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, 2010

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.)
501 Riverside Ave., Ste 500, Jacksonville, FL (Address of principal executive offices)	**32202** (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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes [ ] No [ ]

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

Large accelerated filer [ ]	Accelerated filer [x]
Non-accelerated filer [ ]	Smaller reporting company [ ]

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.

Class	Outstanding at December 31, 2010
Common Stock, $.10 par value per share	9,262,728 shares (adjusted for 3-for-1 stock split)

PATRIOT TRANSPORTATION HOLDING, INC.
FORM 10-Q
QUARTER ENDED DECEMBER 31, 2010

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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; fuel costs and the Company's ability to recover fuel surcharges; 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 in our markets; interest rates, inflation and general economic conditions; demand for flexible warehouse/office facilities in the Baltimore-Washington-Northern Virginia 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, 2010	September 30, 2010
Assets		
Current assets:		
Cash and cash equivalents	$ 15,419	17,151
Accounts receivable (net of allowance for doubtful accounts of $99 and $83, respectively)	6,479	5,940
Federal and state income taxes receivable	519	930
Notes receivable	1,259	1,238
Inventory of parts and supplies	969	665
Prepaid tires on equipment	1,272	1,246
Prepaid taxes and licenses	1,290	1,813
Prepaid insurance	1,696	2,185
Prepaid expenses, other	73	62
Assets of discontinued operations	533	542
Total current assets	29,509	31,772
Property, plant and equipment, at cost	304,094	294,752
Less accumulated depreciation and depletion	99,581	96,636
Net property, plant and equipment	204,513	198,116
Real estate held for investment, at cost	6,848	7,124
Investment in joint venture	7,456	7,344
Goodwill	1,087	1,087
Notes receivable, less current portion	4,052	4,382
Unrealized rents	3,400	3,357
Other assets	3,966	4,530
Total assets	$260,831	257,712
Liabilities and Shareholders’ Equity		
Current liabilities:		
Accounts payable	$ 2,926	3,384
Deferred income taxes	174	174
Accrued payroll and benefits	3,159	5,255
Accrued insurance	2,817	2,373
Accrued liabilities, other	1,038	994
Long-term debt due within one year	4,664	4,588
Liabilities of discontinued operations	1,610	1,327
Total current liabilities	16,388	18,095
Long-term debt, less current portion	66,077	67,272
Deferred income taxes	16,165	16,084
Accrued insurance	2,483	2,483
Other liabilities	1,776	1,722
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, 9,262,728 and 9,278,088 shares issued and outstanding, respectively	926	928
Capital in excess of par value	37,809	37,511
Retained earnings	119,187	113,597
Accumulated other comprehensive income, net	20	20
Total shareholders' equity	157,942	152,056
Total liabilities and shareholders’ equity	$260,831	257,712

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, 2010	THREE MONTHS ENDED DECEMBER 31, 2009
Revenues:		
Transportation	$ 22,991	22,081
Mining royalty land	1,095	987
Developed property rentals	4,177	4,432
Total revenues	28,263	27,500
Cost of operations:		
Transportation	21,003	20,437
Mining royalty land	339	317
Developed property rentals	3,146	3,215
Unallocated corporate	587	489
Total cost of operations	25,075	24,458
Operating profit:		
Transportation	1,988	1,644
Mining royalty land	756	670
Developed property rentals	1,031	1,217
Unallocated corporate	(587)	(489)
Total operating profit	3,188	3,042
Interest income and other	102	115
Equity in loss of joint venture	-	(1)
Interest expense	(906)	(1,026)
Income before income taxes	2,384	2,130
Provision for income taxes	(916)	(818)
Income from continuing operations	1,468	1,312
Income from discontinued operations, net	4,927	24
Net income	$ 6,395	1,336
Earnings per common share:		
Income from continuing operations -		
Basic	$ .16	.15
Diluted	$ .16	.14
Discontinued operations (Note 11) -		
Basic	$ .53	.00
Diluted	$ .52	.00
Net income – basic	$ .69	.15
Net income – diluted	$ .68	.14
Number of shares (in thousands) used in computing:		
-basic earnings per common share	9,273	9,153
-diluted earnings per common share	9,460	9,411

See accompanying notes.

