WEYERHAEUSER
EARNINGS RESULTS

3RD QUARTER 2018 | October 26, 2018

FORWARD-LOOKING STATEMENTS

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, adjusted EBITDA, log and manufacturing costs, sales realizations and volumes, harvest volumes, and wood products pricing. 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; 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; changes in currency exchange rates, particularly the relative value of the U.S. dollar to the yen and the Canadian dollar, and the relative value of the euro to the yen; restrictions on international trade, tariffs imposed on imports of our products and the availability and cost of shipping and transportation; economic activity in Asia, especially Japan and China; performance of our manufacturing operations, including maintenance and capital requirements; potential disruptions in our manufacturing operations; the accuracy of our estimates of costs and expenses related to contingent liabilities; 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, 2017. 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.

Adjusted EBITDA, as we define it, is operating income adjusted for depreciation, depletion, amortization, basis of real estate sold, unallocated pension service costs and special items. Adjusted EBITDA excludes results from joint ventures.

2018 Q3 CONSOLIDATED RESULTS

Chart 1

$ Millions	2018	2018	
Adjusted EBITDA	**Q2**	**Q3**	**Change**
Timberlands	$ 240	$ 206	$ (34)
Real Estate, Energy & Natural Resources	47	86	39
Wood Products	385	250	(135)
Unallocated Items	(35)	(37)	(2)
Total Adjusted EBITDA[1]	**$ 637**	**$ 505**	**$ (132)**
Contribution to Earnings Before Special Items	$ 494	$ 333	$ (161)

1. Our definition of Adjusted EBITDA and a reconciliation to GAAP are set forth on ***Chart 16***.
2. Includes R&D expenses; charges for integration and restructuring, closures, and asset impairments; other operating (costs) income, net; non-operating pension and other postretirement benefit costs; 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 2***. Income taxes attributable to special items are included in Special items, after-tax.

$ Millions EXCEPT EPS	2018	2018
Consolidated Statement of Operations Before Special Items	**Q2**	**Q3**
Net sales	**$ 2,065**	**$ 1,910**
Cost of products sold	1,447	1,452
Gross margin	618	458
SG&A expenses	103	98
Other (income) expense, net[2]	21	27
Total Contribution to Earnings Before Special Items	**$ 494**	**$ 333**
Interest expense, net[3]	(92)	(93)
Income taxes[4]	(70)	(26)
Net Earnings Before Special Items[4]	**$ 332**	**$ 214**
Special items, after-tax[4]	(15)	41
Net Earnings	**$ 317**	**$ 255**
Diluted EPS Before Special Items[4]	**$ 0.44**	**$ 0.28**
Diluted EPS	**$ 0.42**	**$ 0.34**

EARNINGS BEFORE SPECIAL ITEMS

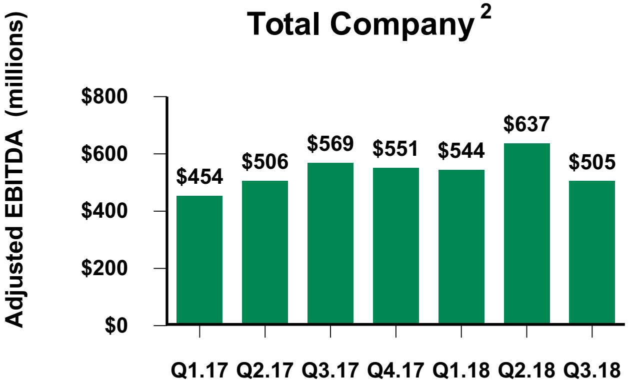
Chart 2

$ Millions EXCEPT EPS	2018 Q2			2018 Q3		
	Pre-Tax Earnings	After-Tax Earnings	Diluted EPS	Pre-Tax Earnings	After-Tax Earnings	Diluted EPS
Earnings Before Special Items	**$ 402**	**$ 332**	**$ 0.44**	**$ 240**	**$ 214**	**$ 0.28**
Special Items:						
Product remediation (charges) recoveries, net	(20)	(15)	(0.02)	—	—	—
Tax adjustments[1]	—	—	—	—	41	0.06
Total Special Items	**(20)**	**(15)**	**(0.02)**	**—**	**41**	**0.06**
Earnings Including Special Items (GAAP)	**$ 382**	**$ 317**	**$ 0.42**	**$ 240**	**$ 255**	**$ 0.34**

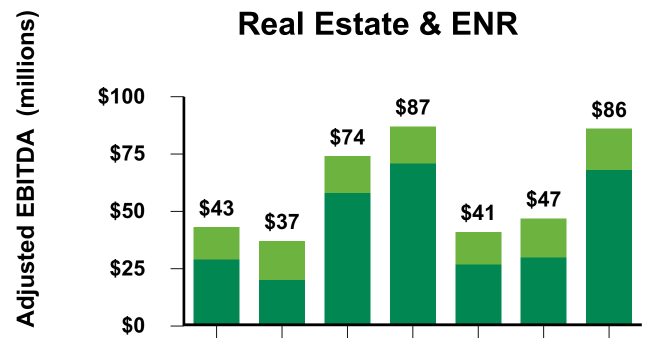
1. During third quarter 2018, we recorded a tax benefit related to the previously announced $300 million contribution to our U.S. qualified pension plan.

