



WEYERHAEUSER EARNINGS RESULTS

4TH QUARTER 2017 | February 2, 2018



FORWARD-LOOKING STATEMENT

This presentation contains statements and depictions that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended, including, without limitation, with respect to future earnings, cash flow, adjusted EBITDA, production, performance, real estate sales volumes, operating expense, sales realizations and volumes, harvest volumes, operating rates and operational excellence targets. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. Forward-looking statements may be identified by our use of certain words in such statements, including without limitation words such as “anticipate,” “believe,” “continue,” “continued,” “could,” “forecast,” “estimate,” “outlook,” “goal,” “will,” “plan,” “expect,” “target,” “would” and similar words and terms and phrases using such terms and words, while depictions that constitute forward-looking statements may be identified by graphs, charts or other illustrations indicating expected or predicted occurrences of events, conditions, performance or achievements at a future date or during future time periods. We may refer to assumptions, goals or targets, or we may reference expected performance through, or events to occur by or at, a future date, and such references may also constitute forward-looking statements. Forward-looking statements are based on management’s current expectations and assumptions concerning future events, and 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. These and other factors could cause one or more of our expectations to be unmet, one or more of our assumptions to be materially inaccurate or actual results to differ materially from those expressed or implied in our forward-looking statements. Such factors include, 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 and the strength of the U.S. dollar; market demand for our products, including demand for our timberland properties with higher and better uses, which in turn is related to the strength of 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 other factors described in filings we make from time to time with the Securities and Exchange Commission, including without limitation the risk factors described in our annual report on Form 10-K for the year ended December 31, 2016. There is no guarantee that any of the anticipated events or results articulated in this presentation will occur or, if they occur, what effect they will have on the company’s results of 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 intended to be included or incorporated by reference into, or made a part of, this presentation.

Also 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 non-GAAP measures may be useful to investors. Our non-GAAP financial measures may not be comparable to similarly named or captioned non-GAAP financial measures of other companies due to potential inconsistencies in how such measures are calculated. A reconciliation of each presented non-GAAP measure to its most directly comparable GAAP measure is provided in the appendices to this presentation.



NON-GAAP FINANCIAL MEASURES

- During the course of this presentation, certain non-U.S. GAAP financial information will be presented. A reconciliation of those numbers to U.S. GAAP financial measures is included in this presentation which is available on the company's website at *www.weyerhaeuser.com*
- 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 from continuing operations adjusted for depreciation, depletion, amortization, basis of real estate sold, unallocated pension service costs and special items. Adjusted EBITDA excludes results from joint ventures.
- Our definition of Adjusted EBITDA may be different from similarly titled measures reported by other companies. Adjusted EBITDA should not be considered in isolation from and is not intended to represent an alternative to our GAAP results.



2017 CONSOLIDATED RESULTS

Chart 1

\$ Millions	2016	2017	
Adjusted EBITDA			Change
Timberlands	\$ 865	\$ 936	\$ 71
Real Estate, Energy & Natural Resources	189	241	52
Wood Products	641	1,017	376
Unallocated Items	(112)	(114)	(2)
Total Adjusted EBITDA¹	\$ 1,583	\$ 2,080	\$ 497
Contribution to Earnings from Continuing Operations Before Special Items	\$ 1,070	\$ 1,452	\$ 382

1. Our definition of Adjusted EBITDA and a reconciliation to GAAP are set forth on **Chart 18**.
2. Includes R&D expenses; other operating income, net; equity earnings from joint ventures; non-operating pension and other postretirement benefit (costs) credits; and interest income and other. Interest income and other includes approximately: \$32 million of income from SPE investments for each period presented; and \$20 million of income from investment in our timberland joint venture for 2016.
3. Interest expense is net of capitalized interest and includes approximately: \$28 million on SPE notes for each period presented; and \$19 million of expense on a note payable to our timberland joint venture for 2016.
4. An explanation of special items and a reconciliation to GAAP are set forth on **Chart 18**. Income taxes attributable to special items are included in Special items, after-tax.
5. Earnings from discontinued operations, net of income taxes for 2016 includes \$546 million of after-tax gain on the sale of discontinued operations.

\$ Millions EXCEPT EPS	2016	2017
Consolidated Statement of Operations Before Special Items		
Net sales	\$ 6,365	\$ 7,196
Cost of products sold	4,980	5,298
Gross margin	1,385	1,898
SG&A expenses	427	397
Other (income) expense, net ²	(112)	49
Total Contribution to Earnings from Continuing Operations Before Special Items	\$ 1,070	\$ 1,452
Interest expense, net ³	(431)	(393)
Income taxes ⁴	(83)	(187)
Dividends on preference shares	(22)	—
Net Earnings from Continuing Operations to Common Shareholders Before Special Items⁴	\$ 534	\$ 872
Special items, after-tax ⁴	(141)	(290)
Earnings from discontinued operations, net of income taxes ⁵	612	—
Net Earnings to Common Shareholders	\$ 1,005	\$ 582
Diluted EPS from Continuing Operations attributable to Weyerhaeuser common shareholders before Special Items⁴	\$ 0.75	\$ 1.15
Diluted EPS	\$ 1.39	\$ 0.77



2017 Q4 CONSOLIDATED RESULTS

Chart 2

\$ Millions	2017	2017	
	Q3	Q4	Change
Adjusted EBITDA			
Timberlands	\$ 220	\$ 252	\$ 32
Real Estate, Energy & Natural Resources	74	87	13
Wood Products	278	258	(20)
Unallocated Items	(3)	(46)	(43)
Total Adjusted EBITDA¹	\$ 569	\$ 551	\$ (18)
Contribution to Earnings from Continuing Operations Before Special Items	\$ 408	\$ 384	\$ (24)

1. Our definition of Adjusted EBITDA and a reconciliation to GAAP are set forth on **Chart 19**.
2. Includes R&D expenses; other operating income, net; equity earnings from joint ventures; non-operating pension and other postretirement benefit (costs) credits; and interest income and other. Interest income and other includes approximately \$8 million of income from SPE investments for each quarter presented.
3. Interest expense is net of capitalized interest and includes approximately \$7 million on SPE notes for each quarter presented.
4. An explanation of special items and a reconciliation to GAAP are set forth on **Chart 3**. Income taxes attributable to special items are included in Special items, after-tax.

