

WEYERHAEUSER

Earnings Release – 4th Quarter 2011

02.03.12



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 increased fee harvest volumes in the West, slightly improved average selling prices due to a higher percentage of export logs sold to Japan, flat fee harvest volume and prices in the South, higher fuel costs across all geographies, higher silviculture expenses in the South, and slightly higher earnings in the Timberlands segment excluding earnings from disposition of non-strategic timberlands; increased sales and slightly higher selling prices for lumber, higher sales volumes and over five percent increase in selling prices for oriented strand board, increased sales volumes and flat prices for engineered wood products, higher log costs in the South and Canada and lower log costs in the West, higher operating rates across all product lines, and a smaller loss from continuing operations in the Wood Products segment excluding special items; considerably lower average selling prices for pulp and slightly lower shipment volumes, significantly higher maintenance costs and lower production due to scheduled annual maintenance outages, higher energy and chemical costs, and substantially lower earnings in the Cellulose Fiber segment; seasonally lower home closing volume, lower average selling prices and margins due to mix, and a loss 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 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.



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 Q4 CONSOLIDATED RESULTS

Chart 1

	2011 Q4
Revenues from Continuing Operations (\$ Millions)	\$1,615
Net Earnings Before Special Items (\$ Millions) ¹	\$77
Diluted Earnings Per Share Before Special Items ¹	\$0.14

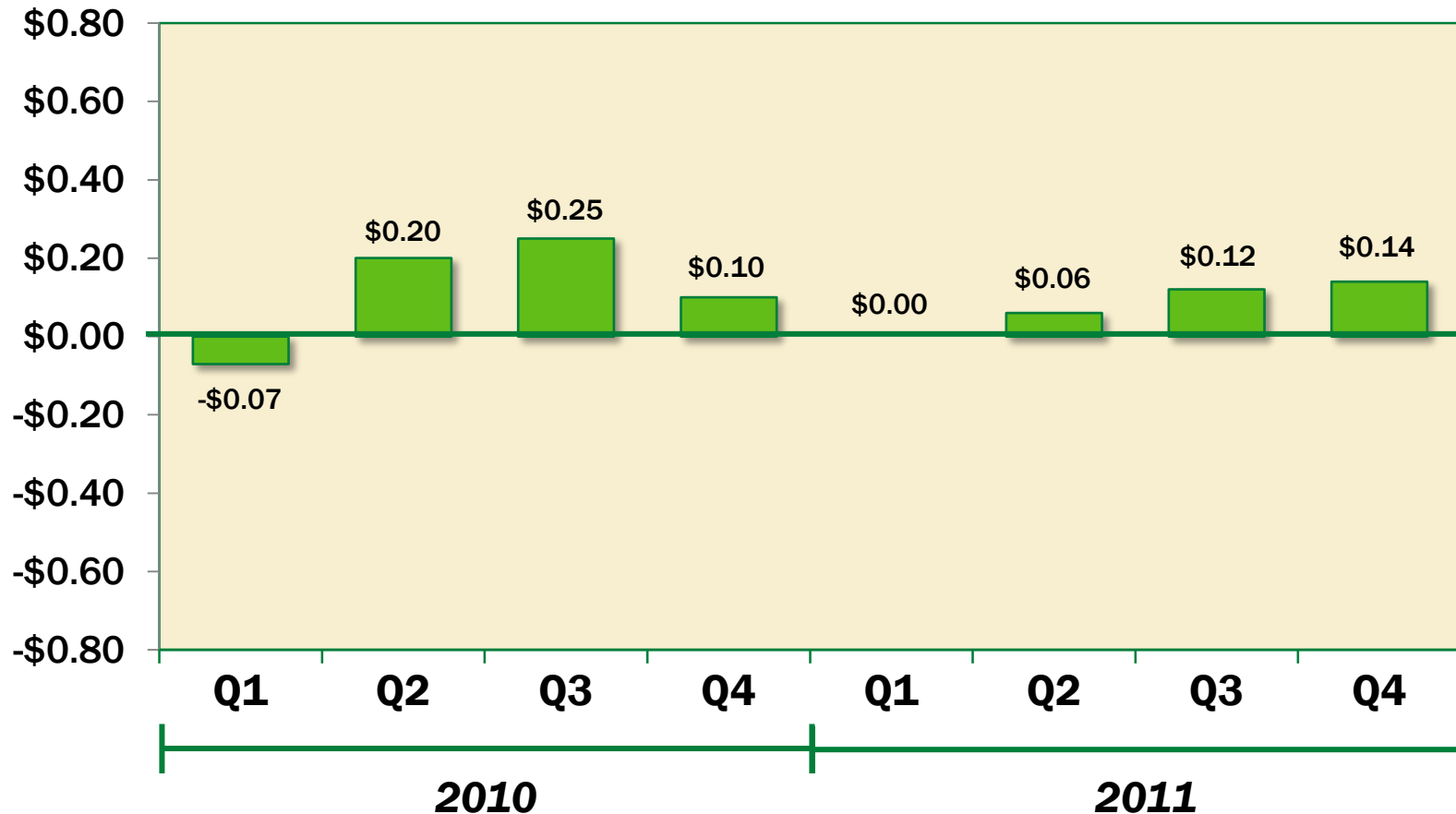
1. A reconciliation to GAAP is set forth on Chart 3, and at www.weyerhaeuser.com
2. Interest expense is net of capitalized interest.
3. Income taxes for 2011 Q3 include a benefit of \$83 million related to foreign tax credits.

