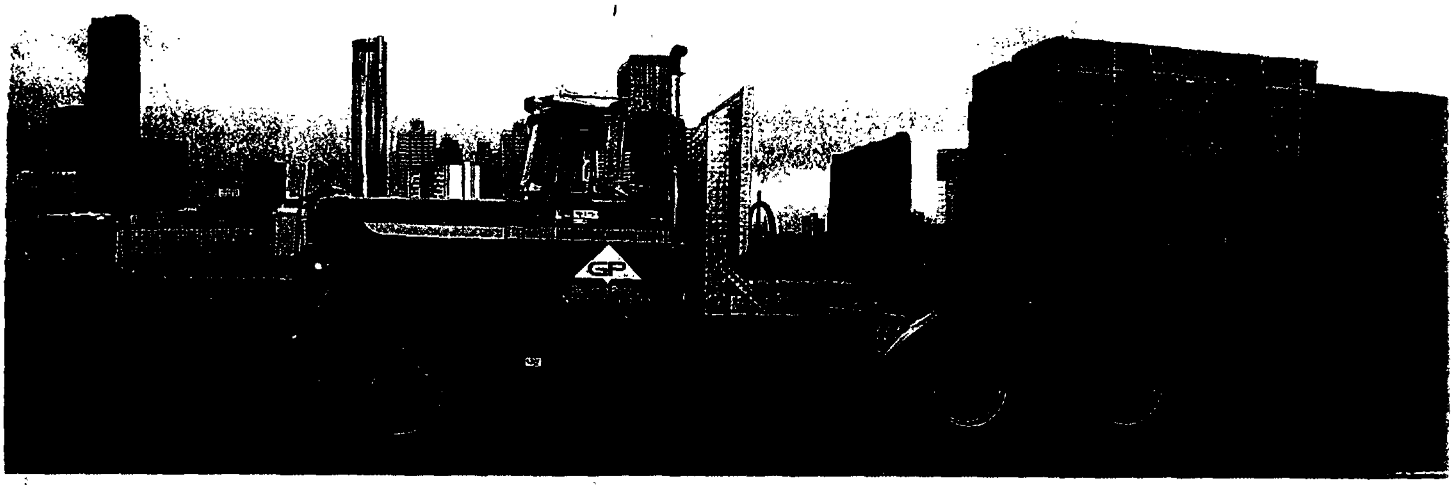
1984 ANNUAL REPORT

PLAINTIFF'S EXHIBIT

GP-1345



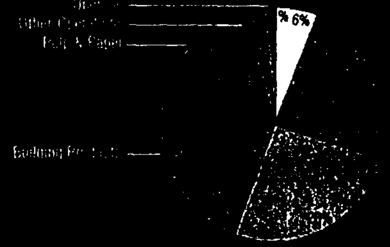
GEORGIA-PACIFIC

SGP 0029993

Georgia-Pacific Corporation is one of the world's largest forest products companies. Founded in Augusta, Georgia, in 1927 as a wholesaler of hardwood lumber, G-P has diversified its original lumber business to include a comprehensive assortment of building materials. Our building products distribution system, with 142 branches in 47 states, is the most extensive in the industry.

In the 1950s, G-P expanded its business to include the production of pulp and paper, and in the late 1950s we began to produce chemicals related to our forest products.

To help supply 221 production facilities with raw materials, G-P is a major landholder with 5.4 million acres of timber under management in North America, as well as substantial reserves of gypsum, coal and natural gas.



Continuing Operations		
Building Products	$	353
Pulp & Paper		118
Other Operations		31
[illegible]		19
	$	[illegible]
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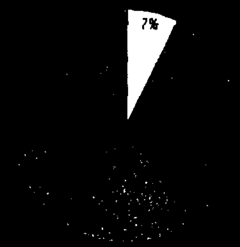


Georgia-Pacific papers used in this report: cover – Legendry White, 80 lb. cover; text – Tapestry Smooth, Bright White, 80 lb. text

H I G H L I G H T S

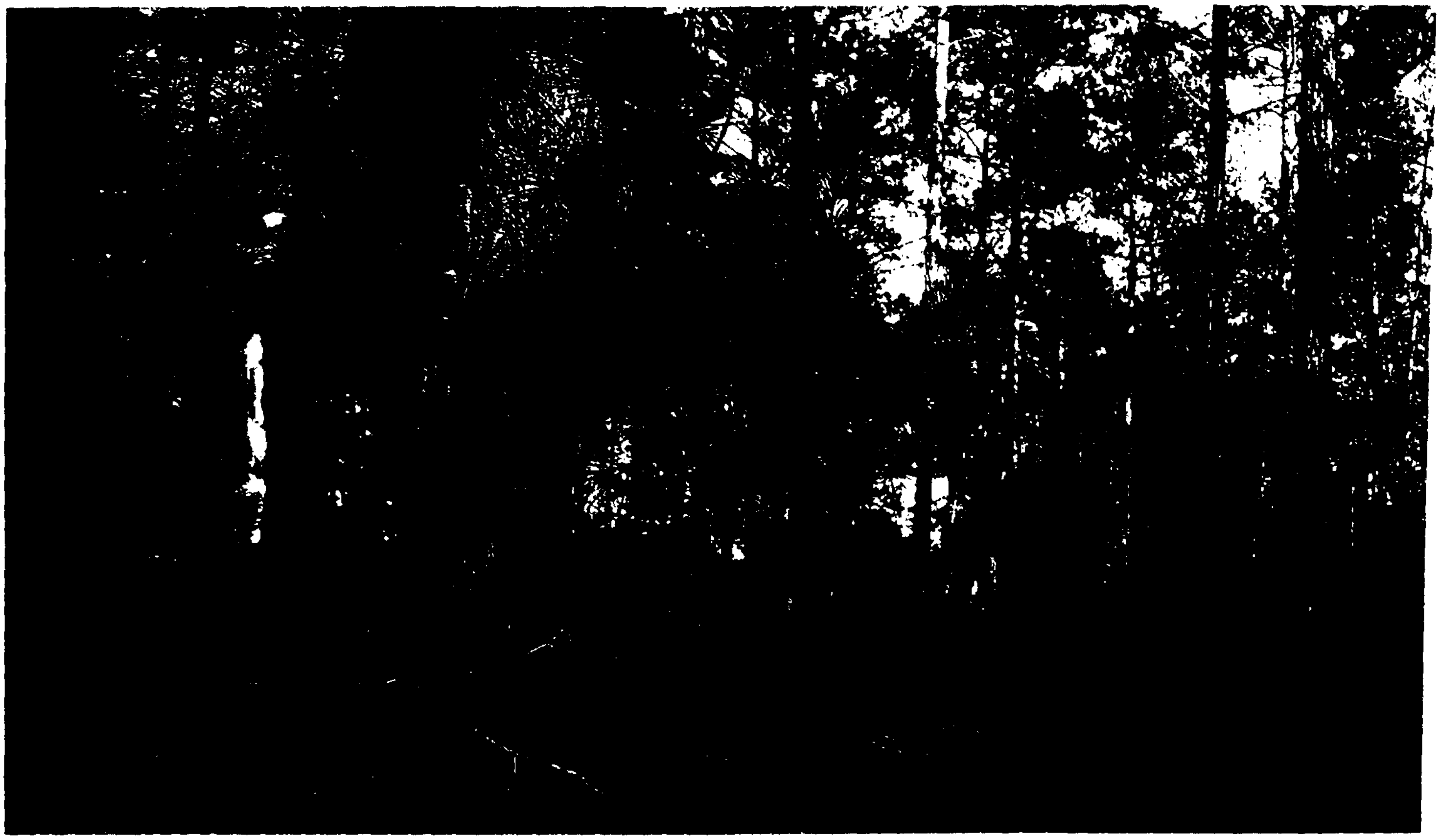
(Dollar amounts and shares are in millions)	1984	1983	Percent Change
Net sales	$ 6,682	$ 6,040	11
Income from continuing operations	253	75	237
Net income	119	105	13
Per common share—fully diluted			
Income from continuing operations	2.24	.54	315
Net income	.97	.82	18
Depreciation and depletion	282	289	(2)
Cash provided by continuing operations	521	453	15
Cash dividends paid	86	76	13
Total assets at year end	4,785	4,732	1
Return on beginning common equity[1]	12.6%	3.8%	232
Cash dividends declared per share of common stock	$ .70	$ .60	17
Shares of common stock outstanding at year end	103	102	1
Number of common shareholders of record	79,000	80,000	(1)
Number of employees	40,000	39,000	3

[1] *Income from continuing operations*

CONTENTS

SGP 0029995

LETTER TO SHAREHOLDERS



Georgia-Pacific's performance during 1984 continued to improve and reflected progress in our program to increase returns and to build a base for more stable earnings. During the year we sold, or undertook to sell, a number of assets and acquired or invested in others that are better suited to our corporate strategy. We also further increased the proportion of more profitable specialties in our product mix and reduced our dependence on variable rate debt.

Our primary objective continues to be to increase the return to our shareholders. In this connection, we were pleased that in the third quarter, the Board of Directors approved an increase in the quarterly dividend to 20 cents per share from 15 cents.

Sale of our commodity chemicals segment, including our oil and gas subsidiary, Exchange Oil & Gas Corporation, is expected to generate a substantial amount of cash for reinvestment in other areas of the business. The commodity chemicals business was sold for $192 million in cash (and securities valued at approximately $70 million) to the executive group that had been managing the operations. We will retain our thermosetting resin business, which is closely related to our plywood and wood panel operations. Those chemical by-products derived from the papermaking process will also be retained.

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Marshall Hahn at a Georgia-Pacific loblolly pine plantation in central Georgia.

Our income from continuing operations rose to $253 million in 1984, more than three times the $75 million in 1983. Included in the 1984 results is a non-operating pre-tax gain of $19 million from the sale of our office building in Portland, Oregon. The 1983 results from continuing operations included a $135 million pre-tax charge from asset disposals and write-downs.

During 1984, we recorded an after-tax loss of $134 million from discontinued operations, including $160 million from the sale of our commodity chemicals business and the planned sales of Exchange Oil & Gas and other chemical facilities. This lowered 1984 net income to $119 million, compared with the $105 million reported in 1983.

Looking to the future, we plan to develop our pulp and paper business to a size and profitability comparable to our building products segment. A better balance between these two sectors will allow us to make more efficient use of our timber resources and also help reduce further our exposure to the residential construction cycle.

We took several important steps toward this objective during 1984, including a major acquisition of linerboard and corrugated container capacity and several important capital projects at existing facilities. In July, we acquired a modern, world-class linerboard mill at Monticello, Mississippi, approximately 275,000 acres of timberlands,

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16 corrugated container plants and other related assets, including working capital, for approximately $360 million. This acquisition added linerboard capacity in the Eastern United States to complement our production at Toledo, Oregon, and serve our sizable Eastern container operations.

The acquired timberlands will be of particular benefit to Georgia-Pacific because of their location. We can use the larger timber first for building products, its highest-value application, and then utilize the lower-value residuals in our pulp mills. The acquisition also enhanced our position in the corrugated container business, where we have a history of successful operation and expansion.

In addition to this major acquisition, we undertook or continued several major projects at existing pulp and paper mills. The equipment conversion program at our Palatka, Florida, and Crossett, Arkansas, mills moved us further into higher-margin grades of bleached paper and board. We also announced plans to install one of the world's largest white paper machines at our Port Hudson, Louisiana, pulp mill.

The paper business was strong for much of 1984, although domestic demand for some grades softened when the economy slowed after mid-year and many paper markets weakened near year-end. The strong dollar put U.S. producers at a competitive disadvantage to foreign competitors in export markets, but markets for pulp, printing and writing papers, kraft, linerboard and containers were generally stronger than in 1983. This strength and Georgia-Pacific's increased focus on higher-value-added products enabled us to report record operating profits in our pulp and paper business—$202 million in 1984, up from $71 million in 1983.

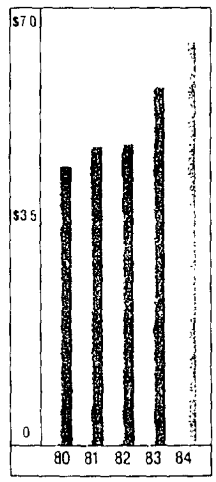
Results from the acquired assets thus far have surpassed our expectations. We expect to realize increasing benefits from these investments, as well as from the upgraded and modernized equipment at key locations. We also expect that demand and prices for our tissue products will improve. Markets for pulp and some grades of our paper, however, are expected to be depressed.

While we have targeted our paper business for expansion, Georgia-Pacific continues as an industry leader in building products, with modern, efficient facilities and the industry's strongest distribution network.

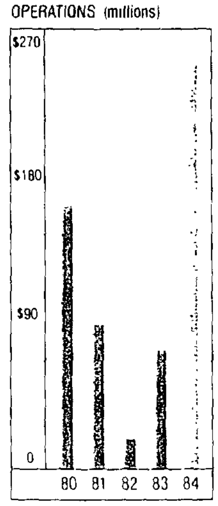
We increased our penetration of the markets for materials for home remodeling, repair and additions, and for industrial and commercial uses. We were also able to direct more of our wood products into specialty markets and increase sales of oriented strand board and waferboard for use in commodity applications.

Performance in the building products sector was strong, despite the soft prices for lumber and plywood for a large part of the year caused by Canadian imports and excess manufacturing capacity in the industry. We reported operating profits in this segment of $379 million, up from $354 million in 1983.

NET SALES (billions)



INCOME FROM CONTINUING OPERATIONS (millions)



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Your Board recently announced several new executive appointments which represent a step in our company's program of planned management succession and illustrate the depth of our management talent throughout Georgia-Pacific.

Robert A. Schumacher was elected president and chief operating officer. Bob has made excellent contributions to Georgia-Pacific's growth in the paper business during his 22 years as an executive with our company. Recently, he has been playing a central role in developing and implementing our strategy of expanding that business to balance our large building products operations. We are fortunate to have his talents available as president and chief operating officer.

Conrad Schweitzer, previously group senior vice president—pulp and paper, succeeded Bob Schumacher as executive vice president—pulp and paper and joined the company's executive management committee.

In our building products business, Harold L. Airington, previously vice president—wood products sales, was elected group senior vice president—building products and also joined the executive management committee.

James C. Van Meter, executive vice president and chief financial officer, was given added responsibilities for the chemical operations retained after divesting our commodity chemicals business at the end of 1984, as well as for Exchange Oil & Gas until it is sold.

During the coming year, we expect a highly competitive environment in the markets we serve. We remain confident, however, of our ability to move your company forward toward our objective of improved returns.

I know you will join me in thanking all Georgia-Pacific employees for their fine efforts in helping to make our company productive and prosperous.

T. Marshall Hahn, Jr.

T. Marshall Hahn, Jr.
Chairman and Chief Executive Officer

February 15, 1985

SGP 0029999

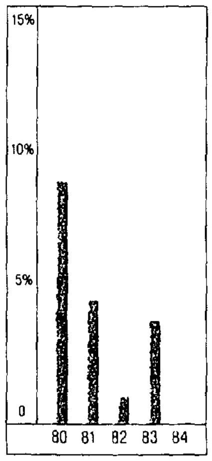
FINANCIAL PERFORMANCE

During the past two years, Georgia-Pacific has implemented financial policies aimed at improving the return on our assets, reducing exposure to increases in interest rates and providing flexibility to take advantage of investment opportunities. The objective of these policies is to improve the return to shareholders. Key elements include:

- Review of the returns on existing operations and redeployment of assets where appropriate;
- Disciplined analysis of proposed capital expenditures and audits of completed projects;
- Creation of incentives for operating management to control working capital;
- Use of leverage which is aggressive, but at the same time ensures access to all major capital markets to take advantage of investment opportunities, and
- Use of a combination of fixed and floating rate debt appropriate for our business, which combines investments in resources and plants with a major distribution operation.

As a result of this approach, we made several large divestitures, a major acquisition and initiated about $400 million in internal capital projects in 1984.

RETURN ON BEGINNING COMMON EQUITY

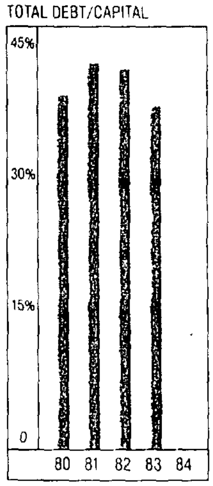


RESULTS

In 1983, we began an asset-review program and sold or wrote down $135 million in assets that were underperforming or did not fit with our core forest products businesses. This review and the asset disposals that resulted from it marked the beginning of our move to simplify our business by concentrating on areas where we can best achieve superior returns.

During 1984, we realized $192 million in cash and securities valued at about $70 million from the sale of our commodity chemicals business and anticipate raising a substantial amount of cash in 1985 from the sales of Exchange Oil & Gas and certain other chemical facilities.

TOTAL DEBT/CAPITAL



To enhance profitability in our key areas of operation, we invested $710 million in capital expenditures during 1984. This included $308 million for a major acquisition, improvements at the acquired locations, $137 million in our building products sector and $185 million in our pulp and paper business.

At year-end, we were close to our target total debt-to-capital range of 30-35 percent, and expect to achieve that level early in 1985. This will give us the financial flexibility to take advantage of internal or external investment opportunities.

By year-end 1984, our variable-rate debt was $284 million, compared with $599 million a year earlier, and interest expense was down to $156 million, a reduction of 16 percent from the peak of $186 million recorded in 1982.

