

WEYERHAEUSER

EARNINGS RESULTS: 4th Quarter 2014

January 30, 2015



FORWARD-LOOKING STATEMENT

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 various assumptions and may not be accurate because of risks and uncertainties surrounding these assumptions. 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 presentation.

Some forward-looking statements discuss the company's plans, strategies 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 terms.

This presentation contains forward-looking statements regarding the company's expectations during the first quarter of 2015, including with respect to earnings, log realizations and demand, logging and road building costs, harvest volumes and dispositions of non-strategic timberlands in Timberlands, sales and production volumes across Wood Products product lines and realizations in lumber and oriented strand board, maintenance expenses, realizations in pulp and liquid packaging board and the effect of continuing West Coast port slowdowns on shipping volumes 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 under "Risk Factors" in the Company's annual report on Form 10-K and in the Company's other filings with the SEC.

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 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***



2014 CONSOLIDATED RESULTS

Chart 1

2014 Notes

- 22 percent increase in earnings from continuing operations before special items
- Completed divestiture of homebuilding business
- Increased common dividend by 32 percent
- Repurchased over \$200 million of common shares

1. Interest expense is net of capitalized interest and includes approximately \$29 million of expense on special purpose entity (SPE) notes for each year presented. 2013 excludes \$25 million of loss on early extinguishment of debt, shown in Special items, after-tax.
2. Income taxes attributable to special items and discontinued operations are included in Special items, after-tax and Earnings from discontinued operations, net of income taxes. An explanation is set forth on Chart 3.
3. A reconciliation to GAAP is set forth on Chart 17.

\$ Millions			
Consolidated Statement of Operations Before Special Items	2013	2014	Change
Timberlands	\$ 470	\$ 613	\$ 143
Wood Products	451	327	(124)
Cellulose Fibers	200	291	91
Unallocated Items	(66)	(8)	58
Total Contribution to Earnings Before Special Items	\$ 1,055	\$ 1,223	\$ 168
Interest expense, net ¹	(344)	(344)	
Income taxes ²	(116)	(135)	
Dividends on preference shares	(23)	(44)	
Net Earnings from Continuing Operations to Common Shareholders Before Special Items³	\$ 572	\$ 700	
Special items, after-tax	(104)	84	
Earnings from discontinued operations, net of income taxes ²	72	998	
Net Earnings to Common Shareholders	\$ 540	\$ 1,782	
Diluted EPS from Continuing Operations Before Special Items³	\$ 0.99	\$ 1.25	
Diluted EPS from Continuing Operations	\$ 0.82	\$ 1.40	
Diluted EPS	\$ 0.95	\$ 3.18	



2014 Q4 CONSOLIDATED RESULTS

Chart 2

\$ Millions	2014		Change
	2014 Q3	2014 Q4	
Contribution to Earnings Before Special Items			
Timberlands	\$ 136	\$ 143	\$ 7
Wood Products	105	56	(49)
Cellulose Fibers	59	87	28
Unallocated Items	10	(13)	(23)
Total Contribution to Earnings Before Special Items	\$ 310	\$ 273	\$ (37)
Adjusted EBITDA ¹	\$ 414	\$ 376	\$ (38)

\$ Millions EXCEPT EPS	2014	
	2014 Q3	2014 Q4
Consolidated Statement of Operations Before Special Items		
Net sales	\$ 1,915	\$ 1,788
Cost of products sold	1,504	1,399
Gross margin	411	389
SG&A expenses	101	118
Other income, net ²	—	(2)
Total Contribution to Earnings Before Special Items	\$ 310	\$ 273
Interest expense, net ³	(88)	(90)
Income taxes ⁴	(33)	(27)
Dividends on preference shares	(11)	(11)
Net Earnings from Continuing Operations to Common Shareholders Before Special Items⁵	\$ 178	\$ 145
Special items, after-tax ⁴	9	21
Earnings from discontinued operations, net of income taxes ⁴	966	—
Net Earnings to Common Shareholders	\$ 1,153	\$ 166
Diluted EPS from Continuing Operations Before Special Items⁵	\$ 0.33	\$ 0.27
Diluted EPS from Continuing Operations	\$ 0.35	\$ 0.31
Diluted EPS	\$ 2.15	\$ 0.31

1. A reconciliation to GAAP is set forth on Chart 18.
2. Other income, net includes: R&D expense, charges for restructuring, closures and impairments; other operating income, net; interest income and other; and net loss attributable to non-controlling interests. 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 and discontinued operations are included in Special items, after-tax and Earnings from discontinued operations, net of income taxes. An explanation is set forth on Chart 3.
5. A reconciliation to GAAP is set forth on Chart 3.



EARNINGS BEFORE SPECIAL ITEMS

Chart 3

\$ Millions EXCEPT EPS	2014 Q3			2014 Q4		
	Pre-Tax Earnings ¹	After-Tax Earnings	Diluted EPS	Pre-Tax Earnings ¹	After-Tax Earnings	Diluted EPS
Earnings From Continuing Operations Before Special Items	\$ 222	\$ 178	\$ 0.33	\$ 183	\$ 145	\$ 0.27
Special Items:						
Gain on postretirement plan amendment	23	15	0.03	38	25	0.05
Restructuring, impairments, and other charges	(8)	(6)	(0.01)	(7)	(4)	(0.01)
Total Special Items	15	9	0.02	31	21	0.04
Earnings from Discontinued Operations²	971	966	1.80	—	—	—
Earnings Including Special Items (GAAP)	\$ 1,208	\$ 1,153	\$ 2.15	\$ 214	\$ 166	\$ 0.31

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

2. Discontinued operations relate to Weyerhaeuser Real Estate Company (WRECO), which was combined with TRI Pointe Homes, Inc. (TRI Pointe) through a Reverse Morris Trust transaction on July 7, 2014. It was previously reported under the Real Estate segment and Unallocated Items. 2014 Q3 earnings of \$966 million relate primarily to the gain on the divestiture of WRECO.



