

Weyerhaeuser Reports Second Quarter Results

- Earnings rise 34 percent compared with first quarter

- Repurchased over \$150 million of common shares

Jul 31, 2015

FEDERAL WAY, Wash., July 31, 2015 /PRNewswire/ -- Weyerhaeuser Company (NYSE: WY) today reported second quarter net earnings to common shareholders of \$133 million, or 26 cents per diluted share, on net sales of \$1.8 billion. This compares with net earnings of \$90 million, or 17 cents per diluted share, on net sales of \$1.7 billion for first quarter 2015, and net earnings of \$280 million, or 47 cents per diluted share, on net sales from continuing operations of \$2.0 billion for the second quarter last year.

Excluding special items, second quarter net earnings of \$133 million compares with net earnings from continuing operations before special items of \$99 million for first quarter 2015, and \$234 million for the second quarter last year.

"Each of our businesses delivered solid second quarter operating results, as operational excellence efforts helped mitigate the delayed arrival of the spring building season and the continuing challenge of a strong U.S. dollar," said Doyle Simons, president and chief executive officer. "In addition, we repurchased over \$150 million of common shares in the quarter and neared completion of our existing authorization. Looking forward, we are well positioned to capitalize on the improving housing market, and we remain relentlessly focused on driving value for our shareholders through operational improvements and disciplined capital allocation."



View a printer-friendly PDF of our release and financials package.

WEYERHAEUSER FINANCIAL HIGHLIGHTS (millions, except per share data)

	2015 1Q	2015 2Q	2014 2Q
Net sales from continuing operations	\$1,721	\$1,807	\$1,964
Net earnings attributable to Weyerhaeuser common shareholders ⁽¹⁾	\$90	\$133	\$280
Weighted average shares outstanding, diluted ⁽²⁾	527	520	590
Earnings per diluted share	\$0.17	\$0.26	\$0.47
Earnings per diluted share from continuing operations	\$0.17	\$0.26	\$0.43
Net earnings from continuing operations before special items ⁽³⁾	\$99	\$133	\$234
Earnings per diluted share from continuing operations before special items	\$0.19	\$0.26	\$0.40
Cash and cash equivalents at end of period ⁽⁴⁾	\$1,158	\$1,121	\$845

⁽¹⁾ Second quarter 2014 includes net earnings from discontinued operations of \$22 million.

⁽²⁾ During the third quarter of 2014 Weyerhaeuser retired approximately 59 million shares tendered under the exchange offer associated with the divestiture of Weyerhaeuser Real Estate Company. Through second quarter 2015, Weyerhaeuser repurchased approximately 18 million common shares under the repurchase program announced in third quarter 2014. At the end of the second quarter the company had approximately 514 million common shares outstanding.

⁽³⁾ There were no special items for the second quarter of 2015. Special items for the first quarter 2015 include a charge for impairment on a nonstrategic asset. Special items for the second quarter of 2014 include gains on a postretirement plan amendment and restructuring charges related to the company's SG&A cost reduction initiative.

⁽⁴⁾ Cash and cash equivalents at the end of the period exclude discontinued operations.

TIMBERLANDS

FINANCIAL HIGHLIGHTS (millions)	1Q 2015	2Q 2015	Change
Net sales	\$351	\$336	(\$15)
Contribution to pre-tax earnings	\$162	\$127	(\$35)

2Q 2015 Performance - Western domestic and export log sales realizations declined, partially offset by seasonal increases in sales volumes. Earnings from the disposition of non-strategic timberlands decreased by \$12 million compared with the first quarter.

3Q 2015 Outlook - Weyerhaeuser expects slightly lower earnings from the Timberlands segment in the third quarter. In the West, the company expects lower fee harvest volumes, partially offset by higher log sales realizations, as a result of a prolonged fire season. In the South, the company anticipates increased fee harvest volumes offset by seasonally higher silviculture costs.

WOOD PRODUCTS

FINANCIAL HIGHLIGHTS (millions)	1Q 2015	2Q 2015	Change
Net sales	\$923	\$1,004	\$81
Contribution to pre-tax earnings	\$62	\$71	\$9

2Q 2015 Performance - Sales volumes increased seasonally across all product lines. Manufacturing costs improved due to higher operating rates and operational excellence initiatives, and Western log costs were lower. These higher sales volumes and lower costs were partially offset by lower average sales realizations for lumber and oriented strand board.

