 2007 from reduced loads in the flatbed portion of the transportation segment.

The Transportation segment's cost of operations in the first quarter of 2008 increased as a percentage of revenue compared to the same quarter last year. Average fuel cost per gallon in the first quarter of 2008 increased 31% over the same period last year. This resulted in an increase in fuel cost of \$280,000 in excess of the increase in fuel surcharge revenue in the flatbed portion. Insurance and losses increased due to \$357,000 of prior period recoveries in the same quarter last year. Other expense increased \$455,000 due to higher gains on equipment sales the same quarter last year along with an increase of \$156,000 in vehicle tires and maintenance.

Real Estate Results

(dollars in thousands)	Three Months Ended December 31			
	<u>2007</u>	<u>%</u>	<u>2006</u>	<u>%</u>
Royalties and rent	\$ 1,976	31%	1,602	30%
Developed property rentals	<u>4,305</u>	<u>69%</u>	<u>3,798</u>	<u>70%</u>
Total Revenue	6,281	100%	5,400	100%
Mining and land rent expenses	565	9%	396	7%
Developed property expenses	<u>2,276</u>	<u>36%</u>	<u>2,140</u>	<u>40%</u>
Cost of Operations	<u>2,841</u>	<u>45%</u>	<u>2,536</u>	<u>47%</u>
Gross profit	<u>\$ 3,440</u>	<u>55%</u>	<u>2,864</u>	<u>53%</u>

Real Estate segment revenues for the first quarter of fiscal 2008 were \$6,281,000, an increase of \$881,000 or 16.3% over the same quarter last year. Lease revenue from developed properties increased \$507,000 or 13.3%, due to an increase in occupied square footage along with higher rental rates on new leases. Royalties and rent increased \$374,000 or 23.3% despite reduced tons mined because of an increase of \$311,000 in revenues from timber harvesting and increases in minimum rent requirements effective in August 2007 and October 2007 pursuant to terms contained in several mining leases.

Real estate segment expenses increased \$305,000 to \$2,841,000 during the first quarter of fiscal 2008 compared to \$2,536,000 for the same quarter last year. Expenses related to developed properties increased as a result of new building additions, increased staffing and professional fees to facilitate continuing portfolio expansion.

Consolidated Results

Gross Profit - Consolidated gross profit was \$6,223,000 in the first quarter of fiscal 2008, a decrease of \$1,236,000 or 16.6% compared to \$7,459,000 in the same period last year. Gross profit in the transportation segment decreased \$1,812,000 or 39.4% due to the increase in cost of operations along with decreased freight demand, resulting in reduced revenue miles and lower pricing in the flatbed portion. Gross profit in the real estate segment increased \$576,000 or 20.1% from the first quarter 2007, due to higher rental rates on new leases and \$311,000 increased gross profit from timber harvesting.

Selling, general and administrative expense - Selling, general and administrative expenses increased \$2,329,000 over the same quarter last year. The current year includes \$2,371,000 accrual of retirement benefits for the Company's President and Chief Executive Officer.

Interest expense - Interest expense increased \$489,000 over the same quarter last year due to lower capitalized interest and interest on new mortgage debt.

Income taxes - Income tax expense decreased \$1,471,000 over the same quarter last year due to reduced earnings.

Net income - Net loss for the first quarter of fiscal 2008 was \$139,000, a decrease of \$2,299,000 compared to net income of \$2,160,000 for the same period last year. Diluted earnings per common share for the first quarter of fiscal 2008 were (\$0.05) compared to \$0.69 in the first quarter of fiscal 2007. Net income for the first quarter of fiscal 2008 was adversely impacted by the accrual of retirement benefits of \$1,460,000, net of income tax benefits, for the Company's President and CEO, whose retirement is effective February 6, 2008. The transportation segment was negatively impacted in the first quarter of fiscal 2008 from continuing adverse demand, fuel expense and operating disruptions for the flatbed trucking operations. The first quarter of fiscal 2007 benefited from gains on equipment sales and prior period insurance recoveries.

