

Consolidated Statement of Operations ⁽¹⁾⁽²⁾

in millions

| | Q1 | Q2 | Q3 | Q4 | | Year-to-date | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | Mar 31, 2016 | Jun 30, 2016 | Sep 30, 2016 | Dec 31, 2016 | Dec 31, 2015 | Dec 31, 2016 | Dec 31, 2015 |
| Net Sales | \$ 1,405 | \$ 1,655 | \$ 1,709 | \$ 1,596 | \$ 1,266 | \$ 6,365 | \$ 5,246 |
| Cost of products sold | 1,089 | 1,258 | 1,314 | 1,265 | 998 | 4,926 | 4,121 |
| Gross margin | 316 | 397 | 395 | 331 | 268 | 1,439 | 1,125 |
| Selling expenses | 23 | 22 | 22 | 22 | 26 | 89 | 99 |
| General and administrative expenses | 76 | 94 | 78 | 84 | 75 | 332 | 259 |
| Research and development expenses | 5 | 4 | 5 | 5 | 6 | 19 | 18 |
| Charges for integration and restructuring, closures and asset impairments | 111 | 14 | 16 | 29 | 23 | 170 | 39 |
| Other operating costs (income), net | (52) | 5 | — | 6 | (4) | (41) | 52 |
| Operating income from continuing operations | 153 | 258 | 274 | 185 | 142 | 870 | 658 |
| Equity earnings from joint ventures | 5 | 7 | 9 | 1 | — | 22 | — |
| Interest income and other | 9 | 10 | 15 | 9 | 9 | 43 | 36 |
| Interest expense, net of capitalized interest | (95) | (114) | (114) | (108) | (87) | (431) | (341) |
| Earnings from continuing operations before income taxes | 72 | 161 | 184 | 87 | 64 | 504 | 353 |
| Income taxes | (11) | (31) | (22) | (25) | 22 | (89) | 58 |
| Earnings from continuing operations | 61 | 130 | 162 | 62 | 86 | 415 | 411 |
| Earnings (loss) from discontinued operations, net of income taxes | 20 | 38 | 65 | 489 | (16) | 612 | 95 |
| Net earnings | 81 | 168 | 227 | 551 | 70 | 1,027 | 506 |
| Dividends on preference shares | (11) | (11) | — | — | (11) | (22) | (44) |
| Net earnings attributable to Weyerhaeuser common shareholders | \$ 70 | \$ 157 | \$ 227 | \$ 551 | \$ 59 | \$ 1,005 | \$ 462 |

⁽¹⁾ Discontinued operations as presented herein consist of the operations of our Cellulose Fibers segment. The corresponding assets and liabilities were classified as held for sale on our balance sheet as of June 30, 2016. All periods presented have been revised to separate the results of discontinued operations from the results of our continuing operations. Detailed operating results of discontinued operations are presented on page 10.

⁽²⁾ Amounts presented reflect the balances and results of operations acquired in our merger with Plum Creek Timber, Inc., beginning on the merger date of February 19, 2016.

Per Share Information

| | Q1 | Q2 | Q3 | Q4 | | Year-to-date | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | Mar 31, 2016 | Jun 30, 2016 | Sep 30, 2016 | Dec 31, 2016 | Dec 31, 2015 | Dec 31, 2016 | Dec 31, 2015 |
| Earnings per share attributable to Weyerhaeuser common shareholders, basic: | | | | | | | |
| Continuing operations | \$ 0.08 | \$ 0.16 | \$ 0.22 | \$ 0.09 | \$ 0.15 | \$ 0.55 | \$ 0.71 |
| Discontinued operations | 0.03 | 0.05 | 0.08 | 0.65 | (0.04) | 0.85 | 0.18 |
| Net earnings per share | \$ 0.11 | \$ 0.21 | \$ 0.30 | \$ 0.74 | \$ 0.11 | \$ 1.40 | \$ 0.89 |
| Earnings per share attributable to Weyerhaeuser common shareholders, diluted: | | | | | | | |
| Continuing operations | \$ 0.08 | \$ 0.16 | \$ 0.21 | \$ 0.08 | \$ 0.15 | \$ 0.55 | \$ 0.71 |
| Discontinued operations | 0.03 | 0.05 | 0.09 | 0.65 | (0.04) | 0.84 | 0.18 |
| Net earnings per share | \$ 0.11 | \$ 0.21 | \$ 0.30 | \$ 0.73 | \$ 0.11 | \$ 1.39 | \$ 0.89 |
| Dividends paid per common share | \$ 0.31 | \$ 0.31 | \$ 0.31 | \$ 0.31 | \$ 0.31 | \$ 1.24 | \$ 1.20 |
| Weighted average shares outstanding (in thousands): | | | | | | | |
| Basic | 632,004 | 743,140 | 749,587 | 748,835 | 511,175 | 718,560 | 516,371 |
| Diluted | 634,872 | 747,701 | 754,044 | 752,768 | 514,167 | 722,401 | 519,618 |
| Common shares outstanding at end of period (in thousands) | 759,044 | 733,010 | 747,933 | 748,528 | 510,483 | 748,528 | 510,483 |

Weyerhaeuser Company
Q4.2016 Analyst Package
Preliminary results (unaudited)

