

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

	<u>Six Months Ended</u>	
	June 30, <u>2007</u>	June 30, <u>2006</u>
	(In Millions, Except Per Share Amounts)	
<b>Revenues:</b>		
Timber	\$ 399	\$ 407
Real Estate	110	113
Manufacturing	244	264
Other	11	10
Total Revenues	<u>764</u>	<u>794</u>
<b>Costs and Expenses:</b>		
Cost of Goods Sold:		
Timber	258	234
Real Estate	40	41
Manufacturing	236	240
Other	1	1
Total Cost of Goods Sold	<u>535</u>	<u>516</u>
Selling, General and Administrative	59	54
Total Costs and Expenses	<u>594</u>	<u>570</u>
Other Operating Income (Expense), net	<u>1</u>	<u>2</u>
Operating Income	171	226
Interest Expense, net	<u>71</u>	<u>65</u>
Income before Income Taxes	100	161
Provision (Benefit) for Income Taxes	<u>(3)</u>	<u>7</u>
Income From Continuing Operations	103	154
Gain on Sale of Properties, net of tax	<u>2</u>	<u>-</u>
Income Before Cumulative Effect of Accounting Change	105	154
Cumulative Effect of Accounting Change, net of tax	<u>-</u>	<u>2</u>
Net Income	<u>\$ 105</u>	<u>\$ 156</u>
Income From Continuing Operations per Share		
- Basic	\$ 0.58	\$ 0.84
- Diluted	\$ 0.58	\$ 0.84
Net Income per Share		
- Basic	\$ 0.59	\$ 0.85
- Diluted	\$ 0.59	\$ 0.85
Weighted Average Number of Shares Outstanding		
- Basic	176.4	183.2
- Diluted	176.8	183.7

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

	<u>Quarter Ended</u>	
	June 30, <u>2007</u>	June 30, <u>2006</u>
	<u>(In Millions, Except Per Share Amounts)</u>	
<b>Revenues:</b>		
Timber	\$ 190	\$ 193
Real Estate	71	52
Manufacturing	129	130
Other	5	5
Total Revenues	<u>395</u>	<u>380</u>
<b>Costs and Expenses:</b>		
Cost of Goods Sold:		
Timber	124	113
Real Estate	23	25
Manufacturing	123	117
Other	-	-
Total Cost of Goods Sold	<u>270</u>	<u>255</u>
Selling, General and Administrative	30	26
Total Costs and Expenses	<u>300</u>	<u>281</u>
Other Operating Income (Expense), net	<u>(1)</u>	<u>-</u>
Operating Income	94	99
Interest Expense, net	<u>35</u>	<u>34</u>
Income before Income Taxes	59	65
Provision for Income Taxes	<u>1</u>	<u>3</u>
Income from Continuing Operations	58	62
Gain on Sale of Properties, net of tax	<u>2</u>	<u>-</u>
Net Income	<u>\$ 60</u>	<u>\$ 62</u>
Income from Continuing Operations per Share		
- Basic	\$ 0.33	\$ 0.34
- Diluted	\$ 0.33	\$ 0.34
Net Income per Share		
- Basic	\$ 0.34	\$ 0.34
- Diluted	\$ 0.34	\$ 0.34
Weighted Average Number of Shares Outstanding		
- Basic	175.7	182.3
- Diluted	176.1	182.8



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

	<u>Six Months Ended</u>	
	June 30, <u>2007</u>	June 30, <u>2006</u>
	<u>(In Millions)</u>	
<b>Cash Flows From Operating Activities:</b>		
Net Income	\$ 105	\$ 156
Adjustments to Reconcile Net Income to		
Net Cash Provided By Operating Activities:		
Depreciation, Depletion and Amortization	65	60
Basis of Real Estate Sold	23	23
Deferred Income Taxes	(5)	-
Gain on Sales of Properties and Other Assets	(2)	-
Working Capital Changes Impacting Cash Flow:		
Like-Kind Exchange Funds	(58)	20
Other Working Capital Changes	(14)	(6)
Expenditures for Real Estate Development	(6)	(2)
Other	3	1
Net Cash Provided By Operating Activities	<u>111</u>	<u>252</u>
<b>Cash Flows From Investing Activities:</b>		
Capital Expenditures (Excluding Timberland Acquisitions)	(33)	(36)
Timberlands Acquired	(9)	(17)
Proceeds from Sales of Properties and Other Assets	2	1
Other	2	(3)
Net Cash Used In Investing Activities	<u>(38)</u>	<u>(55)</u>
<b>Cash Flows From Financing Activities:</b>		
Dividends	(149)	(147)
Borrowings on Line of Credit	1,596	1,474
Repayments on Line of Credit	(1,832)	(1,453)
Repayment of Short-Term Debt	-	(50)
Proceeds from Issuance of Long-Term Debt	350	216
Principal Payments and Retirement of Long-Term Debt	(99)	(29)
Proceeds from Stock Option Exercises	6	3
Acquisition of Treasury Stock	(111)	(184)
Net Cash Used In Financing Activities	<u>(239)</u>	<u>(170)</u>
Increase (Decrease) In Cash and Cash Equivalents	(166)	27
Cash and Cash Equivalents:		
Beginning of Period	<u>273</u>	<u>369</u>
End of Period	<u>\$ 107</u>	<u>\$ 396</u>