PATRIOT TRANSPORTATION HOLDING, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED DECEMBER 31, 2010 AND 2009
(In thousands)
(Unaudited)

	2010	2009
Cash flows from operating activities:		
Net income	$ 6,395	1,336
Adjustments to reconcile net income to net cash provided by continuing operating activities:		
Depreciation, depletion and amortization	3,208	2,920
Equity in loss of joint venture	-	1
(Gain) on sale of equipment	(12)	(43)
(Income) from discontinued operations, net	(4,927)	(24)
Stock-based compensation	132	247
Net changes in operating assets and liabilities:		
Accounts receivable	(539)	(626)
Inventory of parts and supplies	(304)	(66)
Prepaid expenses and other current assets	975	1,288
Other assets	363	(42)
Accounts payable and accrued liabilities	(2,066)	(2,907)
Income taxes payable and receivable	753	(1,007)
Long-term insurance liabilities and other long-term liabilities	54	(110)
Net cash provided by operating activities of continuing operations	4,032	967
Net cash provided (used in) by operating activities of discontinued operations	293	(239)
Net cash provided by operating activities	4,325	728
Cash flows from investing activities:		
Purchase of transportation group property and equipment	(1,796)	(2,479)
Investments in mining royalty land segment	-	(11)
Investments in developed property rentals segment	(2,719)	(942)
Investment in joint venture	(114)	(235)
Proceeds from the sale of property, plant and equipment	23	47
Proceeds received on note for sale of SunBelt	309	289
Net cash used in investing activities	(4,297)	(3,331)
Cash flows from financing activities:		
Repayment of long-term debt	(1,119)	(1,046)
Repurchase of Company Stock	(955)	-
Excess tax benefits from exercises of stock options and vesting of restricted stock	155	39
Exercise of employee stock options	159	87
Net cash used in financing activities	(1,760)	(920)
Net (decrease) in cash and cash equivalents	(1,732)	(3,523)
Cash and cash equivalents at beginning of period	17,151	15,803
Cash and cash equivalents at end of the period	$ 15,419	12,280

The Company recorded a non-cash transaction from an exchange of real estate of $4,941 in December 2010 along with a related deferred tax liability of $1,792 and a $2,053 permanent tax benefit on the value of donated minerals and aggregates which was recorded as a $342 receivable and $1,711 deferred tax.

See accompanying notes.

PATRIOT TRANSPORTATION HOLDING, INC. AND SUBSIDIARIES
CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2010
(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, 2010 are not necessarily indicative of the results that may be expected for the fiscal year ending September 30, 2011. 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, 2010.

In connection with the presentation adopted in March, 2010 of our real estate operations as two reportable segments, two properties in Washington, D.C. and two properties in Duval County, Florida were reclassified out of the Royalties and rent division and the division was renamed the Mining royalty land segment. Historical results have been reclassified to conform to the new segment presentation.

(2) **Stock Split.** On December 1, 2010, the board of directors declared a 3-for-1 stock split of the Company’s common stock in the form of a stock dividend. The record date for the split was January 3, 2011 and the new shares were issued on January 17, 2011. The total authorized shares remained 25 million and par value of common stock remained unchanged at $0.10 per share. All share and per share information presented has been adjusted to reflect this stock split.

(3) **Business Segments.** The Company operates in three reportable business segments. The Company’s operations are substantially in the Southeastern and Mid-Atlantic states. The transportation segment hauls petroleum and other liquids and dry bulk commodities by tank trailers. The Company’s real estate operations consist of two reportable segments. The Mining royalty land segment owns real estate including construction aggregate royalty sites and parcels held for investment. The Developed property rentals segment acquires, constructs, and leases office/warehouse buildings primarily in the Baltimore/Northern Virginia/Washington area and holds real estate for future development or related to its developments.

The Company's transportation and real estate groups operate independently and have minimal shared overhead except for corporate expenses. Corporate expenses are allocated in fixed quarterly amounts based upon budgeted and estimated proportionate cost by segment. Unallocated corporate expenses primarily include stock compensation and corporate aircraft expenses. Reclassifications to prior period amounts have been made to be comparable to the current presentation.

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

	Three Months ended December 31, 2010	2009
Revenues:		
Transportation	$ 22,991	22,081
Mining royalty land	1,095	987
Developed property rentals	4,177	4,432
	$ 28,263	27,500
Operating profit:		
Transportation	$ 2,377	1,991
Mining royalty land	909	812
Developed property rentals	1,260	1,429
Corporate expenses:		
Allocated to transportation	(389)	(347)
Allocated to mining land	(153)	(142)
Allocated to developed property	(229)	(212)
Unallocated	(587)	(489)
	(1,358)	(1,190)
	$ 3,188	3,042
Interest expense:		
Mining royalty land	$ 9	12
Developed property rentals	897	1,014
	$ 906	1,026
Capital expenditures:		
Transportation	$ 1,796	2,479
Mining royalty land	-	11
Developed property rentals:		
Capitalized interest	267	224
Internal labor	111	44
Real estate taxes	303	212
Other costs (a)	2,038	462
	$ 4,515	3,432
(a)Net of 1031 exchange of $4,941		
Depreciation, depletion and amortization:		
Transportation	$ 1,535	1,561
Mining royalty land	25	23
Developed property rentals	1,301	1,277
Other	347	59
	$ 3,208	2,920

