

Pope Resources L.P. (Nasdaq: POPE)

Investor Presentation
October 2012

Safe Harbor

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 can be identified by the use of forward-looking words such as “believes”, “expects”, “may”, “will”, “should”, “seeks”, “approximately”, “intends”, “plans”, “estimates”, “projects”, “strategy” or “anticipates” or the negative of those words or other comparable terminology. Forward-looking statements involve inherent risks and uncertainties. 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; changes in forestry, land use, environmental, and other governmental regulations; risk of losses from fires, floods, windstorms, and other natural disasters; risk of loss from insect infestations or tree diseases; changes in economic conditions and competition in our domestic and export markets; an unanticipated reduction in the demand for timber products and/or an unanticipated increase in the supply of timber products; and other factors described from time to time in our filings with the Securities and Exchange Commission. 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.

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Pope Resources Overview

- Last remaining timber MLP
- Established in 1985 as a spin-off from Pope & Talbot
- 4.4 million units outstanding
 - 22% controlled by GP's and broader "family" ownership
 - 7% held by management and outside directors
 - 11% held by a small number of institutional investors
 - Over one-half held by high net worth and other retail investors
- Thinly traded
- Current unit price \$54.28, with 52-week price range of \$40.50-\$60.39
- Current market capitalization of approximately \$239 million and enterprise value* of \$271 million
- Unit distributions currently \$1.80/year paid quarterly, or nearly 3.3% yield at current price

* Enterprise value includes market capitalization of POPE equity assuming a unit price of \$54.28 plus short- and long-term debt less cash and cash equivalents at the end of Q2 2012, excluding the Funds' debt and cash.

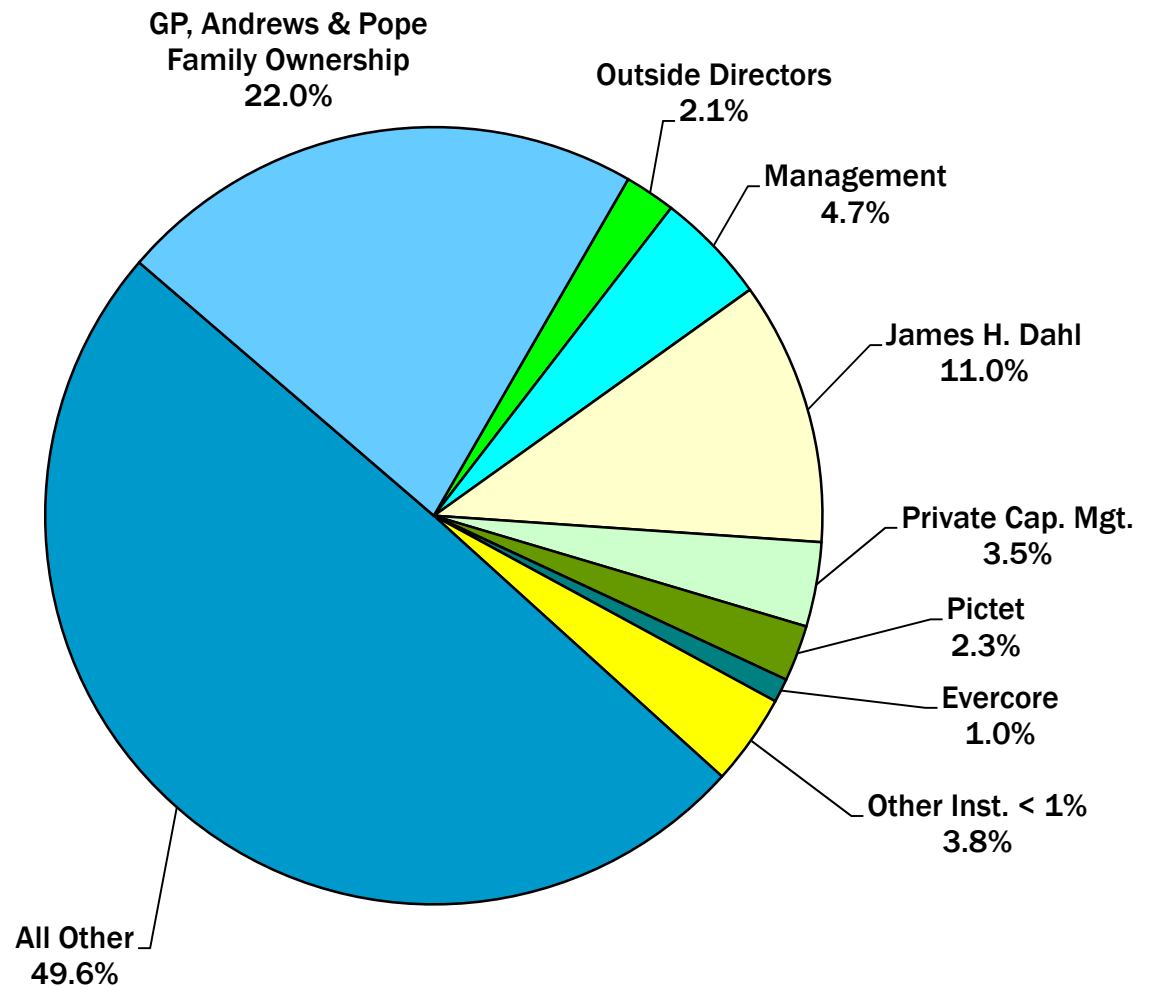
Pope Resources Ownership

- **General Partners**

- Two corporate GP's collectively own 1.4% of Pope Resources
- Each of GP's owned 50/50 by Peter Pope and his cousin, Emily Andrews
- \$150,000/year management fee, unchanged since spin-off

- **Limited Partners**

- “Family” position at 22% (including GP interest)
- Management and outside directors at 7%
- Total institutional ownership of 10.6%
- Over one-half held by HNW and retail investors



