

# WEYERHAEUSER

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## Investor Meetings

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March 2019



# FORWARD-LOOKING STATEMENTS AND NON-GAAP FINANCIAL MEASURES



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 goals and prospects, business strategies, cash flow, adjusted EBITDA targets, production, supply, dividend levels and sustainability, share repurchases, operating performance, operational excellence initiatives and targets, asset and portfolio review, levels of demand and demand drivers for our products, including U.S. housing starts and housing demand, pricing outlook for our products, export markets, lumber markets, including future Canadian share of U.S. lumber markets, lumber production and lumber mill capacity, capital structure, financial ratios, credit ratings, capital expenditure plans and priorities, debt levels and maturities. 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,” “committed,” “continue,” “continued,” “could,” “forecast,” “estimate,” “outlook,” “goal,” “will,” “plan,” “expect,” “sustainable,” “target,” “would” and similar words and terms and phrases using such terms and words. Depictions or illustrations that constitute forward-looking statements may be identified by graphs, charts or other illustrations indicating expected or predicted occurrences of events, conditions, performance or achievements at a future date or during future time periods. We may refer to assumptions, goals or targets, or we may reference expected performance through, or events to occur by or at, a future date, and such references may also constitute forward-looking statements. Forward-looking statements are based on management’s current expectations and assumptions concerning future events, and are inherently subject to uncertainties and factors relating to our operations and business environment that are difficult to predict and often beyond the company’s control. These and other factors could cause one or more of our expectations to be unmet, one or more of our assumptions to be materially inaccurate or actual results to differ materially from those expressed or implied in our forward-looking statements. Such factors include, without limitation: our ability to successfully execute our performance plans, including cost reductions and other operational excellence initiatives; the effect of general economic conditions, including employment rates, housing starts, interest rate levels, availability of financing for home mortgages and the relative strength of the U.S. dollar; market demand for our products, including demand for our timberland properties with higher and better uses, which in turn is related to the strength of various U.S. business segments and U.S. and international economic conditions; restrictions on international trade and tariffs imposed on imports or exports; the availability and cost of shipping and transportation; performance of our manufacturing operations, including maintenance and capital requirements; potential disruptions in our manufacturing operations; the level of competition from domestic and foreign producers; raw material availability and prices; energy prices; the effect of weather; changes in global or regional climate conditions and governmental response to such changes; the risk of loss from fires, floods, windstorms, hurricanes, pest infestation and other natural disasters; 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 accuracy of our estimates of costs and expenses related to contingent liabilities; the effect of timing of retirements and changes in market price of our common stock on charges for share-based compensation; changes in accounting principles; and other factors described in filings we make from time to time with the Securities and Exchange Commission, including without limitation the risk factors described in our annual report on Form 10-K for the year ended December 31, 2018. 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.

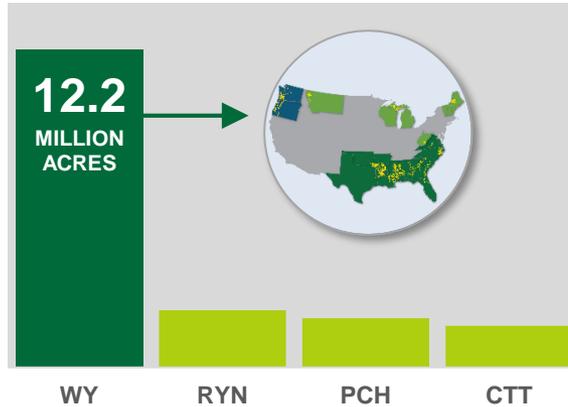
Also included in this presentation are certain non-GAAP financial measures, which management believes complement the financial information presented in accordance with U.S. generally accepted accounting principles. Management believes such non-GAAP measures may be useful to investors. Our non-GAAP financial 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.

# WEYERHAEUSER OVERVIEW



## WE ARE THE LARGEST PRIVATE OWNER OF TIMBERLANDS IN NORTH AMERICA

SUPERIOR  
**QUALITY,  
DIVERSITY**  
AND  
MARKET  
REACH



WE HAVE OVER  
**85%**  
OF OUR BUSINESS  
ASSETS IN  
**TIMBERLANDS**



OUR  
**WOOD  
PRODUCTS**  
OPERATIONS ARE  
**INDUSTRY  
LEADING**  
AND  
**LOW COST**



WE ARE A  
**\$20  
BILLION**  
**TIMBER REIT**  
ONE OF THE LARGEST  
REITS IN THE U.S.



WE'VE MADE ALMOST  
**\$550 MILLION**  
IN SUSTAINABLE  
OPERATIONAL  
EXCELLENCE  
**IMPROVEMENTS**  
SINCE 2014



WE'RE COMMITTED TO A  
**SUSTAINABLE**  
AND  
**GROWING  
DIVIDEND**



WE ARE  
**100%**  
**CERTIFIED**  
TO THE



AND HAVE A  
**STRONG ESG  
REPUTATION**

# 2018 ACCOMPLISHMENTS



## CAPITAL ALLOCATION



RETURNED NEARLY  
**\$1.4 BILLION**  
to shareholders



INCREASED QUARTERLY  
**DIVIDEND** by **6%**



REPURCHASED OVER  
**\$365 MILLION**  
of common shares



REDUCED PENSION  
LIABILITIES by over  
**\$2 BILLION\***

## PERFORMANCE



GENERATED OVER  
**\$2 BILLION**  
of EBITDA\*\* for the  
second year in a row



INCREASED  
Real Estate & ENR  
EBITDA\*\* by  
**10%**



CAPTURED  
**\$44 MILLION**  
of OpX

\* Includes annuity purchase transaction communicated in August 2018 and completed in January 2019.

\*\* 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. See appendix for reconciliation to GAAP amounts.

# DRIVING FINANCIAL PERFORMANCE



➤ **MARKET LEADING POSITIONS**  
across our businesses

➤ **STRONG EARNINGS POWER**  
from scale timber and land portfolio,  
and lower volatility wood products operations

➤ **DEMONSTRATED TRACK RECORD**  
of improved execution

➤ **PROVEN COMMITMENT**  
to disciplined capital allocation

## ADJUSTED EBITDA\*



## ADJUSTED CASH FROM OPERATIONS\*\*



WE HAVE  
RETURNED  
**\$5.2**  
**BILLION**  
TO SHAREHOLDERS  
IN THE  
LAST 3 YEARS



\* See appendix for reconciliation to GAAP amounts.

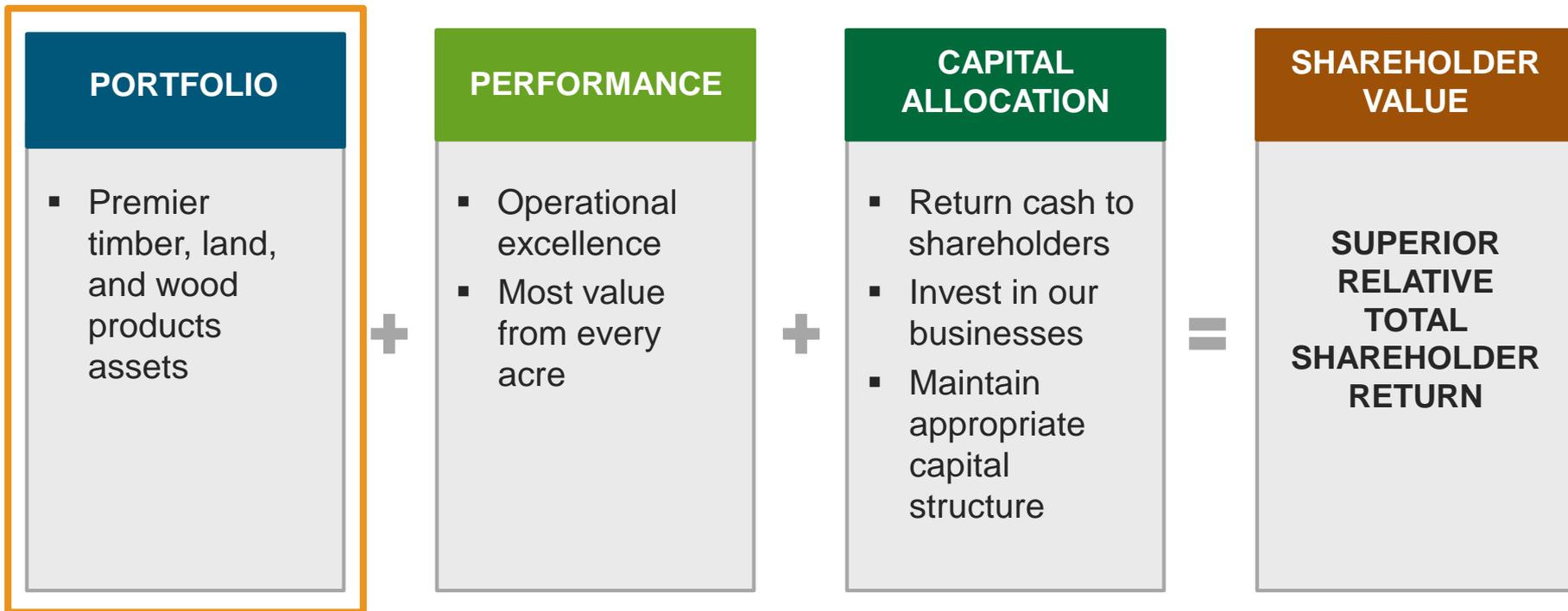
\*\* Adjusted cash from operations, as we define it, is net cash from operations adjusted for significant non-recurring items. See appendix for reconciliation to GAAP amounts.

