

WEYERHAEUSER CO  
Form 8-K  
October 21, 2005

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**SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 8-K**

**CURRENT REPORT**  
Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934  
October 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))
- o Pre-commencement  
communications  
pursuant to  
Rule 13e-4(c)  
under the Exchange  
Act (17 CFR  
240.13e-4(c))

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**Table of Contents**SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON D.C., 20549

## ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

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

**Weyerhaeuser Reports Third Quarter Net Earnings of \$285 Million, or \$1.16 per Diluted Share, on Net Sales of \$5.6 Billion**

**FEDERAL WAY, Wash.** Weyerhaeuser Company (NYSE: WY) today reported third quarter net earnings of \$285 million, or \$1.16 per diluted share, on net sales of \$5.6 billion. This compares with \$594 million, or \$2.45 per diluted share, on net sales of \$5.7 billion for the third quarter of 2004.

Third quarter 2005 earnings include the following after-tax items:

A gain of \$75 million, or 31 cents per diluted share, for the sale of MAS Capital Management Partners, LP, a joint venture.

A charge of \$19 million, or 8 cents per diluted share, for closure of facilities.

A loss of \$14 million, or 6 cents per diluted share, for the early extinguishment of debt.

In addition, net earnings for third quarter 2005 include a one-time tax benefit of \$14 million, or 6 cents per diluted share, related to a change in the Ohio state income tax law.

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

A gain of \$179 million, or 74 cents per diluted share, from a sale of timberlands in Georgia.

A gain of \$16 million, or 7 cents per diluted share, from a tenure reallocation agreement with the British Columbia government.

A gain of \$13 million, or 5 cents per diluted share, due to the reduction of the reserve for hardboard siding claims.

A charge of \$7 million, or 3 cents per diluted share, related to the sale or closure of facilities.

Our results in the third quarter reflect the difficult business conditions we face in certain segments, said Steven R. Rogel, chairman, president and chief executive officer. Although the recent hurricanes did not significantly affect our operations, we expect to experience residual effects of the storms in terms of higher energy, chemical and transportation costs. This will put additional pressure on our businesses in the fourth quarter.

Rogel said the company's strategic review of its business portfolio has resulted in the previously announced indefinite shutdown of the Prince Albert pulp and paper facility in Canada and the closure of two facilities—a specialty pulp mill and a large-log sawmill—in Washington.

These are the first, but by no means the final steps, Rogel said. We will continue to take the actions necessary to make Weyerhaeuser a more competitive company and generate greater returns while returning cash to our shareholders. To that end, we are pleased to have announced today that the board of directors authorized the repurchase of up to 18 million shares, or 7.4 percent of Weyerhaeuser's outstanding common stock.

**SUMMARY OF THIRD QUARTER FINANCIAL HIGHLIGHTS**

| Millions (except per share data) | 3Q 2005  | 3Q 2004  | Change   |
|----------------------------------|----------|----------|----------|
| Net earnings                     | \$285    | \$ 594   | (\$309)  |
| Earnings per diluted share       | \$ 1.16  | \$ 2.45  | (\$1.29) |
| Net sales                        | \$ 5,604 | \$ 5,679 | (\$75)   |

**SEGMENT RESULTS FOR THIRD QUARTER  
(Contributions to Pre-Tax Earnings)**

| Millions                                | 3Q<br>2005 | 3Q<br>2004 | Change  |
|---|------------|------------|---------|
| Timberlands                             | \$ 191     | \$ 450     | (\$259) |
| Wood Products                           | \$ 124     | \$ 362     | (\$238) |
| Cellulose Fiber and White Papers        | (\$2)      | \$ 80      | (\$82)  |
| Containerboard, Packaging and Recycling | \$ 36      | \$ 82      | (\$46)  |
| Real Estate and Related Assets          | \$ 145     | \$ 155     | (\$10)  |



Table of Contents**DISCUSSION AND OUTLOOK BY BUSINESS SEGMENT****TIMBERLANDS**

|                                     | <b>3Q<br/>2005</b> | <b>2Q 2005</b> | <b>Change</b> |
|-------------------------------------|--------------------|----------------|---------------|
| Contribution to earnings (millions) | \$191              | \$210          | (\$19)        |

Third quarter earnings decreased from the second quarter due to higher fuel prices that affected logging and hauling costs, and a \$5 million pre-tax charge related to timber damage caused by Hurricane Katrina. In addition, second quarter results include \$6 million earnings from the British Columbia Coastal operations, which were sold in May. The segment expects fourth quarter earnings to be lower than the third quarter, reflecting decreased Western profits due to normal seasonal slowdowns, and expected lower domestic sales prices. Export log markets are expected to remain firm. In the South, the segment expects log prices to decline from third quarter. Costs are expected to increase due to hurricane salvage operations.

