## Consolidated Statement of Operations

**Q2.2019 Analyst Package**

Preliminary results (unaudited)

<table>
<thead>
<tr>
<th></th>
<th>Q1 March 31, 2019</th>
<th>Q2 June 30, 2019</th>
<th>June 30, 2018</th>
<th>June 30, 2019</th>
<th>June 30, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>$1,643</td>
<td>$1,692</td>
<td>$2,065</td>
<td>$3,335</td>
<td>$3,930</td>
</tr>
<tr>
<td><strong>Costs of sales</strong></td>
<td>1,322</td>
<td>1,390</td>
<td>1,447</td>
<td>2,712</td>
<td>2,795</td>
</tr>
<tr>
<td><strong>Gross margin</strong></td>
<td>321</td>
<td>302</td>
<td>618</td>
<td>623</td>
<td>1,135</td>
</tr>
<tr>
<td><strong>Selling expenses</strong></td>
<td>21</td>
<td>21</td>
<td>23</td>
<td>42</td>
<td>46</td>
</tr>
<tr>
<td><strong>General and admin.</strong></td>
<td>89</td>
<td>80</td>
<td>80</td>
<td>169</td>
<td>158</td>
</tr>
<tr>
<td><strong>Research and dev.</strong></td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td><strong>Other operating costs, net</strong></td>
<td>36</td>
<td>13</td>
<td>37</td>
<td>49</td>
<td>47</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>174</td>
<td>186</td>
<td>476</td>
<td>360</td>
<td>880</td>
</tr>
<tr>
<td><strong>Non-operating pension and other postretirement benefit costs</strong></td>
<td>(470)</td>
<td>(10)</td>
<td>(13)</td>
<td>(480)</td>
<td>(37)</td>
</tr>
<tr>
<td><strong>Interest income and other</strong></td>
<td>10</td>
<td>6</td>
<td>11</td>
<td>16</td>
<td>23</td>
</tr>
<tr>
<td><strong>Interest expense, net of capitalized interest</strong></td>
<td>(107)</td>
<td>(91)</td>
<td>(92)</td>
<td>(198)</td>
<td>(185)</td>
</tr>
<tr>
<td><strong>Earnings (loss) before income taxes</strong></td>
<td>(393)</td>
<td>91</td>
<td>382</td>
<td>(302)</td>
<td>681</td>
</tr>
<tr>
<td><strong>Income taxes</strong></td>
<td>104</td>
<td>37</td>
<td>(65)</td>
<td>141</td>
<td>(95)</td>
</tr>
<tr>
<td><strong>Net earnings (loss)</strong></td>
<td>$ (289)</td>
<td>$ 128</td>
<td>$ 317</td>
<td>$ (161)</td>
<td>$ 586</td>
</tr>
</tbody>
</table>

**Per Share Information**

<table>
<thead>
<tr>
<th></th>
<th>Q1 March 31, 2019</th>
<th>Q2 June 30, 2019</th>
<th>June 30, 2018</th>
<th>June 30, 2019</th>
<th>June 30, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Earnings (loss) per share, basic and diluted</strong></td>
<td>$(0.39)</td>
<td>$0.17</td>
<td>$0.42</td>
<td>$(0.22)</td>
<td>$0.77</td>
</tr>
<tr>
<td><strong>Dividends paid per common share</strong></td>
<td>$0.34</td>
<td>$0.34</td>
<td>$0.32</td>
<td>$0.68</td>
<td>$0.64</td>
</tr>
<tr>
<td><strong>Weighted average shares outstanding (in thousands):</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic</td>
<td>746,603</td>
<td>745,486</td>
<td>757,829</td>
<td>746,041</td>
<td>757,317</td>
</tr>
<tr>
<td>Diluted</td>
<td>746,603</td>
<td>746,232</td>
<td>760,533</td>
<td>746,041</td>
<td>759,992</td>
</tr>
<tr>
<td><strong>Common shares outstanding at end of period (in thousands)</strong></td>
<td>744,767</td>
<td>744,905</td>
<td>757,646</td>
<td>744,905</td>
<td>757,646</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>Q1 March 31, 2019</th>
<th>Q2 June 30, 2019</th>
<th>June 30, 2018</th>
<th>June 30, 2019</th>
<th>June 30, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net earnings (loss)</strong></td>
<td>$(289)</td>
<td>$128</td>
<td>$317</td>
<td>$(161)</td>
<td>$586</td>
</tr>
<tr>
<td><strong>Non-operating pension and other postretirement benefit costs</strong></td>
<td>470</td>
<td>10</td>
<td>13</td>
<td>480</td>
<td>37</td>
</tr>
<tr>
<td><strong>Interest income and other</strong></td>
<td>(10)</td>
<td>(6)</td>
<td>(11)</td>
<td>(16)</td>
<td>(23)</td>
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<td>91</td>
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<td>(104)</td>
<td>(37)</td>
<td>65</td>
<td>(141)</td>
<td>95</td>
</tr>
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<td><strong>Operating income</strong></td>
<td>174</td>
<td>186</td>
<td>476</td>
<td>360</td>
<td>880</td>
</tr>
<tr>
<td><strong>Depreciation, depletion and amortization</strong></td>
<td>123</td>
<td>124</td>
<td>119</td>
<td>247</td>
<td>239</td>
</tr>
<tr>
<td><strong>Basis of real estate sold</strong></td>
<td>48</td>
<td>33</td>
<td>22</td>
<td>81</td>
<td>34</td>
</tr>
<tr>
<td><strong>Special items included in operating income</strong></td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>28</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td>$365</td>
<td>$343</td>
<td>$637</td>
<td>$708</td>
<td>$1,181</td>
</tr>
</tbody>
</table>

