

WEYERHAEUSER CO  
Form 425  
December 17, 2013

WEYERHAEUSER  
Growing a Truly Great Company  
INVESTOR MEETING  
Dec. 17, 2013 |  
New York, NY  
Filed by Weyerhaeuser Company  
pursuant to Rule 425 under the  
Securities Act of 1933, as amended,  
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Subject Company: Weyerhaeuser Company  
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FORWARD-LOOKING STATEMENTS  
AND NON-GAAP FINANCIAL MEASURES

This presentation contains statements that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, without limitation, with respect to future prospects, developments, business strategies, the transaction involving Weyerhaeuser Real Estate Company ( WRECO ) and TRI Pointe Homes, Inc. ( TPH transaction ), the benefits and of the acquisition of Longview Timber LLC and/or TPH transaction (including cost savings, operational and other synergies and impacts on revenues, earnings, cash flow, tax impacts, funds from operations and funds available for distribution), future dividend increases, business priorities, future performance, cost reductions and other strategic initiatives, growth, capital structure, credit ratings, capital expenditures, future cash and debt levels, and harvests and export markets. The words anticipate, believe, forecast, estimate, outlook, goal, will, plan, expect, target and would and similar terms and phrases, to assumptions, have been used in this presentation to identify forward-looking statements. These forward-looking statements are made based on management's expectations and beliefs concerning future events and are subject to uncertainties and factors related

to our operations and business environment, all of which are difficult to predict and many of which are beyond the company's control. Many factors could cause the actual results to differ materially from those projected including, without limitation, the effect of economic conditions, including employment rates, housing starts, interest rate levels, availability of financing for home mortgages, strength of the U.S. dollar, market demand for our products, which is related to the strength of the various U.S. business segments, U.S. and international economic conditions, domestic and foreign competition, the successful execution of our 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 costs, federal tax policies, the effect of forestry, land use, environmental and other governmental regulations, legal proceedings, performance of pension funds, investments and related derivatives, the effect of timing of retirements and changes in market price of our common stock on changes in value for share-based compensation, closing of the TPH transaction, changes in accounting principles and the other risk factors described under "Risk Factors" in our annual report on Form 10-K for the year ended December 31, 2012 and the matters described in our quarterly reports on Form 10-Q for the quarters ended June 30, 2013 and September 30, 2013, in each case filed with the SEC. Our forward-looking statements are based on various assumptions and may not be accurate because of risks and uncertainties surrounding these assumptions. Factors listed above, 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 presentation. Nothing on our website is included or incorporated by reference herein.

Included in this presentation are certain non-GAAP financial measures which management believes complement the financial information presented in accordance with generally accepted accounting principles in the United States of America. Management believes such measures are useful to investors. Our non-GAAP financial measures are not necessarily comparable to other similar titled captions of other companies due to potential inconsistencies in the metrics of calculation. For a reconciliation of non-GAAP measures to GAAP measures see the appendices to this presentation.

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**ADDITIONAL INFORMATION**

**Additional Information and Where to Find It:**

In connection with the proposed Reverse Morris Trust transaction between TRI Pointe Homes, Inc. and Weyerhaeuser Company, which the homebuilding subsidiary of Weyerhaeuser, WRECO (with certain exclusions), will be combined with TRI Pointe, TRI Pointe is filing a registration statement on Form S-4 with the Securities and Exchange Commission (SEC), which will include a prospectus. In addition, WRECO expects to file a registration statement in connection with its separation from Weyerhaeuser. Investors and TRI Pointe are urged to read the proxy statement and registration statement/prospectus and any other relevant documents when they become available. They will contain important information about TRI Pointe, the real estate business of Weyerhaeuser and the proposed transaction. The registration statement and registration statement/prospectus and other documents relating to the proposed transaction (when they are available) can be obtained free of charge from the SEC's website at [www.sec.gov](http://www.sec.gov). These documents (when they are available) can also be obtained from Weyerhaeuser upon written request to Weyerhaeuser Company, 33663 Weyerhaeuser Way South, Federal Way, Washington.