# 2019 FOCUS AREAS



<b>OPERATIONAL EXCELLENCE</b> >>	Focus on cost, reliability and customers	
<b>PEOPLE DEVELOPMENT</b> >>	Accelerate development and build bench strength	
<b>CAPITAL ALLOCATION</b> >>	Maintain disciplined approach to drive value for shareholders	
<b>CULTURE</b> >>	Reinforce progress and emphasize focused innovation	

# WEYERHAEUSER'S INVESTMENT THESIS



**FOCUSED ON DRIVING VALUE  
FOR SHAREHOLDERS**



# THREE BUSINESS SEGMENTS



## TIMBERLANDS



### Largest private timberland owner in the U.S.

- Unmatched scale and diversity
- Superior quality and productivity
- Sustainably certified

## REAL ESTATE, ENERGY & NATURAL RESOURCES



### Maximizing value from every acre

- Premium recreation and conservation lands
- Valuable surface and subsurface resources

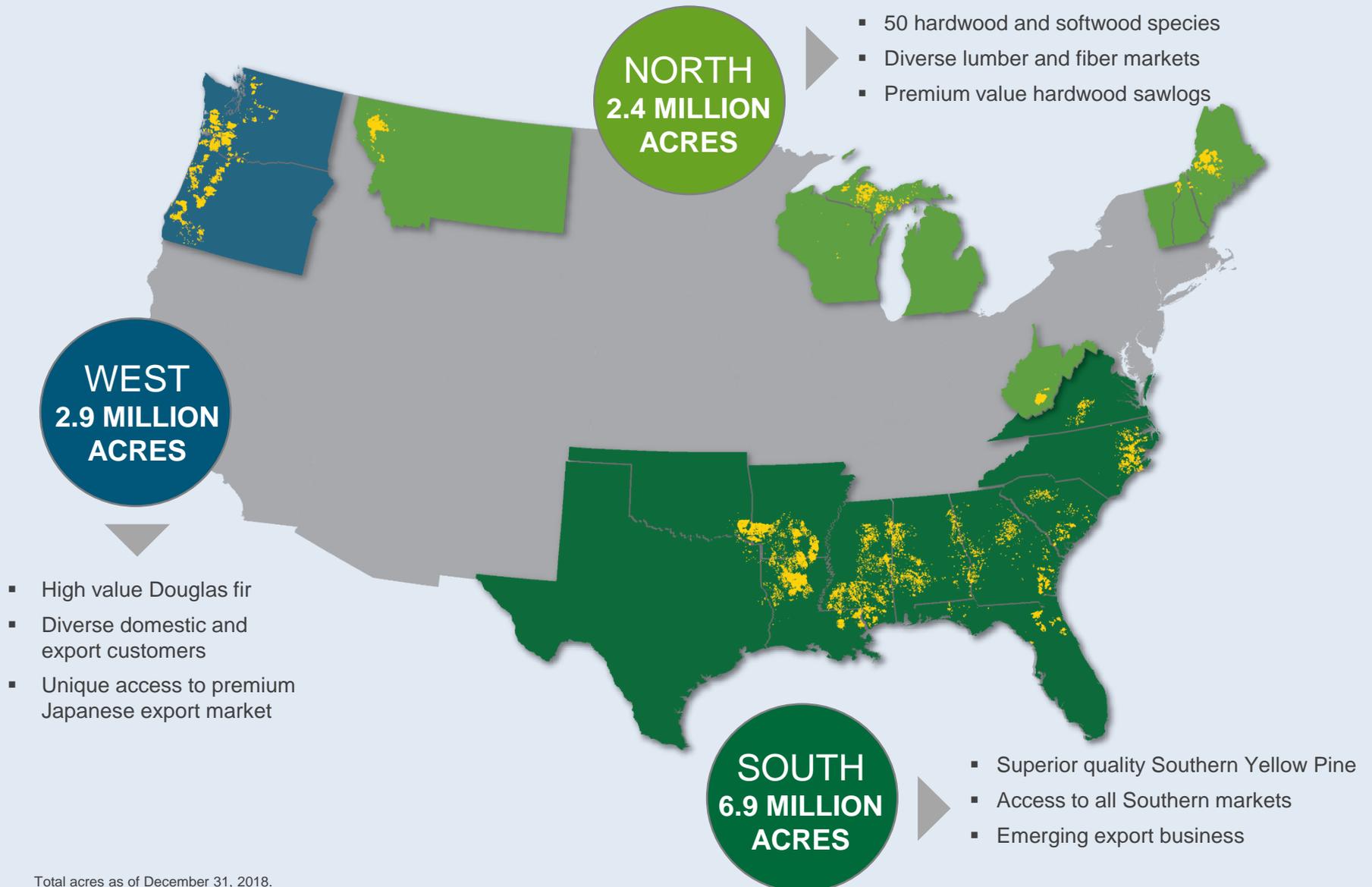
## WOOD PRODUCTS



### Leading wood products manufacturer

- Low-cost and well-positioned
- Lumber, OSB, Engineered Wood, Distribution

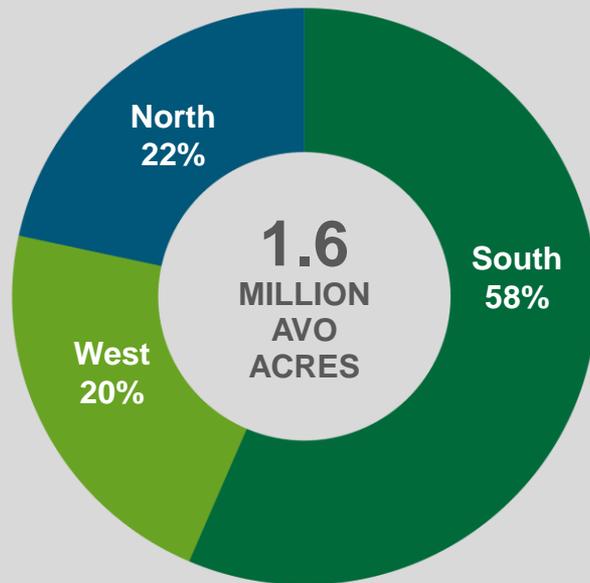
# TIMBERLANDS: Largest private U.S. owner with unmatched quality, diversity and scale



# REAL ESTATE & ENR: Maximizing the value of every acre



## REAL ESTATE IDENTIFIED AVO ACRES



1

Determine timber net present value for each acre

2

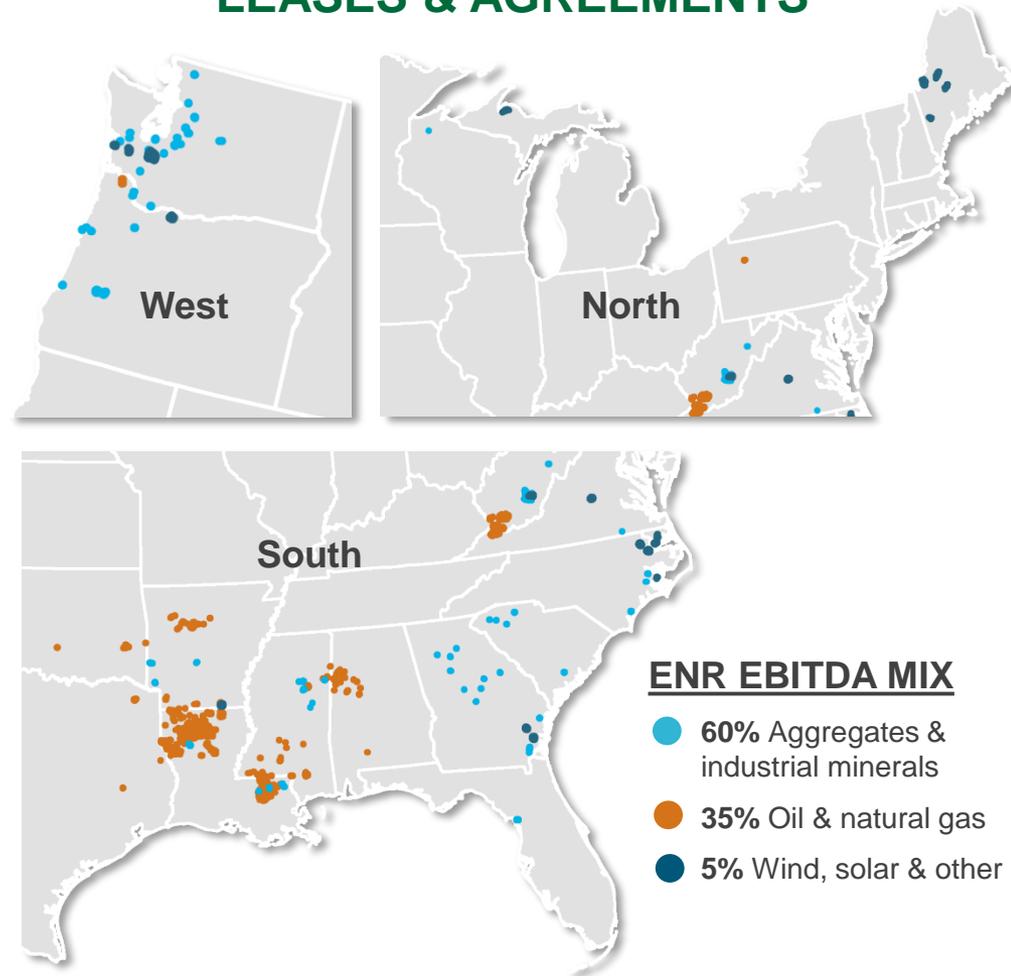
Identify opportunities to capture premium value (Asset Value Optimization — AVO)