**WOOD PRODUCTS**

|                                     | <b>3Q<br/>2005</b> | <b>2Q 2005</b> | <b>Change</b> |
|-------------------------------------|--------------------|----------------|---------------|
| Contribution to earnings (millions) | \$124              | \$204          | (\$80)        |

Earnings decreased from second quarter due primarily to lower average price realizations for lumber and oriented strand board. Second quarter earnings included \$18 million in pre-tax charges related to litigation.

Demand for building products remained strong throughout the quarter. However, readily available supply caused prices to decline during the first two months of the quarter.

Despite temporary price increases in September following the hurricanes, average prices for the entire quarter were lower for Weyerhaeuser lumber and oriented strand board. Lumber realizations declined \$31 per thousand board feet and oriented strand board declined \$30 per thousand square feet (3/8" basis). Average price realizations for engineered products increased from the second quarter, partially offsetting the effects from lumber and oriented strand board. The hurricanes had a minimal effect on total production for the segment.

The segment incurred \$19 million in countervailing and anti-dumping duties and related costs on Canadian softwood lumber the company sold into the United States in the third quarter, compared with \$27 million in the second quarter. The segment expects normal seasonal slowing in the fourth quarter resulting in price decreases in commodity building products and reduced shipment volumes. The segment also expects to incur continued increased costs for energy, resin and transportation. As a result, fourth quarter earnings are expected to follow their normal seasonal decrease. In addition, the segment will be affected by an estimated \$25 million pre-tax charge associated with the Big River sawmill in Saskatchewan.

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**Table of Contents****CELLULOSE FIBER AND WHITE PAPERS**

|  | <b>3Q 2005</b> | <b>2Q 2005</b> | <b>Change</b> |
|--|----------------|----------------|---------------|
| Contribution (charge) to earnings (millions) | (\$2)          | \$16           | (\$18)        |

Segment earnings declined from second quarter due to a third quarter pre-tax charge of \$22 million primarily related to the closure of the Cosmopolis, Wash., pulp facility.

Papergrade pulp prices declined during the quarter due to continued strong supply coupled with the normal seasonal slowdown in demand. Fluff pulp prices remained relatively stable. Fine paper prices declined due to lower demand in North America for fine paper products. Manufacturing costs were lower due to fewer scheduled third quarter maintenance shutdowns. The negative effects of the strengthening Canadian dollar and increased costs for transportation, energy and raw material partially offset this cost reduction.

The company expects fourth quarter results to decline due to lower fine paper prices, seasonally lower shipments, and higher transportation, chemical and energy costs. In addition, the segment will be affected by an estimated \$350 to \$375 million pre-tax charge associated with the previously announced indefinite closure of the Prince Albert pulp and paper facility as the company continues the portfolio improvement strategy in this segment.

**CONTAINERBOARD, PACKAGING AND RECYCLING**

|                                     | <b>3Q 2005</b> | <b>2Q 2005</b> | <b>Change</b> |
|-------------------------------------|----------------|----------------|---------------|
| Contribution to earnings (millions) | \$36           | \$99           | (\$63)        |

Earnings decreased from second quarter levels primarily due to lower prices for containerboard and boxes, and increased transportation and energy costs. The hurricanes had a minimal effect on the segment's operating results for the third quarter.

The segment expects fourth quarter earnings to decrease to near break-even levels due to a continued decline in box prices resulting from earlier declines in containerboard prices, a seasonal decline in box shipments and higher energy costs, partially offset by lower costs for old corrugated containers. The recently announced containerboard and box price increase will not materially affect earnings in the fourth quarter.

**REAL ESTATE AND RELATED ASSETS**

|                                     | <b>3Q 2005</b> | <b>2Q 2005</b> | <b>Change</b> |
|-------------------------------------|----------------|----------------|---------------|
| Contribution to earnings (millions) | \$145          | \$156          | (\$11)        |

Single-family home closings declined slightly from second quarter due to delays in providing utility services in Las Vegas, Hurricane Rita in Texas and fewer lot closings. The backlog of homes sold, but not closed, increased and represents slightly more than six months' sales.

