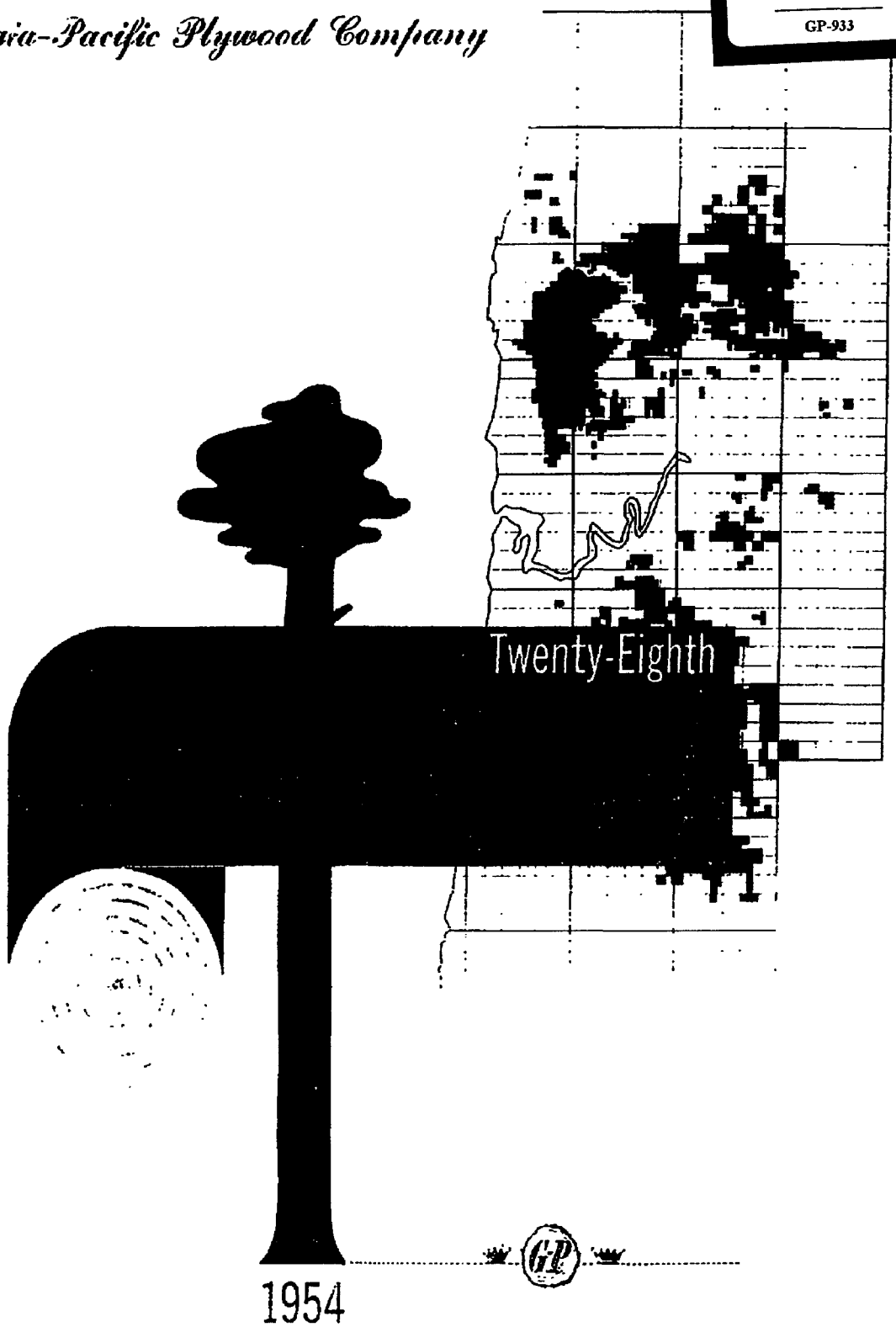
PLAINTIFF'S EXHIBIT

GP-933

PROTECTED MATERIAL
Georgia-Pacific v. Aetna, et al.
No. 92-2-21950-6 (King Co. Super. Ct.)

GCHAT 06 0104

Georgia-Pacific Plywood Company



SGP 0032497

PROTECTED MATERIAL
Georgia-Pacific v. Aetna, et al.
No. 92-2-21950-6 (King Co. Super. Ct.)

