

WEYERHAEUSER

Earnings Release – 2nd Quarter 2012



07.27.12



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 slightly lower export log realizations, lower domestic selling prices for Western logs, somewhat lower Southern log price realizations, higher earnings from the disposition of non-strategic timberlands, and comparable earnings from the Timberlands segment; flat to slightly lower sales volumes, seasonally softer sales realizations, increased log costs in Canada, flat log costs in the South, declining log costs in the West, and solidly profitable results from the Wood Products segment; weaker selling prices for pulp, higher pulp sales volumes, improved productivity, lower annual maintenance expense, reduced chemical and energy and fiber costs, slightly higher freight expense, and significantly higher earnings from the Cellulose Fibers segment; and higher home closing volume, slightly lower average selling prices, gross margins of approximately 20 percent, increased selling expenses, and increased earnings from single-family homebuilding operations 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 U.S. and international 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;
- the effect of weather and the risk of loss from fires, floods, windstorms, hurricanes, pest infestation and other natural disasters;
- raw material and energy prices and transportation costs;
- 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;
- 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 relative 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 Q2 CONSOLIDATED RESULTS

Chart 1

	2012 Q1	2012 Q2
Net Income Before Special Items¹	\$9	\$47
Diluted EPS Before Special Items¹	\$0.02	\$0.09
EBITDA excluding special items ²	\$179	\$251

\$ Millions EXCEPT EPS	2012	2012	
Contribution to Pre-Tax Earnings Before Special Items ³	Q1	Q2	Change
Timberlands	\$70	\$77	\$7
Wood Products	(13)	30	43
Cellulose Fibers	48	36	(12)
Real Estate	(8)	15	23
Unallocated Items	(22)	(28)	(6)
Total Contribution to Pre-Tax Earnings Before Special Items	\$75	\$130	\$55
Special Items	38	57	
Total Contribution to Pre-Tax Earnings	\$113	\$187	
Interest Expense, Net ⁴	(87)	(86)	
Income Taxes ⁵	15	(17)	
Net Income	\$41	\$84	
Diluted EPS	\$0.08	\$0.16	

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 17 and at www.weyerhaeuser.com.

3. Weyerhaeuser began holding elimination of intersegment profit on inventory and the LIFO reserve as part of Unallocated Items during 2012 Q2. This change provides a better understanding of business segment operating results. Contributions to pre-tax earnings for prior periods have been adjusted to reflect this change. A reconciliation to contribution to pre-tax earnings as previously reported is set forth on Chart 14.

4. Interest expense is net of capitalized interest.

5. 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	2012 Q1			2012 Q2		
	Contribution to Pre-Tax Earnings	After-Tax Earnings	Diluted EPS	Contribution to Pre-Tax Earnings	After-Tax Earnings	Diluted EPS
Earnings Before Special Items	\$75	\$9	\$0.02	\$130	\$47	\$0.09
Special Items:						
Gain on Postretirement Plan Amendment	52	34	0.06	51	33	0.06
Gain on Sale of Properties	–	–	–	6	4	0.01
Income Tax Settlements	–	8	0.02	–	–	–
Charges for Restructuring, Impairments and Other	(14)	(10)	(0.02)	–	–	–
Earnings Including Special Items (GAAP)	\$113	\$41	\$0.08	\$187	\$84	\$0.16



TIMBERLANDS SEGMENT

Chart 3

TIMBERLANDS (\$ Millions)	2012 Q1	2012 Q2
Third Party Revenues ¹ .	\$242	\$259
Intersegment Revenues ¹ .	\$112	\$115
Contribution to Pre-Tax Earnings ² .	\$70	\$77
EBITDA ³ .	\$104	\$111
Operating Margin ⁴ .	20%	21%

1. Revenues exclude Canadian Forestland operations.
2. Contribution to pre-tax earnings for 2012 Q1 has been adjusted to exclude elimination of intersegment profit on inventory and the LIFO reserve. These company-level adjustments are now reported as part of Unallocated Items. A reconciliation to contribution to pre-tax earnings as previously reported is set forth on Chart 14.
3. A reconciliation to GAAP is set forth on Chart 17, and at www.weyerhaeuser.com.
4. 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.

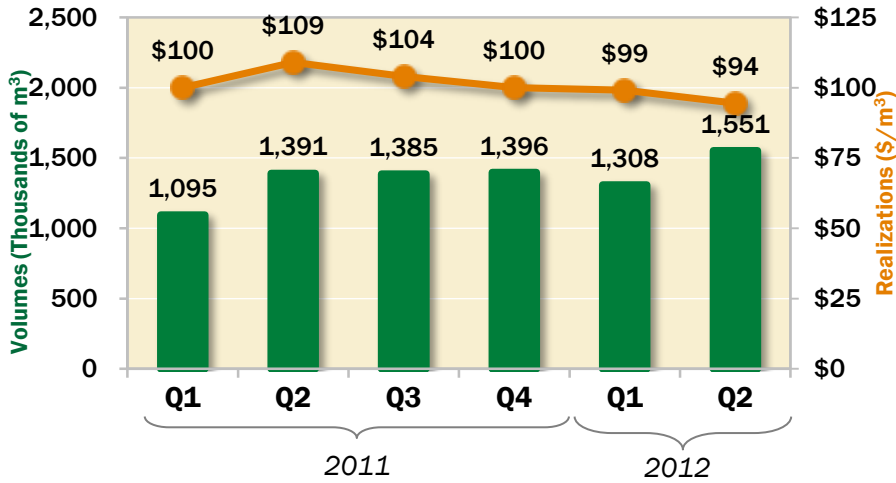
2nd Quarter Notes

- Seasonally higher fee harvest volume in the West and South
- Increased demand for domestic and export logs
- Average selling prices for export logs declined, and domestic prices for Western and Southern logs rose slightly

