

Consolidated Statement of Operations

in millions

| | Q2 | | Q3 | | Year-to-date | |
|--|-----------------|--------------------|--------------------|--------------------|--------------------|--|
| | June 30, 2014 | September 30, 2014 | September 30, 2013 | September 30, 2014 | September 30, 2013 | |
| Net Sales | \$ 1,964 | \$ 1,915 | \$ 1,857 | \$ 5,615 | \$ 5,486 | |
| Cost of products sold | 1,499 | 1,504 | 1,479 | 4,364 | 4,304 | |
| Gross margin | 465 | 411 | 378 | 1,251 | 1,182 | |
| Selling expenses | 27 | 28 | 32 | 83 | 96 | |
| General and administrative expenses | 88 | 73 | 98 | 249 | 299 | |
| Research and development expenses | 7 | 5 | 8 | 19 | 23 | |
| Charges for restructuring, closures and impairments | 8 | 10 | 1 | 37 | 7 | |
| Other operating income, net | (65) | (23) | (4) | (163) | (32) | |
| Operating income | 400 | 318 | 243 | 1,026 | 789 | |
| Interest income and other | 11 | 7 | 21 | 27 | 39 | |
| Interest expense, net of capitalized interest | (83) | (88) | (94) | (254) | (256) | |
| Earnings from continuing operations before income taxes | 328 | 237 | 170 | 799 | 572 | |
| Income taxes | (59) | (39) | (24) | (148) | (99) | |
| Earnings from continuing operations | 269 | 198 | 146 | 651 | 473 | |
| Earnings from discontinued operations, net of income taxes | 22 | 966 | 21 | 998 | 36 | |
| Net earnings | 291 | 1,164 | 167 | 1,649 | 509 | |
| Dividends on preference shares | (11) | (11) | (10) | (33) | (12) | |
| Net earnings attributable to Weyerhaeuser common shareholders | \$ 280 | \$ 1,153 | \$ 157 | \$ 1,616 | \$ 497 | |

Per Share Information

| | Q2 | | Q3 | | Year-to-date | |
|---|----------------|--------------------|--------------------|--------------------|--------------------|--|
| | June 30, 2014 | September 30, 2014 | September 30, 2013 | September 30, 2014 | September 30, 2013 | |
| Earnings per share attributable to Weyerhaeuser common shareholders, basic: | | | | | | |
| Continuing operations | \$ 0.44 | \$ 0.35 | \$ 0.23 | \$ 1.09 | \$ 0.83 | |
| Discontinued operations | 0.04 | 1.82 | 0.04 | 1.76 | 0.06 | |
| Net earnings per share | <u>\$ 0.48</u> | <u>\$ 2.17</u> | <u>\$ 0.27</u> | <u>\$ 2.85</u> | <u>\$ 0.89</u> | |
| Earnings per share attributable to Weyerhaeuser common shareholders, diluted: | | | | | | |
| Continuing operations | \$ 0.43 | \$ 0.35 | \$ 0.23 | \$ 1.08 | \$ 0.82 | |
| Discontinued operations | 0.04 | 1.80 | 0.04 | 1.75 | 0.06 | |
| Net earnings per share | <u>\$ 0.47</u> | <u>\$ 2.15</u> | <u>\$ 0.27</u> | <u>\$ 2.83</u> | <u>\$ 0.88</u> | |
| Dividends paid per common share | \$ 0.22 | \$ 0.29 | \$ 0.22 | \$ 0.73 | \$ 0.59 | |
| Weighted average shares outstanding (in thousands): | | | | | | |
| Basic | 586,061 | 531,913 | 582,828 | 567,436 | 560,505 | |
| Diluted | 589,766 | 536,012 | 587,179 | 571,503 | 565,383 | |
| Common shares outstanding at end of period (in thousands) | 586,698 | 525,485 | 582,578 | 525,485 | 582,578 | |

