

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

	Quarter Ended December 31,	
	1999 (REIT)	1998 (MLP)
	(In Thousands, Except Per Share / Unit)	
Revenues (A)	\$ 46,051	\$ 188,770
Costs and Expenses:		
Cost of Goods Sold	13,790	133,747
Selling, General and Administrative	3,882	14,963
Total Costs and Expenses	17,672	148,710
Operating Income	28,379	40,060
Interest Expense	(12,742)	(16,187)
Interest Income	872	142
Gain (Loss) on Disposition of Assets - Net	3,577	(361)
Reorganization Costs	-	(1,793)
Other (Expense) Income - Net	(36)	118
Income before Income Taxes, Equity in Earnings of Unconsolidated Subsidiaries and Preferred Stock Dividends	20,050	21,979
(Provision) Benefit for Income Taxes	60	4
Equity in Earnings of Unconsolidated Subsidiaries and Preferred Stock Dividends (B)	5,618	-
Net Income	\$ 25,728	\$ 21,983
General Partner Interest	-	8,616
Net Income Allocable to Common Shareholders / Unitholders	\$ 25,728	\$ 13,367
Net Income per Share / Unit	\$ 0.38	\$ 0.29
Weighted average number of Shares/Units outstanding - Basic and Diluted	67,289,908	46,323,300

(A) 1999 fourth quarter REIT revenues do not include revenues from manufacturing operations, harvesting activities and some land sales conducted through unconsolidated subsidiaries.

(B) Reflects net earnings from manufacturing operations, harvesting activities and some land sales previously reported by the MLP.

PLUM CREEK TIMBER COMPANY, INC.
CONSOLIDATED / COMBINED STATEMENT OF INCOME

	Year Ended December 31,		
	1999 (REIT/MLP)	1998 (MLP)	1997 (MLP)
(In Thousands, Except Per Share / Unit)			
Revenues (A)	\$ 460,620	\$ 699,370	\$ 725,571
Costs and Expenses:			
Cost of Goods Sold	285,822	505,366	503,259
Selling, General and Administrative	28,374	52,917	49,031
Total Costs and Expenses	314,196	558,283	552,290
Operating Income	146,424	141,087	173,281
Interest Expense	(63,456)	(60,622)	(60,364)
Interest Income	1,982	1,042	1,113
Gain (Loss) on Disposition of Assets - Net	3,697	(805)	(1,223)
Reorganization Costs	(5,053)	(4,763)	-
Other (Expense) Income - Net	(789)	14	(1,031)
Income before Income Taxes, Equity in Earnings of Unconsolidated Subsidiaries and Preferred Stock Dividends and Cumulative Effect of Accounting Change	82,805	75,953	111,776
(Provision) Benefit for Income Taxes	13,105	(517)	(80)
Equity in Earnings of Unconsolidated Subsidiaries and Preferred Stock Dividends (B)	17,522	-	-
Net Income before Cumulative Effect of Accounting Change	\$ 113,432	\$ 75,436	\$ 111,696
Cumulative Effect of Accounting Change	12,169	-	-
Net Income	\$ 125,601	\$ 75,436	\$ 111,696
General Partner Interest	17,162	33,713	31,918
Net Income Allocable to Common Shareholders / Unitholders	\$ 108,439	\$ 41,723	\$ 79,778
Net Income Allocable to Common Shareholders/Unitholders per Share before Cumulative Effect of Accounting Change	\$ 1.72	\$ 0.90	\$ 1.72
Cumulative Effect of Accounting Change per Share	\$ 0.22		
Net Income per Share / Unit	\$ 1.94	\$ 0.90	\$ 1.72
Weighted average number of Shares/Units outstanding - Basic and Diluted	55,819,390	46,323,300	46,323,300
Pro forma amounts, assuming the change in accounting was applied retroactively, are:			
Net Income	\$ 113,432	\$ 77,223	\$ 112,937
Net Income Allocable to Common Shareholders/Unitholders	\$ 96,270	\$ 43,510	\$ 81,019
Net Income per Share	\$ 1.72	\$ 0.94	\$ 1.75

(A) 1999 revenues do not include revenues from manufacturing operations, harvesting activities and some land sales conducted through unconsolidated subsidiaries for the six months ended December 31, 1999.