3

Deliver a premium to timber net present value

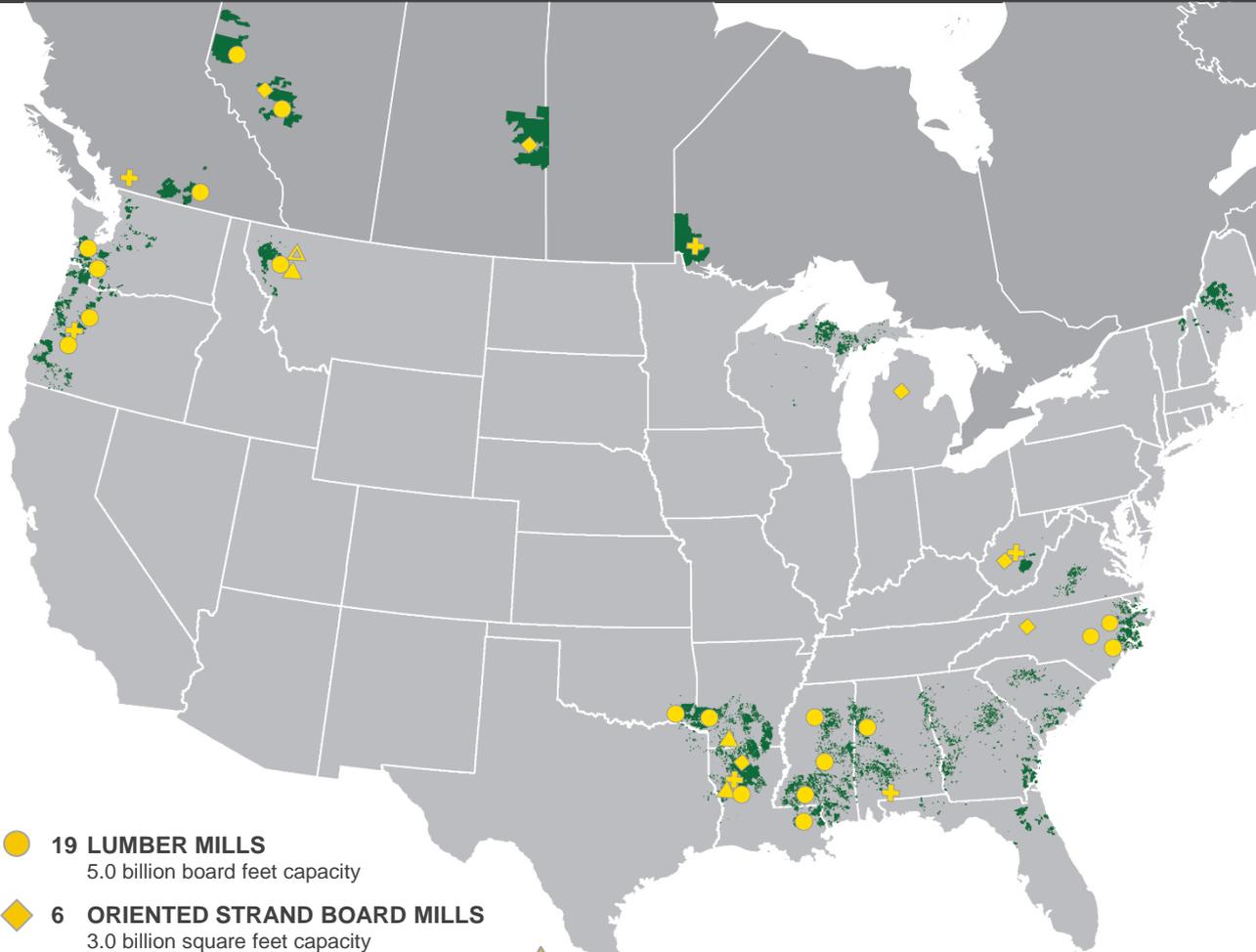
AVO acres as of December 31, 2018.

## ENERGY & NATURAL RESOURCES LEASES & AGREEMENTS



EBITDA percentages are approximate based on 2018 full year results.

# WOOD PRODUCTS: Industry leading North American producer



- **19 LUMBER MILLS**  
5.0 billion board feet capacity
- ◆ **6 ORIENTED STRAND BOARD MILLS**  
3.0 billion square feet capacity
- + **6 ENGINEERED WOOD MILLS**  
43 million cubic feet solid section capacity\*
- ▲ **3 VENEER / PLYWOOD MILLS**  
610 million square feet plywood capacity
- ▲ **1 MEDIUM DENSITY FIBERBOARD MILL**  
265 million square feet capacity
- 18 DISTRIBUTION FACILITIES (Not shown)**
- **WY OWNED AND LICENSED TIMBERLANDS**

**3RD**  
LUMBER  
PRODUCTION



**4TH**  
OSB  
PRODUCTION



**1ST**  
ENGINEERED  
WOOD  
REVENUE

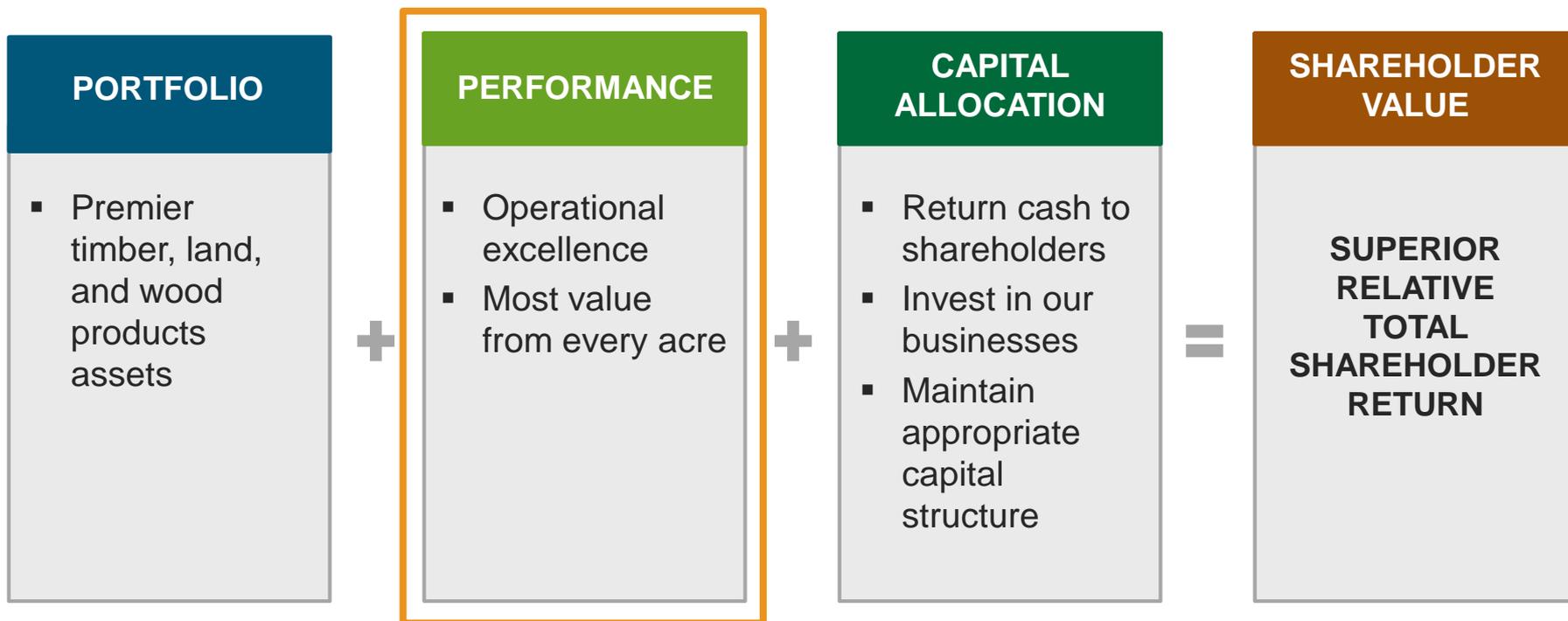


Revenue and statistics for full year 2018. Source: Competitor reports, public filings, APA.

Engineered Wood revenue includes solid section and I-Joist products.

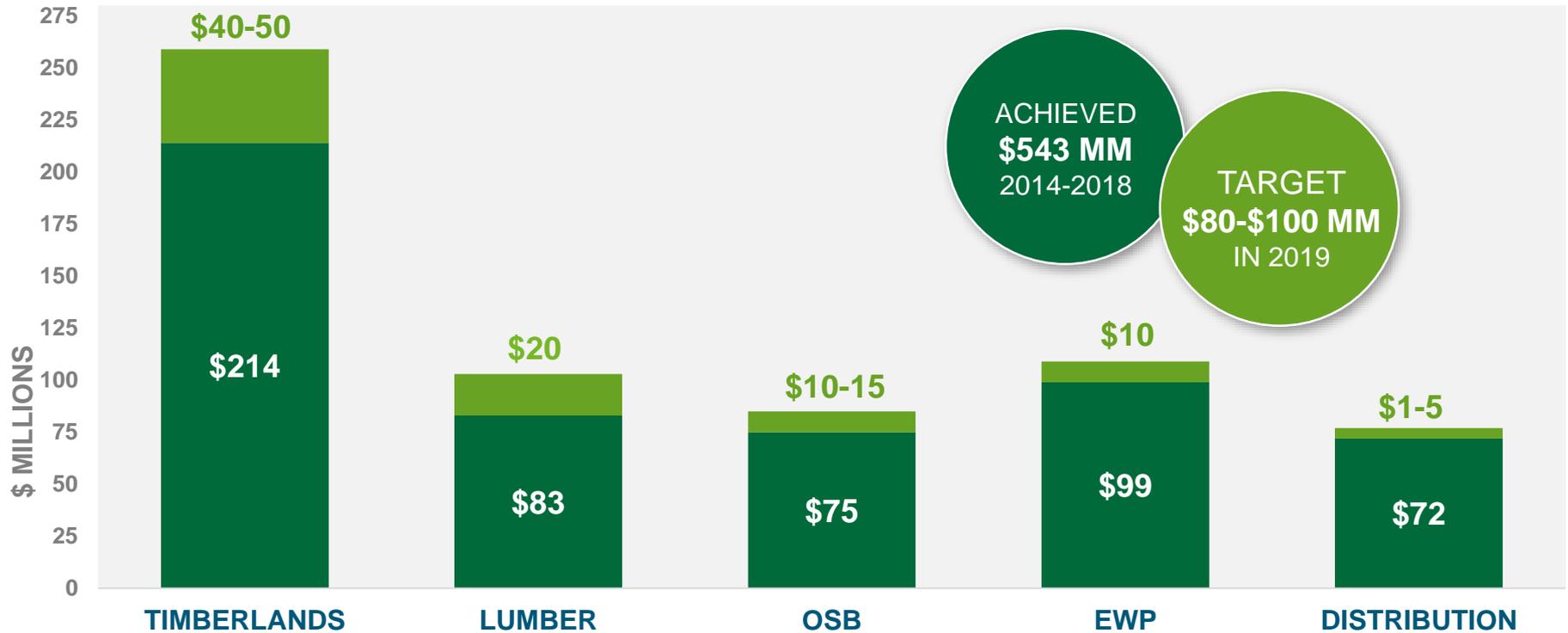
\*Production capacity for engineered wood mills represents total press capacity. Three facilities also produce I-Joists to meet market demand. In 2018, approximately 25% percent of the total press production was converted into 191 million lineal feet of I-Joist.

