

Annual Analyst Conference

New York
June 1, 2007



Weyerhaeuser

Forward-looking Statement

- The following presentations contain statements concerning Weyerhaeuser 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 capital spending, new business models in the company's businesses such as Containerboard, Packaging and Recycling and Cellulose Fiber, opportunities for growth in the company's businesses such as Timberlands and iLevel, continued cost reductions in the company's businesses, particularly Containerboard Packaging and Recycling and Cellulose Fiber, earnings improvements in the company's businesses generally and Containerboard Packaging and Recycling in particular, international expansion, development of new products, a joint venture with Chevron to develop biofuel, business trends such as componentization in home construction, execution of company business strategies, adjustments of operating postures to meet current demand, the company's markets, demand and pricing for the company's products 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 material prices;
 - Chemical 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, pest infestation 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 fund 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 dollar, and restrictions on international trade or tariffs imposed on imports. 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 or financial condition. The company expressly declines any obligation to publicly revise any forward-looking statements that have been made to reflect the occurrence of events after the date of these presentations.

Agenda

- **Welcome**
Kathryn F. McAuley
Vice President, Investor Relations
- **Opening Remarks**
Steven R. Rogel
Chairman, President and CEO
- **Strategic Direction**
Patricia M. Bedient
Executive Vice President and CFO
- **Industry Outlook 2007**
Lynn O. Michaelis
Vice President, Markets & Economic Research
- **Timberlands, Cellulose Fibers and
Containerboard, Packaging & Recycling**
Richard E. Hanson
Executive Vice President and CFO
- **iLevel**
Lee Alford
Senior Vice President, Residential Wood Products
- **Weyerhaeuser Real Estate Co.**
Daniel S. Fulton
President and CEO, WRECO
- **Closing Remarks**
Steven R. Rogel
Chairman, President and CEO
- **Q&A**



Steve Rogel
Chairman, President
and CEO



Weyerhaeuser

Strategic Direction

Patty Bedient
Executive Vice President,
Chief Financial Officer



Weyerhaeuser

Fundamental Principles

- **Timberlands are core to the company**
- **Businesses must exceed cost of capital**
- **Continue capital spending discipline**
- **Maintain appropriate capital structure and dividend policy**

Weyerhaeuser's Vision

“Weyerhaeuser releases the potential in trees to solve important problems for people and the planet”

Legislative Tax Reform

- **Industry sponsorship**
- **Timber Revitalization and Economic Enhancement (TREE) Act of 2007 introduced in Congress**
- **Bi-partisan support**
- **Immediate value and flexibility**

iLevel Strategy

To be the undisputed leader in the Residential Structural Frame Market



Weyerhaeuser Real Estate Company

- Disciplined growth in targeted markets

Maracay Homes
flex design®

QUADRANT HOMES
MORE HOUSE. LESS MONEY.

 Pardee Homes
THE WAY YOU WANT TO LIVE

WINCHESTER HOMES®
YOUR HOME  YOUR WAY™

TRENDMAKERHOMES
DISCOVER OUR DIFFERENCES

Fine Paper Transaction: Split / Merge with Domtar

- **Market leader created through unique tax-free transaction**
- **\$1.35 billion in cash for debt reduction**
- **Over 25 million shares retired**
- **Shareholders given choice**

Cellulose Fibers

- **High-performance fibers**
 - **Absorbent products**
 - **Premium towel and tissue**
- **Proprietary technology**
- **Technical capability**

Containerboard Packaging and Recycling

- **Accelerating implementation of new business model**
- **Considering broad range of strategic alternatives**
 - **Hold and optimize**
 - **Sell / divest**
 - **Other combination**

Financial Priorities

- **Capital spending discipline**
 - **80% of depreciation**
 - **Aligned with strategy**
- **Dividend policy**
 - **Increased dividend 33% in the last 2 years**
- **Share repurchase**
 - **25 million shares retired through the Domtar transaction**
 - **Repurchased 11 million shares**
- **Appropriate capital structure**

Industry Outlook 2007

Lynn Michaelis
Vice President,
Markets & Economic Research
and Chief Economist



Weyerhaeuser

Agenda for Industry Outlook

- **Macroeconomic setting for forest products**
 - **Housing Issues: National and regional**
- **Situation in**
 - **Wood Products**
 - **Cellulose Fiber (Pulp)**
 - **Containerboard and Packaging**

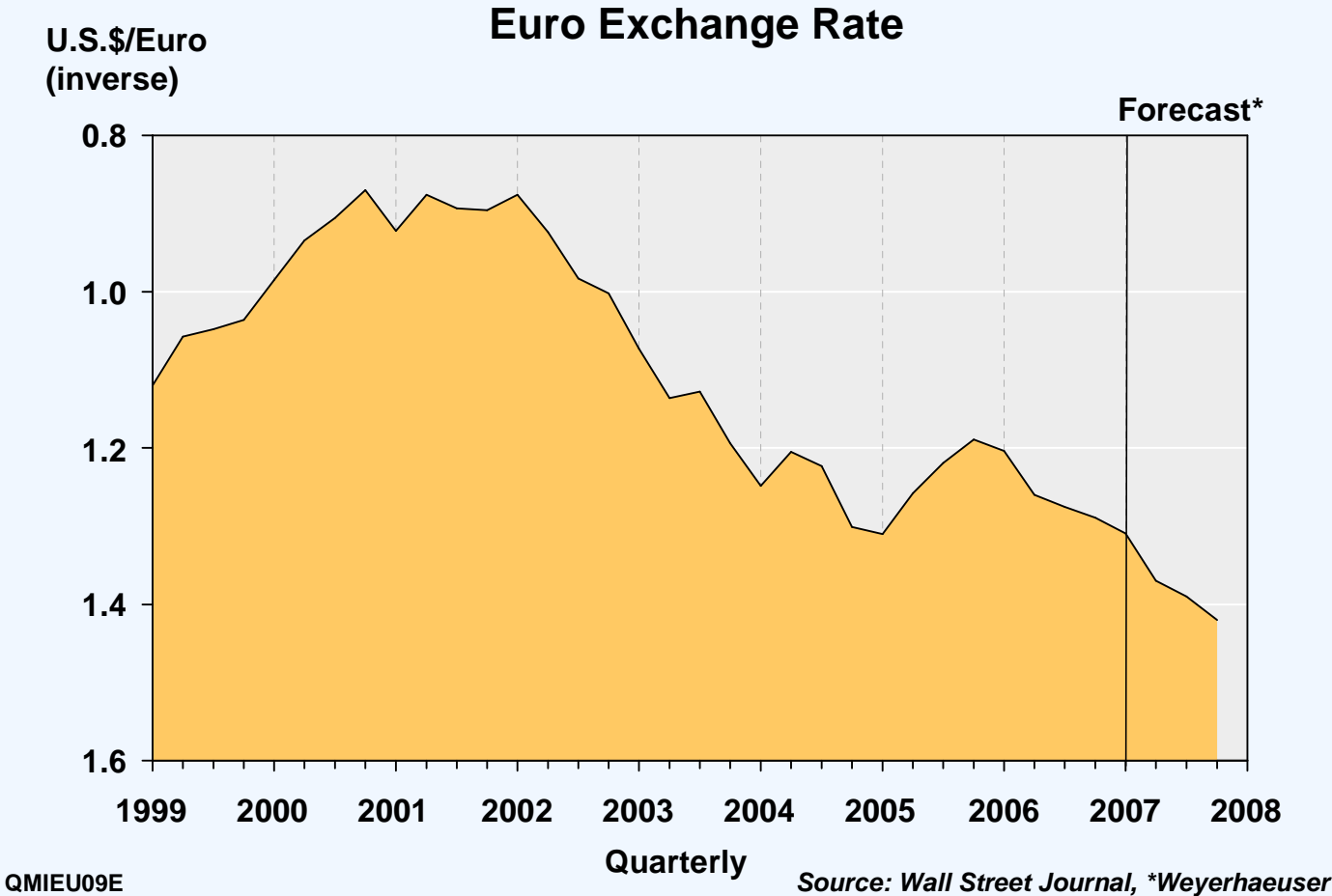
Outlook Summary

- **Approaching the bottom of the housing cycle — but recovery pattern uncertain**
- **Wood product prices at bottom**
- **Long-term trend still positive for housing and wood products**
- **Very positive environment for softwood pulp**
- **Prospects for containerboard and packaging industries are mixed**

Macroeconomic Outlook

- **World growth strong, despite U.S. slowdown**
- **Interest rates remain near current levels given inflation**
- **Dollar decline continues — helps U.S. industrial production**
- **Housing starts approaching bottom, but recovery pattern uncertain**

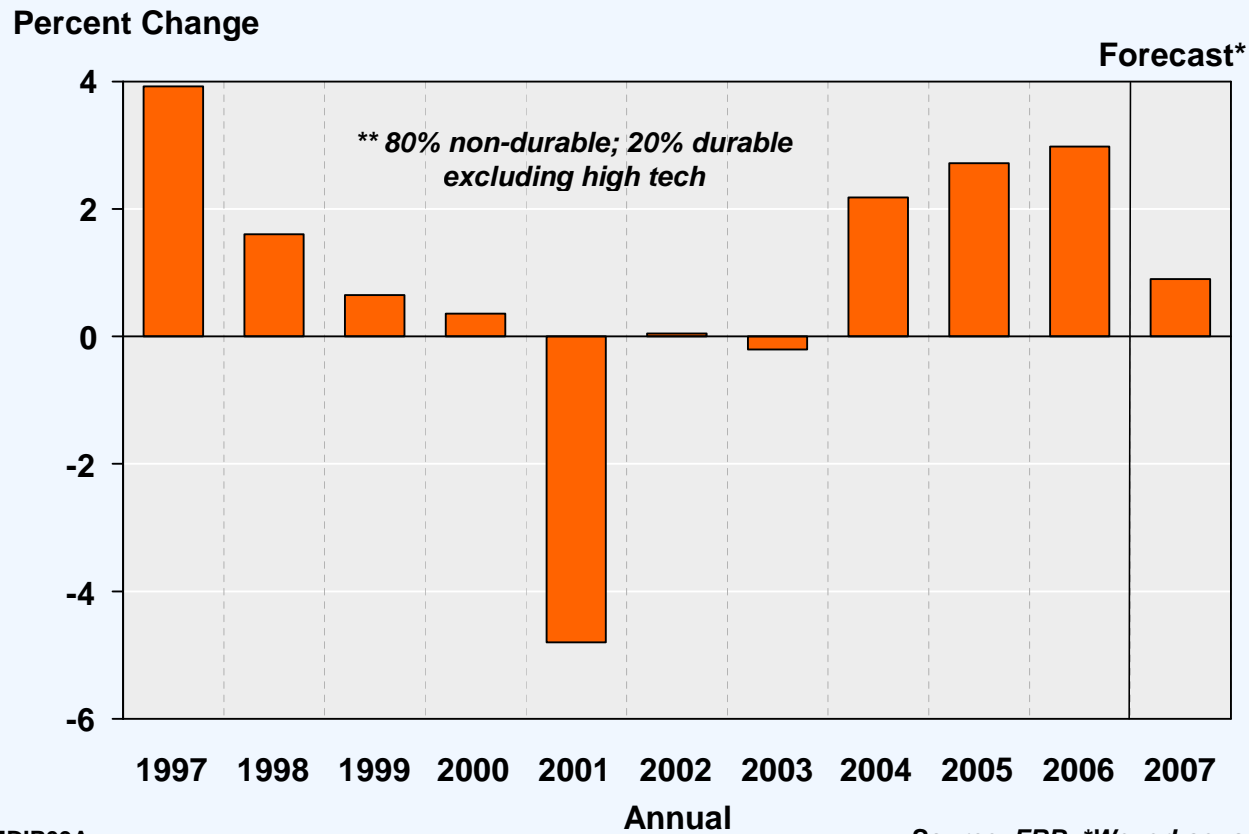
Dollar Declines Further: Immense Current Account Deficit



QMIEU09E

Stronger Industrial Growth Over 2004–07 Period

Growth in Weighted** Index for U.S. Manufacturing Production



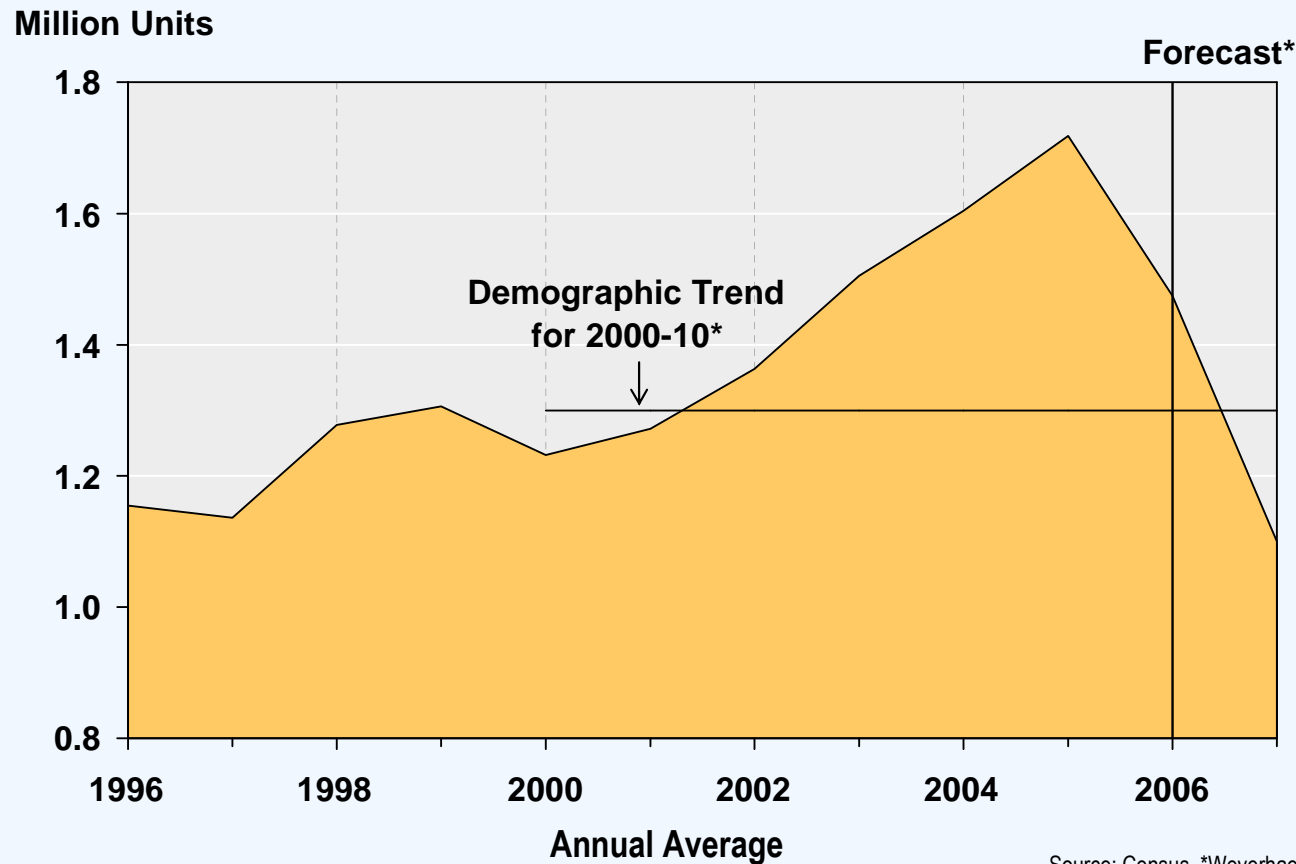
AMDIP09A

Source: FRB, *Weyerhaeuser

20

Now in Correction Period — Unique Cycle

U.S. Single-family Housing Starts

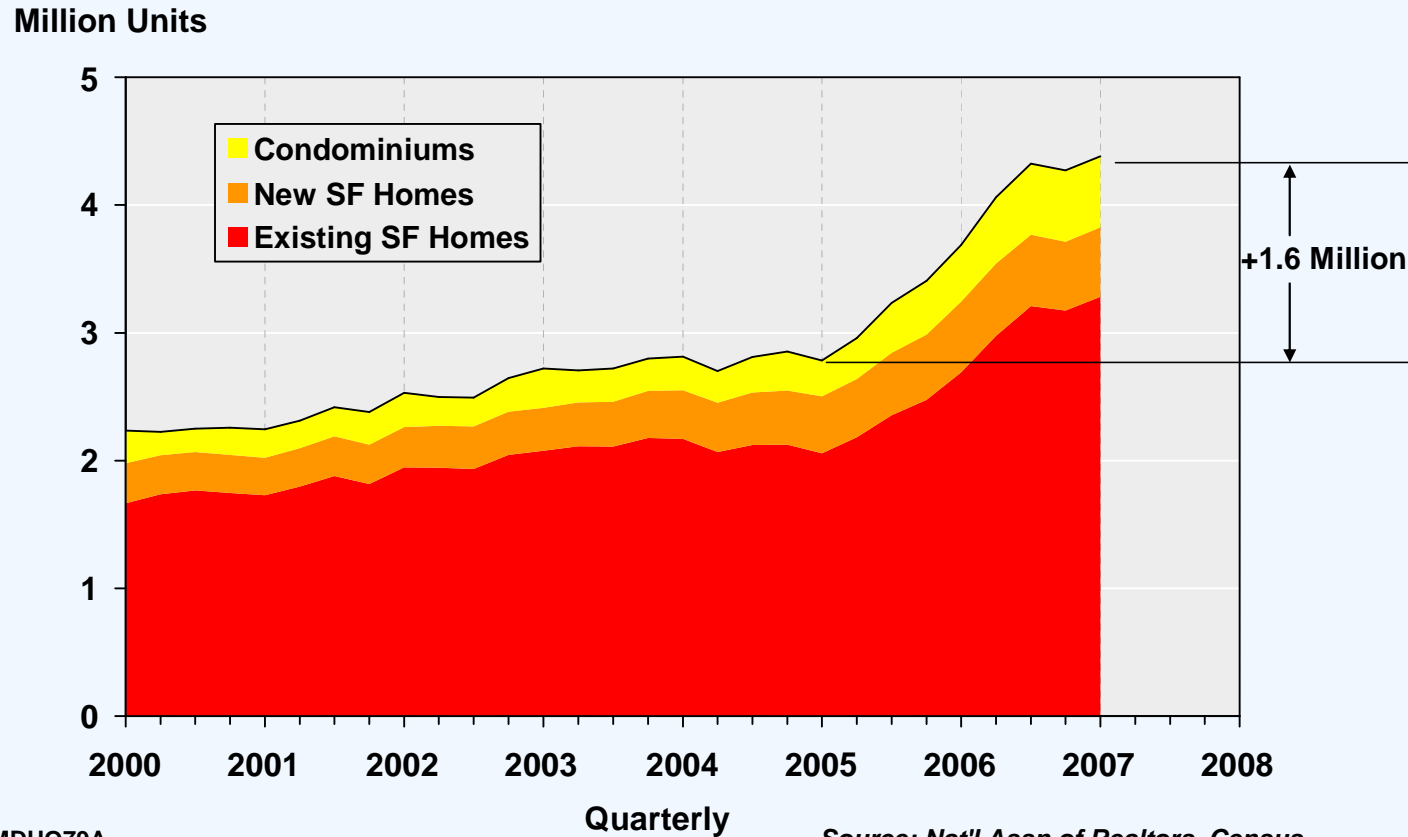


Source: Census, *Weyerhaeuser

21

Surge in Total Housing Inventory Needs to be Worked off; Partial Cause — Investors Exiting

