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

	Quarter Ended			
	Μ	arch 31, 2006		March 31, <u>2005</u>
	(In Mi	llions, Excep	ot Per S	Share Amounts)
Revenues:				
Timber	\$	214	\$	200
Real Estate		61		68
Manufacturing		134		129
Other		5		3
Total Revenues		414		400
Costs and Expenses:				
Cost of Goods Sold:				
Timber		121		102
Real Estate		16		24
Manufacturing		123		118
Other		1		1
Total Cost of Goods Sold		261		245
Selling, General and Administrative		26		21
Total Costs and Expenses		287		266
Operating Income		127		134
Interest Expense, net		31		27
Income before Income Taxes		96		107
Provision for Income Taxes		4		5
Income from Continuing Operations		92		102
Gain on Sale of Properties, net of tax		-		20
Net Income Before Cumulative Effect of Accounting Change		92		122
Cumulative Effect of Accounting Change, net of tax		2		-
Net Income	\$	94	\$	122
Income from Continuing Operations per Share				
- Basic	\$	0.50	\$	0.56
- Diluted	\$	0.50	\$	0.56
Net Income per Share				
- Basic	\$	0.51	\$	0.67
- Diluted	\$	0.51	\$	0.66
Weighted Average Number of Shares Outstanding				
- Basic		184.2		183.9
- Diluted		184.7		184.5

PLUM CREEK TIMBER COMPANY, INC. CONSOLIDATED BALANCE SHEETS (UNAUDITED)

March 31,	December 31,
2006	2005

	(In Millions, Except Per Share Amounts)			
ASSETS				
Current Assets:	¢	410	¢	260
Cash and Cash Equivalents	\$	419	\$	369
Restricted Advance from Customer Accounts Receivable		32 50		23 44
Like-Kind Exchange Funds Held in Escrow		50 1		44 30
Inventories		78		50 75
Deferred Tax Asset		17		17
Other Current Assets		16		16
		613		574
Timber and Timberlands - Net		3,942		3,961
Property, Plant and Equipment - Net		229		234
Investment in Grantor Trusts		26		26
Other Assets		16		17
Total Assets	\$	4,826	\$	4,812
LIABILITIES				
Current Liabilities:				
Current Portion of Long-Term Debt	\$	232	\$	161
Short-Term Debt		50		50
Accounts Payable		36		45
Interest Payable		41		30
Wages Payable		11		25
Taxes Payable		19		18
Deferred Revenue		42		35
Other Current Liabilities		<u>13</u> 444		<u>11</u> 375
Long-Term Debt		1,452		1,524
Lines of Credit		495		495
Deferred Tax Liability		40		39
Other Liabilities		40		54
Total Liabilities		2,478		2,487
Commitments and Contingencies				
STOCKHOLDERS' EQUITY				
Preferred Stock, \$0.01 par value, authorized shares - 75.0,				
outstanding - none		-		-
Common Stock, \$0.01 par value, authorized shares - 300.6, issued (including Treasury Stock) - 186.4 at March 31, 2006,				
and 186.2 at December 31, 2005		2		2
Additional Paid-In Capital		2,186		2,181
Retained Earnings		206		186
Treasury Stock, at cost, Common Shares - 2.0		(44)		(44)
Other Equity		(2)		-
Total Stockholders' Equity		2,348		2,325
Total Liabilities and Stockholders' Equity	\$	4,826	\$	4,812

