

WEYERHAEUSER

Earnings Release – 1st Quarter 2012



04.27.12



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 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 2012, including flat export volumes and slightly lower export realizations, slightly improved domestic log prices in the West, flat pricing in the South, increased fee harvest volume, increased fuel costs, seasonally higher silviculture expenses, and higher earnings in the Timberlands segment; higher sales volumes across all product lines, improved selling prices for lumber, slightly higher log costs, increased freight expense, lower manufacturing costs, and approximately breakeven results in the Wood Products segment; improved selling prices for pulp, higher planned annual maintenance expense, and higher earnings in the Cellulose Fiber segment; and seasonally higher home closings, slightly improved market conditions, lower average selling prices, slightly higher gross margins, higher selling expenses, and a slight profit in the Real Estate segment. 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;
- the successful execution of internal performance plans, including restructurings and cost reduction initiatives;
- the level of competition from domestic and foreign producers;
- raw material and energy prices and transportation costs;
- the effect of design value changes on demand for the company's Southern yellow pine lumber;
- the effect of forestry, land use, environmental and other governmental regulations;
- federal tax policies;
- legal proceedings;
- the effect of timing of retirements and changes in the market price of company stock on charges for stock-based compensation;
- the effect of weather and the risk of loss from fires, floods, windstorms, hurricanes, pest infestation and other natural disasters;
- 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 and quarterly reports on Form 10-Q.

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 and the Canadian dollar and the value of the euro to the yen. Restrictions on international trade or tariffs imposed on imports also may affect the company.



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**



2012 Q1 CONSOLIDATED RESULTS

Chart 1

	2011 Q4	2012 Q1
Net Income Before Special Items¹	\$77	\$9
Diluted EPS Before Special Items¹	\$0.14	\$0.02
EBITDA excluding special items ²	\$279	\$179

\$ Millions EXCEPT EPS	2011	2012	
Contribution to Pre-Tax Earnings Before Special Items	Q4	Q1	Change
Timberlands	\$70	\$71	\$1
Wood Products	(61)	(22)	39
Cellulose Fibers	134	44	(90)
Real Estate	41	(8)	(49)
Unallocated Items	(22)	(10)	12
Total Contribution to Pre-Tax Earnings Before Special Items	\$162	\$75	(\$87)
Special Items	(19)	38	
Total Contribution to Pre-Tax Earnings	\$143	\$113	
Interest Expense, Net ³	(88)	(87)	
Income Taxes ⁴	10	15	
Net Income	\$65	\$41	
Diluted EPS	\$0.12	\$0.08	

1. A reconciliation to GAAP is set forth on Chart 2 and at www.weyerhaeuser.com.
2. A reconciliation to GAAP is set forth on Chart 16 and at www.weyerhaeuser.com.
3. Interest expense is net of capitalized interest.
4. Income taxes for 2012 Q1 include a benefit of \$8 million from income tax settlements.



EARNINGS BEFORE SPECIAL ITEMS

Chart 2

Reconciliation to GAAP

\$ Millions EXCEPT EPS	2011 Q4			2012 Q1		
	Contribution to Pre-Tax Earnings	After-Tax Earnings	Diluted EPS	Contribution to Pre-Tax Earnings	After-Tax Earnings	Diluted EPS
Earnings Before Special Items	\$162	\$77	\$0.14	\$75	\$9	\$0.02
Special Items:						
Gain on Postretirement Plan Amendment	–	–	–	52	34	0.06
Income Tax Settlements	–	–	–	–	8	0.02
Charges for Restructuring, Impairments and Other	(19)	(12)	(0.02)	(14)	(10)	(0.02)
Earnings Including Special Items (GAAP)	\$143	\$65	\$0.12	\$113	\$41	\$0.08



TIMBERLANDS SEGMENT

Chart 3

TIMBERLANDS (\$ Millions)	2011 Q4	2012 Q1
Third Party Revenues ¹ .	\$269	\$242
Intersegment Revenues ¹ .	\$102	\$112
Contribution to Pre-Tax Earnings	\$70	\$71
EBITDA ² .	\$104	\$105
Operating Margin ³ .	19%	20%

1. Revenues exclude Canadian Forestland operations.

2. A reconciliation to GAAP is set forth on Chart 16, and at www.weyerhaeuser.com.

3. Contribution to Pre-Tax Earnings divided by Total Revenues excluding Canadian Forestlands operations. Timberlands makes no margin on Canadian Forestlands operations, which are operated as a cost center for the purpose of supplying Weyerhaeuser's Canadian manufacturing facilities.