GCHAT 06

0185

Twenty-Eighth Annual Report

FOR THE YEAR ENDED DECEMBER 31, 1954

GEORGIA—PACIFIC
PLYWOOD COMPANY

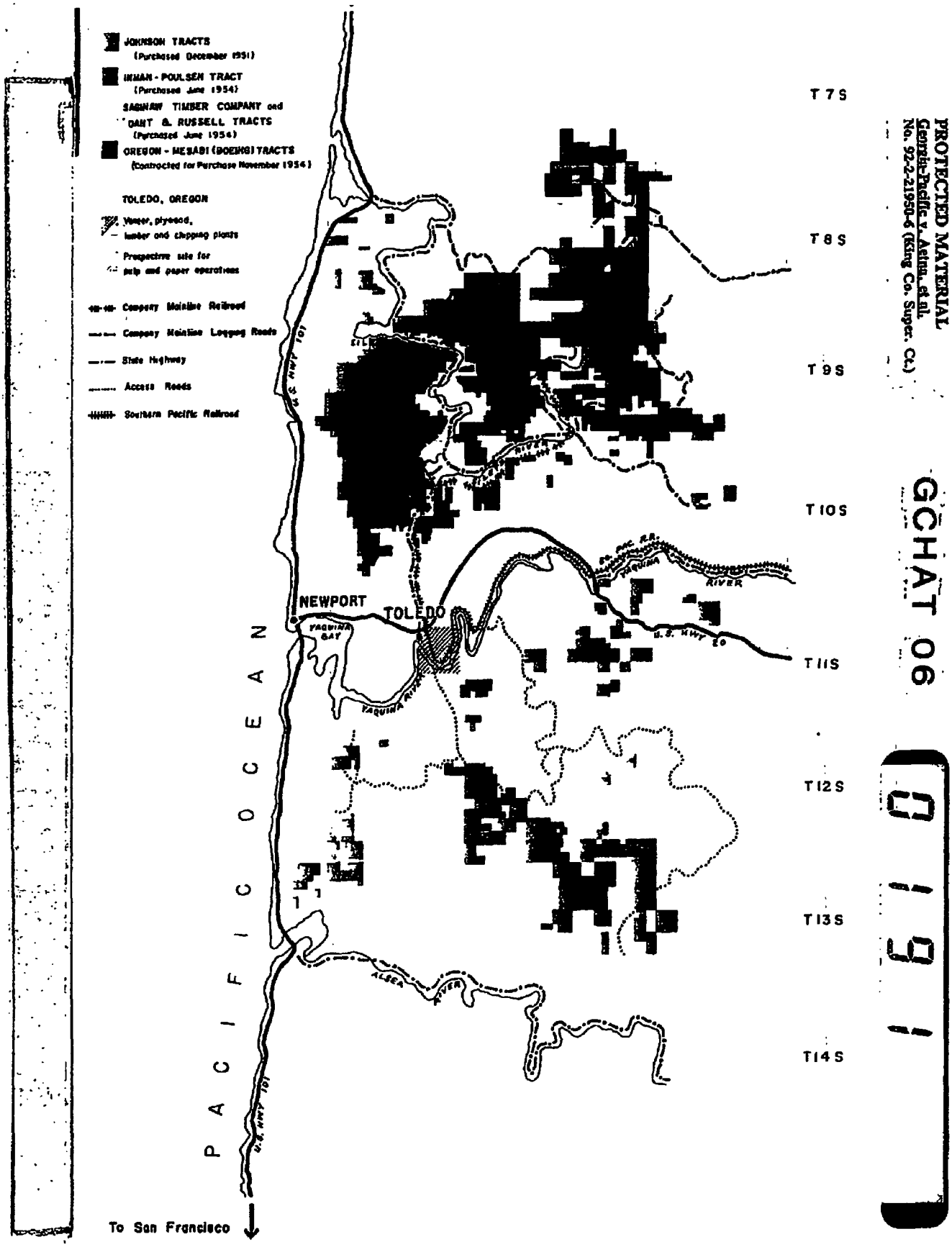
AUGUSTA

NEW YORK

OLYMPIA

PORTLAND

SGP 0032498



PROTECTED MATERIAL
Georgia-Pacific v. Aetna, et al.
No. 92-2-21950-6 (King Co. Super. Ct.)

