

WEYERHAEUSER

Earnings Release – 4th Quarter 2010

02.04.11



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.

This presentation contains forward-looking statements regarding the company's expectations during the during the first quarter of 2011, including housing market conditions; market challenges for our Timberlands, Wood Products and Real Estate segments; higher selling prices for western logs and seasonally higher harvest volumes in Timberlands; improved operating rates, higher selling prices and cost reductions in the Wood Products segment; continued strong pricing and increased scheduled maintenance in the Cellulose Fiber segment; and fewer home sale closings and lower margins and prices in our single-family homebuilding operations. 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 economic conditions;
- performance of the company's manufacturing operations, including maintenance requirements;
- the level of competition from domestic and foreign producers;
- raw material prices;
- the successful execution of internal performance plans, including restructurings and cost reduction initiatives;
- energy prices;
- the level of competition from domestic and foreign producers;
- the effect of weather;
- transportation costs;
- the risk of loss from fires, floods, windstorms, hurricanes, pest infestation and other natural disasters;
- federal tax policies;
- the effect of forestry, land use, environmental and other governmental regulations;
- legal proceedings;
- 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;
- performance of pension fund investments and related derivatives; and
- other factors described under "Risk Factors" in the Company's annual report on Form 10-K.

The company also 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.



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



2010 Q4 Consolidated Results

Chart 1

	2010 Q4
Revenues (\$ Millions)	\$1,664
Net Earnings Before Special Items (\$ Millions) ¹	\$52
Diluted Earnings Per Share Before Special Items ^{1,4}	\$0.10

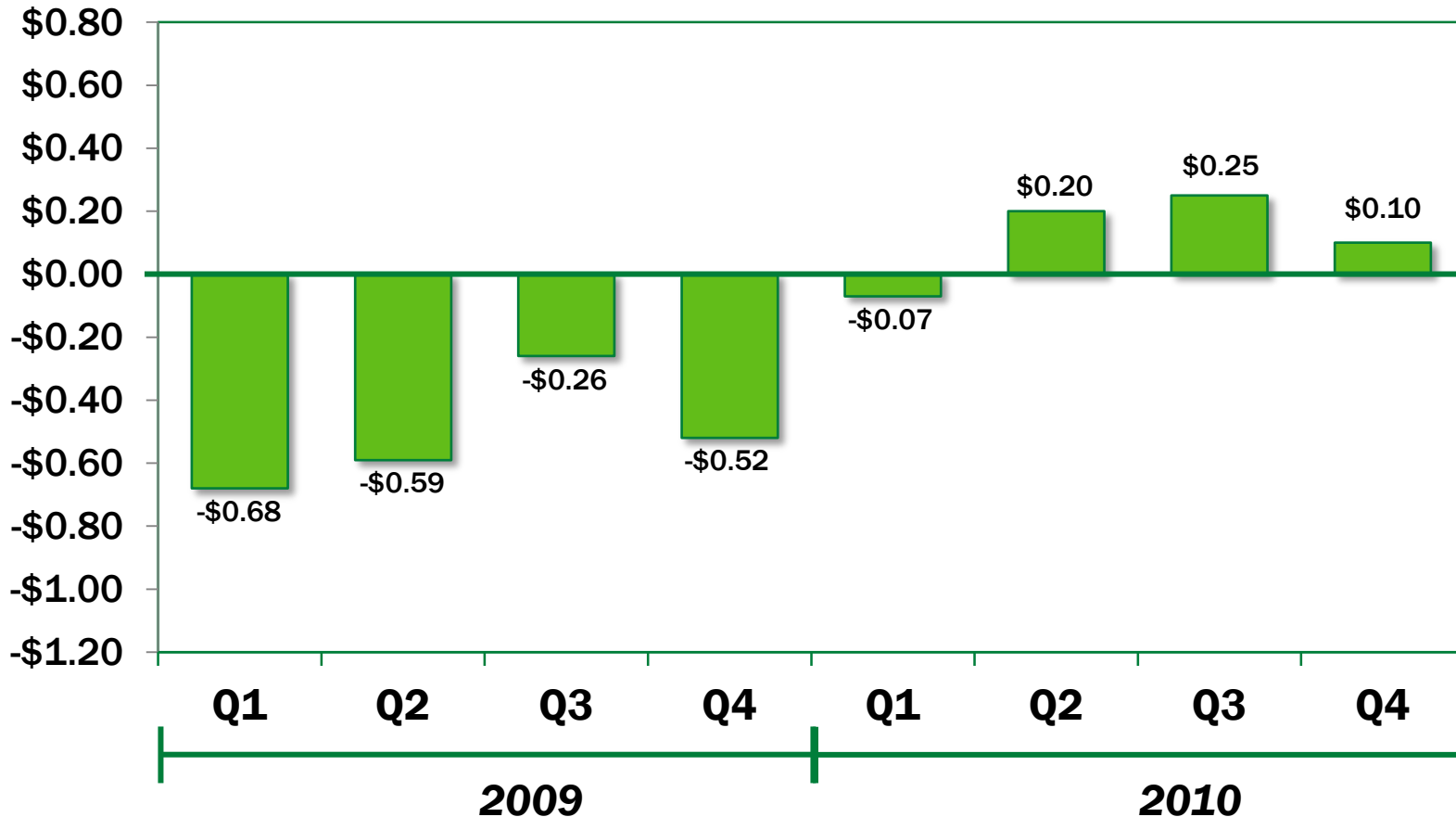
1. A reconciliation to GAAP is set forth on Chart 3, and at www.weyerhaeuser.com
2. Interest expense is net of capitalized interest and includes losses on early extinguishment of debt of \$1 million in 2010 Q3. Interest income is excluded.
3. Income taxes for 2010 Q4 include income tax benefits of \$149 million from the Cellulosic Biofuel Producers Credit, \$22 million from the reversal of deferred tax liabilities, and \$6 million related to FIN 48 and other adjustments. Income taxes for 2010 Q3 include \$1,043 million of income for the reversal of deferred tax liabilities associated with the conversion to REIT status and \$8 million in tax charges related to Medicare Part D subsidy plan changes, unrecognized tax benefits and other adjustments.
4. Weyerhaeuser's share count increased during 2010 Q3 due to the company's special dividend payment. An explanation of the changes and pro forma EPS calculations are set forth on Charts 12 and 13.