(B) Reflects net earnings from manufacturing operations, harvesting activities and some land sales previously reported by the MLP.

PLUM CREEK TIMBER COMPANY, INC.
CONSOLIDATED / COMBINED BALANCE SHEET

	December 31, 1999 <u>(REIT)</u>	December 31, 1998 <u>(MLP)</u>
(In Thousands)		
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 115,389	\$ 113,793
Accounts Receivable	828	32,007
Inventories	-	55,963
Timber Contract Deposits	-	2,647
Investments in Grantor Trusts	13,721	-
Other Current Assets	3,378	6,053
	133,316	210,463
Timber and Timberlands - Net	1,010,524	1,030,484
Property, Plant and Equipment - Net	1,203	186,179
Investment in Unconsolidated Subsidiaries	100,202	-
Other Assets	5,511	11,117
Total Assets	\$ 1,250,756	\$ 1,438,243
LIABILITIES		
Current Liabilities:		
Current Portion of Long-Term Debt	\$ 5,685	\$ 18,400
Accounts Payable	1,674	15,320
Related Party Payables	26,522	-
Interest Payable	9,623	10,964
Wages Payable	949	14,795
Taxes Payable	2,034	4,081
Workers' Compensation Liabilities	26	1,550
Liabilities Associated with Grantor Trust	13,411	-
Deferred Income	8,556	-
Other Current Liabilities	5,282	15,766
	73,762	80,876
Long-Term Debt	566,392	742,608
Line of Credit	77,000	200,000
Workers' Compensation Liabilities	225	7,495
Other Liabilities	330	1,849
Total Liabilities	717,709	1,032,828
Commitments and Contingencies		
STOCKHOLDERS' EQUITY / PARTNERS' CAPITAL		
Preferred Stock, \$0.01 par value, authorized shares - 75 million, outstanding - none	-	-
Common Stock, \$0.01 par value, authorized shares - 300 million, outstanding - 68,572,009	686	-
Special Voting Stock, \$0.01 par value, convertible to common stock, authorized and outstanding - 634,566	6	-
Additional Paid-In Capital	522,244	-
Retained Earnings	9,586	-
Other Equity	525	-
Limited Partners' Units	-	406,857
General Partner	-	(1,442)
Total Stockholders' Equity / Partners' Capital	533,047	405,415
Total Liabilities and Stockholders' / Partners' Capital	\$ 1,250,756	\$ 1,438,243

