

Weyerhaeuser Reports First Quarter Results

May 1, 2015

FEDERAL WAY, Wash., May 1, 2015 /PRNewswire/ -- Weyerhaeuser Company (NYSE: WY) today reported first quarter net earnings to common shareholders of \$90 million, or 17 cents per diluted share, on net sales of \$1.7 billion. This compares with net earnings of \$183 million, or 31 cents per diluted share, on net sales from continuing operations of \$1.7 billion for the same period last year.

Excluding after-tax charges of \$9 million for special items, the company reported net earnings of \$99 million, or 19 cents per diluted share for the first quarter. This compares with net earnings from continuing operations before special items of \$143 million for the same period last year and \$145 million for fourth quarter 2014.

"We are pleased with our first quarter performance in Timberlands and Wood Products, as operational excellence efforts resulted in higher earnings compared with the fourth quarter in both businesses despite weaker market conditions," said Doyle Simons, president and chief executive officer. "Our Cellulose Fibers business was challenged by a strengthening U.S. dollar, West Coast port disruptions, and a slower than expected restart of our largest fluff mill after a scheduled maintenance outage in the quarter. We repurchased over \$250 million of common shares in the quarter, and have now completed 65 percent of our authorization. We look forward to an improving spring selling season and continue to expect measured growth in U.S. housing starts."



WEYERHAEUSER FINANCIAL HIGHLIGHTS (millions, except per share data)

	2014 4Q	2015 1Q	2014 1Q
Net sales from continuing operations	\$1,788	\$1,721	\$1,736
Net earnings attributable to Weyerhaeuser common shareholders ⁽¹⁾	\$166	\$90	\$183
Weighted average shares outstanding, diluted ⁽²⁾	529	527	589
Earnings per diluted share	\$0.31	\$0.17	\$0.31
Earnings per diluted share from continuing operations	\$0.31	\$0.17	\$0.29
Net earnings from continuing operations before special items ⁽³⁾	\$145	\$99	\$143
Earnings per diluted share from continuing operations before special items	\$0.27	\$0.19	\$0.24
Net change in cash and cash equivalents ⁽⁴⁾	(\$40)	(\$422)	(\$53)
Cash and cash equivalents at end of period ⁽⁴⁾	\$1,580	\$1,158	\$777

⁽¹⁾ First quarter 2014 includes net earnings from discontinued operations of \$10 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 first quarter 2015, Weyerhaeuser repurchased approximately 13 million common shares under the repurchase program announced in third quarter 2014. At the end of the first quarter the company had approximately 519 million common shares outstanding.

⁽³⁾ Special items for the first quarter 2015 include a charge for impairment on a nonstrategic asset. Special items for the first and fourth quarters of 2014 include gains on a postretirement plan amendment and restructuring charges related to the company's SG&A cost reduction initiative. First quarter 2014 also includes a gain on a nonstrategic asset sale.

⁽⁴⁾ Net change in cash and equivalents, and cash and cash equivalents at the end of the period exclude discontinued operations.

TIMBERLANDS

FINANCIAL HIGHLIGHTS (millions)	4Q 2014	1Q 2015	Change
Net sales	\$359	\$351	(\$8)
Contribution to pre-tax earnings	\$143	\$162	\$19

1Q 2015 Performance — Cost efficiencies from operational excellence initiatives across the segment more than offset lower Western log realizations. In the South, seasonal decreases in fee harvest volumes were partially offset by seasonally lower silviculture expenses. Earnings from the disposition of nonstrategic timberlands increased by \$14 million compared with fourth quarter 2014.

2Q 2015 Outlook — Weyerhaeuser expects lower earnings from the Timberlands segment in the second quarter due to a decrease in realizations for Western logs and lower earnings from the disposition of nonstrategic timberlands.

WOOD PRODUCTS

FINANCIAL HIGHLIGHTS (millions)	4Q 2014	1Q 2015	Change
Net sales	\$947	\$923	(\$24)
Contribution to pre-tax earnings	\$56	\$62	\$6

1Q 2015 Performance — Manufacturing costs improved due to operational excellence initiatives across our system, and higher production volumes for engineered wood products. These improvements were partially offset by lower average sales realizations across all product lines.

