

WEYERHAEUSER

Earnings Release – 3rd Quarter 2011

10.28.11



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 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 fourth quarter of 2011, including reduced fee harvest volumes, lower selling prices for Western logs, seasonally higher road and silviculture expenses, and lower earnings in the Timberlands segment excluding earnings from disposition of non-strategic timberlands; seasonally weaker market conditions, lower selling prices for lumber and oriented strand board, reduced sales volumes and operating rates across all products lines, and a larger loss from continuing operations in the Wood Products segment excluding special items; lower selling prices for pulp, slightly higher shipment volumes, and slightly lower earnings in the Cellulose Fiber segment; and higher earnings from single-family homebuilding operations, and seasonally higher home closing volume 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 weather;
- 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 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 Q3 CONSOLIDATED RESULTS

Chart 1

	2011 Q3
Revenues from Continuing Operations (\$ Millions)	\$1,569
Net Earnings Before Special Items (\$ Millions) ¹	\$66
Diluted Earnings Per Share Before Special Items ¹	\$0.12

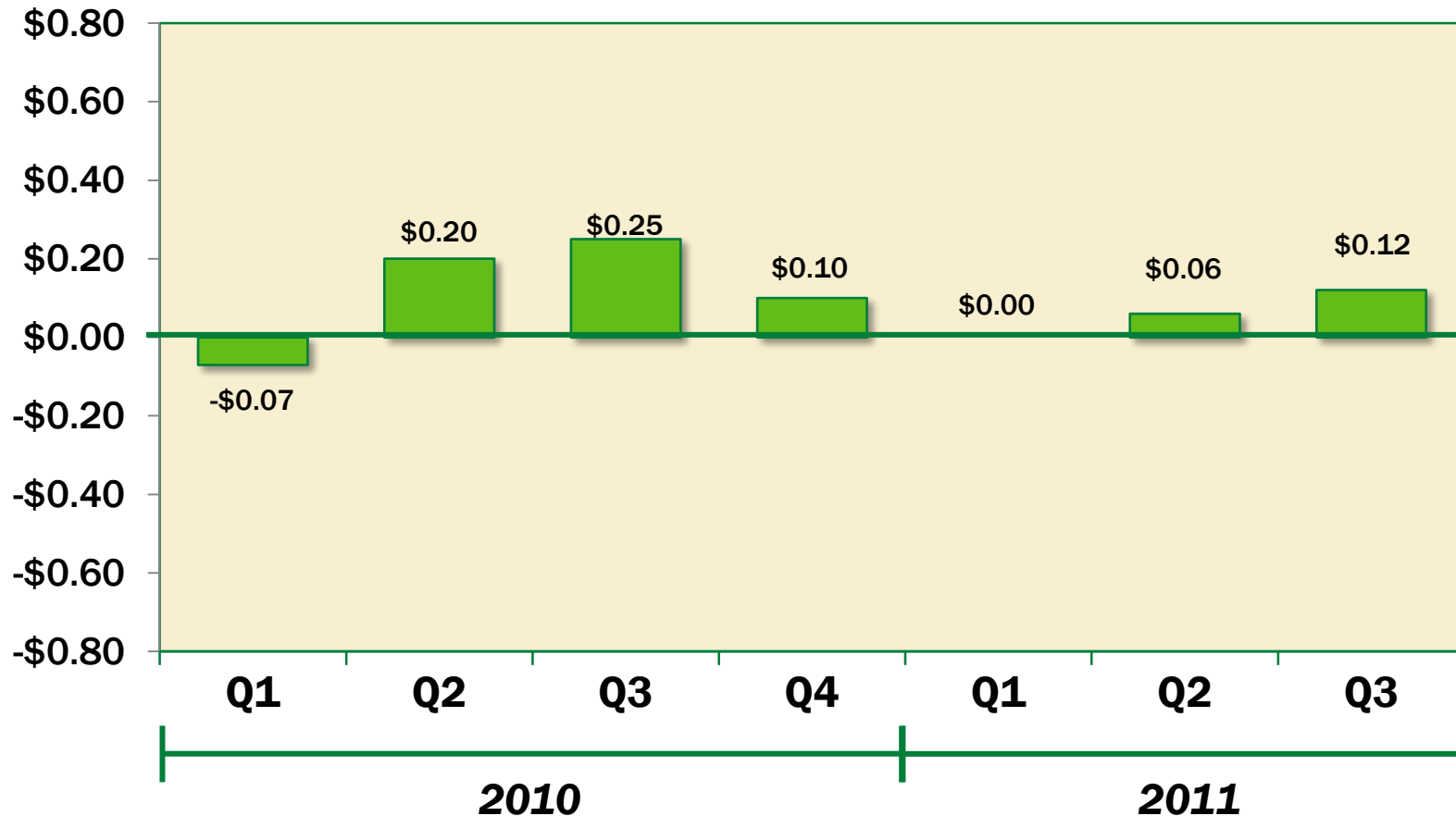
1. A reconciliation to GAAP is set forth on Chart 3, and at www.weyerhaeuser.com
2. Interest expense is net of capitalized interest.
3. Income taxes for 2011 Q3 include a benefit of \$83 million related to foreign tax credits.

