



WEYERHAEUSER

EARNINGS RESULTS | 1st Quarter 2015

May 1, 2015



FORWARD-LOOKING STATEMENTS

This presentation contains statements concerning the company's future results and performance that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on our current expectations and various assumptions that are subject to risks and uncertainties. Factors listed below, as well as other factors, may cause actual results to differ significantly from these forward-looking statements. There is no guarantee that any of the events anticipated by these forward-looking statements will occur. If any of the events occur, there is no guarantee what effect they will have on company operations or financial condition. The company will not update these forward-looking statements after the date of this news release.

Some forward-looking statements discuss the company's plans, strategies, expectations and intentions. They use words such as "expects," "may," "will," "believes," "should," "approximately," "anticipates," "estimates," and "plans." In addition, these words may use the positive or negative or other variations of those and similar words.

This presentation contains forward-looking statements regarding the company's expectations during the second quarter of 2015, including with respect to: earnings; log realizations and dispositions of non-strategic timberlands in Timberlands; sales volumes across Wood Products product lines, log and manufacturing costs and expected realizations for lumber and oriented strand board in Wood Products; and, maintenance and capital costs, and realizations for pulp in Cellulose Fibers.

Major risks, uncertainties and assumptions that affect the company's businesses and may cause actual results to differ from these forward-looking statements, include, but are not limited to:

- the effect of general economic conditions, including employment rates, housing starts, interest rate levels, availability of financing for home mortgages, and strength of the U.S. dollar;
- market demand for the company's products, which is related to the strength of the various U.S. business segments and U.S. and international economic conditions;
- performance of the company's manufacturing operations, including maintenance requirements;
- the level of competition from domestic and foreign producers;
- the successful execution of internal performance plans, including restructurings and cost reduction initiatives;
- raw material prices;
- energy prices;
- the effect of weather;
- the risk of loss from fires, floods, windstorms, hurricanes, pest infestation and other natural disasters;
- transportation availability and costs;
- federal tax policies;
- the effect of forestry, land use, environmental and other governmental regulations;
- legal proceedings;
- performance of pension fund investments and related derivatives;
- the effect of timing of retirements and changes in the market price of company stock on charges for stock-based compensation;
- changes in accounting principles; and
- other factors described in the company's filings with the SEC, including the "Risk Factors" section in the company's annual report on Form 10-K for the year ended December 31, 2014.

The company also is a large exporter and is affected by changes in economic activity in Europe and Asia, particularly Japan and China. It is affected by changes in currency exchange rates, particularly the relative value of the U.S. dollar to the euro, yen and the Canadian dollar, and the relative value of the euro and the yen. Restrictions on international trade or tariffs imposed on imports and disruptions in shipping and transportation also may affect the company.



NON-GAAP FINANCIAL MEASURES

- During the course of this presentation, certain non-U.S. GAAP financial information will be presented. A reconciliation of those numbers to U.S. GAAP financial measures is included in this presentation which is available on the company's website at www.weyerhaeuser.com



2015 Q1 CONSOLIDATED RESULTS

Chart 1

\$ Millions	2014		2015
	Q4	Q1	Change
Contribution to Earnings Before Special Items			
Timberlands	\$ 143	\$ 162	\$ 19
Wood Products	56	62	6
Cellulose Fibers	87	33	(54)
Unallocated Items	(13)	(41)	(28)
Total Contribution to Earnings Before Special Items	\$ 273	\$ 216	\$ (57)
Adjusted EBITDA ¹	\$ 376	\$ 333	\$ (43)

1. A reconciliation to GAAP is set forth on Chart 17.
2. Other (income) expense, net includes: R&D expense, charges for restructuring, closures and impairments; other operating income, net; interest income and other. Interest income and other includes approximately \$8 million of income from special purpose entity (SPE) investments for each quarter presented.
3. Interest expense is net of capitalized interest and includes approximately \$7 million of expense on special purpose entity (SPE) notes for each quarter presented.
4. Income taxes attributable to special items are included in Special items, after-tax. An explanation is set forth on Chart 2.
5. A reconciliation to GAAP is set forth on Chart 2.

\$ Millions EXCEPT EPS	2014	2015
	Q4	Q1
Consolidated Statement of Operations Before Special Items		
Net sales	\$ 1,788	\$ 1,721
Cost of products sold	1,399	1,385
Gross margin	389	336
SG&A expenses	118	102
Other (income) expense, net ²	(2)	18
Total Contribution to Earnings Before Special Items	\$ 273	\$ 216
Interest expense, net ³	(90)	(83)
Income taxes ⁴	(27)	(23)
Dividends on preference shares	(11)	(11)
Net Earnings to Common Shareholders Before Special Items⁵	\$ 145	\$ 99
Special items, after-tax	21	(9)
Net Earnings to Common Shareholders	\$ 166	\$ 90
Diluted EPS Before Special Items⁵	\$ 0.27	\$ 0.19
Diluted EPS	\$ 0.31	\$ 0.17



EARNINGS BEFORE SPECIAL ITEMS

Chart 2

\$ Millions EXCEPT EPS	2014 Q4			2015 Q1		
	Pre-Tax Earnings ⁶	After-Tax Earnings	Diluted EPS	Pre-Tax Earnings ⁶	After-Tax Earnings	Diluted EPS
Earnings Before Special Items	\$ 183	\$ 145	\$ 0.27	\$ 133	\$ 99	\$ 0.19
Special Items:						
Gain on postretirement plan amendment	38	25	0.05	—	—	—
Restructuring, impairments, and other charges ⁷	(7)	(4)	(0.01)	(13)	(9)	(0.02)
Total Special Items	31	21	0.04	(13)	(9)	(0.02)
Earnings Including Special Items (GAAP)	\$ 214	\$ 166	\$ 0.31	\$ 120	\$ 90	\$ 0.17

6. Earnings before income taxes and dividends on preference shares.

7. 2015 Q1 includes a noncash impairment charge related to a nonstrategic asset. 2014 Q4 includes restructuring charges related to the SG&A cost reduction initiative announced during 2013 Q4.