---

(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, 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)

<table>
<thead>
<tr>
<th></th>
<th>Q1 March 31, 2019</th>
<th>Q2 June 30, 2019</th>
<th>June 30, 2018</th>
<th>Year-to-Date June 30, 2019</th>
<th>June 30, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net earnings (loss)</td>
<td>$ (289)</td>
<td>$ 128</td>
<td>$ 317</td>
<td>$ (161)</td>
<td>$ 566</td>
</tr>
<tr>
<td>Early extinguishment of debt charge(^1)</td>
<td>9</td>
<td>—</td>
<td>9</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Environmental remediation charge</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>21</td>
<td>—</td>
</tr>
<tr>
<td>Legal charge</td>
<td>15</td>
<td>—</td>
<td>15</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Pension settlement charges</td>
<td>345</td>
<td>(5)</td>
<td>—</td>
<td>340</td>
<td>—</td>
</tr>
<tr>
<td>Product remediation charges (recoveries), net</td>
<td>—</td>
<td>—</td>
<td>15</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Net earnings before special items(^2)</td>
<td>$ 80</td>
<td>$ 123</td>
<td>$ 332</td>
<td>$ 203</td>
<td>$ 607</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Q1 March 31, 2019</th>
<th>Q2 June 30, 2019</th>
<th>June 30, 2018</th>
<th>Year-to-Date June 30, 2019</th>
<th>June 30, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net earnings (loss) per diluted share</td>
<td>$ (0.39)</td>
<td>$ 0.17</td>
<td>$ 0.42</td>
<td>$ (0.22)</td>
<td>$ 0.77</td>
</tr>
<tr>
<td>Early extinguishment of debt charge(^1)</td>
<td>0.01</td>
<td>—</td>
<td>—</td>
<td>0.01</td>
<td>—</td>
</tr>
<tr>
<td>Environmental remediation charge</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>0.03</td>
<td>—</td>
</tr>
<tr>
<td>Legal charge</td>
<td>0.02</td>
<td>—</td>
<td>—</td>
<td>0.02</td>
<td>—</td>
</tr>
<tr>
<td>Pension settlement charges</td>
<td>0.47</td>
<td>(0.01)</td>
<td>—</td>
<td>0.46</td>
<td>—</td>
</tr>
<tr>
<td>Product remediation charges (recoveries), net</td>
<td>—</td>
<td>—</td>
<td>0.02</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Net earnings per diluted share before special items(^2)</td>
<td>$ 0.11</td>
<td>$ 0.16</td>
<td>$ 0.44</td>
<td>$ 0.27</td>
<td>$ 0.80</td>
</tr>
</tbody>
</table>

\(^1\) During first quarter 2019, we recorded a $12 million pretax ($9 million after-tax) charge related to the early extinguishment of debt. This charge is included in Interest expense, net of capitalized interest in the Consolidated Statement of Operations.

\(^2\) Net Earnings before special items is a non-GAAP measure that management believes provides helpful context in understanding the company’s earnings performance. Net Earnings before special items should not be considered in isolation from and is not intended to represent an alternative to our GAAP results.