Attention: Vice President, Investor Relations, or by calling (800) 561-4405.

**Participants in the Solicitation:**

This communication is not a solicitation of a proxy from any security holder of TRI Pointe or Weyerhaeuser. However, Weyerhaeuser and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from TRI Pointe shareholders in connection with the proposed transaction. Information about the Weyerhaeuser's directors and executive officers may be found in its Annual Report on Form 10-K for the year ended December 31, 2012 filed with the SEC on February 19, 2013 and the definition of "participant" relating to its 2013 Annual Meeting of Shareholders filed with the SEC on February 26, 2013. Information about the TRI Pointe's directors and executive officers may be found in its Annual Report on Form 10-K for the year ended December 31, 2012 filed with the SEC on February 19, 2013. These documents can be obtained free of charge from the sources indicated above. Additional information regarding the direct or indirect interests of these participants, whether by security holdings or otherwise, will be included in the registration statement/prospectus and other relevant materials to be filed with the SEC when they become available.

*Non-Solicitation:*

This communication shall not constitute an offer to sell or the solicitation of an offer to sell or the solicitation of an offer to buy securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.



4  
PATH FORWARD

TEAM

GOAL

Grow Shareholder Value

LEVERS

Portfolio

Performance: Operational Excellence

Capital Allocation

KEY MEASURES

Relative EBITDA margin

Total Shareholder Return (TSR)

Relative to peers & S&P



Change in  
market cap  
WY GOAL: Total Shareholder Return  
Profit growth  
Dividends &  
Share  
Repurchases  
TSR  
Multiple  
Capital Allocation  
Operational Excellence  
Operational Excellence

Capital Allocation  
Portfolio / Market Factors  
TSR  
DRIVERS  
5

6  
PORTFOLIO

PORTFOLIO

Total Assets \$11.1 B

Pro-forma 2013 Q3\*

Timberlands

Cellulose Fibers

Wood

Products

Total Assets \$10.4 B

YE 2012\*

Timberlands

Cellulose Fibers

Wood

Products

WRECO\*\*

BEFORE

AFTER

PORTFOLIO

CHANGES:

\*Excludes Unallocated Items. 2013 Q3 pro-forma excludes assets related to announced combination of WRECO and TRI Point

See appendix

for reconciliation to GAAP amounts.

\*\* Weyerhaeuser Real Estate Company

7

Longview

Timber

WRECO

8  
WEYERHAEUSER  
TIMBERLANDS  
7 MM acres  
\$579 MM EBITDA  
\*  
WOOD PRODUCTS  
Lumber: \$285 MM  
OSB  
\*\*  
: \$284 MM  
ELP  
\*\*

: \$31 MM

Distribution: \$(39) MM

CELLULOSE

FIBERS

\*EBITDA

Excluding

Special

Items,

LTM

as

of

Q3

2013.

Unallocated

items

not

included.

See

appendix

for

reconciliation

to

GAAP

amounts.

\*\*ELP = Engineered Lumber Products, OSB = Oriented Strand Board

6 mills

2 converting

facilities

\$351 MM EBITDA\*

EBITDA

\*

9

Near Term FOCUS: Drive Operational Excellence

PORTFOLIO

NEAR TERM

PRIORITY

MIDTERM PRIORITY

Exit

TIMBERLANDS

Operational Excellence:

drive cash & earnings



Longview acquisition

Disciplined growth  
WOOD PRODUCTS

Lumber

OSB

ELP

Distribution

Operational Excellence:  
drive cash & earnings

Fix

Opportunistic growth  
CELLULOSE  
FIBERS

Operational Excellence:  
drive cash & earnings

Grow higher value  
products

Operational Excellence:  
drive cash & earnings  
BUSINESS  
WRECO

10  
PERFORMANCE

11

PERFORMANCE: Timberlands  
STRATEGIC INITIATIVES

Maximize cash flow through Operational Excellence

Capture full value of the Longview Timber acquisition  
See appendix for detail on calculations.

\*See appendix for reconciliation to GAAP amounts.

