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

	June 30, <u>2002</u>			2001	
		(In Millions, H	Except l	Except Per Share)	
Revenues:					
Timber	\$	154	\$	68	
Real Estate		18		30	
Manufacturing		97		-	
Other		2		2	
Total Revenues		271		100	
Costs and Expenses:					
Cost of Goods Sold:					
Timber		71		33	
Real Estate		7		6	
Manufacturing		94		-	
Other				_	
Total Cost of Goods Sold		172		39	
Selling, General and Administrative		17		9	
Total Costs and Expenses		189		48	
Operating Income		82		52	
Interest Expense, net		26	_	10	
Income before Income Taxes		56		42	
Provision for Income Taxes		3	_	15	
Net Income	\$	53	\$	27	
Net Income per Share - Basic	\$	0.29	\$	0.24	
Net Income per Share - Diluted	\$	0.29	\$	0.24	
Weighted average number of Shares outstanding - Basic		184.7		112.7	
Weighted average number of Shares outstanding - Diluted		185.4		113.9	

Quarter Ended

June 30,

June 30,

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

	June 30, 2002	June 30, 2001	
	(In Millions, I	Except	Per Share)
Revenues:			
Timber	\$ 311	\$	178
Real Estate	41		34
Manufacturing	190		-
Other	 4		5
Total Revenues	546		217
Costs and Expenses:			
Cost of Goods Sold:			
Timber	145		70
Real Estate	18		6
Manufacturing	183		-
Other	 		-
Total Cost of Goods Sold	346		76
Selling, General and Administrative	 34		18
Total Costs and Expenses	 380		94
Operating Income	166		123
Interest Expense, net	 52		21
Income before Income Taxes	114		102
Provision for Income Taxes	 5		38
Net Income	\$ 109	\$	64
Net Income per Share - Basic	\$ 0.59	\$	0.57
Net Income per Share - Diluted	\$ 0.59	\$	0.56
Weighted average number of Shares outstanding - Basic	 184.6		112.7
Weighted average number of Shares outstanding - Diluted	 185.4		113.9

