

WEYERHAEUSER

Earnings Release – 2nd Quarter 2011

07.29.11



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 third quarter of 2011, including lower selling prices and harvest volumes in the West, seasonally higher silviculture and road expenses, reduced earnings from dispositions of non-strategic timberlands, and significantly lower earnings in the Timberlands segment; lower selling prices for lumber and oriented strand board and lower sales volumes across most products lines, offset by lower log costs and modest cost improvements, and a comparable loss in the Wood Products segment excluding special items; substantially lower maintenance costs and improved production, partially offset by lower selling prices for pulp, somewhat higher shipment volumes, seasonally lower energy costs, and significantly higher earnings in the Cellulose Fiber segment; and slightly higher earnings from single-family homebuilding operations and a seasonal increase in home sale closings, continued strong margins, and flat to slightly lower selling prices 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;
- 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 tsunami 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 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 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 Q2
Revenues (\$ Millions)	\$1,773
Net Earnings Before Special Items (\$ Millions) ¹	\$32
Diluted Earnings Per Share Before Special Items ¹	\$0.06

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

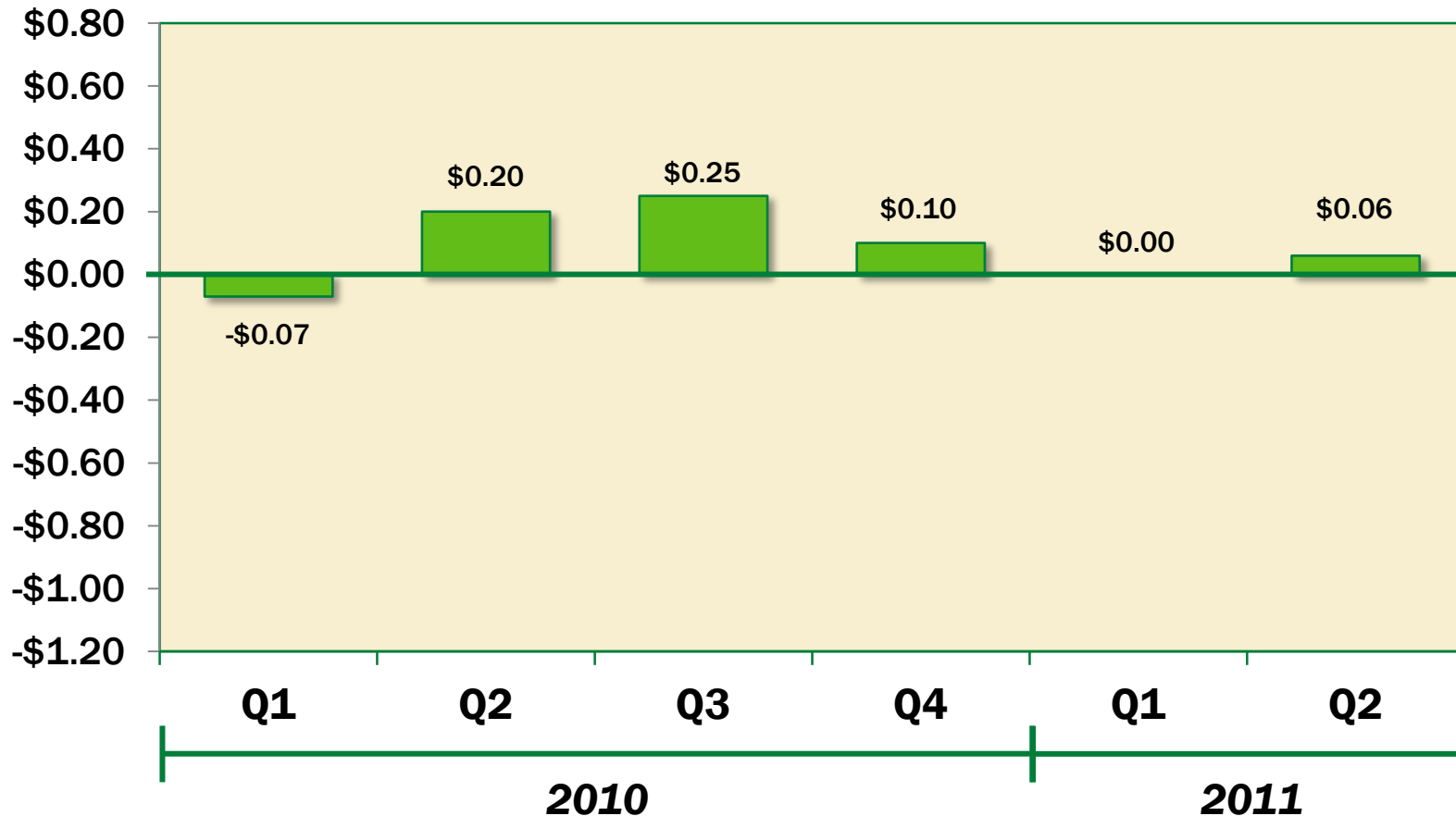
2. Interest expense is net of capitalized interest.