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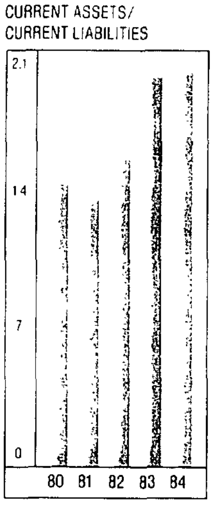
PERFORMANCE MEASUREMENT

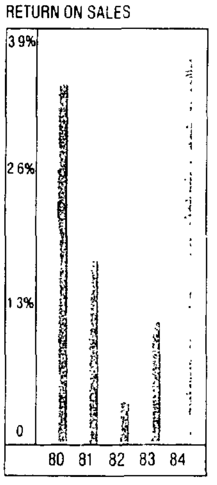
We believe that the most important measurement of a corporation's performance is the return realized on shareholders' equity. We publish a number of ratios which measure our returns including return on beginning common equity. In 1984, that ratio climbed to 12.6 percent from 3.8 percent in 1983. This rise is due to our improved profitability in building products, pulp and paper in 1984. Return on beginning common equity equals our income from continuing operations divided by common shareholders' equity at the beginning of the year.

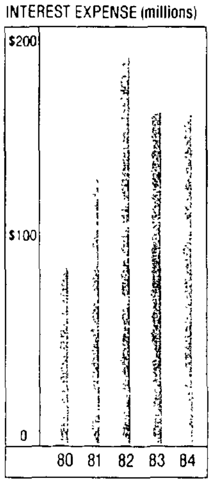
1985 PLANS

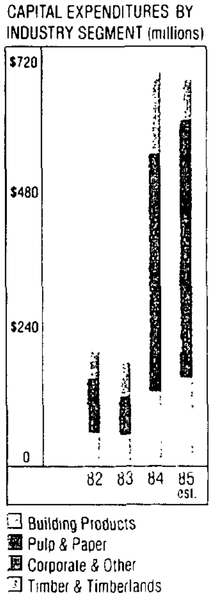
During 1985, we anticipate spending approximately $700 million on capital projects. More than 65 percent of that amount will be spent on our pulp and paper plants, as we continue to expand that segment. We anticipate that our cash flow from operations and available financing sources, together with proceeds we expect to realize from asset sales, will be sufficient to cover these expenditures.

Today's cost of equity and debt capital is high, and we do not believe that this situation is temporary. Because of this, business enterprises must realize higher returns than in years past. Georgia-Pacific is committed to developing high-return investments and earning an appropriate return for our shareholders.









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RESOURCES AND OPPORTUNITIES

From its founding, Georgia-Pacific has been characterized by innovation, adaptability, and the foresight and determination to be where the action is and to get there early. We started as a wholesaler of hardwood lumber shortly before the Great Depression. Despite the economic conditions of those times, we successfully began manufacturing wood products that our marketing experience indicated would have good growth potential.

In the early 1950s, we made a major geographic move toward our industry's newest and most promising frontier when we relocated our corporate headquarters from Georgia to the Pacific Northwest. At that time, the young Douglas fir plywood industry was experiencing rapid growth. As we anticipated, plywood soon became an industry staple and Georgia-Pacific grew to become a major force in the forest products industry. In the years following that move to the heart of our industry's growth area, Georgia-Pacific ranked high among the nation's fastest-growing corporations, adding pulp and paper through construction of new facilities and many acquisitions.

To take advantage of rapidly developing market opportunities, we soon began to acquire timberlands and to locate the bulk of our manufacturing facilities in the rapidly growing Sunbelt. Georgia-Pacific created the next major wood product opportunity by pioneering the development of Southern pine plywood. This provided our company with a strong competitive edge in a new growth sector.

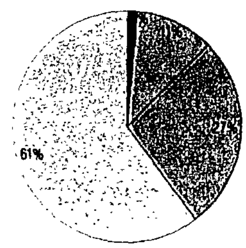
A new day dawns at our Crossett, Arkansas, pulp and paper mill, where two paper machine conversions will add value and profitability.

Pine plywood also established the foundation for a substantial new Southern industry and played an important role in shifting the focal point of the fores products industry southward. By the late 1970s, most of our business was east of the Rockies and, in 1978, we announced a headquarters move to bring management clcser to our principal operations and markets.

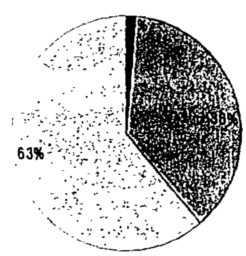
The relocation has been extremely effective in improving our ability to focus on the most promising growth areas. Since that time, we have taken strong act.on to adapt to the business environment of the 1980s, which is characterized by high cost of capital and intense competitive pressures. This has included significant divestitures, write-downs and a large acquisition, with other acquisitions that fit our growth strategy anticipated in the future.

Our strategy is focused on one primary objective—to increase the value of Georgia-Pacific to our shareholders. We are accomplishing this objective by simplifying our business, by operating in our areas of expertise and strength and by efficiently producing quality products that will fulfill customer needs today and in the future.

RECONFIGURATION



1983 SALES (billions)

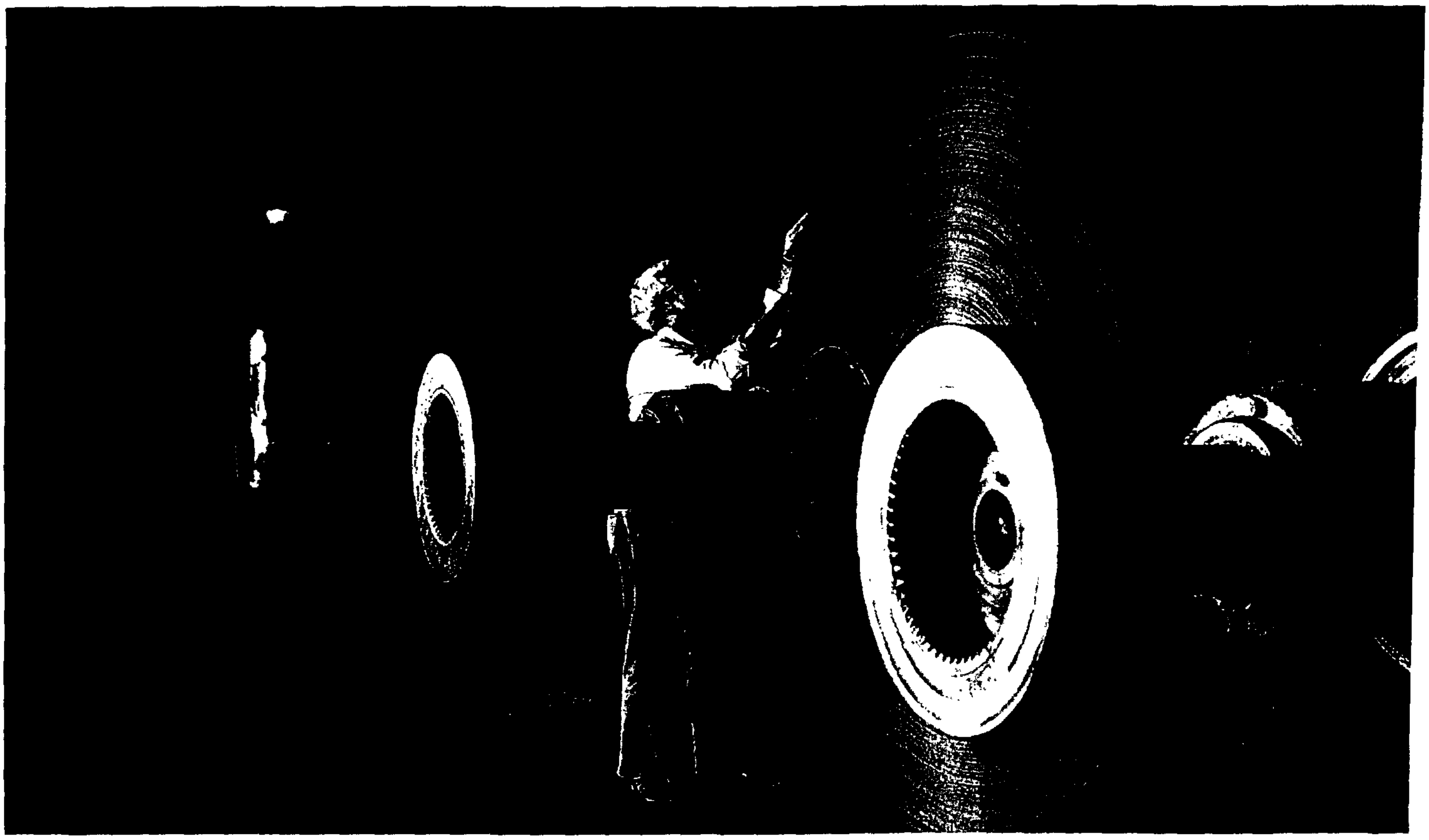


1986 SALES (estimated)

Building Products
Pulp & Paper
Chemical
Other

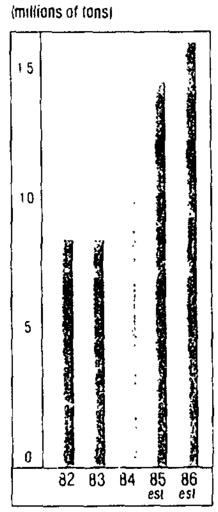
SGP 0030003

PULP AND PAPER



As the industry leader in building products, G-P's decision to expand our pulp and paper segment makes good business sense. By complementing our large building products business with pulp and paper operations of similar size, we can better balance our financial performance and more effectively utilize our timber resources.

CONTAINERBOARD
(millions of tons)



LINERBOARD AND CONTAINERS

At mid-year, we acquired one of the country's largest linerboard mills, 275,000 acres of timberlands, cutting rights on an additional 50,000 acres and 16 corrugated container plants. This achieved our long-stated objective of adding linerboard capacity in the East to complement our Western production at Toledo, Oregon, and also further advanced our position as a major national supplier of corrugated packaging. Located in Monticello, Mississippi, this mill is strategically situated to ship linerboard economically throughout the Sunbelt and central United States, as well as to export markets.

During the 1960s and 1970s, Georgia-Pacific gained a leadership position in the West Coast container industry. We became a national factor in 1981, when we acquired nine corrugated container facilities in the East. The box plants acquired in 1984 brought our total to 31 facilities nationwide. Our plants have grown steadily in production volume and are among the industry's lowest-cost producers.

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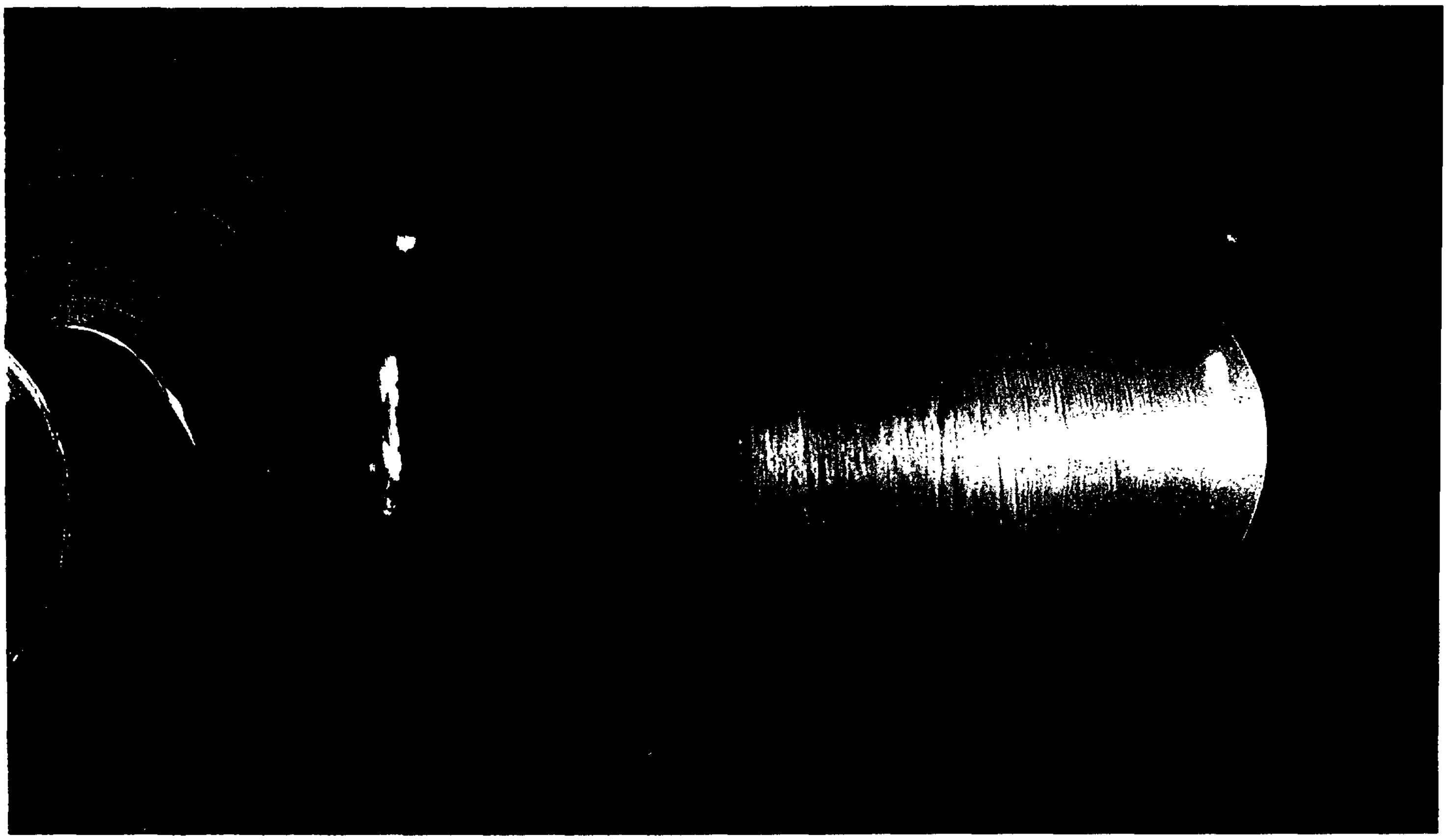
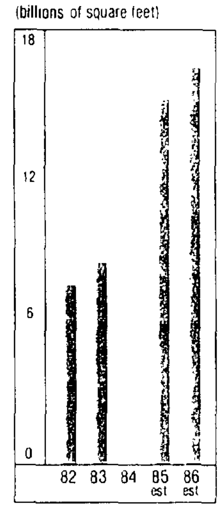
Georgia-Pacific's newly acquired pulp and paper mill at Monticello, Mississippi, more than triples our linerboard capacity, moving us from a net buyer to a net seller of containerboard.



Today, we are aggressively developing our capabilities to take advantage of the higher profit margins available for specialty containers. Much of our corrugated box output in the West has been developed to meet the customized needs of our agribusiness customers. We produce specialty containers made from E flute, triple wall and wax impregnated board, as well as lithograph Coralure.® Many of these specialty containers sell for a higher price per ton than fine papers. Last year we began a major modernization and expansion at five of our existing container operations to allow increased production of specialties, and we will continue to improve our facilities in 1985.

CORRUGATED CONTAINERS
(billions of square feet)



WHITE PAPER

During 1984, we continued to increase our production of bleached grades of paper, with new and converted equipment at several major facilities. We also announced plans to install one of the world's largest white paper machines at our Port Hudson, Louisiana, pulp mill. This new machine, associated working capital, related mill improvements and other costs will total approximately $200 million. Start-up is scheduled for the third quarter of 1986, with production of approximately 650 tons per day of forms bond, offset and other printing grades, including cut-size bond. We are also installing a steam turbine-generator that is expected to produce a significant amount of Port Hudson's energy needs.

Last year, we also continued our $100 million conversion program at Palatka, Florida, and Crossett, Arkansas, to produce more bleached grades and shift unbleached production to the most efficient equipment. Our two machines at Crossett are being converted from kraft to printing paper and bleached board.

