ANNUAL REPORT 1973

ST. LOUIS – SAN FRANCISCO RAILWAY COMPANY

St. Louis-San Francisco Railway Company

GENERAL OFFICES: 906 OLIVE STREET • ST. LOUIS, MO. 63101

OFFICERS

R. C. GRAYSON
Chairman and President, St. Louis, Mo.

E. D. GRINNELL
Senior Vice President-Marketing, St. Louis, Mo.

W. F. THOMPSON
Senior Vice President-Operations, Springfield, Mo.

J. H. BROWN
Vice President-Corporate Affairs, St. Louis, Mo.

D. E. ENGLE
Vice President and General Counsel, St. Louis, Mo.

H. B. PARKER
Vice President-Finance and Treasurer, Springfield, Mo.

J. K. BESHEARS
Vice President-Personnel, Springfield, Mo.

G. E. BAILEY
Vice President and Secretary, St. Louis, Mo.

P. E. ODOM
Vice President-Management Services, Springfield, Mo.

J. W. TIPTON
Vice President-Intermodal Services, Springfield, Mo.

TRANSFER AGENTS FOR COMMON STOCK:

First National City Bank, 111 Wall Street, New York, N.Y. 10015
Mercantile Trust Company National Association, 721 Locust Street, St. Louis, Mo. 63101

REGISTRARS FOR COMMON STOCK:

Bankers Trust Company, 16 Wall Street, New York, N.Y. 10015
St. Louis Union Trust Company, 510 Locust Street, St. Louis, Mo. 63101

REGISTRARS FOR BONDS, DEBENTURES AND EQUIPMENT TRUST CERTIFICATES:

First National City Bank, 111 Wall Street, New York, N.Y. 10015
Mercantile Trust Company National Association, 721 Locust Street, St. Louis, Mo. 63101

AUTHENTICATING AGENTS:

First National City Bank, 111 Wall Street, New York, N.Y. 10015 for First Mortgage Bonds, 4% Series A and B, due Jan. 1, 1997 and Sept. 1, 1980, respectively.
Mercantile Trust Company National Association, 721 Locust Street, St. Louis, Mo. 63101 for 5% Income Debentures, Series A, due Jan 1, 2006.

Annual Meeting of Stockholders second Tuesday in May of each year

CONTENTS

CONSOLIDATED

	1973	1972
Operating revenues	$263,886,192	$238,959,134
Operating expenses	$203,245,662	$181,295,041
Ratio of expenses to revenues	77.0	75.9
Average number of employes	8,962	8,936
Payroll	$116,694,577	$103,297,500
Taxes	$ 20,884,240	$ 18,366,689
Taxes per share	$ 8.05	$ 7.08
Pre-tax Income available for fixed charges	$ 24,594,776	$ 27,945,325
Fixed charges	$ 11,237,013	$ 10,840,796
Times fixed charges earned — pre-tax	2.2	2.6
Contingent interest	$ 1,426,725	$ 1,425,725
Net Income	$ 12,281,038	$ 14,848,804
Earnings per share	$ 4.73	$ 5.72
Dividends per share	$ 2.50	$ 2.475

SYSTEM RAIL LINE FREIGHT STATISTICS

	1973	1972
Miles of road operated	4,797	4,847
Freight train revenue	$247,317,405	$227,016,878
Net ton-miles — revenue (thousands)	15,660,477	14,269,642
Gross ton-miles (thousands)	35,949,045	33,849,541
Train miles	10,637,156	10,557,617
Revenue per ton-mile	1.579¢	1.591¢
Revenue per train mile	$ 23.25	$ 21.50
Revenue tons per car	41.3	39.2
Revenue tons per train	1,472.2	1,351.6
Gross tons per train	3,379.6	3,206.2

March 4, 1974

TO FRISCO STOCKHOLDERS:

Frisco's 1973 earnings were equivalent to $4.73 per share versus $5.72 a year earlier. Important factors affecting our profitability were disastrous flooding in both the Spring and Fall and a bad rate/cost relationship; a partial offset came from an increase in other income and greater tax benefits.

Aside from the expense of restoring water-damaged facilities and of rerouting freight around flooded areas, profitability was further handicapped by the failure of rate relief to meet escalating costs. The 3% general freight rate increase granted by the Interstate Commerce Commission to become effective August 19 did not provide sufficient additional revenue to offset the almost $3.5 million rise in fuel costs, let alone meet sharply higher wage rates which went into effect October 1, 1972, January 1 and April 1, 1973. To offset sharply higher fuel costs since October 1, 1973, a 2.1% freight rate increase went into effect January 31, 1974; the carriers since have requested that this be upped to a 2.5% increase effective March 9. An increase in the rates on export grain and grain products became effective February 22, 1974 in the amount of 10% but not more than six cents per hundred pounds. A day earlier, the ICC authorized an interim general freight rate increase of 4% to go into effect hopefully on March 9 to cover other escalating costs.

Although 1973 profits were a disappointment, a growing traffic volume and better-than-average industrialization of our territory required a continuation of heavy expenditures to strengthen and improve the Frisco. We are enlarging our car and locomotive fleets; we continued to lay more heavy rail; our bridge renewal program continued at an accelerated pace; we continued to enlarge existing freight yards and plan new ones, and we are nearing completion of a 1000-mile microwave system of communications.

A major roadway improvement project completed during the year was the upgrading of our line between Tulsa and Avard, Oklahoma, to give us an improved transcontinental route via our interchange with the Santa Fe. In past years we depended upon a more circuitous route via our wholly-owned subsidiary, the Quanah, Acme & Pacific Railway, which runs between Quanah and Floydada, Texas, where it connects with the Santa Fe. With the improved gateway through Avard, the Frisco reached a tentative agreement with the Burlington Northern for the sale of a 104-mile section of the QA&P between Acme and Floydada for 87,711 shares of BN Common, subject to the approval of the Interstate Commerce Commission. The BN will lease the line to one of its subsidiaries to replace a branch line segment which sustained serious tunnel damage earlier in the year.

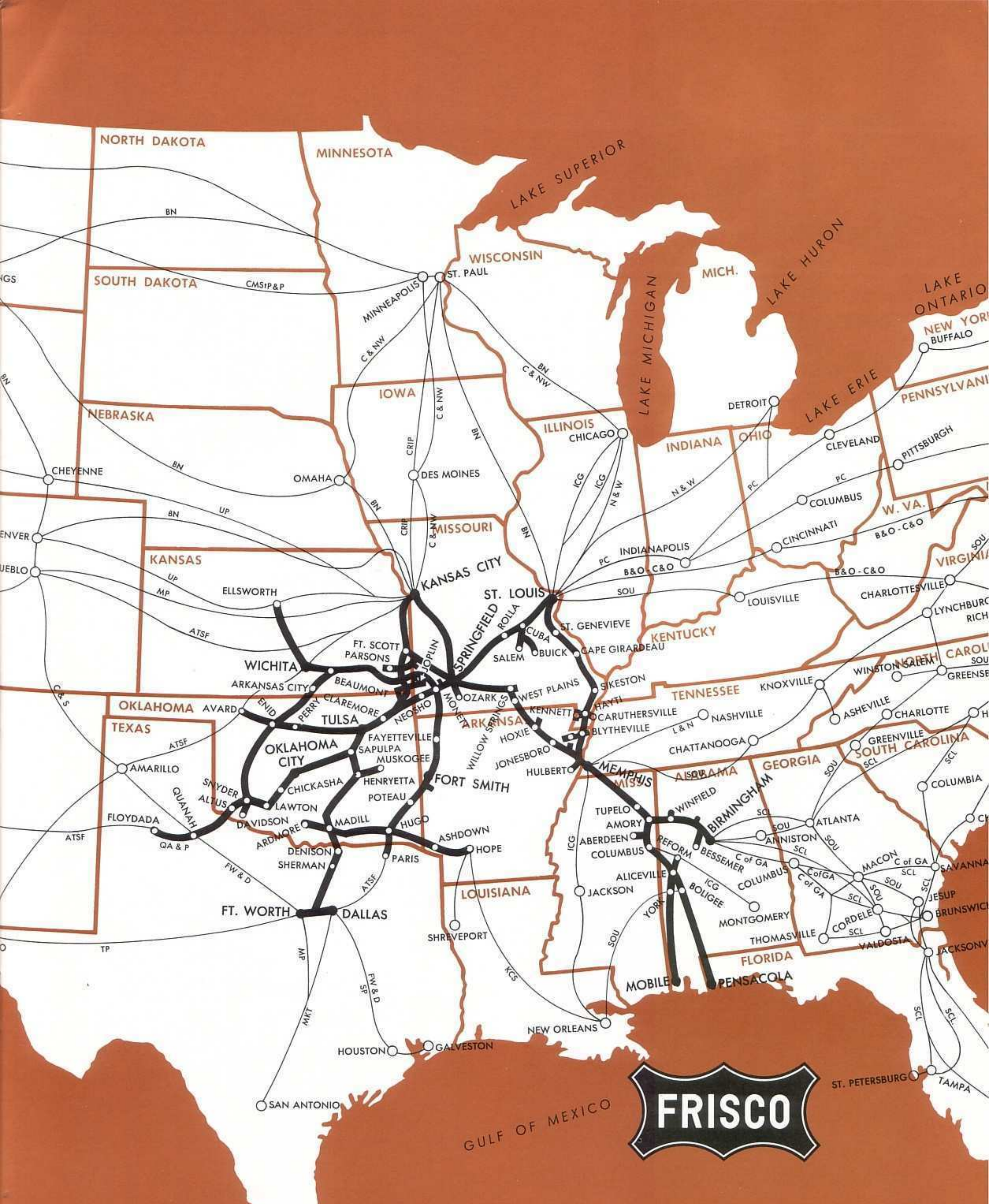
The outlook for the Frisco and other railroads has been improved by the recent enactment of legislation to aid the financially troubled rail carriers in the Northeast and by legislation proposed by the Department of Transportation to redirect federal policy so that the fuel-efficient railroad industry can strengthen itself to make a greater contribution during the energy crisis.