TIMBERLANDS SEGMENT

Chart 4

4th Quarter Notes

- Higher Western fee harvest volumes and log realizations
- Higher fee harvest volumes and slightly higher realizations in the South
- Lower earnings from disposition of non-strategic timberlands

TIMBERLANDS (\$ Millions)	2014	2014
Segment Statement of Operations	Q3	Q4
Third party sales ²	\$ 358	\$ 348
Intersegment sales ²	141	150
Total Sales	499	498
Cost of products sold ²	348	336
Gross margin	151	162
SG&A expenses ²	24	25
Other income, net ^{2,3}	(9)	(6)
Contribution to Earnings	\$ 136	\$ 143
Adjusted EBITDA¹	\$ 187	\$ 196
Gross Margin Percentage⁴	30%	33%
Operating Margin Percentage⁵	27%	29%

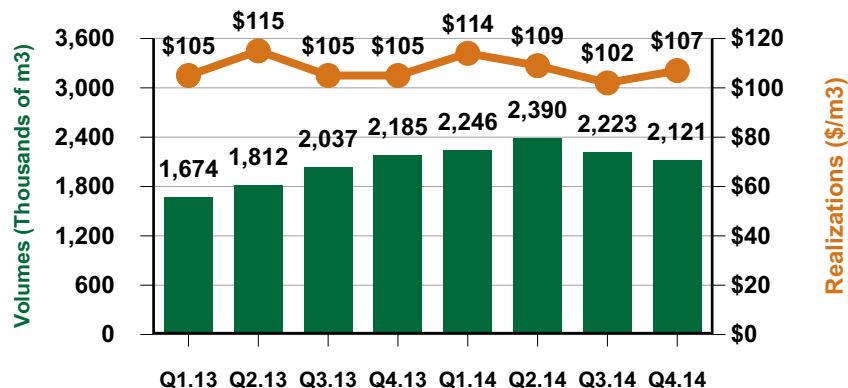
1. A reconciliation to GAAP is set forth on Chart 18.
2. 2014 Q4 excludes \$11 million of third party sales, \$75 million of intersegment sales, \$88 million in cost of products sold, \$1 million of SG&A and \$3 million of other income for Canadian Forestland operations, compared with \$6 million of third party sales, \$77 million of intersegment sales, \$84 million in cost of products sold, \$1 million of SG&A and \$2 million of other income in 2014 Q3.
3. Other income, net includes: R&D expense, charges for restructuring, closures and impairments; other operating income, net; interest income and other; and net loss attributable to non-controlling interests.
4. Gross margin divided by total sales excluding Canadian Forestlands operations. Timberlands makes no margin on Canadian Forestlands operations, which are operated as a cost center for the purpose of supplying Weyerhaeuser's Canadian manufacturing facilities.
5. Contribution to earnings divided by total sales excluding Canadian Forestlands operations.



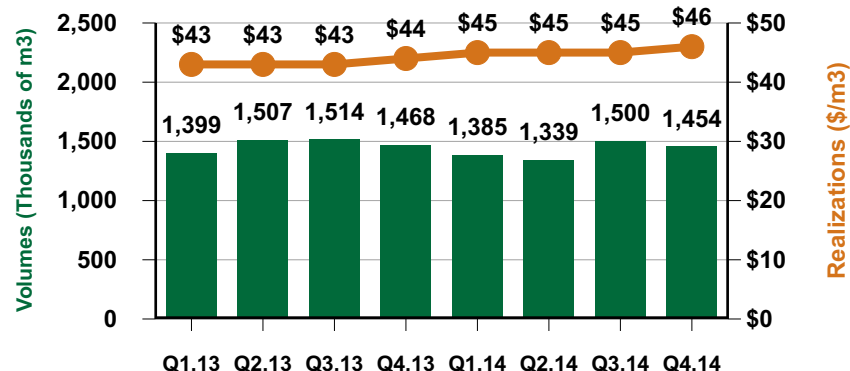
SALES VOLUMES AND REALIZATIONS

Chart 5

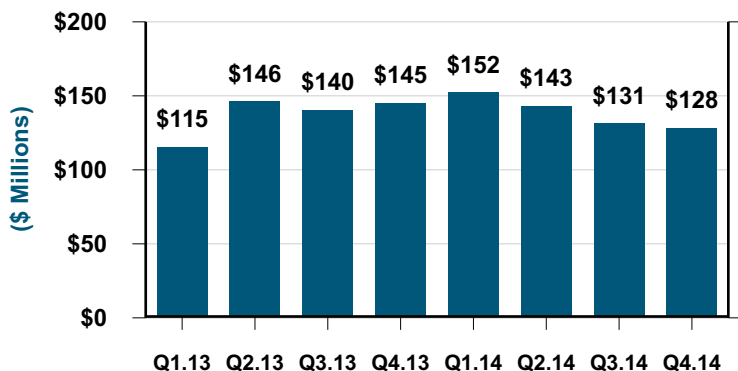
3rd-Party Log Sales and Realizations - West¹