The segment expects fourth quarter earnings to be significantly higher than third quarter due to seasonally stronger single-family closings, which will exceed the fourth quarter of 2004.

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**OTHER**

The company will hold a live conference call at 7 a.m. Pacific (10 a.m. Eastern) on Oct. 21 to discuss the third 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 1384562) within North America and at 1-706-645-9291 (access code 1384562) from outside North America.

The call is being webcast and can be accessed through Weyerhaeuser's Internet site at <http://investor.weyerhaeuser.com> by clicking on the Q3 2005 Earnings 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 <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 (<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>.

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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 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 fourth quarter; expected earnings and performance of the company's business segments during the fourth quarter, demand and pricing for the company's products in the fourth quarter, raw material, energy and transportation costs, hurricane salvage costs, seasonal slowdowns in timber harvest in the fourth quarter, facility closings and related charges, new home sales, and related 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;
- Raw material prices;
- Performance of the company's manufacturing operations;
- The successful execution of internal performance plans;
- The level of competition from domestic and foreign producers;
- The effect of forestry, land use, environmental and other governmental regulations;
- The effect of weather;
- The risk of loss from fires, floods and other natural disasters;
- Transportation costs;
- Legal proceedings; and
- Performance of pension fund investments and related derivatives.

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 anti-dumping duties imposed on the company's softwood lumber shipments from Canada to the United States. These



and other factors could cause or contribute to actual results differing materially from such forward-looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will occur, or if any of them occurs, what effect they will have on the company's results of operations or financial condition. The company expressly declines any obligation to publicly revise any forward-looking statements that have been made to reflect the occurrence of events after the date of this news release.

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**Table of Contents****WEYERHAEUSER COMPANY  
STATISTICAL INFORMATION (unaudited)**

| CONSOLIDATED EARNINGS<br>(in millions)            | Q1                   |                      | Q2               |                  | Q3                |                   | Year-to-date      |                   | Q4               | Year |
|---|----------------------|----------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|------------------|------|
|   | March<br>27,<br>2005 | March<br>28,<br>2004 | June 26,<br>2005 | June 27,<br>2004 | Sept. 25,<br>2005 | Sept. 26,<br>2004 | Sept. 25,<br>2005 | Sept. 26,<br>2004 | Dec. 26,<br>2004 | D    |
| Operating revenues:                               |                      |                      |                  |                  |                   |                   |                   |                   |                  |      |
| Weyerhaeuser (1)                                  | \$ 4,749             | \$ 4,442             | \$ 5,190         | \$ 5,204         | \$ 5,008          | \$ 5,088          | \$ 14,947         | \$ 14,734         | \$ 4,804         | \$   |
| State and Related Assets                          | 655                  | 469                  | 648              | 524              | 596               | 591               | 1,899             | 1,584             | 911              |      |
| Total sales and revenues                          | 5,404                | 4,911                | 5,838            | 5,728            | 5,604             | 5,679             | 16,846            | 16,318            | 5,715            |      |
| Operating expenses:                               |                      |                      |                  |                  |                   |                   |                   |                   |                  |      |
| Weyerhaeuser:                                     |                      |                      |                  |                  |                   |                   |                   |                   |                  |      |
| Cost of products sold                             | 3,652                | 3,432                | 3,974            | 3,790            | 3,934             | 3,758             | 11,560            | 10,980            | 3,735            |      |
| Depreciation, depletion and amortization          | 325                  | 317                  | 326              | 318              | 329               | 316               | 980               | 951               | 320              |      |
| Manufacturing expenses                            | 118                  | 120                  | 119              | 122              | 119               | 123               | 356               | 365               | 119              |      |
| Research and administrative expenses              | 223                  | 239                  | 218              | 233              | 236               | 226               | 677               | 698               | 247              |      |
| Capital expenditures and development costs        | 14                   | 12                   | 12               | 13               | 18                | 13                | 44                | 38                | 17               |      |
| Other than payroll and taxes                      | 46                   | 48                   | 48               | 47               | 69                | 51                | 163               | 146               | 48               |      |
| Restructuring costs for integration and spin-off  | 5                    | 15                   | 4                | 13               | 2                 | 8                 | 11                | 36                | 3                |      |
| Costs for closure of facilities                   | 5                    | 4                    | 3                |                  | 29                | 13                | 37                | 17                |                  |      |
| Other operating costs, net (2) (3)                | 9                    | 17                   | (40)             | 43               | (147)             | (300)             | (178)             | (240)             | 36               |      |
| Total operating expenses                          | 4,397                | 4,204                | 4,664            | 4,579            | 4,589             | 4,208             | 13,650            | 12,991            | 4,525            |      |
| Operating income                                  |                      |                      |                  |                  |                   |                   |                   |                   |                  |      |
| State and Related Assets:                         |                      |                      |                  |                  |                   |                   |                   |                   |                  |      |
| Operating expenses                                | 426                  | 321                  | 441              | 381              | 401               | 414               | 1,268             | 1,116             | 647              |      |
| Depreciation and amortization                     | 3                    | 2                    | 4                | 4                | 4                 | 3                 | 11                | 9                 | 5                |      |
| Manufacturing expenses                            | 33                   | 27                   | 36               | 30               | 36                | 31                | 105               | 88                | 37               |      |
| Research and administrative expenses              | 24                   | 17                   | 25               | 19               | 27                | 19                | 76                | 55                | 26               |      |
| Other than payroll and taxes                      | 1                    | 1                    |                  |                  | 1                 | 1                 | 2                 | 2                 |                  |      |
| Other operating costs, net                        |                      | 1                    | (2)              | 1                | (2)               | (19)              | (4)               | (17)              |                  |      |
| Total state and related assets operating expenses | 487                  | 369                  | 504              | 435              | 467               | 449               | 1,458             | 1,253             | 715              |      |
| Total operating income                            | 4,884                | 4,573                | 5,168            | 5,014            | 5,056             | 4,657             | 15,108            | 14,244            | 5,240            |      |
| Other income                                      | 520                  | 338                  | 670              | 714              | 548               | 1,022             | 1,738             | 2,074             | 475              |      |
| Other expense and other:                          |                      |                      |                  |                  |                   |                   |                   |                   |                  |      |
| Weyerhaeuser:                                     |                      |                      |                  |                  |                   |                   |                   |                   |                  |      |