GCHAT 06

0191

SGP 0032499

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Georgia-Pacific v. Aetna, et al.
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GCHAT 06

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View in Company-owned timberlands in western Oregon.

Timber & Raw Materials

The Company's increased timber reserves, in both the West and South, assure it of greater latitude in determining the amount of logs it may wish to purchase in the open market to supplement its own supply.

The Company reserves in western Oregon assure the availability of a continuous supply of top quality logs and veneers for all of our Northwest operations. These consolidated reserves are harvested on a planned basis, and the logs move over Company-owned roads and our railroad to the principal concentration point, Toledo, Oregon. Here the best logs go to the Veneer plant for processing into face veneers. This veneer is distributed by rail on an economical milling-in-transit rail rate to the Company plywood mills at Olympia and Bellingham, Washington, and Springfield, Oregon. The lower grade veneers are manufactured into roof decking, sub-siding, sub-flooring and container-grade plywood at our Toledo plant. Logs which are not suitable for veneers are manufactured into lumber at Toledo. All logs are automatically debarked prior to processing. Waste from the mills passes through the chipping machines and is made into high quality, clean bark-free pulp

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PROTECTED MATERIAL
Georgia-Pacific v. Actmo, et al.
No. 92-2-21950-6 (King Co. Super. Ct.)

GCHAT 06

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chips, which are sold under contract to pulp and paper mills. Bark and other refuse is used for fuel in the Company power plant. Power generated is used for manufacturing operations, the excess over our own requirements being metered and sold to the public utilities.

Doors are made primarily from plywood panels and a special shop-grade lumber selected for this purpose. Our door plant at Hoquiam, Washington, is an integrated unit, drawing its panels from Company plywood mills and its shop lumber cut to size from the lumber mill at Toledo.

The Company purchases, in addition, substantial amounts of special and fancy-faced veneers, such as *Birch, Mahogany, Walnut,* for both its Northwest and Southern operations. Plastic overlays of several types for our GPX plastic-faced plywood, as well as resins and glues, are also obtained from the best available sources. Special programs were inaugurated during the year to assure ample supplies of these products while substantially reducing inventories of such items.



Close-up view in timber area shown on previous page.

Large peeler logs being trucked from the forest.

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Georgia-Pacific v. Aetna, et al.
No. 92-2-21950-6 (King Co. Super. Ct.)

GCHAT 06

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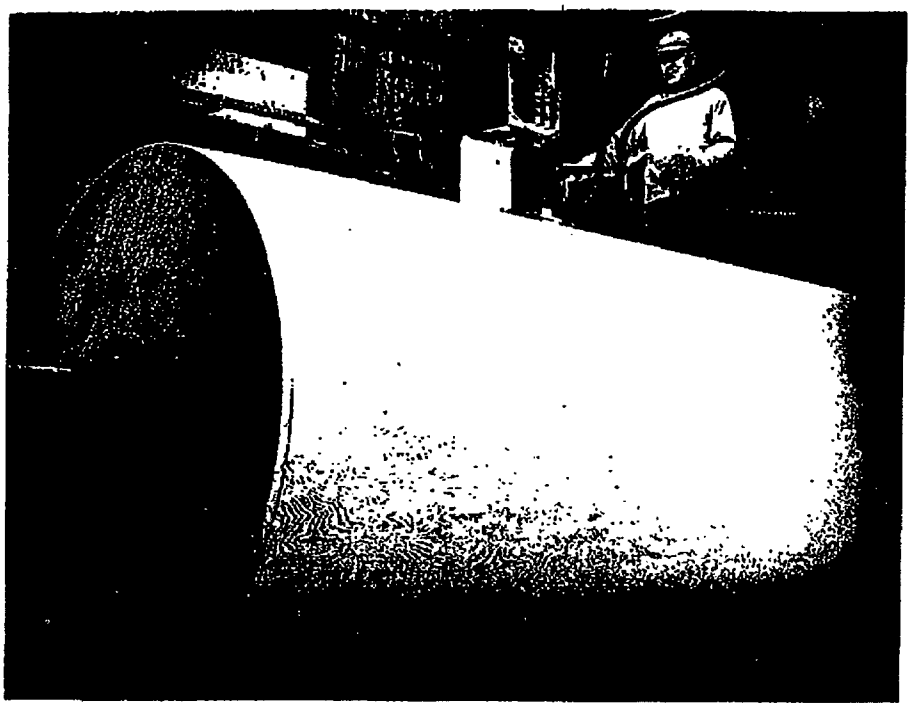

Peeler log on lathe, being cut into veneers.

