



Earnings Release

2nd Quarter — 2008

Weyerhaeuser Company
August 5, 2008

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Forward-looking Statement

This presentation contains statements concerning the company's future results and performance that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Some of these forward-looking statements can be identified by the use of forward-looking terminology such as "expects," "may," "will," "believes," "should," "approximately," "anticipates," "estimates," and "plans," and the negative or other variations of those terms or comparable terminology or by discussions of strategy, plans or intentions. We make forward-looking statements of our expectations during the third quarter of 2008 regarding: the company's markets, homebuilding starts, earnings and performance of our business segments, higher costs for energy and silvaculture, additional logging and road costs, demand and pricing for our wood products, decreased expenses for annual planned maintenance in the Cellulose Fibers segment, increases in freight charges, increases in chemical and fiber costs and related matters.

In addition, we base our forward-looking statements on the expected effect of: foreign exchange rates, primarily the Euro and Canadian dollar; adverse litigation outcomes and the adequacy of reserves; regulations; changes in accounting principles; the effect of implementation or retrospective application of accounting methods; contributions to pension plans; projected benefit payments; projected tax rates; tax audit outcomes and timing of settlements; and other related matters.

The accuracy of such statements is subject to a number of risks, uncertainties and assumptions that may cause actual results to differ materially from those projected, including, but not limited to:

- Performance of the company's manufacturing operations including unexpected maintenance requirements;
- Successful execution of internal performance plans, including restructurings and cost reduction initiatives;
- Restructuring of our business support functions following the divestiture of the Containerboard Packaging and Recycling businesses;
- Successful salvage of our storm-damaged timber in the Pacific Northwest;
- 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;
- The effect of general economic conditions, including the level of interest rates and housing starts;
- Market demand for the company's products, which may be tied to the relative strength of various U.S. business segments;
- Energy prices;
- Raw material prices;
- Chemical prices;
- Transportation costs;
- The level of competition from domestic and foreign producers;
- The effect of forestry, land use, environmental and other governmental regulations;
- Legal proceedings;
- Weather;
- Loss from fires, floods, windstorms, pest infestation and other natural disasters; and
- Other factors described under "Risk Factors" in our periodic reports.

We are a large exporter and affected by changes in economic activity in Europe and Asia, especially Japan; currency exchange rates; and restrictions on international trade or tariffs imposed on imports. These and other factors could cause or contribute to actual results differing materially from such forward-looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will occur, or if any of them occurs, what effect they will have on the company's results of operations or financial condition. The company expressly declines any obligation to publicly revise any forward-looking statements that have been made to reflect the occurrence of events after the date of this news release.

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 Q2 Consolidated Results

	<u>2008 Q2</u>
Revenues (\$ Millions)	\$3,610
Net Earnings before Special Items (\$ Millions) ¹ .	\$7
Diluted Earnings Per Share before Special Items ¹ .	\$0.03

\$ Millions except EPS	2008	2008
	Q1	Q2
Contribution to Pre-Tax Earnings before Special Items		
Timberlands	\$116	\$109
Wood Products	(203)	(131)
Cellulose Fibers	56	43
Containerboard, Packaging & Recycling ² .	97	109
Real Estate	(22)	(26)
Corporate and Other	(23)	10
Total Contribution to Pre-Tax Earnings before Special Items	\$21	\$114
Special Items	(156)	(254)
Total Contribution to Pre-Tax Earnings	(\$135)	(\$140)
Interest Expense, net	(108)	(106)
Income Taxes ³ .	95	150
Net Income	(\$148)	(\$96)
Diluted EPS	(\$0.70)	(\$0.45)
Diluted EPS before Special Items ¹.	(\$0.24)	\$0.03