\$ Millions except EPS	2011	2011
	Q2	Q3
Contribution to Pre-Tax Earnings Before Special Items		
Timberlands	\$112	\$62
Wood Products	(53)	(43)
Cellulose Fibers	80	135
Real Estate	8	10
Corporate and Other	(11)	(16)
Discontinued Operations	(10)	(8)
Total Contribution to Pre-Tax Earnings Before Special Items	\$126	\$140
Special Items, including Discontinued Operations	(9)	12
Total Contribution to Pre-Tax Earnings	\$117	\$152
Interest Expense, Net ²	(91)	(86)
Loss on Extinguishment of Debt	(26)	–
Income Taxes ³	10	91
Net Income	\$10	\$157
Diluted EPS	\$0.02	\$0.29
Diluted EPS Before Special Items ¹	\$0.06	\$0.12

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 ¹	
	2011 Q2	2011 Q3	2011 Q2	2011 Q3
Diluted EPS / Net Earnings Before Special Items	\$0.06	\$0.12	\$32	\$66
Income Tax Adjustments and Credits		0.15		83
Gain on Sale of Assets and Operations	(0.01)	0.06	(6)	32
Charges for Impairments and Restructuring		(0.04)		(24)
Loss on Early Extinguishment of Debt	(0.03)		(16)	
Diluted EPS / Net Earnings (GAAP)	\$0.02	\$0.29	\$10	\$157

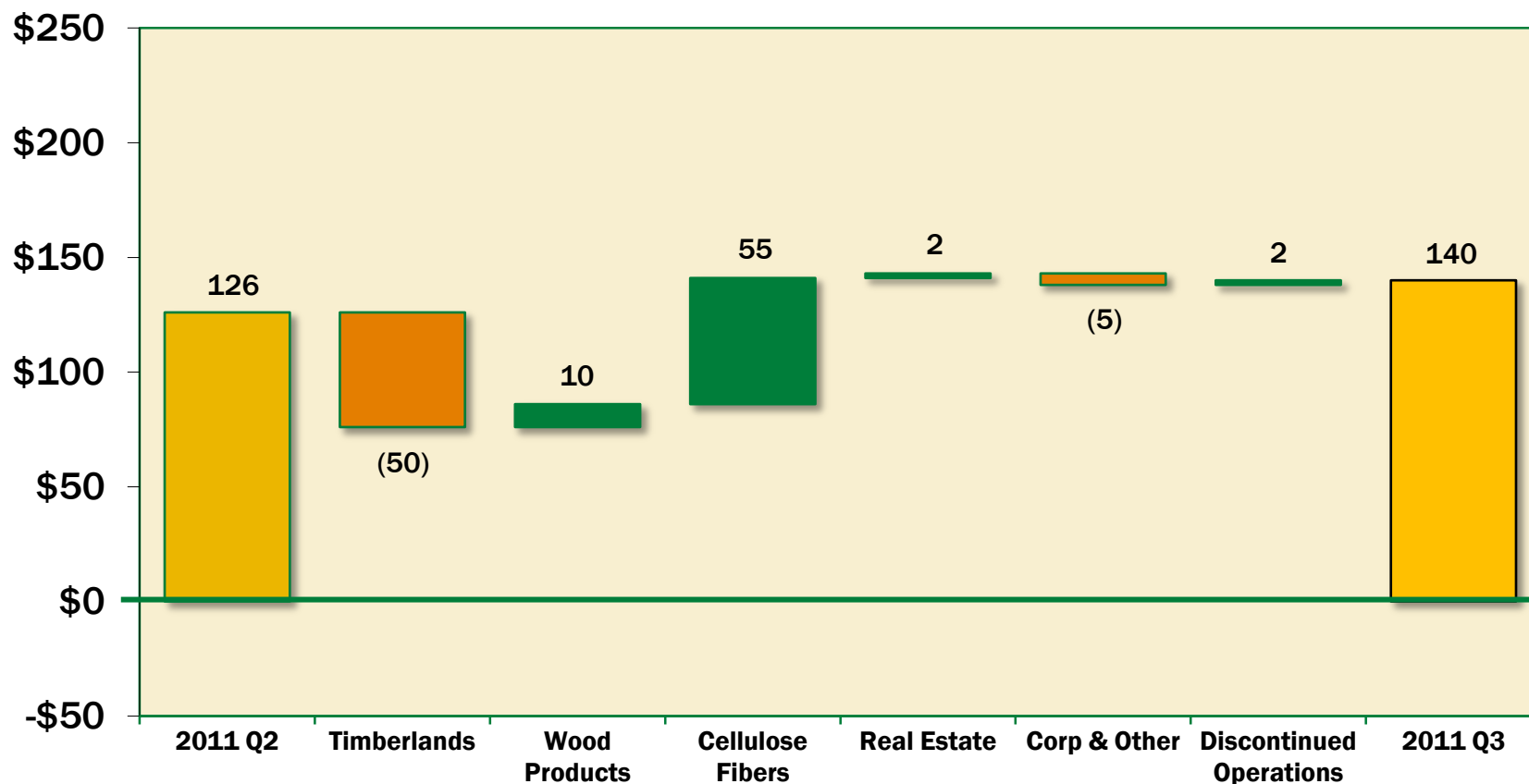
1. Contributions (charges) from special items are after tax.