TIMBERLANDS SEGMENT

Chart 3

1st Quarter Notes

- Improved cost efficiencies due to operational excellence
- Lower Western log realizations
- Seasonally lower fee harvest volumes and silviculture expenses in the South
- Higher earnings from the disposition of nonstrategic timberlands

TIMBERLANDS (\$ Millions) ⁸		2014	2015
Segment Statement of Operations		Q4	Q1
Third party sales		\$ 348	\$ 342
Intersegment sales		150	150
Total Sales		498	492
Cost of products sold		336	316
Gross margin		162	176
SG&A expenses		25	23
Other income, net ⁹		(6)	(9)
Contribution to Earnings		\$ 143	\$ 162
Adjusted EBITDA¹⁰		\$ 196	\$ 215
Gross Margin Percentage¹¹		33%	36%
Operating Margin Percentage¹²		29%	33%

8. Amounts presented exclude Canadian Forestlands operations, which are operated as a cost center for the purpose of supplying Weyerhaeuser's Canadian manufacturing facilities and contribute no margin to the Timberlands segment.

9. Other income, net includes: R&D expense, charges for restructuring, closures and impairments; other operating income, net; interest income and other.

10. A reconciliation to GAAP is set forth on Chart 18.

11. Gross margin divided by total sales.

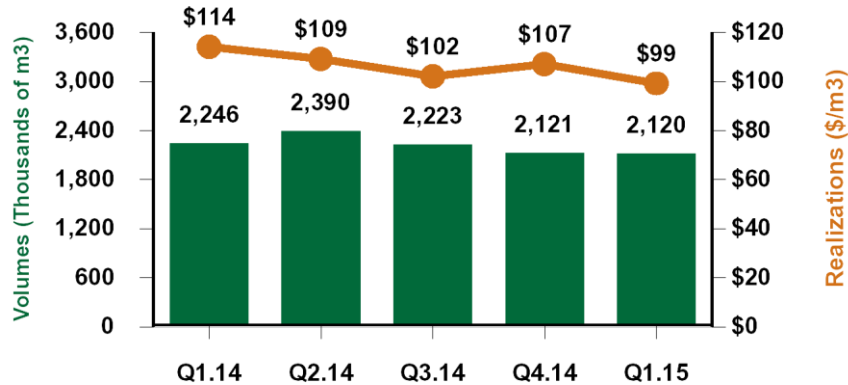
12. Contribution to earnings divided by total sales.



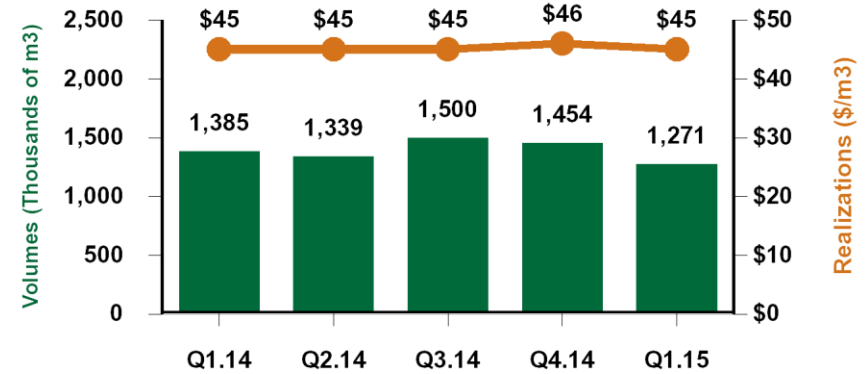
SALES VOLUMES AND REALIZATIONS

Chart 4

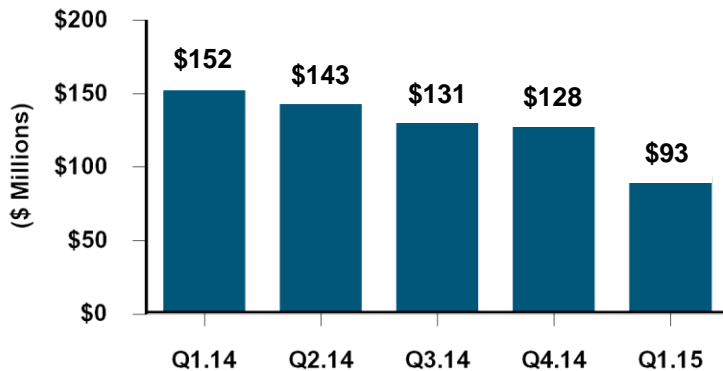
3rd-Party Log Sales and Realizations - West



