

WEYERHAEUSER

Growing a Truly Great Company

INVESTOR MEETING

December 9, 2014 | New York, NY



FORWARD-LOOKING STATEMENTS AND NON-GAAP FINANCIAL MEASURES

This presentation contains statements that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, without limitation, with respect to future prospects, business strategies, benefits and impacts of the Longview Timber LLC acquisition and the disposition of Weyerhaeuser Real Estate Company (including cost savings and operational and other synergies), revenues, earnings, cash flow, taxes, funds available for distribution, pricing, production, supply, dividend levels, share repurchases, business priorities, performance, cost reductions and other initiatives (including operational excellence and SG&A targets), demand drivers and levels, margins, growth, housing markets, capital structure, credit ratings, capital expenditures, cash position, debt levels, and harvests and export markets. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. We may use words such as “anticipate,” “believe,” “could,” “forecast,” “estimate,” “outlook,” “goal,” “will,” “plan,” “expect,” “target,” “plan,” “would” and similar terms and phrases, or we may refer to assumptions, to identify forward-looking statements. Forward-looking statements are made based on management’s current expectations and assumptions concerning future events. These are inherently subject to uncertainties and factors relating to our operations and business environment that are difficult to predict and often beyond the company’s control. Many factors could cause actual results to differ materially from those expressed or implied in these forward-looking statements, including, without limitation, the effect of general economic conditions, including employment rates, housing starts, interest rate levels, availability of financing for home mortgages, strength of the U.S. dollar, market demand for our products, which is related to the strength of the various U.S. business segments and U.S. and international economic conditions, domestic and foreign competition, the successful execution of our 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 market price of our common stock on charges for share-based compensation, changes in accounting principles, and the other risk factors described in filings we make with the SEC, including in our annual report on Form 10-K for the year ended December 31, 2013 and our subsequent quarterly reports on Form 10-Q. There is no guarantee that any of the anticipated events or results will occur or, if they occur, what effect they will have on the company’s operations or financial condition. The forward-looking statements contained herein apply only as of the date of this presentation and we do not undertake any obligation to update these forward-looking statements. Nothing on our website is included or incorporated by reference herein.

Included in this presentation are certain non-GAAP financial measures which management believes complement the financial information presented in accordance with U.S. generally accepted accounting principles. Management believes such measures are useful to investors. Our non-GAAP financial measures may not be comparable to similarly titled captions of other companies due to potential inconsistencies in the metrics of calculation. For a reconciliation of non-GAAP measures to GAAP measures see the appendices to this presentation.



OUR VISION

Working together to grow a truly great company for our shareholders, customers and employees

HOW WE WIN



› CHASE PERFECTION... CATCH EXCELLENCE



DRIVING VALUE FOR SHAREHOLDERS

▶ LEVERS

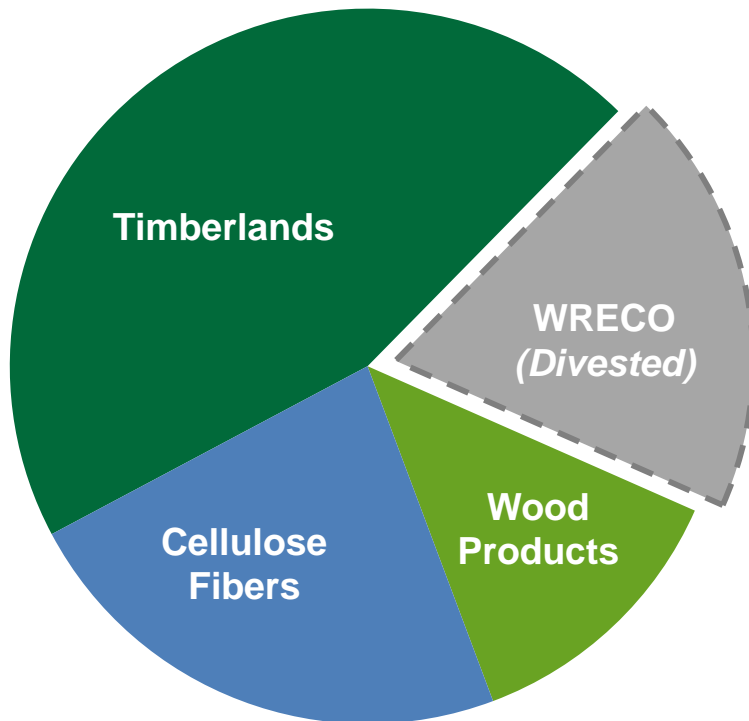
- Portfolio
- Performance: Operational Excellence
- Capital Allocation

Growing a Truly Great Company



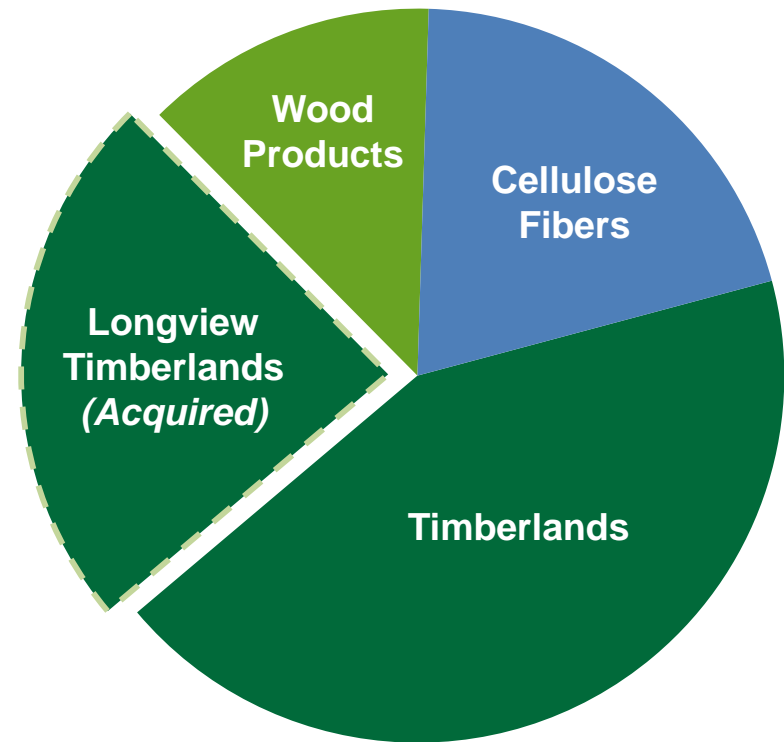
FOCUSED PORTFOLIO

BEFORE



Total Assets \$10.4B
542 MM common shares
Year End 2012

AFTER



Total Assets \$11.0B
525 MM common shares*
2014 Q3



PORTFOLIO

Supports a growing and sustainable dividend

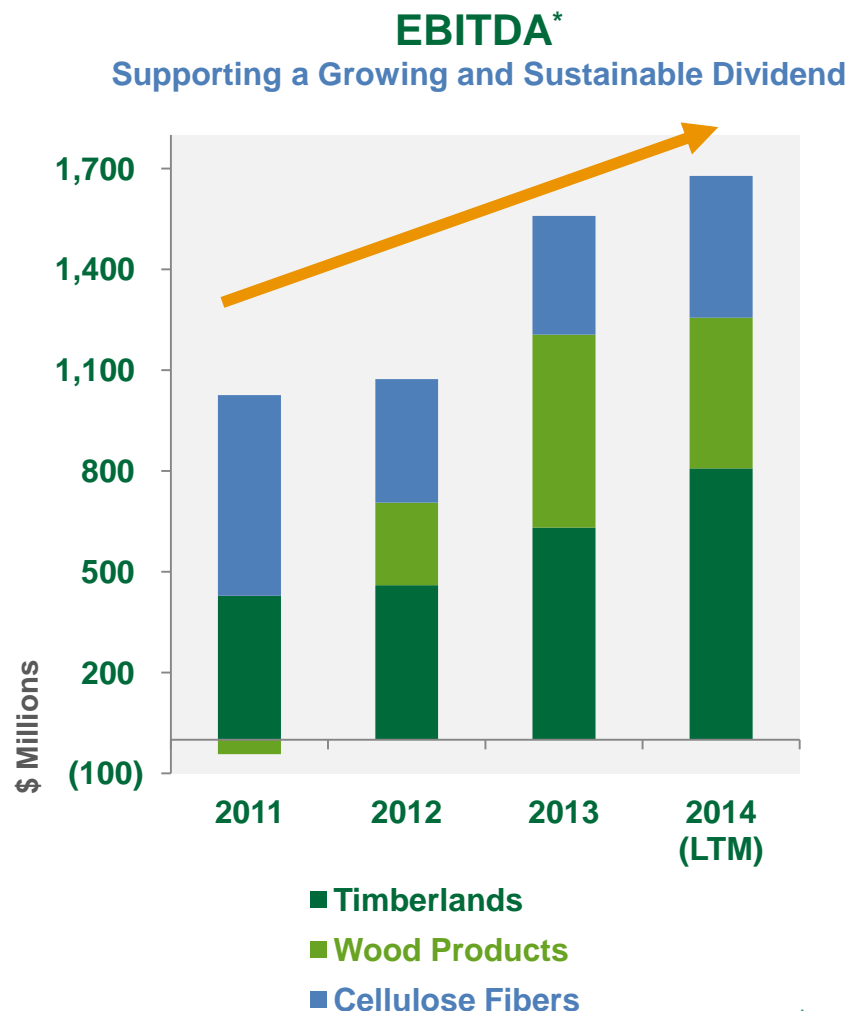
▶ **TIMBERLANDS**

Strong, productive asset base

▶ **COMPLEMENTARY MANUFACTURING OPERATIONS**

Enhance timberlands cash flow

- Well-positioned businesses with improving cost structures
- Wood Products: Strong upside from US housing
- Cellulose Fibers: Strong cash flow and growing demand from global markets



PERFORMANCE: Achieved 2014 Targets

▶ ONE-YEAR TARGETS

- Longview Timber Synergies
Expect \$20+ million ✓
- SG&A Reductions
Expect \$75 million ✓
- ELP Turnaround
Expect \$30-40 million ✓
- Distribution Turnaround
Expect \$30-40 million ✓

▶ MULTI-YEAR TARGETS

- Timberlands: \$50-70 million
Expect \$15-20 million in 2014 ✓
- Lumber: \$100 million
Expect \$30 million in 2014 ✓
- OSB: \$60 million
Expect \$10 million in 2014 ✓
- Cellulose Fibers: \$100 million
Expect \$25-30 million in 2014 ✓

Focused on Operational Excellence



CAPITAL ALLOCATION: KEY ACTIONS

DIVIDEND

GROWTH
IN 2014

32%



SHARE REPURCHASE

\$700 MILLION APPROVED

\$130 MILLION

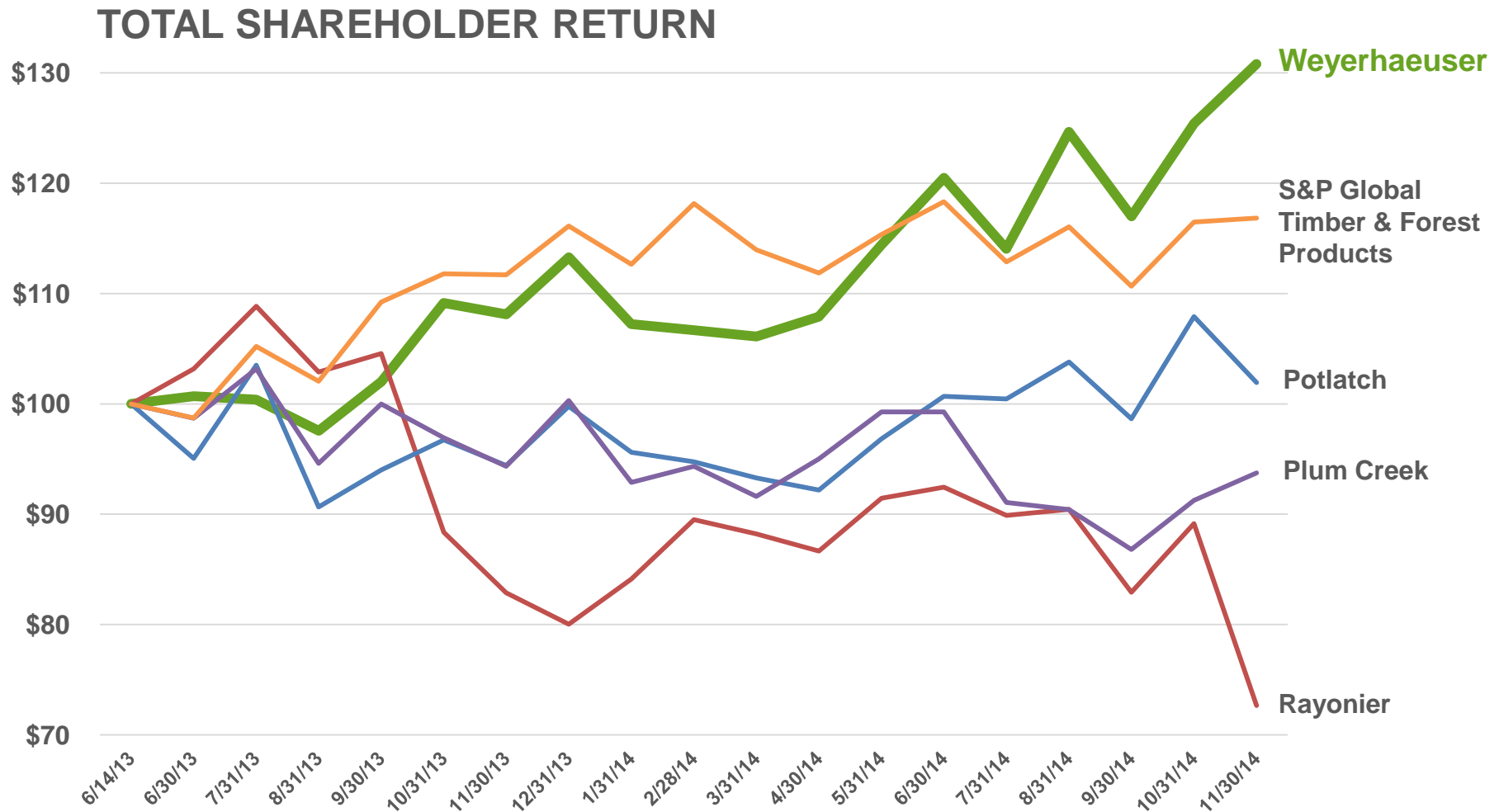
REPURCHASED AUG-SEPT 2014



Returning cash to shareholders



PERFORMANCE: Creating shareholder value



TIMBERLANDS

Rhonda Hunter

Senior Vice President, Timberlands



TIMBERLANDS: Ownership

▶ PACIFIC NORTHWEST

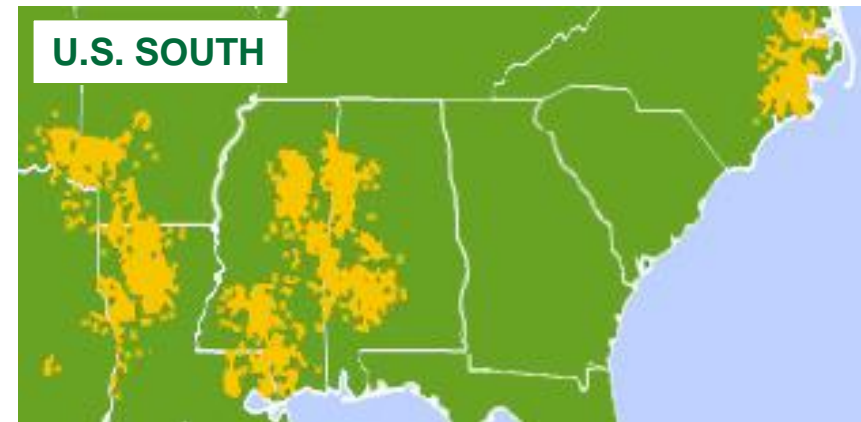
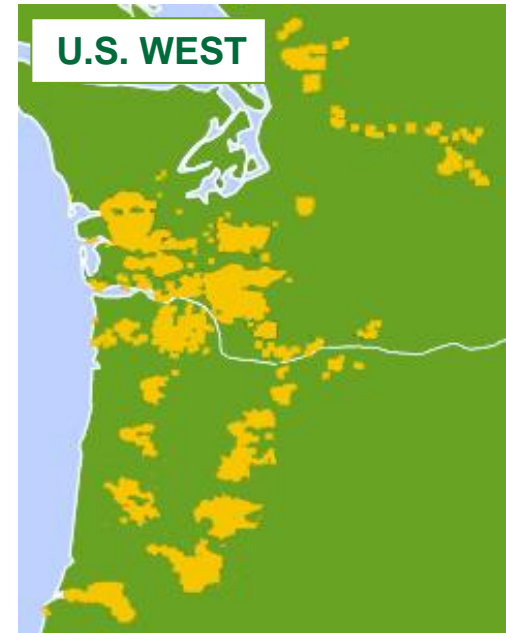
- Largest timberland holder in region
- 2.6 million acres west of Cascade mountains
- Douglas fir domestic and export value