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

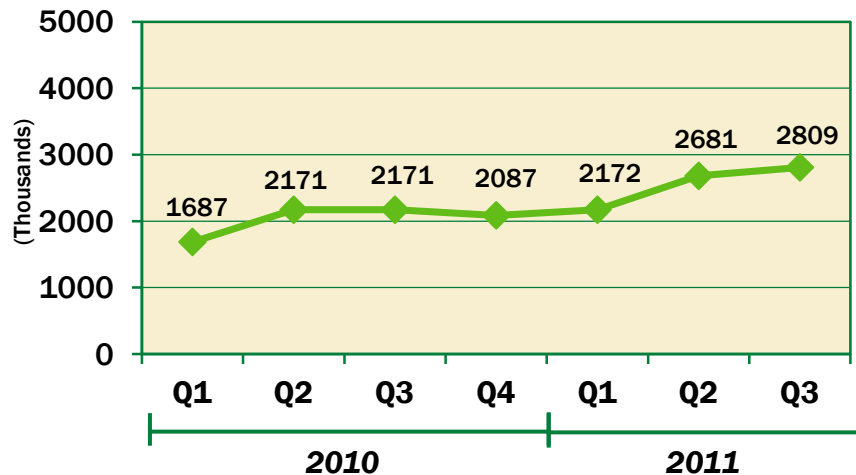


Timberlands (\$ Millions)	2011 Q2	2011 Q3
Third Party Revenues ¹ .	\$287	\$248
Inter-Segment Revenues ¹ .	\$107	\$102
Contribution to Pre-Tax Earnings	\$112	\$62

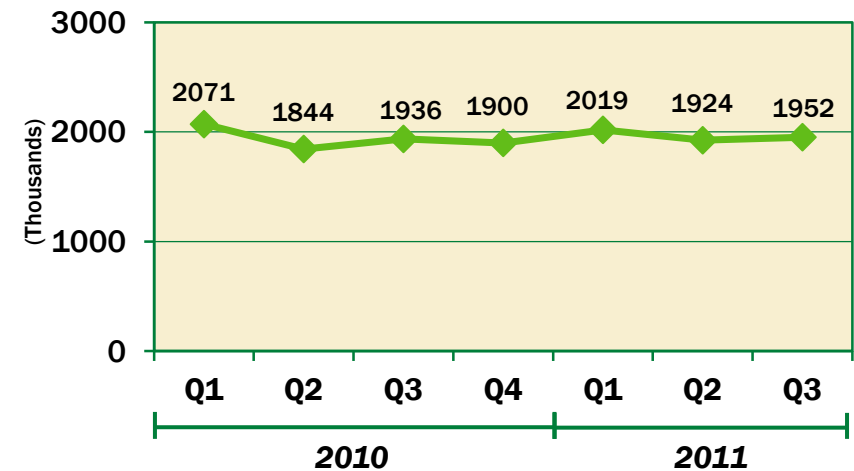
3rd Quarter Notes

- Earnings from disposition of non-strategic timberlands declined \$28 million
- Lower fee harvest volume in the West, offset by higher volume in the South
- Lower selling prices for domestic and export logs
- Seasonally higher road and silviculture costs

3rd-Party Sales Volumes – Logs (m3)¹.