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

		Quarte	er Ended
	Ma	rch 31,	March 31,
	2	2006	<u>2005</u>
		(T) (1)	
		(In Milli	ions)
Cash Flows From Operating Activities:	^		* 100
Net Income	\$	94	\$ 122
Adjustments to Reconcile Net Income to			
Net Cash Provided By Operating Activities:			
Depreciation, Depletion and Amortization		31	27
Basis of Real Estate Sold		10	18
Deferred Income Taxes		1	(1)
Gain on Sale of Properties		-	(21)
Working Capital Changes		9	(64)
Other		(5)	(2)
Net Cash Provided By Operating Activities	. <u></u>	140	79
Cash Flows From Investing Activities:			
Capital Expenditures (Excluding Timberland Acquisitions)		(17)	(10)
Other		-	1
Net Cash Used In Investing Activities		(17)	(9)
Cash Flows From Financing Activities:			(70)
Dividends		(74)	(70)
Borrowings on Line of Credit		663	529
Repayments on Line of Credit		(663)	(529)
Proceeds from Stock Option Exercises		2	3
Other		(1)	(1)
Net Cash Used In Financing Activities		(73)	(68)
Increase In Cash and Cash Equivalents		50	2
Cash and Cash Equivalents:			
Beginning of Period		369	347
End of Period	\$	419	\$349_

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

	Ç	First Juarter	(First Quarter
		2006		2005
		(In N	(fillions)	
Revenues:				
Northern Resources	\$	115	\$	88
Southern Resources	Ψ	122	Ψ	131
Real Estate		61		68
Manufacturing		134		129
Other		5		3
Eliminations		(23)		(19)
Total Revenues	\$	414	\$	400
	÷		÷	
Operating Costs and Expenses:				
Northern Resources	\$	80	\$	59
Southern Resources		72		68
Real Estate		17		25
Manufacturing		126		121
Other		-		1
Other Costs and Eliminations		(8)		(8)
Total Costs and Expenses	\$	287	\$	266
Operating Income (Loss)	¢	25	¢	20
Northern Resources	\$	35	\$	29
Southern Resources		50		63
Real Estate		44		43
Manufacturing		8		8
Other		5		2
Other Costs and Eliminations	¢	(15)	¢	(11)
Total Operating Income	\$	127	ծ	134

Plum Creek Timber Company, Inc.

Selected Operating Statistics

(Unaudited)

