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**Weyerhaeuser reports fourth quarter, full year results**

- **Generated full year net earnings of \$748 million or \$0.99 per diluted share**
- **Full year 2018 Adjusted EBITDA in excess of \$2 billion**
- **Repurchased \$75 million of common shares during the fourth quarter**
- **Reduced pension liabilities by over \$660 million and incurred \$0.20 per share non-cash charge following completion of lump sum offer**

**SEATTLE** (February 1, 2019) — [Weyerhaeuser Company](#) (NYSE: WY) today reported a fourth quarter net loss of \$93 million, or 12 cents per diluted share, on net sales of \$1.6 billion. This compares with net earnings of \$271 million, or 36 cents per diluted share, on net sales of \$1.8 billion for the same period last year and net earnings of \$255 million for the third quarter of 2018.

Fourth quarter includes net after-tax charges of \$163 million for special items, primarily a non-cash settlement charge related to a previously announced action to reduce our pension liabilities. Excluding special items, the company reported net earnings of \$70 million, or 10 cents per diluted share, for fourth quarter 2018. This compares with net earnings before special items of \$234 million for the same period last year and \$214 million for the third quarter of 2018.

For the full year 2018, Weyerhaeuser reported net earnings of \$748 million, or 99 cents per diluted share, on net sales of \$7.5 billion. This compares with net earnings of \$582 million on net sales of \$7.2 billion for the full year 2017.

Full year 2018 includes net after-tax charges of \$143 million from special items. Excluding these items, the company reported net earnings before special items of \$891 million, or \$1.18 per diluted share. This compares with net earnings before special items of \$872 million for the full year 2017.

“In 2018 we delivered strong results through a wide range of market conditions, generating over \$2 billion of Adjusted EBITDA, returning nearly \$1.4 billion to shareholders through dividends and share repurchases, and significantly reducing our pension liabilities,” said Devin W. Stockfish, president and chief executive officer. “Entering 2019, U.S. economic fundamentals remain strong and we expect continued growth in U.S. housing. We remain focused on driving value for shareholders through operational excellence and disciplined capital allocation.”

## WEYERHAEUSER FINANCIAL HIGHLIGHTS

(millions, except per share data)	2018 Q3	2018 Q4	2017 Q4	2018 Full Year	2017
Net sales	\$1,910	\$1,636	\$1,823	\$7,476	\$7,196
Net earnings (loss)	\$255	\$(93)	\$271	\$748	\$582
Net earnings (loss) per diluted share	\$0.34	\$(0.12)	\$0.36	\$0.99	\$0.77
Weighted average shares outstanding, diluted	757	750	758	757	757
Net earnings before special items <sup>(1)(2)</sup>	\$214	\$70	\$234	\$891	\$872
Net earnings per diluted share before special items	\$0.28	\$0.10	\$0.31	\$1.18	\$1.15
Adjusted EBITDA <sup>(3)</sup>	\$505	\$346	\$551	\$2,032	\$2,080

(1) Fourth quarter 2018 after-tax special items include a \$152 million non-cash settlement charge related to our U.S. qualified pension plan lump sum offer, a \$21 million tax adjustment charge, and a \$10 million gain on sale of a nonstrategic asset. Full year 2018 after-tax special items also include a \$41 million tax benefit related to a contribution to our U.S. qualified pension plan and \$21 million of environmental remediation expense. Beginning first quarter 2018, countervailing and antidumping duties are no longer reported as a special item.

(2) Fourth quarter 2017 after-tax special items include a \$99 million gain on the sale of Southern timberlands, charges of \$52 million for tax adjustments including enactment of tax legislation, \$31 million for product remediation charges, \$26 million for environmental remediation insurance recoveries, \$12 million for Plum Creek merger-related costs, and a \$7 million net benefit from an adjustment to accrued countervailing and antidumping duties on softwood lumber. Full year 2017 after-tax special items also include \$151 million of charges for impairment of Uruguay operations, and an additional \$149 million for product remediation charges; \$15 million for Plum Creek merger-related costs; and \$12 million for countervailing and antidumping duties.

(3) 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 in real estate sold, unallocated pension service costs and special items. Adjusted EBITDA should not be considered in isolation from and is not intended to represent an alternative to our GAAP results. A reconciliation of Adjusted EBITDA to GAAP earnings is included with this release.

## TIMBERLANDS

FINANCIAL HIGHLIGHTS (millions)	2018 Q3	2018 Q4	Change
Net sales	\$653	\$664	\$11
Contribution to pre-tax earnings	\$126	\$107	\$(19)
Adjusted EBITDA	\$206	\$188	\$(18)

**4Q 2018 Performance** - In the West, lower average log sales realizations were partially offset by higher sales volumes across domestic and export markets. Western road spending increased as favorable weather allowed the company to complete previously deferred activity. In the South, fee harvest volumes increased due to higher stumpage sales, and average log sales realizations were comparable to the third quarter.

**1Q 2019 Outlook** - Weyerhaeuser expects first quarter earnings and Adjusted EBITDA will be lower than the fourth quarter. In the South, the company anticipates seasonally lower fee harvest volumes and comparable average log sales realizations. In the West, the company expects lower fee harvest volumes and average log sales realizations moderately below the fourth quarter average, mostly offset by significantly lower road and forestry spending.

## REAL ESTATE, ENERGY & NATURAL RESOURCES

<b>FINANCIAL HIGHLIGHTS (millions)</b>	<b>2018 Q3</b>	<b>2018 Q4</b>	<b>Change</b>
Net sales	\$96	\$102	\$6
Contribution to pre-tax earnings	\$36	\$44	\$8
Adjusted EBITDA	\$86	\$90	\$4

**4Q 2018 Performance** - Earnings and Adjusted EBITDA increased compared with the third quarter. Real Estate EBITDA was higher due to the regional mix of properties sold. Average land basis decreased modestly.

**1Q 2019 Outlook** - Weyerhaeuser anticipates earnings and Adjusted EBITDA will increase in the first quarter due to the timing of Real Estate transactions. Royalties from Energy and Natural Resources operations should be seasonally lower. The company anticipates full year 2019 Adjusted EBITDA for the segment of approximately \$260 million.

## WOOD PRODUCTS

<b>FINANCIAL HIGHLIGHTS (millions)</b>	<b>2018 Q3</b>	<b>2018 Q4</b>	<b>Change</b>
Net sales	\$1,346	\$1,075	\$(271)
Contribution to pre-tax earnings	\$213	\$26	\$(187)
Adjusted EBITDA	\$250	\$66	\$(184)

**4Q 2018 Performance** - Earnings and Adjusted EBITDA decreased compared with the third quarter, primarily due to a 21 percent decline in average sales realizations for lumber and oriented strand board. Sales volumes and operating rates for lumber and engineered wood products decreased seasonally, and unit manufacturing costs were higher. Sales volumes for oriented strand board were comparable to the third quarter. Third quarter volumes were lower than normal due to a scheduled press replacement at our Grayling, Michigan mill, which was completed in late October.

Fourth quarter results include a minimal benefit from lower Western and Canadian log prices as the costs of sales includes logs purchased in the third quarter when prices were higher.

