

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

	<u>Quarter Ended</u>	
	March 31, <u>2009</u>	March 31, <u>2008</u>
	(In Millions, Except Per Share Amounts)	
<b>Revenues:</b>		
Timber	\$ 139	\$ 201
Real Estate	268	52
Manufacturing	58	105
Other	5	5
Total Revenues	<u>470</u>	<u>363</u>
<b>Costs and Expenses:</b>		
Cost of Goods Sold:		
Timber	108	139
Real Estate	95	16
Manufacturing	76	112
Other	-	-
Total Cost of Goods Sold	<u>279</u>	<u>267</u>
Selling, General and Administrative	32	30
Total Costs and Expenses	<u>311</u>	<u>297</u>
Other Operating Income (Expense), net	<u>-</u>	<u>3</u>
Operating Income	159	69
Equity Earnings from Timberland Venture	15	-
<b>Interest Expense, net:</b>		
Interest Expense (Debt Obligations to Unrelated Parties)	24	36
Interest Expense (Note Payable to Timberland Venture)	14	-
Total Interest Expense, net	<u>38</u>	<u>36</u>
Gain on Extinguishment of Debt	1	-
Income before Income Taxes	137	33
Benefit for Income Taxes	<u>(20)</u>	<u>(5)</u>
Net Income	<u>\$ 157</u>	<u>\$ 38</u>
<b>Per Share Amounts:</b>		
Net Income per Share - Basic	\$ 0.95	\$ 0.22
Net Income per Share - Diluted	\$ 0.95	\$ 0.22
Weighted Average Number of Shares Outstanding		
- Basic	164.7	171.6
- Diluted	164.8	172.1

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

March 31,                      December 31,  
2009                                      2008

(In Millions, Except Per Share Amounts)

**ASSETS**

Current Assets:			
Cash and Cash Equivalents	\$	355	\$ 369
Accounts Receivable		29	22
Like-Kind Exchange Funds Held in Escrow		3	48
Taxes Receivable		24	23
Inventories		66	74
Deferred Tax Asset		13	11
Real Estate Development Properties		3	4
Assets Held for Sale		79	137
Other Current Assets		17	11
		<u>589</u>	<u>699</u>
Timber and Timberlands, net		3,609	3,638
Property, Plant and Equipment, net		163	177
Equity Investment in Timberland Venture		189	199
Deferred Tax Asset		11	-
Investment in Grantor Trusts (at Fair Value)		22	25
Other Assets		41	42
Total Assets	\$	<u>4,624</u>	\$ <u>4,780</u>

**LIABILITIES**

Current Liabilities:			
Current Portion of Long-Term Debt	\$	110	\$ 158
Accounts Payable		32	35
Interest Payable		35	30
Wages Payable		12	28
Taxes Payable		17	18
Deferred Revenue		11	17
Other Current Liabilities		16	21
		<u>233</u>	<u>307</u>
Long-Term Debt		1,736	1,793
Line of Credit		211	231
Note Payable to Timberland Venture		783	783
Deferred Tax Liability		-	4
Other Liabilities		87	90
Total Liabilities		<u>3,050</u>	<u>3,208</u>

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, outstanding (net of Treasury Stock) - 162.8 at March 31, 2009, and 166.0 at December 31, 2008		2	2
Additional Paid-In Capital		2,228	2,225
Retained Earnings		237	149
Treasury Stock, at cost, Common Shares - 24.8 at March 31, 2009, and 21.5 at December 31, 2008		(860)	(773)
Accumulated Other Comprehensive Income (Loss)		(33)	(31)
Total Stockholders' Equity		<u>1,574</u>	<u>1,572</u>
Total Liabilities and Stockholders' Equity	\$	<u>4,624</u>	\$ <u>4,780</u>

