



4Q 2015

Earnings Release

January 26, 2016

Michael J. Covey
Chairman and Chief Executive Officer

Eric J. Cremers
President and Chief Operating Officer

Jerald W. Richards
Vice President and Chief Financial Officer

www.potlatchcorp.com

Forward-Looking Statement & Non-GAAP Measures

FORWARD-LOOKING STATEMENTS

This presentation contains certain forward-looking statements within the meaning of the Private Litigation Reform Act of 1995 as amended, including without limitation, statements about our expectations regarding the company's financial performance in 2016; our outlook for future operating conditions in sawlog, pulpwood, lumber, plywood and real estate markets; expected 2016 housing starts; improvement of housing starts in 2016; demand and pricing for sawlogs, pulpwood, and lumber in the first quarter of 2016; expected lumber prices in 2016; expectations regarding the effect of strengthening of the US Dollar on lumber prices; expectations regarding a strong private timberland market; expected first quarter and full year 2016 harvest volumes in the North and South; expected pulpwood/sawlog mix in the North and South in the first quarter and full year of 2016; expected real estate sales in the first quarter and full year of 2016 and expected land basis; expected mix of HBU, rural recreational and nonstrategic land sales; expectation that Minnesota rural recreational real estate market will remain strong; expected earnings and cash flows in our Resource, Wood Products and Real Estate segments in the first quarter of 2016; expected quarterly corporate and interest expense in 2016; expected first quarter 2016 lumber shipments; expected earnings in first quarter and full year of 2016; the company's balance sheet; expected refinancing of debt; expected capital expenditures for 2016; liquidity, cash flows and dividend levels; expected consolidated tax rate in the first and second quarters and full year of 2016; and related matters. These forward-looking statements are based on current expectations, estimates, assumptions and projections that are subject to change, and actual results may differ materially from the forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, changes in timberland values; changes in timber harvest levels on our lands; changes in timber prices; changes in lumber and plywood prices; changes in policy regarding governmental timber sales; changes in the United States and international economies; currency fluctuations; changes in the level of construction, repair and remodel activity; changes in tariffs, quotas and trade agreements involving wood products; changes in demand for forest products; changes in production and production capacity in the forest products industry; competitive pricing pressures for our products; unanticipated manufacturing disruptions; changes in general and industry-specific environmental laws and regulations; unforeseen environmental liabilities or expenditures; weather conditions; fire and fire-related restrictions on harvesting; pest infestation; changes in raw material, diesel, other fuel and other costs; the ability to satisfy complex rules in order to remain qualified as a REIT; changes in tax laws that could reduce the benefits associated with REIT status; and other risks and uncertainties described from time to time in our public filings with the Securities and Exchange Commission. These forward-looking statements are made as of the date of this presentation and we do not undertake to update any forward-looking statements.

NON-GAAP MEASURES

This presentation presents non-U.S. GAAP financial information. A reconciliation of those numbers to U.S. GAAP is included in this presentation which is available on the company's website at www.potlatchcorp.com.

4Q 2015: Total Company Summary

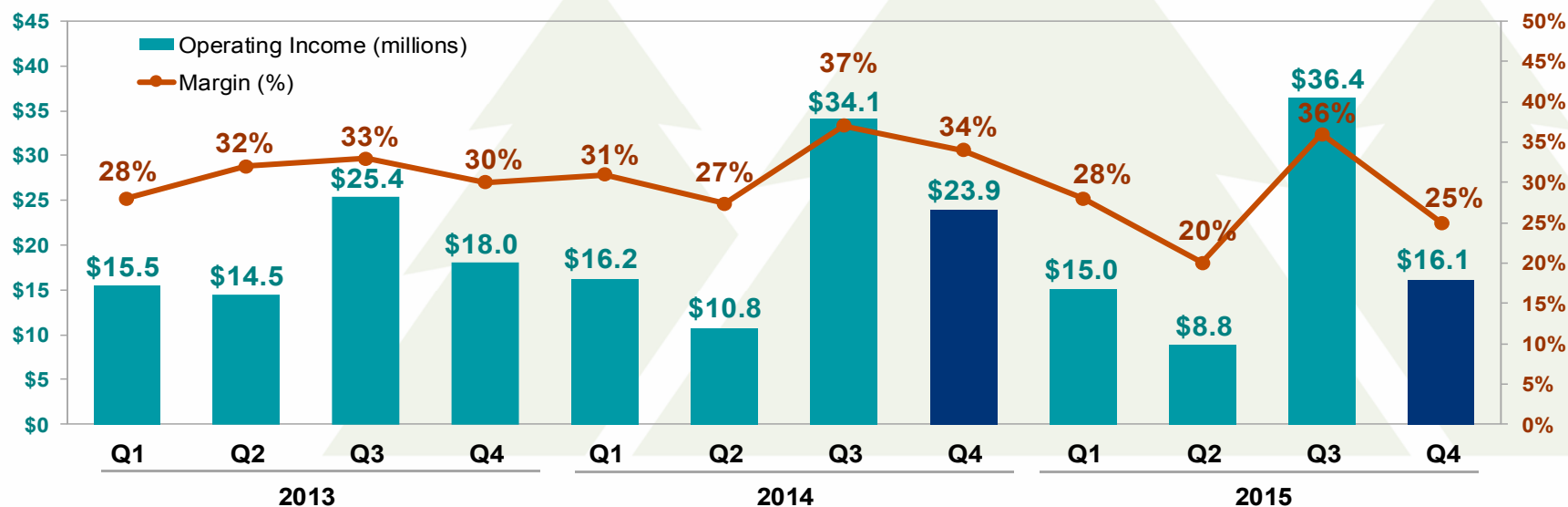
(unaudited, \$ in millions, except per share amounts)

