

A photograph of a dense forest with tall, straight trees. Two men wearing orange hard hats and safety vests are standing in the lower left, looking at each other. The text is overlaid on a semi-transparent dark band across the upper portion of the image.

WEYERHAEUSER

2016 FACT BOOK

Working together to be the world's premier timber, land, and forest products company

WEYERHAEUSER 2016 FACT BOOK

This publication provides information for security analysts, investors and others researching the financial performance of our company. The information presented here is as of December 31, 2016, unless indicated otherwise, and is intended to be read in conjunction with our 2016 Annual Report and Form 10-K.

Plum Creek Timber Company, Inc. (Plum Creek) merged with and into Weyerhaeuser on February 19, 2016. The financial statements presented here include Plum Creek financial results from February 19, 2016 forward.

Selected Financial Data

DOLLAR AMOUNTS IN MILLIONS, EXCEPT PER-SHARE FIGURES			
	2016	2015	2014
Net sales	\$ 6,365	\$ 5,246	\$ 5,489
Adjusted EBITDA	\$ 1,583	\$ 1,025	\$ 1,163
Earnings from continuing operations	\$ 415	\$ 411	\$ 616
Earnings from discontinued operations, net of tax ⁽¹⁾	\$ 612	\$ 95	\$ 1,210
Net earnings attributable to Weyerhaeuser common shareholders ⁽²⁾	\$ 1,005	\$ 462	\$ 1,782
Diluted net earnings per share attributable to Weyerhaeuser common shareholders	\$ 1.39	\$ 0.89	\$ 3.18
Total assets ⁽³⁾	\$ 19,243	\$ 12,720	\$ 13,247
Total long-term debt, including current portion ⁽³⁾	\$ 6,610	\$ 4,787	\$ 4,873
Capital expenditures ⁽⁴⁾	\$ 510	\$ 483	\$ 395
Cash and cash equivalents from continuing operations at end of year	\$ 676	\$ 1,011	\$ 1,577
Number of common shares outstanding at year-end (in thousands)	748,528	510,483	524,474
Dividends paid per share	\$ 1.24	\$ 1.20	\$ 1.02
Number of employees	10,400	12,600	12,800

(1) Discontinued operations consist of the Cellulose Fiber segment operations for 2016, 2015 and 2014 as well as the Weyerhaeuser Real Estate Company (WRECO) operations in 2014.

(2) Includes dividends paid on preference shares of \$22 million, \$44 million and \$44 million for the years 2016, 2015 and 2014 respectively.

(3) 2014 amounts are not updated for Cellulose Fibers divestitures.

(4) Includes capital expenditures for Discontinued Operations.

Adjusted EBITDA by Segment

DOLLAR AMOUNTS IN MILLIONS			
	2016	2015	2014
Timberlands	\$ 865	\$ 678	\$ 739
Real Estate, Energy & Natural Resources	189	98	98
Wood Products	641	372	446
Unallocated Items	(112)	(123)	(120)
Total	\$ 1,583	\$ 1,025	\$ 1,163

We reconcile Adjusted EBITDA to net earnings for the consolidated company and to operating income for the business segments, as those are the most directly comparable U.S. GAAP measures for each.

Reconciliation of Adjusted EBITDA by segment to net earnings is on page 14.

Capital Spending by Segment

DOLLAR AMOUNTS IN MILLIONS			
	2016	2015	2014
Timberlands	\$ 116	\$ 75	\$ 74
Real Estate, Energy & Natural Resources	1	—	—
Wood Products	297	287	190
Unallocated Items	11	3	4
Discontinued operations ⁽¹⁾	85	118	127
Total	\$ 510	\$ 483	\$ 395

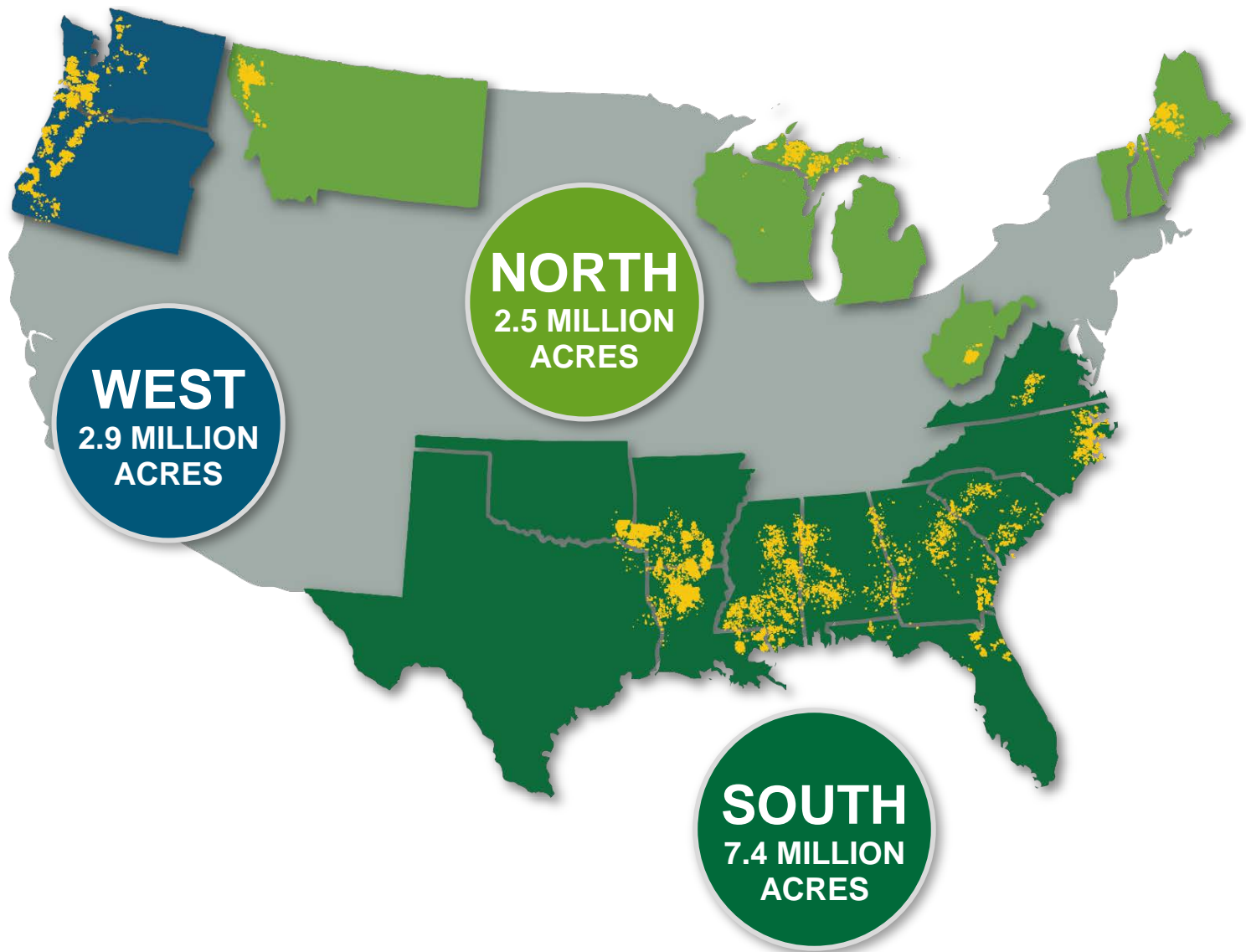
(1) Discontinued operations consist of the operations of our former Cellulose Fibers segment.

