

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, 1995

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 PAPER COMPANY
(Exact name of registrant as specified in its charter)

FLORIDA 59-0432511
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) 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 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 15, 1996 was \$532,053,520.

As of March 15, 1996, 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 dated March 31, 1996 (the "Proxy Statement") are incorporated by reference in Part III of this Report. Other documents incorporated by reference in this Report are listed in the Exhibit Index.

PART I

ITEM 1. BUSINESS

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

CONTINUING OPERATIONS

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

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

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

Transportation. The Company owns 54% of Florida East Coast Industries, Inc. ("FECI") which in turn owns 100% of Florida East Coast Railway ("FEC"). The Company also owns and operates the Apalachicola Northern Railroad ("ANRR"). The common stock, par value \$.25 per share, of FECI 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 and, in some areas, the State of Florida. These governmental agencies must approve, prior to implementation, changes in areas served and certain other changes in operations of FEC and ANRR.

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

FEC had capital expenditures in 1995 of \$26.6 million in addition to maintenance expenditures of \$30.6 million. This compares to 1994 capital expenditures of \$21.3 million and 1993 capital expenditures of \$19.8 million. The maintenance expense in 1994 was \$55.8 million and in 1993, \$53.7 million.

ANRR is a short line railroad that operates exclusively within the state of Florida, over 90 miles of main track and 6 miles of rail yard track extending from Port St. Joe to Chattahoochee where it connects with an unaffiliated carrier. All 90 miles of the main line are 100% concrete crossties. Although it is a common carrier, most of ANRR business consists of carrying coal and items related to wood. The other items carried by ANRR are tall oil, chemicals, stone and clay products and recyclable items.

Capital expenditures by ANRR in 1995 were \$1.6 million which compares to 1994 capital expenditures of \$3.8 million and 1993 capital expenditures of \$4.2 million. ANRR has budgeted \$1.2 million in 1996 for capital expenditures.

FEC is a party to various proceedings before state regulatory agencies relating to environmental issues. In addition, FEC, along with many other companies, has been named a potentially responsible party in

proceedings under Federal statutes for the cleanup of designated Superfund sites at Jacksonville, Florida and Portsmouth, Virginia. FEC has made an estimate of its likely costs attributed to sites for which its cleanup responsibility is probable and a liability has been recorded. Such liability is not material to the financial position of FEC. 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. FEC is not aware of any monetary sanctions to be proposed which in the aggregate, are likely to exceed \$100,000, nor does it believe that corrections will necessitate significant capital outlays or cause material changes in its business. See "Legal Proceedings."

ANRR has environmental problems involving stormwater run-off and contaminated soil from fuel oil and gasoline. These items cost approximately \$0.3 million in 1995. These items are remediated and the only expenses anticipated for 1996 are for groundwater monitoring.

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 623,000 acres have been planted as managed plantations to facilitate harvesting and reforestation and to maximize timber yields. During the current planting season, November, 1995 through the end of February, 1996, the Company anticipates planting 17 million seedlings on 22,500 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 contractors pursuant to agreements which generally are renewed annually. Timber harvested from Company timberlands accounted for 52% of mill wood requirements in 1995, compared to 54% in 1994. The Company has wood chipping facilities located at Lowry and Newport, Florida.

The Company operates a nursery located in Capps, Florida. The nursery conducts research to produce faster-growing, more disease-resistant species of pine trees, and produces seedlings for planting on Company-owned plantations. In addition, the Company in cooperation with the University of Florida, is doing experimental work in genetics on the development of superior pine seed orchards. In 1995 and 1994 capital expenditures in the forestry operations were approximately \$5.5 million each year. The Company has adopted a capital expenditure program for 1996 to reinvest approximately \$5.5 million in these operations. These expenditures include nursery expense and tree planting.

The forestry operation continues to have no major environmental problems. The one area of expense in 1995 was at one of the forestry units in connection with fuel contamination of soil. Approximately \$0.1 million was spent on this in 1995 and it is estimated that \$0.1 million will be spent in 1996 for cleanup and monitoring the ground water.

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

The Company at the end of 1995 owned approximately 48,600 acres of agricultural land and leased approximately 6,000 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 1995-1996 crop TSC grew sugarcane on approximately 43,000 acres of land.

The majority of the Florida sugarcane producers, including TSC, harvest sugarcane using mechanical cane harvesters. Cane cutting and loading are performed with mechanized harvesters which reduces significantly the labor requirements, resulting in substantial cost savings and permits the grinding of the sugarcane more quickly after harvesting, resulting in improved efficiency. Mechanized harvesting, however, is less precise than manual harvesting, resulting in greater amounts of chaff and trash being mixed in with the harvested sugarcane. As a result, a minimal amount of sucrose is lost through leaching into the trash and chaff.

In addition, mechanized harvesting causes more damage to cane fields than manual harvesting, resulting in slightly lower cane yields in subsequent crops. Consequently, yields of sucrose from harvested sugarcane and its crop yields per acre are generally slightly lower than those cut by hand. These negative effects are far outweighed by the labor cost savings and other efficiencies resulting from mechanized harvesting.

The Company's sugar mill has a grinding capacity of approximately 11,500 tons of sugarcane per day. The Company ground approximately 1,321,000 tons of sugarcane in 1993, approximately 1,184,000 tons in 1994 and approximately 1,386,000 tons of sugarcane in 1995 from Company operated lands. Total raw sugar production for the Company was approximately 119,000 tons in 1993, 114,000 in 1994, and 137,715 tons in 1995.

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

The sugar industry is highly competitive. The Company competes with foreign and domestic sugarcane and sugar beet processors, as well as manufacturers of corn sweeteners and artificial sweeteners such as aspartame and saccharin. Sugar is a volatile commodity subject to wide price fluctuations in the marketplace. Sugar prices have been supported by the United States Government through the Agriculture and Food Act of 1981 which restricts sugar imports in order to support the domestic sugar price. This Act was scheduled to terminate in 1990. The United States Congress in 1990, passed the Food, Agriculture, Conservation and Trade Act of 1990, which extended this price support program to cover the 1991-95 crops of sugarcane. The Federal Agriculture Improvement and Reform Act of 1996 which is pending signature by the President would extend the price support program.

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 and other agricultural interests to pay for construction of the STAs. There is concern in the Sugar segment with the new Clean Air Act and not knowing at this time what will be the complete impact of the Act on this operation. The sugarcane growers as well as TSC will need to get Title V permits as required under the Clean Air Act, as amended. It is not known at this time what the full impact of amendments to the Clean Air Act will be on the future operations of the Sugar segment.

Capital expenditures by TSC in 1995 were \$0.2 million and compare to \$3.4 million in 1994 and \$2.9 million in 1993.

The Company had only minor expenditures for environmental problems in 1995. The only environmental problem TSC has, at present, is in 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.

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

The Company has not in the past incurred debt in the development of its various projects. The financing of development activities has been accomplished from internally generated cash flows. This policy may not be continued into the future as the magnitude of construction expands, and new geographic and market areas are established. Debt may, therefore, be incurred in those situations where management deems the use of leverage will be appropriate to meet cash flow requirements and where it will enhance return on equity.

The Company intends to take a more aggressive approach to development and will thereby utilize well situated properties whenever the market permits. Those properties that are well situated marketwise that the Company does not elect to develop may be sold to third parties or utilized in joint ventures. The Company's objectives will continue to emphasize the building of long-term appreciation, but at the same time through both horizontal and vertical construction and the sale/lease of properties generate additional cash flow and net income.

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

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

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

In 1991, Southwood completed the construction of its first office building containing 11,700 square feet. This building is in the Southwood Center Office Park, Panama City, Florida and at December 31, 1995 was 100% leased. Construction of the next building at this location was begun during 1995 and is expected to be completed in March 1996. In 1995, the Company was successful in a variance request for Phase III of the Woods. This has delayed construction but is expected to improve the financial returns of the project. The Retreat, which will be a 100 lot, gulf-front subdivision near Old Florida Beach in Walton County has received state environmental permits. Federal permits are pending and are expected to be issued by the end of the first quarter in 1996. Phase I of 50 lots will be completed this year with the first sales anticipated at year end 1996. Site development for the 70 lot Phase I of Summerwood, a 200 lot subdivision in Bay County, began in 1995 and is expected to be finished in March 1996. The development permit for Camp Creek subdivision, an 18 lot gulf-front subdivision in Walton County, was issued in December 1995 with sales possible by year end 1996.

Southwood had approximately \$1.0 million in capital expenditures in 1995 compared to \$0.3 million in 1994 and \$1.5 million in 1993.

The development properties owned and managed by GCC total approximately 19,100 acres. These properties are in thirteen counties situated in a corridor running along the eastern seaboard of Florida between Jacksonville and Miami. They include both urban and rural properties on sites that range in size from parcels of under one acre to a tract of over 6,000 acres. Many of the properties are located on strategic urban streets or are easily accessible by major highways such as Interstate 95 or U. S. Route 1 and several are located adjacent to mass transit facilities.

Approximately two-thirds of GCC's properties are located in or adjacent to industrial and commercial corridors, and are well suited to the development of office buildings, office/distribution parks and industrial parks. GCC has been pursuing planning, permitting and infrastructure development and now has approximately 4.0 million square feet of buildings. Approximately 95% of the leasable space was under lease at year-end 1995 compared to 90% in 1994 and 88% in 1993. In 1995, GCC added approximately 0.3 million square feet of leasable space. GCC had capital expenditures of \$44.0 million in 1995 compared to \$28.0 million in 1994 and \$34.1 million in 1993.

DISCONTINUED OPERATIONS

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

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

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

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

LINERBOARD PRODUCTION
(IN TONS)

YEAR	TOTAL PRODUCTION	AVERAGE DAILY PRODUCTION*
-----	-----	-----
1995.....	441,229	1,372
1994.....	477,990	1,375
1993.....	444,005	1,254
1992.....	425,087	1,266
1991.....	433,352	1,308

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

In 1994 and 1995, approximately 52% of mill production in tons was mottled white linerboard marketed by the Company under the trade name "Crest White." Demand for mottled white linerboard has increased significantly in recent years. Mottled white linerboard, which is more aesthetically attractive than unbleached linerboard, in 1995 sold at approximately 27% over the price of unbleached linerboard while, in 1994, this upcharge was 39%. Since mottled white linerboard offers significantly higher profit margins than unbleached linerboard, the Company has emphasized, and expects to continue to emphasize, the production of mottled white over unbleached linerboard. Approximately 60% of the Company's mottled white linerboard production in 1995 was traded to other producers under trade agreements in exchange for corrugating medium or kraft liner.

The capital expenditures at the paper mill in 1994 for maintenance and upgrade were \$20.3 million which compares to \$11.5 million for the 1995 capital and maintenance expenditures. The 1996 budget for maintenance and upgrade at the paper mill is \$12.9 million.

The Company has sought to lower its energy costs at the mill by using increasing amounts of timber harvesting and pulp mill by-products as energy sources. The mill's boilers use "biomass" fuel (scrub wood, bark and timber wastes) and "black liquor" solids (a by-product of the wood pulping process) to meet a substantial percentage of the mill's energy requirements. In 1995, fuel oil and natural gas accounted for 27.12% of mill energy requirements. Black liquor solids and biomass supplied most of the mill requirements.

Linerboard and corrugating medium are the principal materials used in the manufacture of corrugated containers. The container plants have an aggregate production capacity of approximately 8 billion square feet of containerboard per year. The plants in 1995 produced approximately 6.7 billion square feet of containerboard. In 1995, fourteen of the container plants operated on two shifts and two on one shift. The Company could increase capacity by running the two plants that are on one shift two additional shifts, as well as adding a third shift to the fourteen plants presently on two shifts. The Company's paper mill production resulted in supplying of approximately 84% of the container plants' requirements for linerboard and corrugating medium for 1995 which was up from the 78% that was supplied in 1994.

The Company's container plants accounted for approximately 2% of the total national industry shipments during 1995 and 1994 up from approximately 1.9% in 1993. The Company's corrugated container business services approximately 2,700 customers. The single largest customer accounted for approximately 3% of the Company's corrugated container shipments for 1995 and the ten largest customers accounted for approximately 15% of the Company's 1995 corrugated container revenues.

The Company considers its container plant facilities to be in satisfactory condition. To maintain and upgrade these facilities, the Company spent \$0.9 million in 1995. The Company maintains a laboratory facility

located in Louisville, Kentucky, which tests container components, materials and workmanship to ensure quality control for container products.

Recycled fiber is obtained in part from third parties and in part from mill operations. In 1995 and 1994, recycled or secondary fiber supplied approximately 13% and 17% respectively, of the mill's total fiber requirements.

In 1995, the mill at Port St. Joe spent \$1.88 million on environmental related items. These were for asbestos removal and disposal, repair of the recovery boiler precipitator, replacement of PCB transformers, and construction of chemical containment areas. The Company has budgeted \$1.6 million in 1996 for predominantly capitalized environmental items. The main items in 1996 will be for additional asbestos removal and disposal and modifications to meet proposed Environmental Protection Agency Cluster Rules. The imposition of new requirements is anticipated under revised permits issued under EPA's Title V program and under the EPA's proposed Effluent Limitation Guidelines, Pretreatment Standards, and New Source Performance Standards: Pulp Paper and Paper Board Categories; National Standards for Hazardous Air Pollutants for Source Category; Pulp and Paper Production (the "Cluster Rules"). The Cluster Rules have not been finally adopted and remain subject to change. The Company has not yet formulated a final plan for the application of these programs for St. Joe Forest Products Company ("SJFP"). Until these regulations are finally implemented process capital cost and operating estimates cannot be made. EPA has delayed the issuance of comments regarding revised Cluster Rules that was scheduled for late 1995 until sometime in 1996.

In addition, SJFP has notified the Florida Department of Environmental Protection of emission sources not currently permitted and has received an exemption for them until they are included in the application for permitting under the Title V program. St. Joe Container Company ("SJCC") will have additional permitting requirements under the Title V program, but this is not expected to impose substantial additional cost on the Company.

