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MISSISSIPPI EXPORT R.R. CO.

1978

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R-3

Class III Railroads
Approved by GAO
B-180230 (R0583)
Expires 12-31-81

annual report

INTERSTATE
COMMERCE COMMISSION
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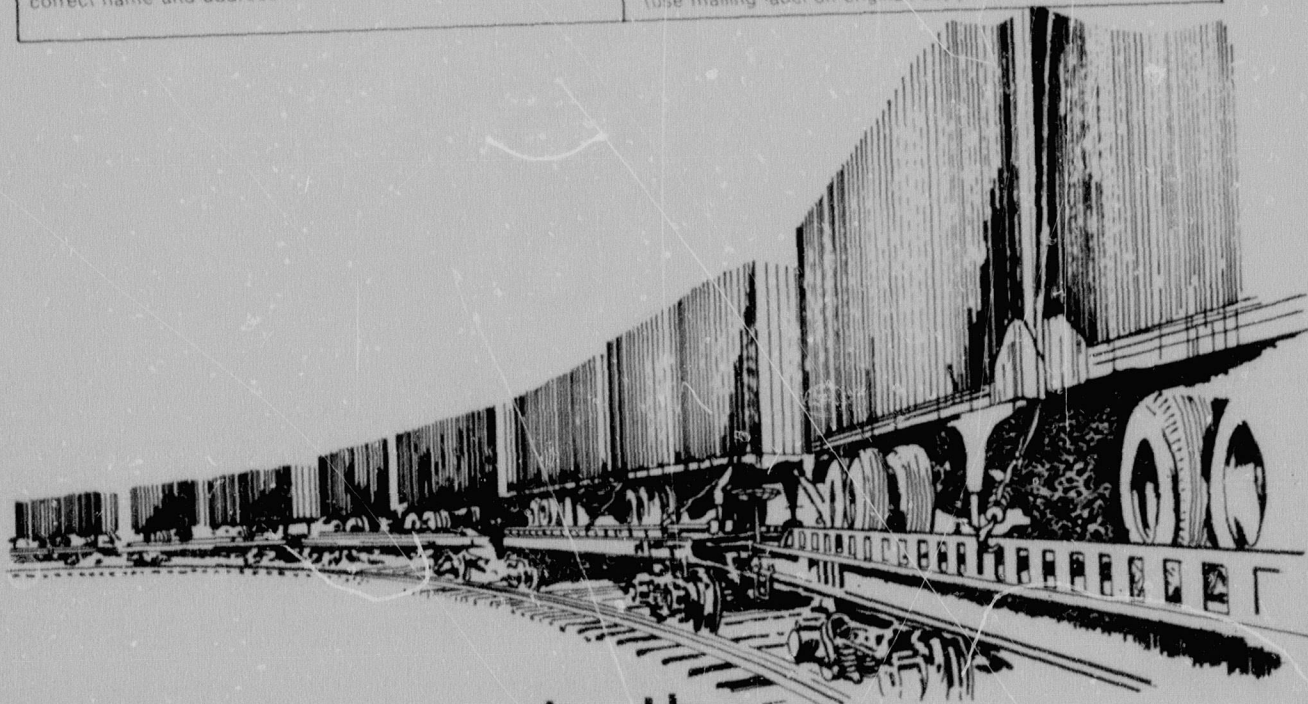
ADMINISTRATIVE SERVICES
MAIL UNIT

Mississippi Export Railroad Co.
4519 McInnis Avenue
Moss Point, MS 39563

RC001870 MISSISSEXPD 3 0 3 528700
MSE MISSISSIPPI EXPORT RR CO
310 MCINNIS AVE.
MOSS POINT MS 39563

correct name and address if different than shown

full name and address of reporting carrier
(use mailing label on original, copy in full on duplicate)



to the
Interstate Commerce Commission
for the year ended December 31, 1978

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A. SCHEDULES OMITTED BY RESPONDENT

1. The respondent, at it's option, may omit pages from this report provided there is nothing to report or the schedules are not applicable.
2. Show below the pages excluded and indicate the schedule number and title in this space provided below.
3. If no schedules were omitted indicate "NONE".

Page	Schedule No.	Title
7	210	RESULTS OF OPERATIONS
13	705	IMPORTANT CHANGES DURING THE YEAR
17		MEMORANDA

101. IDENTITY OF RESPONDENT

1. Give the exact name* by which the respondent was known in law at the close of the year
MISSISSIPPI EXPORT RAILROAD COMPANY
2. State whether or not the respondent made an annual report to the Interstate Commerce Commission for the preceding year, or for any part thereof. If so, in what name was such report made? **YES - MISSISSIPPI EXPORT RAILROAD COMPANY**
3. If any change was made in the name of the respondent during the year, state all such changes and the dates on which they were made
NONE
4. Give the location (including street and number) of the main business office of the respondent at the close of the year.
4519 MCINNIS AVENUE MOSS POINT, MS 39563
5. Give the titles, names, and office addresses of all general officers of the respondent at the close of the year. If there are receivers who are recognized as in the controlling management of the road, give also their names and titles, and the location of their offices.

Line No.	Title of general officer (a)	Name and office address of person holding office at close of year (b)
1	President	D. G. Luce Mobile, AL
2	Vice president	T. M. von Sprecken, Jr. Moss Point, MS
3	Secretary	J. W. Hunter Moss Point, MS
4	Treasurer	W. L. Shelton Moss Point, MS
5	Controller or auditor	W. L. Shelton Moss Point, MS
6	Attorney or general counsel	R. L. Brown Pascagoula, MS
7	General manager	
8	General superintendent	
9	General freight agent	J. W. Hunter Moss Point, MS
10	General passenger agent	
11	General land agent	
12	Chief engineer	A. G. Nance Moss Point, MS
13		

6. Give the names and office addresses of the several directors of the respondent at the close of the year, and the dates of expiration of their respective terms.

Line No.	Name of director (a)	Office address (b)	Term expires (c)
14	A. F. Dantzler	Pascagoula, MS	April, 1979
15	R. V. Delaney	New York, New York	April, 1979
16	J. B. Goodrich	Chicago, IL	April, 1979
17	I. B. Hall	Chicago, IL	April, 1979
18	H. P. Heidelberg, Jr.	Pascagoula, MS	April, 1979
19	T. S. Leatherbury	Pascagoula, MS	April, 1979
20	D. G. Luce	Mobile, AL	April, 1979
21	A. P. Roberts	Mobile, AL	April, 1979
22	T. M. von Sprecken, Jr.	Moss Point, MS	April, 1979
23			

7. Give the date of incorporation of the respondent **11/8/22** 8. State the character of motive power used **Diesel Electric**
9. Class of switching and terminal company **N/A**

10. Under the laws of what Government, State, or Territory was the respondent organized? If more than one, name all. Give reference to each statute and all amendments thereof, effected during the year. If previously effected, show the year(s) of the report(s) setting forth details. If in bankruptcy, give court of jurisdiction and dates of beginning of receivership or trusteeship and of appointment of receivers or trustees

CODE 1906 - CHAPTER 118 - STATE OF MISSISSIPPI

11. State whether or not any corporation or association or group of corporations had, at the close of the year, the right to name the major part of the board of directors, managers, or trustees of the respondent; and if so, give the names of all such corporations and state whether such right was derived through (a) title to capital stock or other securities issued or assumed by the respondent, (b) claims for advances of funds made for the construction of the road and equipment of the respondent, or (c) express agreement or some other source **N/A**

12. Give hereunder a history of the respondent from its inception to date, showing all consolidations, mergers, reorganizations, etc., and if a consolidated or merging corporation give like particulars for all constituent and subconstituent corporations. Describe also the course of construction of the road of the respondent, and its financing **The part of the old Alabama-Mississippi Railroad between Luce Farms, MS and Pascagoula, MS. Forty-two miles were purchased by the**
- *Use the initial word the when (and only when) it is a part of the name; and distinguish between the words railroad and railway and between company and corporation **present owners from H. C. Turner, January 5, 1923. No consolidation or merger. Financed by sale of stock.**

107. STOCKHOLDERS

Give the names of the 30 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent (if within 1 year prior to the actual filing of this report), had the highest voting powers in the respondent, showing for each his address, the number of votes which he would have had a right to cast on that date had a meeting then been in order, and the classification of the number of votes to which he was entitled, with respect to securities held by him, such securities being classified as common stock, second preferred stock, first preferred stock, and other securities, stating in a footnote the names of such other securities (if any). If any such holder held in trust, give (in a footnote) the particulars of the trust. In the case of voting trust agreements give, as supplemental information in schedule No. 70S, the names and addresses of the 30 largest holders of the voting trust certificates and the amount of their individual holdings. If the stock book was not closed or the list of stockholders compiled within such year, show such 30 security holders as of the close of the year.

