



# WEYERHAEUSER

**EARNINGS RESULTS | 1st Quarter 2016**

**May 6, 2016**



# FORWARD-LOOKING STATEMENTS

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This presentation contains statements concerning the company's future results and performance that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on our current expectations and various assumptions that are subject to risks and uncertainties. These factors, which are described from time to time in our filings with the Securities and Exchange Commission, 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 the company's operations, cash flow or financial condition. All forward-looking statements are as of the date of this news release and we undertake no obligation to publicly update these forward-looking statements, whether as a result of new information, the occurrence of future events or otherwise.

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 second quarter of 2016, including with respect to earnings; log realizations, demand, and harvest volumes in Timberlands; market demand for our timberland properties that have higher and better uses; lumber sales realizations and production volumes across Wood Products product lines, and maintenance and capital costs and realizations for pulp in Cellulose Fibers and changes in acquisition accounting.



# NON-GAAP FINANCIAL MEASURES

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- 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](http://www.weyerhaeuser.com)*
- Adjusted EBITDA is a non-GAAP measure that management uses to evaluate the performance of the company. Effective for the quarter ended March 31, 2016, we have revised our definition of Adjusted EBITDA to add back the basis of real estate sold. We have revised our prior-period presentation to conform to our current reporting.
- Adjusted EBITDA, as we define it, is operating income from continuing operations adjusted for depreciation, depletion, amortization, basis of real estate sold, pension and postretirement costs not allocated to business segments and special items. Adjusted EBITDA excludes results from joint ventures.
- Our definition of Adjusted EBITDA may be different from similarly titled measures reported by other companies. Adjusted EBITDA should not be considered in isolation from and is not intended to represent an alternative to our GAAP results.



# 2016 Q1 KEY DEVELOPMENTS

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## Merger with Plum Creek:

- Weyerhaeuser merged with Plum Creek Timber Company, Inc. ("Plum Creek") on February 19, 2016. Our 2016 Q1 consolidated results include the former Plum Creek operations from the date of the merger through March 31, 2016.
- The initial allocation of total consideration transferred was recorded at the estimated fair value of assets acquired and liabilities assumed based on the best information available to management as of March 31, 2016. These estimated fair values are preliminary in nature and subject to adjustments, which could be material. Any necessary adjustments will be finalized within one year from the date of acquisition.

## Revision to business segments:

- The Timberlands segment includes sales of logs, stumpage and pay-as-cut timber, recreational lease revenue, and Uruguay operations. Sales of higher and better use and non-core timberlands and royalties related to minerals and oil and gas assets are now reported as part of the Real Estate, Energy & Natural Resources segment. Results for fiscal periods prior to first quarter 2016 have been revised to conform to the new segments.



# 2016 Q1 CONSOLIDATED RESULTS

Chart 1

| \$ Millions                                   | 2015          | 2016          |              |
|---|---------------|---------------|--------------|
| Adjusted EBITDA                               | Q4            | Q1            | Change       |
| Timberlands                                   | \$ 160        | \$ 199        | \$ 39        |
| Real Estate, Energy and Natural Resources     | 33            | 34            | 1            |
| Wood Products                                 | 75            | 117           | 42           |
| Cellulose Fibers                              | 105           | 68            | (37)         |
| Unallocated Items                             | (12)          | (5)           | 7            |
| <b>Total Adjusted EBITDA<sup>1</sup></b>      | <b>\$ 361</b> | <b>\$ 413</b> | <b>\$ 52</b> |
| Contribution to Earnings Before Special Items | \$ 245        | \$ 278        | \$ 33        |

1. A reconciliation to GAAP is set forth on **Chart 20**. See **Chart 20** for our revised definition of Adjusted EBITDA.
2. Other (income) expense, net includes: R&D expense, charges for restructuring, closures and impairments; other operating income, net; interest income and other. Interest income and other includes approximately \$8 million of income from special purpose entity (SPE) investments for each quarter presented and approximately \$5 million of income from an investment in our timberland joint venture in first quarter 2016.
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 and approximately \$4 million of expense on a note payable to our timberland joint venture in first quarter 2016.
4. Income taxes attributable to special items are included in Special items, after-tax. An explanation is set forth on **Chart 2**.
5. A reconciliation to GAAP is set forth on **Chart 2**.

| \$ Millions EXCEPT EPS  | 2015            | 2016            |
|---|-----------------|-----------------|
| Consolidated Statement of Operations Before Special Items                   | Q4              | Q1              |
| <b>Net sales</b>  | <b>\$ 1,741</b> | <b>\$ 1,835</b> |
| Cost of products sold   | 1,390           | 1,475           |
| Gross margin  | 351             | 360             |
| SG&A expenses   | 114             | 112             |
| Other (income) expense, net <sup>2</sup>                                    | (8)             | (30)            |
| <b>Total Contribution to Earnings Before Special Items</b>                  | <b>\$ 245</b>   | <b>\$ 278</b>   |
| Interest expense, net <sup>3</sup>  | (88)            | (97)            |
| Income taxes <sup>4</sup>   | (25)            | (20)            |
| Dividends on preference shares  | (11)            | (11)            |
| <b>Net Earnings to Common Shareholders Before Special Items<sup>5</sup></b> | <b>\$ 121</b>   | <b>\$ 150</b>   |
| Special items, after-tax <sup>4</sup>                                       | (62)            | (80)            |
| <b>Net Earnings to Common Shareholders</b>                                  | <b>\$ 59</b>    | <b>\$ 70</b>    |
| <b>Diluted EPS Before Special Items<sup>5</sup></b>                         | <b>\$ 0.24</b>  | <b>\$ 0.24</b>  |
| <b>Diluted EPS</b>  | <b>\$ 0.11</b>  | <b>\$ 0.11</b>  |



# EARNINGS BEFORE SPECIAL ITEMS

Chart 2

| \$ Millions EXCEPT EPS                            | 2015 Q4                       |                    |                | 2016 Q1                       |                    |                |
|---|-------------------------------|--------------------|----------------|-------------------------------|--------------------|----------------|
|   | Pre-Tax Earnings <sup>6</sup> | After-Tax Earnings | Diluted EPS    | Pre-Tax Earnings <sup>6</sup> | After-Tax Earnings | Diluted EPS    |
| <b>Earnings Before Special Items</b>              | <b>\$ 157</b>                 | <b>\$ 121</b>      | <b>\$ 0.24</b> | <b>\$ 181</b>                 | <b>\$ 150</b>      | <b>\$ 0.24</b> |
| <b>Special Items:</b>                             |                               |                    |                |                               |                    |                |
| Gain on sale of non-strategic asset               | —                             | —                  | —              | 36                            | 22                 | 0.03           |
| Plum Creek merger-related costs                   | (14)                          | (14)               | (0.03)         | (110)                         | (98)               | (0.15)         |
| Restructuring, impairments, and other charges     | (8)                           | (5)                | (0.01)         | (6)                           | (4)                | (0.01)         |
| Impairment charge recorded by an equity affiliate | (84)                          | (56)               | (0.12)         | —                             | —                  | —              |
| Tax Adjustments                                   | —                             | 13                 | 0.03           | —                             | —                  | —              |
| <b>Total Special Items</b>                        | <b>(106)</b>                  | <b>(62)</b>        | <b>(0.13)</b>  | <b>(80)</b>                   | <b>(80)</b>        | <b>(0.13)</b>  |
| <b>Earnings Including Special Items (GAAP)</b>    | <b>\$ 51</b>                  | <b>\$ 59</b>       | <b>\$ 0.11</b> | <b>\$ 101</b>                 | <b>\$ 70</b>       | <b>\$ 0.11</b> |

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





# TIMBERLANDS SEGMENT<sup>7</sup>

Chart 3

| TIMBERLANDS (\$ Millions)                | 2015          | 2016          |
|--|---------------|---------------|
| Adjusted EBITDA by Region                | Q4            | Q1            |
| West                                     | \$ 103        | \$ 118        |
| South                                    | 56            | 77            |
| North                                    | —             | 3             |
| Other                                    | 1             | 1             |
| <b>Total Adjusted EBITDA<sup>9</sup></b> | <b>\$ 160</b> | <b>\$ 199</b> |

## 1st Quarter Notes

- Fee harvest volumes increased due to inclusion of Plum Creek
- Lower log sales realizations due to mix
- Lower silvicultural spending due to wet weather

| TIMBERLANDS (\$ Millions)                             | 2015          | 2016          |
|---|---------------|---------------|
| Segment Statement of Operations                       | Q4            | Q1            |
| Third party sales                                     | \$ 297        | \$ 380        |
| Intersegment sales                                    | 133           | 144           |
| <b>Total Sales</b>                                    | <b>430</b>    | <b>524</b>    |
| Cost of products sold                                 | 309           | 372           |
| <b>Gross margin</b>                                   | <b>121</b>    | <b>152</b>    |
| SG&A expenses   | 21            | 28            |
| Other income, net <sup>8</sup>                        | (7)           | (5)           |
| <b>Contribution to Earnings</b>                       | <b>\$ 107</b> | <b>\$ 129</b> |
| <b>Adjusted EBITDA<sup>9</sup></b>                    | <b>\$ 160</b> | <b>\$ 199</b> |
| <b>Adjusted EBITDA Margin Percentage<sup>10</sup></b> | <b>37%</b>    | <b>38%</b>    |
| <b>Operating Margin Percentage<sup>11</sup></b>       | <b>25%</b>    | <b>25%</b>    |

7. As a result of the merger and related organizational changes, we have revised our business segments. Results for fiscal periods prior to first quarter 2016 have been revised to conform to the new segments. Amounts presented exclude Canadian Forestlands operations, which are operated as a cost center for the purpose of supplying Weyerhaeuser's Canadian manufacturing facilities and contribute no margin to the Timberlands segment.