PLUM CREEK TIMBER COMPANY, INC.
CONSOLIDATED / COMBINED STATEMENT OF CASH FLOWS

	Year Ended December 31,		
	1999 (REIT/MLP)	1998 (MLP)	1997 (MLP)
	(In Thousands)		
Cash Flows From Operating Activities:			
Net Income	\$ 125,601	\$ 75,436	\$ 111,696
Adjustments to Reconcile Net Income to			
Net Cash Provided By Operating Activities:			
Depreciation, Depletion and Amortization	59,689	69,287	70,243
Deferred Income Taxes	(14,030)	-	-
Cumulative Effect of Accounting Change	(12,169)	-	-
(Gain) Loss on Asset Dispositions - Net	(3,697)	805	1,223
Equity in Earnings of Unconsolidated Subsidiaries			
and Preferred Stock Dividends.....	(17,522)	-	-
Preferred Stock Dividends	7,838	-	-
Working Capital Changes, net of effect of business acquisition			
and contribution to Unconsolidated Subsidiaries:			
Accounts Receivable	(12,369)	(3,309)	(5,001)
Inventories	9,987	6,974	(5,072)
Timber Contract Deposits and Other Current Assets.....	(4,675)	551	11,793
Accounts Payable	(3,427)	2,330	(453)
Deferred Income	8,556	-	-
Wages Payable	(1,651)	(2,361)	3,969
Other Accrued Liabilities.....	(7,178)	6,915	(21)
Other	3,041	7,376	1,599
Net Cash Provided By Operating Activities	137,994	164,004	189,976
Cash Flows From Investing Activities:			
Business Acquisitions	-	(12,353)	-
Additions to Properties	(25,611)	(54,927)	(28,348)
Proceeds from Asset Dispositions	4,460	1,457	917
Investment in Unconsolidated Subsidiaries	(24,821)	-	-
Advances/Distributions from Unconsolidated Subsidiaries	58,365	-	-
Other	(1,371)	(11)	(649)
Net Cash Provided By (Used In) Investing Activities	11,022	(65,834)	(28,080)
Cash Flows From Financing Activities:			
Cash Distributions	(146,534)	(140,358)	(133,007)
Retirement of Long-Term Debt	(18,810)	(18,400)	(17,400)
Borrowings on Line of Credit	559,400	695,000	814,950
Repayments on Line of Credit	(682,400)	(656,000)	(814,950)
Issuance of Common Stock, net	141,707	-	-
Other	(783)	-	-
Net Cash Used In Financing Activities	(147,420)	(119,758)	(150,407)
Increase (Decrease) In Cash and Cash Equivalents	1,596	(21,588)	11,489
Cash and Cash Equivalents:			
Beginning of Period	113,793	135,381	123,892
End of Period	\$ 115,389	\$ 113,793	\$ 135,381
<u>Supplementary Cash Flow Information</u>			
Cash paid during the year for:			
Interest Paid - Net	\$ 63,082	\$ 58,785	\$ 59,650
Income Taxes Paid - Net	\$ 270	\$ 362	\$ 737
Noncash activities:			
Assets contributed to Unconsolidated Subsidiaries	\$ 291,513		
Liabilities contributed to Unconsolidated Subsidiaries	\$ 221,755		
Assets received related to the PCMC Merger	\$ 13,726		
Liabilities received related to the PCMC Merger	\$ 12,134		
Purchase accounting related basis step-up of assets	\$ 3,939		
Exchanges of timber and timberlands	\$ 3,294		
Business Acquisition		\$ 177,060	
Issuance of Unsecured Debt for Business Acquisition		\$ 177,060	

PLUM CREEK TIMBER COMPANY
SUPPLEMENTAL DETAIL OF UNCONSOLIDATED SUBSIDIARIES
1999 - FULL YEAR
(UNAUDITED)

	<u>REIT/MLP STAND ALONE FINANCIALS</u>	<u>UNCONSOLIDATED SUBSIDIARIES</u>	<u>COMBINED</u>
OPERATING INCOME	146,424	29,314	175,738
INTEREST EXPENSE	(63,456)	(9,498)	(72,954)
GAIN (LOSS) ON DISP. OF ASSETS	3,697	(336)	3,361
REORGANIZATION COSTS	(5,053)	-	(5,053)
OTHER INCOME (EXPENSE)	1,193	4,429 *	5,622
TAX (PROVISION) BENEFIT	13,105	(6,387)	6,718
CUM. EFFECT ACCTG. CHANGE	<u>12,169</u>	<u>-</u>	<u>12,169</u>
NET INCOME	<u>108,079</u>	<u>17,522</u>	<u>125,601</u>
DEPLETION, DEPREC. & AMORT.	<u>59,689</u>	<u>15,271</u>	<u>74,960</u>
CAPITAL EXPENDITURES	<u>25,611</u>	<u>4,440</u>	<u>30,051</u>

* Includes \$4,810 of amortization income related to the basis difference associated with the REIT's investment in the unconsolidated subsidiaries. This amount offsets a portion of the unconsolidated subsidiaries' deferred tax expense included in the tax provision of \$6,387.

