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WEYERHAEUSER CO  
Form 8-K  
January 24, 2005

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

January 21, 2005

-----  
(Date of earliest event report)

WEYERHAEUSER COMPANY  
(Exact name of registrant as specified in charter)

|            |        |            |
|------------|--------|------------|
| Washington | 1-4825 | 91-0470860 |
| -----      | -----  | -----      |

(State or other  
jurisdiction of  
incorporation or  
organization)

(Commission  
File Number)

(IRS Employer  
Identification  
Number)

Federal Way, Washington 98063-9777  
(Address of principal executive offices)  
(zip code)

Registrant's telephone number, including area code:  
(253) 924-2345

Check the appropriate box below if the Form 8-K filing is intended to  
simultaneously satisfy the filing obligation of the registrant under any  
of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act  
(17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act  
(17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b)  
under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c)  
under the Exchange Act (17 CFR 240.13e-4(c))

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Item 2.02. Results of Operations and Financial Condition

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SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON D.C., 20549

### ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On January 21, 2005, Weyerhaeuser Company issued a press release stating the following:

Weyerhaeuser Reports Net Earnings of \$1.3 Billion for 2004,  
Or \$5.43 per Diluted Share, on Net Sales of \$22.7 Billion

FEDERAL WAY, Wash. - Weyerhaeuser Company (NYSE: WY) today reported net earnings of \$1.3 billion for 2004, or \$5.43 per diluted share, on net sales of \$22.7 billion. This compares with \$277 million, or \$1.25 per diluted share, on net sales of \$19.9 billion for the full year 2003.

Fourth quarter 2004 earnings were \$199 million, or 82 cents per diluted share, on net sales of \$5.9 billion. Last year, Weyerhaeuser reported fourth quarter net earnings of \$92 million, or 41 cents per diluted share, on net sales of \$5.1 billion.

Fourth quarter 2004 earnings include the following after-tax items:

- \* A charge of \$34 million, or 14 cents per diluted share, for early extinguishment of debt.
- \* A gain of \$24 million, or 10 cents per diluted share, for gains on the sale of facilities.
- \* A charge of \$19 million, or 8 cents per diluted share, for the impairment of assets in the company's European manufacturing operations.
- \* A charge of \$16 million, or 7 cents per diluted share, recognized in connection with a change in the method of estimating workers' compensation liabilities.
- \* A charge of \$15 million, or 6 cents per diluted share, for the net book value of technology donated to a university.

Fourth quarter 2003 earnings included the following after-tax items:

- \* A charge of \$29 million, or 14 cents per diluted share, for closure of facilities.
- \* A charge of \$17 million, or 8 cents per diluted share, for integration and restructuring activities.
- \* A charge of \$5 million, or 2 cents per diluted share, associated with the settlement of litigation.
- \* A gain of \$40 million, or 18 cents per diluted share, on the sale of timberlands in Tennessee and the Carolinas.

Other significant fourth quarter 2004 financial matters include:

- \* The company, including Real Estate and Related Assets, reduced outstanding debt by approximately \$730 million. For the year, the company reduced

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outstanding debt by approximately \$1.9 billion and ended the year with approximately \$1.2 billion in cash and short-term investments and approximately \$10.6 billion in outstanding debt.

\* Capital spending, excluding Real Estate and Related Assets, for 2004 was approximately \$504 million.

"Our strong performance for the year demonstrates that our focus on customers, efficiency and financial management has created a competitive Weyerhaeuser that can deliver strong shareholder returns," said Steven R. Rogel, chairman, president and chief executive officer. "In the fourth quarter, however, some of our businesses experienced higher than expected costs which hurt our results. Some of these costs resulted from maintenance we had delayed until the fourth quarter due to strong market demand earlier in the year. We also incurred additional costs due to weather-related issues and the downtime we took to balance orders with customer demand. As we look to the first quarter, we are concerned about the impact unusually bad weather may have on our results."

### SUMMARY OF FOURTH QUARTER FINANCIAL HIGHLIGHTS

| Millions (except per share data) | 4Q 2004 | 4Q 2003 | Change |
|----------------------------------|---------|---------|--------|
| Net earnings                     | \$199   | \$92    | \$107  |
| Earnings per diluted share       | \$0.82  | \$0.41  | \$0.41 |
| Net sales                        | \$5,886 | \$5,145 | \$741  |

### SUMMARY OF ANNUAL FINANCIAL HIGHLIGHTS

| Millions (except per share data) | 2004     | 2003     | Change  |
|----------------------------------|----------|----------|---------|
| Net earnings                     | \$1,283  | \$277    | \$1,006 |
| Earnings per diluted share       | \$5.43   | \$1.25   | \$4.18  |
| Net sale                         | \$22,665 | \$19,873 | \$2,792 |

### SEGMENT RESULTS FOR FOURTH QUARTER

(Contributions to Pre-Tax Earnings)

| Millions                                | 4Q 2004 | 4Q 2003 | Change |
|---|---------|---------|--------|
| Timberlands                             | \$217   | \$185   | \$32   |
| Wood Products                           | \$72    | \$111   | (\$39) |
| Pulp and Paper                          | \$35    | (\$67)  | \$102  |
| Containerboard, Packaging and Recycling | \$81    | \$32    | \$49   |
| Real Estate and Related Assets          | \$217   | \$109   | \$108  |

### TIMBERLANDS

|   | 4Q 2004 | 3Q 2004 | Change  |
|---|---------|---------|---------|
| Contribution to pre-tax earnings (millions) | \$217   | \$450   | (\$233) |

Excluding the third quarter \$271 million pre-tax gain on the sale of 270,000 acres of timberlands in Georgia, fourth quarter earnings increased \$38 million from the third quarter primarily because of sales of other non-strategic timberlands that closed earlier than expected.

Weyerhaeuser expects first quarter market conditions to be similar to fourth quarter.

### WOOD PRODUCTS

|   | 4Q 2004 | 3Q 2004 | Change  |
|---|---------|---------|---------|
| Contribution to pre-tax earnings (millions) | \$72    | \$362   | (\$290) |

Fourth quarter earnings of \$72 million include a \$30 million pre-tax gain from the sale of a mill site in Vancouver, British Columbia, and a \$6 million pre-tax

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gain from the sale of three mills in the Carolinas. Third quarter earnings included a \$20 million pre-tax gain from the tenure reallocation agreement with the British Columbia government and a \$20 million reduction in the reserve for hardboard siding claims.

As expected, fourth quarter prices were significantly lower than third quarter, particularly in softwood lumber and structural panels. In addition, higher delivered log costs in the South and Canada caused by weather-related transportation disruptions and shortages affected the segment. Higher resin and energy costs, and a stronger Canadian dollar also negatively affected the segment. Volumes of key products declined approximately six percent due to seasonal market conditions. The company also experienced extended maintenance at several facilities, including its largest oriented strand board facility.