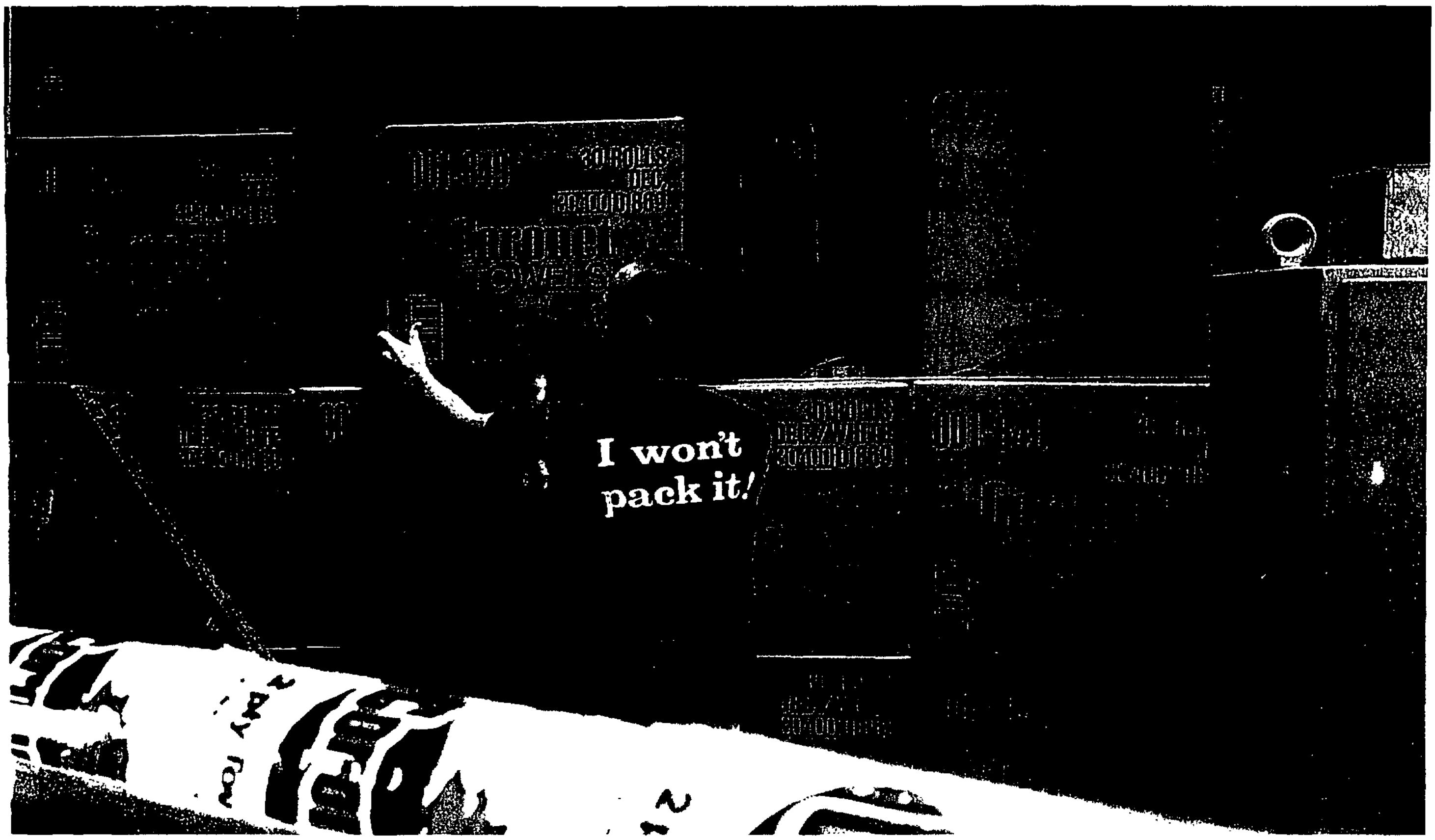
UNBLEACHED KRAFT

Demand for unbleached kraft has been declining in recent years because of growth in the use of plastics for bags and sacks. The Crossett/Palatka conversion reflects a realistic assessment of the kraft paper market as it will exist in the years ahead, as well as our commitment to redirect our mills to address that market.

Our kraft production will be consolidated at Palatka, where we have newer, faster and more efficient equipment for these grades and existing capacity that can accommodate customer demands. We will have the capacity to produce about 250,000 tons of kraft annually on two machines at Palatka, about 80 percent of which will be unbleached. We will convert approximately one half of this output into higher-value products at our bag and sack plants at Palatka and at Richmond, Virginia, as well as at our multiwall bag plants in Hamlet, North Carolina, and Pine Bluff, Arkansas. The remainder will be sold in U.S. and export markets.

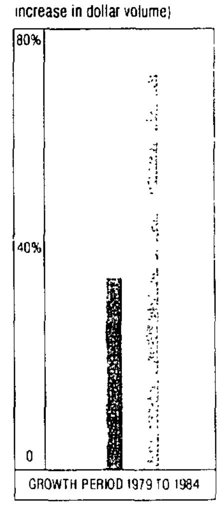
SGP 0030006

Our Coronet® tissue has been one of the fastest growing consumer tissue brand names for the past three years.



In line with this program, we are eliminating kraft paper production at the Monticello mill by converting the kraft machine to linerboard production. We have already changed the mix on that machine, increasing output of lightweight linerboard and reducing kraft.

CORONET* BRANDS
SALES GROWTH (percent increase in dollar volume)



Coronet*
Industry Average*
*Source SAMI

TISSUE

Georgia-Pacific again registered a strong performance in the tissue industry in 1984. Our consumer and commercial tissue businesses generated $507 million in sales in 1984, up 13 percent from $449 million in 1983. Those figures included impressive gains in our brand-name products—Coronet,® Delta,® Mr. Big,® Hudson® and MD®—as well as a strong increase in sales of our Cormatic® line through our commercial systems division to the "away-from-home" markets. Coronet has been one of the nation's most rapidly growing consumer tissue products over the past three years.

Almost two-thirds of Georgia-Pacific's sales are brand-name consumer tissue products, and that proportion is increasing. Tissue sales tend to resist economic fluctuations, and our progress in this sector helps stabilize our earnings.

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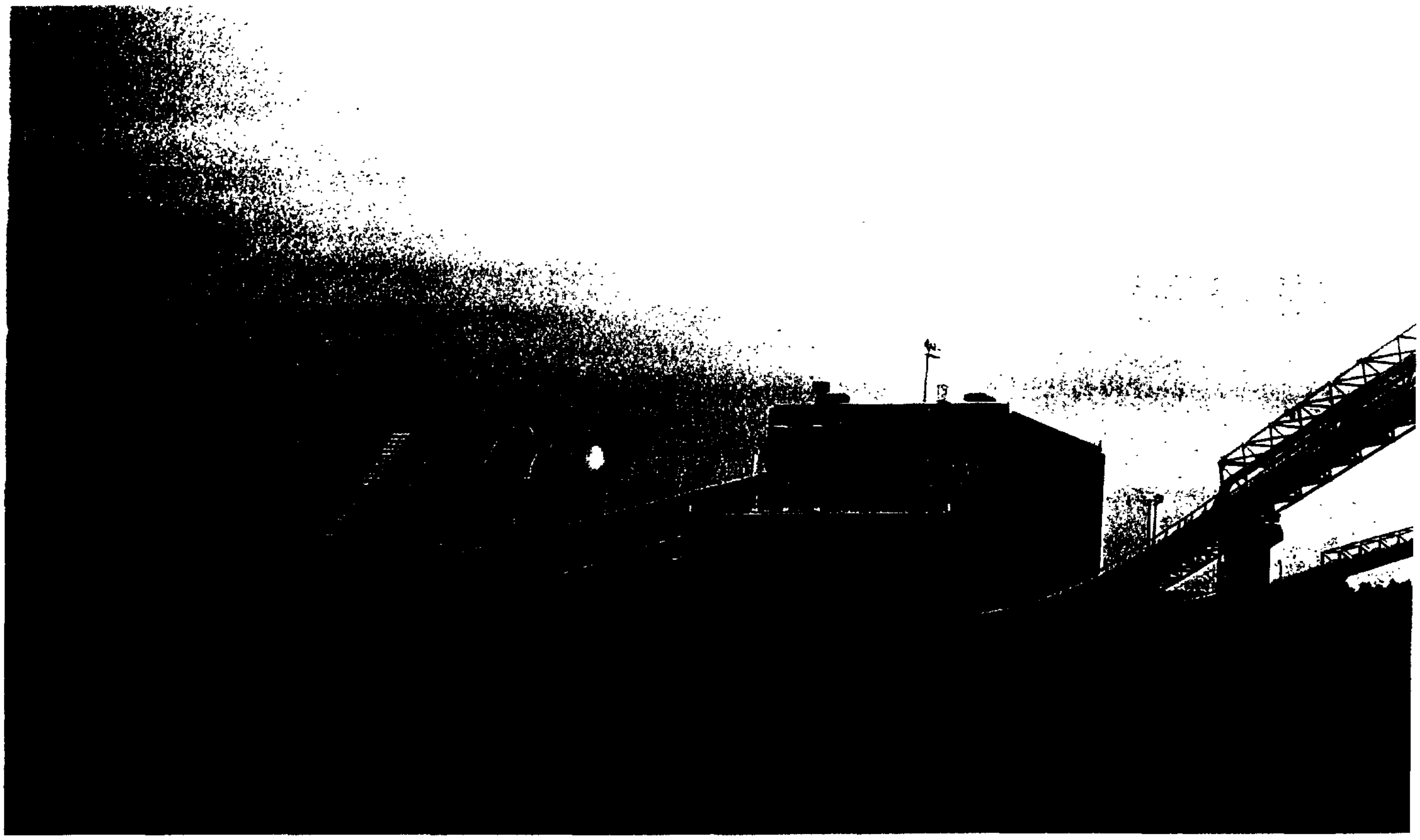

The fastest-growing components of our tissue business are sales of napkins, food wrap and other paper accessories to the fast food industry. Last year, sales of these products increased nearly 30 percent.

MARKET PULP

Pulp markets were satisfactory during early 1984, following a Canadian strike which reduced supply significantly. However, prices weakened quickly during the second half of the year as the Canadian strike was settled, substantial new capacity came on line worldwide and the dollar continued its rise against foreign currencies. We will be reducing our market pulp exposure during 1985 and 1986 as our white paper projects are completed.

PULP MILL BY-PRODUCTS

The new and converted equipment at our major pulp mills will allow Georgia-Pacific to upgrade more of our own pulp production to higher value-added paper products. In addition, we will also continue to upgrade the by-products from the pulpmaking process into specialty chemicals.

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Our Woodland, Maine, whole-tree-chip handling and screening facility typifies Georgia-Pacific's pulp and paper capital improvement emphasis.

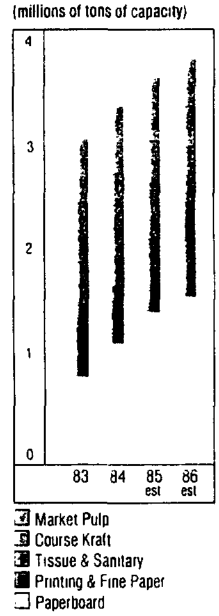
For example, our Southern pine pulping operations at Crossett, Palatka, Port Hudson and Monticello yield soap skimmings that we convert into crude tall oil. We distill this crude product into five fractions and upgrade the rosin acid fraction into rosin size for papermaking. After further refining, the other fractions can be used to make such products as adhesives, waxes, synthetic rubber, paints, lacquer and inks.

At Bellingham, Washington, our sulfite pulp facility also yields a variety of useful chemical products, including ethanol and lignosulfonates, which are used in the manufacture of products such as oil well drilling mud additives, and binders for road surfaces and animal feed pellets.

OUTLOOK

We expect to continue to benefit from the many investments we are making in the pulp and paper segment of our business. While markets for pulp and some grades of paper are expected to be weak in 1985, our current production capabilities and our plans to take advantage of promising opportunities that meet our return standards, will help generate superior returns from this segment for Georgia-Pacific's shareholders.

PULP & PAPER GROUP
GROWTH & RECONFIGURATION
(millions of tons of capacity)



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BUILDING PRODUCTS

Georgia-Pacific is a leader in the building products industry, and during 1984 moved aggressively to assure continued leadership in this important sector. With the majority of our productive facilities and natural resources located in the South, we are strategically positioned in our nation's major growth area. We also benefit from the industry's largest and most successful building products distribution network which serves this demand and capitalizes on changes and opportunities in the marketplace.

Our building products operating profits increased to $379 million in 1984, up seven percent over 1983. Sales of $4.5 billion in 1984 were up eight percent over 1983. This improvement was achieved despite flat housing starts compared with 1983 and low prices for major wood products such as plywood and lumber because of excess industry manufacturing capacity and, in the case of lumber, competition from Canadian imports. The increased profitability was primarily attributable to our ability to manage costs, our penetration of non-housing markets, strong markets for gypsum wallboard, and a greater focus on higher-profit product lines.

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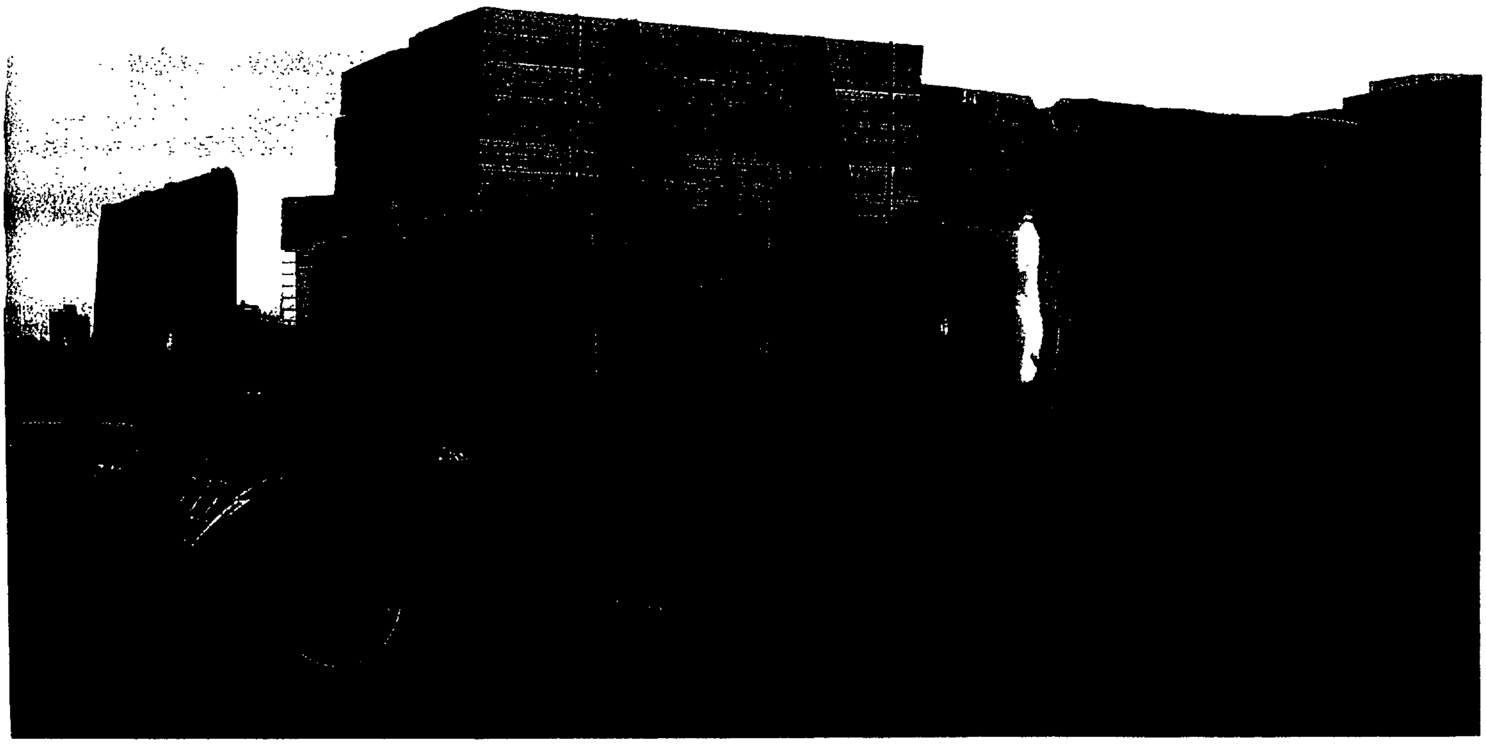
Marketing strength and flexibility from Georgia-Pacific's Building Products Distribution Division generated nearly $4 billion in sales during 1984.

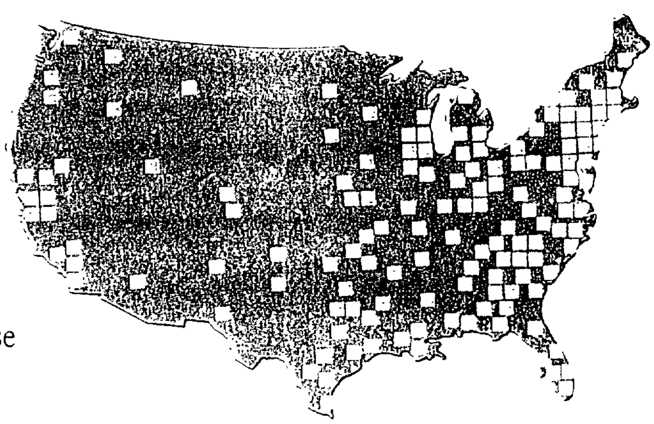


DISTRIBUTION

The Distribution Division comprises 142 branches covering every major metropolitan market. It gives us the ability to move our products to our customers and provides information on the changing pattern of demand for building products. During 1984, this division generated $3.7 billion in sales, or more than $14 million each day, up seven percent over 1983.

For the third consecutive year, we sold more building products for home remodeling, repair and additions than for new residential housing construction. We expect this trend to continue. During 1984, 45 percent of our Distribution Division's sales went to this remodeling/repair market.

The professional installer and the do-it-yourself homeowner who make up the remodeling and repair market purchased over $24 billion in building products last year, and trends indicate continued growth. Because this market is less interest-sensitive than new housing,



BUILDING PRODUCTS DISTRIBUTION CENTERS

it provides additional balance and stability to our financial performance. Gains in commercial and industrial markets in 1984 further decreased our dependence on new home construction. Sales to the housing market accounted for 34 percent of the division's sales last year.

We are currently examining new higher-margin products that would further balance our business and improve profitability. Over the years, management has consistently added new items to broaden our product line for existing customers and to attract new ones.

To further control costs and increase efficiencies in our distribution system, last year we consolidated operations of our branches at Tacoma, Washington, and Texarkana and Beaumont, Texas, into larger neighboring centers. These consolidations brought the number of G-P distribution centers to 142 nationwide. Similar consolidations of 12 distribution centers in 1982 demonstrated the benefits of serving customers from larger centers in some locations.

