

WEYERHAEUSER



UBS GLOBAL PAPER & FOREST PRODUCTS CONFERENCE

September 10, 2015 | New York, NY

Patty Bedient, Executive Vice President & Chief Financial Officer



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, markets for our products, revenues, earnings, liquidity and uses of cash, funds available for distribution, pricing, production, supply, dividend levels, share repurchases, business priorities, performance, cost reductions, operational excellence initiatives, demand drivers, housing markets, capital structure, credit ratings, capital expenditures, and debt levels. 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 “expect,” “anticipate,” “believe,” “could,” “would,” “will,” “forecast,” “estimate,” “outlook,” “goal,” “plan,” “target,” and similar terms and phrases, or we may refer to assumptions, goals or targets, 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. See the 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, 2014. 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 may be 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.



DRIVING VALUE FOR SHAREHOLDERS

- ▶ **Portfolio: Focused Forest Products Company**
- ▶ **Performance: Operational Excellence**
- ▶ **Capital Allocation**

Growing a Truly Great Company



FOCUSED FOREST PRODUCTS COMPANY

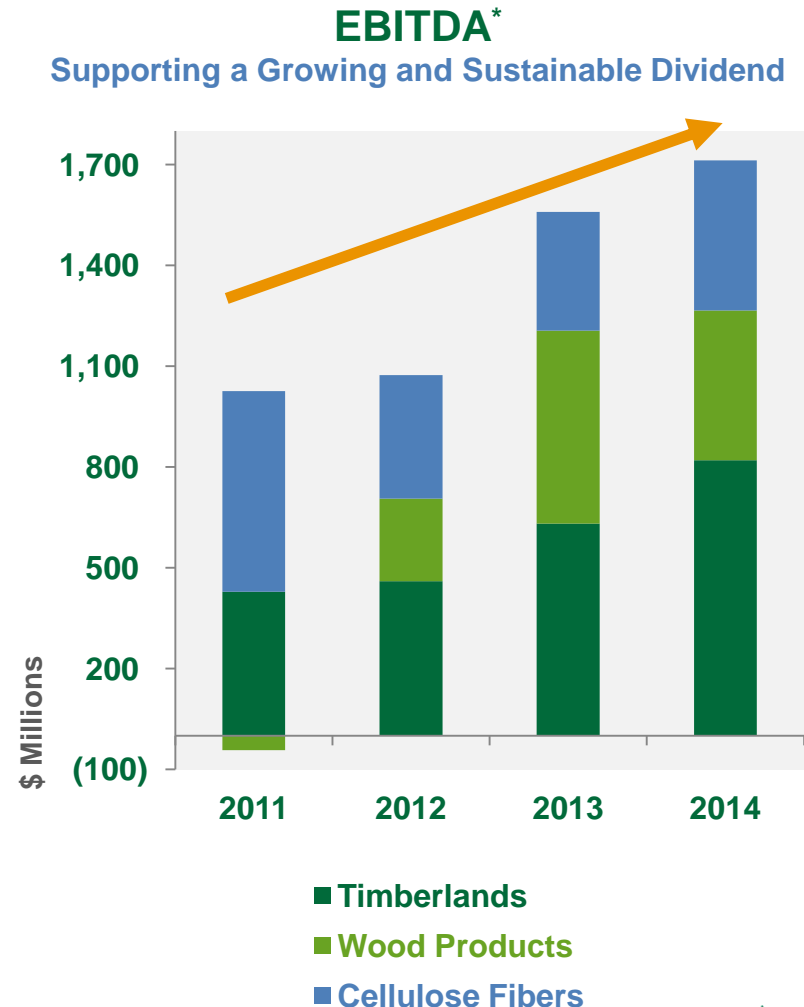
Supporting a Growing and Sustainable Dividend

▶ **TIMBERLANDS**

- Strong, productive asset base

▶ **COMPLEMENTARY MANUFACTURING OPERATIONS**

- Wood Products: Strong upside from US housing
- Cellulose Fibers: Strong cash flow and growing demand from global markets



PERFORMANCE



PERFORMANCE: Achieved 2014 Targets

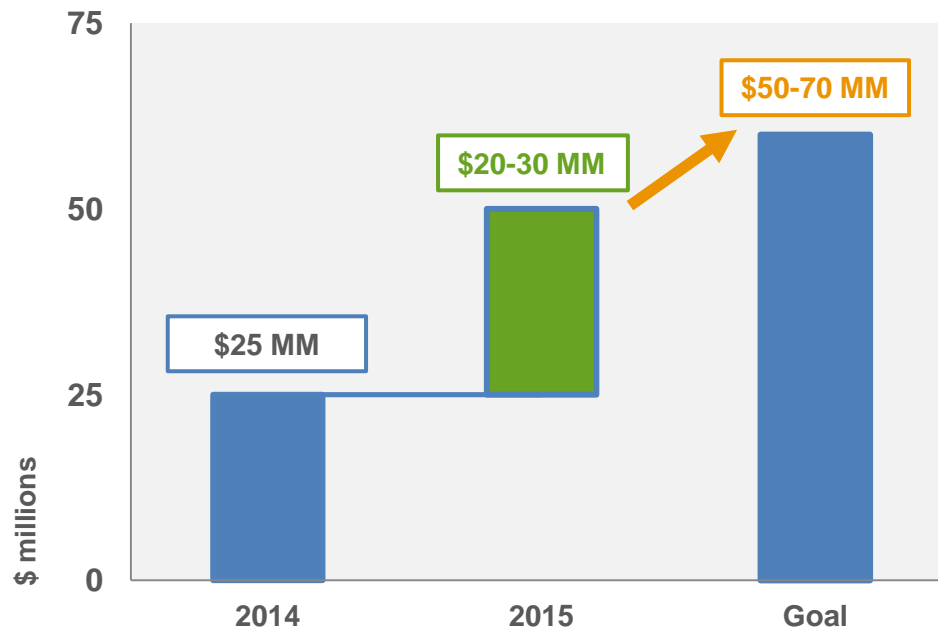
- Timberlands
\$25 million ✓
- Lumber
\$25 million ✓
- OSB
\$10 million ✓
- ELP Turnaround
\$34 million ✓
- Distribution Turnaround
\$35 million ✓
- Cellulose Fibers
\$28 million ✓
- Longview Timber Synergies
\$29 million ✓
- SG&A Reductions
\$75 million run rate ✓

Focused on Operational Excellence



TIMBERLANDS: OPX Performance

OPERATIONAL EXCELLENCE EBITDA



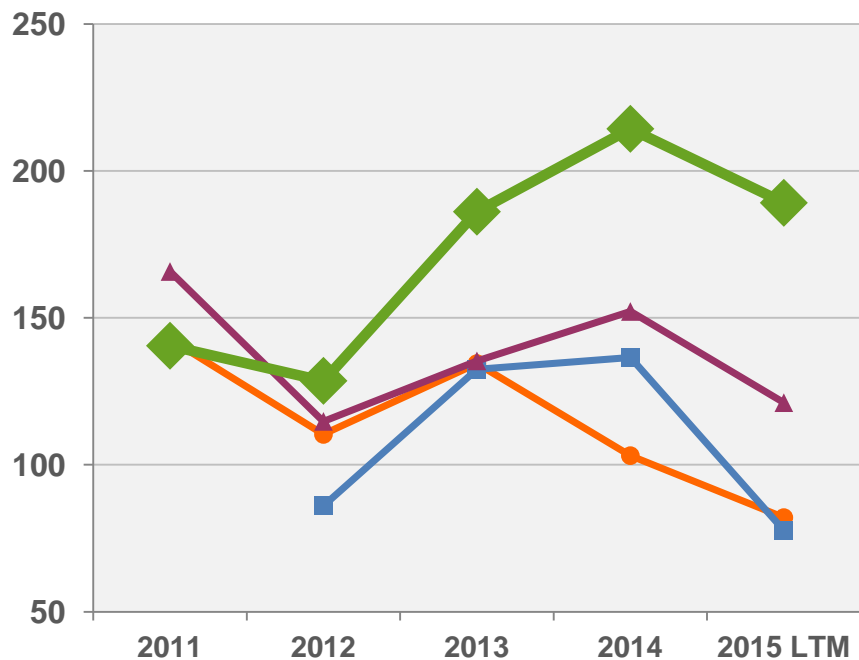
► 2015 INITIATIVES

- Log marketing and merchandising
- Cost efficiencies: harvesting, transportation, silviculture
- Non-timber revenue

