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

	Nine Months	Ended Se	ptember 30,
(In Millions, Except Per Share Amounts)	2012		2011
REVENUES:			
Timber	\$ 48	80 \$	42
Real Estate	24	43	208
Manufacturing	24	46	208
Other		<u> </u>	15
Total Revenues	99	85	852
COSTS AND EXPENSES:			
Cost of Goods Sold:			
Timber	3'	74	327
Real Estate	1:	24	68
Manufacturing	2	17	190
Other		1	
Total Cost of Goods Sold	7	16	586
Selling, General and Administrative		<u> </u>	77
Total Costs and Expenses	8	02	663
Other Operating Income (Expense), net		1	
Operating Income	18	84	192
Equity Earnings from Timberland Venture		12	44
Interest Expense, net:			
Interest Expense (Debt Obligations to Unrelated Parties)		61	6.
Interest Expense (Note Payable to Timberland Venture)		13	43
Total Interest Expense, net		04	104
Income before Income Taxes	12	22	132
Provision (Benefit) for Income Taxes		(2)	
· · ·			
Net Income	\$ 12	\$	132
PER SHARE AMOUNTS:			
Net Income per Share – Basic	\$ 0.	77 \$	0.8
Net Income per Share – Diluted	\$ 0.		0.8
Weighted-Average Number of Shares Outstanding			
– Basic	161	.5	161.9
– Diluted	161	.8	162.2

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

(In Millions, Except Per Share Amounts) 2012 REVENUES: 160 Real Estate 90 Manufacturing 85 Other 25 Total Revenues 355 COSTS AND EXPENSES: 355 Cost of Goods Sold: 36 Timber 130 Real Estate 44 Manufacturing 76 Other 2 Total Cost of Goods Sold 24 Selling, General and Administrative 3 Total Costs and Expenses 27: Other Operating Income (Expense), net 2 Operating Income 79 Equity Earnings from Timberland Venture 14 Interest Expense, net: Interest Expense (Debt Obligations to Unrelated Parties) 2	5 5 5 4 0 0 1 1 1	2011 154 67 67 293 119 62 — 200
Timber \$ 166 Real Estate 90 Manufacturing 85 Other - Total Revenues 35- COSTS AND EXPENSES: Cost of Goods Sold: Timber 130 Real Estate 44 Manufacturing 7- Other - Total Cost of Goods Sold 24- Selling, General and Administrative 3 Total Costs and Expenses 27- Other Operating Income (Expense), net - Operating Income 7- Equity Earnings from Timberland Venture 1- Interest Expense, net: 1-	5 5 5 4 0 0 1 1 1	119 62 293
Real Estate 90 Manufacturing 88 Other 2 Total Revenues 35 COSTS AND EXPENSES: Cost of Goods Sold: Timber 136 Real Estate 44 Manufacturing 70 Other — Total Cost of Goods Sold 24 Selling, General and Administrative 3 Total Costs and Expenses 27: Other Operating Income (Expense), net — Operating Income 79 Equity Earnings from Timberland Venture 14 Interest Expense, net: 14	5 5 5 4 0 0 1 1 1	119 62 293
Manufacturing 88 Other 35- Cost AND EXPENSES: Cost of Goods Sold: Timber 136 Real Estate 44 Manufacturing 7- Other — Total Cost of Goods Sold 24- Selling, General and Administrative 3 Total Costs and Expenses 27: Other Operating Income (Expense), net — Operating Income 79 Equity Earnings from Timberland Venture 14 Interest Expense, net: 14)))) 1 1 - 1	119 19 62
Other 356 Total Revenues 356 COSTS AND EXPENSES: 2 Cost of Goods Sold: 3 Timber 130 Real Estate 44 Manufacturing 74 Other — Total Cost of Goods Sold 244 Selling, General and Administrative 3 Total Costs and Expenses 275 Other Operating Income (Expense), net — Operating Income 75 Equity Earnings from Timberland Venture 14 Interest Expense, net: 14))) 1 1 - 1	293 119 19 62
Total Revenues 35-4 COSTS AND EXPENSES: 25-4 Cost of Goods Sold: 130-4 Timber 130-4 Real Estate 44-4 Manufacturing 7-4 Other - Total Cost of Goods Sold 24-4 Selling, General and Administrative 3 Total Costs and Expenses 27-5 Other Operating Income (Expense), net - Operating Income 7-5 Equity Earnings from Timberland Venture 14-4 Interest Expense, net: 14-4))) 1 - 1	293 119 19 62
COSTS AND EXPENSES: Cost of Goods Sold: 130 Timber 13 Real Estate 40 Manufacturing 74 Other — Total Cost of Goods Sold 244 Selling, General and Administrative 3 Total Costs and Expenses 27: Other Operating Income (Expense), net — Operating Income 75 Equity Earnings from Timberland Venture 14 Interest Expense, net: 14)) 4 - 4	119 19 62
Cost of Goods Sold: Timber Real Estate Manufacturing Other Total Cost of Goods Sold Selling, General and Administrative Total Costs and Expenses Total Costs and Expenses Other Operating Income (Expense), net Coperating Income Equity Earnings from Timberland Venture Interest Expense, net:) 1 - 1 1	19 62 —
Timber 136 Real Estate 446 Manufacturing 776 Other — — Total Cost of Goods Sold 246 Selling, General and Administrative 337 Total Costs and Expenses 2775 Other Operating Income (Expense), net — — — — — — — — — — — — — — — — — — —) 1 - 1 1	19 62 —
Real Estate Manufacturing Other Total Cost of Goods Sold Selling, General and Administrative Total Costs and Expenses Total Costs and Expenses Other Operating Income (Expense), net Equity Earnings from Timberland Venture Interest Expense, net:) 1 - 1 1	19 62 —
Manufacturing Other Other Total Cost of Goods Sold Selling, General and Administrative Total Costs and Expenses Total Costs and Expenses Other Operating Income (Expense), net Operating Income Equity Earnings from Timberland Venture Interest Expense, net:	1 1 	62
Other Total Cost of Goods Sold Selling, General and Administrative Total Costs and Expenses Other Operating Income (Expense), net Operating Income Equity Earnings from Timberland Venture Interest Expense, net:	- 1 1	_
Other Total Cost of Goods Sold Selling, General and Administrative Total Costs and Expenses Other Operating Income (Expense), net Operating Income Equity Earnings from Timberland Venture Interest Expense, net:	<u> </u>	_
Selling, General and Administrative Total Costs and Expenses Other Operating Income (Expense), net Operating Income Equity Earnings from Timberland Venture Interest Expense, net:	<u> </u>	200
Selling, General and Administrative Total Costs and Expenses Other Operating Income (Expense), net Operating Income Equity Earnings from Timberland Venture Interest Expense, net:		200
Total Costs and Expenses 275 Other Operating Income (Expense), net — Operating Income 579 Equity Earnings from Timberland Venture 149 Interest Expense, net:		24
Other Operating Income (Expense), net Operating Income 79 Equity Earnings from Timberland Venture Interest Expense, net:	5	224
Operating Income 79 Equity Earnings from Timberland Venture 14 Interest Expense, net:		
Equity Earnings from Timberland Venture Interest Expense, net:		_
Interest Expense, net:)	69
	Į.	14
		20
Interest Expense (Note Payable to Timberland Venture) 14		14
Total Interest Expense, net 33		34
Total Interest Expense, net	,	<i>J</i> -
Income before Income Taxes 58	}	49
Provision (Benefit) for Income Taxes	i)	(1
Net Income \$ 59	\$	5(
PER SHARE AMOUNTS:		
Net Income per Share – Basic \$ 0.30	5 \$	0.31
Net Income per Share – Diluted \$ 0.30		0.31
Weighted-Average Number of Shares Outstanding		
- Basic 161.		161.9
- Basic - Diluted 161.9		161.5