GYPSUM DIVISION

Georgia-Pacific's Gypsum Division results improved substantially during 1984, reflecting increased market demand for gypsum products. Because of weight considerations, gypsum products are impractical to ship long distances, and Georgia-Pacific's gypsum

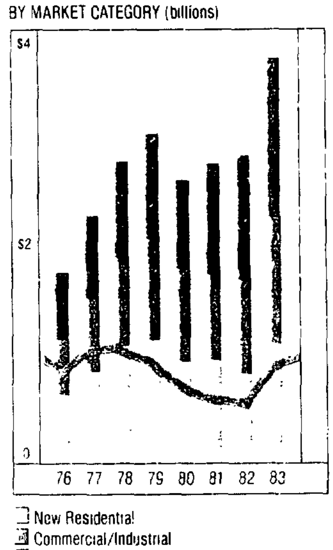
SGP 0030012

For the second year in a row gypsum wallboard was one of Georgia-Pacific's most profitable product lines due to strong demand and new uses.

wallboard facilities are located primarily east of the Rockies, where market demand is greatest. Responding to the greater demand for gypsum wallboard products in late 1983, we reopened our facility at Grand Rapids, Michigan, increasing our 1984 manufacturing capacity by seven percent.

Our Gypsum Division has developed and has a patent pending on a new gypsum wallboard product designed for use in the fast-growing exterior insulation systems industry. The product, Dens-Glass,™ is scheduled for release in 1985. It will be used for exterior sheathing and in applications where moisture is a potential problem.

BUILDING PRODUCTS SALES TRENDS BY MARKET CATEGORY (billions)



STRUCTURAL PANELS

Our plywood plants continued to improve productivity with installation of the latest technology such as computerized log-positioning devices and powered backup rollers.

We continued to improve the efficiency of our use of timber resources by expanding production and distribution of oriented strand board (OSB) and waferboard for commodity uses such as roof and floor decking and sidewall sheathing and converting the production of our plywood plants to higher-margin specialties. In 1980, only 30 percent of our Southern pine plywood production

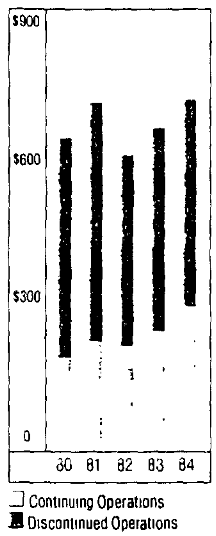
SGP 0030013

was used in specialty items such as siding, concrete form and Sturd-I-Floor® rated plywood. In 1984, that proportion had doubled to approximately 50 percent.

OSB and waferboard, structural panels made from small wood strands or wafers, continue to receive excellent reception from homebuilders as well as from the do-it-yourself market. For some uses, these products are preferred over plywood because of performance characteristics and attractive prices. Last year, our sales of these new-generation structural panels were $92 million, a 100 percent increase over 1983.

During 1984, we continued construction on two large OSB facilities at Skippers (near Emporia), Virginia, and Grenada, Mississippi, each of which will have annual capacity of approximately 250 million square feet. These plants are expected to begin operation in mid-1985. The company already operates an OSB plant at Dudley, North Carolina, and a waferboard plant at Woodland, Maine. During 1984, we also announced our intention to build a fourth OSB facility.

CHEMICAL SEGMENT
REVENUES (millions)

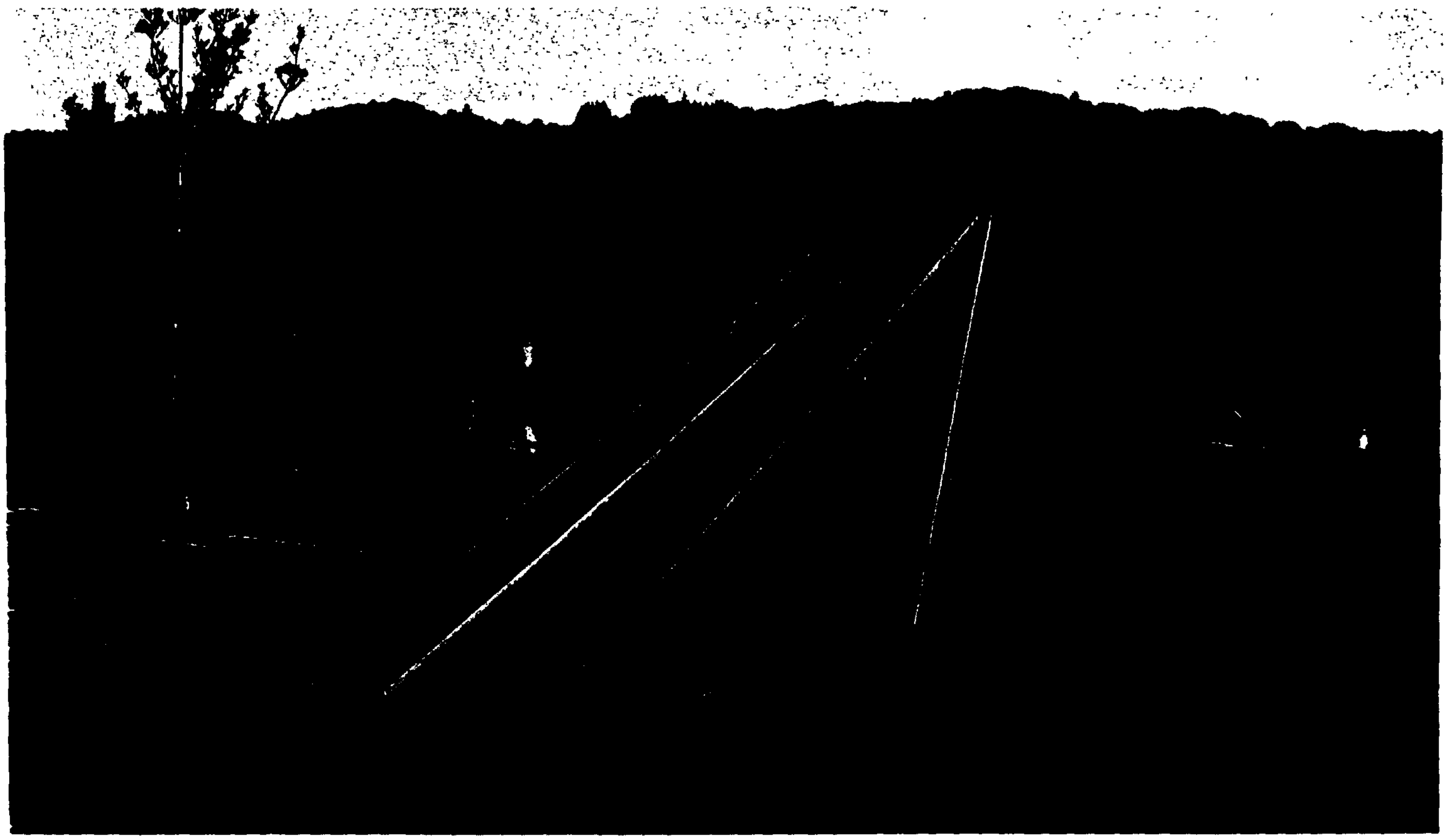


RESIN DIVISION GROWTH

In conjunction with our development of structural panels, we began operation of a facility at Crossett, Arkansas, to make powdered thermosetting resin for use in the manufacture of waferboard. Using state-of-the-art technology, this plant is the first in the U.S. dedicated to the rapidly growing waferboard industry. We expect to produce

SGP 0030014

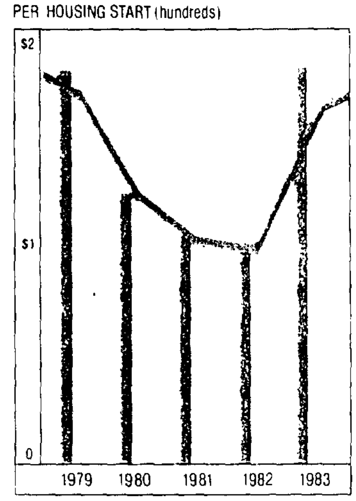
Georgia-Pacific sales into the remodeling, repair and additions market, of which the "do-it-yourself" segment is the largest component, exceeded new residential sales for the third year in a row.



approximately 22 million pounds per year of spray-dried resin and anticipate that this new facility will help maintain our leadership position in wood products adhesives.

Our resin division—consisting of 14 plants—fits well with our wood panel manufacturing and marketing operations, and we have excellent research and development facilities to help us take advantage of the many opportunities in this business.

BUILDING PRODUCTS SEGMENT EARNINGS PER HOUSING START (hundreds)



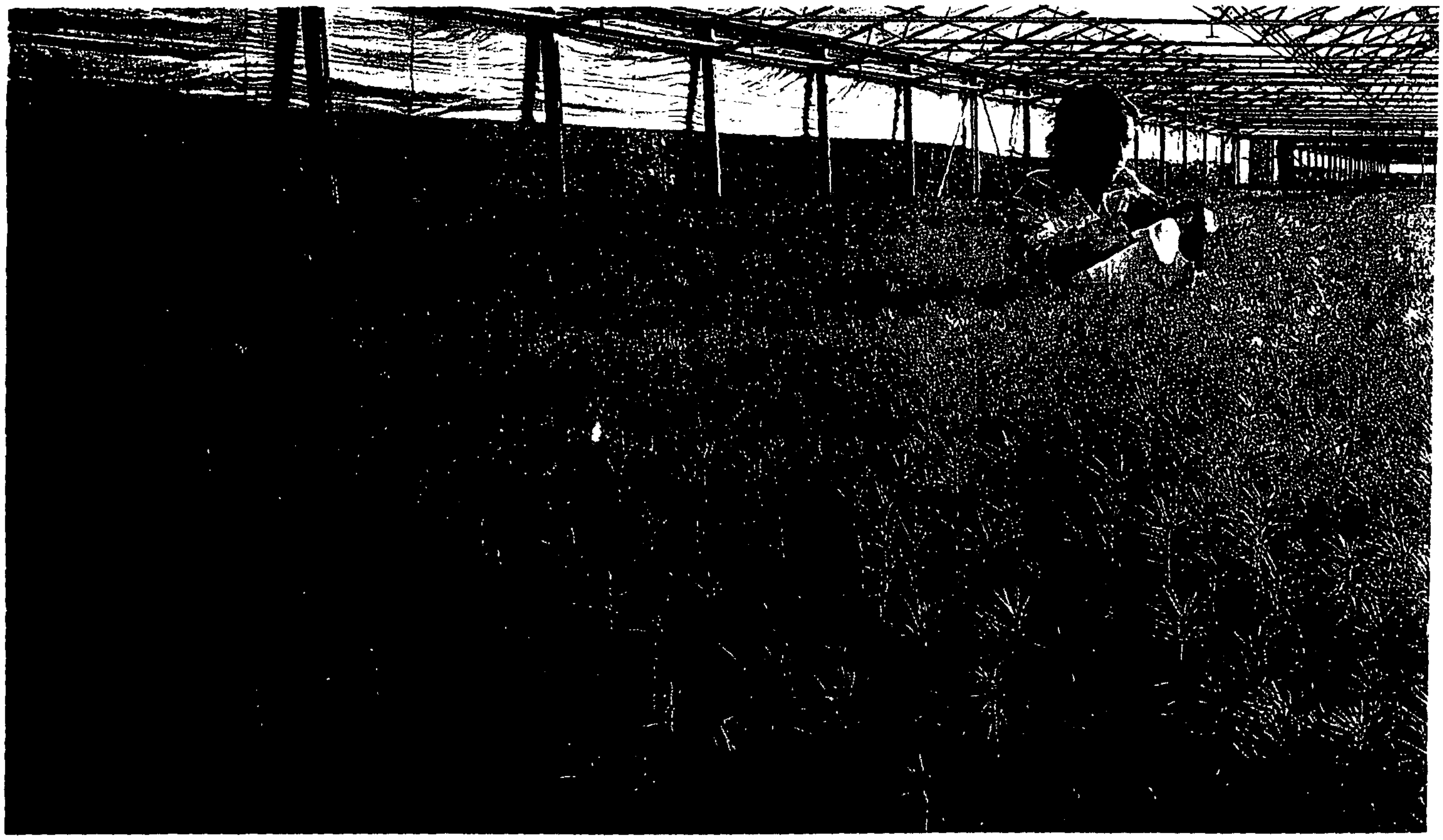
Georgia-Pacific*
Nine Leading Producers (average)**
Housing Starts (millions)

*Excluding Resin Earnings
**Source: Paine Webber

OUTLOOK

Georgia-Pacific has efficient, well-located manufacturing facilities, the industry's strongest distribution network and the ability to use these assets profitably. During 1985, we expect further progress in our building products business as we continue to lessen our dependence on the residential building market and improve the profitability of our product mix. Although our planning assumes housing starts will decline slightly in 1985 to approximately 1.65 million from 1.75 million, Georgia-Pacific has a strong presence in the Sunbelt where the greatest housing activity is expected to occur.

RESOURCES



Georgia-Pacific has been a leader in resource management since acquiring timberlands in the early 1950s to assure long-term supplies at our plants and mills. Today, we manage 5.4 million acres of timberland in North America under a comprehensive program to improve utilization of this valuable renewable resource through the application of technology and use of materials formerly regarded as waste.

We own mineral rights on most of our timberlands and receive royalty income from coal, oil and gas which underlie much of our Appalachian and Southern forests. We also own 121 million tons of recoverable gypsum rock—52 years' supply at our 1984 production rate.

During 1984, we acquired 275,000 acres of prime Mississippi timberland in connection with our acquisition of the Monticello, Mississippi, linerboard mill. These lands will provide sawtimber and pulpwood for our nearby building products facilities, as well as the paper mill.

The program to enlarge our paper business to a scale comparable with our large building products operations will help improve timber utilization. We will use our larger

SGP 0030016

Georgia-Pacific continues to improve fiber productivity with advanced tree improvement genetics at seed orchards and seedling greenhouses strategically located nationwide.

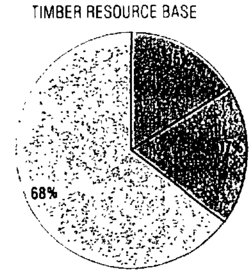
timber for building products. The remaining smaller-diameter timber, combined with our manufacturing residuals, will provide a low-cost and dependable supply of material for our pulp and paper mills.

To promote better growth on our timberlands, we conduct tree-genetics programs in each of our forest management regions. Last year, we grew more than 15 million "superseedlings" chosen for genetic qualities that result in superior growth, conformation and disease resistance.

In the Northwest, our second-growth Douglas fir is in various stages of maturity. This "stair-step" forestry is designed to provide mature timber for our plants and mills on a continuous basis.

Georgia-Pacific's 5.4 million North American acres provide about half of our fiber requirements. We view this balance of fee-ownership with open market purchases as a hedge against timber market fluctuations.

TIMBER RESOURCE BASE



North America (acres)	
Owned in Fee	4,920,000
Controlled	480,000
	5,400,000

Regional Timber Distribution
- Eastern U.S. and Canada
- Southern U.S.
- Western U.S.

SGP 0030017

MANAGEMENT'S DISCUSSION AND ANALYSIS

LIQUIDITY AND CAPITAL RESOURCES

Cash provided by continuing operations increased to $521 million in 1984 from $453 million in 1983, as the recovery for the forest products industry which began in 1983 continued during 1984. The Corporation used its strong cash flow, the proceeds from asset sales and its available financing sources to fund $710 million of capital expenditures (including the acquisition of certain properties from St. Regis Corporation), retire a net $95 million of debt and preferred stock and pay dividends of $86 million.

The Corporation relies primarily on short-term borrowings to finance seasonal fluctuations in accounts receivable and inventory levels. Cash requirements for normal capital expenditures are usually generated from operations, with long-term borrowings used to finance major capital additions and acquisitions of new businesses and to extend the maturity of debt. Management believes cash provided by operations, committed lines of credit and current funding capabilities are adequate to meet the operating and liquidity needs of the Corporation for the foreseeable future. Depending on market conditions and its assessment of the Corporation's needs, management may decide to issue additional securities in 1985.

The Corporation had $700 million available from its various lines of credit which was being used to support approximately $245 million of commercial paper and master note borrowings outstanding at December 31, 1984. The Corporation's exposure to rate-sensitive debt has been reduced in 1984 to $284 million from $599 million. This reduction was accomplished through a combination of fixing the rate on approximately $100 million of debt through interest rate exchange agreements and issuing fixed rate long-term debt.

On April 2, 1984, the Corporation accepted tender offers for 828,333 shares of Series A Adjustable Rate Convertible Preferred Stock at $39 per share. The purchase of the shares was financed initially with short-term borrowings. On August 1, 1984, the Corporation issued $100 million of 16¼% Notes due August 1, 1994, under a shelf registration statement and $50 million of 13.6% Senior Notes due August 1, 1987, through a private placement. The net proceeds from the sales of the 16¼% Notes and the 13.6% Senior Notes were used to reduce short-term debt, including debt incurred in connection with the purchase of Series A preferred stock and the acquisition of properties from St. Regis Corporation. In the 1984 fourth quarter, approximately $54 million in tax-exempt revenue bonds were issued on behalf of the Corporation.

The Corporation is increasing its investments in the pulp and paper segment. On July 16, 1984, the Corporation completed the acquisition of certain assets from St. Regis Corporation for approximately $560 million. The acquired properties include a linerboard and kraft paper mill, 16 corrugated container plants, a folding carton plant, related timberlands and cutting contracts located in Mississippi and certain current assets related to those operations.

The Corporation's management reached a decision in 1984 to dispose of certain lines of business. Commodity chemicals, oil and gas, and other miscellaneous lines of business, unrelated to the Corporation's core forest products businesses have either been sold, are the subject of negotiations or are presently being marketed for sale. Thermosetting resins and certain specialty chemical lines which are related to core businesses are being retained.