The segment incurred \$27 million in countervailing and anti-dumping duties and related costs on Canadian softwood lumber the company sold into the United States in the fourth quarter, compared with \$31 million in the third quarter. For the year, the company incurred \$118 million in countervailing and anti-dumping duties and related costs, compared with \$97 million in 2003.

Weyerhaeuser expects first quarter earnings to increase from fourth quarter due to improving prices and strong housing starts.

### PULP AND PAPER

|   | 4Q 2004 | 3Q 2004 | Change |
|---|---------|---------|--------|
| Contribution to pre-tax earnings (millions) | \$35    | \$80    | (\$45) |

Earnings declined during the quarter due to higher costs associated with planned maintenance downtime, a stronger Canadian dollar, and higher than anticipated energy costs. Papergrade pulp prices, which had declined early in the quarter, began to recover. Fluff pulp prices improved slightly. Pricing for Fine Paper products improved compared with third quarter.

Weyerhaeuser expects higher first quarter earnings compared with fourth quarter. Prices for papergrade pulp, which began improving late in the quarter, should continue to improve. Fine Paper prices are expected to hold steady.

### CONTAINERBOARD, PACKAGING AND RECYCLING

|   | 4Q 2004 | 3Q 2004 | Change |
|---|---------|---------|--------|
| Contribution to pre-tax earnings (millions) | \$81    | \$82    | (\$1)  |

Fourth quarter earnings were relatively unchanged from third quarter. Higher fourth quarter containerboard and box prices offset lower box shipments and higher energy and maintenance costs. During the fourth quarter, Weyerhaeuser took 24,000 tons of market downtime.

The company expects first quarter earnings to be consistent with the fourth quarter.

### REAL ESTATE AND RELATED ASSETS

|   | 4Q 2004 | 3Q 2004 | Change |
|---|---------|---------|--------|
| Contribution to pre-tax earnings (millions) | \$217   | \$155   | \$62   |

Fourth quarter earnings benefited from increased single-family home closings, and higher sales prices and margins. In addition, a \$24 million net pre-tax gain on land and lot sales contributed to earnings. Sales of single-family homes declined seasonally during the quarter compared to the prior quarter.

The backlog of homes sold, but not closed, at the end of the fourth quarter is near six months. Weyerhaeuser expects first quarter earnings to decline

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seasonally from fourth quarter due to decreased single-family home closings in the markets in which the company operates.

### OTHER

The company will hold a live conference call at 7 a.m. Pacific (10 a.m. Eastern) on January 21 to discuss the fourth quarter results.

To access the conference call, listeners calling from within North America should dial 1-888-221-5699 at least 15 minutes prior to the start of the conference call. Those wishing to access the call from outside North America should dial 1-706-643-3795. Replays of the call will be available for one week following completion of the live call and can be accessed at 1-800-642-1687 (access code - 3158466) within North America and at 1-706-645-9291 (access code - 3158466) from outside North America.

The call is being webcast and can be accessed through Weyerhaeuser's Internet site at [www.weyerhaeuser.com](http://www.weyerhaeuser.com) by clicking on the "Listen to our conference call" link.

The webcast also is being distributed through the Thomson StreetEvents Network to both institutional and individual investors. Individual investors can listen to the call at [www.fulldisclosure.com](http://www.fulldisclosure.com), Thomson/CCBN's individual investor portal, powered by StreetEvents. Institutional investors can access the call via Thomson's password-protected event management site, StreetEvents ([www.streetevents.com](http://www.streetevents.com)).

Weyerhaeuser Company, one of the world's largest integrated forest products companies, was incorporated in 1900. In 2004, sales were \$22.7 billion. It has offices or operations in 19 countries, with customers worldwide. Weyerhaeuser is principally engaged in the growing and harvesting of timber; the manufacture, distribution and sale of forest products; and real estate construction, development and related activities. Additional information about Weyerhaeuser's businesses, products and practices is available at <http://www.weyerhaeuser.com>.

###

This news release 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 first quarter of 2005; expected earnings and performance of the company's business segments during the first quarter of 2005, demand and pricing for the company's products in the first quarter of 2005, non-strategic timberland sales in the first quarter of 2005, seasonal decline in single-family home closings in the first quarter of 2005, effect of Canadian exchange rate, and other 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; weather conditions; availability and pricing of raw materials, 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

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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.

### WEYERHAEUSER COMPANY

#### STATISTICAL INFORMATION (unaudited)

| CONSOLIDATED EARNINGS                       | Q1            |               | Q2           |              | Q3            |               |
|---|---------------|---------------|--------------|--------------|---------------|---------------|
| (in millions)                               | March<br>2004 | March<br>2003 | June<br>2004 | June<br>2003 | Sept.<br>2004 | Sept.<br>2003 |
| Net sales and revenues:                     |               |               |              |              |               |               |
| Weyerhaeuser (1)                            | \$4,568       | \$4,169       | \$5,369      | \$4,498      | \$5,258       | \$4,650       |
| Real Estate and Related Assets              | 469           | 445           | 524          | 432          | 591           | 534           |
| Total net sales and revenues                | 5,037         | 4,614         | 5,893        | 4,930        | 5,849         | 5,184         |
| Costs and expenses:                         |               |               |              |              |               |               |
| Weyerhaeuser:                               |               |               |              |              |               |               |
| Costs of products sold                      | 3,539         | 3,322         | 3,922        | 3,611        | 3,894         | 3,598         |
| Depreciation, amortization and fee stumpage | 325           | 321           | 328          | 313          | 326           | 320           |
| Selling expenses                            | 121           | 107           | 122          | 111          | 125           | 117           |
| General and administrative expenses         | 241           | 231           | 235          | 232          | 229           | 249           |
| Research and development expenses           | 12            | 12            | 13           | 12           | 13            | 10            |
| Taxes other than payroll and income taxes   | 48            | 47            | 48           | 48           | 50            | 45            |
| Charges for integration and restructuring   | 15            | 29            | 13           | 25           | 8             | 24            |
| Charges for closure of facilities           | 1             | 22            | --           | 12           | 13            | 48            |
| Other operating costs, net (2) (3)          | 14            | 37            | 42           | (205)        | (318)         | 16            |
| Real Estate and Related Assets:             | 4,316         | 4,128         | 4,723        | 4,159        | 4,340         | 4,427         |
| Costs and operating expenses                | 321           | 330           | 381          | 316          | 414           | 406           |
| Depreciation and amortization               | 2             | 3             | 4            | 2            | 3             | 3             |
| Selling expenses                            | 27            | 24            | 30           | 25           | 31            | 27            |
| General and administrative expenses         | 17            | 14            | 19           | 14           | 19            | 15            |
| Taxes other than payroll and income         |               |               |              |              |               |               |