\$ Millions except EPS	2011	2011
	Q1	Q2
Contribution to Pre-Tax Earnings Before Special Items		
Timberlands	\$89	\$112
Wood Products	(36)	(52)
Cellulose Fibers	86	80
Real Estate	(1)	8
Corporate and Other	(41)	(22)
Total Contribution to Pre-Tax Earnings Before Special Items	\$97	\$126
Special Items	152	(9)
Total Contribution to Pre-Tax Earnings	\$249	\$117
Interest Expense, Net ²	(93)	(91)
Loss on Extinguishment of Debt	–	(26)
Income Taxes	(57)	10
Net Income	\$99	\$10
Diluted EPS	\$0.18	\$0.02
Diluted EPS Before Special Items ¹	\$0.00	\$0.06

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

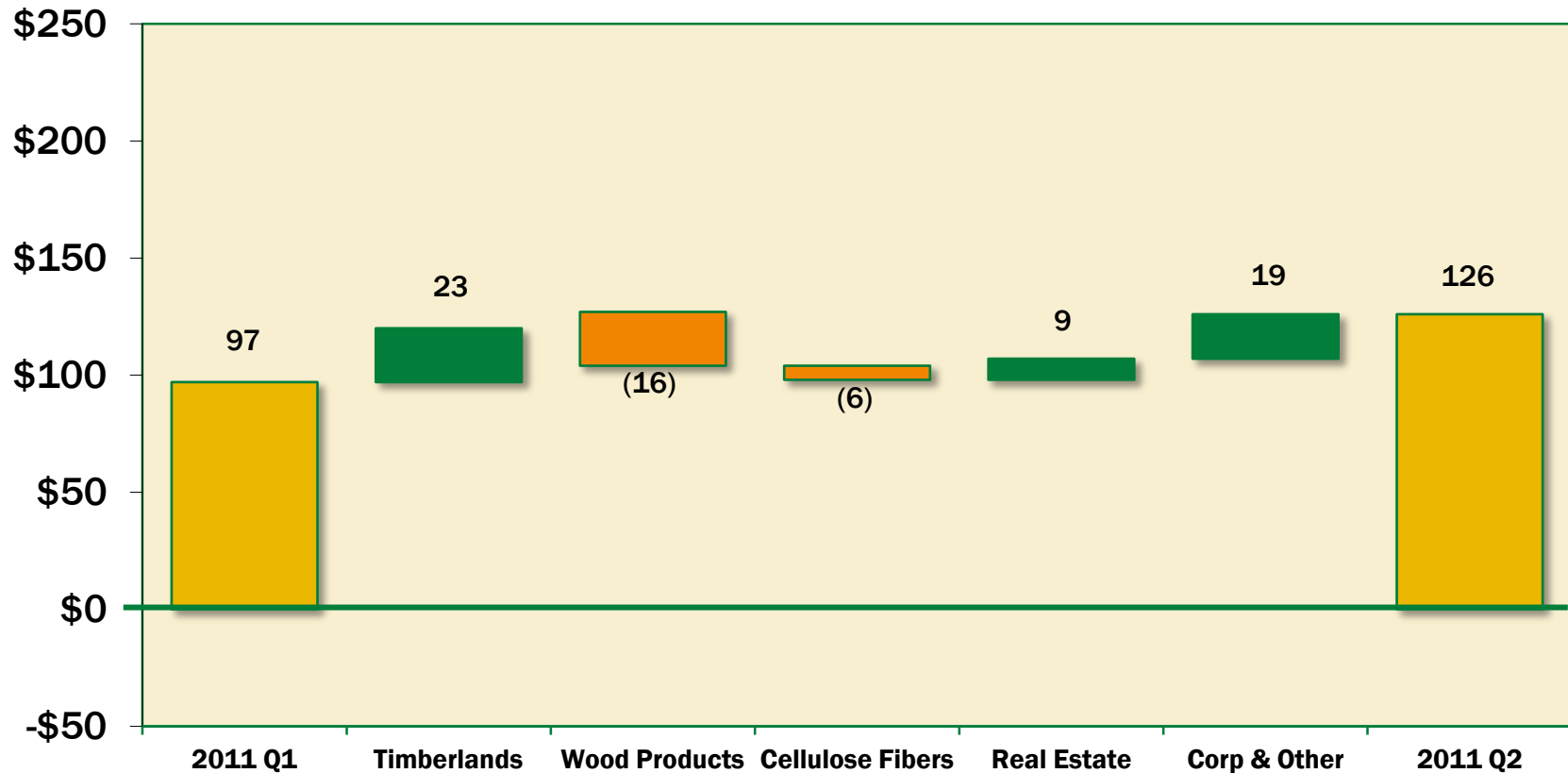
\$ Millions except EPS	Diluted EPS		Net Earnings	
	2011 Q1	2011 Q2	2011 Q1	2011 Q2
Diluted EPS / Net Earnings Before Special Items	\$0.00	\$0.06	\$3	\$32
Gain on Sale of 82,000 Acres of Non-Strategic Timberlands	0.18		96	
Loss on Early Extinguishment of Debt		(0.03)		(16)
Charges for Impairments		(0.01)		(6)
Diluted EPS / Net Earnings (GAAP)	\$0.18	\$0.02	\$99	\$10