Identifiable assets (less depreciation)	December 31, 2010	September 30, 2010
Transportation	$ 42,939	43,100
Discontinued Transportation Operations	533	542
Mining royalty land	28,303	28,651
Developed property rentals	170,622	164,601
Cash items	15,419	17,151
Unallocated corporate assets	3,015	3,667
	$260,831	257,712

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

	December 31, 2010	September 30, 2010
5.6% to 8.6% mortgage notes due in installments through 2027	70,741	71,860
Less portion due within one year	4,664	4,588
	$ 66,077	67,272

The Company has a $37,000,000 uncollateralized Revolving Credit Agreement with three banks, which matures on December 13, 2013. The Revolver bears interest at a rate of 1.00% over the selected LIBOR, which may change quarterly based on the Company's ratio of Consolidated Total Debt to Consolidated Total Capital, as defined. A commitment fee of 0.15% 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 limitations on availability and restrictive covenants including limitations on paying cash dividends. Letters of credit in the amount of $13,294,000 were issued under the Revolver. As of December 31, 2010, $23,706,000 was available for borrowing and $46,321,000 of consolidated retained earnings would be available for payment of dividends. The Company was in compliance with all covenants as of December 31, 2010.

The fair values of the Company's mortgage notes payable were estimated based on current rates available to the Company for debt of the same remaining maturities. At December 31, 2010, the carrying amount and fair value of such other long-term debt was $70,741,000 and $72,360,000, respectively.

(5) **Related Party Transactions.** The Company previously may have been considered a related party to Vulcan Materials Company (Vulcan). One director of the Company was employed by Vulcan until September 17, 2010 and is related to two other Company directors. The Company, through its transportation subsidiaries, hauls commodities by tank trucks for Vulcan. Charges for these services are based on prevailing market prices. The real estate subsidiaries lease certain construction aggregates mining and other properties to Vulcan. Revenue from Vulcan for the first quarter of fiscal 2011 was $1,712,000 compared to $1,471,000 for the same period last year.

A subsidiary of the Company (FRP) has a Joint Venture Agreement with

Vulcan Materials Company (formerly Florida Rock Industries, Inc.), Brooksville Quarry, LLC, to develop approximately 4,300 acres of land near Brooksville, Florida. The joint venture is jointly controlled by Vulcan and FRP, and they each have a mandatory obligation to fund additional capital contributions of up to $2.15 million. Capital contributions of $2,109,000 have been made by each party as of December 31, 2010. 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, 2009 includes a loss of $1,000, representing the Company's equity in the loss of the joint venture.

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

	THREE MONTHS ENDED DECEMBER 31, 2010	2009
Weighted average common shares outstanding during the period - shares used for basic earnings per common share	9,273	9,153
Common shares issuable under share based payment plans which are potentially dilutive	187	258
Common shares used for diluted earnings per common share	9,460	9,411
Net income	$ 6,395	1,336
Earnings per common share		
Basic	$ .69	.15
Diluted	$ .68	.14

For the three months ended December 31, 2010, 132,870 shares attributable to outstanding stock options were excluded from the calculation of diluted earnings per share because their inclusion would have been anti-dilutive. For the three months ended December 31 2009, 111,210 shares attributable to outstanding stock options were excluded from the calculation of diluted earnings per common share because their inclusion would have been anti-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, 2010, the Company's stock-based compensation plan permits the grant of stock options, stock appreciation rights, restricted stock awards, restricted stock units, and stock awards. The number of common shares available for future issuance was 654,750 at December 31, 2010.

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

	Three Months ended December 31, 2010	2009
Stock option grants	$ 132	199

Restricted stock awards granted in 2006	-	48
	132	247

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

Options	Number Of Shares	Weighted Average Exercise Price	Weighted Average Remaining Term (yrs)	Weighted Average Grant Date Fair Value
Outstanding at October 1, 2010	633,900	$14.00	4.1	$ 4,206
Granted	29,160	$25.60		$ 293
Exercised	20,640	$ 7.63		$ 86
Forfeited	-	$ -		$ -
Outstanding at December 31, 2010	642,420	$14.73	4.2	$ 4,413
Exercisable at December 31, 2010	543,792	$12.53	3.4	$ 3,307
Vested during three months ended December 31, 2010	11,442			$ 113

The aggregate intrinsic value of exercisable in-the-money options was $10,049,000 and the aggregate intrinsic value of all outstanding in-the-money options was $10,473,000 based on the market closing price of $30.99 on December 31, 2010 less exercise prices. Gains of $405,000 were realized by option holders during the three months ended December 31, 2010. The realized tax benefit from options exercised for the three months ended December 31, 2010 was $155,000. Total compensation cost of options granted but not yet vested as of December 31, 2010 was $935,000, which is expected to be recognized over a weighted-average period of 3.0 years.