Six Months Ended

PLUM CREEK TIMBER COMPANY, INC. CONSOLIDATED BALANCE SHEET

Current Assets: Current Assets Current Ass			June 30, 2002 (Unaudited)	7.v.o.o.	December 31, 2001
Current Assets: Cash and Cash Equivalents \$ 240 \$ 130 Restricted Advance from Customer 10 - Accounts Receivable 55 35 Inventories 42 52 Investment in Grantor Trust 10 12 Other Current Assets 14 14 Timber and Timberlands - Net 3,472 3,480 Property, Plant and Equipment - Net 307 316 Other Assets 9 20 Total Assets 9 20 Total Assets 34 \$ 4,122 LAGUITIES 5 34 \$ 4,122 LAGUITIES 26 27 Current Portion of Long-Term Debt \$ 34 \$ 34 Accounts Payable 26 27 Interest Payable 21 21 Wages Payable 13 9 Deferred Revenue 28 14 Liabilities Associated with Grantor Trust 10 11 Other Current Liabilities 15 12	ACCETC		(III MIIIIOIIS, E	хсер	t Share Data)
Cash and Cash Equivalents \$ 240 \$ 193 Restricted Advance from Customer 10 - Accounts Receivable 55 35 Inventories 42 52 Investment in Grantor Trust 10 12 Other Current Assets 14 14 Timber and Timberlands - Net 307 316 Property, Plant and Equipment - Net 307 36 Other Assets 9 20 Total Assets \$ 4159 \$ 4122 LIABILITIES Turnet Liabilities \$ 34 \$ 34 Current Liabilities 26 27 Current Portion of Long-Term Debt \$ 34 \$ 34 Accounts Payable 21 21 Wages Payable 13 9 Deferred Revenue 28 14 Liabilities Associated with Grantor Trust 10 11 Other Current Liabilities 15 12 Line of Credit 504 469 Deferred Tax Liability 41 38					
Restricted Advance from Customer 10 - Accounts Receivable 55 35 Investment in Grantor Trust 10 12 Other Current Assets 14 12 Other Current Assets 14 13 Timber and Timberlands - Net 307 316 Other Assets 9 20 Total Assets 9 20 Total Assets 9 20 Current Liabilities: 2 21 Current Portion of Long-Term Debt \$ 34 \$ Accounts Payable 26 27 Interest Payable 26 27 Taxes Payable 13 9 Deferred Revenue 28 14 Liabilities Associated with Grantor Trust 10 11 Other Current Liabilities 15 12 Line of Credit 504 469 Deferred Revenue 28 14 Liae of Credit 504 469 Deferred Tax Liabilities 10 <		¢	240	¢	102
Accounts Receivable 55 35 Inventories 42 52 Investment in Grantor Trust 10 12 Other Current Assets 14 41 Timber and Timberlands - Net 3,472 3,480 Property, Plant and Equipment - Net 307 316 Other Assets 9 20 Total Assets 9 20 Current Liabilities 34 \$ 4,122 Current Portion of Long-Term Debt \$ 34 \$ 34 Accounts Payable 26 27 Interest Payable 21 21 Accounts Payable 13 9 Deferred Revenue 28 14 Taxes Payable 15 12 Gare Taxes Payable 13 9 Deferred Revenue 28 14 Liabilities Associated with Grantor Trust 10 11 Other Current Liabilities 15 12 Long-Term Debt 1,148 1,178 Line of Credit 34 49 <td></td> <td>Ф</td> <td></td> <td>Ф</td> <td>193</td>		Ф		Ф	193
Investment in Grantor Trust					- 25
Investment in Grantor Trust 10 12 Other Current Assets 14 14 Timber and Timberlands - Net 3,772 3,480 Property, Plant and Equipment - Net 307 316 Other Assets 9 20 Total Assets 9 20 Current Stabilities: 8 34 \$ 34 Current Portion of Long-Term Debt \$ 34 \$ 34 Accounts Payable 26 27 Interest Payable 21 21 Wages Payable 13 9 Deferred Revenue 28 14 Liabilities Associated with Grantor Trust 10 11 Other Current Liabilities 15 12 Long-Term Debt 1,148 1,178 Line of Credit 50 46 Ceferred Tax Liabilities 18 21 Composition of Credit 18 21 Line of Credit 50 48 Specified Statistibilities 18 2					
Other Current Assets 14 14 Timber and Timberlands - Net 3,472 3,480 Property, Plant and Equipment - Net 307 316 Other Assets 9 20 Total Assets \$ 4,159 \$ 4,122 LIABILITES Surrent Portion of Long-Term Debt \$ 34 \$ 34 Accounts Payable 26 27 Interest Payable 21 21 Taxes Payable 13 9 Deferred Revenue 28 14 Liabilities Associated with Grantor Trust 10 11 Other Current Liabilities 11 19 Line of Credit 50 4 Line of Credit 50 2 Line of Credit 50 2 Deferred Tax Liability 41 3 Ciprical Leases 20 2 Other Liabilities 18 2 Total Liabilities 5 1 Commitments and Contingencies 5 5 STOCKHOLDERS'EQUITY <td< td=""><td></td><td></td><td></td><td></td><td></td></td<>					