	2014				2015				2014	2015
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
Operating income										
Resource	\$ 16.2	\$ 10.8	\$ 34.1	\$ 23.9	\$ 15.0	\$ 8.8	\$ 36.4	\$ 16.1	\$ 85.0	\$ 76.3
Wood Products	12.7	14.9	15.8	9.1	3.5	(2.0)	(5.4)	(1.3)	52.5	(5.2)
Real Estate	8.3	12.4	4.6	1.6	1.6	8.5	4.2	2.5	26.9	16.8
Eliminations and adjustments	0.8	0.8	(2.0)	0.2	3.0	0.6	(0.6)	0.3	(0.2)	3.3
Total operating income	38.0	38.9	52.5	34.8	23.1	15.9	34.6	17.6	164.2	91.2
Corporate	(6.7)	(9.2)	(7.6)	(8.2)	(9.0)	(8.6)	(6.9)	(7.8)	(31.7)	(32.3)
Interest expense, net	(5.5)	(5.5)	(5.5)	(6.4)	(8.1)	(8.0)	(8.3)	(8.4)	(22.9)	(32.8)
Income before taxes	25.8	24.2	39.4	20.2	6.0	(0.7)	19.4	1.4	109.6	26.1
Income tax provision	(5.5)	(7.9)	(6.2)	(0.1)	(0.3)	1.4	2.4	2.1	(19.7)	5.6
Net income	\$ 20.3	\$ 16.3	\$ 33.2	\$ 20.1	\$ 5.7	\$ 0.7	\$ 21.8	\$ 3.5	\$ 89.9	\$ 31.7
Diluted earnings per share	\$ 0.50	\$ 0.40	\$ 0.81	\$ 0.49	\$ 0.14	\$ 0.02	\$ 0.53	\$ 0.09	\$ 2.20	\$ 0.77
Distributions per share	\$ 0.35	\$ 0.35	\$ 0.35	\$ 0.375	\$ 0.375	\$ 0.375	\$ 0.375	\$ 0.375	\$ 1.425	\$ 1.50
EBITDDA⁽¹⁾	\$ 41.7	\$ 36.5	\$ 53.3	\$ 35.0	\$ 22.6	\$ 14.6	\$ 43.2	\$ 23.0	\$ 166.5	\$ 103.4

(1) Non-GAAP measure. See slide 15 for reconciliation.

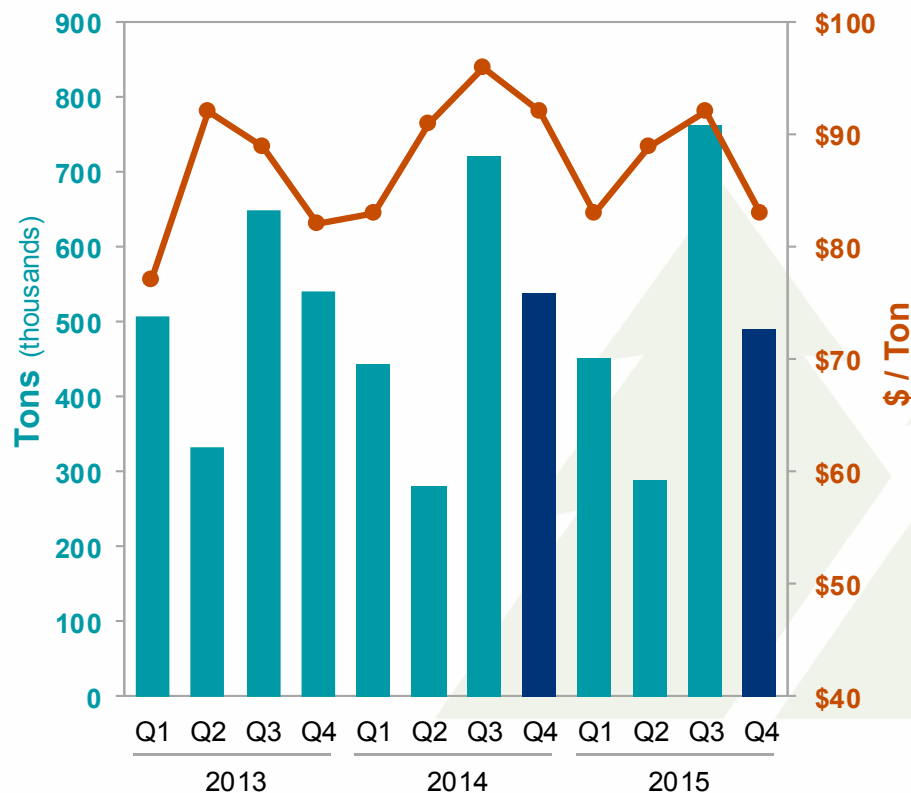
RESOURCE: Segment Summary

- Harvest volumes were seasonally lower in the North and the South
- Northern sawlog prices declined 10%, due to seasonally heavier logs and lower lumber prices
- Southern sawlog prices were down 11%, primarily the result of a seasonal decrease in hardwood logs in the mix