**1Q 2019 Outlook** - Weyerhaeuser anticipates first quarter earnings and Adjusted EBITDA will be significantly higher than the fourth quarter. The company expects seasonally higher sales volumes, higher operating rates, improved unit manufacturing costs and additional benefit from the fourth quarter decrease in Western and Canadian log prices.

## UNALLOCATED

<b>FINANCIAL HIGHLIGHTS (millions)</b>	<b>2018 Q3</b>	<b>2018 Q4</b>	<b>Change</b>
Contribution to pre-tax earnings (loss)	\$(42)	\$(194)	\$(152)
Pre-tax charge for special items	—	\$187	\$187
Contribution to pre-tax earnings (loss) before special items	\$(42)	\$(7)	\$35
Adjusted EBITDA	\$(37)	\$2	\$39

**4Q 2018 Performance** - Fourth quarter results include benefits from elimination of intersegment profit in inventory and LIFO, favorable year-end employee benefits adjustments and foreign exchange gains.

Fourth quarter pre-tax special items include a non-cash charge of \$200 million related to completion of a previously announced terminated vested lump sum offer for our U.S. pension plan and a \$13 million gain on the sale of a nonstrategic asset.

In January 2019, Weyerhaeuser transferred approximately \$1.5 billion of U.S. pension assets and liabilities to an insurance carrier through the purchase of a group annuity contract. The transaction was funded with assets held by the U.S. pension plan and there will be no change to pension benefits for transferred participants. In connection with this transaction, the company expects to recognize a non-cash pre-tax pension settlement charge of approximately \$450 million in the first quarter of 2019.

## ABOUT WEYERHAEUSER

[Weyerhaeuser Company](#), one of the world's largest private owners of [timberlands](#), began operations in 1900. We own or control 12.2 million acres of timberlands in the U.S., and manage additional timberlands under long-term licenses in Canada. We manage these timberlands on a [sustainable](#) basis in compliance with internationally recognized forestry standards. We are also one of the largest manufacturers of [wood products](#). Our company is a real estate investment trust. In 2018, we generated \$7.5 billion in net sales and employed approximately 9,300 people who serve customers worldwide. We are listed on the Dow Jones Sustainability North America Index. Our common stock trades on the New York Stock Exchange under the symbol WY. Learn more at [www.weyerhaeuser.com](http://www.weyerhaeuser.com).

## EARNINGS CALL INFORMATION

Weyerhaeuser will hold a live conference call at 7 a.m. Pacific (10 a.m. Eastern) on February 1, 2019 to discuss fourth quarter results.

To access the live webcast and presentation online, go to the [Investor Relations](#) section on [www.weyerhaeuser.com](http://www.weyerhaeuser.com) on February 1, 2019.

To join the conference call from within North America, dial 855-223-0757 (access code: 6872608) at least 15 minutes prior to the call. Those calling from outside North America should dial 574-990-1206 (access code: 6872608). Replays will be available for two weeks at 855-859-2056 (access code: 6872608) from within North America and at 404-537-3406 (access code: 6872608) from outside North America.

## FORWARD LOOKING STATEMENTS

This news release contains statements concerning the company's future results and performance that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934, including with respect to the following for the first quarter of 2019: earnings and Adjusted EBITDA for each of our business segments; pension settlement charges; log sale realizations; fee harvest volumes and road and forestry spending in our timber business; Wood Products sales volumes and realizations and operating rates; real estate sales volumes; and royalties from energy and natural resources operations. These statements generally are identified by words such as "believe," "project," "expect," "anticipate," "estimate," "intend," "strategy," "future," "opportunity," "plan," "may," "should," "will," "would," and expressions such as "will be," "will continue," "will likely result," and similar words and expressions. These statements are based on our current expectations and assumptions and are not guarantees of future performance. The realization of our expectations and the accuracy of our assumptions are subject to a number of risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. These risks and uncertainties include, but are not limited to:

- the effect of general economic conditions, including employment rates, interest rate levels, housing starts, availability of financing for home mortgages and strength of the U.S. dollar;
- market demand for our products, including market demand for our timberland properties with higher and better uses, which is related to, among other factors, the strength of the various U.S. business segments and U.S. and international economic conditions;
- changes in currency exchange rates, particularly the relative value of the U.S. dollar to the Japanese yen, the Chinese yuan and the Canadian dollar, and the relative value of the euro to the yen;
- restrictions on international trade and tariffs imposed on imports or exports;
- the availability and cost of shipping and transportation;
- economic activity in Asia, especially Japan and China;
- performance of our manufacturing operations, including maintenance requirements;
- potential disruptions in our manufacturing operations;
- the level of competition from domestic and foreign producers;
- raw material availability and prices;
- the effect of weather;
- the risk of loss from fires, floods, windstorms, hurricanes, pest infestation and other natural disasters;
- energy prices;
- the successful execution of our internal plans and strategic initiatives, including restructuring and cost reduction initiatives;

- the successful and timely execution and integration of our strategic acquisitions, including our ability to realize expected benefits and synergies, and the successful and timely execution of our strategic divestitures, each of which is subject to a number of risks and conditions beyond our control including, but not limited to, timing and required regulatory approvals;
- transportation and labor 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 the market price of our common stock on charges for share-based compensation;
- changes in accounting principles; and
- other matters described under “Risk Factors” in our annual reports on Form 10-K, as well as those set forth from time to time in our other public statements and other reports and filings with the Securities and Exchange Commission.

Forward-looking statements speak only as of the date they are made, and we undertake no obligation to publicly update or revise any forward-looking statements, whether because of new information, future events, or otherwise.

## RECONCILIATION OF ADJUSTED EBITDA TO NET EARNINGS

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.

The table below reconciles Adjusted EBITDA for the year ended December 31, 2018:

<b>DOLLAR AMOUNTS IN MILLIONS</b>	<b>Timberlands</b>	<b>Real Estate &amp; ENR</b>	<b>Wood Products</b>	<b>Unallocated Items</b>	<b>Total</b>
Adjusted EBITDA by Segment:					
Net earnings					\$ 748
Interest expense, net of capitalized interest					375
Income taxes <sup>(1)</sup>					59
<b>Net contribution to earnings</b>	<b>\$ 583</b>	<b>\$ 127</b>	<b>\$ 838</b>	<b>\$ (366)</b>	<b>\$ 1,182</b>
Non-operating pension and other postretirement benefit (costs) credits <sup>(2)</sup>	—	—	—	272	272
Interest income and other <sup>(3)</sup>	—	(1)	—	(59)	(60)
<b>Operating income</b>	<b>583</b>	<b>126</b>	<b>838</b>	<b>(153)</b>	<b>1,394</b>
Depreciation, depletion and amortization	319	14	149	4	486
Basis of real estate sold	—	124	—	—	124
Unallocated pension service costs	—	—	—	—	—
Special items included in operating income <sup>(4)</sup>	—	—	—	28	28
<b>Adjusted EBITDA</b>	<b>\$ 902</b>	<b>\$ 264</b>	<b>\$ 987</b>	<b>\$ (121)</b>	<b>\$ 2,032</b>

(1) Income taxes include special items consisting of a \$41 million tax benefit related to our pension contribution and a \$21 million tax adjustment charge.

