

March 24, 1995

TO THE HOLDERS OF COMMON STOCK OF  
ST. JOE PAPER COMPANY

NOTICE OF ANNUAL MEETING

The Annual Meeting of Shareholders of St. Joe Paper Company will be held on Tuesday, May 9, 1995 at 10:30 A. M. Eastern Daylight Savings Time, in the Admiralty Room, Marina Hotel and Convention Center at St. Johns Place. 1515 Prudential Drive, Jacksonville, Florida. The meeting will be held to consider and act upon the following matters, namely:

1. To elect a Board of eleven directors for the ensuing year and until their successors are duly elected and qualified.
2. To transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof.

Shareholders of record at the close of business on March 24, 1995 are entitled to notice of and to vote at the Annual Meeting.

All shareholders are cordially invited and urged to attend the meeting in person. The holders of a majority of the outstanding shares entitled to vote at the Meeting, present in person or by proxy, shall constitute a quorum.

This notice and the accompanying proxy material contains important information regarding the Company and matters to be acted upon at the Annual Meeting.

BY ORDER OF THE BOARD OF DIRECTORS

RONALD A. ANDERSON  
CORPORATE SECRETARY

IT IS IMPORTANT THAT YOUR SHARES BE REPRESENTED AT THE MEETING, WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, PLEASE RETURN THE PROXY IN THE ENCLOSED ENVELOPE PROMPTLY.

ST. JOE PAPER COMPANY  
P. O. BOX 1380  
JACKSONVILLE, FLORIDA 32201  
PROXY STATEMENT

This Proxy Statement is being mailed by order of the Board of Directors of St. Joe Paper Company, a Florida Corporation, ("St. Joe" or the "Company") to all shareholders as of March 24, 1995 in connection with the 1995 Annual Meeting of Shareholders to be held May 9, 1995 and any adjournment or adjournments thereof.

St. Joe's address is Suite 400, duPont Center, 1650 Prudential Drive, Jacksonville, Florida 32207, and the telephone number is (904) 396-6600.

A copy of St. Joe's 1994 Annual Report containing financial data and a summary of operations for 1994 is being mailed to the Company's shareholders with this Proxy Statement. Copies of St. Joe's 1994 Form 10-K are available to shareholders without charge upon written request to St. Joe, Attention: Ronald A. Anderson, Corporate Secretary, P. O. Box 1380, Jacksonville, Florida 32201.

SOLICITATION AND VOTING AT THE MEETING

The enclosed proxy is being solicited by the Company for use in connection with the Annual Meeting of St. Joe shareholders to be held May 9, 1995.

The expenses of preparing, assembling, and mailing the proxy material and of reimbursing brokers, nominees, and fiduciaries for the out-of-pocket and clerical expenses of transmitting copies of the proxy material to the beneficial owners of shares held of record by such persons will be borne by the Company.

The securities entitled to be voted at the meeting are the issued and outstanding shares of common stock of St. Joe. Only shareholders of record at the close of business on March 24, 1995 will be entitled to vote at the meeting. As of March 24, 1995 there were 30,498,650 issued and outstanding shares of common stock, no par value. Each share is entitled to one vote at the meeting. Cumulative voting is not authorized.

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A proxy may be revoked by a shareholder at any time prior to its being voted by written notice to the Corporate Secretary of St. Joe or by attendance and voting in person at the Annual Meeting. If a proxy is properly signed and is not revoked by the shareholder, the shares it represents will be voted at the meeting in accordance with the instructions of the shareholder.

Proxies will be voted as directed. If no direction is made, it will be voted in favor of the election of the nominees as directors.

A quorum at the Annual Meeting consists of a majority of the common stock represented in person or by proxy. The vote of a majority of such quorum is required to decide any question that may come before the meeting.

ELECTION OF DIRECTORS

St. Joe's By-laws provide that the shareholders shall annually fix the number of directors to serve, which number shall not be less than nine nor more than fifteen. Between Annual Meetings, the Board may fill such vacancies as they occur. As of March 24, 1995, there were eleven directors serving on the Board. The Board of Directors is recommending to the shareholders that they fix the number of directors to be elected at the May 9, 1995 Annual Meeting to serve for the ensuing year at eleven. Each shareholder is entitled to as many votes for each director as equals the number of his shares. Directors will be elected by majority vote of the votes cast.

