

Plum Creek Timber Company, Inc.
999 Third Avenue
Suite 4300
Seattle, Washington 98104
206 467 3600



News Release

For immediate release
April 25, 2005

For more information contact:
Investors: John Hobbs 1-800-858-5347
Media: Kathy Budinick 1-206-467-3620

Plum Creek Timber Company, Inc. Reports Results for First Quarter 2005

SEATTLE, Wash. – Plum Creek Timber Company, Inc. (NYSE: PCL) today announced first quarter earnings of \$122 million, or \$0.66 per diluted share, on revenues of \$400 million. Earnings for the first quarter of 2004 were \$155 million, or \$0.84 per diluted share, on revenues of \$497 million.

The first quarter 2005 results include a \$20 million after-tax gain on the previously announced sale of the company's remaining coal assets. As a result, first quarter income from continuing operations was \$102 million, or \$0.56 per share. The first quarter 2004 results included \$67 million of operating income from the \$118 million sale of certain large, non-strategic timberlands.

Cash provided by operating activities in the first quarter totaled \$97 million. Cash provided by operating activities during the same period of 2004 totaled \$243 million including approximately \$114 million generated by the sale of large, non-strategic timberlands. The company ended the first quarter with \$349 million in cash and cash equivalents.

"We're pleased with the results of the first quarter. Profits from our core timber business were up compared to the same period last year and the fourth quarter of 2004," said Rick Holley, president and chief executive officer. "We continued to capture excellent value for lands that we sold, while our manufacturing segment operated well and enjoyed good markets and profitability. Our markets continue to be in good condition and we are on target to deliver a year of excellent earnings and cash flow.

"We continue to execute on our strategic initiatives aimed at maximizing the value of all our timber and land assets. Over the past two quarters, we've captured approximately \$45 million from the sale of the company's coal assets. These sales secured excellent values for the assets sold. They are examples of the meaningful progress we've made recognizing the value of non-timber resources that we own."

Review of Operations

The Northern Resources segment reported operating profit of \$29 million compared to \$32 million during the same period of 2004. As planned, the Northern Resources harvest volume was approximately 13 percent lower than the same period of 2004.

Housing activity, repair and remodel expenditures and industrial demand for wood products have contributed to continued strong demand for solid wood products. As a result, sawlog prices in the Northern Resources segment were 10 percent higher when compared to the same period of 2004. Pulp and paper markets have also benefited from economic growth over the past year. In addition, certain markets have experienced increased competition for pulpwood due to limited logging capacity. As a result, pulpwood pricing during the first quarter of 2005 was approximately 7 percent higher than the same period of 2004.

Operating profit in the Southern Resources segment was \$64 million, up \$8 million, compared to the same period of 2004. Similar to the Northern segment, strong demand for solid wood products has resulted in higher sawlog prices, up approximately 5 percent. Price increases for sawlogs varied depending on the region. Sawlog prices in western regions of the South increased over 10 percent, the result of wet weather that limited access to timberlands. In drier regions of the South, sawlog prices increased approximately 2 percent. During the quarter, the company took advantage of attractive sawlog prices in certain markets. Pulpwood prices were flat compared to the first quarter of 2004. As planned, harvest volumes were up approximately 6 percent when compared to the first quarter of 2004.

The Real Estate segment reported revenue of \$68 million and operating income of \$44 million. First quarter 2005 sales were primarily conservation and small, non-strategic land sales. First quarter 2004 Real Estate segment revenue was \$188 million and resulted in income of \$102 million. The 2004 results included \$118 million of revenue and \$67 million of income from the sale of large, non-strategic timberlands.

The Manufacturing segment reported operating profit of \$8 million, down \$3 million from the \$11 million profit reported during the first quarter of 2004. Demand for the company's manufactured products remained strong as the result of strong housing starts, good repair and remodel markets and growing industrial demand. Lumber prices increased approximately 7 percent compared to the first quarter of 2004. Medium density fiberboard (MDF) prices were 18 percent higher, while industrial plywood prices remained relatively flat. MDF performance was particularly strong with excellent operating performance when compared to the same period of 2004. Higher raw material costs, particularly of logs and resins, reduced the profitability of lumber and plywood operations when compared to the first quarter of 2004.