\$ Millions except EPS	2011	2011
	Q3	Q4
Contribution to Pre-Tax Earnings Before Special Items		
Timberlands	\$62	\$70
Wood Products	(43)	(61)
Cellulose Fibers	135	134
Real Estate	10	41
Corporate and Other	(16)	(22)
Discontinued Operations	(8)	–
Total Contribution to Pre-Tax Earnings Before Special Items	\$140	\$162
Special Items, including Discontinued Operations	12	(19)
Total Contribution to Pre-Tax Earnings	\$152	\$143
Interest Expense, Net ²	(86)	(88)
Income Taxes ³	91	10
Net Income	\$157	\$65
Diluted EPS	\$0.29	\$0.12
Diluted EPS Before Special Items ¹	\$0.12	\$0.14

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 Q3	2011 Q4	2011 Q3	2011 Q4
Diluted EPS / Net Earnings Before Special Items	\$0.12	\$0.14	\$66	\$77
Income Tax Adjustments and Credits	0.15		83	
Gain on Sale of Assets and Operations	0.06		32	
Charges for Restructuring and Impairments	(0.04)	(0.02)	(24)	(12)
Diluted EPS / Net Earnings (GAAP)	\$0.29	\$0.12	\$157	\$65

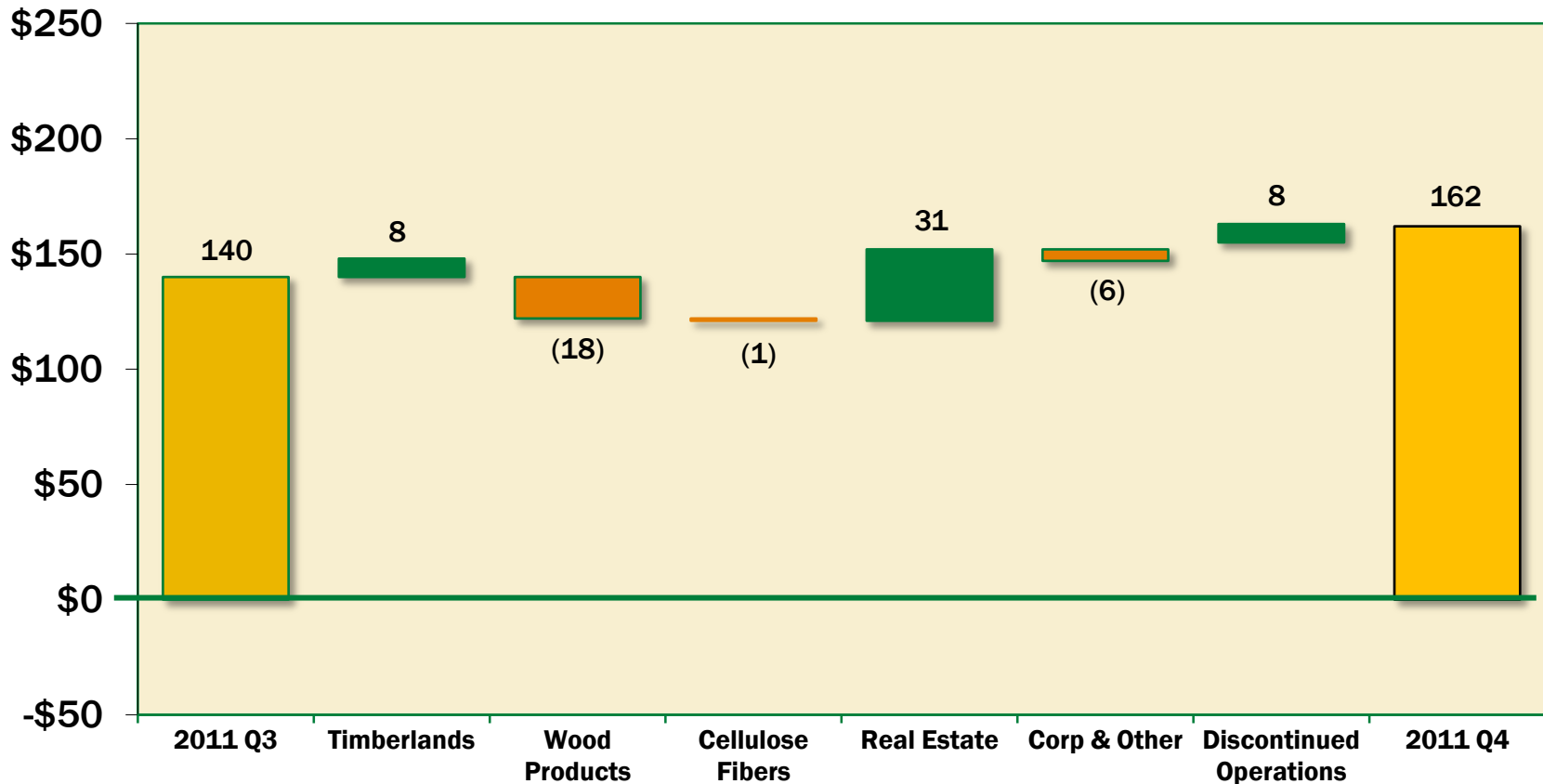
1. Contributions (charges) from special items are after tax.



