



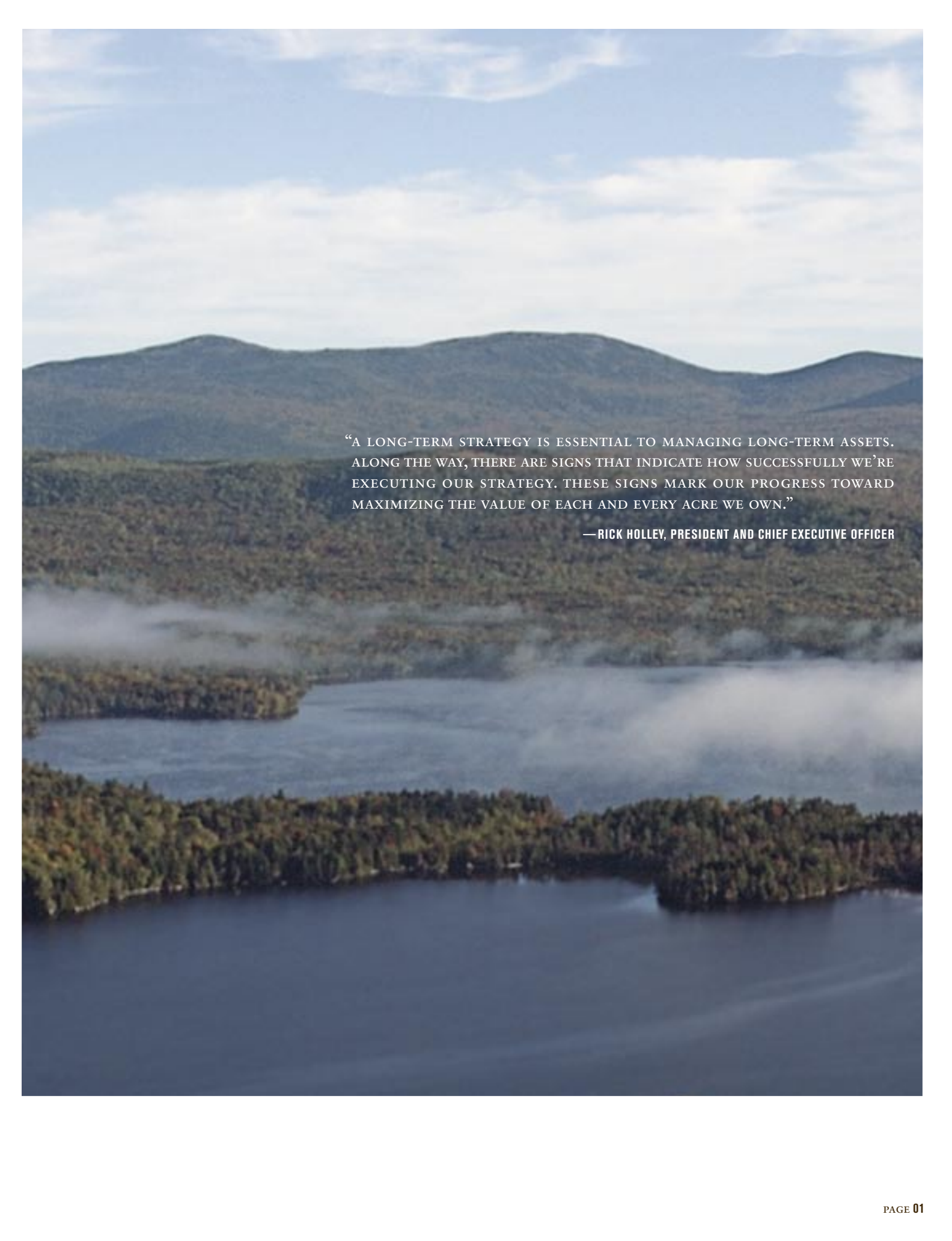
ANNUAL REPORT '04

PLUM CREEK



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An aerial photograph of a large, calm lake surrounded by dense, green forest. In the background, there are rolling hills and mountains under a sky with scattered white clouds. The water reflects the light, and there's a misty or foggy atmosphere near the shorelines.

“A LONG-TERM STRATEGY IS ESSENTIAL TO MANAGING LONG-TERM ASSETS. ALONG THE WAY, THERE ARE SIGNS THAT INDICATE HOW SUCCESSFULLY WE’RE EXECUTING OUR STRATEGY. THESE SIGNS MARK OUR PROGRESS TOWARD MAXIMIZING THE VALUE OF EACH AND EVERY ACRE WE OWN.”

— RICK HOLLEY, PRESIDENT AND CHIEF EXECUTIVE OFFICER



RICK R. HOLLEY
President and Chief Executive Officer



5.5 MILLION ACRES
CORE TIMBERLAND

1.0 MILLION ACRES
NON-STRATEGIC
TIMBERLAND

1.3 MILLION ACRES
TIMBERLAND WITH
HIGHER VALUES

TOTAL LAND HOLDINGS
7.8 MILLION ACRES

DEAR FELLOW SHAREHOLDERS

As I reflect back on 2004, I believe it was one of the best years in Plum Creek's 15-year history as a public company. This was a year of successful execution of our strategies for long-term value creation. We made significant progress against our strategic objectives, improved operating and financial performance in each of our product lines, improved our core timberland holdings with the acquisition of highly productive timberlands, and increased the quarterly dividend as a signal to investors of the progress the company has and will continue to make. Some highlights from 2004 are:

- » Reported an 89% increase in earnings with improved operating results
- » Reduced debt by \$179 million
- » Increased our cash position by \$80 million
- » Executed on key strategic initiatives:
 - Acquired 78,000 acres of quality, productive timberlands
 - Increased real estate segment revenue by \$179 million to \$303 million
 - Sold 257,000 acres of large, non-strategic timberlands
 - Sold 120,000 acres of recreation, conservation, and small non-strategic timberlands
 - Sold a portion of our coal assets and coal bed methane working interest for a combined \$50 million
- » Increased your quarterly dividend by 3% in August of 2004 and by 6% in February of 2005
- » Completed certification of all 7.8 million acres under the Sustainable Forestry Initiative®

As we think about the company, its value, its opportunities, and its future, we focus on the extraordinary land and timber assets that Plum Creek owns—over 7.8 million acres in 19 states. As Will Rogers once said, "Put your money in land, because they aren't making any more of it." That's what we will continue to do!