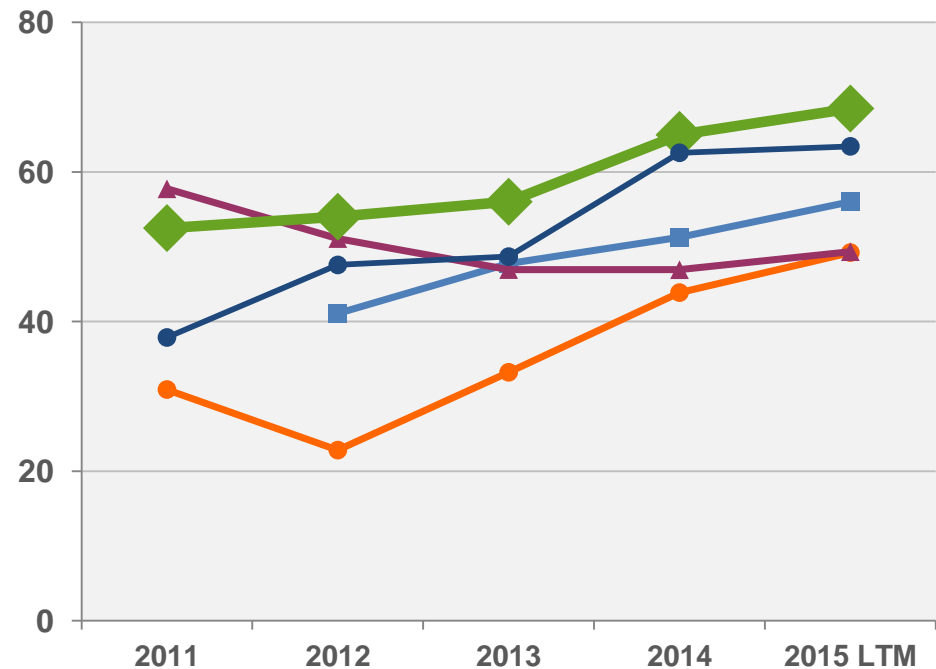


TIMBERLANDS: Current Relative Performance

EBITDA* / ACRE OWNED
U.S. WEST



EBITDA* / ACRE OWNED
U.S. SOUTH



— NCREIF — Rayonier** — Pope Resources*** — WY****

— NCREIF — Rayonier** — Deltic — WY — Plum Creek

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 restated during 2014. 2011 data unavailable.

***Pope Resources results exclude significant land sales in 2014 Q3 and Q4. Including these sales, 2014 EBITDA/acre = \$263.

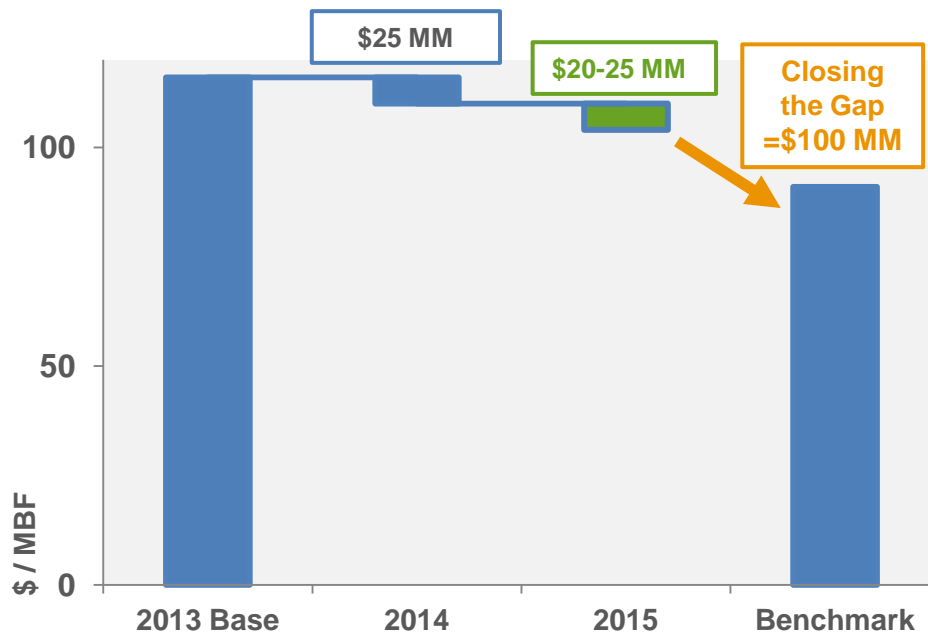
****WY results include Longview Timber beginning in 2014.