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|  |        |          |        |        |        |        |
|--|--------|----------|--------|--------|--------|--------|
| taxes  | 1      | 1        | --     | 1      | 1      | 0      |
| Other operating costs,<br>net  | 1      | (7)      | 1      | --     | (19)   | 2      |
|  | 369    | 365      | 435    | 358    | 449    | 453    |
| Total costs and expenses   | 4,685  | 4,493    | 5,158  | 4,517  | 4,789  | 4,880  |
| Operating income   | 352    | 121      | 735    | 413    | 1,060  | 304    |
| Interest expense and<br>other:   |        |          |        |        |        |        |
| Weyerhaeuser:  |        |          |        |        |        |        |
| Interest expense<br>incurred (4)   | (195)  | (208)    | (218)  | (205)  | (184)  | (200)  |
| Less interest<br>capitalized   | 3      | 5        | 1      | 6      | 0      | 3      |
| Equity in income<br>(loss) of affiliates   | --     | (5)      | 7      | 3      | 4      | (3)    |
| Interest income and<br>other   | 3      | 6        | 5      | 6      | 7      | 3      |
| Real Estate and Related<br>Assets:   |        |          |        |        |        |        |
| Interest expense<br>incurred   | (15)   | (14)     | (14)   | (13)   | (14)   | (13)   |
| Less interest<br>capitalized   | 15     | 14       | 14     | 13     | 14     | 13     |
| Equity in income of<br>unconsolidated<br>entities  | 9      | 5        | 20     | 7      | 12     | 11     |
| Interest income and<br>other   | 11     | 11       | 9      | 8      | 1      | 6      |
| Earnings before income<br>taxes and cumulative<br>effect of a change in<br>accounting principle    | 183    | (65)     | 559    | 238    | 900    | 124    |
| Income taxes   | (62)   | 22       | (190)  | (81)   | (306)  | (42)   |
| Earnings before cumulative<br>effect of a change in<br>accounting principle                        | 121    | (43)     | 369    | 157    | 594    | 82     |
| Cumulative effect of a<br>change in accounting<br>principle, net of<br>applicable taxes of \$6 (5) | --     | (11)     | --     | --     | --     | --     |
| Net earnings (loss)  | \$121  | \$(54)   | \$369  | \$157  | \$594  | \$82   |
| Basic net earnings (loss)<br>per share:  |        |          |        |        |        |        |
| Net earnings (loss)<br>before cumulative<br>effect of a change<br>in accounting<br>principle       | \$0.54 | \$(0.19) | \$1.57 | \$0.71 | \$2.46 | \$0.37 |
| Cumulative effect of a<br>change in accounting<br>principle  | --     | (0.05)   | --     | --     | --     | --     |
| Net earnings (loss)  | \$0.54 | \$(0.24) | \$1.57 | \$0.71 | \$2.46 | \$0.37 |
| Diluted net earnings<br>(loss) per share:  |        |          |        |        |        |        |
| Net earnings (loss)<br>before cumulative   |        |          |        |        |        |        |

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|   |        |           |        |        |        |        |
|---|--------|-----------|--------|--------|--------|--------|
| effect of a change<br>in accounting<br>principle            | \$0.54 | \$ (0.19) | \$1.57 | \$0.71 | \$2.45 | \$0.37 |
| Cumulative effect of a<br>change in accounting<br>principle | --     | (0.05)    | --     | --     | --     | --     |
| Net earnings (loss)   | \$0.54 | \$ (0.24) | \$1.57 | \$0.71 | \$2.45 | \$0.37 |
| Dividends paid per share                                    | \$0.40 | \$0.40    | \$0.40 | \$0.40 | \$0.40 | \$0.40 |

| (in millions)                                  | Q4                  |                     | Year ended          |                     |
|--|---------------------|---------------------|---------------------|---------------------|
|  | Dec.<br>26,<br>2004 | Dec.<br>28,<br>2003 | Dec.<br>26,<br>2004 | Dec.<br>28,<br>2003 |
| Net sales and revenues:                        |                     |                     |                     |                     |
| Weyerhaeuser (1)                               | \$4,975             | \$4,527             | \$20,170            | \$17,844            |
| Real Estate and Related Assets                 | 911                 | 618                 | 2,495               | 2,029               |
| Total net sales and revenues                   | 5,886               | 5,145               | 22,665              | 19,873              |
| Costs and expenses:                            |                     |                     |                     |                     |
| Weyerhaeuser:                                  |                     |                     |                     |                     |
| Costs of products sold                         | 3,894               | 3,547               | 15,249              | 14,078              |
| Depreciation, amortization and<br>fee stumpage | 329                 | 353                 | 1,308               | 1,307               |
| Selling expenses                               | 120                 | 122                 | 488                 | 457                 |
| General and administrative<br>expenses         | 250                 | 238                 | 955                 | 950                 |
| Research and development<br>expenses           | 17                  | 17                  | 55                  | 51                  |
| Taxes other than payroll and<br>income taxes   | 48                  | 45                  | 194                 | 185                 |
| Charges for integration and<br>restructuring   | 3                   | 25                  | 39                  | 103                 |
| Charges for closure of<br>facilities           | 0                   | 45                  | 14                  | 127                 |
| Other operating costs,<br>net (2) (3)          | 4                   | (92)                | (258)               | (244)               |
|  | 4,665               | 4,300               | 18,044              | 17,014              |
| Real Estate and Related Assets:                |                     |                     |                     |                     |
| Costs and operating expenses                   | 647                 | 464                 | 1,763               | 1,516               |
| Depreciation and amortization                  | 5                   | 3                   | 14                  | 11                  |
| Selling expenses                               | 37                  | 31                  | 125                 | 107                 |
| General and administrative<br>expenses         | 26                  | 20                  | 81                  | 63                  |
| Taxes other than payroll and<br>income taxes   | --                  | 1                   | 2                   | 3                   |
| Other operating costs, net                     | 0                   | (4)                 | (17)                | (9)                 |
|  | 715                 | 515                 | 1,968               | 1,691               |
| Total costs and expenses                       | 5,380               | 4,815               | 20,012              | 18,705              |
| Operating income                               | 506                 | 330                 | 2,653               | 1,168               |
| Interest expense and other:                    |                     |                     |                     |                     |
| Weyerhaeuser:                                  |                     |                     |                     |                     |
| Interest expense incurred (4)                  | (241)               | (202)               | (838)               | (815)               |
| Less interest capitalized                      | 5                   | 5                   | 9                   | 19                  |
| Equity in income (loss) of<br>affiliates       | 3                   | (1)                 | 14                  | (6)                 |