TIMBERLANDS

OUR TIMBERLANDS SEGMENT

- plants seedlings to reforest harvested areas using the most effective regeneration method for the site and species (natural regeneration is employed and managed in parts of Canada and the northern U.S.);
- monitors and cares for the planted trees as they grow to maturity;
- harvests trees to be converted into lumber, wood products, pulp and paper;
- strives to sustain and maximize the timber supply from our timberlands while keeping the health of our environment a key priority; and
- offers recreational access to the public.

TIMBERLANDS AS OF THE END OF 2016



Note: Weyerhaeuser also owns 0.3 million acres in Uruguay (not shown).

OUR TIMBERLANDS LOCATIONS

Summary of 2016 Timberland Ownership

THOUSANDS OF ACRES AT DECEMBER 31, 2016			
GEOGRAPHIC AREA	FEE OWNERSHIP	LONG-TERM LEASES	TOTAL ACRES ⁽¹⁾
U.S.:			
West			
Oregon	1,604	—	1,604
Washington	1,345	—	1,345
Total West	2,949	—	2,949
South			
Alabama	394	279	673
Arkansas	1,216	64	1,280
Florida	228	85	313
Georgia	652	115	767
Louisiana	1,041	352	1,393
Mississippi	1,241	146	1,387
North Carolina	568	2	570
Oklahoma	497	—	497
South Carolina	285	46	331
Texas	30	2	32
Virginia	125	—	125
Total South	6,277	1,091	7,368
North			
Maine	840	—	840
Michigan	563	—	563
Montana	738	—	738
New Hampshire	24	—	24
Vermont	86	—	86
West Virginia	258	—	258
Wisconsin	4	—	4
Total North	2,513	—	2,513
Total U.S.	11,739	1,091	12,830
Total Uruguay	299	10	309
Total Company	12,038	1,101	13,139

(1) Acres include all conservation and non-harvest acres.

Canadian Licensed Timberlands

THOUSANDS OF ACRES AT DECEMBER 31, 2016	
GEOGRAPHIC AREA	TOTAL LICENSE ARRANGEMENTS
Canada:	
Alberta	5,321
British Columbia	1,011
Ontario ⁽²⁾	2,574
Saskatchewan	4,987
Total Canada	13,893

(2) License is managed by partnership.

OUR TIMBERLANDS PRODUCTS

PRODUCTS	HOW THEY'RE USED
Grade logs	Grade logs are made into a diverse range of products including lumber, plywood, and veneer.
Fiber logs	Fiber logs are made into pulp, paper, and oriented strand board mills.
Timber	Standing timber is sold to third parties.
Recreational leases	Timberlands are leased to the public for recreational purposes.
Other products	Seed and seedlings grown in the U.S., and plywood produced at our mill in Uruguay.

Net Sales and Net Contribution to Earnings for Timberlands

DOLLAR AMOUNTS IN MILLIONS				
	2016	2015	2014	
Net sales to unaffiliated customers:				
Delivered logs ⁽¹⁾ :				
West	\$ 865	\$ 830	\$ 972	
South	566	241	257	
North	91	—	—	
Other	38	24	22	
Total	\$ 1,560	\$ 1,095	\$ 1,251	
Stumpage and pay-as-cut timber	85	37	18	
Uruguay operations ⁽²⁾	79	87	88	
Recreational and other lease revenue	44	25	22	
Other products ⁽³⁾	37	29	36	
Subtotal sales to unaffiliated customers	1,805	1,273	1,415	
Intersegment sales:				
United States	590	559	576	
Canada	250	271	291	
Total net sales	\$ 2,645	\$ 2,103	\$ 2,282	
Cost of products sold	2,054	1,566	1,667	
Gross margin	\$ 591	\$ 537	\$ 615	
Selling expenses	5	5	7	
General and administrative expenses	104	82	91	
Research and development expenses	17	16	16	
Charges for integration, restructuring, closures and asset impairments	—	—	1	
Other operating income, net	(34)	(36)	(32)	
Operating income and Net contribution to earnings	\$ 499	\$ 470	\$ 532	
Adjusted EBITDA⁽⁴⁾	\$ 865	\$ 678	\$ 739	