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

(In Millions, Except Per Share Amounts)	Sept	tember 30, 2012	De	cember 31, 2011
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$	320	\$	254
Accounts Receivable		39		28
Inventories		49		48
Deferred Tax Asset		6		6
Assets Held for Sale		44		103
Other Current Assets		14		15
		472		454
Timber and Timberlands, net		3,423		3,377
Property, Plant and Equipment, net		128		138
Equity Investment in Timberland Venture		187		201
Deferred Tax Asset		18		17
Investment in Grantor Trusts (at Fair Value)		38		36
Other Assets		37		36
Total Assets	\$	4,303	\$	4,259
10111110010	Ψ	1,000	Ψ	1,237
LIABILITIES				
Current Liabilities:				
Current Portion of Long-Term Debt	\$	176	\$	352
Line of Credit	-	351	•	348
Accounts Payable		29		25
Interest Payable		25		26
Wages Payable		19		20
Taxes Payable		16		9
Deferred Revenue		31		27
Other Current Liabilities		9		8
		656		815
Long-Term Debt		1,567		1,290
Note Payable to Timberland Venture		783		783
Other Liabilities		98		108
Total Liabilities		3,104		2,996
Commitments and Contingencies				
STOCKHOLDERS' EQUITY				
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) – 161.6 at September 30, 2012 and 161.3 at December 31, 2011		2		2
Additional Paid-In Capital		2,273		2,261
Retained Earnings (Accumulated Deficit)		(108)		(28)
Treasury Stock, at Cost, Common Shares – 26.9 at September 30, 2012 and 26.9 at December 31, 2011		(938)		(937)
Accumulated Other Comprehensive Income (Loss)		(30)		(35)
Total Stockholders' Equity	_	1,199	_	1,263
Total Liabilities and Stockholders' Equity	\$	4,303	\$	4,259
Total Liabilities and Stockholders Equity	Ф	4,303	\$	4,239

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

	Nine 1	Months End	ed Septemb	ber 30,
(In Millions)		2012	201	1
CASH FLOWS FROM OPERATING ACTIVITIES				
Net Income	\$	124	\$	132
Adjustments to Reconcile Net Income to Net Cash Provided By Operating Activities:				
Depreciation, Depletion and Amortization		87		70
Basis of Real Estate Sold		111		57
Equity Earnings from Timberland Venture		(42)		(44)
Distributions from Timberland Venture		56		56
Deferred Income Taxes		(1)		2
Deferred Revenue from Long-Term Gas Leases (Net of Amortization)		(6)		14
Timber Deed Acquired		(98)		_
Pension Plan Contributions		(10)		(3)
Working Capital Changes Impacting Cash Flow:		· · ·		
Like-Kind Exchange Funds		_		
Other Working Capital Changes		5		_
Other		11		10
Net Cash Provided By Operating Activities		237		294
<i>y</i> 1				
CASH FLOWS FROM INVESTING ACTIVITIES				
Capital Expenditures (Excluding Timberland Acquisitions)		(52)		(43)
Timberlands and Minerals Acquired		(18)		(88)
Other		(1)		_
Net Cash Used In Investing Activities		(71)		(131)
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends		(204)		(204)
Borrowings on Line of Credit		1,712		1,097
Repayments on Line of Credit		(1,709)		(961)
Proceeds from Issuance of Long-Term Debt		450		_
Debt Issuance Costs		(3)		
Principal Payments and Retirement of Long-Term Debt		(350)		(49)
Proceeds from Stock Option Exercises		5		9
Acquisition of Treasury Stock		(1)		(16)
Net Cash Used In Financing Activities		(100)		(124)
<u> </u>				/_
Increase (Decrease) In Cash and Cash Equivalents		66		39
Cash and Cash Equivalents:				
Beginning of Period		254		252
End of Period	\$	320	\$	291

