## Consolidated Statement of Operations

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Year-to-Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>$1,728</td>
<td>$1,631</td>
<td>$2,110</td>
<td>$1,671</td>
</tr>
<tr>
<td><strong>Costs of sales</strong></td>
<td>1,382</td>
<td>1,283</td>
<td>1,390</td>
<td>1,399</td>
</tr>
<tr>
<td><strong>Gross margin</strong></td>
<td>346</td>
<td>348</td>
<td>720</td>
<td>272</td>
</tr>
<tr>
<td><strong>Selling expenses</strong></td>
<td>22</td>
<td>18</td>
<td>22</td>
<td>20</td>
</tr>
<tr>
<td><strong>General and administrative expenses</strong></td>
<td>74</td>
<td>84</td>
<td>96</td>
<td>85</td>
</tr>
<tr>
<td><strong>Product remediation recoveries</strong></td>
<td>—</td>
<td>(8)</td>
<td>—</td>
<td>(68)</td>
</tr>
<tr>
<td><strong>Other operating costs, net</strong></td>
<td>10</td>
<td>11</td>
<td>92</td>
<td>33</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>240</td>
<td>243</td>
<td>510</td>
<td>202</td>
</tr>
<tr>
<td><strong>Non-operating pension and other postretirement benefit costs</strong></td>
<td>(9)</td>
<td>(10)</td>
<td>(9)</td>
<td>(15)</td>
</tr>
<tr>
<td><strong>Interest income and other</strong></td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td><strong>Interest expense, net of capitalized interest</strong></td>
<td>(85)</td>
<td>(103)</td>
<td>(111)</td>
<td>(91)</td>
</tr>
<tr>
<td><strong>Earnings (loss) before income taxes</strong></td>
<td>147</td>
<td>132</td>
<td>392</td>
<td>102</td>
</tr>
<tr>
<td><strong>Income taxes</strong></td>
<td>3</td>
<td>(60)</td>
<td>(109)</td>
<td>(3)</td>
</tr>
<tr>
<td><strong>Net earnings (loss)</strong></td>
<td>$150</td>
<td>$72</td>
<td>$283</td>
<td>$99</td>
</tr>
</tbody>
</table>

## Per Share Information

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Year-to-Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings (loss) per share, basic and diluted</td>
<td>$0.20</td>
<td>$0.10</td>
<td>$0.38</td>
<td>$0.13</td>
</tr>
<tr>
<td>Dividends paid per common share</td>
<td>$0.34</td>
<td>$0.34</td>
<td>$0.34</td>
<td>$0.34</td>
</tr>
<tr>
<td>Weighted average shares outstanding (in thousands):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic</td>
<td>746,534</td>
<td>746,896</td>
<td>746,996</td>
<td>746,809</td>
</tr>
<tr>
<td>Diluted</td>
<td>747,155</td>
<td>746,894</td>
<td>746,450</td>
<td>746,514</td>
</tr>
<tr>
<td>Common shares outstanding at end of period (in thousands)</td>
<td>746,206</td>
<td>746,251</td>
<td>746,398</td>
<td>746,398</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Year-to-Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net earnings (loss)</strong></td>
<td>$150</td>
<td>$72</td>
<td>$283</td>
<td>$99</td>
</tr>
<tr>
<td>Non-operating pension and other postretirement benefit costs</td>
<td>9</td>
<td>10</td>
<td>9</td>
<td>15</td>
</tr>
<tr>
<td>Interest income and other</td>
<td>(1)</td>
<td>(2)</td>
<td>(2)</td>
<td>(6)</td>
</tr>
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<td>Interest expense, net of capitalized interest</td>
<td>85</td>
<td>103</td>
<td>111</td>
<td>91</td>
</tr>
<tr>
<td>Income taxes</td>
<td>(3)</td>
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<td>109</td>
<td>3</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>240</td>
<td>243</td>
<td>510</td>
<td>202</td>
</tr>
<tr>
<td><strong>Depreciation, depletion and amortization</strong></td>
<td>123</td>
<td>117</td>
<td>115</td>
<td>135</td>
</tr>
<tr>
<td><strong>Basis of real estate sold</strong></td>
<td>62</td>
<td>34</td>
<td>40</td>
<td>24</td>
</tr>
<tr>
<td><strong>Special items included in operating income</strong></td>
<td>(12)</td>
<td>(8)</td>
<td>80</td>
<td>(53)</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong>(1)</td>
<td><strong>$413</strong></td>
<td><strong>$386</strong></td>
<td><strong>$745</strong></td>
<td><strong>$308</strong></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</th>
<th>Q2</th>
<th>Q3</th>
<th>Year-to-Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net earnings (loss)</td>
<td>$ 150</td>
<td>$ 72</td>
<td>$ 283</td>
<td>$ 99</td>
</tr>
<tr>
<td>Early extinguishment of debt charges(^1)</td>
<td>—</td>
<td>11</td>
<td>23</td>
<td>—</td>
</tr>
<tr>
<td>Legal charges (benefits)</td>
<td>(12)</td>
<td>—</td>
<td>—</td>
<td>11</td>
</tr>
<tr>
<td>Pension settlement charges</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Product remediation recoveries</td>
<td>—</td>
<td>(6)</td>
<td>—</td>
<td>(51)</td>
</tr>
<tr>
<td>Timber casualty loss</td>
<td>—</td>
<td>—</td>
<td>80</td>
<td>—</td>
</tr>
<tr>
<td><strong>Net earnings before special items(^2)</strong></td>
<td>$ 138</td>
<td>$ 77</td>
<td>$ 386</td>
<td>$ 59</td>
</tr>
</tbody>
</table>