CHANGES IN CONTRIBUTION TO EARNINGS BY SEGMENT

Chart 4

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

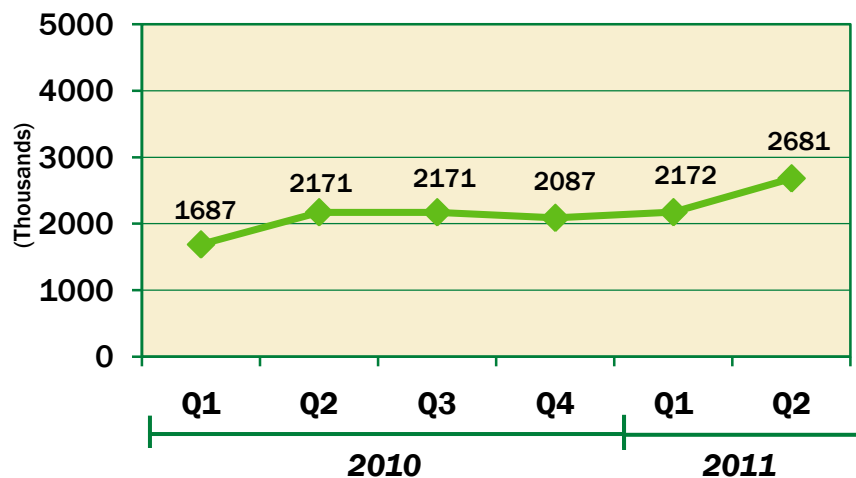


Timberlands (\$ Millions)	2011 Q1	2011 Q2
Third Party Revenues ¹ .	\$223	\$287
Inter-Segment Revenues ¹ .	\$112	\$107
Contribution to Pre-Tax Earnings Before Special Items	\$89	\$112
Pre-Tax Gain from Special Items	\$152	\$0
Contribution to Pre-Tax Earnings Including Special Items	\$241	\$112

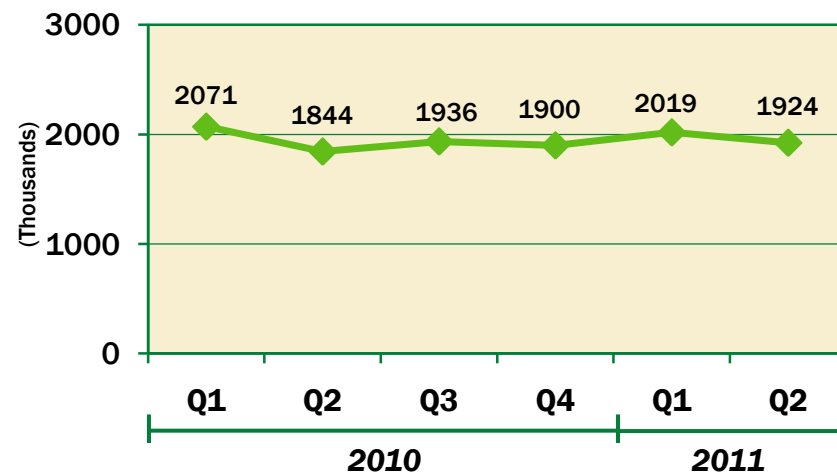
2nd Quarter Notes

- Higher fee harvest volume
- Improved selling prices for western logs due to strong Chinese export demand
- Higher fuel costs
- Excluding the \$152 million 1st quarter sale of 82,000 acres, increased earnings from disposition of non-strategic timberlands

3rd-Party Sales Volumes – Logs (m3)¹.