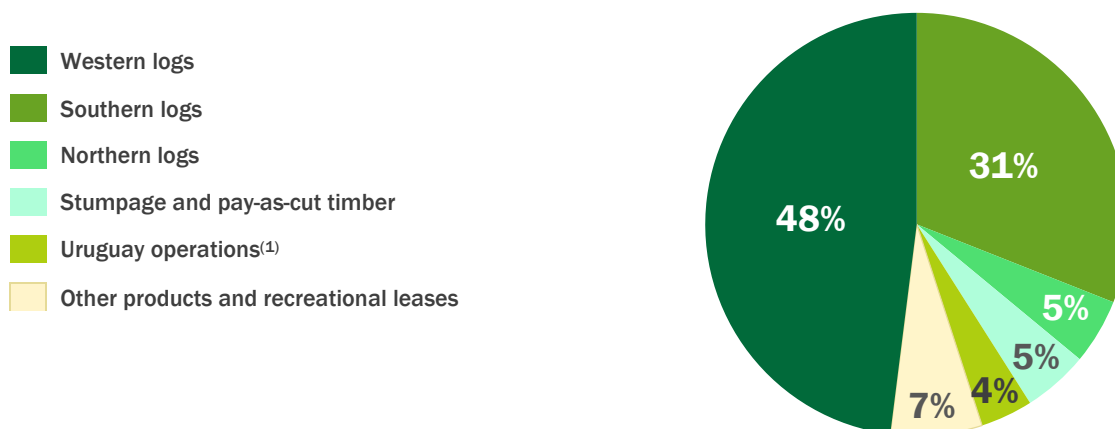
(1) The Western region includes Oregon and Washington. The Southern region includes Alabama, Arkansas, Georgia, Florida, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Texas and Virginia. The Northern region includes Maine, Michigan, Montana, New Hampshire, Vermont, West Virginia and Wisconsin. Other includes our Canadian operations and the timberlands of the Twin Creeks Venture that we manage.

(2) Sales from our Uruguay operations include plywood and hardwood lumber.

(3) Other products sales include sales of seeds and seedlings from our nursery operations, chips, and sales from our operations in Brazil (operations sold in 2014).

(4) Reconciliation of Adjusted EBITDA by segment to net earnings is on page 14.

Percentage of 2016 Sales Dollars to Unaffiliated Customers



(1) Sales from our Uruguay operations include plywood and hardwood lumber.

TIMBERLANDS HARVEST VOLUMES AND PUBLISHED PRICES

Our fee harvest volumes are managed sustainably across all regions to ensure the preservation of long-term economic value of the timber and to capture maximum value from the markets. This is accomplished by ensuring annual harvest schedules target financially mature timber and reforestation activities align with the growing of timber through its life cycle to financial maturity.

Timberlands Fee Harvest Volumes

FEE HARVEST VOLUMES IN THOUSANDS			
	2016	2015	2014
Fee harvest volume – tons:			
West	11,083	10,563	10,580
South	26,343	14,113	14,276
North	2,044	—	—
Uruguay	1,119	980	1,091
Other ⁽¹⁾	701	—	—
Total	41,290	25,656	25,947

(1) Other includes volumes managed for the Twin Creeks Venture.

Note: We previously reported Timberlands volumes information in cubic meters. Prior period volumes have been converted from cubic meters to tons using conversion factors as follows:

- West: 1.056 m3 = 1 ton
- South: 0.818 m3 = 1 ton
- Uruguay: 0.907 m3 = 1 ton
- Canada: 1.244 m3 = 1 ton

Timberlands Fee Harvest Percentage of Grade & Fiber

PERCENTAGE OF GRADE AND FIBER				
		2016	2015	2014
West	Grade	87%	87%	89%
	Fiber	13%	13%	11%
South	Grade	52%	59%	59%
	Fiber	48%	41%	41%
North	Grade	47%	—	—
	Fiber	53%	—	—
Uruguay	Grade	66%	65%	63%
	Fiber	34%	35%	37%
Other ⁽¹⁾	Grade	45%	—	—
	Fiber	55%	—	—
Total	Grade	64%	73%	73%
	Fiber	36%	27%	27%

(1) Other includes volumes managed for the Twin Creeks Venture.

Summary of Published Delivered Log Prices (Mill Basis)

FOR THE THREE-YEAR PERIOD ENDED DECEMBER 31, 2016				
SELECTED PRODUCT PRICES		2016	2015	2014
Domestic logs — #2 Sawlog bark on \$/MBF⁽¹⁾:				
Douglas fir	\$	650	\$ 650	\$ 705
Southern pine large	\$	328	\$ 335	\$ 334
Export logs — #2 Sawlog bark on Coastal \$/MBF⁽²⁾:				
Douglas fir - Longview	\$	840	\$ 833	\$ 869
Hemlock	\$	479	\$ 522	\$ 607

(1) Source: Loglines/Timber-Mart South

(2) Source: Loglines



STANDING GROSS TIMBER INVENTORY INFORMATION

United States

TOTAL INVENTORY AT DECEMBER 31, 2016 ⁽¹⁾	
GEOGRAPHIC AREA	MILLIONS OF TONS
West	
Douglas fir	159
Cedar	3
Whitewood	33
Hardwood	15
South⁽²⁾	
Southern yellow pine	278
Hardwood	71
North	
Conifer	33
Hardwood	39
Total U.S.	631

(1) Inventory encompasses all conservation and non-harvest areas.

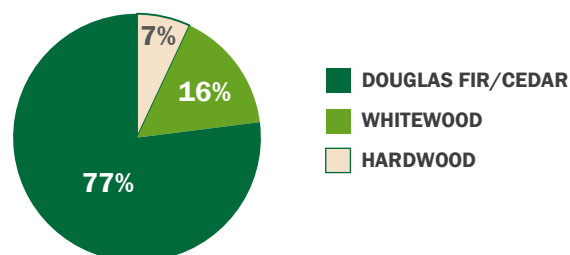
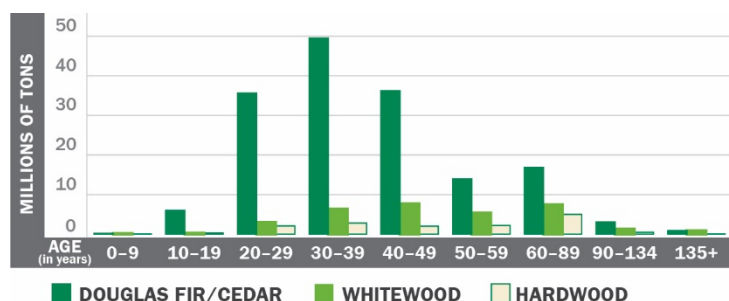
(2) Southern inventory includes our managed Twin Creeks operations.