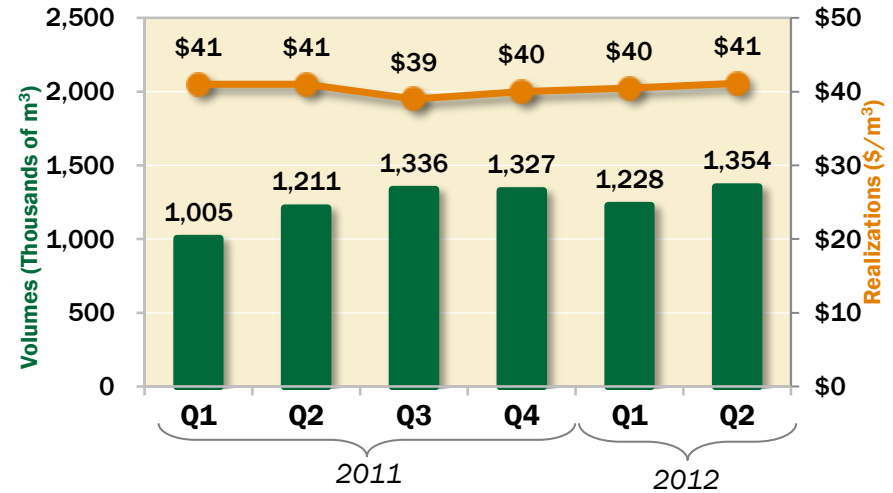


WESTERN/SOUTHERN TIMBERLANDS

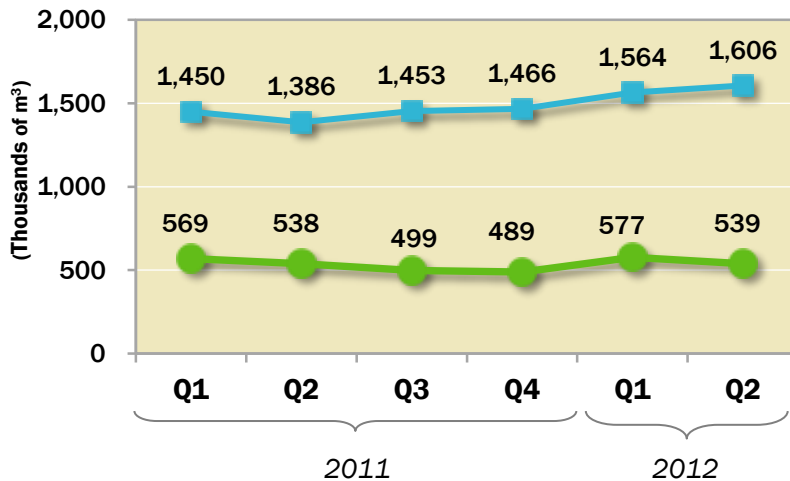
3rd-Party Log Sales and Realizations - West



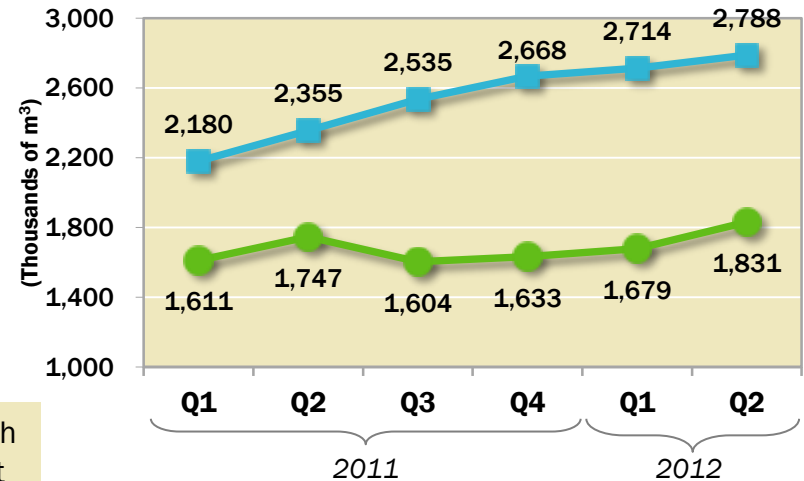
3rd-Party Log Sales and Realizations - South



Intersegment Log Sales Volume



Fee Harvest Volume



■ South
● West

WOOD PRODUCTS SEGMENT

Chart 5

WOOD PRODUCTS (\$ Millions)	2012 Q1	2012 Q2
Third Party Revenues	\$634	\$776
Intersegment Revenues	\$20	\$20
Contribution (Charge) to Pre-Tax Earnings Before Special Items ¹	(\$13)	\$30
Pre-Tax Special Items	--	6
Contribution (Charge) to Pre-Tax Earnings Including Special Items	(\$13)	\$36
EBITDA, excluding Special Items ²	\$20	\$63
Operating Margin, excluding Special Items ³	(2%)	4%

1. Contribution to pre-tax earnings for 2012 Q1 has been adjusted to exclude elimination of intersegment profit on inventory and the LIFO reserve. These company-level adjustments are now reported as part of Unallocated Items. A reconciliation to contribution to pre-tax earnings as previously reported is set forth on Chart 14.
2. A reconciliation to GAAP is set forth on Chart 17, and at www.weyerhaeuser.com.
3. Contribution to Pre-Tax Earnings Before Special Items divided by Total Revenues.

