



South Carolina Timber Report

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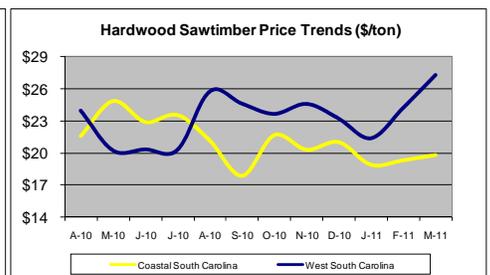
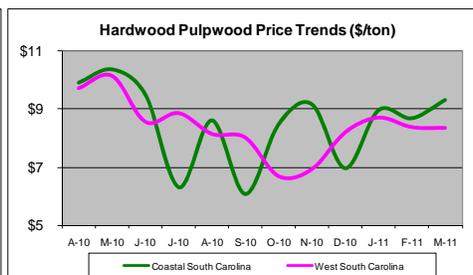
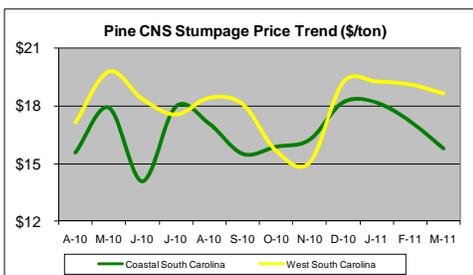
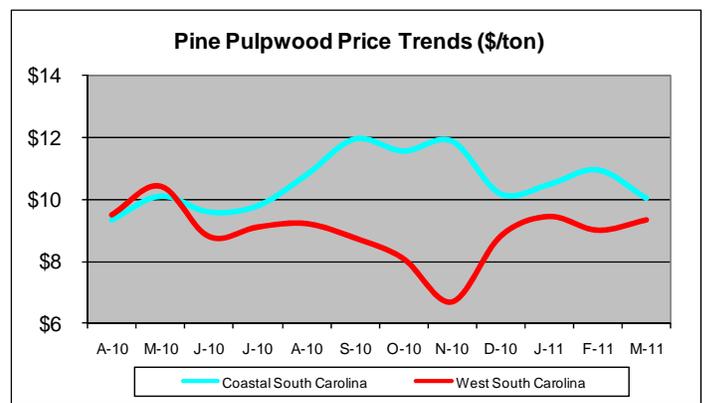
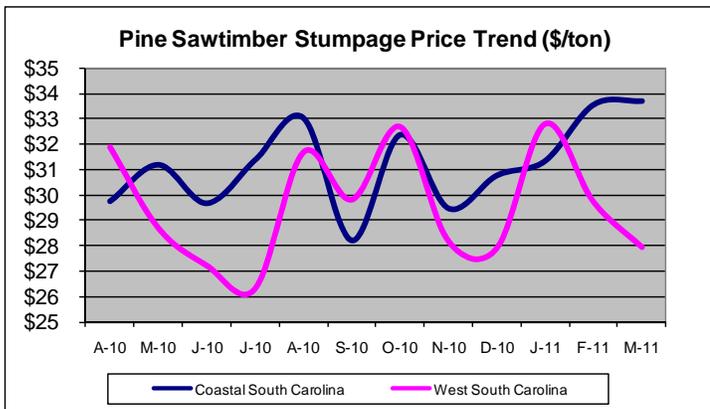


Since many variables, such as raw material demand, mill inventories, buyer competition and weather, play key roles in determining local prices, we encourage you to subscribe to our continuously updated online price service at www.forest2market.com for prices that are specific to your local area.

Forest2Market Market Regions

- West South Carolina
- Coastal South Carolina

SOUTH CAROLINA STUMPAGE PRICE TRENDS





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SOUTH CAROLINA STUMPAGE PRICES

Coastal South Carolina			
Weighted Average Stumpage Prices (\$/ton) 1st Quarter 2011			
Product	Price	Price Change	Percent Change
Pine Pulpwood	\$ 10.47	-\$1.21	-10.4%
Pine Chip-n-Saw	\$ 19.49	\$2.83	17.0%
Pine Sawtimber	\$ 34.42	\$2.43	7.6%
Hardwood Pulpwood	\$ 9.22	\$0.29	3.3%
Hardwood Sawtimber	\$ 19.26	-\$1.70	-8.1%

West South Carolina			
Weighted Average Stumpage Prices (\$/ton) 1st Quarter 2011			
Product	Price	Price Change	Percent Change
Pine Pulpwood	\$ 9.33	\$1.72	22.6%
Pine Chip-n-Saw	\$ 17.40	-\$1.63	-8.6%
Pine Sawtimber	\$ 29.05	-\$1.72	-5.6%
Hardwood Pulpwood	\$ 8.36	\$1.01	13.8%
Hardwood Sawtimber	\$ 24.93	\$0.56	2.3%

U.S. SOUTH TIMBER MARKET OUTLOOK

Timber Market Outlook

GDP growth in the 4Q2010 will be strong, and the first three quarters of 2011 will follow suit. We then expect the second leg of the double-dip recession to strike, though it will be shorter than once thought.

The recession has proven that the floor for housing starts is roughly 500,000 per year. We expect the number to be slightly above that level in 2011, with an increase of about 100,000 per year through 2014, when starts will hit 1 million once again. The months when starts averaged more than 2 million on an annualized basis are unlikely to return.

Pine Sawtimber Prices - U.S. South

The number of open market sales is beginning to dwindle, as spring weather has allowed loggers to harvest on tracts they had on hold during the winter. After many months of holding their timber off the market due to low prices, landowners appear to have accepted new lower prices as the norm. This willingness to sell will ensure sufficient supply.

Due to unrest in the Middle East, oil prices have climbed above \$100/barrel and are expected to remain there. This is an added cost for loggers, who are already being squeezed by low gateway prices at mills. Stumpage prices will remain low for the rest of the year as a result.

Pulpwood Prices

Pulpwood prices will not see the same volatility they experienced last year, primarily because the GDP-induced increase in demand have been offset in part by normal weather patterns that ensure sufficient supply. With a southwide average of roughly \$9.00/ton, pulpwood prices continue to hold up; they are expected to remain near this level throughout 2011.