The eleven persons named below are the nominees for election as directors. The enclosed proxy will be voted for the election of these directors unless otherwise indicated by the shareholder. Eight of the nominees listed below are now members of the Board of Directors and are standing for reelection. Three members of the current Board of Directors are not standing for reelection, they are Messrs. E. C. Brownlie, E. T. Ford and S. D. Fraser. Mr. Brownlie has served as a director since 1982; Mr. Ford since 1989; and Mr. Fraser since 1982. Messrs. J. F. Quindlen, Mr. F. S. Shaw, Jr. and Mr. C. F. Zellers have not previously been directors of the Company. The Company knows of no reason why any nominee for director, as named below, would be unable to serve but, should any nominee become unavailable for election for any reason, the persons named in the proxy shall have the right to use their discretion to vote for a substitute.

On the following pages there is information concerning the eleven nominees for director stating, among other things, their name, age, position and offices held with the Company, and a brief description of their business experience.

JACOB C. BELIN  
Chairman of the Executive Committee

Director since 1953  
Age 80

Mr. Belin has been an officer of St. Joe since 1952, was President from 1968 to 1984 and Chairman of the Board and Chief Executive Officer (CEO) from 1982 to June, 1991. He is an officer and/or director of several of the subsidiaries of St. Joe, including Florida East Coast Industries, Inc. ("FECI"), a majority owned subsidiary of the Company. Mr. Belin also serves as a Trustee of the Alfred I. duPont Testamentary Trust (the "Trust"). See "Stock Ownership of Certain Beneficial Owners".

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HOWARD L. BRAININ  
Vice President

Director since 1992  
Age 65

Mr. Brainin was elected a Vice President of the Company in June, 1992. Mr. Brainin had been a Regional Vice President of St. Joe Container Company since 1982 and was elected President on April 1, 1992.

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RICHARD H. DENT

Director since 1994  
Age 66

Mr. Dent was a Vice President, First Investors Management Co. from 1967 to 1976, Vice President, Manufacturers Hanover Trust Co. from 1977 to 1981 and since that time to the present has been President, Dent Capital Management, located in Greenwich, Connecticut.

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ROBERT E. NEDLEY  
President and Chief Operating Officer

Director since 1989  
Age 56

Mr. Nedley was a Vice President of the Company from 1982 to June, 1991. Mr. Nedley became President and Chief Operating Officer of the Company in June, 1991. He also is a member of the Executive and Pension Committees and serves as an officer and/or director of most of the subsidiaries of St. Joe.

RUSSELL B. NEWTON, JR.

Director since 1994  
Age 70

Mr. Newton in his early employment years was with Booz Allen & Hamilton, management consultants and President of Southern Stores, Inc. In 1968 he became President of Charter Oil Company and held that position until 1975 when he became principal owner and Chairman of Kern County Refinery, Inc. Since selling his interest in Kern County Refinery, Inc. in 1981, Mr. Newton has been an investor in oil marketing, shipping, public utilities, construction, direct mail solicitation and cable T.V. Mr. Newton is Chairman of RBN Company which is involved in investment portfolio management. Mr. Newton is also a director of East Coast Oil Company and Alliance Mortgage Company.

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JOHN J. QUINDLEN

Director Nominee  
Age 62

Mr. Quindlen retired as Senior Vice President and Chief Financial Officer of E. I. duPont de Nemours & Co. in 1993. Except for three years he served in the U. S. Navy as a Supply Officer, Mr. Quindlen worked for duPont since 1954 until his retirement, beginning in the Accounting Division of the Treasurer's Department and advancing through various positions within the finance and accounting departments of the Company until reaching the position at which he retired. Mr. Quindlen is a trustee of the Rodney Square Funds, the Kiewit Mutual Fund, and the Henry Francis duPont Winterthur Museum. He is a director of Atlantic Aviation Corporation, a director of the Medical Center of Delaware, Inc., and a member of the Finance Council of the Archdiocese of Philadelphia.

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WALTER L. REVELL

Director since 1994  
Age 60

Mr. Revell was Secretary of Transportation for the State of Florida from 1972 to 1975 and then was President, CEO and Director of Post, Buckley, Schuh & Jerrigan, Inc. to 1983. Mr. Revell is presently Chairman of the Board and CEO of H. J. Ross Associates, Inc. a consulting engineering, architectural and planning firm in Coral Gables, Florida. He is also Chairman of the Board and CEO of Revell Investments International, Inc.; and Chairman of the Board of

Riscorp Insurance Co. Mr. Revell is also a director of Spillis Candela & Partners, Inc.; Kloster Cruise, Ltd., Dycom Industries, Inc. and Hotelcopy, Inc. and General Partner of Craft Farms.

