



Weyerhaeuser

2009 Investor Meeting

Weyerhaeuser Company

May 29, 2009

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.

We make forward-looking statements regarding the company's expectations during the second quarter of 2009, including the company's markets, the effect of facility closures and cost control measures in the wood products segment, fee timber harvests and log prices, demand and pricing for our wood products, decreases in raw material costs for our wood products segment, increased expenses for annual planned maintenance in the Cellulose Fiber segment, the effect of potential alternative fuel mixture tax credits, demand and prices for pulp, home sale closings and prices, earnings and performance of our business segments, capital expenditures and the timing of debt repayments. 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 the level of interest rates, availability of financing for home mortgages, strength of the U.S. dollar, employment rates and housing starts;
- market demand for the company's products, which is related to the strength of the various U.S. business segments and economic conditions;
- the successful execution of internal performance plans, including restructurings and cost reduction initiatives;
- the restructuring of the company's business support functions;
- performance of the company's manufacturing operations, including maintenance requirements;
- raw material prices;
- energy prices;
- transportation costs;
- performance of pension fund investments and related derivatives;
- contributions to pension plans
- the effect of timing of retirements and changes in the market price of company stock on charges for stock-based compensation;
- the level of competition from domestic and foreign producers;
- the effect of forestry, land use, environmental and other governmental regulations;
- legal proceedings;
- projected tax rates and IRS audit outcomes;
- changes in accounting principles;
- the effect of weather;
- loss from fires, floods, windstorms, hurricanes, pest infestation and other natural disasters; and
- other factors described under "Risk Factors" in the company's annual report on Form 10-K or periodic reports.

The company 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.

Today's presenters

Dan Fulton

President and Chief Executive Officer

Patty Bedient

Executive Vice President – Chief Financial Officer

Tom Gideon

Executive Vice President – Forest Products

Larry Burrows

President and Chief Executive Officer – WRECO

Kathy McAuley

Vice President – Investor Relations

Lynn Michaelis

Vice President – Chief Economist



Opening Remarks

Dan Fulton

President and Chief Executive Officer



Economic Overview

Lynn Michaelis

VP – Chief Economist

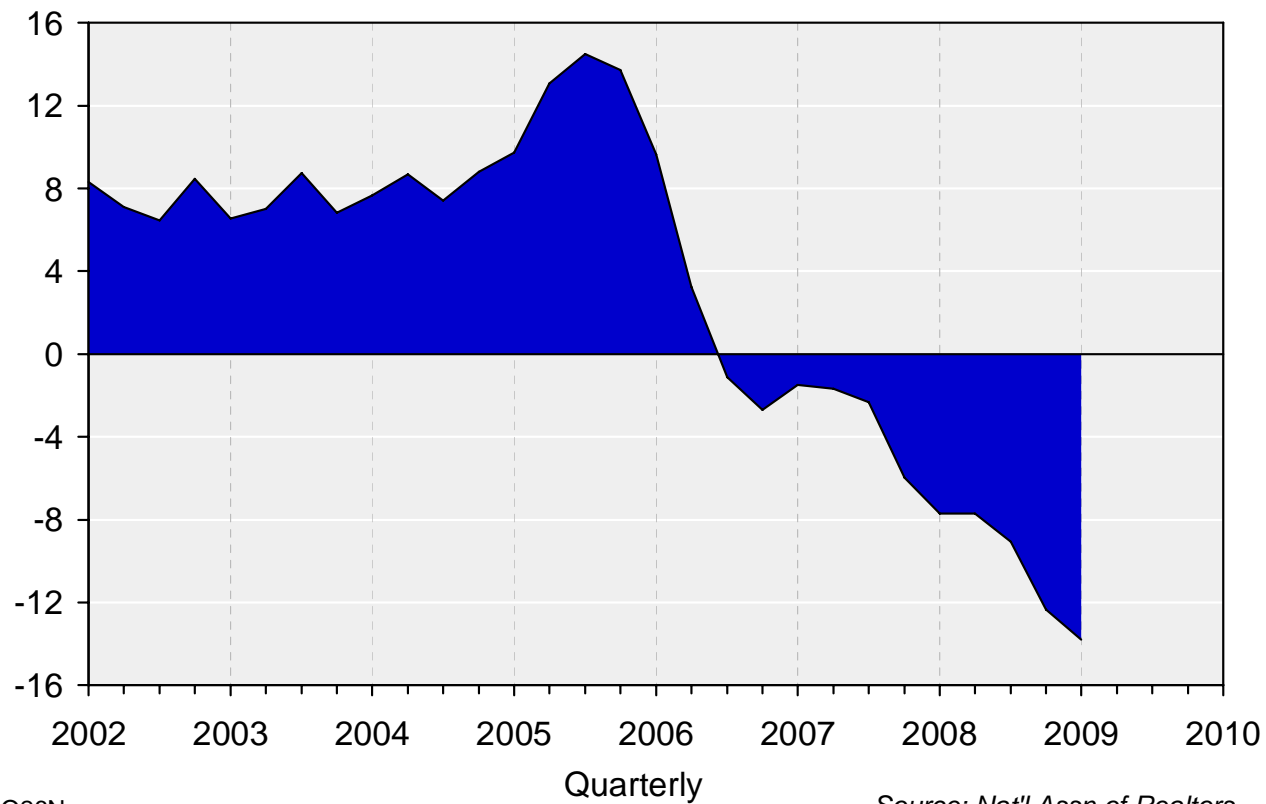
Economic setting for 2009

- U.S. in recession since early 2008, accelerated with financial crisis
- Aggressive fiscal and monetary policy are crucial to arrest the downward spiral

Decline in home prices triggered financial crisis

Growth in Median Price for Existing Single-family Homes

% Change Year Ago

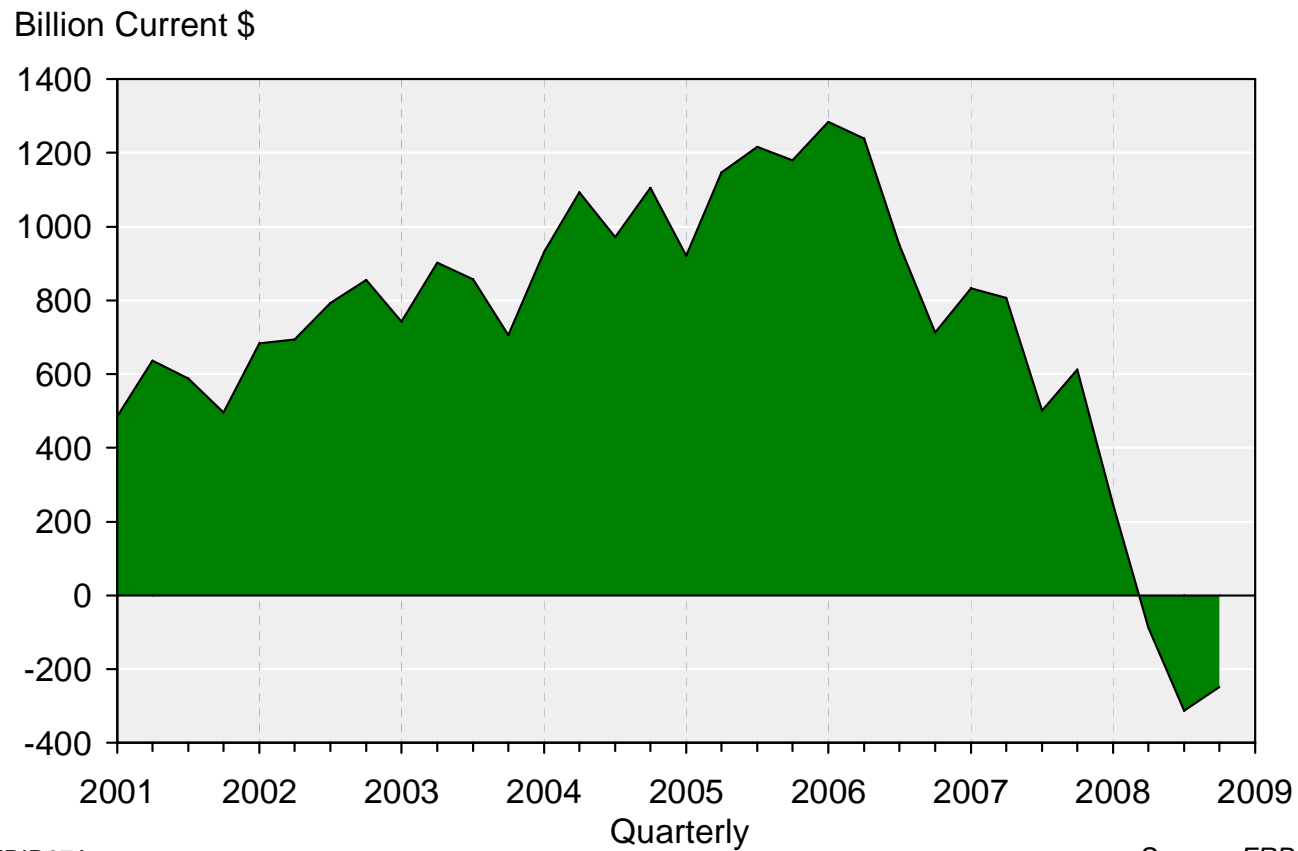


QMDHO26N

Source: Nat'l Assn of Realtors

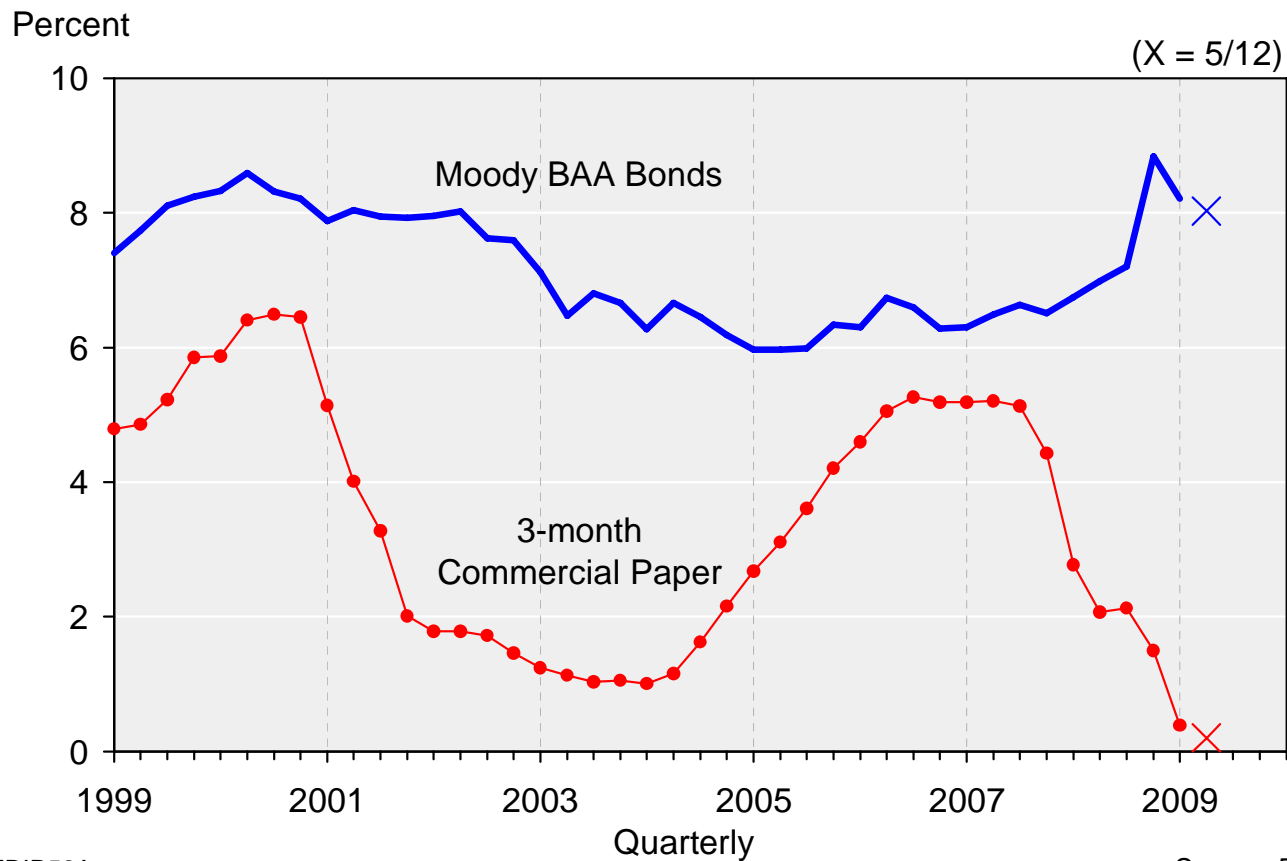
Dramatic shift in available credit and tougher standards

Net Flow of Home Mortgages
(Seasonally Adjusted Annual Rate)



Fed taking actions to stabilize financial system

U.S. Interest Rates

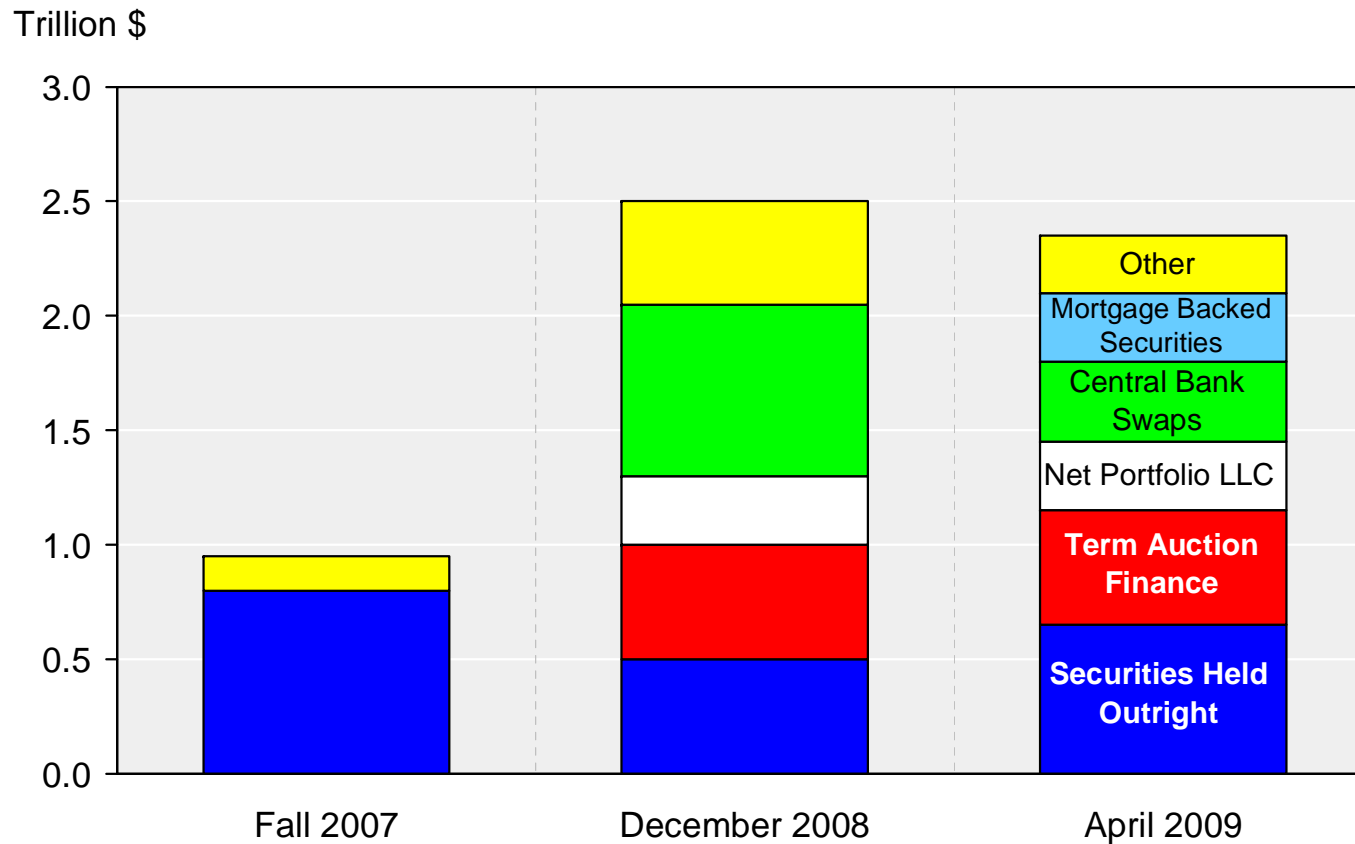


QMDIR52A

Source: FRB

Aggressive action to stabilize financial system

Federal Reserve Assets

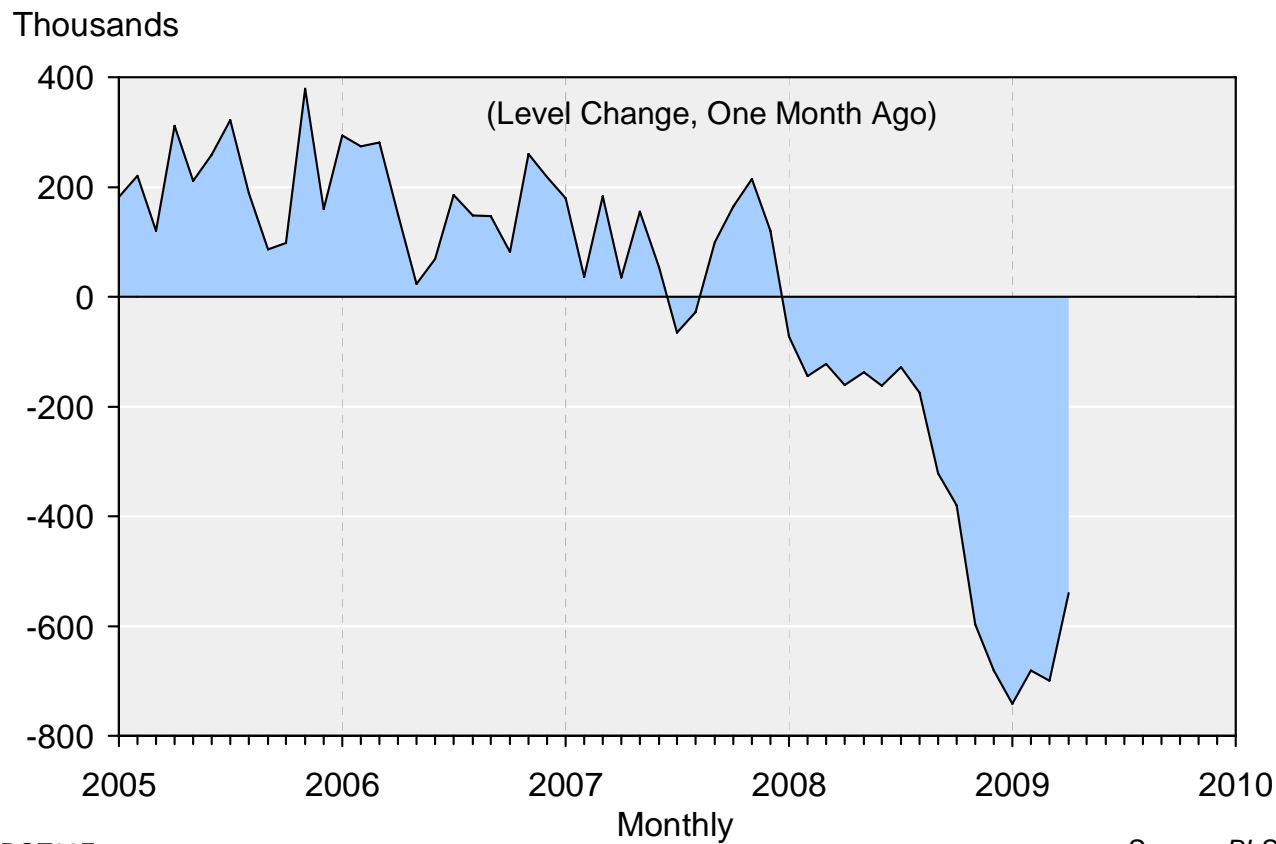


Economic setting for 2009

- U.S. in recession since early 2008, accelerated with financial crisis
- Aggressive fiscal and monetary policy are crucial to arrest the downward spiral
- Dramatic drop in consumer spending has hit U.S. and global economies
 - Consumer spending uncertain given employment and wealth issues

Massive job losses

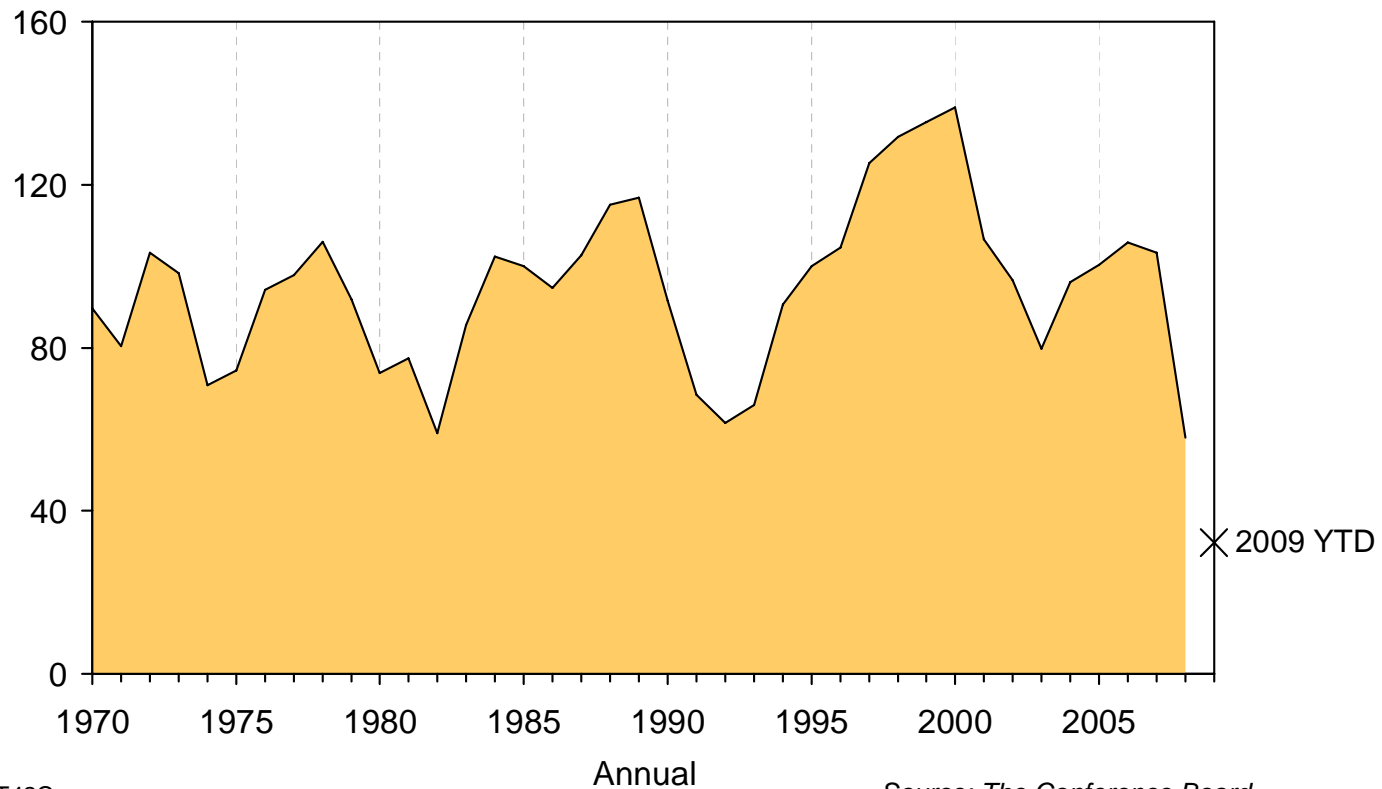
Level Change in U.S.
Non-Agricultural Employment