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

	<u>Quarter Ended</u>	
	June 30, <u>2007</u>	June 30, <u>2006</u>
	<u>(In Millions)</u>	
<b>Cash Flows From Operating Activities:</b>		
Net Income	\$ 60	\$ 62
Adjustments to Reconcile Net Income to		
Net Cash Provided By Operating Activities:		
Depreciation, Depletion and Amortization	32	29
Basis of Real Estate Sold	14	13
Deferred Income Taxes	(2)	(1)
Gain on Sale of Properties and Other Assets	(2)	-
Working Capital Changes Impacting Cash Flow:		
Like-Kind Exchange Funds	(48)	(9)
Other Working Capital Changes	17	14
Expenditures for Real Estate Development	(4)	(2)
Other	6	6
Net Cash Provided By Operating Activities	<u>73</u>	<u>112</u>
<b>Cash Flows From Investing Activities:</b>		
Capital Expenditures (Excluding Timberland Acquisitions)	(22)	(19)
Timberlands Acquired	(9)	(17)
Proceeds from Sales of Properties and Other Assets	2	1
Other	-	(3)
Net Cash Used In Investing Activities	<u>(29)</u>	<u>(38)</u>
<b>Cash Flows From Financing Activities:</b>		
Dividends	(74)	(73)
Borrowings on Line of Credit	947	811
Repayments on Line of Credit	(1,255)	(790)
Repayment of Short-Term Debt	-	(50)
Proceeds from Issuance of Long-Term Debt	350	216
Principal Payments and Retirement of Long-Term Debt	(27)	(28)
Proceeds from Stock Option Exercises	1	1
Acquisition of Treasury Stock	(89)	(184)
Net Cash Used In Financing Activities	<u>(147)</u>	<u>(97)</u>
Decrease In Cash and Cash Equivalents	(103)	(23)
Cash and Cash Equivalents:		
Beginning of Period	<u>210</u>	<u>419</u>
End of Period	<u>\$ 107</u>	<u>\$ 396</u>

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

	<u>Six Months 2007</u>	<u>Six Months 2006</u>
(In Millions)		
<b>Revenues:</b>		
Northern Resources .....	\$ 178	\$ 202
Southern Resources .....	253	243
Real Estate .....	110	113
Manufacturing .....	244	264
Other .....	11	10
Eliminations.....	<u>(32)</u>	<u>(38)</u>
Total Revenues .....	<u>\$ 764</u>	<u>\$ 794</u>
<b>Operating Income (Loss)</b>		
Northern Resources .....	\$ 33	\$ 56
Southern Resources .....	87	98
Real Estate .....	68	71
Manufacturing .....	1	18
Other .....	10	9
Other Costs and Eliminations.....	<u>(28)</u>	<u>(26)</u>
Total Operating Income.....	<u>\$ 171</u>	<u>\$ 226</u>

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

	<u>Second Quarter 2007</u>	<u>Second Quarter 2006</u>
(In Millions)		
Revenues:		
Northern Resources .....	\$ 79	\$ 87
Southern Resources .....	126	121
Real Estate .....	71	52
Manufacturing .....	129	130
Other .....	5	5
Eliminations.....	<u>(15)</u>	<u>(15)</u>
Total Revenues .....	<u>\$ 395</u>	<u>\$ 380</u>
Operating Income (Loss)		
Northern Resources .....	\$ 14	\$ 21
Southern Resources .....	41	48
Real Estate .....	47	27
Manufacturing .....	2	10
Other .....	5	4
Other Costs and Eliminations.....	<u>(15)</u>	<u>(11)</u>
Total Operating Income.....	<u>\$ 94</u>	<u>\$ 99</u>