ADJUSTED EBITDA[1]

Total Company[2]

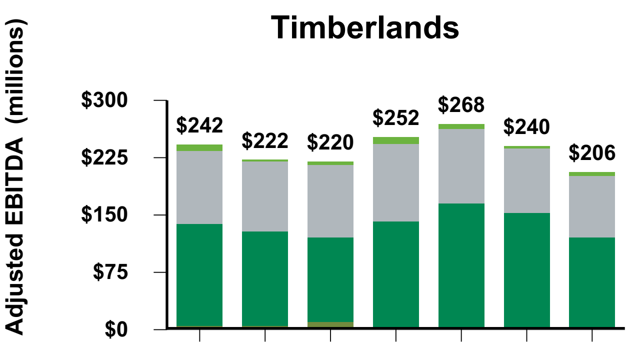


Real Estate & ENR



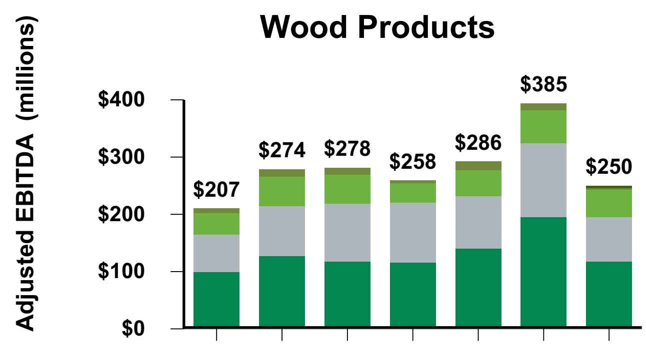
		Q1.17	Q2.17	Q3.17	Q4.17	Q1.18	Q2.18	Q3.18
Real Estate	$	29	20	58	71	27	30	68
ENR	$	14	17	16	16	14	17	18

Timberlands



		Q1.17	Q2.17	Q3.17	Q4.17	Q1.18	Q2.18	Q3.18
West	$	133	124	111	140	165	152	121
South	$	96	91	95	101	98	84	80
North	$	8	2	4	9	6	3	4
Other	$	5	5	10	2	(1)	1	1

Wood Products



		Q1.17	Q2.17	Q3.17	Q4.17	Q1.18	Q2.18	Q3.18
Lumber	$	99	127	117	116	140	195	118
OSB	$	66	87	102	104	92	129	77
Engineered Wood	$	37	52	50	34	45	58	48
Distribution	$	8	13	12	5	15	12	3
Other	$	(3)	(5)	(3)	(1)	(6)	(9)	4

1. Our definition of Adjusted EBITDA and a reconciliation to GAAP are set forth on ***Chart 16, Chart 17, Chart 18, and Chart 19.***
2. Total Company Adjusted EBITDA includes Timberlands; Real Estate, Energy and Natural Resources; Wood Products and Unallocated.

TIMBERLANDS SEGMENT

Chart 4

TIMBERLANDS ($ Millions)[1]	2018	2018
Adjusted EBITDA by Region	**Q2**	**Q3**
West	$ 152	$ 121
South	84	80
North	3	4
Other	1	1
Total Adjusted EBITDA[3]	**$ 240**	**$ 206**

3rd Quarter Notes

- Average Western sales realizations declined
- Lower Western domestic and export log sales volumes
- Slightly higher average Southern realizations
- Moderately lower Southern sales volumes due to weather
- Seasonally higher forestry, road and unit logging costs

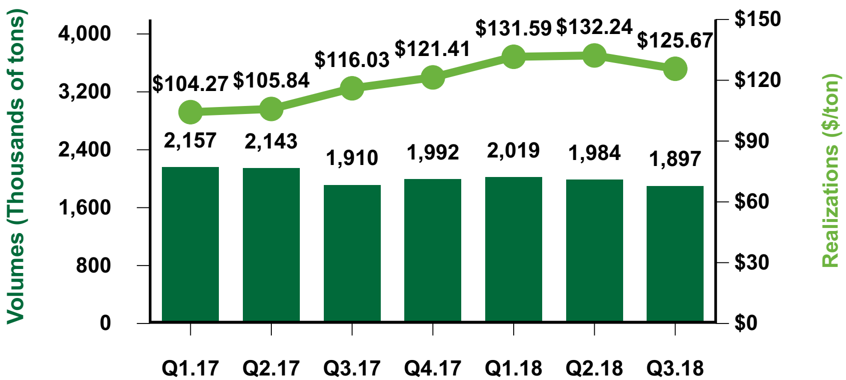
TIMBERLANDS ($ Millions)[1]	2018	2018
Segment Statement of Operations	**Q2**	**Q3**
Third party sales	$ 476	$ 459
Intersegment sales	139	128
Total Sales	**615**	**587**
Cost of products sold	431	436
Gross margin	**184**	**151**
SG&A expenses	24	24
Other (income) expense, net[2]	(1)	1
Contribution to Earnings	**$ 161**	**$ 126**
Adjusted EBITDA[3]	**$ 240**	**$ 206**
Adjusted EBITDA Margin Percentage[4]	**39%**	**35%**
Operating Margin Percentage[5]	**26%**	**21%**

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 and other operating costs (income), net.
3. Our definition of Adjusted EBITDA and a reconciliation to GAAP are set forth on ***Chart 17***.
4. Adjusted EBITDA divided by total sales.
5. Contribution to earnings divided by total sales.