Consumer confidence near record low

U.S. Consumer Confidence

Index 1985=100



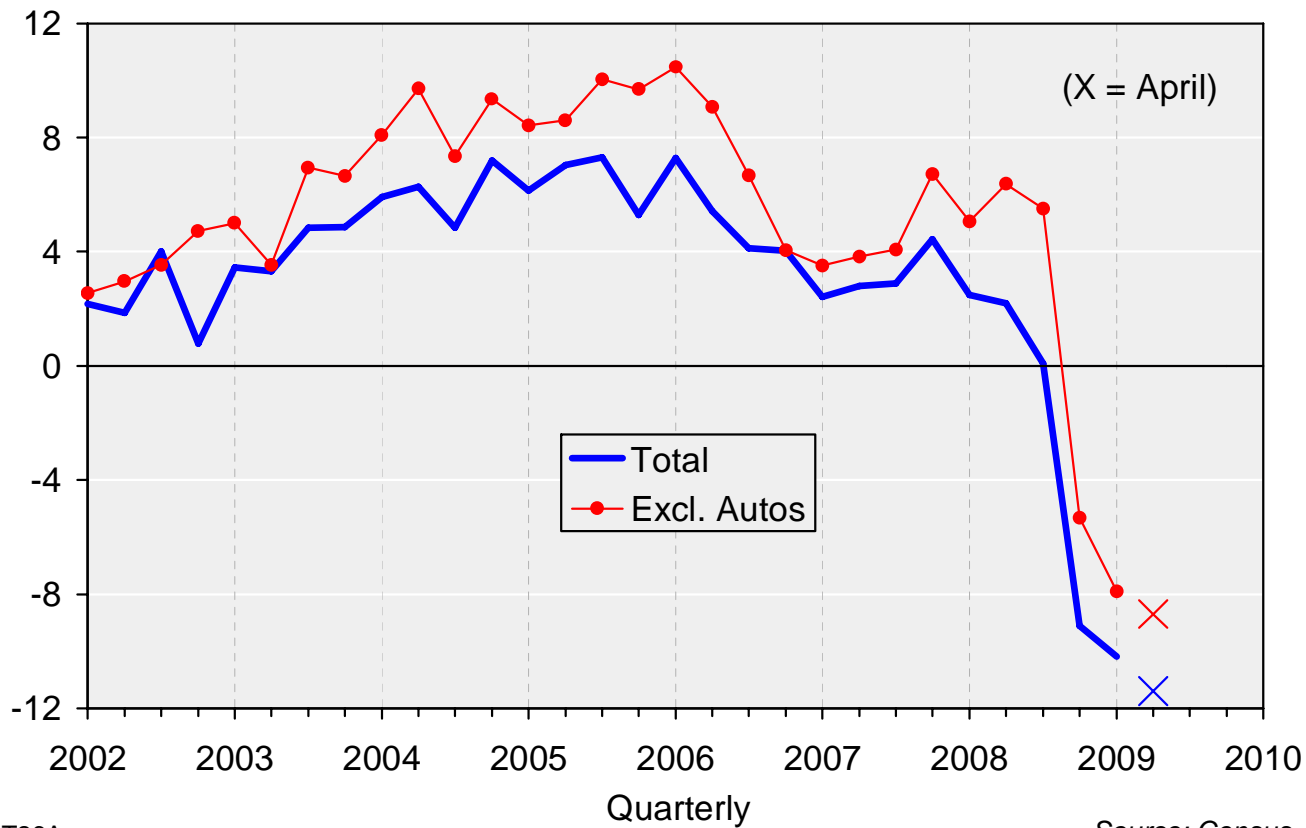
AMDOT42C

Source: The Conference Board

Serious drop in consumer spending

U.S. Retail Sales

% Change Year Ago



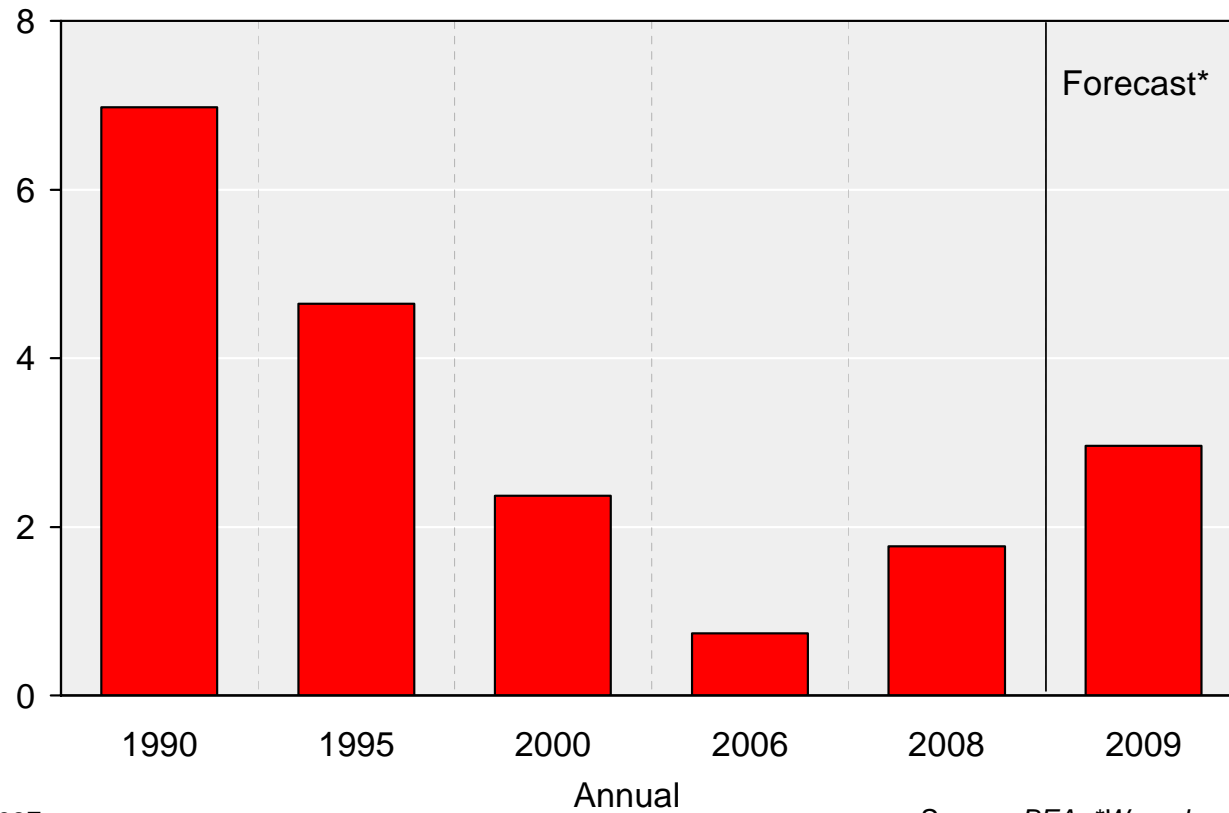
QMDOT26A

Source: Census

Leads consumer to defer some purchases

U.S. Personal Savings Rate

Percent



AMDOT32E

Source: BEA, *Weyerhaeuser

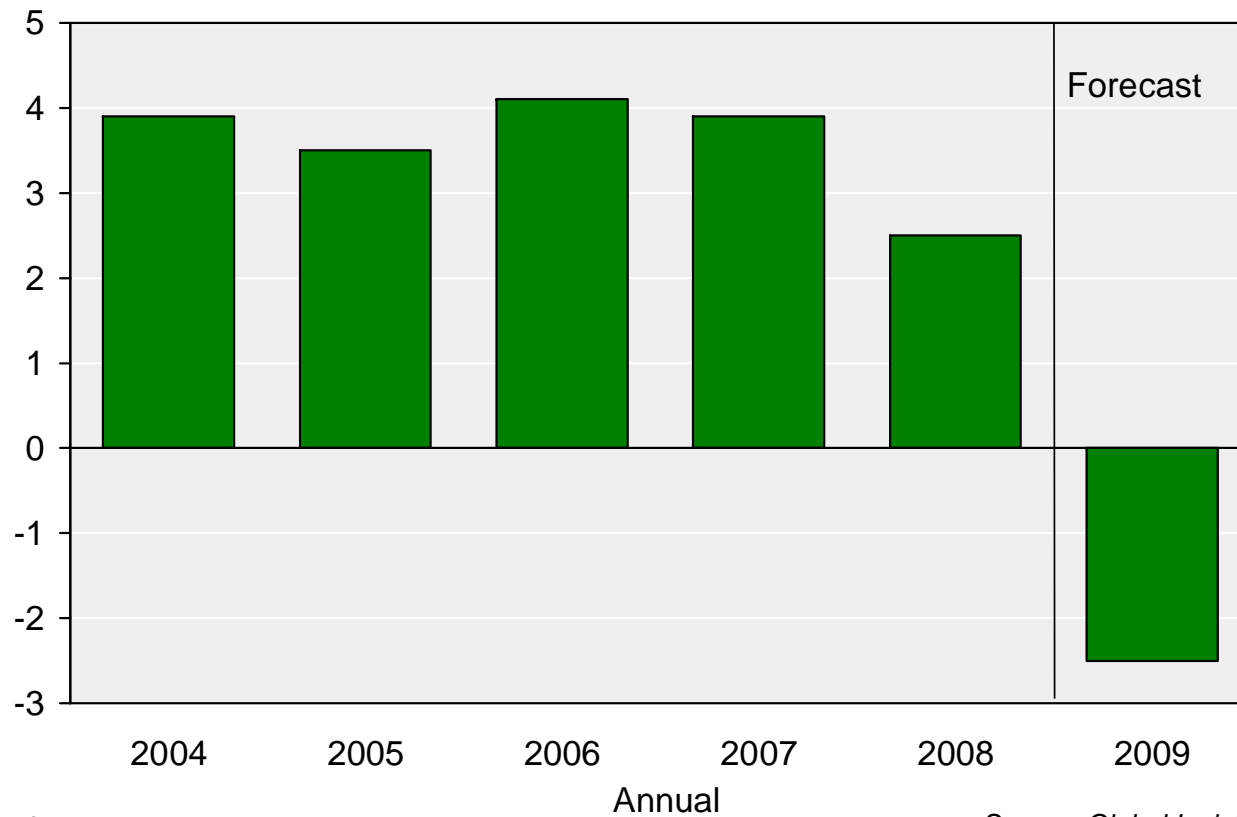
Economic setting for 2009

- U.S. in recession since early 2008, accelerated with financial crisis
- Aggressive fiscal and monetary policy are crucial to arrest the downward spiral
- Dramatic drop in consumer spending has hit U.S. and global economies
- Traditional sources of rebound are absent:
 - Simultaneous collapse in global growth — complicates the situation for the U.S.
 - Housing not playing traditional role — not rebounding quickly

Crisis was a global event – serious recession in 2009

Growth in World Real GDP

Percent Change



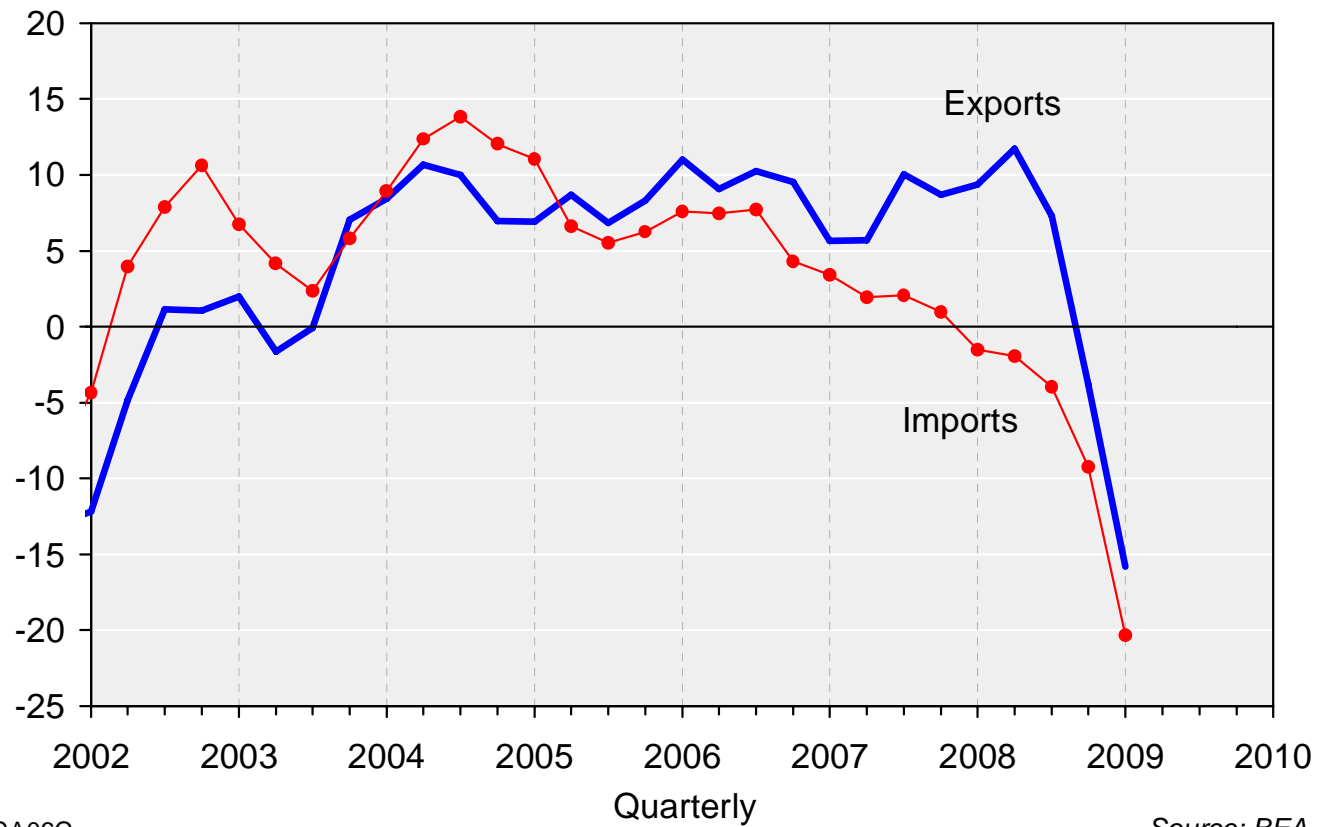
AMIOT03A

Source: Global Insight

Net exports were helping, until late 2008

Growth in U.S. Real Merchandise Exports vs. Imports Non-Petroleum

% Change Year Ago



QMDGA06C

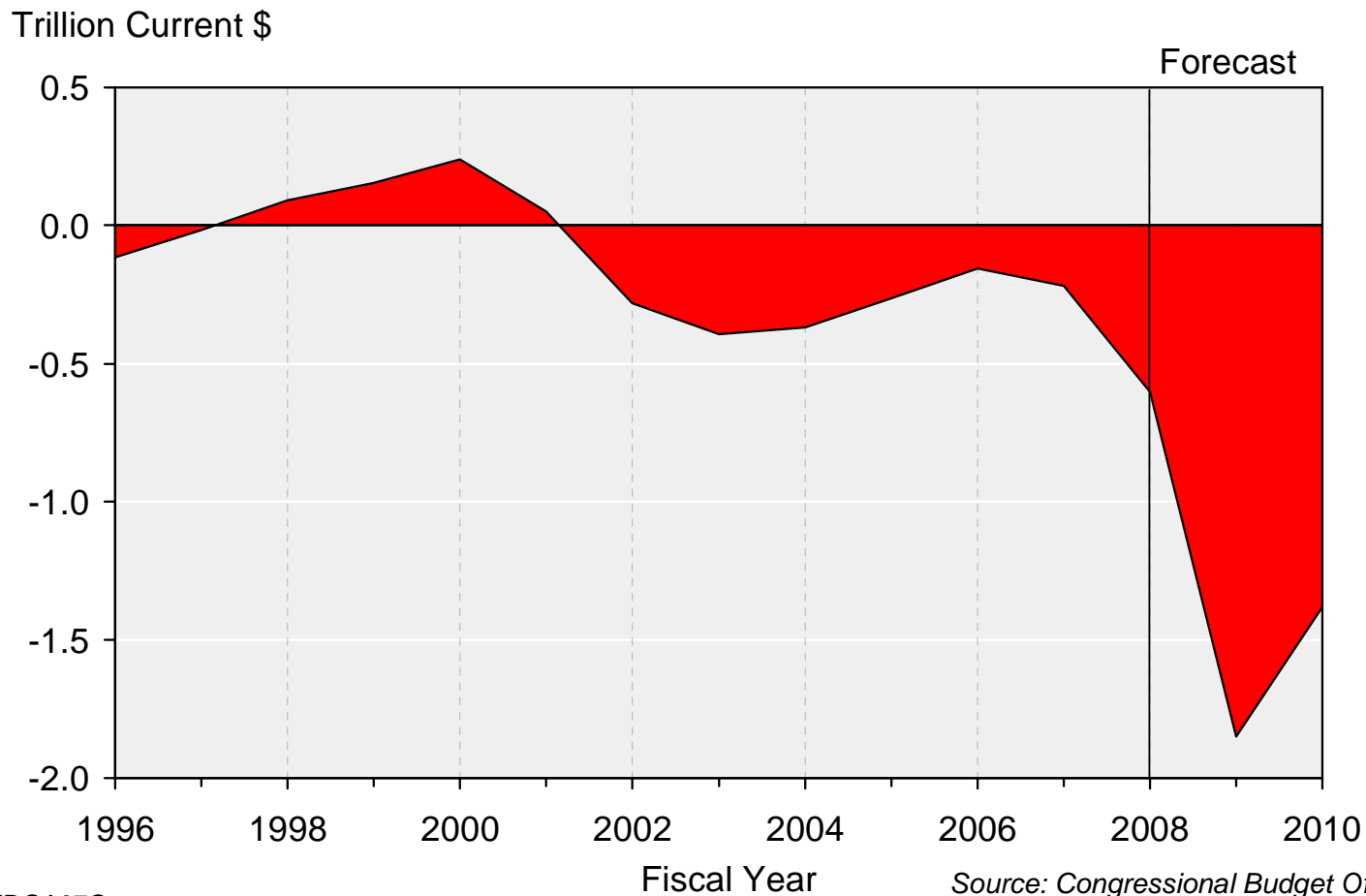
Source: BEA

Economic setting for 2009

- U.S. in recession since early 2008, accelerated with financial crisis
- Aggressive fiscal and monetary policy are crucial to arrest the downward spiral
- Dramatic drop in consumer spending has hit U.S. and global economies
- Traditional sources of rebound are absent
- **Federal government primary source for turnaround**

Massive deficits to offset consumer spending decline

U.S. Government Surplus/Deficit



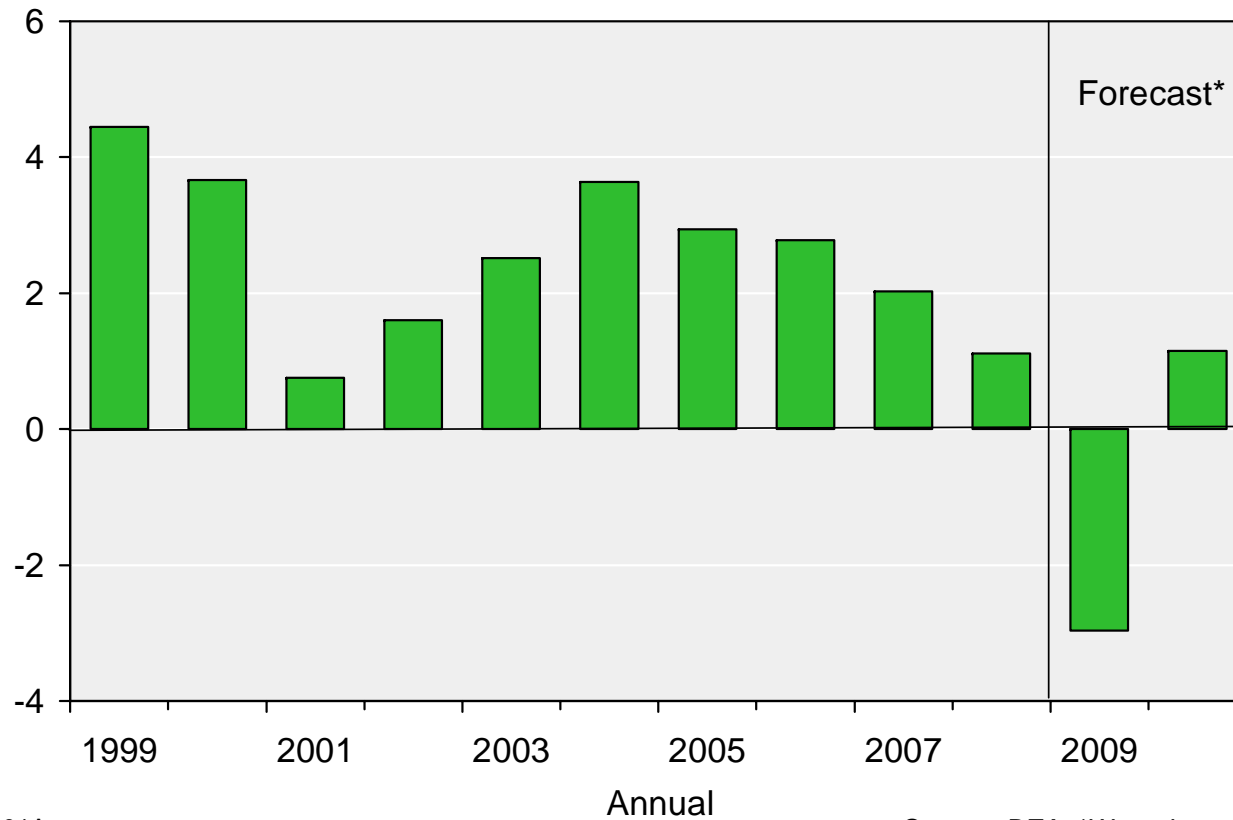
AMDGA07G

Source: Congressional Budget Office,
President's Projected Budget

Signs recession will end this year

Growth in U.S. Real GDP

Percent Change



AMDGA01A

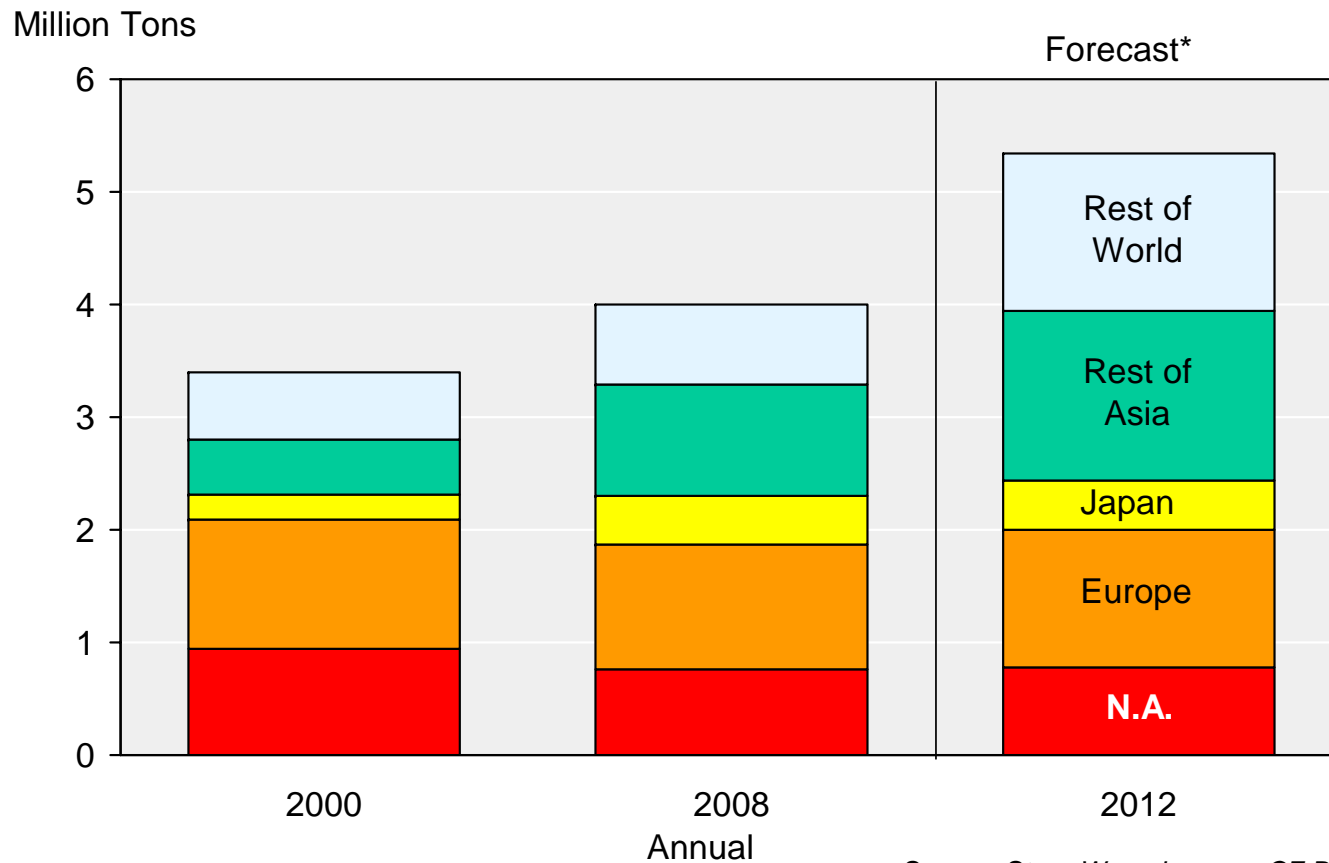
Source: BEA, *Weyerhaeuser

Key Messages - Cellulose Fibers

- **Pulp prices hit hard in late 2008**
 - Rebound in the U.S. dollar against Euro and C\$
 - Deterioration in pulp demand
 - Corresponding surge in pulp inventories
- **Recent weakness in dollar favorable for pulp prices**

Fluff market is global and growing

Fluff Market Pulp Consumption
by Region

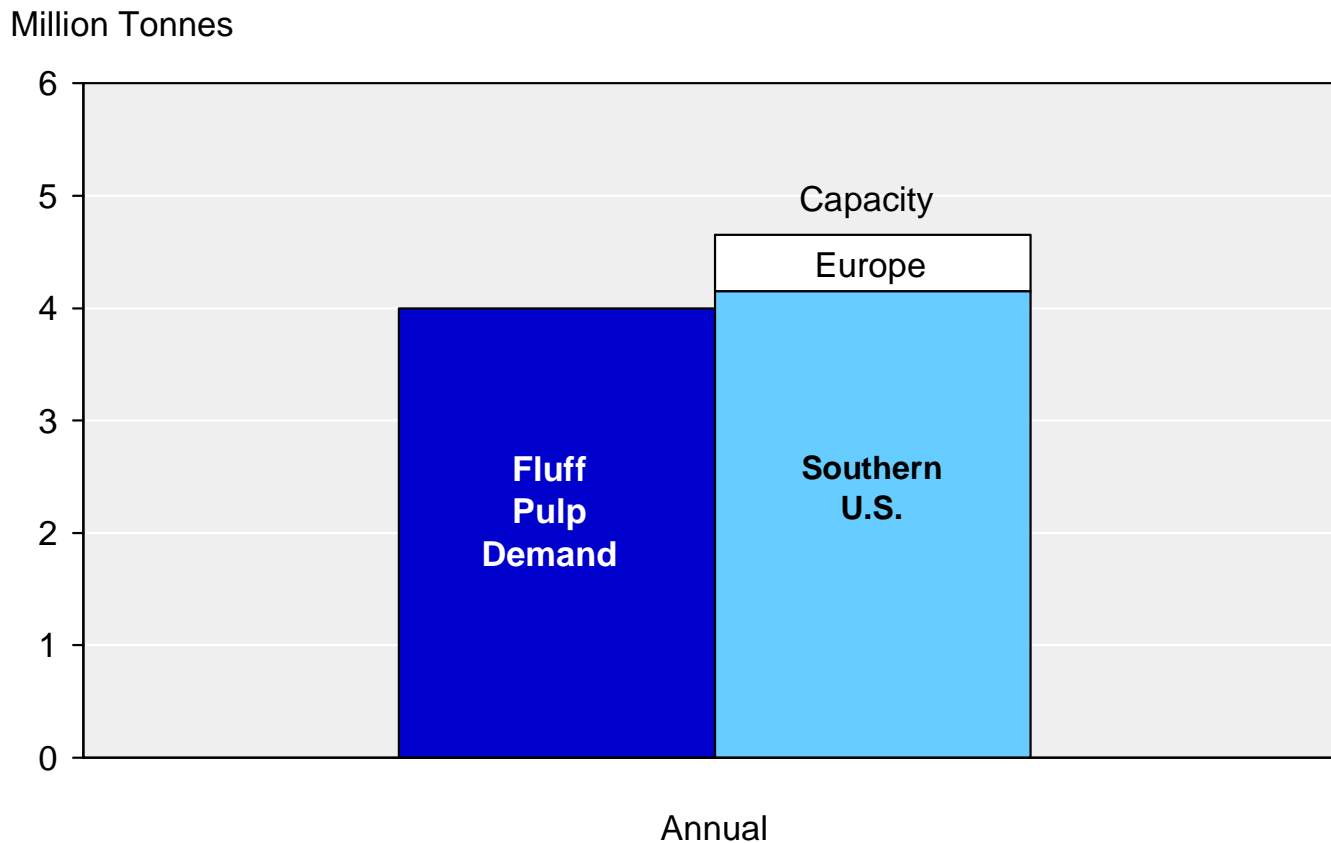


APLOTG02C

Source: Starr, Weyerhaeuser CF Business

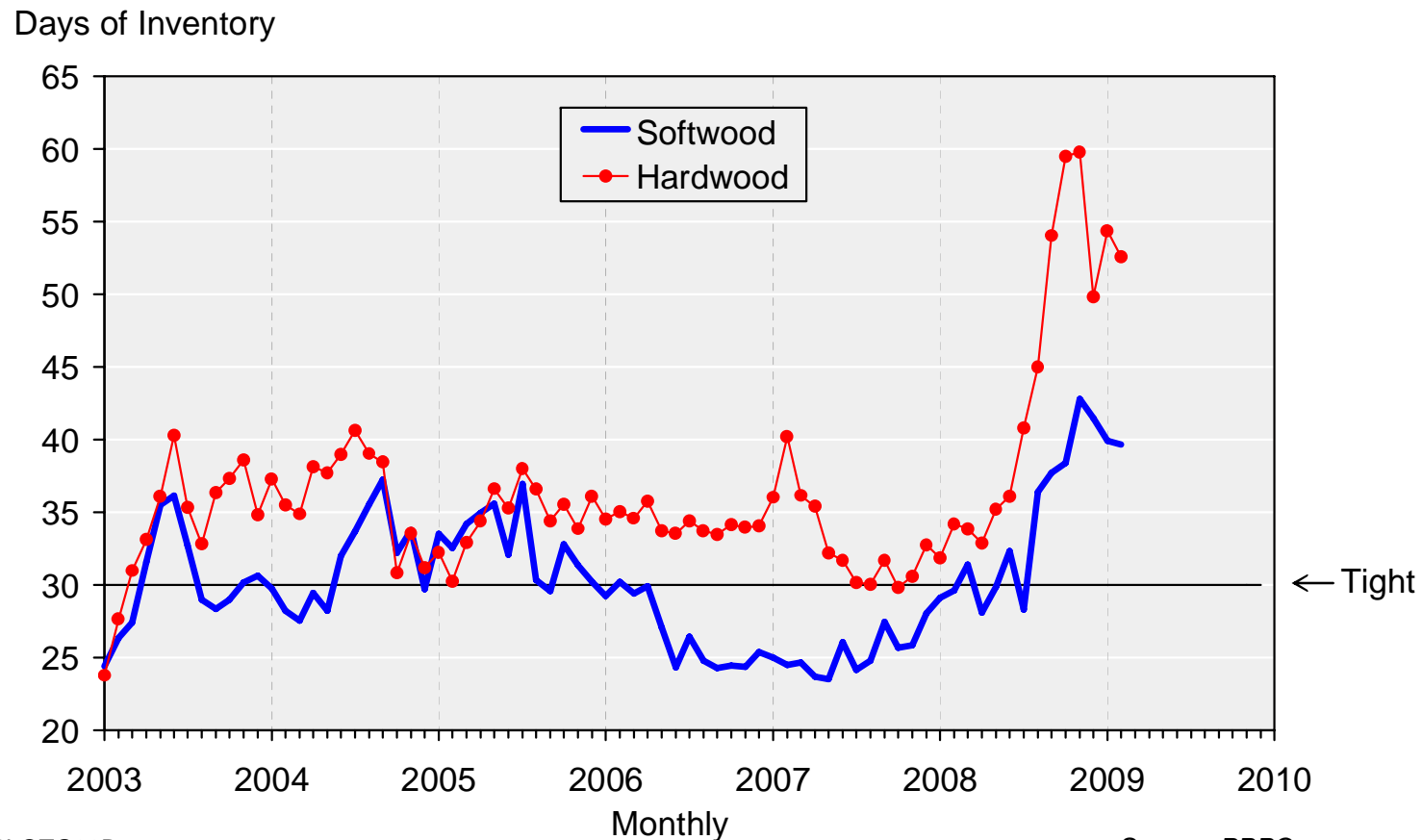
U.S. South primary source of fluff

Fluff Pulp Demand and Regional Capacity for 2008



Excess inventory dampens prices

Total Softwood and Hardwood Market Pulp Inventories
(Seasonally Adjusted)