Timber and Timberlands - Net 3,472 3,480 Property, Plant and Equipment - Net 307 316 Other Assets 9 20 Total Assets \$ 4,159 \$ 4,122 LIABILITIES Current Liabilities: Current Portion of Long-Term Debt \$ 34 \$ 34 Accounts Payable 26 27 Interest Payable 21 21 Wages Payable 13 9 Deferred Revenue 28 14 Liabilities Associated with Grantor Trust 10 11 Other Current Liabilities 15 12 Long-Term Debt 1,148 1,178 Line of Credit 504 469 Deferred Tax Liability 41 38 Capital Leases 20 20 Other Liabilities 1,892 1,875 Commitments and Contingencies 1 4 STOCKHOLDERS EQUITY 2 2 Preferred Stock, \$0,01 par value, authorized shares - 75 million, outstanding - none - - <					
Timber and Timberlands - Net 3,472 3,480 Property, Plant and Equipment - Net 307 316 Other Assets 9 20 Total Assets \$ 4,159 \$ LIABILITIES Current Liabilities: Current Portion of Long-Term Debt \$ 34 \$ 3 Accounts Payable 21 21 21 21 21 21 21 21 21 21 21 21 21 21 21 21 21 22 22 22 22 22 22 22 22 22 22 22 22 24 44 21 22 22 24 44 21 22 22 24 24 14 24 24 24 24 24 24 24 24 24 22 22 24 24 22 22 24 24 22 22 24 24 24 <t< td=""><td>Other Current Assets</td><td></td><td></td><td>_</td><td></td></t<>	Other Current Assets			_	
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Other Assets 9 20 Total Assets \$ 4,159 \$ 4,129 LIABILITIES Current Portion of Long-Term Debt \$ 34 \$ 34 Accounts Payable 26 27 Interest Payable 21 21 Wages Payable 14 21 Taxes Payable 13 9 Deferred Revenue 28 14 Liabilities Associated with Grantor Trust 10 11 Other Current Liabilities 15 12 Long-Term Debt 1,148 1,78 Line of Credit 504 469 Deferred Tax Liability 41 38 Capital Leases 20 20 Other Liabilities 18 21 Total Liabilities 18 21 Commitments and Contingencies 5 4 STOCKHOLDERS EQUITY 5 - Preferred Stock, S0.01 par value, authorized shares - 75 million, outstanding - 184,812,099 at June 30, 2002 and 183,825,407 2 2 at December 31, 2001 2	Timber and Timberlands - Net		3,472		3,480
Other Assets 9 20 Total Assets \$ 4,159 \$ 4,129 LIABILITIES Current Portion of Long-Term Debt \$ 34 \$ 34 Accounts Payable 26 27 Interest Payable 21 21 Wages Payable 14 21 Taxes Payable 13 9 Deferred Revenue 28 14 Liabilities Associated with Grantor Trust 10 11 Other Current Liabilities 15 12 Long-Term Debt 1,148 1,78 Line of Credit 504 469 Deferred Tax Liability 41 38 Capital Leases 20 20 Other Liabilities 18 21 Total Liabilities 18 21 Commitments and Contingencies 5 4 STOCKHOLDERS EQUITY 5 - Preferred Stock, S0.01 par value, authorized shares - 75 million, outstanding - 184,812,099 at June 30, 2002 and 183,825,407 2 2 at December 31, 2001 2	Property, Plant and Equipment - Net		307		316
Current Liabilities Current Portion of Long-Term Debt \$ 34 \$ 34			9		20
Current Portion of Long-Term Debt \$ 34 \$ 34 Accounts Payable 26 27 Interest Payable 21 21 Wages Payable 14 21 Taxes Payable 13 9 Deferred Revenue 28 14 Liabilities Associated with Grantor Trust 10 11 Other Current Liabilities 15 12 Other Current Liabilities 15 12 Line of Credit 504 469 Deferred Tax Liability 41 38 Capital Leases 20 20 Other Liabilities 18 21 Total Liabilities 18 21 Total Liabilities 1,892 1,875 Commitments and Contingencies STOCKHOLDERS' EQUITY Preferred Stock, 50.01 par value, authorized shares - 75 million, outstanding - none - - - Common Stock, 50.0.1 par value, authorized shares - 300 million, outstanding - 184,812,099 at June 30, 2002 and 183,825,407 2 2 2 at December 31,	Total Assets	\$	4,159	\$	4,122