3Q 2015 Outlook - Weyerhaeuser expects higher earnings from the Wood Products segment in the third quarter. The company anticipates seasonally higher sales volumes across most product lines and improved average sales realizations for lumber and oriented strand board.

CELLULOSE FIBERS

FINANCIAL HIGHLIGHTS (millions)	1Q 2015	2Q 2015	Change
Net sales	\$447	\$467	\$20
Contribution to pre-tax earnings	\$33	\$27	(\$6)

2Q 2015 Performance - Average pulp sales realizations decreased and maintenance costs increased due to an extended pulp mill outage for scheduled maintenance and installation of energy-related capital improvements. These factors were partially offset by lower net energy costs primarily due to operational excellence initiatives.

3Q 2015 Outlook - Weyerhaeuser expects significantly higher earnings from the Cellulose Fibers segment in the third quarter primarily due to minimal scheduled maintenance outage days. Additionally, the company anticipates lower average pulp sales realizations, partially offset by increased sales volumes.

ABOUT WEYERHAEUSER

Weyerhaeuser Company, one of the world's largest private owners of timberlands, began operations in 1900. We own or control nearly 7 million acres of timberlands, primarily in the U.S., and manage additional timberlands under long-term licenses in Canada. We manage these timberlands on a sustainable basis in compliance with internationally recognized forestry standards. We are also one of the largest manufacturers of wood and cellulose fibers products. Our company is a real estate investment trust. In 2014, our continuing operations generated \$7.4 billion in sales and employed approximately 12,800 people who serve customers worldwide. We are listed on the Dow Jones World Sustainability Index. Our common stock trades on the New York Stock Exchange under the symbol WY. Learn more at www.weyerhaeuser.com.

EARNINGS CALL INFORMATION

Weyerhaeuser will hold a live conference call at 7 a.m. Pacific (10 a.m. Eastern) on July 31 to discuss second quarter results.

To access the live webcast and presentation online, go to the [Investor Relations](#) section on www.weyerhaeuser.com on July 31.

To join the conference call from within North America, dial 877-296-9413 (access code: 28347567) at least 15 minutes prior to the call. Those calling from outside North America should dial 706-679-2458 (access code: 28347567). Replays will be available for one week at 855-859-2056 (access code: 28347567) from within North America and at 404-537-3406 (access code: 28347567) from outside North America.

FORWARD LOOKING STATEMENTS

This news release 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 company operations or financial condition. The company will not update these forward-looking statements after the date of this news release.

Some forward-looking statements discuss the company's plans, strategies, expectations 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 and similar words.

This release contains forward-looking statements regarding the company's expectations during the third quarter of 2015, including with respect to: earnings; harvest volumes, log realizations and costs in Timberlands; sales volumes and realizations across Wood Products product lines; and maintenance outages, pulp sales realizations and sales volumes in Cellulose Fibers.

For more information contact:

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Weyerhaeuser Company
Q2.2015 Analyst Package
Preliminary results, subject to audit

Exhibit 99.2

Consolidated Statement of Operations

	in millions				
	Q1	Q2	Year-to-date		
	March 31, 2015	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Net Sales	\$ 1,721	\$ 1,807	\$ 1,964	\$ 3,528	\$ 3,700
Cost of products sold	1,385	1,474	1,499	2,859	2,860
Gross margin	336	333	465	669	840
Selling expenses	28	28	27	56	55
General and administrative expenses	74	71	88	145	176
Research and development expenses	5	6	7	11	14
Charges for restructuring, closures and impairments	14	—	8	14	27
Other operating costs (income), net	15	(15)	(65)	—	(140)
Operating income	200	243	400	443	708
Interest income and other	3	2	11	5	20
Interest expense, net of capitalized interest	(83)	(88)	(83)	(171)	(166)
Earnings from continuing operations before income taxes	120	157	328	277	562
Income taxes	(19)	(13)	(59)	(32)	(109)
Earnings from continuing operations	101	144	269	245	453
Earnings from discontinued operations, net of income taxes	—	—	22	—	32
Net earnings	101	144	291	245	485
Dividends on preference shares	(11)	(11)	(11)	(22)	(22)
Net earnings attributable to Weyerhaeuser common shareholders	\$ 90	\$ 133	\$ 280	\$ 223	\$ 463

