

WEYERHAEUSER

Earnings Release – 1st Quarter 2011

04.29.11



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. 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 presentation.

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 presentation contains forward-looking statements regarding the company's expectations during the during the second quarter of 2011, including housing market conditions; market challenges for our Timberlands, Wood Products and Real Estate segments; higher selling prices and harvest volumes for western logs and flat sales realizations and higher volumes in the south for Timberlands, partially offset by higher fuel expenses and seasonally higher road and silviculture costs; improved operating rates, seasonally higher sales volumes and flat sales realizations, partially offset by increased log costs, and positive cash flow in the Wood Products segment; higher selling prices and volumes, partially offset by increased scheduled maintenance costs and lower productivity in the Cellulose Fiber segment; and a seasonal increase in home sale closings and a decline in average closing prices in our single-family homebuilding operations. 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 economic conditions;
- performance of the company's manufacturing operations, including maintenance requirements;
- raw material prices;
- energy and transportation costs;
- the successful execution of internal performance plans, including restructurings and cost reduction initiatives;
- the level of competition from domestic and foreign producers;
- the effect of the Japanese disaster on demand for company products;
- the effect of weather and the risk of loss from fires, floods, windstorms, hurricanes, pest infestation and other natural disasters;
- federal tax policies;
- the effect of forestry, land use, environmental and other governmental regulations;
- legal proceedings;
- 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;
- performance of pension fund investments and related derivatives; and
- other factors described under "Risk Factors" in the Company's annual report on Form 10-K.

The company also is a large exporter and is affected by changes in economic activity in Europe and Asia, particularly Japan and China. 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**



2011 Q1 Consolidated Results

Chart 1

	2011 Q1
Revenues (\$ Millions)	\$1,578
Net Earnings Before Special Items (\$ Millions) ¹	\$3
Diluted Earnings Per Share Before Special Items ¹	\$0.00

1. A reconciliation to GAAP is set forth on Chart 3, and at www.weyerhaeuser.com
2. Interest expense is net of capitalized interest.
3. Income taxes for 2010 Q4 include income tax benefits of \$149 million from the Cellulosic Biofuel Producers Credit, \$22 million from the reversal of deferred tax liabilities, and \$6 million related to FIN 48 and other adjustments.

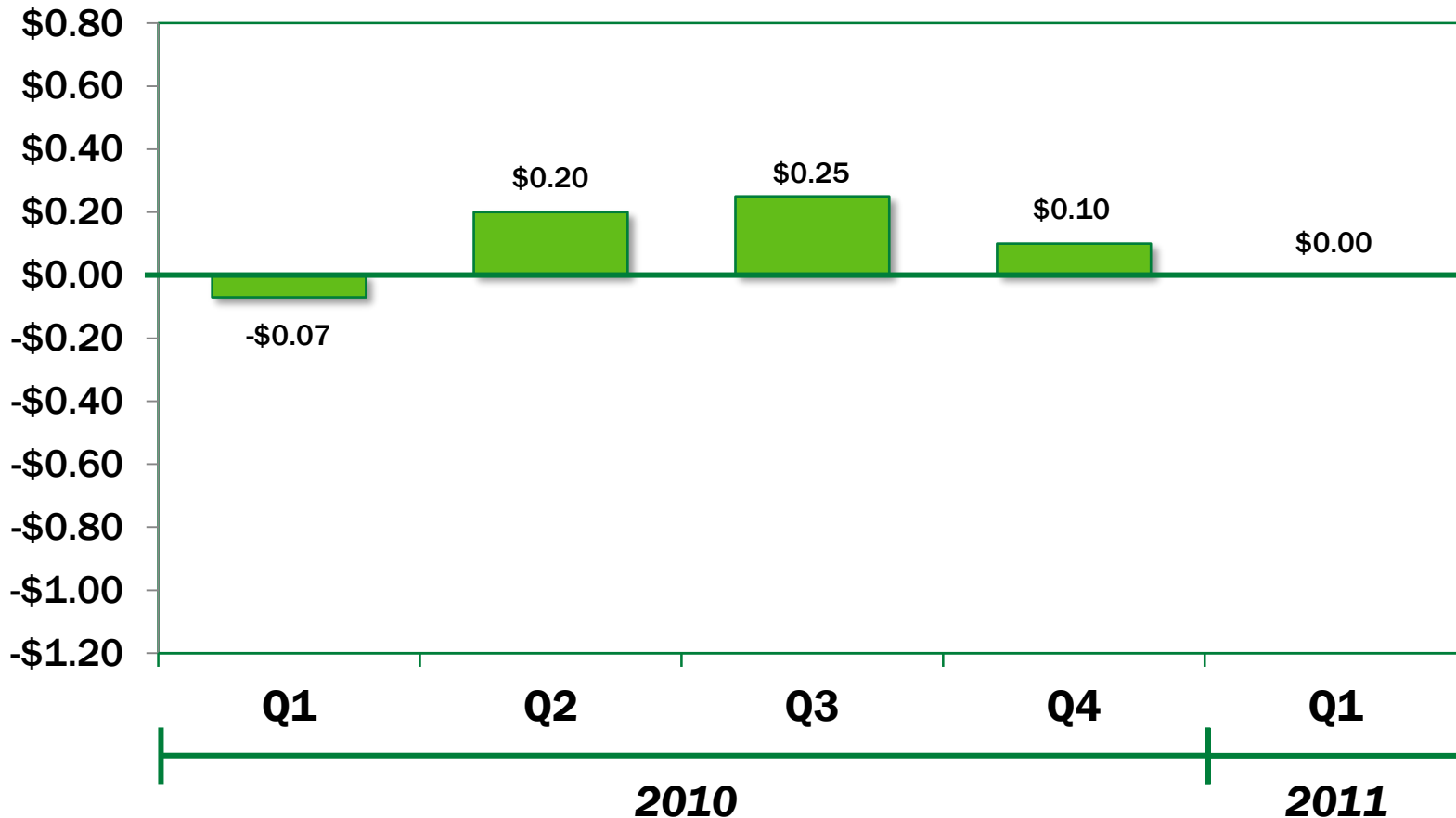
\$ Millions except EPS	2010	2011
Contribution to Pre-Tax Earnings Before Special Items	Q4	Q1
Timberlands	\$56	\$89
Wood Products	(85)	(36)
Cellulose Fibers	138	86
Real Estate	33	(1)
Corporate and Other	2	(41)
Total Contribution to Pre-Tax Earnings Before Special Items	\$144	\$97
Special Items	(84)	152
Total Contribution to Pre-Tax Earnings	\$60	\$249
Interest Expense, Net ²	(96)	(93)
Income Taxes ³	207	(57)
Net Income	\$171	\$99
Diluted EPS	\$0.32	\$0.18
Diluted EPS Before Special Items¹	\$0.10	\$0.00