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

in millions

| | Q2 | | Q3 | | Year-to-date | |
|--|---------------|--------------------|--------------------|--------------------|--------------------|--|
| | June 30, 2014 | September 30, 2014 | September 30, 2013 | September 30, 2014 | September 30, 2013 | |
| Net earnings | \$ 291 | \$ 1,164 | \$ 167 | \$ 1,649 | \$ 509 | |
| Earnings from discontinued operations, net of income taxes | (22) | (966) | (21) | (998) | (36) | |
| Interest income and other | (11) | (7) | (21) | (27) | (39) | |
| Interest expense, net of capitalized interest | 83 | 88 | 94 | 254 | 256 | |
| Income taxes | 59 | 39 | 24 | 148 | 99 | |
| Operating income | 400 | 318 | 243 | 1,026 | 789 | |
| Depreciation, depletion and amortization | 122 | 123 | 116 | 368 | 333 | |
| Non-operating pension and postretirement costs (credits) | (11) | (12) | 11 | (33) | 31 | |
| Special items | (39) | (15) | — | (103) | — | |
| Adjusted EBITDA* | \$ 472 | \$ 414 | \$ 370 | \$ 1,258 | \$ 1,153 | |

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

Consolidated Balance Sheet

in millions

| | June 30, 2014 | September 30, 2014 | December 31, 2013 |
|--|------------------|-----------------------|----------------------|
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 845 | \$ 1,620 | \$ 830 |
| Receivables, less allowances | 590 | 583 | 518 |
| Receivables for taxes | 37 | 23 | 101 |
| Inventories | 596 | 578 | 542 |
| Prepaid expenses | 106 | 97 | 117 |
| Deferred tax assets | 128 | 111 | 130 |
| Current assets of discontinued operations | 988 | — | 88 |
| Total current assets | 3,290 | 3,012 | 2,326 |
| Property and equipment, net | 2,599 | 2,534 | 2,689 |
| Construction in progress | 157 | 215 | 112 |
| Timber and timberlands at cost, less depletion charged to disposals | 6,571 | 6,546 | 6,580 |
| Investments in and advances to equity affiliates | 188 | 186 | 190 |
| Goodwill | 40 | 40 | 42 |
| Deferred tax assets | — | — | 5 |
| Other assets | 419 | 292 | 324 |
| Restricted financial investments held by variable interest entities | 615 | 615 | 615 |
| Noncurrent assets of discontinued operations | 1,827 | — | 1,694 |
| Total assets | \$ 15,706 | \$ 13,440 | \$ 14,577 |
| LIABILITIES AND EQUITY | | | |
| Current liabilities: | | | |
| Notes payable | \$ — | \$ — | \$ 2 |
| Accounts payable | 335 | 351 | 343 |
| Accrued liabilities | 597 | 606 | 629 |
| Current liabilities of discontinued operations | 137 | — | 154 |
| Total current liabilities | 1,069 | 957 | 1,128 |
| 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 | 410 | 338 | 285 |
| Deferred pension and other postretirement benefits | 422 | 569 | 516 |
| Other liabilities | 334 | 318 | 382 |
| Noncurrent liabilities of discontinued operations | 926 | — | 32 |
| Total liabilities | 8,563 | 7,584 | 7,745 |
| Equity: | | | |
| Total Weyerhaeuser shareholders' interest | 7,092 | 5,856 | 6,795 |
| Noncontrolling interests | 2 | — | 3 |
| Noncontrolling interests in discontinued operations | 49 | — | 34 |
| Total equity | 7,143 | 5,856 | 6,832 |
| Total liabilities and equity | \$ 15,706 | \$ 13,440 | \$ 14,577 |

