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, 1996

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. 1-10466

ST. JOE CORPORATION
(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 of information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K [X]

Indicate by check mark whether this 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 the registrant's Common Stock held by non-affiliates based on the closing price on March 7, 1997 was $780,753,777.

As of March 7, 1997, there were 30,498,650 shares of Common Stock, No par value outstanding.

DOCUMENT INCORPORATED BY REFERENCE

(Specific pages incorporated are identified under the applicable item herein.) Portions of the Registrant's definitive Proxy Statement for the Annual Meeting of Stockholders to be held on May 13, 1997(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.

This Form 10-K, including the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that are not historical facts. Such forward-looking information may include, without limitation, statements that the Company does not expect that lawsuits, environmental costs, commitments, contingent liabilities, labor negotiations or other matters will have a material adverse effect on its consolidated financial condition, results of operations or liquidity and other similar expressions concerning matters that are not historical facts, and projections as to the Company's financial results. Such statements are subject to certain risks and uncertainties which could cause actual results to differ materially from those anticipated in the forward-looking statements. Important factors that could cause such differences include but are not limited to contractual relationships, industry competition, regulatory developments, natural events such as weather conditions, floods and earthquakes, forest fires, the effects of adverse general economic conditions, changes in the real estate markets and interest rates, fuel prices and the ultimate outcome of environmental investigations or proceedings and other types of claims and litigation.

As a result of these and other factors, the Company may experience material fluctuations in future operating results on a quarterly or annual basis, which could materially and adversely affect its business, financial condition, operating results, and stock price. An investment in the Company involves various risks, including those mentioned above and elsewhere in this report and those which are detailed from time-to-time in the Company's other filings with the Securities and Exchange Commission.

Readers should not place undue reliance on forward-looking statements, which reflect management's view only as of the date hereof. The Company undertakes no obligation to publicly release the result of any revisions to these forward-looking statements which may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

PART I
ITEM 1. BUSINESS

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

CONTINUING OPERATIONS

GENERAL. St. Joe, a Florida Corporation formed in 1936 is a diversified company engaged primarily in the transportation, real estate, forestry and sugar industries. Until the second quarter of 1996, the Company was also engaged in communications and the manufacture and distribution of forest products.

During 1996 the Company disposed of its communications segment and linerboard mill and container plants (see Discontinued Operations below for a discussion of those sales). The Company has continuing operations in the following industry segments: (i) Transportation - the transportation of goods by rail; (ii) Real Estate - the development, construction and management, sale and leasing of real estate;(iii) Forestry - the growing and harvesting of timber; (iv) Sugar - the growing of sugarcane and processing of sugarcane into raw sugar; and (v) Other - primarily corporate/parent general and administrative expenses.

Financial information as to revenue, operating profits and identifiable assets by industry segment is set forth in Note 12 to the Notes to Consolidated Financial Statements of this report. Below is a description of each of the Company's industry segments.

TRANSPORTATION. The Company owns 54% of Florida East Coast Industries, Inc. (FECI) which in turn owns 100% of Florida East Coast Railway Company (FEC) and 80% of the stock of International Transit, Inc. (ITI). 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 Surface Transportation Board of the U.S. Department of Transportation 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 along the east coast of Florida. The mainline extends from Jacksonville in the north, to Miami in the south, with a branch line extending west from Fort Pierce to Lake Harbor. Principal commodities carried by 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.

ITI is a common motor carrier providing truckload service throughout most of the southeastern U.S. ITI was acquired by FECI at the beginning of the second quarter of 1995, and competes with other common motor truckload carriers throughout the Southeast.

ANRR is a short line railroad that operates exclusively within the panhandle of the state of Florida from Port St. Joe to Chattahoochee where it connects with an unaffiliated carrier. Although it is a common carrier, most of ANRR business consists of carrying coal and items related to wood. The other items carried by ANRR are tall oil, chemicals, stone and clay products and recyclable items. ANRR faces competition from motor carriers and barge lines. ANRR works diligently with its rail connections to maintain lower prices than motor carriers to offset the motor carriers' decided service advantage. On March 6, 1997 officials of the linerboard mill at Port St. Joe, Florida announced that the mill will be shutdown beginning in April, 1997 for an indefinite period of time. Shipment of wood and wood products is a significant portion of ANRR's revenues. If the shutdown extends for a long period of time without ANRR being able to replace this revenue source, ANRR's revenue, operating profit and net income would be significantly impacted. ANRR is considering alternatives to replace this potential loss of revenue and, or attempt to mitigate its financial impact.

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 Hialeah, Florida; Jacksonville, Florida; and Portsmouth, Virginia. See Item 3. "Legal Proceedings."

REAL ESTATE. The real estate segment of the Company consists of two operations, one a division of St. Joe known as Southwood Properties (Southwood), which is primarily involved in resort and residential development, and Gran Central Corporation (GCC), a wholly-owned subsidiary of FECI which is primarily involved in commercial and industrial real estate development. Property included in this segment is suited for development in a variety of areas including; commercial, industrial, residential, resort and mixed use development.

The Company hired in the first quarter of 1997, a new Chairman and Chief Executive Officer and a new General Counsel whose specialties include large scale real estate planning, permitting and development. Under new management, the Company intends to take a more active, aggressive and concentrated approach to plan, attain approvals and develop its well situated properties as and when the market permits. Those properties that the Company does not elect to develop may be sold to third parties or utilized in joint ventures or exchanged. This new expertise combined with the Company's more aggressive approach to its land holdings may result in a more active land development segment than historical levels.

The Company has historically not incurred debt in the development of its various real estate projects. Development activities have been funded to date from internally generated cash flows. As the Company moves forward under new management, debt may be incurred in those situations where the use of financing leverage is appropriate to maximize cash flow and enhance returns.

The growth of Florida's panhandle, where the Company owns significant acreage, is expected to continue, although at a lesser rate than is generally expected for the rest of the state. Florida's fastest population and employment growth areas continue to be along both coasts (excluding the panhandle region) and central Florida. Although Florida's growth is expected to continue to provide significant real estate development opportunities, there is substantial concern among state and local authorities about continued development's impact on the environment, and provision of necessary public services and facilities. As a result, land use and environmental regulations have become more complex and burdensome. Development of real property in Florida entails an extensive approval process which involves multiple regulatory agencies often with overlapping jurisdictions. The process requires compliance with the Local Government Comprehensive Planning and Land Development Regulation 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. Compliance with the Growth Management Act and the DRI process is usually lengthy and costly and can be expected to materially affect the Company's real estate development activities.

Southwood manages approximately 49,000 acres, that the Company owns in the Florida panhandle and in St. Johns county. These wooded properties include substantial gulf, lake and riverfront acreage and may be 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 may also be suitable for commercial or industrial development. Southwood faces competition from numerous developers, real estate companies and other landowners in Florida that compete with the Company in developing land and seeking buyers for improved properties. Southwood's general strategy for developing its residential and mixed-use properties is to develop a well conceived master plan, secure the necessary governmental approvals, prepare and record protective covenants and restrictions including architectural guidelines and controls, install the major infrastructure improvements, such as sewers, utilities and roads, and sell lots and or acreage to builders or individuals for construction in accordance with that master development plan. The Company does not presently build individual homes. Four lot developments however, are underway; three subdivisions in Bay County, totaling 93 lots, and one, totaling 18 lots, in Walton County. The Company is evaluating its other holdings to determine the market's readiness for additional development.

GCC owns and manages approximately 19,100 acres within fourteen counties including several high-growth areas along Florida's east coast, such as West Palm Beach, Melbourne-Titusville, Daytona Beach, Jacksonville, Miami-Hialeah and the Fort Pierce area. It also acquired in late 1995 a 78.6 acre tract of land in Orlando, Florida capable of being developed into 1.2 million square feet of commercial and industrial space. The primary focus of GCC's development activities has been the Miami and Jacksonville area. These markets are highly competitive with local, regional and national development companies competing for land and tenants. GCC, because of its land holdings and cash position, has been able to develop new projects as these markets have recovered from the over building of the late eighties. The Company plans to continue to operate in these markets, as well as the Orlando market, while at the same time evaluating other Florida and southeastern markets to potentially provide geographic diversity to its current portfolio. GCC at December 31, 1996, had 55 buildings totaling 4.7 million rentable square feet of office and industrial space which were 93% leased. This compares to 50 buildings totaling 4.1 million rentable square feet in 1995 which were 95% leased. Seven new buildings are under construction at December 31, 1996 which will add .9 million square feet of rentable space when completed in 1997.

FORESTRY. The Company owns approximately 700,000 acres of plantable pine 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 638,000 acres have been planted as managed plantations to facilitate harvesting and reforestation and to maximize timber yields. During the current planting season, November, 1996 through the end of February, 1997, the Company planted approximately 14 million seedlings on 17,000 acres. The Company owns, in total, approximately 1 million acres of land.

Six forestry units and a wood procurement unit manage the timberlands. The timberlands are harvested by local independent contractors pursuant to agreements which generally are renewed annually. The major customer for the timber harvested from the Company's timberlands has been and continues to be the Company's former linerboard mill which was sold on May 30, 1996. Wood is supplied to the mill pursuant to the negotiated wood fiber supply agreement executed at the time of sale. See Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, "Forestry" for further discussion of the wood fiber supply agreement.

The Company has wood chipping facilities located at Lowry and Newport, Florida and operates a nursery located in Capps, Florida, see "Research and Development".

On March 6, 1997 officials of the linerboard mill at Port St. Joe announced that the mill will be shutdown beginning in April, 1997 for an indefinite period of time due to soft market conditions in the paper industry. The Company is currently evaluating the impact of this shutdown on its sales related to the wood fiber supply agreement and is considering its options and alternatives. The financial impact to the Company's forestry operations is uncertain at this time, however, a long term shut down would have significant impact on operations of the forestry segment.

SUGAR. The Company owns Talisman Sugar Corporation (TSC), 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. The Company has and continues to explore the possible sale of its sugar segment. See Item 7 Management's Discussion and Analysis and Results of Operations "Overview" for further discussion of the possible sale.

The Company owns approximately 48,600 acres of agricultural land and leases approximately 6,400 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 1996-1997 crop year TSC grew sugarcane on approximately 49,000 acres of land. The Company's sugar mill has a grinding capacity of approximately 11,500 tons of sugarcane per day. The Company ground approximately 1,202,000 tons of sugarcane in 1996, approximately 1,386,000 tons in 1995 and approximately 1,184,000 tons of sugarcane in 1994 from Company operated lands. Total raw sugar production for the Company was approximately 117,000 tons in 1996, 138,000 tons in 1995, and 114,000 tons in 1994.

The majority of the Florida sugarcane producers, including TSC, harvest sugarcane using mechanical cane harvesters which reduce significantly the labor requirements, resulting in substantial cost savings and more efficient and timely grinding of the sugarcane. Mechanized harvesting, however, is less precise than manual harvesting; results in greater amounts of chaff and trash being mixed in with the harvested sugarcane; causes small amounts of sucrose to be lost through leaching into the trash and chaff; damages cane fields more than manual harvesting, and results in slightly lower cane yields in subsequent crops. Yields of sucrose from such harvested sugarcane and its crop yields per acre are generally slightly lower than those cut by hand. These negative effects however, are far outweighed by cost savings and other efficiencies which result from mechanized harvesting.

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. see "Customers". 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. Currently, such prices are supported by a combination of nonrecourse loans to domestic sugar processors and restrictions on sugar imports. The nonrecourse loan portion of the sugar price support system was extended in 1990 to cover the 1991-95 crops of sugarcane through the Food, Agriculture, Conservation and Trade Act of 1990 and was extended to cover the 1996-2002 sugar crops pursuant to the Federal

Agriculture Improvement and Reform Act of 1996. The restrictions on sugar imports are implemented through a tariff-rate quota system determined under the Uruguay Round Agreements Act.

In 1994 the State of Florida enacted the Everglades Forever Act which significantly affects agriculture in the Everglades Agricultural Area (EAA). The Act calls for the creation of six Stormwater Treatment Areas (STA) as buffers between the Everglades Protection Area and the EAA. The Act imposes substantial taxes on TSC (approximately $1.3 million was paid in 1996 and 1995, respectively) and other agricultural interests to pay for construction of the STAs. The Company also must maintain compliance with the Clean Air Act. See Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations "Environmental".

TSC had only minor expenditures for environmental problems in 1996. The only continuing TSC environmental issue is the removal of water from its property. TSC has installed equipment to monitor the quality and quantity of water being pumped out of its pumping stations as required by the local Water Management District.

DISCONTINUED OPERATIONS

On April 11, 1996, St. Joe Industries, Inc., a wholly owned subsidiary of the Company, sold the stock of St. Joe Communications, Inc. (SJCI) to TPG Communications, Inc. SJCI also sold its interests in three remaining cellular limited partnerships. The Company had previously sold one cellular limited partnership in 1995. These sales represented the Company's entire Communications segment.

On May 30, 1996, the Company sold its linerboard mill and container plants. As part of the sale, the Company accepted a $10 million senior subordinated note. The Company remains contingently liable for up to $10 million relating to On-Site Environmental Liabilities, as defined in the sales agreement. The Company further agreed to reimburse up to $1 million for certain remediation activities at the linerboard mill, if such activities were required under environmental laws. See Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, "Discontinued Operations" and "Environmental" for further discussion.

Approximately $359.3 million of proceeds thereon from these sales have been held in special accounts during 1996. A formal plan of liquidation was adopted on February 25,1997, and a distribution of net proceeds of the sales in partial liquidation of $10 per share is payable on March 31,1997, for stockholders of record on March 21, 1997. It is currently anticipated that remaining net proceeds of approximately $1.00 per share will also be distributed later this year after further costs and expenses of the sales have been accounted for.

Sale of these operations will materially lower the Company's revenues from historical levels. Distribution of the net proceeds in partial liquidation will also materially reduce cash. Accordingly, future net income, earnings per share and cash flows may also be materially different than historical levels.

INVESTMENTS

The Company in addition to its operations has investments in U. S. Government securities, government sponsored agency securities, tax exempt municipal bonds, common and preferred stocks and other corporate debt securities. The Company's marketable securities include common stock of E. I. duPont de Nemours and Company, General Motors Corporation and General Motors Corporation Class-H stock.

NEW PRODUCTS

During 1996, no refinement of product or new product 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 1996 and 1997 to date, all of the raw materials the Company uses were available in adequate supply from multiple sources.

PATENTS, TRADEMARKS AND LICENSES

St. Joe did not obtain any new patents or licenses in 1996. The Company has no pending applications for trademarks.

SEASONALITY

The sugarcane production and processing segment is seasonal with one sugarcane crop being harvested each year. 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. Additionally, the sugar segment will occasionally ship product in advance of its contractual delivery date. The pre-shipment is then stored by the buyer and collateralized by a letter of credit in favor of the Company.

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.

Additionally, the linerboard mill, which was sold in 1996, remains the largest major customer of the forestry segment pursuant to the wood fiber supply agreement and as discussed in Part I Item I. "Forestry", has announced an indefinite closing which could significantly impact that segment's operations. No single customer, except for Everglades Sugar Refinery, Inc., 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. 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. 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 2000 employees at December 31, 1996 as compared to 5,000 at the same date in 1995. The 60% reduction in workforce is substantially due to the sale of the previously discussed linerboard mill and container operations. Approximately 48% of the Company's employees are covered by collective bargaining agreements with 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.

ITEM 2. PROPERTIES

The principal manufacturing facilities and other materially important physical properties of the Company at December 31, 1996 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 floor of a four story Company-owned building.

FORESTRY

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

AGRICULTURAL LANDS

The Company owns slightly over one million acres of agricultural lands in Florida and Georgia and leases an additional 6,400 acres.

TRANSPORTATION

FEC owns three four-story buildings in downtown St. Augustine which it uses for its corporate headquarters. It also owns approximately 12,000 acres of land along the east coast of Florida which is devoted to its railroad operation. 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 82 diesel electric locomotives, approximately 2,635 freight cars, approximately 77 tractors, 1,359 trailer units for highway service, numerous pieces of work equipment and automotive vehicles. All property and equipment owned is in good physical condition.

ANRR owns one three-story building in Port St. Joe which it uses partially for its corporate offices. Its transportation facilities include 96 miles of main track, which is mainly 115# rail on concrete crossties, 13 miles of yard switching track and 3 miles of other track. ANRR owns 14 diesel locomotives, 274 freight cars, 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 48,600 acres of land and leases approximately 6,400 acres. In addition, it owns a raw sugar mill and various types of agricultural equipment.