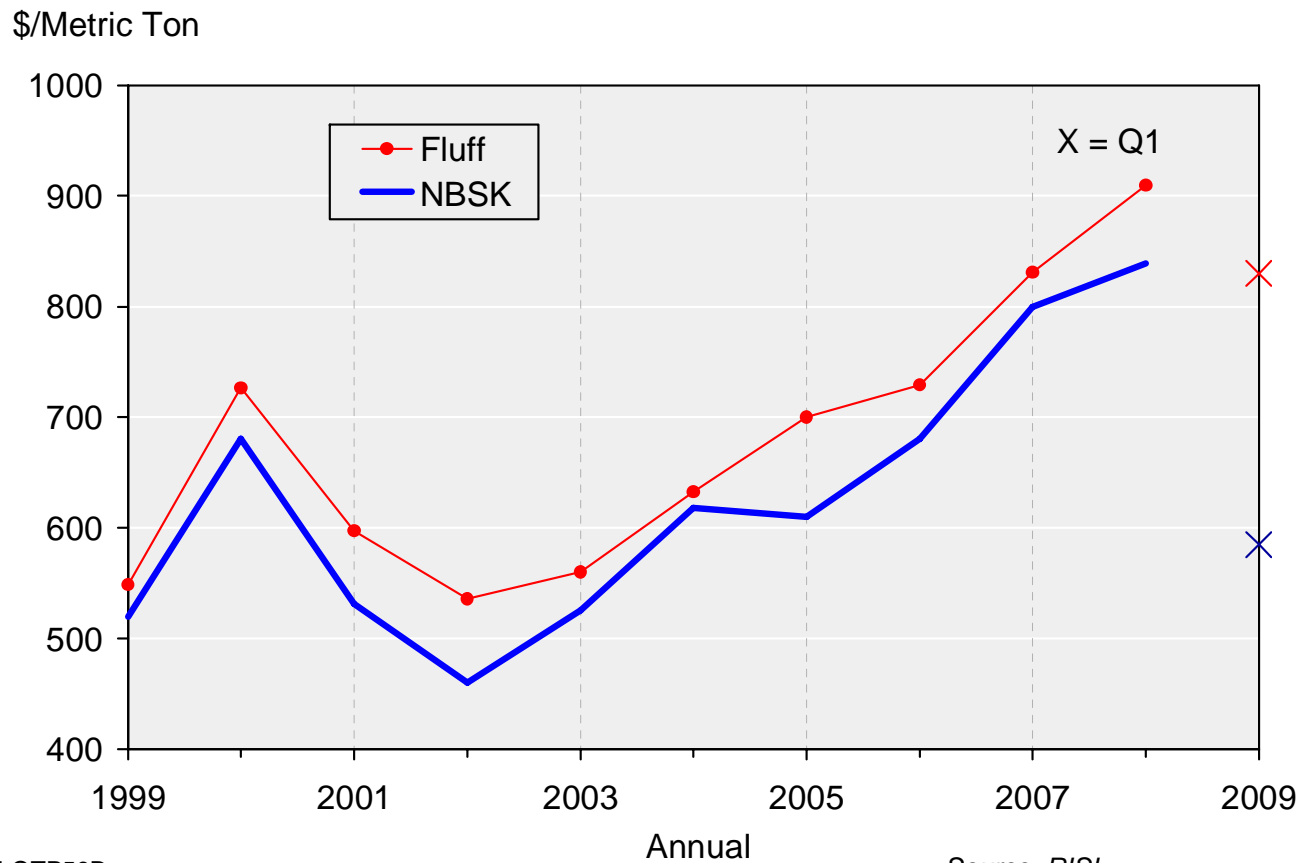


MPL0TG82B

Source: PPPC

Fluff pulp prices held up better

Pulp Prices
Fluff vs. NBSK, Delivered Northern Europe

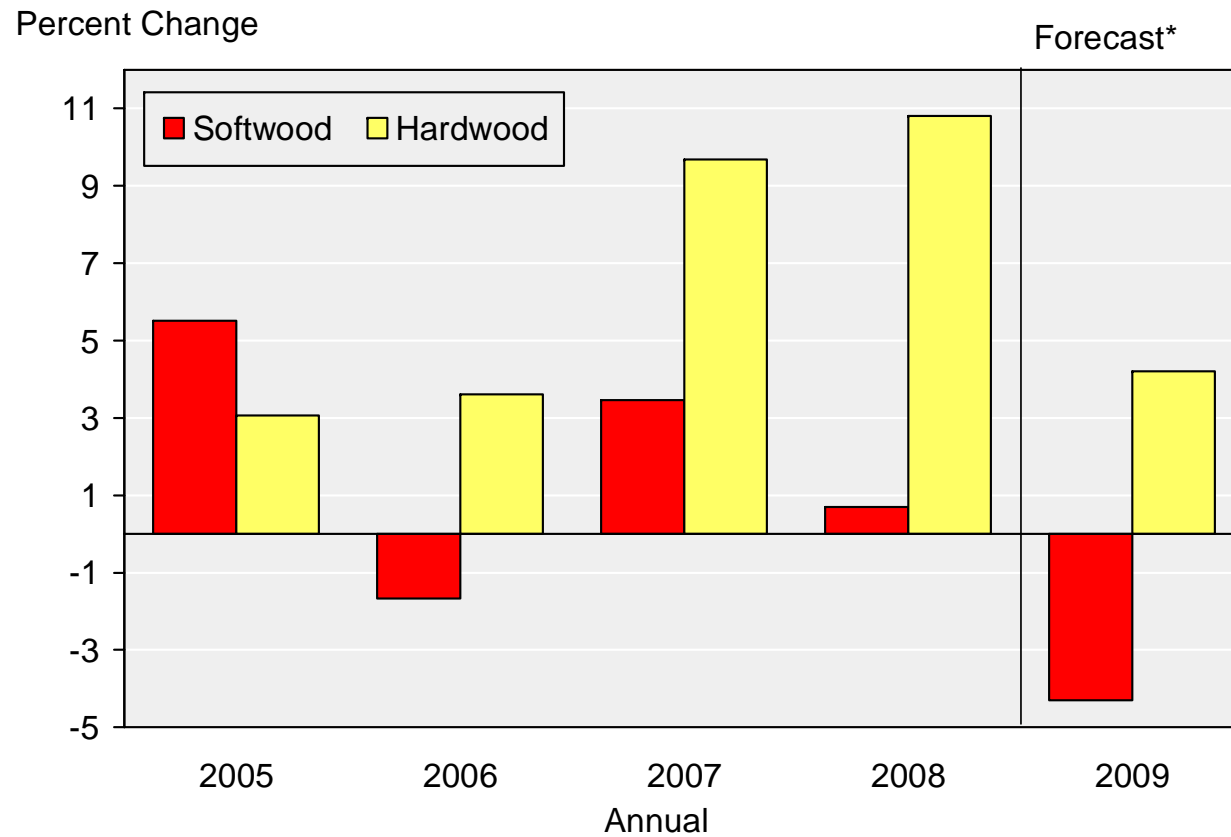


APLOTP59D

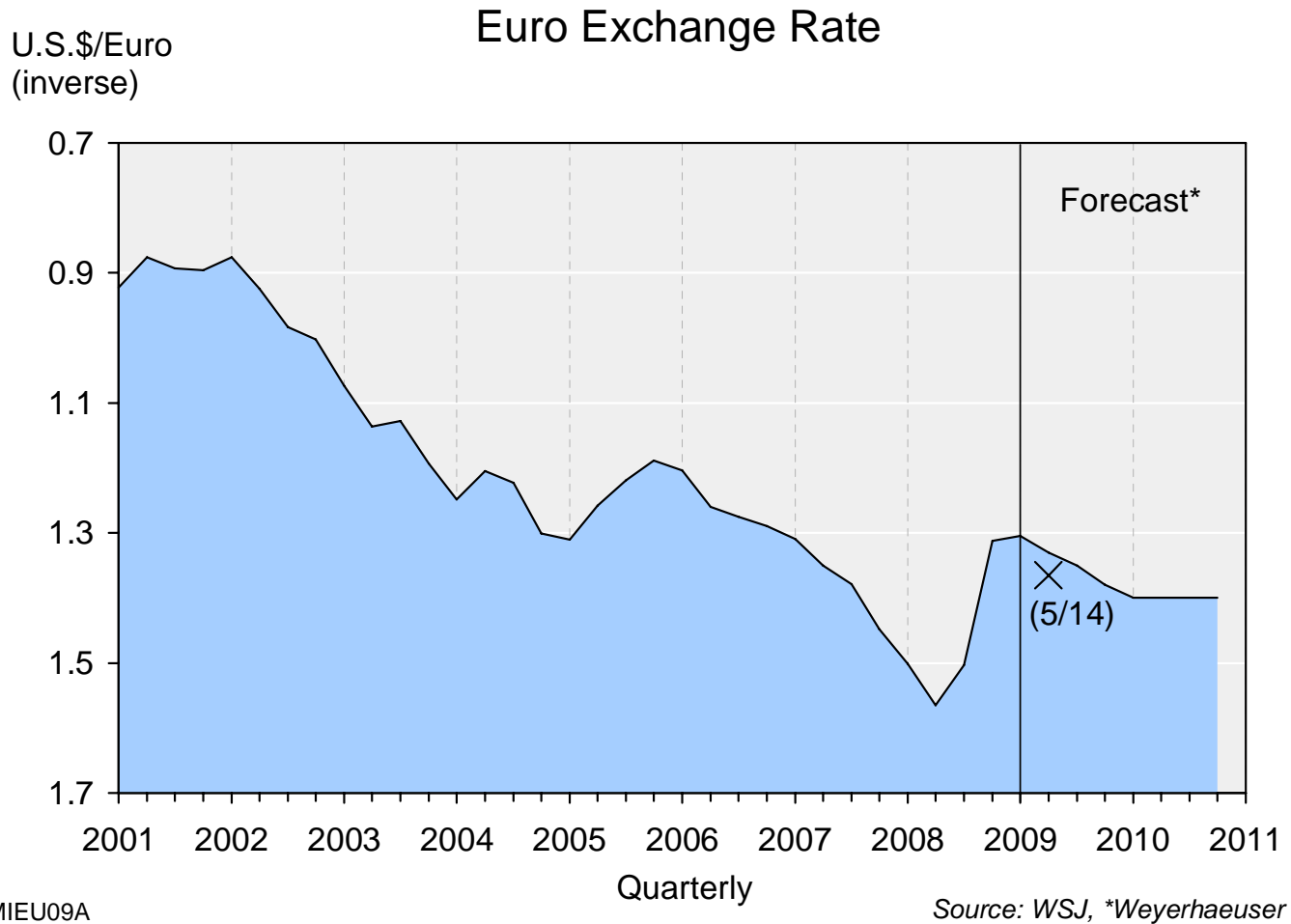
Source: RISI

Softwood capacity declining

Change in World Market Pulp Capacity
Bleached Softwood vs. Bleached Hardwood



Expect dollar decline to continue



QMIEU09A

Summary - Cellulose Fibers

- Fluff pulp prices have held up relative to NBSK prices
- Dollar decline is critical to price outlook

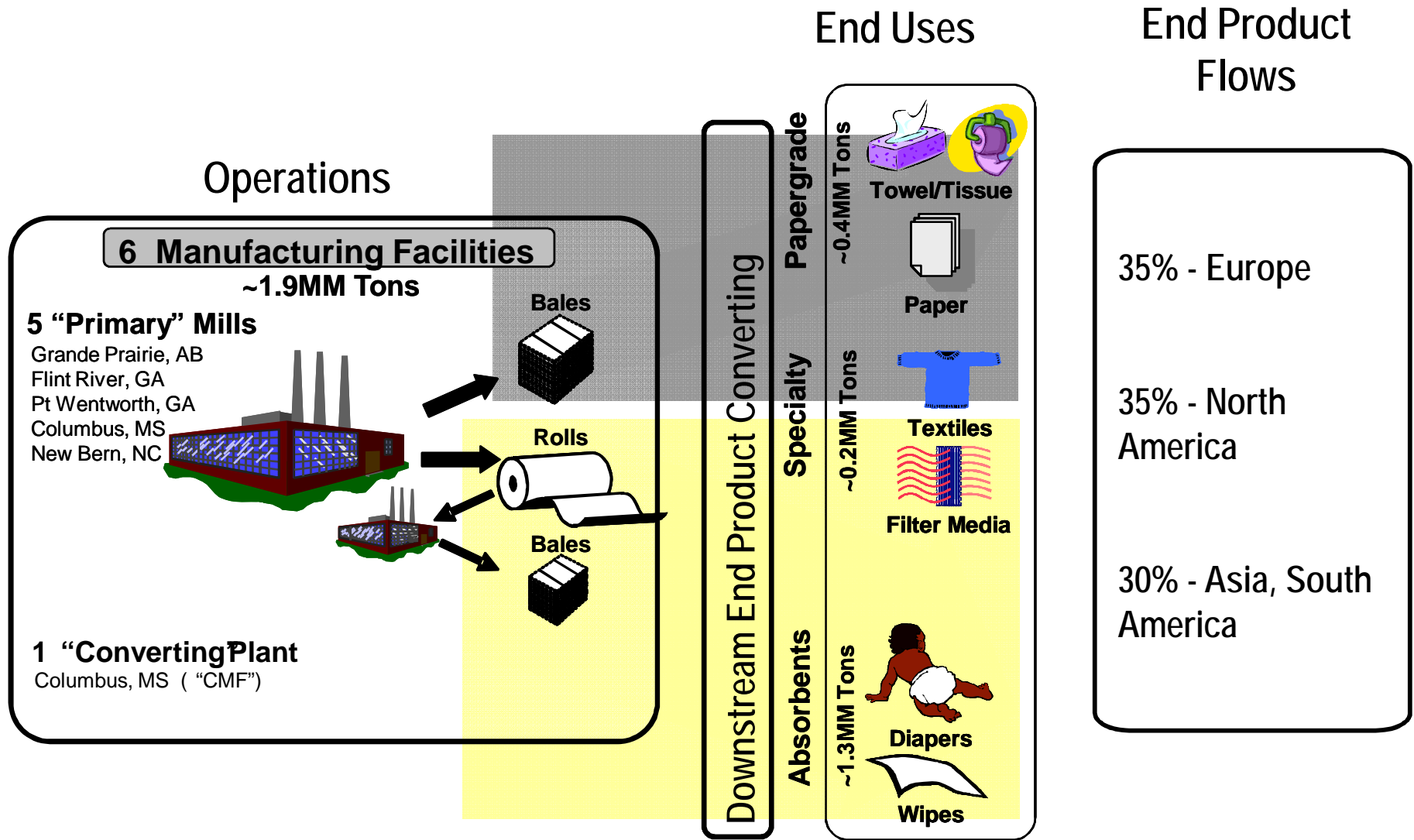


Cellulose Fibers

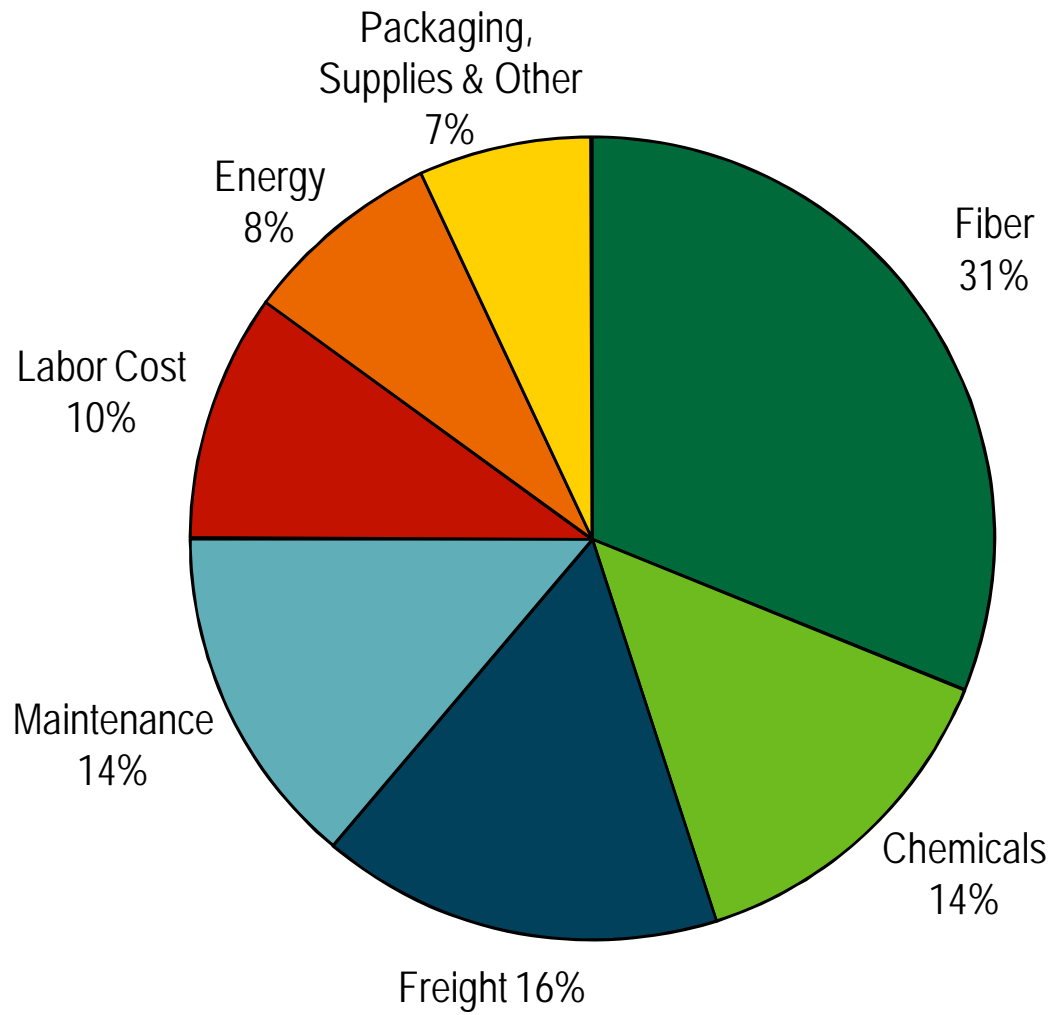
Tom Gideon

Executive Vice President – Forest Products

Cellulose Fibers business



Cash cost of goods sold in 2008



Addressing the short-term, positioning for the long-term

- Continuing our leadership position with key customers
- **Aggressively reducing costs**
 - Slowed back each mill to achieve lowest cost position
 - Reduced chemical and other costs
 - Cut all discretionary spending
 - Extended salary freeze to hourly workers



Economic Overview - Housing

Lynn Michaelis

VP – Chief Economist

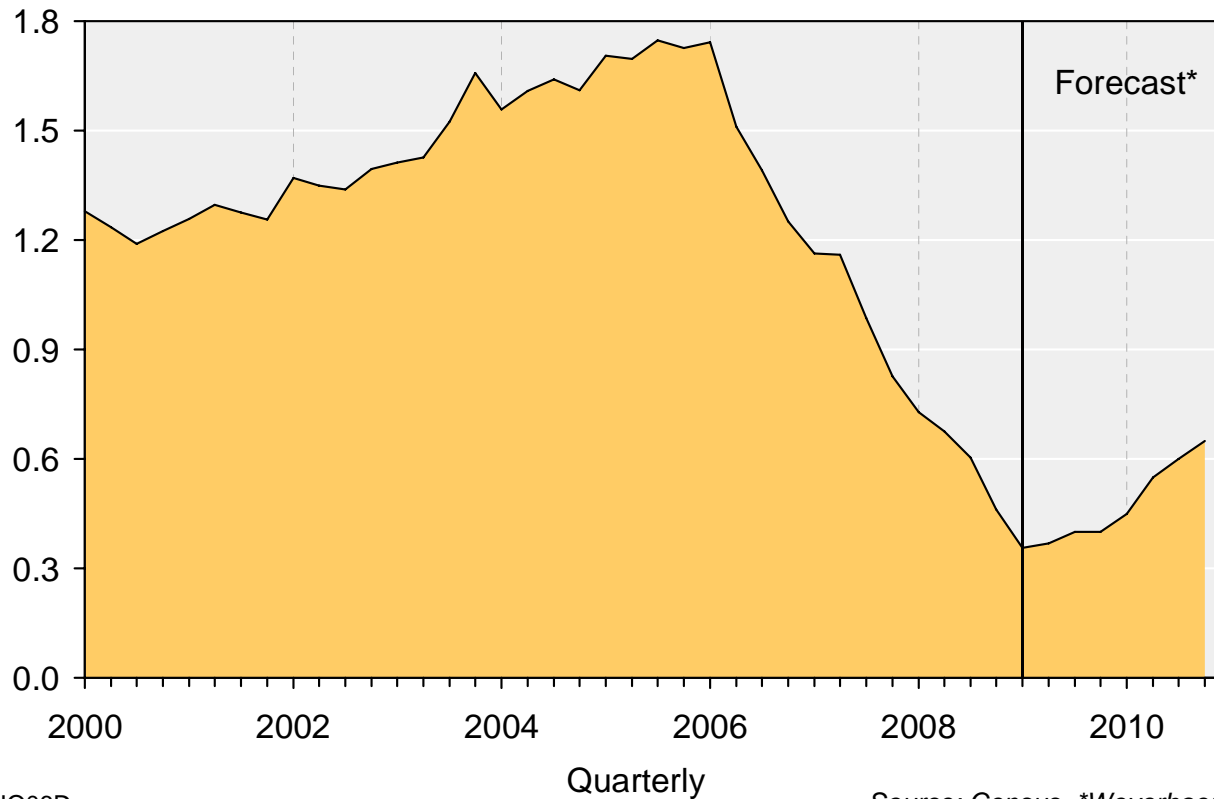
Key messages – housing industry

- **At bottom, expect slow rebound in 2009**
 - High inventory, foreclosures and tougher lending standards
 - Increase in existing home sales is a bright spot
- **The bubble markets were hit hard**
 - But low prices and improved affordability are resulting in a surge of existing home sales
- **Rate of rebound depends on national policy actions and regional employment**

At bottom in 2009, but gains momentum in 2010

U.S. Single-family Housing Starts
(Seasonally Adjusted Annual Rate)

Million Units

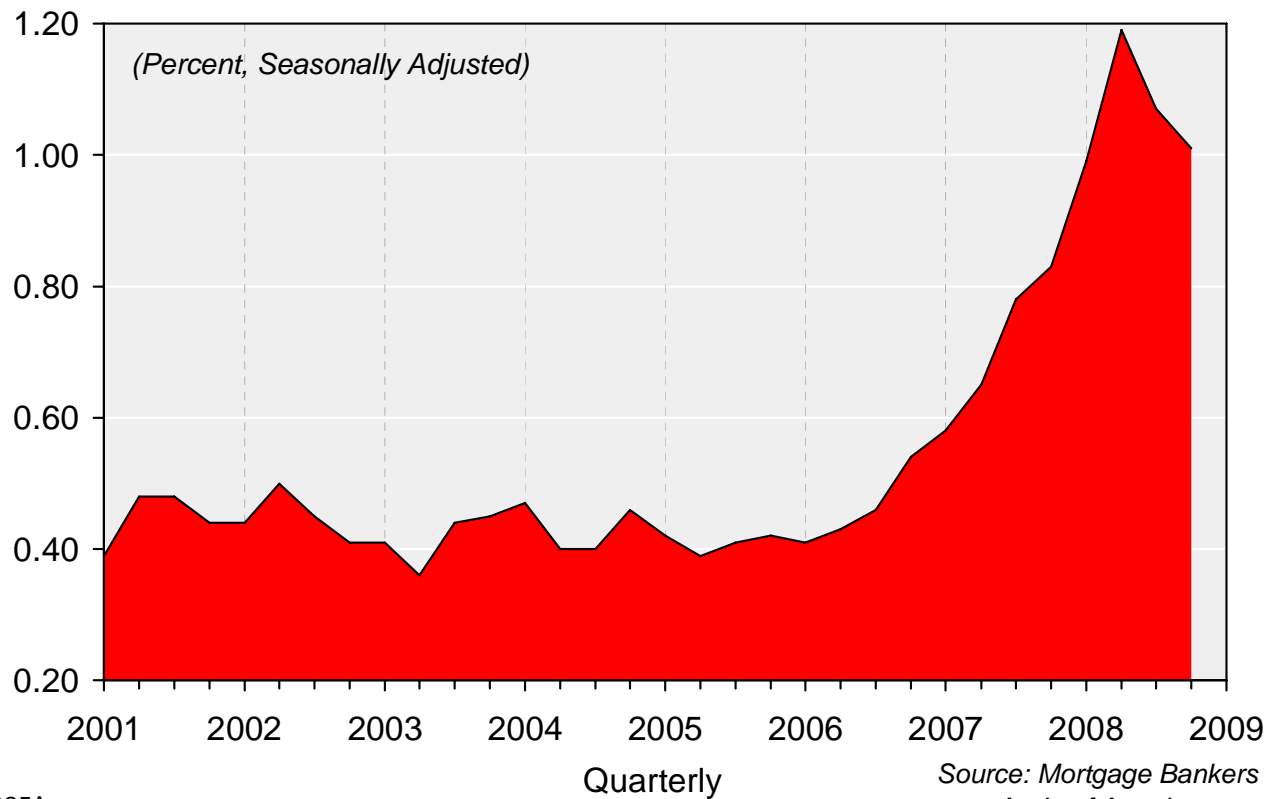


QMDHO06D

Source: Census, *Weyerhaeuser

Foreclosure rate remains high

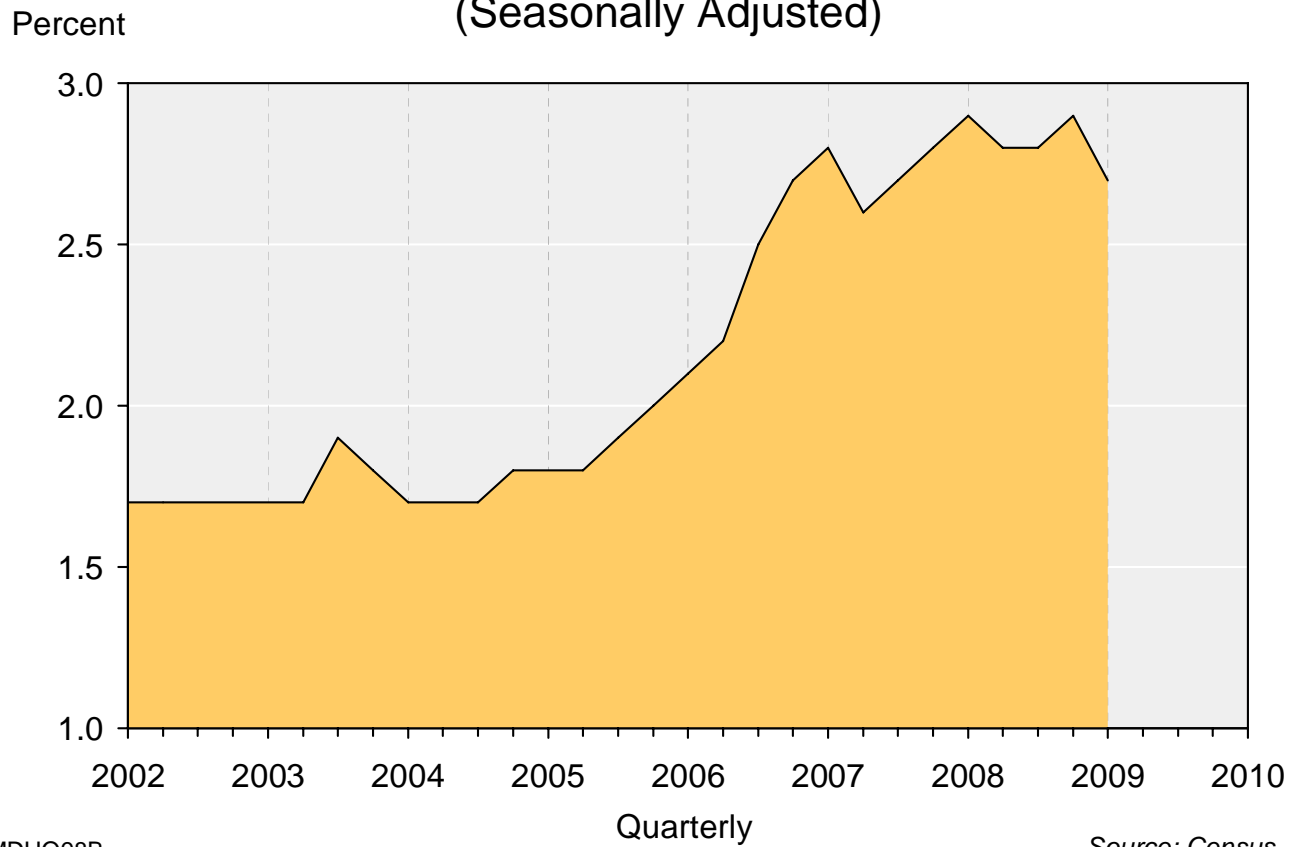
Foreclosure Started During Quarter
All Loans



