

GEORGIA - PACIFIC
PLYWOOD COMPANY

PLAINTIFF'S EXHIBIT

GP-934

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

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1955

Twenty-Ninth
Annual
Report

SGP 0032512

PROTECTED MATERIAL
Gerritt-Peabody, Y. Acme, et al.
No. 92-2-21950-6 (King Co. Super. Ct.)

Twenty Ninth Annual Report

*For the
year ended
December 31*

GERRITT-PEABODY
PLYWOOD COMPANY

PORTLAND
NEW YORK
OLYMPIA
AUGUSTA

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SGP 0032513

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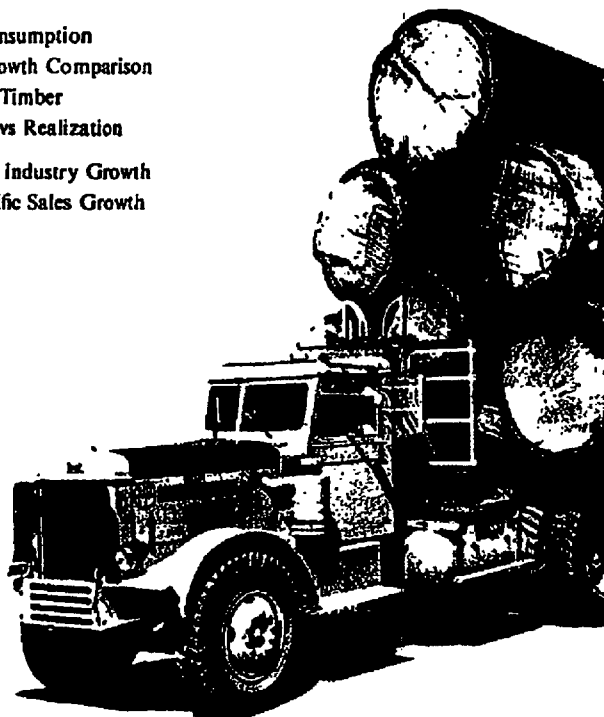
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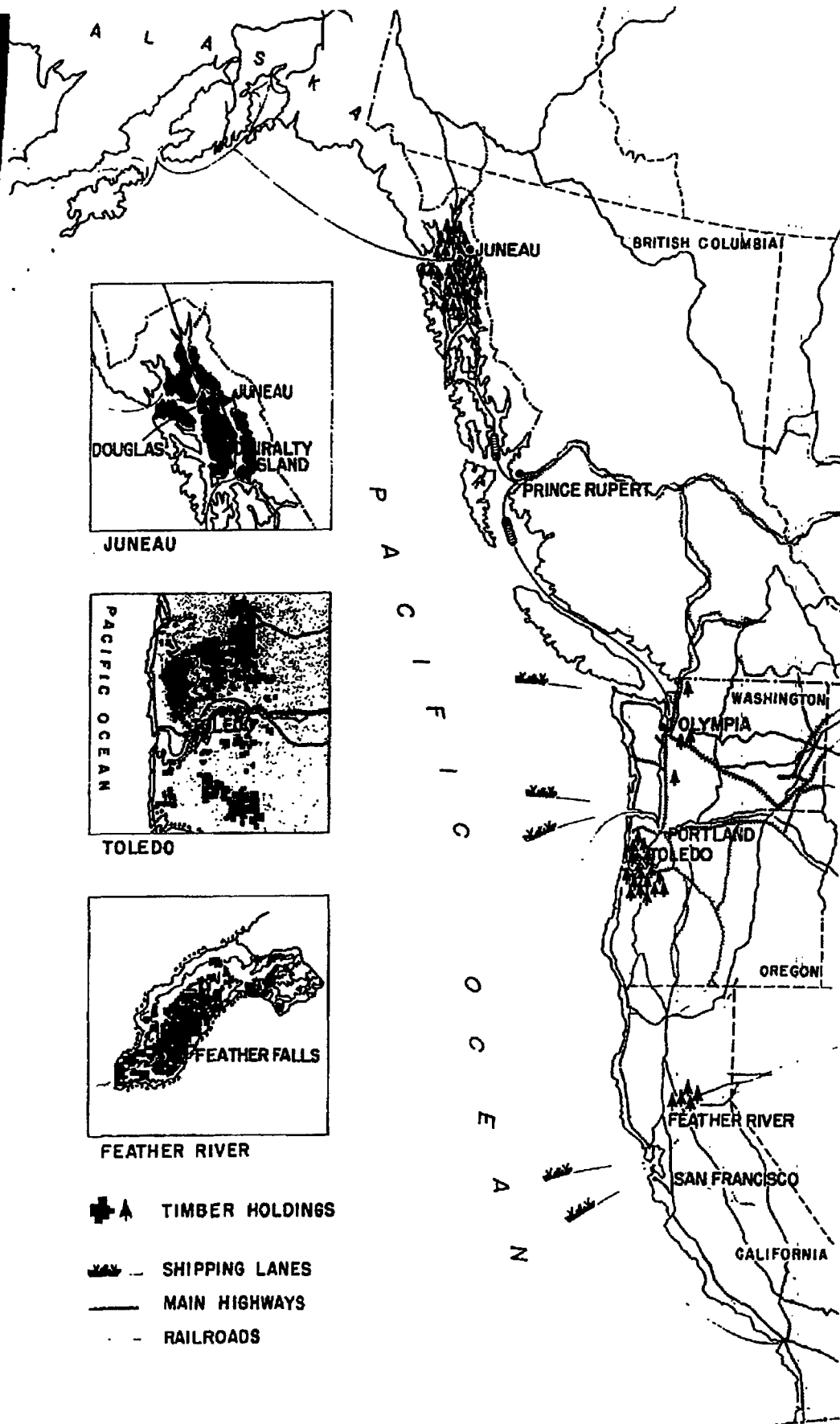
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Choice timber being felled in G-P timberlands.