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|                                      |        |        |         |        |
|--------------------------------------|--------|--------|---------|--------|
| Interest income and other            | 9      | 2      | 24      | 17     |
| Real Estate and Related Assets:      |        |        |         |        |
| Interest expense incurred            | (14)   | (13)   | (57)    | (53)   |
| Less interest capitalized            | 14     | 13     | 57      | 53     |
| Equity in income of                  |        |        |         |        |
| unconsolidated entities              | 11     | (3)    | 52      | 20     |
| Interest income and other            | 10     | 8      | 31      | 33     |
| Earnings before income taxes and     |        |        |         |        |
| cumulative effect of a change in     |        |        |         |        |
| accounting principle                 | 303    | 139    | 1,945   | 436    |
| Income taxes                         | (104)  | (47)   | (662)   | (148)  |
| Earnings before cumulative effect of |        |        |         |        |
| a change in accounting principle     | 199    | 92     | 1,283   | 288    |
| Cumulative effect of a change in     |        |        |         |        |
| accounting principle, net of         |        |        |         |        |
| applicable taxes of \$6 (5)          | --     | --     | --      | (11)   |
| Net earnings (loss)                  | \$199  | \$92   | \$1,283 | \$277  |
| Basic net earnings (loss) per share: |        |        |         |        |
| Net earnings (loss) before           |        |        |         |        |
| cumulative effect of a change        |        |        |         |        |
| in accounting principle              | \$0.82 | \$0.41 | \$5.45  | \$1.30 |
| Cumulative effect of a change in     |        |        |         |        |
| accounting principle                 | --     | --     | --      | (0.05) |
| Net earnings (loss)                  | \$0.82 | \$0.41 | \$5.45  | \$1.25 |
| Diluted net earnings (loss) per      |        |        |         |        |
| share:                               |        |        |         |        |
| Net earnings (loss) before           |        |        |         |        |
| cumulative effect of a change        |        |        |         |        |
| in accounting principle              | \$0.82 | \$0.41 | \$5.43  | \$1.30 |
| Cumulative effect of a change in     |        |        |         |        |
| accounting principle                 | --     | --     | --      | (0.05) |
| Net earnings (loss)                  | \$0.82 | \$0.41 | \$5.43  | \$1.25 |
| Dividends paid per share             | \$0.40 | \$0.40 | \$1.60  | \$1.60 |

(1) The first, second, third and fourth quarters of 2004 include charges of \$26 million, \$34 million and \$31 million and \$27 million, respectively, or \$118 million year-to-date, for countervailing and anti-dumping duties and related costs. The first, second, third and fourth quarters of 2003 include charges of \$24 million, \$26 million, \$25 million, and \$22 million, respectively, or a total of \$97 million for the year, for countervailing and anti-dumping duties and related costs.

(2) The first, second, third and fourth quarters of 2004 include net foreign exchange gains (losses) of (\$9) million, (\$7) million, \$16 million and \$27 million, respectively, for a total year-to-date net gain of \$27 million. The 2003 first, second, third and fourth quarters include net foreign exchange gains (losses) of \$35 million, \$47 million, (\$4) million, and \$30 million, respectively, for a total net gain of \$108 million for the year. These gains and losses result primarily from fluctuations in Canadian and New Zealand exchange rates.

(3) The first quarter of 2004 includes a \$49 million charge for the settlement of lawsuits involving the market for Pacific Northwest alder logs and a \$33 million gain on the sale of an oriented strand board mill in Slave Lake, Alberta. The second quarter includes a \$16 million charge resulting from an adverse judgment in a lawsuit involving the market for Pacific Northwest alder logs. The third quarter includes a \$271 million

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gain on the sale of timberlands in Georgia, a \$25 million gain from a tenure reallocation agreement with the British Columbia government, and a \$20 million gain due to the reduction of the reserve for hardboard siding claims. The fourth quarter includes a net gain of \$36 million on the sale of facilities, and charges of \$29 million for the impairment of assets in the company's European manufacturing operations, \$24 million recognized in connection with a change in the method of estimating workers' compensation liabilities and \$23 million for the net book value of technology donated to a university.

The first quarter of 2003 includes a \$79 million charge for a lawsuit involving the market for Pacific Northwest alder logs. 2003 second quarter includes a \$144 million gain on the sales of timberlands in Washington state and a \$25 million gain for the settlement of an insurance claim relating to the Cemwood litigation. 2003 third quarter includes a \$23 million charge associated with the settlement of a class action linerboard antitrust lawsuit. 2003 fourth quarter includes a \$61 million gain on the sales of timberlands in Tennessee and the Carolinas and an \$8 million charge associated with the settlement of litigation related to workers' compensation claims.

(4) The second and fourth quarters of 2004 include charges of \$21 million and \$52 million, respectively, for the early extinguishment of debt.

(5) Statement of Financial Accounting Standards No. 143, Accounting for Asset Retirement Obligations, was adopted as of the beginning of 2003.

### WEYERHAEUSER COMPANY STATISTICAL INFORMATION (unaudited)

Net sales and revenues (in millions):

|                            | Q1             |                | Q2            |               | Q3             |                |
|----------------------------|----------------|----------------|---------------|---------------|----------------|----------------|
|                            | March 28, 2004 | March 30, 2003 | June 27, 2004 | June 29, 2003 | Sept. 26, 2004 | Sept. 28, 2003 |
| <b>Timberlands:</b>        |                |                |               |               |                |                |
| Logs                       | \$193          | \$162          | \$211         | \$185         | \$197          | \$184          |
| Other products             | 58             | 80             | 66            | 61            | 51             | 62             |
|                            | 251            | 242            | 277           | 246           | 248            | 246            |
| <b>Wood Products:</b>      |                |                |               |               |                |                |
| Softwood lumber            | 819            | 752            | 1,106         | 846           | 1,089          | 890            |
| Plywood                    | 221            | 165            | 263           | 173           | 237            | 219            |
| Veneer                     | 11             | 9              | 12            | 9             | 11             | 9              |
| Composite panels           | 108            | 90             | 133           | 104           | 138            | 100            |
| OSB                        | 338            | 167            | 456           | 227           | 341            | 345            |
| Hardwood lumber            | 90             | 89             | 100           | 92            | 89             | 82             |
| Engineered lumber products | 298            | 254            | 396           | 308           | 418            | 329            |
| Logs                       | 23             | 25             | 38            | 33            | 32             | 19             |
| Other products             | 239            | 207            | 288           | 256           | 289            | 244            |
|                            | 2,147          | 1,758          | 2,792         | 2,048         | 2,644          | 2,237          |
| <b>Pulp and Paper:</b>     |                |                |               |               |                |                |
| Pulp                       | 339            | 309            | 371           | 321           | 381            | 333            |
| Paper                      | 535            | 596            | 538           | 546           | 583            | 530            |
| Coated groundwood          | 36             | 36             | 37            | 32            | 39             | 39             |
| Liquid packaging board     | 49             | 47             | 53            | 52            | 53             | 50             |
| Other products             | 10             | 6              | 13            | 6             | 15             | 5              |
|                            | 969            | 994            | 1,012         | 957           | 1,071          | 957            |

Containerboard, Packaging and Recycling:

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|                                |         |         |         |         |         |         |
|--------------------------------|---------|---------|---------|---------|---------|---------|
| Containerboard                 | 81      | 77      | 80      | 81      | 94      | 73      |
| Packaging                      | 853     | 879     | 918     | 922     | 916     | 898     |
| Recycling                      | 80      | 60      | 91      | 63      | 87      | 60      |
| Bags                           | 19      | 20      | 18      | 20      | 20      | 19      |
| Other products                 | 33      | 33      | 34      | 35      | 43      | 40      |
|                                | 1,066   | 1,069   | 1,141   | 1,121   | 1,160   | 1,090   |
| Real Estate and Related Assets | 469     | 445     | 524     | 432     | 591     | 534     |
| Corporate and Other            | 135     | 106     | 147     | 126     | 135     | 120     |
|                                | \$5,037 | \$4,614 | \$5,893 | \$4,930 | \$5,849 | \$5,184 |

|  | Q4      |         | Year ended |          |
|--|---------|---------|------------|----------|
|  | Dec.    | Dec.    | Dec.       | Dec.     |
|  | 26,     | 28,     | 26,        | 28,      |
|  | 2004    | 2003    | 2004       | 2003     |
| Timberlands:                             |         |         |            |          |
| Logs                                     | \$221   | \$199   | \$822      | \$730    |
| Other products                           | 105     | 61      | 280        | 264      |
|  | 326     | 260     | 1,102      | 994      |
| Wood Products:                           |         |         |            |          |
| Softwood lumber                          | 901     | 793     | 3,915      | 3,281    |
| Plywood                                  | 208     | 227     | 929        | 784      |
| Veneer                                   | 10      | 12      | 44         | 39       |
| Composite panels                         | 122     | 99      | 501        | 393      |
| OSB                                      | 255     | 370     | 1,390      | 1,109    |
| Hardwood lumber                          | 86      | 87      | 365        | 350      |
| Engineered lumber products               | 393     | 288     | 1,505      | 1,179    |
| Logs                                     | 32      | 28      | 125        | 105      |
| Other products                           | 253     | 238     | 1,069      | 945      |
|  | 2,260   | 2,142   | 9,843      | 8,185    |
| Pulp and Paper:                          |         |         |            |          |
| Pulp                                     | 380     | 342     | 1,471      | 1,305    |
| Paper                                    | 570     | 510     | 2,226      | 2,182    |
| Coated groundwood                        | 44      | 33      | 156        | 140      |
| Liquid packaging board                   | 53      | 49      | 208        | 198      |
| Other products                           | 16      | 9       | 54         | 26       |
|  | 1,063   | 943     | 4,115      | 3,851    |
| Containerboard, Packaging and Recycling: |         |         |            |          |
| Containerboard                           | 113     | 73      | 368        | 304      |
| Packaging                                | 897     | 845     | 3,584      | 3,544    |
| Recycling                                | 89      | 64      | 347        | 247      |
| Bags                                     | 23      | 21      | 80         | 80       |
| Other products                           | 46      | 39      | 156        | 147      |
|  | 1,168   | 1,042   | 4,535      | 4,322    |
| Real Estate and Related Assets           | 911     | 618     | 2,495      | 2,029    |
| Corporate and Other                      | 158     | 140     | 575        | 492      |
|  | \$5,886 | \$5,145 | \$22,665   | \$19,873 |

|                                    |       |      |       |       |  |  |
|------------------------------------|-------|------|-------|-------|--|--|
| Contribution (charge) to earnings: |       |      |       |       |  |  |
| (in millions)                      | Q1    | Q2   | Q3    |       |  |  |
|                                    | March | June | Sept. | Sept. |  |  |

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|  | 28,<br>2004 | 30,<br>2003 | 27,<br>2004 | 29,<br>2003 | 26,<br>2004 | 28,<br>2003 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| Timberlands (1)                                    | \$159       | \$149       | \$201       | \$300       | \$450       | \$143       |
| Wood Products (2) (3) (4)<br>(5)                   | 173         | (150)       | 448         | (53)        | 362         | 151         |
| Pulp and Paper (6)                                 | (25)        | 10          | 14          | (7)         | 80          | (18)        |
| Containerboard, Packaging<br>and Recycling (7) (8) | 24          | 80          | 62          | 108         | 82          | 42          |
| Real Estate and Related<br>Assets (9)              | 120         | 95          | 118         | 91          | 155         | 97          |
| Corporate and Other (10)<br>(11) (12)              | (76)        | (46)        | (67)        | (2)         | (45)        | (94)        |
|  | \$375       | \$138       | \$776       | \$437       | \$1,084     | \$321       |

| (in millions)                                      | Q4                  |                     | Year ended          |                     |
|--|---------------------|---------------------|---------------------|---------------------|
|  | Dec.<br>26,<br>2004 | Dec.<br>28,<br>2003 | Dec.<br>26,<br>2004 | Dec.<br>28,<br>2003 |
| Timberlands (1)                                    | \$217               | \$185               | \$1,027             | \$777               |
| Wood Products (2) (3) (4) (5)                      | 72                  | 111                 | 1,055               | 59                  |
| Pulp and Paper (6)                                 | 35                  | (67)                | 104                 | (82)                |
| Containerboard, Packaging and<br>Recycling (7) (8) | 81                  | 32                  | 249                 | 262                 |
| Real Estate and Related Assets (9)                 | 217                 | 109                 | 610                 | 392                 |
| Corporate and Other (10) (11) (12)                 | (83)                | (34)                | (271)               | (176)               |
|  | \$539               | \$336               | \$2,774             | \$1,232             |

(1) The 2004 third quarter includes a \$271 million gain on the sale of timberlands in Georgia and a \$5 million gain from a tenure reallocation agreement with the British Columbia government. The 2003 second quarter includes a \$144 million gain on the sales of timberlands in Washington state. The 2003 fourth quarter includes a \$61 million gain on the sale of timberlands in Tennessee and the Carolinas.

(2) The first, second, third and fourth quarters of 2004 include charges of \$26 million, \$34 million and \$31 million and \$27 million, respectively, or \$118 million year-to-date, for countervailing and anti-dumping duties and related costs. The first, second, third and fourth quarters of 2003 include charges of \$24 million, \$26 million, \$25 million, and \$22 million, respectively, or a total of \$97 million for the year, for countervailing and anti-dumping duties and related costs.

(3) The first quarter of 2004 includes a \$49 million charge for the settlement of lawsuits involving the market for Pacific Northwest alder logs. The second quarter of 2004 includes a \$16 million charge resulting from an adverse judgment in a lawsuit involving the market for Pacific Northwest alder logs. The third quarter of 2004 includes a \$20 million gain due to the reduction of the reserve for hardboard siding claims. The first quarter of 2003 includes a \$79 million charge for a lawsuit involving the market for Pacific Northwest alder logs.

(4) The third quarter of 2004 includes a \$20 million gain from a tenure reallocation agreement with the British Columbia government.