Southern Resources \$35 \$38 \$38 \$36 \$37 \$37 Pulpwood \$/Ton Stumpage \$8 \$9 \$9 \$8 \$7 \$8 Northern Resources \$37 \$76 \$77 \$79 \$77 \$77 Sawlog \$/Ton Delivered \$77 \$76 \$77 \$79 \$77 \$77 Pulpwood \$/Ton Delivered \$37 \$37 \$37 \$39 \$38 \$38 Lumber (1) \$/MBF \$467 \$483 \$459 \$440 \$435 \$454 Plywood (1) \$/MSF \$445 \$449 \$422 \$418 \$444 \$445 Fiberboard (1) \$/MSF \$445 \$449 \$458 \$441 \$446	(Unaudited)							
Sales Realization Southern Resources Units Savlog \$/Ton Stumpage \$35 \$38 \$36 \$37 \$37 Pulpwood \$/Ton Stumpage \$8 \$9 \$9 \$8 \$7 \$8 Northern Resources Sawlog \$/Ton Delivered \$77 \$76 \$77 \$79 \$77 \$77 Pulpwood \$/Ton Delivered \$37 \$37 \$37 \$39 \$38 \$38 Lumber (1) \$/MBF \$467 \$483 \$459 \$440 \$435 \$454 Plywood (1) \$/MSF \$4452 \$419 \$422 \$418 \$444 \$425 Fiberboard (1) \$/MSF \$445 \$449 \$458 \$441 \$434 \$446 Sales Volume \$2000 Tons $1,642$ $1,592$ $1,899$ $1,553$ $1,624$ $6,975$ Pulpwood $1,000$ Tons $1,642$ $1,592$ $1,825$ $1,690$ $1,696$ 6.803 Sawlog $1,000$ Tons								
Southern Resources Sawlog \$/Ton Sumpage \$35 \$38 \$38 \$36 \$37 \$37 Pulpwood \$/Ton Sumpage \$8 \$9 \$9 \$8 \$7 \$8 Northern Resources Sawlog \$/Ton Delivered \$77 \$76 \$77 \$79 \$77 \$77 Pulpwood \$/Ton Delivered \$37 \$337 \$337 \$39 \$38 \$38 Lumber (1) \$/MBF \$467 \$483 \$459 \$440 \$435 \$454 Plywood (1) \$/MSF \$452 \$419 \$422 \$418 \$444 \$425 Fiberboard (1) \$/MSF \$445 \$449 \$458 \$441 \$434 \$446 Sales Volume Southern Resources Samon 1,000 Tons 1,749 1,899 1,899 1,553 1,624 6,975 Pulpwood 1,000 Tons 1,642 1,592 1,825 1,690 1,696 6.803 Sawlog 1,000 Tons <td< th=""><th></th><th></th><th>1st Qtr</th><th>1st Qtr</th><th>2nd Qtr</th><th>3rd Qtr</th><th>4th Qtr</th><th>YTD</th></td<>			1st Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
Sawlog \$/Ton Stumpage \$35 \$38 \$38 \$36 \$37 \$37 Pulpwood \$/Ton Stumpage \$8 \$9 \$9 \$8 \$7 \$8 Northern Resources Sawlog \$/Ton Delivered \$77 \$76 \$77 \$79 \$77 \$77 Pulpwood \$/Ton Delivered \$37 \$337 \$337 \$39 \$38 \$38 Lumber (1) \$/MBF \$467 \$483 \$459 \$440 \$435 \$444 Plywood (1) \$/MSF \$445 \$449 \$458 \$441 \$444 \$425 Fiberboard (1) \$/MSF \$445 \$449 \$458 \$441 \$444 \$426 Sales Volume \$000 Tons 1,749 1,899 1,899 1,553 1,624 6,975 Pulpwood 1,000 Tons 1,642 1,592 1,825 1,690 1,696 6,803 Total Harvest 1,000 Tons 1,151 906 774 898 <td< th=""><th>Sales Realization</th><th>Units</th><th></th><th></th><th></th><th></th><th></th><th></th></td<>	Sales Realization	Units						
Pulpwood \$/Ton Stumpage \$8 \$9 \$9 \$8 \$7 \$8 Northern Resources Sawlog \$/Ton Delivered \$77 \$76 \$77 \$79 \$77 \$77 Pulpwood \$/Ton Delivered \$37 \$337 \$337 \$39 \$38 \$38 Lumber (1) \$/MBF \$467 \$483 \$459 \$440 \$435 \$444 Plywood (1) \$/MSF \$445 \$449 \$448 \$444 \$422 Fiberboard (1) \$/MSF \$445 \$449 \$458 \$441 \$434 \$446 Sales Volume Southern Resources \$3391 \$3,491 \$3,724 \$3,243 \$3,320 \$1,778 Pulpwood 1,000 Tons 1,151 906 774 898 1,011 3,589 Sawlog 1,000 Tons 1,151 906 774 898 1,011 3,589 Pulpwood 1,000 Tons 1,151 906 774 898 1,011	Southern Resources							