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

		2007			2006					
		1st Qtr	2nd Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	
<b>Sales Realization</b>		<b>Units</b>								
<b>Southern Resources</b>										
Sawlog	\$/Ton Stumpage	\$32	\$31	\$31	\$35	\$36	\$33	\$33	\$34	
Pulpwood	\$/Ton Stumpage	\$9	\$9	\$9	\$8	\$8	\$7	\$8	\$8	
<b>Northern Resources</b>										
Sawlog	\$/Ton Delivered	\$71	\$76	\$73	\$77	\$78	\$81	\$74	\$77	
Pulpwood	\$/Ton Delivered	\$37	\$38	\$38	\$37	\$37	\$38	\$37	\$37	
Lumber (1)	\$/MBF	\$390	\$400	\$395	\$467	\$456	\$410	\$385	\$431	
Plywood (1)	\$/MSF	\$398	\$407	\$402	\$452	\$455	\$431	\$407	\$437	
Fiberboard (1)	\$/MSF	\$490	\$529	\$510	\$445	\$480	\$518	\$506	\$486	
<b>Sales Volume</b>										
<b>Southern Resources</b>										
Sawlog	1,000 Tons	1,681	1,691	3,372	1,749	1,685	1,548	1,629	6,611	
Pulpwood	1,000 Tons	1,954	1,901	3,855	1,642	1,651	1,917	2,319	7,529	
Total Harvest		3,635	3,592	7,227	3,391	3,336	3,465	3,948	14,140	
<b>Northern Resources</b>										
Sawlog	1,000 Tons	960	789	1,749	1,151	877	954	1,093	4,075	
Pulpwood	1,000 Tons	819	527	1,346	766	517	734	725	2,742	
Total Harvest		1,779	1,316	3,095	1,917	1,394	1,688	1,818	6,817	
Lumber	MBF	95,265	95,701	190,966	99,367	97,059	93,925	86,880	377,231	
Plywood	MSF	72,582	72,454	145,036	75,769	71,269	70,109	60,845	277,992	
Fiberboard	MSF	64,872	65,938	130,810	69,076	70,411	63,698	51,502	254,687	

(1) Represents prices at mill level.



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

	2007			2006				
	1st Qtr	2nd Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
<b>Acres Sold</b>								
Small Non-strategic	8,645	21,255	29,900	15,050	11,765	19,040	14,240	60,095
Large Non-strategic	-	-	-	-	-	-	-	-
Conservation	4,210	480	4,690	2,580	2,185	4,600	15,020	24,385
HBU/Recreation	3,750	8,695	12,445	3,095	7,225	7,875	4,575	22,770
Development Properties	45	595	640	1,075	645	1,970	635	4,325
Conservation Easements	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	16,650	31,025	47,675	21,800	21,820	33,485	34,470	111,575
<b>Price per Acre</b>								
Small Non-strategic	\$1,445	\$1,295	\$1,340	\$1,465	\$1,270	\$1,765	\$1,730	\$1,585
Large Non-strategic	-	-	-	-	-	-	-	-
Conservation	\$1,740	\$6,660	\$2,240	\$2,085	\$1,500	\$3,865	\$990	\$1,695
HBU/Recreation	\$4,300	\$3,150	\$3,495	\$5,310	\$4,140	\$3,775	\$3,620	\$4,070
Development Properties	\$22,045	\$21,260	\$21,310	\$8,595	\$5,295	\$21,950	\$14,995	\$15,125
Conservation Easements	-	-	-	\$1,300	-	\$605	-	\$885
<b>Revenue, (\$ millions)</b>								
Small Non-strategic	\$13	\$28	\$41	\$22	\$15	\$33	\$26	\$96
Large Non-strategic	-	-	-	-	-	-	-	-
Conservation	\$7	\$3	\$10	\$5	\$3	\$18	\$15	\$41
HBU/Recreation	\$16	\$27	\$43	\$17	\$30	\$30	\$16	\$93
Development Properties	\$1	\$13	\$14	\$9	\$4	\$43	\$9	\$65
Conservation Easements	-	-	-	\$8	-	\$5	-	\$13
	\$37	\$71	\$108	\$61	\$52	\$129	\$66	\$308
<b>Proceeds from Joint Ventures<sup>(1)</sup></b>	\$2	-	\$2	-	-	-	-	-
<b>Basis of Real Estate Sold</b> (\$ millions)	\$9	\$14	\$23	\$10	\$13	\$43	\$19	\$85

(1) Not reflected in the Land Sale Statistics (Acres Sold, Price per Acre and Revenue)