In this regard, on December 31, 1984, the Corporation completed the sale of its commodity chemicals subsidiary, Georgia-Pacific Chemicals, Inc. (GPC), to Georgia Gulf Corporation, a company formed by the executive group managing that business, for cash of $192 million and debt, preferred stock and warrants with an estimated present value of $70 million. The major assets owned by GPC included a chemical complex at Plaquemine, Louisiana, a cumene plant near Houston, Texas, a phenol operation in New Jersey, salt domes located in Louisiana and polyvinyl chloride (PVC) compounding operations in Mississippi, Tennessee and Delaware. On January 31, 1985, the Corporation executed an agreement, subject to the purchaser obtaining the necessary financing, for the sale of its Exchange Oil & Gas Corporation subsidiary (Exchange) to an unrelated third party for $180 million in cash. The agreement contemplates a closing by the end of the second

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quarter of 1985; however, management is unable to estimate the purchaser's ability to obtain financing.

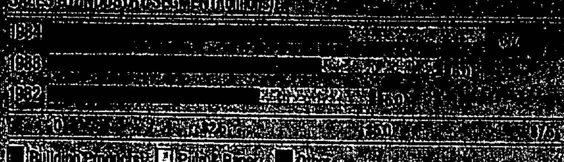
The Corporation is also marketing other facilities from its chemicals segment. GPC Exchange and these other operations together constituted the commodity chemicals and oil and gas operations included in the Corporation's previously reported chemicals segment.

In the fourth quarter of 1984, the Corporation recorded an aggregate after-tax loss of $160 million from disposition of its chemicals segment, which is being reported as a discontinued operation in 1984. All prior periods presented in the financial statements have been restated to reflect this treatment.

The Corporation's capital expenditures were $710 million in 1984, including the acquisition of properties from St. Regis. Acquisitions of timber and timberlands amounted to $135 million with an additional $575 million spent on property, plant and equipment. The Corporation is projecting estimated capital expenditures of $700 million in 1985, excluding any major acquisitions. The Corporation has begun a two-year, $200 million capital investment project to restructure the production line at its Port Hudson, Louisiana, facility, including the installation of one of the world's largest white paper machines. Major equipment conversion programs are also underway at the Corporation's Palatka, Florida, and Crossett, Arkansas, paper mills which will result in greater emphasis on more profitable bleached grades. These conversion programs should be completed during 1985. Two oriented strand board plants are presently under construction which are also expected to be completed during 1985. These and other budgeted projects are expected to be funded from cash generated from operations, credit sources currently available and the cash proceeds from the disposition of the remaining discontinued operations.

At the end of 1984, working capital was $733 million and the current ratio was 2.[illegible] to 1, compared to the 1983 levels of $643 million and 2.0 to 1, respectively. This increase in working capital is attributable to increased sales and the acquisition of inventories and accounts receivable from St. Regis Corporation. The total debt-to-capital ratio was 35% at the end of 1984 compared to its 1983 level of 38%. Total debt-to-capital should be within management's 30-35% goal once the proceeds from the sales of the remaining discontinued operations are received in 1985.

SALES BY INDUSTRY SEGMENT (billions)



OPERATING PROFITS BY INDUSTRY SEGMENT (millions)

1984 COMPARED WITH 1983

Georgia-Pacific's consolidated net sales reached $6.7 billion in 1984, an increase of 11% over 1983 net sales of $6.0 billion. Income from continuing operations increased to $253 million in 1984 ($2.28 per share on a primary basis) from $75 million in 1983 (53 cents per share). After recognition of the $134 million loss from discontinued operations, the Corporation reported net income of $119 million in 1984. Net income of $105 million in 1983 included income from discontinued operations of $30 million.

Included in the 1984 results of continuing operations was a $19 million pre-tax gain on the sale of the Georgia-Pacific building in Portland, Oregon. The 1983 results of continuing operations include a pre-tax charge of $135 million for asset disposals and write-downs to net realizable value. Excluding these unusual items, pre-tax income from continuing operations increased 56% in 1984 to $377 million, from $242 million in 1983.

Sales in the building products segment increased 7% to $4.5 billion in 1984 from $4.1 billion in 1983. Operating profits increased also, to $379 million in 1984 from $354 million in 1983. The segment's performance benefited from strong housing construction in the first half of 1984, as well as improved technologies at our wood products facilities. Gypsum

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sales were strong throughout 1984 and helped off-set soft prices for lumber, which were adversely affected by Canadian lumber imports, and soft plywood prices caused in part by excess industry capacity. Sales to the remodeling market again exceeded new residential construction sales. The Corporation anticipates continued pressure on plywood and lumber prices in 1985 and plans to continue to develop markets not directly related to residential housing.

The pulp and paper segment reported significantly higher sales and operating profits in 1984. Sales increased 19% to $2.1 billion in 1984 from $1.8 billion in 1983. Operating profits of $202 million were almost three times higher than the 1983 level of $71 million. Prices increased during 1984 for market pulp, printing and writing papers, kraft, linerboard and corrugated containers, although some markets began to soften after mid-year with the slow-down in the economy. The impact of a strong U.S. dollar on export markets, which put domestic producers at a competitive disadvantage to foreign competitors, and rising pulp inventories in domestic markets caused market pulp prices to decline in the second half of 1984. For 1985, the Corporation expects to further benefit from the assets acquired from St. Regis, as well as from new and converted equipment at key locations. Soft markets for pulp and some grades of paper are expected to continue in early 1985.

For a discussion of "Income Taxes" and the "Effects of Inflation," see Notes 7 and 16.

1983 COMPARED WITH 1982

Georgia-Pacific's consolidated net sales reached $6.0 billion in 1983 which was 21% higher than 1982 net sales of $5.0 billion. Income from continuing operations improved to $75 million in 1983 (53 cents per share on a primary basis) from $20 million in 1982 (a one cent loss per share). The Corporation reported net income of $105 million in 1983, which was a 102% improvement over 1982's income before extraordinary items and accounting change of $52 million. Income from discontinued operations was $30 million in 1983 and $32 million in 1982.

The 1983 and 1982 results of continuing operations included pre-tax charges of $135 million and $30 million, respectively, for asset disposals and write-downs to net realizable value. Also included in the 1982 results of continuing operations were pre-tax credits of $41 million and $67 million, respectively, from the sales of certain tax benefits and royalty interests, which were partially offset by $29 million expensed in connection with the relocation of our corporate offices to Atlanta, Georgia.

Excluding these unusual items, pre-tax income from continuing operations was $242 million in 1983 as compared with a $23 million loss in 1982. The building products and pulp and paper segments both reported significantly improved operating results in 1983.

Building products sales improved by 30% to a level of more than $4.1 billion in 1983. Operating profits rose by 160% to $354 million from the 1982 depressed levels. The housing market's rebound in 1983 coupled with stabilizing interest rates and firming prices contributed to this segment attaining the improved results. Major cost reduction and production improvement programs initiated during the past few years also contributed significantly to this segment's improvement. The Corporation also benefited from its emphasis on remodeling markets as sales in those markets out-paced sales for new residential construction.

The pulp and paper segment's sales were $1.8 billion in 1983, an increase of 5% from the 1982 levels. Operating profits improved by 61% to $71 million. Increases in prices, improved efficiencies in our manufacturing processes and increased sales of higher margin specialty grades allowed this segment to rebound from a 2.6% to a 4.0% return on net sales.

Interest expense was reduced 16% to $157 million in 1983 from $186 million in 1982, as the Corporation retired a net $282 million of debt in 1983.

For a discussion of "Income Taxes" and the "Effects of Inflation," see Notes 7 and 16.

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RESPONSIBILITY FOR FINANCIAL STATEMENTS

The financial statements on the following pages, which consolidate the accounts of Georgia-Pacific Corporation and its subsidiaries, have been prepared in conformity with generally accepted accounting principles applied on a consistent basis subsequent to the change made as of January 1, 1982, in the method of accounting for investment tax credits.

Management of Georgia-Pacific Corporation is responsible for the accurate and objective preparation of the consolidated financial statements. Accordingly, the Corporation maintains a system of policies, procedures and controls which is designed to provide reasonable assurance that assets are safeguarded and that accounting records are reliable. Management believes that the proper internal controls are in place and that the system is adequate and effective in safeguarding assets and providing reliable accounting records.

An independent evaluation of the system is performed by the Corporation's qualified internal audit staff in order to confirm that the system is adequate and operating effectively. As indicated in the Independent Auditors' Report, Arthur Andersen & Co., performs a separate independent examination of the Corporation's consolidated financial statements for the purpose of determining that the statements are presented fairly in accordance with generally accepted accounting principles applied on a consistent basis. Arthur Andersen & Co. is appointed by the Board of Directors and meets regularly with the Audit Committee of the Board.

The Audit Committee consists of four outside directors who review the work of the Corporation's internal auditors and independent public accountants and approve fees paid for audit and non-audit services. The independent public accountants and internal audit staff have full and free access to the Audit Committee.

INDEPENDENT AUDITORS' REPORT

To the Shareholders and the Board of Directors of Georgia-Pacific Corporation:

We have examined the balance sheets of Georgia-Pacific Corporation (a Georgia corporation) and subsidiaries as of December 31, 1984 and 1983 and the related statements of income, common shareholders' equity and changes in financial position for each of the three years in the period ended December 31, 1984. 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, the financial statements referred to above present fairly the financial position of Georgia-Pacific Corporation and subsidiaries as of December 31, 1984 and 1983, and the results of their operations and the changes in their financial position for each of the three years in the period ended December 31, 1984, all in conformity with generally accepted accounting principles consistently applied during the period subsequent to the change (with which we concur) made as of January 1, 1982, in the method of accounting for investment tax credits as described in Note 6 of the financial statements.

Arthur Andersen & Co.

Atlanta, Georgia,
February 15, 1985.

SGP 0030021

Statements of Income

(millions, except per share amounts)	Year ended December 31		
	1984	1983	1982
Net sales	$6,682	$6,040	[illegible]
Costs and expenses:			
Cost of sales	5,441	4,978	[illegible]
Selling, general and administrative	426	374	[illegible]
Depreciation and depletion	282	289	275
Interest	156	157	186
	6,305	5,798	5,0[illegible]
Income (loss) from continuing operations before unusual items, income taxes, extraordinary items and accounting change	377	242	(25)
Unusual items, net	19	(135)	49
Income from continuing operations before income taxes, extraordinary items and accounting change	396	107	24
Provision for income taxes	(143)	(32)	[illegible]
Income from continuing operations before extraordinary items and accounting change	253	75	20
Discontinued operations:			
Operating income, net of taxes	26	30	32
(Loss) on disposal, net of taxes	(160)	—	—
Income (loss) from discontinued operations	(134)	30	32
Income before extraordinary items and accounting change	119	105	52
Litigation settlement, net of taxes	—	—	(56)
Gain on exchange of bonds	—	—	27
Cumulative effect of change in accounting for investment tax credits	—	—	130
Net income	$ 119	$ 105	$ 153
Per common share—primary			
Income (loss) from continuing operations before extraordinary items and accounting change	$ 2.28	$ .53	(.04)
Income (loss) from discontinued operations	(1.31)	.29	.35
Income before extraordinary items and accounting change	.97	.82	.31
Litigation settlement	—	—	(.56)
Gain on exchange of bonds	—	—	.27
Accounting change	—	—	1.30
Net income	$ .97	$ .82	$ 1.32
Per common share—fully diluted			
Income from continuing operations before extraordinary items and accounting change	$ 2.24	[illegible]	$ .02
Income (loss) from discontinued operations	(1.27)	.22	.31
Income before extraordinary items and accounting change	.97	[illegible]	.85
Litigation settlement	—	—	(.52)
Gain on exchange of bonds	—	—	.25
Accounting change	—	—	1.25
Net income	$ .97	$ .83	$ 1.30

The accompanying notes are an integral part of the financial statements.

SGP 0030022

STATEMENTS OF CHANGES IN FINANCIAL POSITION

(Millions)	Year ended December 31 1984	1983	1982
Cash provided by (used for) continuing operations			
Income from continuing operations before extraordinary items and accounting change	$253	$ 75	$ 20
Items in income not affecting cash			
Depreciation	247	238	229
Depletion	35	51	46
Deferred income taxes	90	3	(19)
Unusual items	—	135	30
	625	502	306
Cash provided by (used for) working capital			
Receivables	(86)	(31)	(54)
Inventories	(61)	(27)	21
Refundable income taxes	—	—	39
Prepaid expenses	2	2	(1)
Accounts payable and accrued liabilities	41	7	55
	(104)	(49)	60
Cash provided by continuing operations	521	453	366
Cash provided by (used for) discontinued operations			
Income from discontinued operations net of non-cash items and changes in working capital	14	117	114
Changes in noncurrent assets of discontinued operations	277	(89)	(73)
Cash provided by discontinued operations	291	28	41
Cash provided by (used for) extraordinary items and accounting change			
Litigation settlement, net of taxes	—	—	(56)
Items in litigation settlement not affecting cash	—	—	99
Payment of litigation settlement	—	(94)	—
Gain on exchange of bonds	—	—	27
Items in gain on exchange of bonds not affecting cash			
Market value of common stock reissued from treasury	—	—	35
Face value of industrial revenue bonds defeased	—	—	(62)
Cumulative effect of change in accounting for investment tax credits	—	—	130
Items in accounting change not affecting cash	—	—	(130)
Cash provided by (used for) extraordinary items and accounting change	—	(94)	43
Cash provided by (used for) financing activities			
Repayments of long-term debt	(345)	(255)	(430)
Additions to long-term debt	312	152	295
Net increase (decrease) in commercial paper and short-term notes	—	(85)	45
Preferred stock purchase offer	(62)	—	—
Cash (used for) financing activities	(95)	(188)	(90)
Cash provided by (used for) investment activities			
Capital expenditures			
Property, plant and equipment	(575)	(126)	(164)
Timber and timberlands	(135)	(62)	(43)
	(710)	(188)	(207)
Asset retirements	62	12	17
Other	10	60	(45)
Cash (used for) investment activities	(638)	(116)	(235)
Cash dividends paid	(86)	(76)	(119)
Increase (decrease) in cash	(7)	7	6
Balance at beginning of year	43	36	30
Balance at end of year	$ 36	$ 43	$ 36

The accompanying notes are an integral part of these financial statements.

SGP 0030023

BALANCE SHEETS

[illegible]

(Millions, except shares) [illegible]	December 31	
ASSETS	1984	1983
Current assets		
Cash	$ 16	$ 25
Receivables, less allowances of $15 and $14	655	609
Inventories	698	657
Prepaid expenses	17	19
[illegible]	1,406	1,125
Timber and timberlands, net	840	757
Property, plant and equipment		
Land, buildings, machinery and equipment, at cost	4,272	3,822
Accumulated depreciation	(2,002)	(1,853)
[illegible]	2,270	1,939
Net assets of discontinued operations	158	653
Other assets	111	89
[illegible]	$4,785	$4,782
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Commercial paper and other short-term notes	$ 110	$ 110
Current portion of long-term debt	58	51
Accounts payable	259	253
Accrued compensation	75	74
Accrued interest	42	16
Other current liabilities	131	145
[illegible]	675	625
Long-term debt, excluding current portion	1,726	1,653
Deferred income taxes	505	415
Employee stock purchase plan	[illegible]	15
Redeemable preferred stock		
Adjustable rate convertible preferred stock, without par value, authorized 10,000,000 shares (involuntary liquidation value $50.00 per share)	199	215
Common shareholders' equity		
Common stock, par value $.80; authorized 150,000,000 shares	83	83
Additional paid-in capital	990	992
Retained earnings	1,029	1,001
Less—Common stock held in treasury, at cost	(49)	(67)
Accumulated translation adjustments	(27)	(13)
[illegible]	2,035	2,013
[illegible]	$4,785	$4,782

The accompanying notes are an integral part of these financial statements.

SGP 0030024

STATEMENTS OF COMMON SHAREHOLDERS' EQUITY

(Millions, except shares) Common Stock Shares Issued	Treasury		Total	Common Stock	Additional Paid-In Capital	Retained Earnings	Treasury Stock	Accumulated Translation Adjustments
105,277,000	4,340,000	Balance at December 31, 1981	$1,926	$ 83	$1,028	$ 950	$(135)	$ —
		Net income	153	—	—	153	—	—
		Cash dividends declared						
		Common stock	(104)	—	—	(104)	—	—
		Preferred stock	(15)	—	—	(15)	—	—
	(2,387,000)	Common stock issued	35	—	(39)	—	74	—
12,000		Other	(6)	—	—	(6)	—	—
105,289,000	1,953,000	Balance at December 31, 1982	1,989	83	989	978	(61)	—
		Cumulative effect of change in accounting for foreign currency translation	(15)	—	—	—	—	(15)
		Net income	105	—	—	105	—	—
		Cash dividends declared						
		Common stock	(61)	—	—	(61)	—	—
		Preferred stock	(15)	—	—	(15)	—	—
	(124,000)	Common stock issued	4	—	—	—	4	—
		Translation adjustments	10	—	—	—	—	10
55,000		Other	(6)	—	—	(6)	—	—
105,344,000	1,829,000	Balance at December 31, 1983	2,013	83	989	1,001	(57)	(5)
		Net income	119	—	—	119	—	—
		Cash dividends declared						
		Common stock	(72)	—	—	(72)	—	—
		Preferred stock	(15)	—	—	(15)	—	—
	([illegible])	Common stock issued	6	—	(2)	—	8	—
774,000		Employee stock purchase plan	12	—	12	—	—	—
		Translation adjustments	(24)	—	—	—	—	(24)
		Other	(6)	—	—	(6)	—	—
106,118,000	1,589,000	Balance at December 31, 1984	$2,0[illegible]5	$ 83	$ 999	$1,029	$ (49)	$ (27)

See accompanying notes, which are an integral part of these financial statements.