REAL ESTATE

Southwood owns approximately 49,000 acres of investment land, the majority of which is located in West Florida. The counties with the largest holdings at December 31, 1996 are as follows:

Gran Park at Interstate South Jacksonville, FL	6	Office/Showroom/Warehouses	260,000	1987-89
Gran Park at	2	Office/Showroom/Warehouses	101,000	1992
the Avenues	3	Office	240,000	1992-95
Jacksonville, FL	2	Office/Warehouses	301,000	1994-96
Gran Park at at Deerwood Jacksonville, FL	2	Office	261,000	1995-96
Gran Park at Melbourne Melbourne, FL	1	Office/Showroom/Warehouse	28,000	1989
Gran Park at	1	Office/Showroom/Warehouse	62,000	1987
Riviera Beach, FL	2	Rail Warehouses	176,000	1982-87
Lewis Terminals	4	Cross Docks	74,000	1987-91
Gran Park - McCahill	2	Rail Warehouses	468,000	1992-94
Miami, FL	1	Front Load Warehouse	91,000	1996
Gran Park at Miami	5	Office/Showroom/Warehouses	369,000	1988-94
Miami, FL	5	Office/Warehouses	483,000	1990-96
	4	Rail Warehouses	398,000	1989-94
	7	Front Load Warehouses	790,000	1991-95
	1	Double Front Load Warehouse	239,000	1993
	1	Office/Service Center	39,000	1994
Hialeah,Fl	1	Cross Dock	20,000	1987
	1	Transit Warehouse	30,000	1975
Pompano, FL	1	Rail Warehouse	54,000	1987
TOTAL	55		4,711,000	

GCC's holdings include lands adjacent to FEC 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.

ITEM 3. LEGAL PROCEEDINGS

The Company is named as a Potentially Responsible Party (PRP) for the remediation of a designated Superfund site near Tampa, Florida. The United States Environmental Protection Agency ("USEPA") has alleged that the Company caused certain materials to be disposed at the site over a period of years in the late 1970s or 1980s. The Company has provided USEPA with certain evidence indicating the Company did not dispose of any material at the site. The Company has declined an invitation to join a PRP group as a de minimis party. The Company continues to deny liability and vigorously opposes any attempt to impose any liability upon the Company for the remediation of the site.

FEC, has been named as a PRP for the remediation of two designated Superfund sites near Jacksonville, Florida. On the first site, the USEPA has alleged that FEC caused certain materials to be disposed at the site over a period of years. The USEPA has offered all named PRPs an opportunity to participate in the pilot allocation program. This program is similar to binding arbitration. If FEC participates in this program, its share of the liability for the remediation will be fixed. The USEPA has also offered to negotiate a separate settlement with certain parties, including FEC, whom we believe the USEPA considers to be a de minimis party. FEC believes that, whichever alternative is chosen, its liability for the remediation of the site will not be material. On the second site, FEC was contacted by the USEPA during 1996, at which time FEC was asked to provide certain information about the manner in which FEC disposes of steel drums. The USEPA is attempting to determine whether or not FEC should be a PRP at the steel drum site in Jacksonville, Florida. There is some evidence that FEC may have sent a small number of steel drums to the site for disposal. FEC believes its responsibility, if any, for the remediation of the site will not be material.

FEC, has been named as a PRP for the remediation of a designated Superfund site in Portsmouth, Virginia. The USEPA has alleged that FEC caused certain materials to be sent to the site over a period of years. These materials were utilized by the owner of the site in the course of its business which FEC believes caused the site to become contaminated. The owner of the site has filed suit in the United States District Court for the Eastern District of Virginia, Norfolk Division seeking to impose liability upon the defendants, including FEC, for remediation of the site. A settlement between the owner of the site and FEC was achieved late in 1996. The settlement as to FEC, of approximately $.2 million was approved by the Court and the USEPA. Unless additional contamination is discovered at the site, or it becomes necessary to remediate areas beyond the original clean-up, FEC will have no further liability at the site.

FEC was contacted by the USEPA during 1996, seeking reimbursement of costs associated with the remediation of a Superfund site in Hialeah, Florida. An individual operated a business on this site for a number of years. The owner of the business slightly encroached upon FEC's right of way. Upon discovering this, FEC entered into a lease agreement with the business owner rather than require the building be removed. The individual has ceased doing business. The USEPA is seeking reimbursement of the approximate $2 million spent in remediation from FEC on the grounds that FEC was an "owner" of the site. Settlement negotiations are ongoing at this time and are not estimated to be material.

The Company received notice of potential involvement in a Superfund Site in Sharonville, Ohio, during the third quarter of 1996. The site was formerly owned and operated by the Company as a container plant. It was sold in the late 1970's. At this time the extent of the contamination and magnitude of the cleanup is unknown. The Company does not believe from its preliminary investigation of the Company's use of the property, that it is responsible for the contamination and if found partially responsible, the Company does not believe its liability would be material.

The Company, through its subsidiaries, is a party to various proceedings before State regulatory agencies relating to environmental issues. The Company 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, if any, will necessitate significant capital outlays or cause material changes in the business.

During April 1996, a shareholder of FECI instituted a class action in Florida state court against FECI, St. Joe Industries Inc., the Company and members of the FECI Board of Directors (Messrs. Thornton, Belin, Nedley, Zellers, Fairbanks, Foster, Harper, Mercer and Parrish). Certain of the individuals named in the action also are officers or directors of the Company. The action, which has been brought on behalf of all shareholders of FECI, other than the defendants and their affiliates, is styled Kahn v. St. Joe Industries, Inc., St. Joe Paper Co., Thornton, Belin, Nedley, Zellers, Fairbanks, Foster, Harper, Mercer, Parrish and Florida East Coast Industries, Inc., Case No. 96-01874 CA (Circuit Court, Fourth Judicial Circuit, Duval County, Florida, Division CV-G).

The complaint alleges that the defendants breached their fiduciary duties to the minority shareholders of FECI in connection with the February 26, 1996 announcement by FECI that it was considering the sale of its real estate subsidiary, GCC, to the Company and the sale of its railroad subsidiary, FEC to a third party. According to the complaint, such transactions allegedly would constitute unfair dealing and benefit the Company, as FECI's majority and controlling shareholder, at the expense of FECI's minority shareholders. The action seeks, among other things, to certify the litigation as a class action, enjoin the sale of GCC to the Company and to require the defendant directors of FECI to sell GCC by conducting an auction or accepting competitive bids from third parties.

On May 29, 1996, the parties to the action entered into a stipulation whereby (i) defendants agreed to appear in the litigation and waive any challenge to sufficiency and service of process and (ii) plaintiff agreed that defendants' time to respond to the complaint would be extended such that defendants are not required to answer or respond to the complaint until plaintiff's counsel provides written notice to defendants' counsel that a response is required (a response is then required to be filed within 20 days). On February 6, 1997, the Court entered an order approving the stipulation.

The Company, through its subsidiaries, is a party in various other pending proceedings which are ordinary, routine litigation incidental to its business.

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

none.

PART II

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

The company had 827 common stockholders of record as of March 7,1997. The Company's common stock is quoted on the New York Stock Exchange ("NYSE") Composite Transactions Tape under the symbol "SJP".

The range of high and low sales prices for the Common Stock as reported on the NYSE Composite Transactions Tape for the periods indicated is set forth below.

FISCAL YEAR		high	low
1995	first quarter	67 3/4	53 3/4
	second quarter	65 1/2	60 5/8
	third quarter	64 1/2	60
	fourth quarter	62 3/4	53 1/2
1996	first quarter	61 1/2	53 7/8
	second quarter	65 1/4	58 7/8
	third quarter	65 3/4	59 3/4
	fourth quarter	68 7/8	64 1/8

DIVIDENDS

The Company paid a cash dividend of $.20 per share to holders of the Common Stock in 1995 and 1996, respectively. A regular dividend of $.05 per share for the first quarter of 1997 is payable on March 31, 1997 to holders of record on March 21, 1997. In addition, the Company approved a distribution of net proceeds in partial liquidation of $10.00 per share payable on March 31, 1997 to all holders of record on March 21, 1997. It is currently anticipated that remaining net proceeds of approximately $1.00 per share will also be distributed later this year after further costs and expenses of the sales have been accounted for. Although the Company has historically paid quarterly cash dividends of $.05 per share, there can be no assurance that such practice will continue into the future.

ITEM 6. SELECTED FINANCIAL DATA

SELECTED CONSOLIDATED FINANCIAL DATA

The selected consolidated financial data set forth below for the five years ended December 31, 1996 have been derived from the audited consolidated financial statements of the Company. The statement of operations data with respect to the years ended December 31, 1996, 1995, and 1994 and the balance sheet data as of December 31, 1996, and 1995 have been derived from the audited financial statements of the Company as included in this Annual Report on Form 10-K. The statement of operations data with respect to the years ended December 31, 1993 and 1992 and the balance sheet data as of December 31, 1994, 1993 and 1992 has been derived from audited financial statements of the Company previously filed with the SEC but not incorporated by reference or included elsewhere in this Annual Report on Form 10-K. The selected consolidated financial data set forth below are qualified in their entirety by and should be read in conjunction with the financial statements and the notes related thereto included elsewhere in this Annual Report on Form 10-K. See "Management's Discussion and Analysis of Financial Condition and Results of Operations; Consolidated Financial Statements."

(Dollar amounts in millions except per share amounts)

FINANCIAL CONDITION (1)	1996	1995	1994	1993	1992
Current assets	$ 631	$ 497	$ 485	$ 486	$ 442
Current liabilities	57	44	68	69	56
Current ratio	11.1	11.3	7.0	6.9	7.9
Property, plant and equipment, net	834	805	757	722	684
Total assets	1,806	1,531	1,449	1,396	1,289
Long-term debt	-	-	17	16	16
Stockholders' equity (4)	1,197	1,016	937	902	836
RESULTS OF OPERATIONS (2)					
Net sales and operating revenues	$ 431	$ 335	$ 331	$ 312	$ 300
Cost of sales and operating expenses	252	256	244	235	190
Operating profit	148	47	60	55	43
Income from continuing operations	92	29	38	27	28
Income (loss) from discontinued operations (5) (including gain on sale of discontinued operations)	84	45	4	(15)	(12)
Cumulative effect of change in accounting principle(3)	-	-	-	21	-
Net income	$ 176	$ 74	$ 42	$ 33	$ 16
PER COMMON SHARE					
Equity - end of year	$39.25	$33.31	$30.72	$29.58	$27.35
Income from continuing operations	$ 3.01	$ 0.96	$ 1.24	$ 0.87	$ 0.92
Income (loss) from discontinued operations (5) (including gain on sale of discontinued operations)	2.76	1.46	0.14	(0.48)	(0.40)
Cumulative effect of change in accounting principle(3)	-	-	-	0.68	-
Net income	$ 5.77	$ 2.42	$ 1.38	$ 1.07	$ 0.52
Return on equity	14.7	7.3	4.5	3.6	1.9
Dividends paid	$ 0.20	$ 0.20	$ 0.20	$ 0.20	$ 0.20

(1) Approximately $359.3 million of proceeds thereon from these sales have been held in special accounts during 1996. A formal plan of liquidation was adopted on February 25,1997, and a distribution of net proceeds of the sales in partial liquidation of $10 per share is payable on March 31,1997, for stockholders of record on March 21, 1997. It is currently anticipated that remaining net proceeds of approximately $1.00 per share will also be distributed later this year after further costs and expenses of the sales have been accounted for.
(2) For various matters affecting 1996, 1995 and 1994 results of operations, see Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations".
(3) Cumulative effect of adopting SFAS 109 " Accounting for Income Taxes ".
(4) The Company adopted the provisions of SFAS 115, "Accounting for Certain Investments in Debt and Equity Securities" at December 31, 1993. This adoption increased stockholders' equity by $41.5 million or $1.36 per share.
(5) As discussed in Note 3 to the Consolidated Financial Statements, net operating results of the communications segment, linerboard mill and container plants are shown separately as income (loss) from discontinued operations for all years presented. Included in income (loss) from discontinued operations in 1996 are gains on these sales of $88.6 million, net of income taxes of $48.7 million.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's discussion and analysis should be read in conjunction with the Consolidated Financial Statements and Item 1. "Business" included elsewhere herein which are incorporated herein by reference.

OVERVIEW

On April 11, 1996, St. Joe Industries, Inc., a wholly-owned subsidiary of the Company, sold the stock of St. Joe Communications, Inc. (SJCI) to TPG Communications, Inc. SJCI also sold its interests in three remaining cellular limited partnerships in the first half of 1996. In 1995, the Company sold one cellular limited partnership. These sales represented the Company's entire Communications segment.

On May 30, 1996, the Company sold its linerboard mill and container plants.

The segmental analysis has been restated to reflect reclassification of general and administrative expenses into a separate Other segment.

Consolidated net income rose to $176.0 million($5.77 per share) for the year ended 1996 compared to $73.8 million ($2.42 per share) for 1995 and $42.1 million ($1.38 per share) in 1994. These results in 1996 include the income from discontinued operations of $84.1 million, net of taxes (including gain on sale of discontinued operations) and land sales to the State of Florida of approximately $60.0 million, net of taxes. Discontinued operations in 1995 were $44.5 million and $4.3 million in 1994.

Net sales and operating revenues rose to $431.2 million for the year ended December 31, 1996, an increase of $96.3 million from the reported $334.9 million in 1995. Land sales to the State of Florida of $97.7 million in 1996 were the primary cause for the increase. Transportation segment operating revenues increased by $1.1 million as a result of an increase in trucking related revenues which were offset partially by a decline in rail revenues on FEC and on ANRR. Sugar revenues declined in 1996 $3.0 million primarily because of a drop in shipments of 3,095 tons combined with a $ 13.07 per ton price decline. Forestry revenues declined $3.4 million as a result of the sale of the mill and conversion to operation under the wood fiber supply agreement. Real estate revenues increased $101.6 million primarily, due to the above mentioned sales to the State of Florida and increased rental and other income from its operating properties of $4.1 million compared to 1995. In 1995, revenues increased in transportation and sugar while the forestry and real estate segments declined, compared to 1994, primarily as the result of non-recurring land sales which occurred in 1994 but not 1995.

Operating profits increased by $100.9 million in 1996 from $47.3 million in 1995 and $60.0 million in 1994. The transportation segment experienced a $.9 million increase in operating profit. Transportation operating revenues increases and operating expense decreases (.2%) were mostly offset by general and administrative expenses increases (2.3%) compared to 1995. Land sales to the State, referred to above, were the largest single factor in the $97.9 million increase in real estate operating profit. The forestry segment's operating profit increase of $2.9 million was primarily the result of a decrease in cost of sales from 98.5% of sales in 1995 to 92.5% in 1996. In the sugar segment, higher cost of sales and selling general and administrative costs combined with reduced net sales to result in a $5.0 million decrease in that segment's operating profit. In 1995, sugar's operating profits increased while transportation, real estate and forestry declined as compared to the previous year.

Other income increased $22.1 million in 1996 compared to 1995, primarily as a result of $9.8 million of interest income earned from investment of the proceeds from the sales of the communications segment, and the linerboard mill and container plants. Additionally, other income in 1996 includes $1.5 million in capital gains on sales of securities and a gain totaling $1.6 million on the sales of a fiber optic conduit contract. Other income declined in 1995 as compared to 1994 primarily due to land sales of $3.5 million by the transportation segment and $8.7 million by the forestry segment in 1994 which were not repeated in 1995.

The provision for income taxes increased $58.6 million in 1996 compared to 1995. The provision for income taxes decreased by $6.9 million in 1995 compared to 1994. These changes are, for the most part, due to the changes in taxable income during the years. However, in 1996 a $15.1 million, 50% federal excise tax provision was established against the possible reversion of the prepaid pension asset. Discontinued operations includes $1.9 million of the excise tax provision and $13.2 million of the excise tax is included in the tax provision on income from continuing operations. Additionally, a deferred tax provision of $37.5 million relating to the $97.7 million in land sales to the State of Florida was established. Those condemnation proceeds can be reinvested over a period up to three years and taxes thereon deferred into the basis of the new properties acquired. The Company files a consolidated federal income tax return for the parent and all 80% or greater owned subsidiaries. The effective income tax rate was 44.0%, 37.1%, and 36.9% in 1996, 1995,and 1994, respectively. The 1996 rate is unusually high due to the previously mentioned excise tax on possible reversion of prepaid pension asset.

