

WEYERHAEUSER

Earnings Release – 4th Quarter 2012



01.25.13



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 news release.

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.

This release contains forward-looking statements regarding the company's expectations during the first quarter of 2013, including improved selling prices for Western domestic and export logs, seasonally lower Southern fee harvest volumes and slightly lower log price realizations, lower earnings from disposition of non-strategic timberlands, and comparable earnings from the Timberlands segment excluding disposition of non-strategic timberlands; seasonally higher sales volumes across all product lines, improved selling prices for lumber and oriented strand board, flat price realizations for engineered wood products due to mix, higher raw material costs, improved operating rates, and significantly higher earnings from the Wood Products segment; slightly lower pulp sales volume, slightly higher average price realizations for pulp and liquid packaging, increased maintenance expense, and lower earnings from the Cellulose Fibers segment; seasonally fewer home closing, comparable average margins, lower selling-related expenses, and a slight profit from single-family homebuilding in the Real Estate segment. 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 employment rates, housing starts, interest rate levels, availability of financing for home mortgages, and strength of the U.S. dollar;
- market demand for the company's products, which is related to the strength of the various U.S. business segments and U.S. and international economic conditions;
- performance of the company's manufacturing operations, including maintenance requirements;
- the level of competition from domestic and foreign producers;
- raw material and energy prices and transportation costs;
- the effect of weather and the risk of loss from fires, floods, windstorms, hurricanes, pest infestation and other natural disasters;
- the successful execution of internal performance plans, including restructurings and cost reduction initiatives;
- federal tax policies;
- the effect of forestry, land use, environmental and other governmental regulations;
- legal proceedings;
- performance of pension fund investments and related derivatives;
- The effect of timing of retirements and changes in the market price of company stock on charges for stock-based compensation;
- changes in accounting principles; and
- other factors described under "Risk Factors" in the Company's annual report on Form 10-K and quarterly reports on Form 10-Q.

The company also is a large exporter and is affected by changes in economic activity in Europe and Asia, particularly Japan and China. It is affected by changes in currency exchange rates, particularly the relative value of the U.S. dollar to the euro and the Canadian dollar and the relative value of the euro to the yen. Restrictions on international trade or tariffs imposed on imports also may affect the company.



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 included in this presentation which is available on the company's website at www.weyerhaeuser.com**



2012 Q4 CONSOLIDATED RESULTS

Chart 1

\$ Millions EXCEPT EPS	2012 Q3	2012 Q4
Revenue	\$1,772	\$2,000
Adjusted EBITDA ¹	\$327	\$391
Net Income	\$117	\$143
Diluted EPS	\$0.22	\$0.26

\$ Millions EXCEPT EPS	2012	2012	
Contribution to Pre-Tax Earnings	Q3	Q4	Change
Timberlands	\$80	\$95	\$15
Wood Products	59	38	(21)
Cellulose Fibers	78	61	(17)
Real Estate	17	81	64
Unallocated Items	(17)	(4)	13
Total Contribution to Pre-Tax Earnings	\$217	\$271	\$54
Interest Expense, Net ²	(87)	(88)	
Income Taxes ³	(13)	(40)	
Net Income	\$117	\$143	
Diluted EPS	\$0.22	\$0.26	

1. A reconciliation to GAAP is set forth on Chart 16 and at www.weyerhaeuser.com.

2. Interest expense is net of capitalized interest.

3. Income taxes include net benefits of \$5 million from income tax adjustments in 2012 Q4 and \$7 million from income tax settlements in 2012 Q3.



TIMBERLANDS SEGMENT

Chart 2

TIMBERLANDS (\$ Millions)	2012 Q3	2012 Q4
Third Party Revenues ¹ .	\$262	\$291
Intersegment Revenues ¹ .	\$103	\$117
Contribution to Pre-Tax Earnings	\$80	\$95
Adjusted EBITDA ² .	\$114	\$131
Operating Margin ³ .	22%	23%

1. 2012 Q4 excludes \$7 million of third party revenue and \$68 million of intersegment revenue from Canadian Forestland operations, compared with \$5 million of third party revenue and \$59 million of intersegment revenue in 2012 Q3.
2. A reconciliation to GAAP is set forth on Chart 16, and at www.weyerhaeuser.com.
3. Contribution to Pre-Tax Earnings divided by Total Revenues excluding Canadian Forestlands operations. Timberlands makes no margin on Canadian Forestlands operations, which are operated as a cost center for the purpose of supplying Weyerhaeuser's Canadian manufacturing facilities.

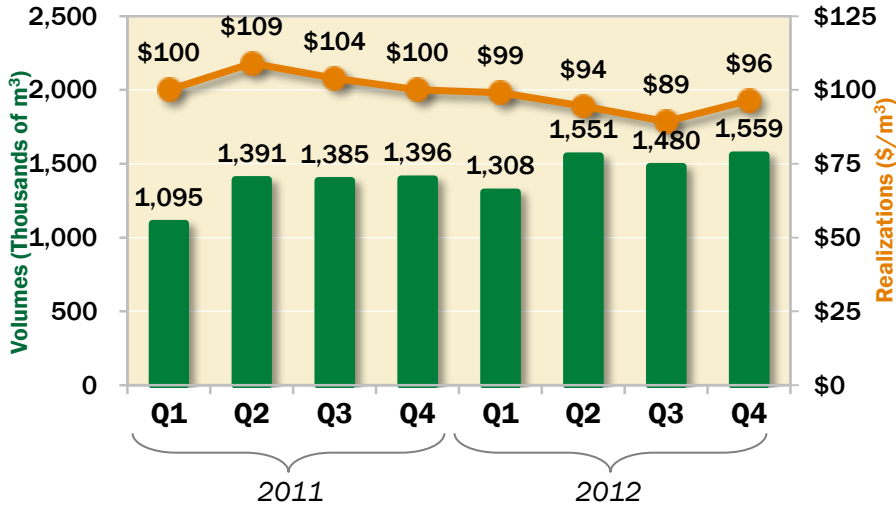
4th Quarter Notes

- Improved selling prices and stronger market demand for export and domestic logs
- Higher fee harvest volumes
- Lower earnings from disposition of non-strategic timberlands