LUMBER: OPX Performance

OPERATIONAL EXCELLENCE*

Controllable Manufacturing Cost

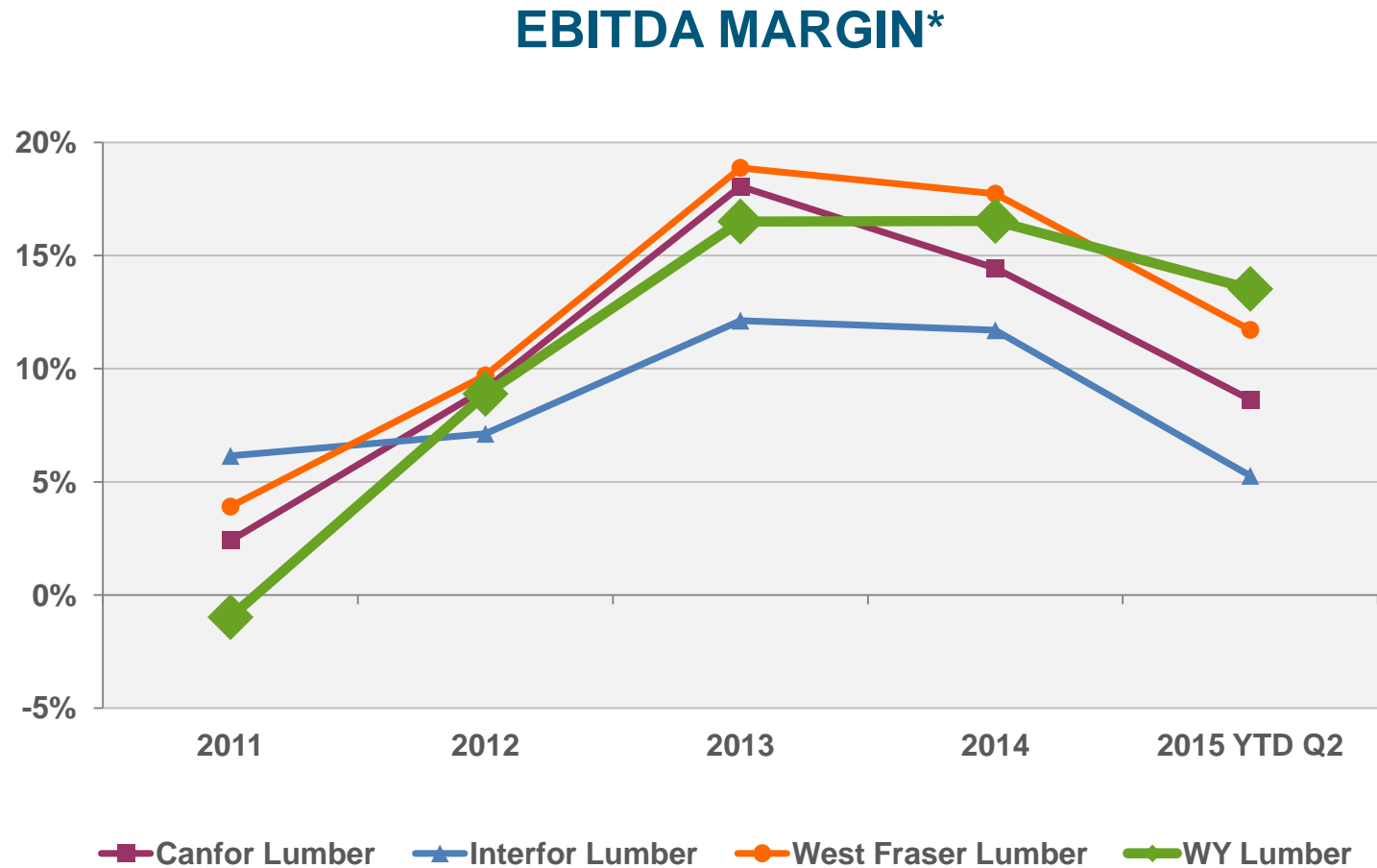


► 2015 INITIATIVES

- Labor productivity
- Process efficiency
- Reliability
- Capital execution

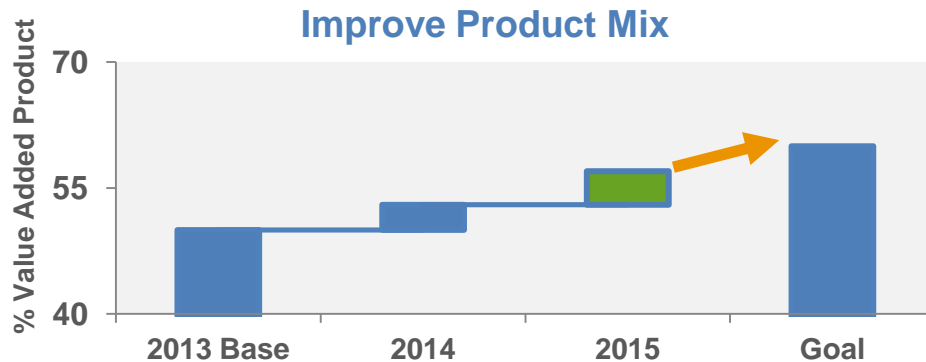
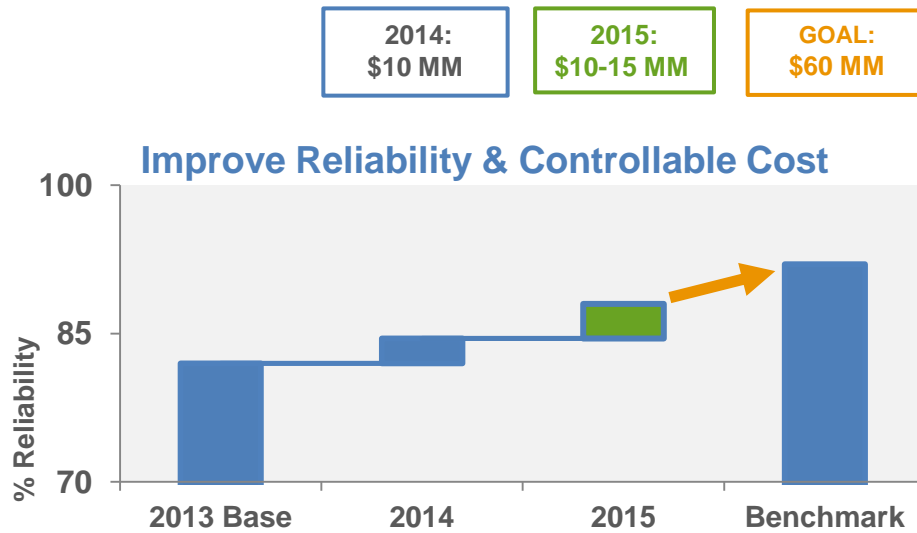


LUMBER: Current Relative Performance



OSB: OPX Performance

OPERATIONAL EXCELLENCE*



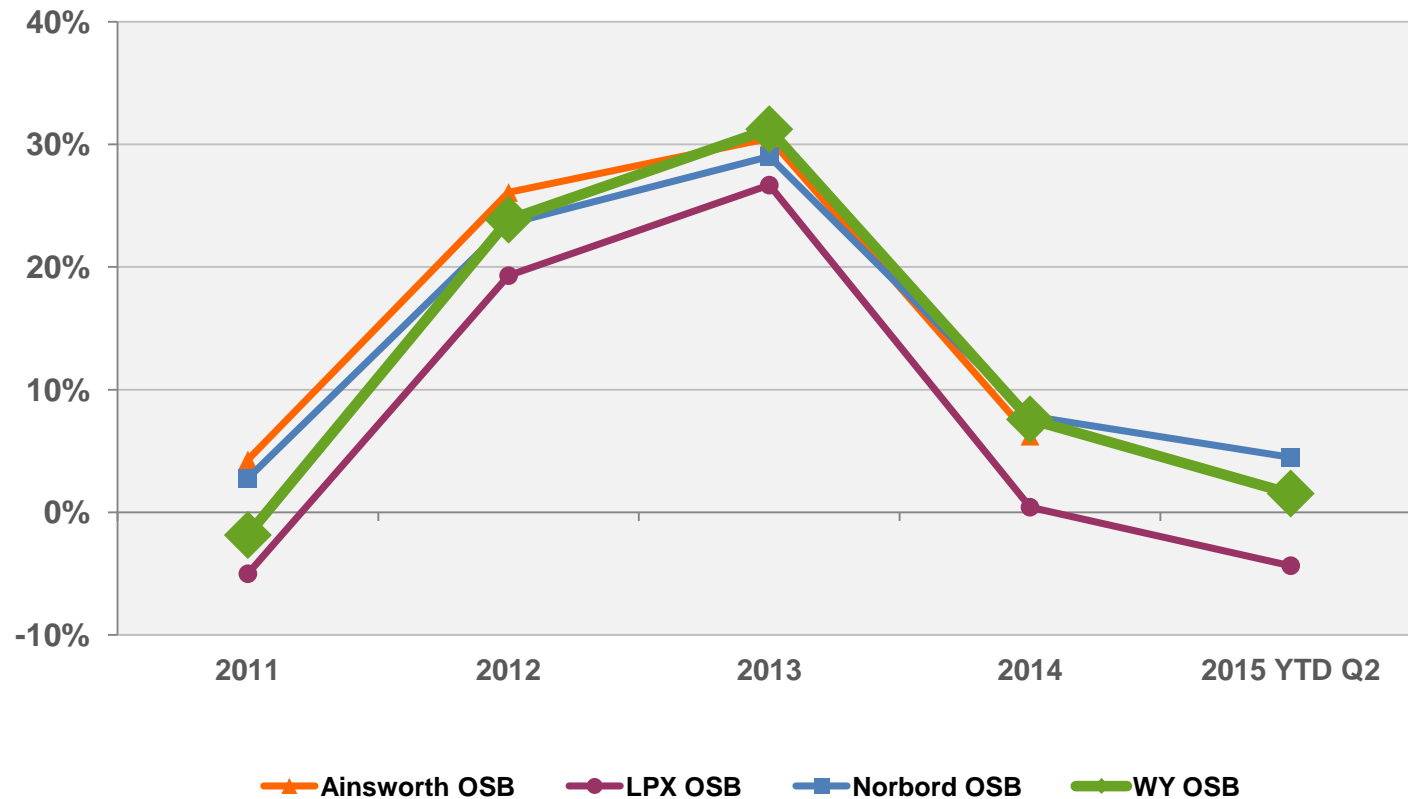
2015 INITIATIVES

- Reliability
- Automation
- Enhanced product mix
- Transportation



OSB: Current Relative Performance

EBITDA MARGIN*

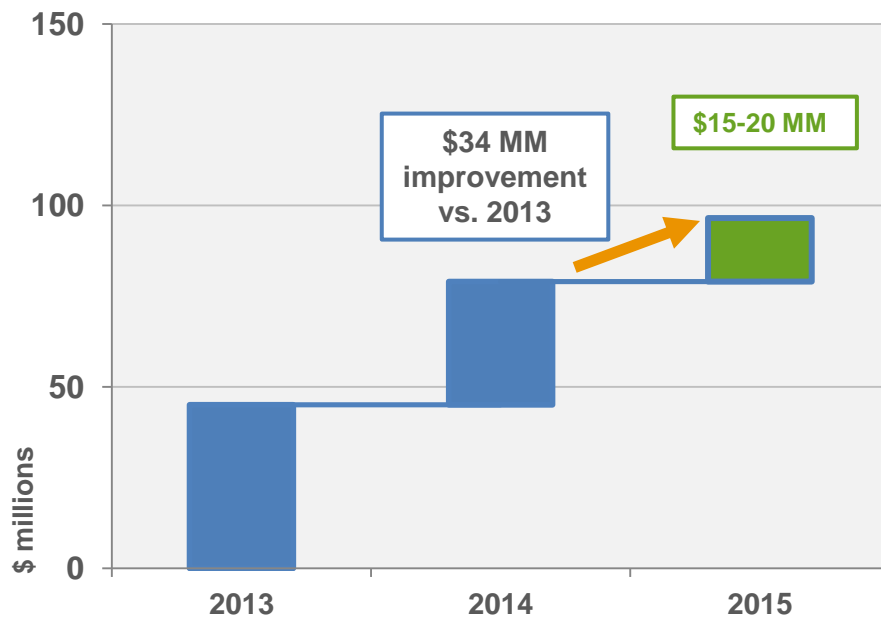


Source for competitor data: public SEC filings
*See appendix for reconciliation to GAAP amounts.



