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

FORM 10-K

[x] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES ACT OF 1934 (FEE REQUIRED)

For the fiscal year ended December 31, 1993
OR
[ ] TRANSACTION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 (NO FEE REQUIRED)

For the transition period from   to

Commission File No. 0-12001

S T.   J O E   P A P E R   C O M P A N Y
(Exact name of registrant as specified in its charter)

Florida	59-0432511
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
Suite 400, 1650 Prudential Drive Jacksonville, Florida	32207
(Address of principal executive offices)	(Zip Code)

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, No par value	New York Stock Exchange

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

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 [ ]

The aggregate market value of registrant's Common Stock held by non-affiliates based on the closing price on March 15, 1994 was $492,081,808.

As of March 15, 1994 there were 30,498,650 shares of Common Stock No par value outstanding.

DOCUMENTS INCORPORATED BY REFERENCE
(Specific pages incorporated are identified under the applicable item herein.)

Portions of the Registrant's Annual Report to Stockholders for 1993 (the 1993 Annual Report to Stockholders) are incorporated by reference in Part I and Part II of this Report.

Portions of the Registrant's definitive Proxy Statement dated March 31, 1994 (the "Proxy Statement") are incorporated by reference in Part III of this Report. Other documents incorporated by reference in this Report are listed in the Exhibit Index.

PART I

ITEM 1. BUSINESS

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

GENERAL

St. Joe was incorporated in 1936 under the laws of the State of Florida. The general purposes of the Company at incorporation were (1) to manufacture, buy, sell, import, export and deal in pulpwood, woodpulp, paper, paperboard, all raw material thereof, and products and by-products therefrom and to establish, operate and maintain mills, plants and factories for such purpose and (2) to buy, hold, own, work, develop, improve, divide or sub-divide, sell, convey, lease, mortgage, pledge, exchange and otherwise deal in and dispose of all kinds of real and personal property.

The Executive Offices of St. Joe are located in Suite 400, duPont Center, 1650 Prudential Drive, Jacksonville, Florida, 32207, and its telephone number is 904/396-6600.

St. Joe is at present primarily engaged in two industry segments: (1) the growing and harvesting of timber, and the manufacturing, distribution and sale of forest products and (2) transportation of goods by rail. The Registrant also is engaged in three other industry segments in which it derives income: (1) growing and processing of sugarcane into raw sugar, (2) telephone communications and (3) real estate. Other income was derived from Company investments in securities, gains on disposition of property and other miscellaneous items.

Financial information as to revenue, operating profits and identifiable assets by industry segment is set forth in footnote 12 to the Consolidated Financial Statements on pages 33 and 34 of the 1993 Annual Report to Stockholders of this Report. Below is a description of each of these industry segments with information to the extent necessary and material in order that the Company's business taken as a whole can be understood.

Forest Products

The Company is a vertically integrated producer of corrugated containers. It owns approximately 700,000 acres of timberland (most of which is located in northwestern Florida), a paper mill located in Port St. Joe, Florida, and 16 container plants located throughout the eastern half of the United States. The Company's timberland and forestry operations supply wood chips and pulpwood to the mill, which produces linerboard, some of which is bartered for corrugating medium. The container plants convert the linerboard and corrugating medium into corrugated containers. The Company produces and sells a wide variety of corrugated containers to processors and manufacturers in the food, agricultural, paper, petrochemical, plastics, electronics, electrical equipment and machinery industries. Demand for corrugated containers is cyclical and correlates closely with real growth in the United States gross national product and also with population and other demographic factors.

The corrugated container industry is highly competitive, with over 1,500 container plants in the United States. When demand for corrugated containers falls, the ability to maintain prices by adjusting inventory levels is limited because container plants and paper mills operate most economically at or near full capacity. In addition, although corrugated containers are the dominant form of transport packaging nationally, corrugated containers compete with various other packaging materials, including paper, plastic, wood and metal.

The Company's operating strategy for its Forest Products sector has been to reduce unit production costs by increasing operating efficiency and maximizing capacity utilization. In addition, the Company emphasizes the marketing and production of higher margin products such as the Company's mottled white linerboard and high performance linerboard, over unbleached linerboard.

The Company's paper mill located at Port St. Joe, Florida, produces mottled white and unbleached linerboard, a principal component of corrugated containers. The mill can produce linerboard in a full range of grades and weights. Set forth below is certain information as to mill linerboard production for the years indicated:

Linerboard Production
(In tons)

Year	Total Production	Average Daily Production*
1993	444,005	1,254
1992	425,087	1,266
1991	433,352	1,308
1990	454,342	1,327
1989	457,638	1,386

*Average daily production is computed by dividing the total production of each paper machine by the number of days on which such paper machine operates each year.

In 1992 and 1993, approximately 42% and 45%, respectively, of mill production in tons was mottled white linerboard marketed by the Company under the trade name "Crest White." Demand for mottled white linerboard has increased significantly in recent years. Mottled white linerboard, which is more aesthetically attractive than unbleached linerboard, in 1992 sold at approximately 30% over the price of unbleached linerboard while in 1993 this upcharge was 49%. Since mottled white linerboard offers significantly higher profit margins than unbleached linerboard, the Company has emphasized, and expects to continue to emphasize, the production of mottled white over unbleached linerboard. Approximately 72% of the Company's mottled white linerboard production in 1993 was traded to other producers under trade agreements in exchange for corrugating medium or kraft liner.

The capital expenditures at the paper mill in 1993 for maintenance and upgrade were $18.5 million which compares to $38.6 for the 1992 capital and maintenance expenditures. The 1994 budget for maintenance and upgrade at the paper mill is $23.4 million.

The Company has sought to lower its energy costs at the mill by using increasing amounts of timber harvesting and pulp mill by-products as energy sources. The mill's boilers use "biomass" fuel (scrub wood, bark and timber wastes) and "black liquor" solids (a by-product of the wood pulping process) to meet a substantial percentage of the mill's energy requirements. In 1993 fuel oil and natural gas accounted for 34.4% of mill energy requirements. Black Liquor solids and biomass supplied the balance of mill requirements. Approximately 41% of the biomass burned at the mill in 1993 was harvested from lands owned by the Company or by-products of the Company's timber harvesting and woodchipping operations.

The Company owns 16 container plants located throughout the eastern half of the United States. Linerboard and corrugating medium are the principal materials used in the manufacture of corrugated containers. The container plants have an aggregate production capacity of approximately 8 billion square feet of containerboard per year. The plants in 1993 produced approximately 7.1 billion square feet of containerboard. In 1993, fourteen of the container plants operated on two shifts, one on one shift and one on three shifts. The Company could increase capacity by running the one plant that is on one shift, two additional shifts, as well as adding a third shift to the fourteen plants presently on two shifts. The Company's paper mill production resulted in supplying of approximately 87% of the container plants' requirements for linerboard and corrugating medium for 1993 which was up from the 84% that was supplied in 1992.

The Company's container plants accounted for approximately 1.9% of the total national industry shipments during 1993 down from the approximately 2.1% in 1992. The Company's corrugated container business services approximately 2,750 customers. The single largest customer accounted for approximately 4.2% of the Company's corrugated container shipments for 1993 and the ten largest customers accounted for approximately 16.9% of the Company's 1993 corrugated container revenues.

The Company considers its container plant facilities to be in satisfactory condition. To maintain and upgrade these facilities, the Company spent $6.3 million in 1993 and has adopted a budget of $7.5 million for its 1994 capital maintenance and upgrade program. The Company maintains a laboratory facility located in Louisville, Kentucky, which tests container components, materials and workmanship to ensure quality control for container products.

Company-owned timberlands are the principal source of woodchips and pulpwood for the paper mill. Cellulose fiber which is produced primarily from wood chips and pulpwood is the principal raw material used in the manufacture of linerboard. The Company owns approximately 700,000 acres of timberland, of which approximately 665,000 acres are situated in northwestern Florida and the remaining 35,000 acres are situated in southern Georgia. Presently, approximately 598,000 acres have been planted as managed plantations to facilitate harvesting and reforestation and to maximize timber yields. During the current planting season, November, 1993 through the end of February, 1994 the Company planted 18,305,000 seedlings on 24,775 acres. The Company owns, in total, approximately 1.1 million acres of land.

Six forestry units and a wood procurement unit manage the timberlands. The timberlands are harvested by local contractors pursuant to agreements which generally are renewed annually. Timber harvested from Company timberlands accounted for 1,071,398 tons or 56% of mill wood requirements in 1993, compared to 60% in 1992. The Company has wood chipping facilities located at the paper mill, Lowry and Newport, Florida.

Recycled fiber is obtained in part from third parties and in part from mill operations. In 1993 and 1992, recycled or secondary fiber supplied approximately 17% and 15% respectively of the mill's total fiber requirements. We expect to use approximately 22% recycled fiber in our 1994 production.

The Company operates a nursery located in Capps, Florida. The nursery conducts research to produce faster-growing, more disease-resistant species of pine trees, and produces seedlings for planting on Company-owned plantations. In addition, the Company in cooperation with the University of Florida, is doing experimental work in genetics on the development of superior pine seed orchards. In 1993 and 1992 capital expenditures in the forestry operations were approximately $5.3 million and $5.1 million, respectively. The Company has adopted a capital expenditure program for 1994 to reinvest approximately $6.7 million in these operations. These expenditures include our nursery expense and includes our tree planting.

In 1993 the mill at Port St. Joe spent $1.2 million on environmental related items. These were in the area of asbestos removal and disposal, recovery boiler precipitator, and the heat exchanger on steam stripper. The Company has budgeted $3.9 million in 1994 for predominantly capitalized environmental items. The main items in 1994 will be for additional asbestos removal and disposal, Phase II - replacing recovery boiler precipitator, disposal of equipment containing PCB and upgrade, and installing system to remove solids and enlarge effluent ditch in the recovery boiler area.

The mill at Port St. Joe is in compliance at this time in all environmental areas under the present existing laws, rules and permits as far as we know. The Company's concerns at this point are with proposed new regulations for permits in the area of both air and water under the new "Cluster Rule". The "Cluster Rule" is a proposal to combine the air and water regulations into one. The U.S. Environmental Protection Agency (EPA) is also considering adding the new solid waste rule to the "Cluster Rule" umbrella. The proposed "Cluster Rule" was issued in draft form in the fall of 1993. Additional changes to the air rules will be announced in the last half of 1994. Compliance with the final rules as presently drafted will be required by 1998. Our greatest concern remains in the area of dioxin and other toxins in the dioxin family. If the industry continues to be allowed to bleach via chlorine substitution as proposed in the new rule, the industry will be able to comply. If, however, the proposed regulations are changed to require total chlorine free bleaching, then the paper industry, as well as, a number of other industries and cities will be faced with major expenditures in order to comply.

In the container plants we have no major environmental problems that we are aware of at this time. In 1993, we had some expense at several plants, mostly for tank removals, with the total for all plants being less than $0.2 million. We anticipate spending approximately $0.8 million in 1994 on similar items.

The forestry operation continues to have no major environmental problems. The one area of expense in 1993 was at one of the forestry units in connection with fuel contamination of soil. Approximately $0.1 million was spent on this in 1993 and it is estimated that $0.3 will be spent in 1994 for clean-up and monitoring the ground water. We do not expect any problems at any of our other forestry units.

Transportation

The Company owns 54% of Florida East Coast Industries, Inc. which in turn owns 100% of Florida East Coast Railway Company (FEC). The Company also owns and operates Apalachicola Northern Railroad Company (ANRR). The common stock, par value $6.25 per share, of Florida East Coast Industries, Inc. is registered pursuant to Section 12(b) of the Securities Exchange Act (Commission file number 2-89530).

Both FEC and ANRR are subject to regulation by the Interstate Commerce Commission and, in some areas, the State of Florida. These governmental agencies must approve, prior to implementation, changes in areas served and certain other changes in operations of FEC and ANRR.

The principal business of FEC is that of a common carrier of goods by rail over 442 miles of main and branch line track all in the state of Florida. The mainline extends 351 miles from Jacksonville on the north, to Miami on the south, with 91 miles of branch line extending west from Fort Pierce to Lake Harbor. Principal commodities carried by the FEC in its rail service include automotive vehicles, crushed stone, cement, trailers-on-flatcars, containers-on-flatcars and basic consumer goods such as food. FEC is the only railroad serving the area between Jacksonville and West Palm Beach on the east coast of Florida. Common motor carriers are competitors throughout the entire transportation system and CSX Transportation, Inc. is a competitor over that section of track extending southward from West Palm Beach to Miami for rail traffic, excluding that of trailer-on-flatcar and container-on-flatcar traffic.

The operating statistics set forth below reflect FEC's performance for the latest three years:

Operating Statistics
(In thousands except percentage data)

	Years Ended December 31,		
	1993	1992	1991
Operating revenues	$ 162,318	$ 138,736	$ 138,212
Operating income	28,843	18,876	11,900
Operating margin	17.8%	13.6%	8.6%
Tonnage	14,709	13,772	16,107
Revenue ton miles	4,257,000	4,157,594	3,862,377

The FEC had capital expenditures in 1993 of $19.8 million in addition to maintenance expenditures of $53.7 million. This compares to 1992 capital expenditures of $17.9 million and 1991 of $14.6 million. The maintenance expense in 1992 was $33.8 million and 1991, $56.0 million.