# WEYERHAEUSER'S INVESTMENT THESIS



**FOCUSED ON DRIVING VALUE  
FOR SHAREHOLDERS**

# 2019 OPX TARGETS



## »» KEY INITIATIVES ««

- Harvest and transportation productivity
- Marketing and merchandising
- Silviculture best practices

- Reliability
- Controllable cost
- Improved recovery
- Product mix

- Controllable cost
- Reliability
- Improved recovery
- Product mix

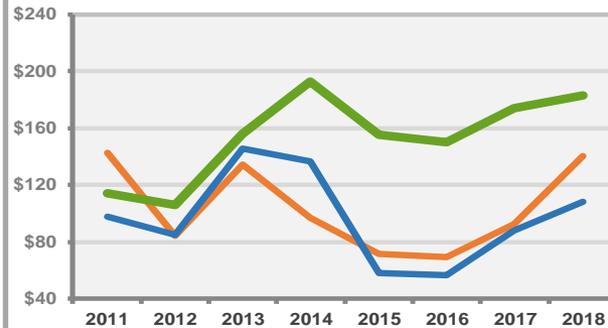
- Controllable cost
- Improved recovery
- Product mix

- Product margins
- Operating costs
- Selling expenses

# PERFORMANCE: #1 or #2 in all business lines

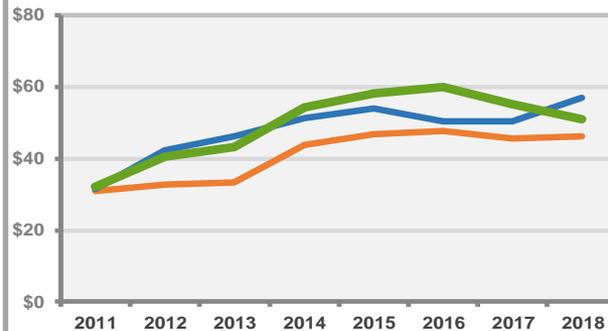
## ADJUSTED EBITDA\* / ACRE OWNED

### WESTERN TIMBERLANDS



Weyerhaeuser vs Rayonier, NCREIF

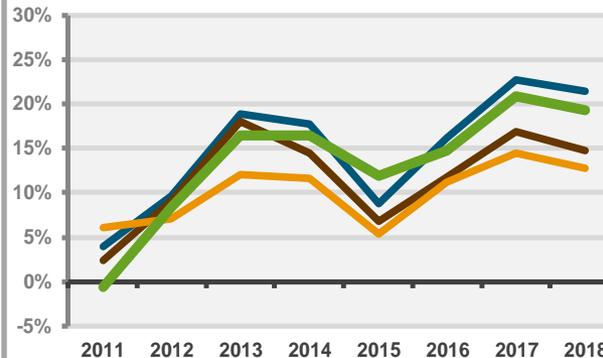
### SOUTHERN TIMBERLANDS



Weyerhaeuser vs Rayonier, NCREIF^

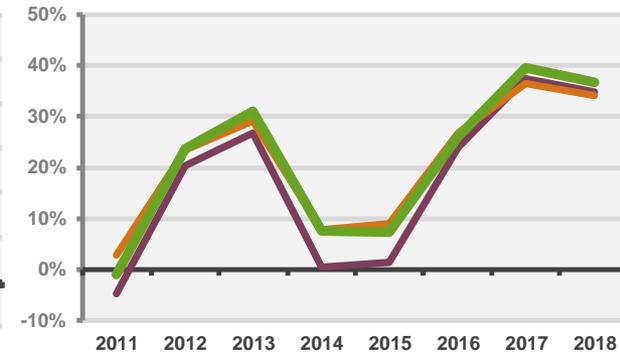
## ADJUSTED EBITDA MARGIN\*

### LUMBER+



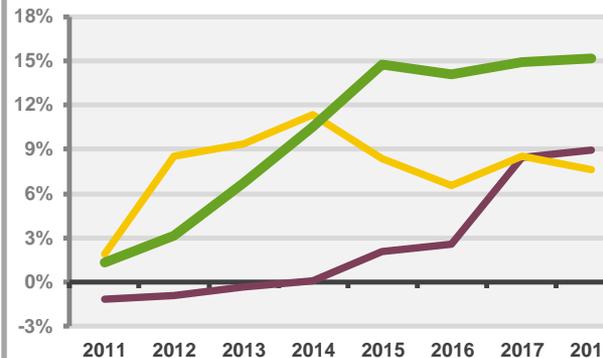
Weyerhaeuser vs West Fraser, Canfor, Interfor

### ORIENTED STRAND BOARD



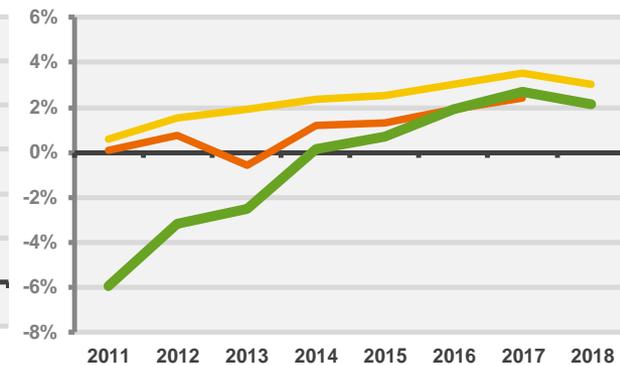
Weyerhaeuser vs LP, Norbord

### ENGINEERED WOOD PRODUCTS



Weyerhaeuser vs Boise, LP

### DISTRIBUTION



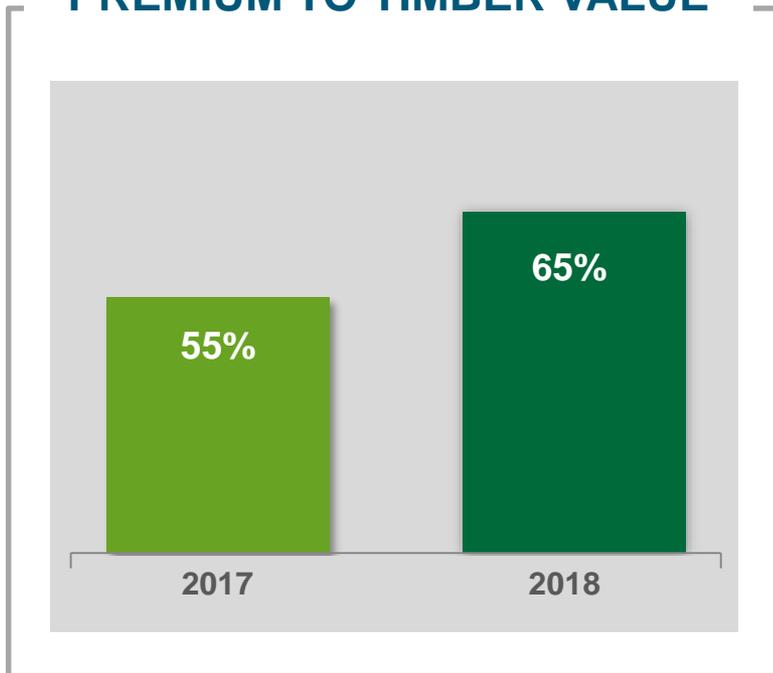
Weyerhaeuser vs Boise, Blue Linx\*\*

\* See appendix for reconciliation to GAAP amounts. | \*2017 and 2018 results for all companies include expenses for softwood lumber countervailing and anti-dumping duties. | ^ NCREIF South average acres for 2018. | \*\* Blue Linx 2018 results not yet available. | Source for competitor data: public SEC filings, National Council of Real Estate Investment Fiduciaries (NCREIF).

# REAL ESTATE & ENR: OpX progress and targets



## PREMIUM TO TIMBER VALUE



## ADJUSTED EBITDA\*

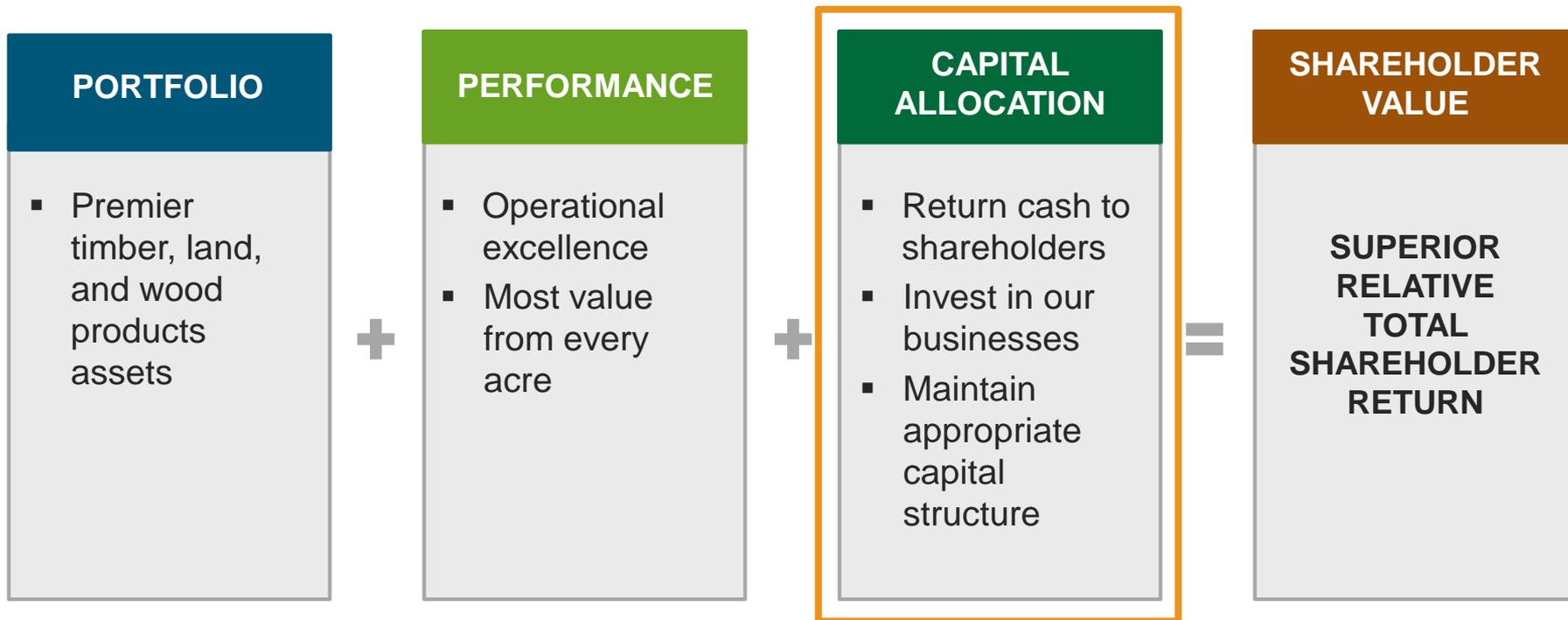


## » KEY INITIATIVES «

- Continually refine AVO acreage
- Exceed 30% premium to timber value
- Capture additional value from surface and subsurface assets

\* See appendix for reconciliation to GAAP amounts.

