

PLUM CREEK TIMBER COMPANY, INC.  
CONSOLIDATED STATEMENT OF INCOME  
(UNAUDITED)

Quarter Ended  
March 31,                      March 31,  
2002                              2001

(In Millions, Except Per Share)

Revenues:		
Timber	\$            157	\$            110
Real Estate	23	4
Manufacturing	93	-
Other	2	3
Total Revenues	<u>          275</u>	<u>          117</u>
Costs and Expenses:		
Cost of Goods Sold:		
Timber	74	37
Real Estate	11	-
Manufacturing	89	-
Other	-	-
Total Cost of Goods Sold	<u>          174</u>	<u>          37</u>
Selling, General and Administrative	<u>          17</u>	<u>          9</u>
Total Costs and Expenses	<u>          191</u>	<u>          46</u>
Operating Income	84	71
Interest Expense, net	<u>          26</u>	<u>          11</u>
Income before Income Taxes	58	60
Provision for Income Taxes	<u>          (2)</u>	<u>          (23)</u>
Net Income	<u>\$            56</u>	<u>\$            37</u>
Net Income per Share - Basic	<u>\$            0.30</u>	<u>\$            0.33</u>
Net Income per Share - Diluted	<u>\$            0.30</u>	<u>\$            0.32</u>
Weighted average number of Shares outstanding - Basic	<u>          184.5</u>	<u>          112.7</u>
Weighted average number of Shares outstanding - Diluted	<u>          185.3</u>	<u>          113.9</u>

PLUM CREEK TIMBER COMPANY, INC.  
CONSOLIDATED BALANCE SHEET

March 31,                      December 31,  
2002                              2001  
(UNAUDITED)

(In Millions, except share data)

ASSETS

Current Assets:

Cash and Cash Equivalents	\$	285	\$	193
Restricted Advance from Customer		31		-
Accounts Receivable		47		35
Inventories		53		52
Investment in Grantor Trust		10		12
Other Current Assets		14		14
		440		306

Timber and Timberlands - Net		3,473		3,480
Property, Plant and Equipment - Net		311		316
Other Assets		13		20
Total Assets	\$	4,237	\$	4,122

LIABILITIES

Current Liabilities:

Current Portion of Long-Term Debt	\$	34	\$	34
Accounts Payable		17		27
Interest Payable		35		21
Wages Payable		11		21
Taxes Payable		13		9
Deferred Revenue		42		14
Liabilities Associated with Grantor Trust		10		11
Other Current Liabilities		15		12
		177		149

Long-Term Debt		1,177		1,178
Line of Credit		492		469
Deferred Tax Liability		38		38
Capital Leases		20		20
Other Liabilities		17		21
Total Liabilities		1,921		1,875

Commitments and Contingencies

STOCKHOLDERS' EQUITY

Preferred Stock, \$0.01 par value, authorized shares - 75 million, outstanding - none		-		-
Common Stock, \$0.01 par value, authorized shares - 300 million, outstanding - 184,654,751		2		2
Additional Paid-In Capital		2,241		2,227
Retained Earnings		73		17
Other Equity		-		1
Total Stockholders' Equity		2,316		2,247
Total Liabilities and Stockholders' Equity	\$	4,237	\$	4,122

PLUM CREEK TIMBER COMPANY, INC.  
CONSOLIDATED STATEMENT OF CASH FLOWS  
(UNAUDITED)

Three Months Ended  
March 31,                      March 31,  
2002                              2001

(In Millions)

Cash Flows From Operating Activities:		
Net Income	\$            56	\$            37
Adjustments to Reconcile Net Income to		
Net Cash Provided By Operating Activities:		
Depreciation, Depletion and Amortization	26	10
Basis of Real Estate Sold	9	-
Deferred Income Taxes	-	15
Working Capital Changes	(15)	(13)
Other	(3)	-
Net Cash Provided By Operating Activities	<u>73</u>	<u>49</u>
Cash Flows From Investing Activities:		
Additions to Properties Including Tax-Free Exchanges	(17)	(20)
Net Cash Used In Investing Activities	<u>(17)</u>	<u>(20)</u>
Cash Flows From Financing Activities:		
Cash Dividend to G-P	-	(9)
Borrowings of Long-term Debt and Line of Credit	263	-
Repayments of Long-term Debt and Line of Credit	(241)	(19)
Proceeds from Stock Option Exercises	14	-
Other	-	(1)
Net Cash Provided By (Used In) Financing Activities	<u>36</u>	<u>(29)</u>
Increase In Cash and Cash Equivalents	92	-
Cash and Cash Equivalents:		
Beginning of Period	<u>193</u>	<u>-</u>
End of Period	<u>\$            285</u>	<u>\$            -</u>