Per Share Information

	Q1	Q2		Year-to-date	
	March 31, 2015	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Earnings per share attributable to Weyerhaeuser common shareholders, basic:					
Continuing operations	\$ 0.17	\$ 0.26	\$ 0.44	\$ 0.43	\$ 0.73
Discontinued operations	—	—	0.04	—	0.06
Net earnings per share	\$ 0.17	\$ 0.26	\$ 0.48	\$ 0.43	\$ 0.79
Earnings per share attributable to Weyerhaeuser common shareholders, diluted:					
Continuing operations	\$ 0.17	\$ 0.26	\$ 0.43	\$ 0.43	\$ 0.73
Discontinued operations	—	—	0.04	—	0.06
Net earnings per share	\$ 0.17	\$ 0.26	\$ 0.47	\$ 0.43	\$ 0.79
Dividends paid per common share	\$ 0.29	\$ 0.29	\$ 0.22	\$ 0.58	\$ 0.44
Weighted average shares outstanding (in thousands):					
Basic	523,426	516,626	586,061	520,008	585,491
Diluted	527,423	519,804	589,766	523,595	589,542
Common shares outstanding at end of period (in thousands)	518,735	514,121	586,698	514,121	586,698

Adjusted Earnings before Interest, Tax, Depreciation, Depletion and Amortization*

in millions	Q1	Q2		Year-to-date	
	March 31, 2015	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Net earnings	\$ 101	\$ 144	\$ 291	\$ 245	\$ 485
Earnings from discontinued operations, net of income taxes	—	—	(22)	—	(32)
Interest income and other	(3)	(2)	(11)	(5)	(20)
Interest expense, net of capitalized interest	83	88	83	171	166
Income taxes	19	13	59	32	109
Operating income	200	243	400	443	708
Depreciation, depletion and amortization	123	118	122	241	245
Non-operating pension and postretirement credits	(3)	(3)	(11)	(6)	(21)
Special items	13	—	(39)	13	(88)
Adjusted EBITDA*	\$ 333	\$ 358	\$ 472	\$ 691	\$ 844

* Non-GAAP measure - see page 8 for definition.

Weyerhaeuser Company

Q2.2015 Analyst Package

Preliminary results, subject to audit

Consolidated Balance Sheet

in millions	March 31, 2015	June 30, 2015	December 31, 2014
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,158	\$ 1,121	\$ 1,580
Receivables, less allowances	539	537	525
Receivables for taxes	23	12	25
Inventories	645	603	595
Prepaid expenses	95	82	80
Deferred tax assets	192	162	228
Total current assets	2,652	2,517	3,033
Property and equipment, net	2,524	2,557	2,623
Construction in progress	171	171	131
Timber and timberlands at cost, less depletion charged to disposals	6,552	6,531	6,530
Investments in and advances to equity affiliates	183	176	188
Goodwill	40	40	40
Deferred tax assets	3	2	8
Other assets	269	274	289
Restricted financial investments held by variable interest entities	615	615	615
Total assets	\$ 13,009	\$ 12,883	\$ 13,457
LIABILITIES AND EQUITY			
Current liabilities:			
Accounts payable	\$ 319	\$ 343	\$ 331

Accrued liabilities	533	576	587
Total current liabilities	852	919	918
Long-term debt	4,891	4,891	4,891
Long-term debt (nonrecourse to the company) held by variable interest entities	511	511	511
Deferred income taxes	195	196	206
Deferred pension and other postretirement benefits	1,249	1,166	1,319
Other liabilities	284	275	308
Total liabilities	7,982	7,958	8,153
Total equity	5,027	4,925	5,304
Total liabilities and equity	\$ 13,009	\$ 12,883	\$ 13,457

Weyerhaeuser Company
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Consolidated Statement of Cash Flows