(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. There is a reasonable possibility that the Company’s estimate of vehicle and workers’ compensation liability for the transportation group or discontinued operations may be understated or overstated but the possible range can not be estimated. The liability at any point in time depends upon the relative ages and amounts of the individual open claims. 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) **Concentrations.** The transportation segment primarily serves customers in the industries in the Southeastern U.S. Significant economic disruption or downturn in this geographic region or these industries could have an adverse effect on our financial statements.

During the first three months of fiscal 2011, the transportation segment’s ten largest customers accounted for approximately 56.6% of the transportation segment’s revenue. One of these customers accounted for 20.9% 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 $3,051,000 and $2,797,000 at December 31, 2010 and September 30, 2010 respectively.

The Company places its cash and cash equivalents with high credit quality institutions. At times such amounts may exceed FDIC limits.

(10) **Fair Value Measurements.** Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. Level 1 means the use of quoted prices in active markets for identical assets or liabilities. Level 2 means the use of values that are derived principally from or corroborated by observable market data. Level 3 means the use of inputs that are unobservable and significant to the overall fair value measurement.

As of December 31, 2010 the Company had no assets or liabilities measured at fair value on a recurring basis and only one asset recorded at fair value on a non-recurring basis as it was deemed to be other-than-temporarily impaired. The fair value of the corporate aircraft of $1,550,000 is based on level 2 inputs for similar assets in the current market. The first quarter of fiscal 2011 includes $300,000 for the impairment to estimated fair value of the corporate aircraft due to indications of a decrease in value over the past quarter. The Company’s decision to discontinue its regular use requires adjustment to the current estimated value as necessary.

The fair value of note receivable (see Note 11) approximates the unpaid principal balance based upon the interest rate and credit risk of the note. The fair value of all other financial instruments with the exception of mortgage notes (see Note 4) approximates the carrying value due to the short-term nature of such instruments.

(11) **Discontinued operations.** In August 2009 the Company sold its flatbed trucking company, SunBelt Transport, Inc. ("SunBelt"). Under the agreement, the Buyer purchased all of SunBelt’s tractors and trailers, leased the SunBelt terminal facilities in Jacksonville, Florida for 36 months at a rental of $5,000 per month and leased the terminal facilities in South Pittsburgh, Tennessee for 60 months at a rental of $5,000 per month with an option to purchase the Tennessee facilities at the end of the lease for payment of an additional $100,000. The South Pittsburgh lease was recorded as a sale under bargain purchase accounting. The purchase price received for the tractors and trailers and inventories was a $1 million cash payment and the delivery of a Promissory Note requiring 60 monthly payments of

$130,000 each including interest at 7%, secured by the assets of the business conveyed. In the quarter ending September 30, 2009 the Company recognized $283,000 in severance costs related to a change-in-control agreement triggered by the sale of SunBelt. The Company retained all pre-closing receivables and liabilities.

SunBelt has been accounted for as discontinued operations in accordance with ASC Topic 205-20 Presentation of Financial Statements – Discontinued Operations. All periods presented have been restated accordingly.

In December 2010, a subsidiary of the Company, Florida Rock Properties, Inc., sold approximately 1,844 acres of land in Caroline County, Virginia, to the Commonwealth of Virginia, Board of Game and Inland Fisheries. The purchase price for the property was $5,200,000, subject to certain deductions. The Company also donated the $5,402,000 value of minerals and aggregates and recognized a $2,053,000 permanent tax benefit. The Company's book value of the property was $276,000.

A summary of discontinued operations is as follows (in thousands):

	Three months Ended December 31, 2010	Three months Ended December 31, 2009
Revenue	$ 15	44
Operating expenses	14	6
Gain on property sale before taxes	4,665	-
Income before taxes	$ 4,666	38
Income taxes	261	(14)
Income from Discontinued operations	$ 4,927	24

The components of the balance sheet are as follows:

	December 31, 2010	September 30, 2010
Accounts receivable	$ 2	8
Deferred income taxes	417	417
Property and equipment, net	114	117
Assets of discontinued operations	$ 533	542
Accounts payable	$ 436	154
Accrued payroll and benefits	2	2
Accrued liabilities, other	62	61
Insurance liabilities	1,110	1,110
Liabilities of discontinued operations	$ 1,610	1,327

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

Overview – Patriot Transportation Holding, Inc. (the Company) is a holding company engaged in the transportation and real estate businesses.

The Company's transportation business, Florida Rock & Tank Lines, Inc. is engaged in hauling primarily petroleum and other liquids and dry bulk commodities in tank trailers.