Selected Total Company Items

<table>
<thead>
<tr>
<th></th>
<th>Q1 March 31, 2019</th>
<th>Q2 June 30, 2019</th>
<th>June 30, 2018</th>
<th>Year-to-Date June 30, 2019</th>
<th>June 30, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pension and postretirement costs:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pension and postretirement service costs</td>
<td>$ 8</td>
<td>$ 8</td>
<td>$ 8</td>
<td>$ 16</td>
<td>$ 18</td>
</tr>
<tr>
<td>Non-operating pension and other postretirement benefit costs</td>
<td>470</td>
<td>10</td>
<td>13</td>
<td>480</td>
<td>37</td>
</tr>
<tr>
<td>Total company pension and postretirement costs</td>
<td>$ 478</td>
<td>$ 18</td>
<td>$ 21</td>
<td>$ 496</td>
<td>$ 55</td>
</tr>
</tbody>
</table>
## Consolidated Balance Sheet

#### in millions

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2019</th>
<th>June 30, 2019</th>
<th>December 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$259</td>
<td>$212</td>
<td>$334</td>
</tr>
<tr>
<td>Receivables, less discounts and allowances</td>
<td>398</td>
<td>408</td>
<td>337</td>
</tr>
<tr>
<td>Receivables for taxes</td>
<td>163</td>
<td>157</td>
<td>137</td>
</tr>
<tr>
<td>Inventories</td>
<td>451</td>
<td>425</td>
<td>389</td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>141</td>
<td>132</td>
<td>152</td>
</tr>
<tr>
<td>Current restricted financial investments held by variable interest entities</td>
<td>362</td>
<td>362</td>
<td>253</td>
</tr>
<tr>
<td>Total current assets</td>
<td>1,774</td>
<td>1,696</td>
<td>1,602</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>1,917</td>
<td>1,901</td>
<td>1,857</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>102</td>
<td>134</td>
<td>136</td>
</tr>
<tr>
<td>Timber and timberlands at cost, less depletion</td>
<td>12,586</td>
<td>12,516</td>
<td>12,671</td>
</tr>
<tr>
<td>Minerals and mineral rights, less depletion</td>
<td>291</td>
<td>288</td>
<td>294</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>18</td>
<td>33</td>
<td>15</td>
</tr>
<tr>
<td>Other assets</td>
<td>444</td>
<td>461</td>
<td>312</td>
</tr>
<tr>
<td>Restricted financial investments held by variable interest entities</td>
<td>—</td>
<td>—</td>
<td>362</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$17,132</td>
<td>$17,029</td>
<td>$17,249</td>
</tr>
<tr>
<td><strong>LIABILITIES AND EQUITY</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current maturities of long-term debt</td>
<td>—</td>
<td>—</td>
<td>$500</td>
</tr>
<tr>
<td>Current debt (nonrecourse to the company) held by variable interest entities</td>
<td>302</td>
<td>302</td>
<td>302</td>
</tr>
<tr>
<td>Borrowings on line of credit</td>
<td>245</td>
<td>140</td>
<td>425</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>243</td>
<td>271</td>
<td>222</td>
</tr>
<tr>
<td>Accrued liabilities</td>
<td>411</td>
<td>510</td>
<td>490</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>1,201</td>
<td>1,223</td>
<td>1,939</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>6,156</td>
<td>6,153</td>
<td>5,419</td>
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<tr>
<td>Deferred tax liabilities</td>
<td>34</td>
<td>17</td>
<td>43</td>
</tr>
<tr>
<td>Deferred pension and other postretirement benefits</td>
<td>542</td>
<td>515</td>
<td>527</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>398</td>
<td>397</td>
<td>275</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>8,331</td>
<td>8,305</td>
<td>8,203</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>$8,801</td>
<td>$8,724</td>
<td>$9,046</td>
</tr>
<tr>
<td><strong>Total liabilities and equity</strong></td>
<td>$17,132</td>
<td>$17,029</td>
<td>$17,249</td>
</tr>
</tbody>
</table>
# Consolidated Statement of Cash Flows

