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Community-Owned Forests: Possibilities,
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SLIDES: Changes in Timberland Ownership

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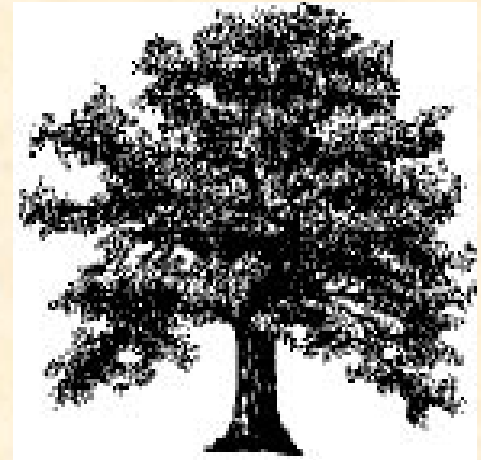
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CHANGES IN TIMBERLAND OWNERSHIP

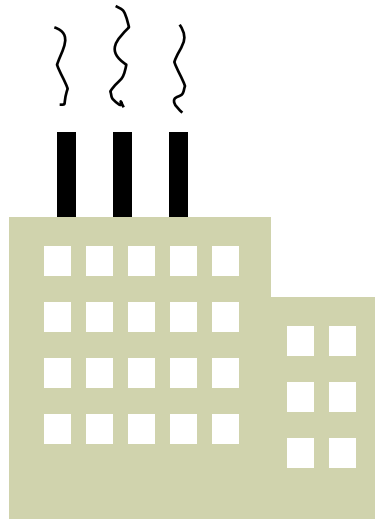
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- **Cerberus Capital Management (NYC-based investment bank) acquires 5 mills plus 907,000 acres from MeadWestvaco (lands located in Michigan, Ohio and Kentucky).**
- **Harvard Management Company (Harvard University's Endowment) has 10.2% of its \$23,000,000,000 endowment invested in timberland (both U.S. and offshore).**
- **Crown-Pacific, formerly a publicly traded limited partnership, is now Cascade Timberlands (composed of banks and insurance companies who provided loans to Crown-Pacific) and owns 522,000 acres in Washington and Oregon.**
- **All of International Paper's lands in Maine and New Hampshire, 1.2 million acres, were acquired by GMO.**