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

CASH FLOWS FROM OPERATING ACTIVITIES S		Quarter Ende	d September 30,
Net Income \$ 59 \$ 50 Adjustments to Reconcile Net Income to Net Cash Provided By Operating Activities: Secondary of the Adjustments to Reconcile Net Income to Net Cash Provided By Operating Activities: Depreciation, Depletion and Amortization 31 26 Basis of Real Estate Sold 36 14 Equity Earnings from Timberland Venture 28 28 Deferred Income Taxes — (2) Deferred Revenue from Long-Term Gas Leases (Net of Amortization) (11) 2 Pension Plan Contributions (3) (3) Working Capital Changes Impacting Cash Flow: — 35 Like-Kind Exchange Funds — 35 Other Working Capital Changes 7 (4) Other 5 5 Net Cash Provided By Operating Activities 148 137 CASH FLOWS FROM INVESTING ACTIVITIES (17) (15) Capital Expenditures (Excluding Timberland Acquisitions) (17) (15) Timberlands and Minerals Acquired (5) (76) Net Cash Used In Investing Activities (2) (91) CASH FLOWS FROM FINANCING ACTIVITIES (68) (68) Dividends (68) (68) Borrowings on Line of Credit 583 542 Repayments on Lin	(In Millions)	2012	2011
Adjustments to Reconcile Net Income to Net Cash Provided By Operating Activities: Depreciation, Depletion and Amortization 31 26 Basis of Real Estate Sold 36 14 Equity Earnings from Timberland Venture (14) (14) Distributions from Timberland Venture 28 28 Deferred Income Taxes — (2) Deferred Revenue from Long-Term Gas Leases (Net of Amortization) (1) 2 Pension Plan Contributions (3) (3) Working Capital Changes Impacting Cash Flow: Like-Kind Exchange Funds — 35 Other Working Capital Changes — 35 Other Working Capital Changes 7 (4) Other 5 5 5 Net Cash Provided By Operating Activities 148 137 CASH FLOWS FROM INVESTING ACTIVITIES (5) (76) Net Cash Used In Investing Activities (5) (76) CASH FLOWS FROM FINANCING ACTIVITIES (5) (76) Dividends (68) (68) Borrowings on Line of Credit (583) (467) Proceeds from Issuance of Long-Term Debt (450) — Debt Issuance Costs — — Principal Payments and Retirement of Long-Term Debt (350) — Proceeds from Stock Option Exercises 2 — Acquisition of Treasury Stock — (15) Net Cash Used In Financing Activities (66) (8) Increase (Decrease) In Cash and Cash Equivalents (60) (8)	CASH FLOWS FROM OPERATING ACTIVITIES		
Depreciation, Depletion and Amortization 31 26	Net Income	\$ 59	\$ 50
Basis of Real Estate Sold 36 14 Equity Earnings from Timberland Venture (14) (14) Distributions from Timberland Venture 28 28 Deferred Income Taxes — (2) Deferred Revenue from Long-Term Gas Leases (Net of Amortization) (1) 2 Pension Plan Contributions (3) (3) (3) Working Capital Changes Impacting Cash Flow: — 35 Like-Kind Exchange Funds — 35 Other Working Capital Changes 7 (4) Other 5 5 5 Net Cash Provided By Operating Activities 148 137 Cash FLOWS FROM INVESTING ACTIVITIES Timberlands and Minerals Acquired (5) (76) Net Cash Used In Investing Activities (22) (91) Cash FLOWS FROM FINANCING ACTIVITIES Cash Used In Investing Activities (68) (68) Borrowings on Line of Credit 583 542 (68) (68) (68) (68) Borrowings on Line of Credit (68) (68) (68) (68)	Adjustments to Reconcile Net Income to Net Cash Provided By Operating Activities:		
Equity Earnings from Timberland Venture (14) (14) Distributions from Timberland Venture 28 28 Deferred Income Taxes — (2) Deferred Revenue from Long-Term Gas Leases (Net of Amortization) (1) 2 Pension Plan Contributions (3) (3) Working Capital Changes Impacting Cash Flow: — 35 Like-Kind Exchange Funds — 35 Other Working Capital Changes 7 (4) Other 5 5 Net Cash Provided By Operating Activities 148 137 CASH FLOWS FROM INVESTING ACTIVITIES Timberlands and Minerals Acquired (5) (76) Net Cash Used In Investing Activities (22) (91) CASH FLOWS FROM FINANCING ACTIVITIES (5) (76) Dividends (68) (68) Borrowings on Line of Credit 583 542 Repayments on Line of Credit (68) (68) Repayments on Line of Credit (68) (68) Proceeds from Issuance of Long-Term Debt 450 — <tr< td=""><td>Depreciation, Depletion and Amortization</td><td>31</td><td>26</td></tr<>	Depreciation, Depletion and Amortization	31	26
Distributions from Timberland Venture 28 28 Deferred Income Taxes — (2) Deferred Revenue from Long-Term Gas Leases (Net of Amortization) (1) 2 Pension Plan Contributions (3) (3) Working Capital Changes Impacting Cash Flow: — 35 Like-Kind Exchange Funds — 35 Other Working Capital Changes 7 (4) Other 5 5 Net Cash Provided By Operating Activities 148 137 CASH FLOWS FROM INVESTING ACTIVITIES Timberlands and Minerals Acquired (5) (76) Net Cash Used In Investing Activities (22) (91) CASH FLOWS FROM FINANCING ACTIVITIES Time Cash Used In Investing Activities (68) (68) Dividends (68) (68) (68) Borrowings on Line of Credit 583 542 Repayments on Line of Credit 583 542 Repayments on Line of Credit (683) (467) Proceeds from Issuance of Long-Term Debt 450 — Principal Payments and Reti	Basis of Real Estate Sold	36	14
Deferred Income Taxes	Equity Earnings from Timberland Venture	(14)	(14)
Deferred Revenue from Long-Term Gas Leases (Net of Amortization) 1 2 Pension Plan Contributions (3) (3) Working Capital Changes Impacting Cash Flow:	Distributions from Timberland Venture	28	28
Deferred Revenue from Long-Term Gas Leases (Net of Amortization) 1 2 Pension Plan Contributions (3) (3) Working Capital Changes Impacting Cash Flow: Like-Kind Exchange Funds Other Working Capital Changes 7 (4) Other Net Cash Provided By Operating Activities Cash Flows From Investing Activities Cash Flows From Investing Activities Cash Flows From Investing Activities Cash Used In Investing Activities Cash Used In Investing Activities Cash Flows From Financing Activities Cash Flows From Financing Activities Cash Flows From Financing Activities Cash Flows From Financing Activities Cash Flows From Financing Activities	Deferred Income Taxes	_	(2)
Pension Plan Contributions (3) (3) Working Capital Changes Impacting Cash Flow: - 35 Like-Kind Exchange Funds 7 (4) Other Working Capital Changes 7 (4) Other 5 5 Net Cash Provided By Operating Activities 148 137 CASH FLOWS FROM INVESTING ACTIVITIES (17) (15) Capital Expenditures (Excluding Timberland Acquisitions) (17) (15) Timberlands and Minerals Acquired (5) (76) Net Cash Used In Investing Activities (22) (91) CASH FLOWS FROM FINANCING ACTIVITIES (68) (68) Dividends (68) (68) Borrowings on Line of Credit 583 542 Repayments on Line of Credit 683) (467) Proceeds from Issuance of Long-Term Debt 450 — Debt Issuance Costs — — Principal Payments and Retirement of Long-Term Debt (350) — Proceeds from Stock Option Exercises 2 — Acquisition of Treasury Stock<	Deferred Revenue from Long-Term Gas Leases (Net of Amortization)	(1)	
Like-Kind Exchange Funds — 35 Other Working Capital Changes 7 (4) Other 5 5 Net Cash Provided By Operating Activities 148 137 CASH FLOWS FROM INVESTING ACTIVITIES Capital Expenditures (Excluding Timberland Acquisitions) (17) (15) Timberlands and Minerals Acquired (5) (76) Net Cash Used In Investing Activities (22) (91) CASH FLOWS FROM FINANCING ACTIVITIES Value (68) (68) Borrowings on Line of Credit 583 542 (88) (467) Proceeds from Issuance of Long-Term Debt (683) (467) (450) — Principal Payments and Retirement of Long-Term Debt (350) — — Proceeds from Stock Option Exercises 2 — — Proceeds from Stock Option Exercises 2 — Acquisition of Treasury Stock — (15) Net Cash Used In Financing Activities (66) (8) Increase (Decrease) In Cash and Cash Equivalents 60 38		(3)	(3)
Other Working Capital Changes 7 (4) Other 5 5 Net Cash Provided By Operating Activities 148 137 CASH FLOWS FROM INVESTING ACTIVITIES Capital Expenditures (Excluding Timberland Acquisitions) (17) (15) Timberlands and Minerals Acquired (5) (76) Net Cash Used In Investing Activities (22) (91) CASH FLOWS FROM FINANCING ACTIVITIES Dividends (68) (68) Borrowings on Line of Credit 583 542 Repayments on Line of Credit (683) (467) Proceeds from Issuance of Long-Term Debt 450 — Debt Issuance Costs — — Principal Payments and Retirement of Long-Term Debt (350) — Proceeds from Stock Option Exercises 2 — Acquisition of Treasury Stock — (15) Net Cash Used In Financing Activities (66) (8) Increase (Decrease) In Cash and Cash Equivalents 60 38 Cash and Cash Equivalents:	Working Capital Changes Impacting Cash Flow:		