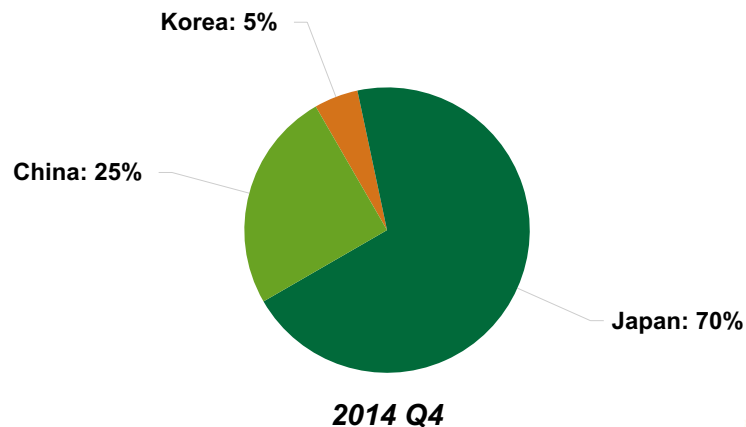
3rd-Party Log Sales and Realizations - South



Export Log Revenue^{1,2}



Export Log Revenue by Country^{1,2}



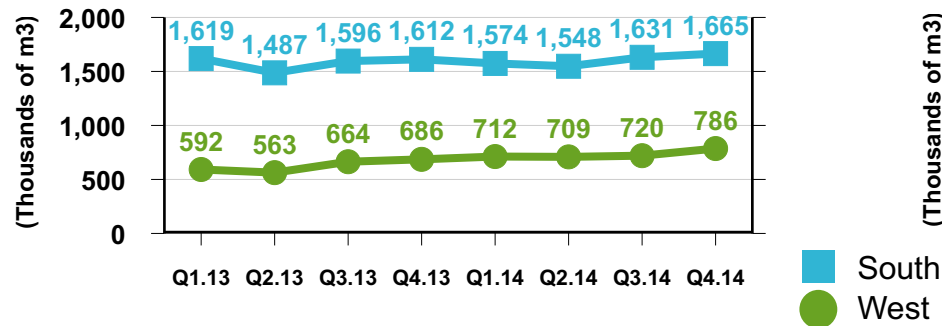
1. Beginning in 2013 Q3, Western log volumes and realizations include results from the Longview Timber acquisition.
 2. Export log revenues are net of freight expense, rebates and claims.



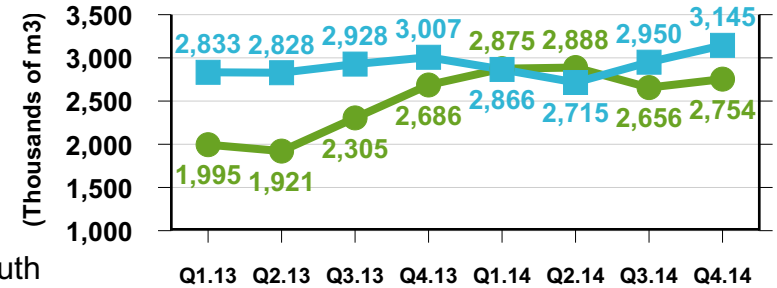
WESTERN/SOUTHERN TIMBERLANDS

Chart 6

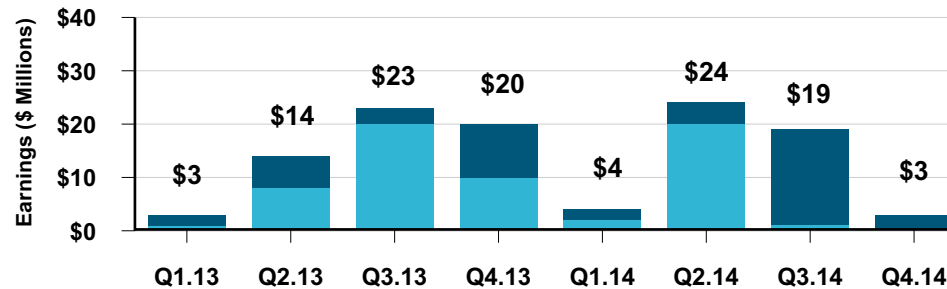
Intersegment Log Sales Volume¹



Fee Harvest Volume²



Earnings from Timberland Dispositions



	Q1.13	Q2.13	Q3.13	Q4.13	Q1.14	Q2.14	Q3.14	Q4.14
HBU Sales, including Non-Strategic Timberlands	\$2	\$6	\$3	\$10	\$2	\$4	\$18	\$3
Like Kind Exchange (IRC Section 1031)	\$1	\$8	\$20	\$10	\$2	\$20	\$1	\$—

1. Western volumes for 2013 Q3 and forward include results from the Longview Timber acquisition and have been restated to reflect sales from timberlands to other Weyerhaeuser business segments only.
2. Beginning in 2013 Q3, Western volumes include results from the Longview Timber acquisition. Western fee harvest for 2014 Q4 includes 979 thousand m3 from the Longview Timber acquisition, compared with 878 thousand m3 in 2014 Q3.



