



# 2017 Investor Update

May 16, 2017

# Pope Resources Call Participants

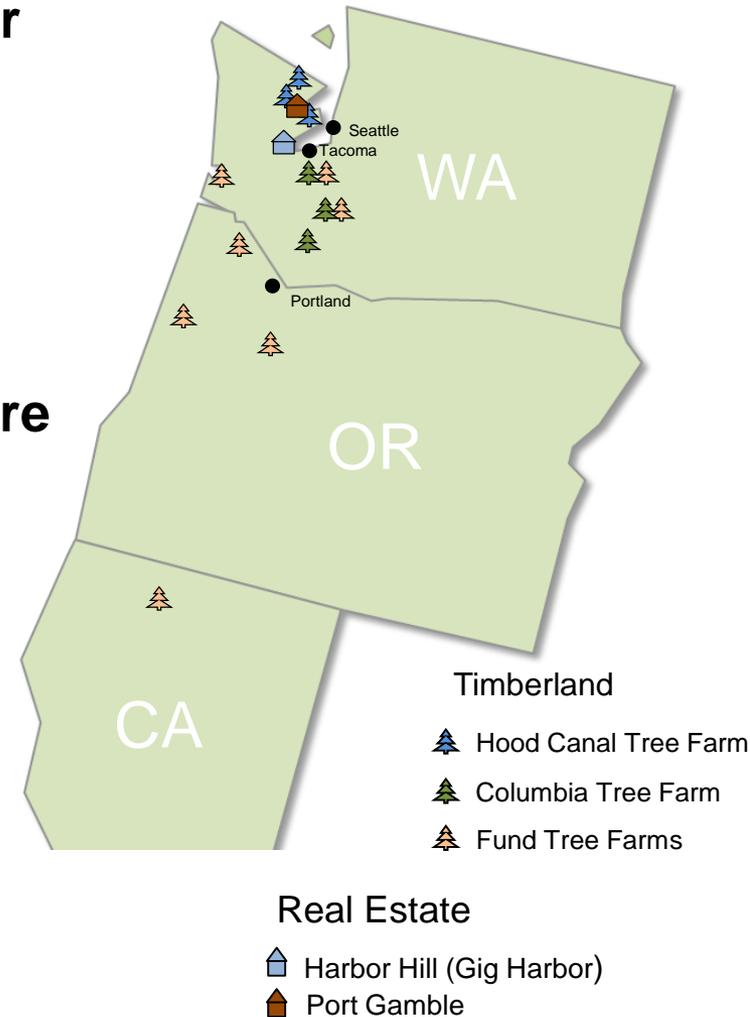
- Tom Ringo, President & CEO
- Mike Mackelwich, VP of Timberland Operations
- Kevin Bates, VP of Timberland Investment Management
- Jon Rose, VP of Real Estate
- John Lamb, VP & CFO

# Safe Harbor Statement

This presentation contains forward-looking statements. These forward-looking statements are subject to a number of risks and should not be relied upon as predictions of future events or promises of a given course of action. Some of the forward-looking statements include statements about our future distribution yield and the related effects of federal tax law, our sustainable harvest levels, our future private equity fund activities, our estimates for future remediation costs and environmental liabilities at Port Gamble, transportation and other factors that affect our real estate values, and our expectations for completing real estate sales. A number of important factors could cause actual results to differ materially from those described in the forward-looking statements. Some of these factors include environmental issues affecting our properties and our ability to anticipate the actions of regulators, environmental groups, and other parties that might affect our remediation efforts; changes in forestry, land use, environmental, and other governmental regulations; risk of loss from insect infestations or tree diseases; changes in economic conditions and competition in our domestic and export markets; and other factors described from time to time in our filings with the Securities and Exchange Commission. In particular, readers should consider those risk factors that are detailed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016 and our Form 10-Q filed for the period ended March 31, 2017. Forward-looking statements are not guarantees of performance, and speak only as of the date made, and neither Pope Resources nor its management undertakes any obligation to update or revise any forward-looking statements.

# Investment Rationale

- **Pure play Pacific Northwest (PNW) timber company**
  - Highest value North American timberland
  - Log export access provides market diversification
- **Master Limited Partnership (MLP) structure generates favorable after-tax returns**
- **Units offer opportunity to own real assets that generate attractive distribution yield** (currently at \$2.80 annual rate)



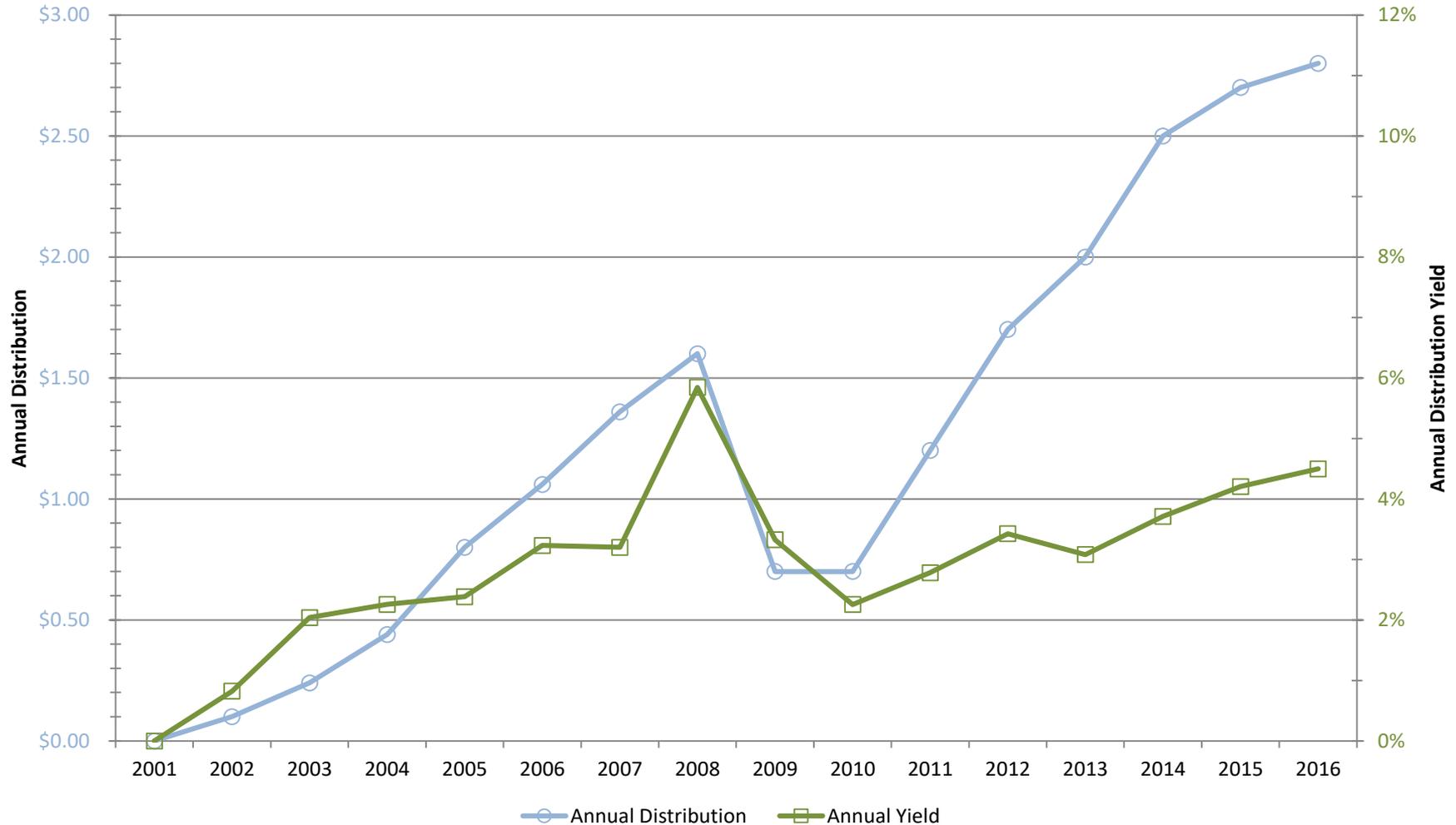
# Pope Resources: Unique Blend of PNW Timber and Land Assets

Segments	Fee Timber	Timberland Investment Management	Real Estate
<b>Strategy</b>	<ul style="list-style-type: none"> <li>Sustainably manage Partnership and Fund timberlands in PNW</li> <li>Maximize long-term value</li> <li>Acquire small tracts to replace RE sales and optimize portfolio</li> </ul>	<ul style="list-style-type: none"> <li>Leverage expertise to generate fee revenue and improve economies of scale</li> <li>Co-invest in funds to grow and diversify Partnership's timberland holdings in region</li> </ul>	<ul style="list-style-type: none"> <li>Realize value of asset portfolio while minimizing capital risk to Partnership</li> <li>Monetize conservation values on Partnership timberlands as appropriate</li> </ul>
<b>Portfolio</b> (at 3/31/17)	<ul style="list-style-type: none"> <li>120,000 acres in Partnership</li> <li>88,000 acres owned by Funds</li> </ul>	<ul style="list-style-type: none"> <li>3 private equity timber funds</li> <li>\$355 MM under management</li> <li>\$388 MM of committed capital</li> </ul>	<ul style="list-style-type: none"> <li>2,200 acres of development, highest and best use (HBU) &amp; commercial properties in West Puget Sound, which includes over 1,200 entitled lots</li> <li>Total book value \$35.4 MM</li> </ul>
<b>2016 Revenue</b> (internal)	\$57.5 MM	\$3.3 MM <sup>#</sup>	\$23.4 MM
<b>2016 Adjusted EBITDDA*</b> (internal)	\$25.6 MM	\$0.4 MM	\$4.7 MM