2Q 2015 Outlook — Weyerhaeuser expects significantly higher earnings from the Wood Products segment in the second quarter. The company anticipates seasonally higher sales volumes across all product lines and average sales realizations for lumber and oriented strand board comparable to the first quarter. The company also expects lower Western log costs and lower per unit manufacturing costs.

CELLULOSE FIBERS

FINANCIAL HIGHLIGHTS (millions)	4Q 2014	1Q 2015	Change
Net sales	\$482	\$447	(\$35)
Contribution to pre-tax earnings	\$87	\$33	(\$54)

1Q 2015 Performance — Average pulp sales realizations and volumes decreased, and costs increased primarily due to a scheduled maintenance outage at our largest fluff mill. While the restart took longer than anticipated, the mill is now running well. The West Coast port disruptions resulted in an extensive production curtailment in our liquid packaging operation and higher transportation and warehousing costs throughout the segment.

2Q 2015 Outlook — Weyerhaeuser expects lower earnings from the Cellulose Fibers segment in the second quarter. The company anticipates lower average pulp sales realizations. Costs will increase due to an extended pulp mill outage for scheduled maintenance and installation of energy-related capital improvements.

UNALLOCATED ITEMS

Due to a strengthening U.S. dollar, first quarter 2015 earnings include a \$29 million pre-tax charge (\$0.04 per share after-tax) for noncash foreign exchange losses on debt held by our Canadian entity.

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 May 1 to discuss first quarter results.

To access the live webcast and presentation online, go to the Investor Relations section on www.weyerhaeuser.com on

May 1.

To join the conference call from within North America, dial 877-296-9413 (access code: 28308831) at least 15 minutes prior to the call. Those calling from outside North America should dial 706-679-2458 (access code: 28308831). Replays will be available for one week at 855-859-2056 (access code: 28308831) from within North America and at 404-537-3406 (access code: 28308831) 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 second quarter of 2015, including with respect to: earnings; log realizations and dispositions of non-strategic timberlands in Timberlands; sales volumes across Wood Products product lines, log and manufacturing costs and expected realizations for lumber and oriented strand board in Wood Products; and maintenance and capital costs, and realizations for pulp in Cellulose Fibers.



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 prices;
- energy prices;
- the effect of weather;
- the risk of loss from fires, floods, windstorms, hurricanes, pest infestation and other natural disasters;
- transportation availability and costs;
- 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; and
- other factors described in the company's filings with the SEC, including the "Risk Factors" section in the company's annual report on Form 10-K for the year ended December 31, 2014.

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, yen and the Canadian dollar, and the relative value of the euro and the yen. Restrictions on international trade

or tariffs imposed on imports and disruptions in shipping and transportation also may affect the company.

View our financials in a printer-friendly PDF.

For more information contact: *Analysts* - Beth Baum or Denise Merle (253) 924-2058 
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Weyerhaeuser Company
Q1.2015 Analyst Package
Preliminary results, subject to audit

Exhibit 99.2

Consolidated Statement of Operations

in millions

	Q4	Q1	
	December 31, 2014	March 31, 2015	March 31, 2014
Net Sales	\$ 1,788	\$ 1,721	\$ 1,736
Cost of products sold	1,399	1,385	1,361
Gross margin	389	336	375
Selling expenses	29	28	28
General and administrative expenses	89	74	88
Research and development expenses	8	5	7
Charges for restructuring, closures and impairments	7	14	19
Other operating costs (income), net	(38)	15	(75)
Operating income	294	200	308
Interest income and other	10	3	9
Interest expense, net of capitalized interest	(90)	(83)	(83)
Earnings from continuing operations before income taxes	214	120	234
Income taxes	(37)	(19)	(50)
Earnings from continuing operations	177	101	184
Earnings from discontinued operations, net of income taxes	—	—	10
Net earnings	177	101	194
Dividends on preference shares	(11)	(11)	(11)
Net earnings attributable to Weyerhaeuser common shareholders	\$ 166	\$ 90	\$ 183