in millions

	Q1	Q2	Year-to-date	
	March 31, 2015	June 30, 2015	June 30, 2014	June 30, 2015
Cash flows from operations:				
Net earnings	\$ 101	\$ 144	\$ 291	\$ 245
Noncash charges (credits) to income:				\$ 485
Depreciation, depletion and amortization	123	118	126	241
Deferred income taxes, net	13	3	89	16
Pension and other postretirement benefits	10	11	(44)	21
Share-based compensation expense	8	8	11	(91)
Charges for impairment of assets	13	—	1	20
Net gains on dispositions of assets	(16)	(5)	(21)	13
Foreign exchange transaction (gains) losses	29	(8)	(12)	1
Change in:				(46)
Receivables less allowances	(16)	(10)	(47)	21
Receivable for taxes	2	12	(3)	2
Inventories	(57)	42	34	(26)
Real estate and land	—	—	(35)	(48)
Prepaid expenses	(11)	9	(3)	14
Accounts payable and accrued liabilities	(91)	66	(17)	(15)
Deposits on land positions and other assets	—	—	(4)	(54)
Pension and postretirement contributions	(20)	(19)	(30)	(107)
Other	(11)	(5)	(14)	—
Net cash from operations	77	366	322	431
Cash flows from investing activities:				
Property and equipment	(71)	(99)	(83)	(170)
Timberlands reforestation	(18)	(9)	(11)	(134)
Acquisition of timberlands	(32)	—	—	(27)
Proceeds from sale of assets	2	4	1	(32)
Other	—	12	—	6
Cash from investing activities	(119)	(92)	(93)	(211)
Cash flows from financing activities:				
Net proceeds from issuance of Weyerhaeuser Real Estate Company (WRECO) debt	—	—	887	—
Deposit of WRECO debt proceeds into escrow	—	—	(887)	—
Cash dividends on common shares	(152)	(149)	(128)	(887)
Cash dividends on preference shares	—	(11)	(11)	(301)
Change in book overdrafts	—	—	—	(11)
Exercises of stock options	21	4	39	(6)
Repurchase of common stock	(253)	(154)	—	25
Other	4	(1)	(1)	54
Cash from financing activities	(380)	(311)	(101)	(691)
Net change in cash and cash equivalents	(422)	(37)	128	(459)
Cash and cash equivalents at beginning of period	1,580	1,158	780	1,580
Cash and cash equivalents at end of period	\$ 1,158	\$ 1,121	\$ 908	\$ 1,121
Cash paid (received) during the year for:				\$ 908

Interest, net of amount capitalized	\$ 114	\$ 58	\$ 52	\$ 172	\$ 153
Income taxes	\$ 1	\$ 4	\$ 5	\$ 5	\$ (45)

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Total Company Statistics

Special Items Included in Net Earnings

in millions	Q1	Q2		Year-to-date	
	March 31, 2015	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Net earnings attributable to Weyerhaeuser common shareholders	\$ 90	\$ 133	\$ 280	\$ 223	\$ 463
Restructuring, impairments and other charges	9	—	5	9	18
Gain on sale of non-strategic asset	—	—	—	—	(14)
Gain on postretirement plan amendment	—	—	(29)	—	(58)
Net earnings attributable to Weyerhaeuser common shareholders before special items	99	133	256	232	409
Earnings from discontinued operations, net of income taxes	—	—	(22)	—	(32)
Net earnings from continuing operations attributable to Weyerhaeuser common shareholders before special items	\$ 99	\$ 133	\$ 234	\$ 232	\$ 377
	Q1	Q2		Year-to-date	
	March 31, 2015	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Net earnings per diluted share attributable to Weyerhaeuser common shareholders	\$ 0.17	\$ 0.26	\$ 0.47	\$ 0.43	\$ 0.79
Restructuring, impairments and other charges	0.02	—	0.01	0.01	0.03
Gain on sale of non-strategic asset	—	—	—	—	(0.02)
Gain on postretirement plan amendment	—	—	(0.04)	—	(0.10)
Net earnings per diluted share attributable to Weyerhaeuser common shareholders before special items	0.19	—	0.44	0.44	0.70
Earnings from discontinued operations, net of income taxes	—	—	(0.04)	—	(0.06)
Net earnings from continuing operations per diluted share attributable to Weyerhaeuser common shareholders before special items	\$ 0.19	\$ 0.26	\$ 0.40	\$ 0.44	\$ 0.64

Selected Total Company Items

in millions	Q1	Q2		Year-to-date	
	March 31, 2015	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Depreciation, depletion and amortization:					
Cost of products sold	\$ 118	\$ 116	\$ 117	\$ 234	\$ 234
Selling, general and administrative expenses	5	2	5	7	11
Total depreciation, depletion and amortization	\$ 123	\$ 118	\$ 122	\$ 241	\$ 245
Pension and postretirement costs:					
Pension and postretirement costs allocated to business segments	\$ 13	\$ 14	\$ 12	\$ 27	\$ 22
Pension and postretirement credits not allocated	(3)	(3)	(11)	(6)	(21)
Total company pension and postretirement costs	\$ 10	\$ 11	\$ 1	\$ 21	\$ 1
Total decrease (increase) in working capital ⁽¹⁾	\$ (212)	\$ 161	\$ 49	\$ (51)	\$ (121)
Cash spent for capital expenditures	\$ (89)	\$ (108)	\$ (92)	\$ (197)	\$ (155)

⁽¹⁾ Working capital does not include cash balances.