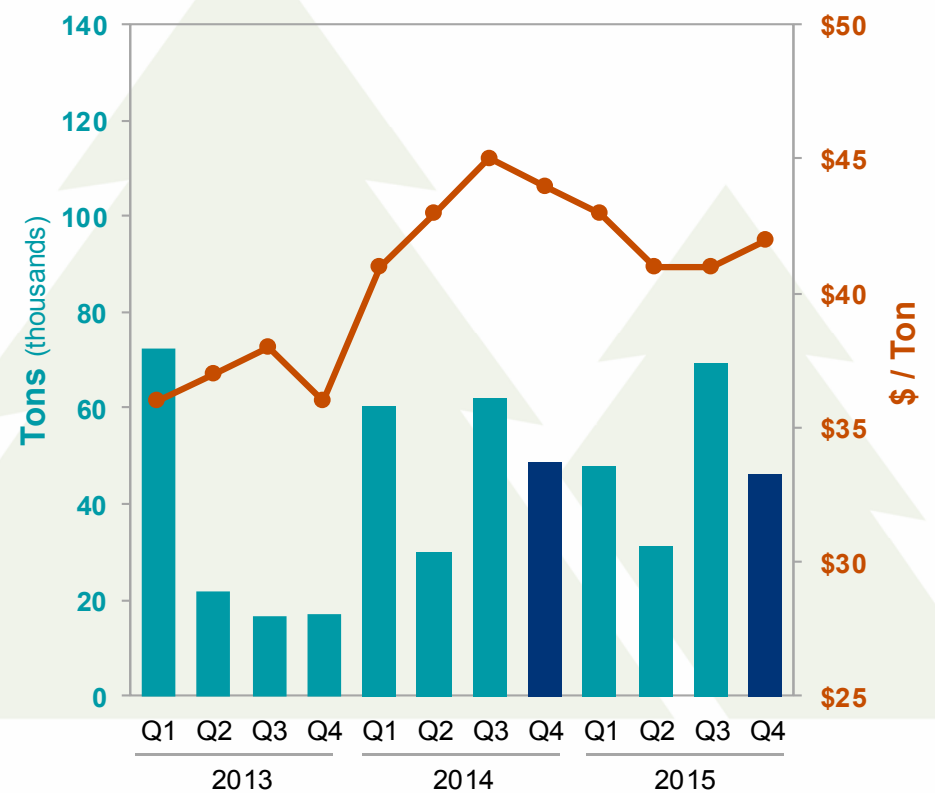


RESOURCE: Northern Region – Volume and Pricing

Sawlog



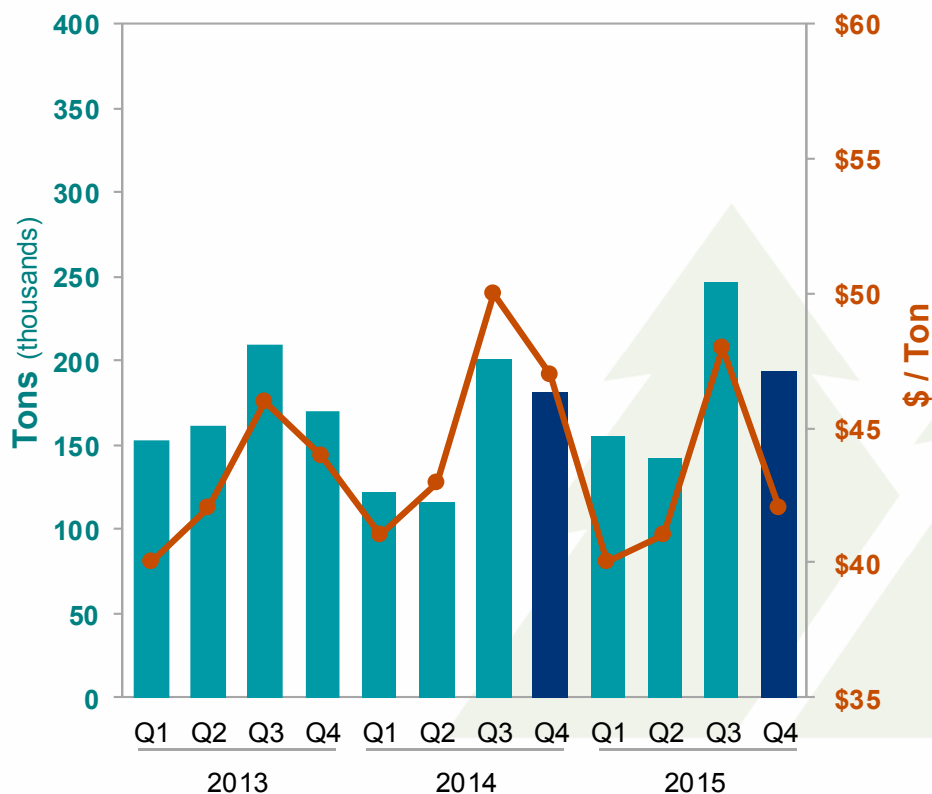
Pulpwood



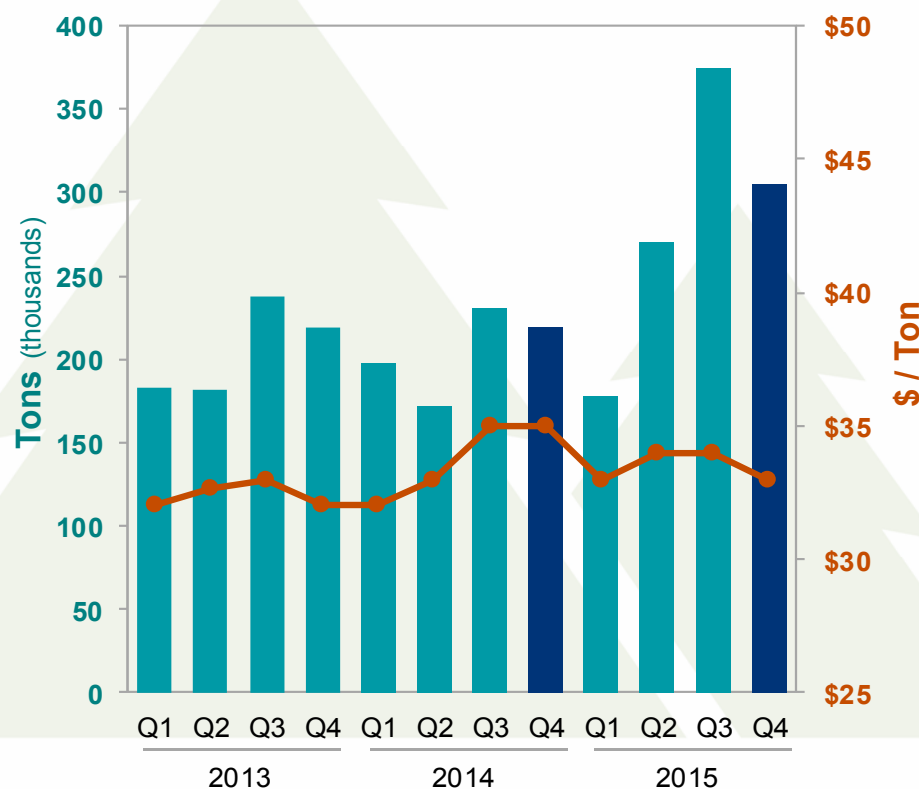
Note: Volumes include tonnage harvested from company-owned fee land, while pricing data includes revenue generated from both company-owned fee land and non-fee stumpage purchased from third parties.

