



# ***Weyerhaeuser — Positioned to Succeed***

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# Forward-looking Statement

- Some information included in the following presentations 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. Some of these forward-looking statements can be identified by the use of forward-looking terminology such as "expects," "may," "will," "believes," "should," "approximately," "anticipates," "estimates," "plans," "continuing" and "maintaining" and the negative or other variations of those terms or comparable terminology or by discussions of strategy, plans or intentions. In particular, some of these forward-looking statements deal with expectations regarding debt reduction and debt to capital ratios, cost reduction, capital spending discipline and projected capital spending, non-strategic asset sales, productivity improvements, acquisitions, share repurchases, dividend increases, strength of balance sheet, strong free cash flow generating capability, estimated effects of exchange rates on manufacturing costs, estimated effect of exchange rates on delivered softwood pulp costs to Belgium, investment in high return productivity projects, including high-return energy projects, new product development, strategic growth, including international expansion improvement in our pulp, paper and containerboard markets, increased demand and pricing for wood products in 2004, profitability, price increases and stable demand for pulp and paper in 2004, greater demand for boxes in 2004, increasing prices, shipments and OCC costs in the containerboard markets; continuing strong housing demands, the company's markets in 2004 and 2005; and similar matters. The accuracy of such statements is subject to a number of risks, uncertainties and assumptions that may cause actual results to differ materially from those projected, including, but not limited to, the effect of general economic conditions, including the level of interest rates and housing starts; market demand for the company's products, which may be tied to the relative strength of various U.S. business segments; energy prices; raw material prices; transportation disruptions; performance of the company's manufacturing operations; the successful execution of internal performance plans; the level of competition from domestic and foreign producers; the effect of forestry, land use, environmental and other governmental regulations; fires, floods and other natural disasters; and legal proceedings.
- The company is also a large exporter and is affected by changes in economic activity in Europe and Asia, particularly Japan, and by changes in currency exchange rates, particularly in the relative value of the U.S. Dollar to the Euro and Canadian Dollar, and restrictions on international trade or tariffs imposed on imports, including the countervailing and dumping duties imposed on the company's softwood lumber shipments from Canada to the United States. These and other factors could cause or contribute to actual results differing materially from such forward looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward looking statements will occur, and if any of them occurs, what effect they will have on the company's results of operations, cash flow or financial condition. Additional information on risks, assumptions and uncertainties that could cause actual results to vary are set forth in the company's filings with the Securities and Exchange Commission.
- The information in this presentation concerning the domestic and global economy, U.S. single-family housing starts, corporate cash flow, growth in industrial production for China, growth in the World Real GDP, Euro Exchange Rate vs. purchasing power parity estimate, U.S. Real Imports vs. Exports, U.S. Current Account Balance as a Share of GDP, Growth in U.S. Manufacturing Industrial Production for Nondurables, demand on North American Lumber Mills vs. capacity, spruce-pine-fir 2x4 lumber price, production costs for average B.C. interior mill, N. C. oriented strand board 7/16" price, North America OSB demand vs. capacity, Western export IS log vs. Douglas Fir #2 domestic log price, nondurable industrial production and annual growth of U.S. box shipments, U.S. containerboard capacity and operating rate, kraft linerboard price, U.S. exports of OCC, OCC pulp cost vs. chip pulp cost, China imports of Bleached Kraft Pulp, World Bleached Market Pulp Consumption Growth, Swedish exchange rate, northern softwood pulp price, growth in domestic consumption for UCFS, Germany UCFS for A-4 cut size vs. U.S. 20lb cut-size, UCFS Exports vs. Imports, U.S. Non-Canadian Trade, growth in N.A. UCFS Consumption vs. Capacity, U.S. UCFS Price vs. NBSKP Price delivered in U.S., kraft linerboard prices, personal tax cuts vs. cash out refinancing, and our market position in our geographic markets and similar matters, is derived principally from publicly available information, forest products and building industry publications and websites, data compiled by market research firms, and similar sources. Although we believe that this information is reliable, we have not independently verified any of this information and we cannot assure you that it is accurate.