Other 5 5 Net Cash Provided By Operating Activities 148 137 CASH FLOWS FROM INVESTING ACTIVITIES Capital Expenditures (Excluding Timberland Acquisitions) (17) (15) Timberlands and Minerals Acquired (5) (76) Net Cash Used In Investing Activities (22) (91) CASH FLOWS FROM FINANCING ACTIVITIES Value of Credit (68) (68) Borrowings on Line of Credit (683) (467) Proceeds from Issuance of Long-Term Debt 450 — Principal Payments and Retirement of Long-Term Debt (350) — Principal Payments and Retirement of Long-Term Debt (350) — Proceeds from Stock Option Exercises 2 — Acquisition of Treasury Stock — (15) Net Cash Used In Financing Activities (66) (8) Increase (Decrease) In Cash and Cash Equivalents 60 38 Cash and Cash Equivalents: — —	Like-Kind Exchange Funds	_	35
Net Cash Provided By Operating Activities 148 137 CASH FLOWS FROM INVESTING ACTIVITIES Capital Expenditures (Excluding Timberland Acquisitions) (17) (15) Timberlands and Minerals Acquired (5) (76) Net Cash Used In Investing Activities (22) (91) CASH FLOWS FROM FINANCING ACTIVITIES Dividends (68) (68) Borrowings on Line of Credit (683) (467) Proceeds from Issuance of Long-Term Debt (50) (467) Proceeds from Issuance Of Long-Term Debt (40) (40) Principal Payments and Retirement of Long-Term Debt (350) — Proceeds from Stock Option Exercises 2 — Acquisition of Treasury Stock — (15) Net Cash Used In Financing Activities (66) (8) Increase (Decrease) In Cash and Cash Equivalents 60 38 Cash and Cash Equivalents: 60 38	Other Working Capital Changes	7	(4)
CASH FLOWS FROM INVESTING ACTIVITIES Capital Expenditures (Excluding Timberland Acquisitions) (17) (15) Timberlands and Minerals Acquired (5) (76) Net Cash Used In Investing Activities (22) (91) CASH FLOWS FROM FINANCING ACTIVITIES Used as a contract of the co	Other	5	5
Capital Expenditures (Excluding Timberland Acquisitions) (17) (15) Timberlands and Minerals Acquired (5) (76) Net Cash Used In Investing Activities (22) (91) CASH FLOWS FROM FINANCING ACTIVITIES Dividends (68) (68) Borrowings on Line of Credit (683) (467) Proceeds from Issuance of Long-Term Debt (683) (467) Proceeds from Issuance Oosts — — Principal Payments and Retirement of Long-Term Debt (350) — Proceeds from Stock Option Exercises 2 — Acquisition of Treasury Stock — (15) Net Cash Used In Financing Activities (66) (8) Increase (Decrease) In Cash and Cash Equivalents 60 38 Cash and Cash Equivalents:	Net Cash Provided By Operating Activities	148	137
Capital Expenditures (Excluding Timberland Acquisitions) (17) (15) Timberlands and Minerals Acquired (5) (76) Net Cash Used In Investing Activities (22) (91) CASH FLOWS FROM FINANCING ACTIVITIES Dividends (68) (68) Borrowings on Line of Credit (683) (467) Proceeds from Issuance of Long-Term Debt (683) (467) Proceeds from Issuance Oosts — — Principal Payments and Retirement of Long-Term Debt (350) — Proceeds from Stock Option Exercises 2 — Acquisition of Treasury Stock — (15) Net Cash Used In Financing Activities (66) (8) Increase (Decrease) In Cash and Cash Equivalents 60 38 Cash and Cash Equivalents:	· · ·		
Timberlands and Minerals Acquired (5) (76) Net Cash Used In Investing Activities (22) (91) CASH FLOWS FROM FINANCING ACTIVITIES Dividends (68) (68) Borrowings on Line of Credit 583 542 Repayments on Line of Credit (683) (467) Proceeds from Issuance of Long-Term Debt 450 — Principal Payments and Retirement of Long-Term Debt (350) — Proceeds from Stock Option Exercises 2 — Acquisition of Treasury Stock — (15) Net Cash Used In Financing Activities (66) (8) Increase (Decrease) In Cash and Cash Equivalents 60 38 Cash and Cash Equivalents: 60 38	CASH FLOWS FROM INVESTING ACTIVITIES		
Net Cash Used In Investing Activities (22) (91) CASH FLOWS FROM FINANCING ACTIVITIES 583 (68) (68) Borrowings on Line of Credit 583 542 Repayments on Line of Credit (683) (467) Proceeds from Issuance of Long-Term Debt 450 — Debt Issuance Costs — — Principal Payments and Retirement of Long-Term Debt (350) — Proceeds from Stock Option Exercises 2 — Acquisition of Treasury Stock — (15) Net Cash Used In Financing Activities (66) (8) Increase (Decrease) In Cash and Cash Equivalents 60 38 Cash and Cash Equivalents: 60 38	Capital Expenditures (Excluding Timberland Acquisitions)	(17)	(15)
CASH FLOWS FROM FINANCING ACTIVITIES Dividends (68) (68) Borrowings on Line of Credit 583 542 Repayments on Line of Credit (683) (467) Proceeds from Issuance of Long-Term Debt 450 — Debt Issuance Costs — — Principal Payments and Retirement of Long-Term Debt (350) — Proceeds from Stock Option Exercises 2 — Acquisition of Treasury Stock — (15) Net Cash Used In Financing Activities (66) (8) Increase (Decrease) In Cash and Cash Equivalents 60 38 Cash and Cash Equivalents: 60 38	Timberlands and Minerals Acquired	(5)	(76)
Dividends(68)(68)Borrowings on Line of Credit583542Repayments on Line of Credit(683)(467)Proceeds from Issuance of Long-Term Debt450—Debt Issuance Costs——Principal Payments and Retirement of Long-Term Debt(350)—Proceeds from Stock Option Exercises2—Acquisition of Treasury Stock—(15)Net Cash Used In Financing Activities(66)(8)Increase (Decrease) In Cash and Cash Equivalents6038Cash and Cash Equivalents:	Net Cash Used In Investing Activities	(22)	(91)
Dividends(68)(68)Borrowings on Line of Credit583542Repayments on Line of Credit(683)(467)Proceeds from Issuance of Long-Term Debt450—Debt Issuance Costs——Principal Payments and Retirement of Long-Term Debt(350)—Proceeds from Stock Option Exercises2—Acquisition of Treasury Stock—(15)Net Cash Used In Financing Activities(66)(8)Increase (Decrease) In Cash and Cash Equivalents6038Cash and Cash Equivalents:			
Borrowings on Line of Credit Repayments on Line of Credit Repayments on Line of Credit Proceeds from Issuance of Long-Term Debt Debt Issuance Costs Principal Payments and Retirement of Long-Term Debt Proceeds from Stock Option Exercises Acquisition of Treasury Stock Net Cash Used In Financing Activities Increase (Decrease) In Cash and Cash Equivalents Cash and Cash Equivalents:	CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments on Line of Credit(683)(467)Proceeds from Issuance of Long-Term Debt450—Debt Issuance Costs——Principal Payments and Retirement of Long-Term Debt(350)—Proceeds from Stock Option Exercises2—Acquisition of Treasury Stock—(15)Net Cash Used In Financing Activities(66)(8)Increase (Decrease) In Cash and Cash Equivalents6038Cash and Cash Equivalents:	Dividends	(68)	(68)
Proceeds from Issuance of Long-Term Debt Debt Issuance Costs ——————————————————————————————————	Borrowings on Line of Credit	583	542
Debt Issuance Costs — — — — — — Principal Payments and Retirement of Long-Term Debt — — — — — — — — — — — — — — — — — — —	Repayments on Line of Credit	(683)	(467)
Principal Payments and Retirement of Long-Term Debt Proceeds from Stock Option Exercises 2 — Acquisition of Treasury Stock Net Cash Used In Financing Activities (66) (8) Increase (Decrease) In Cash and Cash Equivalents Cash and Cash Equivalents:	Proceeds from Issuance of Long-Term Debt	450	_
Proceeds from Stock Option Exercises Acquisition of Treasury Stock Net Cash Used In Financing Activities (66) Increase (Decrease) In Cash and Cash Equivalents Cash and Cash Equivalents:	Debt Issuance Costs	_	_
Acquisition of Treasury Stock — (15) Net Cash Used In Financing Activities (66) (8) Increase (Decrease) In Cash and Cash Equivalents Cash and Cash Equivalents:	Principal Payments and Retirement of Long-Term Debt	(350)	_
Net Cash Used In Financing Activities (66) (8) Increase (Decrease) In Cash and Cash Equivalents 60 38 Cash and Cash Equivalents:	Proceeds from Stock Option Exercises	2	_
Increase (Decrease) In Cash and Cash Equivalents Cash and Cash Equivalents: 60 38	Acquisition of Treasury Stock	_	(15)
Cash and Cash Equivalents:	Net Cash Used In Financing Activities	(66)	(8)
Cash and Cash Equivalents:			
1	Increase (Decrease) In Cash and Cash Equivalents	60	38
Paginning of Pariod 252	Cash and Cash Equivalents:		
beginning of Feriod 200 255	Beginning of Period	260	253
_			
End of Period <u>\$ 320</u> <u>\$ 291</u>	End of Period	\$ 320	\$ 291