The Company's real estate operations consist of two reportable segments. The Mining royalty land segment owns real estate including construction aggregate royalty sites and parcels held for investment. The Developed property rentals segment acquires, constructs, and leases office/warehouse buildings primarily in the Baltimore/Northern Virginia/Washington area and holds real estate for future development or related to its developments. Substantially all of the real estate operations are conducted within the Southeastern and Mid-Atlantic United States.

In prior filings the Company's real estate operations were aggregated and reported as a single segment. The prior filings additionally included results by division. In connection with the new presentation of our real estate operations as two reportable segments, two properties in Washington, D.C. and two properties in Duval County, Florida were reclassified out of the Royalties and rent division and the division was renamed the Mining royalty land segment. Historical results have been reclassified to conform to the new segment presentation.

On December 1, 2010, the board of directors declared a 3-for-1 stock split of the Company's common stock in the form of a stock dividend. The record date for the split was January 3, 2011 and the new shares were issued on January 17, 2011. All share and per share information presented has been adjusted to reflect this stock split.

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, aggregates sales by lessees from the Company's mining properties, interest rates, market conditions and attendant prices for casualty insurance, demand for commercial warehouse space in the Baltimore-Washington-Northern Virginia 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. There is a reasonable possibility that the Company's estimate of vehicle and workers' compensation liability for the transportation group or discontinued operations may be understated or overstated but the possible range can not be estimated. The liability at any point in time depends upon the relative ages and amounts of the individual open claims. Financial results of the Company for any individual quarter are not necessarily indicative of results to be expected for the year.

Discontinued Operation. In August 2009 the Company sold its flatbed trucking company, SunBelt Transport, Inc. ("SunBelt"). Under the agreement, the buyer purchased all of SunBelt's tractors and trailers, leased the SunBelt terminal facilities in Jacksonville, Florida for 36 months at a rental of $5,000 per month and leased the terminal facilities in South Pittsburgh, Tennessee for 60 months at a rental of $5,000 per month with an option to purchase the Tennessee facilities at the end of the lease for payment of an additional $100,000. The South Pittsburgh lease was recorded as a sale under bargain purchase accounting. The purchase price received for the tractors and trailers and inventories was a $1 million cash payment and the delivery of a Promissory Note requiring 60 monthly payments of $130,000 each including interest at 7%, secured by the assets of the business conveyed. The Company retained all pre-closing receivables and liabilities. SunBelt has been accounted for as discontinued operations in accordance with ASC Topic 205-20 Presentation of Financial Statements – Discontinued Operations. All periods presented have been restated accordingly.

In December 2010, a subsidiary of the Company, Florida Rock Properties, Inc., sold approximately 1,844 acres of land in Caroline County, Virginia, to the Commonwealth of Virginia, Board of Game and Inland Fisheries. The purchase price for the property was $5,200,000 and expenses of the sale were $259,000. The Company also donated the $5,402,000 value of minerals and aggregates and recognized a $2,053,000 permanent tax benefit. The Company's book value of the property was $276,000. Caroline County has been accounted for as discontinued operations in accordance with ASC Topic 205-20 Presentation of Financial Statements – Discontinued Operations. All periods presented have been restated accordingly.

Comparative Results of Operations for the Three Months Ended December 31, 2010 and 2009

Consolidated Results – Net income for the first quarter of fiscal 2011 was $6,395,000 compared to $1,336,000 for the same period last year. Diluted earnings per common share for the first quarter of fiscal 2011 were $0.68 compared to $0.14 for the same quarter last year. Income from discontinued operations favorably impacted net income due to an after tax gain of $4,926,000 from the exchange of property included in the first quarter of fiscal 2011. Transportation segment results were higher due to reduced health benefit claims. The mining royalty land segment's results were higher due to an increase in mined tons. The Developed property rentals segment's results were lower due to increased professional fees and property taxes.

Transportation Results

(dollars in thousands)	Three Months Ended December 31 2010	%	2009	%
Transportation revenue	$ 19,624	85%	19,467	88%
Fuel surcharges	3,367	15%	2,614	12%
Revenues	22,991	100%	22,081	100%
Compensation and benefits	8,454	37%	8,319	38%
Fuel expenses	4,746	20%	3,905	18%
Insurance and losses	1,649	7%	2,265	10%
Depreciation expense	1,506	6%	1,523	7%
Other, net	2,250	10%	2,218	10%
Sales, general & administrative	2,009	9%	1,860	8%
Allocated corporate expenses	389	2%	347	2%
Cost of operations	21,003	91%	20,437	93%
Operating profit	$ 1,988	9%	1,644	7%

Transportation segment revenues were $22,991,000 in the first quarter of 2011, an increase of $910,000 over the same quarter last year. Revenue miles in the current quarter were up 5.7% compared to the first quarter of fiscal 2010 due to business growth and a longer average haul length. Fuel surcharge revenue increased $753,000. Excluding fuel surcharges, revenue per mile decreased 4.5% over the same quarter last year due to a longer average haul length and lower revenue per mile on certain replacement business. The average price paid per gallon of diesel fuel increased by $0.39 or 15.7% over the same quarter in fiscal 2010.