QMDIR25A

High vacant stock of units for sale

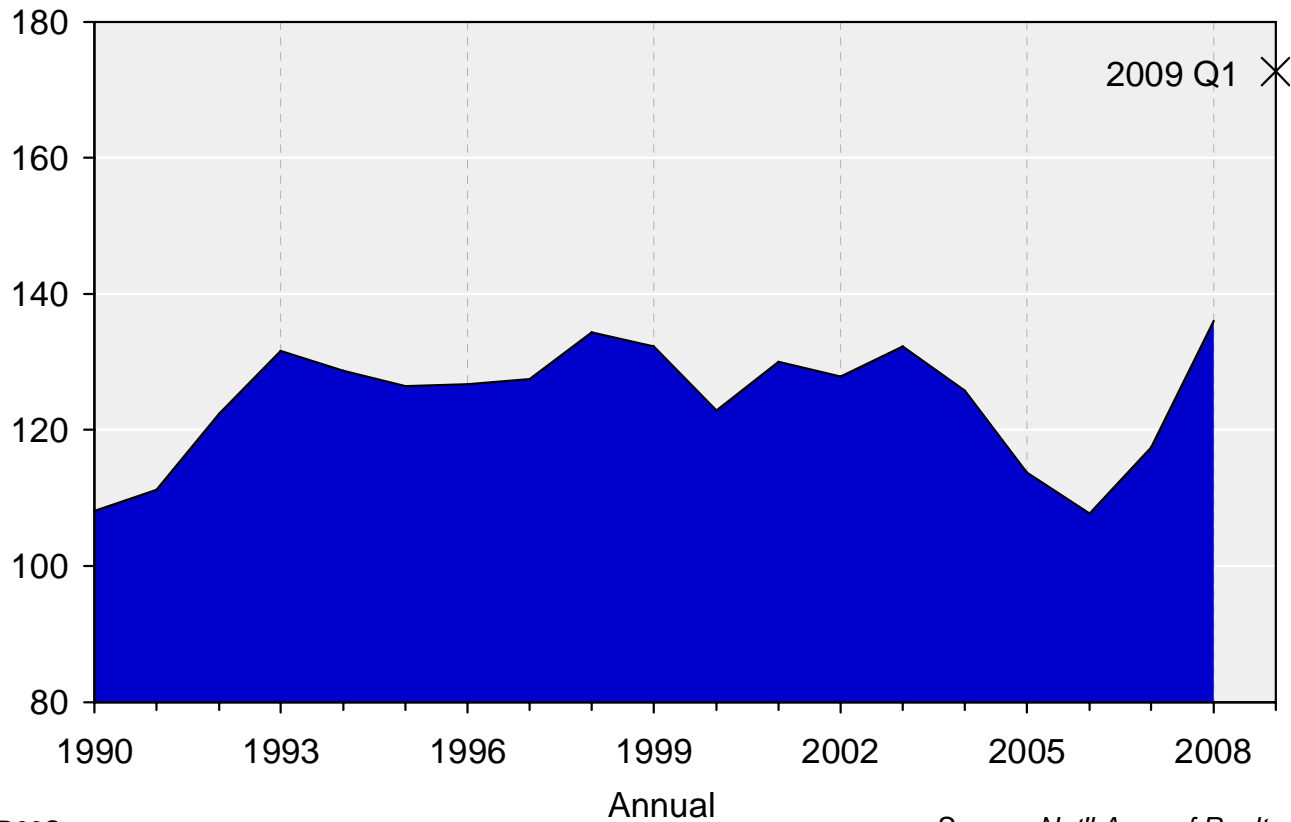
Vacant Homeowner Units for Sale
as a Percent of Total Homeowner Stock
(Seasonally Adjusted)



QMDHO98B

Affordability is now at record levels

U.S. Housing Affordability Index



AMDIR06C

Source: Nat'l Assn of Realtors

All WRECO regions are below 2002 levels

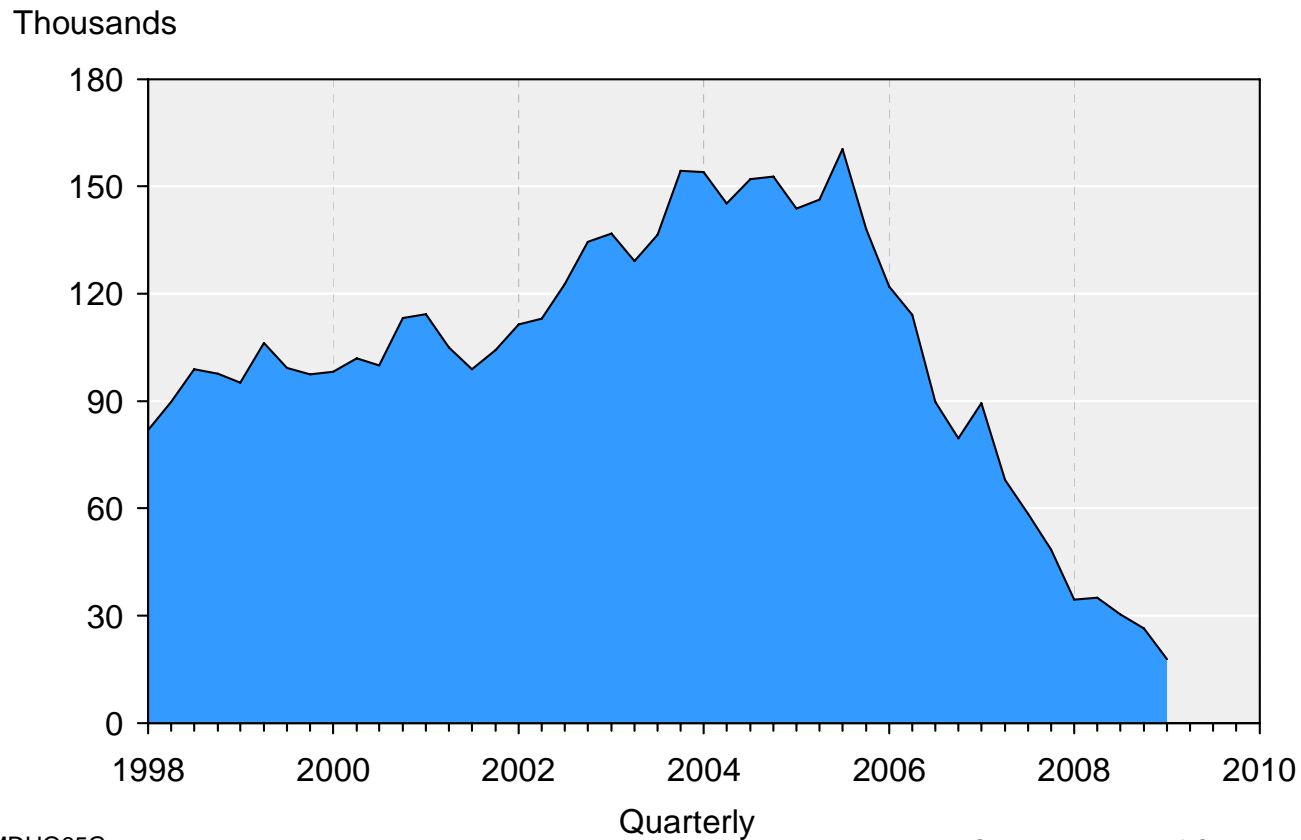
Single-family Building Permits (Thousands)

	2002	2005	2008
Las Vegas	25	30	6
Phoenix	40	51	11
Washington DC	30	25	9
Seattle	10	18	6
Houston	29	51	28

Source: Census

California housing seriously challenged

Single-family Building Permits for California
(Seasonally Adjusted Annual Rate)

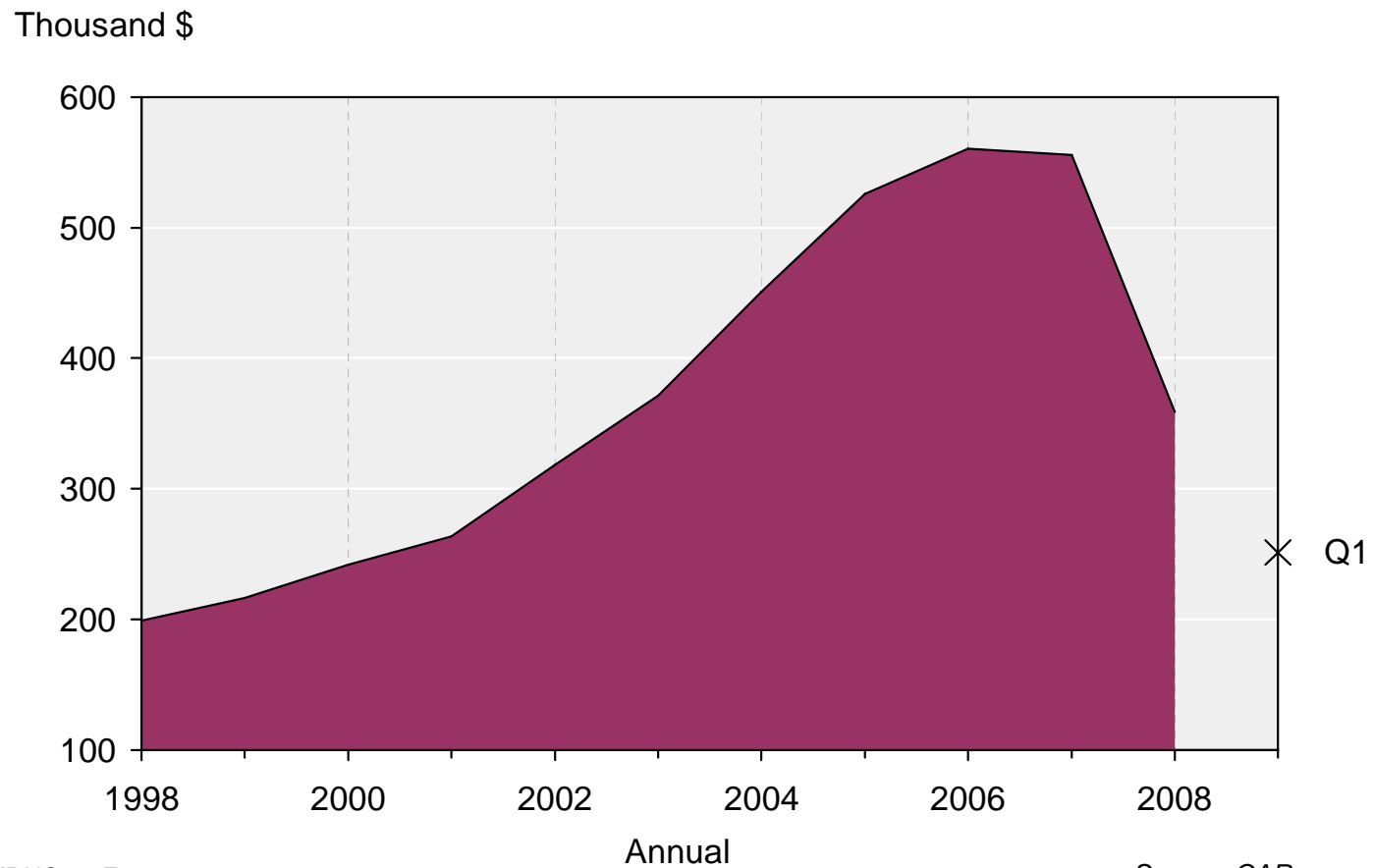


QMDHO65G

Source: Bureau of Census

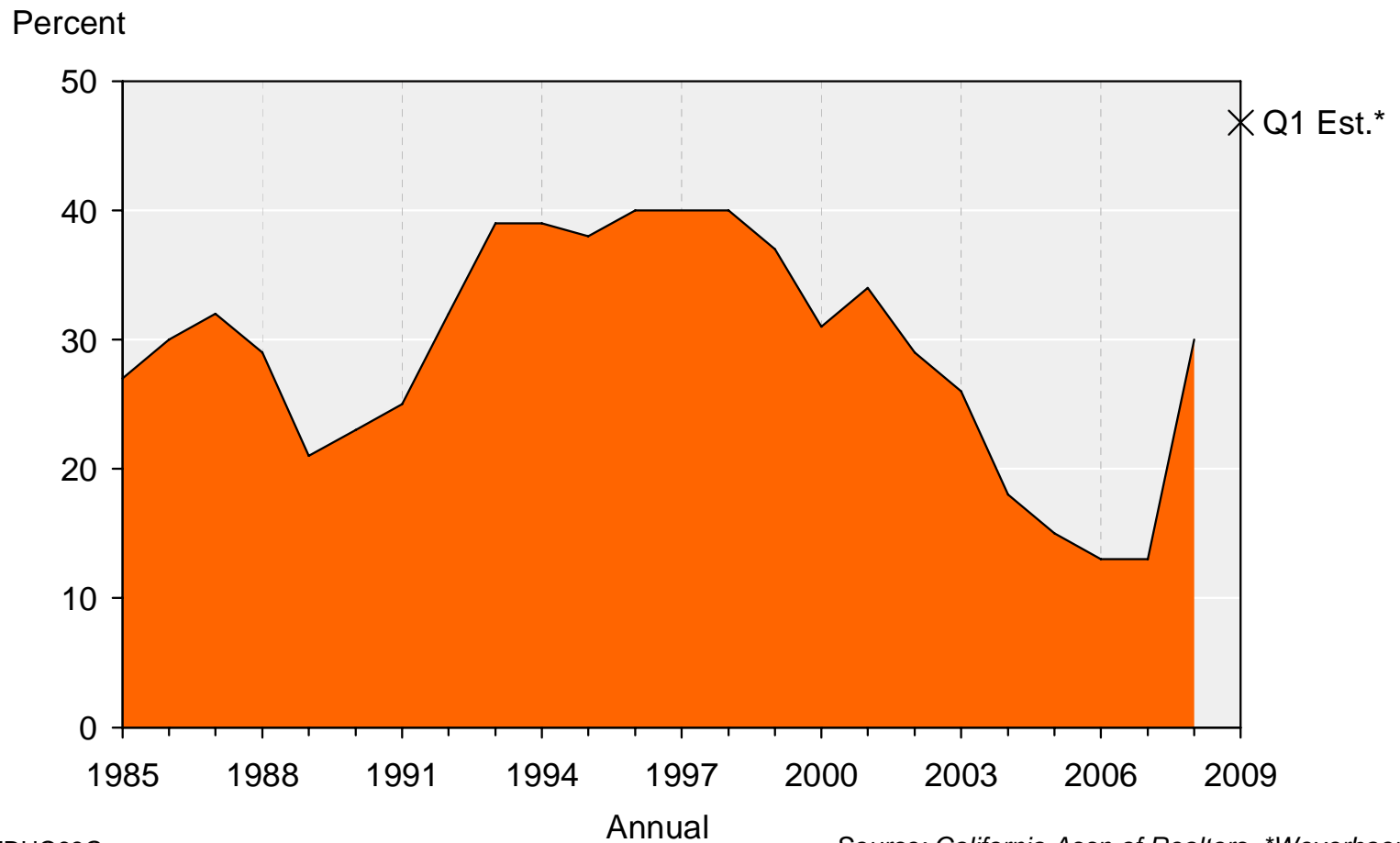
Housing prices down 65% from peak

Median Existing Home Price for California



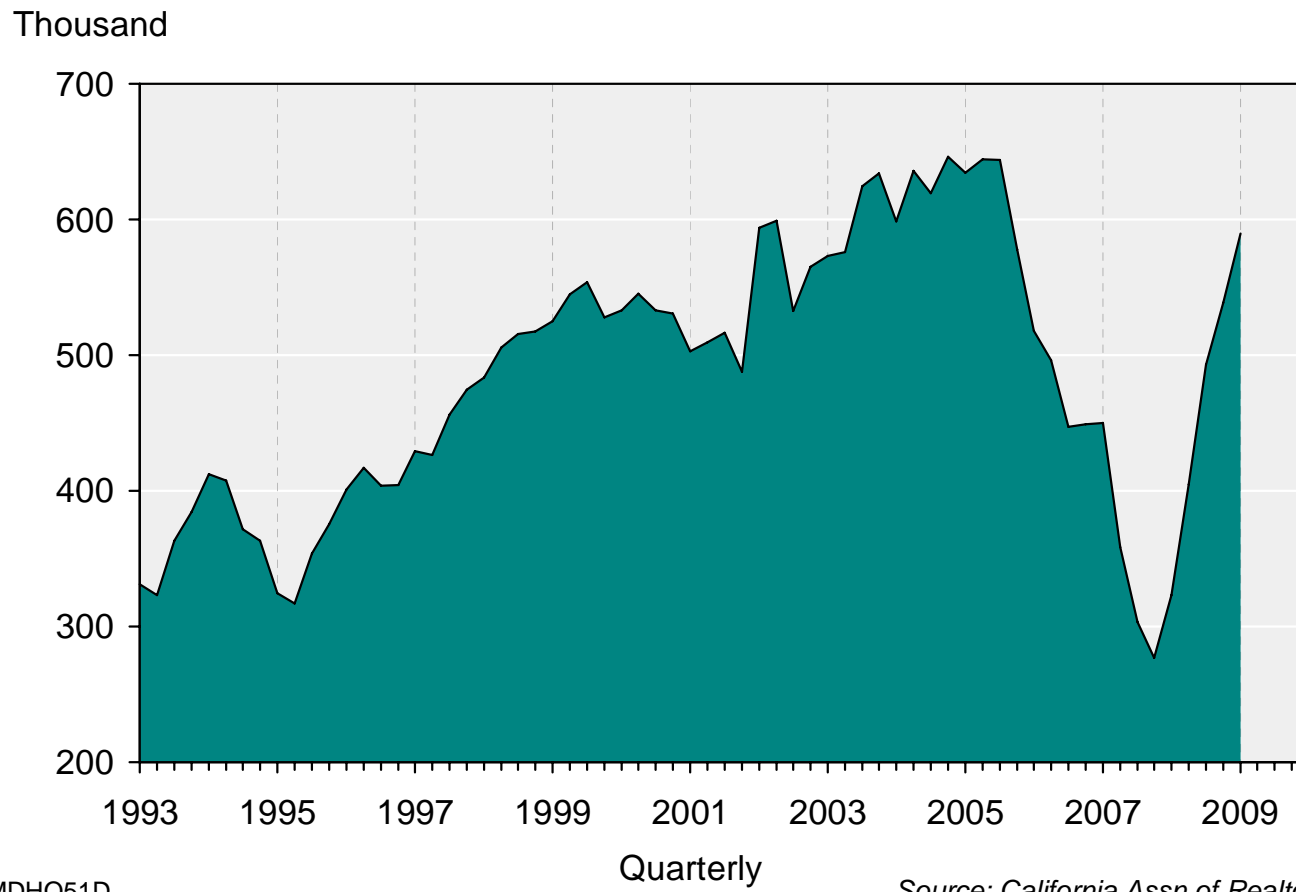
Housing affordability at record levels

Percentage of Households Able to Afford the Median Priced Home in California



At current prices, houses are selling

Number of Existing Homes Sold in California
(Seasonally Adjusted Annual Rate)



QMDHO51D

Source: California Assn of Realtors

Summary - housing

- **Another challenging year in 2009, but most of house price decline is behind us**
 - Varies by region
- **Variety of factors helping stabilize housing and construction market in 2009**
 - Recent home sales are encouraging
 - Single-family housing starts double by end of 2010, with upside potential



Weyerhaeuser Real Estate Company (WRECO)

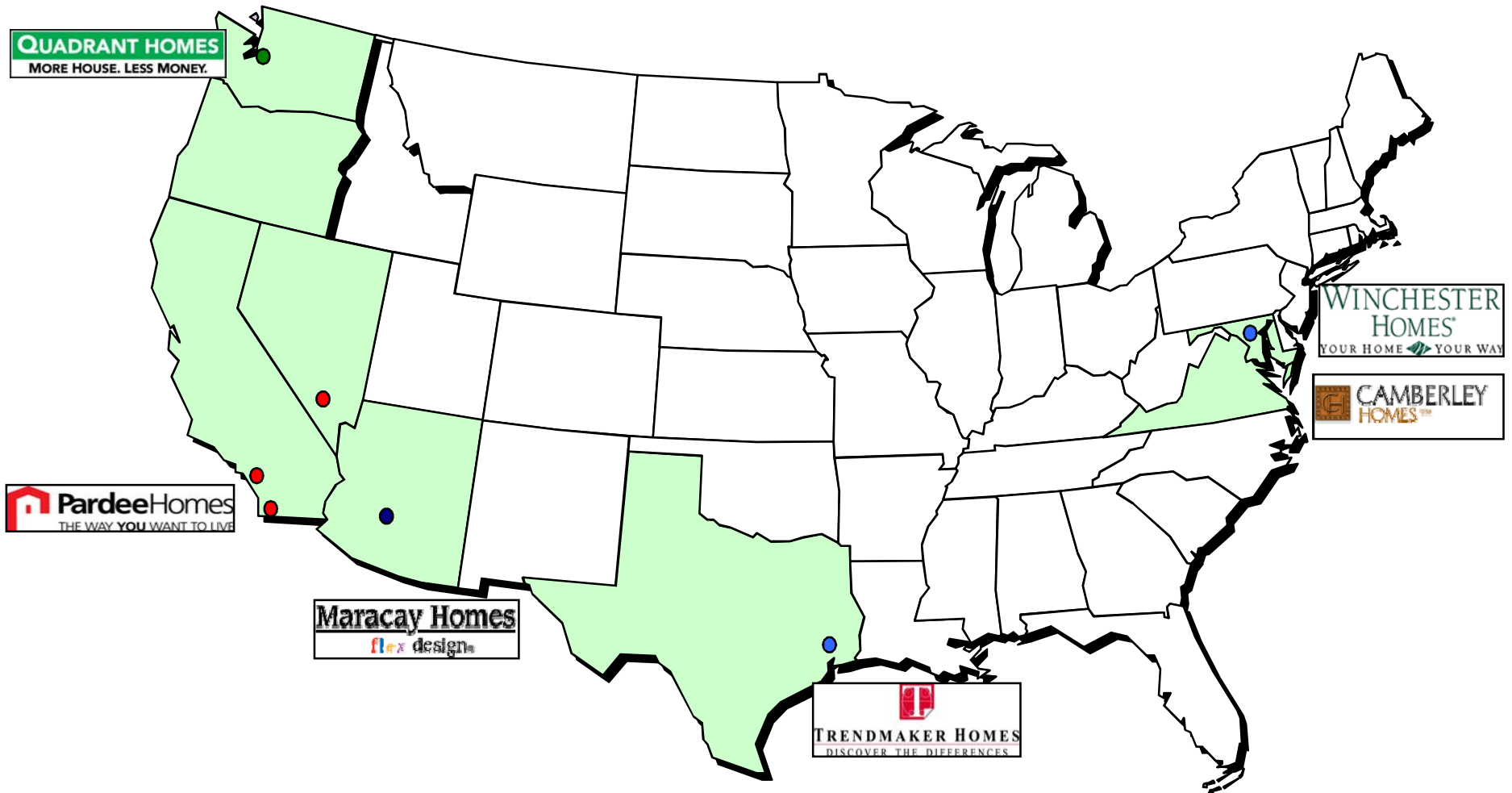
Larry Burrows

President and CEO — Weyerhaeuser Real Estate Company

WRECO's competitive strengths

- Geographic diversity
- Local value propositions
- Land entitlement and development expertise
- Customer satisfaction

Located in diverse and high-growth geographies



Unique brands with distinctive value propositions



 **PardeeHomes**
THE WAY YOU WANT TO LIVE



QUADRANT HOMES
MORE HOUSE. LESS MONEY.




TRENDMAKER HOMES
DISCOVER THE DIFFERENCES



WINCHESTER HOMES
YOUR HOME  YOUR WAY



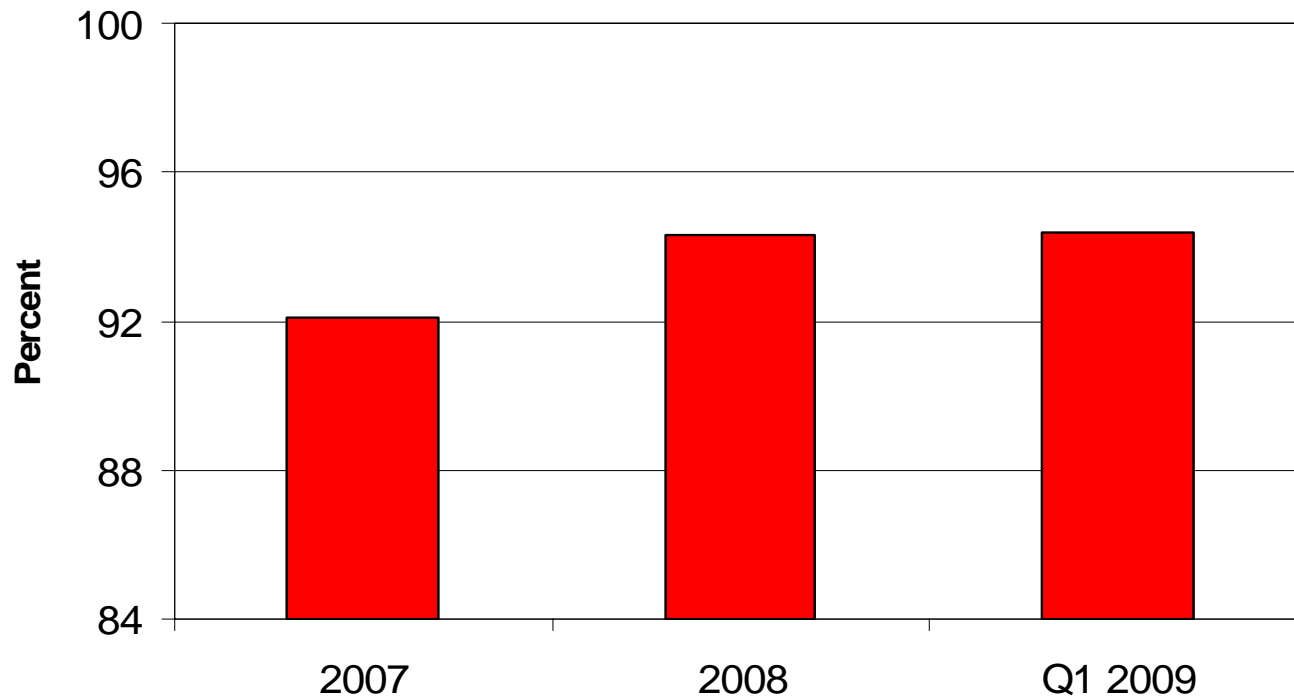
 **CAMBERLEY HOMES**



Maracay Homes

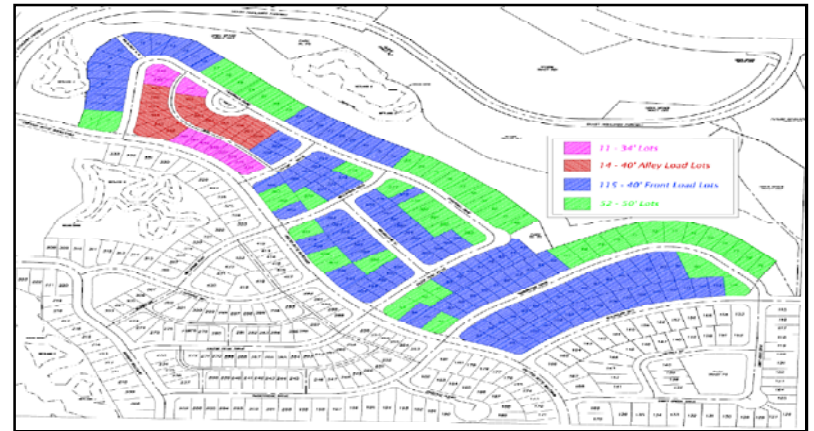
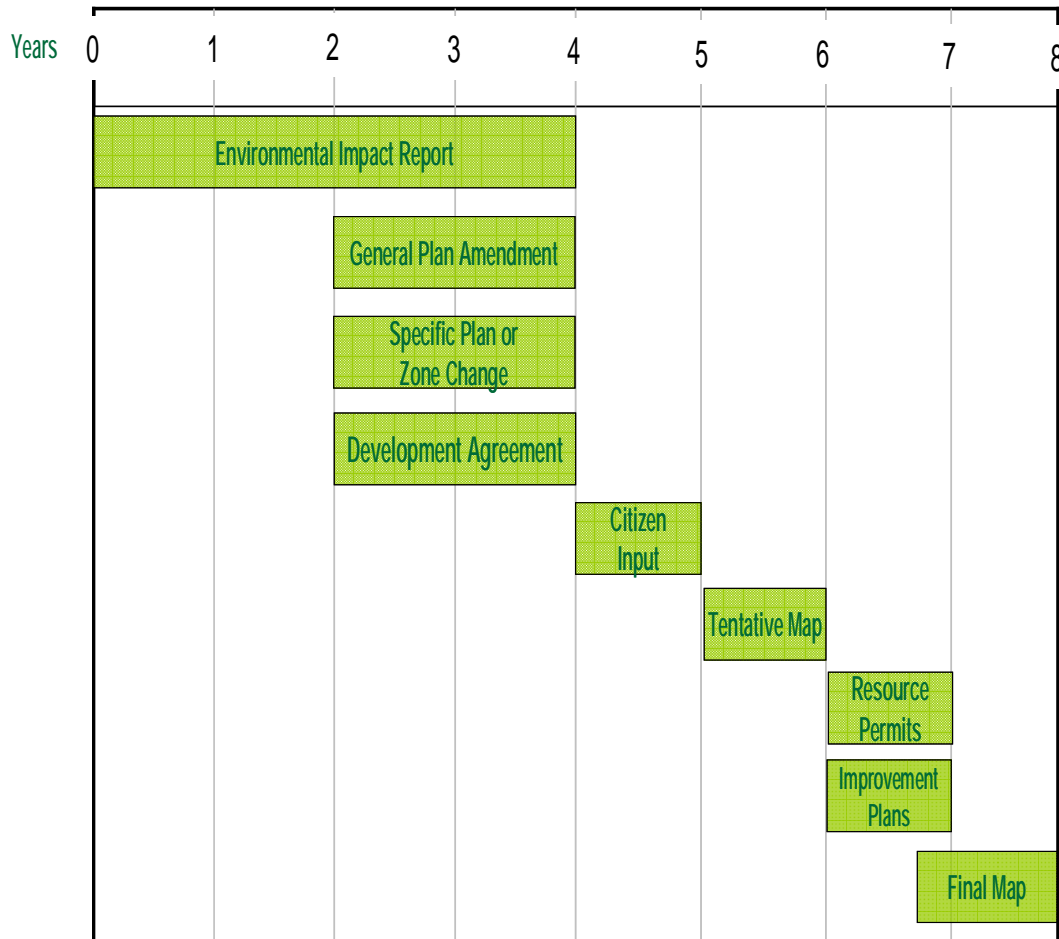