Diluted EPS Before Special Items¹

Chart 2

A reconciliation to GAAP EPS is available on Chart 14 and at www.weyerhaeuser.com



1. Weyerhaeuser's share count increased during 2010 Q3 due to the company's special dividend payment. An explanation of the changes and pro forma EPS calculations are set forth on Chart 12.



Reconciliation to GAAP

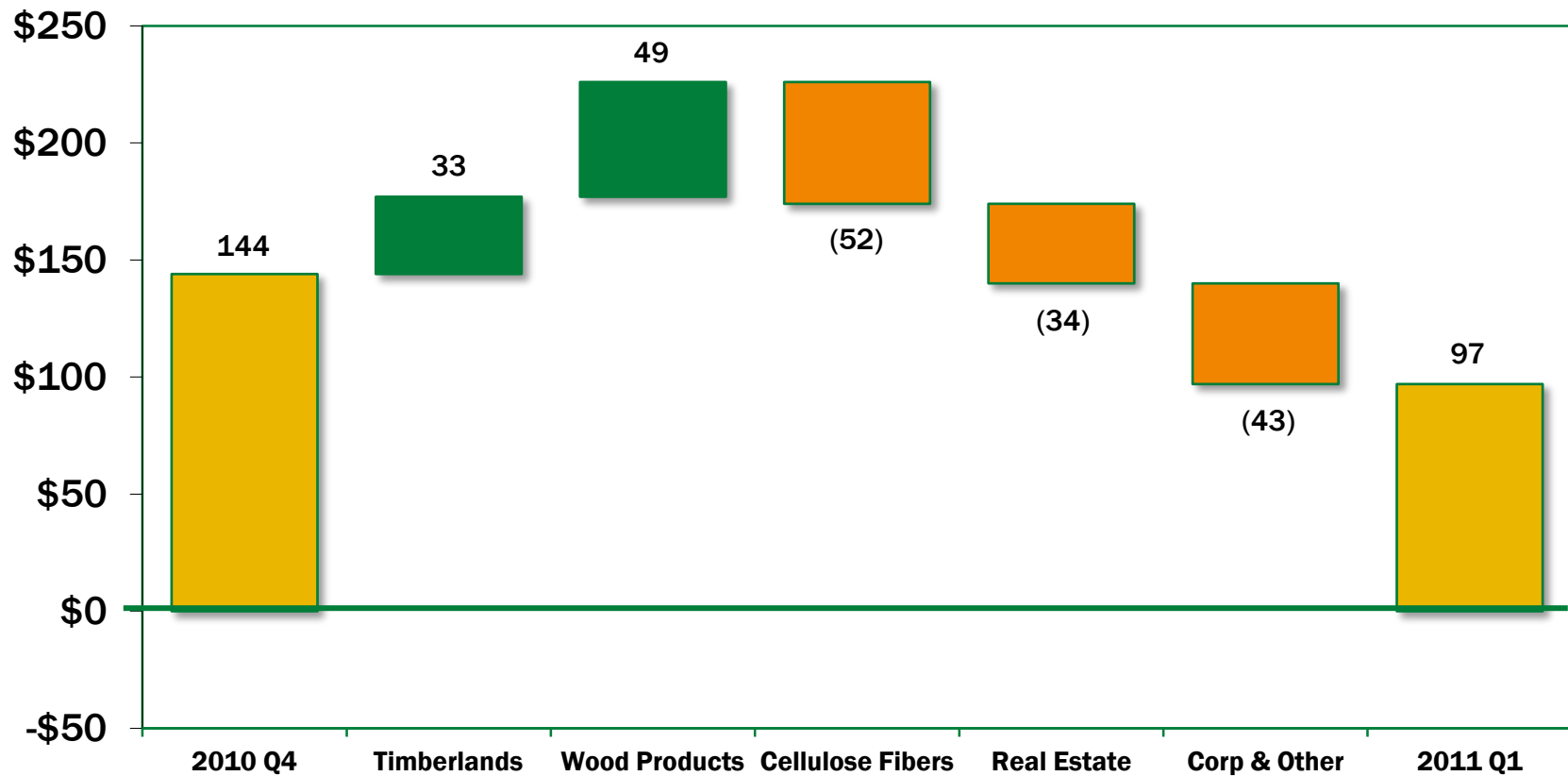
Chart 3

\$ Millions except EPS	Diluted EPS		Net Earnings	
	2010 Q4	2011 Q1	2010 Q4	2011 Q1
Diluted EPS / Net Earnings Before Special Items	\$0.10	\$0.00	\$52	\$3
Gain on Sale of 82,000 Acres of Non-Strategic Timberlands		0.18		96
Income Tax Adjustments and Credits	0.33		177	
Asset Impairments	(0.14)		(76)	
Gain on Sale of Railroads	0.06		31	
Closure and Restructuring Charges	(0.03)		(13)	
Diluted EPS / Net Earnings (GAAP)	\$0.32	\$0.18	\$171	\$99



Changes in Contribution to Earnings by Segment

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



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



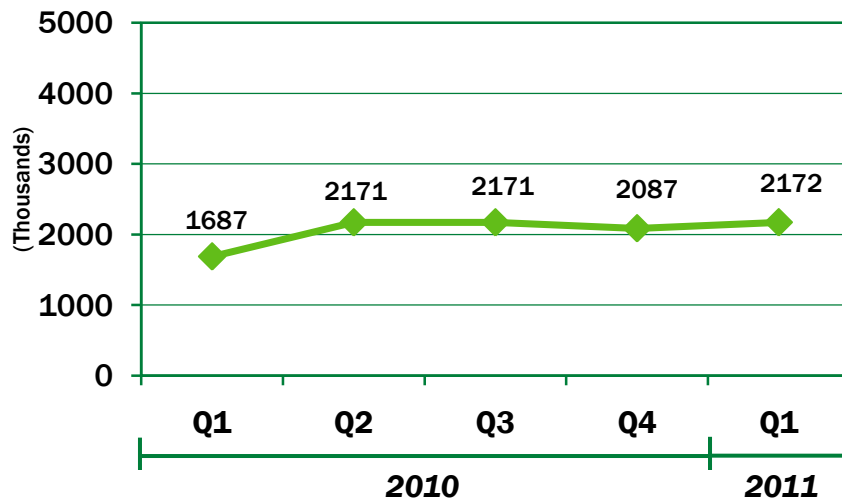
Timberlands Segment

Timberlands (\$ Millions)	2010 Q4	2011 Q1
Third Party Revenues ¹ .	\$202	\$223
Inter-Segment Revenues ¹ .	\$102	\$112
Contribution to Pre-Tax Earnings <i>Including Special Items</i>	\$56	\$241