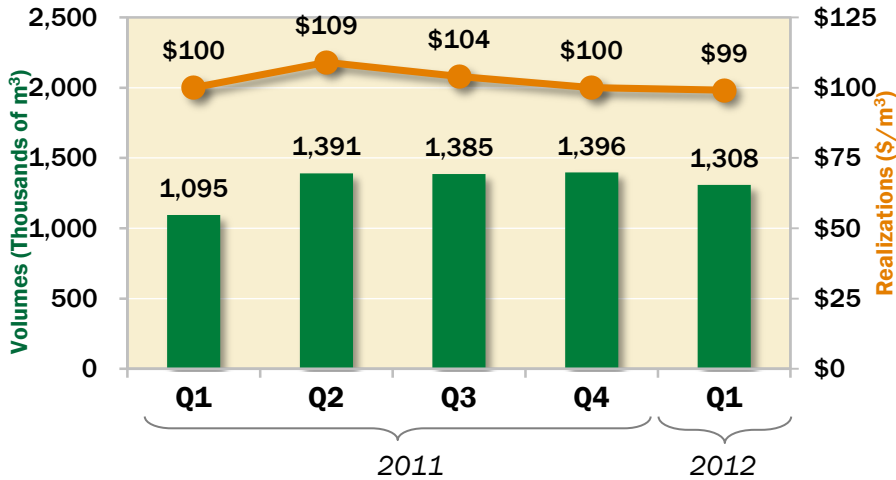
1st Quarter Notes

- Higher income from operations due to lower Western operating costs
- Lower earnings from disposition of non-strategic timberlands
- Fee harvest volumes increased

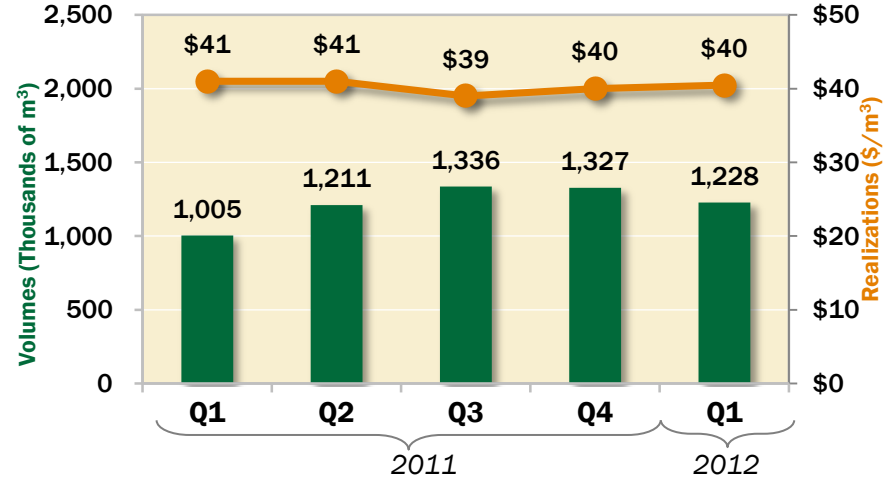


WESTERN/SOUTHERN TIMBERLANDS

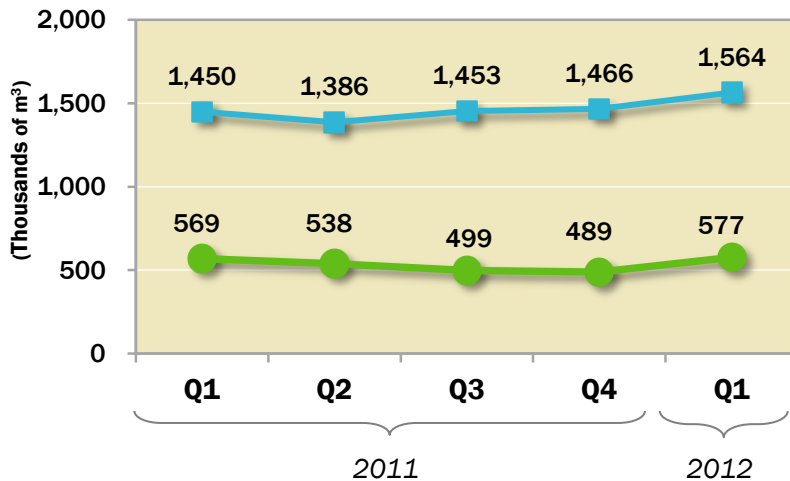
3rd-Party Log Sales and Realizations - West