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

9. A reconciliation to GAAP is set forth on **Chart 21**. See **Chart 21** for our revised definition of Adjusted EBITDA.

10. Adjusted EBITDA divided by total sales.

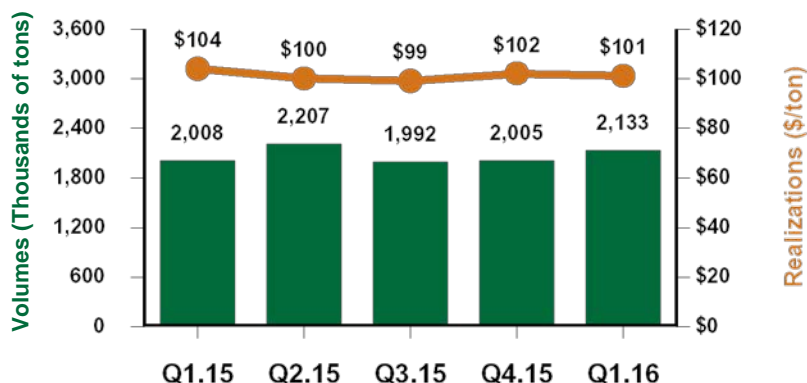
11. Contribution to earnings divided by total sales.



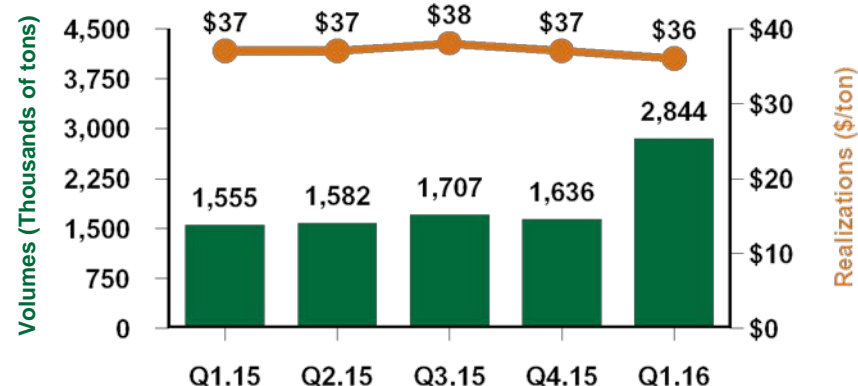
# SALES VOLUMES AND REALIZATIONS

Chart 4

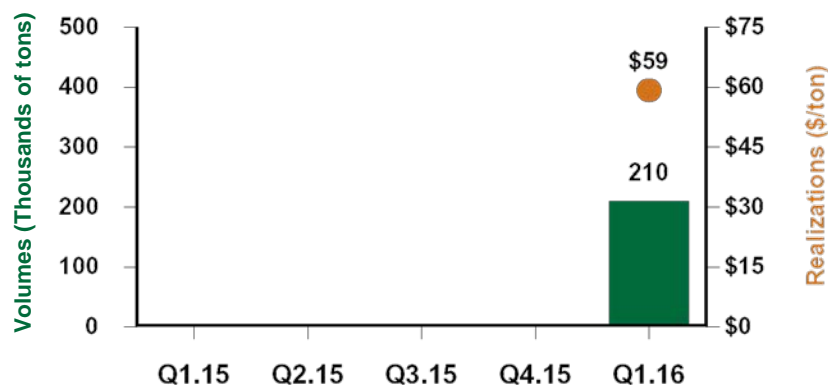
## 3rd-Party Log Sales and Realizations - West<sup>12</sup>



## 3rd-Party Log Sales and Realizations - South<sup>12,13</sup>



## 3rd-Party Log Sales and Realizations - North<sup>12,14</sup>



12. Beginning in the first quarter of 2016, we report log sales and fee harvest volumes in tons. Prior period volumes have been converted from cubic meters to tons using annualized 2015 conversion factors. 1.056 m<sup>3</sup> = 1 ton in the West and 0.818 m<sup>3</sup> = 1 ton in the South.

13. The increase in first quarter 2016 log sales in the South is primarily due to a partial quarter of results from Plum Creek.

14. North timberlands are first reported in first quarter 2016 due to the merger with Plum Creek.

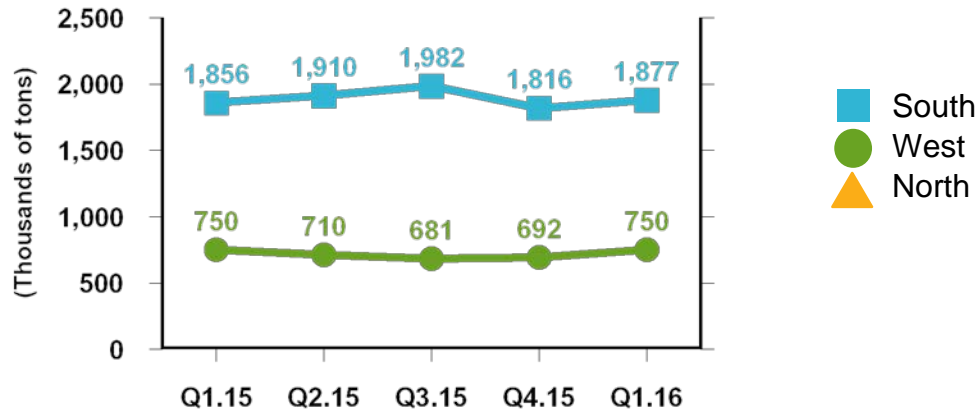




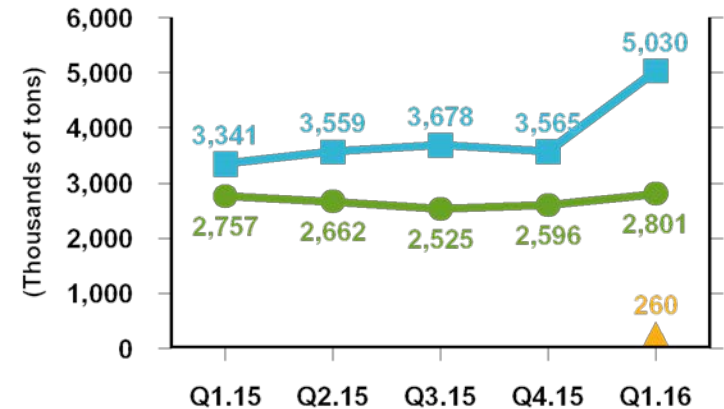
# EXPORT SALES, FEE HARVEST VOLUMES, AND INTERSEGMENT SALES VOLUMES

Chart 5

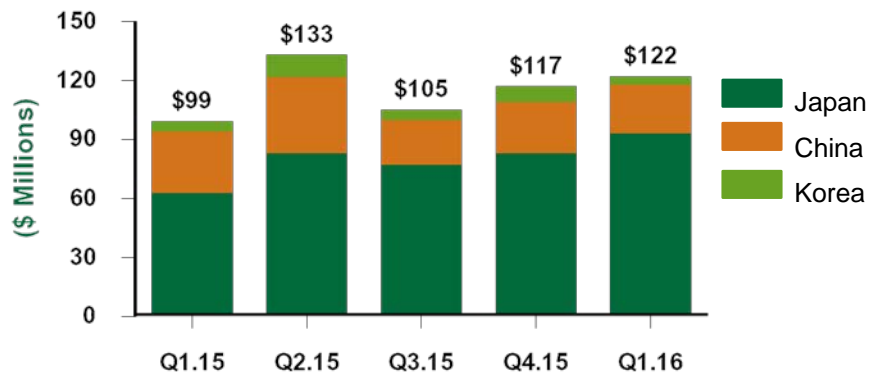
Intersegment Log Sales Volume<sup>15</sup>