The Transportation segment's cost of operations was $21,003,000 in the first quarter of 2011, an increase of $566,000 over the same quarter last year. The Transportation segment's cost of operations in the first quarter of 2011 as a percentage of revenue was 91% compared to 93% in the first quarter of 2010. Compensation and benefits increased $135,000 or 1.6% compared to the same quarter last year primarily due to the increase in miles driven. Fuel surcharge revenue increased $753,000 while fuel cost increased by $841,000 leaving a negative impact to operating profit of $88,000 due to the increase in miles driven. Insurance and losses decreased $616,000 compared to the same quarter last year due to lower health claims. Depreciation expense decreased $17,000 due to fewer trucks in service and existing trailers becoming fully depreciated. Other expense increased $32,000 primarily due to lower gains on equipment sales. Selling general and administrative costs increased $149,000 or 8.0% compared to the same quarter last year. Allocated corporate expenses increased $42,000.

Mining Royalty Land Results

(dollars in thousands)	Three Months Ended December 31			
	2010	%	2009	%
Mining royalty land revenue	$ 1,095	100%	987	100%
Property operating expenses	124	11%	109	11%
Depreciation and depletion	25	2%	23	2%
Management Company indirect	37	4%	43	4%
Allocated corporate expense	153	14%	142	15%
Cost of operations	339	31%	317	32%
Operating profit	$ 756	69%	670	68%

Mining royalty land segment revenues for the first quarter of fiscal 2011 were $1,095,000, an increase of $108,000 or 10.9% over the same quarter last year, due to an increase in mined tons.

The mining royalty land segment's cost of operations was $339,000 in the first quarter of 2011, an increase of $22,000 over the same quarter last year. Property operating expenses increased $15,000 due to higher property taxes. Depreciation and depletion expenses increased $2,000 due to an increase in mined tons. Management Company indirect expenses (excluding internal allocations for lease related property management fees) decreased $6,000. Allocated corporate expenses increased $11,000.

Developed Property Rentals Results

(dollars in thousands)	Three Months Ended December 31			
	2010	%	2009	%
Developed property rentals revenue	$ 4,177	100%	4,432	100%
Property operating expenses	1,281	31%	1,343	30%
Depreciation and amortization	1,301	31%	1,277	29%
Management Company indirect	335	8%	383	9%
Allocated corporate expense	229	5%	212	5%
Cost of operations	3,146	75%	3,215	73%
Operating profit	$ 1,031	25%	1,217	27%

Developed property rentals segment revenues for the first quarter of fiscal 2011 were $4,177,000, a decrease of $255,000 or 5.8% due to reduced tenant reimbursements for snow removal.

Developed property segment's cost of operations was $3,146,000 in the first quarter of 2011, a decrease of $69,000 or 2.1% over the same quarter last year. Property operating expenses decreased $62,000 due to a $201,000 reduction in snow removal costs offset by higher professional fees. Depreciation and amortization increased $24,000 due to the purchase of a building. Management Company indirect expenses (excluding internal allocations for lease related property management fees) decreased $48,000. Allocated corporate expenses increased $17,000.

Consolidated Results

Operating Profit - Consolidated operating profit was $3,188,000 in the first quarter of fiscal 2011, an increase of $146,000 or 4.8% compared to $3,042,000 in the same period last year. Operating profit in the transportation segment increased $344,000 or 20.9% primarily due to lower health benefit claims. Operating profit in the mining royalty land segment increased $86,000 or 12.8% due to an increase in mined tons. Operating profit in the Developed property rentals segment decreased $186,000 or 15.3% due to higher professional fees and property taxes. Consolidated operating profit includes corporate expenses not allocated to any segment in the amount of $587,000 in the first quarter of fiscal 2011, an increase of $98,000 compared to the same period last year due to adjustment to the fair value of the corporate aircraft of $300,000 partially offset by lower stock compensation and professional fees.

Interest expense – Interest expense decreased $120,000 over the same quarter last year due to declining mortgage interest expense and higher capitalized interest.

Income taxes – Income tax expense increased $98,000 over the same quarter last year due to higher earnings.

Income from continuing operations – Income from continuing operations was $1,468,000 or $0.16 per diluted share in the first quarter of fiscal 2011, an increase of 11.9% compared to $1,312,000 or $.14 per diluted share for the same period last year. The $156,000 increase was primarily due to the $146,000 increase in operating profits and $120,000 reduction in interest expense offset by higher income taxes.