EBITDA\* / ACRE OWNED

BASE

BASE

Longview

Timber  
Operational  
Excellence  
TIMBERLANDS EBITDA\*  
0  
20  
40  
60  
80  
2011  
2012  
2013 Annualized  
US South  
Deltic  
NCREIF  
Plum Creek  
Rayonier  
WY  
50  
75  
100  
125  
150  
175  
200  
2011  
2012  
2013 Annualized  
US West  
NCREIF  
Pope Resources  
Rayonier  
WY (excl LV)  
0  
200  
400  
600  
800  
2012  
2016 -  
2018  
(Outlook)

12  
PERFORMANCE: Wood Products -  
Lumber  
STRATEGIC  
INITIATIVES

Reduce  
cost

achieve  
industry-leading  
cost  
structure

Maintain  
value  
added  
product  
mix  
OPERATIONAL EXCELLENCE\*\*  
Controllable Manufacturing Cost  
EBITDA MARGIN\*  
Closing  
the  
Gap  
=  
\$100  
MM  
Source for competitor data: public SEC filings  
\*See appendix  
for reconciliation to GAAP amounts.  
0  
50  
100  
Current  
Benchmark\*  
-5.0%  
0.0%  
5.0%  
10.0%  
15.0%  
20.0%  
25.0%  
2011  
2012  
2013 YTD Q3  
Canfor Lumber  
Interfor Lumber  
West Fraser Lumber  
WY Lumber  
Mfg cost = Cost Net of Logs, excluding depreciation and inflation.  
Current is based on Q3 2013 YTD data.  
\*\*Note: Benchmark is mill Best in Class;

13  
-10.0%  
0.0%  
10.0%  
20.0%  
30.0%  
40.0%  
2011  
2012  
2013 YTD Q3  
Ainsworth OSB  
LPX OSB

Norbord OSB

WY OSB

PERFORMANCE: Wood Products

OSB

STRATEGIC INITIATIVES

Drive down controllable costs by improving reliability

Grow higher margin products

EBITDA MARGIN\*

\$50 MM

\*\*Note: Reliability benchmark is mill Best in Class.

Current is based on Q3 2013 YTD data.

Improve Product Mix

\$10 MM

OPERATIONAL EXCELLENCE\*\*

Improve Reliability

Source for competitor data: public SEC filings.

\*See

appendix

for

reconciliation

to

GAAP

amounts.

50

75

100

Current

Benchmark

0

25

50

75

Current

Goal



14

PERFORMANCE:

Wood Products

ELP & Distribution

TURNAROUND INITIATIVES

ELP

DISTRIBUTION

Close the gap on manufacturing cost

Simplify & focus supply chain

Leverage our brand

Reduce cost: Warehouse, delivery, sales

Disciplined, profitable growth at market rate

Source for competitor data: public SEC filings

\*See appendix

for reconciliation to GAAP amounts.

EBITDA MARGIN\*

EBITDA MARGIN\*

-4.0%

-2.0%

0.0%

2.0%

4.0%

6.0%

8.0%

10.0%

12.0%

2011

2012

2013 YTD

Q3

2014

Outlook

Boise ELP

LPX ELP

WY ELP

-10.0%

-8.0%

-6.0%

-4.0%

-2.0%

0.0%

2.0%

4.0%

2011

2012

2013 YTD

Q3

2014

Outlook

Boise Distribution

Blue Linx Distribution

WY Distribution

PERFORMANCE: Cellulose Fibers  
STRATEGIC INITIATIVES

Reduce cost

Grow with global customers

Innovate high-margin products

EBITDA MARGIN\*

OPERATIONAL EXCELLENCE\*\*

Reduce Controllable Cost

\$100 MM

\*\*Cost  
of  
Goods  
Sold,  
excluding  
inflation.  
Current  
is  
based  
on Q3 2013 YTD data.

\*See  
appendix  
for  
reconciliation  
to  
GAAP  
amounts.