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NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation.
The consolidated financial statements include the accounts of Georgia-Pacific Corporation and subsidiaries (Corporation). The investment in CA-MLB (Note 13) is accounted for by the equity method. All significant intercompany balances and transactions are eliminated in consolidation.

Income per Share of Common Stock.
Primary income per share of common stock has been computed based on the weighted average number of shares outstanding, assuming conversion of convertible preferred stock, when dilutive, and issuance of shares under dilutive stock option and stock purchase plans. Fully diluted income per share of common stock, in addition, assumes conversion of the convertible subordinated debentures when dilutive. The average number of shares used in the income per share computations for 1984, 1983, and 1982, respectively, were 102,295,000, 101,926,000 and 99,937,000 for primary and 105,336,000, 105,562,000 and 103,779,000 for fully diluted.

Income per share amounts for 1983 and 1982 have been restated downward by $.15 and $.12, respectively. The total dollar amount of net income for both years is unchanged. The recalculation was made to properly reflect the effect of convertible preferred stock in those periods.

Inventory Valuation.
The last-in, first-out (LIFO) method of inventory valuation is utilized for the majority of inventories at manufacturing facilities and the Corporation's manufactured inventories located at its building products distribution centers. The average cost method is used for all other inventories.

Inventories are valued at the lower of cost or market as follows:

	December 31	
(Millions)	1984	1983
LIFO	$324	$270
Average cost	374	367
	$698	$637

The Corporation uses the dollar value pool method for computing LIFO inventories; therefore, it is not possible to present a breakdown of inventories between finished goods, raw materials and supplies. Inventory costs include cost of materials, labor and plant overhead.

If LIFO inventories were valued at the lower of average cost or market, the inventories would have been $134 million and $117 million higher than those reported at December 31, 1984 and 1983, respectively.

Property.
Property and equipment are recorded at cost. Lease obligations for which the Corporation assumes substantially all the property rights and risk of ownership are capitalized. Replacements of major units of property are capitalized and the replaced properties retired. Maintenance, repairs and replacements of minor units of property are charged to expense as incurred.

Provisions for depreciation of buildings, machinery and equipment are computed on the straight-line or units-of-production method using composite rates based upon estimated service lives of the various units of property. The ranges of composite rates for the principal classes are: land improvements—5% to 7%; buildings—3% to 5%; and machinery and equipment—5% to 20%.

No gain or loss is recognized on normal property dispositions; property cost is credited to the property accounts and charged to the accumulated depreciation accounts and any proceeds are credited to the accumulated depreciation accounts. When there are abnormal dispositions of property, the cost and related depreciation amounts are removed from the accounts and any gain or loss is reflected in income.

The Corporation amortizes its timber costs over the total fiber that will be available during the estimated growth cycle. Timber carrying costs are expensed as incurred.

The Corporation capitalizes interest on projects where construction takes considerable time and entails major expenditures. Such interest is charged to the property, plant and equipment accounts and amortized over the approximate life of the related assets in order to properly match expenses with revenues resulting from the facilities. Interest capitalized and expensed was as follows:

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(Millions)	Year ended December 31 1984	1983	1982
Total interest costs	$167	$162	$205
Interest costs capitalized	(11)	(5)	(19)
Interest expense	$156	$157	$186

The Corporation defers net operating costs on new construction projects during the start-up phase and amortizes the deferral over approximately seven years. The amounts deferred, which were not material in 1984, 1983 and 1982, are included in the property, plant and equipment accounts.

NOTE 2. UNUSUAL ITEMS

The Corporation has experienced certain events over the last three years which are considered to be unusual items. A summary of these items is as follows:

(Millions)	1984	1983	1982
Sale of Portland office building	$ 19	$ —	$ —
Sale of royalty interest	—	—	67
Sale of tax benefits	—	—	41
Relocation costs	—	—	(29)
Facility disposals and asset write-downs	—	(135)	(30)
	$ 19	$(135)	$ 49

The Georgia-Pacific building in Portland, Oregon, owned by GA-MET, a joint venture in which the Corporation has a 50% ownership interest, was sold in 1984. The Corporation recorded a pre-tax gain of $19 million from this transaction.

The Corporation's management made a series of decisions to eliminate, withdraw from or sell certain operations and redeploy company resources in areas having better prospects for future profitability. During 1983 and 1982, the Corporation expensed approximately $135 million and $30 million, respectively, for asset disposals and write-downs of certain facilities to net realizable value. In 1984, management decided to retain four of the United Kingdom paper operations which it had planned to sell. Upon assessment of the other pending dispositions, no adjustment was made to the overall reserve.

In 1982, the Corporation received $41 million from the sale of certain tax benefits as provided for under the Economic Recovery Tax Act of 1981. Also in 1982, the Corporation sold, for approximately $67 million, its 24.75 percent royalty interest on certain portions of its acreage in the Port Hudson field, a producing gas/condensate field in East Baton Rouge Parish, Louisiana. The Corporation completed the relocation of its corporate offices to Atlanta, Georgia, in 1982 and expensed associated relocation costs of $29 million.

NOTE 3. DISCONTINUED OPERATIONS

The Corporation's management reached a decision in 1984 to dispose of certain lines of business. In November 1984, a final agreement was reached for the sale of 100% of the outstanding common stock of Georgia-Pacific Chemicals, Inc. (GPC), the Corporation's commodity chemicals subsidiary, to the executive group managing that business. Under the terms of the agreement, the Corporation received cash of $192 million and debt, preferred stock and warrants with an estimated present value of $70 million on December 31, 1984.

The Corporation is also marketing its Exchange Oil & Gas Corporation subsidiary (Exchange) and other chemical facilities. GPC, Exchange and these other operations together constituted the commodity chemicals and oil and gas operations included in the previously reported chemicals segment. Thermosetting resins and certain specialty chemical lines, primarily those which are vertically integrated into core forest products businesses, are being retained.

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The Corporation recorded an estimated loss on disposal of discontinued operations of $160 million, net of related income tax benefits of $[illegible] million, in the fourth quarter of 1984. The results of operations of the discontinued chemical businesses, net of related income taxes of $14 million in 1984, $[illegible] million in 1983, and $9 million in 1982, based on the Corporation's overall effective tax rate, are set forth separately in the accompanying Statements of Income under the caption "Discontinued operations: Operating income, net of taxes." Net sales of discontinued operations amounted to $446 million in 1984, $429 million in 1983, and $399 million in 1982.

The net assets of the chemical operations being sold are shown in the accompanying Balance Sheets under the caption "Net assets of discontinued operations." The amounts included in this caption are as follows:

Millions of dollars	December 31 1984	December 31 1983
Current assets	$ 55	$ 83
Natural resources, net	166	151
Property, plant and equipment, net	72	560
Other assets	[illegible]	6
	280	800
Current liabilities	28	45
Deferred income taxes	61	102
	191	653
Write-down to net realizable value	(33)	—
Net assets of discontinued operations	$158	$653

NOTE 4: INDUSTRY SEGMENT INFORMATION

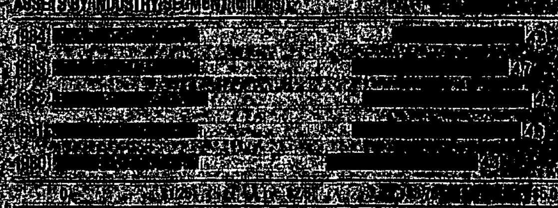
The Corporation's primary operations were historically in the building products, pulp, paper and chemical businesses, which were reported in three segments: (1) Building products, which included the manufacture and distribution of plywood and specialties (hardboard, oriented strand board, etc.), lumber and gypsum products; (2) Pulp and paper, which included the manufacture and distribution of containers and packaging, printing and specialty products (papers, office products, etc.), tissue and market pulp; (3) Chemicals, which included various chemical products manufactured for internal use and external distribution.

As described in Note 3, the Corporation is disposing of certain lines of business. The chemical operations being sold are reported as discontinued operations in 1984. Those chemical operations being retained are included in building products, pulp and paper or other operations, as appropriate for 1984. The effect in 1984 of the retained chemical operations was to increase operating profits for building products $32 million, pulp and paper $1 million and other operations $14 million.

The Corporation's industry segment information for 1983 and 1982 has been restated to conform with the 1984 presentation. Operating profits for 1983 and 1982, respectively, have been increased (decreased) by the following amounts: building products $30 million and $23 million, pulp and paper $(1) million and $(5) million, other operations $9 million and $15 million, unusual items $(17) million and $5 million and income taxes $16 million and $9 million.

The Corporation recorded write-downs of certain assets to net realizable value of $155 million in 1983 and $50 million in 1982 (Note 2). These amounts have not been included in segment operating profits but are reported as unusual items. If these write-downs had been included in the segment detail, operating profits in 1983 would have been reduced by $77 million in the building products segment and $58 million in the pulp and paper segment, while 1982 operating profits (losses) would have been reduced by the following amounts: building products $8 million, pulp and paper $23 million, other operations $7 million and general corporate $12 million.

ASSETS BY INDUSTRY SEGMENT (billions)



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(Millions)	Sales to Unaffiliated Customers	Intersegment Sales	Total Revenues	Operating Profits (Losses)	Depreciation and Depletion	Capital Expenditures	Assets
	Year ended December 31, 1984						
Building products	$4,452	$ 44	$4,496	$ 379	$ 101	$ 137	$1,555
Pulp and paper	2,110	52	2,162	202	125	402	1,982
Other operations	119	6	125	20	6	7	80
	6,682	102	6,784	601	279	546	3,594
Eliminations and adjustments:							
Intersegment sales	—	(102)	(102)	—	—	—	—
Timber and timberlands	—	—	—	[illegible]	[illegible]	[illegible]	[illegible]
Unusual items (Note 2)	—	—	—	(19)	—	—	—
General corporate	—	—	—	(59)	9	[illegible]	[illegible]
Interest expense	—	—	—	(56)	—	—	—
Income taxes	—	—	—	(146)	—	—	—
Continuing operations	6,682	(102)	6,[illegible]	256	282	710	4,627
Discontinued operations, net	446	158	[illegible]	(134)	(79)	36	[illegible]
Total	$7,128	$ —	$7,128	$ 119	$261	$746	$4,735
	Year ended December 31, 1983						
Building products	$4,145	$ 37	$4,180	$ 354	$108	$ 60	$1,457
Pulp and paper	1,764	50	1,813	71	112	51	1,572
Other operations	129	7	136	5	[illegible]	5	90
	6,038	94	6,129	430	2[illegible]	116	3,119
Eliminations and adjustments:							
Intersegment sales	—	(165)	(165)	—	—	—	—
Timber and timberlands	—	—	—	—	—	2	753
Unusual items (Note 2)	—	—	—	(65)	—	—	—
General corporate	—	—	—	(69)	6	10	197
Interest expense	—	—	—	(157)	—	—	—
Income taxes	—	—	—	(62)	—	—	—
Continuing operations	6,040	(71)	5,969	77	289	138	4,079
Discontinued operations, net	429	71	500	39	82	133	653
Total	$6,469	$ —	$6,469	$ 105	$371	$271	$4,732
	Year ended December 31, 1982						
Building products	$3,186	$ 39	$3,225	$ 136	$142	$ 65	$1,560
Pulp and paper	1,687	42	1,729	44	110	[illegible]	1,596
Other operations	150	6	156	32	14	9	118
	5,023	87	5,110	212	266	1[illegible]	3,274
Eliminations and adjustments:							
Intersegment sales	—	(140)	(140)	—	—	—	—
Timber and timberlands	—	—	—	—	—	[illegible]	773
Unusual items (Note 2)	—	—	—	(20)	—	—	—
General corporate	—	—	—	(49)	9	26	216
Interest expense	—	—	—	(110)	—	—	—
Income taxes	—	—	—	(6)	—	—	—
Continuing operations	5,003	(53)	4,950	(20)	275	207	4,268
Discontinued operations, net	399	53	452	52	69	70	651
Total	$5,402	$ —	$5,402	$ 52	$344	$277	$4,919

NOTE 5. GAIN ON EXCHANGE OF BONDS

In August 1982, the Corporation exchanged 2,387,000 shares of common stock held in treasury for the extinguishment of all further obligations with respect to industrial revenue refunding bonds, Series 1977, issued by the City of Crossett, Arkansas. The bonds had a principal amount of $62 million. As a result of the transaction, the Corporation realized a tax-free extraordinary gain of $27 million.

NOTE 6. CHANGES IN ACCOUNTING POLICY

As of January 1, 1983, the Corporation adopted the requirements of Statement of Financial Accounting Standards No. 52. As a result, the financial statements of the Corporation's foreign operations are translated into U.S. dollars at current exchange rates. Resulting translation adjustments are accumulated as a component of shareholders' equity and excluded from net income. Foreign currency transaction gains and losses which were not material in 1984, 1983, or 1982, are included in net income.

The Corporation adopted, as of January 1, 1982, the flow-through method of accounting for investment tax credits. Under the flow-through method, investment tax credits are reflected in net income in the year the qualified investment is made. The Corporation previously followed the deferral method.

NOTE 7. INCOME TAXES

The provision for income taxes is based on pretax financial accounting income which differs from taxable income. Differences generally arise because certain items, such as depreciation and capitalized interest, are reflected in different time periods for financial accounting and tax purposes.

Effective January 1, 1982, the Corporation began recognizing investment tax credits (Note 6) as a reduction of income tax expense. Investment tax credits realized on the purchase of qualifying assets were previously recorded on the deferral method. For tax purposes, the full credit earned was used to reduce current Federal income taxes payable.

The provision for income taxes for continuing operations consists of the following:

(Millions)	1984	1983	1982
Federal income taxes, net of investment tax credit			
Current	$ 40	$ 26	$ 23
Deferred (benefit)	90	3	(19)
State income taxes	13	3	2
	$143	$ 32	$ 6

The difference between the ordinary Federal income tax rate and the Corporation's effective income tax rate for continuing operations is summarized as follows:

	1984	1983	1982
Federal income tax rate	46%	46%	46%
Increase (decrease) as a result of			
Investment tax credit	(4)	(7)	(20)
Value of timber appreciation taxed at capital gains rate	(6)	(13)	—
State income taxes, net of Federal benefit	3	3	3
Other	(3)	1	(6)
	36%	30%	23%

Components of the deferred tax provision for continuing operations are as follows:

(Millions)	1984	1983	1982
Excess of tax depreciation over financial depreciation	$ 83	$ 46	$ 49
Reinstatement (reversal) from recognition of investment tax credits in 1982	22	30	(50)
Capitalized interest, net	(6)	(6)	3
Deferred start-up costs, net	(6)	(10)	(6)
Sale of tax benefits	(13)	(12)	9
Write down of certain assets	10	(45)	(21)
Other	—	—	(3)
	$ 90	$ 3	$(19)

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NOTE 8. INDEBTEDNESS

Long-term debt consists of the following:

(Millions)	1984	1983
Banks		
8⅞% term loans, payable in varying installments through 1988	$ 150	$ 150
10¼% term loans	—	1
Other, average interest rate 14.4% payable in varying installments through 1991	15	17
Commercial paper	135	279
Notes		
7⅞% due 1985	100	100
10.10% due 1990	150	150
Floating rate, currently 11.7% due 1987	32	150
13⅝% due 1994 redeemable after 1991	100	—
14⅛% due 1987	62	61
15% due 1990	64	40
15.37% due 1988	76	76
Insurance companies		
6⅝% term loan, payable in annual installments through 1989	5	6
9⅞% term loan, payable in annual installments through 1997	7	8
10¼% term loan, payable in semi-annual installments through 1996	4	4
10¾% term loans, payable in semi-annual installments through 1996	36	38
13.6% senior notes due 1987	50	—
Revenue bonds, average interest rate 6.8% with varying annual payments to 2014	159	116
Purchase contracts and other, average interest rate 6.0% with varying payments to 2017	86	87
5⅞% convertible subordinated debentures due 1996	92	103
12⅞% sinking fund debentures due 2013	98	98
	$1,421	$1,484
Less current portion	38	31
	$1,383	$1,453

The scheduled maturities of long-term debt are $138 million in 1985, $68 million in 1986, $237 million in 1987, $137 million in 1988 and $14 million in 1989.

As of December 31, 1984, the Corporation had a domestic bank revolving credit and term loan agreement, a foreign bank credit agreement and a regional bank agreement providing for aggregate lines of credit of $700 million.

The revolving credit and term loan agreement is with nine domestic money center banks and establishes a $390 million unsecured revolving line of credit until January 20, 1987, at which time the outstanding balance may be converted to a term loan repayable in eight equal semiannual installments beginning on June 30, 1987. Commitment fees during the revolving loan period are ⅛ of 1 percent of the daily average unused available credit. The interest rates associated with this agreement are based on either the prime rate, certificate of deposit rate or the offshore rate.

The foreign credit agreement with 10 foreign banks establishes an unsecured revolving line of credit totaling $210 million until January 27, 1986. Commitment fees during the revolving loan period are ⅛ of 1 percent of the daily average unused available credit. The agreement provides for borrowings to have an interest rate, at the Corporation's option, based on the prime rate, the federal funds rate or the Eurodollar interbank offered rate.

The regional bank agreement is with five banks and establishes a $100 million unsecured revolving line of credit until January 20, 1986. Commitment fees during the loan period are ¼ of 1 percent of the daily average unused available credit. The interest rates associated with this agreement are based on either the prime rate or certificate of deposit rate.