▶ U.S. SOUTH

- More than four million acres
- Primarily Southern yellow pine

▶ URUGUAY

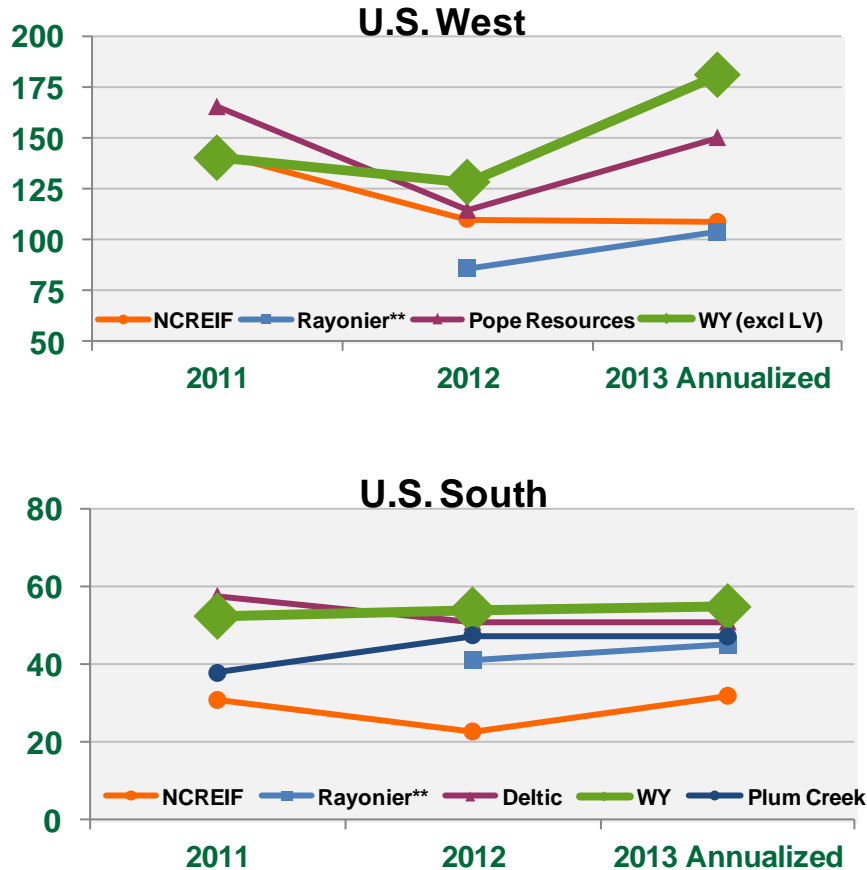
- More than 300,000 acres
- Loblolly pine and eucalyptus



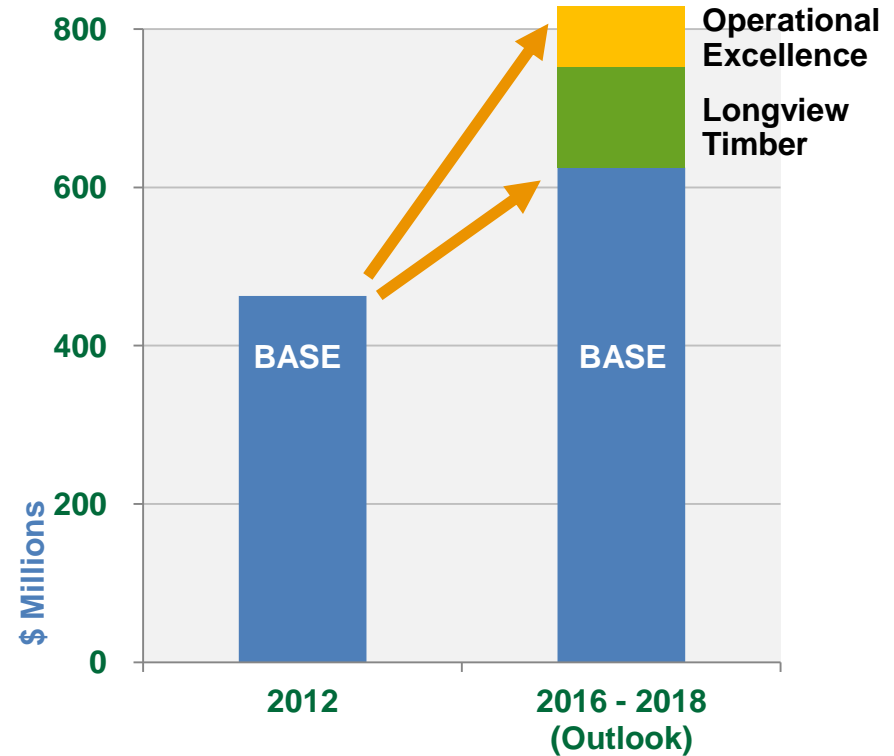
Scale, Expertise and Geographic Diversity Create Competitive Advantage

TIMBERLANDS: OPX Target Set in 2013

EBITDA* / ACRE OWNED



TIMBERLANDS EBITDA*



Source for competitor data: public SEC filings, National Council of Real Estate Investment Fiduciaries (NCREIF).

*See appendix for reconciliation to GAAP amounts.

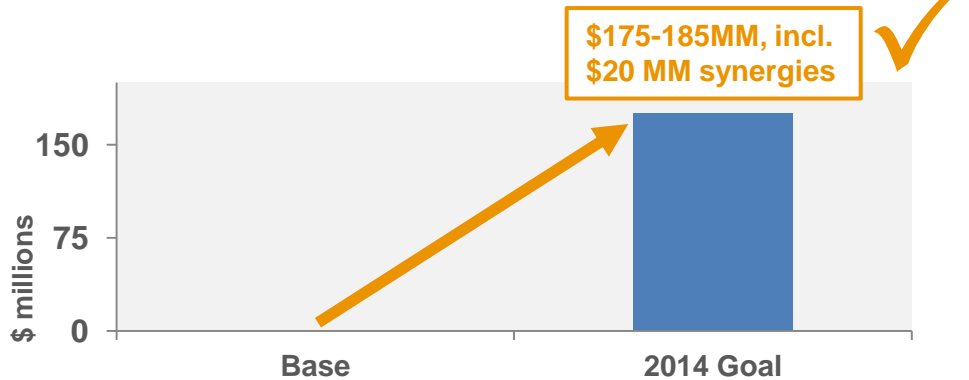
**Data for Rayonier as reported during 2014 Q3. 2011 data unavailable.



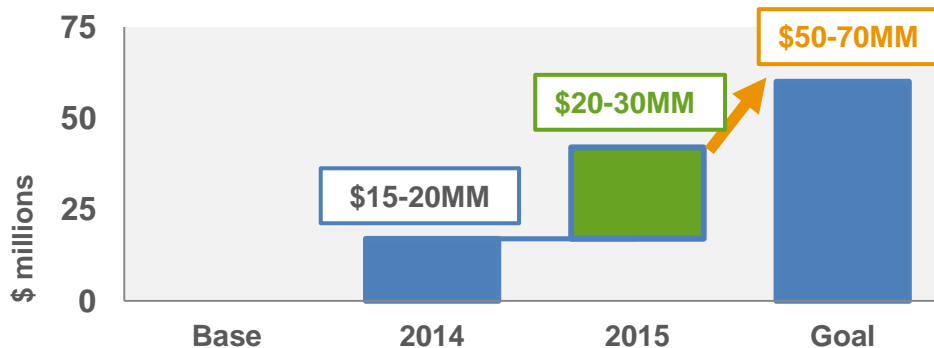
TIMBERLANDS: OPX Performance

OPERATIONAL EXCELLENCE

Longview Timber EBITDA & Synergies



Operational Excellence EBITDA



▶ 2014 INITIATIVES

- Merchandising and marketing wood for value
- Silviculture prescriptions and treatment costs
- Harvesting and transportation efficiencies
- Harvest flex to seasonal and short-term market opportunities

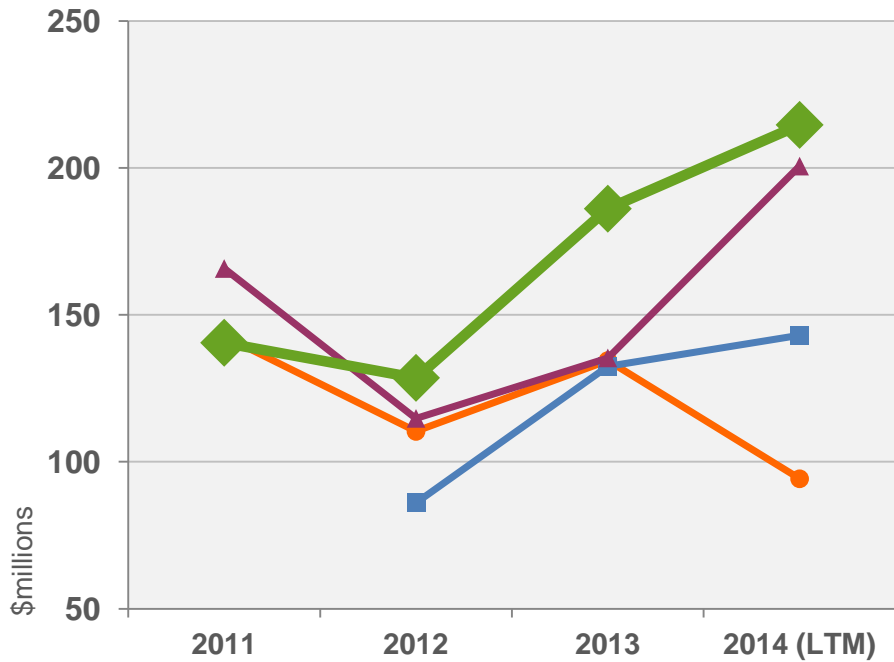
▶ 2015 INITIATIVES

- Continue focus on marketing and merchandising
- Continue focus on high-leverage cost activities
- Non-timber revenue improvement



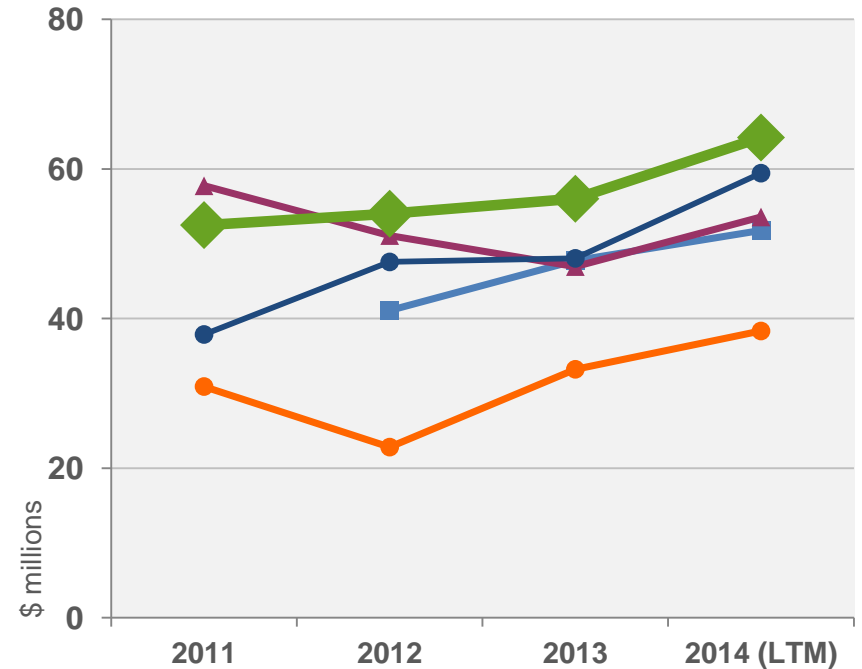
TIMBERLANDS: Current Relative Performance

EBITDA* / ACRE OWNED
U.S. WEST
Maintaining Top Position



—●— NCREIF —■— Rayonier** —▲— Pope Resources*** —◆— WY****

EBITDA* / ACRE OWNED
U.S. SOUTH
Maintaining Top Position



—●— NCREIF —■— Rayonier** —▲— Deltic —◆— WY —●— Plum Creek

Source for competitor data: public SEC filings, National Council of Real Estate Investment Fiduciaries (NCREIF).

*LTM as of 2014 Q3. See appendix for reconciliation to GAAP amounts.

**Data for Rayonier as reported during 2014 Q3. 2011 data unavailable.

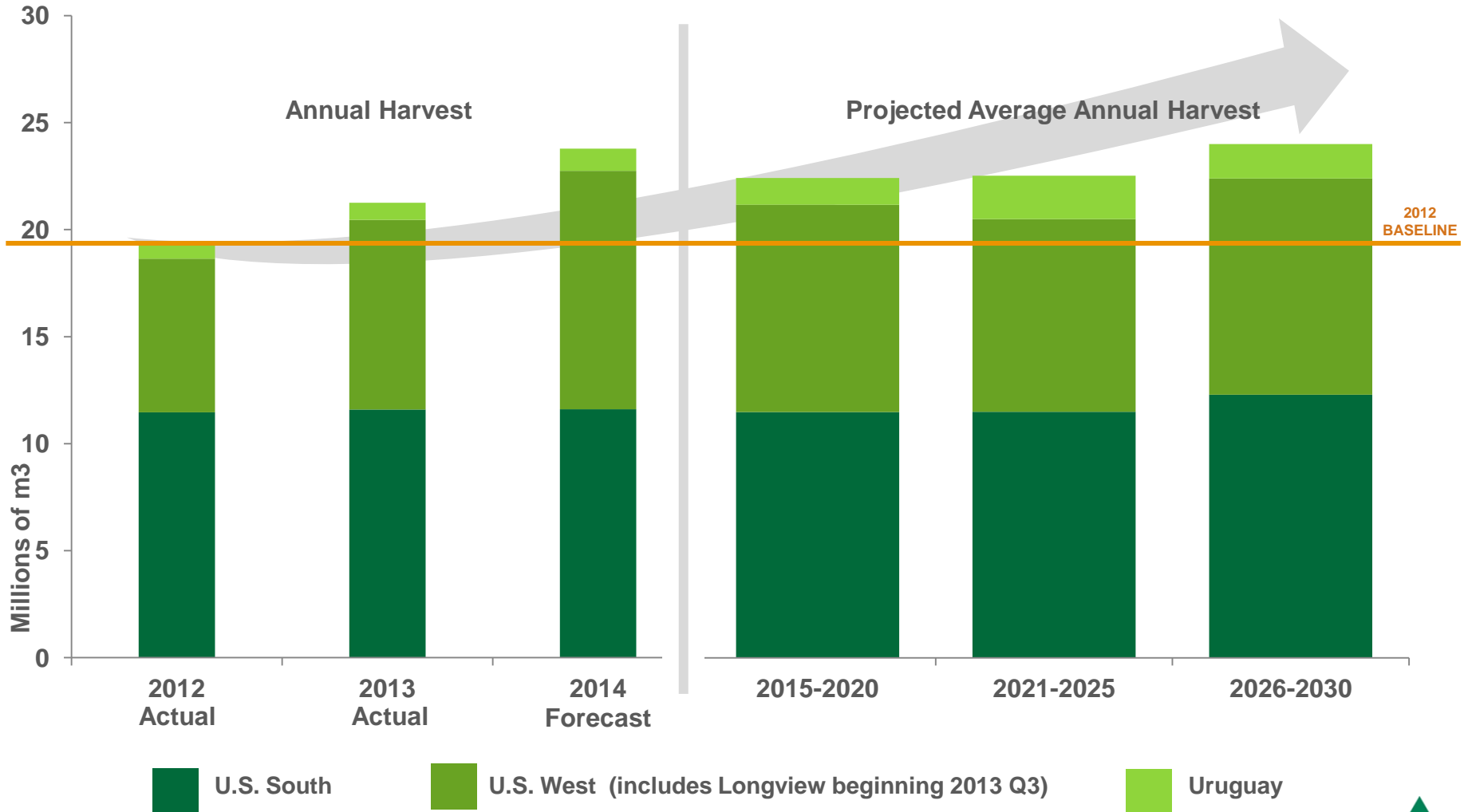
***Pope Resources 2014 LTM includes a significant land sale. Excluding this sale, 2014 LTM EBITDA/acre = \$155MM.

