

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549
FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 1995

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number 0-12001

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)

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

None
(Former name, former address and former fiscal year, if changed
since last report)

Indicate by check mark whether the registrant (1) has filed
all reports required to be filed by Section 13 or 15(d) of the
Securities Exchange Act of 1934 during the preceding 12 months (or
for such shorter period that the registrant was required to file
such reports), and (2) has been subject to such filing requirements
for the past 90 days. YES X NO

APPLICABLE ONLY TO CORPORATE ISSUERS:

As of June 30, 1995 there were 30,498,650 shares of
common stock, no par value, outstanding.

ST. JOE PAPER COMPANY

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

ASSETS	June 30 1995 (Unaudited)	December 31 1994
Current Assets:		
Cash and cash equivalents	\$ 81,970	\$ 71,890
Short-term investments	69,172	61,156
Accounts receivable	94,687	88,606
Inventories	79,694	57,673
Other assets	22,325	21,677
Total Current Assets	347,848	301,002
Investment and Other Assets:		
Marketable securities	181,405	174,027
Other assets	48,688	50,426
Total Investments and Other Assets	230,093	224,453
Property, Plant and Equipment, Net	1,045,828	1,026,875
Total Assets	\$1,623,769	\$1,552,330
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 43,586	\$ 44,804
Accrued liabilities	34,442	25,339
Income taxes payable	-	7,012
Long-term debt due within one year	13,135	19,672
Total Current Liabilities	91,163	96,827
Accrued Casualty Reserves and Other Liabilities	16,271	14,534
Long-Term Debt due After One Year	36,131	37,220
Deferred Income Taxes and Income Tax Credits	229,328	215,311
Minority Interest in Consolidated Subsidiaries	260,578	251,457
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	932,320	887,520
Net unrealized gains on debt and marketable equity securities	49,264	40,747
Total Stockholders' Equity	990,298	936,981
Total Liabilities and Stockholders' Equity	\$1,623,769	\$1,552,330

See accompanying notes.

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

	Three Months ended June 30		Six Months ended June 30	
	1995	1994	1995	1994
Net Sales	\$144,957	\$113,415	\$278,018	\$230,243
Operating Revenues	56,819	52,471	107,794	103,011
Net Sales and Operating Revenues	201,776	165,886	385,812	333,254
Cost of Sales	107,175	100,395	205,993	198,438
Operating Expenses	41,860	37,252	78,446	73,735
Cost of Sales and Operating Expenses	149,035	137,647	284,439	272,173
Gross Profit	52,741	28,239	101,373	61,081
Selling, General and Administrative Expenses	14,803	14,266	30,341	28,088
Operating Profit	37,938	13,973	71,032	32,993
Other Income (Expense):				
Dividends	768	531	1,333	1,065
Interest income	3,890	2,329	7,527	4,833
Interest expense	(1,328)	(1,005)	(2,714)	(1,968)
Gain on sales and other dispositions of property, plant and equipment	3,186	375	4,001	759
Other, net	2,173	704	3,545	1,791
	8,689	2,934	13,692	6,480
Income before Income Taxes and Minority Interest	46,627	16,907	84,724	39,473
Provision for Income Taxes	17,150	6,913	31,218	14,816
Income before Minority Interest	29,477	9,994	53,506	24,657
Income Applicable to Minority Interest in Consolidated Subsidiaries	3,141	2,367	5,656	8,870
Net Income	\$ 26,336	\$ 7,627	\$ 47,850	\$ 15,787
Retained Earnings at Beginning of Period	907,509	858,146	887,520	851,511
Dividends	1,525	1,525	3,050	3,050
Retained Earnings at End of Period	\$932,320	\$864,248	\$932,320	\$864,248
Per Share Data:				
Dividends	\$0.05	\$0.05	\$0.10	\$0.10
Net Income	\$0.86	\$0.25	\$1.57	\$0.52

See accompanying notes.