Wastewater from SJFP is handled by the City of Port St. Joe Industrial Wastewater Treatment Plant ("IWTP") under a permit issued by the City of Port St. Joe ("CPSJ"). SJFP bears the preponderate costs of operating the IWTP under an agreement with the IWTP and other industrial users of the IWTP. The wastewater is discharged from the IWTP into the Gulf County Canal. The ability of the CPSJ to take wastewater from SJFP is dependent upon the CPSJ's maintaining its NPDES Permit. CPSJ is appealing the recent permit issued by the EPA. The CPSJ objects to certain parameters and conditions of the permit. SJFP is cooperating with the CPSJ and expects that even if the appeal is not successful, it will not impair IWTP's ability to accept its wastewater nor substantially affect its costs.

In 1995, the Company had expenses at several plants with the total for all plants being less than \$0.4 million. Anticipated spending is approximately \$0.8 million in 1996 on similar items.

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

In addition to its regular telephone services, the Communications segment participates in one limited partnership with a major telecommunications company as partner to provide cellular telephone service.

The Company owns and leases to MCI a fiber optic transmission network extending from Fort Walton Beach to Tallahassee of approximately 150 miles. The parties have recently agreed to enter into a 5-year extension of the lease. The Company owns fiber optic routes from Port St. Joe to Blountstown, Carrabelle, and Tyndall Air Force Base, Blountstown to Bristol and Perry to Keaton Beach and one-half of the distance from Perry to Tallahassee. These locations are all in Florida and total over 326 miles. This network is used exclusively to serve intercompany and intracompany routes. The intracompany routes are major feeder routes

between exchanges and/or electronic remote facilities associated with the various exchanges. The companies will continue to install fiber optic cable for these same basic transmission functions.

SJCI has a policy to invest in the latest, most advanced equipment and technology. In keeping with this policy SJCI expended \$5.8 million on capital improvements in 1995 which compares to \$5.4 million that was spent in 1994 and \$5.3 million in 1993. The Communications operations are subject to regulations by the Public Service Commissions of the states of Florida and Alabama with respect to intrastate services and the Federal Communications Commission with respect to interstate services. The operating companies are limited to certain specified rates of return on its regulated operations and in 1990 and 1991 exceeded these permitted rates of return and were required to rebate the excess revenue to its customers.

INVESTMENTS

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

NEW PRODUCTS

During 1995, no single refinement or group of refinements was introduced which would require the investment of a material amount of the Company's assets or which otherwise would be considered material.

SOURCES AND AVAILABILITY OF RAW MATERIALS

During 1995 and 1996 to date, all of the raw materials the Company uses were available in adequate supply from multiple sources.

Talisman owns or leases approximately 53,800 acres of land in Palm Beach County, Florida, of which approximately 43,000 acres are being used to grow sugarcane.

PATENTS AND LICENSES

The Company did not obtain any new patents or licenses in 1995. 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.

CUSTOMERS

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

RESEARCH AND DEVELOPMENT

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

EMPLOYEES

The Company had approximately 5,000 employees at December 31, 1995. Approximately 70% of the Company's employees are covered by collective bargaining agreements with 9 different unions. These agreements generally have terms of between one and four years and have varying expiration dates. The Company considers its relations with its employees to be good. Upon consummation of the sale of the pulp and paper mill and container plants and the sale of the communications segment, the Company expects to have approximately 1,700 employees.

Set forth below are the names, ages (at March 15, 1996), positions and offices held, and a brief account of the business experience during the past five years of each executive officer.

NAME	AGE	POSITION WITH COMPANY
Winfred L. Thornton.....	67	Chairman of the Board and Chief Executive Officer since 1991; President 1984-1991; Director since 1968; President of FECI 1984-1995; Chairman of the Board of FECI since 1984; President of FEC 1964-1984.
Robert E. Nedley.....	57	President since 1991; Vice President 1981-1991; Director since 1989.
Howard L. Brainin.....	66	Vice President and Director since 1992; President of SJCC since 1992; Regional Vice President at SJCC 1982-1992.
Edward C. Brownlie.....	58	Vice President -- Administration since 1992; Treasurer 1977-1992; Director 1982-1995.
E. Thomas Ford.....	62	Vice President since 1981; Director 1989-1995.
J. Malcolm Jones, Jr.....	42	Vice President and Chief Financial Officer since 1995; President, AmSouth Bank of Florida, Jacksonville Bank 1994-1995; President and Chief Executive Officer of Florida Bank 1990-1994.

There are no family relationships among the persons named above. All officers serve at the pleasure of the Board of Directors of the Company and there is no arrangement or understanding between any of the officers of the Company and any other persons pursuant to which such officer was selected as an officer. Each officer has been elected to the position shown until the next annual election of officers, which is to be held on May 14, 1996.

ITEM 2 PROPERTIES

The principal manufacturing facilities and other materially important physical properties of the Company at December 31, 1995 are listed below and grouped by industry segment. All properties shown are owned in fee simple except where otherwise indicated.

CONTINUING OPERATIONS

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

Forestry

Forestry Management Facilities

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

Chip Plants

Lowry, Florida
 Newport, Florida

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 6,000 acres.

Transportation. FEC owns three four-story buildings in downtown St. Augustine, Florida which it uses for its corporate headquarters. Its transportation facilities include 351 miles of main track, which is mostly 132# rail on concrete crossties, 91 miles of branch line track, 157 miles of yard switching track and 184 miles of other track. FEC owns 82 diesel electric locomotives, approximately 2,740 freight cars, approximately 1,590 tractor and/or trailer units for highway service, numerous pieces of work equipment and automotive vehicles. All property and equipment owned is in good physical condition.

Sugar Operations. Belle Glade, Florida. The Company owns approximately 48,600 acres of land and leases approximately 6,000 acres. In addition, it owns a raw sugar mill and various types of agricultural equipment.

Real Estate. Southwood owns approximately 50,000 acres of investment land the majority of which is located in West Florida. The counties with the largest holdings at December 31, 1995 are as follows:

COUNTY	ACRES
-----	-----
Bay.....	25,020
Leon.....	9,612
Franklin.....	7,049
St. Johns.....	4,321
Walton.....	1,993
Wakulla.....	1,153

Southwood owns an office building in Panama City, Florida which was completed in 1991 and contains 11,700 square feet.

GCC at December 31, 1995 owned and managed approximately 19,146 acres of land, including approximately 1,132 acres owned by FEC. The largest holdings by Florida counties are as follows:

COUNTY	ACRES
Volusia.....	3,581
Flagler.....	3,464
St. Johns.....	3,385
Brevard.....	2,799
Dade.....	1,684
Duval.....	1,534
Manatee.....	897

GCC also owned at year-end 1995 fifty buildings as detailed below:

LOCATION	NUMBER OF BUILDINGS	TYPE	RENTABLE SQUARE FEET	YEAR BUILT
duPont Center Jacksonville, FL	2	Office	144,000	1987/88
Barnett Plaza Jacksonville, FL	1	Office	59,000	1982
Gran Park at Interstate South Jacksonville, FL	6	Office/Showroom/Warehouses	260,000	1987/89
Gran Park at the Avenues Jacksonville, FL	2	Office/Showroom/Warehouses	101,000	1992
	3	Office	225,000	1992/93/95
	1	Office/Warehouses	147,000	1994
Gran Park at Melbourne Melbourne, FL	1	Office/Showroom/Warehouse	28,000	1989
Gran Park at Lewis Terminals Riviera Beach, FL	1	Office/Showroom/Warehouse	62,000	1987
	2	Rail Warehouses	176,000	1982/87
	4	Cross Docks	75,000	1987/91
Gran Park -- McCahill Miami, FL	2	Rail Warehouses	468,000	1992/94
Gran Park at Miami Miami, FL	5	Office/Showroom/Warehouses	368,000	1988/90/92/94
	4	Office/Warehouses	382,000	1990/91/92/93
	4	Rail Warehouses	398,000	1989/90/93/94
	7	Front Load/Warehouses	790,000	1991/92/93/95
	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	50		4,065,000	
	=====		=====	

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 structures such as office/showroom/warehouse buildings.

Wherever possible, GCC intends to develop infrastructure and construct buildings for lease and continued ownership.

DISCONTINUED OPERATIONS -- PROPERTIES UNDER CONTRACTS TO SELL

Forest Products

Paper Mill
Port St. Joe, Florida

Container Manufacturing Plants
Atlanta, Georgia
Baltimore, Maryland
Birmingham, Alabama
Charlotte, North Carolina
Chesapeake, Virginia
Chicago, Illinois
Dallas, Texas
Dothan, Alabama
Hartford City, Indiana
Houston, Texas
Lake Wales, Florida
Laurens, South Carolina
Louisville, Kentucky
Memphis, Tennessee
Pittsburgh, Pennsylvania
Port St. Joe, Florida

Marketing Offices
Union, New Jersey (leased)

Communications -- Telephone Exchanges and Offices

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

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

ITEM 3. LEGAL PROCEEDINGS

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

FEC has been named as a potentially responsible party for the remediation of a designated Superfund Site near Jacksonville, Florida. The USEPA has alleged FEC caused certain materials to be disposed of at the site over a period of years. The USEPA has offered all named PRP's an opportunity to participate in a pilot allocation program. This program is similar to binding arbitration. If FEC participates in this program, its share of the liability for the remediation of the site will be fixed. The USEPA has also offered to negotiate a separate settlement with certain parties, including FEC, whom the USEPA considers to be de minimis parties. FEC believes that, whichever alternative is chosen, its liability for the remediation of the site will not be material.

FEC has been named as a potentially responsible party 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. FEC is vigorously opposing any attempt to impose any liability upon FEC. The owner of the site 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. Defendant railroad companies have formed a joint defense group and continue to oppose the imposition of any liability upon them. In the event the railroad defendants do not prevail upon the issue of liability, FEC believes its responsibility for the remediation of the site will not 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 \$100,000.00, nor does it believe that corrections, if any, will necessitate significant capital outlays or cause material changes in its business.

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

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

No matter was submitted during the fourth quarter of the Company's 1995 fiscal year to a vote of security holders, whether by solicitation of proxies or otherwise.

PART II

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

COMMON STOCK INFORMATION

The Company had 876 common stockholders of record as of March 15, 1996. 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
	-----	-----	-----
1994	First Quarter.....	57 7/8	50 1/4
	Second Quarter.....	57	49 1/8
	Third Quarter.....	62 5/8	49 1/4
	Fourth Quarter.....	61 7/8	54 1/4
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

DIVIDENDS

The Company paid a cash dividend of \$.20 per share to holders of the Common Stock in 1994 and 1995. A dividend of \$.05 per share for the first quarter of 1996 is payable on March 31, 1996 to holders of record on March 24, 1996. Although the Company has historically paid quarterly cash dividends of \$.05 per share and there are currently no plans to reduce such dividends following the sale of the paper mill and container plants and the sale of the communications segment and the planned pro rata distribution of the net proceeds thereof to its stockholders, there can be no assurance that such practice will continue in 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, 1995 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, 1995, 1994 and 1993 and the balance sheet data as of December 31, 1995 and 1994 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, 1992 and 1991 and the balance sheet data as of December 31, 1993, 1992 and 1991 have 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 Discussion and Analysis of Financial Condition and Results of Operations; Consolidated Financial Statements."

(DOLLAR AMOUNTS IN MILLIONS EXCEPT PER SHARE AMOUNTS)

	1995	1994	1993	1992	1991
	-----	-----	-----	-----	-----
FINANCIAL CONDITION					
Total Assets.....	\$1,531	\$1,449	\$1,396	\$1,289	\$1,280
	=====	=====	=====	=====	=====
Current Assets.....	\$ 497	\$ 485	\$ 486	\$ 442	\$ 465
Less: Current Liabilities.....	44	68	69	56	68
	-----	-----	-----	-----	-----
Working Capital.....	453	417	417	386	397
Current Ratio (to 1).....	11.3	7.0	6.9	7.9	6.8
Investment & Other Assets.....	229	207	187	164	175
Properties, at Cost.....	1,105	1,040	990	935	870
Less:					
Accumulated Depreciation.....	300	283	268	250	229
Long-Term Debt.....	--	17	16	16	18
Reserves and Other Liabilities.....	12	11	8	16	13
Deferred Income Taxes.....	192	165	161	137	137
Minority Interests.....	267	251	239	230	221
	-----	-----	-----	-----	-----
Shareholders' Equity.....	\$1,016	\$ 937	\$ 902	\$ 836	\$ 824
	=====	=====	=====	=====	=====
RESULTS OF OPERATIONS					
Net Sales and Operating Revenues.....	\$ 335	\$ 331	\$ 312	\$ 300	\$ 287
	=====	=====	=====	=====	=====
Operating Profit.....	\$ 47	\$ 60	\$ 55	\$ 43	\$ 34
Other Income.....	19	25	12	18	37
Less:					
Taxes on Income.....	25	31	30	22	24
Income Applicable to Minority Interest.....	12	16	10	11	13
	-----	-----	-----	-----	-----
Net Income from Continuing Operations.....	29	38	27	28	34
Earnings (Loss) from Discontinued Operations.....	45	4	(15)	(12)	(6)
Cumulative Effect of Change in Accounting Principle...	--	--	21	--	--
	-----	-----	-----	-----	-----
Net Income.....	\$ 74	\$ 42	\$ 33	\$ 16	\$ 28
	=====	=====	=====	=====	=====
PER COMMON SHARE					
Book Value -- End of Year.....	\$33.31	\$30.72	\$29.58	\$27.35	\$27.02
	=====	=====	=====	=====	=====
Net Income from Continuing Operations.....	\$ 0.96	\$ 1.24	\$ 0.87	\$ 0.92	\$ 1.11
Earnings (Loss) from Discontinued Operations.....	1.46	0.14	(0.48)	(0.40)	(0.19)
Cumulative Effect of Change in Accounting Principle...	--	--	0.68	--	--
	-----	-----	-----	-----	-----
Net Income.....	\$ 2.42	\$ 1.38	\$ 1.07	\$ 0.52	\$ 0.92
	=====	=====	=====	=====	=====
Net Income as % of Book Value.....	7.3	4.5	3.6	1.9	3.4
Dividends Paid.....	\$ 0.20	\$ 0.20	\$ 0.20	\$ 0.20	\$ 0.20

- - - - -
- (1) 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 earnings (loss) from discontinued operations for the years ended December 31, 1995, 1994, 1993, 1992 and 1991. Net assets to be disposed of have been classified as a current asset at December 31, 1995. The 1994, 1993, 1992 and 1991 presentations have been restated to reflect this classification.
- (2) As discussed in Note 4 to the Consolidated Financial Statements, 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 affect taxable income. Under SFAS 109, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. SFAS 109 also requires the recognition of a deferred tax liability on the undistributed earnings of subsidiaries applied on a prospective basis. Effective January 1, 1993, the Company adopted SFAS 109 and has reported the cumulative effect of that change in the method of accounting for income taxes in the 1993 consolidated statement of income.