# WEYERHAEUSER'S INVESTMENT THESIS

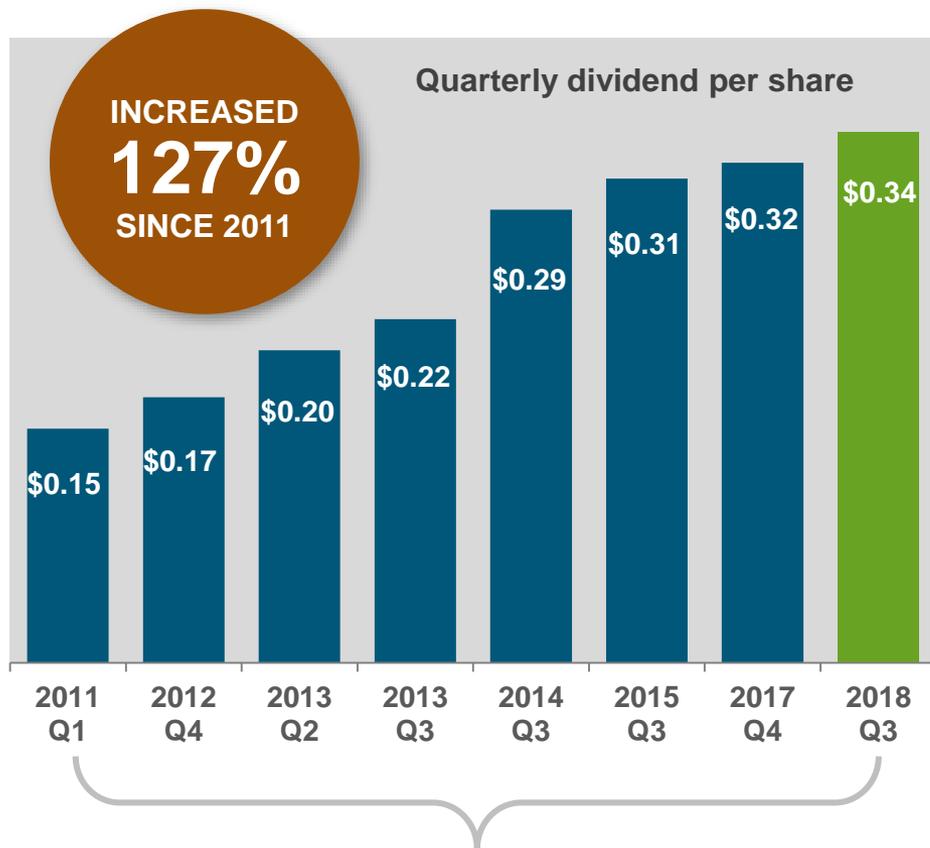


**FOCUSED ON DRIVING VALUE  
FOR SHAREHOLDERS**

# RETURNING CASH TO SHAREHOLDERS

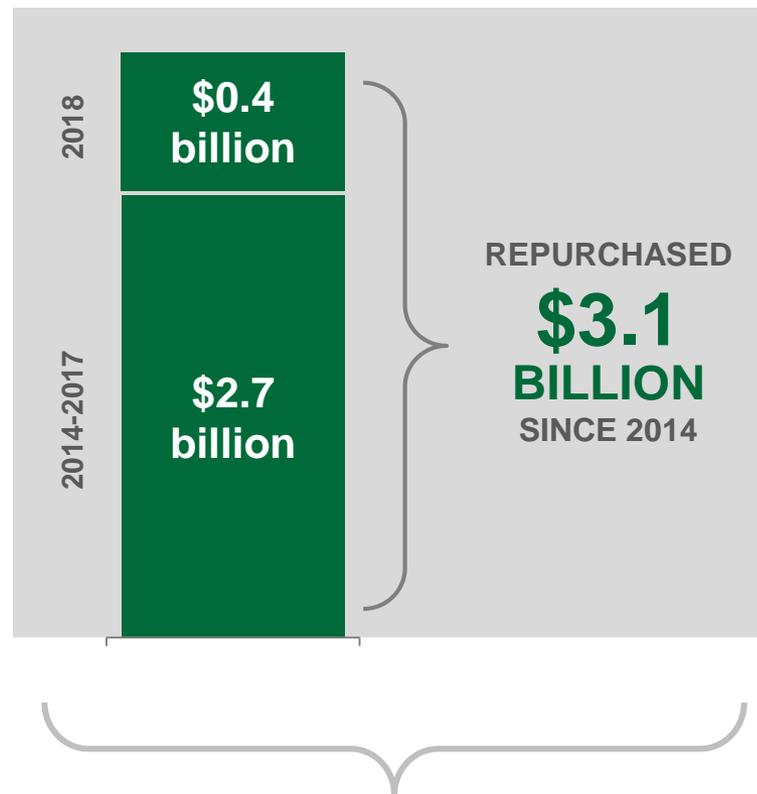


## SUSTAINABLE AND GROWING DIVIDEND



- ▶ Increased dividend by 6% in 2018 Q3
- ▶ Seven increases since 2011

## OPPORTUNISTIC SHARE REPURCHASE



- ▶ New \$500 million authorization approved in February 2019
- ▶ Deploy opportunistically

# INVESTING IN OUR BUSINESSES:

## Disciplined capital expenditures for 2019



### TIMBERLANDS



\$120 million of sustaining capex  
Reforestation and silviculture  
Roads and infrastructure

### WOOD PRODUCTS



\$270 million; lower than 2018  
Maintenance capex  
Projects to reduce cost and improve productivity

### REAL ESTATE, ENERGY & NATURAL RESOURCES



Very minimal expenditures  
Primarily entitlement activities

### CORPORATE



\$10 million for IT systems

» **\$400 MILLION IN 2019** «

# MAINTAIN APPROPRIATE CAPITAL STRUCTURE



## DEBT

- **\$6.2 billion long-term debt outstanding\***
  - 96% fixed rate
  - Refinanced 2019 maturity
  - No maturities until 2021
- **Revolving line of credit**
  - \$1.5 billion total capacity
  - Used for working capital management

## FINANCIAL RATIOS

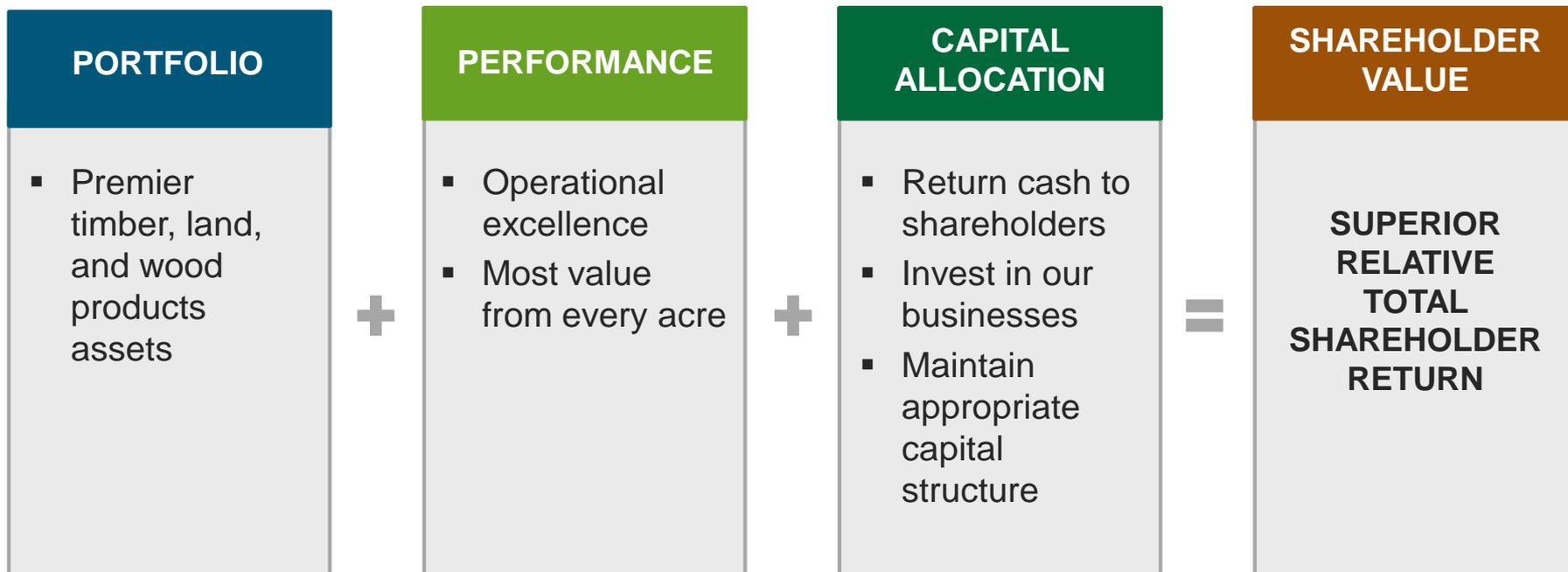
- **Achieved target ratios**
- **Target: Net debt to Adjusted EBITDA  $\leq 3.5x$  over the cycle**
- **Target: Net debt to enterprise value  $\leq 25\%$**

