



Earnings Release

4th Quarter — 2008

Weyerhaeuser Company
February 6, 2009

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Forward-looking Statement

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 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 release contains forward-looking statements regarding the company's expectations during the first quarter of 2009 regarding: the company's markets, earnings and performance of the company's business segments, declines in home sales, lower timberland harvest levels, lower export log prices, lower fuel and timberlands salvage costs, decreasing pricing and volumes for the company's wood products, lower pulp prices, increased maintenance costs, continued mill curtailments and shut downs and related matters. The 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 housing starts, the availability of financing for home mortgages, the level of interest rates and employment rates;
- Market demand for the company's products, which may be tied to the relative strength of various U.S. business segments and economic conditions;
- Performance of the company's manufacturing operations, including unexpected maintenance requirements;
- The successful execution of internal performance plans and cost reduction initiatives;
- The level of competition from domestic and foreign producers;
- The effect of forestry, land use, environmental and other governmental regulations, and changes in accounting regulations;
- The effect of weather;
- The risk of loss from fires, floods, windstorms, hurricanes, pest infestation and other natural disasters;
- Energy prices;
- Raw material prices;
- Chemical prices;
- Transportation costs;
- Legal proceedings;
- The effect of timing of retirements and changes in the market price of company stock on charges for stock-based compensation; and
- Performance of pension fund investments and related derivatives.

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

Statements Relating to 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



2008 Q4 Consolidated Results

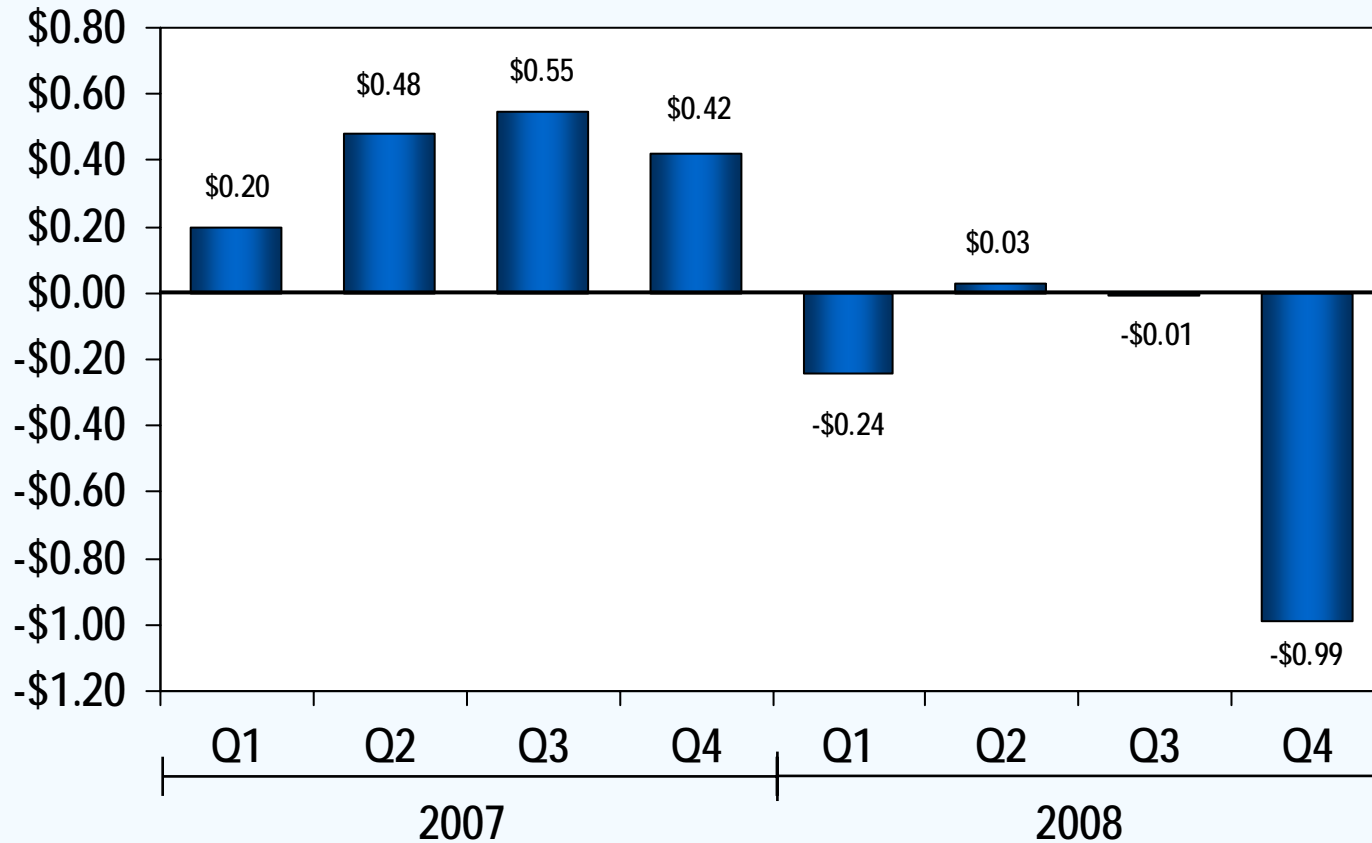
| | <u>2008 Q4</u> |
|--|----------------|
| Revenues (\$ Millions) | \$1,777 |
| Net Earnings before Special Items (\$ Millions) 1. | (\$209) |
| Diluted Earnings Per Share before Special Items 1. | (\$0.99) |