Weyerhaeuser Company
Q3.2014 Analyst Package

Preliminary results, subject to audit

Consolidated Statement of Cash Flows

in millions

| | Q2 | | Q3 | | Year-to-date | |
|---|---------------|--------------------|--------------------|--------------------|--------------------|--|
| | June 30, 2014 | September 30, 2014 | September 30, 2013 | September 30, 2014 | September 30, 2013 | |
| Cash flows from operations: | | | | | | |
| Net earnings | \$ 291 | \$ 1,164 | \$ 167 | \$ 1,649 | \$ 509 | |
| Noncash charges (credits) to income: | | | | | | |
| Depreciation, depletion and amortization | 126 | 123 | 120 | 375 | 343 | |
| Deferred income taxes, net | 89 | 45 | 24 | 170 | 73 | |
| Pension and other postretirement benefits | (44) | (13) | 27 | (104) | 79 | |
| Share-based compensation expense | 11 | 9 | 12 | 29 | 34 | |
| Charges for impairment of assets | 1 | — | 2 | 1 | 5 | |
| Net gains on dispositions of assets and operations | (21) | (1,002) | (21) | (1,048) | (42) | |
| Foreign exchange transaction (gains) losses | (12) | 13 | (2) | 15 | 6 | |
| Change in: | | | | | | |
| Receivables less allowances | (47) | 20 | 8 | (28) | (112) | |
| Receivable for taxes | (3) | 13 | 12 | 77 | 64 | |
| Inventories | 34 | 8 | 36 | (46) | — | |
| Real estate and land | (35) | (26) | (58) | (133) | (179) | |
| Prepaid expenses | (3) | 6 | (2) | 6 | (16) | |
| Accounts payable and accrued liabilities | (17) | 21 | 77 | (76) | 45 | |
| Deposits on land positions and other assets | (4) | 7 | (1) | 15 | (11) | |
| Pension and postretirement contributions | (30) | (22) | (35) | (85) | (104) | |
| Other | (14) | (13) | (23) | (33) | (38) | |
| Net cash from operations | 322 | 353 | 343 | 784 | 656 | |
| Cash flows from investing activities: | | | | | | |
| Property and equipment | (83) | (105) | (69) | (239) | (151) | |
| Timberlands reforestation | (11) | (7) | (7) | (32) | (28) | |
| Acquisition of Longview Timber LLC, net of cash acquired | — | — | (1,581) | — | (1,581) | |
| Net proceeds from Real Estate Divestiture, net of cash divested | — | 707 | — | 707 | — | |
| Proceeds from sale of assets | 1 | 4 | 1 | 24 | 15 | |
| Net proceeds of investments held by special purpose entities | — | — | — | — | 22 | |
| Other | — | 25 | 9 | 25 | 5 | |
| Cash from investing activities | (93) | 624 | (1,647) | 485 | (1,718) | |
| Cash flows from financing activities: | | | | | | |
| Net proceeds from issuance of common shares | — | — | 116 | — | 897 | |
| Net proceeds from issuance of preference shares | — | — | — | — | 669 | |
| Net proceeds from issuance of debt | — | — | 494 | — | 494 | |
| Net proceeds from issuance of Weyerhaeuser Real Estate Company (WRECO) debt | 887 | — | — | 887 | — | |
| Deposit of WRECO debt proceeds into escrow | (887) | — | — | (887) | — | |
| Cash dividends on common shares | (128) | (154) | (128) | (411) | (330) | |
| Cash dividends on preference shares | (11) | (11) | — | (22) | — | |
| Change in book overdrafts | — | (11) | 1 | (17) | 8 | |
| Payments on debt | — | — | (163) | — | (340) | |
| Exercises of stock options | 39 | 30 | 9 | 84 | 141 | |
| Repurchase of common stock | — | (123) | — | (123) | — | |
| Other | (1) | 4 | 10 | 5 | 22 | |
| Cash from financing activities | (101) | (265) | 339 | (484) | 1,561 | |
| Net change in cash and cash equivalents | 128 | 712 | (965) | 785 | 499 | |
| Cash and cash equivalents at beginning of period | 780 | 908 | 2,362 | 835 | 898 | |
| Cash and cash equivalents at end of period | <u>\$ 908</u> | <u>\$ 1,620</u> | <u>\$ 1,397</u> | <u>\$ 1,620</u> | <u>\$ 1,397</u> | |
| Cash paid (received) during the year for: | | | | | | |
| Interest, net of amount capitalized | \$ 52 | \$ 100 | \$ 109 | \$ 253 | \$ 275 | |
| Income taxes | \$ 5 | \$ 5 | \$ 2 | \$ (40) | \$ (4) | |
| Noncash investing and financing activity: | | | | | | |
| Acquisition of Longview Timber LLC, debt assumed | \$ — | \$ — | \$ 1,070 | \$ — | \$ 1,070 | |
| Common shares tendered in WRECO divestiture | \$ — | \$ 1,954 | \$ — | \$ 1,954 | \$ — | |