ANRR is a short line railroad that operates exclusively within the state of Florida, over 90 miles of main track and 6 miles of rail yard track extending from Port St. Joe to Chattahoochee where it connects with an unaffiliated carrier. All 90 miles of the main line are 100% concrete crossties. Although it is a common carrier, most of ANRR business consists of carrying coal and items related to wood. In 1993, 67.5% of its carloads were carrying coal. The carloads of coal carried in 1992 and 1991 were 67.8% and 67.3% respectively of the total. The other main commodity carried is wood products, consisting of pulpboard, woodchips and pulpwood. These products totaled 24.6% of the total 1993 carloads, 24.1% in 1992 and 24.3% in 1991. The other items carried by ANRR are tall oil chemicals, stone and clay products and recyclable items. Certain operating statistics for the latest three years are as shown:

Operating Statistics
(In thousands except percentage data)

	Years Ended December 31,		
	1993	1992	1991
Operating revenues	$ 12,685	$ 12,366	$ 12,865
Operating income	1,969	2,614	2,558
Operating margin	15.5%	21.1%	19.9%
Tonnage	4,187	4,047	4,149
Revenue ton miles	401,907	380,696	389,418

Capital expenditures by the ANRR in 1993 were $4.2 million which compares to 1992 capital expenditures of $3.4 million and 1991 of $3.0 million. The ANRR has budgeted $4.7 million in 1994 for capital expenditures.

FEC is a party to various proceedings before state regulatory agencies relating to environmental issues. In addition, FEC, along with many other companies, has been named a potentially responsible party in proceedings under Federal statutes for the clean up of designated Superfund sites at Jacksonville, Florida and Portsmouth, Virginia. FEC has made an estimate of its likely costs attributed to sites for which its clean up responsibility is probable and a liability has been recorded. Such liability is not material to the financial position of the FEC. Based upon managements evaluation of the other potentially responsible parties, the Company does not expect to incur additional amounts even though the Company has joint and several liability. FEC is not aware of any monetary sanctions to be proposed which in the aggregate, are likely to exceed $100,000, nor does it believe that corrections will necessitate significant capital outlays or cause material changes in its business.

ANRR has environmental problems involving stormwater run-off and contaminated soil from fuel oil and gasoline. These items cost approximately $1.8 million in 1993 for both capital expenditures and expense and are budgeted for $1.0 million in 1994.

Sugar

In 1971, the Company acquired a 60% interest in Talisman Sugar Corporation (TSC) which is a grower of sugarcane located in the fertile Belle Glade area in south central Florida. In addition to growing sugarcane TSC harvests the cane and processes the cane into raw sugar. In 1984, the Company acquired the remaining 40% interest in TSC, thereby owning 100% of it today.

The Company at the end of 1993 owned approximately 47,900 acres of agricultural land and leased approximately 7,200 acres for use in its sugarcane growing operation. Sugarcane production and processing is seasonal in nature. Sugarcane plantings generally yield two harvests before replanting is necessary. The Company harvests its sugarcane crop in one-year cycles, as do other Florida producers. The Company generally plants sugarcane in the fall of each year. Harvesting of a crop generally commences in October of each year and continues into the following March. During the 1993-1994 crop the TSC grew sugarcane on approximately 43,000 acres of land.

The majority of the Florida sugarcane producers, including TSC, harvests sugarcane using mechanical cane harvesters. This is a change from harvesting sugarcane by hand as was the historical practice. Cane cutting and loading are performed with mechanized harvesters which reduces significantly the labor requirements, resulting in substantial cost savings and permits the grinding of the sugarcane more quickly after harvesting, resulting in improved efficiency. Mechanized harvesting, however, is less precise than manual harvesting, resulting in greater amounts of chaff and trash being mixed in with the harvested sugarcane. As a result, a minimal amount of sucrose is lost through leaching into the trash and chaff. In addition, mechanized harvesting causes more damage to cane fields than manual harvesting, resulting in slightly lower cane yields in subsequent crops. Consequently, yields of sucrose from harvested sugarcane and its crop yields per acre are generally slightly lower than those cut by hand. These negative effects are far outweighed by the labor cost savings and other efficiencies resulting from mechanized harvesting.

The Company's sugar mill has a grinding capacity of approximately 11,500 tons of sugarcane per day. The Company ground approximately 1,227,000 tons of sugarcane in 1991, approximately 1,296,000 tons in 1992 and approximately 1,321,000 tons of sugarcane in 1993 from Company operated lands. The amount of sugarcane ground in the years 1991, 1992 and 1993 from prior years was greatly increased due to good weather conditions, and 1991 was the first year we had sugarcane from the additional lands purchased in 1989 and 1990. The Company ground an additional 170,000 tons in 1991 for other sugar growers in exchange for a percentage of the sugar and molasses obtained from this sugarcane. In 1992 and 1993 the Company did not grind any cane grown by or for others. Total raw sugar production for the Company was approximately 134,000 tons in 1991, 117,000 in 1992, and 119,000 in 1993. These amounts include 10,000 tons in 1991, that were delivered to the other sugar growers with whom the Company had the grinding arrangement explained above.

The sugar mill is virtually energy self-sufficient, with almost all of its energy requirements supplied through the use of bagasse, a by-product of the mill's cane grinding operations. The Company harvests and processes its sugarcane into raw sugar and sells its entire production to Everglades Sugar Refinery, Inc., a wholly-owned subsidiary of Savannah Foods & Industries, Inc., pursuant to a contract which was to expire in 1996. In 1993 this contract was amended and is extended through the 1997/1998 crop year and is automatically renewed each crop thereafter. Either party can decline to renew by giving notice to the other party no later than October 1 of the fourth year prior to the termination date. Under the contract, the Company is paid for its sugar based on market prices.

The sugar industry is highly competitive. The Company competes with foreign and domestic sugarcane and sugar beet processors, as well as manufacturers of corn sweeteners and artificial sweeteners such as aspartame and saccharin. Sugar is a volatile commodity subject to wide price fluctuations in the marketplace. Sugar prices have been supported by the United States Government through the Agriculture and Food Act of 1981 which restricts sugar imports in order to support the domestic sugar price. This Act was scheduled to terminate in 1990. The United States Congress in 1990, passed the Food, Agriculture, Conservation and Trade Act of 1990, which extended this price support program to cover the 1991-95 crops of sugarcane.

The Florida Department of Environmental Regulation with other state and federal agencies continue to assess all farming operations, especially the sugar operation in that area, for its effect on Lake Okeechobee. These state and federal agencies currently are concerned with the phosphate in fertilizer used by vegetable farmers and sugarcane growers, running into the Everglades. These agencies want the farmers to reduce the amount of phosphate in the storm water run-off from their property. As with the Forest segment of the Company, the concern in the Sugar segment is with the new Clean Air Act and not knowing at this time what will be the complete impact of the Act on this operation. The sugarcane growers, as well as, TSC will need to get Title V permits as required under the Clean Air Act. These permits presently are required prior to November, 1995.

Capital expenditures by TSC in 1993 were $2.9 million and compares to $7.4 million in 1992 and $1.0 million in 1991. The capital expenditures budget for 1994 is $2.4 million.

The Company had only minor expenditures for environmental problems, less than $0.2 million, in 1993. The only environmental problem TSC has, at present, is in the removal of water from our property. The Water Management District (WMD) required TSC to install equipment to monitor the quality and quantity of water being pumped out of our pumping stations. We are, at present, installing this equipment and this project should be completed by the end of April, 1994.

Communications

St. Joe Communications, Inc. (SJCI) provides unregulated telecommunications services such as the sale of communications systems and of telephone equipment to commercial and residential customers and in addition owns three regional operating telephone companies. The operating companies provide local telephone communications services in 12 northwestern Florida counties, 2 southern Alabama counties and 1 Georgia county through 19 exchanges located in the region which service approximately 36,900 access lines. In addition to providing local exchange telephone service, the Company's facilities are connected with other telephone companies and the nationwide toll networks of long distance carriers. The Company also supplies telephone and other communications service to Tyndall Air Force Base pursuant to a long-term contract.

In addition to its regular telephone services, the Communications segment participates in four limited partnerships with major telecommunications companies as partners. These interests in the four partnerships vary from 13% to 51% and are to provide cellular telephone service in their operating territory. These four partnerships operate in the (1) Tallahassee - - Perry, Florida area and serve six counties in Florida (2) Port St. Joe, Florida and serve four counties in Florida (3) Fort Walton Beach, Florida area and serve five counties in Florida and (4) southeast Alabama serving twelve counties in Alabama. These partnerships operated 50 cell sites at December 31, 1993 having added 21 cell site in 1993 and we anticipate adding 16 more in 1994.

The Company owns and leases to MCI on a primary term of ten years, with renewal option provisions, a fiber optic transmission network extending from Fort Walton Beach to Tallahassee of approximately 150 miles. We also own fiber optic routes from Port St. Joe to Blountstown, Carrabelle, and Tyndall Air Force Base, Blountstown to Bristol and Perry to Keaton Beach and one-half of the distance from Perry to Tallahassee. These locations are all in Florida and total over 290 miles. This network is used exclusively to serve intercompany and intracompany routes. The intracompany routes are wholly within each company and are major feeder routes between exchanges and/or electronic remote facilities associated with the various exchanges. The companies will continue to install fiber optic cable for these same basic transmission functions.

SJCI has a policy to invest in the latest, most advanced equipment and technology. In keeping with this policy SJCI expended $5.3 million on capital improvements in 1993 which compares to $7.6 million that was spent in 1992 and $6.3 million in 1991. SJCI has budgeted $5.0 million for 1994 capital improvements. The Communications operations are subject to regulations by the Public Service Commissions of the states of Florida and Alabama with respect to intrastate services and the Federal Communications Commission with respect to interstate services. The operating companies are limited to certain specified rates of return on its regulated operations and in 1990 and 1991 exceeded these permitted rates of return and were required to rebate the excess revenue to its customers.

Real Estate

The Real Estate segment of the Company consists of two operations, one a division of St. Joe known as Southwood Properties (Southwood), and Gran Central Corporation (Gran Central) a subsidiary of Florida East Coast Industries, Inc. The Company reorganized into industry segments in 1985 and at that time put most of St. Joe's investment and developable real estate into Southwood. Gran Central was incorporated in 1981, but was not very active until 1984 when, by reorganization, it received all Florida East Coast Industries, Inc. non-operating real estate. The setting up of the Real Estate segment was done to make for more efficient management and for better planning of future development, sales and/or leasing of various parcels of property. The property in this segment is suited for development in all areas, commercial, industrial, residential and resort. The Company began in the mid 80's to actively pursue plans to develop these real estate properties. The Real Estate segment became a significant business operation and for the first time in 1987 was reported as a separate segment of the Company.

The Company has not and does not intend to enter into any debt financing arrangements in connection with its development activities. Rather, the Company intends to fund those projects with cash from operations and from sales of certain properties. Because the Company will not incur significant financing costs, the Company believes that it will bring a long-term perspective to its development strategy and will be better able to withstand any cyclical downturns in the Florida real estate market. In addition, the Company intends to take a conservative approach to development and to develop projects only to the extent market conditions and internally generated funds permit. Accordingly, it can be expected that it will take many years before the Company may be able to complete developments covering significant portions of its developable properties. The Company's objective is to emphasize the long-term capital appreciation of its real estate assets and as a consequence, the Company expects that substantially all of the cash flow generated from real estate development activities will be reinvested in these activities.

The growth of the panhandle area, where the Company owns significant acreage, is expected to continue, although at a much lower rate than is generally expected for the rest of the state. The state's fastest population and employment growth areas are expected to be along both coasts (excluding the panhandle region) and in central Florida. Gran Central owns sizable acreage within several high-growth areas along Florida's east coast, including, but not limited to, the West Palm Beach, Melbourne-Titusville, Daytona Beach, Miami-Hialeah and Fort Pierce areas.

Although this growth has provided, and is expected to continue to provide, significant real estate development opportunities, there is substantial concern among state and local authorities about the impact that this development may have on the environment and facilities and services provided by municipalities. As a result, land use and environmental regulations are becoming more complex and burdensome. Development of real property in Florida entails an extensive approval process which involves regulatory agencies with overlapping jurisdictions. The process requires compliance with the Local Government Comprehensive Land Development Regulations Act (the "Growth Management Act"). In addition, development projects that exceed certain specified regulatory thresholds require approval of a comprehensive Development of Regional Impact (DRI) application by a state-appointed regional planning council. Compliance with the Growth Management Act and the DRI process is usually lengthy and costly and can be expected to have a material effect on the Company's real estate development activities in the area of land use and its application to wetlands.

Southwood manages the extensive properties that the Company owns and has identified as suitable for development in the Florida panhandle and in St. Johns county. These wooded properties include substantial gulf, lake and riverfront acreage and, therefore, are well suited to residential and resort development, including development as large residential and mixed-use planned communities. A portion of the Company's property along the northwestern coast of Florida is suitable for commercial or industrial development. Southwood's general strategy for developing its residential and mixed-use properties will be to install infrastructure improvements, such as sewers, utility hookups and roads, and to sell lots to other developers or individuals for building in accordance with the master development plan formulated for the community. At present, the Company does not intend to build individual homes.

In 1991, Southwood completed the construction of its first office building containing 11,700 square feet. This building is in the Southwood Center Office Park, Panama City, Florida and at December 31, 1993 was 100% leased. Site work needed to start the next building at this location was completed during 1993 and construction will start in the second half of 1994. Southwood, in 1993, sold the remaining 16 lots in Woods I, 42 of the 44 lots in Woods II and 7 lots of the remaining 8 lots in the Woodmere subdivisions, all being in Panama City. The Company sold 47 of the 67 lots for sale at Old Florida Beach subdivision, Walton County, Florida. One lot was used for a swimming pool and pool house which was completed in 1993. In 1993 design and permitting began in Phase III of the Woods for 50 lots with construction to begin by midyear and sales expected by late 1994. The Retreat, which will be a 100 lot, gulf-front subdivision near Old Florida Beach in Walton County is currently in the design and permitting stage. Phase I of 50 lots will be completed this year with the first sales anticipated for 1995. Design is currently taken place and permits being sought for a 200 lot subdivision in Panama City Beach. Phase I of this project being 45 lots will start this year with the first sales taking place in late 1994 or early 1995. Southwood had approximately $1.5 million in capital expenditures in 1993 compared to $1.3 million in 1992. The Company has budgeted $2.8 million in capital expenditures for 1994.