\(^1\) We recorded pretax charges of $12 million ($9 million after-tax), $11 million ($11 million after-tax) and $23 million ($23 million after-tax) related to the early extinguishment of debt in first quarter 2019, second quarter 2020 and third quarter 2020, respectively. These charges were 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</th>
<th>Q2</th>
<th>Q3</th>
<th>Year-to-Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pension and postretirement costs:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pension and postretirement service costs</td>
<td>$ 10</td>
<td>$ 8</td>
<td>$ 9</td>
<td>$ 8</td>
</tr>
<tr>
<td>Non-operating pension and other postretirement benefit costs</td>
<td>9</td>
<td>10</td>
<td>9</td>
<td>15</td>
</tr>
<tr>
<td><strong>Total company pension and postretirement costs</strong></td>
<td><strong>$ 19</strong></td>
<td><strong>$ 18</strong></td>
<td><strong>$ 18</strong></td>
<td><strong>$ 23</strong></td>
</tr>
</tbody>
</table>
## Weyerhaeuser Company
### Q3.2020 Analyst Package

**Preliminary results (unaudited)**

### Consolidated Balance Sheet

<table>
<thead>
<tr>
<th>in millions</th>
<th>March 31, 2020</th>
<th>June 30, 2020</th>
<th>September 30, 2020</th>
<th>December 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$1,458</td>
<td>$643</td>
<td>$787</td>
<td>$139</td>
</tr>
<tr>
<td>Receivables, net</td>
<td>390</td>
<td>420</td>
<td>500</td>
<td>309</td>
</tr>
<tr>
<td>Receivables for taxes</td>
<td>24</td>
<td>48</td>
<td>48</td>
<td>98</td>
</tr>
<tr>
<td>Inventories</td>
<td>480</td>
<td>409</td>
<td>411</td>
<td>416</td>
</tr>
<tr>
<td>Assets held for sale</td>
<td>—</td>
<td>—</td>
<td>199</td>
<td>140</td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>141</td>
<td>131</td>
<td>101</td>
<td>147</td>
</tr>
<tr>
<td>Current restricted financial investments held by variable interest entities</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>362</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>$2,493</td>
<td>$1,651</td>
<td>$2,046</td>
<td>$1,611</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>1,911</td>
<td>1,958</td>
<td>1,945</td>
<td>1,969</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>153</td>
<td>110</td>
<td>119</td>
<td>130</td>
</tr>
<tr>
<td>Timber and timberlands at cost, less depletion</td>
<td>11,847</td>
<td>11,780</td>
<td>11,465</td>
<td>11,929</td>
</tr>
<tr>
<td>Minerals and mineral rights, less depletion</td>
<td>278</td>
<td>275</td>
<td>271</td>
<td>281</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>147</td>
<td>65</td>
<td>44</td>
<td>72</td>
</tr>
<tr>
<td>Other assets</td>
<td>399</td>
<td>415</td>
<td>466</td>
<td>414</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$17,228</td>
<td>$16,254</td>
<td>$16,356</td>
<td>$16,406</td>
</tr>
</tbody>
</table>