0.0%  
5.0%  
10.0%  
15.0%  
20.0%  
25.0%  
30.0%  
35.0%  
40.0%  
45.0%

2011 FY  
2012 FY  
2013 YTD Q3

Canfor  
Mercer  
Rayonier  
WY CF

625  
675  
725  
Current  
Goal  
15

PERFORMANCE: SG&A

Note: SG&A includes R&D

STRATEGIC INITIATIVE: Reduce Overhead Cost by \$75 MM

REDUCTION GOAL

\$75 MM

200

250

300

350

400

450

500

550

600

2013 Pro-forma\*

2014 Run Rate

16

Lowering cost essential to our success

\*Pro-forma is total company 3Q YTD 2013 annualized, less WRECO direct SG&A of \$141 MM

17  
CAPITAL ALLOCATION

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CAPITAL ALLOCATION  
PRIORITIES

Return cash to shareholders

Invest in our businesses

Maintain appropriate capital structure



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RETURNING CASH TO SHAREHOLDERS  
DIVIDEND PAYOUT POLICY

Target payout of 75% of Funds Available for  
Distribution (FAD) over cycle

(1)

(1) Funds Available for Distribution: Cash Flow before major acquisitions and dispositions and financing activities including  
Increased dividend three times in the  
last 12 months for total increase of 47%

INCREASING DIVIDEND

2011

Feb  
\$0.15  
2012  
Oct  
\$0.17  
2013  
April  
\$0.20  
2013  
Aug  
\$0.22  
PAYOUT RATIO  
2011  
Dividend  
exceeded FAD  
2012  
86%  
2013 est.  
80-85%  
Sustainable and Growing Dividend

20  
DISCIPLINED CAPITAL INVESTMENT  
\*Depreciation, Depletion & Amortization  
\$476  
\$456  
\$470  
\$500  
0  
100  
200  
300  
400  
500

600  
2011  
2012  
2013  
Estimated  
2014  
Estimated  
% of DD&A\*  
50%                    63%  
64%  
78%  
Other  
Wood Products  
Timberlands  
Cellulose  
Fibers  
\$238  
\$285  
\$300  
\$390  
DD&A\*  
CapEx:

21  
CAPITAL STRUCTURE AND LIQUIDITY

Cash  
balance  
as  
of  
September  
30,  
2013:  
\$900  
million  
(1)

\$1 Billion revolving credit facility: Expires in June 2018

Long term debt:

Improving financial metrics support investment grade rating:

(1) Excludes \$494 million in cash designated for the purchase of Longview Timber LLC and repayment of acquired debt

(2) EBITDA reconciliation in appendix. LTM as of 9/30/13

(3) Total Capital: estimated 2013 YE debt + total equity at 2013 Q3

Current

(Est.)

Target Over

Cycle

EBITDA (LTM)

(2)

/ Interest (LTM)

4.7

>5.0

YE 2013 Debt / EBITDA (LTM)

(2)

3.0

<3.5

YE

2013

Debt/

Total

Capital

(3)

44%

40%

\$ Millions

2013 Q4

Beginning Balance Sept 2013

\$5,568

New Debt

550

Maturities and Prepayments

(1,227)

Ending Balance YE 2013 (Est.)

\$4,891

No maturities

through 2016

2017: \$281 MM due

22

WRECO/TRI POINTE COMBINATION

WRECO to combine with TRI Pointe (TPH) in a tax-free transaction:

129.7 million shares TPH stock

Using Dec 13, 2013 TPH stock price of \$18.42 per share, the estimated value is ~\$2.4 billion

Approximately \$700 million in cash

Total estimated transaction value of ~\$3.1 billion

Expected to close in the second quarter of 2014



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WRECO/TRI POINTE COMBINATION:

Use of Proceeds

Stock: distributed to shareholders in either a spin-off or split-off

Spin:

Similar to a dividend

Split: Similar to a share repurchase/exchange offer

Spin / Split decision to be determined by WY Board shortly before closing

Cash

Adjust capital structure as appropriate

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MARKET OUTLOOK

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**MARKET OUTLOOK:**

**Positive Trends for Our Products**

Higher demand and prices for US timber and wood products:

Rebound in US housing

Growing off-shore demand

Canadian timber supply shortage

Growing markets for fluff products driven by

emerging country demand and global growth

HOUSING RECOVERS TO TREND

~1.5 MM STARTS

26

0.0

0.5

1.0

1.5

2.0

2.5

Million Units

\*RISI

\*John Burns

\*Global Insight

TOTAL U.S. HOUSING STARTS

(Seasonally Adjusted Annual Rate)

\*Forecast

Harvard Joint Center for  
Housing Studies forecast:

Trend (2015 and beyond)

1.6

-

1.9 MM units

Source: Census

Quarterly

27

GROWING EXPORT VOLUMES:

Logs & Lumber

DEMAND DRIVERS

Japan & Korea: Long term demand for wood-based housing

China: rising wealth and urbanization drives demand for industrial and interior wood uses

0

250

500

750

1000



1250  
1500  
1750  
2000  
2250  
2000  
2001  
2002  
2003  
2004  
2005  
2006  
2007  
2008  
2009  
2010  
2011  
2012  
2013

WEST COAST SOFTWOOD

LOG EXPORTS TO ASIA

MMBF Scribner

Annual

Source: Random Lengths Yardstick, US Dept of Commerce

Japan

Korea

China

Est

0.0

0.1

0.2

0.3

0.4

0.5

0.6

2006

2007

2008

2009

2010

2011

2012

2013

Quarterly

Japan

CANADIAN LUMBER

CHINA AND JAPAN (SAAR)

Million Board Feet

China

Source:

JAWIC, Random Lengths

LOG PRICES: Positive Outlook

West has strengthened, with more upside expected

South recovery still ahead

- 0
- 100
- 200
- 300
- 400
- 500
- 600

700  
800  
900  
1995  
1997  
1999  
2001  
2003  
2005  
2007  
2009  
2011  
2013  
2015  
2017  
DELIVERED LOG PRICE  
DOUGLAS FIR #2  
\$/MBF  
Annual  
Forecast  
Source: Log Lines, FEA, RISI  
YTD  
0  
100  
200  
300  
400  
500  
600  
700  
1995  
1997  
1999  
2001  
2003  
2005  
2007  
2009  
2011  
2013  
2015  
2017  
DELIVERED LOG PRICE  
SOUTHERN AVERAGE PINE SAWLOG  
\$/MBF  
Annual  
Forecast  
Source: Log Lines, FEA, RISI  
YTD  
28

29

SUPPLY FROM CANADA CONSTRAINED:

Benefits Southern Lumber & Logs

Canadian production expected to drop to 25% of U.S. market by 2015,  
5-7BBF below peak

Southern pine lumber expanding; limited growth in Canadian imports

Source: WWPA, COFI

Forecast

CANADIAN LUMBER SHARE OF  
U.S. MARKET

U.S. LUMBER SUPPLY SOURCES

0%

5%  
10%  
15%  
20%  
25%  
30%  
35%  
40%  
2005  
2010  
2015  
2020  
Share  
Annual  
0.0  
5.0  
10.0  
15.0  
20.0  
25.0  
2004  
2005  
2006  
2007  
2008  
2009  
2010  
2011  
2012  
2013  
Est.  
US South Lumber Production  
Canadian Shipments to US  
BBF of Lumber  
Source:  
Census, WWPA, COFI

30

**WOOD PRODUCTS:**

Strong Growth for OSB & Engineered Wood

**DEMAND DRIVERS**

New residential construction

Repair & remodel, industrial & export

0

10

20

30

2000

2002

2004  
2006  
2008  
2010  
2012  
2014  
2016  
2018

Billion Square Feet

Forecast\*

0  
200  
400  
600  
800  
1000  
1200  
1400  
2000  
2002  
2004  
2006  
2008  
2010  
2012  
2014  
2016  
2018

NORTH AMERICAN I-JOIST DEMAND

Million Linear Feet

Annual

Source:

FEA

Forecast\*

\*

Annual

Source: \*FEA

NORTH AMERICAN OSB

DEMAND



Expect growing fluff pulp demand of 3.5% / year

Supply position: Southern Pine ideal for fluff; globally competitive cost

**FLUFF DEMAND GROWTH:**

Emerging Economies

- 0
- 1
- 2
- 3
- 4
- 5
- 6

7

2003

2008

2012

2017

FLUFF MARKET PULP CONSUMPTION BY REGION

Million Tons

Source: Starr, Weyerhaeuser CF Business

Rest of

World

Rest of

Asia

Japan

Europe

N.A.

