

Plum Creek Timber Company, Inc.
999 Second Avenue
Suite 2300
Seattle, Washington 98104
206 467 3600



Contact: Emilio Ruocco
Director, Investor Relations
1-800-858-5347
www.plumcreek.com

PLUM CREEK TIMBER COMPANY, INC. REPORTS

RESULTS FOR SECOND QUARTER AND SIX MONTHS 2001

SEATTLE, WASHINGTON – July 19, 2001 -- Plum Creek Timber Company, Inc. (NYSE: PCL) today announced second quarter earnings of \$17.0 million, or \$0.25 per share, which includes \$4.5 million, or \$0.07 per share, of expenses related to the pending merger of Plum Creek and The Timber Company, a separate operating group of Georgia-Pacific Corporation. Second quarter 2000 earnings were \$21.0 million, or \$0.30 per share.

Earnings for the first six months of 2001 were \$68.1 million, or \$0.98 per share, including a one-time gain of \$24.7 million, or \$0.36 per share, from the March sale of its southwest Washington timberlands to Pope Resources, a Delaware Limited Partnership. Earnings for the same period in 2000 were \$101.6 million, or \$1.47 per share, including a one-time gain of \$49.5 million, or \$0.72 per share, from the sale of its St. Maries, Idaho timberlands to Crown Pacific Partners.

EBITDA, a measure of cash flow defined as operating income plus depreciation, depletion and amortization, was \$45.5 million for the quarter and \$99.0 million for the first six months, compared to \$48.0 million and \$110.2 million for the year-earlier periods. The Company ended the quarter with \$175.8 million in cash and cash equivalents.

Plum Creek's quarterly dividend will be announced on July 24, following the Company's Board of Directors' meeting.

“Our second quarter operating results were above our own expectations because of continuing very strong interest in our higher and better use (HBU) lands, and the rebound of lumber markets early in the quarter due to firm housing demand, reduced Canadian imports and low inventories in the distribution chain,” Plum Creek President and CEO Rick R. Holley said.

“We also continued to make progress in the operational integration of The Timber Company and Plum Creek,” Holley added. “We mailed proxies to shareholders yesterday, and both Plum Creek and The Timber Company will hold shareholder meetings on August 15 to vote on the merger. Following the votes, the transaction is expected to close on September 29,” Holley concluded.

Review of Operations

The Company’s Cascade Region export log business experienced 9% lower pricing during the second quarter compared to the year ago period, due to the weak Japanese economy. Domestic log prices declined 14% in the Cascade Region and 12% in the Rockies Region, compared to the second quarter 2000, due to high mill log inventories. Continuing mill curtailments and high mill log inventories in the South drove Southern Region sawlog prices 29% lower, and pulpwood prices down 4%, versus a year ago. In the Northeast Region, a richer mix of hardwood helped prices approximate those of a year ago.

Reflecting continued strong demand for development and conservation properties, Plum Creek’s second quarter HBU land sales income was \$21.1 million, which was more than double that of the second quarter of 2000.

Prices for the Company's Northwest lumber products declined 5% compared to last year's second quarter. However, they improved 6% from the low levels of this year’s first quarter, due in large part to good demand and low customer inventories of dimension lumber. Average prices for Plum Creek’s dimension products rose 22% over those of the first quarter, while average prices for Plum Creek’s board products, which comprise approximately half of the Company’s lumber production, experienced a 3% improvement. Despite weakening industrial demand, the Company's average plywood price fell only 1% from a year ago, due to a greater proportion of higher value products. Prices for Plum Creek's high-quality medium density fiberboard (MDF) were flat compared to the year-ago period.

Outlook

In the third quarter, Plum Creek expects log prices to remain flat or be slightly lower in each of its operating regions, reflecting customer uncertainty about lumber prices. Although housing starts remain relatively robust, industrial demand has weakened and oversupply conditions persist in most wood product markets. As a result, lumber prices are expected to retreat further from second quarter average price levels. Anemic industrial demand should continue to pressure plywood markets, while MDF markets may experience modest downward price pressure by year-end due to increased imports. During the third quarter, Plum Creek will also begin operation of its new thin MDF production line, giving the Company a highly competitive product portfolio in this growing segment of the wood products industry. Strong real estate markets should continue to keep Plum Creek’s conservation and development properties in high demand.

Operating details for the second quarter and forecast statistics for 2001 are provided in a supplemental financial package available on Plum Creek’s website at www.plumcreek.com.

Earnings Conference Call and Supplemental Information

Plum Creek will hold a conference call today, July 19, at 2:30 p.m. PDT to discuss these results as well as the outlook for the third quarter. To access the call, dial 1.800.453.7599 prior to the scheduled start time and reference access code 5366889. A recorded replay of the call will be available afterwards for 48 hours by dialing 800.615.3210 and entering the same code.

Plum Creek, a real estate investment trust (REIT), is the fourth largest timberland owner in the nation, with timberlands and mills located in the Northwest, South and Northeast regions of the United States.

Forward-looking Statements

This press release contains forward-looking statements within the meaning of the Private Litigation Reform Act of 1995. 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, our ability to harvest our timber, our ability to execute our acquisition strategy, and regulatory constraints. These risks are detailed from time to time in our filings with the Securities and Exchange Commission. Forward-looking statements speak only as of the date made, and neither the Company nor its management undertakes any obligation to update or revise any forward-looking statements. It is likely that if one or more of the risks and uncertainties materializes, the current expectations of the Company and its management will not be realized.

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