- (3) As discussed in note 4 to the Consolidated Financial Statements, the Company adopted the provisions of SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities" at December 31, 1993. This adoption increased Shareholders' Equity by \$41.5 million or \$1.36 per share.
- (4) In 1988, a subsidiary entered into an agreement with the Florida Department of Transportation (DOT) for the sale of approximately 20.7 miles of abandoned 100-foot wide right-of-way. The total sales price of \$35.5 million was divided into six segments. The DOT made an initial payment of \$10 million and issued an executory note for \$25.5 million at an interest rate of 9.01%. As the payments from the State were received, the liens on the pro rata portion of the succeeding segments were removed and related gains recognized. A principal and interest payment of \$6.25 million was received in 1989, a payment of \$8.86 million was received in 1990, and a final payment of \$16.4 million was received in 1991. The land sale gain recognized in 1991 amounted to \$15 million and was included in Other Income.

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

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 September 1, 1995, a wholly owned subsidiary of the Company, St. Joe Industries, Inc. ("Industries"), agreed to sell the stock of SJCI to TPG Communications, Inc. ("TPG") for approximately \$115 million, subject to purchase price adjustments. The waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act") has expired, and the Federal Communications Commission, as well as the Florida and Georgia Public Service Commissions, have issued all regulatory approvals in connection therewith. This transaction is currently scheduled to close in April 1996. SJCI sold its interest in three cellular partnerships for an aggregate sales price of \$25,051,600, and the sales proceeds will be distributed to Industries prior to the closing of the transaction with TPG. SJCI has also entered into a contract to sell its remaining cellular partnership for an aggregate sales price of \$1,607,000, and this sale is expected to be consummated following the approval of the Federal Communications Commission expected in the second quarter of 1996. These sales represent the Company's entire communications segment. On November 1, 1995, SJFP agreed to sell its pulp and paper mill to a joint venture ("JV") between Four M Corporation ("FMC") and Stone Container Corporation and SJCC agreed to sell its container plants to FMC for approximately \$390 million subject to purchase price adjustments and contingent, among other things, on the buyer's receipt of financing and approval of the Company's stockholders. The waiting period under the HSR Act in connection with the sale has expired. The Company expects to hold a special meeting of stockholders for approval of such transaction in April 1996. In that regard, the Alfred I. duPont Testamentary Trust, which has the sole right to vote approximately 70% of the Company's common stock, has advised the Company that it intends to vote its shares in favor of the transaction, subject to certain conditions. Assuming the conditions are satisfied, approval of the transaction by the holders of a majority of the shares of the Company's common stock will be assured. Prior period financial statements have been restated to reflect the reclassification of the communications segment, the pulp and paper mill and container plants as discontinued operations.

Consolidated net income rose to \$73.8 million (\$2.42 per share) for the year ended 1995 compared to \$42.1 million (\$1.38 per share) for 1994 and \$32.6 million (\$1.07 per share) in 1993. These results included

the earnings (loss) from discontinued operations net of taxes, which were \$44.5 million in 1995 and \$4.3 million in 1994 compared to a loss of \$14.6 million in 1993. These results also include the cumulative effect of adopting Statement of Financial Accounting Standards (SFAS) No. 109, "Accounting for Income Taxes" in 1993. This change amounted to \$20.5 million (\$0.68 per share) in 1993. Excluding the cumulative effect of accounting changes, net income for 1993 was \$12.1 million (\$0.39 per share).

Net sales and operating revenues rose to \$334.9 million for the year ended December 31, 1995, an increase of \$4 million from 1994. Transportation operating revenues increased by \$10.9 million and sugar net sales were up by \$2.6 million. Forestry revenues declined slightly while real estate revenues dropped by \$9.4 million, principally due to a condemnation sale which occurred in 1994 and was not repeated in 1995. In 1994, revenues increased in all segments compared to 1993, rising from \$312.5 million in 1993 to \$330.9 million in 1994.

Operating profits declined by \$12.7 million in 1995 from \$60 million in 1994. Lower cost of sales helped the sugar segment realize a \$7 million increase in operating profit. The transportation segment experienced a \$1.4 million decrease in operating profit. The net from the condemnation sale referred to above was the largest factor in the \$10.8 million decline of real estate operating profit. Increased cost of sales in the forestry segment contributed heavily to the \$7.5 million decrease in its 1995 operating profit. In 1994, sugar and real estate operating profits increased while transportation and forestry declined.

Other income declined in 1995 primarily due to land sales of \$3.5 million by transportation subsidiaries and \$8.7 million by forestry subsidiaries in 1994 which were not repeated in 1995. These sales also contributed to the \$12.8 million increase in 1994 over 1993.

The provision for income taxes decreased by \$6.9 million in 1995 compared to 1994 after increasing by \$1.1 million in 1994 compared to 1993. These changes are due to the changes in taxable income during these years. The 1993 provision reflects the deferred tax effect of the change in the federal income tax rate enacted that year. 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 37.1%, 36.9% and 45.1% in 1995, 1994 and 1993, respectively. In 1993, the Company adopted SFAS No. 109 which resulted in the recognition of \$20.5 million in additional income in 1993 for the cumulative effect of the change in accounting for income taxes.

Income from continuing operations was \$29.4 million in 1995, a decrease of \$8.5 million from 1994, which had been \$11.2 million higher than 1993. The land sales referred to above were the primary causes of the changes in income.

Assuming consummation of the sale of the paper mill and box plants and the sale of its telephone communications segment, the Company will have continuing operations in (i) transportation of goods by rail; (ii) the growing and harvesting of timber; (iii) growing sugarcane and processing sugarcane into raw sugar and (iv) development, construction and management of real estate. See Note 1 to "Notes to Consolidated Financial Statements." Following the consummation of these transactions, the Company plans to scale down and eliminate non-essential corporate functions. The Company is also undertaking an executive management search effort to enhance management expertise.

Upon the completion of these sales, revenues of the Company will be materially lower than historical levels. Net income, earnings per share and cash flows may also be materially different than previous periods.

In addition, as previously announced on February 28, 1995, the Company has been exploring the sale of its sugar business and is engaged in discussions with interested parties. 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 U.S. Senate on March 28, 1996 and the House on March 29, 1996 passed the Federal Agriculture Improvement and Reform Act of 1996 (the "Agriculture Act"), which includes provisions for the restoration of the Everglades ecosystem in South Florida. Signature by the President is pending. The Agriculture Act provides significant funding levels for the acquisition of real property located in the Everglades which is where the Company's sugar operations are located. Assuming the President signs the Agriculture Act, 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 Company's Board agrees with that conclusion. The FECI Special Committee has advised the Company that the FECI Special Committee will not pursue a disposition of the railroad unless the FECI Special Committee has adequate assurance that the remaining business of FECI, the real estate operations conducted by its wholly owned subsidiary, GCC, can also be disposed of on acceptable terms. There can be no assurance when, if and 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. The Company 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 railroad corporation would be facilitated by an exchange of GCC stock for the FECI stock held by the Company, the Company would be willing to consider exchanging shares of FECI stock it owns for all of the shares of GCC stock held by FECI and in that regard has proposed acquiring all the issued and outstanding shares of common stock per share of GCC in a tax free exchange of its shares in FECI in return for 100% ownership of GCC stock. GCC is engaged in commercial real estate development in Florida. Each of the Company and FECI has hired an appraisal firm to assist in evaluating the property of GCC, and the Company and FECI intend to see if they can negotiate terms of an exchange that will be acceptable to both parties. As yet there have been no purchase price discussions, and the Company anticipates that no such discussions would occur until completion of the appraisals. Accordingly, there can be no assurance when, if and on what terms the Company may acquire GCC from FECI.

President Clinton's Proposed Fiscal 1997 Budget (the "Proposed Budget") 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 shareholders 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. Accordingly, there can be no assurance when, if, and on what terms a merger of FECI with another corporation, 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.

Assuming the sale of the sugar segment by the Company and the sale of the railroad by FECI and the acquisition of GCC by the Company, the Company's operations will 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 56% of the consolidated revenues of the Company in 1995 compared to 53% in 1994 and 56% in 1993. Revenues increased by \$10.9 million in 1995 compared to 1994 and \$1.0 million in 1994 compared to 1993. As to the future of this segment, see "Overview."

The revenues and expenses of FEC increased in 1995 due to the purchase of a trucking subsidiary in the second quarter. The increases in revenues and expenses are related primarily to this acquisition but the contribution to operating profit of FEC was negligible. Also contributing to the change was the implementation on April 1, 1995 of a haulage agreement with a connecting rail carrier, whereby the connecting rail carrier's intermodal shipments were handled in wholesale fashion to and from FEC's south Florida intermodal

terminals. The purchase of the trucking subsidiary increased revenues and expenses, whereas the haulage agreement reduced 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 were flat in 1995 compared to 1994. Adverse weather conditions during the second and third quarters of 1995 contributed significantly to the decline. Fourth quarter shipments rebounded strongly and would have been greater had it not been for a car shortage created by the increased demand for this commodity.

Intermodal shipments decreased by 1.4% compared to 1994. 1995 first quarter shipments began with an increase but the rest of the year produced a steady decline in this classification of traffic. The market for intermodal shipments became very competitive with the trucking industry, where pricing remained at low levels. Automotive shipments during 1994 and 1995 remained relatively unchanged.

All other shipments in 1995 increased by 5% over 1994. Sizable gains were realized in originating shipments of raw sugar with modest gains in shipments of beer, fructose, building materials and other consumer goods received from connecting carriers.

Operating expenses for FEC increased in 1995 due to the acquisition of the trucking subsidiary. Salaries and wages and associated fringe benefits declined by \$7.1 million while purchased services increased \$3.5 million. The increase in purchased services represents third party contractors performing services for FEC in 1995 that were performed by employees in 1994.

ANRR increased its operating profits by \$0.9 million in 1995 primarily due to environmental cleanup expenses incurred in 1994, which were not repeated in 1995.

In 1994, transportation segment operating revenues grew by \$1.0 million, with FEC accounting for \$0.8 million of the increase. Increased operating expenses at FEC in 1993, principally property taxes, caused the operating profit of the transportation segment to drop from \$30.6 million in 1993 to \$29.7 million in 1994.

Forestry

Net sales by the forestry segment declined by \$0.1 million in 1995 compared with 1994, while operating profit dropped from \$4.1 million in 1994 to a loss of \$3.4 million in 1995. The primary factors in this decline was the cost of wood, which increased by \$5.9 million despite volume remaining flat and prices to the linerboard mill remaining fixed on an annual basis. Increased demand for pulpwood in the first half of 1995 caused pulpwood prices to increase substantially. As supplies became tighter near the Company's linerboard mill, the Company was forced to bring in wood from greater distances, which increased hauling costs. Fixed expenses of the forestry units (principally depreciation and property taxes) increased by \$1 million in 1995, but other costs were reduced.

Net sales in 1994 remained at approximately the same level as 1993, while expenses rose. Higher cost of wood purchased contributed to a decline in operating profit from \$8.3 million to \$4.1 million.

In connection with the pending sale of the paper mill, the Forestry segment would enter a wood fiber supply agreement with JV. Under that agreement, wood fiber would be supplied for the operations of the paper mill at Port St. Joe, Florida for a period of 15 years, with two five-year renewal options available to JV. The tonnage of pulp wood and wood chips to be supplied under the agreement are 1,600,000 (year one); 1,400,000 (year two); 1,200,000 (year three); and 900,000 tons in year four and thereafter. The amount of tonnage required to be provided from the Company's land would be 900,000 tons per year starting in the third year. In addition, JV would have the election to reduce in increments 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 for the sale of the pulp and paper mill and container plants 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. Under the wood fiber supply agreement, annual wood fiber tonnage to be supplied from the Company's lands will not exceed that currently provided to the paper mill. In the future, the Company plans to shift its remaining fiber production from the Company's lands to higher margin timber products.

The pricing provisions of the wood fiber supply agreement will allow increased and decreased wood costs to be passed on at least partially to the Buyer. As tonnage supplied under the wood fiber supply agreement decreases in relation to the amount of tonnage historically supplied to the linerboard mill and the Company shifts to higher margin timber products by allowing its forests to grow for longer periods, the performance of this segment may decline in the near term as this shift occurs. In the long term, the Company believes that the performance of this segment will be enhanced.

Sugar

A slight increase in volume combined with a 4% price increase to produce a \$2.6 million increase in net sales in 1995 for the sugar segment compared to 1994. A \$14 per ton decrease in harvesting expense 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 million in 1995. In 1994, volume was 12,233 tons higher than 1993. This additional volume, coupled with a slight price increase and lower costs of production, led to a \$1.2 million increase in 1994 operating profit over 1993. The Company is exploring the sale of its sugar business. See "Overview."

Real Estate

Real estate segment net sales declined by \$9.4 million in 1995 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 \$2.0 million compared to 1994. Rental income increased by \$4.3 million in 1995 over 1994. Operating profit for the real estate segment fell to \$9.1 million in 1995 compared to \$19.9 million in 1994. The decrease was primarily due to the condemnation sale referred to earlier. As to the future of this segment, see "Overview."

1994 real estate revenues were \$11.4 million higher than 1993, due primarily to the condemnation sale. Rental income was \$3.9 million higher in 1994 than 1993. Operating profit in 1994 was \$8.9 million higher than 1993's \$11.0 million.

As of year-end 1995, GCC owned 50 buildings with approximately 4.1 million square feet of leasable space. Approximately 95% of this space was under lease at year end 1995 compared to 90% in 1994 and 88% in 1993. Under construction at December 31, 1995 were 5 additional buildings which will add 0.6 million square feet of leasable space.