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

in millions

| | Q1 | Q2 | Q3 | Q4 | | Year-to-date | |
|--|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
| | Mar 31, 2016 | Jun 30, 2016 | Sep 30, 2016 | Dec 31, 2016 | Dec 31, 2015 | Dec 31, 2016 | Dec 31, 2015 |
| Net earnings | \$ 81 | \$ 168 | \$ 227 | \$ 551 | \$ 70 | \$ 1,027 | \$ 506 |
| (Earnings) loss from discontinued operations, net of tax | (20) | (38) | (65) | (489) | 16 | (612) | (95) |
| Equity earnings from joint ventures | (5) | (7) | (9) | (1) | — | (22) | — |
| Interest income and other | (9) | (10) | (15) | (9) | (9) | (43) | (36) |
| Interest expense, net of capitalized interest | 95 | 114 | 114 | 108 | 87 | 431 | 341 |
| Income taxes | 11 | 31 | 22 | 25 | (22) | 89 | (58) |
| Operating income from continuing operations | 153 | 258 | 274 | 185 | 142 | 870 | 658 |
| Depreciation, depletion and amortization | 104 | 133 | 138 | 137 | 82 | 512 | 325 |
| Basis of real estate sold | 17 | 13 | 19 | 60 | 5 | 109 | 18 |
| Non-operating pension and postretirement credits | (12) | (10) | (11) | (10) | (3) | (43) | (11) |
| Special items in operating income | 74 | 19 | 14 | 28 | 22 | 135 | 35 |
| Adjusted EBITDA* | \$ 336 | \$ 413 | \$ 434 | \$ 400 | \$ 248 | \$ 1,583 | \$ 1,025 |

*Adjusted EBITDA is a non-GAAP measure that management uses to evaluate the performance of the company. Beginning in the first quarter of 2016, we revised our definition of Adjusted EBITDA to add back the basis of real estate sold. We have revised our prior-period presentation to conform to our current reporting.

Adjusted EBITDA, as we define it, is operating income from continuing operations adjusted for depreciation, depletion, amortization, basis of real estate sold, pension and postretirement costs not allocated to business segments and special items. Adjusted EBITDA excludes results from joint ventures.

Our definition of Adjusted EBITDA may be different from similarly titled measures reported by other companies. Adjusted EBITDA should not be considered in isolation from and is not intended to represent an alternative to our GAAP results.

Special Items Included in Net Earnings (income tax affected)

in millions

| | Q1 | Q2 | Q3 | Q4 | | Year-to-date | |
|--|----------------|----------------|----------------|----------------|----------------|-----------------|----------------|
| | Mar 31, 2016 | Jun 30, 2016 | Sep 30, 2016 | Dec 31, 2016 | Dec 31, 2015 | Dec 31, 2016 | Dec 31, 2015 |
| Net earnings attributable to Weyerhaeuser common shareholders | \$ 70 | \$ 157 | \$ 227 | \$ 551 | \$ 59 | \$ 1,005 | \$ 462 |
| Plum Creek merger-and integration-related costs | 98 | 4 | 10 | 11 | 14 | 123 | 14 |
| Gain on sale of non-strategic asset | (22) | — | — | — | — | (22) | — |
| Legal expense | — | 7 | — | — | — | 7 | — |
| Restructuring, impairments and other charges | — | — | — | 9 | 5 | 9 | 14 |
| Tax adjustment | — | — | — | 24 | (13) | 24 | (13) |
| Net earnings attributable to Weyerhaeuser common shareholders before special items | 146 | 168 | 237 | 595 | 65 | 1,146 | 477 |
| (Earnings) loss from discontinued operations, net of tax | (20) | (38) | (65) | (489) | 16 | (612) | (95) |
| Net earnings from continuing operations attributable to Weyerhaeuser common shareholders before special items | \$ 126 | \$ 130 | \$ 172 | \$ 106 | \$ 81 | \$ 534 | \$ 382 |
| | Q1 | Q2 | Q3 | Q4 | | Year-to-date | |
| | Mar 31, 2016 | Jun 30, 2016 | Sep 30, 2016 | Dec 31, 2016 | Dec 31, 2015 | Dec 31, 2016 | Dec 31, 2015 |
| Net earnings per diluted share attributable to Weyerhaeuser common shareholders | \$ 0.11 | \$ 0.21 | \$ 0.30 | \$ 0.73 | \$ 0.11 | \$ 1.39 | \$ 0.89 |
| Plum Creek merger-and integration-related costs | 0.15 | — | 0.02 | 0.01 | 0.03 | 0.17 | 0.03 |
| Gain on sale of non-strategic asset | (0.03) | — | — | — | — | (0.03) | — |
| Legal expense | — | 0.01 | — | — | — | 0.01 | — |
| Restructuring, impairments and other charges | — | — | — | 0.01 | 0.01 | 0.01 | 0.03 |
| Tax adjustment | — | — | — | 0.04 | (0.03) | 0.04 | (0.03) |
| Net earnings per diluted share attributable to Weyerhaeuser common shareholders before special items | 0.23 | 0.22 | 0.32 | 0.79 | 0.12 | 1.59 | 0.92 |
| (Earnings) loss from discontinued operations, net of tax | (0.03) | (0.05) | (0.09) | (0.65) | 0.04 | (0.84) | (0.18) |
| Net earnings from continuing operations attributable to Weyerhaeuser common shareholders before special items | \$ 0.20 | \$ 0.17 | \$ 0.23 | \$ 0.14 | \$ 0.16 | \$ 0.75 | \$ 0.74 |

Weyerhaeuser Company
Q4.2016 Analyst Package
Preliminary results (unaudited)

Consolidated Balance Sheet

in millions

March 31,
2016

June 30,
2016

September 30,
2016

December 31,
2016

December 31,
2015

ASSETS

Current assets:

| | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|
| Cash and cash equivalents | \$ 411 | \$ 485 | \$ 769 | \$ 676 | \$ 1,011 |
| Receivables, less allowances | 382 | 409 | 412 | 390 | 276 |
| Receivables for taxes | 25 | 7 | 5 | 84 | 30 |
| Inventories | 423 | 387 | 368 | 358 | 325 |
| Prepaid expenses and other current assets | 123 | 132 | 150 | 114 | 63 |
| Assets of discontinued operations | 1,929 | 1,908 | 1,652 | — | 1,934 |
| Total current assets | 3,293 | 3,328 | 3,356 | 1,622 | 3,639 |
| Property and equipment, net | 1,446 | 1,462 | 1,476 | 1,562 | 1,233 |
| Construction in progress | 151 | 172 | 202 | 213 | 144 |
| Timber and timberlands at cost, less depletion charged to disposals | 14,547 | 14,474 | 14,424 | 14,299 | 6,479 |
| Minerals and mineral rights, net | 325 | 319 | 321 | 319 | 14 |
| Investments in and advances to equity affiliates | 938 | 905 | 73 | 56 | — |
| Goodwill | 40 | 40 | 40 | 40 | 40 |
| Deferred tax assets | 291 | 250 | 122 | 293 | 254 |
| Other assets | 409 | 424 | 317 | 224 | 302 |
| Restricted financial investments held by variable interest entities | 615 | 615 | 615 | 615 | 615 |
| Total assets | \$ 22,055 | \$ 21,989 | \$ 20,946 | \$ 19,243 | \$ 12,720 |

