



Consolidated Tomoka Announces Conclusion of Strategic Review Process and Initiatives to Enhance Shareholder Value

July 20, 2016

DAYTONA BEACH, Fla.--(BUSINESS WIRE)-- Consolidated-Tomoka Land Co. (NYSE MKT:CTO) (the "Company") today announced that the special committee of its independent directors (the "Special Committee"), which was formed to evaluate strategic alternatives for the Company to enhance shareholder value (the "Strategic Review"), concluded its evaluation and the Company's Board of Directors (the "Board") has accepted the Committee's conclusions and recommendations. Under the supervision of the Special Committee, the Strategic Review was deliberate and comprehensive and included the consideration of a wide range of potential alternatives, including the sale of the Company, the sale of all or a portion of certain of the Company's asset portfolios, and other actions including the continuation of the Company's business plan. Deutsche Bank Securities Inc. ("Deutsche Bank") acted as financial advisor to the Special Committee in connection with the Strategic Review and Pillsbury Winthrop Shaw Pittman, LLP ("Pillsbury") acted as legal counsel to the Special Committee, the Board and the Company.

At the direction of the Special Committee, solicitation materials regarding the sale of the Company were delivered by Deutsche Bank to over 200 parties including potential buyers of the Company, merger partners, land investors, high net worth individuals, certain Real Estate Investment Trusts ("REITs"), and opportunity funds, of which over 20 executed nondisclosure agreements ("NDAs") and received more detailed financial and operating information from the Company. Of those interested parties executing NDAs, several indications of interest were received, reviewed and pursued by the Special Committee and its advisors, but the Board, as advised by the Special Committee, Deutsche Bank, and Pillsbury, concluded that it had not received any expressions of interest in acquiring the Company that contained an indication of value that would provide a meaningful premium for shareholders. While the comprehensive Strategic Review process has concluded, the Company and its Board intend to continue discussions with some interested parties who have indicated interest in certain of the Company's assets. However, there is no set time line or formal process to these continued discussions and there can be no assurances that our efforts will lead to a transaction or the timing or terms thereof.

The Board remains committed to maximizing long-term value for all of its shareholders. Taking into account feedback from the investor community, and advice from Deutsche Bank and Pillsbury, the Board determined that the appropriate course of action at this time was to continue to pursue the Company's business plan and approved the following short-term actions and longer-term initiatives in support of that commitment:

- Depending upon market conditions the Company intends to complete, by the end of 2016, the remaining approximately \$7.0 million of the \$10.0 million share repurchase program that was approved in late 2015;
- The Company will implement a quarterly dividend effective in the third quarter of 2016 in place of the present semi-annual dividend. The Board approved a quarterly dividend of \$0.04 for shareholders of record on August 10, 2016, to be paid on August 30, 2016, representing an annualized dividend of \$0.16 per share, which is a 100% increase over our present \$0.08 per share annual dividend; and
- The Company intends to monetize all or a portion of its remaining commercial loan portfolio, which totaled approximately \$24 million at June 30, 2016, and will consider various opportunities for the use of proceeds.

The Company and the Board reaffirm our focused strategy of monetizing our land and reinvesting in primarily single-tenant income properties via tax-deferred exchanges as evidenced by the continued growth in the pipeline of executed land transactions. Based on the land transactions expected to close in the next twelve months and the active negotiations regarding additional land transactions, the Company will resume its exploration of a possible conversion of the Company into a REIT, as authorized by the Board in January 2015, with the earliest possible conversion date of approximately January 1, 2018.

"After an independent and thorough review of strategic alternatives deemed available to the Company, we believe executing on these value-enhancing initiatives and continuing to pursue the Company's business plan is the best path forward to maximize value for all stockholders of Consolidated Tomoka," said Jeffrey B. Fuqua, Chairman of the Board. Mr. Fuqua continued, "The Board is confident in the Company's long-term strategic plan, and will continue to be open to additional opportunities to maximize shareholder value."

The Company currently has approximately 4,100 acres, or approximately 39%, of its land holdings under contract with potential proceeds of approximately \$103 million, or an average of approximately \$25,000 per acre, with the potential to close approximately \$42 million of these transactions in 2016, not including the contract to sell the Company's 500,000 acres of subsurface interests for approximately \$24 million. In addition to these contracts, the Company is in active negotiations regarding potential transactions involving an additional 1,000+ acres of land on the West side of Interstate 95 for primarily residential uses and exploring the opportunity for approximately 2,400 acres of the Company's land located on our western boundary to be utilized as a mitigation bank which could yield a value per acre that is equivalent to residential values in the same area. Assuming closing of the transactions under contract and reinvestment of the proceeds the Company anticipates that its income property portfolio could grow by at least \$100 million in the next 12 months, which the Company believes would provide both a sufficient portfolio of income properties relative to the Company's land holdings, as well as, the potential dividend yield the Company could generate as further support for the Company's pursuit of a conversion to REIT status.

Also, in an effort to further enhance communications with its shareholders, the Company will host its first ever earnings call as a public company on July 21, 2016 and plans to hold similar earnings calls, thereafter. In addition, the Company plans to host an investor day on November 18, 2016, at the LPGA International Golf Club, which will allow the Company's shareholders and other potential investors or interested persons to meet Company management, to attend a presentation from the Company's senior management team updating the Company's progress on its business plan and initiatives, and also to tour some of the Company's Daytona Beach land holdings and see first-hand the activity on the land we've sold in the surrounding area. This event will coincide with the anticipated grand opening of the 350,000 square foot, 75-store Tanger Factory Outlet Center,

currently under construction on land that the Company sold to Tanger in November 2015.

"Today's announced actions will return meaningful capital to shareholders, and further evidence the Company's continuing commitment to maximizing returns and communicating our strategy on a regular basis to shareholders," stated John P. Albright, the Company's President and Chief Executive Officer. "We believe these measures are the best way for us to create near-term value for our shareholders while we continue to execute on our long-term strategy."

The Board reviews the Company's dividend policy on a quarterly basis. The adoption of a dividend policy does not commit the Board of Directors to declare future dividends, or to the amount of any such dividends.

About Consolidated-Tomoka Land Co.

Consolidated-Tomoka Land Co. is a Florida-based publicly traded real estate company, which owns a portfolio of income investments in diversified markets in the United States including over 1.5 million square feet of income properties, as well as approximately 10,500 acres of land in the Daytona Beach area. Visit our website at www.ctlc.com.

We encourage you to review our most recent investor presentation, which has been updated for the results for the year ended December 31, 2015, available on our website at www.ctlc.com.

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Certain statements contained in this press release (other than statements of historical fact) are forward-looking statements. Words such as "believe," "estimate," "expect," "intend," "anticipate," "will," "could," "may," "should," "plan," "potential," "predict," "forecast," "project," and similar expressions and variations thereof identify certain of such forward-looking statements, which speak only as of the dates on which they were made. Although forward-looking statements are made based upon management's expectations and beliefs concerning future developments and their potential effect upon the Company, a number of factors could cause the Company's actual results to differ materially from those set forth in the forward-looking statements. Such factors may include uncertainties associated with the closing of pending transactions, the completion of 1031 transactions, closing other transactions such as the sale of the commercial loan investment portfolio, the permitting processes for certain land transactions, uncertainties associated with potentially converting to a REIT, completing share repurchases, declaring and paying any dividends, and the availability of future cash flows for the payment of dividends, as well as the uncertainties and risk factors discussed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2015 as filed with the Securities and Exchange Commission. There can be no assurance that future developments will be in accordance with management's expectations or that the effect of future developments on the Company will be those anticipated by management.

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