POTLATCH CORP Form 10-Q October 25, 2016

### UNITED STATES

#### SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

(Mark One)

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended September 30, 2016

or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from to

Commission File Number 1-32729

#### POTLATCH CORPORATION

(Exact name of registrant as specified in its charter)

Delaware82-0156045(State or other jurisdiction of(IRS Employer)

incorporation or organization) Identification No.)

601 West First Avenue, Suite 1600Spokane, Washington99201

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(Address of principal executive offices) (Zip Code)

(509) 835-1500

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

 Large accelerated filer
 Accelerated filer

 Non-accelerated filer
 (Do not check if a smaller reporting company)Smaller reporting company

 Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

 Yes
 No

The number of shares of common stock of the registrant outstanding as of October 21, 2016 was 40,518,533.

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#### POTLATCH CORPORATION AND CONSOLIDATED SUBSIDIARIES

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## Part I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Potlatch Corporation and Consolidated Subsidiaries

Consolidated Statements of Income (Loss)

Unaudited (Dollars in thousands, except per share amounts)

|  | Three Months Ended September 30, |           | Nine Months Ended<br>September 30, |           |
|--|----------------------------------|-----------|------------------------------------|-----------|
|  | 2016                             | 2015      | 2016                               | 2015      |
| Revenues   | \$174,027                        | \$174,475 | \$443,418                          | \$437,347 |
| Costs and expenses:                                  |                                  |           |                                    |           |
| Cost of goods sold                                   | 122,132                          | 136,072   | 345,324                            | 353,285   |
| Selling, general and administrative expenses         | 12,901                           | 10,689    | 39,734                             | 35,010    |
| Loss on sale of central Idaho timber and timberlands |                                  |           | 48,522                             |           |
|  | 135,033                          | 146,761   | 433,580                            | 388,295   |
| Operating income                                     | 38,994                           | 27,714    | 9,838                              | 49,052    |
| Interest expense, net                                | (7,786)                          | (8,335)   | (22,017)                           | (24,420)  |
| Income (loss) before income taxes                    | 31,208                           | 19,379    | (12,179)                           | 24,632    |
| Income tax (provision) benefit                       | (3,562)                          | 2,419     | 8,744                              | 3,533     |
| Net income (loss)                                    | \$27,646                         | \$21,798  | \$(3,435)                          | \$28,165  |