<table>
<thead>
<tr>
<th>Cash flows from operations:</th>
<th>Q1</th>
<th>Q2</th>
<th>Year-to-Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year-to-Date</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>in millions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash flows from operations:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net earnings (loss)</td>
<td>(289)</td>
<td>128</td>
<td>317</td>
</tr>
<tr>
<td>Noncash charges to earnings (loss):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation, depletion and amortization</td>
<td>123</td>
<td>124</td>
<td>119</td>
</tr>
<tr>
<td>Basis of real estate sold</td>
<td>48</td>
<td>33</td>
<td>22</td>
</tr>
<tr>
<td>Deferred income taxes, net</td>
<td>(123)</td>
<td>(43)</td>
<td>15</td>
</tr>
<tr>
<td>Pension and other postretirement benefits</td>
<td>478</td>
<td>18</td>
<td>21</td>
</tr>
<tr>
<td>Share-based compensation expense</td>
<td>9</td>
<td>7</td>
<td>9</td>
</tr>
<tr>
<td>Change in:</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Receivables, less allowances</td>
<td>(77)</td>
<td>(10)</td>
<td>(18)</td>
</tr>
<tr>
<td>Receivables and payables for taxes</td>
<td>(31)</td>
<td>6</td>
<td>10</td>
</tr>
<tr>
<td>Inventories</td>
<td>(60)</td>
<td>28</td>
<td>30</td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>(5)</td>
<td>8</td>
<td>4</td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>(82)</td>
<td>127</td>
<td>103</td>
</tr>
<tr>
<td>Pension and postretirement benefit contributions and payments</td>
<td>(14)</td>
<td>(13)</td>
<td>(16)</td>
</tr>
<tr>
<td>Other</td>
<td>9</td>
<td>(17)</td>
<td>(19)</td>
</tr>
<tr>
<td>Net cash from (used in) operations</td>
<td>(14)</td>
<td>396</td>
<td>597</td>
</tr>
<tr>
<td>Cash flows from investing activities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital expenditures for property and equipment</td>
<td>(41)</td>
<td>$17</td>
<td>(83)</td>
</tr>
<tr>
<td>Capital expenditures for timberlands reforestation</td>
<td>(18)</td>
<td>(13)</td>
<td>(14)</td>
</tr>
<tr>
<td>Proceeds from note receivable held by variable interest entities</td>
<td>253</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Other</td>
<td>18</td>
<td>1</td>
<td>24</td>
</tr>
<tr>
<td>Net cash from (used in) investing activities</td>
<td>212</td>
<td>(83)</td>
<td>(73)</td>
</tr>
<tr>
<td>Cash flows from financing activities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash dividends on common shares</td>
<td>(254)</td>
<td>(253)</td>
<td>(243)</td>
</tr>
<tr>
<td>Net proceeds from issuance of long-term debt</td>
<td>739</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Payments of long-term debt</td>
<td>(512)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Proceeds from borrowing on line of credit</td>
<td>245</td>
<td>140</td>
<td>—</td>
</tr>
<tr>
<td>Payments on line of credit</td>
<td>(425)</td>
<td>(245)</td>
<td>—</td>
</tr>
<tr>
<td>Proceeds from exercise of stock options</td>
<td>2</td>
<td>2</td>
<td>23</td>
</tr>
<tr>
<td>Repurchases of common shares</td>
<td>(60)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Other</td>
<td>(8)</td>
<td>(4)</td>
<td>(1)</td>
</tr>
<tr>
<td>Net cash used in financing activities</td>
<td>(273)</td>
<td>(360)</td>
<td>(221)</td>
</tr>
<tr>
<td>Net change in cash and cash equivalents</td>
<td>(75)</td>
<td>(47)</td>
<td>303</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of period</td>
<td>334</td>
<td>259</td>
<td>598</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of period</td>
<td>259</td>
<td>212</td>
<td>901</td>
</tr>
<tr>
<td>Cash paid during the period for:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest, net of amount capitalized</td>
<td>127</td>
<td>59</td>
<td>67</td>
</tr>
<tr>
<td>Income taxes</td>
<td>50</td>
<td>1</td>
<td>41</td>
</tr>
</tbody>
</table>
## Segment Statement of Operations (1)

<table>
<thead>
<tr>
<th>in millions</th>
<th>Q1.2019</th>
<th>Q2.2019</th>
<th>Q2.2018</th>
<th>YTD.2019</th>
<th>YTD.2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales to unaffiliated customers</td>
<td>$431</td>
<td>$401</td>
<td>$476</td>
<td>$832</td>
<td>$966</td>
</tr>
<tr>
<td>Intersegment sales</td>
<td>125</td>
<td>131</td>
<td>139</td>
<td>256</td>
<td>281</td>
</tr>
<tr>
<td><strong>Total net sales</strong></td>
<td>556</td>
<td>532</td>
<td>615</td>
<td>1,088</td>
<td>1,247</td>
</tr>
<tr>
<td>Costs of sales</td>
<td>413</td>
<td>405</td>
<td>431</td>
<td>818</td>
<td>853</td>
</tr>
<tr>
<td><strong>Gross margin</strong></td>
<td>143</td>
<td>127</td>
<td>184</td>
<td>270</td>
<td>394</td>
</tr>
<tr>
<td>Selling expenses</td>
<td>1</td>
<td>—</td>
<td>24</td>
<td>47</td>
<td>46</td>
</tr>
<tr>
<td>General and administrative expenses</td>
<td>22</td>
<td>25</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Research and development expenses</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Other operating income, net</td>
<td>(1)</td>
<td>(1)</td>
<td>(2)</td>
<td>(2)</td>
<td>(6)</td>
</tr>
<tr>
<td><strong>Operating income and Net contribution to earnings</strong></td>
<td>$120</td>
<td>$102</td>
<td>$161</td>
<td>$222</td>
<td>$350</td>
</tr>
</tbody>
</table>

