Consolidated Statement of Shareholders' Equity
Year Ended December 31, 1968

	Second Preferred Stock Series 1		Common Stock		
	Shares	Amount	Shares	Amount	Retained Income
Balance December 31, 1967:					
Previously reported		$	6,092,850	$152,281,339	$347,810,769
Shares issued and equity acquired in pooling of interests (Note 1)	2,657,152	50,222,820	150,000	1,919,922	80,118,592
Restated	2,657,152	50,222,820	6,242,850	154,201,261	427,929,361
Net Income, per accompanying statement					35,141,409
Deduct—Dividends:					
Common $1.50 per share					9,311,638
Second Preferred, Series 1, for period from issuance to December 31, 1968					130,772
Paid by pooled companies prior to acquisition					5,933,579
Net Income Retained					19,765,420
Other:					
Shares issued for employee stock options exercised	7,478	269,703	69,531	2,524,557	
Stock retirement prior to acquisition	(49,191)	(2,098,416)		(56,318)	
Adjustment applicable to increase in ownership in subsidiaries			248	6,174	108,435
Balance December 31, 1968	2,615,439	$48,394,107	6,312,629	$156,675,674	$447,803,216

Opinion of Independent Accountants

To the Shareholders and
Board of Directors of
Illinois Central Industries, Inc.

We have examined the consolidated balance sheet of Illinois Central Industries, Inc. and subsidiaries as of December 31, 1968 and the related consolidated statements of income and shareholders' equity for the year. 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 did not examine the financial statements of the companies acquired in pooling of interests transactions during 1968, which statements were examined by other independent accountants whose reports thereon have been furnished to us. Our opinion expressed herein, in so far as it relates to the amounts included for the pooled companies described in Note 1 to the financial statements, is based solely upon such reports.

In our opinion, based upon our examination and the aforementioned reports of other independent accountants, the accompanying consolidated financial statements present fairly the financial position of Illinois Central Industries, Inc. and its subsidiaries at December 31, 1968 and the results of their operations for the year, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year, except for the change, which we approve, in accounting for deferred income taxes as described in Note 2 to the financial statements.

Our opinion dated February 16, 1968 on the 1967 consolidated financial statements examined by us is subject to the accuracy of the amount estimated for additional transcontinental freight revenue and interest receivable described in Note 3 to the financial statements.

Price Waterhouse & Co.

Chicago, Illinois
February 26, 1969

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