The development properties owned and managed by Gran Central total approximately 19,300 acres. All of these properties have a situs in thirteen counties and are situated in a corridor running along the eastern seaboard of Florida between Jacksonville and Miami. They include both urban and rural properties on sites that range in size from parcels of under one acre to a tract of over 6,000 acres. Many of the properties are located on strategic urban streets or are easily accessible by major highways such as Interstate 95 or U. S. Route 1 and several are located adjacent to mass transit facilities.

Approximately two-thirds of Gran Central's properties are located in or adjacent to industrial and commercial corridors, and are well suited to the development of office buildings, office/distribution parks and industrial parks. Gran Central has been pursuing planning, permitting and infrastructure development and now has approximately 3.2 million square feet of buildings constructed or purchased under management. Approximately 88% of this leasable space was under lease at year-end 1992 compared to 90% in 1992 and 91% in 1991. These are generally at its business/distribution parks, using only a small percentage of its acreage. In 1993 Gran Central completed six buildings with a total square footage of 743,000. Gran Central had capital expenditures of $34.1 million in 1993 compared to $36.0 million in 1992 and expects to spend $19.8 million in 1994.

Investments

The Company in addition to its operations has investments in U. S. Government securities, tax exempt municipal bonds, certificates of deposit, remarketed certificates of participation, common and preferred stocks, and other corporate debt securities. The market value of these is set forth in the consolidated schedule entitled Marketable Securities - Other Investments, on page S-1 of this Report. The Company's marketable securities include common stock of E. I. duPont de Nemours & Company, General Motors Corporation and General Motors Corporation Class-H stock.

New Products

Refinements of existing products are developed and introduced in the forest products segment of the Company every year. During 1993, no single refinement or group of refinements was introduced which would require the investment of a material amount of St. Joe's assets or which otherwise would be considered material.

Sources and Availability of Raw Materials

During 1993 and 1994 to date, all of the raw materials the Company uses were available in adequate supply from multiple sources.

St. Joe owns slightly over one million acres of timberland, of which approximately 700,000 acres are suitable for growing commercial species of trees. Such timberland is the main source of supply for its linerboard mill which in turn supplies a major part of the requirements for the Company's corrugated box operations. The remaining timber requirements for the linerboard mill are obtained on the open market under short-term contracts.

Talisman owns or leases approximately 55,100 acres of land in Palm Beach County, Florida, of which approximately 43,000 acres are being used to grow sugarcane.

Patents and Licenses

St. Joe did not obtain any new patents or licenses in 1993. The Company has pending one application for a trademark in the Container Company.

Seasonality

The sugarcane production and processing segment is seasonal with one sugarcane crop being harvested each year. None to little significant seasonality exists for products or services in the other segments of the Company.

Working Capital

In general, the working capital practices followed by the Company are typical of industries in which it operates. During some periods the accumulation of inventories in the sugar operations prior to expected shipments reflects the seasonal nature of this industry and may require periodic short-term borrowing.

Customers

Major customers exist for each of the Company's industry segments. TSC has a contract with Everglades Sugar Refinery, Inc. to purchase the entire raw sugar production. This contract runs through the 1997/1998 crop year and is automatically renewed each crop thereafter. Either party can decline to renew by giving notice to the other party no later than October 1 of the fourth year prior to the termination date No single customer accounts for 10% or more of the Company's consolidated revenues.

Research and Development

St. Joe maintains a nursery and research facility in Capps, Florida, which grows seedlings for use in reforestation of its lands. Experiments in forestry genetics, including research on the production of faster growing, more disease-resistant pine species, are also conducted at this facility. The Company also participates through cooperation with the University of Florida in their Genetics Co-op program. This experimentation work is in genetics, plantation and fertilization. The amounts spent during the last three fiscal years on Company-sponsored research and development activities were not material.

Employees

The Company had approximately 5,160 employees at December 31, 1993. Approximately 70% of the Company's employees are covered by collective bargaining agreements with 9 different unions. These agreements generally have terms of between one and four years and have varying expiration dates. The Company considers its relations with its employees to be good.

Executive Officers of the Registrant

Set forth below are the names, ages (at March 15, 1994), positions and offices held, and a brief account of the business experience during the past five years of each executive officer.

Name	Age	Position with Company
Winfred L. Thornton	65	Chairman of the Board and Chief Executive Officer since 1991; President 1984-1991; Director since 1968; President and Chairman of the Board of Florida East Coast Industries, Inc. since 1984; President of FEC 1964-1984.
Robert E. Nedley	55	President since 1991; Vice President 1981-1991; Director since 1989.

Howard L. Brainin	64	Vice President and Director since 1992.
Edward C. Brownlie	56	Vice President - Administration Director since 1982.
E. Thomas Ford	61	Vice President since 1981; Director since 1989.
Stanley D. Fraser	69	Vice President since 1972; Director since 1982.

There are no family relationships among the persons named above. All officers serve at the pleasure of the Board of Directors of the Company and there is no arrangement or understanding between any of the officers of the Company and any other persons pursuant to which such officer was selected as an officer. Each officer has been elected to the position shown until the next annual election of officers, which is to be held on May 10, 1994.

ITEM 2. PROPERTIES

The principal manufacturing facilities and other materially important physical properties of the Company at December 31, 1993 are listed below and grouped by industry segment. All properties shown are owned in fee simple except where otherwise indicated.

Corporate Facilities

Jacksonville, Florida - Occupies approximately one and one-half floors of a four story Company-owned building.

Forest Products

Forestry Management Facilities

Albany, Georgia	Port St. Joe, Florida
Hosford, Florida	West Bay, Florida
Newport, Florida	Wewahitchka, Florida

Chip Plants
- Lowry
- Newport

Nursery and Genetics Research Facility
- Capps, Florida

Pulpwood Procurement Offices
- Port St. Joe, Florida

Paper Mill
- Port St. Joe, Florida

Container Manufacturing Plants

Atlanta, Georgia	Lake Wales, Florida
Baltimore, Maryland	(subject to Industrial
Birmingham, Alabama	Revenue Bond Financing
Charlotte, North Carolina	$8.5 million)
Chesapeake, Virginia	Laurens, South Carolina
Chicago, Illinois	Louisville, Kentucky
Dallas, Texas	Memphis, Tennessee
Dothan, Alabama	Pittsburgh, Pennsylvania
Hartford City, Indiana	Port St. Joe, Florida
Houston, Texas	

Marketing Offices
Union, New Jersey
(leased)

Agricultural Lands

The Company owns slightly over one million acres of agricultural lands in Florida and Georgia and leases an additional 4,800 acres.

Transportation

FEC owns three four-story buildings in downtown St. Augustine which it uses for its corporate headquarters. Its transportation facilities include 351 miles of main track, which is mostly 132# rail on concrete crossties, 91 miles of branch line track, 157 miles of yard switching track and 184 miles of other track. FEC owns 79 diesel electric locomotives, approximately 2,810 freight cars, approximately 1,750 tractor and/or trailer units for highway service, numerous pieces of work equipment and automotive vehicles. All property and equipment owned is in good physical condition.

Sugar Operations

Belle Glade, Florida. The Company owns approximately 47,900 acres of land and leases approximately 7,200 acres. In addition, it owns a raw sugar mill and various types of agricultural equipment.

Communications - Telephone Exchanges and Offices

Alligator Point, Florida	Keaton Beach, Florida
Altha, Florida	Laurel Hill, Florida
Apalachicola, Florida	The Beaches, Florida
Blountstown, Florida	Paxton, Florida
Bristol, Florida	Perry, Florida
Carrabelle, Florida	Port St. Joe, Florida
Chattahoochee, Florida	Tyndall AFB, Florida
Eastpoint, Florida	Wewahitchka, Florida
Florala, Alabama	Wing, Alabama
Hosford, Florida	

Real Estate

The Company in its corporate and Southwood holdings owns approximately 50,550 acres of investment land the majority of which is located in West Florida. The counties with the largest holdings at December 31, 1993 are as follows:

County	Acres
Bay	25,835
Franklin	7,049
Leon	9,759
St. Johns	4,321
Wakulla	1,153
Walton	2,012

In addition to these holdings the Company has another approximately 20,000 acres in West Florida that it considers investment or developable property. Southwood owns an office building in Panama City, Florida which was completed in 1991 and contains 11,700 square feet.

Gran Central at December 31, 1993 owned approximately 17,900 acres of land held for lease development and/or sale. The largest holdings by counties are as follows:

County	Acres
Brevard	2,478
Dade	1,595
Duval	1,482
Flagler	3,462
Manatee	884
St. Johns	3,321
Volusia	3,136

Gran Central also owned at year-end 1993 forty-one buildings as detailed below;

Location	Number of Buildings	Type	Rentable Square Feet	Year Built
duPont Center Jacksonville, FL	2	Office	144,000	1987/ 1988
Barnett Plaza Jacksonville, FL	1	Office	59,000	1982
Gran Park at Interstate South Jacksonville, FL	6	Office/Showroom/ Warehouses	260,000	1987/ 1989
Gran Park at the Avenues Jacksonville, FL	2	Office/Showroom/ Warehouses/	101,000	1992
	2	Office	145,000	1992/ 1993

Gran Park at Melbourne Melbourne, FL	1	Office/Showroom/ Warehouse	28,000	1989
Gran Park at Lewis Terminals Riviera Beach, FL	1	Office/Showroom Warehouse	62,000	1987
	2	Rail Warehouses	176,000	1982/ 1987
	2	Cross Docks	29,000	1987
	2	Cross Docks	46,000	1991
Gran Park - McCahill Miami, FL	1	Rail Warehouse	302,000	1992
Gran Park at Miami Miami, FL	4	Office/Showroom/ Warehouses	291,000	1988/ 1990/ 1992
	4	Office/Warehouses	382,000	1990/ 1991/ 1992/ 1993
	3	Rail Warehouses	258,000	1989/ 1990/ 1993
	5	Front Load Warehouses	604,000	1991/ 1992/ 1993
	1	Double Front Load Warehouse	239,000	1993
Hialeah, FL	1	Cross Dock	20,000	1987
Pompano, FL	1	Rail Warehouse	54,000	1987
TOTAL	41		3,200,000	

Realty's holdings include lands adjacent to Railway's tracks which are suitable for development into office and industrial parks offering both rail and non-rail-served parcels. Certain other holdings are in urban or suburban locations offering opportunities for development of office building structures or business parks offering both office building sites and sites for flexible space structure such as office/showroom/warehouse buildings.

General

St. Joe considers that its facilities are suitable and adequate for the operations involved. All facilities are being productively utilized in the business.

ITEM 3. LEGAL PROCEEDINGS

The Forest Products segment of the Company has suits pending in several counties in West Florida contesting ad valorem tax assessments. The Company reported last year that it was having meetings with EPA to resolve the alleged permit violations at the City of Port St. Joe Wastewater Treatment plant during the last half of 1989. The Company has reached an agreement with the U. S. Department of Justice and EPA to settle this suit with the Company paying $325,000. The Judge in the case issued an order for dismissal of the case in January, 1994. In February, 1994 the Company's mill was named as a potentially responsible party under Federal regulations for the cleanup of a designated Superfund site in Tampa, Florida. The alleged violation occurred in the late 1970's or early 1980's. The Company has investigated this claim and has found no evidence that we had material from our mill dumped at this site and therefore, we should not have been named as a party in this matter.

In the Transportation segment FEC has a suit pending against CSXT Transportation, Inc. (CSXT) for their violations of the 1978 Agreement between CSXT and FEC and in part, violations of the Sherman Act. This complaint was filed as a result of General Motors Corporation moving their automotive traffic from FEC to CSXT. FEC contends that CSXT has placed FEC in a position that it cannot fairly compete with CSXT. In February 1993, the U. S. District Court found that contract rates were included in the 1978 Agreement, but that CSXT cannot be required to establish an equal joint-line contract rate since the Court views such action as a form of illegal price-setting. This Order is being appealed to the U. S. District Court of Appeals.

In 1992, CSXT petitioned the ICC to reopen the merger proceedings for the purpose of eliminating the merger conditions set down by the ICC in the 1967 merger of ACL/SAL Railroads. Under the merger conditions set by the ICC, CSXT is required to cooperate with the FEC in matters of rates, routes and service covering traffic to and from West Palm Beach south. The request of CSXT before the ICC is still in the opening evidence and argument stage.

The FEC is also involved in legal actions against the Florida Department of Revenue (FDR), and several counties of the state, for its ad valorem assessment covering the years 1987 through 1991. The FDR received a favorable decision on this case in 1991 for the years 1987 and 1988 which the FEC appealed. The years 1989 through 1991 which had been stayed, pending the outcome of the above case, have now been assessed and form the basis for new suits. In the third quarter of 1993 the FDR and FEC reached a settlement of $13.5 million as the total amount of ad valorem taxes due for the years 1987 through 1991.

The FEC and ANRR are involved in various proceedings associated with environmental issues. See page 8 under discussion of the Transportation segment for details.

ANRR has filed action in the courts against the FDR and several counties of the state on its ad valorem assessment covering the years 1987 through 1993. The suit covering the years 1987 and 1988 was being held in obeyance, pending final determination of the companion case of the FEC discussed above. Since the FDR settlement with the FEC, they have billed the ANRR $0.3 million as the amount required to settle the case covering these two years. The suit for the years 1989 through 1993 which was scheduled to be heard by the courts in 1993 has been reset for 1994. The amount at issue for these five years is approximately $0.6 million. The Company expects these cases will be settled in 1994.

The Company knows of no other pending or contemplated legal proceedings other than ordinary routine litigation incidental to the business or property of the Company.

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

No matter was submitted during the fourth quarter of the Company's 1993 fiscal year to a vote of security holders, whether by solicitation of proxies or otherwise.

