

WEYERHAEUSER COMPANY

NAREIT Annual Convention – New York

11.17.10



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.

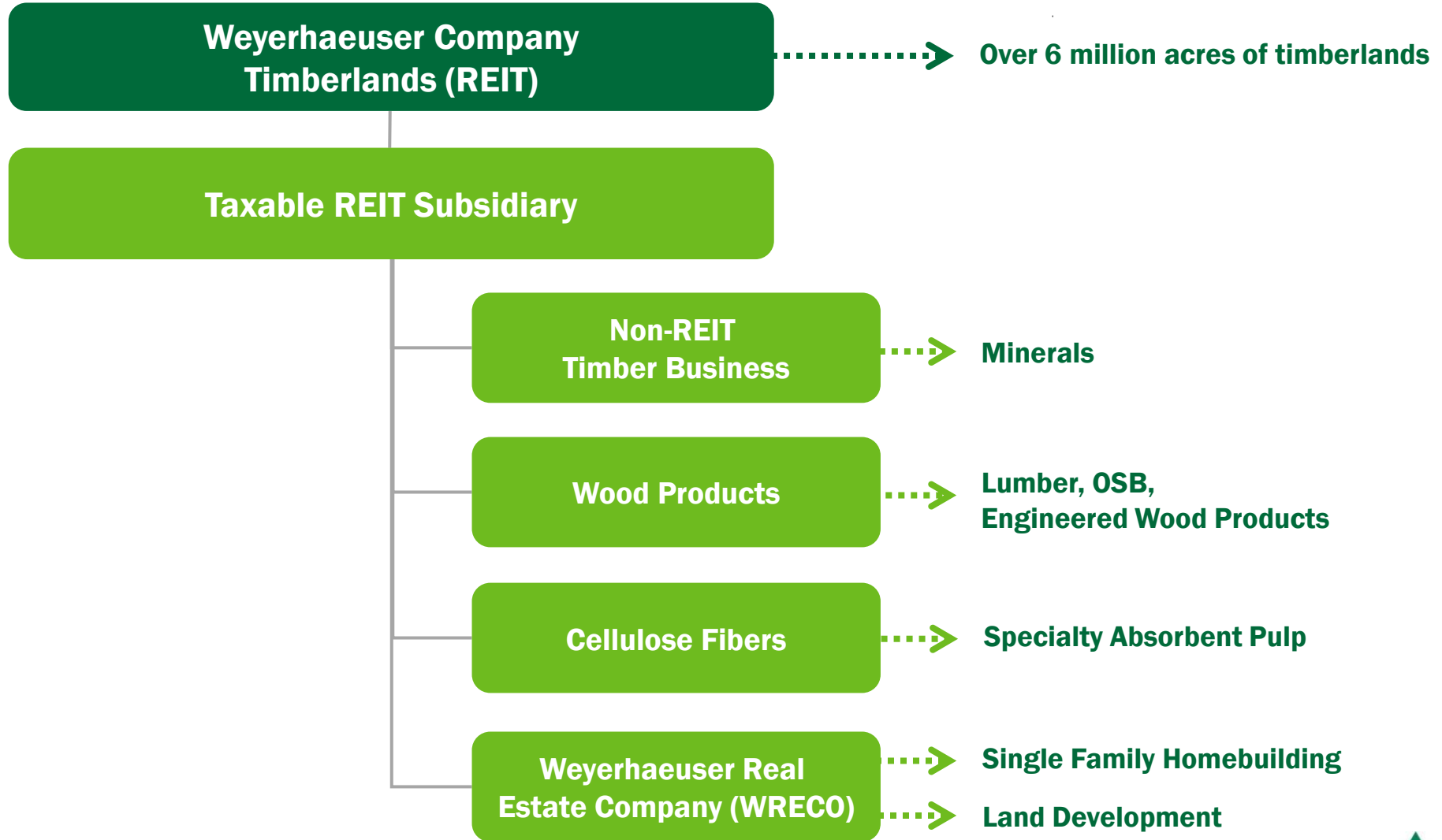
This presentation contains forward-looking statements regarding the company's expectations during the fourth quarter of 2010, including the company's markets; lower log prices and harvest volumes in Timberlands; seasonally lower sales and realizations across product lines in the Wood Products segment; impairments which may result from management's review of the company's capacity plan in the Wood Products segment; increased scheduled maintenance and lower average pulp price realizations in the Cellulose Fiber segment; and lower margins offset by seasonally higher home closings in our single-family homebuilding operations. 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 level of competition from domestic and foreign producers;
- raw material prices;
- energy prices; transportation costs;
- the level of competition from domestic and foreign producers;
- the effect of weather;
- the risk of loss from fires, floods, windstorms, hurricanes, pest infestation and other natural disasters;
- the successful execution of internal performance plans, including restructurings and cost reduction initiatives;
- 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.