Income from continuing operations was $91.9 million compared to $29.4 million in 1995. The increase is primarily attributable to the $97.7 million in land sales to the State of Florida and $9.8 million in interest income earned from investment of sales proceeds. Income from continuing operations in 1995 decreased $8.5 million from 1994 primarily as a result of land sales by the transportation and forestry segments of approximately $12.2 million occurring in 1994 which were not repeated in 1995.

Revenues, net income, earnings per share and cash flows may be materially different than previous periods due to the sale of communications, and the linerboard mill and container plants of the Company.

In addition, as previously announced on February 28, 1995, the Company continues to explore the sale of its sugar business. Should such a sale materialize, the Company would also withdraw from the sugar segment of its business. There can be no assurance when, if or on what terms such a sale may be made. The Agriculture Act, which was signed into law by the President on April 4, 1996, includes provisions for the restoration of the Everglade ecosystem in South Florida. The Agriculture Act provides significant funding levels for the acquisition of real property located in the Everglades where the Company's sugar operations are located. It is currently unknown whether such funds would be available or utilized if a sale of the sugar segment materializes in the future.

As to transportation of goods by rail and real estate, FECI, in which the Company beneficially owns 54% of the outstanding shares of common stock, appointed a Special Committee of the Board of Directors (the "FECI Special Committee") to consider whether its railroad transportation business now owned by its wholly-owned subsidiary, FEC, should be disposed of in a merger or sale transaction. The FECI Special Committee reached the conclusion that a disposition should be pursued but only under certain conditions. The FECI Special Committee advised the Company that the FECI Special Committee would not pursue a disposition of the railroad unless the FECI Special Committee had adequate assurance that the remaining business of FECI, the real estate operations conducted by its wholly owned subsidiary, GCC, could also be disposed of on acceptable terms. There can be no assurance when, if or on what terms a disposition of FEC may be made.

The FECI Special Committee has recognized that it might be possible for FECI to merge with another company with substantial railroad operations in a transaction in which no gain or loss would be recognized to FECI or its shareholders. FECI believes that the likelihood of such a merger is significantly lessened as long as GCC remains a FECI subsidiary. The Company has indicated to FECI that, if a merger of FECI with another corporation, on terms acceptable to the Company, would be facilitated by an exchange of GCC stock for the FECI stock held by the Company, the Company would be willing to consider a tax free exchange of shares of FECI stock it owns for all of the shares of GCC stock held by FECI.

The Company and FECI each hired an appraisal firm to assist in evaluating the property of GCC, and the Company and FECI have conducted negotiations on the possible terms of an exchange. The terms of an exchange have not been agreed upon; and before proceeding with discussions concerning either the acquisition of GCC or the disposition of FECI's railroad transportation business, the Special Committee of the Company's Board of Directors is providing the Company's new Chairman and Chief Executive Officer an opportunity to review the possible transactions and report his views to the Special Committee. Accordingly, there can be no assurance when, if and on what terms the Company may acquire GCC from FECI or a disposition of FEC may be made.

President Clinton's Proposed Fiscal 1998 Budget (the "Proposed Budget") and implementing legislation could have a substantial and adverse effect upon a merger of FECI with another company subsequent to the acquisition of GCC common stock by the Company in exchange for FECI common stock. The Proposed Budget would amend current laws to provide that a merger of FECI with another company within two years of the exchange of GCC common stock for FECI common stock, pursuant to which the FECI shareholder would own less than fifty percent of the voting power, and less than fifty percent of the value of the stock of the surviving company, could cause FECI to recognize gain on the exchange of the GCC common stock. The gain would be measured by the difference between the fair market value of the GCC common stock and FECI's adjusted tax basis in such stock. If enacted, the Proposed Budget would be effective for distributions made after the date of first Congressional Committee action to amend the current law. There can be no assurance that the Proposed Budget will be enacted by Congress, and if enacted, the final form of the legislation.

Accordingly, there can be no assurance when, if, and on what terms a transaction involving FECI and another corporation may be made or sale of FEC or GCC, may be made. Also, there can be no assurance when, if and on what terms the Company may acquire GCC from FECI.

If there is a sale of the sugar segment by the Company and sale of the railroad by FECI and the acquisition of GCC by the Company, the Company's operations would thereafter be primarily focused on real estate operations from the point of view of the growing and harvesting of timber and the development of commercial and residential real estate.

CONTINUING OPERATIONS

TRANSPORTATION

The transportation segment accounted for 43.0% of the consolidated revenues of the Company in 1996 compared to 55% in 1995 and 53% in 1994. Revenues increased by approximately $1.1 million in 1996 compared to 1995 and $10.7 million in 1995 compared to 1994.

The composition of the revenues and expenses of FEC changed significantly in 1995 and 1996 due to the purchase of its trucking subsidiary, ITI in April of 1995. The increases in revenues and expenses in 1996 (twelve months in 1996 versus nine in 1995) were related primarily to this acquisition, even though the contribution to operating profit from this subsidiary was negligible. Also contributing to the change was the implementation on April 1, 1995 of a haulage agreement with a connecting rail carrier. Under this agreement, the connecting rail carrier's intermodal shipments were handled wholesale to and from FEC's south Florida intermodal terminals. Whereas, the purchase of the trucking subsidiary increased revenues and expenses, the haulage agreement reduced both revenues and expenses. FEC's revenues are derived from four major classifications of traffic: shipments of rock, intermodal (container and trailer), automotive and other.

Rock shipments increased slightly (1.4%) when compared to 1995 and were flat in 1995 compared to 1994. Continued growth and construction along Florida's east coast and the greater Orlando area were key reasons for the increase in rock shipments. Adverse weather conditions during the second and third quarters of 1995 were offset by strong fourth quarter shipments in 1995 to provide flat growth in 1995.

Intermodal shipments decreased by 1.7% in 1996 compared to 1995 and 1.4% in 1995 compared to 1994. The market for intermodal shipments is very competitive with the trucking industry. FEC is dependent on connecting carriers for shipments destined to south Florida intermodal terminals. The number of shipments interchanged from connecting carriers declined in 1995 and in the first three quarters of 1996. However, fourth quarter 1996's shipments increased 5% over the fourth quarter of 1995 and reduced the year's overall decline to 1.7%.

Automotive shipments increased 9.3% compared to 1995 which had remained relatively unchanged compared to 1994. The rental market for automobiles in south Florida strengthened in 1996 as did the growth of new car sales compared to 1995.

All other shipments in 1996 decreased by approximately 1.2% compared to 1995 which had increased 5% over 1994. Sizable gains in 1995's shipments of raw sugar and a one time shipment of military equipment were not repeated in 1996.

Operating expenses for FEC increased in 1996 by $3.9 million or 2.4% and $13.5 million or 8.8% in 1995. These increases were primarily related to the acquisition of ITI which added $24.7 million and $18.9 million, respectively to 1996 and 1995 operating expenses. Excluding ITI's impact, operating expenses decreased $7.3 million or 4.7% in 1996 and $5.4 million or 3.5% in 1995. These reductions were primarily due to outsourcing of services previously performed by transportation subsidiaries combined with implementation of the haulage agreement.

The ANRR operating revenues decreased $0.7 million in 1996 compared to 1995 primarily due to reduced shipments of wood products and coal. Operating profits in 1996 decreased $.7 million compared to 1995 as operating costs and selling, general and administrative costs remained relatively flat. Operating profits in 1995 increased $.9 million over 1994 primarily due to the environmental clean up expenses incurred in 1994 which were not repeated in 1995. Shipment of wood and wood products is a significant portion of ANRR's revenues. If the announced shutdown of the mill extends for a long period of time without ANRR being able to replace this revenue source, ANRR's revenue, operating profit net income, and cash flow would be significantly adversely impacted. ANRR is considering alternatives to mitigate this loss.

REAL ESTATE

Real estate segment net sales increased $101.6 million compared to 1995. As previously mentioned, the State of Florida condemned 852 acres, including 680 acres which were sold for $84 million at Topsail and 172 acres which were sold for $13.7 million at Deer Lake, in early 1996. Lot sales from year to year have remained relatively flat at $.6 million in 1996 and 1995. Real estate segment net sales in 1995 declined by $9.4 million from 1994 to $30.4 million. The 1994 net sales included an $11.3 million dollar condemnation sale to the State of Florida which was not repeated in 1995. Other land sales decreased by $1.1 million from 1995 and $2.0 million compared to 1994. Rental income increased by $4.1 million in 1996 over 1995 and $4.3 million in 1995 over 1994. Approximately $1.8 million of the increase in rental income in 1996 came from existing 1995 properties while $2.3 million came as a result of new buildings added in 1996. Operating profit for the real estate segment grew as a result of the above by $97.9 million in 1996 from 1995. Operating profit fell to $11.6 million in 1995 compared to $22.3 million in 1994. The decrease was primarily due to the condemnation sale referred to earlier. It should be noted that the majority of the real estate segment's 1996 sales revenue and operating profit came from condemnation sales which may not recur in 1997 or future years.

As of year end, Gran Central Corporation (GCC) owned 55 buildings versus 50 buildings in 1995 with approximately 4.7 million square feet of rentable space as opposed to 4.1 million square feet of rentable space in 1995 and 3.8 million square feet of rentable space in 1994. Approximately 93% of this space was under lease at year end 1996 compared to 95% in 1995 and 90% in 1994. Under construction at December 31, 1996 were 7 additional buildings which will add 0.9 million square feet of rentable space.

The Company's Southwood Properties (SWP) division finished construction on a second 9,597 rentable square foot building in Southwood Center Office Park in Panama City, Florida in 1996. The 11,700 square foot Building #1 is fully leased. Building #2 is 80% leased at December 31, 1996. Site development for the 70 lot first phase of the 250 lot Bay County Summerwood subdivision, which began in 1995 was completed in 1996 with eighteen lots sold and closed in 1996. Walton County issued the Development Order for the Camp Creek Point subdivision in December 1995. The site development work on that 18 lot gulf front subdivision is now complete and lots are for sale. Lot prices range from a low of $200,000 to a high of approximately $900,000 for the premier gulf front lots. The Retreat, a 97 lot subdivision in Walton County with 26 gulf front lots is still awaiting final development approval which is expected in March 1997. Woods III a 44 lot Bay County subdivision has approximately 35 lots under contract and should begin closings during the first or early second quarter of 1997. It is anticipated that during 1997, capital expenditures for residential real estate will increase as compared to historical levels as the Company more actively pursues land development of its SWP's properties.

FORESTRY

Net sales by the Forestry segment declined by $3.4 million in 1996 compared to 1995 and $0.1 million in 1995 compared with 1994. Operating profit in 1996, however, increased $2.9

million in 1996 from 1995 even though sales declined, primarily because cost of sales declined $6.2 million. Cost of sales as a percentage of sales decreased from 98.5% in 1995 to 92.5% in 1996. A combination of factors caused the reduction in cost of sales : (1) reduced cut and haul costs as Company timber was cut closer to its delivery point; (2)reduced cost of purchases as the Company was better able to manage its supply needs pursuant to the wood fiber supply agreement (executed at the time of sale of the linerboard mill and container plants) and (3) timber inventory was adjusted in 1996 as a result of the five year continuous forest inventory ("CFI") statistical analysis of the Company's timber which was completed in November of 1995 and recorded in 1996. This CFI analysis, which is performed every five years, resulted in a $.3 million reduction in 1996's depletion cost. Operating profit dropped from income of $6.3 million in 1994 to a loss of $.6 million in 1995. The primary factor in 1995's decline was the cost of wood, which increased by $5.9 million despite volume remaining flat. Increased demand for pulpwood in the first half of 1995 caused pulpwood prices to soar and as supplies tightened, the Company was forced to bring in wood from further away increasing hauling cost.

The Company is currently evaluating the impact of the announced shutdown on its sales related to the wood fiber supply agreement. Under that agreement, wood fiber will be supplied to the linerboard mill at Port St. Joe, Florida for a period of fifteen years, with two five year renewal periods. Tonnage to be provided ,reduces from 1.6 million tons in year one to 1.4 ,1.2 ,.9 million tons in years two, three and four respectively. Years four and thereafter remain at .9 million tons. The amount of tonnage required from Company's land is .9 million tons per year starting in the third year. At any time, the mill can elect to reduce in increments on a permanent basis the amount of tonnage to not less than 600,000 tons per year. Prices for the wood fiber were established at the time of the negotiation of the agreement and were set based on fixed prices from geographic zones for pulp wood and prices tied to designated chipping facilities for wood chips. Under the wood fiber supply agreement, prices are to be renegotiated every two years and are to be indexed on a quarterly basis to certain published prices resulting in quarterly adjustments that are not greater than five percent. As tonnage required to be supplied under the agreement decreases, the Company intends to allow its forests to grow for longer periods shifting the timber to higher margin products. The performance of the Forestry Segment may decline in the near term as that shift occurs. Sales to the mill accounted for 74% of the segment's sales in 1996 compared to 77% in 1995. The financial impact of the announced shut down to the forestry segment's operations would have a significant adverse impact on the segment's revenues, operating profit, net income and cash flow if the mill does not honor the annual tonnage requirement of the agreement. Forestry is considering the alternatives available to it to mitigate this potential loss.

SUGAR

Decreased sales volume of 3,095 tons (2.4%), combined with a $13.07 (2.9%) per ton decrease in sales price to result in a $3.0 million decrease in net sales in 1996 compared to 1995. Cost of sales as a percentage of sales increased from 67.1% in 1995 to 70.6% in 1996. Cost of sales includes the Everglades Agricultural Privilege Tax paid by TSC of approximately $1.3 million in 1996 and 1995. Harvesting expenses increased approximately $5.00 per ton from 1995 to 1996 and cultivation expenses increased nearly $6.00 per ton from 1995 to 1996. Additionally, selling, general and administrative expenses increased approximately $2.1 million as a result of advertising and public relations costs related to the opposition and defeat of the proposed Florida sugar sales tax referendum. Operating profit as a result decreased $5.0 million from 1995 to 1996. A slight increase in 1995's volume combined with a 4% price increase to produce a $2.6 million increase in net sales for the sugar segment compared to 1994. A $14 per ton decrease in harvesting cost and a 24% increase in production, reduced the cost per ton of sugar resulting in a $4.4 million decrease in the cost of sales. The increased revenue and decreased costs contributed to a $7.0 million increase in operating profit from $6.3 million in 1994 to $13.3 in 1995.

OTHER

Other's operating profit for 1996 is $1.4 million of income, primarily resulting from the increase in the prepaid pension asset totaling $5.5 million which more than offset $4.1 million of general and administrative costs. General and administrative expenses for 1995 and 1994 were $2.8 million and $2.2 million respectively. Future general and administrative costs may be higher than historical levels as new management increases staffing and refocuses direction of the Company.

DISCONTINUED OPERATIONS

Income from discontinued operations, including gain on sale, net of taxes, was $84.1 million in 1996, $44.5 million in 1995 and $4.3 million in 1994. The increase in income from 1994 to 1995 primarily reflects the increase in profitability of the linerboard mill and container plants as paper prices increased substantially during the first half of 1995 before leveling off and dropping near year end 1995.

On April 11, 1996, St. Joe Industries, Inc., a wholly owned subsidiary of the Company, sold the stock of St. Joe Communications, Inc. (SJCI) to TPG Communications, Inc. for $96.1 million. TPG Communications, Inc. assumed $18.0 million of SJCI interest bearing debt. SJCI sold its interest in three remaining cellular partnerships for an aggregate of $25.1 million. The Company recorded a $39.1 million gain on the sale, net of tax. SJCI's revenues through the April 11, 1996 sale date were $9.3 million. Revenues in 1995 and 1994 were $32.8 million and $30.6 million, respectively. During 1995, the Company had previously sold a cellular partnership interest for $2.1 million. Earnings for SJCI were $1.1 million, $6.8 million, and $5.0 million for 1996, 1995 and 1994 respectively.