1. A reconciliation to GAAP is set forth on Chart 3 and at www.weyerhaeuser.com
2. Weyerhaeuser's continuing international operations outside of North America, previously reported in the Corporate and Other segment, are now reported as part of the Timberlands segment.
3. Containerboard, Packaging & Recycling was sold in August 2008.
4. Interest expense for 2008 Q4 includes \$33 million gain on early extinguishment of debt.

| \$ Millions except EPS | 2008 | 2008 |
|--|----------------|------------------|
| | Q3 | Q4 |
| Contribution to Pre-Tax Earnings before Special Items | | |
| Timberlands 2. | \$107 | \$62 |
| Wood Products | (109) | (199) |
| Cellulose Fibers | 78 | 65 |
| Containerboard, Packaging & Recycling 3. | 8 | 0 |
| Real Estate | (84) | (146) |
| Corporate and Other 2. | 17 | 5 |
| Total Contribution to Pre-Tax Earnings before Special Items | \$17 | (\$213) |
| Special Items | 1,085 | (1,225) |
| Total Contribution to Pre-Tax Earnings | \$1,102 | (\$1,438) |
| Interest Expense, net 4. | (116) | (86) |
| Income Taxes | (706) | 312 |
| Net Income | \$280 | (\$1,212) |
| Diluted EPS | \$1.33 | (\$5.73) |
| Diluted EPS before Special Items 1. | (\$0.01) | (\$0.99) |