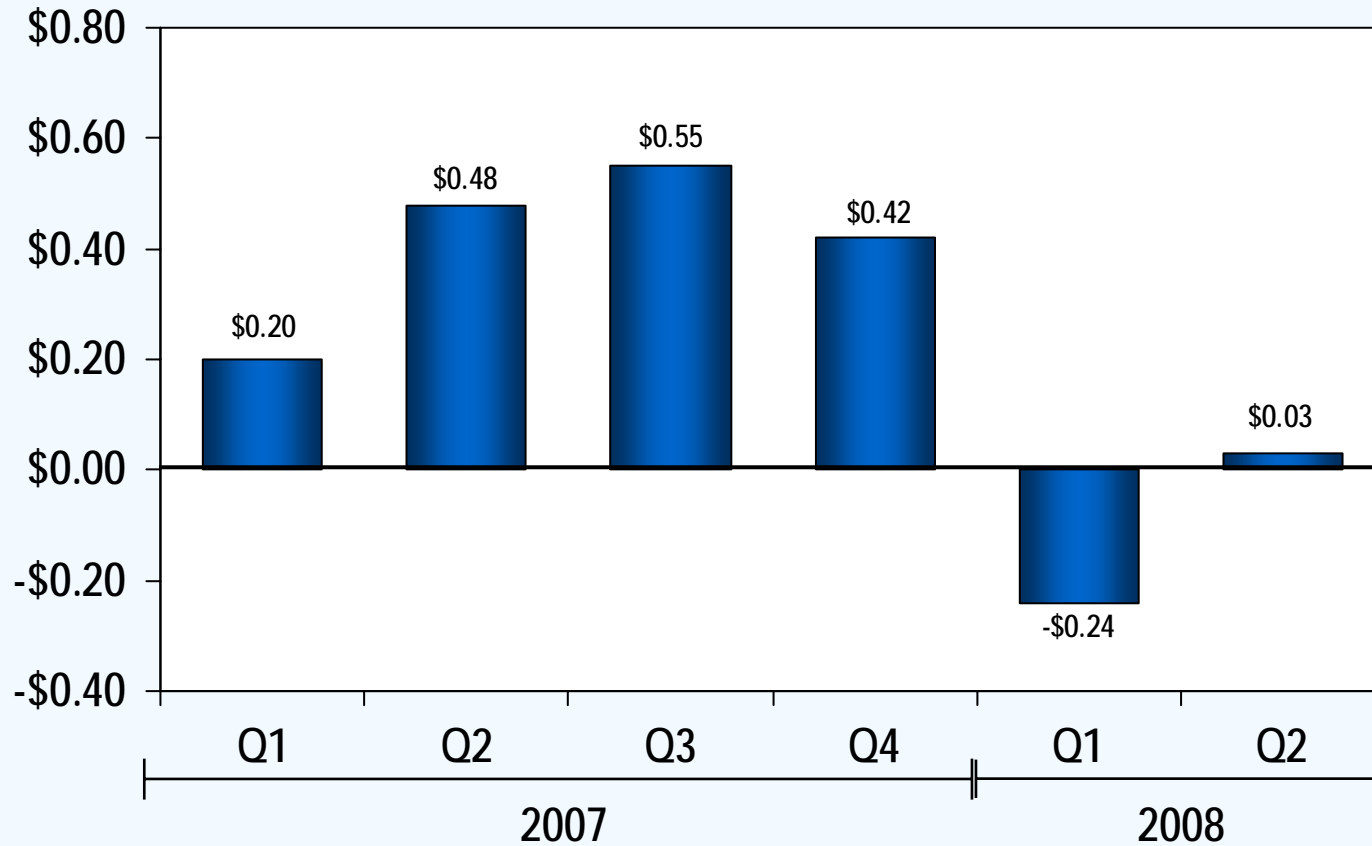
1. A reconciliation to GAAP is set forth on Chart 3 and at www.weyerhaeuser.com

2. Containerboard, Packaging & Recycling is discontinued operations as of March 15, 2008. A presentation of continuing and discontinued operations can be found at www.weyerhaeuser.com