The Directors join me in expressing appreciation for the support and interest of our stockholders, as well as for the patronage of our customers and the efforts of our employes.

Sincerely,

R. C. Grayson

Chairman and President


NORTH DAKOTA
MINNESOTA
LAKE SUPERIOR
SOUTH DAKOTA
WISCONSIN
MICH.
LAKE MICHIGAN
LAKE HURON
LAKE ONTARIO
NEW YORK
BUFFALO
LAKE ERIE
PENNSYLVANIA
NEBRASKA
IOWA
ILLINOIS
INDIANA
OHIO
W. VA.
VIRGINIA
KANSAS
MISSOURI
KENTUCKY
NORTH CAROLINA
TENNESSEE
OKLAHOMA
ARKANSAS
TEXAS
SOUTH CAROLINA
GEORGIA
ALABAMA
MISS.
LOUISIANA
FLORIDA
GULF OF MEXICO
ST. PAUL
MINNEAPOLIS
CHEYENNE
OMAHA
DES MOINES
CHICAGO
DETROIT
CLEVELAND
PITTSBURGH
COLUMBUS
CINCINNATI
INDIANAPOLIS
LOUISVILLE
CHARLOTTESVILLE
LYNCHBURG
WINSTON SALEM
GREENSBORO
KNOXVILLE
ASHEVILLE
CHARLOTTE
NASHVILLE
CHATTANOOGA
GREENVILLE
COLUMBIA
ATLANTA
ANNISTON
MACON
SAVANNAH
JESUP
BRUNSWICK
CORDELE
VALDOSTA
THOMASVILLE
JACKSONVILLE
ST. PETERSBURG
TAMPA
MONTGOMERY
COLUMBUS
DENVER
PUEBLO
ELLSWORTH
KANSAS CITY
ST. LOUIS
SPRINGFIELD
ROLLA
CUBA
SALEM
BUICK
ST. GENEVIEVE
CAPE GIRARDEAU
SIKESTON
HAYTI
CARUTHERSVILLE
KENNETT
BLYTHEVILLE
HOXIE
JONESBORO
HULBERT
MEMPHIS
WEST PLAINS
WILLOW SPRINGS
OZARK
MONETT
JOPLIN
FT. SCOTT
PARSONS
WICHITA
ARKANSAS CITY
BEAUMONT
CLAREMORE
NEOSHO
AVARD
ENID
PERRY
TULSA
OKLAHOMA CITY
FAYETTEVILLE
SAPULPA
MUSKOGEE
HENRYETTA
FORT SMITH
POTEAU
CHICKASHA
LAWTON
SNYDER
ALTUS
QUANAH
DAVIDSON
ARDMORE
MADILL
HUGO
ASHDOWN
HOPE
PARIS
DENISON
SHERMAN
AMARILLO
FLOYDADA
FT. WORTH
DALLAS
SHREVEPORT
HOUSTON
GALVESTON
SAN ANTONIO
NEW ORLEANS
TUPELO
AMORY
ABERDEEN
COLUMBUS
WINFIELD
BIRMINGHAM
REFORM
BESSEMER
ALICEVILLE
BOLIGEE
YORK
JACKSON
MOBILE
PENSACOLA
BN
CMStP&P
C & NW
CRIP
UP
MP
ATSF
C & S
ICG
N & W
PC
B&O-C&O
SOU
L & N
SCL
C of GA
QA & P
FW & D
TP
MKT
SP
KCS
FRISCO

NET INCOME

Net income in 1973 was $12.3 million versus $14.8 million a year earlier, reflecting flood-related costs estimated in the range of $3.5 million and an increase in other income. Earnings per share in 1973 were $4.73 versus $5.72 a year earlier.

The effect of tax benefits upon net income are discussed on pages 9, 18 .

DIVIDENDS

Four Common dividends, each in the amount of 62½¢, were paid on March 15, June 15, September 18 and December 17. The total of $2.50 compares with a total of $2.475 in 1972.

A dividend of 62½¢ per share of Common was declared payable March 15, 1974 to holders of record March 1.

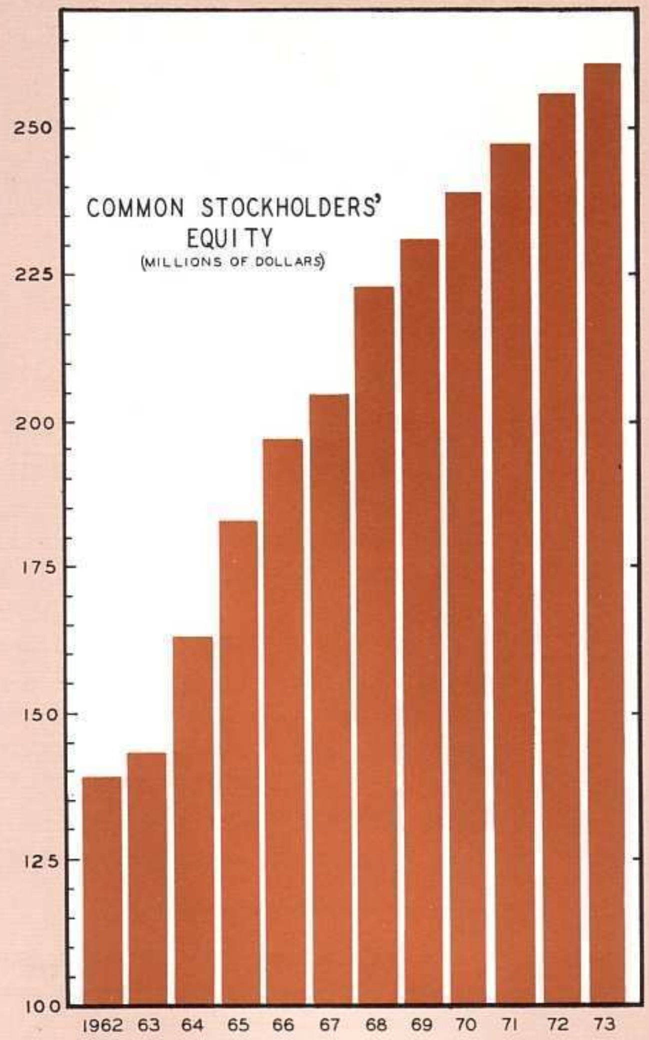
RECORD REVENUES BUT MORE RATE RELIEF NEEDED

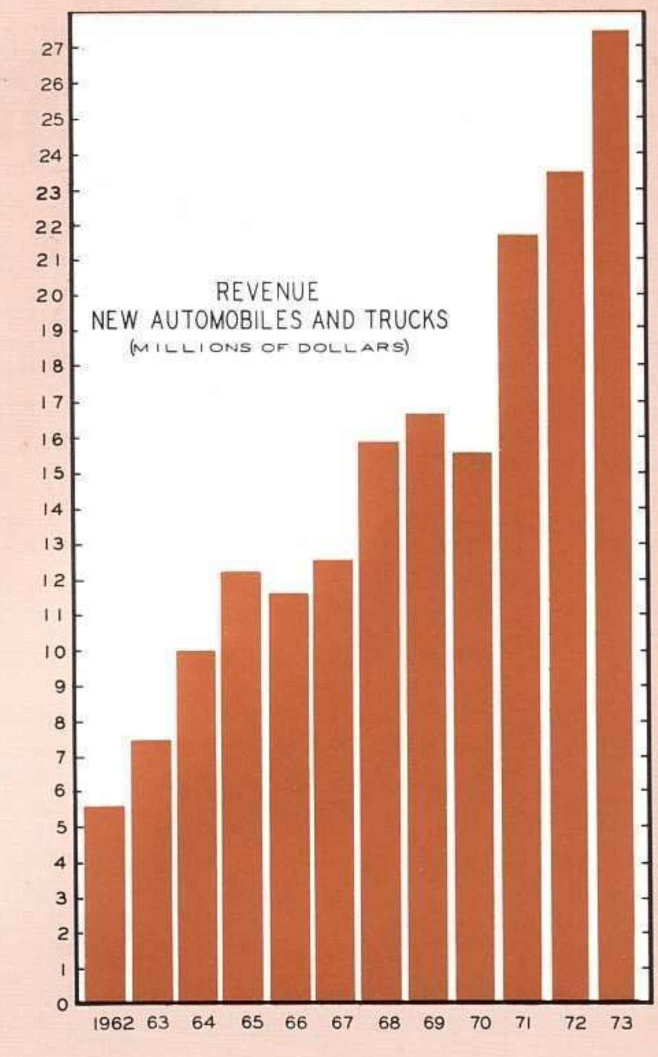
Operating revenues of $264 million were up 10.4% to an all-time high and reflect a record volume of traffic as well as partial rate relief.

