



## News Release

For immediate release  
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### Plum Creek Reports Results for First Quarter 2015

**SEATTLE** - Plum Creek Timber Company, Inc. (NYSE: PCL) today announced first quarter earnings of \$42 million, or \$0.24 per diluted share, on revenues of \$406 million. Earnings for the first quarter of 2014 were \$30 million, or \$0.17 per diluted share, on revenues of \$317 million.

Adjusted EBITDA, a non-GAAP measure of operating performance, for the first quarter of 2015 was \$175 million and was \$93 million for the same period of 2014. A reconciliation of adjusted EBITDA to net income and cash flow from operations is provided as an attachment to this release.

“We are pleased with the results of the first quarter,” said Rick Holley, chief executive officer. “The company performed well despite overall business conditions starting off slower than many industry experts initially anticipated. Our first quarter results came in within our guidance range and were a bit better than we thought just a few weeks ago.”

“Effective capital allocation continues to be an important driver of shareholder value in this slow growth environment,” continued Holley. “To that end, the company completed nearly \$20 million of share repurchases during the first quarter, effectively buying timberland assets at a compelling discount to their private market value. Operationally, we remain well positioned to take advantage of opportunities as markets improve over the coming months.”

#### Review of Quarterly Operations

The Northern Resources segment reported operating profit of \$13 million during the first quarter, a \$3 million decline from the \$16 million first quarter profit of 2014. As planned, overall harvest volumes were about 9 percent lower than the first quarter of 2014. Sawlog prices remained robust and were equal to those reported last year, with strength in the hardwood regions offsetting softening West Coast markets. Average pulpwood prices advanced \$5 per ton, and were 11 percent higher than the first quarter of 2014. Pulpwood prices have trended up over the last year as pulp and paper customers in the hardwood regions competed to maintain comfortable log inventories.

Operating profit in the Southern Resources segment was \$31 million, unchanged from the first quarter of 2014. Harvest volumes were similar to first quarter 2014 levels and prices for both sawlogs and pulpwood were \$1 per ton higher on slowly improving demand. While stable volumes and modestly higher prices increased the cash generated by the business segment, reported profits were unchanged on higher non-cash depletion expense.

The Real Estate segment reported first quarter revenue of \$109 million and operating income of \$19 million. First quarter 2014 revenue was \$23 million and operating income was \$12 million. The land basis, or non-cash book value of the timberlands sold in the first quarter of 2015 was unusually high at 76 percent of real estate revenue, compared to 26 percent in the first quarter of 2014. During the first quarter of 2015, the company completed the previously announced sale of approximately 117,000 acres of conservation lands in Montana to The Nature Conservancy for \$85 million. The \$24 million balance of the quarter's sales consisted of 2,060 acres of small, non-strategic timberlands that captured average prices of approximately \$1,335 per acre, and 8,010 acres of HBU/recreation lands that captured approximately \$2,210 per acre.

The company's Manufacturing segment reported operating income of \$9 million, unchanged from the first quarter of 2014. Increased profitability from higher plywood and MDF sales volumes was offset by weaker results in the lumber business.

Operating income from the Energy and Natural Resource segment was \$5 million, down \$1 million from the first quarter of 2014. The decrease in earnings was primarily the result of lower natural gas royalty income compared to the first quarter of 2014.

### **Share Repurchase**

During the quarter the company repurchased approximately 445,000 shares of common stock at an average price of \$41.97 per share. As of March 31, 2015, the company had 175.6 million shares of common stock outstanding and \$106 million remaining in its current share repurchase authorization.

### **Outlook**

The company expects to harvest between 19 and 20 million tons of timber in 2015. Second quarter harvest levels in the Northern Resources segment are expected to decline from first quarter levels due to normal, seasonal factors. Northern harvests are typically at their lowest levels during the second quarter of the year as thawing spring weather restricts harvesting activities in the North. Southern Resources harvest volumes are expected to grow modestly in the second quarter.

Full-year Real Estate segment sales are expected to be between \$250 million and \$300 million, while second quarter Real Estate segment sales are expected to be between \$15 million and \$25 million. Land basis, as a percentage of real estate revenues is expected to be approximately 50 percent for the year and approximately 40 percent for the second quarter.

During the second quarter of 2015, results from both the Manufacturing Segment and the Energy and Natural Resources Segment are expected to be similar to first quarter levels.

The company continues to expect 2015 income to be between \$1.05 and \$1.30 per share and expects second quarter income between \$0.05 and \$0.10 per share.

“We’ve started 2015 with good performance from our timber, manufacturing and energy and natural resource businesses,” continued Holley. “As expected, our second quarter results will be the lowest of the year due to the normal seasonal reduction in our Northern Resources segment harvest and the timing of our planned real estate transactions. We continue to expect full-year earnings per share will fall within our original guidance.

“As we execute our strategies for long-term value creation, capital allocation remains our highest priority. We will maintain our disciplined approach in evaluating the best uses of the cash we generate to produce the most benefit to our shareholders,” concluded Holley.

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

Plum Creek will hold a conference call today, Apr. 27, at 5:00 p.m. ET (2:00 p.m. PT). A live webcast of the conference call may be accessed through Plum Creek’s website 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 earnings 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 earnings 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 50829757.

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 more than 6 million acres of timberlands in 19 states. We also operate wood products mills in the Northwest. We manage our working forests using sustainable practices to benefit Plum Creek’s many stakeholders. Our employees work together to create shareholder value, serve as stewards of the environment, make wood products for everyday use, and build strong communities. Please visit [www.plumcreek.com](http://www.plumcreek.com) for the latest information about Plum Creek.

### Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private 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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