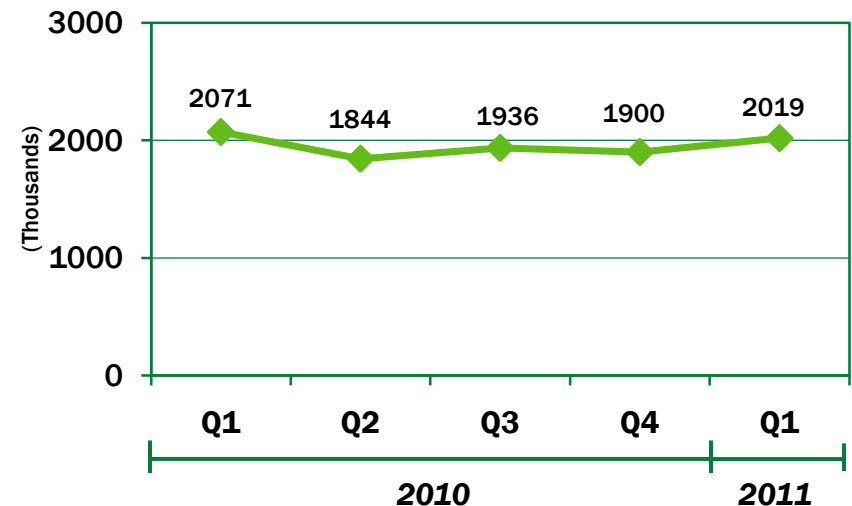
1st Quarter Notes

- 1st quarter includes \$152 million from the sale of 82,000 acres of non-strategic timberlands
- Improved selling prices for western logs due to strong export demand
- Increased fee harvest volume
- Lower per unit logging costs, partially offset by higher fuel costs

3rd-Party Sales Volumes – Logs (m3)¹.



Inter-Segment Sales Volumes – Logs (m3)¹.



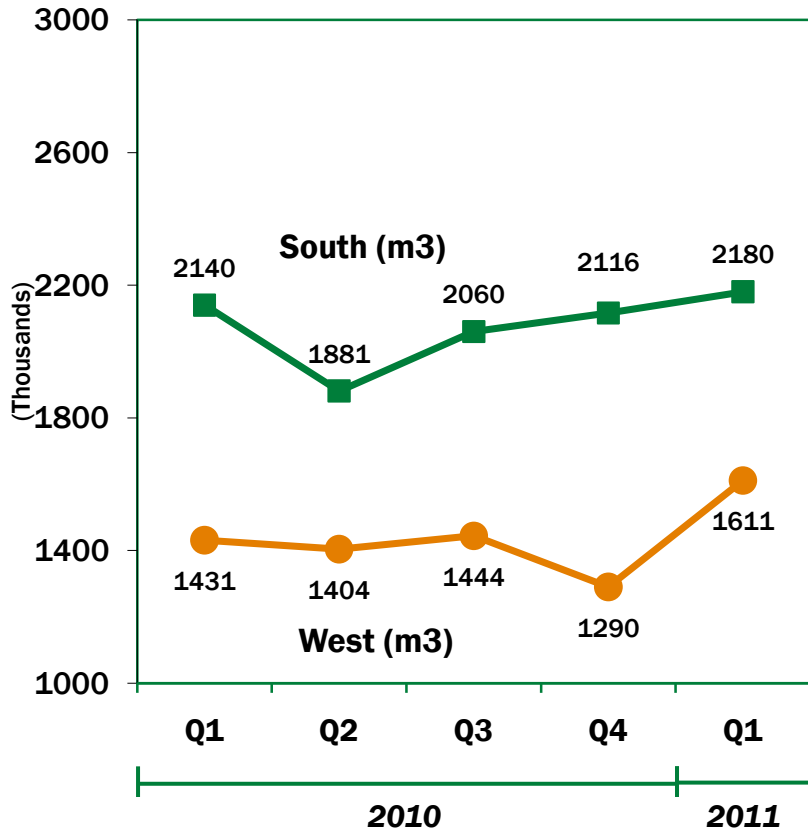
1. Revenues and volumes exclude Canadian Forestland operations.



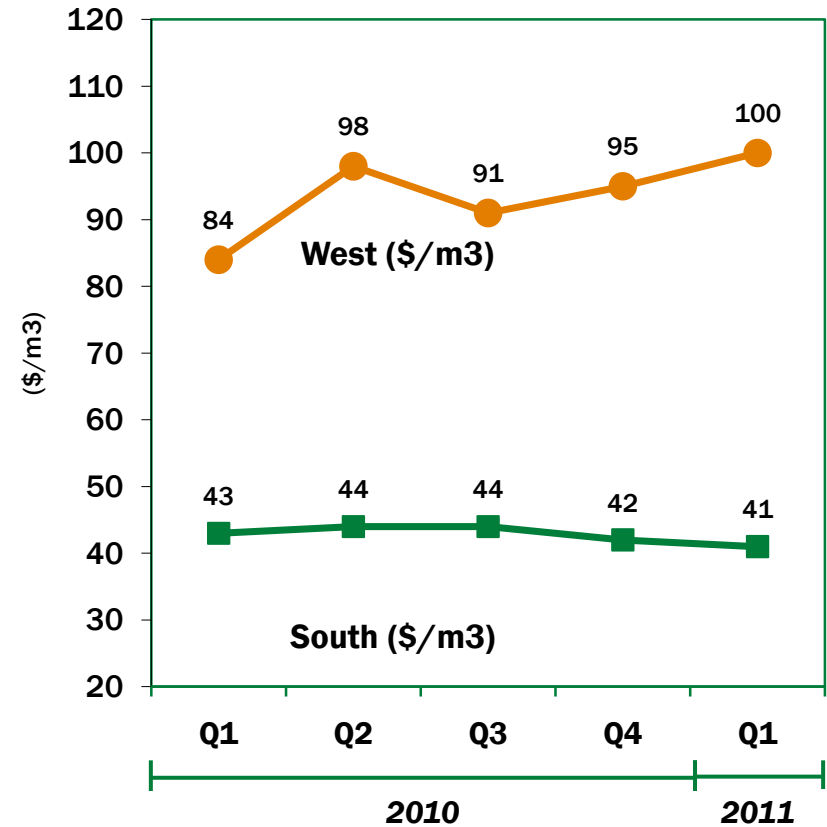
Fee Harvest and 3rd-Party Log Realizations — Western / Southern Timberlands