FRANK S. SHAW, JR.

Director Nominee  
Age 64

Mr. Shaw is President of Shaw Securities, Inc., a financial services company, and of Cherry Bluff, a North Florida development firm based in Tallahassee, Florida. He is also the former President and owner of Tallahassee Ford. Mr. Shaw is a director of Farmer & Merchant Bank; Regional Financial Corporation and is Chairman of the Board of the Tallahasseean, a weekly newspaper. Mr. Shaw serves on the Board of Directors of The Southern Scholarship Foundation, Maclay School Foundation, Leon County Library Foundation and the James Madison Institute.

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WINFRED L. THORNTON  
Chairman of the Board and  
Chief Executive Officer

Director since 1968  
Age 66

Mr. Thornton was President and Chief Operating Officer of St. Joe from 1984 to June, 1991 at which time he became Chairman of the Board and CEO. He also is a member of the Executive and Pension Committees and serves as an officer and/or director of each of the subsidiaries of St. Joe and has been Chairman and President of FECI since it was incorporated in 1983. Mr. Thornton also serves as a trustee of the Trust. See "Stock Ownership of Certain Beneficial Owners".

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JOHN D. UIBLE

Director since 1994  
Age 59

Mr. Uible was employed by The Charter Company during the years 1958 to 1976 and held a number of top financial positions. In 1976 he became Chairman of the Board and CEO of Jacksonville National Bank and held that position until the bank was merged into Florida National Banks of Florida. Mr. Uible was Chairman of the Board and CEO of Florida National Banks of Florida from 1982 to 1990 when it was acquired by First Union Corporation, Charlotte, North Carolina. Since 1990 Mr. Uible has been an investor and Director of First Union Corporation.

Mr. Zellers is a Vice President and director of Florida East Coast Industries and President and director of Florida East Coast Railway Company and Grand Central Corporation. He is also a director of St. Joe Industries, Inc.

THE BOARD OF DIRECTORS AND ITS  
COMMITTEES

The business and affairs of St. Joe are managed under the direction of the Board of Directors. The Board holds one regular meeting following the Annual Shareholders' Meeting and three scheduled quarterly meetings. All other meetings are at the call of the Chairman. During 1994 the Board held four meetings, one annual and three quarterly. All directors attended at least 75% of the meetings of the Board of Directors and committees during 1994. The Board has the authority to appoint committees it feels are appropriate. Under that authority, the Board has four standing committees; the Audit, Compensation, Executive and Pension Committees and one temporary committee; the Special Committee Appointed by the Board of Directors of St. Joe Paper Company to Consider Recommendations from the Trustees (the "Special Committee").

The Audit Committee includes W. L. Revell, Chairman, R. B. Newton, Jr., and J. D. Uible. The Audit Committee recommends to the Board the independent auditors to be engaged by the Company, reviews the engagement including the remuneration to be paid and reviews with the Company's auditors, on a continuing basis, the plan, scope and results of the Company's audit and such other matters as may be delegated by the Board. The Audit Committee met twice in 1994.

The Compensation Committee includes J. D. Uible, Chairman, R. H. Dent and R. B. Newton, Jr. The Compensation Committee is responsible for assuring that the Chief Executive Officer and other executive officers of the Company are compensated effectively and in a manner consistent with the stated compensation strategy of the Company and the requirements of the appropriate regulatory bodies. The Compensation Committee met twice during 1994.

The Executive Committee includes J. C. Belin, Chairman, E. C. Brownlie, S. D. Fraser, R. E. Nedley and W. L. Thornton. The Executive Committee, under the Company's By-laws has the authority to act for and on the behalf of the Board of Directors at any time between meetings of the Board, except as limited by Florida law. The Executive Committee met 12 times during 1994.

The Pension Committee includes E. C. Brownlie, R. E. Nedley and W. L. Thornton. The Plan Administrator, S. D. Fraser, under the provisions of the Plan serves as Chairman of the Pension Committee. The Pension Committee has the responsibility to supervise the operations and administration of the Salaried Employees' Pension Trust. The Pension Committee met once during 1994 at which all members were present.

