FORWARD-LOOKING STATEMENTS AND NON-GAAP FINANCIAL MEASURES

This presentation contains statements that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, without limitation, with respect to future prospects, business strategies, revenues, earnings, cash flow, taxes, funds available for distribution, pricing, production, supply, dividend levels, share repurchases, business priorities, performance, cost reductions, operational excellence initiatives, demand drivers and levels, margins, growth, housing markets, capital structure, credit ratings, capital expenditures, cash position, debt levels, and harvests and export markets. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. We may use words such as “anticipate,” “believe,” “could,” “forecast,” “estimate,” “outlook,” “goal,” “will,” “plan,” “expect,” “target,” “plan,” “would” and similar terms and phrases, or we may refer to assumptions, goals or targets, to identify forward-looking statements. Forward-looking statements are made based on management’s current expectations and assumptions concerning future events. These are inherently subject to uncertainties and factors relating to our operations and business environment that are difficult to predict and often beyond the company’s control. Many factors could cause actual results to differ materially from those expressed or implied in these forward-looking statements, including, without limitation, our ability to successfully execute our performance plans, including cost reductions and other operational excellence initiatives, the effect of general economic conditions, including employment rates, housing starts, interest rate levels, availability of financing for home mortgages, strength of the U.S. dollar, market demand for our products, which is related to the strength of the various U.S. business segments and U.S. and international economic conditions, domestic and foreign competition, raw material prices, energy prices, the effect of weather, the risk of loss from fires, floods, windstorms, hurricanes, pest infestation and other natural disasters, transportation availability and costs, federal tax policies, the effect of forestry, land use, environmental and other governmental regulations, legal proceedings, performance of pension fund investments and related derivatives, the effect of timing of retirements and changes in market price of our common stock on charges for share-based compensation, changes in accounting principles, and the other risk factors described in filings we make with the SEC, including in our annual report on Form 10-K for the year ended December 31, 2014. There is no guarantee that any of the anticipated events or results will occur or, if they occur, what effect they will have on the company’s operations or financial condition. The forward-looking statements contained herein apply only as of the date of this presentation and we do not undertake any obligation to update these forward-looking statements. Nothing on our website is included or incorporated by reference herein.

Included in this presentation are certain non-GAAP financial measures which management believes complement the financial information presented in accordance with U.S. generally accepted accounting principles. Management believes such measures may be useful to investors. Our non-GAAP financial measures may not be comparable to similarly titled captions of other companies due to potential inconsistencies in the metrics of calculation. For a reconciliation of non-GAAP measures to GAAP measures see the appendices to this presentation.
DRIVING VALUE FOR SHAREHOLDERS

- Portfolio: Focused Forest Products Company
- Performance: Operational Excellence
- Capital Allocation
FOCUSED FOREST PRODUCTS COMPANY
Supporting a growing and sustainable dividend

TIMBERLANDS
- Strong, productive asset base

COMPLEMENTARY MANUFACTURING OPERATIONS
- Wood Products: Strong upside from US housing
- Cellulose Fibers: Strong cash flow and growing demand from global markets

*Unallocated items not included. See appendix for reconciliation to GAAP amounts.
PERFORMANCE
PERFORMANCE: Achieved 2014 Targets

- Timberlands
  $25 million ✓

- Lumber
  $25 million ✓

- OSB
  $10 million ✓

- ELP Turnaround
  $34 million ✓

- Distribution Turnaround
  $35 million ✓

- Cellulose Fibers
  $28 million ✓

- Longview Timber Synergies
  $29 million ✓

- SG&A Reductions
  $75 million run rate ✓

Focused on Operational Excellence
TIMBERLANDS: OPX Performance

OPERATIONAL EXCELLENCE

EBITDA

2015 INITIATIVES

- Log marketing and merchandising
- Cost efficiencies: harvesting, transportation, silviculture
- Non-timber revenue
TIMBERLANDS: Current Relative Performance

**EBITDA* / ACRE OWNED**

**U.S. WEST**
Maintaining Top Position

**U.S. SOUTH**
Maintaining Top Position

Source for competitor data: public SEC filings, National Council of Real Estate Investment Fiduciaries (NCREIF).

*See appendix for reconciliation to GAAP amounts.

**Data for Rayonier as restated during 2014. 2011 data unavailable.

***Pope Resources results exclude significant land sales in 2014 Q3 and Q4. Including these sales, 2014 EBITDA/acre = $263MM.