The Company's Southwood division began construction on a second building in Southwood Center Office Park in Panama City, Florida in 1995 and expects it to be completed in March 1996. Building #1 remains fully leased. Site development for the 70-lot Phase I of Summerwood subdivision also began in 1995 and should be complete in March 1996. Walton County, Florida issued the Development Order for Camp Creek Point subdivision in December 1995 and a bid package is currently out to site contractors. Construction is expected to start in April with the first sales projected for the last quarter of 1996.

In the first quarter of 1996, the Company reached an agreement with the State of Florida regarding the Topsail condemnation proceeding. The State will purchase 680 acres at Topsail for approximately \$84 million. The Company has agreed to sell in 1996 to the State of Florida an additional tract of land at Deer Lake for \$13.7 million.

DISCONTINUED OPERATIONS

Forest Products

The linerboard mill operating results in the first half of 1995 continued the same robust pace as the latter part of 1994. However, the second half of this year reflected the general slowdown in the economy. Domestic prices for kraft linerboard rose in 1995 from \$430 per ton in January to \$530 per ton in May and declined to \$505 per ton in December. The average sales price of the Company's kraft linerboard rose by \$136 per ton. Mill sales to outside customers increased 8%. Product mix of the mill reflected a decrease in Crest White

revenues in 1995 to 58% compared to 60% in 1994. In 1995, mill net sales to outside customers increased 9% compared to a 22% increase in 1994. The mill cost dropped 1% on a volume decrease of 9%. In 1994, the mill had an increase in cost of sales over 1993. In 1995, the mill's selling, general and administrative expenses increased by 6%. In 1994, the mills expenses decreased by 8%.

Container plant net sales increased to \$332.6 million in 1995 from \$283.9 million in 1994 due to increased prices in the first half of 1995. The pricing levels of linerboard and corrugated containers flattened in midyear and declined at the end of the year. During the first quarter of 1996, price levels have continued to deteriorate. Cost of sales increased by \$30.0 million due to increased roll stock prices in 1995. The increased margins allowed the container operation to post its first operating profit since 1985. Operating profit in 1995 was \$4.5 million compared to a loss of \$9.5 million in 1994.

The Company's policy of operating the linerboard mill at full capacity and shipping any excess production to the container plants resulted in an increase in inventory at the container plants due to the soft linerboard market.

Beginning in late 1995 and continuing through the first quarter of 1996, demand for containerboard and market pulp dramatically diminished and the Company took downtime at the paper mill in December and January of one paper machine for both maintenance and excess inventory purposes and, in order to prevent excessive increases in inventory, has announced further downtime of both paper machines for at least the period April 7, 1996 through April 29, 1996. Pricing for paper products has continued to decline from historical highs as a result of further reduction in demand and the introduction of new industry capacity, particularly for containerboard. Prices and shipments for market pulp, however, have declined significantly since the beginning of the year and it is expected that these declines will have a substantial, adverse impact on operating results for the first quarter of 1996. The Company cannot at this time forecast when demand will increase to offset the current excess supply in the containerboard industry.

Communications

In 1995 Communication operating revenues increased 7% due to increased interstate long distance pooling settlements. Operating expenses for the year increased 12.5% due to extensive cable maintenance efforts at all three of the operating telephone companies. Selling, general and administrative expenses remained relatively constant from the prior year.

As a result of recent Florida legislation and order by the Alabama Public Service Commission, the operating telephone companies of St. Joe Communications were given options for price cap regulation in their Florida and Alabama service areas. An election for price cap regulation was actually made for the Alabama territory effective December 20, 1995. A decision on the Florida territory is forthcoming with a deadline of July 1, 1996. The essentials of the two state plans are similar in that price cap elections would remove net income limits previously imposed under rate base regulation, but would freeze current rates for a fixed period of time. The price cap elections would also open the companies' certificated areas to competition from alternate providers although there is some temporary protection afforded under the Alabama plan.

The decision for price cap versus rate of return regulation requires consideration of a number of issues, namely, the likelihood of competition, the adequacy of present rate structures and the quality and variety of services offered. Management believes there may be positive opportunities in the state price cap elections depending on the effect of the recent federal Telecommunications Act that the Company is currently unable to predict.

FINANCIAL POSITION

General

In 1995, the Company continued to have a strong balance sheet. Management's long-standing policy of retaining funds to finance capital additions was continued in 1995. Cash, short-term investments and marketable securities totaled \$304 million at December 31, 1995, a \$28.2 million increase over 1994.

\$20.9 million of this increase was due to the increase of unrealized gains on debt and marketable equity securities.

Net working capital (current assets less current liabilities) increased 9% at December 31, 1995 over 1994 to \$452.7 million. The current ratio (current assets divided by current liabilities) grew to 11.2 in 1995 compared to 7.1 in 1994. The current ratio excluding net assets of discontinued operations grew from 2.7 in 1994 to 4.5 at December 31, 1995.

During 1995, the Company paid off its long-term debt and short term borrowings, except for those related to the communications segment. These payments amounted to \$28.9 million.

Stockholders' equity at December 31, 1995 was \$33.31 per share, an increase of \$2.59 or 8% from 1994. Over the last five years, stockholders' equity has increased 23%.

In light of the Company's strong financial position and other considerations, the Company plans to distribute the net proceeds of the sale of the paper mill and box plants and the sale of the communications segment in a partial liquidation to its stockholders.

Capital Additions

Property, plant and equipment additions were \$78.8 million in 1995 compared to \$65.5 million in 1994 and \$68.6 million in 1993. \$47.0 million of the additions were in the real estate segment where GCC has seven major projects in progress. The level of property, plant and equipment additions are expected to remain at comparable levels or increase despite the sales of assets, with future emphasis being placed on the real estate segment.

Gran Park at Jacksonville had been permitted, platted and designed at December 31, 1995. By March 1996, this project is expected to have drainage, utilities and streets in place. Construction of the first building is planned to begin in March 1996.

Gran Park at the Avenues (Jacksonville) had approximately 474,000 square feet of leasable space at December 31, 1995. A second office/warehouse building is scheduled for completion in March 1996.

Gran Park at Deerwood (Jacksonville) had two buildings under construction at year-end which will add approximately 260,000 square feet of leasable space. One of these is scheduled for completion in February 1996 and the other in May.

Gran Park at Miami (Section 32 Property) had 2.2 million square feet of leasable space as of December 31, 1995. Under construction at year-end was an office/warehouse building which will add approximately 110,000 square feet to inventory. As of December 31, 1995, 97% of the available space was leased.

Gran Park at Miami (Section 6 Property) required a turnpike interchange and a dredge and fill operation which were 95% complete at December 31, 1995. Other infrastructure construction, including street, water and sewer, of this park began in late 1995 with the construction of three to four buildings expected to begin in the first half of 1996.

Gran Park at McCahill (Miami) at year end 1995 had leased 88% of the available 0.5 million square feet of leasable space. A new office/warehouse was under construction and approximately 95% complete December 31, 1995.

Gran Park at South Park (Orlando) was purchased in the fourth quarter 1995 for approximately \$7.6 million. This purchase includes 78.6 acres located within the present Orlando Central Park. This development will primarily be an industrial park providing 1.2 million square feet of leasable space. Building construction is estimated to begin in the third or fourth quarter of 1996.

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. 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 three Superfund sites. The Company has accrued an allocated share of the total estimated cleanup costs for these three 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. See, "Legal Proceedings."

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, liquidity or results of operations of the Company. Aggregate environmental-related accruals were \$6.2 and \$6.7 million, as of December 31, 1995 and 1994, respectively. Environmental liabilities are paid over an extended period and the timing of such payments cannot be predicted with any confidence.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The Financial Statements on page F-2 to F-17, inclusive and the Report of Independent Certified Public Accountants 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 14, 1996 (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, 1995, pursuant to Regulation 14A of the Securities Exchange Act of 1934, as amended.

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

ITEM 11. EXECUTIVE COMPENSATION

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

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL
OWNERS AND MANAGEMENT

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

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Reference is made to the information to be set forth in the section entitled "Related Party Transactions" in the Proxy Statement, which section 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 are filed as part of this Report.

2. FINANCIAL STATEMENT SCHEDULES

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

3. EXHIBITS

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

(b) REPORTS ON FORM 8-K

None.

ST. JOE PAPER COMPANY

INDEX TO FINANCIAL STATEMENTS
AND FINANCIAL STATEMENT SCHEDULES
(ITEM 14(a) 1. AND 2.)

	PAGE NUMBER -----
Independent Auditors' Report.....	F-1
Consolidated Balance Sheet at December 31, 1995 and 1994.....	F-2
Consolidated Statement of Income for each of the three years in the period ended December 31, 1995.....	F-3
Consolidated Statement of Changes in Stockholders' Equity for each of the three years in the period ended December 31, 1995.....	F-4
Consolidated Statement of Cash Flows for each of the three years in the period ended December 31, 1995.....	F-5
Notes to Consolidated Financial Statements.....	F-6
Consolidated Schedules for each of the three years in the period ended December 31, 1995:	
II -- Valuation and Qualifying Accounts.....	S-1
III -- Real Estate and Accumulated Depreciation.....	S-2

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

ST. JOE PAPER COMPANY

INDEX TO EXHIBITS
(ITEM 14(a) 3.)

S-K ITEM 601	DOCUMENTS	PAGE
(3)(i) --	Articles of Incorporation.....	*
(3)(ii) --	By-Laws.....	*
(10)(a) --	Agreement between Apalachicola and Seminole Electric Cooperative, Incorporated dated October 14, 1982.....	*
(b) --	Agreement between Talisman Sugar Corporation and Everglades Sugar Refinery dated February 11, 1986.....	**
(c) --	Stock Purchase Agreement dated as of September 1, 1995 between St. Joe Industries, Inc. and TPG Communications, Inc.....	***
(d) --	Asset Purchase Agreement dated as of November 1, 1995 by and among 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 (the "Asset Purchase Agreement").	***
(e) --	Amendments dated December 14, 1995; December 20, 1995; January 10, 1996; and January 12, 1996 to the Asset Purchase Agreement.	E-2
(21) --	Subsidiaries of St. Joe (filed herewith and attached).....	E-12
(24) --	Power of Attorney.....	E-13

- * Incorporated herein by reference to Exhibits filed in connection with St. Joe Paper Company Registration Statement on Form 10 as filed with the Securities and Exchange Commission on April 30, 1984 (File No. 1-12001).
- ** Incorporated herein by reference to Exhibits filed with the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1990.
- *** Incorporated herein by reference to Exhibits filed with the Registrant's Quarterly Report on Form 10-Q for the third quarter ended September 30, 1995.

INDEPENDENT AUDITORS' REPORT

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

We have audited the consolidated financial statements of St. Joe Paper Company and subsidiaries as listed in the accompanying index. In connection with our audits of the consolidated financial statements, we also have audited the financial statement schedules as listed in the accompanying index. These consolidated financial statements and financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedules 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 Paper Company and subsidiaries as of December 31, 1995 and 1994, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 1995, in conformity with generally accepted accounting principles. Also in our opinion, the related financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

As discussed in note 4 to the consolidated financial statements, the Company changed its method of accounting for investments to adopt the provisions of the Financial Accounting Standards Board's Statement of Financial Accounting Standards (SFAS) No. 115 "Accounting for Certain Investments in Debt and Equity Securities" at December 31, 1993. As discussed in note 4, the Company changed its method of accounting for income taxes effective January 1, 1993 to adopt the provisions of the Financial Accounting Standards Board's SFAS No. 109, "Accounting for Income Taxes".

KPMG Peat Marwick LLP

Jacksonville, Florida
February 12, 1996

ST. JOE PAPER COMPANY
CONSOLIDATED BALANCE SHEET
(DOLLARS IN THOUSANDS)

	DECEMBER 31,	
	1995	1994
ASSETS		
Current Assets:		
Cash and cash equivalents.....	\$ 16,802	\$ 46,389
Short-term investments.....	96,923	59,157
Accounts receivable.....	44,390	41,251
Income taxes refundable.....	4,314	--
Inventories.....	20,592	19,764
Other assets.....	18,162	19,354
Net assets of discontinued operations.....	296,001	299,347
Total current assets.....	497,184	485,262
Investments and Other Assets:		
Marketable securities.....	189,865	169,871
Other assets.....	38,971	37,303
Total investments and other assets.....	228,836	207,174
Property, plant and equipment, net.....	804,974	756,954
Total Assets.....	\$1,530,994	\$1,449,390
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable.....	\$ 26,024	\$ 26,644
Accrued liabilities.....	18,445	22,742
Income taxes payable.....	--	7,012
Long-term debt due within one year.....	--	12,135
Total current liabilities.....	44,469	68,533
Accrued casualty reserves and other liabilities.....	11,681	11,043
Long-term debt due after one year.....	--	16,747
Deferred income taxes and income tax credits.....	192,036	164,639
Minority interest in consolidated subsidiaries.....	266,741	251,447
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.....	955,239	887,520
Net unrealized gains on debt and marketable equity securities.....	52,114	40,747
Total stockholders' equity.....	1,016,067	936,981
Total Liabilities and Stockholders' Equity.....	\$1,530,994	\$1,449,390
	=====	=====

See notes to consolidated financial statements.

ST. JOE PAPER COMPANY

CONSOLIDATED STATEMENT OF INCOME
(DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

	YEARS ENDED DECEMBER 31,		
	1995	1994	1993
Net sales.....	\$148,073	\$152,755	\$135,417
Operating revenues.....	186,851	178,151	177,040
Cost of sales.....	334,924	330,906	312,457
Operating expenses.....	116,014	111,014	105,644
Selling, general and administrative expenses.....	139,875	133,091	129,704
	31,718	26,836	22,145
Operating profit.....	47,317	59,965	54,964
Other income (expense):			
Dividends.....	2,595	2,187	2,143
Interest income.....	12,666	9,678	8,696
Interest expense.....	(2,235)	(1,982)	(1,644)
Gain on sales and other dispositions of property, plant and equipment.....	2,674	13,895	1,146
Other, net.....	3,070	1,386	1,988
	18,770	25,164	12,329
Income from continuing operations before income taxes and minority interest.....	66,087	85,129	67,293
Provision for income taxes			
Current.....	5,778	24,692	13,654
Deferred.....	18,757	6,754	16,674
Total provision for income taxes.....	24,535	31,446	30,328
Income from continuing operations before minority interest....	41,552	53,683	36,965
Minority interest.....	12,194	15,827	10,241
Income from continuing operations.....	29,358	37,856	26,724
Earnings (loss) from discontinued operations, net of income taxes of \$26,116, \$2,491 and (\$8,119), respectively.....	44,461	4,253	(14,599)
Income before cumulative effect of change in accounting principle.....	73,819	42,109	12,125
Cumulative effect of change in accounting principle for income taxes.....	--	--	20,518
Net income.....	\$ 73,819	\$ 42,109	\$ 32,643
PER SHARE DATA:			
Income from continuing operations.....	\$ 0.96	\$ 1.24	\$.87
Earnings (loss) from discontinued operations.....	1.46	.14	(.48)
Income before cumulative effect of change in accounting principle.....	2.42	1.38	0.39
Cumulative effect of change in accounting principle for income taxes.....	--	--	0.68
Net income.....	\$ 2.42	\$ 1.38	\$ 1.07

See notes to consolidated financial statements.