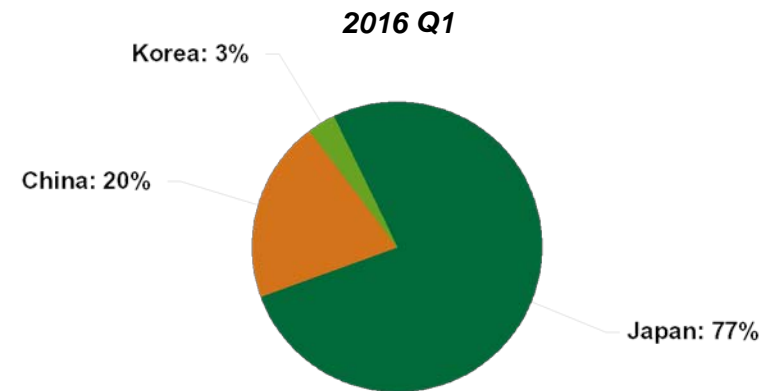
Fee Harvest Volume<sup>15,16</sup>



Export Log Revenue



Export Log Revenue by Country



15. Beginning in the first quarter of 2016, we report log sales and fee harvest volumes in tons. Prior period volumes have been converted from cubic meters to tons using annualized 2015 conversion factors. 1.056 m<sup>3</sup> = 1 ton in the West and 0.818 m<sup>3</sup> = 1 ton in the South. For North timberlands, intersegment log sales volumes were 14 thousand tons in first quarter 2016.

16. The increase in first quarter 2016 fee harvest volume in the South is primarily due to a partial quarter of results from Plum Creek.



# REAL ESTATE, ENERGY AND NATURAL RESOURCES SEGMENT (ENR)<sup>17</sup>

Chart 6

| Real Estate & ENR (\$ Millions)           | 2015         | 2016         |
|---|--------------|--------------|
| Adjusted EBITDA by Business               | Q4           | Q1           |
| Real Estate                               | \$ 25        | \$ 26        |
| Energy and Natural Resources              | 8            | 8            |
| <b>Total Adjusted EBITDA<sup>18</sup></b> | <b>\$ 33</b> | <b>\$ 34</b> |

## 1st Quarter Notes

- Adjusted EBITDA from Plum Creek operations more than offset lower legacy Weyerhaeuser sales
- Contribution to earnings from Plum Creek affected by increase in basis due to acquisition accounting

| Real Estate & ENR (\$ Millions)              | 2015         | 2016         |
|--|--------------|--------------|
| Segment Statement of Operations              | Q4           | Q1           |
| <b>Total sales</b>                           | <b>32</b>    | <b>39</b>    |
| Cost of products sold                        | 5            | 20           |
| <b>Gross margin</b>                          | <b>27</b>    | <b>19</b>    |
| SG&A expenses                                | 3            | 4            |
| Earnings (loss) from RE development ventures | —            | —            |
| Other income, net <sup>19</sup>              | (3)          | —            |
| <b>Contribution to Earnings</b>              | <b>\$ 27</b> | <b>\$ 15</b> |
| <b>Adjusted EBITDA<sup>18</sup></b>          | <b>\$ 33</b> | <b>\$ 34</b> |

17. The Real Estate, Energy and Natural Resources segment includes sales of higher and better use and non-core timberlands and royalties related to minerals and oil and gas assets, all of which were formerly reported in Weyerhaeuser's Timberlands segment. The segment also includes equity interest in Plum Creek real estate development joint ventures.

18. A reconciliation to GAAP is set forth on **Chart 22**. See **Chart 22** for our revised definition of Adjusted EBITDA.

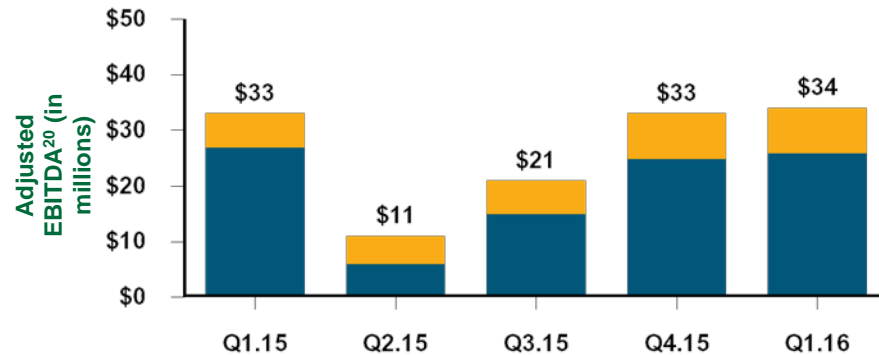
19. Other income, net includes: R&D expense, charges for restructuring, closures and impairments; other operating income excluding special items.



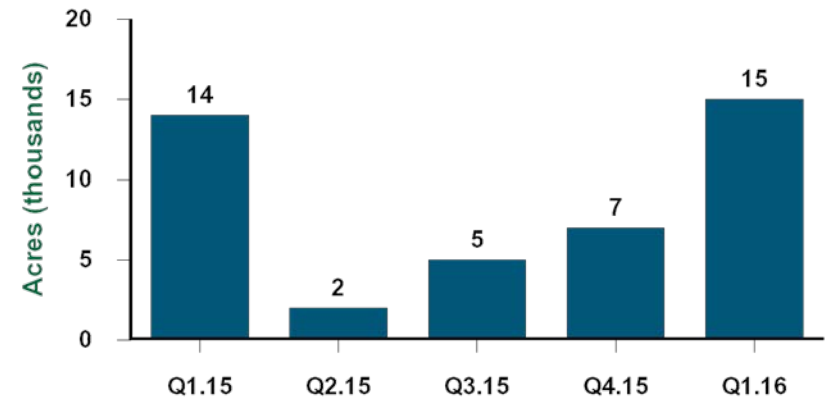
# REAL ESTATE, ENERGY AND NATURAL RESOURCES SEGMENT (ENR)

Chart 7

Real Estate, Energy and Natural Resources  
Adjusted EBITDA<sup>20</sup>



Acreage Sold



20. A reconciliation to GAAP is set forth on **Chart 22**. See **Chart 22** for our revised definition of Adjusted EBITDA.



# WOOD PRODUCTS SEGMENT

Chart 8

| WOOD PRODUCTS (\$ Millions)               | 2015         | 2016          |
|---|--------------|---------------|
| Adjusted EBITDA by Business               | Q4           | Q1            |
| Lumber <sup>21</sup>                      | \$ 33        | \$ 51         |
| OSB                                       | 25           | 31            |
| Engineered Wood Products <sup>22</sup>    | 14           | 31            |
| Distribution                              | 2            | 4             |
| Other                                     | 1            | —             |
| <b>Total Adjusted EBITDA<sup>23</sup></b> | <b>\$ 75</b> | <b>\$ 117</b> |

## 1st Quarter Notes

- Improved operating rates and unit manufacturing costs across most product lines
- Higher lumber sales realizations
- Slightly lower oriented strand board realizations

| WOOD PRODUCTS (\$ Millions)                           | 2015         | 2016          |
|---|--------------|---------------|
| Segment Statement of Operations                       | Q4           | Q1            |
| Third party sales                                     | \$ 922       | \$ 979        |
| Intersegment sales                                    | 21           | 22            |
| <b>Total sales</b>                                    | <b>943</b>   | <b>1,001</b>  |
| Cost of products sold                                 | 841          | 862           |
| <b>Gross margin</b>                                   | <b>102</b>   | <b>139</b>    |
| SG&A expenses   | 53           | 49            |
| Other expenses, net <sup>24</sup>                     | 1            | 3             |
| <b>Contribution to Earnings Before Special Items</b>  | <b>\$ 48</b> | <b>\$ 87</b>  |
| Special items, pre-tax                                | \$ (8)       | \$ —          |
| <b>Contribution to Earnings</b>                       | <b>\$ 40</b> | <b>\$ 87</b>  |
| <b>Adjusted EBITDA<sup>23</sup></b>                   | <b>\$ 75</b> | <b>\$ 117</b> |
| <b>Adjusted EBITDA Margin Percentage<sup>25</sup></b> | <b>8%</b>    | <b>12%</b>    |
| <b>Operating Margin Percentage<sup>26</sup></b>       | <b>5%</b>    | <b>9%</b>     |

21. Lumber includes Plum Creek lumber mills.

22. Engineered Wood Products includes Plum Creek plywood and MDF.

23. Adjusted EBITDA for Wood Products businesses include earnings on internal sales, primarily from the manufacturing businesses to Distribution. These sales occur at market price. A reconciliation to GAAP is set forth on **Chart 23**.