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.



Weyerhaeuser Overview: Electing REIT Status for 2010



Reasons to Own Weyerhaeuser

- **Valuable timberland holdings**
- **Leader in adding and extracting value from timberlands**
- **Uniquely positioned to benefit from the recovery**
- **Focused on returning value to shareholders**

**TIMBERLAND-FOCUSED STRATEGY
OPTIMIZED BY REIT STRUCTURE**



Timberland Asset

Timberlands	Acres (000)					%
	US West	US South	Uruguay	China JV	Total	
Core	1,850	3,720	341	45	5,956	90.7%
Non-Core	213	394	-	-	607	9.3%
TOTAL	2,063	4,114	341	45	6,563	100%

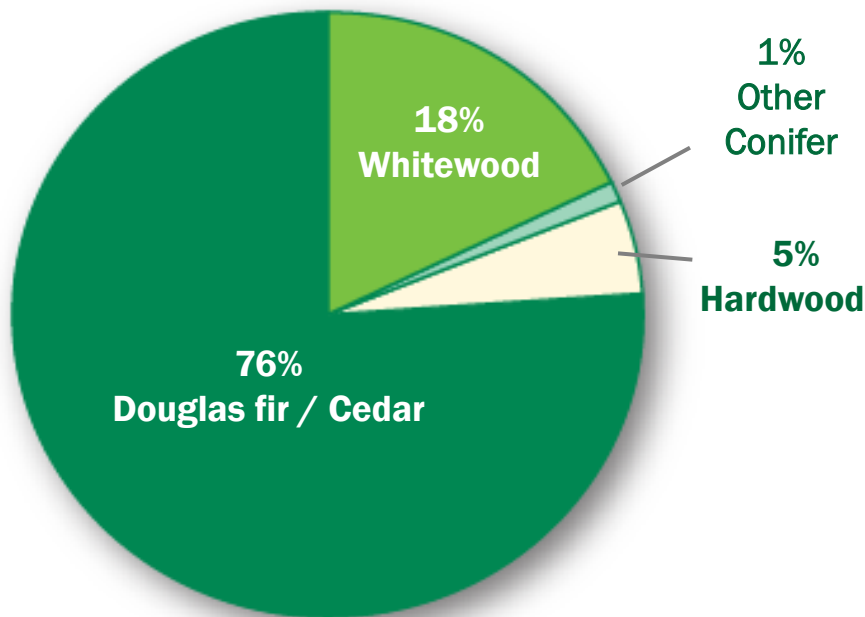
Does not include 15.2 million acres of forestland under license in Canada

- **Over 6.5 million acres of timberlands**
- **Over 7 million acres of mineral rights**



