



WEYERHAEUSER

EARNINGS RESULTS | 4th Quarter 2015

February 5, 2016



FORWARD-LOOKING STATEMENT

This presentation contains statements concerning the company's future results and performance that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on our current expectations and various assumptions that are subject to risks and uncertainties. Factors listed below, as well as other factors, may cause actual results to differ significantly from these forward-looking statements. There is no guarantee that any of the events anticipated by these forward-looking statements will occur. If any of the events occur, there is no guarantee what effect they will have on 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 first quarter of 2016, including with respect to earnings; log realizations and demand, harvest volumes and dispositions of non-strategic timberlands in Timberlands; lumber sales realizations and production volumes across Wood Products product lines; and maintenance expenses and pulp sales volumes and realizations in Cellulose Fibers.



NON-GAAP FINANCIAL MEASURES

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



2015 Q4 CONSOLIDATED RESULTS

Chart 1

\$ Millions	2015	2015	
Contribution to Earnings Before Special Items	Q3	Q4	Change
Timberlands	\$ 126	\$ 134	\$ 8
Wood Products	85	48	\$ (37)
Cellulose Fibers	79	64	\$ (15)
Unallocated Items	(27)	(1)	\$ 26
Total Contribution to Earnings Before Special Items	\$ 263	\$ 245	\$ (18)
Adjusted EBITDA ¹	\$ 375	\$ 356	\$ (19)

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

\$ Millions EXCEPT EPS	2015	2015
Consolidated Statement of Operations Before Special Items	Q3	Q4
Net sales	\$ 1,820	\$ 1,734
Cost of products sold	1,445	1,390
Gross margin	375	344
SG&A expenses	87	114
Other income, net ²	25	(15)
Total Contribution to Earnings Before Special Items	\$ 263	\$ 245
Interest expense, net ³	(88)	(88)
Income taxes ⁴	16	(25)
Dividends on preference shares	(11)	(11)
Net Earnings from Continuing Operations to Common Shareholders Before Special Items⁵	\$ 180	\$ 121
Special items, after-tax ⁴	—	(62)
Net Earnings to Common Shareholders	\$ 180	\$ 59
Diluted EPS Before Special Items⁵	\$ 0.35	\$ 0.24
Diluted EPS	\$ 0.35	\$ 0.11



EARNINGS BEFORE SPECIAL ITEMS

Chart 2

\$ Millions EXCEPT EPS	2015 Q3			2015 Q4		
	Pre-Tax Earnings ⁶	After-Tax Earnings	Diluted EPS	Pre-Tax Earnings ⁶	After-Tax Earnings	Diluted EPS
Earnings Before Special Items	\$ 175	\$ 180	\$ 0.35	\$ 157	\$ 121	\$ 0.24
Special Items:						
Restructuring, impairments, and other charges	—	—	—	(8)	(5)	(0.01)
Impairment charge recorded by an equity affiliate	—	—	—	(84)	(56)	(0.12)
Plum Creek merger-related costs	—	—	—	(14)	(14)	(0.03)
Tax Adjustments	—	—	—	—	13	0.03
Total Special Items	—	—	—	(106)	(62)	(0.13)
Earnings Including Special Items (GAAP)	\$ 175	\$ 180	\$ 0.35	\$ 51	\$ 59	\$ 0.11

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



TIMBERLANDS SEGMENT

Chart 3

4th Quarter Notes

- Increased Western fee harvest volumes and log sales realizations
- Decreased Southern fee harvest volumes due to wet weather
- Lower Southern sales realizations due to mix, offset by lower costs
- Slightly higher earnings from the disposition of nonstrategic timberlands

TIMBERLANDS (\$ Millions) ⁷	2015	2015
Segment Statement of Operations	Q3	Q4
Third party sales	\$ 320	\$ 329
Intersegment sales	139	133
Total Sales	459	462
Cost of products sold	322	314
Gross margin	137	148
SG&A expenses	21	24
Other income, net ⁸	(10)	(10)
Contribution to Earnings	\$ 126	\$ 134
Adjusted EBITDA⁹	\$ 177	\$ 188
Gross Margin Percentage¹⁰	30%	32%
Operating Margin Percentage¹¹	27%	29%

7. 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 18 .

10. Gross margin divided by total sales.

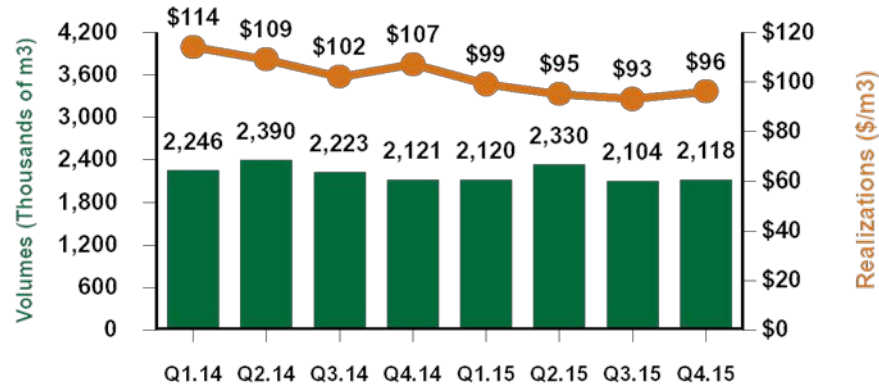
11. Contribution to earnings divided by total sales.