On May 30, 1996, the Company sold its linerboard mill and container plants. Proceeds from the sale include $323.8 million cash and a $10.0 million senior subordinated note, (the Promissory Note). The Promissory Note bears interest at a rate of 13.25% and interest is payable quarterly in arrears commencing September 1, 1996, provided that any interest payable on its due date may, at the borrowers' option, be added to the principal amount outstanding. To date interest payments have been added to principal. All unpaid principal and interest is due June 1, 2007. The Promissory Note may be prepaid without penalty at any time. The gain on the sale was $49.5 million, net of tax. Revenues for the linerboard mill and container plants through May 31, 1996 were $156.3 million. Revenues in 1995 and 1994 were $438.4 million and $378.0 million, respectively. Earnings (loss) for the linerboard mill and container plants were $(5.6) million, $37.7 million and $(.7) million for 1996, 1995 and 1994, respectively.

Included in cash and cash equivalents at December 31, 1996 is approximately $359.3 million of proceeds from these sales which have been held in special accounts during 1996. A formal plan of liquidation was adopted on February 25,1997, and a distribution of net proceeds of the sales in partial liquidation of $10 per share is payable on March 31,1997, for stockholders of record on March 21, 1997. It is currently anticipated that remaining net proceeds of approximately $1.00 per share will also be distributed later this year after further costs and expenses of the sales have been accounted for. Also included in cash and cash equivalents at December 31, 1996 are $9.8 million of earnings on the proceeds of sales.

Sale of these operations will materially lower the Company's revenues from historical levels. Distribution of the net proceeds in partial liquidation will also materially reduce cash. Accordingly, future net income, earnings per share and cash flows may also be materially different than historical levels.

FINANCIAL POSITION

GENERAL

In 1996, the Company continued to have a strong balance sheet although the composition of that balance sheet has changed dramatically since the sale of the mill and container plants and the communications segment. Except for the distribution in partial liquidation, management's long standing policy of retaining funds to finance capital additions continued in 1996. Cash, short-term investments and marketable securities totaled $819.9 million at December 31, 1996 versus $304 million at December 31, 1995. The majority of this increase is due to approximately $359.3 million of proceeds from the sales which have been held in special accounts during 1996. A formal plan of liquidation was adopted on February 25,1997, and a distribution of net proceeds of the sales in partial liquidation of $10 per share is payable on March 31,1997, for stockholders of record on March 21, 1997. It is currently anticipated that remaining net proceeds of approximately $1.00 per share will also be distributed later this year after further costs and expenses of the sales have been accounted for. Unrealized gains on marketable securities available for sale increased $20.7 million over 1995.

Net working capital (current assets less current liabilities) increased to $573.7 million at December 31, 1996 a 26.7% increase over 1995's $452.7 million. Excluding the $359.3 million in special accounts, net working capital would have been $214.4 million at December 31, 1996. Excluding the $296 million of net assets of discontinued operations included in 1995's working capital, net working capital would have been $156.7 million at December 31,1995. This "adjusted" net working capital reflects an increase of 36.8% from 1995 to 1996. The current ratio (current assets divided by current liabilities) fell to 11.1 in 1996 from 11.3 in 1995.

During 1995, the Company paid off its long-term debt and short term borrowings, except for those related to the communications segment which were assumed as part of that sale. Those payments amounted to $28.9 million.

Stockholders' equity at December 31, 1996 was $39.25 per share, compared to $33.31 per share in December 31, 1995, an increase of $5.94 or 17.8% from 1995. Over the last five years, stockholder equity has increased 43.2%. After the $10.00 per share distribution of net proceeds referred to above, shareholders' equity would be $29.25 per share.

CAPITAL RESOURCES

Property, plant and equipment additions were $64.3 million in 1996 compared to $78.8 million in 1995 and $65.5 million in 1994. The majority of these additions, $43.7 million, relate to real estate development and construction which are funded out of FEC's operations.

Currently, GCC has seven buildings totaling approximately 856,000 square feet, under construction which should be completed in 1997. These seven buildings consist of one office building of 127,000 square feet, two office showroom warehouses totaling 202,000 square feet, three office warehouses totaling 423,000 square feet and a rail warehouse of 104,000 square feet. Budgeted costs to complete these projects approximates $22.3 million. See Note 12 to Notes to Consolidated Financial Statements for additional capital expenditure information by segment.

It is anticipated that during 1997 capital expenditures for residential real estate will increase as compared to historical levels as the Company more actively pursues land development of its Southwood properties consistent with each market's ability to absorb such development. However, no current estimate of that amount is available as new management is still evaluating the properties and potential. The Company plans to fund such expenditures from internally generated cash.

The Company has historically not incurred debt in the development of its various real estate projects, funding instead from internally generated cash flows. As the Company moves forward under new management, debt may be incurred in those situations where the use of financing leverage is appropriate to maximize cash flow and enhance returns.

ENVIRONMENTAL

The Company is subject to 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, including sites which have been previously sold. 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 six Superfund sites. The Company has accrued its total estimated cleanup costs for these six 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.

On May 30, 1996 the company sold its linerboard mill and container plants. As part of the sale, the Company remains contingently liable for up to $10 million relating to On-Site Environmental Liabilities, as defined in the sales agreement, as long as they are discovered within three years of the closing date of the sale and the Company has, except in limited circumstances, received invoices for them within five years of the closing date. The Company has no obligation for costs incurred by the buyer to comply with Title V of the Clean Air Act or the Cluster Rules. On-Site Environmental Liabilities arising from environmental conditions caused from activities both before and after the closing date are to be allocated among the parties based on relative contribution. The agreement provided the exclusive remedy for On-Site Environmental Liabilities which relate to matters within the property lines of real property conveyed under the agreement. The Company's obligation to pay $10 million for On-Site Environmental Liabilities existing on the closing date is subject to cost-sharing with the buyer according to the following schedule: the first $2.5 million by buyer, the next $2.5 million by the Company; the next $2.5 million by the buyer; the next $2.5 million by the Company; the next $2.5 million by the buyer and the next $5 million by the Company. The Company also agreed to reimburse up to $1 million for certain remediation activities at the linerboard mill, if such activities were required under environmental laws under the following schedule: the first $.2 million by the Company, the next $.3 million by the buyer, the next $.3 million by the Company, the next $.3 million by the buyer, the next $.5 million by the Company, the next $.5 million by the buyer with any remaining amounts treated as On-Site Environmental Liabilities. No known matters exist which, pursuant to this contingent liability, would require funding or accrual in the Company's financial statements.

EPA has proposed to amend federal air standards for particulate. If the proposed rule is adopted, the new standard would be more stringent than the current standard and could cause the company to incur substantial costs to maintain compliance. However, there would be a lengthy regulatory process to implement the new standard, so that installation of any new controls that might ultimately be required would not be expected to occur for at least five years.

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, results of operations or liquidity of the Company. Aggregate environmental-related accruals were $5.5 million and $6.2 million as of December 31, 1996 and 1995, respectively.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The Financial Statements on page F-2 to F-17, inclusive and the Independent Auditor's Report on page F-1 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 13, 1997 (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, 1996, pursuant to Regulation 14A of the Securities Exchange Act of 1934, as amended.

ITEM 11. EXECUTIVE COMPENSATION

Reference is made to the information to be set forth in the section entitled "Executive Compensation" 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

To the extent applicable, reference is made to the Proxy Statement, which is incorporated herein by reference.

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 and Independent Auditors' Report are filed as part of this Report.

2. FINANCIAL STATEMENT SCHEDULES

The financial statement schedules and Independent Auditors' Report 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, and the Notes to the Consolidated Financial Statements.

ST. JOE CORPORATION

INDEX TO EXHIBITS

(ITEM 14(A) 3.)

(23)	Accountants' Consent	*
(24)	Powers of Attorney	*
(27)	Financial Data Schedule (for SEC use only)	*

* Filed herewith

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.

ST. JOE CORPORATION

By: /s/ J. Malcolm Jones, Jr.
J. Malcolm Jones, Jr.
Chief Financial Officer
(Principal Financial Officer)

Date: March 27, 1997

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 27, 1997.

SIGNATURE	TITLE	DATE
/s/ Peter S. Rummell Peter S. Rummell	Chairman of the Board and Chief Executive Officer	March 27, 1997
/s/ Robert E. Nedley Robert E. Nedley	President, Chief Operating Officer and Director	March 27, 1997
/s/ J. Malcolm Jones, Jr. J. Malcom Jones, Jr.	Vice President and Chief Financial Officer (Principal Financial Officer)	March 27, 1997
/s/ D. Michael Groos D. Michael Groos	Controller (Principal Accounting Officer)	March 27, 1997
/s/ Jacob C. Belin Jacob C. Belin	Director	Narch 27, 1997
/s/ Robert M. Rhodes Robert M. Rhodes	Senior Vice President and General Counsel	March 27, 1997
/s/ Winfred L. Thornton Winfred L. Thornton	Director	March 27, 1997
/s/ Russell B. Newton, Jr. Russell B. Newton, Jr.	Director	March 27, 1997
/s/ John J. Quindlen John J. Quindlen	Director	March 27, 1997
/s/ Walter L. Revell Walter L. Revell	Director	March 27, 1997
/s/ Frank S. Shaw, Jr. Frank S. Shaw, Jr.	Director	March 27, 1997
/s/ John D. Uible John D. Uible	Director	March 27, 1997
/s/ Carl F. Zellers Carl F. Zellers	Director	March 27, 1997
By: /s/ Robert M. Rhodes Robert M. Rhodes Senior Vice President and General Counsel		March 27, 1997

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
St. Joe Corporation:

We have audited the accompanying consolidated balance sheets of St. Joe Corporation and subsidiaries as of December 31, 1996 and 1995,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, 1996. 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 presentation. 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 Corporation and subsidiaries as of December 31, 1996 and 1995, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 1996, in conformity with generally accepted accounting principles.

KPMG PEAT MARWICK LLP

Jacksonville, Florida
March 7, 1997

ST. JOE CORPORATION
CONSOLIDATED BALANCE SHEETS
(DOLLARS IN THOUSANDS)

	December 31, 1996	December 31, 1995
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 449,013	$ 16,802
Short-term investments	88,011	96,923
Accounts receivable	57,517	44,390
Income taxes refundable	-	4,314
Inventories	18,677	20,592
Other assets	17,455	18,162
Net assets of discontinued operations	-	296,001
Total current assets	630,673	497,184
INVESTMENTS AND OTHER ASSETS:		
Marketable securities	282,827	189,865
Note receivable	10,000	-
Other assets	48,571	38,971
Total investments and other assets	341,398	228,836
Property, plant and equipment, net	834,167	804,974
Total assets	$1,806,238	$1,530,994
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 28,480	$ 26,024
Accrued liabilities	21,615	18,445
Income taxes payable	6,864	-
Total current liabilities	56,959	44,469
Accrued casualty reserves and other liabilities	18,361	11,681
Deferred income taxes	254,873	192,036
Minority interest in consolidated subsidiaries	279,104	266,741
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	1,125,161	955,239
Net unrealized gains on marketable securities available for sale	63,066	52,114
Total stockholders' equity	1,196,941	1,016,067
Total liabilities and stockholders' equity	$1,806,238	$1,530,994

See notes to consolidated financial statements.

ST. JOE CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
(DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

	Years ended December 31,		
	1996	1995	1994
Net sales	$245,704	$150,564	$155,122
Operating revenues	185,485	184,360	175,784
Total revenues	431,189	334,924	330,906
Cost of sales	112,163	116,014	111,014
Operating expenses	139,640	139,875	133,091
Selling, general and administrative expenses	31,215	31,718	26,836
Operating profit	148,171	47,317	59,965
Other income (expense):			
Dividends	2,968	2,595	2,187
Interest income	29,914	12,666	9,678
Interest expense	(600)	(2,235)	(1,982)
Gain on sales and other dispositions of property, plant and equipment	3,423	2,674	13,895
Other, net	5,152	3,070	1,386
Total other income (expense)	40,857	18,770	25,164
Income from continuing operations before income taxes and minority interest	189,028	66,087	85,129
Provision for income taxes			
Current	30,288	5,778	24,692
Deferred	52,829	18,757	6,754
Total provision for income taxes	83,117	24,535	31,446
Income from continuing operations before minority interest	105,911	41,552	53,683
Minority interest	14,002	12,194	15,827
Income from continuing operations	91,909	29,358	37,856
Income from discontinued operations:			
Earnings (loss) from discontinued operations, net of income taxes of $ (2,785), $26,116 and $2,491, respectively	(4,528)	44,461	4,253
Gain on the sale of discontinued operations, net of income taxes of $48,705	88,641	-	-
Income from discontinued operations	84,113	44,461	4,253
Net income	$176,022	$73,819	$ 42,109
PER SHARE DATA:			
Income from continuing operations	$ 3.01	$ 0.96	$ 1.24
Earnings(loss) from discontinued operations	(.15)	1.46	0.14
Gain on the sale of discontinued operations	2.91	-	-
Net income	$ 5.77	$ 2.42	$ 1.38

See notes to consolidated financial statements.

ST. JOE CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

	Years ended December 31, 1996	1995	1994
COMMON STOCK			
Balance, at end of year (1996, 1995 and 1994 - 30,498,650 shares)	$ 8,714	$ 8,714	$ 8,714
RETAINED EARNINGS			
Balance, at beginning of year	$ 955,239	$887,520	$851,511
Net income	176,022	73,819	42,109
Dividends:			
Cash ($0.20 per share - 1996, 1995 and 1994)	(6,100)	(6,100)	(6,100)
Balance, at end of year	$1,125,161	$955,239	$887,520
NET UNREALIZED GAIN ON MARKETABLE SECURITIES AVAILABLE FOR SALE			
Balance, at beginning of year	$ 52,114	$ 40,747	$ 41,485
Increase (decrease) in net unrealized gain, net of tax effect	10,952	11,367	(738)
Balance, at end of year	$ 63,066	$ 52,114	$ 40,747

See notes to consolidated financial statements.

ST. JOE CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(DOLLARS IN THOUSANDS)

	Years ended December 31,		
	1996	1995	1994
Cash flows from operating activities:			
Net Income	$176,022	$ 73,819	$ 42,109
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation and depletion	28,758	28,551	27,612
Minority interest in income	14,002	12,194	15,827
Gain on sale of property	(3,423)	(2,674)	(13,895)
Gain on sale of discontinued operations	(88,641)	-	-
Deferred income tax provision	52,829	18,757	6,754
Changes in operating assets and liabilities:			
Accounts receivable	(13,127)	(3,139)	(1,375)
Inventories	1,915	(828)	6,545
Other assets	(8,893)	(4,790)	(406)
Accounts payable, accrued liabilities and casualty reserves	5,435	(4,279)	3,176
Income taxes payable	11,178	(7,012)	4,275
Discontinued operations - noncash charges and working capital changes	(58,710)	43,483	12,096
Cash provided by operating activities	117,345	154,082	102,718
Cash flows from investing activities:			
Purchases of property, plant and equipment	(64,271)	(78,816)	(65,450)
Investing activities of discontinued operations	(4,327)	(28,102)	(19,513)
Proceeds from sales of property	9,743	5,119	18,135
Proceeds from sale of discontinued operations	445,055	-	-
Purchases of investments:			
Available for sale	(21,928)	(31,247)	(18,851)
Held-to-maturity	(180,797)	(168,607)	(105,091)
Maturity and redemption of investments:			
Available for sale	18,291	29,058	12,779
Held-to-maturity	121,111	135,480	95,241
Cash provided by (used in) investing activities	322,877	(137,115)	(82,750)
Cash flows from financing activities:			
Net change in short-term borrowings	-	(11,989)	(5,437)
Financing activities of discontinued operations	(245)	(9,917)	2,092
Dividends paid to stockholders	(6,100)	(6,100)	(6,100)
Repayment of long-term debt	-	(16,893)	(19)
Dividends paid to minority interest	(1,666)	(1,655)	(1,679)
Cash used in financing activities	(8,011)	(46,554)	(11,143)
Net increase (decrease) in cash and cash equivalents	432,211	(29,587)	8,825
Cash and cash equivalents at beginning of period	16,802	46,389	37,564
Cash and cash equivalents at end of period	$449,013	$ 16,802	$ 46,389
Supplemental disclosure of cash flow information:			
Cash paid during the year for certain expense items is:			
Interest	$ 1,009	$ 4,541	$ 3,973
Income taxes	$120,789	$ 45,283	$ 20,494

See notes to consolidated financial statements.