Significant improvements in our manufacturing facilities and techniques were accomplished during the year. These were effected partially by continued modernization of equipment and partially by the steady stream of high quality logs and veneers that were made available by our timber and logging division during the last quarter. Measured by unit, by day, or by man-hour, our plywood manufacture reached new highs in production rates at our Western and Southern mills.

With these, it has been possible to install production programs that yield record volume and sales realization. During the latter part of the year, production was more than 10% above previously recognized capacities.

All of our Northwest operations were disrupted during a twelve-week industry-wide strike which started June 18 and ended in Company units on September 13. Our decision to meet with labor representatives on a plant-by-plant basis enabled us to have all units back in production preceding the industry settlement. There were no work stoppages in our Southern operations.

Our Savannah plywood plant increased its production volume almost 25%, and at the same time expanded and diversified its product lines. A new prefinishing plant was set up to handle the recently introduced prefinished special wall paneling for which patent application has been made. Log supplies from Company-owned tracts were of excellent quality. A program of importing logs of tropical hardwoods to our Savannah mill was introduced.

Door, lumber, and specialty products production in both the South and the Northwest was steady during the year with exception of the 12-week strike. The outlook is for production to continue at a better than normal rate.

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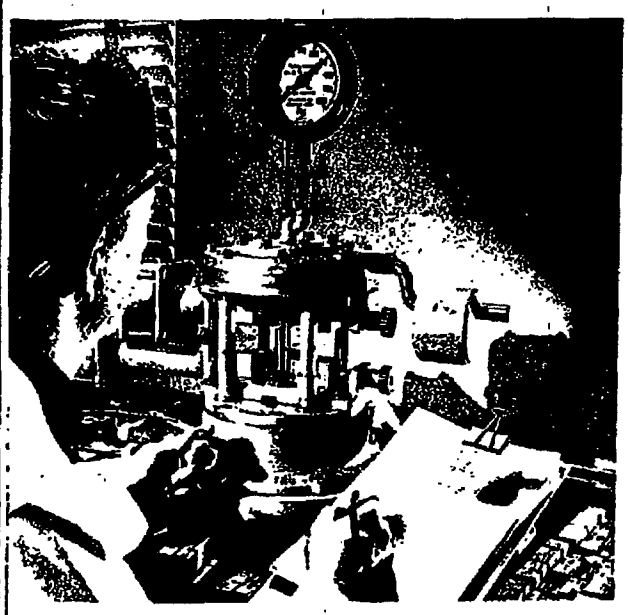

Quality control and new product research is conducted at our Olympia laboratories.

Research activities centered at our Olympia, Washington, laboratory continue to receive prime attention. This work is being supplemented by independent research organizations and explorations are currently in process in conjunction with several basic suppliers.

Savannah Oak Paneling, our prefinished wall paneling, was placed in production during the last quarter of 1954 after thorough study. Another patentable product is just completing its final testing and will be introduced nationally this Spring.

Attention is being given to different types of finishes and a variety of prefinished panelings to meet the needs of the public in the important "do-it-yourself" field.

Study continues on low-cost plastic overlays which will permit upgrading of the lower grade veneers and substantial progress has been achieved.

Considerable attention is being directed toward the development of new products which will assure full utilization of our timber reserves and the by-products from present product manufacture. Several new products are currently in the experimental stage.

Quality control and existing product improvement are, of course, basic functions of the laboratories and the activities in this area have enabled us to produce products of unsurpassed quality and, at the same time, with increased manufacturing efficiency.

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Georgia-Pacific v. Aetna, et al.
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GCHAT 06

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GEORGIA-PACIFIC

PLYWOOD COMPANY

AND SUBSIDIARIES

Highlights

- Total sales volume exceeded $68,000,000 which constitutes a record high for the Company.
- Timber ownership was more than tripled through major transactions involving the purchase of two, and the negotiation of a contract to purchase two other large and integrated tracts of old-growth Fir.
- Savannah Oak Paneling, a new type low-cost prefinished wall paneling with an exclusive clip application system for the "do-it-yourself" trade, was introduced. Produced at our Savannah plywood mill its acceptance indicates substantial volume.
- Ripplewood sales reached a new high with a 50% increase over 1953.
- Plant efficiency was increased in both the South and Northwest so that productive capacity of Company mills is at a new high.
- The network of Company wholesale distributing warehouses was expanded and now totals thirty-four units.
- Research was completed on a plywood specialty which will be introduced this Spring and which is expected to prove a consistent profit producer.