(2) Non-operating pension and other postretirement benefit (costs) credits include a pre-tax special item consisting of a \$200 million non-cash settlement charge related to our U.S. qualified pension plan lump sum offer.

(3) Interest income and other includes a pre-tax special item consisting of a \$13 million gain on sale of a nonstrategic asset.

(4) Operating income for Unallocated Items include pre-tax special items consisting of \$28 million of environmental remediation expense.

The table below reconciles Adjusted EBITDA for the year ended December 31, 2017:

<b>DOLLAR AMOUNTS IN MILLIONS</b>	<b>Timberlands</b>	<b>Real Estate &amp; ENR</b>	<b>Wood Products</b>	<b>Unallocated Items</b>	<b>Total</b>
Adjusted EBITDA by Segment:					
Net earnings					\$ 582
Interest expense, net of capitalized interest					393
Income taxes					134
<b>Net contribution to earnings</b>	<b>\$ 532</b>	<b>\$ 146</b>	<b>\$ 569</b>	<b>\$ (138)</b>	<b>\$ 1,109</b>
Non-operating pension and other postretirement benefit (costs) credits	—	—	—	62	62
Interest income and other	—	(1)	—	(39)	(40)
<b>Operating income</b>	<b>532</b>	<b>145</b>	<b>569</b>	<b>(115)</b>	<b>1,131</b>
Depreciation, depletion and amortization	356	15	145	5	521
Basis of real estate sold	—	81	—	—	81
Unallocated pension service costs	—	—	—	4	4
Special items included in operating income <sup>(1)(2)(3)</sup>	48	—	303	(8)	343
<b>Adjusted EBITDA</b>	<b>\$ 936</b>	<b>\$ 241</b>	<b>\$ 1,017</b>	<b>\$ (114)</b>	<b>\$ 2,080</b>

(1) Operating income for Timberlands include pre-tax special items consisting of a \$147 million non-cash impairment charge of the Uruguay operations and a \$99 million gain on the sale of Southern timberlands.

(2) Operating income for Wood Products include pre-tax special items consisting of \$290 million of product remediation charges, \$7 million for countervailing and antidumping duties on softwood lumber, and a \$6 million impairment on a nonstrategic asset.

(3) Operating income for Unallocated Items include pre-tax special items consisting of \$42 million for environmental remediation insurance recoveries and \$34 million for Plum Creek merger-related costs.

The table below reconciles Adjusted EBITDA for the quarter ended December 31, 2018:

<b>DOLLAR AMOUNTS IN MILLIONS</b>	<b>Timberlands</b>	<b>Real Estate &amp; ENR</b>	<b>Wood Products</b>	<b>Unallocated Items</b>	<b>Total</b>
Adjusted EBITDA by Segment:					
Net earnings (loss)					\$ (93)
Interest expense, net of capitalized interest					97
Income taxes <sup>(1)</sup>					(21)
<b>Net contribution to earnings</b>	<b>\$ 107</b>	<b>\$ 44</b>	<b>\$ 26</b>	<b>\$ (194)</b>	<b>\$ (17)</b>
Non-operating pension and other postretirement benefit (costs) credits <sup>(2)</sup>	—	—	—	218	218
Interest income and other <sup>(3)</sup>	—	(1)	—	(23)	(24)
<b>Operating income</b>	<b>107</b>	<b>43</b>	<b>26</b>	<b>1</b>	<b>177</b>
Depreciation, depletion and amortization	81	3	40	1	125
Basis of real estate sold	—	44	—	—	44
Unallocated pension service costs	—	—	—	—	—
Special items included in operating income	—	—	—	—	—
<b>Adjusted EBITDA</b>	<b>\$ 188</b>	<b>\$ 90</b>	<b>\$ 66</b>	<b>\$ 2</b>	<b>\$ 346</b>

(1) Income taxes include a special item consisting of a \$21 million tax adjustment charge.

(2) Non-operating pension and other postretirement benefit (costs) credits include a pre-tax special item consisting of a \$200 million non-cash settlement charge related to our U.S. qualified pension plan lump sum offer.

(3) Interest income and other includes a pre-tax special item consisting of a \$13 million gain on sale of a nonstrategic asset.

The table below reconciles Adjusted EBITDA for the quarter ended September 30, 2018:

<b><u>DOLLAR AMOUNTS IN MILLIONS</u></b>	<u>Timberlands</u>	<u>Real Estate &amp; ENR</u>	<u>Wood Products</u>	<u>Unallocated Items</u>	<u>Total</u>
Adjusted EBITDA by Segment:					
Net earnings					\$ 255
Interest expense, net of capitalized interest					93
Income taxes <sup>(1)</sup>					(15)
<b>Net contribution to earnings</b>	<b>\$ 126</b>	<b>\$ 36</b>	<b>\$ 213</b>	<b>\$ (42)</b>	<b>\$ 333</b>
Non-operating pension and other postretirement benefit (costs) credits	—	—	—	17	17
Interest income and other	—	—	—	(13)	(13)
<b>Operating income</b>	<b>126</b>	<b>36</b>	<b>213</b>	<b>(38)</b>	<b>337</b>
Depreciation, depletion and amortization	80	4	37	1	122
Basis of real estate sold	—	46	—	—	46
<b>Adjusted EBITDA</b>	<b>\$ 206</b>	<b>\$ 86</b>	<b>\$ 250</b>	<b>\$ (37)</b>	<b>\$ 505</b>

(1) Income taxes include a special item consisting of a \$41 million tax benefit related to our pension contribution.

The table below reconciles Adjusted EBITDA for the quarter ended December 31, 2017:

<b><u>DOLLAR AMOUNTS IN MILLIONS</u></b>	<u>Timberlands</u>	<u>Real Estate &amp; ENR</u>	<u>Wood Products</u>	<u>Unallocated Items</u>	<u>Total</u>
Adjusted EBITDA by Segment:					
Net earnings					\$ 271
Interest expense, net of capitalized interest					96
Income taxes					103
<b>Net contribution to earnings</b>	<b>\$ 265</b>	<b>\$ 50</b>	<b>\$ 180</b>	<b>\$ (25)</b>	<b>\$ 470</b>
Non-operating pension and other postretirement benefit (costs) credits	—	—	—	16	16
Interest income and other	—	—	—	(10)	(10)
<b>Operating income</b>	<b>265</b>	<b>50</b>	<b>180</b>	<b>(19)</b>	<b>476</b>
Depreciation, depletion and amortization	86	4	37	—	127
Basis of real estate sold	—	33	—	—	33
Unallocated pension service costs	—	—	—	1	1
Special items included in operating income <sup>(1)(2)(3)</sup>	(99)	—	41	(28)	(86)
<b>Adjusted EBITDA</b>	<b>\$ 252</b>	<b>\$ 87</b>	<b>\$ 258</b>	<b>\$ (46)</b>	<b>\$ 551</b>

(1) Operating income for Timberlands include a pre-tax special item consisting of a \$99 million gain on the sale of Southern timberlands.

(2) Operating income for Wood Products include pre-tax special items consisting of \$50 million of product remediation charges and a \$9 million benefit from an adjustment to accrued softwood lumber countervailing and antidumping duties.

(3) Operating income for Unallocated Items include pre-tax special items consisting of \$42 million for environmental remediation insurance recoveries and \$14 million for Plum Creek merger-related costs.

