

Goldman Sachs Basic Materials Conference

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Forward-looking Statement

- Some information in this presentation 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. This presentation also contains forecasts regarding future economic conditions, economic growth, exchange rates, demand and commodity pricing, and 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," and "plans," 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 the company's markets in the second quarter of 2006; expected earnings and performance of the company's business segments during the second quarter of 2006, demand and pricing for the company's products in the second quarter of 2006, stable raw material and manufacturing costs in the second quarter 2006, seasonal increase in building activity in the second quarter of 2006, seasonal increase in annual maintenance outages in the second quarter 2006, increased single-family housing closings in second quarter 2006, lower land sales in the second quarter of 2006, the completion of a transaction involving the fine paper business, future charges for stock-based compensation, capital expenditures, increased margins, increased utilization rates and related 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 materials prices; chemicals prices; performance of the company's manufacturing operations including unexpected maintenance requirements; 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, and changes in accounting regulations; the effect of weather; the risk of loss from fires, floods, windstorms, hurricanes and other natural disasters; transportation costs; legal proceedings; the effect of timing of retirements and changes in the market price of company stock on charges for stock-based compensation; and performance of pension investments and related derivatives.
- 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 the relative value of the U.S. dollar to the Euro and the Canadian and New Zealand dollars, and restrictions on international trade or tariffs imposed on imports, including the countervailing and anti-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, or if any of them occurs, what effect they will have on the company's results of operations, cash flows or financial condition.



Business Conditions

- Overall economic growth remains strong, but inflation and interest rates move higher
- Housing and wood products enter cyclic decline
- Higher delivered cost for Canadian lumber
- Modest cycle in U.S. timber values
- Pulp prices benefit from exchange rates and improving operating rate
- Containerboard and packaging markets do very well
- As the economy nears a cyclic peak, a normal sector rotation is expected