Our job as stewards of these assets is to maximize the value over time of each and every acre. To do so, we need to continually assess the value of the trees growing on the land, the value of the natural resources (rocks, sand, minerals, oil, and gas) that reside beneath the surface, and the value of the land itself.

Last year we shared a graphic with you that bears repeating in this year's annual report. This graphic shows how we've classified our land holdings into three distinct categories: core timberlands, which are lands in attractive long-term markets that are highly productive and have a good species and age mix; non-strategic timberlands, which represent lands that did not meet the core timberlands criteria; and timberlands with higher values, which are lands with other investment attributes that greatly exceed their timberlands value.

This graphic illustrates three important strategic initiatives we are undertaking to build long-term shareholder value. Most important is growing the value of our core timberland holdings. We will continue to invest in these lands to improve their productivity, harvest profile, and cash flow. We will also continue to acquire additional timberlands that meet our acquisition criteria. Although generally a sellers' market over the last couple of years, Plum Creek was still able to acquire 78,000 acres of highly productive timberlands in 2004 to complement the 446,000 acres we acquired in 2003 and 2002. These acquisitions, in addition to the ongoing investment to improve the productivity of our forests, have further enhanced the company's future timber harvest profile, and therefore its value.

The second initiative involves the sale of non-strategic timberlands as soon as possible. In 2004, we sold 257,000 acres of non-strategic timberlands for \$133 million and will continue to sell this type of land in 2005 and beyond. The third initiative focuses on capturing the value associated with the 1.3 million acres identified as having values well in excess of timber values. During the year, 120,000 acres of these lands were sold for \$170 million, which represented a premium of \$75 million (79%) over timberland values.

We will continue to focus our efforts on executing these strategic initiatives, freeing up capital from non-core assets and reinvesting it back into our core land and timber assets.

As a result of this process, today we have a comprehensive understanding of the value of all of our land holdings, and we have strategies in place to realize their maximum value. We will continue to assess everything we own and look for all opportunities to ensure that we realize the full value from this exceptional asset base.

Plum Creek benefited from improving domestic business conditions in 2004. Housing starts of over 1.9 million continued to boost the entire U.S. economy while repair and remodel and industrial markets for wood products continued to be very good. A weaker U.S. dollar has improved U.S. wood product and paper producers' competitive position in both North America and world markets. This in turn benefited Plum Creek, as the largest seller of wood fiber in the U.S. and a major supplier to these markets. With robust prices for all of our manufactured products, our manufacturing segment reported record operating profit.

Although markets were good this past year, the lumber trade dispute between the U.S. and Canada remains unresolved as of this moment. We remain hopeful that a long-term resolution that all parties can agree to will be negotiated in the coming year.

The performance of each area of our company improved on our 2003 results. For the year, our earnings were \$362 million, on revenues of \$1.5 billion. Our cash flow from operations, which is one

of our most important measures, was \$600 million. The company ended the year with an excellent balance sheet and we were able to reduce our debt by \$179 million and add \$80 million to our cash balance. At year-end, we had \$347 million in cash.

Our improved performance can be attributed to good markets, excellent operating performance in all businesses, execution of our strategic initiatives, and the hard work and dedication of our people—the best in the industry!

At Plum Creek we know that capital allocation is the most important thing we do. Effective capital allocation is about knowledge: knowing your business, its value drivers, and value; discipline: being patient when evaluating acquisition or disposition opportunities; and value delivery: focusing on what delivers the best long-term value to shareholders, whether it be acquisitions of additional timberland, repurchasing Plum Creek stock, or growth of the dividend. We will remain disciplined and patient when evaluating opportunities, we will be opportunistic purchasers of our stock, and we will grow our dividend as our cash flow grows. We enter 2005 in excellent financial health, fully confident of our ability to continue to execute our strategies for long-term value creation.

The true measure of our performance is the value we return to shareholders. We did well in 2004 with a total return of 31.9%, once again outperforming the S&P 500. While total return to our shareholders during the past year has been quite good, we are even more proud of our long-term record of shareholder value creation. Over the past 10 years, while an investment in the S&P 500 has provided annualized returns of nearly 12%, an investment in Plum Creek has provided annualized returns of 14.5%. These long-term returns are the tangible results of our management team's commitment to maximizing the value of every tree, every acre of land, and the value of your investment in Plum Creek—that remains job number one.

On behalf of all of us at Plum Creek, I thank you for your continued support.



RICK HOLLEY
PRESIDENT AND CHIEF EXECUTIVE OFFICER

MANAGING FOR A SUSTAINABLE HARVEST— TODAY AND 25 YEARS FROM NOW.

Every year, between December and March, Plum Creek plants over 700,000 seedlings per day. That's approximately 30,000 seedlings per hour—nearly 500 trees for every minute of the day. All those seedlings supplement the natural regeneration of trees on our land and help us maintain and increase our sustainable harvest for generations to come. Plum Creek currently produces nearly 3,000 truckloads of logs every day, making us the largest seller of wood fiber in the U.S. As a long-term sustainable business, Plum Creek is equally focused on selling trees today and making sure we have even more trees to sell tomorrow. For that reason, we recognize the importance of managing our forests intelligently, increasing the value of our standing timber inventory, and growing the volume of future harvests.