Per Share Information

	Q4	Q1	
	December 31, 2014	March 31, 2015	March 31, 2014
Earnings per share attributable to Weyerhaeuser common shareholders, basic:			
Continuing operations	\$ 0.32	\$ 0.17	\$ 0.29
Discontinued operations	—	—	0.02
Net earnings per share	\$ 0.32	\$ 0.17	\$ 0.31
Earnings per share attributable to Weyerhaeuser common shareholders, diluted:			
Continuing operations	\$ 0.31	\$ 0.17	\$ 0.29
Discontinued operations	—	—	0.02
Net earnings per share	\$ 0.31	\$ 0.17	\$ 0.31
Dividends paid per common share	\$ 0.29	\$ 0.29	\$ 0.22
Weighted average shares outstanding (in thousands):			
Basic	524,838	523,426	584,915
Diluted	529,411	527,423	589,312
Common shares outstanding at end of period (in thousands)	524,474	518,735	584,961

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

in millions

	Q4	Q1	
	December 31, 2014	March 31, 2015	March 31, 2014
Net earnings	\$ 177	\$ 101	\$ 194
Earnings from discontinued operations, net of income taxes	—	—	(10)
Interest income and other	(10)	(3)	(9)
Interest expense, net of capitalized interest	90	83	83
Income taxes	37	19	50
Operating income	294	200	308

Depreciation, depletion and amortization	125	123	123
Non-operating pension and postretirement credits	(12)	(3)	(10)
Special items	(31)	13	(49)
Adjusted EBITDA*	\$ 376	\$ 333	\$ 372

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

Weyerhaeuser Company

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Consolidated Balance Sheet

in millions

ASSETS

Current assets:

	March 31, 2015	December 31, 2014
Cash and cash equivalents	\$ 1,158	\$ 1,580
Receivables, less allowances	539	525
Receivables for taxes	23	25
Inventories	645	595
Prepaid expenses	95	80
Deferred tax assets	192	228
Total current assets	2,652	3,033
Property and equipment, net	2,524	2,623
Construction in progress	171	131
Timber and timberlands at cost, less depletion charged to disposals	6,552	6,530
Investments in and advances to equity affiliates	183	188
Goodwill	40	40
Deferred tax assets	3	8
Other assets	269	289
Restricted financial investments held by variable interest entities	615	615

Total assets

\$ 13,009 **\$ 13,457**

LIABILITIES AND EQUITY

Current liabilities:

Accounts payable	\$ 319	\$ 331
Accrued liabilities	533	587
Total current liabilities	852	918
Long-term debt	4,891	4,891
Long-term debt (nonrecourse to the company) held by variable interest entities	511	511
Deferred income taxes	195	206
Deferred pension and other postretirement benefits	1,249	1,319
Other liabilities	284	308

Total liabilities

7,982 **8,153**

Total equity

5,027 **5,304**

Total liabilities and equity

\$ 13,009 **\$ 13,457**

Weyerhaeuser Company

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Consolidated Statement of Cash Flows

in millions

	Q4 December 31, 2014	Q1 March 31, 2015	Q1 March 31, 2014
Cash flows from operations:			
Net earnings	\$ 177	\$ 101	\$ 194
Noncash charges (credits) to income:			
Depreciation, depletion and amortization	125	123	126
Deferred income taxes, net	35	13	36
Pension and other postretirement benefits	(48)	10	(47)
Share-based compensation expense	11	8	9
Charges for impairment of assets	1	13	—
Net gains on dispositions of assets and operations	(2)	(16)	(25)