Northern Resources Sawlog \$/Ton Delivered \$77 \$76 \$77 \$79 \$77 \$77 Pulpwood \$/Ton Delivered \$37 \$37 \$37 \$39 \$38 \$38 Lumber (1) \$/MBF \$467 \$483 \$459 \$440 \$435 \$454 Plywood (1) \$/MSF \$452 \$419 \$422 \$418 \$444 \$425 Fiberboard (1) \$/MSF \$445 \$449 \$458 \$441 \$444 \$446 Sales Volume \$Southern Resources \$Sawlog 1,000 Tons 1,749 1,899 1,855 1,624 6,975 Pulpwood 1,000 Tons 1,642 1,592 1,825 1,690 1,696 6,803 Total Harvest 3,391 3,491 3,724 3,243 3,320 13,778 Northern Resources \$Sawlog 1,000 Tons 1,151 906 774 898 1,011 3,589 Pulpwood 1,000 Tons 7,166 <t< th=""><th>Sawlog</th><th>\$/Ton Stumpage</th><th>\$35</th><th>\$38</th><th>\$38</th><th>\$36</th><th>\$37</th><th>\$37</th></t<>	Sawlog	\$/Ton Stumpage	\$35	\$38	\$38	\$36	\$37	\$37
Sawlog Pulpwood\$/Ton Delivered\$77 \$77\$76 \$77\$77 	Pulpwood	\$/Ton Stumpage	\$8	\$9	\$9	\$8	\$7	\$8
Pulpwood\$/Ton Delivered\$37\$37\$37\$39\$38\$38Lumber (1)\$/MBF\$467\$483\$459\$440\$435\$454Plywood (1)\$/MSF\$452\$419\$422\$418\$444\$425Fiberboard (1)\$/MSF\$445\$449\$458\$441\$434\$446Sales VolumeSouthern ResourcesSawlog1,000 Tons $1,749$ $1,899$ $1,899$ $1,553$ $1,624$ $6,975$ Pulpwood1,000 Tons $1,642$ $1,592$ $1,825$ $1,690$ $1,696$ $6,803$ Total Harvest $3,391$ $3,491$ $3,724$ $3,243$ $3,320$ $13,778$ Northern ResourcesSawlog $1,000$ Tons $1,151$ 906 774 898 $1,011$ $3,589$ Pulpwood $1,000$ Tons $1,151$ 906 774 898 $1,011$ $3,589$ Pulpwood $1,000$ Tons $1,151$ 906 774 898 $1,011$ $3,589$ Pulpwood $1,000$ Tons 766 499 319 467 529 $1,814$ Total Harvest $1,917$ $1,405$ $1,093$ $1,365$ $1,540$ $5,403$ LumberMBF $99,367$ $102,857$ $105,028$ $103,099$ $96,003$ $406,987$ PlywoodMSF $75,769$ $75,483$ $75,235$ $76,692$ $71,115$ $298,525$	Northern Resources							
Lumber (1) $\$/MBF$ $\$467$ $\$483$ $\$459$ $\$440$ $\$435$ $\$454$ Plywood (1) $\$/MSF$ $\$452$ $\$441$ $\$444$ $\$422$ Fiberboard (1) $\$/MSF$ $\$445$ $\$445$ $\$449$ $\$422$ $\$418$ $\$444$ Sales VolumeSouthern ResourcesSawlog 1.000 Tons 1.749 1.899 1.899 1.553 1.624 6.975 Pulpwood 1.000 Tons 1.642 1.592 1.825 1.690 1.696 6.803 Total Harvest 3.391 3.491 3.724 3.243 3.320 13.778 Northern Resources $3avlog$ 1.000 Tons 1.151 906 774 898 1.011 3.589 Pulpwood 1.000 Tons 1.151 906 774 898 1.011 3.589 Pulpwood 1.000 Tons 1.151 906 774 898 1.011 3.589 Pulpwood 1.000 Tons 1.151 906 774 898 1.011 3.589 Pulpwood 1.000 Tons 1.151 906 774 898 1.011 3.589 Pulpwood 1.000 Tons 1.151 906 774 898 1.011 3.589 Pulpwood 1.000 Tons 7.166 499 319 467 529 1.814 Total HarvestMBF 99.367 102.857 105.028 103.099 96.003 406.987 PlywoodMSF 75.769	Sawlog	\$/Ton Delivered	\$77	\$76	\$77	\$79	\$77	\$77
Plywood (1) $\$/MSF$ $\$452$ $\$419$ $\$422$ $\$418$ $\$444$ $\$425$ Fiberboard (1) $\$/MSF$ $\$445$ $\$449$ $\$458$ $\$441$ $\$434$ $\$426$ Sales Volume Southern Resources $\$/MSF$ $\$445$ $\$449$ $\$458$ $\$441$ $\$434$ $\$446$ Sales Volume Southern Resources $\$/MSF$ $\$445$ $\$449$ $\$458$ $\$441$ $\$434$ $\$446$ Sales Volume Southern Resources $1,000$ Tons $1,749$ $1,899$ $1,899$ $1,553$ $1,624$ $6,975$ Pulpwood Total Harvest $1,000$ Tons $1,642$ $1,592$ $1,825$ 1.690 1.696 $6,803$ Northern Resources Sawlog $1,000$ Tons $1,151$ 906 774 898 $1,011$ $3,589$ Pulpwood Total Harvest $1,000$ Tons $1,151$ 906 774 898 $1,011$ $3,589$ Lumber PlywoodMBF $99,367$ $102,857$ $105,028$ $103,099$ $96,003$ $406,987$ PlywoodMSF $75,769$ $75,483$ $75,235$ $76,692$ $71,115$ $298,525$	Pulpwood	\$/Ton Delivered	\$37	\$37	\$37	\$39	\$38	\$38
Fiberboard (1) $\$/MSF$ $\$445$ $\$449$ $\$458$ $\$441$ $\$434$ $\$446$ Sales Volume Southern Resources Sawlog1,000 Tons1,7491,8991,8991,5531,6246,975Pulpwood Total Harvest1,000 Tons1,6421,5921,8251,6901,6966,803Northern Resources Sawlog1,000 Tons1,1519067748981,0113,589Pulpwood Total Harvest1,000 Tons1,1519067748981,0113,589Number Pulpwood Total HarvestMBF99,367102,857105,028103,09996,003406,987Lumber PlywoodMBF99,367102,857105,028103,09996,003406,987PlywoodMSF75,76975,48375,23576,69271,115298,525	Lumber (1)	\$/MBF	\$467	\$483	\$459	\$440	\$435	\$454