Consolidated Statement of Operations

in millions	Q1	Q2	Q3	Q4		Year-to-Date	
	Mar 31, 2018	Jun 30, 2018	Sep 30, 2018	Dec 31, 2018	Dec 31, 2017	Dec 31, 2018	Dec 31, 2017
<b>Net sales</b>	\$ 1,865	\$ 2,065	\$ 1,910	\$ 1,636	\$ 1,823	\$ 7,476	\$ 7,196
Costs of sales	1,348	1,447	1,452	1,345	1,316	5,592	5,298
<b>Gross margin</b>	<b>517</b>	<b>618</b>	<b>458</b>	<b>291</b>	<b>507</b>	<b>1,884</b>	<b>1,898</b>
Selling expenses	23	23	20	22	21	88	87
General and administrative expenses	78	80	78	82	72	318	310
Research and development expenses	2	2	2	2	2	8	14
Charges for integration and restructuring, closures and asset impairments	2	—	—	—	16	2	194
Charges (recoveries) for product remediation, net	(20)	20	—	—	50	—	290
Other operating costs (income), net	28	17	21	8	(130)	74	(128)
<b>Operating income</b>	<b>404</b>	<b>476</b>	<b>337</b>	<b>177</b>	<b>476</b>	<b>1,394</b>	<b>1,131</b>
Non-operating pension and other postretirement benefit (costs) credits	(24)	(13)	(17)	(218)	(16)	(272)	(62)
Interest income and other	12	11	13	24	10	60	40
Interest expense, net of capitalized interest	(93)	(92)	(93)	(97)	(96)	(375)	(393)
Earnings (loss) before income taxes	299	382	240	(114)	374	807	716
Income taxes	(30)	(65)	15	21	(103)	(59)	(134)
<b>Net earnings (loss)</b>	<b>\$ 269</b>	<b>\$ 317</b>	<b>\$ 255</b>	<b>\$ (93)</b>	<b>\$ 271</b>	<b>\$ 748</b>	<b>\$ 582</b>

Per Share Information

	Q1	Q2	Q3	Q4		Year-to-Date	
	Mar 31, 2018	Jun 30, 2018	Sep 30, 2018	Dec 31, 2018	Dec 31, 2017	Dec 31, 2018	Dec 31, 2017
Earnings (loss) per share, basic and diluted	\$ 0.35	\$ 0.42	\$ 0.34	\$ (0.12)	\$ 0.36	\$ 0.99	\$ 0.77
Dividends paid per common share	\$ 0.32	\$ 0.32	\$ 0.34	\$ 0.34	\$ 0.32	\$ 1.32	\$ 1.25
Weighted average shares outstanding (in thousands):							
Basic	756,815	757,829	754,986	748,694	755,409	754,556	753,085
Diluted	759,462	760,533	757,389	750,025	758,463	756,827	756,666
Common shares outstanding at end of period (in thousands)	756,700	757,646	749,199	746,391	755,223	746,391	755,223

Adjusted Earnings before Interest, Tax, Depreciation, Depletion and Amortization (Adjusted EBITDA)\*

in millions	Q1	Q2	Q3	Q4		Year-to-Date	
	Mar 31, 2018	Jun 30, 2018	Sep 30, 2018	Dec 31, 2018	Dec 31, 2017	Dec 31, 2018	Dec 31, 2017
<b>Net earnings (loss)</b>	<b>\$ 269</b>	<b>\$ 317</b>	<b>\$ 255</b>	<b>\$ (93)</b>	<b>\$ 271</b>	<b>\$ 748</b>	<b>\$ 582</b>
Non-operating pension and other postretirement benefit costs (credits)	24	13	17	218	16	272	62
Interest income and other	(12)	(11)	(13)	(24)	(10)	(60)	(40)
Interest expense, net of capitalized interest	93	92	93	97	96	375	393
Income taxes	30	65	(15)	(21)	103	59	134
<b>Operating income</b>	<b>404</b>	<b>476</b>	<b>337</b>	<b>177</b>	<b>476</b>	<b>1,394</b>	<b>1,131</b>
Depreciation, depletion and amortization	120	119	122	125	127	486	521
Basis of real estate sold	12	22	46	44	33	124	81
Unallocated pension service costs	—	—	—	—	1	—	4
Special items included in operating income	8	20	—	—	(86)	28	343
<b>Adjusted EBITDA*</b>	<b>\$ 544</b>	<b>\$ 637</b>	<b>\$ 505</b>	<b>\$ 346</b>	<b>\$ 551</b>	<b>\$ 2,032</b>	<b>\$ 2,080</b>

\*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. 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.



Special Items Included in Net Earnings (Income Tax Affected)

in millions	Q1	Q2	Q3	Q4		Year-to-Date	
	Mar 31, 2018	Jun 30, 2018	Sep 30, 2018	Dec 31, 2018	Dec 31, 2017	Dec 31, 2018	Dec 31, 2017
<b>Net earnings (loss)</b>	\$ 269	\$ 317	\$ 255	\$ (93)	\$ 271	\$ 748	\$ 582
Plum Creek merger and integration-related costs	—	—	—	—	12	—	27
Restructuring, impairments and other charges	—	—	—	—	—	—	151
Gain on sale of timberlands and other nonstrategic assets	—	—	—	(10)	(99)	(10)	(99)
Environmental remediation charges (recoveries)	21	—	—	—	(26)	21	(26)
Product remediation charges (recoveries), net	(15)	15	—	—	31	—	180
Countervailing and antidumping duties charges (credits) <sup>(1)</sup>	—	—	—	—	(7)	—	5
Tax adjustments <sup>(2)</sup>	—	—	(41)	21	52	(20)	52
Pension settlement charge <sup>(3)</sup>	—	—	—	152	—	152	—
<b>Net earnings before special items</b>	<b>\$ 275</b>	<b>\$ 332</b>	<b>\$ 214</b>	<b>\$ 70</b>	<b>\$ 234</b>	<b>\$ 891</b>	<b>\$ 872</b>

in millions	Q1	Q2	Q3	Q4		Year-to-Date	
	Mar 31, 2018	Jun 30, 2018	Sep 30, 2018	Dec 31, 2018	Dec 31, 2017	Dec 31, 2018	Dec 31, 2017
<b>Net earnings (loss) per diluted share</b>	\$ 0.35	\$ 0.42	\$ 0.34	\$ (0.12)	\$ 0.36	\$ 0.99	\$ 0.77
Plum Creek merger and integration-related costs	—	—	—	—	0.02	—	0.03
Restructuring, impairments and other charges	—	—	—	—	—	—	0.21
Gain on sale of timberlands and other nonstrategic assets	—	—	—	(0.01)	(0.14)	(0.01)	(0.14)
Environmental remediation charges (recoveries)	0.03	—	—	—	(0.03)	0.03	(0.03)
Product remediation charges (recoveries), net	(0.02)	0.02	—	—	0.04	—	0.23
Countervailing and antidumping duties charges (credits) <sup>(1)</sup>	—	—	—	—	(0.01)	—	0.01
Tax adjustments <sup>(2)</sup>	—	—	(0.06)	0.03	0.07	(0.03)	0.07
Pension settlement charge <sup>(3)</sup>	—	—	—	0.20	—	0.20	—
<b>Net earnings per diluted share before special items</b>	<b>\$ 0.36</b>	<b>\$ 0.44</b>	<b>\$ 0.28</b>	<b>\$ 0.10</b>	<b>\$ 0.31</b>	<b>\$ 1.18</b>	<b>\$ 1.15</b>

(1) As of first quarter 2018, countervailing and antidumping duties are no longer reported as a special item.