(1) In January 2019, we changed the way we report our Canadian Forestlands operations, which are primarily operated to supply Weyerhaeuser’s Canadian Wood Products manufacturing facilities. As a result, we no longer report related intersegment sales in the Timberlands segment and we will now record the minimal associated third-party log sales in the Wood Products segment. These collective transactions did not contribute any earnings to the Timberlands segment. We have conformed prior year presentations with the current year.

## Adjusted Earnings before Interest, Tax, Depreciation, Depletion and Amortization(2)

<table>
<thead>
<tr>
<th>in millions</th>
<th>Q1.2019</th>
<th>Q2.2019</th>
<th>Q2.2018</th>
<th>YTD.2019</th>
<th>YTD.2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income</td>
<td>$120</td>
<td>$102</td>
<td>$161</td>
<td>$222</td>
<td>$350</td>
</tr>
<tr>
<td>Depreciation, depletion and amortization</td>
<td>73</td>
<td>73</td>
<td>79</td>
<td>146</td>
<td>158</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong>(2)</td>
<td>$193</td>
<td>$175</td>
<td>$240</td>
<td>$368</td>
<td>$508</td>
</tr>
</tbody>
</table>

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

## Selected Segment Items

<table>
<thead>
<tr>
<th>in millions</th>
<th>Q1.2019</th>
<th>Q2.2019</th>
<th>Q2.2018</th>
<th>YTD.2019</th>
<th>YTD.2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total decrease (increase) in working capital(3)</td>
<td>$(24)</td>
<td>$46</td>
<td>$70</td>
<td>$22</td>
<td>$30</td>
</tr>
<tr>
<td>Cash spent for capital expenditures</td>
<td>$(26)</td>
<td>$(25)</td>
<td>$(29)</td>
<td>$(51)</td>
<td>$(57)</td>
</tr>
</tbody>
</table>

(3) 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(4)

### Third Party Net Sales (millions)

<table>
<thead>
<tr>
<th></th>
<th>West</th>
<th>South</th>
<th>North</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>$205</td>
<td>$159</td>
<td>$29</td>
</tr>
<tr>
<td>Delivered logs</td>
<td>$194</td>
<td>$156</td>
<td>$17</td>
</tr>
<tr>
<td><strong>Total delivered logs</strong></td>
<td>393</td>
<td>367</td>
<td>440</td>
</tr>
<tr>
<td>Stumpage and pay-as-cut timber</td>
<td>9</td>
<td>10</td>
<td>11</td>
</tr>
<tr>
<td>Recreational and other lease revenue</td>
<td>15</td>
<td>15</td>
<td>14</td>
</tr>
<tr>
<td>Other revenue</td>
<td>14</td>
<td>9</td>
<td>11</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$431</td>
<td>$401</td>
<td>$476</td>
</tr>
</tbody>
</table>

### Delivered Logs

<table>
<thead>
<tr>
<th></th>
<th>West</th>
<th>South</th>
<th>North</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Realizations (per ton)</strong></td>
<td>$106.92</td>
<td>$35.35</td>
<td>$59.68</td>
</tr>
<tr>
<td>Third Party Sales</td>
<td>$104.07</td>
<td>$34.55</td>
<td>$62.10</td>
</tr>
<tr>
<td><strong>Delivered Logs</strong></td>
<td>$132.24</td>
<td>$34.55</td>
<td>$64.92</td>
</tr>
<tr>
<td>Volumes (tons, thousands)</td>
<td>1,920</td>
<td>4,499</td>
<td>4,949</td>
</tr>
<tr>
<td>Fee Harvest Volumes</td>
<td>1,864</td>
<td>4,400</td>
<td>263</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,385</td>
<td>6,367</td>
<td>6,429</td>
</tr>
</tbody>
</table>

(4) Western logs are primarily transacted in MBF but are converted to ton equivalents for external reporting purposes.
## Segment Statement of Operations

