



## News Release

For immediate release  
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For more information contact:  
*Investors:* John Hobbs 1-800-858-5347  
*Media:* Kathy Budinick 1-888-467-3751

### **Plum Creek Timber Company, Inc. Reports Results for Third Quarter 2013**

**SEATTLE** - Plum Creek Timber Company, Inc. (NYSE: PCL) today announced third quarter earnings of \$72 million, or \$0.44 per diluted share, on revenues of \$366 million. Third quarter earnings include a \$4 million, or \$0.02 per diluted share, non-cash expense related to fire losses experienced in Montana and Oregon during the quarter. Earnings for the third quarter of 2012 were \$59 million, or \$0.36 per diluted share, on revenues of \$354 million.

Earnings for the first nine months of 2013 were \$174 million, or \$1.06 per diluted share, on revenues of \$1.0 billion. Earnings for the first nine months of 2012 were \$124 million, or \$0.76 per diluted share, on revenues of \$985 million.

Adjusted EBITDA, a non-GAAP measure of operating performance, for the first nine months of 2013 was \$384 million, compared to \$380 million for the same period of 2012. The company ended the quarter with \$439 million in cash and cash equivalents. A reconciliation of adjusted EBITDA to net income and cash flow from operations is provided as an attachment to this release.

“We had a very good quarter reporting earnings above the high end of our guidance range despite the two cent fire related charge,” said Rick Holley, Plum Creek’s chief executive officer. “Each business segment performed well. Northern timber markets remain strong and Southern timber markets continue to improve slowly. Our Manufacturing segment posted another strong performance and our Real Estate segment is seeing improving market conditions in some regions. We expect fairly stable business conditions during the fourth quarter and are looking forward to continued improvement in timber markets during 2014.”

#### **Review of Operations**

The Northern Resources segment reported \$5 million of operating income during the third quarter that includes the impact of the \$4 million non-cash fire loss. Approximately 12,000 acres of company lands in Montana and Oregon were damaged by wildfires during the quarter. Segment operating income for the same period of 2012 was \$5 million. Strengthening demand for sawlogs has led to higher prices over the past year. Average sawlog prices increased more than 14 percent as domestic sawmills competed with strong export demand on the West Coast. Average pulpwood prices in the Northern Resources segment were up modestly, \$1 per ton. As planned, the harvest volume of one million tons was approximately 9 percent lower than the same period of 2012.

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Operating income in the Southern Resources segment was \$27 million, a \$4 million increase over the \$23 million reported during the third quarter of 2012, despite higher pulpwood harvest volumes in 2012. The segment's sawlog harvest was unchanged from the third quarter of 2012. Both sawlog and pulpwood prices have improved over the past year. Southern sawlog prices have improved approximately eight percent on growing log demand in the region. Good demand from pulp and paper mills and stronger demand from OSB producers throughout the region have resulted in 12 percent growth in pulpwood prices over the past year. In general, log price improvement has been stronger in the eastern regions of the South such as Georgia, Florida and the Carolinas than the western regions such as Arkansas and Louisiana.

The Real Estate segment reported third quarter revenue of \$96 million and operating income of \$63 million. Third quarter 2012 Real Estate segment revenue was \$96 million and operating income was \$54 million. The 2013 results included the sale of approximately 15,000 acres of Oregon timberland for approximately \$53 million. The 2012 sales were anchored by the sale of approximately 100,000 acres of Wisconsin timberland for approximately \$67 million. Smaller rural land sales across the company's holdings accounted for the remaining \$43 million of the third quarter 2013 revenue.

The Manufacturing segment reported \$11 million of operating income for the third quarter, compared to the \$9 million of operating income reported for the third quarter of 2012. Operating income growth was driven by strong pricing for the company's panel products and higher lumber sales volumes. Medium density fiberboard (MDF) prices have increased approximately seven percent over the past twelve months while plywood prices have increased approximately six percent. Sales volumes for plywood and MDF were largely unchanged from the same period of 2012 as both facilities continued to run near capacity. Lumber sales volumes increased 47 percent compared to the third quarter of 2012 due to the April 2013 re-start of the company's Evergreen sawmill. Average lumber prices declined approximately five percent. This was due solely to the introduction of lower-valued stud lumber produced by the re-opened sawmill.

## **Outlook**

The company expects its full-year harvest to approximate 17.5 million tons.

During the fourth quarter, the company expects to harvest approximately 900 thousand tons in its Northern Resources segment and approximately 4 million tons in its Southern Resources segment.

Fourth quarter Real Estate segment sales are expected to be between \$47 million and \$52 million.

In the fourth quarter, seasonally lower sales volumes for the company's manufactured products are expected to result in lower Manufacturing segment profitability compared to the third quarter.

The company expects to report fourth quarter earnings between \$0.26 and \$0.31 per share.

"We are excited about the future of Plum Creek and our position in the marketplace. We continue to execute on our goal of long-term value creation for our shareholders. Disciplined capital allocation is at the heart of our strategy and is the single most important tool we have to create true and lasting long-term value," concluded Holley.

## **Earnings Conference Call and Supplemental Information**

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Plum Creek will hold a conference call today, Oct. 28, at 6:00 p.m. ET (3:00 p.m. PT). A live webcast of the conference call may be accessed through Plum Creek's Internet site at [www.plumcreek.com](http://www.plumcreek.com) by clicking on the "Investors" link.

Investors without Internet access should dial 1-800-572-9852 at least 10 minutes prior to the start of the call, referencing Plum Creek's conference call. Those wishing to access the call from outside the United States and Canada should dial 1-706-645-9676, also referencing Plum Creek's conference call. Replay of the call will be available for 48 hours after completion of the live call and can be accessed at 1-855-859-2056 or 1-404-537-3406 (international calls), using the code 31587216.

Supplemental financial information for Plum Creek operations, including statistical data and reconciliations to non-GAAP measures is available in the Investors section of Plum Creek's website at [www.plumcreek.com](http://www.plumcreek.com).

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*Plum Creek is among the largest and most geographically diverse private landowners in the nation with approximately 6.3 million acres of timberlands in major timber producing regions of the United States and wood products manufacturing facilities in the Northwest. For more information, visit [www.plumcreek.com](http://www.plumcreek.com)*

#### Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 as amended. Some of these forward-looking statements can be identified by the use of forward-looking words such as "believes," "expects," "may," "will," "should," "seek," "approximately," "intends," "plans," "estimates," or "anticipates," or the negative of those words or other comparable terminology. The accuracy of such statements is subject to a number of risks, uncertainties and assumptions including, but not limited to, the cyclical nature of the forest products industry, our ability to harvest our timber, our ability to execute our acquisition strategy, the market for and our ability to sell or exchange non-strategic timberlands and timberland properties that have higher and better uses, and various regulatory constraints. These and other risks, uncertainties and assumptions are detailed from time to time in our filings with the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, and the Securities Act of 1933, as amended. It is likely that if one or more of the risks materializes, or if one or more assumptions prove to be incorrect, the current expectations of Plum Creek and its management will not be realized. Forward-looking statements are not guarantees of performance, and speak only as of the date made, and neither Plum Creek nor its management undertakes any obligation to update or revise any forward-looking statements.

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