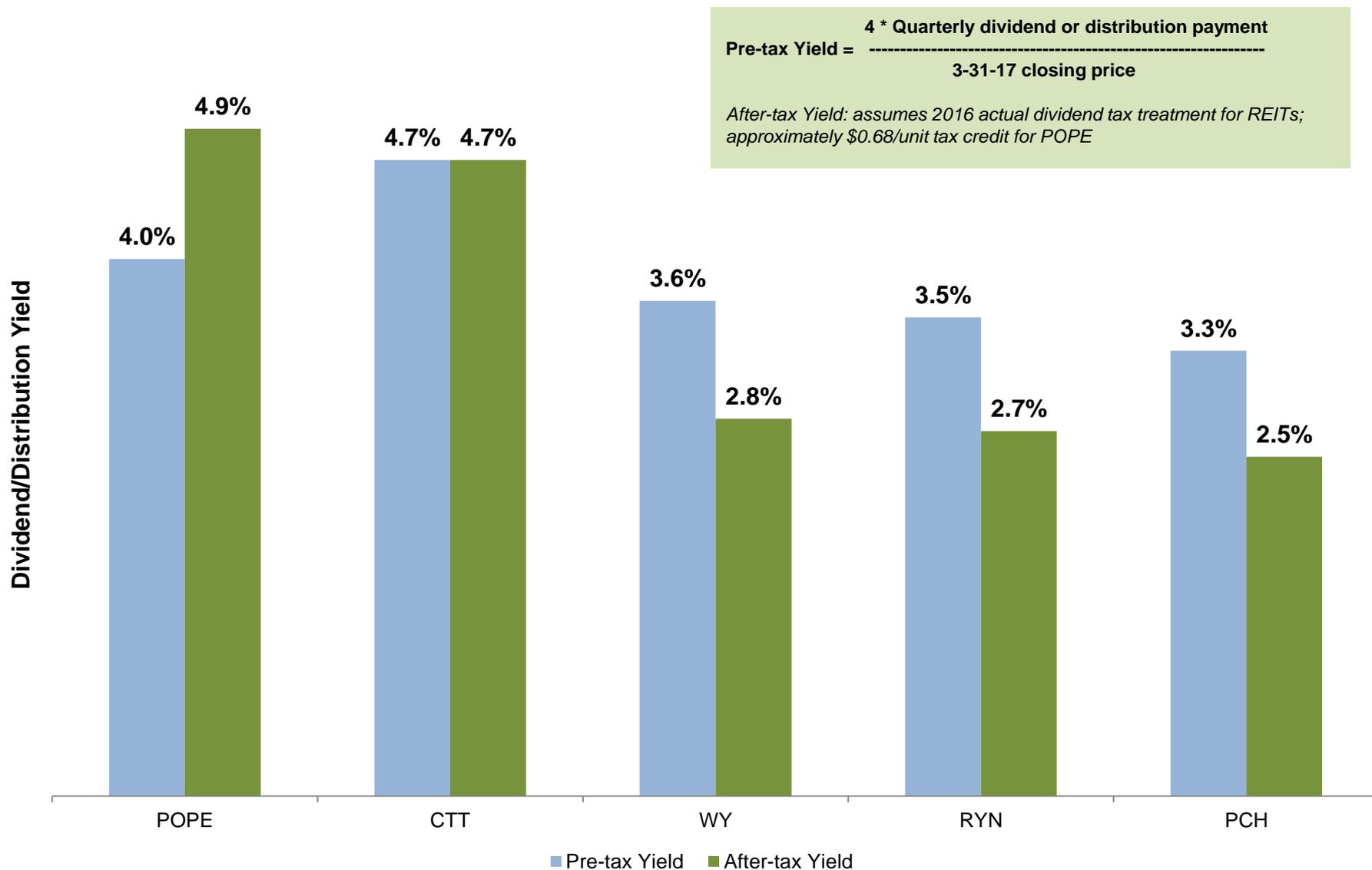
<sup>#</sup> Revenue eliminated in consolidated earnings

\* See Appendix A for definition reconciliation of non-GAAP Adjusted EBITDDA

# Unit Distributions Have Increased Since the Global Financial Crisis (GFC)



# Attractive After-Tax Yields



# MLP Structure: Favorable Tax Treatment

- Taxable income and losses pass through MLP at different tax rates to holders of POPE units
- Sale of timber is treated as capital gain, taxed at lower capital gains tax rate
- Remainder of business activity generally results in an ordinary loss, taxed at marginal ordinary income rate, generating a tax benefit
- A REIT does not enjoy segregation of the capital gain and ordinary loss

	2016 Tax Year	Tax Impact to Individual of POPE Units		Proforma Tax Impact as a REIT		MLP Tax Savings Versus a REIT
		Top Tax Rate	Tax (Cost)/Benefit	Top Tax Rate	Tax (Cost)/Benefit <sup>3</sup>	
Pope Resources K-1 (per unit) <sup>1</sup>						
Ordinary loss	(\$5.07)	39.6%	\$2.01			
Capital gain-timber	4.28	23.8%	(1.02)			
Capital gain-land	0.01	23.8%	(0.00)			
Interest income	-	39.6%	-			
Total	(\$0.78)		\$0.99			
Suspended loss <sup>2</sup>	\$0.78	39.6%	(0.31)			
Total	\$0.00		\$0.68	23.8%	\$0.00	\$0.68

<sup>1</sup> Income components provided above are at an aggregate level. Each unitholder's allocation of income will be different depending on the date and price at which POPE units were purchased.

<sup>2</sup> Unitholders can only take losses up to the sum of gains in current year. Suspended losses may carry over to future years.

<sup>3</sup> A dividend paid by a REIT during a year when a loss was incurred is treated as non-taxable return of capital.

# Recent Milestones

- **Closed \$388 MM of committed capital for Fund IV**
- **Sold Fund II's 6,451-acre Rockaway tree farm for \$26.5 MM, resulting in \$5.5 MM distribution to the Partnership**
- **Acquired 9,000+ additional net timberland acres for the Partnership**
- **Secured new debt**
  - Financed Q3 timberland acquisition
  - Funded general corporate purposes
- **Executed real estate sales**
  - Gig Harbor residential project
  - Conservation easement and sales
- **Completed in-water work at Port Gamble Bay**



# Fee Timber

# Fee Timber Strategy and Market Dynamics

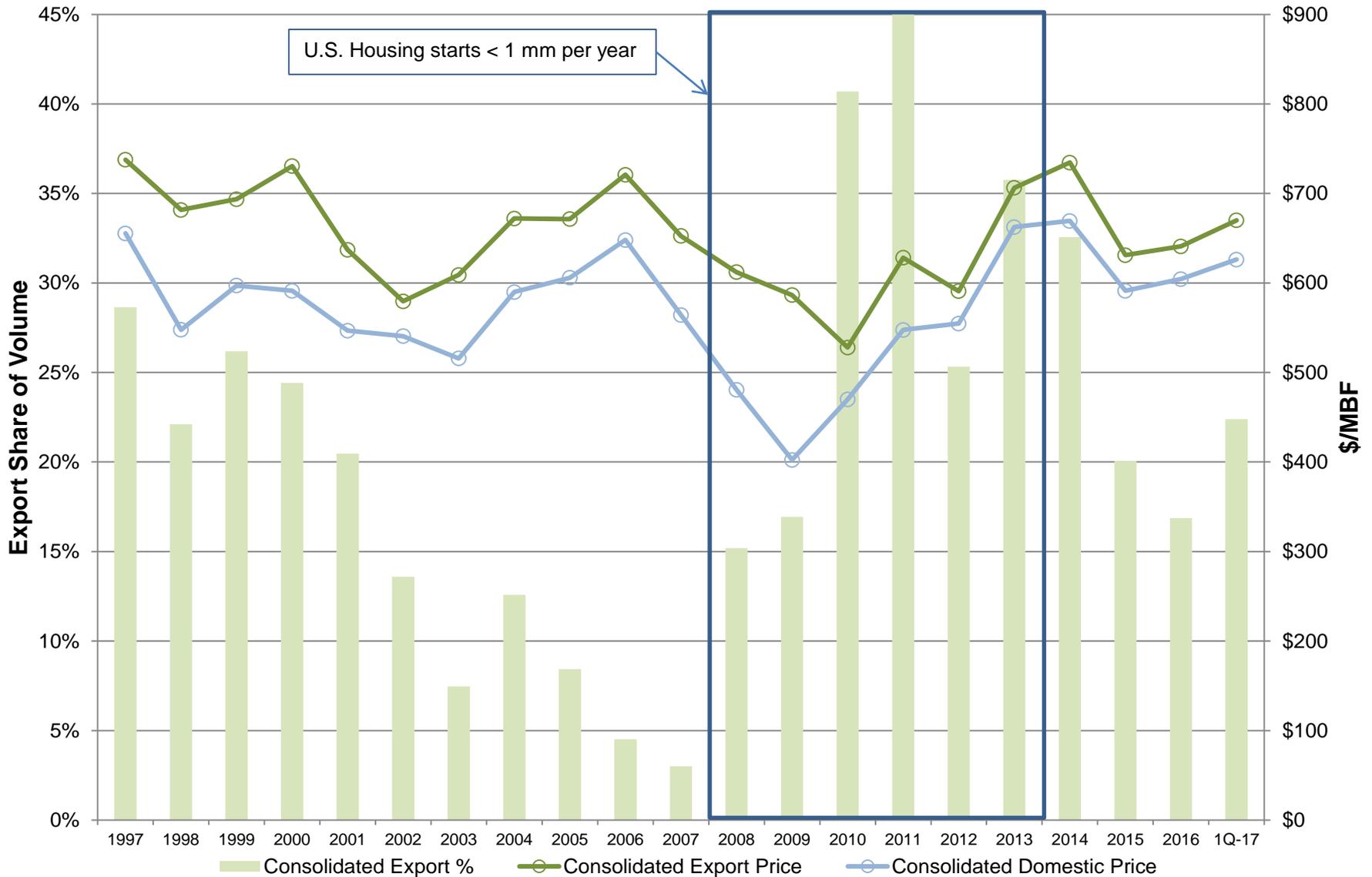
## Strategies

- Actively manage for long-term value maximization 120,000 acres of Partnership timberland with a sustainable harvest of 52 million board feet (MMBF)
- Maximize total return on 88,000 acres of Fund timberland
- Employ value-adding silvicultural practices
- Opportunistically acquire small tracts to replace land that has been sold as development property and optimize portfolio