| **LIABILITIES AND EQUITY** |                |               |                   |                  |
| Current liabilities: |                |               |                   |                  |
| Current maturities of long-term debt | $577 | $— | $— | $— |
| Borrowings on line of credit | 550 | — | — | 230 |
| Accounts payable | 241 | 199 | 215 | 246 |
| Accrued liabilities | 448 | 525 | 617 | 530 |
| **Total current liabilities** | 1,816 | 724 | 832 | 1,006 |
| Long-term debt, net | 6,299 | 6,299 | 5,974 | 6,147 |
| Deferred tax liabilities | 10 | 18 | 27 | 6 |
| Deferred pension and other postretirement benefits | 669 | 652 | 638 | 693 |
| Other liabilities | 352 | 359 | 358 | 377 |
| **Total liabilities** | 9,146 | 8,052 | 7,829 | 8,229 |
| **Total equity** | 8,082 | 8,202 | 8,527 | 8,177 |
| **Total liabilities and equity** | $17,228 | $16,254 | $16,356 | $16,406 |
## Consolidated Statement of Cash Flows

<table>
<thead>
<tr>
<th></th>
<th>Q1 March 31, 2020</th>
<th>Q2 June 30, 2020</th>
<th>Q3 Sept 30, 2020</th>
<th>Year-to-Date Sept 30, 2020</th>
<th>Year-to-Date Sept 30, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operations:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net earnings (loss)</td>
<td>$150</td>
<td>$72</td>
<td>$283</td>
<td>$99</td>
<td>$505</td>
</tr>
<tr>
<td>Noncash charges (credits) to earnings (loss):</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation, depletion and amortization</td>
<td>$123</td>
<td>$117</td>
<td>$115</td>
<td>$135</td>
<td>$355</td>
</tr>
<tr>
<td>Basis of real estate sold</td>
<td>$62</td>
<td>$34</td>
<td>$40</td>
<td>$24</td>
<td>$136</td>
</tr>
<tr>
<td>Deferred income taxes, net</td>
<td>($82)</td>
<td>$80</td>
<td>$22</td>
<td>$2</td>
<td>$20</td>
</tr>
<tr>
<td>Pension and other postretirement benefits</td>
<td>$19</td>
<td>$18</td>
<td>$18</td>
<td>$23</td>
<td>$55</td>
</tr>
<tr>
<td>Share-based compensation expense</td>
<td>$7</td>
<td>$8</td>
<td>$7</td>
<td>$7</td>
<td>$22</td>
</tr>
<tr>
<td>Timber casualty loss</td>
<td>—</td>
<td>—</td>
<td>$80</td>
<td>—</td>
<td>$80</td>
</tr>
<tr>
<td>Change in:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables, less allowances</td>
<td>($82)</td>
<td>($30)</td>
<td>($80)</td>
<td>($40)</td>
<td>($192)</td>
</tr>
<tr>
<td>Receivables and payables for taxes</td>
<td>$79</td>
<td>($18)</td>
<td>$42</td>
<td>$7</td>
<td>$103</td>
</tr>
<tr>
<td>Inventories</td>
<td>($72)</td>
<td>$74</td>
<td>—</td>
<td>$30</td>
<td>$2</td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>($2)</td>
<td>$7</td>
<td>—</td>
<td>$2</td>
<td>$5</td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>($91)</td>
<td>$30</td>
<td>$64</td>
<td>($58)</td>
<td>$3</td>
</tr>
<tr>
<td>Pension and postretirement benefit contributions and payments</td>
<td>($10)</td>
<td>($6)</td>
<td>($5)</td>
<td>($9)</td>
<td>($21)</td>
</tr>
<tr>
<td>Other</td>
<td>($15)</td>
<td>$5</td>
<td>$22</td>
<td>($10)</td>
<td>$12</td>
</tr>
<tr>
<td><strong>Net cash from operations</strong></td>
<td>$86</td>
<td>$391</td>
<td>$608</td>
<td>$292</td>
<td>$1,085</td>
</tr>
</tbody>
</table>

