

Manufacturer Survivability and Long Term Timber Value

A Presentation to the Timber
Measurement Society

Bryan Beck, Senior Consultant



THE BECK GROUP

International Forest Products Planning, Consulting & Benchmarking Services

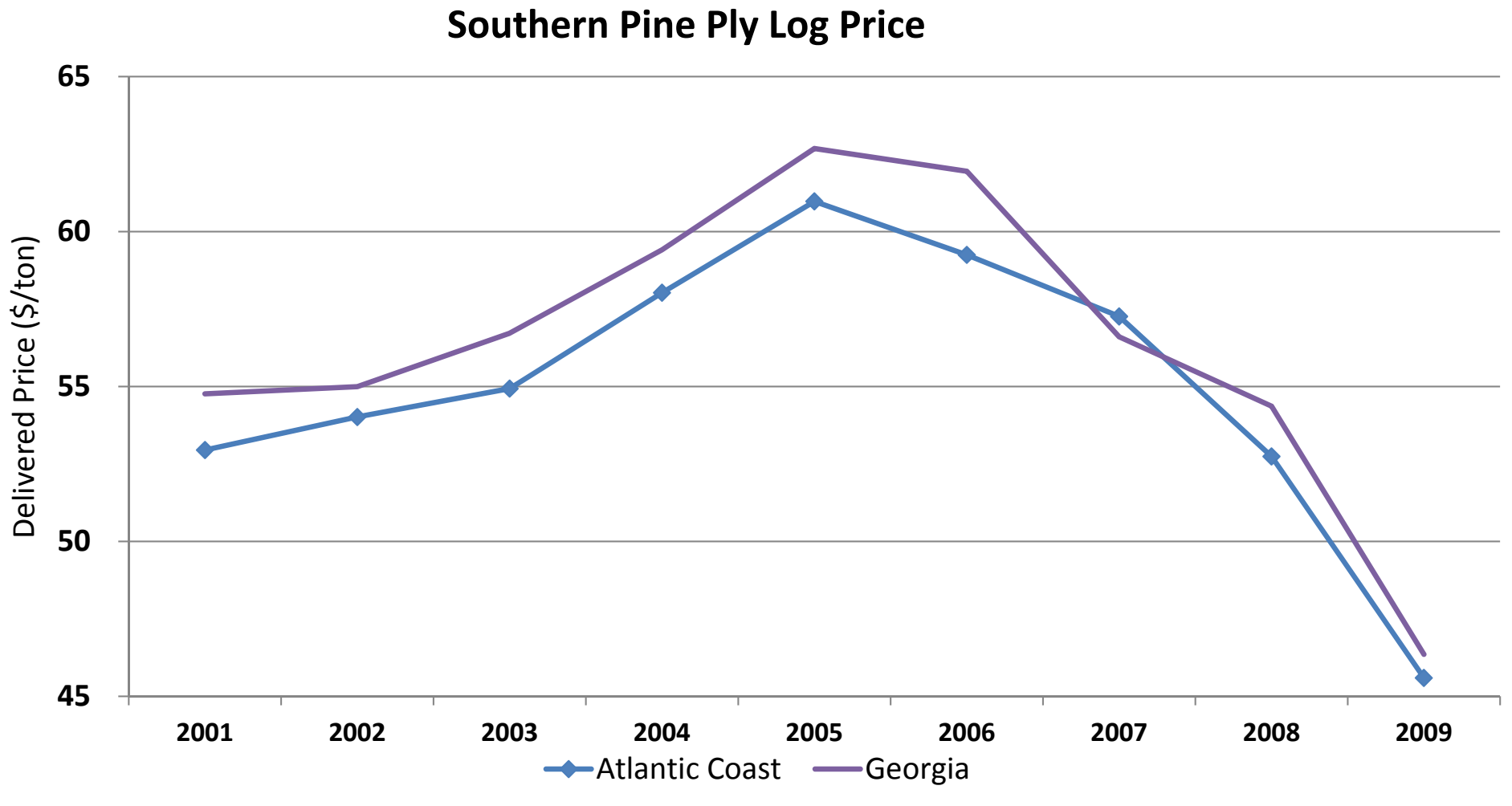
- **Broad geographic experience**
 - U.S. West, South, Alaska
 - Canada
 - Overseas
- **Forest Products Industry**
 - Lumber
 - Panels/engineered wood
 - Pellets
 - Biomass