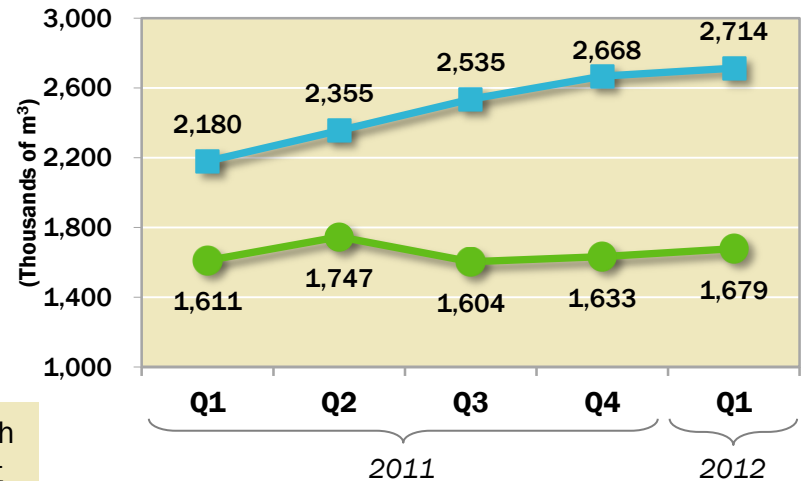
3rd-Party Log Sales and Realizations - South



Intersegment Log Sales



Fee Harvest Volume



WOOD PRODUCTS SEGMENT

Chart 5

WOOD PRODUCTS (\$ Millions)	2011 Q4	2012 Q1
Third Party Revenues	\$542	\$634
Intersegment Revenues	\$19	\$20
Charge to Pre-Tax Earnings Before Special Items	(\$61)	(\$22)
Pre-Tax Special Items	(19)	--
Charge to Pre-Tax Earnings Including Special Items	(\$80)	(\$22)
EBITDA, excluding Special Items ¹ .	(\$26)	\$11
Operating Margin, excluding Special Items ² .	(11%)	(3%)

1. A reconciliation to GAAP is set forth on Chart 16, and at www.weverhaeuser.com.

2. Contribution to Pre-Tax Earnings divided by Total Revenues.

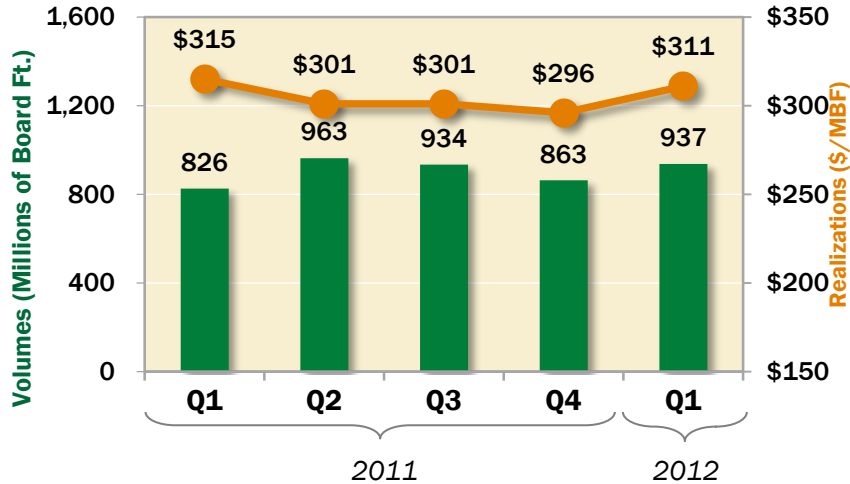
1st Quarter Notes

- Higher sales volumes and prices across all product lines
- Improved operating rates
- Increased freight expense

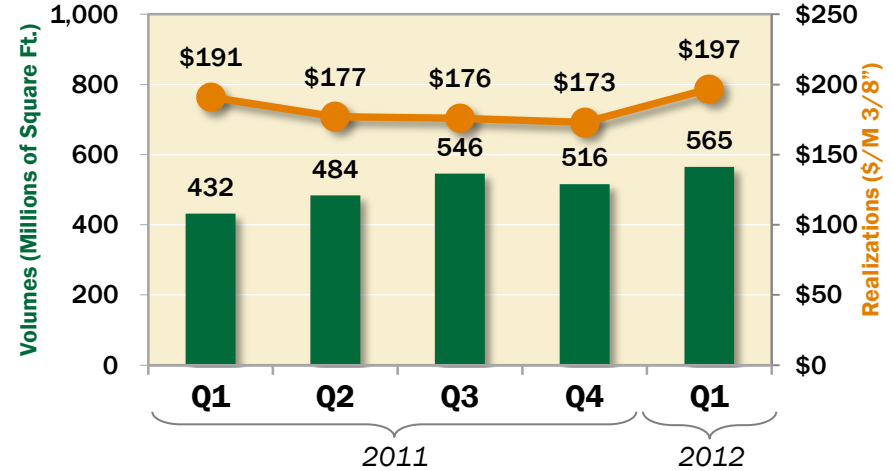


3RD-PARTY SALES VOLUMES AND REALIZATIONS¹.