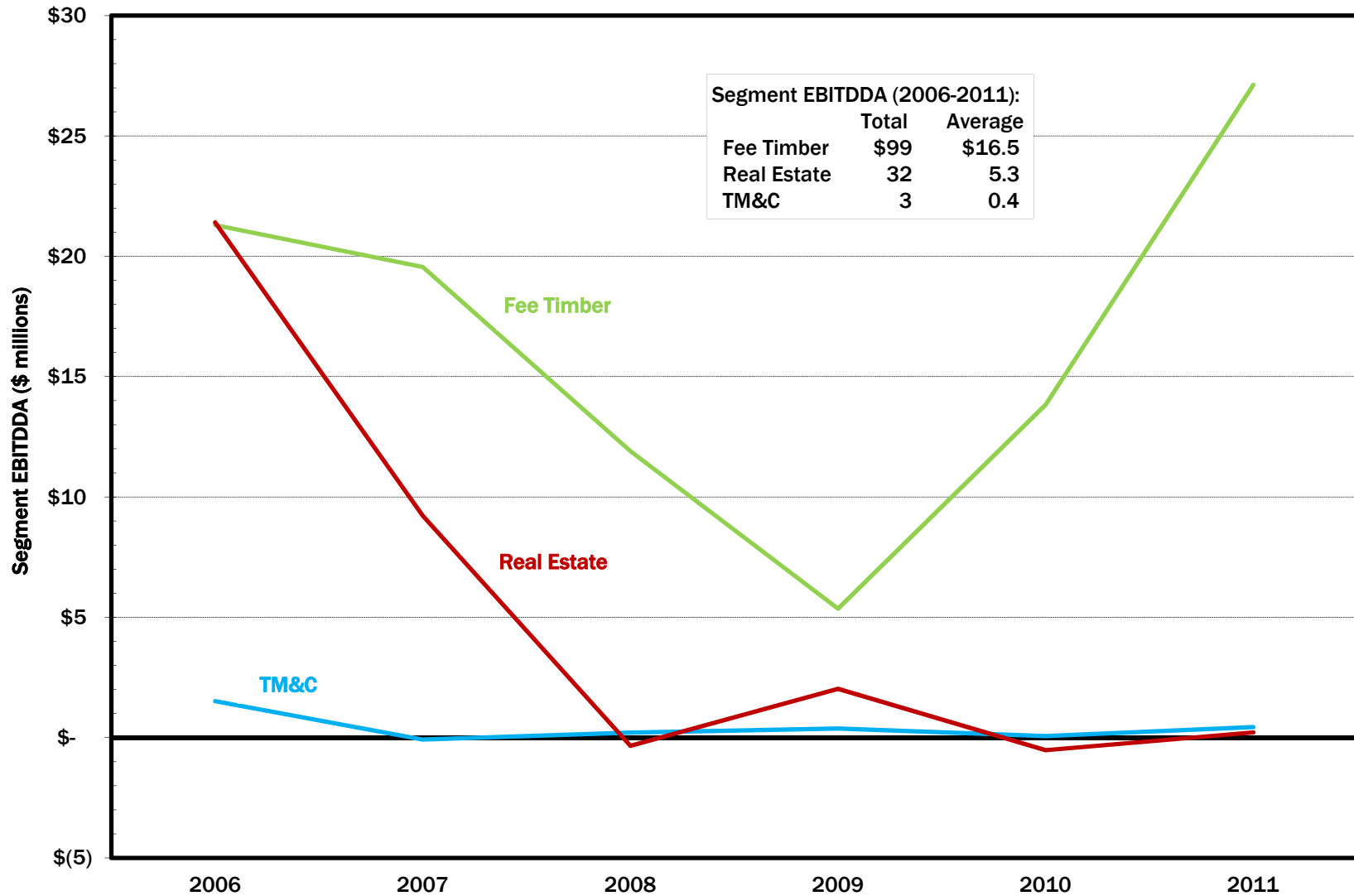
Pope Resources Business Segments

- **Fee Timber**
 - 175,000 acres of timberland in western Washington and Oregon (including ORM Timber Funds I and II)
 - Annual log harvest volume will range between 70 – 100 MMBF per year near term
 - Future growth will be primarily through co-investment with ORM Timber Funds
- **Timberland Management & Consulting (TM&C)**
 - Olympic Resource Management (ORM) subsidiary provides investment and timberland management services for three private equity timber funds in the Pacific Northwest
 - \$170 million in assets under management
 - 61,000 acres in western Washington and western Oregon
 - Fund III capital commitments of \$180 million following final close in Q3 2012
- **Real Estate**
 - Olympic Property Group (OPG) subsidiary manages 2,800 acres of higher and better use properties in west Puget Sound, with over 1,600 entitled lots
 - Seeking development entitlements to add value to land
 - Primary role is as a master developer, selling lands to other developers following entitlement process
 - Ownership and management of historic mill town of Port Gamble

Pope Resources - Recap of Investing Opportunity

- “Purest” play of the publicly traded timber equities
 - Fee Timber segment contributed 84% of total revenues over past 3 years
 - Beta of 0.86 relative to average beta of 1.08 for five industry peers
- Pure-play exposure to Pacific Northwest timberlands
 - Exposure to Asian log markets - 100% of POPE’s timberlands directly tributary to export log ports serving all 3 major Asian markets
 - BC supply shock due to mountain pine beetle will benefit all PNW timberland owners
 - When U.S. housing starts return to higher levels in the next few years, export and domestic demand could contribute to a new pricing platform for logs from PNW
- Highly tax-efficient vehicle for investing in timberland asset class
 - Efficient flow-through tax treatment
 - Competitive after-tax distribution yield relative to timber REITs
- Deep discount to NAV
 - Imputed value of timberlands (fee timber and 20% of Timber Funds), based on enterprise value, is approximately \$1,800 to \$2,000 per acre without placing any value on Timber Fund business
- Adding value through Timber Fund business
 - Co-investment of \$28 million in first two Timber Funds generated \$1.7 MM of cash distributions in 2011, or a cash-on-cash yield of 5.9%
 - First two Timber Funds generated \$2.4 million of fee revenue in 2011
 - Final close of Fund III in Q3 2012 for total fund size of \$180 million (5% co-investment)
 - Assets under management will exceed \$350 million when Fund III capital placed
- Favorable long-term investment performance of POPE units

EBITDDA by Segment (2006-2011)*



*Based on internal segment reporting and represents EBITDDA adjusted for cost of land sales. 100% of Fund operating results included in this calculation.

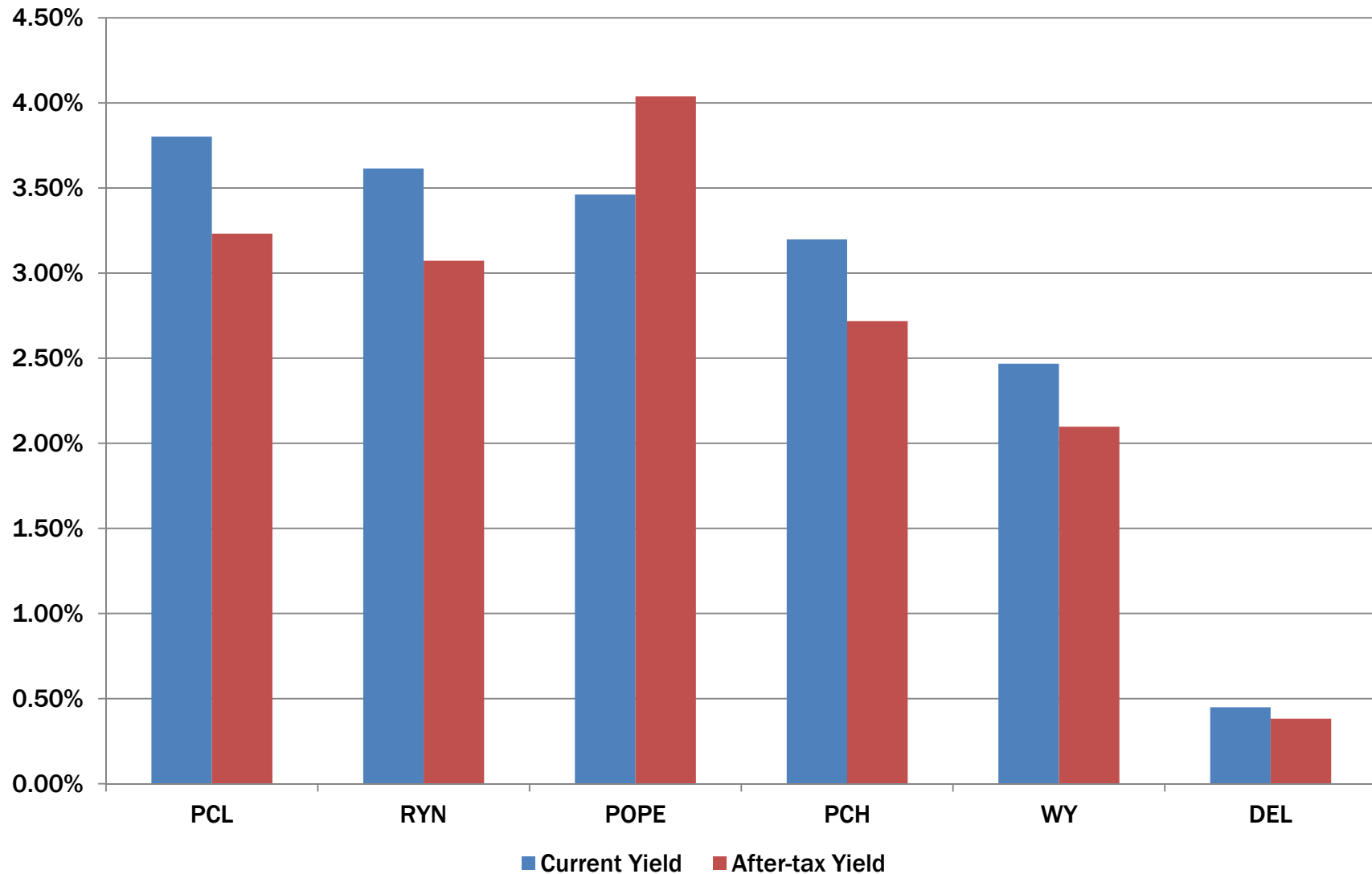
Tax Efficiency of Pope Resources' MLP Structure

	A	B	C	
	Partnership Tax Return Aggregate Amounts Reported	Per Unit Amounts	Applicable Tax Rate	Resultant Tax (Liability)/ Benefit per unit (B times -C)
Flow-through taxable income:				
Taxable Income	<u>\$6,000,000</u>	<u>\$1.38</u>		
631(a) amount	\$18,000,000	\$4.16		
Depletion	(\$3,000,000)	(\$0.69)		
Section 1231 gain	<u>\$15,000,000</u>	<u>\$3.45</u>	15.0%	(\$0.52)
Long-term capital gain	2,000,000	0.46	15.0%	(0.07)
Interest income	50,000	0.01	35.0%	(0.00)
Ordinary loss	<u>(11,050,000)</u>	<u>(2.54)</u>	35.0%	0.89
	<u>\$6,000,000</u>	<u>\$1.38</u>		<u>0.89</u>
				<u>\$0.30</u>

Unit Price	Effective Tax "Yield"	Distribution Yield at \$1.80/unit per year	Effective After-tax Yield
\$45	0.7%	4.0%	4.7%
\$50	0.6%	3.6%	4.2%
\$55	0.5%	3.3%	3.8%
\$60	0.5%	3.0%	3.5%

Note: Income amounts provided are representative examples only and should not be interpreted as pro forma results.

