

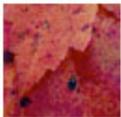


Plum Creek

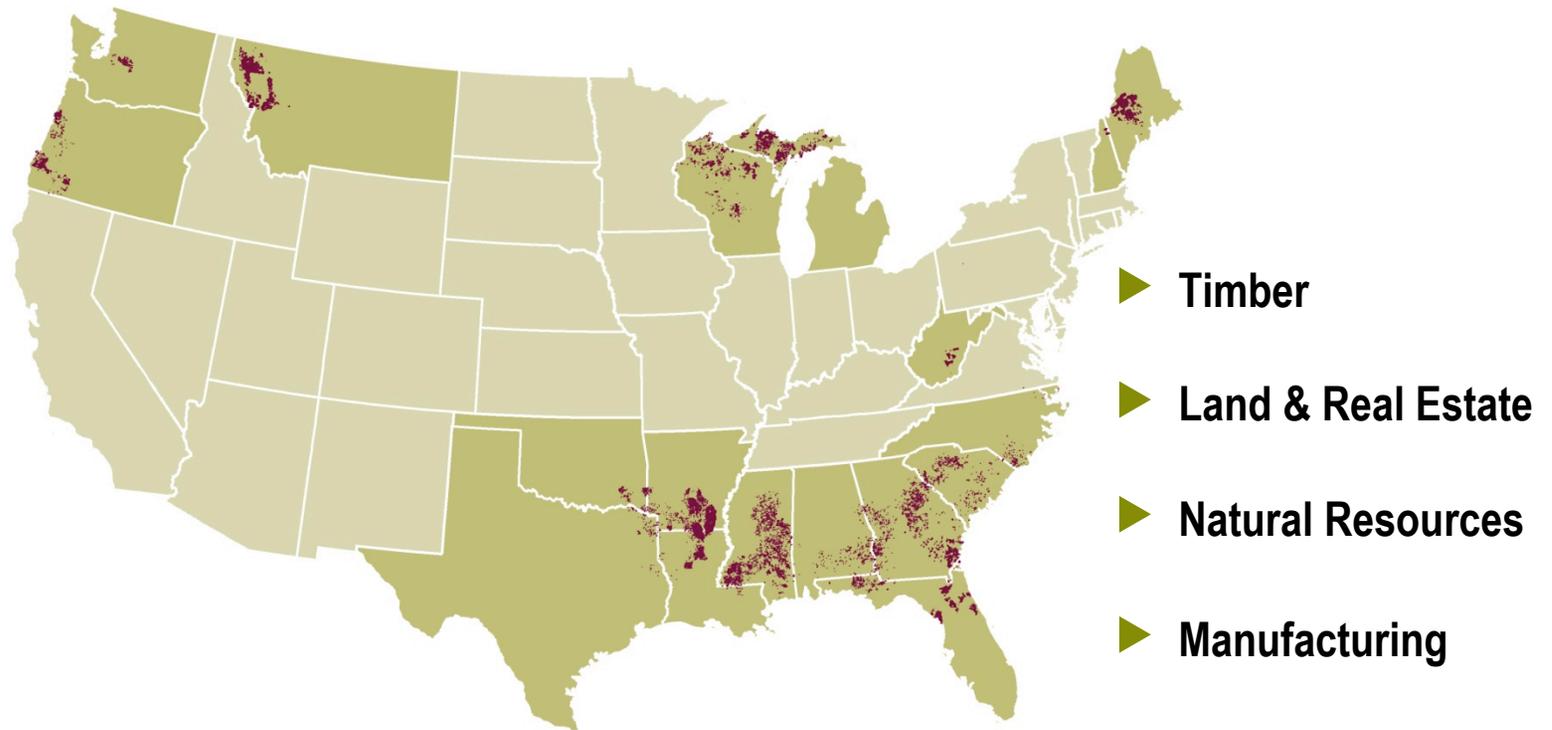
Growing Value from Exceptional Resources