## ***Positioned to Succeed***

- **Best Asset Portfolio in the industry well positioned to capitalize on improving industry conditions**
- **Acquisition objectives have been achieved**
  - **Synergies are now being brought to the bottom line**
  - **On track to reach target financial ratios**
- **Clear vision of the future with the strategy to accomplish that vision**
- **Weyerhaeuser is the premier investment in the industry**

# Weyerhaeuser Today: Diversified Business Portfolio

## 2004 Sales: \$22.7 Billion

### Real Estate

— One of the most profitable home builders in U.S.

### Containerboard, Packaging & Recycling

— #2 Containerboard and Corrugated Packaging

### Lumber

— #1 Softwood Lumber

### Paper

— #2 Uncoated Freesheet

### Panels

— #2 Oriented Strand Board  
— #2 Plywood

### Market Pulp & Other

— #1 Softwood Market Pulp

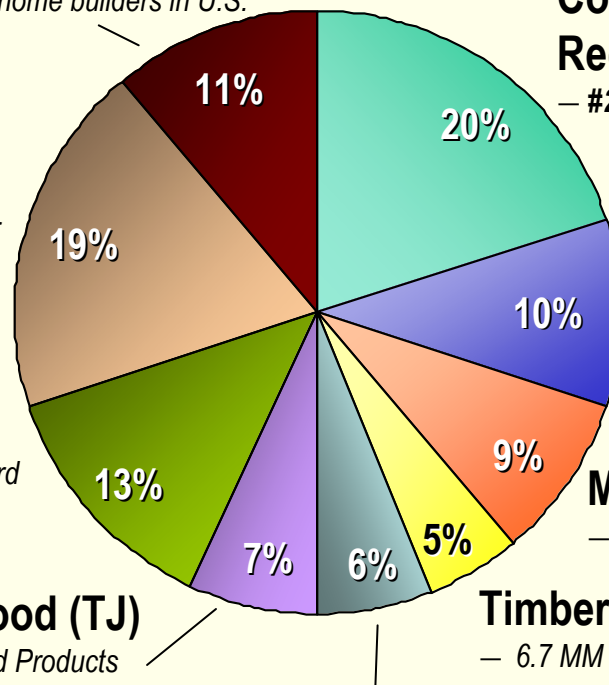
### Engineered Wood (TJ)