Inventory of Homes and Condominiums for Sale



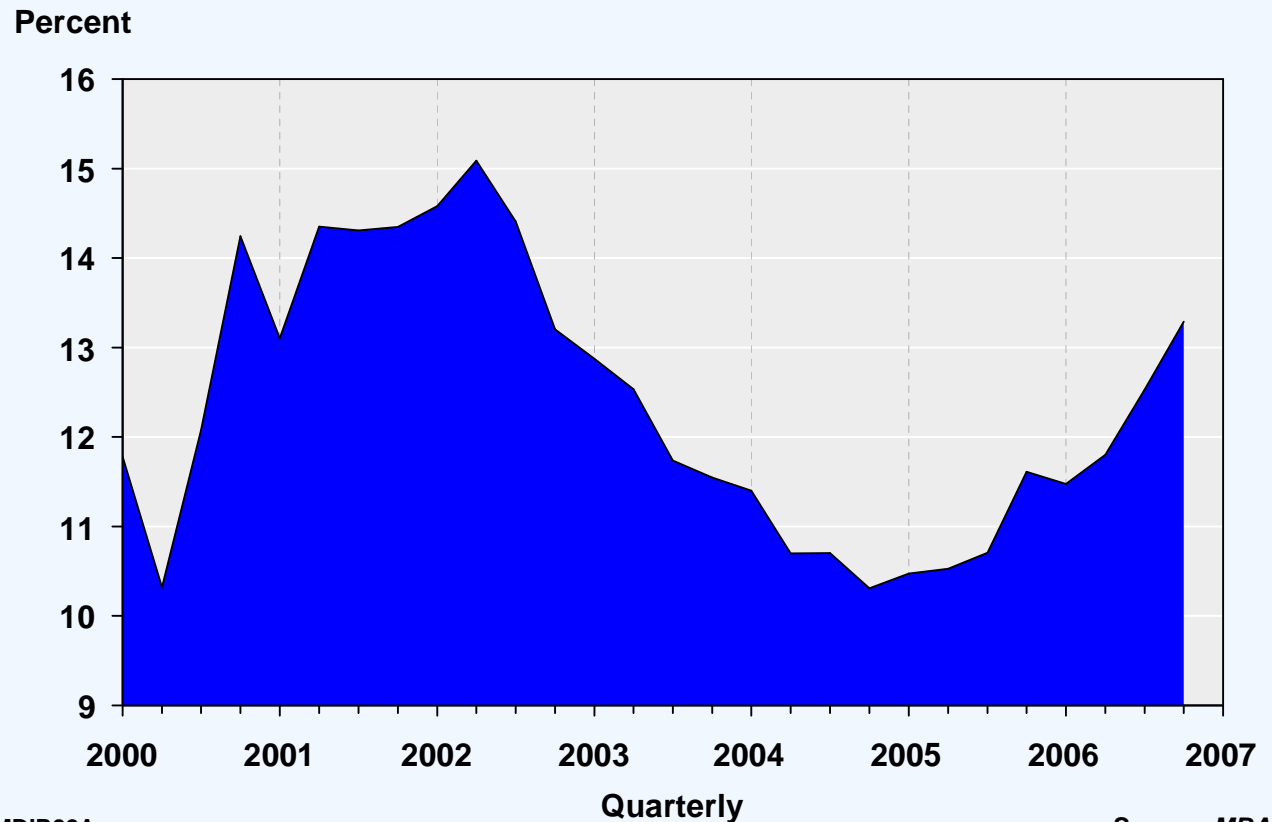
QMDHO79A

Source: Nat'l Assn of Realtors, Census

22

Another Problem Needs to be Corrected; Risky Loans

Mortgage Delinquencies Subprime Loans
With Installments Past Due



QMDIR22A

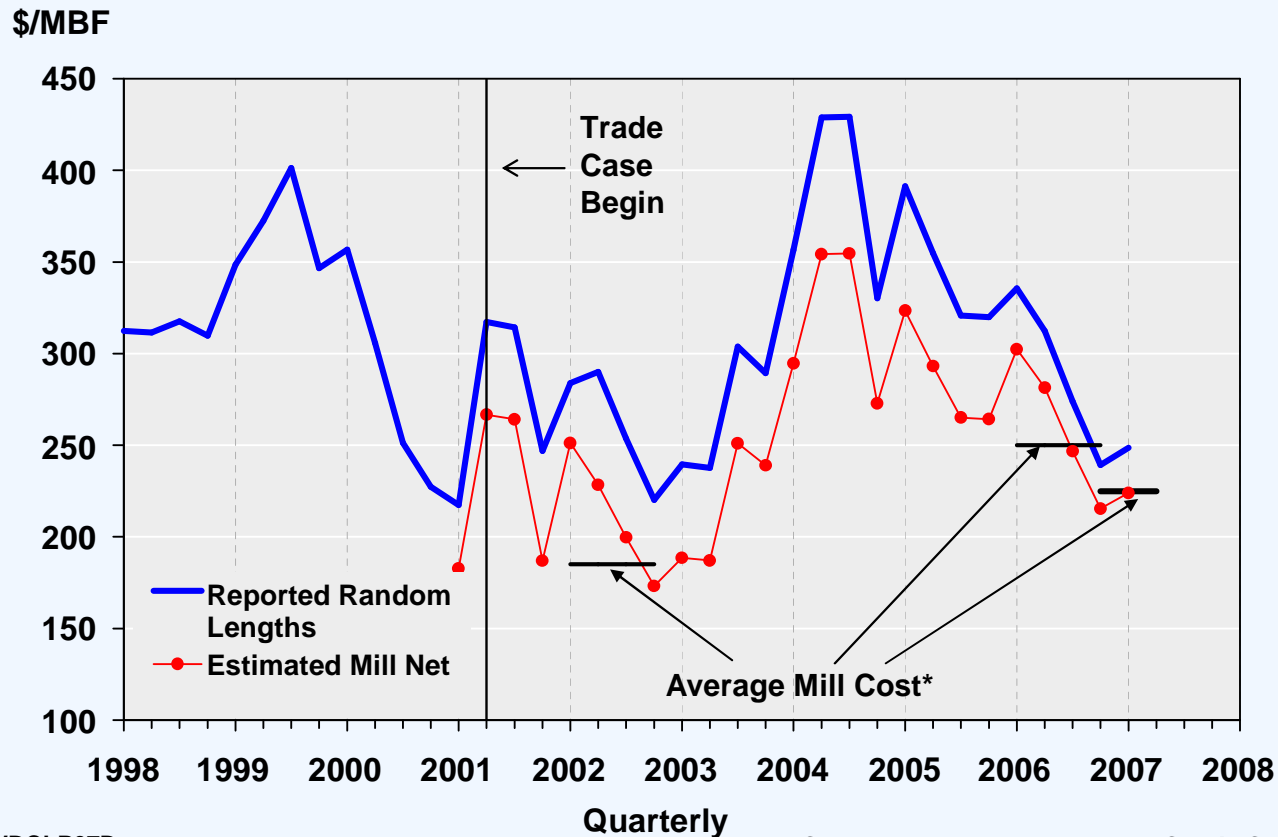
23

Situation in Wood Products

- **Wood products demand fell sharply with decline in single-family housing starts**
- **Current product prices are below cash costs for average mills — lumber and oriented strand board — driving production lower**
- **U.S. timber prices lag lumber prices and mill production**
- **Long-term positive: housing starts return to trend with very little offshore competition in structural wood products**