Plum Creek Timber Company, Inc.  
Segment Data  
(Unaudited)

(In Millions)	First Quarter <u>2002</u>	First Quarter <u>2001</u>
Revenues:		
Northern Resources .....	\$ 78	\$ 19
Southern Resources .....	100	91
Real Estate .....	23	4
Manufacturing .....	93	-
Other .....	2	3
Eliminations.....	<u>(21)</u>	<u>-</u>
Total Revenues .....	<u>\$ 275</u>	<u>\$ 117</u>
Operating Costs and Expenses:		
Northern Resources .....	\$ 58	\$ 14
Southern Resources .....	45	28
Real Estate .....	11	-
Manufacturing .....	91	-
Other .....	-	-
Other Costs and Eliminations.....	<u>(14)</u>	<u>4</u>
Total Costs and Expenses.....	<u>\$ 191</u>	<u>\$ 46</u>
Operating Income (Expenses):		
Northern Resources .....	\$ 20	\$ 5
Southern Resources .....	55	63
Real Estate .....	12	4
Manufacturing .....	2	-
Other .....	2	3
Other Costs and Eliminations.....	<u>(7)</u>	<u>(4)</u>
Combined Segment Operating Income.....	<u>\$ 84</u>	<u>\$ 71</u>

**Plum Creek Timber Company, Inc.**  
**Selected Operating Statistics**  
(Unaudited)

		Proforma					
		1st Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD (2)
		2002	2001	2001	2001	2001	2001
<b>Sales Realization</b>	<b>Units</b>						
<b>Southern Resources</b>							
Sawlog	\$/Ton Stumpage	\$37	\$41	\$38	\$38	\$35	\$38
Pulpwood	\$/Ton Stumpage	\$8	\$8	\$8	\$8	\$8	\$8
<b>Northern Resources</b>							
Sawlog	\$/Ton Delivered	\$63	\$69	\$69	\$67	\$63	\$67
Pulpwood	\$/Ton Delivered	\$26	\$31	\$31	\$27	\$26	\$29
Lumber (1)	\$/MBF	\$430	\$385	\$410	\$412	\$416	\$406
Plywood (1)	\$/MSF	\$311	\$302	\$306	\$316	\$317	\$310
Fiberboard (1)	\$/MSF	\$308	\$326	\$346	\$337	\$317	\$331
<b>Sales Volume</b>							
<b>Southern Resources</b>							
Sawlog	1,000 Tons	1,715	1,354	1,452	1,871	1,729	6,406
Pulpwood	1,000 Tons	1,498	1,398	1,528	1,961	1,730	6,617
Total Harvest		3,213	2,752	2,980	3,832	3,459	13,023
<b>Northern Resources</b>							
Sawlog	1,000 Tons	1,072	893	726	1,132	1,150	3,901
Pulpwood	1,000 Tons	377	420	261	403	357	1,441
Total Harvest		1,449	1,313	987	1,535	1,507	5,342
Lumber	MBF	101,162	90,708	103,893	97,932	96,804	389,337
Plywood	MSF	74,292	70,435	71,167	72,183	64,231	278,016
Fiberboard	MSF	38,119	33,234	32,908	30,980	33,770	130,892
<b>Real Estate Revenue</b>	\$ Millions	\$23	\$34	\$54	\$32	\$27	\$147

(1) Represents prices at mill level.

(2) Pro Forma statistics for 2001 have been adjusted to reflect actual harvests under the GP fiber supply agreement which is consistent with our income recognition for these contracts. As a timber REIT, Plum Creek recognizes income when the timber is harvested rather than when the timber is placed under contract.