ST. JOE PAPER COMPANY

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
(DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

	YEARS ENDED DECEMBER 31,		
	1995	1994	1993
COMMON STOCK			
Balance, at end of year (1995, 1994 and 1993 -- 30,498,650 shares).....	\$ 8,714	\$ 8,714	\$ 8,714
	=====	=====	=====
RETAINED EARNINGS			
Balance, at beginning of year.....	\$887,520	\$851,511	\$824,968
Net income.....	73,819	42,109	32,643
Dividends:			
Cash (\$0.20 per share -- 1995, 1994 and 1993).....	(6,100)	(6,100)	(6,100)
	-----	-----	-----
Balance, at end of year.....	\$955,239	\$887,520	\$851,511
	=====	=====	=====
NET UNREALIZED GAIN ON DEBT AND MARKETABLE EQUITY SECURITIES			
Balance, at beginning of year.....	\$ 40,747	\$ 41,485	\$ --
Increase (decrease) in net unrealized gain, net of tax effect.....	11,367	(738)	--
Cumulative effect of change in accounting principle for investments.....	--	--	41,485
	-----	-----	-----
Balance, at end of year.....	\$ 52,114	\$ 40,747	\$ 41,485
	=====	=====	=====

See notes to consolidated financial statements.

ST. JOE PAPER COMPANY

CONSOLIDATED STATEMENT OF CASH FLOWS
(DOLLARS IN THOUSANDS)

	YEARS ENDED DECEMBER 31,		
	1995	1994	1993
Cash flows from operating activities:			
Net Income.....	\$ 73,819	\$ 42,109	\$ 32,643
Adjustments to reconcile net income to cash provided by operating activities:			
Cumulative effect of a change in accounting principle.....	--	--	(20,518)
Depreciation and depletion.....	28,551	27,612	26,216
Minority interest in income.....	12,194	15,827	10,241
Gain on sale of property.....	(2,674)	(13,895)	(1,146)
Increase in deferred income taxes.....	18,757	6,754	16,674
Changes in operating assets and liabilities:			
Accounts receivable.....	(3,139)	(1,375)	(1,229)
Inventories.....	(828)	6,545	(2,533)
Other assets.....	(4,790)	(406)	(7,921)
Accounts payable, accrued liabilities and casualty reserves.....	(4,279)	3,176	395
Income taxes payable.....	(7,012)	4,275	2,737
Discontinued operations -- noncash charges and working capital changes.....	43,483	12,096	26,046
Cash provided by operating activities.....	154,082	102,718	81,605
Cash flows from investing activities:			
Purchases of property, plant and equipment.....	(78,816)	(65,450)	(68,615)
Investing activities of discontinued operations.....	(28,102)	(19,513)	(25,020)
Proceeds from sales of property.....	5,119	18,135	6,960
Purchases of investments:	--	--	(72,876)
Available for sale(1).....	(31,247)	(18,851)	--
Held-to-maturity(1).....	(168,607)	(105,091)	--
Maturity of investments:	--	--	91,443
Available for sale(1).....	29,058	12,779	--
Held-to-maturity(1).....	135,480	95,241	--
Cash used in investing activities.....	(137,115)	(82,750)	(68,108)
Cash flows from financing activities:			
Net change in short-term borrowings.....	(11,989)	(5,437)	6,093
Financing activities of discontinued operations.....	(9,917)	2,092	(824)
Dividends paid to stockholders.....	(6,100)	(6,100)	(6,100)
Repayment of long-term debt.....	(16,893)	(19)	(3,604)
Dividends paid to minority interest.....	(1,655)	(1,679)	(1,718)
Cash used in financing activities.....	(46,554)	(11,143)	(6,153)
Net increase (decrease) in cash and cash equivalents.....	(29,587)	8,825	7,344
Cash and cash equivalents at beginning of period.....	46,389	37,564	30,220
Cash and cash equivalents at end of period.....	\$ 16,802	\$ 46,389	\$ 37,564
Supplemental disclosure of cash flow information:			
Interest paid.....	\$ 4,541	\$ 3,973	\$ 3,340
Income taxes paid.....	\$ 45,283	\$ 20,494	\$ 12,476

(1) Disclosure is not applicable for the year ended December 31, 1993. See note 4.

See notes to consolidated financial statements.

ST. JOE PAPER COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 DECEMBER 31, 1995, 1994 AND 1993
 (DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

1. NATURE OF OPERATIONS

The Company is a diversified corporation with primary revenues and assets based in four different segments: Transportation, Forestry, Sugar and Real Estate. The Forestry segment has operations in both Florida and Georgia while the remaining segments operate principally within the state of Florida.

Transportation -- The Transportation segment, which accounted for 56% of the Company's net sales and operating revenues in 1995, consists 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.

Forestry -- The Forestry segment, which accounted for 18% of the Company's net sales and operating revenues in 1995, consists of the growing and harvesting of timber on approximately one million acres of timberlands in Florida and Georgia. The major customer for the wood harvested by the Company has been the Company's linerboard mill. As discussed in Note 3, the Company has agreed to sell its linerboard mill. The Company will retain its timberlands and will enter into a fifteen year fiber supply agreement with the buyer with two five-year extensions. Annual wood fiber tonnage to be supplied from the Company's lands will not exceed that currently provided and will be at negotiated market prices adjusted on a quarterly basis. The Company plans in the future to shift its remaining fiber production from the Company's lands to higher margin timber products.

Sugar -- The Sugar segment, which accounted for 17% of the Company's net sales and operating revenues in 1995, 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 weather conditions. Excessive rain or freezing temperatures can significantly reduce the harvest.

Real Estate -- The Real Estate segment, which accounted for 9% of the Company's net sales and operating revenues in 1995, 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. Along Florida's east coast, the Company concentrates in industrial property which it can manage, maintain and develop. In west Florida, the Company has concentrated on developing small parcels for residential use. The Real Estate segment's competition is with other developers and brokers throughout its operating area.

2. MAJORITY STOCKHOLDER

The Alfred I. duPont Testamentary Trust (the "Trust") owns approximately 70% of the outstanding shares of common stock of the Company. The Company and its subsidiaries had no significant transactions with the Trust during the period.

3. DISCONTINUED OPERATIONS

Communications -- On September 1, 1995, St. Joe Industries, Inc., a wholly owned subsidiary of the Company, agreed to sell the stock of St. Joe Communications, Inc. ("SJCI") to TPG Communications, Inc.

ST. JOE PAPER COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

DECEMBER 31, 1995, 1994 AND 1993

(DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

for approximately \$115 million, subject to purchase price adjustments. The sale is subject to customary conditions, including certain regulatory approvals. At year end, SJCI had sold its interest in one cellular partnership for approximately \$2 million and has contracts to sell the remaining three partnership interests for approximately \$25 million. These sales represent the Company's entire Communications segment and are all expected to close in the first half of 1996.

Forest Products -- On November 1, 1995, St. Joe Forest Products Company ("SJFP"), a wholly owned subsidiary of the Company, and St. Joe Container Company, a wholly owned subsidiary of SJFP, agreed to sell the linerboard mill and container plants (the "Sale Transaction") for approximately \$390 million, subject to purchase price adjustments and contingent, among other things, on the buyer's receipt of financing and approval of the Company's shareholders. The Trust has advised the Company that, subject to certain conditions, it intends to vote its shares of the Company's common stock in favor of the Sale Transaction. Other customary conditions apply, including termination of the Hart-Scott-Rodino waiting period. The Company has retained certain liabilities in connection with the Sale Transaction, environmental matters and workmen's compensation claims, currently estimated to be approximately \$7.9 million. These liabilities have been recorded in the financial statements and will reduce the gain on disposal. An additional liability of \$1.5 million relating to a proposed transferred employee early retirement incentive program will result from the Sale Transaction. While the Company has agreed to indemnify the Buyer in amount equal to \$10,000 for On-Site Environmental Liabilities (as defined in the Agreement) and \$1,000 for certain remediation activities at the paper mill if such activities are required under environmental laws, no matters have been identified which would require an accrual in the financial statements. This sale is expected to close in the second quarter of 1996.

Operating revenues for the Communications segment were \$32,826, \$30,638 and \$29,153 and net sales for the linerboard mill and container plants were \$438,399, \$378,088 and \$303,902 for the years ended December 31, 1995, 1994 and 1993, respectively. Operating profit of the Communications segment was \$6,261, \$6,753 and \$5,130 for the years ended December 31, 1995, 1994 and 1993, respectively. For the linerboard mill and container plants, operating profit (loss) for the years ended December 31, 1995, 1994, and 1993 were \$56,276 (\$2,240) and (\$27,992), respectively. Net operating results of the Communications segment and linerboard mill and container plants for the years ended December 31, 1995, 1994 and 1993 are shown separately as earnings from discontinued operations in the accompanying statement of income. The gain on the sale of the one cellular partnership which occurred in 1995 was not material.

Net assets to be disposed of have been separately classified in the accompanying balance sheet at December 31, 1995. The December 31, 1994 balance sheet has been restated to conform to the current year

ST. JOE PAPER COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

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presentation. Assets and liabilities of the Communications segment, linerboard mill and container plants at December 31 consist of:

	1995	1994
	-----	-----
Cash and cash equivalents.....	\$ 11,357	\$ 25,501
Short-term investments.....	--	1,998
Accounts receivable.....	43,419	47,355
Inventories.....	49,414	37,910
Other assets.....	19,748	15,445
Marketable securities.....	2,582	4,157
Property, plant and equipment.....	261,674	269,921
	-----	-----
Total assets.....	388,194	402,287
Accounts payable.....	14,460	18,170
Accrued liabilities.....	7,671	2,597
Long term debt.....	18,093	28,010
Accrued casualty reserves and other liabilities.....	4,332	3,491
Deferred income taxes.....	47,637	50,672
	-----	-----
Net assets of discontinued operations.....	\$296,001	\$299,347
	=====	=====

Identifiable assets for the Communications segment were \$85,676, \$70,658 and \$65,674 and for the linerboard mill and container plants were \$302,518, \$331,629 and \$305,329 at December 31, 1995, 1994 and 1993, respectively.

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 St. Joe Paper Company and all of its majority owned subsidiaries. All significant intercompany transactions and balances have been eliminated except for sales by continuing operations of \$59,535, \$58,925 and \$58,518 to discontinued operations in the years ended December 31, 1995, 1994 and 1993, respectively. The unrealized profit in ending inventory 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. Revenues from realty land sales are 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 Statement of Cash Flows, cash and cash equivalents include cash on hand, bank demand accounts, money market accounts, remarketed certificates of participation and repurchase agreements having original maturities of three months or less.

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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.

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

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

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

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

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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.

5. INVENTORIES

Inventories as of December 31 consist of:

	1995	1994
	-----	-----
Materials and supplies.....	\$12,875	\$14,754
Sugar.....	7,717	5,010
	-----	-----
	\$20,592	\$19,764
	=====	=====

6. INVESTMENTS

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	\$ 0
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	--
	-----	-----	-----	-----	-----

ST. JOE PAPER COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

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	AMORTIZED COST	CARRYING VALUE	FAIR VALUE	UNREALIZED HOLDING GAIN	UNREALIZED HOLDING LOSS
	-----	-----	-----	-----	-----
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
	=====	=====	=====	=====	=====

Investments as of December 31, 1994, 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.....	\$ 43,041	\$ 43,463	\$ 43,875	\$ 482	\$ 70
Tax exempt municipals.....	3,157	3,157	3,091	--	66
Mortgage backed securities.....	2,990	3,009	2,985	--	24
Other corporate debt securities.....	3,473	3,499	3,499	--	--
Remarketed certificates of participation.....	2,988	3,062	3,062	--	--
Certificates of deposit.....	2,963	2,967	2,967	--	--
	-----	-----	-----	-----	-----
	\$ 58,612	\$ 59,157	\$ 59,479	\$ 482	\$ 160
	=====	=====	=====	=====	=====
Marketable securities					
Available for sale					
U.S. government securities					
Maturing in one to five years.....	\$ 3,003	\$ 2,948	\$ 2,948	\$ --	\$ 55
Tax exempt municipals					
Maturing in one to five years.....	4,457	4,236	4,236	--	221
Maturing in five to ten years.....	22,148	21,278	21,278	--	870
Maturing in more than ten years.....	3,364	3,272	3,272	--	92
Equity securities.....	10,155	74,568	74,568	64,636	223
Mortgage backed securities					
Maturing in more than ten years.....	1,669	1,530	1,530	--	139
Other corporate debt securities					
Maturing in more than ten years.....	2,250	2,176	2,176	--	74
	-----	-----	-----	-----	-----
	47,046	110,008	110,008	64,636	1,674
	-----	-----	-----	-----	-----

ST. JOE PAPER COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

DECEMBER 31, 1995, 1994 AND 1993

(DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

	AMORTIZED COST	CARRYING VALUE	FAIR VALUE	UNREALIZED HOLDING GAIN	UNREALIZED HOLDING LOSS
	-----	-----	-----	-----	-----
Held to maturity					
U. S. Government securities					
Maturing within one year.....	40,080	40,080	41,136	1,056	--
Maturing in one to five years.....	17,249	17,226	17,350	543	419
Tax exempt municipals					
Maturing in one to five years.....	1,416	443	1,288	845	--
Other corporate debt securities					
Maturing in five to ten years.....	885	2,114	2,293	387	208
	-----	-----	-----	-----	-----
	59,630	59,863	62,067	2,831	627
	-----	-----	-----	-----	-----
	\$ 106,676	\$169,871	\$172,075	\$ 67,467	\$2,301
	=====	=====	=====	=====	=====

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.