Canadian Mills Have Been Running Cash Negative

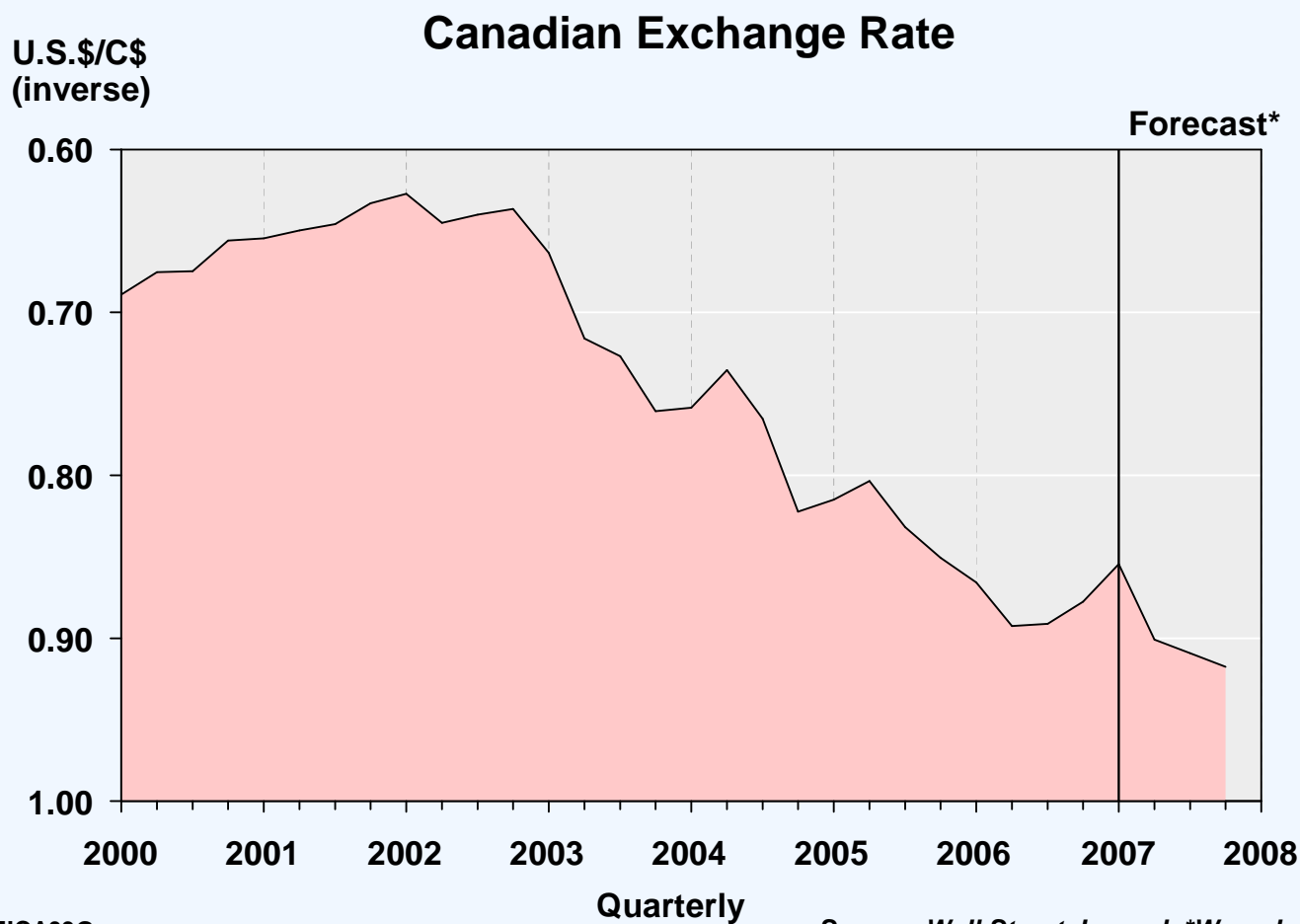
Spruce-Pine-Fir 2x4 Lumber Price



QWDCLP07D

Source: Random Lengths,*RISI Mill Survey

Expect C\$ Appreciation to Continue

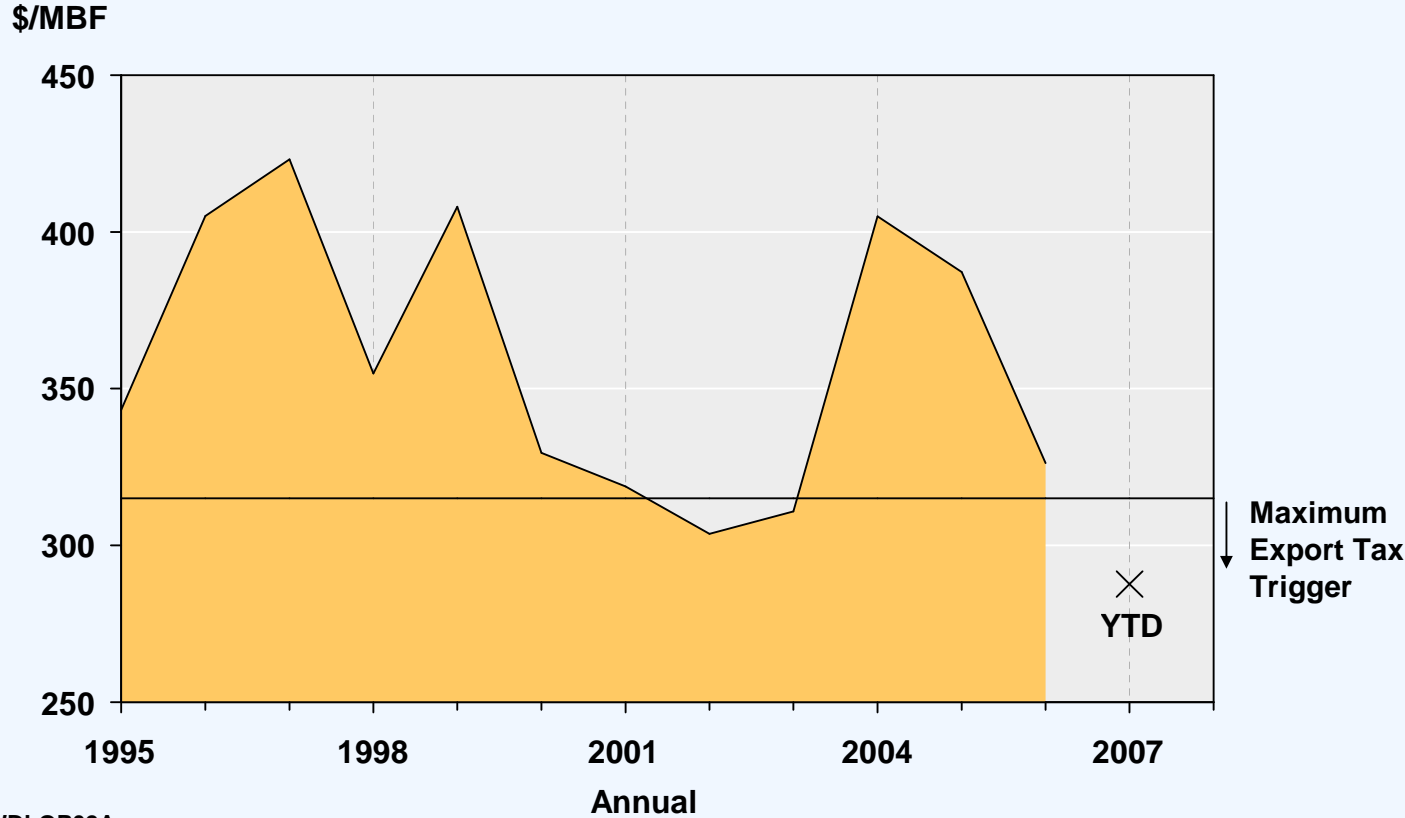


QMICA09G

26

Now Below Maximum Tariff Trigger Level

Framing Lumber Composite Price



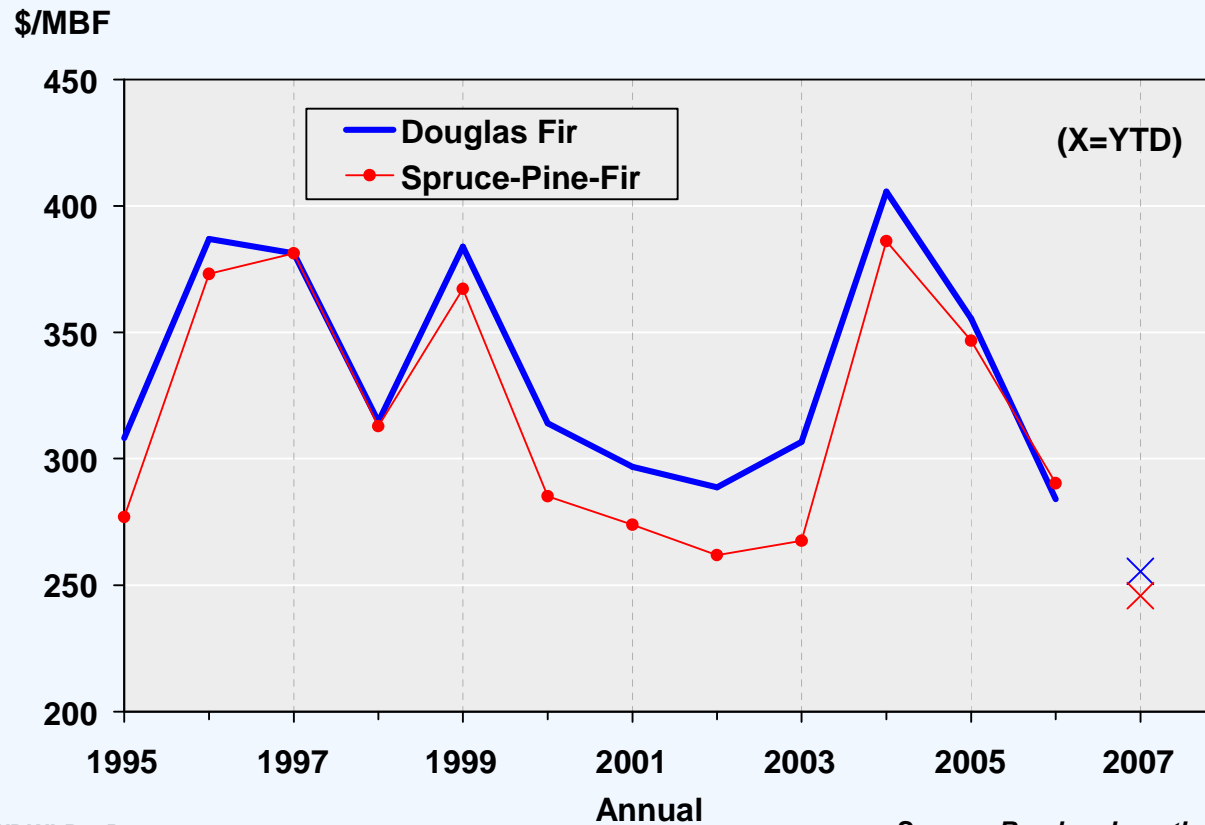
AWDLOP02A

Source: Random Lengths



U.S. Product Prices Set by Canadian Imports

Douglas Fir 2x4 Green vs.
Spruce-Pine-Fir 2x4 Mill Lumber Price

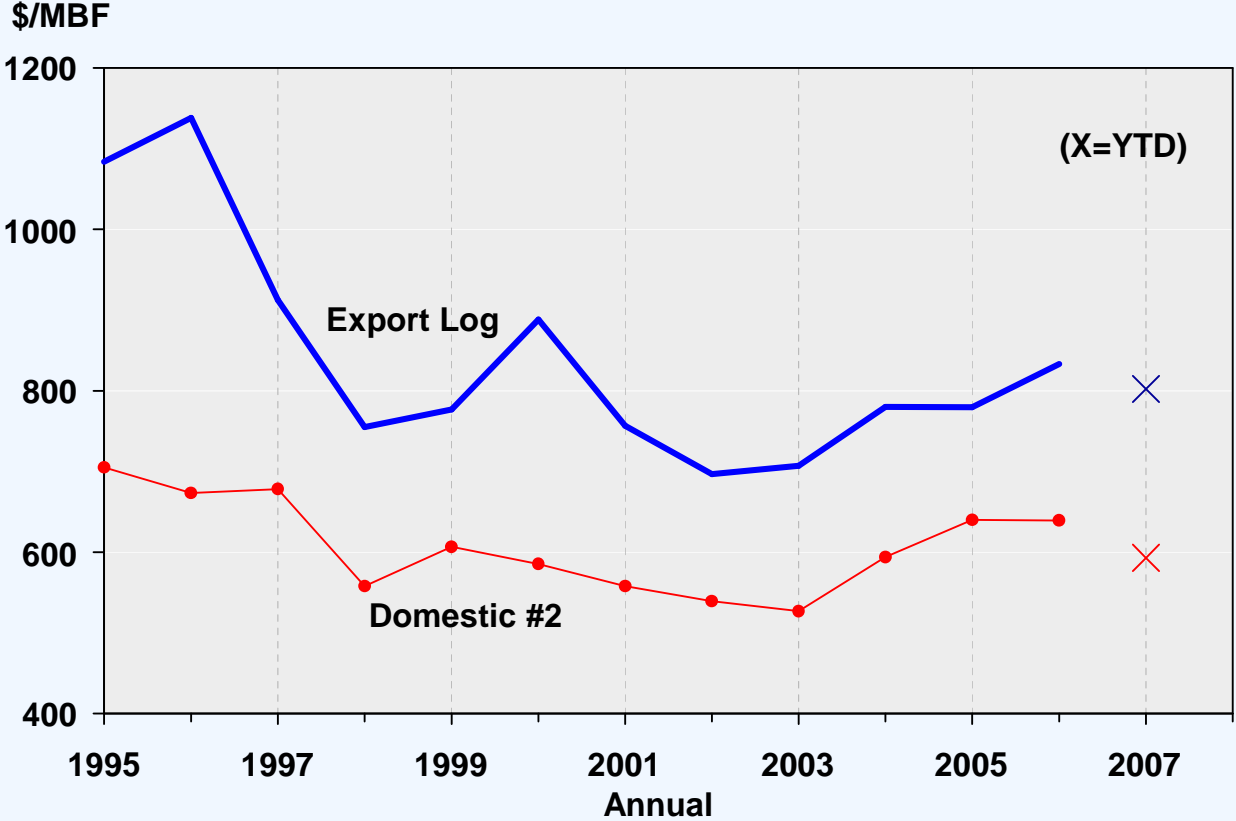


AWDWLP03B

28

Log Prices Lag Lumber Prices and Lumber Production

Douglas Fir Log Prices
Export Log vs. Domestic #2



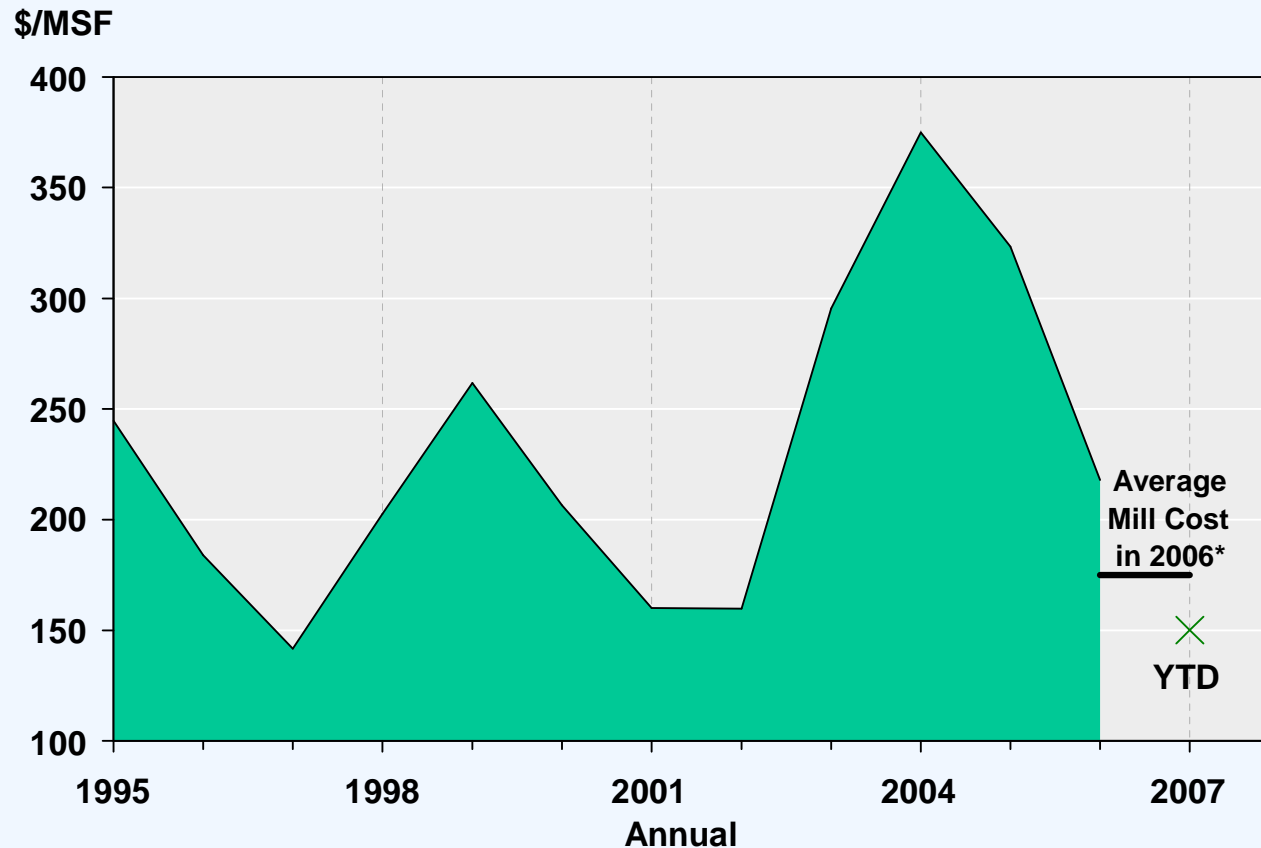
ATLP70D

Source: Log Lines, Weyerhaeuser



Eventually, Prices Rebound to Level that Covers Cash Cost

North Central Oriented Strand Board 7/16" Price



AWDPNLP09F

Source: Crow's, *RISI Mill Survey

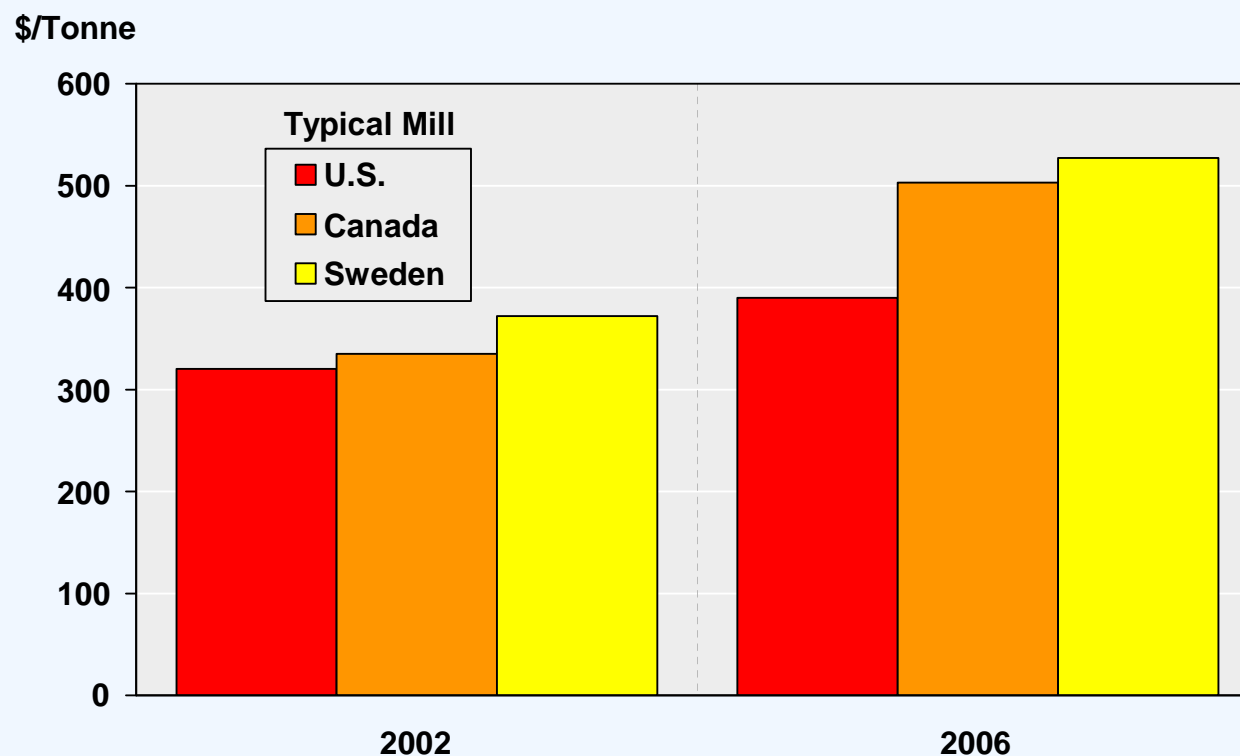
30

Situation in Cellulose Fibers

- **Overall demand growth positive, especially for fluff and absorbent grades (U.S. Southern pine pulp)**
- **Capacity growth primarily in hardwood pulp**
- **Dollar decline supports positive prices for NBSK and fluff pulp — strong position for U.S. Southern mills**

Weaker Dollar Makes U.S. Mills More Competitive

Manufacturing Cash Costs for Bleached Softwood Kraft Pulp



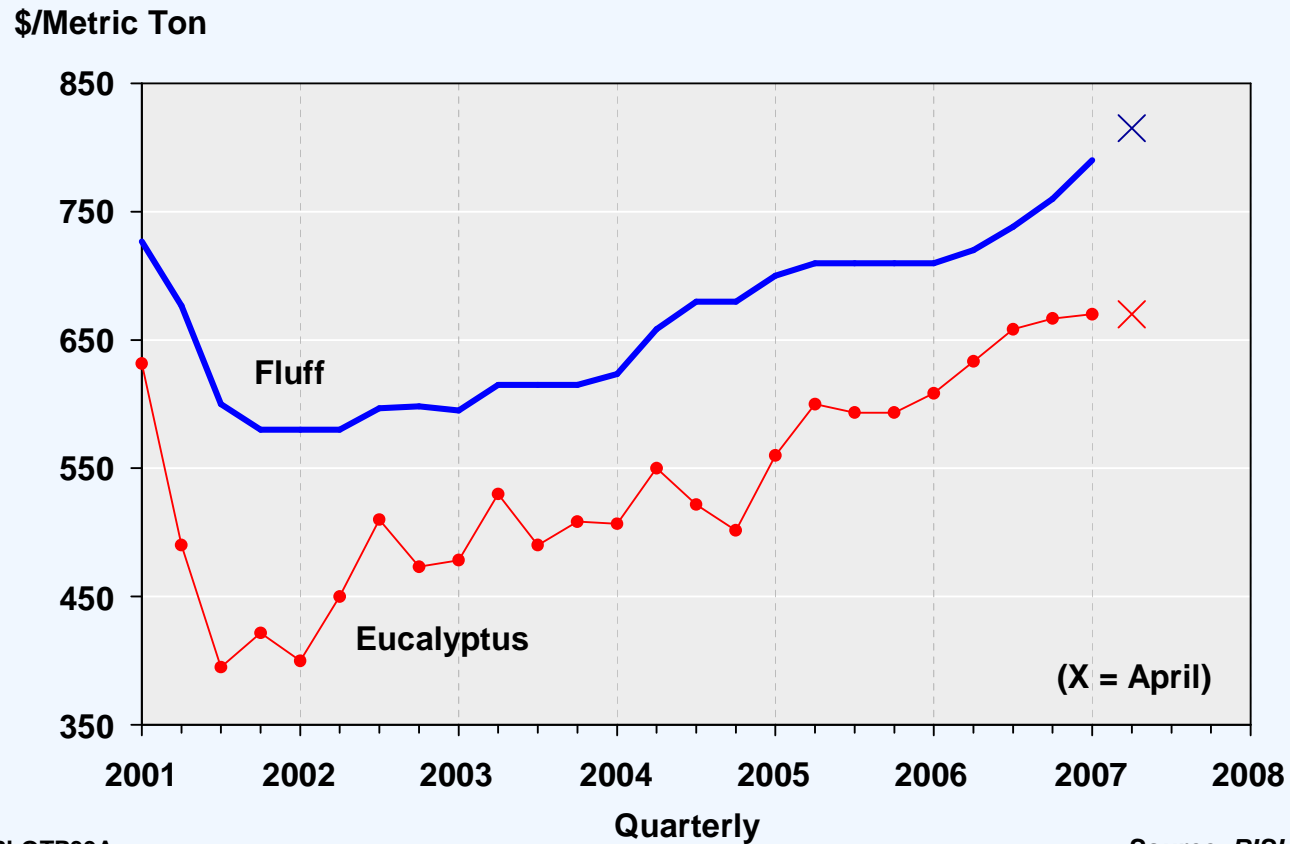
APLOTP84A

Source: Weyerhaeuser

32

Pulp Prices Reflect Relative Operating and Exchange Rates

Fluff vs. Eucalyptus
Delivered Northern Europe



QPLOTP39A

Source: RISI

33

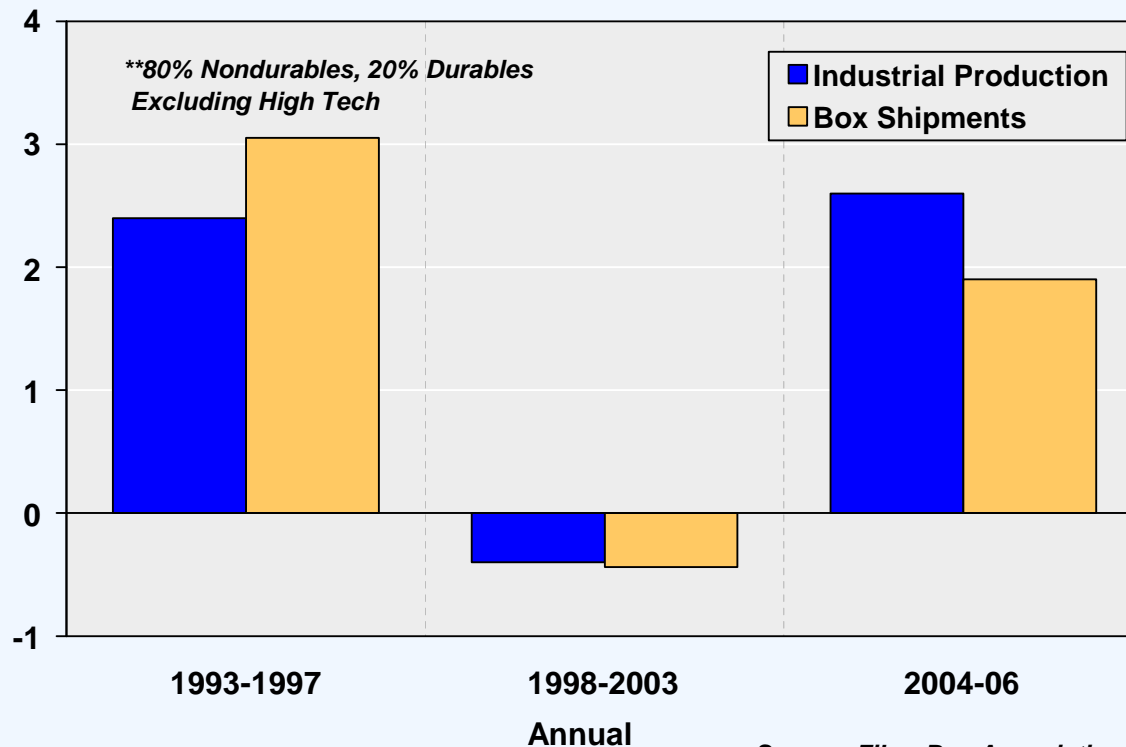
Situation in Containerboard and Packaging Industries