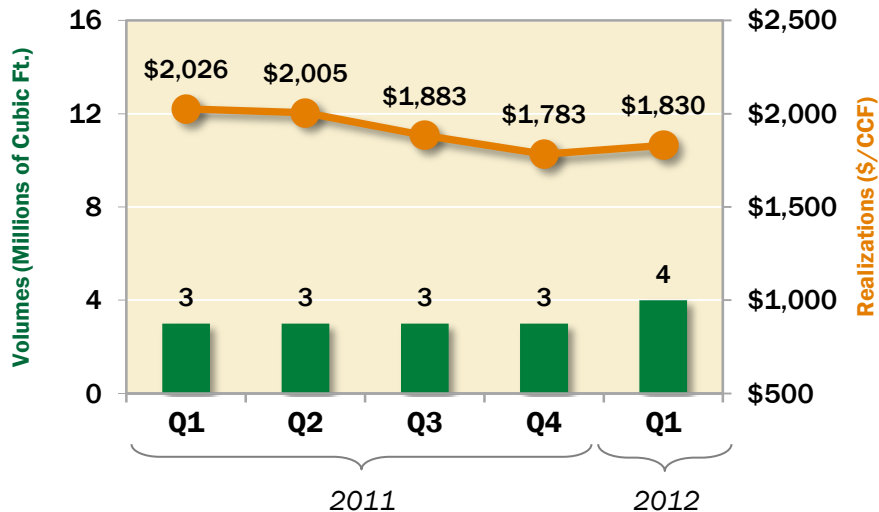
Lumber



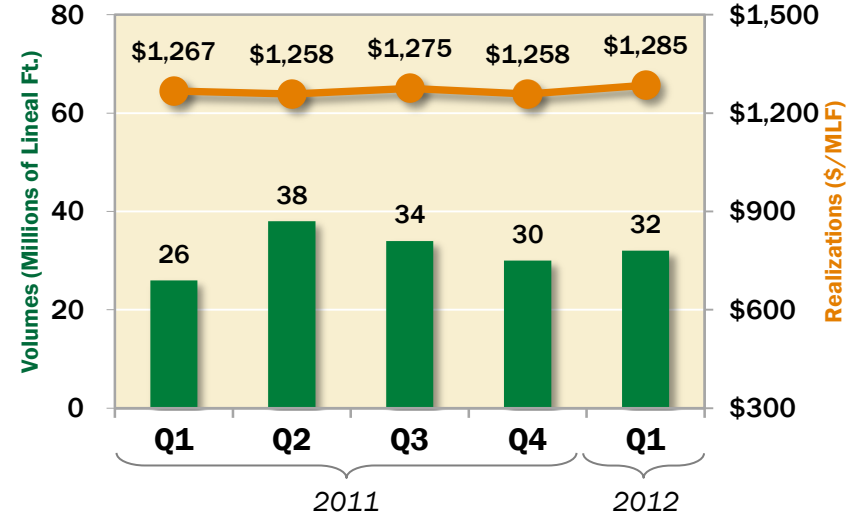
OSB



Engineered Wood – Solid Section



Engineered Wood – TJI's



1. Excludes sales from Weyerhaeuser's discontinued hardwoods operations, which were sold in 2011 Q3.

CELLULOSE FIBERS SEGMENT

Chart 7

CELLULOSE FIBERS (\$ Millions)	2011 Q4	2012 Q1
Total Revenues	\$523	\$473
Contribution to Pre-Tax Earnings	\$134	\$44
EBITDA ¹ .	\$170	\$82
Operating Margin ² .	26%	9%
Days of Scheduled Annual Maintenance	0	27