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

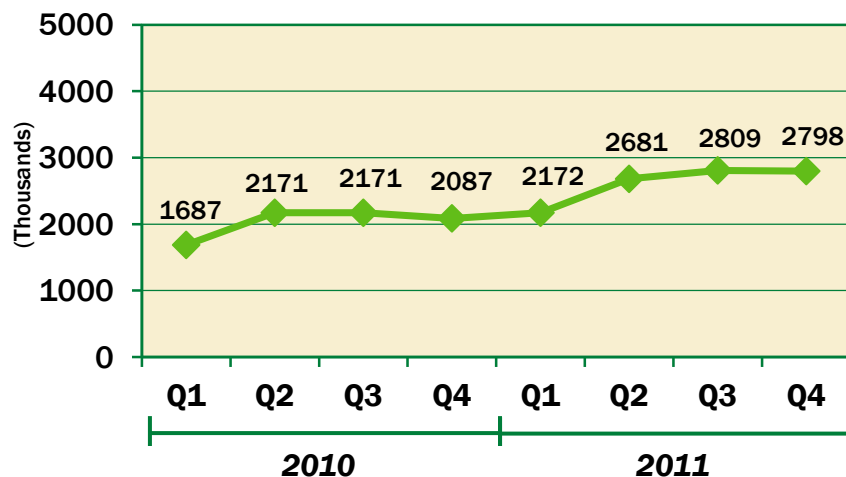


Timberlands (\$ Millions)	2011 Q3	2011 Q4
Third Party Revenues ¹ .	\$248	\$269
Inter-Segment Revenues ¹ .	\$102	\$102
Contribution to Pre-Tax Earnings	\$62	\$70

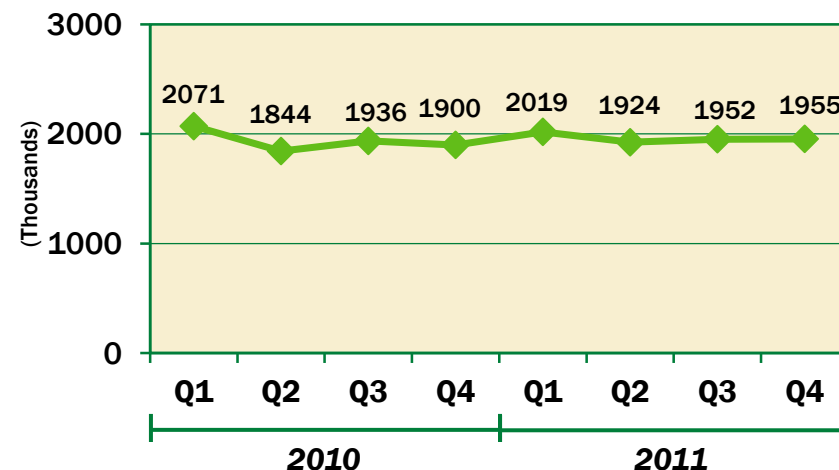
4th Quarter Notes

- Earnings from disposition of non-strategic timberlands increased \$17 million
- Higher fee harvest volumes, primarily in the South
- Lower selling prices in the West due to weaker Chinese demand
- Lower road and silviculture costs
- Higher fuel costs

3rd-Party Sales Volumes – Logs (m3)¹.



