

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

	<u>Quarter Ended</u>	
	March 31, <u>2005</u>	March 31, <u>2004</u>
(In Millions, Except Per Share Amounts)		
Revenues:		
Timber	\$ 200	\$ 184
Real Estate	68	188
Manufacturing	129	122
Other	3	3
Total Revenues	<u>400</u>	<u>497</u>
Costs and Expenses:		
Cost of Goods Sold:		
Timber	102	93
Real Estate	24	86
Manufacturing	118	108
Other	1	1
Total Cost of Goods Sold	<u>245</u>	<u>288</u>
Selling, General and Administrative	21	18
Total Costs and Expenses	<u>266</u>	<u>306</u>
Operating Income	134	191
Interest Expense, net	<u>27</u>	<u>29</u>
Income before Income Taxes	107	162
Provision for Income Taxes	<u>5</u>	<u>7</u>
Income from Continuing Operations	102	155
Gain on Sale of Properties, net of tax	<u>20</u>	<u>-</u>
Net Income	<u>\$ 122</u>	<u>\$ 155</u>
Income from Continuing Operations per Share - Basic	<u>\$ 0.56</u>	<u>\$ 0.85</u>
Income from Continuing Operations per Share - Diluted	<u>\$ 0.56</u>	<u>\$ 0.84</u>
Net Income per Share - Basic	<u>\$ 0.67</u>	<u>\$ 0.85</u>
Net Income per Share - Diluted	<u>\$ 0.66</u>	<u>\$ 0.84</u>
Weighted Average Number of Shares Outstanding - Basic	<u>183.9</u>	<u>183.2</u>
Weighted Average Number of Shares Outstanding - Diluted	<u>184.5</u>	<u>184.0</u>

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

March 31,                      December 31,  
2005                                      2004

(In Millions, Except Per Share Amounts)

ASSETS

Current Assets:

Cash and Cash Equivalents	\$	349	\$	347
Restricted Advance from Customer		24		4
Accounts Receivable		45		40
Like-Kind Exchange Funds Held in Escrow		45		11
Inventories		70		71
Deferred Tax Asset		11		10
Other Current Assets		18		16
		562		499

Timber and Timberlands - Net		3,578		3,590
Property, Plant and Equipment - Net		247		253
Investment in Grantor Trusts		29		29
Other Assets		10		7
Total Assets	\$	4,426	\$	4,378

LIABILITIES

Current Liabilities:

Current Portion of Long-Term Debt	\$	32	\$	32
Accounts Payable		29		41
Interest Payable		36		28
Wages Payable		12		25
Taxes Payable		23		22
Deferred Revenue		34		16
Other Current Liabilities		12		20
		178		184

Long-Term Debt		1,404		1,405
Lines of Credit		448		448
Deferred Tax Liability		44		45
Other Liabilities		54		56
Total Liabilities		2,128		2,138

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) - 185.9 at March 31, 2005, and 185.7 at December 31, 2004		2		2
Additional Paid-In Capital		2,174		2,168
Retained Earnings		163		111
Treasury Stock, at cost, Common shares - 2.0		(43)		(43)
Other Equity		2		2
Total Stockholders' Equity		2,298		2,240
Total Liabilities and Stockholders' Equity	\$	4,426	\$	4,378