\$ Millions EXCEPT EPS	2017	2017
	Q3	Q4
Consolidated Statement of Operations Before Special Items		
Net sales	\$ 1,872	\$ 1,823
Cost of products sold	1,374	1,316
Gross margin	498	507
SG&A expenses	97	93
Other (income) expense, net ²	(7)	30
Total Contribution to Earnings Before Special Items	\$ 408	\$ 384
Interest expense, net ³	(98)	(96)
Income taxes ⁴	(51)	(54)
Net Earnings Before Special Items⁴	\$ 259	\$ 234
Special items, after-tax ⁴	(129)	37
Net Earnings	\$ 130	\$ 271
Diluted EPS Before Special Items⁴	\$ 0.34	\$ 0.31
Diluted EPS	\$ 0.17	\$ 0.36



EARNINGS BEFORE SPECIAL ITEMS

Chart 3

\$ Millions EXCEPT EPS	2017 Q3			2017 Q4		
	Pre-Tax Earnings	After-Tax Earnings	Diluted EPS	Pre-Tax Earnings	After-Tax Earnings	Diluted EPS
Earnings Before Special Items	\$ 310	\$ 259	\$ 0.34	\$ 288	\$ 234	\$ 0.31
Special Items:						
Plum Creek merger-and integration-related costs	(6)	(3)	—	(14)	(12)	(0.02)
Gain on sale of timberlands and other nonstrategic assets	—	—	—	99	99	0.14
Environmental remediation insurance recoveries	—	—	—	42	26	0.03
Restructuring, impairments and other charges	(6)	(4)	(0.01)	—	—	—
Product remediation	(190)	(118)	(0.15)	(50)	(31)	(0.04)
Countervailing and anti-dumping duties	(5)	(4)	(0.01)	9	7	0.01
Tax adjustment, including tax legislation	—	—	—	—	(52)	(0.07)
Total Special Items	(207)	(129)	(0.17)	86	37	0.05
Earnings Including Special Items (GAAP)	\$ 103	\$ 130	\$ 0.17	\$ 374	\$ 271	\$ 0.36



TIMBERLANDS SEGMENT¹

Chart 4

TIMBERLANDS (\$ Millions)	2017	2017
Adjusted EBITDA by Region	Q3	Q4
West	\$ 111	140
South	95	101
North	4	9
Other	10	2
Total Adjusted EBITDA³	\$ 220	\$ 252

4th Quarter Notes

- Higher Western volumes
- Improved Western log sales realizations
- Seasonally higher Southern volumes
- Comparable Southern realizations

TIMBERLANDS (\$ Millions)	2017	2017
Segment Statement of Operations	Q3	Q4
Third party sales	\$ 480	\$ 483
Intersegment sales	125	140
Total Sales	605	623
Cost of products sold	450	436
Gross margin	155	187
SG&A expenses	24	20
Other (income) expense, net ²	—	1
Contribution to Earnings before Special Items	\$ 131	\$ 166
Special items, pre-tax	—	99
Contribution to Earnings	\$ 131	\$ 265
Adjusted EBITDA³	\$ 220	\$ 252
Adjusted EBITDA Margin Percentage⁴	36%	40%
Operating Margin Percentage⁵	22%	27%

1. Amounts presented exclude Canadian Forestlands operations, which are operated for the purpose of supplying Weyerhaeuser's Canadian manufacturing facilities and contribute no margin to the Timberlands segment.

2. Other (income) expense, net includes: R&D expenses, charges for restructuring, closures and impairments; other operating income, net.

3. Our definition of Adjusted EBITDA and a reconciliation to GAAP are set forth on **Chart 20**.

4. Adjusted EBITDA divided by total sales.

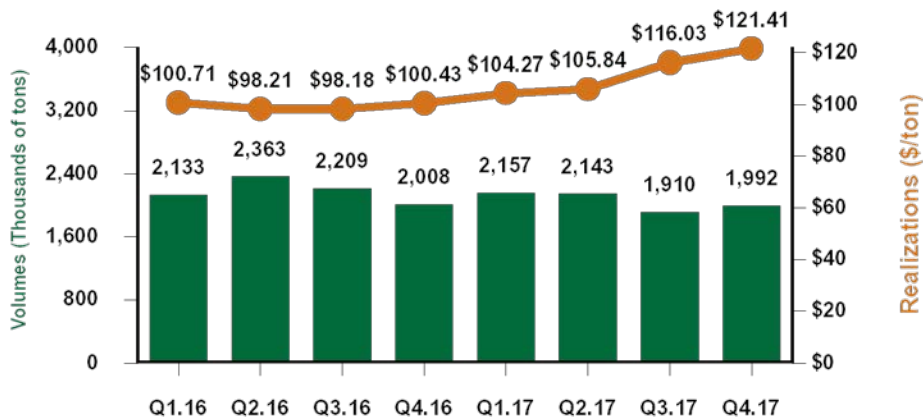
5. Contribution to earnings before special items divided by total sales.



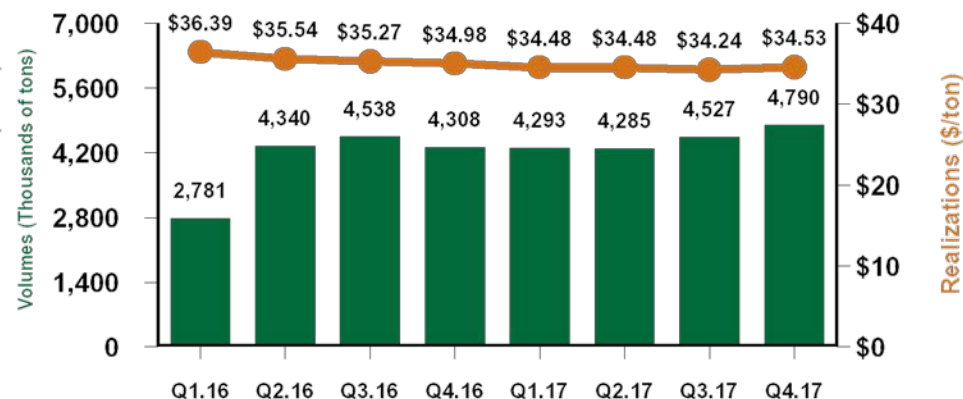
SALES VOLUMES AND REALIZATIONS

Chart 5

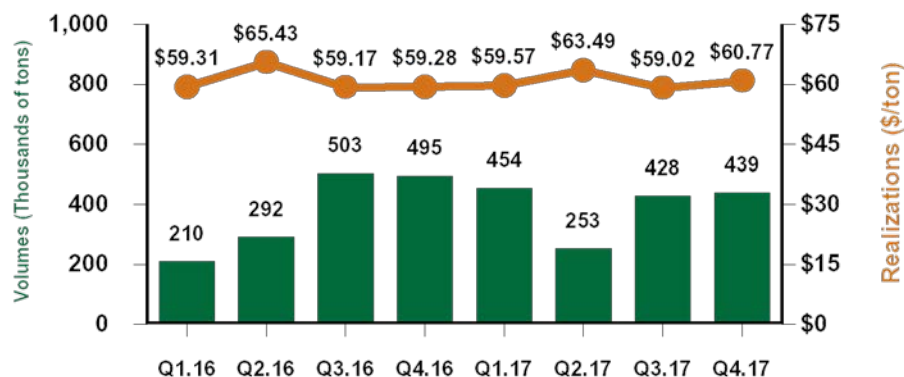
3rd-Party Log Sales and Realizations - West ¹