— #1 Engineered Wood Products

### Timberlands

— 6.7 MM acres in North America

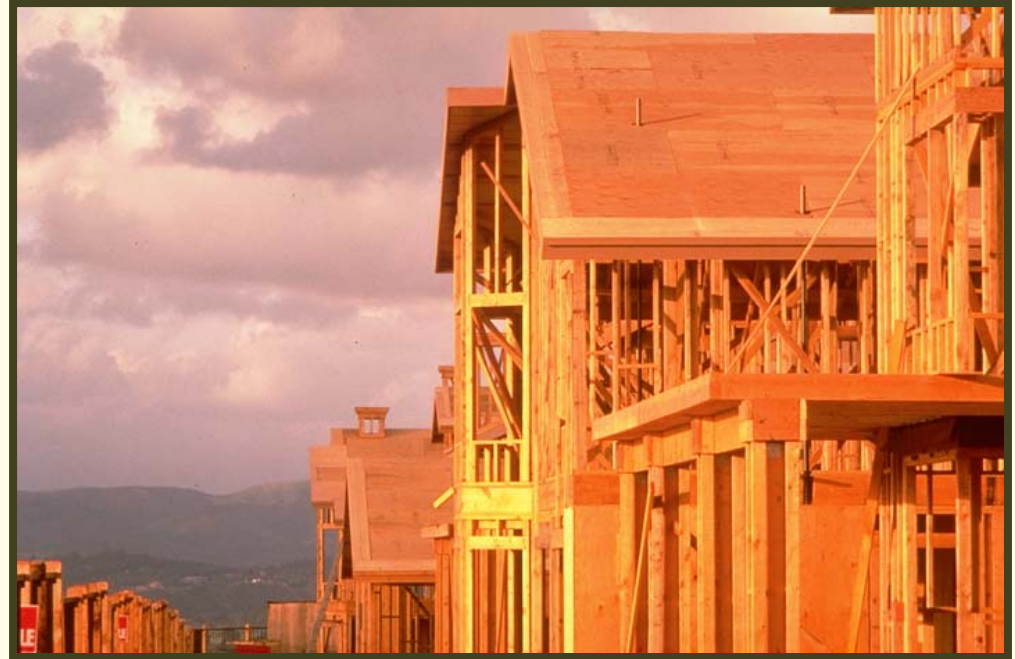
### Other Wood Products



## Business Trends:

# *Housing Demand Remains Strong*

- Favorable demographics support a healthy level of single-family starts
- Housing remains affordable, mortgage rates increase very slowly



# *Business Trends*

- **WRECO is in a strong position in its core markets**
- **A slowdown will benefit large financially healthy builders like WRECO**
- **WRECO is in the top tier of profitability in its industry**





## ***Business Trends***

- **Timber prices remain stable**
- **Healthy housing demand is good for lumber**
- **The duties and rising Canadian Dollar has put a floor under lumber prices**
- **Engineered Wood Products continue to grow**
- **OSB capacity expansions will slow panel pricing**
- **The demand for Industrial Wood Products will increase**

# *The Falling U.S. Dollar is Beneficial for U.S. Exports and Boosts Industrial Production*

- Box shipments grew after 5 flat years
- Pulp prices have risen







## ***Business Trends***

- **Capacity rationalizations in the containerboard industry have resulted in an improved balance of supply and demand**
- **Weyerhaeuser has experienced significant increases in operating efficiency at its containerboard mills**
- **Containerboard price increases have been passed through the box system**
- **Weyerhaeuser has a strong presence in agricultural and retail box markets**