Accounts Payable 26 27 Interest Payable 21 21 Wages Payable 13 9 Deferred Revenue 28 14 Liabilities Associated with Grantor Trust 10 11 Other Current Liabilities 15 12 Long-Term Debt 1,148 1,178 Line of Credit 504 469 Deferred Tax Liability 41 38 Capital Leases 20 20 Other Liabilities 18 21 Total Liabilities 1,892 1,875 Commitments and Contingencies 5 - - STOCKHOLDERS' EQUITY 5 - - - Preferred Stock, \$0.01 par value, authorized shares - 75 million, outstanding - none - - - Common Stock, \$0.01 par value, authorized shares - 300 million, outstanding - 184,812,099 at June 30, 2002 and 183,825,407 2 2 2 Additional Paid-In Capital 2,241 2,227 2 Retained Earnings 24 1,7 1	Current Liabilities:	\$	3/	-	34
Interest Payable		φ		φ	
Wages Payable 14 21 Taxes Payable 13 9 Deferred Revenue 28 14 Liabilities Associated with Grantor Trust 10 11 Other Current Liabilities 15 12 Long-Term Debt 1,148 1,178 Line of Credit 504 469 Deferred Tax Liability 41 38 Capital Leases 20 20 Other Liabilities 18 21 Total Liabilities 18 21 Total Liabilities 1,892 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 - 184,812,099 at June 30, 2002 and 183,825,407 2 2 at December 31, 2001 2 2 2 Additional Paid-In Capital 2,241 2,227 Retained Earnings 24 17 Other Equity - 1 Total Stockholders' Equity 2,267 <td< td=""><td></td><td></td><td></td><td></td><td></td></td<>					
Taxes Payable 13 9 Deferred Revenue 28 14 Liabilities Associated with Grantor Trust 10 11 Other Current Liabilities 15 12 Long-Term Debt 1,148 1,178 Line of Credit 504 469 Deferred Tax Liability 41 38 Capital Leases 20 20 Other Liabilities 18 21 Total Liabilities 1,892 1,875 Commitments and Contingencies STOCKHOLDERS' EQUITY Preferred Stock, \$0.01 par value, authorized shares - 75 million, outstanding - none -					
Deferred Revenue 28 14 Liabilities Associated with Grantor Trust 10 11 Other Current Liabilities 15 12 Info 149 Long-Term Debt 1,148 1,178 Line of Credit 504 469 Deferred Tax Liability 41 38 Capital Leases 20 20 Other Liabilities 18 21 Total Liabilities 1,892 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 - 184,812,099 at June 30, 2002 and 183,825,407 2 2 2 at December 31, 2001 2 2 2 2 Additional Paid-In Capital 2,241 2,227 Retained Earnings 24 17 Other Equity - 1 Total Stockholders' Equity 2,267 2,247					
Liabilities Associated with Grantor Trust 10 11 Other Current Liabilities 15 12 Long-Term Debt 1,148 1,178 Line of Credit 504 469 Deferred Tax Liability 41 38 Capital Leases 20 20 Other Liabilities 18 21 Total Liabilities 1,892 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 - 184,812,099 at June 30, 2002 and 183,825,407 at December 31, 2001 2 2 Additional Paid-In Capital 2,241 2,227 Retained Earnings 24 17 Other Equity - 1 Total Stockholders' Equity 2,267 2,247	· · · · · · · · · · · · · · · · · · ·				
Other Current Liabilities 15 12 Long-Term Debt 1,148 1,178 Line of Credit 504 469 Deferred Tax Liability 41 38 Capital Leases 20 20 Other Liabilities 18 21 Total Liabilities 1,892 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 - 184,812,099 at June 30, 2002 and 183,825,407 at December 31, 2001 2 2 Additional Paid-In Capital 2,241 2,227 Retained Earnings 24 17 Other Equity - 1 Total Stockholders' Equity 2,267 2,247					
Long-Term Debt 1,148 1,178 Line of Credit 504 469 Deferred Tax Liability 41 38 Capital Leases 20 20 Other Liabilities 18 21 Total Liabilities 1,892 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 - 184,812,099 at June 30, 2002 and 183,825,407 at December 31, 2001 2 2 Additional Paid-In Capital 2,241 2,227 Retained Earnings 24 17 Other Equity - 1 Total Stockholders' Equity 2,267 2,247					
Long-Term Debt 1,148 1,178 Line of Credit 504 469 Deferred Tax Liability 41 38 Capital Leases 20 20 Other Liabilities 18 21 Total Liabilities 1,892 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 - 184,812,099 at June 30, 2002 and 183,825,407 2 2 at December 31, 2001 2 2 2 Additional Paid-In Capital 2,241 2,227 Retained Earnings 24 17 Other Equity - 1 Total Stockholders' Equity 2,267 2,247	Other Current Liabilities	_		_	