## Log Market Dynamics

- PNW log markets enjoy access to competitive domestic and export markets
- Domestic market continues measured improvement
  - Stronger domestic log demand with growing U.S. housing starts
  - Duties or quotas on Canadian lumber imports should lift log prices
- Export market diversification was key to log market recovery during the GFC
  - Export market remains important source of demand
  - Canadian timber supply is contracting due to Mountain Pine Beetle infestation

# Export Sales Provide Market Diversification



Source: US Census Bureau

# Unique Attributes of Timber Asset Class

## **Biological growth**

- Continues throughout the business cycle
- Accurately projecting forest growth over an entire rotation is prerequisite to successful timberland investing
- Level of timberland management activity will be one of the factors that must be considered when projecting forest growth

## **Timber optionality**

- Ability to allow timber to continue growing on-the-stump past the planned rotation age during soft log markets distinguishes timber from other inventoried commodity products
- Growth will help pay the cost of capital during the deferral period by increasing both the volume and the quality of timber at harvest (more sawlogs, less chip-n-saw and pulp)

# Small Tracts and Carbon River

- **Small tracts acquisition program launched in 2014**
  - Goal is to grow Partnership's timberland footprint through offsetting HBU sales of past years
  - To date, 5,718 acres have been acquired for \$19.4 MM in 15 separate transactions; \$3,385/acre
- **July 2016 acquisition of Carbon River tree farm**
  - 7,324 acres for \$31.9 MM; 100% debt-financed
  - 2.79% average net interest rate
  - 8% increase in annual sustainable harvest volume to 52 MMBF
  - Merchantable timber makes transaction immediately cash accretive



# Timberland Investment Management

# Private Equity (PE) Timber Business

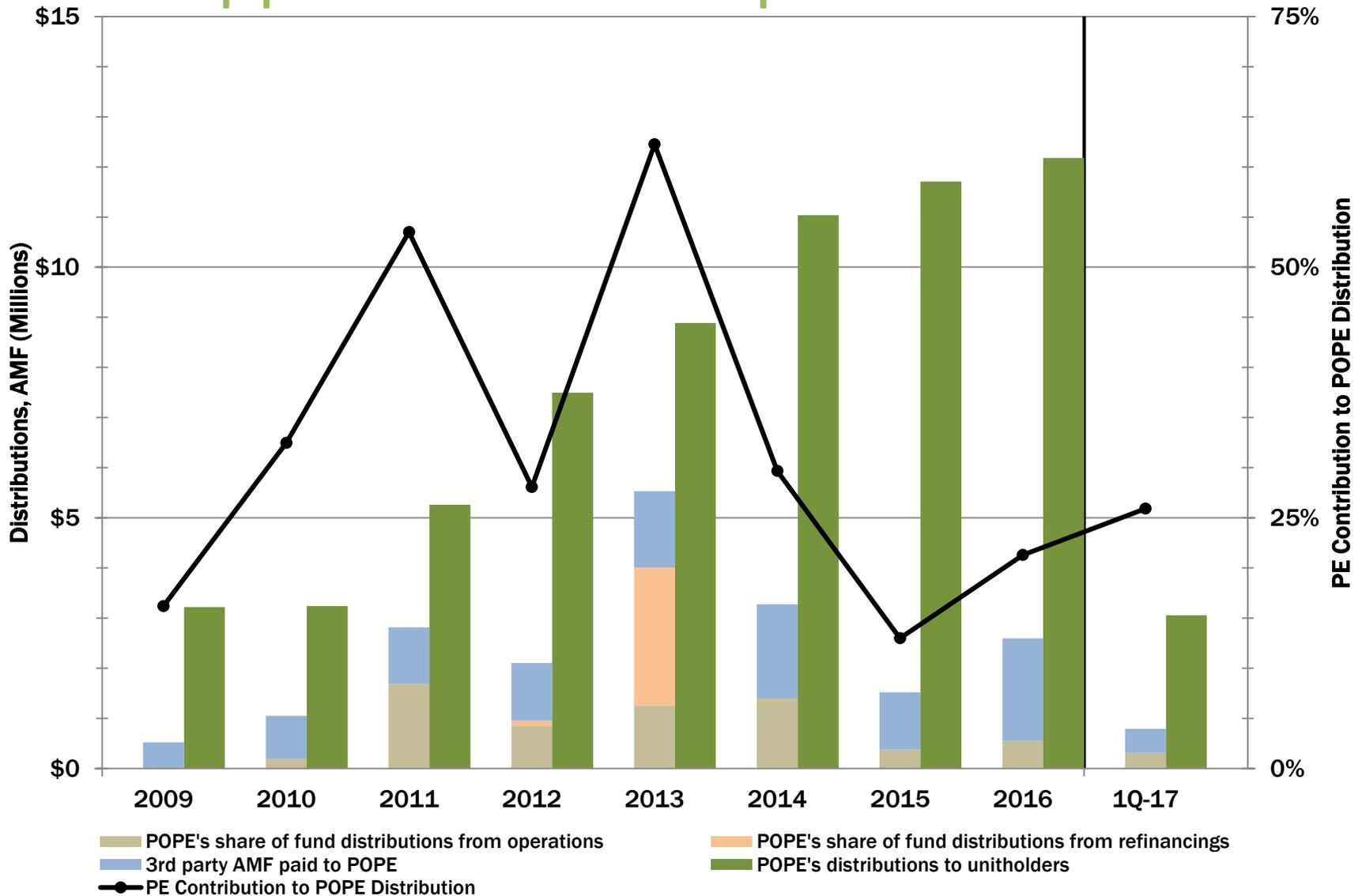
## Source of cash flow

- Fund II & III current portfolios generate \$2.1 MM of annual asset management fee (AMF) revenue on \$355.0 MM of AUM; \$1.9 MM of AMF from third-party investors, \$0.2 MM from Partnership
- These fees, combined with distributions from co-investments in funds, represent a meaningful source of POPE's distributable cash

## Economies of scale

- Co-investment by POPE in the funds enhances diversification of the Partnership's timberland holdings within the PNW
- Increased acres and harvest volume provide additional scale in log markets
- Active participation in timberland markets throughout the business cycle improves management understanding of timberland values
- Enables the Partnership to attract better talent to the management team

# PE Timber Business Supports Partnership Distributions



# ORM Timber Fund IV

- **Committed capital of \$388 MM versus \$180 MM in Fund III**
  - Includes Pope Resources' commitment of \$58 MM
  - Drawdown period of 36 to 60 months
  - PNW target region includes Washington, Oregon, Idaho, Montana, and the mixed-conifer region of northern California
- **Fund term of 15 years versus 10 years in prior funds**
- **Timberland investment dynamics today appear to be shifting toward buyer**
  - Apparent reduction in capital committed to asset class
  - Bottoming out of discount rates
  - Investments made prior to the GFC are coming on the market

A stylized map of a residential neighborhood. The map features a central pond, several winding roads, and numerous rectangular lots. Some lots are shaded in a darker brown color, while others are a lighter green. The overall style is clean and modern, with a focus on the layout of the property.

# Real Estate

# Land Development Expertise

## Our Focus

- Enhancing value through entitling and developing 2,200-acre land and development portfolio for sale to residential or commercial builders
  - Urban infill and master plan communities
  - Conservation land and easement sales: \$25.8 MM in net proceeds from 2013-16
  - Rural land sales (5 - 40-acre parcels) for primary and secondary home market

## Underlying Fundamentals

- Seattle has been and will continue to be one of the nation's leading job and housing markets
- Portland is experiencing similar growth that will lead to an increase in rural and recreational properties for our southwest Washington holdings
- Asian investment is on the rise, further depleting traditional housing supply
- Washington and Oregon both have strict growth laws and strong environmental lobbies that have created a shortage of buildable lots