ELP: Turnaround Performance

ELP TURNAROUND Continue EBITDA Improvement*



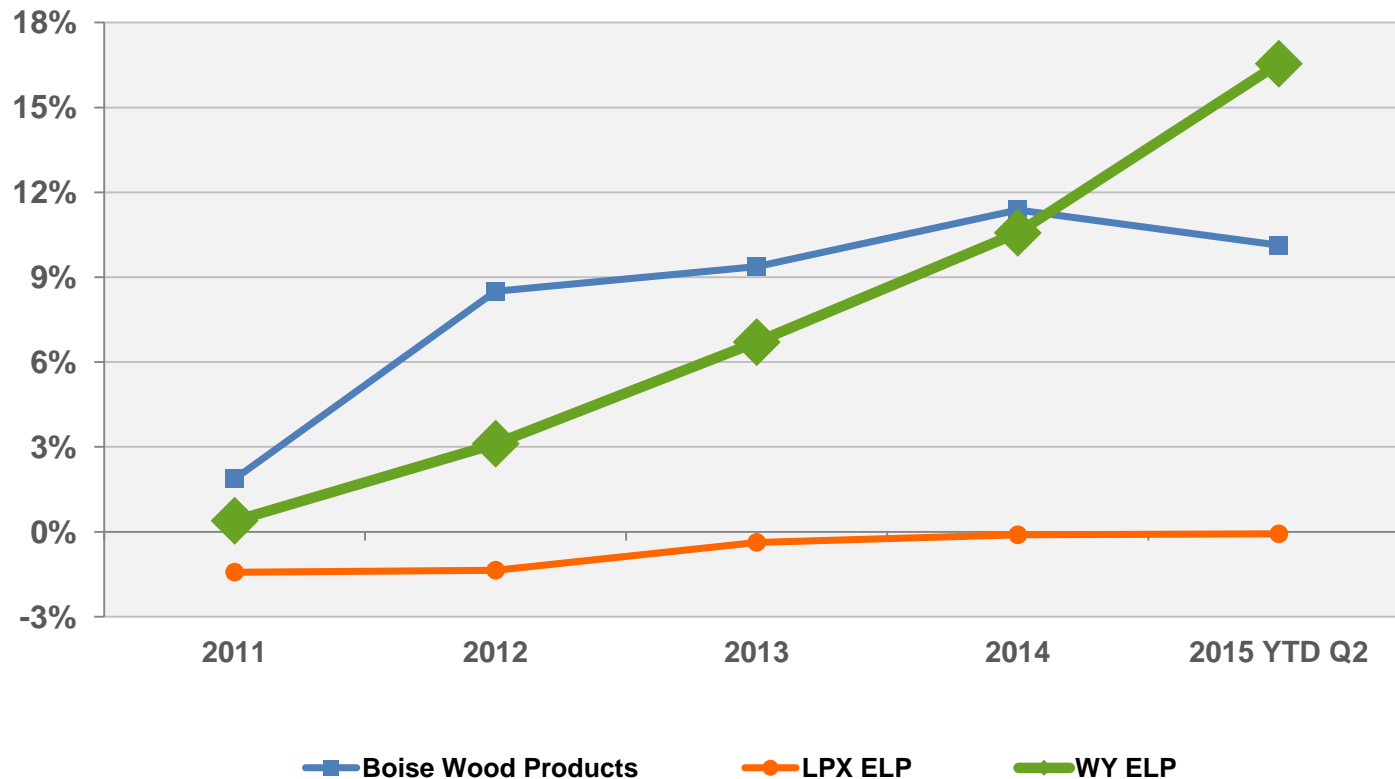
► 2015 INITIATIVES

- Reliability
- Veneer recovery
- Supply chain performance



ELP: Current Relative Performance

EBITDA MARGIN*



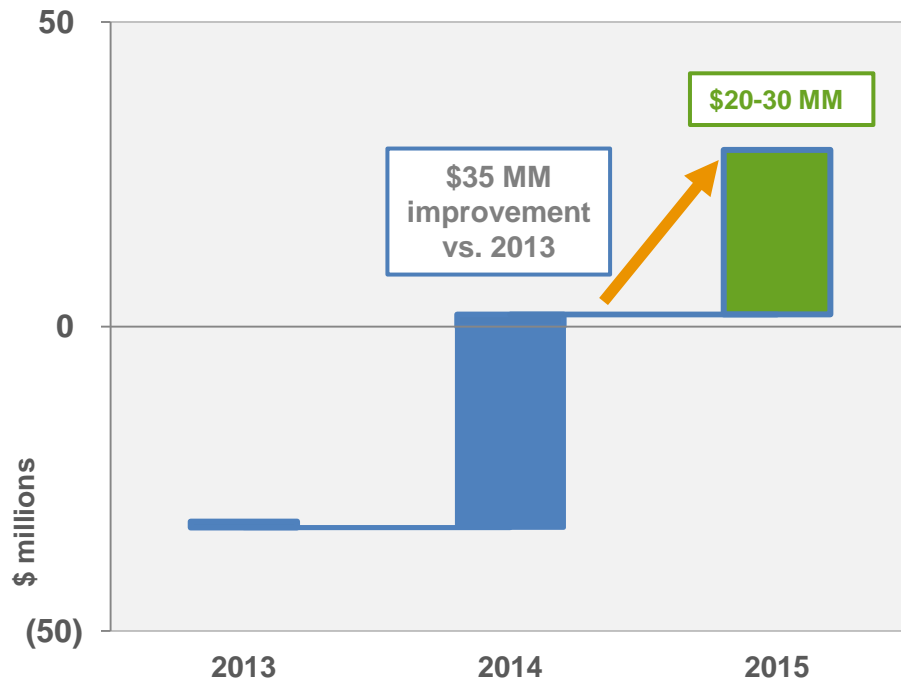
Source for competitor data: public SEC filings
*See appendix for reconciliation to GAAP amounts.