(2) During third quarter 2018, we recorded a tax benefit related to our contribution to our U.S. qualified pension plan. During fourth quarter 2018 and 2017, we recorded tax adjustment charges of \$21 million and \$52 million, respectively.

(3) During fourth quarter 2018, we recorded a \$200 million non-cash pre-tax settlement charge related to our U.S. qualified pension plan lump sum offer.

Selected Total Company Items

in millions	Q1	Q2	Q3	Q4		Year-to-Date	
	Mar 31, 2018	Jun 30, 2018	Sep 30, 2018	Dec 31, 2018	Dec 31, 2017	Dec 31, 2018	Dec 31, 2017
<b>Pension and postretirement costs:</b>							
Pension and postretirement service cost	\$ 10	\$ 8	\$ 10	\$ 9	\$ 9	\$ 37	\$ 35
Non-operating pension and other postretirement benefit costs	24	13	17	218	16	272	62
<b>Total company pension and postretirement costs</b>	<b>\$ 34</b>	<b>\$ 21</b>	<b>\$ 27</b>	<b>\$ 227</b>	<b>\$ 25</b>	<b>\$ 309</b>	<b>\$ 97</b>

Consolidated Balance Sheet

in millions	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018	December 31, 2017
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 598	\$ 901	\$ 348	\$ 334	\$ 824
Receivables, less discounts and allowances	481	491	444	337	396
Receivables for taxes	24	23	140	137	14
Inventories	445	414	389	389	383
Prepaid expenses and other current assets	118	146	140	152	98
Current restricted financial investments held by variable interest entities	253	253	253	253	—
<b>Total current assets</b>	<b>1,919</b>	<b>2,228</b>	<b>1,714</b>	<b>1,602</b>	<b>1,715</b>
Property and equipment, net	1,573	1,597	1,672	1,857	1,618
Construction in progress	275	282	255	136	225
Timber and timberlands at cost, less depletion	12,888	12,790	12,727	12,671	12,954
Minerals and mineral rights, less depletion	306	302	297	294	308
Deferred tax assets	244	168	71	15	268
Other assets	318	319	329	312	356
Restricted financial investments held by variable interest entities	362	362	362	362	615
<b>Total assets</b>	<b>\$ 17,885</b>	<b>\$ 18,048</b>	<b>\$ 17,427</b>	<b>\$ 17,249</b>	<b>\$ 18,059</b>
<b>LIABILITIES AND EQUITY</b>					
Current liabilities:					
Current maturities of long-term debt	\$ —	\$ —	\$ —	\$ 500	\$ 62
Current debt (nonrecourse to the company) held by variable interest entities	209	209	511	302	209
Borrowings on line of credit	—	—	—	425	—
Accounts payable	245	270	271	222	249
Accrued liabilities	457	543	491	490	645
<b>Total current liabilities</b>	<b>911</b>	<b>1,022</b>	<b>1,273</b>	<b>1,939</b>	<b>1,165</b>
Long-term debt	5,928	5,924	5,921	5,419	5,930
Long-term debt (nonrecourse to the company) held by variable interest entities	302	302	—	—	302
Deferred tax liabilities	—	—	—	43	—
Deferred pension and other postretirement benefits	1,454	1,224	885	527	1,487
Other liabilities	299	295	291	275	276
<b>Total liabilities</b>	<b>8,894</b>	<b>8,767</b>	<b>8,370</b>	<b>8,203</b>	<b>9,160</b>
<b>Total equity</b>	<b>8,991</b>	<b>9,281</b>	<b>9,057</b>	<b>9,046</b>	<b>8,899</b>
<b>Total liabilities and equity</b>	<b>\$ 17,885</b>	<b>\$ 18,048</b>	<b>\$ 17,427</b>	<b>\$ 17,249</b>	<b>\$ 18,059</b>

Consolidated Statement of Cash Flows

in millions	Q1	Q2	Q3	Q4		Year-to-Date	
	Mar 31, 2018	Jun 30, 2018	Sep 30, 2018	Dec 31, 2018	Dec 31, 2017	Dec 31, 2018	Dec 31, 2017
<b>Cash flows from operations:</b>							
Net earnings (loss)	\$ 269	\$ 317	\$ 255	\$ (93)	\$ 271	\$ 748	\$ 582
Noncash charges (credits) to income:							
Depreciation, depletion and amortization	120	119	122	125	127	486	521
Basis of real estate sold	12	22	46	44	33	124	81
Deferred income taxes, net	10	15	86	(39)	35	72	44
Pension and other postretirement benefits	34	21	27	227	25	309	97
Share-based compensation expense	9	9	13	11	11	42	40
Charges for impairment of assets	1	—	—	—	1	1	154
Net gains on disposition of discontinued and other operations	—	—	—	—	—	—	(1)
Net gains on sale of nonstrategic assets	(2)	—	—	(14)	(2)	(16)	(16)
Net gains on sale of southern timberlands	—	—	—	—	(99)	—	(99)
Change in:							
Receivables, less allowances	(83)	(18)	46	117	78	62	(35)
Receivables and payables for taxes	5	10	(124)	6	66	(103)	(50)
Inventories	(66)	30	27	(5)	(43)	(14)	(39)
Prepaid expenses and other current assets	(5)	4	(6)	(11)	(3)	(18)	(12)
Accounts payable and accrued liabilities	(173)	103	(63)	(21)	(78)	(154)	106
Pension and postretirement contributions and payments	(16)	(16)	(323)	(26)	(19)	(381)	(78)
Other	21	(19)	(19)	(29)	(49)	(46)	(94)
<b>Net cash from (used in) operations</b>	<b>\$ 136</b>	<b>\$ 597</b>	<b>\$ 87</b>	<b>\$ 292</b>	<b>\$ 354</b>	<b>\$ 1,112</b>	<b>\$ 1,201</b>
<b>Cash flows from investing activities:</b>							
Capital expenditures for property and equipment	\$ (61)	\$ (83)	\$ (94)	\$ (130)	\$ (145)	\$ (368)	\$ (358)
Capital expenditures for timberlands reforestation	(20)	(14)	(11)	(14)	(15)	(59)	(61)
Proceeds from disposition of discontinued and other operations	—	—	—	—	—	—	403
Proceeds from sale of nonstrategic assets	2	—	—	2	6	4	26
Proceeds from sale of southern timberlands	—	—	—	—	203	—	203
Proceeds from redemption of ownership in related party	—	—	—	—	108	—	108
Other	3	24	(10)	(34)	18	(17)	46
<b>Cash from (used in) investing activities</b>	<b>\$ (76)</b>	<b>\$ (73)</b>	<b>\$ (115)</b>	<b>\$ (176)</b>	<b>\$ 175</b>	<b>\$ (440)</b>	<b>\$ 367</b>
<b>Cash flows from financing activities:</b>							
Cash dividends on common shares	\$ (242)	\$ (243)	\$ (256)	\$ (254)	\$ (242)	\$ (995)	\$ (941)
Proceeds from issuance of long-term debt	—	—	—	—	—	—	225
Payments on long-term debt	(62)	—	—	—	—	(62)	(831)
Proceeds from borrowing on line of credit	—	—	—	425	—	425	100
Payments on line of credit	—	—	—	—	—	—	(100)
Payments on debt held by variable interest entities	—	—	—	(209)	—	(209)	—
Proceeds from exercise of stock options	25	23	4	—	39	52	128
Repurchase of common shares	—	—	(273)	(93)	—	(366)	—
Other	(7)	(1)	—	1	1	(7)	(1)
<b>Cash from (used in) financing activities</b>	<b>\$ (286)</b>	<b>\$ (221)</b>	<b>\$ (525)</b>	<b>\$ (130)</b>	<b>\$ (202)</b>	<b>\$ (1,162)</b>	<b>\$ (1,420)</b>
Net change in cash and cash equivalents	\$ (226)	\$ 303	\$ (553)	\$ (14)	\$ 327	\$ (490)	\$ 148
Cash and cash equivalents at beginning of period	824	598	901	348	497	824	676
Cash and cash equivalents at end of period	\$ 598	\$ 901	\$ 348	\$ 334	\$ 824	\$ 334	\$ 824
Cash paid (received) during the year for:							
Interest, net of amount capitalized	\$ 105	\$ 67	\$ 113	\$ 73	\$ 66	\$ 358	\$ 381
Income taxes	\$ 17	\$ 41	\$ 22	\$ 15	\$ 40	\$ 95	\$ 169