More Than Two Million Acres of Valuable Timberlands in the US West

US West



State	Acres in Thousands*
Oregon	964
Washington	1,099

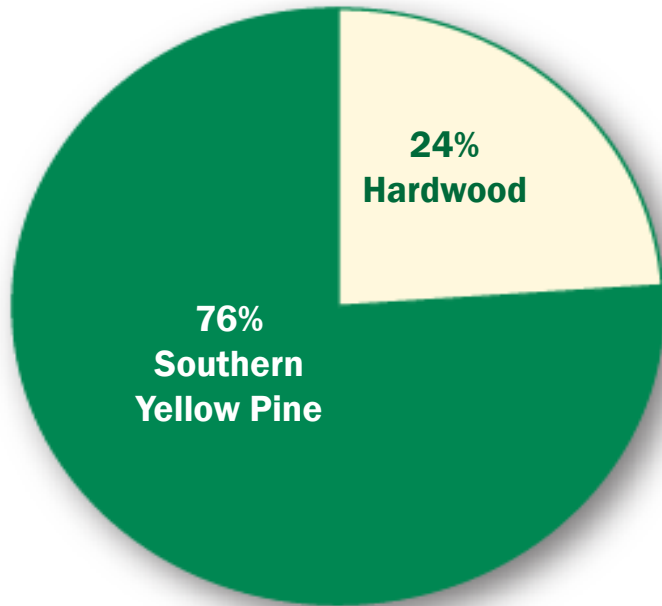
* Total Inventory at 12/31/09, Weyerhaeuser 2009 Fact Book

- **Douglas fir – most desired, highest value species**
- **Harvest 93%+ Sawlogs**
- **Major log exporter to Asia**



More Than Four Million Acres of Valuable Timberlands in the US South

US South



- **Southern yellow pine – most desired/highest-valued species**
- **Harvest 60%+ Sawlogs, increasing to 65% over the next five years**

State	Acres in Thousands*
Alabama	569
Arkansas	629
Louisiana	1,031
Mississippi	794
North Carolina	541
Oklahoma / Texas	550

* Total Inventory at 12/31/09, Weyerhaeuser 2009 Fact Book



Timberland Strategy

- **Generate high returns on sustainably managed forests**
 - **Timberland focused on saw timber – generates the highest operating values**
 - **Proprietary silviculture practices generate highest return from timberland**
 - **Scale operations create cost advantage**
- **Capture additional value from timberlands (minerals, oil & gas, environmental benefits)**
- **Grow timberland holdings**



Positive Outlook for US Timber Values

- **Saw timber demand expected to grow**
 - **Driven by housing starts returning to trend**
- **Shortfall in future Canadian harvest due to pine beetle infestation**
 - **Canada has historically provided approximately one third of US lumber supply**
- **Export market remains strong and likely to expand**
- **Demand is increasing for biomass and environmental solutions from the forest**



Weyerhaeuser Positioned to Capitalize on Attractive Timberland Outlook

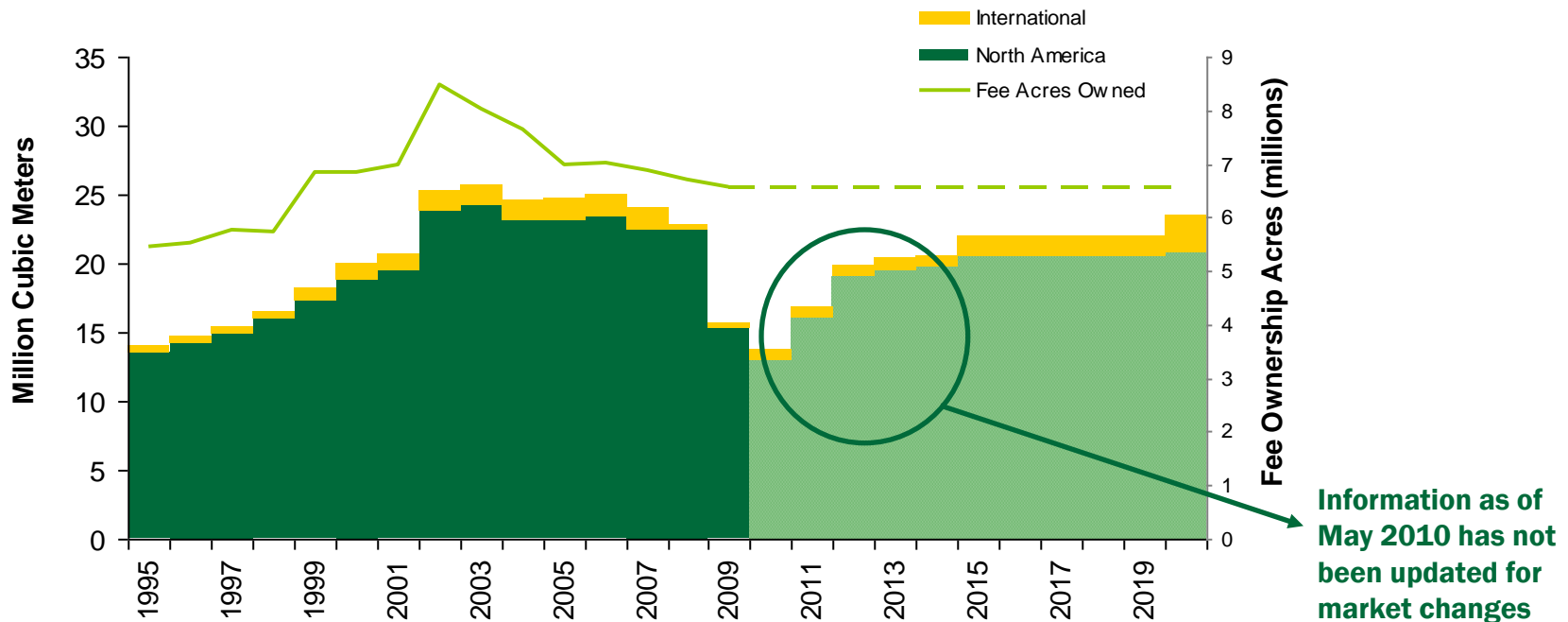
- **Saw timber focused**
- **Proprietary silviculture practices result in greater productivity and margin**
- **Scale and logistics provide cost advantage**
- **Export log market capability**
- **Additional value from minerals, oil & gas, environmental benefits**
- **Recognized for sustainable management**