WOOD PRODUCTS SEGMENT

Chart 7

WOOD PRODUCTS (\$ Millions)	2014	2014
EBITDA by Business	Q3	Q4
Lumber	\$ 93	\$ 65
OSB	11	7
Engineered Wood Products	27	14
Distribution	5	(1)
Other	(1)	1
Total Adjusted EBITDA¹	\$ 135	\$ 86

4th Quarter Notes

- Sales volumes seasonally lower across all product lines
- Lower realizations in lumber and oriented strand board
- Per unit manufacturing costs rose across the business due to seasonally lower production volumes

WOOD PRODUCTS (\$ Millions)	2014	2014
Segment Statement of Operations	Q3	Q4
Third party sales	\$ 1,048	\$ 947
Intersegment sales	20	20
Total sales	1,068	967
Cost of products sold	910	855
Gross margin	158	112
SG&A expenses	53	56
Other expenses, net ²	—	—
Contribution to Earnings	\$ 105	\$ 56
Total Adjusted EBITDA¹	\$ 135	\$ 86
Gross Margin Percentage³	15%	12%
Operating Margin Percentage⁴	10%	6%

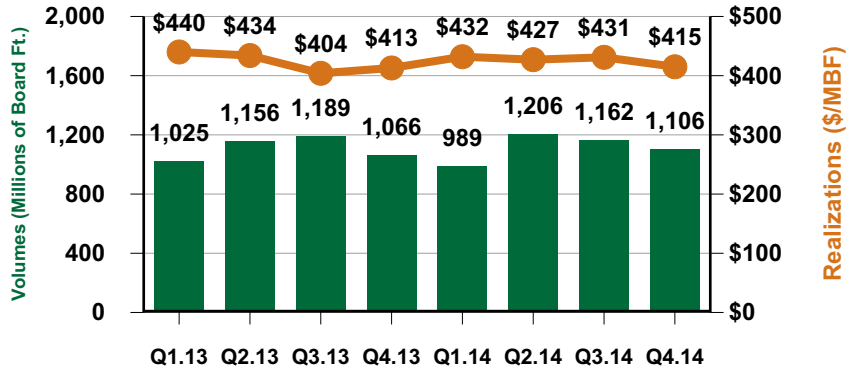
1. A reconciliation to GAAP is set forth on Chart 20. Adjusted EBITDAs for Wood Products businesses include earnings on internal sales, primarily from the manufacturing businesses to Distribution. These sales occur at market price.
2. Other expenses, net includes: R&D expense, charges for restructuring, closures and impairments; other operating income, net; interest income and other; and net loss attributable to non-controlling interests.
3. Gross margin divided by total sales.
4. Contribution to earnings before special items divided by total sales.



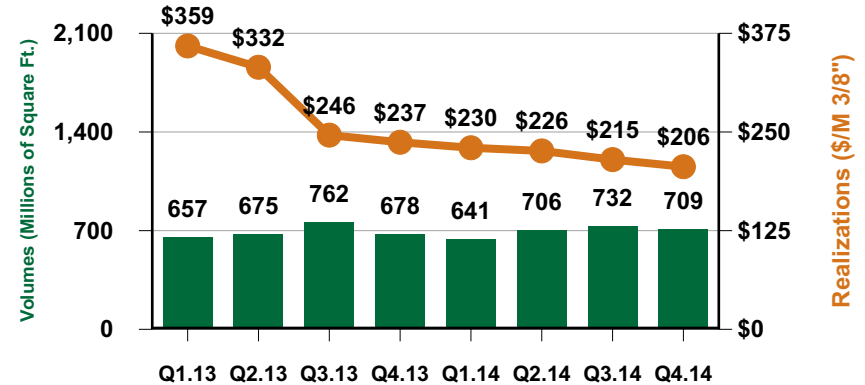
3RD-PARTY SALES VOLUMES AND REALIZATIONS¹

Chart 8

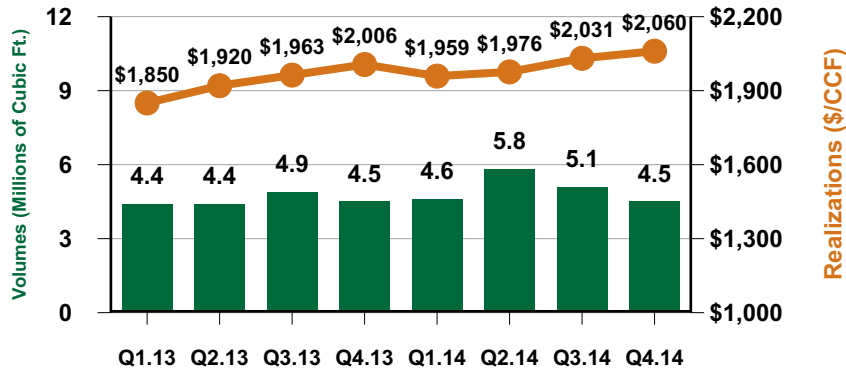
Lumber



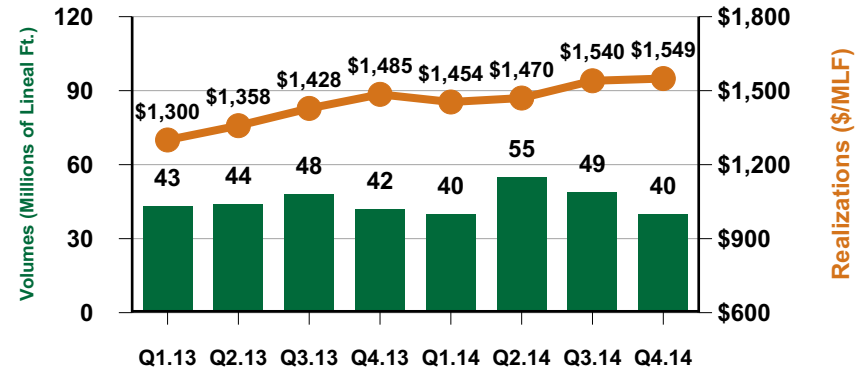
OSB



Engineered Wood - Solid Section



Engineered Wood - TJI's



1. Third party sales include sales of internally produced products and products purchased for resale, primarily through the Distribution business.