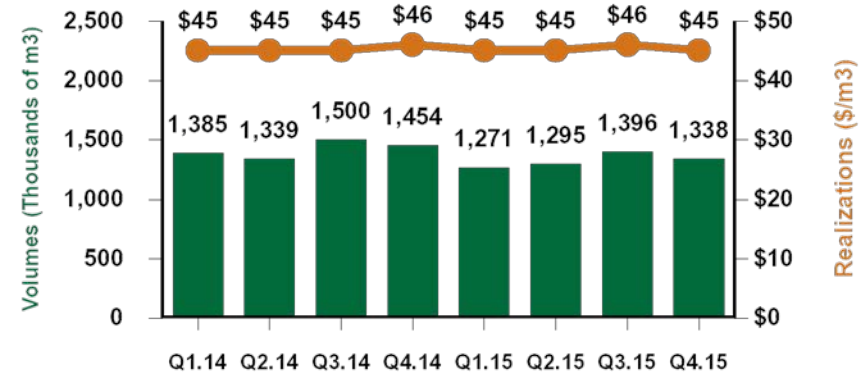
SALES VOLUMES AND REALIZATIONS

Chart 4

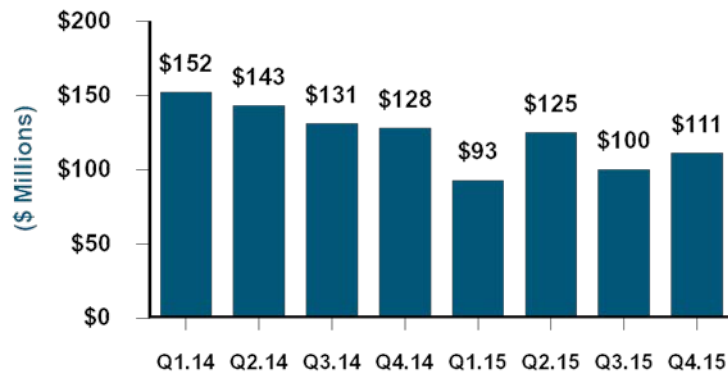
3rd-Party Log Sales and Realizations - West



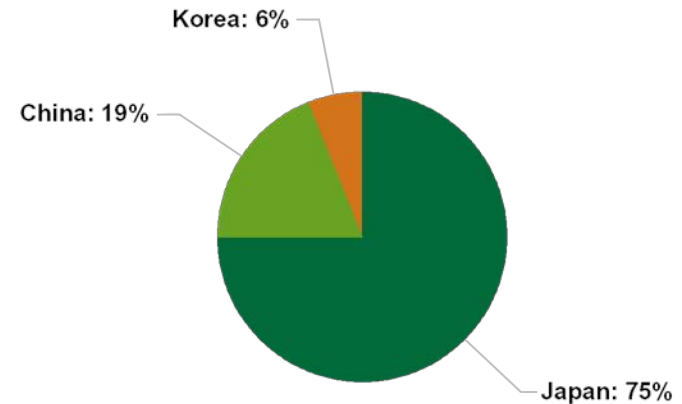
3rd-Party Log Sales and Realizations - South



Export Log Revenue¹²



Export Log Revenue by Country¹²



2015 Q4

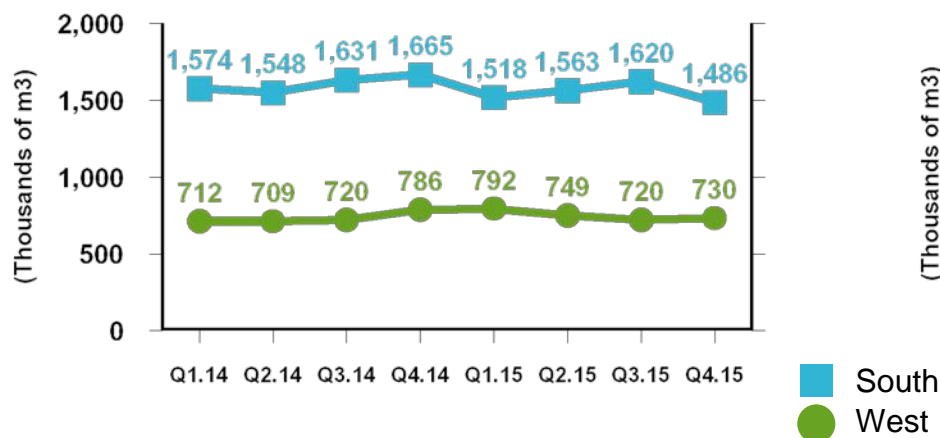
12. Export log revenues are net of freight expense, rebates and claims.