Line No.	Name of security holder	Address of security holder	NUMBER OF VOTES, CLASSIFIED WITH RESPECT TO SECURITIES ON WHICH BASED				
			Number of votes to which security holder was entitled	Stocks			
				Common	Preferred	Other securities with voting power	
						Second	First
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	INTERNATIONAL PAPER	NEW YORK, N.Y.	1830.	1830.			
2	ICG RAILROAD	CHICAGO, IL	1150.	1150.			
3	DOUGLAS T. LUCE	LUCEDALE, MS	283.	283.			
4	JEX R. LUCE	MOBILE, AL	283.	283.			
5	DWAIN G. LUCE	MOBILE, AL	279.	279.			
6	C. B. ARMISTEAD	MOSS POINT, MS	92.625	92.625			
7	WHITNEY & COMPANY	LUCEDALE, MS	74.5	74.5			
8	PASC.-MOSS POINT BANK	PASCAGOULA, MS	60.	60.			
9	T. M. VON SPRECKEN, JR	MOSS POINT, MS	55.34	55.34			
10	MARGARET & ALICE COLMER	MOSS POINT, MS	31.	31.			
11	MARTHA F. MARTIN, USF	NEW ORLEANS, LA	30.	30.			
12	HERMES Q. GAUTIER	PASCAGOULA, MS	27.625	27.625			
13	T. L. DeLASHMET, SR.	MOSS POINT, MS	25.	25.			
14	JOHN J. WHITEHEAD	PASCAGOULA, MS	20.	20.			
15	PEARL WRIGHT DAVIS	FOLKSTON, GA	15.	15.			
16	ROBERT W. McINTOSH	MOSS POINT, MS	13.916	13.916			
17	T. L. DeLASHMET, JR.	MOSS POINT, MS	14.25	14.25			
18	HELEN T. McINTOSH	NEW ORLEANS, LA	12.667	12.667			
19	FLORENCE M. BRATT	MOSS POINT, MS	12.667	12.667			
20	MRS. OLLIE L. COLLE	PASCAGOULA, MS	12.5	12.5			
21	MAE R. McEACHERN	GRENADA, MS	12.5	12.5			
22	C. MALCOLM McEACHERN	JACKSON, MS	12.5	12.5			
23	FINLEY AND COMPANY	MOBILE, AL	15.	15.			
24	EBB J. FORD, JR.	GULFPORT, MS	11.667	11.667			
25	QUINTON A. BRENTZ	LONG BEACH, MS	10.	10.			
26	MARGARET L. BROWN	MOBILE, AL	9.	9.			
27	GREGORY LUCE	THOMASVILLE, AL	9.	9.			
28	CHARLES W. FORD	PASCAGOULA, MS	6.666	6.666			
29	ROBERT S. FORD	PASCAGOULA, MS	6.667	6.667			
30	NELL Q. C. HARPER	MIAMI, FL	5.	5.			

Footnotes and Remarks

STOCKHOLDERS REPORTS

1. The respondent is required to send to the Bureau of Accounts, immediately upon preparation, two copies of its latest annual report to stockholders.

Check appropriate box:

☒ Two copies are attached to this report.

☐ Two copies will be submitted

(date)

☐ No annual report to stockholders is prepared.

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - ASSETS

Line No.	Item (a)	Respondent Only	
		Balance at Close of Year (b)	Balance at Beginning of Year (c)
	CURRENT ASSETS	\$	\$
1	Cash	116,633	33,416
2	Temporary Cash Investments	2,331,169	976,114
3	Special Deposits	13,098	19,566
4	Accounts Receivable	1,393,748	166,418
5	Less: Allowance for Uncollectible Accounts		
6	Accumulated Deferred Income Tax Charges	451,563	523,832
7	Other Current Assets	4,306,211	1,719,346
8	Total Current Assets		
	OTHER ASSETS		
9	Special Funds		
10	Other Investments and Advances - (Less Allowances and adjustments \$)		
11	Other Assets (Less Depreciation and Amortization \$)	554	514
12	Other Deferred Debits	554	514
13	Total Other Assets		
	ROAD AND EQUIPMENT		
14	Road and Equipment Property and Improvements on Leased Property	3,462,658	3,112,709
15	Less: Accumulated Depreciation and Amortization	(586,736)	566,241
16	Net Road and Equipment	2,875,922	2,546,468
17	Total Assets	7,182,687	4,266,328
	CURRENT LIABILITIES		
18	Loans and Notes Payable		
19	Accounts Payable	2,476,759	554,774
20	Interest and Dividends Payable	218,230	73,516
21	Federal Income Taxes Accrued	-0-	52,000
22	Other Taxes Accrued	93,888	62,965
23	Other Current Liabilities		
24	Equipment Obligations and Other long-term Debt Due Within One Year	30,000	30,000
25	Total Current Liabilities	2,818,877	773,255
	NON CURRENT LIABILITIES		
26	Funded Debt Unmatured		
27	Equipment Obligations	172,500	202,500
28	Capitalized Lease Obligations		
29	Accumulated Deferred Income Tax Credits	12,800	180,838
30	Other Long-term Liabilities and Deferred Credits	44,160	31,320
31	Total Non current Liabilities	229,460	414,658
	SHAREHOLDERS' EQUITY		
	Capital Stock:		
32	Common Stock	451,000	451,000
33	Preferred Stock		
34	Discount on Capital Stock	1,236	1,236
35	Additional Capital		

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - LIABILITIES AND SHAREHOLDERS' EQUITY—Continued

Line No.	Item (a)	Respondent Only	
		Balance at Close of Year (b)	Balance at Beginning of Year (c)
	SHAREHOLDERS' EQUITY—Continued	\$	\$
	Retained Earnings:		
36	Appropriated		
37	Unappropriated	3,682,114	2,626,179
38	Net unrealized Loss on Noncurrent Marketable Equity Securities		
39	Less: Treasury Stock		
40	Net Shareholders' Equity	4,134,350	3,078,415
41	Total Liabilities and Shareholders' Equity	7,182,687	4,266,328

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - EXPLANATORY NOTES

The notes listed below are provided for the purpose of disclosing supplementary information concerning matters which have an important effect on the financial condition of the carrier. The carrier shall give the particulars called for herein and where there is nothing to report, insert the word "none"; and in addition thereto shall enter in separate notes with suitable particulars other matters involving material amounts of the character commonly disclosed in financial statements under generally accepted accounting and reporting principles, except as shown in other schedules. This includes explanatory statements explaining (1) service interruption insurance policies and indicate the amount of indemnity to which respondent will be entitled for work stoppage losses and the maximum amount of additional premium respondent may be obligated to pay in the event such losses are sustained by other railroads; (2) particulars concerning obligations for stock purchase options granted to officers and employees; and (3) what entries have been made for net income or retained income restricted under provisions of mortgages and other arrangements.

1. Amount (estimated, if necessary) of net income or retained income which has to be provided for capital expenditures, and for sinking and other funds pursuant to provisions of reorganization plans, mortgages, deeds of trust, or other contracts \$ N/A

2. Estimated amount of future earnings which can be realized before paying Federal income taxes because of unused and available net operating loss carryover on January 1 of the year following that for which the report is made \$ N/A

3. (a) Explain the procedure in accounting for pension funds and recording in the accounts the current and past service pension costs, indicating whether or not consistent with the prior year: HANDLED BY TRUSTEE CONSISTENT WITH PRIOR YEAR.