(5) The first quarter of 2004 includes a credit of \$2 million for the reversal of closure costs accrued in prior years and a \$33 million gain on the sale of an oriented strand board mill in Slave Lake, Alberta. The second quarter of 2004 includes a \$5 million net loss on the sale of facilities. The third quarter of 2004 includes a \$2 million net gain on

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the sale or closure of facilities. The fourth quarter of 2004 includes charges of \$3 million for the closure of facilities and a gain of \$36 million on the sale of facilities. The 2003 first, second, third and fourth quarters include costs for the closure of facilities of \$22 million, \$11 million, \$31 million, and \$14 million, respectively. 2003 second quarter also includes a charge of \$16 million to recognize impairment associated with an impending facility sale that closed in the fourth quarter of 2003.

(6) The 2004 second quarter includes a \$2 million asset impairment charge related to assets held for sale. 2003 second quarter includes \$3 million of closure costs. 2003 fourth quarter includes \$30 million of closure costs.

(7) The third quarter of 2003 includes a \$23 million charge associated with the settlement of a class action linerboard antitrust lawsuit.

(8) The first quarter of 2004 includes closure costs of \$3 million. The second quarter of 2004 includes a net gain of \$1 million on the sales of a facility and a joint venture investment. The third quarter of 2004 includes closure costs of \$12 million, including a pension termination charge of \$9 million related to a closure that occurred in a previous year. The fourth quarter of 2004 includes a credit of \$3 million for the reversal of closure costs accrued in prior years. The 2003 second quarter includes the reversal of an accrual for closure charges of \$2 million. The 2003 third and fourth quarters include closure costs of \$17 million and \$1 million, respectively.

(9) The first quarter of 2004 includes a \$22 million gain on a land sale. The third quarter of 2004 includes a gain of \$18 million on the sale of a multi-family site. The fourth quarter of 2004 includes a \$24 million net gain on land and lot sales. The 2003 first quarter includes gains of \$8 million for the sale of two office buildings and \$10 for the sale of an apartment complex. The 2003 second quarter includes a gain of \$12 million for the sale of commercial property. The 2003 fourth quarter includes a \$7 million gain on an acreage sale.

(10) The 2003 second quarter includes a \$6 million charge to reflect the final settlement in connection with the termination of the former MacMillan Bloedel pension plan for U.S. employees.

(11) The fourth quarter of 2004 includes a \$7 million gain for the settlement of an insurance claim relating to the Cemwood litigation. The 2003 second quarter includes a \$25 million gain for the settlement of an insurance claim relating to the Cemwood litigation. The 2003 fourth quarter includes an \$8 million charge for the settlement of litigation related to workers' compensation claims.

(12) The fourth quarter of 2004 includes charges of \$29 million for the impairment of assets in the company's European manufacturing operations, \$24 million recognized in connection with a change in the method of estimating workers' compensation liabilities and \$23 million for the net book value of technology donated to a university.

(13) The first, second, third and fourth quarters of 2004 include net foreign exchange gains (losses) of (\$10) million, (\$6) million, \$16 million and \$26 million, respectively, for a \$26 million net gain year-to-date. 2003 results include net foreign exchange gains (losses) of \$35 million in the first quarter, \$46 million in the second quarter, (\$4) million in the third quarter, and \$30 million in the fourth quarter, for a net 2003 gain of \$107 million. These gains and losses result

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primarily from fluctuations in Canadian and New Zealand exchange rates.

### WEYERHAEUSER COMPANY STATISTICAL INFORMATION (unaudited)

Third party sales  
volumes:

|  | Q1          |             | Q2          |             | Q3          |             |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
|  | March       | March       | June        | June        | Sept.       | Sept.       |
|  | 28,<br>2004 | 30,<br>2003 | 27,<br>2004 | 29,<br>2003 | 26,<br>2004 | 28,<br>2003 |

Timberlands (thousands):

|               |       |     |     |       |     |     |
|---------------|-------|-----|-----|-------|-----|-----|
| Logs - cunits | 1,044 | 984 | 954 | 1,006 | 904 | 987 |
|---------------|-------|-----|-----|-------|-----|-----|

Wood Products  
(millions):

|  |       |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|-------|
| Softwood lumber -<br>board feet                  | 2,054 | 2,175 | 2,393 | 2,385 | 2,299 | 2,298 |
| Plywood - square<br>feet (3/8")                  | 642   | 664   | 668   | 697   | 672   | 688   |
| Veneer - square<br>feet (3/8")                   | 55    | 62    | 60    | 63    | 55    | 56    |
| Composite panels -<br>square feet (3/4")         | 301   | 267   | 324   | 304   | 315   | 302   |
| Oriented strand<br>board - square feet<br>(3/8") | 981   | 1,025 | 1,143 | 1,206 | 1,078 | 1,129 |
| Hardwood lumber -<br>board feet                  | 102   | 109   | 118   | 115   | 102   | 104   |
| Logs - cunits<br>(in thousands)                  | 170   | 170   | 279   | 230   | 237   | 189   |

Pulp and Paper (thousands):

|                                  |     |     |     |     |     |     |
|----------------------------------|-----|-----|-----|-----|-----|-----|
| Pulp - air-dry metric<br>tons    | 624 | 623 | 642 | 596 | 633 | 632 |
| Paper - tons                     | 741 | 737 | 718 | 690 | 737 | 707 |
| Coated groundwood -<br>tons      | 59  | 61  | 61  | 55  | 60  | 64  |
| Liquid packaging<br>board - tons | 66  | 60  | 72  | 67  | 69  | 64  |
| Paper converting -<br>tons       | 483 | 502 | 472 | 472 | 481 | 478 |

Containerboard,  
Packaging and Recycling  
(thousands):

|                                |        |        |        |        |        |        |
|--------------------------------|--------|--------|--------|--------|--------|--------|
| Containerboard -<br>tons       | 250    | 221    | 221    | 233    | 245    | 214    |
| Packaging - MSF                | 18,146 | 17,752 | 18,917 | 18,577 | 18,287 | 18,545 |
| Recycling - tons               | 678    | 593    | 701    | 566    | 645    | 538    |
| Kraft bags and<br>sacks - tons | 24     | 25     | 23     | 24     | 23     | 25     |

Real Estate and Related  
Assets:

|  |       |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|-------|
| Single-family homes<br>sold                | 1,506 | 1,289 | 1,564 | 1,321 | 1,313 | 1,239 |
| Single-family homes<br>closed              | 1,065 | 1,010 | 1,216 | 1,003 | 1,345 | 1,182 |
| Single-family homes<br>sold but not closed |       |       |       |       |       |       |