****WY results include Longview Timber beginning 2014 LTM.



TIMBERLANDS: Sustainable Harvest

WEYERHAEUSER FEE HARVEST VOLUME

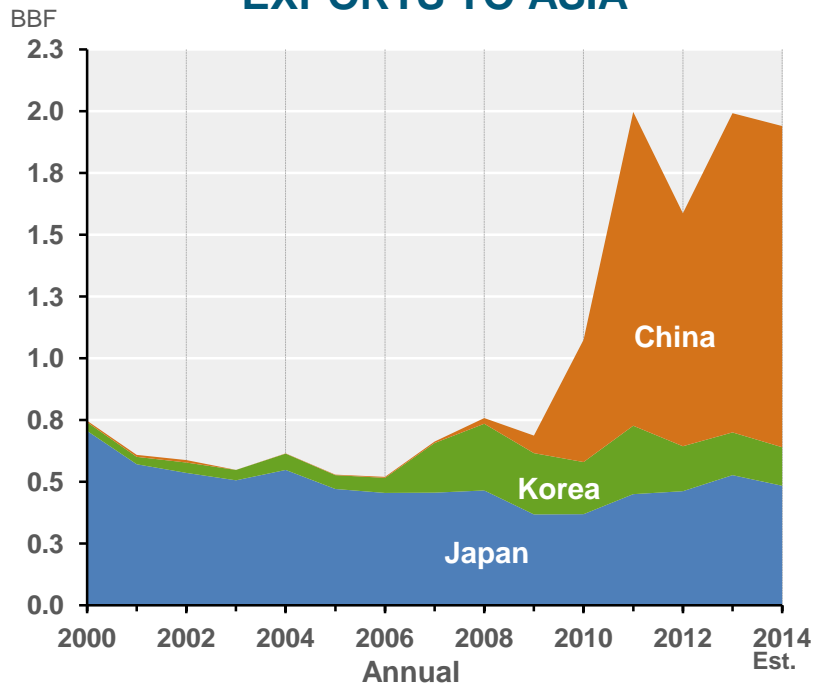


WESTERN LOG MARKETS: Prices Have Strengthened, With More Upside

DEMAND DRIVERS

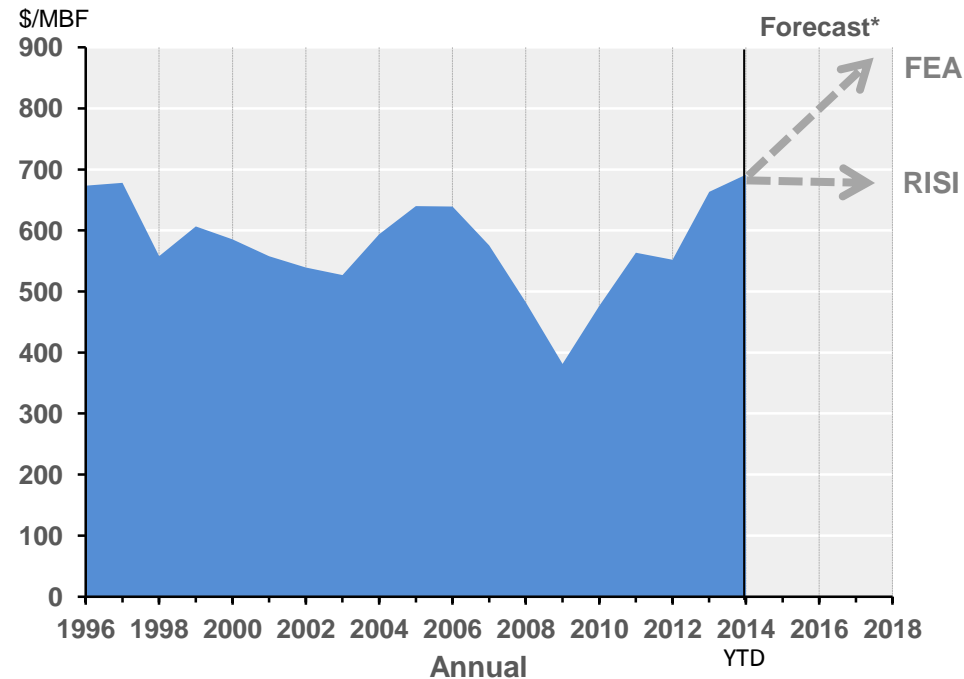
- Japan & Korea: Long-term demand for wood-based housing
- China: Rising wealth/urbanization drives significant demand for industrial & interior wood
- California: Single-family housing starts 65% below normalized levels

WEST COAST SOFTWOOD LOG EXPORTS TO ASIA



Source: Random Lengths Yardstick, US Dept of Commerce

WESTERN LOG PRICE DELIVERED DOUGLAS FIR #2



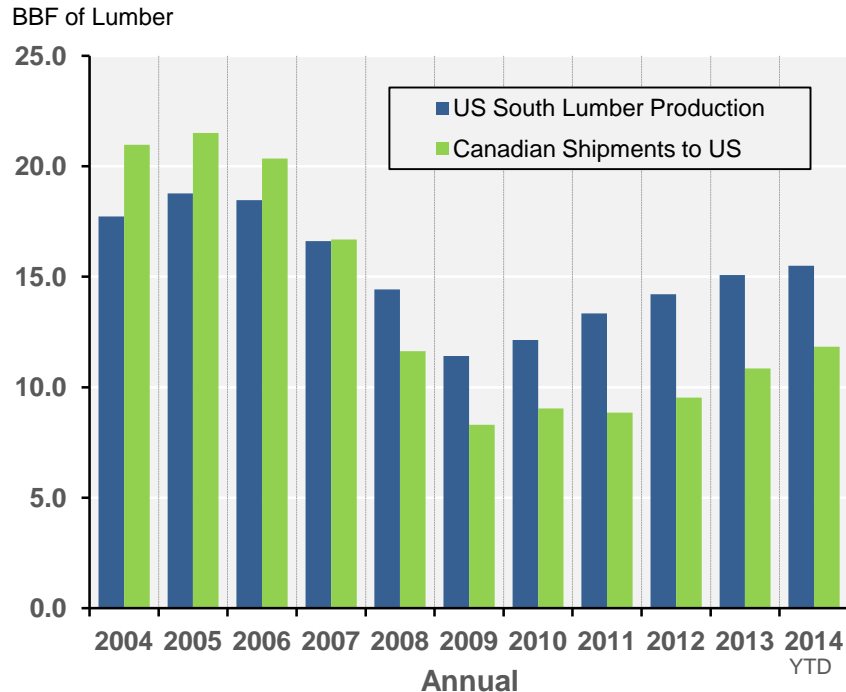
Source: Log Lines, *FEA, *RISI



SUPPLY FROM CANADA CONSTRAINED: Benefits Southern Lumber & Logs

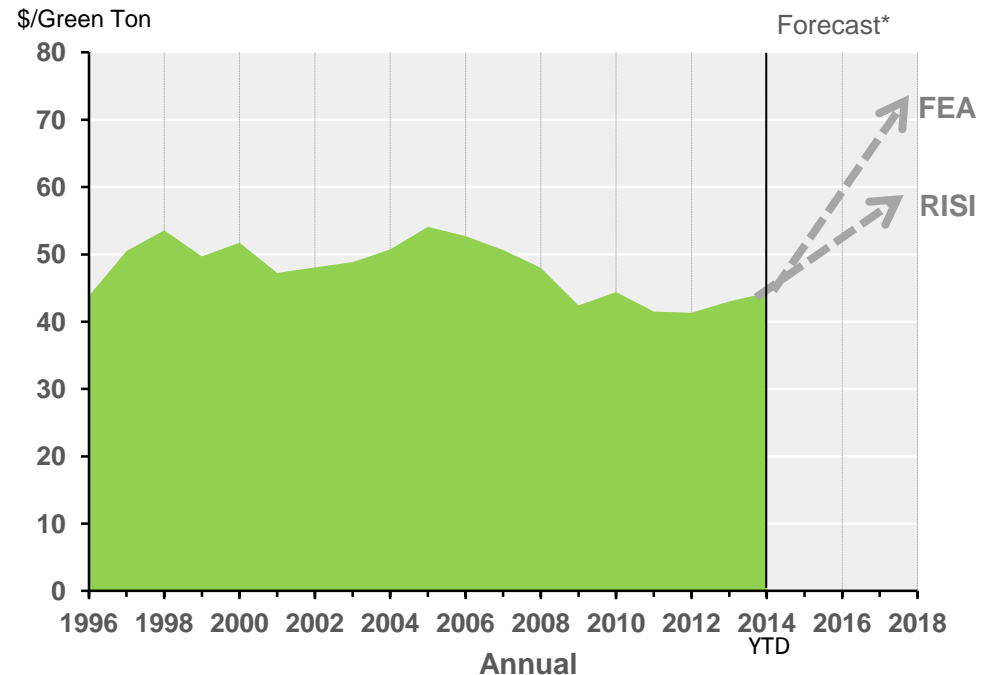
- Canadian production drops to 25% of U.S. market by 2015, expected to be 5-7BBF below peak
- Southern pine lumber expanding; limited growth in Canadian imports

US LUMBER SUPPLY SOURCES



Source: Census, WWPA, COFI

SOUTHERN LOG PRICE DELIVERED SOUTHERN AVERAGE PINE SAWLOG



Source: Timber Mart-South, *FEA, *RISI

Southern log price recovery still ahead



TIMBERLANDS: Summary

- ▶ **World-class timber holdings**
- ▶ **Scale operations in Pacific Northwest and US South**
- ▶ **Industry-leading silviculture expertise and sustainability practices**
- ▶ **Unique export and domestic market access, with strong customer relationships and infrastructure**
- ▶ **Focused on driving improvement through operational excellence**