ST. JOE CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 1996, 1995 AND 1994
(DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

1. NATURE OF OPERATIONS

St. Joe Corporation (the Company) is a diversified corporation engaged in transportation, real estate, forestry and sugar operations. Forestry has operations in both Florida and Georgia while the remaining businesses operate principally within the state of Florida.

TRANSPORTATION - Transportation operations accounted for 43% of the Company's net sales and operating revenues in 1996, and consist of both railway and trucking operations. The two railroads, one serving the northwest Florida area from Port St. Joe to Chattahoochee and the other serving the eastern seaboard of Florida from Jacksonville to Miami, provide transportation services for the common carriage of goods by rail between their terminating points. Since the rail operations are within the state of Florida, more than one-half of its transportation revenue is generated by shipments which originate and terminate within Florida. Additionally, a significant portion of the traffic handled is received from or transferred to other rail carriers. The principal commodities carried by rail include crushed stone, cement, automobile vehicles and parts, trailer-on-flatcar, container-on-flatcar, basic consumer goods such as foodstuffs and building material, coal, pulpboard, pulpwood, woodchips, tall oil chemicals, stone and clay products and recyclables. The trucking portion of the Company's operation is an interstate, irregular route, common carrier with terminals located throughout the eastern half of the United States.

REAL ESTATE -- Real estate accounted for 31% of the Company's net sales and operating revenues in 1996, and consists of the development, construction and management of real estate projects within the state of Florida, both for long-term appreciation and for sale to third parties and the sale of both developed and undeveloped land. Along Florida's east coast, the Company concentrates in commercial property which it can manage, maintain and develop. In west Florida, the Company has concentrated on developing parcels for residential use. The Real Estate segment's competition is with other developers and brokers throughout its operating area.

FORESTRY - Forestry accounted for 13% of the Company's net sales and operating revenues in 1996, and consists of the growing and harvesting of timber on approximately one million acres of timberlands in Florida and Georgia. The majority of the wood harvested by the Company is sold under a long term wood fiber supply agreement to one linerboard mill located in Port St. Joe, Florida. The Company plans in the future to shift its remaining fiber production from the Company's lands to higher margin timber products.

Wood is supplied to the mill pursuant to a negotiated wood fiber supply agreement entered into at the time of the sale of the mill. See Note 3. Discontinued Operations. Under that agreement, wood fiber will be supplied to the linerboard mill for a period of fifteen years ,with two five year renewal periods. Tonnage to be provided ,reduces from 1.6 million tons in year one to 1.4 ,1.2 ,.9 million tons in years two, three and four respectively. Years four and thereafter remain at .9 million tons. The amount of tonnage required from Company's land is .9 million tons per year starting in the third year. At anytime, the mill can elect to reduce in increments on a permanent basis the amount of tonnage to not less than 600,000 tons per year. Prices for the wood fiber were negotiated at the time of the negotiation of the agreement and were negotiated based on fixed prices from geographic zones for pulp wood and prices tied to designated chipping facilities for wood chips. Under the wood fiber supply agreement, prices are to be renegotiated every two years and are to be indexed on a quarterly basis to certain published prices resulting in quarterly adjustments that are not greater than five percent.

On March 6, 1997 officials of the linerboard mill at Port St. Joe announced that the mill will be shutdown beginning in April, 1997 for an indefinite period of time due to soft market conditions in the paper industry. The Company is currently evaluating the impact of this shutdown on its sales related to the wood fiber supply agreement and its transportation revenues generated from shipments of wood to the mill. The financial impact to transportation (ANRR) and forestry segments operations would have a significant adverse impact on the segments' revenues, operating profit, net income and cash flow if the mill does not honor the annual tonnage requirement of the agreement. Forestry and transportation are considering the alternatives available to it to mitigate this potential loss.

SUGAR -- Sugar accounted for 13% of the Company's net sales and operating revenues in 1996, and consists of a sugarcane plantation and a sugar mill which processes the sugarcane into raw sugar. The raw sugar from the mill is sold to one customer. The sugarcane crop is subject to varying weather conditions which can significantly reduce the harvest and crop yields.

2. MAJORITY STOCKHOLDERS

The Alfred I. duPont Testamentary Trust (the "Trust") and Nemours Foundation (the "Foundation"), beneficiary of the Trust, collectively own approximately 69.8% of the common stock of the Company. The Company and its subsidiaries had no significant transactions with the Trust or the Foundation during the period.

3. DISCONTINUED OPERATIONS

COMMUNICATIONS -- On April 11, 1996, St. Joe Industries, Inc., a wholly owned subsidiary of the Company, sold the stock of St. Joe Communications, Inc. (SJCI) to TPG Communications, Inc. for $96,098. TPG Communications, Inc. assumed $17,963 of SJCI interest bearing debt. SJCI sold its interest in three remaining cellular partnerships for an aggregate of $25,113. The Company recorded a $39,154 gain on the sale net of tax. SJCI's revenues through the April 11, 1996 sale date were $9,335. Revenues in 1995 and 1994 were $32,826 and $30,638, respectively. During 1995, the Company had previously sold a cellular partnership interest for $2,104. Earnings for SJCI were $1,120, $6,767 and $4,993 for 1996, 1995 and 1994, respectively

FOREST PRODUCTS -- On May 30, 1996, the Company sold its linerboard mill and container plants. Proceeds from the sale include $323,844 cash and a $10,000 senior subordinated note, (the Promissory Note). The Promissory Note bears interest at a rate of 13.25% and interest is payable quarterly in arrears commencing September 1, 1996, provided that any interest payable on its due date may, at the borrowers' option, be added to the principal amount outstanding. To date, interest payments have been added to the principal amount. All unpaid principal and interest is due June 1, 2007. The Promissory Note may be prepaid without penalty at any time. The gain on the sale was $49,487, net of tax. Revenues for the linerboard mill and container plants through May 30, 1996 were $156,305. Revenues in 1995 and 1994 were $438,399 and $378,088, respectively. Earnings (loss) for the linerboard mill and container plants were $(5,648), $37,694 and $(740) for 1996, 1995 and 1994, respectively.

Included in cash and cash equivalents at December 31, 1996 is approximately $359,267 of proceeds from these sales which have been held in special accounts during 1996. A formal plan of liquidation was adopted on February 25,1997, and a distribution of net proceeds of the sales in partial liquidation of $10 per share is payable on March 31,1997, for stockholders of record on March 21, 1997. It is currently anticipated that remaining net proceeds of approximately $1.00 per share will also be distributed later this year after further costs and expenses of the sales have been accounted for. Also included in cash and cash equivalents at December 31, 1996 is approximately $9,783 in earnings on the proceeds of sales.

ST. JOE CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 1996, 1995 AND 1994
(DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ESTIMATES -- The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

PRINCIPLES OF CONSOLIDATION -- The consolidated financial statements include the accounts of the Company and all of its majority owned subsidiaries. All significant intercompany transactions and balances have been eliminated except for sales of continuing operations of $18,988, $59,535 and $58,925 derived from discontinued operations in the years ended December 31, 1996, 1995 and 1994, respectively. The unrealized profit in ending inventories relating to these sales has been eliminated.

REVENUE RECOGNITION -- Transportation revenues are substantially recognized upon completion of transportation services at destination. Revenues from sales of forestry products and sugar are recognized generally on delivery of the product to the customer. Revenue from realty land sales is recognized upon closing of sales contracts for sale of land or upon settlement of condemnation proceedings. Rental revenues are recognized upon completion of rental and lease contracts, using the straight-line basis for recording the revenues over the life of the contract.

CASH AND CASH EQUIVALENTS -- For purposes of the Consolidated Statements of Cash Flows, cash and cash equivalents include cash on hand, bank demand accounts, money market accounts, and repurchase agreements having original maturities at acquisition date of three months or less.

INVENTORIES -- Inventories are stated at the lower of cost or market. Costs for substantially all 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. An adjustment to depletion is recorded, if necessary, based on the continuous forest inventory (CFI) analysis prepared every five years.

Railroad 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.

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

INCOME TAXES -- The Company follows the asset and liability method of accounting for income taxes in accordance with Statement of Financial Accounting Standards (SFAS) No. 109 "Accounting for Income Taxes." Under 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.

INVESTMENTS -- Investments consist principally of corporate debt securities, government sponsored agency securities, mortgage backed securities, municipal bonds, common stocks, preferred stocks, and U.S. Government obligations. Investments maturing in three months to one year are classified as short term. Those having maturities in excess of one year are classified as marketable securities.

The Company follows the provisions of SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities". 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.

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.

LONG-LIVED ASSETS - In March 1995, the Financial Accounting Standards Board issued SFAS 121, "Accounting for the Impairment of Long-Lived Assets to be Disposed Of," which requires impairment losses to be recorded on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the asset's carrying amount. SFAS 121 also addresses the accounting for long-lived assets that are expected to be disposed of. The Company has historically reserved for losses related to the impairment of long-term assets. The adoption of SFAS No. 121 in 1996 had no material effect on the Company's financial statements.

RECLASSIFICATIONS - Certain prior year amounts have been reclassified to conform with the current year's presentation.

ST. JOE CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 1996, 1995 AND 1994
(DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

5. INVENTORIES

ST. JOE CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 1996, 1995 AND 1994
(DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

	1996	1995
Inventories as of December 31 consist of:	$13,530	$12,875
Materials and supplies	5,147	7,717
Sugar	$18,677	$20,592

6. INVESTMENTS

Investments as of December 31, 1996, consist of :

	Amortized 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	$ 87,007	$ 87,007	$ 87,226	$ 296	$ 77
Tax exempt municipals	1,004	1,004	1,005	1	-
	$ 88,011	$ 88,011	$ 88,231	$ 297	$ 77
Marketable securities					
Available for sale					
U. S. Government securities					
Maturing in one to five years	$ 1,226	$ 1,226	$ 1,226	$ 3	$ 3
Maturing in five to ten years	152	151	151	-	1
Tax exempt municipals					
Maturing in one to five years	10,624	10,945	10,945	321	-
Maturing in five to ten years	19,726	20,336	20,336	610	-
Maturing in more than ten years	4,281	4,265	4,265	-	16
Equity securities	13,534	117,128	117,128	103,594	-
Mortgage backed securities					
Maturing in one to five years	71	71	71	-	-
Maturing in five to ten years	342	343	343	1	-
Maturing in more than ten years	3,210	3,255	3,255	45	-
Other corporate debt securities					
Maturing in one to five years	920	931	931	11	-
Maturing in five to ten years	463	468	468	5	-
Maturing in more than ten years	95	105	105	10	-
	54,644	159,224	159,224	104,600	20
Held to maturity					
U. S. Government securities					
Maturing within one year	$114,371	$114,371	$113,454	$ 333	$1,250
Tax exempt municipals					
Maturing in one to five years	7,079	7,079	7,121	42	-
Maturing in more than ten years	56	56	725	669	-
Mortgage backed securities					
Maturing in one to five years	-	-	400	400	-
Maturing in more than ten years	41	41	44	3	-
Other corporate debt securities					
Maturing in one to five years	2,056	2,056	2,475	502	83
	123,603	123,603	124,219	1,949	1,333
	$178,247	$282,827	$283,443	$106,549	$1,353

ST. JOE CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 1996, 1995 AND 1994
(DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

6. INVESTMENTS (CONTINUED)

Investments as of December 31, 1995, consist of :

	Amortized 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	$ 50,077	$ 50,818	$ 51,203	$ 385	$ -
Tax exempt municipals	39,135	39,179	39,150	-	29
Mortgage backed securities	5,641	5,911	5,909	-	2
Certificates of deposit	1,000	1,015	1,015	-	-
	$ 95,853	$ 96,923	$ 97,277	$ 385	31
Marketable securities					
Available for sale					
U. S. Government securities					
Maturing in one to five years	$ 872	$ 887	$ 887	$ 15	-
Tax exempt municipals					
Maturing in one to five years	6,968	7,181	7,181	213	-
Maturing in five to ten years	20,093	20,953	20,953	860	-
Maturing in more than ten years	5,610	5,820	5,820	210	-
Equity securities	11,633	94,027	94,027	82,394	-
Mortgage backed securities					
Maturing in five to ten years	3,801	3,877	3,877	76	-
Other corporate debt securities					
Maturing in five to ten years	1,842	1,897	1,897	55	-
	50,819	134,642	134,642	83,823	-
Held to maturity					
U. S. Government securities					
Maturing in one to five years	45,569	45,902	46,432	530	-
Tax exempt municipals					
Maturing in one to five years	1,283	113	113	-	-
Maturing in more than ten years	1,000	1,003	1,003	-	-
Mortgage backed securities					
Maturing in five to ten years	6,132	6,143	6,699	556	-
Other corporate debt securities					
Maturing in five to ten years	794	2,062	2,454	451	59
	54,778	55,223	56,701	1,537	59
	$105,597	$189,865	$191,343	$85,360	$ 59

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.

ST. JOE CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 1996, 1995 AND 1994
(DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

7. ACCRUED LIABILITIES

Accrued liabilities as of December 31 consist of:

	1996	1995
Payroll and benefits	$ 5,716	$ 1,433
Payroll taxes	403	246
Property and other taxes	4,248	3,418
Accrued casualty reserves	18,984	16,635
Other accrued liabilities	10,625	8,394
	39,976	30,126
Less: noncurrent accrued casualty reserves and other liabilities	18,361	11,681
	$21,615	$18,445

8. PROPERTY, PLANT AND EQUIPMENT

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

	1996	1995	Estimated Useful Life
Land and timber	$ 134,811	$ 132,393	
Land improvements	19,770	19,149	20
Buildings	3,702	3,686	45
Machinery and equipment	630,847	623,183	12-30
Office equipment	1,150	799	10
Autos and trucks	2,829	2,375	3-6
Construction in progress	3,844	5,689	----
Investment property	359,689	318,181	various
	1,156,642	1,105,455	
Accumulated depreciation	322,475	300,481	
	$ 834,167	$ 804,974	

Real estate properties having net book value of $196.7 million at December 31, 1996 are leased under non-cancelable operating leases with expected aggregate rentals of $106.2 million of which $32.1, $26.5, $20.9, $15.8 and $10.9 million is due in the years 1997 through 2001, respectively.

9. INCOME TAXES

Total income tax expense for the years ended December 31 was allocated as follows:

	1996	1995	1994
Income from continuing operations	$ 83,117	$24,535	$31,446
Earnings (loss) from discontinued operations	(2,785)	26,116	2,491
Gain on the sale of discontinued operations	48,705	--	--
Shareholders' equity, for recognition of unrealized gain (loss) on debt and marketable equity securities	9,428	8,778	(2,377)
	$138,465	$59,429	$31,560

ST. JOE CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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9. INCOME TAXES (CONTINUED)

Income tax expense attributable to income from continuing operations differed from the amount computed by applying the statutory federal income tax rate to pre-tax income as a result of the following:

	1996	1995	1994
Tax at the statutory federal rate	$66,159	$23,131	$29,795
Dividends received deduction and tax free interest	(4,311)	(1,277)	(1,075)
Excise tax on reversion of prepaid pension asset	13,228	--	--
State income taxes (net of federal benefit)	5,839	1,916	2,497
Undistributed earnings of FECI	1,262	916	1,245
Other, net	940	(151)	(1,016)
	$83,117	$24,535	$31,446

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

	1996	1995
Deferred tax assets:		
Accrued casualty and other reserves	$ 11,915	$ 7,451
Other	1,287	1,912
Total deferred tax assets	13,202	9,363
Deferred tax liabilities:		
Tax in excess of financial depreciation	112,023	114,047
Deferred gain on land sales	7,224	6,893
Deferred gain on subsidiary's defeased bonds	1,929	2,139
Unrealized gain on debt and marketable equity securities	40,330	30,902
Deferred gain on involuntary conversion of land	66,682	29,160
Prepaid pension asset recognized for financial reporting	26,712	8,085
Other	8,042	5,620
Total gross deferred tax liabilities	262,942	196,846
Net deferred tax liability	$249,740	$187,483

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. The current deferred tax asset of $5,133 and $4,553 is recorded in other current assets as of December 31, 1996 and 1995, respectively.

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

ST. JOE CORPORATION
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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, 1996, the undistributed earnings of the subsidiary for which no deferred tax liability was provided were approximately $48,454.