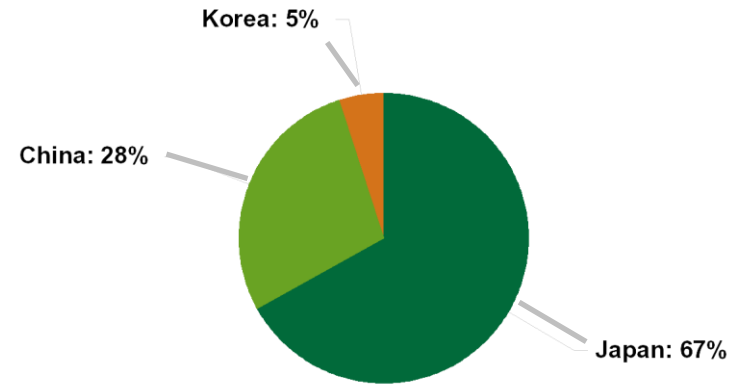
3rd-Party Log Sales and Realizations - South



Export Log Revenue¹³



Export Log Revenue by Country¹³



2015 Q1

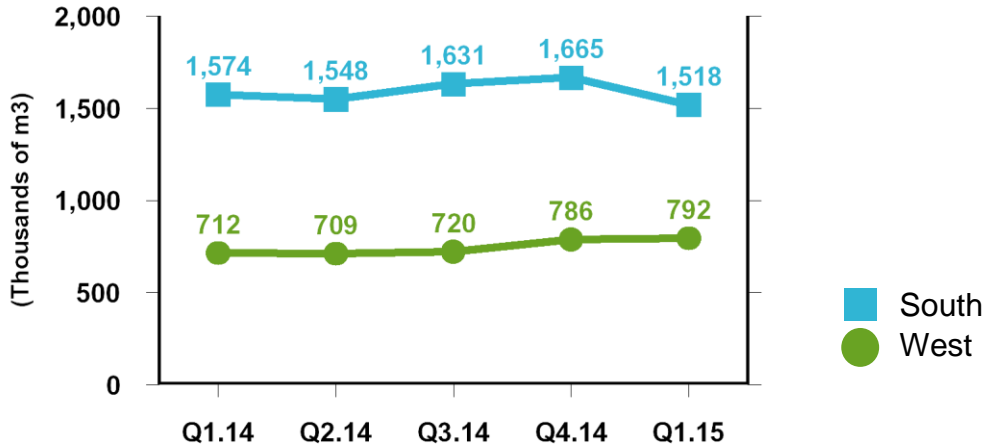
13. Export log revenues are net of freight expense, rebates and claims.



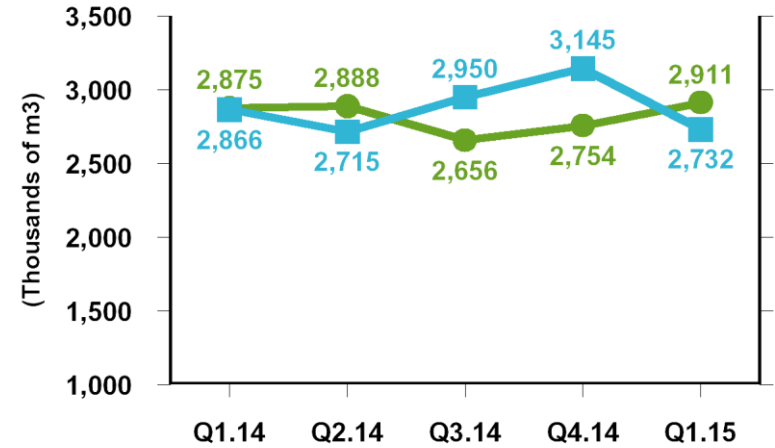
WESTERN/SOUTHERN TIMBERLANDS

Chart 5

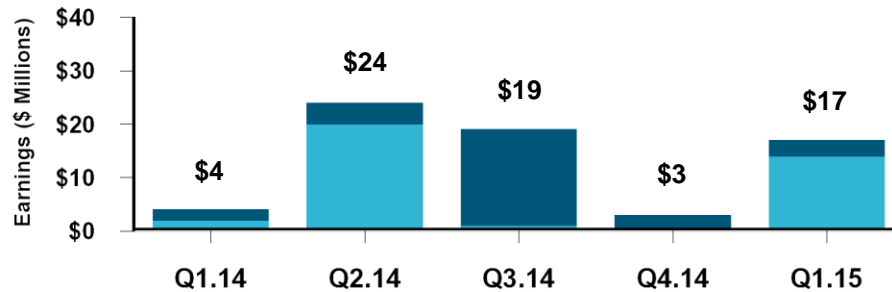
Intersegment Log Sales Volume



Fee Harvest Volume



Earnings from Timberland Dispositions



- HBU Sales, including Non-Strategic Timberlands
- Like Kind Exchange (IRC Section 1031)

	Q1.14	Q2.14	Q3.14	Q4.14	Q1.15
HBU Sales, including Non-Strategic Timberlands	\$2	\$4	\$18	\$3	\$3
Like Kind Exchange (IRC Section 1031)	\$2	\$20	\$1	\$—	\$14



WOOD PRODUCTS SEGMENT

Chart 6

WOOD PRODUCTS (\$ Millions)	2014	2015
EBITDA by Business	Q4	Q1
Lumber	\$ 65	\$ 65
OSB	7	4
Engineered Wood Products	14	26
Distribution	(1)	(3)
Other	1	(4)
Total Adjusted EBITDA¹⁴	\$ 86	\$ 88