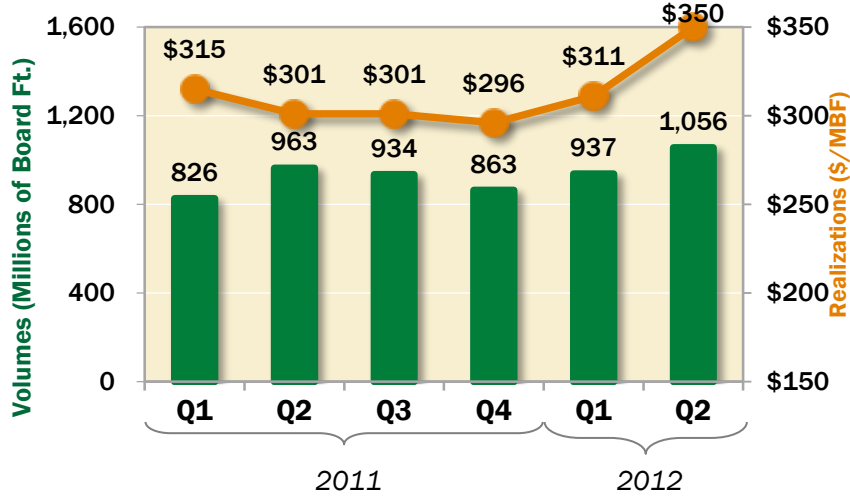
2nd Quarter Notes

- Selling prices for lumber and oriented strand board increased 13% and 9%, respectively
- Sales volumes increased substantially
- Operational improvements contributed to stronger results
- 2nd quarter special items include a pre-tax gain of \$6 million from sale of property