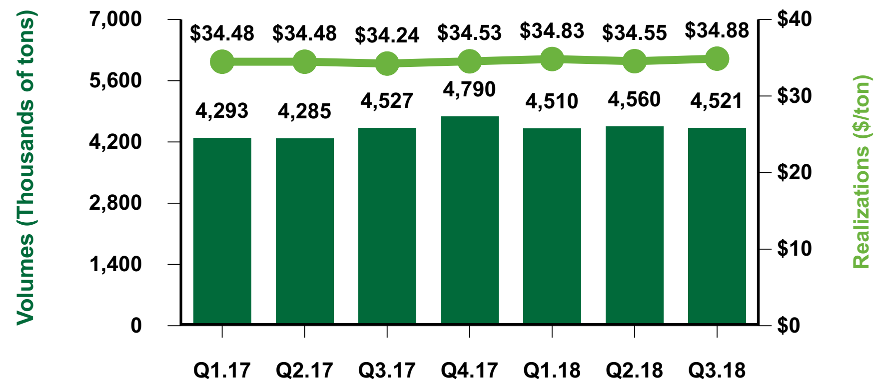
SALES VOLUMES, REALIZATIONS AND EXPORT SALES

Chart 5

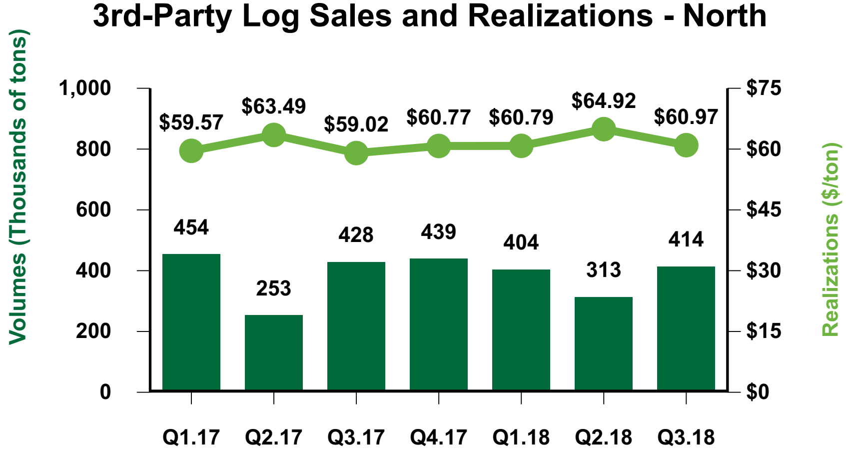
3rd-Party Log Sales and Realizations - West [1]



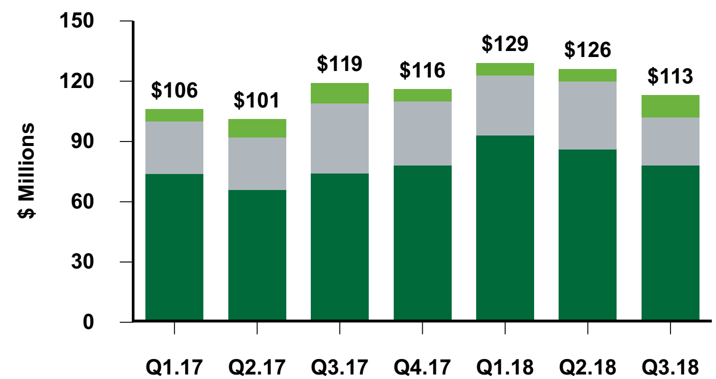
3rd-Party Log Sales and Realizations - South