## Q4.2018 Analyst Package

Preliminary results (unaudited)

## Segment Statement of Operations

in millions	Q1.2018	Q2.2018	Q3.2018	Q4.2018	Q4.2017	YTD.2018	YTD.2017
Sales to unaffiliated customers	\$ 505	\$ 482	\$ 468	\$ 460	\$ 496	\$ 1,915	\$ 1,942
Intersegment sales	228	185	185	204	218	802	762
<b>Total net sales</b>	<b>733</b>	<b>667</b>	<b>653</b>	<b>664</b>	<b>714</b>	<b>2,717</b>	<b>2,704</b>
Costs of sales	526	485	505	536	531	2,052	2,043
<b>Gross margin</b>	<b>207</b>	<b>182</b>	<b>148</b>	<b>128</b>	<b>183</b>	<b>665</b>	<b>661</b>
Selling expenses	1	—	1	—	1	2	4
General and administrative expenses	23	25	23	25	19	96	90
Research and development expenses	2	1	2	1	2	6	12
Charges for integration and restructuring, closures and asset impairments	—	—	—	—	—	—	147
Other operating costs (income), net	(8)	(5)	(4)	(5)	(104)	(22)	(124)
<b>Operating income and Net contribution to earnings</b>	<b>\$ 189</b>	<b>\$ 161</b>	<b>\$ 126</b>	<b>\$ 107</b>	<b>\$ 265</b>	<b>\$ 583</b>	<b>\$ 532</b>

## Adjusted Earnings before Interest, Tax, Depreciation, Depletion and Amortization\*

in millions	Q1.2018	Q2.2018	Q3.2018	Q4.2018	Q4.2017	YTD.2018	YTD.2017
<b>Operating income</b>	<b>\$ 189</b>	<b>\$ 161</b>	<b>\$ 126</b>	<b>\$ 107</b>	<b>\$ 265</b>	<b>\$ 583</b>	<b>\$ 532</b>
Depreciation, depletion and amortization	79	79	80	81	86	319	356
Special items	—	—	—	—	(99)	—	48
<b>Adjusted EBITDA*</b>	<b>\$ 268</b>	<b>\$ 240</b>	<b>\$ 206</b>	<b>\$ 188</b>	<b>\$ 252</b>	<b>\$ 902</b>	<b>\$ 936</b>

\* See definition of Adjusted EBITDA (a non-GAAP measure) on page 1.

## Segment Special Items Included in Net Contribution to Earnings (Pre-Tax)

in millions	Q1.2018	Q2.2018	Q3.2018	Q4.2018	Q4.2017	YTD.2018	YTD.2017
Restructuring, impairments and other charges	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (147)
Gain on sale of timberlands and other nonstrategic assets	\$ —	\$ —	\$ —	\$ —	\$ 99	\$ —	\$ 99
<b>Total</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 99</b>	<b>\$ —</b>	<b>\$ (48)</b>

## Selected Segment Items

in millions	Q1.2018	Q2.2018	Q3.2018	Q4.2018	Q4.2017	YTD.2018	YTD.2017
Total decrease (increase) in working capital <sup>(1)</sup>	\$ (40)	\$ 70	\$ (32)	\$ (7)	\$ (15)	\$ (9)	\$ 5
Cash spent for capital expenditures	\$ (28)	\$ (29)	\$ (25)	\$ (35)	\$ (36)	\$ (117)	\$ (115)

<sup>(1)</sup> Represents the change in prepaid assets, accounts receivable, accounts payable, accrued liabilities and log inventory for the Timberlands and Real Estate & ENR segments combined.Segment Statistics<sup>(2)(3)</sup>

		Q1.2018	Q2.2018	Q3.2018	Q4.2018	Q4.2017	YTD.2018	YTD.2017
Third Party Net Sales (millions)	Delivered logs:							
	West	\$ 266	\$ 262	\$ 238	\$ 221	\$ 242	\$ 987	\$ 915
	South	157	158	157	153	165	625	616
	North	25	20	25	29	27	99	95
	Other	14	7	9	11	11	41	59
	Total delivered logs	462	447	429	414	445	1,752	1,685
	Stumpage and pay-as-cut timber	15	11	13	20	21	59	73
	Products from international operations	—	—	—	—	—	—	63
	Recreational and other lease revenue	14	15	15	15	14	59	59
	Other revenue	14	9	11	11	16	45	62
<b>Total</b>	<b>\$ 505</b>	<b>\$ 482</b>	<b>\$ 468</b>	<b>\$ 460</b>	<b>\$ 496</b>	<b>\$ 1,915</b>	<b>\$ 1,942</b>	
Delivered Logs Third Party Sales Realizations (per ton)	West	\$ 131.59	\$ 132.24	\$ 125.67	\$ 112.58	\$ 121.41	\$ 125.59	\$ 111.58
	South	\$ 34.83	\$ 34.55	\$ 34.88	\$ 34.38	\$ 34.53	\$ 34.66	\$ 34.43
	North	\$ 60.79	\$ 64.92	\$ 60.97	\$ 57.27	\$ 60.77	\$ 60.55	\$ 60.38
Delivered Logs Third Party Sales Volumes (tons, thousands)	West	2,019	1,984	1,897	1,958	1,992	7,858	8,202
	South	4,510	4,560	4,521	4,417	4,790	18,008	17,895
	North	404	313	414	497	439	1,628	1,574
	Other	317	81	154	204	232	756	1,458
Fee Harvest Volumes (tons, thousands)	West	2,443	2,360	2,305	2,463	2,544	9,571	10,083
	South	6,751	6,630	6,478	6,849	7,350	26,708	27,149
	North	549	423	537	620	635	2,129	2,205
	Other	—	—	—	—	—	—	1,384

<sup>(2)</sup> The Western region includes Washington and Oregon. The Southern region includes Virginia, North Carolina, South Carolina, Florida, Georgia, Alabama, Mississippi, Louisiana, Arkansas, Texas and Oklahoma. The Northern region includes West Virginia, Maine, New Hampshire, Vermont, Michigan, Wisconsin and Montana. Other includes our Canadian operations and formerly managed Twin Creeks operations (our management agreement for the Twin Creeks Venture began in April 2016 and terminated in December 2017).<sup>(3)</sup> Western logs are primarily transacted in MBF but are converted to ton equivalents for external reporting purposes.

