

WEYERHAEUSER

Earnings Results: 4th Quarter 2013



01.31.14



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 various assumptions and may not be accurate because of risks and uncertainties surrounding these assumptions. 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 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 2014, including selling prices and realizations for domestic and export logs, fee harvest volumes and earnings from the Timberlands segment; sales volumes, prices and realizations for products within the Wood Products segment, operating rates, raw material costs, and earnings from the Wood Products segment; maintenance expenses within the Cellulose Fibers segment, volumes and realizations for pulp, fiber and labor costs, product mix, and earnings from the Cellulose Fibers segment; and home closings and average closing prices, margins and product mix, selling expenses, and profit from single-family homebuilding in the Real Estate segment.

Major risks, uncertainties and assumptions that affect the company's businesses and may cause actual results to differ from these forward-looking statements, include, but are not limited to:

- the effect of general economic conditions, including employment rates, housing starts, interest rate levels, availability of financing for home mortgages, and strength of the U.S. dollar;
- market demand for the company's products, which is related to the strength of the various U.S. business segments and U.S. and international economic conditions;
- performance of the company's manufacturing operations, including maintenance requirements;
- the level of competition from domestic and foreign producers;
- the successful execution of internal performance plans, including restructurings and cost reduction initiatives;
- raw material and energy prices and transportation costs;
- the effect of weather and the risk of loss from fires, floods, windstorms, hurricanes, pest infestation and other natural disasters;
- federal tax policies;
- the effect of forestry, land use, environmental and other governmental regulations;
- legal proceedings;
- performance of pension fund investments and related derivatives;
- The effect of timing of retirements and changes in the market price of company stock on charges for stock-based compensation;
- changes in accounting principles;
- the ability to complete the transaction relating to our homebuilding and real estate development business (WRECO) with TRI Pointe Homes, Inc. on the anticipated terms and schedule, including the ability of TRI Pointe to obtain shareholder and regulatory approvals and the anticipated tax treatment of the transactions and related transactions; and
- other factors described under "Risk Factors" in the Company's annual report on Form 10-K and quarterly reports on Form 10-Q.

The company also is a large exporter and is affected by changes in economic activity in Europe and Asia, particularly Japan and China. It is affected by changes in currency exchange rates, particularly the relative value of the U.S. dollar to the euro and the Canadian dollar and the relative value of the euro to the yen. Restrictions on international trade or tariffs imposed on imports also may affect the company.



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



2013 CONSOLIDATED RESULTS

Chart 1

2013 Notes

- Net earnings before special items doubled
- Announced agreement to combine Weyerhaeuser Real Estate Company with TRI Pointe Homes
- Completed acquisition of Longview Timber LLC

\$ Millions EXCEPT EPS			
Consolidated Statement of Operations Before Special Items	2012	2013	Change
Timberlands	\$322	\$470	\$148
Wood Products	114	451	337
Cellulose Fibers	223	200	(23)
Real Estate	105	118	13
Unallocated Items	(71)	(53)	18
Total Contribution to Earnings Before Special Items	\$693	\$1,186	\$493
Interest expense, net ¹	(348)	(346)	
Income taxes	(29)	(163)	
Dividends on preference shares	--	(23)	
Net Earnings to Common Shareholders Before Special Items	\$316	\$654	
Special items, after-tax	69	(114)	
Net Earnings to Common Shareholders	\$385	\$540	
Diluted EPS Before Special items²	\$0.58	\$1.14	
Diluted EPS²	\$0.71	\$0.95	

1. Interest expense is net of capitalized interest.

2. A reconciliation to GAAP is set forth on Chart 20.



2013 Q4 CONSOLIDATED RESULTS

Chart 2

\$ Millions	2013	2013	
Contribution to Earnings Before Special Items	Q3	Q4	Change
Timberlands	\$118	\$134	\$16
Wood Products	79	58	(21)
Cellulose Fibers	47	65	18
Real Estate	33	71	38
Unallocated Items	21	(28)	(49)
Total Contribution to Earnings Before Special Items	\$298	\$300	\$2
Adjusted EBITDA ¹	\$418	\$433	\$15

\$ Millions EXCEPT EPS	2013	2013
Consolidated Statement of Operations Before Special Items	Q3	Q4
Net sales	\$2,181	\$2,256
Cost of products sold	1,728	1,784
Gross margin	453	472
SG&A expenses	168	176
Other income, net ²	(13)	(4)
Total Contribution to Earnings Before Special Items	\$298	\$300
Interest expense, net ³	(95)	(88)
Income taxes	(36)	(44)
Dividends on preference shares	(10)	(11)
Net Earnings to Common Shareholders Before Special Items⁴	\$157	\$157
Special items, after-tax	--	(114)
Net Earnings to Common Shareholders	\$157	\$43
Diluted EPS Before Special items⁵	\$0.27	\$0.27
Diluted EPS	\$0.27	\$0.07

1. A reconciliation to GAAP is set forth on Chart 21.

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.

3. Interest expense is net of capitalized interest.

4. A reconciliation to GAAP is set forth on Chart 3.

5. A reconciliation to GAAP is set forth on Chart 20.



EARNINGS BEFORE SPECIAL ITEMS

Chart 3

Millions EXCEPT EPS	2013 Q3			2013 Q4		
	Pre-Tax Earnings ¹	After-Tax Earnings	Diluted EPS	Pre-Tax Earnings ¹	After-Tax Earnings	Diluted EPS
Earnings Before Special Items	\$203	\$157	\$0.27	\$212	\$157	\$0.27
Special Items:						
Restructuring, impairments, and other charges ²	--	--	--	(366)	(247)	(0.42)
Tax adjustments	--	--	--	--	168	0.29
Loss on early extinguishment of debt	--	--	--	(25)	(25)	(0.05)
Costs related to Real Estate divestiture ³	--	--	--	(15)	(10)	(0.02)
Total Special Items	--	--	--	(406)	(114)	(0.20)
Earnings Including Special Items (GAAP)	\$203	\$157	\$0.27	(\$194)	\$43	\$0.07

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

2. 2013 Q4 includes pre-tax non-cash charges of \$356 million for the previously announced impairment of a community excluded from the combination of Weyerhaeuser Real Estate Company (WRECO) and TRI Pointe Homes. These charges are included in the Real Estate and Unallocated segments. 2013 Q4 also includes pre-tax impairment charges of \$10 million in the Wood Products segment for the permanent closure of previously curtailed engineered wood products operations.

3. 2013 Q4 includes charges to the Real Estate and Unallocated segments.



4th Quarter Notes

- Construction markets in China drove increased selling prices for Western logs
- Weyerhaeuser's average log price realizations comparable due to mix
- Higher fee harvest volumes due to market demand and a full quarter of harvest from the Longview Timber acquisition
- Seasonally higher road and silviculture expenses
- Slightly lower earnings from disposition of non-strategic timberlands

TIMBERLANDS (\$ Millions)	2013	2013
Segment Statement of Operations	Q3	Q4
Third party sales ²	\$348	\$359
Intersegment sales ²	131	139
Total sales	479	498
Cost of products sold ²	337	342
Gross margin	142	156
SG&A expenses ²	30	27
Other income, net ^{2,3}	(6)	(5)
Contribution to Earnings	\$118	\$134
Adjusted EBITDA¹	\$162	\$184
Gross Margin Percentage⁴	30%	31%
Operating Margin Percentage⁵	25%	27%

1. A reconciliation to GAAP is set forth on Chart 21.

2. 2013 Q4 excludes \$5 million of third party sales, \$76 million of intersegment sales, \$83 million in cost of products sold, \$1 million of SG&A and \$3 million of other income for Canadian Forestland operations, compared with \$5 million of third party sales, \$63 million of intersegment sales, \$70 million in cost of products sold, and \$2 million of other income in 2013 Q3.