PLUM CREEK TIMBER COMPANY
SUPPLEMENTAL DETAIL OF UNCONSOLIDATED SUBSIDIARIES
FOURTH QUARTER 1999
(UNAUDITED)

	<u>REIT STAND ALONE FINANCIALS</u>	<u>UNCONSOLIDATED SUBSIDIARIES</u>	<u>COMBINED</u>
OPERATING INCOME	28,379	8,360	36,739
INTEREST EXPENSE	(12,742)	(4,700)	(17,442)
GAIN (LOSS) ON DISP. OF ASSETS	3,577	25	3,602
REORGANIZATION COSTS	-	-	-
OTHER INCOME (EXPENSE)	836	2,737 *	3,573
TAX (PROVISION) BENEFIT	<u>60</u>	<u>(804)</u>	<u>(744)</u>
NET INCOME	<u>20,110</u>	<u>5,618</u>	<u>25,728</u>
DEPLETION, DEPREC. & AMORT.	<u>12,686</u>	<u>7,602</u>	<u>20,288</u>
CAPITAL EXPENDITURES	<u>9,405</u>	<u>2,244</u>	<u>11,649</u>

* Includes \$2,885 of amortization income related to the basis difference associated with the REIT's investment in the unconsolidated subsidiaries. This amount offsets a portion of the unconsolidated subsidiaries' deferred tax expense included in the tax provision of \$804.

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

(In Thousands)	Fourth Quarter <u>1999*</u>	Fourth Quarter <u>1998</u>
Revenues:		
Northern Resources	\$ 73,631	\$ 74,009
Southern Resources	24,581	31,607
Lumber	85,785	70,164
Panel	40,665	37,129
Land Sales	8,579	21,512
Other	0	727
Eliminations.....	<u>(52,499)</u>	<u>(46,378)</u>
Total Revenues.....	<u>\$ 180,742</u>	<u>\$ 188,770</u>
Operating Costs and Expenses:		
Northern Resources	\$ 50,643	\$ 51,889
Southern Resources	14,858	18,798
Lumber	82,604	70,776
Panel	37,664	33,271
Land Sales	1,847	4,410
Other	0	3,508
Other Costs and Eliminations.....	<u>(43,613)</u>	<u>(33,942)</u>
Total Costs and Expenses.....	<u>\$ 144,003</u>	<u>\$ 148,710</u>
Operating Income (Expenses):		
Northern Resources	\$ 22,988	\$ 22,120
Southern Resources	9,723	12,809
Lumber	3,181	(612)
Panel	3,001	3,858
Land Sales	6,732	17,102
Other	0	(2,781)
Other Costs and Eliminations.....	<u>(8,886)</u>	<u>(12,436)</u>
Combined Segment Operating Income..	<u>\$ 36,739</u>	<u>\$ 40,060</u>
Less Operating Income Recognized by Unconsolidated Subsidiaries:		
Lumber	(3,181)	
Panel	(3,001)	
Land Sales	(3,401)	
Harvesting Activity	(2,065)	
Other Costs and Eliminations.....	<u>3,288</u>	
REIT Operating Income	<u>\$ 28,379</u>	

* 1999 results reflect the change in accounting policy for silviculture costs. This change provided a favorable impact on operating income of \$1.2 million for the fourth quarter.

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

(In Thousands)	Twelve Months <u>1999*</u>	Twelve Months <u>1998</u>
Revenues:		
Northern Resources	\$ 291,915	\$ 250,300
Southern Resources	99,213	118,362
Lumber	343,423	281,614
Panel	172,570	154,640
Land Sales	23,682	32,813
Other	0	29,878
Eliminations.....	<u>(186,736)</u>	<u>(168,237)</u>
Total Revenues.....	<u>\$ 744,067</u>	<u>\$ 699,370</u>
Operating Costs and Expenses:		
Northern Resources	\$ 201,203	\$ 176,585
Southern Resources	62,096	64,794
Lumber	320,149	279,015
Panel	146,079	140,280
Land Sales	3,836	6,215
Other	0	32,125
Other Costs and Eliminations.....	<u>(165,035)</u>	<u>(140,731)</u>
Total Costs and Expenses.....	<u>\$ 568,328</u>	<u>\$ 558,283</u>
Operating Income (Expenses):		
Northern Resources	\$ 90,712	\$ 73,715
Southern Resources	37,117	53,568
Lumber	23,274	2,599
Panel	26,491	14,360
Land Sales	19,846	26,598
Other	0	(2,247)
Other Costs and Eliminations.....	<u>(21,701)</u>	<u>(27,506)</u>
Combined Segment Operating Income..	<u>\$ 175,739</u>	<u>\$ 141,087</u>
Less Operating Income Recognized by Unconsolidated Subsidiaries:		
Lumber	(12,993)	
Panel	(13,473)	
Land Sales	(4,433)	
Harvesting Activity	(5,022)	
Other Costs and Eliminations.....	<u>6,606</u>	
REIT Operating Income	<u>\$ 146,424</u>	