DISTRIBUTION: Turnaround Performance

DISTRIBUTION TURNAROUND

Continue EBITDA Improvement*

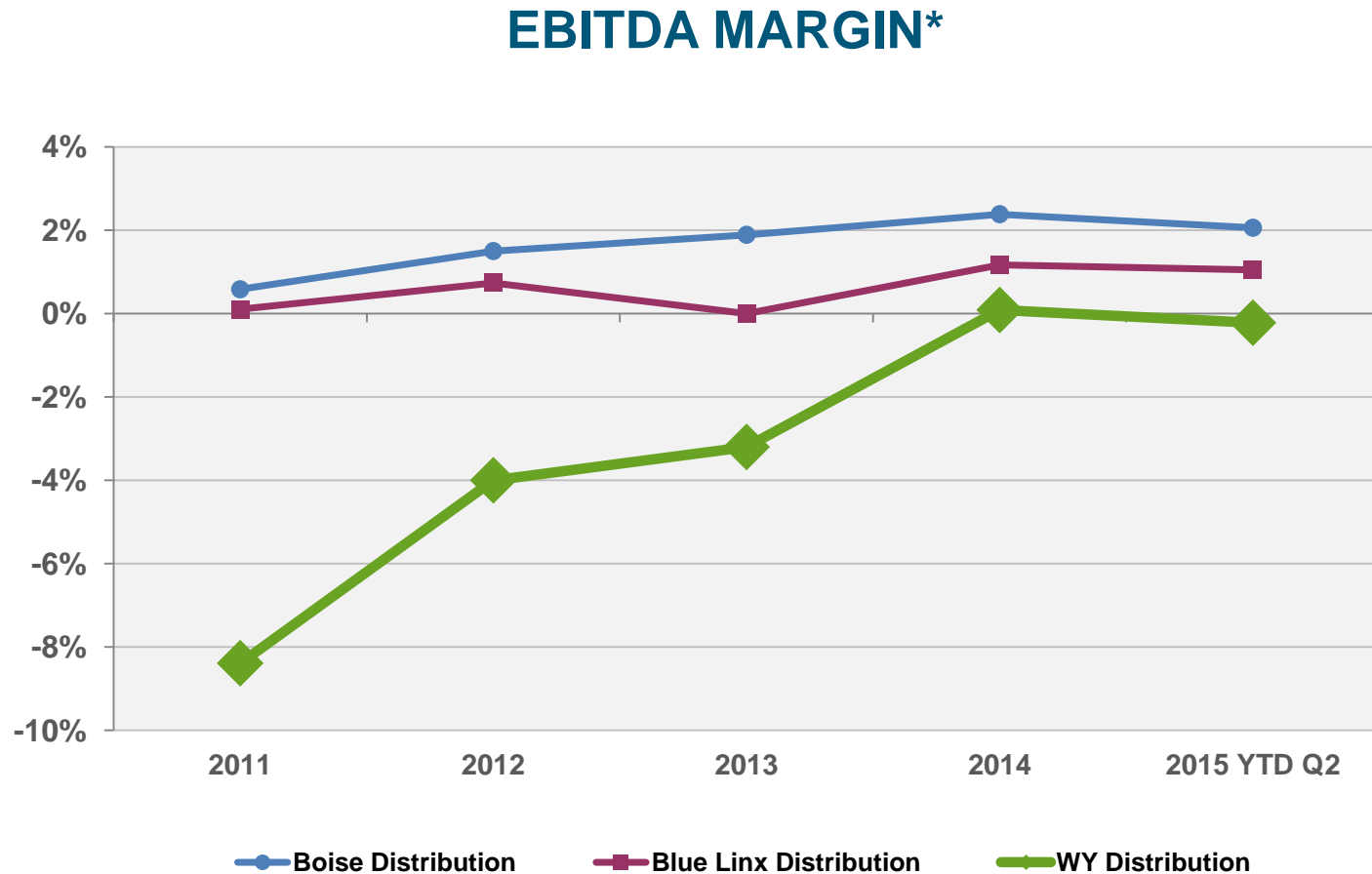


► 2015 INITIATIVES

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



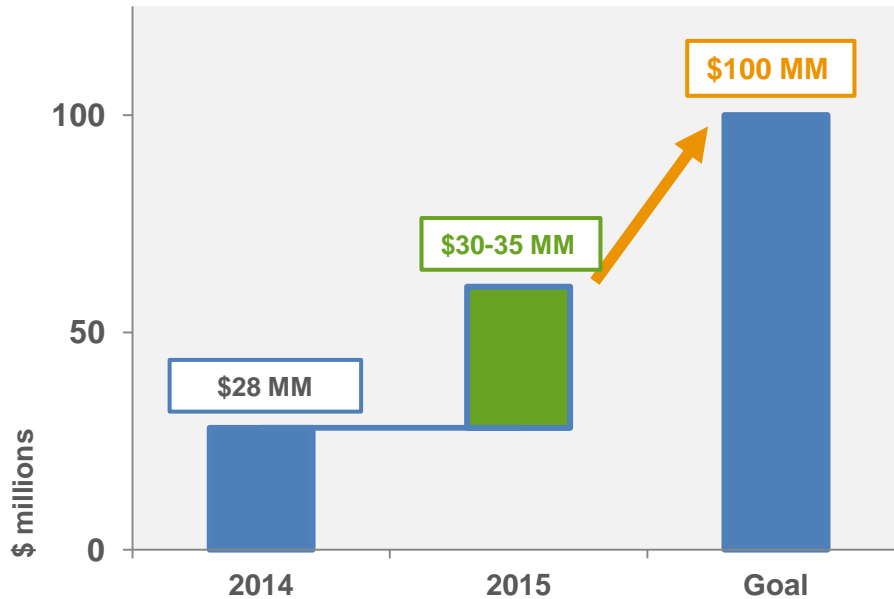
DISTRIBUTION: Current Relative Performance



CELLULOSE FIBERS: OPX Performance

OPERATIONAL EXCELLENCE

Reduce Controllable Cost*



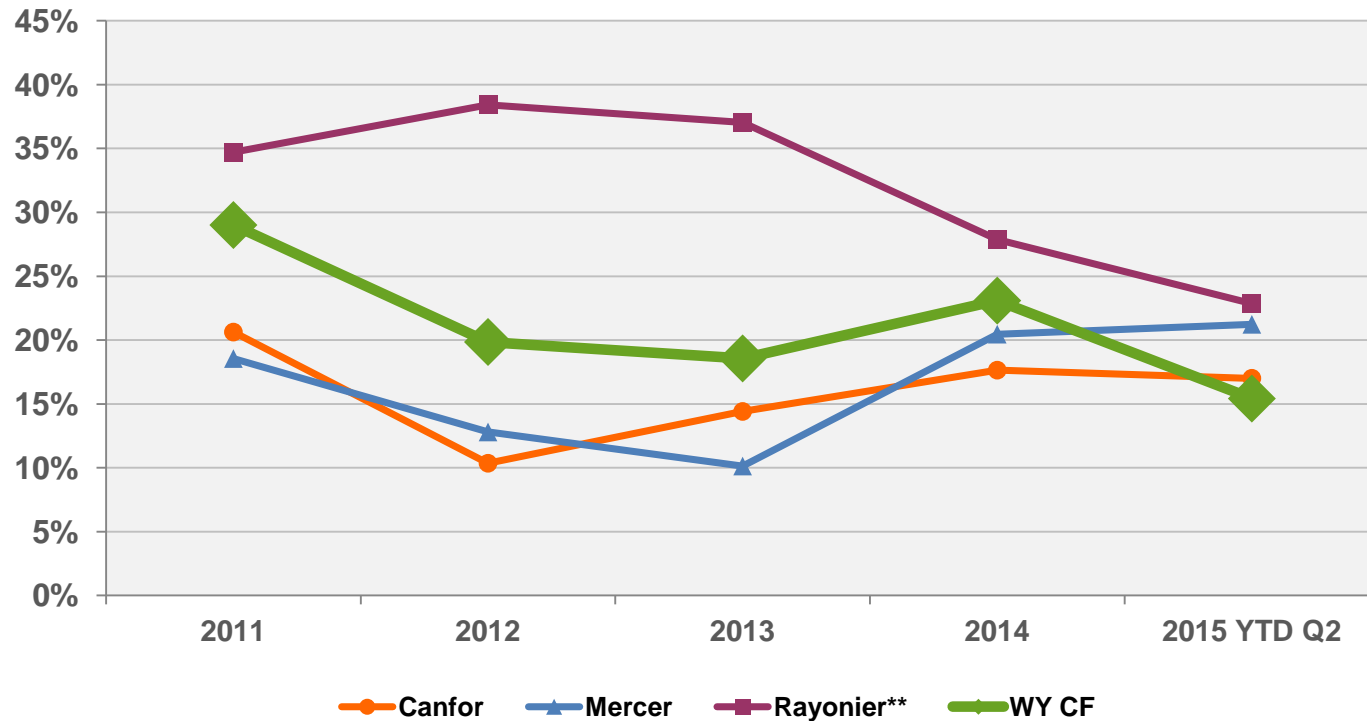
2015 INITIATIVES

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



CELLULOSE FIBERS: Current Relative Performance

EBITDA MARGIN*



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.



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

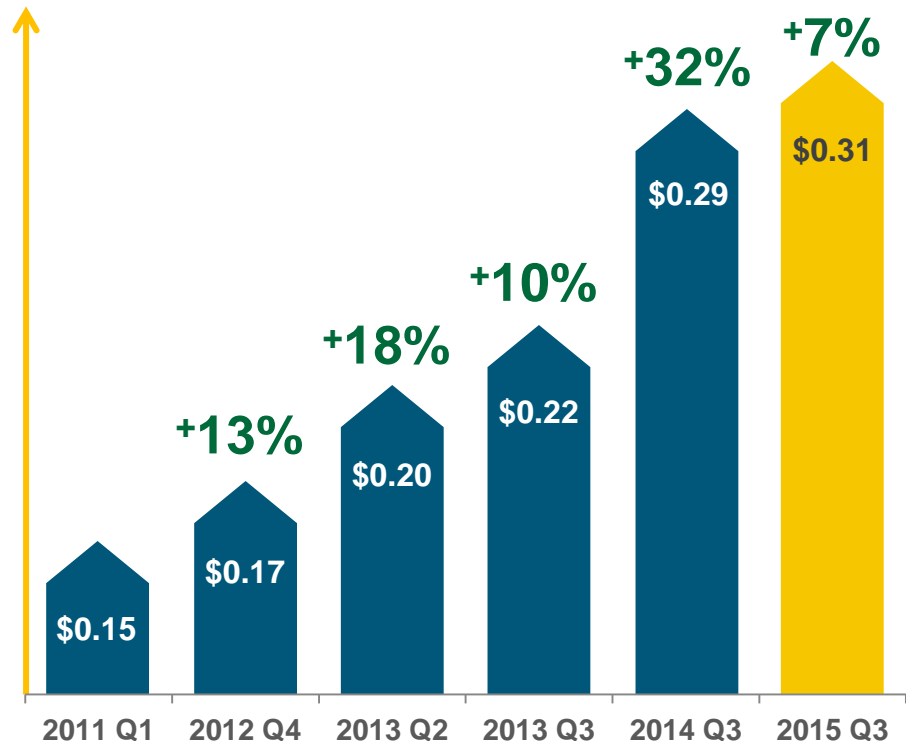
▶ QUARTERLY DIVIDEND

- Increased by 7% to \$0.31 per common share effective 2015 Q3
- Up 107% since 2011

▶ PAYOUT GUIDELINE

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

\$ INCREASING QUARTERLY DIVIDEND PER SHARE



RETURNING CASH TO SHAREHOLDERS: Share Repurchase

\$1.2 BILLION
APPROVED

► **\$700 MILLION PROGRAM**

- Authorized August 2014

► **ADDITIONAL \$500 MILLION**

- Authorized August 2015

OUR PROGRESS

AUG 2014 → 2Q 2015

► **\$610 MILLION**

- Over 18 million shares repurchased



INVESTING IN OUR BUSINESSES

► Disciplined capital investment

- Focus: reduce cost structure and improve EBITDA
- 2015 CapEx approximating DD&A (approx. \$500 million)

► 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 as of 2015 Q2**
- ▶ **Investment grade rating**



SUMMARY

- ▶ **Focused forest products company**
- ▶ **Improving performance**
- ▶ **Delivering on priorities for capital allocation**