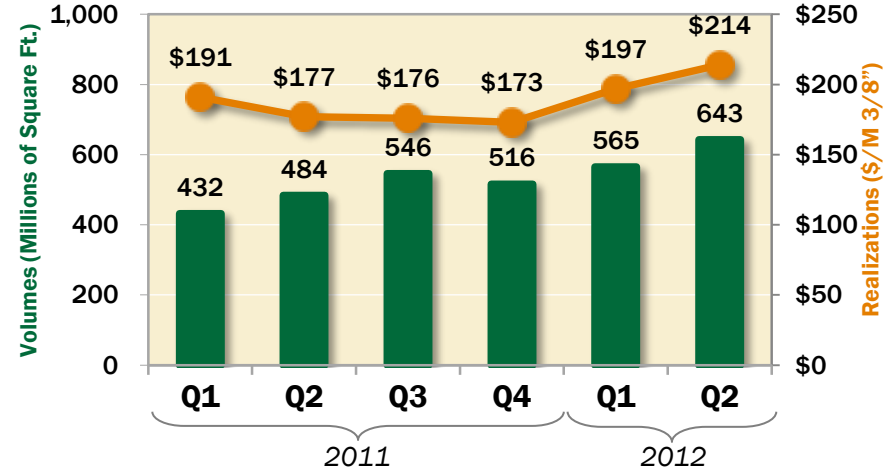


3RD-PARTY SALES VOLUMES AND REALIZATIONS

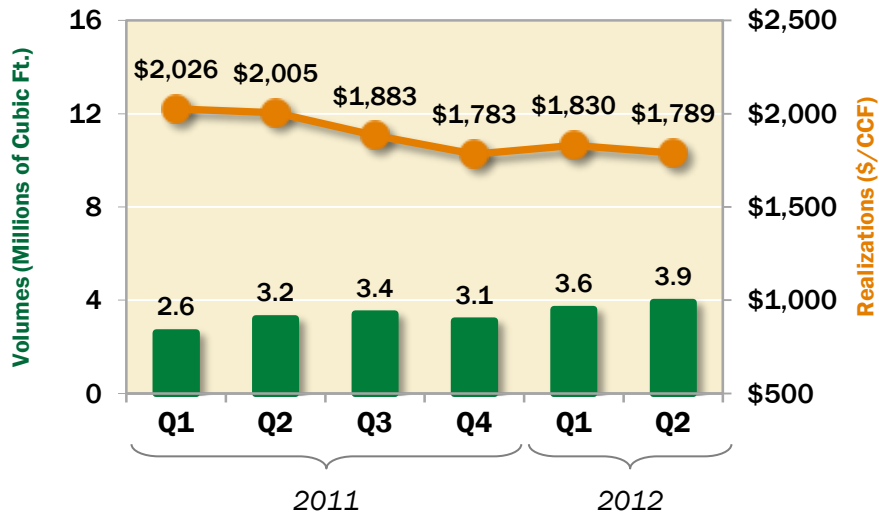
Lumber



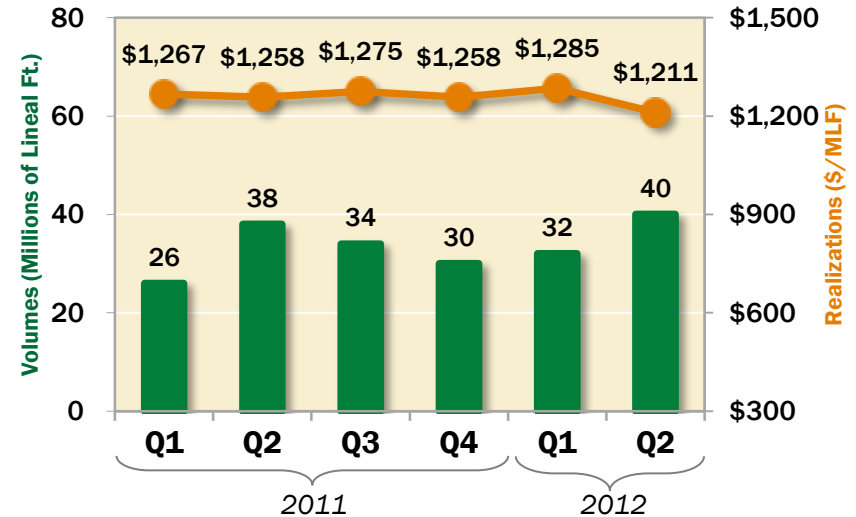
OSB



Engineered Wood – Solid Section



Engineered Wood – TJI's



CELLULOSE FIBERS SEGMENT

Chart 7

CELLULOSE FIBERS (\$ Millions)	2012 Q1	2012 Q2
Total Revenues	\$473	\$459
Contribution to Pre-Tax Earnings ¹	\$48	\$36
EBITDA ²	\$86	\$71
Operating Margin ³	10%	8%
Days of Scheduled Annual Maintenance	27	27

1. Contribution to pre-tax earnings for 2012 Q1 has been adjusted to exclude elimination of intersegment profit on inventory and the LIFO reserve. These company-level adjustments are now reported as part of Unallocated Items. A reconciliation to contribution to pre-tax earnings as previously reported is set forth on Chart 14.
2. A reconciliation to GAAP is set forth on Chart 17, and at www.weyerhaeuser.com.
3. Contribution to Pre-Tax Earnings divided by Total Revenues.

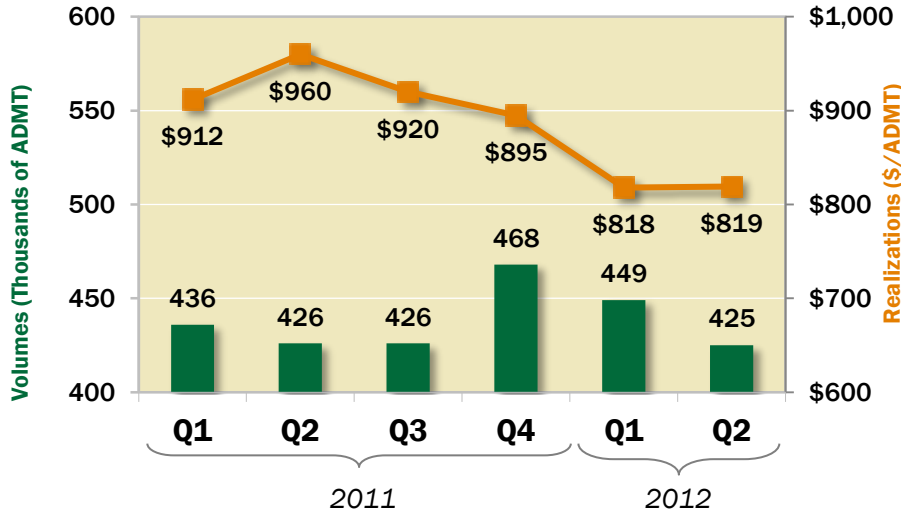
2nd Quarter Notes

- Average sales realizations for pulp were approximately flat
- Planned maintenance costs increased
- Sales volumes declined due to timing of shipments and reduced pulp production resulting from operational issues experienced during the quarter
- 1st and 2nd quarter each included two scheduled annual maintenance outages