Special Items Included in Net Earnings

in millions

| | Q2 | | Q3 | | Year-to-date | |
|--|---------------|--------------------|--------------------|--------------------|--------------------|--|
| | June 30, 2014 | September 30, 2014 | September 30, 2013 | September 30, 2014 | September 30, 2013 | |
| Net earnings attributable to Weyerhaeuser common shareholders | \$ 280 | \$ 1,153 | \$ 157 | \$ 1,616 | \$ 497 | |
| Restructuring, impairments and other charges | 5 | 6 | — | 24 | — | |
| Gain on sale of non-strategic asset | — | — | — | (14) | — | |
| Gain on postretirement plan amendment | (29) | (15) | — | (73) | — | |
| Net earnings attributable to Weyerhaeuser common shareholders before special items | 256 | 1,144 | 157 | 1,553 | 497 | |
| Earnings from discontinued operations, net of income taxes | (22) | (966) | (21) | (998) | (36) | |
| Net earnings from continuing operations attributable to Weyerhaeuser common shareholders before special items | \$ 234 | \$ 178 | \$ 136 | \$ 555 | \$ 461 | |

| | Q2 | | Q3 | | Year-to-date | |
|--|----------------|--------------------|--------------------|--------------------|--------------------|--|
| | June 30, 2014 | September 30, 2014 | September 30, 2013 | September 30, 2014 | September 30, 2013 | |
| Net earnings per diluted share attributable to Weyerhaeuser common shareholders | \$ 0.47 | \$ 2.15 | \$ 0.27 | \$ 2.83 | \$ 0.88 | |
| Restructuring, impairments and other charges | 0.01 | 0.01 | — | 0.04 | — | |
| Gain on sale of non-strategic asset | — | — | — | (0.02) | — | |
| Gain on postretirement plan amendment | (0.04) | (0.03) | — | (0.13) | — | |
| Net earnings per diluted share attributable to Weyerhaeuser common shareholders before special items | 0.44 | 2.13 | 0.27 | 2.72 | 0.88 | |
| Earnings from discontinued operations, net of income taxes | (0.04) | (1.80) | (0.04) | (1.75) | (0.06) | |
| Net earnings from continuing operations per diluted share attributable to Weyerhaeuser common shareholders before special items | \$ 0.40 | \$ 0.33 | \$ 0.23 | \$ 0.97 | \$ 0.82 | |

Selected Total Company Items

in millions

| | Q2 | | Q3 | | Year-to-date | |
|---|----------------|--------------------|--------------------|--------------------|--------------------|--|
| | June 30, 2014 | September 30, 2014 | September 30, 2013 | September 30, 2014 | September 30, 2013 | |
| Depreciation, depletion and amortization: | | | | | | |
| Cost of products sold | \$ 117 | \$ 117 | \$ 110 | \$ 351 | \$ 315 | |
| Selling, general and administrative expenses | 5 | 6 | 6 | 17 | 18 | |
| Total depreciation, depletion and amortization | \$ 122 | \$ 123 | \$ 116 | \$ 368 | \$ 333 | |
| Pension and postretirement costs: | | | | | | |
| Pension and postretirement costs allocated to business segments | \$ 12 | \$ 11 | \$ 15 | \$ 33 | \$ 42 | |
| Pension and postretirement costs (credits) not allocated | (11) | (12) | 11 | (33) | 31 | |
| Total company pension and postretirement costs | \$ 1 | \$ (1) | \$ 26 | \$ — | \$ 73 | |
| Total decrease (increase) in working capital⁽¹⁾ | \$ 49 | \$ 106 | \$ 138 | \$ (15) | \$ (35) | |
| Cash spent for capital expenditures | \$ (92) | \$ (112) | \$ (71) | \$ (267) | \$ (170) | |

⁽¹⁾ Working capital does not include cash balances.