1. A reconciliation to GAAP is set forth on Chart 16, and at www.weyerhaeuser.com.

2. Contribution to Pre-Tax Earnings divided by Total Revenues.

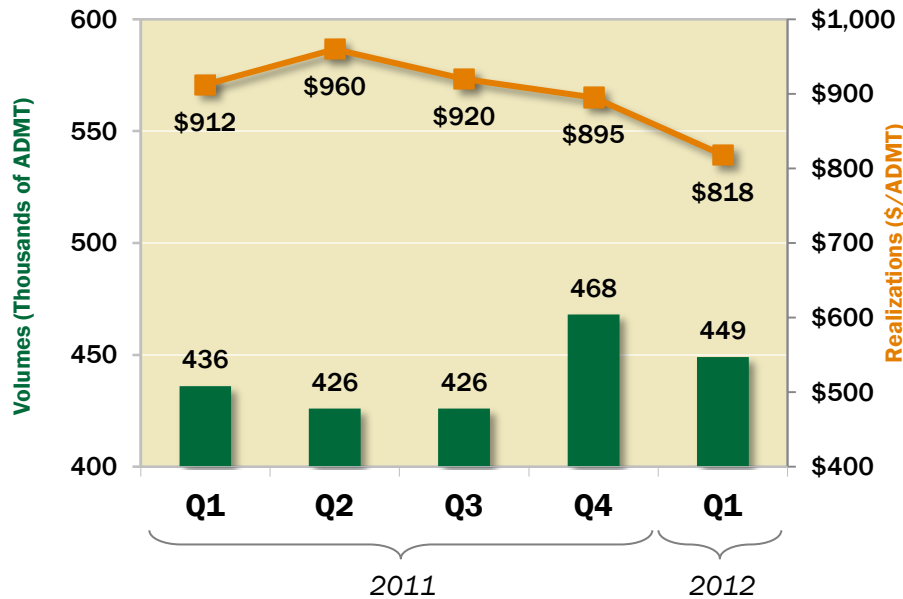
1st Quarter Notes

- Lower selling prices for pulp
- Sales volumes decreased
- 1st quarter included two scheduled annual maintenance outages, compared with no annual outages in the 4th quarter
- Significantly higher maintenance costs
- Lower production volumes

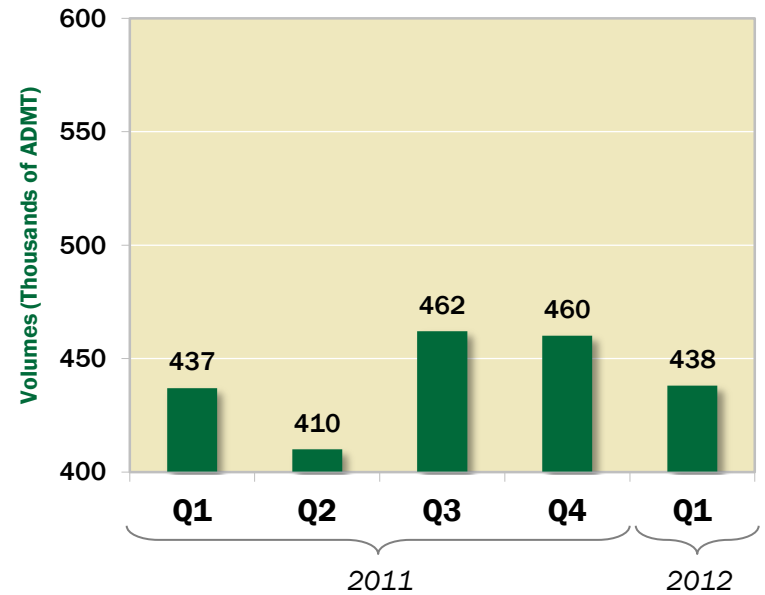


CELLULOSE FIBERS SEGMENT

3rd-Party Sales Volumes and Realizations – Pulp



Production Volumes – Pulp



REAL ESTATE (\$ Millions)	2011 Q4	2012 Q1
Total Revenues	\$276	\$137
Contribution (Charge) to Pre-Tax Earnings	\$41	(\$8)
EBITDA ¹ .	\$53	(\$4)
Operating Margin ² .	15%	(6%)

1. A reconciliation to GAAP is set forth on Chart 16, and at www.weverhaeuser.com.

2. Contribution to Pre-Tax Earnings divided by Total Revenues.

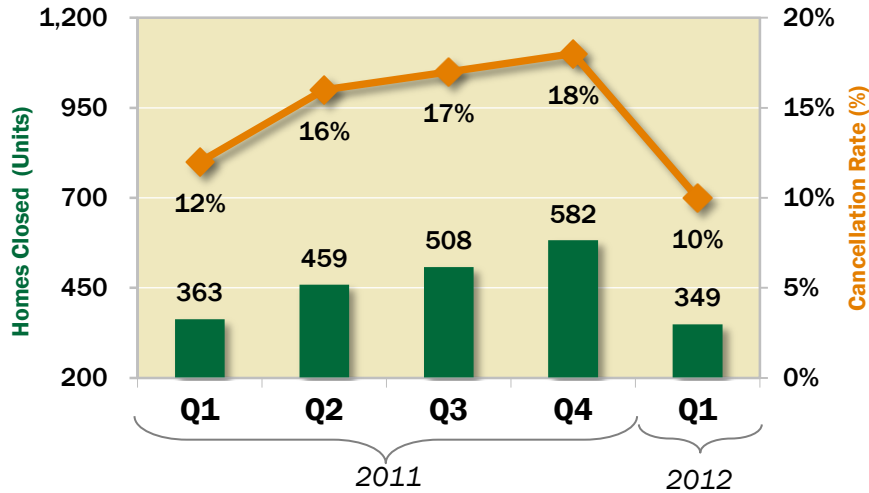
1st Quarter Notes

- Seasonally fewer home closings
- Lower margins due to mix
- 1st quarter included earnings of \$1 million from lot sales, compared with \$19 million from sale of land and lots in the 4th quarter
- Backlog of 777 units, a 27 percent increase compared with 1st quarter 2011

