

**PLUM CREEK TIMBER COMPANY, INC.**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**(UNAUDITED)**

(In Millions, Except Per Share Amounts)	Quarter Ended March 31,	
	2013	2012
<b>REVENUES:</b>		
Timber	\$ 170	\$ 155
Real Estate	78	100
Manufacturing	86	76
Other	6	6
Total Revenues	340	337
<b>COSTS AND EXPENSES:</b>		
Cost of Goods Sold:		
Timber	124	121
Real Estate	30	68
Manufacturing	75	70
Other	1	—
Total Cost of Goods Sold	230	259
Selling, General and Administrative	32	28
Total Costs and Expenses	262	287
Other Operating Income (Expense), net	—	—
Operating Income	78	50
Equity Earnings from Timberland Venture	14	13
Interest Expense, net:		
Interest Expense (Debt Obligations to Unrelated Parties)	21	21
Interest Expense (Note Payable to Timberland Venture)	14	14
Total Interest Expense, net	35	35
Income before Income Taxes	57	28
Provision (Benefit) for Income Taxes	1	(1)
Net Income	\$ 56	\$ 29
<b>PER SHARE AMOUNTS:</b>		
Net Income per Share – Basic	\$ 0.35	\$ 0.18
Net Income per Share – Diluted	\$ 0.35	\$ 0.18
Weighted-Average Number of Shares Outstanding		
– Basic	162.3	161.4
– Diluted	162.8	161.7

**PLUM CREEK TIMBER COMPANY, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
**(UNAUDITED)**

(In Millions, Except Per Share Amounts)	March 31, 2013	December 31, 2012
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 296	\$ 356
Accounts Receivable	40	22
Like-Kind Exchange Funds Held in Escrow	53	—
Inventories	55	49
Deferred Tax Asset	7	7
Assets Held for Sale	39	61
Other Current Assets	15	13
	<u>505</u>	<u>508</u>
Timber and Timberlands, net	3,374	3,363
Mineral Rights, net	87	87
Property, Plant and Equipment, net	122	127
Equity Investment in Timberland Venture	191	204
Deferred Tax Asset	18	19
Investment in Grantor Trusts (at Fair Value)	41	39
Other Assets	34	37
Total Assets	<u>\$ 4,372</u>	<u>\$ 4,384</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Current Portion of Long-Term Debt	\$ 74	\$ 248
Line of Credit	278	104
Accounts Payable	24	26
Interest Payable	21	26
Wages Payable	9	29
Taxes Payable	10	9
Deferred Revenue	16	23
Other Current Liabilities	12	7
	<u>444</u>	<u>472</u>
Long-Term Debt	1,815	1,815
Note Payable to Timberland Venture	783	783
Other Liabilities	90	91
Total Liabilities	<u>3,132</u>	<u>3,161</u>
Commitments and Contingencies		
<b>STOCKHOLDERS' EQUITY</b>		
Preferred Stock, \$0.01 Par Value, Authorized Shares – 75.0, Outstanding – None	—	—
Common Stock, \$0.01 Par Value, Authorized Shares – 300.6, Outstanding (net of Treasury Stock) – 162.7 at March 31, 2013 and 162.0 at December 31, 2012	2	2
Additional Paid-In Capital	2,316	2,288
Retained Earnings (Accumulated Deficit)	(109)	(97)
Treasury Stock, at Cost, Common Shares – 27.0 at March 31, 2013 and 26.9 at December 31, 2012	(940)	(938)
Accumulated Other Comprehensive Income (Loss)	(29)	(32)
Total Stockholders' Equity	<u>1,240</u>	<u>1,223</u>
Total Liabilities and Stockholders' Equity	<u>\$ 4,372</u>	<u>\$ 4,384</u>