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

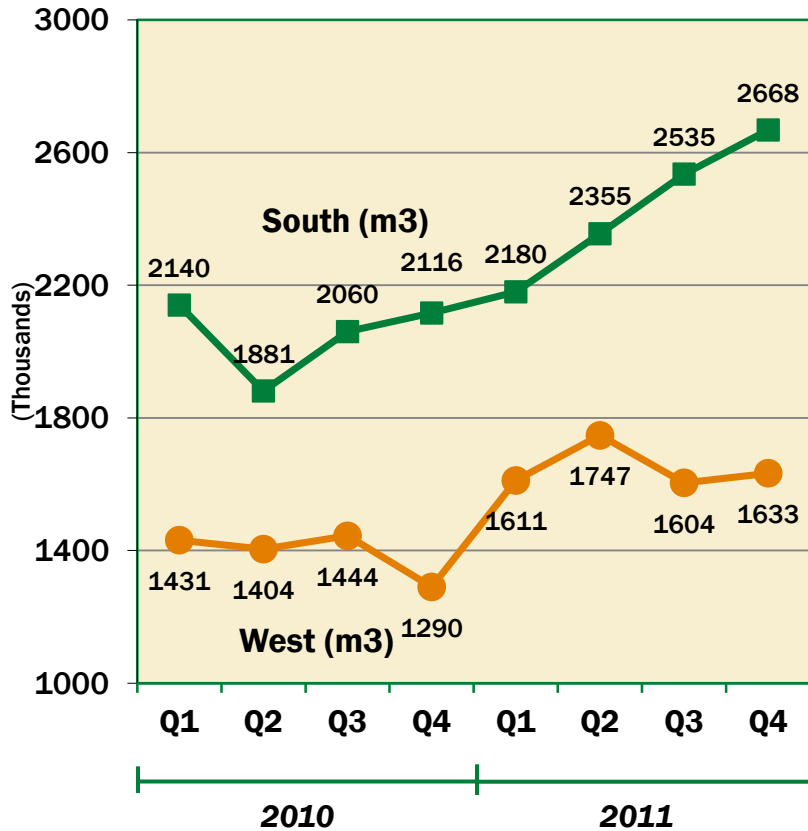


1. Revenues and volumes exclude Canadian Forestland operations.

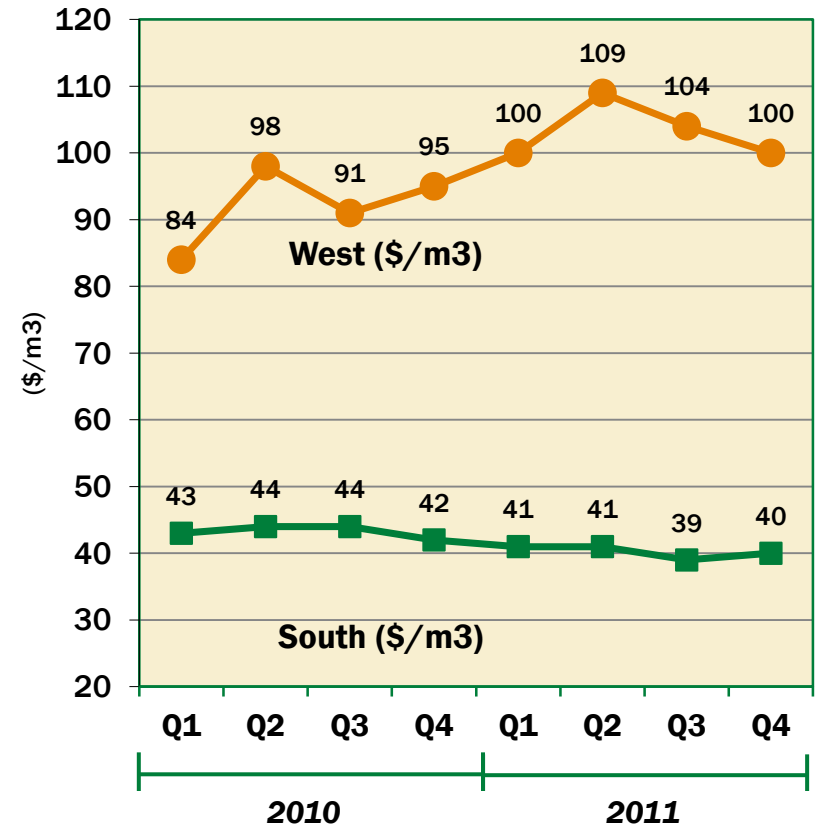
FEE HARVEST AND 3RD-PARTY LOG REALIZATIONS: WESTERN/SOUTHERN TIMBERLANDS

Chart 6

Fee Harvest Volume



Average 3rd-Party Realizations – Logs



WOOD PRODUCTS SEGMENT

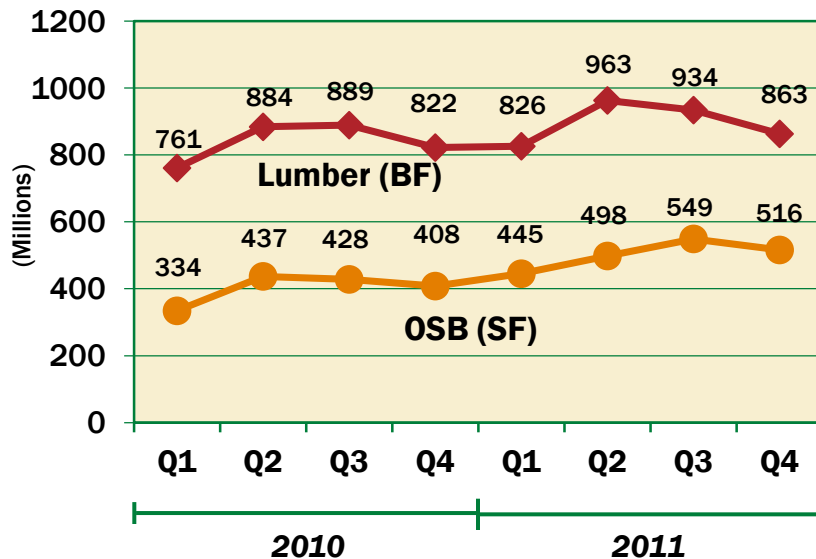
Chart 7

Wood Products (\$ Millions)	2011 Q3	2011 Q4
Revenues from Continuing Operations	\$603	\$542