Diluted EPS Before Special Items

A reconciliation to GAAP EPS is available on Chart 3 and at www.weyerhaeuser.com

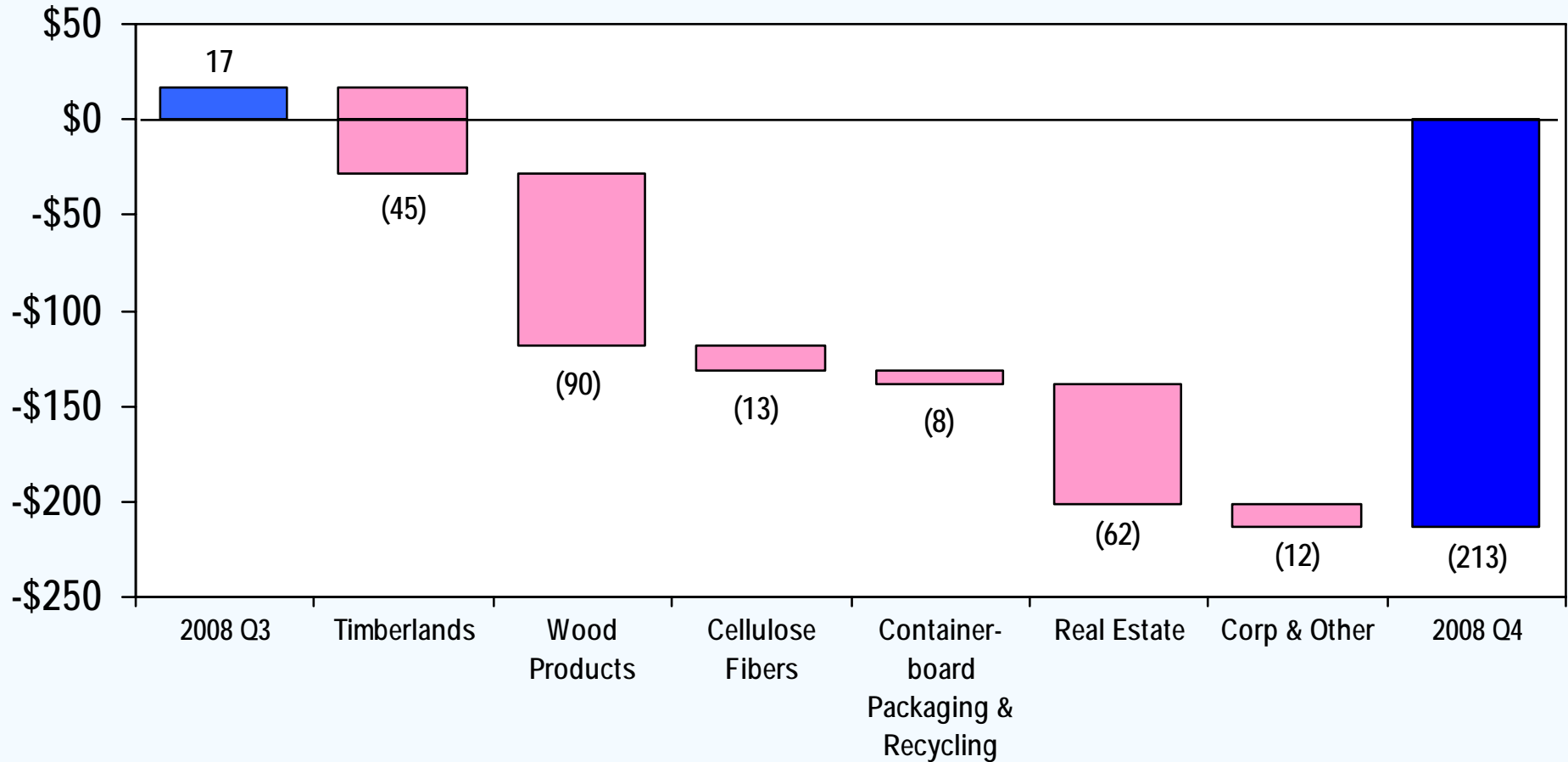


Reconciliation to GAAP

| \$ Millions except EPS | Diluted EPS | | Net Earnings | |
|---|---------------|-----------------|--------------|------------------|
| | 2008 | 2008 | 2008 | 2008 |
| | Q3 | Q4 | Q3 | Q4 |
| | | | | |
| Diluted EPS / Net Earnings before Special Items | (\$0.01) | (\$0.99) | (\$3) | (\$209) |
| Impairment of Goodwill | (0.00) | (3.91) | 0 | (827) |
| Real Estate Related Charges | (0.69) | (1.48) | (144) | (313) |
| Ownership Restructuring of Uruguay Assets | 0.00 | 0.70 | 0 | 149 |
| Closures, Restructuring and Impairment of Weyerhaeuser Assets | (0.16) | (0.15) | (34) | (33) |
| Gain on Early Extinguishment of Debt | 0.00 | 0.10 | 0 | 21 |
| Sale of Containerboard, Packaging & Recycling Operations | 1.44 | 0.00 | 303 | 0 |
| Sale of Australian Operations | 0.75 | 0.00 | 158 | 0 |
| Diluted EPS / Net Earnings (GAAP) | <u>\$1.33</u> | <u>(\$5.73)</u> | <u>\$280</u> | <u>(\$1,212)</u> |

Changes in Contribution to Earnings by Segment

Earnings Before Special Items, Interest and Taxes (\$ millions)¹.