(b) State amount, if any, representing the excess of the actuarially computed value of vested benefits over the total of the pension fund \$

(c) Is any part of pension plan funded? Specify Yes ☒ No

(i) If funding is by insurance, give name of insuring company

(ii) If funding is by trust agreement list trustee(s)

Date of trust agreement or latest amendment

If respondent is affiliated in any way with the trustee(s), explain affiliation:

FIRST NATIONAL BANK OF MOBILE
FEBRUARY 1, 1975

(d) List affiliated companies which are included in the pension plan funding agreement and describe basis for allocating charges under the agreement

(e)(i) Is any part of the pension plan fund invested in stock or other securities of the respondent, or any of its affiliates? Specify.
Yes No ☒

If yes, give number of the shares for each class of stock or other security:

(ii) Are voting rights attached to any securities held by the pension plan? Specify Yes No ☒ If yes, who determines how stock is voted?

4. State whether a segregated political fund has been established as provided by the Federal Election Campaign Act of 1971 (18 U.S.C. §10). YES NO ☒

210. RESULTS OF OPERATIONS

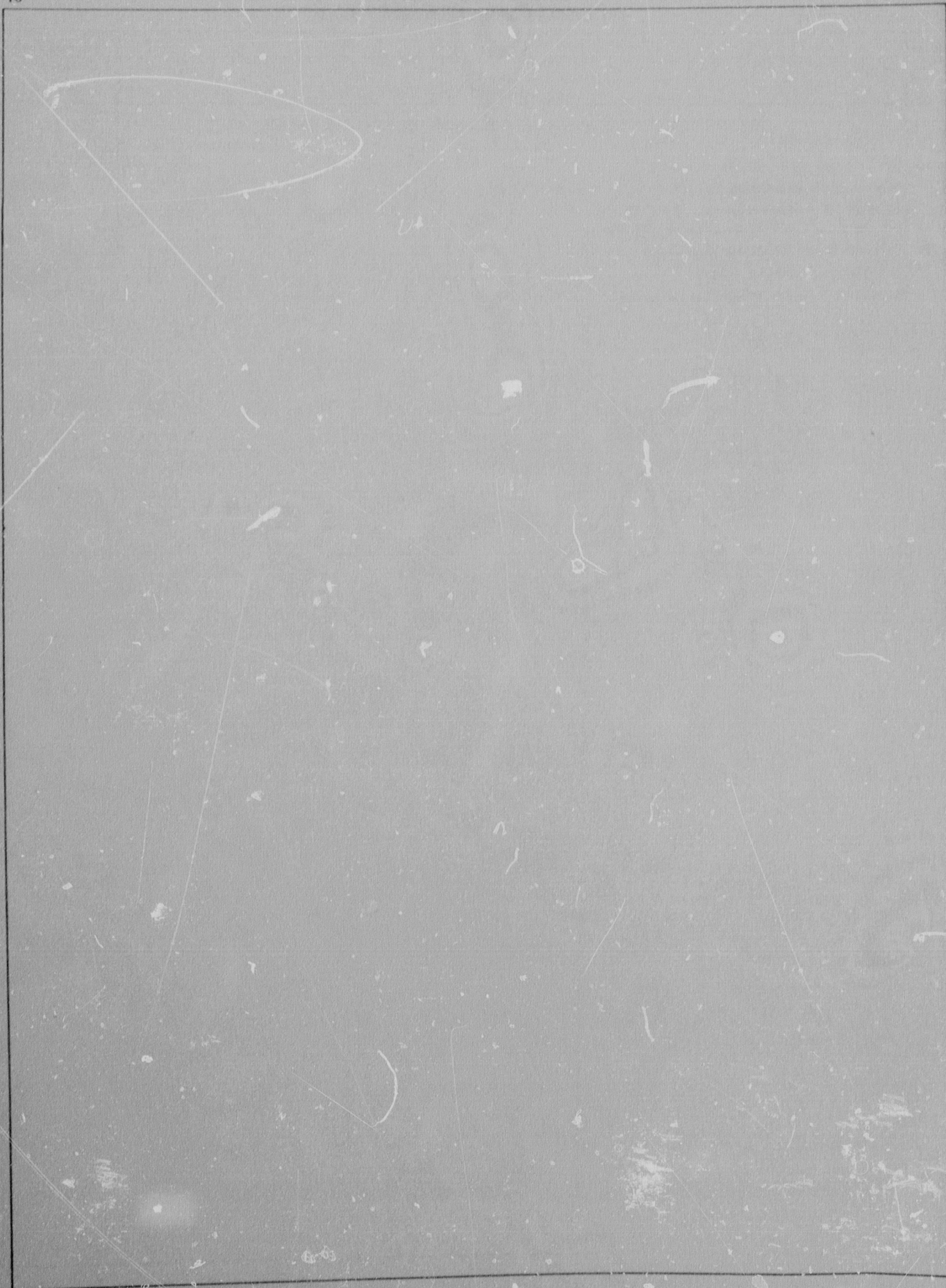
INSTRUCTIONS

1. Disclose the requested information for the respondent pertaining to the results of operations for the year.
2. List dividends from investments accounted for under the cost method on the appropriate line, under subsection "Other Income." List dividends accounted for under the equity method on the appropriate line under the "Income from Affiliated Companies" subsection of this schedule.
3. All contra entries hereunder should be indicated in parenthesis.

210. RESULTS OF OPERATIONS		
Line No.	Item (a)	Amount for Current Year (b)
	ORDINARY ITEMS	\$
	OPERATING INCOME	
	Railway Operating Income	
1	Freight	4,169,709
2	Passenger	
3	Other	379,314
4	Total Railway Operating Revenues	4,549,023
5	Railway Operating Expenses	2,721,943
6	*Net Revenue from Railway Operations	1,827,080
	OTHER INCOME	
7	Dividend income	2,200
8	Interest income	91,630
9	Other income; Other	29,191
	Income from affiliated companies:	
10	Dividends	
11	Equity in undistributed earnings (losses)	
12	Total other income (Lines 7-11)	123,021
13	Total income (Lines 6, 12)	1,950,101
	OTHER DEDUCTIONS	
14	Miscellaneous deductions from income	857,392
15	Fixed charges	
	UNUSUAL OR INFREQUENT ITEMS	
16	Unusual or infrequent items (debit) credit	
17	Income (loss) from continuing operations (before income taxes) (Line 13 less Lines 14-16)	1,092,709
	PROVISIONS FOR INCOME TAXES	
	income taxes on ordinary income:	
18	Federal income taxes	(5,421)
19	State income taxes	40,903
20	Other income taxes	
21	Provisions for deferring income taxes	
22	Income before extraordinary items (Line 17 less Lines 18-22)	1,057,227
	EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES	
23	Extraordinary items (net)	260,288
24	Income taxes on extraordinary items	
25	Provisions for deferred taxes - Extraordinary items	
26	Total extraordinary items (Lines 23-25)	260,288
27	Cumulative effect of changes in accounting principles	
28	(Less applicable income taxes of \$)	
29	Net income	1,317,514

216. RESULTS OF OPERATIONS—Continued

Line No.	Item (a)	Amount for Current Year (b)
RECONCILIATION OF NET RAILWAY OPERATING INCOME (NROI)		
30	Net revenues from railway operations	1,827,080
31	Income taxes on ordinary income	35,482
32	Provisions for deferred income taxes	
33	Income from Lease of Road and Equipment	
34	Rent for leased Roads and Equipment	
35	Net Railway Operating Income	1,791,598
	Ton-miles, Revenue Freight (in thousands)	84,323



330. ROAD AND EQUIPMENT PROPERTY

1. Give particulars of changes during the year in Road and Equipment property, and Improvements on leased property.
2. Gross charges during the year should include disbursements made for the specific purpose of purchasing, constructing, and equipping new lines, extensions of old lines, and for additions and betterments. Both the debit and credit involved in each transfer, adjustment, or clearance, between road and equipment accounts, should be included in columns (c) and (d), as may be appropriate, depending on the nature of the item. Adjustments in excess of \$100,000 should be explained.
3. Report on line 35 amounts not includable in the primary road accounts. The items reported should be briefly identified and explained in a footnote on page 10.