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|  |         |         |         |         |         |         |         |          |         |
|--|---------|---------|---------|---------|---------|---------|---------|----------|---------|
| expense incurred <sup>(4)</sup>                                  | (196)   | (195)   | (179)   | (218)   | (193)   | (184)   | (568)   | (597)    | (241)   |
| Interest capitalized   |         | 3       | 2       | 1       | 3       |         | 5       | 4        | 5       |
| Income of affiliates   |         |         | 4       | 7       | 2       | 4       | 6       | 11       | 3       |
| Income and other   | 27      | 3       | 20      | 5       | 28      | 7       | 75      | 15       | 9       |
| State and Related Assets:  |         |         |         |         |         |         |         |          |         |
| Expense incurred   | (14)    | (15)    | (14)    | (14)    | (13)    | (14)    | (41)    | (43)     | (14)    |
| Interest capitalized   | 14      | 15      | 14      | 14      | 13      | 14      | 41      | 43       | 14      |
| Income of  |         |         |         |         |         |         |         |          |         |
| Consolidated entities  | 10      | 9       | 13      | 20      | 14      | 12      | 37      | 41       | 11      |
| Income and other   | 5       | 11      | (2)     | 9       | 4       | 1       | 7       | 21       | 10      |
| Income before income taxes                                       | 366     | 169     | 528     | 538     | 406     | 862     | 1,300   | 1,569    | 272     |
| Income taxes <sup>(5)</sup>                                      | (128)   | (57)    | (229)   | (183)   | (120)   | (293)   | (477)   | (533)    | (94)    |
| Income from continuing operations                                | 238     | 112     | 299     | 355     | 286     | 569     | 823     | 1,036    | 178     |
| Income from discontinued operations, net of taxes <sup>(6)</sup> | 1       | 9       | 121     | 14      | (1)     | 25      | 121     | 48       | 21      |
| Income   | \$ 239  | \$ 121  | \$ 420  | \$ 369  | \$ 285  | \$ 594  | \$ 944  | \$ 1,084 | \$ 199  |
| Net earnings per share:  |         |         |         |         |         |         |         |          |         |
| Continuing operations  | \$ 0.98 | \$ 0.50 | \$ 1.23 | \$ 1.51 | \$ 1.16 | \$ 2.36 | \$ 3.36 | \$ 4.45  | \$ 0.73 |
| Discontinued operations  |         | 0.04    | 0.49    | 0.06    |         | 0.10    | 0.50    | 0.20     | 0.09    |
| Earnings per share   | \$ 0.98 | \$ 0.54 | \$ 1.72 | \$ 1.57 | \$ 1.16 | \$ 2.46 | \$ 3.86 | \$ 4.65  | \$ 0.82 |
| Net earnings per share:  |         |         |         |         |         |         |         |          |         |
| Continuing operations  | \$ 0.98 | \$ 0.50 | \$ 1.22 | \$ 1.51 | \$ 1.16 | \$ 2.35 | \$ 3.36 | \$ 4.42  | \$ 0.73 |
| Discontinued operations  |         | 0.04    | 0.49    | 0.06    |         | 0.10    | 0.49    | 0.20     | 0.09    |
| Earnings per share   | \$ 0.98 | \$ 0.54 | \$ 1.71 | \$ 1.57 | \$ 1.16 | \$ 2.45 | \$ 3.85 | \$ 4.62  | \$ 0.82 |
| Dividends paid per share   | \$ 0.40 | \$ 0.40 | \$ 0.50 | \$ 0.40 | \$ 0.50 | \$ 0.40 | \$ 1.40 | \$ 1.20  | \$ 0.40 |
| Weighted average shares outstanding (in thousands)               | 242,863 | 223,728 | 244,702 | 234,494 | 245,009 | 241,621 | 244,191 | 233,281  | 242,114 |
|  | 244,185 | 225,072 | 245,881 | 235,475 | 246,190 | 242,649 | 245,354 | 234,356  | 243,472 |