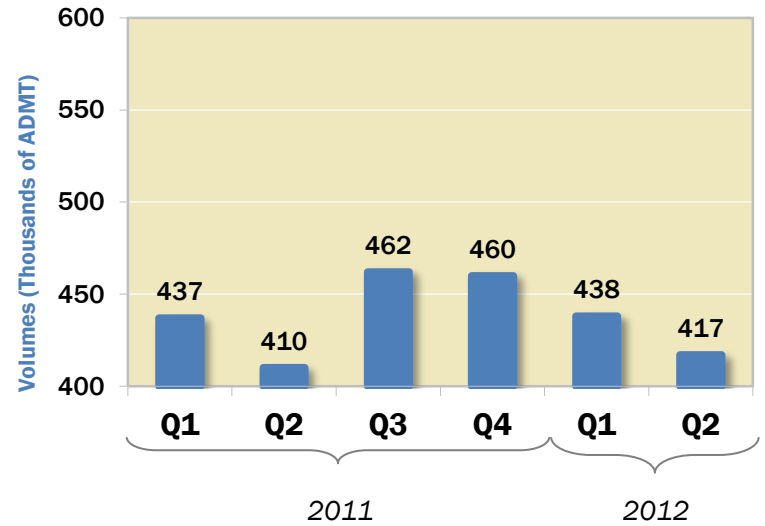


CELLULOSE FIBERS SEGMENT

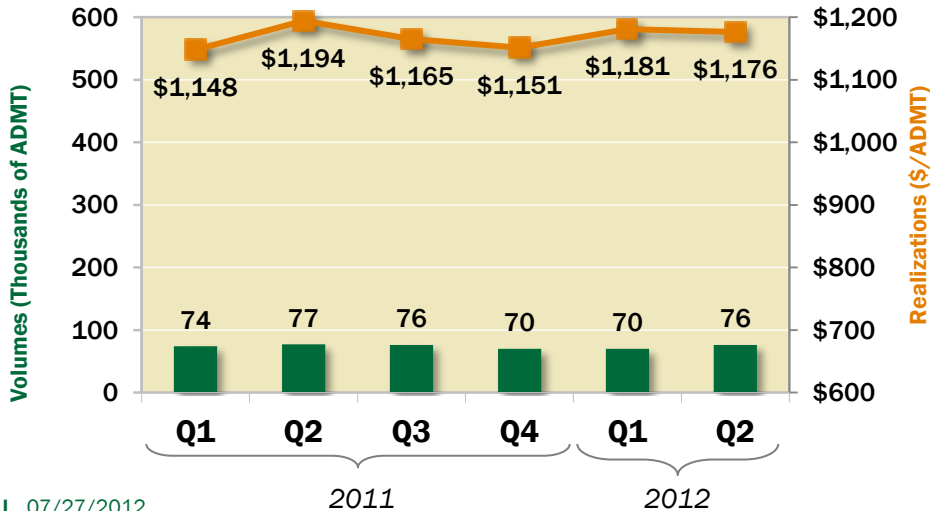
3rd-Party Sales Volumes and Realizations -- Pulp



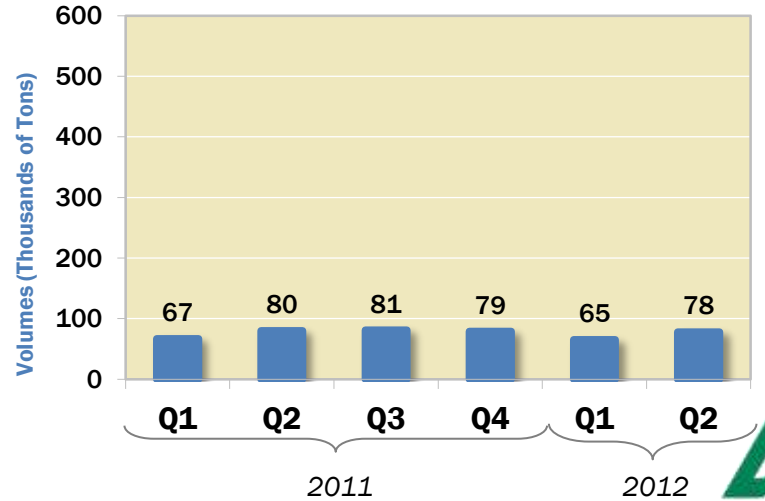
Production Volumes -- Pulp



3rd-Party Sales Volumes and Realizations -- Liquid Packaging



Production Volumes -- Liquid Packaging



REAL ESTATE (\$ Millions)	2012 Q1	2012 Q2
Total Revenues	\$137	\$296
Contribution (Charge) to Pre-Tax Earnings	(\$8)	\$15
EBITDA ¹	(\$4)	\$31
Operating Margin ²	(6%)	5%

1. A reconciliation to GAAP is set forth on Chart 17, and at www.weverhaeuser.com.

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

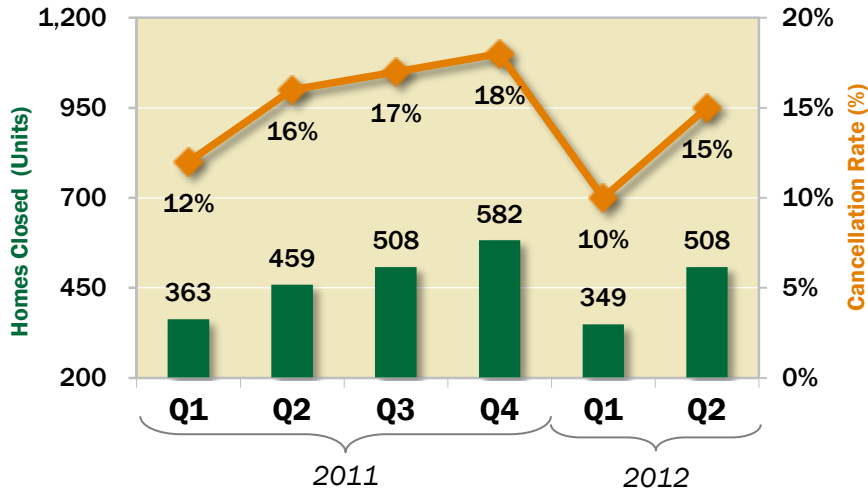
2nd Quarter Notes

- Seasonal increase in home closings
- Average margins improved to nearly 20% due to mix
- 2nd quarter includes earnings of \$12 million from sale of land and lots, compared with \$1 million from sale of lots in the 1st quarter