Segment Statement of Operations

| in millions | Q2.2014 | Q3.2014 | Q3.2013 | YTD.2014 | YTD.2013 |
|---|---------------|---------------|---------------|---------------|---------------|
| Sales to unaffiliated customers | \$ 397 | \$ 364 | \$ 353 | \$ 1,138 | \$ 979 |
| Intersegment sales | 186 | 218 | 194 | 642 | 584 |
| Total net sales | 583 | 582 | 547 | 1,780 | 1,563 |
| Cost of products sold | 399 | 432 | 407 | 1,262 | 1,167 |
| Gross margin | 184 | 150 | 140 | 518 | 396 |
| Selling expenses | 2 | 2 | 3 | 6 | 8 |
| General and administrative expenses | 23 | 23 | 27 | 72 | 77 |
| Research and development expenses | 3 | 4 | 4 | 11 | 13 |
| Charges for restructuring, closures and impairments | — | 1 | — | 1 | 2 |
| Other operating income, net | (14) | (16) | (11) | (42) | (37) |
| Operating income | 170 | 136 | 117 | 470 | 333 |
| Interest income and other | — | — | 1 | — | 3 |
| Net contribution to earnings | \$ 170 | \$ 136 | \$ 118 | \$ 470 | \$ 336 |

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

| in millions | Q2.2014 | Q3.2014 | Q3.2013 | YTD.2014 | YTD.2013 |
|--|---------------|---------------|---------------|---------------|---------------|
| Operating income | \$ 170 | \$ 136 | \$ 117 | \$ 470 | \$ 333 |
| Depreciation, depletion and amortization | 51 | 51 | 45 | 154 | 115 |
| Adjusted EBITDA* | \$ 221 | \$ 187 | \$ 162 | \$ 624 | \$ 448 |

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

Selected Segment Items

| | Q2.2014 | Q3.2014 | Q3.2013 | YTD.2014 | YTD.2013 |
|---|---------|---------|---------|----------|----------|
| Total decrease (increase) in working capital ⁽¹⁾ | \$ (15) | \$ 25 | \$ 31 | \$ (19) | \$ — |
| Cash spent for capital expenditures | \$ (18) | \$ (19) | \$ (16) | \$ (56) | \$ (52) |

⁽¹⁾ Working capital does not include cash balances.

Segment Statistics

| | | Q2.2014 | Q3.2014 | Q3.2013 | YTD.2014 | YTD.2013 |
|---|--|---------------|---------------|---------------|-----------------|---------------|
| Third Party Net Sales (millions) | Logs: | | | | | |
| | West | \$ 261 | \$ 227 | \$ 213 | \$ 745 | \$ 598 |
| | South | 60 | 69 | 66 | 191 | 192 |
| | Canada | 1 | 5 | 6 | 12 | 15 |
| | Total logs | 322 | 301 | 285 | 948 | 805 |
| | Chip sales | 2 | 4 | 2 | 9 | 7 |
| | Timberlands exchanges | 28 | 17 | 28 | 49 | 44 |
| | Higher and better use land sales | 7 | 4 | 2 | 14 | 10 |
| | Minerals, oil and gas | 8 | 10 | 9 | 25 | 26 |
| | Products from international operations | 26 | 22 | 24 | 72 | 68 |
| | Other products | 4 | 6 | 3 | 21 | 19 |
| | Total | \$ 397 | \$ 364 | \$ 353 | \$ 1,138 | \$ 979 |
| Third Party Sales Realizations (per cubic meter) | Logs | \$ 109.13 | \$ 102.23 | \$ 104.73 | \$ 108.64 | \$ 108.33 |
| | South | \$ 45.16 | \$ 45.30 | \$ 43.32 | \$ 45.12 | \$ 43.42 |
| | Canada | \$ 38.04 | \$ 37.75 | \$ 38.77 | \$ 36.65 | \$ 37.38 |
| | International | \$ 16.27 | \$ 19.95 | \$ 25.07 | \$ 17.88 | \$ 24.75 |
| Third Party Sales Volumes (cubic meters, thousands) | Logs | 2,390 | 2,223 | 2,037 | 6,859 | 5,523 |
| | South | 1,339 | 1,500 | 1,514 | 4,224 | 4,420 |
| | Canada | 30 | 152 | 141 | 338 | 383 |
| | International | 139 | 170 | 100 | 456 | 245 |
| | Total | 3,898 | 4,045 | 3,792 | 11,877 | 10,571 |
| Fee Harvest Volumes (cubic meters, thousands) | Logs | 2,888 | 2,656 | 2,305 | 8,419 | 6,221 |
| | South | 2,715 | 2,950 | 2,928 | 8,531 | 8,589 |
| | International | 249 | 232 | 211 | 730 | 575 |
| | Total | 5,852 | 5,838 | 5,444 | 17,680 | 15,385 |