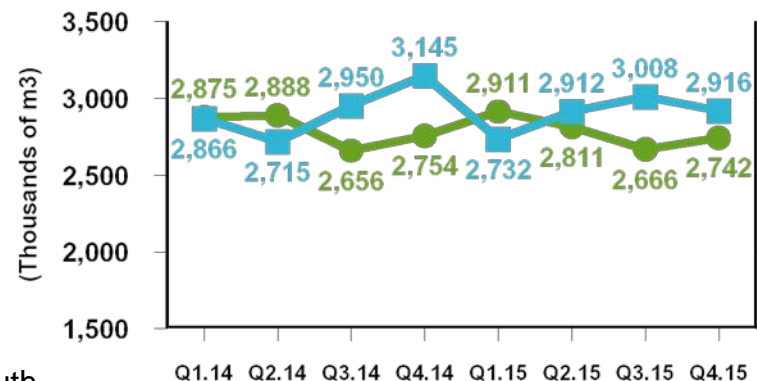
WESTERN/SOUTHERN TIMBERLANDS

Chart 5

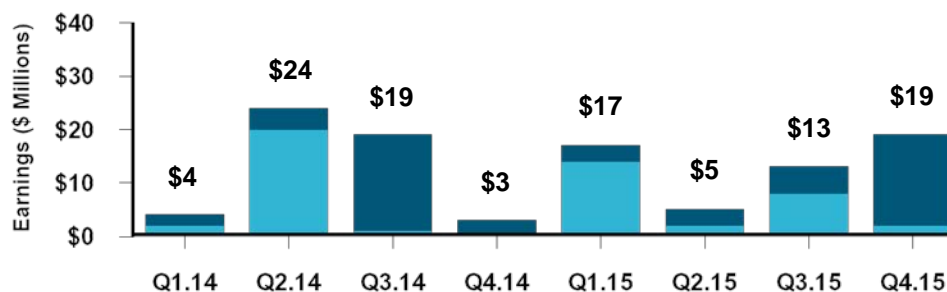
Intersegment Log Sales Volume



Fee Harvest Volume



Earnings from Timberland Dispositions



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



WOOD PRODUCTS SEGMENT

Chart 6

WOOD PRODUCTS (\$ Millions)	2015	2015
EBITDA by Business	Q3	Q4
Lumber	\$ 55	\$ 33
OSB	12	25
Engineered Wood Products	36	14
Distribution	9	2
Other	(1)	1
Total Adjusted EBITDA¹³	\$ 111	\$ 75

4th Quarter Notes

- Seasonally lower sales volumes across all product lines
- Higher average sales realizations for oriented strand board, partially offset by lower average sales realizations for lumber
- Downtime for planned maintenance in engineered wood products and oriented strand board and capital projects in lumber

WOOD PRODUCTS (\$ Millions)	2015	2015
Segment Statement of Operations	Q3	Q4
Third party sales	\$ 1,023	\$ 922
Intersegment sales	20	21
Total sales	1,043	943
Cost of products sold	914	841
Gross margin	129	102
SG&A expenses	44	53
Other expenses, net ¹⁴	—	1
Contribution to Earnings Before Special Items	85	48
Special items, pre-tax	—	(8)
Contribution to Earnings	\$ 85	\$ 40
Total Adjusted EBITDA¹³	\$ 111	\$ 75
Gross Margin Percentage¹⁵	12%	11%
Operating Margin Percentage¹⁶	8%	5%

13. 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. A reconciliation to GAAP is set forth on **Chart 19**.