3rd-Party Log Sales and Realizations - South



3rd-Party Log Sales and Realizations - North



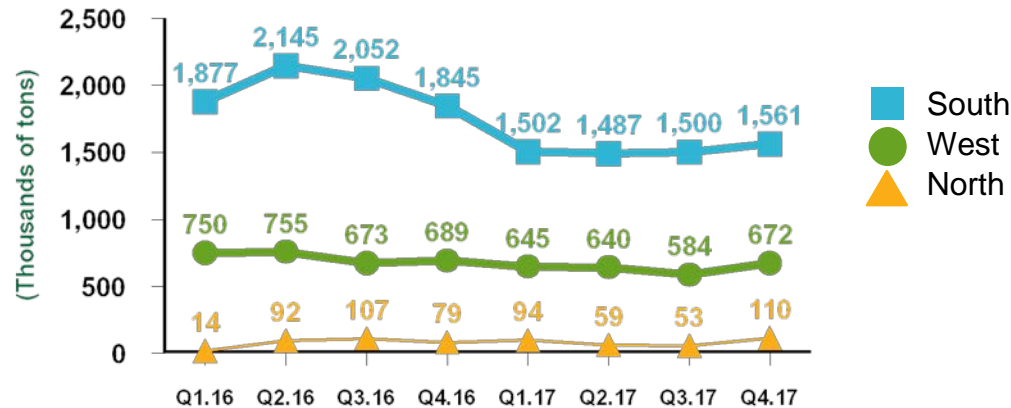
1. Western logs are primarily transacted in MBF but are converted to ton equivalents for external reporting purposes.



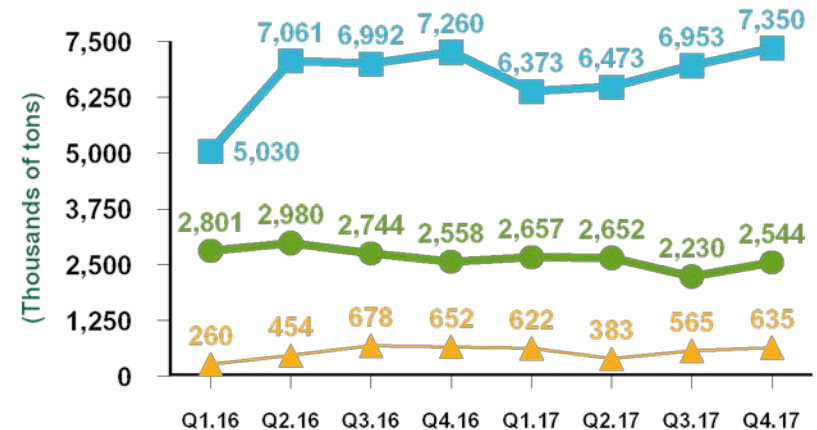
EXPORT SALES, FEE HARVEST VOLUMES, AND INTERSEGMENT SALES VOLUMES

Chart 6

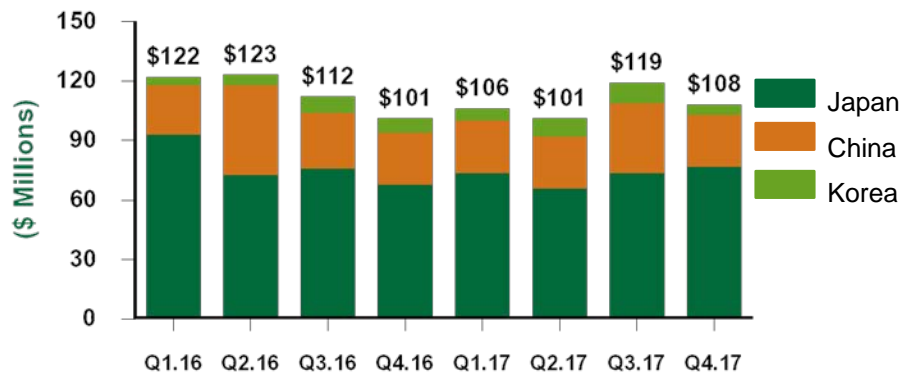
Intersegment Log Sales Volume¹



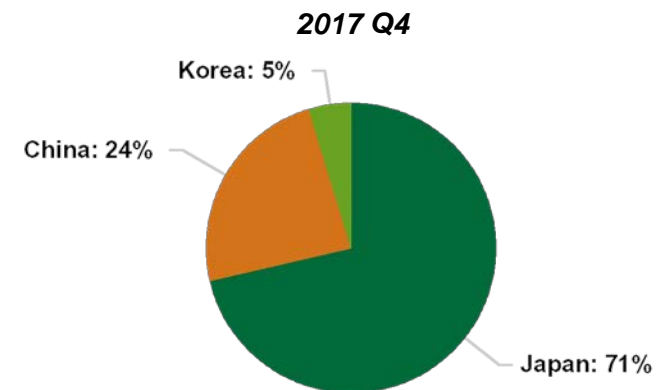
Fee Harvest Volume²



Export Log Revenue



Export Log Revenue by Country



1. Intersegment log sales volumes declined beginning in first quarter 2017 due to the divestiture of our Cellulose Fibers pulp mills and reclassification of certain third party log procurement activities.
2. First quarter 2016 includes only a partial quarter of Plum Creek legacy volume.