Our long-term harvest plan seeks to maximize the value of our working forest. Using sophisticated biological and financial modeling, we determine when each stand of trees reaches its economic maturity—the period of time when the combined value and volume growth of the trees yields the highest return. Using this information, as well as the expert knowledge of local timber markets, our foresters work to maximize the value of the harvest by selling each tree, or in some cases a portion of a tree, to the customer who values it most. With harvesting complete, our foresters turn their attention to planting and growing a healthy, financially productive forest that ensures a sustainable and growing harvest for the future. These advanced forestry practices create healthy and environmentally sustainable forests capable of

producing highly predictable and reliable long-term cash flow. All those little seedlings end up making a big difference to our standing timber inventory, to our future harvests, and to our bottom line years from now. We recognize that long-term strategies require short-term actions. Planting 85 million seedlings in 2004 will ultimately add to our cash flow in 2029 and beyond.

ALL TIMBERLANDS SFI CERTIFIED

In 2004, PricewaterhouseCoopers completed independent audits of Plum Creek's forestry practices. As a result, all Plum Creek lands are now certified under the Sustainable Forestry Initiative® (SFI) program. The SFI comprises a set of standards governing forest asset management practices for timberlands. Certification under these standards reflects Plum Creek's consistency in meeting the performance metrics around key principles, including sustainable forestry, responsible forestry practices, forest health and productivity, protection of special sites, legal compliance, and continual improvement.

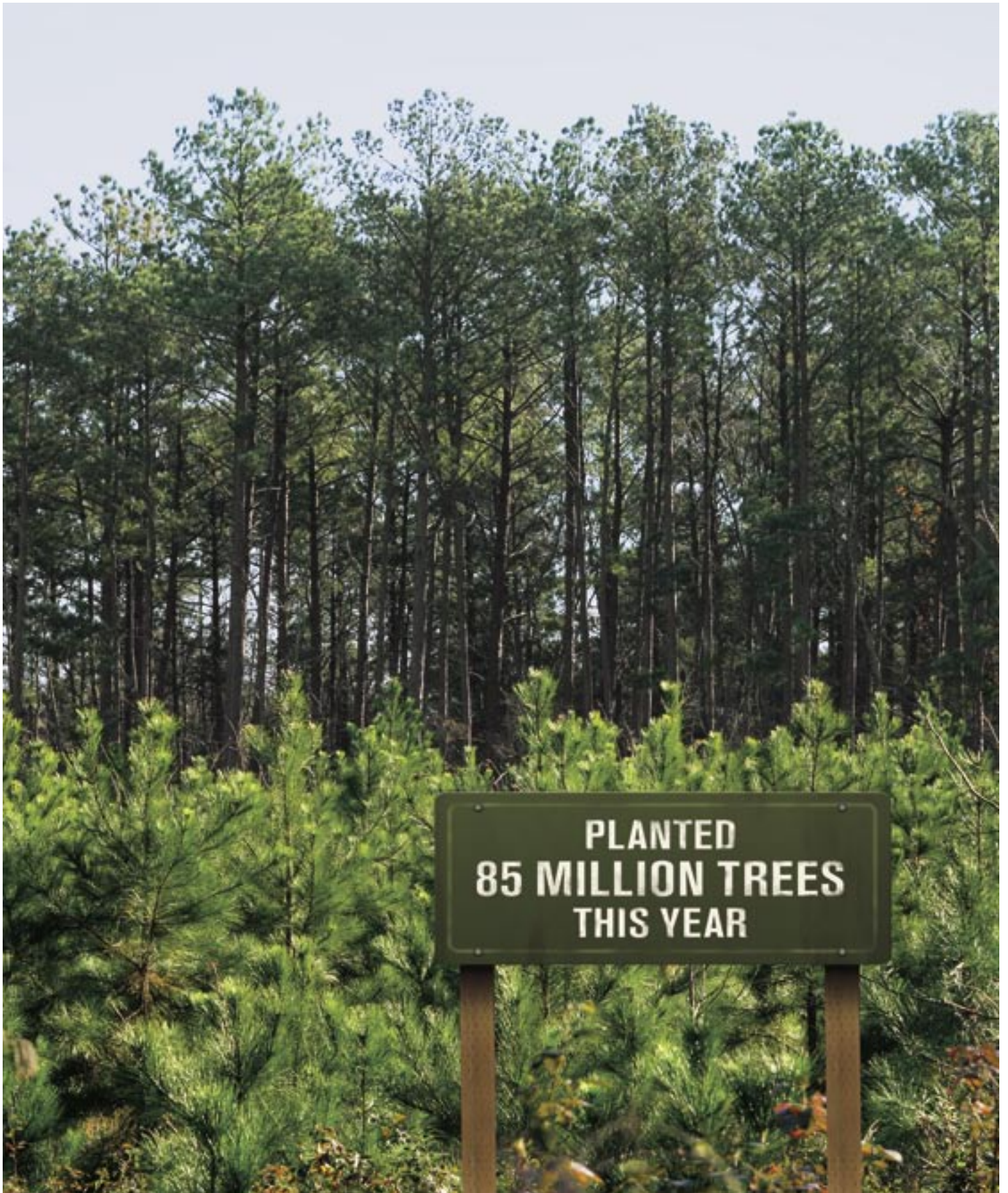
PricewaterhouseCoopers employed a team of experts from universities and various technical fields to complete the final audit. Plum Creek professionals—including forest managers, silvicultural experts, biologists, hydrologists and others—work collaboratively to maintain this high level of stewardship. For more information on Plum Creek's SFI certification and our commitment to the environment, visit www.plumcreek.com.