(1) The first, second and third quarters of 2005 include charges of \$22 million, \$27 million and \$19 million, respectively, or \$68 million year-to-date, for countervailing

and  
anti-dumping  
duties and  
related costs.  
The first,  
second, third  
and fourth  
quarters of 2004  
include charges  
of \$26 million,  
\$34 million,  
\$31 million and  
\$27 million,  
respectively, or  
\$118 million  
year-to-date, for  
countervailing  
and  
anti-dumping  
duties and  
related costs.

- (2) The first, second  
and third  
quarters of 2005  
include net  
foreign  
exchange gains  
(losses) of  
\$13 million,  
(\$13) million  
and \$37 million,  
respectively, for  
a year-to-date  
net gain  
\$37 million. 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.

These gains and losses result primarily from fluctuations in Canadian and New Zealand exchange rates.

- (3) The first quarter of 2005 includes a \$12 million charge for the settlement of a linerboard antitrust lawsuit. The second quarter of 2005 includes an \$18 million charge related to alder litigation and \$57 million of income related to the recognition of a deferred gain from previous timberlands sales. The third quarter of 2005 includes a \$115 million gain on the sale of an investment in a joint venture.

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 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 \$271 million 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 of 2004 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.

(4) The third quarter of 2005 includes a charge of \$21 million for the early extinguishment of debt. The second and fourth quarters of 2004 include charges of \$21 million and \$52 million, respectively, for the early extinguishment of debt.

(5) The second quarter of 2005 includes a charge of \$44 million related to the repatriation of \$1.1 billion of eligible Canadian earnings under the provisions of the American Jobs Creation Act of 2004.  
The third

quarter of 2005 includes a one-time tax benefit of \$14 million related to a change in the Ohio state income tax law.

- (6) Includes the net operating results of the company's operations in coastal British Columbia. The second quarter of 2005 also includes a gain of \$110 million, including a tax benefit of \$46 million, related to the sale of these operations. The third quarter of 2005 includes a \$1 million charge related to the termination of pension plans associated with these operations.

**PRELIMINARY RESULTS SUBJECT TO AUDIT**

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**Table of Contents****WEYERHAEUSER COMPANY  
STATISTICAL INFORMATION (unaudited)**