High levels of customer satisfaction

Willingness to Refer



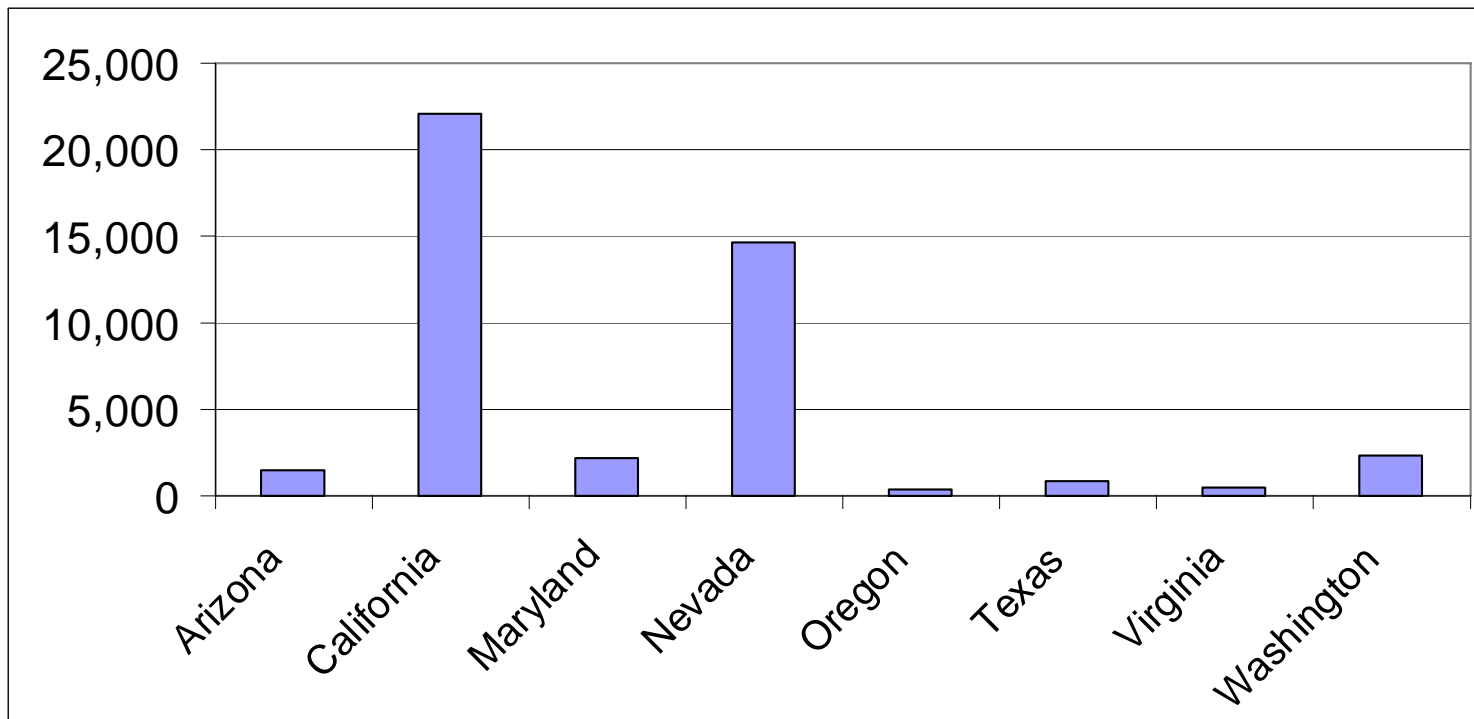
Independent, third party research companies survey our customers and ask if they would refer the builder to a friend or family member

Creating value through entitling and developing land



WRECO residential lot position

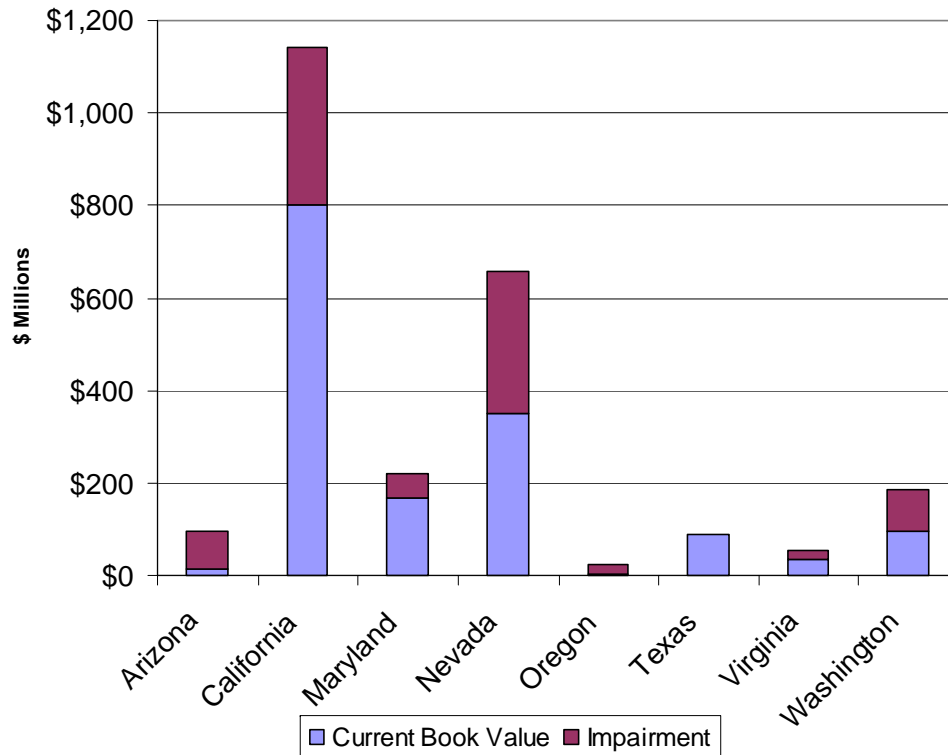
Number of lots owned as of 3/31/09



Total lots owned – 44,000; an additional 72,000 lots are controlled via option agreements

WRECO residential lots – dollars invested

Investment as of 3/31/09



Consolidated Totals (\$ Millions)

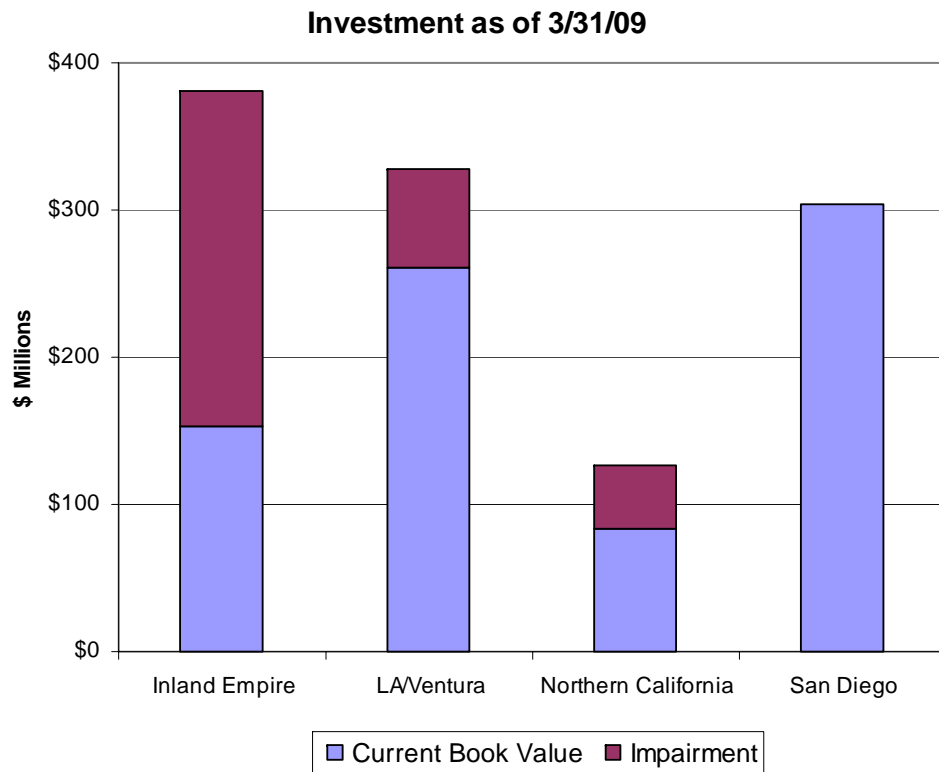
Historic Cost *	\$2,500
Impairments to historic cost	-\$900
Current book value of residential lots	<u>\$1,600</u>

Balance Sheet Classification (\$Millions)

Real estate in process of development and for sale	\$700
Land being processed for development	\$1,200
Less: Completed & in process home inventory, and commercial acreage	-\$300
Current book value of residential lots	<u>\$1,600</u>

* Historic cost includes land purchase price, entitlement and development costs, taxes, and capitalized interest

WRECO residential lots – California by sub-markets



Totals (\$ Millions)

Historic Cost*	\$1,100
Impairments to historic cost	<u>-\$300</u>
Current book value of residential lots	<u>\$800</u>

* Historic cost includes land purchase price , entitlement and development costs, taxes, and capitalized interest

Managing through the cycle

- **Adjusted staffing**
 - 40% reduction since Q1 2008
 - Additional 20% reduction by year end
- **Reduced unsold completed inventory by 30% from Q1 2008**
- **Selectively selling non-strategic residential lots**
- **Curtailing spending on land acquisitions and development**

Repositioning product to meet market conditions



2007 – Fairbrook Plan #2



Priced at \$420,000-\$560,000



2009 – Montclair Plan #2



Priced at \$320,000-\$410,000

Offering a second product line to expand buyer pool

QUADRANT HOMES
MORE HOUSE. LESS MONEY.

Cascade 2440



Priced at \$360,000 to 480,000

QUADRANT HOMES
CLASSIC COLLECTION

Classic Collection 3450



Priced at \$490,000-580,000

Repositioning product to meet emerging trends

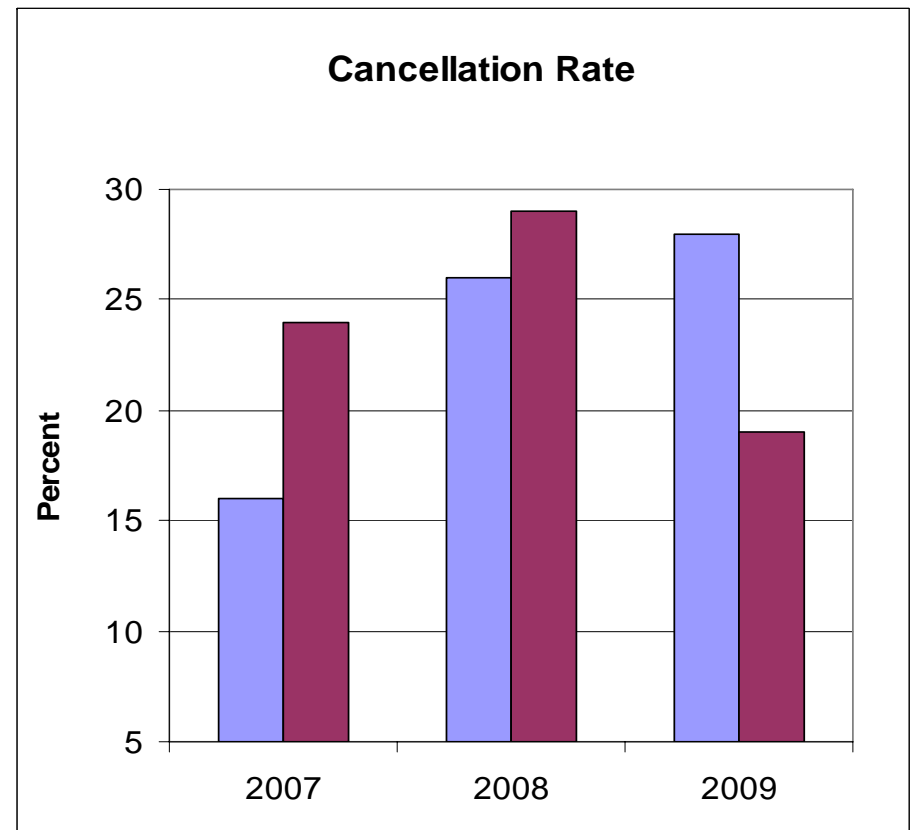
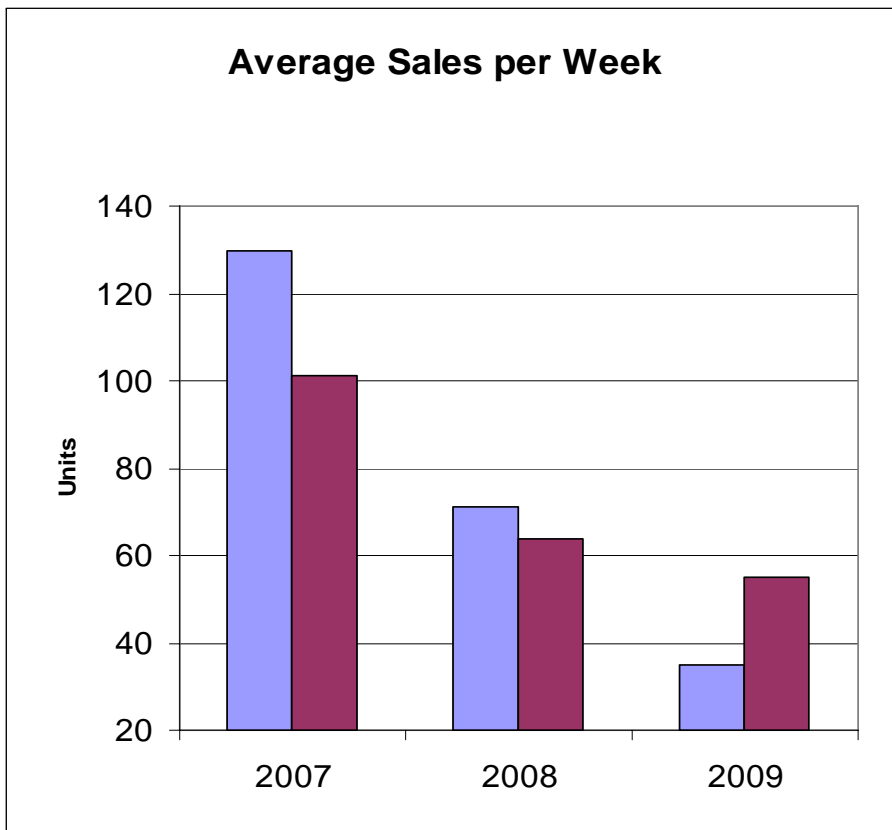


Designed for the "ages" with enhanced green features



Improving signs in April

Q1 April



Addressing the short-term, positioning for the long-term

- Long-term single-family housing fundamentals are favorable
- WRECO is well-positioned in desirable markets
 - Market downturn is creating opportunities
- Major business imperatives
 - Generate cash
 - Reduce and rebalance land position
 - Re-underwrite all option deals: either renegotiate or walk
 - Sell non-strategic assets



Economic Overview – Wood Products

Lynn Michaelis

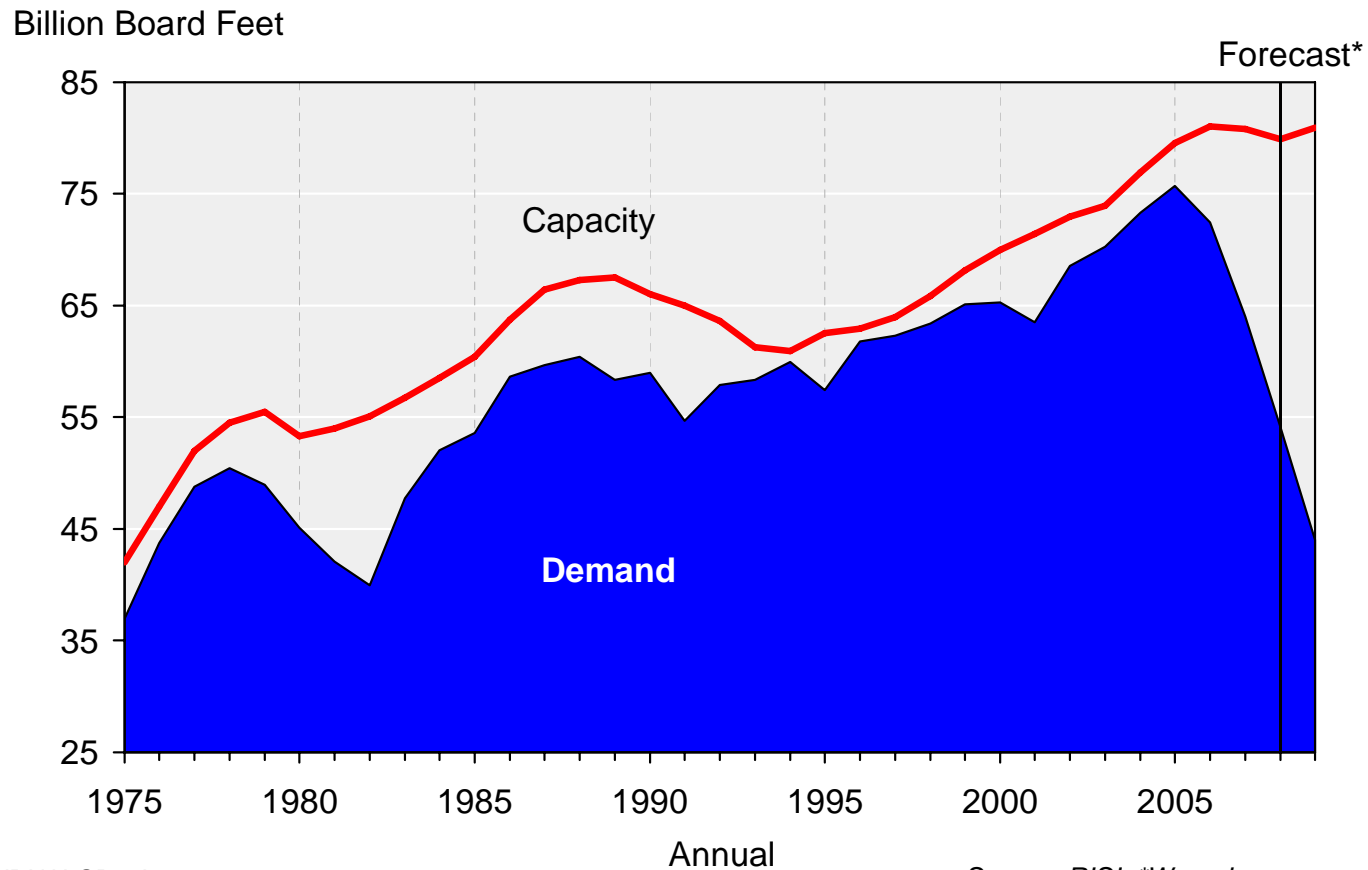
VP – Chief Economist

Key messages – Wood Products markets

- Unprecedented demand drop has driven prices to levels below cash operating costs
- Prices should rebound to cover cash operating costs for an average mill
 - For lumber, need to see prices cover Canadian mill costs
 - Canadian dollar is a major issue for both the lumber and OSB price outlook

Severity compared to earlier cycles

Demand on North American Lumber Mills vs. Capacity

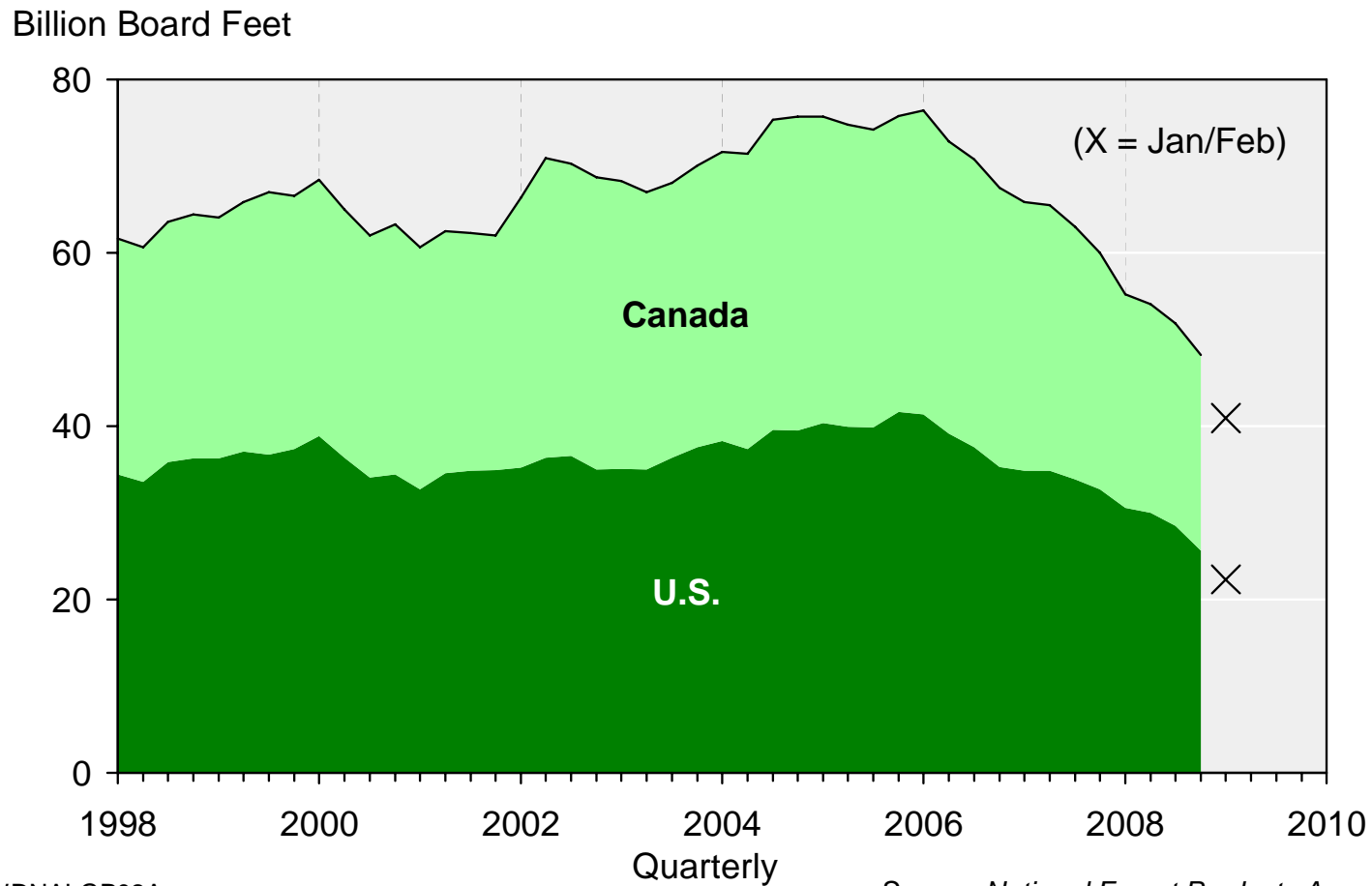


AWDNALGD01L

Source: RISI, *Weyerhaeuser

All regions curtailed output, but bigger hit for Canada

N.A. Lumber Production (SAAR)