Chart 6

Fee Harvest Volume



Average 3rd-Party Realizations — Logs



Wood Products Segment

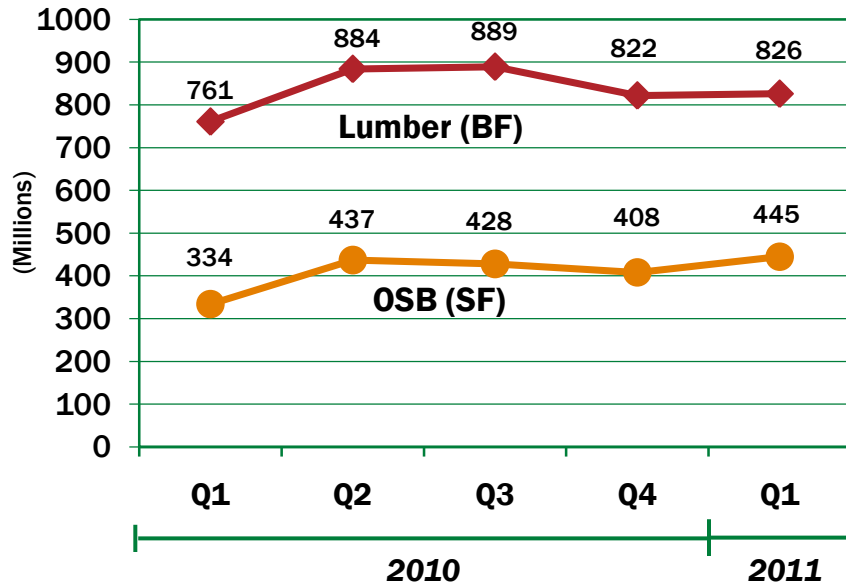
Chart 7

Wood Products (\$ Millions)	2010 Q4	2011 Q1
Revenues	\$572	\$624
Contribution to Pre-Tax Earnings <i>Including Special Items</i>	(\$188)	(\$36)

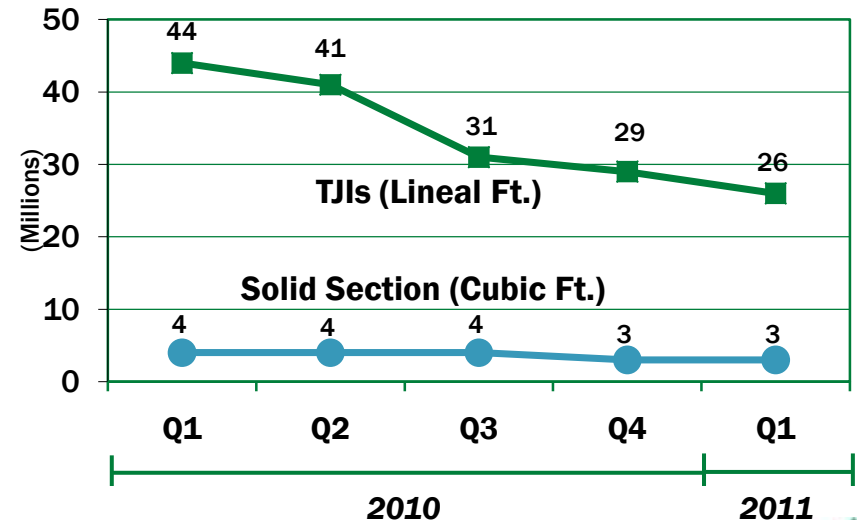
1st Quarter Notes

- Higher selling prices for most products
- Continued cost reductions
- Improved operating rates for lumber and OSB
- Higher log costs
- 4th quarter included charges of \$103 million for asset impairments, closures and restructuring