PART II

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

Incorporated by reference to the 1993 Annual Report to Stockholders on page 15.

The Company has established a regular quarterly cash dividend of $.05 per share. The dividend of $.05 per share for the first quarter of 1994 was payable on March 31, 1994 on record date of March 24, 1994.

ITEM 6. SELECTED FINANCIAL DATA

Incorporated by reference to the 1993 Annual Report to Stockholders on page 15.

ITEM 7. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

Incorporated by reference to the 1993 Annual Report to Stockholders

Balance Sheet	-	Page 17
Statement of Income	-	Page 19
Statement of Cash Flow	-	Page 23

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The Financial Statements on page 16 to 34, inclusive and the Independent Auditors' Report on page 35 of the Annual Report to Stockholder for 1993 are filed as part of this Report and incorporated herein by reference thereto.

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

Not applicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Reference is made to the information to be set forth in the section entitled "Election of Directors" in the definitive proxy statement involving the election of directors in connection with the Annual Meeting of Stockholders of St. Joe to be held on May 10, 1994 (the "Proxy Statement"), which section is incorporated herein by reference. The Proxy Statement will be filed with the Securities and Exchange Commission not later than 120 days after December 31, 1993, pursuant to Regulation 14A of the Securities Exchange Act of 1934, as amended.

The information required with respect to executive officers is set forth in Part I of this Report under the heading "Executive Officers of the Registrant", pursuant to instruction 3 to paragraph (b) of Item 401 of Regulation S-K.

On December 27, 1993 the Alfred I. duPont Testamentary Trust, which owned prior to that date 21,291,900 shares of the Company's common stock or 69.8%, transferred 222,799 shares of this stock to The Nemours Foundation (Nemours). Nemours is a beneficiary of the Trust. The Trust did not file Form 4, Statement of Changes of Beneficial Ownership of Securities and Nemours did not file Form 3, Initial Statement of Beneficial Ownership of Securities. The Trust and Nemours both timely filed Form 5, Annual Statement of Changes in Ownership, which was due by the 45th day after the end of calendar year 1993.

ITEM 11. EXECUTIVE COMPENSATION

Reference is made to the information to be set forth in the section entitled "Compensation of Directors' in the Proxy Statement, which section is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

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

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Not applicable.

PART IV

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

(a) 1. Financial Statements

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

2. Financial Statement Schedules

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

3. Exhibits

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

(b) Reports on Form 8-K

None

ST. JOE PAPER COMPANY

INDEX TO FINANCIAL STATEMENTS
AND FINANCIAL STATEMENT SCHEDULES

(Item 14(a) 1. and 2.)

All other schedules have been omitted since the required information is not present or not present in amounts sufficient to require submission of the schedule or because the information required is included in the consolidated financial statements, including the summary of significant accounting policies and the notes to the consolidated financial statements.

ST. JOE PAPER COMPANY

INDEX TO EXHIBITS

(Item 14(a) 3.)

S-K ITEM 601	Documents	Page
(3) (a)	Articles of Incorporation	*
(3) (b)	By-Laws	*
(10) (b)	Agreement between Apalachicola and Seminole Electric Cooperative, Incorporated dated October 14, 1982	*
(b)	Agreement between Talisman Sugar Corporation and Everglades Sugar Refinery dated February 11, 1986	**
(21)	Subsidiaries of St. Joe (filed herewith and attached)	E-1
(24)	Power of Attorney	E-2

*Incorporated herein by reference to Exhibits filed in connection with St. Joe Paper Company Registration Statement on Form 10 as filed with the Securities and Exchange Commission on April 30, 1984 (File No. 1-12001).

**Incorporated herein by reference to Exhibits filed with the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1990.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on March 8, 1994.

ST. JOE PAPER COMPANY

By:
Stanley D. Fraser
Vice President

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on March 8, 1994.

W. L. Thornton* Winfred L. Thornton	Chairman of the Board and Chief Executive Officer
Jacob C. Belin* Jacob C. Belin	Chairman of the Executive Committee
Robert E. Nedley* Robert E. Nedley	President, Chief Operating Officer and Director
Stanley D. Fraser	Vice President and Director (principal) financial officer)
Howard L. Brainin* Howard L. Brainin	Vice President and Director
E. C. Brownlie* Edward C. Brownlie	Vice President and Director
T. S. Coldewey* Thomas S. Coldewey	Director

Tully F. Dunlap* Tully F. Dunlap	Director
E. Thomas Ford* E. Thomas Ford	Vice President and Director
Robert J. A. Irwin* Robert J. A. Irwin	Director
R. Eugene Taylor* R. Eugene Taylor	Director
W. Taliaferro Thompson, III* W. Taliaferro Thompson, III	Director
D. Michael Groos	Comptroller (principal accounting officer)

By:
Stanley D. Fraser
Attorney-in-Fact

*Such signature has been affixed pursuant to Power of Attorney. See Exhibit 24.

Independent Auditors' Report

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

Under date of February 28, 1994, we reported on the consolidated balance sheets of St. Joe Paper Company and subsidiaries as of December 31, 1993 and 1992, and the related consolidated statements of income, changes in stockholders' equity and cash flows for each of the years in the three-year period ended December 31, 1993, as contained in the 1993 annual report to stockholders. These consolidated financial statements and our report thereon are incorporated by reference in the annual report on Form 10-K for the year 1993. In connection with our audits of the aforementioned consolidated financial statements, we also have audited the related financial statement schedules as listed in the accompanying index. These financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statement schedules based on our audits.

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

As discussed in notes 2 and 3 to the consolidated financial statements, the Company changed its method of accounting for investments to adopt the provisions of the Financial Accounting Standards Board's Statement of Financial Accounting Standards (SFAS) No. 115, "Accounting for Certain Investments in Debt and Equity Securities" at December 31, 1993. As discussed in notes 2 and 9, the Company changed its method of accounting for income taxes effective January 1, 1993 to adopt the provisions of the Financial Accounting Standards Board's SFAS No. 109, "Accounting for Income Taxes."

KPMG PEAT MARWICK
Certified Public Accountants

Jacksonville, Florida
February 28, 1994

ST. JOE PAPER COMPANY
SCHEDULE I (CONSOLIDATED)
MARKETABLE SECURITIES - OTHER INVESTMENTS
December 31, 1993
(Dollars in thousands)

Name of issuer and title of each issue	Number of shares or principal amount	Cost	Market Value	Carrying Value
Short-term				
U. S. Government securities	$28,000 principal	$27,658	$ 28,214	$27,695
Tax exempt municipals (1)	2,375 principal	2,401	2,376	2,401
Remarketed certificates of participation (1)	5,000 principal	5,000	5,028	5,028
Certificates of deposit (1)	31,063 principal	31,063	31,183	31,183
		$66,122	$ 66,801	$66,307
Long-term				
Common and preferred stocks:				
E. I. duPont de Nemours & Company	782,100 shares	$ 1,051	$37,736	$37,736
General Motors Corporation	500,480 shares	455	27,464	27,464
General Motors Corporation Class H	25,024 shares	13	976	976
Other common and preferred stocks		10,540	13,570	13,570
		12,059	79,746	79,746
Marketable debt securities:				
U. S. Government securities	$35,842 principal	$35,228	$ 36,341	$35,377
Tax exempt municipals (1)	31,277 principal	31,574	33,988	33,032
Mortgage Backed securities (1)	12,761 principal	7,564	8,160	7,570
Other corporate debt securities(1)	3,740 principal	2,495	3,743	3,798
		$76,861	$ 82,232	$79,777
		$88,920	$161,978	$159,523

(1) Securities of any one individual issuer do not exceed 2% of total assets of the Registrant.

ST. JOE PAPER COMPANY
SCHEDULE V & VI (CONSOLIDATED)
PROPERTY, PLANT & EQUIPMENT / ACCUMULATED DEPRECIATION
Years ended December 31, 1993, 1992 and 1991
(Dollars in thousands)

Classification:	Balance at beginning of Year	Additions at cost	Retire- ments	Balance at end of year
1993:				
Land and timber	$ 123,548	$ 4,027	$ 1,900	$ 125,675
Land improvements	24,431	247	50	24,628
Buildings	46,801	425	52	47,174
Machinery and equipment	1,068,499	46,893	12,942	1,102,450
Office equipment	6,667	112	422	6,357
Autos and trucks	6,866	1,006	667	7,205
Construction in progress	13,812	4,349	---	18,161
Investment property	215,685	35,987	1,659	250,013
	$1,506,309	$ 93,047	$17,692	$1,581,663
Accumulated depreciation(1)	$ 522,885	$ 62,874	$11,818	$ 573,941
1992:				
Land and timber	$ 116,341	$ 9,078	$ 1,871	$ 123,548
Land improvements	23,232	1,222	23	24,431
Buildings	46,039	918	156	46,801
Machinery and equipment	982,733	98,184	12,418	1,068,499
Office equipment	7,017	249	599	6,667
Autos and trucks	6,797	654	585	6,866
Construction in progress	40,773	(26,961)	---	13,812
Investment property	178,601	37,392	308	215,685
	$1,401,533	$120,736	$15,960	$1,506,309
Accumulated depreciation(1)	$ 474,353	$ 59,757	$11,225	$ 522,885
1991:				
Land and timber	$ 112,984	$ 5,221	$ 1,864	$ 116,341
Land improvements	23,035	292	95	23,232
Buildings	45,587	688	236	46,039
Machinery and equipment	941,234	54,904	13,405	982,733
Office equipment	6,761	638	382	7,017
Autos and trucks	6,808	290	301	6,797
Construction in progress	30,228	12,037	1,492	40,773
Investment property	153,202	26,216	817	178,601
	$1,319,839	$100,286	$18,592	$1,401,533
Accumulated depreciation(1)	$ 434,192	$ 55,241	$15,080	$ 474,353

(1) The annual provisions for depreciation have been computed using both the straight-line and accelerated methods principally in accordance with the following estimated useful lives:

	Estimated Useful life
Land and timber	----
Land improvements	20
Buildings	45
Machinery and equipment	10 - 30
Office equipment	6 - 10
Autos and trucks	3 - 6
Construction in progress	----
Investment property	various

It is not practical to show accumulated depreciation to correspond with the above classification as our accounting records do not provide such information.

ST. JOE PAPER COMPANY
SCHEDULE VIII (CONSOLIDATED)
VALUATION AND QUALIFYING ACCOUNTS
Years ended December 31, 1993, 1992 and 1991
(Dollars in thousands)

Reserves included in Liabilities	Balance at Beginning of Year	Additions Charged to Expense	Payments	Balance at End of Year
1993				
Accrued casualty reserves	22,916	2,443	2,448	22,911(a)
1992				
Accrued casualty reserves	23,043	3,774	3,901	22,916(a)
1991				
Accrued casualty reserves	18,382	10,282	5,621	23,043(a)

(a) Includes $11,601, $11,213 and $8,084 in current liabilities at December 31, 1993, 1992 and 1991, respectively. The remainder is included in "Accrued casualty reserves and other liabilities."

ST. JOE PAPER COMPANY
SCHEDULE X (CONSOLIDATED)
SUPPLEMENTARY INCOME STATEMENT INFORMATION
Years ended December 31, 1993, 1992 and 1991
(Dollars in thousands)

	Charged to Costs and Expenses		
Item Description	1993	1992	1991
Maintenance and repairs	$93,803	$83,781	$84,118
Real estate taxes	$16,632	$18,847	$21,128

All other expenses categories have been omitted since individually they represent less than 1% of total consolidated revenue.

ST. JOE PAPER COMPANY
SCHEDULE XI (CONSOLIDATED) REAL ESTATE AND ACCUMULATED DEPRECIATION
December 31, 1993, 1992 and 1991
(Dollars in thousands)

Description	Encum-brances	Initial Cost to Company: Land	Initial Cost to Company: Buildings & Tenant Improvements	Costs Capitalized Subsequent to Acquisition
Duval County				
Office Buildings (5)	0	1,153	6,200	25,374
Office/Showroom/Warehouses (8)	0	1,502		18,700
Land w/ Infrastructure	0	1,773		968
City & Residential Lots	0	371	5	77
Unimproved land & Misc Assets	0	5,735		4,325
St. Johns County				
Land w/ Infrastructure	0	10		1,044
Unimproved land	0	2,631		411
Flagler County				
Unimproved land	0	3,218		1,008
Volusia County				
Unimproved land	0	3,651		499
Brevard County				
Office/Showroom/Warehouse	0	73		1,890
Land w/ Infrastructure	0	3,797		0
Unimproved land	0	4,846		191
Indian River County				
Unimproved land	0	218		156
St. Lucie County				
Unimproved land	0	639		8
Martin County				
Unimproved land	0	4,671		2,344
Palm Beach County				
Office/Showroom/Warehouse	0	113		2,641
Rail Warehouses	0	449		4,097
Cross Docks	0	117		3,763
Land w/ Infrastructure	0	1,269		87
Unimproved land	0	1,605		0
Broward County				
Rail Warehouse	0	85		1,584
Unimproved land	0	733		701
Dade County				
Office/Showroom/Warehouses (4)	0	1,003		11,774
Office/Warehouses (4)	0	1,462		12,468
Rail Warehouses (4)	0	808		13,998
Cross Dock	0	137		1,018
Double Front Load Warehouse	0	768		5,376
Front Load Warehouses (5)	0	1,943		11,269
Land w/ Infrastructure	0	2,577		8,993
Unimproved land & Misc Assets	0	16,010		11,894
Putnam County				
Unimproved land	0	7		0
Manatee County				
Unimproved land	0	14		3
Gulf County				
Unimproved land	0	559		795

ST. JOE PAPER COMPANY
SCHEDULE XI (CONSOLIDATED) REAL ESTATE AND ACCUMULATED DEPRECIATION
December 31, 1993, 1992 and 1991
(Dollars in thousands)