Contribution from Continuing Operations Before Special Items	(\$43)	(\$61)
Contribution from Discontinued Operations Before Special Items	(\$4)	\$0
Pre-Tax Charge from Special Items, including Discontinued Operations	(\$46)	(\$19)
Contribution to Pre-Tax Earnings Including Special Items	(\$93)	(\$80)

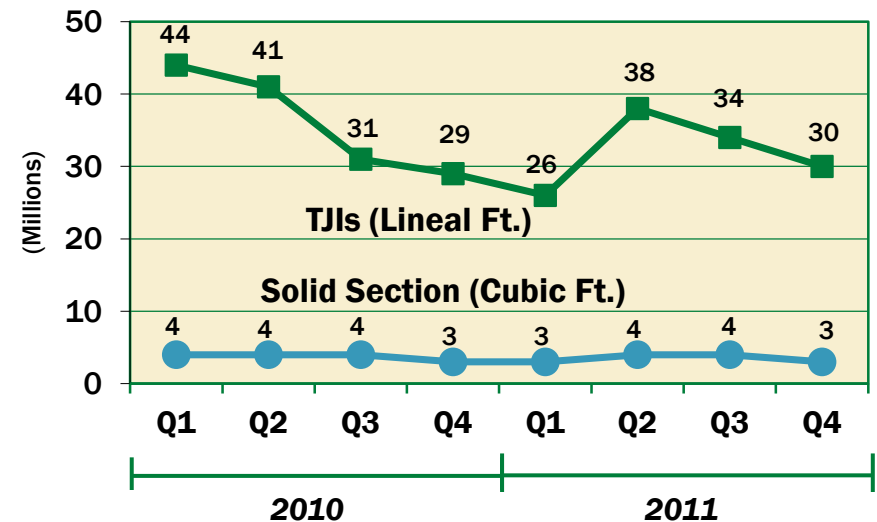
4th Quarter Notes

- Seasonally lower selling prices and volumes for most products
- Lower operating rates to match weaker market demand
- 4th quarter includes special charges of \$19 million, compared with \$46 million in the 3rd quarter