LIABILITIES AND EQUITY

Current liabilities:

| | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|
| Current maturities of long-term debt | \$ — | \$ — | \$ 1,981 | \$ 281 | \$ — |
| Notes payable | 4 | 1 | 1 | 1 | 4 |
| Accounts payable | 284 | 300 | 234 | 233 | 204 |
| Accrued liabilities | 483 | 590 | 533 | 691 | 427 |
| Liabilities of discontinued operations | 674 | 666 | 578 | — | 690 |
| Total current liabilities | 1,445 | 1,557 | 3,327 | 1,206 | 1,325 |
| Note payable to timberland venture | 835 | 830 | — | — | — |
| Long-term debt | 7,715 | 8,013 | 6,329 | 6,329 | 4,787 |
| Long-term debt (nonrecourse to the company) held by variable interest entities | 511 | 511 | 511 | 511 | 511 |
| Deferred pension and other postretirement benefits | 983 | 926 | 875 | 1,322 | 987 |
| Deposit received from contribution of timberlands to related party | — | 437 | 429 | 426 | — |
| Other liabilities | 285 | 285 | 285 | 269 | 241 |
| Total liabilities | 11,774 | 12,559 | 11,756 | 10,063 | 7,851 |
| Total equity | 10,281 | 9,430 | 9,190 | 9,180 | 4,869 |
| Total liabilities and equity | \$ 22,055 | \$ 21,989 | \$ 20,946 | \$ 19,243 | \$ 12,720 |

Weyerhaeuser Company
Q4.2016 Analyst Package

Preliminary results (unaudited)

Consolidated Statement of Cash Flows

in millions

| | Q1 | Q2 | Q3 | Q4 | | Year-to-date | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | Mar 31, 2016 | Jun 30, 2016 | Sep 30, 2016 | Dec 31, 2016 | Dec 31, 2015 | Dec 31, 2016 | Dec 31, 2015 |
| Cash flows from operations: | | | | | | | |
| Net earnings | \$ 81 | \$ 168 | \$ 227 | \$ 551 | \$ 70 | \$ 1,027 | \$ 506 |
| Noncash charges (credits) to income: | | | | | | | |
| Depreciation, depletion and amortization | 142 | 147 | 139 | 137 | 120 | 565 | 479 |
| Basis of real estate sold | 17 | 13 | 19 | 60 | 5 | 109 | 18 |
| Deferred income taxes, net | 18 | 38 | 40 | (255) | (10) | (159) | — |
| Gains on sales of discontinued operations | — | — | (60) | (729) | — | (789) | — |
| Gains on sales of non-strategic assets | (41) | (10) | (10) | (12) | (8) | (73) | (38) |
| Pension and other postretirement benefits | 4 | 1 | — | — | 10 | 5 | 42 |
| Other noncash charges (credits) | 8 | 26 | 13 | 27 | 103 | 74 | 198 |
| Change in: | | | | | | | |
| Receivables less allowances | (47) | (43) | (6) | 42 | 58 | (54) | 17 |
| Receivable for taxes | 10 | 25 | 2 | 69 | (16) | 106 | (5) |
| Inventories | (43) | 60 | 32 | 12 | 19 | 61 | 10 |
| Prepaid expenses | (1) | — | (2) | 8 | 5 | 5 | 3 |
| Accounts payable and accrued liabilities | (70) | 106 | 25 | (50) | 12 | 11 | (35) |
| Pension and postretirement contributions | (17) | (12) | (54) | (16) | (24) | (99) | (83) |
| Distributions received from joint ventures | 5 | — | — | 9 | 15 | 14 | 15 |
| Other | (19) | (27) | (18) | (4) | (20) | (68) | (52) |
| Net cash from operations | 47 | 492 | 347 | (151) | 339 | 735 | 1,075 |
| Cash flows from investing activities: | | | | | | | |
| Capital expenditures: | | | | | | | |
| Purchases of property and equipment | (57) | (83) | (120) | (191) | (167) | (451) | (443) |
| Timberlands reforestation costs | (16) | (18) | (9) | (16) | (7) | (59) | (40) |
| Acquisition of timberlands | (6) | (2) | (2) | — | (2) | (10) | (36) |
| Proceeds from sales of discontinued operations | — | — | 285 | 2,201 | — | 2,486 | — |
| Proceeds from sale of non-strategic assets | 70 | 13 | 11 | 10 | 12 | 104 | 19 |
| Proceeds from contribution of timberlands to related party | — | 440 | — | — | — | 440 | — |
| Other | 33 | — | 52 | (36) | 1 | 49 | 13 |
| Cash from (used in) investing activities | 24 | 350 | 217 | 1,968 | (163) | 2,559 | (487) |
| Cash flows from financing activities: | | | | | | | |
| Cash dividends on common shares | (241) | (228) | (231) | (232) | (159) | (932) | (619) |
| Cash dividends on preference shares | — | (11) | (11) | — | (22) | (22) | (44) |
| Proceeds from issuance of long-term debt | 1,098 | 300 | 300 | — | — | 1,698 | — |
| Payments of long-term debt | (720) | (3) | — | (1,700) | — | (2,423) | — |
| Repurchase of common stock | (798) | (831) | (374) | — | (34) | (2,003) | (518) |
| Other | (7) | 8 | 39 | 12 | 3 | 52 | 25 |
| Cash from financing activities | (668) | (765) | (277) | (1,920) | (212) | (3,630) | (1,156) |
| Net change in cash and cash equivalents | (597) | 77 | 287 | (103) | (36) | (336) | (568) |
| Cash from continuing operations at beginning of period | \$ 1,011 | \$ 411 | \$ 485 | \$ 769 | \$ 1,046 | \$ 1,011 | 1,577 |
| Cash from discontinued operations at beginning of period | 1 | 4 | 7 | 10 | 2 | 1 | 3 |
| Cash and cash equivalents at beginning of period | <u>\$ 1,012</u> | <u>\$ 415</u> | <u>\$ 492</u> | <u>\$ 779</u> | <u>\$ 1,048</u> | <u>\$ 1,012</u> | <u>\$ 1,580</u> |
| Cash from continuing operations at end of period | \$ 411 | \$ 485 | \$ 769 | \$ 676 | \$ 1,011 | \$ 676 | \$ 1,011 |
| Cash from discontinued operations at end of period | 4 | 7 | 10 | — | 1 | — | 1 |
| Cash and cash equivalents at end of period | <u>\$ 415</u> | <u>\$ 492</u> | <u>\$ 779</u> | <u>\$ 676</u> | <u>\$ 1,012</u> | <u>\$ 676</u> | <u>\$ 1,012</u> |
| Cash paid (received) during the year for: | | | | | | | |
| Interest, net of amount capitalized | \$ 133 | \$ 92 | \$ 142 | \$ 79 | \$ 57 | \$ 446 | \$ 347 |
| Income taxes | \$ (13) | \$ (12) | \$ (1) | \$ 511 | \$ 10 | \$ 485 | \$ 14 |