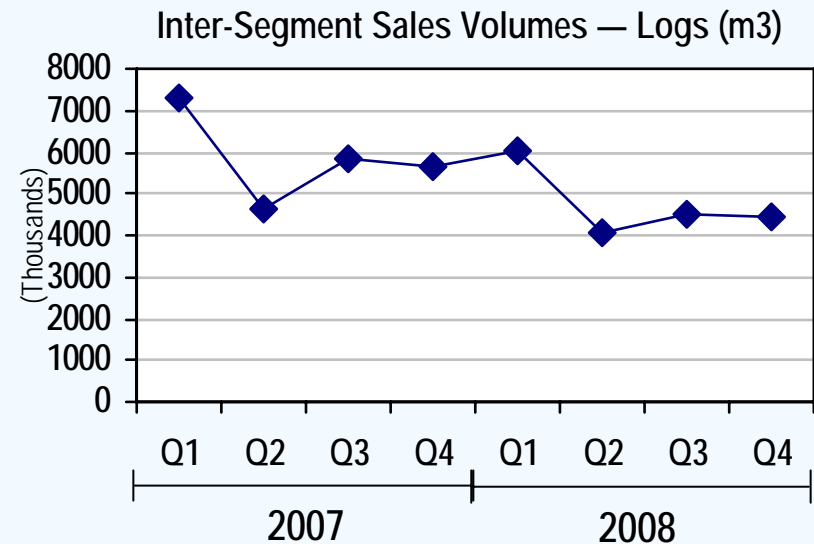
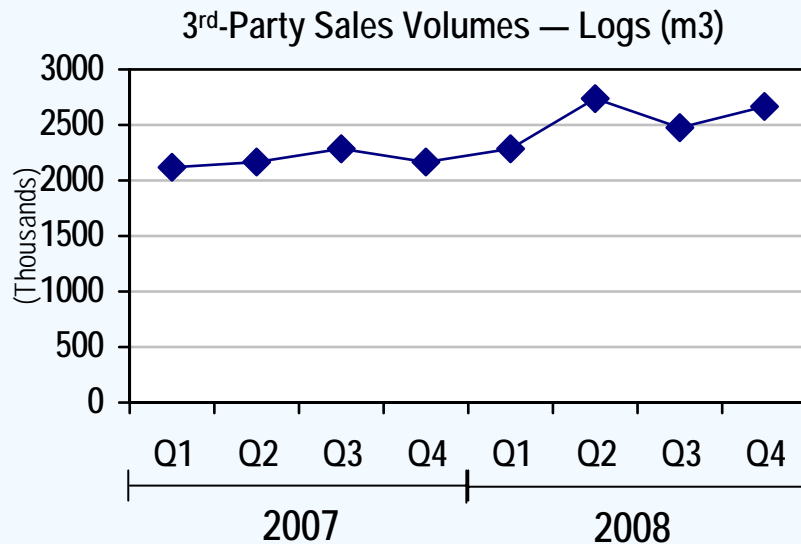
1. A reconciliation before Special Items to GAAP can be found on Chart 3 and at www.weyerhaeuser.com

Timberlands Segment

| <u>Timberlands</u> (\$ Millions) | <u>2008 Q3</u> | <u>2008 Q4</u> |
|----------------------------------|----------------|----------------|
| Third Party Revenues | \$254 | \$224 |
| Inter-Segment Revenues | \$253 | \$213 |
| Contribution to Pre-Tax Earnings | \$107 | \$62 |

4th Quarter Notes

- Lower sales of non-strategic timberlands
- Reduced fee harvest volumes
- Included losses related to international operations of \$10 million in the 4th quarter compared to \$6 million in the 3rd quarter

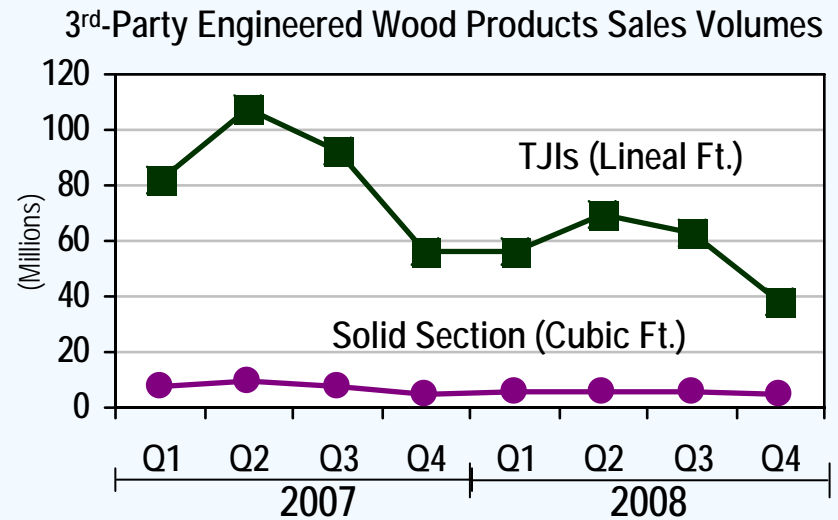
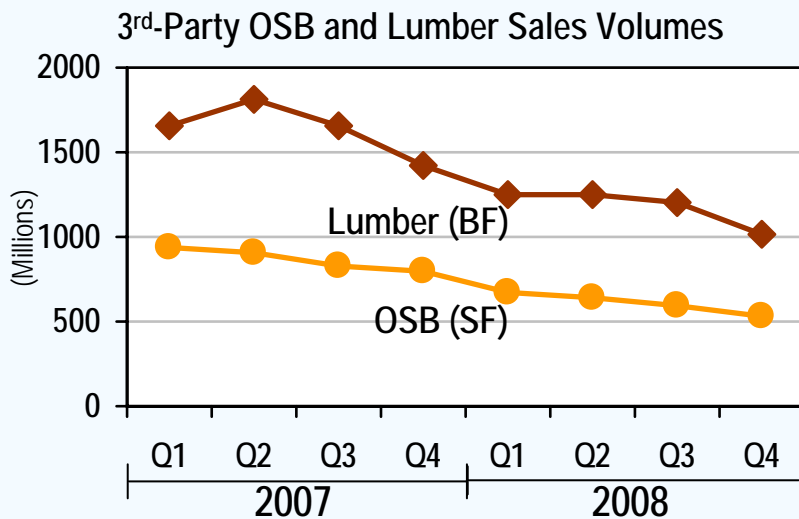