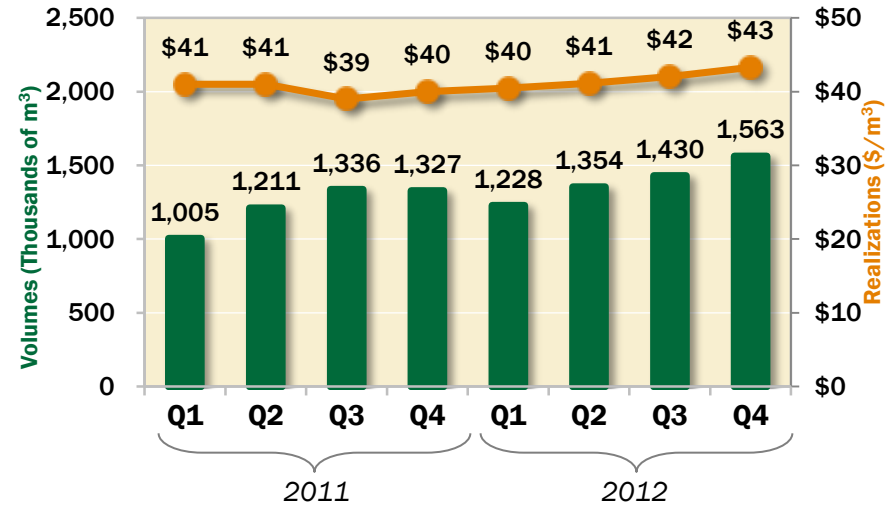


WESTERN/SOUTHERN TIMBERLANDS

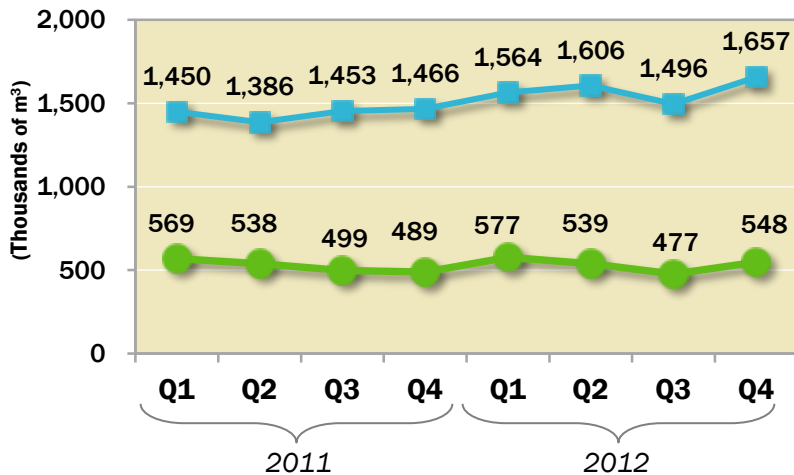
3rd-Party Log Sales and Realizations - West



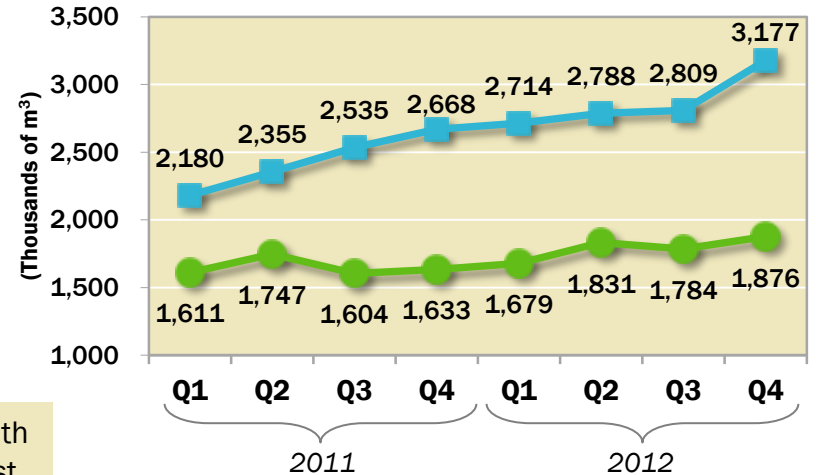
3rd-Party Log Sales and Realizations - South



Intersegment Log Sales Volume



Fee Harvest Volume



■ South
● West

WOOD PRODUCTS SEGMENT

Chart 4

WOOD PRODUCTS (\$ Millions)	2012 Q3	2012 Q4
Third Party Revenues	\$816	\$832
Intersegment Revenues	\$18	\$16
Contribution to Pre-Tax Earnings	\$59	\$38
Adjusted EBITDA ¹	\$92	\$71
Operating Margin ²	7%	4%