## CREDIT RATINGS

- **Solid investment grade**
- **Moody's: Baa2 stable**
- **S&P: BBB stable**

**STRONG BALANCE SHEET AND FINANCIAL FLEXIBILITY**

# WEYERHAEUSER'S INVESTMENT THESIS

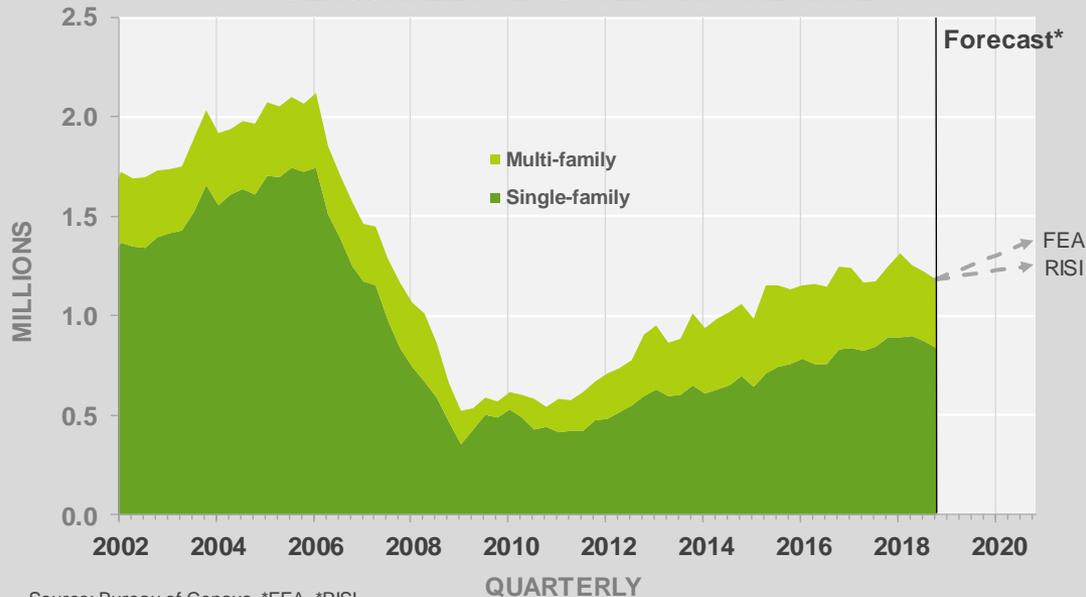


**FOCUSED ON DRIVING VALUE  
FOR SHAREHOLDERS**

# CONTINUED GROWTH IN U.S. HOUSING MARKET



## U.S. HOUSING STARTS SEASONALLY ADJUSTED ANNUAL RATE



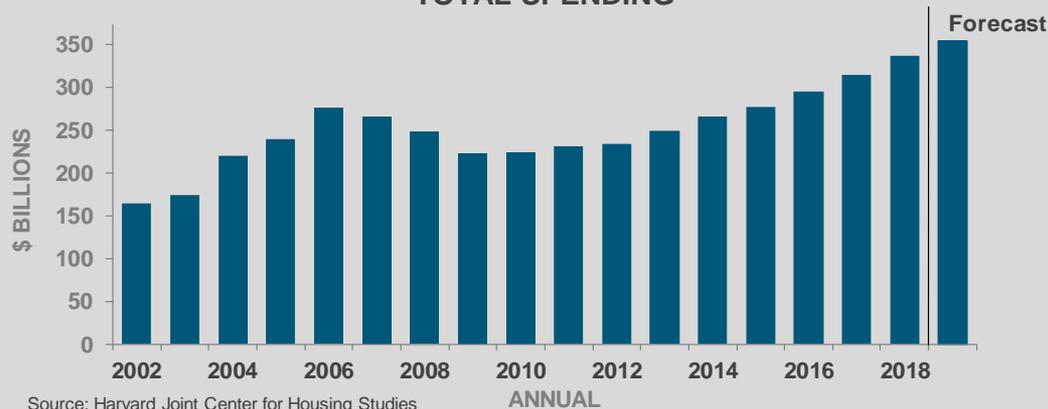
Source: Bureau of Census, \*FEA, \*RISI

## KEY DRIVERS

- U.S. housing starts below trend levels
- Strong household formations
- Solid economic fundamentals
- Favorable demographics
- Builders responding to demand for affordable product

Anticipate  
1.3 MILLION STARTS  
in 2019

## U.S. REPAIR & REMODEL TOTAL SPENDING



Source: Harvard Joint Center for Housing Studies

## KEY DRIVERS

- Housing stock continues to age
- Increased home equity
- Expect continued growth in repair & remodel spending

# LUMBER: Strong demand growth and rising operating rates



## KEY DRIVERS

- Demand rising with repair & remodel and new residential construction activity
- Demand growth expected to outpace industry capacity additions
- Expect favorable market dynamics in 2019

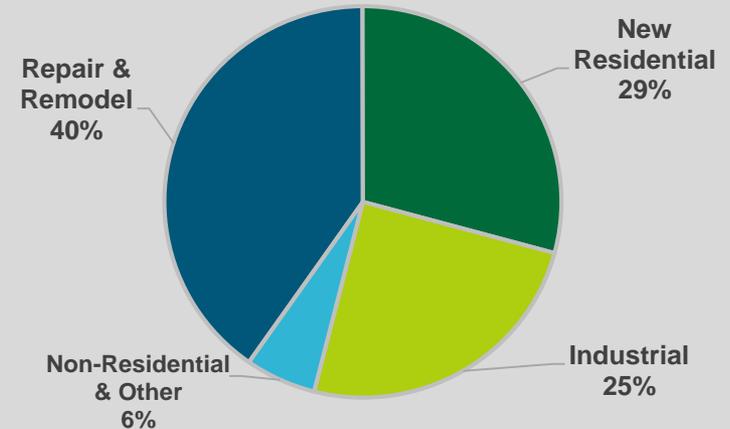
## PRICING OUTLOOK FRAMING LUMBER COMPOSITE



**SENSITIVITY**  
\$10/MBF ≈ \$45 million EBITDA

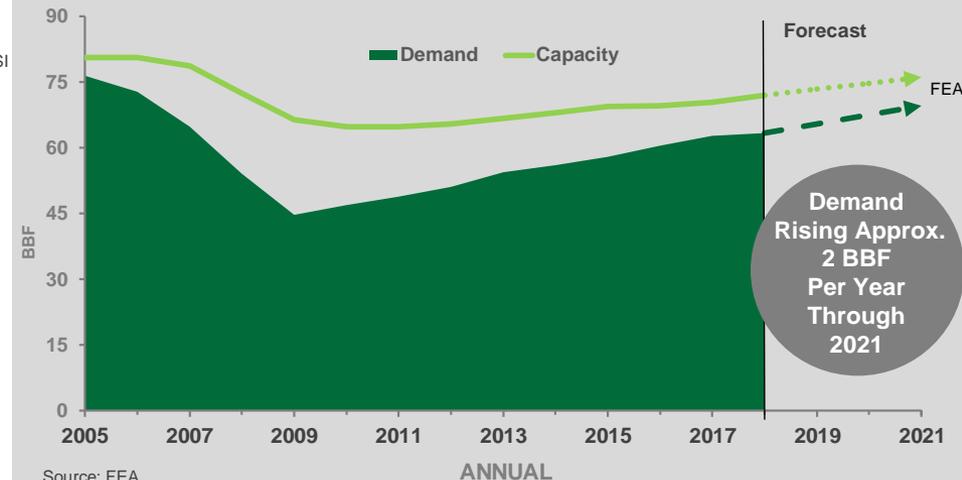
## NORTH AMERICAN LUMBER CONSUMPTION

BY END USE, 2018



Source: FEA

## NORTH AMERICAN LUMBER DEMAND AND CAPACITY



# LUMBER: Canadian supply decreasing



## KEY DRIVERS

- Canadian share of US lumber market decreased to 28% in 2018
  - 20% duties on Canadian lumber
  - Log supply declining due to BC fires, pine beetle and AAC reductions
- Expect continued decline in Canadian share
- U.S. Southern lumber production rising as Canadian production declines

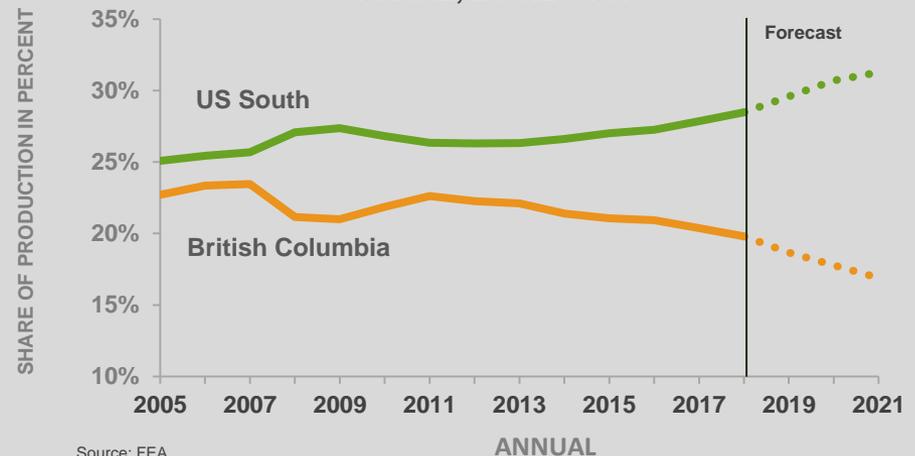
### SENSITIVITY

2% Canadian share of US market  
= 1 BBF lumber consumption

## CANADIAN LUMBER EXPORTS TO U.S.



## NORTH AMERICAN LUMBER PRODUCTION SHARE, BY REGION



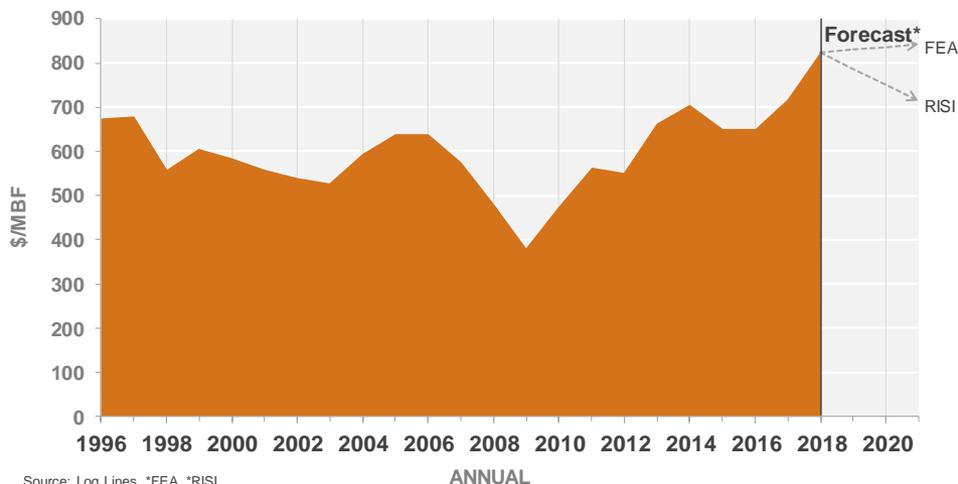
# WESTERN SAWLOGS: Domestic and export markets support continued favorable demand