In order to provide a convenient statistical reference, this center fold section contains a summary of Balance Sheet statistics, an eight-year comparative record, operations, ratios and several graphical representations relative to the Company and its operations.

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PROTECTED MATERIAL
Georgia-Pacific v. Aetna, et al.
No. 92-2-21950-6 (King Co. Super. Ct.)

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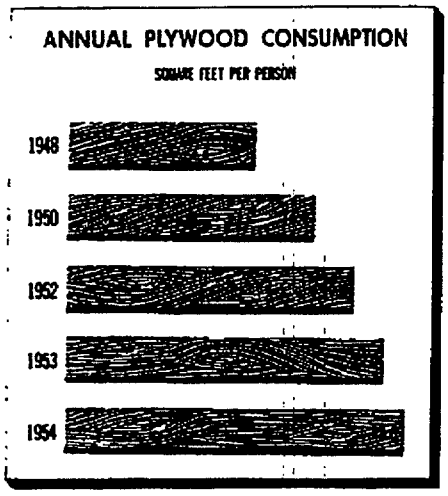

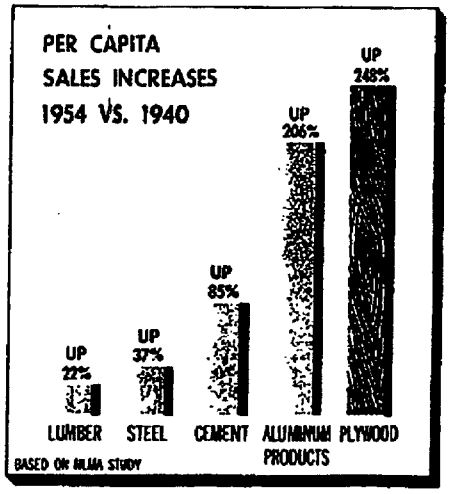

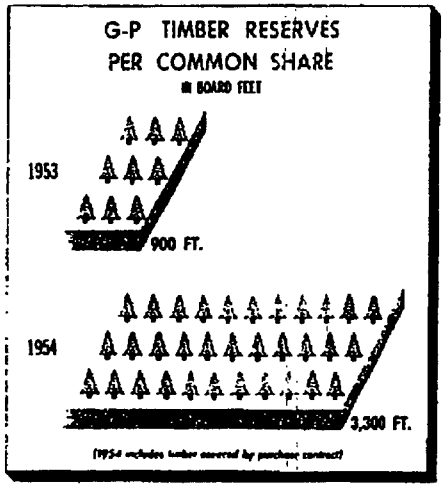

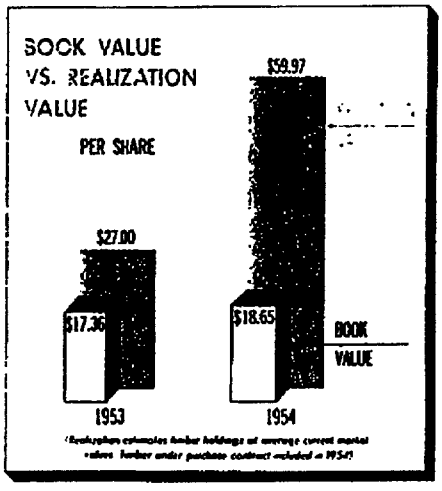

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Georgia-Pacific v. Aetna, et al.
No. 92-2-21950-6 (King Co. Super. Ct.)

Sales



G-P products are demonstrated in trade and home shows throughout the country.

Sales of $68,873,786 were the highest in the Company's history. Expansion of our distribution facilities and market coverage, accompanied by greater emphasis on our Specialty products, were major factors in this increase.

New sales warehouses were opened in the important trading areas of Milwaukee, Wisconsin; Billings, Montana; San Jose, California and Pasco, Washington. Three additional branch warehouses were opened in the major markets of metropolitan New York and Philadelphia. Sales and distribution warehouses now number thirty-four.