1. A reconciliation to GAAP is set forth on Chart 16, and at www.weyerhaeuser.com.

2. Contribution to Pre-Tax Earnings divided by Total Revenues.

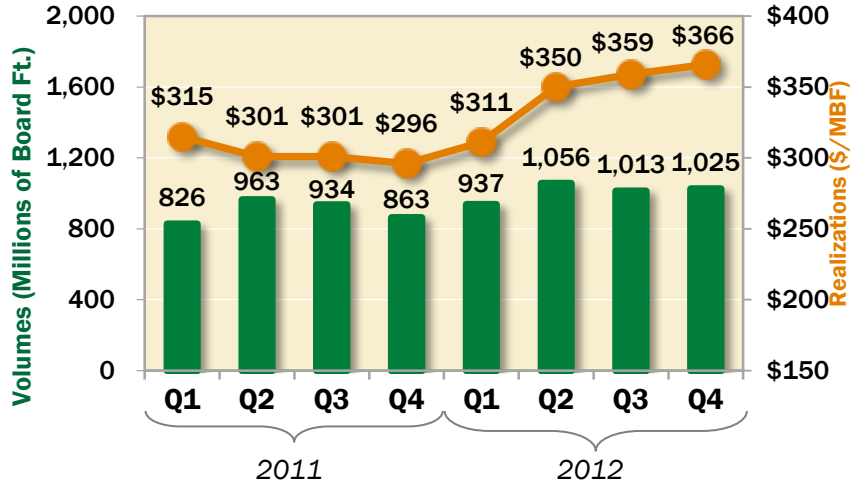
4th Quarter Notes

- Stronger than expected market conditions for OSB and lumber and higher average selling prices and sales volumes
- Higher raw material costs across all product lines
- Lower operating rates for engineered wood products due to maintenance and seasonally weaker market conditions