Forecast

31

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MARKET OUTLOOK RECAP

Higher demand and prices for US timber and wood products:

Rebound in US housing

Growing off-shore demand

Canadian timber supply shortage

Growing markets for fluff products driven by

emerging country demand and global growth  
Overall Positive Trends for Weyerhaeuser Products





35  
2011 EBITDA RECONCILIATION BY SEGMENT  
\$ Millions  
2011  
Timberlands  
Lumber  
OSB  
EWP  
Distribution  
WP Other  
Wood  
Products  
Cellulose

Fibers  
 Real  
 Estate  
 Unallocated  
 Items  
 Total  
 Adjusted EBITDA Excluding  
 Special Items  
 1  
 \$472  
 (\$7)  
 (\$4)  
 \$6  
 (\$37)  
 (\$1)  
 (\$43)  
 \$597  
 \$89  
 (\$90)  
 \$1,025  
 Depletion, Depreciation &  
 Amortization  
 (137)  
 (47)  
 (34)  
 (61)  
 (6)  
 (3)  
 (151)  
 (147)  
 (13)  
 (28)  
 (476)  
 Non-Operating  
 Pension &  
 Postretirement Costs  
 --  
 --  
 --  
 --  
 --  
 --  
 --  
 --  
 --  
 (26)  
 (26)  
 Special Items  
 152  
 (5)



(4)  
 (26)  
 (1)  
 (16)  
 (52)  
 --  
 --  
 --  
 100  
 Capitalized  
 Interest Included  
 in Cost of Products Sold  
 --  
 --  
 --  
 --  
 --  
 --  
 --  
 --  
 (23)  
 (6)  
 (29)  
 Operating Income (GAAP)  
 \$487  
 (\$59)  
 (\$42)  
 (\$81)  
 (\$44)  
 (\$20)  
 (\$246)  
 \$450  
 \$53  
 (\$150)  
 \$594  
 Interest Income and Other  
 4  
 0  
 0  
 1  
 0  
 2  
 3  
 2  
 5  
 33  
 47  
 Net Contribution  
 to Earnings  
 from Discontinued Operations

--  
 --  
 --  
 --  
 --  
 (25)  
 (25)  
 --  
 --  
 45  
 20  
 Net Contribution to Earnings  
 \$491  
 (\$59)  
 (\$42)  
 (\$80)  
 (\$44)  
 (\$43)  
 (\$268)  
 \$452  
 \$58  
 (\$72)  
 \$661  
 Interest Expense, Net  
 (384)  
 Income Taxes  
 54  
 Net Earnings to Common  
 Shareholders (GAAP)  
 \$331

1.  
 Adjusted EBITDA excluding special items is a non-GAAP measure that management uses to evaluate the performance of the c  
 Adjusted EBITDA, as we define it, is operating income adjusted for depreciation, depletion, amortization, pension and postreti  
 not allocated to business segments (primarily interest cost, expected return on plan assets, amortization of actuarial loss and am  
 of prior service cost / credit), special items and interest included in cost of products sold. Adjusted EBITDA should not be con  
 isolation from and is not intended to represent an alternative to our GAAP results.

36  
2012 EBITDA RECONCILIATION BY SEGMENT  
\$ Millions  
2012  
Timberlands  
Lumber  
OSB  
EWP  
Distribution  
WP Other  
Wood  
Products  
Cellulose

Fibers  
Real  
Estate  
Unallocated  
Items  
Total  
Adjusted EBITDA Excluding  
Special Items  
\$460  
\$130  
\$143  
\$17  
(\$29)  
(\$15)  
\$246  
\$368  
\$142  
(\$54)  
\$1,162  
Depletion, Depreciation &  
Amortization  
(142)  
(45)  
(31)  
(51)  
(5)  
(1)  
(133)  
(150)  
(12)  
(19)  
(456)  
Non-Operating Pension &  
Postretirement Costs  
--  
--  
--  
--  
--  
--  
--  
--  
--  
--  
(29)  
(29)  
Special Items  
--  
--  
--  
--