Early in the year, the Interstate Commerce Commission denied a rail petition for an emergency surcharge of 2% to meet higher operating costs but informed the carriers that they could file for a permanent rate increase. Eastern carriers petitioned for a 3% increase; Western and Southern railroads requested a 5% increase. The Commission permitted a 3% increase which did not become effective until August 19. As a result of special legislation passed by the Congress in July, the Commission granted a 1.9% increase effective October 1 to offset the increased cost of Railroad Retirement benefits which railroads assumed under an agreement with railway labor organizations; this increase was superseded by a 2.6% increase on January 1, 1974. An additional 0.2% increase will go into effect on March 16 to cover higher Railroad Retirement Tax obligations. Other rate developments have been discussed on page 2.

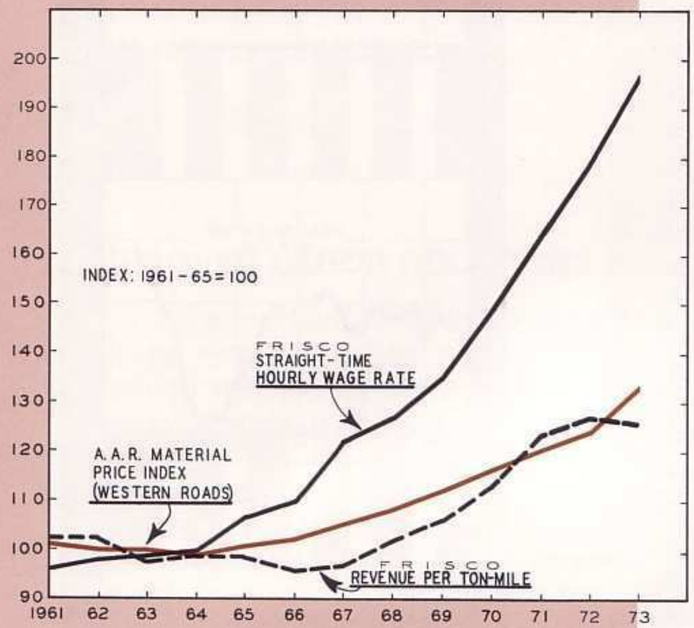
While the rate relief which became effective during 1973 was inadequate to offset escalating costs, Frisco revenues were aided by a continuation of its traffic growth. Carloadings were up 2.7%, while revenue ton-miles of service rose 9.7%. Earnings per car in 1973 were $278 versus $262 a year earlier.

Paced by agricultural commodities, machinery, new automobiles and trucks, volume gains were





scored by most of Frisco's principal revenue-producing commodity groups. Piggyback traffic rose 8.8%. Reflecting the drop in housing starts, the movement of forest products declined.



NEW TRAFFIC FROM NEW AND EXPANDED PLANTS

The better-than-average industrial growth of the Frisco's territory has been an important factor in the steady expansion of the railroad's traffic volume. During 1973, a total of 102 new industries completed construction of their facilities and actually began producing revenue tonnage along the Company's lines. It is expected that these new industries will generate in the range of $4.5 million in additional revenue per year. Involving an investment of close to $48 million in land, building and equipment, they now give employment to more than 3800 persons. In addition to these new facilities, the year also saw the expansion of 19 existing plants at a cost of more than $9 million.

Among the new facilities which began operating during the year was the new $19 million mine and mill of St. Joe Minerals Corporation at Brushy Creek, Missouri, the last major installation the Frisco's Lead Belt Line was intended to serve when it was built in 1967. Other important industrial installations opened in 1973 include a $6.5 million protein processing plant of Ralston Purina at Memphis, Tennessee; a $2.5 million auto-carpet manufacturing facility of Collins & Aikman Corporation, in Clinton, Oklahoma, and an Emerson Electric Company electric motor manufacturing facility at Rogers, Arkansas.

While the energy crisis and its attendant effect upon the economy engendered a more widespread wait-and-see attitude among corporate planners, a number of major plant site decisions to locate along the Frisco were made in 1973. At year-end, the backlog of new industries which had selected sites along the railroad and had begun to build or were in the final stages of planning constituted an all-time high in the history of the Frisco. An unusually large number of major plant expansions are also underway. The total of these projects involve a probable investment of $750 million in new plant and equipment in 1974, 1975 and 1976, and additional movement of almost ten per cent of our current annual carload volume.

Among the more promising developments during the year was the announcement by General Motors Corporation that it had purchased a one million square foot vacant plant on our line at Memphis, Tennessee, which will be converted to motor vehicle assembly. It is possible, however, the project will be delayed for some time due to the current energy crunch and the present slump in auto sales.

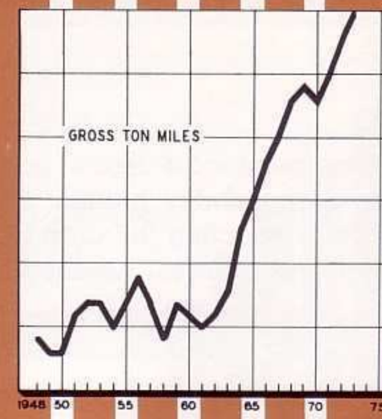
OPERATIONS

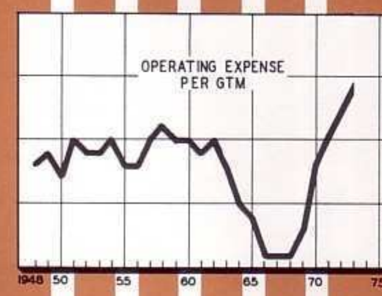
Sharply higher payroll and material costs, particularly of fuel, put a strong upward pressure upon the costs of operating the railroad. Expenses were further heightened by the necessity of repairing water damage to our facilities and by the detouring of freight around flooded areas which also added substantially to our hire-of-equipment costs. For more than two months, all St. Louis-Memphis traffic had to be routed over our more circuitous route through Springfield, Missouri, which proved not only more expensive but also added to the time in transit. Farther South, the Tombigbee River rose above flood stage, completely disrupting all service between Memphis and Birmingham for five days, while obstructing our entry into Mobile for 11 days and into Pensacola for nine days. In October, additional flooding caused damage and disruption of service in parts of Oklahoma and Kansas.

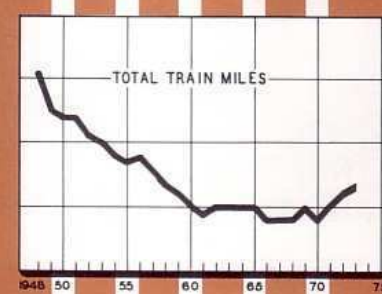
The effects of these adversities are reflected in the following tabulation which compares the number of cents spent from each revenue dollar for all of the major subdivisions of operating expenses during 1973 and the year before.

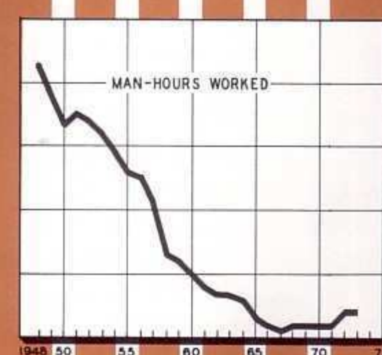
	1973	1972
Transportation	40.4	37.8
Maintenance of Way	14.2	14.8
Maintenance of Equipment	14.7	15.3
Other	7.7	8.0
Operating Ratio	77.0	75.9

Despite the drain upon our resources in repairing water-damaged facilities during the year, the Frisco continued its regular maintenance program as is discussed in greater detail on page 8.









First southbound train to Memphis after Mississippi receded.

IMPROVED LABOR RELATIONS

Under a previously negotiated agreement with railway employes, shop craft, clerks, maintenance of way, signal, and train and yard service employes were granted a 25¢ per hour wage increase. In accordance with the terms of different agreements, dispatchers and yardmasters were granted a $50 per month increase.

Pursuant to the terms of the agreement with the operating crafts, the carriers were granted various changes in working rules. During 1973, under the new work rules, the Frisco operated interdivisional runs between Springfield, Missouri, and Tulsa, Oklahoma, thus enabling the Company to operate its trains between the two points without a crew change at an intermediate terminal. Other work rule changes permitted under the agreement also have been placed in operation to the benefit of the Company.