# Land Development Expertise

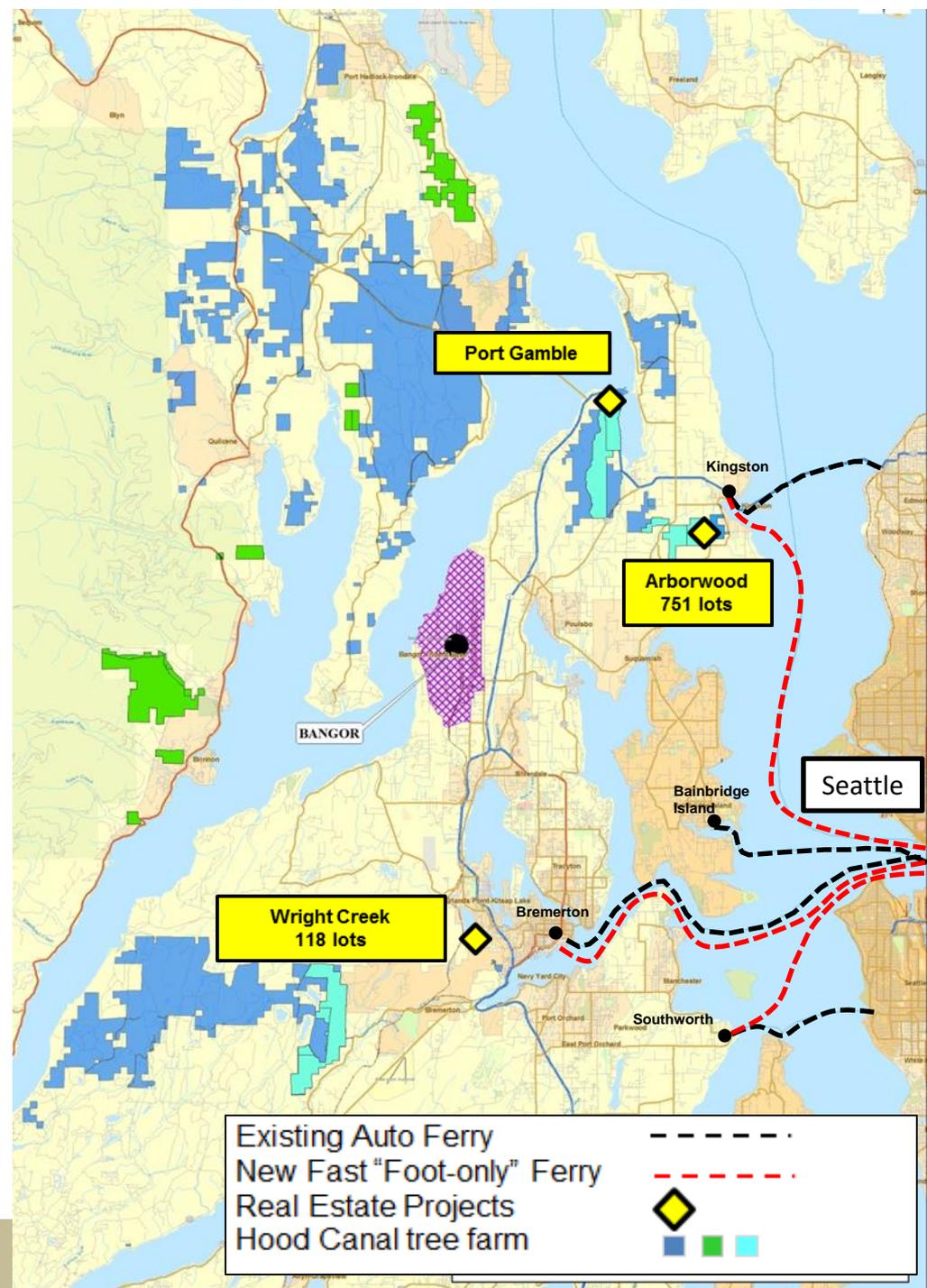
## Our Execution

- We are: A “big fish in a small pond” in our real estate markets
- We create: A healthy political environment that promotes acceptance and approval through “grass roots” organizing (bottom-up political structure)
- Target Results
  - We gain approval for relatively large projects in a growth-constrained environment
  - Low incidence of appeals and trips to court
  - Strong reputation leads to more opportunity



# New Ferry Connections

- 2016 ballot initiative creates three new 30-minute commuter runs
- Significant impact to three projects, putting over 800 lots within a 30-minute ferry ride from downtown Seattle
- Increases development potential of Partnership timberland holdings in western Puget Sound



# Port Gamble

## Redevelopment

- Kitsap County Public Utilities District obtained state grant and extended 3-mile water main in 2015
- Completion of new wastewater treatment plant expected in 2017, including removal of existing outfall
- Submitted application to construct up to 200+ new homes, a hotel, and additional commercial buildings

## Environmental Remediation Update

- Spent \$7.7 MM in 2016 and completed all in-water work
- Anticipate spending \$9.0 MM in 2017, primarily to move dredge materials to permanent landfill
- Begin long-term monitoring in 2018



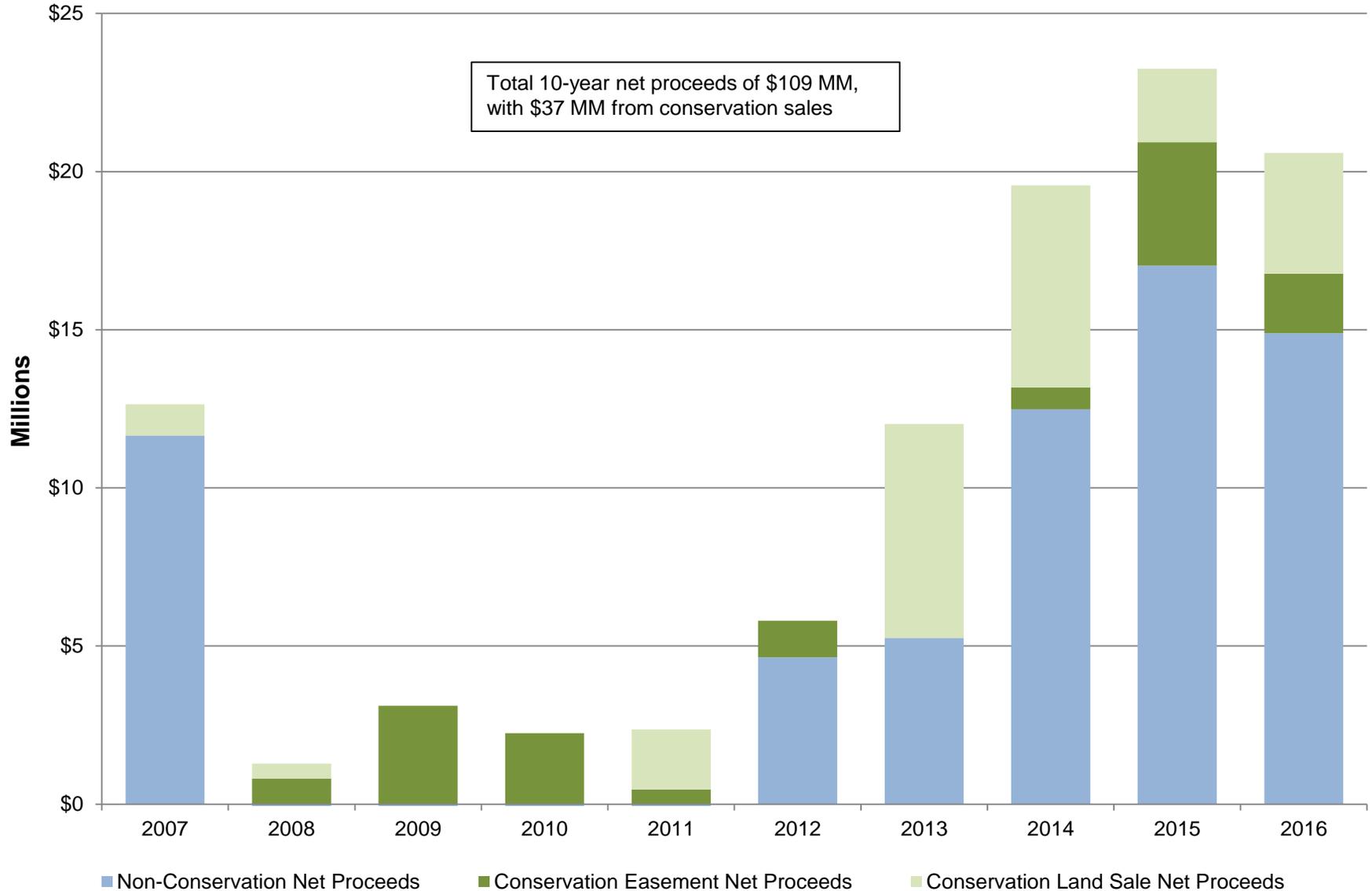
# Arborwood

- Approved in 2006 (undergoing revision now)
- 750 residential units
- Trail connection to Port Gamble
- 1 – 2 miles from Kingston ferry

Whitehorse  
Golf Course  
Community



# Real Estate Land Sale Net Proceeds





# Financial Results

# Financial Highlights

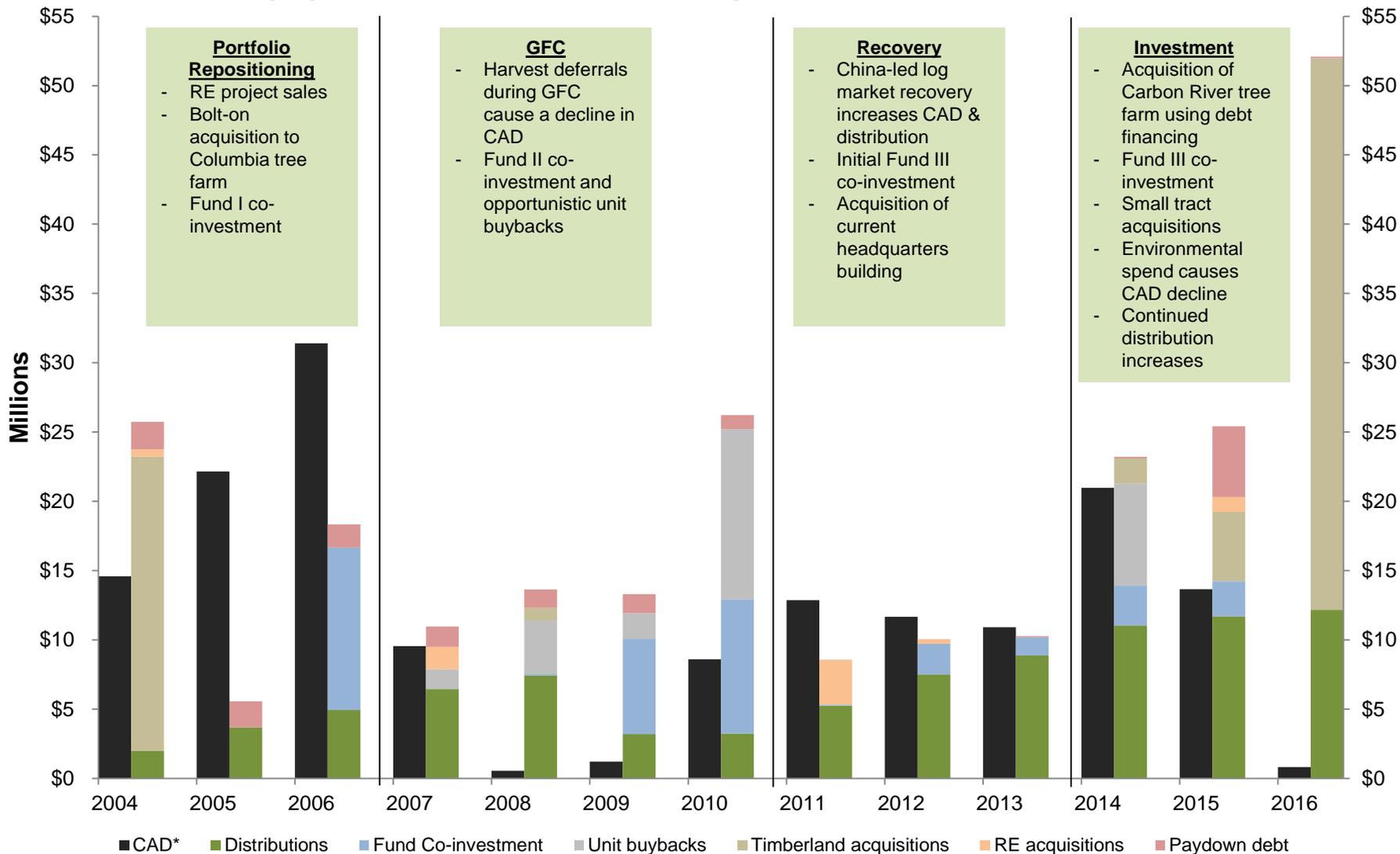
\$ in millions	2016			Q1 2017		
	Partnership	Consolidated	Look-through	Partnership	Consolidated	Look-through
Volume (MMBF)	57.8	97.3	62.8	14.1	27.6	15.8
Revenue	\$63.2	\$80.4	\$65.5	\$10.7	\$17.3	\$11.6
Net income	\$6.2	\$2.0	\$5.9	\$1.0	\$11.6	\$3.4
CF from Ops	\$1.6	\$5.1	\$2.1	(\$0.4)	\$2.7	\$0.0
Adjusted EBITDDA*	\$18.7	\$25.7	\$19.6	\$2.5	\$5.2	\$2.8
CAD*	\$0.5	\$3.2	\$0.8	(\$0.6)	\$2.4	(\$0.3)