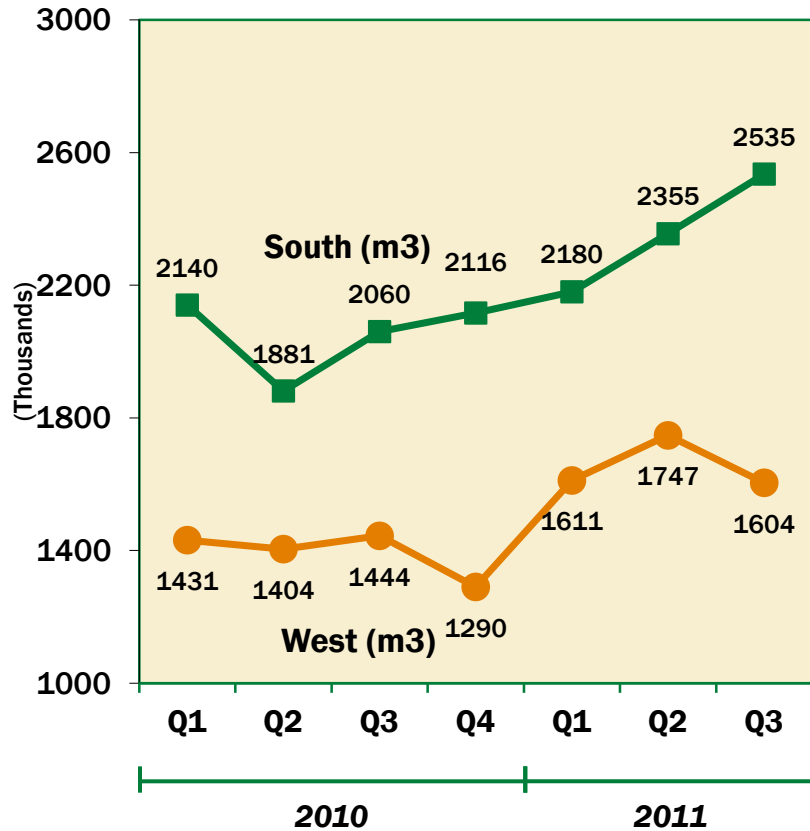
Inter-Segment Sales Volumes – Logs (m3)¹.