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

	Six Months ended June 30	
	1995	1994
Cash Flows from Operating Activities:	\$47,850	\$15,787
Net Income		
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and depletion	31,765	31,095
Minority interest in income	5,656	8,870
Gain on sale of property	(4,001)	(759)
Increase in deferred income taxes	7,472	4,993
Changes in operating assets and liabilities:		
Accounts receivable	(6,081)	(6,058)
Inventories	(22,021)	6,690
Other assets	1,090	(4,328)
Accounts payable, accrued liabilities and casualty reserves	9,622	3,697
Income taxes payable	(7,012)	1,689
Cash Provided by Operating Activities	64,340	61,676
Cash Flows from Investing Activities:		
Purchases of property, plant and equipment	(61,328)	(47,506)
Purchases of investments:		
Available for sale	(16,401)	(721)
Held to maturity	(77,695)	(80,265)
Proceeds from dispositions of assets	14,611	4,529
Maturity and redemption of investments:		
Available for sale	18,193	1,061
Held to maturity	79,861	60,133
Cash Used in Investing Activities	(42,759)	(62,769)
Cash Flows from Financing Activities:		
Net change in short-term borrowings	(2,339)	2,514
Dividends paid to stockholders	(3,050)	(3,050)
Repayment of long-term debt	(5,287)	(638)
Dividends paid to minority interest	(825)	(860)
Cash Used in Financing Activities	(11,501)	(2,034)
Net increase (decrease) in cash and cash equivalents	10,080	(3,127)
Cash and Cash Equivalents at Beginning of Period	71,890	48,304
Cash and Cash Equivalents at End of Period	\$81,970	\$45,177
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for:		
Interest	\$ 2,524	\$ 1,871
Income taxes	\$26,572	\$10,927

See accompanying notes

ST. JOE PAPER COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(Dollars in thousands)

1. In the opinion of the Company, the accompanying unaudited consolidated financial statements contain all adjustments (consisting of only normal recurring accruals) necessary to present fairly the financial position as of June 30, 1995 and December 31, 1994 and the results of operations and cash flows for the three and six month periods ended June 30, 1995 and 1994.

2. The results of operations for the three and six month periods ended June 30, 1995 and 1994 are not necessarily indicative of the results that may be expected for the full year.

3. Inventories at June 30, 1995 and December 31, 1994:

	June 30 1995	December 31 1994
Manufactured paper products and associated raw materials	\$ 43,039	\$ 27,023
Materials and supplies	26,008	25,640
Sugar	10,647	5,010
	\$ 79,694	\$ 57,673

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

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

The Company is subject to costs arising out of environmental laws and regulations, which include obligations to remove or limit the effects on the environment of the disposal or release of certain wastes or substances at various sites. 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.

ST. JOE PAPER COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(Dollars in thousands)

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

It is not possible to quantify future environmental costs because many issues relate to actions by third parties or changes in environmental regulation. However, based on information presently available, management believes that the ultimate disposition of currently known matters will not have a material effect on the financial position or liquidity of the Company, but could be material to the results of operation of the Company in any one period. As of June 30, 1995 and December 31, 1994, the aggregate environmental related accruals were \$6.7 million. Environmental liabilities are paid over an extended period and the timing of such payments cannot be predicted with any confidence.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE CONSOLIDATED
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

Quarter ended June 30, 1995

Net sales and operating revenues for the quarter were \$201.8 million, a \$35.9 million increase over the same period in 1994 and a \$17.8 million increase over the first quarter of 1995. Cost of sales and operating expenses were \$149.0 million, up from \$137.6 million in 1994 and 135.4 million in the first quarter of 1995. These costs were 73.9% of net sales and operating revenues in 1995 compared to 83.0% in 1994 and 73.6% in the first quarter 1995. Selling, general and administrative expenses rose from \$14.3 million in the second quarter of 1994 to \$14.8 million in 1995, a decrease from the \$15.5 million recorded in the first quarter 1995. As a result of these changes, operating profit during the second quarter of 1995 was \$37.9 million compared to \$14.0 million in the same quarter of 1994 and \$33.1 million in the first quarter of 1995.

Six Months ended June 30, 1995

Net sales and operating revenues for the six months ended June 30, 1995 were \$385.8 million, a \$52.5 million increase over the same period in 1994. Cost of sales and operating expenses were \$284.4 million, up from \$272.2 million. These costs were 73.7% of net sales and operating revenues in 1995 compared to 81.7% in 1994. Selling, general and administrative expenses rose to \$30.3 million in 1995 from \$28.1 million in 1994. Operating profit during the first six months of 1995 was \$71.0 million compared to \$33.0 million 1994.