Peer Company Dividend/Distribution Yields



Assumed 100% dividend tax treatment for REITs and 15% dividend tax rate; approximately \$0.30/unit tax credit for POPE at current unit price

Implied Timberland Value per Acre (Q1 2012)

Enterprise Value:

Units outstanding	4,411,692
Price per unit	\$54.28
Market Capitalization (\$ MM)	\$239.5
Long and short-term Debt (\$ MM, incl. funds flow-thru)	\$34.1
Pope cash and short-term inv. (\$ MM)	(\$0.5)
Enterprise Value (\$ MM)	\$273.1

Less (\$ MM):

Working Capital	(\$2.1)
Environmental remediation liability, long-term	(\$13.6)
Contracts receivable & net other long-term items	\$0.4
Buildings and equipment, net	\$5.8

Net Land Value (\$ MM)	\$282.7
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If RE is twice
book value

Less:

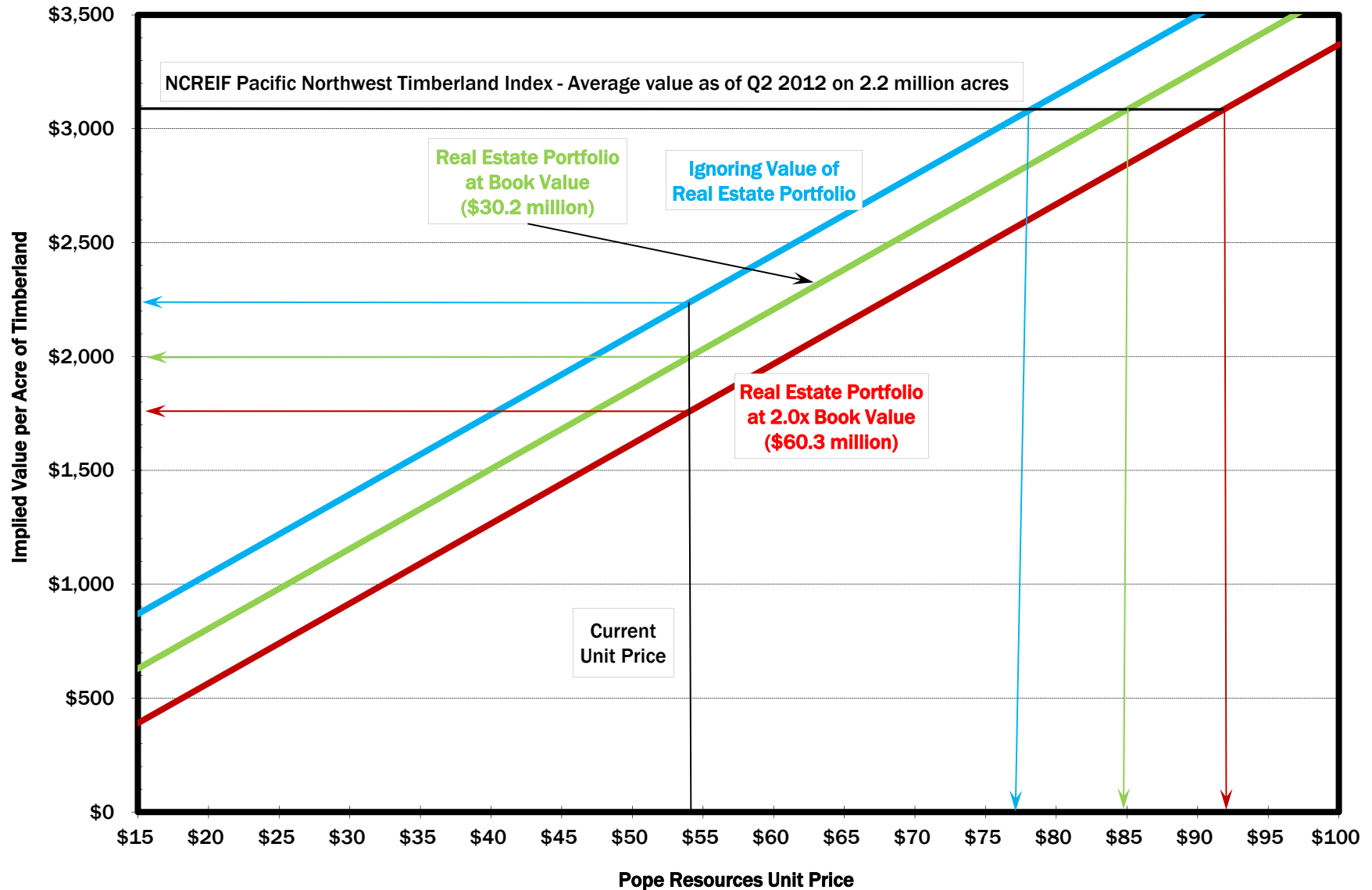
Real Estate land value	
Acres	2,813
Book value per acre	\$10,718
Real Estate book value (\$ MM)	\$30.2

2,813
\$21,436
\$60.3

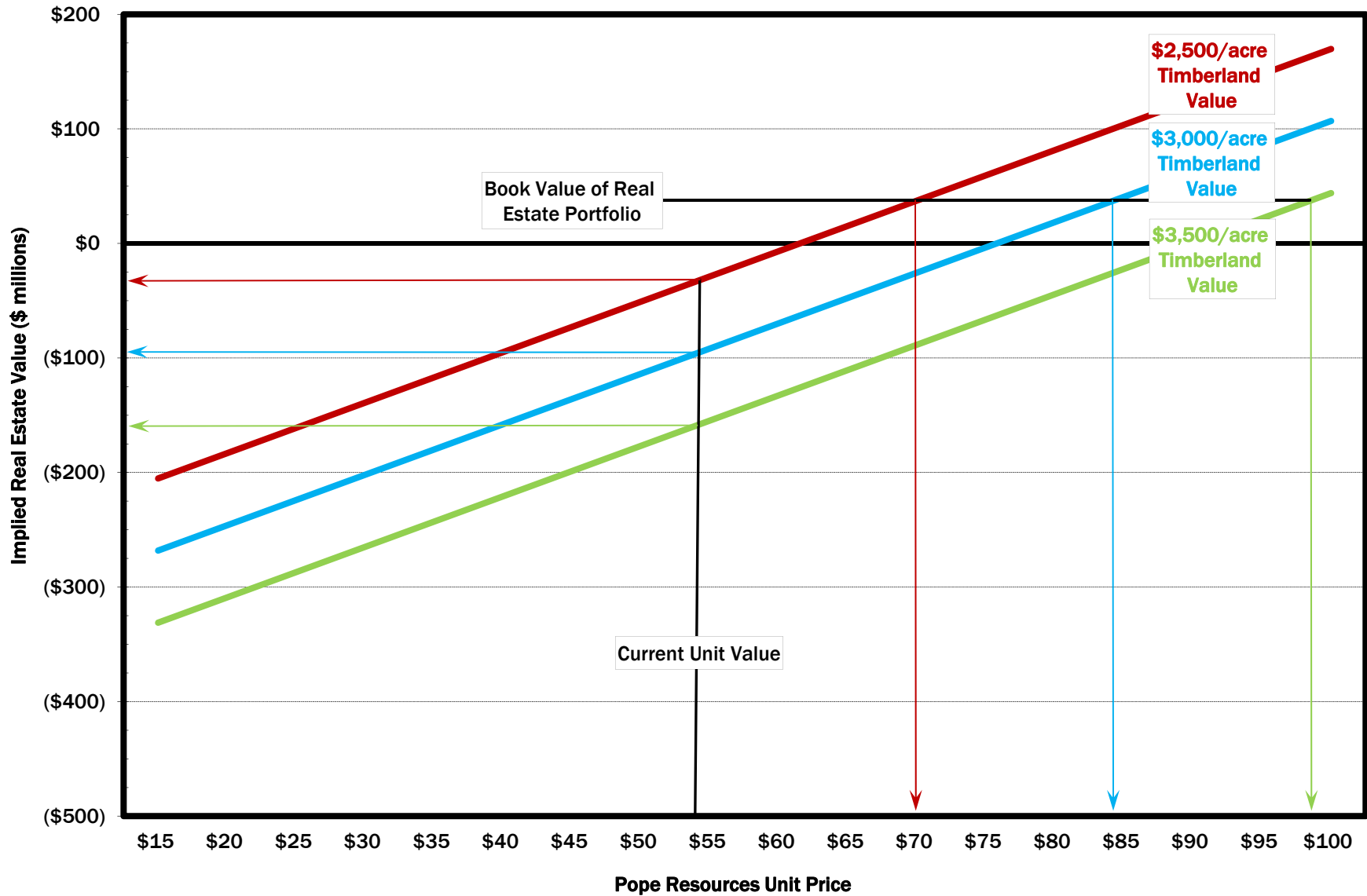
Net Timberland Value (\$ MM)	\$252.6
Timberland Acres (including 20% of timber funds)	125,850
Net Value per acre	\$2,007