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

	<u>Quarter Ended</u>	
	March 31, <u>2009</u>	March 31, <u>2008</u>
	(In Millions)	
<b>Cash Flows From Operating Activities:</b>		
Net Income	\$ 157	\$ 38
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation, Depletion and Amortization (includes \$10 Lumber Impairment Loss in 2009)	33	33
Basis of Real Estate Sold	89	10
Equity Earnings from Timberland Venture	(15)	-
Distribution from Timberland Venture	25	-
Expenditures for Real Estate Development	-	(3)
Deferred Income Taxes	(17)	(2)
Gain on Extinguishment of Debt	(1)	-
Working Capital Changes Impacting Cash Flow:		
Like-Kind Exchange Funds	45	(31)
Other Working Capital Changes	(31)	(39)
Other	(1)	(7)
Net Cash Provided By (Used in) Operating Activities	<u>284</u>	<u>(1)</u>
<b>Cash Flows From Investing Activities:</b>		
Capital Expenditures (Excluding Timberland Acquisitions)	(17)	(13)
Timberlands Acquired	-	(1)
Net Cash Used In Investing Activities	<u>(17)</u>	<u>(14)</u>
<b>Cash Flows From Financing Activities:</b>		
Dividends	(69)	(72)
Borrowings on Line of Credit	225	477
Repayments on Line of Credit	(245)	(664)
Proceeds from Issuance of Long-Term Debt	-	250
Principal Payments and Retirement of Long-Term Debt	(105)	(47)
Acquisition of Treasury Stock	(87)	(51)
Net Cash Used In Financing Activities	<u>(281)</u>	<u>(107)</u>
Increase (Decrease) In Cash and Cash Equivalents	(14)	(122)
Cash and Cash Equivalents:		
Beginning of Period	<u>369</u>	<u>240</u>
End of Period	<u>\$ 355</u>	<u>\$ 118</u>

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

	<u>Three Months 2009</u>	<u>Three Months 2008</u>
(In Millions)		
Revenues:		
Northern Resources .....	\$ 57	\$ 94
Southern Resources .....	83	122
Real Estate .....	268	52
Manufacturing .....	58	105
Other .....	5	5
Eliminations.....	<u>(1)</u>	<u>(15)</u>
Total Revenues .....	<u>\$ 470</u>	<u>\$ 363</u>
Operating Income (Loss)		
Northern Resources .....	\$ 2	\$ 14
Southern Resources .....	20	37
Real Estate .....	170	33
Manufacturing .....	(22)	(9)
Other .....	5	5
Other Costs and Eliminations.....	(16)	(14)
Other Operating Income (Expense), net	-	3
Total Operating Income.....	<u>\$ 159</u>	<u>\$ 69</u>

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

		<u>2009</u>	<u>2008</u>				
		<u>1st Qtr</u>	<u>1st Qtr</u>	<u>2nd Qtr</u>	<u>3rd Qtr</u>	<u>4th Qtr</u>	<u>YTD</u>
<b>Sales Realization</b>							
<b>Southern Resources</b>							
	<b>Units</b>						
Sawlog	\$/Ton Stumpage	\$24	\$29	\$26	\$25	\$26	\$26
Pulpwood	\$/Ton Stumpage	\$11	\$10	\$10	\$10	\$12	\$10
<b>Northern Resources</b>							
Sawlog	\$/Ton Delivered	\$57	\$67	\$68	\$74	\$68	\$69
Pulpwood	\$/Ton Delivered	\$43	\$39	\$43	\$45	\$44	\$43
Lumber (1)	\$/MBF	\$374	\$366	\$367	\$384	\$367	\$371
Plywood (1)	\$/MSF	\$362	\$398	\$404	\$396	\$382	\$397
Fiberboard (1)	\$/MSF	\$601	\$591	\$600	\$610	\$625	\$604
<b>Sales Volume</b>							
<b>Southern Resources</b>							
Sawlog	1,000 Tons	942	1,459	1,666	1,425	1,020	5,570
Pulpwood	1,000 Tons	<u>1,487</u>	<u>1,976</u>	<u>2,221</u>	<u>2,089</u>	<u>1,741</u>	<u>8,027</u>
Total Harvest		2,429	3,435	3,887	3,514	2,761	13,597
<b>Northern Resources</b>							
Sawlog	1,000 Tons	525	978	739	828	821	3,366
Pulpwood	1,000 Tons	<u>613</u>	<u>738</u>	<u>504</u>	<u>725</u>	<u>649</u>	<u>2,616</u>
Total Harvest		1,138	1,716	1,243	1,553	1,470	5,982
Lumber	MBF	35,123	69,596	83,477	74,100	62,660	289,833
Plywood	MSF	35,439	68,746	68,616	62,112	37,509	236,983
Fiberboard	MSF	34,044	58,784	63,205	44,371	31,071	197,431

(1) Represents prices at mill level.