3rd-Party OSB and Lumber Sales Volumes



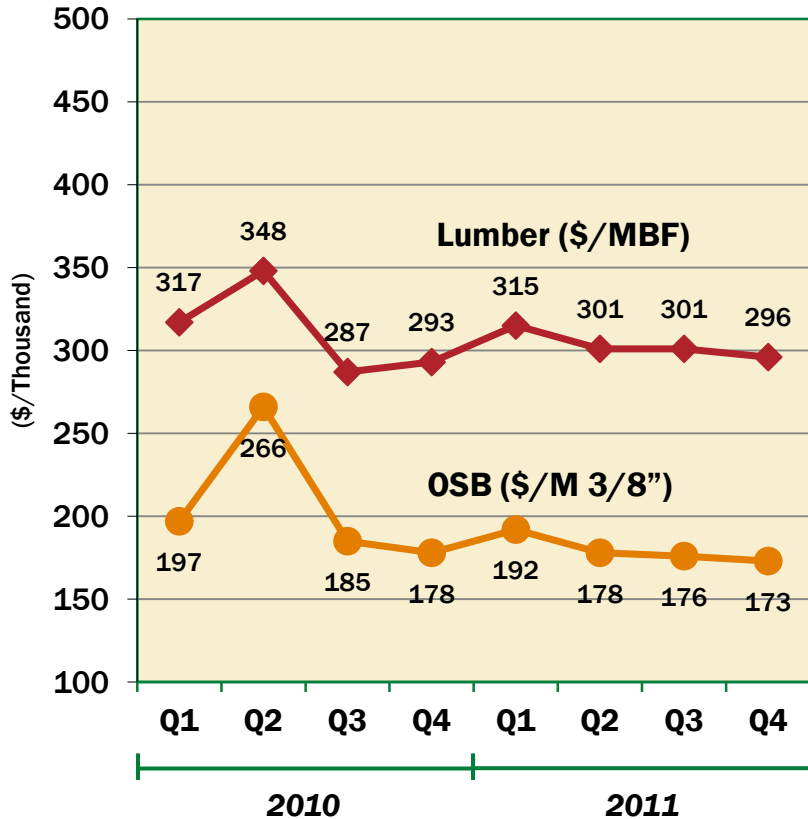
3rd-Party Engineered Wood Products Sales Volumes