Investment in Lake States Timberland

June 24, 2008



It Starts with the Land – 8.0 million acres – and a Comprehensive View of Value



Plum Creek Nationally

- ▶ **Founded in 1945**
- ▶ **Based in Seattle, Wash.**
- ▶ **One of the nation's largest private landowners**
- ▶ **Approximately 8 million acres in 18 states**
- ▶ **Plant approximately 85 million trees yearly**
- ▶ **Employ more than 2,100 people**

Unmatched Scope and Scale in the Region

1	Plum Creek	1,035,000
2	Forestland Group	658,000
3	GMO	440,000
4	Keweenaw Land Association	155,000
5	Wausau-Mosinee	120,000
6	Longyear	110,000
7	Potlatch	72,000
8	Forest Investment Associates	60,000
9	Tigerton/Ort	50,000
10	Connor Family	31,000

- ▶ Excellent market knowledge
- ▶ Reliable, consistent supplier
- ▶ Flexibility to respond to local market conditions
- ▶ Choice for independent contractors

Introduction

▶ **Our Lake States history**

- ▶ Entered Wisconsin in 2001 when we merged with The Timber Company
- ▶ Purchased Stora Enso land in 2002
- ▶ Entered Michigan in 2005 when Plum Creek acquired Escanaba Timber

▶ **Lake States Resources team**

- ▶ Lynn Wilson, General Manager – Lake States Region
- ▶ Scott Henker, Senior Resource Manager
- ▶ Pete Coutu, Marketing Manager
- ▶ Our foresters