- **Box demand growth in line with revised industrial production index driver**
- **Packaging prices did not follow liner prices as expected**
- **Prospects for containerboard in a global context very positive**
 - **Global demand growth of 4–5% per year**
 - **Issue: will need virgin capacity given limit for additional OCC capacity growth**
 - **Where and at what price?**

Gap Between Box Shipments Growth and Industrial Production — Higher Prices

Weighted** Industrial Production and Annual Growth of U.S. Box Shipments

Percent Change

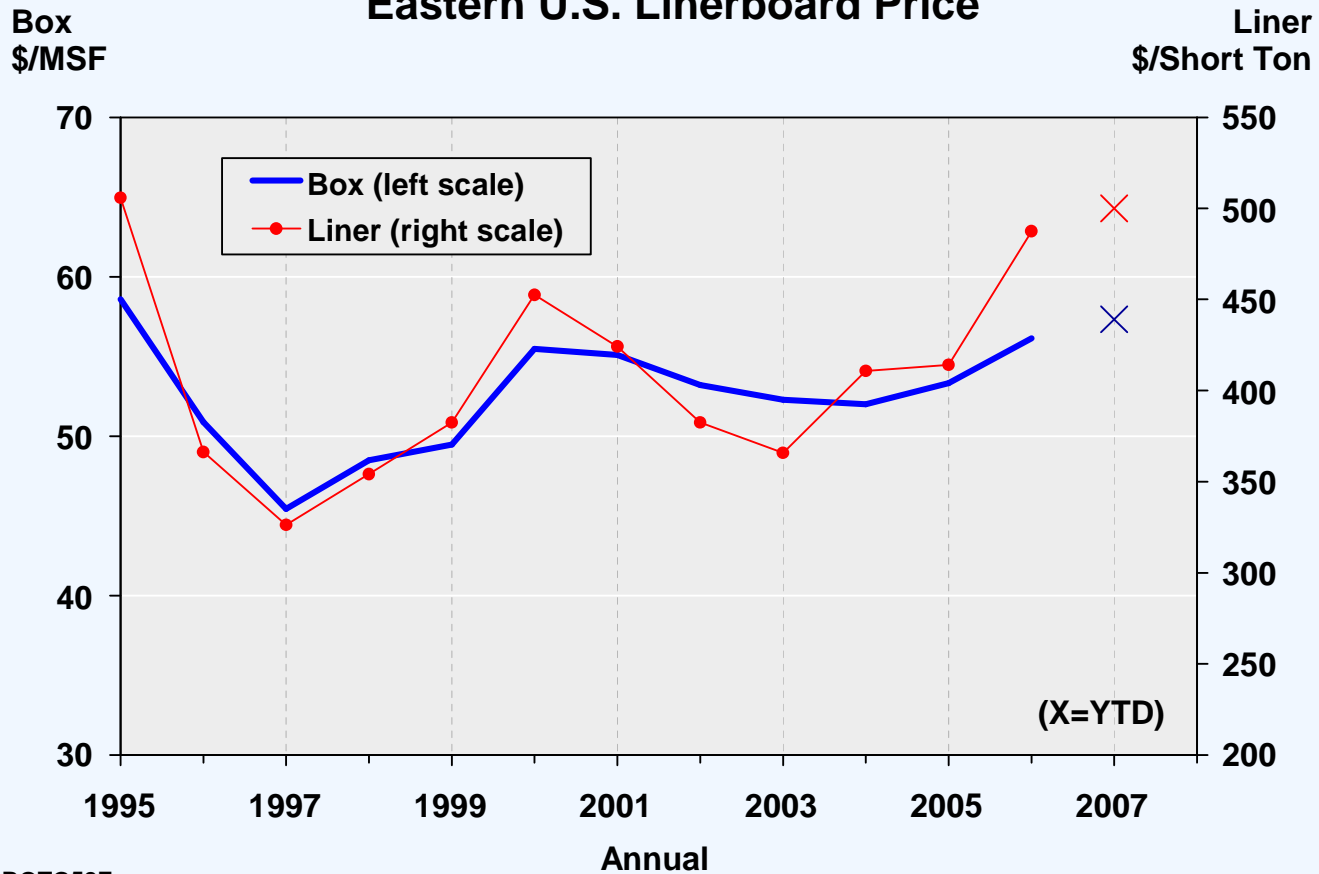


ACBBXG103A

Source: Fibre Box Association, FRB

Relationship Between Linerboard and Box Prices Has Changed

U.S. Corrugated Box Price vs. Eastern U.S. Linerboard Price

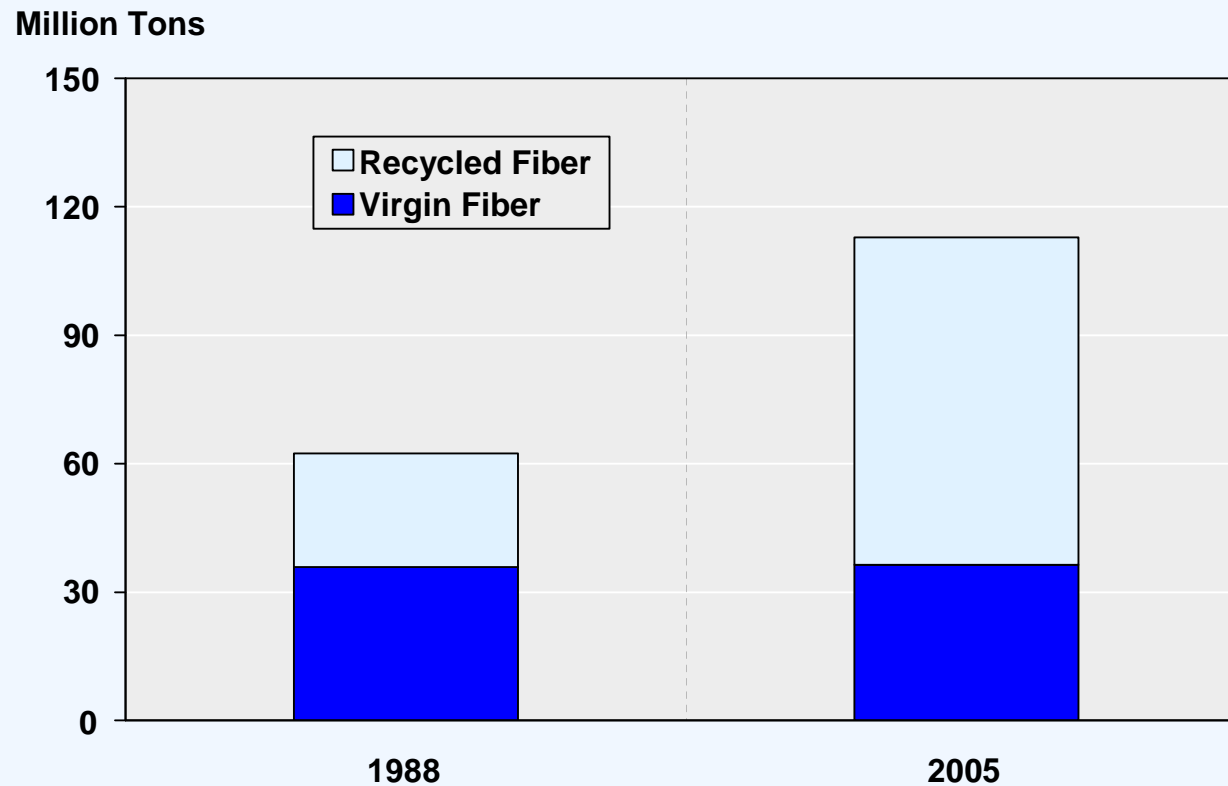


ACBOTG58F

Source: FBA, RISI

The Global Industry: All New Capacity Has Been OCC Based

Fiber for World Containerboard Production



XCBOTG13G

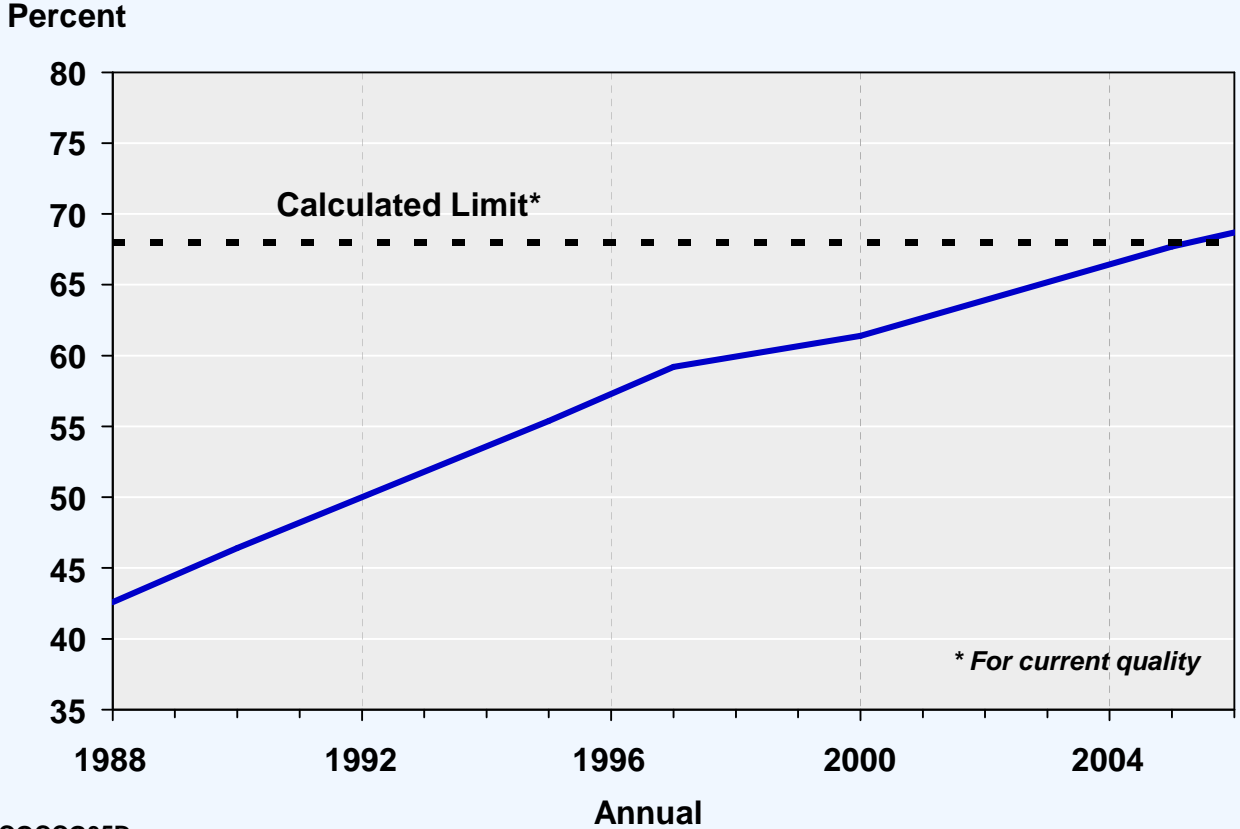
Annual

Source: Pöyry

37

Now at Limit of OCC-based Capacity

World Recovered Paper Content in Containerboard



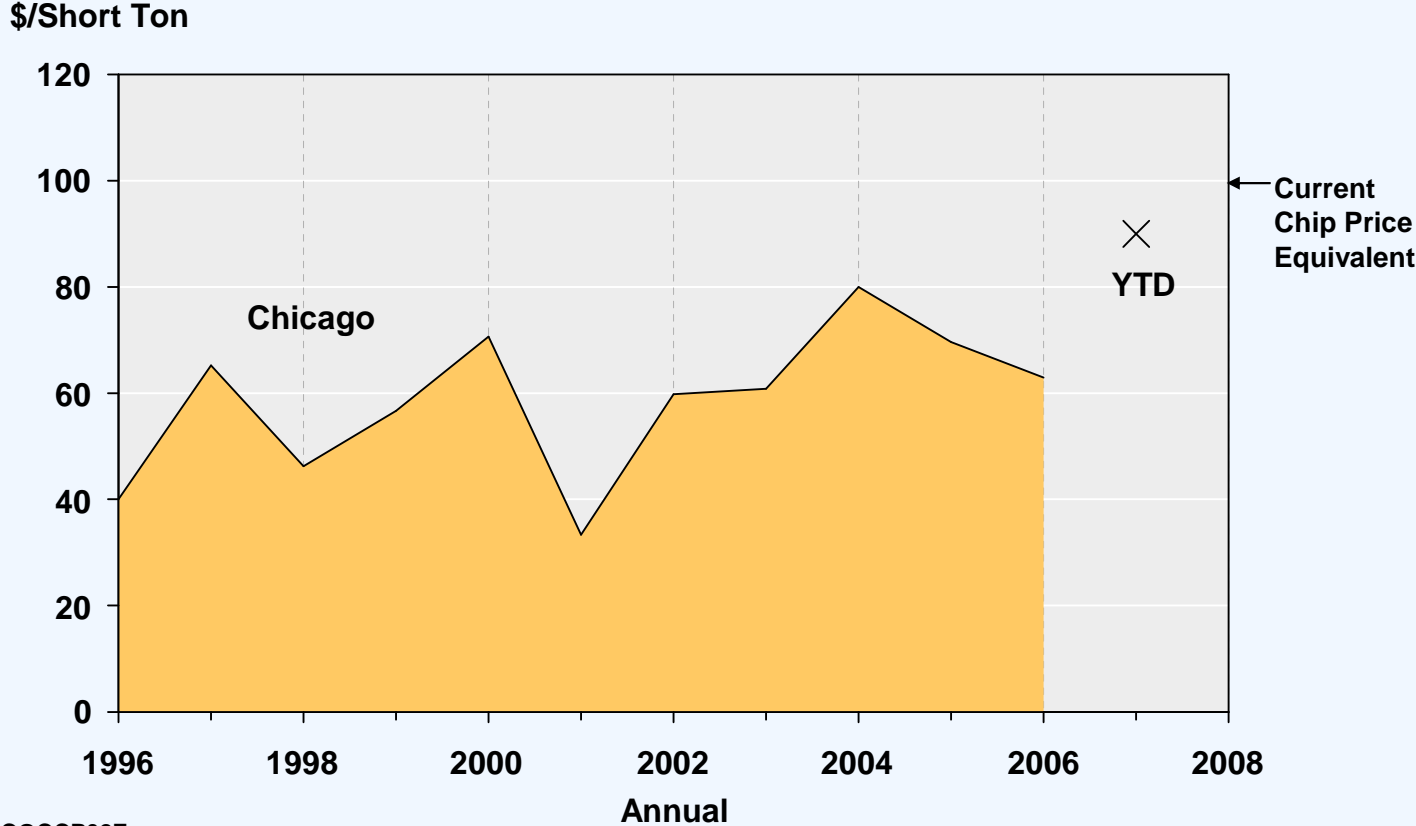
ARCOCCG35D

Source: Pöyry

38

Putting Upward Pressure on OCC Prices

Recovered Paper OCC Price (Grade 11)
(F.O.B. Packing Plant)



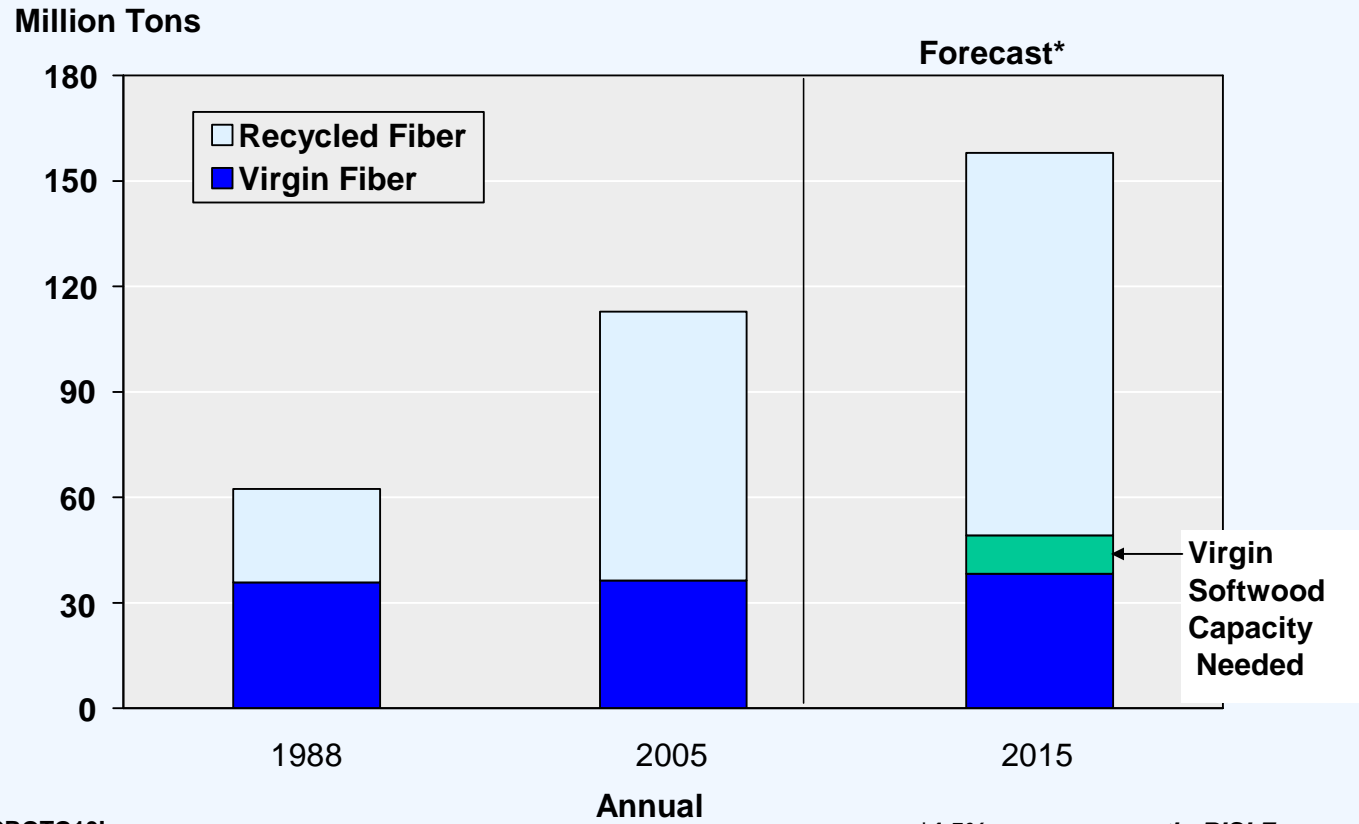
ARCOCCP02F

Source: Official Boards Market, RISI



Higher Price Levels may be Needed to Encourage Virgin Capacity Growth

Fiber for World Containerboard Production



XCBOTG13I

Source: Pöyry (History)