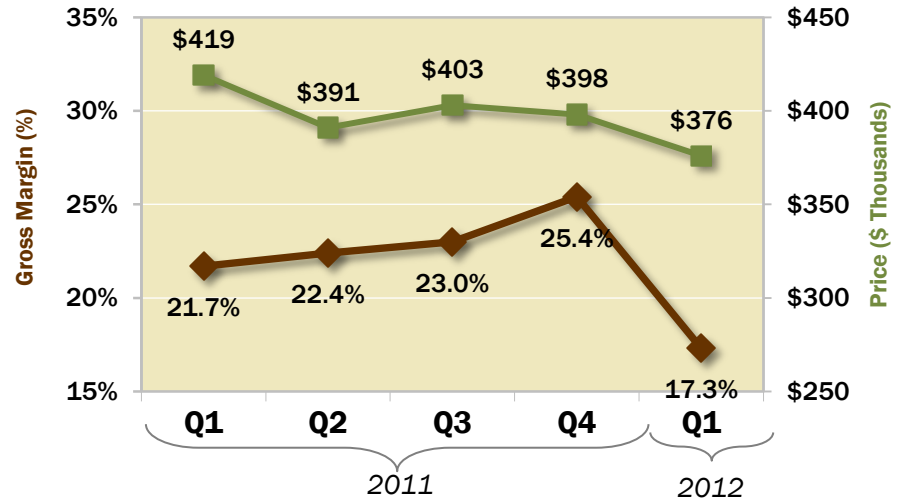


SINGLE FAMILY HOMEBUILDING

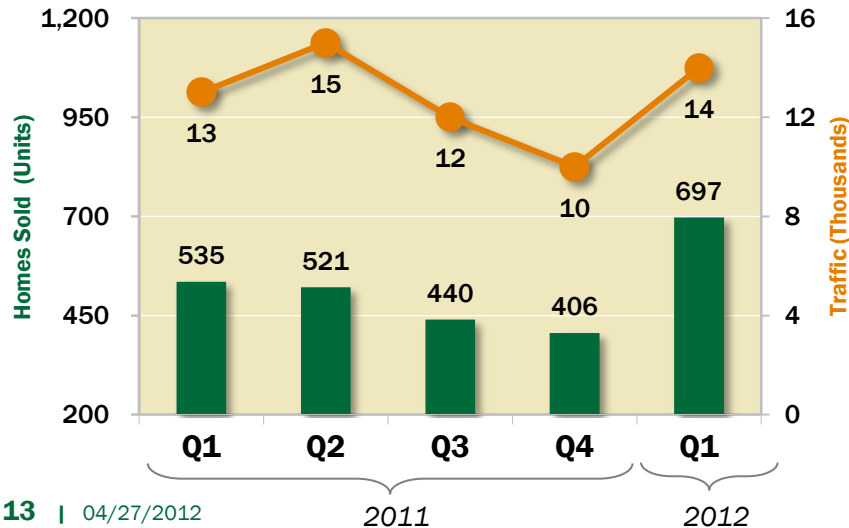
Home Closings and Cancellation Rate



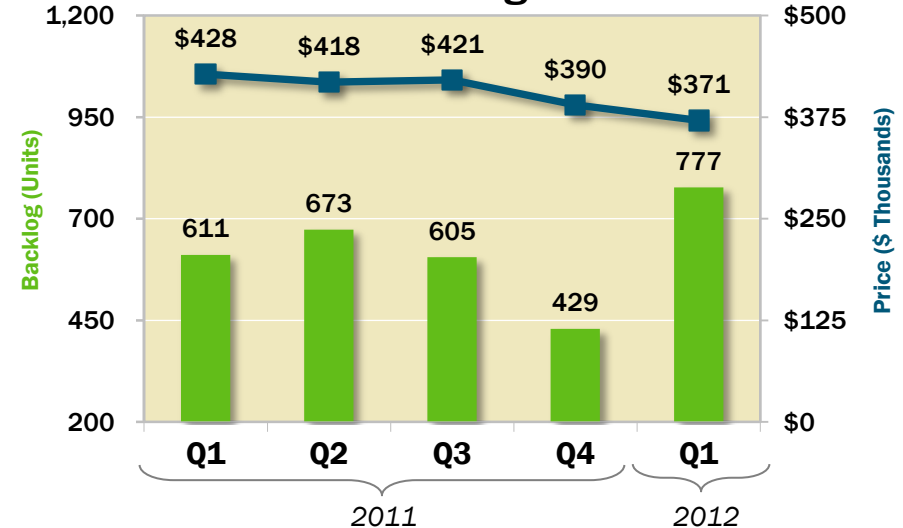
Average Closing Price and Gross Margin Excluding Impairments