The Special Committee includes R. B. Newton, Jr., Chairman, R. H. Dent, W. L. Revell and J. D. Uible. This Committee was appointed at the February 28, 1995 Quarterly Meeting of the Board of Directors as a result of a request made by the majority shareholder, the Alfred I. duPont Testamentary Trust, that the directors of the Company consider a recommendation to sell certain assets of the Company; namely the linerboard mill, corrugated container plants, the communications segment and the sugar segment.

St. Joe has no Nominating Committee of the Board of Directors.

#### COMPENSATION OF DIRECTORS

The Board of Directors has the authority to fix the compensation of directors of the Company. Directors who are not officers of the Company receive a quarterly retainer of \$1,000, plus \$ 600 for each Board meeting attended and a \$ 400 fee for attendance at Audit, Compensation and Special Committee meetings. Employee directors receive \$ 200 for each Board of Directors meeting attended. Directors are also entitled to reimbursement for travel, lodging and other expenses incurred in attending such meetings.

#### EXECUTIVE COMPENSATION

The following table sets forth the annual compensation for the Company's Chief Executive Officer, and the two highest paid executive officers, as well as, the total compensation paid to each individual listed for the Company's latest three fiscal years ended December 31, 1994.

SUMMARY COMPENSATION TABLE (1)

| Name and Principal Position       | Year | Salary \$ (2) | All Other Compensation \$ (3) |
|-----------------------------------|------|---------------|-------------------------------|
| W. L. Thornton                    | 1994 | 162,200       | 3,661                         |
| Chairman of the Board and CEO (4) | 1993 | 157,750       | 3,623                         |
|                                   | 1992 | 152,300       | 2,782                         |

|                    |      |         |       |
|--------------------|------|---------|-------|
| R. E. Nedley       | 1994 | 136,200 | 1,652 |
| President and CEO  | 1993 | 132,450 | 1,632 |
|                    | 1992 | 127,725 | 985   |
| H. L. Brainin      | 1994 | 123,475 | 3,055 |
| President, St. Joe | 1993 | 120,100 | 2,961 |
| Container Company  | 1992 | 115,600 | 2,325 |

(1) Includes all executive officers with total annual compensation in excess of \$100,000. The table does not include an "Other Annual Compensation" column as no executive officer received an aggregate amount of these items in excess of either \$ 50,000 or 10% of total annual salary. The Company paid no bonuses or had any stock award or option program.

(2) Includes base salary and directors' fees received from the Company and any subsidiary of the Company.

(3) Includes contributions made by the Company to the Deferred Compensation Plan - 401(k) and the ESOP during 1994 as follows:

|                |          |         |        |         |
|----------------|----------|---------|--------|---------|
| W. L. Thornton | - 401(k) | \$2,911 | - ESOP | - \$750 |
| R. E. Nedley   | - 401(k) | \$ 975  | - ESOP | - \$677 |
| H. L. Brainin  | - 401(k) | \$2,441 | - ESOP | - \$614 |

(4) Under an arrangement approved by the Board of Directors of both St. Joe and FECI, Mr. Thornton's salary and expenses are paid by St. Joe, with FECI reimbursing St. Joe for 20% of his salary and expenses common to both companies, as compensation as CEO and President of FECI. Expenses incurred for the exclusive benefit of either the Company or FECI are borne 100% by the benefited company. The salary shown in this table represents 100% of Mr. Thornton's salary.

#### EMPLOYEE BENEFIT PLANS

The Company maintains an employee stock ownership plan, a defined benefit pension plan, and a deferred compensation plan covering substantially all salaried employees of the Company and its participating subsidiaries. Such plans as described in detail below, do not discriminate in favor of directors or executive officers in the nature or level of benefits provided to participants.

ESOP The Company maintains an employee stock ownership plan (the "ESOP") which covers all salaried employees of the Company and its participating subsidiaries who have attained age 20 years, 6 months of age and completed 18 months of service. The Company contributes to the ESOP an amount equal to 1/2 of 1% of the aggregate annual compensation paid to participants during the year, subject to a maximum amount of compensation that may be considered under