3. Income taxes for 2008 Q2 include a \$14 million tax benefit from the release of FIN 48 tax liabilities.

Diluted EPS Before Special Items

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



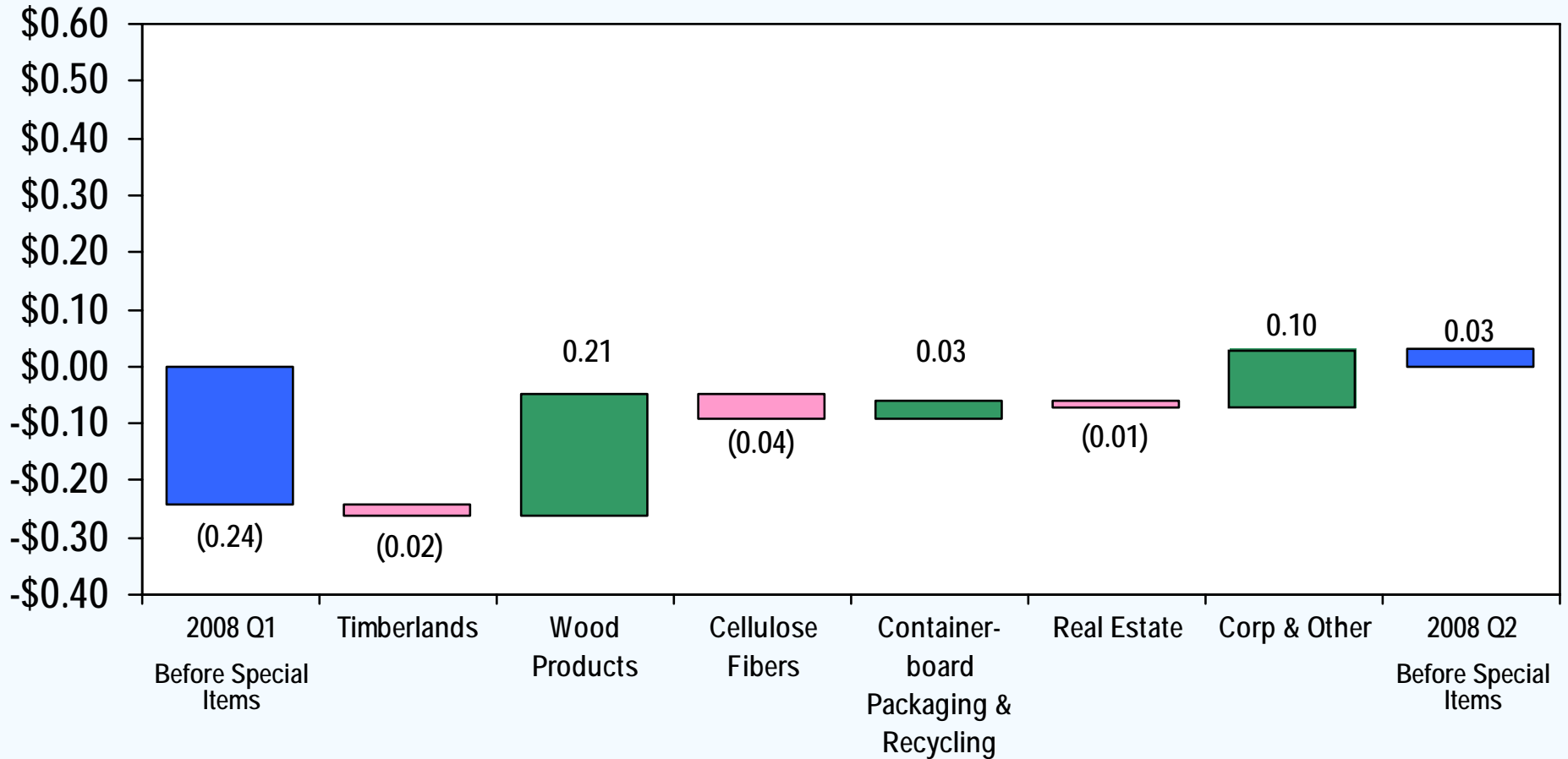
Reconciliation to GAAP

\$ Millions except EPS

	Diluted EPS		Net Earnings	
	2008	2008	2008	2008
	Q1	Q2	Q1	Q2
Diluted EPS / Net Earnings before Special Items	(\$0.24)	\$0.03	(\$51)	\$7
Closures and Impairment of Weyerhaeuser Assets	(0.19)	(0.09)	(40)	(20)
Impairments and Reserves for Real Estate Assets	(0.17)	(0.98)	(35)	(206)
Ownership Restructuring of Uruguay Assets	0.00	0.48	0	101
Changes to Post-Retirement Benefits	0.00	0.15	0	32
Restructuring Charges, Primarily Corporate Staff	0.00	(0.11)	0	(24)
Release of Tax Liabilities	0.00	0.07	0	14
Environmental Reserve Adjustment	(0.05)	0.00	(11)	0
Legal Reserves / Contract Terminations	(0.05)	0.00	(11)	0
Diluted EPS / Net Earnings (GAAP)	<u>(\$0.70)</u>	<u>(\$0.45)</u>	<u>(\$148)</u>	<u>(\$96)</u>

Changes in Earnings per Share by Segment

\$ per Share Before Special Items¹.



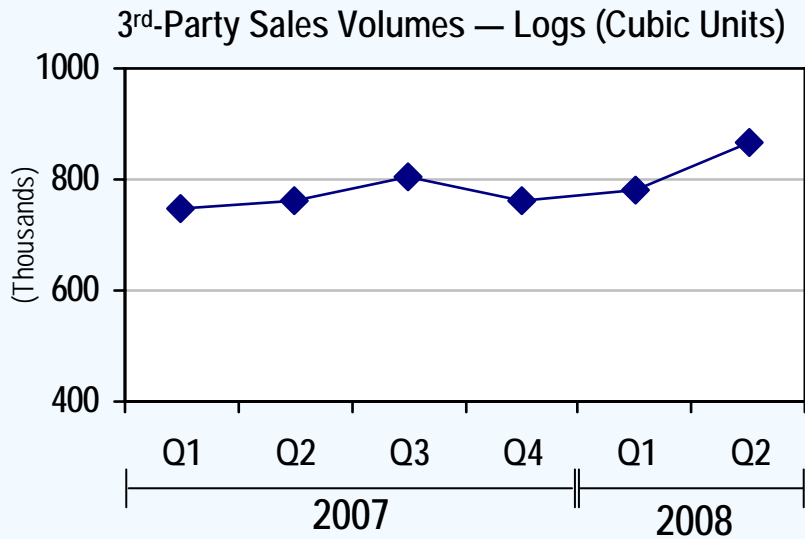
1. A reconciliation before Special Items to GAAP can be found on Chart 3 and at www.weyerhaeuser.com