* 1999 results reflect the change in accounting policy for silviculture costs. This change provided a favorable impact on operating income of \$2.9 million for the year.

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

	1st Qtr 1999	2nd Qtr 1999	3rd Qtr 1999	4th Qtr 1999	YTD 1999	1st Qtr 1998	2nd Qtr 1998	3rd Qtr 1998	4th Qtr 1998
Sales Realization									
Northwest Lumber (1) (\$/MBF)	444	461	478	463	462	422	413	422	416
Southern Lumber (\$/MBF)	387	392	396	367	385	436	398	365	332
Northwest Plywood (1) (\$/MSF)	322	347	372	308	338	301	300	311	316
Fiberboard (1) (\$/MSF)	314	321	334	330	325	302	311	322	323
Export Logs (\$/MBF)	680	737	669	721	698	693	668	684	728
Domestic Logs									
Cascades (\$/MBF)	522	571	520	503	532	517	503	438	478
Rockies (\$/MBF)	457	467	472	488	472	476	464	457	445
Southern (\$/Cunit)	173	187	191	194	187	212	237	210	191
Northeast (\$/Ton)	62	62	63	62	62	N/A	N/A	N/A	60
Southern Pulp Logs (\$/Cunit)	95	96	90	88	92	102	106	95	94
Northeast Pulp Logs (\$/Ton)	26	26	27	27	27	N/A	N/A	N/A	26
Sales Volume									
Northwest Lumber (MBF)	107,017	111,224	108,741	104,151	431,133	87,977	97,155	103,498	102,235
Southern Lumber (MBF)	56,413	69,129	67,927	73,449	266,918	50,053	51,305	56,342	57,572
Northwest Plywood (MSF)	80,249	83,451	84,371	84,072	332,143	84,830	80,588	78,511	77,775
Fiberboard (MSF)	34,154	34,751	33,562	32,653	135,120	34,913	33,807	35,792	30,274
Export Saw Logs (MBF)	8,126	7,044	6,738	2,418	24,326	4,927	8,047	11,913	6,717
Domestic Saw Logs:									
Cascades (MBF)	18,854	17,166	22,672	8,472	67,164	19,464	23,595	21,361	12,657
Rockies (MBF):									
Internal Fee	71,290	39,281	81,328	71,016	262,915	59,732	29,444	79,352	81,550
External Fee	25,394	13,756	30,153	28,875	98,178	22,675	16,667	36,042	40,129
Total Rockies	96,684	53,037	111,481	99,891	361,093	82,407	46,111	115,394	121,679
Southern (Cunits)	59,198	83,095	93,745	78,280	314,318	70,521	82,333	80,730	83,343
Northeast (Tons)	144,749	76,299	147,569	172,941	541,558	N/A	N/A	N/A	56,066
Southern Pulp Logs (Cunits)	92,562	100,549	95,111	95,250	383,472	96,117	96,198	111,032	143,322
Northeast Pulp Logs (Tons)	158,065	62,249	191,504	177,465	589,283	N/A	N/A	N/A	72,158
Land Sales Income (in thousands)	\$731	\$5,428	\$6,955	\$6,732	19,846	\$1,155	\$5,952	\$2,389	\$17,102

(1) Represents prices at mill level.