Selected Total Company Items

in millions

| | Q1 | | Q2 | | Q3 | | Q4 | | Year-to-date | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--|
| | Mar 31, 2016 | Jun 30, 2016 | Sep 30, 2016 | Dec 31, 2016 | Dec 31, 2015 | Dec 31, 2016 | Dec 31, 2015 | Dec 31, 2016 | Dec 31, 2015 | |
| Pension and postretirement costs: | | | | | | | | | | |
| Pension and postretirement costs allocated to business segments | \$ 7 | \$ 8 | \$ 8 | \$ 7 | \$ 9 | \$ 30 | \$ 36 | | | |
| Pension and postretirement costs (credits) not allocated | (12) | (10) | (11) | (10) | (3) | (43) | (11) | | | |
| Accelerated pension costs included in Plum Creek merger-related costs (not allocated) | 5 | — | — | — | — | 5 | — | | | |
| Total pension and postretirement costs for continuing operations | — | (2) | (3) | (3) | 6 | (8) | 25 | | | |
| Pension and postretirement service costs directly attributable to discontinued operations | 4 | 3 | 3 | 3 | 4 | 13 | 17 | | | |
| Total company pension and postretirement costs | \$ 4 | \$ 1 | \$ — | \$ — | \$ 10 | \$ 5 | \$ 42 | | | |
| Cash spent for capital expenditures for continuing operations | \$ (51) | \$ (89) | \$ (100) | \$ (185) | \$ (141) | \$ (425) | \$ (365) | | | |

Segment Statement of Operations

| in millions | Q1.2016 | Q2.2016 | Q3.2016 | Q4.2016 | Q4.2015 | YTD.2016 | YTD.2015 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Sales to unaffiliated customers | \$ 387 | \$ 471 | \$ 484 | \$ 463 | \$ 312 | \$ 1,805 | \$ 1,273 |
| Intersegment sales | 222 | 193 | 216 | 209 | 205 | 840 | 830 |
| Total net sales | 609 | 664 | 700 | 672 | 517 | 2,645 | 2,103 |
| Cost of products sold | 459 | 509 | 559 | 527 | 390 | 2,054 | 1,566 |
| Gross margin | 150 | 155 | 141 | 145 | 127 | 591 | 537 |
| Selling expenses | 1 | 2 | 1 | 1 | 1 | 5 | 5 |
| General and administrative expenses | 28 | 32 | 20 | 24 | 21 | 104 | 82 |
| Research and development expenses | 4 | 4 | 4 | 5 | 6 | 17 | 16 |
| Charges for integration and restructuring, closures and asset | — | — | — | — | — | — | — |
| Other operating income, net | (12) | (8) | (6) | (8) | (8) | (34) | (36) |
| Operating income and Net contribution to earnings | \$ 129 | \$ 125 | \$ 122 | \$ 123 | \$ 107 | \$ 499 | \$ 470 |

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

| in millions | Q1.2016 | Q2.2016 | Q3.2016 | Q4.2016 | Q4.2015 | YTD.2016 | YTD.2015 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Operating income | \$ 129 | \$ 125 | \$ 122 | \$ 123 | \$ 107 | \$ 499 | \$ 470 |
| Depreciation, depletion and amortization | 70 | 95 | 101 | 100 | 53 | 366 | 208 |
| Adjusted EBITDA* | \$ 199 | \$ 220 | \$ 223 | \$ 223 | \$ 160 | \$ 865 | \$ 678 |

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

Selected Segment Items

| | Q1.2016 | Q2.2016 | Q3.2016 | Q4.2016 | Q4.2015 | YTD.2016 | YTD.2015 |
|---|---------|---------|---------|---------|---------|----------|----------|
| Total decrease (increase) in working capital ⁽¹⁾ | \$ (53) | \$ 28 | \$ (15) | \$ 20 | \$ 4 | \$ (20) | \$ 18 |
| Cash spent for capital expenditures | \$ (20) | \$ (31) | \$ (26) | \$ (39) | \$ (17) | \$ (116) | \$ (75) |

⁽¹⁾ Working capital does not include cash balances. Represents the change in combined working capital of Timberlands and Real Estate & ENR.