Segment Statement of Operations

| in millions | Q2.2014 | Q3.2014 | Q3.2013 | YTD.2014 | YTD.2013 |
|---|---------------|---------------|--------------|---------------|---------------|
| Sales to unaffiliated customers | \$ 1,077 | \$ 1,048 | \$ 1,030 | \$ 3,023 | \$ 3,083 |
| Intersegment sales | 21 | 20 | 19 | 60 | 55 |
| Total net sales | 1,098 | 1,068 | 1,049 | 3,083 | 3,138 |
| Cost of products sold | 939 | 910 | 905 | 2,640 | 2,559 |
| Gross margin | 159 | 158 | 144 | 443 | 579 |
| Selling expenses | 23 | 22 | 24 | 70 | 74 |
| General and administrative expenses | 30 | 31 | 37 | 98 | 109 |
| Research and development expenses | 2 | — | 2 | 3 | 4 |
| Charges for restructuring, closures and impairments | 2 | — | 1 | 2 | 2 |
| Other operating costs (income), net | — | — | 1 | (1) | (3) |
| Operating income | 102 | 105 | 79 | 271 | 393 |
| Interest income and other | — | — | — | — | — |
| Net contribution to earnings | \$ 102 | \$ 105 | \$ 79 | \$ 271 | \$ 393 |

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

| in millions | Q2.2014 | Q3.2014 | Q3.2013 | YTD.2014 | YTD.2013 |
|--|---------------|---------------|---------------|---------------|---------------|
| Operating income | \$ 102 | \$ 105 | \$ 79 | \$ 271 | \$ 393 |
| Depreciation, depletion and amortization | 30 | 30 | 31 | 89 | 93 |
| Adjusted EBITDA* | \$ 132 | \$ 135 | \$ 110 | \$ 360 | \$ 486 |

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

Selected Segment Items

| | Q2.2014 | Q3.2014 | Q3.2013 | YTD.2014 | YTD.2013 |
|---|---------|---------|---------|----------|----------|
| Total decrease (increase) in working capital ⁽¹⁾ | \$ 29 | \$ 41 | \$ 74 | \$ (67) | \$ (45) |
| Cash spent for capital expenditures | \$ (38) | \$ (56) | \$ (26) | \$ (112) | \$ (52) |

⁽¹⁾ Working capital does not include cash balances.

Segment Statistics

| in millions, except for third-party sales realizations | | Q2.2014 | Q3.2014 | Q3.2013 | YTD.2014 | YTD.2013 |
|--|--|----------|----------|----------|----------|----------|
| Structural Lumber (board feet) | Third party net sales | \$ 515 | \$ 500 | \$ 480 | \$ 1,442 | \$ 1,433 |
| | Third party sales realizations | \$ 427 | \$ 431 | \$ 404 | \$ 430 | \$ 425 |
| | Third party sales volumes ⁽¹⁾ | 1,206 | 1,162 | 1,189 | 3,357 | 3,370 |
| | Production volumes | 1,081 | 1,049 | 1,040 | 3,139 | 3,114 |
| | Outside purchase volumes | 82 | 91 | 92 | 251 | 271 |
| Engineered Solid Section (cubic feet) | Third party net sales | \$ 114 | \$ 104 | \$ 97 | \$ 308 | \$ 263 |
| | Third party sales realizations | \$ 1,976 | \$ 2,031 | \$ 1,963 | \$ 1,989 | \$ 1,913 |
| | Third party sales volumes ⁽¹⁾ | 5.8 | 5.1 | 4.9 | 15.5 | 13.7 |
| | Production volumes | 5.7 | 5.2 | 4.6 | 15.8 | 13.8 |
| | Outside purchase volumes | 0.5 | — | 0.3 | 2.3 | 1.6 |
| Engineered I-joists (lineal feet) | Third party net sales | \$ 81 | \$ 74 | \$ 68 | \$ 214 | \$ 184 |
| | Third party sales realizations | \$ 1,470 | \$ 1,540 | \$ 1,428 | \$ 1,489 | \$ 1,364 |
| | Third party sales volumes ⁽¹⁾ | 55 | 49 | 48 | 144 | 135 |
| | Production volumes | 55 | 50 | 44 | 149 | 130 |
| | Outside purchase volumes | 3 | 1 | 2 | 5 | 6 |
| Oriented Strand Board (square feet 3/8') | Third party net sales | \$ 159 | \$ 157 | \$ 188 | \$ 464 | \$ 648 |
| | Third party sales realizations | \$ 226 | \$ 215 | \$ 246 | \$ 223 | \$ 309 |
| | Third party sales volumes ⁽¹⁾ | 706 | 732 | 762 | 2,079 | 2,094 |
| | Production volumes | 681 | 717 | 725 | 2,055 | 2,050 |
| | Outside purchase volumes | 51 | 52 | 49 | 156 | 173 |
| Softwood Plywood (square feet 3/8') | Third party net sales | \$ 35 | \$ 42 | \$ 38 | \$ 107 | \$ 115 |
| | Third party sales realizations | \$ 348 | \$ 381 | \$ 344 | \$ 355 | \$ 364 |
| | Third party sales volumes ⁽¹⁾ | 102 | 110 | 108 | 302 | 315 |
| | Production volumes | 60 | 72 | 62 | 191 | 186 |
| | Outside purchase volumes | 36 | 31 | 40 | 100 | 115 |