\$ Millions except EPS	2010	2010
	Q3	Q4
Contribution to Pre-Tax Earnings Before Special Items		
Timberlands	\$75	\$56
Wood Products	(100)	(85)
Cellulose Fibers	181	138
Real Estate	20	33
Corporate and Other	10	2
Total Contribution to Pre-Tax Earnings Before Special Items	\$186	\$144
Special Items	-	(84)
Total Contribution to Pre-Tax Earnings	\$186	\$60
Interest Expense, Net ²	(95)	(96)
Income Taxes ³	1,025	207
Net Income	\$1,116	\$171
Diluted EPS ⁴	\$3.50	\$0.32
Diluted EPS Before Special Items ^{1,4}	\$0.25	\$0.10



Diluted EPS Before Special Items

A reconciliation to GAAP EPS is available on Chart 15 and at www.weyerhaeuser.com



1. Weyerhaeuser's share count increased during 2010 Q3 due to the company's special dividend payment. An explanation of the changes and pro forma EPS calculations are set forth on Charts 12 and 13.



Reconciliation to GAAP

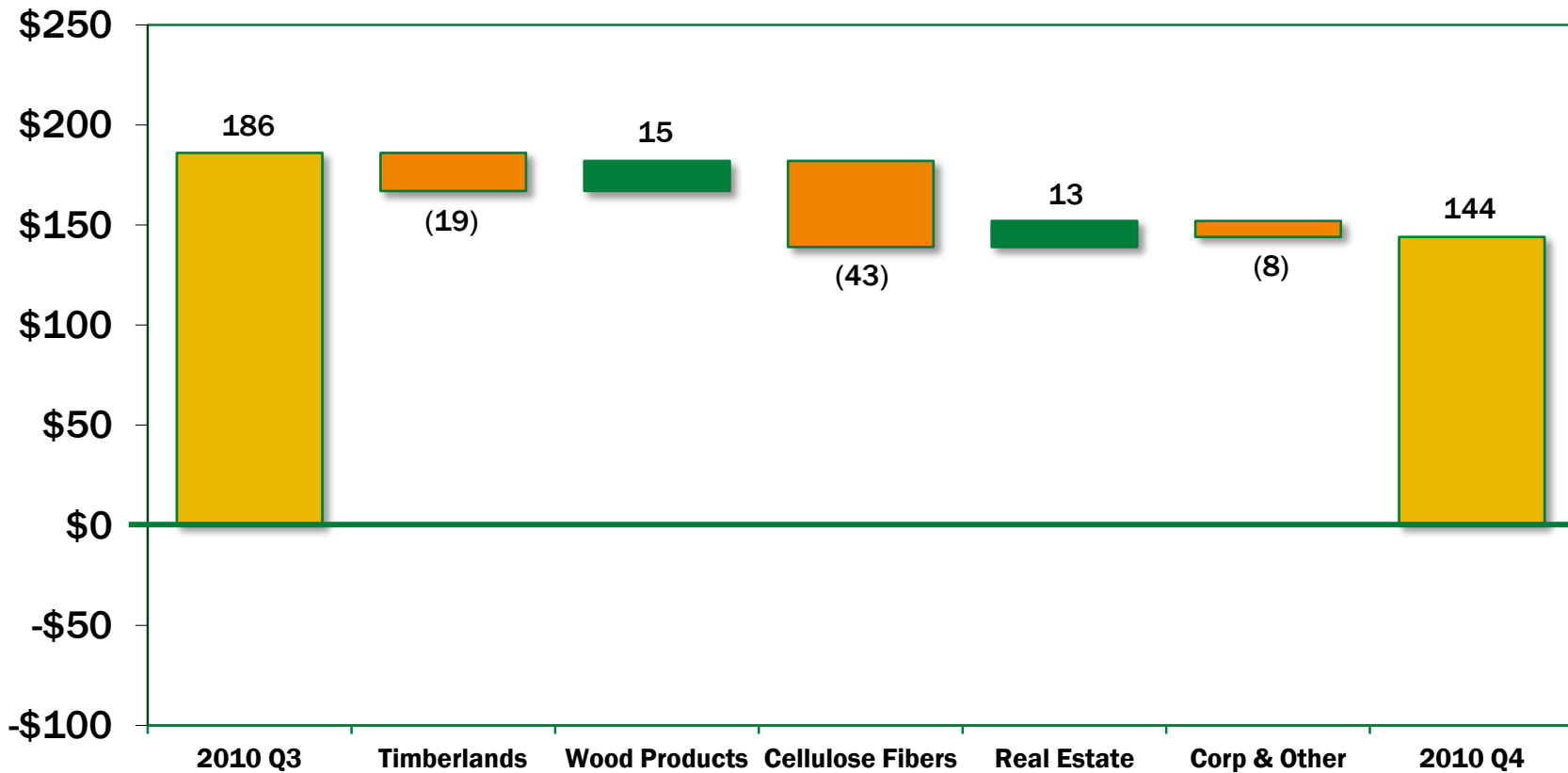
Chart 3

\$ Millions except EPS	Diluted EPS		Net Earnings	
	2010 Q3	2010 Q4	2010 Q3	2010 Q4