Liquidity and Capital Resources. For the first three months of fiscal 2008, the Company used cash provided by operating activities of \$5,335,000 and cash balances to purchase \$6,793,000 in property and equipment, to invest \$250,000 in the Brooksville Joint Venture, and to make \$917,000 scheduled payments on long-term debt. Cash decreased \$2,212,000.

Cash flows from operating activities for the first three months of fiscal 2008 were \$842,000 higher than the same period last year primarily reflecting net changes in accounts payable due to the timing of payments in our payment cycle.

Cash flows used in investing activities for the first three months of fiscal 2008 were \$1,875,000 lower than the same period last year due to the initial investment in the Brooksville joint venture in fiscal 2007, fewer tractors purchased in fiscal 2008 and more real estate development in fiscal 2008.

Cash flows from financing activities for the first three months of fiscal 2008 were \$5,351,000 lower than the same period last year due to the reduced borrowings on the Revolver.

The Company has a \$37,000,000 revolving credit agreement (the Revolver) which had a zero balance as of December 31, 2007. The Revolver contains restrictive covenants including limitations on paying cash dividends. Under these restrictions, as of December 31, 2007, approximately \$19,500,000 was available for borrowing. The Revolver will expire on December 31, 2009.

On July 31, 2007, the Company borrowed \$36,000,000 from Prudential Insurance Company of America. The non-recourse mortgage loans fully amortize on a level term over 20 years and bear interest at a fixed rate of 5.74%. The loans are secured by seven developed properties with an aggregate net book value of \$31,074,000 at June 30, 2007. A portion of the proceeds were used to repay balances outstanding under

the Company's Revolver and the remaining proceeds will be used to fund new construction, purchase land for future development, and for general corporate purposes. Net interest expense for fiscal 2008 is expected to increase versus fiscal 2007 by approximately \$1,000,000 due to lower capitalized interest and interest rates on mortgage debt exceeding short-term cash investments.

The Company had \$17,222,000 of irrevocable letters of credit outstanding as of December 31, 2007. Most of the letters of credit are irrevocable for a period of one year and are automatically extended for additional one-year periods unless notified by the issuing bank not less than thirty days before the expiration date. Substantially all of these are issued for workers' compensation and liability insurance retentions. If these letters of credit are not extended, the Company will have to find alternative methods of collateralizing or funding these obligations.

The Board of Directors has authorized Management to repurchase shares of the Company's common stock from time to time as opportunities arise. As of December 31, 2007, \$3,490,000 was authorized to repurchase the Company's common stock. No shares were repurchased during the first three months of fiscal 2008. The Company does not currently pay any dividends on common stock.

The Company has committed to make additional capital contributions of up to \$1,250,000 to Brooksville Quarry, LLC in connection with a joint venture with Vulcan.

The Company will make cash payments of retirement benefits to John E. Anderson of \$4.7 million during the second quarter of fiscal 2008.

While the Company is affected by environmental regulations, such regulations are not expected to have a major effect on the Company's capital expenditures or operating results.

Recent Accounting Pronouncements. In July 2006, the FASB issued FASB Interpretation No. 48 (FIN 48) "Accounting for Uncertainty in Income Taxes" which prescribes a recognition threshold and measurement process for recording in the financial statements uncertain tax positions taken or expected to be taken in a tax return. Additionally, FIN 48 provides guidance on derecognition, classification, accounting in interim periods and disclosure requirements for uncertain tax positions. The Company adopted the provisions of FIN 48 on October 1, 2007. As a result of the adoption of FIN 48, the Company recognized a \$216,000 reduction in the net liability for unrecognized tax benefits, which was accounted for as an increase to retained earnings. As of October 1, the Company had a liability for unrecognized tax benefits of \$537,000, which is included in income taxes payable. If recognized, \$337,000 of unrecognized tax benefits would impact the Company's effective tax rate. Interest and penalties of \$200,000 has been reflected as a component of the total liability. It is the Company's policy to recognize as additional income tax expense the items of

interest and penalties directly related to income taxes. For the three months ended December 31, 2007, there were no material changes to the total amount of unrecognized tax benefits. The Company does not expect any significant increases or decreases for uncertain tax positions during the next 12 months. The Company files income tax returns in the U.S. and various states which are subject to audit for up to five years after filing.