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
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<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>$118</td>
<td>$81</td>
<td>$58</td>
<td>$199</td>
<td>$109</td>
</tr>
<tr>
<td><strong>Costs of sales</strong></td>
<td>56</td>
<td>39</td>
<td>30</td>
<td>95</td>
<td>49</td>
</tr>
<tr>
<td><strong>Gross margin</strong></td>
<td>62</td>
<td>42</td>
<td>28</td>
<td>104</td>
<td>60</td>
</tr>
<tr>
<td><strong>General and admin.</strong></td>
<td>7</td>
<td>7</td>
<td>6</td>
<td>14</td>
<td>13</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>$55</td>
<td>$35</td>
<td>$22</td>
<td>$90</td>
<td>$47</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating income</strong></td>
<td>$55</td>
<td>$35</td>
<td>$22</td>
<td>$90</td>
<td>$47</td>
</tr>
<tr>
<td><strong>Depreciation, depletion and amortization</strong></td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td><strong>Basis of real estate sold</strong></td>
<td>48</td>
<td>33</td>
<td>22</td>
<td>81</td>
<td>34</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td>$106</td>
<td>$71</td>
<td>$47</td>
<td>$177</td>
<td>$88</td>
</tr>
</tbody>
</table>

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

## Selected Segment Items

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash spent for capital expenditures</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
</tr>
</tbody>
</table>

## Segment Statistics

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong> (millions)</td>
<td>$96</td>
<td>$59</td>
<td>$38</td>
<td>$155</td>
<td>$72</td>
</tr>
<tr>
<td>Real Estate</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Energy and Natural Resources</td>
<td>22</td>
<td>22</td>
<td>20</td>
<td>44</td>
<td>37</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$118</td>
<td>$81</td>
<td>$58</td>
<td>$199</td>
<td>$109</td>
</tr>
<tr>
<td><strong>Acres Sold</strong></td>
<td>38,834</td>
<td>47,031</td>
<td>16,290</td>
<td>85,865</td>
<td>38,061</td>
</tr>
<tr>
<td>Real Estate</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Price per Acre</strong></td>
<td>$2,424</td>
<td>$1,063</td>
<td>$2,258</td>
<td>$1,678</td>
<td>$1,847</td>
</tr>
<tr>
<td>Real Estate</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Basis as a Percent of Real Estate Net Sales</strong></td>
<td>50%</td>
<td>56%</td>
<td>58%</td>
<td>52%</td>
<td>47%</td>
</tr>
</tbody>
</table>

Segment Statement of Operations (1)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>$1,094</td>
<td>$1,210</td>
<td>$1,531</td>
<td>$2,304</td>
<td>$2,855</td>
</tr>
<tr>
<td><strong>Costs of sales</strong></td>
<td>967</td>
<td>1,070</td>
<td>1,125</td>
<td>2,037</td>
<td>2,145</td>
</tr>
<tr>
<td><strong>Gross margin</strong></td>
<td>127</td>
<td>140</td>
<td>406</td>
<td>267</td>
<td>710</td>
</tr>
<tr>
<td>Selling expenses</td>
<td>19</td>
<td>20</td>
<td>22</td>
<td>39</td>
<td>43</td>
</tr>
<tr>
<td>General and administrative expenses</td>
<td>35</td>
<td>34</td>
<td>31</td>
<td>69</td>
<td>65</td>
</tr>
<tr>
<td>Research and development expenses</td>
<td>—</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Other operating costs (income), net</td>
<td>4</td>
<td>4</td>
<td>23</td>
<td>8</td>
<td>2</td>
</tr>
<tr>
<td><strong>Operating income and Net contribution to earnings</strong></td>
<td>$69</td>
<td>$81</td>
<td>$329</td>
<td>$150</td>
<td>$599</td>
</tr>
</tbody>
</table>

(1) In January 2019, we changed the way we report our Canadian Forestlands operations, which are primarily operated to supply Weyerhaeuser’s Canadian Wood Products manufacturing facilities. As a result, we will now record the minimal associated third-party log sales in the Wood Products segment. These transactions do not contribute any earnings to the Wood Products segment. We have conformed prior year presentations with the current year.

Adjusted Earnings before Interest, Tax, Depreciation, Depletion and Amortization (2)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating income</strong></td>
<td>$69</td>
<td>$81</td>
<td>$329</td>
<td>$150</td>
<td>$599</td>
</tr>
<tr>
<td>Depreciation, depletion and amortization</td>
<td>46</td>
<td>47</td>
<td>36</td>
<td>93</td>
<td>72</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA (2)</strong></td>
<td>$115</td>
<td>$128</td>
<td>$385</td>
<td>$243</td>
<td>$671</td>
</tr>
</tbody>
</table>

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

Segment Special Items Included in Net Contribution to Earnings (Pretax)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Product remediation (charges) recoveries, net</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(20)</td>
<td>—</td>
</tr>
</tbody>
</table>

Selected Segment Items

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total decrease (increase) in working capital (3)</strong></td>
<td>$(155)</td>
<td>$75</td>
<td>$3</td>
<td>$(80)</td>
<td>$(223)</td>
</tr>
<tr>
<td>Cash spent for capital expenditures</td>
<td>$(30)</td>
<td>$(53)</td>
<td>$(68)</td>
<td>$(83)</td>
<td>$(120)</td>
</tr>
</tbody>
</table>

(3) Represents the change in prepaid assets, accounts receivable, accounts payable, accrued liabilities and inventory for the Wood Products segment.