**Cash flows from investing activities:**

- Capital expenditures for property and equipment: ($47) $ (55) $ (56) $ (87) $ (158) $ (199)
- Capital expenditures for timberlands reforestation: ($21) $ (11) $ (9) $ (11) $ (41) $ (42)
- Proceeds from note receivable held by variable interest entities: $362 $ — $ — $ 362 $ 253
- Proceeds from sale of Montana timberlands: $145 $ — $ — $ 145 $ —
- Other: $2 $ 1 $ — $ 1 $ 3 $ 20

**Net cash from investing activities:** $441 $ (65) $ (65) $ (97) $ 311 $ 32

**Cash flows from financing activities:**

- Cash dividends on common shares: ($254) $ — $ — $ ($253) $ ($254) $ ($760)
- Net proceeds from issuance of long-term debt: $732 $ — $ — $ 732 $ 739
- Payments on long-term debt: — $ (588) $ (248) $ — $ ($936) $ (512)
- Proceeds from borrowings on line of credit: $550 $ — $ — $ 490 $ 550 $ 875
- Payments on line of credit: ($230) $ (550) $ — $ ($190) $ ($780) $ (860)
- Payments on debt held by variable interest entities: — $ — $ — $ (302) $ — $ (302)
- Proceeds from exercise of stock options: $6 $ — $ 3 $ 4 $ 9 $ 8
- Repurchases of common shares: — $ — $ — $ — $ (60) $ —
- Other: ($12) $ (3) $ (1) $ (3) $ (16) $ (15)

**Net cash from financing activities:** $792 $ (1,141) $ (346) $ (254) $ (695) $ (887)

**Net change in cash, cash equivalents and restricted cash:** $1,319 $ (815) $ 197 $ ($59) $ 701 $ (181)

**Cash, cash equivalents and restricted cash at beginning of period:** $139 $ 1,458 $ 643 $ 212 $ 139 $ 334

**Cash, cash equivalents and restricted cash at end of period:** $1,458 $ 643 $ 840 $ 153 $ 840 $ 153

**Cash paid (received) during the period for:**

- Interest, net of amounts capitalized: $108 $ 70 $ 100 $ 123 $ 278 $ 310
- Income taxes, net of refunds: $— $ 1 $ 45 $ (5) $ 46 $ 46
### Segment Statement of Operations

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales to unaffiliated customers</td>
<td>$381</td>
<td>$359</td>
<td>$345</td>
<td>$398</td>
<td>$1,085</td>
<td>$1,230</td>
</tr>
<tr>
<td>Intersegment sales</td>
<td>122</td>
<td>121</td>
<td>107</td>
<td>125</td>
<td>350</td>
<td>381</td>
</tr>
<tr>
<td><strong>Total net sales</strong></td>
<td>503</td>
<td>480</td>
<td>452</td>
<td>523</td>
<td>1,435</td>
<td>1,611</td>
</tr>
<tr>
<td>Costs of sales</td>
<td>375</td>
<td>383</td>
<td>358</td>
<td>429</td>
<td>1,116</td>
<td>1,247</td>
</tr>
<tr>
<td><strong>Gross margin</strong></td>
<td>128</td>
<td>97</td>
<td>94</td>
<td>94</td>
<td>319</td>
<td>364</td>
</tr>
<tr>
<td>Selling expenses</td>
<td>—</td>
<td>1</td>
<td>—</td>
<td>—</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>General and administrative expenses</td>
<td>24</td>
<td>22</td>
<td>24</td>
<td>24</td>
<td>70</td>
<td>71</td>
</tr>
<tr>
<td>Other operating costs (income), net</td>
<td>(1)</td>
<td>(1)</td>
<td>81</td>
<td>(2)</td>
<td>79</td>
<td>(2)</td>
</tr>
<tr>
<td><strong>Operating income (loss) and Net contribution (charge) to earnings</strong></td>
<td>$105</td>
<td>$75</td>
<td>(11)</td>
<td>$72</td>
<td>$169</td>
<td>$294</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>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income (loss)</td>
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<td>$75</td>
<td>(11)</td>
<td>$72</td>
<td>$169</td>
<td>$294</td>
</tr>
<tr>
<td>Depreciation, depletion and amortization</td>
<td>68</td>
<td>65</td>
<td>61</td>
<td>82</td>
<td>194</td>
<td>228</td>
</tr>
<tr>
<td>Special items</td>
<td>—</td>
<td>—</td>
<td>80</td>
<td>—</td>
<td>80</td>
<td>—</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td>$173</td>
<td>$140</td>
<td>$130</td>
<td>$154</td>
<td>$443</td>
<td>$522</td>
</tr>
</tbody>
</table>