Segment Highlights — Timberlands

<u>Timberlands</u> (\$ Millions)	<u>2008 Q1</u>	<u>2008 Q2</u>
Revenues	\$194	\$214
Contribution to Pre-Tax Earnings	\$116	\$108

2nd Quarter Highlights

- Higher fee volume in the West, largely due to storm salvage efforts
- Higher fuel costs
- Seasonally higher silviculture costs
- Higher logging costs due to salvage efforts

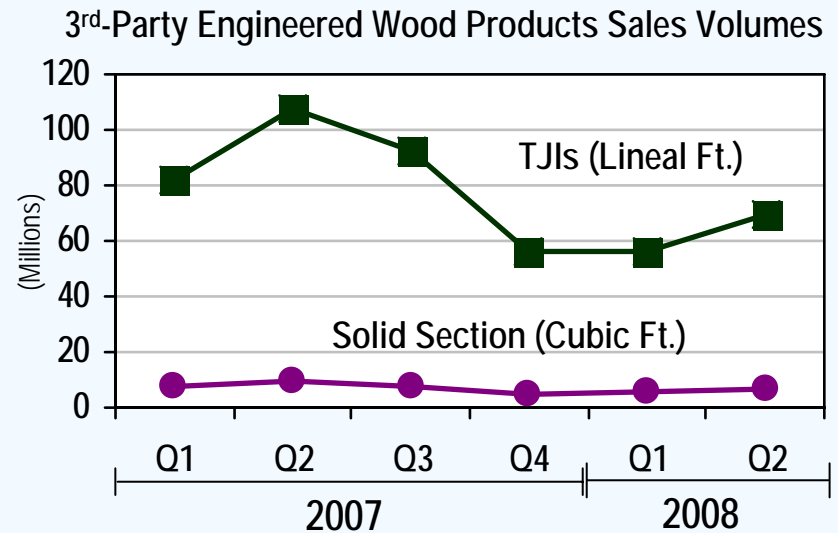
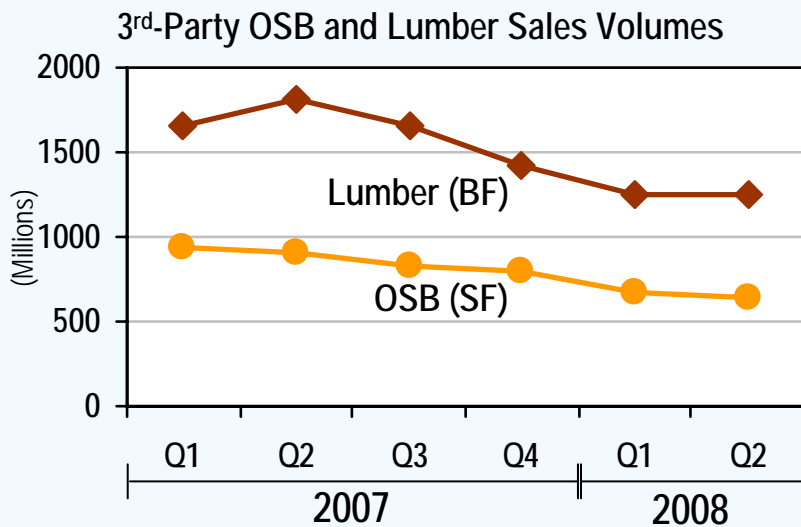


Segment Highlights — Wood Products

<u>Wood Products</u> (\$ Millions)	<u>2008 Q1</u>	<u>2008 Q2</u>
Revenues	\$966	\$1,071
Contribution to Pre-Tax Earnings	(\$277)	(\$164)