Foreign exchange transaction losses	12	29	14
Change in:			
Receivables less allowances	57	(16)	(1)
Receivable for taxes	(1)	2	67
Inventories	(20)	(57)	(88)
Real estate and land	—	—	(72)
Prepaid expenses	11	(11)	3
Accounts payable and accrued liabilities	(22)	(91)	(80)
Deposits on land positions and other assets	—	—	12
Pension and postretirement contributions	(16)	(20)	(33)
Other	(16)	(11)	(6)
Net cash from operations	304	77	109
Cash flows from investing activities:			
Property and equipment	(115)	(71)	(51)
Timberlands reforestation	(9)	(18)	(14)
Acquisition of timberlands	(3)	(32)	—
Proceeds from sale of assets	4	2	19
Other	(1)	—	—
Cash from investing activities	(124)	(119)	(46)
Cash flows from financing activities:			
Cash dividends on common shares	(152)	(152)	(129)
Cash dividends on preference shares	(22)	—	—
Change in book overdrafts	—	—	(6)
Exercises of stock options	35	21	15
Repurchase of common stock	(80)	(253)	—
Other	(1)	4	2
Cash from financing activities	(220)	(380)	(118)
Net change in cash and cash equivalents	(40)	(422)	(55)
Cash and cash equivalents at beginning of period	1,620	1,580	835
Cash and cash equivalents at end of period	\$ 1,580	\$ 1,158	\$ 780
Cash paid (received) during the year for:			
Interest, net of amount capitalized	\$ 66	\$ 114	\$ 101
Income taxes	\$ 3	\$ 1	\$ (50)

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Total Company Statistics**Special Items Included in Net Earnings**

in millions

	Q4	Q1	
	December	March	March
	31,	31,	31,
	2014	2015	2014
Net earnings attributable to Weyerhaeuser common shareholders	\$ 166	\$ 90	\$ 183
Restructuring, impairments and other charges	4	9	13
Gain on sale of non-strategic asset	—	—	(14)
Gain on postretirement plan amendment	(25)	—	(29)
Net earnings attributable to Weyerhaeuser common shareholders before special items	145	99	153
Earnings from discontinued operations, net of income taxes	—	—	(10)
Net earnings from continuing operations attributable to Weyerhaeuser common shareholders before special items	\$ 145	\$ 99	\$ 143
	Q4	Q1	
	December	March	March
	31,	31,	31,
	2014	2015	2014
Net earnings per diluted share attributable to Weyerhaeuser common shareholders	\$ 0.31	\$ 0.17	\$ 0.31
Restructuring, impairments and other charges	0.01	0.02	0.02
Gain on sale of non-strategic asset	—	—	(0.02)
Gain on postretirement plan amendment	(0.05)	—	(0.05)
Net earnings per diluted share attributable to Weyerhaeuser common shareholders before special items	0.27	0.19	0.26
Earnings from discontinued operations, net of income taxes	—	—	(0.02)

Net earnings from continuing operations per diluted share attributable to Weyerhaeuser common shareholders before special items**\$ 0.27** **\$ 0.19** **\$ 0.24****Selected Total Company Items**

in millions	Q4		Q1	
	December 31, 2014	March 31, 2015	March 31, 2014	March 31, 2014
Depreciation, depletion and amortization:				
Cost of products sold	\$ 119	\$ 118	\$ 117	
Selling, general and administrative expenses	6	5	6	
Total depreciation, depletion and amortization	\$ 125	\$ 123	\$ 123	
Pension and postretirement costs:				
Pension and postretirement costs allocated to business segments	\$ 12	\$ 13	\$ 10	
Pension and postretirement credits not allocated	(12)	(3)	(10)	
Total company pension and postretirement costs	\$ —	\$ 10	\$ —	
Total decrease (increase) in working capital ⁽¹⁾	\$ 6	\$ (212)	\$ (170)	
Cash spent for capital expenditures	\$ (124)	\$ (89)	\$ (63)	

⁽¹⁾Working capital does not include cash balances.**Weyerhaeuser Company
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Timberlands Segment**Segment Statement of Operations**

in millions	Q4.2014	Q1.2015	Q1.2014
Sales to unaffiliated customers	\$ 359	\$ 351	\$ 377
Intersegment sales	225	228	238
Total net sales	584	579	615
Cost of products sold	424	405	431
Gross margin	160	174	184
Selling expenses	1	2	2
General and administrative expenses	25	22	26
Research and development expenses	5	3	4
Other operating income, net	(14)	(15)	(12)
Operating income	143	162	164
Interest income and other	—	—	—
Net contribution to earnings	\$ 143	\$ 162	\$ 164