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

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

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>Timber casualty loss</td>
<td>—</td>
<td>—</td>
<td>(80)</td>
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### Selected Segment Items

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<tbody>
<tr>
<td>Total decrease (increase) in working capital(2)</td>
<td>(3)</td>
<td>(2)</td>
<td>43</td>
<td>2</td>
<td>38</td>
<td>24</td>
</tr>
<tr>
<td>Cash spent for capital expenditures</td>
<td>(30)</td>
<td>(21)</td>
<td>(24)</td>
<td>(28)</td>
<td>(75)</td>
<td>(79)</td>
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</tbody>
</table>

(2) 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

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<tbody>
<tr>
<td><strong>Delivered logs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>West</td>
<td>177</td>
<td>179</td>
<td>163</td>
<td>172</td>
<td>519</td>
<td>571</td>
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<tr>
<td>South</td>
<td>150</td>
<td>145</td>
<td>141</td>
<td>168</td>
<td>436</td>
<td>483</td>
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<tr>
<td>North</td>
<td>17</td>
<td>7</td>
<td>13</td>
<td>24</td>
<td>37</td>
<td>70</td>
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<tr>
<td>Total delivered logs</td>
<td>344</td>
<td>331</td>
<td>317</td>
<td>364</td>
<td>992</td>
<td>1,124</td>
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<tr>
<td>Stumpage and pay-as-cut timber</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>10</td>
<td>15</td>
<td>29</td>
</tr>
<tr>
<td>Recreational and other lease revenue</td>
<td>15</td>
<td>16</td>
<td>16</td>
<td>15</td>
<td>47</td>
<td>45</td>
</tr>
<tr>
<td>Other revenue</td>
<td>17</td>
<td>7</td>
<td>7</td>
<td>9</td>
<td>31</td>
<td>32</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>381</td>
<td>359</td>
<td>345</td>
<td>398</td>
<td>1,085</td>
<td>1,230</td>
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</table>

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

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</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>$112</td>
<td>$65</td>
<td>$69</td>
<td>$69</td>
<td>$246</td>
<td>$268</td>
</tr>
<tr>
<td><strong>Costs of sales</strong></td>
<td>70</td>
<td>40</td>
<td>46</td>
<td>32</td>
<td>156</td>
<td>127</td>
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<tr>
<td><strong>Gross margin</strong></td>
<td>42</td>
<td>25</td>
<td>23</td>
<td>37</td>
<td>90</td>
<td>141</td>
</tr>
<tr>
<td><strong>General and administrative expenses</strong></td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>18</td>
<td>20</td>
</tr>
<tr>
<td><strong>Other operating income, net</strong></td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>-1</td>
<td>—</td>
<td>-1</td>
</tr>
<tr>
<td><strong>Operating income and Net contribution to earnings</strong></td>
<td>$36</td>
<td>$19</td>
<td>$17</td>
<td>$32</td>
<td>$72</td>
<td>$122</td>
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</table>

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

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<thead>
<tr>
<th></th>
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<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating income</strong></td>
<td>$36</td>
<td>$19</td>
<td>$17</td>
<td>$32</td>
<td>$72</td>
<td>$122</td>
</tr>
<tr>
<td>Depreciation, depletion and amortization</td>
<td>3</td>
<td>4</td>
<td>3</td>
<td>4</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Basis of real estate sold</td>
<td>62</td>
<td>34</td>
<td>40</td>
<td>24</td>
<td>136</td>
<td>105</td>
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<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td>$101</td>
<td>$57</td>
<td>$60</td>
<td>$60</td>
<td>$218</td>
<td>$237</td>
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</table>

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

## Selected Segment Items

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<tr>
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</thead>
<tbody>
<tr>
<td>Cash spent for capital expenditures</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
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</tbody>
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## Segment Statistics