Coal Asset Sale

During the quarter, the company completed the previously announced sale of its remaining coal assets in Virginia and West Virginia for \$21 million. The sale resulted in an after-tax gain of \$20 million.

Outlook

Strong demand from lumber and structural panel markets is expected to continue throughout the second quarter. Pulpwood demand is expected to remain steady for most of the quarter and improve somewhat late in the quarter as several customers complete planned maintenance outages.

Harvest levels in the North are expected to decline from first quarter levels in a typical seasonal pattern due to thawing spring weather that will restrict harvesting activities during a portion of the quarter. The Southern harvest is expected to increase slightly from the first quarter, specifically in pulpwood.

Customers throughout the Northern Resources segment have been building log inventories in anticipation of the spring thaw and now have reasonably good log inventories as they enter the second quarter. Log buyers in the West are concerned that a dry spring in the western United States and western Canada could lead to early logging restrictions this summer. Some are responding by building log inventories above normal for the season. The company expects sawlog prices to maintain current levels as the result of strong end product demand and limited log availability during the spring thaw. Pressure on pulpwood prices is expected to continue in the Northeast as limited contractor availability continues to impact log availability in the region.

During the second quarter, demand for Southern sawlogs and pulpwood is expected to remain strong as well. Reasonable log inventories and favorable harvesting conditions in most regions of the South are expected to hold prices at current levels for both sawlogs and pulpwood across the region.

The company continues to expect Real Estate segment revenues for the year to be between \$200 and \$230 million. Of this amount, second quarter revenues are expected to be between \$30 and \$35 million. Real estate segment results could be higher depending on the extent of large, non-strategic timberlands sold during the remainder of the year.

Earnings for the Manufacturing segment are expected to continue to benefit from excellent product demand and continued strong pricing levels.

The company expects earnings from continuing operations for 2005 to be between \$1.50 and \$1.65 per share. Second quarter earnings are expected to be between \$0.27 and \$0.32 per share.

“We’ve started the year with excellent performance and good underlying business conditions,” said Rick Holley. “We continue to act opportunistically to capture value in spot timber markets and are realizing significant value from our sales of high-value recreation and conservation properties.

“Plum Creek’s business model is based on a consistent, long-term approach to sustainable timber management and value creation. Over the past several years, our disciplined

approach has improved the fundamental cash generating capabilities of our asset base, allowing us to grow our dividend over time. As we execute our strategies for value growth, capital allocation remains our highest priority. We will maintain our discipline as we continually evaluate how best to use the cash we generate for the long-term benefit of our shareholders.”

Earnings Conference Call and Supplemental Information

Plum Creek will hold a conference call today, April 25, at 5:00 p.m. EDT (2:00 p.m. PDT). A live webcast of the conference call may be accessed through Plum Creek’s Internet site at www.plumcreek.com by clicking on the “Investors” link.

Investors without internet access should dial 1-800-572-9852 at least 10 minutes prior to the start, referencing Plum Creek’s earnings. Those wishing to access the call from outside the United States/Canada should dial 1-706-645-9676, also referencing Plum Creek’s earnings. Replay of the call will be available for 48 hours after completion of the live call and can be accessed at 1-800-642-1687 or 1-706-645-9291 (international calls), using the code 3521717.

Supplemental financial information for Plum Creek operations, including statistical data, is available in the investors information section of Plum Creek’s website at www.plumcreek.com.

###

Plum Creek is one of the largest timberland owners in the nation, with approximately 8 million acres of timberlands in major timber producing regions of the United States and 10 wood products manufacturing facilities in the Northwest.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Litigation Reform Act of 1995 as amended. Some of these forward-looking statements can be identified by the use of forward-looking words such as "believes," "expects," "may," "will," "should," "seek," "approximately," "intends," "plans," "estimates," or "anticipates," or the negative of those words or other comparable terminology. 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, the market for and our ability to sell or exchange non-strategic timberlands and timberland properties that have higher and better uses, and various regulatory constraints. These and other risks, uncertainties and assumptions are detailed from time to time in our filings with the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, and the Securities Act of 1933, as amended. It is likely that if one or more of the risks materializes, or if one or more assumptions prove to be incorrect, the current expectations of Plum Creek and its management will not be realized. Forward-looking statements are not guarantees of performance, and speak only as of the date made, and neither Plum Creek nor its management undertakes any obligation to update or revise any forward-looking statements.