		Initial Cost to Company		
Description	Encum-brances	Land	Buildings & Tenant Improvements	Costs Capitalized Subsequent to Acquisition
Bay County				
Land w/ Infrastructure	0	1		55
Office Building	0	1		763
Unimproved land	0	517		133
Leon County				
Land w/ Infrastructure	0	605		39
Walton County				
Land w/ Infrastructure	0	127		506
Other Counties				
Unimproved land	0	849		1,294
Grand Total	0	66,047	6,205	150,246

ST. JOE PAPER COMPANY
SCHEDULE XI (CONSOLIDATED) REAL ESTATE AND ACCUMULATED DEPRECIATION
December 31, 1993, 1992 and 1991
(Dollars in thousands)

	Gross Amount at Which Carried as of December 31, 1993		
Description	Land & Land Improvements	Buildings & Tenant Improvements	Total
Duval County			
Office Buildings (5)	3,525	29,202	32,727
Office/Showroom/			
Office/Showroom/Warehouses (8)	3,930	16,272	20,202
Land w/ Infrastructure	2,741		2,741
City & Residential Lots	371	82	453
Unimproved land & misc assets	9,863	197	10,060
St. Johns County			
Land w/ Infrastructure	1,054		1,054
Unimproved land	3,042		3,042
Flagler County			
Unimproved land	4,226		4,226
Volusia County			
Unimproved land	4,150		4,150
Brevard County			
Office/Showroom/Warehouse	438	1,525	1,963
Land w/ Infrastructure	3,797		3,797
Unimproved land	5,037		5,037
Indian River County			
Unimproved land	374		374
St. Lucie County			
Unimproved land	647		647
Martin County			
Unimproved land	7,015		7,015
Palm Beach County			
Office/Showroom/Warehouse	599	2,155	2,754
Rail Warehouses	544	4,002	4,546
Cross Docks	1,262	2,618	3,880
Land w/ Infrastructure	1,356		1,356
Unimproved land	1,605		1,605
Broward County			
Rail Warehouse	405	1,264	1,669
Unimproved land	1,434		1,434
Dade County			
Office/Showroom/Warehouses (4)	2,419	10,358	12,777
Office/Warehouses (4)	2,838	11,092	13,930
Rail Warehouses (4)	2,398	12,408	14,806
Cross Dock	137	1,018	1,155
Double Front Load Warehouse	1,409	4,735	6,144
Front Load Warehouses (5)	2,476	10,736	13,212
Land w/ Infrastructure	11,570		11,570
Unimproved land & misc assets	27,571	333	27,904
Putnam County			
Unimproved land	7		7
Manatee County			
Unimproved land	17		17
Gulf County			
Unimproved land	1,354		1,354

ST. JOE PAPER COMPANY
SCHEDULE XI (CONSOLIDATED) REAL ESTATE AND ACCUMULATED DEPRECIATION
December 31, 1993, 1992 and 1991
(Dollars in thousands)

	Gross Amounts at Which Carried as of December 31, 1993		
Description	Land & Land Improvements	Buildings & Buildings Tenant Improvements	Total
Bay County			
Land w/ Infrastructure	1	55	56
Office Building	1	763	764
Unimproved land	523	127	650
Leon County			
Land w/ Infrastructure	605	39	644
Walton County			
Land w/ Infrastructure	633		633
Other Counties			
Unimproved land	2,102	41	2,143
Grand Total	113,476	109,022	222,498

ST. JOE PAPER COMPANY
SCHEDULE XI (CONSOLIDATED) REAL ESTATE AND ACCUMULATED DEPRECIATION
December 31, 1993, 1992 and 1991
(Dollars in thousands)

Description	Accumulated Depreciation	Date Started or Acquired	Life on Which Depreciation in Latest Income Statement is Computed
Duval County			
Office Buildings (5)	4,074	1982	3 to 40 years
Office/Showroom/			
Office/Showroom/Warehouses (8)	2,707	1987	3 to 40 years
Land w/ Infrastructure		Various	3 to 40 years
City & Residential Lots	5	Various	3 to 40 years
Unimproved land & misc assets	123	Various	3 to 40 years
St. Johns County			
Land w/ Infrastructure		Various	
Unimproved land		Various	
Flagler County			
Unimproved land		Various	
Volusia County			
Unimproved land		Various	
Brevard County			
Office/Showroom/Warehouse	237	1988	3 to 40 years
Land w/ Infrastructure		Various	
Unimproved land		Various	
Indian River County			
Unimproved land		Various	
St. Lucie County			
Unimproved land		Various	
Martin County			
Unimproved land		Various	
Palm Beach County			
Office/Showroom/Warehouse	549	1986	3 to 40 years
Rail Warehouses	927	1987	3 to 40 years
Cross Docks	604	1987	3 to 40 years
Land w/ Infrastructure		Various	
Unimproved land		Various	
Broward County			
Rail Warehouse	428	1986	3 to 40 years
Unimproved land		Various	
Dade County			
Office/Showroom/Warehouses (4)	1,395	1988	3 to 40 years
Office/Warehouses (4)	913	1990	3 to 40 years
Rail Warehouses (4)	885	1987	3 to 40 years
Cross Dock	182	1987	3 to 40 years
Double Front Load Warehouse	182	1993	3 to 40 years
Front Load Warehouses (5)	460	1991	4 to 40 years
Land w/ Infrastructure	1,560	Various	3 to 40 years
Unimproved land & misc assets	65	Various	3 to 40 years
Putnam County			
Unimproved land		Various	
Manatee County			
Unimproved land		Various	
Gulf County			
Unimproved land	20		

ST. JOE PAPER COMPANY
SCHEDULE XI (CONSOLIDATED) REAL ESTATE AND ACCUMULATED DEPRECIATION
December 31, 1993, 1992 and 1991
(Dollars in thousands)

Description	Accumulated Depreciation	Date Started or Acquired	Life on Which Depreciation in Latest Income Statement is Computed
Bay County			
Land w/ Infrastructure	21		3 to 40 years
Office Building	116		3 to 40 years
Unimproved land	13	Various	
Leon County			
Land w/ Infrastructure	9	Various	
Walton County			
Land w/ Infrastructure		1993	3 to 40 years
Other Counties			
Unimproved land		Various	
Grand Total	15,475		

Notes

(a) The aggregate cost of real estate owned at December 31, 1993 for federal income tax purposes is $113,271.

	1993	1992	1991
(b) Reconciliation of real estate owned:			
Balance at beginning of year	192,466	162,083	139,962
Amounts capitalized	31,691	30,690	22,938
Amounts retired or adjusted	(1,659)	(307)	(817)
Balanced at close of period	222,498	192,466	162,083
(c) Reconciliation of accumulated depreciation:			
Balance at beginning of year	11,306	8,127	5,793
Depreciation expense	4,169	3,272	2,427
Amounts retired or adjusted		(93)	(93)
Balanced at close of period	15,475	11,306	8,127

(d) Table excludes $27,515 of real estate costs in progress.

ST. JOE PAPER COMPANY
CONSOLIDATED BALANCE SHEET
(Dollars in thousands)

	December 31 1993	1992
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 48,304	$ 42,137
Short-term investments	66,307	43,012
Accounts receivable	74,127	71,355
Inventories	69,398	60,020
Other assets	25,720	16,825
Total current assets	283,856	233,349
Investments and Other Assets:		
Marketable securities	159,523	131,689
Other assets	40,170	39,838
Total investments and other assets	199,693	171,527
Property, Plant and Equipment, net	1,007,722	983,424
Total Assets	$1,491,271	$1,388,300
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 41,515	$ 40,008
Accrued liabilities	27,838	29,067
Income taxes payable	2,737	---
Long-term debt due within one year	21,309	17,632
Total current liabilities	93,399	86,707
Accrued casualty reserves and other liabilities	11,063	11,703
Long-term debt due after one year	38,947	40,959
Deferred income taxes and income tax credits	205,531	185,300
Minority interest in consolidated subsidiaries	238,878	229,949
Stockholders' Equity:		
Common stock, no par value; 60,000,000 shares authorized; 30,498,650 shares issued and outstanding	8,714	8,714
Retained earnings	851,511	824,968
Net unrealized gains on debt and marketable equity securities	43,228	---
Total stockholders' equity	903,453	833,682
Total Liabilities and Stockholders' Equity	$1,491,271	$1,388,300

See notes to consolidated financial statements.

BALANCE SHEET

The Consolidated Balance Sheet gives you the financial position or status of accounts on the date shown and taken as a whole gives a picture of the entire enterprise on that date. A series of balance sheets will show the progress or movement of that enterprise from one period to the next. The balance sheet needs to be looked at, together with the income statement as a unit to get a sufficiently clear picture of the status and progress of a business.

The Company continued in 1993 to have a strong balance sheet. Management continued in 1993 it's long standing policy of paying nominal dividends in order to fund capital additions and improvements from it's internally generated cash.

The cash and cash equivalents, items with maturities of less than three months, increased during the year 1993 by $6.2 million. This increase was in the accounts of St. Joe Forest Products Company (Forest Products), Florida East Coast Industries, Inc. (FECI), Apalachicola Northern Railroad Company (ANRR) and Southwood Properties Division (Southwood). These four accounts had a larger increase than this, but it was partly offset by decreases in other segments of the Company. Short-term investments were $23.3 million more at year end from the prior year end, most of which came from the Company's corporate account and were the result of moving those investments with a maturity of twelve months or less into the account from the long-term investment account reduced by funds received from sales and maturities used in operations. Other assets in the current asset account increased $8.9 million, mostly on an increase in prepaid pension plan costs, deferred income taxes and in the Communication's segment an increase in equity in the four cellular partnerships this segment has ownership in. The total current assets during calendar year 1993 increased $50.5 million, which was made up of cash and cash equivalents, short-term investments, inventories and other assets.

Total investments and other assets (investments) of the Company increased $28.2 million. This increase includes a $27.8 million increase in marketable securities and was caused by the adoption by the Company of accounting for marketable securities under the provisions of Statement of Financial Accounting Standards No. 115, "Accounting for Certain Investments in Debt and Equity Securities", offset by investments transferred to short-term investments as discussed above. See Note 2. and 3. of Notes to Consolidated Financial Statements for additional information on this change.

The property, plant and equipment of the Company increased in all segments, for a total net increase, asset purchases less depreciation, of $24.3 million. The largest increase was in FECI with lesser amounts in the Forest Products, Sugar and Communications segments of the Company.

Total current liabilities increased $6.7 million. This increase was in the area of income taxes payable and long-term debt due within one year. The current portion of long-term debt increase is in the Forest Products and Sugar segments of the Company. The Company's working capital at year end 1993 (current assets, less current liabilities) was $190.5 million which compared to $146.6 million at the end of 1992. The Company's current ratio (current assets to current liabilities) at December 31, 1993 was 3.0 to 1 up from the prior year of 2.7 to 1.

The Financial Accounting Standards Board issued Statement No. 109 "Accounting for Income Taxes", in early 1992 which made substantial changes in the method of calculating the income tax reserve account. The Company adopted this change in the first quarter of 1993 which is a change to the liability method for showing deferred income taxes. See Note 9 of Notes to Consolidated Financial Statement for additional information on this change.

Stockholders' equity increased in 1993 from $27.34 per share at December 31, 1992 by $2.28 to $29.62 per share at December 31, 1993. This increase included the net income per share after dividends of $0.87 and $1.42 for net unrealized gain on debt and marketable securities as explained above. Over the past five years stockholders' equity has increased 27.9% per share.

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

The Company is currently a party to, or involved in, legal proceedings directed at the cleanup of two Superfund sites. The Company has accrued its allocated share of the total estimated cleanup costs for these two sites. Based upon management's evaluation of the other potentially responsible parties, the Company does not expect to incur additional amounts even though the Company has joint and several liability. Other proceedings involving environmental matters such as alleged discharge of oil or waste material into water or soil are pending against the Company.

It is not possible to quantify future environmental costs because many issues relate to actions by third parties or changes in environmental regulation. However, based on information presently available, management believes that the ultimate disposition of currently known matters will not have a material effect on the financial position or liquidity of the Company, but could be material to the results of operations of the Company in any one period. As of December 31, 1993 and 1992, the aggregate environmental related accruals were $6.7 million. Environmental liabilities are paid over an extended period and the timing of such payments cannot be predicted with any confidence.

ST. JOE PAPER COMPANY
CONSOLIDATED STATEMENT OF INCOME
(Dollars in thousands except per share amounts)

	Years ended December 31, 1993	1992	1991
Net sales and operating revenues	$591,968	$591,912	$582,180
Cost of sales and operating expenses	507,949	513,179	501,806
	84,019	78,733	80,374
Selling, general and administrative expenses	51,917	54,677	55,898
Operating profit	32,102	24,056	24,476
Other income (expense):			
Dividends	2,144	2,312	2,320
Interest income	9,575	13,581	20,799
Interest expense	(3,711)	(3,884)	(5,036)
Gain on sales and other dispositions of property, plant and equipment	1,085	2,511	16,099
Other, net	3,380	2,938	3,019
	12,473	17,458	37,201
Income before income taxes, minority interest, and cumulative effect of change in accounting principle	44,575	41,514	61,677
Provision for income taxes			
Current	13,294	14,259	22,490
Deferred	8,915	591	(1,768)
Total provision for income taxes	22,209	14,850	20,722
Income before minority interest and cumulative effect of change in accounting principle	22,366	26,664	40,955
Less income applicable to minority interest in consolidated subsidiaries	10,241	11,074	13,367
Income before cumulative effect of change in accounting principle	12,125	15,590	27,588
Cumulative effect of change in accounting principle for income taxes	20,518	---	---
Net income	$ 32,643	$ 15,590	$ 27,588
Per Share Data:			
Income before cumulative effect of change in accounting principle	$0.39	$0.51	$0.90
Cumulative effect of change in accounting principle for income taxes	0.68	---	---
Net income per share	$1.07	$0.51	$0.90

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
(Dollars in thousands except per share amounts)

	Years ended December 31, 1993	1992	1991
COMMON STOCK			
Balance, at end of year (1993, 1992 and 1991 - 30, 498,650 shares)	$ 8,714	$ 8,714	$ 8,714
RETAINED EARNINGS			
Balance, at beginning of year	$824,968	$815,478	$793,990
Net income	32,643	15,590	27,588
Dividends:			
Cash ($0.20 per share - 1993, 1992 and 1991)	(6,100)	(6,100)	(6,100)
Balance, at end of year	$851,511	$824,968	$815,478
NET UNREALIZED GAIN ON DEBT AND MARKETABLE EQUITY SECURITIES			
Cumulative effect of change in accounting principle for investments	$ 43,228	---	---
Balance, at end of year	$ 43,228	---	---

See notes to consolidated financial statements.