REAL ESTATE, ENERGY AND NATURAL RESOURCES (ENR) SEGMENT¹

Chart 7

Real Estate & ENR (\$ Millions)	2017	2017
Adjusted EBITDA by Business	Q3	Q4
Real Estate	\$ 58	\$ 71
Energy & Natural Resources	16	16
Total Adjusted EBITDA²	\$ 74	\$ 87

4th Quarter Notes

- Seasonally higher Real Estate sales
- Comparable Energy & Natural Resources royalties

Real Estate & ENR (\$ Millions)	2017	2017
Segment Statement of Operations	Q3	Q4
Third party sales	\$ 82	\$ 99
Intersegment sales	—	1
Total sales	82	100
Cost of products sold	31	43
Gross margin	51	57
SG&A expenses	6	6
Earnings from Real Estate joint ventures	(1)	—
Other (income) expense, net ³	(1)	1
Contribution to Earnings	\$ 47	\$ 50
Adjusted EBITDA²	\$ 74	\$ 87

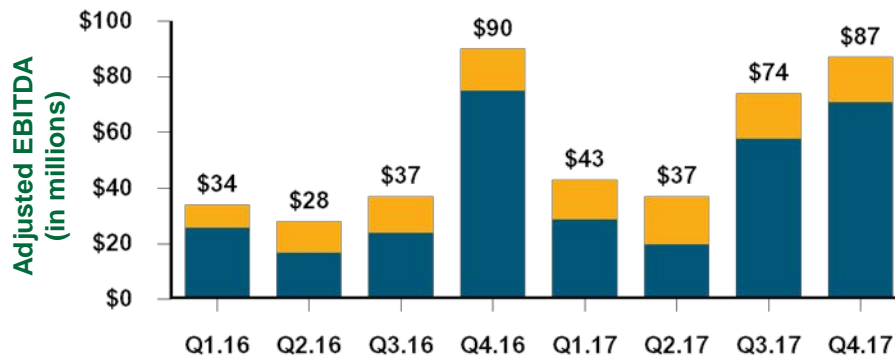
1. The Real Estate, Energy and Natural Resources segment includes sales of higher and better use and non-core timberlands and royalties related to minerals and oil and gas assets, all of which were formerly reported in Weyerhaeuser's Timberlands segment. The segment also includes equity interest in our Real Estate joint ventures.
2. Our definition of Adjusted EBITDA and a reconciliation to GAAP are set forth on **Chart 21**.
3. Other (income) expense, net includes: R&D expense; charges for integration and restructuring, closures and asset impairments; other operating income, net.



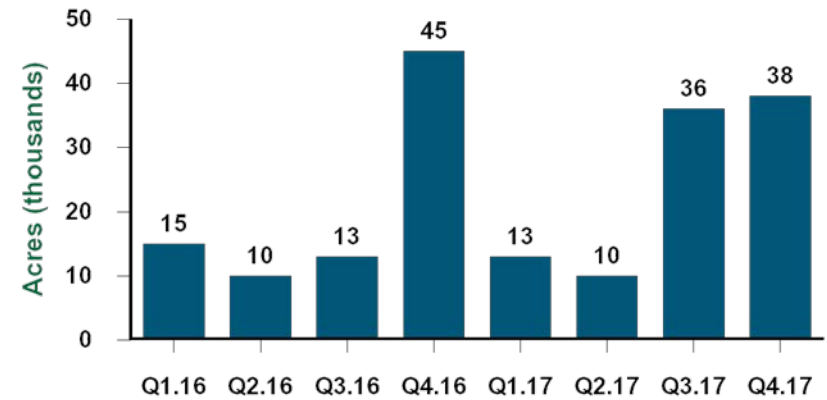
REAL ESTATE, ENERGY AND NATURAL RESOURCES (ENR) SEGMENT

Chart 8

Real Estate & ENR
Adjusted EBITDA



Acreage Sold



1. Our definition of Adjusted EBITDA and a reconciliation to GAAP are set forth on **Chart 21**.



WOOD PRODUCTS SEGMENT

Chart 9

WOOD PRODUCTS (\$ Millions)	2017	2017
Adjusted EBITDA by Business	Q3	Q4
Lumber	\$ 117	\$ 116
OSB	102	\$ 104
Engineered Wood Products	50	\$ 34
Distribution	12	\$ 5
Other	(3)	(1)
Total Adjusted EBITDA¹	\$ 278	\$ 258

4th Quarter Notes

- Higher average sales realizations
- Lower sales volumes due to seasonality and transportation disruptions due to weather
- Higher Canadian and Western log costs
- Other raw materials costs increased

WOOD PRODUCTS (\$ Millions)	2017	2017
Segment Statement of Operations	Q3	Q4
Total sales	1,299	1,228
Cost of products sold	1,005	947
Gross margin	294	281
SG&A expenses	50	52
Other (income) expense, net ¹	3	8
Contribution to Earnings Before Special Items	241	221
Special items, pre-tax	(201)	(41)
Contribution to Earnings	\$ 40	\$ 180
Adjusted EBITDA²	\$ 278	\$ 258
Adjusted EBITDA Margin Percentage³	21%	21%
Operating Margin Percentage⁴	19%	18%

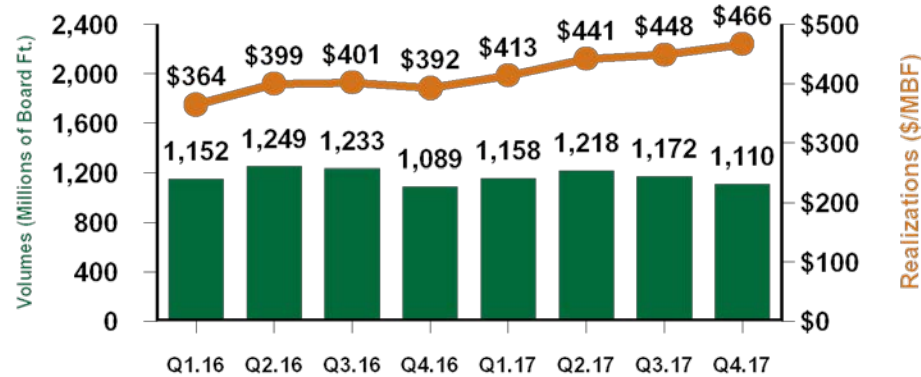
1. Other (income) expense, net includes: R&D expenses and other operating income, net.
2. Adjusted EBITDA for Wood Products businesses includes earnings on internal sales, primarily from the manufacturing businesses to Distribution. These sales occur at market price. Our definition of Adjusted EBITDA and a reconciliation to GAAP are set forth on **Chart 22**.
3. Adjusted EBITDA divided by total sales.
4. Contribution to earnings before special items divided by total sales.