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

in millions	Q4.2014	Q1.2015	Q1.2014
Operating income	\$ 143	\$ 162	\$ 164
Depreciation, depletion and amortization	53	53	52
Adjusted EBITDA*	\$ 196	\$ 215	\$ 216

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

Selected Segment Items

	Q4.2014	Q1.2015	Q1.2014
Total decrease (increase) in working capital ⁽¹⁾	\$ 8	\$ (26)	\$ (29)
Cash spent for capital expenditures	\$ (18)	\$ (24)	\$ (19)

⁽¹⁾Working capital does not include cash balances.**Segment Statistics**

	Q4.2014	Q1.2015	Q1.2014
Logs:			
West	\$ 227	\$ 210	\$ 257
South	66	58	62

	Canada	10	8	6
Third Party	Total logs	303	276	325
Net Sales	Chip sales	3	4	3
(millions)	Timberlands exchanges	3	25	4
	Higher and better use land sales	5	2	3
	Minerals, oil and gas	7	7	7
	Products from international operations	24	24	24
	Other products	14	13	11
	Total	\$ 359	\$ 351	\$ 377
Logs	West	\$ 106.73	\$ 98.83	\$ 114.46
Third Party Sales	South	\$ 45.56	\$ 45.33	\$ 44.88
Realizations	Canada	\$ 38.82	\$ 34.84	\$ 35.30
(per cubic meter)	International	\$ 18.64	\$ 19.35	\$ 16.99
	West	2,121	2,120	2,246
Logs	South	1,454	1,271	1,385
Third Party Sales	Canada	254	245	156
Volumes	International	148	150	147
(cubic meters, thousands)	Total	3,977	3,786	3,934
	West	2,754	2,911	2,875
Logs	South	3,145	2,732	2,866
Fee Harvest Volumes	International	260	239	249
(cubic meters, thousands)	Total	6,159	5,882	5,990

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Wood Products Segment

Segment Statement of Operations

in millions	Q4.2014	Q1.2015	Q1.2014
Sales to unaffiliated customers	\$ 947	\$ 923	\$ 898
Intersegment sales	20	19	19
Total net sales	967	942	917
Cost of products sold	855	829	791
Gross margin	112	113	126
Selling expenses	24	23	25
General and administrative expenses	32	27	37
Research and development expenses	1	—	1
Other operating costs (income), net	(1)	1	(1)
Operating income	56	62	64
Interest income and other	—	—	—
Net contribution to earnings	\$ 56	\$ 62	\$ 64

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

in millions	Q4.2014	Q1.2015	Q1.2014
Operating income	\$ 56	\$ 62	\$ 64
Depreciation, depletion and amortization	30	26	29
Adjusted EBITDA*	\$ 86	\$ 88	\$ 93

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

Selected Segment Items

	Q4.2014	Q1.2015	Q1.2014
Total decrease (increase) in working capital ⁽¹⁾	\$ 29	\$ (99)	\$ (137)
Cash spent for capital expenditures	\$ (78)	\$ (37)	\$ (18)

⁽¹⁾Working capital does not include cash balances.

Segment Statistics

in millions, except for third-party sales realizations	Q4.2014	Q1.2015	Q1.2014
Third party net sales	\$ 459	\$ 434	\$ 427
Third party sales realizations	\$ 415	\$ 403	\$ 432
Structural Lumber Third party sales volumes ⁽¹⁾	1,106	1,075	989