Weyerhaeuser Positioned to Capture Benefits

- Harvest expected to increase 71% (2009 – 2019)
- Cash flow driven by increased harvest volume, mix and price recovery
- Harvest will be adjusted to demand levels

Weyerhaeuser Global Fee Harvest Volume (May 2010)



Taxable REIT Subsidiary Strategy

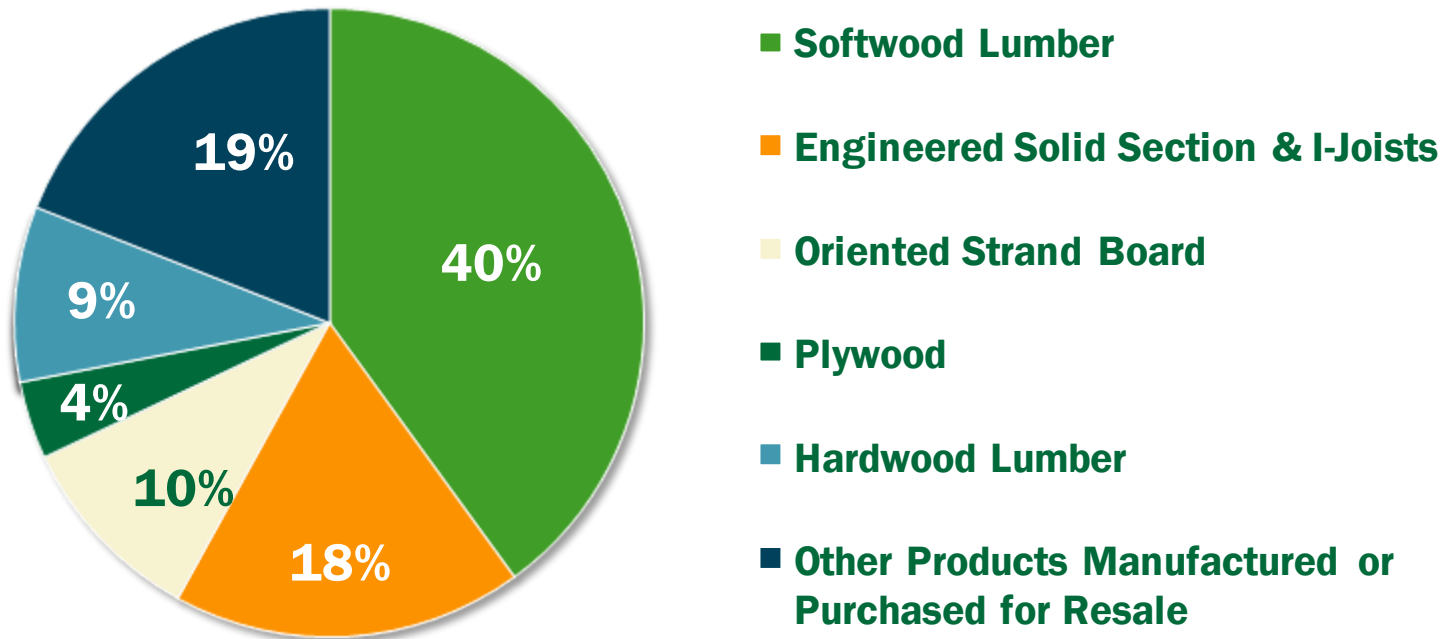
- **TRS will:**
 - **Service company debt and legacy liabilities**
 - **Support the dividend**
- **Businesses**
 - **Non-REIT Timberland activities**
 - **Wood Products**
 - **Cellulose Fibers**
 - **Single-family homebuilding: WRECO**