CELLULOSE FIBERS SEGMENT

Chart 9

4th Quarter Notes

- Higher pulp price realizations and slightly lower sales volumes
- Lower shipment volumes in liquid packaging board as a result of West Coast port slowdowns
- Lower maintenance costs and higher production following completion of an extended outage that occurred primarily in the third quarter

CELLULOSE FIBERS (\$ Millions)	2014	2014
Segment Statement of Operations	Q3	Q4
Total Sales	\$ 503	\$ 482
Cost of products sold	427	379
Gross margin	76	103
SG&A expenses	21	22
Other income, net ¹	(4)	(6)
Contribution to Earnings	\$ 59	\$ 87
Adjusted EBITDA²	\$ 99	\$ 126
Gross Margin Percentage³	15%	21%
Operating Margin Percentage⁴	12%	18%

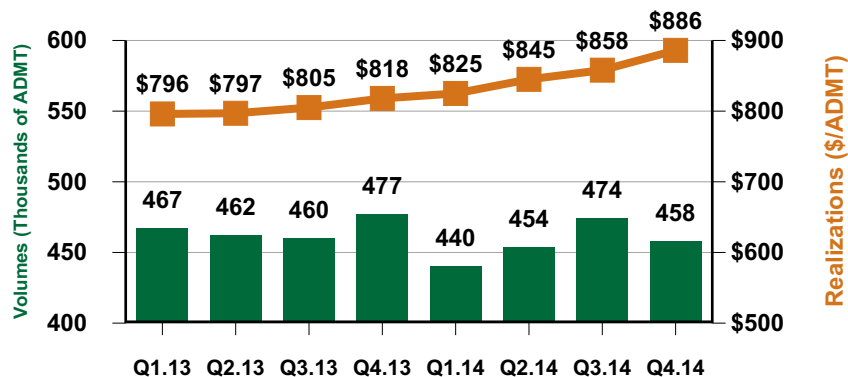
1. Other income, net includes: R&D expense, charges for restructuring, closures and impairments; other operating income, net; interest income and other; and net loss attributable to non-controlling interests.
2. A reconciliation to GAAP is set forth on Chart 18.
3. Gross margin divided by total sales.
4. Contribution to earnings divided by total sales.



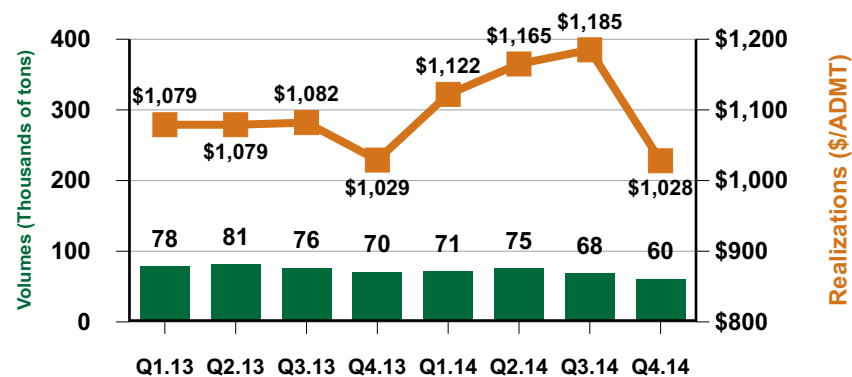
CELLULOSE FIBERS SEGMENT

Chart 10

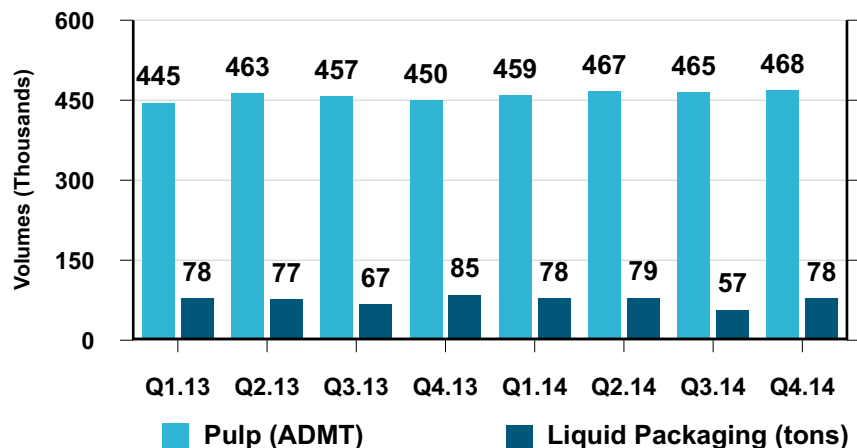
3rd-Party Sales Volumes and Realizations - Pulp