the ESOP of \$150,000 per employee for the 1994 plan year. This maximum will be adjusted for future plan years in accordance with Section 401(a)(17)(B) of the Internal Revenue Service Code. Contributions to the ESOP made by the Company are primarily used to purchase Company common stock which is then allocated to the individual accounts of the participants in the same ratio as each participant's compensation bears to the total compensation of all participants for the plan year. Each participant becomes 100% vested in his account upon the effective date of his participation in the ESOP. The normal retirement date under the plan is age 65, however, a participant may elect to early retire upon reaching age 55 and 15 years of service. Distributions may also be made upon termination of employment, death of the participant, disability of the participant or the participant's attainment of age 59 1/2. Under the ESOP, Messrs. Brainin, Fraser and Thornton are eligible to elect late retirement and would be entitled to receive 736, 585 and 109 shares respectively. Messrs. Brownlie, Ford and Nedley are eligible to elect early retirement at any date and would be entitled to receive 475, 370 and 514 respectively, if such retirement date were March 15, 1995. In 1994, the Company contributed \$5,416 to the ESOP on behalf of eleven executive officers as a group, and the amounts set forth in footnote (3) in the Summary Compensation Table were allocated to the executive officers shown in that table.

**Pension Plan** The Company maintains a defined benefit pension plan (the "Pension Plan") which covers all salaried employees of the Company and its participating subsidiaries who have attained age 21 and completed one year of service. Upon reaching normal retirement age of 65, each salaried employee with at least five years of service will be eligible to receive annual retirement benefits based on the "50% Joint and Survivors" form of payment (normal form) equal to the product 1.5% of his or her "Final Average Earnings" multiplied by the number of complete years and any monthly fraction thereof. These benefits are not reduced for Social Security or other benefits received by the participant. A participant may elect to receive actuarially equivalent benefits payable through the "life only", "five or ten year certain and continuous" or the "66 2/3%, 75% or 100% joint and survivor" annuity options, or any other form of payment permitted by law and agreed to by the Pension Committee. "Final Average Earnings" is defined as the greater of the participant's average annual earnings over the 60 or 120 month period immediately preceding the participant's retirement, termination, disability or death. Earnings used in the aforementioned calculation are substantially the same as those disclosed in the Summary Compensation Table on page 7. Employees who have reached age 55 with 15 years of credited service may elect to receive retirement benefits for life as set forth above, reduced by 1/2 of 1% for each month by which the early retirement date precedes the normal retirement date.

The following table shows estimated annual benefits payable under the Pension Plan upon retirement to participants using specified average annual earnings and years of service assuming the normal form of payout is selected.

| Final Annual Earnings | Years of Service |        |        |        |        |
|-----------------------|------------------|--------|--------|--------|--------|
|                       | 15               | 20     | 25     | 30     | 35     |
| \$ 50,000             | 11,150           | 15,000 | 18,750 | 22,500 | 26,250 |
| 75,000                | 16,875           | 22,500 | 28,125 | 33,750 | 39,375 |
| 100,000               | 22,500           | 30,000 | 37,500 | 45,000 | 52,500 |
| 125,000               | 28,125           | 37,500 | 46,875 | 56,250 | 65,625 |
| 150,000               | 33,000           | 45,000 | 56,250 | 67,500 | 78,750 |

The years of credited service for retirement purposes as of December 31, 1994 for the individuals listed in the Summary Compensation Table are 10.5 for W. L. Thornton; 33 for R. E. Nedley and 36.5 for H. L. Brainin.

**Deferred Compensation Plan** The Company maintains a deferred compensation plan (the "401(k)") which covers all salaried employees of the Company and its participating subsidiaries who elect to have their salary reduced by up to 6% and have that money contributed into the 401(k) and invested as directed by the participant. The five accounts available are three mutual funds and common stock of either the Company or FEIC. The Company matches the employee contribution \$1.00 for \$1.00 for the first \$500; \$0.75 per \$1.00 for the next \$300; \$0.50 for the next \$300; and \$0.25 per \$1.00 for the excess of \$1,100 up to the maximum allowed contribution of 6%. Under certain conditions the 401(k) plan allows a participant to borrow from the fund. The funds are normally paid out in a lump sum in the case of death, termination, disability, retirement or after attainment of age 59 1/2. In 1994 the Company contributed to the 401(k) plan \$16,667 for the eleven executive officers of the Company.

COMPENSATION COMMITTEE REPORT  
ON  
EXECUTIVE COMPENSATION

The philosophy of the ownership and investors in the Company has historically been to reinvest a major portion of its earnings and cash flow back into the Company, looking toward share appreciation and growth in long-term value. The philosophy continues and is the current goal of the Company. In light of this policy, short-term earnings and stock values may not accurately reflect the real and long-term results of the executive management of the Company. Therefore, the Chief Executive Officer, based upon his personal assessment, recommends salary increases to the Compensation Committee as it pertains to the Executive Officers.