Segment Statistics⁽²⁾

| | Q1.2016 | Q2.2016 | Q3.2016 | Q4.2016 | Q4.2015 | YTD.2016 | YTD.2015 |
|---|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
| Logs: | | | | | | | |
| West | \$ 215 | \$ 232 | \$ 217 | \$ 201 | \$ 203 | \$ 865 | \$ 830 |
| South | 101 | 154 | 160 | 151 | 61 | 566 | 241 |
| North | 13 | 19 | 29 | 30 | — | 91 | — |
| Other | 7 | 7 | 11 | 13 | 7 | 38 | 24 |
| Third Party Net Sales (millions) | 336 | 412 | 417 | 395 | 271 | 1,560 | 1,095 |
| Total delivered logs | 336 | 412 | 417 | 395 | 271 | 1,560 | 1,095 |
| Stumpage and pay-as-cut timber | 15 | 23 | 24 | 23 | 10 | 85 | 37 |
| Products from international operations | 16 | 21 | 21 | 21 | 18 | 79 | 87 |
| Recreational and other lease revenue | 6 | 8 | 15 | 15 | 7 | 44 | 25 |
| Other revenue | 14 | 7 | 7 | 9 | 6 | 37 | 29 |
| Total | \$ 387 | \$ 471 | \$ 484 | \$ 463 | \$ 312 | \$ 1,805 | \$ 1,273 |
| Delivered Logs Third Party Sales (per ton) | | | | | | | |
| West | \$ 100.71 | \$ 98.21 | \$ 98.18 | \$ 100.43 | \$ 101.54 | \$ 99.32 | \$ 101.12 |
| South | \$ 36.39 | \$ 35.54 | \$ 35.27 | \$ 34.98 | \$ 36.87 | \$ 35.46 | \$ 37.13 |
| North | \$ 59.31 | \$ 65.43 | \$ 59.17 | \$ 59.28 | \$ — | \$ 60.47 | \$ — |
| International | \$ 15.73 | \$ 23.29 | \$ 24.27 | \$ 25.72 | \$ 16.60 | \$ 21.79 | \$ 18.01 |
| Delivered Logs Third Party Sales Volumes (tons, thousands) ⁽³⁾ | | | | | | | |
| West | 2,133 | 2,363 | 2,209 | 2,008 | 2,005 | 8,713 | 8,212 |
| South | 2,781 | 4,340 | 4,538 | 4,308 | 1,636 | 15,967 | 6,480 |
| North | 210 | 292 | 503 | 495 | — | 1,500 | — |
| International | 146 | 89 | 117 | 118 | 158 | 470 | 714 |
| Other | 169 | 169 | 263 | 342 | 167 | 943 | 551 |
| Fee Harvest Volumes (tons, thousands) ⁽³⁾ | | | | | | | |
| West | 2,801 | 2,980 | 2,744 | 2,558 | 2,596 | 11,083 | 10,563 |
| South | 5,030 | 7,061 | 6,992 | 7,260 | 3,565 | 26,343 | 14,113 |
| North | 260 | 454 | 678 | 652 | — | 2,044 | — |
| International | 299 | 248 | 242 | 330 | 255 | 1,119 | 980 |
| Other | — | 181 | 191 | 329 | — | 701 | — |

⁽²⁾ The Western region includes Washington and Oregon. The Southern region includes Virginia, North Carolina, South Carolina, Florida, Georgia, Alabama, Mississippi, Louisiana, Arkansas, Texas and Oklahoma. The Northern region includes West Virginia, Maine, New Hampshire, Vermont, Michigan, Wisconsin and Montana. Other includes our Canadian operations and managed Twin Creeks operations.

⁽³⁾ Beginning in first quarter 2016, we report log sales and fee harvest volumes in tons. Prior period volumes have been converted from cubic meters to tons using conversion factors as follows:

West: 1.056 m³ = 1 ton
South: 0.818 m³ = 1 ton
Canada (in Other): 1.244 m³ = 1 ton
International: 0.907 m³ = 1 ton

Segment Statement of Operations

| in millions | Q1.2016 | Q2.2016 | Q3.2016 | Q4.2016 | Q4.2015 | YTD.2016 | YTD.2015 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Sales to unaffiliated customers | \$ 39 | \$ 38 | \$ 48 | \$ 101 | \$ 32 | \$ 226 | \$ 101 |
| Intersegment sales | — | — | — | 1 | — | 1 | — |
| Total net sales | 39 | 38 | 48 | 102 | 32 | 227 | 101 |
| Cost of products sold | 20 | 19 | 26 | 69 | 5 | 134 | 20 |
| Gross margin | 19 | 19 | 22 | 33 | 27 | 93 | 81 |
| Selling expenses | — | — | — | — | — | — | — |
| General and administrative expenses | 4 | 8 | 7 | 7 | 3 | 26 | 6 |
| Charges for integration, restructuring, closures and asset impairments | — | 1 | — | 14 | — | 15 | — |
| Other operating income, net | — | (2) | 1 | — | (3) | (1) | (4) |
| Operating income | 15 | 12 | 14 | 12 | 27 | 53 | 79 |
| Equity earnings from joint ventures ⁽¹⁾ | — | — | 1 | 1 | — | 2 | — |
| Net contribution to earnings | \$ 15 | \$ 12 | \$ 15 | \$ 13 | \$ 27 | \$ 55 | \$ 79 |

⁽¹⁾ Equity earnings (loss) from joint ventures attributed to the Real Estate and ENR segment are generated from our investments in our real estate development ventures.