3. 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.

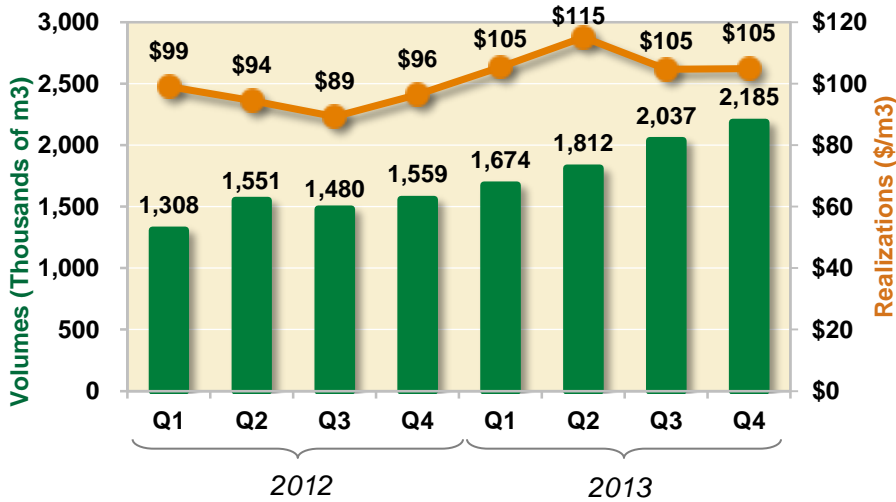
4. Gross margin divided by total sales excluding Canadian Forestlands operations. Timberlands makes no margin on Canadian Forestlands operations, which are operated as a cost center for the purpose of supplying Weyerhaeuser's Canadian manufacturing facilities.

5. Contribution to earnings divided by total sales excluding Canadian Forestlands operations.

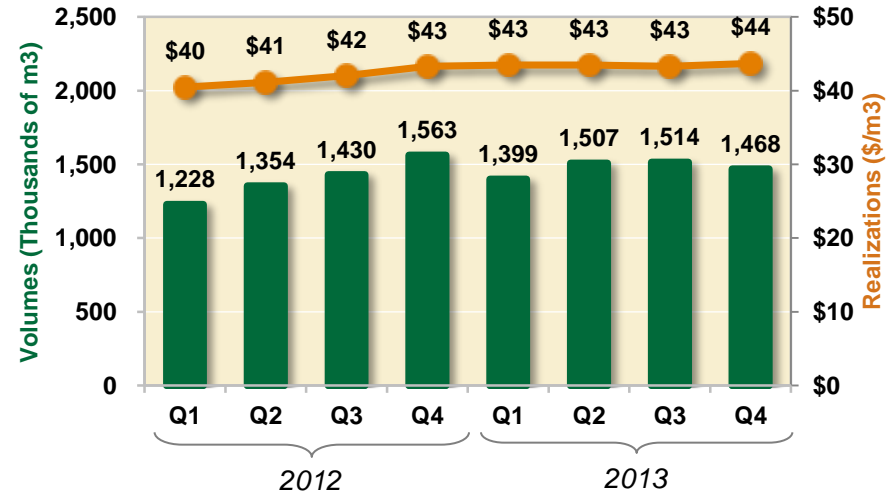


SALES VOLUMES AND REALIZATIONS

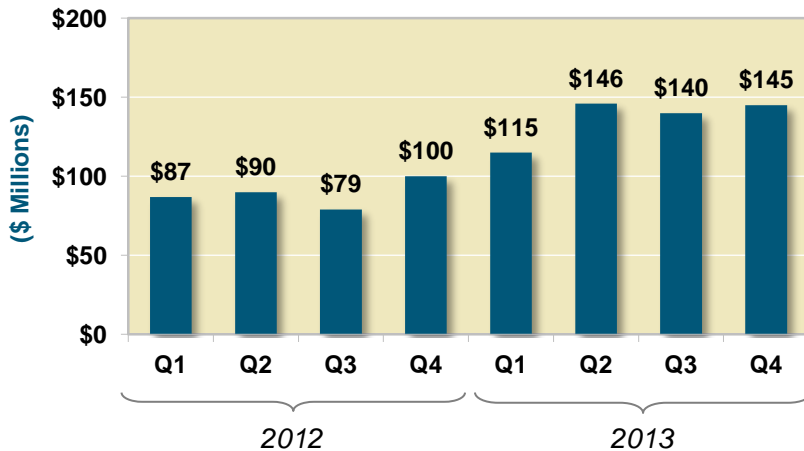
3rd-Party Log Sales and Realizations - West¹



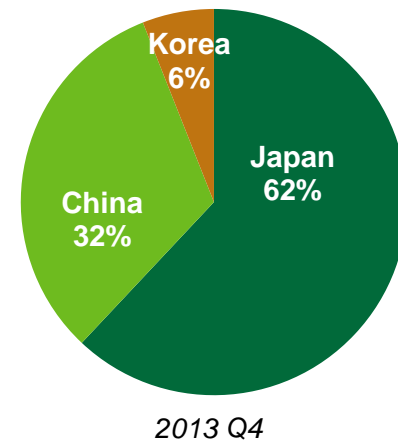
3rd-Party Log Sales and Realizations - South



Export Log Revenue^{1,2}



Export Log Revenue by Country^{1,2}

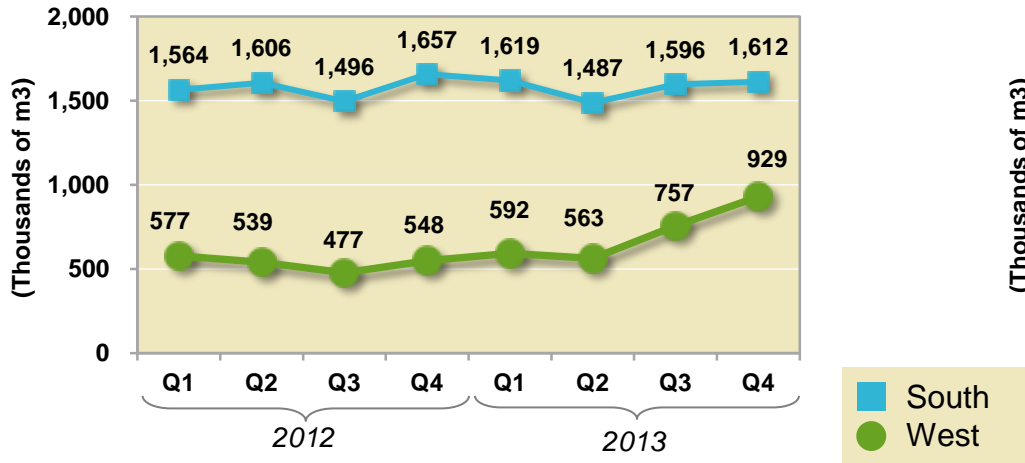


1. Beginning in 2013 Q3, Western log volumes and realizations include results from the Longview Timber acquisition.
 2. Export log revenues are net of freight expense, rebates and claims.