Segment Statement of Operations

in millions	Q1.2018	Q2.2018	Q3.2018	Q4.2018	Q4.2017	YTD.2018	YTD.2017
<b>Net sales</b>	\$ 51	\$ 58	\$ 96	\$ 102	\$ 100	\$ 307	\$ 281
Costs of sales	19	30	54	52	43	155	110
<b>Gross margin</b>	<b>32</b>	<b>28</b>	<b>42</b>	<b>50</b>	<b>57</b>	<b>152</b>	<b>171</b>
General and administrative expenses	7	6	6	7	6	26	26
Other operating costs (income), net	—	—	—	—	1	—	—
<b>Operating income</b>	<b>25</b>	<b>22</b>	<b>36</b>	<b>43</b>	<b>50</b>	<b>126</b>	<b>145</b>
Interest income and other	—	—	—	1	—	1	1
<b>Net contribution to earnings</b>	<b>\$ 25</b>	<b>\$ 22</b>	<b>\$ 36</b>	<b>\$ 44</b>	<b>\$ 50</b>	<b>\$ 127</b>	<b>\$ 146</b>

Adjusted Earnings before Interest, Tax, Depreciation, Depletion and Amortization\*

in millions	Q1.2018	Q2.2018	Q3.2018	Q4.2018	Q4.2017	YTD.2018	YTD.2017
<b>Operating income</b>	\$ 25	\$ 22	\$ 36	\$ 43	\$ 50	\$ 126	\$ 145
Depreciation, depletion and amortization	4	3	4	3	4	14	15
Basis of real estate sold	12	22	46	44	33	124	81
<b>Adjusted EBITDA*</b>	<b>\$ 41</b>	<b>\$ 47</b>	<b>\$ 86</b>	<b>\$ 90</b>	<b>\$ 87</b>	<b>\$ 264</b>	<b>\$ 241</b>

\* See definition of Adjusted EBITDA (a non-GAAP measure) on page 1.

Selected Segment Items

in millions	Q1.2018	Q2.2018	Q3.2018	Q4.2018	Q4.2017	YTD.2018	YTD.2017
Cash spent for capital expenditures	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (2)

Segment Statistics

		Q1.2018	Q2.2018	Q3.2018	Q4.2018	Q4.2017	YTD.2018	YTD.2017
Net Sales (millions)	Real Estate	\$ 34	\$ 38	\$ 76	\$ 81	\$ 80	\$ 229	\$ 208
	Energy and Natural Resources	17	20	20	21	20	78	73
	<b>Total</b>	<b>\$ 51</b>	<b>\$ 58</b>	<b>\$ 96</b>	<b>\$ 102</b>	<b>\$ 100</b>	<b>\$ 307</b>	<b>\$ 281</b>
Acres sold	Real Estate	21,771	16,290	61,681	31,833	38,226	131,575	97,235
Price per acre	Real Estate	\$ 1,539	\$ 2,258	\$ 1,209	\$ 2,479	\$ 2,076	\$ 1,701	\$ 2,079

## Q4.2018 Analyst Package

Preliminary results (unaudited)

## Segment Statement of Operations

in millions	Q1.2018	Q2.2018	Q3.2018	Q4.2018	Q4.2017	YTD.2018	YTD.2017
<b>Net sales</b>	\$ 1,309	\$ 1,525	\$ 1,346	\$ 1,075	\$ 1,228	\$ 5,255	\$ 4,974
Costs of sales	1,005	1,119	1,071	991	947	4,186	3,880
<b>Gross margin</b>	<b>304</b>	<b>406</b>	<b>275</b>	<b>84</b>	<b>281</b>	<b>1,069</b>	<b>1,094</b>
Selling expenses	21	22	18	20	20	81	80
General and administrative expenses	34	31	32	33	32	130	126
Research and development expenses	—	1	—	1	—	2	2
Charges for integration and restructuring, closures and asset impairments	2	—	—	—	2	2	13
Charges (recoveries) for product remediation, net	(20)	20	—	—	50	—	290
Other operating costs (income), net	(3)	3	12	4	(3)	16	14
<b>Operating income and Net contribution to earnings</b>	<b>\$ 270</b>	<b>\$ 329</b>	<b>\$ 213</b>	<b>\$ 26</b>	<b>\$ 180</b>	<b>\$ 838</b>	<b>\$ 569</b>

## Adjusted Earnings before Interest, Tax, Depreciation, Depletion and Amortization\*

in millions	Q1.2018	Q2.2018	Q3.2018	Q4.2018	Q4.2017	YTD.2018	YTD.2017
<b>Operating income</b>	<b>\$ 270</b>	<b>\$ 329</b>	<b>\$ 213</b>	<b>\$ 26</b>	<b>\$ 180</b>	<b>\$ 838</b>	<b>\$ 569</b>
Depreciation, depletion and amortization	36	36	37	40	37	149	145
Special items	(20)	20	—	—	41	—	303
<b>Adjusted EBITDA*</b>	<b>\$ 286</b>	<b>\$ 385</b>	<b>\$ 250</b>	<b>\$ 66</b>	<b>\$ 258</b>	<b>\$ 987</b>	<b>\$ 1,017</b>

\* See definition of Adjusted EBITDA (a non-GAAP measure) on page 1.

## Segment Special Items Included in Net Contribution to Earnings (Pre-Tax)

in millions	Q1.2018	Q2.2018	Q3.2018	Q4.2018	Q4.2017	YTD.2018	YTD.2017
Countervailing and antidumping duties (charges) credits <sup>(1)</sup>	\$ —	\$ —	\$ —	\$ —	\$ 9	\$ —	\$ (7)
Restructuring, impairments and other charges	—	—	—	—	—	—	(6)
Product remediation (charges) recoveries, net	20	(20)	—	—	(50)	—	(290)
<b>Total</b>	<b>\$ 20</b>	<b>\$ (20)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ (41)</b>	<b>\$ —</b>	<b>\$ (303)</b>

<sup>(1)</sup> As of first quarter 2018, countervailing and antidumping duties are no longer reported as a special item.

## Selected Segment Items

in millions	Q1.2018	Q2.2018	Q3.2018	Q4.2018	Q4.2017	YTD.2018	YTD.2017
Total decrease (increase) in working capital <sup>(2)</sup>	\$ (226)	\$ 3	\$ 71	\$ 83	\$ (81)	\$ (69)	\$ 60
Cash spent for capital expenditures	\$ (52)	\$ (68)	\$ (79)	\$ (107)	\$ (123)	\$ (306)	\$ (299)

<sup>(2)</sup> Represents the change in prepaid assets, accounts receivable, accounts payable, accrued liabilities and inventory for the Wood Products segment.