Sales Volume Southern ResourcesSawlog1,000 Tons1,7491,8991,8991,5531,6246,975Pulpwood1,000 Tons1,6421,5921,8251,6901,6966,803Total Harvest3,3913,4913,7243,2433,32013,778Northern ResourcesSawlog1,000 Tons1,1519067748981,0113,589Pulpwood1,000 Tons7664993194675291,814Total Harvest1,9171,4051,0931,3651,5405,403LumberMBF99,367102,857105,028103,09996,003406,987PlywoodMSF75,76975,48375,23576,69271,115298,525	Plywood (1)	\$/MSF	\$452	\$419	\$422	\$418	\$444	\$425
Southern Resources Sawlog 1,000 Tons 1,749 1,899 1,899 1,553 1,624 6,975 Pulpwood 1,000 Tons 1,642 1,592 1,825 1,690 1,696 6,803 Total Harvest 3,391 3,491 3,724 3,243 3,320 13,778 Northern Resources Sawlog 1,000 Tons 1,151 906 774 898 1,011 3,589 Pulpwood 1,000 Tons 1,151 906 774 898 1,011 3,589 Pulpwood 1,000 Tons 766 499 319 467 529 1,814 Total Harvest 1,917 1,405 1,093 1,365 1,540 5,403 Lumber MBF 99,367 102,857 105,028 103,099 96,003 406,987 Plywood MSF 75,769 75,483 75,235 76,692 71,115 298,525	Fiberboard (1)	\$/MSF	\$445	\$449	\$458	\$441	\$434	\$446
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	Sales Volume							
Pulpwood Total Harvest $1,000$ Tons $1,642$ $3,391$ $1,592$ $3,491$ $1,825$ $3,724$ $1,690$ $3,243$ $1,696$ $3,320$ $6,803$ $13,778$ Northern ResourcesSawlog Pulpwood Total Harvest $1,000$ Tons $1,000$ Tons $1,151$ 766 906 499 774 319 898 467 $1,011$ 529 $3,589$ $1,814$ Number Total HarvestMBF MBF $99,367$ $75,769$ $102,857$ $75,483$ $103,099$ $75,235$ $96,003$ $76,692$ $406,987$ $71,115$	Southern Resources							
Total Harvest $3,391$ $3,491$ $3,724$ $3,243$ $3,320$ $13,778$ Northern ResourcesSawlog $1,000$ Tons $1,151$ 906 774 898 $1,011$ $3,589$ Pulpwood $1,000$ Tons 766 499 319 467 529 $1,814$ Total Harvest $1,917$ $1,405$ $1,093$ $1,365$ $1,540$ $5,403$ LumberMBF $99,367$ $102,857$ $105,028$ $103,099$ $96,003$ $406,987$ PlywoodMSF $75,769$ $75,483$ $75,235$ $76,692$ $71,115$ $298,525$	Sawlog	1,000 Tons	1,749	1,899	1,899	1,553	1,624	6,975
Northern Resources Sawlog 1,000 Tons 1,151 906 774 898 1,011 3,589 Pulpwood 1,000 Tons 766 499 319 467 529 1,814 Total Harvest 1,917 1,405 1,093 1,365 1,540 5,403 Lumber MBF 99,367 102,857 105,028 103,099 96,003 406,987 Plywood MSF 75,769 75,483 75,235 76,692 71,115 298,525	1	1,000 Tons				,	1,696	,
$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$	Total Harvest		3,391	3,491	3,724	3,243	3,320	13,778
Pulpwood Total Harvest 1,000 Tons 766 1,917 499 1,405 319 1,093 467 1,365 529 1,540 1,814 5,403 Lumber Plywood MBF 99,367 102,857 105,028 103,099 96,003 406,987 Plywood MSF 75,769 75,483 75,235 76,692 71,115 298,525	Northern Resources							
Total Harvest 1,917 1,405 1,093 1,365 1,540 5,403 Lumber MBF 99,367 102,857 105,028 103,099 96,003 406,987 Plywood MSF 75,769 75,483 75,235 76,692 71,115 298,525	Sawlog	1,000 Tons	1,151	906	774	898	1,011	3,589
LumberMBF99,367102,857105,028103,09996,003406,987PlywoodMSF75,76975,48375,23576,69271,115298,525	Pulpwood	1,000 Tons			319	467	529	1,814
Plywood MSF 75,769 75,483 75,235 76,692 71,115 298,525	Total Harvest		1,917	1,405	1,093	1,365	1,540	5,403
	Lumber	MBF	99,367	102,857	105,028	103,099	96,003	406,987
Fiberboard MSF 69,076 61,806 61,843 62,231 62,407 248,287	Plywood	MSF	75,769	75,483	75,235	· ·	71,115	298,525
	Fiberboard	MSF	69,076	61,806	61,843	62,231	62,407	248,287