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

| in millions | Q1.2016 | Q2.2016 | Q3.2016 | Q4.2016 | Q4.2015 | YTD.2016 | YTD.2015 |
|--|--------------|--------------|--------------|--------------|--------------|---------------|--------------|
| Operating income | \$ 15 | \$ 12 | \$ 14 | \$ 12 | \$ 27 | \$ 53 | \$ 79 |
| Depreciation, depletion and amortization | 2 | 3 | 4 | 4 | 1 | 13 | 1 |
| Basis of real estate sold | 17 | 13 | 19 | 60 | 5 | 109 | 18 |
| Special items | — | — | — | 14 | — | 14 | — |
| Adjusted EBITDA* | \$ 34 | \$ 28 | \$ 37 | \$ 90 | \$ 33 | \$ 189 | \$ 98 |

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

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

| | Q1.2016 | Q2.2016 | Q3.2016 | Q4.2016 | Q4.2015 | YTD.2016 | YTD.2015 |
|--|---------|---------|---------|---------|---------|----------|----------|
| Restructuring, impairments and other charges | \$ — | \$ — | \$ — | \$ (14) | \$ — | \$ (14) | \$ — |

Selected Segment Items

| | Q1.2016 | Q2.2016 | Q3.2016 | Q4.2016 | Q4.2015 | YTD.2016 | YTD.2015 |
|-------------------------------------|---------|---------|---------|---------|---------|----------|----------|
| Cash spent for capital expenditures | \$ — | \$ (1) | \$ — | \$ — | \$ — | \$ (1) | \$ — |

Segment Statistics

| | | Q1.2016 | Q2.2016 | Q3.2016 | Q4.2016 | Q4.2015 | YTD.2016 | YTD.2015 |
|----------------------|------------------------------|--------------|--------------|--------------|---------------|--------------|---------------|---------------|
| Net Sales (millions) | Real Estate | \$ 30 | \$ 26 | \$ 31 | \$ 85 | \$ 25 | \$ 172 | \$ 75 |
| | Energy and natural resources | 9 | 12 | 17 | 16 | 7 | 54 | 26 |
| | Total | \$ 39 | \$ 38 | \$ 48 | \$ 101 | \$ 32 | \$ 226 | \$ 101 |
| Acres sold | Real Estate | 15,225 | 10,020 | 12,853 | 44,589 | 6,765 | 82,687 | 27,390 |
| Price per acre | Real Estate | \$ 1,980 | \$ 2,555 | \$ 2,354 | \$ 1,903 | \$ 3,450 | \$ 2,072 | \$ 2,490 |

Segment Statement of Operations

| in millions | Q1.2016 | Q2.2016 | Q3.2016 | Q4.2016 | Q4.2015 | YTD.2016 | YTD.2015 |
|--|--------------|---------------|---------------|--------------|--------------|---------------|---------------|
| Sales to unaffiliated customers | \$ 979 | \$ 1,146 | \$ 1,177 | \$ 1,032 | \$ 922 | \$ 4,334 | \$ 3,872 |
| Intersegment sales | 22 | 22 | 17 | 7 | 21 | 68 | 82 |
| Total net sales | 1,001 | 1,168 | 1,194 | 1,039 | 943 | 4,402 | 3,954 |
| Cost of products sold | 862 | 957 | 980 | 889 | 841 | 3,688 | 3,487 |
| Gross margin | 139 | 211 | 214 | 150 | 102 | 714 | 467 |
| Selling expenses | 22 | 20 | 21 | 21 | 25 | 84 | 94 |
| General and administrative expenses | 27 | 30 | 24 | 28 | 28 | 109 | 102 |
| Research and development expenses | 1 | — | 1 | — | — | 2 | 2 |
| Charges for restructuring, closures and impairments | 1 | 4 | 1 | 1 | 9 | 7 | 10 |
| Other operating income, net | 1 | 1 | (3) | 1 | — | — | 1 |
| Operating income and Net contribution to earnings | \$ 87 | \$ 156 | \$ 170 | \$ 99 | \$ 40 | \$ 512 | \$ 258 |

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

| in millions | Q1.2016 | Q2.2016 | Q3.2016 | Q4.2016 | Q4.2015 | YTD.2016 | YTD.2015 |
|--|---------------|---------------|---------------|---------------|--------------|---------------|---------------|
| Operating income | \$ 87 | \$ 156 | \$ 170 | \$ 99 | \$ 40 | \$ 512 | \$ 258 |
| Depreciation, depletion and amortization | 30 | 33 | 33 | 33 | 27 | 129 | 106 |
| Special items | — | — | — | — | 8 | — | 8 |
| Adjusted EBITDA* | \$ 117 | \$ 189 | \$ 203 | \$ 132 | \$ 75 | \$ 641 | \$ 372 |

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

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

| | Q1.2016 | Q2.2016 | Q3.2016 | Q4.2016 | Q4.2015 | YTD.2016 | YTD.2015 |
|--|---------|---------|---------|---------|---------|----------|----------|
| Restructuring, impairments and other charges | \$ — | \$ — | \$ — | \$ — | \$ (8) | \$ — | \$ (8) |

Selected Segment Items

| | Q1.2016 | Q2.2016 | Q3.2016 | Q4.2016 | Q4.2015 | YTD.2016 | YTD.2015 |
|---|----------|---------|---------|----------|----------|----------|----------|
| Total decrease (increase) in working capital ⁽¹⁾ | \$ (132) | \$ 35 | \$ 49 | \$ 32 | \$ 79 | \$ (16) | \$ 45 |
| Cash spent for capital expenditures | \$ (29) | \$ (52) | \$ (71) | \$ (145) | \$ (122) | \$ (297) | \$ (287) |

⁽¹⁾ Working capital does not include cash balances.