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

	Nine Months	Nine Months Ended Sept						
(In Millions)	2012		2011					
Revenues:								
Northern Resources	\$ 1	85 \$	167					
Southern Resources	3	12	266					
Real Estate	2	43	208					
Manufacturing	2	46	208					
Other		16	15					
Eliminations		<u> </u>	(12)					
Total Revenues	\$ 9	<u>85</u> <u>\$</u>	852					
Operating Income (Loss):								
Northern Resources	\$	15 \$	17					
Southern Resources		66	55					
Real Estate	1	13	134					
Manufacturing		22	12					
Other (A)		14	16					
Other Costs and Eliminations, net		46)	(42)					
Total Operating Income	<u>\$ 1</u>	<u>\$4</u> \$	192					
Adjusted EBITDA by Segment: (B)								
Northern Resources	\$	35 \$	36					
Southern Resources	1	18	92					
Real Estate	2	25	192					
Manufacturing		33	22					
Other		14	16					
Other Costs and Eliminations, net		<u>45)</u>	(41)					
Total	\$ 3	80 \$	317					

- (A) During the first nine months of 2011, the company received a payment of \$2 million for the settlement of a dispute that related to certain mineral rights. This amount is reported as Other Operating Gain/(Loss) in our Other Segment and is included in Other Operating Income (Expense), net in the Consolidated Statements of Income.
- **(B)** 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. SEGMENT DATA (UNAUDITED)

	Quarter 1	Quarter Ended September						
(In Millions)	2012		2011					
Revenues:								
Northern Resources	\$	65	68					
Southern Resources		110	93					
Real Estate		96	67					
Manufacturing		85	67					
Other		5	5					
Eliminations		(7)	(7)					
Total Revenues	\$	354	\$ 293					
Operating Income (Loss):								
Northern Resources	\$	5 \$	\$ 7					
Southern Resources		23	21					
Real Estate		54	46					
Manufacturing		9	3					
Other		5	5					
Other Costs and Eliminations, net		(17)	(13)					
Total Operating Income	\$	79	69					
Adjusted EBITDA by Segment: (A)								
Northern Resources	\$	12 \$	\$ 14					
Southern Resources		42	35					
Real Estate		90	60					
Manufacturing		13	7					
Other		5	5					
Other Costs and Eliminations, net		(16)	(13)					
Total	\$	146	\$ 108					

⁽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)