An important development in railway labor relations during 1973 was the execution of a one-year contract between the carriers and railway labor organizations without federal intervention. Under that agreement, the carriers agreed to pay, effective October 1, 1973, a part of the Railroad Retirement Tax heretofore paid by the employes. The carriers and labor unions also agreed to jointly support legislation which would allow a freight rate increase to offset the added cost to the railroads. The joint efforts were successful and the new legislation was enacted into law in July. Also in accord with the terms of the one-year contract, wages were raised 4% effective January 1, 1974.

A joint Standing Committee, representing railway labor unions and the carriers, will report to Congress by July 1, 1974 on all matters related to restructuring the Railroad Retirement System.

Newest U30B XR locomotive of 3000 horsepower.

HEAVY EXPENDITURES ON ROADWAY AND STRUCTURES

Repair and restoration of high water damage to roadway and structures constituted a substantial drain upon the Company's material and human resources during 1973. Especially hard hit was the Frisco's line between St. Louis and Memphis which parallels the Mississippi River. Except for a period of 40 hours in late March, this segment of the Frisco's main line was out of service from March 13 to May 23. The only access to the inundated line was via the River itself. Frisco's maintenance forces utilized a barge line to float huge boulders up to the submerged shoulders of the track. The boulders then were dumped to prevent the trackbed from washing away. As the water began to recede, maintenance forces worked around the clock in an attempt to make emergency repairs, only to have the water rise again within a few hours. Before this segment of the railroad was back in service, the Frisco had used some 400 carloads of ballast and 360 carloads of rail-delivered boulders, as well as 58,000 tons of boulders delivered by barge. The Company is indebted to its maintenance forces for their prodigious efforts under arduous conditions.

Despite the necessity of committing so much manpower and material to restoration work, the Company was successful in continuing its regular maintenance program. During the year, a total of 104 miles of new rail was laid consisting of 91 miles of 132-lb. rail and 13 miles of 115-lb. rail. Except for three miles of jointed rail, all new rail was of the continuously welded type laid in quarter-mile lengths.

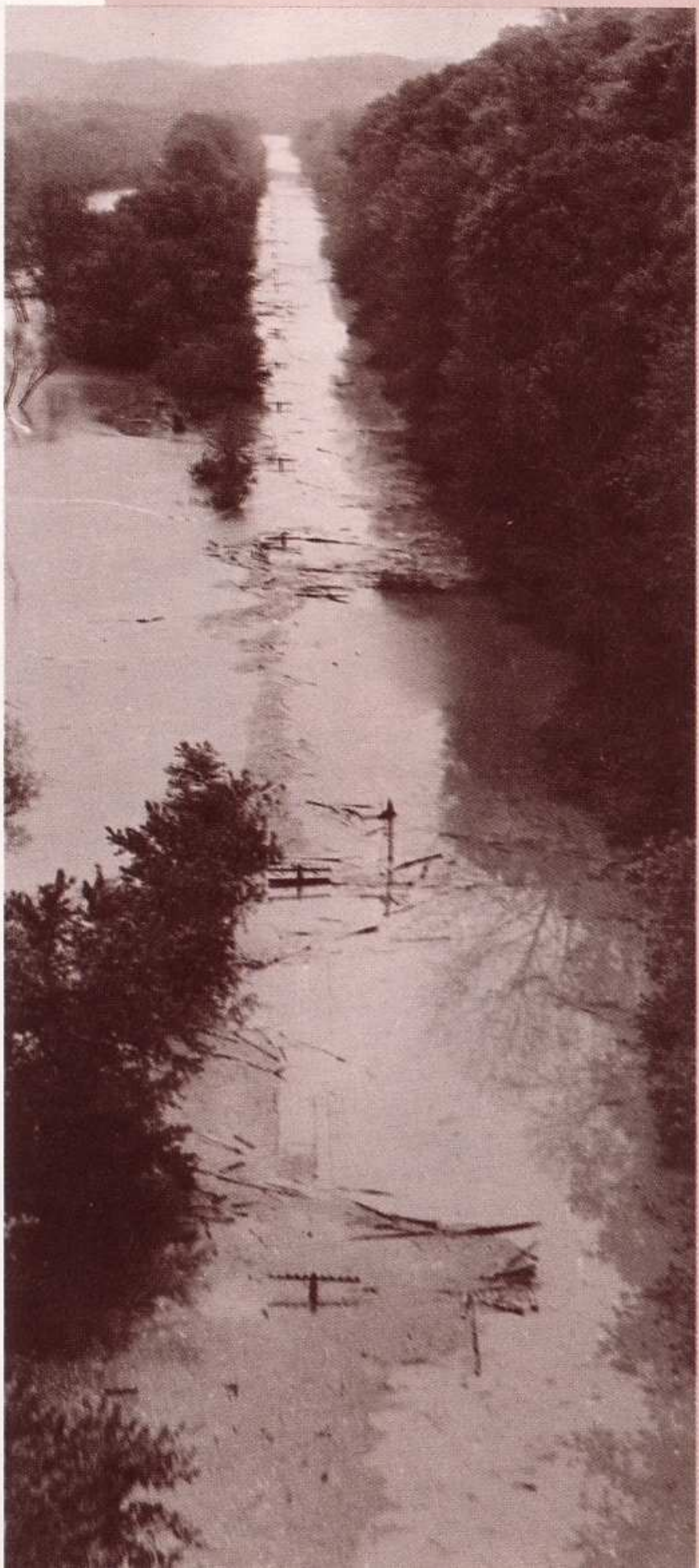
A total of 41 miles of rail released from the Frisco's primary lines was relaid on secondary lines, some segments of which have enjoyed an encouraging growth of traffic over the years.

Regular maintenance work performed during the year included the insertion of 574,000 cross ties, as well as the surfacing of 1000 miles of track and the testing of 3660 miles of railroad with electronic detector cars capable of locating hidden flaws before they can cause service failures.

The year also saw a continuation of an accelerated bridge renewal program: 177 panels of wooden trestles were filled or replaced with culverts and 394 panels of wooden bridges were replaced with permanent steel and concrete structures.

Yard expansion and modernization at Memphis, Birmingham and Springfield were completed during 1973 to permit more efficient switching and classification of freight cars.

A new Diesel locomotive service facility now being constructed in Cherokee Yard in Tulsa, Oklahoma, will be completed during 1974.



Only the crossarms of poles along the right-of-way remain visible as a portion of Frisco's main line between St. Louis and Memphis is submerged in the rising waters of the Mississippi.

TAXES

Estimated taxes in 1973 totaled $20.9 million versus $18.4 million in 1972.

In 1973, net Federal income tax benefits from accelerated and guideline depreciation, and amortization of defense facilities and rolling stock, were equivalent to $2.12 per share of Common Stock; in 1972 these benefits were equivalent to $2.53 per share of Common Stock.

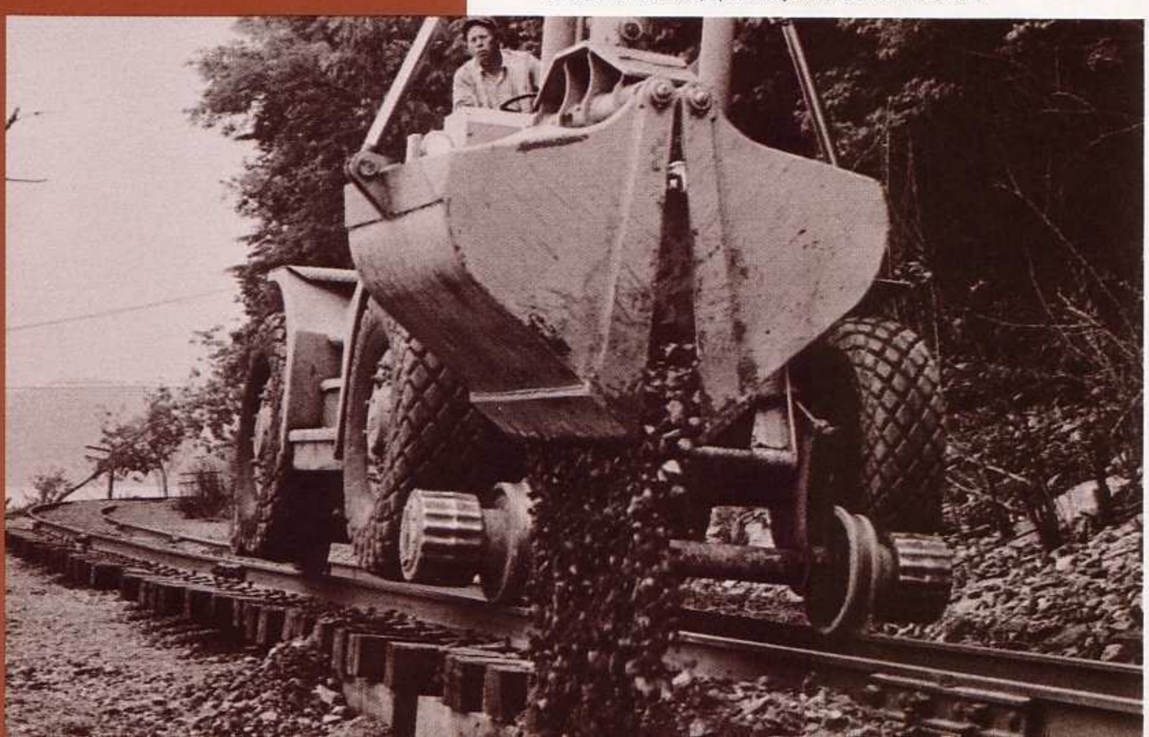
The minimum tax on certain tax preference items (primarily amortization of rolling stock) is estimated to be $600,000 for 1973 compared to $420,000 for the year 1972.