Loading Feather River saw
logs on Company Railroad.

Increased timber reserves for both the Company's Western and Southern plants, as well as reserves for expansion, assure the Company of its source of supply at low costs and give great latitude in long-term planning for the most profitable utilization of the timber.

In the United States the Company owns in excess of 4 billion feet of timber, and holds cutting rights on upwards of 500 million feet. In addition, the Company holds a preliminary award covering 7.5 billion feet of timber in Southeast Alaska. In acreage, the Company owns in fee, including mineral rights, approximately 150,000 acres of timber lands, largely on the West Coast. Approximately 500,000 acres are covered by the Alaskan award.

The basic objective in the management of the Company's timber lands is to secure sustained yield and thus provide for perpetual operations. The best reforestation practices are followed, and fire and disease control are handled scientifically, thus minimizing the risk of substantial loss.

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Airview over our timberlands at Tolodo, Oregon.



In the forests shown at top of page.

The Company's harvesting operations are conducted with a view to the maximum utilization of the timber and the ultimate use of all of the forest growth. Increasing quantities of timber will be grown on each acre of land as the mature trees are harvested.

Our Southern operations are conducted on a sustained yield basis, drawing not only from the Company's own reserves but also from small tracts and tree farms owned by others throughout the area of the Company's operations.

The timber which was recently awarded Georgia-Pacific Alaska Co. in southeastern Alaska at Juneau, the capital, is one of the finest virgin stands of timber in North America. It is situated in an area of about 500,000 acres in the vicinity of Admiralty Island, Douglas Island and the end of Lynn Canal in southeast Alaska.

This 7½ billion foot stand which will produce 160 million feet of logs per year on a perpetual basis, is comprised of approximately 75 per cent of Western Hemlock and 23 per cent of Sitka Spruce with the remainder

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Airview of timberland near Juneau, Alaska.

of two per cent in miscellaneous species. The timber is located from the shore six or seven miles inland with 75 per cent of it within two and a half miles of tidewater. A network of natural waterways in the area can be used in towing logs from the logging area to the mills. The climate, similar to that in Western Oregon and Washington, permits the normal eight to nine months logging season and plant operation and ocean shipping throughout the entire year.