▶ **Build community relationships**

▶ **A positive partnership in the Lake States**

Plum Creek in Michigan

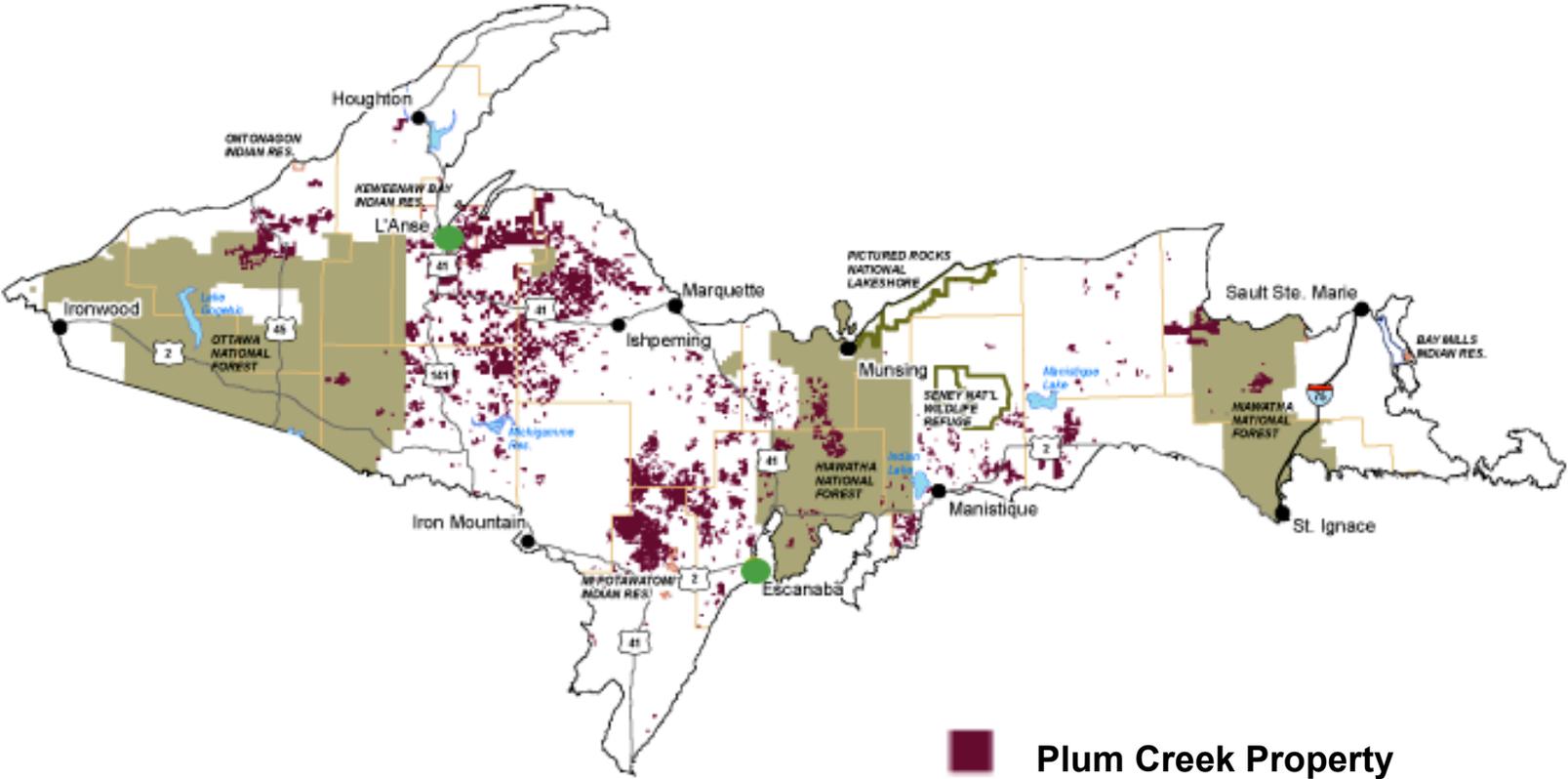
▶ **Michigan presence**

- ▶ More than 640,000 acres of forestland
- ▶ Land in 13 counties throughout U.P.
- ▶ More than 97 percent of our land is enrolled in CFA

▶ **Directly employ 23 people in Michigan**

▶ **Partner with more than 60 customers and more than 50 contractors – 24 customers shared with WI**