\* See Appendix A for definition and reconciliation of non-GAAP Adjusted EBITDDA and CAD

# Looking Ahead in 2017

- **Fee Timber**
  - Harvest between 112 and 118 MMBF; 50% from Partnership lands
- **Timberland Investment Management**
  - Progress towards placement of Fund IV capital
- **Real Estate**
  - Gig Harbor - close on the sale of up to 93 single-family Harbor Hill lots, the majority of which will occur in Q4, as well as a number of other potential land and conservation easement sales
  - North Kitsap – new ferry service will have biggest benefit here
  - Complete Port Gamble Bay environmental remediation
  - Preparing next generation of harvest from 2,200-acre portfolio of HBU properties

# Opportunistic Capital Allocation



\*See Appendix A for definition and reconciliation of non-GAAP measure CAD

# Takeaways

- 100% geographic focus on the PNW, the highest value timberland and **most diverse log markets** in North America
- MLP structure **generates favorable after-tax returns for unitholders**
- **Units offer opportunity to own real assets that generate** attractive distribution yield

APPENDIX A

# FINANCIALS

# Pope Resources Balance Sheet

(in \$ millions)

	March 31, 2017							
	A	B	C	B + C	D	A + B + C + D	- C	A + B + D
	Partnership	Funds		Total	Eliminations	Consolidated	NCI	Attrib. to Unitholders
POPE		NCI						
<b>Assets</b>								
Cash & cash equivalents	\$1.9	\$0.3	\$2.2	\$2.5		\$4.4	(\$2.2)	\$2.2
Other current assets	12.6	0.1	0.7	0.8	(\$0.8)	12.6	(0.7)	11.9
Timber & roads, net	70.1	17.0	192.4	209.4		279.5	(192.4)	87.1
Timberlands	19.0	3.4	32.7	36.1		55.1	(32.7)	22.4
Land held for development	24.7	-	-	-		24.7	-	24.7
Buildings & equipment, net	5.5	-	-	-		5.5	-	5.5
Other assets	16.5	-	-	-	(14.2)	2.3	-	2.3
<b>Total assets</b>	<b>\$150.3</b>	<b>\$20.8</b>	<b>\$228.0</b>	<b>\$248.8</b>	<b>(\$15.0)</b>	<b>\$384.1</b>	<b>(\$228.0)</b>	<b>\$156.1</b>
<b>Liabilities &amp; Equity</b>								
Current liabilities (excl. current portion of long-term debt)	\$10.2	\$0.2	\$1.7	\$1.9	(\$0.8)	\$11.3	(\$1.7)	\$9.6
Total debt (current and long-term)	76.1	6.6	50.7	57.3		133.4	(50.7)	82.7
Other liabilities	4.0	-	-	-		4.0	-	4.0
<b>Total liabilities</b>	<b>90.3</b>	<b>6.8</b>	<b>52.4</b>	<b>59.2</b>	<b>(0.8)</b>	<b>148.7</b>	<b>(52.4)</b>	<b>96.3</b>
Partners' capital	60.0	14.0	175.6	189.6	(14.2)	235.4	(175.6)	59.8
<b>Total liabilities &amp; partners' capital</b>	<b>\$150.3</b>	<b>\$20.8</b>	<b>\$228.0</b>	<b>\$248.8</b>	<b>(\$15.0)</b>	<b>\$384.1</b>	<b>(\$228.0)</b>	<b>\$156.1</b>

# Pope Resources Income Statement

(in \$millions)

	Three Months Ended March 31, 2017								
	A	B	C	B + C	D	A + B + C + D	- C	E	A + B + D + E
	Partnership	Funds		Total	Eliminations	Consolidated	NCI Reclass*	3rd Party Fees**	Attributable to Unitholders
Revenue	\$10.7	\$1.0	\$6.7	\$7.7	(\$1.1)	\$17.3	(\$6.7)	\$1.0	\$11.6
Cost of sales	(4.1)	(0.8)	(6.3)	(7.1)		(11.2)	6.3		(4.9)
Operating expenses	(5.3)	(0.2)	(1.6)	(1.8)	1.1	(6.0)	1.6	(\$1.0)	(5.4)
Environmental remediation	-	-	-	-		-	-		-
Gain (loss) on timberland sale	-	2.5	10.0	12.5		12.5	(10.0)		2.5
Operating income	1.3	2.5	8.8	11.3	-	12.6	(8.8)	-	3.8
Net interest expense	(0.4)	(0.1)	(0.5)	(0.6)		(1.0)	0.5		(0.5)
Income tax expense	0.1	-	(0.1)	(0.1)		-	0.1		0.1
Net income	\$1.0	\$2.4	\$8.2	\$10.6	\$0.0	\$11.6	(\$8.2)	\$0.0	\$3.4
Noncontrolling interests (NCI)						(8.2)			
Net income attributable to unitholders						\$3.4			\$3.4

\* Reclassifying the NCI portion of operations from the Funds to the appropriate income statement lines

\*\* Represents 80% of Fund II and 95% of Fund III fees paid by third party investors

# Pope Resources Statement of Cash Flows

(in \$millions)

	Three Months Ended March 31, 2017						
	A	B	C	B + C	A + B + C	- C	A + B
	Partnership	Funds			Consolidated	NCI	Attrib. to Unitholders
POPE		NCI	Total				
<b>Cash flows from operating activities:</b>							
Net income (loss)	\$0.7	\$2.5	\$8.5	\$11.0	\$11.7	(\$8.5)	\$3.2
Depletion	1.0	0.3	3.6	3.9	4.9	(3.6)	1.3
Depreciation and amortization	0.1	-	-	-	0.1	-	0.1
Basis of land sold	0.2	-	-	-	0.2	-	0.2
Capitalized development activities	(1.8)	-	-	-	(1.8)	-	(1.8)
(Gain) loss on sale of timberland	-	(2.5)	(10.0)	(12.5)	(12.5)	10.0	(2.5)
Equity based compensation, net of tax benefit	0.6	-	-	-	0.6	-	0.6
Environmental remediation cash spend	(3.3)	-	-	-	(3.3)	-	(3.3)
Changes in working capital	1.9	0.1	0.9	1.0	2.9	(0.9)	2.0
Net cash provided by (used in) operating activities	(\$0.6)	\$0.4	\$3.0	\$3.4	\$2.8	(\$3.0)	(\$0.2)
<b>Cash flows from investing activities:</b>							
Capital expenditures	(\$0.2)	\$0.0	(\$0.2)	(\$0.2)	(\$0.4)	\$0.2	(\$0.2)
Proceeds from sale of timberland	-	5.3	21.1	26.4	26.4	(21.1)	5.3
Acquisition of timberland	(5.0)	-	-	-	(5.0)	-	(5.0)
Net cash provided by (used in) investing activities	(\$5.2)	\$5.3	\$20.9	\$26.2	\$21.0	(\$20.9)	\$0.1
<b>Cash flows from financing activities:</b>							
Line of credit borrowings	\$10.0	\$0.0	\$0.0	\$0.0	\$10.0	\$0.0	\$10.0
Line of credit repayment	(7.0)	-	-	-	(7.0)	-	(7.0)
Distributions paid	(3.1)	(5.8)	(23.1)	(28.9)	(32.0)	23.1	(8.9)
Distributions received	5.8	-	-	-	5.8	-	5.8
Proceeds from capital call	1.0	-	-	-	1.0	-	1.0
Investment in timber fund	(0.1)	-	-	-	(0.1)	-	(0.1)
Other financing cash flows	(0.1)	-	-	-	(0.1)	-	(0.1)
Net cash provided by (used in) financing activities	\$6.5	(\$5.8)	(\$23.1)	(\$28.9)	(\$22.4)	\$23.1	\$0.7
Net increase (decrease) in cash and cash equivalents	\$0.7	(\$0.1)	\$0.8	\$0.7	\$1.4	(\$0.8)	\$0.6
Cash, beginning of period	1.9	0.2	0.9	1.1	3.0	(0.9)	2.1
Cash, end of period	\$2.6	\$0.1	\$1.7	\$1.8	\$4.4	(\$1.7)	\$2.7

# Reconciliation of Non-GAAP Measures

(in \$millions)