| Net sales and revenues (in millions):    | Q1                   |                      | Q2                  |                     | Q3                   |                      | Year-to-date         |                      | Q4                  | Year-to-date     |
|--|----------------------|----------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|---------------------|------------------|
|  | March<br>27,<br>2005 | March<br>28,<br>2004 | June<br>26,<br>2005 | June<br>27,<br>2004 | Sept.<br>25,<br>2005 | Sept.<br>26,<br>2004 | Sept.<br>25,<br>2005 | Sept.<br>26,<br>2004 | Dec.<br>26,<br>2004 | Dec. 26,<br>2004 |
| Timberlands:                             |                      |                      |                     |                     |                      |                      |                      |                      |                     |                  |
| Logs                                     | \$ 182               | \$ 193               | \$ 195              | \$ 211              | \$ 188               | \$ 197               | \$ 565               | \$ 601               | \$ 221              | \$ 822           |
| Other products                           | 82                   | 58                   | 63                  | 66                  | 65                   | 51                   | 210                  | 175                  | 105                 | 280              |
|  | 264                  | 251                  | 258                 | 277                 | 253                  | 248                  | 775                  | 776                  | 326                 | 1,102            |
| Wood Products:                           |                      |                      |                     |                     |                      |                      |                      |                      |                     |                  |
| Softwood lumber                          | 892                  | 819                  | 1,032               | 1,106               | 889                  | 1,089                | 2,813                | 3,014                | 901                 | 3,915            |
| Plywood                                  | 183                  | 221                  | 196                 | 263                 | 184                  | 237                  | 563                  | 721                  | 208                 | 929              |
| Veneer                                   | 13                   | 11                   | 10                  | 12                  | 9                    | 11                   | 32                   | 34                   | 10                  | 44               |
| Composite panels                         | 120                  | 108                  | 132                 | 133                 | 122                  | 138                  | 374                  | 379                  | 122                 | 501              |
| OSB                                      | 288                  | 338                  | 306                 | 456                 | 267                  | 341                  | 861                  | 1,135                | 255                 | 1,390            |
| Hardwood lumber                          | 94                   | 90                   | 102                 | 100                 | 95                   | 89                   | 291                  | 279                  | 86                  | 365              |
| Engineered I-Joists                      | 160                  | 134                  | 213                 | 178                 | 202                  | 189                  | 575                  | 501                  | 177                 | 678              |
| Engineered Solid Section                 | 190                  | 148                  | 241                 | 194                 | 244                  | 203                  | 675                  | 545                  | 189                 | 734              |
| Logs                                     | 27                   | 23                   | 24                  | 38                  | 6                    | 32                   | 57                   | 93                   | 32                  | 125              |
| Other products                           | 272                  | 255                  | 339                 | 312                 | 326                  | 315                  | 937                  | 882                  | 280                 | 1,162            |
|  | 2,239                | 2,147                | 2,595               | 2,792               | 2,344                | 2,644                | 7,178                | 7,583                | 2,260               | 9,843            |
| Cellulose Fiber and White Papers:        |                      |                      |                     |                     |                      |                      |                      |                      |                     |                  |
| Pulp                                     | 376                  | 339                  | 355                 | 371                 | 381                  | 381                  | 1,112                | 1,091                | 380                 | 1,471            |
| Paper                                    | 599                  | 535                  | 611                 | 538                 | 604                  | 583                  | 1,814                | 1,656                | 570                 | 2,226            |
| Coated groundwood                        | 42                   | 36                   | 47                  | 37                  | 45                   | 39                   | 134                  | 112                  | 44                  | 156              |
| Liquid packaging board                   | 47                   | 49                   | 52                  | 53                  | 50                   | 53                   | 149                  | 155                  | 53                  | 208              |
| Other products                           | 14                   | 10                   | 12                  | 13                  | 16                   | 15                   | 42                   | 38                   | 16                  | 54               |
|  | 1,078                | 969                  | 1,077               | 1,012               | 1,096                | 1,071                | 3,251                | 3,052                | 1,063               | 4,115            |
| Containerboard, Packaging and Recycling: |                      |                      |                     |                     |                      |                      |                      |                      |                     |                  |
| Containerboard                           | 117                  | 81                   | 101                 | 80                  | 86                   | 94                   | 304                  | 255                  | 113                 | 368              |
| Packaging                                | 898                  | 853                  | 969                 | 918                 | 929                  | 916                  | 2,796                | 2,687                | 897                 | 3,584            |
| Recycling                                | 92                   | 80                   | 92                  | 91                  | 87                   | 87                   | 271                  | 258                  | 89                  | 347              |
| Bags                                     | 22                   | 19                   | 21                  | 18                  | 20                   | 20                   | 63                   | 57                   | 23                  | 80               |
| Other products                           | 34                   | 33                   | 40                  | 34                  | 47                   | 43                   | 121                  | 110                  | 46                  | 156              |
|  | 1,163                | 1,066                | 1,223               | 1,141               | 1,169                | 1,160                | 3,555                | 3,367                | 1,168               | 4,535            |
| <b>Real Estate and Related Assets</b>    | 655                  | 469                  | 648                 | 524                 | 596                  | 591                  | 1,899                | 1,584                | 911                 | 2,495            |
| Corporate and Other                      | 149                  | 135                  | 151                 | 147                 | 146                  | 135                  | 446                  | 417                  | 158                 | 575              |
| Less sales of discontinued operations    | (144)                | (126)                | (114)               | (165)               |                      | (170)                | (258)                | (461)                | (171)               | (632)            |