MANAGEMENTS DISCUSSION AND ANALYSIS OF STATEMENT OF INCOME

The Income Statement on the preceding page is for the consolidated Company and compares in summary form the items for the calendar three year period of 1991, 1992 and 1993. Below is a discussion of some of the items shown on this Statement in order to be of help in understanding the cause of the changes that occurred between the three years.

Net sales and operating revenues for the Company were flat in 1993 from 1992. This compares to a $9.7 million or 1.7% increase in 1992 from the 1991 amounts. The Transportation, Communications and Real Estate segments of the Company had increases in 1993, while Forest Products and Sugar declined. In 1992 all segments of the Company, Transportation, Sugar, Communications and Real Estate increased, except Forest Products which declined. Detailed information on these results are discussed in the segment sections which follow.

Cost of sales and operating expenses decreased in 1993, $5.2 million or 1.0% over the 1992 amount which was $11.4 million or 2.3% more than 1991. Forest Products, Sugar, and Transportation had decreased expenses in 1993, with Sugar having the largest percentage decrease. Communications and Real Estate expenses increased in 1993 from 1992. In 1992 Forest Products, Sugar, Communications and Real Estate all had increased expenses from 1991 while Transportation expenses decreased.

Selling, general and administrative expenses in 1993 for the Company were $2.8 million or 5.0% less than 1992. These expenses in 1992 were $1.2 million or 2.2% less than 1991. Forest Products and Sugar had decreases in this area of expense in 1993, while Transportation, Communications and Real estate had increases. In 1992 the Sugar, Communications and Real Estate segments all had increases over 1991 while Forest Products and Transportation had a small decrease.

The operating profit of the Company for 1993 was up $8.0 million or 33.4% from 1992. The 1992 operating profit was down $0.4 million or 1.7% from the 1991 operating results. Forest Products, Transportation and Real Estate were the segments of the Company that were up in 1993 from 1992 while the other segments, Sugar and Communications were down. In 1992 Forest Products, Sugar and Communications were the segments of the Company that had decreased operating results from 1991 while the other segments Transportation and Real Estate were up.

Other Income was down in 1993, $5.0 million or 28.6% from 1992 which had been down $19.7 million or 53.1% from 1991. This decrease was in two areas, net of interest income over interest expense which was down 39.5% and gain on sales and other dispositions of property, plant and equipment down 56.8%. The interest income declined from the continued lower interest rates in this country over the last several years and the reduction in gain on property sales was from the Florida East Coast Railway Company (FEC) in 1993 from 1992 and 1992 from 1991. The large FEC sale in 1991 of right-of-way to the Florida Department of Transportation was not repeated in 1992 and was the main reason for the increase gains on property sales that year.

The provision for income taxes increased $7.4 million in 1993 and decreased $5.9 million in 1992 from the prior year. This increase reflects the retroactive increase in the corporate federal income tax rate from 34% to 35%, effective January 1, 1993 which resulted in additional income tax expense for the year. This amount was further increased by an increase in deferred income taxes resulting from the federal income tax rate increase and undistributed earnings of FECI as required by Statement of Financial Accounting Standards No.109, "Accounting for Income Taxes" and undistributed earnings of FECI. This FASB Statement No. 109 was adopted by the Company in the first quarter of 1993 and resulted in income of $20.5 million. The effective income tax rate for the three years is 49.8% for 1993, 35.8% for 1992 and 33.6% for 1991. The Company files a consolidated federal income tax return with the Internal Revenue Service for the parent and all 80% or greater owned subsidiaries.

Net income before cumulative effect of change in accounting principle for 1993 was down $3.5 million or 22.2% when compared to the results for 1992. The 1992 net income was down $12.0 million or 43.5% from the 1991 net income. Net income per share before cumulative effect of change in accounting principle declined $0.12 per share in 1993 to $0.39 per share. The 1992 net income per share of $0.51 was $0.39 per share less than 1991. This decrease in net income before cumulative effect of change in accounting principle in 1993 was caused by the income tax expense as explained above. The decreases in 1992 over 1991 was primarily due to reduced profitability of the Forest Products operation.

SEGMENTS

Forest Products

Net sales and operating revenues in the Forest Products operations accounted for 52.9% of the Company's total net sales and operating revenues in 1993 which was lower than the 54.4% for 1992 and 56.3% for 1991. Included in these net sales from this segment of the Company are the net sales by the Company's paper mill, this includes both sales to outside customers and trades to our own plants, that were down $14.1 million or 8.5% in 1993 from 1992 which was down $3.8 million or 2.2% in 1992 from 1991. This decrease in net sales revenue was made up of a decrease in average sales price with a small offset by an increase in tons sold. Crest white sales revenue in 1993 was 55% of total mill sales which was up from 48% for 1992 and tons sold in 1993 was 45% of total tons sold, up from 42% in 1992. The Company's container plants in 1993 had a decrease in sales revenue from the prior year. The 1993 sales were down $9.5 million or 3.9% caused by both a lower average selling price of 0.7% and a 3.3% decrease in tons sold. In 1992 sales were up $14.3 million or 6.2% from 1991 caused by both selling price per ton and tons sold being higher. The revenue from the Company's forestry operations for 1993 on sales outside the Company were flat from like 1992 sales. The 1992 sales outside the Company were up $0.7 million or 12.0% from the 1991 amounts. While the net for 1993 when compared to 1992 was flat there was an increase in sales price of 7.5% offset, to some degree, by a 7.7% decrease in tons sold. In 1992 there was an increase in revenue caused by an increase of 15.2% in sales price somewhat offset by less tons sold of 2.8%. The continued decrease in the mill results of the Company follows the pattern of the forest products industry, and reflects the slower recovery in this industry from the general economy of the country.

Cost of sales and operating expenses at both the Company's paper mill and forestry units for 1993 increased from 1992, 6.2% and 9.0% respectively, while the container plants had a decrease of 11.0%. In 1992 the Company's paper mill and container plants experienced increased cost of sales and operating expenses, while the forestry units had decreased expenses. The major items of expense at the paper mill that increased in 1993 over 1992 were caused by the increase in both natural gas and fuel oil, and repair material.

The selling, general and administrative expenses in 1993 were flat at the paper mill and increased at the forestry operations 1.3% over the 1992 period. The container plants for the same period decreased 1.9%. In 1992 the paper mill and container plants had increased costs over 1991 while the forestry units had a decrease. The 1993 increase in expenses for the forestry operations was in the area of employee benefits and legal.

Transportation

The Transportation segment of the Company is the second largest and its net sales and operating revenues for 1993 were 29.6% of the Company's total net sales and operating revenues. This was an increase from the 28.4% in 1992 which was a slight decrease from the 1991 share of 28.5%. Within the Transportation segment of the Company total net sales and operating revenues, FEC had a 3.4% increase while ANRR increase was 2.3% in 1993 when compared to 1992. In 1992, FEC was up 2.6% and ANRR down 3.8% over the 1991 results. The FEC increase in 1993 reflected the increase in aggregate (rock) shipments. The 1992 increase was caused by an increase in intermodal traffic, an increase in the rate and volume of other than automobile traffic and an increase in rock shipments. The ANRR in 1993 had an increase in coal, pulpboard and pulpwood car shipments. ANRR's decrease in 1992 was due to the decrease in coal traffic, woodchips and pulpwood car shipments.

The cost of sales and operating expenses in 1993 for FEC were down 1.5% and the ANRR was up 9.6%. The FEC for 1992 had decreased operating expenses of 1.8% and ANRR 10.2% over 1991. The decrease in FEC for 1993 reflects a decrease in property taxes and materials and supplies. In 1992 these expenses had decreased in property taxes, casualty insurance and personal injury expenditures. The 1993 increase for ANRR was caused by depreciation expense in the maintenance of way area and locomotive repairs, while the 1992 decrease was for signal and track maintenance and locomotive repairs.

Sugar

The Sugar segments net sales decreased in 1993 by $5.7 million or 10.4% from 1992 sales. This included a decrease of 9.8% on tons of sugar sold, which was slightly offset by an increase of 2.0% in sales price. The 1992 sales were up 9.6% from 1991 on more tons of sugar sold with a slight reduction in the sales price. The cost of sales and operating expenses, as well as, selling, general and administrative expenses in 1993 were down 9.1% and 10.4% respectively on decreased sales and production. In 1992 the cost of sales and operating expenses, as well as the selling, general and administrative expenses were up on increased sales and production from the like 1991 period.

Communications

Net sales and operating revenues for the Communications segment of the Company were up $1.8 million or 6.4% in 1993 from 1992. This segment in 1992 was up from 1991 by 7.4%. The revenue increase in 1993 over 1992 was attributed to the accrual in 1992 of excessive earnings that were restored to income in 1993 and the 1992 increase in interstate access rates charged long-distance carriers being in effect for the entire year. The 1992 increase over 1991 was the result of higher interstate long-distance pooling settlements and the interstate access rates charged long-distance carriers. The cost of sales and operating expenses in 1993 were up 10.3% over 1992 expenses. This increase was largely for outside plant maintenance and increased depreciation expense at all three operating companies. These operating expenses in 1992 were up 8.8% over 1991 and were for maintenance and upgrade of customers equipment. Selling, general and administrative expenses for 1993 were up 0.5% from 1992 which was up 12.1% from 1991. The small increase for 1993 from the prior year was in all general expenses. The 1992 increase of expense from 1991 was in general office expense and for studies required by the Florida Public Service Commission.

Real Estate

Real estate net sales and operating revenues in 1993 were up over the like 1992 period by $7.9 million or 38.6%. Within this segment Southwood's net sales and revenue were up $7.9 million or 468.8% over 1992 which was down 29.1% from 1991. This increase for 1993 was on sales of property, rental income and timber, and in 1992 the decrease was the result of less sales of property and timber. Gran Central's revenue remained the same in 1993 over 1992, which had been up 38.8% from 1991. While the total sales and revenue in 1993 was flat, within this account, rental income was up 31.3% and recollectible from tenants increased 115.0%, but sales of real property were down 61.0%. The increase in 1992 over 1991 was the result of both increases in rental income due to increased available space and realty sales. The operating expenses and selling, general and administrative expenses at Southwood for 1993 were up 152.0% from 1992 and these expenses in 1992 were down 9.6% from 1991. These 1993 expenses were up due to increased sales of property and employee salaries and benefits and 1992 was lower on reimbursement received from the State of Florida on a workers compensation claim. Gran Central's operating expenses and selling, general and administrative expense were up 13.7% in 1993 from 1992 and 16.6% in 1992 over 1991. The increase in these expensesin both 1993 and 1992 over the respective prior years reflects the increasing rental space that has become available for lease each year as a result of new construction.

ST. JOE PAPER COMPANY
CONSOLIDATED STATEMENT OF CASH FLOWS
(Dollars in thousands)

	Years ended December 31, 1993	1992	1991
Cash flows from operating activities:			
Net Income	$32,643	$15,590	$27,588
Adjustments to reconcile net income to cash provided by operating activities:			
Cumulative effect of a change in accounting principle	(20,518)	---	---
Depreciation and depletion	62,872	59,757	55,241
Minority interest in income	10,241	11,074	13,367
Gain on sale of property	(1,085)	(2,511)	(16,099)
Increase (decrease)in deferred income taxes	8,915	3,279	(1,768)
Changes in operating assets and liabilities:			
Accounts receivable	(2,772)	3,925	(2,695)
Inventories	(9,378)	(1,255)	(2,721)
Other assets	(2,865)	(7,569)	(8,103)
Accounts payable, accrued liabilities and casualty reserves	(362)	(1,720)	14,864
Income taxes payable	2,737	(5,674)	2,545
Cash provided by operating activities	80,428	74,896	82,219
Cash flows from investing activities:			
Purchases of property, plant and equipment	(93,045)	(120,736)	(100,286)
Purchases of investments	(77,964)	(162,031)	(238,667)
Proceeds from sales of property	6,960	7,246	19,611
Proceeds from maturities of investments	95,941	189,542	247,483
Cash used in investing activities	(68,108)	(85,979)	(71,859)
Cash flows from financing activities:			
Net change in short-term borrowings	3,400	(4,803)	(4,344)
Proceeds from long-term debt	---	7,633	---
Dividends paid to stockholders	(6,100)	(6,100)	(6,100)
Repayment of long-term debt	(1,735)	(2,242)	(2,219)
Subsidiary acquisition of treasury shares	---	---	(12,093)
Dividends paid to minority interest	(1,718)	(1,698)	(1,697)
Cash used in financing activities	(6,153)	(7,210)	(26,453)
Net increase (decrease) in cash and cash equivalents	6,167	(18,293)	(16,093)
Cash and cash equivalents at beginning of period	42,137	60,430	76,523
Cash and cash equivalents at end of period	$48,304	$42,137	$60,430
Supplemental disclosure of cash flow information:			
Cash paid during the year for certain expense items is:			
Interest	$ 3,340	$ 4,117	$ 4,758
Income taxes	$ 12,476	$ 21,693	$ 19,324
Mortgage assumed in purchase of property, plant and equipment	---	$ 2,200	---

See notes to consolidated financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS OF STATEMENT OF CASH FLOWS

The purpose of the Statement of Cash Flows is to help provide investors and other interested parties with relevant information about the Company's sources and uses of cash as provided from the operating, investing and financing activities of the Company.