\$222.4
125,850
\$1,767

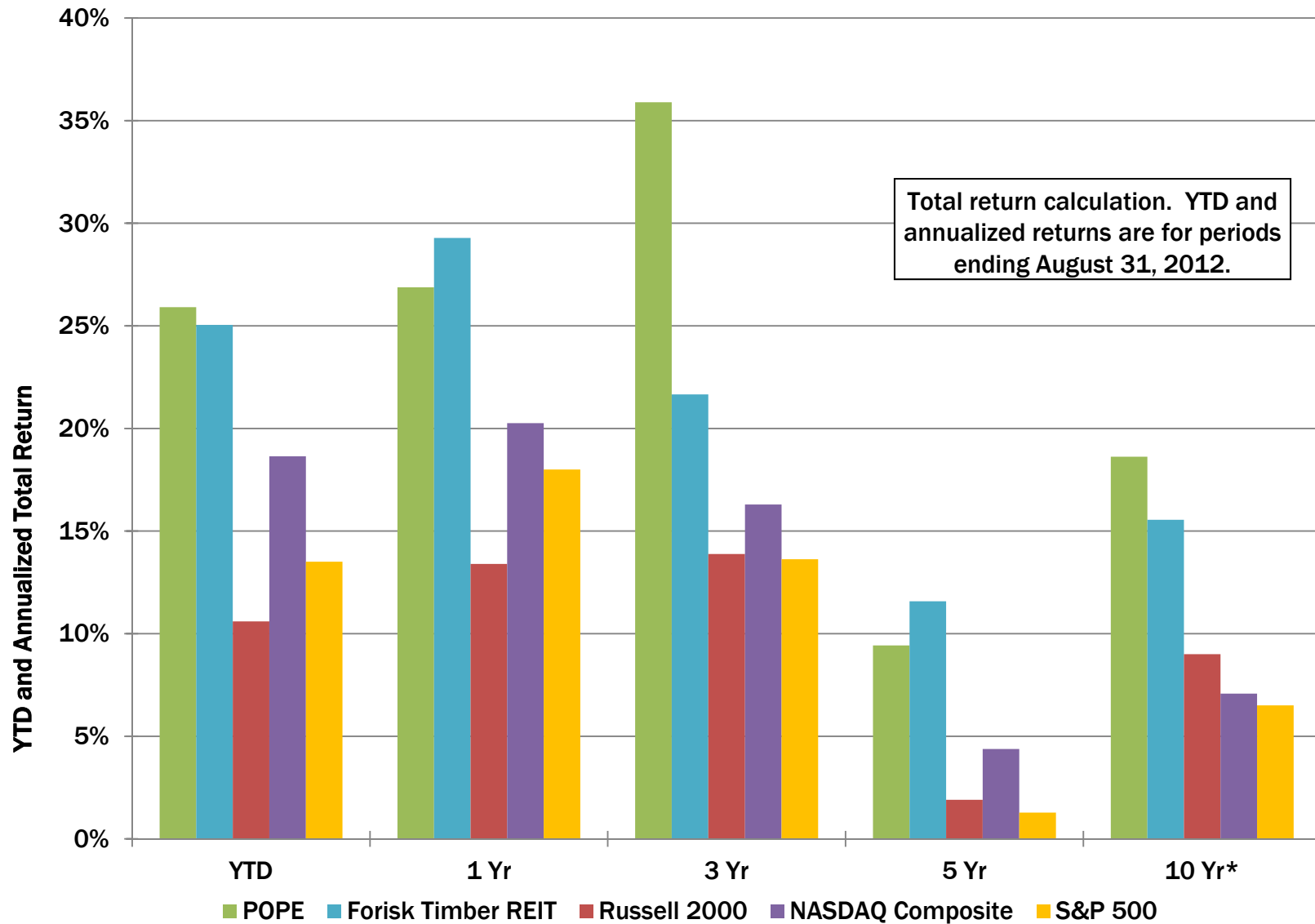
Implied Timberland Value 33% Below Market Level



Disconnect on Implied Real Estate Value



Comparative Total Shareholder Return

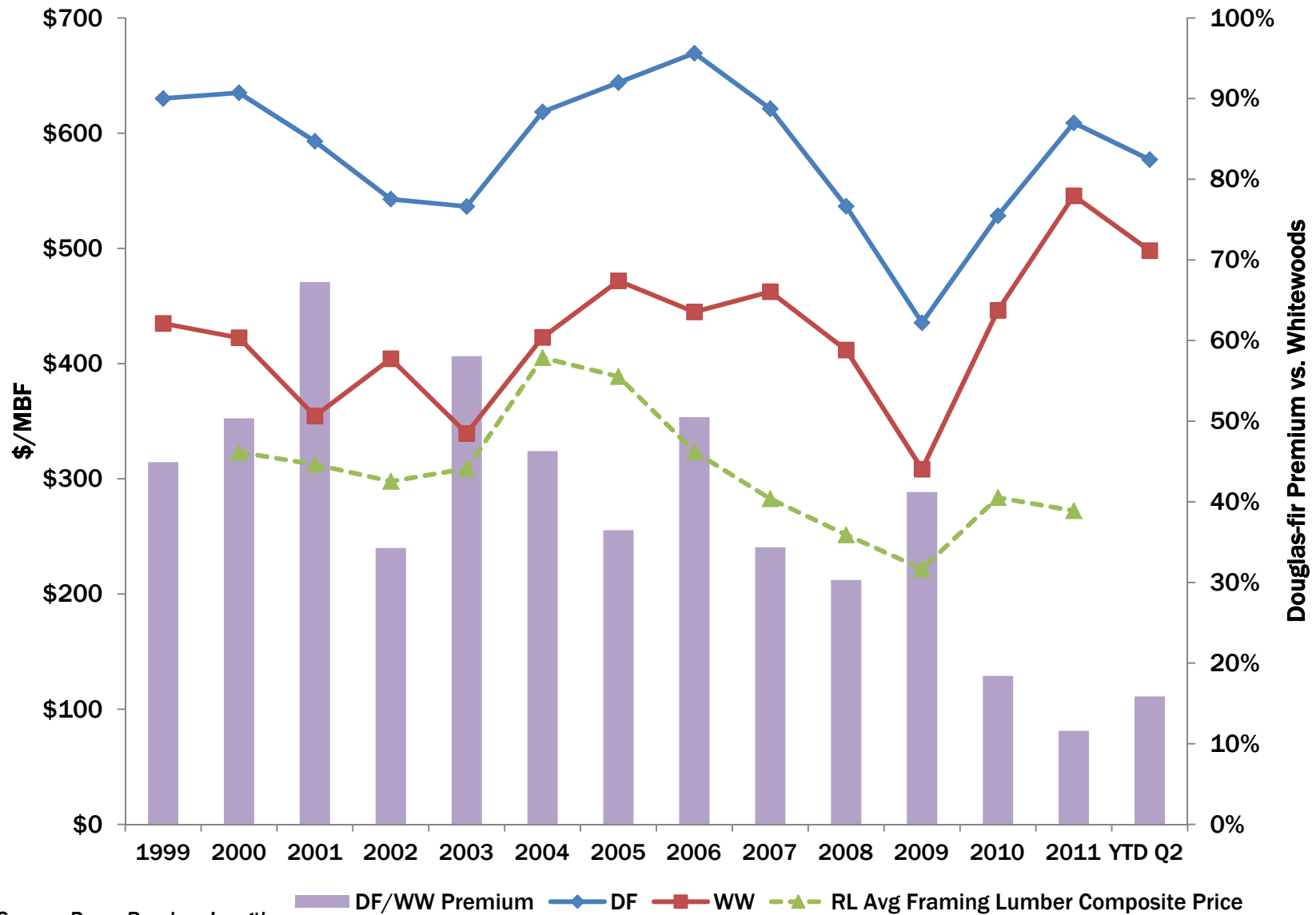


Source: FactSet via NASDAQ.