Line No.	ITEM (a)	Balance at beginning of year (b)	Gross charges during year (c)	Credits for property retired during year (d)	Balance at close of year (e)	Accrued depreciation at close of year (f)
1 (1)	Engineering	7,951			7,951	2,547
2 (2)	Land for transportation purposes	28,127	8,099		36,226	
3 (2 1/2)	Other right-of-way expenditures					
4 (3)	Grading	83,586			83,586	14,336
5 (5)	Tunnels and subways					
6 (6)	Bridges, trestles, and culverts	104,298	7,856		112,154	89,238
7 (7)	Elevated structures					
8 (8)	Ties	158,623		2,730	155,893	
9 (9)	Rails	399,336	206,591	137,492	468,436	
10 (10)	Other track material	366,800	112,418	13,175	466,043	
11 (11)	Ballast	33,971		356	33,615	
12 (12)	Track laying and surfacing	103,636		982	102,654	
13 (13)	Fences, snowsheds, and signs	637			637	
14 (16)	Station and office buildings	38,225			38,225	14,086
15 (17)	Roadway buildings	39,008			39,008	4,090
16 (18)	Water stations					
17 (19)	Fuel stations	2,474			2,474	879
18 (20)	Shops and enginehouses	5,873			5,873	1,870
19 (21)	Grain elevators					
20 (22)	Storage warehouses					
21 (23)	Wharves and docks					
22 (24)	Coal and ore wharves					
23 (25)	TOFC/COFC terminals					
24 (26)	Communication systems	13,668	38,644	1,969	50,343	14,633
25 (27)	Signals and interlockers					
26 (29)	Power plants					
27 (31)	Power-transmission systems					
28 (35)	Miscellaneous structures					
29 (37)	Roadway machines	245,850	129,298	79,052	296,095	2,228
30 (38)	Roadway small tools	1,382			1,382	
31 (39)	Public improvements - Construction	7,910			7,910	6,292
32 (43)	Other expenditures - Road					
33 (44)	Shop machinery	11,585	5,447		17,032	2,100
34 (45)	Power-plant machinery					
35	Other (specify and explain)					
36	Total Expenditures for Road	1,652,941	508,353	235,757	1,925,537	152,300
37 (52)	Locomotives	882,866	7,775		890,641	318,971
38 (53)	Freight-train cars	113,287			113,287	89,485
39 (54)	Passenger-train cars					
40 (55)	Highway revenue equipment					
41 (56)	Floating equipment					
42 (57)	Work equipment					
43 (58)	Miscellaneous equipment	20,425	19,148	11,119	28,454	11,937
44	Total Expenditures for Equipment	1,016,578	26,923	11,119	1,032,382	420,393

330. ROAD AND EQUIPMENT PROPERTY—Continued

Line No.	ITEM (a)	Balance at beginning of year (b)	Gross charges during year (c)	Credits for property retired during year (d)	Balance at close of year (e)	Accrued depreciation at close of year (f)
45 (71)	Organization expenses	1,699			1,699	
46 (76)	Interest during construction	2,230			2,230	
47 (77)	Other expenditures - General	3,929			3,929	
48	Total General Expenditures	2,673,448	535,276	246,876	2,961,848	572,692
49	Total					
50 (80)	Other elements of investments	318,976	61,550		380,526	
51 (90)	Construction work in progress	2,992,424	596,826	246,876	3,342,374	572,692
52	Grand Total					

705. IMPORTANT CHANGES DURING THE YEAR

Hereunder state the following matters, numbering the statements in accordance with the inquiries, and if no changes of the character below indicated occurred during the year, state that fact. Changes in mileage should be stated to the nearest hundredth of a mile. If any changes reportable in this schedule occurred under authority granted by the Commission in certificates of convenience and necessity, issued under paragraphs (18) to (22) of section 1 of the Interstate Commerce Act or otherwise, specific reference to such authority should in each case be made by docket number or otherwise, as may be appropriate.

1. All portions of road put in operation or abandoned, giving (a) termini, (b) length of road, and (c) dates of beginning operations or of abandonment.*
2. All other important physical changes, including herein *all new tracks built*.*
3. All leaseholds acquired or surrendered, giving (a) dates, (b) length of terms, (c) names of parties, (d) rents, and (e) other conditions.
4. All agreements for trackage rights acquired or surrendered, giving (a) dates, (b) length of terms, (c) names of parties, (d) rents, and (e) other conditions.
5. All consolidations, mergers, and reorganizations effected, giving particulars.
6. All stocks issued, giving (a) purposes for which issued, (b) names of stocks, and (c) amounts issued, and describing (d) the actual consideration realized, giving (e) amounts and (f) values; give similar information concerning all stocks retired (if any).
7. All funded debt issued, giving (a) purposes for which issued, (b) names of securities and (c) amounts issued, and describing (d) the actual consideration realized, giving (e) amounts and (f) values; also give particulars concerning any funded debt paid or otherwise retired, stating (a) date acquired, (b) date retired or canceled, (c) par value of amount retired.
8. All other important financial changes.
9. All changes in and all additions to franchise rights, describing fully (a) the actual consideration given therefor, and stating (b) the parties from whom acquired; if no consideration was given, state that fact.
10. In case the respondent has not yet begun operation, and no construction has been carried on during the year, state fully the reasons therefor.
11. All additional matters of fact (not elsewhere provided for) which the respondent may desire to include in its report.

*If returns under items 1 and 2 include any first main track owned by respondent representing new construction or permanent abandonment give the following particulars:

Miles of road constructed

Miles of road abandoned

The item "Miles of road constructed" is intended to show the mileage of first main track laid to extend respondent's road and should not include tracks relocated and tracks laid to shorten the distance between two points, without serving any new territory.

710. INVENTORY OF EQUIPMENT

INSTRUCTIONS

1. Give particulars of each of the various classes of equipment which respondent owned or leased during the year.
2. In column (c) give the number of units of equipment purchased, built in company shops, or otherwise acquired.
3. Units leased to others for a period of one year or more are reportable in column (i); units temporarily out of respondent's service and rented to others for less than one year are to be included in column (e); units rented from others for a period less than one year should not be included in column (f). Units installed during the year and subsequently leased to others for a year or more should be shown as added in column (c), as retired in column (d), and included in column (i).
4. For reporting purposes, a "locomotive unit" is a self-propelled vehicle generating or converting energy into motion, and designed solely for moving other equipment. An "A" unit is the least number of wheel bases with superstructure designed for use singly or as a lead locomotive unit in combination with other locomotive units. A "B" unit is similar to an "A" unit, but not equipped for use singly or as a lead locomotive unit. A "B" unit may be equipped with hostler controls for independent operating at terminals.
5. A "self-propelled car" is a rail motor car propelled by electric motors receiving power from third rail or overhead, or internal combustion engines located on the car itself. Trailers equipped for use only in trains of cars that are self-propelled are to be included as self-propelled equipment.
6. A "Diesel" unit includes all units propelled by diesel internal combustion engines irrespective of final drive, and whether power may at times be supplied from external conductor. Units other than diesel-electric, e.g., diesel-hydraulic, should be identified in a footnote giving the number and a brief description. An "Electric" unit includes all units which receive electric power from an overhead contact wire or third rail, and use the power to drive one or more electric motors that propel the vehicle. An "Other self-powered unit" includes all units other than diesel or electric, e.g., steam, gas turbine. Show the type of unit, service and number, as appropriate, in a brief description sufficient for positive identification. An "Auxiliary unit" includes all units used in conjunction with locomotives but which draw their power from the "mother" unit, e.g., boosters, slugs, etc.
7. Column (h) should show aggregate capacity for all units reported in column (g), as follows: For locomotive units, report the manufacturers' rated horsepower (the maximum continuous power output from the diesel engine or engines delivered to the main generator or generators for tractive purposes); or tractive effort of steam locomotive units; for freight-train cars report the nominal capacity (in tons of 2,000 lbs.) as provided for in Rule 86 of the AAR Code of Rules Governing Cars in Interchange. Convert the capacity of tank cars to capacity in tons of the commodity which the car is intended to carry customarily; for passenger-train cars report the number of passenger seats available for revenue service, counting one passenger to each berth in sleeping cars.

UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS

Line No.	Item (a)	Units in service of respondent at beginning of year (b)	Number added during year (c)	Number retired during year (d)	Number at close of year			Aggregate capacity of units reported in col. (g) (see ins. 7) (h)	Number leased to others at close of year (i)
					Owned and used (e)	Leased from others (f)	Total in service of respondent (e + f) (g)		
LOCOMOTIVE UNITS									
1	Diesel-Freight A units	4			4		4	7,250 (h.p.)	NONE
2	Diesel-Freight B units								
3	Diesel-Passenger A units								
4	Diesel-Passenger B units								
5	Diesel-Multiple purpose A units								
6	Diesel-Multiple purpose B units								
7	Diesel-Switching A units								
8	Diesel-Switching B units	4			4		4	xxxxxx	NONE
9	Total (lines 1-8)								
10	Electric-Locomotives								
11	Other self-powered units	4			4		4	xxxxxx	NONE
12	Total (lines 9, 10 and 11)								
13	Auxiliary units	4			4		4	xxxxxx	NONE
14	Total Locomotive Units (lines 12 and 13)								

UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS—Cont.

Line No.	Item (a)	Units in service of respondent at beginning of year (b)	Number added during year (c)	Number retired during year (d)	Number at close of year			Aggregate capacity of units reported in col. (g) (see ins. 7) (h)	Number leased to others at close of year (i)
					Owned and used (e)	Leased from others (f)	Total in service of respondent (e + f) (g)		
FREIGHT TRAINCARS									
								Tons	
15	Plain Box Cars - 40' (B100-129)								
16	Plain Box Cars - 50' (B200-229; B300-329)	-0-	199			199	199	15,323	
17	Equipped Box Cars (All Code A)								
18	Plain Gondola Cars (G092-392; G401-492)								
19	Equipped Gondola Cars (All Codes C and E)								
20	Covered Hopper Cars (L 151-154; 251-254; 351-354; 451-454; 551-554; 651-654; 751-754)								
21	Open Top Hopper Cars - General Service (All Code H)								
22	Open Top Hopper Cars - Special Service (All Codes J and K)								
23	Refrigerator Cars - Non Mechanical (R 100, 101, 102, 103, 105, 106, 107, 108, 109, 113, 114, 115, 116, R 200, 201, 202, 203, 205, 206, 207, 208, 209, 213, 214, 215, 216)	5			5		5	350	
24	Refrigerator Cars - Mechanical (R 104, 110, 112, 117, 118, R 204, 210, 211, 212, 217, 218)								
25	Flat Cars - TOFC/COFC (F 071-078 F 871-978)								
26	Flat Cars - Multi-level (All Code V)								
27	Flat Cars - General Service (F 101-109; F 201-209)								
28	Flat Cars - Other (F 11-189; 211-289; 301-389; 401-540)								
29	Tank Cars - Under 22,000 Gallons (T-0, T-1, T-2, T-3, T-4, T-5)								
30	Tank Cars - 22,000 Gallons and over (T-6, T-7, T-8, T-9)								
31	All Other Freight Cars (F 191-199; 291-299; 391-399; L 006-048; L 070, L 080 L 090 - All "L" with second numeric 6; L 161-L 764)	1			1		1	55	
32	Total (lines 15-31)	6	199		6	199	205	15728	
33	Caboose (All N)	2			2		2	XXXXXX	
34	Total (lines 32-33)	8	199		8	199	207	XXXXXX	

720. TRACKS

- (1) Show, by State, total mileage of tracks owned and operated by respondent MISSISSIPPI - 42
- (2) Show, by State, mileage of tracks owned but not operated by respondent: First main track, _____
 second and additional main tracks, _____, industrial tracks, _____
 yard track and sidings, _____; total, all tracks, _____ (t)
- (3) Road is completed from (Line Haul Railways only)* EVANSTON, MS to PASCAGOULA, MS Total distance, 42 miles.
- (4) Road located at (Switching and Terminal Companies only)* _____
- (5) Gage of track FOUR ft. EIGHT AND ONE-HALF in.
- (6) Weight of rail 75, 80, 90 & 115 lb. per yard.
- (7) Kind and number per mile of crossties TREATED OAK AND OTHER HARDWOOD 3,100 TIES
- (8) State number of miles electrified: First main track, N/A; second and additional main tracks, _____
 passing tracks, cross-overs, and turn-outs, _____; way switching tracks, _____ yard switching tracks, _____
- (9) Ties applied in replacement during year: Number of crossties, 12,152; average cost per tie, \$ 12.03; number of feet (B.M.) of switch and bridge ties, 28,311; average cost per M feet (B.M.), \$ 416.55
- (10) Rail applied in replacement during year: Tons (2,000 pounds), 612.155; Weight per year, 115#; 90#; average cost per ton, \$ 334.69

*Insert names of places.

(t) Mileage should be stated to the nearest whole mile.

MISSISSIPPI EXPORT RAILROAD COMPANY

MOSS POINT, MISSISSIPPI

REPORT TO STOCKHOLDERS

1978

MISSISSIPPI EXPORT RAILROAD COMPANY
MOSS POINT, MISSISSIPPI
ANNUAL REPORT

I N D E X

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MISSISSIPPI EXPORT RAILROAD COMPANY

MOSS POINT, MISSISSIPPI

TO THE STOCKHOLDERS:

With the extra dividends paid, you should be well aware by now that your railroad completed a very successful year in 1978. My job of writing this report to you thus becomes a pleasure.

Last year was one of those times when everything seemed to work just right. The improved earnings were brought about primarily from a 60% increase in grain handled as well as by a substantial increase in pulpwood to International Paper Company. We delivered our first unit coal train to the Mississippi Power Company in July, and during the last quarter, the coal trains began to roll with some regularity. The volume, however, was not sufficient to significantly affect our earnings for the year.

We continue to be hurt by problems with car supply. This has been helped by our leasing 200 fifty foot XM boxcars and we have another 200 on order for delivery late in 1979. It is hoped that this will alleviate somewhat our car shortage and the investment tax credit generated by this first 200 cars minimized our income taxes for 1978 which contributed to our earnings.

Again, we were able to lay three miles of 115 pound rail replacing the 75 pound rail that was in use. We now have only five miles of light rail remaining in the line so the completion of having all rail of 90 pounds or greater is in sight. Regretfully, some of the first 90 pound rail placed in service is getting worn and must soon be replaced.

In October, we accepted delivery of a new Electromatic Tamper which now gives us the modern equipment needed to efficiently maintain our roadbed.

Design study has been initiated for the replacement of the timber trestle across Black Creek with one of prestressed concrete and it is hoped to have this new trestle completed by the fall of 1979.

The heavy six axle locomotives used in handling the coal trains and the 100 ton cars of coal and of grain are making maintenance more difficult and expensive than ever before. We are giving constant

To the Stockholders
Page 2

attention to both the maintenance and the improvement of our roadbed with both safety and efficiency paramount in our planning and thinking. Our regular inspection of these properties is an integral part of our program and we feel that it has contributed to the success we have achieved to this time.

Much is left to do, but we continue to be optimistic concerning the 1979 operation and hope that when the year is out to be able again to report it has been a profitable one.