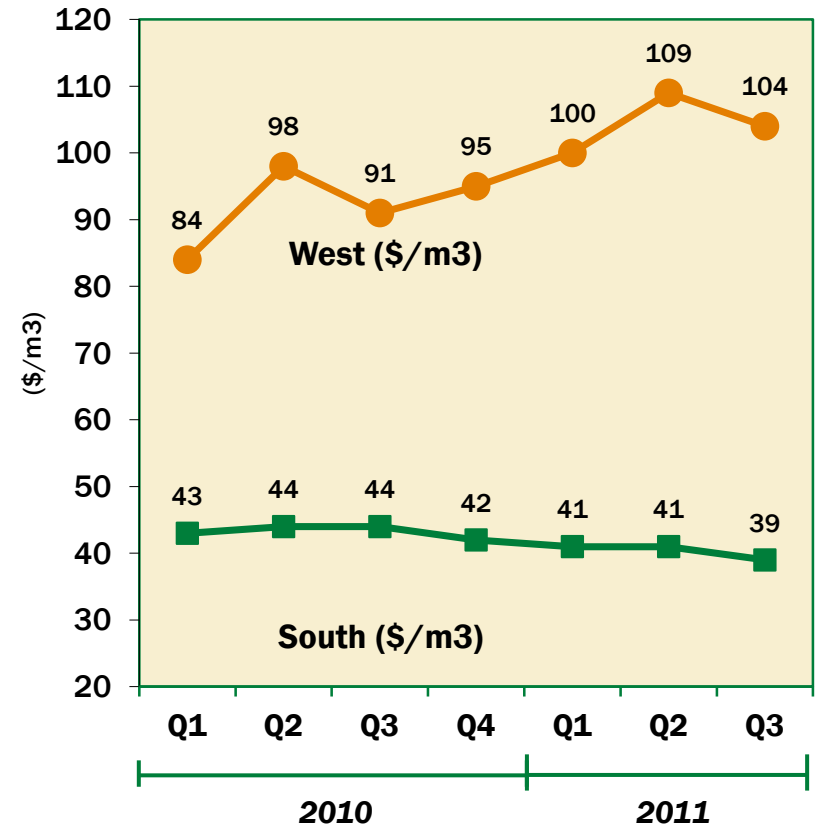
FEE HARVEST AND 3RD-PARTY LOG REALIZATIONS — WESTERN / SOUTHERN TIMBERLANDS

Chart 6

Fee Harvest Volume



Average 3rd-Party Realizations — Logs



WOOD PRODUCTS SEGMENT

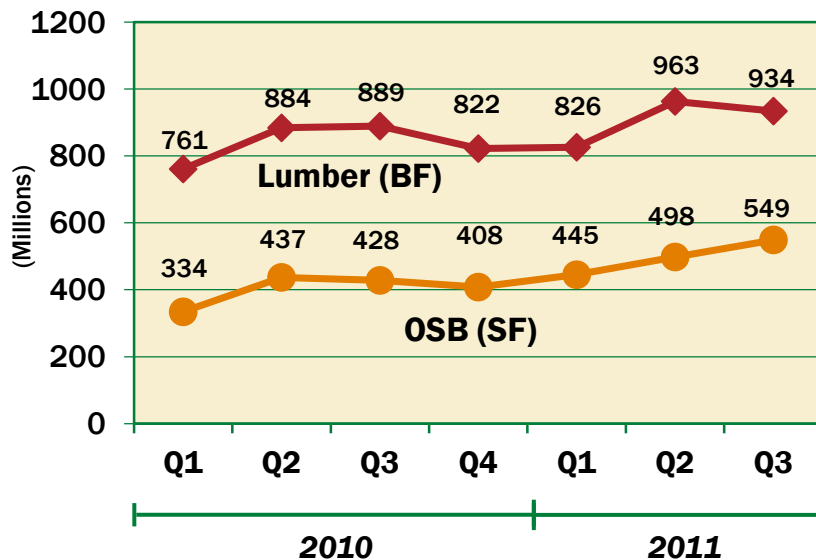
Chart 7

Wood Products (\$ Millions)	2011 Q2	2011 Q3
Revenues from Continuing Operations	\$605	\$603
Contribution from Continuing Operations Before Special Items	(\$53)	(\$43)
Contribution from Discontinued Operations Before Special Items	\$1	(\$4)
Pre-Tax Charge from Special Items, including Discontinued Operations	(\$9)	(\$46)
Contribution to Pre-Tax Earnings Including Special Items	(\$61)	(\$93)

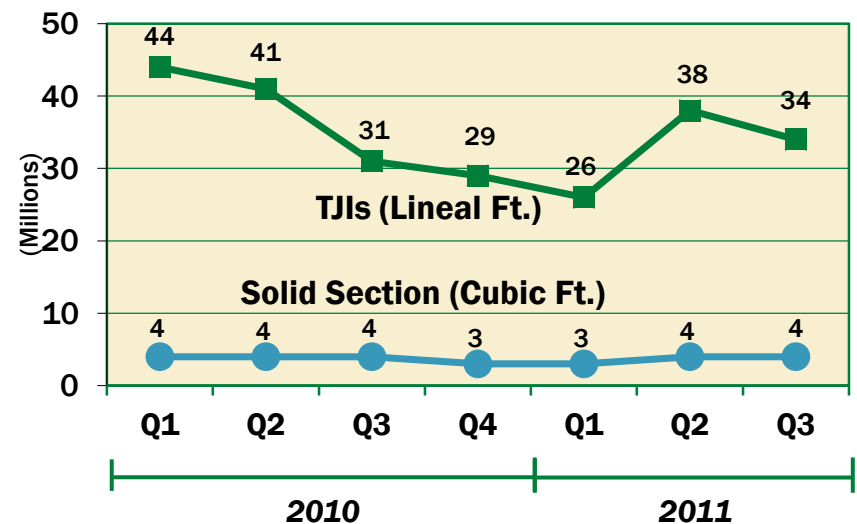
3rd Quarter Notes

- Slightly lower sales volumes for most products
- Lower log costs
- 3rd quarter includes special charges of \$33 million from continuing operations and \$13 million from discontinued operations
- 2nd quarter included special charges of \$9 million for discontinued operations