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<tr>
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</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>$95</td>
<td>$48</td>
<td>$49</td>
<td>$45</td>
<td>$192</td>
<td>$200</td>
</tr>
<tr>
<td>(millions)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Energy and Natural Resources</strong></td>
<td>17</td>
<td>17</td>
<td>20</td>
<td>24</td>
<td>54</td>
<td>68</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$112</td>
<td>$65</td>
<td>$69</td>
<td>$69</td>
<td>$246</td>
<td>$268</td>
</tr>
<tr>
<td><strong>Acres Sold</strong></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>Price per Acre</strong></td>
<td></td>
<td></td>
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<tr>
<td><strong>Basis as a Percent of Net Sales</strong></td>
<td>65%</td>
<td>71%</td>
<td>82%</td>
<td>53%</td>
<td>71%</td>
<td>53%</td>
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</tbody>
</table>
## Segment Statement of Operations

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>$1,235</td>
<td>$1,207</td>
<td>$1,696</td>
<td>$1,204</td>
<td>$4,138</td>
<td>$3,508</td>
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<tr>
<td>Costs of sales</td>
<td>1,040</td>
<td>997</td>
<td>1,075</td>
<td>1,067</td>
<td>3,112</td>
<td>3,104</td>
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<tr>
<td><strong>Gross margin</strong></td>
<td>195</td>
<td>210</td>
<td>621</td>
<td>137</td>
<td>1,026</td>
<td>404</td>
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<tr>
<td>Selling expenses</td>
<td>21</td>
<td>18</td>
<td>18</td>
<td>20</td>
<td>57</td>
<td>59</td>
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<tr>
<td>General and administrative expenses</td>
<td>36</td>
<td>33</td>
<td>33</td>
<td>35</td>
<td>102</td>
<td>104</td>
</tr>
<tr>
<td>Product remediation recoveries</td>
<td>—</td>
<td>(8)</td>
<td>—</td>
<td>(68)</td>
<td>(8)</td>
<td>(68)</td>
</tr>
<tr>
<td>Other operating costs, net</td>
<td>4</td>
<td>8</td>
<td>4</td>
<td>7</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td><strong>Operating income and Net contribution to earnings</strong></td>
<td>$134</td>
<td>$159</td>
<td>$566</td>
<td>$143</td>
<td>$859</td>
<td>$293</td>
</tr>
</tbody>
</table>

## Adjusted Earnings before Interest, Tax, Depreciation, Depletion and Amortization\(^{(1)}\)

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<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating income</strong></td>
<td>$134</td>
<td>$159</td>
<td>$566</td>
<td>$143</td>
<td>$859</td>
<td>$293</td>
</tr>
<tr>
<td>Depreciation, depletion and amortization</td>
<td>50</td>
<td>47</td>
<td>49</td>
<td>48</td>
<td>146</td>
<td>141</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA(^{(1)})</strong></td>
<td>$184</td>
<td>$198</td>
<td>$615</td>
<td>$123</td>
<td>$997</td>
<td>$366</td>
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\(^{(1)}\) See definition of Adjusted EBITDA (a non-GAAP measure) on page 1.

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

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</tr>
</thead>
<tbody>
<tr>
<td>Product remediation recoveries</td>
<td>—</td>
<td>8</td>
<td>—</td>
<td>68</td>
<td>8</td>
<td>68</td>
</tr>
</tbody>
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## Selected Segment Items

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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total decrease (increase) in working capital(^{(2)})</strong></td>
<td>$(186)</td>
<td>$56</td>
<td>$(68)</td>
<td>$32</td>
<td>$(198)</td>
<td>$(48)</td>
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<tr>
<td>Cash spent for capital expenditures</td>
<td>$(38)</td>
<td>$(45)</td>
<td>$(41)</td>
<td>$(65)</td>
<td>$(124)</td>
<td>$(148)</td>
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\(^{(2)}\) Represents the change in prepaid assets, accounts receivable, accounts payable, accrued liabilities and inventory for the Wood Products segment.