## ***Business Trends***

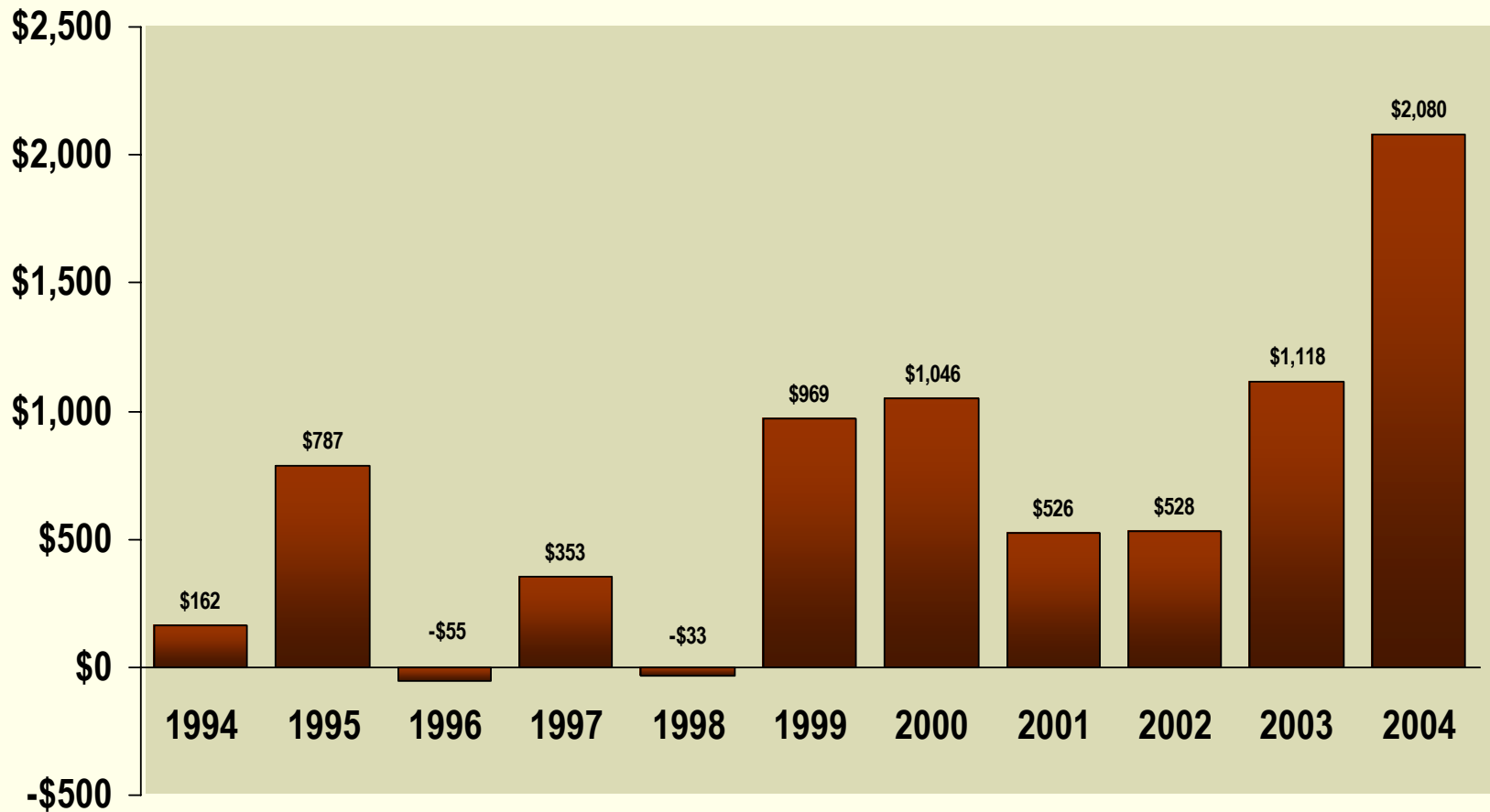
- Pulp demand has been strong
- Nearly 70% of Weyerhaeuser's market pulp is premium-priced fluff and high-performance value-added pulp
- The majority of Weyerhaeuser pulp is sold in North America