Hardwood plywood product lines were supplemented. A new exclusive, low-cost decorative paneling, of prefinished old Southern Oak, trade-named Savannah Oak Paneling, was introduced and excellently received. It features a new clip system, on which a patent application is pending, which permits simple and rapid installation. The product should represent an important item of both volume and profit in the future.

Ripplewood, the Company's textured western paneling continued to find growing markets and increased consumer acceptance. Much of the Company's national consumer advertising and promotional activities were centered around this product.

Other product lines including GPX plastic-faced plywood, fancy-faced hardwoods on Fir and other softwood plywood specialties, such as Knotty Pine, were also in increased demand. Sales volume in the line of hardboards and hardboard specialties showed

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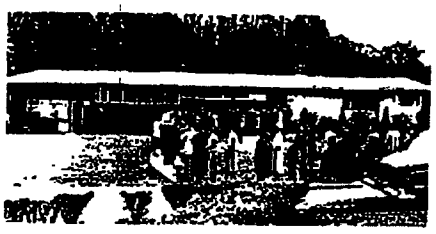
marked increase. The diversity of product lines that has been built up during the past several years has proven a sound program permitting better servicing of our building material dealers and industrial customers, resulting in higher unit sales.

The Federal housing legislation passed by Congress last Fall, coupled with consistently strong activity in heavy construction and continued record-breaking housing requirements, has caused a large demand. The nation-wide trend toward ranch-type homes, which are designed to use large areas of plywood in their construction, underlies the increased use of plywood in all house construction as reported by the Stanford Research Institute which foresees continued and accelerated use of this product. The Governmental report indicating the safety factor from H-Bomb fallouts provided by wood construction may further stimulate its use.

Billions of dollars are to be expended on expansion of our nation's school facilities in order to take care of the bulging youngster crop. The military has over a billion dollars for construction, which includes family housing at Army, Navy and Air Force posts. More and more industries are discovering the virtues of plywood and volume is sharply increased in this market.

Industrial uses consume approximately 20% of plywood production, remodeling and repair of existing homes 15% or higher. New house construction, currently taking about 50%, is expected to increase, according to the Stanford Report, from the nearly 1,600,000,000 square feet in 1954 to 2,500,000,000 by 1975.







G-P plywood products were exclusively selected for both structural and decorative uses in a national magazine's promotional house, duplicates of which attracted huge crowds in nearly 100 cities.



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Products

G-P Douglas Fir Plywood. Georgia-Pacific, with the country's largest productive capacity of Douglas Fir Plywood, produces all types and grades, interior and exterior, by the most up-to-date precision manufacturing methods.

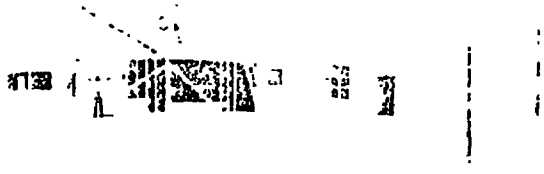
GPX Plastic-Faced Plywood. This satin-smooth, armor-hard plywood provides extra strength and long life under a variety of rugged service conditions. It has had wide acceptance in construction and industry. Available in GPX General Use, GPX Concrete Form and GPX Green for a superior painting surface.

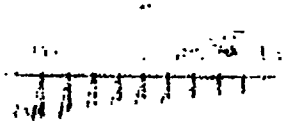
G-P Ripplewood. The new-type low-cost textured decorative wall paneling available in standard panels and 12- and 16-inch squares for staining or attractive two-coat finishing.

G-P Hardwood Plywood on Fir Core. A wide variety of fine Hardwood face veneers processed with Fir cores to provide attractive moderate priced decorative plywood panels.

G-P Giant Scarfed Panels. Literally, the "new dimension" in Fir plywood, G-P Scarfed Panels can be produced in any required length—have been made up to 70 feet long.

G-P Hard ood Plywood. Top quality d rative hardwood plywood marketed as G-P Crownply and





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PROTECTED MATERIAL
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GCHAT 06

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available in a wide variety of species, both domestic and exotic woods. G-P Plysheet is a utility Hardwood plywood which provides a superior panel for subflooring, roof decking and sheathing.