## KEY DRIVERS

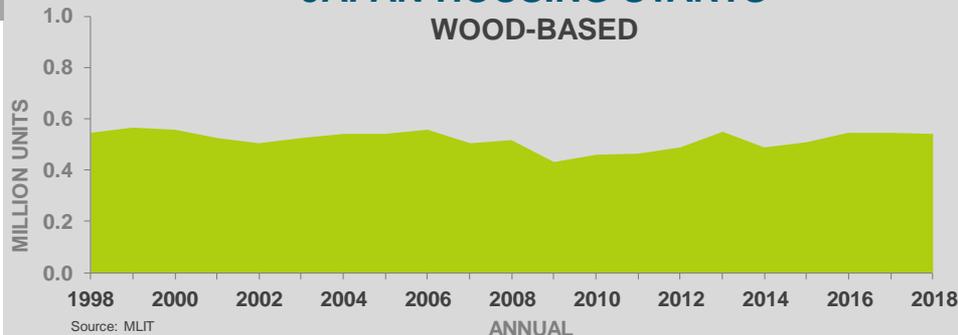
- Steady Japanese demand for premium logs
- Chinese growth supports continued demand for U.S. logs
- Domestic demand increasing as housing growth continues

## WESTERN PRICING OUTLOOK DELIVERED DOUGLAS FIR #2

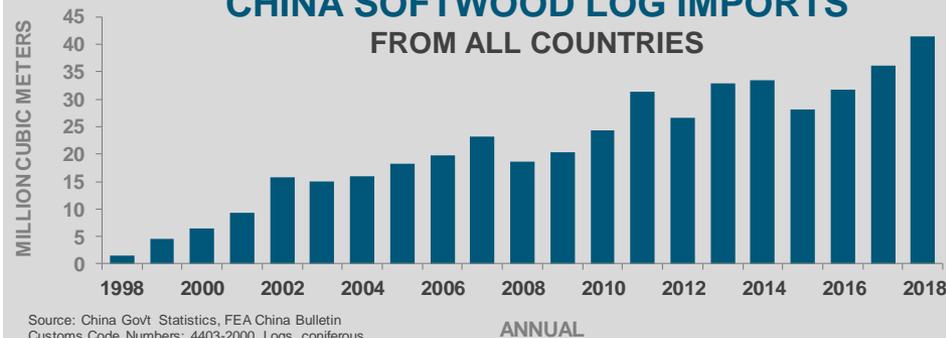


**SENSITIVITY**  
\$20/MBF ≈ \$30 million EBITDA

## JAPAN HOUSING STARTS WOOD-BASED



## CHINA SOFTWOOD LOG IMPORTS FROM ALL COUNTRIES



## U.S. WESTERN HOUSING STARTS



# SOUTHERN SAWLOGS: Improving demand and pricing

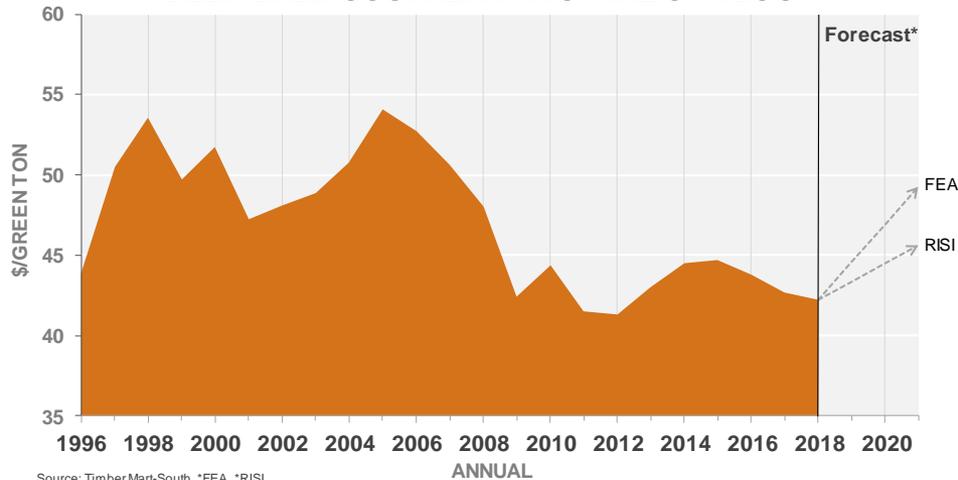


## KEY DRIVERS

- New Southern lumber capacity coming online
- Emerging Southern log export programs
- WY uniquely positioned to benefit
  - Aligned with rising production across the South
  - Well positioned in markets with greatest pricing runway

## PRICING OUTLOOK

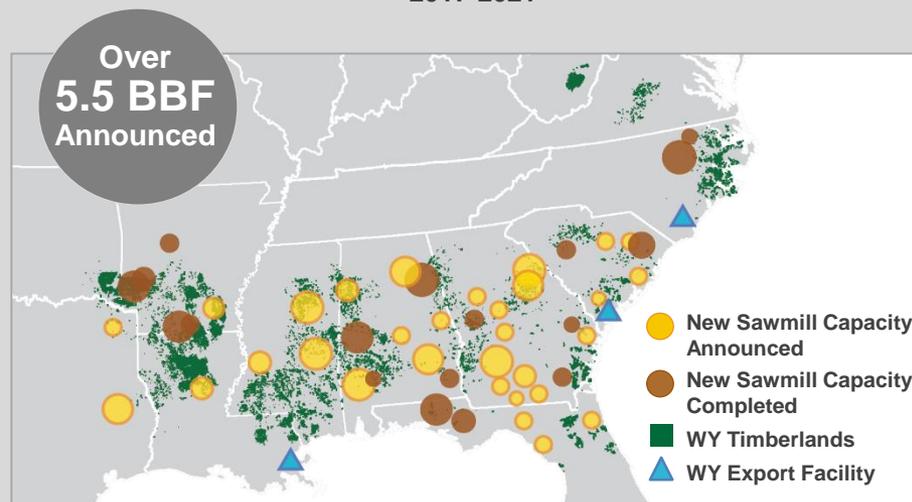
### DELIVERED SOUTHERN AVG PINE SAWLOG



**SENSITIVITY**  
\$5/ton ≈ \$70 million EBITDA

## U.S. SOUTH CAPACITY ADDITIONS

2017-2021



## SAWMILL CAPACITY ADDITIONS

ANNOUNCED AND COMPLETED  
BY STATE 2017-2021



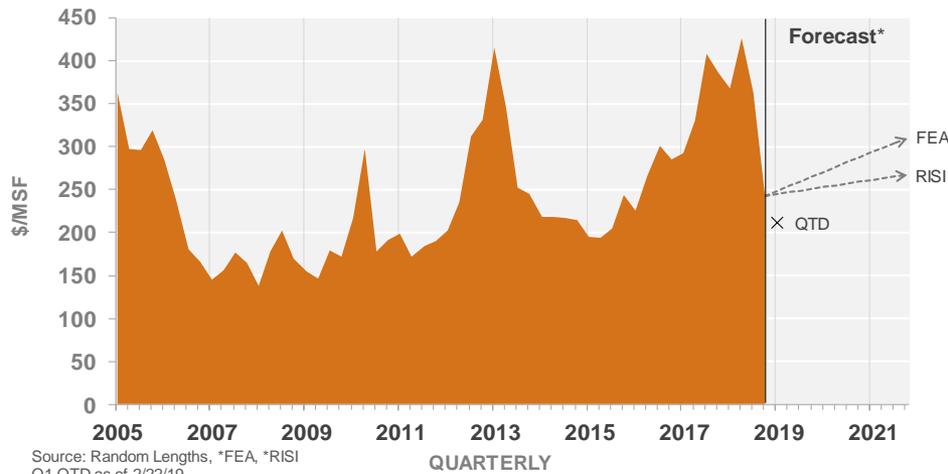
# OSB: Continued strong market fundamentals



## KEY DRIVERS

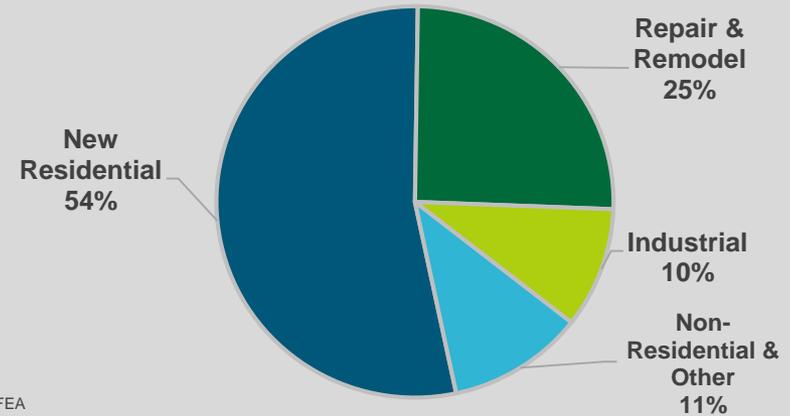
- Demand rising with repair & remodel and new residential construction activity
- Operating rates exceeded 90% in 2018
- Industry capacity growth serving rising demand
- Expect continued strong operating rates and favorable pricing

## PRICING OUTLOOK NORTH CENTRAL OSB



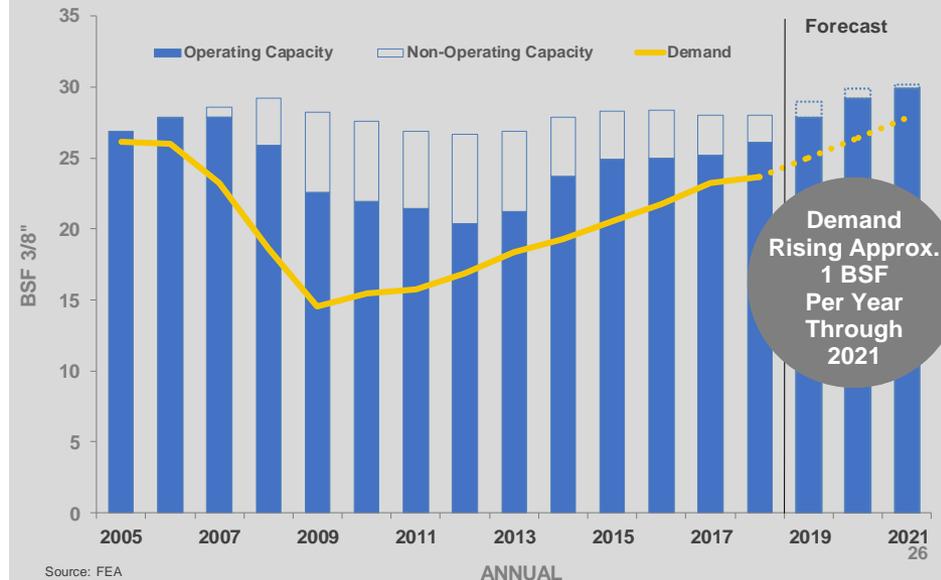
**SENSITIVITY**  
\$10/MSF ≈ \$30 million EBITDA