							2012				
		1	st Qtr	2	2nd Qtr		3rd Qtr		4th Qtr		YTD
Sales Realization	Units										
Southern Resources											
Sawlog	\$/Ton Stumpage	\$	19	\$	20	\$	20			\$	20
Pulpwood	\$/Ton Stumpage	\$	10	\$	10	\$	10			\$	10
Northern Resources											
Sawlog	\$/Ton Delivered	\$	67	\$	71	\$	69			\$	69
Pulpwood	\$/Ton Delivered	\$	42	\$	42	\$	42			\$	42
Lumber (1)	\$/MBF	\$	529	\$	551	\$	525			\$	535
Plywood (1)	\$/MSF	\$	387	\$	409	\$	432			\$	409
Fiberboard ⁽¹⁾	\$/MSF	\$	607	\$	620	\$	636			\$	622
	ψ, 11251					_				_	
Sales Volume											
Southern Resources	1 000 T		1 2 10		1 522		1 500				4.407
Sawlog	1,000 Tons		1,340		1,533		1,533				4,406
Pulpwood	1,000 Tons		1,842		1,933		2,151				5,926
Total Harvest			3,182		3,466		3,684		_		10,332
Northern Resources	1 000 T		(= ((22		(=0				1.04
Sawlog	1,000 Tons		656		632		679				1,967
Pulpwood	1,000 Tons		452		316	_	441			_	1,209
Total Harvest			1,108		948		1,120		_		3,176
Lumber	MBF		30,199		30,340		27,645				88,184
Plywood	MSF		53,301		51,397		48,984				153,682
Fiberboard	MSF		44,701		52,475		54,992				152,168
							2011				
			st Otr		and Otr		2011		4th Otr		VTD
Salas Daglization	Units	1	st Qtr		2nd Qtr		2011 3rd Qtr		4th Qtr		YTD
Sales Realization	Units	1	st Qtr		2nd Qtr			-	4th Qtr		YTD
Southern Resources							3rd Qtr			•	
Southern Resources Sawlog	\$/Ton Stumpage	\$	20	\$	19	\$	3rd Qtr	\$	20	\$	19
Southern Resources Sawlog Pulpwood							3rd Qtr			\$ \$	
Southern Resources Sawlog Pulpwood Northern Resources	\$/Ton Stumpage \$/Ton Stumpage	\$ \$	20 10	\$ \$	19	\$ \$	20 9	\$ \$	20	\$	19 9
Southern Resources Sawlog Pulpwood Northern Resources Sawlog	\$/Ton Stumpage \$/Ton Stumpage \$/Ton Delivered	\$ \$ \$	20 10 69	\$ \$ \$	19 9 72	\$ \$ \$	20 9	\$ \$ \$	20 9 67	\$	19 9 69
Southern Resources Sawlog Pulpwood Northern Resources Sawlog Pulpwood	\$/Ton Stumpage \$/Ton Stumpage \$/Ton Delivered \$/Ton Delivered	\$ \$ \$ \$	20 10 69 40	\$ \$ \$ \$	19 9 72 40	\$ \$ \$	20 9 71 42	\$ \$ \$	20 9 67 41	\$ \$ \$	19 9 69 41
Southern Resources Sawlog Pulpwood Northern Resources Sawlog Pulpwood Lumber (1)	\$/Ton Stumpage \$/Ton Stumpage \$/Ton Delivered \$/Ton Delivered \$/MBF	\$ \$ \$ \$	20 10 69 40 533	\$ \$ \$ \$	19 9 72 40 529	\$ \$ \$ \$	20 9 71 42 493	\$ \$ \$ \$	20 9 67 41 515	\$ \$ \$ \$	19 9 69 41 518
Southern Resources Sawlog Pulpwood Northern Resources Sawlog Pulpwood Lumber (1) Plywood (1)	\$/Ton Stumpage \$/Ton Stumpage \$/Ton Delivered \$/Ton Delivered \$/MBF \$/MSF	\$ \$ \$ \$ \$	20 10 69 40 533 371	\$ \$ \$ \$	19 9 72 40 529 382	\$ \$ \$ \$ \$	20 9 71 42 493 382	\$ \$ \$ \$ \$	20 9 67 41 515 379	\$ \$ \$ \$ \$	19 9 69 41 518 379
Southern Resources Sawlog Pulpwood Northern Resources Sawlog Pulpwood Lumber (1)	\$/Ton Stumpage \$/Ton Stumpage \$/Ton Delivered \$/Ton Delivered \$/MBF	\$ \$ \$ \$	20 10 69 40 533	\$ \$ \$ \$	19 9 72 40 529	\$ \$ \$ \$	20 9 71 42 493	\$ \$ \$ \$	20 9 67 41 515	\$ \$ \$ \$	19 9 69 41 518
Southern Resources Sawlog Pulpwood Northern Resources Sawlog Pulpwood Lumber (1) Plywood (1) Fiberboard (1)	\$/Ton Stumpage \$/Ton Stumpage \$/Ton Delivered \$/Ton Delivered \$/MBF \$/MSF	\$ \$ \$ \$ \$	20 10 69 40 533 371	\$ \$ \$ \$ \$	19 9 72 40 529 382	\$ \$ \$ \$ \$	20 9 71 42 493 382	\$ \$ \$ \$ \$	20 9 67 41 515 379	\$ \$ \$ \$ \$	19 9 69 41 518 379
Southern Resources Sawlog Pulpwood Northern Resources Sawlog Pulpwood Lumber (1) Plywood (1) Fiberboard (1) Sales Volume	\$/Ton Stumpage \$/Ton Stumpage \$/Ton Delivered \$/Ton Delivered \$/MBF \$/MSF	\$ \$ \$ \$ \$	20 10 69 40 533 371	\$ \$ \$ \$ \$	19 9 72 40 529 382	\$ \$ \$ \$ \$	20 9 71 42 493 382	\$ \$ \$ \$ \$	20 9 67 41 515 379	\$ \$ \$ \$ \$	19 9 69 41 518 379
Southern Resources Sawlog Pulpwood Northern Resources Sawlog Pulpwood Lumber (1) Plywood (1) Fiberboard (1) Sales Volume Southern Resources	\$/Ton Stumpage \$/Ton Stumpage \$/Ton Delivered \$/Ton Delivered \$/MBF \$/MSF	\$ \$ \$ \$ \$	20 10 69 40 533 371 608	\$ \$ \$ \$ \$	19 9 72 40 529 382 608	\$ \$ \$ \$ \$	20 9 71 42 493 382 607	\$ \$ \$ \$ \$	20 9 67 41 515 379 611	\$ \$ \$ \$ \$	19 9 69 41 518 379 608
Southern Resources Sawlog Pulpwood Northern Resources Sawlog Pulpwood Lumber (1) Plywood (1) Fiberboard (1) Sales Volume Southern Resources Sawlog	\$/Ton Stumpage \$/Ton Stumpage \$/Ton Delivered \$/Ton Delivered \$/MBF \$/MSF \$/MSF	\$ \$ \$ \$ \$	20 10 69 40 533 371 608	\$ \$ \$ \$ \$	19 9 72 40 529 382 608	\$ \$ \$ \$ \$	20 9 71 42 493 382 607	\$ \$ \$ \$ \$	20 9 67 41 515 379 611	\$ \$ \$ \$ \$	19 9 69 41 518 379 608
Southern Resources Sawlog Pulpwood Northern Resources Sawlog Pulpwood Lumber (1) Plywood (1) Fiberboard (1) Sales Volume Southern Resources	\$/Ton Stumpage \$/Ton Stumpage \$/Ton Delivered \$/Ton Delivered \$/MBF \$/MSF \$/MSF	\$ \$ \$ \$ \$	20 10 69 40 533 371 608	\$ \$ \$ \$ \$	19 9 72 40 529 382 608	\$ \$ \$ \$ \$	20 9 71 42 493 382 607	\$ \$ \$ \$ \$	20 9 67 41 515 379 611	\$ \$ \$ \$ \$	19 9 69 41 518 379 608
Southern Resources Sawlog Pulpwood Northern Resources Sawlog Pulpwood Lumber (1) Plywood (1) Fiberboard (1) Sales Volume Southern Resources Sawlog Pulpwood Total Harvest	\$/Ton Stumpage \$/Ton Stumpage \$/Ton Delivered \$/Ton Delivered \$/MBF \$/MSF \$/MSF	\$ \$ \$ \$ \$	20 10 69 40 533 371 608	\$ \$ \$ \$ \$	19 9 72 40 529 382 608	\$ \$ \$ \$ \$	20 9 71 42 493 382 607	\$ \$ \$ \$ \$	20 9 67 41 515 379 611	\$ \$ \$ \$ \$	19 9 69 41 518 379 608
Southern Resources Sawlog Pulpwood Northern Resources Sawlog Pulpwood Lumber (1) Plywood (1) Fiberboard (1) Sales Volume Southern Resources Sawlog Pulpwood Total Harvest Northern Resources	\$/Ton Stumpage \$/Ton Stumpage \$/Ton Delivered \$/Ton Delivered \$/MBF \$/MSF \$/MSF	\$ \$ \$ \$ \$	20 10 69 40 533 371 608	\$ \$ \$ \$ \$	19 9 72 40 529 382 608 1,126 1,592 2,718	\$ \$ \$ \$ \$	20 9 71 42 493 382 607 1,289 1,833 3,122	\$ \$ \$ \$ \$	20 9 67 41 515 379 611 1,268 1,903 3,171	\$ \$ \$ \$ \$	19 9 69 41 518 379 608 4,969 6,822 11,791
Southern Resources Sawlog Pulpwood Northern Resources Sawlog Pulpwood Lumber (1) Plywood (1) Fiberboard (1) Sales Volume Southern Resources Sawlog Pulpwood Total Harvest Northern Resources Sawlog	\$/Ton Stumpage \$/Ton Stumpage \$/Ton Delivered \$/Ton Delivered \$/MBF \$/MSF \$/MSF	\$ \$ \$ \$ \$	20 10 69 40 533 371 608	\$ \$ \$ \$ \$	19 9 72 40 529 382 608	\$ \$ \$ \$ \$	20 9 71 42 493 382 607	\$ \$ \$ \$ \$	20 9 67 41 515 379 611	\$ \$ \$ \$ \$	19 9 69 41 518 379 608 4,969 6,822 11,791 2,319
Southern Resources Sawlog Pulpwood Northern Resources Sawlog Pulpwood Lumber (1) Plywood (1) Fiberboard (1) Sales Volume Southern Resources Sawlog Pulpwood Total Harvest Northern Resources	\$/Ton Stumpage \$/Ton Stumpage \$/Ton Delivered \$/Ton Delivered \$/MBF \$/MSF \$/MSF 1,000 Tons 1,000 Tons	\$ \$ \$ \$ \$	20 10 69 40 533 371 608 1,286 1,494 2,780 506	\$ \$ \$ \$ \$	19 9 72 40 529 382 608 1,126 1,592 2,718	\$ \$ \$ \$ \$	20 9 71 42 493 382 607 1,289 1,833 3,122 661 500	\$ \$ \$ \$ \$	20 9 67 41 515 379 611 1,268 1,903 3,171 681 458	\$ \$ \$ \$ \$	19 9 69 41 518 379 608 4,969 6,822 11,791 2,319 1,680
Southern Resources Sawlog Pulpwood Northern Resources Sawlog Pulpwood Lumber (1) Plywood (1) Fiberboard (1) Sales Volume Southern Resources Sawlog Pulpwood Total Harvest Northern Resources Sawlog Pulpwood Total Harvest Northern Resources Sawlog Pulpwood Total Harvest	\$/Ton Stumpage \$/Ton Stumpage \$/Ton Delivered \$/Ton Delivered \$/MBF \$/MSF \$/MSF 1,000 Tons 1,000 Tons 1,000 Tons 1,000 Tons	\$ \$ \$ \$ \$	20 10 69 40 533 371 608 1,286 1,494 2,780 506 478 984	\$ \$ \$ \$ \$	19 9 72 40 529 382 608 1,126 1,592 2,718 471 244 715	\$ \$ \$ \$ \$	20 9 71 42 493 382 607 1,289 1,833 3,122 661 500 1,161	\$ \$ \$ \$ \$	20 9 67 41 515 379 611 1,268 1,903 3,171 681 458 1,139	\$ \$ \$ \$ \$	19 9 69 41 518 379 608 4,969 6,822 11,791 2,319 1,680 3,999
Southern Resources Sawlog Pulpwood Northern Resources Sawlog Pulpwood Lumber (1) Plywood (1) Fiberboard (1) Sales Volume Southern Resources Sawlog Pulpwood Total Harvest Northern Resources Sawlog Pulpwood Total Harvest Lumber	\$/Ton Stumpage \$/Ton Stumpage \$/Ton Delivered \$/Ton Delivered \$/MBF \$/MSF \$/MSF 1,000 Tons 1,000 Tons 1,000 Tons 1,000 Tons	\$ \$ \$ \$ \$	20 10 69 40 533 371 608 1,286 1,494 2,780 506 478 984 29,250	\$ \$ \$ \$ \$	19 9 72 40 529 382 608 1,126 1,592 2,718 471 244 715 29,654	\$ \$ \$ \$ \$	20 9 71 42 493 382 607 1,289 1,833 3,122 661 500 1,161 29,979	\$ \$ \$ \$ \$	20 9 67 41 515 379 611 1,268 1,903 3,171 681 458 1,139 27,042	\$ \$ \$ \$ \$	19 9 69 41 518 379 608 4,969 6,822 11,791 2,319 1,680 3,999 115,925
Southern Resources Sawlog Pulpwood Northern Resources Sawlog Pulpwood Lumber (1) Plywood (1) Fiberboard (1) Sales Volume Southern Resources Sawlog Pulpwood Total Harvest Northern Resources Sawlog Pulpwood Total Harvest Northern Resources Sawlog Pulpwood Total Harvest	\$/Ton Stumpage \$/Ton Stumpage \$/Ton Delivered \$/Ton Delivered \$/MBF \$/MSF \$/MSF 1,000 Tons 1,000 Tons 1,000 Tons 1,000 Tons	\$ \$ \$ \$ \$	20 10 69 40 533 371 608 1,286 1,494 2,780 506 478 984	\$ \$ \$ \$ \$	19 9 72 40 529 382 608 1,126 1,592 2,718 471 244 715	\$ \$ \$ \$ \$	20 9 71 42 493 382 607 1,289 1,833 3,122 661 500 1,161	\$ \$ \$ \$ \$	20 9 67 41 515 379 611 1,268 1,903 3,171 681 458 1,139	\$ \$ \$ \$ \$	19 9 69 41 518 379 608 4,969 6,822 11,791 2,319 1,680 3,999

⁽¹⁾ Represents prices at mill level.