International

TOTAL INVENTORY AT DECEMBER 31, 2016 ⁽¹⁾	
GEOGRAPHIC AREA	MILLIONS OF TONS
Uruguay:	
Loblolly pine	9
Eucalyptus	5
Total Uruguay	14

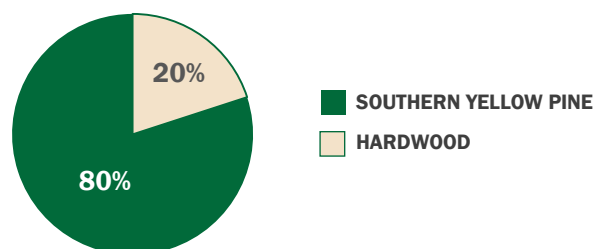
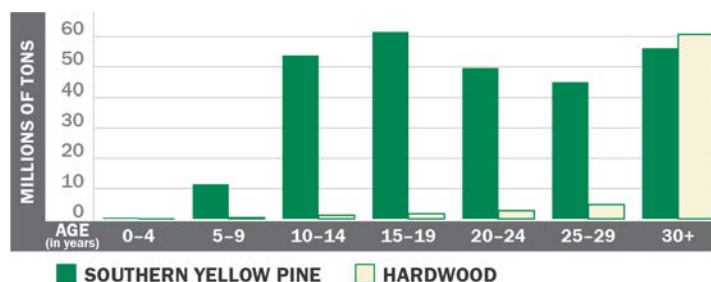
(1) Inventory encompasses all conservation and non-harvest areas.

2016 Western U.S. Inventory: By Age and Species



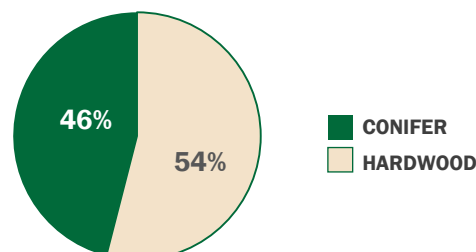
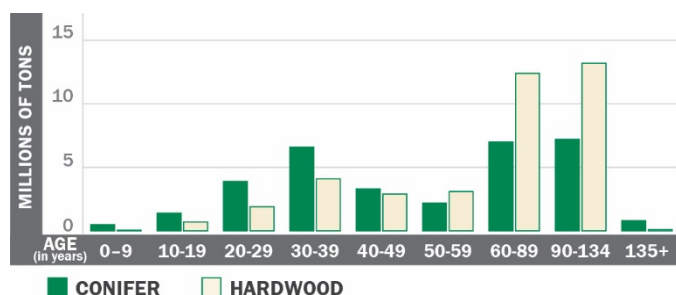
Note: Inventory charted encompasses all conservation and non-harvest areas.

2016 Southern U.S. Inventory: By Age and Species



Note: Inventory charted encompasses all conservation and non-harvest areas and includes our managed Twin Creeks operations.

2016 Northern U.S. Inventory: By Age and Species



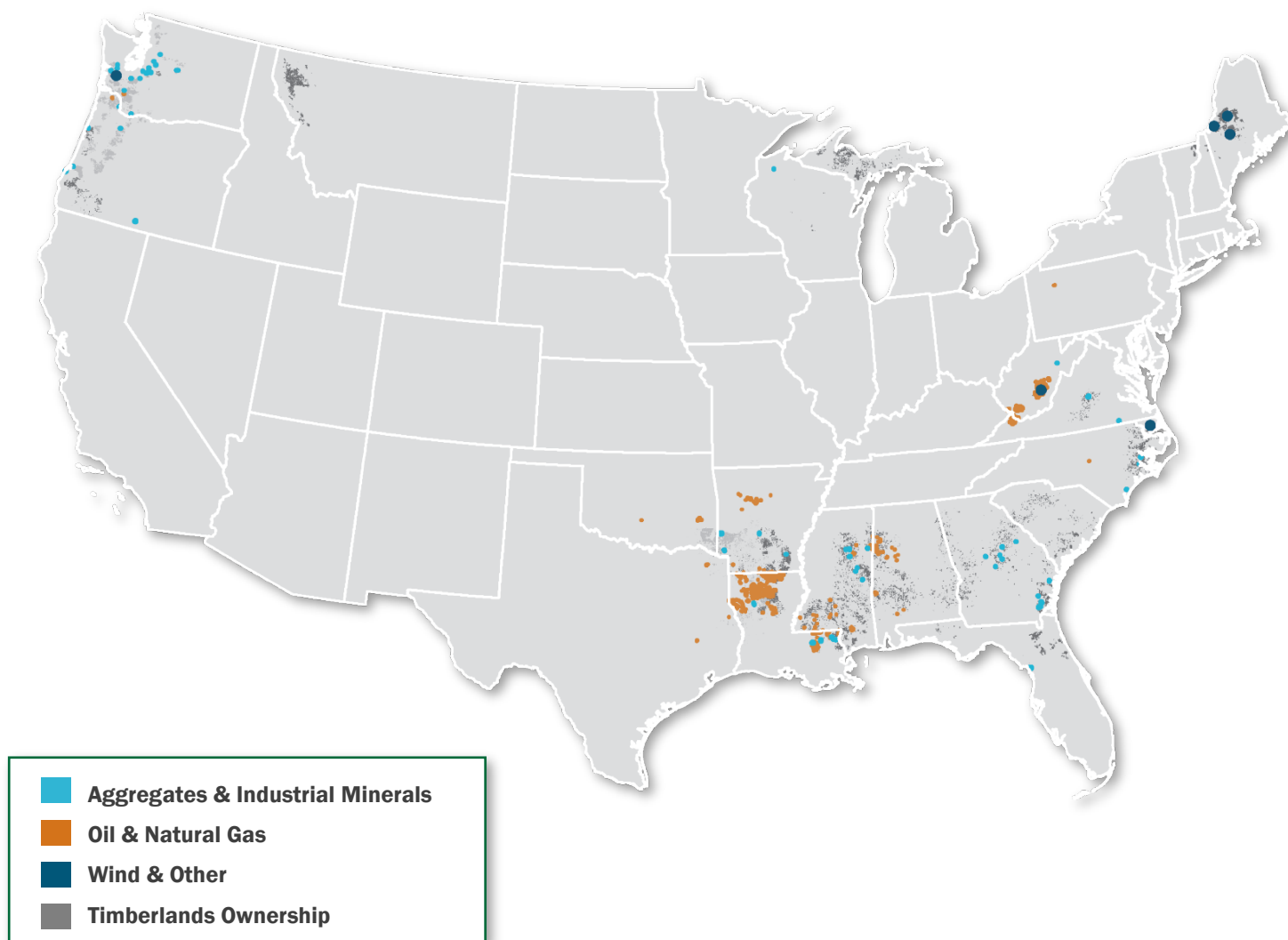
Note: Inventory charted encompasses all conservation and non-harvest areas.