## ***Business Trends***

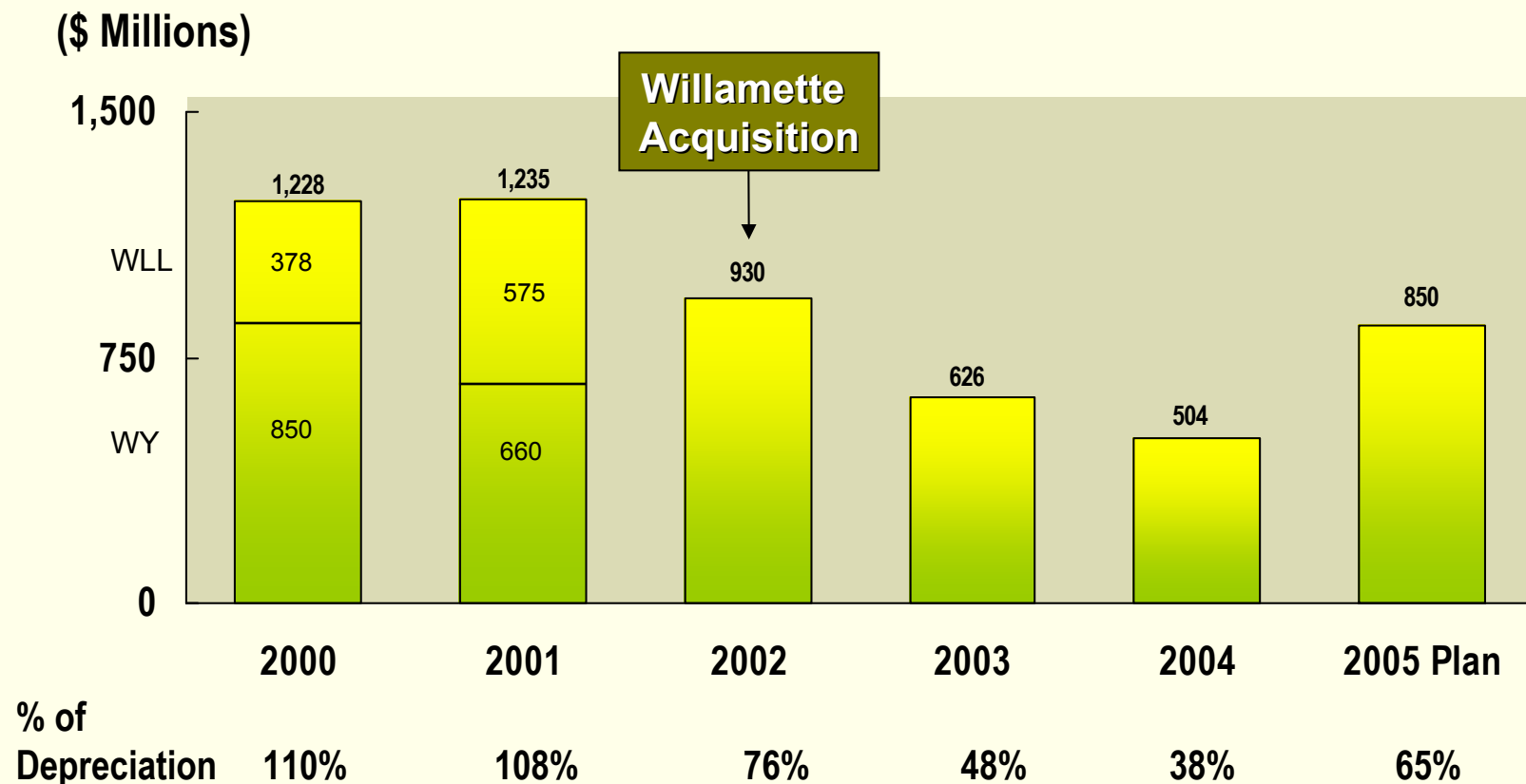
- **After 4 years of decline, uncoated free sheet (UCFS) shipments grew in 2004**
- **As the low-cost producer of UCFS, Weyerhaeuser has reduced costs and significantly increased efficiency in its mills and converting system**
- **70% of Weyerhaeuser UCFS is integrated into value-added converted products**
- **Through multiple channels to market, Weyerhaeuser is able to more effectively use its white paper system and meet customer needs**