Diluted EPS / Net Earnings Before Special Items	\$0.25	\$0.10	\$81	\$52
Income Tax Adjustments and Credits	3.25	0.33	1,035	177
Asset Impairments		(0.14)		(76)
Gain on Sale of Railroads		0.06		31
Closure and Restructuring Charges		(0.03)		(13)
Diluted EPS / Net Earnings (GAAP)	\$3.50	\$0.32	\$1,116	\$171



Changes in Contribution to Earnings by Segment

Earnings Before Special Items, Interest Expense and Taxes (\$ millions)¹



1. A reconciliation before Special Items to GAAP can be found on Chart 3 and at www.weyerhaeuser.com



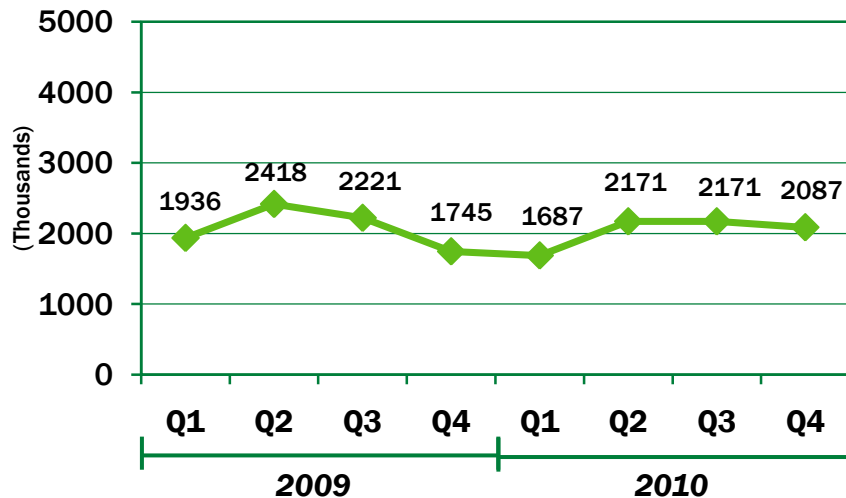
Timberlands Segment

Timberlands (\$ Millions)	2010 Q3	2010 Q4
Third Party Revenues ¹ .	\$237	\$202
Inter-Segment Revenues ¹ .	\$103	\$102
Contribution to Pre-Tax Earnings	\$75	\$56

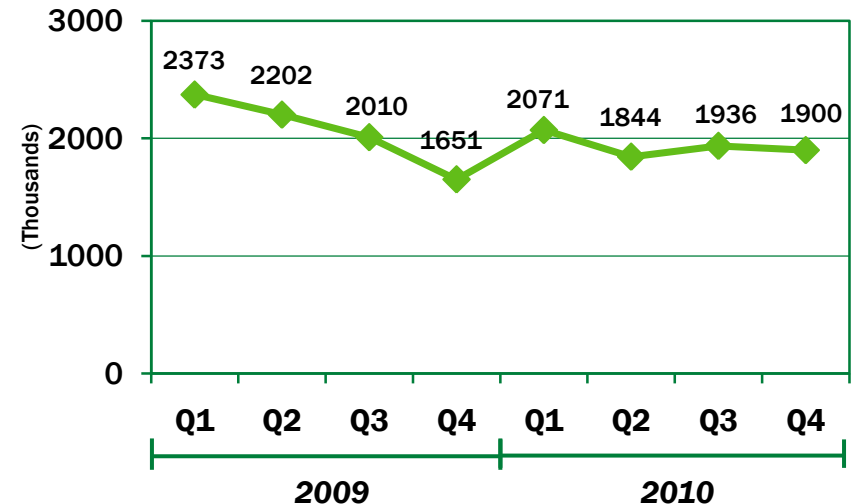
4th Quarter Notes

- Fewer dispositions of non-strategic timberlands
- Higher per unit logging costs due to market-related downtime in the west
- Harvest deferrals continue

3rd-Party Sales Volumes — Logs (m3)¹.