The Company experienced a net increase in cash and cash equivalents of $6.2 million in 1993, which had decreased $18.3 million in 1992 from 1991. This improvement for 1993 resulted from reductions in the amounts of cash expended through financing and investing activities as well as from an increase in cash provided by operating activities.

Net cash flows provided by operating activities increased by $5.5 million in 1993 after a decrease of $7.3 million in 1992 from 1991. This increase in 1993 was largely the result of operating profits and was offset by significant use of cash for operating activities which included increases in inventories and other assets. The majority of the increase in inventories to $9.4 million was in quantities and cost of linerboard in the Forest Products segment. Most of the increase in other assets represents investments by the Communications segment in four phone partnerships with cellular service providers.

The cash flow statement adjustments resulting from depreciation and depletion of $62.9 million in 1993 were higher by $3.1 million and $7.6 million than 1992 and 1991 respectively. This increase in depreciation and depletion is due to increase in plant, property and equipment purchases for the year which in turn generated a higher depreciation expense in all segments of the Company. Depreciation expense was generated by the following segments of the Company, Forest Products $33.0 million, Transportation $18.1 million, Sugar $1.8 million,Communications $5.8 million, and Real Estate $4.1 million.

Gain on sale of property of $1.1 million was generated in 1993 by combined sales of assets in the Forest Products and Transportation segments. In 1991, $15.0 million was recognized for a sale of right-of-way from the Transportation segment to the Florida Department of Transportation. Gains from sales of property are appropriately recognized as an investing activity.

The Company's purchase of property plant and equipment and proceeds from sales of property combined were $86.1 million. This net expenditure was a decrease from 1992 of $27.4 million but and increase over 1991 of $5.4 million. These net purchases were $21.7 million in Forest Products, $20.4 million in Transportation, $2.9 million Sugar, $5.2 million Communications and $35.9 million Real Estate. In Forest Products the expenditures were mostly for plant and equipment for existing operations; in Transportation for maintenance of roadway, tracks and equipment, while in Real Estate it included development of office complexes, showrooms/warehouse or warehouses principally in the Jacksonville and Miami, Florida area.

Net cash used in investing activities decreased by $17.9 million in 1993 after a $14.1 million increase in 1992 over 1991. Purchases of investments of $78.0 million and proceeds from maturities of investments of $96.0 million in 1993 produced a net positive cash flow of $18.0 million. This amount included $4.5 million in the Forest Products segment, $18.5 million in Transportation segment and a minus $5.0 million in the Communications segment.

In 1993, $1.7 million was used to repay long-term debt. Net proceeds from short-term borrowings were $3.4 million. These short-term borrowings were in the Forest Products and Sugar segments of the Company. The Company incurred no new long-term debt during the year.

Dividends paid to stockholders remained unchanged at $6.1 million in 1993 which is the same payment made to stockholders in 1992 and 1991.

St. Joe Paper Company continues to have adequate internally generated cash flows to fund its foreseeable operating and capital needs.

1. Majority stockholder

The Alfred I. duPont Testamentary Trust (the "Trust") owns approximately 69% of the common stock of St. Joe Paper Company (the "Company"). The Company and its subsidiaries had no significant transactions with the Trust during the period.

2. Summary of significant accounting policies

Principles of consolidation -- The consolidated financial statements include the accounts of St. Joe Paper Company and all of its majority owned subsidiaries. All significant intercompany transactions and balances been eliminated.

Cash and cash equivalents -- For purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents include cash on hand, bank demand accounts, money market accounts, remarketed certificates of participation and repurchase agreements having original maturities of three months or less.

Inventories -- Inventories are stated at the lower of cost or market. Cost for manufactured paper products and associated raw materials and sugar are determined under the last-in, first-out (LIFO) method. Costs for substantially all other inventories are determined under the first in, first out (FIFO) or the average cost method.

Property, plant and equipment -- Depreciation is computed using both straight-line and accelerated methods over the useful lives of various assets.

Depletion of timber is determined by the units of production method.

Railroad and communications properties are depreciated and amortized using the straight-line method at rates established by regulatory agencies. Gains and losses on normal retirements of these items are credited or charged to accumulated depreciation.

Deferred cane crop costs -- Sugar cane plantings generally yield two annual harvests, depending on weather conditions and soil quality, before replanting is necessary. New planting costs are amortized on a straight-line basis over two years.

Income tax credits -- The Company uses the flow-through method of accounting for income tax credits except for credits relating to communications property and equipment which are accounted for using the deferral method with amortization over the service lives of the related assets as required by regulatory agencies.

Reclassification -- The 1992 and 1991 consolidated financial statements have been reclassified to the current year formats. These reclassifications were not material to the consolidated financial statements.

Earnings per common share -- Earnings per common share are based on the weighted average number of common shares outstanding during the year.

(Continued)

2. Summary of significant accounting policies (continued)

Fair value of financial instruments -- The carrying amount of the following financial instruments approximated fair value because of their short maturity: cash and cash equivalents, accounts receivable, accounts payable, and other accrued liabilities. The fair value of investments differs from the carrying value as disclosed in Note 3. The fair value of long term debt, as determined using current rates, approximates carrying value.

Income Taxes -- In February, 1992, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 109, "Accounting for Income Taxes" which requires a change from the deferred to the asset and liability method of accounting for income taxes. Under the asset and liability method of SFAS 109, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under SFAS 109, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. SFAS 109 also requires the recognition of a deferred tax liability on the undistributed earnings of subsidiaries applied on a prospective basis.

Effective January 1, 1993, the Company adopted SFAS 109 and has reported the cumulative effect of that change in the method of accounting for income taxes in the 1993 consolidated statement of income.

The deferred method, which was applied in 1992 and prior years, recognized deferred income taxes using the tax rates applicable for the year of the calculation and did not adjust for subsequent changes in tax rates.

Investments -- Investments consist principally of certificates of deposit, remarketed certificates of participation, mortgage backed securities, municipal bonds, common stocks, redeemable preferred stocks, and U.S. Government obligations. The Company adopted the provisions of SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities" at December 31, 1993. Under SFAS 115, the Company classifies its debt and marketable equity securities in one of three categories: trading, available-for-sale, or held-to-maturity. Trading securities are bought and held principally for the purpose of selling them in the near term. Held-to-maturity securities are those securities for which the Company has the ability and intent to hold the security until maturity. All other securities not included in trading or held-to-maturity are classified as available-for-sale.

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

(Continued)

(Dollars in thousands except per share amounts)

2. Summary of significant accounting policies (continued)

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

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

3. Investments

As discussed in Note 2, the Company adopted SFAS 115 as of December 31, 1993. The cumulative effect of this change in accounting for investments of $69,106 is determined as of December 31, 1993, and is reported separately as a component of shareholders' equity net of related income tax effect of $25,472 and minority interest in consolidating subsidiaries of $406.

Investments at December 31, 1993, consist of :

	Cost	Carrying Value	Fair Value	Unrealized Holding Gain	Unrealized Holding Loss
Short term investments (maturing within one year)					
Held to maturity					
U. S. Government securities	$27,658	$27,695	$28,214	$523	$4
Tax exempt municipals	2,401	2,401	2,376	---	25
Remarketed certificates of participation	5,000	5,028	5,028	---	---
Certificates of deposit	31,063	31,183	31,183	---	---
	$66,122	$66,307	$66,801	$523	$29
Marketable securities					
Available for sale					
U. S. Government securities Maturing in one to five years	$393	$379	$379	---	$14
Tax exempt municipals Maturing in five to ten years	29,961	31,387	31,387	1,426	---
Equity securities	12,059	79,746	79,746	67,687	---
Mortgage backed securities Maturing in more than ten years	3,567	3,559	3,559	---	8
Other corporate debt securities Maturing in five to ten years	1,684	1,699	1,699	15	---
	$47,664	$116,770	$116,770	$69,128	$22

(Continued)

(Dollars in thousands except per share amounts)

3. Investments (continued)

	Amortized Cost	Carrying Value	Fair Value	Unrealized Holding Gain	Unrealized Holding Loss
Held to maturity					
U. S. Government securities					
Maturing within one year	$23,731	$23,731	$24,500	$769	$---
Maturing in one to five years	11,104	11,267	11,462	197	2
Tax exempt municipals					
Maturing in one to five years	1,612	1,645	2,601	956	---
Mortgage backed securities					
Maturing in one to five years	2,990	3,003	3,007	4	---
Maturing in five to ten years	916	916	1,491	575	---
Maturing in more than ten years	91	91	103	12	---
Other corporate debt securities					
Maturing in five to ten years	812	2,100	2,045	---	55
	$41,256	$42,753	$45,209	$2,513	$57
	$88,920	$159,523	$161,979	$71,641	$79

Gross unrealized gains at December 31, 1992, were as $55,349 and gross unrealized losses were $2.

Marketable securities, including certain investments which mature within one year, are held as a developmental fund created to accumulate capital expected to be required for future improvement of the Company's real estate properties.

4. Inventories

Inventories as of December 31 consist of:

	1993	1992
Manufactured paper products and associated raw materials	$30,782	$24,615
Materials and supplies	27,407	26,011
Sugar	11,209	9,394
	$69,398	$60,020

The replacement cost of manufactured paper products and associated raw material inventories was in excess of LIFO stated cost by approximately $12,781 as of December 31, 1993 ($15,433 in 1992).

5. Accrued liabilities

Accrued liabilities as of December 31 consist of:

	1993	1992
Payroll and benefits	$ 5,034	$ 5,024
Payroll taxes	103	999
Property and other taxes	5,561	7,645
Accrued casualty reserves	22,911	22,916
Other accrued liabilities	5,292	4,186
	38,901	40,770
Less: noncurrent accrued casualty reserves and other liabilities	11,063	11,703
	$27,838	$29,067

(Dollars in thousands except per share amounts)

6. Sale of Property

In 1988, s subsidiary entered into an agreement with the Florida Department of Transportation (DOT) for the sale of approximately 20.7 miles of abandoned 100-foot wide right-of-way. The total sales price of $35,525 was divided into six segments. The DOT made an initial payment of $10,000 and issued an executory note for $25,525 at an interest rate of 9.01%. As the payments from the State were received, the liens on the pro rata portion of the succeeding segments were removed and related gains recognized. Principal and interest payment of $6,250 was received in 1989, a payment of $8,857 was received in 1990, and a final payment of $16,371 was received in 1991. The land sale gains recognized in 1991 amounted to $15,018.

7. Property, plant and equipment

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

	1993	1992	Estimated Useful Life
Land and timber	$ 125,675	$ 123,548	----
Land improvements	24,628	24,431	20
Buildings	47,174	46,801	45
Machinery and equipment	1,102,450	1,068,499	10 - 30
Office equipment	6,357	6,667	6 - 10
Autos and trucks	7,205	6,866	3 - 6
Construction in progress	18,161	13,812	----
Investment property	250,013	215,685	various
	1,581,663	1,506,309	
Accumulated depreciation	573,941	522,885	
	$1,007,722	$ 983,424	

Real estate properties having net book value of $120.6 million at December 31, 1993 are leased under non-cancelable leases with expected aggregate rentals of $83,290 of which $16.2, 15.1, 13.1, 11.1 and 7.6 million is due in the years 1994 through 1998, respectively.

(Dollars in thousands except per share amounts)

8. Long-term debt

Long-term debt as of December 31 consists of:

	1993	1992
Notes payable to banks under lines of credit aggregating $70,000, due March 1994 through May 1995 with interest payable quarterly at the bank's prime rate (6.0% at December 31, 1993) less 0.6%	$35,038	$27,745
Rural Telephone Bank (RTB) 6.50 % to 10.25% mortgage notes with principal and interest due quarterly through 2016	15,917	16,360
Industrial Revenue Bonds payable in semiannual installments of $425 with interest payable at 67% of the prime rate	2,896	3,747
Rural Electrification Administration (REA) 2% mortgage notes with principal and interest due quarterly through 2008	3,394	3,797
Federal Financing Bank (FFB) notes at varying rates (weighted average: 1993 - 14.50 %; 1992 - 14.52 %) guaranteed by the REA	640	691
Mortgage loans payable to various institutions and individuals with interest rates of 4.5% to 9.75%, payable in variable installments	2,184	3,943
Other secured notes at variable interest rates and maturities	187	2,308
	60,256	58,591
Long-term debt due within one year	21,309	17,632
Long-term debt due after one year	$38,947	$40,959

The REA and RTB notes, the Industrial Revenue Bonds and the notes and mortgage loans payable are secured by company assets with a book value of approximately $45,952, $7,541 and $ 44,931, respectively.

The aggregate amount of principal payments due in each of the years subsequent to December 31, 1993 is:

Year ending December 31	Amount
1994	21,309
1995	18,431
1996	2,082
1997	1,569
1998	1,273
1999 and later	15,592
	$60,256

(Dollars in thousands except per share amounts)

9. Income Taxes

As discussed in Note 2, the Company adopted SFAS 109 as of January 1, 1993. The cumulative effect of this change in accounting for income taxes of $20,518 is determined as of January 1, 1993, and is reported separately in the consolidated statement of income for the year ended December 31, 1993. Except for the adjustment to deferred tax assets and liabilities for enacted changes in tax laws and rates and deferred taxes provided on undistributed earnings of Florida East coast Industries, Inc. ("FECI"), the accounting change did not have a significant impact on the 1993 provision for income taxes. Prior years' financial statements have not been restated to apply the provisions of SFAS 109.