(1) Represents prices at mill level.

Plum Creek Timber Company, Inc. Land Sale Statistics

(Unaudited)

(Unauditeu)	2006					
	1st Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
Acres Sold						
Small Non-strategic	15,050	18,525	13,315	85,610	30,750	148,200
Large Non-strategic	-	-	625 *	-	39,375	40,000
Conservation	1,815	8,650	450	11,600	1,900	22,600
HBU/Recreation	3,860	9,100	4,510	5,620	1,770	21,000
Development Properties	1,075	20	140	20	20	200
Conservation Easements	n/a	n/a	n/a	n/a	n/a	n/a
	21,800	36,295	19,040	102,850	73,815	232,000
Price per Acre						
Small Non-strategic	\$1,465	\$1,225	\$1,425	\$1,050	\$905	\$1,075
Large Non-strategic	-	-	\$1,820	-	\$763	\$780
Conservation	\$1,475	\$1,550	\$3,225	\$760	\$1,225	\$1,151
HBU/Recreation	\$4,960	\$2,600	\$2,550	\$3,030	\$3,905	\$2,814
Development Properties	\$8,595	\$23,500	\$13,785	\$14,300	\$10,700	\$14,500
Conservation Easements	\$1,300	\$427	-	-	\$490	\$450
Revenue (\$ millions)						
Small Non-strategic	\$22	\$23	\$19	\$90	\$28	\$160
Large Non-strategic	-	-	\$1	-	\$30	\$31
Conservation	\$3	\$13	\$2	\$9	\$2	\$26
HBU/Recreation	\$19	\$24	\$11	\$17	\$7	\$59
Development Properties	\$9	-	\$3	-	-	\$3
Conservation Easements	\$8	\$8	-	-	\$5	\$13
	\$61	\$68	\$36	\$116	\$72	\$292
Basis of Real Estate Sold (\$ millions)	\$10	\$18	\$10	\$54	\$42	\$124

* Represents the completion of the sale of our Pennsylvania properties. Initial sale was in 2004.