RESOURCE: Southern Region – Volume and Pricing

Sawlog



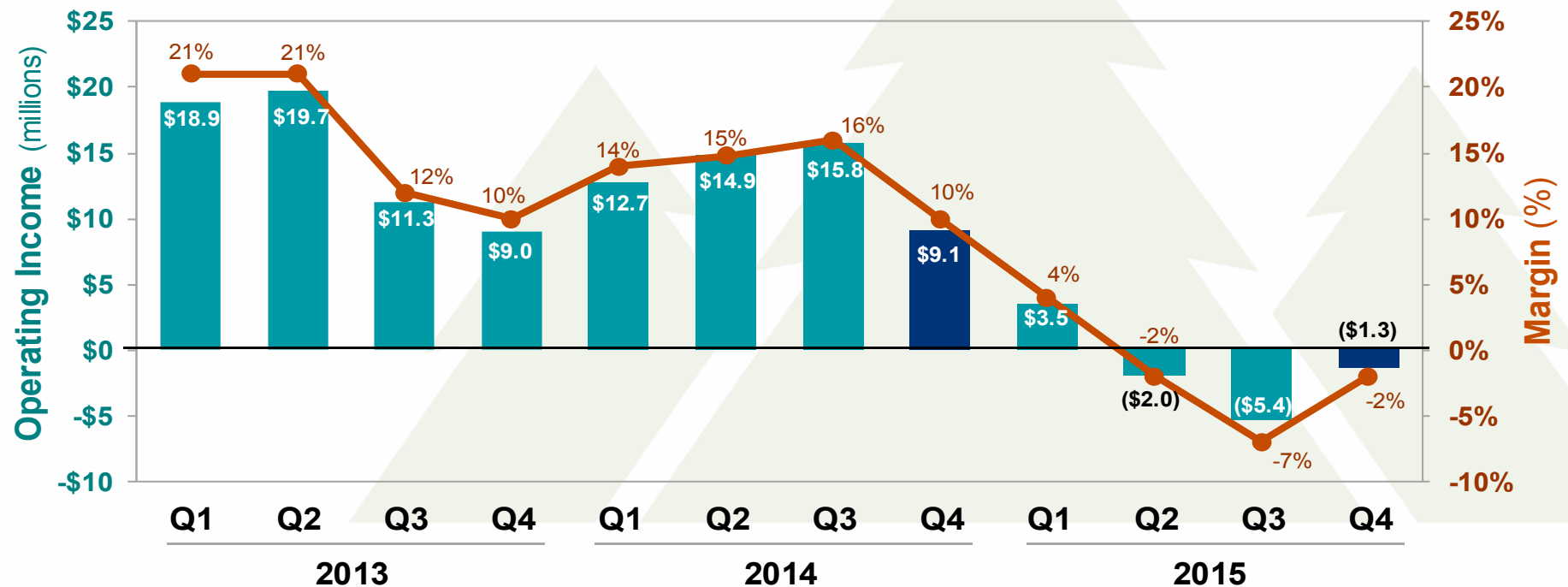
Pulpwood



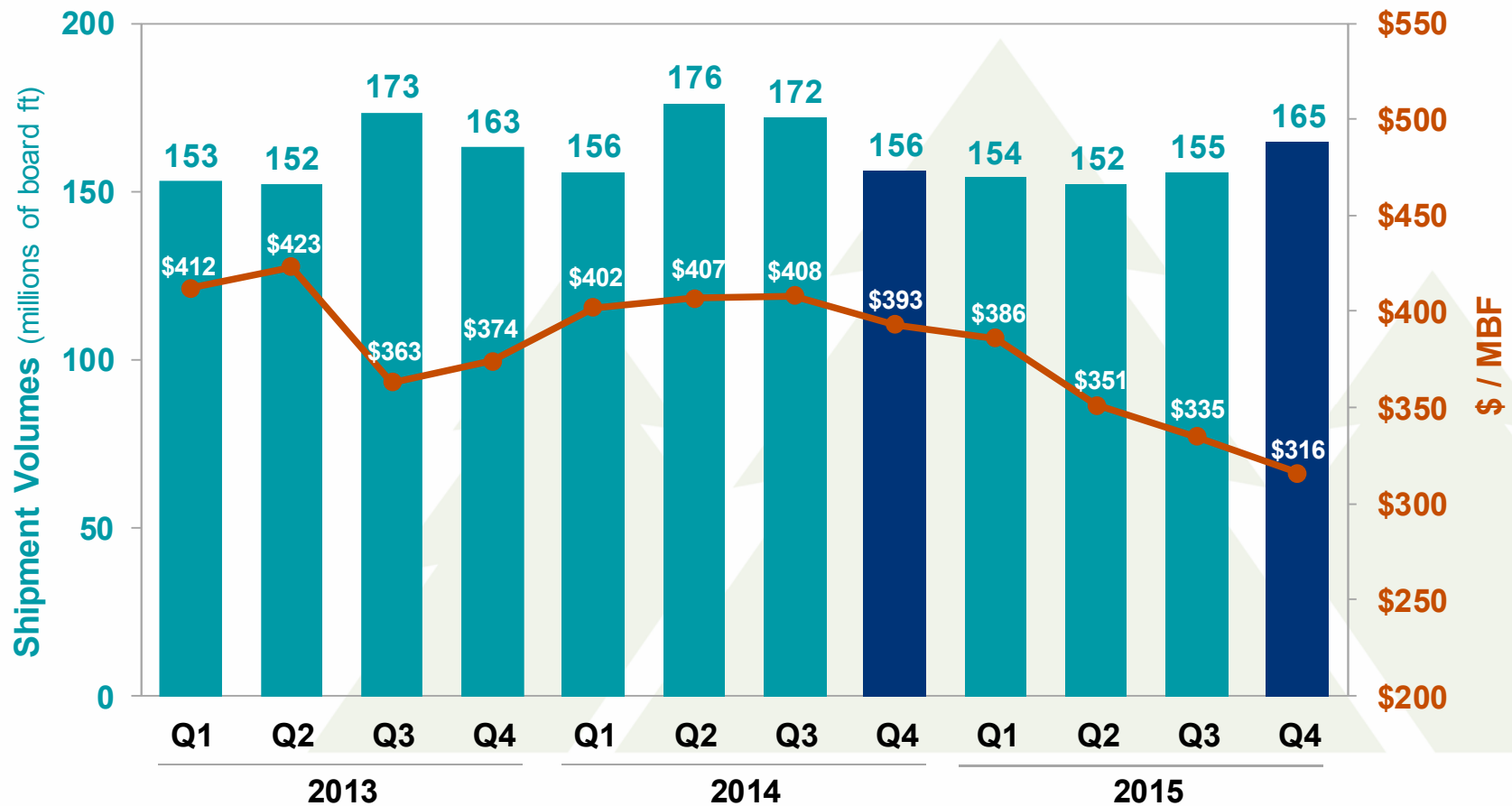
Note: Volumes include tonnage harvested from company-owned fee land, while pricing data includes revenue generated from both company-owned fee land and non-fee stumpage purchased from third parties.

WOOD PRODUCTS: Segment Summary

- Average lumber prices were 6% lower in Q4
- Lumber shipments increased 6% in Q4
- The last two of the four major 2015 capital projects were completed in Q3