3rd-Party Log Sales and Realizations - North



Western Export Log Revenue

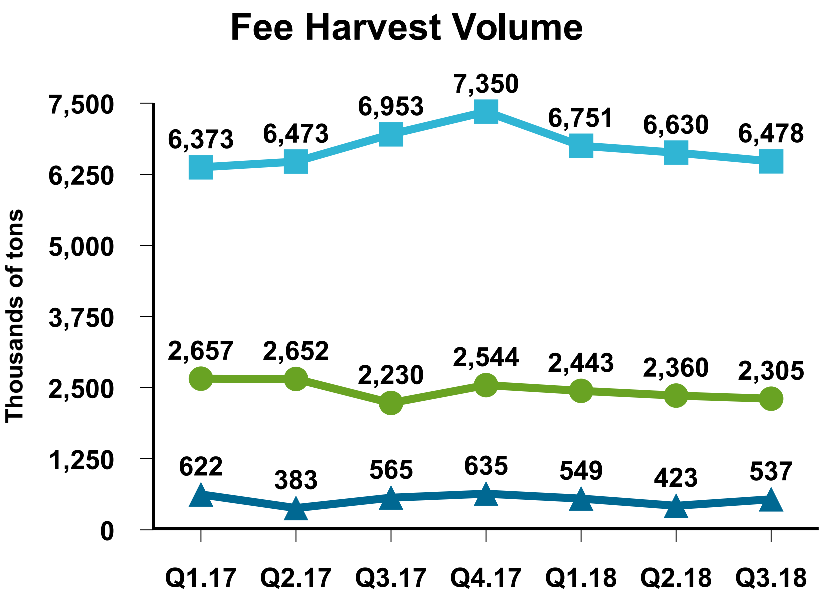


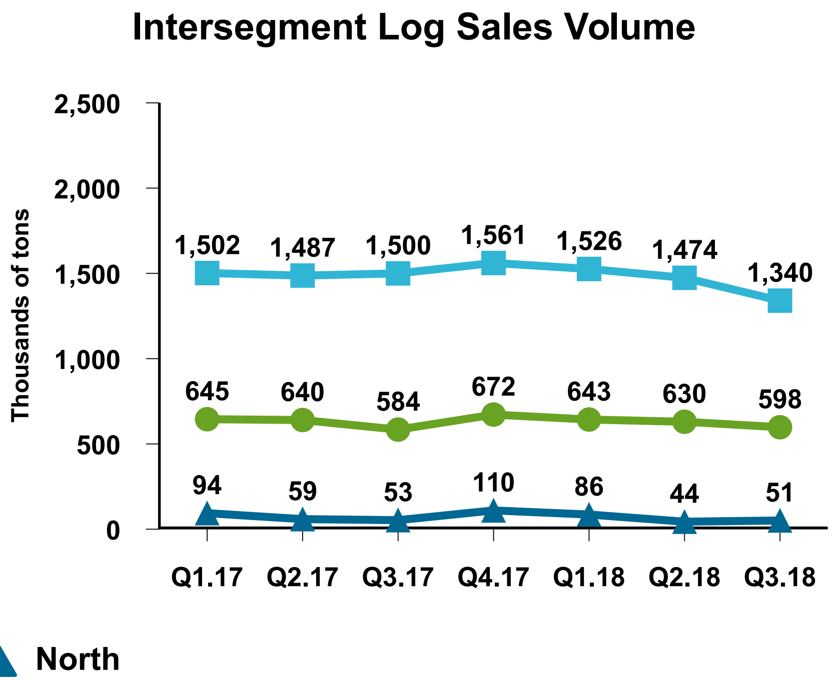
	Q1.17	Q2.17	Q3.17	Q4.17	Q1.18	Q2.18	Q3.18
Japan	70%	65%	62%	68%	72%	68%	69%
China	24%	26%	29%	27%	23%	27%	22%
Korea	6%	9%	9%	5%	5%	5%	9%

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

FEE HARVEST VOLUMES AND INTERSEGMENT SALES VOLUMES

Chart 6





REAL ESTATE, ENERGY & NATURAL RESOURCES (ENR) SEGMENT

Chart 7

Real Estate & ENR ($ Millions)	2018	2018
Adjusted EBITDA by Business	**Q2**	**Q3**
Real Estate	$ 30	$ 68
Energy & Natural Resources	17	18
Total Adjusted EBITDA[1]	**$ 47**	**$ 86**

3rd Quarter Notes

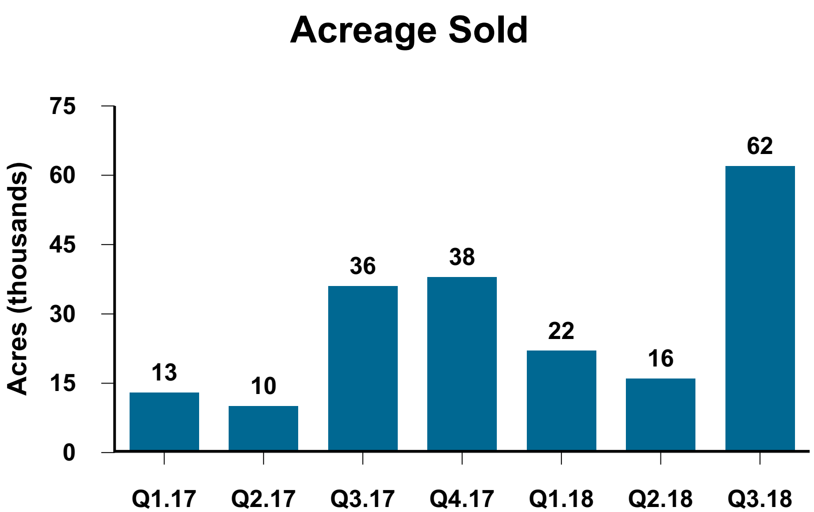
- Seasonally higher real estate sales and a large acre Montana transaction
- Lower average price per acre due to mix
- Average land basis increased modestly due to mix

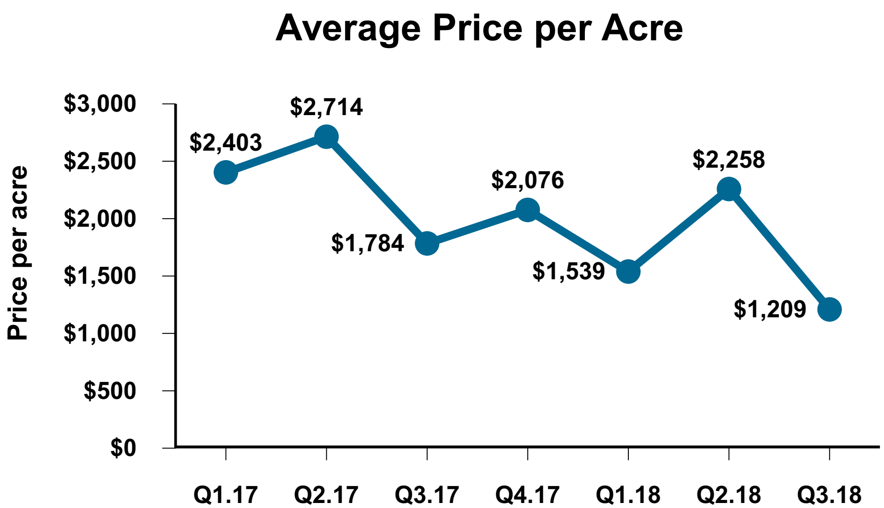
Real Estate & ENR ($ Millions)	2018	2018
Segment Statement of Operations	**Q2**	**Q3**
Total sales	**$ 58**	**$ 96**
Cost of products sold	30	54
Gross margin	**28**	**42**
SG&A expenses	6	6
Other operating costs (income), net	—	—
Contribution to Earnings	**$ 22**	**$ 36**
Adjusted EBITDA[1]	**$ 47**	**$ 86**

1. Our definition of Adjusted EBITDA and a reconciliation to GAAP are set forth on ***Chart 18***.

REAL ESTATE, ENERGY & NATURAL RESOURCES (ENR) SEGMENT

Chart 8





WOOD PRODUCTS SEGMENT

Chart 9

WOOD PRODUCTS ($ Millions)	2018	2018
Adjusted EBITDA by Business	**Q2**	**Q3**
Lumber	$ 195	$ 118
OSB	129	77
Engineered Wood Products	58	48
Distribution	12	3
Other	(9)	4
Total Adjusted EBITDA[1]	**$ 385**	**$ 250**