Inter-Segment Sales Volumes — Logs (m3)¹.



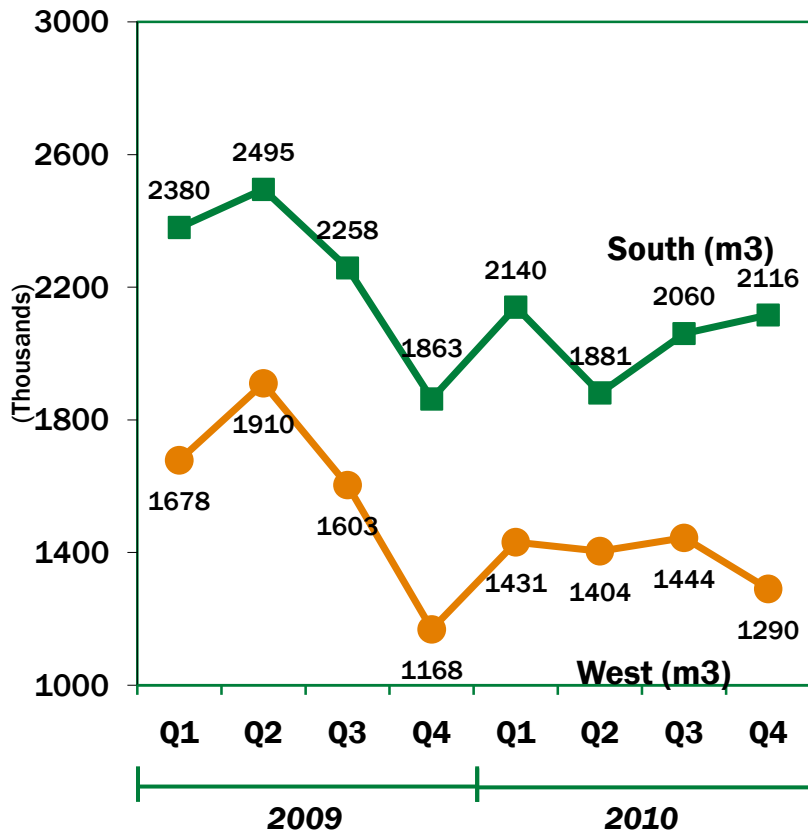
1. Revenues and volumes exclude Canadian Forestland operations.



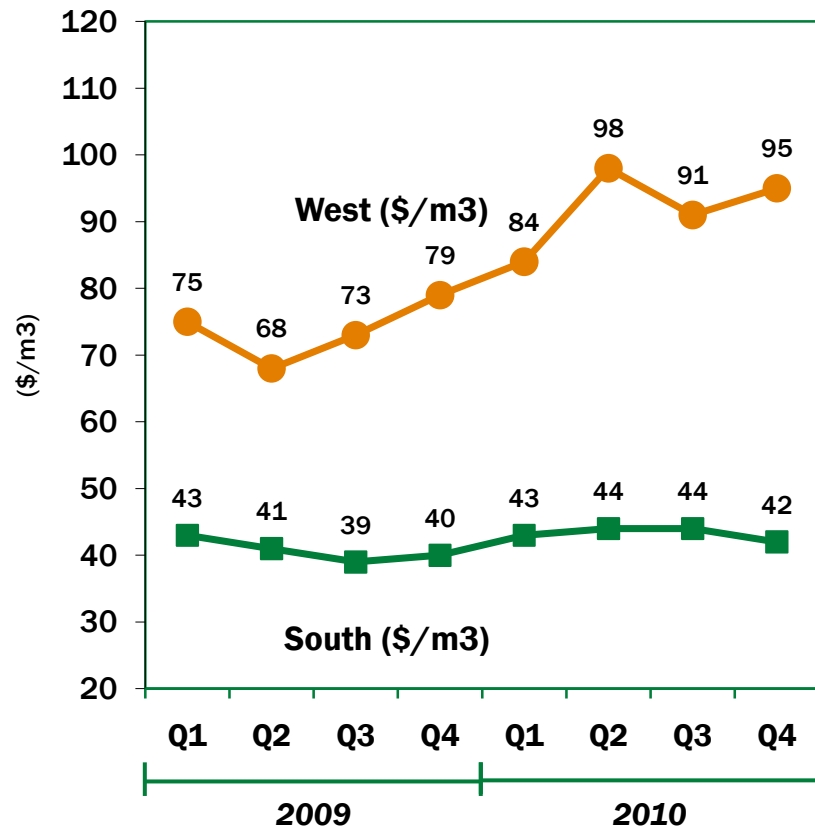
Fee Harvest and 3rd-Party Log Realizations — Western / Southern Timberlands