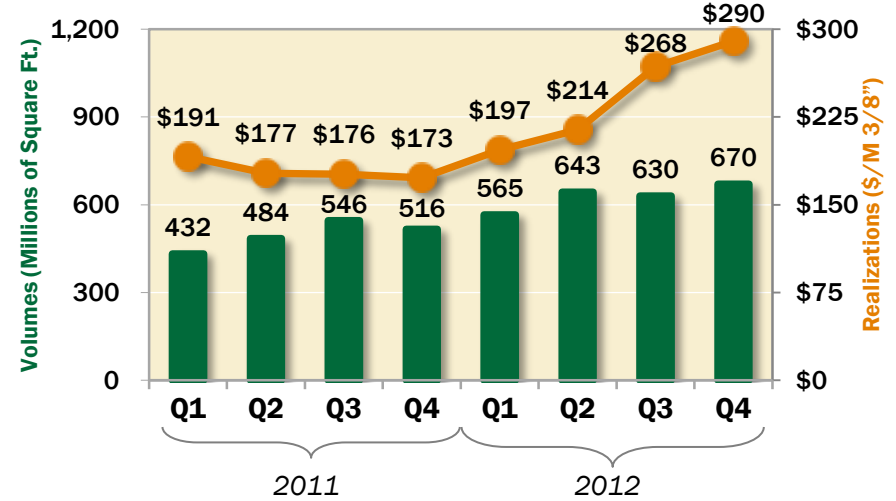


3RD-PARTY SALES VOLUMES AND REALIZATIONS

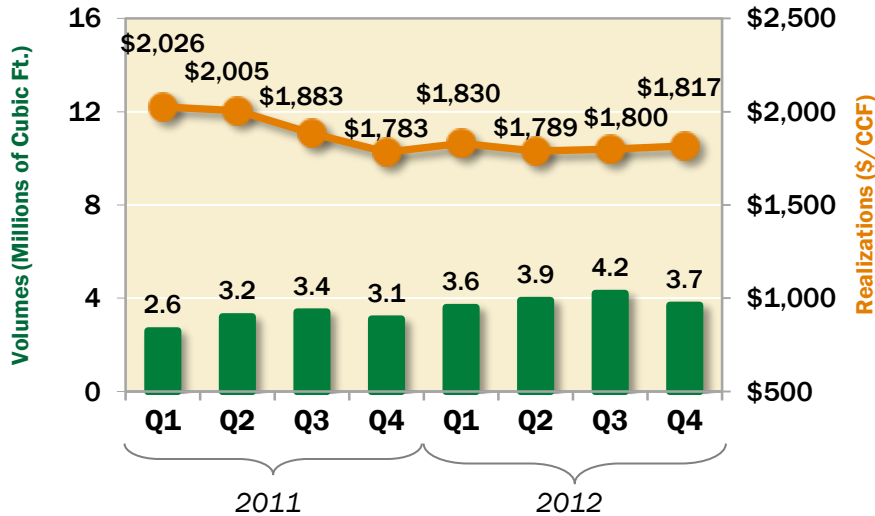
Lumber



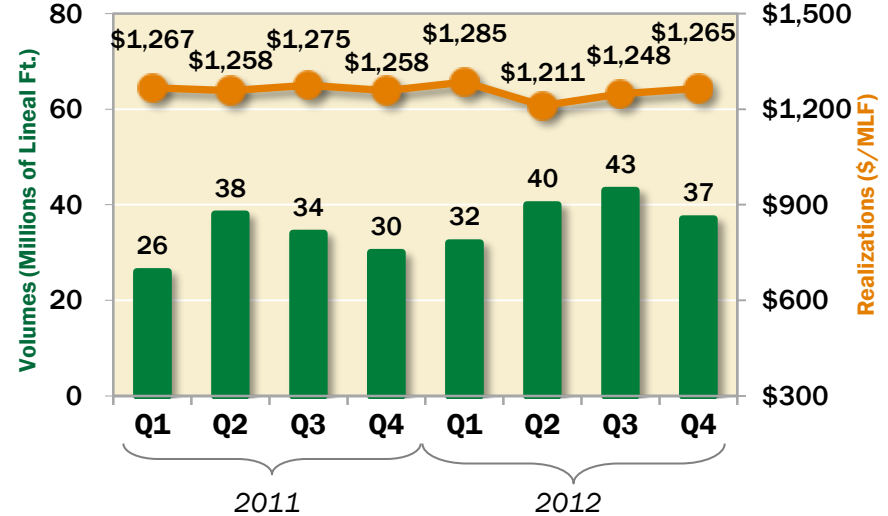
OSB



Engineered Wood – Solid Section



Engineered Wood – TJI's



CELLULOSE FIBERS SEGMENT

Chart 6

CELLULOSE FIBERS (\$ Millions)	2012 Q3	2012 Q4
Total Revenues	\$459	\$463
Contribution to Pre-Tax Earnings	\$78	\$61
Adjusted EBITDA ¹ .	\$112	\$99
Operating Margin ² .	17%	13%
Days of Scheduled Annual Maintenance	13	6

1. A reconciliation to GAAP is set forth on Chart 16, and at www.weyerhaeuser.com.

2. Contribution to Pre-Tax Earnings divided by Total Revenues.

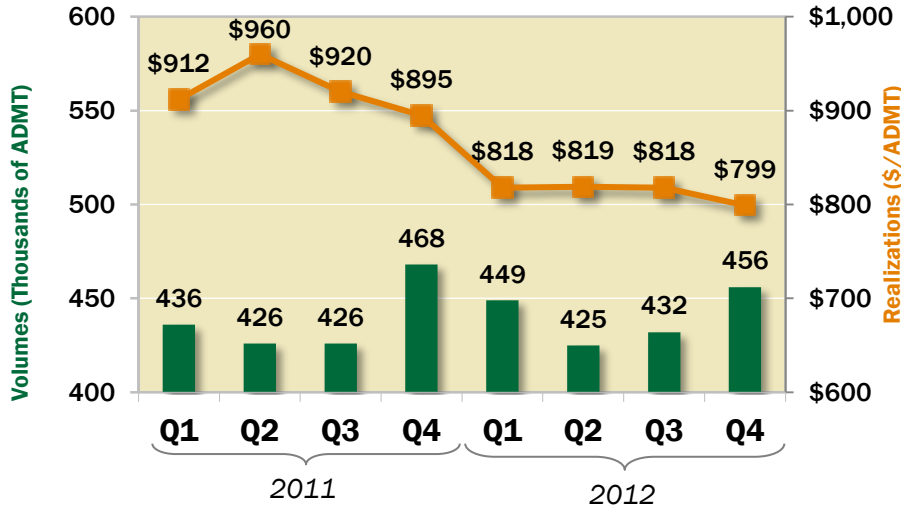
4th Quarter Notes

- Lower average sales realizations for pulp
- Sales realizations and volumes for liquid packaging board decreased due to operational issues – now resolved
- Higher chemical and energy costs
- Lower maintenance costs and improved pulp mill productivity due to fewer days of scheduled annual maintenance

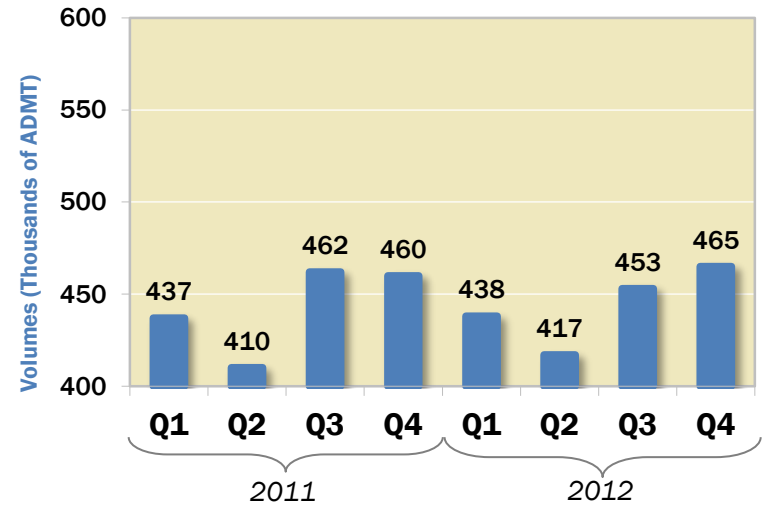


CELLULOSE FIBERS SEGMENT

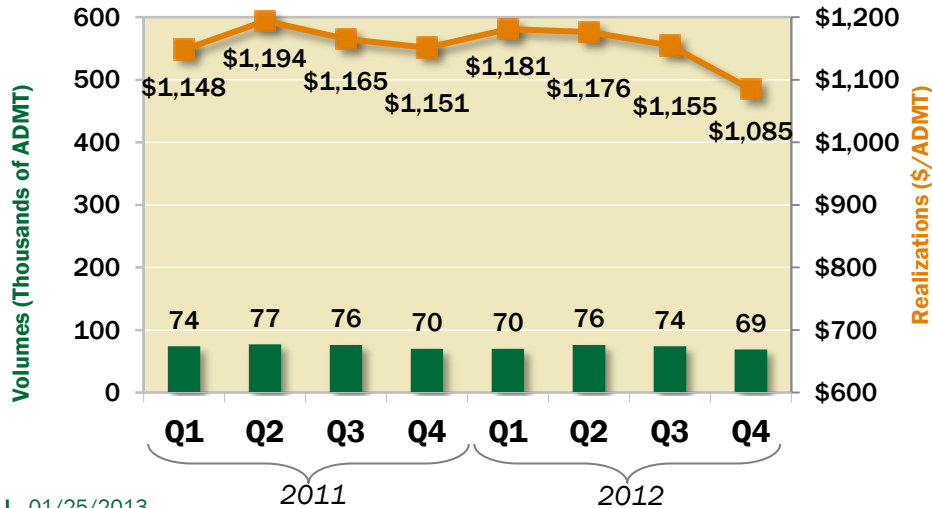
3rd-Party Sales Volumes and Realizations - Pulp