3rd Quarter Notes

- Significantly lower average sales realizations for lumber and OSB
- Decreased operating rates and sales volumes, primarily due to weather in the South and scheduled OSB press replacement
- Canadian log costs increased

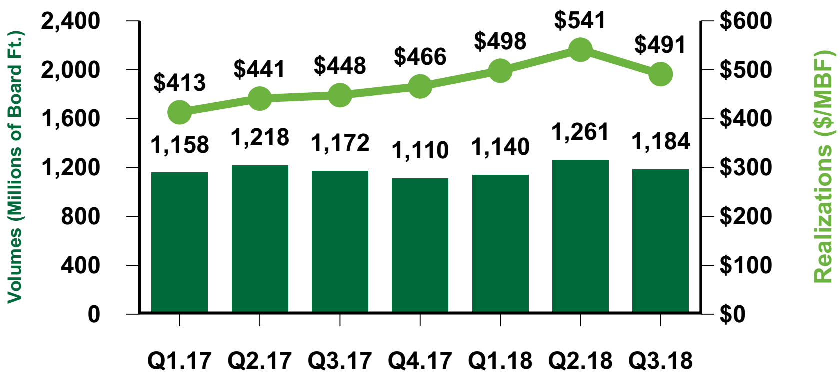
WOOD PRODUCTS ($ Millions)	2018	2018
Segment Statement of Operations	**Q2**	**Q3**
Total sales	**$1,525**	**$ 1,346**
Cost of products sold	1,119	1,071
Gross margin	**406**	**275**
SG&A expenses	53	50
Other (income) expense, net[2]	4	12
Contribution to Earnings Before Special Items	**$ 349**	**$ 213**
Special items, pre-tax	(20)	—
Contribution to Earnings	**$ 329**	**$ 213**
Adjusted EBITDA[1]	**$ 385**	**$ 250**
Adjusted EBITDA Margin Percentage[3]	**25%**	**19%**
Operating Margin Percentage[4]	**23%**	**16%**

1. Adjusted EBITDA for Wood Products businesses include 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 19***.
2. Other (income) expense, net includes: R&D expenses; charges for integration and restructuring, closures and asset impairments; and other operating costs (income), net.
3. Adjusted EBITDA divided by total sales.
4. Contribution to earnings before special items divided by total sales.

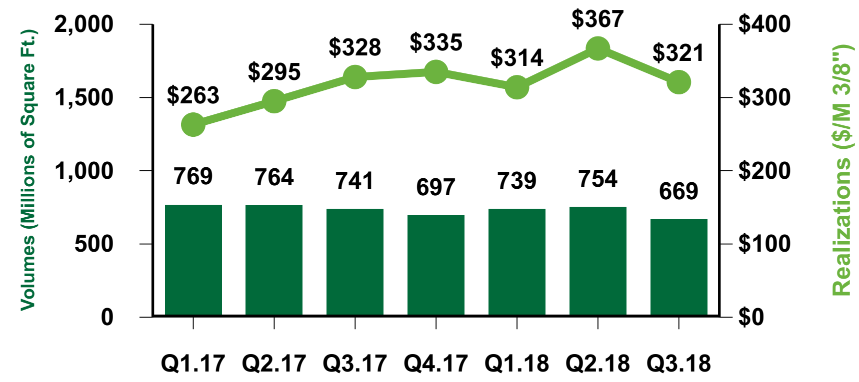
3RD-PARTY SALES VOLUMES AND REALIZATIONS[1]

Chart 10

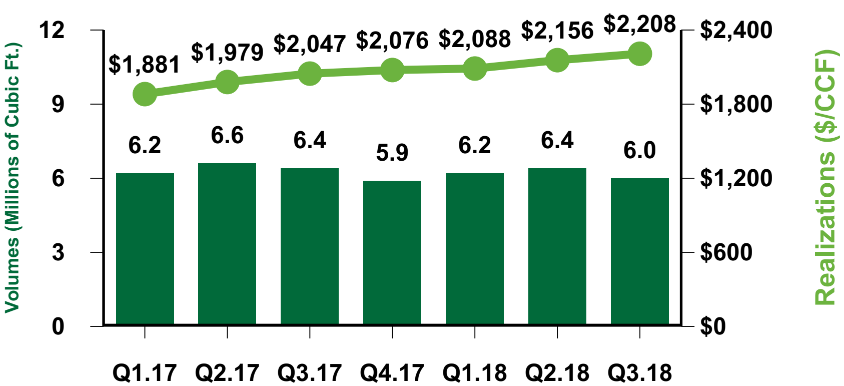
Lumber



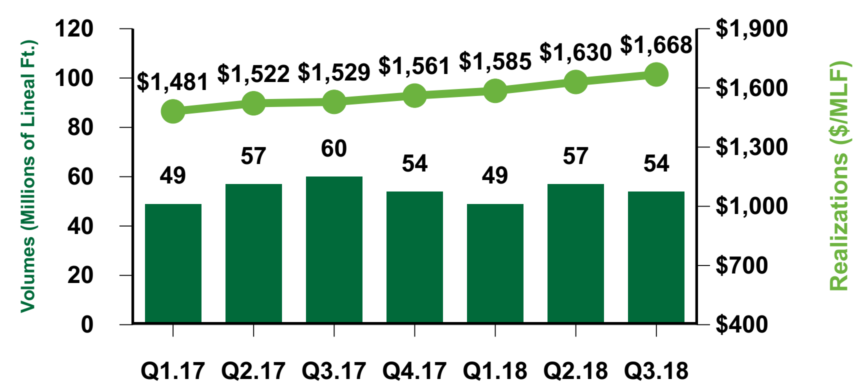
OSB



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]	2018 Q2	2018 Q3
Unallocated corporate function expenses and variable compensation expense	$ (19)	$ (19)
Liability classified share-based compensation	(2)	4
Foreign exchange gains (losses)	2	(2)
Elimination of intersegment profit in inventory and LIFO	3	—
Non-operating pension and other postretirement benefit (costs) credits	(13)	(17)
Other, including interest income	(9)	(8)
Contribution to Earnings	**$ (38)**	**$ (42)**
Adjusted EBITDA[4]	**$ (35)**	**$ (37)**