Wood Products

2009 Net Sales of \$2.2 Billion

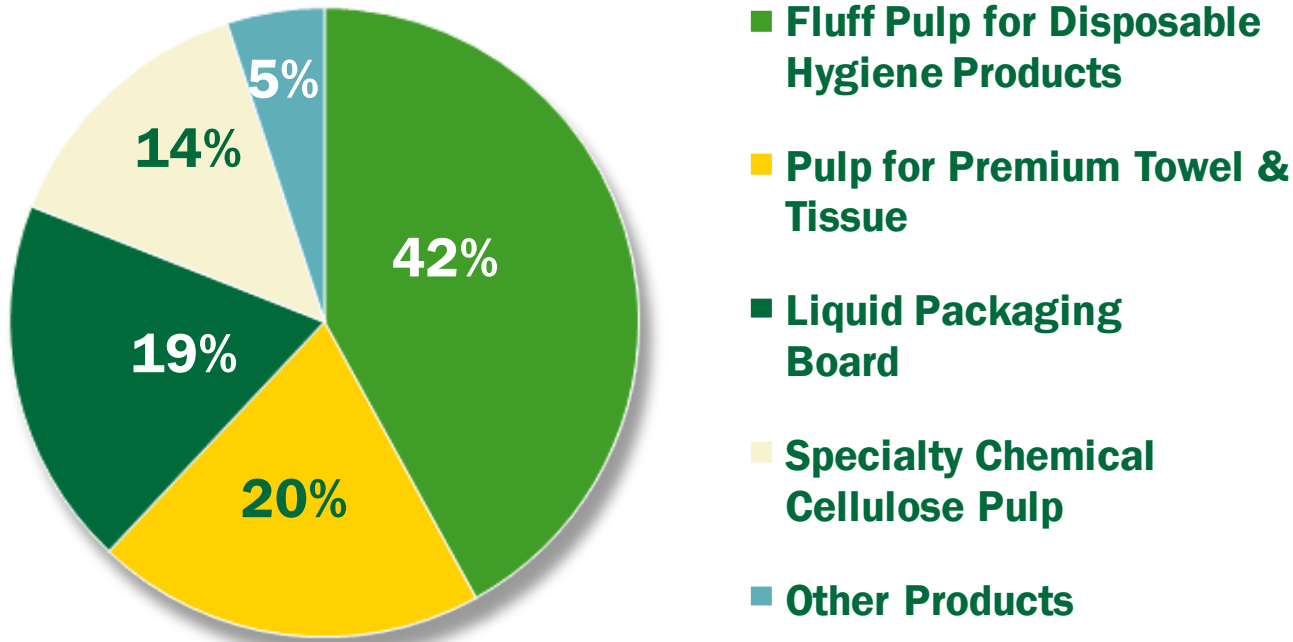
(Net Sales thru Q3 2010 of \$2.0 billion)