In September 2006, the FASB issued Statement No. 157, Fair Value Measurement (SFAS 157). The Statement defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles (GAAP), and expands disclosures about fair value measurements. This Statement is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. Management believes that the adoption of SFAS 157 will only require additional disclosure on the fair value of its goodwill, asset retirement obligations, and long-term mortgage notes payable and as such will not have a material impact on the consolidated financial results of the Company.

Related Party Transactions. The Company was a related party to Florida Rock Industries, Inc. (FRI) because four of the Company's directors also served until November 16, 2007, as directors of FRI and such directors owned approximately 24% of the stock of FRI and 47% of the stock of the Company. The Company derived 5.4% of its consolidated revenue from FRI in fiscal 2007. FRI merged with Vulcan Materials Company ("Vulcan") in November 2007.

The Company, through its transportation subsidiaries, hauls commodities by tank and flatbed trucks for the Florida Rock Division of Vulcan. Charges for these services are based on prevailing market prices. The real estate subsidiaries leased certain construction aggregates mining and other properties to Vulcan. Vulcan currently continues to operate under the same mining royalty agreements and leases. The Company also outsourced certain administrative functions to Vulcan. The cost of these administrative functions was \$36,000 and \$48,000 for the three months ended December 31, 2007 and 2006, respectively.

On October 4, 2006, a subsidiary of the Company (FRP) entered into a Joint Venture Agreement with Florida Rock Industries, Inc. (now Vulcan) to form Brooksville Quarry, LLC, a real estate joint venture to develop approximately 4,300 acres of land near Brooksville, Florida. The venture is jointly controlled by Vulcan and FRP, and they each have a mandatory obligation to fund additional capital contributions of up to \$2 million. Capital contributions of \$750,000 have been made by each party as of December 31, 2007. Distributions will be made on a 50-50 basis except for royalties and depletion specifically allocated to FRP. Other income for the three months ended December 31, 2007 includes a loss of \$10,000 representing the Company's equity in the loss of the joint venture.

Summary and Outlook. The flatbed portion of the transportation segment continues to face severe industry over capacity and significant disruptions to profitability from poor freight demand, utilization disruption and pricing softness resulting from the housing downturn as well as high fuel expenses. This downturn is expected to continue to impact the operations of the flatbed portion of our transportation business throughout calendar 2008.

The Company's real estate development business has benefited from active inquiry from prospective tenants for its warehouse-office product and corresponding favorable occupancy rates. The Company also continues to explore opportunities for development of various properties. The Company expects to continue expanding its portfolio of warehouse-office products consistent with maintaining a watchful eye on national and regional economic health.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

The Company is exposed to market risk from changes in interest rates. For its cash and cash equivalents, a change in interest rates affects the amount of interest income that can be earned. For its debt instruments with variable interest rates, changes in interest rates affect the amount of interest expense incurred. The Company prepared a sensitivity analysis of its cash and cash equivalents to determine the impact of hypothetical changes in interest rates on the Company's results of operations and cash flows. The interest-rate analysis assumed a 50 basis point adverse change in interest rates on all cash and cash equivalents. However, the interest-rate analysis did not consider the effects of the reduced level of economic activity that could exist in such an environment. Based on this analysis, management has concluded that a 50 basis point adverse move in interest rates on the Company's cash and cash equivalents would have an immaterial impact on the Company's results of operations and cash flows.

ITEM 4. CONTROLS AND PROCEDURES

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Company's reports under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including the Company's Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), and Chief Accounting Officer ("CAO"), as appropriate, to allow timely decisions regarding required disclosure.

The Company also maintains a system of internal accounting controls over financial reporting that are designed to provide reasonable assurance to the Company's management and Board of Directors regarding the preparation and fair presentation of published financial statements.

All control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance of achieving the desired control objectives.

As of December 31, 2007, the Company, under the supervision and with the participation of the Company's management, including the CEO, CFO and CAO, carried out an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on this evaluation, the Company's CEO, CFO and CAO concluded that the Company's disclosure controls and procedures are effective in alerting them in a timely manner to material information required to be included in periodic SEC filings.