3rd-Party OSB and Lumber Sales Volumes



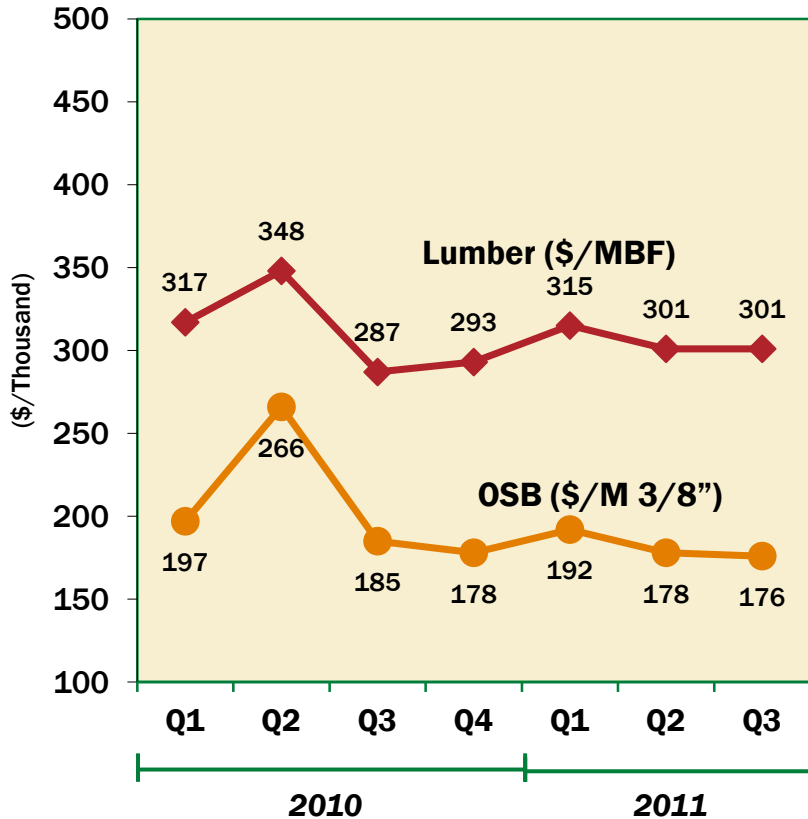
3rd-Party Engineered Wood Products Sales Volumes