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

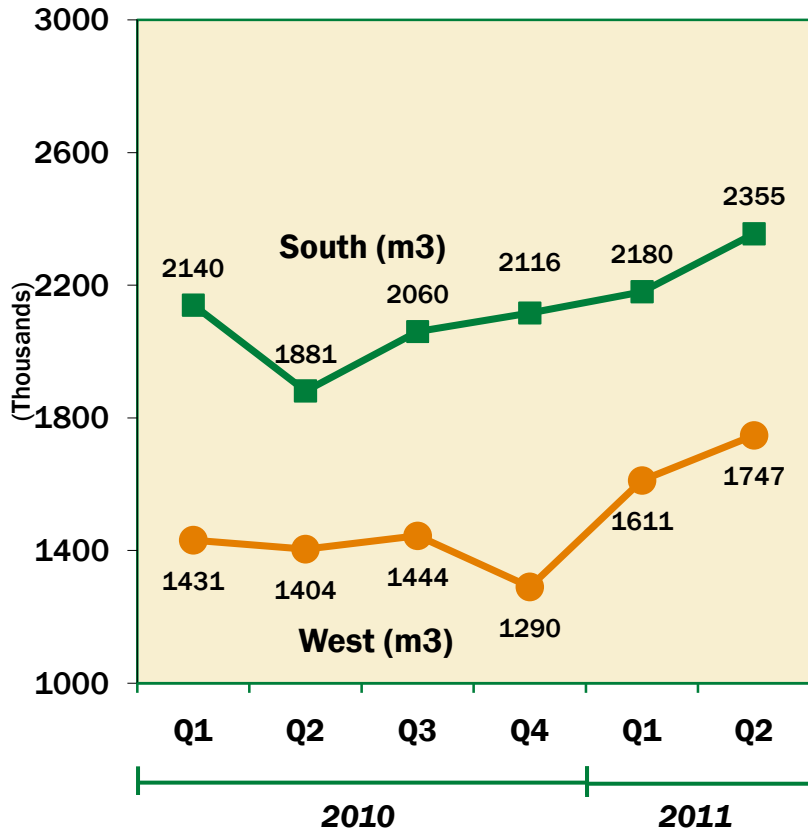


1. Revenues and volumes exclude Canadian Forestland operations.

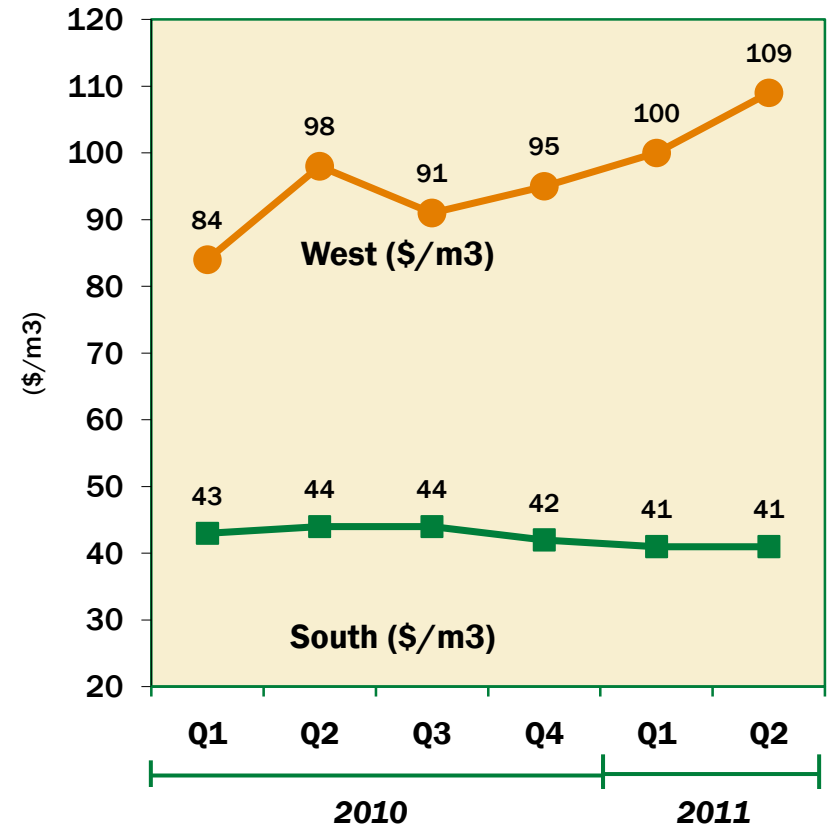
FEE HARVEST AND 3RD-PARTY LOG REALIZATIONS — WESTERN / SOUTHERN TIMBERLANDS

Chart 6

Fee Harvest Volume



Average 3rd-Party Realizations — Logs



WOOD PRODUCTS SEGMENT

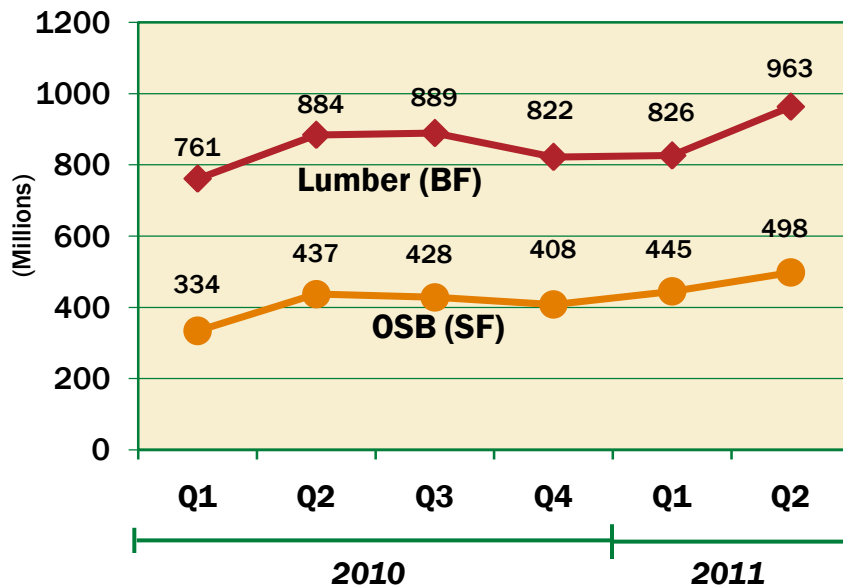
Chart 7

Wood Products (\$ Millions)	2011 Q1	2011 Q2