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

	<u>Quarter Ended</u>	
	March 31, <u>2005</u>	March 31, <u>2004</u>
	(In Millions)	
Cash Flows From Operating Activities:		
Net Income	\$ 122	\$ 155
Adjustments to Reconcile Net Income to		
Net Cash Provided By Operating Activities:		
Depreciation, Depletion and Amortization	27	27
Basis of Real Estate Sold (Includes Impairment Losses of \$16 in 2004)	18	79
Deferred Income Taxes	(1)	7
Gain on Sales of Properties	(21)	-
Working Capital Changes	(46)	(19)
Other	(2)	(6)
Net Cash Provided By Operating Activities	<u>97</u>	<u>243</u>
Cash Flows From Investing Activities:		
Property Additions (Excluding Timberland Acquisitions)	(10)	(17)
Timberlands Acquired (Including Tax-Deferred Exchange Proceeds, Net)	(18)	(24)
Other	1	-
Net Cash Used In Investing Activities	<u>(27)</u>	<u>(41)</u>
Cash Flows From Financing Activities:		
Dividends	(70)	(64)
Borrowings of Long-term Debt and Lines of Credit	529	606
Retirements of Long-term Debt and Lines of Credit	(530)	(725)
Proceeds from Stock Option Exercises	3	2
Net Cash Used In Financing Activities	<u>(68)</u>	<u>(181)</u>
Increase In Cash and Cash Equivalents	2	21
Cash and Cash Equivalents:		
Beginning of Period	<u>347</u>	<u>267</u>
End of Period	<u>\$ 349</u>	<u>\$ 288</u>

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

	<u>First Quarter 2005</u>	<u>First Quarter 2004</u>
(In Millions)		
<b>Revenues:</b>		
Northern Resources .....	\$ 88	\$ 95
Southern Resources .....	131	116
Real Estate .....	68	188
Manufacturing .....	129	122
Other .....	3	3
Eliminations.....	<u>(19)</u>	<u>(27)</u>
<b>Total Revenues .....</b>	<b><u>\$ 400</u></b>	<b><u>\$ 497</u></b>
<b>Operating Costs and Expenses:</b>		
Northern Resources .....	\$ 59	\$ 63
Southern Resources .....	67	60
Real Estate .....	24	86
Manufacturing .....	121	111
Other .....	1	1
Other Costs and Eliminations.....	<u>(6)</u>	<u>(15)</u>
<b>Total Costs and Expenses.....</b>	<b><u>\$ 266</u></b>	<b><u>\$ 306</u></b>
<b>Operating Income (Loss)</b>		
Northern Resources .....	\$ 29	\$ 32
Southern Resources .....	64	56
Real Estate .....	44	102
Manufacturing .....	8	11
Other .....	2	2
Other Costs and Eliminations.....	<u>(13)</u>	<u>(12)</u>
<b>Total Operating Income.....</b>	<b><u>\$ 134</u></b>	<b><u>\$ 191</u></b>

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

		2005		2004			
		1st Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
<b>Sales Realization</b>		<b>Units</b>					
<b>Southern Resources</b>							
Sawlog	\$/Ton Stumpage	\$38	\$37	\$36	\$36	\$36	\$36
Pulpwood	\$/Ton Stumpage	\$9	\$9	\$8	\$8	\$7	\$8
<b>Northern Resources</b>							
Sawlog	\$/Ton Delivered	\$76	\$70	\$72	\$80	\$78	\$75
Pulpwood	\$/Ton Delivered	\$37	\$34	\$34	\$35	\$36	\$35
Lumber (1)	\$/MBF	\$483	\$452	\$514	\$532	\$473	\$493
Plywood (1)	\$/MSF	\$419	\$427	\$482	\$483	\$444	\$459
Fiberboard (1)	\$/MSF	\$449	\$379	\$415	\$436	\$440	\$418
<b>Sales Volume</b>							
<b>Southern Resources</b>							
Sawlog	1,000 Tons	1,899	1,719	1,488	1,670	1,761	6,638
Pulpwood	1,000 Tons	1,592	1,587	1,512	1,834	1,757	6,690
Total Harvest		3,491	3,306	3,000	3,504	3,518	13,328
<b>Northern Resources</b>							
Sawlog	1,000 Tons	906	1,089	715	856	855	3,515
Pulpwood	1,000 Tons	499	534	301	436	452	1,723
Total Harvest		1,405	1,623	1,016	1,292	1,307	5,238
Lumber	MBF	102,857	102,373	100,174	103,671	99,763	405,981
Plywood	MSF	75,483	80,487	77,236	78,896	71,373	307,992
Fiberboard	MSF	61,806	61,437	65,053	64,100	55,610	246,200

(1) Represents prices at mill level.