

Plum Creek Timber Company, Inc.  
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## News Release

For immediate release  
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### **Plum Creek Timber Company, Inc. Increases Quarterly Dividend to \$0.36 Per Share**

**SEATTLE, Wash.** – Plum Creek Timber Company, Inc. (NYSE: PCL) today announced a quarterly cash dividend of \$0.36 per share, an increase of \$0.01 per share. The dividend is payable on August 31, 2004, to shareholders of record as of August 17, 2004.

“Continued successful execution of our business strategy and sustainable improvements in timber markets have grown the long-term sustainable cash flows from our core businesses. As a result, the board of directors today announced an increase in the quarterly dividend of approximately three percent.” said Rick Holley, president and chief executive officer. “We believe one of the most transparent ways of delivering shareholder value is through the payment of a reliable and attractive dividend. We believe this increase is appropriate given the cash generating capability of our assets and our prospects for continued long-term growth. Plum Creek has a long history of providing attractive total shareholder returns through a balance of reliable dividend income and capital appreciation.”

The taxable portion of Plum Creek’s dividend is expected to be characterized as long-term capital gain income primarily because the income generated by the sale of Plum Creek’s timber is considered long-term capital gain. As such, the taxable portion of Plum Creek’s dividend is taxed at a maximum rate of 15 percent for most U.S. taxpayers.

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Plum Creek is one of the largest land and timber 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.

This press release contains statements concerning the company's dividend that are forward-looking in nature within the meaning of the Private Litigation Reform Act of 1995, as amended. Future dividends will be determined by our Board of Directors, in its sole discretion, based on consideration of a number of factors including, but not limited to, our results of operations, cash flow and capital requirements, economic conditions, tax considerations, debt covenant restrictions that may impose limitations on the company's ability to make cash payments, borrowing capacity, changes in the prices of and demand for Plum Creek's products, and changes in our ability to sell timberlands at attractive prices. Other factors that our Board of Directors considers include the appropriate timing of timber harvests, acquisition and divestiture opportunities, stock repurchases, debt repayment and other means by which the company could deliver value to its stockholders. Any forward-looking statement concerning the company's dividend is subject to inherent risks and uncertainties relating to material changes in our results of operations. A number of important factors could cause our actual results to differ materially from those contemplated by our projected, forecasted, estimated or budgeted results of operations, some of which are described in the "Risk Factors" section of our periodic reports filed with the Securities and Exchange Commission. It is likely that if one or more of the risks materializes, our current expectations will not be realized. 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.