

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

	<u>Quarter Ended</u>	
	March 31, <u>2003</u>	March 31, <u>2002</u>
(In Millions, Except Per Share Amounts)		
Revenues:		
Timber	\$ 156	\$ 157
Real Estate	23	23
Manufacturing	92	93
Other	2	2
Total Revenues	<u>273</u>	<u>275</u>
Costs and Expenses:		
Cost of Goods Sold:		
Timber	81	74
Real Estate	19	11
Manufacturing	96	89
Other	1	-
Total Cost of Goods Sold	<u>197</u>	<u>174</u>
Selling, General and Administrative	17	17
Total Costs and Expenses	<u>214</u>	<u>191</u>
Operating Income	59	84
Interest Expense, net	<u>28</u>	<u>26</u>
Income before Income Taxes	31	58
Benefit (Provision) for Income Taxes	<u>2</u>	<u>(2)</u>
Net Income	<u>\$ 33</u>	<u>\$ 56</u>
Net Income per Share - Basic	<u>\$ 0.18</u>	<u>\$ 0.30</u>
Net Income per Share - Diluted	<u>\$ 0.18</u>	<u>\$ 0.30</u>
Weighted average number of Shares outstanding - Basic	<u>184.1</u>	<u>184.5</u>
Weighted average number of Shares outstanding - Diluted	<u>184.6</u>	<u>185.3</u>

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

March 31,
2003 December 31,
2002

(In Millions)

ASSETS

Current Assets:

Cash and Cash Equivalents	\$	208	\$	246
Restricted Advance from Customer		17		4
Accounts Receivable		34		33
Inventories		61		58
Investment in Grantor Trust		11		10
Deferred Tax Asset		11		11
Other Current Assets		30		16
		372		378

Timber and Timberlands - Net		3,579		3,599
Property, Plant and Equipment - Net		303		307
Other Assets		7		5
Total Assets	\$	4,261	\$	4,289

LIABILITIES

Current Liabilities:

Current Portion of Long-Term Debt	\$	33	\$	33
Accounts Payable		18		25
Interest Payable		38		21
Wages Payable		11		23
Taxes Payable		11		11
Deferred Revenue		26		18
Liabilities Associated with Grantor Trust		11		10
Other Current Liabilities		15		14
		163		155

Long-Term Debt		1,468		1,170
Lines of Credit		412		669
Deferred Tax Liability		42		44
Other Liabilities		26		29
Total Liabilities		2,111		2,067

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 - 300.0, issued (including Treasury Stock) - 185.0 at March 31, 2003 and 184.9 at December 31, 2002		2		2
Additional Paid-In Capital		2,175		2,197
Retained Earnings		16		23
Treasury Stock, at cost, Common shares - 2.0 at March 31, 2003		(43)		-
Total Stockholders' Equity		2,150		2,222
Total Liabilities and Stockholders' Equity	\$	4,261	\$	4,289

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

	<u>Quarter Ended</u>	
	March 31, <u>2003</u>	March 31, <u>2002</u>
	(In Millions)	
Cash Flows From Operating Activities:		
Net Income	\$ 33	\$ 56
Adjustments to Reconcile Net Income to		
Net Cash Provided By Operating Activities:		
Depreciation, Depletion and Amortization	25	26
Basis of Real Estate Sold (including Impairment Loss)	17	9
Deferred Income Taxes	(2)	-
Working Capital Changes	(23)	(15)
Other	(4)	(3)
Net Cash Provided By Operating Activities	<u>46</u>	<u>73</u>
Cash Flows From Investing Activities:		
Property Additions (Excluding Tax-Deferred Exchanges)	(16)	(17)
Timberlands Acquired with Tax-Deferred Exchange Proceeds, Net	(1)	-
Net Cash Used In Investing Activities	<u>(17)</u>	<u>(17)</u>
Cash Flows From Financing Activities:		
Dividend	(65)	-
Borrowings of Long-term Debt and Lines of Credit	782	263
Repayments of Long-term Debt and Lines of Credit	(741)	(241)
Proceeds from Stock Option Exercises	-	14
Acquisition of Treasury Stock	(43)	-
Net Cash Provided By (Used In) Financing Activities	<u>(67)</u>	<u>36</u>
Increase (Decrease) In Cash and Cash Equivalents	(38)	92
Cash and Cash Equivalents:		
Beginning of Period	<u>246</u>	<u>193</u>
End of Period	<u>\$ 208</u>	<u>\$ 285</u>

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

(In Millions)	First Quarter <u>2003</u>	First Quarter <u>2002</u>
Revenues:		
Northern Resources	\$ 81	\$ 78
Southern Resources	99	100
Real Estate	23	23
Manufacturing	92	93
Other	2	2
Eliminations.....	<u>(24)</u>	<u>(21)</u>
Total Revenues	<u>\$ 273</u>	<u>\$ 275</u>
Operating Costs and Expenses:		
Northern Resources	\$ 58	\$ 58
Southern Resources	50	45
Real Estate	19	11
Manufacturing	97	91
Other	1	-
Other Costs and Eliminations.....	<u>(11)</u>	<u>(14)</u>
Total Costs and Expenses.....	<u>\$ 214</u>	<u>\$ 191</u>
Operating Income (Expenses):		
Northern Resources	\$ 23	\$ 20
Southern Resources	49	55
Real Estate	4	12
Manufacturing	(5)	2
Other	1	2
Other Costs and Eliminations.....	<u>(13)</u>	<u>(7)</u>
Segment Operating Income.....	<u>\$ 59</u>	<u>\$ 84</u>

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

		2002					
		1st Qtr 2003	1st Qtr 2002	2nd Qtr 2002	3rd Qtr 2002	4th Qtr 2002	YTD 2002
Sales Realization	Units						
Southern Resources							
Sawlog	\$/Ton Stumpage	\$36	\$37	\$39	\$39	\$35	\$38
Pulpwood	\$/Ton Stumpage	\$8	\$8	\$8	\$8	\$7	\$8
Northern Resources							
Sawlog	\$/Ton Delivered	\$65	\$63	\$67	\$70	\$69	\$67
Pulpwood	\$/Ton Delivered	\$28	\$26	\$27	\$28	\$28	\$27
Lumber (1)	\$/MBF	\$368	\$430	\$422	\$416	\$373	\$410
Plywood (1)	\$/MSF	\$311	\$311	\$316	\$313	\$311	\$313
Fiberboard (1)	\$/MSF	\$342	\$308	\$318	\$338	\$334	\$325
Sales Volume							
Southern Resources							
Sawlog	1,000 Tons	1,569	1,715	1,819	1,705	1,641	6,880
Pulpwood	1,000 Tons	1,428	1,498	1,714	1,830	1,872	6,914
Total Harvest		2,997	3,213	3,533	3,535	3,513	13,794
Northern Resources							
Sawlog	1,000 Tons	1,034	1,072	738	1,140	1,180	4,130
Pulpwood	1,000 Tons	449	377	268	373	389	1,407
Total Harvest		1,483	1,449	1,006	1,513	1,569	5,537
Lumber	MBF	99,479	101,162	101,482	103,600	103,110	409,354
Plywood	MSF	73,959	74,292	73,841	75,657	69,703	293,493
Fiberboard	MSF	47,826	38,119	46,445	50,332	43,156	178,052
Real Estate Revenue	\$ Millions	\$23	\$23	\$18	\$38	\$19	\$98

(1) Represents prices at mill level.