DWAIN G. LUCE
President

MISSISSIPPI EXPORT RAILROAD COMPANY

MOSS POINT, MISSISSIPPI

GENERAL OFFICERS AND DIRECTORS

DECEMBER 31, 1978

GENERAL OFFICERS			
TITLE	NAME	ADDRESS	DATE ELECTED
President	D. G. Luce	Mobile, AL	April 17, 1958
Vice President	A. F. Dantzler	Pascagoula, MS	April 23, 1969
Vice President & General Manager	T. M. von Sprecken, Jr.	Moss Point, MS	December 3, 1965
Secretary	J. W. Hunter	Moss Point, MS	August 7, 1974
Chief Engineer	A. G. Nance	Pascagoula, MS	January 1, 1975
Treasurer	W. L. Shelton	Theodore, AL	August 7, 1974
Traffic Manager	J. W. Hunter	Moss Point, MS	April 1, 1967
Auditor	W. L. Shelton	Theodore, AL	March 15, 1971

DIRECTORS		
NAME	ADDRESS	TERM EXPIRES
A. F. Dantzler	Pascagoula, MS	April, 1979
R. V. Delaney	New York, NY	April, 1979
J. B. Goodrich	Chicago, IL	April, 1979
I. B. Hall	Chicago, IL	April, 1979
H. P. Heidelberg, Jr.	Pascagoula, MS	April, 1979
T. S. Leatherbury	Pascagoula, MS	April, 1979
D. G. Luce	Mobile, AL	April, 1979
A. P. Roberts	Mobile, AL	April, 1979
T. M. von Sprecken, Jr.	Moss Point, MS	April, 1979

MISSISSIPPI EXPORT RAILROAD COMPANY
STOCK ROSTER AS OF DECEMBER 31, 1978

NAME OF STOCKHOLDER	NUMBER OF SHARES	PAR VALUE
Armistead, C. B.	92.625	\$ 9,262.50
Austill and Company	1.	100.00
Avent, J. C. and Ann F.	1.	100.00
Barrett, Mrs. Murray Lou Andrews	1.	100.00
Blumer, Adam Rivers	1.	100.00
Bratt, Florence McIntosh	12.667	1,266.67
Brentz, Quinton Albert	10.	1,000.00
Brown, Mrs. Margaret L.	9.	900.00
Colle, Mrs. Ollie L.	12.5	1,250.00
Colley, Blanche B.	3.	300.00
Colmer, Margaret Ann and Alice L.	31.	3,100.00
Colmer, R. P.	2.5	250.00
Colmer, William M.	1.75	175.00
Couch, Clarence (Estate)*	.5	50.00
Crampton, Mrs. Georgia	1.25	125.00
Davis, Mrs. Pearl Wright	15.	1,500.00
DeAngelo, George	2.5	250.00
DeLashmet, Jr., T. L.	14.25	1,425.00
DeLashmet, Sr., T. L.	25.	2,500.00
Eley, Jr., Robert	1.	100.00
Finley and Company	15.	1,500.00
Flinn, Mary Elizabeth	1.	100.00
Ford, Charles W.	6.666	666.66
Ford, Jr., Ebb J.	11.667	1,166.67
Ford, Robert Sedgwick	6.667	666.67
Gautier, Hermes Quin	27.625	2,762.50
Gonzales, Mrs. Winifred Martin	.125	12.50
Harper, Mrs. Nell Q. Crane	5.	500.00
Head, Mrs. Albert B., Estate of	.5	50.00
Horst, Mrs. Adele B.	5.	500.00
Hunt, Mrs. Mable E.	1.	100.00
Hunter, James W.	2.	200.00
Humphreys, Jr., H. R.	3.	300.00
Humphreys, Joseph H.	3.	300.00

MISSISSIPPI EXPORT RAILROAD COMPANY

STOCK ROSTER AS OF DECEMBER 31, 1978

NAME OF STOCKHOLDER	NUMBER OF SHARES	PAR VALUE
Illinois Central Gulf Railroad Company	1150.	\$115,000.00
International Paper Company	1830.	183,000.00
Jane', Dorothy Eley	1.	100.00
LeMaitre, Mrs. E. L.	5.	500.00
Lemon, J. K. and/or Bradford	1.	100.00
Lennepe, Clara Rhodes	1.25	125.00
Luce, Douglas T.	283.	28,300.00
Luce, Dwain G.	279.	27,900.00
Luce, Gregory	9.	900.00
Luce, Jex R.	283.	28,300.00
Magruder, Dr. William M.	3.	300.00
Mangum, Mrs. Neill	2.5	250.00
Martin, Martha Freeman (Usufructuary)	30.	3,000.00
Moss Point Lodge F&AM 202	4.	400.00
McEachern, C. Malcolm	12.5	1,250.00
McEachern, Mrs. Mae R.	12.5	1,250.00
McIntosh, Helen They	12.667	1,266.67
McIntosh, Robert W.	13.916	1,391.66
McKee, Jr., Chester	3.	300.00
McLarty, Jane H.	.08	8.33
McLeod, Anna Clara Eley	1.5	150.00
Pascagoula - Moss Point Bank	60.	6,000.00
Pascagoula - Moss Point Bank, Trustee of B. D. Spann Account - Moss Point Presbyterian Church	5.	500.00
Reilly, J. R.	.75	75.00
Reilly, Ralph	.75	75.00
Renfro, Robert S.	.5	50.00
Roberts, Glover T., Administrator CTA of the Estate of Dorothy P. Roberts	2.5	250.00
Schaub, Estate of Mrs. Mary J. Delmas	.625	62.50
Sharp, Estate of Mrs. Eva L.	1.25	125.00
Shelton, W. Lynn	3.	300.00
Smith, A. V.	5.	500.00

MISSISSIPPI EXPORT RAILROAD COMPANY

STOCK ROSTER AS OF DECEMBER 31, 1978

NAME OF STOCKHOLDER	NUMBER OF SHARES	PAR VALUE
Taylor, Mrs. Del S.	5.	\$ 500.00
Thompson, Carrie Virginia Eley	1.	100.00
von Sprecken, Jr., T. M.	55.34	5,533.34
Wadlington, Billie H.	.08	8.33
Watts, J. D.	5.	500.00
Whitney and Company (Bank of Lucedale)	74.5	7,450.00
Whitehead, John J.	20.	2,000.00
Wood, Albert Cause	1.	100.00
Wood, Eugene Gregory	1.	100.00
Wood, George Price, Jr.,	1.	100.00
York, Mrs. Martha M.	2.	200.00
TOTAL	4510.	\$451,000.00

* Old Stock Not Yet Surrendered for New Stock.

DILL, BOND, & PLUMSTEAD
CERTIFIED PUBLIC ACCOUNTANTS
Members American Institute of Certified Public Accountants
MOBILE, ALABAMA

The President and Board of Directors
Mississippi Export Railroad Company
Moss Point, Mississippi

Gentlemen:

We have examined the Balance Sheet of the Mississippi Export Railroad Company at December 31, 1978, and the Statements of Income, Stockholders' Equity and Changes in Financial Position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We have previously made an examination similar in scope for the years ended December 31, 1975, 1976 and 1977.

In our opinion, the accompanying Balance Sheets, Statements of Income, Stockholders' Equity and Changes in Financial Position present fairly the financial position of the company at December 31, 1975, 1976, 1977, and 1978, and the results of its operations for the years then ended in conformity with generally accepted accounting principles applied on a consistent basis.