Log and Lumber Market Overview

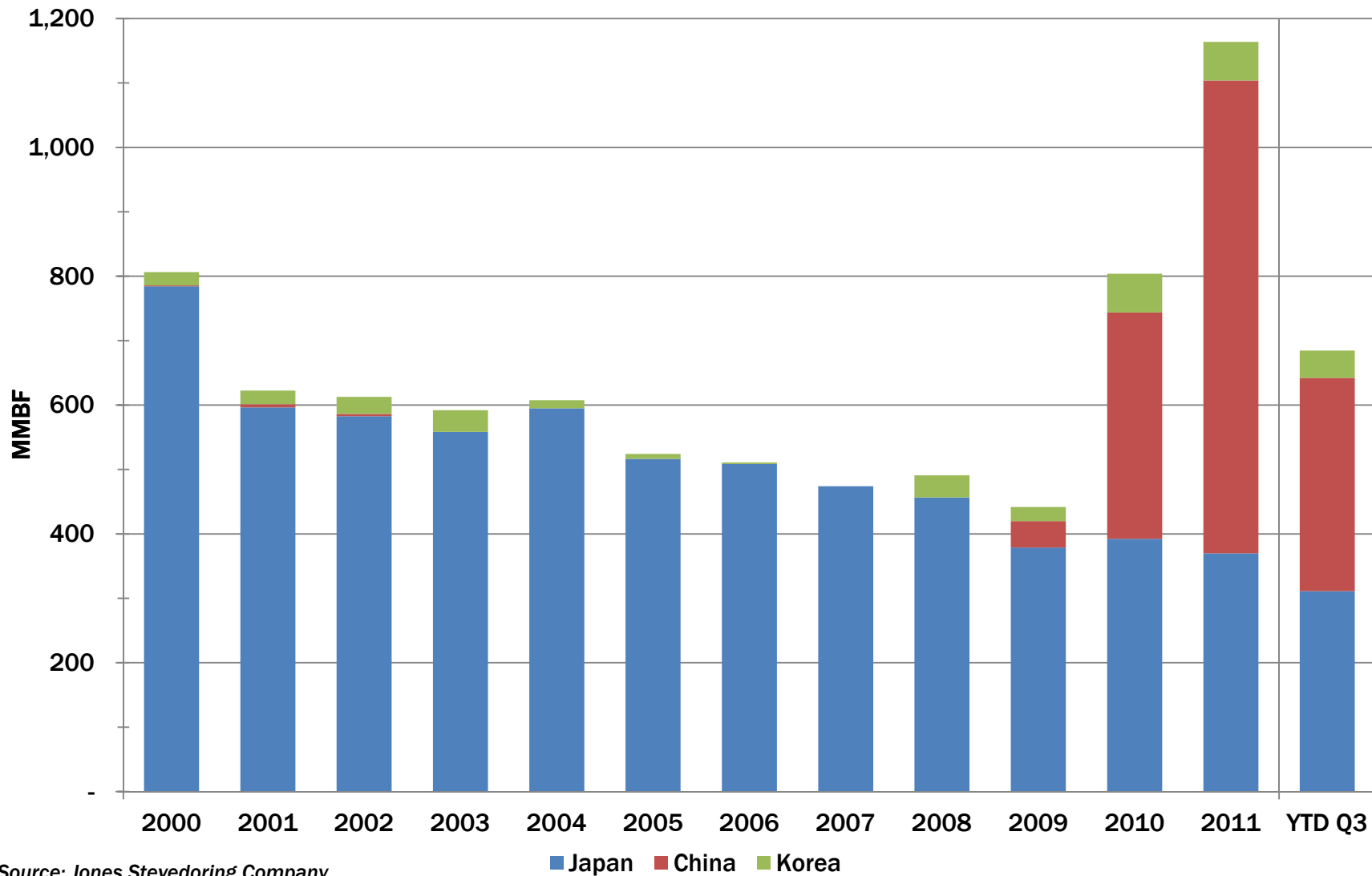
- **Log and lumber price run-up beginning in early 2010 brought on primarily by strong demand from China**
 - Asian export markets have surged on relative economic strength in China and increased cost of logs sourced from Russia
 - China is buying average quality Douglas-fir and whitewood sawlogs that otherwise would be used by domestic mills, resulting in compression of Douglas-fir premium
 - China log shipments and prices peaked in Q2 2011, with prices falling for the balance of the year and into early 2012
 - China market has rebounded in 2H of 2012 after inventories worked down
- **Pope Resources' 1H 2012 sawlog prices up dramatically since 2009**
 - Douglas-fir average realized sawlog price up 33% from 2009 annual average price
 - Whitewood average realized sawlog price up 61% from 2009 annual average price
- **Mills in the Pacific Northwest and British Columbia are shipping significant proportions of their lumber production to China**
 - 2011 export lumber shipments to Asia from PNW and B.C. up 121% and 94%, respectively, over 2009 levels