Forest Ownership Climate

**Working Forests Fast Becoming Financial Assets
Instead of Production Resources**



**Forest Product and Paper
Companies**



**Estimate 25+ Million Acres
Sold Since 1985**

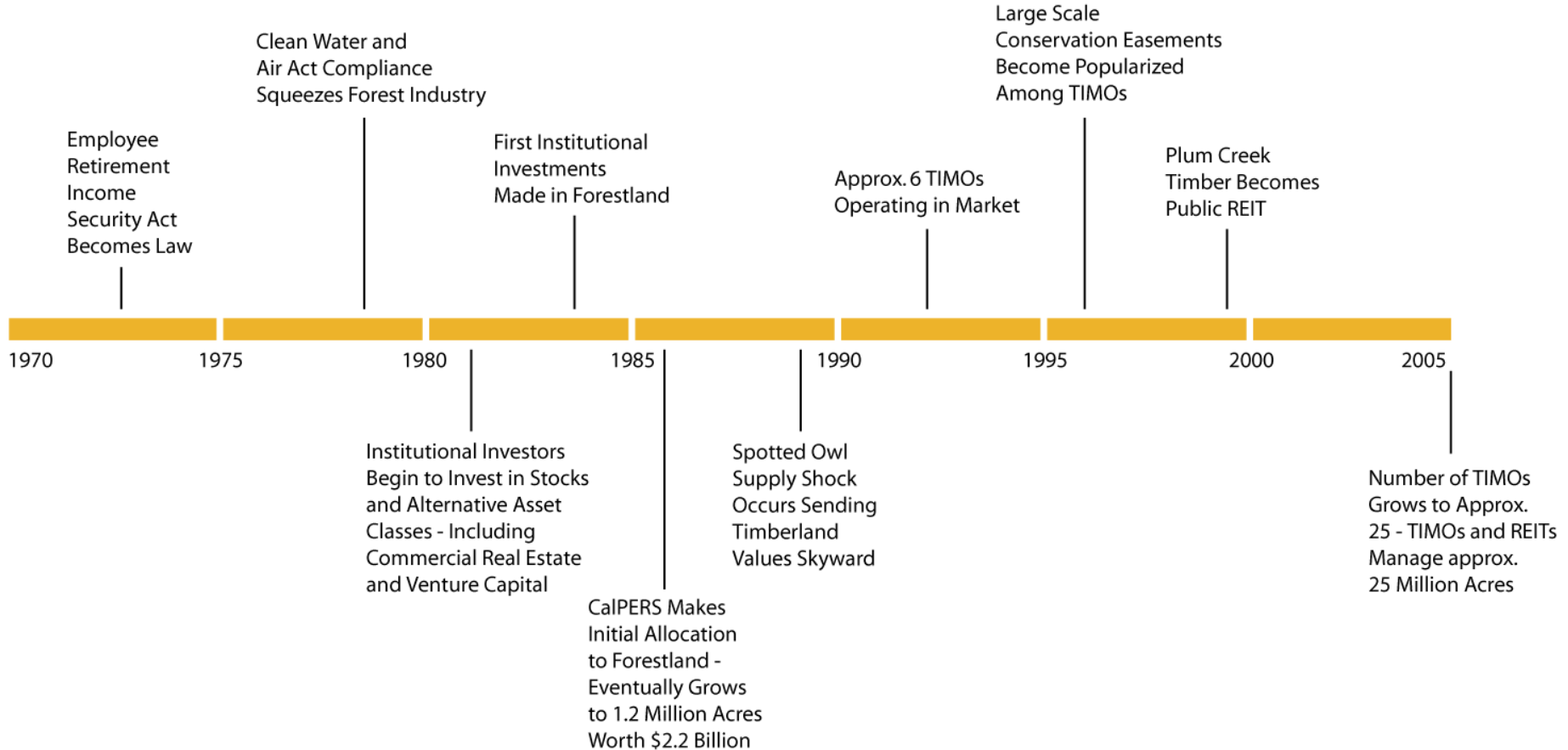


**Investment-Oriented
Landowners**

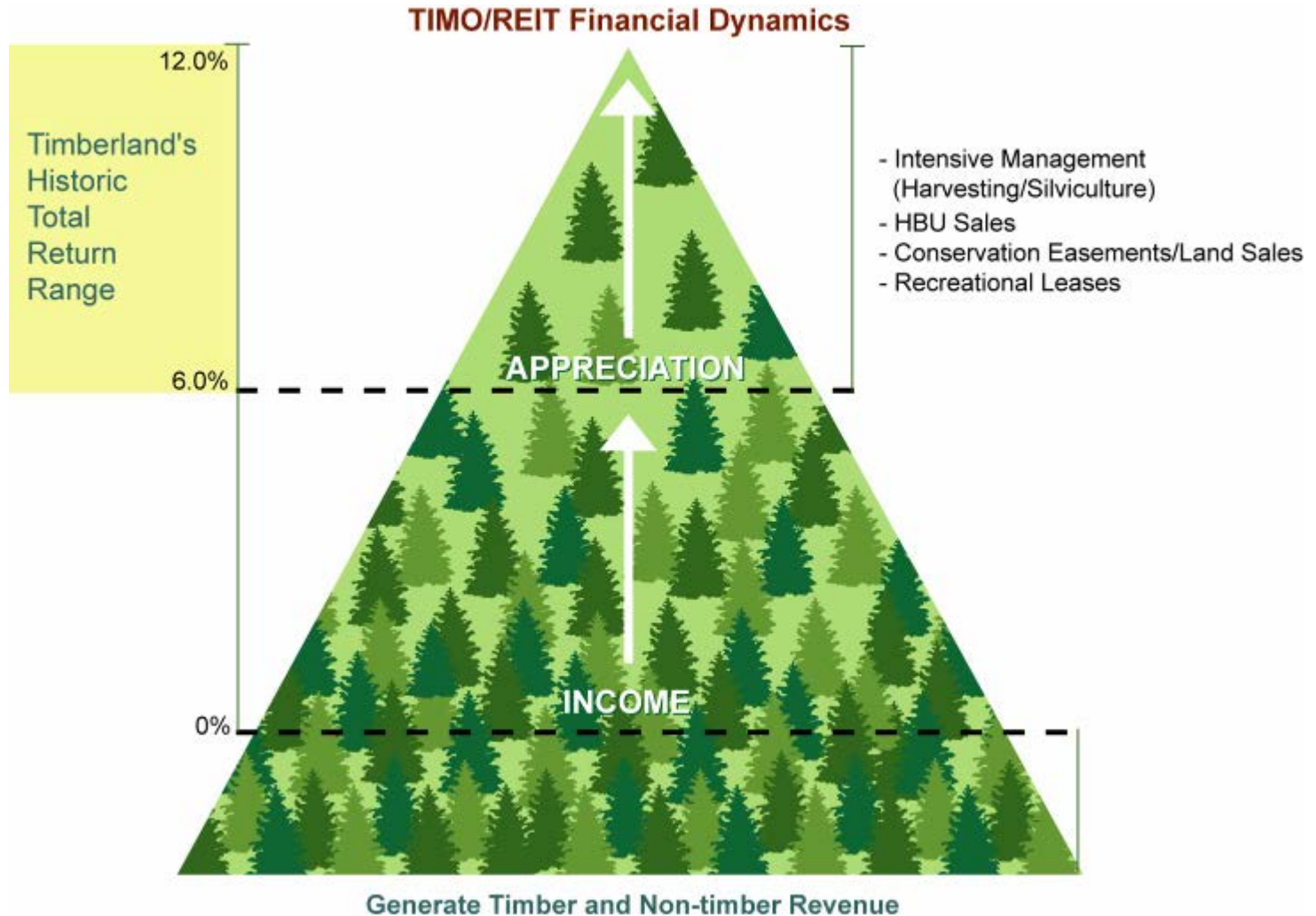
***This is Creating Both Challenges and
Opportunities for Working Forests***



Forest Ownership Climate



Forest Ownership Climate





Forest Ownership Climate

Do Not Own Working Forests

Georgia-Pacific
Louisiana Pacific
Boise Cascade
MacMillan-Bloedel
Cavenham Industries
Diamond International
Scott Paper
James River Corporation
Champion International
Union Camp
Stone Container Corporation
Crown Zellerbach
St. Regis
Willamette Industries

Still Own Working Forests

International Paper
Weyerhaeuser
Temple-Inland
Bowater
Potlatch
Longview Fibre
Sierra Pacific
Roseburg
Seneca
Simpson
Gulf States

New Investment Focused Owners

TIMOs

Forest Capital Partners
Forest Investment Associates