DISTRIBUTION OF ACREAGE IN THE UNITED STATES

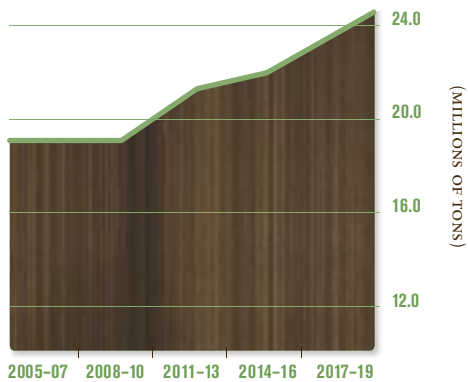
TOTALING 7.8 MILLION ACRES

ALABAMA	103,000
ARKANSAS	940,000
FLORIDA	578,000
GEORGIA	896,000
IDAHO	39,000
LOUISIANA	533,000
MAINE	928,000
MICHIGAN	3,000
MISSISSIPPI	859,000
MONTANA	1,301,000
NEW HAMPSHIRE	33,000
NORTH CAROLINA	76,000
OKLAHOMA	132,000
OREGON	285,000
SOUTH CAROLINA	210,000
TEXAS	50,000
WASHINGTON	161,000
WEST VIRGINIA	115,000
WISCONSIN	514,000





**ACQUIRED
524,000 ACRES
OF HIGHLY
PRODUCTIVE
TIMBERLANDS
OVER THE
PAST 3 YEARS**



HARVEST PROJECTIONS

OUR SUSTAINABLE HARVEST IS PROJECTED TO GROW OVER TIME, ASSUMING CURRENT TIMBERLAND OWNERSHIP. OUR GOAL IS TO FURTHER IMPROVE THIS HARVEST PROFILE THROUGH ATTRACTIVE ACQUISITIONS.

CONTINUALLY IMPROVING OUR CORE TIMBERLAND PORTFOLIO.

We are continually striving for greater returns across our entire ownership by acquiring lands that are located in attractive, long-term timber markets and add to our future harvest levels. Over the last three years, Plum Creek has acquired 524,000 acres of highly productive timberlands, funded in part through the sale of non-core timberlands. We evaluate the performance of our assets, with the goal of constantly improving our core timberland portfolio. Analyzing the composition of our timberlands allows us to identify timberlands that we would be better served by selling and then reinvesting the proceeds in higher-performing timberlands. Selling these lands and redeploying

the capital through the purchase of financially attractive timberlands improves the productivity, capital efficiency, and financial returns from our asset base. As a result, while Plum Creek owns approximately the same amount of acreage that it owned at the end of 2001, it is a more productive 7.8 million acres, with higher projected harvest levels. These acquisitions help upgrade the company's cash flow potential. In the coming years, additional non-core timberlands will be sold, allowing Plum Creek to reinvest the proceeds in timberlands and other assets that will deliver a significantly higher return for our shareholders.

REALIZING LAND VALUES THAT EXCEED TIMBERLAND ECONOMICS.

As part of our asset management discipline, we recognize when we own assets that surpass their worth as timberlands because they possess attributes that have significantly greater values for conservation, recreation, or land development uses. Over the last few years, Plum Creek has identified approximately 1.3 million acres under management whose inherent value we believe exceeds that of pure timberland. The sale of these acres will generate more attractive returns than if we simply continued to operate them as timberlands. In 2004, we captured \$75 million above and beyond timber values from the sale of these types of assets.

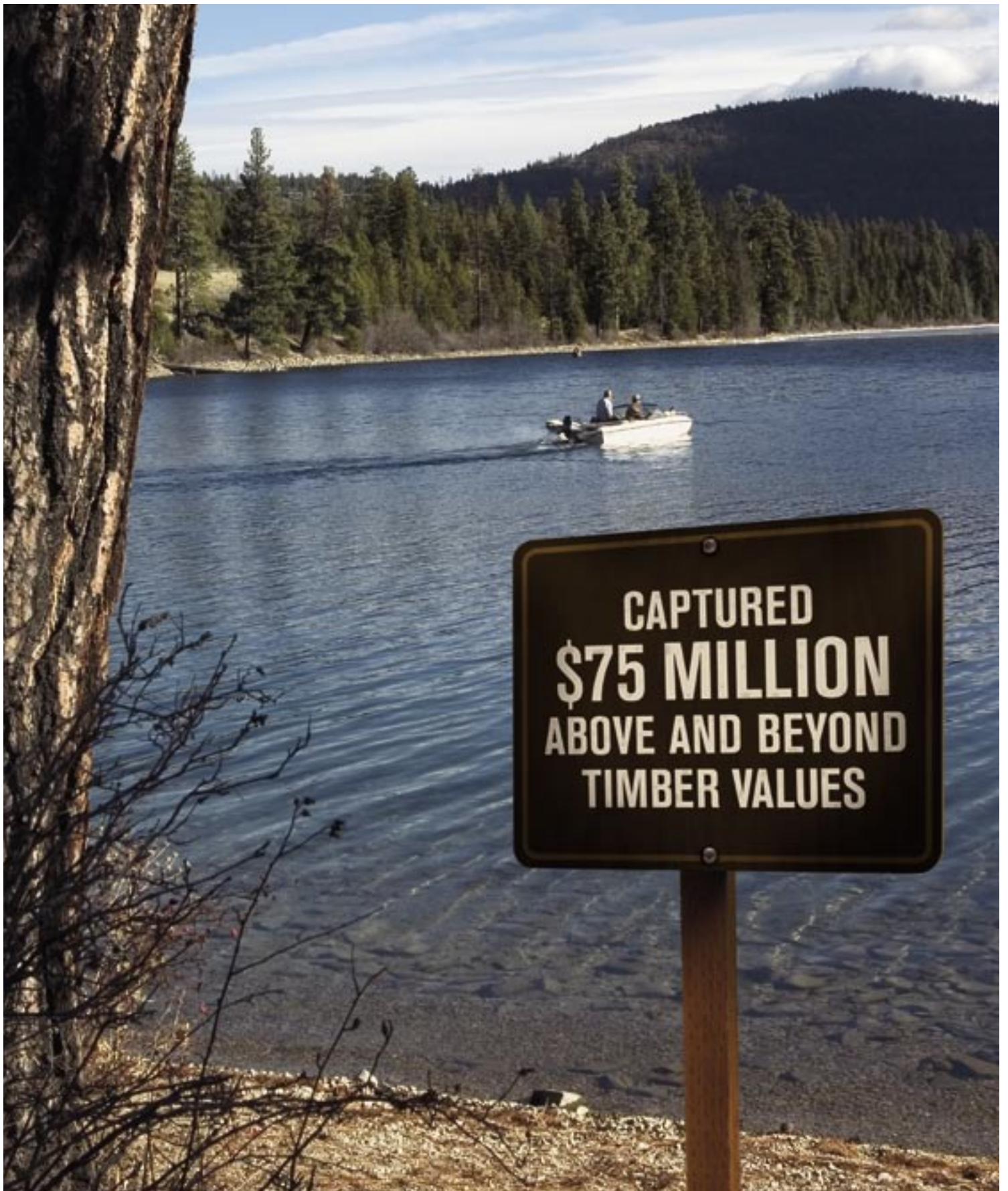
Through these sales, Plum Creek realizes the value of these assets while conservation, recreation, and development buyers secure land with attributes they desire. We will continue to execute our strategy of securing attractive values for these unique assets.