Growing earnings and shareholder value



APPENDIX



TIMBERLANDS: Ownership

► PACIFIC NORTHWEST

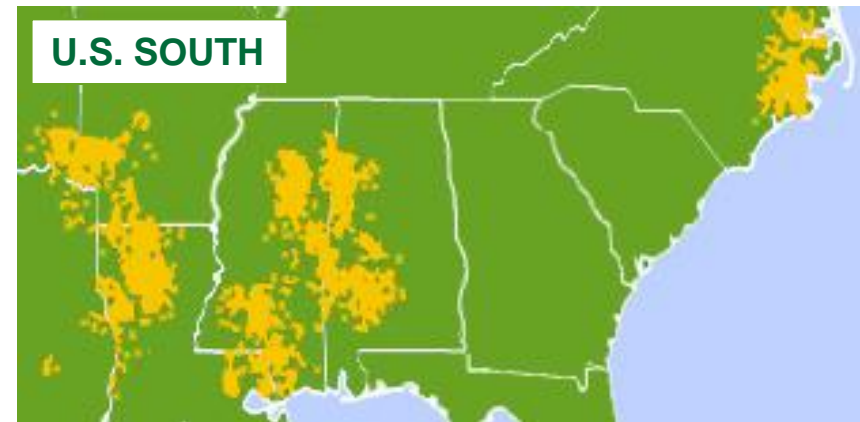
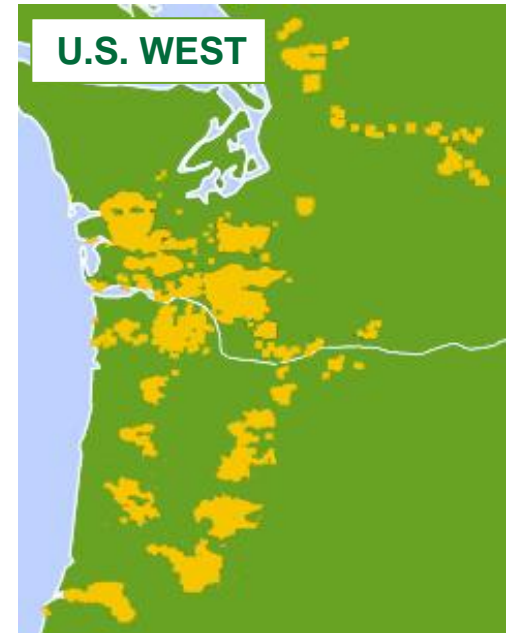
- Largest timberland holder in region
- 2.6 million acres west of Cascade mountains
- Douglas fir domestic and export value