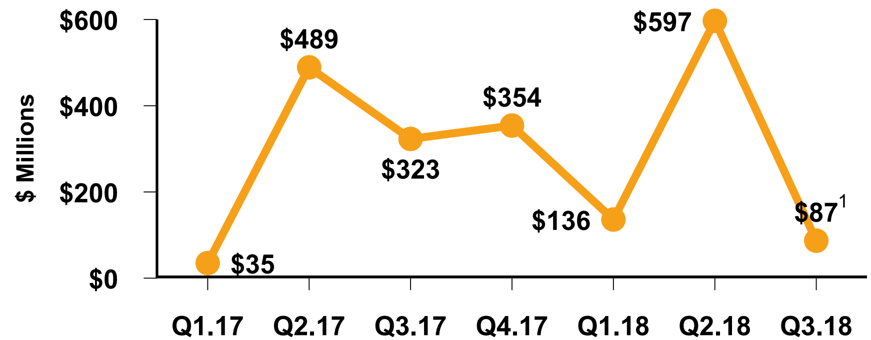
UNALLOCATED ITEMS ($ Millions)	2018 Q2	2018 Q3
By Natural Expense		
Cost of products sold[2]	$ (4)	$ (6)
G&A expenses[3]	(19)	(17)
Other income (expense), net	(15)	(19)
Contribution to Earnings	**$ (38)**	**$ (42)**

1. Unallocated items are gains or charges not related to or allocated to an individual operating segment.
2. Cost of products sold is composed primarily of elimination of intersegment profit in inventory and LIFO and incentive compensation.
3. G&A expenses are comprised primarily of share-based compensation; pension service costs; corporate function expenses; and incentive compensation.
4. Our definition of Adjusted EBITDA and a reconciliation to GAAP are set forth on ***Chart 20.***

FINANCIAL ITEMS

KEY FINANCIAL METRICS ($ Millions)	2018 Q2	2018 Q3
Ending Cash Balance	$901	$348
Long-Term Debt	$5,924	$5,921
Net Debt to Adjusted EBITDA (LTM)[1]	2.2	2.5
Net Debt to Enterprise Value[2]	15%	18%

Cash Flow from Operations



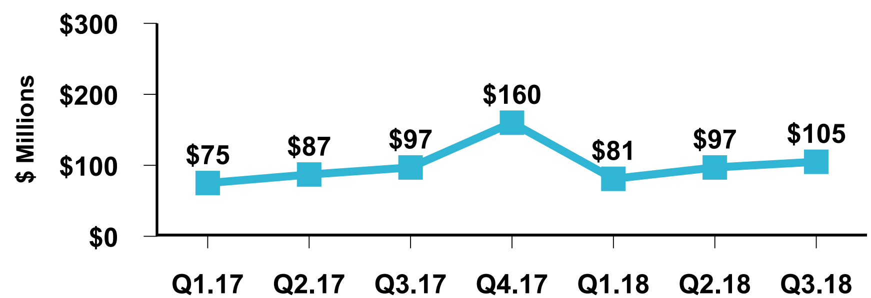
1. Excluding the $300 million cash contribution to our U.S. qualified pension plan, our Q3 2018 cash flow from operations would be $387 million.

Scheduled Debt Maturities as of September 30, 2018

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

1. LTM = last twelve months. A reconciliation to GAAP is set forth on ***Chart 21***.
2. 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.

Capital Expenditures



2017: $419 million ***2018 YTD: $283 million***

OUTLOOK: 2018 Q4 vs. 2018 Q3

Chart 13

SEGMENT	COMMENTS
TIMBERLANDS	● Lower average sales realizations and moderately higher export log sales volumes in the West ● Slightly higher fee harvest volumes and comparable average log sales realizations in the South ● Expect earnings and Adjusted EBITDA will be approximately \$15 to \$20 million lower than 2018 Q3
REAL ESTATE, ENERGY & NATURAL RESOURCES	● Expect earnings and Adjusted EBITDA will be comparable to 2018 Q3 ● Anticipate full year Adjusted EBITDA of approximately \$260 million
WOOD PRODUCTS	● Substantially lower average sales realizations for lumber and oriented strand board ● Lower Western and Canadian log costs and improved unit manufacturing costs for lumber ● Higher sales volumes for oriented strand board due to completion of a scheduled press replacement ● Anticipate earnings and Adjusted EBITDA will be significantly lower than 2018 Q3

