



## News Release

For immediate release  
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### **Plum Creek Reports Results for Fourth Quarter and Full Year 2015**

**SEATTLE** - Plum Creek Timber Company, Inc. (NYSE: PCL) today announced fourth quarter earnings of \$34 million, or \$0.19 per diluted share, on revenues of \$323 million. Results include approximately \$8 million, or \$0.04 per diluted share, of transaction costs directly related to the pending merger with Weyerhaeuser Company (NYSE: WY).

Earnings for the fourth quarter of 2014 were \$68 million, or \$0.39 per share, on revenues of \$428 million. Results for the fourth quarter of 2014 included \$2 million after-tax, or \$0.01 per diluted share, of insurance recoveries related to the June 2014 fire at the company's medium density fiberboard (MDF) plant in Montana.

Earnings for the full year of 2015 were \$197 million, or \$1.12 per diluted share, on revenues of \$1.45 billion. The full-year 2015 results include the \$8 million, or \$0.04 per diluted share, of merger expenses mentioned above. Earnings for the full year of 2014 were \$214 million, or \$1.21 per diluted share, on revenues of \$1.48 billion. The results for 2014 included \$4 million, or \$0.02 per share, of after-tax gains related to the MDF fire.

Adjusted EBITDA, a non-GAAP measure of operating performance, for 2015 was \$579 million, compared to \$605 million for 2014. A reconciliation of adjusted EBITDA to net income and cash flow from operations is provided as an attachment to this release.

#### **Pending Merger with Weyerhaeuser**

In a joint announcement on November 8, 2015, Plum Creek and Weyerhaeuser announced the companies had entered into a definitive agreement to create the world's premier timber, land and forest products company. The merger agreement requires the approval of shareholders of both Weyerhaeuser and Plum Creek. The shareholder votes for both companies are scheduled for February 12, 2016.

Under the terms of the agreement, the companies have agreed to coordinate dividend schedules, designating the same record and payment dates for quarterly dividends to ensure no shareholder of either company receives two dividends, or fails to receive one dividend, during the first quarter of 2016. The companies are in the process of coordinating the dividends and Plum Creek expects to announce the anticipated timing of its dividend following the shareholder vote on February 12, 2016.

## Summary of 2015 Results

The company reported \$274 million of operating income for 2015, lower than the \$322 million of operating income reported in the prior year. After adjusting for the impact of the 2014 MDF fire, operating income was \$315 million for 2014 and \$271 million for 2015. The \$44 million decline in operating income was primarily the result of lower timber harvest volumes in 2015 and lower results from the company's Manufacturing segment as lumber prices declined.

The company's timber resource segments generated operating income of \$150 million, a \$31 million decline compared to the \$181 million in income reported in 2014. The company's 2015 harvest volumes of 18.6 million tons were approximately 1 million tons, or 5 percent lower than 2014's 19.6 million-ton harvest. The company elected to reduce harvests in the second half of 2015 as lower lumber prices led lumber mill customers to slow production. Average timber prices for 2015 were relatively flat compared to the prior year.

In the Real Estate segment, the company reported revenue of \$318 million in 2015, approximately \$30 million higher than 2014's \$289 million of sales. Segment operating income was \$144 million, \$11 million higher than the prior year.

The company's Manufacturing segment produced another year of strong earnings and cash flow. The segment reported \$32 million of operating income, \$10 million lower than the \$42 million reported in 2014 after adjusting for the impact of the 2014 MDF fire. The decrease was primarily driven by lower profitability from the company's lumber business.

Operating income from the Energy and Natural Resources segment was \$25 million in 2015, unchanged from the prior year. Increased construction material sales volumes and pipeline right-of-way easement sales offset the impact of lower energy commodity prices during the year.

## Review of Quarterly Operations

The Northern Resources segment reported operating profit of \$5 million for the fourth quarter, a \$5 million decrease compared to the \$10 million profit reported in the fourth quarter of 2014. The decline in operating results was driven by a combination of lower harvest volumes and lower sawlog prices when compared to the same quarter of 2014. As planned, the segment's 866,000 ton harvest for the quarter was about 11 percent lower compared to 2014's 976,000 ton fourth-quarter harvest. Average Northern sawlog prices of \$79 per ton were healthy by historic standards, but were down about 8 percent from the fourth quarter of 2014 when sawlog export markets were stronger on the West Coast. Pulpwood prices of \$49 per ton were \$4 per ton, or 9 percent higher, than the same period of 2014, the result of challenging supply conditions for pulp and paper customers that drove pulpwood price increases earlier in 2015.

The Southern Resources segment reported fourth quarter operating profit of \$27 million, down \$11 million compared to the fourth quarter of 2014. As expected, the 3.8 million ton harvest was about 12 percent lower than the fourth quarter of 2014. Average Southern sawlog prices declined about \$1.50 per ton compared to the fourth quarter of 2014 as lumber producers closely managed production in light of the weaker lumber prices in 2015. Pulpwood prices were \$13 per ton, similar to the prior year. Pulpwood demand remained strong as pulp and paper mills in certain regions of the South competed to maintain log inventories.