The Forestland Group
Hancock Timber Resource Group
Molpus Woodlands

PruTimber

RMK Timberland Investments
The Campbell Group
GMO Renewable Resources

Forest Systems

Public REITS

Plum Creek Timber
Rayonier



Forest Ownership Climate

Major Owners of Working Forests

	Acres (Million)		Acres
1. Plum Creek Timber	7.8	14. Sierra Pacific Industries	1.2M
2. International Paper	6.8	15. RMK Timberland	1.0M
3. Weyerhaeuser	6.4	16. Molpus Woodlands	910,000
4. Forest Capital Partners	2.6	17. The Campbell Group	875,000
5. Temple-Inland	2.1	18. Green Diamond Resource Company	875,000
6. Rayonier	2.1	19. Roseburg Forest Products	800,000
7. GMO Renewable Resources	1.6	20. Gulf States Paper	800,000
8. The Forestland Group	1.5	21. Wagner Forest management	740,000
9. Potlatch	1.5	22. Longview Fibre	572,000
10. Forest Investment Associates	1.4	23. Crown Pacific	522,000
11. Bowater	1.4	24. Forest Systems	450,000
12. Hancock Timber Resource Group	1.3	25. TimberVest	435,000
13. MeadWestvaco	1.3	26. Deltic Timber	435,000