Wood Products Segment

| <u>Wood Products</u> (\$ Millions) | <u>2008 Q3</u> | <u>2008 Q4</u> |
|------------------------------------|----------------|----------------|
| Revenues | \$1,006 | \$725 |
| Contribution to Pre-Tax Earnings | (\$146) | (\$960) |

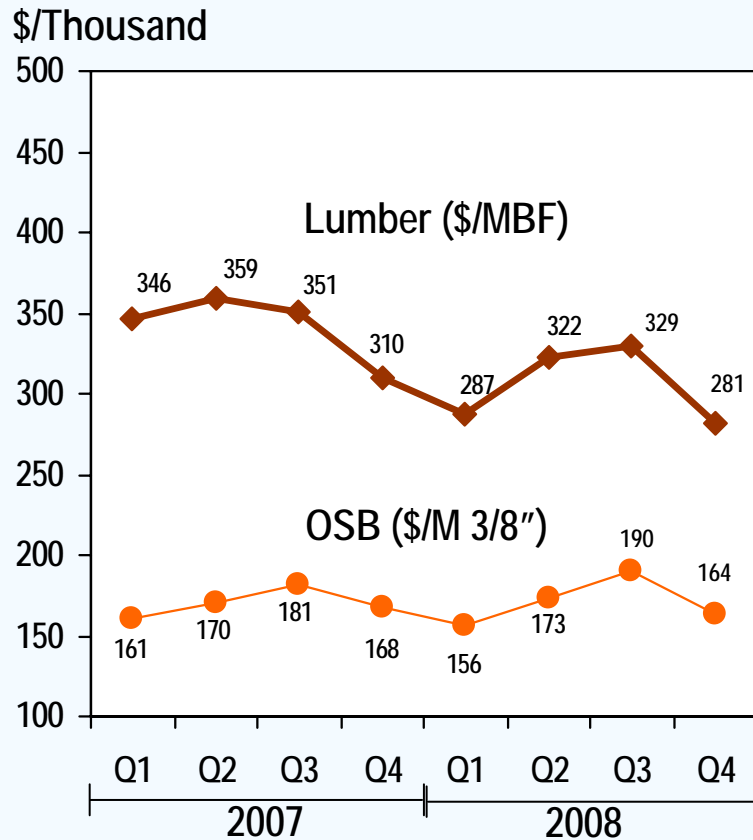
4th Quarter Notes

- Included charges of \$733 million for impairment of goodwill and \$28 million for closures, restructuring and impairment of other intangible assets
- Significantly lower prices for lumber and OSB
- Reduced sales volumes resulting from continued decline in housing market