REAL ESTATE, ENERGY & NATURAL RESOURCES

OUR REAL ESTATE, ENERGY & NATURAL RESOURCES SEGMENT

- maximizes the value of our timberland ownership through application of our asset value optimization (AVO) process; and
- captures the full value of surface and subsurface assets through leasing of oil, natural gas, minerals and wind resources.

MINERAL AND ENERGY LEASES AS OF THE END OF 2016



SOURCES OF REVENUE

SOURCE	ACTIVITIES
Timberlands	Select timberland tracts are sold for recreational, conservation or residential purposes to maximize value or improve our timberland portfolio.
Minerals and mineral rights	Rights are sold to explore and extract minerals, oil and gas for sale into energy markets.
Surface materials	Rights are sold to access and extract surface materials (rock, sand and gravel) for sale into construction markets.
Rights of way and easements	Rights are sold to access and utilize surface acreage for wind power, communications equipment, and transportation implementations (e.g. pipeline and power line easements).

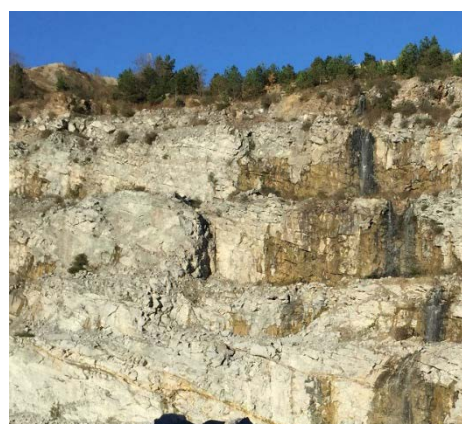
Certain activities within this segment are performed by our REIT, whereas others are activities of our Taxable REIT Subsidiaries.

Net Sales and Net Contribution to Earnings for Real Estate, Energy & Natural Resources

DOLLAR AMOUNTS IN MILLIONS				
	2016		2015	
	2014			
Net sales to unaffiliated buyers:				
Real estate	\$	172	\$	75
Energy and natural resources		54		26
Subtotal sales to unaffiliated buyers		226		101
Intersegment sales		1		—
Total net sales	\$	227	\$	101
Cost of products sold		134		20
Gross margin		93		81
Selling expenses		—		—
General and administrative expenses		26		6
Charges for integration, restructuring, closures and asset impairments		15		—
Other operating income, net		(1)		(4)
Operating income	\$	53	\$	79
Equity earnings from joint ventures ⁽¹⁾		2		—
Net contribution to earnings	\$	55	\$	79
Adjusted EBITDA⁽²⁾	\$	189	\$	98

(1) Equity earnings from joint ventures attributed to the Real Estate, Energy & Natural Resources segment are generated from our investments in our real estate development ventures.

(2) Reconciliation of Adjusted EBITDA by segment to net earnings is on page 14.