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

						2012			
		lst Qtr	2n	nd Qtr (2)		3rd Qtr	4th Qtr		YTD
Acres Sold									
Small Non-strategic		4,385		17,870		5,750			28,005
Large Non-strategic (1)		69,770		_		99,800			169,570
Conservation		1,145		1,320		5,400			7,865
HBU/Recreation		4,030		6,720		5,410			16,160
Development Properties		_		_		_			_
Conservation Easements		n/a		n/a		n/a			n/a
Duine were A cue		79,330		25,910		116,360			221,600
Price per Acre	•	1 115	e.	1.165	ø	1 455			1 215
Small Non-strategic	\$	1,115	\$	1,165	\$	1,455			\$ 1,215
Large Non-strategic	\$	1,210	\$		\$	675			\$ 895
Conservation	\$	1,560	\$	2,315	\$	905			\$ 1,240 \$ 2,050
HBU/Recreation	\$	2,140	\$	1,955	\$	2,100			\$ 2,050
Development Properties Conservation Easements	\$ \$		\$ \$	28	\$ \$	_			\$ — \$ 28
	J	_	Þ	20	Ф	_		•	5 20
Revenue, (\$ millions)	ø	-	0	21	Ф	0			m a.
Small Non-strategic	\$	5	\$	21	\$	8			\$ 34
Large Non-strategic	\$	84	\$	_	\$	67			\$ 151
Conservation	\$	2	\$	3	\$	5			\$ 10
HBU/Recreation	\$	9	\$	13	\$	11			\$ 33
Development Properties	\$	_	\$	_	\$	_			\$ —
Conservation Easements	<u>\$</u>	100	<u>\$</u>	10 47	\$	91			\$ 10 \$ 238
	J	100	Ф	47	Ф	91			5 230
Proceeds from Real Estate Joint Venture (4)	\$	_	\$	_	\$	5		;	§ 5
Basis of Real Estate Sold (5)	\$	63	\$	12	\$	36		;	\$ 111
						2011			
		lst Qtr	2n	ıd Qtr ⁽³⁾		3rd Qtr	4th Qtr		YTD
Acres Sold									
Small Non-strategic		2,560		2,695		11,525	5,38	35	22,165
Large Non-strategic (1)		30,295		_		_	18,13	55	48,450
Conservation		335		59,425		370	7,29	95	67,425
HBU/Recreation		7,795		6,320		24,500	8,68	30	47,295
Development Properties		_		_		20	-	_	20
Conservation Easements		n/a		n/a		n/a		/a	n/a
		40,985		68,440		36,415	39,51	15	185,355
Price per Acre									
Small Non-strategic						1,230	\$ 1,34	15	
	\$	1,015	\$	1,125	\$				
Large Non-strategic	\$	1,405	\$	_	\$	_	\$ 3,30		
Large Non-strategic Conservation	\$ \$	1,405 1,685	\$ \$	 1,050	\$ \$		\$ 3,30 \$ 98	30	\$ 1,050
Large Non-strategic Conservation HBU/Recreation	\$ \$ \$	1,405 1,685 2,100	\$ \$ \$	1,050 2,060	\$ \$ \$	1,270 1,950	\$ 3,30 \$ 98 \$ 2,10	30 3	\$ 1,050 \$ 2,015
Large Non-strategic Conservation HBU/Recreation Development Properties	\$ \$ \$ \$	1,405 1,685 2,100	\$ \$ \$ \$	1,050 2,060	\$ \$ \$ \$	1,270 1,950 6,405	\$ 3,30 \$ 98 \$ 2,10 \$ -	30 : 00 :	\$ 1,050 \$ 2,015 \$ 6,405
Large Non-strategic Conservation HBU/Recreation	\$ \$ \$	1,405 1,685 2,100	\$ \$ \$	1,050 2,060	\$ \$ \$	1,270 1,950	\$ 3,30 \$ 98 \$ 2,10 \$ -	30 : 00 :	\$ 1,050 \$ 2,015 \$ 6,405
Large Non-strategic Conservation HBU/Recreation Development Properties Conservation Easements Revenue, (\$ millions)	\$ \$ \$ \$	1,405 1,685 2,100	\$ \$ \$ \$	1,050 2,060	\$ \$ \$ \$	1,270 1,950 6,405	\$ 3,30 \$ 98 \$ 2,10 \$ -	30 : 00 :	\$ 1,050 \$ 2,015 \$ 6,405
Large Non-strategic Conservation HBU/Recreation Development Properties Conservation Easements Revenue, (\$ millions) Small Non-strategic	\$ \$ \$ \$	1,405 1,685 2,100 — —	\$ \$ \$ \$	1,050 2,060	\$ \$ \$ \$	1,270 1,950 6,405	\$ 3,30 \$ 98 \$ 2,10 \$ -	30 3 - 3 - 3	\$ 1,050 \$ 2,015 \$ 6,405 \$ 460
Large Non-strategic Conservation HBU/Recreation Development Properties Conservation Easements Revenue, (\$ millions) Small Non-strategic Large Non-strategic	\$ \$ \$ \$ \$ \$	1,405 1,685 2,100 — — 2 43	\$ \$ \$ \$ \$	1,050 2,060 — — 4	\$ \$ \$ \$ \$	1,270 1,950 6,405 460	\$ 3,3(s) 98 \$ 2,10(s)	80 3 00 3 — 3 — 3 7 3 60 3	\$ 1,050 \$ 2,015 \$ 6,405 \$ 460 \$ 27
Large Non-strategic Conservation HBU/Recreation Development Properties Conservation Easements Revenue, (\$ millions) Small Non-strategic Large Non-strategic Conservation	\$ \$ \$ \$ \$	1,405 1,685 2,100 — — 2 43	\$ \$ \$ \$ \$	1,050 2,060 — — 4 — 62	\$ \$ \$ \$	1,270 1,950 6,405 460	\$ 3,3(s) 98 \$ 2,1(s)	7 : 50 : 7 : 50 : 7 : 50 : 7 : 50 : 7	\$ 1,050 \$ 2,015 \$ 6,405 \$ 460 \$ 27 \$ 103 \$ 70
Large Non-strategic Conservation HBU/Recreation Development Properties Conservation Easements Revenue, (\$ millions) Small Non-strategic Large Non-strategic Conservation HBU/Recreation	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	1,405 1,685 2,100 — — 2 43 1	\$ \$ \$ \$ \$ \$ \$	1,050 2,060 — — 4	\$ \$ \$ \$ \$ \$	1,270 1,950 6,405 460 14 — 48	\$ 3,3(s) 98 \$ 2,1(s) \$	7 : 5 7 : 5 7 : 5 7 : 5 19 : 5	\$ 1,050 \$ 2,015 \$ 6,405 \$ 460 \$ 27 \$ 103 \$ 70 \$ 96
Large Non-strategic Conservation HBU/Recreation Development Properties Conservation Easements Revenue, (\$ millions) Small Non-strategic Large Non-strategic Conservation	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	1,405 1,685 2,100 — — 2 43	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	1,050 2,060 — — 4 — 62	\$ \$ \$ \$ \$ \$	1,270 1,950 6,405 460	\$ 3,3(s) 98 \$ 2,1(s) \$	7 : 50 : 7 : 50 : 7 : 50 : 7 : 50 : 7	\$ 1,050 \$ 2,015 \$ 6,405 \$ 460 \$ 27 \$ 103 \$ 70 \$ 96
Large Non-strategic Conservation HBU/Recreation Development Properties Conservation Easements Revenue, (\$ millions) Small Non-strategic Large Non-strategic Conservation HBU/Recreation	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	1,405 1,685 2,100 — — 2 43 1 16 —	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	1,050 2,060 — — 4 — 62 13 —	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	1,270 1,950 6,405 460 14 — 48 — 5	\$ 3,3(s) 98 \$ 2,10 \$	7 : 50 : 519	\$ 1,050 \$ 2,015 \$ 6,405 \$ 460 \$ 27 \$ 103 \$ 70 \$ 96 \$ —
Large Non-strategic Conservation HBU/Recreation Development Properties Conservation Easements Revenue, (\$ millions) Small Non-strategic Large Non-strategic Conservation HBU/Recreation Development Properties	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	1,405 1,685 2,100 — — 2 43 1	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	1,050 2,060 ———————————————————————————————————	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	1,270 1,950 6,405 460 14 — 48 — 5	\$ 3,3(s) 98 \$ 2,10 \$	7 : 50 : 519	\$ 1,050 \$ 2,015 \$ 6,405 \$ 460 \$ 27 \$ 103 \$ 70 \$ 96 \$ —
Large Non-strategic Conservation HBU/Recreation Development Properties Conservation Easements Revenue, (\$ millions) Small Non-strategic Large Non-strategic Conservation HBU/Recreation Development Properties	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	1,405 1,685 2,100 — — 2 43 1 16 —	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	1,050 2,060 — — 4 — 62 13 —	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	1,270 1,950 6,405 460 14 48 5	\$ 3,3(\$ 98\$ \$ 2,10\$ \$	7 : 50 : 519	\$ 1,050 \$ 2,015 \$ 6,405 \$ 460 \$ 103 \$ 70 \$ 96 \$ — \$ 5