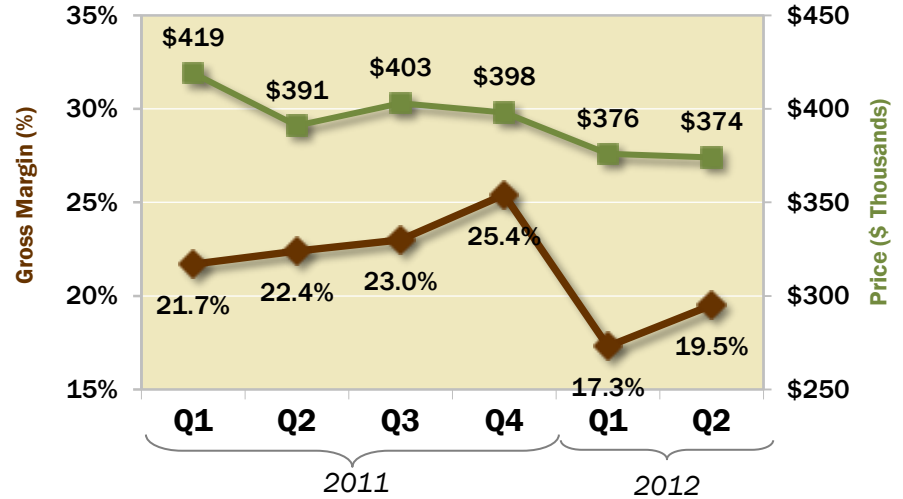


SINGLE FAMILY HOMEBUILDING

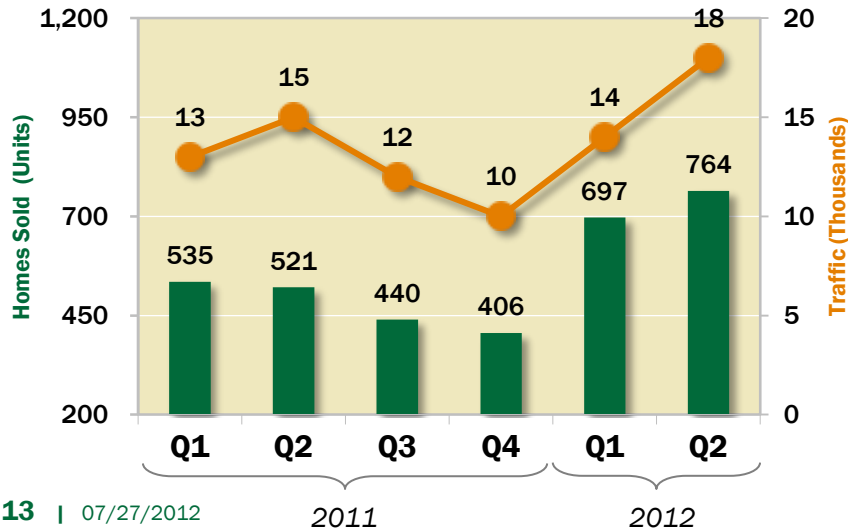
Home Closings and Cancellation Rate



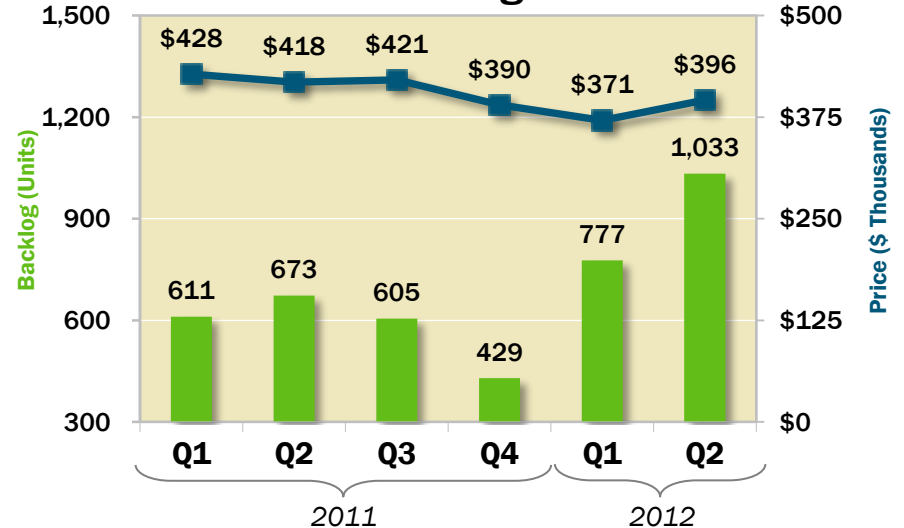
Average Closing Price and Gross Margin Excluding Impairments



Homes Sold and Buyer Traffic



Backlog and Average Sale Price of Homes in Backlog



UNALLOCATED ITEMS¹.

Chart 11

UNALLOCATED ITEMS (\$ Millions)	2012 Q1	2012 Q2
Unallocated Corporate Function Expenses	(\$6)	(\$3)
Unallocated Share-Based Compensation	(5)	(1)
Unallocated Pension & Postretirement Costs	(7)	(7)
Foreign Exchange Gains (Losses)	6	(8)
Elimination of Intersegment Profit in Inventory and LIFO	(12)	(2)
Other	2	(7)
Charge to Pre-Tax Earnings Before Special Items ² .	(\$22)	(\$28)
Unallocated Pre-Tax Special Items	38	51
Contribution to Pre-Tax Earnings Including Special Items	\$16	\$23
EBITDA excluding Special Items ³ .	(\$27)	(\$25)

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; foreign exchange transaction gains and losses associated with financing; and elimination of intersegment profit in inventory and LIFO.

2. Contribution to pre-tax earnings for 2012 Q1 has been adjusted to include elimination of intersegment profit on inventory and the LIFO reserve. A reconciliation to contribution to pre-tax earnings as previously reported is set forth on Chart 14.