**AGGREGATES &
INDUSTRIAL MINERALS**



**OIL &
NATURAL GAS**



WIND & OTHER

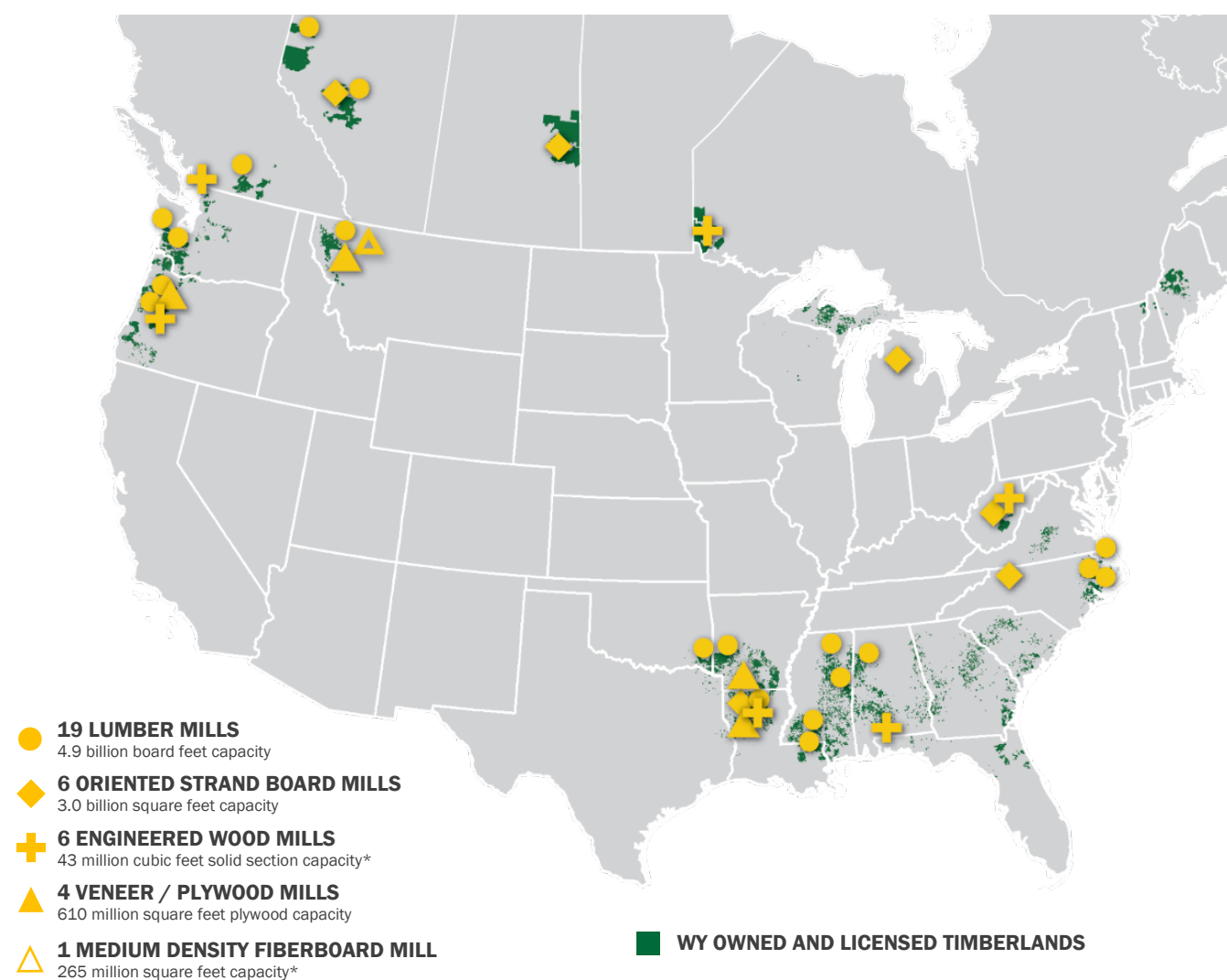
WOOD PRODUCTS

OUR WOOD PRODUCTS SEGMENT

- provides high-quality softwood lumber, engineered wood products, structural panels, medium density fiberboard (MDF) and other specialty products to the residential, multi-family, industrial, light commercial, and repair and remodel markets;
- distributes our products as well as complementary building products that we purchase from other manufacturers; and
- exports our softwood lumber, oriented strand board (OSB) and engineered wood products, primarily to Asia.

OUR WOOD PRODUCTS OPERATIONS

We operate manufacturing facilities in the United States and Canada. We distribute through a combination of Weyerhaeuser distribution centers and third-party distributors. Information about the locations, capacities and production of our manufacturing facilities is included below.



Note: Weyerhaeuser also operates 17 distribution facilities (not shown).

Statistics for full year 2016.

*Production capacity for engineered wood mills represents total press capacity. Three facilities also produce I-joists to meet market demand.

In 2016, approximately 25 percent of the total press production was converted into 184 million lineal feet of I-joist.

WOOD PRODUCTS MILL LOCATION AND CAPACITIES

Structural Lumber (SL)

Total capacity	4.9 billion board feet
Total facilities	19

Western United States (SL)

BOARD FEET IN MILLIONS	
Cottage Grove, OR	425
Kalispell, MT	65
Longview, WA	450
Raymond, WA	215
Santiam, OR	380
Total capacity: 1.5 billion board feet	
Total facilities: 5	

Southern United States (SL)

BOARD FEET IN MILLIONS	
Bruce, MS	250
Dierks, AR	315
Dodson, LA	220
Greenville, NC	260
Holden, LA	170
Idabel, OK	230
McComb, MS	300
Millport, AL	140
New Bern, NC	110
Philadelphia, MS	250
Plymouth, NC	250
Total capacity: 2.5 billion board feet	
Total facilities: 11	

Canada (SL)

BOARD FEET IN MILLIONS	
Drayton Valley, AB	270
Grande Prairie, AB	330
Princeton, BC	310
Total capacity: 0.9 billion board feet	
Total facilities: 3	

Engineered Wood Products

CUBIC FEET IN MILLIONS	
Buckhannon, WV ⁽²⁾	7
Eugene, OR ⁽¹⁾	7
Evergreen, AL ⁽¹⁾	6
Kenora, ON ⁽²⁾	11
Natchitoches, LA ⁽¹⁾	8
Vancouver, BC ⁽²⁾	4
Total capacity: 43 million cubic feet (if press capacity is utilized for solid section)	
Total facilities: 6	
(1) Eugene, OR; Evergreen, AL; and Natchitoches, LA, produce solid section and engineered I-joists to meet market demand. 2016 production of I-joists was 185 million lineal feet.	
(2) Buckhannon, WV, Kenora, ON, and Vancouver, BC, only produce solid section.	

Panels

Oriented Strand Board (OSB)

SQUARE FEET (3/8") IN MILLIONS	
Arcadia, LA	425
Edson, AB	445
Elkin, NC	430
Grayling, MI	540
Hudson Bay, SK	555
Sutton, WV	640
Total capacity: 3.0 billion square feet	
Total facilities: 6	

Medium Density Fiberboard (MDF)

SQUARE FEET (3/4") IN MILLIONS	
Columbia Falls, MT	265
Total capacity: 265 million square feet	
Total facilities: 1	

Plywood

SQUARE FEET (3/8") IN MILLIONS	
Emerson, AR	210
Kalispell, MT	150
Zwolle, LA	250
Total capacity: 610 million square feet	
Total facilities: 3	
We also operate a facility in Foster, Oregon that produces veneer primarily for use in our engineered wood products facilities.	