Discontinued operations – The after tax income from discontinued operations for the first quarter of fiscal 2011 was $4,927,000 versus $24,000 for the same period last year. Diluted earnings per share on discontinued operations for the first quarter of fiscal 2011 was $.52 compared to $.00 in the first quarter of fiscal 2010. The first quarter of fiscal 2011 included a book gain on the exchange of property of $4,926,000 after tax or $.52 per diluted share.

Net income - Net income for the first quarter of fiscal 2011 was $6,395,000 compared to $1,336,000 for the same period last year. Diluted earnings per common share for the first quarter of fiscal 2011 were $0.68 compared to $0.14 for the same quarter last year. Income from discontinued operations favorably impacted net income due to an after tax gain of $4,926,000 from the exchange of property included in the first quarter of fiscal 2011. Transportation segment results were higher due to reduced health benefit claims. The mining royalty land segment's results were higher due to an increase in mined tons. The Developed property rentals segment's results were lower due to increased professional fees and property taxes.

Liquidity and Capital Resources. For the first three months of fiscal 2011, the Company used cash provided by operating activities of continuing operations of $4,032,000, proceeds received on notes of $309,000, proceeds from the sale of plant, property and equipment of $23,000, proceeds from the exercise of employee stock options of $159,000, excess tax benefits from the exercise of stock options of $155,000 and cash balances to purchase $1,796,000 in transportation equipment, to purchase Hollander 95 Business Park $1,222,000 (net of 1031 exchange of $4,941,000), to expend $1,497,000 in real estate development, to invest $114,000 in the Brooksville Joint Venture, to make $1,119,000 scheduled payments on long-term debt and to repurchase Company stock for $955,000. Cash provided by the operating activities of discontinued operations was $293,000. Cash decreased $1,732,000.

In August 2009 the Company sold its flatbed trucking company, SunBelt Transport, Inc. ("SunBelt"). The purchase price received for the tractors and trailers and inventories was a $1 million cash payment and the delivery of a Promissory Note requiring 60 monthly payments of $130,000 each including 7% interest, secured by the assets of the business conveyed. The Company retained all pre-closing receivables and liabilities. SunBelt has been accounted for as discontinued operations. All periods presented have been restated accordingly.

In December 2010, a subsidiary of the Company, Florida Rock Properties, Inc., sold approximately 1,844 acres of land in Caroline County, Virginia, to the Commonwealth of Virginia, Board of Game and Inland Fisheries. The purchase price for the property was $5,200,000 and expenses of the sale were $259,000. The Company also donated the $5,402,000 value of minerals and aggregates and recognized a $2,053,000 permanent tax benefit. The $2,053,000 permanent tax benefit was recorded to income taxes receivable for $342,000 and offset to long-term deferred tax liabilities of $1,711,000. Actual realization of the $1,711,000 in deferred taxes will depend on taxable income, income tax rates, and income tax regulations over the 5 year carry forward period. The Company's book value of the property was $276,000. The Caroline County property has been accounted for as a discontinued operation and all periods presented have been restated accordingly. The Company used all the proceeds in a 1031 exchange to purchase Hollander 95 Business Park in a foreclosure sale auction through a qualified intermediary. Hollander 95 Business Park, in Baltimore City, Maryland, closed on October 22, 2010 by a 1031 intermediary for a purchase price totaling $5,750,000. This property consists of an existing 82,800 square foot warehouse building (52.9% occupied) with an additional 42 acres of partially developed land with a development capacity of 490,000 square feet (a mix of warehouse, office, hotel and flex buildings).

Cash flows from operating activities for the first three months of fiscal 2011 were $3,597,000 higher than the same period last year primarily due to large income tax payments in the same quarter last year related to the sale of SunBelt and lower insurance payments.

Cash flows used in investing activities for the first three months of fiscal 2011 were $966,000 higher primarily reflecting the purchase of Hollander 95 Business Park (net of 1031 exchange of $4,941,000).

Cash flows used in financing activities for the first three months of fiscal 2011 were $840,000 higher than the same period last year due to repurchases of Company stock for $955,000 partially offset by increased stock options exercised.

The Company has a $37,000,000 uncollateralized Revolving Credit Agreement with three banks, which matures on December 13, 2013. The Revolver contains limitations on availability and restrictive covenants including limitations on paying cash dividends. Letters of credit in the amount of $13,294,000 were issued under the Revolver. As of December 31, 2010, $23,706,000 was available for borrowing and $46,321,000 of consolidated retained earnings would be available for payment of dividends. The Company was in compliance with all covenants as of December 31, 2010.

The Company had $13,942,000 of irrevocable letters of credit outstanding as of December 31, 2010. Most of the letters of credit are irrevocable for a period of one year and are automatically extended for additional one-year periods until notice of non-renewal is received from the issuing bank not less than thirty days before the expiration date. These were issued for insurance retentions and to guarantee certain obligations to state agencies related to real estate development. The Company issued replacement letters of credit through the Revolver to reduce fees.