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

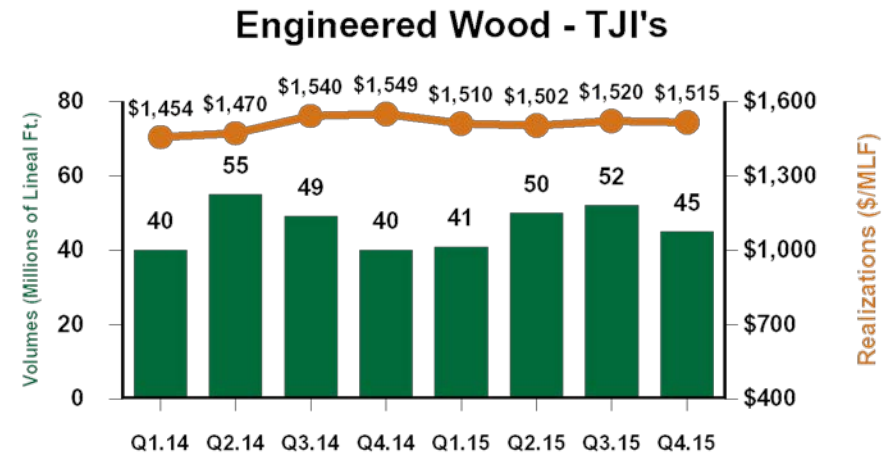
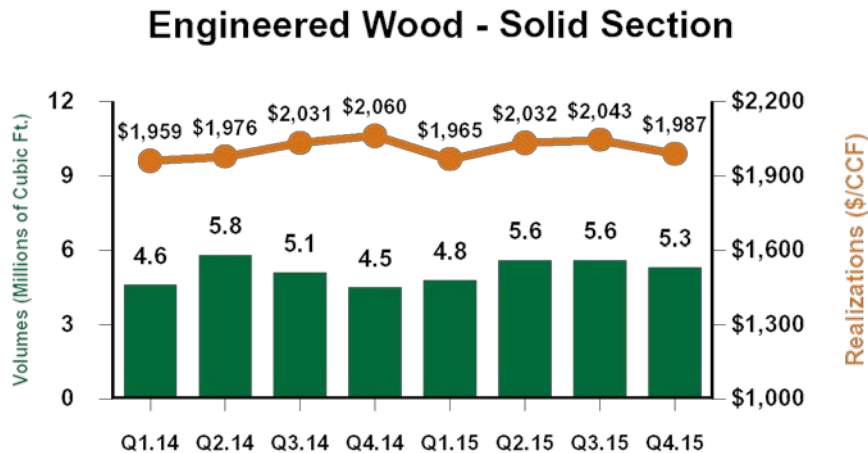
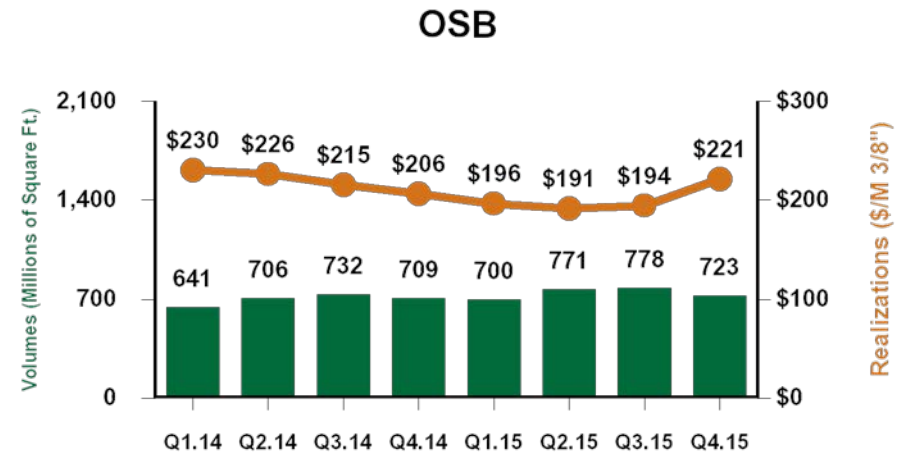
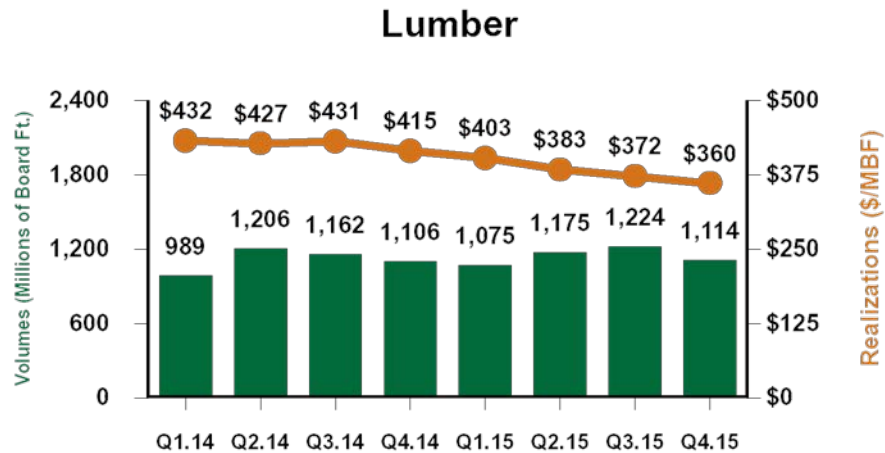
15. Gross margin divided by total sales.

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



3RD-PARTY SALES VOLUMES AND REALIZATIONS¹⁷

Chart 7



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



CELLULOSE FIBERS SEGMENT

Chart 8

4th Quarter Notes

- Lower average sales realizations for pulp
- Higher maintenance costs due to additional scheduled outage days
- Increased pulp sales volumes
- Strong operating performance

CELLULOSE FIBERS (\$ Millions)	2015	2015
Segment Statement of Operations	Q3	Q4
Total Sales	\$ 471	\$ 475
Cost of products sold	371	393
Gross margin	100	82
SG&A expenses	19	21
Other income, net ¹⁸	2	(3)
Contribution to Earnings Before Special Items	79	64
Special items, pre-tax	—	(84)
Contribution to Earnings	\$ 79	\$ (20)
Adjusted EBITDA¹⁹	\$ 123	\$ 105
Gross Margin Percentage²⁰	21%	17%
Operating Margin Percentage²¹	17%	13%

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

19. A reconciliation to GAAP is set forth on **Chart 17**.

20. Gross margin divided by total sales.

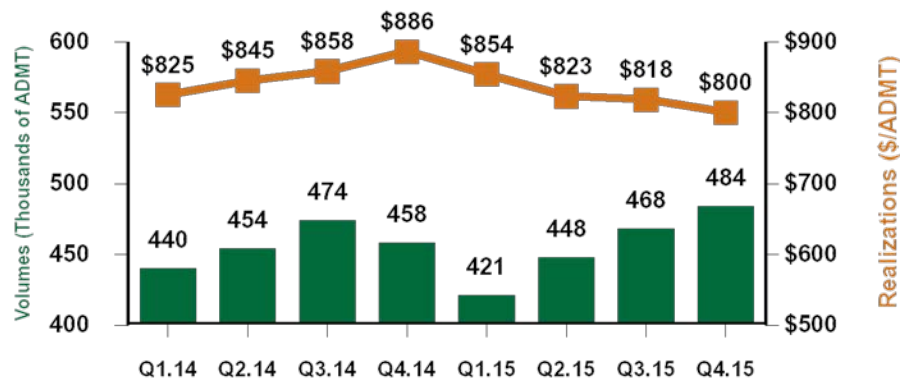
21. Contribution to earnings divided by total sales.