EARNINGS SUMMARY

Chart 14

$ Millions EXCEPT EPS	2017				2018		
Adjusted EBITDA by Segment	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**
Timberlands	$ 242	$ 222	$ 220	$ 252	$ 268	$ 240	$ 206
Real Estate, Energy & Natural Resources	43	37	74	87	41	47	86
Wood Products	207	274	278	258	286	385	250
Unallocated Items	(38)	(27)	(3)	(46)	(51)	(35)	(37)
Total Adjusted EBITDA[1]	**$ 454**	**$ 506**	**$ 569**	**$ 551**	**$ 544**	**$ 637**	**$ 505**
DD&A, basis of real estate sold, non-operating pension and postretirement costs, equity earnings/loss from joint ventures, and interest income and other	(162)	(138)	(161)	(167)	(144)	(143)	(172)
Total Contribution to Earnings Before Special Items	**$ 292**	**$ 368**	**$ 408**	**$ 384**	**$ 400**	**$ 494**	**$ 333**
Interest expense, net[2]	(99)	(100)	(98)	(96)	(93)	(92)	(93)
Income taxes	(26)	(56)	(51)	(54)	(32)	(70)	(26)
Net Earnings Before Special Items[3]	**$ 167**	**$ 212**	**$ 259**	**$ 234**	**$ 275**	**$ 332**	**$ 214**
Special items, after-tax[4]	(10)	(188)	(129)	37	(6)	(15)	41
Net Earnings	**$ 157**	**$ 24**	**$ 130**	**$ 271**	**$ 269**	**$ 317**	**$ 255**
Diluted EPS Before Special Items[3]	**$ 0.22**	**$ 0.28**	**$ 0.34**	**$ 0.31**	**$ 0.36**	**$ 0.44**	**$ 0.28**
Diluted EPS	**$ 0.21**	**$ 0.03**	**$ 0.17**	**$ 0.36**	**$ 0.35**	**$ 0.42**	**$ 0.34**

1. See ***Chart 16*** 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.
3. A reconciliation to GAAP EPS is set forth on ***Chart 15***.
4. Income taxes attributable to special items are included in Special items, after-tax.

EARNINGS PER SHARE RECONCILIATION

Chart 15

$ Millions EXCEPT EPS	2017				2018		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Diluted EPS Before Special Items	**$ 0.22**	**$ 0.28**	**$ 0.34**	**$ 0.31**	**$ 0.36**	**$ 0.44**	**$ 0.28**
Special Items:							
Plum Creek merger and integration-related costs	(0.01)	—	—	(0.02)	—	—	—
Restructurings, impairments, and other charges	—	(0.20)	(0.01)	—	—	—	—
Gain on sale of timberlands	—	—	—	0.14	—	—	—
Environmental remediation (charges) recoveries	—	—	—	0.03	(0.03)	—	—
Countervailing and antidumping duties (charges) credits[1]	—	(0.01)	(0.01)	0.01	—	—	—
Product remediation (charges) recoveries, net	—	(0.04)	(0.15)	(0.04)	0.02	(0.02)	—
Tax adjustments[2]	—	—	—	(0.07)	—	—	0.06
Diluted EPS (GAAP)	**$ 0.21**	**$ 0.03**	**$ 0.17**	**$ 0.36**	**$ 0.35**	**$ 0.42**	**$ 0.34**

1. As of first quarter 2018, countervailing and anti-dumping duties are no longer reported as a special item.
2. Tax adjustments include a tax expense related to enactment of the tax legislation in fourth quarter 2017 and a tax benefit related to our $300 million pension plan contribution in third quarter 2018.

ADJUSTED EBITDA RECONCILIATION BY SEGMENT

Chart 16

$ Millions	2017				2018		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Timberlands	$ 242	$ 222	$ 220	$ 252	$ 268	$ 240	$ 206
Real Estate & ENR	43	37	74	87	41	47	86
Wood Products	207	274	278	258	286	385	250
Unallocated Items	(38)	(27)	(3)	(46)	(51)	(35)	(37)
Adjusted EBITDA[1]	**$ 454**	**$ 506**	**$ 569**	**$ 551**	**$ 544**	**$ 637**	**$ 505**
Depletion, depreciation & amortization	(133)	(129)	(132)	(127)	(120)	(119)	(122)
Basis of real estate sold	(14)	(10)	(24)	(33)	(12)	(22)	(46)
Unallocated pension service costs	(2)	—	(1)	(1)	—	—	—
Special items in operating income	(12)	(210)	(207)	86	(8)	(20)	—
Operating Income (GAAP)	**$ 293**	**$ 157**	**$ 205**	**$ 476**	**$ 404**	**$ 476**	**$ 337**
Non-operating pension and other postretirement benefit (costs) credits	(22)	(8)	(16)	(16)	(24)	(13)	(17)
Interest income and other	9	9	12	10	12	11	13
Net Contribution to Earnings	**$ 280**	**$ 158**	**$ 201**	**$ 470**	**$ 392**	**$ 474**	**$ 333**
Interest expense, net	(99)	(100)	(98)	(96)	(93)	(92)	(93)
Income taxes[2]	(24)	(34)	27	(103)	(30)	(65)	15
Net Earnings (GAAP)	**$ 157**	**$ 24**	**$ 130**	**$ 271**	**$ 269**	**$ 317**	**$ 255**

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 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.
2. The income tax effects of special items can be found in a reconciliation set forth in ***Chart 2***.