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Timberlands Segment

Segment Statement of Operations

in millions	Q1.2015	Q2.2015	Q2.2014	YTD.2015	YTD.2014
Sales to unaffiliated customers	\$ 351	\$ 336	\$ 397	\$ 687	\$ 774

Intersegment sales	228	187	186	415	424
Total net sales	579	523	583	1,102	1,198
Cost of products sold	405	385	399	790	830
Gross margin	174	138	184	312	368
Selling expenses	2	1	2	3	4
General and administrative expenses	22	21	23	43	49
Research and development expenses	3	4	3	7	7
Other operating income, net	(15)	(15)	(14)	(30)	(26)
Operating income	162	127	170	289	334
Interest income and other	—	—	—	—	—
Net contribution to earnings	\$ 162	\$ 127	\$ 170	\$ 289	\$ 334

Adjusted Earnings before Interest, Tax, Depreciation, Depletion and Amortization*

in millions	Q1.2015	Q2.2015	Q2.2014	YTD.2015	YTD.2014
Operating income	\$ 162	\$ 127	\$ 170	\$ 289	\$ 334
Depreciation, depletion and amortization	53	51	51	104	103
Adjusted EBITDA*	\$ 215	\$ 178	\$ 221	\$ 393	\$ 437

* Non-GAAP measure - see page 8 for definition.

Selected Segment Items

in millions	Q1.2015	Q2.2015	Q2.2014	YTD.2015	YTD.2014
Total decrease (increase) in working capital ⁽¹⁾	\$ (26)	\$ 52	\$ (15)	\$ 26	\$ (44)
Cash spent for capital expenditures	\$ (24)	\$ (17)	\$ (18)	\$ (41)	\$ (37)

⁽¹⁾ Working capital does not include cash balances.

Segment Statistics

		Q1.2015	Q2.2015	Q2.2014	YTD.2015	YTD.2014
Third Party Net Sales (millions)	Logs:					
	West	\$ 210	\$ 221	\$ 261	\$ 431	\$ 518
	South	58	58	60	116	122
	Canada	8	3	1	11	7
	Total logs	276	282	322	558	647
	Chip sales	4	4	2	8	5
	Timberlands exchanges	25	5	28	30	32
	Higher and better use land sales	2	3	7	5	10
	Minerals, oil and gas	7	5	8	12	15
	Products from international operations	24	25	26	49	50
Third Party Sales (per cubic meter)	Other products	13	12	4	25	15
	Total	\$ 351	\$ 336	\$ 397	\$ 687	\$ 774
	Logs	\$ 98.83	\$ 94.70	\$ 109.13	\$ 96.67	\$ 111.71
	South	\$ 45.33	\$ 45.20	\$ 45.16	\$ 45.27	\$ 45.02
	Realizations	\$ 34.84	\$ 35.43	\$ 38.04	\$ 34.98	\$ 35.75
	Canada	\$ 19.35	\$ 22.63	\$ 16.27	\$ 21.14	\$ 16.64
	West	2,120	2,330	2,390	4,450	4,636
	South	1,271	1,295	1,339	2,566	2,724
	Canada	245	75	30	320	186
	International	150	179	139	329	286
Third Party Sales (cubic meters, thousands)	Total	3,786	3,879	3,898	7,665	7,832
	Logs	2,911	2,811	2,888	5,722	5,763
	South	2,732	2,912	2,715	5,644	5,581
	Fee Harvest Volumes	239	219	249	458	498
	Canada	5,882	5,942	5,852	11,824	11,842
	International					
	Total					

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Wood Products Segment

Segment Statement of Operations

in millions	Q1.2015	Q2.2015	Q2.2014	YTD.2015	YTD.2014
Sales to unaffiliated customers	\$ 923	\$ 1,004	\$ 1,077	\$ 1,927	\$ 1,975

Intersegment sales	19	22	21	41	40
Total net sales	942	1,026	1,098	1,968	2,015
Cost of products sold	829	903	939	1,732	1,730
Gross margin	113	123	159	236	285
Selling expenses	23	23	23	46	48
General and administrative expenses	27	26	30	53	67
Research and development expenses	—	1	2	1	3
Charges for restructuring, closures and impairments	—	—	2	—	2
Other operating costs (income), net	1	2	—	3	(1)
Operating income	62	71	102	133	166
Interest income and other	—	—	—	—	—
Net contribution to earnings	\$ 62	\$ 71	\$ 102	\$ 133	\$ 166