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Line of Credit 504 469 Deferred Tax Liability 41 38 Capital Leases 20 20 Other Liabilities 18 21 Total Liabilities 1,892 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 - 184,812,099 at June 30, 2002 and 183,825,407 at December 31, 2001 2 2 Additional Paid-In Capital 2,241 2,227 Retained Earnings 24 17 Other Equity - 1 Total Stockholders' Equity 2,267 2,247	Long-Term Debt		1.148		1.178
Deferred Tax Liability 41 38 Capital Leases 20 20 Other Liabilities 18 21 Total Liabilities 1,892 1,875 Commitments and Contingencies STOCKHOLDERS' EQUITY Preferred Stock, \$0.01 par value, authorized shares - 75 million, outstanding - none -	-		,		*
Capital Leases 20 20 Other Liabilities 18 21 Total Liabilities 1,892 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 - 184,812,099 at June 30, 2002 and 183,825,407 at December 31, 2001 2 2 Additional Paid-In Capital 2,241 2,227 Retained Earnings 24 17 Other Equity - 1 Total Stockholders' Equity 2,267 2,247					
Other Liabilities 18 21 Total Liabilities 1,892 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 - 184,812,099 at June 30, 2002 and 183,825,407 at December 31, 2001 2 2 Additional Paid-In Capital 2,241 2,227 Retained Earnings 24 17 Other Equity - 1 Total Stockholders' Equity 2,267 2,247					
Total Liabilities 1,892 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 - 184,812,099 at June 30, 2002 and 183,825,407 at December 31, 2001 2 2 2 Additional Paid-In Capital 2,241 2,227 Retained Earnings 24 17 Other Equity - 1 Total Stockholders' Equity 2,247	•				
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 - 184,812,099 at June 30, 2002 and 183,825,407 at December 31, 2001 Additional Paid-In Capital Retained Earnings 24 17 Other Equity - Total Stockholders' Equity 27 28 28 29 20 20 21 20 21 22 22 23 24 24 25 27 24 27 27 28 29 20 20 20 20 20 20 20 20 20	Total Liabilities	_	1,892	_	
Preferred Stock, \$0.01 par value, authorized shares - 75 million, outstanding - none - - Common Stock, \$0.01 par value, authorized shares - 300 million, outstanding - 184,812,099 at June 30, 2002 and 183,825,407 at December 31, 2001 2 2 Additional Paid-In Capital 2,241 2,227 Retained Earnings 24 17 Other Equity - 1 Total Stockholders' Equity 2,267 2,247	Commitments and Contingencies		,		
outstanding - none - - Common Stock, \$0.01 par value, authorized shares - 300 million, outstanding - 184,812,099 at June 30, 2002 and 183,825,407 at December 31, 2001 2 2 Additional Paid-In Capital 2,241 2,227 Retained Earnings 24 17 Other Equity - 1 Total Stockholders' Equity 2,267 2,247					
Common Stock, \$0.01 par value, authorized shares - 300 million, outstanding - 184,812,099 at June 30, 2002 and 183,825,407 at December 31, 2001 2 2 Additional Paid-In Capital 2,241 2,227 Retained Earnings 24 17 Other Equity - 1 Total Stockholders' Equity 2,267 2,247	•				
outstanding - 184,812,099 at June 30, 2002 and 183,825,407 2 2 at December 31, 2001 2 2 Additional Paid-In Capital 2,241 2,227 Retained Earnings 24 17 Other Equity - 1 Total Stockholders' Equity 2,267 2,247			-		-
Additional Paid-In Capital 2,241 2,227 Retained Earnings 24 17 Other Equity - 1 Total Stockholders' Equity 2,267 2,247	-				
Retained Earnings 24 17 Other Equity - 1 Total Stockholders' Equity 2,267 2,247	-		2		2
Retained Earnings 24 17 Other Equity - 1 Total Stockholders' Equity 2,267 2,247	Additional Paid-In Capital		2,241		2,227
Other Equity - 1 Total Stockholders' Equity 2,267 2,247					
Total Stockholders' Equity 2,267 2,247					1
		_	2,267		2,247
	Total Liabilities and Stockholders' Equity	\$	4,159	\$	4,122

