



# ***Earnings Release*** ***2nd Quarter — 2004***

**Weyerhaeuser Company**  
**July 23, 2004**



# 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. 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 third quarter; expected earnings and performance of the company's business segments during the third quarter, demand and pricing for the company's products in the third quarter, market capacity, anticipated debt repayment and interest expense reduction, anticipated capital spending, reduced timber harvest in the third quarter, transportation and new home sales. 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; 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; disruption of transportation 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 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, including the countervailing and dumping duties imposed on the company's softwood lumber shipments from Canada to the United States. These and other factors that could cause or contribute to actual results differing materially from such forward looking statements are discussed in greater detail in the company's Securities and Exchange Commission filings.



# ***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 available on the company's website at [www.weyerhaeuser.com](http://www.weyerhaeuser.com)**

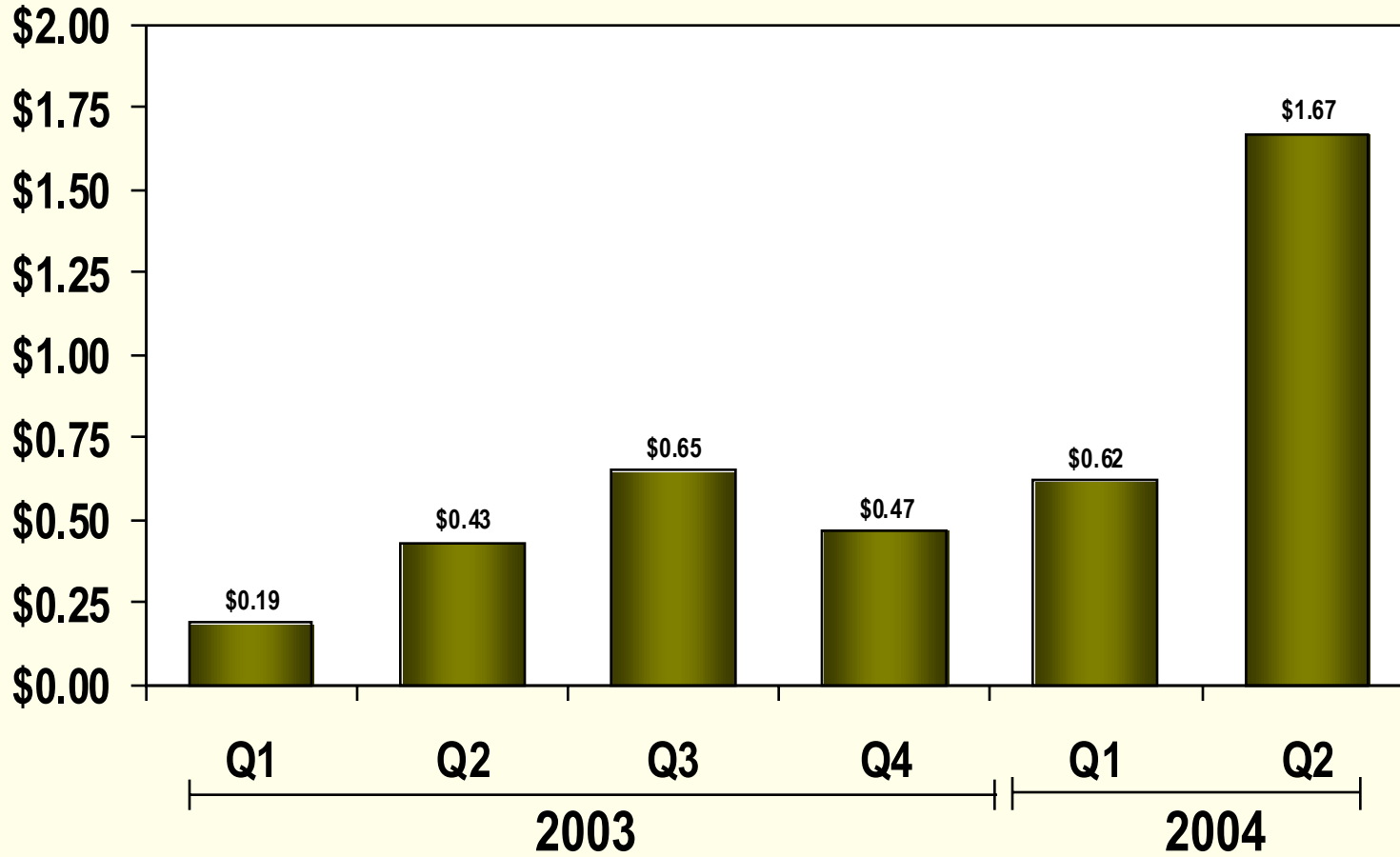
# Earnings Summary

\$ in Millions except EPS	2004 <u>Q1</u>	2004 <u>Q2</u>
<b>Operating Earnings before Special Items</b>		
Timberlands	\$ 159	\$ 201
Wood Products	185	464
Pulp & Paper	(22)	14
Containerboard, Packaging & Recycling	28	62
Real Estate & Related Assets	120	118
Corporate and Other	(64)	(67)
	<hr/>	<hr/>
<b>Total Operating Earnings before Special Items</b>	<b>\$ 406</b>	<b>\$ 792</b>
Special Items	(31)	(16)
	<hr/>	<hr/>
<b>Total Operating Earnings</b>	<b>\$ 375</b>	<b>\$ 776</b>
Interest Expense, net	(192)	(217)*
Income Taxes	(62)	(190)
	<hr/>	<hr/>
<b>Net Income</b>	<b>\$ 121</b>	<b>\$ 369</b>
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EPS	\$ 0.54	\$ 1.57
EPS before Special Items	\$ 0.62	\$ 1.67

\*Interest expense included \$ 21 MM loss on early extinguishment of debt.

# EPS Before Special Items

A reconciliation to GAAP EPS is available at [www.weyerhaeuser.com](http://www.weyerhaeuser.com)