Chart 6

Fee Harvest Volume



Average 3rd-Party Realizations — Logs



Wood Products Segment

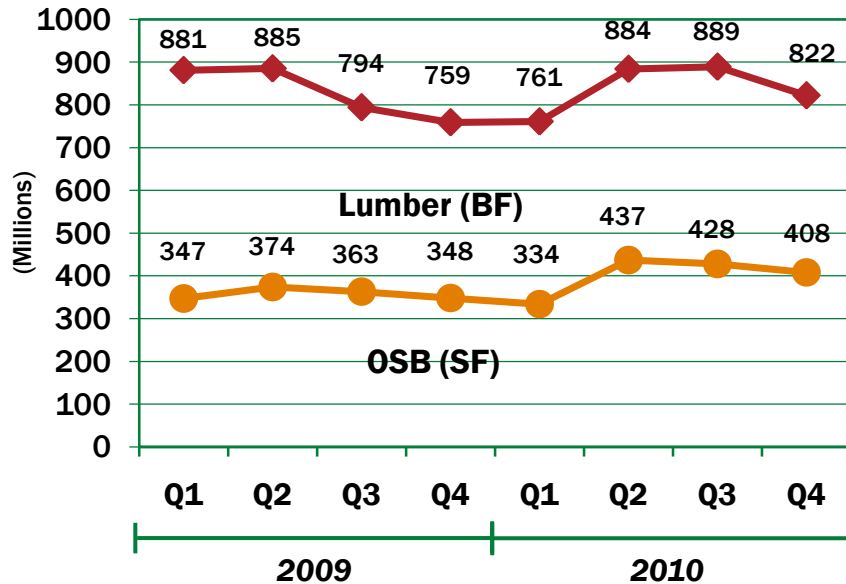
Chart 7

Wood Products (\$ Millions)	2010 Q3	2010 Q4
Revenues	\$626	\$572
Contribution to Pre-Tax Earnings <i>Including Special Items</i>	(\$100)	(\$188)

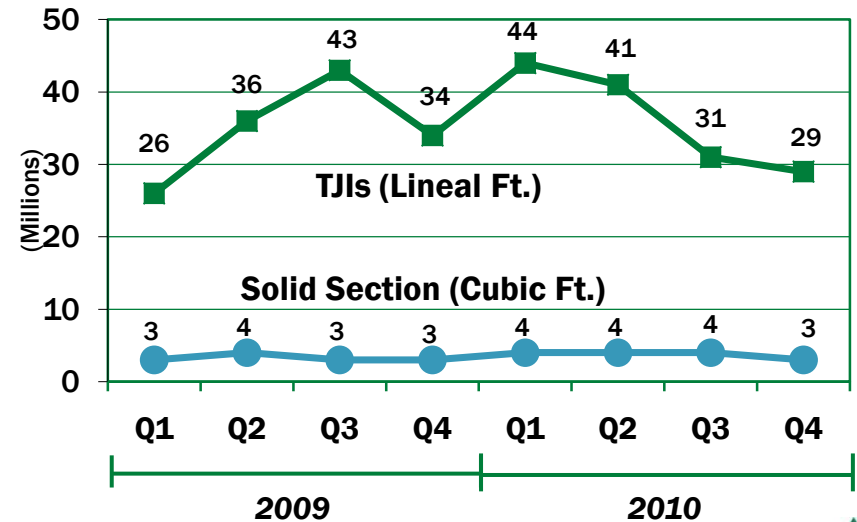
4th Quarter Notes

- Seasonally lower sales volumes
- Slightly lower log costs
- Reduced selling, general and administrative expenses
- 4th quarter included charges of \$103 million for asset impairments, closures and restructuring

3rd-Party OSB and Lumber Sales Volumes



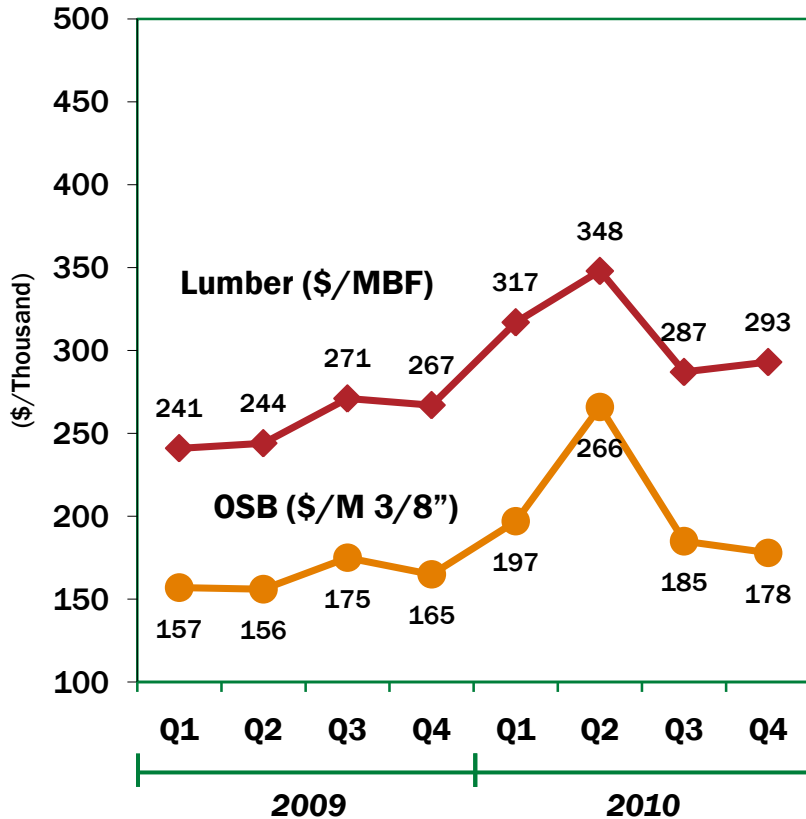
3rd-Party Engineered Wood Products Sales Volumes