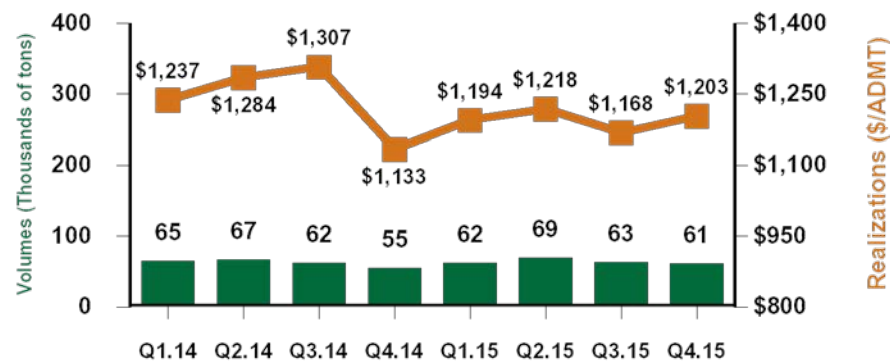
CELLULOSE FIBERS SEGMENT

Chart 9

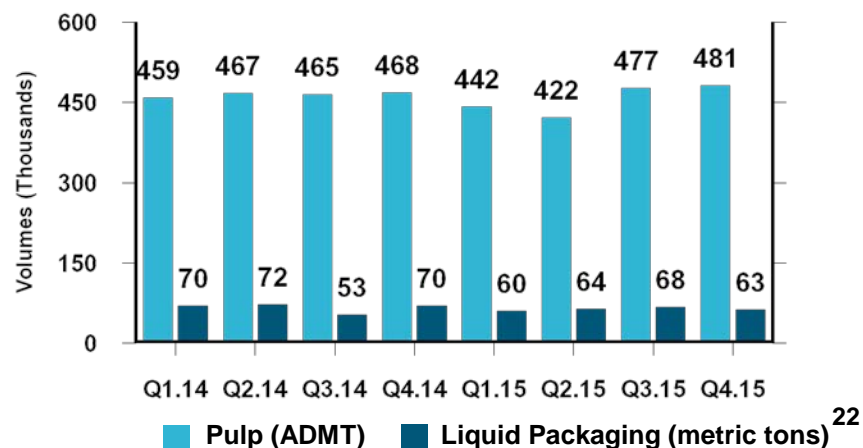
3rd-Party Sales Volumes and Realizations - Pulp



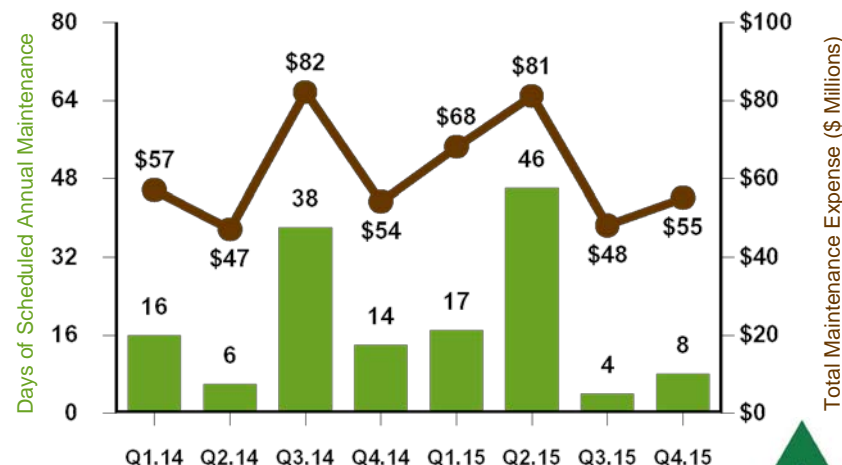
3rd-Party Sales Volumes and Realizations - Liquid Packaging²²



Production Volumes



Maintenance Expense and Scheduled Maintenance Outage Days²³



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

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



UNALLOCATED ITEMS

Chart 10

UNALLOCATED ITEMS (\$ Millions) ²⁴	2015	2015
	Q3	Q4
Unallocated corporate function expenses	\$ (4)	\$ (7)
Unallocated share-based compensation	6	(4)
Unallocated pension & postretirement credits	2	3
Foreign exchange gains (losses)	(20)	(6)
Elimination of intersegment profit in inventory and LIFO	3	1
Other, including interest income	(14)	12
Contribution to Earnings Before Special Items	\$ (27)	\$ (1)
Special items, pre-tax	—	(14)
Contribution to Earnings	\$ (27)	\$ (15)
Adjusted EBITDA	\$ (36)	\$ (12)

UNALLOCATED ITEMS (\$ Millions)	2015	2015
By Natural Expense	Q3	Q4
Credit to products sold ²⁵	\$ 10	\$ 10
G&A expenses ²⁶	(3)	(15)
Other income (expense), net	(34)	4
Contribution to Earnings Before Special Items	\$ (27)	\$ (1)
Special items, pre-tax	—	(14)
Contribution to Earnings	\$ (27)	\$ (15)

24. Unallocated items are gains or charges not related to or allocated to an individual operating segment. They include a portion of items such as: share-based compensation; pension and postretirement costs; foreign exchange transaction gains and losses associated with outstanding borrowings; and the elimination of intersegment profit in inventory and the LIFO reserve.