****WY results include Longview Timber beginning in 2014.

*****Deltic results reflect 2014 Q3 LTM, as results for 2014 Q4 were not available at time of publication.
LUMBER: OPX Performance

OPERATIONAL EXCELLENCE*
Controllable Manufacturing Cost

2015 INITIATIVES

- Labor productivity
- Process efficiency
- Reliability
- Capital execution

*Benchmark is mill Best in Class. Mfg cost = Cost Net of Logs, excluding depreciation and inflation.
LUMBER: Current Relative Performance

EBITDA MARGIN*
Closing the Gap to Take Top Position

Source for competitor data: public SEC filings
*See appendix for reconciliation to GAAP amounts.
OSB: OPX Performance

2015 INITIATIVES
- Reliability
- Automation
- Enhanced product mix
- Transportation

OPERATIONAL EXCELLENCE*

Improve Reliability & Controllable Cost

% Reliability

2013 Base | 2014 | 2015 | Benchmark

Improve Product Mix

% Value Added Product

2013 Base | 2014 | 2015 | Goal

*Reliability benchmark is mill Best in Class. 2013 Base = Q3 2013 YTD.
OSB: Current Relative Performance

EBITDA MARGIN*
Highly competitive results

Source for competitor data: public SEC filings
*See appendix for reconciliation to GAAP amounts.
**Results for Ainsworth reflect 2014 Q3 LTM, as results for 2014 Q4 were not available at time of publication.
ELP: Turnaround Performance

2015 INITIATIVES

- Reliability
- Veneer recovery
- Supply chain performance

$34 MM improvement vs. 2013
$15-20 MM

Continue EBITDA Improvement*

*See appendix for reconciliation to GAAP amounts.
ELP: Current Relative Performance

EBITDA MARGIN*
Significantly Improved Competitive Position

Source for competitor data: public SEC filings
*See appendix for reconciliation to GAAP amounts.
DISTRIBUTION: Turnaround Performance

2015 INITIATIVES

- Warehouse efficiency
- Delivery cost
- Growth in excess of market

DISTRIBUTION TURNAROUND

Continue EBITDA Improvement*  

$35 MM improvement vs. 2013

$20-30 MM

2013  2014  2015

$ millions

(50)  0  50

*See appendix for reconciliation to GAAP amounts.
DISTRIBUTION: Current Relative Performance

EBITDA MARGIN*
Closing the Gap

Source for competitor data: public SEC filings
*See appendix for reconciliation to GAAP amounts.
CELLULOSE FIBERS: OPX Performance

OPERATIONAL EXCELLENCE
Reduce Controllable Cost*

2015 INITIATIVES
- Energy cost
- Reliability: predictive, preventive maintenance
- Liquid packaging board cost and quality

*Cost of Goods Sold, excluding inflation.
CELLULOSE FIBERS: Current Relative Performance

EBITDA MARGIN*
Narrowing the Gap to Take Top Position

Source for competitor data: public SEC filings
*See appendix for reconciliation to GAAP amounts.
Improving US housing market
- Anticipate over 1.1 million starts in 2015
- Accelerating single-family recovery

Significant upside for US logs and wood products
- Domestic demand rises as housing strengthens
- Continued export demand
- Canadian timber supply shortage

Growing global demand for fluff products driven primarily by emerging countries
CAPITAL ALLOCATION
CAPITAL ALLOCATION

PRIORITIES

- Return cash to shareholders
- Invest in our businesses
- Maintain appropriate capital structure
RETURNING CASH TO SHAREHOLDERS: Sustainable and Growing Dividend

- **QUARTERLY DIVIDEND**
  - Up 93% since 2011
  - Increased by 32% to $0.29 per common share effective 2014 Q3

- **PAYOUT GUIDELINE**
  - 75% of Funds Available for Distribution (FAD) over the cycle*

*Funds Available for Distribution: cash flow before major acquisitions and dispositions and financing activities including dividends
RETURNING CASH TO SHAREHOLDERS: Share Repurchase

- $700 million program authorized August 2014

- Completed 30% of authorization within 5 months
  - Share count reduced by approximately 6 million

SHARE REPURCHASE
$700 MILLION APPROVED

$203 MILLION
REPURCHASED AUG-DEC 2014
INVESTING IN OUR BUSINESSES

- Disciplined capital investment
  - Focus: reduce cost structure and improve EBITDA
  - 2015 CapEx approximating DD&A ($480-500 million)

- Opportunistic growth through acquisition
  - Targeted, value-creating opportunities

Responsible stewards of capital
MAINTAIN APPROPRIATE CAPITAL STRUCTURE

- Liquidity

- Long-term debt of approximately $4.9 billion*

- Investment grade rating

*Amount as of 2014 Q4.
SUMMARY

- Focused forest products company
- Improving performance
- Delivering on priorities for capital allocation
APPENDIX
TIMBERLANDS: Ownership