(board feet)	Production volumes	1,013	1,043	1,009
	Outside purchase volumes	94	89	78
	Third party net sales	\$ 94	\$ 94	\$ 90
	Third party sales realizations	\$ 2,060	\$ 1,965	\$ 1,959
Engineered Solid Section	Third party sales volumes ⁽¹⁾	4.5	4.8	4.6
(cubic feet)	Production volumes	4.6	5.0	4.9
	Outside purchase volumes	—	—	1.8
	Third party net sales	\$ 63	\$ 61	\$ 59
	Third party sales realizations	\$ 1,549	\$ 1,510	\$ 1,454
Engineered I-joists	Third party sales volumes ⁽¹⁾	40	41	40
(lineal feet)	Production volumes	33	43	44
	Outside purchase volumes	2	1	1
	Third party net sales	\$ 146	\$ 137	\$ 148
	Third party sales realizations	\$ 206	\$ 196	\$ 230
Oriented Strand Board	Third party sales volumes ⁽¹⁾	709	700	641
(square feet 3/8')	Production volumes	694	704	657
	Outside purchase volumes	61	65	53
	Third party net sales	\$ 36	\$ 33	\$ 30
	Third party sales realizations	\$ 384	\$ 366	\$ 332
Softwood Plywood	Third party sales volumes ⁽¹⁾	93	89	90
(square feet 3/8')	Production volumes	61	61	59
	Outside purchase volumes	42	37	33

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

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Cellulose Fibers Segment

Segment Statement of Operations

in millions	Q4.2014	Q1.2015	Q1.2014
Total net sales	\$ 482	\$ 447	\$ 461
Cost of products sold	379	394	390
Gross margin	103	53	71
Selling expenses	4	3	4
General and administrative expenses	18	17	20
Research and development expenses	2	2	2
Other operating income, net	(8)	(8)	(9)
Operating income	87	39	54
Interest income and other	—	(6)	—
Net contribution to earnings	\$ 87	\$ 33	\$ 54

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

in millions	Q4.2014	Q1.2015	Q1.2014
Operating income	\$ 87	\$ 39	\$ 54
Depreciation, depletion and amortization	39	39	38
Adjusted EBITDA*	\$ 126	\$ 78	\$ 92

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

Selected Segment Items

	Q4.2014	Q1.2015	Q1.2014
Total decrease (increase) in working capital ⁽¹⁾	\$ (47)	\$ 40	\$ 31
Cash spent for capital expenditures	\$ (26)	\$ (27)	\$ (26)

⁽¹⁾Working capital does not include cash balances.

Segment Statistics

	Q4.2014	Q1.2015	Q1.2014
Third party net sales (millions)	\$ 405	\$ 360	\$ 363
Third party sales realizations	\$ 886	\$ 854	\$ 825
Pulp (air-dry metric tons)	458	421	440

	Production volumes (thousands)	468	442	459
Liquid	Third party net sales (millions)	\$ 63	\$ 74	\$ 80
Packaging	Third party sales realizations	\$ 1,133	\$ 1,194	\$ 1,237
Board	Third party sales volumes (thousands)	55	62	65
(metric tons)	Production volumes (thousands)	70	60	70

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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		Q4.2014	Q1.2015	Q1.2014
Unallocated corporate function expenses		\$ (7)	\$ (9)	\$ (7)
Unallocated share-based compensation		(7)	3	3
Unallocated pension & postretirement credits		50	3	55
Foreign exchange losses		(11)	(29)	(15)
Elimination of intersegment profit in inventory and LIFO		(2)	(12)	(19)
Other		(15)	(19)	9
Operating income (loss)		8	(63)	26
Interest income and other		10	9	9
Net contribution to earnings from continuing operations⁽¹⁾		\$ 18	\$ (54)	\$ 35

⁽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		Q4.2014	Q1.2015	Q1.2014
Operating income (loss)		\$ 8	\$ (63)	\$ 26
Depreciation, depletion and amortization		3	5	4
Non-operating pension and postretirement credits		(12)	(3)	(10)
Special items		(31)	13	(49)
Adjusted EBITDA*		\$ (32)	\$ (48)	\$ (29)

* Non-GAAP measure - see below for definition.

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

		Q4.2014	Q1.2015	Q1.2014
Gain on postretirement plan amendment		\$ 38	\$ —	\$ 45
Restructuring, impairments and other charges		(7)	(13)	(18)
Gain on sale of non-strategic asset		—	—	22
Total		\$ 31	\$ (13)	\$ 49

Unallocated Selected Items

		Q4.2014	Q1.2015	Q1.2014
Total decrease (increase) in working capital ⁽¹⁾		\$ 16	\$ (127)	\$ (35)
Cash spent for capital expenditures		\$ (2)	\$ (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.

SOURCE Weyerhaeuser Company