No benefits are estimated from allowable investment credit for the year 1973 compared to $309,000 for the year 1972. Carryover of credit to 1974 is estimated to be $6.7 million.

Payroll taxes in 1973 totaled $13.8 million, an increase of 31.2% from the level of 1972. This was primarily due to an increase in Railroad Retirement Tax rate from 9.95% to 10.6% through September and a further increase to 15.35% for the balance of 1973. The maximum employe earnings base was also raised from $750 monthly in 1972 to $900 monthly for all of 1973, and the additional tax on compensated service went from 6¾¢ per hour to 7½¢.

These changes alone accounted for increased taxes of $1,027,680 for the last quarter of the year and will be further aggravated during 1974 by an increase in the maximum employe earnings base from $900 to $1100 monthly.

On-and-off track equipment speeds maintenance work.



CAPITAL EXPENDITURES

The need for new tools of transportation — roadway, structures, rolling stock, communications equipment and other hardware — requires a constant flow of new capital into the railroad industry.

In recent years, between 1969 and 1973, for example, Frisco's capital expenditures for new equipment and facilities have been averaging $25.3 million annually. In 1973, the Frisco spent $4.4 million for new cars and locomotives, most of which were financed through Conditional Sale Agreements. The types of cars and locomotives may be found on page 23, together with similar data for equipment installed in prior years. In the same year, Frisco spent $9.8 million on roadway and structures, $1.5 million on rebuilding freight cars and $2.4 million on other additions and improvements to its properties.

EQUIPMENT OBLIGATIONS

Equipment obligations outstanding at year-end, including those due in one year, totaled $98.1 million, a decrease of $6.6 million, representing serial maturities of $10.6 million, less additional obligations of $4.0 million during 1973.

LEASED FREIGHT CARS AND LOCOMOTIVES

To augment its ownership of cars and locomotives, the Frisco had 2006 freight cars and 36 locomotives under lease at year-end. It also is a partner to a leasing agreement under which it shares the use of 478 covered hopper cars with a major chemical company. Additionally, the Frisco has a stock interest in Trailer Train Company from which it leases flat cars on some of which Frisco-owned automobile racks are mounted.

MERGERS

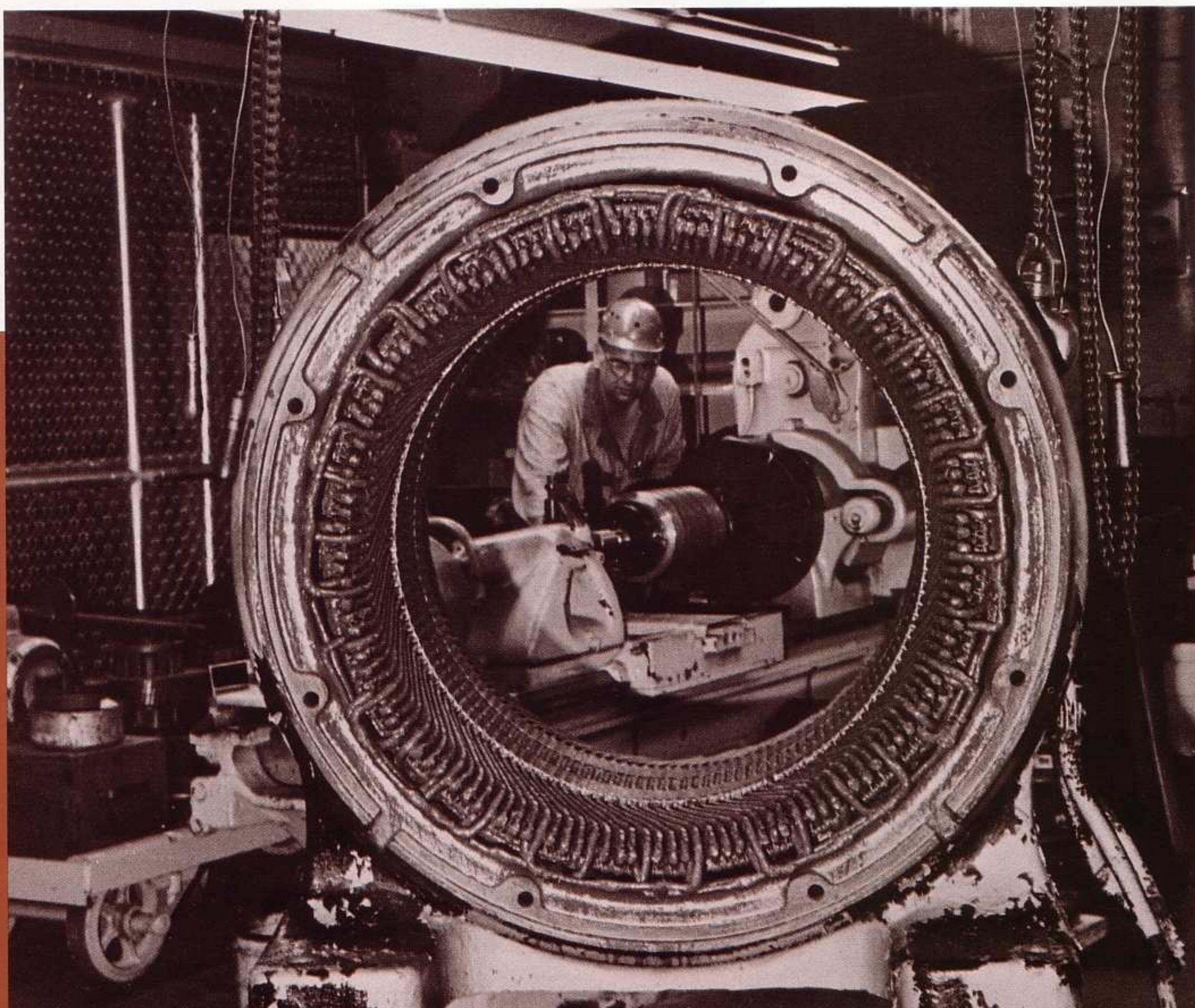
Still pending before the Interstate Commerce Commission is the proceeding commenced in 1963 whereby various railroads are seeking to acquire all or part of the Rock Island. We have reported earlier that the ICC Administrative Law Judge recommended a plan to restructure many of the Western railroads into four basic systems with Frisco remaining an independent line unless it chose to seek inclusion. Exceptions to recommendations of the Administrative Law Judge have now been filed by the parties and the Commission has heard oral arguments. The Frisco has remained opposed to all of the various acquisition proposals. The Commission must now issue its final order. Court appeals may follow. We do not expect this case to be concluded in 1974. Your Company will continue to take appropriate action to protect the interest of its stockholders.

LITIGATION

A proceeding instituted by the Eastern rail carriers to gain a higher share of the joint revenue on traffic moving in Eastern and Southern territories is still pending before the ICC. Your Company, in cooperation with the other Southern railroads, is making every effort to preserve the existing divisions. This case is not expected to be concluded in 1974.

There are pending against the Company and numerous railroads two antitrust suits filed by REA Express, Inc., seeking substantial damages. The suits have not progressed far enough for a reliable assessment of their impact. Frisco continues to take appropriate action to defend itself against the alleged claims.

Motors which were previously returned to manufacturer for repair are now being serviced in the Diesel shop at Springfield, Mo.



Veteran dispatcher instructs trainee.

EMPLOYE TRAINING PROGRAMS

A company is people. Frisco's human assets are the men and women who have helped the Company to grow through the years. To provide a continuing flow of skilled personnel at all levels, the Frisco has well-established programs for training and upgrading employes.

Frisco's programs provide training for clerk-telegraphers, locomotive engineers, dispatchers, mechanical and maintenance-of-way employes. Through the controlled input of knowledge and skill, the Frisco seeks a higher quality and a greater output of work. The end result will be better service, more satisfied customers and a greater feeling of fulfillment for employes.

SAFETY

The promotion of safety both on and off the job continued to receive the close attention of officers and employes.

Casualties from highway-railroad grade crossing accidents on the Frisco were fewer in 1973 than in any of the past eight years. This parallels the continued reduction in the national trend.

With the passage of the "Federal Aid Highway Act of 1973," the Congress has, for the first time, provided substantial federal funds exclusively for improvements at rail-highway crossings. A section of this Act, the "Federal Aid Safer Roads Demonstration Program," provides $250 million over the next three fiscal years for improvements on public roads and streets not a part of one of the federal systems. These improvements will include rail-highway grade crossings. The Frisco expects to take maximum advantage of this new source of federal aid to the grade crossing safety program.