Revenues	\$624	\$702
Contribution to Pre-Tax Earnings Before Special Items	(\$36)	(\$52)
Pre-Tax Charge from Special Items	\$0	(\$9)
Contribution to Pre-Tax Earnings Including Special Items	(\$36)	(\$61)

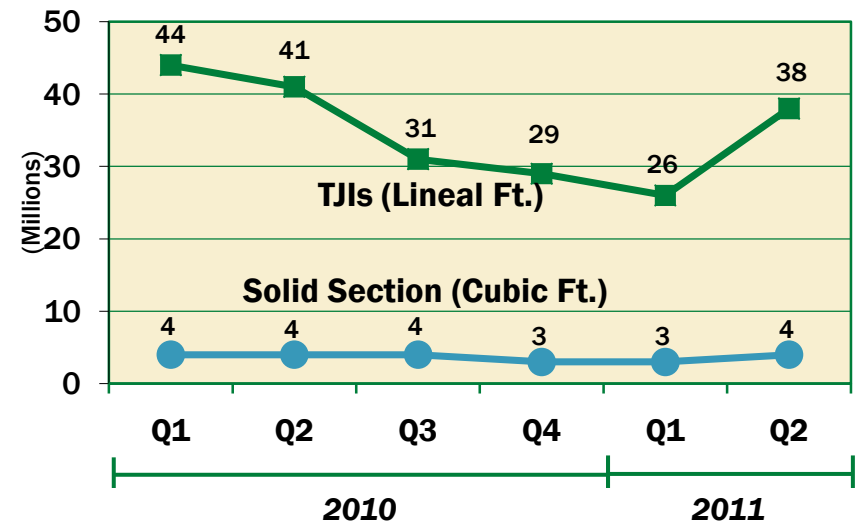
2nd Quarter Notes

- Lower selling prices for lumber and OSB
- Higher log costs
- Improved sales volumes for most products
- 2nd quarter includes charges of \$9 million related to expected sale of hardwoods business