\$5,404 \$4,911 \$5,838 \$5,728 \$5,604 \$5,679 \$16,846 \$16,318 \$5,715 \$22,033

| Contribution (charge) to earnings:<br>(in millions)           | Q1          |             | Q2          |             | Q3          |             | Year-to-date |             | Q4Year-to-date |             |
|---|-------------|-------------|-------------|-------------|-------------|-------------|--------------|-------------|----------------|-------------|
|   | March       | March       | June        | June        | Sept.       | Sept.       | Sept.        | Sept.       | Dec.           | Dec.        |
|   | 27,<br>2005 | 28,<br>2004 | 26,<br>2005 | 27,<br>2004 | 25,<br>2005 | 26,<br>2004 | 25,<br>2005  | 26,<br>2004 | 26,<br>2004    | 26,<br>2004 |
| Timberlands <sup>(1) (2)</sup>                                | \$ 200      | \$ 159      | \$ 210      | \$ 201      | \$ 191      | \$ 450      | \$ 601       | \$ 810      | \$ 217         | \$ 1,027    |
| Wood Products <sup>(3) (4) (5) (6)</sup>                      | 131         | 173         | 204         | 448         | 124         | 362         | 459          | 983         | 72             | 1,055       |
| Cellulose Fiber and White Papers <sup>(7)</sup>               | 19          | (25)        | 16          | 14          | (2)         | 80          | 33           | 69          | 35             | 104         |
| Containerboard, Packaging and<br>Recycling <sup>(8) (9)</sup> | 48          | 24          | 99          | 62          | 36          | 82          | 183          | 168         | 81             | 249         |
| Real Estate and Related Assets <sup>(10)</sup>                | 183         | 120         | 156         | 118         | 145         | 155         | 484          | 393         | 217            | 610         |
| Corporate and Other <sup>(11) (12) (13)</sup>                 | (17)        | (76)        | 99          | (67)        | 101         | (45)        | 183          | (188)       | (83)           | (271)       |
|   | \$ 564      | \$ 375      | \$ 784      | \$ 776      | \$ 595      | \$ 1,084    | \$ 1,943     | \$ 2,235    | \$ 539         | \$ 2,774    |

(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.

(2) The first quarter of 2005 includes \$3 million of charges for the closure of facilities. The third quarter of 2005 includes a \$5 million loss related to hurricane damage.

(3) The first, second and third quarters of 2005 include charges of \$22 million,

\$27 million and \$19 million, respectively, or \$68 million year-to-date, for countervailing and anti-dumping duties and related costs.

The first, second, third and fourth quarters of 2004 include charges of \$26 million, \$34 million, \$31 million and \$27 million, respectively, or \$118 million year-to-date, for countervailing and anti-dumping duties and related costs.

- (4) The second quarter of 2005 includes an \$18 million charge related to alder litigation. The third quarter of 2005 includes \$9 million of income related to the reduction of reserves for alder litigation and an insurance settlement related to product liability claims. 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.

- (5) The second quarter of 2005 includes a \$6 million gain related to a tenure reallocation agreement with the British Columbia government. The third quarter of 2004 includes a \$20 million gain from a tenure reallocation agreement with the British Columbia government.

- (6) The first, second and third quarters of 2005 include charges of \$1 million, \$1 million and \$6 million, respectively, associated with the sale or closure of facilities. 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 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.
- (7) The third quarter of 2005 includes net

charges of  
\$22 million  
related to  
facility closures.  
The second  
quarter of 2004  
includes a  
\$2 million asset  
impairment  
charge related to  
assets held for  
sale.

(8) The first quarter  
of 2005 includes  
a \$12 million  
charge  
associated with  
the settlement of  
a linerboard  
antitrust lawsuit.  
The third  
quarter of 2005  
includes a  
\$1 million loss  
related to  
hurricane  
damage.

(9) The first, second  
and third  
quarters of 2005  
include charges  
of \$4 million,  
\$2 million and  
\$1 million,  
respectively, for  
the closure of  
facilities. 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.