## Segment Statistics

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<tr>
<td>Structural Lumber</td>
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<tr>
<td>(volumes presented in board feet)</td>
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<tr>
<td>Third party net sales</td>
<td>$508</td>
<td>$538</td>
<td>$819</td>
<td>$487</td>
<td>$1,865</td>
<td>1,426</td>
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<tr>
<td>Third party sales realizations</td>
<td>$416</td>
<td>$438</td>
<td>$674</td>
<td>$389</td>
<td>$509</td>
<td>390</td>
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<tr>
<td>Third party sales volumes(^{(3)})</td>
<td>1,222</td>
<td>1,225</td>
<td>1,216</td>
<td>1,253</td>
<td>3,663</td>
<td>3,660</td>
</tr>
<tr>
<td>Production volumes</td>
<td>1,209</td>
<td>1,108</td>
<td>1,170</td>
<td>1,189</td>
<td>3,487</td>
<td>3,527</td>
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<td>Oriented Strand Board</td>
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<td>(volumes presented in square feet 3/8&quot;)</td>
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<tr>
<td>Third party net sales</td>
<td>$190</td>
<td>$179</td>
<td>$290</td>
<td>$159</td>
<td>$659</td>
<td>475</td>
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<td>Third party sales volumes(^{(3)})</td>
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<td>747</td>
<td>736</td>
<td>740</td>
<td>2,253</td>
<td>2,190</td>
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<tr>
<td>Production volumes</td>
<td>777</td>
<td>742</td>
<td>759</td>
<td>747</td>
<td>2,278</td>
<td>2,212</td>
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<td>Engineered Solid Section</td>
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<tr>
<td>(volumes presented in cubic feet)</td>
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<td></td>
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<td></td>
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</tr>
<tr>
<td>Third party net sales</td>
<td>$127</td>
<td>$111</td>
<td>$135</td>
<td>$138</td>
<td>$373</td>
<td>388</td>
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<td>Third party sales realizations</td>
<td>$2,149</td>
<td>$2,151</td>
<td>$2,128</td>
<td>$2,188</td>
<td>$2,142</td>
<td>2,206</td>
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<tr>
<td>Third party sales volumes(^{(3)})</td>
<td>5.9</td>
<td>5.2</td>
<td>6.3</td>
<td>6.3</td>
<td>17.4</td>
<td>17.6</td>
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<tr>
<td>Production volumes</td>
<td>6.1</td>
<td>5.3</td>
<td>5.4</td>
<td>5.3</td>
<td>16.8</td>
<td>17.2</td>
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<td>Engineered I-joists</td>
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<tr>
<td>(volumes presented in lineal feet)</td>
<td></td>
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<tr>
<td>Third party net sales</td>
<td>$78</td>
<td>$70</td>
<td>$83</td>
<td>$90</td>
<td>$231</td>
<td>246</td>
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<tr>
<td>Third party sales realizations</td>
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<td>$1,645</td>
<td>$1,638</td>
<td>$1,665</td>
<td>$1,650</td>
<td>1,676</td>
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<td>Third party sales volumes(^{(3)})</td>
<td>47</td>
<td>42</td>
<td>54</td>
<td>54</td>
<td>140</td>
<td>147</td>
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<tr>
<td>Production volumes</td>
<td>47</td>
<td>38</td>
<td>43</td>
<td>48</td>
<td>128</td>
<td>139</td>
</tr>
<tr>
<td>Softwood Plywood</td>
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<tr>
<td>(volumes presented in square feet 3/8&quot;)</td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Third party net sales</td>
<td>$39</td>
<td>$34</td>
<td>$55</td>
<td>$42</td>
<td>$128</td>
<td>130</td>
</tr>
<tr>
<td>Third party sales realizations</td>
<td>$348</td>
<td>$356</td>
<td>$507</td>
<td>$346</td>
<td>$405</td>
<td>369</td>
</tr>
<tr>
<td>Third party sales volumes(^{(3)})</td>
<td>113</td>
<td>95</td>
<td>107</td>
<td>121</td>
<td>315</td>
<td>351</td>
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<tr>
<td>Production volumes</td>
<td>97</td>
<td>76</td>
<td>94</td>
<td>100</td>
<td>267</td>
<td>302</td>
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<td>Medium Density Fiberboard</td>
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<tr>
<td>(volumes presented in square feet 3/4&quot;)</td>
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</tr>
<tr>
<td>Third party net sales</td>
<td>$44</td>
<td>$33</td>
<td>$47</td>
<td>$44</td>
<td>$124</td>
<td>127</td>
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<tr>
<td>Third party sales realizations</td>
<td>$841</td>
<td>$825</td>
<td>$864</td>
<td>$831</td>
<td>$845</td>
<td>836</td>
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<tr>
<td>Third party sales volumes(^{(3)})</td>
<td>52</td>
<td>40</td>
<td>55</td>
<td>53</td>
<td>147</td>
<td>152</td>
</tr>
<tr>
<td>Production volumes</td>
<td>56</td>
<td>35</td>
<td>57</td>
<td>47</td>
<td>148</td>
<td>153</td>
</tr>
</tbody>
</table>