To understand the true value of the Company's holdings, it must be realized that old-growth timber has been in diminishing supply for years. Constantly increasing timber values reflect the demand for wood fiber for commercial uses. Good, well-located, accessible timber is a sound and liquid investment, and the Company's holdings could not be duplicated.

Not so many years ago, about the only commercial product that came from timber was lumber. Over the past few decades a host of new products made from trees has come into our way of life in constantly increasing quantities.



Closeup of Alaskan timber shown above

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Logs are trucked out of G-P timberlands on Company roads.

Today, when we think of things made from trees, in addition to lumber we think of plywood, veneers, paper, paper products, containers, chemicals, textiles and many other products.

In our timber operations we endeavor to utilize the timber harvested to the best possible degree. Our highest quality logs are made into face veneer for high grade plywood. Logs unsuitable for this are made into low grades of plywood for containers and construction purposes. Logs which are not suitable for veneers and plywood are manufactured into lumber. From all of these comes a certain amount of wood waste, which formerly was destroyed by burning. Today it is utilized as a by-product for the manufacture of many of the new derivatives of wood fiber.

The Company supplements the use of its own timber by purchases of substantial amounts from others. It also purchases special and fancy face veneers, such as mahogany, walnut and birch, for both its Western and Southern operations. Plastic overlays of several types for its plastic-faced plywood and also resins and glues, are purchased from outside sources.

Logs enroute to mill on Company Railroad.



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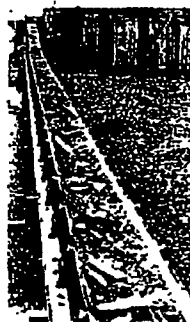


Cartloads of pulp chips produced at our Toledo mills are shipped daily.

Today, the majority of our logs prior to being manufactured into our products are debarked. The bark is used for fuel in generating steam and electrical power. The remainder of the wood waste from the mills passes through chipping machines and is made into high-quality, clean, bark-free, pulp chips, which we sell under contract to pulp and paper producers. These chips are automatically loaded into open-top boxcars and transferred by rail considerable distances.

We are producing about 300 units (cords) of these pulp chips per day. At least 200 additional units daily production are anticipated through closer utilization in our Toledo logging operation. It is currently uneconomical to bring in this waste material for manufacture into chips and subsequently transport them great distances to paper mills. The Company has at Toledo, in current and potential chip production on a perpetual basis, at least 500 units per day, with the possibility of considerable expansion above that quantity.

It is logical that the Company should install a pulp and paper mill at its Toledo operations to use these chips to manufacture pulp and paper. The sale of 500 units of pulp chips per day will gross about \$900,000 per year. On an annual basis, these same chips will yield approximately 90,000 tons of kraft paper and board which, at current prices, would produce gross sales of approximately \$10,000,000. The Company believes, and its engineers agree, that these by-products will play an increasingly important part in Georgia-Pacific's earnings.



Wood scrap is conveyed to chipper.



Clean chips are available for pulp manufacture.

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In 1955 our plants broke all previous production records and operated at maximum efficiency. Company property is all in peak condition and is constantly being improved.

Important new equipment as well as new manufacturing techniques were utilized. Record production was effected partially by the resultant increased efficiency and partially by the steady stream of high-quality logs and veneers that were made available by our Timber and Logging Division throughout the year. The long-term timber harvesting program has enabled the Production Department to plan many months ahead on its production schedules both as to deliveries, and to the specific items of manufacture. These factors have thus enlarged profit margins.

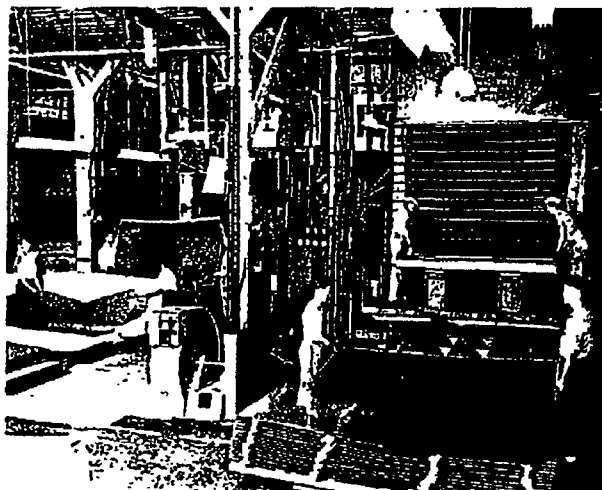
There were no work stoppages at any of our operations and our labor relations are excellent. There is general accord as to renewal of union contracts, which expire in the Spring of 1956. It is contemplated therefore that 1956 will show an increase in the flow of our products to the trade through our national distribution system.