7. ACCRUED LIABILITIES

Accrued liabilities as of December 31 consist of:

	1995	1994
	-----	-----
Payroll and benefits.....	\$ 1,433	\$ 1,255
Payroll taxes.....	246	573
Property and other taxes.....	3,418	3,126
Accrued casualty reserves.....	16,635	21,019
Other accrued liabilities.....	8,394	7,812
	-----	-----
	30,126	33,785
Less: noncurrent accrued casualty reserves and other liabilities...	11,681	11,043
	-----	-----
	\$18,445	\$22,742
	=====	=====

8. PROPERTY, PLANT AND EQUIPMENT

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

	1995	1994	ESTIMATED USEFUL LIFE
	-----	-----	-----
Land and timber.....	\$ 132,393	\$ 130,441	--
Land improvements.....	19,149	19,024	20
Buildings.....	3,686	3,650	45
Machinery and equipment.....	623,183	605,274	12-30
Office equipment.....	799	789	10
Autos and trucks.....	2,375	2,235	3-6
Construction in progress.....	5,689	4,836	--
Investment property.....	318,181	273,732	various
	-----	-----	
	1,105,455	1,039,981	
Accumulated depreciation.....	300,481	283,027	
	-----	-----	
	\$ 804,974	\$ 756,954	
	=====	=====	

ST. JOE PAPER COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

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(DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

Real estate properties having net book value of \$153.3 million at December 31, 1995 are leased under non-cancelable operating leases with expected aggregate rentals of \$86.7 million of which \$25.2, \$21.9, \$17.2, \$12.9 and \$9.5 million is due in the years 1996 through 2000, respectively.

9. INCOME TAXES

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

	1995	1994	1993
	-----	-----	-----
Income from continuing operations.....	\$24,535	\$31,446	\$30,328
Earnings (loss) from discontinued operations.....	26,116	2,491	(8,119)
Shareholders' equity, for recognition of unrealized gain (loss) on debt and marketable equity securities.....	8,778	(2,377)	25,472
	-----	-----	-----
	\$59,429	\$31,560	\$47,681
	=====	=====	=====

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:

	1995	1994	1993
	-----	-----	-----
Tax at the statutory federal rate.....	\$23,131	\$29,795	\$23,552
Dividends received deduction and tax free interest.....	(1,277)	(1,075)	(937)
State income taxes (net of federal benefit).....	1,916	2,497	1,863
Adjustment to deferred tax assets and liabilities for enacted changes in tax laws and rates.....	--	--	3,293
Undistributed earnings of FECI.....	916	1,245	775
Other, net.....	(151)	(1,016)	1,782
	-----	-----	-----
	\$24,535	\$31,446	\$30,328
	=====	=====	=====

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:

	1995	1994
	-----	-----
Deferred tax assets:		
Accrued casualty and other reserves.....	\$ 7,451	\$ 7,857
Alternative minimum tax credit carryforward.....	--	14,315
Other.....	1,912	1,654
	-----	-----
Total deferred tax assets.....	9,363	23,826
	-----	-----
Deferred tax liabilities:		
Tax in excess of financial depreciation.....	114,047	110,732
Deferred gain on land sales.....	6,893	6,904
Deferred gain on subsidiary's defeased bonds.....	2,139	2,322
Unrealized gain on debt and marketable equity securities.....	30,902	22,124
Deferred gain on involuntary conversion of land.....	29,160	29,227
Prepaid pension asset recognized for financial reporting.....	8,085	7,804
Other.....	5,620	4,661
	-----	-----
Total gross deferred tax liabilities.....	196,846	183,774
	-----	-----
Net deferred tax liability.....	\$187,483	\$159,948
	=====	=====

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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 \$4,553 and \$4,691 is recorded in other current assets as of December 31, 1995 and 1994, 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 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, 1995, 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 covering approximately 70% of its employees. The benefits are based on the employees' years of service or years of service and compensation during the last five or ten years of employment. The Company's funding policy is to contribute annually the maximum contribution required by ERISA.

A summary of the net periodic pension credit follows:

	1995	1994
	-----	-----
Service cost.....	\$ 3,450	\$ 3,486
Interest cost.....	7,986	7,418
Actual return on assets.....	(40,436)	1,365
Net amortization and deferral.....	28,221	(13,673)
	-----	-----
Total pension income.....	\$ (779)	\$ (1,404)
	=====	=====

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

	1995	1994
	-----	-----
Accumulated benefit obligation, included vested benefits of \$92,354 and \$86,807 in 1995 and 1994, respectively.....	\$100,104	\$ 94,485
	=====	=====
Projected benefit obligation for service rendered to date.....	125,136	116,101
Plan assets at fair value, primarily listed stocks and U.S. bonds.....	177,276	141,090
	-----	-----
Plan assets in excess of projected benefit obligation.....	52,140	24,989
Unrecognized net (gain) loss.....	(27,734)	2,615
Unrecognized prior service cost.....	12,956	11,545
Unrecognized transition asset.....	(15,395)	(17,961)
	-----	-----
Prepaid pension cost.....	\$ 21,967	\$ 21,188
	=====	=====

The weighted-average discount rates for the plans were 7% in 1995 and 1994. 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 1995 and 1994. The expected long-term rates of return on assets was 8% in 1995 and 1994.

As discussed in note 3, several of the Company's operations are being sold which will significantly reduce the number of employees covered under the defined benefit plans. The defined benefit plans' assets are not a

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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 expects to recognize a curtailment gain at the date of sale.

The Company has an Employee Stock Ownership Plan for the purpose of purchasing stock of the Company for the benefit of qualified employees. Contributions to the Plan are limited to .5% of compensation of employees covered under the Plan. The Company also has other defined contribution plans which, in conjunction with the Plan 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 \$1,322, \$1,213, and \$1,387 in 1995, 1994 and 1993, respectively.

11. QUARTERLY FINANCIAL DATA (UNAUDITED)

1995	QUARTERS ENDED			
	DECEMBER 31	SEPTEMBER 30	JUNE 30	MARCH 31
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
Earnings from discontinued operations.....	6,804	4,799	17,996	14,862
Net income.....	14,810	11,159	26,336	21,514
Per Share Data:				
Net income from continuing operations.....	0.26	0.21	0.27	0.22
Earnings from discontinued operations.....	0.23	0.16	0.59	0.49
Net income.....	0.49	0.37	0.86	0.71

1994	QUARTERS ENDED			
	DECEMBER 31	SEPTEMBER 30	JUNE 30	MARCH 31
Net sales and operating revenues.....	\$87,985	\$ 72,572	\$80,664	\$89,685
Operating profit.....	15,038	8,031	12,832	24,064
Net income from continuing operations.....	13,511	6,439	6,711	11,195
Earnings (loss) from discontinued operations.....	5,292	1,080	915	(3,034)
Net income.....	18,803	7,520	7,627	8,159
Per Share Data:				
Net income from continuing operations.....	0.44	0.21	0.22	0.37
Earnings (loss) from discontinued operations.....	0.18	0.04	0.03	(0.10)
Net income.....	0.62	0.25	0.25	0.27

12. SEGMENT INFORMATION

Total net sales and operating revenues represent sales to unaffiliated customers, as reported in the Company's consolidated income statement and intercompany sales which occur 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. Corporate assets are composed of cash, marketable securities and miscellaneous nonsegment assets.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

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(DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

Information by lines of business segment follows:

	1995	1994	1993
	-----	-----	-----
Net sales and operating revenues			
Transportation.....	\$ 186,941	\$ 176,074	\$ 175,095
Forestry.....	60,057	60,158	59,819
Sugar.....	57,547	54,900	49,138
Real Estate.....	30,379	39,774	28,405
	-----	-----	-----
Consolidated.....	\$ 334,924	\$ 330,906	\$ 312,457
	=====	=====	=====
Operating profit:			
Transportation.....	\$ 28,255	\$ 29,680	\$ 30,648
Forestry.....	(3,377)	4,072	8,308
Sugar.....	13,310	6,329	5,058
Real Estate.....	9,129	19,884	10,950
	-----	-----	-----
Consolidated.....	\$ 47,317	\$ 59,965	\$ 54,964
	=====	=====	=====
Assets:			
Transportation.....	\$ 407,969	\$ 424,241	\$ 390,332
Forestry.....	111,848	91,319	82,002
Sugar.....	72,647	93,685	96,925
Real Estate.....	290,013	229,449	230,343
Discontinued operations.....	296,001	299,347	294,597
Corporate.....	352,516	311,349	301,634
	-----	-----	-----
Consolidated.....	\$1,530,994	\$1,449,390	\$1,395,833
	=====	=====	=====
Capital expenditures:			
Transportation.....	\$ 28,204	\$ 25,060	\$ 22,682
Forestry.....	5,413	8,655	5,295
Sugar.....	170	3,381	2,944
Real Estate.....	45,029	28,354	37,694
	-----	-----	-----
Consolidated.....	\$ 78,816	\$ 65,450	\$ 68,615
	=====	=====	=====
Depreciation and depletion:			
Transportation.....	\$ 18,840	\$ 18,706	\$ 18,147
Forestry.....	2,307	2,184	2,207
Sugar.....	1,671	1,605	1,769
Real Estate.....	5,733	5,117	4,093
	-----	-----	-----
Consolidated.....	\$ 28,551	\$ 27,612	\$ 26,216
	=====	=====	=====

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.

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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. 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 three Superfund sites. The Company has accrued an allocated share of the total estimated cleanup costs for these three 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, liquidity or results of operations of the Company. The aggregate environmental-related accruals were \$6.2 and \$6.7 million, as of December 31, 1995 and 1994, respectively. Environmental liabilities are paid over an extended period and the timing of such payments cannot be predicted with any confidence.

ST. JOE PAPER COMPANY

SCHEDULE II (CONSOLIDATED)
VALUATION AND QUALIFYING ACCOUNTS
YEARS ENDED DECEMBER 31, 1995, 1994 AND 1993
(DOLLARS IN THOUSANDS)

RESERVES INCLUDED IN LIABILITIES	BALANCE AT BEGINNING OF YEAR	ADDITIONS CHARGED TO EXPENSE	PAYMENTS	BALANCE AT END OF YEAR
-----	-----	-----	-----	-----
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)(b)
1993				
Accrued casualty reserves.....	\$ 16,680	2,443	2,536	\$16,587(a)(b)

-
- (a) Includes \$7,322, \$9,976 and \$8,423 in current liabilities at December 31, 1995, 1994 and 1993, respectively. The remainder is included in "Accrued casualty reserves and other liabilities."
- (b) 1994 and 1993 amounts have been restated to reflect the classification of the Communications segment, the linerboard mill and container plants as discontinued operations.

ST. JOE PAPER COMPANY

SCHEDULE III (CONSOLIDATED) REAL ESTATE AND ACCUMULATED DEPRECIATION
DECEMBER 31, 1995, 1994 AND 1993
(DOLLARS IN THOUSANDS)

DESCRIPTION	ENCUMBRANCES	INITIAL COST TO COMPANY		COSTS CAPITALIZED SUBSEQUENT TO ACQUISITION	GROSS AMOUNT AT WHICH CARRIED AS OF DECEMBER 31, 1995		
		LAND	BUILDINGS & TENANT IMPROVEMENTS		LAND & LAND IMPROVEMENTS	BUILDINGS & TENANT IMPROVEMENTS	TOTAL
Duval County							
Office Buildings (6).....	\$0	\$1,153	\$6,200	\$32,513	\$ 4,972	\$ 34,894	\$39,866
Office/Showroom/Warehouses (8).. Office/Warehouse.....	0 0	1,502 0	0 0	19,555 4,753	3,930 1,074	17,127 3,679	21,057 4,753
Land w/ Infrastructure.....	0	6,593	0	6,794	13,387	0	13,387
Unimproved land & Misc Assets...	0	915	0	1,548	2,289	174	2,463
City & Residential Lots.....	0	362	5	77	362	82	444
St. Johns County							
Land w/ Infrastructure.....	0	179	0	621	800	0	800
Unimproved land.....	0	2,631	0	407	3,038	0	3,038
Flagler County							
Unimproved land.....	0	3,218	0	1,184	4,402	0	4,402
Volusia County							
Unimproved land.....	0	3,651	0	528	4,179	0	4,179
Brevard County							
Office/Showroom/Warehouse.....	0	73	0	2,184	438	1,819	2,257
Land w/ Infrastructure.....	0	3,633	0	0	3,633	0	3,633
Unimproved land.....	0	4,846	0	191	5,037	0	5,037
Indian River County							
Unimproved land.....	0	218	0	189	407	0	407
St. Lucie County							
Unimproved land.....	0	639	0	5	644	0	644
Martin County							
Unimproved land.....	0	4,671	0	2,493	7,164	0	7,164
Palm Beach County							
Office/Showroom/Warehouse.....	0	113	0	2,984	599	2,498	3,097
Rail Warehouses (2).....	0	449	0	4,164	557	4,056	4,613
Cross Docks (4).....	0	117	0	3,786	1,262	2,641	3,903
Land w/ Infrastructure.....	0	1,251	0	0	1,251	0	1,251
Unimproved land.....	0	1,596	0	9	1,605	0	1,605

DESCRIPTION	ACCUMULATED DEPRECIATION	DATE STARTED OR ACQUIRED	LIFE ON WHICH DEPRECIATION IN LATEST INCOME STATEMENT IS COMPUTED
Duval County			
Office Buildings (6).....	\$6,302	1985	3 to 40 years
Office/Showroom/Warehouses (8)..	4,069	1987	3 to 40 years
Office/Warehouse.....	280	1994	3 to 40 years
Land w/ Infrastructure.....	0	Various	
Unimproved land & Misc Assets...	457	Various	3 to 40 years
City & Residential Lots.....	5	Various	
St. Johns County			
Land w/ Infrastructure.....	0	Various	
Unimproved land.....	0	Various	
Flagler County			
Unimproved land.....	0	Various	
Volusia County			
Unimproved land.....	0	Various	
Brevard County			
Office/Showroom/Warehouse.....	424	1988	3 to 40 years
Land w/ Infrastructure.....	0	Various	
Unimproved land.....	0	Various	
Indian River County			
Unimproved land.....	0	Various	
St. Lucie County			
Unimproved land.....	0	Various	
Martin County			
Unimproved land.....	0	Various	
Palm Beach County			
Office/Showroom/Warehouse.....	754	1986	3 to 40 years
Rail Warehouses (2).....	1,144	1982	3 to 40 years
Cross Docks (4).....	890	1987	3 to 40 years
Land w/ Infrastructure.....	0	Various	
Unimproved land.....	0	Various	