Strategic Direction

Patty Bedient

Senior Vice President,
Finance and Strategic Planning

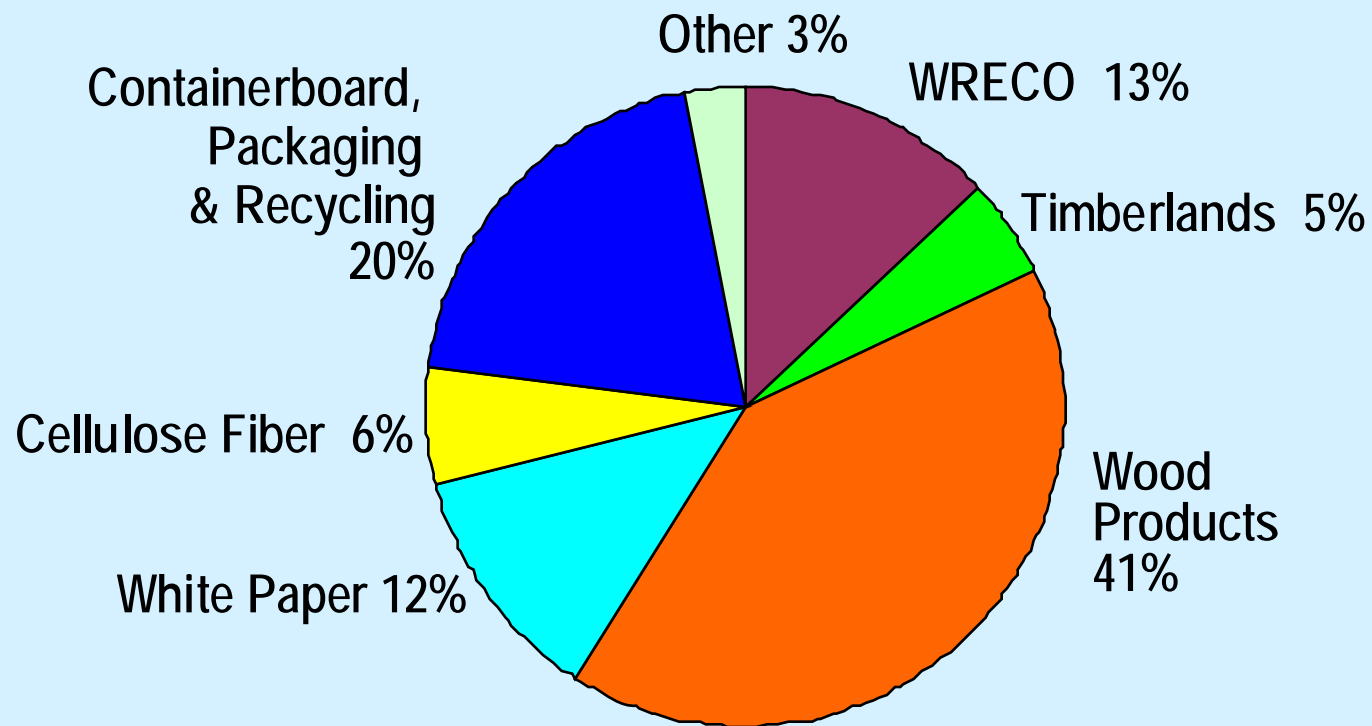


Portfolio Principles

- Cost of capital
- Focused scale
- Growth

Weyerhaeuser Revenue — 2005

Revenue: \$23 Billion



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Weyerhaeuser Real Estate (WRECO)

Strategic Direction

- Organic growth
- Adjacent markets
- New markets

Implementation