The Real Estate segment reported fourth quarter revenue of \$55 million and operating income of \$30 million. Fourth quarter 2014 revenue was \$120 million and operating income was \$42 million. During the fourth quarter of 2015 the company sold 16,950 acres of HBU/Recreation lands at an average price of more than \$1,900 per acre. The balance of the quarter's Real Estate segment results included the sale of 12,420 acres

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of small, non-strategic timberlands at an average price of \$1,390 per acre, and approximately 4,600 acres of conservation lands for \$800 per acre.

The Manufacturing segment reported operating income of \$4 million for the fourth quarter of 2015, \$10 million lower than the \$14 million reported in the fourth quarter of 2014. The 2014 results include a \$4 million pre-tax gain from insurance recoveries related to the MDF fire. After adjusting for the insurance recovery gain, the resulting \$6 million decline in operating income was driven primarily from lower results from the company's lumber business.

Operating income from the Energy and Natural Resources segment was \$10 million, up \$3 million from the fourth quarter of 2014. A \$4 million right-of-way easement transaction helped drive the income improvement.

## **Supplemental Information**

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 document 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," "seeks," "approximately," "intends," "plans," "estimates," "projects," "strategy," 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 are not limited to, the following factors: (1) the risk that the conditions to the closing of the transaction are not satisfied, including the risk that required approvals from the shareholders of Weyerhaeuser or Plum Creek for the transaction are not obtained; (2) litigation relating to the transaction; (3) uncertainties as to the timing of the consummation of the transaction and the ability of each party to consummate the transaction; (4) risks that the proposed transaction disrupts the current plans and operations of Weyerhaeuser or Plum Creek; (5) the ability of Weyerhaeuser and Plum Creek to retain and hire key personnel; (6) competitive responses to the proposed transaction; (7) unexpected costs, charges or expenses resulting from the transaction; (8) potential adverse reactions or changes to business relationships resulting from the announcement or completion of the transaction; (9) the combined companies' ability to achieve the growth prospects and synergies expected from the transaction, as well as delays, challenges and expenses associated with integrating the combined companies' existing businesses; and (10) legislative, regulatory and economic developments. These risks, as well as other risks associated with the proposed transaction, are more fully discussed in the joint proxy statement/prospectus that is included in the Registration Statement on Form S-4 that has been filed with the SEC in connection with the proposed transaction.

In addition, actual results are subject to other risks and uncertainties that relate more broadly to Plum Creek's overall business, including those more fully described in Plum Creek's filings with the Securities and Exchange Commission ("SEC") including its annual report on Form 10-K for the fiscal year ended December 31, 2014, and its quarterly reports filed on Form 10-Q for the fiscal year ended December 31, 2015, and Weyerhaeuser's overall business and financial condition, including those more fully described in Weyerhaeuser's filings with the SEC including its annual report on Form 10-K for the fiscal year ended December 31, 2014, and its quarterly reports filed on Form 10-Q for its fiscal year ended December 31, 2015. 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.

### *Additional Information And Where To Find It*

This document does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification

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under the securities laws of any such jurisdiction. Weyerhaeuser filed with the SEC a Registration Statement on Form S-4 that includes a joint proxy statement/prospectus of Plum Creek and Weyerhaeuser. Each of Plum Creek and Weyerhaeuser have mailed the joint proxy statement/prospectus to their respective shareholders. The Registration Statement on Form S-4 was declared effective by the SEC on December 28, 2015. Plum Creek and Weyerhaeuser also plan to file other documents with the SEC regarding the proposed transaction. This document is not a substitute for any prospectus, proxy statement or any other document which Plum Creek or Weyerhaeuser have filed or may file with the SEC in connection with the proposed transaction. INVESTORS AND SECURITY HOLDERS OF PLUM CREEK AND WEYERHAEUSER ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS AND ANY OTHER RELEVANT DOCUMENTS THAT HAVE BEEN OR MAY BE FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY CONTAIN OR WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION. You may obtain copies of all documents filed with the SEC regarding this transaction, free of charge, at the SEC's website ([www.sec.gov](http://www.sec.gov)). In addition, investors and security holders will be able to obtain free copies of the joint proxy statement/prospectus and other documents filed with the SEC by the parties on Plum Creek's Investor Relations website ([www.plumcreek.com/investors](http://www.plumcreek.com/investors)) (for documents filed with the SEC by Plum Creek) or on Weyerhaeuser's investor relations page on its corporate web site ([www.weyerhaeuser.com](http://www.weyerhaeuser.com)) (for documents filed with the SEC by Weyerhaeuser).

### ***Participants in the Solicitation***

Plum Creek, Weyerhaeuser, and certain of their respective directors, executive officers and other members of management and employees, under SEC rules may be deemed to be participants in the solicitation of proxies from Plum Creek and Weyerhaeuser shareholders in connection with the proposed transaction. Information regarding the persons who may, under the rules of the SEC, be deemed participants in the solicitation of Plum Creek and Weyerhaeuser shareholders in connection with the proposed transaction is set forth in the joint proxy statement/prospectus. You can find more detailed information about Plum Creek's executive officers and directors in its definitive proxy statement filed with the SEC on March 26, 2015. You can find more detailed information about Weyerhaeuser's executive officers and directors in its definitive proxy statement filed with the SEC on April 1, 2015. Additional information about Plum Creek's executive officers and directors and Weyerhaeuser's executive officers and directors can be found in the above-referenced Registration Statement on Form S-4.

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