► U.S. SOUTH

- More than four million acres
- Primarily Southern yellow pine

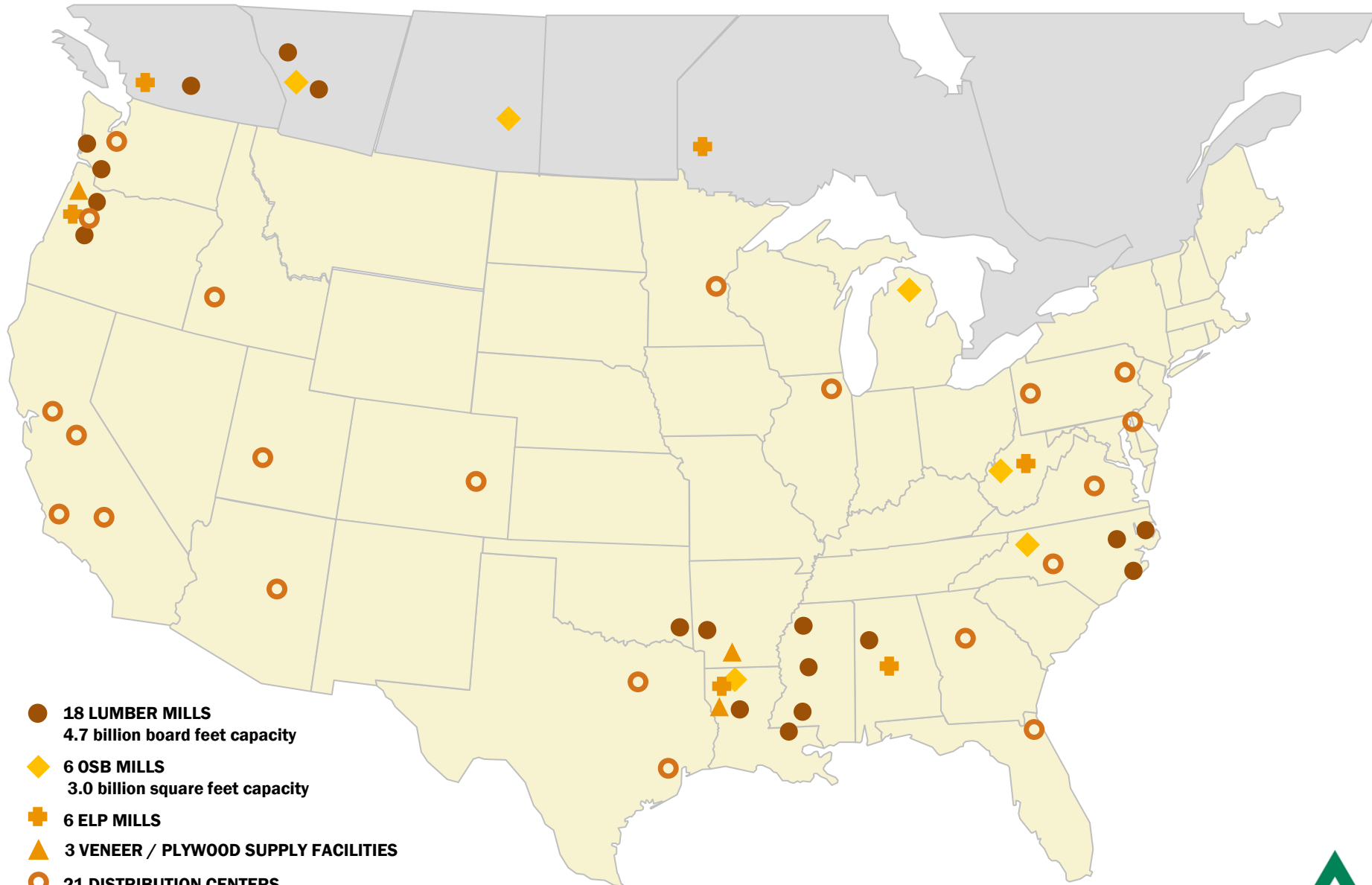
► URUGUAY

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

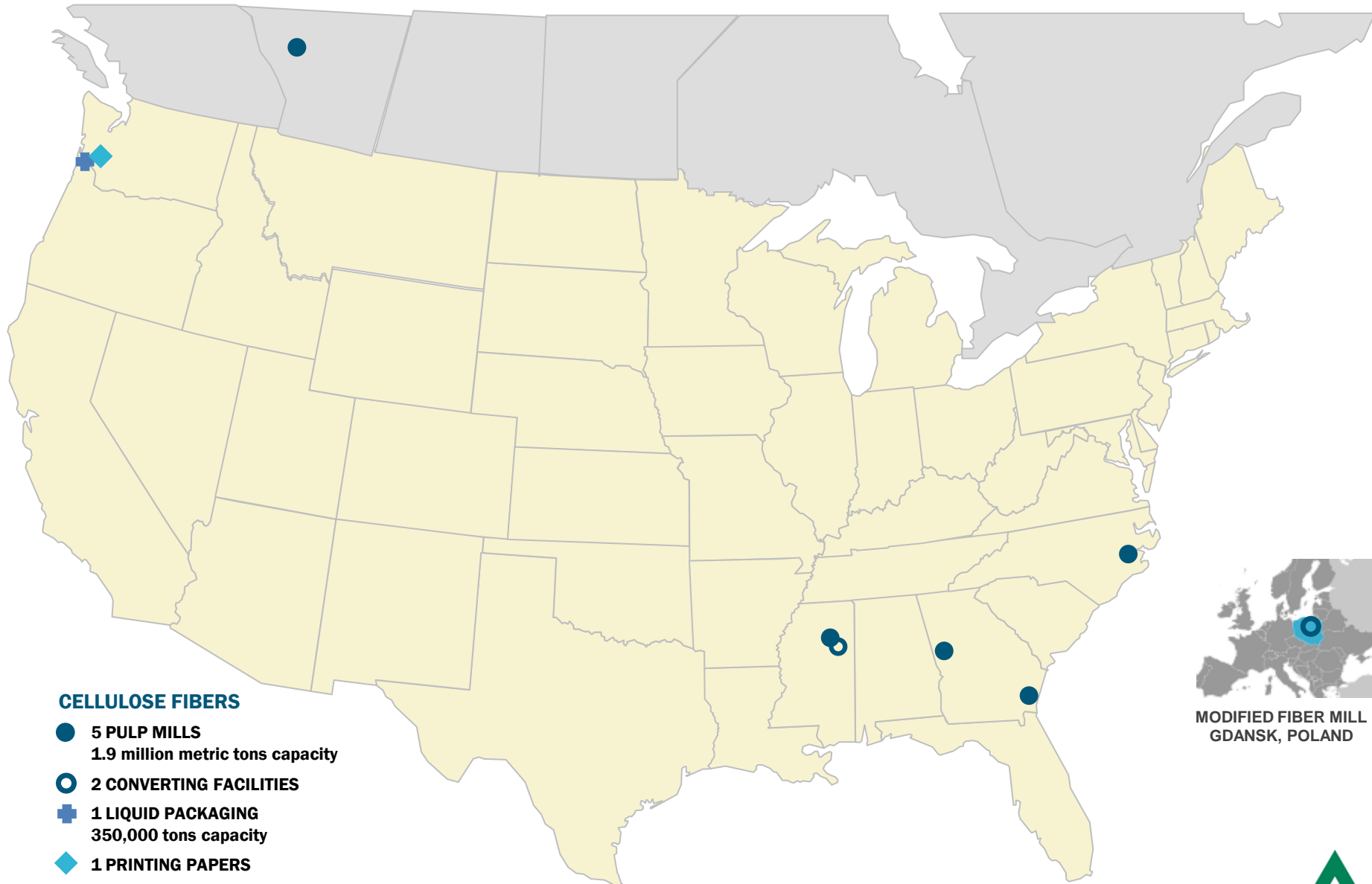


Scale, Expertise and Geographic Diversity Create Competitive Advantage

WOOD PRODUCTS



CELLULOSE FIBERS BUSINESS



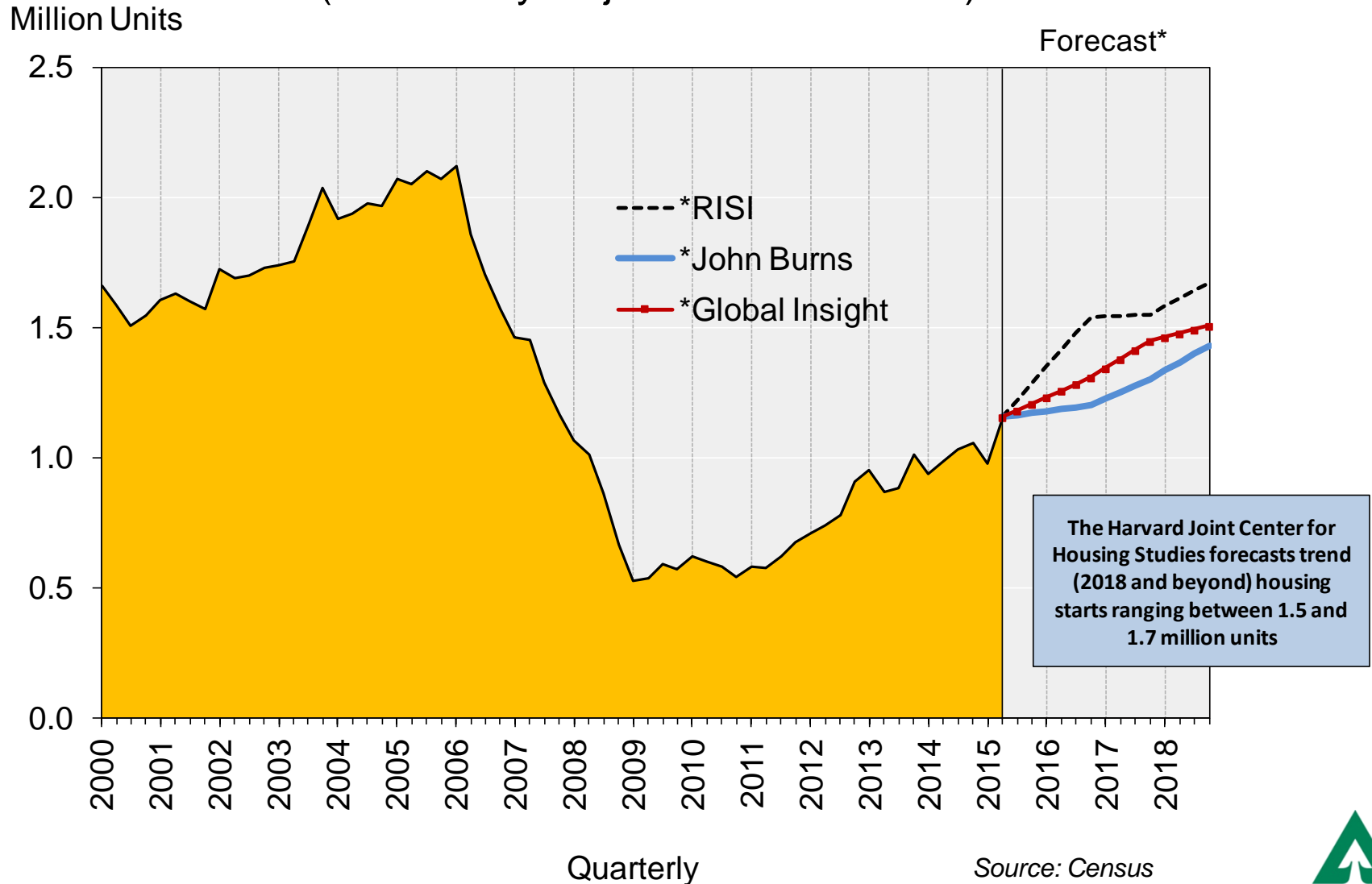
SIGNIFICANT RUNWAY AHEAD

- ▶ **US housing market improving**
 - Anticipate approximately 1.1 million starts in 2015
 - Single-family recovery underway
 - US housing starts remain well below trend
- ▶ **Demand for logs and wood products rises as housing strengthens**
- ▶ **Growing global demand for fluff products driven primarily by emerging countries**



HOUSING RECOVERS TO TREND

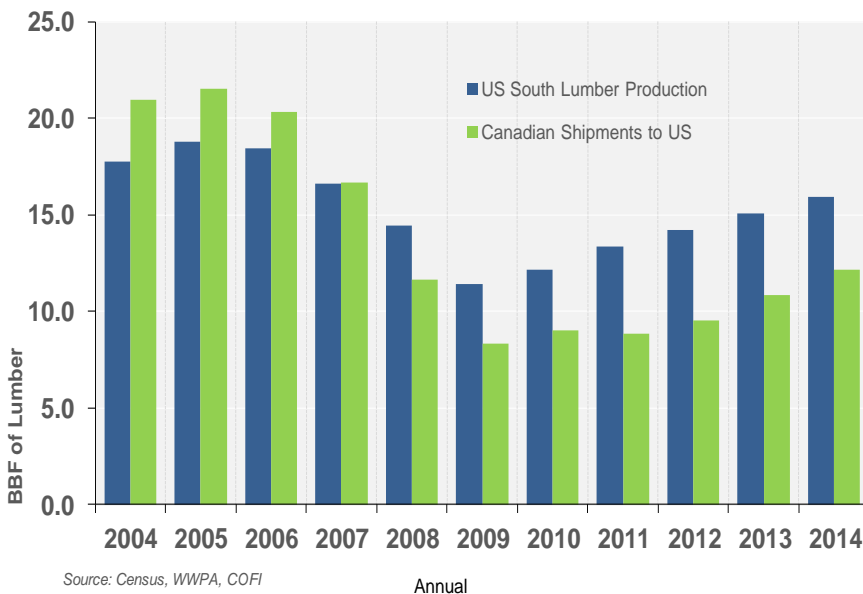
Total U.S. Housing Starts
(Seasonally Adjusted Annual Rate)



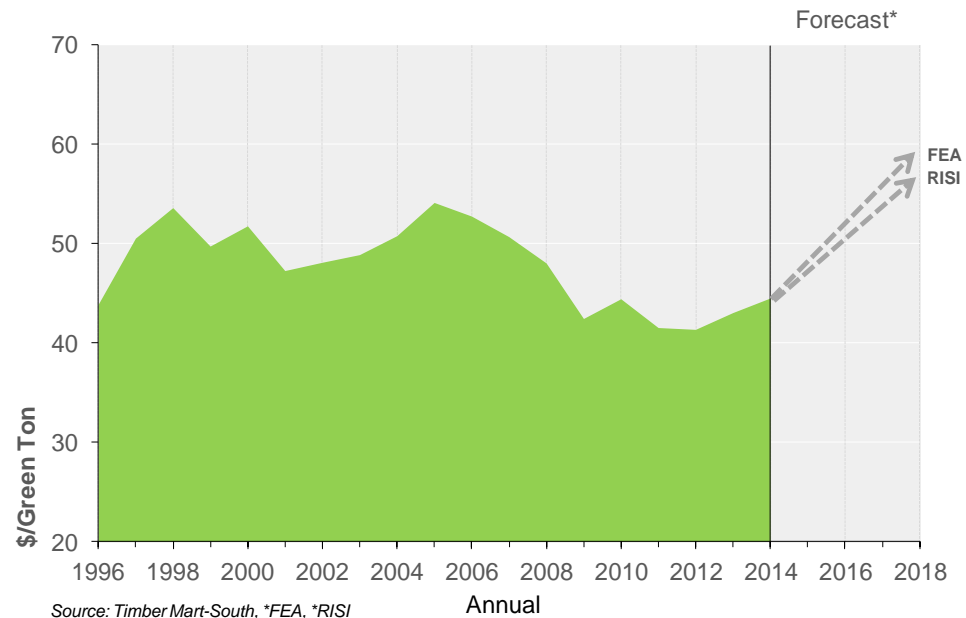
CANADIAN SUPPLY CONSTRAINTS: Benefit for Southern Lumber & Logs