Pope Resources' Sawlog Price Realizations



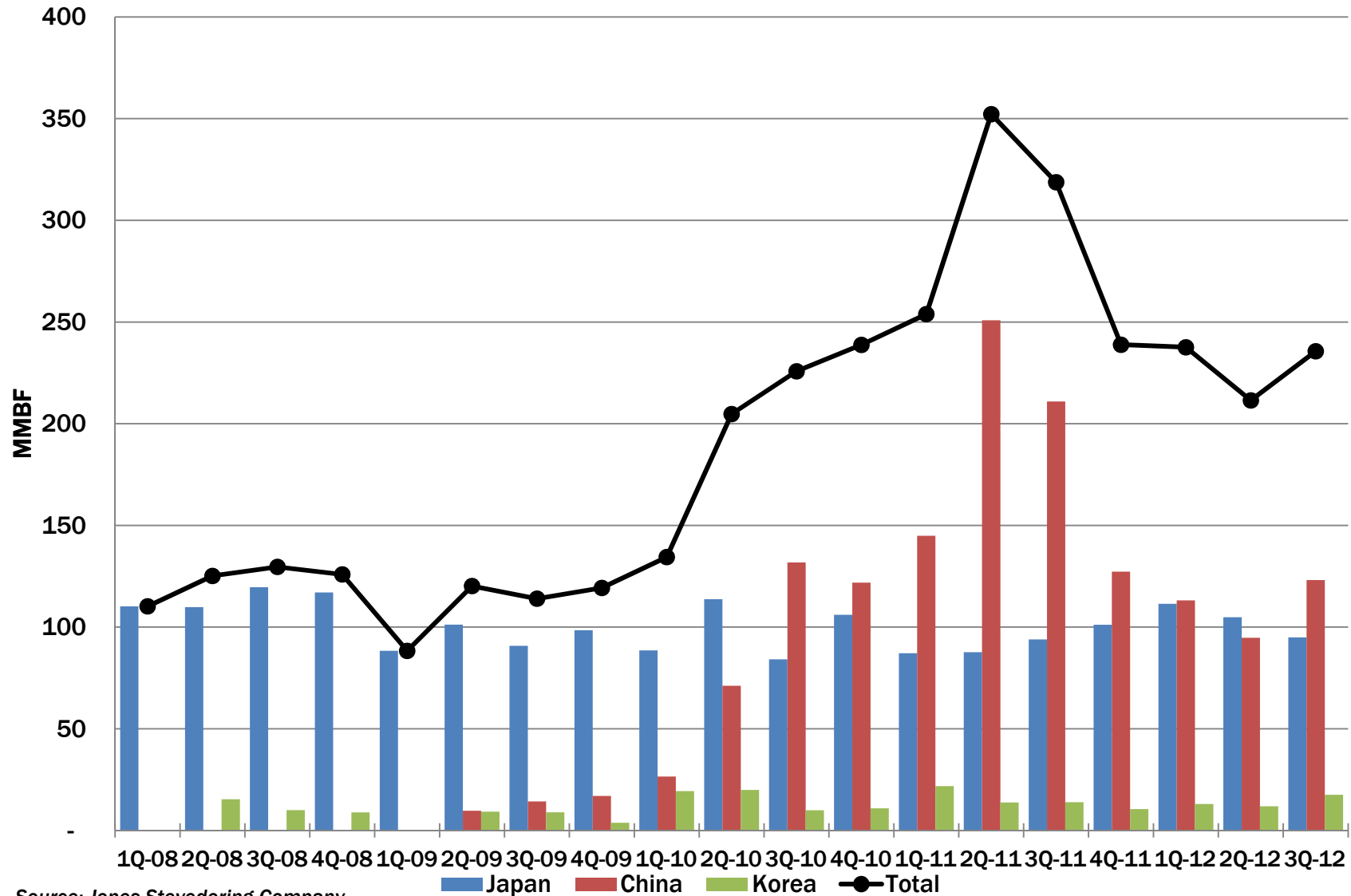
Source: Pope, Random Lengths

PNW Log Export Shipments Highest in Past Decade



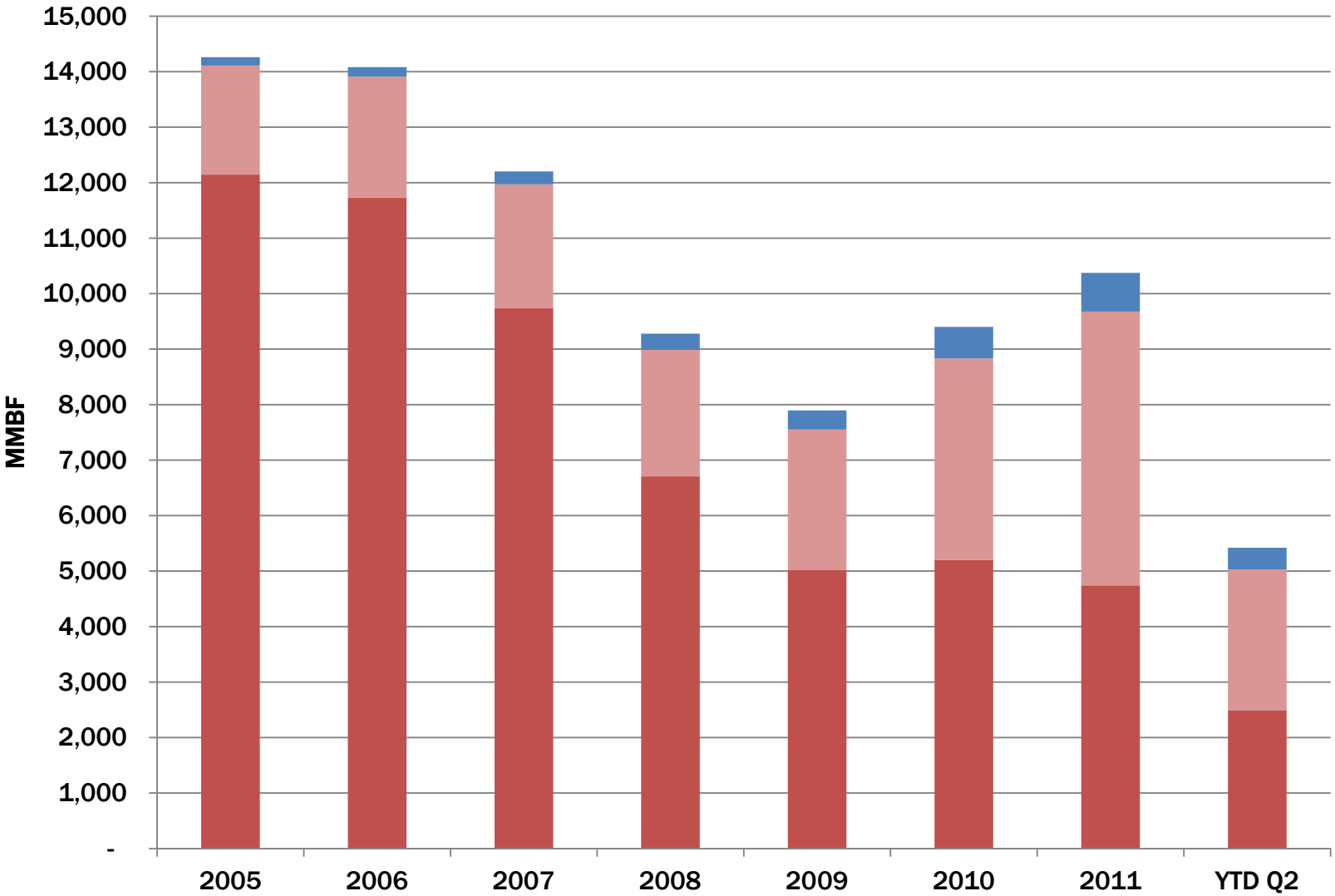
Source: Jones Stevedoring Company

Quarterly PNW Log Exports 2x Over 2009 Levels



Source: Jones Stevedoring Company

Lumber Exports from British Columbia and PNW



Source: Statistics Canada
via BC Stats. U.S. ITC.

■ BC to US ■ BC to RoW ■ PNW

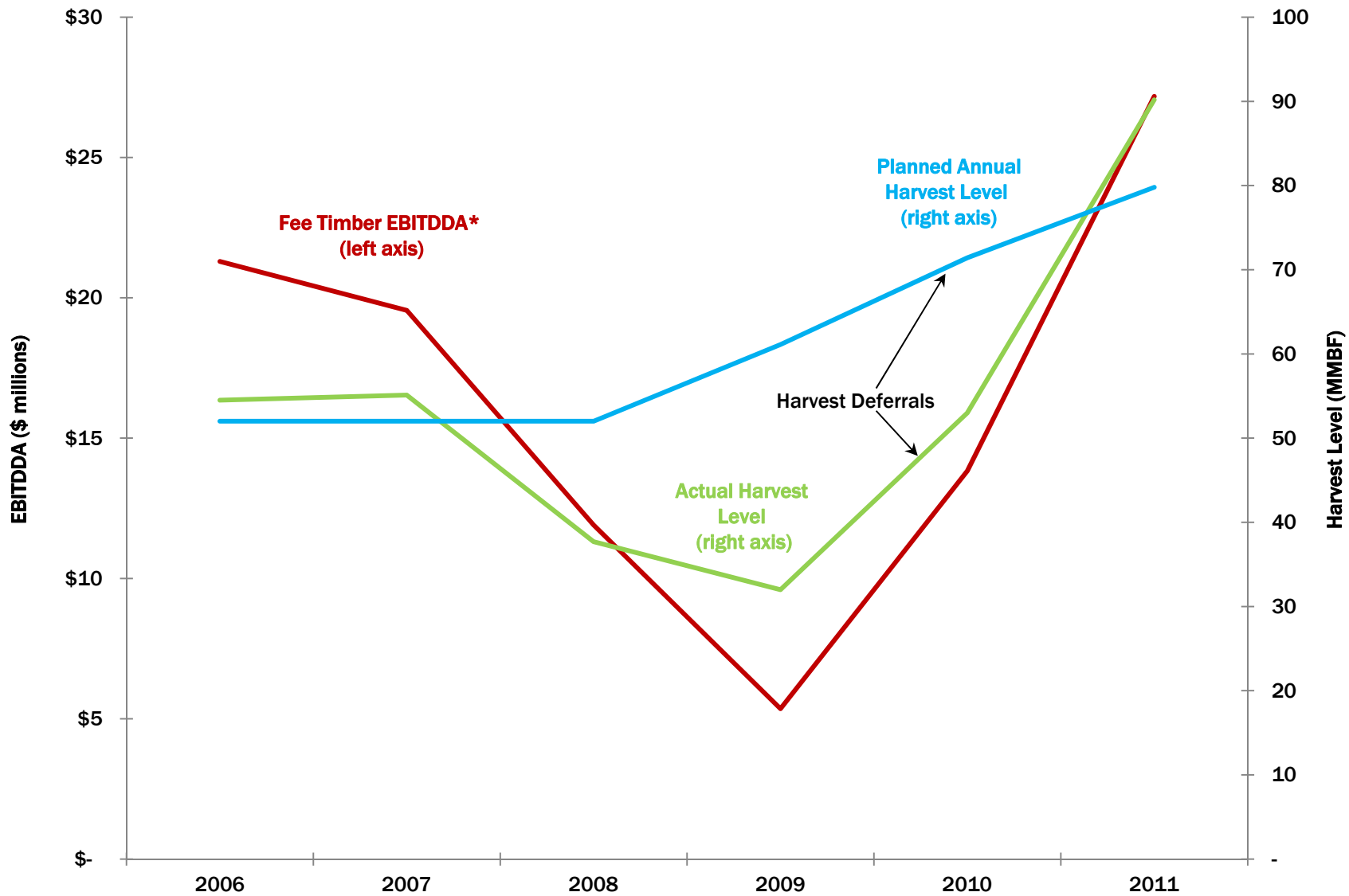
Log and Lumber Market Long-term Outlook

- **Demand:**
 - Demand from China and to a lesser extent Japan and Korea expected to provide price support until domestic market recovers
 - U.S. housing recovery linked to improvement in employment, lending practices, consumer confidence, and the absorption of foreclosed properties
 - U.S. housing starts expected to recover at a very gradual pace over the next few years as opposed to more rapid recovery in prior recessions
 - Long-term demand for lumber and logs expected to be strong due to eventual recovery in household formations
- **Supply:**
 - Russian entry into WTO not expected to result in meaningful change to Asian log markets due to inadequate infrastructure and differential application of tariff relief
 - Mountain pine beetle epidemic in British Columbia expected to have major impact
 - Near-term increase in harvest of dead and dying timber and declining utilization as rate of decay increases
 - Expected decline in allowable cut by mid-to-latter part of this decade driven by lack of harvestable forests and further decline in wood quality
 - Currency fluctuations across the Pacific Rim expected to continue to influence log and lumber flows between competing suppliers

Pope Resources Harvest Levels

- **Planned harvest represents a blend of long-term sustainable level for Partnership timberlands and a planned level of harvest for the Fund properties over the 10+ year investment term**
- **Deferred harvest volume of 34 MMBF at YE 2011 will be metered into future harvest levels as markets dictate**
- **Projected harvest levels will be between 70 MMBF and 100 MMBF based on how deferred harvest volume is spread out over the near-term**
- **Planned harvest for 2012 is between 78 and 82 MMBF**
 - **Down from 90 MMBF harvested in 2011**
 - **With softer China market at beginning of year, 2012 harvest level does not assume any deferred harvest volume is brought forward**
 - **Ample flexibility to increase harvest level if market conditions allow**

Fee Timber EBITDDA vs. Harvest Level (2006-11)



*EBITDDA based on internal segment reporting and adjusted for cost of land sales

Growing ORM Timber Fund Business

- **Starting in 2006, ORM has acquired, on behalf of its first two timber funds, a total of 61,000 acres in western Washington and Oregon**
 - ORM Timber Fund I acquired 24,000 acres in western WA in 2006
 - ORM Timber Fund II acquired 37,000 acres in western WA and OR in 2009 and 2010
- **Total of \$170 million in assets under management contain over 300 MMBF of merchantable timber aged 35 and older, with planned annual harvest level of nearly 40 MMBF**
 - With 20% co-investment, the “look-through” impact on Pope’s portfolio adds 11% more productive acres and 21% more merchantable timber inventory
- **Final close of Fund III in Q3 2012 for a total fund size of \$180 million (5% co-investment)**
- **ORM earns annual timberland management and asset management fees, as well as carried interest participation fees if funds perform above set performance thresholds**
 - Fees totaled \$2.4 million in 2011

Real Estate Strategy

- Push real estate properties through entitlement and permitting pipeline to point where sale opportunity is optimal
- Develop future pipeline of higher-and-better-use (HBU) properties from current fee timber portfolio west of Seattle
 - Key approvals of development agreements and preliminary plats in 2010 and 2011
 - 824 residential units in Gig Harbor
 - 751 units in Kingston
- Recognize timing of sales will be “lumpy”
- Expect to realize meaningful “harvest” in 2012-2015



Breakdown of Land Sales (2006 - 2011)