# Free Cash Flow is at Record Levels



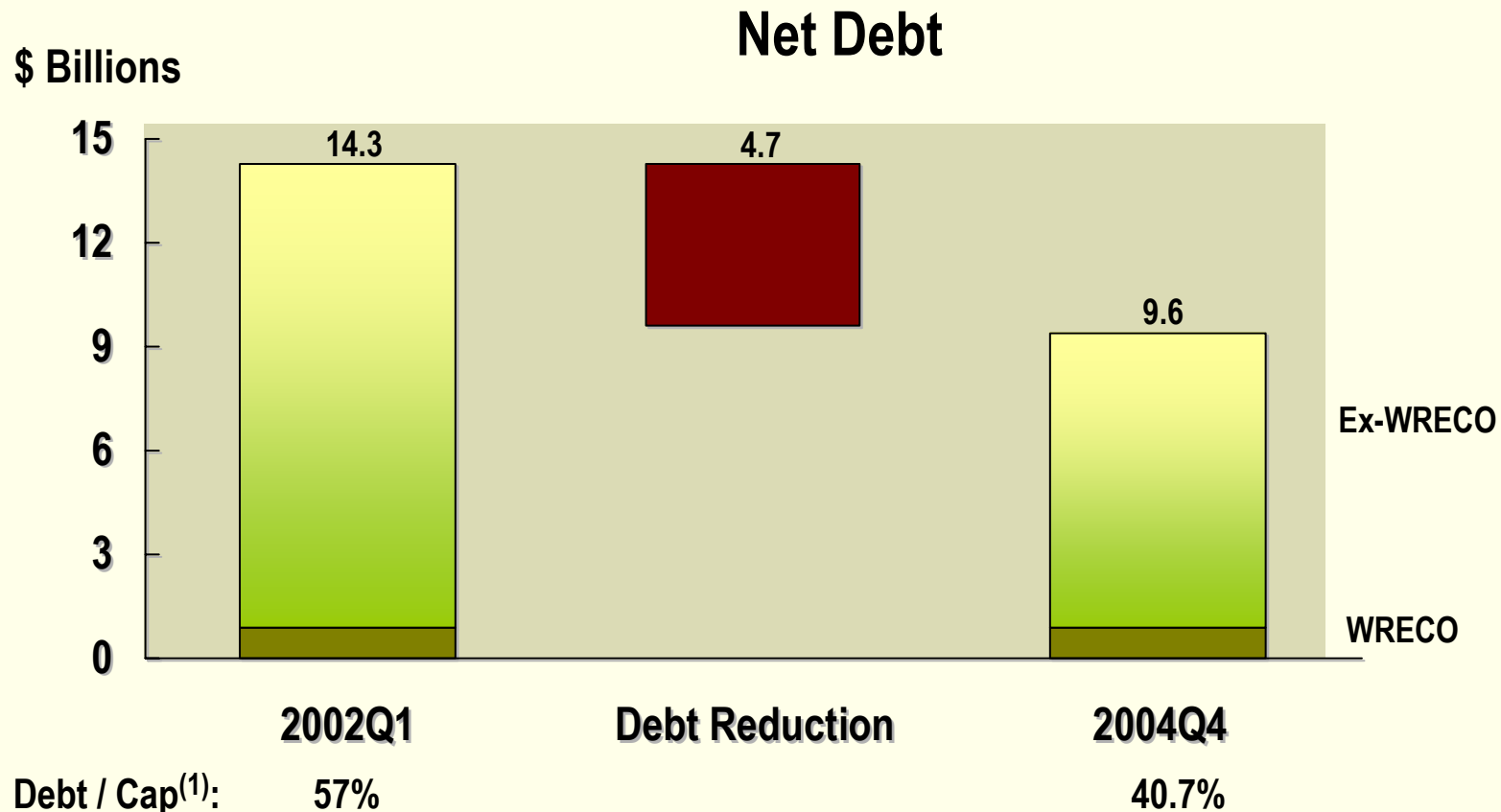
# Capital Investments Has Been Disciplined

## Expenditures for PP&E<sup>(1)</sup>




(1) Pro-Forma for Willamette acquisition

# Deleveraging from Acquisition is Largely Completed




(1) Excludes WRECO



# ***Free Cash Flow Uses***

- **Debt reduction**
- **High return productivity projects**
- **Dividend increases**
- **Bolt-on acquisitions / growth**



## ***Clear Vision of the Future***

- **Operate safely from the start**
- **Maximize existing portfolio**
  - **Focus on low-cost production and efficient delivery systems**
  - **Maintain capital discipline**
- **Continue to divest non-strategic assets**
- **Take advantage of growth opportunities**
- **Expand global footprint**





# ***Weyerhaeuser: The Premier Investment in the Industry***

- **Deliver on our promises**
- **Work to consistently improve our performance**
- **Committed to a strong balance sheet**
- **Strong free cash flow generating capability**
- **Proven track record of integrating acquisitions**
- **Disciplined use of capital**
- **History of returning cash to shareholders**



**Weyerhaeuser**

*The future is growing™*