PARTNERING FOR CONSERVATION: BLACKFOOT RIVER VALLEY

In 2004, Plum Creek worked with The Nature Conservancy and local landowners, public agencies, and conservation groups to complete the sale of 43,000 acres in the upper Blackfoot Valley of Montana. The transaction helped the buyers fulfill their goals of maintaining traditional uses in the valley—ranching, forestry, public access, and wildlife habitat and captured value for Plum Creek shareholders that could not be realized by operating the property only as timberland. Transactions such as these illustrate our ability to work with interested parties to achieve their goals while allowing us to maximize the value of our assets beyond traditional timberland values.

“WE REALLY APPRECIATE THE COOPERATIVE WAY IN WHICH PLUM CREEK HAS WORKED WITH THE CONSERVANCY, THE LOCAL BLACKFOOT CHALLENGE, AND OTHER PARTNERS TO CONSERVE THE RICH NATURAL AND RURAL HERITAGE OF THE BLACKFOOT VALLEY. THE PROJECT’S REAL SIGNIFICANCE GOES FAR BEYOND THE ACREAGE BEING CONSERVED TO THE WAY THE LOCAL COMMUNITY HAS COME TOGETHER AROUND A COMMON VISION FOR ITS FUTURE.”

— JAMIE WILLIAMS, DIRECTOR, THE NATURE CONSERVANCY OF MONTANA





**ENHANCED
FINANCIAL
FLEXIBILITY**

PROVIDING THE FINANCIAL STRENGTH TO PURSUE OUR STRATEGIES FOR GROWTH.

Our financial strength provides a competitive advantage and positions the company for future growth. At year's end, Plum Creek had \$347 million in cash and a total debt to market capitalization of 27%. During 2004, total debt was reduced to \$1.885 billion, a 9% reduction from 2003. While our investment-grade balance sheet is indicative of our financial strength, it also reveals how well-positioned we are to pursue our strategies for continued growth. Our balance sheet allows us to seek out new opportunities for the company—when and where they occur. During 2004, we enhanced our financial flexibility by filing an \$800 million shelf regi-

stration that provides quick access to public capital markets. This flexibility is irreplaceable in an ever-changing marketplace and helps the company quickly capitalize on investment opportunities as they occur. Essentially, we choose what we want to buy and sell and when—without ever being held back from a financially attractive transaction. Our focus on cash-accretive acquisitions and our disciplined approach to capital allocation ensures Plum Creek is poised to take advantage of opportunities that can significantly grow the value of our shareholders' investment.

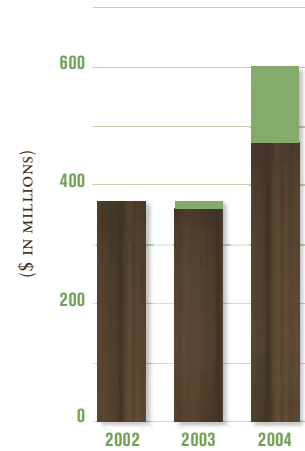
“OUR INVESTMENT-GRADE BALANCE SHEET ALLOWS US TO PURSUE OUR STRATEGIES FOR GROWTH WHILE ENSURING THE COMPANY’S FINANCIAL HEALTH. FOR OUR SHAREHOLDERS, THAT MEANS WE WILL CONTINUE TO INVEST IN OPPORTUNITIES THAT GROW OUR FUTURE CASH FLOW WHILE PAYING AN ATTRACTIVE DIVIDEND.”

— WILLIAM BROWN, EXECUTIVE VICE PRESIDENT AND CHIEF FINANCIAL OFFICER

IMPROVING BOTTOM-LINE RESULTS IN EVERY AREA OF OUR BUSINESS.