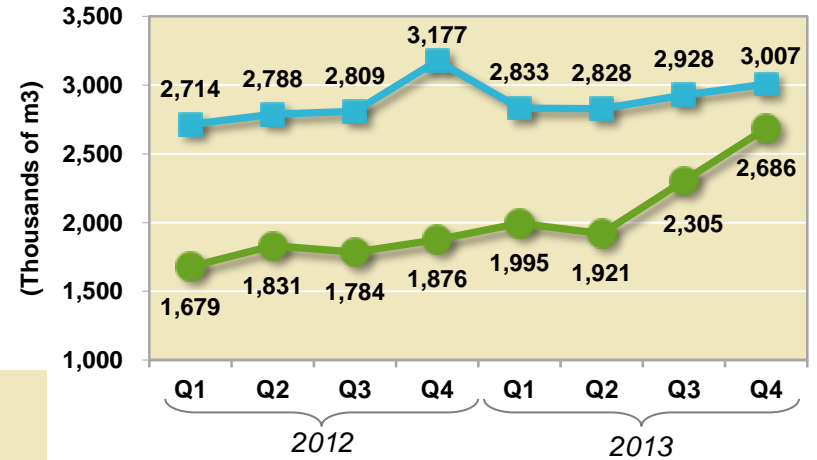


WESTERN/SOUTHERN TIMBERLANDS

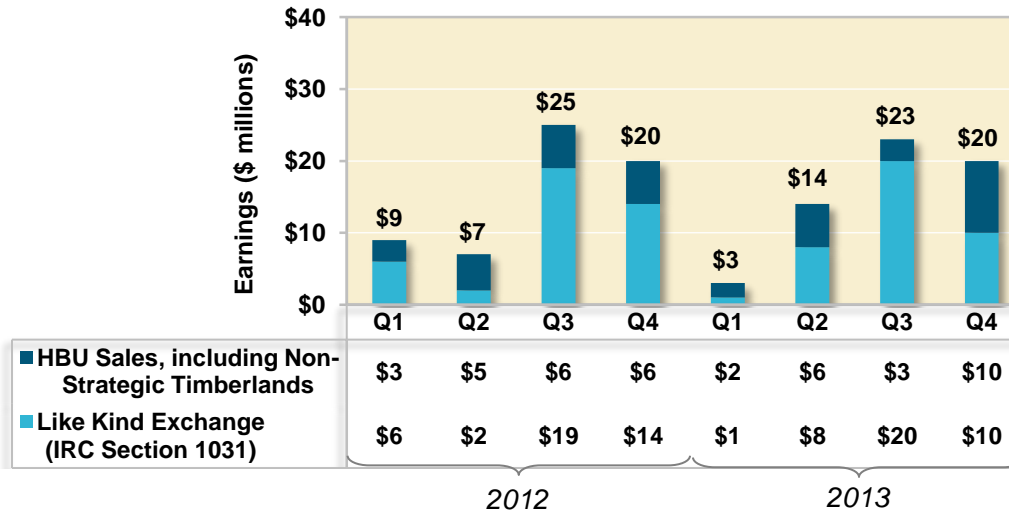
Intersegment Log Sales Volume¹



Fee Harvest Volume^{1,2}



Earnings from Timberland Dispositions



1. Beginning 2013 Q3, Western log volumes include results from the Longview Timber acquisition.

2. Western fee harvest for 2013 Q4 includes 817 thousand m3 from the Longview Timber acquisition, compared with 588 thousand m3 in 2013 Q3.



WOOD PRODUCTS SEGMENT

Chart 7

WOOD PRODUCTS (\$ Millions)	2013	2013
EBITDA by Business	Q3	Q4
Lumber	\$66	\$59
OSB	39	24
Engineered Wood Products	16	11
Distribution	(11)	(6)
Other	--	--
Total Adjusted EBITDA¹	\$110	\$88

WOOD PRODUCTS (\$ Millions)	2013	2013
Segment Statement of Operations	Q3	Q4
Third party sales	\$1,030	\$926
Intersegment sales	19	16
Total sales	1,049	942
Cost of products sold	905	826
Gross margin	144	116
SG&A expenses	61	56
Other expenses, net ²	4	2
Contribution to Earnings Before Special Items	\$79	\$58
Special items, pre-tax	--	(10)
Contribution to Earnings	\$79	\$48
Total Adjusted EBITDA¹	\$110	\$88
Gross Margin³	14%	12%
Operating Margin Before Special Items⁴	8%	6%

4th Quarter Notes

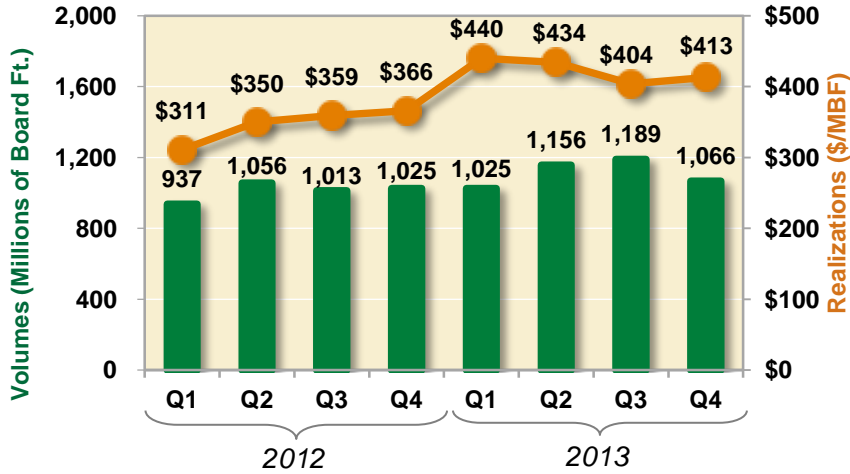
- Lower sales volumes and production due to seasonality and unusually severe winter weather
- Increased log costs, primarily in the West
- Seasonally lower OSB prices
- Higher average prices for lumber and EWP
- Non-cash special charges of \$10 million for permanent closure of previously curtailed EWP operations

1. A reconciliation to GAAP is set forth on Chart 23. Adjusted EBITDAs for Wood Products businesses include earnings on internal sales, primarily from the manufacturing businesses to Distribution. These sales occur at market price.
2. Other expenses, 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.
3. Gross margin divided by total sales.
4. Contribution to earnings before special items divided by total sales.