Plum Creek Land in Michigan

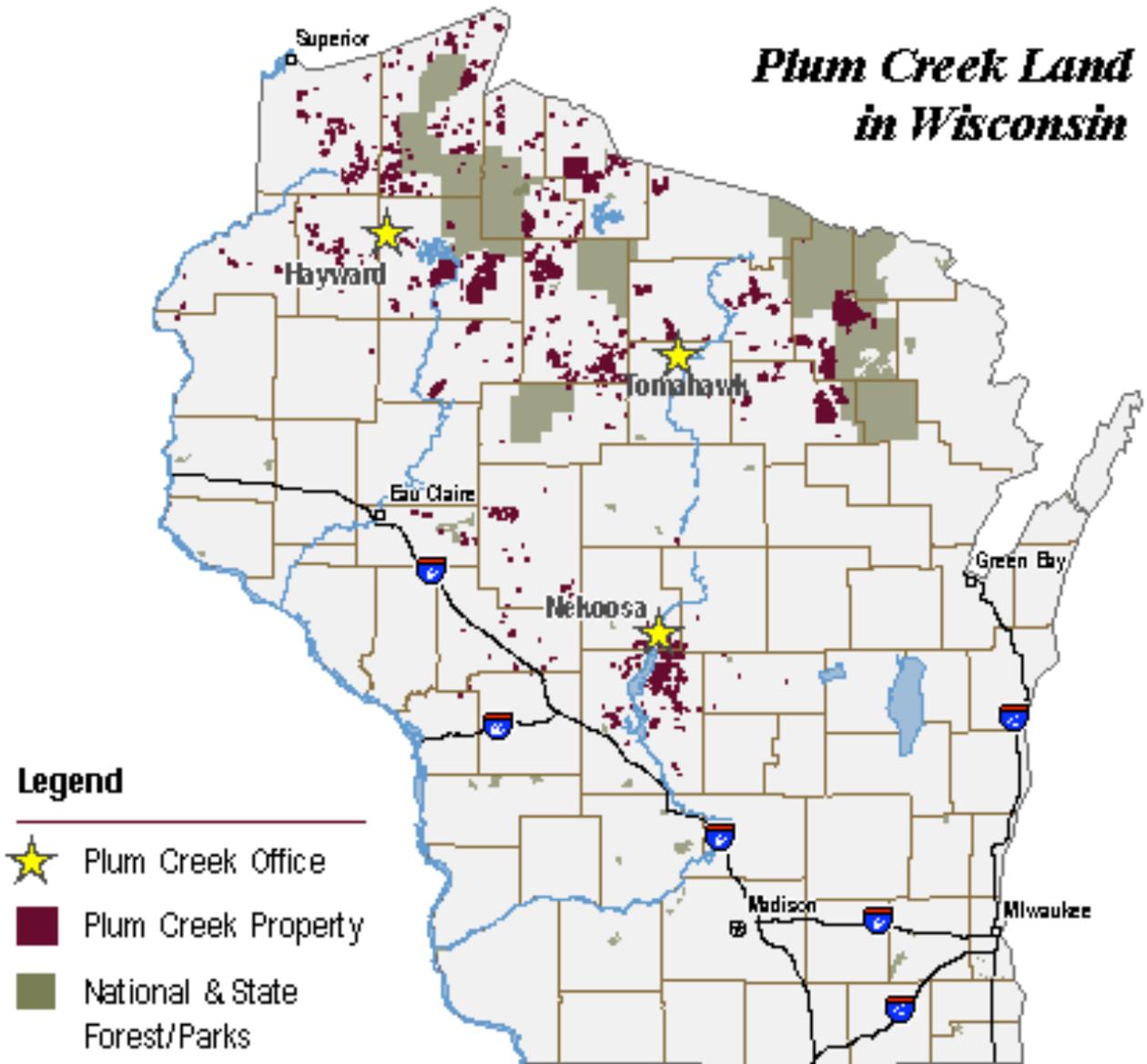


- Plum Creek Property
- Plum Creek Offices
- National Forests

Plum Creek in Wisconsin

- ▶ **Wisconsin presence**
 - ▶ About 360,000 acres of forestland
 - ▶ Land in 26 counties throughout the state
 - ▶ Approximately 98 percent of our land is open to the public
- ▶ **Directly employ 24 people in Wisconsin**
- ▶ **Partner with more than 60 customers and 130 local contractors**

Plum Creek Land in Wisconsin



- Legend**
- ★ Plum Creek Office
 - Plum Creek Property
 - National & State Forest/Parks

Commitment to the Environment

- ▶ **Planted more than 3.6 million trees in 2007**
- ▶ **Practice sustainable forestry**
- ▶ **Voluntarily have all timberlands independently certified under the Sustainable Forestry Initiative Standard[®]**
 - ▶ First company in nation to do so
 - ▶ Lake States Region of WI and MI was just recertified in 2007
- ▶ **Actions underscore our commitment**

Commitment to the Environment

▶ **Conservation Efforts in Wisconsin & Michigan**

- ▶ Wolf River Conservation Easement
- ▶ Chequamegon-Nicolet National Forest
- ▶ DRIP – Deer Range Improvement
- ▶ Bayfield Coastal/Sugarbush
- ▶ Crex Meadows
- ▶ Kirtland's Warbler discovery,
- ▶ Karner Blue Butterfly HCP

▶ **Conservation Efforts in the U.S.**

- ▶ Partner with the Nature Conservancy, the Trust for Public Land and other state, federal and nonprofit organizations
 - Conserved more than a half million acres
 - Nearly 150 conservation efforts in 12 states
 - 10 miles of Blackfoot River frontage (both sides) plus 80,000 acres to TNC in Montana
- ▶ Nearly 2.7 million acres of company lands are involved in wildlife protection agreements throughout the country
- ▶ Pending "Crown of the Continent" 320,000 acre project with TNC

Commitment to the Environment

- ▶ **Provide access - 98 percent of Plum Creek's land in Wisconsin is enrolled in MFL and 97 percent enrolled in CFA**
 - ▶ Hunting
 - ▶ Fishing
 - ▶ Snowmobiling
 - ▶ Hiking
 - ▶ Bird watching
 - ▶ More

- ▶ **Protect the environment**
 - ▶ Limited ATV access to protect water quality
 - ▶ Manage motor vehicle access to land to ensure safety and protect roadways from damage