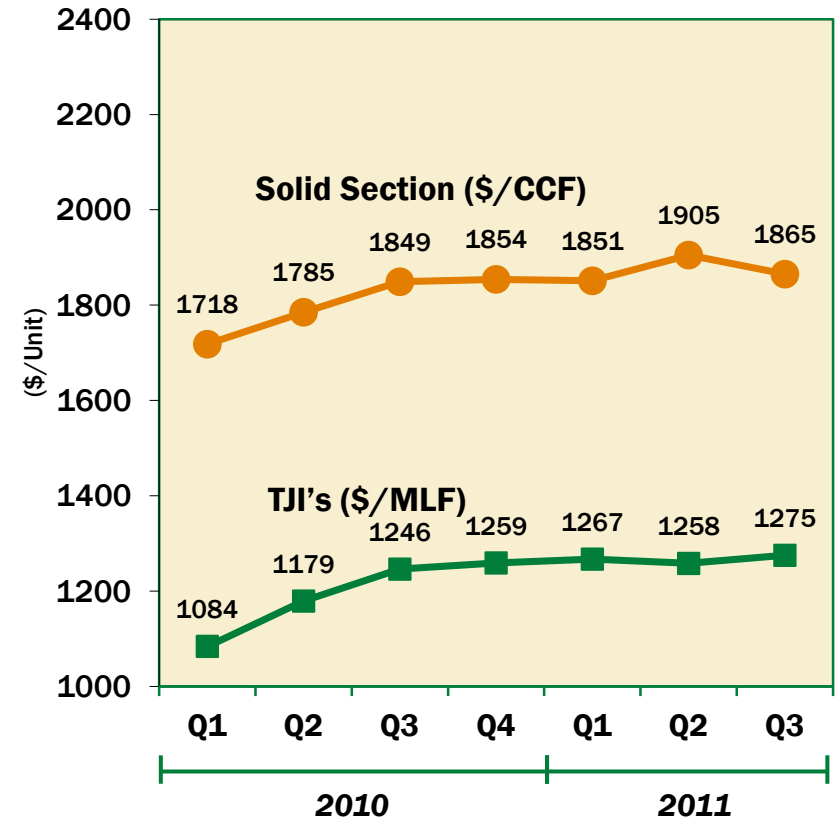
AVERAGE 3RD-PARTY REALIZATIONS — OSB AND LUMBER / ENGINEERED WOOD PRODUCTS

Chart 8

OSB and Lumber



Engineered Wood Products



CELLULOSE FIBERS SEGMENT

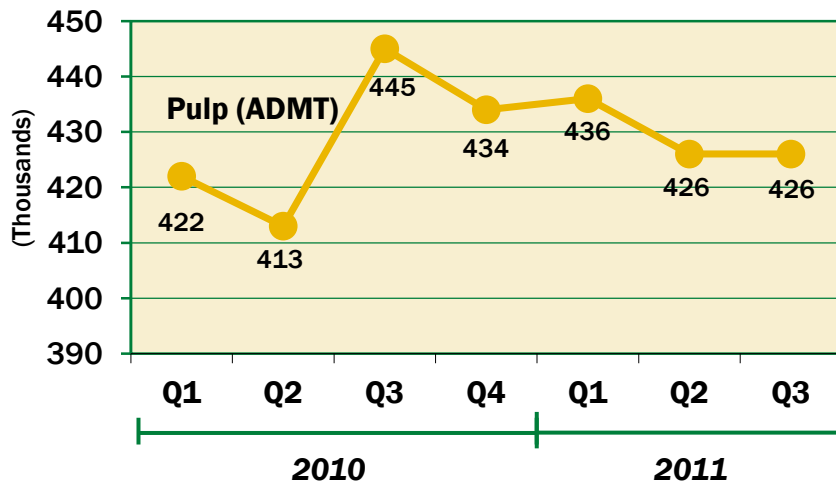
Chart 9

Cellulose Fibers (\$ Millions)	2011 Q2	2011 Q3
Revenues	\$526	\$503
Contribution to Pre-Tax Earnings	\$80	\$135

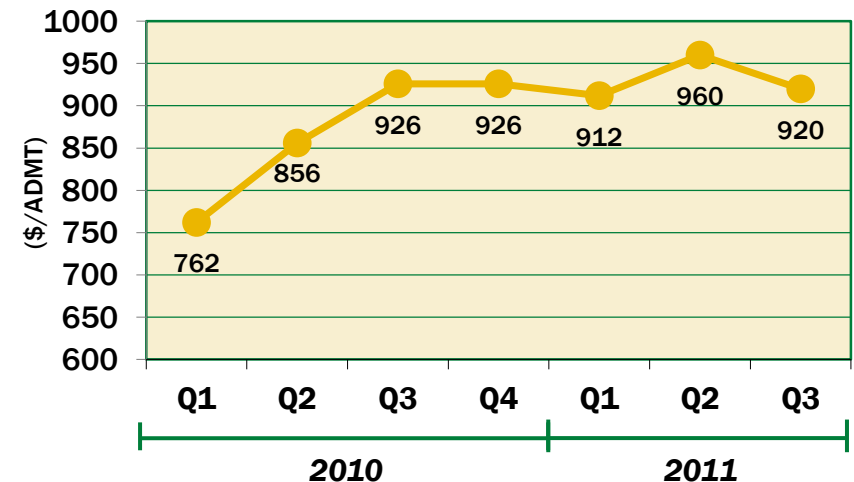
3rd Quarter Notes

- Lower average selling prices for pulp
- Lower maintenance costs and increased production due to lack of annual outages
- 2nd quarter included four annual maintenance outages

3rd-Party Pulp Sales Volumes



Average 3rd-Party Realizations – Pulp



Real Estate (\$ Millions)	2011 Q2	2011 Q3
Revenues	\$191	\$211
Contribution to Pre-Tax Earnings	\$8	\$10

3rd Quarter Notes

- Seasonal increase in home closings
- Margins on homes closed improved due to mix
- 3rd quarter included no income from sale of land and lots, compared with \$4 million in the 2nd quarter

Weyerhaeuser Real Estate Company Key Indicators

	2010				2011		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Traffic (in Thousands)	23	17	16	12	13	15	12
Single-Family Homes Sold (Net New Orders)	620	491	418	385	535	521	440
Single-Family Homes Sold But Not Closed At End of Period (Backlog)	877	743	660	439	611	673	605
Cancellation Rate (%)	19%	22%	20%	19%	12%	16%	17%
Single-Family Homes Closed	393	625	501	606	363	459	508
Average Home Closing Price (\$ Thousands)	\$365	\$371	\$400	\$439	\$419	\$391	\$403
Single-Family Home Gross Margin, Excluding Impairments (%)	19.4%	23.9%	24.3%	26.1%	21.7%	22.4%	23.0%