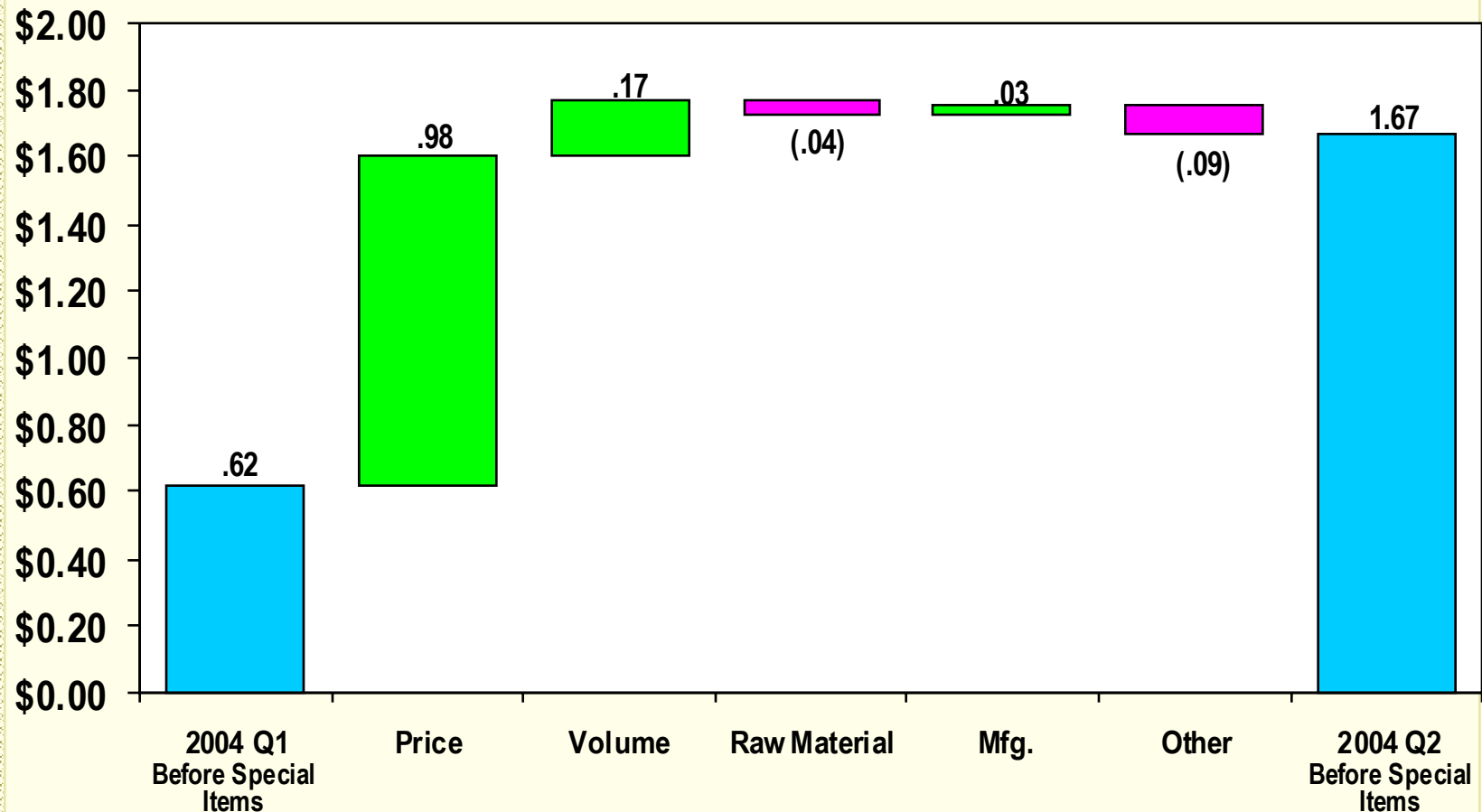


# Earnings per Share Reconciliation

	2003				2004	
	Q1	Q2	Q3	Q4	Q1	Q2
Earnings per Share before Special Items	\$ 0.19	\$ 0.43	\$ 0.65	\$ 0.47	\$ .62	\$ 1.67
Integration and Restructuring	(0.08)	(0.08)	(0.07)	(0.08)	(0.04)	
Charges for Closure of Facilities	(0.07)	(0.08)	(0.14)	(0.14)		
Gains (Loss) on Sale of Assets		0.43		0.18	0.10	
Litigation Charges	(0.23)	0.03	(0.07)	(0.02)	(0.14)	(.04)
Termination of MB Pension Plans		(0.02)				
Effect of Change in Acctg Principle	(0.05)					
Loss on Early Extinguishment of Debt						(.06)
<b>Earnings per Share (GAAP)</b>	<b>\$ (0.24)</b>	<b>\$ 0.71</b>	<b>\$ 0.37</b>	<b>\$ 0.41</b>	<b>\$ .54</b>	<b>\$ 1.57</b>