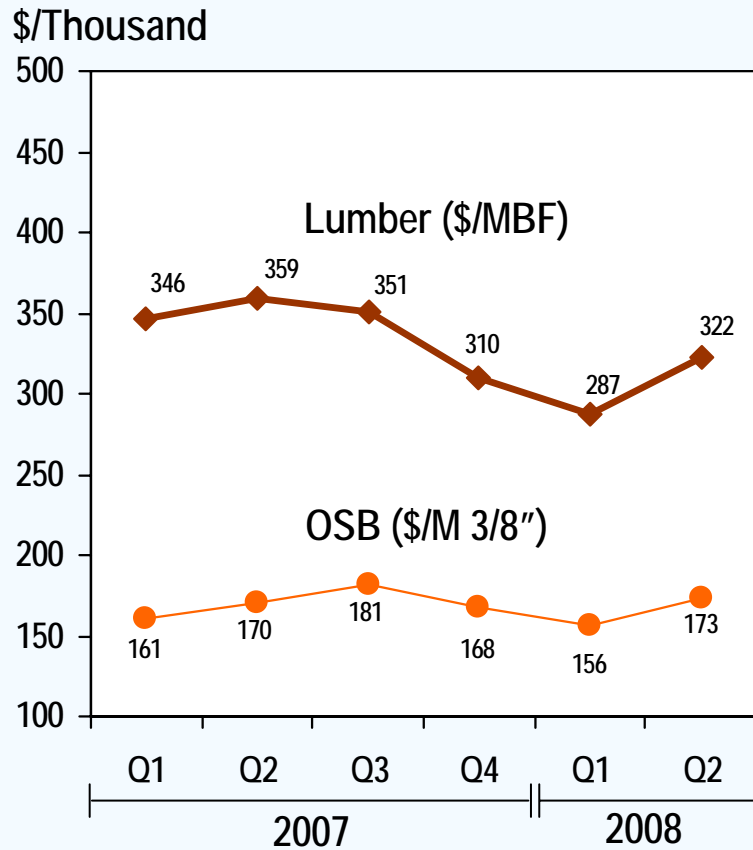
2nd Quarter Highlights

- Higher price realizations for lumber and OSB
- Included charges of \$30 million for facility closures and asset impairments