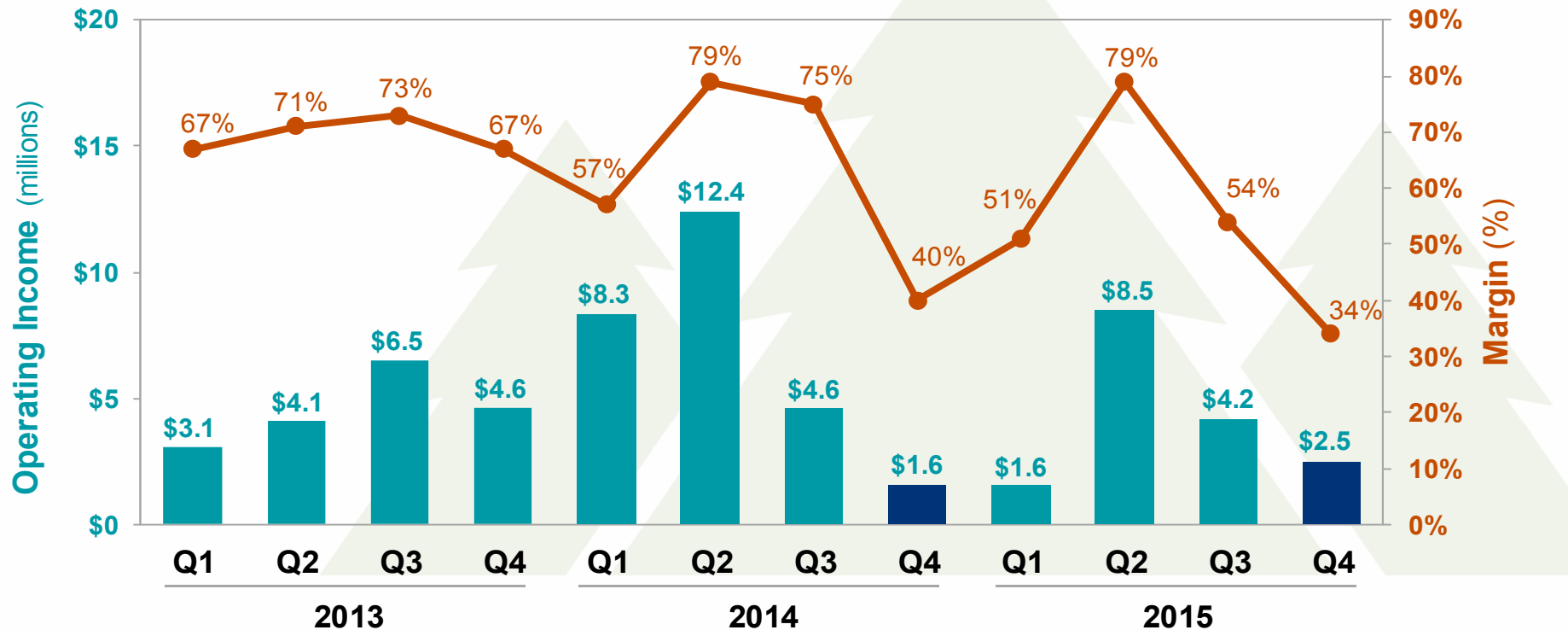


WOOD PRODUCTS: Lumber – Sales Prices and Shipments



REAL ESTATE: Segment Summary

- The Minnesota rural recreational real estate market remained strong
- Land basis increased in Q4 due to a higher proportion of recently acquired property in the sales mix



FINANCIAL HIGHLIGHTS

Amounts as of December 31, 2015:

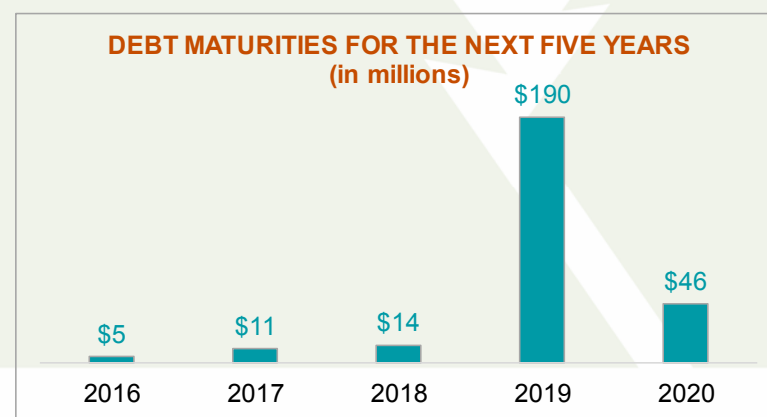
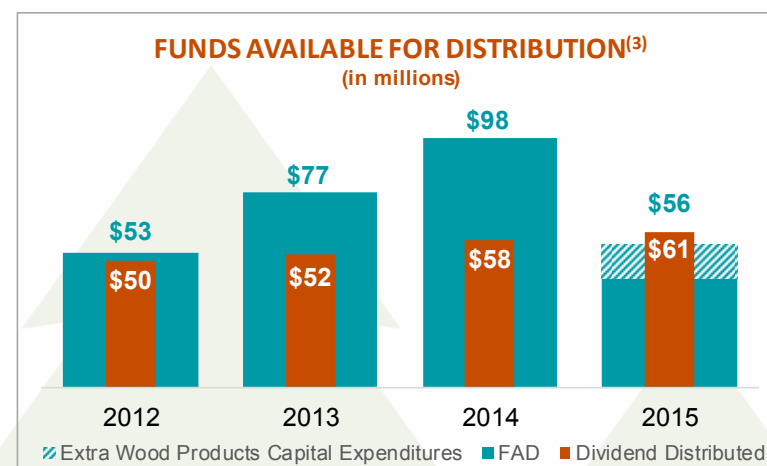
Unaudited, \$ in millions

Cash and short-term investments	\$ 7.9
Debt	\$ 633.9
Pension & other postretirement liability	\$ 119.4
Undrawn revolver	\$ 218.6
Net debt to enterprise value ⁽¹⁾	33.7%
Dividend yield ⁽²⁾	5.0%

⁽¹⁾ Net debt to enterprise value is a non-GAAP measure and is calculated as net debt divided by enterprise value. Net debt is calculated as long-term debt, revolving line of credit borrowings, less cash and short-term investments. Net debt (\$626) plus market capitalization (\$1,230) equals enterprise value. Market capitalization is as of December 31, 2015.

⁽²⁾ Based on the closing stock price of \$30.24 per share as of December 31, 2015.

⁽³⁾ FAD is a non-GAAP measure. See slide 17 for a reconciliation of FAD.