Areas of Service

- Capital project planning
- Strategic planning
- Timber procurement systems
- Feasibility studies
- Due diligence and appraisals
- Merger and acquisitions
- Market research
- Benchmarking studies

SYP Ply Log Price Shift



Source: TimberMart South



Texas Regional Price Shift

Pine Sawlogs

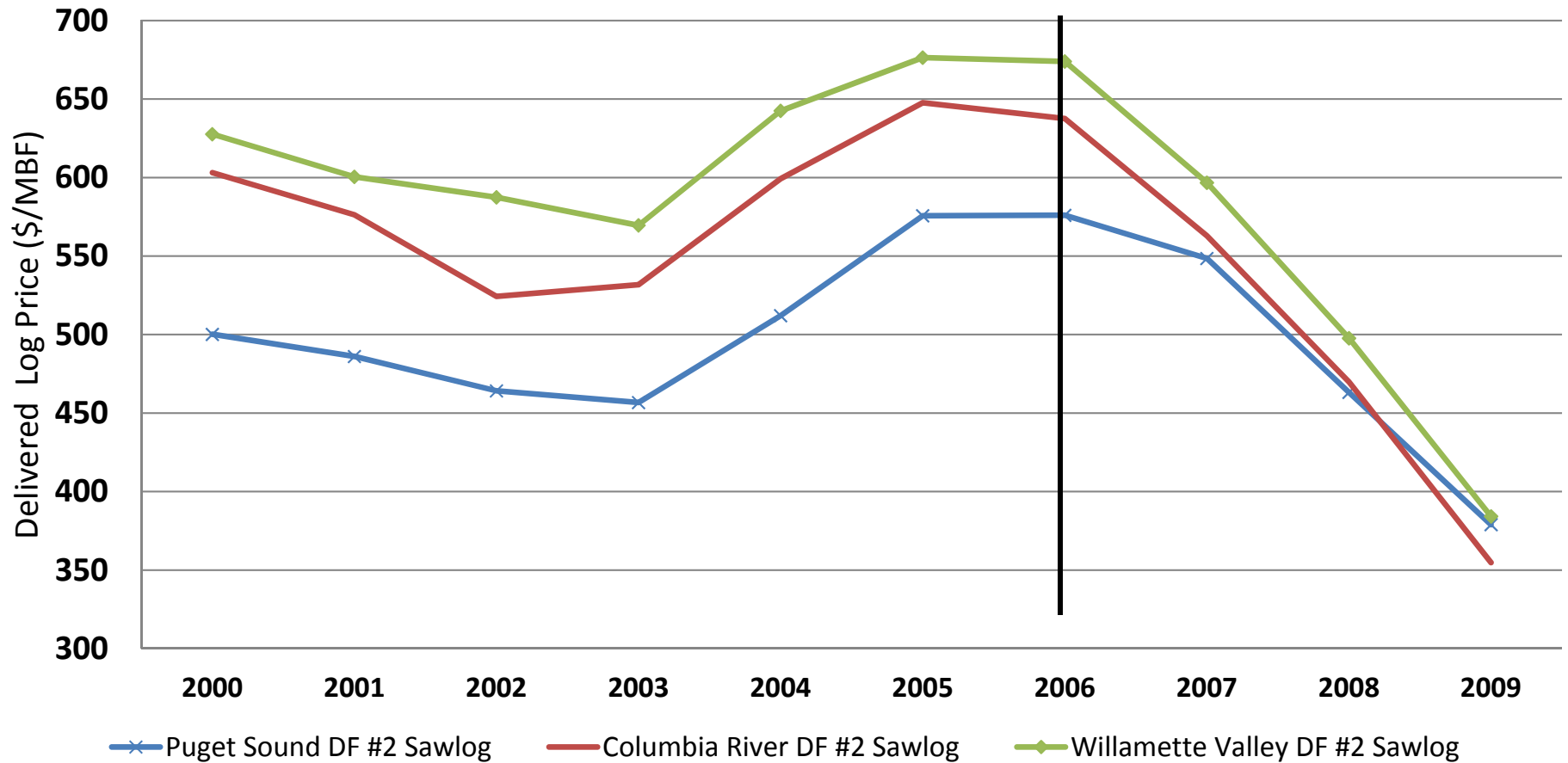


Source: TimberMart South



West Coast Regional Price Shift

Douglas Fir #2 Sawlog Prices



Source: Risi Log Lines

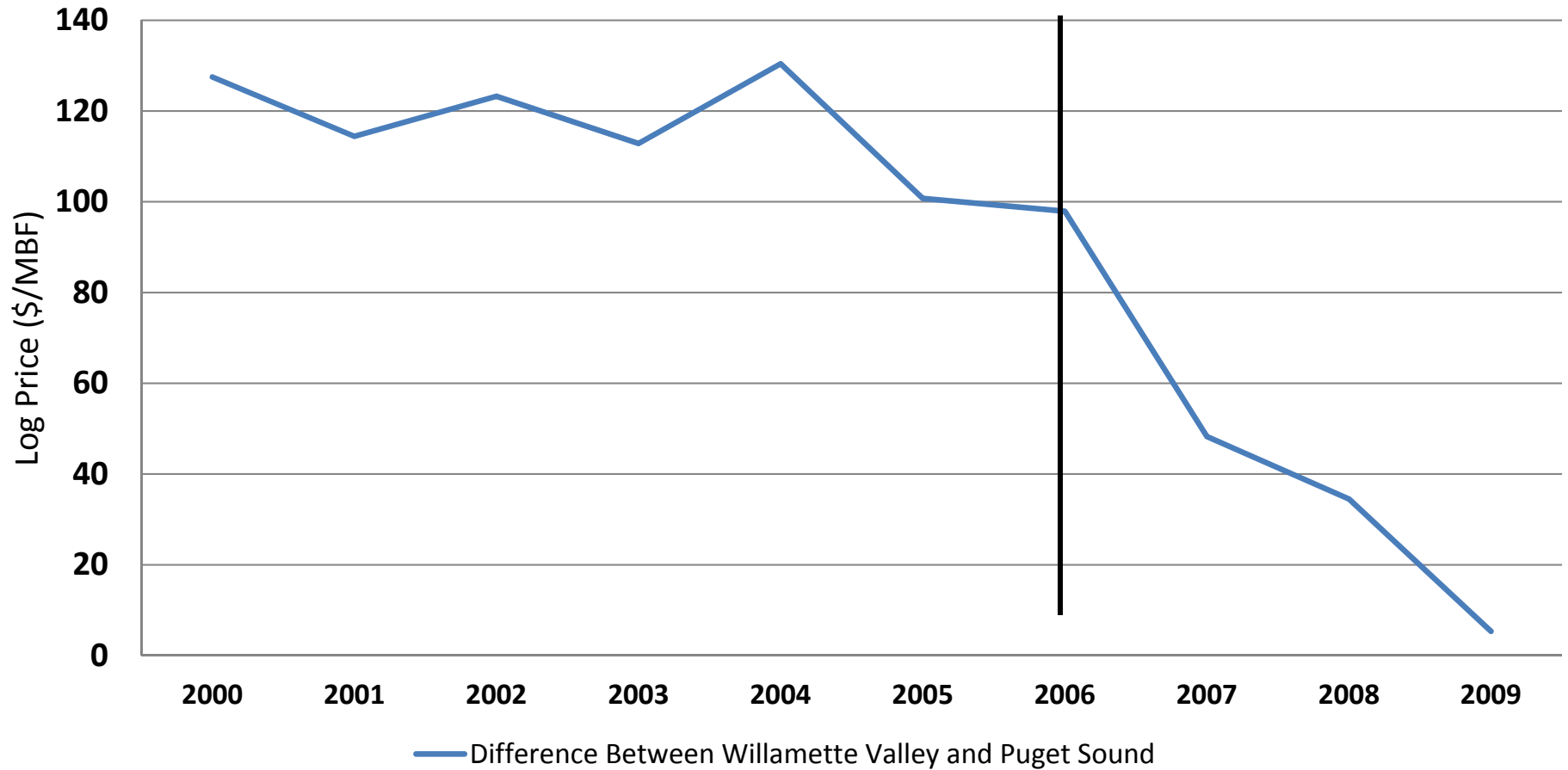


Capacity Expansion

- 2006 Caffal Bros. conversion
- 2006-2007 Centralia Stud Mill
- 2007 Sierra Pacific at Burlington
- 2008 Weyerhaeuser at Longview

