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**PLUM CREEK TIMBER COMPANY, INC. REPORTS RESULTS**  
**FOR FOURTH QUARTER AND FULL YEAR 2000**

SEATTLE, WASHINGTON – January 23, 2001 -- Plum Creek Timber Company, Inc. (NYSE: PCL) today announced fourth quarter earnings of \$20.8 million, or \$0.30 per share. Fourth quarter 1999 earnings were \$25.7 million, or \$0.38 per share. Earnings for the full year 2000 were \$131.9 million, or \$1.91 per share, while earnings for 1999 were \$125.6 million, or \$1.94 per share/unit, including the cumulative effect from an accounting change related to silviculture expenses. The Company reported results from the first six months of 1999 on a per unit basis as a master limited partnership (MLP), and results from the next six 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 \$45.2 million for the fourth quarter and \$192.0 million for the full year 2000. The figures are inclusive of the Company's unconsolidated subsidiaries and compare to \$57.0 million and \$250.7 million for the year-earlier periods. The Company ended the year with \$181.4 million in cash and cash equivalents.

Fourth quarter 2000 revenues were \$55.4 million, compared to \$46.1 million in the prior year period. On July 1, 1999, the Company converted from an MLP to a REIT and results have subsequently been reported under REIT accounting principles. Revenues of \$209.1 million for the full year 2000 are therefore not comparable to revenues for the full year 1999, because REIT accounting rules excluded revenues from unconsolidated subsidiaries. On a comparable basis, including the Company's unconsolidated subsidiaries, revenues would have been \$174.0 million for the fourth quarter and \$713.5 million for the full year 2000, compared to \$195.2 million for the fourth quarter and \$796.9 million for the full year 1999. Beginning in 2001, a new tax law with regard to REIT rules will allow Plum Creek's financial statements to consolidate results of our timberlands operations with those of our previously unconsolidated manufacturing subsidiaries.

Plum Creek's quarterly dividend will be announced on January 25, following the Company's Board of Directors' meeting.

“Results in the fourth quarter improved over those in the third quarter on the strength of a moderate price rebound in our Northwest lumber and plywood businesses, stable log pricing, and very strong real estate markets,” Plum Creek President and CEO Rick R. Holley said. “For the year, our financial results were negatively impacted by dramatic third quarter declines in lumber and plywood prices, which were due to excess production industry-wide. We optimized our performance in this environment by reducing our lumber and plywood production in the fourth quarter, and protected our long-term value by deferring a portion of our timber harvest in our Rockies and Southern Regions,” Holley added. “Importantly, we executed three key strategic initiatives: we sold our St. Maries, Idaho timberlands and our Southern lumber mills at attractive prices, and reached an agreement to merge with The Timber Company,” Holley concluded.

### **Review of Operations**

The Company’s Cascade Region export log business experienced improved fourth quarter pricing versus the third quarter, and average prices for the year were 5% above those in 1999. Domestic log prices in the Region also increased over the third quarter, but average prices were 6% lower for the year compared to 1999. In the Rockies Region, fourth quarter prices dropped 5% from the third quarter, but averaged 3% higher for 2000 compared to 1999. Southern Region sawlog prices were flat for the quarter and year, while average 2000 pulpwood prices were 10% lower than a year ago. In the Northeast Region, sawlog and pulpwood prices were flat compared to the third quarter while average prices for both in 2000 exceeded those of 1999 by 11%.

Prices for the Company’s Northwest lumber products rose during the fourth quarter from the lows of the third quarter. However, prices ended the year averaging 9% less than the strong prices of 1999. Southern lumber prices continued to decline in the fourth quarter, and the average for the year was 16% below 1999. The sale of our two Southern lumber mills to West Fraser Timber Co. Ltd. for \$60 million plus working capital was completed on December 15. The Company’s average plywood price rose over third quarter lows, with the full year average down 10% from record 1999 pricing. Prices for Plum Creek’s high-quality MDF were seasonally lower in the fourth quarter than in the third quarter, but overall average 2000 prices were 6% higher than in 1999.

Plum Creek’s strong fourth quarter results from higher and better use (HBU) land sales included some transactions that had shifted from previously planned third quarter closings. For the year, HBU income more than doubled, reflecting strong demand for both development and conservation properties.

### **Outlook**

As we begin 2001, we continue to see good overall wood products demand. Housing starts and the repair and remodel market are at reasonably strong levels, but will likely slow compared to 2000. The overproduction conditions of the second half of 2000 will persist at least through the first half of 2001, keeping downward pressure on wood products prices.

We anticipate a rebound in the second half of the year, as lumber and plywood production curtailments begin to bring markets into better balance.

We believe that lower lumber and structural panel prices, in addition to production curtailments, will put downward pressure on sawlog prices, which are likely to be down in 2001 as compared to 2000. Pulpwood and chip prices may increase slightly due to the impact of extended sawmill curtailments. Strong nationwide real estate markets will continue to keep Plum Creek's conservation and development properties in high demand.

Key forecast statistics for 2001 are provided in the supplemental financial package available on Plum Creek's website at [www.plumcreek.com](http://www.plumcreek.com).

### **Earnings Conference Call and Supplemental Information**

Plum Creek will hold a conference call today, January 23, at 5:30 p.m. Eastern Time to discuss these results as well as the outlook for 2001. To participate in the call, dial 800-960-1013 with access code: 4896400.

A live webcast as well as a webcast replay will also be available from the Investor Information section of the Company's website at [www.plumcreek.com](http://www.plumcreek.com). A voice replay will be available after the call's conclusion, by dialing 800-615-3210 with access code: 4896443. Plum Creek also publishes a supplemental financial package on its website to aid in interpreting our financial results.

Plum Creek, a real estate investment trust (REIT), is the fourth largest timberland owner in the nation, with timberlands in the Northwest, South and Northeast regions of the United States, and nine wood product mills in the Northwest. On July 18, 2000 Plum Creek announced an agreement to merge with The Timber Company, a separate operating group of Georgia-Pacific Corporation, which, when completed, 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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