Commitment to the Community

▶ Plum Creek Foundation

- ▶ More than \$160,000 in 2007 to 47 WI and MI community groups
- ▶ Grants awarded quarterly
- ▶ Plum Creek grant applications at www.plumcreek.com

▶ Scholarships

- ▶ Nearly \$40,000 in student scholarships awarded in 2008 in WI

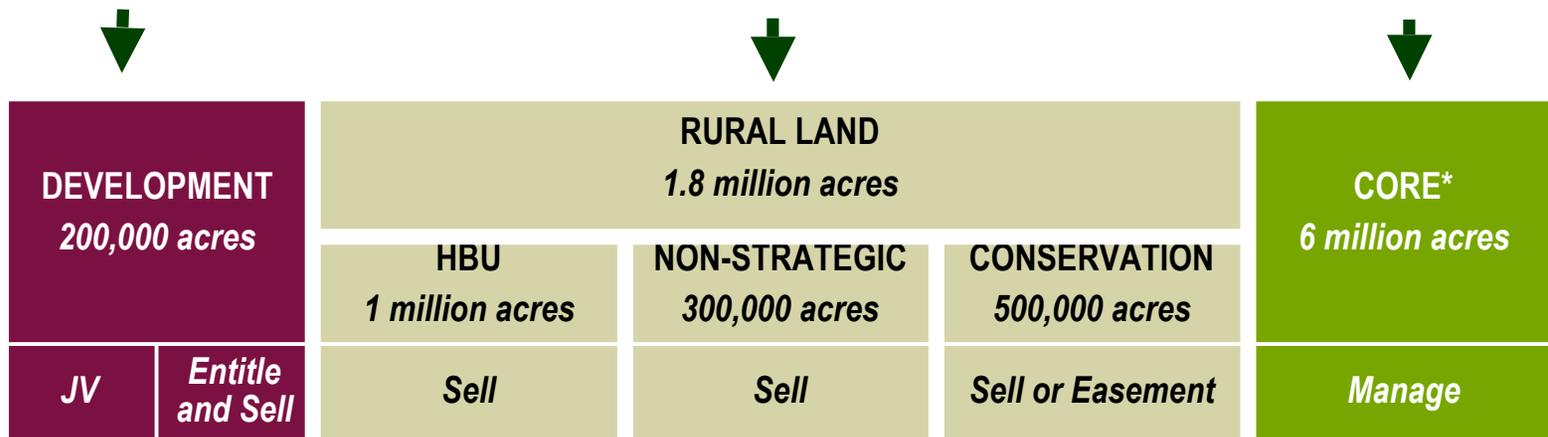
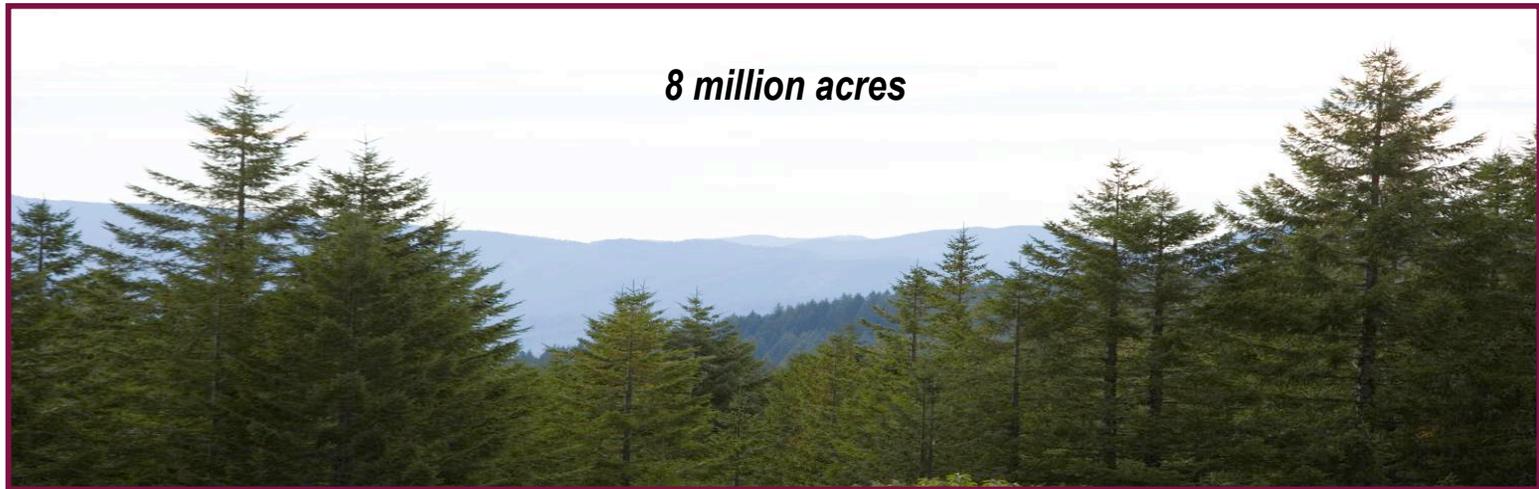
▶ Internship program