MANAGEMENT CHANGES

Effective January 1, 1974:

W. F. Thompson, 48 years old and formerly President of the Terminal Railroad Association of St. Louis, was appointed Senior Vice President-Operations, with headquarters at Springfield, Missouri. Mr. Thompson began his railroad career as a switchman for the Rock Island Railroad in Fort Worth, Texas. He subsequently rose through the ranks of the Operating Department, becoming Assistant General Manager in 1963 and General Manager in 1968. He became President of the Terminal Railroad Association in 1970.

E. D. Grinnell, 53 years old and formerly Vice President-Traffic and Industrial Development, was appointed Senior Vice President-Marketing. A graduate of Dartmouth College and Washington University (St. Louis) Law School, Mr. Grinnell came to the Frisco as an attorney in 1951. He specialized in handling rate matters before the Interstate Commerce Commission. Rising through progressively higher positions of responsibility, he became Vice President and General Counsel before his appointment as Vice President-Traffic and Industrial Development in February 1969.

J. H. Brown, 47 years old and formerly Vice President-Operations, was appointed Vice President-Corporate Affairs. Mr. Brown joined the Frisco as a student apprentice following graduation from the University of Missouri's Engineering School in 1948. Rising through the ranks, he became Chief Engineer in 1961. He was transferred to the Operating Department in December 1962 and became Assistant General Manager. After subsequently serving as General Manager and Assistant Vice President-General Manager, he became Vice President-Operations in 1969.

FINANCIAL STATEMENTS

Included in this report are the consolidated financial statements of the St. Louis-San Francisco Railway Company and its wholly-owned rail and non-rail subsidiaries, together with the opinion thereon of the Company's independent accountants, Price Waterhouse & Co. Frisco's wholly-owned rail subsidiary is the Quanah, Acme & Pacific Railway Company. Non-rail subsidiaries are Frisco Transportation Company, Clarkland, Inc., Clarkland Royalty, Inc. and 906 Olive Corporation.

The financial results of the New Mexico and Arizona Land Company (50.04% owned by the St. Louis-San Francisco Railway Company) are included in the Frisco's consolidated results on an equity method basis. The New Mexico and Arizona Land Company issues its own annual report; anyone desiring a copy may obtain one by writing to the New Mexico and Arizona Land Company, Camel Square, 4350 E. Camelback Road, Phoenix, Arizona, 85018.

Price Waterhouse & Co.

ONE MEMORIAL DRIVE, ST. LOUIS, MISSOURI 63102·314-436-7800

March 4, 1974.

TO THE BOARD OF DIRECTORS AND STOCKHOLDERS OF
ST. LOUIS-SAN FRANCISCO RAILWAY COMPANY:

We have examined the consolidated balance sheets of the St. Louis-San Francisco Railway Company and its subsidiaries at December 31, 1973 and 1972 and the related consolidated statements of income, retained income and changes in financial position for the years then ended. Our examinations were 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.

In our opinion, except that provision has not been made for the possible increase in income taxes of future periods as set forth in Note 2 to the financial statements, the accompanying statements examined by us present fairly the consolidated financial position of St. Louis-San Francisco Railway Company and its subsidiaries at December 31, 1973 and 1972, the results of their operations and the changes in financial position for the years then ended, in conformity with generally accepted accounting principles consistently applied.

Price Waterhouse & Co.

CONSOLIDATED INCOME STATEMENT

	1973	1972
	(000) omitted	
OPERATING REVENUES:		
Freight	$251,677	$230,403
Other	12,209	8,556
Total operating revenues	263,886	238,959
OPERATING EXPENSES:		
Maintenance of way and structures	37,462	35,328
Maintenance of equipment	38,843	36,617
Transportation	106,576	90,375
Other	20,364	18,975
Total operating expenses (includes depreciation of $12,881,000 and $12,616,000 respectively)	203,245	181,295
Net operating revenue	60,641	57,664
OPERATING CHARGES:		
Taxes (except federal income taxes)	21,234	17,536
Equipment and joint facility rents	20,104	14,400
Total operating charges	41,338	31,936
Net operating income	19,303	25,728
OTHER INCOME:		
Profit on company bonds purchased	431	572
Other, net (Note 5, Page 19)	4,861	1,645
Total other income	5,292	2,217
Balance for fixed and contingent charges	24,595	27,945
FIXED AND CONTINGENT CHARGES:		
Interest on long term debt — fixed	10,955	10,608
Other fixed charges	282	232
Interest on long term debt — contingent	1,427	1,426
Total fixed and contingent charges	12,664	12,266
Income before federal income taxes	11,931	15,679
ESTIMATED FEDERAL INCOME TAXES:		
(Notes 2 and 6, Pages 18 and 19)	(350)	830
NET INCOME (in conformity with I.C.C. principles)	$ 12,281	$ 14,849
EARNINGS PER SHARE	$ 4.73	$ 5.72

CONSOLIDATED BALANCE SHEET

	December 31, 1973	1972
	(000) omitted	
ASSETS		
CURRENT ASSETS:		
Cash	$ 871	$ 3,595
Temporary cash investments	15,130	14,804
Cash deposits for interest, dividends, etc.	1,072	1,102
Accounts receivable	27,468	23,138
Material and supplies, at average cost	12,969	10,147
Other current assets	685	661
Total Current Assets	58,195	53,447
SPECIAL DEPOSITS	2,419	1,998
INVESTMENTS:		
Securities of and advances to affiliates (Page 21)	5,864	5,550
Other investments	257	249
Total Investments	6,121	5,799
PROPERTIES (Note 4, Page 19 and Page 21):		
Roadway and structures	342,131	334,335
Equipment	293,654	294,380
Non-operating property	8,953	8,666
Accrued depreciation — road	(64,178)	(62,038)
Accrued depreciation — equipment	(128,883)	(125,366)
Accrued depreciation — non-operating property	(767)	(530)
Total Properties — Net	450,910	449,447
OTHER ASSETS:		
Unamortized expense on long term debt	1,828	1,916
Miscellaneous	4,074	3,838
Total Other Assets	5,902	5,754
TOTAL ASSETS	$523,547	$516,445

	December 31, 1973	December 31, 1972
	(000) omitted	
LIABILITIES		
CURRENT LIABILITIES:		
Audited accounts and wages payable	$ 6,966	$ 4,961
Accrued and miscellaneous accounts payable	21,668	19,441
Interest and dividends payable	4,509	4,375
Estimated federal taxes on income (Note 6, Page 19)	3,149	2,486
Other accrued taxes	4,132	3,768
Other current liabilities	5,658	4,479
Total Current Liabilities (excluding current portion of long term debt)	46,082	39,510
LONG TERM DEBT (Page 22):		
First Mortgage Bonds, 4% Series A — 1997	60,939	61,606
First Mortgage Bonds, 4% Series B — 1980	14,387	14,387
Income Debentures, 5% Series A — 2006	28,718	29,084
Purchase Money Mortgage Notes, 6¾% — 1992	5,850	6,000
Equipment obligations	98,116	104,713
Other long term debt	4,341	2,937
Total Long Term Debt ($11,999,000 payable in 1974 and $11,713,000 in 1973)	212,351	218,727
OTHER LIABILITIES:		
Estimated casualty and other reserves	1,144	735
Miscellaneous, including deferred credits	2,152	1,447
Total Other Liabilities	3,296	2,182
STOCKHOLDERS' EQUITY		
CAPITAL STOCK (Note 7, Page 19):		
Common, no par value — Authorized 6,000,000 shares, issued 2,595,619 shares, less 50 shares in treasury	113,565	113,565
CAPITAL SURPLUS	18,935	18,935
RETAINED INCOME (Page 20)	129,318	123,526
Total Stockholders' Equity	261,818	256,026
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$523,547	$516,445

1. PRINCIPLES OF CONSOLIDATION: Included in the consolidated financial statements are the accounts of the parent company and wholly-owned rail and non-rail subsidiary companies. 50.04% of the net income of partially owned New Mexico and Arizona Land Company has been included in Other Income and the investment has been stated on an equity method basis.

2. AMORTIZATION, ACCELERATED AND GUIDELINE DEPRECIATION: The Company and its railroad subsidiaries maintain their books of account, and the accompanying statements have been prepared, in conformity with principles and methods of accounting prescribed or authorized by the Interstate Commerce Commission. These principles and methods do not require a provision for the income tax effect of the excess of tax amortization and depreciation over recorded depreciation as is necessary to conform with generally accepted accounting principles.

The supplementary income information shown below reflects the adjustments necessary to present net income in conformity with generally accepted accounting principles:

	1973	1972
Net income (in conformity with ICC principles) as set forth in the consolidated income statement	$12,281,000	$14,849,000
Adjustments to generally accepted accounting principles:		
Provision for income tax effect of —		
Amortization of defense facilities	820,000	859,000
Amortization of rolling stock under 1969 Tax Reform Act	(3,590,000)	(4,232,000)
Accelerated and guideline depreciation	(2,730,000)	(3,206,000)
Net income (as it would be stated in conformity with generally accepted accounting principles)	$ 6,781,000	$ 8,270,000
Earnings per share	$ 2.61	$ 3.19

The cumulative deferred effect on federal income taxes due to the above-mentioned differences, computed at tax rates applicable to the individual years, not reflected in the accompanying balance sheet, amounted to $68,000,000 at December 31, 1973.