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

- (1) 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 first quarter of 2011, the company sold 30,300 acres of Large Non-strategic lands located in Mississippi for \$42.6 million. During the fourth quarter of 2011, the company sold 18,200 acres of Large Non-strategic lands located in Oregon for \$60 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) During the second quarter of 2011, the company's Conservation sales consisted primarily of 26,800 acres in Arkansas and Louisiana and 31,500 acres in Florida.
- (4) Not reflected in the land sale statistics (acres sold, price per acre and revenue).
- (5) Includes \$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, \$13 million in the first quarter of 2011 from a 30,300 acre Large Non-strategic sale in Mississippi and \$8 million in the fourth quarter of 2011 from an 18,200 acre Large Non-strategic sale in Oregon.

PLUM CREEK TIMBER COMPANY, INC. DEBT MATURITIES SCHEDULE September 30, 2012 (UNAUDITED)

Borrowings Weighted Avg. Interest Rate Principal **Quarterly Maturities through 2013:** \$ 3 4th Qtr 2012 8.050% \$ 174 6.180% 1st Qtr 2013 7.773% (1) 4th Qtr 2013 \$ 76 **Annual Maturities through 2014:** 2014 \$ 3 8.050%

⁽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.

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:

	Nine Months Ended September 30, 2012							
		erating come	Γ	Depreciation, Depletion and Amortization		s of Real ate Sold		justed ITDA
By Segment	-							
Northern Resources	\$	15	\$	20	\$	_	\$	35
Southern Resources		66		52		_		118
Real Estate		113		1		111		225
Manufacturing		22		11		_		33
Other		14		_		_		14
Other Costs and Eliminations		(47)		1		_		(46)
Other Unallocated Operating Income (Expense), net		1						1
Total	\$	184	\$	85	\$	111	\$	380
Reconciliation to Net Income ⁽¹⁾								
Equity Earnings from Timberland Venture		42						
Interest Expense		(104)						
(Provision) Benefit for Income Taxes		2						
Net Income	\$	124						
Reconciliation to Net Cash Provided By Operating Activities								
Net Cash Flows from Operations							\$	237
Interest Expense								104
Amortization of Debt Costs								(2)
Provision / (Benefit) for Income Taxes								(2)
Distributions from Timberland Venture								(56)
Deferred Income Taxes								1
Gain on Sale of Properties and Other Assets								_
Deferred Revenue from Long-Term Gas Leases								6
Timber Deed Acquired								98
Pension Plan Contributions								10
Working Capital Changes								(5)
Other								(11)
Adjusted EBITDA							\$	380

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

	Operating Depletion		Depreciation, Depletion and Amortization	Basis of Real Estate Sold		Adjusted EBITDA	
By Segment							
Northern Resources	\$	17	\$	19	\$	_	\$ 36
Southern Resources		55		37		_	92
Real Estate		134		1		57	192
Manufacturing		12		10		_	22
Other		16		_		_	16
Other Costs and Eliminations		(43)		1		_	(42)
Other Unallocated Operating Income (Expense), net		1		<u> </u>			1
Total	\$	192	\$	68	\$	57	\$ 317
Reconciliation to Net Income ⁽¹⁾							
Equity Earnings from Timberland Venture		44					
Interest Expense		(104)					
(Provision) Benefit for Income Taxes		_					
Net Income	\$	132					
Reconciliation to Net Cash Provided By Operating Activities							
Net Cash Flows from Operations							\$ 294
Interest Expense							104
Amortization of Debt Costs							(2)
Provision / (Benefit) for Income Taxes							_
Distributions from Timberland Venture							(56)
Deferred Income Taxes							(2)
Gain on Sale of Properties and Other Assets							_
Deferred Revenue from Long-Term Gas Leases							(14)
Timber Deed Acquired							_
Pension Plan Contributions							3
Working Capital Changes							_
Other							(10)
Adjusted EBITDA							\$ 317

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

Quarter Ended September 30, 2012

	(Operating Income	Depreciation, Depletion and Amortization	asis of Real Estate Sold	djusted BITDA
By Segment					
Northern Resources	\$	5	\$ 7	\$ _	\$ 12
Southern Resources		23	19	_	42
Real Estate		54	_	36	90
Manufacturing		9	4	_	13
Other		5	_	_	5
Other Costs and Eliminations		(17)	1	_	(16)
Other Unallocated Operating Income (Expense), net		_	_		 _
Total	\$	79	\$ 31	\$ 36	\$ 146
Reconciliation to Net Income ⁽¹⁾					
Equity Earnings from Timberland Venture		14			
Interest Expense		(35)			
(Provision) Benefit for Income Taxes		1			
Net Income	\$	59			
Reconciliation to Net Cash Provided By Operating Activities					
Net Cash Flows from Operations					\$ 148
Interest Expense					35
Amortization of Debt Costs					_
Provision / (Benefit) for Income Taxes					(1)
Distributions from Timberland Venture					(28)
Deferred Income Taxes					_
Gain on Sale of Properties and Other Assets					_
Deferred Revenue from Long-Term Gas Leases					1
Timber Deed Acquired					_
Pension Plan Contributions					3
Working Capital Changes					(7)
Other					(5)
Adjusted EBITDA					\$ 146

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

Quarter Ended September 30, 2011

	Operating Income		Depreciation, Depletion and Amortization		Basis of Real Estate Sold		Adjusted EBITDA	
By Segment								
Northern Resources	\$	7	\$	7	\$	_	\$	14
Southern Resources		21		14		_		35
Real Estate		46		_		14		60
Manufacturing		3		4		_		7
Other		5		_		_		5
Other Costs and Eliminations		(13)		_		_		(13)
Other Unallocated Operating Income (Expense), net		_		_		_		_
Total	\$	69	\$	25	\$	14	\$	108
Reconciliation to Net Income ⁽¹⁾								
Equity Earnings from Timberland Venture		14						
Interest Expense		(34)						
(Provision) Benefit for Income Taxes		1						
Net Income	\$	50						
Reconciliation to Net Cash Provided By Operating Activities								
Net Cash Flows from Operations							\$	137
Interest Expense								34
Amortization of Debt Costs								(1)
Provision / (Benefit) for Income Taxes								(1)
Distributions from Timberland Venture								(28)
Deferred Income Taxes								2
Gain on Sale of Properties and Other Assets								_
Deferred Revenue from Long-Term Gas Leases								(2)
Timber Deed Acquired								_
Pension Plan Contributions								3
Working Capital Changes								(31)
Other								(5)
Adjusted EBITDA							\$	108

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