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

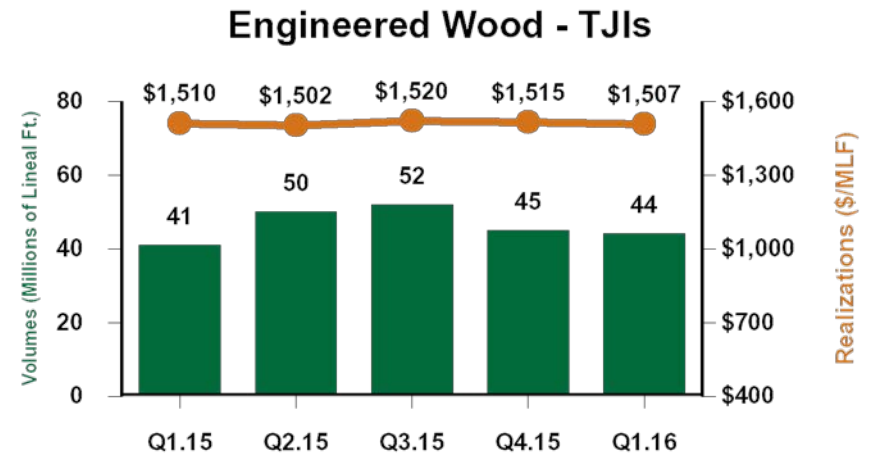
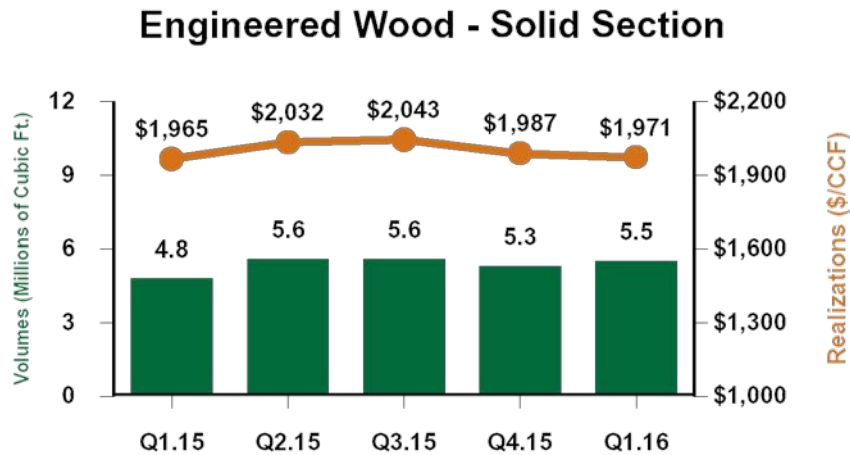
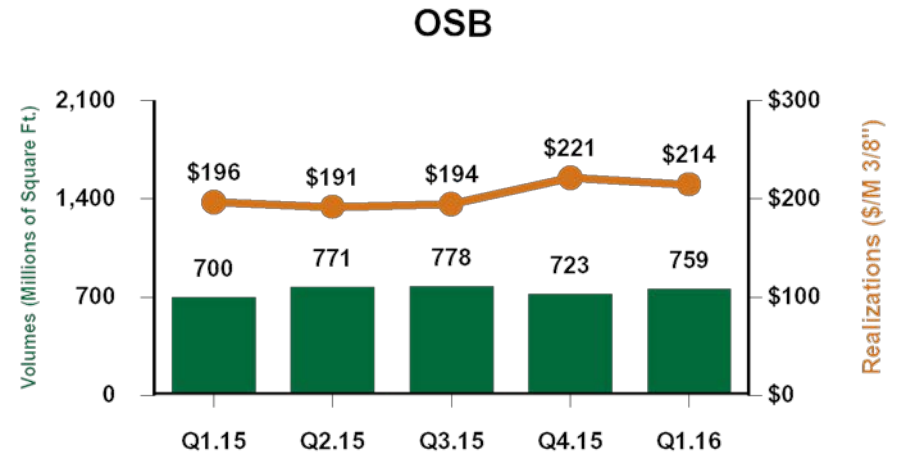
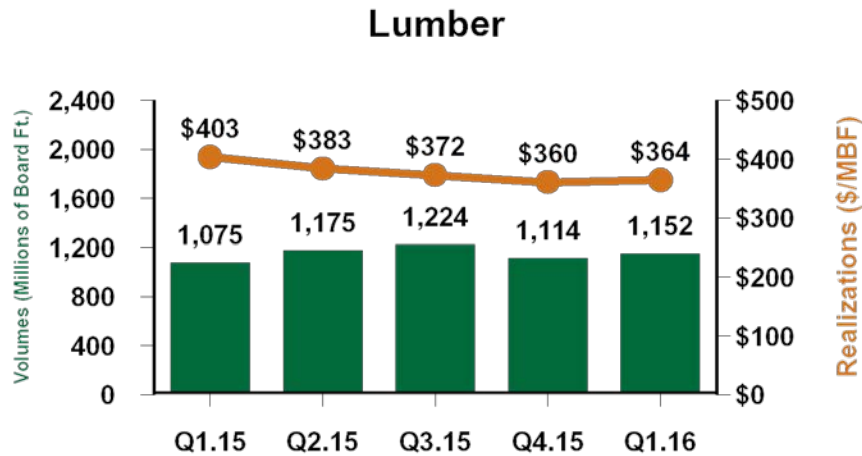
25. Adjusted EBITDA divided by total sales.

26. Contribution to earnings before special items divided by total sales.



# 3<sup>RD</sup>-PARTY SALES VOLUMES AND REALIZATIONS<sup>27</sup>

Chart 9



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



# CELLULOSE FIBERS SEGMENT

Chart 10

## 1st Quarter Notes

- Lower sales realizations for pulp and liquid packaging board
- Slightly lower pulp sales volumes
- Higher maintenance costs due to additional scheduled outage days

| CELLULOSE FIBERS (\$ Millions)                        | 2015           | 2016          |
|---|----------------|---------------|
| Segment Statement of Operations                       | Q4             | Q1            |
| <b>Total Sales</b>                                    | <b>\$ 475</b>  | <b>\$ 430</b> |
| Cost of products sold                                 | 393            | 386           |
| <b>Gross margin</b>                                   | <b>82</b>      | <b>44</b>     |
| SG&A expenses   | 21             | 22            |
| Other income, net <sup>28</sup>                       | (3)            | (6)           |
| <b>Contribution to Earnings Before Special Items</b>  | <b>\$ 64</b>   | <b>\$ 28</b>  |
| Special items, pre-tax                                | (84)           | —             |
| <b>Contribution to Earnings</b>                       | <b>\$ (20)</b> | <b>\$ 28</b>  |
| <b>Adjusted EBITDA<sup>29</sup></b>                   | <b>\$ 105</b>  | <b>\$ 68</b>  |
| <b>Adjusted EBITDA Margin Percentage<sup>30</sup></b> | <b>22%</b>     | <b>16%</b>    |
| <b>Operating Margin Percentage<sup>31</sup></b>       | <b>13%</b>     | <b>7%</b>     |

28. Other income, net includes: R&D expense, charges for restructuring, closures and impairments; other operating income, net; loss from equity affiliates excluding special items.