During the year, in conjunction with our Feather River purchase, a new operation was acquired which is engaged in the production of quality Sugar Pine and Ponderosa Pine for our trade.

The construction of a new plywood manufacturing unit at our Toledo, Oregon, operations is under way and it is expected to be in production during 1956. Engineering and planning is being done in connection with the construction of a paper and paperboard plant at Toledo of 250-tons daily capacity. Additional studies are being conducted for the future construction and operation of a pulp mill at Juneau, Alaska.

We are producing an increasing volume of specialties. 1955 set a new record in this connection and it is contemplated that, aided by our sales research, this will be further increased during 1956 with resultant increases in profit margins.

GPA Plastic-faced Plywood in hot press.



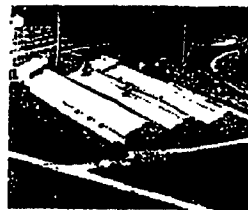
Toledo, Oregon, plant.



Plant at Hoquiam, Washington.



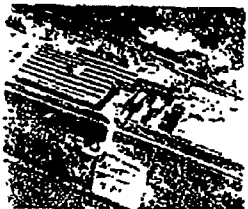
Olympia, Washington, plants.



Savannah, Georgia, plant.



Bellingham, Washington, plant.



Springfield, Oregon, plant.

THE PLYWOOD COMPANY
AND SUBSIDIARIES

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Highlights of 1955

Increased sales to \$91,966,004—a 33% increase over the previous year.

Increased earnings to \$5.06 per common share.

Paid dividends on common stock of \$1 per share in cash and 6% in common stock—2% in each of the last three quarters.

Increased our timber reserves by approximately 100 million feet exclusive of annual growth and the Oregon-Mesabi tract which was reflected in our 1954

reserves figure. In addition, we received a 50-year preliminary award covering 7.5 billion feet of desirable timber near Juneau, Alaska.

Acquired Feather River Pine Mills, Feather Falls, California.

Established new production records at all plants.

Commenced the construction of a new plywood production unit at Toledo, Oregon, to be completed during 1956.

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

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Prefinished Savannah Oak Paneling.

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.

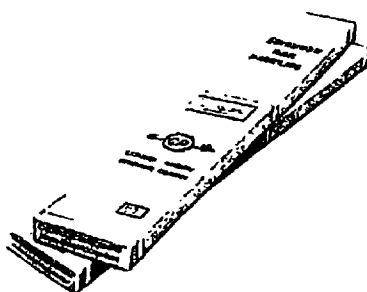
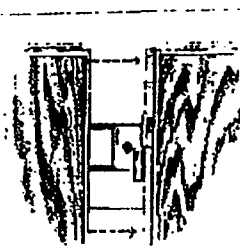
GPX Plastic-Faced Plywood. This satin-smooth, armor-hard plywood provides extra strength and long life under a variety of rugged service conditions. It has had wide acceptance in construction and industry. Available in GPX General Use, GPX Concrete Form and GPX Green for a superior painting surface.

G-P Ripplewood. The low-cost textured decorative wall paneling available in standard panels and squares for staining or attractive two-coat finishing and also in standard size V-Grooved panels.

G-P Striated Plywood. A new, improved decorative panel in the popular striated pattern. Available in standard panels and squares.

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



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G-P Hardwood Plywood. Top quality decorative hardwood plywood marketed as G-P Crownply and 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 sub-flooring, roof decking and sheathing.

