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PLUM CREEK TIMBER COMPANY, INC. REPORTS

RESULTS FOR THIRD QUARTER AND NINE MONTHS 2000

SEATTLE, WASHINGTON -- October 12, 2000 -- Plum Creek Timber Company, Inc. (NYSE: PCL) today announced third quarter earnings of \$9.5 million, or \$0.14 per share. Third quarter 1999 earnings were \$46.1 million, or \$0.73 per share, which included a one-time tax benefit of \$14.0 million or \$0.22 per share. Earnings for the first nine months of 2000 were \$111.1 million, or \$1.61 per share, while earnings for the same period in 1999 were \$99.9 million, or \$1.59 per share/unit, including the cumulative effect from an accounting change. The Company reported the first six months of 1999 on a per unit basis as a master limited partnership (MLP), and the next three months of 1999 on a per share basis as a real estate investment trust (REIT).

EBITDA, a measure of cash flow defined as operating income plus depreciation, depletion and amortization, was \$36.8 million for the quarter and \$147.0 million for the first nine months. The figures are inclusive of the Company's unconsolidated subsidiaries and compares to \$74.3 million and \$195.0 million for the year-earlier periods. The Company ended the quarter with \$116.8 million in cash and cash equivalents.

Third quarter 2000 REIT revenues were \$41.5 million, compared to \$52.0 million in the prior year period. On July 1, 1999, the Company converted from an MLP to a REIT and results are now reported under REIT accounting principles. Revenues of \$153.6 million for the first nine months of 2000 are therefore not comparable to revenues for the first nine months of 1999, because REIT accounting rules exclude revenues from unconsolidated subsidiaries. On a comparable basis, including the Company's unconsolidated subsidiaries, revenues would have been \$155.2 million for the third quarter and \$511.3 for the first nine months of 2000, compared to \$200.8 for the third quarter and \$563.3 million for the first nine months of 1999.

Plum Creek's quarterly dividend will be announced on October 17, following the Company's Board of Directors meeting.

“Our third quarter financial results were below our own expectations for several reasons,” Plum Creek President and CEO Rick R. Holley said. “Lumber and plywood markets declined significantly during the quarter due to excess production industry-wide and the impact of slowing housing starts. In addition, our operations in northwest Montana and Idaho were significantly curtailed due to the worst fire season in the region in 50 years. Although the fire damage to our resource base was immaterial, the combination of the oversupplied markets and unusual fire restrictions affected the results. To optimize performance in this environment, we curtailed lumber and plywood capacity, took actions to minimize fire damage to our timberlands, and reduced costs and capital expenditures where appropriate.”

“We also continue to make progress on our pending merger with The Timber Company. We filed our private letter ruling request with the Internal Revenue Service on August 31, and submitted our preliminary proxy to the Securities and Exchange Commission on October 11. We are still on schedule for closing the transaction in the first quarter of 2001, and we remain excited about the prospects of the combined company,” Holley added.

“Finally, we executed an important strategic transaction with the recently announced sale of our Southern lumber operations to West Fraser Timber Company, Ltd. for \$60 million plus working capital. Our strategy is to be a leader in each of the markets we serve. These operations were a small part of the Southern lumber market, offering limited opportunities to differentiate our products or grow the business,” Holley noted. “By contrast, in the Northwest we have aligned our lumber and panel products with our unique and varied timber resources, and have achieved leadership positions in retail lumber, high-end industrial plywood, and medium density fiberboard. We are pleased to gain an established, long-term customer in West Fraser with a 15-year log supply agreement, and will apply the sale proceeds to further enhance our balance sheet and pursue timberland acquisition opportunities,” Holley concluded.

Review of Operations

The Company’s Cascade Region export log business experienced stable pricing during the quarter compared to the year ago period, but domestic log prices declined 15%. In the Rockies Region, third quarter harvest levels declined 41% from a year ago due to fire-related curtailments, while prices improved 4%. Ample log supplies from prolonged drought-related weather conditions in the South kept Southern Region sawlog prices flat, while pulpwood prices declined 10% versus a year ago. In the Northeast Region, increased regional sawmill capacity and low pulpmill wood fiber inventories drove prices for both sawlogs and pulpwood 11% higher than in the third quarter of last year.

Prices for the Company’s Northwest lumber products declined 20% compared to prices in last year’s strong third quarter, with prices for some products reaching five to 10-year lows. Southern lumber prices declined 22% compared to the third quarter of last year. The Company’s average plywood price fell 20% from the record high of the third quarter of 1999 due to weakening industrial demand. Prices for Plum Creek’s high-quality MDF were 4% higher than in the year-ago period.

Outlook

The Company anticipates stable wood demand and some improvement in lumber and plywood markets in the fourth quarter. “Recent production curtailments and continued strong building activity have helped some product prices to rebound, and we believe they will slowly improve during the fourth quarter. Despite the current weakness in lumber and plywood markets, we are encouraged by the more stable pricing for our log businesses, and the continued interest in our higher and better use lands from conservation buyers and developers,” Holley commented.

Earnings Conference Call and Supplemental Information

Plum Creek will hold a conference call today, October 12, at 10:00 a.m. PT to discuss these results as well as the outlook for the fourth quarter. To access the call, dial (877) 679-9055 prior to the scheduled start time. A recorded replay of the call will be available starting at 1:00 p.m. PT and can be accessed through October 18. To access the replay, dial (800) 615-3210 and enter the code: 4611918.

A supplemental financial package is also available on the Company’s web site at www.plumcreek.com.

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. On July 18, Plum Creek announced an agreement to merge with The Timber Company, a separate operating group of Georgia-Pacific Corporation, which will create the second largest timberland owner in the U.S., with approximately 7.9 million acres.

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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