- Record growth and returns in existing markets
- Portland, Oregon; Sacramento
- Maracay Homes, Phoenix



Wood Products — Residential

Strategic Direction

- Providing framing solutions to the home building industry

Implementation

- Refocused value proposition
- Launched iLevel brand





Wood Products — Industrial

Strategic Direction

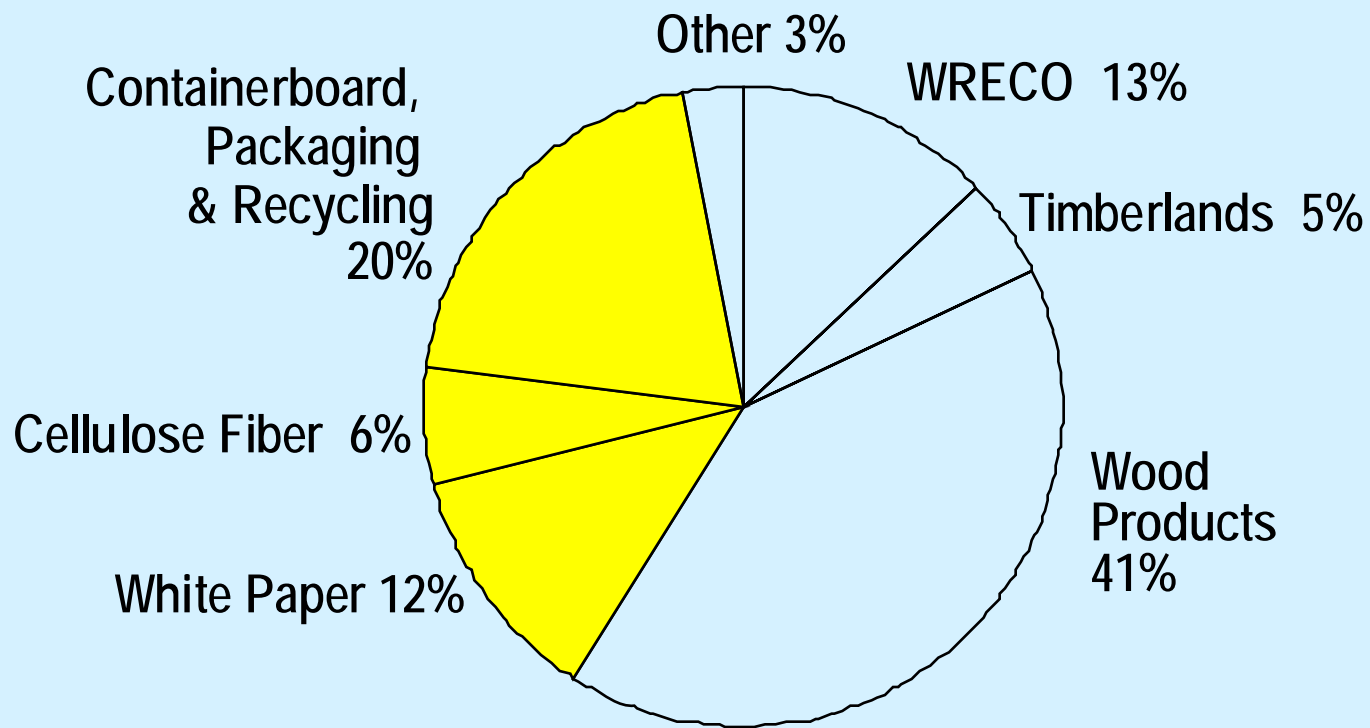
- Explore opportunity for scale growth in hardwoods and appearance products