3rd-Party OSB and Lumber Sales Volumes



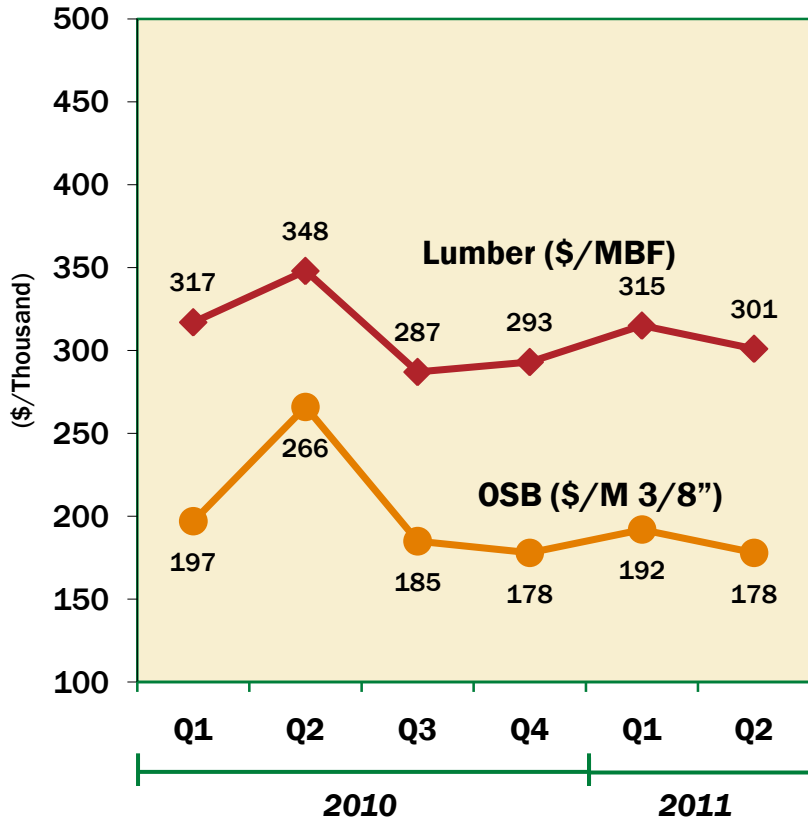
3rd-Party Engineered Wood Products Sales Volumes