G-P Savannah Oak Paneling. An exclusive prefinished wall paneling of random width plywood planks produced from genuine Southern Oak. This new product is designed for application with a patent-applied-for clip system. Also available is a variety of prefinished mouldings, all in Oak, for a complete wall paneling installation.

G-P Southern and Appalachian Hardwood Lumber and Timbers. A complete range of species and textures produced at G-P mills provide scientifically manufactured products both kiln dried and air dried.

Tidewater Red Cypress Lumber. Genuine coastal old-growth Red Cypress in all thicknesses and grades.

G-P Southern Pine Lumber and Timbers. Top quality Southern Pine products manufactured to exacting standards in modern mills. Kiln dried and air dried.

G-P Genuine Long Leaf Yellow Pine Lumber and Timbers. Georgia-Pacific has long specialized in the production of this strong, durable lumber and timbers in both kiln dried and air dried.

G-P Western Lumber and Timbers. A full line of lumber and timbers produced in a wide variety of native Western woods from quality controlled mills.

G-P Doors. A wide range of Fir and Hemlock panel doors including the exclusive G-P Decorator Door, as well as an extensive line of Hardwood flush doors, screen, garage and storm doors.

G-P Mouldings and Trim. Southern and Western Pine Mouldings and Trim in a wide variety of patterns.

G-P Poles and Piling. Southern and Western species; poles and pilings, railroad ties and timbers, available for domestic and export use.

Treated Lumber and Timbers. Treated lumber, timber, poles, piling, crossing plank and ties available for export and domestic shipment.

Flooring. Maple, Oak, Pecan and other species for industrial, commercial, institutional and residential flooring.

Pre-Cut, Pre-Nailed Lumber and Trusses. Pre-cut lumber and pre-nailed structural members for large housing and construction projects. H.B. Beams and Arches—laminated construction units—for roof framing of large commercial and industrial buildings.

Hardboards. A complete line of hardboard products including standard panels as well as special striated and corrugated panels.

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PROTECTED MATERIAL
Georgia-Pacific v. Aetna, et al.
No. 92-2-21950-6 (King Co. Super. Ct.)

GEORGIA—PACIFIC

PLYWOOD COMPANY

AND SUBSIDIARIES

General Offices
Equitable Building, Portland, Oregon
Southern Division
Southern Finance Building, Augusta, Georgia
Executive and Advertising
270 Park Avenue, New York, New York

SALES OFFICES AND DISTRIBUTION WAREHOUSES

Akron, Ohio, 1069 Dublin Street
Atlanta, Ga., 141 Carnegie Way, N.W.
Augusta, Ga., 753 Broad Street
Baltimore, Md., 2021 Annapolis Avenue
Billings, Mont., Bernard St., Northern Pacific Industrial Site
Birmingham, Ala., 321 North 28th Street
Chicago, Ill., 4545 North Broadway
1805 Bryn Mawr Avenue
Cleveland, Ohio, 4832 Ridge Road
Columbia, S. C., 1099 Berea Road
Detroit, Mich., 5159 Loraine Avenue
Easton, Md., Terminal Warehouse, Kemp Lane
Fort Worth, Texas, 1114 Texas & Pacific Building
Hatfield, Pa., Half Valley Road
Jackson, Miss., 1001 Terry Road
Lancaster, Pa., 250 North Plum Street
Long Branch, N. J., Branch Port Avenue
Los Angeles, Calif., 14416 Victory Blvd., Van Nuys
Louisville, Ky., 1239 South 10th Street
Meriden, Conn., 14 Cherry Street
Milwaukee, Wisc., 8229 W. Greenfield Ave., West Allis
New Castle, Pa., Cherry Street Extension
New Hyde Park, N.Y., Second Avenue and 4th Street
New Orleans, La., 501 City Park Avenue
New York, N.Y., 860 East 136th Street
Olympia, Wash., 600 North Capitol Way
Pasco, Wash., Pasco Air Base
Philadelphia, Pa., Pier 179 North, Delaware River
at Allegheny Avenue
Pittsburgh, Pa., 33rd and Liberty Streets
Port Newark, N. J., 102 Marsh Street
Portland, Ore., Equitable Building
Providence, R. I., Harborside Industrial Park
Raleigh, N. C., 1431 Courtland Drive
Salinas, Calif., Sanborn Road at Industrial Avenue
San Jose, Calif., 345 Sunol Street
Savannah, Ga., Stiles Avenue and Louisville Road
Seattle, Wash., 410 Terry Avenue North
Spokane, Wash., 3420 North Regal Street
Toledo, Ohio, 824 Laskey Road
Vineland, N. J., 417 Oxford Street
Waltham, Mass., 141 Bacon Street