Wood Products Production

MILLIONS	2016	2015	2014
Structural lumber – board feet	4,516	4,252	4,152
Engineered solid section – cubic feet ⁽¹⁾	22.8	20.9	20.4
Engineered I-joists – lineal feet ⁽¹⁾	184	185	182
Oriented strand board – square feet (3/8")	2,910	2,847	2,749
Softwood plywood – square feet (3/8") ⁽²⁾	396	248	252
Medium density fiberboard – square feet (3/4')	209	—	—

(1) Weyerhaeuser engineered I-joist facilities also may produce engineered solid section.

(2) All Weyerhaeuser plywood facilities also produce veneer.

OUR WOOD PRODUCTS

PRODUCTS	HOW THEY'RE USED
Structural lumber	Structural framing for new residential, repair and remodel, treated applications, industrial and commercial structures.
Engineered wood products	Floor and roof joists, and headers and beams for residential, multi-family and commercial structures.
<ul style="list-style-type: none"> ▪ Solid section 	<p><u>Laminated Veneer Lumber — Microllam®</u> Beams and headers, I-joist flanges, concrete forming, scaffold planks, signposts and light poles, custom applications and factory-built structures.</p> <p><u>Parallel Strand Lumber — Parallam®</u> Columns and posts, exposed applications, headers and beams, railroad ties and timbers, concrete forming, wood bridges, custom applications.</p> <p><u>Laminated Strand Lumber — TimberStrand®</u> Beams and columns, factory-built structures (window, door and garage door headers), rim board, wall studs and plates, furniture and millwork, concrete forming, truss chords, custom applications.</p>
<ul style="list-style-type: none"> ▪ I-joists 	Engineered for dimensional stability, they are lightweight, come in long lengths, and are used for framing purposes.
Structural panels	Structural sheathing, subflooring and stair tread for residential, multi-family and commercial structures.
<ul style="list-style-type: none"> ▪ Oriented strand board (OSB) 	OSB uses wood strands that are oriented in a cross pattern and bonded together under heat and pressure. Used in structural wall and roof sheathing, subflooring, stair treads, webstock and a variety of industrial applications.
<ul style="list-style-type: none"> ▪ Softwood plywood 	Plywood is manufactured from thin sheets of cross-laminated veneer bonded together with adhesives using heat and pressure. Used in building and construction panels, as well as appearance panels.
Medium density fiberboard (MDF)	MDF is manufactured from wood fiber that is bonded together with adhesives using heat and pressure. Used in furniture and cabinet components, architectural moldings, doors, store fixtures, core material for hardwood plywood, face material for softwood plywood, commercial wall paneling and substrate for laminate flooring.
Other products	Wood chips and other byproducts.
Complementary building products	Complementary building products such as cedar, decking, siding, insulation and rebar sold in our distribution facilities.



LUMBER



ORIENTED STRAND BOARD



ENGINEERED WOOD



DISTRIBUTION

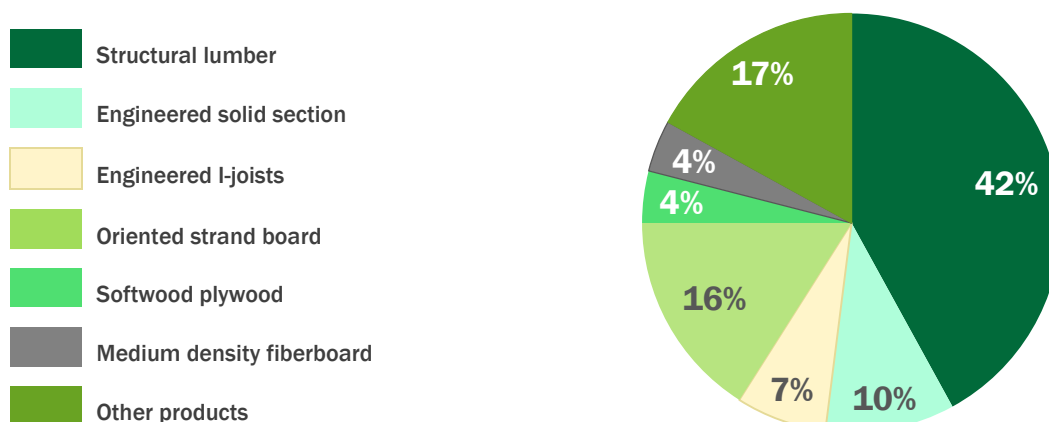
WOOD PRODUCTS SALES AND PUBLISHED PRICES

Net Sales and Net Contribution to Earnings for Wood Products

DOLLAR AMOUNTS IN MILLIONS						
	2016		2015		2014	
Net sales:						
Structural lumber	\$	1,839	\$	1,741	\$	1,901
Engineered solid section		450		428		402
Engineered I-joists		290		284		277
Oriented strand board		707		595		610
Softwood plywood		174		129		143
Medium density fiberboard		158		—		—
Other products produced		201		189		176
Complementary building products		515		506		461
Subtotal sales to unaffiliated customers	\$	4,334	\$	3,872	\$	3,970
Intersegment sales		68		82		80
Total net sales	\$	4,402	\$	3,954	\$	4,050
Cost of products sold		3,688		3,487		3,495
Gross margin	\$	714	\$	467	\$	555
Selling expenses		84		94		94
General and administrative expenses		109		102		130
Research and development expenses		2		2		4
Charges for integration, restructuring, closures and asset impairments		7		10		2
Other operating income, net		—		1		(2)
Operating income and Net contribution to earnings	\$	512	\$	258	\$	327
Adjusted EBITDA⁽¹⁾	\$	641	\$	372	\$	446

(1) Reconciliation of Adjusted EBITDA by segment to net earnings is on page 14.