3rd-Party OSB and Lumber Sales Volumes



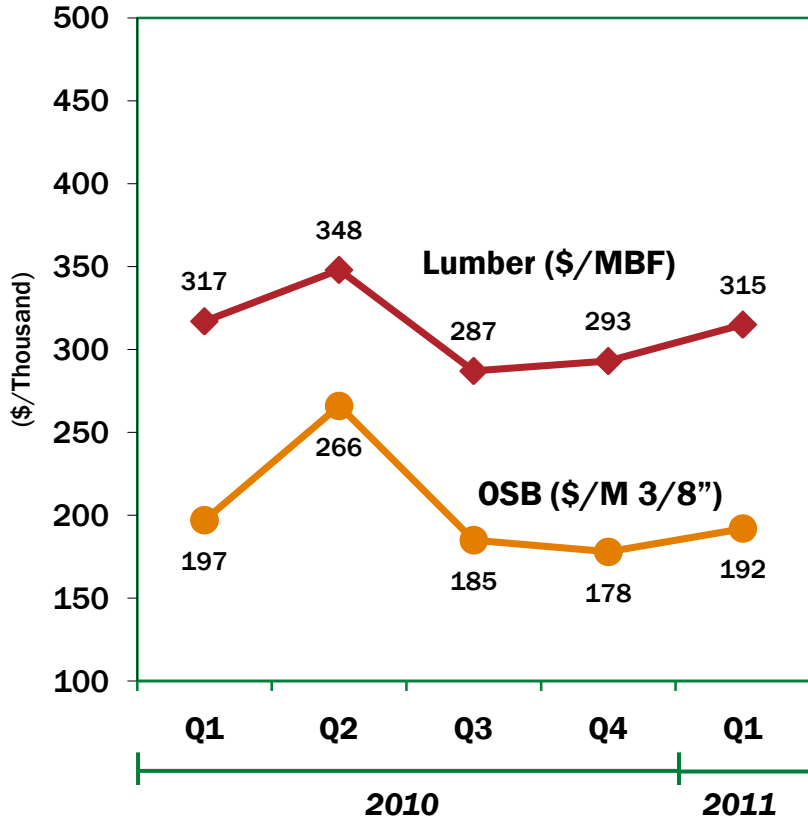
3rd-Party Engineered Wood Products Sales Volumes



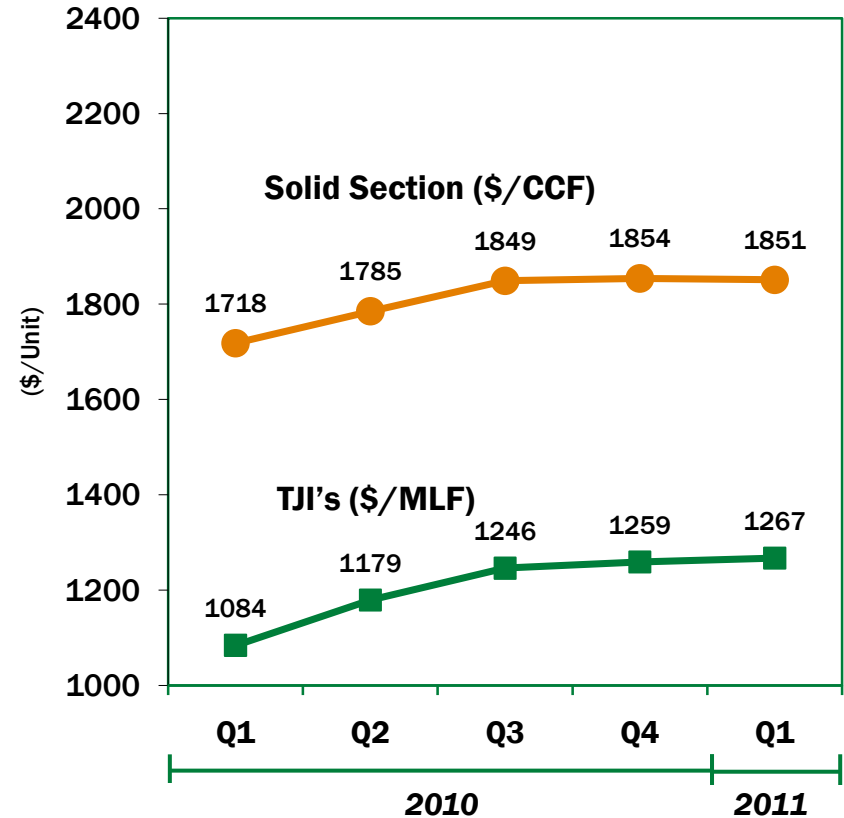
Average 3rd-Party Realizations — OSB and Lumber / Engineered Lumber