PLANTS

Bellingham, Washington
Hoquiam, Washington
Olympia, Washington (3 plants)
Springfield, Oregon
Toledo, Oregon (2 plants)
Cleveland, South Carolina
Dumas, Arkansas
Fairfax, South Carolina
Jackson, Mississippi
Savannah, Georgia
Steelwood, Alabama

Associated Mills on the Pacific Coast and throughout the South.

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SGP 0032510

PROTECTED MATERIAL
Georgia-Pacific v. Aetna, et al.
No. 92-2-21950-6 (King Co. Super. Ct.)

GCHAT 06

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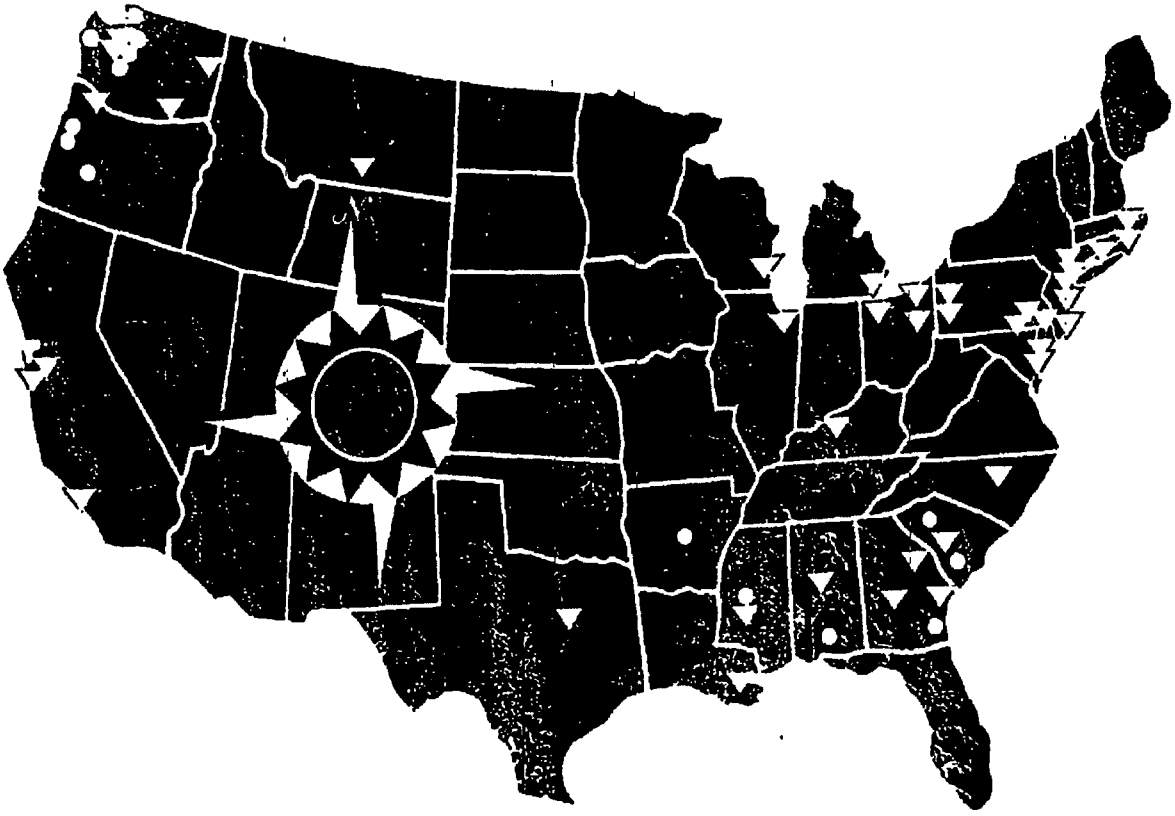
GEORGIA — PACIFIC
PLYWOOD COMPANY
AND SUBSIDIARIES



PLANTS

SALES OFFICES AND DISTRIBUTION WAREHOUSES

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