



9 November 2015



SENT TO LSU AGCENTER/LOUISIANA FOREST PRODUCTS DEVELOPMENT CENTER - FOREST SECTOR / FORESTY PRODUCTS INTEREST GROUP

Weyerhaeuser and Plum Creek to Merge, Creating the World's Premier Timber, Land and Forest Products Company

- Combination of two industry leaders to create a \$23 billion timber REIT with more than 13 million acres of the most productive and diverse timberland in the U.S.
- All-stock transaction followed by \$2.5 billion post-closing share repurchase
- Total annual cost synergies of \$100 million
- Funds Available for Distribution per share accretion in the first full year
- Rick R. Holley to be non-executive chairman; Doyle R. Simons to be president and CEO
- Weyerhaeuser to review strategic alternatives for its Cellulose Fibers business, as announced in a separate news release today

The merger of Weyerhaeuser and Plum Creek creates a winning combination with:

- The largest private ownership of timberland in the U.S.
- More than 13 million acres of diverse, productive forests
- The ability to drive performance through shared best practices and economies of scale
- A unique ability to capitalize on the housing recovery
- Significant Higher and Better Use potential across the combined portfolio
- A best-in-class management team
- A recognized commitment to sustainable resource management
- Low-cost manufacturing assets
- A strong balance sheet and a commitment to an investment grade credit rating
- Anticipated annual cost synergies of \$100 million
- Accretion to per-share Funds Available for Distribution in the first full year following closing
- An attractive dividend
- A disciplined approach to capital allocation

Rick Holley will serve as non-executive chairman of Weyerhaeuser's board, which will be expanded to 13 directors. Eight directors will be from Weyerhaeuser (including Simons) and five directors will be from Plum Creek (including Holley).

Doyle Simons will serve as president and CEO of the combined company. Upon closing, the executive team will include:

- Rhonda Hunter, Senior Vice President, Timberlands
- Tom Lindquist, Executive Vice President, Real Estate, Energy & Natural Resources
- Adrian Blocker, Senior Vice President, Wood Products
- Russell Hagen, Senior Vice President, Chief Financial Officer
- Devin Stockfish, Senior Vice President, General Counsel & Corporate Secretary



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- Denise Merle, Senior Vice President, Human Resources
- Tim Punke, Senior Vice President, Corporate Affairs
- "We've drawn from the best talent in each company to select a lead

SEATTLE, Nov. 8, 2015 -- Combination of two industry leaders to create a \$23 billion timber REIT with more than 13 million acres of the most productive and diverse timberland in the U.S.

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Total annual cost synergies of \$100 million

Funds Available for Distribution per share accretion in the first full year Rick R. Holley to be non-executive chairman; Doyle R. Simons to be president and CEO

Weyerhaeuser to review strategic alternatives for its Cellulose Fibers business, as announced in a separate news release today Weyerhaeuser Company (NYSE: WY) and Plum Creek (PCL) today announced they have entered into a definitive agreement to create the world's premier timber, land and forest products company with more than 13 million acres of the most productive and diverse timberland in the U.S. At closing, the combined company is expected to have an equity value of \$23 billion based on current share prices. The combined EBITDA for both companies in 2014 was \$2.2 billion.

Under the terms of the agreement, which has been unanimously approved by the boards of directors of both companies, Plum Creek shareholders will receive 1.60 shares of Weyerhaeuser for each share of Plum Creek held. This fixed exchange ratio represents an implied premium of 13.8% to the 30-trading-day Volume Weighted Average Price ratio of Plum Creek shares to Weyerhaeuser shares. Following closing, Weyerhaeuser and Plum Creek shareholders will own approximately 65% and 35%, respectively, of the combined company's common stock. Weyerhaeuser intends to execute a \$2.5 billion share repurchase shortly after closing. The repurchase will result in a net financial impact on the company that is as if the deal were structured with approximately 70% stock and 30% cash. The combined company expects to maintain Weyerhaeuser's current annual dividend of \$1.24 per common share, representing a 13% dividend increase to the dividend currently received by Plum Creek shareholders.

"With an extraordinary set of combined assets and the proven value creation records of both Weyerhaeuser and Plum Creek, the combined company will offer a compelling opportunity for shareholders," said Rick R. Holley, chief executive officer for Plum Creek. "These two companies are already best-in-class timberland managers with a relentless focus on sustainable resource management. The breadth and diversity of our combined land and timber assets uniquely position the new company to capitalize fully on the improving housing market, continue to capture Higher and Better Use land values across the combined portfolio, and create additional opportunities to build lasting value. Doyle Simons and I share a commitment to disciplined capital allocation and sustained value creation, and I look forward to working together as we build a great new company."



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"We're excited to combine the two leaders in our industry to create the world's premier timber, land and forest products company," said Doyle R. Simons, president and chief executive officer of Weyerhaeuser. "This new company will create tremendous benefit for shareholders as we drive value through shared best practices, economies of scale, cost synergies, operational excellence and disciplined capital allocation. Our customers and employees will also benefit as we form a winning team with common values and unparalleled expertise in timber, land and manufacturing. I have the utmost respect for Rick Holley and the Plum Creek team and look forward to working together to successfully integrate these two outstanding companies."

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Richard P. Vlosky, Ph.D.
Director, Louisiana Forest Products Development Center
Crosby Land & Resources Endowed Professor of Forest Sector Business Development
Room 227, School of Renewable Natural Resources
Louisiana State University, Baton Rouge, LA 70803
Phone (office): (225) 578-4527; Fax: (225) 578-4251; Mobile Phone: (225) 223-1931
Web Site: www.LFPDC.lsu.edu



President-Elect, Forest Products Society; President-Elect, WoodEMA i.a.