Percentage of 2016 Sales Dollars to Unaffiliated Customers



Published Lumber Prices

\$/MBF	2016		2015	
	2014			
2x4 Douglas fir (kiln dried)	\$	377	\$	358
2x4 Douglas fir (green)	\$	338	\$	315
2x4 Southern yellow pine (kiln dried)	\$	408	\$	376
2x4 Spruce-pine-fir (mill)	\$	305	\$	277

Source: Random Lengths

Published Oriented Strand Board Prices

\$/MSF	2016		2015	
	2014			
OSB (7/16") North Central	\$	269	\$	208
			\$	217

Source: Random Lengths

The table below reconciles Adjusted EBITDA by segment to net earnings during the year ended 2016:

DOLLAR AMOUNTS IN MILLIONS						
	TIMBERLANDS	REAL ESTATE & ENR	WOOD PRODUCTS	UNALLOCATED ITEMS	TOTAL	
Net earnings					\$	1,027
Earnings from discontinued operations, net of taxes						(612)
Interest expense, net of capitalized interest						431
Income taxes						89
Net contribution to earnings	\$ 499	\$ 55	\$ 512	\$ (131)	\$	935
Equity earnings from joint ventures	—	(2)	—	(20)		(22)
Interest income and other	—	—	—	(43)		(43)
Operating income	\$ 499	\$ 53	\$ 512	\$ (194)	\$	870
Depreciation, depletion and amortization	366	13	129	4		512
Basis of real estate sold	—	109	—	—		109
Non-operating pension and postretirement credits	—	—	—	(43)		(43)
Special items ⁽¹⁾⁽²⁾	—	14	—	121		135
Adjusted EBITDA	\$ 865	\$ 189	\$ 641	\$ (112)	\$	1,583

(1) Pre-tax special items included in Real Estate & ENR relate to non-cash charges recorded for legacy real estate projects.

(2) Pre-tax special items included in Unallocated Items consist of: \$146 million Plum Creek merger-related costs, \$36 million gain on sale of non-strategic assets, and \$11 million of legal expense.

The table below reconciles Adjusted EBITDA by segment to net earnings during the year ended 2015:

DOLLAR AMOUNTS IN MILLIONS						
	TIMBERLANDS	REAL ESTATE & ENR	WOOD PRODUCTS	UNALLOCATED ITEMS	TOTAL	
Net earnings					\$	506
Earnings from discontinued operations, net of taxes						(95)
Interest expense, net of capitalized interest						341
Income taxes						(58)
Net contribution to earnings	\$ 470	\$ 79	\$ 258	\$ (113)	\$	694
Equity earnings from joint ventures	—	—	—	—		—
Interest income and other	—	—	—	(36)		(36)
Operating income	\$ 470	\$ 79	\$ 258	\$ (149)	\$	658
Depreciation, depletion and amortization	208	1	106	10		325
Basis of real estate sold	—	18	—	—		18
Non-operating pension and postretirement credits	—	—	—	(11)		(11)
Special items ⁽¹⁾⁽²⁾	—	—	8	27		35
Adjusted EBITDA	\$ 678	\$ 98	\$ 372	\$ (123)	\$	1,025

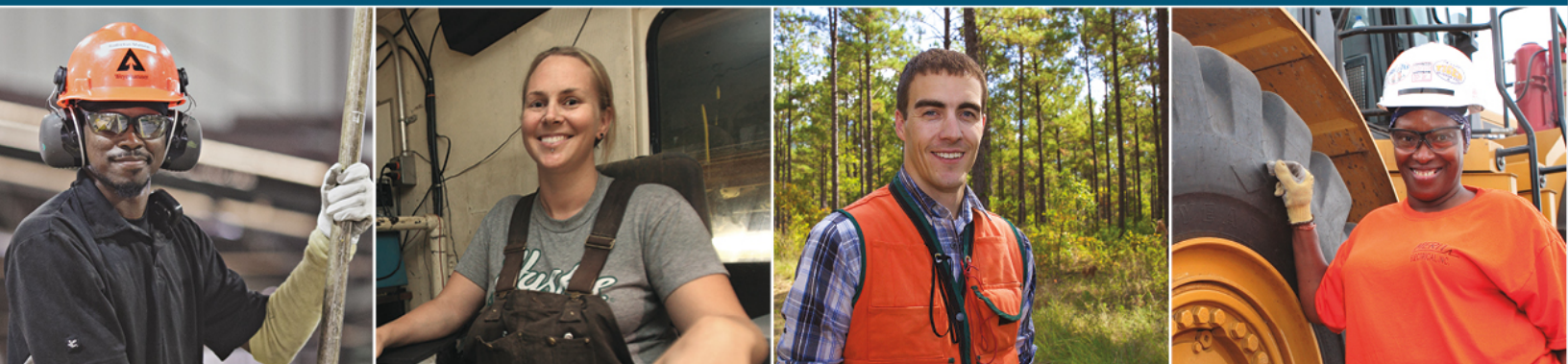
(1) Pre-tax special items included in Wood Products are restructuring charges related to the closure of four distribution centers.

(2) Pre-tax special items included in Unallocated Items consist of a \$13 million non-cash impairment charge related to a non-strategic asset and \$14 million of Plum Creek merger-related costs.

The table below reconciles Adjusted EBITDA by segment to net earnings during the year ended 2014:

DOLLAR AMOUNTS IN MILLIONS						
	TIMBERLANDS	REAL ESTATE & ENR	WOOD PRODUCTS	UNALLOCATED ITEMS	TOTAL	
Net earnings					\$	1,826
Earnings from discontinued operations, net of taxes						(1,210)
Interest expense, net of capitalized interest						338
Income taxes						71
Net contribution to earnings	\$ 532	\$ 81	\$ 327	\$ 85	\$	1,025
Equity earnings from joint ventures	—	—	—	—		—
Interest income and other	—	—	—	(38)		(38)
Operating income	\$ 532	\$ 81	\$ 327	\$ 47	\$	987
Depreciation, depletion and amortization	207	—	119	12		338
Basis of real estate sold	—	17	—	—		17
Non-operating pension and postretirement costs	—	—	—	(45)		(45)
Special items ⁽¹⁾	—	—	—	(134)		(134)
Adjusted EBITDA	\$ 739	\$ 98	\$ 446	\$ (120)	\$	1,163

(1) Pre-tax special items included: a \$151 million gain related to a previously announced postretirement plan amendment, \$39 million in restructuring and closure charges related to our selling, general and administrative cost reduction initiative and a \$22 million gain on the sale of a landfill in Washington state.



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