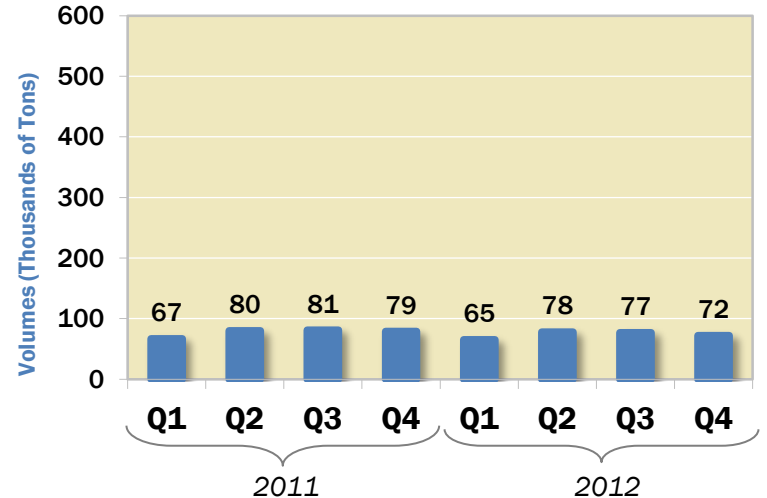
Production Volumes - Pulp



3rd-Party Sales Volumes and Realizations - Liquid Packaging



Production Volumes - Liquid Packaging



REAL ESTATE (\$ Millions)	2012 Q3	2012 Q4
Total Revenues	\$230	\$407
Contribution to Pre-Tax Earnings	\$17	\$81
Adjusted EBITDA ¹	\$24	\$91
Operating Margin ²	7%	20%

1. A reconciliation to GAAP is set forth on Chart 16, and at www.weyerhaeuser.com.

2. Contribution to Pre-Tax Earnings divided by Total Revenues.

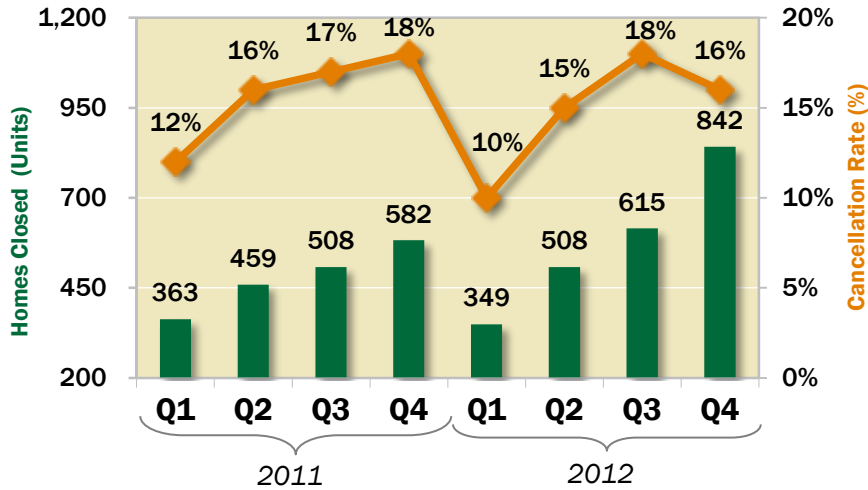
4th Quarter Notes

- 4th quarter includes earnings of \$65 million from sale of land and lots
- Seasonal increase in home closings
- Lower average margins on homes closed due to mix
- 4th quarter includes earnings of \$16 million from single-family homebuilding, compared with \$17 million in the 3rd quarter