Segment	Comments
Timberlands	<ul style="list-style-type: none"> ▪ Lower selling prices and fee harvest volumes in the West ▪ Flat selling prices and fee harvest volumes in the South ▪ Seasonally higher road and silviculture expenses ▪ Excluding earnings from disposition of non-strategic timberlands, expect 2011 Q4 earnings to be lower than 2011 Q3 ▪ Earnings from disposition of non-strategic timberlands will increase in 2011 Q4 compared with 2011 Q3
Wood Products	<ul style="list-style-type: none"> ▪ Expect seasonally weaker market conditions ▪ Lower sales realizations for lumber and oriented strand board, flat realizations for engineered wood products ▪ Lower sales volumes across all product lines ▪ Higher per unit manufacturing costs, log costs flat to slightly lower ▪ Excluding special items, expect a larger loss from continuing operations in 2011 Q4 compared with 2011 Q3
Cellulose Fibers	<ul style="list-style-type: none"> ▪ Lower selling prices for pulp, offset by slightly higher shipment volumes ▪ Seasonally higher fiber, chemical and energy costs ▪ Scheduled annual maintenance outages were completed in the first half of 2011 ▪ Expect 2011 Q4 earnings to be slightly lower than 2011 Q3
Real Estate	<ul style="list-style-type: none"> ▪ Seasonally higher home closing volume ▪ Lower average selling prices, offset by slightly higher margins due to mix ▪ Anticipate higher earnings from single-family homebuilding operations in 2011 Q4



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				2011		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Net Earnings, as Reported (\$ millions)							
Net Earnings	(\$20)	\$14	\$1,116	\$171	\$99	\$10	\$157
Net Earnings Before Special Items	(\$15)	\$42	\$81	\$52	\$3	\$32	\$66
Earnings Per Share, As Reported							
Weighted average shares outstanding (millions)	211	212	318	538	540	541	540
Diluted EPS	(\$0.10)	\$0.07	\$3.50	\$0.32	\$0.18	\$0.02	\$0.29
Diluted EPS before Special Items	(\$0.07)	\$0.20	\$0.25	\$0.10	\$0.00	\$0.06	\$0.12
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	540
Pro Forma Diluted EPS	(\$0.04)	\$0.03	\$2.08	\$0.32	\$0.18	\$0.02	\$0.29
Pro Forma Diluted EPS before Special Items	(\$0.03)	\$0.08	\$0.15	\$0.10	\$0.00	\$0.06	\$0.12

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		
Contribution to Pre-Tax Earnings Before Special Items	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Timberlands	\$81	\$70	\$75	\$56	\$89	\$112	\$62
Wood Products	(66)	(19)	(102)	(81)	(36)	(53)	(43)
Cellulose Fibers	19	74	181	138	86	80	135
Real Estate	31	27	20	33	(1)	8	10
Corporate and Other	16	7	5	(2)	(43)	(11)	(16)
Discontinued Operations	(1)	9	7	–	2	(10)	(8)
Total Contribution to Earnings before Special Items	\$80	\$168	\$186	\$144	\$97	\$126	\$140
Special Items, including Discontinued Operations	44	8	–	(84)	152	(9)	12
Total Contribution to Earnings	\$124	\$176	\$186	\$60	\$249	\$117	\$152
Interest Expense, net ¹	(106)	(106)	(94)	(96)	(93)	(91)	(86)
Loss on Extinguishment of Debt	–	(49)	(1)	–	–	(26)	–
Income Taxes ²	(38)	(7)	1,025	207	(57)	10	91
Net Income (loss)	(\$20)	\$14	\$1,116	\$171	\$99	\$10	\$157
Net Income (loss) before Special Items³	(\$15)	\$42	\$81	\$52	\$3	\$32	\$66
Diluted EPS ⁴	(\$0.10)	\$0.07	\$3.50	\$0.32	\$0.18	\$0.02	\$0.29
Diluted EPS before Special Items ^{3,4}	(\$0.07)	\$0.20	\$0.25	\$0.10	\$0.00	\$0.06	\$0.12

1. Interest expense is net of capitalized interest.

2. Income taxes for 2011 Q3 include a benefit of \$83 million related to foreign tax credits. 2010 Q4 includes \$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	Q3
Diluted EPS before Special Items	(\$0.07)	\$0.20	\$0.25	\$0.10	\$0.00	\$0.06	\$0.12
Income Tax Adjustments and Credits	(0.15)		3.25	0.33			0.15
Net Gain on Divestiture of Assets and Operations	0.12	0.03		0.06	0.18	(0.01)	0.06
Closures, Restructuring, Impairments, and Related Charges				(0.17)			(0.04)
Loss on Early Extinguishment of Debt		(0.16)				(0.03)	
Diluted EPS (GAAP)	(\$0.10)	\$0.07	\$3.50	\$0.32	\$0.18	\$0.02	\$0.29