Respectfully submitted,

DILL, BOND & PLUMSTEAD

Certified Public Accountants

MISSISSIPPI EXPORT RAILROAD COMPANY

BALANCE SHEET

DECEMBER 31, 1978

ASSETS

CURRENT:

	<u>1978</u>	<u>1977</u>
Cash	\$ 116,633	\$ 33,416
Special Deposits	13,098	19,566
Miscellaneous Accounts Receivable	161,793	54,480
Receivable from Agents	1,231,955	112,452
Prepaid Insurance	107,274	60,412
Prepaid Taxes	18,900	-0-
Materials and Supplies	325,943	463,420
Temporary Cash Investments	2,331,169	976,114
TOTAL	<u>\$4,306,765</u>	<u>\$1,719,860</u>

PROPERTIES:

Road and Equipment Property (Net)	\$2,773,913	\$2,444,459
Miscellaneous Physical Property	102,009	102,009
TOTAL	<u>\$2,875,922</u>	<u>\$2,546,468</u>

TOTAL ASSETS:

\$7,182,687 \$4,266,328

MISSISSIPPI EXPORT RAILROAD COMPANY

BALANCE SHEET

DECEMBER 31, 1978

	<u>LIABILITIES</u>	
	<u>1978</u>	<u>1977</u>
<u>CURRENT:</u>		
Unmatured Dividends Declared	\$ 216,480	\$ 72,160
Equipment Obligations		
(Payment within 12 months)	30,000	30,000
Traffic and Car Service Balance	2,274,709	317,547
Audited Wages Payable	23,359	19,773
Miscellaneous Accounts Payable	33,673	25,863
Accrued Accounts Payable	146,768	192,947
Accrued Taxes Payable	93,888	114,965
TOTAL CURRENT LIABILITIES	<u>\$2,818,877</u>	<u>\$ 773,255</u>
 <u>DEFERRED CREDITS:</u>		
Pension and Welfare Reserves	\$ 44,160	\$ 31,320
Accumulated Deferred Income Tax Credits	12,800	180,838
Long-Term Liabilities - Equipment		
(Payable After 12 Months)	172,500	202,500
TOTAL DEFERRED CREDITS	<u>\$ 229,460</u>	<u>\$ 414,658</u>
 <u>TOTAL LIABILITIES:</u>	<u>\$3,048,337</u>	<u>\$1,187,913</u>
	<u>NET WORTH</u>	
	<u>1978</u>	<u>1977</u>
Capital Stock	\$ 451,000	\$ 451,000
Premium on Capital Stock	800	800
Other Capital Surplus	436	436
Retained Income	3,682,114	2,626,179
TOTAL NET WORTH	<u>\$4,134,350</u>	<u>\$3,078,415</u>
 <u>TOTAL LIABILITIES AND NET WORTH:</u>	<u>\$7,182,687</u>	<u>\$4,266,328</u>

MISSISSIPPI EXPORT RAILROAD COMPANY

ANALYSIS OF EARNED SURPLUS

DECEMBER 31, 1978

	<u>DEBITS</u>	<u>CREDITS</u>
Credit Balance at Beginning of Year		\$2,626,179
Net Income - See Income Statement		\$1,317,515
Dividend Appropriations of Income	\$ 261,580	
Credit Balance at Close of Year	\$3,682,114	
	<hr/>	<hr/>
TOTAL	\$3,943,694	\$3,943,694
	<hr/>	<hr/>

MISSISSIPPI EXPORT RAILROAD COMPANY

COMPARATIVE INCOME STATEMENT

YEAR ENDING DECEMBER 31, 1978

	<u>1978</u>	<u>1977</u>
<u>OPERATING REVENUES:</u>		
Freight	\$4,169,709	\$2,993,669
Switching	110,754	188,771
Demurrage	262,260	53,826
Miscellaneous	6,300	6,554
TOTAL OPERATING REVENUES	<u>\$4,549,023</u>	<u>\$3,242,820</u>
<u>OPERATING EXPENSES:</u>		
Maintenance of Way and Structures	\$1,249,310	\$1,028,230
Maintenance of Equipment	265,945	241,207
Traffic	51,788	44,133
Transportation	962,634	788,943
General	192,266	167,188
TOTAL OPERATING EXPENSES	<u>\$2,721,943</u>	<u>\$2,269,701</u>
NET REVENUE FROM RAILWAY OPERATIONS	\$1,827,080	\$ 973,119
RAILWAY TAX ACCRUALS	288,489	377,425
RAILWAY OPERATING INCOME	<u>\$1,538,591</u>	<u>\$ 595,694</u>
<u>RENT INCOME:</u>		
Joint Facility Rent	\$ 244	\$ 244
<u>RENT PAID:</u>		
Hire of Freight Cars	\$ 567,107	\$ 348,059
Rent for Locomotives	20,800	-0-
Joint Facility Rents	50	50
TOTAL RENT PAID	<u>\$ 587,957</u>	<u>\$ 348,109</u>
NET RENTS (DEBIT)	\$ 587,713	\$ 347,865
NET RAILWAY OPERATING INCOME	<u>\$ 950,878</u>	<u>\$ 247,829</u>

MISSISSIPPI EXPORT RAILROAD COMPANY

COMPARATIVE INCOME STATEMENT

YEAR ENDING DECEMBER 31, 1978

...continued...

	<u>1978</u>	<u>1977</u>
<u>OTHER INCOME:</u>		
Miscellaneous Rent Income - Net	\$ 14,167	\$ 13,512
Other Income	15,024	11,789
Interest and Dividend Income	93,830	65,298
TOTAL OTHER INCOME	<u>\$ 123,021</u>	<u>\$ 90,599</u>
 TOTAL INCOME	 \$1,073,898	 \$ 338,428
MISCELLANEOUS DEDUCTIONS FROM INCOME	16,672	19,921
NET INCOME BEFORE EXTRAORDINARY ITEMS	<u>\$1,057,226</u>	<u>\$ 318,507</u>
EXTRAORDINARY ITEMS INCOME	260,288	-0-
NET INCOME AFTER EXTRAORDINARY ITEMS	<u>\$1,317,514</u>	<u>\$ 318,507</u>
 <u>ADD BACK INCOME TAXES:</u>		
Federal Income Tax	\$ 4,350	\$ 102,000
Deferred Income Tax Credits	-0-	24,000
State Income Tax	41,300	16,750
NET INCOME BEFORE INCOME TAXES	<u>\$1,363,164</u>	<u>\$ 461,257</u>
DEPRECIATION - ROAD AND EQUIPMENT	72,828	63,636
NET INCOME BEFORE TAX AND DEPRECIATION	<u>\$1,435,992</u>	<u>\$ 524,893</u>
 OPERATING RATIO (Percent)	 59.8%	 70.0%

MISSISSIPPI EXPORT RAILROAD COMPANY
COMPARATIVE STATEMENT OF TAX ACCRUALS

YEAR ENDED DECEMBER 31, 1978

	<u>1978</u>	<u>1977</u>
<u>INCOME TAXES:</u>		
Federal Income Tax	\$ (5,421)	\$ 101,426
Deferred Income Tax Credits	-0-	24,000
Mississippi Income Tax	40,903	16,877
TOTAL INCOME TAXES	<u>\$ 35,482</u>	<u>\$ 142,303</u>
 <u>AD VALOREM TAXES:</u>		
Jackson County	\$ 18,721	\$ 17,910
George County	8,432	8,705
City of Pascagoula	2,734	2,634
City of Moss Point	6,843	7,699
TOTAL AD VALOREM TAXES	<u>\$ 36,730</u>	<u>\$ 36,948</u>
 <u>OTHER TAXES:</u>		
Statewide Privilege Tax	\$ 3,775	\$ 3,775
State Franchise Tax	7,698	6,200
Railroad Retirement Tax	159,433	142,155
Railroad Unemployment Insurance Tax	27,023	27,154
Miscellaneous Taxes	1,755	1,579
Miscellaneous Excise Tax	16,593	17,311
TOTAL OTHER TAXES	<u>\$ 216,277</u>	<u>\$ 198,174</u>
 TOTAL TAX ACCRUALS	<u>\$ 288,489</u>	<u>\$ 377,425</u>
 TOTAL OPERATING REVENUES	<u>\$4,549,023</u>	<u>\$3,242,820</u>
 PERCENTAGE FOR TAXES	<u>6.3%</u>	<u>11.6%</u>
 NET INCOME	<u>\$1,317,514</u>	<u>\$ 318,507</u>
ADD RAILWAY TAX ACCRUALS	288,489	377,425
TOTAL INCOME BEFORE ALL TAXES	<u>\$1,606,003</u>	<u>\$ 695,932</u>
 PERCENTAGE FOR TAXES	<u>18.0%</u>	<u>54.2%</u>

MISSISSIPPI EXPORT RAILROAD COMPANY

FEDERAL AND STATE INCOME TAX

1969 - 1978

<u>YEAR</u>	<u>FEDERAL INCOME TAX</u>	<u>STATE INCOME TAX</u>
1978	\$ 4,350	\$41,300
1977	125,426	16,877
1976	79,371	12,435
1975	3,809	10,714
1974	161,300	13,300
1973	419,400	44,100
1972	116,500	16,000
1971	44,300	5,000
1970	1,989	765
1969	-0-	338