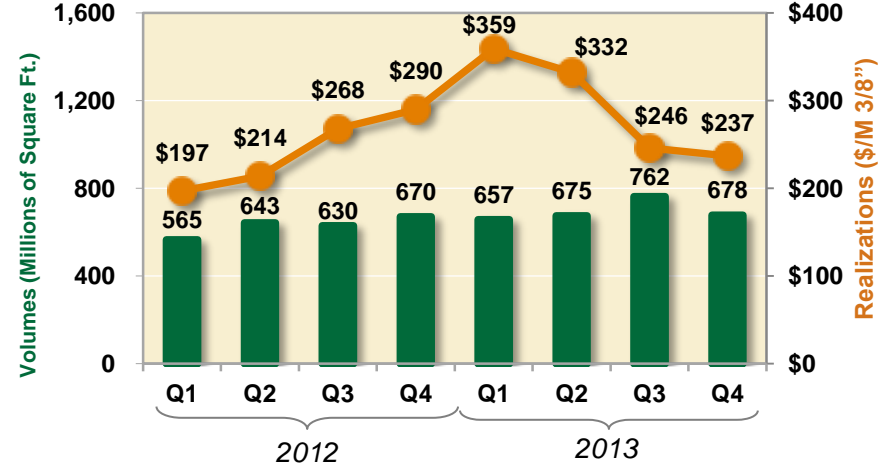


3RD-PARTY SALES VOLUMES AND REALIZATIONS¹

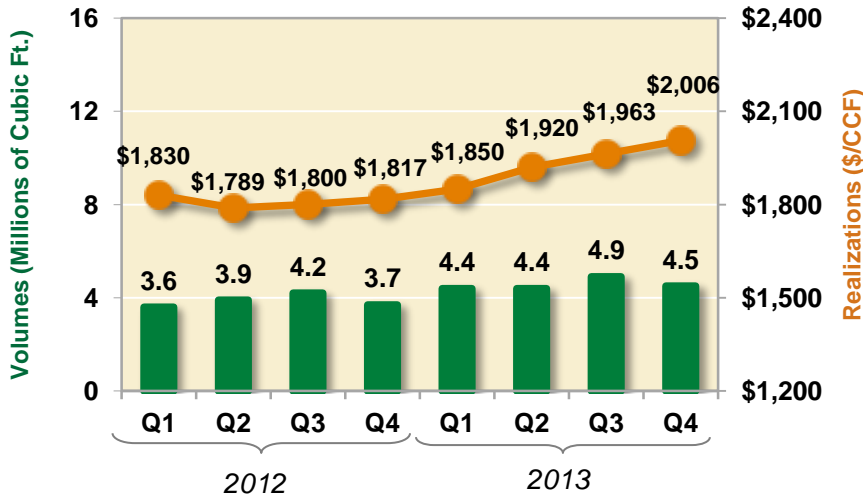
Lumber



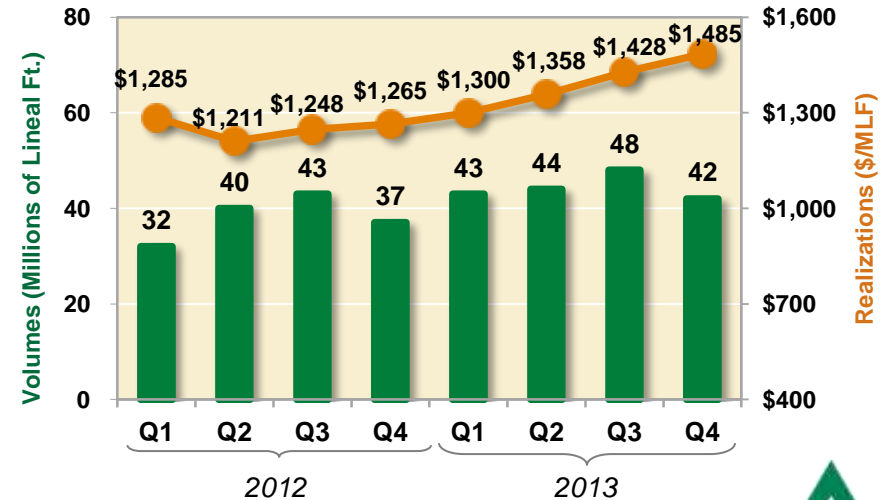
OSB



Engineered Wood – Solid Section



Engineered Wood – TJI's



CELLULOSE FIBERS SEGMENT

Chart 9

4th Quarter Notes

- Higher pulp price realizations
- Lower maintenance expense and improved productivity due to fewer days of scheduled annual maintenance
- Lower liquid packaging board realizations due to mix
- Higher fiber costs

CELLULOSE FIBERS (\$ Millions)	2013	2013
Segment Statement of Operations	Q3	Q4
Total sales	\$474	\$478
Cost of products sold	406	397
Gross margin	68	81
SG&A expenses	26	20
Other income, net ¹	(5)	(4)
Contribution to Earnings	\$47	\$65
Adjusted EBITDA²	\$84	\$101
Gross Margin Percentage³	14%	17%
Operating Margin Percentage⁴	10%	14%

1. 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.

2. A reconciliation to GAAP is set forth on Chart 21.

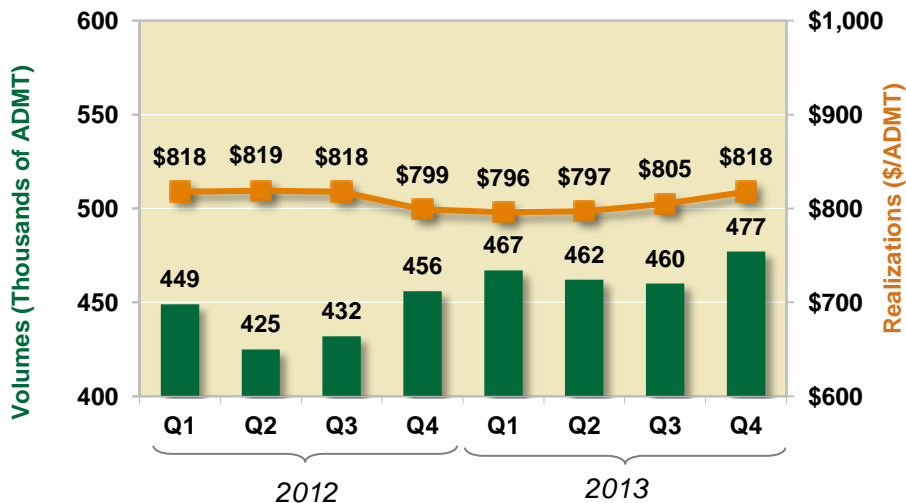
3. Gross margin divided by total sales.

4. Contribution to earnings divided by total sales.

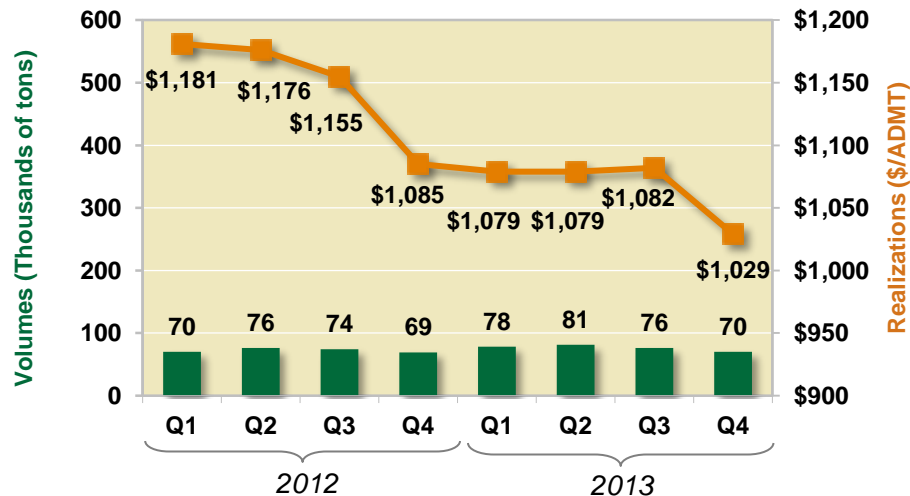


CELLULOSE FIBERS SEGMENT

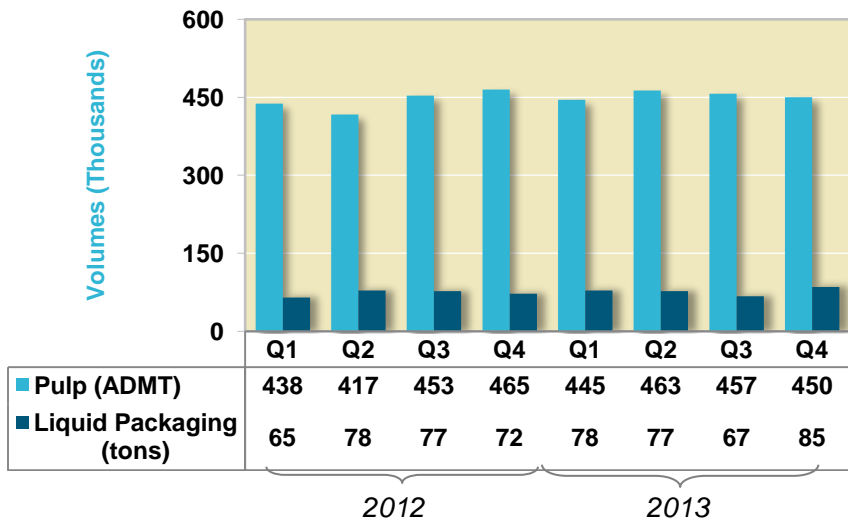
3rd-Party Sales Volumes and Realizations – Pulp