Segment Statistics

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Structural Lumber (volumes presented in board feet)</td>
<td>Third party net sales</td>
<td>$444</td>
<td>$495</td>
<td>$681</td>
<td>$939</td>
</tr>
<tr>
<td></td>
<td>Third party sales realizations</td>
<td>$392</td>
<td>$388</td>
<td>$541</td>
<td>$390</td>
</tr>
<tr>
<td></td>
<td>Third party sales volumes (4)</td>
<td>1,133</td>
<td>1,274</td>
<td>1,261</td>
<td>2,407</td>
</tr>
<tr>
<td></td>
<td>Production volumes</td>
<td>1,145</td>
<td>1,193</td>
<td>1,180</td>
<td>2,338</td>
</tr>
<tr>
<td>Engineered Solid Section (volumes presented in cubic feet)</td>
<td>Third party net sales</td>
<td>$116</td>
<td>$134</td>
<td>$139</td>
<td>$250</td>
</tr>
<tr>
<td></td>
<td>Third party sales realizations</td>
<td>$2,218</td>
<td>$2,214</td>
<td>$2,156</td>
<td>$2,216</td>
</tr>
<tr>
<td></td>
<td>Third party sales volumes (4)</td>
<td>5.2</td>
<td>6.1</td>
<td>6.4</td>
<td>11.3</td>
</tr>
<tr>
<td></td>
<td>Production volumes</td>
<td>5.9</td>
<td>6.0</td>
<td>6.4</td>
<td>11.9</td>
</tr>
<tr>
<td>Engineered L-joints (volumes presented in linear feet)</td>
<td>Third party net sales</td>
<td>$70</td>
<td>$86</td>
<td>$92</td>
<td>$156</td>
</tr>
<tr>
<td></td>
<td>Third party sales realizations</td>
<td>$1,709</td>
<td>$1,662</td>
<td>$1,630</td>
<td>$1,683</td>
</tr>
<tr>
<td></td>
<td>Third party sales volumes (4)</td>
<td>41</td>
<td>52</td>
<td>57</td>
<td>93</td>
</tr>
<tr>
<td></td>
<td>Production volumes</td>
<td>44</td>
<td>47</td>
<td>52</td>
<td>91</td>
</tr>
<tr>
<td>Oriented Strand Board (volumes presented in square feet 3/8”)</td>
<td>Third party net sales</td>
<td>$160</td>
<td>$156</td>
<td>$277</td>
<td>$316</td>
</tr>
<tr>
<td></td>
<td>Third party sales realizations</td>
<td>$223</td>
<td>$213</td>
<td>$367</td>
<td>$218</td>
</tr>
<tr>
<td></td>
<td>Third party sales volumes (4)</td>
<td>717</td>
<td>733</td>
<td>754</td>
<td>1,450</td>
</tr>
<tr>
<td></td>
<td>Production volumes</td>
<td>729</td>
<td>736</td>
<td>747</td>
<td>1,465</td>
</tr>
<tr>
<td>Softwood Plywood (volumes presented in square feet 3/8”)</td>
<td>Third party net sales</td>
<td>$44</td>
<td>$44</td>
<td>$55</td>
<td>$88</td>
</tr>
<tr>
<td></td>
<td>Third party sales realizations</td>
<td>$383</td>
<td>$380</td>
<td>$461</td>
<td>$382</td>
</tr>
<tr>
<td></td>
<td>Third party sales volumes (4)</td>
<td>115</td>
<td>115</td>
<td>118</td>
<td>230</td>
</tr>
<tr>
<td></td>
<td>Production volumes</td>
<td>98</td>
<td>104</td>
<td>105</td>
<td>202</td>
</tr>
<tr>
<td>Medium Density Fiberboard (volumes presented in square feet 3/4”)</td>
<td>Third party net sales</td>
<td>$38</td>
<td>$45</td>
<td>$47</td>
<td>$83</td>
</tr>
<tr>
<td></td>
<td>Third party sales realizations</td>
<td>$846</td>
<td>$833</td>
<td>$839</td>
<td>$839</td>
</tr>
<tr>
<td></td>
<td>Third party sales volumes (4)</td>
<td>44</td>
<td>55</td>
<td>55</td>
<td>99</td>
</tr>
<tr>
<td></td>
<td>Production volumes</td>
<td>45</td>
<td>61</td>
<td>57</td>
<td>106</td>
</tr>
</tbody>
</table>

(4) 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 all or a portion of items such as share-based compensation, pension and postretirement costs, elimination of intersegment profit in inventory and LIFO, foreign exchange transaction gains and losses, interest income and other as well as legacy obligations.