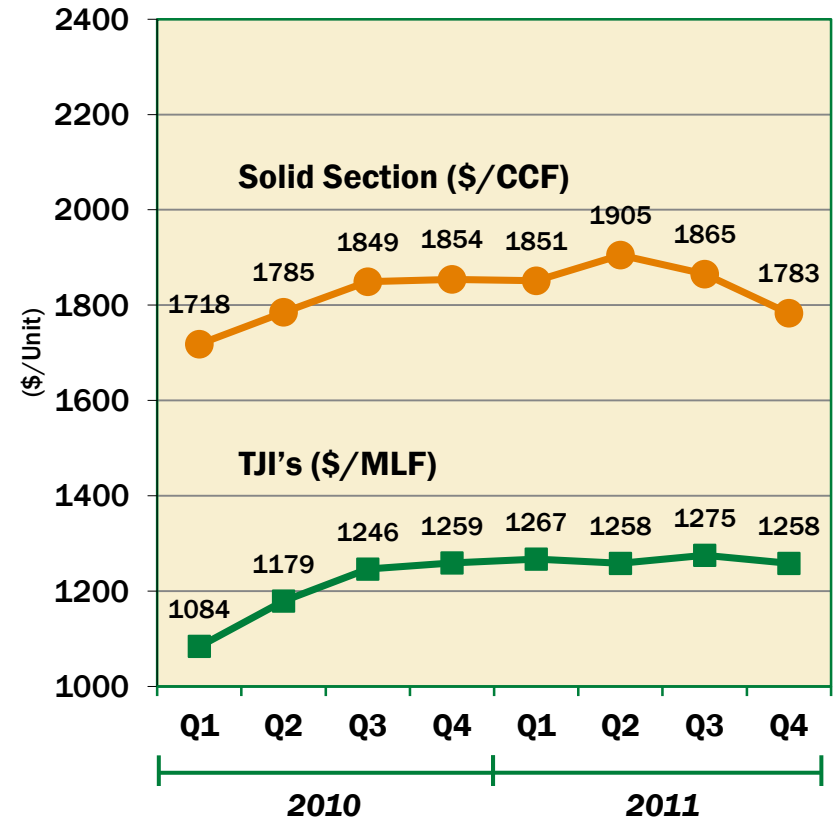
AVERAGE 3RD-PARTY REALIZATIONS: OSB AND LUMBER/ENGINEERED WOOD PRODUCTS

Chart 8

OSB and Lumber



Engineered Wood Products



CELLULOSE FIBERS SEGMENT

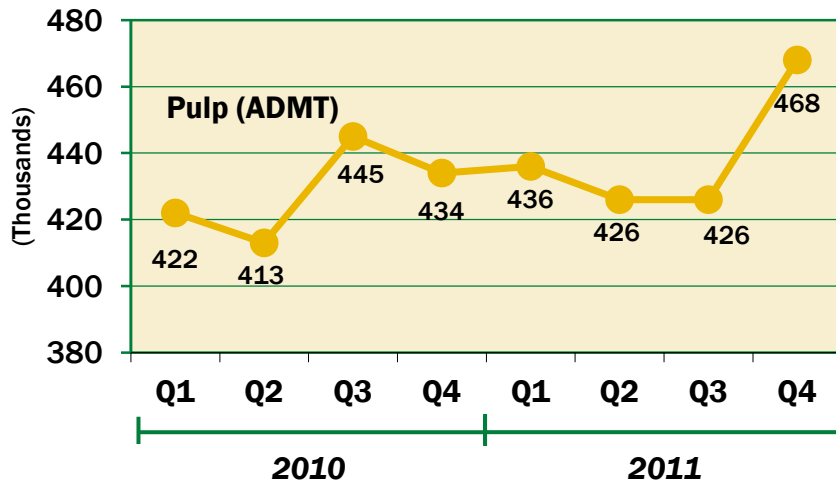
Chart 9

Cellulose Fibers (\$ Millions)	2011 Q3	2011 Q4
Revenues	\$503	\$523
Contribution to Pre-Tax Earnings	\$135	\$134

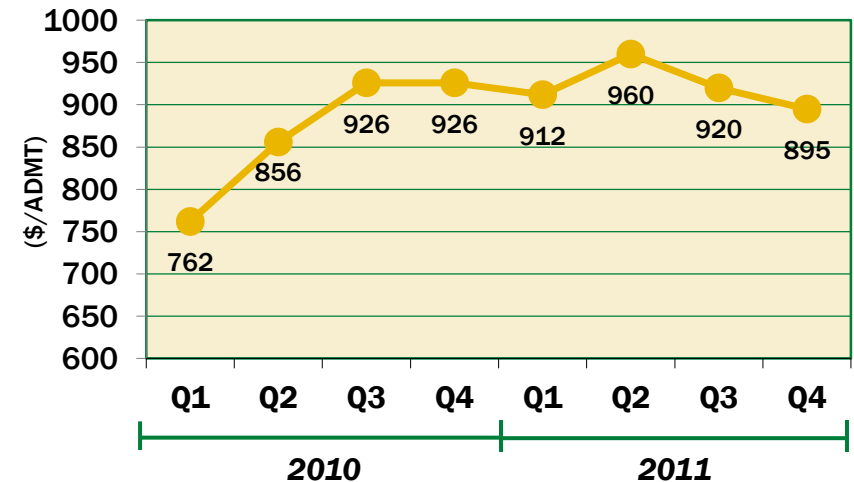
4th Quarter Notes

- Higher sales volumes
- Average selling prices for pulp declined throughout the 4th quarter
- No annual maintenance outages in third or fourth quarter

3rd-Party Pulp Sales Volumes



Average 3rd-Party Realizations – Pulp



Real Estate (\$ Millions)	2011 Q3	2011 Q4
Revenues	\$211	\$276
Contribution to Pre-Tax Earnings	\$10	\$41

4th Quarter Notes

- Seasonal increase in home closings
- Margins on homes closed improved due to mix
- 4th quarter includes earnings of \$19 million from sale of land and lots

Weyerhaeuser Real Estate Company Key Indicators

	2010				2011			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Traffic (in Thousands)	23	17	16	12	13	15	12	10
Single-Family Homes Sold (Net New Orders)	620	491	418	385	535	521	440	406
Single-Family Homes Sold But Not Closed At End of Period (Backlog)	877	743	660	439	611	673	605	429
Cancellation Rate (%)	19%	22%	20%	19%	12%	16%	17%	18%
Single-Family Homes Closed	393	625	501	606	363	459	508	582
Average Home Closing Price (\$ Thousands)	\$365	\$371	\$400	\$439	\$419	\$391	\$403	\$398
Single-Family Home Gross Margin, Excluding Impairments (%)	19.4%	23.9%	24.3%	26.1%	21.7%	22.4%	23.0%	25.4%