MISSISSIPPI EXPORT RAILROAD COMPANY

FREIGHT REVENUES AND TAX ACCRUALS

1969 - 1978

<u>YEAR</u>	<u>FREIGHT REVENUES</u>	<u>TAX ACCRUALS</u>
1978	\$4,169,709	\$288,489
1977	2,993,609	377,425
1976	2,531,082	287,369
1975	2,338,737	194,169
1974	2,417,303	349,146
1973	3,067,477	598,674
1972	1,467,989	232,529
1971	1,181,885	139,161
1970	1,031,976	87,164
1969	1,019,389	79,030

MISSISSIPPI EXPORT RAILROAD COMPANY
MOSS POINT, MISSISSIPPI

CARS HANDLED IN 1978
Compared With
CARS HANDLED in 1977

INDUSTRY	1978	1977	INCREASE (DECREASE)
Louis Dreyfus Corporation	13,667	8,583	5,084
International Paper Company	6,223	5,516	707
Mississippi Power Company	2,492	262	2,230
Quaker Oats Company	753	584	179
Thiokol Chemical Company	634	597	37
Goodyear Rubber Company	624	775	(151)
Zapata Haynie	368	350	18
Pillsbury	341	172	169
Seacoast Incorporated	296	152	144
Mississippi Export Railroad	265	347	(82)
Dixie Portland	208	-0-	208
Mississippi Chemical Corporation	195	298	(103)
Climax Moly	187	241	(54)
F.E.B.	141	96	45
Atlas Construction	132	-0-	132
Chevron	121	489	(368)
Pavco Industries	116	63	53
Standard Products	99	63	36
Port	97	26	71
First Chemical Corporation	76	95	(19)
F & F Distributing Company	70	88	(18)
American Cyanamid	40	16	24
Ingalls Shipbuilding (Litton)	39	56	(17)
United Baltic	37	-0-	37
George County	26	19	7
Jackson County	24	42	(19)
City Lumber Company	21	17	4
Merchants Cash Grocery	11	17	(6)
Industrial Welding	11	-0-	11
ConAgra	11	-0-	11
West Cash and Carry	8	9	(1)
Chemtech	7	26	(19)
Thompson-Hayward	1	16	(15)
Cook Industries	-0-	29	(29)
Southern Stone & Slag	-0-	28	(28)
Cornell	-0-	27	(27)
Miscellaneous Industries (These industries receiving 10 cars or less in 1978 & 1977)	67	80	(13)
TOTAL CARS HANDLED	27,418	19,180	8,238

MISSISSIPPI EXPORT RAILROAD COMPANY
COMPARATIVE SELECTED ANNUAL STATISTICS
REVENUE FREIGHT TRAFFIC
YEAR ENDED DECEMBER 31, 1978

	<u>1978</u>	<u>1977</u>	<u>1976</u>
<u>CARLOADS CARRIED:</u>			
Total Carloads Carried	27,418	19,180	18,974
Average Revenue Per Car	\$152.08	\$156.08	\$133.40
Average Operating Cost Per Car	\$ 99.28	\$118.34	\$ 97.87
<u>TONS CARRIED:</u>			
Products of Agriculture	1,318,563	737,153	606,289
Animal and Products	136,052	92,464	96,722
Products of Mines	255,946	17,803	53,847
Products of Forests	131,929	96,931	86,062
Manufactured and Miscellaneous	282,661	345,572	314,951
Total Tons Carried	2,125,151	1,289,923	1,157,871
Tons Originated on Line	269,297	303,762	302,675
Average Haul Per Ton (Miles)	39.68	38.99	38.55
Average Revenue Per Ton (Dollars)	\$1.96	\$2.32	\$2.19
<u>TONS CARRIED ONE MILE:</u>			
Total Ton-Miles (Thousands)	84,323	50,290	44,637
Ton-Miles Per Mile of Road	2,010,568	1,199,094	1,064,305
Average Revenue Per Ton-Mile	\$0.049	\$0.060	\$0.057

MISSISSIPPI EXPORT RAILROAD COMPANY
COMPARATIVE ANNUAL FINANCIAL STATISTICS
FOR THE FIVE-YEAR PERIOD ENDED
DECEMBER 31, 1978

	<u>1978</u>	<u>1977</u>	<u>1976</u>	<u>1975</u>	<u>1974</u>
Operating Revenues	\$4,549,023	\$3,242,820	\$2,721,955	\$2,595,590	\$2,417,303
Net Income	1,317,514	318,507	283,198	259,040	262,598
Dividends Declared	*****261,580	****99,220	***81,180	**81,180	*81,180
Dividends Paid	117,260	90,200	81,180	81,180	90,200
Dividend Percentage Net Income	19.9	31.2	28.7	31.3	30.9
Dividend Rate	58%	22%	18%	18%	18%
Total Current Assets	\$4,306,765	\$1,719,860	\$1,686,323	\$1,752,801	\$1,754,058
Total Current Liabilities	\$2,818,877	\$ 773,255	\$ 650,927	\$ 798,266	\$ 830,603
Working Capital	\$1,487,888	\$ 946,605	\$1,035,396	\$ 954,535	\$ 923,455
Working Ratio	1.53	2.22	2.59	2.20	2.11

* 14% Dividend declared in December 1974 and paid in January 1975.
 ** 14% Dividend declared in December 1975 and paid in January 1976.
 *** 14% Dividend declared in December 1976 and paid in January 1977.
 **** 16% Dividend declared in December 1977 and paid in January 1978.
 ***** 48% Dividend declared in December 1978 and paid in January 1979.

VERIFICATION

The foregoing report must be verified by the oath of the officer having control of the accounting of the respondent. It should be verified, also by the oath of the president or other chief officer of the respondent, unless the respondent states on the last preceding page of this report that such chief officer has no control over the accounting of the respondent. The oath required may be taken before any person authorized to administer an oath by the laws of the State in which the same is taken.

OATH

(To be made by the officer having control of the accounting of the respondent)

State of MISSISSIPPI
 County of JACKSON ss:
W. Lynn Shelton makes oath and says that he is Treasurer
 (Insert here the name of the affiant) (Insert here the official title of the affiant)
 of Mississippi Export Railroad Company
 (Insert here the exact legal title or name of the respondent)

that it is his duty to have supervision over the books of account of the respondent and to control the manner in which such books are kept; that he knows that such books have, during the period covered by the foregoing report, been kept in good faith in accordance with the accounting and other orders of the Interstate Commerce Commission, effective during the said period; that he has carefully examined the said report, and to the best of his knowledge and belief the entries contained in the said report have, so far as they relate to matters of account, been accurately taken from the said books of account and are in exact accordance therewith; that he believes that all other statements of fact contained in the said report are true, and that the said report is a correct and complete statement of the business and affairs of the above-named respondent during the period

of time from and including January 1 1978, to and including December 31 1978

W. Lynn Shelton
 (Signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and
 county above named, this 30th day of May 1979
 My commission expires My Commission Expires 12-5-82

Dana Lee
 (Signature of officer authorized to administer oaths)

SUPPLEMENTAL OATH

(By the president or other chief officer of the respondent)

State of MISSISSIPPI
 County of JACKSON ss:
T. M. von Sprecken, Jr. makes oath and says that he is Vice President - General Manager
 (Insert here the name of the affiant) (Insert here the official title of the affiant)
 of Mississippi Export Railroad Company
 (Insert here the exact legal title or name of the respondent)

that he has carefully examined the foregoing report; that he believes that all statements of fact contained in the said report are true, and that the said report is a correct and complete statement of the business and affairs of the above-named respondent and the operation of its property during

the period of time from and including January 1 1978, to and including December 31 1978

T. M. von Sprecken Jr.
 (Signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and
 county above named, this 30th day of May 1979
 My commission expires My Commission Expires 12-5-82

Dana Lee
 (Signature of officer authorized to administer oaths)