Total income tax expense for the year ended December 31, 1993, was allocated as follows:

Income from continuing operations	$ 22,209
Shareholders' equity, for recognition of unrealized gain on debt and marketable equity securities in connection with adoption of SFAS 115	25,472
	$ 47,681

Income tax expense attributable to income from continuing operations was $22,209, $14,850, and $20,722 for the years ended December 31, 1993, 1992, and 1991, respectively, and differed from the amount computed by applying the statutory federal income tax rate to pre-tax income as a result of the following:

	1993	1992	1991
Tax at the statutory federal rate	$15,601	$14,115	$20,971
Dividends received deduction and tax free interest	(937)	(745)	(1,982)
State income taxes (net of federal benefit)	1,452	1,411	1,937
Adjustment to deferred tax assets and liabilities for enacted changes in tax laws and rates	4,324	---	---
Undistributed earnings of FECI	775	---	---
Other, net	994	69	(204)
	$22,209	$14,850	$20,722

For the years ended December 31, 1993, 1992, and 1991, deferred income tax results from differences in the recognition of income and expense for income tax and financial reporting purposes. The sources and tax effects of those differences are presented below:

	1993	1992	1991
Accelerated depreciation for tax purposes	$4,396	$4,366	$4,387
Alternative minimum tax credit carryforward	(4,281)	(3,025)	(3,157)
Prepaid pension cost	1,208	1,200	907
Adjustments to deferred tax assets and liabilities for enacted changes in tax laws and rates	4,324	---	---
Accrued casualty reserves	678	(468)	(2,176)
Undistributed earning of FECI	775	---	---
Other, net	1,815	(1,482)	(1,729)
	$8,915	$591	($1,768)

(Continued)

(Dollars in thousands except per share amounts)

9. Income Taxes (continued)

The tax effects of temporary differences that give rise to significant portions of deferred tax assets and deferred tax liabilities at December 31, 1993, are presented below:

Deferred tax assets:	
Accrued casualty and other reserves	$10,616
Alternative minimum tax credit carryforward	12,219
State net operating loss carryforward	6,183
Other	1,914
Total gross deferred tax assets	$30,932
Valuation allowance	6,183
Net deferred tax assets	$24,749
Deferred tax liabilities:	
Tax in excess of financial depreciation	$154,817
Deferred gain on land sales	5,520
Deferred gain on subsidiary's defeased bonds	2,502
Unrealized gain on debt and marketable equity securities	25,472
Deferred gain on involuntary conversion of land	24,937
Prepaid pension asset recognized for financial reporting	7,285
Other	3,385
Total gross deferred tax liabilities	$223,918
Net deferred tax liability	$199,169

Based on the timing of reversal of future taxable amounts and the Company's history of reporting taxable income, the Company believes that the deferred tax assets will be realized and a valuation allowance is not considered necessary except for those resulting for the net operating loss carryforward available for state income taxes. Because of the Company's history of reporting tax losses in certain states, the Company believes that substantially all carryforwards will not be realized and, accordingly, has recorded a valuation allowance equal to the entire amount. This valuation allowance was $6,183 at December 31, 1993, which increased $547 in 1993. The current deferred tax asset of $6,362 is recorded in other current assets as of December 31, 1993. There were no net current deferred income tax assets recorded at December 31, 1992.

The Company has not recognized a deferred tax liability of approximately $17,842 for the undistributed earnings of FECI that arose in 1992 and prior years because the Company does not currently expect those unremitted earnings to reverse and become taxable to the Company in the foreseeable future. A deferred tax liability will be recognized when the Company expects that it will recover those undistributed earnings in a taxable manner, such as through receipt of dividends or sale of the investment. As of December 31, 1993, the undistributed earnings of the subsidiary for which no deferred tax liability was provided were approximately $48,454.

(Dollars in thousands except per share amounts)

10. Pension and retirement plans

The company sponsors defined benefit pension plans covering approximately 70 % of its employees. The benefits are based on the employees' years of service or years of service and compensation during the last five or ten years of employment. The Company's funding policy is to contribute annually the maximum contribution required by ERISA.

A summary of the net periodic pension credit follows:

	1993	1992
Service cost	$2,761	$2,548
Interest cost	6,147	5,949
Actual return on assets	(13,460)	(11,387)
Net amortization and deferral	1,272	(462)
Total pension income	$ (3,280)	$ (3,352)

A summary of the plans' funded status as of December 31 was:

	1993	1992
Accumulated benefit obligation, included vested benefits of $73,780 and $63,885 in 1993 and 1992, respectively	$ 80,438	$ 69,872
Projected benefit obligation for service rendered to date	$ 96,177	$ 85,319
Plan assets at fair value, primarily listed stocks and U.S. bonds	144,713	135,237
Plan assets in excess of projected benefit obligation	48,536	49,918
Unrecognized net gain	(13,618)	(15,457)
Unrecognized prior service cost	5,393	5,134
Unrecognized transition asset	(20,527)	(23,093)
Prepaid pension cost	$19,784	$16,502

The weighted-average discount rates for the plans were 7% in 1993 and 7 to 8% in 1992. The rate of increase in future compensation levels used in determining the actuarial present value of the projected benefit obligation for salaried employees was 6 percent in 1993 and 7% in 1992. The expected long-term rates of return on assets was 8% in 1993 and ranged from 7 to 8 percent in 1992.

The Company has an Employee Stock Ownership Plan (ESOP) for the purpose of purchasing stock of the Company for the benefit of qualified employees. Contributions to the (ESOP) are limited to .5% of compensation of employees covered under the (ESOP). The Company also has other defined contribution plans which, in conjunction with the (ESOP) cover substantially all its salaried employees. Contributions are at the employees' discretion and are matched by the Company up to certain limits. Expense for these defined contribution plans was $1,387, $1,253, and $672 in 1993, 1992 and 1991, respectively.

(Dollars in thousands except per share amounts)

11. Quarterly Financial Data (Unaudited)

	Quarters Ended			
1993	December 31	September 30	June 30	March 31
Net sales and operating revenues	153,540	141,182	150,548	146,698
Operating profit	17,852	6,873	2,239	5,138
Net income	8,785	(875)	753	23,980
Net income per share	.29	(.03)	.02	.79
1992	December 31	September 30	June 30	March 31
Net sales and operating revenues	152,549	152,177	143,564	143,622
Operating profit	4,518	5,708	5,516	8,314
Net income	2,842	3,791	3,191	5,766
Net income per share	.10	.12	.10	.19

12. Segment information

The Company is engaged in five principal lines of business. These lines of business are:

Forest Products -- the integrated production of corrugated containers, including the cultivation and harvesting of pulpwood and the manufacture of linerboard;

Transportation - the operation of two railroads within the state of Florida;

Sugar - the cultivation, harvesting and processing of sugar cane;

Communications - the provision of telephone services and telecommunications equipment; and

Real Estate - the ownership, management and development of real estate.

Total net sales and operating revenues represent sales to unaffiliated customers, as reported in the Company's consolidated income statement and intersegment sales which occur principally between the Forest Products and Transportation segments.

Operating profit is net sales and operating revenues less directly traceable costs and expenses. In computing operating profit, the following items have not been considered: other income (expense) and provision for income taxes.

Identifiable assets by lines of business are those assets that are used in the Company's operations in each segment. Corporate assets are composed of cash, marketable securities and miscellaneous nonsegment assets.

(Continued)

(Dollars in thousands except per share amounts)

12. Segment information (continued)

Information by lines of business segment follows:

	1993	1992	1991
Net sales and operating revenues:			
Forest Products	$ 312,875	$ 322,096	$ 327,482
Transportation	175,095	169,439	166,001
Sugar	49,138	54,866	50,061
Communications	29,153	27,399	25,515
Real Estate	28,405	20,493	15,931
Intersegment	(2,698)	(2,381)	(2,810)
Consolidated	$ 591,968	$ 591,912	$ 582,180
Operating profit:			
Forest Products	$ (19,684)	$ (20,509)	$ (12,284)
Transportation	30,648	26,380	18,901
Sugar	5,058	6,313	8,859
Communications	5,130	5,240	5,263
Real Estate	10,950	6,632	3,737
Consolidated	$ 32,101	$ 24,056	$ 24,476
Assets:			
Forest Products	$ 373,551	$ 378,461	$ 388,977
Transportation	390,332	387,778	384,426
Sugar	96,925	90,724	82,443
Communications	65,674	63,594	59,492
Real Estate	230,343	198,236	166,566
Corporate	334,446	269,507	291,057
Consolidated	$1,491,271	$1,388,300	$1,372,961
Capital expenditures:			
Forest Products	$ 24,454	$ 46,950	$ 49,116
Transportation	22,682	21,173	16,295
Sugar	2,944	7,441	1,045
Communications	5,271	7,612	6,321
Real Estate	37,694	37,560	27,509
Consolidated	$ 93,045	$ 120,736	$ 100,286
Depreciation and depletion:			
Forest Products	$ 33,015	$ 32,646	$ 29,507
Transportation	18,147	17,112	16,666
Sugar	1,769	1,634	1,697
Communications	5,848	5,051	4,884
Real Estate	4,093	3,314	2,487
Consolidated	$ 62,872	$ 59,757	$ 55,241

13. Contingencies

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

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

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

The Company is currently a party to, or involved in, legal proceedings directed at the cleanup of two Superfund sites. The Company has accrued its allocated share of the total estimated cleanup costs for these two sites. Based upon management's evaluation of the other potentially responsible parties, the Company does not expect to incur additional amounts even though the Company has joint and several liability. Other proceedings involving environmental matters such as alleged discharge of oil or waste material into water or soil are pending against the Company.

It is not possible to quantify future environmental costs because many issues relate to actions by third parties or changes in environmental regulation. However, based on information presently available, management believes that the ultimate disposition of currently known matters will not have a material effect on the financial position or liquidity of the Company , but could be material to the results of operation of the Company in any one period. As of December 31, 1993 and 1992, the aggregate environmental related accruals were $6.7 million. Environmental liabilities are paid over an extended period and the timing of such payments cannot be predicted with any confidence.

Independent Auditors' Report

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

We have audited the accompanying consolidated balance sheets of St. Joe Paper Company and subsidiaries as of December 31, 1993 and 1992, and the related consolidated statements of income, changes in stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 1993. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of St. Joe Paper Company and subsidiaries as of December 31, 1993 and 1992, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 1993, in conformity with generally accepted accounting principals.

As discussed in notes 2 and 3 to the consolidated financial statements, the Company changed its method of accounting for investments to adopt the provisions of the Financial Accounting Standards Board's Statement of Financial Accounting Standards (SFAS) No. 115, "Accounting for Certain Investments in Debt and Equity Securities" at December 31, 1993. As discussed in notes 2 and 9, the Company changed its method of accounting for income taxes effective January 1, 1993 to adopt the provisions of the Financial Accounting Standards Board's SFAS No. 109, "Accounting For Income Taxes".

KPMG PEAT MARWICK
Certified Public Accountants

Jacksonville, Florida
February 28, 1994

EXHIBIT 21

ST. JOE PAPER COMPANY

SUBSIDIARIES AT DECEMBER 31, 1993

St. Joe Industries, Inc.
- Florida East Coast Industries, Inc.
- General Die & Mfg. Corp.
- Jacksonville Properties, Inc.

Forest Products

- St. Joe Forest Products Company
  - St. Joe Container Company
  - St. Joseph Land and Development Company

Railroad

- Apalachicola Northern Railroad Company
  - St. Joe Terminal Company
- Florida East Coast Railway Company
  - Florida East Coast Deliveries, Inc.
  - Florida East Coast Highway Dispatch Company
    - Florida East Coast Inspections, Inc.
  - Florida Express Carrier, Inc.
  - Operations Unlimited, Inc.
- Railroad Concrete Crosstie Corporation
- Railroad Track Construction Company

Sugar

- Talisman Sugar Corporation

Communications

- St. Joe Communications, Inc.
  - Gulf Telephone Company
  - St. Joseph Telephone & Telegraph Company
  - The Florala Telephone Company, Incorporated

Real Estate

- St. Joe Utilities Company
- Gran Central Corporation
  - Atlantic & East Coast Terminal Company
  - Dade County Land Holding Company, Inc.

All companies are incorporated in the State of Florida, except for The Florala Telephone Company, Incorporated, which is incorporated in the State of Alabama.

EXHIBIT 24

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENT, that each of the undersigned Directors of St. Joe Paper Company, a Florida corporation ("Corporation"), which is about to file with the Securities and Exchange Commission, Washington, D. C. 20549, under the provisions of the Securities Exchange Act of 1934, as amended, an Annual Report on Form 10-K for the fiscal year ended December 31, 1993, hereby constitutes and appoints Winfred L. Thornton and Stanley D. Fraser, as his true and lawful attorneys-in-fact and agent, and each of them with full power to act, without the other in his stead, in any and all capacities, to sign the 1993 Annual Report of St. Joe Paper Company on Form 10-K and to file on behalf of the Corporation such Annual Report and amendments with all exhibits thereto, and any and all other information and documents in connection therewith, with the Securities and Exchange Commission, hereby granting unto said attorneys-in-fact and agent, and each of them, full power and authority to do and perform any and all acts and things requisite and ratifying and confirming all that each said attorneys-in-fact and agent or any one of them, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands on the date indicated below.

Winfred L. Thornton Chairman of the Board and Chief Executive Officer	Tully F. Dunlap Director
Robert E. Nedley President, Chief Operating Officer and Director	E. Thomas Ford Vice President and Director
Jacob C. Belin Director	Stanley D. Fraser Vice President and Director
Howard L. Brainin Vice President and Director	Robert J. A. Irwin Director
Edward C. Brownlie Vice President and Director	R. Eugene Taylor Director
Thomas S. Coldewey Director	W. Taliaferro Thompson, III Director

DATED: March 8, 1994