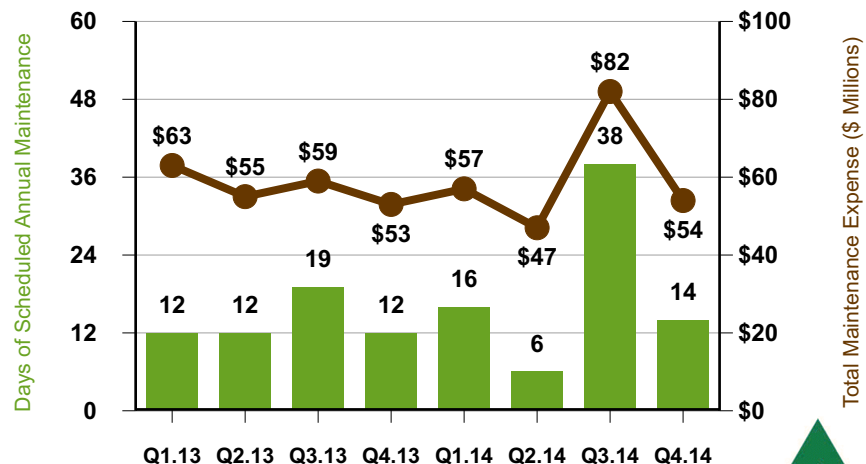
3rd-Party Sales Volumes and Realizations - Liquid Packaging



Production Volumes



Maintenance Expense and Scheduled Maintenance Outage Days¹



1. 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 ITEMS¹

Chart 11

UNALLOCATED ITEMS (\$ Millions)	2014	2014
	Q3	Q4
Unallocated corporate function expenses	\$ (3)	\$ (7)
Unallocated share-based compensation	1	(7)
Unallocated pension & postretirement credits	12	12
Foreign exchange gains (losses)	(14)	(11)
Elimination of intersegment profit in inventory and LIFO	12	(2)
Other, including interest income	2	2
Contribution to Earnings Before Special Items	\$ 10	\$ (13)
Special items, pre-tax	15	31
Contribution to Earnings	\$ 25	\$ 18
Adjusted EBITDA²	\$ (7)	\$ (32)

UNALLOCATED ITEMS (\$ Millions)	2014	2014
	Q3	Q4
By Natural Expense		
Credit to products sold ³	\$ 26	\$ 12
G&A expenses ⁴	(3)	(15)
Other income (expense), net	(13)	(10)
Contribution to Earnings Before Special Items	\$ 10	\$ (13)
Special items, pre-tax	15	31
Contribution to Earnings	\$ 25	\$ 18

1. 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.
2. A reconciliation to GAAP is set forth on Chart 18.
3. Cost of products sold is comprised primarily of elimination of intersegment profit in inventory and LIFO, and unallocated pension.
4. G&A expense is comprised primarily of unallocated: share-based compensation; pension and postretirement costs; and corporate function expenses.



OUTLOOK: 2015 Q1

Chart 12

SEGMENT	COMMENTS
TIMBERLANDS	<ul style="list-style-type: none">• Higher fee harvest volumes and realizations, and seasonally lower costs in the West• Lower fee harvest volumes in the South• Higher earnings from dispositions of non-strategic timberlands• Expect 2015 Q1 earnings to be significantly higher than 2014 4Q
WOOD PRODUCTS	<ul style="list-style-type: none">• Higher sales volumes across all product lines• Higher realizations for lumber and oriented strand board• Lower per unit manufacturing costs• Expect 2015 Q1 earnings to be significantly higher than 2014 4Q
CELLULOSE FIBERS	<ul style="list-style-type: none">• Lower pulp realizations and higher maintenance expense• Lower liquid packaging board shipment volumes due to West Coast port slowdown• Expect 2015 Q1 results to be significantly lower than 2014 4Q, but comparable to 2014 Q1



FINANCIAL ITEMS

Chart 13

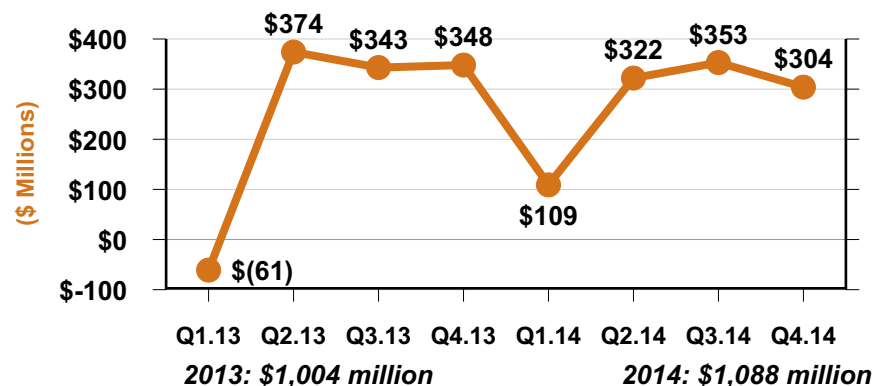
KEY FINANCIAL METRICS (\$ Millions)	2014 Q3	2014 Q4
Ending Cash Balance ¹	\$ 1,620	\$ 1,580
Long-Term Debt	\$ 4,891	\$ 4,891
Gross Debt to Adjusted EBITDA (LTM) ²	3.1	3.0
Net Debt to Enterprise Value ³	16%	15%

Scheduled Debt Maturities as of December 31, 2014

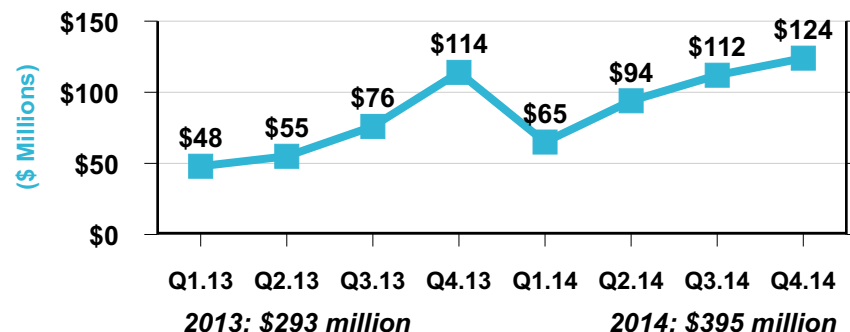
(\$ Millions)	2014	2015	2016	2017	2018
Debt Maturities	\$ —	\$ —	\$ —	\$ 281	\$ 62

1. Excludes discontinued operations.
2. LTM = last twelve months. A reconciliation to GAAP is set forth on Chart 21.
3. 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.
4. Includes discontinued operations.