**PLUM CREEK TIMBER COMPANY, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(UNAUDITED)**

(In Millions)	Quarter Ended March 31,	
	2013	2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Income	\$ 56	\$ 29
Adjustments to Reconcile Net Income to Net Cash Provided By Operating Activities:		
Depreciation, Depletion and Amortization	26	27
Basis of Real Estate Sold	25	63
Equity Earnings from Timberland Venture	(14)	(13)
Distributions from Timberland Venture	27	28
Deferred Income Taxes	1	(1)
Deferred Revenue from Long-Term Gas Leases (Net of Amortization)	(3)	(2)
Timber Deed Acquired	(18)	(98)
Working Capital Changes Impacting Cash Flow:		
Like-Kind Exchange Funds	(53)	—
Other Working Capital Changes	(52)	(30)
Other	6	3
Net Cash Provided By Operating Activities	1	6
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital Expenditures (Excluding Timberland Acquisitions)	(14)	(18)
Timberlands Acquired	(2)	(2)
Other	—	(1)
Net Cash Used In Investing Activities	(16)	(21)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends	(68)	(68)
Borrowings on Line of Credit	291	759
Repayments on Line of Credit	(117)	(656)
Debt Issuance Costs	—	(3)
Principal Payments and Retirement of Long-Term Debt	(174)	—
Proceeds from Stock Option Exercises	25	3
Acquisition of Treasury Stock	(2)	(1)
Net Cash Provided By (Used In) Financing Activities	(45)	34
Increase (Decrease) In Cash and Cash Equivalents	(60)	19
Cash and Cash Equivalents:		
Beginning of Period	356	254
End of Period	\$ 296	\$ 273

**PLUM CREEK TIMBER COMPANY, INC.**  
**SEGMENT DATA**  
**(UNAUDITED)**

(In Millions)	Quarter Ended March 31,	
	2013	2012
<b>Revenues:</b>		
Northern Resources	\$ 74	\$ 64
Southern Resources	104	97
Real Estate	78	100
Manufacturing	86	76
Other	6	6
Eliminations	(8)	(6)
Total Revenues	\$ 340	\$ 337
<b>Operating Income (Loss):</b>		
Northern Resources	\$ 11	\$ 6
Southern Resources	24	21
Real Estate	45	30
Manufacturing	10	4
Other	5	5
Other Costs and Eliminations, net	(17)	(16)
Total Operating Income	\$ 78	\$ 50
<b>Adjusted EBITDA by Segment: <sup>(A)</sup></b>		
Northern Resources	\$ 18	\$ 13
Southern Resources	38	36
Real Estate	70	93
Manufacturing	14	8
Other	5	5
Other Costs and Eliminations, net	(17)	(16)
Total	\$ 128	\$ 139

(A) Refer to the separate schedule, "Segment Data - Adjusted EBITDA" for reconciliations of Adjusted EBITDA to operating income and net cash provided by operating activities.