Homes Sold and Buyer Traffic



Backlog and Average Sale Price of Homes in Backlog



SEGMENT	COMMENTS
Timberlands	<ul style="list-style-type: none"> • Flat export volumes and slightly lower export realizations • Slightly improved domestic log prices in the West, and flat pricing in the South • Increased fee harvest volume • Increased fuel costs, and seasonally higher silvicultural expenses • Expect 2012 Q2 earnings to be approximately 10% higher than 2012 Q1
Wood Products	<ul style="list-style-type: none"> • Higher sales volumes across all product lines • Improved selling prices for lumber • Slightly higher log costs, and increased freight expense • Lower manufacturing costs due to improved operating rates • Anticipate approximately breakeven results for 2012 Q2
Cellulose Fibers	<ul style="list-style-type: none"> • Modestly improved selling prices for pulp • Higher planned annual maintenance expense • Expect 2012 Q2 earnings to be approximately 10% higher than 2012 Q1
Real Estate	<ul style="list-style-type: none"> • Higher home closing volume due to seasonality and slightly improved market conditions • Lower average selling prices due to mix, offset by slightly higher gross margins • Higher selling expenses due to additional closing volume • Expect a slight profit from the segment in 2012 Q2, including a contribution to earnings of approximately \$10 million from a land sale completed in April 2012

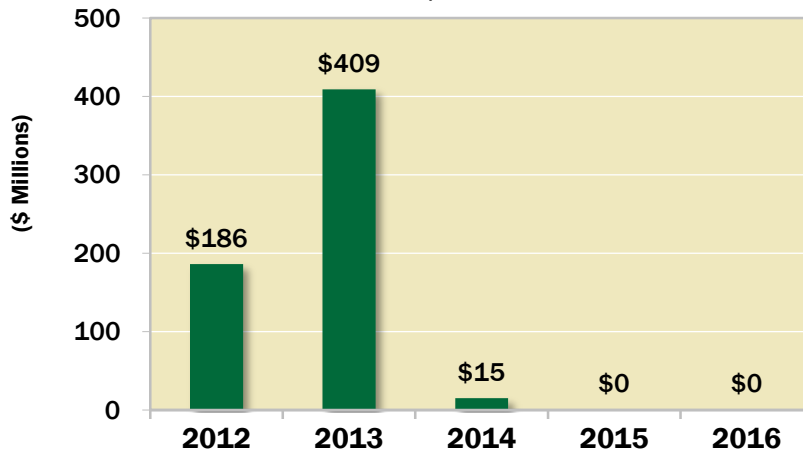


(\$ Millions)	2011 Q4	2012 Q1
Ending Cash Balance	\$953	\$728
Long-Term Debt	\$4,478	\$4,476

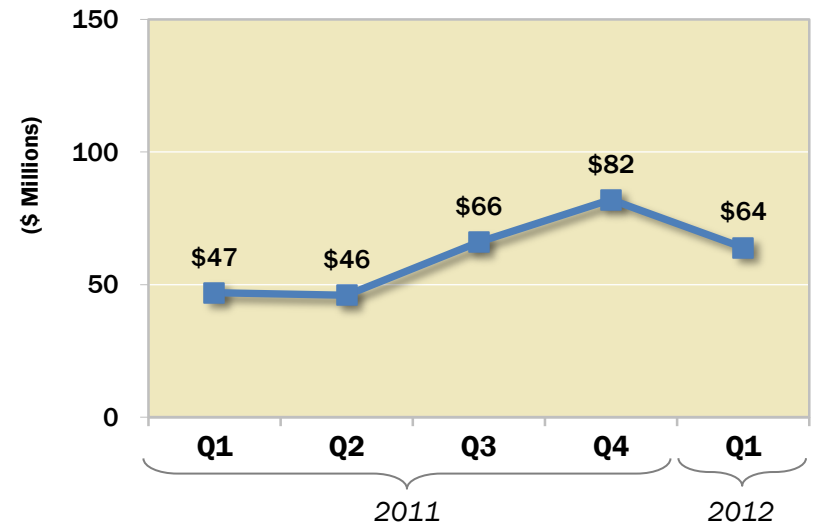
Cash from Operations



Scheduled Debt Maturities as of March 31, 2012



Capital Expenditures



UNALLOCATED ITEMS^{1.}

Chart 13

UNALLOCATED ITEMS (\$ Millions)	2011 Q4	2012 Q1
Unallocated Corporate Function Expenses	(\$8)	(\$6)
Unallocated Share-Based Compensation	(6)	(5)
Unallocated Pension & Postretirement Costs	(5)	(7)
Foreign Exchange Gains	4	6
Other	(7)	2
Charge to Pre-Tax Earnings Before Special Items	(\$22)	(\$10)
Unallocated Pre-Tax Special Items	--	38
Contribution (Charge) to Pre-Tax Earnings Including Special Items	(\$22)	\$28
EBITDA excluding Special Items ^{2.}	(\$22)	(\$15)

1. 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; and foreign exchange transaction gains and losses associated with financing.