29. A reconciliation to GAAP is set forth on **Chart 20**.

30. Adjusted EBITDA divided by total sales.

31. Contribution to earnings before special items divided by total sales.

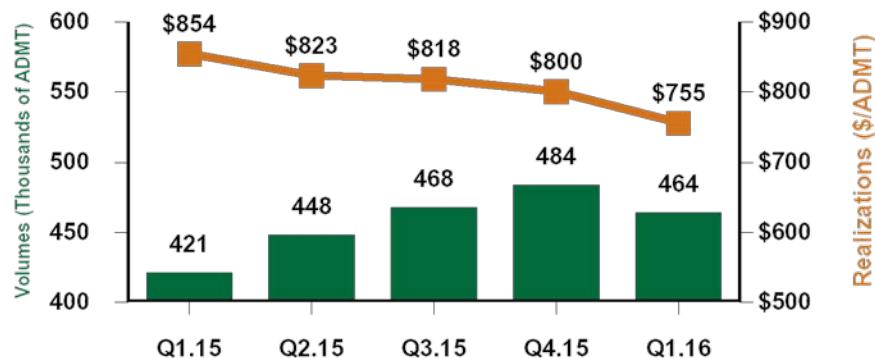




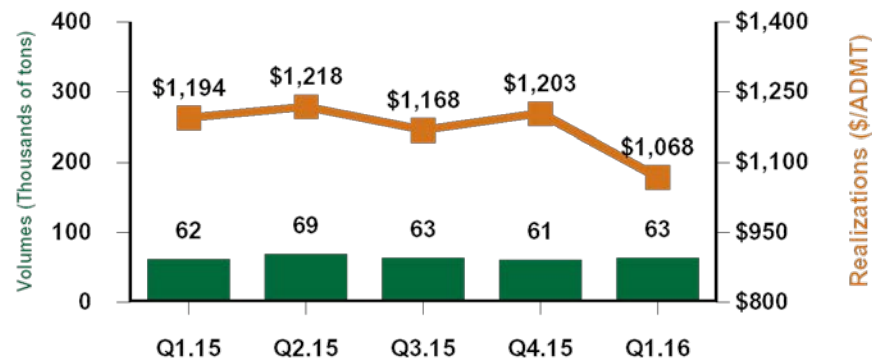
# CELLULOSE FIBERS SEGMENT

Chart 11

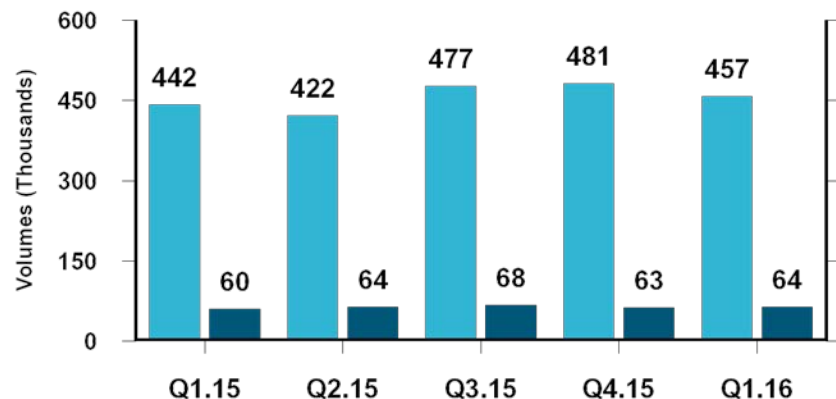
## 3rd-Party Sales Volumes and Realizations - Pulp



## 3rd-Party Sales Volumes and Realizations - Liquid Packaging



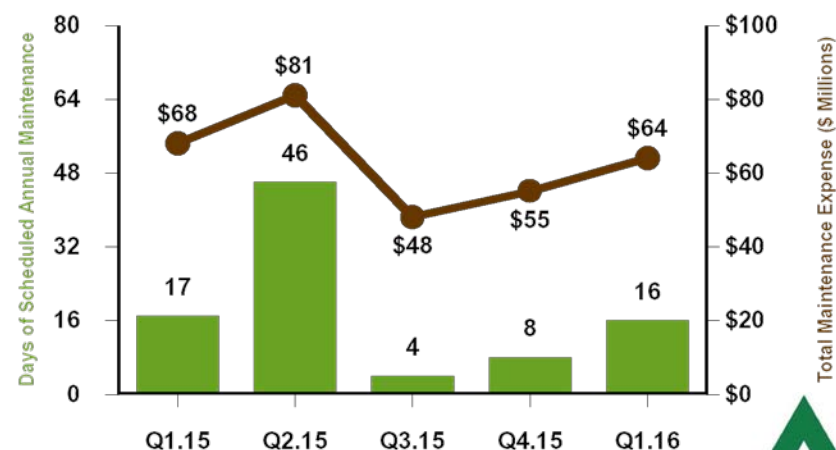
## Production Volumes



■ Pulp (ADMT)

■ Liquid Packaging (metric tons)

## Maintenance Expense and Scheduled Maintenance Outage Days<sup>32</sup>



32. Includes expenses for annual maintenance outages and other maintenance costs.



# UNALLOCATED ITEMS

Chart 12

| UNALLOCATED ITEMS (\$ Millions) <sup>33</sup>            | 2015           | 2016           |
|--|----------------|----------------|
|  | Q4             | Q1             |
| Unallocated corporate function expenses                  | \$ (7)         | \$ (9)         |
| Unallocated share-based compensation                     | (4)            | (2)            |
| Unallocated pension & postretirement credits             | 3              | 12             |
| Foreign exchange gains (losses)                          | (6)            | 13             |
| Elimination of intersegment profit in inventory and LIFO | 1              | (6)            |
| Other, including interest income                         | 12             | 11             |
| <b>Contribution to Earnings Before Special Items</b>     | <b>\$ (1)</b>  | <b>\$ 19</b>   |
| Special items, pre-tax                                   | (14)           | (80)           |
| <b>Contribution to Earnings</b>                          | <b>\$ (15)</b> | <b>\$ (61)</b> |
| <b>Adjusted EBITDA</b>                                   | <b>\$ (12)</b> | <b>\$ (5)</b>  |

| UNALLOCATED ITEMS (\$ Millions)                      | 2015           | 2016           |
|--|----------------|----------------|
| By Natural Expense                                   | Q4             | Q1             |
| Credit to products sold <sup>34</sup>                | \$ 10          | \$ 7           |
| G&A expenses <sup>35</sup>                           | (15)           | (10)           |
| Other income (expense), net                          | 4              | 22             |
| <b>Contribution to Earnings Before Special Items</b> | <b>\$ (1)</b>  | <b>\$ 19</b>   |
| Special items, pre-tax                               | (14)           | (80)           |
| <b>Contribution to Earnings</b>                      | <b>\$ (15)</b> | <b>\$ (61)</b> |

33. 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; the elimination of intersegment profit in inventory and the LIFO reserve; and equity earnings from our timberland joint venture.

34. Credit to products sold is comprised primarily of elimination of intersegment profit in inventory and the LIFO reserve, and unallocated pension credits.

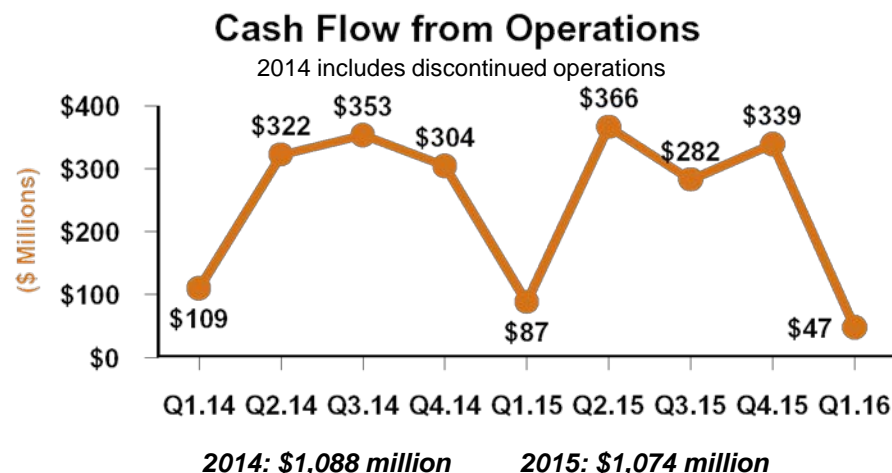
35. G&A expense is comprised primarily of unallocated: share-based compensation; pension costs; and corporate function expenses.