Well-positioned to win

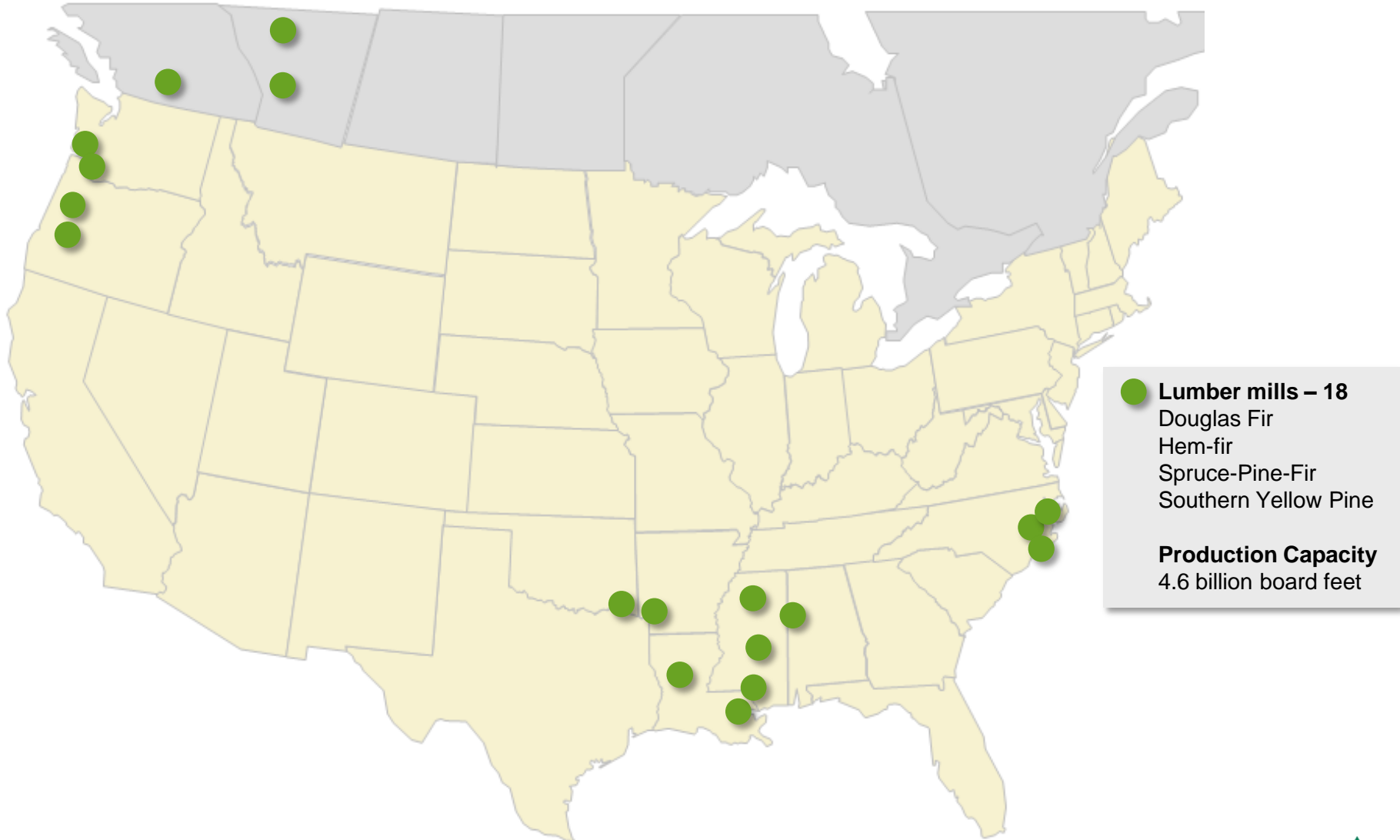


LUMBER

Adrian Blocker
Senior Vice President, Lumber

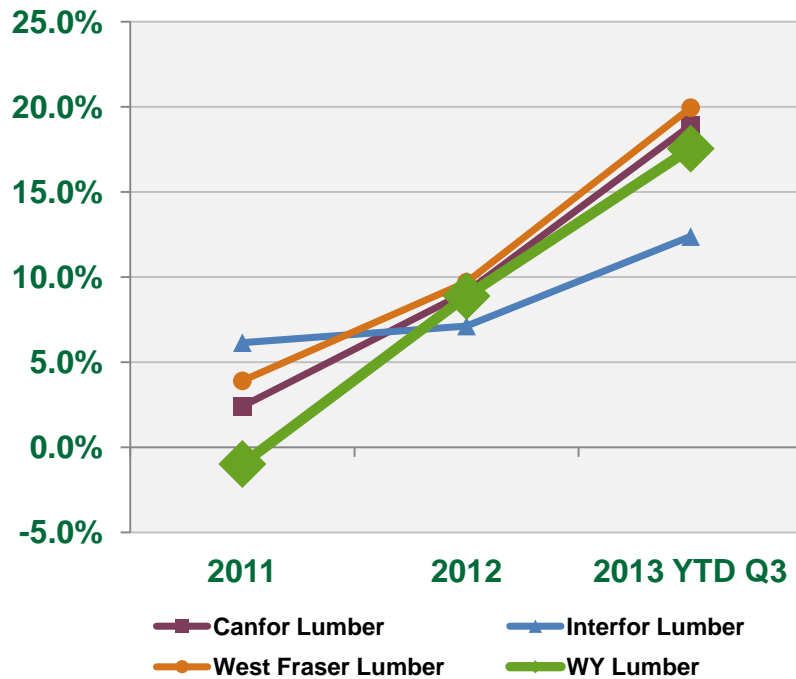


LUMBER BUSINESS

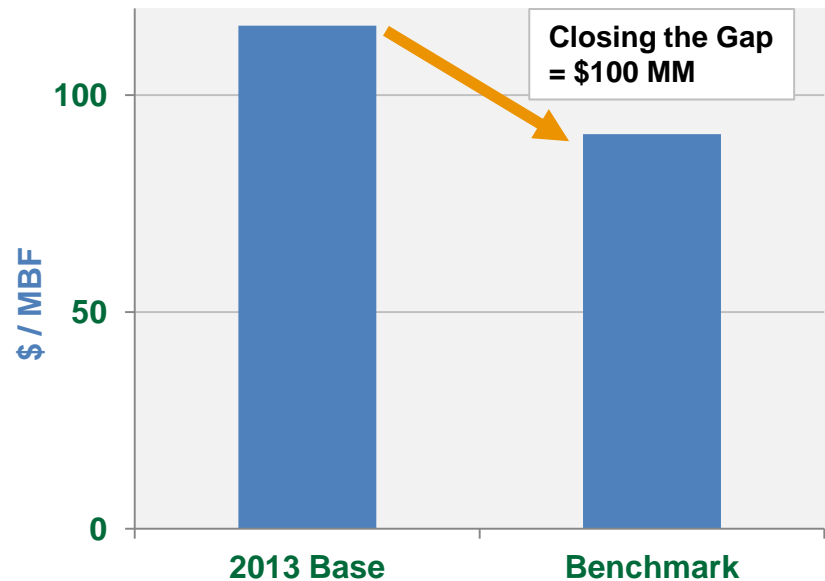


LUMBER: OPX Target Set in 2013

EBITDA MARGIN*



OPERATIONAL EXCELLENCE** Controllable Manufacturing Cost



Source for competitor data: public SEC filings
*See appendix for reconciliation to GAAP amounts.

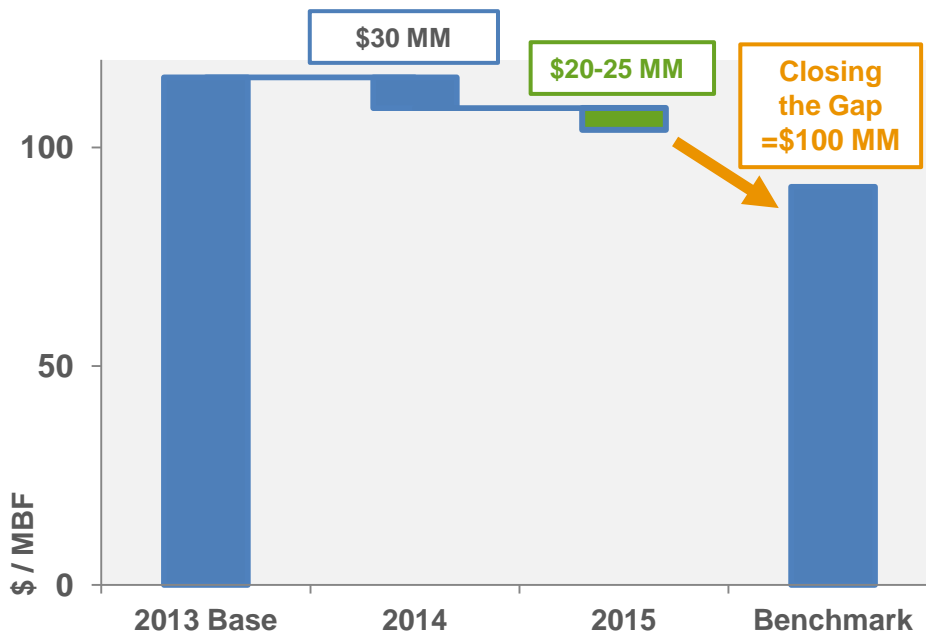
**Benchmark is mill Best in Class;
Mfg cost = Cost Net of Logs, excluding depreciation and inflation.



LUMBER: OPX Performance

OPERATIONAL EXCELLENCE*

Controllable Manufacturing Cost



▶ 2014 INITIATIVES

- Labor productivity
- Process efficiency
- Operating expense

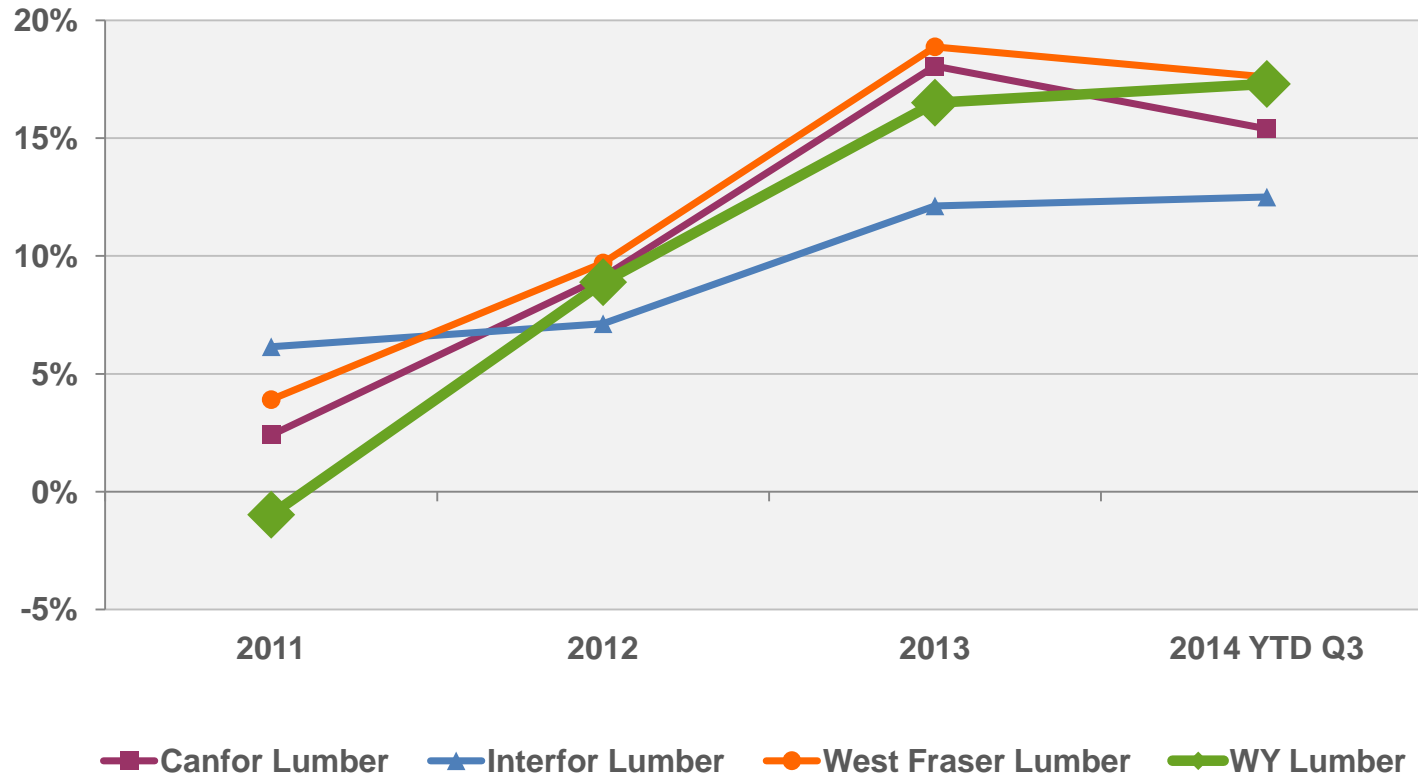
▶ 2015 INITIATIVES

- Labor productivity
- Process efficiency
- Reliability
- Capital execution



LUMBER: Current Relative Performance

EBITDA MARGIN*
Closing the Gap to Take Top Position



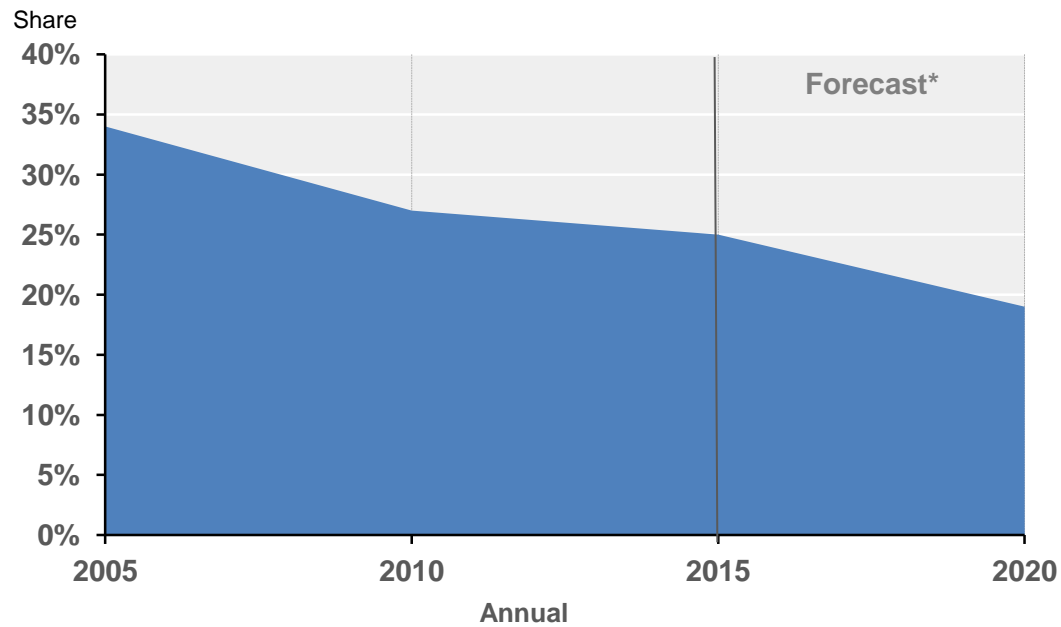
Source for competitor data: public SEC filings
*See appendix for reconciliation to GAAP amounts.



SUPPLY FROM CANADA CONSTRAINED: Benefits Southern Lumber & Logs

- Canadian production drops to 25% of U.S. market by 2015, expected to be 5-7BBF below peak
- Southern pine lumber expanding; limited growth in Canadian imports

CANADIAN LUMBER SHARE OF U.S. MARKET



Source: COFI, WWPA*



LUMBER: Summary

- ▶ **Scale mills in diverse geographies**
- ▶ **Diversified products and customers**
- ▶ **Reducing controllable manufacturing cost through operational excellence**