Segment Statistics

| in millions, except for third-party sales realizations | Q1.2016 | Q2.2016 | Q3.2016 | Q4.2016 | Q4.2015 | YTD.2016 | YTD.2015 |
|--|----------|----------|----------|----------|----------|----------|----------|
| Structural Lumber | | | | | | | |
| Third party net sales | \$ 419 | \$ 498 | \$ 495 | \$ 427 | \$ 402 | \$ 1,839 | \$ 1,741 |
| Third party sales realizations | \$ 364 | \$ 399 | \$ 401 | \$ 392 | \$ 360 | \$ 390 | \$ 379 |
| Third party sales volumes ⁽²⁾ | 1,152 | 1,249 | 1,233 | 1,089 | 1,114 | 4,723 | 4,588 |
| Production volumes | 1,129 | 1,205 | 1,130 | 1,052 | 1,035 | 4,516 | 4,252 |
| Engineered Solid Section | | | | | | | |
| Third party net sales | \$ 109 | \$ 115 | \$ 119 | \$ 107 | \$ 105 | \$ 450 | \$ 428 |
| Third party sales realizations | \$ 1,971 | \$ 1,922 | \$ 1,916 | \$ 1,930 | \$ 1,987 | \$ 1,934 | \$ 2,008 |
| Third party sales volumes ⁽²⁾ | 5.5 | 6.0 | 6.2 | 5.6 | 5.3 | 23.3 | 21.3 |
| Production volumes | 5.6 | 5.9 | 5.7 | 5.6 | 5.1 | 22.8 | 20.9 |
| Engineered I-joists | | | | | | | |
| Third party net sales | \$ 66 | \$ 73 | \$ 79 | \$ 72 | \$ 68 | \$ 290 | \$ 284 |
| Third party sales realizations | \$ 1,507 | \$ 1,471 | \$ 1,475 | \$ 1,485 | \$ 1,515 | \$ 1,484 | \$ 1,512 |
| Third party sales volumes ⁽²⁾ | 44 | 50 | 53 | 48 | 45 | 195 | 188 |
| Production volumes | 46 | 46 | 49 | 43 | 44 | 184 | 185 |
| Oriented Strand Board | | | | | | | |
| Third party net sales | \$ 163 | \$ 182 | 199 | \$ 163 | \$ 160 | \$ 707 | \$ 595 |
| Third party sales realizations | \$ 214 | \$ 240 | 256 | \$ 255 | \$ 221 | \$ 241 | \$ 200 |
| Third party sales volumes ⁽²⁾ | 759 | 761 | 776 | 638 | 723 | 2,934 | 2,972 |
| Production volumes | 749 | 733 | 777 | 651 | 697 | 2,910 | 2,847 |
| Softwood Plywood | | | | | | | |
| Third party net sales | \$ 35 | \$ 50 | \$ 48 | \$ 41 | \$ 27 | \$ 174 | \$ 129 |
| Third party sales realizations | \$ 317 | \$ 382 | \$ 378 | \$ 364 | \$ 308 | \$ 368 | \$ 339 |
| Third party sales volumes ⁽²⁾ | 110 | 131 | 127 | 113 | 91 | 481 | 381 |
| Production volumes | 88 | 111 | 105 | 92 | 57 | 396 | 248 |

⁽²⁾ Volumes include sales of internally produced products and products purchased for resale primarily through our distribution business.

Q4.2016 Analyst Package

Preliminary results (unaudited)

Unallocated items are gains or charges not related to or allocated to an individual operating segment. They include a portion of items such as: share-based compensation, pension and postretirement costs, foreign exchange transaction gains and losses associated with financing and the elimination of intersegment profit in inventory, equity earnings from our Timberland Venture, and the LIFO reserve.

Contribution to Earnings

| in millions | Q1.2016 | Q2.2016 | Q3.2016 | Q4.2016 | Q4.2015 | YTD.2016 | YTD.2015 |
|---|----------------|----------------|---------------|----------------|----------------|-----------------|-----------------|
| Unallocated corporate function expenses | \$ (17) | \$ (24) | \$ (21) | \$ (25) | \$ (16) | \$ (87) | \$ (64) |
| Unallocated share-based compensation | (2) | 1 | (4) | 2 | (4) | (3) | 6 |
| Unallocated pension & postretirement credits (costs) | 12 | 10 | 11 | 10 | 3 | 43 | 11 |
| Foreign exchange gains (losses) | 13 | 1 | (1) | (7) | (6) | 6 | (46) |
| Elimination of intersegment profit in inventory and LIFO | (6) | (2) | 2 | (12) | 1 | (18) | 8 |
| Gain on sale of non-strategic asset | 36 | 8 | 1 | 5 | 4 | 50 | 6 |
| Charges for integration and restructuring, closures, and asset impairments: | | | | | | | |
| Plum Creek merger- and integration-related costs | (110) | (8) | (14) | (14) | (14) | (146) | (14) |
| Other restructuring, closures and asset impairments | — | (1) | (1) | — | — | (2) | (15) |
| Other | (4) | (20) | (5) | (8) | — | (37) | (41) |
| Operating income (loss) | (78) | (35) | (32) | (49) | (32) | (194) | (149) |
| Equity earnings from joint venture ⁽¹⁾ | 5 | 7 | 8 | — | — | 20 | — |
| Interest income and other | 9 | 10 | 15 | 9 | 9 | 43 | 36 |
| Net contribution to earnings | \$ (64) | \$ (18) | \$ (9) | \$ (40) | \$ (23) | \$ (131) | \$ (113) |

⁽¹⁾ Equity earning from joint venture included in Unallocated Items is generated from our investment in our timberland venture.

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

| in millions | Q1.2016 | Q2.2016 | Q3.2016 | Q4.2016 | Q4.2015 | YTD.2016 | YTD.2015 |
|--|----------------|----------------|----------------|----------------|----------------|-----------------|-----------------|
| Operating income (loss) | \$ (78) | \$ (35) | \$ (32) | \$ (49) | \$ (32) | \$ (194) | \$ (149) |
| Depreciation, depletion and amortization | 2 | 2 | — | — | 1 | 4 | 10 |
| Non-operating pension and postretirement costs (credits) | (12) | (10) | (11) | (10) | (3) | (43) | (11) |
| Special items | 74 | 19 | 14 | 14 | 14 | 121 | 27 |
| Adjusted EBITDA* | \$ (14) | \$ (24) | \$ (29) | \$ (45) | \$ (20) | \$ (112) | \$ (123) |