10. PENSION AND RETIREMENT PLANS

The Company sponsors defined benefit pension plans which covered approximately 10% of its employees in 1996 and 70% of its employees in 1995. The reduction in employees covered resulted from the previously discussed sales of the communications segment and the linerboard mill and container plants. 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:

	1996	1995
Service cost	$ 1,659	$ 3,450
Interest cost	7,923	7,986
Actual return on assets	(26,606)	(40,436)
Net amortization and deferral	11,555	28,221
Total pension income	$(5,469)	$(779)

10. PENSION AND RETIREMENT PLANS (CONTINUED)

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

	1996	1995
Accumulated benefit obligation, including vested benefits of $105,627 and $92,354 in 1996 and 1995, respectively	$106,368	$100,104
Projected benefit obligation for service rendered to date	108,726	125,136
Plan assets at fair value, primarily listed stocks and U.S. bonds	193,937	177,276
Plan assets in excess of projected benefit obligation	85,211	52,140
Unrecognized net (gain) loss	(42,011)	(27,734)
Unrecognized prior service cost	768	12,956
Unrecognized transition asset	(12,829)	(15,395)
Additional cost for special termination benefits	(982)	--
Prepaid pension cost	$ 30,157	$ 21,967

The weighted-average discount rates for the plans were 7% in 1996 and 1995. 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% in 1996 and 1995. The expected long-term rates of return on assets was 8% in 1996 and 1995.

As discussed in note 3, several of the Company's operations were sold during 1996, which significantly reduced the number of employees covered under the defined benefit plans. The defined benefit plans' assets were not a part of the sales. In accordance with SFAS No. 88, "Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits", the Company recognized a curtailment gain of approximately $3.7

ST. JOE CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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(DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

million ($.5 million net of tax). The Company's pension plans are in an overfunded position and with the reduction in employees resulting from the sales of several of the Company's operations, it is unlikely that the overfunding will be realized other than by a plan termination and reversion of excess assets. Accordingly, a 50% excise tax has been included in the tax effects of the prepaid asset as well as the curtailment gain. The Company has no immediate plans to terminate the pension plans and is in the process of evaluating other alternatives.

The Company had an Employee Stock Ownership Plan (the ESOP) for the purpose of purchasing stock of the Company for the benefit of qualified employees. On November 21, 1996 the Pension committee of the Board of Directors of the Company voted to terminate the ESOP effective December 31, 1996. Contributions to the ESOP were 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 $1,081, $1,322, and $1,213 in 1996, 1995 and 1994, respectively.

11. QUARTERLY FINANCIAL DATA (UNAUDITED)

	Quarters Ended			
1996	December 31	September 30	June 30	March 31
Net sales and operating revenues	95,481	84,556	80,190	170,962
Operating profit	22,125	9,595	23,053	93,398
Net income from continuing operations	14,991	11,449	5,790	59,679
Income (loss) from discontinued operations	(7,003)*	--	82,227	8,889
Net Income	7,988	11,449	88,017	68,568
Net income per share	0.25	0.38	2.89	2.25
1995				
Net sales and operating revenues	89,764	82,877	85,905	76,378
Operating profit	11,888	11,745	12,857	10,827
Net income from continuing operations	8,006	6,360	8,340	6,652
Income from discontinued operations	6,804	4,799	17,996	14,862
Net income	14,810	11,159	26,336	21,514
Net income per share	0.49	0.37	0.86	0.71

* The total gain on discontinued operations declined by approximately $7 million during the fourth quarter as a result of finalizing the postclosing working capital adjustments, closing expenses and the pension curtailment gain, previously estimated.

12. SEGMENT INFORMATION

Total net sales and operating revenues represent sales to unaffiliated customers, as reported in the Company's consolidated income statements and intercompany sales which occurred principally between the Forestry and Transportation segments and discontinued operations. 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. Other assets are composed of cash, marketable securities and miscellaneous nonsegment assets.

ST. JOE CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 1996, 1995 AND 1994
(DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

Information by lines of business segment follows:

	1996	1995	1994
Net sales and operating revenues			
Transportation	$ 185,484	$ 184,450	$ 173,707
Real Estate	134,530	32,870	42,141
Forestry	56,679	60,057	60,158
Sugar	54,496	57,547	54,900
Consolidated	$ 431,189	$ 334,924	$ 330,906
Operating profit:			
Transportation	$ 26,711	$ 25,763	$ 27,313
Real Estate	109,450	11,621	22,251
Forestry	2,337	(555)	6,293
Sugar	8,281	13,310	6,329
Other	1,392	(2,822)	(2,221)
Consolidated	$ 148,171	$ 47,317	$ 59,965
Assets:			
Transportation	$ 413,100	$ 407,969	$ 424,241
Real Estate	373,799	290,013	229,449
Forestry	114,710	111,848	91,319
Sugar	77,824	72,647	93,685
Discontinued operations	--	296,001	299,347
Other	826,805	352,516	311,349
Consolidated	$1,806,238	$1,530,994	$1,449,390
Capital expenditures:			
Transportation	$ 15,800	$ 28,204	$ 25,060
Real Estate	43,708	45,029	28,354
Forestry	4,672	5,413	8,655
Sugar	91	170	3,381
Consolidated	$ 64,271	$ 78,816	$ 65,450
Depreciation and depletion:			
Transportation	$ 18,067	$ 18,840	$ 18,706
Real Estate	7,808	5,733	5,117
Forestry	1,148	2,307	2,184
Sugar	1,735	1,671	1,605
Consolidated	$ 28,758	$ 28,551	$ 27,612

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 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 including sites which have been previously sold. 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.

On May 30, 1996 the company sold its linerboard mill and container plants. As part of the sale, the Company remains contingently liable for up to $10 million relating to On-Site Environmental Liabilities, as defined in the sales agreement, as long as they are discovered within three years of the closing date of the sale and the Company has, except in limited circumstances, received invoices for them within five years of the closing date. The Company has no obligation for costs incurred by the buyer to comply with Title V of the Clean Air Act or the Cluster Rules. On-Site Environmental Liabilities arising from environmental conditions caused from activities both before and after the closing date are to be allocated among the parties based on relative contribution. The agreement provided the exclusive remedy for On-Site Environmental Liabilities which relate to matters within the property lines of real property conveyed under the agreement. The Company's obligation to pay $10 million for On-Site Environmental Liabilities existing on the closing date is subject to cost-sharing with the buyer according to the following schedule: the first $2.5 million by buyer, the next $2.5 million by the Company; the next $2.5 million by the buyer; the next $2.5 million by the company; the next $2.5 million by the buyer and the next $5 million by the Company. The Company also agreed to reimburse up to $1 million for certain remediation activities at the linerboard mill, if such activities were required under environmental laws under the following schedule: the first $.2 million by the Company, the next $.3 million by the buyer, the next $.3 million by the Company, the next $.3 million by the buyer, the next $.5 million by the Company, the next $.5 million by the buyer with any remaining amounts treated as On-Site Environmental Liabilities. No known matters exist which, pursuant to this contingent liability, would require funding or accrual in the Company's financial statements.

The Company is currently a party to, or involved in, legal proceedings directed at the cleanup of six Superfund sites. The Company has accrued an allocated share of the total estimated cleanup costs for these 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, results of operations or liquidity of the Company. Environmental liabilities are paid over an extended period and the timing of such payments cannot be predicted with any confidence. Aggregate environmental-related accruals were $5,500 and $6,200 as of December 31, 1996 and 1995, respectively.

INDEPENDENT AUDITORS' REPORT - FINANCIAL STATEMENT SCHEDULES

The Board of Directors and Stockholders
St. Joe Corporation:

Under date of March 7, 1997, we reported on the consolidated balance sheets of St. Joe Corporation and subsidiaries as of December 31, 1996 and 1995, 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, 1996, as contained in this annual report on Form 10-K for the year 1996. In connection with our audits of the aforementioned consolidated financial statements, we also audited the related consolidated 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.

KPMG PEAT MARWICK LLP

Jacksonville, Florida
March 7, 1997

ST. JOE PAPER COMPANY
SCHEDULE II (CONSOLIDATED)
VALUATION AND QUALIFYING ACCOUNTS
YEARS ENDED DECEMBER 31, 1996, 1995 AND 1994
(DOLLARS IN THOUSANDS)

Reserves included in Liabilities	BALANCE AT BEGINNING OF YEAR	ADDITIONS CHARGED TO EXPENSE	PAYMENTS	BALANCE AT END OF YEAR
1996				
Accrued casualty reserves	16,635	19,698	8,150	28,183 (a)(b)
1995				
Accrued casualty reserves	21,019	4,742	9,126	16,635 (a)
1994				
Accrued casualty reserves	16,587	9,305	4,873	21,019 (a)

(a) Includes $12,445, $7,322 and $9,976 in current liabilities at December 31, 1996, 1995 and 1994, respectively. The remainder is included in "Accrued casualty reserves and other liabilities."

(b) 1996 additions include $6,871 related to discontinued operations and charged to expense in prior years.

St. Joe Corporation
Schedule III (Consolidated) - Real Estate and Accumulated Depreciation
December 31, 1996, 1995, and 1994
(in thousands)

Description	Encumbrances	Initial Cost to Company: Land	Initial Cost to Company: Buildings & Improvements	Costs Capitalized Subsequent to Acquisition
DUVAL COUNTY				
Office Buildings (8)	0	$ 1,153	$6,200	$55,732
Office/Showroom/Warehouses (8)	0	1,502		20,393
Office/Warehouse (2)	0	-		11,708
Land w/Infrastructure	0	6,593		8,201
Unimproved Land & Misc Assets	0	915		673
City & Residential Lots	0	362	5	77
ST. JOHNS COUNTY				
Unimproved Land	0	2,631		406
Land with Infrastructure	0	10	-	622
FLAGLER COUNTY				
Unimproved Land	0	3,218		1,183
VOLUSIA COUNTY				
Unimproved Land	0	3,651		403
BREVARD COUNTY				
Office/Showroom/Warehouse (1)	0	73		2,198
Land w/ Infrastructure	0	3,633		-
Unimproved Land	0	4,846		190
INDIAN RIVER				
Unimproved Land	0	1		-
ST. LUCIE COUNTY				
Unimproved Land	0	593		-
MARTIN COUNTY				
Land w/ Infrastructure	0	1,734		2,416
Unimproved Land	0	2,704		231
PUTNAM COUNTY				
Unimproved Land	0	-		-
PALM BEACH COUNTY				
Office/Showroom/Warehouse (1)	0	113		2,984
Rail Warehouses (2)	0	449		4,253
Cross Docks (4)	0	117		3,786
Land w/ Infrastructure	0	1,251		-
Unimproved Land	0	1,501		-

Description	Carried at Close of Period: Land & Land Improvements	Carried at Close of Period: Buildings and Improvements	Carried at Close of Period: TOTAL	Accumulated Depreciation	Date Capitalized or Acquired	Depreciable Life used in Calculation in Latest Income Statement
DUVAL COUNTY						
Office Buildings (8)	$10,386	$52,699	$63,085	7,992	1985	3 to 40 years
Office/Showroom/Warehouses (8)	4,515	17,380	21,895	4,797	1987	3 to 40 Years
Office/Warehouse (2)	3,834	7,874	11,708	605	1994	3 to 40 Years
Land w/Infrastructure	14,794	-	14,794	355		
Unimproved Land & Misc Assets	1,412	176	1,588	152		
City & Residential Lots	362	82	444	65	-	-
ST. JOHNS COUNTY						
Unimproved Land	3,037		3,037		Various	
Land with Infrastructure	10	622	632	-		
FLAGLER COUNTY						
Unimproved Land	4,401		4,401		Various	
VOLUSIA COUNTY						
Unimproved Land	4,054		4,054		Various	
BREVARD COUNTY						
Office/Showroom/Warehouse (1)	438	1,833	2,271	509	1983	3 to 40 Years

Land w/ Infrastructure	3,633		3,633		Various
Unimproved Land	5,036		5,036		Various
INDIAN RIVER					
- ------------					
Unimproved Land	1		1		Various
ST. LUCIE COUNTY					
- ----------------					
Unimproved Land	593		593		Various
MARTIN COUNTY					
- -------------					
Land w/ Infrastructure	4,150		4,150	84	Various
Unimproved Land	2,935		2,935		Various
PUTNAM COUNTY					
- -------------					
Unimproved Land	-		-		
PALM BEACH COUNTY					
- -----------------					
Office/Showroom/Warehouse (1)	599	2,498	3,097	865	
Rail Warehouses (2)	557	4,145	4,702	1,257	
Cross Docks (4)	1,261	2,642	3,903	1,034	
Land w/ Infrastructure	1,251		1,251		
Unimproved Land	1,501		1,501		

BROWARD COUNTY				
- --------------				
Rail Warehouse (1)	0	85		1,708
Land w/ Infrastructure	0	999		122
Unimproved Land	0	1,193		68
MANATEE COUNTY				
- --------------				
Unimproved Land	0	14		87
DADE COUNTY				
- -----------				
Cross Dock (1)	0	137		1,018
Double Front Load Warehouse (1)	0	768		6,275
Rail Warehouses (6)	0	808		28,252
Office/Showroom/ Warehouses (5)	0	1,003		18,474
Office/Warehouses (4)	0	1,462		18,604
Front Load Warehouses (8)	0	1,943		28,751
Office/Service Center (1)	0	285		2,589
Transit Warehouse (1)	0	3		286
Land w/ Infrastructure	0	7,970		29,843
Unimproved Land & Misc Assets	0	10,326		5,496
ORANGE COUNTY				
- -------------				
Land w/ Infrastructure	0	-		7,626
GULF COUNTY				
- -----------				
Unimproved Land	0	358	-	176
BAY COUNTY				
- ----------				
Land w/ Infrastructure	0	1	-	45
Office Buildings (2)	0	2	-	2,052
Unimproved Land	0	516	-	1,105
LEON COUNTY				
- -----------				
Land w/ Infrastructure	0	603	-	30
WALTON COUNTY				
- -------------				
Land w/ Infrastructure	0	71	-	41
OTHER COUNTIES				
- --------------				
Unimproved Land	0	104	-	2,576
TOTALS	$ -	$65,702	$ 6,205	$270,680

BROWARD COUNTY						
- --------------						
Rail Warehouse (1)	405	1,388	1,793	621	1986	3 to 40 Years
Land w/ Infrastructure	1,121		1,121		Various	
Unimproved Land	1,261		1,261		Various	
MANATEE COUNTY						
- --------------						
Unimproved Land	101		101		Various	
DADE COUNTY						
- -----------						
Cross Dock (1)	137	1,018	1,155	262	1987	3 to 40 Years
Double Front Load Warehouse (1)	1,985	5,058	7,043	977	1983	3 to 40 Years
Rail Warehouses (6)	8,119	20,941	29,060	3,614	1988	3 to 40 Years
Office/Showroom/ Warehouses (5)	5,765	13,712	19,477	3,465	1988	3 to 40 Years
Office/Warehouses (4)	5,410	14,656	20,066	2,884	1990	3 to 40 Years
Front Load Warehouses (8)	9,901	20,793	30,694	3,241	1991	3 to 40 Years
Office/Service Center (1)	757	2,117	2,874	228	1994	3 to 40 Years
Transit Warehouse (1)	3	286	289	54	Various	3 to 40 Years
Land w/ Infrastructure	37,813		37,813	455	Various	3 to 40 Years
Unimproved Land & Misc Assets	15,766	56	15,822	56	Various	3 to 40 Years
ORANGE COUNTY						
- -------------						
Land w/ Infrastructure	7,626		7,626		1,995	
GULF COUNTY						
- -----------						
Unimproved Land	534	-	534	24		
BAY COUNTY						
Land w/ Infrastructure	-	46	46	-		
Office Buildings (2)	61	1,993	2,054	333		
Unimproved Land	525	1,096	1,621	13		
LEON COUNTY						
- -----------						
Land w/ Infrastructure	586	48	633	15		
WALTON COUNTY						
- -------------						
Land w/ Infrastructure	71	41	112	-		
OTHER COUNTIES						
- --------------						
Unimproved Land	2,680	-	2,679	41		
TOTALS	$169,387	$173,200	$342,586	33,998		

Notes:

(A) The aggregate cost of real estate owned at December 31, 1996, for federal income tax purposes is approximately $258,360,000.