	Three Months Ended March 31, 2017						
	A	B	C	B + C	A + B + C	- C	A + B
	Partnership	Funds			Consolidated	NCI	Attrib. to Unitholders
POPE		NCI	Total				
<b>Net income (loss)</b>	<b>\$0.7</b>	<b>\$2.5</b>	<b>\$8.5</b>	<b>\$11.0</b>	<b>\$11.7</b>	<b>(\$8.5)</b>	<b>\$3.2</b>
Depletion	1.0	0.3	3.6	3.9	4.9	(3.6)	1.3
Depreciation and amortization	0.1	-	-	-	0.1	-	0.1
Interest expense, net	0.4	0.1	0.5	0.6	1.0	(0.5)	0.5
Income tax expense	(0.1)	-	0.1	0.1	-	(0.1)	(0.1)
<b>EBITDDA</b>	<b>\$2.1</b>	<b>\$2.9</b>	<b>\$12.7</b>	<b>\$15.6</b>	<b>\$17.7</b>	<b>(\$12.7)</b>	<b>\$5.0</b>
(Gain) loss on timberland sale	-	(2.5)	(10.0)	(12.5)	(12.5)	10.0	(2.5)
<b>Adjusted EBITDDA</b>	<b>\$2.1</b>	<b>\$0.4</b>	<b>\$2.7</b>	<b>\$3.1</b>	<b>\$5.2</b>	<b>(\$2.7)</b>	<b>\$2.5</b>
<b>Net income (loss)</b>	<b>\$0.7</b>	<b>\$2.5</b>	<b>\$8.5</b>	<b>\$11.0</b>	<b>\$11.7</b>	<b>(\$8.5)</b>	<b>\$3.2</b>
Depletion	1.0	0.3	3.6	3.9	4.9	(3.6)	1.3
Depreciation and amortization	0.1	-	-	-	0.1	-	0.1
Basis of land sold	0.2	-	-	-	0.2	-	0.2
Capitalized development activities	(1.8)	-	-	-	(1.8)	-	(1.8)
(Gain) loss on sale of timberland	-	(2.5)	(10.0)	(12.5)	(12.5)	10.0	(2.5)
Equity based compensation, net of tax benefit	0.6	-	-	-	0.6	-	0.6
Environmental remediation cash spend	(3.3)	-	-	-	(3.3)	-	(3.3)
Changes in working capital	1.9	0.1	0.9	1.0	2.9	(0.9)	2.0
<b>Net cash provided by operating activities</b>	<b>(\$0.6)</b>	<b>\$0.4</b>	<b>\$3.0</b>	<b>\$3.4</b>	<b>\$2.8</b>	<b>(\$3.0)</b>	<b>(\$0.2)</b>
Capital expenditures	(0.2)	-	(0.2)	(0.2)	(0.4)	0.2	(0.2)
<b>Cash available for distribution</b>	<b>(\$0.8)</b>	<b>\$0.4</b>	<b>\$2.8</b>	<b>\$3.2</b>	<b>\$2.4</b>	<b>(\$2.8)</b>	<b>(\$0.4)</b>

# Reconciliation of Non-GAAP Measures

## Consolidated Adjusted EBITDDA by Segment

(in \$millions)

	1Q-17	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Fee Timber</b>										
Operating income - internal	\$15.7	\$13.7	\$11.1	\$41.6	\$13.9	\$10.1	\$14.9	\$8.4	\$2.9	\$6.0
Depletion	4.9	12.6	9.9	12.2	10.8	10.0	11.8	5.1	2.1	3.4
Depreciation and amortization	(0.0)	0.2	0.3	0.3	0.3	0.3	0.3	0.2	0.4	0.3
(Gain) loss on timberland sold	(12.5)	(1.0)	1.1	(23.8)				(0.2)		(0.1)
Adjusted EBITDDA - Fee Timber	\$8.2	\$25.6	\$22.4	\$30.4	\$25.0	\$20.4	\$27.0	\$13.5	\$5.4	\$9.6
<b>Timberland Investment Management</b>										
Operating income (loss) - internal	(\$0.2)	\$0.4	(\$0.7)	\$0.4	\$0.3	\$0.2	\$0.4	\$0.1	\$0.4	\$0.2
Depreciation and amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Adjusted EBITDDA - TIM	(\$0.2)	\$0.4	(\$0.7)	\$0.4	\$0.3	\$0.2	\$0.4	\$0.1	\$0.4	\$0.3
<b>Real Estate</b>										
Operating income (loss) - internal	(\$1.1)	(\$3.4)	\$5.4	(\$2.6)	\$3.4	(\$11.0)	(\$0.3)	(\$0.7)	\$1.7	(\$1.4)
Depletion					0.5		0.1			0.5
Depreciation and amortization	0.1	0.4	0.3	0.3	0.3	0.8	0.3	0.2	0.2	0.2
Environmental remediation expense	0.0	7.7	0.0	10.0	0.0	12.5	1.0	0.9	0.0	
Adjusted EBITDDA - Real Estate	(\$1.0)	\$4.7	\$5.7	\$7.7	\$4.2	\$2.3	\$1.1	\$0.4	\$1.9	(\$0.8)
<b>General &amp; Administrative</b>										
Operating loss - internal	(\$1.7)	(\$5.1)	(\$5.1)	(\$3.9)	(\$4.7)	(\$4.2)	(\$4.2)	(\$4.7)	(\$3.7)	(\$4.0)
Depreciation and amortization	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2
Adjusted EBITDDA - G&A	(\$1.7)	(\$5.1)	(\$5.0)	(\$3.8)	(\$4.6)	(\$4.1)	(\$4.1)	(\$4.5)	(\$3.5)	(\$3.8)

Note: Due to rounding, components may not foot or sum to total Adjusted EBITDDA presented elsewhere.

# Historical Harvest Volume, Financial Metrics

(in \$millions)	1Q-17	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Volume (MMBF)</b>										
Partnership	14.1	57.8	42.6	47.1	48.5	52.1	50.7	42.3	32.5	32.5
Consolidated	27.6	97.3	83.7	97.3	89.3	84.4	90.2	53.0	32.5	37.7
Attrib. to unitholders	15.8	62.8	48.2	54.5	56.4	58.5	58.6	44.4	32.5	33.5
<b>Revenue</b>										
Partnership	\$10.7	\$63.2	\$57.5	\$60.1	\$50.4	\$42.1	\$38.4	\$27.5	\$21.6	\$25.0
Consolidated	\$17.3	\$80.4	\$78.0	\$87.5	\$70.7	\$54.0	\$57.3	\$31.2	\$20.5	\$28.2
Attrib. to unitholders	\$11.6	\$65.5	\$60.4	\$64.5	\$54.6	\$45.1	\$42.3	\$28.3	\$21.4	\$25.8
<b>Net income</b>										
Partnership	\$1.0	\$6.2	\$11.2	\$7.5	\$13.3	(\$4.2)	\$8.7	\$2.3	(\$0.0)	\$1.4
Consolidated	\$11.6	\$2.0	\$7.5	\$31.9	\$11.7	(\$6.8)	\$8.9	\$0.8	(\$1.2)	\$0.1
Attrib. to unitholders	\$3.4	\$5.9	\$10.9	\$12.4	\$13.1	(\$4.7)	\$8.8	\$2.0	(\$0.3)	\$1.2
<b>EBITDDA</b>										
Partnership	\$2.5	\$11.8	\$14.2	\$11.8	\$17.4	\$1.3	\$13.9	\$6.3	\$3.8	\$4.9
Consolidated	\$17.7	\$19.0	\$21.3	\$48.4	\$24.8	\$6.3	\$23.5	\$7.5	\$2.6	\$5.0
Attrib. to unitholders	\$5.3	\$12.7	\$15.3	\$18.4	\$19.0	\$2.3	\$15.9	\$6.5	\$3.6	\$4.9
<b>Adj EBITDDA*</b>										
Partnership	\$2.5	\$18.7	\$14.2	\$21.8	\$17.4	\$13.8	\$14.9	\$8.4	\$5.3	\$5.4
Consolidated	\$5.2	\$25.7	\$22.4	\$34.6	\$24.8	\$18.8	\$24.4	\$9.4	\$4.1	\$5.4
Attrib. to unitholders	\$2.8	\$19.6	\$15.3	\$23.6	\$19.0	\$14.8	\$16.8	\$8.6	\$5.1	\$5.4

\* Adjusted EBITDDA defined as earnings before interest, taxes, depreciation, depletion, amortization, gain/loss on timberland sale, environmental remediation expense, financed debt extinguishment costs, and SLARS impairment.

# Historical Financial Metrics

(in \$millions)	1Q-17	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>CF from ops</b>										
Partnership	(\$0.4)	\$1.6	\$14.3	\$20.8	\$10.8	\$12.1	\$12.4	\$8.0	\$1.3	\$1.6
Consolidated	\$2.7	\$5.1	\$20.2	\$30.8	\$17.9	\$16.2	\$21.7	\$9.0	\$0.7	\$4.0
Attrib. to unitholders	(\$0.0)	\$2.1	\$15.1	\$22.2	\$12.3	\$13.0	\$14.2	\$8.2	\$1.2	\$2.1
<b>CAD*</b>										
Partnership	(\$0.6)	\$0.5	\$13.1	\$19.7	\$9.7	\$11.0	\$11.2	\$8.5	\$1.4	\$0.2
Consolidated	\$2.4	\$3.2	\$17.6	\$28.5	\$15.7	\$14.2	\$19.7	\$9.3	\$0.6	\$2.2
Attrib. to unitholders	(\$0.3)	\$0.8	\$13.7	\$21.0	\$10.9	\$11.7	\$12.9	\$8.6	\$1.2	\$0.6
<b>Cash</b>										
Partnership	\$1.9	\$1.9	\$6.3	\$14.5	\$5.7	\$2.5	\$0.2	\$0.2	\$6.0	\$15.9
Consolidated	\$4.4	\$2.9	\$9.7	\$24.0	\$7.0	\$3.8	\$2.7	\$2.4	\$7.2	\$18.0
Attrib. to unitholders	\$2.2	\$2.0	\$6.6	\$16.4	\$5.9	\$2.7	\$0.7	\$0.7	\$6.3	\$16.3
<b>Debt</b>										
Partnership	\$76.1	\$73.1	\$27.4	\$32.4	\$32.7	\$32.8	\$34.8	\$50.4	\$29.4	\$29.4
Consolidated	\$133.4	\$130.4	\$84.7	\$89.7	\$75.7	\$43.8	\$45.8	\$50.5	\$29.5	\$29.6
Attrib. to unitholders	\$82.7	\$79.7	\$34.0	\$39.0	\$38.6	\$35.0	\$37.0	\$50.4	\$29.4	\$29.4
<b>Distributions</b>										
Dollars	\$3.1	\$12.2	\$11.7	\$11.0	\$8.9	\$7.5	\$5.3	\$3.2	\$3.2	\$7.4
\$ / unit	\$0.70	\$2.80	\$2.70	\$2.50	\$2.00	\$1.70	\$1.20	\$0.70	\$0.70	\$1.60

\* Cash Available for Distribution = Cash flow from operations, less maintenance capex (excludes timberland and building acquisitions and development capex already reflected in cash from op's), plus financed debt extinguishment costs.