The Corporation uses these three agreements to support commercial paper and master note borrowings. At December 31, 1984, the Corporation had classified $135 million of commercial paper with an interest rate of 8.6% and $100 million of 7⅞% notes as long-term debt. The 7⅞% notes were refinanced with commercial paper borrowings on January 14, 1985. It is the Corporation's intention to refinance this commercial paper with long-term debt.

During 1984, the Corporation entered into interest rate exchange agreements with two banks. One of the agreements provides for the Corporation to pay interest at an effective fixed rate of 13.07% on the notional amount of $52 million until October 1991, in exchange for the bank paying interest on the same amount at a floating rate equivalent to the six-month London interbank offered rate set on each semi-annual settlement date. The other agreement provides for a similar arrangement with the Corporation paying interest at an effective fixed rate of 14.07% on the notional amount of $50 million until May 1991.

During 1984, $54 million in industrial revenue bonds were issued on behalf of the Corporation principally to finance the construction or improve-

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ment of certain pollution control and solid waste disposal facilities. These borrowings had an average interest rate of 7.0% at December 31, 1984, and are payable in varying installments through 2014.

On August 1, 1984, the Corporation issued $50 million of 13.6% senior notes through a private placement with an insurance company. The senior notes are due on August 1, 1987, and are unsecured.

Also on August 1, 1984, the Corporation issued $100 million of 13⅛% notes under a shelf registration statement originally filed with the Securities and Exchange Commission in 1983. The notes are unsecured and unsubordinated obligations maturing in 1994 and are redeemable (subject to certain restrictions) at any time on or after August 1, 1991, at the option of the Corporation. During 1983, $100 million of 12⅞% sinking fund debentures were sold under the same shelf registration statement. The debentures are unsecured, unsubordinated obligations maturing in 2013. The debentures require the Corporation to make sinking fund payments commencing in 1994 and are redeemable (subject to certain restrictions) at any time at the option of the Corporation. At December 31, 1984, there remained $50 million of debt not yet sold under the 1983 shelf registration statement.

At December 31, 1983, the Corporation, through a wholly-owned subsidiary, had outstanding $40 million of 15% notes due April 15, 1990, and [illegible] million of 14⅞% notes due April 15, 1987, with warrants to purchase an additional $87 million of the 15% notes. The warrants were exercised during 1984, however, the Corporation later retired $63 million of the 15% notes prior to their scheduled maturity. As of December 31, 1984, $62 million of 14⅞% notes and $64 million of 15% notes are still outstanding.

The Corporation, through the same wholly-owned subsidiary, has a $76 million Swiss Franc loan with two European banks which has been fully hedged for currency fluctuations. The loan has an effective interest rate of 15.37% (including the cost of the hedge) and is due December 1, 1988.

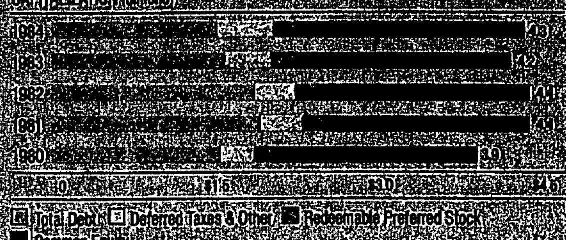
During 1984, $118 million of floating rate notes were redeemed as provided for under their terms. As of December 31, 1984, $32 million of the floating rate notes are outstanding. The notes are convertible by the holder, prior to April 1, 1987, into 8¾% debentures due 2009, and are redeemable in whole or in part at the Corporation's option. Prior to April 1, 1987, the Corporation may also convert the notes into fixed rate debentures due 2009 at a defined premium over the yield on 30 year Treasury securities, but not less than 8¾%. The conversion by the Corporation is subject to the election by the holders to have the notes mature on the specified conversion date. The interest rate on the notes is adjustable semiannually to a rate based upon the six-month treasury bill rate plus a specified premium.

The 5¾% convertible subordinated debentures mature in 1996. The debentures were convertible into common stock at $30.87 per share at December 31, 1984. Additionally, the indenture provides for a sinking fund for the redemption on April 1, in each of the years 1985 through 1995, of not less than 5% nor more than 10% of debentures outstanding on April 1, 1981. As of December 31, 1984, the Corporation had repurchased sufficient debentures to meet the sinking fund requirements for the years 1985 and 1986.

At December 31, 1984, $108 million of long-term debt was secured by property and timber with a net book value of $171 million, including $97 million net book value (original cost $205 million) relating to certain manufacturing and pollution control facilities which were financed with the proceeds from revenue bonds issued by governmental units and guaranteed by the Corporation. The Corporation leases such facilities from the governmental units and pays all costs incidental to ownership of the properties.

Certain loan agreements place a limitation on cash dividends that can be paid. The amount of retained earnings available for cash dividends under the most restrictive covenants of the loan agreements is approximately $365 million. In addition, certain agreements require the Corporation to maintain a minimum of $250 million of consolidated working capital and impose certain limitations on additional borrowings.

CAPITALIZATION (billions)



NOTE 9. REDEEMABLE PREFERRED STOCK

	Adjustable Rate Convertible Preferred Stock			
(Millions)	Series A	Series B	Series C	Total
Balance, December 31, 1981	$142	$33	$30	$205
Amortization of the excess involuntary liquidating value over fair value at acquisition date	3	1	2	6
Balance, December 31, 1982	145	32	32	209
Shares cancelled	—	—	(1)	(1)
Amortization of the excess involuntary liquidating value over fair value at acquisition date	3	1	3	7
Balance, December 31, 1983	148	33	34	215
Shares repurchased	(32)	—	—	(32)
Amortization of the excess involuntary liquidating value over fair value at acquisition date	3	1	3	7
Balance, December 31, 1984	$119	$34	$37	$190

The number of shares of adjustable rate convertible preferred stock (preferred stock) issued and outstanding were as follows:

	December 31	
	1984	1983
Series A	3,113,000	3,941,000
Series B	957,000	957,000
Series C	1,517,000	1,517,000
Total	5,587,000	6,415,000

The preferred stock is recorded at fair market value on the date of issue. The excess of involuntary liquidating value over such fair market value is being amortized over a 10-year period by a charge to retained earnings and corresponding credit to preferred stock.

Each share of preferred stock is entitled to receive cumulative quarterly cash dividends at the annual rate of $2.24. Such dividend rate is subject to increase up to a maximum of $4.00 per share should the Corporation fail to make the scheduled purchase offers described below unless the average of the last reported sales prices for the Corporation's common stock during a prescribed period of time is at least 108% of the conversion price of the preferred stock during such period. Subject to adjustment for common stock dividends and splits, each share of preferred stock has a conversion price of $39.00 and an involuntary liquidating value of $39.00, and is convertible into one share of common stock and entitled to one vote. In addition, whenever six quarterly dividends on Series A preferred stock are unpaid, the holders of such Series A stock are entitled to elect two directors of the Corporation until all past dividends have been paid.

Subject to the price of the Corporation's common stock and the appropriate action by the Board of Directors, the Corporation is scheduled to make offers to purchase, at a price of $39.00 per share plus accumulated dividends, a specified number of shares annually. In 1984, the Corporation accepted tender offers, as scheduled, for the purchase of 828,333 shares of Series A preferred stock at $39.00 per share. Scheduled preferred stock redemptions for the next five years are 1,020,000 shares in 1985, 1,283,000 shares in 1986 and 1987, 1,282,000 shares in 1988 and 452,000 shares in 1989.

The preferred stock will be subject to redemption (Series A—1985 through 1988; Series B—1985 through 1989 and Series C—1986 through 1990) at $39.00 per share plus accumulated dividends provided that the average of the last reported sales prices for the Corporation's common stock is at least 125% of the then conversion price of the preferred stock. Thereafter, the preferred stock may be redeemed, without limitation, at $39.00 per share plus accumulated dividends.

NOTE 10. COMMON STOCK

At December 31, 1984, the following authorized shares of common stock of the Corporation were reserved for issue:

Employee Stock Purchase Plan	1,250,000
Stock option plans	5,832,000
Conversion of the 5⅞% convertible subordinated debentures	3,000,000
Conversion of preferred stock	5,587,000
	15,669,000

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On May 31, 1984, the 1982 Employee Stock Purchase Plan expired. In accordance with the terms of the plan, 771,000 shares were issued during 1984.

During 1984, the Corporation adopted, subject to shareholder approval, the 1984 Employee Stock Purchase Plan (Plan). As of December 31, 1984, 1,250,000 shares of common stock have been subscribed at $17.00 per share. Subscribers have the option to receive their payments plus interest at the rate of 10% per annum in lieu of stock. During the subscription period which ended November 15, 1984, 7,286 employees subscribed and are still in the Plan at December 31, 1984. The Plan expires on October 31, 1986.

The 1974 Employee Stock Option Plan (74 Plan) reserved for issue 862,000 shares of the Corporation's common stock. At December 31, 1984, there were 153,000 options for shares available for grant under the 74 Plan until October 15, 1985.

During 1984, the Corporation adopted, subject to shareholder approval, the 1984 Employee Stock Option Plan (84 Plan), which reserved for issue 5,000,000 shares of the common stock of the Corporation. The 84 Plan provides for the granting of stock options to certain officers and employees. Holders of stock options may be granted cash awards, payable upon exercise of an option, of an amount not to exceed 100% of the amount by which the market value of the common stock, as defined, exceeds the option price. Certain officers may also be granted rights to surrender all or part of the related stock option in exchange for common stock with a fair market value equal to the amount by which the market value of the common stock, as defined, exceeds the option price, and for similar cash awards. At December 31, 1984, there were 3,969,000 options for shares available for grant under the 84 Plan until September 10, 1995.

Additional information relating to the stock option plans is as follows:

	1984	1983
Options outstanding		
at January 1	745,000	—
Granted	1,144,000	789,000
Exercised	(30,000)	—
Cancelled	(149,000)	(44,000)
Options outstanding		
at December 31	1,710,000	745,000
Options exercisable		
at December 31	358,000	—
Option prices per share		
Granted	$21-$22	$21-$25
Exercised	$21	—
Cancelled	$21-$22	$21

The shares and prices relating to the Plan, the 74 Plan, the 84 Plan, the convertible subordinated debentures and the preferred stock are subject to adjustment for certain changes in the capital structure, including common stock splits and stock dividends.

COMMON STOCK PRICE RANGE

NOTE 11: PENSION AND BONUS PLANS

Most of the Corporation's hourly employees participate in noncontributory pension plans. Contributions to some of these plans are based upon hourly rates set forth in various labor contracts. The Corporation also has a noncontributory pension plan for all of its salaried employees. The actuarially determined cost of the salaried plan was accrued based upon years of service and final average compensation. An employee's Stock Bonus Plan account serves to reduce the benefits provided by the salaried plan.

The assumed annual rates of investment return used in determining the actuarial present values of vested and nonvested accumulated benefits for the Corporation's defined benefit plans were 7.5% in 1984 and averaged 6.7% in 1983. This change in the assumed rate of return decreased the actuarial present value of accumulated plan benefits by approximately $25 million at December 31, 1984. A comparison of these accumulated benefits, as estimated by consulting actuaries, and the plan assets for the defined benefit plans administered solely or jointly by the Corporation is as follows:

SGP 0030034

Millions	December 31 1984	1983
Actuarial present value of accumulated plan benefits:		
Vested	$252	$219
Nonvested	25	27
	$277	$246
Net assets available for plan benefits	$295	$267

The Corporation also made contributions to several collectively bargained, multi-employer pension plans in accordance with the provisions of negotiated labor contracts generally based on the number of hours worked. Information from the plans' administrators is not presently available to permit the Corporation to determine its share of unfunded vested benefits.

The Corporation's total pension expense, including contributions made to multi-employer pension plans and amortization of prior service costs over periods ranging from ten to thirty years, was $26 million in 1984, $19 million in 1983 and $20 million in 1982.

The salaried pension plan's benefit formula for service through December 31, 1984, was based on final average compensation and took into consideration reductions for Social Security benefits and employer contributions to the Stock Bonus Plan. A plan amendment effective for years of service after December 31, 1984, changed the benefit formula to a career average basis and removed the Social Security and Stock Bonus Plan reductions.

The Stock Bonus Plan (Plan) was a noncontributory plan for qualified salaried employees of Georgia-Pacific and certain subsidiaries. For each year through 1984, participants received an allocation up to a maximum of 10% of their salary contingent on the availability of the Corporation's profits, as defined. At December 31, 1984, the Plan had 12,000 participating employees. The costs of the Plan amounted to $5 million in 1984, $6 million in 1983 and $5 million in 1982.

The Plan was amended, effective on January 1, 1985, and renamed the Savings and Capital Growth Plan. As of December 31, 1984, contributions to the existing funds of the Plan were discontinued and each member's interest became fully vested and nonforfeitable. Assets held under the Plan will continue to be invested on behalf of the members and serve to reduce pre-1985 benefits under the salaried pension plan. Under the Savings and Capital Growth Plan, the Corporation will contribute on behalf of qualified salaried employees an amount equal to 3% of the first $100,000 of each member's annual compensation, as defined. The Corporation will also match 50% of voluntary member before-tax contributions, up to a maximum matching contribution of 3% of an employee's compensation, as defined.

NOTE 10. LITIGATION

As previously reported, in 1978 the Corporation and two other defendants received an unfavorable jury verdict in a civil class action antitrust suit involving the sale and distribution of softwood plywood. On January 15, 1983, the Corporation and the other two defendants executed a written settlement agreement pursuant to which plaintiffs would receive $165 million, $99 million of which was payable by the Corporation. A nonrecurring charge, including legal fees, in the amount of $56 million, net of a related tax benefit of $48 million, was reflected as an extraordinary item in 1982. During 1983, the Corporation paid its portion of the settlement.

The Corporation is a defendant in a class action suit containing antitrust allegations involving the Corporation's Southeast timber and lumber operations. Management believes that the results of this action will not have a material adverse effect upon the financial condition of the Corporation.

Three actions are pending against the Corporation in Louisiana alleging damages from a February 1981 discharge of phenol into the Mississippi River from the Corporation's Plaquemine, Louisiana, chemical plant. Two of the suits are purported class actions which allege in the aggregate $350 million in damages, plus attorneys' fees and other relief. The third is a private action with no class allegation. Management believes that the maximum liability, if any, in these actions will not have a material adverse effect on the financial condition of the Corporation.

The Corporation is a party to various other legal proceedings generally incidental to its business. Although the ultimate disposition of these proceedings is not presently determinable, management does not believe that adverse determinations in any or all of such proceedings will have a material adverse effect upon the financial condition of the Corporation.

SGP 0030035

NOTE 13: OTHER ASSETS

In 1980, the Corporation formed a joint venture (GA-MET) with Metropolitan Life Insurance Company. Each partner has a 50% interest in the venture. GA-MET owns and operates the Corporation's office headquarters building in Atlanta, Georgia. The Corporation leases from GA-MET, at market rates, office space in the Atlanta building. GA-MET has loan agreements with various banks for the construction of the Atlanta building. At December 31, 1984, the loans outstanding total $115 million and mature at various dates through January 1988. The Corporation accounts for this investment using the equity method. The Corporation's investment in GA-MET of $15 million in 1984 and $10 million in 1983 is included in "Other assets" on the Balance Sheets.

GA-MET also owned and operated an office building complex in Portland, Oregon, which was the Corporation's office headquarters prior to the relocation to Atlanta in 1982. The Portland building was sold in September 1984, and the Corporation, through its 50% interest in GA-MET, recorded a pre-tax gain of $19 million which was accounted for as an unusual item (Note 2).

NOTE 14: ACQUISITIONS

On July 16, 1984, the Corporation acquired certain assets from St. Regis Corporation in a transaction accounted for as a purchase. The purchased assets included a linerboard and kraft paper mill, related timberlands and cutting contracts in Mississippi, 16 corrugated container plants, and certain current assets related to those operations. The purchase price consisted of approximately $221 million in cash and a $110 million noninterest-bearing five-year note repayable by surrender of the St. Regis stock acquired by the Corporation in April 1984 for $158 million. In August 1984, the Corporation surrendered the St. Regis stock as payment for the note. The results of those operations have been included in the Statements of Income from the date of acquisition. Had the operations been acquired as of the beginning of the year, the Corporation's operating results would not have been materially affected.

NOTE 15: UNAUDITED SELECTED QUARTERLY FINANCIAL DATA

	1st Quarter		2nd Quarter		3rd Quarter		4th Quarter	
(Millions, except per share amounts)	1984	1983	1984	1983	1984	1983	1984	1983
Net sales	$1,488	$1,312	$1,670	$1,585	$1,758	$1,698	$1,790	[illegible]
Gross profit	263	230	306	[illegible]	356	295	350	[illegible]
Income (loss) from continuing operations	43	15	66	48	81	(19)	65	[illegible]
Net income (loss)	51	30	84	[illegible]	83	[illegible]	(99)	19
Per share income (loss) from continuing operations:								
Primary	.37	.09	.60	.42	.74	(.19)	.57	.20
Fully diluted	.36	.16	.59	.41	.73	(.19)	.57	.20
Per share net income (loss):								
Primary	.45	.24	.78	.50	.76	(.02)	(1.01)	.11
Fully diluted	.44	.24	.76	.49	.76	(.02)	(1.01)	.11
Dividends declared per share	.15	.15	.15	.15	.20	.15	.20	.15
Price range of common stock:								
High	25.75	28.00	25.00	31.88	28.50	27.75	25.25	26.75
Low	20.63	25.50	18.13	24.25	18.00	22.38	20.63	22.88

Income (loss) from continuing operations includes a $19 million pre-tax gain on the sale of the Portland office building in the 1984 third quarter and asset write-downs of $[illegible] million and $[illegible] million, respectively, in the third and fourth quarters of 1984.