- **PACIFIC NORTHWEST**
  - Largest timberland holder in region
  - 2.6 million acres west of Cascade mountains
  - Douglas fir domestic and export value

- **U.S. SOUTH**
  - More than four million acres
  - Primarily Southern yellow pine

- **URUGUAY**
  - More than 300,000 acres
  - Loblolly pine and eucalyptus
LUMBER BUSINESS

Lumber mills – 18
Douglas Fir
Hem-fir
Spruce-Pine-Fir
Southern Yellow Pine

Production Capacity
4.6 billion board feet
OSB, ENGINEERED LUMBER & DISTRIBUTION

- OSB mills — 6
- Production Capacity
  3.0 billion square feet
- ELP Mills — 6
- Veneer/Plywood Supply Facilities — 3
- Distribution Centers — 21
CELLULOSE FIBERS BUSINESS

- **Pulp Mills** — 5
  - Capacity: 1.8 million metric tons
- **Converting Facilities** — 2
- **Liquid Packaging Board** — 1
  - Capacity: 315,000 metric tons

GDANSK, POLAND
## 2014 EBITDA RECONCILIATION: By Segment

<table>
<thead>
<tr>
<th>$ Millions</th>
<th>2014</th>
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<td>Timberlands</td>
<td>Lumber</td>
<td>OSB</td>
<td>ELP</td>
<td>Distribution</td>
<td>WP Other</td>
<td>Wood Products</td>
<td>Cellulose Fibers</td>
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<td>Total</td>
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<td>Adjusted EBITDA(^1)</td>
<td>$820</td>
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<td>$46</td>
<td>$79</td>
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<td>$2</td>
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<td>134</td>
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<td>Operating Income (GAAP)</td>
<td>$613</td>
<td>$278</td>
<td>$15</td>
<td>$38</td>
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<td>($4)</td>
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<td>$292</td>
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<td>(1)</td>
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<tr>
<td>Net Contribution to Earnings from Continuing Operations</td>
<td>$613</td>
<td>$278</td>
<td>$15</td>
<td>$38</td>
<td>($4)</td>
<td>($4)</td>
<td>$327</td>
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<td>$1,782</td>
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1. Adjusted EBITDA is a non-GAAP measure that management uses to evaluate the performance of the company. Adjusted EBITDA, as we define it, is operating income adjusted for depreciation, depletion, amortization, pension and postretirement costs not allocated to business segments (primarily interest cost, expected return on plan assets, amortization of actuarial loss and amortization of prior service cost / credit), special items and discontinued operations. Adjusted EBITDA should not be considered in isolation from and is not intended to represent an alternative to our GAAP results.
EBITDA RECONCILIATION: Timberlands

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<tr>
<th>$ Millions</th>
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<th>2012</th>
<th>2013</th>
<th>2014</th>
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<td>South</td>
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<td>262</td>
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<td>Other¹</td>
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<td>(8)</td>
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<td>Adjusted EBITDA²</td>
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<td>$460</td>
<td>$632</td>
<td>$820</td>
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<td>Depletion, Depreciation &amp; Amortization</td>
<td>(137)</td>
<td>(142)</td>
<td>(166)</td>
<td>(207)</td>
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<td>Special Items</td>
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<td>Operating Income (GAAP)</td>
<td>$487</td>
<td>$318</td>
<td>$466</td>
<td>$613</td>
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<tr>
<td>Loss Attributable to Non-Controlling Interest</td>
<td>--</td>
<td>1</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Net Contribution to Earnings</td>
<td>$491</td>
<td>$322</td>
<td>$470</td>
<td>$613</td>
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</tbody>
</table>

1. Results from Longview Timber are included with Western Timberlands for 2014. For 2013, results from Longview Timber are included in Other due to acquisition in July 2013.

2. Adjusted EBITDA is a non-GAAP measure that management uses to evaluate the performance of the company. Adjusted EBITDA, as we define it, is operating income adjusted for depreciation, depletion, amortization, pension and postretirement costs not allocated to business segments (primarily interest cost, expected return on plan assets, amortization of actuarial loss and amortization of prior service cost / credit), special items and discontinued operations. Adjusted EBITDA should not be considered in isolation from and is not intended to represent an alternative to our GAAP results.
## 2013 EBITDA RECONCILIATION: By Segment