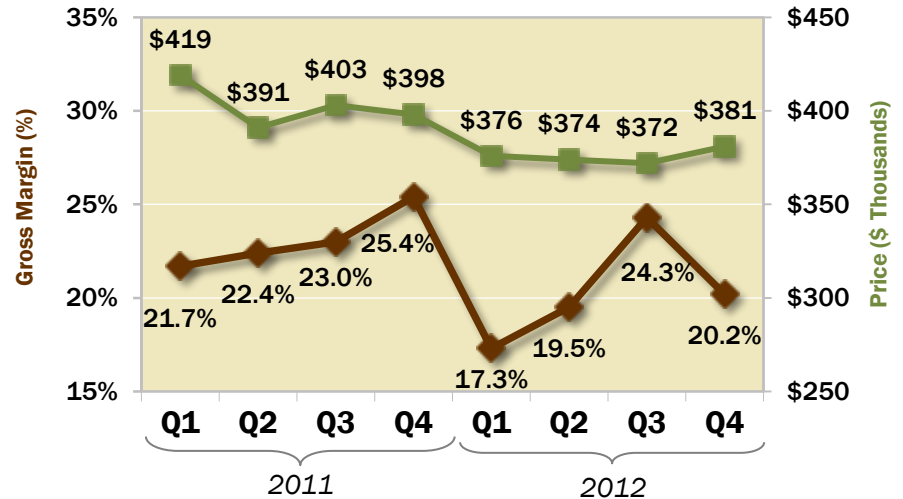


SINGLE FAMILY HOMEBUILDING

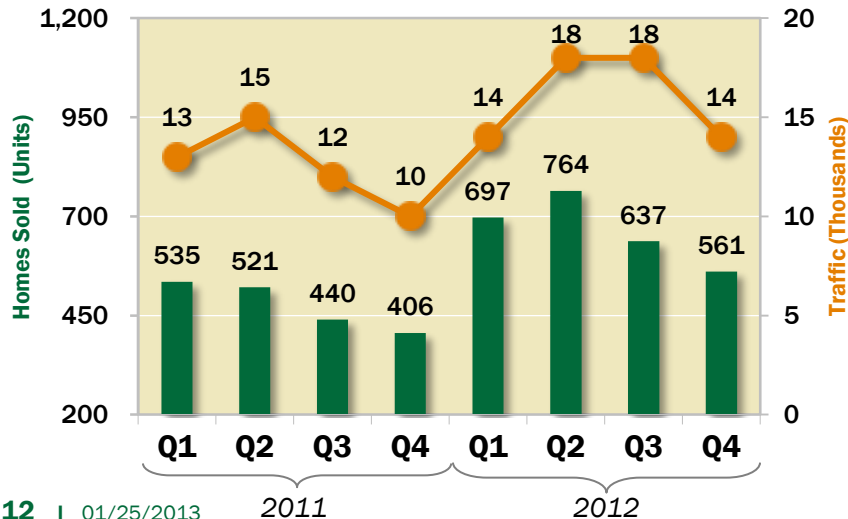
Home Closings and Cancellation Rate



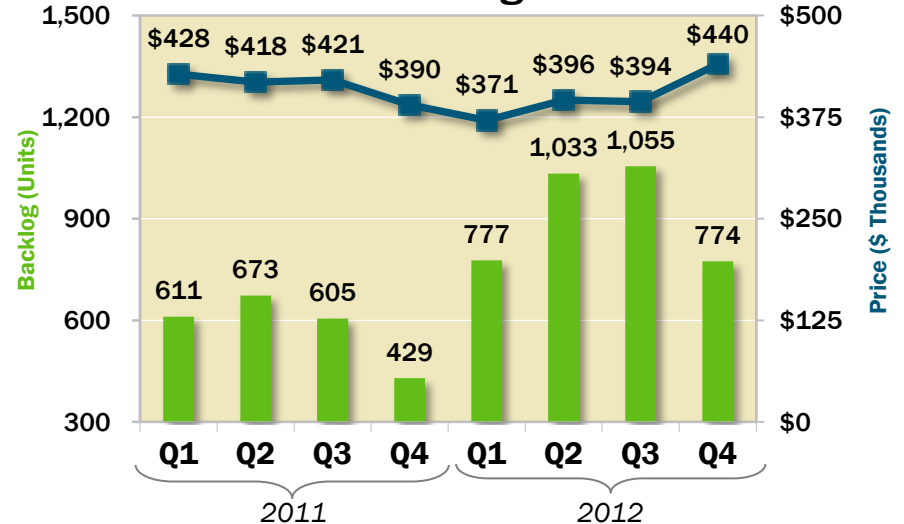
Average Closing Price and Gross Margin Excluding Impairments



Homes Sold and Buyer Traffic



Backlog and Average Sale Price of Homes in Backlog



UNALLOCATED ITEMS¹.

Chart 10

UNALLOCATED ITEMS (\$ Millions)	2012 Q3	2012 Q4
Unallocated Corporate Function Expenses	(\$5)	(\$8)
Unallocated Share-Based Compensation	(7)	(3)
Unallocated Pension & Postretirement Costs	(7)	(8)
Foreign Exchange Gains (Losses)	11	(2)
Elimination of Intersegment Profit in Inventory and LIFO	(10)	8
Other	1	9
Charge to Pre-Tax Earnings	(\$17)	(\$4)
Adjusted EBITDA ² .	(\$15)	(\$1)

1. Unallocated items are gains or charges not related to or allocated to an individual operating segment. They include a portion of items such as: share-based compensation; pension and postretirement costs; foreign exchange transaction gains and losses associated with financing; and the elimination of intersegment profit in inventory and the LIFO reserve.
2. A reconciliation to GAAP is set forth on Chart 16, and at www.weyerhaeuser.com.