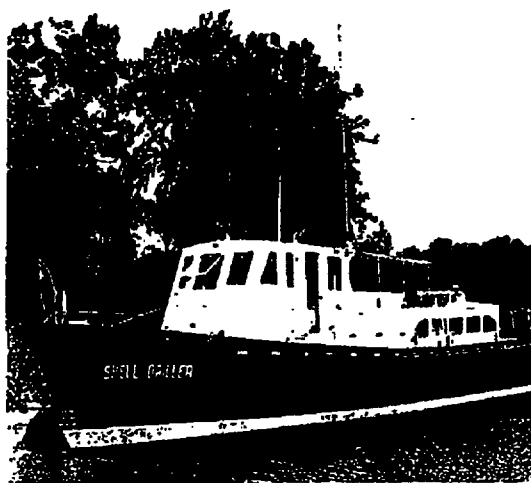
G-P Savannah Oak Paneling. An exclusive pre-finished wall paneling of random width plywood planks produced from genuine Southern Oak available in Honey-tone or Blond. This new product is designed for application with a patent-applied-for clip system. Also available is a variety of prefinished mouldings,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

G-P Prefinished Hardwood Paneling. Beautifully factory-finished genuine Hardwood wall paneling available in V-Grooved Birch and the exclusive V-Grooved Red Gum.

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-PX Plastic-faced Plywood is widely used in marine field.

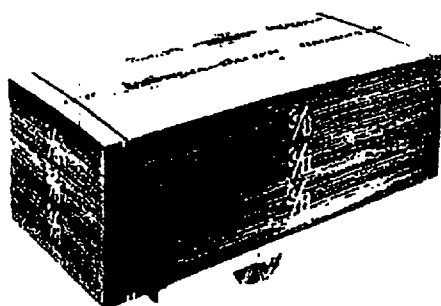
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G-P Ripplewood textured paneling.



G-P Lifetime plywood packaged for volume paneling.

G-P Stratified Plywood Paneling



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 planks and ties available for export and domestic shipment.

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

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

PLYWOOD COMPANY
AND SUBSIDIARIES

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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	Milwaukee, Wisc., 8229 W. Greenfield Ave., West Allis
Atlanta, Ga., 141 Carnegie Way, N.W.	New Castle, Pa., Cherry Street Extension
Augusta, Ga., 753 Broad Street	New Hyde Park, N.Y., Second Avenue and 4th Street
Baltimore, Md., 2315 Severn Street	New Orleans, La., 501 City Park Avenue
Bilings, Mont., Bernard St., Northern Pacific Industrial Site	New York, N.Y., 933 Courtlandt Avenue
Boston, Mass., 141 Bacon Street, Waltham, Mass.	Olympia, Wash., 600 North Capitol Way
Chicago, Ill., 4545 North Broadway	Pasco, Wash., Pasco Air Base
1803 Bryn Mawr Avenue	Philadelphia, Pa., Pier 179 North, Delaware River
Cleveland, Ohio, 4832 Ridge Road	at Allegheny Avenue
Columbia, S.C., 1099 Berea Road	Pittsburgh, Pa., 33rd St. and Liberty Ave.
Detroit, Mich., 5159 Lorraine Avenue	Port Newark, N.J., 102 Marsh Street
Easton, Md., Terminal Warehouse, Kemp Lane	Portland, Ore., Equitable Building
Fort Worth, Texas, 1114 Texas & Pacific Building	Providence, R.I., Harborside Industrial Park
Hatfield, Pa., Half Valley Road	Salinas, Calif., Sanborn Road at Industrial Avenue
Jackson, Miss., 1001 Terry Road	San Jose, Calif., 345 Sunol Street
Lancaster, Pa., 250 North Plum Street	Seattle, Wash., 410 Terry Avenue North
Long Branch, N.J., 174 Branchport Avenue	Spokane, Wash., 3420 North Regal Street
Los Angeles, Calif., 14416 Victory Blvd., Van Nays	Toledo, Ohio, 824 Laskey Road
Meriden, Conn., 14 Cherry Street	Vineland, N.J., 417 Oxford Street

PLANTS

Bellingham, Washington
Feather Falls, California
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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