

WEYERHAEUSER TIMBER COMPANY

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10,500 shareholders that improvement in the rate of housing starts last spring brought an upturn in lumber sales which is expected to continue strongly into 1959:

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▶ TACOMA, Wash., Feb. 12 -- Rising costs of operation and a dip in sales in 1958 caused net income of Weyerhaeuser Timber Company to decline 7.1 per cent from 1957, it was announced today in the firm's annual report.

Sales of lumber, plywood, pulp, paper and other timber products amounted to \$410,360,000 -- down 2.4 per cent from the previous year. Net income was \$49,615,000 in 1958, compared with \$53,425,000 in 1957.

Net income per share was \$1.64, down from the \$1.76 earned in 1957, and the top of \$2.10 per share in 1956. Dividends paid last year amounted to \$1 per share, as they have since 1955.

Wages, salaries, pensions and employee benefits reached \$116,596,000 in 1958, up \$65,000 from 1957. Some 270 new jobs were created during the year.

Taxes paid by the company to local, state and federal governments rose to \$45,740,000 -- up \$404,000 from the 1957 figure.

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President F. K. Weyerhaeuser told the timber company's 10,500 shareholders that improvement in the rate of housing starts last spring brought an upturn in lumber sales which is expected to continue strongly into 1959.

The quantity of lumber sold was 3.5 per cent above 1957, but dollar sales were significantly influenced by the decline in prices which began in 1956 and continued into the spring of 1958. At the low point, average price realization had declined approximately 20 per cent from the 1956 high. Some improvement in prices occurred during the last half of 1958.

The company produced enough lumber in 1958 to build about 125,000 average-sized homes. But lumber sales of \$156,524,000 represent less than four per cent of the nation's production, according to the report.

Plywood sales increased by 3.2 per cent over 1957 to reach a new company record of \$17,225,000.

Weyerhaeuser's pulp and paperboard sales declined 8.6 per cent in 1958, reflecting the nation's recent business recession and new competitive plant capacity, it said. Total sales were \$99,802,000.

Curtailed production throughout the pulp and paperboard industry is expected to continue through 1959 and until a substantial growth in consumption occurs, the report indicated.

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In an "extremely competitive market" for shipping containers, milk cartons and folding cartons, sales of these products slipped 2.9 per cent in 1958. Sales amounted to \$114,010,000.

Included in the year's capital expenditures of \$37,546,000 was the completion of new shipping container plants at Closter, N. J., Mt. Vernon, Ohio, and Houston, Tex. A new milk carton plant was put into production at Harmony, Pa., and a lumber distributing yard was added at Murrysville, Pa.

Construction of a new sheathing grade plywood mill was begun at the Snoqualmie Falls, Wash., plant site.

Plant expansion was completed at the Ply-Veneer mill, Springfield, Ore., and the chemical plant on the Longview, Wash., integrated mill site.

The \$23,010,000 invested by the company in plants, equipment and roads was down substantially from the 1957 total of \$41,875,000.

To assure a continuing supply of raw material for its mills, the company spent a total of \$14,535,000 in 1958 for timber and timberlands. This included purchase of more than 100,000 acres of pine forests which will be managed in conjunction with other timberlands supporting the Plymouth, N. C., pulp mill.

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Attempts of company foresters to speed up the time between logging and reforestation resulted in the hand planting of six and one-half million seedlings and the seeding by helicopter of 11,500 acres in the Pacific Northwest. Seven million seedlings are being planted on the company's Mississippi and Alabama lands as part of a long-range program to support a future pulp mill in that area.

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