Implementation

- Sell Composite Panels
- Refocus Southern Hemisphere investments to grow in South America

Weyerhaeuser Revenue — 2005

Revenue: \$23 Billion



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White Paper

Strategic Direction

- Improve Fine Paper business
- Evaluate strategic alternatives

Implementation

- Closed higher-cost capacity
- Active discussions with 3rd parties



Cellulose Fibers

Strategic Direction

- Differentiated products

Implementation

- Aligned capital to strategy
 - Conversion of Port Wentworth
 - R&D investment in new products
- Closed higher-cost capacity
- Improve mill system performance



Containerboard, Packaging & Recycling

Strategic Direction

- Transform business model

Implementation

- Optimize supply system to be demand driven and lower cost
 - Organized around market segments
 - Increased integration and asset utilization by closing high-cost capacity
- Improve pricing strategies
- Align capital with strategy



Timberlands

Strategic Direction

- Optimize and grow

Implementation

- Continue successful business model
- Continue to pursue tax legislation
- Evaluated alternative structures

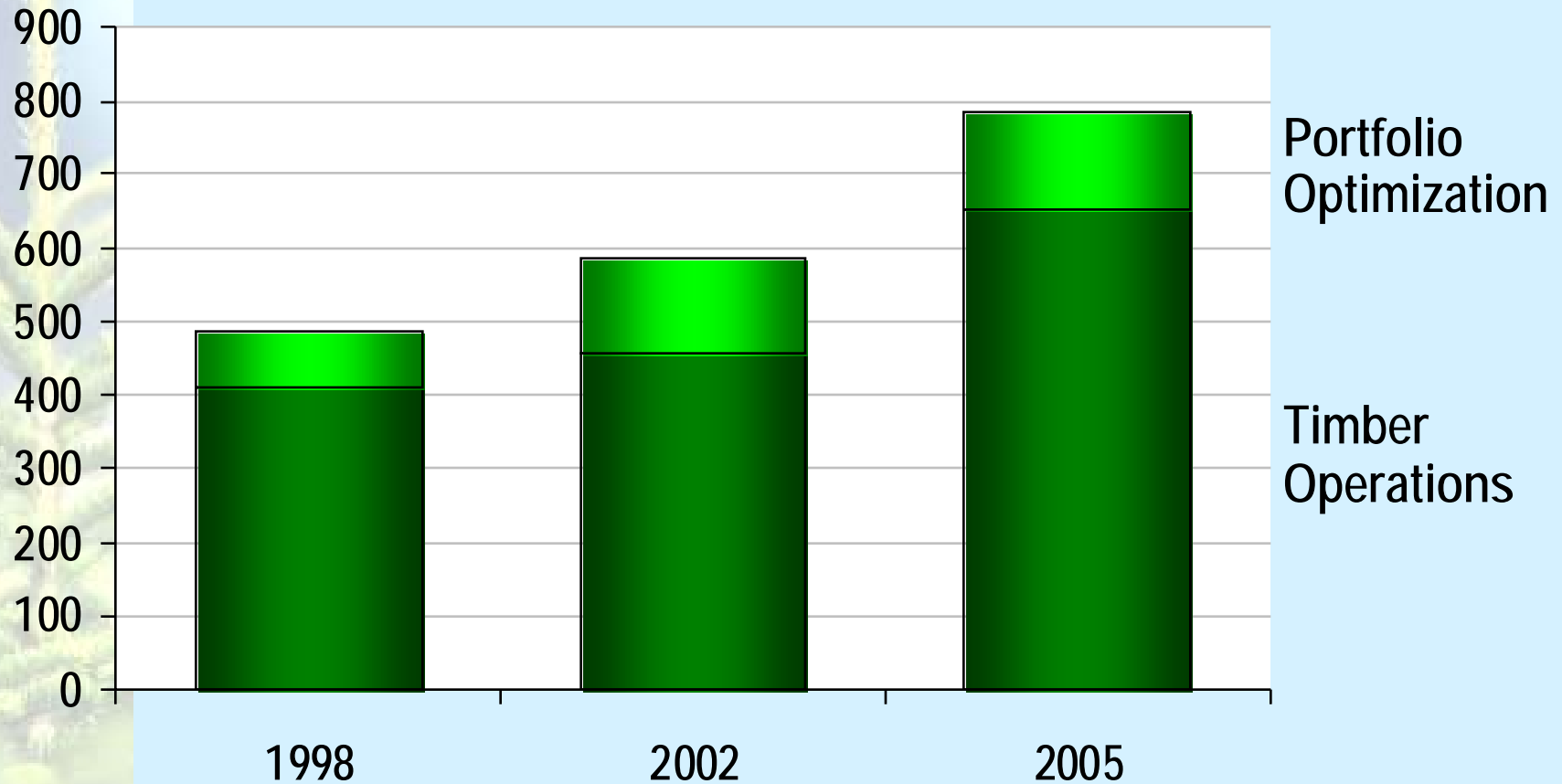


Weyerhaeuser Timberlands

- Business selling at market prices to internal and external customers
- Softwood sawtimber focus with intensive silviculture
- Add integration value through efficient conversion
- Extract mineral, oil, gas and development values
- Constantly reposition the portfolio to strategic core
- Reinvest in highest returning regions
- Forests managed sustainably and by SFI or CSA

Weyerhaeuser Timberlands Business — Earnings

\$ Millions





REIT Creation Issues

- Issues on transition to create value from REIT conversion
 - Potential tax liability
 - Impact on remaining businesses
 - Constraints in implementing strategic plans




Timber Tax Legislation

- Timber tax proposal
 - 139 co-sponsors in the House; 30 in Senate
 - Strong bipartisan support and 3rd-party endorsements
- Why it's best for Weyerhaeuser
 - Eliminates tax-related value gap at reduced risk
 - Avoids constraints of growing timberlands and other business
 - Retains financial flexibility to execute corporate strategy and return cash to shareholders



Timberlands Implementation

- Timberlands business continues to be value-creating for shareholders
- Highest value-creation is tax reform in the C-Corp structure
- At this time, a REIT structure is not the best alternative
 - Risk of incurring a large tax liability is high
 - Shareholder tax liability on earnings and profits distribution
 - Limits ability to execute current strategy — both within Timberlands business and the company
- Continue to monitor value of alternatives as legislative process evolves and strategic actions unfold



Financial Strategy

Strategic Direction

- Return capital to shareholders
- Disciplined capital program

Implementation

- Dividend
 - Increased by 25% in 2005
- Share repurchase
 - 18 million authorized
- Maintain capital spending at less than 80% depreciation



Summary

- Strategic review delivered a course of action
- Portfolio direction is set
- Focus is on implementation
- Financial priorities remain returning cash to shareholders and selective growth