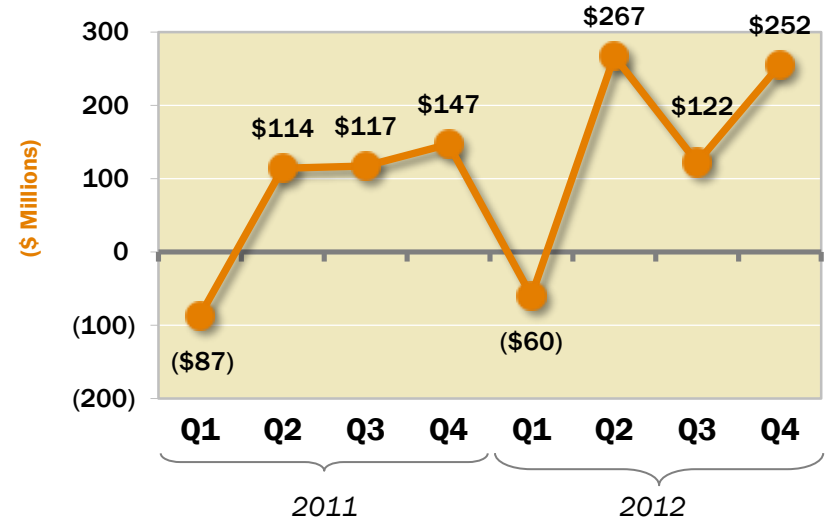


SEGMENT	COMMENTS
Timberlands	<ul style="list-style-type: none"> • Improved selling prices for Western domestic and export logs • Seasonally lower Southern fee harvest volumes, and slightly lower log price realizations • Lower earnings from disposition of non-strategic timberlands • Excluding dispositions of non-strategic timberlands, expect 2013 Q1 earnings to be comparable to 2012 Q4
Wood Products	<ul style="list-style-type: none"> • Seasonally higher sales volumes across all product lines • Improved selling prices for lumber and oriented strand board, and flat price realizations for engineered wood products due to mix • Higher raw material costs • Improved operating rates • Expect 2013 Q1 earnings to be significantly higher than 2012 Q4
Cellulose Fibers	<ul style="list-style-type: none"> • Slightly lower pulp sales volume • Slightly higher average price realizations for pulp and liquid packaging • Increased maintenance expense • Expect 2013 Q1 earnings to be lower than 2012 Q4
Real Estate	<ul style="list-style-type: none"> • Seasonally fewer home closings, expect to close approximately 500 homes • Average margins comparable to 2012 Q4 • Lower selling-related expenses due to reduced closing volume • Expect a slight profit from single-family homebuilding operations in 2013 Q1



(\$ Millions)	2012 Q3	2012 Q4
Ending Cash Balance	\$608	\$898
Long-Term Debt	\$4,291	\$4,291

Cash from Operations

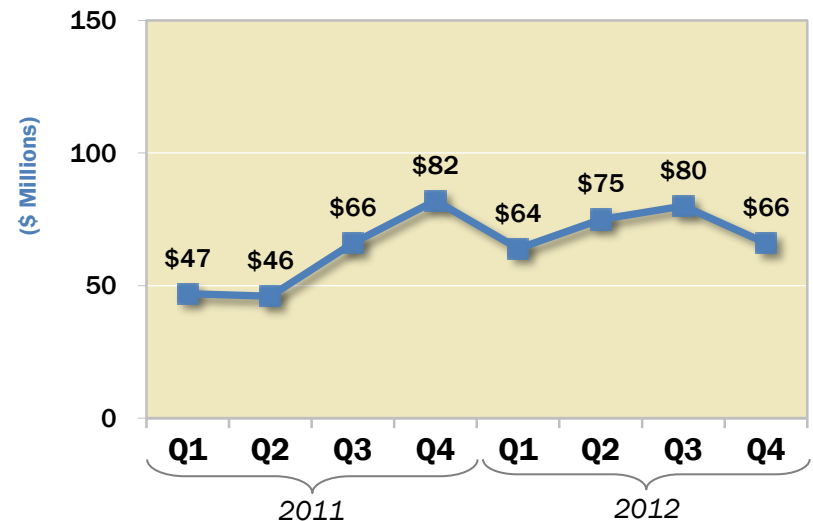


Scheduled Debt Maturities as of December 31, 2012

(\$ Millions)	2013 ⁽¹⁾	2014	2015	2016
Debt Maturities	\$409	\$15	\$0	\$0

- 2013 debt maturities include scheduled principal repayments of: \$156 million in 2013 Q1, \$21 million in 2013 Q2, \$163 million in 2013 Q3 and \$69 million in 2013 Q4.

Capital Expenditures



APPENDIX



INTERSEGMENT PROFIT / LIFO ADJUSTMENT

Chart 13

Weyerhaeuser began holding elimination of intersegment profit on inventory and the LIFO reserve as part of Unallocated Items during 2012 Q2. This change provides a better understanding of business segment operating results. Contributions to pre-tax earnings for prior periods have been adjusted to reflect this change. A reconciliation to contribution to pre-tax earnings as previously reported is set forth below.

\$ Millions	2011				2012	2012		
	Q1	Q2	Q3	Q4	Q1	Q2 (as reported)	Q3 (as reported)	Q4 (as reported)
Contribution to Pre-Tax Earnings Before Special Items								
Timberlands:								
As previously reported	\$89	\$112	\$62	\$70	\$71			
Intersegment profit / LIFO adjustment	--	6	(1)	1	(1)			
As adjusted (as reported for 2012 2Q and forward)	\$89	\$118	\$61	\$71	\$70	\$77	\$80	\$95
Wood Products:								
As previously reported	(\$36)	(\$53)	(\$43)	(\$61)	(\$22)			
Intersegment profit / LIFO adjustment	4	(1)	(4)	3	9			
As adjusted (as reported for 2012 2Q and forward)	(\$32)	(\$54)	(\$47)	(\$58)	(\$13)	\$30	\$59	\$38
Cellulose Fibers:								
As previously reported	\$86	\$80	\$135	\$134	\$44			
Intersegment profit / LIFO adjustment	6	5	4	2	4			
As adjusted (as reported for 2012 2Q and forward)	\$92	\$85	\$139	\$136	\$48	\$36	\$78	\$61
Unallocated Items:								
As previously reported	(\$43)	(\$11)	(\$16)	(\$22)	(\$10)			
Intersegment profit / LIFO adjustment (as reported for 2012 2Q and forward)	(10)	(10)	1	(6)	(12)	(2)	(10)	8
As adjusted (as reported for 2012 2Q and forward)	(\$53)	(\$21)	(\$15)	(\$28)	(\$22)	(\$28)	(\$17)	(\$4)

EARNINGS SUMMARY

Chart 14

Weyerhaeuser began holding elimination of intersegment profit on inventory and the LIFO reserve as part of Unallocated Items during 2012 Q2. Contributions to pre-tax earnings for prior periods have been adjusted to reflect this change. A reconciliation to contribution to pre-tax earnings as previously reported is set forth on Chart 13: Intersegment Profit / LIFO Adjustment.