*4.5% per year growth, RISI Forecast

40

Outlook Summary

- **Approaching the bottom of the housing cycle — but recovery pattern uncertain**
- **Wood product prices at bottom**
- **Long-term trend still positive for housing and wood products**
- **Very positive outlook for softwood pulp**
- **Outlook for containerboard and packaging industries is mixed**

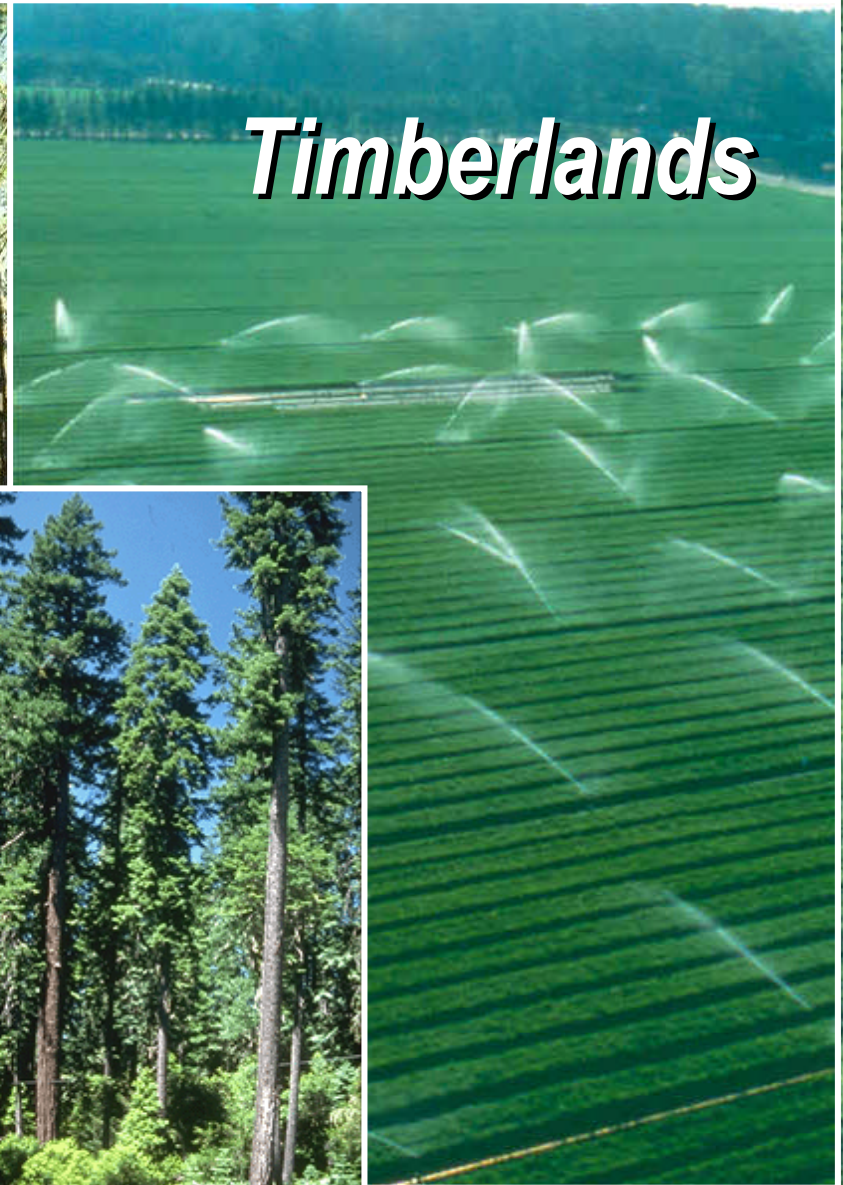
Timberlands, Cellulose Fibers and Containerboard, Packaging & Recycling

Rich Hanson
Executive Vice President,
Chief Operating Officer

Safely Making Money



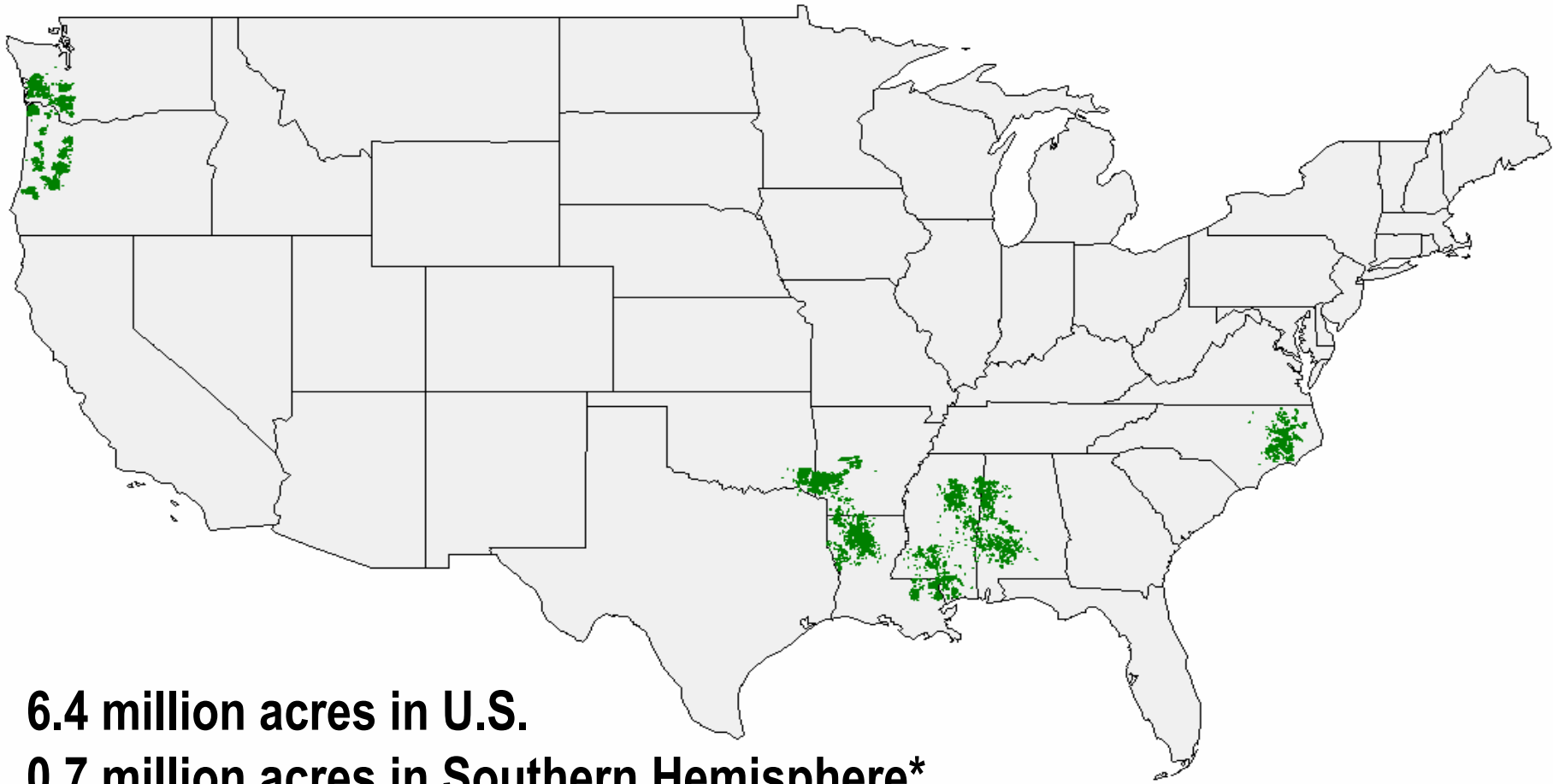
Timberlands



Operational Excellence in Timberlands

- **Generating industry-leading returns**
 - **Superior silviculture strategy**
 - **Superior execution**
 - **Forestry efficiency and low operating costs**
 - **Log allocation to the highest return market**
 - **Portfolio management**
- **Enhancing total return per acre**

Diverse Timberlands Ownership



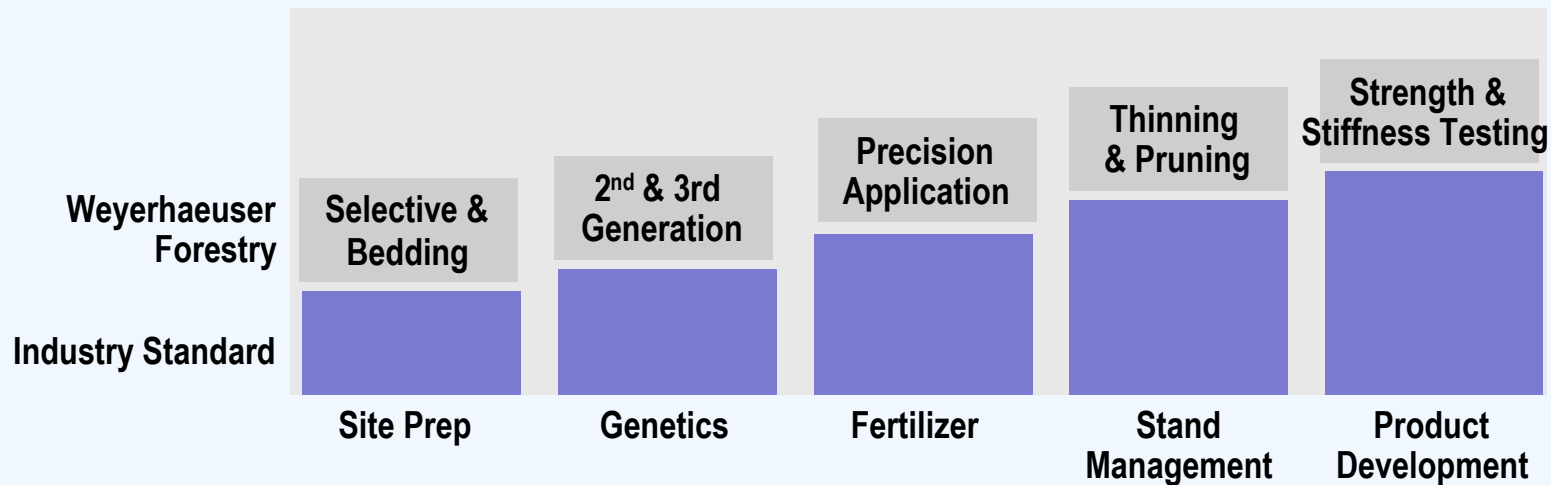
6.4 million acres in U.S.

0.7 million acres in Southern Hemisphere*

*includes joint ventures

Innovative Silviculture

- Grow bigger sawtimber faster, better, cheaper than competitors
- Invest in silviculture to enhance timberland returns
 - Innovations in bedding and planting stock
 - Precision silviculture — Vision Forestry in the South
 - Optimal harvest scheduling

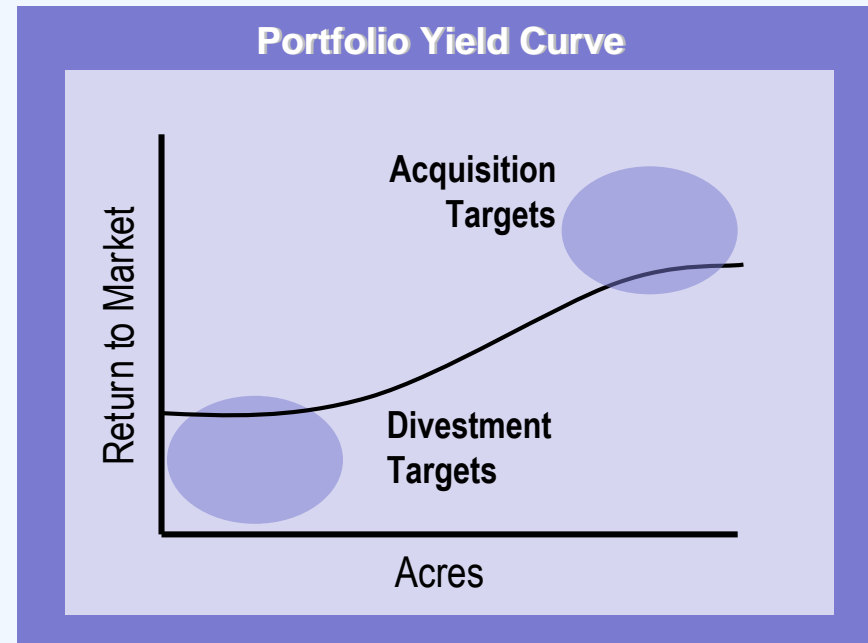


Maximizing Harvest Value

- **Optimizing log revenue**
 - **Log allocation to markets (export, lumber, veneer and fiber) helps achieve full value potential**
 - **Internal vs. external customer choices enhance values — “right log to the right mill”**
- **Minimizing harvest costs**
 - **Scale and concentration provide for efficient harvest**
 - **Weyerhaeuser’s Southern U.S. harvest costs are 20–25% lower than benchmark averages**

Optimizing Timberlands Portfolio

- Returns improved through active portfolio management
- Increased ownership by 1.5 million acres since 2000
 - Major strategic acquisitions
 - Regional dispositions including HBU land
- Growing in the U.S. and South America



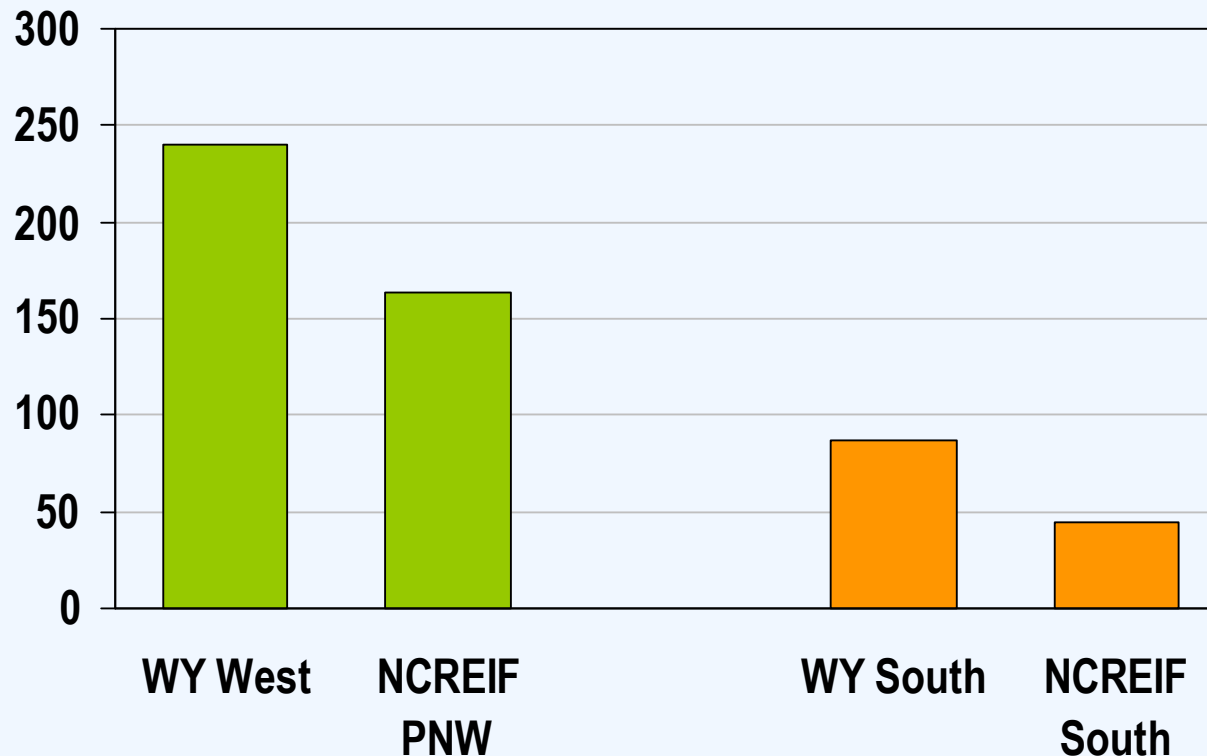
Maximizing the Value per Acre

2006 Timberland activities other than harvest generated more than \$225 million of earnings

- **Current activities include**
 - **Traditional small timberlands sales and exchanges**
 - **Sales of lands with enhanced real estate values**
 - **Mineral and oil and gas extraction**
 - **Other earnings (hunting leases, cell tower leases, sale of forest plants, etc.)**
- **Future growth opportunities include**
 - **Biofuel opportunity with Chevron**
 - **Carbon credits**