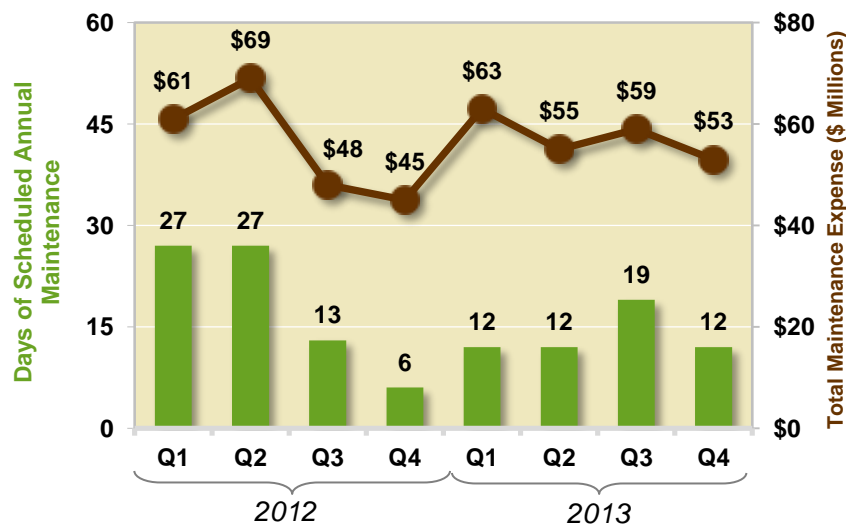
3rd-Party Sales Volumes and Realizations – Liquid Packaging



Production Volumes



Maintenance Expense and Scheduled Annual Outage Days¹



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

4th Quarter Notes

- Special charges of \$349 million, primarily for a previously announced impairment
- Seasonally higher closing volumes
- Higher average closing prices and increased margins
- Higher selling costs due to higher closing volume
- Earnings from land and lot sales declined \$2 million compared with 3rd quarter

REAL ESTATE (\$ Millions)	2013	2013
Segment Statement of Operations	Q3	Q4
Total sales	\$324	\$488
Cost of products sold	248	371
Gross margin	76	117
SG&A expenses	44	47
Other income, net ¹	(1)	(1)
Contribution to Earnings Before Special Items	\$33	\$71
Special items, pre-tax	--	(349)
Contribution (Charge) to Earnings	\$33	(\$278)
Adjusted EBITDA²	\$45	\$83
Gross Margin³	23%	24%
Operating Margin Before Special Items⁴	10%	15%

1. 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.

2. A reconciliation to GAAP is set forth on Chart 21.

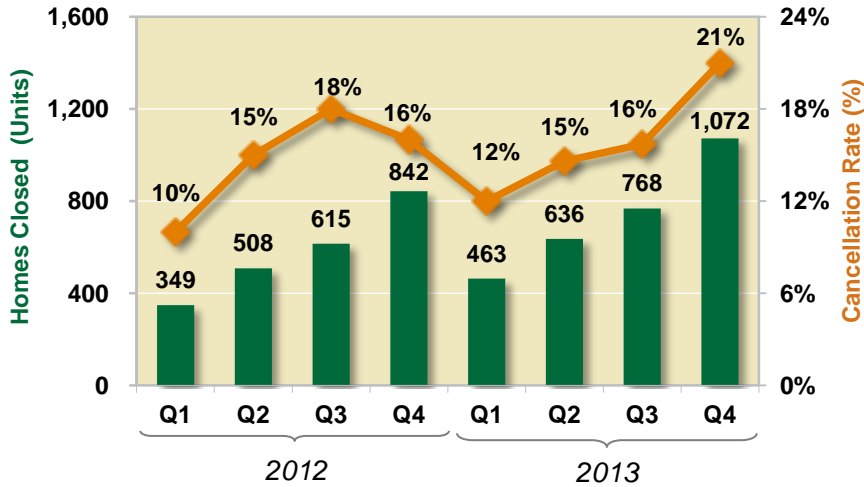
3. Gross margin divided by total sales.