Land Asset Management

- ▶ **A disciplined process to continuously evaluate the best use of every acre**
- ▶ **Take a comprehensive look at maximizing the value of our land and timber assets**
- ▶ **Sell land for conservation, recreational use, home sites or other projects when appropriate**

Evaluation of Entire Land Portfolio Drives Strategic Execution



* Identified approximately 950,000 acres of core timberlands that have values greater than timberland

What We Are Doing

- ▶ **Remaining flexible in our harvest plans**
- ▶ **Pursuing operational improvements to expand timber cash flow**
- ▶ **Developing wood-based renewable energy markets**
- ▶ **Adjusting rural land offerings to match market evolution**
- ▶ **Maintaining financial flexibility**
- ▶ **Seeking to capture attractive value for 450,000 acres of Southern timberlands**

Strategic Initiatives

- ▶ Logistics and transportation
 - Woodflow Optimization Model
 - Backhaul Expansion
 - Concentration and reload yards

- ▶ Marketing
 - Merchandising yards
 - Product expansion

- ▶ Biomass
 - Co-generation
 - Cellulosic ethanol
 - Fiber farming

- ▶ Strategic Communications & Governmental Affairs

Strong Cash Flow and Appreciating Assets Lead to Attractive Total Shareholder Returns

Current Cash Returns



Growing Timber Inventory



Growing Land Value



**Long-term
Total Shareholder Returns**

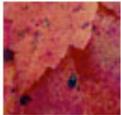
Annualized Total Shareholder Returns

	Plum Creek	S&P 500	MSCI REIT
1 Yr	7.3%	-5.0%	-17.8%
3 Yr	8.9%	5.8%	11.8%
5 Yr	18.5%	11.3%	18.1%
10 Yr	8.7%	3.5%	10.7%
15 Yr	13.8%	9.4%	N/A

Conclusion

- ▶ **Important part of the Lake State's economy**
- ▶ **Committed to sustainable forestry and operating responsibly**
- ▶ **Connected to the community**
- ▶ **Respect special way of life in northern Wisconsin and the U.P. Michigan**
- ▶ **Thank you**

Appendix



Why Wood Based Bio-energy?

- ▶ **Energy independence**
- ▶ **Non-food, renewable raw material**
- ▶ **Wood fiber available and affordable**
- ▶ **For ethanol production: environmentally superior compared to corn or sugarcane**
 - ▶ Superior energy balance
 - ▶ Superior carbon balance
 - ▶ No land-use conversion required

Bioenergy Market Development

- ▶ **State or National Renewable Power mandates will create power generation opportunities in many Plum Creek states**

- ▶ **US law mandates expanding ethanol production to 36 billion gallons/year from current 7 billion**
 - ▶ Cellulosic ethanol to fill 16 of the 36 billion gallon ethanol target
 - ▶ Will need to sustainably source 1 billion tons of biomass feedstock annually

- ▶ **Plum Creek well positioned**
 - ▶ Team in place
 - ▶ Rapid growth, currently at \$3 million/year pace
 - ▶ Opportunity to increase the value on 10+ million tons of wood fiber