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<tr>
<th>$ Millions</th>
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<tbody>
<tr>
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<td>Timberlands</td>
<td>Lumber</td>
<td>OSB</td>
<td>ELP</td>
<td>Distribution</td>
<td>WP Other</td>
<td>Wood Products</td>
<td>Cellulose Fibers</td>
<td>Unallocated Items</td>
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<tr>
<td>Adjusted EBITDA&lt;sup&gt;1&lt;/sup&gt;</td>
<td>$632</td>
<td>$317</td>
<td>$247</td>
<td>$45</td>
<td>($33)</td>
<td>($2)</td>
<td>$574</td>
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<td>($61)</td>
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<tr>
<td>Depletion, Depreciation &amp; Amortization</td>
<td>(166)</td>
<td>(40)</td>
<td>(31)</td>
<td>(46)</td>
<td>(5)</td>
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<td>(123)</td>
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<td>Non-Operating Pension &amp; Postretirement (Costs) Credits</td>
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<td>(10)</td>
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<td>(356)</td>
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<tr>
<td>Operating Income (GAAP)</td>
<td>$466</td>
<td>$277</td>
<td>$216</td>
<td>($11)</td>
<td>($38)</td>
<td>($3)</td>
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<td>3</td>
<td>48</td>
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<tr>
<td>Net Contribution to Earnings from Continuing Operations</td>
<td>$470</td>
<td>$277</td>
<td>$216</td>
<td>($11)</td>
<td>($38)</td>
<td>($3)</td>
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<td>Net Earnings to Common Shareholders (GAAP)</td>
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</tbody>
</table>

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2012 EBITDA RECONCILIATION: By Segment

<table>
<thead>
<tr>
<th>$ Millions</th>
<th>2012</th>
<th>Timberlands</th>
<th>Lumber</th>
<th>OSB</th>
<th>ELP</th>
<th>Distribution</th>
<th>WP Other</th>
<th>Wood Products</th>
<th>Cellulose Fibers</th>
<th>Unallocated Items</th>
<th>Total</th>
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<tbody>
<tr>
<td>Adjusted EBITDA¹</td>
<td></td>
<td>$460</td>
<td>$130</td>
<td>$143</td>
<td>$17</td>
<td>(29)</td>
<td>(15)</td>
<td>$246</td>
<td>$368</td>
<td>(78)</td>
<td>$996</td>
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<tr>
<td>Depletion, Depreciation &amp; Amortization</td>
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<td>(34)</td>
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</tr>
<tr>
<td><strong>Net Contribution to Earnings from Continuing Operations</strong></td>
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<td>$322</td>
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<td>$112</td>
<td>(34)</td>
<td>(34)</td>
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<td>$667</td>
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<td>(344)</td>
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<tr>
<td>Income Taxes</td>
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<tr>
<td>Earnings from Discontinued Operations, Net of Income Tax</td>
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<td></td>
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<td>72</td>
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<tr>
<td><strong>Net Earnings to Common Shareholders (GAAP)</strong></td>
<td>$385</td>
<td>$385</td>
<td>$385</td>
<td>$385</td>
<td>$385</td>
<td>$385</td>
<td>$385</td>
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</tbody>
</table>

1. Adjusted EBITDA is a non-GAAP measure that management uses to evaluate the performance of the company. Adjusted EBITDA, as we define it, is operating income adjusted for depreciation, depletion, amortization, pension and postretirement costs not allocated to business segments (primarily interest cost, expected return on plan assets, amortization of actuarial loss and amortization of prior service cost / credit), special items and discontinued operations. Adjusted EBITDA should not be considered in isolation from and is not intended to represent an alternative to our GAAP results.
<table>
<thead>
<tr>
<th>$ Millions</th>
<th>2011</th>
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<tbody>
<tr>
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<td>Timberlands</td>
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<tr>
<td>Adjusted EBITDA¹</td>
<td>$472</td>
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<tr>
<td>Depletion, Depreciation &amp; Amortization</td>
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<td>Non-Operating Pension &amp; Postretirement (Costs) Credits</td>
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<td>Special Items</td>
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<td>Operating Income (GAAP)</td>
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<td>Interest Income and Other</td>
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<tr>
<td>Net Contribution to Earnings from Continuing Operations</td>
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<td>Interest Expense, Net</td>
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<td>Income Taxes</td>
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<tr>
<td>Earnings from Discontinued Operations, Net of Income Tax</td>
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</tr>
<tr>
<td>Net Earnings to Common Shareholders (GAAP)</td>
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</tr>
</tbody>
</table>

¹. Adjusted EBITDA is a non-GAAP measure that management uses to evaluate the performance of the company. Adjusted EBITDA, as we define it, is operating income adjusted for depreciation, depletion, amortization, pension and postretirement costs not allocated to business segments (primarily interest cost, expected return on plan assets, amortization of actuarial loss and amortization of prior service cost / credit), special items and discontinued operations. Adjusted EBITDA should not be considered in isolation from and is not intended to represent an alternative to our GAAP results.