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NEWS RELEASE

**FOR IMMEDIATE RELEASE**

Nasdaq:POPEZ

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**POPE RESOURCES REPORTS BREAK-EVEN FIRST QUARTER**

Pope Resources (Nasdaq:POPEZ) reported net income of \$12,000, or less than one cent per diluted ownership unit, on revenues of \$5.8 million for the first quarter ending March 31, 2002. This compares to a net loss of \$0.4 million, or nine cents per diluted ownership unit, on revenues of \$10.8 million, for the same period in 2001. The prior year's first quarter results were after a special charge of \$1.25 million, or 28 cents per diluted ownership unit. Before the special charge, net income for first quarter of 2001 was \$0.8 million or 18 cents per diluted ownership unit. Earnings before interest, taxes, depreciation, depletion, and amortization (EBITDDA), excluding special charges, were \$1.5 million for the current quarter versus \$1.9 million for the same period in 2001.

"As expected, the first quarter of 2002 presented a challenging environment for our operations," said David L. Nunes, President and CEO. "The export log market was severely depressed, forcing a higher proportion of our fee timber harvest into the domestic market. Following a number of years where we enjoyed substantial export log premiums, we have seen the price of our logs erode in the Japanese market as competing logs and lumber from other regions have gained market share and engineered wood products have gradually gained in market acceptance. This trend is part of a gradual commoditization of global log markets that will be an operating reality going forward. Notwithstanding these market challenges, we are making progress in terms of improving returns on our products and services and managing operating and support infrastructure costs in line with our business opportunities. As we progress further into the year, I look forward to returning the Partnership to a pattern of sustainable profitability."

Fee Timber

EBITDDA from Fee Timber operations totaled \$2.2 million in the first quarter of 2002 versus \$3.0 million in the first quarter of last year. Harvest volume of 7.1 million board feet (MMBF) was down 14% compared with harvests in the same quarter a year ago. The Partnership's weighted average log price of \$499 per thousand board feet (MBF) for the first quarter of 2002 was down \$20/MBF or 4% from the first quarter of 2001, but increased \$82/MBF or 20% from the fourth quarter of 2001. Production costs were down \$0.2 million commensurate with lower harvesting in the current quarter compared to the prior year, but up by \$0.4 million compared to the fourth quarter of 2001 because of increased harvest levels. Depletion and other operating costs were up \$0.6 million in the current quarter compared to same quarter a year ago because of the impact of the March 2001 acquisition of the 44,500 acre Columbia tree farm and the related impact on the depletion cost pool and other operating costs. Depletion and other operating costs in the

current quarter were down by nearly \$4.3 million compared to the previous quarter primarily due to depletion charged against the sale of 3,750 acres of timberland sold in November 2001. For the balance of 2002 the Partnership expects to harvest approximately 38 MMBF.

#### Timberland Management & Consulting

The EBITDDA for the Timberland Management & Consulting segment was \$150,000 in the first quarter of 2002 compared to \$726,000 in the first quarter of 2001 and \$69,000 in the fourth quarter of 2001. In the middle of 2001, the Partnership renegotiated the management fee for one of its major customers so that the regular monthly fee is greatly reduced while fee opportunities from disposition services for this same client are significantly enhanced. The impact of this change on the first quarter 2002 versus 2001 is a negative variance of approximately \$400,000. The lingering issues surrounding the softwood lumber trade dispute between the U.S. and Canada have negatively affected forestry consulting operations in Canada. This factor has contributed approximately \$100,000 to the negative variance between this year's first quarter and last year's comparable period results. Some of the aforementioned disposition work is expected to produce increased earnings in this segment over the balance of 2002.

#### Real Estate

The Real Estate segment produced negative EBITDDA's (excluding special charges) of \$153,000 in the current quarter, \$494,000 in the first quarter of 2001, and \$455,000 in the fourth quarter of 2001, respectively. First quarter 2001 losses from Port Ludlow operations that were subsequently sold in August 2001 were approximately \$340,000. For the balance of 2002, the Partnership expects negative results in line with those for this current quarter. Enhanced revenue opportunities from sales of real estate properties are still expected to be several years away.

General and administrative costs declined by 40% to \$853,000 from the first quarter of 2001 as the Partnership reaped the benefits of overhead cost reductions put in place during the past year. Compared to the fourth quarter of 2001, general and administrative costs declined by 41%, reflecting traditional higher year-end costs and some severance costs. G&A expense for the balance of 2002 is expected to run slightly higher than the level seen in the first quarter of 2002.

Capital expenditures for the first quarter were \$413,000, approximately the same as last year's first quarter (excluding the \$54.5 million acquisition from Plum Creek), and nearly \$90,000 less than the fourth quarter 2001. Capital expenditures for the balance of 2002 are expected to be nearly \$2.0 million. The Partnership's debt to total capitalization ratio was 49 percent as of March 31, 2002, down from 60 percent at the end of the first quarter of 2001 and the same as the 49 percent at the end of 2001.

Statements in this press release or in other Partnership communications may relate to future events or the Partnership's future performance. Such statements are forward-looking statements and are based on present information the Partnership has related to its existing business circumstances. Investors are cautioned that such forward-looking statements are subject to an inherent risk that actual results may differ materially from such forward-looking statements. Further, investors are cautioned that the Partnership does not assume any obligation to update forward-looking statements based on unanticipated events or changed expectations.

The Partnership's performance depends on the prices it receives for its products, as well as other factors. Prices for the Partnership's products are highly cyclical and have fluctuated significantly in the past and

may fluctuate significantly in the future. Deterioration in pricing may result in the Partnership taking actions such as curtailment of log production that is currently unanticipated. The Partnership's sensitivity to these and other factors that may affect future results are discussed in the Partnership's Annual Report and included in its Form 10-K, as well as in Partnership reports filed on Form 10-Q.