1st Quarter Notes

- Improved cost efficiencies due to operational excellence
- Higher production volumes for engineered wood products
- Average sales realizations decreased across all product lines

WOOD PRODUCTS (\$ Millions)	2014	2015
Segment Statement of Operations	Q4	Q1
Third party sales	\$ 947	\$ 923
Intersegment sales	20	19
Total sales	967	942
Cost of products sold	855	829
Gross margin	112	113
SG&A expenses	56	50
Other expenses, net ¹⁵	—	1
Contribution to Earnings	\$ 56	\$ 62
Total Adjusted EBITDA	\$ 86	\$ 88
Gross Margin Percentage¹⁶	12%	12%
Operating Margin Percentage¹⁷	6%	7%

14. Adjusted EBITDAs for Wood Products businesses include earnings on internal sales, primarily from the manufacturing businesses to Distribution. These sales occur at market price. A reconciliation to GAAP is set forth on Chart 19.

15. Other expenses, net includes: R&D expense, charges for restructuring, closures and impairments; other operating income, net; interest income and other.

16. Gross margin divided by total sales.

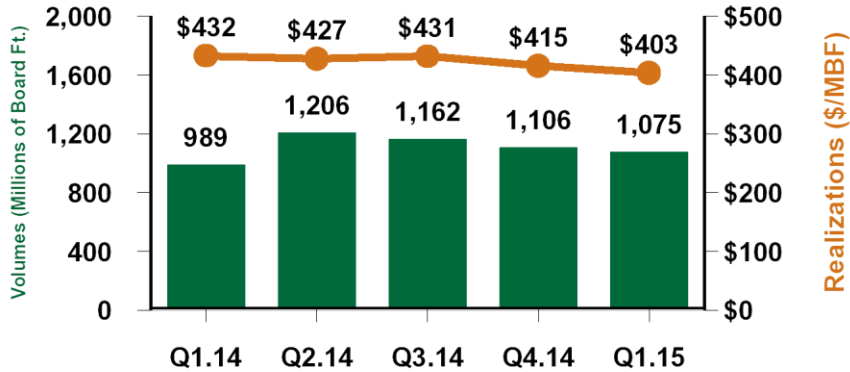
17. Contribution to earnings divided by total sales.



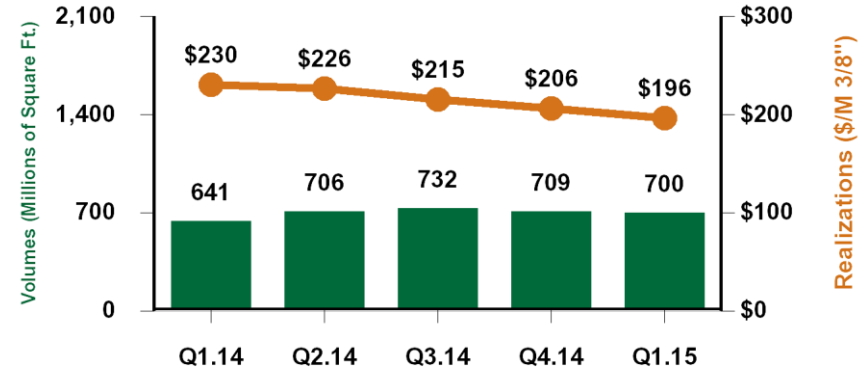
3RD-PARTY SALES VOLUMES AND REALIZATIONS¹⁸

Chart 7

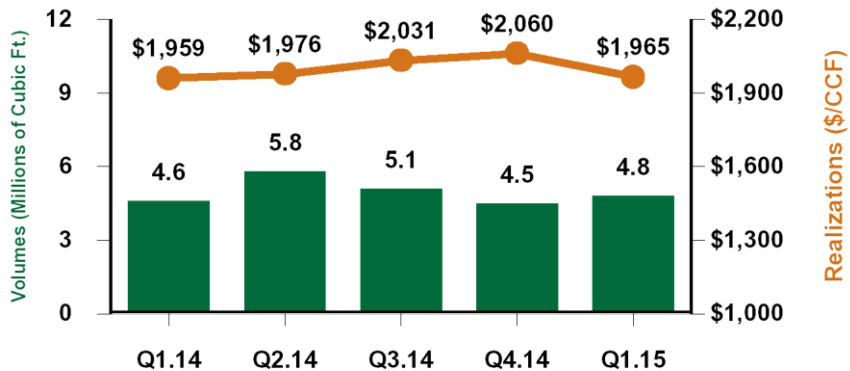
Lumber



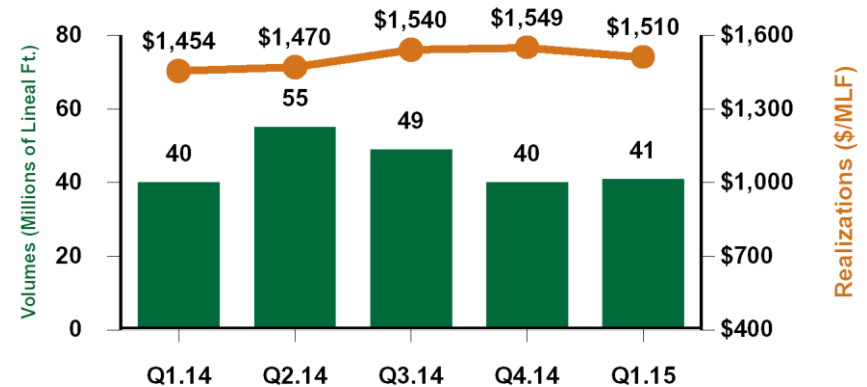
OSB



Engineered Wood - Solid Section



Engineered Wood - TJI's



18. Sales volumes include sales of internally produced products and products purchased for resale primarily through our distribution business.