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at end of period      2,702    2,161    3,050    2,479    3,018    2,536

|  | Q4               |                  | Year ended       |                  |
|--|------------------|------------------|------------------|------------------|
|  | Dec. 26,<br>2004 | Dec. 28,<br>2003 | Dec. 26,<br>2004 | Dec. 28,<br>2003 |
| Timberlands (thousands):                                 |                  |                  |                  |                  |
| Logs - cunits  | 1,018            | 1,148            | 3,920            | 4,125            |
| Wood Products (millions):                                |                  |                  |                  |                  |
| Softwood lumber - board feet                             | 2,144            | 2,123            | 8,890            | 8,981            |
| Plywood - square feet (3/8")                             | 647              | 616              | 2,629            | 2,665            |
| Veneer - square feet (3/8")                              | 55               | 58               | 225              | 239              |
| Composite panels - square feet (3/4")                    | 294              | 289              | 1,234            | 1,162            |
| Oriented strand board - square feet (3/8")               | 1,011            | 1,001            | 4,213            | 4,361            |
| Hardwood lumber - board feet                             | 95               | 107              | 417              | 435              |
| Logs - cunits (in thousands)                             | 248              | 210              | 934              | 799              |
| Pulp and Paper (thousands):                              |                  |                  |                  |                  |
| Pulp - air-dry metric tons                               | 659              | 628              | 2,558            | 2,479            |
| Paper - tons   | 680              | 688              | 2,876            | 2,822            |
| Coated groundwood - tons                                 | 63               | 54               | 243              | 234              |
| Liquid packaging board - tons                            | 69               | 65               | 276              | 256              |
| Paper converting - tons                                  | 458              | 430              | 1,894            | 1,882            |
| Containerboard, Packaging and Recycling (thousands):     |                  |                  |                  |                  |
| Containerboard - tons                                    | 285              | 222              | 1,001            | 890              |
| Packaging - MSF  | 17,535           | 17,867           | 72,885           | 72,741           |
| Recycling - tons   | 670              | 593              | 2,694            | 2,290            |
| Kraft bags and sacks - tons                              | 25               | 26               | 95               | 100              |
| Real Estate and Related Assets:                          |                  |                  |                  |                  |
| Single-family homes sold                                 | 992              | 1,156            | 5,375            | 5,005            |
| Single-family homes closed                               | 1,638            | 1,431            | 5,264            | 4,626            |
| Single-family homes sold but not closed at end of period | 2,372            | 2,261            | 2,372            | 2,261            |

| Total production volumes:       | Q1          |             | Q2          |             | Q3          |             |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                                 | March       | March       | June        | June        | Sept.       | Sept.       |
|                                 | 28,<br>2004 | 30,<br>2003 | 27,<br>2004 | 29,<br>2003 | 26,<br>2004 | 28,<br>2003 |
| Timberlands (thousands):        |             |             |             |             |             |             |
| Fee Depletion - cunits          | 2,265       | 2,555       | 2,404       | 2,479       | 2,189       | 2,223       |
| Wood Products (millions):       |             |             |             |             |             |             |
| Softwood lumber - board feet    | 1,760       | 1,842       | 1,881       | 1,825       | 1,819       | 1,742       |
| Plywood - square feet (3/8")    | 422         | 478         | 405         | 412         | 405         | 414         |
| Veneer - square feet (3/8") (1) | 585         | 593         | 609         | 536         | 592         | 536         |
| Composite panels -              |             |             |             |             |             |             |

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|  |       |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|-------|
| square feet (3/4")                         | 268   | 231   | 281   | 252   | 272   | 253   |
| Oriented strand board - square feet (3/8") | 1,031 | 1,011 | 1,056 | 1,051 | 1,022 | 1,061 |
| Hardwood lumber - board feet               | 89    | 98    | 96    | 93    | 84    | 93    |

Pulp and Paper

(thousands):

|                               |     |     |     |     |     |     |
|-------------------------------|-----|-----|-----|-----|-----|-----|
| Pulp - air-dry metric tons    | 619 | 654 | 636 | 619 | 652 | 604 |
| Paper - tons (2)              | 743 | 757 | 736 | 712 | 766 | 706 |
| Coated groundwood - tons      | 55  | 62  | 61  | 55  | 62  | 61  |
| Liquid packaging board - tons | 61  | 56  | 67  | 68  | 71  | 72  |
| Paper converting - tons       | 490 | 516 | 470 | 479 | 500 | 472 |

Containerboard, Packaging and Recycling

(thousands):

|                             |        |        |        |        |        |        |
|-----------------------------|--------|--------|--------|--------|--------|--------|
| Containerboard - tons (3)   | 1,503  | 1,429  | 1,598  | 1,568  | 1,604  | 1,512  |
| Packaging - MSF             | 19,493 | 18,977 | 20,208 | 19,955 | 19,473 | 19,865 |
| Recycling - tons (4)        | 1,607  | 1,528  | 1,707  | 1,644  | 1,703  | 1,507  |
| Kraft bags and sacks - tons | 24     | 25     | 23     | 25     | 23     | 23     |

|  |               |               |               |               |
|--|---------------|---------------|---------------|---------------|
|  | Q4            |               | Year ended    |               |
|  | Dec. 26, 2004 | Dec. 28, 2003 | Dec. 26, 2004 | Dec. 28, 2003 |

Timberlands (thousands):

|                        |       |       |       |       |
|------------------------|-------|-------|-------|-------|
| Fee Depletion - cunits | 2,155 | 2,171 | 9,013 | 9,428 |
|------------------------|-------|-------|-------|-------|

Wood Products (millions):

|   |       |       |       |       |
|---|-------|-------|-------|-------|
| Softwood lumber - board feet              | 1,727 | 1,704 | 7,187 | 7,113 |
| Plywood - square feet (3/8")              | 396   | 404   | 1,628 | 1,708 |
| Veneer - square feet (3/8") (1)           | 600   | 534   | 2,386 | 2,199 |
| Composite panels - square feet (3/4")     | 245   | 252   | 1,066 | 988   |
| Oriented strand board -square feet (3/8") | 972   | 1,047 | 4,081 | 4,170 |
| Hardwood lumber - board feet              | 80    | 89    | 349   | 373   |

Pulp and Paper (thousands):

|                               |     |     |       |       |
|-------------------------------|-----|-----|-------|-------|
| Pulp - air-dry metric tons    | 639 | 645 | 2,546 | 2,522 |
| Paper - tons (2)              | 761 | 658 | 3,006 | 2,833 |
| Coated groundwood - tons      | 62  | 61  | 240   | 239   |
| Liquid packaging board - tons | 67  | 65  | 266   | 261   |
| Paper converting - tons       | 494 | 415 | 1,954 | 1,882 |

Containerboard, Packaging and Recycling (thousands):

|                             |        |        |        |        |
|-----------------------------|--------|--------|--------|--------|
| Containerboard - tons (3)   | 1,586  | 1,494  | 6,291  | 6,003  |
| Packaging - MSF             | 18,648 | 19,033 | 77,822 | 77,830 |
| Recycling - tons (4)        | 1,701  | 1,537  | 6,718  | 6,216  |
| Kraft bags and sacks - tons | 24     | 25     | 94     | 98     |



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(1) Veneer production represents lathe production and includes volumes that are further processed into plywood and engineered lumber products by company mills.

(2) Paper production includes unprocessed rolls and converted paper volumes.

(3) Containerboard production represents machine production and includes volumes that are further processed into packaging by company facilities.

(4) Recycling production includes volumes processed in Weyerhaeuser recycling facilities and brokered volumes.