(B) Reconciliation of real estate owned (in thousands of dollars):

	1996	1995	1994
Balance at the Beginning of Year	274,526	249,180	222,498
Amounts Capitalized	68,705	26,499	28,350
Amounts Retired or Adjusted	(645)	(1,153)	(1,668)
Balance at the Close of Period	342,586	274,526	249,180

(C) Reconciliation of accumulated depreciation (in thousands of dollars):

	1996	1995	1994
Balance at Beginning of Year	26,356	20,596	15,475
Depreciation Expense	7,710	5,760	5,145
Amounts Retired or Adjusted	(68)	--	(24)
Balance at the Close of Period	33,998	26,356	20,596

EXHIBIT 3(b)

AMENDED BY-LAWS

OF

ST. JOE CORPORATION

ARTICLE I - STOCK

1. Certificate of Stock shall be issued in numerical order from the Stock Certificate Book, and be signed by the President and by the Secretary and sealed with the Corporate Seal. A record of each certificate issued shall be kept on the stub thereof.

2. Transfer of Stock shall be made only on the books of the Company, in person or by attorney upon surrender of the certificate evidencing the stock sought to be transferred, properly endorsed; the certificate so surrendered shall be canceled as and when the new certificate or certificates are issued.

ARTICLE II - STOCKHOLDERS

1. The Annual Meeting of the Stockholders of this Corporation shall be held at 10:30 A.M. local time on the second Tuesday in May of each year commencing with the year 1997 A.D. Each Annual Meeting shall be held at the principal office of the Company in Jacksonville, Florida, unless some other place in or out of the State of Florida is designated by the Board of Directors, three weeks or more before the day of such Annual Meeting.

2. Special Meetings of the Stockholders may be called or held at any place

in or out of the State of Florida, at any time, by resolution of the Board of Directors, and shall be called at any time upon written request of Stockholders holding one-third of the outstanding stock.

3. Notice of Stockholders' Meetings of the Corporation shall be in writing and signed by the Chairman the President or a Senior Vice President or a Vice President or the Secretary or an Assistant Secretary of the Corporation. Such notice shall state the purpose or purposes for which the meeting is called and time when and the place where it is to be held. A copy of such notice shall be served upon or mailed to each Stockholder of record entitled to vote at such meeting not less than ten nor more than sixty days before such meeting. If mailed, it shall be directed to the Stockholder at his home address as it appears upon the records of the Corporation. Notice duly served upon or mailed to a Stockholder in accordance with the provisions of this by-law shall be deemed sufficient, and in the event of the transfer of his stock after such service and prior to the holding of the meeting, it shall not be necessary to serve notice of the meeting upon the transferee. Any meeting of Stockholders may be held either within or without the State of Florida. Any Stockholder may waive notice of any meeting either before, at or after the meeting. When the Stockholders who hold four-fifths of the stock of the Corporation shall be present at a meeting, however called, or notified, and shall sign a written consent thereto on the record of the meeting, the acts of such meeting shall be as valid as if legally called and notified.

4. A Quorum at any meeting of the Stockholders shall consist of a majority of the stock of the Company represented in person or by proxy, and a majority of such quorum shall decide any question that may come before the meeting.

5. The Order of Business of the Annual Meetings, and as far as possible, at all other meetings of the Stockholders, shall be:

1. Calling of roll.
2. Proof of due notice of meeting.
3. Reading and disposal of any unapproved minutes.
4. Annual reports of officers and committees.
5. Election of directors.
6. Unfinished business.
7. New business.
8. Adjournment.

ARTICLE III - DIRECTORS

1. The Business and Property of the Corporation shall be managed by a Board of not less than nine nor more than fifteen Directors, the number to be determined by the Stockholders of the Corporation, all of whom shall be of full age and at least one of whom shall be a citizen of the United States and such Board of Directors shall have full control over the affairs of the Corporation and shall be authorized to exercise all of its Corporate powers unless otherwise provided in these by-laws. The Directors shall be elected at the Annual Meeting of the Stockholders by a plurality of the votes cast at such election, for the term of one year, and shall serve until the election and acceptance of their duly qualified successors. Vacancies in the Board of Directors shall be filled by the Directors remaining in office.

2. A Chairman of the Board of Directors shall be selected, who shall be considered an officer of the Corporation.

3. A Regular Meeting of the Board of Directors shall be held immediately upon adjournment of the annual meeting of the stockholders each year at the place where the annual meting of the stockholders is held that year.

4. Special Meetings of the Board of Directors may be held in or out of the State of Florida, and can be called at any time or place by the Chairman of the Board

of Directors or by any three members of the Board. Notice of the meeting, stating a place, date, and hour, shall be given to each director by mail not less than three days before the date of the meeting. Alternatively, notice may be given personally to each director or by telephone, telegram, facsimile, telecopy, fax, or similar means of communication not less than twenty four hours before the date of the meeting. Emergency meetings may be convened on such shorter notice as the Chairman or Board members calling the meeting deem necessary and appropriate in the circumstances. A special meeting may be held at any time or place without notice by unanimous written consent of all directors or the presence of all directors at such meeting.

5. The Board of Directors, by resolution adopted by a majority of the full Board, may establish from among its members one or more committees. As allowed by general law and as provided in the resolution establishing the committee, each committee shall have and may exercise all the powers and authority of the Board of Directors in managing the business affairs of the corporation.

Each committee must have two or more members who will serve at the pleasure of the Board of Directors. The Board, by resolution, may designate one or more directors as alternate members of any committee.

The Board of Directors shall prescribe the manner in which committee proceedings shall be conducted. Unless the Board otherwise provides, regular and special meetings and other actions of any committee shall be governed by the provisions of these by-laws applicable to meetings and actions of the Board of Directors. Each committee shall keep minutes of meetings, copies of which shall be furnished to all Directors. Each committee shall report all actions to the Board of Directors.

6. A Quorum at any meeting shall consist of a majority of the Board. A majority of such quorum shall decide any questions that may come before the meeting. If at any meeting less than a quorum is present, the Directors present, or a majority of them, may adjourn the meeting to another time and/or place.

7. Officers of the Company shall be elected by ballot of the Board of Directors at its first meeting after the Annual Meeting of the Stockholders each year. If any office becomes vacant during the year, the Board of Directors shall fill the same for the unexpired term. The Board of Directors shall fix the compensation of the officers and agents of the Company.

8. The Order of Business at any regular or special meeting of the Board of Directors shall be:

1. Reading and disposal of any unapproved minutes.
2. Reports of officers and committees.
3. Unfinished business.
4. New business.
5. Adjournment.

9. Indemnification of Officers and Directors. The Corporation shall indemnify each officer and director, whether or not then in office, (and his or her executor, administrator and heirs), against all reasonable expenses actually and necessarily incurred, including but not limited to, judgments, costs and counsel fees in connection with the defense of any litigation, civil or administrative action, suit or proceeding, to which he or she may have been made a party because he or she is or was a director or officer of the Corporation. He or she shall have no right to reimbursement, however, in relation to matters as to which he or she had been adjudged liable to the Corporation for negligence or misconduct in the performance

of his or her duties or was derelict in the performance of his or her duty as director or officer by reason of willful misconduct, bad faith, gross negligence or reckless disregard of the duties of his or her office or employment. The right to indemnity for expenses shall also apply to expenses in connection with suits that are compromised or settled if (1) the Court having jurisdiction of the action shall approve such settlement, or (2) a majority of the Board of Directors, excluding interested directors, votes to approve such settlement. As used in this paragraph an "interested director or officer" is one against whom the proceeding in question or another proceeding on the same or similar grounds is then pending.

The foregoing right of indemnification shall be in addition to, and not exclusive of, all other rights to which that director or officer may be entitled.

10. Meetings of the Board of Directors or committees of the Board may be held by means of a telephone conference call or similar communications equipment if all persons participating in the meeting can hear each other at the same time. Participation by such means constitutes presence by such person at a meeting.

ARTICLE IV - OFFICERS

1. The Officers of the Corporation shall be a Chairman of the Board of Directors, a President, one or more Senior Vice Presidents and Vice Presidents, a Secretary, a Treasurer, and a Comptroller, each of whom shall be elected annually for the term of one year unless sooner removed by the Board of Directors, and each of whom shall hold office until his successor shall be elected and qualified. Any person may hold two or more offices except that the Chairman of the Board of Directors shall not be also the Secretary or an Assistant Secretary of the Corporation.

2. The Chairman of the Board of Directors shall be the Chief Executive Officer of the corporation, and subject to the control of the Board of Directors, shall supervise, control and manage all the business affairs of the corporation. The Chairman shall preside at all meetings of the shareholders, the Board of Directors, and all committees of the Board of Directors on which he or she may serve. In addition, the Chairman shall possess and may exercise the powers and authority, and perform the duties that are assigned to him by the Board of Directors. The Chairman may delegate any of his or her powers to any other officer of the Corporation, subject to the Chairman's overall supervision and responsibility.

3. The President, shall report and be responsible to the Chairman of the Board of Directors. The President shall have the powers and perform the duties that are assigned or delegated to him or her by the Board of Directors or the Chairman.

During the absence or disability of the Chairman, or at the request of the Chairman, the President shall perform the duties and exercise the powers of the Chairman. In the absence or disability of both the Chairman and the President, the Senior Vice President or Vice President designated by the Chairman, or if no one is designated by the Chairman, the Senior Vice President or Vice President designated by the Board of Directors shall perform the duties and exercise the powers of the Chairman.

4. Senior Vice Presidents and Vice Presidents shall have the powers and perform the duties that are assigned or delegated to them by the Board of Directors or the Chairman.

5. The Secretary shall keep the minutes of all meetings, shall have charge of the seal and the corporate books, shall execute with the President, Senior Vice President or Vice President such instruments as require such signatures, and shall

make such reports and perform such other duties as are incident to his office, or are properly required of him by the Board of Directors. The Board of Directors may appoint one or more Assistant Secretaries, and in the absence, disqualification or disability of the Secretary, any such Assistant Secretary shall exercise the functions of the Secretary.

6. The Treasurer shall have the custody of all moneys and securities of the Corporation and shall keep regular books of account under the direction of the Board of Directors. He shall deposit all funds and moneys of the Corporation in banks to be designated by the Board of Directors, and shall perform such other duties as may be required of him by the Board of Directors. The Board of Directors may appoint one or more Assistant Treasurers, and in the absence, disqualification or disability of the Treasurer, or at his direction, any such Assistant Treasurer shall exercise the functions of the Treasurer.

7. The Controller shall maintain adequate records of all assets, liabilities, and transactions of the Corporation, shall see that adequate audits thereof are currently and regularly made, and, in conjunction with other officers and department heads, shall initiate and enforce measures and procedures whereby the business of the Corporation shall be conducted with the maximum safety, efficiency, and economy. He shall attend such meetings of the Directors and Stockholders of the Corporation and shall make such reports to the President and/or the Board of Directors as said Board of Directors may prescribe, and shall perform such other duties as may be required of him by the Board of Directors.

8. Removal of Officers. Any officer of the corporation may be removed from his or her respective office or position at any time, with or without cause, by the Board of Directors.

9. The Board of Directors may, from time to time, appoint such additional officers as it deems necessary, prescribe their duties, and fix their salaries, and may remove them at pleasure and may authorize any or all of the officers of the Corporation to execute in the Corporation's name, notes, purchases or sales of real estate, leases, bills of sale, mortgages, pledges, exchanges, contracts, checks, bills of exchange and any and all other papers and documents on behalf of the Corporation.

ARTICLE V - DIVIDENDS AND FINANCE

1. Dividends shall be declared only at such times and in such amounts as the Board of Directors shall direct.

ARTICLE VI - SEAL

1. The Corporate Seal of the Company shall consist of two concentric circles, between which is the following: "ST. JOE CORPORATION", and in the center shall be inscribed "Seal - Incorporated 1936."

ARTICLE VII - AMENDMENTS

1. These By-Laws May be Amended, altered or repealed and new by-laws adopted at any meeting of the Board of Directors by a majority vote. The fact that the power to amend, alter or repeal the by-laws has been conferred upon the Board of Directors shall not divest the shareholders of the same power.

Adopted by the Board of Directors this 18th day of March, 1997.

ARTICLES OF AMENDMENT

of

ST. JOE PAPER COMPANY

Pursuant to Section 607.1006, Florida Statutes, the Amended Articles of Incorporation of the above-named Corporation are hereby further amended as follows:

1. Article II is hereby amended to read as follows:

The name of the corporation is St. Joe Corporation

2. The foregoing amendment was adopted by the Board of Directors on February 27, 1996 and the shareholders on May 14, 1996.

3. The number of votes cast for the amendment by the shareholders was sufficient for approval.

4. This amendment shall be effective on June 3, 1996 at 12:01 a.m.

IN WITNESS WHEREOF, these Articles of Amendment have been executed this 22nd day of May, 1996.

[SEAL]

CIRCUIT COURT
SUUM CUIQUE
GULF COUNTY, FLORIDA

ST. JOE PAPER COMPANY

By: /s/ R.E. Nedley

R.E. Nedley, President

STATE OF FLORIDA
COUNTY OF DUVAL

The foregoing instrument was acknowledged before me this 22nd day of May, 1996 by R.E. Nedley, as President of ST. JOE PAPER COMPANY, a Florida corporation, on behalf of the corporation. He is personally known to me.

/s/ Patricia A. Pocock

Notary Public

[SEAL]
NOTARY REPUBLIC
STATE OF FLORIDA

PATRICIA A. POCOCK
MY COMMISSION EXPIRES
FEB. 9, 1997
COMM. NO. CC 258161

FL 965861 B 567 P 341
CO: FRANKLIN ST: FL

FL 540125 B 1571 P 100
CO: WALTON ST:FL

FL 963327 B 194 P 573
CO: GULF ST: FL

RCD Sep 12 1996 02:25pm
HAROLD BAZZEL, CLERK

FL# 139619 B 292 P 528
REC NO. 17031011830

EXECUTION COPY

December 26, 1996

Mr. Dennis D. Mehiel, Chairman
Box USA
115 Stevens Avenue
Valhalla, NY 10595

Mr. Roger W. Stone,
Chairman, President and
Chief Executive Officer
Stone Container Corporation
150 N. Michigan Avenue
Chicago, IL 60601-7568

Re: Amendment Number 4 to Asset Purchase Agreement dated as of November 1, 1995, by and between St. Joe Forest Products Company, St. Joe Container Company and St. Joe Paper Company, on the one hand, and Four M Corporation and Port St. Joe Paper Company, on the other hand, as amended (the "Agreement").

Dear Messrs. Mehiel and Stone:

Pursuant to our negotiations on Friday, December 6, 1996, this amendment Number 4 (the "Fourth Amendment") to the Agreement is entered into as of December 6, 1996 (the "Amendment Date") by and among St. Joe Corporation, a Florida corporation formerly known as St. Joe Paper Company ("SJC"), St. Joe Forest Products Company, a Florida corporation ("SJFP"), and St. Joe Container Company, a Florida corporation ("SJCC") and St. Joseph Land and Development Company ("SJLD"), on the one hand, and Four M Corporation, a Maryland corporation, and Box USA Group, Inc., a Maryland corporation (collectively with Four M Corporation, "FMC") and Florida Coast Paper Company, L.L.C., a Delaware limited liability company, ("JV"), on the other hand. All terms not otherwise defined herein have those meanings set forth in the Agreement.

WHEREAS, pursuant to the Agreement, Buyer agreed to pay Seller a purchase price of Three Hundred Ninety Million and 00/100 Dollars ($390,000,000), subject to the Purchase Price Adjustment;

WHEREAS, Seller calculated the Purchase Price Adjustment to be Forty Five Million, Nine Hundred Seventy Four Thousand, Eight Hundred One and 00/100 Dollars ($45,974,801);

WHEREAS, Buyer delivered the Dispute Notice that claimed it is owed an additional Seventeen Million, Ninety Six Thousand and 00/100 Dollars ($17,096,000), plus applicable interest, in Purchase Price Adjustment, including Eleven Million, Eight Hundred Ninety Seven Thousand and 00/100 Dollars ($11,897,000) attributable to FMC and Five Million, One Hundred Ninety Nine Thousand and 00/100 Dollars ($5,199,000) attributable to JV;

WHEREAS, Seller has to date paid Buyer a Purchase Price Adjustment of Forty Six Million, Eight Hundred Nineteen Thousand, Six Hundred Thirty Eight and 00/100 Dollars ($46,819,638), of which Thirty Four Million, Five Hundred Eighty Seven Thousand, Six Hundred Eighty Nine and 00/100 Dollars ($34,587,689) were paid to FMC and of which Twelve Million, Two Hundred Thirty One Thousand, Nine Hundred Forty Nine and 00/100 Dollars ($12,231,949) were paid to JV; and

WHEREAS, the parties have decided to fully and finally settle and compromise their dispute as provided herein;

NOW, THEREFORE, the parties hereby agree that:

1. Subject to the proviso in Section 3, (a) the final Purchase Price Adjustment is Fifty Five Million, Eight Hundred Nineteen Thousand, Six Hundred Thirty Eight and 00/100 Dollars ($55,819,638), of which Nine Million and 00/100 Dollars ($9,000,000) plus interest will be paid as provided herein; and (b) the final Purchase Price, as adjusted by the Purchase Price Adjustment, is Three Hundred Thirty Four Million, One Hundred Eighty Thousand, Three Hundred Sixty Two Dollars and 00/100 Dollars ($334,180,362).