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

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



FINANCIAL ITEMS

Chart 11

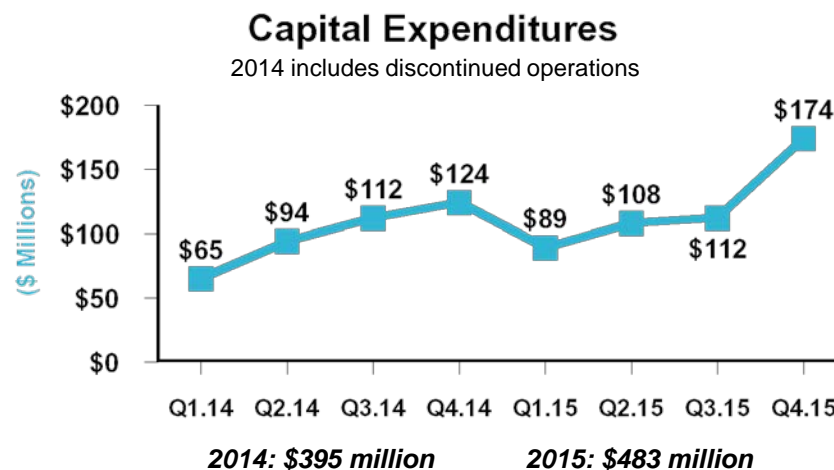
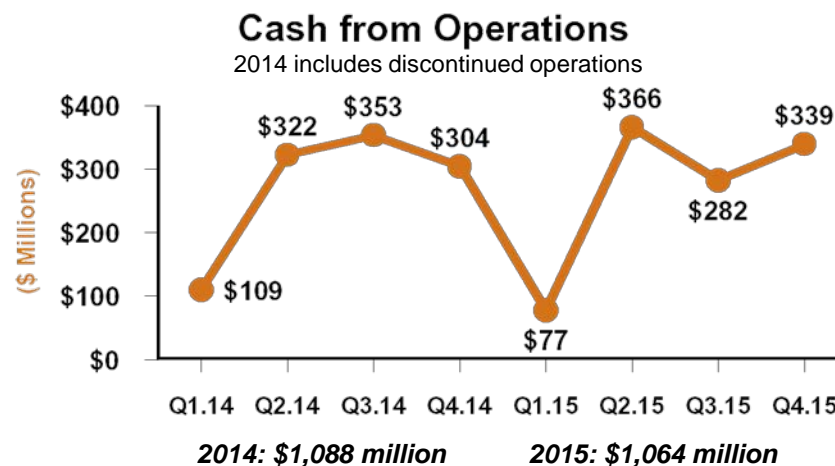
KEY FINANCIAL METRICS (\$ Millions)	2015 Q3	2015 Q4
Ending Cash Balance	\$ 1,048	\$ 1,012
Long-Term Debt	\$ 4,891	\$ 4,891
Gross Debt to Adjusted EBITDA (LTM) ²⁷	3.4	3.4
Net Debt to Enterprise Value ²⁸	22%	20%

Scheduled Debt Maturities as of December 31, 2015

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

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

28. 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.



OUTLOOK: 2016 Q1

Chart 12

SEGMENT	COMMENTS
TIMBERLANDS	<ul style="list-style-type: none">• Higher log sales volumes and average realizations in the West• Seasonally lower Southern fee harvest volumes and slightly decreased average log sales realizations due to mix• Lower earnings from the disposition of nonstrategic timberlands• Expect 2016 Q1 earnings to be comparable to 2015 Q4
WOOD PRODUCTS	<ul style="list-style-type: none">• Moderately higher average sales realizations for lumber• Increased production volumes across all product lines• Expect 2016 Q1 earnings to be higher than 2015 Q4
CELLULOSE FIBERS	<ul style="list-style-type: none">• Decreased average sales realizations and seasonally lower sales volumes for pulp• Increased maintenance expense due to a scheduled outage in liquid packaging board• Expect 2016 Q1 earnings to be significantly lower than 2015 Q4



OPERATIONAL EXCELLENCE

Chart 13

	2015 TARGET	2015 RESULT	2016 TARGET
Timberlands	\$20-30 MM	\$39 MM ✓	\$20-30 MM
Lumber	\$20-25 MM	\$21 MM ✓	\$15-20 MM
OSB	\$10-15 MM	\$24 MM ✓	\$15-20 MM
EWP	\$15-20 MM EBITDA	\$35 MM EBITDA ✓	\$10-15 MM
Distribution	\$20-30 MM EBITDA	\$8 MM EBITDA	\$15-20 MM EBITDA
Cellulose Fibers	\$30-35 MM	\$47 MM ✓	\$40-50 MM



APPENDIX



PENSION AND POSTRETIREMENT EXPENSE

Chart 14

\$ Millions	2014				2015			
Net Pension and Postretirement Cost (Credit) ²⁹	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Timberlands	\$ 3	\$ 3	\$ 2	\$ 2	\$ 3	\$ 2	\$ 2	\$ 2
Wood Products	5	6	6	7	7	7	6	7
Cellulose Fibers	2	3	3	3	3	5	5	4
Unallocated Items	(10)	(11)	(12)	(12)	(3)	(3)	(2)	(3)
Total Company Pension and Postretirement Costs	\$ —	\$ 1	\$ (1)	\$ —	\$ 10	\$ 11	\$ 11	\$ 10