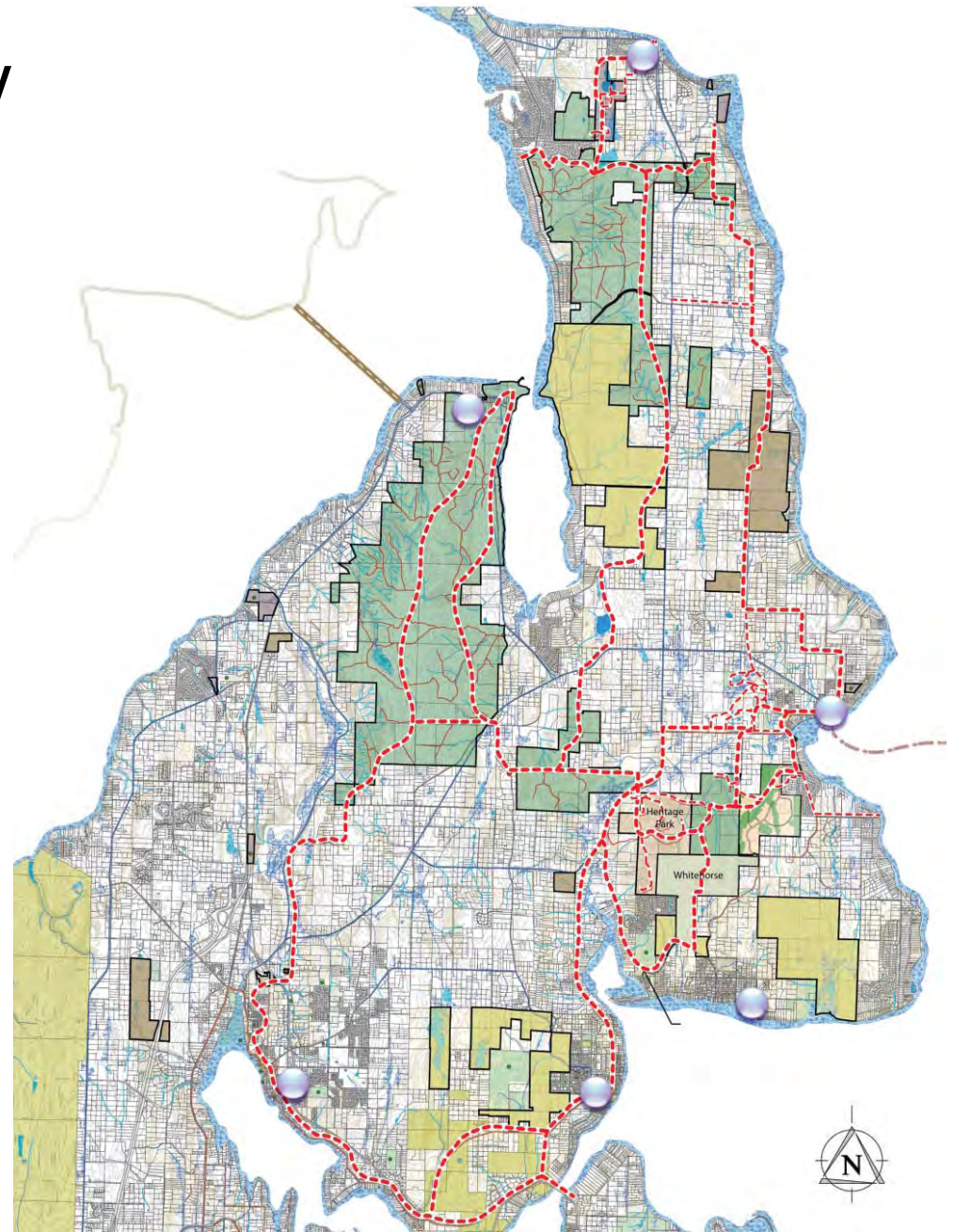
Gig Harbor Project

- **Commercial zoning:**
 - Commercial sales in 2006 (\$15mm) paid for road, water, and sewer infrastructure
 - 16 acres remaining
 - Working on grocery store site
- **Business park zoning:**
 - Sales in 2006 and 2007 (\$5mm)
 - 28 acres remaining
 - Potential elementary school site
- **Residential zoning:**
 - 20-year development agreement approved in late-2010
 - Preliminary plat for 200-acre residential development approved in early 2011 (554 single-family lots and 270 multi-family units)
 - Under contract for two transactions covering all 25 acres of multi-family units
 - 79 single-family lots under contract



North Kitsap Exit Strategy

- Launched work on exit strategy for 7,000 acres of timberland in north Kitsap County in 2007
- Signed 18-month option in September 2011 with Forterra to sell lands for conservation
 - Option broken into 5 tracts
 - Includes 2 miles of shoreline
 - Project enjoys broad political, tribal, and community support
- Secured \$9 million under State budget for acquisition of shorelines and removal of sewer outfall, both of which tied to completion of clean-up effort
- Option excludes Port Gamble
 - Expect to submit development plan for town and millsite in 2012



Other RE Projects and Initiatives

- **Kingston:** 356-acre residential project located 1 mile from Kingston ferry terminal with 663 single-family lots and 88 multi-family units approved, along with 15-year development agreement
- **Bremerton:** 61-acre industrial park under development in two phases (total of 24 lots)
- **Poulsbo:** relocating corporate headquarters
 - Acquired 30,000 sq. ft. commercial office building in Q2 2011 for \$3.2 million
 - Sold existing 10,000 sq. ft. headquarters building in Q3 2012 for \$2.9 million
 - Headquarters relocation in Q4 2012, occupying 40% of new building , with remaining 60% under long-term lease to single bank tenant
- **Swift Reservoir:** Working to put 85% of our 24,000-acre ownership into some form of conservation program over multi-year period
 - Develop 15% of our ownership for recreation housing
 - Closed on \$2.4 million conservation easement on 6,900 acres in late 2010
- **HBU pipeline:** ongoing efforts to restock pipeline for future HBU sales

Capital Allocation Strategy and Growth Capital

- **Free cash flow planned for:**
 - Quarterly distributions
 - 29% increase in quarterly distribution in Q2 2012 to current rate of \$0.45 per quarter
 - Co-investment in Funds, with POPE's share going down from 20% in Funds I and II to 5% in Fund III
 - Where appropriate, investing in real estate projects
 - Periodically repurchasing units in open market
- **Growth Capital**
 - Near-term growth expected to be fueled primarily by organic cash flow generation
 - Free cash flow generation from timber harvest
 - “Lumpy” monetization of Real Estate portfolio
 - \$20 million line of credit along with incremental debt capacity positions Pope Resources to be able to capitalize on investment opportunities
 - Expect to reduce \$2.1 million Q2 2012 LOC balance during remainder of 2012
 - No current expectation for secondary or rights offering of units
 - Equity “currency” too cheap to issue new units

Contact Information

David L. Nunes
President & CEO
(360) 394-0544
dnunes@orminc.com

Thomas M. Ringo
VP & CFO
(360) 394-0520
tringo@orminc.com

POPE RESOURCES – APPENDIX MATERIALS



Pope Resources
A Limited Partnership

Pope Resources Balance Sheet (\$millions)

	June 30 2012	YE 2011
Assets		
POPE - Cash & cash equivalents	0.2	0.2
Funds - Cash & cash equivalents	1.6	2.4
Other current assets	4.6	4.1
POPE - Properties and equipment, net of depletion/depreciation	85.0	86.5
Funds - Properties and equipment, net of depletion/depreciation	133.6	136.3
Other assets	0.6	0.9
Total assets	<u>225.7</u>	<u>230.4</u>
Liabilities & Equity		
Current liabilities (excl. current portion of long-term debt)	6.0	5.3
POPE - Total debt (current and long-term)	31.9	34.8
Funds - Total debt (current and long-term)	11.1	11.1
Other liabilities	13.8	2.2
Total liabilities	<u>62.8</u>	<u>53.2</u>
Capital	64.4	75.8
Noncontrolling interests	98.5	101.4
Total liabilities & partners' capital	<u>225.7</u>	<u>230.4</u>

Pope Resources Financial Metrics (2002-2012 Q2)

(All amounts in \$ millions, except per unit data, and as reported externally)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	YTD Q2 <u>2012</u>
Revenues:											
Fee Timber	23.3	22.9	33.5	44.4	35.3	35.5	23.6	14.9	27.7	52.7	26.0
Timberland Management & Consulting	7.3	2.4	1.6	7.8	3.7	1.4	0.9	0.6	0.0	-	-
Real Estate	1.6	1.7	4.5	4.8	27.3	15.0	3.7	5.0	3.5	4.5	0.6
Total Revenues	32.2	27.0	39.6	57.0	66.3	51.9	28.2	20.5	31.2	57.3	26.6
Net Income/(Loss) Attributable to Unitholders	3.3	3.5	10.2	13.7	24.9	15.5	1.2	(0.3)	2.0	8.8	(8.1)
Net Income/(Loss) per Unit	\$0.74	\$0.78	\$2.22	\$2.88	\$5.22	\$3.22	\$0.23	(\$0.07)	\$0.43	\$1.94	(\$1.87)
Adjusted EBITDDA ⁽¹⁾	9.5	10.3	19.1	29.2	40.6	24.1	7.6	2.8	7.6	23.6	(1.7)
Operating Cash Flow	8.9	8.0	16.5	24.0	33.1	12.1	4.0	0.7	9.0	21.7	8.7
Adjusted Cash Available for Distribution ⁽²⁾	4.8	4.6	12.6	20.3	29.9	8.1	(0.8)	(0.2)	7.7	14.4	6.8
Timberland Harvest (MMBF)	45.1	45.0	60.3	74.2	54.5	55.1	37.7	32.5	53.0	90.2	49.1
Unitholder Distributions per Unit	\$0.10	\$0.24	\$0.44	\$0.80	\$1.06	\$1.36	\$1.60	\$0.70	\$0.70	\$1.20	\$0.80
Unit Trading Prices:											
High	\$15.50	\$15.99	\$25.25	\$56.85	\$36.00	\$50.01	\$43.81	\$28.98	\$38.61	\$50.29	\$60.39
Low	\$9.30	\$7.00	\$15.00	\$19.35	\$30.00	\$34.25	\$15.00	\$15.61	\$23.32	\$35.02	\$41.19

(1) Adjusted EBITDDA defined as earnings before interest, taxes, depreciation, depletion, amortization and the non-cash cost basis of land sold.