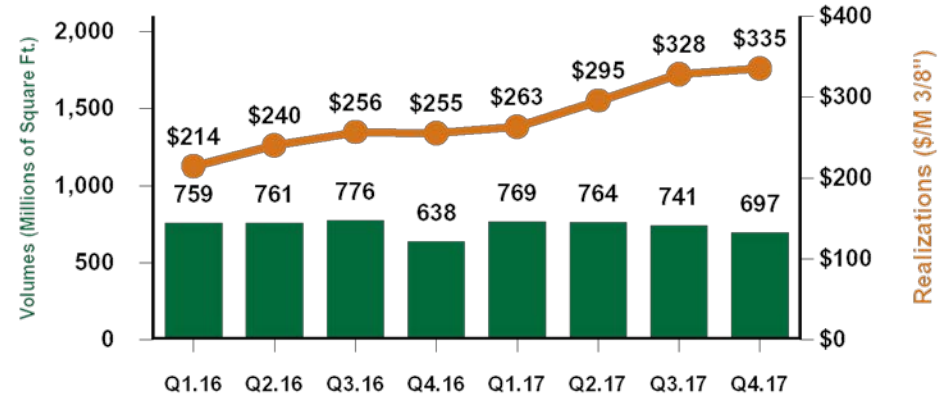
3RD-PARTY SALES VOLUMES AND REALIZATIONS¹

Chart 10

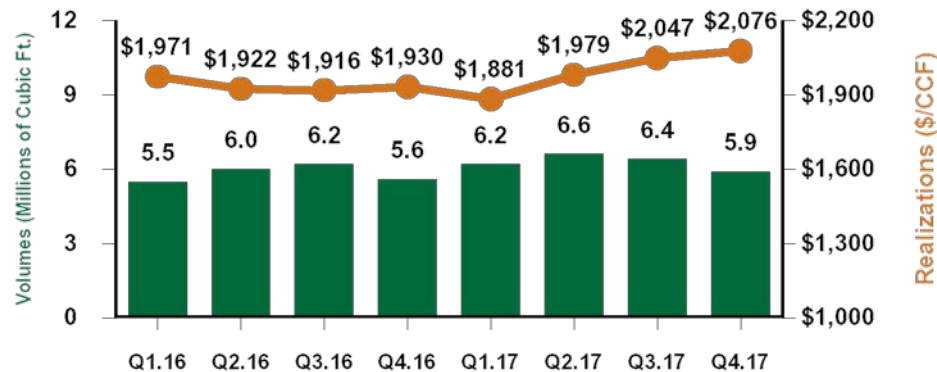
Lumber



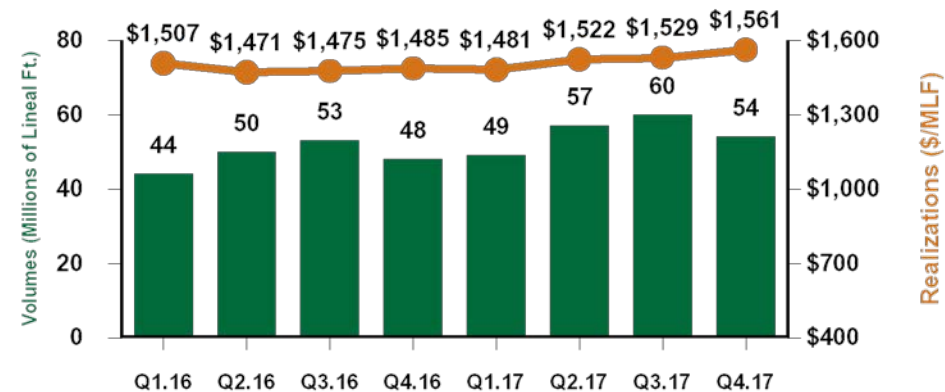
OSB



Engineered Wood - Solid Section



Engineered Wood - TJIs



1. Sales volumes include sales of internally produced products and products purchased for resale primarily through our Distribution business.



UNALLOCATED ITEMS

Chart 11

UNALLOCATED ITEMS (\$ Millions) ¹	2017	2017
	Q3	Q4
Unallocated corporate function expenses	\$ (19)	\$ (18)
Unallocated share-based compensation	(1)	(2)
Unallocated pension service costs	(1)	(1)
Foreign exchange gains (losses)	3	1
Elimination of intersegment profit in inventory and LIFO	3	(14)
Non-operating pension and other postretirement benefit (costs) credits	(16)	(16)
Other, including interest income	20	(3)
Contribution to Earnings Before Special Items	\$ (11)	\$ (53)
Special items, pre-tax	(6)	28
Contribution to Earnings	\$ (17)	\$ (25)
Adjusted EBITDA	\$ (3)	\$ (46)

UNALLOCATED ITEMS (\$ Millions)	2017	2017
By Natural Expense	Q3	Q4
Cost of products sold ²	\$ (2)	\$ (17)
G&A expenses ³	(16)	(16)
Other income (expense), net	7	(20)
Contribution to Earnings Before Special Items	\$ (11)	\$ (53)
Special items, pre-tax	(6)	28
Contribution to Earnings	\$ (17)	\$ (25)

1. Unallocated items are gains or charges not related to or allocated to an individual operating segment. They include a portion of items such as: share-based compensation; pension and postretirement costs; foreign exchange transaction gains and losses associated with outstanding borrowings; the elimination of intersegment profit in inventory and the LIFO reserve.
2. Cost of products sold is comprised primarily of elimination of intersegment profit in inventory and the LIFO reserve, unallocated pension service costs and unallocated incentive compensation.
3. G&A expense is comprised primarily of unallocated: share-based compensation, pension service costs, corporate function expenses and unallocated incentive compensation.



OPERATIONAL EXCELLENCE UPDATE

Chart 12

			2017		2018
			TARGET	RESULT	TARGET
					
TIMBERLANDS			\$40-50	\$66	\$40-50
Lumber	\$20-25	\$21			\$20-25
OSB	\$20-25	\$20			\$5-10
EWP	\$10-15	\$16			\$10-15
Distribution	\$5-10	\$14			\$5-10
WOOD PRODUCTS			\$55-75	\$71	\$40-60



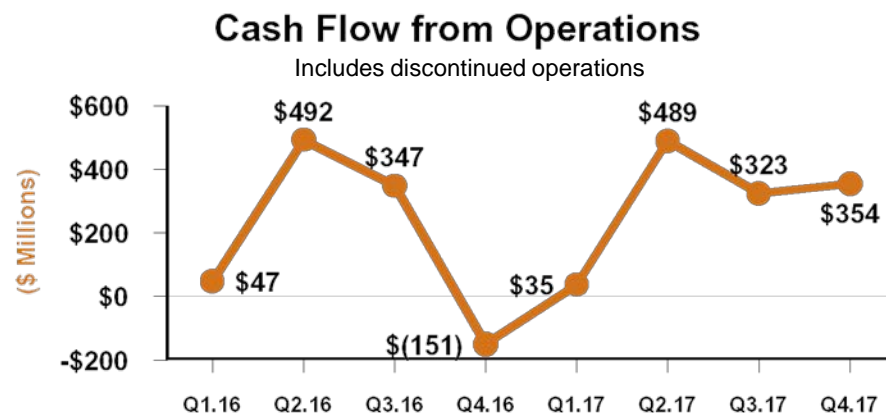
We met or exceeded all of our 2017 targets