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

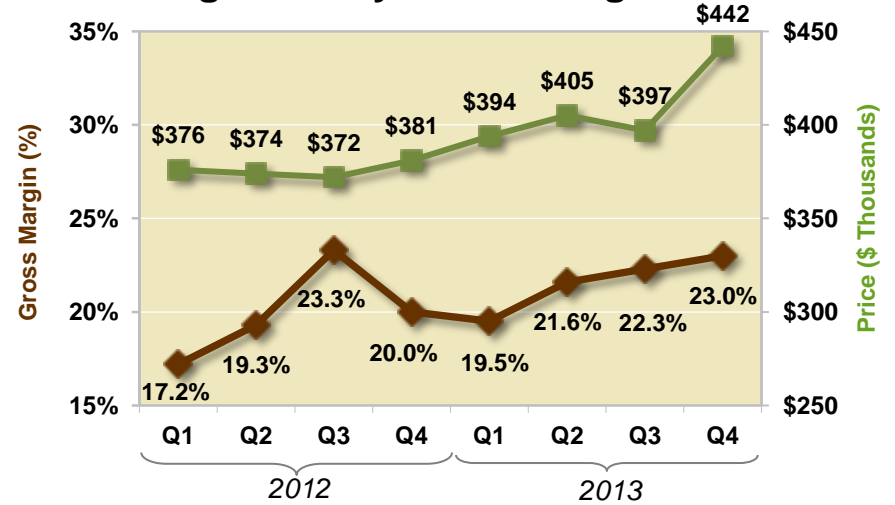


SINGLE-FAMILY HOMEBUILDING

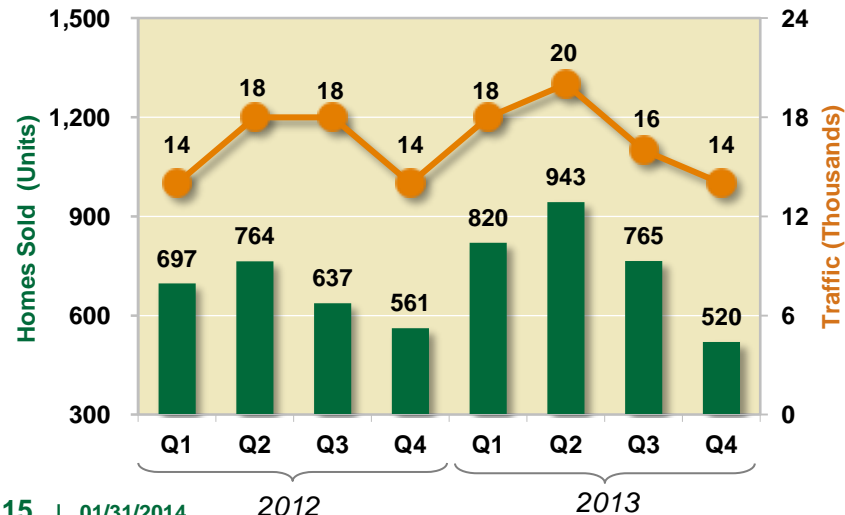
Home Closings and Cancellation Rate



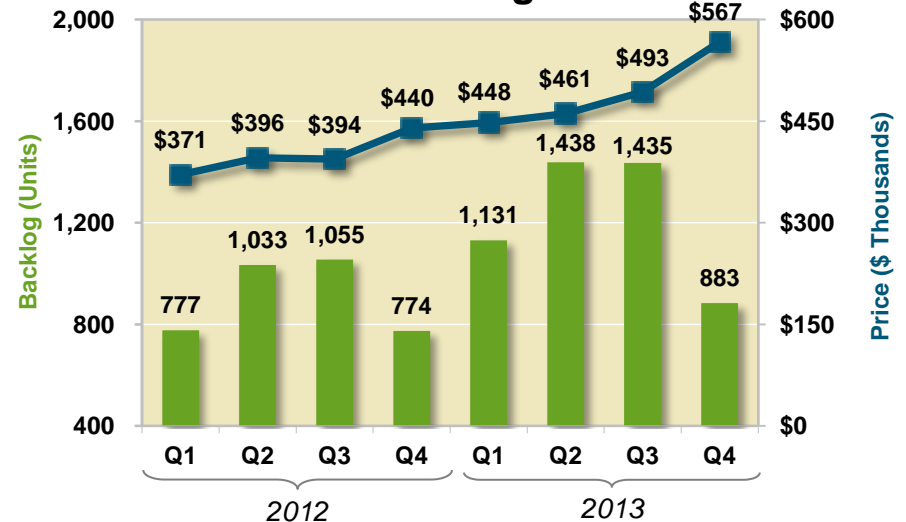
Average Closing Price and Single-Family Gross Margin



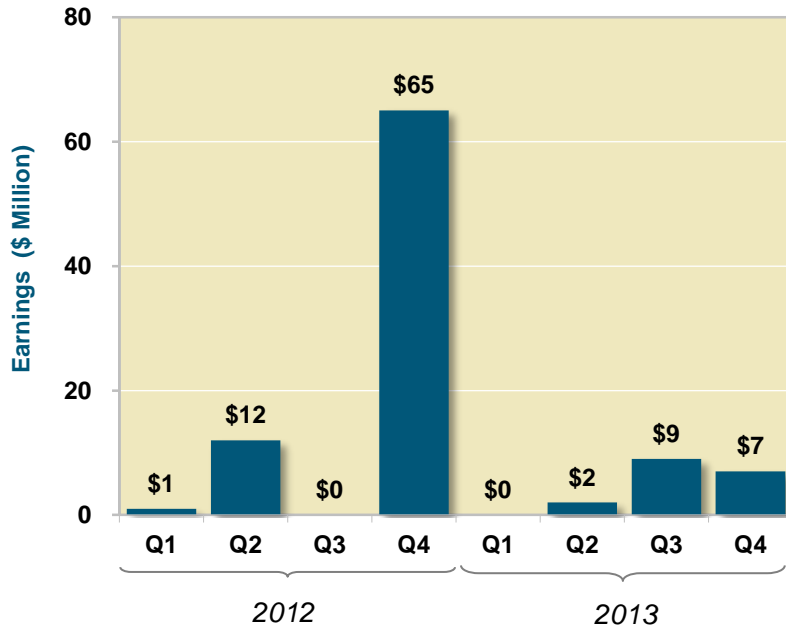
Homes Sold and Buyer Traffic



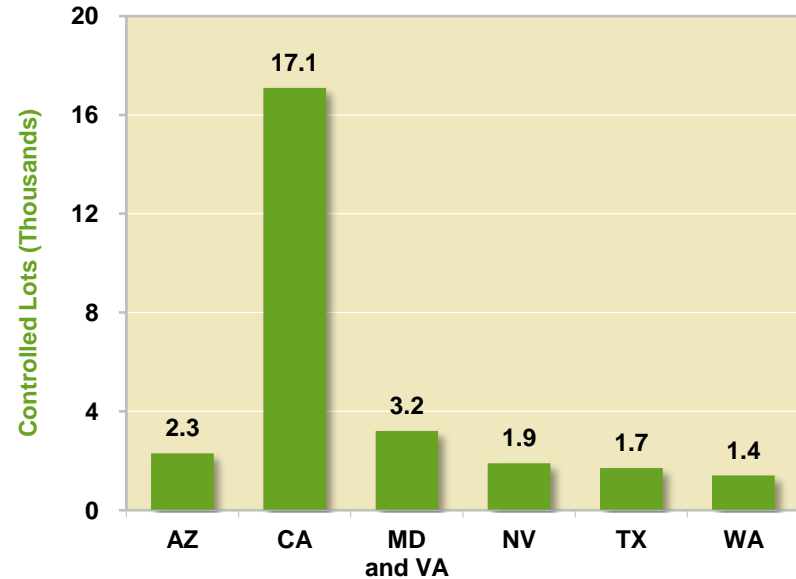
Backlog and Average Sale Price of Homes in Backlog



Earnings from Sale of Land and Lots



Controlled Lots as of December 31, 2013¹



1. Lots are controlled through both ownership and the use of options and are in various stages of development. The business also controls approximately 67,000 lots, mostly under option, in a large master planned community in Nevada. Development and construction of these lots is on hold, pending improvements in the local market. Under the terms of the transaction agreement announced during 2013 Q4, this property is excluded from the combination of Weyerhaeuser Real Estate Company (WRECO) and TRI Pointe Homes and will be retained by Weyerhaeuser. After determining that its strategy for development of the Coyote Springs Property differs from WRECO's development plan (which contemplated holding the Coyote Springs Property for future development), Weyerhaeuser recognized a non-cash charge for impairment of these assets during 2013 Q4.



UNALLOCATED ITEMS¹

Chart 14

UNALLOCATED ITEMS (\$ Millions)	2013	2013
	Q3	Q4
Unallocated Corporate Function Expenses	(\$2)	(\$7)
Unallocated Share-Based Compensation	(1)	(5)
Unallocated Pension & Postretirement Costs	(11)	(9)
Foreign Exchange Gains (Losses)	2	(1)
Elimination of Intersegment Profit in Inventory and LIFO	25	6
Other, including Interest Income	8	(12)
Contribution (Charge) to Earnings Before Special Items	\$21	(\$28)
Special items, pre-tax	--	(22)
Contribution (Charge) to Earnings	\$21	(\$50)
Adjusted EBITDA²	\$17	(\$23)

UNALLOCATED ITEMS (\$ Millions)	2013	2013
	Q3	Q4
By Natural Expense		
(Cost of) credit to products sold ³	\$22	3
G&A expenses	(10)	(26)
Other income (expense), net	9	(5)
Contribution (Charge) to Earnings Before Special Items	\$21	(\$28)
Special items, pre-tax	--	(22)
Contribution (Charge) to Earnings	\$21	(\$50)

1. 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.
2. A reconciliation to GAAP is set forth on Chart 21.
3. Cost of products sold is comprised primarily of elimination of intersegment profit in inventory and LIFO.



