

[Plum Creek Timber Company Inc.](#) (NYSE: PCL) announced today that it has formed a joint venture with several institutional investors to own and sustainably manage a portfolio of U.S. timberlands. Silver Creek Capital Management, a Seattle-based fund manager and fiduciary to investors (unrelated to Plum Creek), will act as the managing member and independent fiduciary. The initial committed investors include the Washington State Investment Board, the Oregon Public Employees Retirement Fund, and the Alaska Permanent Fund Corporation. The venture is expected to begin operations in January 2016.

The joint venture, known as Twin Creeks Timber, LLC, will provide the institutional investors an opportunity to co-invest in timberlands currently managed by Plum Creek with the objective of growing the portfolio to approximately \$1 billion in valuation over time through opportunistic, selective timberland acquisitions from third parties. The venture is intended to be a long-term timberland investment with an initial 15-year term. The initial portfolio, valued at approximately \$560 million, will consist of 260,000 acres of Southern U.S. timberland located in five states sourced from Plum Creek.

Plum Creek will manage the Twin Creeks timberlands and own 25 percent of the common equity of the joint venture. The institutional investors will collectively own 75 percent of the common equity of the joint venture.

"We're excited to partner with Silver Creek and these leading institutions who share Plum Creek's management philosophy and recognize the benefits of a long-term investment in a diversified portfolio of high-quality timberlands," said Rick Holley, chief executive officer of Plum Creek. "Importantly, this co-investment structure uniquely aligns the interests of the property manager and investor clients, an important consideration for institutional investors. The joint venture creates another platform for future growth at Plum Creek, while preserving local timber market presence and established economies of scale. We look forward to managing and growing the joint venture, while delivering attractive returns over the long term."

Plum Creek will sell timberlands valued at approximately \$420 million to Twin Creeks for cash in a transaction expected to close in January 2016.

In return for its 75 percent common interest in Twin Creeks, the institutional investor group will:

- contribute approximately \$420 million to Twin Creeks, and
- commit capital of approximately \$330 million for future timberland acquisitions.

In return for its 25 percent common interest in the venture, Plum Creek will:

- contribute timberlands valued at approximately \$140 million to Twin Creeks, and
- commit capital of approximately \$110 million for future timberland acquisitions.

Holley concluded, "The formation of Twin Creeks is expected to be cash accretive to Plum Creek. We will recognize our share of Twin Creeks' operating income, receive common distributions from Twin Creeks, and receive management fees for our timberland management activities. We also expect to use the proceeds from the timberland sale to the joint venture to pay down debt and conduct an attractive value arbitrage by repurchasing Plum Creek shares at a significant discount to the underlying asset value. Recently Plum Creek's board refreshed our share repurchase authorization to \$200 million."

Additional information about the venture can be found on Plum Creek's website, [www.plumcreek.com](http://www.plumcreek.com).

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 "expects," "will," "approximately," or "intends," 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; the market for Plum Creek common stock; the ability of the joint venture to manage and harvest its timber; the ability of the joint venture to execute its acquisition strategy; changes in governmental, legislative and environmental restrictions and various existing regulatory constraints; and catastrophic losses from fires, floods and other natural disasters. Some of these and other risks, uncertainties and assumptions are described from time to time in Plum Creek's 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 the joint

venture 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 the joint venture undertakes any obligation to update or revise any forward-looking statements.

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