Chart 8

OSB and Lumber



Engineered Lumber



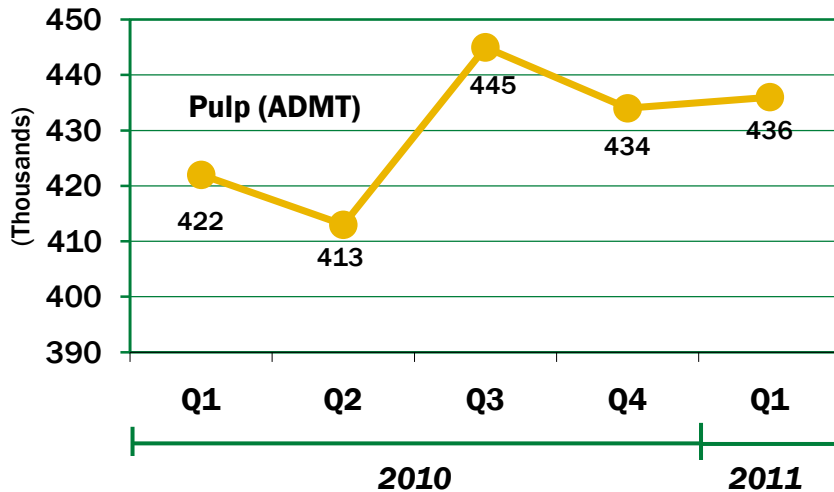
Cellulose Fibers Segment

Cellulose Fibers (\$ Millions)	2010 Q4	2011 Q1
Revenues	\$511	\$506
Contribution to Pre-Tax Earnings	\$138	\$86

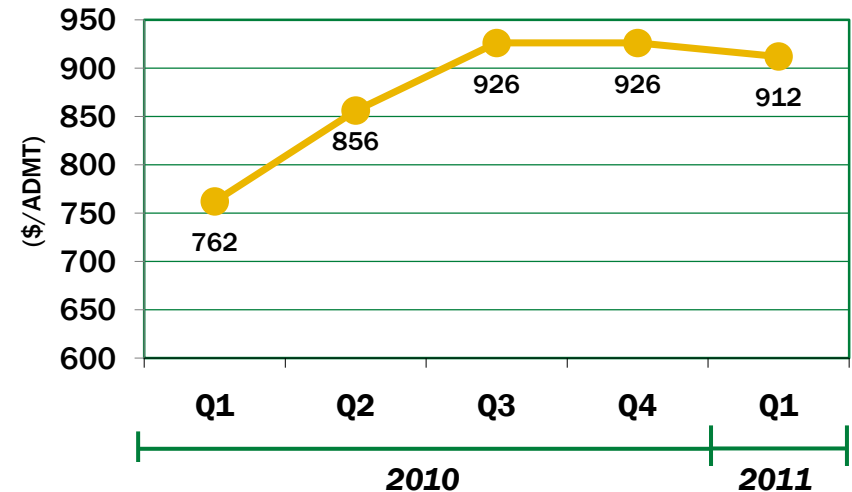
1st Quarter Notes

- Lower average selling prices
- Higher maintenance costs and lower production due to annual outages
- Two maintenance outages in the 1st quarter, compared with one in the 4th quarter
- Higher chemical, energy and fiber costs

3rd-Party Pulp Sales Volumes



Average 3rd-Party Realizations — Pulp



Real Estate Segment

Chart 10

Real Estate (\$ Millions)	2010 Q4	2011 Q1
Revenues	\$305	\$160
Contribution to Pre-Tax Earnings <i>Including Special Items</i>	\$13	(\$1)

1st Quarter Notes

- Seasonally fewer home sale closings
- Lower margins on homes closed, due to mix
- 4th quarter included charges of \$20 million for asset impairments and restructuring

Weyerhaeuser Real Estate Company Key Indicators

	2010				2011
	Q1	Q2	Q3	Q4	Q1
Sales Traffic (in Thousands)	23	17	16	12	13
Single-Family Homes Sold (Net New Orders)	620	491	418	385	535
Single-Family Homes Sold But Not Closed At End of Period (Backlog)	877	743	660	439	611
Cancellation Rate (%)	19%	22%	20%	19%	12%
Single-Family Homes Closed	393	625	501	606	363
Average Home Closing Price (\$ Thousands)	\$365	\$371	\$400	\$439	\$419



2011 Q2 Outlook

Chart 11

Segment	Comments
Timberlands	<ul style="list-style-type: none">▪ Modestly improved selling prices for western logs and higher harvest volumes, driven by strong export demand▪ Flat sales realizations in the south on slightly higher volumes▪ Higher fuel, road and silviculture expenses▪ Excluding the disposition of non-strategic timberlands, expect 2011 Q2 earnings to be slightly higher than 2011 Q1
Wood Products	<ul style="list-style-type: none">▪ Seasonally higher sales volumes and flat sales realizations▪ Improved operating rates, partially offset by increased log costs▪ Anticipate a smaller operating loss in 2011 Q2 compared with 2011 Q1▪ Expect positive cash flow from the segment in 2011 Q2
Cellulose Fibers	<ul style="list-style-type: none">▪ Higher selling prices and slightly higher sales volumes▪ Increase in the number of scheduled annual maintenance outages will result in higher maintenance costs and lower productivity▪ Expect 2011 Q2 earnings to be higher than 2011 Q1
Real Estate	<ul style="list-style-type: none">▪ Anticipate seasonal increase in single-family home closings▪ Average closing price declines slightly due to mix▪ Expect a small profit from single-family homebuilding operations in 2011 Q2



Appendix



Pro Forma Earnings Per Share

- On Sept. 1, 2010, Weyerhaeuser paid a previously announced special dividend consisting of approximately 324 million shares of common stock and \$560 million in cash.
- After payment of the special dividend, Weyerhaeuser had approximately 536 million basic shares outstanding.
- The following table sets forth a pro forma EPS as if special dividend shares had been outstanding.