# FINANCIAL ITEMS

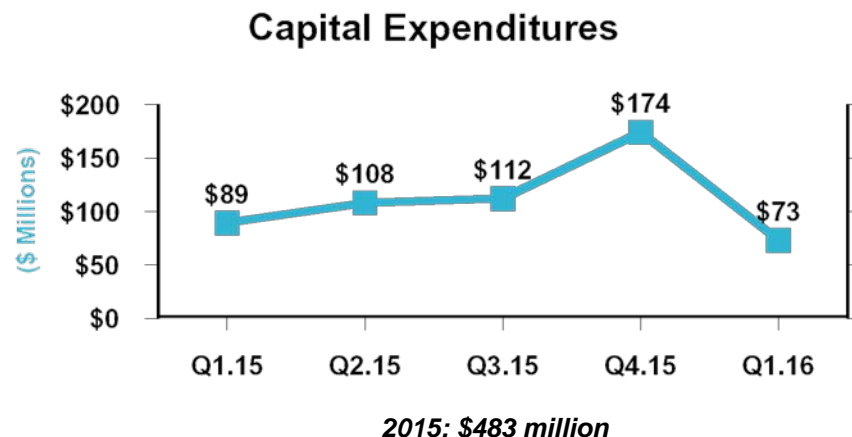
Chart 13

| KEY FINANCIAL METRICS<br>(\$ Millions)               | 2015<br>Q4 | 2016<br>Q1 |
|--|------------|------------|
| Ending Cash Balance                                  | \$ 1,012   | \$ 415     |
| Long-Term Debt                                       | \$ 4,875   | \$ 7,803   |
| Gross Debt to Adjusted EBITDA<br>(LTM) <sup>36</sup> | 3.4        | 5.2        |
| Net Debt to Enterprise Value <sup>37</sup>           | 20%        | 24%        |



## Scheduled Debt Maturities as of March 31, 2016

| (\$ Millions)  | 2016        | 2017            | 2018         | 2019          | 2020          |
|--|-------------|-----------------|--------------|---------------|---------------|
| Long-Term Debt<br>(excluding 18-month<br>term loans) | \$ —        | \$ 281          | \$ 62        | \$ 500        | \$ 550        |
| 18-month Term<br>Loans                               | \$ —        | \$ 1,100        | \$ —         | \$ —          | \$ —          |
| <b>Total Debt Maturities</b>                         | <b>\$ —</b> | <b>\$ 1,381</b> | <b>\$ 62</b> | <b>\$ 500</b> | <b>\$ 550</b> |



36. LTM = last twelve months. A reconciliation to GAAP is set forth on **Chart 24**.

37. 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 as of the end of the quarter.



# SHARE REPURCHASE

Chart 14

- \$2.5 billion share repurchase program effective February 19, 2016
- Repurchased \$863 million, or 31 million shares, at an average price of \$27.49 in the quarter

| COMMON SHARES OUTSTANDING (millions)       |  | 2016 Q1 |
|--|--|---------|
| Beginning of Period                        |  | 510     |
| Common shares repurchased                  |  | (31)    |
| Shares issued for Plum Creek acquisition   |  | 279     |
| Shares issued for share-based compensation |  | 1       |
| End of Period <sup>38</sup>                |  | 759     |

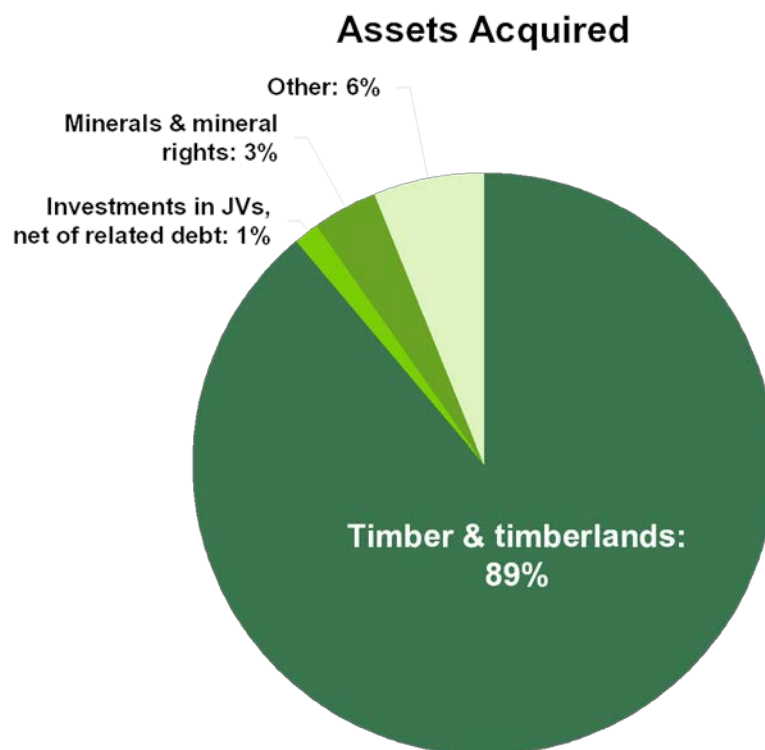
38. Basic and diluted weighted average shares outstanding for first quarter 2016 were 632 million and 635 million, respectively. Weyerhaeuser's 13.8 million mandatory convertible preference shares are currently antidilutive and are not included in the computation of diluted shares outstanding.



# PLUM CREEK ACQUISITION ACCOUNTING

Chart 15

| Preliminary purchase price allocation <sup>39</sup><br>(\$ Millions) |                 |
|--|-----------------|
| <b>Assets acquired</b>   |                 |
| Timber & timberlands   | \$ 8,124        |
| Investments in joint ventures  | 964             |
| Minerals & mineral rights  | 312             |
| Property, plant & equipment  | 272             |
| Other noncurrent assets  | 163             |
| Current assets (working capital)                                     | 128             |
| <b>Total assets acquired</b>   | <b>\$ 9,963</b> |
| <b>Liabilities assumed</b>   |                 |
| Long-term debt   | \$ 2,056        |
| Note Payable to Timberland Venture                                   | 837             |
| Current liabilities (working capital)                                | 610             |
| Other noncurrent liabilities   | 77              |
| <b>Total liabilities assumed</b>                                     | <b>\$ 3,580</b> |
| <b>Equity issued</b>   |                 |
| Common shares issued   | \$ 6,378        |
| Share-based compensation   | 5               |
| <b>Total equity issued</b>   | <b>\$ 6,383</b> |



39. The initial allocation of total consideration transferred was recorded at the estimated fair value of assets acquired and liabilities assumed based on the best information available to management as of March 31, 2016. These estimated fair values are preliminary in nature and subject to adjustments, which could be material. Any necessary adjustments will be finalized within one year from the date of acquisition.



# OUTLOOK: 2016 Q2

Chart 16

| SEGMENT  | COMMENTS  |
|--|---|
| <b>TIMBERLANDS</b>                               | <ul style="list-style-type: none"> <li>• Higher fee harvest volumes from a full quarter of Plum Creek</li> <li>• Seasonally higher silvicultural costs and Western logging expenses</li> <li>• Slightly lower sales realizations for Western and Southern logs due to mix</li> <li>• Higher non-cash depletion and amortization charges due to increased basis associated with acquisition accounting</li> <li>• Expect 2016 Q2 Adjusted EBITDA to be higher than 2016 Q1</li> <li>• Expect 2016 Q2 earnings to be comparable to 2016 Q1</li> </ul> |
| <b>REAL ESTATE, ENERGY AND NATURAL RESOURCES</b> | <ul style="list-style-type: none"> <li>• Similar transaction flow in 2016 Q2 as in 2016 Q1</li> <li>• Expect 2016 Q2 Adjusted EBITDA and earnings to be comparable to Q1</li> </ul>   |
| <b>WOOD PRODUCTS</b>                             | <ul style="list-style-type: none"> <li>• Higher sales realizations for lumber and oriented strand board</li> <li>• Expect 2016 Q2 Adjusted EBITDA and earnings to be significantly higher than 2016 Q1</li> </ul>   |
| <b>CELLULOSE FIBERS</b>                          | <ul style="list-style-type: none"> <li>• Higher sales realizations due to mix</li> <li>• Slightly lower fiber and energy costs</li> <li>• Expect 2016 Q2 Adjusted EBITDA and earnings to be higher than 2016 Q1</li> </ul>  |





# APPENDIX



# PENSION AND POSTRETIREMENT EXPENSE

Chart 17

| \$ Millions  | 2015         |              |              |              | 2016          |
|--|--------------|--------------|--------------|--------------|---------------|
| Net Pension and Postretirement Cost (Credit) <sup>40</sup> | Q1           | Q2           | Q3           | Q4           | Q1            |
| Timberlands  | \$ 3         | \$ 2         | \$ 2         | \$ 2         | \$ 2          |
| Real Estate, Energy and Natural Resources                  | —            | —            | —            | —            | —             |
| Wood Products  | 7            | 7            | 6            | 7            | 5             |
| Cellulose Fibers   | 3            | 5            | 5            | 4            | 4             |
| Pension and postretirement credits not allocated           | (3)          | (3)          | (2)          | (3)          | (12)          |
| <b>Total Company Pension and Postretirement Costs</b>      | <b>\$ 10</b> | <b>\$ 11</b> | <b>\$ 11</b> | <b>\$ 10</b> | <b>\$ (1)</b> |