FINANCIAL ITEMS

Chart 13

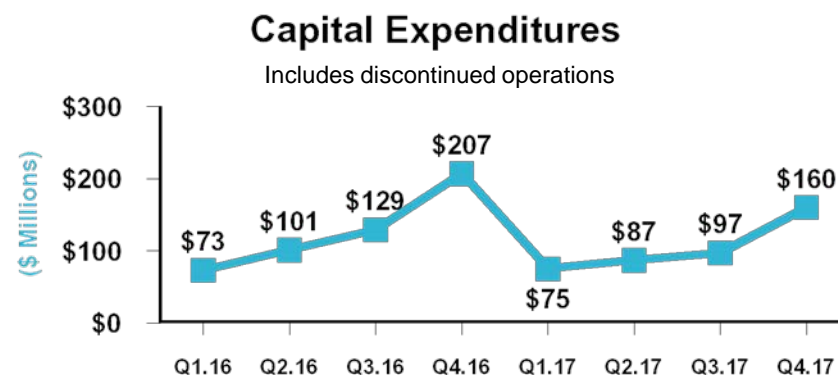
KEY FINANCIAL METRICS (\$ Millions)	2017 Q3	2017 Q4
Ending Cash Balance	\$ 497	\$ 824
Long-Term Debt ¹	\$ 5,995	\$ 5,992
Gross Debt to Adjusted EBITDA (LTM) ²	3.1	2.9
Net Debt to Enterprise Value ³	18%	16%



Excluding \$494 million of cash paid for income taxes related to the sale of our Cellulose Fibers businesses, Q4 2016 cash flow from operations would be \$343 million

Scheduled Debt Maturities as of December 31, 2017

(\$ Millions)	2018	2019	2020	2021	2022
Debt Maturities	\$ 62	\$ 500	\$ —	\$ 719	\$ —



2016⁴: \$510 million 2017: \$419 million

- Long-Term Debt includes \$62 million for the current portion of long-term debt in third quarter 2017 and fourth quarter 2017, respectively.
- LTM = last twelve months. A reconciliation to GAAP is set forth on **Chart 23**.
- Long-term debt, net of cash and equivalents, divided by enterprise value. Enterprise value is defined as long term debt, net of cash and equivalents, plus market capitalization as of the end of the quarter.
- 2016 capital expenditures include \$85 million for discontinued operations.



OUTLOOK: 2018 Q1

Chart 14

SEGMENT	COMMENTS
TIMBERLANDS	<ul style="list-style-type: none">• Higher Western log sales realizations, partially offset by modestly lower fee harvest volumes• Seasonally lower Southern fee harvest volumes and comparable sales realizations• Higher trucking costs• Expect earnings and Adjusted EBITDA to be comparable to 2017 Q4 earnings before special items
REAL ESTATE, ENERGY & NATURAL RESOURCES	<ul style="list-style-type: none">• Seasonally lower real estate sales• Expect first quarter earnings and Adjusted EBITDA to be significantly lower than 2017 Q4• Anticipate full year Adjusted EBITDA of approximately \$250 million
WOOD PRODUCTS	<ul style="list-style-type: none">• Slightly higher lumber sales realizations• Lower average sales realizations for oriented strand board• Seasonally higher sales volumes and improved operating rates across all product lines• Expect earnings and Adjusted EBITDA to be comparable to 2017 Q4 earnings before special items



APPENDIX



PENSION AND POSTRETIREMENT EXPENSE

Chart 15

\$ Millions	2016				2017			
Net Pension and Postretirement Cost (Credit)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Timberlands	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 1
Real Estate, Energy & Natural Resources	—	—	—	—	—	—	—	1
Wood Products	5	6	6	5	6	5	6	6
Unallocated pension service costs	2	—	2	1	2	—	1	1
Non-operating pension and other postretirement benefit costs (credits)	(14)	(10)	(13)	(11)	22	8	16	16
Accelerated pension costs included in Plum Creek merger-related costs (not allocated)	5	—	—	—	—	—	—	—
Total pension and postretirement cost (credit) for continuing operations	\$ —	\$ (2)	\$ (3)	\$ (3)	\$ 32	\$ 15	\$ 25	\$ 25
Pension and postretirement service costs directly attributable to discontinued operations	4	3	3	3	—	—	—	—
Total company pension and postretirement costs	\$ 4	\$ 1	\$ —	\$ —	\$ 32	\$ 15	\$ 25	\$ 25



EARNINGS SUMMARY

Chart 16

\$ Millions	2016				2017			
Adjusted EBITDA by Segment	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Timberlands	\$ 199	\$ 220	\$ 223	\$ 223	\$ 242	\$ 222	\$ 220	\$ 252
Real Estate, Energy & Natural Resources	34	28	37	90	43	37	74	87
Wood Products	117	189	203	132	207	274	278	258
Unallocated Items	(14)	(24)	(29)	(45)	(38)	(27)	(3)	(46)
Total Adjusted EBITDA ¹	\$ 336	\$ 413	\$ 434	\$ 400	\$ 454	\$ 506	\$ 569	\$ 551
DD&A, basis of real estate sold, non-operating pension and postretirement credits, equity earnings/loss from joint ventures before special items, and interest income and other	(95)	(119)	(122)	(177)	(162)	(138)	(161)	(167)
Total Contribution to Earnings from Continuing Operations before Special Items	\$ 241	\$ 294	\$ 312	\$ 223	\$ 292	\$ 368	\$ 408	\$ 384
Interest expense, net ²	(95)	(114)	(114)	(108)	(99)	(100)	(98)	(96)
Income taxes	(9)	(39)	(26)	(9)	(26)	(56)	(51)	(54)
Net Earnings from Continuing Operations before Special Items ⁵	\$ 137	\$ 141	\$ 172	\$ 106	\$ 167	\$ 212	\$ 259	\$ 234
Earnings from discontinued operations, net of income taxes	20	38	65	489	—	—	—	—
Dividends on preference shares ⁴	(11)	(11)	—	—	—	—	—	—
Special items, after-tax ³	(76)	(11)	(10)	(44)	(10)	(188)	(129)	37
Net Earnings to Common Shareholders	\$ 70	\$ 157	\$ 227	\$ 551	\$ 157	\$ 24	\$ 130	\$ 271
Diluted EPS from Continuing Operations Before Special Items ⁵	\$ 0.20	\$ 0.17	\$ 0.23	\$ 0.14	\$ 0.22	\$ 0.28	\$ 0.34	\$ 0.31
Diluted EPS	\$ 0.11	\$ 0.21	\$ 0.30	\$ 0.73	\$ 0.21	\$ 0.03	\$ 0.17	\$ 0.36

1. See **Chart 18** for our definition of Adjusted EBITDA.

2. Interest expense is net of capitalized interest and includes approximately \$7 million of expense on special purpose entity (SPE) notes for each quarter presented and approximately \$4 million, \$9 million, and \$6 million of expense on a note payable to our timberland joint venture in first, second, and third quarter 2016, respectively.