**PLUM CREEK TIMBER COMPANY, INC.**  
**SELECTED OPERATING STATISTICS**  
**(UNAUDITED)**

		2013				
		1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
<b>Sales Realization</b>						
<b>Units</b>						
<b>Southern Resources</b>						
Sawlog	\$/Ton Stumpage	\$ 21	\$ —	\$ —		\$ 21
Pulpwood	\$/Ton Stumpage	\$ 11	\$ —	\$ —		\$ 11
<b>Northern Resources</b>						
Sawlog	\$/Ton Delivered	\$ 77	\$ —	\$ —		\$ 77
Pulpwood	\$/Ton Delivered	\$ 43	\$ —	\$ —		\$ 43
Lumber <sup>(1)</sup>	\$/MBF	\$ 568	\$ —	\$ —		\$ 568
Plywood <sup>(1)</sup>	\$/MSF	\$ 462	\$ —	\$ —		\$ 462
Fiberboard <sup>(1)</sup>	\$/MSF	\$ 639	\$ —	\$ —		\$ 639
<b>Sales Volume</b>						
<b>Southern Resources</b>						
Sawlog	1,000 Tons	1,339	—	—		1,339
Pulpwood	1,000 Tons	1,771	—	—		1,771
Total Harvest		3,110	—	—	—	3,110
<b>Northern Resources</b>						
Sawlog	1,000 Tons	704	—	—		704
Pulpwood	1,000 Tons	414	—	—		414
Total Harvest		1,118	—	—	—	1,118
Lumber	MBF	30,535	—	—		30,535
Plywood	MSF	46,905	—	—		46,905
Fiberboard	MSF	52,329	—	—		52,329
		2012				
		1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
<b>Sales Realization</b>						
<b>Units</b>						
<b>Southern Resources</b>						
Sawlog	\$/Ton Stumpage	\$ 19	\$ 20	\$ 20	\$ 20	\$ 20
Pulpwood	\$/Ton Stumpage	\$ 10	\$ 10	\$ 10	\$ 11	\$ 10
<b>Northern Resources</b>						
Sawlog	\$/Ton Delivered	\$ 67	\$ 71	\$ 69	\$ 68	\$ 69
Pulpwood	\$/Ton Delivered	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42
Lumber <sup>(1)</sup>	\$/MBF	\$ 529	\$ 551	\$ 525	\$ 521	\$ 532
Plywood <sup>(1)</sup>	\$/MSF	\$ 387	\$ 409	\$ 432	\$ 450	\$ 419
Fiberboard <sup>(1)</sup>	\$/MSF	\$ 607	\$ 620	\$ 636	\$ 634	\$ 625
<b>Sales Volume</b>						
<b>Southern Resources</b>						
Sawlog	1,000 Tons	1,340	1,533	1,533	1,333	5,739
Pulpwood	1,000 Tons	1,842	1,933	2,151	2,084	8,010
Total Harvest		3,182	3,466	3,684	3,417	13,749
<b>Northern Resources</b>						
Sawlog	1,000 Tons	656	632	679	634	2,601
Pulpwood	1,000 Tons	452	316	441	377	1,586
Total Harvest		1,108	948	1,120	1,011	4,187
Lumber	MBF	30,199	30,340	27,645	27,158	115,342
Plywood	MSF	53,301	51,397	48,984	45,674	199,356
Fiberboard	MSF	44,701	52,475	54,992	47,314	199,482

(1) Represents prices at mill level.

**PLUM CREEK TIMBER COMPANY, INC.**  
**LAND SALE STATISTICS**  
**(UNAUDITED)**

	2013				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
<b>Acres Sold</b>					
Small Non-strategic	5,685				5,685
Large Non-strategic <sup>(1)</sup>	36,000				36,000
Conservation	970				970
HBU/Recreation	7,595				7,595
Development Properties	—				—
Conservation Easements	n/a				n/a
	50,250	—	—		50,250
<b>Price per Acre</b>					
Small Non-strategic	\$ 1,230				\$ 1,230
Large Non-strategic	\$ 1,475				\$ 1,475
Conservation	\$ 2,580				\$ 2,580
HBU/Recreation	\$ 2,015				\$ 2,015
Development Properties	\$ —				\$ —
Conservation Easements	\$ —				\$ —
<b>Revenue, (\$ millions)</b>					
Small Non-strategic	\$ 7				\$ 7
Large Non-strategic	\$ 53				\$ 53
Conservation	\$ 3				\$ 3
HBU/Recreation	\$ 15				\$ 15
Development Properties	\$ —				\$ —
Conservation Easements	\$ —				\$ —
	\$ 78	\$ —	\$ —		\$ 78
<b>Proceeds from Real Estate Joint Venture <sup>(3)</sup></b>	\$ —				\$ —
<b>Basis of Real Estate Sold <sup>(4)</sup></b>	\$ 25				\$ 25
	2012				
	1st Qtr	2nd Qtr <sup>(2)</sup>	3rd Qtr	4th Qtr	YTD
<b>Acres Sold</b>					
Small Non-strategic	4,385	17,870	5,750	17,115	45,120
Large Non-strategic <sup>(1)</sup>	69,770	—	99,800	16,600	186,170
Conservation	1,145	1,320	5,400	3,565	11,430
HBU/Recreation	4,030	6,720	5,410	9,735	25,895
Development Properties	—	—	—	—	—
Conservation Easements	n/a	n/a	n/a	n/a	n/a
	79,330	25,910	116,360	47,015	268,615
<b>Price per Acre</b>					
Small Non-strategic	\$ 1,115	\$ 1,165	\$ 1,455	\$ 1,365	\$ 1,270
Large Non-strategic	\$ 1,210	\$ —	\$ 675	\$ 3,510	\$ 1,130
Conservation	\$ 1,560	\$ 2,315	\$ 905	\$ 2,260	\$ 1,555
HBU/Recreation	\$ 2,140	\$ 1,955	\$ 2,100	\$ 1,940	\$ 2,000
Development Properties	\$ —	\$ —	\$ —	\$ —	\$ —
Conservation Easements	\$ —	\$ 28	\$ —	\$ —	\$ 28
<b>Revenue, (\$ millions)</b>					
Small Non-strategic	\$ 5	\$ 21	\$ 8	\$ 24	\$ 58
Large Non-strategic	\$ 84	\$ —	\$ 67	\$ 58	\$ 209
Conservation	\$ 2	\$ 3	\$ 5	\$ 8	\$ 18
HBU/Recreation	\$ 9	\$ 13	\$ 11	\$ 19	\$ 52
Development Properties	\$ —	\$ —	\$ —	\$ —	\$ —
Conservation Easements	\$ —	\$ 10	\$ —	\$ —	\$ 10
	\$ 100	\$ 47	\$ 91	\$ 109	\$ 347
<b>Proceeds from Real Estate Joint Venture <sup>(3)</sup></b>	\$ —	\$ —	\$ 5	\$ —	\$ 5
<b>Basis of Real Estate Sold <sup>(4)</sup></b>	\$ 63	\$ 12	\$ 36	\$ 27	\$ 138