40. 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 18

| \$ Millions   | 2015    |         |         |         | 2016    |
|---|---------|---------|---------|---------|---------|
| Adjusted EBITDA by Segment  | Q1      | Q2      | Q3      | Q4      | Q1      |
| Timberlands   | \$ 192  | \$ 168  | \$ 158  | \$ 160  | \$ 199  |
| Real Estate, Energy and Natural Resources   | 33      | 11      | 21      | 33      | 34      |
| Wood Products   | 88      | 98      | 111     | 75      | 117     |
| Cellulose Fibers  | 78      | 72      | 123     | 105     | 68      |
| Unallocated Items   | (48)    | 10      | (36)    | (12)    | (5)     |
| Total Adjusted EBITDA <sup>41</sup>   | \$ 343  | \$ 359  | \$ 377  | \$ 361  | \$ 413  |
| DD&A, basis of real estate sold, non-operating pension and postretirement credits, equity earnings/loss from joint ventures before special items, and interest income and other | (127)   | (114)   | (114)   | (116)   | (135)   |
| Total Contribution to Earnings before Special Items   | \$ 216  | \$ 245  | \$ 263  | \$ 245  | \$ 278  |
| Interest expense, net <sup>42</sup>   | (83)    | (88)    | (88)    | (88)    | (97)    |
| Income taxes <sup>43</sup>  | (23)    | (13)    | 16      | (25)    | (20)    |
| Dividends on preference shares <sup>44</sup>  | (11)    | (11)    | (11)    | (11)    | (11)    |
| Net Earnings before Special Items <sup>45</sup>   | \$ 99   | \$ 133  | \$ 180  | \$ 121  | \$ 150  |
| Special items, after-tax  | (9)     | —       | —       | (62)    | (80)    |
| Net Earnings to Common Shareholders   | \$ 90   | \$ 133  | \$ 180  | \$ 59   | \$ 70   |
| Diluted EPS Before Special Items <sup>45</sup>  | \$ 0.19 | \$ 0.26 | \$ 0.35 | \$ 0.24 | \$ 0.24 |
| Diluted EPS   | \$ 0.17 | \$ 0.26 | \$ 0.35 | \$ 0.11 | \$ 0.11 |

41. See **Chart 20** for our revised definition of Adjusted EBITDA.

42. Interest expense is net of capitalized interest and includes approximately \$7 million of expense on special purpose entity (SPE) notes for each quarter presented and approximately \$4 million of expense on a note payable to our timberland joint venture in first quarter 2016.

43. Income taxes attributable to special items are included in Special items, after-tax.

44. 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.

45. A reconciliation to GAAP Net Income is set forth at [www.weyerhaeuser.com](http://www.weyerhaeuser.com). A reconciliation to GAAP EPS is set forth on **Chart 19**.



# EARNINGS PER SHARE RECONCILIATION

Chart 19

| \$ Millions EXCEPT EPS                              | 2015           |                |                |                | 2016           |
|---|----------------|----------------|----------------|----------------|----------------|
|   | Q1             | Q2             | Q3             | Q4             | Q1             |
| <b>Weighted Average Shares Outstanding, Diluted</b> | <b>527</b>     | <b>520</b>     | <b>517</b>     | <b>514</b>     | <b>635</b>     |
| <b>Diluted EPS Before Special Items</b>             | <b>\$ 0.19</b> | <b>\$ 0.26</b> | <b>\$ 0.35</b> | <b>\$ 0.24</b> | <b>\$ 0.24</b> |
| Special Items:                                      |                |                |                |                |                |
| Gain on sale of non-strategic asset                 | —              | —              | —              | —              | 0.03           |
| Plum Creek merger-related costs                     | —              | —              | —              | (0.03)         | (0.15)         |
| Restructuring, impairments, and other charges       | (0.02)         | —              | —              | (0.01)         | (0.01)         |
| Impairment charge recorded by equity affiliate      | —              | —              | —              | (0.12)         | —              |
| Tax Adjustments                                     | —              | —              | —              | 0.03           | —              |
| <b>Diluted EPS (GAAP)</b>                           | <b>\$ 0.17</b> | <b>\$ 0.26</b> | <b>\$ 0.35</b> | <b>\$ 0.11</b> | <b>\$ 0.11</b> |



# EBITDA RECONCILIATION BY SEGMENT

Chart 20

| \$ MILLIONS  |             |                   |               |                  |                   |        |             |                   |               |                  |                   |        |
|--|-------------|-------------------|---------------|------------------|-------------------|--------|-------------|-------------------|---------------|------------------|-------------------|--------|
| 2015 Q4  |             |                   |               |                  |                   |        | 2016 Q1     |                   |               |                  |                   |        |
|  | Timberlands | Real Estate & ENR | Wood Products | Cellulose Fibers | Unallocated Items | Total  | Timberlands | Real Estate & ENR | Wood Products | Cellulose Fibers | Unallocated Items | Total  |
| <b>Adjusted EBITDA<sup>46</sup></b>                      | \$ 160      | \$ 33             | \$ 75         | \$ 105           | \$ (12)           | \$ 361 | \$ 199      | \$ 34             | \$ 117        | \$ 68            | \$ (5)            | \$ 413 |
| Depletion, depreciation & amortization                   | (53)        | (1)               | (27)          | (38)             | (1)               | (120)  | (70)        | (2)               | (30)          | (38)             | (2)               | (142)  |
| Basis of real estate sold                                | —           | (5)               | —             | —                | —                 | (5)    | —           | (17)              | —             | —                | —                 | (17)   |
| Non-operating pension & postretirement credits           | —           | —                 | —             | —                | 3                 | 3      | —           | —                 | —             | —                | 12                | 12     |
| Special items in Operating Income                        | —           | —                 | (8)           | —                | (14)              | (22)   | —           | —                 | —             | —                | (80)              | (80)   |
| <b>Operating Income (GAAP)</b>                           | \$ 107      | \$ 27             | \$ 40         | \$ 67            | \$ (24)           | \$ 217 | \$ 129      | \$ 15             | \$ 87         | \$ 30            | \$ (75)           | \$ 186 |
| Equity earnings (loss) from joint ventures <sup>47</sup> | —           | —                 | —             | (87)             | —                 | (87)   | —           | —                 | —             | (2)              | 5                 | 3      |
| Interest income and other                                | —           | —                 | —             | —                | 9                 | 9      | —           | —                 | —             | —                | 9                 | 9      |
| <b>Net Contribution to Earnings</b>                      | \$ 107      | \$ 27             | \$ 40         | \$ (20)          | \$ (15)           | \$ 139 | \$ 129      | \$ 15             | \$ 87         | \$ 28            | \$ (61)           | \$ 198 |
| Interest expense, net                                    |             |                   |               |                  |                   | (88)   |             |                   |               |                  |                   | (97)   |
| Income taxes <sup>48</sup>                               |             |                   |               |                  |                   | 19     |             |                   |               |                  |                   | (20)   |
| <b>Net Earnings (GAAP)</b>                               |             |                   |               |                  |                   | \$ 70  |             |                   |               |                  |                   | \$ 81  |
| Dividend on preference shares                            |             |                   |               |                  |                   | (11)   |             |                   |               |                  |                   | (11)   |
| <b>Net Earnings to Common Shareholders (GAAP)</b>        |             |                   |               |                  |                   | \$ 59  |             |                   |               |                  |                   | \$ 70  |

46. Adjusted EBITDA is a non-GAAP measure that management uses to evaluate the performance of the company. Adjusted EBITDA, as we define it, is operating income from continuing operations, adjusted for depreciation, depletion, amortization, basis in real estate sold, pension and postretirement costs not allocated to business segments and special items. Adjusted EBITDA excludes results from joint ventures. Adjusted EBITDA should not be considered in isolation from and is not intended to represent an alternative to our GAAP results.

47. Equity earnings (loss) from joint ventures in Q4 2015 includes an \$84 million non-cash charge for Weyerhaeuser's share of an asset impairment recorded by an equity affiliate.

25 48. The income tax effects of special items can be found in a reconciliation set forth in **Chart 2**.