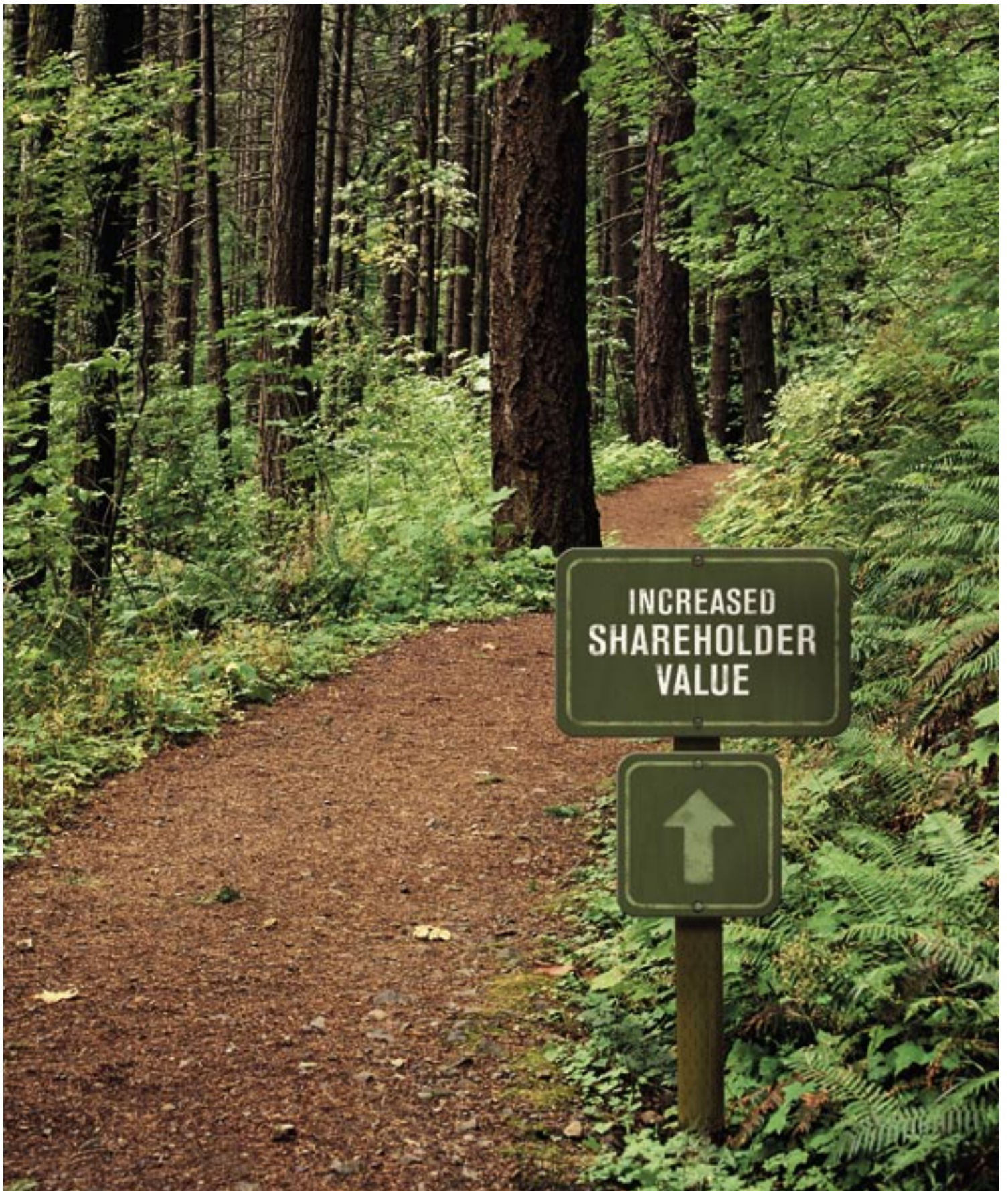
Last year, Plum Creek improved operational results in each area of our company. Our disciplined approach to managing a diverse portfolio of timberland assets continues to protect shareholder value against regional market risks while providing the flexibility to take advantage of beneficial market conditions. For example, the four hurricanes that had an impact on Florida last year temporarily suspended our harvesting operations in the region but had little impact on our overall performance because of our scale and broad geographic diversity. In addition, our manufacturing segment added record cash flow in 2004, the result of well-positioned assets, excellent production management, and higher product prices. The company also made significant progress growing the contributions of the natural resources busi-

ness as well as executing the company's strategy of selling non-core timberlands. Our diverse cash flows are generated across business segments and geography. As a result of the successful execution of our strategies for value creation, Plum Creek increased its quarterly dividend 3% in August of 2004 and by an additional 6% in February of 2005. Taken together with our financial strategies and proven business models, the increased dividend demonstrates our success at focusing on our exceptional asset base of timberlands and maximizing the value of every acre under management. Ultimately, the value we create per acre is reflected in the value we deliver per share.



CASH FLOW FROM OPERATING ACTIVITIES

DURING 2004, CASH FLOW FROM OPERATING ACTIVITIES GREW TO \$600 MILLION, INCLUDING \$129 MILLION (PICTURED IN GREEN) FROM THE SALE OF LARGE, NON-STRATEGIC TIMBERLANDS.



QUESTION + ANSWER

QUESTION NO. 01

WHAT IS PLUM CREEK'S GREATEST COMPETITIVE ADVANTAGE?

ANSWER

Plum Creek is an asset-rich company with significant market presence in 19 states. Collectively our expertise spans multiple timber and land markets, providing us with broad market intelligence that we believe no other timberland owner can match. This knowledge has obvious benefits in our day-to-day operations. Our local managers have superior market insight that allows them to time timber harvests to capture the most value. In addition, as we evaluate timberlands for potential acquisition, we incorporate our collective knowledge about timber, land, and other natural resource values. This knowledge allows us to make superior value judgments when evaluating the financial attractiveness of any timberland investment. It is this collective knowledge and our employees' creative, entrepreneurial approach to business that drives our superior performance. Over the past 10 years, through a combination of day-to-day business execution and a history of financially attractive acquisitions, Plum Creek has grown from a 2-million-acre regional timberland owner to one of the largest, most diversified timberland owners in the United States. Over that same time period, we have provided investors annualized total shareholder returns of 14.5%.