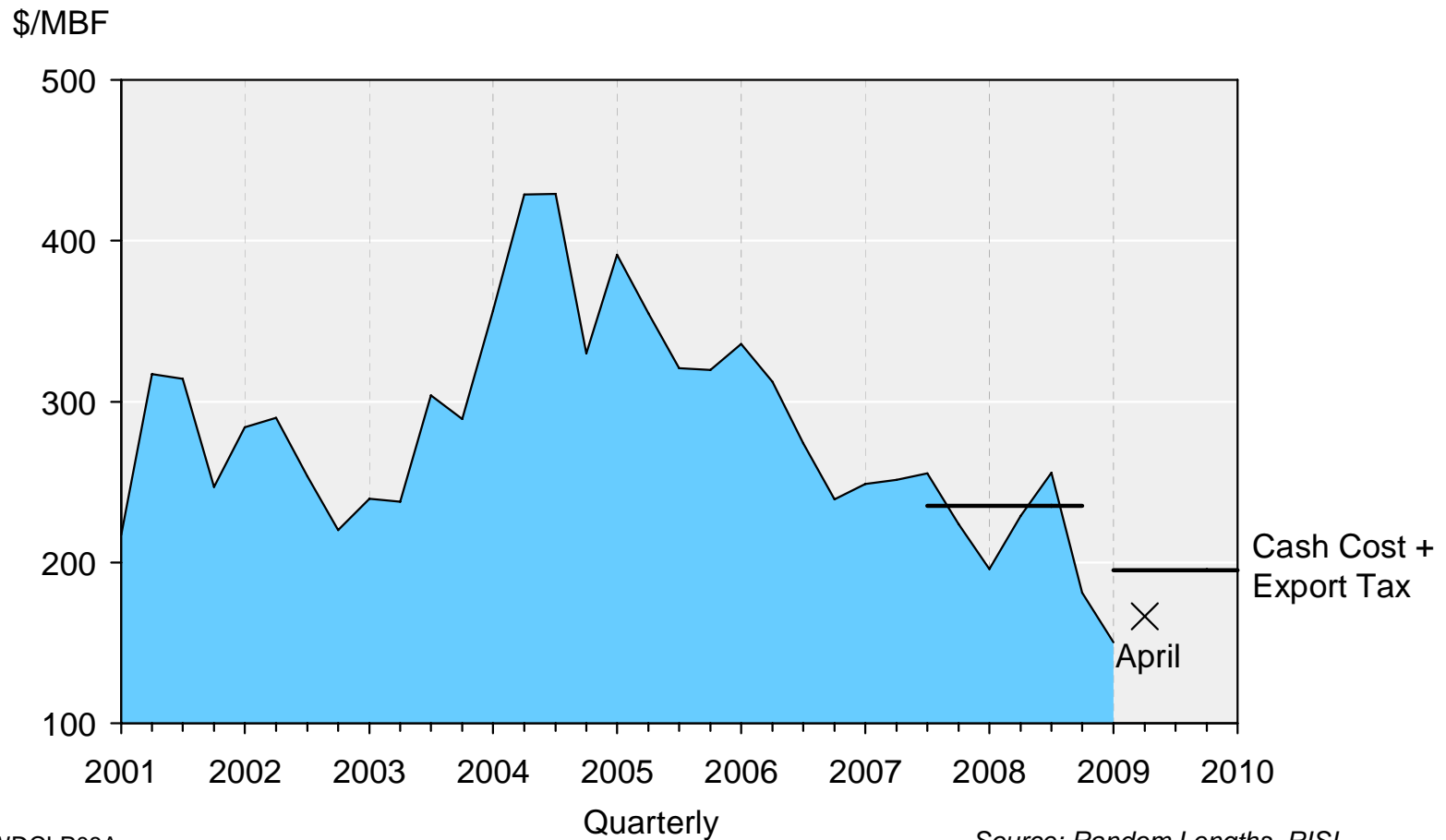


QWDNALGP02A

Source: National Forest Products Assn, COFI

Prices fell below cash cost to force closures

Spruce-Pine-Fir 2x4 Mill Price

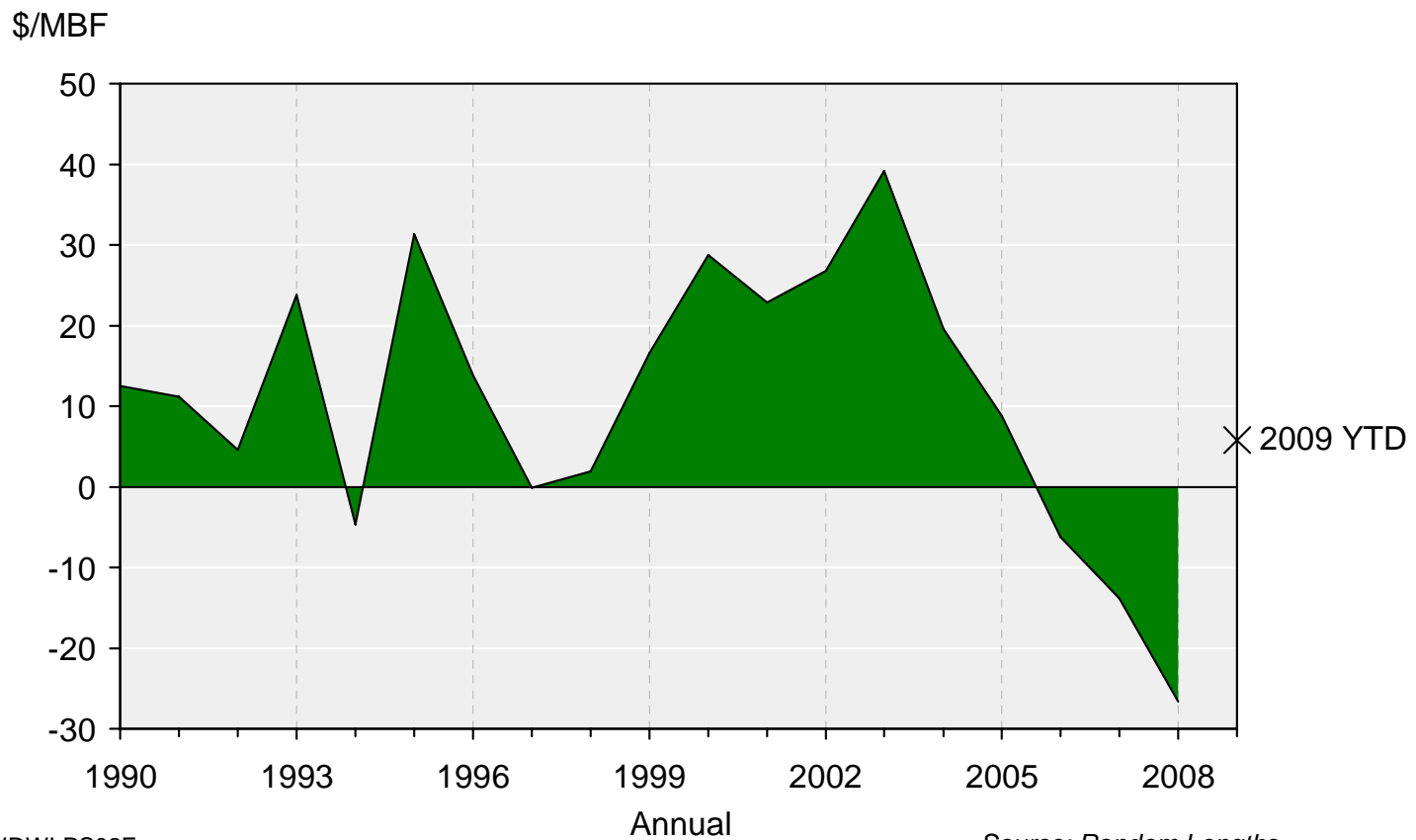


QWDCLP08A

Source: Random Lengths, RISI

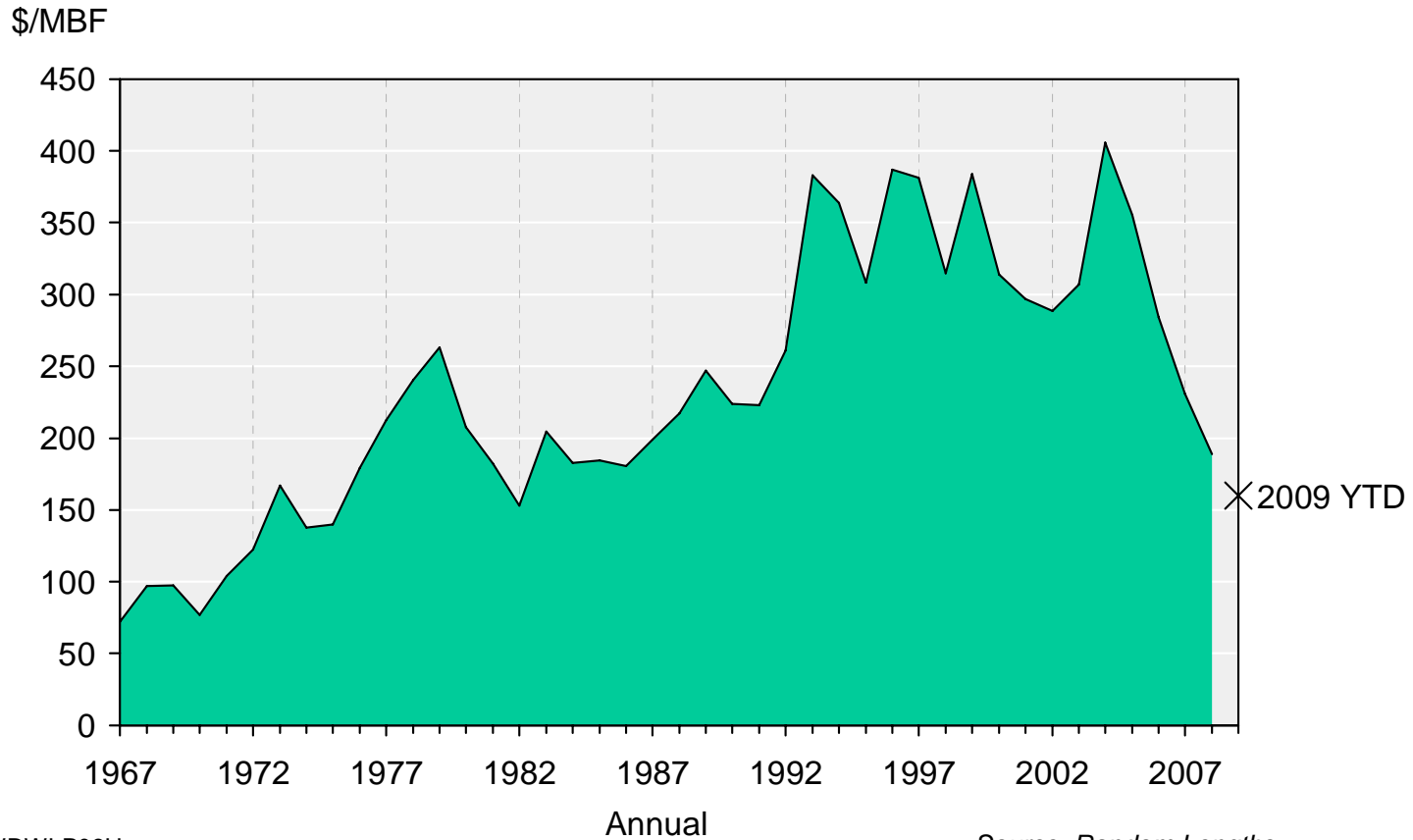
Another anomaly: Douglas Fir below Spruce

Price Spread: Douglas Fir 2x4 Green Less
Spruce-Pine-Fir 2x4 Mill



In nominal dollars, prices back to 1982 levels

Nominal Douglas Fir 2x4 Green Lumber Price



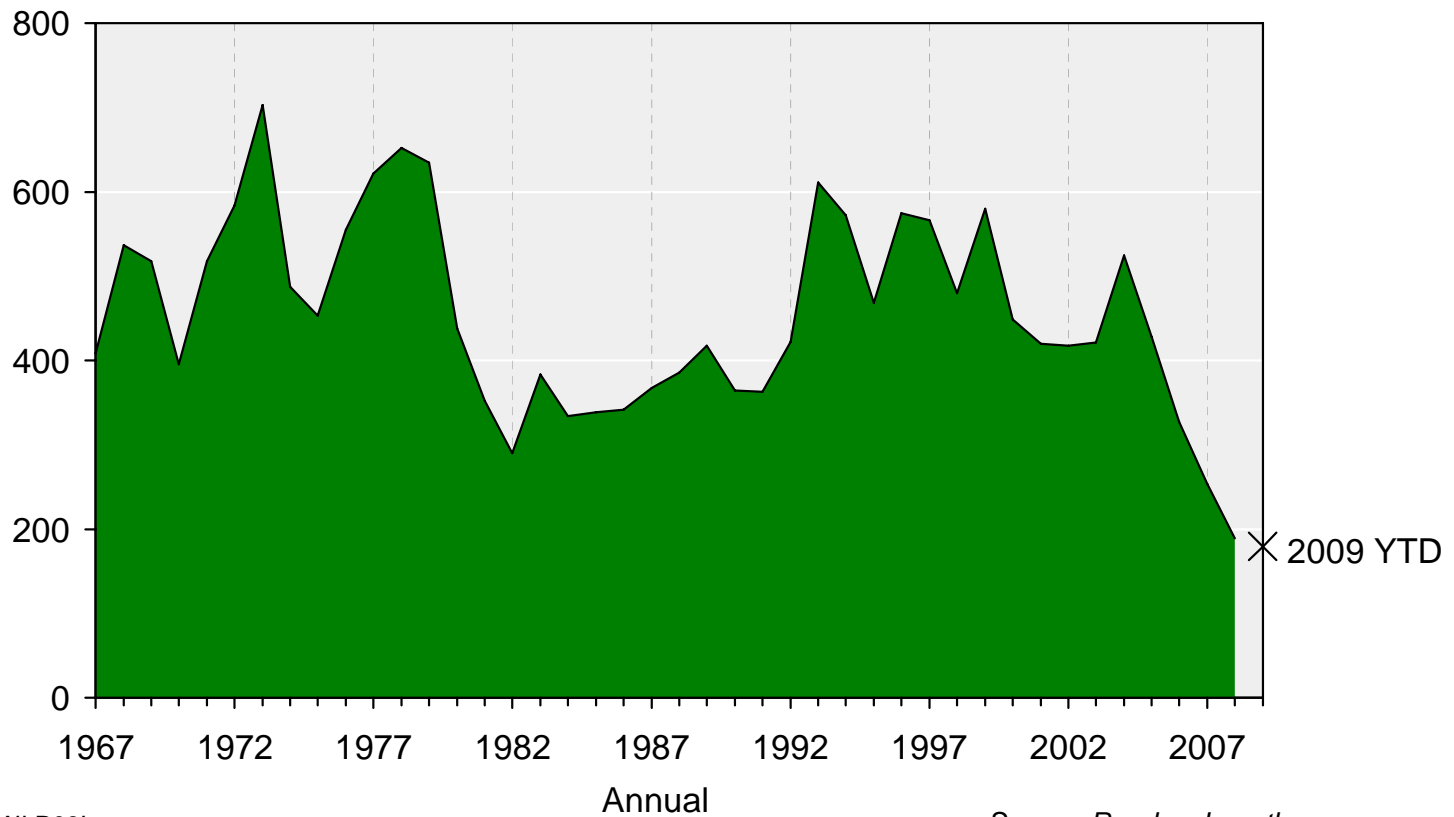
AWDWLP08H

Source: Random Lengths

But adjusted for inflation — 1935?

Real Douglas Fir 2x4 Green Lumber Price

2008\$/MBF



AWDWLP08I

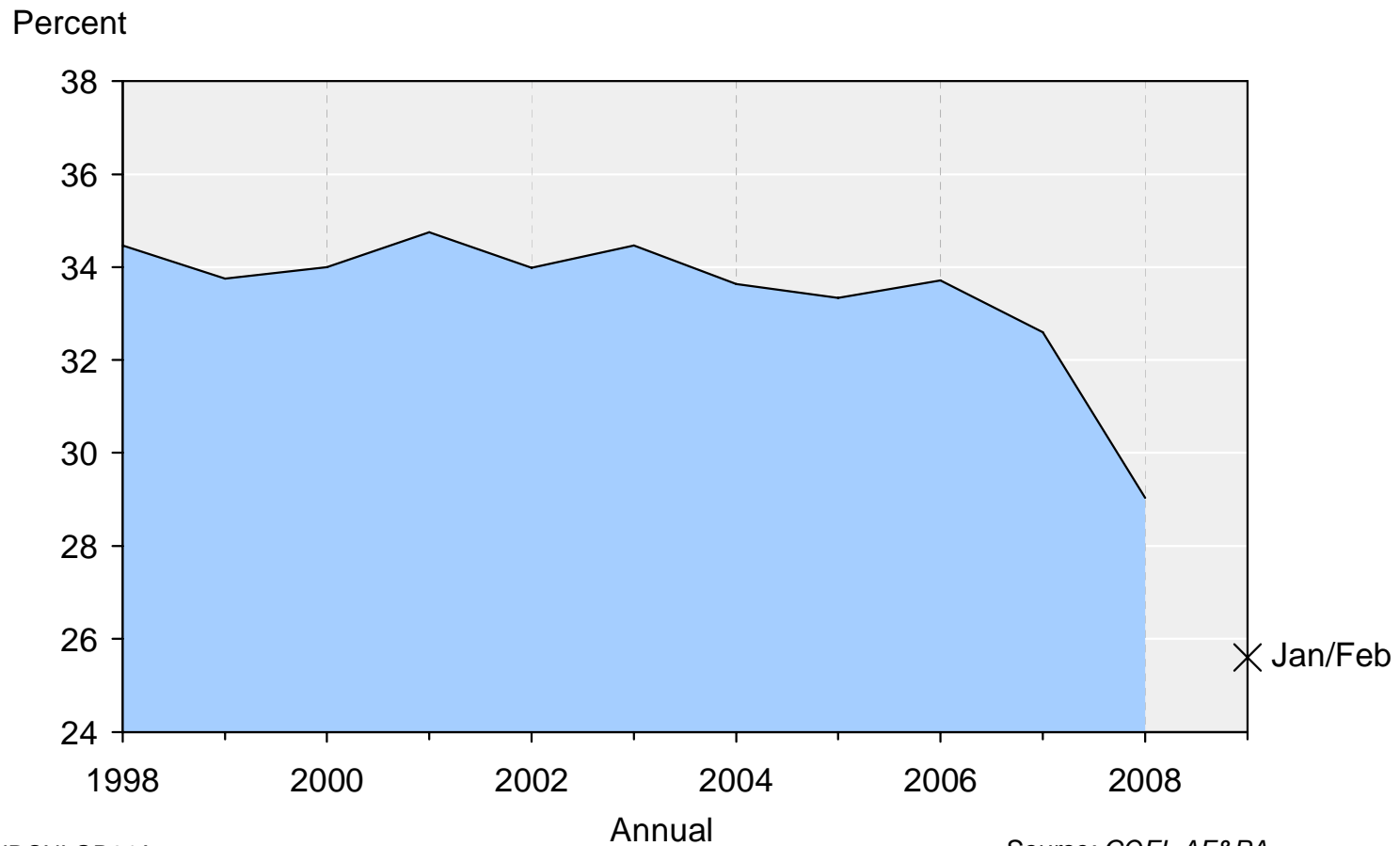
Source: Random Lengths

Canadian lumber delivered costs eventually drive U.S. lumber and log markets

- U.S. lumber production not sufficient to meet U.S. demand
- Cost structure in Canada is primarily operating costs, not stumpage
- Canadian exchange rate can significantly shift relative cost structure between U.S. and Canadian mills

Canada accounts for over 25% of U.S. needs

Canadian Share of U.S. Lumber Consumption



AWDCNLGD01A

Source: COFI, AF&PA

Different cost structure in Canadian Lumber industry

- **In Canada, labor and energy costs account for 75-85% of total lumber costs**
 - Much higher delivered log prices due to harvest and haul costs
 - Stumpage is formula driven
- **In U.S., labor and energy costs account for only 40-50% of labor cost**
 - Stumpage prices reflect logistic advantage and species premiums

For average mill to breakeven, need \$25/mbf price lift

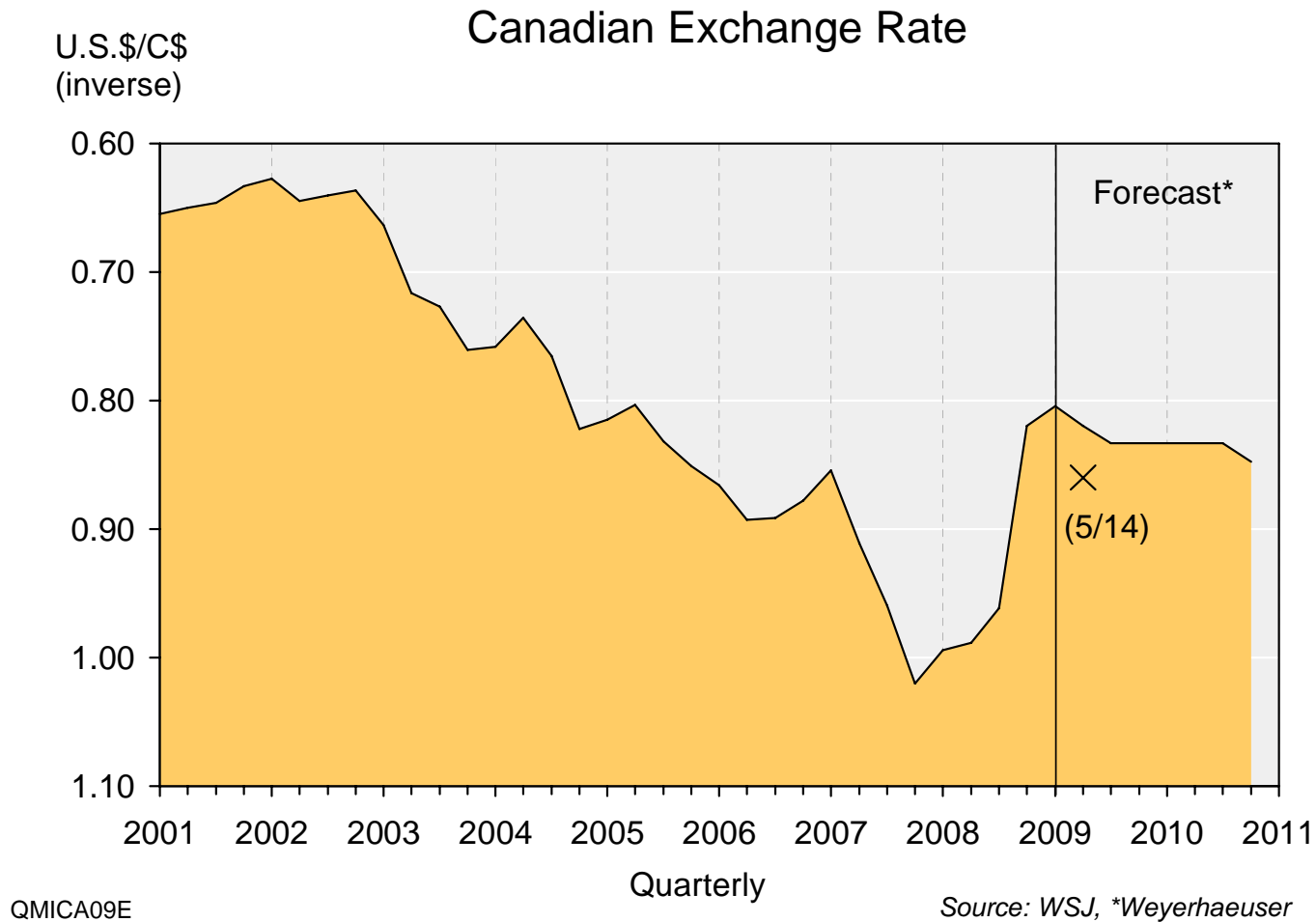
Production Costs and Margins for an
Average B.C. Interior Mill

	2007	Q3 2008	April 2009
Cash Costs in C\$**	253	227	201
Cash Costs in U.S.\$**	236	218	165
SPF 2x4 Price*	245	256	167
Less Export Tax		33	22
Mill Net		222	145
Implied Margin for Avg. Mill		4	(20)

*Random Lengths

**Based on RISI Survey – Average B.C. Mill

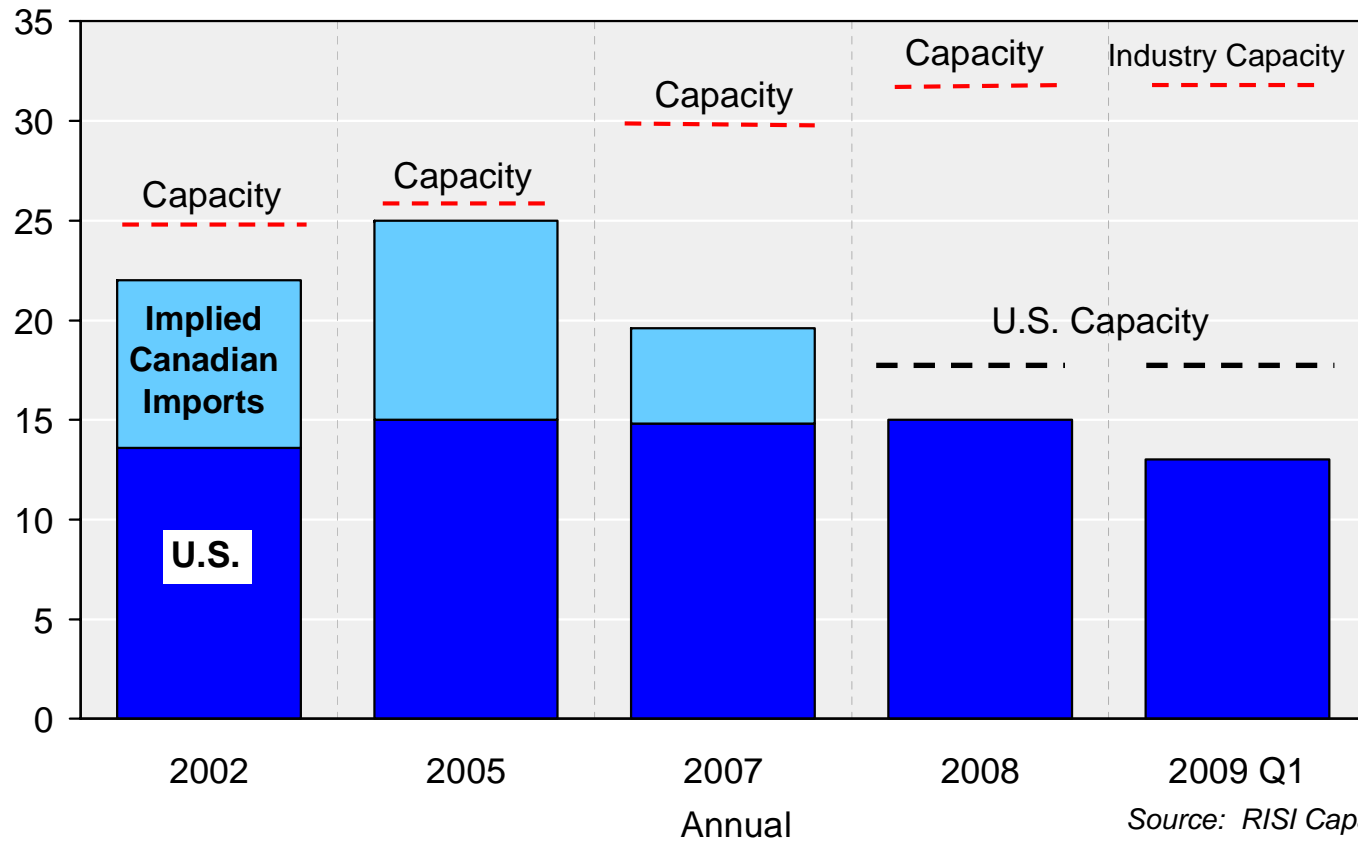
Expect C\$ to hold or strengthen in 2009



Drop in housing revealed structural change

Estimated U.S. OSB Demand Implied Imports from Canada

Billion Square Feet
(3/8" Basis)



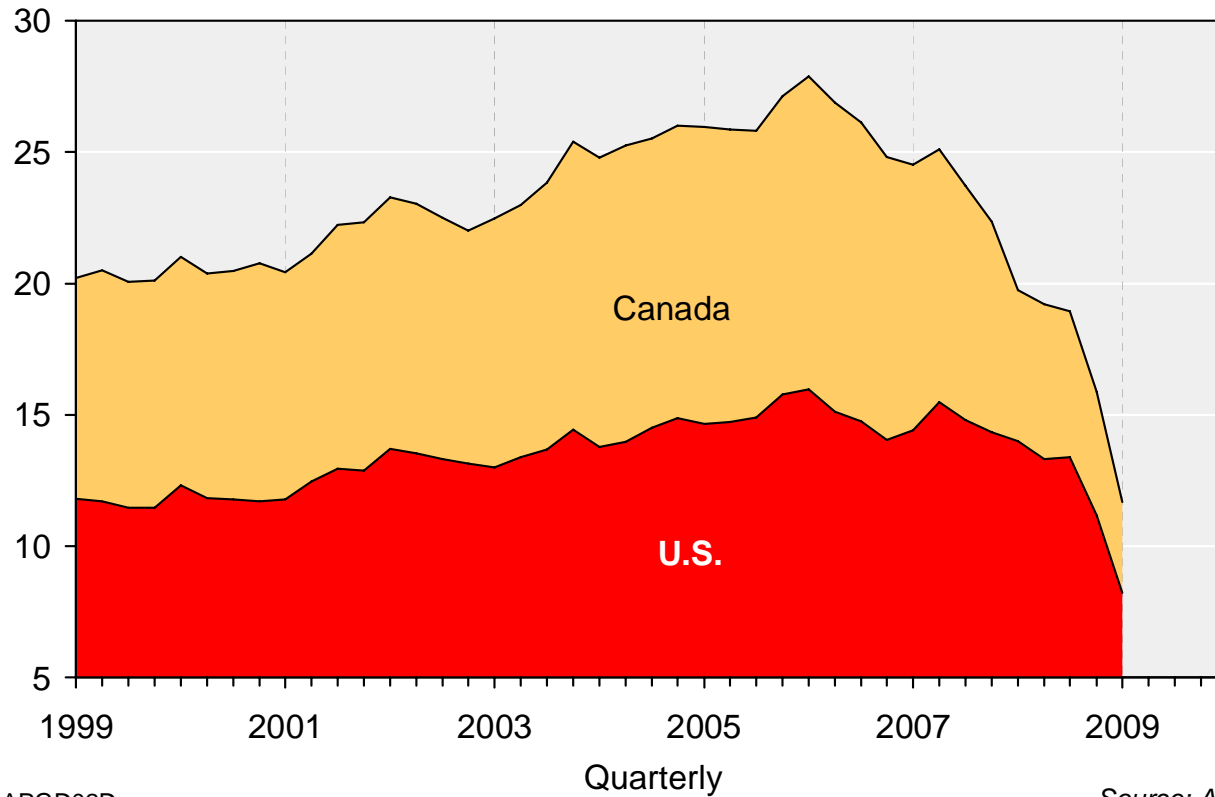
AWDPNIMP09E

Source: RISI Capacity,
Weyerhaeuser demand estimates

Reason Canadian output has collapsed

N.A. OSB Production
(Seasonally Adjusted Annual Rate)

Billion Square Feet

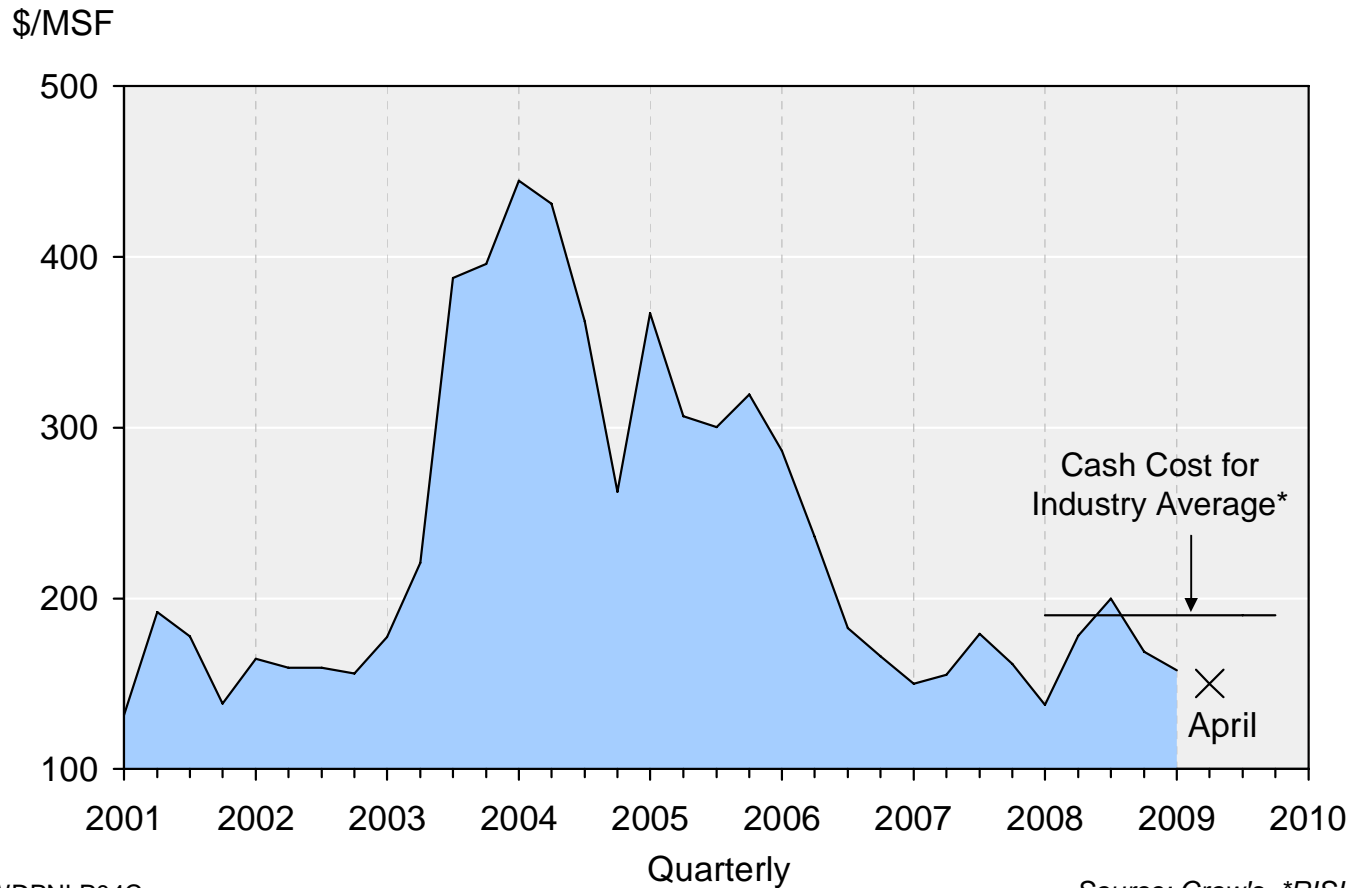


QWDNAPGD02D

Source: APA

Shift has kept prices below cash operating costs

N.C. Oriented Strand Board 7/16" Price



QWDPNLP04C

Source: Crow's, *RISI

Summary - Wood Products

- **Another challenging year given housing starts and excess capacity**
 - Prices need to reflect cash operating costs for average mills eventually
 - Log prices moved sharply lower in late 2008—will help U.S. sawmill cost position in 2009
- **Very challenging for OSB and engineered lumber in 2009-10 given low operating rates**