3. Income taxes attributable to special items are included in Special items, after-tax.

4. During 2013 Q2, Weyerhaeuser issued 13.8 million mandatory convertible preference shares with a conversion date of July 1, 2016. These shares were antidilutive for the QTD and YTD periods ended June 30, 2016, and were excluded from the calculation of diluted EPS.

5. A reconciliation to GAAP Net Income is set forth at www.weyerhaeuser.com. A reconciliation to GAAP EPS is set forth on **Chart 17**.



EARNINGS PER SHARE RECONCILIATION

Chart 17

\$ Millions EXCEPT EPS	2016				2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Weighted Average Shares Outstanding, Diluted	635	748	754	753	755	756	757	758
Diluted EPS from Continuing Operations Before Special Items	\$ 0.20	\$ 0.17	\$ 0.23	\$ 0.14	\$ 0.22	\$ 0.28	\$ 0.34	\$ 0.31
Special Items:								
Plum Creek merger-related costs	(0.15)	—	(0.02)	(0.01)	(0.01)	—	—	(0.02)
Restructuring, impairments, and other charges	—	—	—	(0.01)	—	(0.20)	(0.01)	—
Gain on sale of timberlands and other nonstrategic assets	0.03	—	—	—	—	—	—	0.14
Legal expense	—	(0.01)	—	—	—	—	—	—
Environmental remediation insurance recoveries	—	—	—	—	—	—	—	0.03
Product remediation	—	—	—	—	—	(0.04)	(0.15)	(0.04)
Countervailing and antidumping duties	—	—	—	—	—	(0.01)	(0.01)	0.01
Tax adjustments, including tax legislation	—	—	—	(0.04)	—	—	—	(0.07)
Diluted EPS from Continuing Operations (GAAP)	\$ 0.08	\$ 0.16	\$ 0.21	\$ 0.08	\$ 0.21	\$ 0.03	\$ 0.17	\$ 0.36
Discontinued Operations	0.03	0.05	0.09	0.65	—	—	—	—
Diluted EPS (GAAP)	\$ 0.11	\$ 0.21	\$ 0.30	\$ 0.73	\$ 0.21	\$ 0.03	\$ 0.17	\$ 0.36



ADJUSTED EBITDA RECONCILIATION BY SEGMENT

Chart 18

\$ MILLIONS										
2016						2017				
	Timberlands	Real Estate & ENR	Wood Products	Unallocated Items	Total	Timberlands	Real Estate & ENR	Wood Products	Unallocated Items	Total
Adjusted EBITDA¹	\$ 865	\$ 189	\$ 641	\$ (112)	\$ 1,583	\$ 936	\$ 241	\$ 1,017	\$ (114)	\$ 2,080
Depletion, depreciation & amortization	(366)	(13)	(129)	(4)	\$ (512)	(356)	(15)	(145)	(5)	(521)
Basis of real estate sold	—	(109)	—	—	\$ (109)	—	(81)	—	—	(81)
Unallocated pension service costs	—	—	—	(5)	\$ (5)	—	—	—	(4)	(4)
Special items in Operating Income	—	(14)	—	(121)	(135)	(48)	—	(303)	8	(343)
Operating Income from Continuing Operations (GAAP)	\$ 499	\$ 53	\$ 512	\$ (242)	\$ 822	\$ 532	\$ 145	\$ 569	\$ (115)	\$ 1,131
Equity earnings (loss) from joint ventures	—	2	—	20	22	—	1	—	—	1
Non-operating pension and other postretirement benefit (costs) credits	—	—	—	48	48	—	—	—	(62)	(62)
Interest income and other	—	—	—	43	43	—	—	—	39	39
Net Contribution to Earnings	\$ 499	\$ 55	\$ 512	\$ (131)	\$ 935	\$ 532	\$ 146	\$ 569	\$ (138)	\$ 1,109
Interest expense, net					(431)					(393)
Income taxes ²					(89)					(134)
Net Earnings from Continuing Operations					\$ 415					\$ 582
Earnings from discontinued operations, net of income taxes					612					—
Net Earnings (GAAP)					\$ 1,027					\$ 582

- 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 from continuing operations adjusted for depreciation, depletion, amortization, basis of real estate sold, unallocated pension service costs and special items. Adjusted EBITDA excludes results from joint ventures. Adjusted EBITDA should not be considered in isolation from and is not intended to represent an alternative to our GAAP results.
- Special items in the income tax provision include \$52 million and \$24 million of expense in 2017 and 2016, respectively. Tax expense on special items in operating income totaled \$105 million in 2017 and \$18 million in 2016.



ADJUSTED EBITDA RECONCILIATION BY SEGMENT

Chart 19

\$ MILLIONS	2017 Q3					2017 Q4				
	Timberlands	Real Estate & ENR	Wood Products	Unallocated Items	Total	Timberlands	Real Estate & ENR	Wood Products	Unallocated Items	Total
Adjusted EBITDA¹	\$ 220	\$ 74	\$ 278	\$ (3)	\$ 569	\$ 252	\$ 87	\$ 258	\$ (46)	\$ 551
Depletion, depreciation & amortization	(89)	(4)	(37)	(2)	(132)	(86)	(4)	(37)	—	(127)
Basis of real estate sold	—	(24)	—	—	(24)	—	(33)	—	—	(33)
Unallocated pension service costs	—	—	—	(1)	(1)	—	—	—	(1)	(1)
Special items in operating income	—	—	(201)	(6)	(207)	99	—	(41)	28	86
Operating Income (GAAP)	\$ 131	\$ 46	\$ 40	\$ (12)	\$ 205	\$ 265	\$ 50	\$ 180	\$ (19)	\$ 476
Equity earnings (loss) from joint ventures	—	1	—	—	1	—	—	—	—	—
Non-operating pension and other postretirement benefit (costs) credits	—	—	—	(16)	(16)	—	—	—	(16)	(16)
Interest income and other	—	—	—	11	11	—	—	—	10	10
Net Contribution to Earnings	\$ 131	\$ 47	\$ 40	\$ (17)	\$ 201	\$ 265	\$ 50	\$ 180	\$ (25)	\$ 470
Interest expense, net					(98)					(96)
Income taxes ²					27					(103)
Net Earnings (GAAP)					\$ 130					\$ 271

- 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 from continuing operations adjusted for depreciation, depletion, amortization, basis of real estate sold, unallocated pension service costs and special items. Adjusted EBITDA excludes results from joint ventures. Adjusted EBITDA should not be considered in isolation from and is not intended to represent an alternative to our GAAP results.
- The income tax effects of special items can be found in a reconciliation set forth in **Chart 3**.