THOMAS M. LINDQUIST
Executive Vice President

BARBARA L. CROWE
Vice President, Human Resources

RICK R. HOLLEY
President and Chief Executive Officer

JAMES A. KRAFT
Senior Vice President,
General Counsel and Secretary

QUESTION NO. 02

HOW DOES PLUM CREEK VIEW THE CURRENT MARKET FOR TIMBERLAND?

ANSWER

Fundamentally, Plum Creek believes in the long-term value of timberland. Other investors have also recognized the attractive returns timber investments can produce and, as a result, the current market for timberlands is highly competitive. We believe opportunities to make financially attractive acquisitions remain—for long-term, patient investors with superior market insight like Plum Creek. We continually evaluate the potential acquisition of highly productive timberlands that will add to our timber inventory, future harvests and cash flow. Maintaining our disciplined approach to capital allocation is critical to our ability to maximize the value of your investment. At any given time, the acquisition of new timberlands competes with other uses for capital. Whether we use capital to enhance the productivity and yield of our core timberlands through advanced silviculture investments, buy new timberlands, reduce debt, repurchase shares, or grow the dividend, our fundamental goal is to use the cash generated by the company to increase shareholder value.

QUESTION NO. 03

HOW DOES THE MANUFACTURING SEGMENT ADD VALUE AT PLUM CREEK?

ANSWER

During 2004, our manufacturing segment reported record levels of profitability and cash flow, generating earnings of \$58 million and approximately \$95 million of cash flow. Plum Creek's lumber, plywood, and medium density fiberboard businesses strategically complement our timber business in Montana by creating additional value from our unique timber resources in this region. We focus on manufacturing high value specialty and industrial products that take advantage of the tight grain and high quality timber characteristics of this region. We partner with industrial and retail home center customers who value the special attributes of our manufactured products, thereby limiting our exposure to the more volatile commodity markets. As a result, our manufacturing segment generates meaningful cash flow and additional value for our investors.



MICHAEL J. COVEY
Executive Vice President

JOAN K. FITZMAURICE
Vice President, Audit
and Financial Services

WILLIAM R. BROWN
Executive Vice President
and Chief Financial Officer

QUESTION NO. 04

WHAT PROGRESS HAS BEEN MADE IN CREATING VALUE FROM NON-TIMBER NATURAL RESOURCES ON PLUM CREEK LAND?

ANSWER

We identified and captured significant value for Plum Creek shareholders from non-timber natural resources such as natural gas, oil, minerals, aggregates, and stone in 2004. We grew revenues of this business to \$13 million, up from \$11 million in 2003. Additionally, the sales of our coal bed methane working interest and a portion of our coal assets captured very attractive values for the company and its shareholders, generating over \$50 million in proceeds and highlighting the significant value of our non-timber natural resources. Moving forward, we continue to discover and evaluate an attractive range of non-timber natural resource opportunities. We expect to grow the financial contribution of this business, capturing the value of these assets through royalty arrangements, leases, joint ventures, and opportunistic asset sales.

QUESTION NO. 05

WHAT ROLE DOES THE DIVIDEND PLAY IN DELIVERING SHAREHOLDER VALUE?

ANSWER

For Plum Creek, paying a reliable and attractive dividend to our shareholders is one of the most direct and transparent means we have of delivering shareholder value. The dividend, combined with capital appreciation, has produced very attractive total shareholder returns over time. The company has delivered annualized total shareholder returns of 16.2% over the past five years and 14.5% over the past ten years. The value of our timber and land assets has grown considerably through both long-term capital appreciation and active portfolio management, while our sustainable timber management practices produce a predictable and recurring harvest that generates much of our annual cash flow, from which we pay our dividend to shareholders.

Plum Creek's board of directors, in its sole discretion, determines the amount and timing of the dividends paid to our shareholders based on a number of factors. The board of directors increased the quarterly dividend by 3% during 2004 and, again, by 6% early in 2005. These increases reflect the company's successful implementation of strategies designed to capture and create long-term shareholder value. Sustainable cash flow growth is a primary management objective. As sustainable cash flow from our core businesses grows, we expect to grow the dividend as well.

2000 TO 2004

SELECTED FIVE-YEAR FINANCIAL HIGHLIGHTS

\$ IN MILLIONS EXCEPT PER SHARE AMOUNTS	2004 (A)	2003 (B)	2002 (C)	2001 (D)	2000
INCOME STATEMENT ITEMS					
REVENUES	\$ 1,528	\$ 1,196	\$ 1,137	\$ 598	\$ 493
OPERATING INCOME	477	303	338	250	303
NET INTEREST EXPENSE	111	117	103	54	44
INCOME BEFORE INCOME TAXES	366	186	235	196	259
BENEFIT/(PROVISION) FOR INCOME TAXES	(27)	6	(2)	142	(97)
INCOME FROM CONTINUING OPERATIONS	339	192	233	338	162
GAIN ON SALE OF PROPERTIES, NET OF TAX	23	-	-	-	-
NET INCOME	\$ 362	\$ 192	\$ 233	\$ 338	\$ 162
DILUTED EARNINGS PER SHARE (E)					
INCOME FROM CONTINUING OPERATIONS	\$ 1.84	\$ 1.04	\$ 1.26	\$ 2.58	\$ 1.42
NET INCOME	\$ 1.97	\$ 1.04	\$ 1.26	\$ 2.58	\$ 1.42
NON-CASH ITEMS					
DEPRECIATION, DEPLETION, & AMORTIZATION	\$ 114	\$ 108	\$ 106	\$ 55	\$ 27
BASIS OF REAL ESTATE SOLD	134	66	28	18	17
BALANCE SHEET ITEMS					
TOTAL ASSETS	\$ 4,378	\$ 4,407	\$ 4,294	\$ 4,129	\$ 1,619
TOTAL DEBT, INCLUDING TIMBER OBLIGATIONS	1,897	2,076	1,884	1,701	1,009
TOTAL HARVEST VOLUME (MILLION TONS)	18.6	19.0	19.3	13.9	11.7

PLUM CREEK MERGED WITH THE TIMBER COMPANY IN OCTOBER 2001. THE MERGER WAS ACCOUNTED FOR AS A REVERSE ACQUISITION, WITH THE TIMBER COMPANY TREATED AS THE ACQUIRER FOR FINANCIAL REPORTING PURPOSES. AS A RESULT, THE FINANCIAL HIGHLIGHTS PRESENTED ABOVE REFLECT THE RESULTS OF THE TIMBER COMPANY FOR PERIODS PRIOR TO THE MERGER. 2002 WAS THE FIRST FULL YEAR OF RESULTS FOR THE MERGED COMPANY.

