

The Depository Trust Company
IMPORTANT

B#: 2798
DATE: December 17, 2001
TO: All Participants
CATEGORY: Dividends
FROM: Anthony Capizzi, Domestic Tax Services, Dividend Dept.
ATTENTION: Managing Partner/Officer, Cashier, Dividend Mgr. Tax Mgr.
SUBJECT: Plum Creek Timber Company, Inc.
CUSIP# 729251108
2001 Tax Information

The following correspondence containing tax information was received by the Depository Trust Company. If applicable please consult your tax advisor to assure proper treatment of this event.

Plum Creek Timber Company, Inc.

FOREIGN WITHHOLDING REQUIREMENTS ON QUARTERLY CASH DISTRIBUTION - RE: FOURTH QUARTER - 2001

On December 7, 2001 Plum Creek Timber Company, Inc. (Plum Creek) announced that its quarterly cash distribution to shareholders will be \$0.57 per share, payable on December 28, 2001 to stockholders of record as of December 17, 2001. It is anticipated that all of this distribution will be designated as an ordinary dividend. Ordinary dividends payable to foreign persons are subject to a 30% withholding tax (unless reduced by treaty) if they are not effectively connected with a U.S. trade or business of the foreign person. In general, foreign persons are not considered engaged in a U.S. trade or business solely as the result of their ownership of common stock. Accordingly, distributions made to foreign persons should be \$0.40 per share after application of the \$0.17 per share withholding tax (unless an appropriate treaty withholding rate results in a lesser amount of withholding).

Please note that this is a change from the normal designation of Plum Creek's quarterly distribution as a capital gain dividend. Plum Creek completed a merger with The Timber Company on October 6, 2001. Under applicable tax rules pertaining to REITs, Plum Creek is required to distribute the historic earnings and profits of The Timber Company by December 31, 2001. Distributions of these earnings and profits are considered to be ordinary dividends.

If you have any questions please contact John Hobbs, Director of Investor Relations at (206) 467-3628 or 1-800-858-5347.