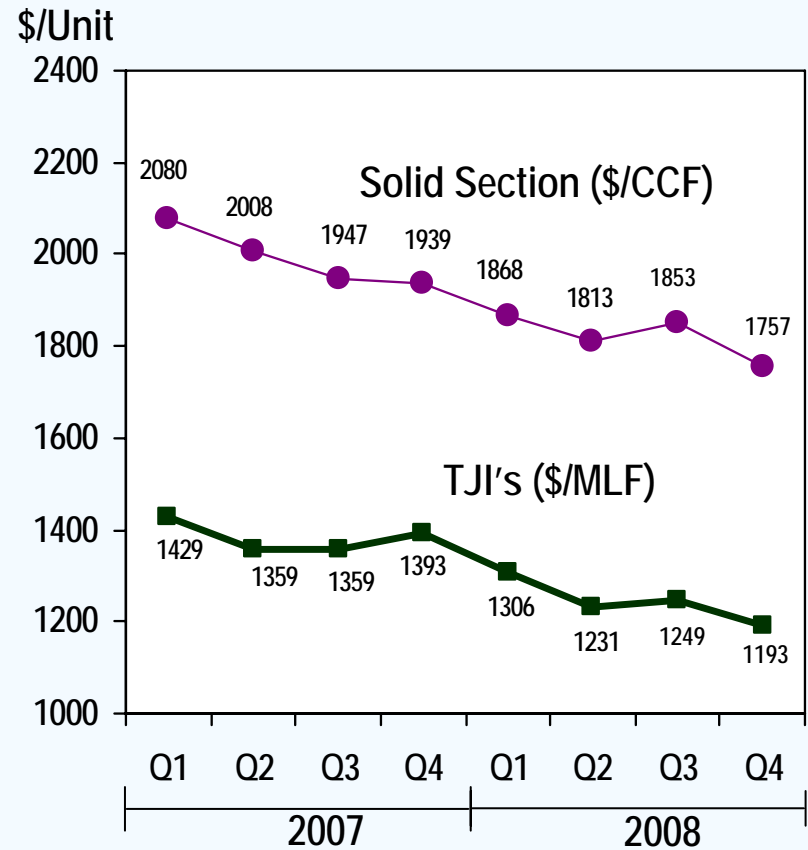


Average 3rd-Party Realizations — OSB and Lumber / Engineered Lumber

OSB and Lumber



Engineered Lumber

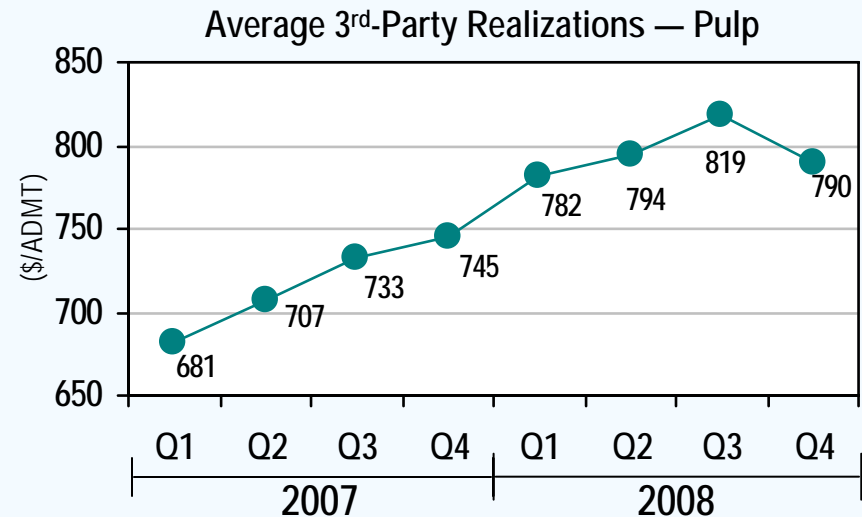
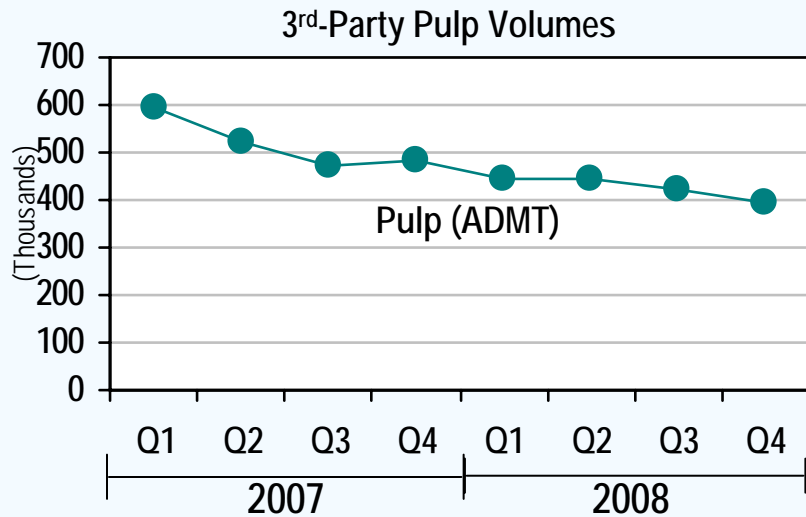