3. A reconciliation to GAAP is set forth on Chart 17, and at www.weyerhaeuser.com.

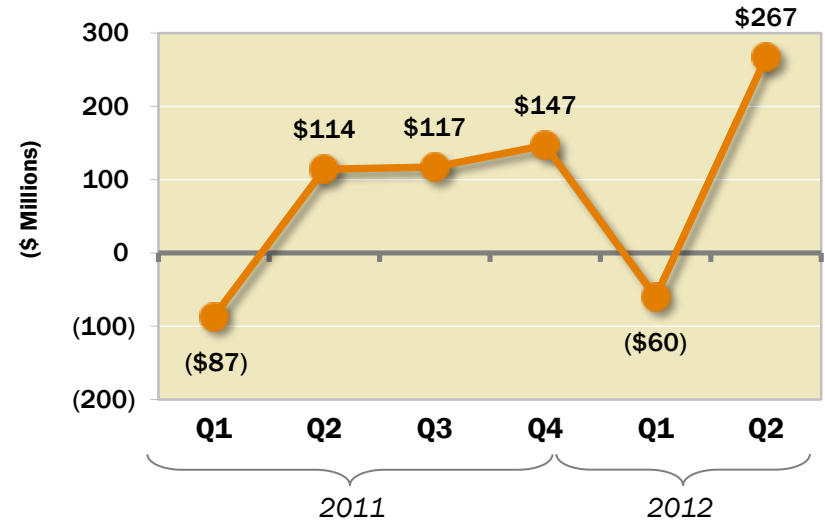


SEGMENT	COMMENTS
Timberlands	<ul style="list-style-type: none"> • Slightly lower export log realizations, and lower domestic prices for Western logs • Somewhat lower Southern log price realizations due to mix • Higher earnings from disposition of non-strategic timberlands • Expect 2012 Q3 earnings to be comparable to 2012 Q2
Wood Products	<ul style="list-style-type: none"> • Anticipate flat to slightly lower sales volumes • Sales realizations may soften seasonally, especially for lumber • Log costs projected to increase in Canada, remain flat in the South and decline in the West • Expect the segment to be solidly profitable in 2012 Q3, though not as strong as 2012 Q2
Cellulose Fibers	<ul style="list-style-type: none"> • Weaker selling prices for pulp, offset by higher sales volumes • Improved productivity and lower planned annual maintenance expense • Reduced chemical, energy and fiber costs, and slightly higher freight expense • Expect 2012 Q3 earnings to be significantly higher than 2012 Q2
Real Estate	<ul style="list-style-type: none"> • Higher home closing volume due to seasonality and improved market conditions • Slightly lower average selling prices due to mix, and gross margins of approximately 20% • Increased selling expenses due to additional closing volume • Expect increased earnings from single-family homebuilding operations in 2012 Q3

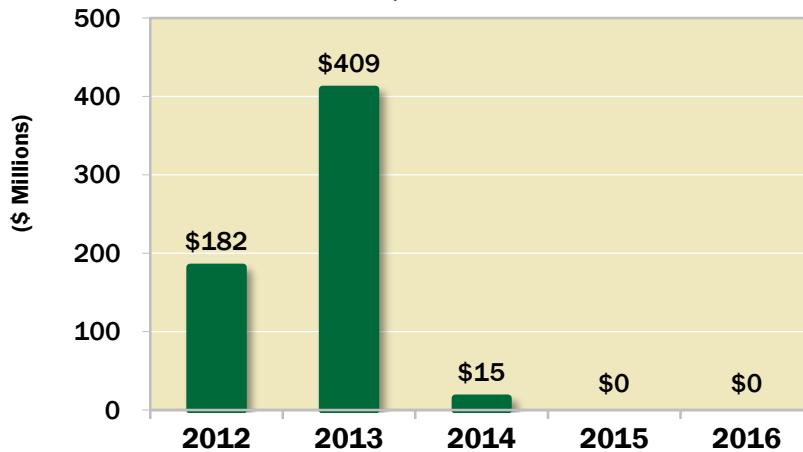


(\$ Millions)	2012 Q1	2012 Q2
Ending Cash Balance	\$728	\$861
Long-Term Debt	\$4,476	\$4,472

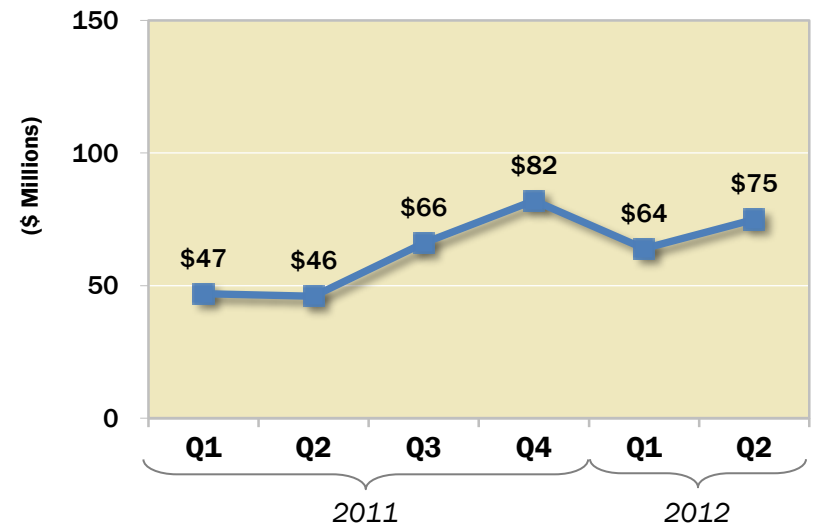
Cash from Operations



Scheduled Debt Maturities as of June 30, 2012



Capital Expenditures



Appendix



INTERSEGMENT PROFIT / LIFO ADJUSTMENT Chart 14

Weyerhaeuser began holding elimination of intersegment profit on inventory and the LIFO reserve as part of Unallocated Items during 2012 Q2. This change provides a better understanding of business segment operating results. Contributions to pre-tax earnings for prior periods have been adjusted to reflect this change. A reconciliation to contribution to pre-tax earnings as previously reported is set forth below.