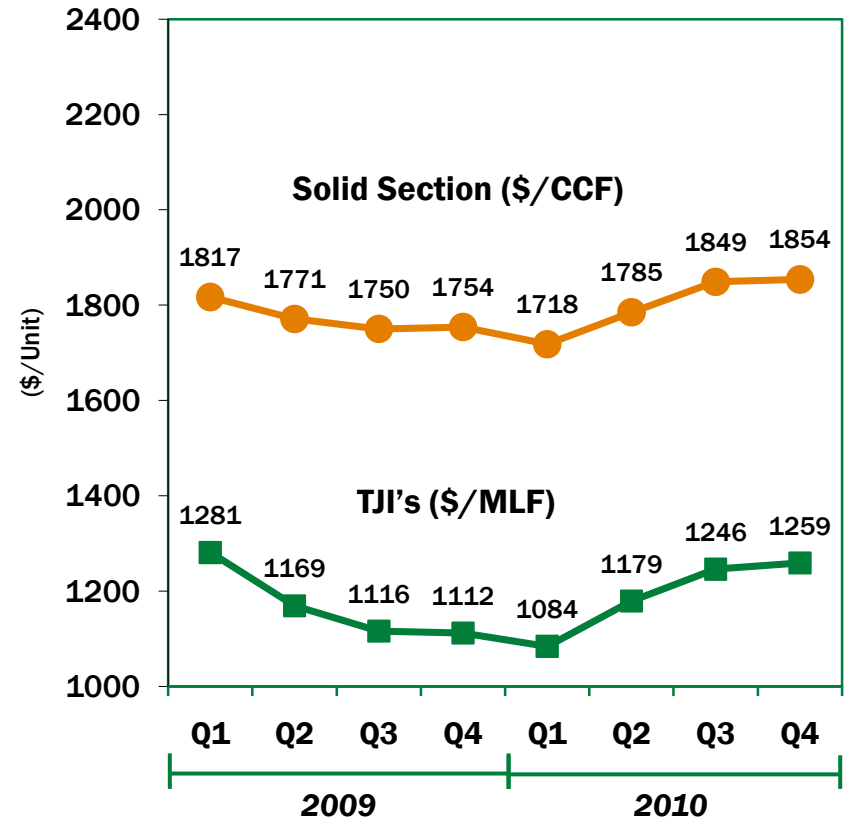
Average 3rd-Party Realizations — OSB and Lumber / Engineered Lumber

Chart 8

OSB and Lumber



Engineered Lumber



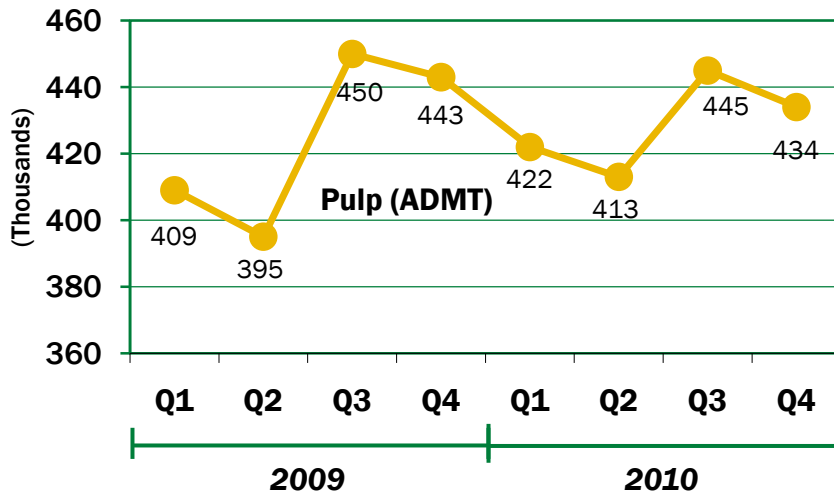
Cellulose Fibers Segment

Cellulose Fibers (\$ Millions)	2010 Q3	2010 Q4
Revenues	\$522	\$511
Contribution to Pre-Tax Earnings	\$181	\$138