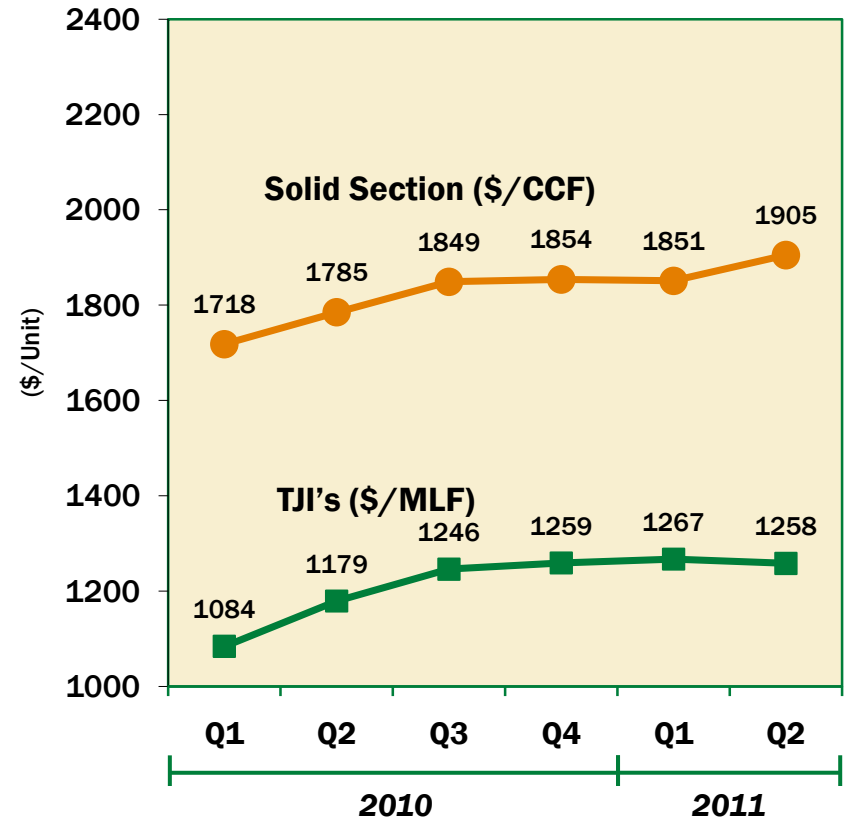
AVERAGE 3RD-PARTY REALIZATIONS — OSB AND LUMBER / ENGINEERED LUMBER

Chart 8

OSB and Lumber



Engineered Lumber

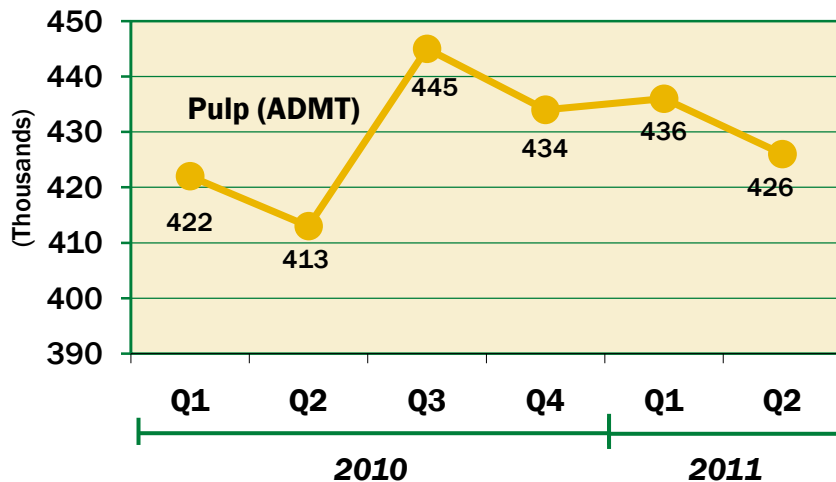


Cellulose Fibers (\$ Millions)	2011 Q1	2011 Q2
Revenues	\$506	\$526
Contribution to Pre-Tax Earnings	\$86	\$80

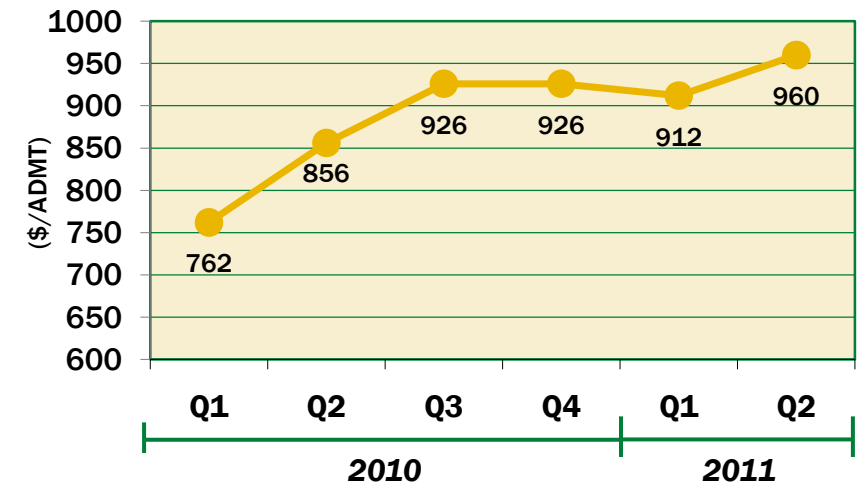
2nd Quarter Notes

- Higher maintenance costs and lower production due to annual outages
- Four maintenance outages in the 2nd quarter, compared with two in the 1st quarter
- Higher average selling prices
- Lower sales volumes due to weakening market demand

3rd-Party Pulp Sales Volumes



Average 3rd-Party Realizations – Pulp



Real Estate (\$ Millions)	2011 Q1	2011 Q2
Revenues	\$160	\$191
Contribution to Pre-Tax Earnings	(\$1)	\$8

2nd Quarter Notes

- Seasonal increase in home sale closings
- Margins on homes closed improved slightly
- Average prices declined, due to mix
- 2nd quarter includes \$4 million from sale of land and lots, compared with \$1 million in 1st quarter

Weyerhaeuser Real Estate Company Key Indicators

	2010				2011	
	Q1	Q2	Q3	Q4	Q1	Q2
Sales Traffic (in Thousands)	23	17	16	12	13	15
Single-Family Homes Sold (Net New Orders)	620	491	418	385	535	521
Single-Family Homes Sold But Not Closed At End of Period (Backlog)	877	743	660	439	611	673
Cancellation Rate (%)	19%	22%	20%	19%	12%	16%
Single-Family Homes Closed	393	625	501	606	363	459
Average Home Closing Price (\$ Thousands)	\$365	\$371	\$400	\$439	\$419	\$391
Single-Family Home Gross Margin, Excluding Impairments (%)	19.4%	23.9%	24.3%	26.1%	21.7%	22.4%