## Segment Statistics

in millions, except for third party sales realizations		Q1.2018	Q2.2018	Q3.2018	Q4.2018	Q4.2017	YTD.2018	YTD.2017
Structural Lumber (board feet)	Third party net sales	\$ 569	\$ 681	\$ 581	\$ 427	\$ 517	\$ 2,258	\$ 2,058
	Third party sales realizations	\$ 498	\$ 541	\$ 491	\$ 388	\$ 466	\$ 482	\$ 442
	Third party sales volumes <sup>(3)</sup>	1,140	1,261	1,184	1,099	1,110	4,684	4,658
	Production volumes	1,160	1,180	1,106	1,095	1,118	4,541	4,509
Engineered Solid Section (cubic feet)	Third party net sales	\$ 129	\$ 139	\$ 132	\$ 121	\$ 122	\$ 521	\$ 500
	Third party sales realizations	\$ 2,088	\$ 2,156	\$ 2,208	\$ 2,139	\$ 2,076	\$ 2,148	\$ 1,995
	Third party sales volumes <sup>(3)</sup>	6.2	6.4	6.0	5.7	5.9	24.3	25.1
	Production volumes	6.3	6.4	6.3	5.3	5.8	24.3	25.1
Engineered I-joists (lineal feet)	Third party net sales	\$ 78	\$ 92	\$ 91	\$ 75	\$ 85	\$ 336	\$ 336
	Third party sales realizations	\$ 1,585	\$ 1,630	\$ 1,668	\$ 1,696	\$ 1,561	\$ 1,643	\$ 1,524
	Third party sales volumes <sup>(3)</sup>	49	57	54	44	54	204	220
	Production volumes	56	52	46	37	52	191	213
Oriented Strand Board (square feet 3/8")	Third party net sales	\$ 232	\$ 277	\$ 215	\$ 167	\$ 233	\$ 891	\$ 904
	Third party sales realizations	\$ 314	\$ 367	\$ 321	\$ 252	\$ 335	\$ 315	\$ 304
	Third party sales volumes <sup>(3)</sup>	739	754	669	665	697	2,827	2,971
	Production volumes	734	747	665	691	739	2,837	2,995
Softwood Plywood (square feet 3/8")	Third party net sales	\$ 50	\$ 55	\$ 53	\$ 42	\$ 40	\$ 200	\$ 176
	Third party sales realizations	\$ 438	\$ 461	\$ 439	\$ 396	\$ 417	\$ 435	\$ 389
	Third party sales volumes <sup>(3)</sup>	115	118	122	104	95	459	453
	Production volumes	97	105	106	96	86	404	370
Medium Density Fiberboard (square feet 3/4")	Third party net sales	\$ 43	\$ 47	\$ 48	\$ 39	\$ 37	\$ 177	\$ 183
	Third party sales realizations	\$ 839	\$ 839	\$ 828	\$ 835	\$ 829	\$ 835	\$ 822
	Third party sales volumes <sup>(3)</sup>	51	55	59	47	45	212	222
	Production volumes	50	57	61	52	50	220	232

<sup>(3)</sup> Volumes include sales of internally produced products and products purchased for resale primarily through our distribution business.

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 expense, pension and postretirement costs, foreign exchange transaction gains and losses, interest income and other, and the elimination of intersegment profit in inventory and LIFO.

Contribution to Earnings

in millions	Q1.2018	Q2.2018	Q3.2018	Q4.2018	Q4.2017	YTD.2018	YTD.2017
Unallocated corporate function and variable compensation expenses	\$ (18)	\$ (19)	\$ (19)	\$ (28)	\$ (18)	\$ (84)	\$ (73)
Liability classified share-based compensation	—	(2)	4	8	(2)	10	(9)
Foreign exchange gains (loss)	(2)	2	(2)	5	1	3	1
Elimination of intersegment profit in inventory and LIFO	(21)	3	—	24	(14)	6	(20)
Charges for integration and restructuring, closures and asset impairments	—	—	—	—	(14)	—	(34)
Other	(39)	(20)	(21)	(8)	28	(88)	20
<b>Operating income (loss)</b>	<b>(80)</b>	<b>(36)</b>	<b>(38)</b>	<b>1</b>	<b>(19)</b>	<b>(153)</b>	<b>(115)</b>
Non-operating pension and other postretirement benefit (costs) credits	(24)	(13)	(17)	(218)	(16)	(272)	(62)
Interest income and other	12	11	13	23	10	59	39
<b>Net contribution to earnings (loss)</b>	<b>\$ (92)</b>	<b>\$ (38)</b>	<b>\$ (42)</b>	<b>\$ (194)</b>	<b>\$ (25)</b>	<b>\$ (366)</b>	<b>\$ (138)</b>

Adjusted Earnings before Interest, Tax, Depreciation, Depletion and Amortization\*

in millions	Q1.2018	Q2.2018	Q3.2018	Q4.2018	Q4.2017	YTD.2018	YTD.2017
<b>Operating income (loss)</b>	<b>\$ (80)</b>	<b>\$ (36)</b>	<b>\$ (38)</b>	<b>\$ 1</b>	<b>\$ (19)</b>	<b>\$ (153)</b>	<b>\$ (115)</b>
Depreciation, depletion and amortization	1	1	1	1	—	4	5
Unallocated pension service costs	—	—	—	—	1	—	4
Special items	28	—	—	—	(28)	28	(8)
<b>Adjusted EBITDA*</b>	<b>\$ (51)</b>	<b>\$ (35)</b>	<b>\$ (37)</b>	<b>\$ 2</b>	<b>\$ (46)</b>	<b>\$ (121)</b>	<b>\$ (114)</b>

\* See definition of Adjusted EBITDA (a non-GAAP measure) on page 1.

Unallocated Special Items Included in Net Contribution to Earnings (Pre-Tax)

in millions	Q1.2018	Q2.2018	Q3.2018	Q4.2018	Q4.2017	YTD.2018	YTD.2017
Plum Creek merger and integration-related costs	\$ —	\$ —	\$ —	\$ —	\$ (14)	\$ —	\$ (34)
Environmental remediation insurance (charges) recoveries	(28)	—	—	—	42	(28)	42
<b>Special items included in operating income (loss)</b>	<b>(28)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>28</b>	<b>(28)</b>	<b>8</b>
Pension settlement charge	—	—	—	(200)	—	(200)	—
Gain on sale of nonstrategic assets	—	—	—	13	—	13	—
<b>Special items included in net contribution to earnings (loss)</b>	<b>\$ (28)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ (187)</b>	<b>\$ 28</b>	<b>\$ (215)</b>	<b>\$ 8</b>

Unallocated Selected Items

in millions	Q1.2018	Q2.2018	Q3.2018	Q4.2018	Q4.2017	YTD.2018	YTD.2017
Cash spent for capital expenditures	\$ (1)	\$ —	\$ (1)	\$ (2)	\$ (1)	\$ (4)	\$ (3)