CELLULOSE FIBERS SEGMENT

Chart 8

1st Quarter Notes

- Lower average pulp sales realizations and volumes
- Higher costs due to a scheduled maintenance outage
- Higher average liquid packaging realizations
- West Coast port disruptions resulted in a production curtailment in our liquid packaging operation and higher costs throughout the segment

CELLULOSE FIBERS (\$ Millions)	2014	2015
Segment Statement of Operations	Q4	Q1
Total Sales	\$ 482	\$ 447
Cost of products sold	379	394
Gross margin	103	53
SG&A expenses	22	20
Other income, net ¹⁹	(6)	—
Contribution to Earnings	\$ 87	\$ 33
Adjusted EBITDA²⁰	\$ 126	\$ 78
Gross Margin Percentage²¹	21%	12%
Operating Margin Percentage²²	18%	7%

19. Other income, net includes: R&D expense, charges for restructuring, closures and impairments; other operating income, net; interest income and other.

20. A reconciliation to GAAP is set forth on Chart 17.

21. Gross margin divided by total sales.

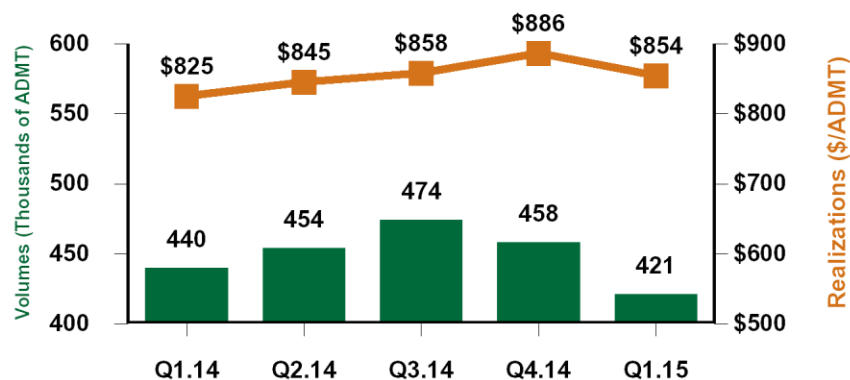
22. Contribution to earnings divided by total sales.



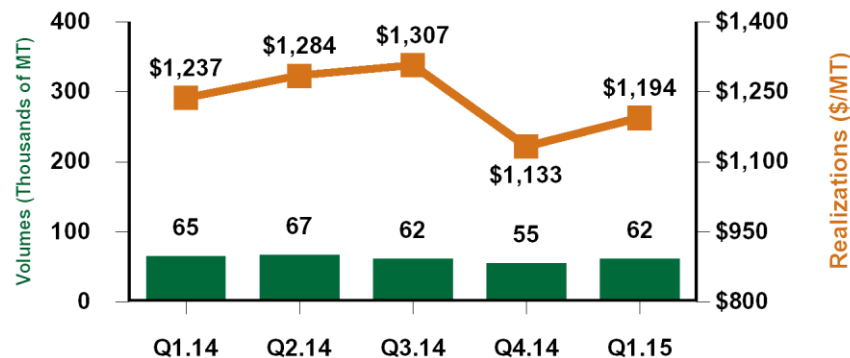
CELLULOSE FIBERS SEGMENT

Chart 9

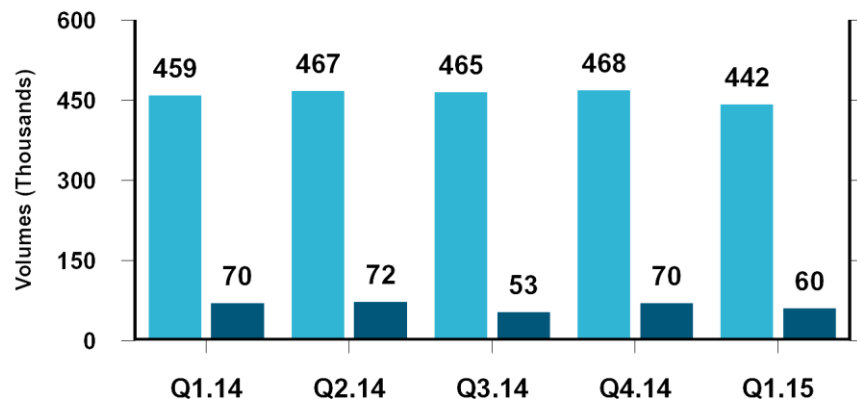
3rd-Party Sales Volumes and Realizations - Pulp