Cellulose Fibers

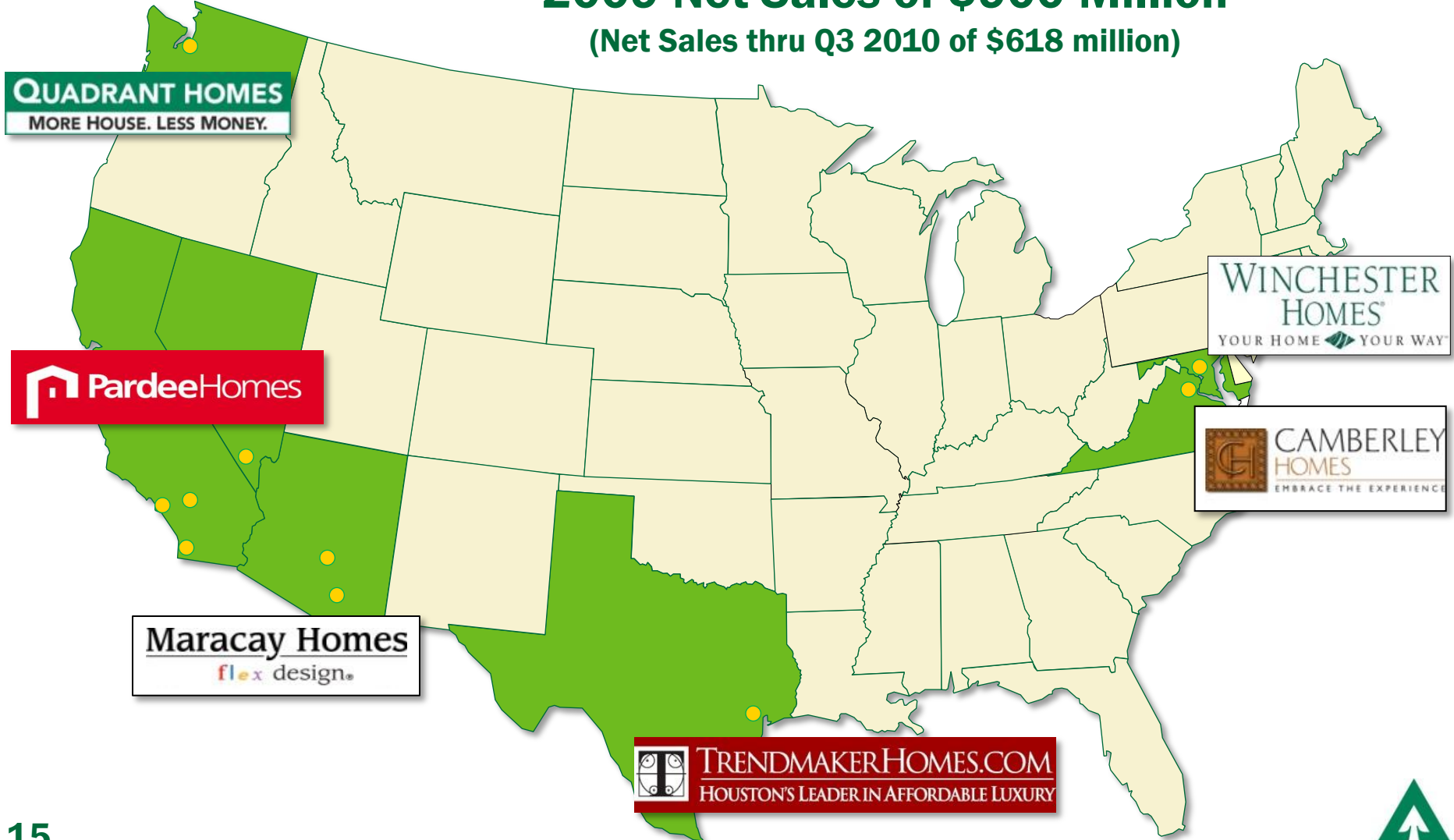
2009 Net Sales of \$1.5 Billion

(Net Sales thru Q3 2010 of \$1.4 billion)



WRECO (Weyerhaeuser Real Estate Co.)