Wood Products

Tom Gideon

Executive Vice President – Forest Products

Aggressive actions this year

	Actions	Impact
Lumber	<ul style="list-style-type: none"> • Announced closure of 4 mills • Announced shift reductions at 5 mills 	<ul style="list-style-type: none"> • Total capacity reduction of 1.2 bbf
OSB	<ul style="list-style-type: none"> • All mills now operating at 5/2 	<ul style="list-style-type: none"> • Total capacity reduced by 2.7bsf • 550 msf since Jan
Veneer	<ul style="list-style-type: none"> • 5 mills closed 	<ul style="list-style-type: none"> • Capacity Reduction <ul style="list-style-type: none"> • 25% reduction in TJI's • 28% reduction in Microllam & • 35% reduction in Veneer
Timberstrand	<ul style="list-style-type: none"> • Permanently idled East Kentucky 	<ul style="list-style-type: none"> • Capacity reduced 39%
SGA	<ul style="list-style-type: none"> • Headcount reduced by 200+ 	<ul style="list-style-type: none"> • SG&A reduced by 13% to 15% compared to last year

Cash cost of production in 2008

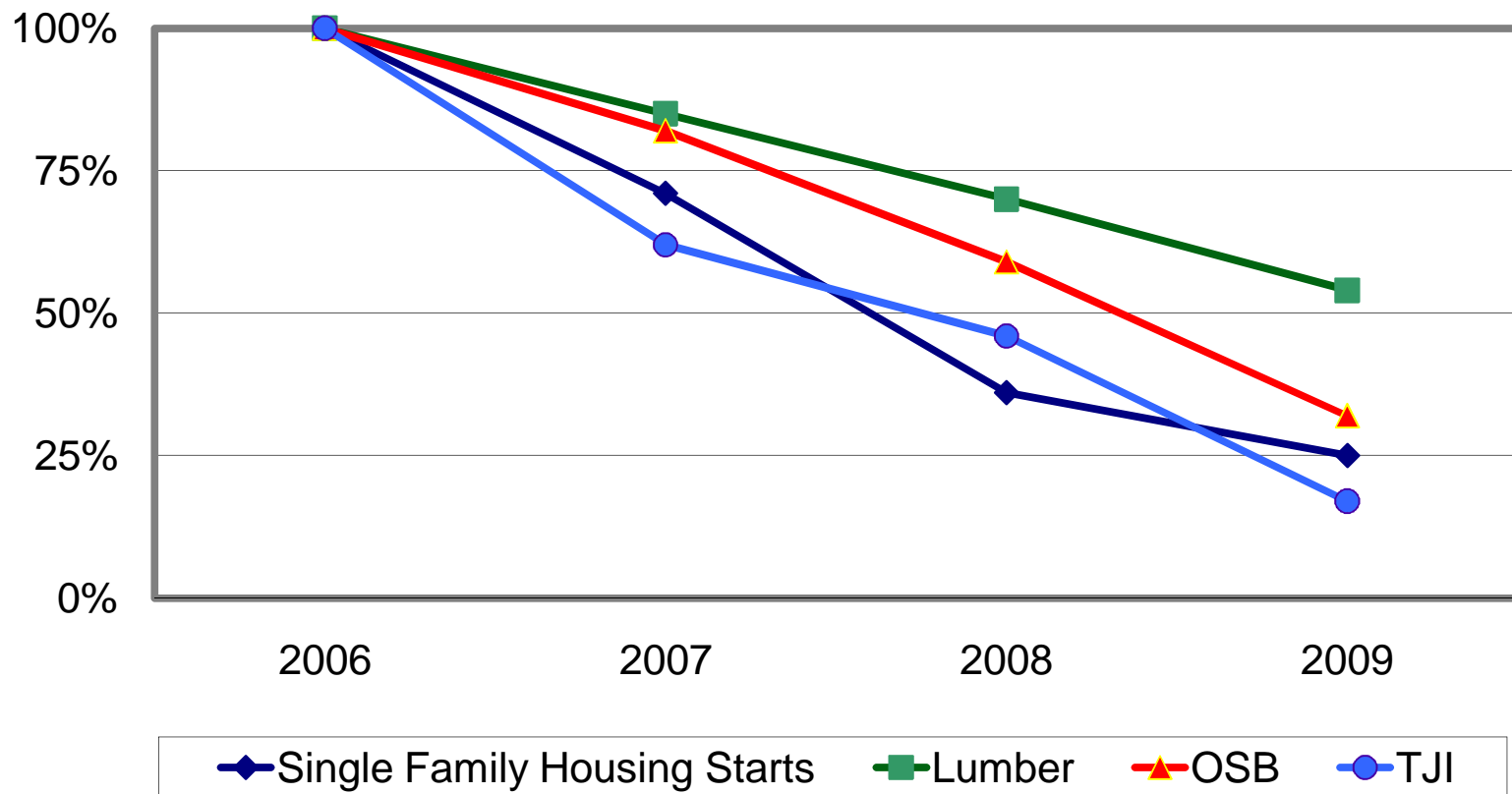
	Raw Materials*	Salaries / Labor	Energy	Resins & Additives	Other
Lumber	64%	19%	4%	0%	13%
OSB	31%	17%	8%	24%	21%
EWP - TJI	79%	10%	1%	4%	6%

* Raw materials are

- Logs for lumber and OSB
- LVL and OSB for TJI

Production response to lower housing starts

Volume as a percentage of 2006 levels



Addressing the short-term, positioning for the long-term

- Significant short-term challenges
- Adjusting the controllable variables
 - Relentlessly reducing costs
 - Ensuring the best balance between demand and supply
 - Maintaining pricing discipline across all product lines



Economic Overview – Timberlands

Lynn Michaelis

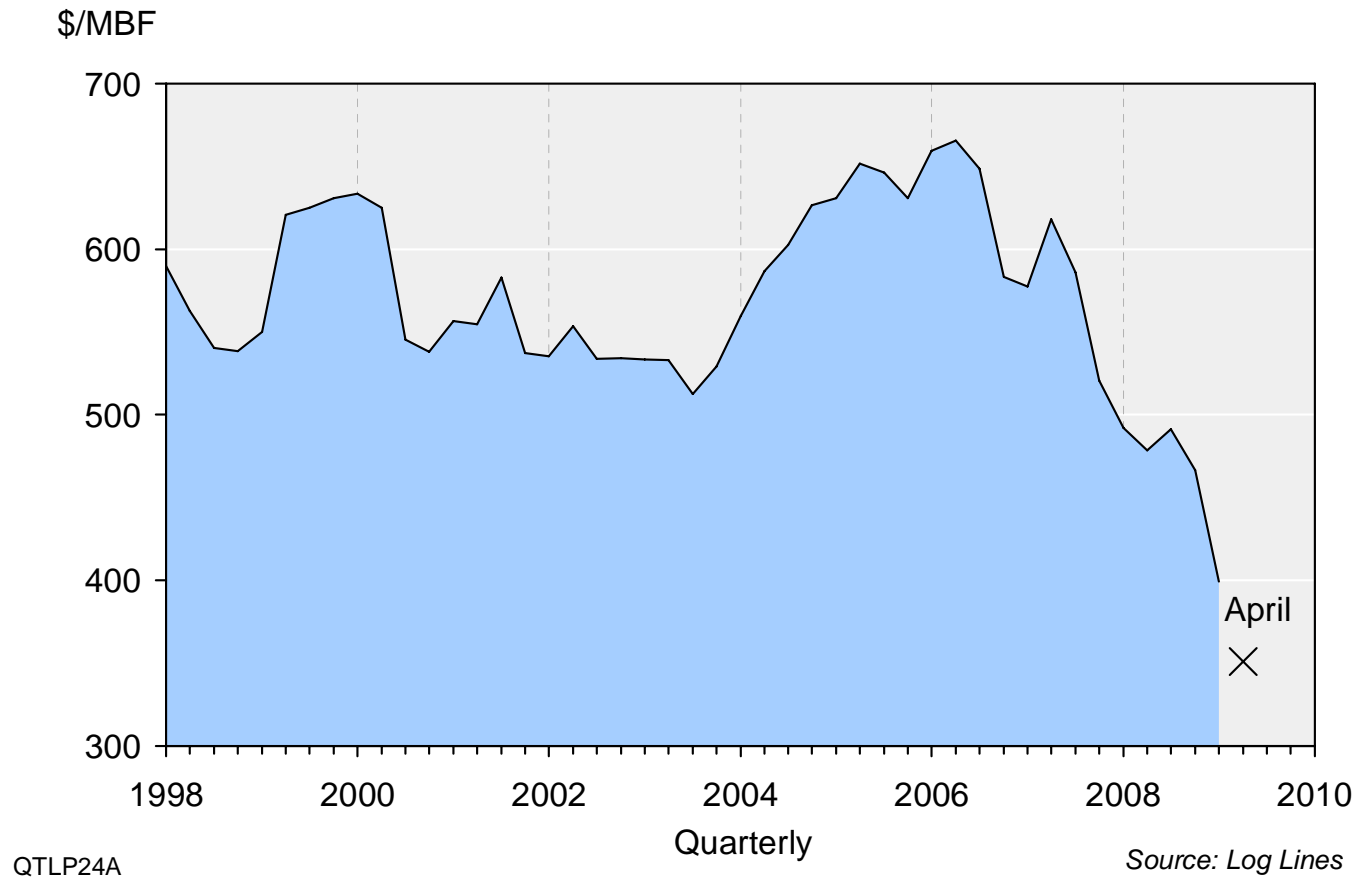
VP – Chief Economist

Key messages - Timberlands

- Log prices in the West fell over 25% during the last two months
- Log prices in the South are also adjusting, but not as severely
- Timberland prices remain stable reflecting favorable long-term outlook

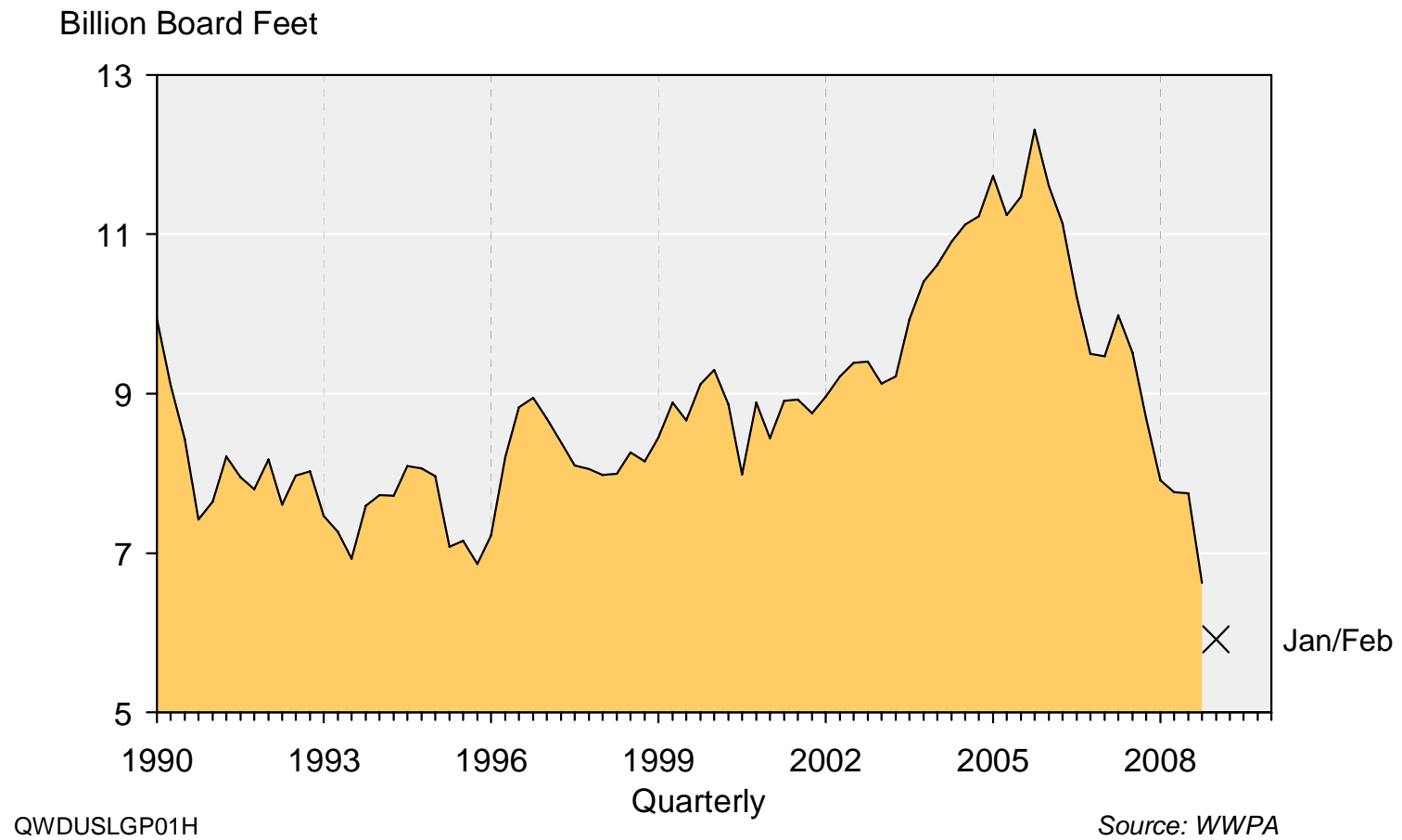
Log prices lag lumber prices

Douglas Fir Domestic #2
Log Price



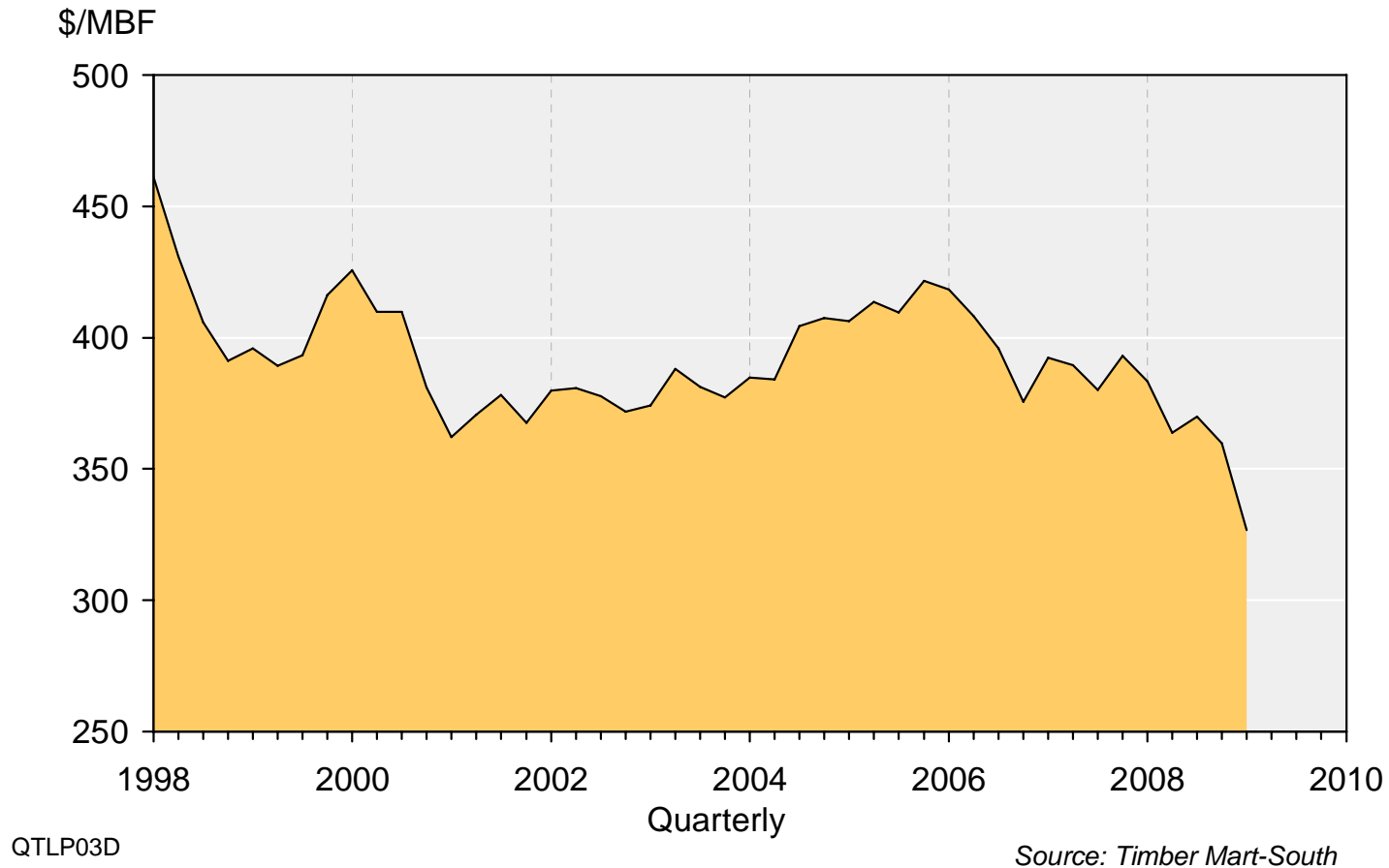
Western production now below early 1990's

West Coast Lumber Production (SAAR)



Southern log prices have held up better

All South Weighted Average
Delivered Softwood Log Price

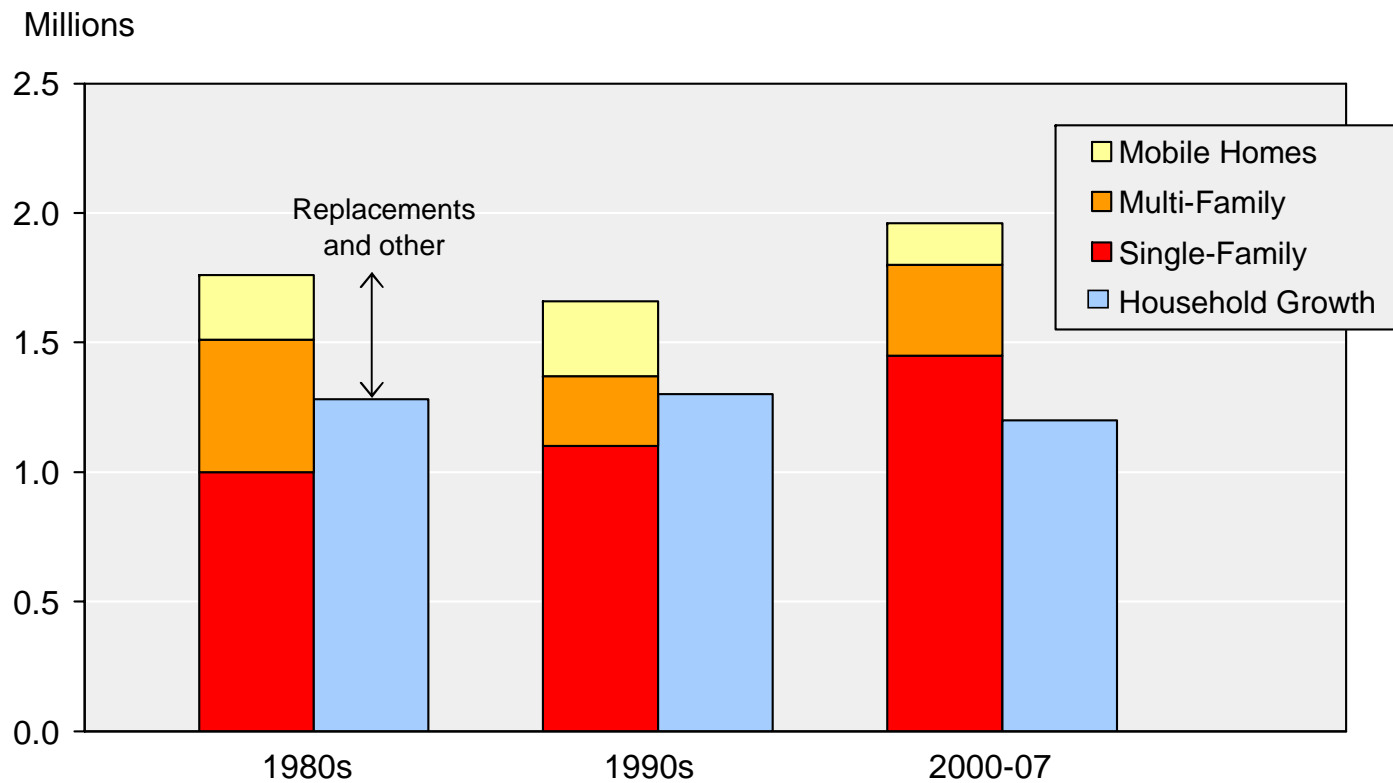


Timberland prices reflect long-term outlook

- Financial owners taking longer term view
- Long-term trend appreciation based on:
 - Historic returns and expected rebound in housing starts
 - Decline in Canadian harvest due to Mountain pine beetle
 - Additional revenue from non-traditional sources

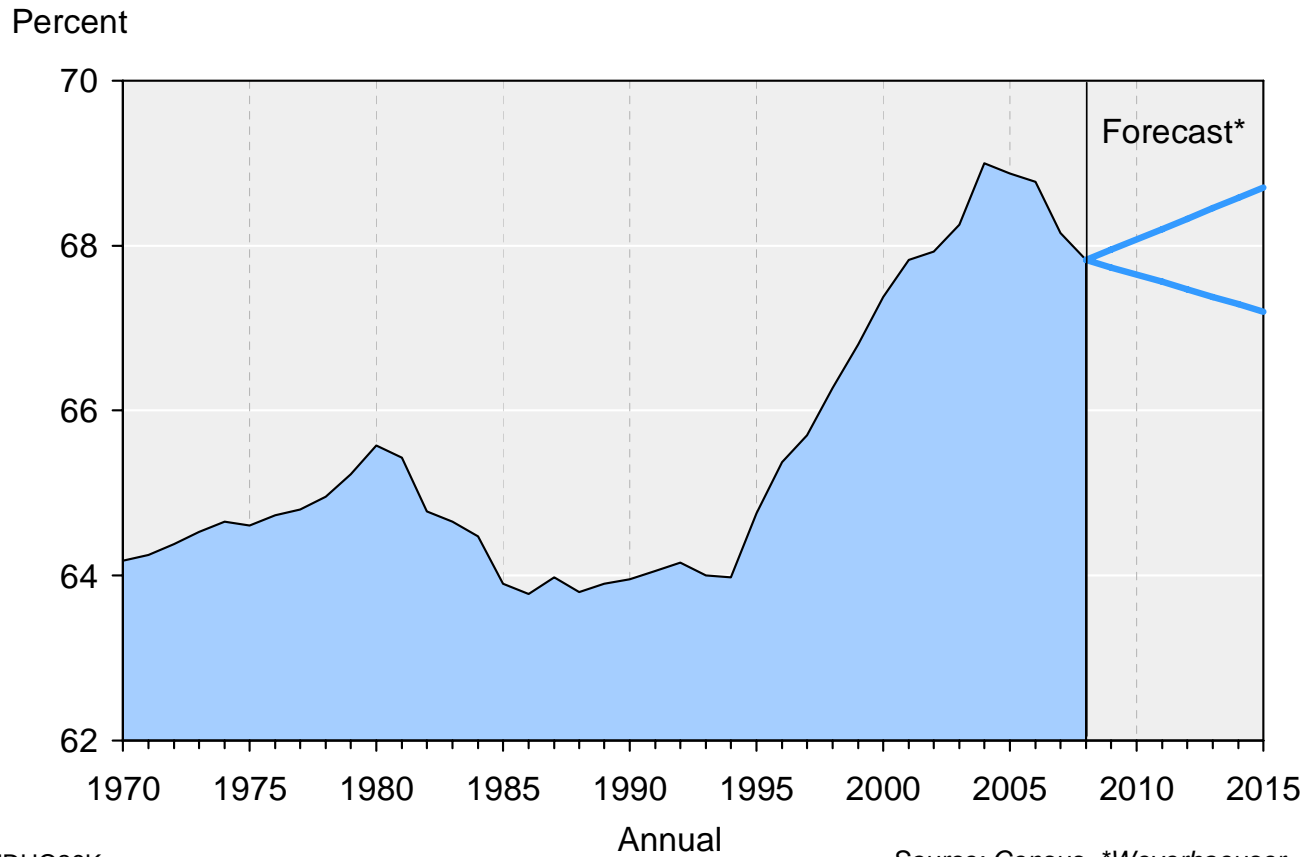
Housing demand driven by formation of households

Newly Built Units Added to Housing Stock
vs. Household Growth (millions/year)