--  
6  
6  
--  
--  
89  
95  
Capitalized Interest Included  
in Cost of Products Sold  
--  
--  
--  
--  
--  
--  
--  
--  
--  
(30)  
(7)  
(37)  
Operating Income (GAAP)  
\$318  
\$85  
\$112  
(\$34)  
(\$34)  
(\$10)  
\$119  
\$218  
\$100  
(\$20)  
\$735  
Interest Income and Other  
3  
--  
--  
--  
--  
1  
1  
5  
5  
38  
52  
Loss Attributable to Non-  
Controlling Interest  
1  
--  
--  
--

--
--
--
--
--
--
1
Net Contribution to Earnings
\$322
\$85
\$112
(\$34)
(\$34)
(\$9)
\$120
\$223
\$105
\$18
\$788
Interest Expense, Net
(348)
Income Taxes
(55)
Net Earnings to Common
Shareholders (GAAP)
\$385

1  
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 allocated to business segments (primarily interest cost, expected return on plan assets, amortization of actuarial loss and amortization of service cost / credit), special items and interest included in cost of products sold. Adjusted EBITDA should not be considered an alternative to GAAP results and is not intended to represent an alternative to our GAAP results.

37  
2013 YTD EBITDA RECONCILIATION BY SEGMENT  
\$ Millions  
2013 Q3 YTD  
Timberlands  
Lumber  
OSB  
EWP  
Distribution  
WP Other  
Wood  
Products  
Cellulose

Fibers  
Real  
Estate  
Unallocated  
Items  
Total  
Adjusted EBITDA Excluding  
Special  
Items  
\$448  
\$258  
\$223  
\$34  
(\$27)  
(\$2)  
\$486  
\$252  
\$82  
(\$18)  
\$1,250  
Depletion, Depreciation &  
Amortization  
(115)  
(30)  
(23)  
(35)  
(4)  
(1)  
(93)  
(116)  
(10)  
(9)  
(343)  
Non-Operating Pension &  
Postretirement Costs  
--  
--  
--  
--  
--  
--  
--  
--  
--  
--  
(31)  
(31)  
Special Items  
--  
--  
--



--  
--  
--  
--  
--  
--  
--  
--  
--  
Capitalized Interest Included  
in Cost of Products Sold  
--  
--  
--  
--  
--  
--  
--  
--  
(28)  
(4)  
(32)  
Operating Income (GAAP)  
\$333  
\$228  
\$200  
(\$1)  
(\$31)  
(\$3)  
\$393  
\$136  
\$44  
(\$62)  
\$844  
Interest Income and Other  
3  
--  
--  
--  
--  
--  
--  
(1)  
3  
37  
42  
Net Contribution to Earnings  
\$336  
\$228  
\$200  
(\$1)

(\$31)  
(\$3)  
\$393  
\$135  
\$47  
(\$25)  
\$886  
Interest Expense, Net  
(258)  
Income Taxes  
(119)  
Net Earnings (GAAP)  
\$509  
Dividends on preference  
shares  
(12)  
Net Earnings to Common  
Shareholders (GAAP)  
\$497  
1  
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, interest expense on debt, income tax expense on business segments (primarily interest cost, expected return on plan assets, amortization of actuarial loss and amortization of prior period tax credit), special items and interest included in cost of products sold. Adjusted EBITDA should not be considered in isolation from GAAP results and is not intended to represent an alternative to our GAAP results.

#### 2013 Q3 LTM EBITDA RECONCILIATION BY SEGMENT

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, interest expense, income tax expense, and other non-recurring items for all business segments (primarily interest cost, expected return on plan assets, amortization of actuarial loss and amortization of prior period losses), special items and interest included in cost of products sold. Adjusted EBITDA should not be considered in isolation from other financial measures and should not be used to represent an alternative to our GAAP results.