**Plum Creek Timber Company, Inc.**  
**Notes to Land Sale Statistics**  
**(Unaudited)**

- (1) During the first quarter of 2013, the company sold 36,000 acres of Large Non-strategic lands located in Texas and Oklahoma for \$52.7 million. During the first quarter of 2012, the company sold 69,800 acres of Large Non-strategic lands located in the Florida panhandle area for \$84.5 million. During the third quarter of 2012, the company sold 99,800 acres of Large Non-strategic lands located in Wisconsin for \$67.1 million. During the fourth quarter of 2012, the company sold 16,600 acres of Large Non-strategic lands located in Oregon for \$58.2 million.
- (2) During the second quarter of 2012, the company received \$10 million in exchange for placing a conservation easement on approximately 360,000 acres in Maine.
- (3) Not reflected in the land sale statistics (acres sold, price per acre and revenue).
- (4) Includes \$18 million in the first quarter of 2013 from a 36,000 acre Large Non-strategic sale located in Texas and Oklahoma, \$58 million in the first quarter of 2012 from a 69,800 acre Large Non-strategic sale located primarily in the Florida panhandle area, \$26 million in the third quarter of 2012 from a 99,800 acre Large Non-strategic sale in Wisconsin and \$12 million in the fourth quarter of 2012 from a 16,600 acre Large Non-strategic sale in Oregon.

**PLUM CREEK TIMBER COMPANY, INC.**  
**DEBT MATURITIES SCHEDULE**  
**March 31, 2013**  
**(UNAUDITED)**

	Borrowings	
	Principal	Weighted Avg. Interest Rate
<b><u>Quarterly Maturities through 2013:</u></b>		
4th Qtr 2013	\$ 76	7.773% <sup>(1)</sup>
<b><u>Annual Maturities through 2015:</u></b>		
2014	\$ 3	8.050%
2015	\$ 462	5.891% <sup>(2)</sup>

(1) Principal amount composed of senior notes with principal amounts of \$3 million and \$73 million and interest rates of 8.050% and 7.760%, respectively.

(2) Principal amount composed of senior notes with principal amounts of \$4 million and \$458 million and interest rates of 8.050% and 5.875%, respectively.



**Plum Creek Timber Company, Inc**  
**Segment Data - Adjusted EBITDA**  
**Reconciliation of Operating Income and Net Cash**  
**Provided by Operating Activities**  
**(Unaudited)**

We define Adjusted EBITDA as earnings from continuing operations, excluding equity method earnings, and before interest, taxes, depreciation, depletion, amortization, and basis in lands sold. Adjusted EBITDA is not considered a measure of financial performance under U.S. generally accepted accounting principles (U.S. GAAP) and the items excluded from Adjusted EBITDA are significant components of our consolidated financial statements.