(2) Adjusted 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) less required debt service plus financed debt extinguishment costs. Includes only 20% of Timber Funds' cash from operations.

Reconciliation of Non-GAAP Measures (\$millions)

	Adjusted EBITDDA										YTD Q2
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Net income (loss)	3.3	3.5	10.2	14.0	24.8	15.1	0.1	(1.2)	0.8	8.9	(8.1)
Adjust for:											
Depreciation, depletion & amortization	3.9	3.5	5.8	11.3	7.0	5.5	4.7	2.8	5.8	12.6	5.5
Net interest expense (income)	2.9	2.8	3.0	2.5	0.6	(0.3)	0.2	1.0	1.1	1.7	0.8
Income tax expense (benefit)	(0.8)	0.2	0.0	1.0	0.4	(0.1)	(0.1)	0.0	(0.3)	0.2	0.1
Non-cash cost of land sold	0.2	0.2	0.2	0.4	7.7	3.9	2.6	0.1	0.1	0.1	0.0
Adjusted EBITDDA	9.5	10.3	19.1	29.2	40.6	24.1	7.6	2.8	7.6	23.6	(1.7)

	Adjusted Cash Available for Distribution (ACAD)										YTD Q2
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Cash provided (used) by operations	8.9	8.0	16.5	24.0	33.1	12.1	4.0	0.7	9.0	21.7	8.7
Adjust for:											
Noncontrolling interest in Timber Funds					0.1	(0.5)	(1.9)	0.5	(0.6)	(5.9)	(1.3)
Maintenance capital expenditures	(2.1)	(1.4)	(1.9)	(1.8)	(1.7)	(2.0)	(1.5)	(1.1)	(0.9)	(1.4)	(0.5)
Required principal payments	(2.0)	(2.0)	(2.0)	(1.9)	(1.7)	(1.5)	(1.3)	(1.4)	(1.0)	(0.0)	(0.0)
Financed debt extinguishment costs								1.1	1.3		
Adjusted Cash Available for Distribution	4.8	4.6	12.6	20.3	29.9	8.1	(0.8)	(0.2)	7.7	14.4	6.8
Distribution	0.5	1.1	2.0	3.7	5.0	6.4	7.4	3.2	3.2	5.3	3.5
Distribution as a % of positive ACAD	9%	23%	16%	18%	17%	80%	N/A	N/A	42%	37%	52%

Reconciliation of Non-GAAP Measures (\$millions)

Adjusted EBITDDA by Segment

	2007	2008	2009	2010	2011	YTD Q2 2012
Fee Timber						
Operating income - internal	\$14.5	\$5.9	\$2.9	\$8.4	\$14.9	\$7.7
Depletion	4.8	3.4	2.0	5.2	11.8	5.1
Depreciation and amortization	0.3	0.3	0.4	0.2	0.3	0.1
Cost of land sold		2.2		0.1		
Adjusted EBITDDA - Fee Timber	\$19.6	\$11.9	\$5.4	\$13.8	\$26.9	\$13.0
Timberland Management & Consulting						
Operating income (loss) - internal	(\$0.2)	\$0.1	\$0.4	\$0.1	\$0.4	\$0.0
Depreciation and amortization	0.1	0.1	0.0	\$0.0	\$0.0	\$0.0
Adjusted EBITDDA - TM&C	(\$0.1)	\$0.2	\$0.4	\$0.1	\$0.4	\$0.0
Real Estate						
Operating income (loss) - internal	\$5.2	(\$1.4)	\$1.7	(\$0.8)	(\$0.3)	(\$13.7)
Depletion		0.5			\$0.2	\$0.0
Depreciation and amortization	0.2	0.2	0.2	\$0.2	\$0.3	\$0.1
Cost of land sold	3.9	0.4	0.1		\$0.1	\$0.0
Adjusted EBITDDA - Real Estate	\$9.2	(\$0.3)	\$2.0	(\$0.5)	\$0.2	(\$13.5)

Accounting for Timber Fund Business

- ORM earns timberland and asset management fees from the Funds
- POPE's "controlling" role as GP or managing member of the Funds triggers requirement to consolidate Funds into POPE financials
- Consolidation results in elimination of all fees paid by the Funds to POPE
- TM&C segment results included non-Fund, third-party management fees up until mid-2009

(In \$millions)

	2007	2008	2009	2010	2011	YTD Q2 2012
Timber Fund acres under management at end of period (000's)	24	24	36	61	61	61
Management fees paid by Funds	0.9	0.9	0.9	1.5	2.4	1.1
Less: POPE's 20% share of Fund management fees	(0.2)	(0.2)	(0.2)	(0.3)	(0.5)	(0.2)
Net management fee revenue	0.7	0.7	0.7	1.2	1.9	0.9
Externally reported TM&C segment operating income (loss)	(0.9)	(0.5)	(0.4)	(1.3)	(1.5)	(0.8)
Addback of eliminated management fees ⁽¹⁾	0.9	0.7	0.7	1.3	1.9	0.8
TM&C segment operating income (internal reporting)	(0.0)	0.1	0.4	0.1	0.4	0.0
Impact of Funds on POPE cash flow						
Fees	0.9	0.9	0.9	1.5	2.4	1.1
Distributions	0.1	0.2	-	0.2	1.7	0.5
Total	1.0	1.1	0.9	1.7	4.1	1.6

(1) Eliminated for external reporting in consolidation

Look-through Balance Sheet: Breaking out Funds

(in \$millions)

June 30, 2012

Assets	June 30, 2012			Compare to:	
	Partnership	Look-Thru Funds	Look-Thru Bal Sht	Consol Bal Sht	YE 2011
Cash & cash equivalents	0.2	0.3	0.5	1.9	2.7
Other current assets	3.5	0.2	3.7	4.6	4.1
Timber & roads, net	34.9	23.0	57.9	149.8	154.2
Timberlands	15.4	3.7	19.1	34.1	34.1
Land held for development	28.9	-	28.9	28.9	28.4
Buildings & equipment, net	5.8	-	5.8	5.8	6.0
Other assets	0.5	0.0	0.5	0.6	0.9
Total assets	89.2	27.2	116.4	225.7	230.4
Liabilities & Equity					
Current liabilities (excl. current portion of long-term debt)	4.3	0.3	4.6	6.0	5.3
Total debt (current and long-term)	31.9	2.2	34.1	43.0	45.8
Other liabilities	13.8	-	13.8	13.8	2.2
Total liabilities	50.0	2.5	52.5	62.8	53.2
Partners' capital	39.2	24.7	63.9	64.4	75.8
Noncontrolling interests	-	-	-	98.5	101.4
Total liabilities & partners' capital	89.2	27.2	116.4	225.7	230.4

Look-through EBITDDA: Breaking out Funds

(in \$millions)

	2011				
	Partnership	Funds	Combined As Reported	Reverse: 80% of Funds *	Look-Thru Inc Stmt
Net income	8.7	0.3	8.9	(0.2)	8.7
Adjustments to calculate EBITDDA:					
Depletion	3.3	8.6	11.9	(6.9)	5.0
Depreciation/amortization	0.7	0.0	0.7	(0.0)	0.7
Net interest expense	1.1	0.5	1.7	(0.4)	1.3
Income tax expense (benefit)	0.1	0.2	0.2	(0.1)	0.1
Cost basis of land and timber sold	0.1	-	0.1	-	0.1
Adjusted EBITDDA	14.0	9.5	23.6	(7.6)	15.9
	YTD Q2 2012				
	Partnership	Funds	Combined As Reported	Reverse: 80% of Funds *	Look-Thru Inc Stmt
Net income	(7.9)	(1.1)	(9.0)	0.9	(8.1)
Adjustments to calculate EBITDDA:					
Depletion	2.1	3.1	5.1	(2.5)	2.7
Depreciation/amortization	0.3	0.0	0.3	(0.0)	0.3
Net interest expense	0.5	0.3	0.8	(0.2)	0.6
Income tax expense (benefit)	0.1	0.0	0.1	(0.0)	0.1
Cost basis of land and timber sold	-	-	-	-	-
Adjusted EBITDDA	(4.9)	2.3	(2.6)	(1.8)	(4.4)

* 95% reversal for Fund III amounts