Segment	Comments
Timberlands	<ul style="list-style-type: none"> ▪ Lower selling prices and harvest volumes in the West ▪ Seasonally higher silviculture and road expenses ▪ Reduced earnings from disposition of non-strategic timberlands ▪ Expect 2011 Q3 earnings to be significantly lower than 2011 Q2
Wood Products	<ul style="list-style-type: none"> ▪ Lower selling prices for lumber and oriented strand board ▪ Lower sales volumes for most products ▪ Lower log costs and modest cost improvements ▪ Excluding special items, anticipate a comparable loss in 2011 Q3 compared with 2011 Q2
Cellulose Fibers	<ul style="list-style-type: none"> ▪ Substantially lower maintenance costs and increased production due to completion of 2011 scheduled annual maintenance outages in 2011 Q2 ▪ Lower selling prices for pulp, partially offset by somewhat higher shipment volumes ▪ Seasonally lower energy costs ▪ Expect 2011 Q3 earnings to be significantly higher than 2011 Q2
Real Estate	<ul style="list-style-type: none"> ▪ Seasonal increase in single-family home closings ▪ Average selling prices flat to slightly lower due to mix, and continued strong margins ▪ Anticipate slightly higher earnings from single-family homebuilding operations in 2011 Q3



APPENDIX



PRO FORMA EARNINGS PER SHARE

Chart 12

- 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	2011
	Q1	Q2	Q3	Q4	Q1	Q2
Net Earnings, as Reported (\$ millions)						
Net Earnings	(\$20)	\$14	\$1,116	\$171	\$99	\$10
Net Earnings Before Special Items	(\$15)	\$42	\$81	\$52	\$3	\$32
Earnings Per Share, As Reported						
Weighted average shares outstanding (millions)	211	212	318	538	540	541
Diluted EPS	(\$0.10)	\$0.07	\$3.50	\$0.32	\$0.18	\$0.02
Diluted EPS before Special Items	(\$0.07)	\$0.20	\$0.25	\$0.10	\$0.00	\$0.06
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	541
Pro Forma Diluted EPS	(\$0.04)	\$0.03	\$2.08	\$0.32	\$0.18	\$0.02
Pro Forma Diluted EPS before Special Items	(\$0.03)	\$0.08	\$0.15	\$0.10	\$0.00	\$0.06

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	Q2
Contribution to Earnings before Special Items						
Timberlands	\$81	\$70	\$75	\$56	\$89	\$112
Wood Products	(63)	(11)	(100)	(85)	(36)	(52)
Cellulose Fibers	19	74	181	138	86	80
Real Estate	31	27	20	33	(1)	8
Corporate and Other	12	8	10	2	(41)	(22)
Total Contribution to Earnings before Special Items	\$80	\$168	\$186	\$144	\$97	\$126
Special Items	44	8	-	(84)	152	(9)
Total Contribution to Earnings	\$124	\$176	\$186	\$60	\$249	\$117
Interest Expense, net ^{1.}	(106)	(106)	(94)	(96)	(93)	(91)
Loss on Extinguishment of Debt	-	(49)	(1)	-	-	(26)
Income Taxes ^{2.}	(38)	(7)	1,025	207	(57)	10
Net Income (loss)	(\$20)	\$14	\$1,116	\$171	\$99	\$10
Net Income (loss) before Special Items^{3.}	(\$15)	\$42	\$81	\$52	\$3	\$32
Diluted EPS ^{4.}	(\$0.10)	\$0.07	\$3.50	\$0.32	\$0.18	\$0.02
Diluted EPS before Special Items ^{3,4.}	(\$0.07)	\$0.20	\$0.25	\$0.10	\$0.00	\$0.06

1. Interest expense is net of capitalized interest.

2. 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.

3. A reconciliation to GAAP Net Income is set forth on Chart 3. A reconciliation to GAAP EPS is set forth on Chart 14.

4. 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	Q2
Diluted EPS before Special Items	(\$0.07)	\$0.20	\$0.25	\$0.10	\$0.00	\$0.06
Income Tax Adjustments and Credits	(0.15)		3.25	0.33		
Loss on Early Extinguishment of Debt		(0.16)				(0.03)
Net Gain on Divestiture of Assets and Operations	0.12	0.03		0.06	0.18	
Closures, Restructuring, Impairments, and Related Charges				(0.17)		(0.01)
Diluted EPS (GAAP)	(\$0.10)	\$0.07	\$3.50	\$0.32	\$0.18	\$0.02