3rd-Party Sales Volumes and Realizations - Liquid Packaging²³

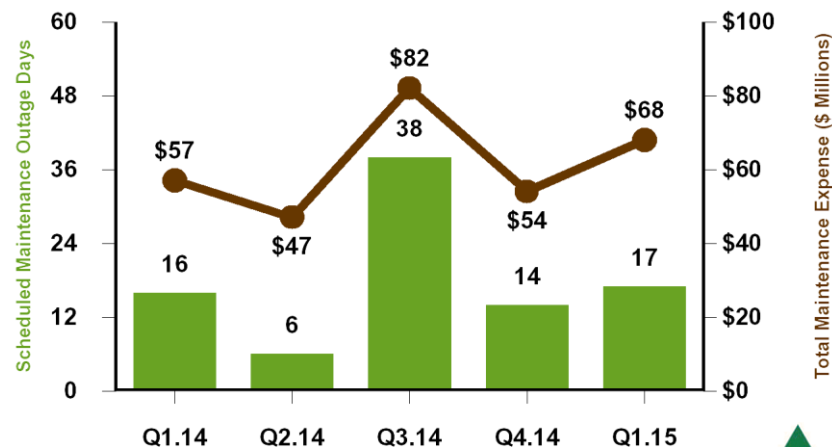


Production Volumes



■ Pulp (ADMT) ■ Liquid Packaging (metric tons)²³

Maintenance Expense and Scheduled Maintenance Outage Days²⁴



23. Beginning in first quarter 2015, liquid packaging volumes are reported in thousands of metric tons for all periods.

24. Includes expenses for annual maintenance outages and other maintenance costs. Third quarter 2014 includes maintenance and installation of capital equipment at the Longview liquid packaging board facility.



UNALLOCATED ITEMS²⁵

Chart 10

UNALLOCATED ITEMS (\$ Millions)	2014	2015
	Q4	Q1
Unallocated corporate function expenses	\$ (7)	\$ (9)
Unallocated share-based compensation	(7)	3
Unallocated pension & postretirement credits	12	3
Foreign exchange losses	(11)	(29)
Elimination of intersegment profit in inventory and LIFO	(2)	(12)
Other, including interest income	2	3
Contribution to Earnings Before Special Items	\$ (13)	\$ (41)
Special items, pre-tax	31	(13)
Contribution to Earnings	\$ 18	\$ (54)
Adjusted EBITDA	\$ (32)	\$ (48)

UNALLOCATED ITEMS (\$ Millions)	2014	2015
By Natural Expense	Q4	Q1
Credit to products sold ²⁶	\$ 12	\$ (6)
G&A expenses ²⁷	(15)	(9)
Other expense, net	(10)	(26)
Contribution to Earnings Before Special Items	\$ (13)	\$ (41)
Special items, pre-tax	31	(13)
Contribution to Earnings	\$ 18	\$ (54)

25. 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 outstanding borrowings; and the elimination of intersegment profit in inventory and the LIFO reserve.

26. Cost of products sold is comprised primarily of elimination of intersegment profit in inventory and LIFO, and unallocated pension credits.

27. G&A expense is comprised primarily of unallocated: share-based compensation; pension costs; and corporate function expenses.



FINANCIAL ITEMS

Chart 11

KEY FINANCIAL METRICS (\$ Millions)	2014 Q4	2015 Q1
Ending Cash Balance	\$ 1,580	\$ 1,158
Long-Term Debt	\$ 4,891	\$ 4,891
Gross Debt to Adjusted EBITDA (LTM) ²⁸	3.0	3.1
Net Debt to Enterprise Value ²⁹	15%	18%

Scheduled Debt Maturities as of March 31, 2015

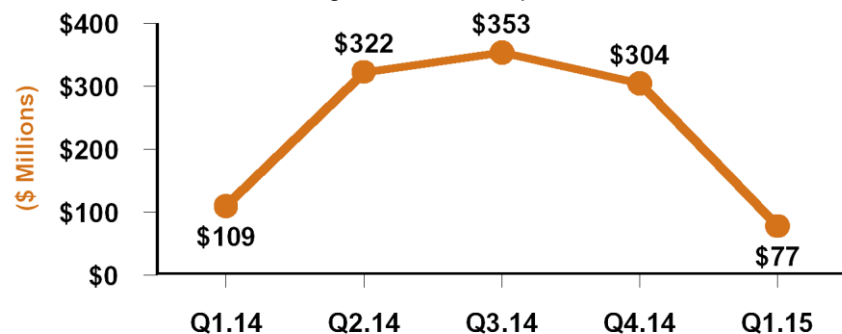
(\$ Millions)	2015	2016	2017	2018	2019
Debt Maturities	\$ —	\$ —	\$ 281	\$ 62	\$ 500

28. LTM = last twelve months. A reconciliation to GAAP is set forth on Chart 20.

29. Long-term debt, net of cash and equivalents, divided by enterprise value. Enterprise value is defined as long term debt, net of cash and equivalents, plus market capitalization.

Cash Flow from Operations

including discontinued operations

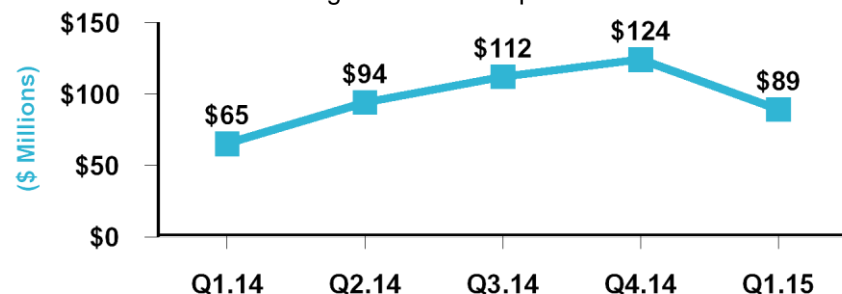


2014: \$1,088 million

2015 YTD: \$77 million

Capital Expenditures

including discontinued operations



2014: \$395 million

2015 YTD: \$89 million



SHARE REPURCHASE

Chart 12

- \$700 million repurchase program announced August 2014
- Completed 65 percent of total authorization through first quarter 2015