ST. JOE PAPER COMPANY

SCHEDULE III (CONSOLIDATED) REAL ESTATE AND ACCUMULATED
DEPRECIATION -- (CONTINUED)
DECEMBER 31, 1995, 1994 AND 1993
(DOLLARS IN THOUSANDS)

DESCRIPTION	ENCUMBRANCES	INITIAL COST TO COMPANY		COSTS CAPITALIZED SUBSEQUENT TO ACQUISITION	GROSS AMOUNT AT WHICH CARRIED AS OF DECEMBER 31, 1995		
		LAND	BUILDINGS & TENANT IMPROVEMENTS		LAND & LAND IMPROVEMENTS	BUILDINGS & TENANT IMPROVEMENTS	TOTAL
Broward County							
Rail Warehouse.....	0	85	0	1,708	405	1,388	1,793
Unimproved land.....	0	733	0	1,848	2,581	0	2,581
Dade County							
Cross Dock.....	0	137	0	1,018	137	1,018	1,155
Double Front Load Warehouse...	0	768	0	5,735	1,449	5,054	6,503
Rail Warehouses (6).....	0	808	0	25,077	4,948	20,937	25,885
Office/Showroom/Warehouses (5).....	0	1,003	0	16,344	4,004	13,343	17,347
Office/Warehouses (4).....	0	1,462	0	13,363	2,877	11,948	14,825
Front Load Warehouses (7).....	0	1,943	0	21,888	5,439	18,392	23,831
Office/Service Center.....	0	285	0	2,191	680	1,796	2,476
Land w/ Infrastructure.....	0	2,577	0	5,915	8,492	0	8,492
Unimproved land & Misc Assets.....	0	15,725	0	11,575	26,973	327	27,300
Manatee County							
Unimproved land.....	0	14	0	87	101	0	101
Orange County							
Land w/ Infrastructure.....	0	0	0	7,626	7,626	0	7,626
Gulf County							
Unimproved land.....	0	358	0	180	538	0	538
Bay County							
Land w/ Infrastructure.....	0	1	0	29	1	29	30
Office Building.....	0	1	0	1,195	1	1,195	1,196
Unimproved land.....	0	517	0	121	524	114	638
Leon County							
Land w/ Infrastructure.....	0	603	0	30	594	39	633
Walton County							
Land w/ Infrastructure.....	0	120	0	66	186	0	186
Other Counties							
Unimproved land.....	0	229	0	3,161	3,349	41	3,390
Grand Total.....	\$0	\$65,179	\$6,205	\$ 203,142	\$131,935	\$142,591	\$274,526

DESCRIPTION	ACCUMULATED DEPRECIATION	DATE STARTED OR ACQUIRED	LIFE ON WHICH DEPRECIATION IN LATEST INCOME STATEMENT IS COMPUTED
<hr/>			
<			
Broward County			
Rail Warehouse.....	556	1986	3 to 40 years
Unimproved land.....	0	Various	
Dade County			
Cross Dock.....	235	1987	3 to 40 years
Double Front Load Warehouse...	617	1993	3 to 40 years
Rail Warehouses (6).....	2,343	1990	3 to 40 years
Office/Showroom/Warehouses (5).....	2,380	1988	3 to 40 years
Office/Warehouses (4).....	1,823	1988	3 to 40 years
Front Load Warehouses (7).....	1,687	1991	3 to 40 years
Office/Service Center.....	137	1994	3 to 40 years
Land w/ Infrastructure.....	0	Various	
Unimproved land & Misc Assets.....	1,924	Various	
Manatee County			
Unimproved land.....	0	Various	
Orange County			
Land w/ Infrastructure.....	0	1995	
Gulf County			
Unimproved land.....	24	Various	
Bay County			
Land w/ Infrastructure.....	0	Various	
Office Building.....	238	1993	3 to 40 years
Unimproved land.....	13	Various	
Leon County			
Land w/ Infrastructure.....	13	Various	
Walton County			
Land w/ Infrastructure.....	0	Various	
Other Counties			
Unimproved land.....	41	Various	
Grand Total.....	\$ 26,356		

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ST. JOE PAPER COMPANY

SCHEDULE III (CONSOLIDATED) REAL ESTATE AND ACCUMULATED
 DEPRECIATION -- (CONTINUED)
 DECEMBER 31, 1995, 1994 AND 1993
 (DOLLARS IN THOUSANDS)

Notes

(a) The aggregate cost of real estate owned at December 31, 1995 for federal income tax purposes \$163,175

	1995	1994	1993
	-----	-----	-----
(b) Reconciliation of real estate owned:			
Balance at beginning of year.....	\$249,180	\$222,498	\$192,466
Amounts capitalized.....	26,499	28,350	31,691
Amounts retired or adjusted.....	(1,153)	(1,668)	(1,659)
	-----	-----	-----
Balance at close of period.....	\$274,526	\$249,180	\$222,498
	=====	=====	=====
(c) Reconciliation of accumulated depreciation:			
Balance at beginning of year.....	\$ 20,596	\$ 15,475	\$ 11,306
Depreciation expense.....	5,760	5,145	4,169
Amounts retired or adjusted.....	0	(24)	0
	-----	-----	-----
Balance at close of period.....	\$ 26,356	\$ 20,596	\$ 15,475
	=====	=====	=====

(d) Table excludes \$43,655 of real estate costs in progress.

ST. JOE PAPER COMPANY

INDEX TO EXHIBITS
(ITEM 14(a) 3.)

S-K ITEM 601	DOCUMENTS	PAGE
(3)(i) --	Articles of Incorporation.....	*
(3)(ii) --	By-Laws.....	*
(10)(a) --	Agreement between Apalachicola and Seminole Electric Cooperative, Incorporated dated October 14, 1982.....	*
(b) --	Agreement between Talisman Sugar Corporation and Everglades Sugar Refinery dated February 11, 1986.....	**
(c) --	Stock Purchase Agreement dated as of September 1, 1995 between St. Joe Industries, Inc. and TPG Communications, Inc.....	***
(d) --	Asset Purchase Agreement dated as of November 1, 1995 by and among 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 (the "Asset Purchase Agreement").	***
(e) --	Amendments dated December 14, 1995; December 20, 1995; January 10, 1996; and January 12, 1996 to the Asset Purchase Agreement.	E-2
(21) --	Subsidiaries of St. Joe (filed herewith and attached).....	E-12
(24) --	Power of Attorney.....	E-13

- * Incorporated herein by reference to Exhibits filed in connection with St. Joe Paper Company Registration Statement on Form 10 as filed with the Securities and Exchange Commission on April 30, 1984 (File No. 1-12001).
- ** Incorporated herein by reference to Exhibits filed with the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1990.
- *** Incorporated herein by reference to Exhibits filed with the Registrant's Quarterly Report on Form 10-Q for the third quarter ended September 30, 1995.

[ST. JOE PAPER COMPANY LETTERHEAD]

December 14, 1995

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: Asset Purchase Agreement dated as of November 1, 1995, By and Between St. Joe Forest Products Company ("SJFP"), St. Joe Container Company ("SJCC") and St. Joe Paper Company ("SJPC") on the One Hand and Four M Corporation and Port St. Joe Paper Company on the Other Hand ("Asset Purchase Agreement")

Dear Messrs. Mehiel and Stone:

By letter dated December 13, 1995, addressed to Winfred L. Thornton, Russell B. Newton, Jr., and H. C. Bowen Smith, Four M Corporation requested an extension of time to provide that certain letter contemplated under Section 10.01(e)(i) of the Asset Purchase Agreement, which letter would otherwise become due on December 16, 1995. By signing below, SJFP, SJCC, and SJPC hereby agree to amend Section 10.01(e)(i) to read as follows:

"an equity commitment letter or letters no later than fifty-one (51) days after the Execution Date,"

As a result, the relevant letter(s) will now be due on Friday, December 22, 1995. No other provision, term or condition of the Asset Purchase Agreement is hereby amended, and all other provisions, terms and conditions remain in full force and effect.

Please execute below to evidence your acknowledgement and agreement to this amendment.

Sincerely yours,

ST. JOE FOREST PRODUCTS COMPANY
 ST. JOE CONTAINER COMPANY
 ST. JOE PAPER COMPANY

By: /s/ Winfred L. Thornton

 Winfred L. Thornton
 Chairman of the Board and
 Chief Executive Officer

ACKNOWLEDGED AND AGREED:

FOUR M CORPORATION

By: /s/ Dennis Mehiel

Name: Dennis Mehiel
Title: Chairman

PORT ST. JOE PAPER COMPANY

By: Box USA Paper Corporation

By: /s/ Dennis Mehiel

Name: Dennis Mehiel
Title: Chairman

cc: Mr. Leslie T. Lederer
Harvey L. Friedman, Esq.

[ST. JOE PAPER COMPANY LETTERHEAD]

December 20, 1995

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 2 to Asset Purchase Agreement dated as of November 1, 1995 By and Between St. Joe Forest Products Company ("SJFP"), St. Joe Container Company ("SJCC") and St. Joe Paper Company ("SJPC") on the One Hand and Four M Corporation and Port St. Joe Paper Company on the Other Hand ("Asset Purchase Agreement")

Dear Messrs. Mehiel and Stone:

By letter dated December 15, 1995 addressed to Winfred L. Thornton, Four M Corporation requested further extensions of time as set forth in that letter with respect to certain matters contained in Section 10.01 of the Asset Purchase Agreement. By signing below, SJFP, SJCC, and SJPC hereby agree to amend Sections 1.01, 6.24, 10.01 and 11.06 in the Asset Purchase Agreement as indicated below.

The definition of "Financing Date" in Section 1.01(a) of the Agreement is hereby amended to read as follows:

"Financing Date" shall mean January 24, 1996, provided that in the event the Audited Financial Statements for the fiscal years ended December 31, 1992, 1993 and 1994 are not delivered on the sixtieth (60th) calendar day after the Execution Date, such date shall be extended by one day for each day beyond January 19, 1996 such statements are not delivered to and including the date of delivery of the Audited Financial Statements."

Section 6.24 of the Agreement is hereby amended to add the following sentence at the end of such section as follows:

"FMC shall on December 20, 1995 wire transfer seventy five thousand dollars (\$75,000) as a good faith deposit to NationsBank and Banque Indosuez in connection with those certain term sheets to be provided pursuant to Section 10.01(e)(iii) hereof."

Sections 10.01(e) and (f) of the Agreement are hereby amended to read as follows:

"(e) by Seller or Buyer, if Buyer fails or is unable to provide Seller (i) an equity commitment letter or letters and updated equity commitment letters from FMC and SCC no later than January 10, 1996, none of which contains any conditions other than debt financing and satisfaction by the parties of the conditions to Closing set forth in Article IX of this Agreement; (ii) a highly confident letter from Bear Stearns as to the high yield debt no later than

January 15, 1996, which contains no environmental conditions and, upon the request of Seller, a reaffirmation after the Financing Date of such highly confident letter; (iii) an initialed term sheet or sheets from its bank or banks as to a term loan and revolving credit facility no later than the Financing Date, in each case satisfactory to Seller in its sole discretion; and (iv) evidence satisfactory to Seller that FMC and SCC shall have duly organized JV, subject only to capitalization thereof and shall have approved by all necessary corporate action and executed and delivered their shareholders' and any other related agreements with respect thereto no later than the Financing Date; and provided further that from and after any such failure on the part of Buyer to provide such letters to Seller when due, the applicability of Section 6.16 of this Agreement shall be terminated and be of no further force and effect; or

"(f) by Buyer no later than January 10, 1996 if an environmental audit report from an environmental consultant of national standing indicates either (i) that the mill facility of SJFP or any of the other Real Property is (x) subject to any Environmental Liabilities not identified in Sections 11.07 and 11.08 of the Disclosure Schedule and (y) subject to On-Site Environmental Liabilities which could reasonably be expected to involve aggregate remediation costs in excess of \$2,000,000, not including costs incurred pursuant to Sections 11.07 and 11.08, or (ii) that Environmental Permits identified in Disclosure Schedule 4.10(a) cannot be transferred or assigned to Buyer and that the absence of any such Environmental Permits would have a material adverse effect on the properties, business or condition of Buyer and Buyer Affiliates taken as a whole."

The first sentence of Section 11.06 of the Asset Purchase Agreement is hereby amended to read as follows:

"Buyer may desire to engage a third party environmental consulting firm for the purposes of conducting prior to January 10, 1996 an environmental audit or survey of the Real Property and the SJLD Property satisfactory to the Buyer which may include a phase 1 and phase 2 environmental audit or survey."

No other provisions, terms or conditions of the Asset Purchase Agreement are hereby amended, and all other provisions, terms and conditions remain in full force and effect.

Please execute below to evidence your acknowledgement and agreement to this amendment.

In addition, pursuant to Section 6.03(a) of the Asset Purchase Agreement, Seller (as defined therein) hereby notifies Buyer (as defined therein) of Seller's exercise of its election to require the name Port St. Joe Paper Company to be changed to eliminate the use of "St. Joe" in the company's name.

Sincerely,

ST. JOE FOREST PRODUCTS COMPANY
ST. JOE CONTAINER COMPANY
ST. JOE PAPER COMPANY

By: /s/ Winfred L. Thornton

Winfred L. Thornton
Chairman of the Board and
Chief Executive Officer

ACKNOWLEDGED AND AGREED:
FOUR M CORPORATION

By: /s/ Dennis Mehiel

Name: Dennis Mehiel
Title: Chairman

PORT ST. JOE PAPER COMPANY
By: Box USA Paper Corporation

By: /s/ Dennis Mehiel

Name: Dennis Mehiel
Title: Chairman

cc: Mr. Leslie T. Lederer
Harvey L. Friedman, Esq.