### WEYERHAEUSER COMPANY STATISTICAL INFORMATION

#### CONDENSED CONSOLIDATED BALANCE SHEET (unaudited) (in millions)

|  | March    | June     | Sept.    | Dec.     | Dec.     |
|--|----------|----------|----------|----------|----------|
|  | 28,      | 27,      | 26,      | 26,      | 28,      |
|  | 2004     | 2004     | 2004     | 2004     | 2003     |
| Assets   |          |          |          |          |          |
| Weyerhaeuser   |          |          |          |          |          |
| Current assets:  |          |          |          |          |          |
| Cash and short-term investments  | \$74     | \$725    | \$1,227  | \$1,044  | \$171    |
| Receivables, less allowances   | 1,701    | 1,860    | 1,804    | 1,604    | 1,484    |
| Inventories  | 2,020    | 1,936    | 1,998    | 2,045    | 1,911    |
| Prepaid expenses   | 471      | 488      | 527      | 600      | 455      |
| Total current assets   | 4,266    | 5,009    | 5,556    | 5,293    | 4,021    |
| Property and equipment   | 12,141   | 11,883   | 11,838   | 11,755   | 12,243   |
| Construction in progress   | 251      | 279      | 242      | 269      | 403      |
| Timber and timberlands at cost, less fee stumpage charged to disposals | 4,279    | 4,244    | 4,193    | 4,212    | 4,287    |
| Investments in and advances to equity affiliates                       | 603      | 592      | 632      | 583      | 603      |
| Goodwill   | 3,232    | 3,218    | 3,241    | 3,244    | 3,237    |
| Deferred pension and other assets                                      | 1,287    | 1,273    | 1,243    | 1,223    | 1,311    |
|  | 26,059   | 26,498   | 26,945   | 26,579   | 26,105   |
| Real Estate and Related Assets   |          |          |          |          |          |
| Cash and short-term investments  | 5        | 12       | 8        | 153      | 31       |
| Receivables, less allowances   | 52       | 42       | 52       | 43       | 64       |
| Real estate and land for sale and development                          | 1,728    | 1,849    | 1,929    | 1,934    | 1,645    |
| Other assets   | 293      | 322      | 350      | 342      | 264      |
|  | 2,078    | 2,225    | 2,339    | 2,472    | 2,004    |
| Total assets   | \$28,137 | \$28,723 | \$29,284 | \$29,051 | \$28,109 |
| Liabilities and Shareholders'  |          |          |          |          |          |
| Interest   |          |          |          |          |          |
| Weyerhaeuser   |          |          |          |          |          |
| Current liabilities:   |          |          |          |          |          |

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|   |          |          |          |          |          |
|---|----------|----------|----------|----------|----------|
| Notes payable and commercial paper                                    | \$103    | \$2      | \$3      | \$3      | \$4      |
| Current maturities of long-term debt                                  | 1,129    | 445      | 490      | 489      | 90       |
| Accounts payable  | 1,065    | 1,114    | 1,102    | 1,197    | 1,041    |
| Accrued liabilities   | 1,212    | 1,323    | 1,337    | 1,444    | 1,390    |
| Total current liabilities   | 3,509    | 2,884    | 2,932    | 3,133    | 2,525    |
| Long-term debt  | 10,399   | 10,325   | 10,010   | 9,277    | 11,503   |
| Deferred income taxes   | 4,303    | 4,373    | 4,451    | 4,533    | 4,294    |
| Deferred pension, other postretirement benefits and other liabilities | 1,391    | 1,416    | 1,429    | 1,438    | 1,377    |
|   | 19,602   | 18,998   | 18,822   | 18,381   | 19,699   |
| Real Estate and Related Assets  |          |          |          |          |          |
| Notes payable and commercial paper                                    | 78       | --       | --       | 2        | 1        |
| Long-term debt  | 887      | 872      | 869      | 867      | 893      |
| Other liabilities   | 356      | 443      | 534      | 546      | 407      |
|   | 1,321    | 1,315    | 1,403    | 1,415    | 1,301    |
| Total liabilities   | 20,923   | 20,313   | 20,225   | 19,796   | 21,000   |
| Shareholders' interest  | 7,214    | 8,410    | 9,059    | 9,255    | 7,109    |
| Total liabilities and shareholders' interest                          | \$28,137 | \$28,723 | \$29,284 | \$29,051 | \$28,109 |

| STATEMENT OF CASH FLOWS   | Q1     |         | Q2      |            | Q3    |       |
|---|--------|---------|---------|------------|-------|-------|
|   | March  | March   | June    | June       | Sept. | Sept. |
| SELECTED INFORMATION (unaudited)<br>(in millions)                       | 28,    | 30,     | 27,     | 29,        | 26,   | 28,   |
| (Weyerhaeuser only, excludes Real Estate & Related Assets)              | 2004   | 2003    | 2004    | 2003       | 2004  | 2003  |
| Net cash from operations  | \$(89) | \$(107) | \$787   | \$379      | \$592 | \$581 |
| Cash paid for property and equipment                                    | (79)   | (128)   | (80)    | (172)      | (93)  | (146) |
| Cash paid for timberlands reforestation                                 | (12)   | (14)    | (6)     | (5)        | (5)   | (6)   |
| Cash received from issuances of debt                                    | --     | 1       | --      | --         | --    | 12    |
| Revolving credit facilities, notes and commercial paper borrowings, net | 67     | 580     | (80)    | (315)      | (6)   | 142   |
| Payments on debt  | (60)   | (251)   | (813)   | (14)       | (253) | (509) |
| Proceeds from equity offering   | --     | --      | 954     | --         | --    | --    |
| (in millions)   |        |         |         |            |       |       |
| (Weyerhaeuser only, excludes Real Estate & Related Assets)              |        |         |         |            |       |       |
|   |        | Q4      |         | Year ended |       |       |
|   | Dec.   | Dec.    | Dec.    | Dec.       |       |       |
|   | 26,    | 28,     | 26,     | 28,        |       |       |
|   | 2004   | 2003    | 2004    | 2003       |       |       |
| Net cash from operations  | \$745  | \$778   | \$2,035 | \$1,631    |       |       |
| Cash paid for property and equipment                                    | (222)  | (146)   | (474)   | (592)      |       |       |
| Cash paid for timberlands   |        |         |         |            |       |       |

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|   |       |       |         |       |
|---|-------|-------|---------|-------|
| reforestation   | (7)   | (9)   | (30)    | (34)  |
| Cash received from issuances of debt                                    | 1     | 31    | 1       | 44    |
| Revolving credit facilities, notes and commercial paper borrowings, net | 35    | (707) | 16      | (300) |
| Payments on debt  | (742) | (50)  | (1,868) | (824) |
| Proceeds from equity offering   | --    | --    | 954     | --    |

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### SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

WEYERHAEUSER COMPANY

By         /s/ Steven J. Hillyard  
Its: Vice President and  
Chief Accounting Officer

Date: January 21, 2005