2. The Purchase Price Adjustment shall not be submitted to a Reviewing Accountant pursuant to Section 3.07 of the Agreement.

3. SJCC shall pay to FMC by wire transfer of immediately available funds to an account of Box USA Group, Inc. designated by FMC Five Million, Four Hundred Eleven Thousand, Two Hundred Twenty Seven and 65/100 Dollars ($5,411,227.65) consisting of Five Million, Two Hundred Fourteen Thousand and 00/100 Dollars ($5,214,000) of the Purchase Price Adjustment and One Hundred Ninety Seven Thousand, Two Hundred Twenty Seven and 65/100 Dollars ($197,227.65) interest pursuant to Section 3.05 of the Agreement as calculated in the interest schedule attached hereto and made a part hereof; provided, however, in the event FMC has not been paid One Hundred Eighty One Thousand, Five Hundred Thirty Nine and 32/100 Dollars ($181,539.32) in respect of Accounts Receivable of Goodson Farms, Inc. ("Goodson") by December 31, 1996, then SJCC shall pay to FMC by wire transfer in immediately available funds any of the foregoing amount not paid by such date and FMC shall assign Accounts Receivable of Goodson in such amount to SJCC. For these purposes, if Goodson had accounts payable to both SJCC and FMC, any amounts paid to FMC after May 30, 1996 shall first be deemed to have been paid to FMC with respect to Accounts Receivable of SJCC.

4. SJFP shall pay to JV by wire transfer of immediately available funds to an account designated by JV Three Million, Nine Hundred Twenty Four Thousand, Six Hundred Twenty Nine and 84/100 ($3,924,629.84) consisting of Three Million, Seven Hundred Eighty Six Thousand and 00/100 ($3,786,000) of the Purchase Price Adjustment and One Hundred Thirty Eight Thousand, Six Hundred Twenty Nine and 84/100 ($138,629.84) interest pursuant to Section 3.05 of the Agreement as set forth in the

interest schedule attached hereto and made a part hereof.

5. JV and SJLD agree that Section 8 of the Wood Fiber Supply Agreement dated as of May 30, 1996 between SJLD and JV is hereby amended to read as follows:

> Seller shall invoice Buyer on a weekly basis for deliveries made during each week; and, for all deliveries made during the first and second year of this Agreement, Buyer shall pay Seller within 30 days from the date of such invoices, which date shall not be earlier than the Friday of the week during which the deliveries were made; for the next three years of the term of this Agreement, Buyer shall pay Seller within 14 days from the date of such invoices; and for the remainder of the term of this Agreement, Buyer shall pay Seller within seven days from the date of such invoices.

6. In consideration of the foregoing and of the mutual release set forth in Section 7 hereof and of the representations and warranties and covenants contained herein, each of SJC, SJFP and SJCC, for and on behalf of itself, its predecessors, successors, parents, subsidiaries, affiliates, and assigns, and each and all of its present and former directors, stockholders, officers, employees, partners, attorneys, investment bankers, advisors, auditors, accountants, principals and agents, and their respective heirs, executors, personal representatives, trustees, estates, principals, agents, partners, administrators, predecessors, successors, and assigns, DOES HEREBY FULLY AND FOREVER REMISE, RELEASE, SETTLE, COMPROMISE, AND DISCHARGE each of FMC and JV and its predecessors, successors, parents, subsidiaries, affiliates, and assigns, and each and all of its present and former directors, stockholders, officers, employees, partners, attorneys, investment bankers, advisors, auditors, accountants, principals and agents, and their respective heirs, executors, personal representatives, trustees, estates, principals, agents, partners, administrators, predecessors, successors and assigns, of and from any and all liabilities which in any way relate to the Purchase Price Adjustment or the calculation thereof (or which have arisen or could have arisen therefrom, or arise now or hereafter arise therefrom), including all claims, rights, demands, liens, agreements, contracts, covenants, actions, suits, causes of action, obligations, controversies, debts, costs, expenses, accounts, damages, judgments, losses, matters and issues, of whatever kind or nature, in law, equity or otherwise, whether known or unknown, whether or not concealed or hidden, which against them, or any of them, each of SJC, SJFP or SJCC, or its predecessors, successors, parents, subsidiaries, affiliates, or assigns, or any of its present or former directors, stockholders, officers, employees, partners, attorneys, investment bankers, advisors, auditors, accountants, principals or agents, or their respective heirs, executors, personal representatives, trustees, estates, principals, agents, partners, administrators, predecessors, successors or assigns, or any of them, have had, may have had, or now have, or hereafter can, shall or may have with respect thereto, including, without limitation, any and all claims, which have been, could have been, or in the future might have been asserted in any court or proceeding, save and excluding from the provisions of the Fourth Amendment, only the obligations of FMC and JV arising hereunder.

7. In consideration of the foregoing and of the mutual release set forth in

Section 6 hereof and of the representations and warranties and covenants contained herein, each of FMC and JV, for and on behalf of itself, its predecessors, successors, parents, subsidiaries, affiliates, and assigns, and each and all of its present and former directors, stockholders, officers, employees, partners, attorneys, investment bankers, advisors, auditors, accountants, principals and agents, and their respective heirs, executors, personal representatives, trustees, estates, principals, agents, partners, administrators, predecessors, successors, and assigns, DOES HEREBY FULLY AND FOREVER REMISE, RELEASE, SETTLE, COMPROMISE, AND DISCHARGE each of SJC, SJFP and SJCC, and its predecessors, successors, parents, subsidiaries, affiliates, and assigns, and each and all of its present and former directors, stockholders, officers, employees, partners, attorneys, investment bankers, advisors, auditors, accountants, principals and agents, and their respective heirs, executors, personal representatives, trustees, estates, principals, agents, partners, administrators, predecessors, successors and assigns, of and from any and all liabilities which in any way relate to the Purchase Price Adjustment or the calculation thereof (or which have arisen or could have arisen therefrom, or arise now or hereafter arise therefrom), including all claims, rights, demands, liens, agreements, contracts, covenants, actions, suits, causes of action, obligations, controversies, debts, costs, expenses, accounts, damages, judgments, losses, matters and issues, of whatever kind or nature, in law, equity or otherwise, whether known or unknown, whether or not concealed or hidden, which against them, or any of them, each of FMC and JV, or its predecessors, successors, parents, subsidiaries, affiliates, or assigns, or any of its present or former directors, stockholders, officers, employees, partners, attorneys, investment bankers, advisors, auditors, accountants, principals or agents, or their respective heirs, executors, personal representatives, trustees, estates, principals, agents, partners, administrators, predecessors, successors or assigns, or any of them, have had, may have had, or now have, or hereafter can, shall or may have with respect thereto, including, without limitation, any and all claims, which have been, could have been, or in the future might have been asserted in any court or proceeding, save and excluding from the provisions of the Fourth Amendment, only the obligations of SJC, SJFP and SJCC arising hereunder.

8. Article IV of the Agreement is hereby amended to add the following provision:

> 4.16. Fourth Amendment. The execution, delivery and performance by Seller and SJC of the Fourth Amendment and the mutual release contained therein is within Seller's and SJC's powers and has been duly authorized by all necessary actions on the part of Seller and SJC. The Fourth Amendment constitutes a valid and binding agreement of Seller and SJC enforceable against them in accordance with its terms except that (a) such enforcement may be subject to bankruptcy, insolvency, reorganization, moratorium (whether general or specific) or other similar laws now or hereafter in effect relating to creditor's rights generally and (b) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought. Neither Seller nor SJC has assigned, encumbered or in any manner

transferred all or any portion of the claims covered by the mutual release contained therein. No notice to or filing with, and no permit, authorization, consent or approval of, any person or Governmental Entity is necessary for the execution, delivery and performance of the Fourth Amendment and the mutual release contained therein. The execution, delivery and performance by each of Seller and SJC of the Fourth Amendment and the mutual release contained therein will not result in a violation or breach of any agreement or obligation to which Seller or SJC is a party or by which Seller or SJC or its respective assets may be bound. In effecting and executing the Fourth Amendment and the mutual release contained therein, each of Seller and SJC has received, from its own legal counsel, advice as to its legal rights, and that it understands the content and legal effect of the Fourth Amendment and the mutual release contained therein without any of which it would not have executed or delivered said Fourth Amendment or release.

9. Article V of the Agreement is hereby amended to add the following provision:

5.11. Fourth Amendment. The execution, delivery and performance by FMC and JV of the Fourth Amendment and the mutual release contained therein are within FMC's and JV's powers and has been duly authorized by all necessary actions on the part of FMC and JV. The Fourth Amendment constitutes a valid and binding agreement where applicable of FMC and JV enforceable against each of them in accordance with its terms except that (a) such enforcement may be subject to bankruptcy, insolvency, reorganization, moratorium (whether general or specific) or other similar laws now or hereafter in effect relating to creditor's rights generally and (b) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought. Neither FMC nor JV has assigned, encumbered or in any manner transferred all or any portion of the claims covered by the mutual release contained therein. No notice to or filing with, and no permit, authorization, consent or approval of, any person or Governmental Entity is necessary for the execution, delivery and performance of the Fourth Amendment and the mutual release contained therein. The execution, delivery and performance by FMC and JV of the Fourth Amendment and the mutual release contained therein will not result in a violation or breach of any agreement or obligation to which FMC or JV is a party or by which FMC or JV or its respective assets may be bound. In effecting and executing the Fourth Amendment and the mutual release contained therein each of FMC and JV has received, from its own legal counsel, advice as to its legal rights, and that it understands the content and legal effect of the Fourth Amendment and the mutual release contained therein without any of

Mr. Dennis D. Mehiel
Mr. Roger W. Stone
December 26, 1996
Page 6

which neither FMC nor JV would have executed or delivered said Fourth Amendment or release.

10. All parties hereto acknowledge and agree that this is a compromise settlement which is not in any respect, nor for any purpose, to be deemed or construed to be any admission or concession of any liability whatsoever on the part of any person, firm or corporation whatsoever.

11. Section 11.01 of the Agreement is hereby amended to add the following at the end of Section 11.01 thereof:

> Notwithstanding the foregoing, the representations and warranties in Section 4.16 and 5.11 of the Agreement and the releases set forth in Sections 6 and 7 of the Fourth Amendment (which shall be deemed covenants within the meaning of the Agreement) shall survive without limitation, and the representation and warranty in Section 4.04 of the Agreement as to the financial statements covered thereby and in Section 6.25 of the Agreement shall terminate as of the Amendment Date and be of no further force and effect as to any matters relating (i) to the Purchase Price Adjustment, Net Working Capital, Closing Sales Proceeds or Closing Capital Expenditures, or (ii) to Receivables, Inventories or Payables as of any date.

12. Section 11.02 of the Agreement is hereby amended to add the following at the end of Section 11.02(c) before the word "and":

> or (iv) any action or proceeding brought at any time against Seller Group by Sid Dunken (individually or otherwise) or D&M Partnership with respect to the Agreement or the transactions contemplated thereby,

13. No other provisions, terms or conditions of the Agreement, including but not limited to, the representations and warranties and covenants, are hereby amended and all other provisions, terms and conditions of the Agreement, including but not limited to, the representations and warranties and covenants, remain in full force and effect.

14. The Fourth Amendment and the mutual release contained herein shall be construed in accordance with, and all disputes hereunder shall be governed by, interpreted and enforced in accordance with the laws of the State of Florida.

Please execute below to evidence your acknowledgement of and agreement to the Fourth Amendment and the mutual release contained herein.

Very truly yours,
ST. JOE CORPORATION
(formerly St. Joe Paper Company)
ST. JOE FOREST PRODUCTS COMPANY
ST. JOE CONTAINER COMPANY

By: /s/ W.L. Thornton

Name: W.L. Thornton
Title: Chairman

ST. JOSEPH LAND AND DEVELOPMENT
COMPANY (As to Section 5 only)

By: /s/ W.L. Thornton

Name: W.L. Thornton
Title: President

ACKNOWLEDGED AND AGREED:

FOUR M CORPORATION

By: /s/ Harvey L. Friedman

Name: Harvey L. Friedman
Title: Secretary

FLORIDA COAST PAPER COMPANY, L.L.C.
(successor in interest to Port
St. Joe Paper Company)

By: /s/ Leslie T. Lederer

Name: Leslie T. Lederer
Title: Vice President

BOX USA GROUP, INC.

By: /s/ Harvey L. Friedman

Name: Harvey L. Friedman
Title: Secretary

cc: Leslie T. Lederer, Esq.
Harvey L. Friedman, Esq.
Marilyn Mooney, Esq.

EXHIBIT 21

St. Joe Corporation
Subsidiaries at March 18, 1997

- St. Joe Corporation
  - Florida East Coast Industries, Inc.
    - Gran Central Corporation
      - Dade County Land Holding Company, Inc.
    - 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
  - Jacksonville Properties, Inc.
  - St. Joseph Land and Development Company
  - Apalachicola Northern Railroad Company
    - St. Joe Terminal Company
  - Talisman Sugar Corporation
  - St. Joe Utilities Company

EXHIBIT 23

Independent Auditors' Consent

The Board of Directors
St. Joe Corporation:

We consent to the incorporation by reference in the registration statement (No. 333-23571) on Form S-8 of St. Joe Corporation of our reports dated March 7, 1997, relating to the consolidated balance sheets of St. Joe Corporation and subsidiaries as of December 31, 1996 and 1995, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 1996, and related financial statement schedules, which reports appear in the December 31, 1996, annual report on Form 10-K of St. Joe Corporation.

KPMG Peat Marwick LLP

Jacksonville, Florida
March 27, 1997

EXHIBIT 24

POWER OF ATTORNEY

ANNUAL REPORT ON FORM 10-K
OF ST. JOE CORPORATION

KNOW ALL MEN BY THESE PRESENTS, that the undersigned director or officer, or both, of St. Joe Corporation (the "Company") constitutes and appoints J. Malcolm Jones, Jr. and Robert M. Rhodes, Esq., his true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution, and each of them with full power to act without the other for him and in his name, place and stead, in any and all capacities, to execute and file, or cause to be filed, with the Securities and Exchange Commission (the "Commission") an Annual Report on Form 10-K for the Company's fiscal year ended December 31, 1996 and any and all amendments thereto, and all matters required by the Commission in connection with such Annual Report on Form 10-K under the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his name and seal the 27 day of March, 1997.

/s/ Peter S. Rummell

Peter S. Rummell

/s/ Robert E. Nedly

Robert E. Nedley

/s/ Jacob C. Belin

Jacob C. Belin

/s/ Winfred L. Thornton

Winfred L. Thornton

/s/ Russell B. Newton, Jr.

Russell B. Newton, Jr.

/s/ John J. Quindlen

John J. Quindlen

/s/ Walter L. Revell

Walter L. Revell

/s/ Frank S. Shaw, Jr.

Frank S. Shaw, Jr.

/s/ John D. Uible

John D. Uible

/s/ Carl F. Zellers

Carl F. Zellers

/s/ Robert E. Nedley

Robert E. Nedley

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE FINANCIAL STATEMENTS OF ST. JOE CORPORATION FOR THE PERIOD ENDED DECEMBER 31, 1996, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

YEAR
DEC-31-1996
JAN-01-1996
DEC-31-1996
449,013
88,011
57,517
0
18,677
630,673
1,156,642
322,475
1,806,238
56,959
0
0
0
8,714
1,188,227
1,806,238
245,704
431,189
112,163
283,018
0
0
600
189,028
83,117
91,909
84,113
0
0
176,022
5.77
5.77