SHARE REPURCHASES (millions)	2014		2015	Cumulative
	3Q	4Q	1Q	Total
Common shares repurchased	3.9	2.2	7.3	13.4
Total repurchase of common stock	\$ 130	\$ 73	\$ 253	\$ 456
Percent of authorization completed, cumulative	19%	29%	65%	



OUTLOOK: 2015 Q2

Chart 13

SEGMENT	COMMENTS
TIMBERLANDS	<ul style="list-style-type: none">• Lower Western log realizations• Lower earnings from the disposition of nonstrategic timberlands• Expect 2015 Q2 earnings to be lower than 2015 Q1
WOOD PRODUCTS	<ul style="list-style-type: none">• Seasonally higher sales volumes across all product lines• Average sales realizations for lumber and oriented strand board comparable to the first quarter• Lower Western log costs and lower per unit manufacturing costs• Expect 2015 Q2 earnings to be significantly higher than 2015 Q1
CELLULOSE FIBERS	<ul style="list-style-type: none">• Lower average pulp sales realizations• Extended pulp mill outage for scheduled maintenance and capital improvements• Expect 2015 Q2 earnings to be lower than 2015 Q1



APPENDIX



PENSION AND POSTRETIREMENT COST

Chart 14

\$ Millions	2014				2015
	Q1	Q2	Q3	Q4	Q1
Net Pension and Postretirement Costs³⁰					
Timberlands	\$ 3	\$ 3	\$ 2	\$ 2	\$ 3
Wood Products	5	6	6	7	7
Cellulose Fibers	2	3	3	3	3
Unallocated Items	(10)	(11)	(12)	(12)	(3)
Total Company Pension and Postretirement Costs	\$ —	\$ 1	\$ (1)	\$ —	\$ 10

30. Net pension and postretirement cost (credit) excludes special items and discontinued operations, as well as the recognition of curtailments, settlements and special termination benefits due to closures, restructuring or divestitures.



EARNINGS SUMMARY

Chart 15

\$ Millions EXCEPT EPS	2014				2015
	Q1	Q2	Q3	Q4	Q1
Contribution to Earnings Before Special Items					
Timberlands	\$ 164	\$ 170	\$ 136	\$ 143	\$ 162
Wood Products	64	102	105	56	62
Cellulose Fibers	54	91	59	87	33
Unallocated Items	(14)	9	10	(13)	(41)
Total Contribution to Earnings before Special Items	\$ 268	\$ 372	\$ 310	\$ 273	\$ 216
Interest expense, net ³¹	(83)	(83)	(88)	(90)	(83)
Income taxes ³²	(31)	(44)	(33)	(27)	(23)
Dividends on preference shares ³³	(11)	(11)	(11)	(11)	(11)
Net Earnings from Continuing Operations to Common Shareholders Before Special Items	\$ 143	\$ 234	\$ 178	\$ 145	\$ 99
Earnings from discontinued operations, before special items, net of tax	10	22	966	—	—
Net Earnings before Special Items³⁴	\$ 153	\$ 256	\$ 1,144	\$ 145	\$ 99
Special items, after-tax	30	24	9	21	(9)
Net Earnings to Common Shareholders	\$ 183	\$ 280	\$ 1,153	\$ 166	\$ 90
Diluted EPS Before Special Items³⁴	\$ 0.26	\$ 0.44	\$ 2.13	\$ 0.27	\$ 0.19
Diluted EPS	\$ 0.31	\$ 0.47	\$ 2.15	\$ 0.31	\$ 0.17

31. Interest expense is net of capitalized interest and includes approximately \$7 million of expense on special purpose entity (SPE) notes for each quarter presented.

32. Income taxes attributable to special items are included in Special items, after-tax. An explanation is set forth on Chart 2.

33. During 2013 Q2, Weyerhaeuser issued 13.8 million mandatory convertible preference shares with a conversion date of July 1, 2016. These shares are currently antidilutive and are not included in the calculation of diluted EPS.

34. A reconciliation to GAAP Net Income is set forth at www.weyerhaeuser.com. A reconciliation to GAAP EPS is set forth on Chart 16.



EARNINGS PER SHARE RECONCILIATION

Chart 16

\$ Millions EXCEPT EPS	2014				2015
	Q1	Q2	Q3	Q4	Q1
Weighted Average Shares Outstanding, Diluted³⁵	589	590	536	529	527
Diluted EPS from Continuing Operations Before Special Items	\$ 0.24	\$ 0.40	\$ 0.33	\$ 0.27	\$ 0.19
Discontinued Operations	0.02	0.04	1.80	—	—
Diluted EPS Before Special Items	\$ 0.26	\$ 0.44	\$ 2.13	\$ 0.27	\$ 0.19
Special Items:					
Gain on postretirement plan amendment	0.05	0.04	0.03	0.05	—
Gain on sale of non-strategic asset	0.02	—	—	—	—
Restructuring, impairments, and other charges	(0.02)	(0.01)	(0.01)	(0.01)	(0.02)
Diluted EPS (GAAP)	\$ 0.31	\$ 0.47	\$ 2.15	\$ 0.31	\$ 0.17

35. During 2014 Q3, Weyerhaeuser retired approximately 59 million shares in conjunction with the divestiture of Weyerhaeuser Real Estate Company (WRECO), which was combined with TRI Pointe Homes, Inc. through a Reverse Morris Trust transaction on July 7, 2014.