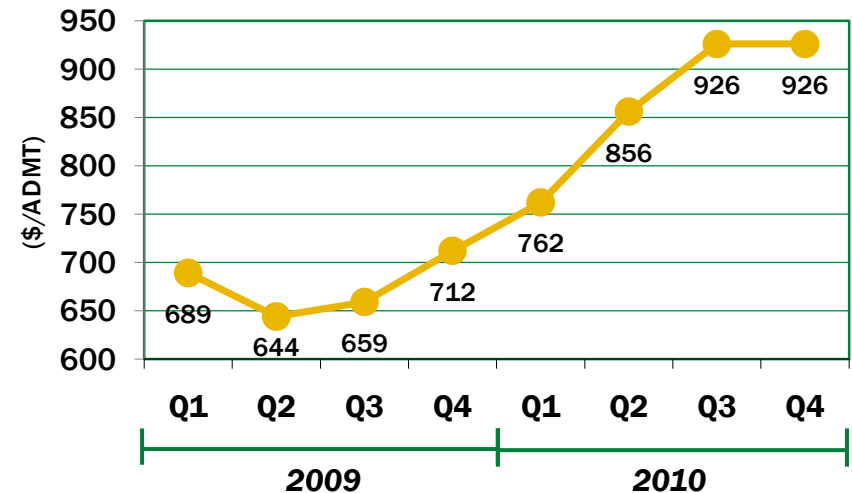
4th Quarter Notes

- Sales volumes declined slightly
- Higher maintenance costs and lower production due to an annual outage at the New Bern, N.C. mill
- No maintenance outages in the 3rd quarter
- Higher fiber, chemical and energy costs

3rd-Party Pulp Sales Volumes



Average 3rd-Party Realizations – Pulp



Real Estate Segment

Chart 10

Real Estate (\$ Millions)	2010 Q3	2010 Q4
Revenues	\$210	\$305
Contribution to Pre-Tax Earnings <i>Including Special Items</i>	\$20	\$13

4th Quarter Notes

- Increased home sale closings
- Improved margins on homes closed, due to mix
- 4th quarter includes gains of \$6 million on sales of land, lots and apartments, compared with \$4 million in the 3rd quarter
- 4th quarter includes charges of \$20 million for asset impairments and restructuring

Weyerhaeuser Real Estate Company Key Indicators

	2009				2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales Traffic (in Thousands)	19	20	15	12	23	17	16	12
Single-Family Homes Sold (Net New Orders)	455	790	593	431	620	491	418	385
Single-Family Homes Sold But Not Closed At End of Period (Backlog)	584	910	997	650	877	743	660	439
Cancellation Rate (%)	28%	19%	22%	27%	19%	22%	20%	19%
Single-Family Homes Closed	429	464	506	778	393	625	501	606
Average Home Closing Price (\$ Thousands)	\$377	\$388	\$366	\$392	\$365	\$371	\$400	\$439



Segment	Comments
Timberlands	<ul style="list-style-type: none"> ▪ Higher selling prices for western logs and seasonally higher harvest volumes ▪ Excluding the disposition of non-strategic timberlands, Weyerhaeuser expects 2011 Q1 earnings to be higher than 2010 Q4 ▪ A sale of non-strategic timberland in southwest Washington will contribute approximately \$150 million to pre-tax earnings
Wood Products	<ul style="list-style-type: none"> ▪ Anticipate improved operating rates and higher selling prices ▪ Continued cost reductions ▪ Excluding the effect of 2010 Q4 special items, expect a smaller operating loss in 2011 Q1 compared with 2010 Q4
Cellulose Fibers	<ul style="list-style-type: none"> ▪ Market conditions continue to be favorable, and should result in strong pricing in 2011 Q1 ▪ Increase in the number of scheduled annual maintenance outages ▪ Expect 2011 Q1 earnings to be lower than 2010 Q4
Real Estate	<ul style="list-style-type: none"> ▪ Anticipate seasonally fewer single-family home closings ▪ Expect margins and prices to decline due to mix ▪ A small loss expected in single-family homebuilding operations for 2011 Q1



Appendix



Reconciliation of Changes in Share Count

Chart 12

- On Sept. 1, 2010, Weyerhaeuser paid a previously announced special dividend consisting of approximately 324 million shares of common stock and \$560 million in cash.
- All numbers are approximate due to rounding.

Explanation of 2010 Q4 Share Count	(millions)
Common shares outstanding at the end of 2010 Q2	212
Basic shares issued during 2010 Q3 as part of special dividend	324
Basic shares outstanding during 2010 Q4	536
Dilutive effect of other potential shares (e.g. stock options)	2
Diluted shares outstanding during 2010 Q4	538

- 2010 Q4 EPS was calculated based on approximately 538 million weighted average shares outstanding.



Pro Forma Earnings Per Share

- After payment of the 2010 Q3 Special Dividend, Weyerhaeuser had approximately 536 million basic shares outstanding.
- The following table sets forth a pro forma EPS as if Special Dividend shares had been outstanding.