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

Segment Statement of Operations

| in millions | Q2.2014 | Q3.2014 | Q3.2013 | YTD.2014 | YTD.2013 |
|-------------------------------------|---------------|---------------|---------------|-----------------|-----------------|
| Total net sales | \$ 490 | \$ 503 | \$ 474 | \$ 1,454 | \$ 1,424 |
| Cost of products sold | 381 | 427 | 406 | 1,198 | 1,224 |
| Gross margin | 109 | 76 | 68 | 256 | 200 |
| Selling expenses | 4 | 3 | 5 | 11 | 14 |
| General and administrative expenses | 20 | 18 | 21 | 58 | 62 |
| Research and development expenses | 2 | 1 | 2 | 5 | 6 |
| Other operating income, net | (8) | (6) | (6) | (23) | (18) |
| Operating income | 91 | 60 | 46 | 205 | 136 |
| Interest income and other | — | (1) | 1 | (1) | (1) |
| Net contribution to earnings | \$ 91 | \$ 59 | \$ 47 | \$ 204 | \$ 135 |

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

| in millions | Q2.2014 | Q3.2014 | Q3.2013 | YTD.2014 | YTD.2013 |
|--|---------------|--------------|--------------|---------------|---------------|
| Operating income | \$ 91 | \$ 60 | \$ 46 | \$ 205 | \$ 136 |
| Depreciation, depletion and amortization | 39 | 39 | 38 | 116 | 116 |
| Adjusted EBITDA* | \$ 130 | \$ 99 | \$ 84 | \$ 321 | \$ 252 |

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

Selected Segment Items

| | Q2.2014 | Q3.2014 | Q3.2013 | YTD.2014 | YTD.2013 |
|---|---------|---------|---------|----------|----------|
| Total decrease (increase) in working capital ⁽¹⁾ | \$ (37) | \$ 39 | \$ 19 | \$ 33 | \$ 24 |
| Cash spent for capital expenditures | \$ (35) | \$ (36) | \$ (28) | \$ (97) | \$ (62) |

⁽¹⁾ Working capital does not include cash balances.

Segment Statistics

| | Q2.2014 | Q3.2014 | Q3.2013 | YTD.2014 | YTD.2013 | |
|--|---------------------------------------|----------|----------|----------|----------|----------|
| Pulp (air-dry metric tons) | Third party net sales (millions) | \$ 383 | \$ 408 | \$ 371 | \$ 1,154 | \$ 1,111 |
| | Third party sales realizations | \$ 845 | \$ 858 | \$ 805 | \$ 843 | \$ 799 |
| | Third party sales volumes (thousands) | 454 | 474 | 460 | 1,368 | 1,389 |
| | Production volumes (thousands) | 467 | 465 | 457 | 1,391 | 1,365 |
| Liquid Packaging Board (tons) | Third party net sales (millions) | \$ 87 | \$ 80 | \$ 83 | \$ 247 | \$ 254 |
| | Third party sales realizations | \$ 1,165 | \$ 1,185 | \$ 1,082 | \$ 1,157 | \$ 1,080 |
| | Third party sales volumes (thousands) | 75 | 68 | 76 | 214 | 235 |
| | Production volumes (thousands) | 79 | 57 | 67 | 214 | 222 |

Q3.2014 Analyst Package

Preliminary results, subject to audit

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.