APPENDIX B

# ADDITIONAL MATERIALS

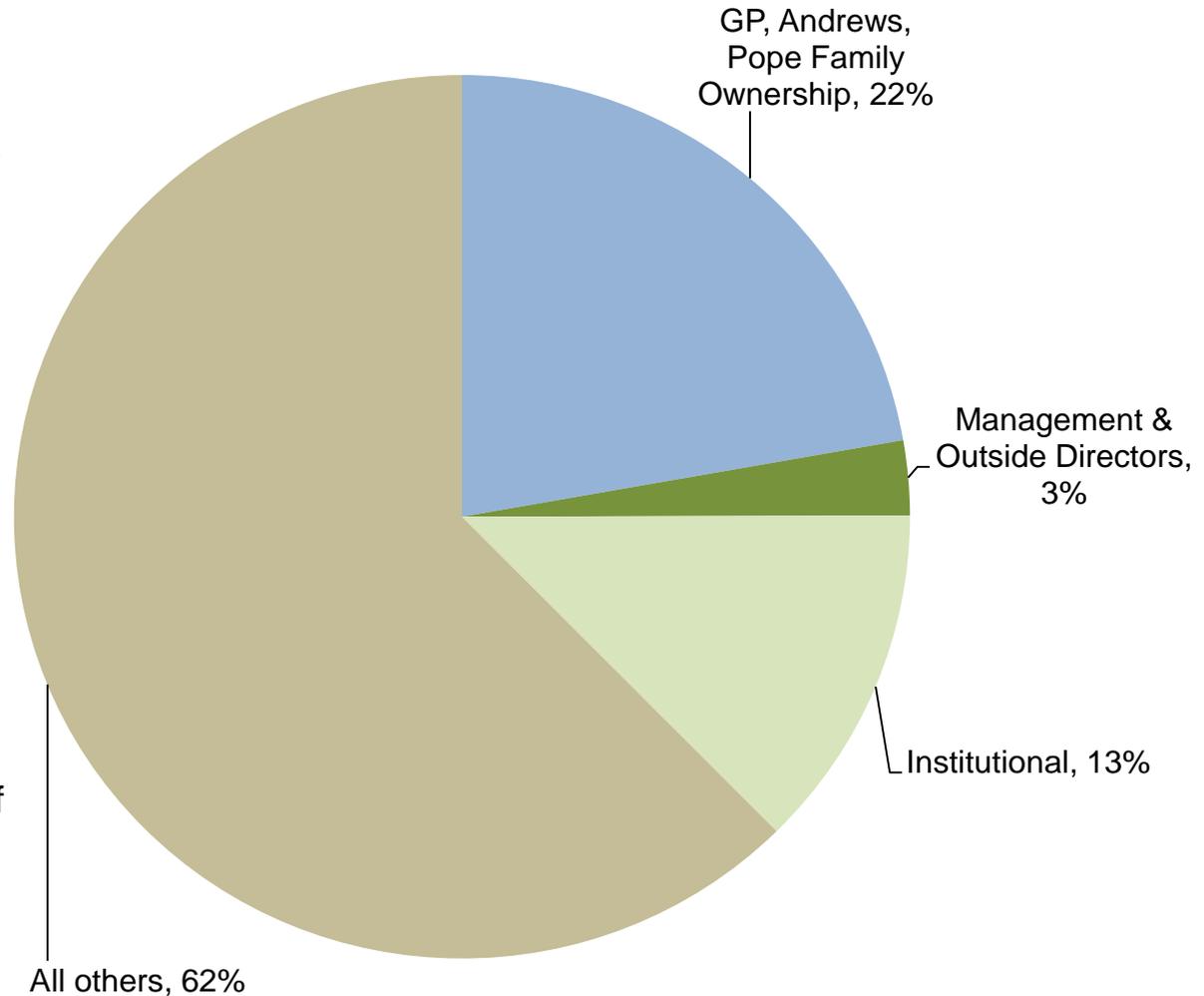
# Ownership Detail

## General Partners

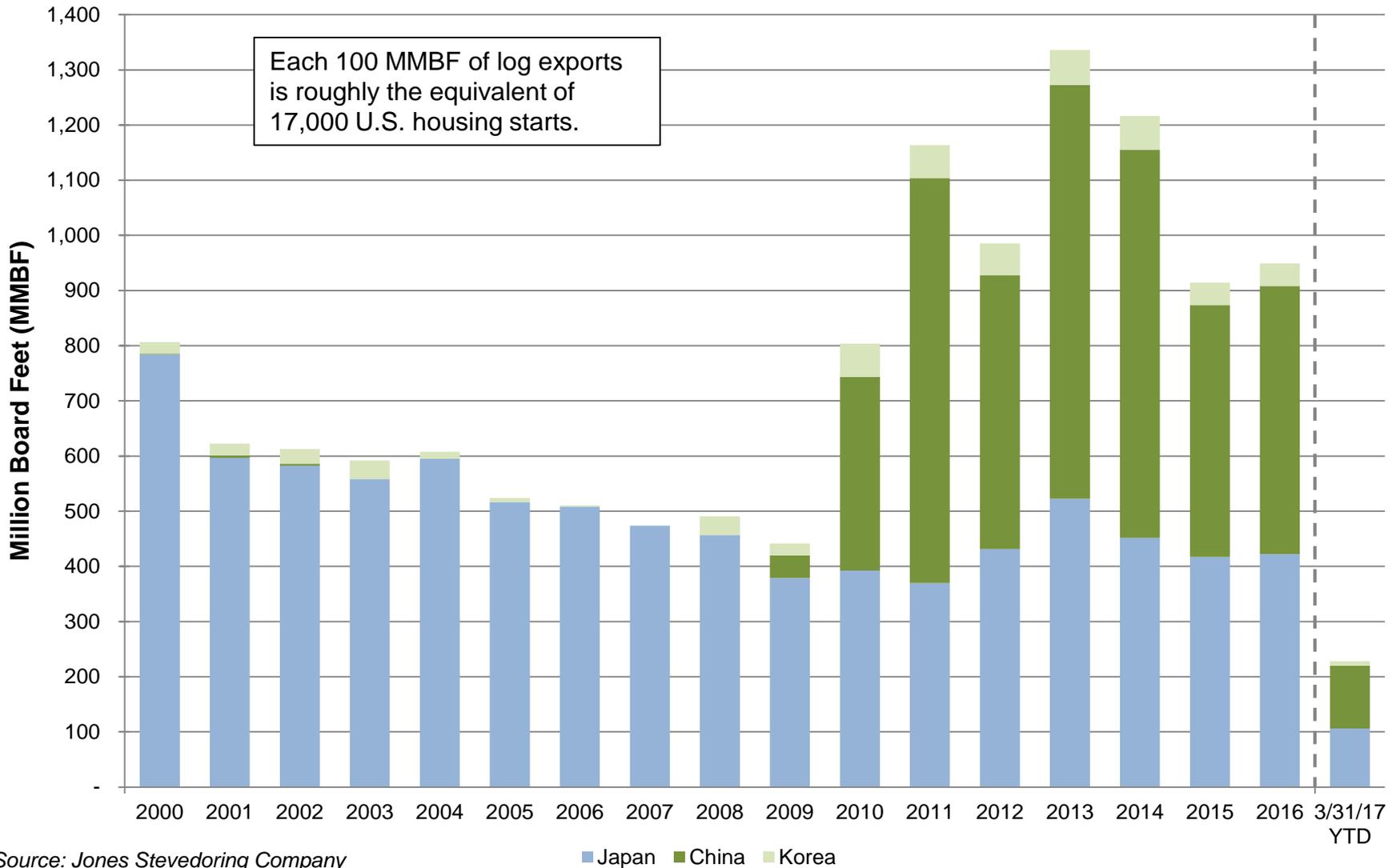
- Two corporate GP's collectively own 1.4% of Pope Resources
- Each of the GP's are owned 50/50 by Pope and Andrews families
- \$150,000/year management fee, unchanged since spinoff

## Limited Partners

- Family position at 22% (including GP interest)
- Management and outside directors at 3%
- Total institutional ownership of 13%
- 62% held by high net worth and retail investors