\$ Millions

2013 Q3 LTM

Timberlands

Lumber

OSB

EWP  
 Distribution  
 WP Other  
 Wood  
 Products  
 Cellulose  
 Fibers  
 Real  
 Estate  
 Unallocated  
 Items  
 Total  
 Adjusted EBITDA Excluding  
 Special Items  
 1  
 \$579  
 \$285  
 \$284  
 \$31  
 (\$39)  
 (\$4)  
 \$557  
 \$351  
 \$173  
 (\$19)  
 \$1,641  
 Depletion, Depreciation &  
 Amortization  
 (153)  
 (41)  
 (31)  
 (48)  
 (5)  
 (1)  
 (126)  
 (156)  
 (14)  
 (12)  
 (461)  
 Non-Operating  
 Pension &  
 Postretirement Costs  
 --  
 --  
 --  
 --  
 --  
 --  
 --  
 --  
 --

--  
(39)  
(39)  
Special Items  
--  
--  
--  
--  
--  
--  
--  
--  
--  
--  
--  
Capitalized  
Interest Included  
in Cost of Products Sold  
--  
--  
--  
--  
--  
--  
--  
--  
(36)  
(5)  
(41)  
Operating Income (GAAP)  
\$426  
\$244  
\$253  
(\$17)  
(\$44)  
(\$5)  
\$431  
\$195  
\$123  
(\$75)  
\$1,100  
Interest Income and Other  
4  
--  
--  
--  
--  
--  
1

5  
46  
56  
Loss Attributable to Non-  
Controlling Interest  
1  
--  
--  
--  
--  
--  
--  
--  
--  
--  
1  
Net Contribution to Earnings  
\$431  
\$244  
\$253  
(\$17)  
(\$44)  
(\$5)  
\$431  
\$196  
\$128  
(\$29)  
\$1,157  
Interest Expense, Net  
(346)  
Income Taxes  
(159)  
Net Earnings (GAAP)  
\$652  
Dividends on preference  
shares  
(12)  
Net Earnings to Common  
Shareholders (GAAP)  
\$640  
38

39

EBITDA RECONCILIATION: TIMBERLANDS

\$ Millions

2011

2012

2013 Q3 YTD

West (excluding Longview Timber)

\$273

\$250

\$265

South

214

218

166
Other
(15)
(8)
17
Adjusted EBITDA Excluding Special Items
\$472
\$460
\$448
Depletion, Depreciation & Amortization
(137)
(142)
(115)
Special Items
152
--
--
Operating Income (GAAP)
\$487
\$318
\$333
Interest Income and Other
4
3
3
Loss Attributable to Non-Controlling Interest
--
1
--
Net Contribution to Earnings
\$491
\$322
\$336
1
1.

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



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RECONCILIATION TO GAAP:

2013 Pro Forma Total Assets

Pro Forma Total Assets

\$ millions

2013 Q3

Pro Forma total assets

\$11,143

Real Estate assets

2,193

Unallocated assets

2,273

Total Assets (GAAP)

\$15,609

1

1.

Pro forma total assets is a non-GAAP measure that management uses to evaluate the performance of the company. Pro forma total assets is calculated by adding Real Estate assets and Unallocated assets. Pro forma total assets should not be considered in isolation from and is not intended to

41

TIMBERLANDS BENCHMARKING:

EBITDA/Acre

Based on publicly reported financials, plus National Council of Real Estate  
Investment Fiduciaries (NCREIF) data

WY does not include Longview Timber

Pope Resources = Fee Timber Income from operations external + Fee Timber Depletion

NCREIF = Northwest NOI

Rayonier = Forest Resources EBITDA: Northern U.S. proportion estimated based on  
sales by geography

NCREIF = South NOI

Plum Creek = S Resources Operating Income + S Resources DDA

Deltic Timber = Woodlands Op Income + D, A and Cost of Fee Timber Harvested

Rayonier = Forest Resources EBITDA: Atlantic + Gulf States  
estimated based on sales by geography

WEST:

SOUTH:

2013 Annualized  
based on 3Q YTD actuals, as reported