Cash from Operations⁴



Capital Expenditures⁴



APPENDIX



PENSION AND POSTRETIREMENT EXPENSE

Chart 15

\$ Millions	2013				2014			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net Pension and Postretirement Costs¹								
Timberlands	\$ 2	\$ 3	\$ 2	\$ 3	\$ 3	\$ 3	\$ 2	\$ 2
Wood Products	7	6	8	7	5	6	6	7
Cellulose Fibers	4	5	5	4	2	3	3	3
Unallocated Items	10	10	11	9	(10)	(11)	(12)	(12)
Total Company Pension and Postretirement Costs	\$ 23	\$ 24	\$ 26	\$ 23	\$ —	\$ 1	\$ (1)	\$ —

1. 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 16

\$ Millions EXCEPT EPS	2013					2014				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Contribution to Earnings Before Special Items										
Timberlands	\$ 104	\$ 114	\$ 118	\$ 134	\$ 470	\$ 164	\$ 170	\$ 136	\$ 143	\$ 613
Wood Products	178	136	79	58	451	64	102	105	56	327
Cellulose Fibers	31	57	47	65	200	54	91	59	87	291
Unallocated Items	(50)	(6)	20	(30)	(66)	(14)	9	10	(13)	(8)
Total Contribution to Earnings before Special Items	\$ 263	\$ 301	\$ 264	\$ 227	\$1,055	\$ 268	\$ 372	\$ 310	\$ 273	\$1,223
Interest expense, net ¹	(82)	(80)	(94)	(88)	(344)	(83)	(83)	(88)	(90)	(344)
Income taxes ²	(39)	(36)	(24)	(17)	(116)	(31)	(44)	(33)	(27)	(135)
Dividends on preference shares ³	—	(2)	(10)	(11)	(23)	(11)	(11)	(11)	(11)	(44)
Net Earnings from Continuing Operations to Common Shareholders Before Special Items	\$ 142	\$ 183	\$ 136	\$ 111	\$ 572	\$ 143	\$ 234	\$ 178	\$ 145	\$ 700
Earnings from discontinued operations, before special items, net of tax	2	13	21	36	72	10	22	966	—	998
Net Earnings before Special Items ⁴	\$ 144	\$ 196	\$ 157	\$ 147	\$ 644	\$ 153	\$ 256	\$1,144	\$ 145	\$1,698
Special items, after-tax	—	—	—	(104)	(104)	30	24	9	21	84
Net Earnings to Common Shareholders	\$ 144	\$ 196	\$ 157	\$ 43	\$ 540	\$ 183	\$ 280	\$1,153	\$ 166	\$1,782
Diluted EPS Before Special Items ^{3,4}	\$ 0.26	\$ 0.35	\$ 0.27	\$ 0.25	\$ 1.12	\$ 0.26	\$ 0.44	\$ 2.13	\$ 0.27	\$ 3.03
Diluted EPS ³	\$ 0.26	\$ 0.35	\$ 0.27	\$ 0.07	\$ 0.95	\$ 0.31	\$ 0.47	\$ 2.15	\$ 0.31	\$ 3.18

1. Interest expense is net of capitalized interest and includes approximately \$7 million of expense on special purpose entity (SPE) notes for each quarter presented. 2013 Q4 excludes a \$25 million pre-tax loss on extinguishment of debt, which is reported as part of special items.

2. Income taxes attributable to special items are included in Special items, after-tax. An explanation is set forth on Chart 3.

3. 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.

4. A reconciliation to GAAP Net Income is set forth at www.weyerhaeuser.com. A reconciliation to GAAP EPS is set forth on Chart 17.



EARNINGS PER SHARE RECONCILIATION

Chart 17

\$ Millions EXCEPT EPS	2013					2014				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Weighted Average Shares Outstanding, Diluted^{1,2}	551	558	587	589	571	589	590	536	529	561
Diluted EPS from Continuing Operations Before Special Items	\$ 0.26	\$ 0.33	\$ 0.23	\$ 0.19	\$ 0.99	\$ 0.24	\$ 0.40	\$ 0.33	\$ 0.27	\$ 1.25
Discontinued Operations	—	0.02	0.04	0.06	0.13	0.02	0.04	1.80	—	1.78
Diluted EPS Before Special Items	\$ 0.26	\$ 0.35	\$ 0.27	\$ 0.25	\$ 1.12	\$ 0.26	\$ 0.44	\$ 2.13	\$ 0.27	\$ 3.03
Special Items:										
Gain on postretirement plan amendment	—	—	—	—	—	0.05	0.04	0.03	0.05	0.18
Gain on sale of non-strategic asset	—	—	—	—	—	0.02	—	—	—	0.02
Restructuring, impairments, and other charges	—	—	—	(0.42)	(0.42)	(0.02)	(0.01)	(0.01)	(0.01)	(0.05)
Tax adjustments	—	—	—	0.29	0.30	—	—	—	—	—
Loss on early extinguishment of debt	—	—	—	(0.05)	(0.05)	—	—	—	—	—
Diluted EPS (GAAP)	\$ 0.26	\$ 0.35	\$ 0.27	\$ 0.07	\$ 0.95	\$ 0.31	\$ 0.47	\$ 2.15	\$ 0.31	\$ 3.18