### Contribution to Earnings

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Unallocated corporate function and variable compensation expense</td>
<td>$ (19)</td>
<td>$ (12)</td>
<td>$ (19)</td>
<td>$ (31)</td>
<td>$ (37)</td>
</tr>
<tr>
<td>Liability classified share-based compensation</td>
<td>(4)</td>
<td>—</td>
<td>(2)</td>
<td>(4)</td>
<td>(2)</td>
</tr>
<tr>
<td>Foreign exchange gain (loss)</td>
<td>(3)</td>
<td>2</td>
<td>2</td>
<td>(1)</td>
<td>—</td>
</tr>
<tr>
<td>Elimination of intersegment profit in inventory and LIFO</td>
<td>(5)</td>
<td>(5)</td>
<td>3</td>
<td>(10)</td>
<td>(18)</td>
</tr>
<tr>
<td>Other</td>
<td>(39)</td>
<td>(17)</td>
<td>(20)</td>
<td>(56)</td>
<td>(59)</td>
</tr>
<tr>
<td><strong>Operating income (loss)</strong></td>
<td>(70)</td>
<td>(32)</td>
<td>(36)</td>
<td>(102)</td>
<td>(116)</td>
</tr>
<tr>
<td>Non-operating pension and other postretirement benefit costs</td>
<td>(470)</td>
<td>(10)</td>
<td>(13)</td>
<td>(480)</td>
<td>(37)</td>
</tr>
<tr>
<td>Interest income and other</td>
<td>10</td>
<td>6</td>
<td>11</td>
<td>16</td>
<td>23</td>
</tr>
<tr>
<td><strong>Net contribution to earnings (loss)</strong></td>
<td>$ (530)</td>
<td>$ (36)</td>
<td>$ (38)</td>
<td>$ (566)</td>
<td>$ (130)</td>
</tr>
</tbody>
</table>

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

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<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Operating income (loss)</td>
<td>$ (70)</td>
<td>$ (32)</td>
<td>$ (36)</td>
<td>$ (102)</td>
<td>$ (116)</td>
</tr>
<tr>
<td>Depreciation, depletion and amortization</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Special items</td>
<td>20</td>
<td>—</td>
<td>—</td>
<td>20</td>
<td>28</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td>$ (49)</td>
<td>$ (31)</td>
<td>$ (35)</td>
<td>$ (80)</td>
<td>$ (86)</td>
</tr>
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</table>

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

### Unallocated Special Items Included in Net Contribution to Earnings (Pretax)

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<tr>
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</thead>
<tbody>
<tr>
<td>Environmental remediation insurance charge</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>$ (28)</td>
</tr>
<tr>
<td>Legal charge</td>
<td>(20)</td>
<td>—</td>
<td>—</td>
<td>(20)</td>
<td>—</td>
</tr>
<tr>
<td><strong>Special items included in operating income (loss)</strong></td>
<td>(20)</td>
<td>—</td>
<td>—</td>
<td>(20)</td>
<td>(28)</td>
</tr>
<tr>
<td>Pension settlement charges</td>
<td>(455)</td>
<td>6</td>
<td>—</td>
<td>(449)</td>
<td>—</td>
</tr>
<tr>
<td>Gain on sale of nonstrategic assets</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Special items included in net contribution to earnings (loss)</strong></td>
<td>$ (475)</td>
<td>$ 6</td>
<td>—</td>
<td>$ (469)</td>
<td>$ (28)</td>
</tr>
</tbody>
</table>

(2) During first quarter 2019, we recorded a $455 million pretax noncash settlement charge related to the transfer of pension assets and liabilities through the purchase of a group annuity contract. This charge was updated based on final pension asset and liability amounts during second quarter 2019, resulting in a $6 million pretax benefit for the quarter and a net $449 million pretax charge for year-to-date 2019.

### Unallocated Selected Items

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Cash spent for capital expenditures</td>
<td>$ (3)</td>
<td>$ (6)</td>
<td>—</td>
<td>$ (9)</td>
<td>$ (1)</td>
</tr>
</tbody>
</table>