Pope Resources, a publicly traded limited partnership, owns or manages over 600,000 acres of timberland and development property in Washington, Oregon, California, and British Columbia and provides third-party timberland management, forestry consulting and timberland investment management services to third-party owners and managers of timberland.

Pope Resources, A Delaware Limited Partnership  
 Unaudited

CONSOLIDATED STATEMENTS OF OPERATIONS

(all amounts in \$000's)

	three months ended March 3	
	2002	2001
Revenues	5,837	10,805
Costs and expenses:		
Cost of sales	(1,726)	(2,969)
Operating expenses	(3,373)	(7,774)
Interest, net	(742)	(153)
Minority interest	-	(104)
Total	(5,841)	(11,000)
Income before income taxes	(4)	(195)
Income tax provision	16	(222)
Net income/(loss)	12	(417)
Average units outstanding - Basic (000's)	4,518	4,528
Average units outstanding - Diluted (000's)	4,530	4,528
Basic net income (loss) per unit	\$ 0.00	\$ (0.09)
Diluted net income (loss) per unit	\$ 0.00	\$ (0.09)

CONSOLIDATED BALANCE SHEETS

(all amounts in \$000's)

	March 31,	
	2002	2001
Assets:		
Cash and short-term investments	1,392	1,932
Assets held for sale	-	17,635
Other current assets	2,465	4,630
Properties and equipment	75,094	80,999
Other assets	4,842	1,611
Total	83,793	106,807
Liabilities and partners' capital:		
Current liabilities	3,764	16,149
Long-term debt, excluding current portion	39,358	49,839
Total liabilities	43,122	65,988
Partners' capital	40,671	40,819
Total	83,793	106,807

SEGMENT INFORMATION  
 (all amounts in \$000's)

	Three months ended		
	31-Mar-02	31-Mar-01	31-Dec-01
Revenues:			
Fee Timber	3,974	4,594	7,297
Timberland Management & Consulting (TM&C)	1,620	2,894	1,793
Real Estate	243	3,317	153
Total	5,837	10,805	9,243
EBITDDA:			
Fee Timber	2,196	3,035	4,869
TM&C	150	726	69
Real Estate	(153)	(1,744)	(455)
General & administrative	(733)	(1,397)	(1,213)
Total	1,460	620	3,270
Depreciation, depletion and amortization:			
Fee Timber	529	234	4,381
TM&C	58	60	58
Real Estate	15	248	14
General & administrative	120	120	142
Total	722	662	4,595
Operating income:			
Fee Timber	1,667	2,801	478
TM&C	92	666	21
Real Estate	(168)	(742)	(469)
Asset impairment	-	(1,250)	-
General & administrative	(853)	(1,413)	(1,448)
Total	738	62	(1,418)

SELECTED STATISTICS

	Three months ended		
	31-Mar-02	31-Mar-01	31-Dec-01
Log sale volumes (thousand board feet):			
Export conifer	1,266	2,131	648
Domestic conifer	4,482	4,391	1,720
Pulp conifer	941	1,590	1,168
Hardwoods	449	209	328
Total	<u>7,138</u>	<u>8,321</u>	<u>3,864</u>
Average price realizations (per thousand board feet):			
Export conifer	553	657	580
Domestic conifer	556	556	520
Pulp conifer	172	221	170
Hardwoods	472	617	430
Overall	499	519	417
Owned acres	112,200	116,000	112,200
Acres under management	504,680	575,773	513,325
Capital expenditures (\$000's)	413	389 (A)	501
Depletion (\$000's)	506	225	4,355
Depreciation (\$000's)	216	438	238
Debt to total capitalization	49%	60%	49%

(A) Excludes acquisition cost of Columbia Tree Farm (\$54.5 million) and Port Ludlow Resorts (\$0.2 m from 1st Quarter 2001 amounts of cap ex.

QUARTER TO QUARTER COMPARISONS  
 (Amounts in \$000's except per unit data)

	Q1 2002 vs. Q1 2001		Q1 2002 vs. Q4 2001	
	Total	Per Unit	Total	Per Unit
Income (loss):				
1st Quarter 2002	12	0.00	12	0.00
4th Quarter 2001			(2,051)	(0.45)
1st Quarter 2001	(417)	(0.09)		
Variance	429	0.09	2,063	0.46
Detail of earnings variance:				
Fee Timber				
Log price realizations (B)	(143)	(0.03)	317	0.07
Log volumes (C)	(436)	(0.10)	1,231	0.27
Timberland sale income	36	0.01	(4,643)	(1.03)
Depletion	(281)	(0.06)	3,849	0.85
Other Fee Timber	(310)	(0.07)	425	0.09
Timberland Management & Consulting				
Management fee changes	(531)	(0.12)	24	0.01
Other Timberland Mgmnt & Consulting	(43)	(0.01)	57	0.01
Real Estate				
Operating results from sold RE op's	662	0.15	81	0.02
Other Real Estate	(88)	(0.02)	220	0.05
Asset impairment	1,250	0.28	-	-
General & administrative costs	560	0.12	595	0.13
Interest expense	(549)	(0.12)	123	0.03
Other (taxes, minority int., interest inc.)	302	0.07	(216)	(0.05)
Total change in earnings	<u>429</u>	<u>0.09</u>	<u>2,063</u>	<u>0.46</u>

(B) Price variance allocated based on changes in price using the lower period volume.

(C) Volume variance allocated based on change in sales volume and the average log sales price for higher margin less variance in log production costs.