The Compensation Committee members of the Board of Directors, who are all independent non-employee directors and have no interlocking relationships as defined by the Securities and Exchange Commission, were chosen because of their business backgrounds and to ensure that the interests of the shareholders

are being served as it relates to all matters of executive compensation. The Committee reviews the recommendations of the CEO and either approves these recommendations or makes adjustments based upon their judgment of what is the appropriate level of compensation.

As pertaining to the salary adjustment made in 1995, the Committee reviewed the CEO's recommendation and concluded that, based on the much improved performance of the Company overall, the base salary of the CEO and other Executive Officers of the Company should be adjusted to base salaries more nearly equal to the responsibilities of the positions and more competitive with comparable companies. As a result of this decision by the Committee, Mr. Thornton's base salary was increased by 12.8% for 1995. Comparable increases in base salaries were approved for the other two Executive Officers listed on the Summary Compensation Table.

The Company's CEO, Mr. W. L. Thornton, is also the CEO of FECI and is employed under an arrangement approved by both Boards, as stated in Note 4 of the Summary Compensation Table on page 8 of this Proxy Statement, whereby FECI reimburses the Company for 20% of Mr. Thornton's base salary. In addition, effective January 1, 1995, the Board of Directors of FECI approved a Performance Award program for the Executive Officers of FECI, including the CEO. Under this program, Mr. Thornton and each of the other Executive Officers is assigned a target Award Opportunity equal to the individual's level of responsibility. In the case of the CEO this target is 35%. Award levels vary depending on the degree of achievement relative to specific company and individual performance objectives and can range from 0% to 100% of target levels. In the case of the CEO, only that portion of his base salary reimbursable by FECI is considered in determining his performance award.

The Compensation Committee of the Company had considered a similar Performance Award program for the Executive Officers of the Company, however, implementation of such a program was deferred until the Special Committee has completed its assigned tasks relating to the recommendation of the major shareholder to sell certain assets of the Company.

The Compensation Committee recognizes the need to monitor the Company's executive strategy to ensure that management members are rewarded appropriately for their contributions, and that the strategy supports organization objectives and shareholder interests. Program changes will be considered if and when deemed appropriate within the context of these objectives and interests.

Submitted by the Compensation Committee

J. D. Uible, Chairman  
R. H. Dent  
R. B. Newton, Jr.

PERFORMANCE GRAPH

The following performance graph compares the Company's cumulative shareholder returns for the period March 22, 1990, the date of listing of the Company's common stock on the New York Stock Exchange, through December 31, 1994 assuming \$100 invested at March 22, 1990 in the Company's common stock, in the Russell 1000 Index and in the peer group composite index. The peer group composite index used is the Value Line Paper and Forest Products Industry Group consisting of twenty eight companies as listed in the Value Line Industry Review.

| Name               | 1989   | 1990   | 1991   | 1992   | 1993   | 1994   |
|--------------------|--------|--------|--------|--------|--------|--------|
| SJP                | 100.00 | 60.93  | 66.83  | 84.12  | 112.94 | 121.45 |
| Russell 1000 Index | 100.00 | 101.57 | 135.11 | 147.32 | 162.27 | 152.20 |
| Paper/Forest Prod  | 100.00 | 92.29  | 119.61 | 131.70 | 150.05 | 156.45 |

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

| Name and Address   | Number of Shares | Class (1) | Percent of |
|--|------------------|-----------|------------|
| Alfred I. duPont<br>Testamentary Trust (2) (3)<br>P. O. Box 1380<br>Jacksonville, Florida 32201              | 21,291,900       |           | 69.8       |
| State Farm Mutual Automobile<br>Insurance Company (4)<br>One State Farm Plaza<br>Bloomington, Illinois 61710 | 1,752,200        |           | 5.7        |

(1) All percentages are rounded to the nearest tenth of one percent.

(2) The Trust owns 20,861,987 shares in its name and The Nemours

Foundation own 429,913 in its name. The Trustees constitute the entire Board of Directors of The Nemours Foundation and ,therefore, have sole voting and sole dispositive power over these shares.