ADJUSTED EBITDA RECONCILIATION - TIMBERLANDS

Chart 20

\$ MILLIONS	2017 Q3					2017 Q4				
	West	South	North	Other	Total	West	South	North	Other	Total
Adjusted EBITDA¹	\$ 111	\$ 95	\$ 4	\$ 10	\$ 220	\$ 140	\$ 101	\$ 9	\$ 2	\$ 252
Depreciation, depletion & amortization	(26)	(49)	(4)	(10)	(89)	(28)	(51)	(5)	(2)	(86)
Special items	—	—	—	—	—	—	99	—	—	99
Operating Income (GAAP)	\$ 85	\$ 46	\$ —	\$ —	\$ 131	\$ 112	\$ 149	\$ 4	\$ —	\$ 265
Interest income and other	—	—	—	—	—	—	—	—	—	—
Net Contribution to Earnings (GAAP)	\$ 85	\$ 46	\$ —	\$ —	\$ 131	\$ 112	\$ 149	\$ 4	\$ —	\$ 265

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 from continuing operations adjusted for depreciation, depletion, amortization, basis of real estate sold, unallocated pension service costs and special items. Adjusted EBITDA excludes results from joint ventures. Adjusted EBITDA should not be considered in isolation from and is not intended to represent an alternative to our GAAP results.



ADJUSTED EBITDA RECONCILIATION - REAL ESTATE, ENERGY AND NATURAL RESOURCES

Chart 21

\$ Millions	2017 Q3			2017 Q4		
	Real Estate	Energy & Natural Resources	Total	Real Estate	Energy & Natural Resources	Total
Adjusted EBITDA¹	\$ 58	\$ 16	\$ 74	\$ 71	\$ 16	\$ 87
Depletion, depreciation & amortization	—	(4)	(4)	—	(4)	(4)
Basis of real estate sold	(24)	—	(24)	(33)	—	(33)
Special items in operating income	—	—	—	—	—	—
Operating Income (GAAP)	\$ 34	\$ 12	\$ 46	\$ 38	\$ 12	\$ 50
Equity earnings (loss) from joint ventures	1	—	1	—	—	—
Interest income and other	—	—	—	—	—	—
Net Contribution to Earnings (GAAP)	\$ 35	\$ 12	\$ 47	\$ 38	\$ 12	\$ 50

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 from continuing operations adjusted for depreciation, depletion, amortization, basis of real estate sold, unallocated pension service costs and special items. Adjusted EBITDA excludes results from joint ventures. Adjusted EBITDA should not be considered in isolation from and is not intended to represent an alternative to our GAAP results.



ADJUSTED EBITDA RECONCILIATION - WOOD PRODUCTS

Chart 22

\$ Millions	2017 Q3						2017 Q4					
	Lumber	OSB	EWP	Distribution	Other	Total	Lumber	OSB	EWP	Distribution	Other	Total
Adjusted EBITDA^{1,2}	\$ 117	\$ 102	\$ 50	\$ 12	\$ (3)	\$ 278	\$ 116	\$ 104	\$ 34	\$ 5	\$ (1)	\$ 258
Depletion, depreciation & amortization	(17)	(8)	(12)	—	—	(37)	(18)	(7)	(11)	(1)	—	(37)
Special items in operating income	(5)	—	(196)	—	—	(201)	9	—	(50)	—	—	(41)
Operating Income (GAAP)	\$ 95	\$ 94	\$ (158)	\$ 12	\$ (3)	\$ 40	\$ 107	\$ 97	\$ (27)	\$ 4	\$ (1)	\$ 180
Interest income and other	—	—	—	—	—	—	—	—	—	—	—	—
Net Contribution to Earnings (GAAP)	\$ 95	\$ 94	\$ (158)	\$ 12	\$ (3)	\$ 40	\$ 107	\$ 97	\$ (27)	\$ 4	\$ (1)	\$ 180

- 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 from continuing operations adjusted for depreciation, depletion, amortization, basis of real estate sold, unallocated pension service costs and special items. Adjusted EBITDA excludes results from joint ventures. Adjusted EBITDA should not be considered in isolation from and is not intended to represent an alternative to our GAAP results.
- Adjusted EBITDA for each Wood Products business includes earnings on internal sales, primarily from the manufacturing businesses to Distribution. These sales occur at market price.



GROSS DEBT TO ADJUSTED EBITDA RECONCILIATION

Chart 23

\$ MILLIONS	2017	2017
	Q3	Q4
Gross Debt to Adjusted EBITDA (LTM)^{1,2}	3.1	2.9
Long-Term Debt	\$ 5,995	\$ 5,992
Adjusted EBITDA (LTM)²	\$ 1,929	\$ 2,080
Depletion, depreciation & amortization	(531)	(521)
Basis of real estate sold	(108)	(81)
Non-operating pension & postretirement costs	(4)	(4)
Special Items in Operating Income	(457)	(343)
Operating Income (LTM) (GAAP)	\$ 829	\$ 1,131
Equity earnings (loss) from joint ventures	2	1
Non-operating pension and other post-retirement benefit costs	(35)	(62)
Interest income and other	38	39
Net Contribution to Earnings	\$ 834	\$ 1,109
Interest expense, net of capitalized interest	(405)	(393)
Income taxes ³	(56)	(134)
Net Earnings from Continuing Operations (LTM)	\$ 373	\$ 582
Earnings from discontinued operations, net of income taxes	489	—
Net Earnings (LTM) (GAAP)	\$ 862	\$ 582
Dividends on preference shares	—	—
Net Earnings to Common Shareholders (LTM) (GAAP)	\$ 862	\$ 582

1. LTM = last twelve months.
2. Gross debt to adjusted EBITDA is a non-GAAP measure that management uses to evaluate the performance of the company. Gross debt to adjusted EBITDA, as we define it, is long-term debt divided by the last twelve months of Adjusted EBITDA. See **Chart 18** for our definition of Adjusted EBITDA.
3. The income tax effects of special items can be found in a reconciliation set forth in **Chart 3**.