^A During 2004, the company acquired approximately 78,000 acres of timberlands in Arkansas and Maine for \$66 million. Additionally, the company sold approximately 257,000 acres of large, non-strategic timberlands for \$133 million. The company recorded asset impairments of \$21 million related to the sale or expected sale of non-strategic timberlands. The company recorded a \$9 million pre-tax (\$5 million after tax) impairment of lumber assets. The company sold its coal bed methane operating interest for \$27 million, resulting in a \$5 million gain. The company also sold coal assets in Virginia for \$23 million resulting in a \$23 million gain.

^B During 2003, the company acquired 139,000 acres of timberlands in Arkansas, South Carolina, and New Hampshire for \$162 million. Additionally, approximately 29,000 acres of large, non-strategic timberlands were sold in 2003 for \$13 million. During 2003, the company also recorded asset impairments of \$14 million related to the sale or expected sale of non-strategic timberlands. The company recorded a loss of \$4 million representing the book basis of timber destroyed by fire on approximately 45,000 acres in Montana.

^C During 2002, the company acquired 307,000 acres of timberlands primarily in Wisconsin for approximately \$141 million.

^D During 2001, the company changed its accounting policy for reforestation costs. Additionally, as a consequence of The Timber Company merger, a tax benefit of \$216 million was recognized in 2001.

^E On October 6, 2001, former shareholders of The Timber Company received Plum Creek common stock totaling 112.7 million shares (113.9 million diluted shares). Therefore, 113.9 million shares have been applied retroactively in computing diluted earnings per share for 2000. Diluted earnings per share for 2001 was calculated using a weighted average 130.7 million diluted shares outstanding.

PLUM CREEK INFORMATION

CORPORATE OFFICERS

RICK R. HOLLEY

President and Chief
Executive Officer

WILLIAM R. BROWN

Executive Vice President
and Chief Financial Officer

MICHAEL J. COVEY

Executive Vice President

THOMAS M. LINDQUIST

Executive Vice President

JAMES A. KRAFT

Senior Vice President, General
Counsel and Secretary

DAVID A. BROWN

Vice President and Controller

BARBARA L. CROWE

Vice President,
Human Resources

JOAN K. FITZMAURICE

Vice President, Audit and
Financial Services

JAMES A. KILBERG

Vice President, Real Estate

DAVID W. LAMBERT

Vice President and Treasurer

LARRY D. NEILSON

Vice President, Real Estate

ROBERT J. OLSZEWSKI

Vice President,
Environmental Affairs

THOMAS M. REED

Vice President and General
Manager, Southeast Region

HENRY K. RICKLEFS

Vice President,
Manufactured Products

BRENT L. STINNETT

Vice President and General
Manager, Southwest Region

BOARD OF DIRECTORS

DAVID D. LELAND (A, N)

Chairman,
Plum Creek Timber
Company, Inc.

RICK R. HOLLEY

President and
Chief Executive Officer,
Plum Creek Timber
Company, Inc.

IAN B. DAVIDSON (A, F)

Chairman of the Board,
Davidson Companies

ROBIN JOSEPHS (A, C, F)

Managing Director,
Ropasada, L.L.C.

JOHN G. McDONALD (A, N)

IBJ Professor of Finance,
Graduate School
of Business,
Stanford University

ROBERT B. MCLEOD (C)

Chairman and Chief Executive
Officer, Newland Communities

HAMID R. MOGHADAM (C, N)

Chairman and
Chief Executive Officer, AMB
Property Corporation

JOHN H. SCULLY (N)

Managing Director,
SPO Partners & Co.

STEPHEN C. TOBIAS (C)

Vice Chairman and
Chief Operating Officer,
Norfolk Southern Corporation

CARL B. WEBB (C)

Director, Plum Creek
Timber Company, Inc.

Committees of the
Board of Directors:

A—Audit
C—Compensation
N—Corporate Governance and
Nominating
F—Audit Committee Financial
Expert

PRINCIPAL HEADQUARTERS

PLUM CREEK**TIMBER COMPANY, INC.**

999 Third Avenue, Suite 4300
Seattle, WA 98104
Phone: (206) 467-3600
Internet: www.plumcreek.com

INVESTOR RELATIONS

JOHN B. HOBBS

Director of Investor Relations
Phone: (800) 858-5347
or (206) 467-3600
info@plumcreek.com

ANNUAL MEETING

DATE: May 11, 2005

TIME: 9:00 AM

LOCATION:

Washington Athletic Club
Lobby Level, Noble Room
1325 6th Avenue
Seattle, WA 98101

FORM 10-K

Additional copies of this report and
Plum Creek's report on Form 10-K
are available without charge upon
written request to:

PLUM CREEK**TIMBER COMPANY, INC.**

Investor Relations
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Seattle, WA 98104

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

ERNST & YOUNG LLP

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STOCK INFORMATION

Listed:
New York Stock Exchange
Pacific Stock Exchange
Symbol: PCL
CUSIP: 729 251 108

STOCK TRANSFER AGENT AND REGISTRAR

**EQUISERVE TRUST
COMPANY, N.A.**

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Plum Creek

Growing Value from Exceptional Resources