Share of single family determined by ownership trend

U.S. Homeownership Rate

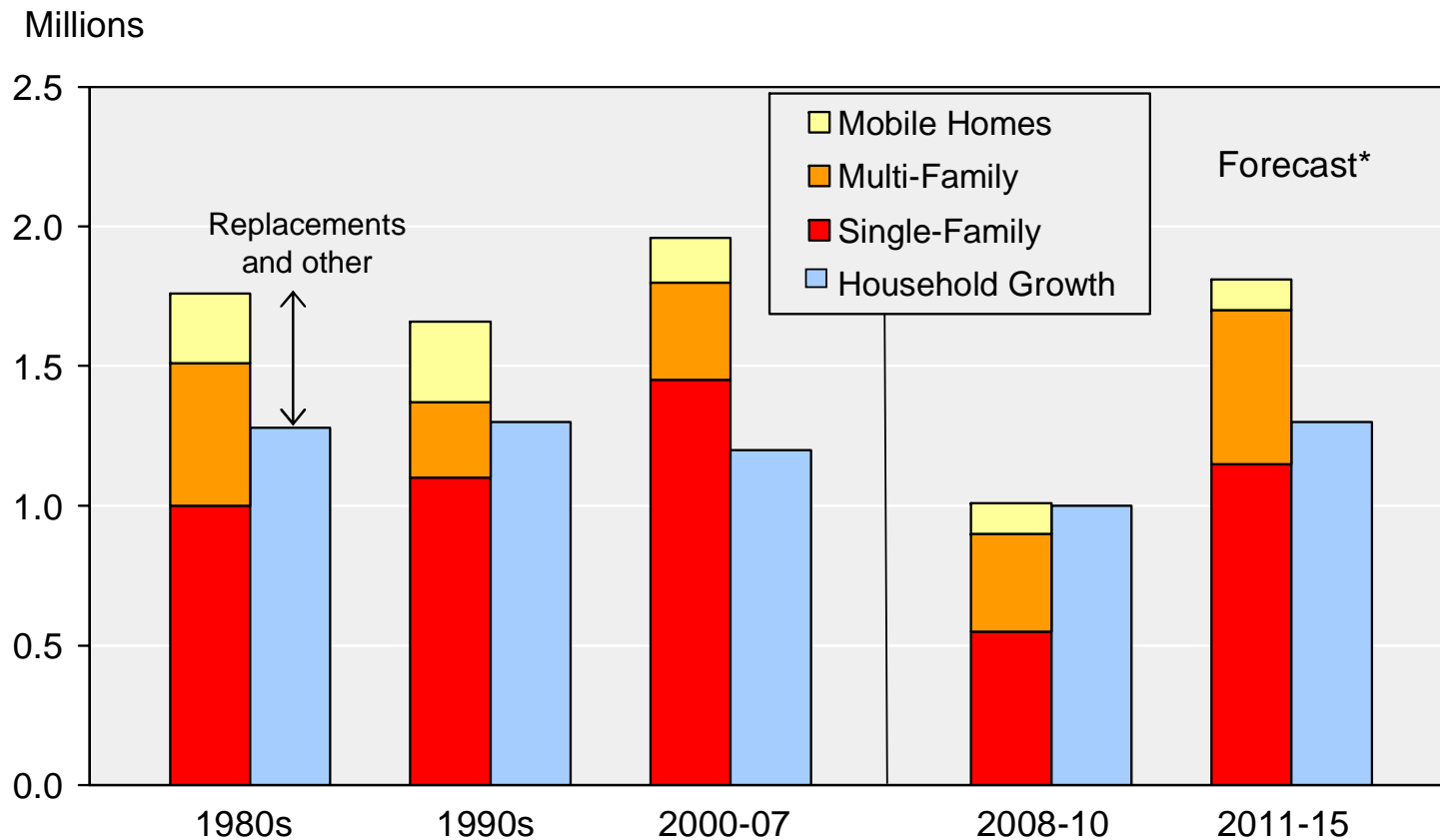


AMDHO29K

Source: Census, *Weyerhaeuser

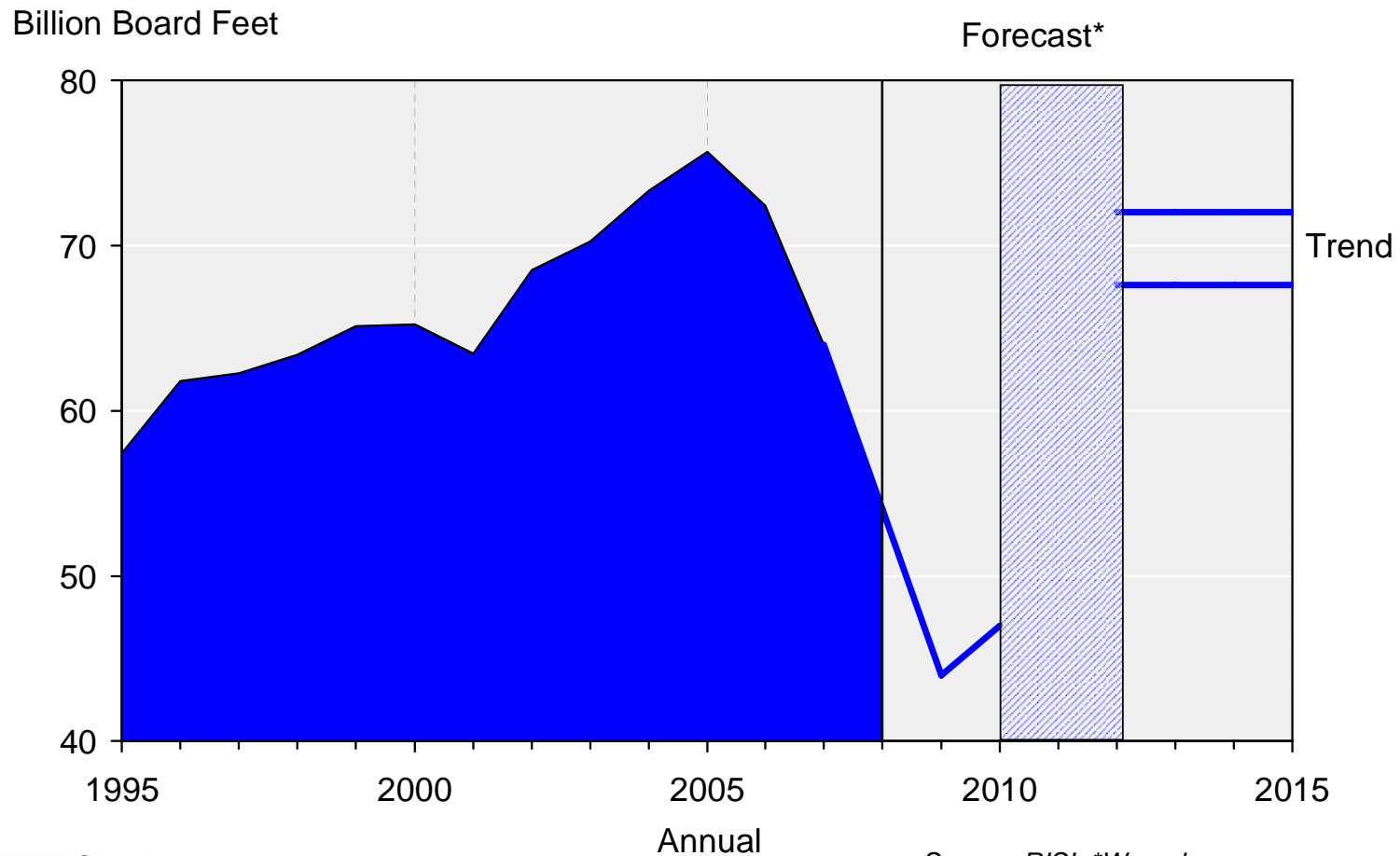
Expect favorable single-family housing starts even if ownership trends lower

Newly Built Units Added to Housing Stock vs. Household Growth (millions/year)



Given trend demand range for housing — lumber approaches 2005 peak

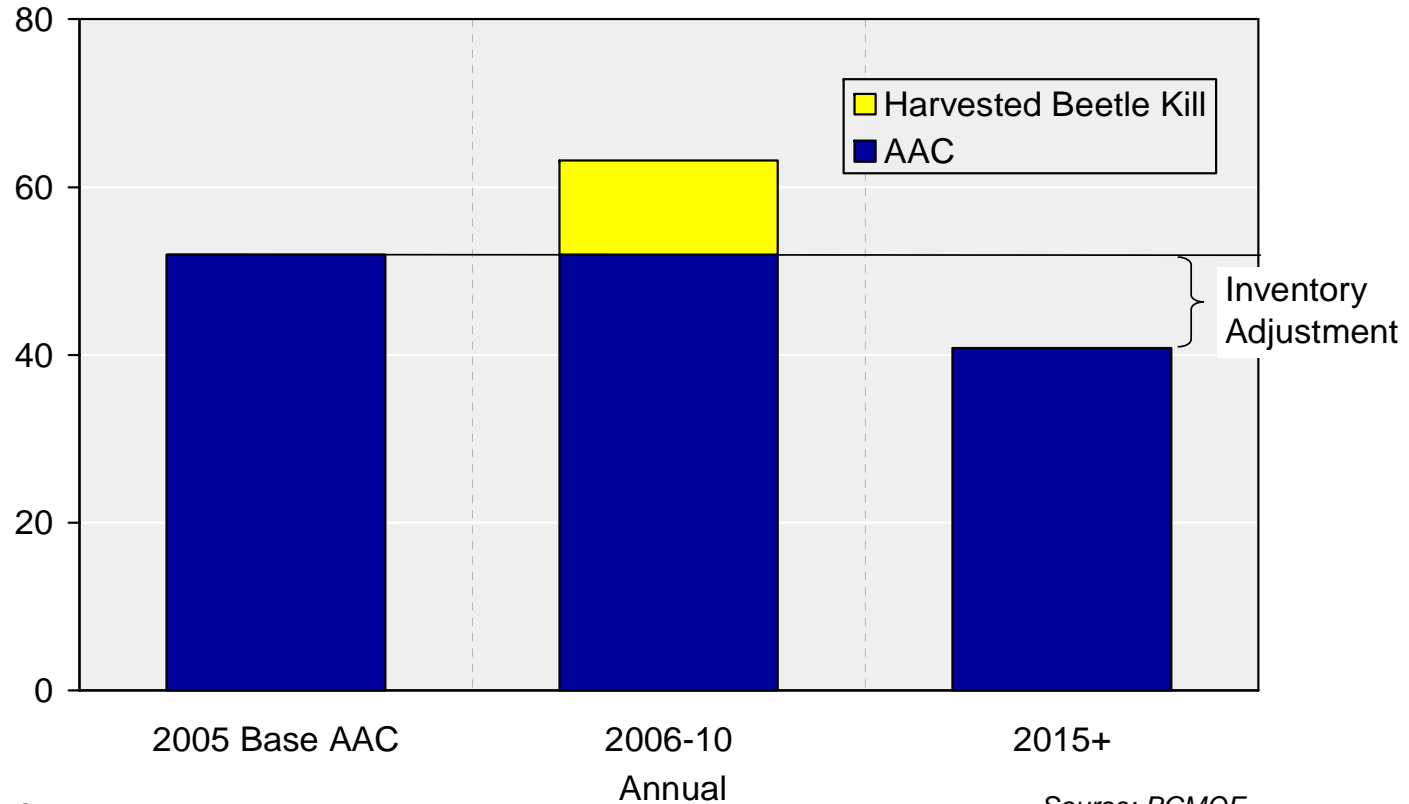
Demand on North American Lumber Mills



Reason lumber capacity expected to decline by 2015

Estimated Impacts of Mountain Pine Beetle Infestation on Timber Harvests in B.C. Interior

Million Cubic Meters
Log Volume per Year



ATLG07C

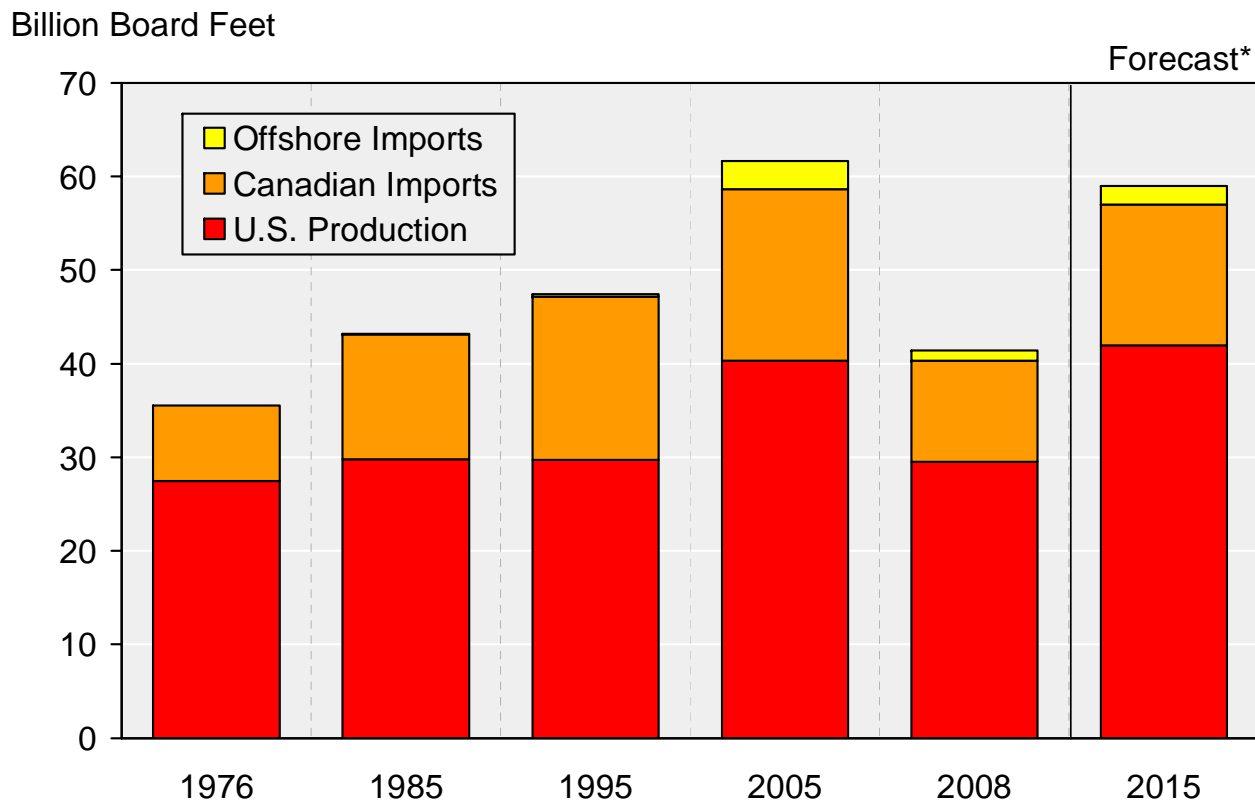
Source: BCMOF

Trend value for U.S. timber driven by Canadian costs

- U.S. needs Canadian supply to meet lumber demand
- Marginal supply has price setting role
- U.S. producers bid improving lumber prices back to log prices

U.S. needs Canadian lumber through the cycle

U.S. Lumber Consumption



AWDUSLGD30H

Source: WWPA, AF&PA *Weyerhaeuser

Trend price logic: step one

Production Costs for Average B.C. Interior Mills

	2008	2011-15*
In Canadian \$/MBF		
Net Wood Cost	121	189
Manufacturing	99	110
Margin	27	34
Total Long-Term Cost	190	335
Duties	29	34
SPF 2x4 in C\$/MBF	219	369
Exchange Rate (C\$/US\$)	1.02	1.25
SPF 2x4 (US\$/MBF)	215	295

**Extrapolation not a forecast*

Source: RISI

Trend price logic: step two

Trend Price for West Coast Lumber and Logs

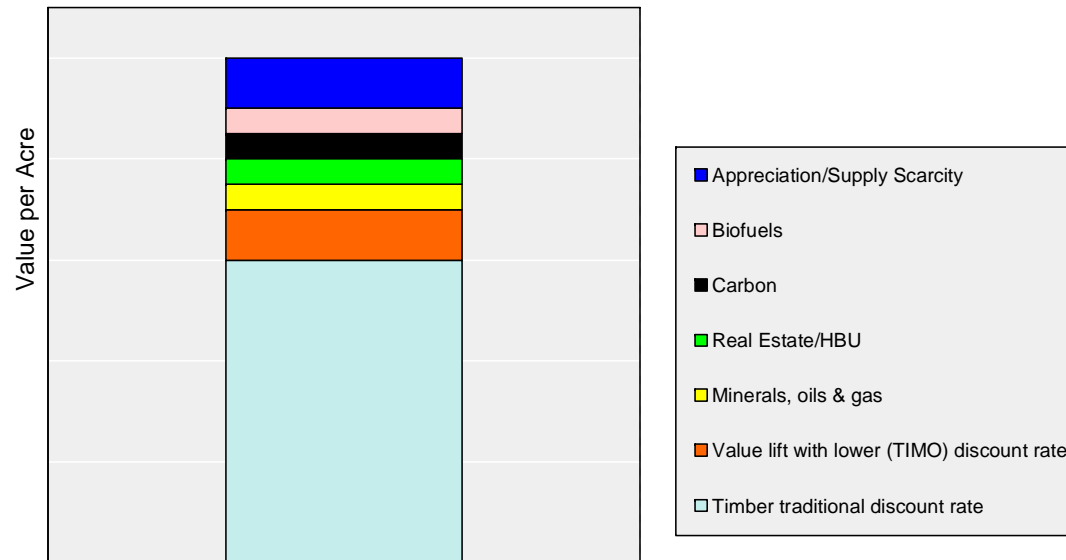
	2011-15*
SPF 2X4 (MBF)	\$295-\$310
Plus historic spread	25
Implied DF 2X4 (MBF)	\$320-\$335
Less mfg	95
Plus residuals	45
Less margin	24
Equals Wood Cost	\$246-\$261
Implied log price (MBF Scribner)	\$590-\$625

**RISI mfg costs, Random Lengths*

More to timberland valuation story

- Finite resource capable of providing multiple values such as land appreciation, timber production and appreciation, and non-timber income
 - Potential government actions could boost those values
- Timberland are part of the asset mix of many diversified portfolios

Timberland Asset Value Components



Summary - Timberlands

- Log prices fell into line with lumber prices
- Timberland prices have been relatively stable



Timberlands

Tom Gideon

Executive Vice President – Forest Products

Global footprint

	Thousands of Acres			
	Fee Ownership	Long-term Lease	Total Fee and Lease	License Arrangements
U.S. West	2,220		2,220	
U.S. South	3,433	696	4,129	
Canada				15,178
Uruguay	321	26	347	
China				52
Total	5,974	722	6,696	15,230

Tree species

- **Loblolly pine in the South**

- Fast early growth, resulting in younger harvest ages (compared to Douglas fir)
- Responsive to management to influence growth and reduce risk of insect loss

- **Douglas fir in the West**

- Manageable to increase yields
- Taller / older at normal harvest ages compared to pine
- Products generally command higher market values
 - Current market conditions are unprecedented

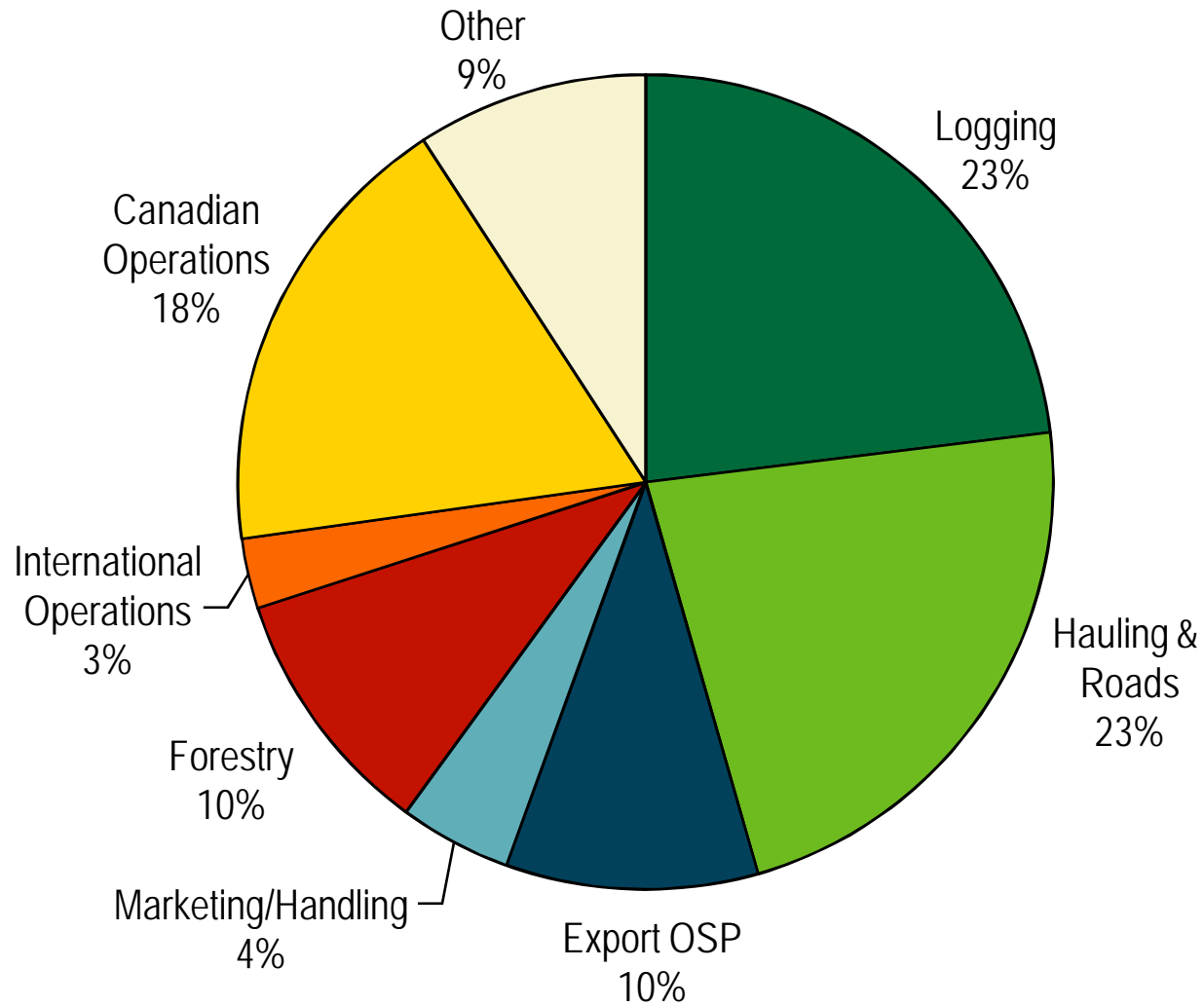
Loblolly Pine



Douglas Fir



Cash costs of production for 2008

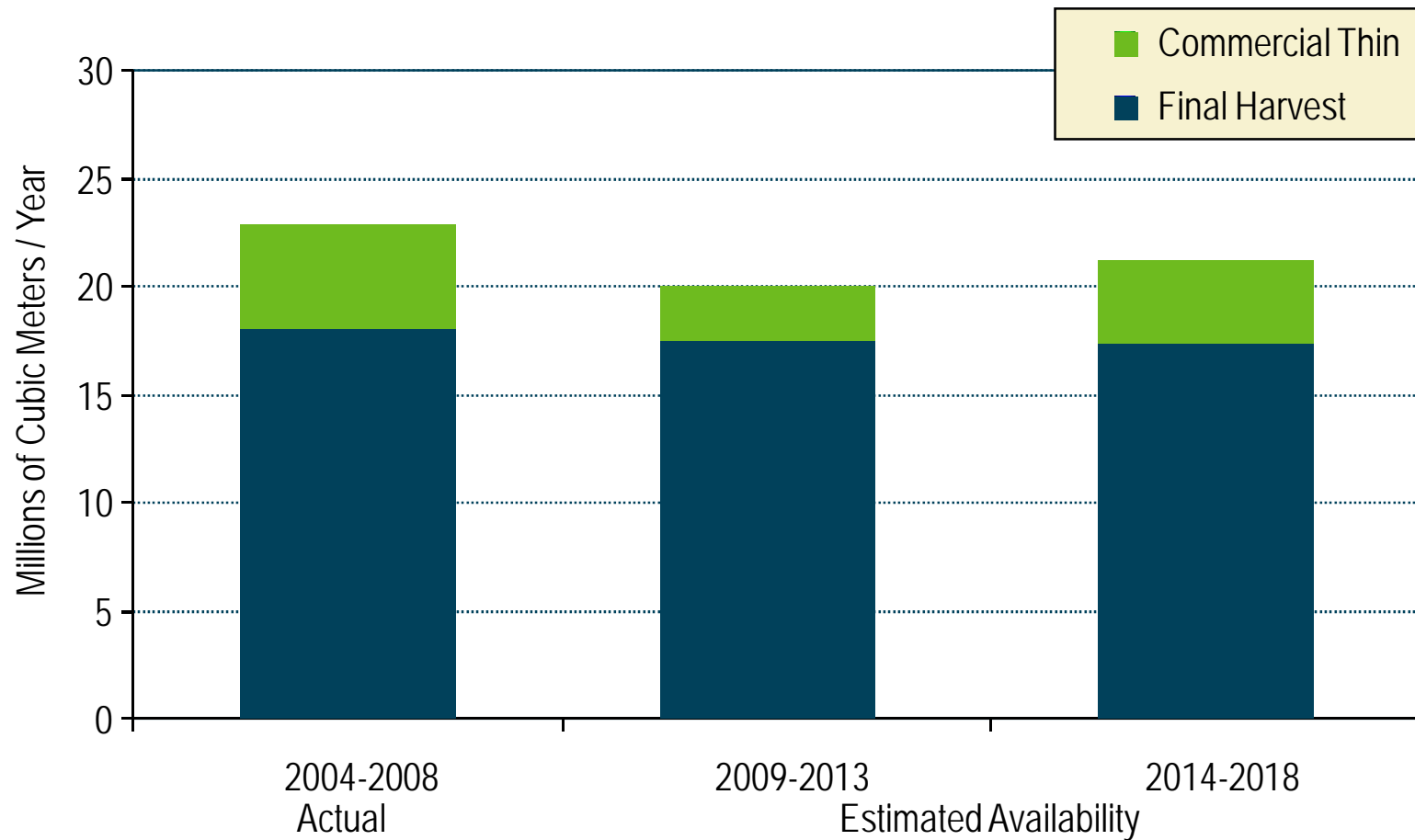


Cash costs of production in 2008

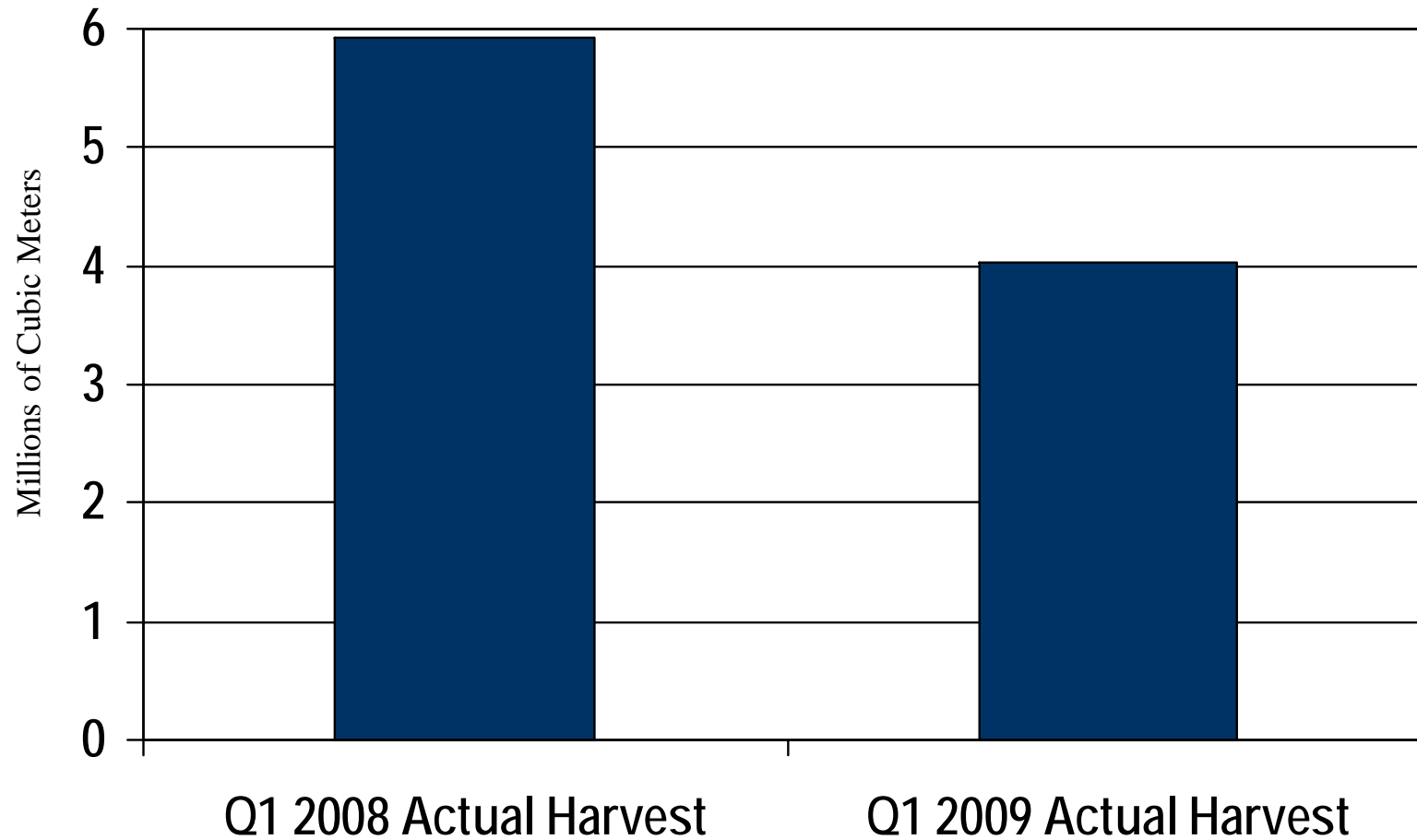
	Logging	Hauling & Roads	Marketing & Handling	Forestry	Export OSP	Other
U.S. West	30%	28%	8%	5%	19%	10%
U.S. South	32%	33%	3%	20%	0%	12%

Sustainable harvest availability

U.S. Timberlands Harvest



Deferring harvest in 2009



Minerals

- **Weyerhaeuser routinely reserves mineral rights when selling timberlands acreage – in the U.S. as of year end 2008 our managed assets included**
 - 6.4 million surface acres
 - 6.8 million net minerals acres
- **A leader in developing mineral, oil and gas revenue**
 - Royalty payments on oil and gas production
 - Bonus income from oil and gas leasing and exploration activity
 - Royalty payments on hard minerals (rock, sand and gravel)
 - Geothermal lease and option revenues

Addressing the short-term, positioning for the long-term

- Flexing harvest volumes to meet market needs
- Capturing export market value
- Continuing cost reductions
 - Consolidating export facilities and operating areas
 - Optimizing silviculture investments on a site by site basis
- Continuing to develop all potential value streams
 - Minerals
 - Biomass / energy
 - Conservation easements
 - Carbon credits



Financial Overview

Patty Bedient

Executive Vice President – Chief Financial Officer

Liquidity and debt maturities

- Over \$1.7 billion cash and short-term investments at March 31, 2009
- Near-term debt maturities (including WRECO)
 - 2009 \$458 million
 - 2010 43 million
 - 2011 30 million
- \$2.2 billion in unused committed bank facilities
- BBB- (stable) / Ba1 (stable)

Reducing cash expenditures

- **Variable cost reductions**
 - \$375 million SG&A target reached
 - Froze salaries
 - Eliminated 401-K match
 - More actions to come
- **Capital expenditures less than \$200 million**
- **Quarterly dividend \$0.25/share**

REIT update

- **Actions taken to increase flexibility to consider REIT conversion**
 - Calendar year adopted
 - Legal reorganization
 - Wholly owned subsidiary of Weyerhaeuser Company holds manufacturing and real estate assets

Conversion unlikely in 2009

- Limitations on NOL carryback
- Low level of timber income reduces 2009 benefit
- Earnings and profit distribution

Other considerations

- **REIT technical tests**
 - TRS market value less than 25% of gross REIT assets
 - Dividends from TRS limited to 25% of REIT qualifying income
 - Other income limited to 5%
- **Monitoring potential tax policy changes**



Closing Remarks

Dan Fulton

President and Chief Executive Officer



Questions