Adjusted Earnings before Interest, Tax, Depreciation, Depletion and Amortization*

in millions	Q1.2015	Q2.2015	Q2.2014	YTD.2015	YTD.2014
Operating income	\$ 62	\$ 71	\$ 102	\$ 133	\$ 166
Depreciation, depletion and amortization	26	27	30	53	59
Adjusted EBITDA*	\$ 88	\$ 98	\$ 132	\$ 186	\$ 225

* Non-GAAP measure - see page 8 for definition.

Selected Segment Items

in millions	Q1.2015	Q2.2015	Q2.2014	YTD.2015	YTD.2014
Total decrease (increase) in working capital ⁽¹⁾	\$ (99)	\$ 42	\$ 29	\$ (57)	\$ (108)
Cash spent for capital expenditures	\$ (37)	\$ (60)	\$ (38)	\$ (97)	\$ (56)

⁽¹⁾ Working capital does not include cash balances.

Segment Statistics

in millions, except for third-party sales realizations	Q1.2015	Q2.2015	Q2.2014	YTD.2015	YTD.2014
Third party net sales	\$ 434	\$ 450	\$ 515	\$ 884	\$ 942
Third party sales realizations	\$ 403	\$ 383	\$ 427	\$ 393	\$ 429
Third party sales volumes ⁽¹⁾	1,075	1,175	1,206	2,250	2,195
Production volumes	1,043	1,087	1,081	2,130	2,090
Outside purchase volumes	89	98	82	187	160
Third party net sales	\$ 94	\$ 113	\$ 114	\$ 207	\$ 204
Third party sales realizations	\$ 1,965	\$ 2,032	\$ 1,976	\$ 2,001	\$ 1,968
Third party sales volumes ⁽¹⁾	4.8	5.6	5.8	10.4	10.4
Production volumes	5.0	5.6	5.7	10.6	10.6
Outside purchase volumes	—	—	0.5	—	2.3
Third party net sales	\$ 61	\$ 76	\$ 81	\$ 137	\$ 140
Third party sales realizations	\$ 1,510	\$ 1,502	\$ 1,470	\$ 1,506	\$ 1,463
Third party sales volumes ⁽¹⁾	41	50	55	91	95
Production volumes	43	48	55	91	99
Outside purchase volumes	1	1	3	2	4
Third party net sales	\$ 137	\$ 147	\$ 159	\$ 284	\$ 307
Third party sales realizations	\$ 196	\$ 191	\$ 226	\$ 193	\$ 228
Third party sales volumes ⁽¹⁾	700	771	706	1,471	1,347
Production volumes	704	700	681	1,404	1,338
Outside purchase volumes	65	81	51	146	104
Third party net sales	\$ 33	\$ 36	\$ 35	\$ 69	\$ 65
Third party sales realizations	\$ 366	\$ 354	\$ 348	\$ 360	\$ 340
Third party sales volumes ⁽¹⁾	89	101	102	190	192
Production volumes	61	63	60	124	119
Outside purchase volumes	37	27	36	64	69

⁽¹⁾ Volumes include sales of internally produced products and products purchased for resale primarily through our distribution business.

Weyerhaeuser Company
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Cellulose Fibers Segment

Segment Statement of Operations

in millions	Q1.2015	Q2.2015	Q2.2014	YTD.2015	YTD.2014
Total net sales	\$ 447	\$ 467	\$ 490	\$ 914	\$ 951
Cost of products sold	394	417	381	811	771
Gross margin	53	50	109	103	180
Selling expenses	3	4	4	7	8
General and administrative expenses	17	17	20	34	40
Research and development expenses	2	1	2	3	4
Other operating income, net	(8)	(6)	(8)	(14)	(17)
Operating income	39	34	91	73	145
Interest income and other	(6)	(7)	—	(13)	—
Net contribution to earnings	\$ 33	\$ 27	\$ 91	\$ 60	\$ 145

Adjusted Earnings before Interest, Tax, Depreciation, Depletion and Amortization*

in millions	Q1.2015	Q2.2015	Q2.2014	YTD.2015	YTD.2014
Operating income	\$ 39	\$ 34	\$ 91	\$ 73	\$ 145
Depreciation, depletion and amortization	39	38	39	77	77
Adjusted EBITDA*	\$ 78	\$ 72	\$ 130	\$ 150	\$ 222

* Non-GAAP measure - see page 8 for definition.