1. During 2013 Q2, Weyerhaeuser issued 29 million common shares in conjunction with the acquisition of Longview Timber LLC. The company also issued 13.8 million mandatory convertible preference shares with a conversion date of July 1, 2016. During 2013 Q3, the company issued an additional 4.35 million common shares in connection with the exercise of an overallotment option. The mandatory convertible preference shares are currently antidilutive and are not included in the calculation of diluted EPS.
2. 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. During the third and fourth quarters of 2014, Weyerhaeuser repurchased approximately 6 million common shares.



EBITDA RECONCILIATION BY SEGMENT

Chart 18

\$ MILLIONS	2014 Q3					2014 Q4				
	Timberlands	Wood Products	Cellulose Fibers	Unallocated Items	Total	Timberlands	Wood Products	Cellulose Fibers	Unallocated Items	Total
Adjusted EBITDA¹	\$ 187	\$ 135	\$ 99	\$ (7)	\$ 414	\$ 196	\$ 86	\$ 126	\$ (32)	\$ 376
Depletion, depreciation & amortization	(51)	(30)	(39)	(3)	(123)	(53)	(30)	(39)	(3)	(125)
Non-operating pension & postretirement credits	—	—	—	12	12	—	—	—	12	12
Special items	—	—	—	15	15	—	—	—	31	31
Operating Income (GAAP)	\$ 136	\$ 105	\$ 60	\$ 17	\$ 318	\$ 143	\$ 56	\$ 87	\$ 8	\$ 294
Interest income and other	—	—	(1)	8	7	—	—	—	10	10
Net Contribution to Earnings	\$ 136	\$ 105	\$ 59	\$ 25	\$ 325	\$ 143	\$ 56	\$ 87	\$ 18	\$ 304
Interest expense, net					(88)					(90)
Income taxes					(39)					(37)
Earnings from discontinued operations, net of tax					966					—
Net Earnings (GAAP)					\$1,164					\$ 177
Dividend on preference shares					(11)					(11)
Net Earnings to Common Shareholders (GAAP)					\$1,153					\$ 166

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, 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 19

\$ MILLIONS	2014 Q3			2014 Q4		
	Legacy Timberlands	Longview Timber acquisition	Total	Legacy Timberlands	Longview Timber acquisition	Total
Adjusted EBITDA¹	\$ 151	\$ 36	\$ 187	\$ 152	\$ 44	\$ 196
Depletion, depreciation & amortization	(37)	(14)	(51)	(37)	(16)	(53)
Special items	—	—	—	—	—	—
Operating Income (GAAP)	\$ 114	\$ 22	\$ 136	\$ 115	\$ 28	\$ 143
Interest income and other	—	—	—	—	—	—
Net Contribution to Earnings (GAAP)	\$ 114	\$ 22	\$ 136	\$ 115	\$ 28	\$ 143

- 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 20

\$ Millions	2014 Q3						2014 Q4					
	Lumber	OSB	ELP	Distribution	Other	Total	Lumber	OSB	ELP	Distribution	Other	Total
Adjusted EBITDA¹	\$ 93	\$ 11	\$ 27	\$ 5	\$ (1)	\$ 135	\$ 65	\$ 7	\$ 14	\$ (1)	\$ 1	\$ 86
Depletion, depreciation & amortization	(11)	(7)	(10)	(2)	—	(30)	(10)	(8)	(10)	(2)	—	(30)
Special items	—	—	—	—	—	—	—	—	—	—	—	—
Operating Income (GAAP)	\$ 82	\$ 4	\$ 17	\$ 3	\$ (1)	\$ 105	\$ 55	\$ (1)	\$ 4	\$ (3)	\$ 1	\$ 56
Interest income and other	—	—	—	—	—	—	—	—	—	—	—	—
Net Contribution to Earnings (GAAP)	\$ 82	\$ 4	\$ 17	\$ 3	\$ (1)	\$ 105	\$ 55	\$ (1)	\$ 4	\$ (3)	\$ 1	\$ 56

- 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.



GROSS DEBT TO EBITDA RECONCILIATION

Chart 21

\$ MILLIONS	2014	
	Q3	Q4
Gross Debt to Adjusted EBITDA (LTM)^{1,2}	3.1	3.0
Long-Term Debt	\$ 4,891	\$ 4,891
Adjusted EBITDA (LTM)¹	\$ 1,603	\$ 1,634
Depletion, depreciation & amortization	(493)	(493)
Non-operating pension & postretirement costs	24	45
Special Items	(263)	134
Operating Income (LTM) (GAAP)	\$ 871	\$ 1,320
Interest income and other	43	37
Net Contribution to Earnings	\$ 914	\$ 1,357
Interest expense, net of capitalized interest	(367)	(344)
Income taxes	122	(185)
Net Earnings from Continuing Operations (LTM) (GAAP)	\$ 669	\$ 828
Earnings from discontinued operations, net of income taxes	1,034	998
Dividends on preference shares	(44)	(44)
Net Earnings to Common Shareholders (LTM) (GAAP)	\$ 1,659	\$ 1,782

1. LTM = last twelve months.
2. 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.