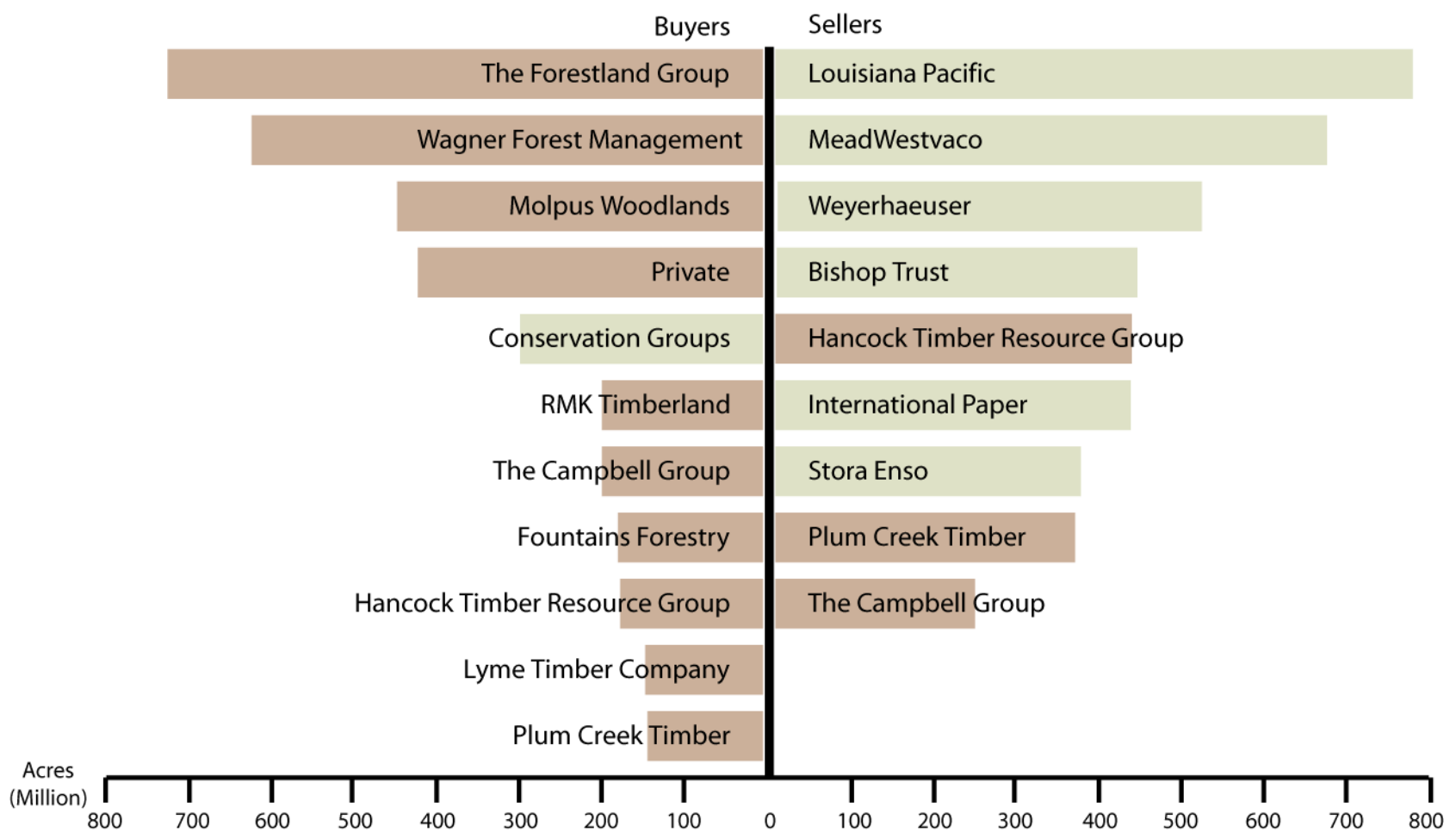
Integrated Industrial Owners

Investment-Oriented Owners/Managers



Forest Ownership Climate

Estimated Market Activity in 2003

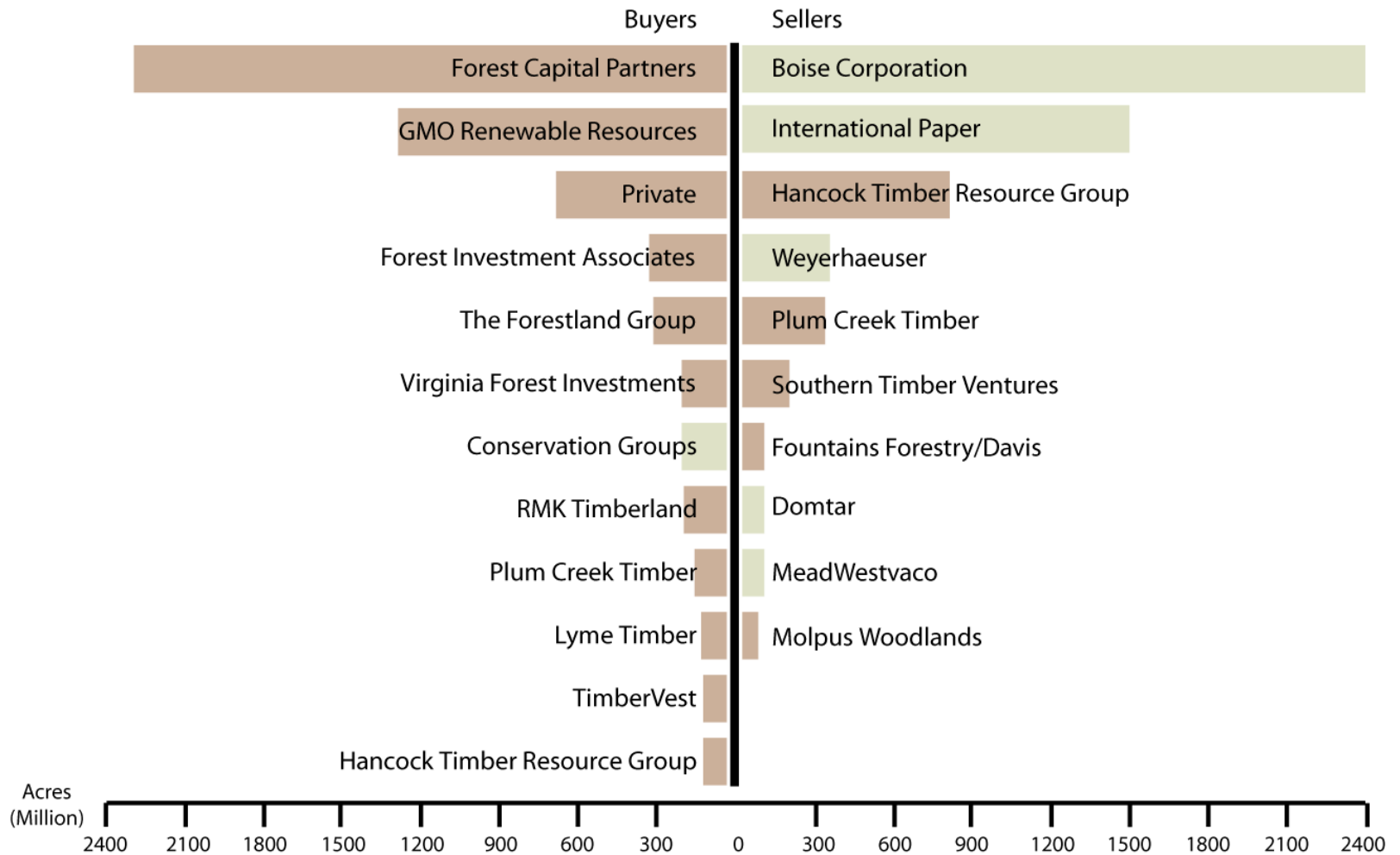


Source: Timberland Markets Report



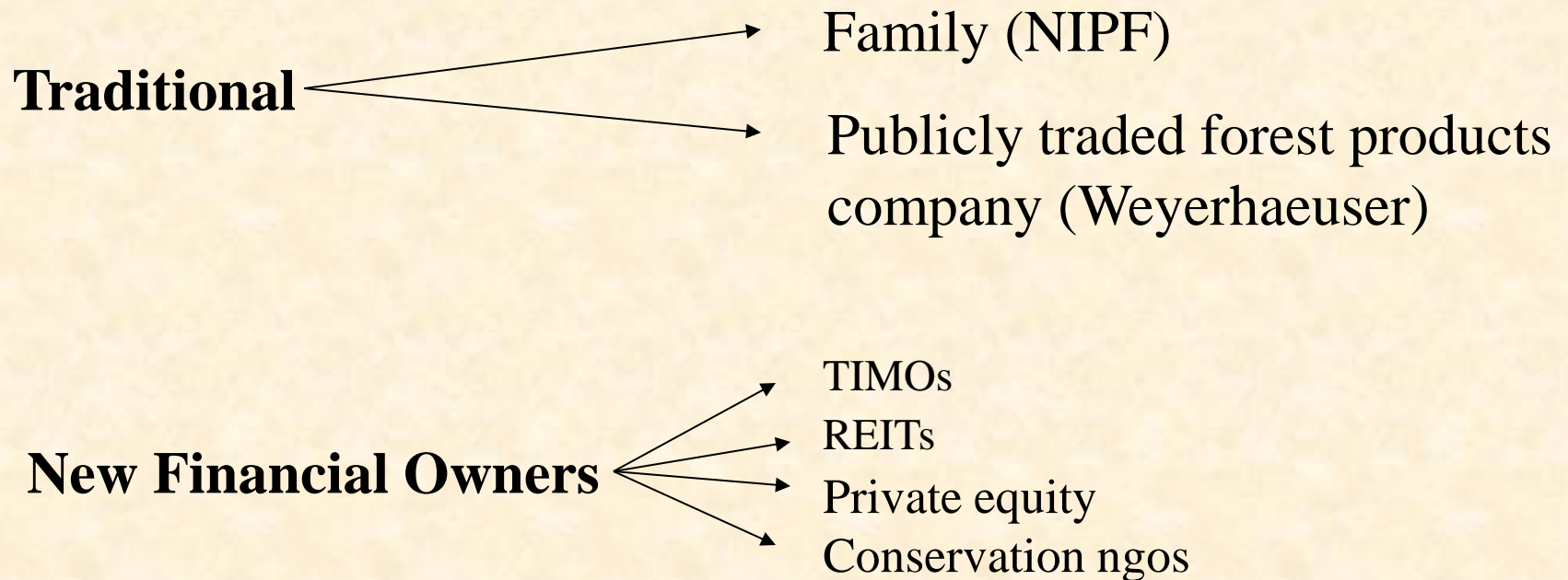