	2010	2010	2010	2010	2011
	Q1	Q2	Q3	Q4	Q1
Net Earnings, as Reported (\$ millions)					
Net Earnings	(\$20)	\$14	\$1,116	\$171	\$99
Net Earnings Before Special Items	(\$15)	\$42	\$81	\$52	\$3
Earnings Per Share, As Reported					
Weighted average shares outstanding (millions)	211	212	318	538	540
Diluted EPS	(\$0.10)	\$0.07	\$3.50	\$0.32	\$0.18
Diluted EPS before Special Items	(\$0.07)	\$0.20	\$0.25	\$0.10	\$0.00
Pro Forma EPS, as if Special Dividend shares had been outstanding for entire reporting period					
Assumed weighted average shares outstanding (millions) ^{1.}	536	537	537	538	540
Pro Forma Diluted EPS	(\$0.04)	\$0.03	\$2.08	\$0.32	\$0.18
Pro Forma Diluted EPS before Special Items	(\$0.03)	\$0.08	\$0.15	\$0.10	\$0.00

1. Pro forma earnings for 2010 Q1 are calculated based on 536 million basic shares outstanding, as EPS calculations do not incorporate dilutive effects when a company reports a loss.



Earnings Summary

Chart 13

\$ Millions except EPS	2010				2011
	Q1	Q2	Q3	Q4	Q1
Contribution to Earnings before Special Items					
Timberlands	\$81	\$70	\$75	\$56	\$89
Wood Products	(63)	(11)	(100)	(85)	(36)
Cellulose Fibers	19	74	181	138	86
Real Estate	31	27	20	33	(1)
Corporate and Other	12	8	10	2	(41)
Total Contribution to Earnings before Special Items	\$80	\$168	\$186	\$144	\$97
Special Items	44	8	–	(84)	152
Total Contribution to Earnings	\$124	\$176	\$186	\$60	\$249
Interest Expense, net ^{1.}	(106)	(155)	(95)	(96)	(93)
Income Taxes ^{2.}	(38)	(7)	1,025	207	(57)
Net Income (loss)	(\$20)	\$14	\$1,116	\$171	\$99
Net Income (loss) before Special Items^{3.}	(\$15)	\$42	\$81	\$52	\$3
Diluted EPS ^{4.}	(\$0.10)	\$0.07	\$3.50	\$0.32	\$0.18
Diluted EPS before Special Items ^{3,4.}	(\$0.07)	\$0.20	\$0.25	\$0.10	\$0.00

- Interest expense is net of capitalized interest and includes losses on early extinguishment of debt of \$1 million in 2010 Q3 and \$49 million in 2010 Q2.
- Income taxes for 2010 Q4 include income tax benefits of \$149 million from the Cellulosic Biofuel Producers Credit, \$22 million from the reversal of deferred tax liabilities, and \$6 million related to FIN 48 and other adjustments. 2010 Q3 includes \$1,043 million of income for the reversal of deferred tax liabilities associated with the conversion to REIT status and \$8 million in tax charges related to Medicare Part D subsidy plan changes, unrecognized tax benefits and other adjustments. 2010 Q1 includes a \$28 million tax charge related to a change in Medicare prescription drug subsidies and a \$3 million charge related to a state tax rate change.
- A reconciliation to GAAP Net Income is set forth on Chart 3. A reconciliation to GAAP EPS is set forth on Chart 14.
- Weyerhaeuser's share count increased during 2010 Q3 due to the company's special dividend payment. An explanation of the changes and pro forma EPS calculations are set forth on Chart 12.

Earnings per Share Reconciliation

Chart 14

	2010				2011
	Q1	Q2	Q3	Q4	Q1
Diluted EPS before Special Items	(\$0.07)	\$0.20	\$0.25	\$0.10	\$0.00
Income Tax Adjustments and Credits	(0.15)		3.25	0.33	
Loss on Early Extinguishment of Debt		(0.16)			
Net Gain on Divestiture of Assets and Operations	0.12	0.03		0.06	0.18
Closures, Restructuring, Impairments, and Related Charges				(0.17)	
Legal and Insurance Settlement and Reserve Adjustments					
Diluted EPS (GAAP)	(\$0.10)	\$0.07	\$3.50	\$0.32	\$0.18