2009 Net Sales of \$900 Million
(Net Sales thru Q3 2010 of \$618 million)



Substantial Near-Term Liquidity

Cash Balance Q3 2010 <i>(After Special Dividend payment)</i>	\$1.37 billion
Bank Revolving Credit Facility <i>(Expires 12/2011)</i>	\$1.0 billion



Long-Term Obligations

- **Total Debt Q3 2010**➔ **\$5.1 billion**

Debt Maturity Schedule (\$ millions)

2010	2011	2012	2013	2014	2017-2033
\$40	\$30	\$ 732	\$409	\$15	\$3,891

- **Other long-term obligations(pension, other post employment benefits)**



Dividend Considerations

- **Macroeconomic climate**
- **Earning potential of the company**
- **Target capital structure**
 - **Appropriate debt levels**
 - **Long term liquidity**
 - **Maintaining access to capital**
- **Affordability**
- **Future growth opportunities**
- **Guidance to be provided in December 2010**



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Questions?



Appendix



Earnings Summary

\$ Millions except EPS	2009				2010		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Contribution to Earnings							
Timberlands	\$40	\$71	\$58	\$28	\$81	\$70	\$75
Wood Products	(176)	(147)	(92)	(123)	(63)	(11)	(100)
Cellulose Fibers	32	(7)	44	34	19	74	181
Real Estate	(24)	2	(9)	11	31	27	20
Corporate and Other	(14)	20	14	(11)	12	8	10
Total Contribution to Earnings before Special Items	(\$142)	(\$61)	\$15	(\$61)	\$80	\$168	\$186
Special Items	(192)	28	128	(72)	44	8	–
Total Contribution to Earnings	(\$334)	(\$33)	\$143	(\$133)	\$124	\$176	\$186
Interest Expense, net ¹	(106)	(105)	(108)	(143)	(106)	(155)	(95)
Income Taxes ²	176	32	(35)	101	(38)	(7)	1,025
Net Income (loss)	(\$264)	(\$106)	\$0	(\$175)	(\$20)	\$14	\$1,116
Diluted EPS ³	(\$1.25)	(\$0.50)	\$0.00	(\$0.83)	(\$0.10)	\$0.07	\$3.50

1. Excludes interest income. Interest expense includes losses on early extinguishment of debt of \$1 million in 2010 Q3, \$49 million in 2010 Q2, and \$28 million in 2009 Q4.
2. Income taxes for 2010 Q3 include \$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. 2009 Q3 includes a \$15 million tax charge related to the true-up of previous tax liabilities and a \$6 million charge related to FIN 48 tax liabilities, state tax law and rate changes. 2009 Q2 includes a \$13 million tax charge primarily related to state tax law and rate changes.
3. 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 Charts 12 and 13.



Special Dividend Summary

- **\$5.6 billion special dividend paid on September 1**
 - \$560 million in cash distributed
 - 324.3 million common shares issued
- **535.9 million total common shares now outstanding**
- **Shareholders who elected cash received over 15% of the dividend in cash**



Third Quarter Accounting Impact of Special Dividend Distribution

- **Changes to balance sheet**
 - Cash reduced by \$560 million
 - Deferred tax liability reduced by approximately \$1.0 billion
 - Shareholders' equity increased by \$440 million
- **Changes to income statement**
 - Tax benefit of \$1.0 billion, as a result of the elimination of deferred taxes
 - 2010 income tax expense recalculated to reflect REIT treatment
- **Stock portion of E&P dividend treated as share issuance, and EPS will be adjusted on a prospective basis**



Reconciliation of Changes in Share Count

- 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.
- All numbers are approximate due to rounding.

Explanation of 2010 Q3 Ending Share Count	(millions)
Common shares outstanding at the end of 2010 Q2	212
Basic shares issued as part of special dividend	324
Basic shares outstanding at the end of 2010 Q3	536
Dilutive effect of other potential shares (e.g. stock options)	1
Diluted shares outstanding at the end of 2010 Q3	537

- 2010 Q3 EPS was calculated based on approximately 318 million weighted average shares outstanding.

Share Count Used in Calculation of 2010 Q3 EPS	(millions) ¹
Common shares outstanding at end of 2010 Q2	212
Weighted average new shares outstanding during 2010 Q3 (324 million new shares issued and outstanding for 30 of the 92 days in the quarter = 106)	106
Weighted average shares used in calculation of 2010 Q3 EPS	318

- Weyerhaeuser expects to calculate 2010 Q4 EPS based on approximately 537 million weighted average shares outstanding.