[ST. JOE PAPER COMPANY LETTERHEAD]

January 10, 1996

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

Mr. Roger W. Stone, Chairman
Stone Container Corporation
150 N. Michigan Avenue
Chicago, IL 60601-7568

Dear Messrs. Mehiel and Stone:

St. Joe Paper Company, St. Joe Forest Products Company and St. Joe Container Company agree with each of you to change the date of January 10, 1996, appearing in Section 10.01(e) of the Asset Purchase Agreement dated as of November 1, 1995, to January 12, 1996, and agree that Buyer will continue to have a right of termination pursuant to Section 10.01(f) to January 12, 1996 but only with respect to the black liquor issue which we have been discussing the last few days which Seller acknowledges constitutes a basis for Buyer's exercising its right of termination under Section 10.01(f).

Please acknowledge your agreement by signing and dating below.

Sincerely yours,

/s/ W.L. Thornton
W.L. Thornton, Chairman

ACKNOWLEDGED AND AGREED:

FOUR M CORPORATION
By: /s/ Dennis Mehiel

Name Dennis D. Mehiel
Title Chairman

PORT ST. JOE PAPER COMPANY
By: /s/ Leslie T. Lederer

Name Leslie T. Lederer
Title Vice President

cc: Mr. Leslie T. Lederer
Mr. Harvey L. Friedman

E-7

[ST. JOE PAPER COMPANY LETTERHEAD]

January 12, 1996

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

Mr. Roger W. Stone, Chairman
 Stone Container Corporation
 150 N. Michigan Avenue
 Chicago, IL 60601-7568

Re: Amendment Number 3 to Asset Purchase Agreement dated as of November 1, 1995 (the "Agreement"), by and between St. Joe Forest Products Company ("SJFP"), St. Joe Container Company ("SJCC") and St. Joe Paper Company ("SJPC"), on the one hand and Four M Corporation ("FMC") and Port St. Joe Paper Company ("JV"), on the other hand.

Dear Messrs. Mehiel and Stone:

Pursuant to our negotiations on Saturday, January 6, 1996, SJFP, SJCC and SJPC on the one hand and FMC and JV on the other hand agree to the following with respect to and in connection with the Agreement:

1. Section 1.01(a) of the Agreement is amended to add the following definitions:

"Consigned Inventory" shall mean the Inventory of completed linerboard stock identified by FMC from the list provided by Seller to FMC as provided in clause (i) below by written notice to the Seller at least two Business Days prior to the Closing, which identification shall be sufficient to track such linerboard and maintain its separate identity from other linerboard held by FMC, provided that the aggregate tonnage of all such linerboard shall not exceed the lesser of (i) the Seller's good faith estimate, delivered to FMC in writing at least five Business Days prior to the Closing Date which writing shall identify the linerboard which may be consigned in a manner sufficient to track such linerboard and maintain its separate identity, of the amount by which the aggregate tons of all such linerboard stock included in Inventory of SJFP and SJCC at the Closing Date will exceed 45,000 tons and (ii) an aggregate tonnage of linerboard having a market value not to exceed \$21,000,000 based on the most current Pulp and Paper Week Price Watch as of the Closing Date.

"Consignment Agreement" shall mean an agreement between Seller and FMC in form reasonably satisfactory to Seller which provides for the consignment of the Consigned Inventory to FMC and the use or sale of the Consigned Inventory by FMC and the purchase thereof at the rate of at least one sixth of the value of the Consigned Inventory Amount per month and the payment for the Consigned Inventory in an amount equal to the Consigned Inventory Amount.

"Consigned Inventory Amount" shall mean the value of the Consigned Inventory, which value shall be the market value of the Consigned Inventory based on the most current Pulp and Paper Week Price Watch at the time of Closing.

2. Clause (v) of Section 2.01 is amended to read as follows:

(v) the Inventories, other than the Consigned Inventory;

3. A new clause (xvii) is added to Section 2.01 as follows:

(xvii) cash, in addition to the cash required by clause (xiv), in the amount of \$10,000,000.

4. Clause (i) of Section 2.02 is amended to change the reference to "clause (xiv)" therein to "clauses (xiv) and (xvii)".

5. A new clause (xiii) is added to Section 2.02 as follows:

(xiii) the Consigned Inventory;

6. Section 3.01(b) is amended to delete the word "of" after the word "amount" and add the following:

equal to the sum of (i) the Consigned Inventory Amount and (ii)

7. Section 3.03 is amended to add the following new clause (vii) and redesignate clauses (vii) through (xi) as clauses (viii) through (xii):

(vii) the Consignment Agreement;

8. The definition of "Net Working Capital" in Section 3.05 is amended to add the following proviso at the end thereof:

, provided that Net Working Capital as of the Closing Date shall be increased by the amount of cash transferred to Buyer pursuant to clause (xvii) of Section 2.01.

9. Seller agrees that at least seven days prior to the Closing Date, Seller will change the terms for payment of intercompany accounts payable for rail freight and wood fiber to payment in no shorter a period than seven days.

10. Seller agrees that up to \$10,000,000 of the Purchase Price may be paid by a senior subordinated note from JV to Seller in the amount of \$10,000,000, bearing interest at a rate which is one half of one percent higher than the per annum rate of interest on the senior secured notes issued by JV in connection with the Closing and which shall be payable in a single installment on the 11th anniversary date thereof, will provide for quarterly payment of interest but will permit interest to be added to the principal of the note on each interest payment date, will contain covenants and default provisions similar to the senior secured note, including the furnishing of quarterly financial information, the right of inspection and to receive information pertaining to the business on request and will contain negative covenants prohibiting the JV from incurring senior debt other than the senior secured notes issued by the JV in connection with the Closing, and prohibiting the JV from granting any additional security interests in fixed assets acquired from the Seller. In addition, the JV will agree that if it refinances the senior secured notes, the maximum amount of debt which will be secured by the collateral securing the senior secured notes after giving effect to such refinancing will not exceed the principal amount of the senior secured notes that is refinanced, plus any applicable fees charged in connection with such refinancing.

11. The real property along the west side of the state drainage ditch which shall be more particularly described on Exhibit A which shall be attached to this third amendment shall not be conveyed to Buyer and Buyer shall grant easements as identified on such Exhibit A across the property conveyed to Buyer so that Seller will have access to the property described on Exhibit A.

12. Section 11.08 of the Agreement is amended to add the following subparagraph (b):

(b) Subject to the cost sharing set forth in the next sentence, SJFP shall reimburse JV for up to \$1,000,000 of the expenses incurred to remediate suspected black liquor spills in the vicinity of the No. 7 Recovery Boiler if that remedial work is required under Environmental Laws (the "Black Liquor Matter"), provided that (i) JV shall present a reasonable description of the work to be performed prior to undertaking the work, (ii) JV shall provide to SJFP all invoices for which reimbursement is sought within 60 days of incurring the related expense, and (iii) JV shall provide all other reasonable information requested by SJFP to (w) permit a determination that the work performed was directly related to and required for completion of work on the Black Liquor Matter, (x) permit a determination that the costs incurred were reasonable, (y) permit a determination that the work was reasonably required to comply with all Environmental Laws, or otherwise required to comply with any directive from a governmental entity and (z) permit a determination that the work was performed in accordance with all Environmental Laws. Seller and Buyer agree that SJFP shall be responsible for the first \$200,000 of such expenses, Buyer shall be responsible for the next \$300,000, SJFP shall be responsible for the next \$300,000, Buyer shall be responsible for the next \$300,000, SJFP shall be responsible for the next \$500,000, the Buyer

shall be responsible for the next \$500,000 of expenses and any remaining expenses shall be treated as On-Site Environmental Liabilities under Section 11.05(a). If SJFP and JV are unable to agree on whether the costs incurred were reasonable, or whether the work was done in compliance with all Environmental Laws, either party may on ten (10) days' written notice refer the matter to arbitration as specified on Exhibit I.

13. Except as provided in the following sentence, Seller shall retain and not transfer the 443 acres real property adjacent to the fresh water canal which shall be more particularly described on Exhibit B which shall be attached to this third amendment. The Seller will transfer approximately 60 acres being all land from the center line of the canal to a point 200 feet west of the center line to the JV and Buyer and Seller shall mutually agree on a 75 acre tract which shall be transferred to Buyer as a site for a clarifier. In addition, Seller shall deed to the JV, without further consideration, non wetlands land located within two miles of such canal which is chosen by Seller and approved by JV on which JV may deposit dredged material of the same nature and amount as is currently being dredged from such canal for the purpose of maintaining the canal in its current condition. Dredging and disposal operations will be the responsibility of the JV as will transporting the dredged material to the disposal site. Seller will grant to the JV an easement to move the dredged material to the disposal site and an easement to the nearest public road. Buyer shall have the right to construct a pipeline and obtain necessary permits to transport the material to the disposal site prior to the Closing. The Seller shall have the option to reacquire such land for one dollar (\$1) two years after the Closing Date. Buyer acknowledges that the foregoing relieves Seller of all obligations under Section 6.12(b) of the Agreement.

14. Seller will transfer to the JV for no additional consideration the 100 acres of real property from that portion of the Highland View area on which the City of Port St. Joe currently has a permit to dispose of its sludge which property shall be more particularly described on Exhibit C which shall be attached to this third amendment and will give to the JV an option, at a price of \$1,500 per acre, to purchase at any time prior to December 31, 2002, all or any portion of the remaining approximately 1,500 acres that are contiguous to the 100 acres described on Exhibit C, are part of the Highland View area and shall be more particularly described on Exhibit D which shall be attached to this third amendment. Seller will enter into a lease agreement through 2002 with the City of Port St. Joe covering any part of the 1,500 acres not purchased by the JV similar to the current lease agreement to allow disposal of sludge if so requested by the City of Port St. Joe. The JV shall give easements to the Seller over all of the woodland roads on all such real property transferred to the JV.

15. Seller and the City of Port St. Joe will execute the lease which has already been negotiated to allow the City of Port St. Joe to conduct spreading operations on the real property on which such spreading now occurs through 2002. Seller will grant the JV a first right of refusal in the event the Seller desires to sell the land subject to such lease prior to the termination of the lease and will grant the JV an option, which must be exercised within the first 30 days after the term of such lease, to purchase the land subject to the lease at its then fair market value. The JV shall have the right to assign to the City of Port St. Joe, but to no other person, the first right of refusal and the option.

16. Seller and Buyer agree that Section 8 of the Wood Fiber Supply Agreement attached as Exhibit E to the Agreement shall be 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 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 four 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.

17. Seller agrees to extend the time for delivery of the equity commitment letters and the highly confident letters to 8:00 a.m., Eastern Standard Time, January 16, 1996.

No other provisions, terms or conditions of the Agreement are hereby amended and all other provisions, terms and conditions remain in full force and effect.

In respect to issues relating to Real Estate contained in Exhibit C and Exhibit D, Buyers have the right to approve the designation of such Real Estate.

Please execute below to evidence your acknowledgement of and agreement to this amendment.

Very truly yours,

ST. JOE PAPER COMPANY
ST. JOE FOREST PRODUCTS COMPANY
ST. JOE CONTAINER COMPANY

By: /s/ W. L. Thornton

Name: W. L. Thornton
Title: Chairman

Acknowledged and Agreed to this
January 12, 1996:

FOUR M CORPORATION
By: /s/ Dennis Mehiel

Name: Dennis D. Mehiel
Title: Chairman

PORT ST. JOE PAPER COMPANY
By: /s/ Leslie T. Lederer

Name: Leslie T. Lederer
Title: Vice President

cc: Mr. Leslie T. Lederer
Mr. Harvey L. Friedman
Mr. Michael W. Conlon

EXHIBIT 21
ST. JOE PAPER COMPANY
SUBSIDIARIES AT DECEMBER 31, 1995

ST. JOE INDUSTRIES, INC.

Florida East Coast Industries, Inc.
Jacksonville Properties, Inc.

FOREST PRODUCTS

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

RAILROAD

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

SUGAR

Talisman Sugar Corporation

COMMUNICATIONS

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

REAL ESTATE

St. Joe Utilities Company
Gran Central Corporation
Dade County Land Holding Company, Inc.

All companies are incorporated in the State of Florida, except for The Florala Telephone Company, Incorporated, which is incorporated in the State of Alabama.
209764

EXHIBIT 24

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned Directors of St. Joe Paper Company, a Florida corporation ("Corporation"), which is about to file with the Securities and Exchange Commission, Washington, D.C. 20549, under the provisions of the Securities Exchange Act of 1934, as amended, an Annual Report on Form 10-K for the fiscal year ended December 31, 1995, hereby constitutes and appoints Winfred L. Thornton and J. Malcolm Jones, Jr., as his true and lawful attorneys-in-fact and agent, and each of them with full power to act, without the other in his stead, in any and all capacities, to sign the 1995 Annual Report of St. Joe Paper Company on Form 10-K and to file on behalf of the Corporation such Annual Report and amendments with all exhibits thereto, and any and all other information and documents in connection therewith, with the Securities and Exchange Commission, hereby granting unto said attorneys-in-fact and agent, and each of them, full power and authority to do and perform any and all acts and things requisite and ratifying and confirming all that each said attorneys-in-fact and agent or any one of them, may lawfully do or cause to be done by virtue hereof.

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

/s/ W. L. THORNTON

/s/ J. J. QUINDLEN

Winfred L. Thornton
Chairman of the Board and
Chief Executive Officer

John J. Quindlen
Director

/s/ ROBERT E. NEDLEY

/s/ WALTER L. REVELL

Robert E. Nedley
President, Chief Operating
Officer and Director

Walter L. Revell
Director

/s/ J. C. BELIN

/s/ FRANK S. SHAW, JR.

Jacob C. Belin
Director

Frank S. Shaw, Jr.
Director

/s/ H. L. BRAININ

/s/ JOHN D. UIBLE

Howard L. Brainin
Vice President and Director

John D. Uible
Director

/s/ RICHARD H. DENT

/s/ CARL F. ZELLERS, JR.

Richard H. Dent
Director

Carl F. Zellers, Jr.
Director

/s/ RUSSELL B. NEWTON, JR.

Russell B. Newton, Jr.
Director

E-13

DATED: February 13, 1996

YEAR	
	DEC-31-1995
	JAN-01-1995
	DEC-31-1995
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	96,923,514
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	2.42