An analysis of operating results by segment follows:

Forest Products

Quarter ended June 30, 1995

	1995	1994	% Increase
Net Sales	125,092	93,033	34.5
Cost of Sales	94,768	85,352	11.0
Selling, General and Administrative Expenses	7,609	7,319	4.0
Operating Profit	22,715	362	6174.9

Six Months ended June 30, 1995

	1995	1994	% Increase
Net Sales	240,340	177,533	35.4
Cost of Sales	181,265	167,840	8.0
Selling, General and Administrative Expenses	15,670	14,697	6.6
Operating Profit (Loss)	43,405	(5,004)	967.4

The containerboard market began to demonstrate some softness following the price increase April 1, 1995. Average selling price for the Company's linerboard rose from \$374 per ton in the second quarter of 1994 to \$565 per ton in 1995, a 51% increase. Net sales to outside customers by the Company's paper mill increased 49% in the second quarter of 1995 compared to the same period last year on a volume increase of 2%. The Company's container revenues were 25% higher in 1995 than the second quarter of 1994 on a volume decrease of 8.3%. Timber sales to outside customers decreased 24% on a volume decline of 22% as more of the Company's timber production was required by the mill. The Company increased its timber purchases from outside suppliers to meet the mill requirements which, together with the decreased timber sales, resulted in a \$1.4 million decrease in operating profit from the timber operations. Mill production of mottle white linerboard rose by 51% and this was a major factor in a 15% increase in production cost per ton.

Transportation

Quarter ended June 30, 1995

	1995	1994	% Increase (Decrease)
Net Sales	48,759	44,792	8.9
Cost of Sales	36,757	32,638	12.6
Selling, General and Administrative Expenses	4,967	4,082	21.7
Operating Profit	7,035	8,072	(12.9)

Six Months ended June 30, 1995

	1995	1994	% Increase (Decrease)
Net Sales	91,936	87,928	4.6
Cost of Sales	68,424	64,420	6.2
Selling, General and Administrative Expenses	9,291	8,442	10.1
Operating Profit	14,221	15,066	(5.6)

The composition of revenues and expenses in the Transportation segment changed significantly in the second quarter of 1995. Florida East Coast Industries (FECI) acquired an 80% interest in International Transit, Inc. (ITI), a common motor carrier with 1994 annual operating revenues in excess of \$21 million and, on April 1, 1995, the Florida East Coast Railway Company (FEC) commenced haulage agreements with a connecting rail carrier regarding the connecting carrier's intermodal traffic to and from FEC's south Florida intermodal terminals and enabling FEC to move intermodal freight to and from a terminal established by FEC at Macon, Georgia. Operating results for the transportation segment for the second quarter included ITI's revenues and expenses which accounted for most of the increases in operating revenues, operating expenses and selling, general and administrative expenses.

Sugar

Quarter ended June 30, 1995

	1995	1994	% Increase (Decrease)
Net Sales	11,531	14,647	(21.3)
Cost of Sales	7,925	11,565	(31.5)
Selling, General and Administrative Expenses	537	776	(30.8)
Operating Profit	3,069	2,306	33.1

Six Months ended June 30, 1995

	1995	1994	% Increase (Decrease)
Net Sales	23,866	28,017	(14.8)
Cost of Sales	16,291	22,374	(27.2)
Selling, General and Administrative Expenses	2,007	1,835	9.4
Operating Profit	5,568	3,808	46.2

The sugar segment experienced a 27.8% volume reduction in the second quarter of 1995 compared to 1994. The selling price rose 8.9%. Increased productivity drove down the cost per ton of sugar by 13.2%. The segment produced 28.3% more sugar in 1995 than 1994 with an 18.4% increase in the amount of cane ground and an 8.5% increase in the yield. Selling, general and administrative expenses were up by \$ 0.2 million.

Communications

Quarter ended June 30, 1995

	1995	1994	% Increase (Decrease)
Net Sales	8,060	7,679	5.0
Cost of Sales	5,103	4,614	10.6
Selling, General and Administrative Expenses	1,079	1,102	(2.1)
Operating Profit	1,878	1,963	(4.3)

Six Months ended June 30, 1995

	1995	1994	% Increase (Decrease)
Net Sales	15,859	15,083	5.1
Cost of Sales	10,023	9,315	7.6
Selling, General and Administrative Expenses	2,227	2,153	3.4
Operating Profit	3,609	3,615	(0.2)

Operating revenues increased in 1995 compared to 1994 largely due to mandated adjustments in the interstate access charge pooling process. All three local exchange companies began their cable maintenance earlier in 1995 than 1994 resulting in increased operating expenses.