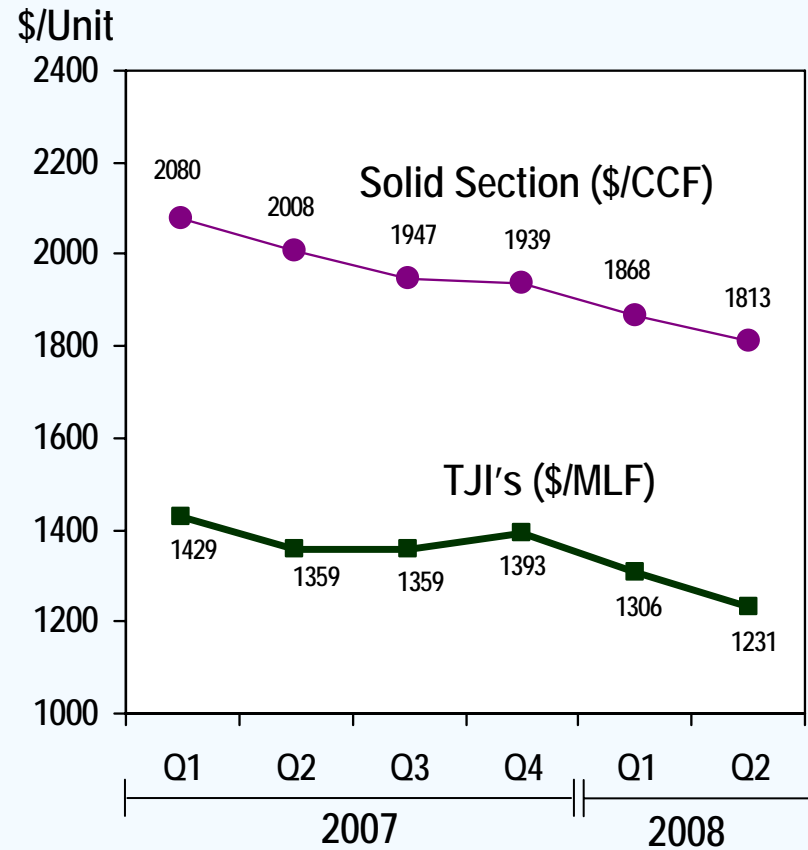


Average 3rd-Party Realizations — OSB and Lumber / Engineered Lumber

OSB and Lumber



Engineered Lumber

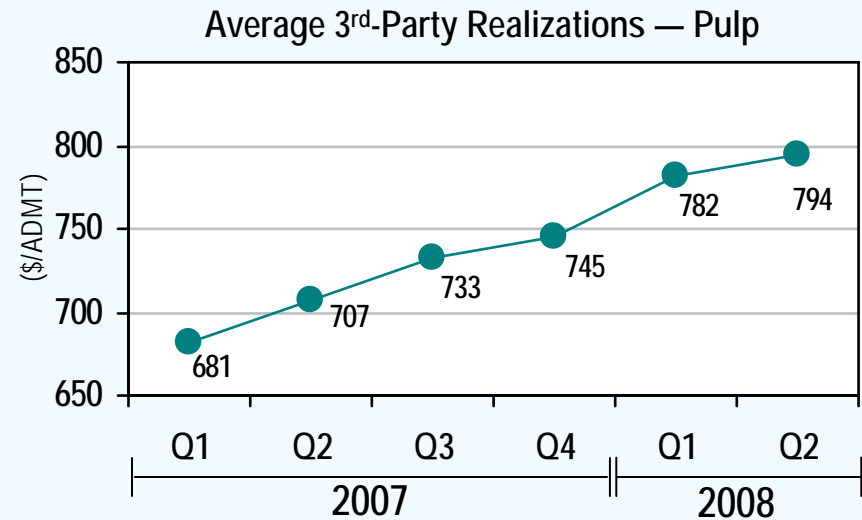
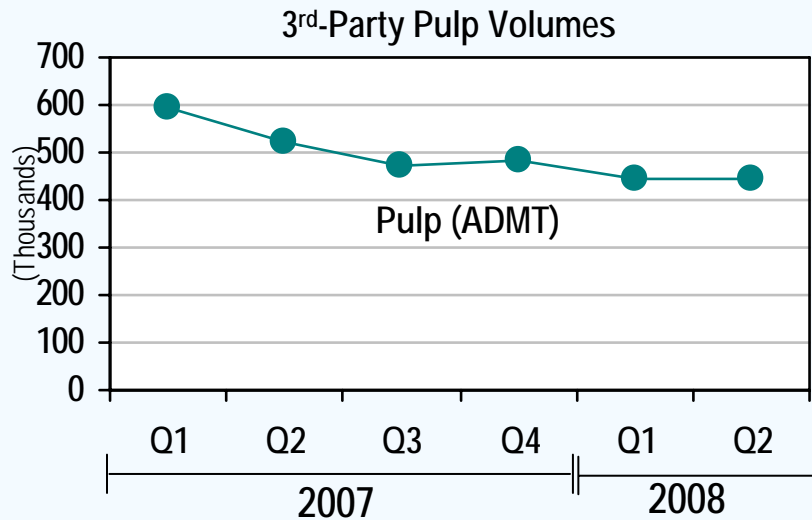


Segment Highlights — Cellulose Fibers

<u>Cellulose Fibers</u> (\$ Millions)	<u>2008 Q1</u>	<u>2008 Q2</u>
Revenues	\$445	\$460
Contribution to Pre-Tax Earnings	\$56	\$42

2nd Quarter Highlights

- Average price realizations for both pulp and liquid packaging board increased
- Higher expenses associated with scheduled annual maintenance
- Freight, energy and fiber costs increased

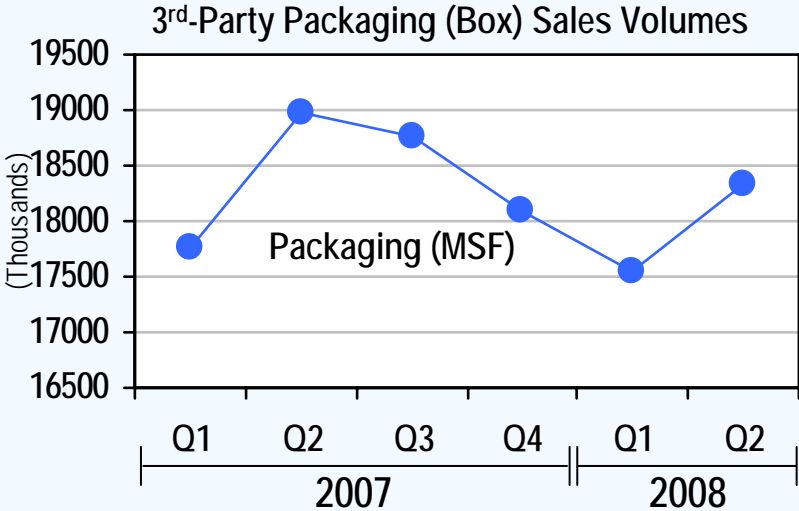
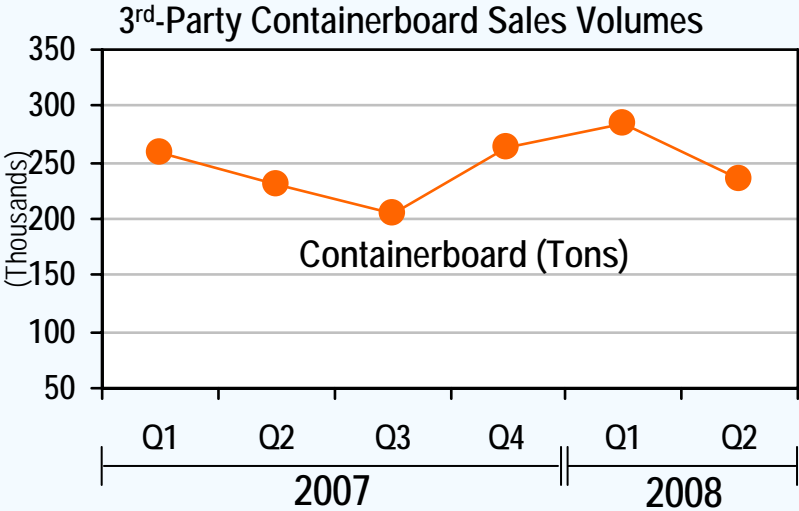