# Earnings per Share Comparison 2004 Q1 vs. 2004 Q2

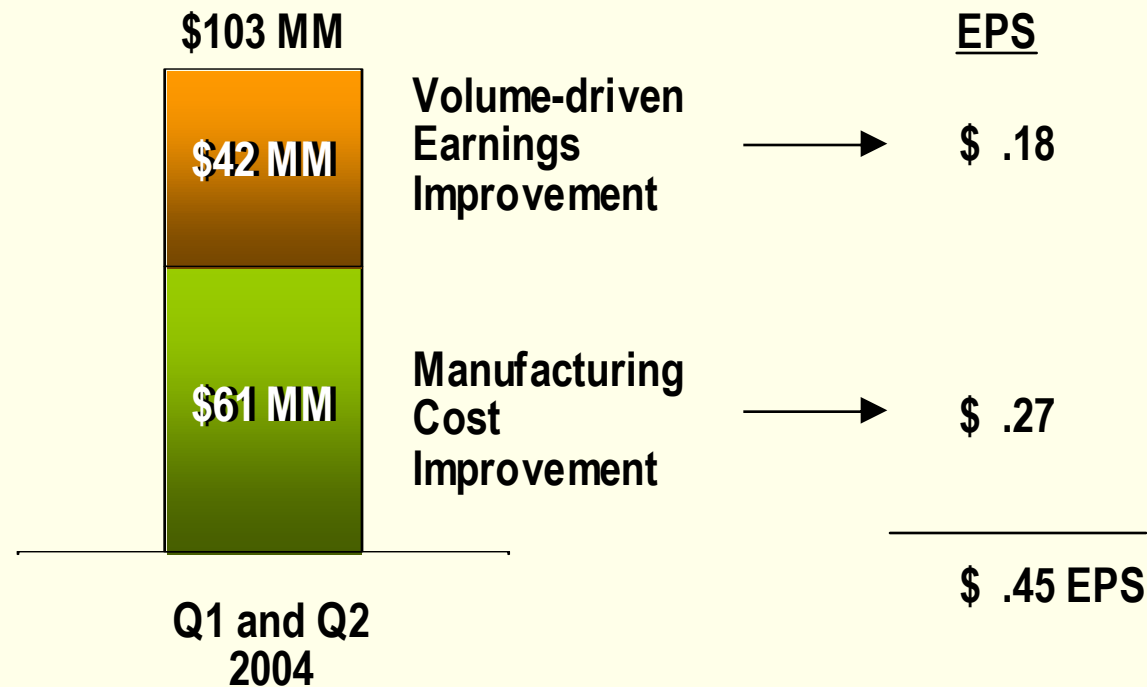
\$ per Share Before Special Items\*



\*A reconciliation before Special Items to GAAP can be found on [www.weyerhaeuser.com](http://www.weyerhaeuser.com)

# 2004 Q1 and Q2 Cost and Productivity Improvements

- Weyerhaeuser has delivered steady improvement in productivity and manufacturing efficiencies







## ***In Conclusion***

- **The benefits of our acquisitions, streamlining and productivity improvements are hitting our bottom line**
- **We are rapidly returning to our target capital structure**
- **Weyerhaeuser is well positioned for the future**