\$ Millions	2011				2012	2012
Contribution to Pre-Tax Earnings Before Special Items	Q1	Q2	Q3	Q4	Q1	Q2 (as reported)
Timberlands:						
As previously reported	\$89	\$112	\$62	\$70	\$71	
Intersegment profit / LIFO adjustment	--	6	(1)	1	(1)	
As adjusted (reported in 2012 2Q)	\$89	\$118	\$61	\$71	\$70	\$77
Wood Products:						
As previously reported	(\$36)	(\$53)	(\$43)	(\$61)	(\$22)	
Intersegment profit / LIFO adjustment	4	(1)	(4)	3	9	
As adjusted (reported in 2012 2Q)	(\$32)	(\$54)	(\$47)	(\$58)	(\$13)	\$30
Cellulose Fibers:						
As previously reported	\$86	\$80	\$135	\$134	\$44	
Intersegment profit / LIFO adjustment	6	5	4	2	4	
As adjusted (reported in 2012 2Q)	\$92	\$85	\$139	\$136	\$48	\$36
Unallocated Items:						
As previously reported	(\$43)	(\$11)	(\$16)	(\$22)	(\$10)	
Intersegment profit / LIFO adjustment (reported in 2012 2Q)	(10)	(10)	1	(6)	(12)	(2)
As adjusted (reported in 2012 2Q)	(\$53)	(\$21)	(\$15)	(\$28)	(\$22)	(\$28)



EARNINGS SUMMARY

Chart 15

Weyerhaeuser began holding elimination of intersegment profit on inventory and the LIFO reserve as part of Unallocated Items during 2012 Q2. Contributions to pre-tax earnings for prior periods have been adjusted to reflect this change. A reconciliation to contribution to pre-tax earnings as previously reported is set forth on Chart 14.

\$ Millions EXCEPT EPS	2011				2012	
	Q1	Q2	Q3	Q4	Q1	Q2
Contribution to Pre-Tax Earnings Before Special Items						
Timberlands	\$89	\$118	\$61	\$71	\$70	\$77
Wood Products	(32)	(54)	(47)	(58)	(13)	30
Cellulose Fibers	92	85	139	136	48	36
Real Estate	(1)	8	10	41	(8)	15
Unallocated Items	(53)	(21)	(15)	(28)	(22)	(28)
Total Contribution to Earnings before Special Items and Discontinued Operations	\$95	\$136	\$148	\$162	\$75	\$130
Discontinued Operations	2	(10)	(8)	--	--	--
Special Items, including from Discontinued Operations	152	(9)	12	(19)	38	57
Total Contribution to Earnings	\$249	\$117	\$152	\$143	\$113	\$187
Interest Expense, net ¹	(93)	(91)	(86)	(88)	(87)	(86)
Loss on Extinguishment of Debt	--	(26)	--	--	--	--
Income Taxes ²	(57)	10	91	10	15	(17)
Net Income	\$99	\$10	\$157	\$65	\$41	\$84
Net Income before Special Items³	\$3	\$32	\$66	\$77	\$9	\$47
Diluted EPS	\$0.18	\$0.02	\$0.29	\$0.12	\$0.08	\$0.16
Diluted EPS before Special Items ³	\$0.00	\$0.06	\$0.12	\$0.14	\$0.02	\$0.09

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 16, and at www.weyerhaeuser.com.



EARNINGS PER SHARE RECONCILIATION

	2011				2012	
	Q1	Q2	Q3	Q4	Q1	Q2
Diluted EPS Before Special Items	\$0.00	\$0.06	\$0.12	\$0.14	\$0.02	\$0.09
Special Items:						
Gain on Postretirement Plan Amendment	--	--	--	--	0.06	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 Sale of Assets, Operations and Property	0.18	(0.01)	0.06	--	--	0.01
Loss on Early Extinguishment of Debt	--	(0.03)	--	--	--	--
Diluted EPS (GAAP)	\$0.18	\$0.02	\$0.29	\$0.12	\$0.08	\$0.16



EBITDA RECONCILIATION

Chart 17

\$ Millions	2012 Q1						2012 Q2					
	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	\$20	\$86	(\$4)	(\$27)	\$179	\$111	\$63	\$71	\$31	(\$25)	\$251
Depletion, Depreciation & Amortization	(35)	(34)	(37)	(2)	(5)	(113)	(34)	(33)	(36)	(3)	(7)	(113)
Special Items	--	--	--	--	38	38	--	6	--	--	51	57
Capitalized Interest Included in Cost of Products Sold	--	--	--	(3)	--	(3)	--	--	--	(14)	(5)	(19)
Operating Income (GAAP)	\$69	(14)	\$49	(\$9)	\$6	\$101	\$77	\$36	\$35	\$14	\$14	\$176
Interest Income and Other	1	1	(1)	1	10	12	--	--	1	1	9	11
Net Contribution to Earnings (GAAP)²	\$70	(\$13)	\$48	(\$8)	\$16	\$113	\$77	\$36	\$36	\$15	\$23	\$187

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.
2. Weyerhaeuser began holding elimination of intersegment profit on inventory and the LIFO reserve as part of Unallocated Items during 2012 Q2. Contributions to pre-tax earnings for prior periods have been adjusted to reflect this change. A reconciliation to contribution to pre-tax earnings as previously reported is set forth on Chart 14.

