



## Waycross / Panola Acquisition March 2014



## **Forward Looking Statements**

This presentation contains certain forward-looking statements that are subject to risks and uncertainties. These forward-looking statements are based on certain assumptions, discuss future expectations, describe future plans and strategies, contain financial and operating projections or state other forward-looking information. The Company's ability to predict results or the actual effect of future events, actions, plans or strategies is inherently uncertain. Although the Company believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions, the Company's actual results and performance could differ materially from those set forth in, or implied by, the forward-looking statements, which reflect the Company's views on this date. Furthermore, except as required by law, the Company is under no duty to, and does not intend to, update any of our forward-looking statements after this date, whether as a result of new information, future events or otherwise.

This presentation does not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not permitted by law or in which the person making the offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

to the a statistic and all an all and the state



## Waycross / Panola: Transaction Summary

#### Transaction / Purchase Price

- CatchMark has agreed to acquire 36,340 acres of high-quality timberlands located near Baxley, GA ("Waycross") and in East Texas ("Panola") from Hancock Timber Resource Group
- > Purchase price of \$74 million (~\$2,000 per acre)

#### **Financing Plan**

- Transaction will be financed with 100% debt by drawing on the Company's acquisition credit facility
- Pro forma debt-to-total market capitalization of 24.5%<sup>(1)</sup>

#### Timing

- > Purchase & Sale Agreement executed on March 13, 2014
- Closing expected during the 2<sup>nd</sup> quarter

(1) Based on equity market capitalization as of March 12, 2014.

CatchMark has agreed to acquire 36k acres of high-quality U.S. South timberlands.

# Catch Mark

## **Compelling Investment Rationale**

- > Highly complementary to existing CatchMark holdings
- > High-value timberlands with attractive inventory mix and favorable growth characteristics
  - >~84% pine plantations by acreage (vs. ~73% on current CTT portfolio)
  - >~54% sawtimber inventory by tons (vs. ~41% on current CTT portfolio)
  - Favorable age class distribution
- > Located exclusively in core U.S. South region in competitive wood markets
- Expected to add approximately 180k to 200k tons per year to CatchMark harvest over the next decade
- Leverages CatchMark platform and enhances operational scale
- Expected to be accretive to cash flow during the current calendar year
- Enhances ability to increase dividend in the future

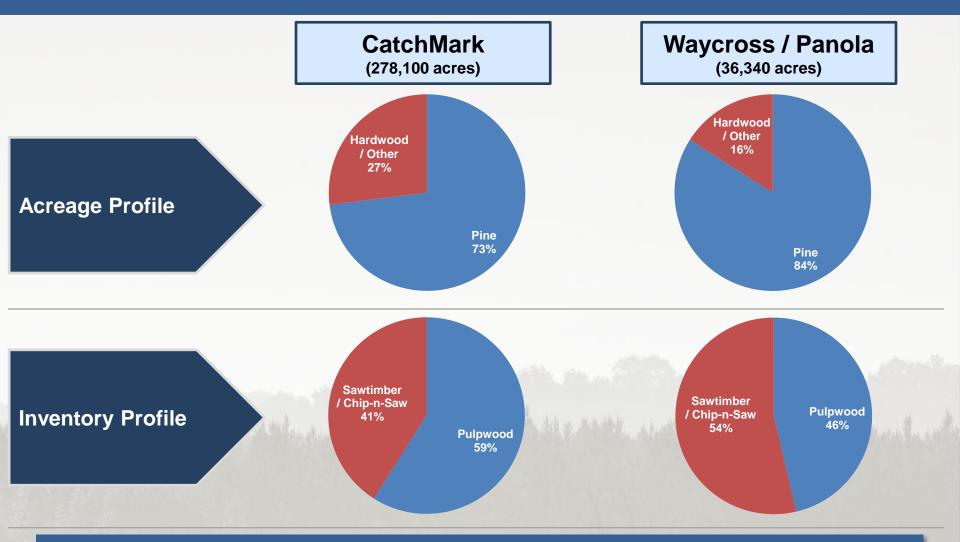
# Catch Mark

## **Strategically Located In Attractive Fiber Baskets**

Waycross (Baxley, GA) Swainsborø 301 21 [80] C Beaufort Statesboro O Springfield 278 0 Metter Hilton Rincon 6 Bluffton Head Soperton Island Pooler 16 Claxton Vidalia 0 Om  $\bigcirc$  $\bigcirc$ Tybee 221 95 Lyons [25] Island Richmond Savannah Hill [1] 84 McRae Glennville Hinesville Hazlehurst cley Waveross [17] Waycross 23 Jesup 341 Compartment Alma Darien Mills 41 O 301 84 Bioenergy Douglas Blackshear Chip Mill 0 221 O Composite Mill 823 000 23 **OSB Mill** Brunswick 0 0 Waycross PlyVen Pole Mill 0 Pulp Mill Sawmill Homerville Folkston 1 0 5 10 0 20 5113 Miles 0 Yulee 441 Fernandina Beach Georgia Florida 301 Jasper Macclenny 295 75 **Jacksonville** 