Well-positioned to win



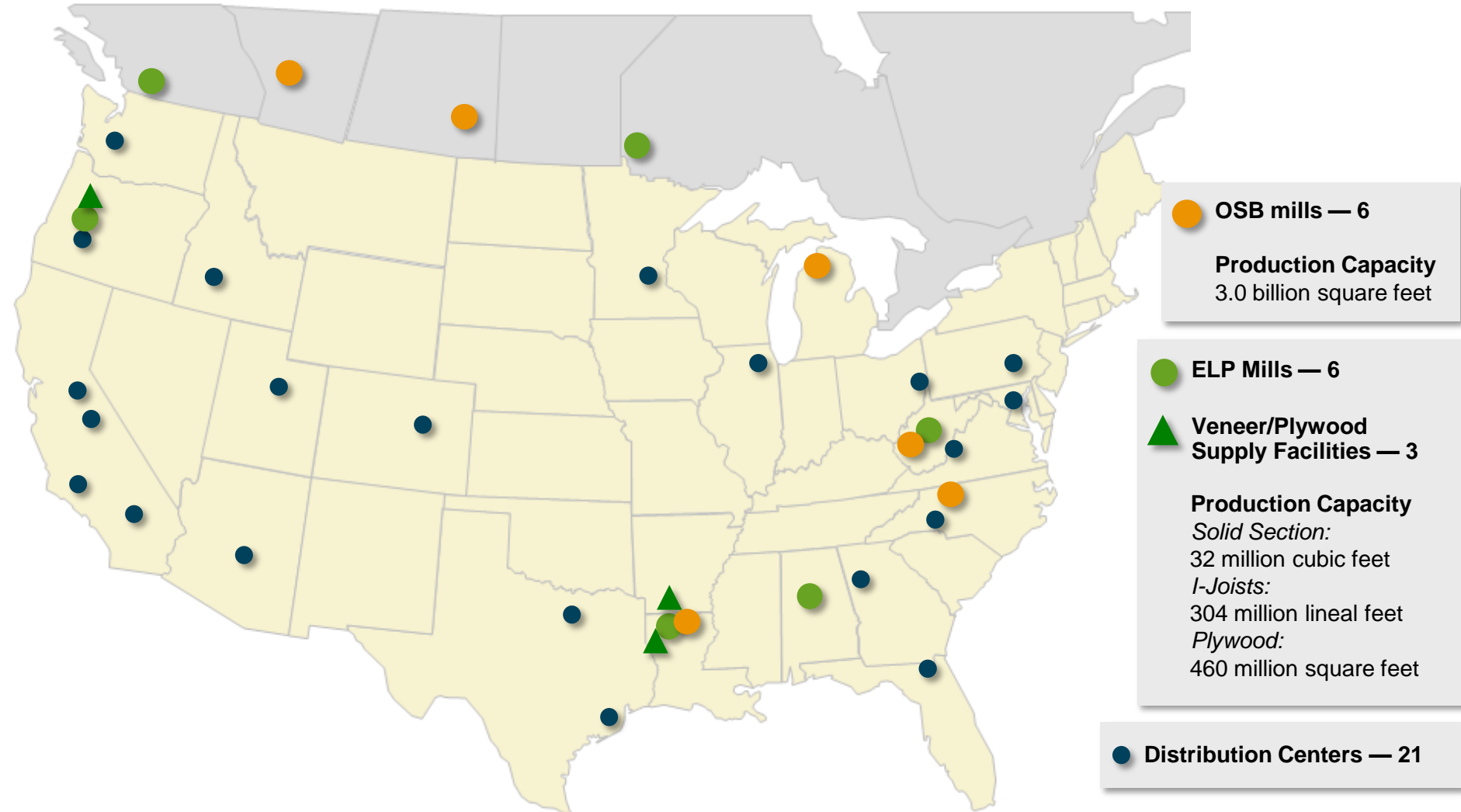
OSB, ENGINEERED LUMBER & DISTRIBUTION

Cathy Slater

Senior Vice President, OSB, ELP & Distribution

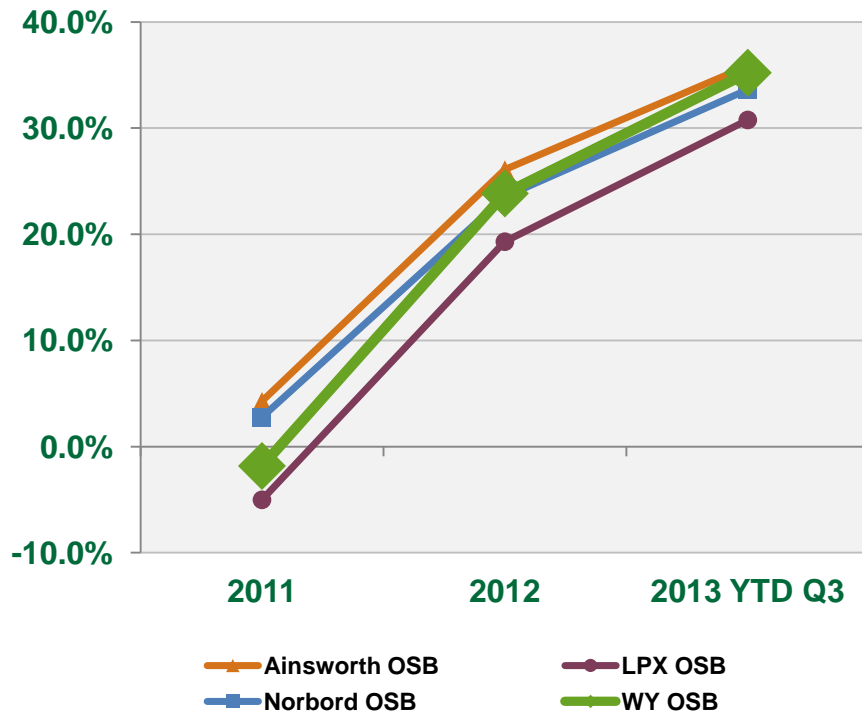


OSB, ENGINEERED LUMBER & DISTRIBUTION



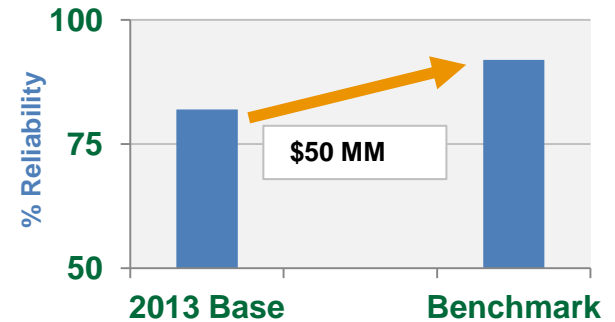
OSB: OPX Target Set in 2013

EBITDA MARGIN*

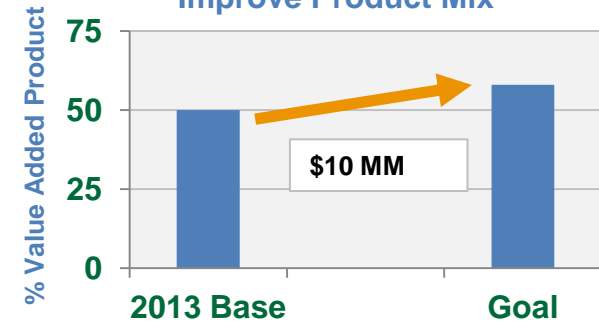


OPERATIONAL EXCELLENCE**

Improve Reliability



Improve Product Mix



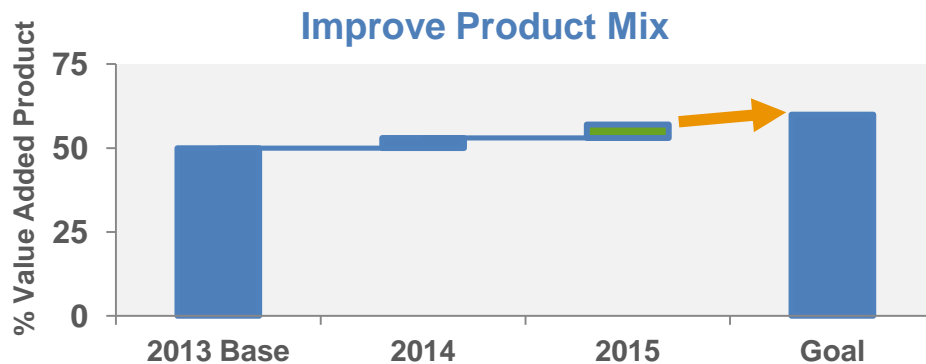
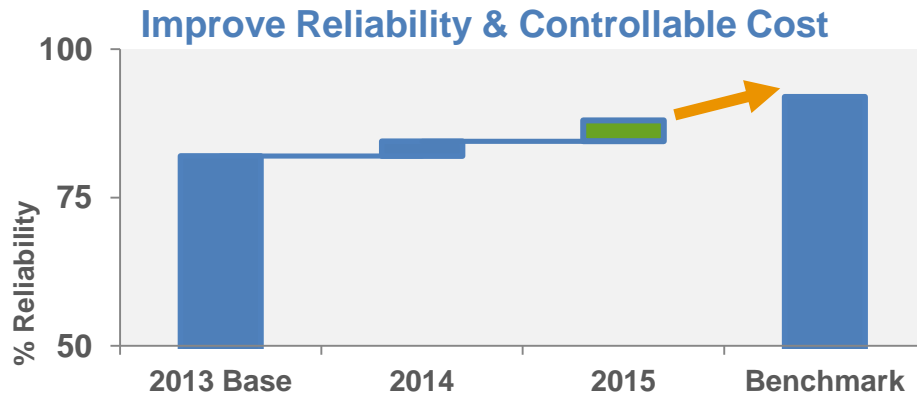
Source for competitor data: public SEC filings.
*See appendix for reconciliation to GAAP amounts.

**Reliability benchmark is mill Best in Class;
2013 Base = Q3 2013 YTD.



OSB: OPX Performance

OPERATIONAL EXCELLENCE*



▶ 2014 INITIATIVES

- Maintenance practices
- Resin usage
- Energy reduction
- Automation

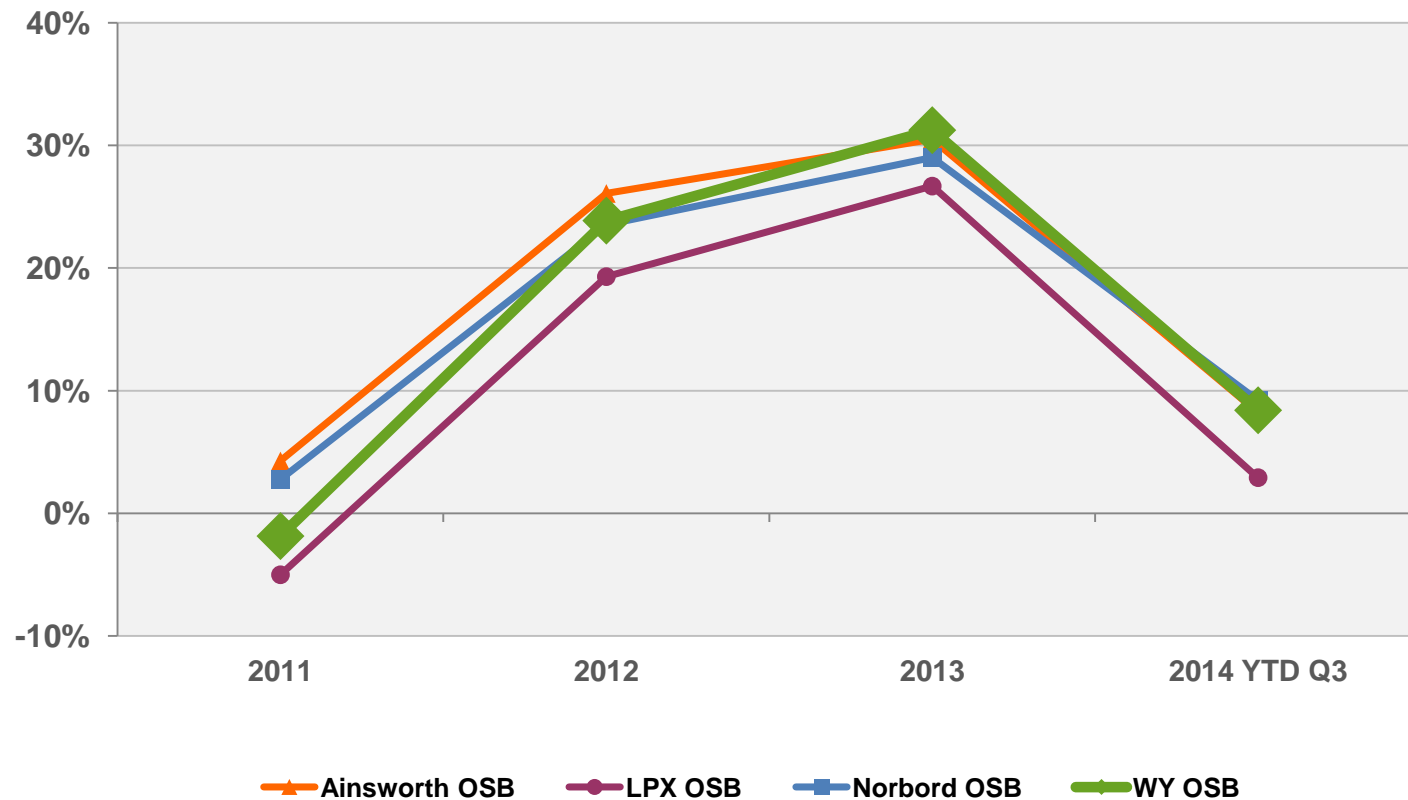
▶ 2015 INITIATIVES

- Press reliability
- Automation
- Enhanced product mix
- Transportation reliability



OSB: Current Relative Performance

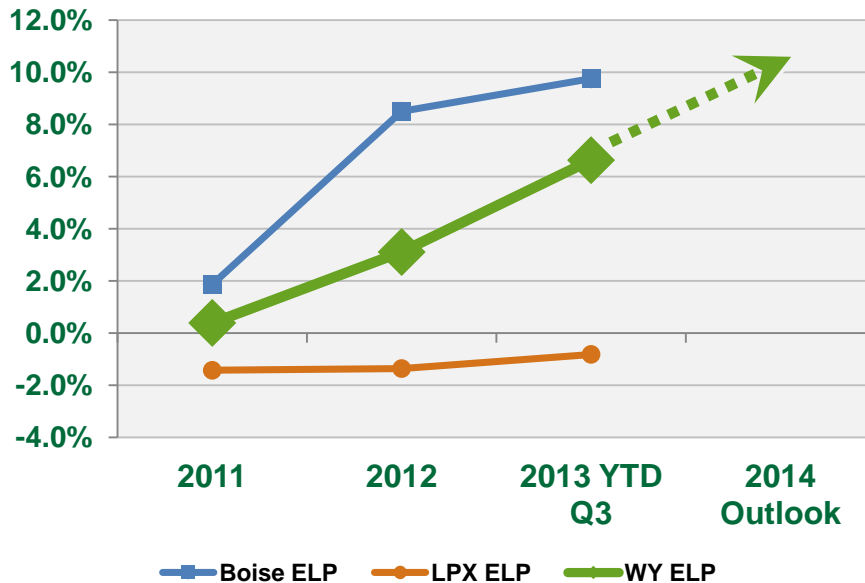
EBITDA MARGIN* Highly competitive results



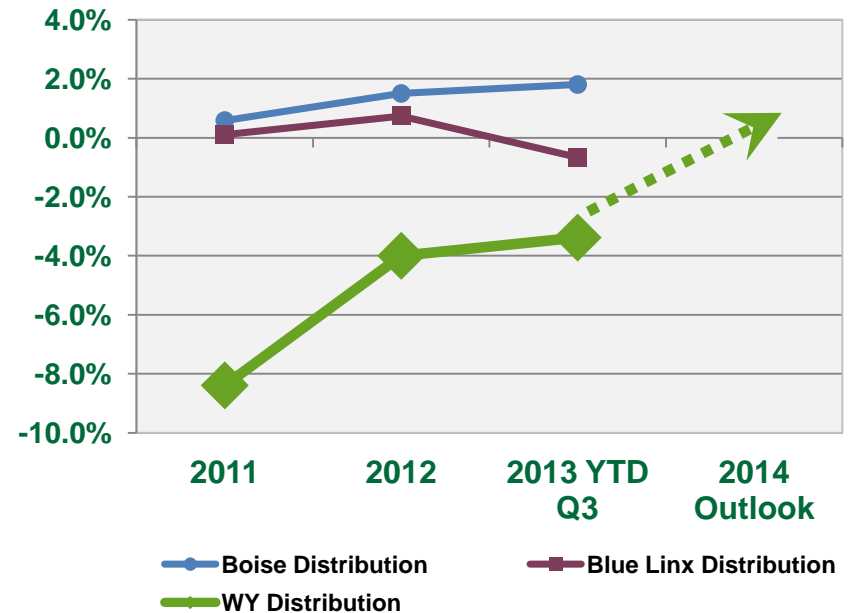
ELP & DISTRIBUTION: Turnaround Commitment

2014 Target = \$30-40MM improvement vs. 2013 in each business

ENGINEERED LUMBER PRODUCTS EBITDA MARGIN*



DISTRIBUTION EBITDA MARGIN*

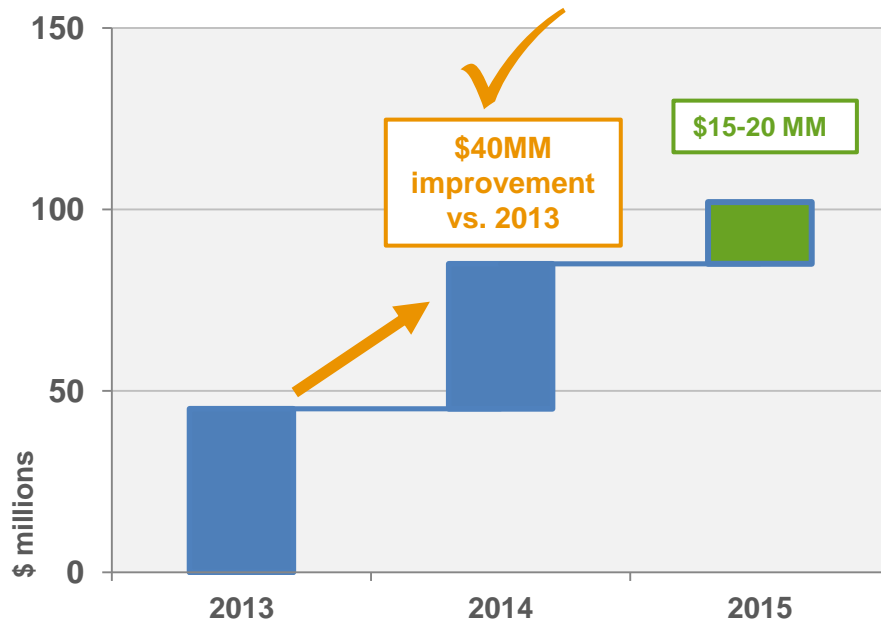


Source for competitor data: public SEC filings
*See appendix for reconciliation to GAAP amounts.