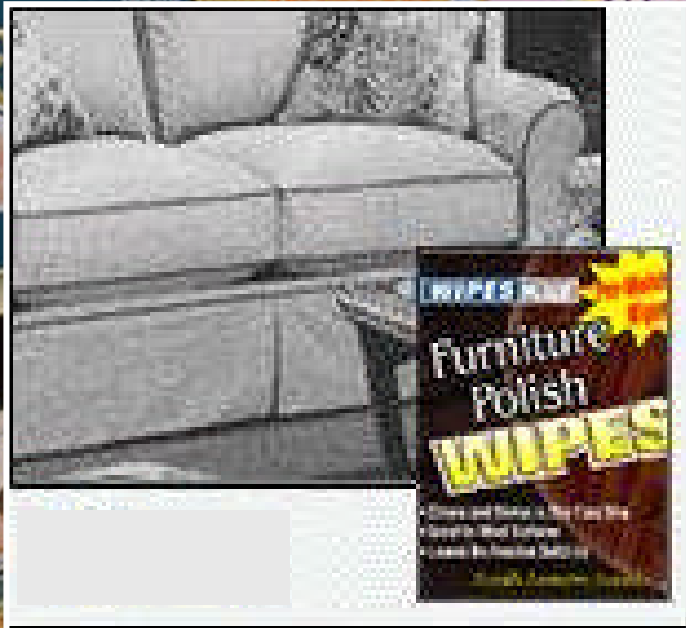
Generating Industry-leading Returns

U.S. Timberlands EBITDA* Per Acre Owned (2006)



**Non-GAAP measure; reconciliation on weyerhaeuser.com*

Cellulose Fibers



Cellulose Fibers — Products

Advanced absorbent fibers used in diapers and other personal care products are chemically modified for superior performance



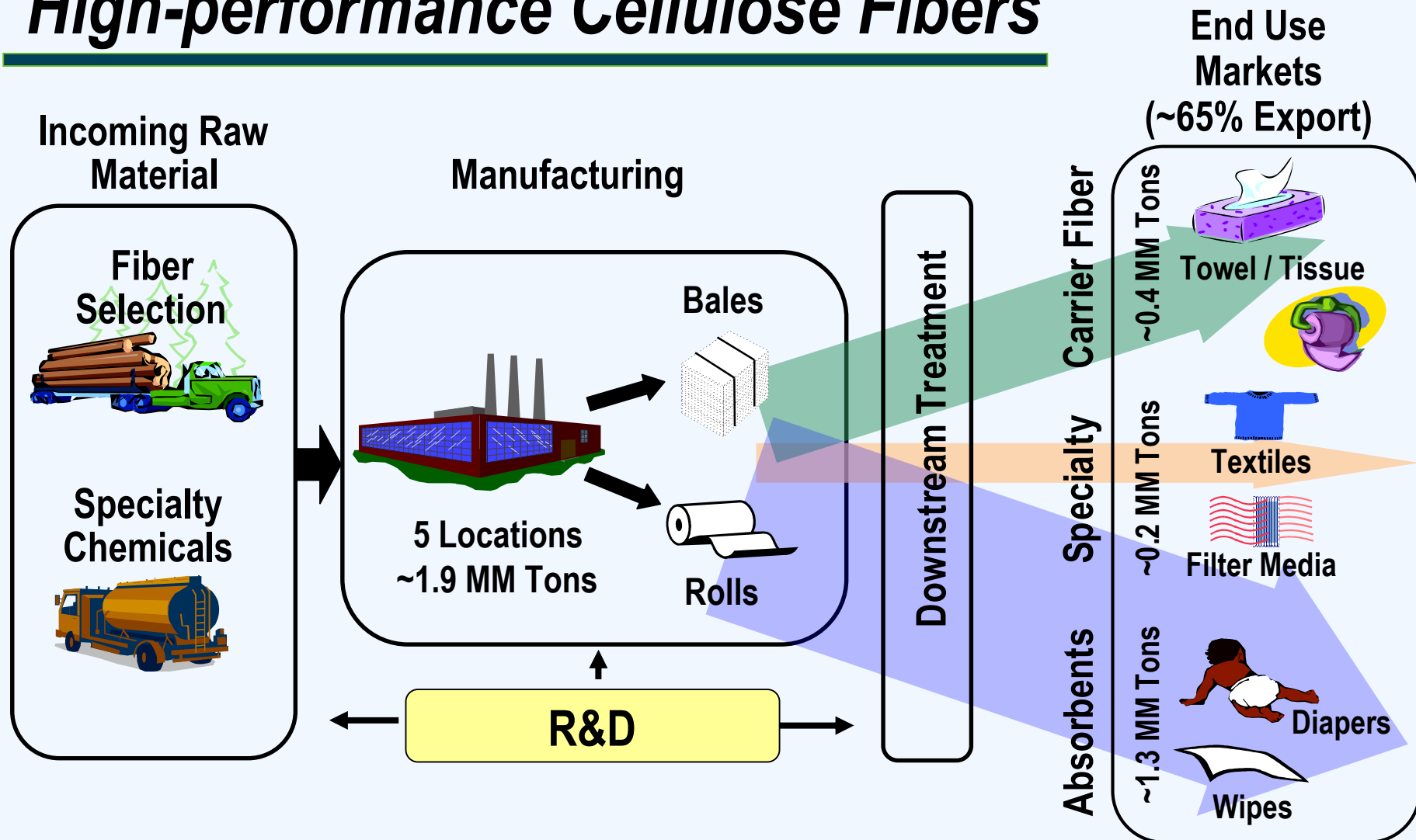
Fibers used in premium towel and tissue products, specialty and publication papers



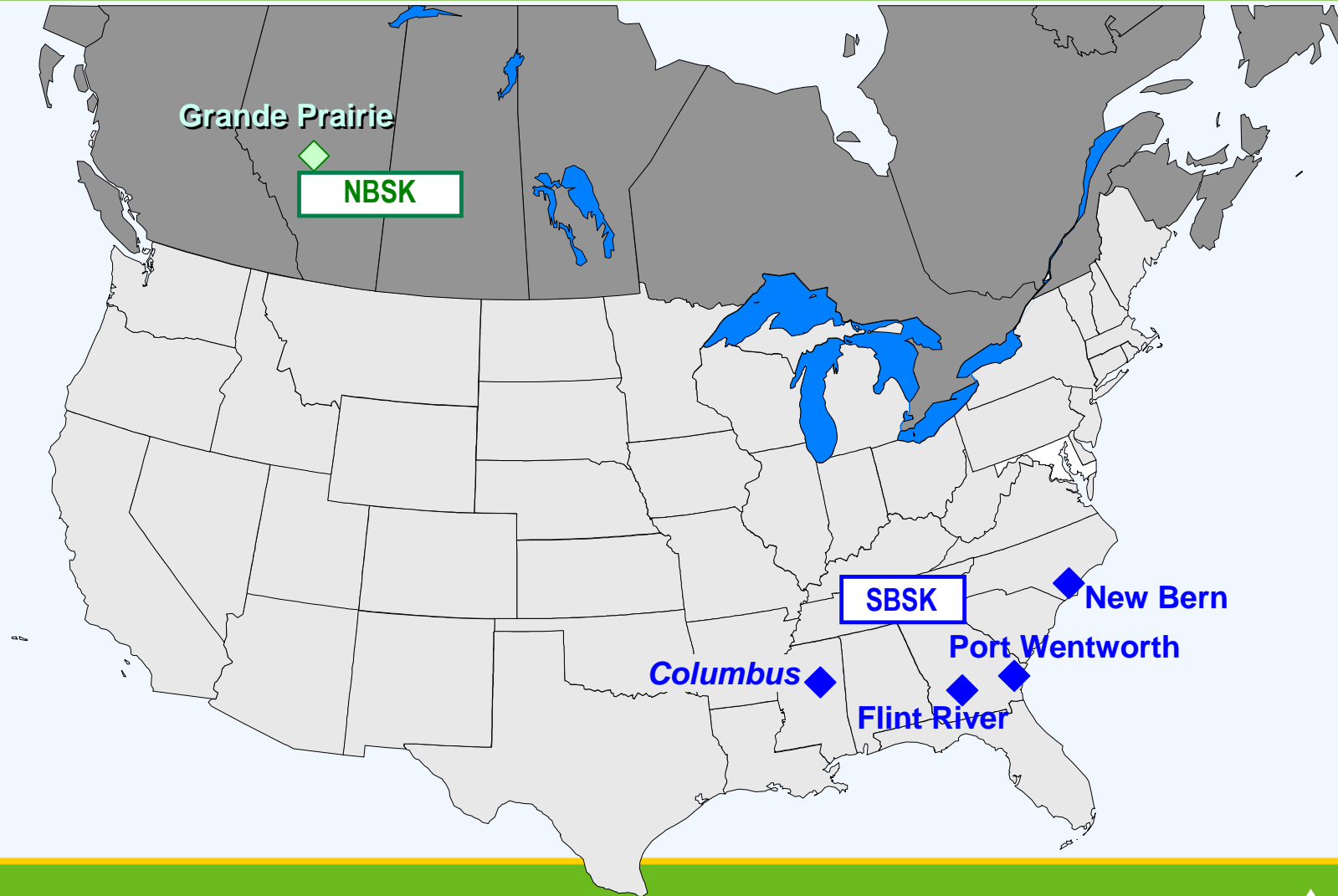
Specialty fibers used in textiles and non-wovens



High-performance Cellulose Fibers



Cellulose Fibers Operations

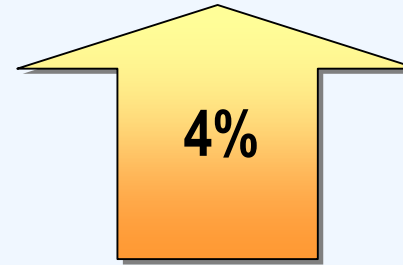


Cellulose Fibers — Operational Excellence

Absorbent Product Mills

- **2006 Improvements over 2005**

- **Manufacturing Efficiency**



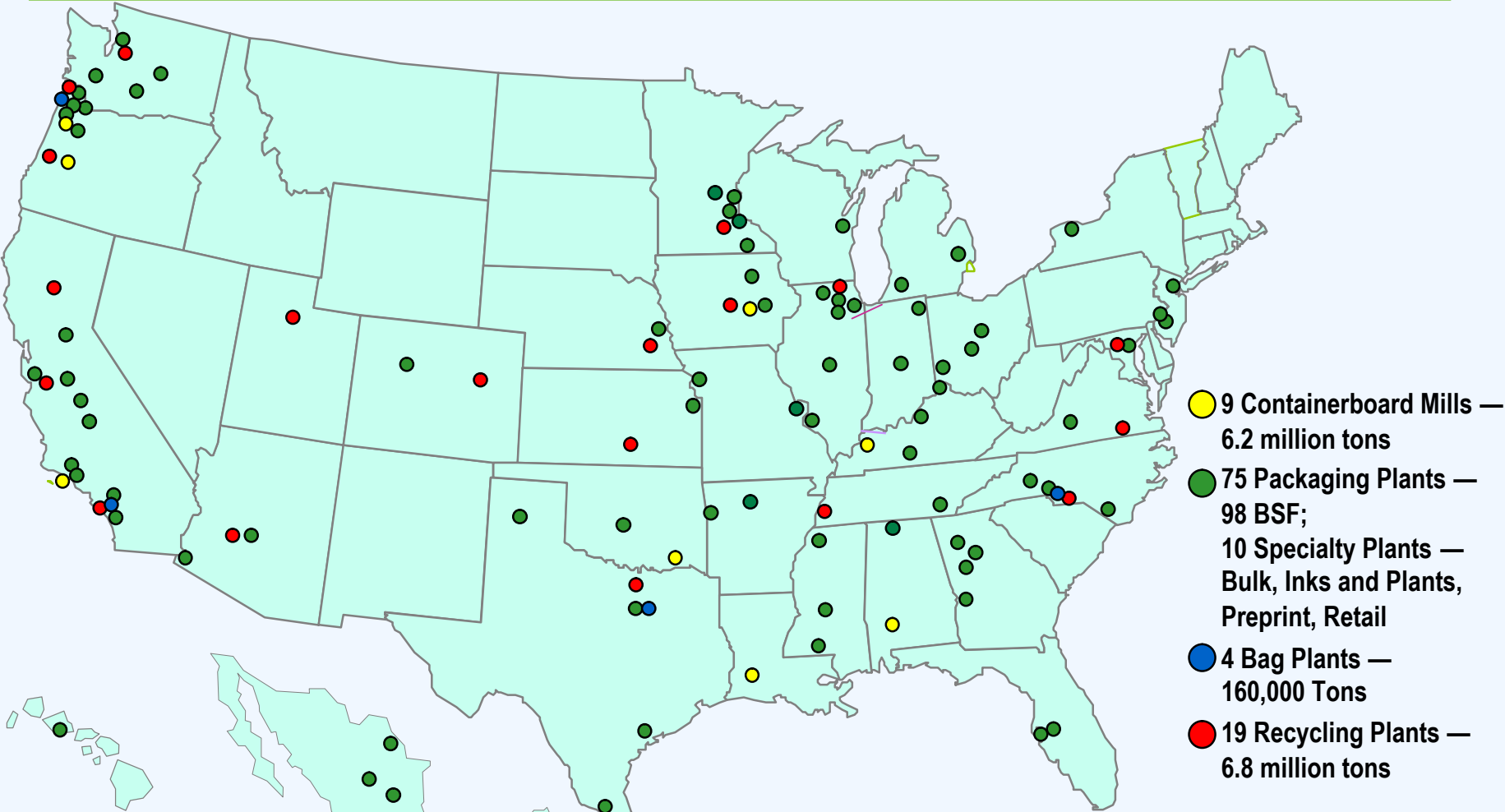
- **Manufacturing Cost**



Containerboard, Packaging and Recycling



Containerboard Packaging and Recycling Operations



The Business Model

- **Market segments as profit centers**
- **Demand-driven, customer-focused model**
- **Operating as an integrated supply chain (mills / box plants)**
- **Delivering against demand at the lowest cost**
- **Leveraging scale**

Accelerating Implementation

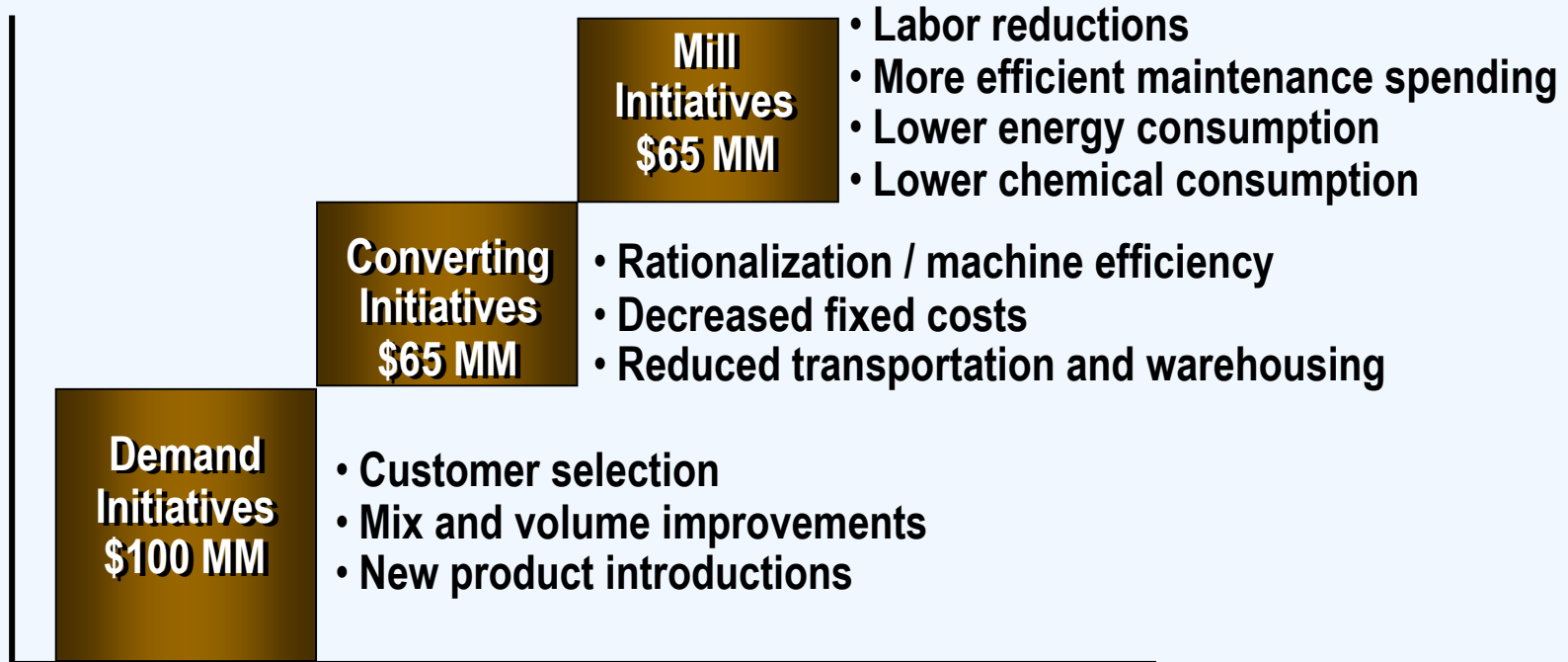
- New leadership
- Achieving more responsive and coordinated sales organization
- Applying lessons from business model pilot
- Focusing on margin improvement and profitable volume growth