There have been no changes in the Company's internal controls over financial reporting during the first quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1A. RISK FACTORS

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended September 30, 2007, which could materially affect our business, financial condition or future results. The risks described in our Annual Report on Form 10-K are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

Item 6. EXHIBITS

- (a) Exhibits. The response to this item is submitted as a separate Section entitled "Exhibit Index", on page 24.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

February 5, 2008

PATRIOT TRANSPORTATION HOLDING, INC.

John E. Anderson

John E. Anderson
President and Chief Executive
Officer

Ray M. Van Landingham

Ray M. Van Landingham
Vice President, Treasurer,
Secretary and Chief
Financial Officer

John D. Klopfenstein

John D. Klopfenstein
Controller and Chief
Accounting Officer

PATRIOT TRANSPORTATION HOLDING, INC.
FORM 10-Q FOR THE QUARTER ENDED DECEMBER 31, 2007
EXHIBIT INDEX

- (10)(k) Joint Venture Agreement between Florida Rock Industries, Inc. and Florida Rock Properties, incorporated by reference to an exhibit filed with Form 10-K for the fiscal year ended September 30, 2006. File No. 33-26115.
- (10)(l) Letter Agreement between the Company and John E. Anderson, filed herewith.
- (10)(m) Letter Agreement between the Company and David H. deVilliers, Jr., filed herewith.
- (10)(n) Letter Agreement between the Company and Robert E. Sandlin, filed herewith.
- (10)(o) Letter Agreement between the Company and Terry S. Phipps, filed herewith.
- (10)(p) Letter Agreement between the Company and John D. Klopfenstein, filed herewith.
- (14) Financial Code of Ethical Conduct between the Company, Chief Executive Officers and Financial Managers, as revised on January 28, 2004, which is available on the Company's website at www.patriottrans.com.
- (31)(a) Certification of John E. Anderson.
- (31)(b) Certification of Ray M. Van Landingham.
- (31)(c) Certification of John D. Klopfenstein.
- (32) Certification of Chief Executive Officer, Chief Financial Officer, and Chief Accounting Officer under Section 906 of the Sarbanes-Oxley Act of 2002.

I, John E. Anderson, certify that:

1. I have reviewed this report on Form 10-Q of Patriot Transportation Holding, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls to be designed under our supervision, ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosures controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial report; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 5, 2008

/s/John E. Anderson
President and Chief Executive
Officer

I, Ray M. Van Landingham, certify that:

1. I have reviewed this report on Form 10-Q of Patriot Transportation Holding, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls to be designed under our supervision, ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosures controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial report; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 5, 2008

/s/Ray M. Van Landingham
Vice President, Treasurer,
Secretary and Chief Financial Officer

I, John D. Klopfenstein, certify that:

1. I have reviewed this report on Form 10-Q of Patriot Transportation Holding, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls to be designed under our supervision, ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosures controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial report; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 5, 2008

/s/John D. Klopfenstein
Controller and Chief Accounting
Officer

CERTIFICATION UNDER SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, each of the undersigned certifies that this periodic report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in this periodic report fairly presents, in all material respects, the financial condition and results of operations of Patriot Transportation Holding, Inc.

February 5, 2008

PATRIOT TRANSPORTATION HOLDING, INC.

JOHN E. ANDERSON

John E. Anderson
President and Chief Executive
Officer

RAY M. VAN LANDINGHAM

Ray M. Van Landingham
Vice President, Treasurer,
Secretary and Chief
Financial Officer

JOHN D. KLOPFENSTEIN

John D. Klopfenstein
Controller and Chief
Accounting Officer

A signed original of this written statement required by Section 906 has been provided to Patriot Transportation Holding, Inc. and will be retained by Patriot Transportation Holding, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification accompanies the issuer's Quarterly report on Form 10-Q and is not filed as provided in SEC Release Nos. 33-8212, 34-4751 and IC-25967, dated June 30, 2003.