ELP: Turnaround Performance

ELP TURNAROUND Continue EBITDA Improvement*



▶ 2014 INITIATIVES

- Veneer productivity
- Logs selected for veneer
- Resin usage
- Selling effectiveness

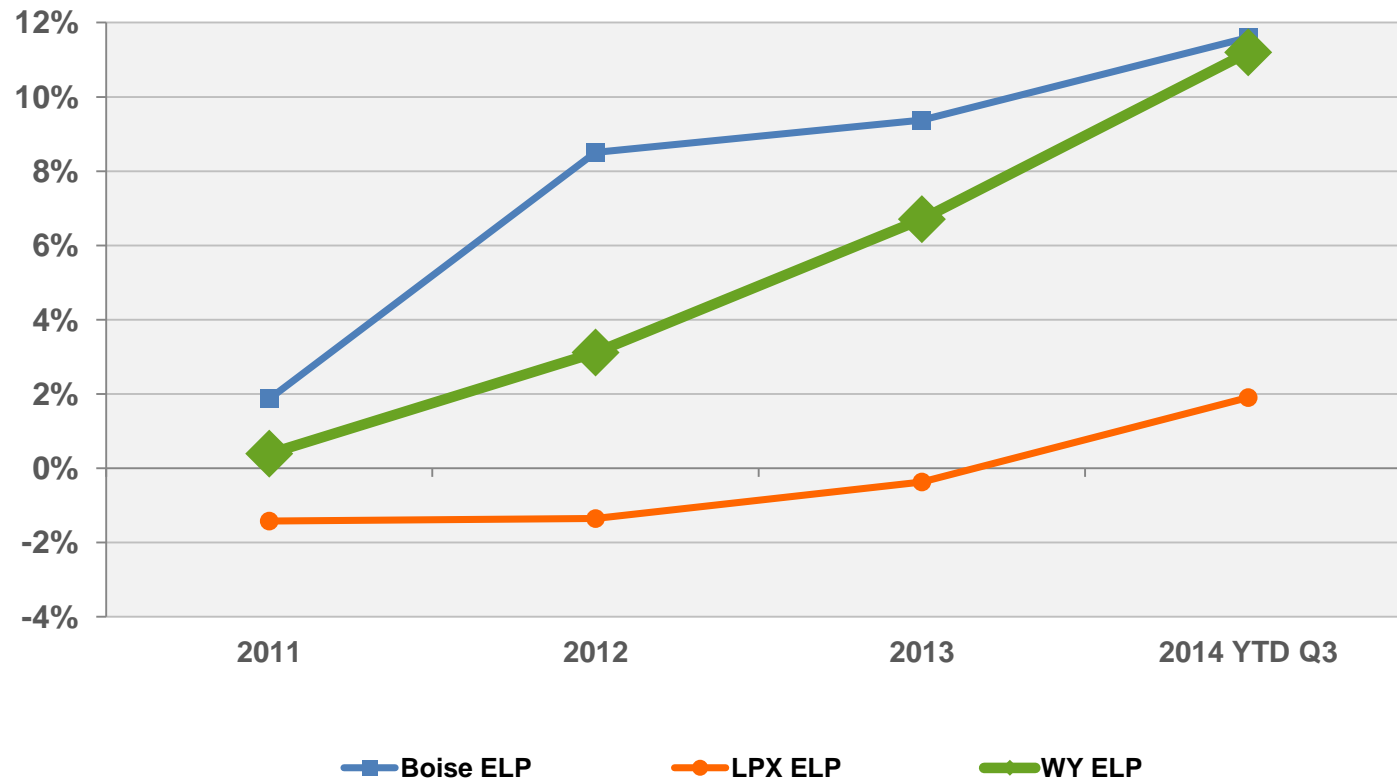
▶ 2015 INITIATIVES

- Reliability
- Veneer recovery
- Supply chain performance



ELP: Current Relative Performance

EBITDA MARGIN* Significantly Improved Competitive Position



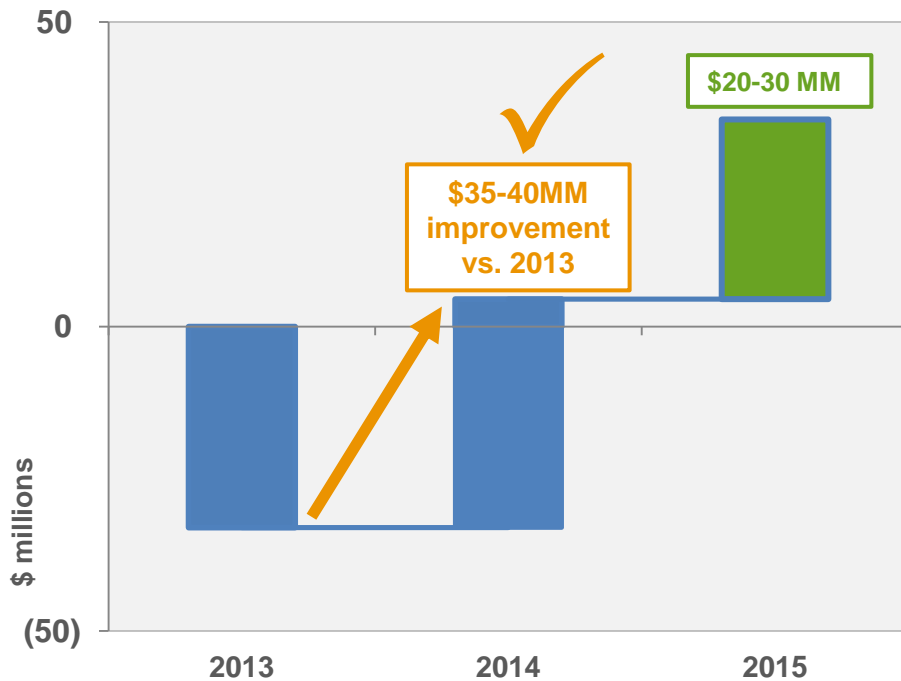
Source for competitor data: public SEC filings
*See appendix for reconciliation to GAAP amounts.



DISTRIBUTION: Turnaround Performance

DISTRIBUTION TURNAROUND

Continue EBITDA Improvement*



▶ 2014 INITIATIVES

- Product margin growth
- Shipping optimization
- Stocking efficiencies
- Sales effectiveness

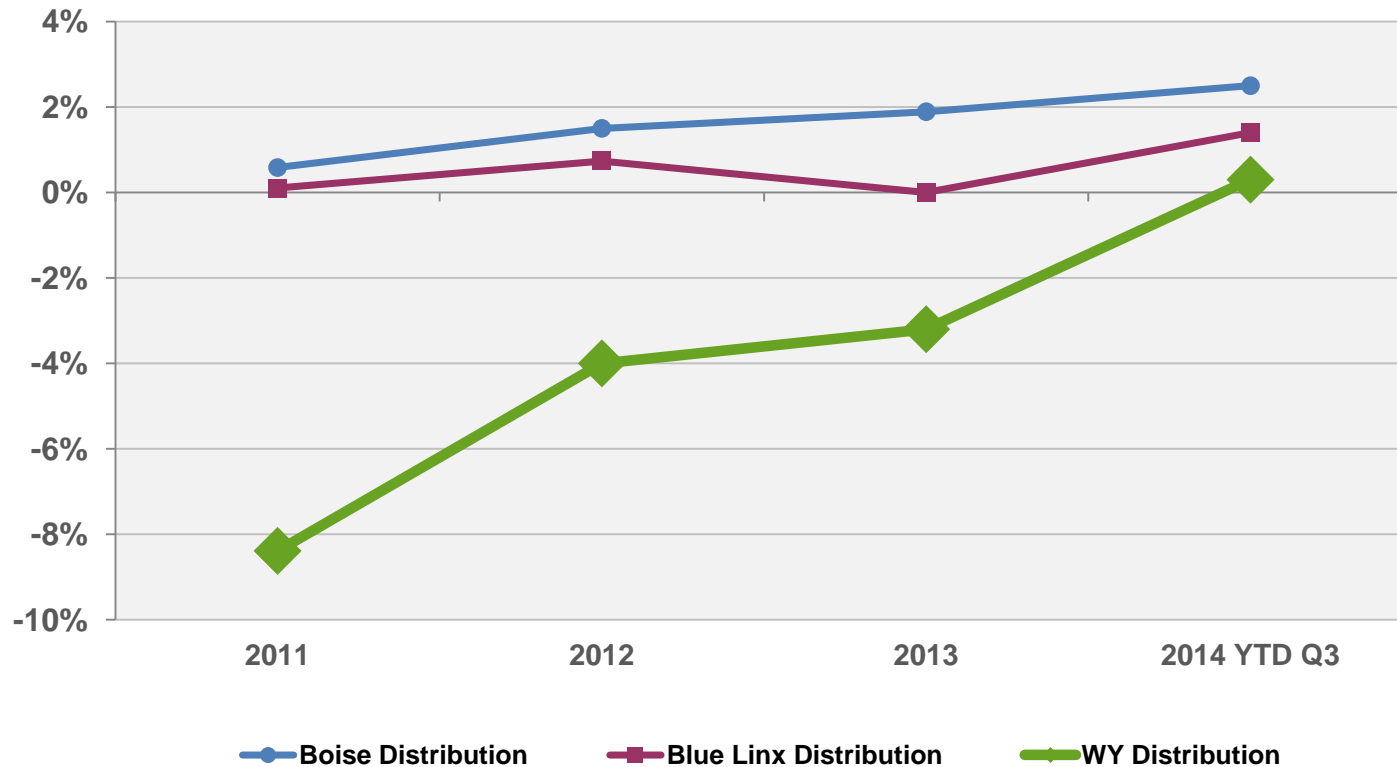
▶ 2015 INITIATIVES

- Warehouse efficiency
- Delivery cost
- Growth in excess of market



DISTRIBUTION: Current Relative Performance

EBITDA MARGIN* Closing the Gap



OSB, ENGINEERED LUMBER & DISTRIBUTION: Summary

▶ OSB

- Continuing focus on cost reduction and reliability
- Leveraging our market-leading position in flooring

▶ Engineered Lumber & Distribution:

- Achieving 2014 turnaround targets
- Expect significant additional progress to come

Well-positioned to win



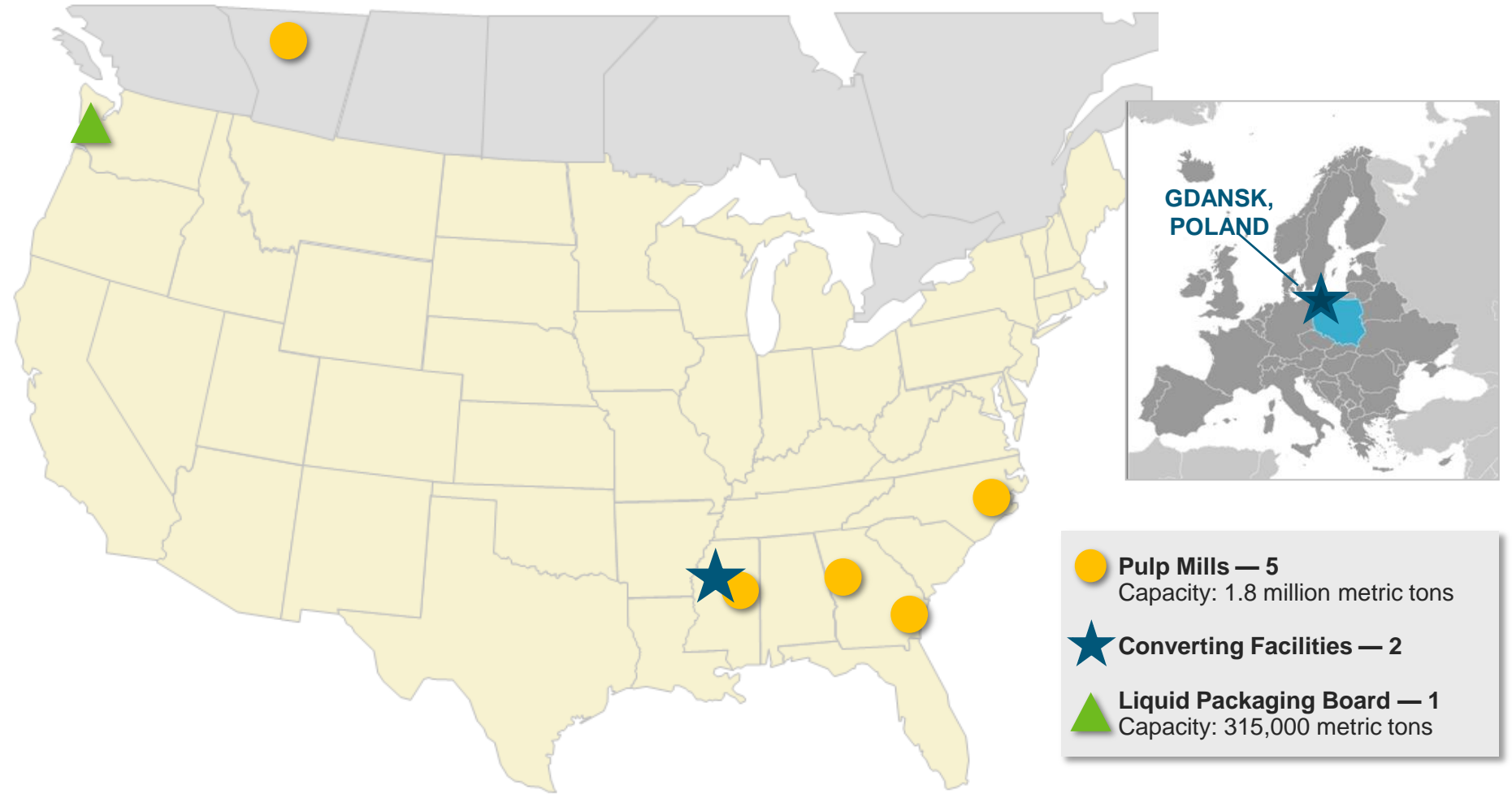
CELLULOSE FIBERS

Shaker Chandrasekaran

Senior Vice President, Cellulose Fibers

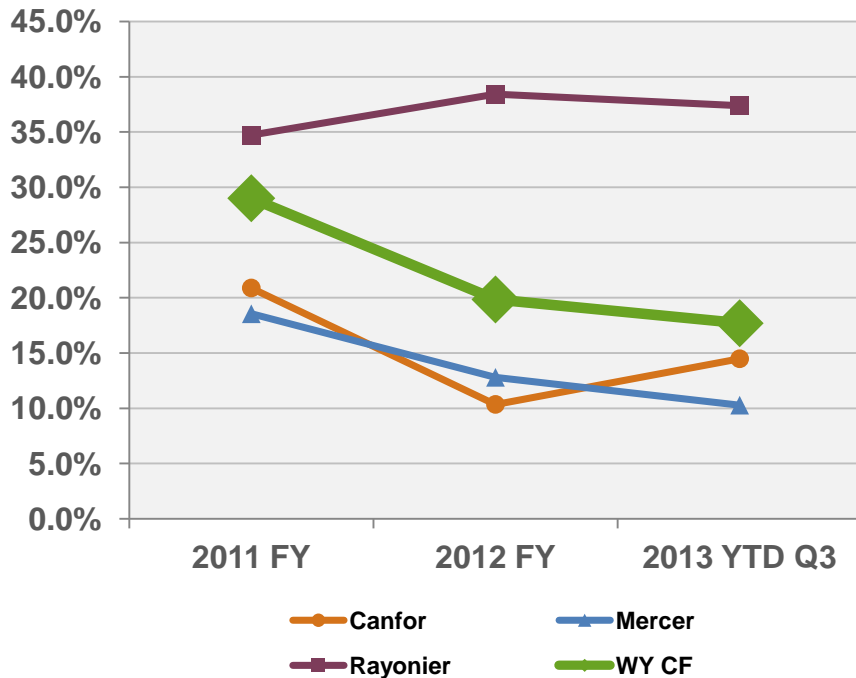


CELLULOSE FIBERS BUSINESS



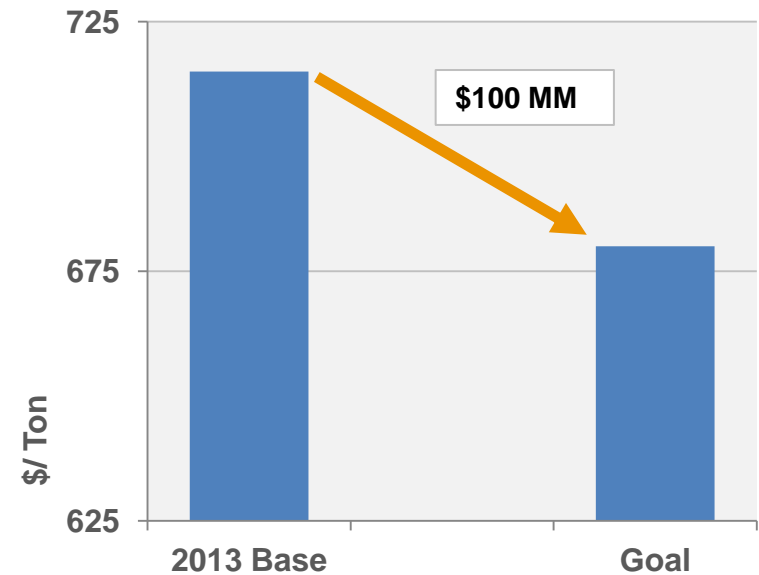
CELLULOSE FIBERS: OPX Target Set in 2013

EBITDA MARGIN*



OPERATIONAL EXCELLENCE**

Reduce Controllable Cost



Source for competitor data: public SEC filings
*See appendix for reconciliation to GAAP amounts.