OUTLOOK: 2014 Q1

Chart 15

SEGMENT	COMMENTS
TIMBERLANDS	<ul style="list-style-type: none"> • Improved Western log price realizations and volumes due to increasing export demand • Slightly higher Southern pulpwood realizations, and seasonally lower fee harvest volumes • Excluding dispositions of non-strategic timberlands, expect 2014 Q1 earnings to be significantly higher than 2013 Q4 • Anticipate minimal earnings from disposition of non-strategic timberlands, and overall 2014 Q1 earnings comparable to slightly higher than 2013 Q4
WOOD PRODUCTS	<ul style="list-style-type: none"> • Seasonally higher sales volumes across all product lines • Higher average selling prices for lumber, and slightly lower average realizations for OSB and engineered wood products • Higher log costs in the West • Improved operating rates despite effect of abnormally adverse weather during January 2014 • Expect 2014 Q1 earnings to be higher than 2013 Q4
CELLULOSE FIBERS	<ul style="list-style-type: none"> • Slightly lower pulp volumes, offset by higher liquid packaging board volumes and realizations • Slightly higher maintenance spending and labor costs • Higher fiber costs in the West • Expect 2014 Q1 earnings to be lower than 2013 Q4
REAL ESTATE	<ul style="list-style-type: none"> • Home closings decline seasonally to approximately 600 single family homes • Higher average closing prices, and lower margins due to mix • Lower selling expenses due to reduced closing volume • Expect a modest profit from single-family homebuilding operations in 2014 Q1



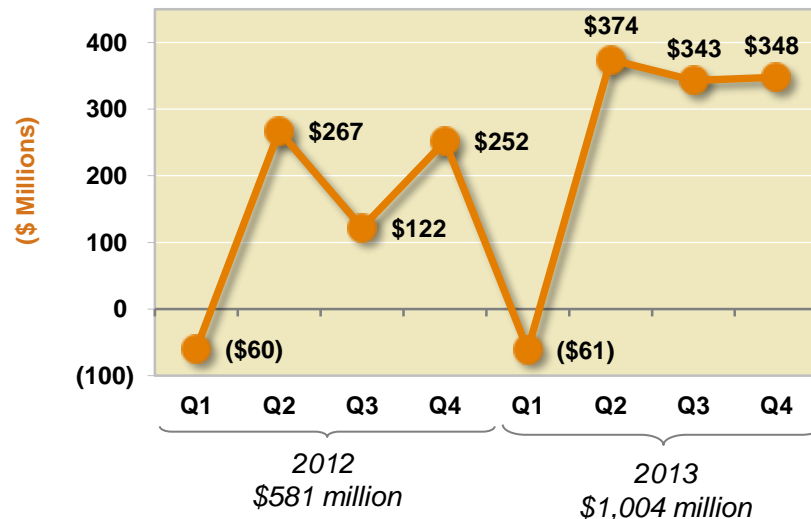
KEY FINANCIAL METRICS (\$ Millions)	2013 Q3	2013 Q4
Ending Cash Balance ¹	\$903	\$835
Long-Term Debt ²	\$5,568	\$4,891
Gross Debt to Adjusted EBITDA (LTM) ³	3.4	2.9
Net Debt to Enterprise Value ⁴	20%	18%

Scheduled Debt Maturities as of December 31, 2013

(\$ Millions)	2014	2015	2016	2017	2018
Debt Maturities	\$0	\$0	\$0	\$281	\$62

- From 2013 Q2 through 2013 Q4, Weyerhaeuser received \$2,610 million from the issuance of debt and common and mandatory convertible preference shares related to the acquisition of Longview Timber LLC. These funds were recorded upon receipt as "Cash and cash equivalents designated for purchase of Longview Timber LLC and repayment of their acquired debt" on the Consolidated Balance Sheet. During 2013 Q3, the company used a portion of these funds to complete the acquisition of Longview Timber LLC. During 2013 Q4, Weyerhaeuser used the remaining funds for repayment of Longview Timber indebtedness assumed in the acquisition.
- 2013 Q3 includes approximately \$1.1 billion of Longview Timber indebtedness assumed in the acquisition and \$500 million of debt issued in anticipation of repaying the assumed indebtedness. During 2013 Q4, Weyerhaeuser issued \$550 million of debt and used those proceeds, along with notes issued in 2013 Q3, to repay the assumed indebtedness.
- LTM = last twelve months. A reconciliation to GAAP is set forth on Chart 24.
- 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. Net debt and enterprise value for 2013 Q3 exclude \$494 million of cash and cash equivalents designated for purchase of Longview Timber LLC and repayment of their acquired debt.

Cash from Operations



Capital Expenditures



APPENDIX



EXPLANATION OF CHANGES IN SHARE COUNT

- During 2013 Q2, Weyerhaeuser issued 29 million common shares in conjunction with the acquisition of Longview Timber LLC.
- Subsequent to the end of 2013 Q2, the company issued an additional 4.35 million common shares in connection with the exercise of an overallotment option.
- Weyerhaeuser also 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 shares outstanding.

Millions	2013			
	Q1	Q2	Q3	Q4
Common shares outstanding				
Beginning of period	542	547	578	583
Shares issued in connection with option exercises and vesting of share-based compensation	5	2	1	1
Common share issuance	--	29	4	--
End of period	547	578	583	584
Weighted average shares outstanding				
Basic	545	553	583	584
Diluted	551	558	587	589



PENSION AND POSTRETIREMENT EXPENSE

Chart 18

\$ Millions	2012				2013			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net Pension and Postretirement Costs¹								
Timberlands	\$1	\$3	\$2	\$2	\$2	\$3	\$2	\$3
Wood Products	8	5	6	6	7	6	8	7
Cellulose Fibers	3	4	3	4	4	5	5	4
Real Estate	1	2	1	--	1	2	1	1
Unallocated Items	7	7	7	8	10	10	11	9
Total Company Pension and Postretirement Costs	\$20	\$21	\$19	\$20	\$24	\$26	\$27	\$24

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



EARNINGS SUMMARY

Chart 19

Weyerhaeuser began holding elimination of intersegment profit on inventory and the LIFO reserve as part of Unallocated Items during 2012 Q2. Contributions to earnings for 2012 Q1 have been adjusted to reflect this change.

\$ Millions EXCEPT EPS	2012				2013			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Contribution to Earnings Before Special Items								
Timberlands	\$70	\$77	\$80	\$95	\$104	\$114	\$118	\$134
Wood Products	(13)	30	59	38	178	136	79	58
Cellulose Fibers	48	36	78	61	31	57	47	65
Real Estate	(8)	15	17	81	--	14	33	71
Unallocated Items	(22)	(28)	(17)	(4)	(46)	--	21	(28)
Total Contribution to Earnings before Special Items	\$75	\$130	\$217	\$271	\$267	\$321	\$298	\$300
Interest Expense, net ¹	(87)	(86)	(87)	(88)	(82)	(81)	(95)	(88)
Income Taxes ²	21	3	(13)	(40)	(41)	(42)	(36)	(44)
Dividends on Preference Shares ³	--	--	--	--	--	(2)	(10)	(11)
Net Earnings before Special Items ⁴	\$9	\$47	\$117	\$143	\$144	\$196	\$157	\$157
Special items, after-tax	32	37	--	--	--	--	--	(114)
Net Earnings to Common Shareholders	\$41	\$84	\$117	\$143	\$144	\$196	\$157	\$43
Diluted EPS ³	\$0.08	\$0.16	\$0.22	\$0.26	\$0.26	\$0.35	\$0.27	\$0.07
Diluted EPS before Special Items ^{3,4}	\$0.02	\$0.09	\$0.22	\$0.26	\$0.26	\$0.35	\$0.27	\$0.27

1. Interest expense is net of capitalized interest.

2. Income taxes include a net benefit of \$5 million from income tax adjustments in 2012 Q4, and benefits from income tax settlements of \$7 million in 2012 Q3. Additional income tax adjustments and settlements are included in special items for 2013 Q4 and 2012 Q1.