OUTLOOK

RESOURCE

- **Harvest 4.4 million tons for year, 850,000 – 875,000 tons Q1**
 - Slightly more than half of the volume in the North
 - Sawlogs \approx 45% of Southern volume and \approx 90% of Northern volume
- **Lower sawlog prices Q1**
 - Seasonally wetter logs in the North: price decline 5% – 10%
 - Seasonally lower mix of hardwood in the South: price decline \approx 10%

WOOD PRODUCTS

- **Expect to ship \approx 165 million board feet of lumber Q1**
- **Lumber prices up \approx 5% Q1**

REAL ESTATE

- **Sell 20,000 – 25,000 acres for year, \approx 3,000 acres Q1**
- **Land basis of 35% – 40% for year, low end of range Q1**

OTHER

- **Corporate expected to average \$9 million per quarter**
- **Interest expense expected to be a bit over \$8 million per quarter**
- **Consolidated tax rate of 10% – 15% for year, 35% Q1**
- **Capital expenditures planned to be \$19 million for 2016**



Appendix

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STATISTICS: Resource

(unaudited)

Fee Volumes (tons)	2014	2015				2014	2015
	Q4	Q1	Q2	Q3	Q4		
Northern Region							
Sawlog	538,738	451,548	287,979	762,813	490,625	1,982,113	1,992,965
Pulpwood	48,883	47,840	31,284	69,329	46,449	201,926	194,902
Stumpage	1,007	16,903	3,277	2,604	790	16,312	23,574
Total	588,628	516,291	322,540	834,746	537,864	2,200,351	2,211,441
Southern Region							
Sawlog	181,147	154,730	142,107	246,566	192,930	619,750	736,333
Pulpwood	218,808	177,345	270,518	375,097	304,601	817,408	1,127,561
Stumpage	14,776	39,961	53,176	137,094	90,941	21,798	321,172
Total	414,731	372,036	465,801	758,757	588,472	1,458,956	2,185,066
Total Fee Volume	1,003,359	888,327	788,341	1,593,503	1,126,336	3,659,307	4,396,507
Sales Price/Unit (\$ per ton)							
Northern Region							
Sawlog	\$ 92	\$ 83	\$ 89	\$ 92	\$ 83	\$ 91	\$ 87
Pulpwood	\$ 44	\$ 43	\$ 41	\$ 41	\$ 42	\$ 43	\$ 42
Stumpage	\$ 14	\$ 9	\$ 6	\$ 13	\$ 13	\$ 11	\$ 9
Southern Region							
Sawlog	\$ 47	\$ 40	\$ 41	\$ 48	\$ 42	\$ 46	\$ 43
Pulpwood	\$ 35	\$ 33	\$ 34	\$ 34	\$ 33	\$ 34	\$ 33
Stumpage	\$ 13	\$ 18	\$ 15	\$ 21	\$ 17	\$ 14	\$ 19

STATISTICS: Wood Products & Real Estate

(unaudited)

	2014				2015				2014	2015
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
Wood Products										
Lumber Shipments (MBF)	155,596	176,046	171,818	156,123	154,206	152,071	155,388	164,965	659,583	626,630
Lumber Sales Prices (\$ per MBF)	\$ 402	\$ 407	\$ 408	\$ 393	\$ 386	\$ 351	\$ 335	\$ 316	\$ 402	\$ 346
Real Estate										
Acres Sold										
HBU Development	68	1,424	1,876	416	243	514	1,750	2,092	3,784	4,599
Rural Real Estate	13,203	10,821	1,721	2,314	1,122	3,280	2,596	2,038	28,059	9,036
Non-Strategic Timberlands	228	838	202	292	788	346	189	430	1,560	1,753
	13,499	13,083	3,799	3,022	2,153	4,140	4,535	4,560	33,403	15,388
Revenues by Product Type (millions)										
HBU Development	\$ 0.2	\$ 2.9	\$ 3.9	\$ 1.1	\$ 0.9	\$ 5.9	\$ 4.2	\$ 4.4	\$ 8.1	\$ 15.4
Rural Real Estate	14.0	12.2	2.2	2.8	1.5	4.5	3.5	2.5	31.2	12.0
Non-Strategic Timberlands	0.2	0.7	0.1	0.2	0.7	0.3	0.2	0.4	1.2	1.6
	\$ 14.4	\$ 15.8	\$ 6.2	\$ 4.1	\$ 3.1	\$ 10.7	\$ 7.9	\$ 7.3	\$ 40.5	\$ 29.0
Sales Price per Acre										
HBU Development	\$ 2,783	\$ 2,025	\$ 2,096	\$ 2,529	\$ 3,587	\$ 11,467	\$ 2,420	\$ 2,086	\$ 2,129	\$ 3,340
Rural Real Estate	\$ 1,066	\$ 1,125	\$ 1,245	\$ 1,211	\$ 1,324	\$ 1,394	\$ 1,328	\$ 1,227	\$ 1,112	\$ 1,329
Non-Strategic Timberlands	\$ 793	\$ 807	\$ 610	\$ 808	\$ 903	\$ 813	\$ 770	\$ 1,021	\$ 779	\$ 900
Transactions by Product Type										
HBU Development	4	12	15	15	8	18	10	23	46	59
Rural Real Estate	20	25	25	28	20	43	41	29	98	133
Non-Strategic Timberlands	3	5	4	7	6	5	3	3	19	17
	27	42	44	50	34	66	54	55	163	209

EBITDDA RECONCILIATION

(unaudited, \$ in millions)