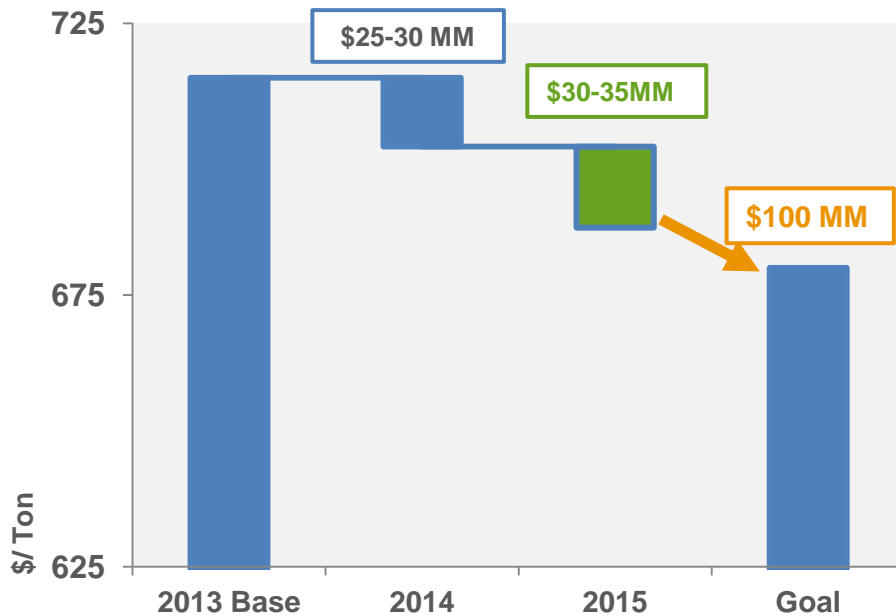
**Cost of Goods Sold, excluding inflation.
2013 Base = Q3 2013 YTD.



CELLULOSE FIBERS: OPX Performance

OPERATIONAL EXCELLENCE*

Reduce Controllable Cost



▶ 2014 INITIATIVES

- Fully implement 18 month maintenance outage cycle
- Manufacturing reliability
- Chemical costs
- Green energy

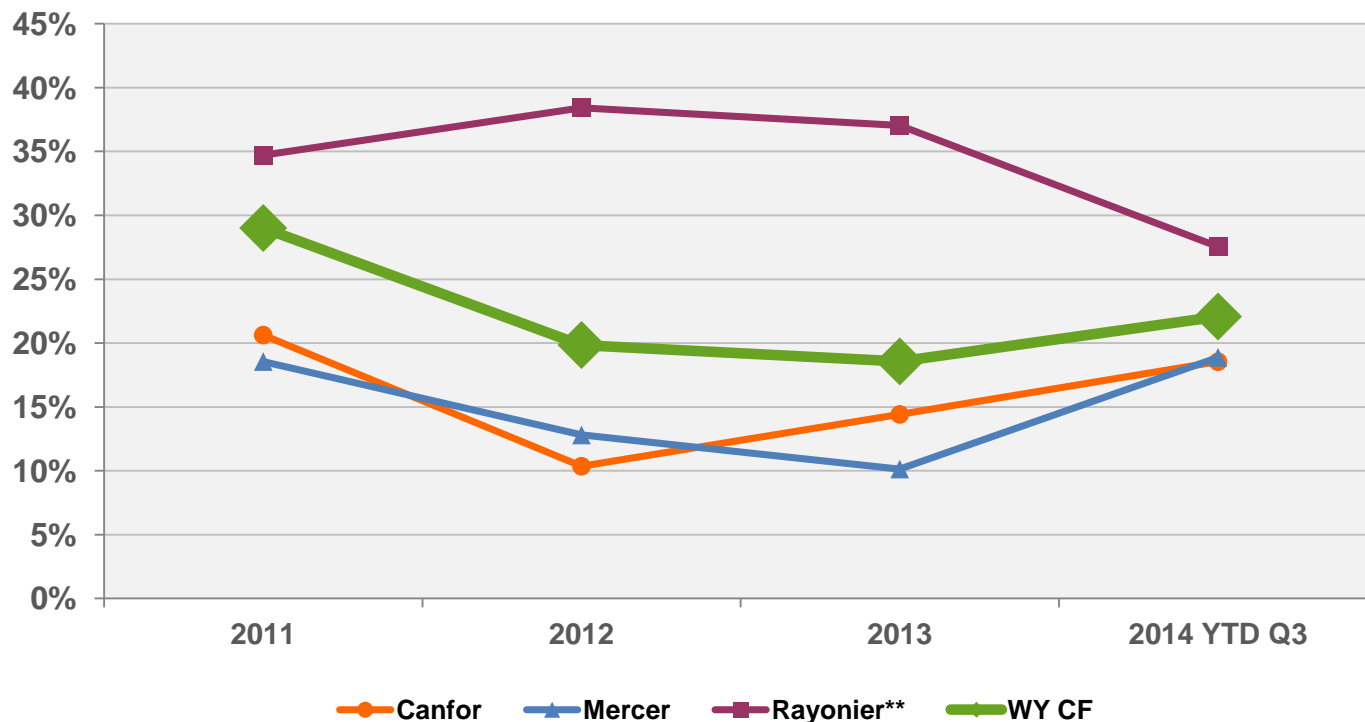
▶ 2015 INITIATIVES

- Green energy
- Liquid packaging board cost and quality
- Reliability: predictive, preventive maintenance



CELLULOSE FIBERS: Current Relative Performance

EBITDA MARGIN* Narrowing the Gap to Take Top Position



Source for competitor data: public SEC filings

*See appendix for reconciliation to GAAP amounts.

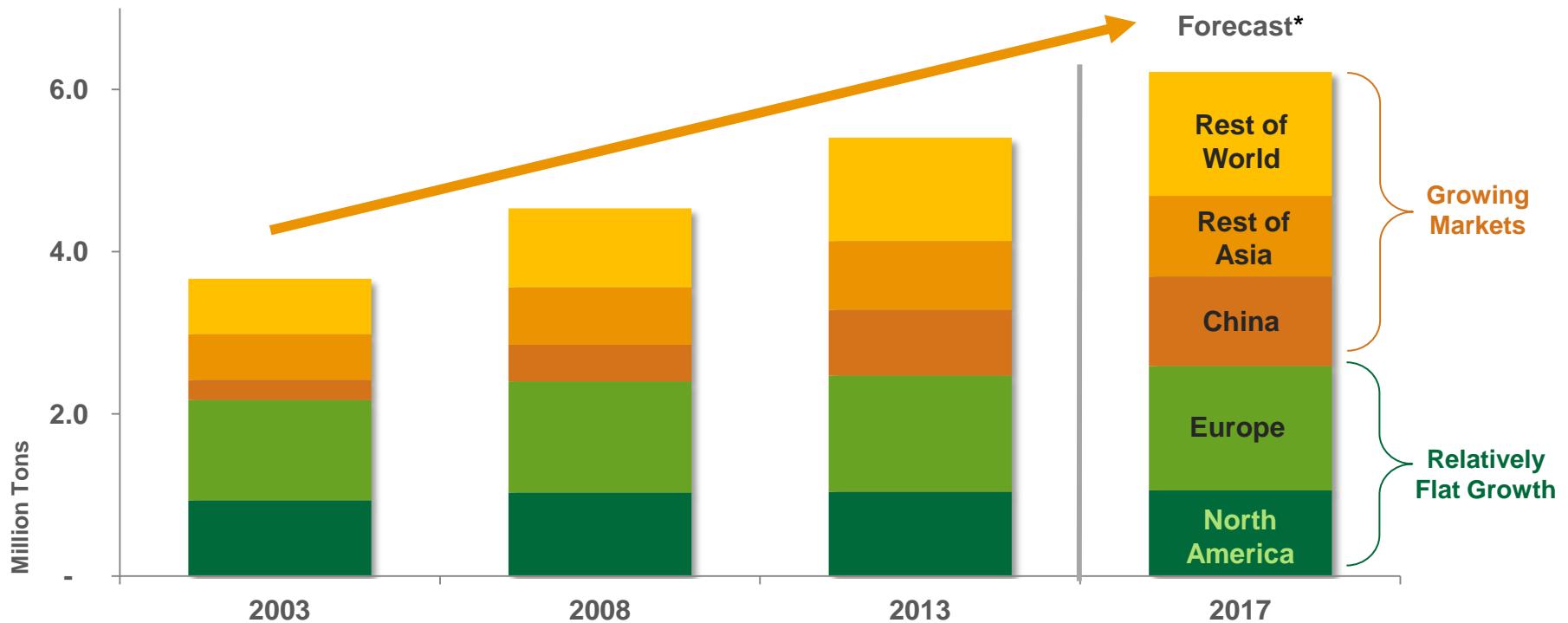
**Rayonier reflects Rayonier Performance Fibers segment for 2011-2013 and Rayonier Advanced Materials for 2014 YTD.



FLUFF DEMAND: Emerging market growth

- Expect fluff pulp demand growth of 3.8% per year
- Supply position: Southern Pine fiber ideal for fluff
- Strategically located manufacturing sites with globally competitive costs

FLUFF MARKET PULP CONSUMPTION BY REGION



CELLULOSE FIBERS: Summary

- ▶ **Strategically located mills with abundant fiber supply**
- ▶ **Long-term strategic customer relationships**
- ▶ **Relentless and disciplined execution of operational excellence initiatives**

Well-positioned to win



A decorative graphic at the top of the slide consists of a dark green arrow pointing right, overlaid on a lighter green arrow pointing right, which is set against a solid medium green background.

Patty Bedient

Executive Vice President & Chief Financial Officer



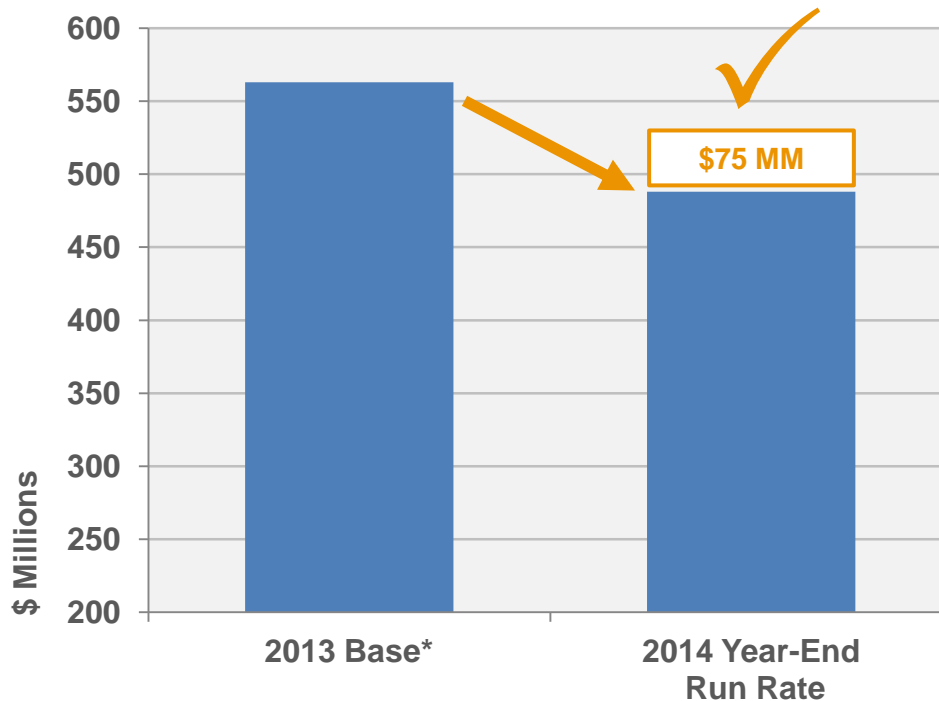
SG&A COST STRUCTURE



PERFORMANCE: Reducing SG&A Expense

ACHIEVING REDUCTION GOAL

Reduce SG&A Expense



▶ 2014 INITIATIVES

- Simplify and reduce work
- Reduce headcount
- Restructure IT services

Note: SG&A includes R&D

*Base = FY 2013 selling, general & administrative and R&D expense of \$708 MM, less WRECO direct SG&A of approximately \$145 MM





IMPROVING MARKETS



POSITIVE TRENDS FOR OUR PRODUCTS

- ▶ **Continued improvement in US housing market**
 - Anticipate 1.1-1.2 million starts in 2015
 - Accelerating single-family recovery
- ▶ **Higher demand and prices for US logs and wood products:**
 - Rebound in US housing
 - Steady export demand
 - Canadian timber supply shortage
- ▶ **Growing markets for fluff products driven by emerging country demand and global growth**



SIGNIFICANT LEVERAGE FROM PRICING IMPROVEMENT

▶ **TIMBERLANDS**

- Western logs: \$10/MBF \approx \$15 million
- Southern sawlogs: \$5/ton \approx \$40 million

▶ **WOOD PRODUCTS**

- OSB: \$10/M3/8" \approx \$30 million
- Lumber: \$10/MBF \approx \$40 million

▶ **CELLULOSE FIBERS**

- \$10/ADMT \approx \$20 million



CAPITAL ALLOCATION



CAPITAL ALLOCATION

▶ PRIORITIES

- Return cash to shareholders
- Invest in our businesses
- Maintain appropriate capital structure



RETURNING CASH TO SHAREHOLDERS: Sustainable and Growing Dividend

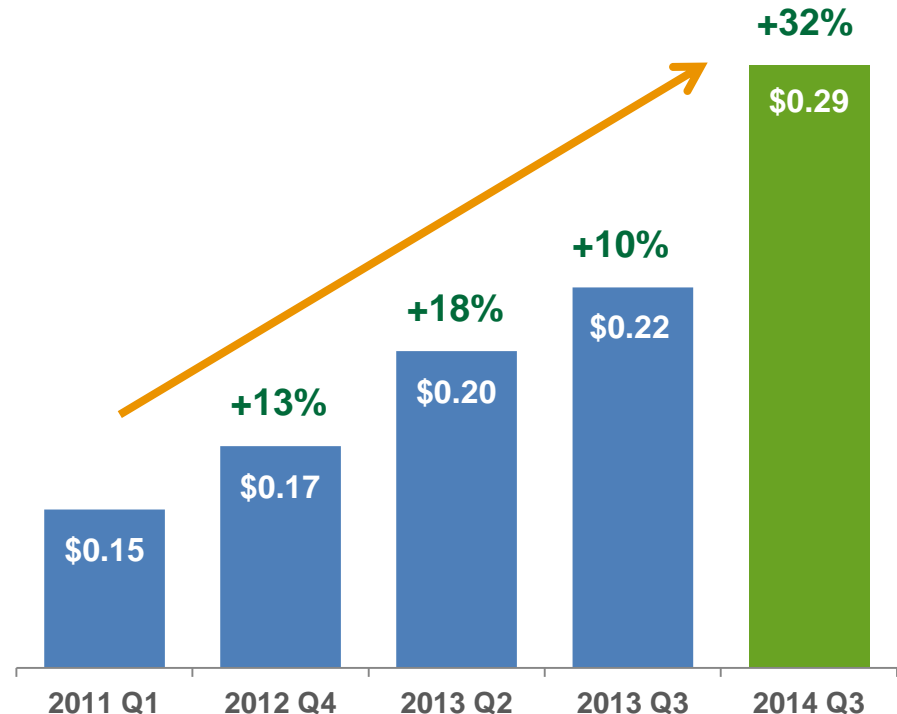
▶ QUARTERLY DIVIDEND

- Up 93% since 2011
- Increased by 32% to \$0.29 per common share effective 2014 Q3