Operating results for all quarters of 1984 and 1983 have been restated to exclude the results of the Corporation's chemical businesses which were discontinued in the 1984 fourth quarter.

Net income (loss) per share amounts for the [illegible] quarter of 1983 and the first quarter of 1984 have been [illegible] [illegible] stock in those periods. The total dollar amount of net income for all periods is unchanged.

SGP 0030036

NOTE 16: UNAUDITED SUPPLEMENTARY INFORMATION ON THE EFFECTS OF INFLATION

The supplementary information in this footnote sets forth selected financial data relating to the effects of specific price changes on the individual resources of the Corporation, in accordance with the current cost disclosure requirements of the Financial Accounting Standards Board. Although management believes that the estimates have been developed in a reasonable manner in compliance with the requirements of the FASB, it should be recognized that they may be of only limited value because of the numerous assumptions and subjective judgments inherent in the estimation process. Therefore, the information presented herein should not be viewed as a precise indicator of the effects of inflation.

Current cost estimates for property, plant and equipment were developed using historical costs appropriately indexed for increased costs of construction. A similar adjustment was made to historical depreciation and depletion amounts. Timber and timberlands have been included in current cost data as adjusted to reflect the effect of general inflation with no further adjustment to reflect current cost estimates.

The current cost of inventories at manufacturing plants was determined by reference to average production costs experienced during the year. Current cost of inventories at building products distribution centers was based upon a review of recent purchases for a representative sample at selected branches.

The table below attempts to measure the effects of price changes of specific assets on the results of operations for 1984. The effect of general inflation on these price changes was measured by the average 1984 Consumer Price Index for All Urban Consumers. In accordance with the FASB, the provision for income taxes has not been adjusted for increasing current costs because such increases are not deductible for income tax purposes.

	Year ended December 31, 1984	
(Millions)	As Reported	Current Dollars
Net sales	$6,682	$6,682
Cost of sales	5,441	5,446
Depreciation and depletion	282	409
Other costs and expenses	563	563
Provision for income taxes	143	143
	$6,429	$6,561
Income from continuing operations	$ 253	$ 121
Gain from decline in purchasing power of net amounts owed		71
Effects of increase in general price level on inventories, property, plant and equipment and timber resources held during the year		$ 194
Increase in current cost		94
Excess of increase in general price level over increase in current cost		$ 100

At December 31, 1984, current cost of inventories was $889 million, property, plant and equipment, net of accumulated depreciation, was $[illegible] million and timber resources, net of depletion, was $[illegible] million.

The 1984 net income as reported was adversely affected by $132 million to adjust historical costs by the change in specific price levels during the periods in which the assets were held. During the same 1984 period, the Corporation's monetary liabilities exceeded its monetary assets. Accordingly, an important hedge against inflation is provided as this net monetary liability position will be paid in dollars which have a lower purchasing power than the dollars originally received in return for the obligations. This favorable gain from decline in purchasing power of net amounts owed of $71 million would reduce adverse effects of the inflation adjustments to income.

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It should also be pointed out that the adjustments required by the FASB represent an attempt to estimate what it would cost in terms of today's dollars to build currently existing facilities. Thus, the calculations do not reflect the economic benefit of new technology which would be realized by replacing the Corporation's existing plants with new facilities. Such replacement of the Corporation's plants would result in increased productivity and certain other cost savings. The cost savings would be realized primarily in the form of reduced manpower requirements, lower maintenance costs and reduced costs for energy. Such savings would also reduce the adverse effects of inflation.

FIVE-YEAR COMPARISON OF SELECTED SUPPLEMENTARY FINANCIAL DATA ADJUSTED FOR EFFECTS OF CHANGING PRICES

	Year ended December 31				
(Millions, except per share amounts)	1984	1983	1982	1981	1980
Net sales[1]	$6,682	$6,282	$5,403	$5,802	$5,738
Income (loss)					
As reported	$ 253	$ 75	$ 20	$ 88	$ 161
Current dollars	121	(79)	(127)	(61)	32
Income (loss) per share—primary[2]					
As reported	$ 2.28	$ .53	$ (.01)	$ .69	$ 1.48
Current dollars	.99	(1.00)	(1.50)	(.75)	.13
Income (loss) per share—fully diluted					
As reported	$ 2.24	$ .54	$ .02	$ .69	$ 1.45
Current dollars	.99	(1.00)	(1.50)	(.75)	.13
Net assets at end of year					
As reported	$2,035	$2,015	$1,989	$1,926	$1,900
Current dollars	3,372	3,499	3,671	3,728	3,878
Excess of increase in general price level of inventory, property, plant and equipment and natural resources over increase in current cost	$ 100	$ 75	$ 198	$ 68	$ 229
Gain from decline in purchasing power of net amounts owed	$ 71	$ 76	$ 86	$ 184	$ 226
Cash dividends declared per common share	$ .70	$ .62	$ 1.12	$ 1.36	$ 1.50
Market price per common share	$25.00	$26.74	$28.12	$22.14	$29.96
Average consumer price index	311.1	298.4	289.1	272.4	246.8

[1] Historical cost information adjusted for changes that have occurred in the general purchasing power of the dollar as measured by the Average Consumer Price Index for All Urban Consumers.
[2] Income from continuing operations before extraordinary items and accounting change.

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OPERATING STATISTICS

	As of December 31, 1984		Production				
	No. of Facilities	Rated Annual Capacity	1984	1983	1982	1981	1980
Building Products							
Softwood plywood (3/8") (m. sq. ft.)	18	4,057	4,443	4,430	3,831	3,656	3,084
Specialty plywood (sm) (m. sq. ft.)	2	385	343	442	444	405	392
Particleboard (3/4") (m. sq. ft.)	4	375	381	400	303	423	415
Softboard (1/2") (m. sq. ft.)	1	250	243	241	226	212	232
Hardboard (1/8") (m. sq. ft.)	2	415	361	346	220	360	445
Panelboard (1/4") (m. sq. ft.)	2	460	311	299	301	443	439
Lumber (m. bd. ft.)	37	1,650	1,650	1,603	1,406	1,418	1,318
Gypsum board (m. sq. ft.)	9	2,530	2,412	2,242	1,681	1,835	1,835
Roofing – shingles and roll (t. squares)	6	8,405	7,539	5,975	[illegible]	3,704	2,028
Formaldehyde (m. lbs.)*	10	1,105	1,169	1,081	966	1,039	981
Thermosetting resin (m. lbs.)	14	1,842	1,527	1,451	1,146	1,156	1,008
Pulp and Paper							
Pulp (t. tons)	23	3,801	3,332	2,976	2,648	2,725	2,668
Paper (t. tons)		3,070	2,703	2,375	2,162	2,112	2,017
Corrugated packaging (m. sq. ft.)	31	17,455	11,880	8,427	7,680	6,291	5,742
Tissue products (t. tons)	5	478	422	422	395	368	360
Miscellaneous Facilities							
Building products	20						
Pulp and paper	18						
Other manufacturing operations	14						
Distribution centers	142						
Resources (as of Dec. 31)							
N. American timberlands (t. acres)							
Owned in fee			4,920	4,632	4,630	4,615	4,500
Controlled			480	532	506	515	600

*Used for pulp/paper.

t – thousands
m – millions

FIVE YEAR SELECTED FINANCIAL DATA

(Millions, except per share amounts)	Year ended December 31				
	1984[1]	1983	1982	1981	1980
Operations					
Net sales	$6,682	$6,040	$[illegible]	$4,914	$4,557
Costs and expenses					
Cost of sales	5,[illegible]	[illegible]	4,206	4,154	3,737
Selling, general and administrative	426	374	359	304	282
Depreciation and depletion	282	239	275	226	223
Interest	156	157	186	125	79
	6,305	5,798	5,026	4,788	4,321
Income (loss) from continuing operations before unusual items and income taxes	377	242	(26)	126	236
Unusual items	19	(155)	(49)		
Provision for income taxes	145	32	[illegible]	38	72
Income from continuing operations	$ 255	$ 76	$ 20	$ 88	$ 101
Financial position, end of year					
Current assets	$1,406	$1,258	$1,176	$1,175	$1,051
Less current liabilities	673	625	752	841	710
Working capital	733	[illegible]	424	334	[illegible]
Add:					
Timber and timberlands, net	830	[illegible]	[illegible]	[illegible]	782
Property, net	2,270	1,989	2,214	2,290	1,959
Other assets	101	[illegible]	160	93	[illegible]
Net assets of discontinued operations	158	[illegible]	[illegible]	[illegible]	579
	4,112	4,107	4,187	4,006	3,607
Less:					
Long-term debt	1,583	1,457	[illegible]	1,487	1,227
Redeemable preferred stock	190	[illegible]	209	202	169
Other	304	[illegible]	[illegible]	389	311
Total net assets	$2,035	$[illegible]	$1,989	$1,926	$1,900
Total assets	$4,735	$[illegible]	$4,919	$4,846	$4,317
Other statistical data					
Capital expenditures	$ 710	$ [illegible]	$ 207	$ 309	$ 495
Per common share:					
Income (loss) from continuing operations—primary	2.23	.55	(.01)	.69	1.42
Income from continuing operations—fully diluted[2]	2.24	.54	.02	.69	1.45
Dividends declared	.70	.60	1.05	1.20	1.20
Market price range:					
High	25.75	31.88	27.25	32.38	31.38
Low	18.00	22.38	13.25	17.75	21.50
Book value	19.58	[illegible]	19.22	18.99	18.96
Shares of common stock outstanding at year end	103	102	101	99	99
Number of common stock shareholders (thousands)	79	80	88	89	90
Number of employees (thousands)	40	39	[illegible]	44	44
Ratios					
Return on sales	3.8%	1.2%	.02%	1.8%	2.2%
Return on beginning common equity	12.6%	[illegible]	.10%	4.6%	9.0%
Total debt/capital	56%	58%	[illegible]	[illegible]	59%

[1] The above information has been restated to exclude the results of the Corporation's chemical operations which were discontinued during 1984.

[2] [illegible]

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(In millions)	Year ended December 31									
	1984		1983		1982		1981		1980	
Trade sales										
Building products:										
Structural panels	$1,637	25%	$1,560	26%	$1,217	24%	$1,230	25%	$1,154	25%
Lumber	1,361	22	1,424	24	1,003	20	1,017	20	993	22
Gypsum	[illegible]	5	269	4	183	4	195	4	196	4
Roofing	263	4	222	4	197	4	144	3	129	3
Thermoset chemicals	[illegible]	3	162	3	150	3	139	3	112	[illegible]
Other	[illegible]	8	506	8	450	9	488	9	415	9
	[illegible]	67	4,143	69	3,180	64	3,161	64	2,999	66
Pulp and paper:										
Containers and packaging	[illegible]	[illegible]	647	11	605	12	569	11	519	11
Printing and specialty	[illegible]	7	450	7	457	9	375	8	267	6
Tissue	[illegible]	[illegible]	[illegible]	[illegible]	429	8	388	8	369	8
Market pulp	[illegible]	[illegible]	191	3	187	4	248	5	245	5
Other	[illegible]	[illegible]	51	1	29	1	37	1	31	1
	[illegible]	[illegible]	[illegible]	29	1,687	34	1,617	33	1,431	31
Other operations	[illegible]	[illegible]	[illegible]	2	136	2	136	3	124	3
Continuing operations	[illegible]	100%	[illegible]	100%	$5,003	100%	$4,914	100%	$4,554	100%
Operating profits										
Building products	$ [illegible]	[illegible]	$ [illegible]	[illegible]	$ 156	34%	$ 141	48%	$ 176	50%
Pulp and paper	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	118	41	146	42
Other operations	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	33	11	27	8
Continuing operations	$ [illegible]	100%	$ [illegible]	100%	$ [illegible]	100%	$ 292	100%	$ 349	100%

[illegible] Operating profits are [illegible] of accounting change in 1982. [illegible] Financial Statements.

GROSS MARGIN ON SALES [illegible]

[illegible]

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DIRECTORS & OFFICERS

DIRECTORS

T. MARSHALL HAHN, JR.[1]
Chairman and
Chief Executive Officer
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WILLARD S. BOOTHBY, JR.[2,3]
Managing Director
Paine Webber Incorporated
Investment Bankers
New York, New York

ALBERT J. BOWS[2,4]
Financial Consultant
Atlanta, Georgia

ROBERT L. CLARE, JR.[2,5]
Partner, Shearman & Sterling
Attorneys
New York, New York

ROBERT B. CLAYTOR[1,3,4]
Chairman and
Chief Executive Officer
Norfolk Southern Corporation
Norfolk, Virginia

HARVEY C. FRUEHAUF, JR.[1,4]
President
HCF Enterprises, Inc.
Private Investment Company
Detroit, Michigan

RICHARD V. GIORDANO[3,5]
Chairman and
Chief Executive Officer
The BOC Group
London, England

FRANCIS JUNGERS[1,2]
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Director
Bank of America N.T. & S.A.
and Bankamerica Corporation
Los Angeles, California

HAROLD E. SAND[3,5]
President
Sand Investment Co.
Portland, Oregon

ROBERT A. SCHUMACHER[6]
President and
Chief Operating Officer
Darien, Connecticut

Executive Committee
Audit Committee
Stock Option Plan and
Management Compensation
Committee
Finance Committee
Nominating Committee
Elected President and Chief
Operating Officer
February 3, 1985

OFFICERS

T. MARSHALL HAHN, JR.
Chairman and
Chief Executive Officer

ROBERT A. SCHUMACHER
President and
Chief Operating Officer

STANLEY S. DENNISON
Executive Vice President
Building Products

CONRAD SCHWEITZER
Executive Vice President
Pulp and Paper

JAMES C. VAN METER
Executive Vice President and
Chief Financial Officer

HAROLD L. AIRINGTON
Group Senior Vice President
Building Products

J. KERMIT BIRCHFIELD, JR.
Senior Vice President
Legal and Governmental Aff

JOHN H. DUNKAK
Senior Vice President
Western Pulp and Paper

RONALD P. HOGAN
Senior Vice President
Distribution Division

DAVIS K. MORTENSEN
Senior Vice President
Wood Products Manufacturi

CALVIN R. SHAW
Senior Vice President
Building Products

MAURICE W. KRING
Group Vice President
Tissue Products

JOSEPH J. ARMETTA
Vice President
Distribution Division
Midwest Region

HOWARD S. BERGEN
Vice President
Chemical Division

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INVESTOR INFORMATION

[illegible]
Vice President
[illegible]

WILLIAM L. DUKE
Vice President
[illegible]
Manufacturing Division

DONALD L. GLASS
Vice President
[illegible] Division

ROBERT L. GOODWIN
Vice President
Gas and Oil

STEPHEN K. JACKSON
Vice President
Distribution Division, Marketing and Advertising

JOSEPH H. JONES
Vice President
[illegible]
[illegible] Resources

ALBERT P. LEE
Vice President
[illegible]

GEORGE A. McCONNELL
Vice President
[illegible] Division
[illegible] Region

DANIEL A. MARTINEZ
Vice President
[illegible] Pulp and Paper Division

JOHN F. McGOVERN
Vice President
Finance

DENNIS L. MELSTROM
Vice President
Packaging Division

THOMAS F. MITCHELL
Vice President
Government Affairs

DEWEY L. MOBLEY
Vice President
Western Wood Products
Manufacturing Division

ALAN J. NADEAU
Vice President
[illegible] Pulp and Paper Division

KELLY E. POWELL, JR.
Vice President
Distribution Division
Western Region

JOHN F. RASOR
Vice President
Mid-Continent Wood Products
Manufacturing Division

DAVID W. REYNOLDS
Vice President
Human Resources

ROBERT A. STARLING
Vice President
Distribution Division
Southeast Region

MARION L. [illegible]
Vice President
Executive Affairs

CARROLL F. TOLAR
Vice President
Engineering

LAWRENCE A. [illegible]
Vice President
Distribution Division
[illegible] Region

MICHAEL A. [illegible]
Vice President
[illegible] Products Sales Division

GLENN E. WILSON
Vice President
Chemical Division

MICHAEL B. WILSON
Vice President
Sales and Marketing, Consumer and Commercial Paper Products

DIANE DURGIN
Secretary and Deputy General Counsel

VANELL [illegible]
Treasurer

Also a member of the
Executive Management
Committee

CORPORATE HEADQUARTERS
Georgia-Pacific Center
133 Peachtree Street, N.E.
Atlanta, Georgia 30303

STOCK EXCHANGE AND SYMBOLS
Georgia-Pacific Corporation
Common Stock (GP) and
Preferred Stock (GP [illegible])
(GP [illegible]) and (GP [illegible]) are listed
on the New York Stock Exchange.

TRANSFER AGENT AND REGISTRAR
Bank of America N.T. & S.A.
Corporate Agency Service Center
P.O. Box 37002
San Francisco, California [illegible]

SHAREHOLDER INFORMATION
Registered common shareholders are
eligible to participate in the G-P
Dividend and Cash Investment
Plan. For information on the plan
or for shareholder information,
write to:
[illegible]
Corporate Secretary
Georgia-Pacific Corporation
P.O. Box 105605
Atlanta, Georgia 3034[illegible]
[illegible]

FINANCIAL INFORMATION
A copy of the Georgia-Pacific
1991 Annual Report to the
Securities and Exchange Com-
mission on Form 10-K will be
supplied without charge any
time after March 31, 1992.
Annual Statistical Updates are
also available. Requests for
financial information should
be directed to:
Richard A. Good
Director-Financial
Communications
Georgia-Pacific Corporation
P.O. Box 105605
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An equal opportunity employer

[illegible] in
the United States of America

SGP 0030043

Georgia-Pacific
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