The Board of Directors has authorized Management to repurchase shares of the Company’s common stock from time to time as opportunities arise. During the first three months of fiscal 2011 the Company repurchased 36,000 shares for $955,000. As of December 31, 2010, $4,669,000 was authorized for future repurchases of common stock. The Company does not currently pay any cash dividends on common stock.

The Company has committed to make additional capital contributions of up to $41,000 over the next 12 months to Brooksville Quarry, LLC in connection with a joint venture with Vulcan.

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.

Summary and Outlook. Transportation segment miles for this year’s first quarter were 5.7% higher than the same quarter last year. The Company continues to succeed in replacing customers from the non-renewed contracts announced January 6, 2010 and has basically recovered from new customers substantially all the lost revenue miles, albeit at lower rates per mile for longer average hauls.

Operating profit from the leasing of developed buildings has been unfavorably impacted by three newer buildings brought into service since September 2008 along with two nearly vacant buildings in Delaware impacted by automobile plant closings and the residential housing downturn. Occupancy increased from 72.0% to 76.5% over last quarter as the market for new tenants appears to have bottomed and traffic for vacant space has increased. The Company is not presently engaged in the construction of any new buildings.

In July 2008, a subsidiary of the Company, FRP Bird River, LLC, entered into an agreement to sell approximately 121 acres of land in Baltimore County, Maryland to Mackenzie Investment Group, LLC. The purchase price for the property is $25,075,000, subject to certain potential purchase price adjustments. The agreement of sale is subject to certain contingencies including additional government approvals and closing may be one or more years away. The cost of the property of $5,808,000 is included in Real estate held for investment rather than held for sale because of the original and current expectation that the sale would not be completed within one year. The purchaser has placed non-refundable deposits of $1,000,000 under this contract in escrow including $650,000 in March 2009. Preliminary approval for the development as originally contemplated under the agreement’s pricing contingencies has now been received and the time for any appeals from that approval has expired.

In May 2008, the Company received final approval from the Zoning Commission of the District of Columbia of its planned unit development application for the Company's 5.8 acre undeveloped waterfront site on the Anacostia River in Washington, D.C. This site is located adjacent to the recently opened Washington Nationals Baseball Park. The site currently is leased to Vulcan Materials Company on a month-to-month basis. The approved planned unit development permits the Company to develop a four building, mixed use project, containing approximately 545,800 square feet of office and retail space and approximately 569,600 square feet of additional space for residential and hotel uses. The approved development would include numerous publicly accessible open spaces and a waterfront esplanade along the Anacostia River. In November 2009, the Company received a two-year extension for commencement of this project, moving the construction commencement date to June 2013. The Company sought this extension because of negative current market indications.

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, 2010, 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 three months 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, 2010, 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 2. PURCHASES OF EQUITY SECURITIES BY THE ISSUER

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased As Part of Publicly Announced Plans or Programs	(d) Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (1)
October 1 through October 31	0	$ 0	0	$ 5,625,000
November 1 through November 30	0	$ 0	0	$ 5,625,000
December 1 through December 31	36,000	$ 26.53	36,000	$ 4,670,000
Total	36,000	$ 26.53	36,000	

(1) In December, 2003, the Board of Directors authorized management to expend up to $6,000,000 to repurchase shares of the Company’s common stock from time to time as opportunities arise. On February 19, 2008, the Board of Directors authorized management to expend up to an additional $5,000,000 to repurchase shares of the Company’s common stock from time to time as opportunities arise.

Item 6. EXHIBITS

(a) Exhibits. The response to this item is submitted as a separate Section entitled "Exhibit Index", on page 25.

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 2, 2011 PATRIOT TRANSPORTATION HOLDING, INC.

Thompson S. Baker II
Thompson S. Baker II
President and Chief Executive Officer

John D. Milton, Jr.
John D. Milton
Executive 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, 2010
EXHIBIT INDEX

(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 Thompson S. Baker II.
(31)(b)	Certification of John D. Milton, Jr.
(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.

CERTIFICATIONS Exhibit 31(a)

I, Thompson S. Baker II, 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, to 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 2, 2011

/s/Thompson S. Baker II
President and Chief Executive Officer

CERTIFICATIONS Exhibit 31(b)

I, John D. Milton, 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, to 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 2, 2011

/s/John D. Milton, Jr.
Executive 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, to 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 2, 2011

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

Exhibit 32

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 2, 2011

PATRIOT TRANSPORTATION HOLDING, INC.

THOMPSON S. BAKER II
Thompson S. Baker II
President and Chief Executive Officer

JOHN D. MILTON, JR._
John D. Milton
Executive 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.