▶ PAYOUT GUIDELINE

- 75% of Funds Available for Distribution (FAD) over the cycle*

INCREASING QUARTERLY DIVIDEND PER SHARE



RETURNING CASH TO SHAREHOLDERS: Share Repurchase

- ▶ **\$700 million share repurchase program**
 - Authorized in August 2014
 - Approximates cash proceeds received as part of WRECO divestiture

- ▶ **Repurchased 19% of authorization during Q3**
 - \$130 million in repurchases
 - Share count reduced by approximately 4 million

Returning cash to shareholders



INVESTING IN OUR BUSINESSES

▶ **Disciplined capital investment**

- Focus: reduce cost structure and improve EBITDA
- 2015 CapEx to approximate DD&A

▶ **Opportunistic growth through acquisition**

- Targeted, value-creating opportunities

Responsible stewards of capital



MAINTAIN APPROPRIATE CAPITAL STRUCTURE

- ▶ **Liquidity**
- ▶ **Long-term debt of approximately \$4.9 billion**
- ▶ **Investment grade rating**

KEY FINANCIAL RATIOS	TARGET	CURRENT*
Gross Debt / EBITDA (LTM)*	< 3.5	3.1
EBITDA / Pro Forma Interest (LTM)*	> 5.0	4.7



OUR VISION

Working together to grow a truly great company for our shareholders, customers and employees

HOW WE WIN



› CHASE PERFECTION... CATCH EXCELLENCE



WEYERHAEUSER

Growing a Truly Great Company

INVESTOR MEETING

December 9, 2014 | New York, NY



BIOGRAPHIES



DOYLE SIMONS



Doyle Simons has been president and chief executive officer since August 1, 2013. He has been a director of the company since June 2012 and was appointed as chief executive officer elect and an executive officer of the company June 17, 2013. He served as chairman and chief executive officer of Temple-Inland, Inc. from 2008 to February 2012 when it was acquired by International Paper. Previously, he held various management positions with Temple-Inland, including executive vice president from 2005 to 2007 and chief administrative officer from 2003 to 2005. Prior to joining Temple-Inland in 1992, he practiced real estate and banking law with Hutcheson and Grundy, L.L.P. Simons also serves on the board of directors for Fiserv, Inc.; is a member of the board of visitors for the University of Texas M. D. Anderson Cancer Center, and the Baylor University Hankamer School of Business Advisory Board.



PATTY BEDIENT



Patty Bedient has been executive vice president and chief financial officer since 2007. She was senior vice president, Finance and Strategic Planning, from February 2006 to 2007. She served as vice president, Strategic Planning, from 2003, when she joined the company, to 2006. Prior to joining the company, she was a partner with Arthur Andersen LLP (Independent Accountant) from 1987 to 2002 and served as the managing partner for the Seattle office and as the partner in charge of the firm's forest products practice from 1999 to 2002. She is on the board of directors for Alaska Air Group and also serves as Treasurer and board member of Overlake Hospital Medical Center. She is a CPA and member of the American Institute of CPAs.



DENISE MERLE



Denise M. Merle, has been senior vice president, Human Resources, since February 28, 2014 and senior vice president Investor Relations since August 1, 2014. She was director, Finance and Human Resources for the Lumber business since 2013. Prior to that role, she was director, Compliance & Enterprise Planning from 2009 to 2013, and director of Internal Audit from 2004 to 2009. She held various roles in the company's paper and packaging businesses, including finance, capital planning and analysis, and business development. She joined the company in 1981. She is a licensed CPA in the state of Washington. She holds a Bachelor of Accounting from Pacific Lutheran University and an MBA from Seattle University. She is on the board of advisors for Seattle University School of Business.

RHONDA HUNTER



Rhonda Hunter has been senior vice president Timberlands, since January 1, 2014. Prior to her current position, she was vice president, Southern Timberlands, from 2010 to 2014. She held a number of leadership positions in the Southern Timberlands organization with experience in inventory and planning, regional timberlands management, environmental and work systems, finance, and land acquisition. Hunter joined Weyerhaeuser in 1987 as an accountant. She serves on the board of governors for the National Council for Air and Stream Improvement (NCASI) and on the board of trustees for the American Forest Foundation.



ADRIAN BLOCKER



Adrian Blocker has been senior vice president, Lumber since August 21, 2013. He joined Weyerhaeuser in May 2013 as vice president, Lumber. Prior to that role, he served as CEO of the Wood Products Council and Chairman. Throughout his career in the industry, Blocker held numerous leadership positions at West Fraser, International Paper and Champion International focused on forest management, fiber procurement, consumer packaging, strategic planning, business development and manufacturing.



CATHY SLATER



Cathy Slater has been senior vice president, Engineered Products and Distribution since August 21, 2013. She was Weyerhaeuser's vice president, Oriented Strand Board from 2011 to 2013. Prior to that role, she held a number of other leadership roles in the company's Wood Products segment, including vice president for both engineered wood products manufacturing and veneer technologies. Before joining the Wood Products team, she held numerous positions in the company's Cellulose Fibers business, including leadership roles at the Flint River and Port Wentworth, Ga., pulp mills, and leadership oversight for the company's operations in Alberta, which included the pulp, timberlands, OSB, lumber, and engineered lumber. Prior to joining Weyerhaeuser in 1992, she held several leadership roles at Procter and Gamble.



SHAKER CHANDRASEKARAN



Shaker Chandrasekaran has been senior vice president, Cellulose Fibers, since 2006. He was vice president, Manufacturing, Cellulose Fibers, from 2005 to 2006; vice president and mill manager at the Kamloops, British Columbia, Cellulose Fibers mill from 2003 to 2005; and vice president and mill manager at the Kingsport, Tennessee, paper mill from 2002 to 2003. He joined Weyerhaeuser in 2002 with the company's acquisition of Willamette Industries Inc. "Shaker" began his career in the pulp and paper industry in 1972 and migrated to the United States in 1980. He held a number of leadership positions in Mead Corporation and Willamette Industries Inc. He is on the board of trustees for the Pulp & Paper Foundation, Miami University, Oxford, Ohio.



APPENDIX



2011 EBITDA RECONCILIATION: By Segment

\$ Millions	2011									
	Timberlands	Lumber	OSB	ELP	Distribution	WP Other	Wood Products	Cellulose Fibers	Unallocated Items	Total
Adjusted EBITDA¹	\$472	(\$7)	(\$4)	\$6	(\$37)	(\$1)	(\$43)	\$597	(\$108)	\$918
Depletion, Depreciation & Amortization	(137)	(47)	(34)	(61)	(6)	(3)	(151)	(147)	(28)	(463)
Non-Operating Pension & Postretirement (Costs) Credits	--	--	--	--	--	--	--	--	(26)	(26)
Special Items	152	(5)	(4)	(26)	(1)	(16)	(52)	--	--	100
Operating Income (GAAP)	\$487	(\$59)	(\$42)	(\$81)	(\$44)	(\$20)	(\$246)	\$450	(\$162)	\$529
Interest Income and Other	4	--	--	1	0	2	3	2	35	44
Net Contribution to Earnings from Continuing Operations	\$491	(\$59)	(\$42)	(\$80)	(\$44)	(\$18)	(\$243)	\$452	(\$127)	\$573
Interest Expense, Net										(389)
Income Taxes										86
Earnings from Discontinued Operations, Net of Income Tax										61
Net Earnings to Common Shareholders (GAAP)										\$331

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.



2012 EBITDA RECONCILIATION: By Segment

\$ Millions	2012									
	Timberlands	Lumber	OSB	ELP	Distribution	WP Other	Wood Products	Cellulose Fibers	Unallocated Items	Total
Adjusted EBITDA¹	\$460	\$130	\$143	\$17	(\$29)	(\$15)	\$246	\$368	(\$78)	\$996
Depletion, Depreciation & Amortization	(142)	(45)	(31)	(51)	(5)	(1)	(133)	(150)	(19)	(444)
Non-Operating Pension & Postretirement (Costs) Credits	--	--	--	--	--	--	--	--	(29)	(29)
Special Items	--	--	--	--	--	6	6	--	89	95
Operating Income (GAAP)	\$318	\$85	\$112	(\$34)	(\$34)	(\$10)	\$119	\$218	(\$37)	\$618
Interest Income and Other	3	--	--	--	--	1	1	5	39	48
Loss Attributable to Non-Controlling Interest	1	--	--	--	--	--	--	--	--	1
Net Contribution to Earnings from Continuing Operations	\$322	\$85	\$112	(\$34)	(\$34)	(\$9)	\$120	\$223	\$2	\$667
Interest Expense, Net										(344)
Income Taxes										(10)
Earnings from Discontinued Operations, Net of Income Tax										72
Net Earnings to Common Shareholders (GAAP)										\$385

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.



2013 Q3 YTD EBITDA RECONCILIATION: By Segment

\$ Millions	2013 Q3 YTD									
	Timberlands	Lumber	OSB	ELP	Distribution	WP Other	Wood Products	Cellulose Fibers	Unallocated Items	Total
Adjusted EBITDA¹	\$448	\$258	\$223	\$34	(\$27)	(\$2)	\$486	\$252	(\$33)	\$1,153
Depletion, Depreciation & Amortization	(115)	(30)	(23)	(35)	(4)	(1)	(93)	(116)	(9)	(333)
Non-Operating Pension & Postretirement (Costs) Credits	--	--	--	--	--	--	--	--	(31)	(31)
Special Items	--	--	--	--	--	--	--	--	--	--
Operating Income (GAAP)	\$333	\$228	\$200	(\$1)	(\$31)	(\$3)	\$393	\$136	(\$73)	\$789
Interest Income and Other	3	--	--	--	--	--	--	(1)	37	39
Net Contribution to Earnings from Continuing Operations	\$336	\$228	\$200	(\$1)	(\$31)	(\$3)	\$393	\$135	(\$36)	\$828
Interest Expense, Net										(256)
Income Taxes										(99)
Earnings from Discontinued Operations, Net of Income Tax										36
Net Earnings (GAAP)										\$509
Dividends on preference shares										(12)
Net Earnings to Common Shareholders (GAAP)										\$497

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.



2013 EBITDA RECONCILIATION: By Segment

\$ Millions	2013									
	Timberlands	Lumber	OSB	ELP	Distribution	WP Other	Wood Products	Cellulose Fibers	Unallocated Items	Total
Adjusted EBITDA¹	\$632	\$317	\$247	\$45	(\$33)	(\$2)	\$574	\$353	(\$61)	\$1,498
Depletion, Depreciation & Amortization	(166)	(40)	(31)	(46)	(5)	(1)	(123)	(156)	(13)	(458)
Non-Operating Pension & Postretirement (Costs) Credits	--	--	--	--	--	--	--	--	(40)	(40)
Special Items	--	--	--	(10)	--	--	(10)	--	(356)	(366)
Operating Income (GAAP)	\$466	\$277	\$216	(\$11)	(\$38)	(\$3)	\$441	\$197	(\$470)	\$634
Interest Income and Other	4	--	--	--	--	--	--	3	48	55
Net Contribution to Earnings from Continuing Operations	\$470	\$277	\$216	(\$11)	(\$38)	(\$3)	\$441	\$200	(\$422)	\$689
Interest Expense, Net										(369)
Income Taxes										171
Earnings from Discontinued Operations, Net of Income Tax										72
Net Earnings (GAAP)										\$563
Dividends on preference shares										(23)
Net Earnings to Common Shareholders (GAAP)										\$540

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.



2014 Q3 YTD EBITDA RECONCILIATION: By Segment

\$ Millions	2014 Q3 YTD									
	Timberlands	Lumber	OSB	ELP	Distribution	WP Other	Wood Products	Cellulose Fibers	Unallocated Items	Total
Adjusted EBITDA¹	\$624	\$254	\$39	\$65	\$3	(\$1)	\$360	\$321	(\$47)	\$1,258
Depletion, Depreciation & Amortization	(154)	(31)	(23)	(31)	(4)	--	(89)	(116)	(9)	(368)
Non-Operating Pension & Postretirement (Costs) Credits	--	--	--	--	--	--	--	--	33	33
Special Items	--	--	--	--	--	--	--	--	103	103
Operating Income (GAAP)	\$470	\$223	\$16	\$34	(\$1)	(\$1)	\$271	\$205	\$80	\$1,026
Interest Income and Other	--	--	--	--	--	--	--	(1)	28	27
Net Contribution to Earnings from Continuing Operations	\$470	\$223	\$16	\$34	(\$1)	(\$1)	\$271	\$204	\$108	\$1,053
Interest Expense, Net										(254)
Income Taxes										(148)
Earnings from Discontinued Operations, Net of Income Tax										998
Net Earnings (GAAP)										\$1,649
Dividends on preference shares										(33)
Net Earnings to Common Shareholders (GAAP)										\$1,616

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.



2014 Q3 LTM EBITDA RECONCILIATION: By Segment

\$ Millions	2014 Q3 LTM ¹									
	Timberlands	Lumber	OSB	ELP	Distribution	WP Other	Wood Products	Cellulose Fibers	Unallocated Items	Total
Adjusted EBITDA²	\$808	\$313	\$63	\$76	(\$3)	(\$1)	\$448	\$422	(\$75)	\$1,603
Depletion, Depreciation & Amortization	(205)	(41)	(31)	(42)	(5)	--	(119)	(156)	(13)	(493)
Non-Operating Pension & Postretirement (Costs) Credits	--	--	--	--	--	--	--	--	24	24
Special Items	--	--	--	(10)	--	--	(10)	--	(253)	(263)
Operating Income (GAAP)	\$603	\$272	\$32	\$24	(\$8)	(\$1)	\$319	\$266	(\$317)	\$871
Interest Income and Other	1	--	--	--	--	--	--	3	39	43
Net Contribution to Earnings from Continuing Operations	\$604	\$272	\$32	\$24	(\$8)	(\$1)	\$319	\$269	(\$278)	\$914
Interest Expense, Net										(367)
Income Taxes										122
Earnings from Discontinued Operations, Net of Income Tax										1,304
Net Earnings (GAAP)										\$1,703
Dividends on preference shares										(44)
Net Earnings to Common Shareholders (GAAP)										\$1,659

1. LTM = last twelve months.

2. 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

\$ Millions	2011	2012	2013	2014 Q3 (LTM)
West ¹	\$273	\$250	\$361	\$556
South	214	218	225	257
Other ¹	(15)	(8)	46	(5)
Adjusted EBITDA²	\$472	\$460	\$632	\$808
Depletion, Depreciation & Amortization	(137)	(142)	(166)	(205)
Special Items	152	--	--	--
Operating Income (GAAP)	\$487	\$318	\$466	\$603
Interest Income and Other	4	3	4	1
Loss Attributable to Non-Controlling Interest	--	1	--	--
Net Contribution to Earnings	\$491	\$322	\$470	\$604

1. Results from Longview Timber are included with Western Timberlands for 2014 Q3 LTM. For 2013, results from Longview Timber are included in Other due to acquisition in July 2013.
2. 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.