# Log Exports from Pacific Northwest

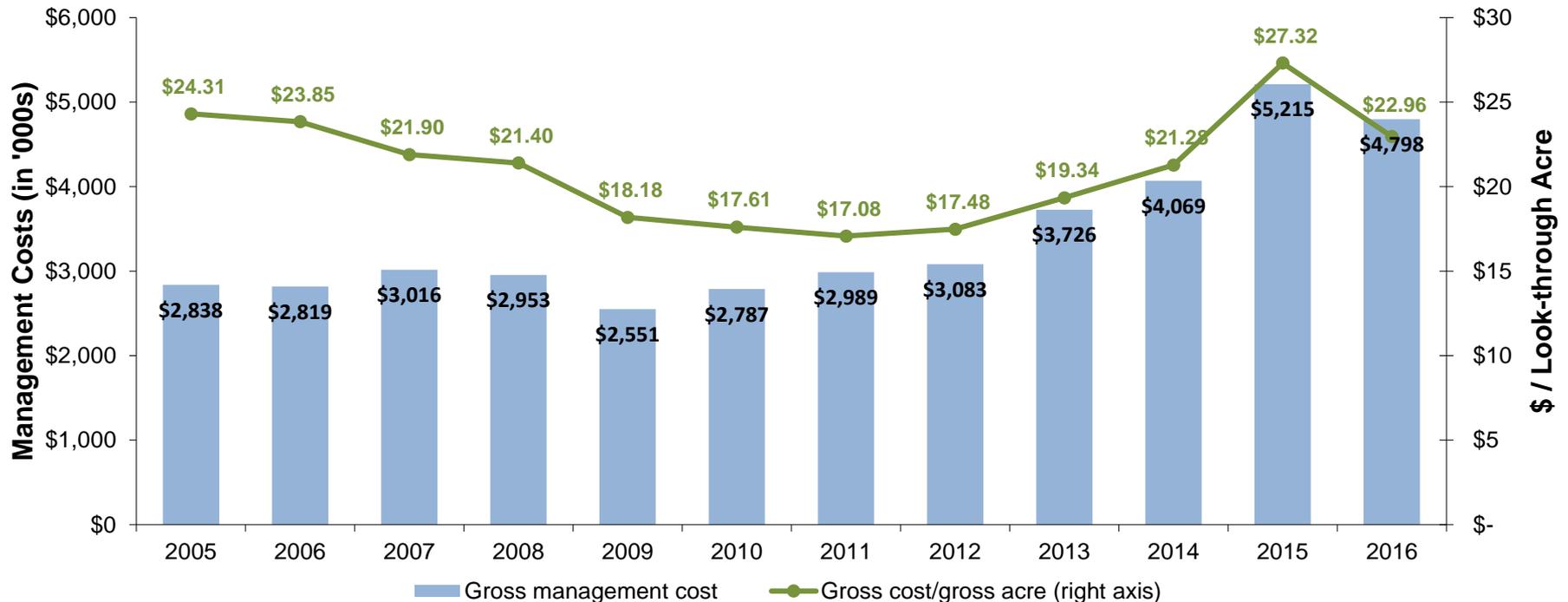


Source: Jones Stevedoring Company

■ Japan ■ China ■ Korea

# Economies of Scale: Nominal Management Costs

- Placement of Fund I and II capital (2006-10) reduced per acre management costs
- Investments in processes and systems outpaced acres acquired with Fund III capital (2012-15)
- Following Mashel (4Q-15) and Carbon River (3Q-16) acquisitions, per acre management cost is now below level prior to launch of PE Timber business



# Historical ORM Timber Fund Results

(Inception to March 31, 2017)

(in millions)	Third-party		Total
	POPE	investors	
Paid-in capital	\$38.0	\$284.8	\$322.7
Distributions from operations	6.9	35.6	42.5
Distributions from refinancings	2.9	11.7	14.5
Distributions from asset sales	19.3	75.8	95.1
Residual value	28.9	256.7	285.6
Carried interest*	9.1	0.0	9.1
IRR	9.7%	6.1%	6.8%

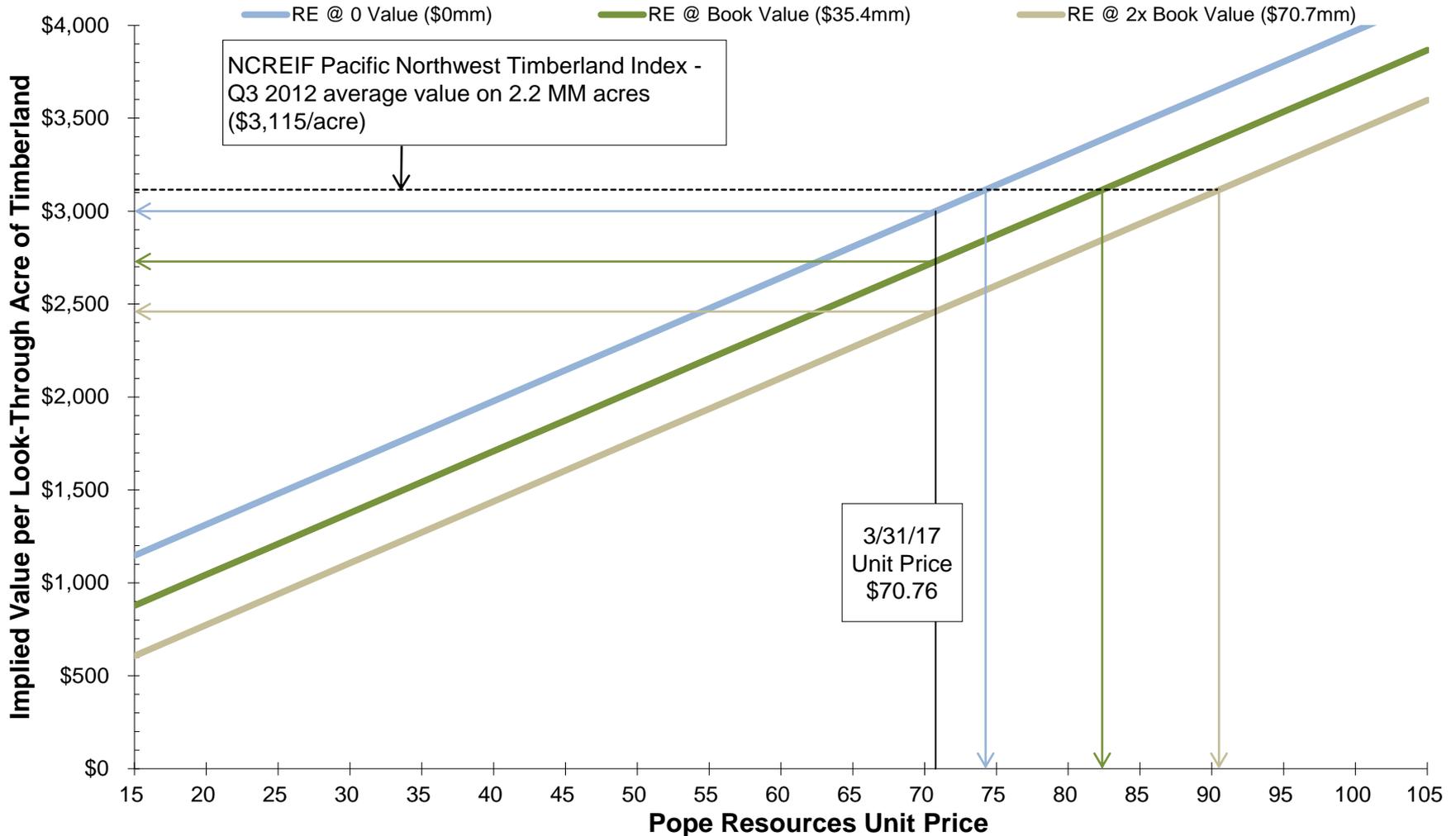
\* Carried interest is not paid to POPE until the investors have received, in cash, all of their paid-in capital plus a preferred return of 8.0% annualized. This is unlikely to happen until a timber fund's properties are sold and the proceeds are distributed to investors. \$9.1 million represents the carried interest that would have been due to POPE had the Fund II properties been sold on 12/31/16 at their appraised value. The Fund II term does not end until March 2021.

# PNW Westside Transactions 2014–Current

Property	Seller	Buyer	Acres (000's)	Value (\$MM)	\$/Acre
<b>2014</b>					
OR - North Umpqua	FIA	Lone Rock Timber	7	\$24	\$3,499
OR - Sixes	Plum Creek	Campbell Global	9	\$21	\$2,457
WA - Green River	ORM Timber Fund I	Conservation Forestry	15	\$39	\$2,552
OR - Deer Creek	HTRG	ORM Timber Fund III	13	\$72	\$5,588
WA - Mineral	ORM Timber Fund I	Sierra Pacific Industries	9	\$32	\$3,695
WA - Naselle	Conservation Forestry	Campbell Global	7	\$30	\$4,443
WA - Merrill Toutle	GMO	FIA	12	\$32	\$2,781
OR - Gravel Creek	Plum Creek	Campbell Global	8	\$29	\$3,749
OR - Salem	HTRG	Hampton Affiliates, Starker Forests	16	\$72	\$4,573
OR - Applegate	HTRG	Murphy	48	\$66	\$1,377
OR - Cow Creek	Fruit Growers	Umpqua Tribe	3	\$4	\$1,515
<b>2015</b>					
WA - Olympic Peninsula	Rayonier	Hoh River Trust	3	\$7	\$2,200
OR - Scappoose	BTG Pactual	Rayonier	6	\$34	\$6,103
WA - Murray Pacific	Murray Pacific	Sierra Pacific	54	\$189	\$3,500
WA - Nisqually	Conservation Forestry	Hampton Affiliates	13	\$52	\$4,105
WA - Mashel TWR	Conservation Forestry	Hampton Affiliates	5	\$25	\$4,967
WA - Snoqualmie	HTRG	Campbell Global	100	\$420	\$4,189
WA - Mashel	HTRG	ORM Timber Fund III	15	\$51	\$3,337
<b>2016</b>					
OR/WA - Menasha	Campbell Global	Rayonier	61	\$263	\$4,311
OR/WA - Menasha	Campbell Global	FIA	71	\$296	\$4,180
WA - Coastal	Rayonier	FIA	55	\$130	\$2,364
WA - Carbon River	HTRG	Pope Resources	7	\$32	\$4,356
WA - Willapa	HTRG	Greenwood Resources	8	\$31	\$3,735
WA - Wallace Falls	Campbell Global	Sierra Pacific Industries	12	\$52	\$4,493
WA - Cedar River	Green Diamond Resource Company	Conservation Forestry	18	\$53	\$3,003
OR - Rosboro	Rosboro	Campbell Global	93	\$341	\$3,656
<b>2017</b>					
Oregon - Rockaway	ORM Timber Fund II	Greenwood Resources	6	\$27	\$4,108
Washington - Elkhorn	HTRG	Greenwood Resources	9	\$26	\$2,940
<b>4-Year Total</b>			<b>683</b>	<b>\$2,450</b>	<b>\$3,597</b>

Source: ORM, Timberland Markets Report, ForestWeb, Public Announcements

# Gap Between Public and Private Timberland Value



\* In Q4 2012 and Q1 2013, NCREIF added 1.2 MM acres of timberland east of the Cascades to the PNW index which significantly reduced the average value of the index and resulted in changing its name to the NW index. The Q3 2012 value, though dated, is a more accurate representation of the Partnership's look-through timberland holdings.