## NORTH AMERICAN OSB CONSUMPTION BY END USE, 2018

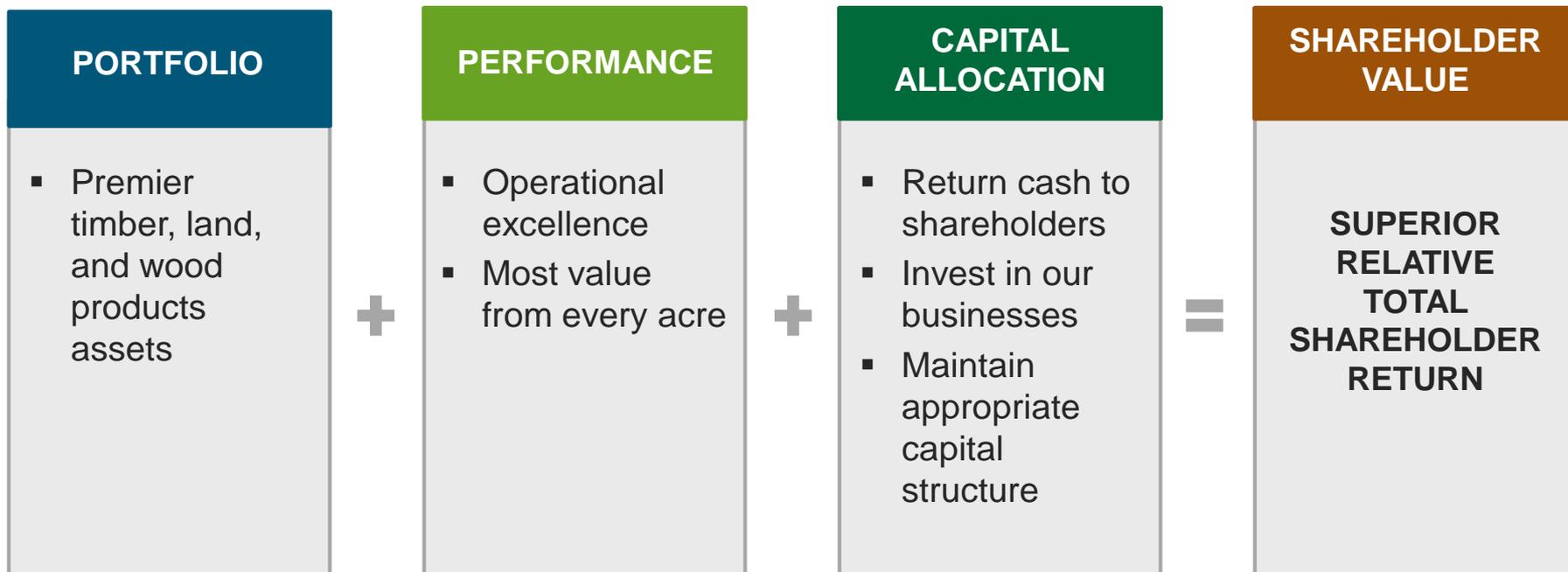


Source: FEA

## NORTH AMERICAN OSB CAPACITY AND DEMAND



# WEYERHAEUSER'S INVESTMENT THESIS



**FOCUSED ON DRIVING VALUE  
FOR SHAREHOLDERS**



# APPENDIX



# OUR VISION

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

## HOW WE WIN

### CORE VALUES

- Safety
- Integrity
- Citizenship
- Sustainability

+

### RELENTLESS FOCUS

- Develop our people
- Deliver the most value from every acre
- Drive operational excellence
- Optimize capital

+

### KEY BEHAVIORS

- Act with urgency
- Be accountable
- Be courageous
- Keep it simple
- Be innovative

=

## WHAT IT LOOKS LIKE

### WEYERHAEUSER A TRULY GREAT COMPANY



Great place to work  
Great financial results  
Great sustainable products  
Great commitment to community

## CHASE PERFECTION... CATCH EXCELLENCE



# STRONG ESG REPUTATION: More than a Century of Industry-Leading Practices



**WE ARE THE ONLY**  
North American forestry  
or wood products  
company on the  
**Dow Jones**  
**Sustainability Indices**

MEMBER OF  
**Dow Jones**  
**Sustainability Indices**  
In Collaboration with RobecoSAM

ETHISPHERE named  
us one of the  
**World's Most Ethical**  
**Companies®**



We are in the  
**top 100 Best**  
**Corporate Citizens,**  
according to Corporate  
Responsibility Magazine



We have a  
**“Winning” rating**  
from 2020 Women  
on Boards



**1900**

Company founded by  
Frederick Weyerhaeuser

**1930**

Led the industry to  
develop sustainable  
practices

**1941**

Established first tree  
farm in the U.S.

**1942**

Established first forest  
research facility in U.S.

**2000**

100% certified to  
Sustainable Forestry  
Initiative (SFI)

**2005**

First listing on  
Dow Jones  
Sustainability Index

# ADJUSTED EBITDA RECONCILIATION: Timberlands



\$ Millions	2011	2012	2013	2014	2015	2016	2017	2018
West	\$279	\$258	\$373	\$571	\$459	\$443	\$508	\$532
South	226	298	328	410	430	426	383	351
North	29	28	32	47	41	26	23	19
Other	(15)	(8)	46	2	7	6	22	0
<b>Adjusted EBITDA including Legacy Plum Creek operations<sup>1,3</sup></b>	<b>\$519</b>	<b>\$576</b>	<b>\$779</b>	<b>\$1,030</b>	<b>\$937</b>	<b>\$901</b>	<b>\$936</b>	<b>\$902</b>
Less: EBITDA attributable to Plum Creek <sup>2</sup>	175	203	235	291	260	36	-	-
<b>Weyerhaeuser Timberlands Adjusted EBITDA<sup>3</sup></b>	<b>\$344</b>	<b>\$373</b>	<b>\$544</b>	<b>\$739</b>	<b>\$678</b>	<b>\$865</b>	<b>\$936</b>	<b>\$902</b>
Depletion, Depreciation & Amortization	(138)	(143)	(168)	(207)	(208)	(366)	(356)	(319)
Special Items	-	-	-	-	-	-	(48)	-
<b>Operating Income (GAAP)</b>	<b>\$206</b>	<b>\$230</b>	<b>\$376</b>	<b>\$532</b>	<b>\$470</b>	<b>\$499</b>	<b>\$532</b>	<b>\$583</b>
Interest Income and Other	4	3	4	-	-	-	-	-
Loss Attributable to Non-Controlling Interest	-	1	-	-	-	-	-	-
<b>Net Contribution to Earnings</b>	<b>\$210</b>	<b>\$234</b>	<b>\$380</b>	<b>\$532</b>	<b>\$470</b>	<b>\$499</b>	<b>\$532</b>	<b>\$583</b>

1. Results exclude Real Estate, Energy & Natural Resources, which was reported as part of legacy Weyerhaeuser's Timberlands segment, and include Plum Creek. West includes Plum Creek Washington and Oregon operations. South includes Plum Creek Southern Resources. North includes Plum Creek Northern Resources less Washington and Oregon. Results from Longview Timber are included in Other for 2013 and in Western Timberlands for 2014 and forward. Other also includes results from international operations and certain administrative charges.

2. Results represent Plum Creek Timberlands EBITDA from October 1, 2011 through February 18, 2016.

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 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



\$ Millions	2011	2012	2013	2014	2015	2016 <sup>1</sup>	2017	2018
Lumber	(\$7)	\$130	\$317	\$319	\$212	\$289	\$459	\$459
OSB	(4)	143	247	46	41	183	359	329
EWP	6	17	45	79	114	145	173	177
Distribution	(37)	(29)	(33)	2	10	25	38	32
Other	(1)	(15)	(2)	-	(5)	(1)	(12)	(10)
<b>Adjusted EBITDA<sup>2</sup></b>	<b>(\$43)</b>	<b>\$246</b>	<b>\$574</b>	<b>\$446</b>	<b>\$372</b>	<b>\$641</b>	<b>\$1,017</b>	<b>\$987</b>
Depletion, Depreciation & Amortization	(151)	(133)	(123)	(119)	(106)	(129)	(145)	(149)
Special Items	(52)	6	(10)	-	(8)	-	(303)	-
<b>Operating Income (GAAP)</b>	<b>(\$246)</b>	<b>\$119</b>	<b>\$441</b>	<b>\$327</b>	<b>\$258</b>	<b>\$512</b>	<b>\$569</b>	<b>\$838</b>
Interest Income and Other	3	1	-	-	-	-	-	-
<b>Net Contribution to Earnings</b>	<b>(\$243)</b>	<b>\$120</b>	<b>\$441</b>	<b>\$327</b>	<b>\$258</b>	<b>\$512</b>	<b>\$569</b>	<b>\$838</b>

1. Amounts presented reflect the results of operations acquired in our merger with Plum Creek Timber, Inc. beginning on the merger date of February 19, 2016.
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.

# ADJUSTED EBITDA RECONCILIATION: Real Estate, Energy & Natural Resources



<b>\$ Millions</b>	<b>2017</b>	<b>2018</b>
<b>Adjusted EBITDA<sup>1</sup></b>	<b>\$241</b>	<b>\$264</b>
Depletion, Depreciation & Amortization	(15)	(14)
Basis of Real Estate Sold	(81)	(124)
<b>Operating Income (GAAP)</b>	<b>\$145</b>	<b>\$126</b>
Interest Income and Other	1	1
<b>Net Contribution to Earnings</b>	<b>\$146</b>	<b>\$127</b>

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 CASH FROM OPERATIONS RECONCILIATION



\$ Millions	2016	2017	2018
<b>Adjusted Cash from Operations<sup>1</sup></b>	<b>\$1,229</b>	<b>\$1,393</b>	<b>\$1,508</b>
Cash paid for income taxes related to the sale of our Cellulose Fibers businesses	(494)	—	—
Cash paid for product remediation	—	(192)	(96)
Cash contribution to our U.S. qualified pension plan	—	—	(300)
<b>Net Cash from Operations (GAAP)</b>	<b>\$735</b>	<b>\$1,201</b>	<b>\$1,112</b>

1. Adjusted cash from operations is a non-GAAP measure that management uses to evaluate the performance of the company. Adjusted cash from operations, as we define it, is net cash from operations adjusted for significant non-recurring items. Adjusted cash from operations should not be considered in isolation and is not intended to represent an alternative to our GAAP results.