Real Estate

Quarter ended June 30, 1995

	1995	1994	% Increase
Net Sales	8,559	6,216	37.7
Cost of Sales	4,679	4,464	4.8
Selling, General and Administrative Expenses	640	482	32.8
Operating Profit	3,240	1,270	155.1

Six Months ended June 30, 1995

	1995	1994	% Increase (Decrease)
Net Sales	14,570	25,698	(43.3)
Cost of Sales	9,137	9,170	(0.4)
Selling, General and Administrative Expenses	1,204	1,020	18.0
Operating Profit	4,229	15,508	(72.7)

In 1994, a single realty property sale of \$11.3 million was made by Gran Central, Florida East Coast Industries, Inc. real estate subsidiary, to the State of Florida which was not repeated in 1995. Rent and other income increased by \$1.2 million in the second quarter of 1995 compared to the same period in 1994. Cost of sales increased 4.8% in the second quarter compared to the same period in 1994. Selling, general and administrative expenses increased by \$0.2 million.

Other Income increased \$5.8 million in the second quarter of 1995 compared to 1994. Interest income increased by \$1.5 million reflecting increased investment and higher rates. Gain on sales and other dispositions of property, plant and equipment increased \$2.8 million due to the sale of an unused facility in Wilmington, Delaware. Other income, net rose by \$1.4 million primarily due to the sale of material from the Company's linerboard mill.

Net Income increased \$18.7 million (245.3%) during the second quarter of 1995 from the same period in 1994. Earnings per share increased \$0.61 to \$0.86.

Financial Position

The Company's financial position remains strong. Current assets rose to \$347.8 million, an \$46.8 million increase from year end. Current liabilities dropped by \$5.6 million causing the current ratio to rise from 3.1 to 1st year end to 3.8 to 1 at the end of the second quarter.

The Company increased its investment in marketable securities by \$7.4 million over year end. Net property, plant and equipment increased by \$18.9 million, largely in FECEI. Deferred income taxes grew by \$14.0 million, due to the tax effect of an increase in the unrealized gains on debt and marketable equity securities and a decrease in alternative minimum tax credits.

Stockholders' equity at March 31, 1995 was \$32.47 per share, an increase of \$1.75 from December 31, 1994.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

No change from Form 10-K for the year ended
December 31, 1994

Item 5. Other Information

On May 9, 1995, the Board of Directors passed the resolution
amending the Company's bylaws shown in exhibit 3(ii) regarding
indemnification of officers and directors

SIGNATURES

Pursuant to the requirements of the Securities Exchange
Act of 1934, the registrant has duly caused this report
to be signed on its behalf by the undersigned thereunto
duly authorized.

St. Joe Paper Company
(Registrant)

J. M. Jones, Jr.
Vice President and CFO

D. M. Groos
Comptroller

August 14, 1995
Date

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RESOLUTIONS OF
THE BOARD OF DIRECTORS
ST. JOE PAPER COMPANY

WHEREAS, pursuant to Article XI of the Articles of Incorporation of the corporation, the directors of the corporation, subject to the By-laws adopted by stockholders, if any, may amend the By-laws of the corporation.

WHEREAS, the board of directors believes it in the best interests of the corporation to clarify the rights to indemnification of officers and directors, as well as make advancement of legal expenses to such person mandatory, subject to conditions imposed by law,

NOW THEREFORE, BE IT RESOLVED, that the By-laws of the corporation be, and they hereby are, amended by deleting paragraph 9 of Article III thereof in its entirety and substituting the following new paragraph 9 of Article III:

The corporation shall indemnify every person (and his executors, administrators or heirs) who was or is a party or is or was threatened to be made a party to any action, suit, or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a director or officer of the corporation, or who, while being such a director or officer of the corporation, is or was serving at the request of the corporation as a director, officer, employee, agent or trustee of another corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise, against expenses (including counsel fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding, to the full extent permitted by applicable law, including Section 607.0850 of the Florida Business Corporation Act. Such indemnification shall include advances of expenses in advance of final disposition of such action, suit or proceeding, subject to compliance with the provisions of Section 607.0850(6) of the Florida Business Corporation Act requiring the director or officer to provide an undertaking to repay any advance as provided therein.

FURTHER RESOLVED, that the secretary of this corporation is hereby directed to insert a copy of such amendment to the By-laws in the minute book of this corporation.