# EBITDA RECONCILIATION - TIMBERLANDS

Chart 21

| \$ MILLIONS                                | 2015 Q4       |              |             |               |               | 2016 Q1       |              |             |               |               |
|--|---------------|--------------|-------------|---------------|---------------|---------------|--------------|-------------|---------------|---------------|
|  | West          | South        | North       | Other         | Total         | West          | South        | North       | Other         | Total         |
| <b>Adjusted EBITDA<sup>49</sup></b>        | <b>\$ 103</b> | <b>\$ 56</b> | <b>\$ —</b> | <b>\$ 1</b>   | <b>\$ 160</b> | <b>\$ 118</b> | <b>\$ 77</b> | <b>\$ 3</b> | <b>\$ 1</b>   | <b>\$ 199</b> |
| Depreciation, depletion & amortization     | (28)          | (18)         | —           | (7)           | (53)          | (30)          | (31)         | (1)         | (8)           | (70)          |
| <b>Operating Income (GAAP)</b>             | <b>\$ 75</b>  | <b>\$ 38</b> | <b>\$ —</b> | <b>\$ (6)</b> | <b>\$ 107</b> | <b>\$ 88</b>  | <b>\$ 46</b> | <b>\$ 2</b> | <b>\$ (7)</b> | <b>\$ 129</b> |
| Interest income and other                  | —             | —            | —           | —             | —             | —             | —            | —           | —             | —             |
| <b>Net Contribution to Earnings (GAAP)</b> | <b>\$ 75</b>  | <b>\$ 38</b> | <b>\$ —</b> | <b>\$ (6)</b> | <b>\$ 107</b> | <b>\$ 88</b>  | <b>\$ 46</b> | <b>\$ 2</b> | <b>\$ (7)</b> | <b>\$ 129</b> |

49. Adjusted EBITDA is a non-GAAP measure that management uses to evaluate the performance of the company. Effective for the quarter ended March 31, 2016, we have revised our definition of Adjusted EBITDA to add back the basis of real estate sold. We have revised our prior-period presentation to conform to our current reporting. Adjusted EBITDA, as we define it, is operating income from continuing operations, adjusted for depreciation, depletion, amortization, basis in real estate sold, pension and postretirement costs not allocated to business segments and special items. Adjusted EBITDA excludes results from joint ventures. Adjusted EBITDA should not be considered in isolation from and is not intended to represent an alternative to our GAAP results.





# EBITDA RECONCILIATION - REAL ESTATE, ENERGY AND NATURAL RESOURCES

Chart 22

| \$ Millions                                | 2015 Q4      |                            |              | 2016 Q1      |                            |              |
|--|--------------|----------------------------|--------------|--------------|----------------------------|--------------|
|  | Real Estate  | Energy & Natural Resources | Total        | Real Estate  | Energy & Natural Resources | Total        |
| <b>Adjusted EBITDA<sup>50</sup></b>        | <b>\$ 25</b> | <b>\$ 8</b>                | <b>\$ 33</b> | <b>\$ 26</b> | <b>\$ 8</b>                | <b>\$ 34</b> |
| Depletion, depreciation & amortization     | (1)          | —                          | (1)          | (1)          | (1)                        | (2)          |
| Basis of real estate sold                  | (5)          | —                          | (5)          | (17)         | —                          | (17)         |
| <b>Operating Income (GAAP)</b>             | <b>\$ 19</b> | <b>\$ 8</b>                | <b>\$ 27</b> | <b>\$ 8</b>  | <b>\$ 7</b>                | <b>\$ 15</b> |
| Equity earnings (loss) from joint ventures | —            | —                          | —            | —            | —                          | —            |
| Interest income and other                  | —            | —                          | —            | —            | —                          | —            |
| <b>Net Contribution to Earnings (GAAP)</b> | <b>\$ 19</b> | <b>\$ 8</b>                | <b>\$ 27</b> | <b>\$ 8</b>  | <b>\$ 7</b>                | <b>\$ 15</b> |

50. Adjusted EBITDA is a non-GAAP measure that management uses to evaluate the performance of the company. Effective for the quarter ended March 31, 2016, we have revised our definition of Adjusted EBITDA to add back the basis of real estate sold. We have revised our prior-period presentation to conform to our current reporting. Adjusted EBITDA, as we define it, is operating income from continuing operations, adjusted for depreciation, depletion, amortization, basis in real estate sold, pension and postretirement costs not allocated to business segments and special items. Adjusted EBITDA excludes results from joint ventures. 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 23

| \$ Millions                                | 2015 Q4      |              |              |              |               |              | 2016 Q1      |              |              |              |             |               |
|--|--------------|--------------|--------------|--------------|---------------|--------------|--------------|--------------|--------------|--------------|-------------|---------------|
|  | Lumber       | OSB          | EWP          | Distribution | Other         | Total        | Lumber       | OSB          | EWP          | Distribution | Other       | Total         |
| <b>Adjusted EBITDA<sup>51,52</sup></b>     | <b>\$ 33</b> | <b>\$ 25</b> | <b>\$ 14</b> | <b>\$ 2</b>  | <b>\$ 1</b>   | <b>\$ 75</b> | <b>\$ 51</b> | <b>\$ 31</b> | <b>\$ 31</b> | <b>\$ 4</b>  | <b>\$ —</b> | <b>\$ 117</b> |
| Depletion, depreciation & amortization     | (11)         | (8)          | (7)          | (1)          | —             | (27)         | (13)         | (8)          | (8)          | (1)          | —           | (30)          |
| Special items in operating income          | —            | —            | —            | —            | (8)           | (8)          | —            | —            | —            | —            | —           | —             |
| <b>Operating Income (GAAP)</b>             | <b>\$ 22</b> | <b>\$ 17</b> | <b>\$ 7</b>  | <b>\$ 1</b>  | <b>\$ (7)</b> | <b>\$ 40</b> | <b>\$ 38</b> | <b>\$ 23</b> | <b>\$ 23</b> | <b>\$ 3</b>  | <b>\$ —</b> | <b>\$ 87</b>  |
| Interest income and other                  | —            | —            | —            | —            | —             | —            | —            | —            | —            | —            | —           | —             |
| <b>Net Contribution to Earnings (GAAP)</b> | <b>\$ 22</b> | <b>\$ 17</b> | <b>\$ 7</b>  | <b>\$ 1</b>  | <b>\$ (7)</b> | <b>\$ 40</b> | <b>\$ 38</b> | <b>\$ 23</b> | <b>\$ 23</b> | <b>\$ 3</b>  | <b>\$ —</b> | <b>\$ 87</b>  |

51. Adjusted EBITDA is a non-GAAP measure that management uses to evaluate the performance of the company. Effective for the quarter ended March 31, 2016, we have revised our definition of Adjusted EBITDA to add back the basis of real estate sold. We have revised our prior-period presentation to conform to our current reporting. Adjusted EBITDA, as we define it, is operating income from continuing operations, adjusted for depreciation, depletion, amortization, basis in real estate sold, pension and postretirement costs not allocated to business segments and special items. Adjusted EBITDA excludes results from joint ventures. Adjusted EBITDA should not be considered in isolation from and is not intended to represent an alternative to our GAAP results.

52. Adjusted EBITDA for each Wood Products business includes earnings on internal sales, primarily from the manufacturing businesses to Distribution. These sales occur at market price.



# GROSS DEBT TO EBITDA RECONCILIATION

Chart 24

| \$ MILLIONS  | 2015            | 2016            |
|--|-----------------|-----------------|
|  | Q4              | Q1              |
| <b>Gross Debt to Adjusted EBITDA (LTM)<sup>53,55</sup></b> | <b>3.4</b>      | <b>5.2</b>      |
| <b>Long-Term Debt<sup>54</sup></b>                         | <b>\$ 4,875</b> | <b>\$ 7,803</b> |
| <b>Adjusted EBITDA (LTM)<sup>55</sup></b>                  | <b>\$ 1,442</b> | <b>\$ 1,512</b> |
| Depletion, depreciation & amortization                     | (479)           | (498)           |
| Basis of real estate sold                                  | (20)            | (27)            |
| Non-operating pension & postretirement costs               | 11              | 20              |
| Special Items in Operating Income                          | (35)            | (101)           |
| <b>Operating Income (LTM) (GAAP)</b>                       | <b>\$ 919</b>   | <b>\$ 906</b>   |
| Equity earnings (loss) from joint ventures <sup>56</sup>   | (105)           | (96)            |
| Interest income and other                                  | 36              | 36              |
| <b>Net Contribution to Earnings</b>                        | <b>\$ 850</b>   | <b>\$ 846</b>   |
| Interest expense, net of capitalized interest              | (347)           | (361)           |
| Income taxes <sup>57</sup>                                 | 3               | —               |
| <b>Net Earnings (LTM) (GAAP)</b>                           | <b>\$ 506</b>   | <b>\$ 485</b>   |
| Dividends on preference shares                             | (44)            | (44)            |
| <b>Net Earnings to Common Shareholders (LTM) (GAAP)</b>    | <b>\$ 462</b>   | <b>\$ 441</b>   |

53. LTM = last twelve months. Results include the former Plum Creek operations from the date of the merger through March 31, 2016.

54. Long-term Debt as of March 31, 2016 includes \$1.1 billion of 18-month senior unsecured term loans.

55. 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 and special items. Adjusted EBITDA excludes results from joint ventures. Gross debt to adjusted EBITDA should not be considered in isolation from and is not intended to represent an alternative to our GAAP results.

56. Equity earnings (loss) from joint ventures in Q4 2015 includes an \$84 million non-cash charge for Weyerhaeuser's share of an asset impairment recorded by an equity affiliate.

57. The income tax effects of special items can be found in a reconciliation set forth in **Chart 2**.