ADJUSTED EBITDA RECONCILIATION: TIMBERLANDS

Chart 17

$ Millions	2017				2018		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
West	$ 133	$ 124	$ 111	$ 140	$ 165	$ 152	$ 121
South	96	91	95	101	98	84	80
North	8	2	4	9	6	3	4
Other	5	5	10	2	(1)	1	1
Total Timberlands Adjusted EBITDA[1]	**$ 242**	**$ 222**	**$ 220**	**$ 252**	**$ 268**	**$ 240**	**$ 206**
West	(31)	(29)	(26)	(28)	(29)	(29)	(27)
South	(45)	(43)	(49)	(51)	(45)	(45)	(46)
North	(5)	(3)	(4)	(5)	(4)	(3)	(4)
Other	(13)	(12)	(10)	(2)	(1)	(2)	(3)
Total depletion, depreciation, & amortization	$ (94)	$ (87)	$ (89)	$ (86)	$ (79)	$ (79)	$ (80)
Special items	—	(147)	—	99	—	—	—
Operating Income and Net Contribution to Earnings (GAAP)	**$ 148**	**$ (12)**	**$ 131**	**$ 265**	**$ 189**	**$ 161**	**$ 126**

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 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 18

$ Millions	2017				2018		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Real Estate	$ 29	$ 20	$ 58	$ 71	$ 27	$ 30	$ 68
Energy & Natural Resources	14	17	16	16	14	17	18
Total Real Estate & ENR Adjusted EBITDA[1]	**$ 43**	**$ 37**	**$ 74**	**$ 87**	**$ 41**	**$ 47**	**$ 86**
Depletion, depreciation & amortization	(3)	(4)	(4)	(4)	(4)	(3)	(4)
Basis of real estate sold	(14)	(10)	(24)	(33)	(12)	(22)	(46)
Special items	—	—	—	—	—	—	—
Operating Income (GAAP)	**$ 26**	**$ 23**	**$ 46**	**$ 50**	**$ 25**	**$ 22**	**$ 36**
Interest income and other	—	—	1	—	—	—	—
Net Contribution to Earnings (GAAP)	**$ 26**	**$ 23**	**$ 47**	**$ 50**	**$ 25**	**$ 22**	**$ 36**

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 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 19

$ Millions	2017				2018		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Lumber[1]	$ 99	$ 127	$ 117	$ 116	$ 140	$ 195	$ 118
OSB	66	87	102	104	92	129	77
EWP	37	52	50	34	45	58	48
Distribution	8	13	12	5	15	12	3
Other	(3)	(5)	(3)	(1)	(6)	(9)	4
Total Wood Products Adjusted EBITDA[2,3]	**$ 207**	**$ 274**	**$ 278**	**$ 258**	**$ 286**	**$ 385**	**$ 250**
Lumber	(15)	(17)	(17)	(18)	(18)	(19)	(19)
OSB	(7)	(7)	(8)	(7)	(8)	(7)	(8)
EWP	(12)	(11)	(12)	(11)	(10)	(9)	(9)
Distribution	(1)	(1)	—	(1)	—	(1)	(1)
Other	—	—	—	—	—	—	—
Total depletion, depreciation & amortization	$ (35)	$ (36)	$ (37)	$ (37)	$ (36)	$ (36)	$ (37)
Special items[1]	—	(61)	(201)	(41)	20	(20)	—
Operating Income and Net Contribution to Earnings (GAAP)	**$ 172**	**$ 177**	**$ 40**	**$ 180**	**$ 270**	**$ 329**	**$ 213**

1. During 2017, countervailing and anti-dumping duties were excluded from Adjusted EBITDA and reported as special items. As of first quarter 2018, duties are included in Lumber Adjusted EBITDA and are no longer reported as a special item. Duties are calculated based on the final combined rate of 20.23%.
2. 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 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.
3. 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.

ADJUSTED EBITDA RECONCILIATION: UNALLOCATED

Chart 20

$ Millions	2017				2018		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Total Unallocated Adjusted EBITDA[1]	**$ (38)**	**$ (27)**	**$ (3)**	**$ (46)**	**$ (51)**	**$ (35)**	**$ (37)**
Total depletion, depreciation, & amortization	(1)	(2)	(2)	—	(1)	(1)	(1)
Unallocated pension service costs	(2)	—	(1)	(1)	—	—	—
Special items	(12)	(2)	(6)	28	(28)	—	—
Operating Income (GAAP)	**$ (53)**	**$ (31)**	**$ (12)**	**$ (19)**	**$ (80)**	**$ (36)**	**$ (38)**
Non-operating pension and other retirement income	(22)	(8)	(16)	(16)	(24)	(13)	(17)
Interest income and other	9	9	11	10	12	11	13
Operating Income and Net Contribution to Earnings (GAAP)	**$ (66)**	**$ (30)**	**$ (17)**	**$ (25)**	**$ (92)**	**$ (38)**	**$ (42)**

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 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.

NET DEBT TO ADJUSTED EBITDA RECONCILIATION

Chart 21

$ MILLIONS	2018 Q2	2018 Q3
Net Debt to Adjusted EBITDA (LTM)[1,2]	**2.2**	**2.5**
Long-Term Debt	$ 5,924	$ 5,921
Less: Cash and Cash Equivalents	901	348
Net Debt	**$ 5,023**	**$ 5,573**
Adjusted EBITDA (LTM)	**$ 2,301**	**$ 2,237**
Depletion, depreciation & amortization	(498)	(488)
Basis of real estate sold	(91)	(113)
Unallocated pension service costs	(2)	(1)
Special Items in operating income	(149)	58
Operating Income (LTM) (GAAP)	**$ 1,561**	**$ 1,693**
Non-operating pension and other post-retirement benefit costs	(69)	(70)
Interest income and other	45	46
Net Contribution to Earnings (LTM)	**$ 1,537**	**$ 1,669**
Interest expense, net of capitalized interest	(379)	(374)
Income taxes[3]	(171)	(183)
Net Earnings (LTM) (GAAP)	**$ 987**	**$ 1,112**

1. LTM = last twelve months.
2. Net debt to adjusted EBITDA is a non-GAAP measure that management uses to evaluate the performance of the company. Net debt to adjusted EBITDA, as we define it, is long-term debt, net of cash and equivalents divided by the last twelve months of Adjusted EBITDA. See ***Chart 16*** for our definition of Adjusted EBITDA.
3. The income tax effects of special items can be found in a reconciliation set forth in ***Chart 2***.