Segment	Comments
Timberlands	<ul style="list-style-type: none"> ▪ Increased fee harvest volumes in the West, and slightly improved average selling prices due to a higher percentage of export logs sold to Japan ▪ Flat fee harvest volumes and prices in the South ▪ Higher fuel costs across all geographies, and higher silviculture expenses in the South ▪ Excluding earnings from disposition of non-strategic timberlands, expect 2012 Q1 earnings to be slightly higher than 2011 Q4
Wood Products	<ul style="list-style-type: none"> ▪ Increased sales volumes and slightly higher selling prices for lumber ▪ Higher sales volumes and over 5% increase in selling prices for oriented strand board ▪ Increased sales volumes and flat prices for engineered wood products ▪ Higher log costs in the South and Canada, and lower log costs in the West ▪ Higher operating rates across all product lines ▪ Excluding special items, expect 2012 Q1 loss to be smaller than 2011 Q4 and similar to 2011 Q1
Cellulose Fibers	<ul style="list-style-type: none"> ▪ Considerably lower average selling prices for pulp, and slightly lower shipment volumes ▪ Significantly higher maintenance costs and lower production due to more scheduled annual maintenance ▪ Higher energy and chemical costs ▪ Expect 2012 Q1 earnings to be substantially lower than 2011 Q4
Real Estate	<ul style="list-style-type: none"> ▪ Seasonally lower home closing volume ▪ Lower average selling prices and margins due to mix ▪ Excluding any earnings from potential land sales, anticipate a loss from single-family homebuilding operations in 2012 Q1



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			
Net Earnings, as Reported (\$ millions)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net Earnings	(\$20)	\$14	\$1,116	\$171	\$99	\$10	\$157	\$65
Net Earnings Before Special Items	(\$15)	\$42	\$81	\$52	\$3	\$32	\$66	\$77
Earnings Per Share, As Reported								
Weighted average shares outstanding (millions)	211	212	318	538	540	541	540	538
Diluted EPS	(\$0.10)	\$0.07	\$3.50	\$0.32	\$0.18	\$0.02	\$0.29	\$0.12
Diluted EPS before Special Items	(\$0.07)	\$0.20	\$0.25	\$0.10	\$0.00	\$0.06	\$0.12	\$0.14
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	538
Pro Forma Diluted EPS	(\$0.04)	\$0.03	\$2.08	\$0.32	\$0.18	\$0.02	\$0.29	\$0.12
Pro Forma Diluted EPS before Special Items	(\$0.03)	\$0.08	\$0.15	\$0.10	\$0.00	\$0.06	\$0.12	\$0.14

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	Q4
Timberlands	\$81	\$70	\$75	\$56	\$89	\$112	\$62	\$70
Wood Products	(66)	(19)	(102)	(81)	(36)	(53)	(43)	(61)
Cellulose Fibers	19	74	181	138	86	80	135	134
Real Estate	31	27	20	33	(1)	8	10	41
Corporate and Other	16	7	5	(2)	(43)	(11)	(16)	(22)
Discontinued Operations	(1)	9	7	-	2	(10)	(8)	-
Total Contribution to Earnings before Special Items	\$80	\$168	\$186	\$144	\$97	\$126	\$140	\$162
Special Items, including Discontinued Operations	44	8	-	(84)	152	(9)	12	(19)
Total Contribution to Earnings	\$124	\$176	\$186	\$60	\$249	\$117	\$152	\$143
Interest Expense, net ¹	(106)	(106)	(94)	(96)	(93)	(91)	(86)	(88)
Loss on Extinguishment of Debt	-	(49)	(1)	-	-	(26)	-	-
Income Taxes ²	(38)	(7)	1,025	207	(57)	10	91	10
Net Income (loss)	(\$20)	\$14	\$1,116	\$171	\$99	\$10	\$157	\$65
Net Income (loss) before Special Items³	(\$15)	\$42	\$81	\$52	\$3	\$32	\$66	\$77
Diluted EPS ⁴	(\$0.10)	\$0.07	\$3.50	\$0.32	\$0.18	\$0.02	\$0.29	\$0.12
Diluted EPS before Special Items ^{3,4}	(\$0.07)	\$0.20	\$0.25	\$0.10	\$0.00	\$0.06	\$0.12	\$0.14

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	Q4
Diluted EPS before Special Items	(\$0.07)	\$0.20	\$0.25	\$0.10	\$0.00	\$0.06	\$0.12	\$0.14
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)	(0.02)
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	\$0.12

