

Boise, Inc., International Falls, Minnesota

- Boise, Inc. (NYSE: BZ)—Market cap \$759 million with 2012 sales of \$2.56 billion.
- Celebrated its 100-year anniversary in 2010: first paper made on June 6, 1910.
- During its 100+ year history, the International Falls, Minnesota paper mill has been regularly modernized. It now operates four paper machines with a production capacity of 548,000 tons-per-year (tpy) cut-size office copy, specialty, and label and release papers. In addition, the company operates an on-site 32 MW (megawatt) capacity hydroelectric facility.
- Largest employer in Koochiching County; supports about 830 direct payroll jobs plus another 300 jobs for independent wood suppliers and specialized contractors.
- Second largest industrial wood consumer in Minnesota using about 520,400 cords per year (20 percent) of the total 2.7 million-cord annual industrial wood utilization.
- Largest consumer of timber from state administered lands. Purchases an average 180,000 cords of Minnesota DNR-administered wood per year with a stumpage value of \$4.2 million. (Three-year average consumer scales.) This represents 20-25% of the timber harvested annually from state administered lands.
- Uses primarily aspen with smaller amounts of mixed hardwoods and mixed softwoods, except cedar.
- During the past 5 years, state wood scaled by Boise by land status is:
 - 50% School Trust
 - 40% Con-Con
 - 5% Acquired Forestry
 - 4% LUP
- Boise currently holds 56 state timber sale permits with an appraised volume of 172,000 cords having a stumpage sale value of \$4.4 million (50% School Trust; 41% Con-Con).

Phone conversation with Dan Toivonen, Boise Woodlands Manager (5/3/2013):

- 265 employees affected
- I2 and #4 paper machines shutdown, the oldest paper machines they had.
- Change displaces the market pulp they were receiving primarily from Washington State.
- 115,000 tons of product taken out of market.
- Running full capacity on remaining machines.
- They will continue with a roughly 70% hardwood 30% softwood mix.
- No expected change to consumption of state timber, they will just now pulp the softwoods they receive.