- (3) Under the provisions of the Will creating the Trust, the Trustees of the Trust having the power to vote the shares of stock specified above are J. C. Belin, Alfred duPont Dent, Herbert Peyton, John Porter, W. T. Thompson, III, W. L. Thornton and Nationsbank of Florida, a subsidiary of Nationsbank Corporation. A majority of the Trustees have the right to vote all the stock of the Company owned by the Trust. Under the beneficial ownership rules of the Securities Exchange Commission Act of 1934, as amended, the Trustees are each deemed to be the beneficial owners of the shares of stock owned directly by the Trust. In addition to the Trust, Nationsbank Corporation and its subsidiaries have sole voting power of 7,100 shares and sole dispositive power of 4,000 shares of the Company's stock, but deny beneficial ownership of these shares.
- (4) State Farm Mutual Automobile Insurance Company owns 775,000 shares or 2.5% of the Company's stock and State Farm Employees Retirement Trust owns 977,200 shares or 3.4%. The Board of Directors of State Farm Automobile Insurance Company and the Trustees of State Farm Employees Retirement Trust have sole voting and sole dispositive power over the shares each owns.

SECURITY OWNERSHIP OF DIRECTORS  
AND EXECUTIVE OFFICERS

The following table and notes thereto sets forth beneficial ownership of common stock of the Company by each director, director nominee and Executive Officer listed in the Summary Compensation Table and by all directors and officers of St. Joe as a group as of March 15, 1995.

| Name              | Sole Voting/<br>Dispositive Power | Shared Voting/<br>Dispositive Power | Percent of<br>Class (1) |
|-------------------|-----------------------------------|-------------------------------------|-------------------------|
| J. C. Belin       | 8,750                             | 21,291,900 (2)                      | 69.8                    |
| H. L. Brainin     | 1,295                             | -                                   | *                       |
| E. C. Brownlie    | 142                               | -                                   | *                       |
| E. T. Ford        | 176                               | -                                   | *                       |
| S. D. Fraser      | 79,463 (3)                        | -                                   | *                       |
| R. E. Nedley      | 125                               | -                                   | *                       |
| R. B. Newton, Jr. | 2,000                             | -                                   | *                       |
| W. L. Revell      | 100                               | -                                   | *                       |
| J. J. Quindlen    | 200                               | -                                   | *                       |
| W. L. Thornton    | 1,532                             | 21,291,900 (2)                      | *                       |
| J. D. Uible       | 1,000                             | -                                   | *                       |
| Directors and     |                                   |                                     |                         |

|                                     |        |            |      |
|-------------------------------------|--------|------------|------|
| Officers as a Group<br>(13 persons) | 93,770 | 21,291,900 | 69.9 |
|-------------------------------------|--------|------------|------|

- (1) All percentages are rounded to the nearest tenth of one percent. An asterisk (\*) indicates that the percentage is less than one-half of one percent.
- (2) Includes 20,681,987 shares or 68.4% of the Company's common stock owned by the Trust of which the named individuals are trustees and 429,913 shares or 1.41% owned by The Nemours Foundation of which the named individuals are directors.
- (3) Includes 65,065 shares or .21% of the Company's common stock owned by the ESOP and 14,389 shares or .05% shares in the 401(k) plan, both of which S. D. Fraser is Trustee and in that capacity possesses the power to vote and to dispose of such shares.

#### INDEPENDENT PUBLIC ACCOUNTANTS

The Board of Directors in August, 1990, appointed KPMG Peat Marwick LLP, an independent firm of certified public accountants, to examine and report on the financial statements of the Company. This firm has been serving in that capacity since that time.

KPMG Peat Marwick LLP also performs audits of the pension and other employee benefit plans of the Company and limited reviews of the quarterly financial statements of the Company. Representatives of KPMG Peat Marwick LLP are expected to be present at the Shareholders Meeting and will be given an opportunity to make a statement, if they so desire, and will be available to respond to appropriate questions from shareholders.

#### SHAREHOLDER PROPOSALS

A shareholder proposal entitled to be presented at the Company's Annual Meeting in 1996 must be received by the Company on or before December 2, 1995 in order to be included in the Company's Proxy Statement and proxy material relating to that meeting. Any such proposal(s), as well as, any questions relating thereto, should be directed to the Corporate Secretary.

#### OTHER MATTERS

The Board is not aware of any other matters which may be presented for action at the meeting; however, if any other matters come before the Annual Meeting, it is the intention of the persons named in the Proxy to vote those shares

represented by proxies in the accompanying form in accordance with their best judgment.

BY ORDER OF THE BOARD OF DIRECTORS  
Ronald A. Anderson  
Corporate Secretary

Dated: March 24, 1995