West Coast Regional Price Shift

Douglas Fir #2 Sawlog Prices



Source: Risi Log Lines



Price Shift Impacts

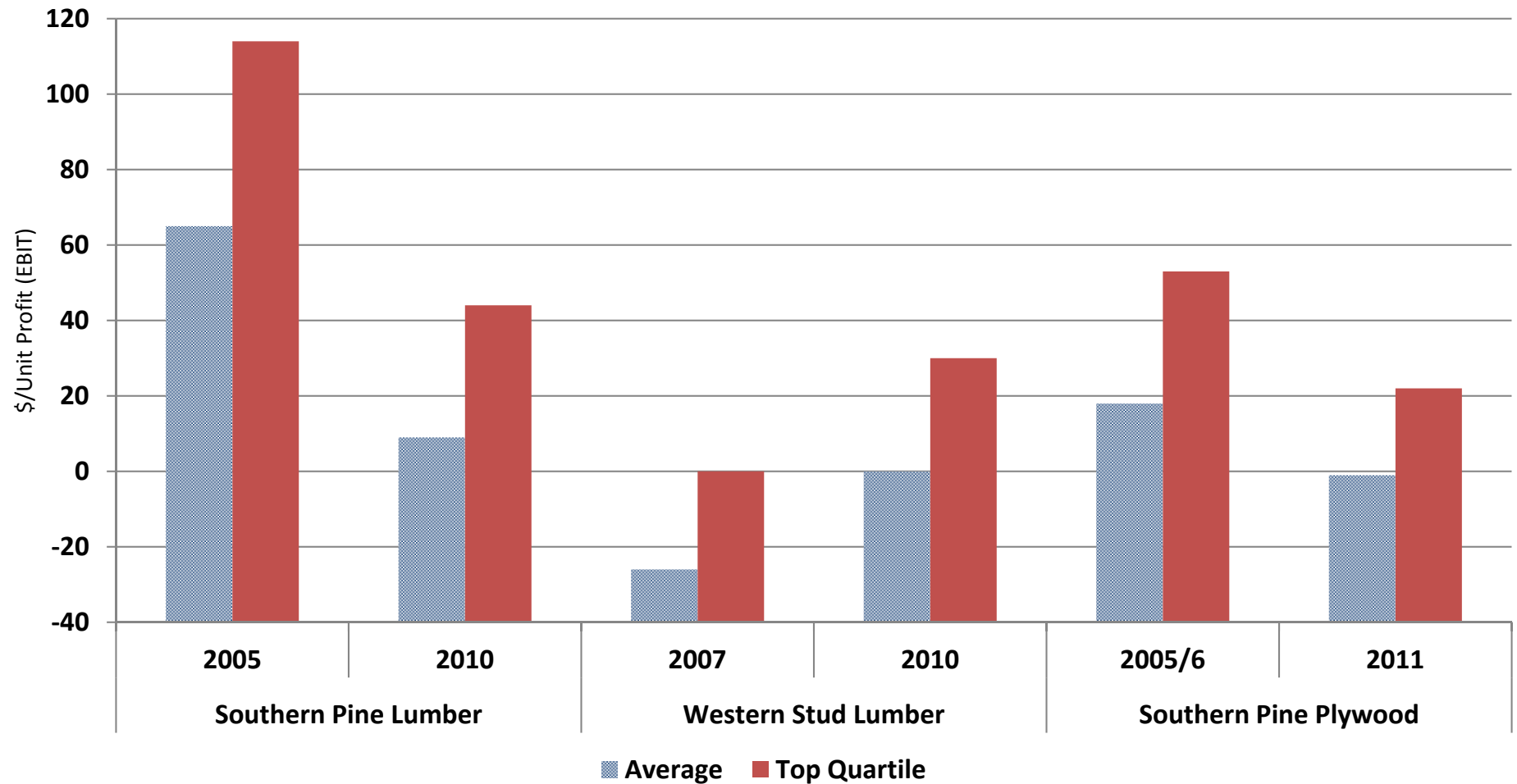
- Georgia ply log: \$150k per 100,000 tons
- Texas sawlog: \$600k per 100,000 tons (25 MMBF lumber)
- West Coast sawlog: \$1.2M per 10 MMBF (scribner)

Evaluating Survivability

- Financial performance
- Operating history
- Scale
- Technology
- Management
- Timber supply
- Debt
- Byproduct market
- Other (labor pool, infrastructure, etc.)



Profitability Comparison



Questions?