EBITDA RECONCILIATION BY SEGMENT

Chart 17

\$ MILLIONS	2014 Q4					2015 Q1				
	Timberlands	Wood Products	Cellulose Fibers	Unallocated Items	Total	Timberlands	Wood Products	Cellulose Fibers	Unallocated Items	Total
Adjusted EBITDA³⁶	\$ 196	\$ 86	\$ 126	\$ (32)	\$ 376	\$ 215	\$ 88	\$ 78	\$ (48)	\$ 333
Depreciation, depletion & amortization	(53)	(30)	(39)	(3)	(125)	(53)	(26)	(39)	(5)	(123)
Non-operating pension & postretirement credits	—	—	—	12	12	—	—	—	3	3
Special items	—	—	—	31	31	—	—	—	(13)	(13)
Operating Income (Loss) (GAAP)	\$ 143	\$ 56	\$ 87	\$ 8	\$ 294	\$ 162	\$ 62	\$ 39	\$ (63)	\$ 200
Interest income and other	—	—	—	10	10	—	—	(6)	9	3
Net Contribution to Earnings	\$ 143	\$ 56	\$ 87	\$ 18	\$ 304	\$ 162	\$ 62	\$ 33	\$ (54)	\$ 203
Interest expense, net					(90)					(83)
Income taxes					(37)					(19)
Net Earnings (GAAP)					\$ 177					\$ 101
Dividend on preference shares					(11)					(11)
Net Earnings to Common Shareholders (GAAP)					\$ 166					\$ 90

36. 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, 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.



EBITDA RECONCILIATION - TIMBERLANDS

Chart 18

\$ MILLIONS	2014 Q4				2015 Q1			
	West	South	Other	Total	West	South	Other	Total
Adjusted EBITDA³⁶	\$ 131	\$ 63	\$ 2	\$ 196	\$ 139	\$ 72	\$ 4	\$ 215
Depreciation, depletion & amortization	(28)	(18)	(7)	(53)	(29)	(17)	(7)	(53)
Special items	—	—	—	—	—	—	—	—
Operating Income (GAAP)	\$ 103	\$ 45	\$ (5)	\$ 143	\$ 110	\$ 55	\$ (3)	\$ 162
Interest income and other	—	—	—	—	—	—	—	—
Net Contribution to Earnings (GAAP)	\$ 103	\$ 45	\$ (5)	\$ 143	\$ 110	\$ 55	\$ (3)	\$ 162

36. 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, 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.



EBITDA RECONCILIATION - WOOD PRODUCTS

Chart 19

\$ Millions	2014 Q4						2015 Q1					
	Lumber	OSB	EWP	Distribution	Other	Total	Lumber	OSB	EWP	Distribution	Other	Total
Adjusted EBITDA^{36, 37}	\$ 65	\$ 7	\$ 14	\$ (1)	\$ 1	\$ 86	\$ 65	\$ 4	\$ 26	\$ (3)	\$ (4)	\$ 88
Depreciation, depletion & amortization	(10)	(8)	(10)	(2)	—	(30)	(11)	(7)	(7)	(1)	—	(26)
Special items	—	—	—	—	—	—	—	—	—	—	—	—
Operating Income (GAAP)	\$ 55	\$ (1)	\$ 4	\$ (3)	\$ 1	\$ 56	\$ 54	\$ (3)	\$ 19	\$ (4)	\$ (4)	\$ 62
Interest income and other	—	—	—	—	—	—	—	—	—	—	—	—
Net Contribution to Earnings (GAAP)	\$ 55	\$ (1)	\$ 4	\$ (3)	\$ 1	\$ 56	\$ 54	\$ (3)	\$ 19	\$ (4)	\$ (4)	\$ 62

36. 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, 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.

37. Adjusted EBITDAs for Wood Products businesses include earnings on internal sales, primarily from the manufacturing businesses to Distribution. These sales occur at market price.



GROSS DEBT TO EBITDA RECONCILIATION

Chart 20

\$ MILLIONS	2014		2015	
		Q4		Q1
Gross Debt to Adjusted EBITDA (LTM)^{38, 39}		3.0		3.1
Long-Term Debt	\$	4,891	\$	4,891
Adjusted EBITDA (LTM)³⁹	\$	1,634	\$	1,595
Depreciation, depletion & amortization		(493)		(493)
Non-operating pension & postretirement costs		45		38
Special Items		134		72
Operating Income (LTM) (GAAP)	\$	1,320	\$	1,212
Interest income and other		37		31
Net Contribution to Earnings	\$	1,357	\$	1,243
Interest expense, net of capitalized interest		(344)		(344)
Income taxes		(185)		(154)
Net Earnings (LTM) (GAAP)	\$	828	\$	745
Earnings from discontinued operations, net of income taxes		998		988
Dividends on preference shares		(44)		(44)
Net Earnings to Common Shareholders (LTM) (GAAP)	\$	1,782	\$	1,689

38. LTM = last twelve months.

39. Gross debt to adjusted EBITDA is a non-GAAP measure that management uses to evaluate the performance of the company. Gross debt to adjusted EBITDA, as we define it, is long-term debt divided by the last twelve months of adjusted EBITDA. 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, 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. Gross debt to adjusted EBITDA should not be considered in isolation from and is not intended to represent an alternative to our GAAP results.