Contribution to Earnings

| in millions | Q2.2014 | Q3.2014 | Q3.2013 | YTD.2014 | YTD.2013 |
|--|--------------|--------------|--------------|---------------|----------------|
| Unallocated corporate function expenses | \$ (7) | \$ (3) | \$ (8) | \$ (17) | \$ (26) |
| Unallocated share-based compensation | (6) | 1 | (1) | (2) | (3) |
| Unallocated pension & postretirement credits (costs) | 56 | 35 | (11) | 146 | (31) |
| Foreign exchange gains (losses) | 13 | (14) | 2 | (16) | (6) |
| Elimination of intersegment profit in inventory and LIFO | (1) | 12 | 25 | (8) | 9 |
| Other | (18) | (14) | (5) | (23) | (16) |
| Operating income (loss) | 37 | 17 | 2 | 80 | (73) |
| Interest income and other | 11 | 8 | 18 | 28 | 37 |
| Net contribution to earnings from continuing operations⁽¹⁾ | \$ 48 | \$ 25 | \$ 20 | \$ 108 | \$ (36) |

⁽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 | Q2.2014 | Q3.2014 | Q3.2013 | YTD.2014 | YTD.2013 |
|--|----------------|---------------|--------------|----------------|----------------|
| Operating income (loss) | \$ 37 | \$ 17 | \$ 2 | \$ 80 | \$ (73) |
| Depreciation, depletion and amortization | 2 | 3 | 2 | 9 | 9 |
| Non-operating pension and postretirement costs (credits) | (11) | (12) | 11 | (33) | 31 |
| Special items | (39) | (15) | — | (103) | — |
| Adjusted EBITDA* | \$ (11) | \$ (7) | \$ 15 | \$ (47) | \$ (33) |

* Non-GAAP measure - see below for definition.

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

| | Q2.2014 | Q3.2014 | Q3.2013 | YTD.2014 | YTD.2013 |
|--|--------------|--------------|-------------|---------------|-------------|
| Gain on postretirement plan amendment | \$ 45 | \$ 23 | \$ — | \$ 113 | \$ — |
| Restructuring, impairments and other charges | (6) | (8) | — | (32) | — |
| Gain on sale of non-strategic asset | — | — | — | 22 | — |
| Total | \$ 39 | \$ 15 | \$ — | \$ 103 | \$ — |

Unallocated Selected Items

| | Q2.2014 | Q3.2014 | Q3.2013 | YTD.2014 | YTD.2013 |
|---|---------|---------|---------|----------|----------|
| Total decrease (increase) in working capital ⁽¹⁾ | \$ 72 | \$ 1 | \$ 14 | \$ 38 | \$ (14) |
| Cash spent for capital expenditures | \$ (1) | \$ (1) | \$ (1) | \$ (2) | \$ (4) |

⁽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.

Discontinued operations relate to WRECO, which was combined with TRI Pointe Homes, Inc. through a Reverse Morris Trust transaction on July 7, 2014. It was previously reported under the Real Estate segment and Unallocated Items.

Discontinued Operations Statement of Operations

| in millions | Q2.2014 | Q3.2014 | Q3.2013 | YTD.2014 | YTD.2013 |
|--|---------------|---------------|---------------|---------------|---------------|
| Total net sales | \$ 317 | \$ 8 | \$ 324 | \$ 573 | \$ 787 |
| Income (loss) from operations | \$ 27 | \$ (1) | \$ 33 | \$ 42 | \$ 56 |
| Income taxes | (5) | (5) | (12) | (16) | (20) |
| Net earnings (loss) from operations | 22 | (6) | 21 | 26 | 36 |
| Net gain on divestiture | — | 972 | — | 972 | — |
| Net earnings from discontinued operations | \$ 22 | \$ 966 | \$ 21 | \$ 998 | \$ 36 |