3. PENSION PLAN: The Company has a noncontributory pension plan covering officers and supervisory employes. The cost of the plan charged to income was $1,389,000 in 1973

and $1,279,000 in 1972 which amounts include provision for past service costs. The Company's policy is to fund pension costs accrued. Unfunded past service costs of the Company's pension plan decreased from approximately $4,000,000 at December 31, 1972 to approximately $1,900,000 at December 31, 1973 due to payments and recognition of improvements in Railroad Retirement benefits.

4. PROPERTIES: Gross properties are stated at estimated original cost as determined by the Interstate Commerce Commission for reorganizational purposes as of January 1, 1947, plus additions and betterments at cost and less retirements since that date.

The Company uses the straight-line method of depreciation accounting (useful lives of 7 to 75 years) as prescribed by the Interstate Commerce Commission, with respect to equipment and depreciable road properties; however, for rails, ties, and other track materials instead of depreciation accounting, it follows an acceptable alternate accounting practice of "replacement" accounting. Under this method, replacements in kind are charged to expenses, and betterments (improvements) are capitalized. The amounts capitalized are not depreciated and are charged against income only when the related properties are retired.

At December 31, 1973 nondepreciable property, including land and land rights, aggregated approximately $219,400,000.

5. OTHER INCOME: During the year the Company revalued relay rail inventory (secondhand rail suitable for reuse) from $40.00 to $80.00 per gross ton. This action produced a credit to "Other Income" of $981,000. The revaluation is based on the current inflationary trends in scrap and secondhand rail quotations.

6. FEDERAL INCOME TAXES: A special provision in the Internal Revenue Code allowed the Company to claim 1973 flood disaster losses in the immediate preceding taxable year for Federal Income Tax purposes. This resulted in a refund of $1.2 million for the year 1973. Federal taxes on income for the years 1969 through 1973 are subject to final determination by the Treasury Department. In the opinion of management, the reserve provided for Federal taxes on income is adequate. See page 9 regarding investment credit.

7. CAPITAL STOCK: The Company is authorized to issue 1,500,000 shares of Preferred Stock of $100.00 par value. None of such stock is outstanding.

8. CONTINGENT LIABILITIES AND COMMITMENTS: The Company is guarantor of principal and interest, individually or jointly with other railroads, of obligations of various affiliated companies of which the estimated portion applicable to the Company is approximately $5,700,000 and $6,600,000 as of December 31, 1973 and 1972, respectively. The Company is a participant in service interruption policies with The Imperial Insurance Company (Cayman Islands) Limited. The maximum annual premium under the policies in the event of work stoppages on other participating railroads is $5,700,000.

The Company leases equipment under various agreements. Rentals average $4,000,000 per annum for 1974-1978; $2,200,000 per annum for 1979-1988, and total $3,000,000 for the period 1989-1992, all subject to a partial offset of freight car earnings while equipment is off-line.

CONSOLIDATED RETAINED INCOME STATEMENT

	1973	1972
	(000) omitted	
Balance at beginning of year	$123,526	$115,101
Add:		
Net income for the year	12,281	14,849
Deduct:		
Dividend on Common Stock — Per Share: $2.50 in 1973 and $2.475 in 1972	6,489	6,424
Balance at end of year	$129,318	$123,526

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

	1973	1972
	(000) omitted	
SOURCES OF FUNDS:		
Net income	$ 12,281	$ 14,849
Depreciation and other non-cash charges	13,481	13,579
Proceeds long term debt	6,563	10,499
Proceeds sale of property and salvage	3,358	2,221
Miscellaneous	(29)	1,909
Total	$ 35,654	$ 43,057
APPLICATIONS OF FUNDS:		
Additions and betterments — road and equipment	$ 18,050	$ 23,085
Long term debt retired	12,939	12,669
Dividends	6,489	6,424
Total	$ 37,478	$ 42,178
(DECREASE) INCREASE IN WORKING CAPITAL	$ (1,824)	$ 879
CHANGES IN WORKING CAPITAL:		
Cash and temporary cash investments	$ (2,398)	$ (3,796)
Accounts receivable	4,330	6,101
Material and supplies	2,822	(370)
Accounts payable	(4,232)	(803)
Estimated federal taxes on income	(663)	565
Other	(1,683)	(818)
(DECREASE) INCREASE IN WORKING CAPITAL	$ (1,824)	$ 879

SECURITIES OF AND ADVANCES TO AFFILIATES

	Number of Shares	Per Cent Owned	Par Value	Stocks	Notes and Advances	Total Investment
New Mexico and Arizona Land Co.	525,270.48#	50.04	$525,270	$2,320,838†	$	$2,320,838
Illinois Terminal Railroad Co.	181.82	9.09	1,818	1,818	......	1,818
Kansas City Terminal Ry. Co.	1,833.33*	8.33	183,333	183,333	1,491,472	1,674,805
Pullman Co., The	8,456.00	1.16	8,456	236,768	......	236,768
Terminal R. R. Association of St. Louis	2,058.00*	6.25	205,800	1	109,375	109,376
Trailer Train Co.	500.00	2.44	500	50,000	486,000	536,000
Union Terminal Co., The — Dallas	60.00*	12.50	6,000	6,000	209,220	215,220
Wichita Union Terminal Ry. Co.	333.33*	33.33	33,333	12,502	754,289	766,791
Wichita Terminal Association	......	....	......	......	2,000	2,000
Totals				$2,811,260	$3,052,356	$5,863,616

*Stock Pledged Under First Mortgage.
†Equity of New Mexico and Arizona Land Company at December 31, 1973 (Note 1, Page 18).
#200,000 shares pledged under loan agreement.

PROPERTY CHANGES DURING THE YEAR 1973

	Balance Dec. 31, 1972	Additions and Betterments	Retirements	Balance Dec. 31, 1973
Roadway and Structures	$334,334,536	$ 9,771,953	$ 1,975,360	$342,131,129
Equipment (Page 23):				
Diesel Locomotives	81,379,613	1,637,681	3,995,381	79,021,913
Freight-Train Cars	197,864,083	4,449,146	3,511,482	198,801,747
Work and Miscellaneous	13,399,655	1,633,147	1,068,391	13,964,411
Motor Carrier Equipment	1,736,959	144,462	15,493	1,865,928
Total Equipment	294,380,310	7,864,436	8,590,747	293,653,999
Total Transportation Property	628,714,846	17,636,389	10,566,107	635,785,128
Non-Operating Property	8,665,607	413,951	126,272	8,953,286
Total Properties	$637,380,453	$18,050,340	$10,692,379	$644,738,414

LONG TERM DEBT

	Date of Maturity	Outstanding Dec. 31, 1973 Due After 1974	Outstanding Dec. 31, 1973 Due in 1974	Fixed and Contingent Interest Rate	Fixed and Contingent Interest Expense for 1973
FUNDED DEBT UNMATURED:					
First Mortgage Series A	1-1-97	$ 60,939,200†	*	4.00	$ 2,459,662
First Mortgage Series B	9-1-80	14,387,000†	*	4.00	575,480
Income Debentures Series A	1-1-06	28,717,500†	*	5.00	1,426,725
Purchase Money Mortgage Notes	8-1-92	5,850,000	*	6.75	400,781
		109,893,700			4,862,648
EQUIPMENT OBLIGATIONS#:	Serially to				
Trust Certificates:					
Series N	3-15-80	1,674,000	$ 279,000	4.25	85,473
Series O	5-15-80	1,890,000	315,000	4.38	101,636
Conditional Sale Agreements: Numbers:					
10	2-10-74	—	30,834	4.75	2,522
11	2-1-75	34,150	68,300	5.63	7,043
12	3-1-75	—	306,380	5.75	26,789
13	8-1-75	161,320	208,000	5.25	23,029
14	6-1-76	152,933	117,400	4.75	16,558
15/16	1-1-77	302,700	152,400	4.75	27,047
17	11-1-77	263,192	101,758	5.00	21,215
18/22	8-1-78	1,316,396	350,783	4.50	80,285
23/27	1-15-79	2,685,409	596,758	4.45	155,057
28/29	3-15-79	357,652	79,478	4.45	21,073
30	9-1-75	184,899	184,899	4.75	21,225
31/39	1-15-81	5,203,933	800,605	5.25	327,497
40	4-1-76	149,199	99,466	5.60	16,710
41/43	3-1-82	2,024,275	269,903	6.25	150,415
44/45	3-1-82	1,765,024	235,336	5.75	120,659
46/50	7-1-82	4,421,466	552,683	6.25	328,156
51/56	1-1-83	7,486,667	935,833	6.75	631,688
57/58	10-1-80	1,999,980	333,330	9.75	205,780
59/64	12-15-83	5,994,000	666,000	7.25	529,123
65	8-15-84	2,500,000	250,000	8.25	239,766
66/67	1-15-85	4,144,250	376,750	9.38	425,315
68/70	2-1-85	4,158,000	378,000	9.50	433,913
71	7-1-85	3,166,939	287,904	9.75	347,284
72	11-15-82	4,000,000	500,000	7.75	357,028
73/74 & 76/77	7-1-86	7,119,061	592,930	7.75	615,484
75	5-15-83	2,389,317	265,480	10.00	223,405
78/80	10-1-86	8,652,825	721,069	8.25	805,344
81	3-1-84	5,072,353	507,235	9.75	452,697
82/83	3-1-88	7,730,647	552,189	7.87	552,423
		87,000,587	11,115,703		7,351,639
Other Long Term Debt		3,457,698	883,129		167,755
Totals		$200,351,985	$11,998,832		$12,382,042