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

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

| | Q1.2016 | Q2.2016 | Q3.2016 | Q4.2016 | Q4.2015 | YTD.2016 | YTD.2015 |
|---|----------------|----------------|----------------|----------------|----------------|-----------------|----------------|
| Plum Creek merger-and integration-related costs | \$ (110) | \$ (8) | \$ (14) | \$ (14) | \$ (14) | \$ (146) | \$ (14) |
| Gain on sale of non-strategic asset | 36 | — | — | — | — | 36 | — |
| Legal expense | — | (11) | — | — | — | (11) | — |
| Restructuring, impairments and other charges | — | — | — | — | — | — | (13) |
| Tax adjustments | — | — | — | — | — | — | — |
| Total | \$ (74) | \$ (19) | \$ (14) | \$ (14) | \$ (14) | \$ (121) | \$ (27) |

Unallocated Selected Items

| | Q1.2016 | Q2.2016 | Q3.2016 | Q4.2016 | Q4.2015 | YTD.2016 | YTD.2015 |
|-------------------------------------|---------|---------|---------|---------|---------|----------|----------|
| Cash spent for capital expenditures | \$ (2) | \$ (5) | \$ (3) | \$ (1) | \$ (2) | \$ (11) | \$ (3) |

*Adjusted EBITDA is a non-GAAP measure that management uses to evaluate the performance of the company. Adjusted EBITDA, as we define it, is operating income from continuing operations adjusted for depreciation, depletion, amortization, pension and postretirement costs not allocated to business segments (primarily interest cost, expected return on plan assets, amortization of actuarial loss and amortization of prior service cost/credit), special items and discontinued operations. Adjusted EBITDA should not be considered in isolation from and is not intended to represent an alternative to our GAAP results.

Q4.2016 Analyst Package

Preliminary results (unaudited)

Discontinued operations consist of our three Cellulose Fibers businesses, which were previously disclosed as a separate reportable business segment. On August 31, 2016, we completed the sale of the liquid packaging board business. On November 1, 2016, we completed the sale of our interest in a printing papers joint venture. On December 1, 2016, we completed the sale of our pulp business.

Discontinued Operations Statement of Operations

| in millions | Q1.2016 | Q2.2016 | Q3.2016 | Q4.2016 | Q4.2015 | YTD.2016 | YTD.2015 |
|---|---------------|---------------|---------------|---------------|----------------|-----------------|-----------------|
| Total net sales | \$ 430 | \$ 456 | \$ 420 | \$ 231 | \$ 475 | \$ 1,537 | \$ 1,860 |
| Cost of products sold | 386 | 374 | 350 | 173 | 392 | 1,283 | 1,573 |
| Gross margin | 44 | 82 | 70 | 58 | 83 | 254 | 287 |
| Selling expenses | 4 | 3 | 3 | 2 | 4 | 12 | 14 |
| General and administrative expenses | 9 | 8 | 7 | 5 | 9 | 29 | 30 |
| Research and development expenses | 1 | 2 | — | 2 | 1 | 5 | 6 |
| Charges for integration and restructuring, closures and asset impairments | 6 | 25 | 13 | 19 | 1 | 63 | 2 |
| Other operating income, net | (9) | (10) | (2) | (6) | (7) | (27) | (26) |
| Operating income | 33 | 54 | 49 | 36 | 75 | 172 | 261 |
| Equity loss from joint venture | (2) | (1) | — | (1) | (87) | (4) | (105) |
| Interest expense, net of capitalized interest | (2) | (1) | (2) | — | (1) | (5) | (6) |
| Earnings from discontinued operations before income taxes | 29 | 52 | 47 | 35 | (13) | 163 | 150 |
| Income taxes | (9) | (14) | (23) | (51) | (3) | (97) | (55) |
| Net earnings from operations | 20 | 38 | 24 | (16) | (16) | 66 | 95 |
| Net gain on divestitures | — | — | 41 | 505 | — | 546 | — |
| Net earnings from discontinued operations | \$ 20 | \$ 38 | \$ 65 | \$ 489 | \$ (16) | \$ 612 | \$ 95 |

Discontinued Operations Selected Items

| in millions | Q1.2016 | Q2.2016 | Q3.2016 | Q4.2016 | Q4.2015 | YTD.2016 | YTD.2015 |
|--|---------|---------|---------|---------|---------|----------|----------|
| Depreciation, depletion and amortization | \$ 38 | \$ 15 | \$ — | \$ — | \$ 38 | \$ 53 | \$ 154 |
| Cash spent for capital expenditures | \$ (22) | \$ (12) | \$ (29) | \$ (22) | \$ (33) | \$ (85) | \$ (118) |

Segment Statistics

| | | Q1.2016 | Q2.2016 | Q3.2016 | Q4.2016 | Q4.2015 | YTD.2016 | YTD.2015 |
|---|---------------------------------------|----------|----------|----------|---------|----------|----------|----------|
| Pulp (air-dry metric tons) | Third party net sales (millions) | \$ 351 | \$ 350 | \$ 349 | \$ 231 | \$ 388 | \$ 1,281 | \$ 1,499 |
| | Third party sales realizations | \$ 755 | \$ 762 | \$ 780 | \$ 788 | \$ 800 | \$ 770 | \$ 823 |
| | Third party sales volumes (thousands) | 464 | 460 | 446 | 293 | 484 | 1,663 | 1,821 |
| | Production volumes (thousands) | 457 | 454 | 426 | 311 | 481 | 1,648 | 1,822 |
| Liquid Packaging Board (metric tons) | Third party net sales (millions) | \$ 67 | \$ 85 | \$ 61 | \$ — | \$ 73 | \$ 213 | \$ 305 |
| | Third party sales realizations | \$ 1,068 | \$ 1,127 | \$ 1,144 | \$ — | \$ 1,203 | \$ 1,112 | \$ 1,196 |
| | Third party sales volumes (thousands) | 63 | 76 | 53 | — | 61 | 192 | 255 |
| | Production volumes (thousands) | 64 | 65 | 48 | — | 63 | 177 | 255 |