Unaudited, \$ in millions	2014				2015				2014	2015
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
GAAP net income	\$ 20.3	\$ 16.3	\$ 33.2	\$ 20.1	\$ 5.7	\$ 0.7	\$ 21.8	\$ 3.5	\$ 89.9	\$ 31.7
Interest expense, net ⁽¹⁾	5.5	5.5	5.5	6.4	8.1	8.0	8.3	8.4	22.9	32.8
Income tax provision	5.5	7.9	6.2	0.1	0.3	(1.4)	(2.4)	(2.1)	19.7	(5.6)
Depreciation, depletion & amortization	5.8	4.6	7.9	7.1	8.1	6.7	12.2	9.6	25.4	36.6
Basis of real estate sold	4.6	2.2	0.5	1.3	0.4	0.6	2.4	3.6	8.6	7.0
Non-cash eliminations	-	-	-	-	-	-	0.9	-	-	0.9
EBITDDA⁽²⁾	\$ 41.7	\$ 36.5	\$ 53.3	\$ 35.0	\$ 22.6	\$ 14.6	\$ 43.2	\$ 23.0	\$ 166.5	\$ 103.4

(1) Interest expense includes amortization of bond discounts and deferred loan fees.

(2) EBITDDA, as we define it, is net income adjusted for interest expense, provision for income taxes, depreciation, depletion and amortization, basis of real estate sold and non-cash asset impairment and eliminations.

EBITDDA RECONCILIATION: By Segment

(unaudited, \$ in millions)

Unaudited, \$ in millions	2014				2015				2014	2015
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
Resource										
Operating Income	\$ 16.2	\$ 10.8	\$ 34.1	\$ 23.9	\$ 15.0	\$ 8.8	\$ 36.4	\$ 16.1	\$ 85.0	\$ 76.3
Depreciation, depletion and amortization	3.9	2.8	6.0	5.1	6.2	4.8	10.3	7.5	17.8	28.8
Resource EBITDA	20.1	13.6	40.1	29.0	21.2	13.6	46.7	23.6	102.8	105.1
Wood Products										
Operating income	12.7	14.9	15.8	9.1	3.5	(2.0)	(5.4)	(1.3)	52.5	(5.2)
Depreciation, amortization, and non-cash eliminations	1.5	1.5	1.5	1.6	1.6	1.6	2.6	1.9	6.1	7.7
Wood Products EBITDA	14.2	16.4	17.3	10.7	5.1	(0.4)	(2.8)	0.6	58.6	2.5
Real Estate										
Operating Income	8.3	12.4	4.6	1.6	1.6	8.5	4.2	2.5	26.9	16.8
Basis of Land and depreciation	5.2	2.2	0.6	1.5	0.5	0.7	2.5	3.8	9.5	7.5
Real Estate EBITDA	13.5	14.6	5.2	3.1	2.1	9.2	6.7	6.3	36.4	24.3
Eliminations and adjustments ⁽¹⁾	0.8	0.8	(2.0)	0.2	3.0	0.6	(0.6)	0.3	(0.2)	3.3
Corporate										
Corporate expense	(6.7)	(9.2)	(7.6)	(8.2)	(9.0)	(8.6)	(6.9)	(7.8)	(31.7)	(32.3)
Depreciation, amortization and basis of land adjustment	(0.2)	0.3	0.3	0.2	0.2	0.2	0.1	-	0.6	0.5
Corporate EBITDA	(6.9)	(8.9)	(7.3)	(8.0)	(8.8)	(8.4)	(6.8)	(7.8)	(31.1)	(31.8)
EBITDDA⁽²⁾	\$ 41.7	\$ 36.5	\$ 53.3	\$ 35.0	\$ 22.6	\$ 14.6	\$ 43.2	\$ 23.0	\$ 166.5	\$ 103.4

(1) Eliminations and adjustments primarily represent elimination of profit in ending inventory related to intersegment sales from Resource to Wood Products.

(2) EBITDDA, as we define it, is net income adjusted for interest expense, provision for income taxes, depreciation, depletion and amortization, basis of real estate sold and non-cash asset impairment and eliminations

FAD RECONCILIATION

(unaudited, \$ in millions)

Unaudited, \$ in millions	2014				2015				2014	2015
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
GAAP net income	\$ 20.3	\$ 16.3	\$ 33.2	\$ 20.1	\$ 5.7	\$ 0.7	\$ 21.8	\$ 3.5	\$ 89.9	\$ 31.7
Depreciation, depletion & amortization ⁽¹⁾	6.1	4.9	8.3	7.4	8.5	7.1	12.6	9.9	26.7	38.1
Basis of real estate sold	4.6	2.2	0.5	1.3	0.4	0.6	2.4	3.6	8.6	7.0
Capital expenditures ⁽²⁾	(3.6)	(8.8)	(7.8)	(7.2)	(7.6)	(10.7)	(9.3)	(6.3)	(27.4)	(33.9)
Funds Available for Distribution⁽²⁾	\$ 27.4	\$ 14.6	\$ 34.2	\$ 21.6	\$ 7.0	\$ (2.3)	\$ 27.5	\$ 10.7	\$ 97.8	\$ 42.9

(1) Depreciation, depletion & amortization includes amortization of bond discounts and deferred loan fees included in interest expense, net.

(2) Funds Available for Distribution (FAD), as we define it, is net income adjusted for depreciation, depletion and amortization, basis of real estate sold, and capital expenditures. For purposes of this definition, capital expenditures exclude all expenditures relating to direct or indirect timberland purchases in excess of \$5 million.