We present Adjusted EBITDA as a supplemental performance measure because we believe it facilitates operating performance comparisons from period to period, and each business segment's contribution to that performance, by eliminating non-cash charges to earnings, which can vary significantly by business segment. These non-cash charges include timber depletion, depreciation of fixed assets and the basis in lands sold. We also use Adjusted EBITDA as a supplemental liquidity measure because we believe it is useful in measuring our ability to generate cash. In addition, we believe Adjusted EBITDA is commonly used by investors, lenders and rating agencies to assess our financial performance.

A reconciliation of Adjusted EBITDA to net income and net cash from operating activities, the most directly comparable U.S. GAAP performance and liquidity measures, is provided in the following schedules:

	<b>Quarter Ended March 31, 2013</b>			
	Operating Income	Depreciation, Depletion and Amortization	Basis of Real Estate Sold	Adjusted EBITDA
<b>By Segment</b>				
Northern Resources	\$ 11	\$ 7	\$ —	\$ 18
Southern Resources	24	14	—	38
Real Estate	45	—	25	70
Manufacturing	10	4	—	14
Other	5	—	—	5
Other Costs and Eliminations	(17)	—	—	(17)
Other Unallocated Operating Income (Expense), net	—	—	—	—
Total	<u>\$ 78</u>	<u>\$ 25</u>	<u>\$ 25</u>	<u>\$ 128</u>
<b>Reconciliation to Net Income<sup>(1)</sup></b>				
Equity Earnings from Timberland Venture	14			
Interest Expense	(35)			
(Provision) Benefit for Income Taxes	(1)			
Net Income	<u>\$ 56</u>			
<b>Reconciliation to Net Cash Provided By Operating Activities</b>				
Net Cash Flows from Operations				\$ 1
Interest Expense				35
Amortization of Debt Costs				(1)
Provision / (Benefit) for Income Taxes				1
Distributions from Timberland Venture				(27)
Deferred Income Taxes				(1)
Gain on Sale of Properties and Other Assets				—
Deferred Revenue from Long-Term Gas Leases				3
Timber Deed Acquired				18
Pension Plan Contributions				—
Working Capital Changes				105
Other				(6)
Adjusted EBITDA				<u>\$ 128</u>

(1) Includes reconciling items not allocated to segments for financial reporting purposes.

**Quarter Ended March 31, 2012**

	Operating Income	Depreciation, Depletion and Amortization	Basis of Real Estate Sold	Adjusted EBITDA
<b>By Segment</b>				
Northern Resources	\$ 6	\$ 7	\$ —	\$ 13
Southern Resources	21	15	—	36
Real Estate	30	—	63	93
Manufacturing	4	4	—	8
Other	5	—	—	5
Other Costs and Eliminations	(16)	—	—	(16)
Other Unallocated Operating Income (Expense), net	—	—	—	—
Total	<u>\$ 50</u>	<u>\$ 26</u>	<u>\$ 63</u>	<u>\$ 139</u>
<b>Reconciliation to Net Income<sup>(1)</sup></b>				
Equity Earnings from Timberland Venture	13			
Interest Expense	(35)			
(Provision) Benefit for Income Taxes	1			
Net Income	<u>\$ 29</u>			
<b>Reconciliation to Net Cash Provided By Operating Activities</b>				
Net Cash Flows from Operations				\$ 6
Interest Expense				35
Amortization of Debt Costs				(1)
Provision / (Benefit) for Income Taxes				(1)
Distributions from Timberland Venture				(28)
Deferred Income Taxes				1
Gain on Sale of Properties and Other Assets				—
Deferred Revenue from Long-Term Gas Leases				2
Timber Deed Acquired				98
Pension Plan Contributions				—
Working Capital Changes				30
Other				(3)
Adjusted EBITDA				<u>\$ 139</u>

(1) Includes reconciling items not allocated to segments for financial reporting purposes.