purchase contracts, in 1962 and no options have been granted or purchase contracts issued subsequent thereunder. All shares offered under the 1957 plan have been priced at not less than 95 percent of the market price of common stock of Abex on the date of grant.

The second plan was the 1967 qualified stock option plan of Abex. All shares offered under this plan have been priced at not less than 100 percent of the fair market value on the date of grant.

Under both assumed plans each option holder, by the terms of Industries' assumption, is entitled, for the price pet share of common stock of Abex specified in his option and under the terms thereof, to purchase .72 of a share of Industries' Series 1, Second Preferred, in lieu thereof. Activity under the four option plans is summarized in the table on page 38.

Working Capital

At the year end working capital was $82,081,864. Current assets were $196,495,752, and current liabilities $114,413,888, for a ratio of 1.72. Capital expenditures totaled $76,064,158. The flow of funds to working capital is shown in the following table:

	1968
Source of Funds:	
Net Income	$ 35,141,409
Depreciation and similar items	32,281,543
Deferred federal income taxes	2,135,258
Increase in long term liabilities	40,843,860
Proceeds from sale of stock under option plans	2,794,260
Total funds from all sources	$113,196,330
Disposition of Funds:	
Expenditures for property, plant and equipment	$ 76,064,158
Retirement of long term liabilities	22,179,984
Dividends paid—Common	9,311,638
—Preferred	130,772
Dividends paid by pooled companies prior to acquisition	5,933,579
Other	3,588,661
Total disposition of funds	$117,208,792
Net Increase or (Decrease) in Working Capital	($ 4,012,462)
Working Capital at beginning of Year	$ 86,094,326
Working Capital at End of Year	$ 82,081,864

Illinois Central Industries, Inc.

General Offices, 135 East Eleventh Place
Chicago, Illinois 60605

Annual meeting of shareholders of Illinois Central Industries, Inc. will be held in Chicago, Illinois, on May 21, 1969.

The corporation's shares are listed on the New York Stock Exchange and the Midwest Stock Exchange (Chicago). Certificates of stock are transferable either in New York or in Chicago.

STOCK TRANSFER OFFICES and REGISTRARS OF STOCK

In New York

Morgan Guaranty Trust Company of New York
23 Wall Street
New York, New York 10015

First National City Bank
55 Wall Street
New York, New York 10015

In Chicago

The Northern Trust Company
50 South LaSalle Street
Chicago, Illinois 60690

Continental Illinois National Bank and Trust Company of Chicago
231 South LaSalle Street
Chicago, Illinois 60690

A supplemental annual report for Illinois Central Railroad Company was mailed to all railroad Shareholders. Copies are available to other interested parties upon request.

SC1 01776