†Excludes bonds held in treasury as follows:

First Mortgage Series A	$685,000
First Mortgage Series B	841,000
Income Debentures Series A	473,000

*Subject to sinking fund provisions under mortgage indentures in 1974:

First Mortgage Series A	$607,705
First Mortgage Series B	195,000
Income Debentures Series A	165,645
Purchase Money Mortgage Notes	150,000

#Equipment obligations maturing in future years are:

1974	$11,115,703	1979	$9,157,691	1984	$3,666,402
1975	10,697,985	1980	8,819,573	1985	2,909,166
1976	10,183,916	1981	7,491,940	1986	1,866,513
1977	9,906,267	1982	6,839,018	1987	552,189
1978	9,759,856	1983	4,597,882	1988	552,189

DESCRIPTION	Owned Dec. 31, 1972	Changes During 1973 Purchased	Reclas-sified	Retired	Owned Dec. 31, 1973
DIESEL LOCOMOTIVES:					
Freight 3600 H.P. (A Units)	49	...	...	...	49
Freight 3000 H.P. (A Units)	12	...	...	...	12
Freight 2500 H.P. (A Units)	65	...	...	...	65
Freight 2000 H.P. (A Units)	67	...	...	...	67
Freight 1750 H.P. (A Units)	2	...	...	2	...
Freight 1750 H.P. (B Units)	10*	...	...	1	9
Freight 1500 H.P. (A Units)	9	...	...	2	7
Freight 1500 H.P. (B Units)	9*	...	...	3	6
All Purpose 1500 H.P.	124	...	...	7	117
Switch 1500 H.P.	38	8	...	...	46
Switch 1200 H.P.	19	...	...	4	15
Switch 1000 H.P.	38	...	...	13	25
Switch 44 Ton	1	...	...	...	1
Total	443	8	...	32	419
FREIGHT-TRAIN CARS:					
Box-Plain	3,737	...	1	315	3,423
Box-Equipped-Non-Insulated	2,509	...	114	8	2,615
Box-Equipped-Insulated	1,112	100	...	4	1,208
Gondola	2,454	...	...	4	2,450
Hopper-Open Top	3,225	...	...	203	3,022
Hopper-Covered	2,392	...	...	51	2,341
Flat-Including Special Equipped	379	...	...	20	359
Wood Rack & Bulkhead Flat	874	...	...	...	874
Multi-Level Auto Transport	185	...	...	...	185
Mechanical Refrigerators	100	...	...	...	100
Caboose	226	20	...	16	230
Total	17,193	120	115	621	16,807
WORK EQUIPMENT:					
Tool and Material	697	...	11	51	657
Ballast	163	...	...	54	109
Boarding	74	...	...	6	68
Tank	126	...	...	6	120
Other	38	3	3	7	37
Total	1,098	3	14	124	991
MISCELLANEOUS EQUIPMENT:					
Motor Trucks	403	73	...	64	412
Automobiles	301	89	...	91	299
Airplane	1	...	...	...	1
Other	45	1	...	2	44
Total	750	163	...	157	756
FLOATING EQUIPMENT:					
Car Ferry	2	...	...	...	2
MOTOR CARRIER EQUIPMENT:					
Trucks	21	11	...	4	28
Tractors	93	7	...	1	99
Semitrailers	140	...	...	...	140
Service Cars	6	7	...	...	13
Total	260	25	...	5	280

*Revised

ST. LOUIS-SAN FRANCISCO RAILWAY COMPANY
CONSOLIDATED FIVE-YEAR FINANCIAL REVIEW

CONDENSED INCOME ACCOUNT

(000) omitted

	1973	1972	1971	1970	1969
Operating revenues	$263,886	$238,959	$220,935	$197,854	$187,398
Operating expenses	203,245	181,295	163,361	147,658	135,600
Net operating revenue	60,641	57,664	57,574	50,196	51,798
Operating charges	41,338	31,936	31,762	29,238	24,822
Net operating income	19,303	25,728	25,812	20,958	26,976
Other income, net	5,292	2,217	2,035	4,191	2,842
Balance for fixed and contingent charges	24,595	27,945	27,847	25,149	29,818
Fixed and contingent charges	12,664	12,266	11,594	11,078	10,198
Income before Federal income taxes	11,931	15,679	16,253	14,071	19,620
Estimated Federal income taxes	(350)	830	1,810	809	5,557
Net income	$ 12,281	$ 14,849	$ 14,443	$ 13,262	$ 14,063
Earnings per share	$ 4.73	$ 5.72	$ 5.56	$ 5.11	$ 5.42

CONDENSED BALANCE SHEET AS OF DECEMBER 31ST

	1973	1972	1971	1970	1969
Current assets	$ 58,195	$ 53,447	$ 51,427	$ 44,483	$ 47,576
Current liabilities	46,082	39,510	38,369	36,004	34,984
Net current assets	12,113	13,937	13,058	8,479	12,592
Properties — net	450,910	449,447	442,703	422,115	413,170
Investments	6,121	5,799	6,570	6,563	5,046
Other assets	8,321	7,752	8,203	6,082	5,325
Total assets less current liabilities	477,465	476,935	470,534	443,239	436,133
Long term debt (including debt due within one year)	212,351	218,727	220,897	201,955	202,949
Other liabilities	3,296	2,182	2,036	1,897	2,234
Total long term debt and other liabilities	215,647	220,909	222,933	203,852	205,183
Net assets	$261,818	$256,026	$247,601	$239,387	$230,950
Stockholders' equity:					
Common stock	$113,565	$113,565	$113,565	$113,565	$113,565
Retained income and capital surplus	148,253	142,461	134,036	125,822	117,385
Total stockholders' equity	$261,818	$256,026	$247,601	$239,387	$230,950

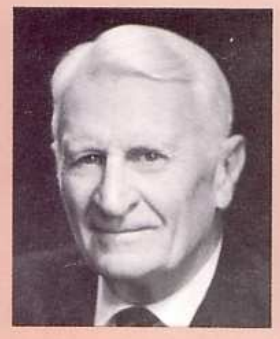
BOARD OF DIRECTORS

Term Expires 1974

B. B. CULVER, JR.*
Chairman
Culver Educational Foundation
St. Louis, Mo.

R. C. GRAYSON*
Chairman and President
St. Louis-San Francisco
Railway Company
St. Louis, Mo.

JUDSON S. SAYRE#
Consultant
Chicago, Illinois



LEWIS B. STUART#
Retired Executive
Vice President
Ralston Purina Company
St. Louis, Mo.

C. P. WHITEHEAD†
Retired Chairman of the Board
General Steel Industries
St. Louis, Mo.

Term Expires 1975

DUDLEY E. DAWSON, JR.#
President and Chief
Executive Officer
Southern Industries
Corporation
Mobile, Alabama

J. E. GILLILAND*
Retired Chairman of the Board
St. Louis-San Francisco
Railway Company
Tucson, Arizona

BRUCE K. GOODMAN*
President
Library Plaza Company
Evanston, Illinois

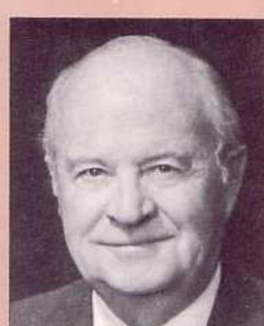
F. G. McCLINTOCK#
Chairman and Chief
Executive Officer
The First National Bank
& Trust Co. of Tulsa
Tulsa, Okla.

HAROLD F. OHLENDORF#
Ohlendorf Farms
Osceola, Ark.

Term Expires 1976

EDWARD W. COOK#
President
Cook Industries, Inc.
Memphis, Tenn.

THOMAS E. DEACY, JR.*
Attorney
Kansas City, Mo.



WILLIAM A. McDONNELL*†
Chairman of the
Finance Committee
St. Louis-San Francisco
Railway Company
St. Louis, Mo.

LAWRASON RIGGS III#
Consultant
St. Joe Minerals Corporation
New York City

ELLIOT H. STEIN*†
President
Scherck, Stein & Franc, Inc.
St. Louis, Mo.

**Member of the Executive Committee*
†Member of the Finance Committee
#Member of Compensation Committee

FRISCO

"Dedicated to Service and Progress"