3. 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.

4. A reconciliation to GAAP Net Income is set forth at www.weyerhaeuser.com. A reconciliation to GAAP EPS is set forth on Chart 20.



EARNINGS PER SHARE RECONCILIATION

Millions EXCEPT EPS	2012				2013			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Weighted Average Shares Outstanding, Diluted¹	540	540	542	547	551	558	587	589
Diluted EPS Before Special Items	\$0.02	\$0.09	\$0.22	\$0.26	\$0.26	\$0.35	\$0.27	\$0.27
Special Items:								
Restructuring, Impairments, and Other Charges	(0.02)	--	--	--	--	--	--	(0.42)
Tax Adjustments	0.02	--	--	--	--	--	--	0.29
Loss on Early Extinguishment of Debt	--	--	--	--	--	--	--	(0.05)
Costs Related to Real Estate Divestiture	--	--	--	--	--	--	--	(0.02)
Gain on Sale of Properties	--	0.01	--	--	--	--	--	---
Gain on Postretirement Plan Amendment	0.06	0.06	--	--	--	--	--	--
Diluted EPS (GAAP)	\$0.08	\$0.16	\$0.22	\$0.26	\$0.26	\$0.35	\$0.27	\$0.07

1. During 2013 Q2, Weyerhaeuser issued 29 million common shares in conjunction with the acquisition of Longview Timber LLC. The company also issued 13.8 million mandatory convertible preference shares with a conversion date of July 1, 2016. During 2013 Q3, the company issued an additional 4.35 million common shares in connection with the exercise of an overallotment option. The mandatory convertible preference shares are currently antidilutive and are not included in the calculation of diluted EPS. An explanation of the change in share count is set forth on Chart 17.



EBITDA RECONCILIATION BY SEGMENT

\$ Millions	2013 Q3						2013 Q4					
	Timberlands	Wood Products	Cellulose Fibers	Real Estate	Unallocated Items	Total	Timberlands	Wood Products	Cellulose Fibers	Real Estate	Unallocated Items	Total
Adjusted EBITDA Excluding Special Items¹	\$162	\$110	\$84	\$45	\$17	\$418	\$184	\$88	\$101	\$83	(\$23)	\$433
Depletion, Depreciation & Amortization	(45)	(31)	(38)	(4)	(2)	(120)	(51)	(30)	(40)	(4)	(4)	(129)
Non-Operating Pension & Postretirement Costs	--	--	--	--	(11)	(11)	--	--	--	--	(9)	(9)
Special Items	--	--	--	--	--	--	--	(10)	--	(349)	(22)	(381)
Capitalized Interest Included in Cost of Products Sold	--	--	--	(9)	(1)	(10)	--	--	--	(9)	(2)	(11)
Operating Income (GAAP)	\$117	\$79	\$46	\$32	\$3	\$277	\$133	\$48	\$61	(\$279)	(\$60)	(\$97)
Interest Income and Other	1	--	1	1	18	21	1	--	4	1	10	16
Net Contribution to Earnings	\$118	\$79	\$47	\$33	\$21	\$298	\$134	\$48	\$65	(\$278)	(\$50)	(\$81)
Interest Expense, Net						(95)						(113)
Income Taxes						(36)						248
Net Earnings (GAAP)						\$167						\$54
Dividends on preference shares						(10)						(11)
Net Earnings to Common Shareholders (GAAP)						\$157						\$43

1. Adjusted EBITDA excluding special items 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 interest included in cost of products sold. Adjusted EBITDA should not be considered in isolation from and is not intended to represent an alternative to our GAAP results.



EBITDA RECONCILIATION – TIMBERLANDS

\$ Millions	2013 Q3			2013 Q4		
	Legacy Timberlands	Longview Timber acquisition	Total	Legacy Timberlands	Longview Timber acquisition	Total
Adjusted EBITDA Excluding Special Items¹	\$136	\$26	\$162	\$149	\$35	\$184
Depletion, Depreciation & Amortization	(35)	(10)	(45)	(36)	(15)	(51)
Special Items	--	--	--	--	--	--
Operating Income (GAAP)	\$101	\$16	\$117	\$113	\$20	\$133
Interest Income and Other	1	--	1	1	--	1
Net Contribution to Earnings (GAAP)	\$102	\$16	\$118	\$114	\$20	\$134

1. Adjusted EBITDA excluding special items 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 interest included in cost of products sold. 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

\$ Millions	2013 Q3						2013 Q4					
	Lumber	OSB	EWP	Distribution	Other	Total	Lumber	OSB	EWP	Distribution	Other	Total
Adjusted EBITDA Excluding Special Items¹	\$66	\$39	\$16	(\$11)	--	\$110	\$59	\$24	\$11	(\$6)	--	\$88
Depletion, Depreciation & Amortization	(9)	(8)	(12)	(2)	--	(31)	(10)	(8)	(11)	(1)	--	(30)
Special Items	--	--	--	--	--	--	--	--	(10)	--	--	(10)
Operating Income (GAAP)	\$57	\$31	\$4	(\$13)	--	\$79	\$49	\$16	(\$10)	(\$7)	--	\$48
Interest Income and Other	--	--	--	--	--	--	--	--	--	--	--	--
Net Contribution to Earnings (GAAP)	\$57	\$31	\$4	(\$13)	--	\$79	\$49	\$16	(\$10)	(\$7)	--	\$48

1. Adjusted EBITDA excluding special items 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 interest included in cost of products sold. Adjusted EBITDA should not be considered in isolation from and is not intended to represent an alternative to our GAAP results.



GROSS DEBT TO EBITDA RECONCILIATION

\$ Millions	2013	2013
	Q3	Q4
Gross Debt to Adjusted EBITDA (LTM)^{1, 2}	3.4	2.9
Long-Term Debt³	\$5,568	\$4,891
Adjusted EBITDA Excluding Special Items (LTM)¹	\$1,641	\$1,683
Depletion, Depreciation & Amortization	(461)	(472)
Non-Operating Pension & Postretirement Costs	(39)	(40)
Special Items	--	(381)
Capitalized Interest Included in Cost of Products Sold	(41)	(43)
Operating Income (LTM) (GAAP)	\$1,100	\$747
Interest Income and Other	56	58
Loss Attributable to Non-Controlling Interest	1	--
Net Contribution to Earnings	\$1,157	\$805
Interest Expense, Net of Capitalized Interest	(346)	(371)
Income Taxes	(159)	129
Net Earnings (LTM) (GAAP)	\$652	\$563
Dividends on preference shares	(12)	(23)
Net Earnings to Common Shareholders (LTM) (GAAP)	\$640	\$540

1. LTM = last twelve months.

2. 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 excluding special items. Adjusted EBITDA excluding special items 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 interest included in cost of products sold. Gross debt to adjusted EBITDA should not be considered in isolation from and is not intended to represent an alternative to our GAAP results.

3. 2013 Q3 includes approximately \$1.1 billion of Longview Timber indebtedness assumed in the acquisition and \$500 million of debt issued in anticipation of repaying the assumed indebtedness. During 2013 Q4, Weyerhaeuser issued \$550 million of debt and used those proceeds, along with notes issued in 2013 Q3, to repay the assumed indebtedness.