\(^{(3)}\) Volumes include sales of internally produced products and products purchased for resale primarily through our distribution business.
Unallocated Items

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.

**Net Charge to Earnings**

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<tr>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Unallocated corporate function and variable compensation expense</td>
<td>$(19)</td>
<td>$(23)</td>
<td>$(36)</td>
<td>$(19)</td>
<td>$(78)</td>
<td>$(50)</td>
</tr>
<tr>
<td>Liability classified share-based compensation</td>
<td>10</td>
<td>(4)</td>
<td>5</td>
<td>(1)</td>
<td>1</td>
<td>(5)</td>
</tr>
<tr>
<td>Foreign exchange gain (loss)</td>
<td>(8)</td>
<td>3</td>
<td>2</td>
<td>(1)</td>
<td>(3)</td>
<td>(2)</td>
</tr>
<tr>
<td>Elimination of intersegment profit in inventory and LIFO</td>
<td>(13)</td>
<td>18</td>
<td>9</td>
<td>6</td>
<td>(4)</td>
<td>(4)</td>
</tr>
<tr>
<td>Other, net</td>
<td>(5)</td>
<td>(4)</td>
<td>(14)</td>
<td>(30)</td>
<td>(23)</td>
<td>(86)</td>
</tr>
<tr>
<td><strong>Operating loss</strong></td>
<td>(35)</td>
<td>(10)</td>
<td>(62)</td>
<td>(45)</td>
<td>(107)</td>
<td>(147)</td>
</tr>
<tr>
<td>Non-operating pension and other postretirement benefit costs</td>
<td>(9)</td>
<td>(10)</td>
<td>(9)</td>
<td>(15)</td>
<td>(28)</td>
<td>(495)</td>
</tr>
<tr>
<td>Interest income and other</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>6</td>
<td>5</td>
<td>22</td>
</tr>
<tr>
<td><strong>Net charge to earnings</strong></td>
<td>$(43)</td>
<td>$(18)</td>
<td>$(69)</td>
<td>$(54)</td>
<td>$(130)</td>
<td>$(620)</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>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating loss</td>
<td>$(35)</td>
<td>$(10)</td>
<td>$(62)</td>
<td>$(45)</td>
<td>$(107)</td>
<td>$(147)</td>
</tr>
<tr>
<td>Depreciation, depletion and amortization</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Special items</td>
<td>(12)</td>
<td>—</td>
<td>—</td>
<td>15</td>
<td>(12)</td>
<td>35</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td>$(45)</td>
<td>$(9)</td>
<td>$(60)</td>
<td>$(29)</td>
<td>$(114)</td>
<td>$(109)</td>
</tr>
</tbody>
</table>

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

**Unallocated Special Items Included in Net Charge to Earnings (Pretax)**

<table>
<thead>
<tr>
<th></th>
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<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal benefits (charges)</td>
<td>$12</td>
<td>—</td>
<td>—</td>
<td>$(15)</td>
<td>$12</td>
<td>$(35)</td>
</tr>
<tr>
<td>Special items included in operating loss</td>
<td>12</td>
<td>—</td>
<td>—</td>
<td>$(15)</td>
<td>12</td>
<td>(35)</td>
</tr>
<tr>
<td>Pension settlement charges</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(449)</td>
</tr>
<tr>
<td>Special items included in net charge to earnings</td>
<td>$12</td>
<td>—</td>
<td>—</td>
<td>$(15)</td>
<td>$12</td>
<td>$(484)</td>
</tr>
</tbody>
</table>

**Unallocated Selected Items**

<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash spent for capital expenditures</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>$(5)</td>
<td>—</td>
<td>$(14)</td>
</tr>
</tbody>
</table>