**Plum Creek Timber Company, Inc.**  
**Land Sale Statistics**  
**(Unaudited)**

	2009	2008				YTD
	1st Qtr (1)	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr (2)	
<b>Acres Sold</b>						
Small Non-strategic	1,665	17,145	13,215	14,800	47,125	92,285
Large Non-strategic	-	-	-	-	-	-
Conservation	113,355	1,015	595	39,880	134,250	175,740
HBU/Recreation	2,180	10,635	11,785	15,640	7,550	45,610
Development Properties	1,485	65	700	10	45	820
Conservation Easements	n/a	n/a	n/a	n/a	n/a	n/a
	118,685	28,860	26,295	70,330	188,970	314,455
<b>Price per Acre</b>						
Small Non-strategic	\$1,330	\$1,180	\$1,285	\$1,145	\$745	\$965
Large Non-strategic	-	-	-	-	-	-
Conservation	\$2,225	\$395	\$1,555	\$1,035	\$1,170	\$1,140
HBU/Recreation	\$3,420	\$2,875	\$2,740	\$3,220	\$2,965	\$2,975
Development Properties	\$4,075	\$5,825	\$9,630	\$13,130	\$4,095	\$8,770
Conservation Easements	-	-	-	-	-	-
<b>Revenue, (\$ millions)</b>						
Small Non-strategic	\$2	\$20	\$17	\$17	\$35	\$89
Large Non-strategic	-	-	-	-	-	-
Conservation	\$252	-	\$1	\$41	\$157	\$200
HBU/Recreation	\$7	\$31	\$32	\$50	\$22	\$136
Development Properties	\$6	-	\$7	-	-	\$7
Conservation Easements	-	-	-	-	-	-
	\$268	\$52	\$57	\$108	\$215	\$432
<b>Basis of Real Estate Sold (3)</b>	\$89	\$10	\$13	\$26	\$100	\$149

(1) During the 1st quarter of 2009 we sold 112,000 acres in Montana to a conservation buyer for \$250 million. The sale is presented as a Conservation sale. The transaction included 56,000 acres of Conservation property, 10,000 acres of Small Non-strategic property, 45,000 acres of HBU/Recreation property, and 1,000 acres of Development property.

(2) During the 4th quarter of 2008 we sold 130,000 acres in Montana to a conservation buyer for \$150 million. The sale is presented as a Conservation sale. The transaction included 59,000 acres of Conservation property, 51,000 acres of Small Non-strategic property, 16,000 acres of HBU/Recreation property, and 4,000 acres of Development property.

(3) Includes \$85 million in the first quarter of 2009 for a 112,000 acre conservation sale in Montana and \$75 million in the fourth quarter of 2008 for a 130,000 acre conservation sale in Montana.

PLUM CREEK TIMBER COMPANY, INC.  
DEBT MATURITIES SCHEDULE  
March 31, 2009  
(UNAUDITED)

	<b>Borrowings (1)</b>		
	<b>Principal</b>	<b>Weighted Avg. Interest Rate</b>	
<b><u>Quarterly Maturities through 2010:</u></b>			
3rd Qtr 2009	58	8.730%	
1st Qtr 2010	53	5.480%	
4th Qtr 2010	3	8.050%	
<b><u>Annual Maturities through 2014:</u></b>			
2011	416	7.739%	(2)
2012	603	-	(3)
2013	250	6.663%	(4)
2014	3	8.050%	

(1) Does not include repayments on the company's \$750 million revolving line of credit due in 2011.

(2) Principal amount composed of senior notes with principal amounts of \$74 million, \$3 million, \$290 million and \$49 million and interest rates of 7.970%, 8.050%, 7.660% and 7.830%, respectively.

(3) Includes \$600 million of maturities for the company's two term credit agreements and senior notes with principal of \$3 million and an interest rate of 8.050%. The interest rate on the \$350 million term credit agreement is currently based on LIBOR plus 0.45%. The interest rate on the \$250 million term credit agreement is currently based on LIBOR plus 1.00%.

(4) Principal amount composed of senior notes with principal amounts of \$3 million, \$72 million and \$174 million and interest rates of 8.050%, 7.760% and 6.180%, respectively.