Segment Highlights — Containerboard, Packaging & Recycling

<u>Containerboard, Packaging & Recycling</u> (\$ Millions)	<u>2008 Q1</u>	<u>2008 Q2</u>
Revenues	\$1,297	\$1,375
Contribution to Pre-Tax Earnings	\$89	\$105

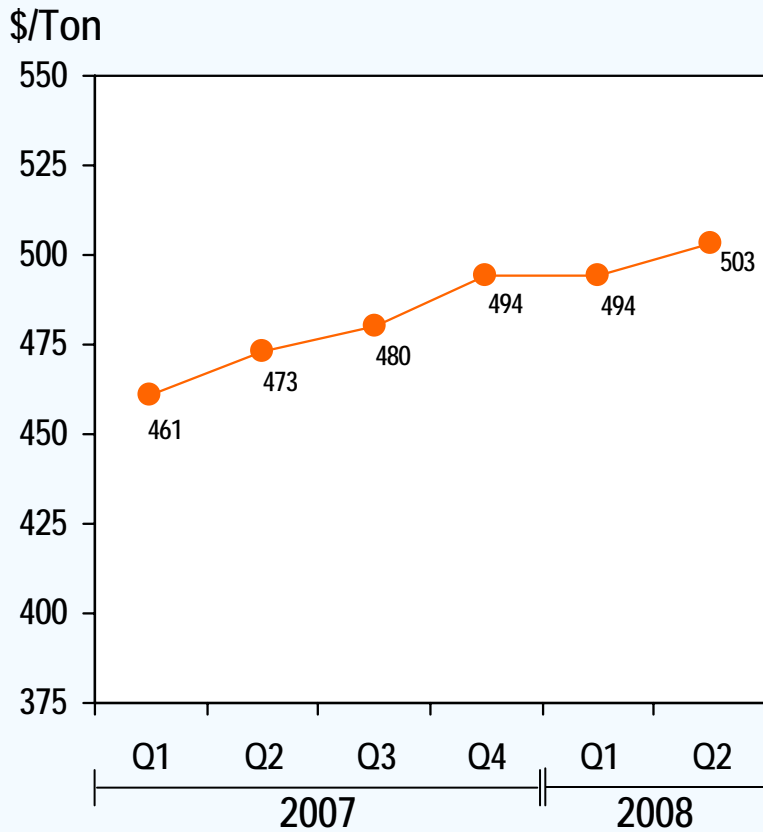
2nd Quarter Highlights

- Higher expenses for scheduled annual maintenance activities
- Flooding in Iowa resulted in downtime at 2 facilities and increased costs
- Average packaging price realizations increased
- Packaging shipments were seasonally higher
- 2nd quarter results exclude depreciation

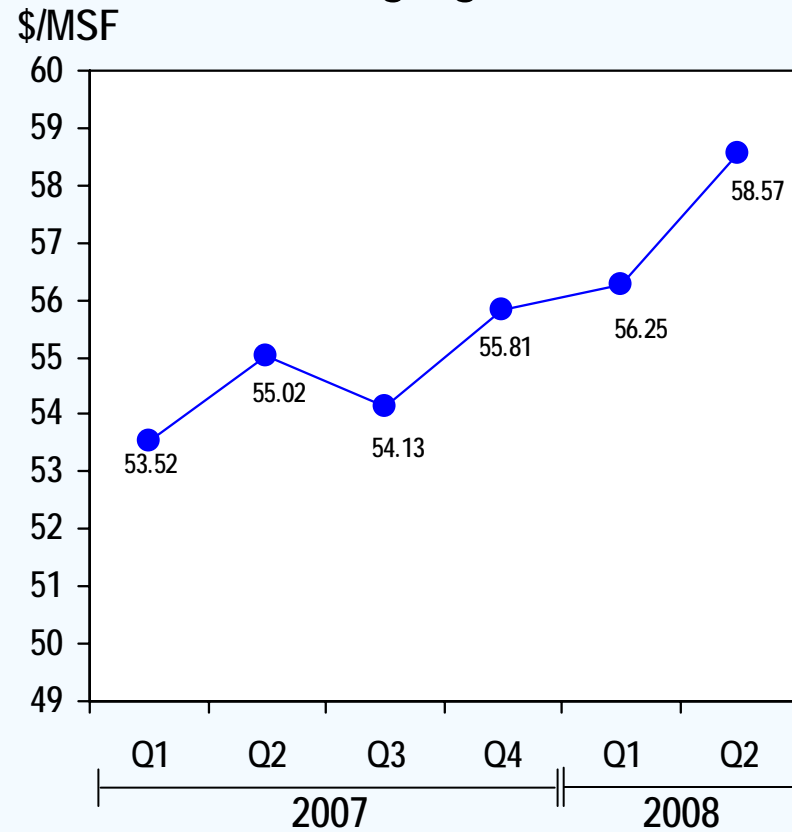


Average 3rd-Party Realizations — Containerboard and Packaging

Containerboard



Packaging (Box)