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

(ONAODITED)				
		Quarter Ended		
		ne 30,	June 30,	
	2	2002	<u>2001</u>	
		(In Million	ns)	
Cash Flows From Operating Activities:				
Net Income	\$	53 \$	27	
Adjustments to Reconcile Net Income to				
Net Cash Provided By Operating Activities:				
Depreciation, Depletion and Amortization		24	7	
Basis of Real Estate Sold		7	6	
Deferred Income Taxes		4	(1)	
Working Capital Changes		9	3	
Other		5	-	
Net Cash Provided By Operating Activities		102	42	
Cash Flows From Investing Activities:				
Property Additions (Excluding Tax-Free Exchanges)		(21)	(14)	
Timberlands Acquired with Tax-Free Exchange Proceeds		(6)	(2)	
Net Cash Used In Investing Activities		(27)	(16)	
Cash Flows From Financing Activities:				
Dividends		(105)	-	
Net Cash Returned to Georgia-Pacific Corporation		-	(12)	
Retirement of Long-term Debt		(30)	(15)	
Borrowings on Line of Credit		377	-	
Repayments on Line of Credit		(364)	-	
Proceeds from Stock Option Exercises		2	-	
Other		<u> </u>	1	
Net Cash Used In Financing Activities		(120)	(26)	
Increase (Decrease) In Cash and Cash Equivalents		(45)	-	
Cash and Cash Equivalents:				
Beginning of Period		285		
End of Period	\$	240 \$	-	

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

(ONAODITED)						
	Six Months					
		ine 30,		June 30,		
		<u>2002</u>		<u>2001</u>		
		(In Mi	illions)			
Cash Flows From Operating Activities:						
Net Income	\$	109	\$	64		
Adjustments to Reconcile Net Income to						
Net Cash Provided By Operating Activities:						
Depreciation, Depletion and Amortization		50		17		
Basis of Real Estate Sold		16		6		
Deferred Income Taxes		4		14		
Working Capital Changes		(6)		(10)		
Other		2		-		
Net Cash Provided By Operating Activities		175		91		
Cash Flows From Investing Activities:						
Property Additions (Excluding Tax-Free Exchanges)		(38)		(31)		
Timberlands Acquired with Tax-Free Exchange Proceeds		(6)		(5)		
Net Cash Used In Investing Activities		(44)		(36)		
Cash Flows From Financing Activities:						
Dividends		(105)		-		
Net Cash Returned to Georgia-Pacific Corporation		-		(21)		
Retirement of Long-term Debt		(30)		(34)		
Borrowings on Line of Credit		640		-		
Repayments on Line of Credit		(605)		-		
Proceeds from Stock Option Exercises		16		-		
Net Cash Used In Financing Activities		(84)		(55)		
Increase In Cash and Cash Equivalents		47		-		
Cash and Cash Equivalents:						
Beginning of Period		193				
End of Period	\$	240	\$	-		