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



EARNINGS SUMMARY

Chart 15

\$ Millions EXCEPT EPS	2014					2015				
Contribution to Earnings Before Special Items	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Timberlands	\$ 164	\$ 170	\$ 136	\$ 143	\$ 613	\$ 162	\$ 127	\$ 126	\$ 134	\$ 549
Wood Products	64	102	105	56	327	62	71	85	48	266
Cellulose Fibers	54	91	59	87	291	33	27	79	64	203
Unallocated Items	(14)	9	10	(13)	(8)	(41)	20	(27)	(1)	(49)
Total Contribution to Earnings before Special Items	\$ 268	\$ 372	\$ 310	\$ 273	\$ 1,223	\$ 216	\$ 245	\$ 263	\$ 245	\$ 969
Interest expense, net ³⁰	(83)	(83)	(88)	(90)	(344)	(83)	(88)	(88)	(88)	(347)
Income taxes ³¹	(31)	(44)	(33)	(27)	(135)	(23)	(13)	16	(25)	(45)
Dividends on preference shares ³²	(11)	(11)	(11)	(11)	(44)	(11)	(11)	(11)	(11)	(44)
Net Earnings from Continuing Operations to Common Shareholders Before Special Items	\$ 143	\$ 234	\$ 178	\$ 145	\$ 700	\$ 99	\$ 133	\$ 180	\$ 121	\$ 533
Earnings from discontinued operations, before special items, net of tax	10	22	966	—	998	—	—	—	—	—
Net Earnings before Special Items ³³	\$ 153	\$ 256	\$ 1,144	\$ 145	\$ 1,698	\$ 99	\$ 133	\$ 180	\$ 121	\$ 533
Special items, after-tax	30	24	9	21	84	(9)	—	—	(62)	(71)
Net Earnings to Common Shareholders	\$ 183	\$ 280	\$ 1,153	\$ 166	\$ 1,782	\$ 90	\$ 133	\$ 180	\$ 59	\$ 462
Diluted EPS Before Special Items ³³	\$ 0.26	\$ 0.44	\$ 2.13	\$ 0.27	\$ 3.03	\$ 0.19	\$ 0.26	\$ 0.35	\$ 0.24	\$ 1.04
Diluted EPS ³²	\$ 0.31	\$ 0.47	\$ 2.15	\$ 0.31	\$ 3.18	\$ 0.17	\$ 0.26	\$ 0.35	\$ 0.11	\$ 0.89

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

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

32. 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.

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



EARNINGS PER SHARE RECONCILIATION

Chart 16

\$ Millions EXCEPT EPS	2014					2015				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Weighted Average Shares Outstanding, Diluted³⁴	589	590	536	529	561	527	520	517	514	520
Diluted EPS from Continuing Operations Before Special Items	\$ 0.24	\$ 0.40	\$ 0.33	\$ 0.27	\$ 1.25	\$ 0.19	\$ 0.26	\$ 0.35	\$ 0.24	\$ 1.04
Discontinued Operations	0.02	0.04	1.80	—	1.78	—	—	—	—	—
Diluted EPS Before Special Items	\$ 0.26	\$ 0.44	\$ 2.13	\$ 0.27	\$ 3.03	\$ 0.19	\$ 0.26	\$ 0.35	\$ 0.24	\$ 1.04
Special Items:										
Gain on postretirement plan amendment	0.05	0.04	0.03	0.05	0.18	—	—	—	—	—
Gain on sale of non-strategic asset	0.02	—	—	—	0.02	—	—	—	—	—
Restructuring, impairments, and other charges	(0.02)	(0.01)	(0.01)	(0.01)	(0.05)	(0.02)	—	—	(0.01)	(0.03)
Impairment charge recorded by equity affiliate	—	—	—	—	—	—	—	—	(0.12)	(0.12)
Plum Creek merger-related costs	—	—	—	—	—	—	—	—	(0.03)	(0.03)
Tax Adjustments	—	—	—	—	—	—	—	—	0.03	0.03
Diluted EPS (GAAP)	\$ 0.31	\$ 0.47	\$ 2.15	\$ 0.31	\$ 3.18	\$ 0.17	\$ 0.26	\$ 0.35	\$ 0.11	\$ 0.89

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



EBITDA RECONCILIATION BY SEGMENT

Chart 17

\$ MILLIONS	2015 Q3					2015 Q4				
	Timberlands	Wood Products	Cellulose Fibers	Unallocated Items	Total	Timberlands	Wood Products	Cellulose Fibers	Unallocated Items	Total
Adjusted EBITDA³⁵	\$ 177	\$ 111	\$ 123	\$ (36)	\$ 375	\$ 188	\$ 75	\$ 105	\$ (12)	\$ 356
Depletion, depreciation & amortization	(51)	(26)	(39)	(2)	(118)	(54)	(27)	(38)	(1)	(120)
Non-operating pension & postretirement credits	—	—	—	2	2	—	—	—	3	3
Special items in Operating Income	—	—	—	—	—	—	(8)	—	(14)	(22)
Operating Income (GAAP)	\$ 126	\$ 85	\$ 84	\$ (36)	\$ 259	\$ 134	\$ 40	\$ 67	\$ (24)	\$ 217
Earnings/(Loss) from Equity Affiliates ³⁶	—	—	(5)	—	(5)	—	—	(87)	—	(87)
Interest income and other	—	—	—	9	9	—	—	—	9	9
Net Contribution to Earnings	\$ 126	\$ 85	\$ 79	\$ (27)	\$ 263	\$ 134	\$ 40	\$ (20)	\$ (15)	\$ 139
Interest expense, net					(88)					(88)
Income taxes ³⁷					16					19
Net Earnings (GAAP)					\$ 191					\$ 70
Dividend on preference shares					(11)					(11)
Net Earnings to Common Shareholders (GAAP)					\$ 180					\$ 59

35. 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.