	2009	2009	2010	2010	2010	2010
	Q3	Q4	Q1	Q2	Q3	Q4
Net Earnings, as Reported (\$ millions)						
Net Earnings	\$0	(\$175)	(\$20)	\$14	\$1,116	\$171
Net Earnings Before Special Items	(\$56)	(\$109)	(\$15)	\$42	\$81	\$52
Earnings Per Share, As Reported						
Weighted average shares outstanding (millions)	211	211	211	212	318	538
Diluted EPS	\$0.00	(\$0.83)	(\$0.10)	\$0.07	\$3.50	\$0.32
Diluted EPS before Special Items	(\$0.26)	(\$0.52)	(\$0.07)	\$0.20	\$0.25	\$0.10
Pro Forma EPS, as if Special Dividend shares had been outstanding for entire reporting period						
Assumed weighted average shares outstanding (millions) ¹ .	536	536	536	537	537	538
Pro Forma Diluted EPS	\$0.00	(\$0.33)	(\$0.04)	\$0.03	\$2.08	\$0.32
Pro Forma Diluted EPS before Special Items	(\$0.10)	(\$0.20)	(\$0.03)	\$0.08	\$0.15	\$0.10

1. Pro forma earnings for 2009 Q3 through 2010 Q1 are calculated based on 536 million basic shares outstanding, as EPS calculations do not incorporate dilutive effects when a company reports a loss.



Earnings Summary

Chart 14

\$ Millions except EPS	2009				2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Contribution to Earnings before Special Items								
Timberlands	\$40	\$71	\$58	\$28	\$81	\$70	\$75	\$56
Wood Products	(176)	(147)	(92)	(123)	(63)	(11)	(100)	(85)
Cellulose Fibers	32	(7)	44	34	19	74	181	138
Real Estate	(24)	2	(9)	11	31	27	20	33
Corporate and Other	(14)	20	14	(11)	12	8	10	2
Total Contribution to Earnings before Special Items	(\$142)	(\$61)	\$15	(\$61)	\$80	\$168	\$186	\$144
Special Items	(192)	28	128	(72)	44	8	–	(84)
Total Contribution to Earnings	(\$334)	(\$33)	\$143	(\$133)	\$124	\$176	\$186	\$60
Interest Expense, net ¹	(106)	(105)	(108)	(143)	(106)	(155)	(95)	(96)
Income Taxes ²	176	32	(35)	101	(38)	(7)	1,025	207
Net Income (loss)	(\$264)	(\$106)	\$0	(\$175)	(\$20)	\$14	\$1,116	\$171
Net Income (loss) before Special Items³	(\$144)	(\$125)	(\$56)	(\$109)	(\$15)	\$42	\$81	\$52
Diluted EPS ⁴	(\$1.25)	(\$0.50)	\$0.00	(\$0.83)	(\$0.10)	\$0.07	\$3.50	\$0.32
Diluted EPS before Special Items ^{3,4}	(\$0.68)	(\$0.59)	(\$0.26)	(\$0.52)	(\$0.07)	\$0.20	\$0.25	\$0.10

- Interest expense is net of capitalized interest and includes losses on early extinguishment of debt of \$1 million in 2010 Q3, \$49 million in 2010 Q2, and \$28 million in 2009 Q4. Interest income is excluded.
- Income taxes for 2010 Q4 include income tax benefits of \$149 million from the Cellulosic Biofuel Producers Credit, \$22 million from the reversal of deferred tax liabilities, and \$6 million related to FIN 48 and other adjustments. Income taxes for 2010 Q3 include \$1,043 million of income for the reversal of deferred tax liabilities associated with the conversion to REIT status and \$8 million in tax charges related to Medicare Part D subsidy plan changes, unrecognized tax benefits and other adjustments. 2010 Q1 includes a \$28 million tax charge related to a change in Medicare prescription drug subsidies and a \$3 million charge related to a state tax rate change. 2009 Q3 includes a \$15 million tax charge related to the true-up of previous tax liabilities and a \$6 million charge related to FIN 48 tax liabilities, state tax law and rate changes. 2009 Q2 includes a \$13 million tax charge primarily related to state tax law and rate changes.
- A reconciliation to GAAP Net Income is set forth on Chart 3. A reconciliation to GAAP EPS is set forth on Chart 15.
- Weyerhaeuser's share count increased during 2010 Q3 due to the company's special dividend payment. An explanation of the changes and pro forma EPS calculations are set forth on Charts 12 and 13.

Earnings per Share Reconciliation

Chart 15

	2009				2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Diluted EPS before Special Items	(\$0.68)	(\$0.59)	(\$0.26)	(\$0.52)	(\$0.07)	\$0.20	\$0.25	\$0.10
Income Tax Adjustments and Credits		0.34	0.25	0.36	(0.15)		3.25	0.33
Gain (Loss) on Early Extinguishment of Debt				(0.09)		(0.16)		
Net Gain on Divestiture of Assets and Operations		0.06	0.46		0.12	0.03		0.06
Closures, Restructuring, Impairments, and Related Charges	(0.51)	(0.38)	(0.45)	(0.58)				(0.17)
Legal and Insurance Settlement and Reserve Adjustments	(0.06)	0.07						
Diluted EPS (GAAP)	(\$1.25)	(\$0.50)	\$0.00	(\$0.83)	(\$0.10)	\$0.07	\$3.50	\$0.32