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

(In Millions)	(Second Quarter 2002	_	Second Quarter 2001
Revenues:				
Northern Resources	\$	57	\$	16
Southern Resources		111		52
Real Estate		18		30
Manufacturing		97		-
Other		2		2
Eliminations		(14)		-
Total Revenues	\$	271	\$	100
Operating Costs and Expenses:				
Northern Resources	\$	46	\$	13
Southern Resources		47		26
Real Estate		7		7
Manufacturing		96		-
Other		1		-
Other Costs and Eliminations		(8)		2
Total Costs and Expenses	\$	189	\$	48
Operating Income (Expenses):				
Northern Resources	\$	11	\$	3
Southern Resources		64		26
Real Estate		11		23
Manufacturing		1		-
Other		1		2
Other Costs and Eliminations	_	(6)		(2)
Combined Segment Operating Income	\$	82	\$	52

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

(In Millions)	_	Six Months 2002	_	Six Months 2001
Revenues:				
Northern Resources	\$	135	\$	35
Southern Resources		211		143
Real Estate		41		34
Manufacturing		190		-
Other		4		5
Eliminations		(35)		-
Total Revenues	\$	546	\$	217
Operating Costs and Expenses:				
Northern Resources	\$	104	\$	27
Southern Resources		92		54
Real Estate		18		7
Manufacturing		187		-
Other		1		-
Other Costs and Eliminations		(22)		6
Total Costs and Expenses	\$	380	\$	94
Operating Income (Expenses):				
Northern Resources	\$	31	\$	8
Southern Resources		119		89
Real Estate		23		27
Manufacturing		3		-
Other		3		5
Other Costs and Eliminations		(13)		(6)
Combined Segment Operating Income	\$	166	\$	123

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

							Proforma		
		1st Qtr 2002	2nd Qtr 2002	YTD 2002	1st Qtr 2001	2nd Qtr 2001	3rd Qtr 2001	4th Qtr 2001	YTD (3) 2001
Sales Realization (1) Southern Resources	Units								
Sawlog	\$/Ton Stumpage	\$37	\$39	\$38	\$41	\$38	\$38	\$35	\$38
Pulpwood	\$/Ton Stumpage	\$8	\$8	\$8	\$8	\$8	\$8	\$8	\$8
Northern Resources									
Sawlog	\$/Ton Delivered	\$63	\$67	\$65	\$69	\$69	\$67	\$63	\$67
Pulpwood	\$/Ton Delivered	\$26	\$27	\$27	\$31	\$31	\$27	\$26	\$29
Lumber (2)	\$/MBF	\$430	\$422	\$426	\$385	\$410	\$412	\$416	\$406
Plywood (2)	\$/MSF	\$311	\$316	\$314	\$302	\$306	\$316	\$317	\$310
Fiberboard (2)	\$/MSF	\$308	\$318	\$313	\$326	\$346	\$337	\$317	\$331
Sales Volume Southern Resources									
Sawlog	1,000 Tons	1,715	1,819	3,534	1,354	1,452	1,871	1,729	6,406
Pulpwood	1,000 Tons	1,498	1,714	3,212	1,398	1,528	1,961	1,730	6,617
Total Harvest	-,000	3,213	3,533	6,746	2,752	2,980	3,832	3,459	13,023
Northern Resources									
Sawlog	1,000 Tons	1,072	738	1,810	893	726	1,132	1,150	3,901
Pulpwood	1,000 Tons	377	268	645	420	261	403	357	1,441
Total Harvest		1,449	1,006	2,455	1,313	987	1,535	1,507	5,342
Lumber	MBF	101,162	101,482	202,644	90,708	103,893	97,932	96,804	389,337
Plywood	MSF	74,292	73,841	148,133	70,435	71,167	72,183	64,231	278,016
Fiberboard	MSF	38,119	46,445	84,564	33,234	32,908	30,980	33,770	130,892
Real Estate Revenue	\$ Millions	\$23	\$18	\$41	\$34	\$54	\$32	\$27	\$147

⁽¹⁾ Prices are a weighted average price for all sales within each product category.

⁽²⁾ 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.