Forest Ownership Climate

Estimated Market Activity in 2004



Source: Timberland Markets Report

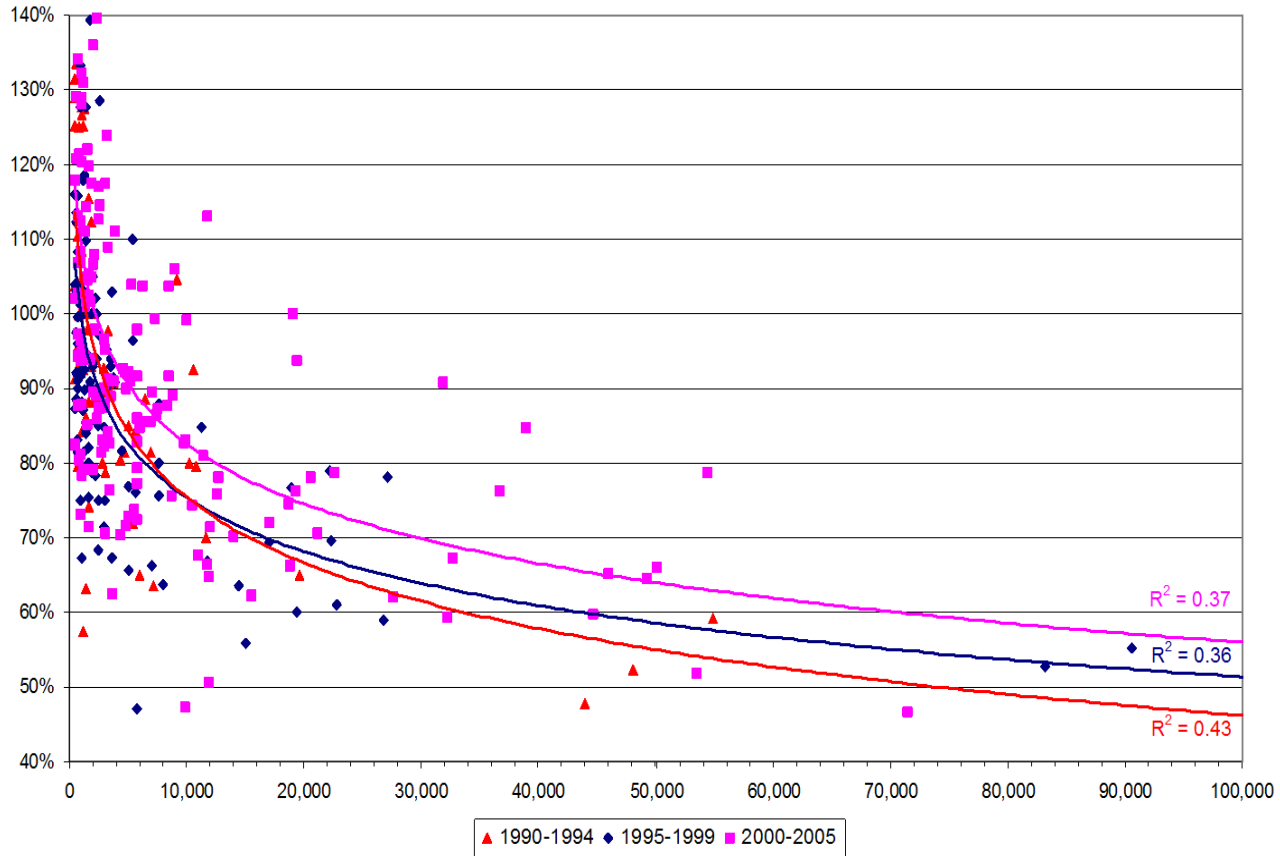
OWNERSHIP ENTITIES



- **Good news:** TIMOs understand working forest conservation easements (WFCEs)
- **Bad news:** very limited appetite for charitable dispositions (gifts/bargain-sales)

- **Good news:** focus on realizing capital events in the short to medium term (willing sellers).
- **Bad news:** understanding of HBU values and capacity to monetize those values (no worries about their mills running out of fiber) or reputational risk.

Timberland Sales - Acres vs. % of GTV
ME, NH, VT, and NY Sales
1990 to 2005
500 to 100,000 Acres



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Credit/Acknowledgement

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