- Anticipate decline in Canadian share of U.S. lumber market as demand recovers and Canadian production is constrained
- Southern pine lumber expanding

US LUMBER SUPPLY SOURCES



SOUTHERN LOG PRICE DELIVERED SOUTHERN AVERAGE PINE SAWLOG



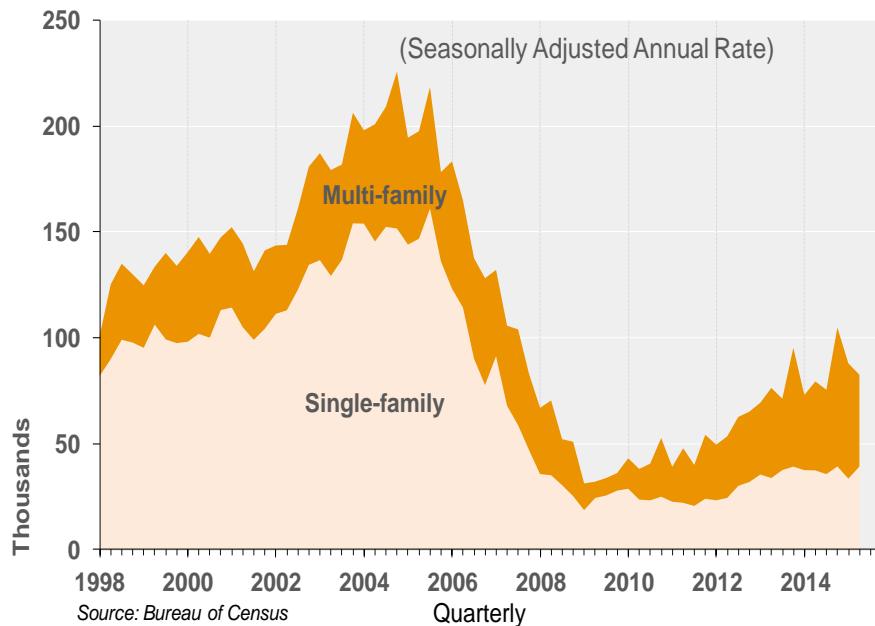
Southern log price recovery still ahead



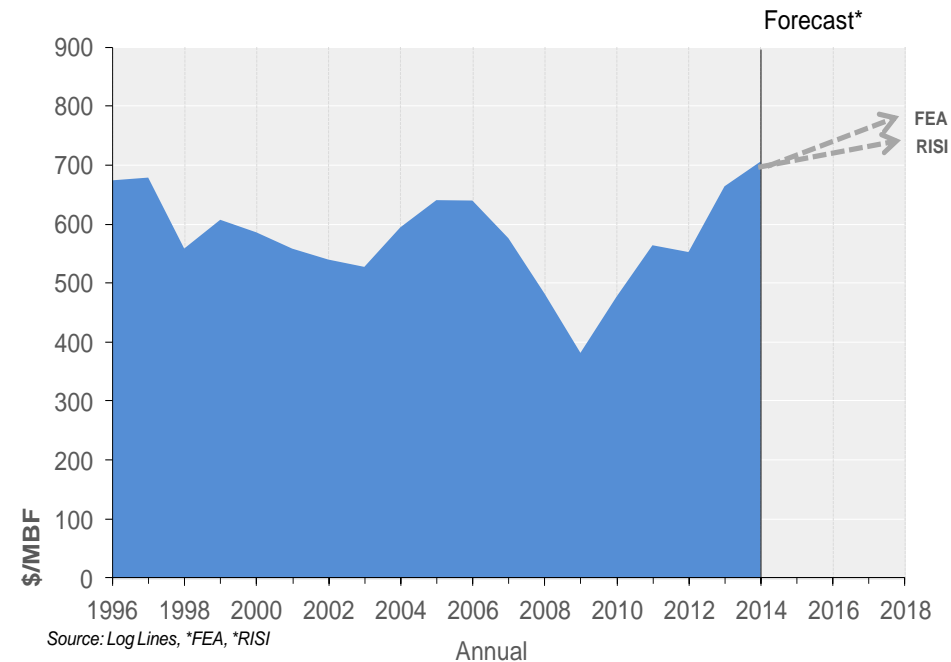
WESTERN LOG PRICES: Positive Outlook

- California: Single-family housing starts 60% below normalized levels
- China: Increasing demand for industrial and interior wood driven by urbanization & rising wealth
- Japan & Korea: Long-term demand for wood-based housing

RESIDENTIAL BUILDING PERMITS FOR CALIFORNIA



WESTERN LOG PRICE DELIVERED DOUGLAS FIR #2



SIGNIFICANT LEVERAGE TO PRICING

► **TIMBERLANDS**

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

► **WOOD PRODUCTS**

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

► **CELLULOSE FIBERS**

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

OUR VISION

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

HOW WE WIN



› CHASE PERFECTION... CATCH EXCELLENCE



2015 EBITDA RECONCILIATION: By Segment

\$ Millions	2015 Q2 YTD									
	Timberlands	Lumber	OSB	ELP	Distribution	WP Other	Wood Products	Cellulose Fibers	Unallocated Items	Total
Adjusted EBITDA¹	\$393	\$124	\$4	\$64	(\$1)	(\$5)	\$186	\$150	(\$38)	\$691
Depletion, Depreciation & Amortization	(104)	(22)	(15)	(13)	(3)	--	(53)	(77)	(7)	(241)
Non-Operating Pension & Postretirement Credits	--	--	--	--	--	--	--	--	6	6
Special Items	--	--	--	--	--	--	--	--	(13)	(13)
Operating Income (GAAP)	\$289	\$102	(\$11)	\$51	(\$4)	(\$5)	\$133	\$73	(\$52)	\$443
Interest Income and Other	--	--	--	--	--	--	--	(13)	18	5
Net Contribution to Earnings from Continuing Operations	\$289	\$102	(\$11)	\$51	(\$4)	(\$5)	\$133	\$60	(\$34)	\$448
Interest Expense, Net										(171)
Income Taxes										(32)
Earnings from Discontinued Operations, Net of Income Tax										--
Net Earnings (GAAP)										\$245
Dividends on preference shares										(22)
Net Earnings to Common Shareholders (GAAP)										\$223

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

\$ Millions	2011	2012	2013	2014	2015 Q2 LTM
West ¹	\$273	\$250	\$361	\$556	\$491
South	214	218	225	262	277
Other ¹	(15)	(8)	46	2	8
Adjusted EBITDA²	\$472	\$460	\$632	\$820	\$776
Depletion, Depreciation & Amortization	(137)	(142)	(166)	(207)	(208)
Special Items	152	--	--	--	--
Operating Income (GAAP)	\$487	\$318	\$466	\$613	\$568
Interest Income and Other	4	3	4	--	--
Loss Attributable to Non-Controlling Interest	--	1	--	--	--
Net Contribution to Earnings	\$491	\$322	\$470	\$613	\$568

1. Results from Longview Timber are included with Western Timberlands for 2014. For 2013, results from Longview Timber are included in Other due to acquisition in July 2013. Other also includes results from international operations and certain administrative charges.
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 and special items. Adjusted EBITDA should not be considered in isolation from and is not intended to represent an alternative to our GAAP results.



2014 EBITDA RECONCILIATION: By Segment

\$ Millions	2014									
	Timberlands	Lumber	OSB	ELP	Distribution	WP Other	Wood Products	Cellulose Fibers	Unallocated Items	Total
Adjusted EBITDA¹	\$820	\$319	\$46	\$79	\$2	\$--	\$446	\$447	(\$79)	\$1,634
Depletion, Depreciation & Amortization	(207)	(41)	(31)	(41)	(6)	--	(119)	(155)	(12)	(493)
Non-Operating Pension & Postretirement Credits	--	--	--	--	--	--	--	--	45	45
Special Items	--	--	--	--	--	--	--	--	134	134
Operating Income (GAAP)	\$613	\$278	\$15	\$38	(\$4)	\$--	\$327	\$292	\$88	\$1,320
Interest Income and Other	--	--	--	--	--	--	--	(1)	38	37
Net Contribution to Earnings from Continuing Operations	\$613	\$278	\$15	\$38	(\$4)	\$--	\$327	\$291	\$126	\$1,357
Interest Expense, Net										(344)
Income Taxes										(185)
Earnings from Discontinued Operations, Net of Income Tax										998
Net Earnings (GAAP)										\$1,826
Dividends on preference shares										(44)
Net Earnings to Common Shareholders (GAAP)										\$1,782

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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

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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

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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	--	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

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