60

Targeted Earnings Improvements Through 2008

\$230 Million



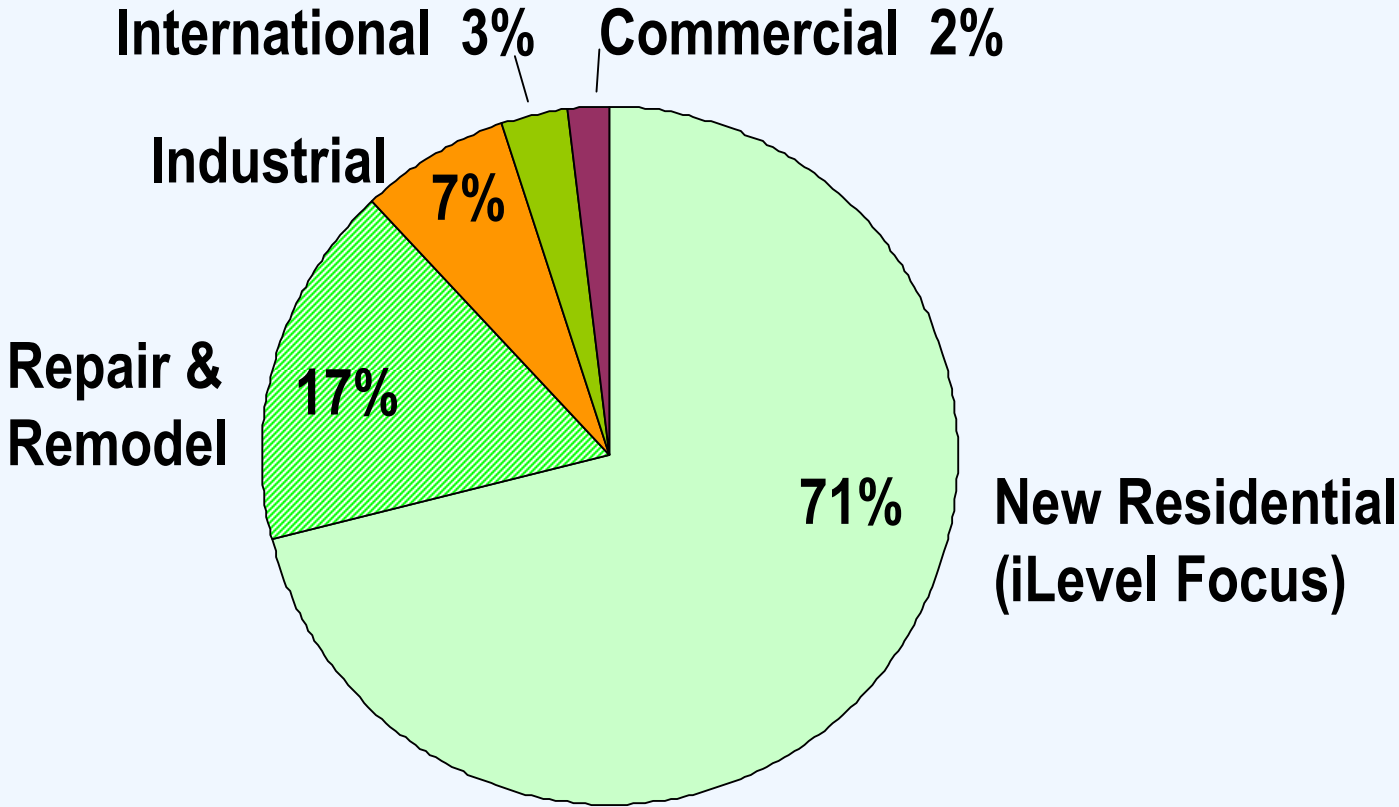
On track to deliver \$100 million by end of 2007



iLevel

Lee Alford
Senior Vice President,
Residential Wood Products

2006 Wood Products Segment Sales



The Vision for iLevel

To be the undisputed leader in the Residential Structural Frame market



Over the Last 3 Years We Have Been Repositioning Wood Products

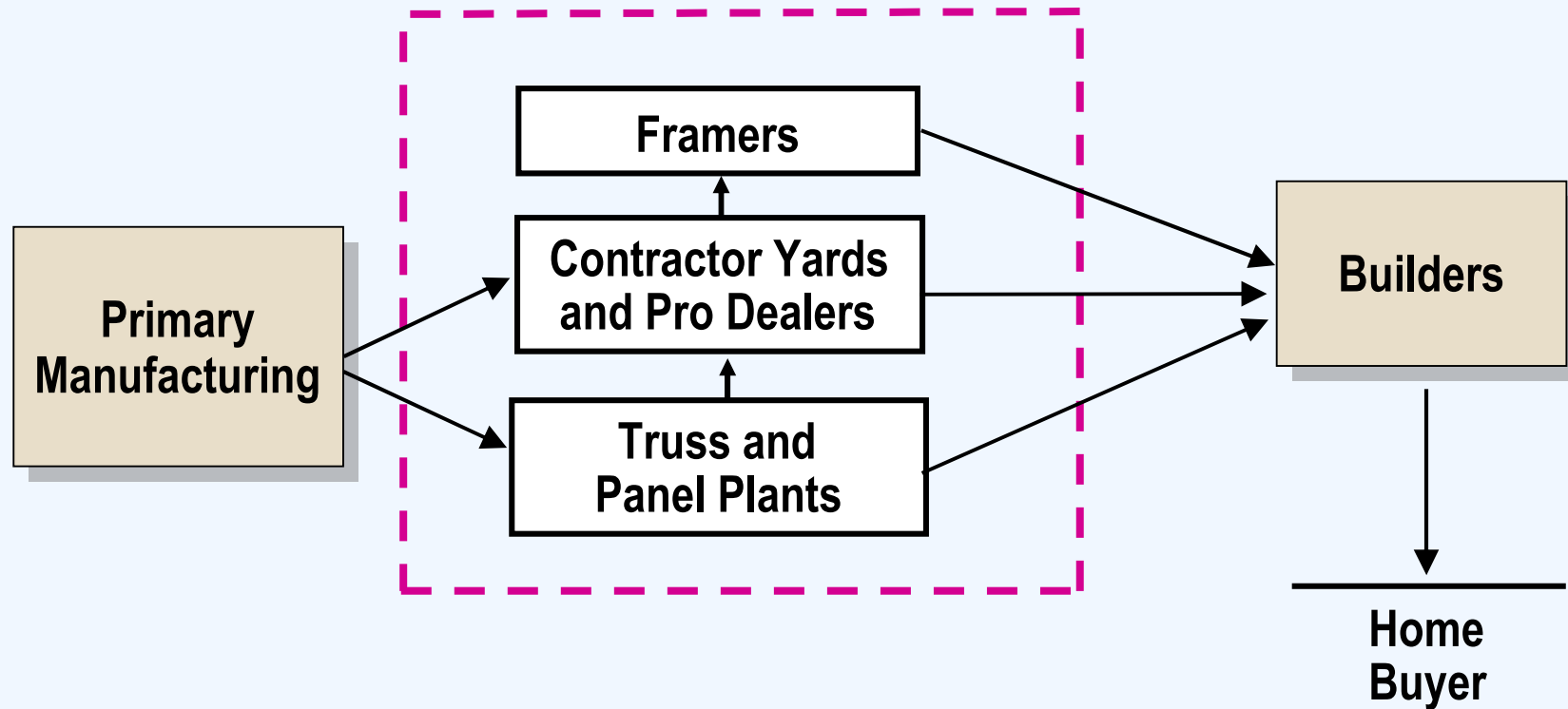
- **Repositioned assets**
- **Retooled**
- **Reduced costs**
- **Improved safety 50%**
- **and ...**