Selected Segment Items

in millions	Q1.2015	Q2.2015	Q2.2014	YTD.2015	YTD.2014
Total decrease (increase) in working capital ⁽¹⁾	\$ 40	\$ 6	\$ (37)	\$ 46	\$ (6)
Cash spent for capital expenditures	\$ (27)	\$ (31)	\$ (35)	\$ (58)	\$ (61)

⁽¹⁾ Working capital does not include cash balances.

Segment Statistics

	Q1.2015	Q2.2015	Q2.2014	YTD.2015	YTD.2014
Third party net sales (millions)	\$ 360	\$ 368	\$ 383	\$ 728	\$ 746
Pulp Third party sales realizations	\$ 854	\$ 823	\$ 845	\$ 838	\$ 835
(air-dry metric tons) Third party sales volumes (thousands)	421	448	454	869	894
Production volumes (thousands)	442	422	467	864	926
Liquid Third party net sales (millions)	\$ 74	\$ 84	\$ 87	\$ 158	\$ 167
Packaging Third party sales realizations	\$ 1,194	\$ 1,218	\$ 1,284	\$ 1,206	\$ 1,261
Board Third party sales volumes (thousands)	62	69	67	131	132
(metric tons) Production volumes (thousands)	60	64	72	124	142

Weyerhaeuser Company

Q2.2015 Analyst Package

Preliminary results, subject to audit

Unallocated Items

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 financing and the elimination of intersegment profit in inventory and the LIFO reserve.

Contribution to Earnings

in millions	Q1.2015	Q2.2015	Q2.2014	YTD.2015	YTD.2014
Unallocated corporate function expenses	\$ (9)	\$ (7)	\$ (7)	\$ (16)	\$ (14)
Unallocated share-based compensation	3	1	(6)	4	(3)
Unallocated pension & postretirement credits	3	3	56	6	111
Foreign exchange gains (losses)	(29)	9	13	(20)	(2)
Elimination of intersegment profit in inventory and LIFO	(12)	18	(1)	6	(20)
Other	(19)	(13)	(18)	(32)	(9)
Operating income (loss)	(63)	11	37	(52)	63
Interest income and other	9	9	11	18	20
Net contribution to earnings from continuing operations⁽¹⁾	\$ (54)	\$ 20	\$ 48	\$ (34)	\$ 83

⁽¹⁾ We have reclassified certain results from the prior periods to present the results of operations discontinued in 2014 separately. Our reclassifications had no effect on net earnings or Weyerhaeuser shareholders' interest.

Adjusted Earnings before Interest, Tax, Depreciation, Depletion and Amortization*

in millions	Q1.2015	Q2.2015	Q2.2014	YTD.2015	YTD.2014
Operating income (loss)	\$ (63)	\$ 11	\$ 37	\$ (52)	\$ 63
Depreciation, depletion and amortization	5	2	2	7	6
Non-operating pension and postretirement credits	(3)	(3)	(11)	(6)	(21)
Special items	13	—	(39)	13	(88)
Adjusted EBITDA*	\$ (48)	\$ 10	\$ (11)	\$ (38)	\$ (40)

* Non-GAAP measure - see below for definition.

Unallocated Special Items Included in Net Contribution to Earnings (Pre-Tax)

in millions	Q1.2015	Q2.2015	Q2.2014	YTD.2015	YTD.2014
Gain on postretirement plan amendment	\$ —	\$ —	\$ 45	\$ —	\$ 90
Restructuring, impairments and other charges	(13)	—	(6)	(13)	(24)
Gain on sale of non-strategic asset	—	—	—	—	22
Total	\$ (13)	\$ —	\$ 39	\$ (13)	\$ 88

Unallocated Selected Items

in millions	Q1.2015	Q2.2015	Q2.2014	YTD.2015	YTD.2014
Total decrease (increase) in working capital ⁽¹⁾	\$ (127)	\$ 61	\$ 72	\$ (66)	\$ 37
Cash spent for capital expenditures	\$ (1)	\$ —	\$ (1)	\$ (1)	\$ (1)

⁽¹⁾ Working capital does not include cash balances.

***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, 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.

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