Cellulose Fibers Segment

| <u>Cellulose Fibers</u> (\$ Millions) | <u>2008 Q3</u> | <u>2008 Q4</u> |
|---------------------------------------|----------------|----------------|
| Revenues | \$447 | \$413 |
| Contribution to Pre-Tax Earnings | \$78 | (\$29) |

4th Quarter Notes

- Included charges of \$94 million for impairment of goodwill
- Lower pulp price realizations
- Reduced shipment volumes
- Lower capacity utilization, as production slowed to match declining demand



Real Estate Segment

| <u>Real Estate</u> (\$ Millions) | <u>2008 Q3</u> | <u>2008 Q4</u> |
|----------------------------------|----------------|----------------|
| Revenues | \$329 | \$354 |
| Contribution to Pre-Tax Earnings | (\$316) | (\$630) |

4th Quarter Notes

- Asset impairments were \$474 million in the 4th quarter compared to \$235 million in the 3rd quarter
- Included a loss of \$130 million on land sales in the 4th quarter compared to an \$87 million loss in the 3rd quarter
- Included restructuring charges of \$10 million

Weyerhaeuser Real Estate Company Key Indicators

| | 2007 | | | | 2008 | | | |
|--|-------|-------|-------|-------|-------|-------|-------|-------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| Sales Traffic (in Thousands) | 61 | 49 | 41 | 30 | 33 | 30 | 30 | 20 |
| Single-Family Homes Sold (Net New Orders) | 1,684 | 1,139 | 734 | 595 | 926 | 748 | 537 | 334 |
| Single-Family Homes Sold But Not Closed At End of Period (Backlog) | 2,207 | 2,284 | 1,873 | 1,224 | 1,306 | 1,185 | 1,002 | 581 |
| Cancellation Rate (%) | 16% | 25% | 33% | 40% | 26% | 31% | 36% | 41% |
| Single-Family Homes Closed | 976 | 1,062 | 1,145 | 1,244 | 844 | 869 | 720 | 755 |
| Average Home Closing Price (\$ Thousands) | \$480 | \$466 | \$461 | \$472 | \$399 | \$399 | \$421 | \$408 |

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2009 Q1 Outlook

| Segment | Comments |
|------------------|---|
| Timberlands | <ul style="list-style-type: none"> ● Fee harvest volume is expected to decrease. ● A decline in export logs prices is anticipated, and domestic realizations are likely to remain weak. ● We expect somewhat lower fuel and salvage costs. ● Weyerhaeuser expects 2009 Q1 earnings to be comparable to 2008 Q4. |
| Wood Products | <ul style="list-style-type: none"> ● Challenging market conditions are expected to continue into 2009 Q1. ● Mill curtailments and shutdowns are anticipated to continue. ● 2009 Q1 operating losses are expected to be similar to 2008 Q4. |
| Cellulose Fibers | <ul style="list-style-type: none"> ● Weyerhaeuser anticipates lower pulp prices. ● Increased costs related to annual maintenance are expected. ● 2009 Q1 earnings are expected to be significantly lower than 2008 Q4 earnings from operations. |
| Real Estate | <ul style="list-style-type: none"> ● Weyerhaeuser expects 2009 Q1 home closings to be seasonally lower than 2008 Q4. ● We expect depressed housing market conditions to continue. ● Excluding impairments and sales of land and other assets, the loss from homebuilding operations is expected to increase in 2009 Q1. |