Generated over \$2.4 billion cash flow

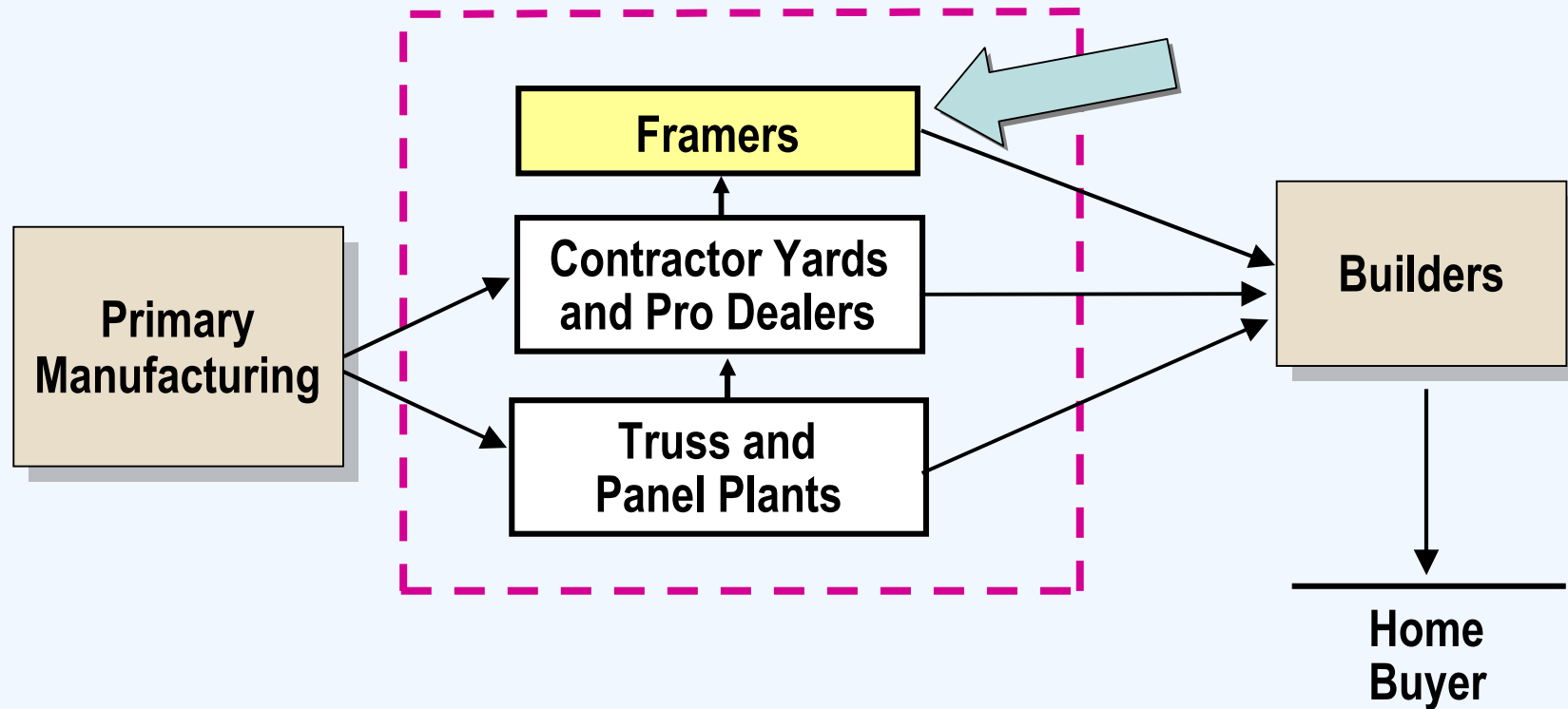
The Residential Structural Frame



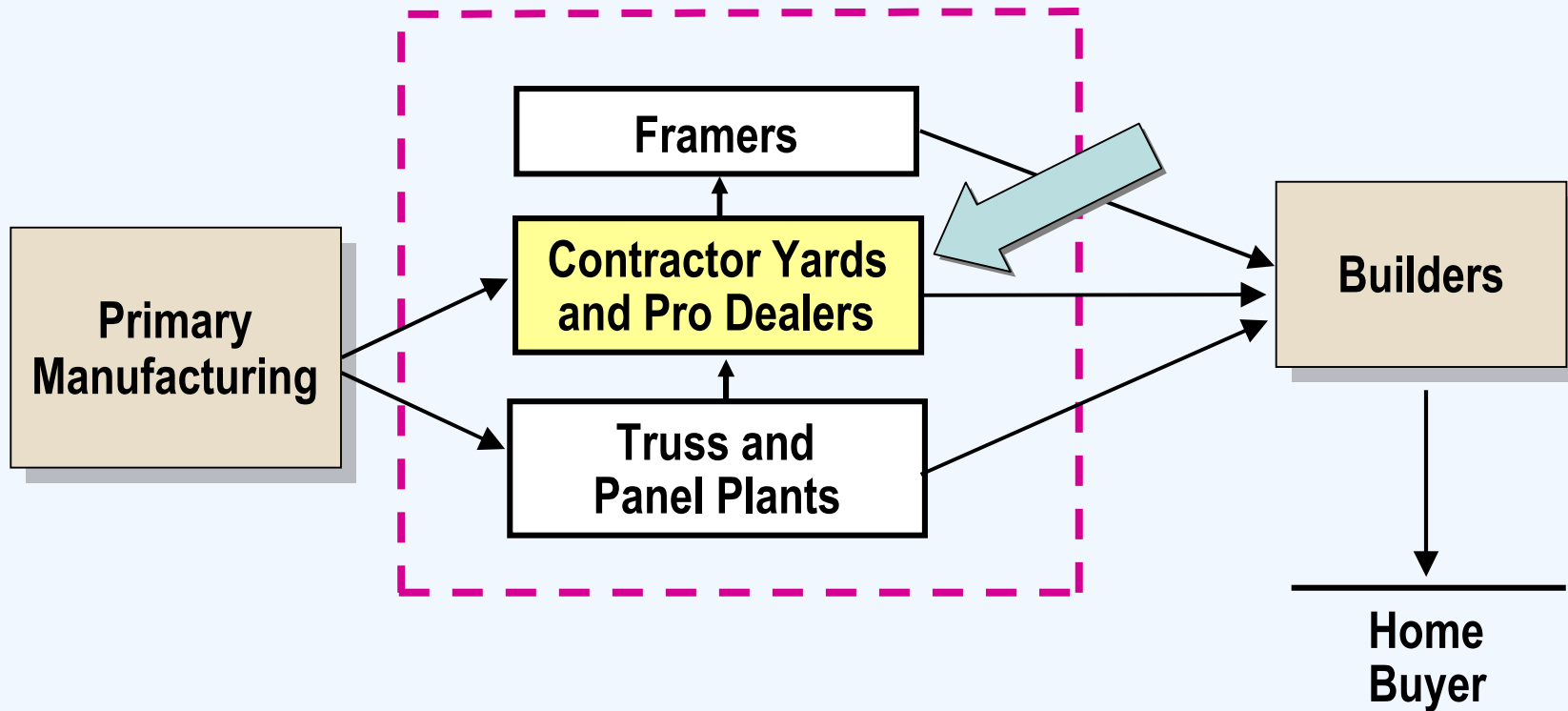
Complex Channel to Market is Evolving



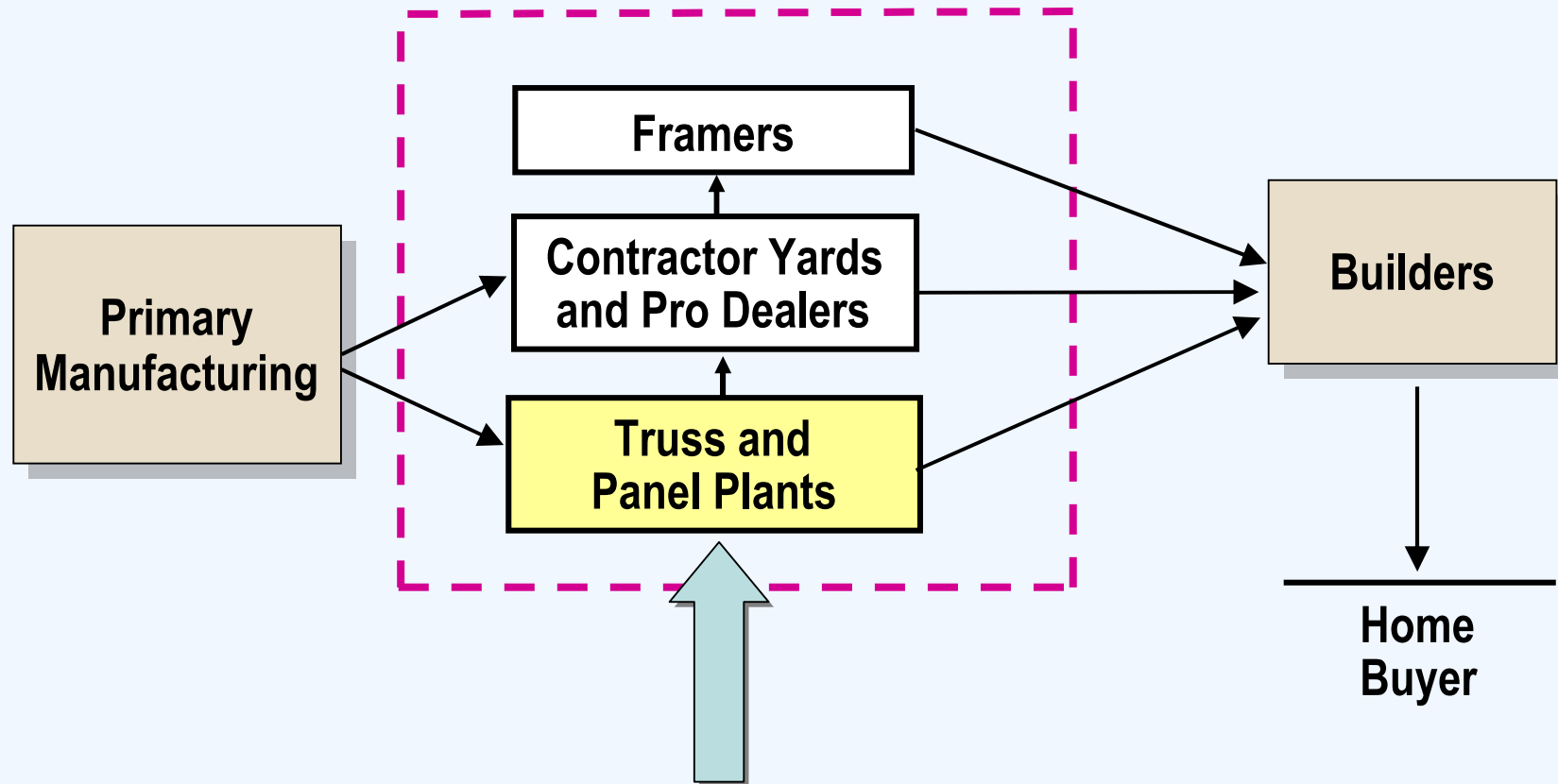
Complex Channel to Market is Evolving



Complex Channel to Market is Evolving



Complex Channel to Market is Evolving



Componentization is a Growing Trend



iLevel by Weyerhaeuser



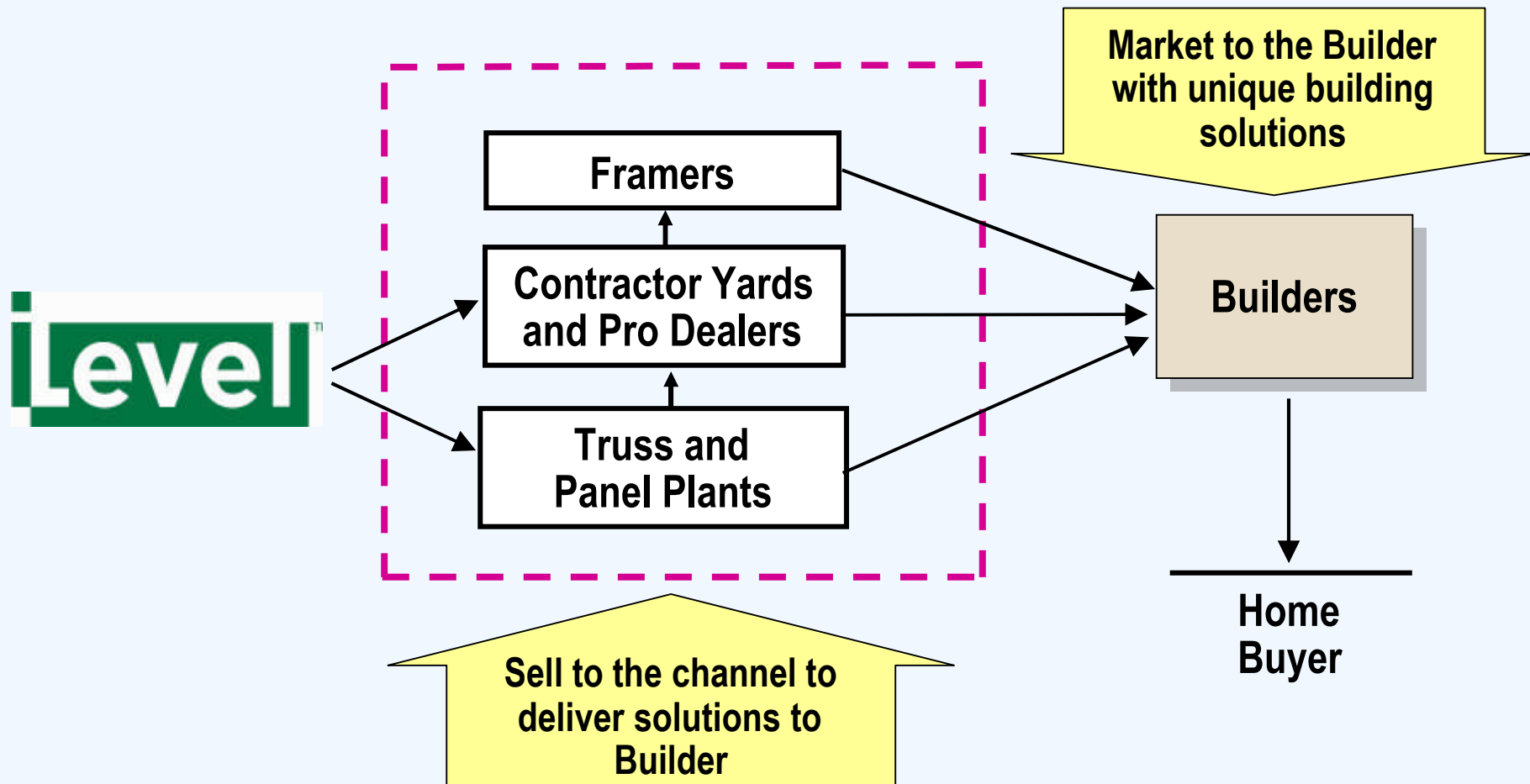
iLevel TRUS JOIST
engineered lumber products

iLevel LUMBER
performance tested™

iLevel STRUCTURWOOD
engineered wood panels

iLevel INTEGRATED RESOURCES
technical support

Executing the iLevel Strategy



Positioned to be Undisputed Leader in the Structural Frame Market — Brand and Scale

- A leading producer of solid wood products and panels
- Largest engineered wood products producer
- National distribution footprint
- Most recognized and trusted product brands

iLevel™ **TRUS JOIST**[®]
engineered lumber products

iLevel™ **LUMBER**
premium structural products

iLevel™ **STRUCTURWOOD**[®]
engineered wood panels

iLevel™ **SERVICES**
integrated building resources

Positioned to be Undisputed Leader in the Structural Frame Market — Technology / R&D

Strength of Innovation



Software Solutions



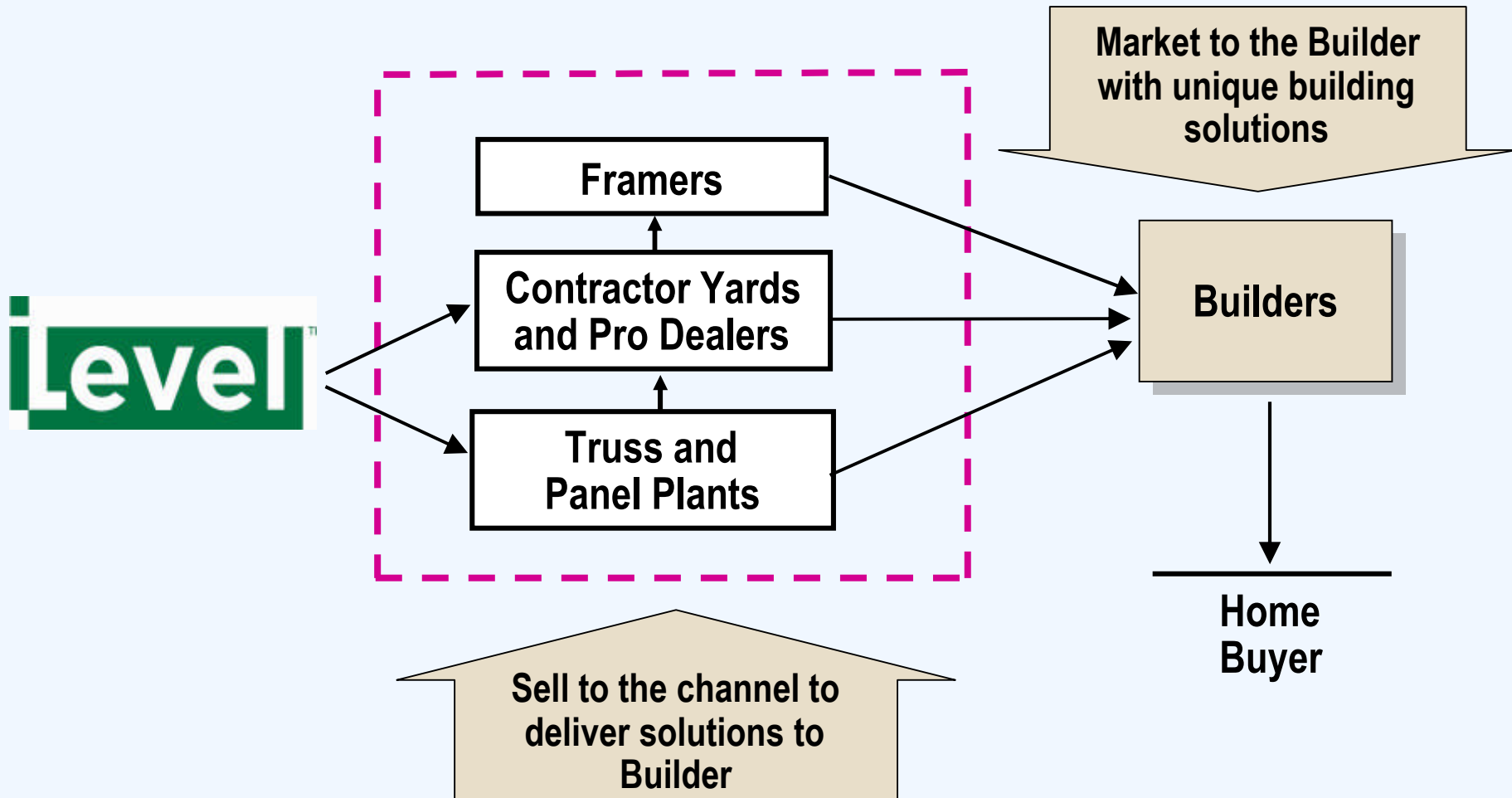
Site Solutions




Dealing with the Here and Now

- **Executing the iLevel strategy while managing through the downturn and positioning for the upturn**
- **Adjusting operating posture**
 - **71% of our facilities are taking downtime**
 - **Inventory aligned with demand**
- **Reducing SG&A**

iLevel Gaining Traction Across the Channel

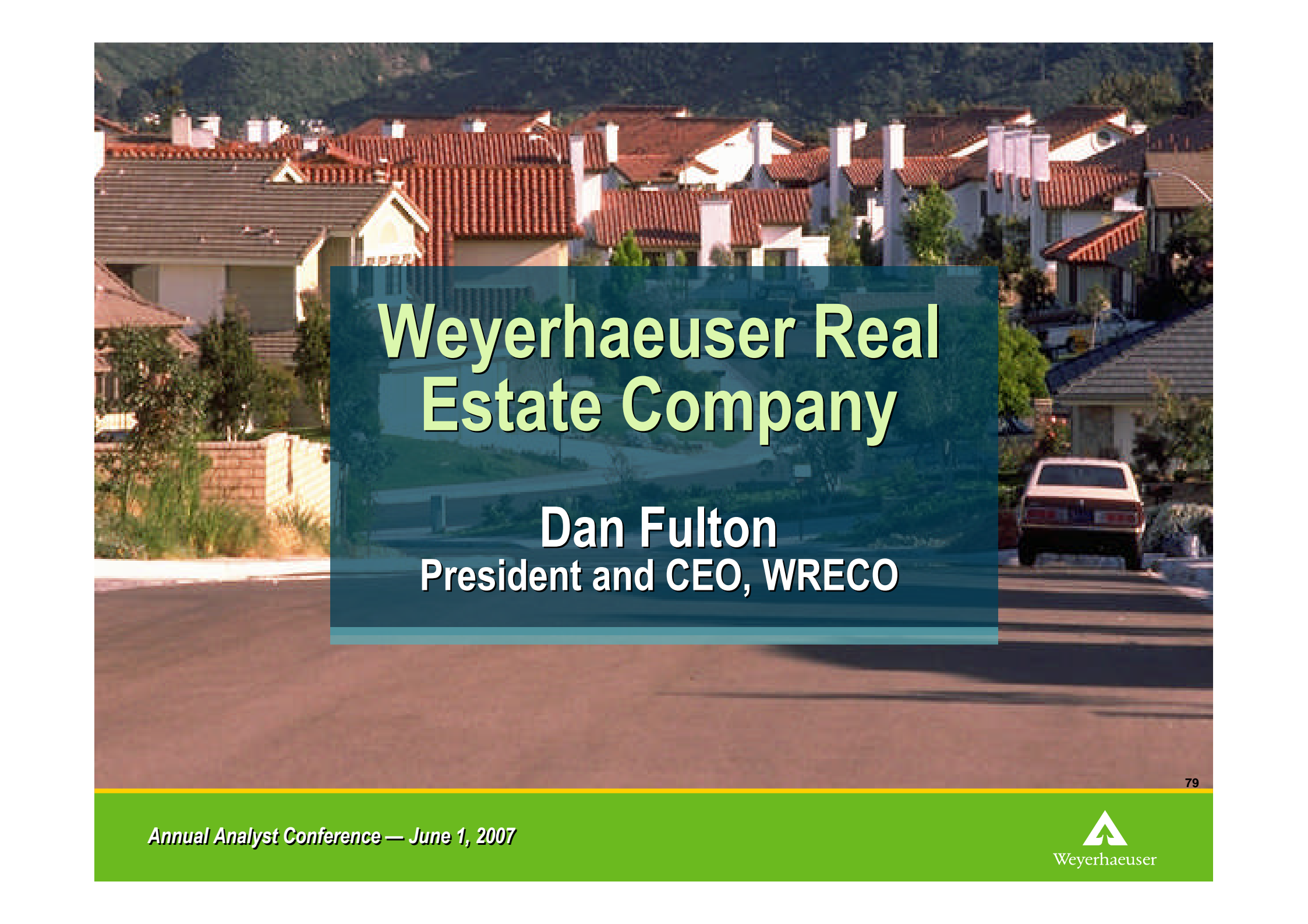




**Positioned to be the
Undisputed Leader
in the
Residential Structural Frame Market**

Annual Analyst Conference — June 1, 2007

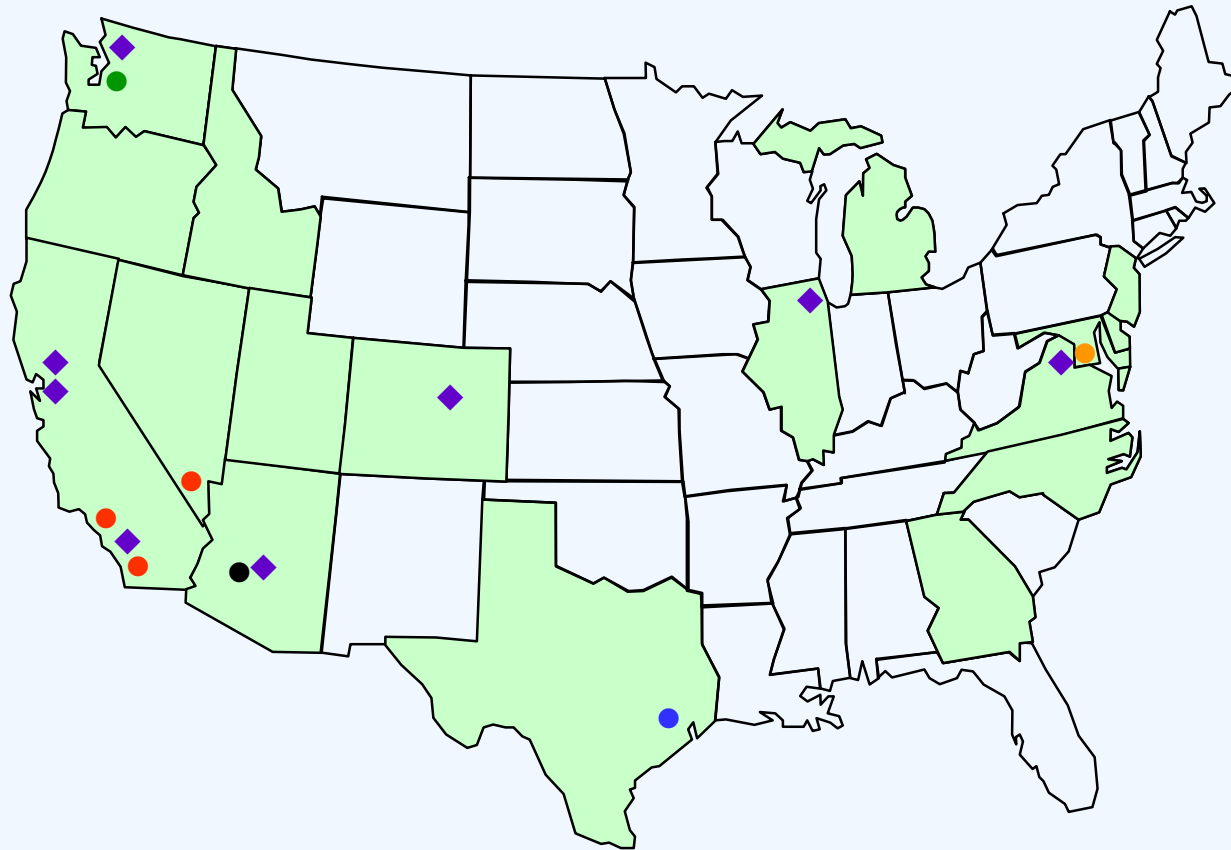




Weyerhaeuser Real Estate Company

Dan Fulton
President and CEO, WRECO

WRECO Operations



- Maracay Homes
flex design®
- Pardee Homes
THE WAY YOU WANT TO LIVE
- QUADRANT HOMES
MORE HOUSE. LESS MONEY.
- TRENDMAKER HOMES
DISCOVER OUR DIFFERENCES
- WINCHESTER HOMES
YOUR HOME YOUR WAY
- ◆ WRI | WEYERHAEUSER
REALTY INVESTORS

WRECO 2006 Rankings

- 15th by Closing Volume
- 15th by Revenue
- 6th by Pre-Tax Earnings
- 2nd by Gross Margin



Source: SEC filings

Homebuilding Operating Indicators

	2005				2006				2007
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Traffic (in 000's)	64	90	90	63	72	62	53	45	61
New Orders, net	1,378	1,525	1,608	1,174	1,472	1,325	906	838	1,684
Cancellation Rate	15%	12%	17%	22%	19%	26%	36%	36%	16%
Single Family Gross Margin	32%	31%	33%	34%	31%	26%	26%	24%	22%
Home Closing Price (in 000's)	\$ 450	\$ 468	\$ 461	\$ 506	\$ 485	\$ 491	\$ 512	\$ 526	\$ 480

Key Business Drivers

- Local value propositions
- Geographic distribution of operations



Key Business Drivers *(cont.)*

- Land entitlement: core competency
 - Industry leading margins
 - Flexible business model
- Management tenure
- ROI alignment



Housing Cycle Opportunities

- **Grow market share**
- **Position for the long term**
 - **People**
 - **Process**
- **Leverage land position**





Steve Rogel
Chairman, President
and CEO



Weyerhaeuser

Annual Analyst Conference

New York
June 1, 2007



Weyerhaeuser