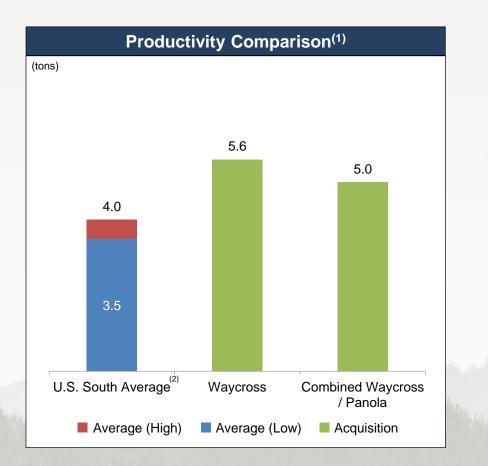
Panola (East Texas)  $\bigcirc$ O 59 271 Davy Crockett NF 0 Angelina NF Lufkin 0 0 Sabine NF Diboll  $\cap$ 693 287 Leesville  $\bigcirc$ PA6819 15 PA6825 Jasper 0 A PA 7008 190 PA700 A6922 De Ridder ... Woodville Livingston 190 . 7026 0 [96] h. DeQuincy Sam Houston NF PA6613 PA6614 O Q 171 0 Cleveland Lake Charles 7354 Silsbee PAT3 7355 10 190 O Grangerland Orange Vinton Dayton 200 Liberty Port Beaumont Arthur 59 69 Sabine Nati Wildlife Refuge 10 Winnie Panola Houston Sea Rim State Park Compartment 45 Mills R Bioenerg PlyVen Pole Mill Chip Mill Texas Pulp Mill Composite Mill  $\mathbf{C}$ City Galveston 0 Sawmill OSB Mill 5 10 20 Miles . . . . . . . . .

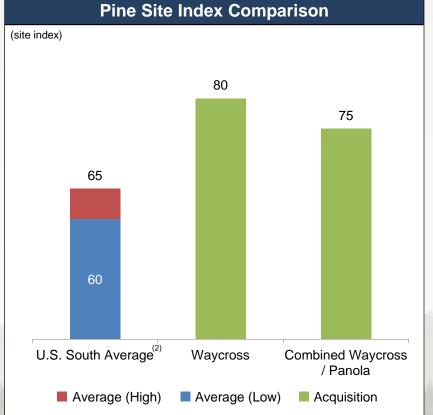
### **High-Value Timberlands with Attractive Inventory Mix**



The Waycross / Panola timberlands are heavily weighted with pine plantation acreage and sawtimber inventory.

## **Highly Productive Timberlands**





(1) Figures represent average growth in inventory per acre per year.(2) Management estimates.

The Waycross properties, in particular, have extraordinary productivity characteristics with inventory growth rates roughly 50% higher than "average" U.S. South timberlands.

### **Sources & Uses / Pro Forma Analysis**

(\$ in 000s)				
Sources		Uses		
Acquisition Credit Facility	\$74,750	Acquire Timberlands Estimated Transaction Expenses	\$74,000 750	
Total Sources	\$74,750	Total Uses	\$74,750	

Key Metrics	CTT @ 12/31/13	Acquisition	Pro Forma @ 12/31/13	% Change
Pro Forma Capitalization				
Cash & Cash Equivalents	\$8,614	_	\$8,614	
Total Debt	34,000	74,750	108,750	NM
Net Debt	\$25,386	\$74,750	\$100,136	NM
Equity Market Cap.	\$335,890	_	\$335,890	_
Debt to Total Market Cap.	9.2%	_	24.5%	NM
Pro Forma Asset Profile				
Fee	247,200	36,340	283,540	14.7%
Leased	30,900	_	30,900	
Total Acreage	278,100	36,340	314,440	13.1%
Merchantable Inventory (in MMs)	10.4	1.5	11.9	13.9%
% Pine (by Acreage)	73.0%	84.0%	74.0%	1.4%
% Sawtimber (by Tons)	41.0%	54.0%	43.0%	4.9%
Estimated Annual Harvest (in MMs)	1.1	0.2	1.3	17.3%

The acquisition will increase CatchMark's fee timberland acreage by ~15% while materially improving its portfolio composition.