36. Loss from equity affiliates in Q4 2015 includes an \$84 million non-cash charge for Weyerhaeuser's share of an asset impairment recorded by an equity affiliate.

37. Income taxes in Q4 2015 includes \$44 million of tax benefits from special items. A reconciliation is set forth in Chart 2.



EBITDA RECONCILIATION - TIMBERLANDS

Chart 18

\$ MILLIONS	2015 Q3				2015 Q4			
	West	South	Other	Total	West	South	Other	Total
Adjusted EBITDA³⁸	\$ 103	\$ 70	\$ 4	\$ 177	\$ 118	\$ 74	\$ (4)	\$ 188
Depreciation, depletion & amortization	(27)	(17)	(7)	(51)	(29)	(19)	(6)	(54)
Operating Income (GAAP)	\$ 76	\$ 53	\$ (3)	\$ 126	\$ 89	\$ 55	\$ (10)	\$ 134
Interest income and other	—	—	—	—	—	—	—	—
Net Contribution to Earnings (GAAP)	\$ 76	\$ 53	\$ (3)	\$ 126	\$ 89	\$ 55	\$ (10)	\$ 134

38. Adjusted EBITDA is a non-GAAP measure that management uses to evaluate the performance of the company. Adjusted EBITDA, as we define it, is operating income adjusted for depreciation, depletion, amortization, pension and postretirement costs not allocated to business segments (primarily interest cost, expected return on plan assets, amortization of actuarial loss and amortization of prior service cost / credit), special items and discontinued operations. Adjusted EBITDA should not be considered in isolation from and is not intended to represent an alternative to our GAAP results.



EBITDA RECONCILIATION - WOOD PRODUCTS

Chart 19

\$ Millions	2015 Q3						2015 Q4					
	Lumber	OSB	EWP	Distribution	Other	Total	Lumber	OSB	EWP	Distribution	Other	Total
Adjusted EBITDA^{39, 40}	\$ 55	\$ 12	\$ 36	\$ 9	\$ (1)	\$ 111	\$ 33	\$ 25	\$ 14	\$ 2	\$ 1	\$ 75
Depletion, depreciation & amortization	(11)	(7)	(7)	(1)	—	(26)	(11)	(8)	(7)	(1)	—	(27)
Special items in operating income	—	—	—	—	—	—	—	—	—	—	(8)	(8)
Operating Income (GAAP)	\$ 44	\$ 5	\$ 29	\$ 8	\$ (1)	\$ 85	\$ 22	\$ 17	\$ 7	\$ 1	\$ (7)	\$ 40
Interest income and other	—	—	—	—	—	—	—	—	—	—	—	—
Net Contribution to Earnings (GAAP)	\$ 44	\$ 5	\$ 29	\$ 8	\$ (1)	\$ 85	\$ 22	\$ 17	\$ 7	\$ 1	\$ (7)	\$ 40

39. 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.

40. 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 20

\$ MILLIONS	2015	2015
	Q3	Q4
Gross Debt to Adjusted EBITDA (LTM)^{41, 42}	3.4	3.4
Long-Term Debt	\$ 4,891	\$ 4,891
Adjusted EBITDA (LTM)⁴²	\$ 1,442	\$ 1,422
Depletion, depreciation & amortization	(484)	(479)
Non-operating pension & postretirement costs	20	11
Special Items in Operating Income	18	(35)
Operating Income (LTM) (GAAP)	\$ 996	\$ 919
Loss from Equity Affiliates ⁴³	(18)	(105)
Interest income and other	37	36
Net Contribution to Earnings	\$ 1,015	\$ 850
Interest expense, net of capitalized interest	(349)	(347)
Income taxes ⁴⁴	(53)	3
Net Earnings from Continuing Operations (LTM) (GAAP)	\$ 613	\$ 506
Dividends on preference shares	(44)	(44)
Net Earnings to Common Shareholders (LTM) (GAAP)	\$ 569	\$ 462

41. LTM = last twelve months.

42. Gross debt to adjusted EBITDA is a non-GAAP measure that management uses to evaluate the performance of the company. Gross debt to adjusted EBITDA, as we define it, is long-term debt divided by the last twelve months of adjusted EBITDA. Adjusted EBITDA is a non-GAAP measure that management uses to evaluate the performance of the company. Adjusted EBITDA, as we define it, is operating income adjusted for depreciation, depletion, amortization, pension and postretirement costs not allocated to business segments (primarily interest cost, expected return on plan assets, amortization of actuarial loss and amortization of prior service cost / credit), special items and discontinued operations. Gross debt to adjusted EBITDA should not be considered in isolation from and is not intended to represent an alternative to our GAAP results.

43. Loss from equity affiliates in Q4 2015 includes an \$84 million non-cash charge for Weyerhaeuser's share of an asset impairment recorded by an equity affiliate.

44. Income taxes includes \$44 million of tax benefits from special items in Q4 2015. A reconciliation is set forth in Chart 2.