Appendix

2008 Q4 Earnings Summary

| \$ Millions except EPS | 2007 | | | | 2008 | | | |
|--|------------------|---------------|---------------|-----------------|-----------------|-----------------|-----------------|------------------|
| | Q1 Revised 4. | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| Contribution to Earnings before Special Items | | | | | | | | |
| Timberlands 6. | \$175 | \$141 | \$165 | \$129 | \$112 | \$102 | \$107 | \$62 |
| Wood Products | (108) | (73) | (109) | (210) | (203) | (131) | (109) | (199) |
| Cellulose Fibers | 22 | 48 | 81 | 80 | 56 | 43 | 78 | 65 |
| Fine Paper | 22 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Containerboard, Packaging & Recycling 5. | 69 | 88 | 100 | 103 | 97 | 109 | 8 | 0 |
| Real Estate | 58 | 76 | 83 | 143 | (22) | (26) | (84) | (146) |
| Corporate and Other 6. | (49) | (13) | (36) | (34) | (19) | 17 | 17 | 5 |
| Total Contribution to Earnings before Special Items | \$189 | \$267 | \$284 | \$211 | \$21 | \$114 | \$17 | (\$213) |
| Special Items | 566 | (68) | (24) | (222) | (156) | (254) | 1,085 | (1,225) |
| Total Contribution to Earnings | \$755 | \$199 | \$260 | (\$11) | (\$135) | (\$140) | \$1,102 | (\$1,438) |
| Interest Expense, net 1. | (118) | (150) | (102) | (104) | (108) | (106) | (116) | (86) |
| Income Taxes 2. | 83 | (17) | (57) | 52 | 95 | 150 | (706) | 312 |
| Net Income (loss) | \$720 | \$32 | \$101 | (\$63) | (\$148) | (\$96) | \$280 | (\$1,212) |
| Diluted EPS | \$3.07 | \$0.15 | \$0.47 | (\$0.30) | (\$0.70) | (\$0.45) | \$1.33 | (\$5.73) |
| Diluted EPS before Special Items 3. | \$0.20 | \$0.48 | \$0.55 | \$0.42 | (\$0.24) | \$0.03 | (\$0.01) | (\$0.99) |

1. Interest expense includes \$33MM gain in 2008 Q4 and \$42MM loss in 2007 Q2 on early extinguishment of debt.

2. Income taxes in 2007 Q1 included a \$92MM tax benefit on the Canadian portion of the net gain recognized on the distribution of the fine paper business and related assets (Domtar Transaction). Income taxes in 2007 Q4 include a \$13MM net tax benefit from changes in the Canadian federal tax rate and Mexican tax law. Income taxes for 2008 Q2 include a \$14 million tax benefit from the release of FIN 48 tax liabilities. Income taxes in 2008 Q4 include an increase of \$4 million in FIN48 liabilities, of which \$13 million tax expense is booked in discontinued operations and \$9 million tax benefit is booked in continuing operations.

3. A reconciliation to GAAP is set forth on Chart 11 and at www.weyerhaeuser.com

4. 2007 Q1 results have been revised to include a \$35MM after-tax adjustment to the net gain on the Domtar Transaction.

5. Containerboard, Packaging & Recycling was sold in August 2008.

6. Weyerhaeuser's continuing international operations outside of North America, previously reported in the Corporate and Other segment, are now reported as part of the Timberlands segment.

Earnings per Share Reconciliation

| | 2007 | | | | 2008 | | | |
|---|------------------|--------|--------|----------|----------|----------|----------|----------|
| | Q1 Revised 1. | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| Diluted EPS before Special Items | \$0.20 | \$0.48 | \$0.55 | \$0.42 | (\$0.24) | \$0.03 | (\$0.01) | (\$0.99) |
| Closures, Restructuring and Impairment of Weyerhaeuser Assets | (0.20) | (0.09) | (0.16) | (0.37) | (0.19) | (0.20) | (0.16) | (0.15) |
| Real Estate Related Charges | | (0.04) | (0.07) | (0.40) | (0.17) | (0.98) | (0.69) | (1.48) |
| Impairment of Goodwill | | | | | | | | (3.91) |
| Changes to Post-Retirement Benefits | | | | | | 0.15 | | |
| Environmental Reserve Adjustment | | | | | (0.05) | | | |
| Legal Settlement and Reserve Adjustments / Contract Terminations | | (0.12) | 0.12 | | (0.05) | | | |
| Net Gain on Divestiture of Assets and Operations / Restructuring of Uruguay Ownership | 3.07 | 0.04 | 0.03 | 0.02 | | 0.48 | 2.19 | 0.70 |
| Casualty Loss / Storm Damage | | | | (0.03) | | | | |
| Tax Law Changes / Other One-time Tax Benefits | | | | 0.06 | | 0.07 | | |
| Gain (Loss) on Early Extinguishment of Debt | | (0.12) | | | | | | 0.10 |
| Diluted EPS (GAAP) | \$3.07 | \$0.15 | \$0.47 | (\$0.30) | (\$0.70) | (\$0.45) | \$1.33 | (\$5.73) |

1. 2007 Q1 results have been revised to reflect a \$0.17 per diluted share after-tax adjustment to the net gain on the Domtar Transaction.