Segment Highlights — Real Estate

<u>Real Estate</u> (\$ Millions)	<u>2008 Q1</u>	<u>2008 Q2</u>
Revenues	\$371	\$354
Contribution to Pre-Tax Earnings	(\$74)	(\$337)

2nd Quarter Highlights

- Earnings from single-family homebuilding declined due to significantly lower margins
- Closings on single family home sales increased 3%
- Fewer land and lot sales
- Pre-tax impairments for real estate operations were \$311 million

Weyerhaeuser Real Estate Company Key Indicators

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

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2008 3Q Outlook

Segment	Comments
Timberlands	<ul style="list-style-type: none"> ● Weyerhaeuser expects 2008 Q3 earnings from this segment to be slightly higher than 2008 Q2 ● The segment expects lower domestic log prices, a seasonal decline in fee harvest volumes, and higher operating costs, offset by an anticipated increase in non-strategic land sales
Wood Products	<ul style="list-style-type: none"> ● Weyerhaeuser expects challenging market conditions to continue into 2008 Q3 ● 2008 Q3 operating losses are anticipated to be slightly less than 2008 Q2
Cellulose Fibers	<ul style="list-style-type: none"> ● The company expects 2008 Q3 earnings for the segment to significantly improve compared to 2008 Q2, primarily due to fewer annual maintenance outages ● Average price realizations for both pulp and liquid packaging board are expected to increase, partially offset by higher chemical costs
Containerboard, Packaging & Recycling	<ul style="list-style-type: none"> ● Weyerhaeuser sold its containerboard, packaging and recycling operations to International Paper on August 4 ● 2008 Q3 results will include the segment's operations for July
Real Estate	<ul style="list-style-type: none"> ● Excluding 2008 Q2 impairments, Weyerhaeuser expects a comparable loss from this segment's single-family homebuilding operations in 2008 Q3

Appendix



2008 Q2 Earnings Summary

\$ Millions except EPS	2007				2008	
	Q1 Revised 4.	Q2	Q3	Q4	Q1	Q2
Contribution to Earnings before Special Items						
Timberlands	\$175	\$142	\$167	\$133	\$116	\$109
Wood Products	(108)	(73)	(109)	(210)	(203)	(131)
Cellulose Fibers	22	48	81	80	56	43
Fine Paper	22	0	0	0	0	0
Containerboard, Packaging & Recycling 5.	69	88	100	103	97	109
Real Estate	58	76	83	143	(22)	(26)
Corporate and Other	(49)	(14)	(38)	(38)	(23)	10
Total Contribution to Earnings before Special Items	\$189	\$267	\$284	\$211	\$21	\$114
Special Items	566	(68)	(24)	(222)	(156)	(254)
Total Contribution to Earnings	\$755	\$199	\$260	(\$11)	(\$135)	(\$140)
Interest Expense, net 1.	(118)	(150)	(102)	(104)	(108)	(106)
Income Taxes 2.	83	(17)	(57)	52	95	150
Net Income (loss)	\$720	\$32	\$101	(\$63)	(\$148)	(\$96)
Diluted EPS	\$3.07	\$0.15	\$0.47	(\$0.30)	(\$0.70)	(\$0.45)
Diluted EPS before Special Items 3.	\$0.20	\$0.48	\$0.55	\$0.42	(\$0.24)	\$0.03

1. Interest expense included \$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.

3. A reconciliation to GAAP is set forth on Chart 14 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 is discontinued operations as of March 15, 2008. A presentation of continuing and discontinued operations is set forth at www.weyerhaeuser.com

Earnings per Share Reconciliation

	2007				2008	
	Q1 Revised 1.	Q2	Q3	Q4	Q1	Q2
Diluted EPS before Special Items	\$0.20	\$0.48	\$0.55	\$0.42	(\$0.24)	\$0.03
Closures, Restructuring and Impairment of Weyerhaeuser Assets	(0.20)	(0.09)	(0.16)	(0.37)	(0.19)	(0.20)
Impairments and Reserves for Real Estate Assets		(0.04)	(0.07)	(0.40)	(0.17)	(0.98)
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)	
Gain (Loss) on Domtar Transaction / Restructuring of Uruguay Ownership	3.07	(0.02)		(0.10)		0.48
Net Gain on Sale of Assets and Operations		0.06	0.03	0.12		
Casualty Loss / Storm Damage				(0.03)		
Tax Law Changes / Other One-time Tax Benefits				0.06		0.07
Loss on Early Extinguishment of Debt		(0.12)				
Diluted EPS (GAAP)	\$3.07	\$0.15	\$0.47	(\$0.30)	(\$0.70)	(\$0.45)

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.