2. A reconciliation to GAAP is set forth on Chart 16, and at www.weyerhaeuser.com.



Appendix



EARNINGS SUMMARY

Chart 14

\$ Millions EXCEPT EPS	2011				2012
	Q1	Q2	Q3	Q4	Q1
Contribution to Pre-Tax Earnings Before Special Items					
Timberlands	\$89	\$112	\$62	\$70	\$71
Wood Products	(36)	(53)	(43)	(61)	(22)
Cellulose Fibers	86	80	135	134	44
Real Estate	(1)	8	10	41	(8)
Unallocated Items	(43)	(11)	(16)	(22)	(10)
Total Contribution to Earnings before Special Items and Discontinued Operations	\$95	\$136	\$148	\$162	\$75
Discontinued Operations	2	(10)	(8)	--	--
Special Items, including from Discontinued Operations	152	(9)	12	(19)	38
Total Contribution to Earnings	\$249	\$117	\$152	\$143	\$113
Interest Expense, net ¹	(93)	(91)	(86)	(88)	(87)
Loss on Extinguishment of Debt	--	(26)	--	--	--
Income Taxes ²	(57)	10	91	10	15
Net Income (loss)	\$99	\$10	\$157	\$65	\$41
Net Income (loss) before Special Items³	\$3	\$32	\$66	\$77	\$9
Diluted EPS	\$0.18	\$0.02	\$0.29	\$0.12	\$0.08
Diluted EPS before Special Items³	\$0.00	\$0.06	\$0.12	\$0.14	\$0.02

1. Interest expense is net of capitalized interest.

2. Income taxes for 2012 Q1 include a benefit of \$8 million from income tax settlements. 2011 Q3 includes a benefit of \$83 million related to foreign tax credits.

3. A reconciliation to GAAP Net Income is set forth on Chart 2. A reconciliation to GAAP EPS is set forth on Chart 15, and at www.weyerhaeuser.com.



EARNINGS PER SHARE RECONCILIATION

	2011				2012
	Q1	Q2	Q3	Q4	Q1
Diluted EPS Before Special Items	\$0.00	\$0.06	\$0.12	\$0.14	\$0.02
Special Items:					
Gain on Postretirement Plan Amendment	--	--	--	--	0.06
Income Tax Adjustments and Credits	--	--	0.15	--	0.02
Closures, Restructuring, Impairments, and Related Charges	--	--	(0.04)	(0.02)	(0.02)
Net Gain on Divestiture of Assets and Operations	0.18	(0.01)	0.06	--	--
Loss on Early Extinguishment of Debt	--	(0.03)	--	--	--
Diluted EPS (GAAP)	\$0.18	\$0.02	\$0.29	\$0.12	\$0.08



EBITDA RECONCILIATION

Chart 16

\$ Millions	2011 Q4						2012 Q1					
	Timberlands	Wood Products	Cellulose Fibers	Real Estate	Unallocated Items	Total	Timberlands	Wood Products	Cellulose Fibers	Real Estate	Unallocated Items	Total
EBITDA Excluding Special Items¹	\$104	(\$26)	\$170	\$53	(\$22)	\$279	\$105	\$11	\$82	(\$4)	(\$15)	\$179
Depletion, Depreciation & Amortization	(35)	(35)	(37)	(4)	(6)	(117)	(35)	(34)	(37)	(2)	(5)	(113)
Special Items	--	(19)	--	--	--	(19)	--	--	--	--	38	38
Capitalized Interest Included in Cost of Products Sold	--	--	--	(10)	(2)	(12)	--	--	--	(3)	--	(3)
Operating Income (GAAP)	\$69	(\$80)	\$133	\$39	(\$30)	\$131	\$70	(23)	\$45	(\$9)	\$18	\$101
Interest Income and Other	1	--	1	2	8	12	1	1	(1)	1	10	12
Net Contribution to Earnings (GAAP)	\$70	(\$80)	\$134	\$41	(\$22)	\$143	\$71	(\$22)	\$44	(\$8)	\$28	\$113

1. EBITDA excluding special items is a non-GAAP measure that management uses to evaluate the performance of the company. EBITDA excluding special items, as we define it, is operating income from continuing operations adjusted for depreciation, depletion, amortization, special items and interest included in cost of products sold. EBITDA excluding special items should not be considered in isolation from and is not intended to represent an alternative to our results computed under GAAP.