\$ Millions EXCEPT EPS	2011				2012			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Contribution to Pre-Tax Earnings Before Special Items								
Timberlands	\$89	\$118	\$61	\$71	\$70	\$77	\$80	\$95
Wood Products	(32)	(54)	(47)	(58)	(13)	30	59	38
Cellulose Fibers	92	85	139	136	48	36	78	61
Real Estate	(1)	8	10	41	(8)	15	17	81
Unallocated Items	(53)	(21)	(15)	(28)	(22)	(28)	(17)	(4)
Total Contribution to Earnings before Special Items and Discontinued Operations	\$95	\$136	\$148	\$162	\$75	\$130	\$217	\$271
Discontinued Operations	2	(10)	(8)	--	--	--	--	--
Special Items, including from Discontinued Operations	152	(9)	12	(19)	38	57	--	--
Total Contribution to Earnings	\$249	\$117	\$152	\$143	\$113	\$187	\$217	\$271
Interest Expense, net ¹	(93)	(91)	(86)	(88)	(87)	(86)	(87)	(88)
Loss on Extinguishment of Debt	--	(26)	--	--	--	--	--	--
Income Taxes ²	(57)	10	91	10	15	(17)	(13)	(40)
Net Income	\$99	\$10	\$157	\$65	\$41	\$84	\$117	\$143
Net Income before Special Items ³	\$3	\$32	\$66	\$77	\$9	\$47	\$117	\$143
Diluted EPS	\$0.18	\$0.02	\$0.29	\$0.12	\$0.08	\$0.16	\$0.22	\$0.26
Diluted EPS before Special Items ³	\$0.00	\$0.06	\$0.12	\$0.14	\$0.02	\$0.09	\$0.22	\$0.26

1. Interest expense is net of capitalized interest.
2. Income taxes include a net benefit of \$5 million from income tax adjustments in 2012 Q4 and benefits from income tax settlements of \$7 million in 2012 Q3 and \$8 million in 2012 Q1. 2011 Q3 includes a benefit of \$83 million related to foreign tax credits.
3. A reconciliation to GAAP Net Income is set forth at www.weyerhaeuser.com. A reconciliation to GAAP EPS is set forth on Chart 15, and at www.weyerhaeuser.com.



EARNINGS PER SHARE RECONCILIATION

Chart 15

	2011				2012			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Diluted EPS Before Special Items	\$0.00	\$0.06	\$0.12	\$0.14	\$0.02	\$0.09	\$0.22	\$0.26
Special Items:								
Net Gain on Sale of Assets, Operations and Property	0.18	(0.01)	0.06	--	--	0.01	--	--
Gain on Postretirement Plan Amendment	--	--	--	--	0.06	0.06	--	--
Income Tax Adjustments and Credits	--	--	0.15	--	0.02	--	--	--
Closures, Restructuring, Impairments, and Related Charges	--	--	(0.04)	(0.02)	(0.02)	--	--	--
Loss on Early Extinguishment of Debt	--	(0.03)	--	--	--	--	--	--
Diluted EPS (GAAP)	\$0.18	\$0.02	\$0.29	\$0.12	\$0.08	\$0.16	\$0.22	\$0.26



EBITDA RECONCILIATION

Chart 16

\$ Millions	2012 Q3						2012 Q4					
	Timberlands	Wood Products	Cellulose Fibers	Real Estate	Unallocated Items	Total	Timberlands	Wood Products	Cellulose Fibers	Real Estate	Unallocated Items	Total
Adjusted EBITDA Excluding Special Items¹	\$114	\$92	\$112	\$24	(\$15)	\$327	\$131	\$71	\$99	\$91	(\$1)	\$391
Depletion, Depreciation & Amortization	(35)	(33)	(37)	(3)	(4)	(112)	(38)	(33)	(40)	(4)	(3)	(118)
Non-Operating Pension & Postretirement Costs	--	--	--	--	(7)	(7)	--	--	--	--	(8)	(8)
Special Items	--	--	--	--	--	--	--	--	--	--	--	--
Capitalized Interest Included in Cost of Products Sold	--	--	--	(5)	(1)	(6)	--	--	--	(8)	(1)	(9)
Operating Income (GAAP)	\$79	\$59	\$75	\$16	(\$27)	\$202	\$93	\$38	\$59	\$79	(\$13)	\$256
Interest Income and Other	1	--	3	1	10	15	1	--	2	2	9	14
Loss Attributable to Non-Controlling Interest	--	--	--	--	--	--	1	--	--	--	--	1
Net Contribution to Earnings (GAAP)	\$80	\$59	\$78	\$17	(\$17)	\$217	\$95	\$38	\$61	\$81	(\$4)	\$271

1. Adjusted EBITDA excluding special items is a non-GAAP measure that management uses to evaluate the performance of the company. Adjusted EBITDA, as we define it, is operating income from continuing operations adjusted for depreciation, depletion, amortization, pension and postretirement costs not allocated to business segments (primarily interest cost, expected return on plan assets, amortization of actuarial loss and amortization of prior service cost / credit), special items and interest included in cost of products sold. Adjusted EBITDA should not be considered in isolation from and is not intended to represent an alternative to our GAAP results.