- (10) The first, second and third quarters of 2005 include net gains (losses) on land and lot sales of \$57 million, \$21 million and (\$1) million, respectively.

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.

- (11)

The second quarter of 2005 includes a \$64 million pretax gain on the sale of the company's operations in coastal British Columbia and \$57 million of income related to the recognition of a deferred gain from previous timberlands sales. The third quarter of 2005 includes a \$115 million gain on the sale of an investment in a joint venture. The fourth quarter of 2004 includes a \$7 million gain for the settlement of an insurance claim relating to the Cemwood litigation.

- (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 and third quarters of 2005 include net foreign exchange gains (losses) of \$13 million, (\$12) million and \$38 million, respectively, for a year-to-date net gain of \$39 million. 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. These gains and losses result primarily from fluctuations in Canadian and New Zealand exchange rates.

**PRELIMINARY RESULTS    SUBJECT TO AUDIT**

**Table of Contents****WEYERHAEUSER COMPANY  
STATISTICAL INFORMATION (unaudited)**

| <b>Third party sales volumes:</b>                        | <b>Q1</b>                     |                               | <b>Q2</b>                    |                              | <b>Q3</b>                     |                               | <b>Year-to-date</b>           |                               | <b>Q4</b>                    | <b>Year-to-date</b>          |
|--|-------------------------------|-------------------------------|------------------------------|------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|------------------------------|------------------------------|
|  | <b>March<br/>27,<br/>2005</b> | <b>March<br/>28,<br/>2004</b> | <b>June<br/>26,<br/>2005</b> | <b>June<br/>27,<br/>2004</b> | <b>Sept.<br/>25,<br/>2005</b> | <b>Sept.<br/>26,<br/>2004</b> | <b>Sept.<br/>25,<br/>2005</b> | <b>Sept.<br/>26,<br/>2004</b> | <b>Dec.<br/>26,<br/>2004</b> | <b>Dec.<br/>26,<br/>2004</b> |
| Timberlands (thousands):                                 |                               |                               |                              |                              |                               |                               |                               |                               |                              |                              |
| Logs cunits  | 864                           | 1,044                         | 863                          | 954                          | 886                           | 904                           | 2,613                         | 2,902                         | 1,018                        | 3,920                        |
| Wood Products (millions):                                |                               |                               |                              |                              |                               |                               |                               |                               |                              |                              |
| Softwood lumber board feet                               | 2,057                         | 2,054                         | 2,355                        | 2,393                        | 2,179                         | 2,299                         | 6,591                         | 6,746                         | 2,144                        | 8,890                        |
| Plywood square feet (3/8 )                               | 537                           | 642                           | 600                          | 668                          | 558                           | 672                           | 1,695                         | 1,982                         | 647                          | 2,629                        |
| Veneer square feet (3/8 )                                | 60                            | 55                            | 59                           | 60                           | 51                            | 55                            | 170                           | 170                           | 55                           | 225                          |
| Composite panels square feet (3/4 )                      | 299                           | 301                           | 317                          | 324                          | 308                           | 315                           | 924                           | 940                           | 294                          | 1,234                        |
| Oriented strand board square feet (3/8 )                 | 908                           | 981                           | 1,041                        | 1,143                        | 1,008                         | 1,078                         | 2,957                         | 3,202                         | 1,011                        | 4,213                        |
| Hardwood lumber board feet                               | 102                           | 103                           | 114                          | 117                          | 105                           | 102                           | 321                           | 322                           | 95                           | 417                          |
| Engineered I-Joists LF                                   | 108                           | 108                           | 138                          | 132                          | 125                           | 133                           | 371                           | 373                           | 123                          | 496                          |
| Engineered Solid Section CF                              | 9                             | 8                             | 10                           | 10                           | 10                            | 10                            | 29                            | 28                            | 9                            | 37                           |
| Logs cunits (in thousands)                               | 187                           | 170                           | 177                          | 279                          | 41                            | 237                           | 405                           | 686                           | 248                          | 934                          |
| Cellulose Fiber and White Papers (thousands):            |                               |                               |                              |                              |                               |                               |                               |                               |                              |                              |
| Pulp air-dry metric tons                                 | 629                           | 624                           | 587                          | 642                          | 653                           | 633                           | 1,869                         | 1,899                         | 659                          | 2,558                        |
| Paper tons   | 736                           | 741                           | 742                          | 718                          | 757                           | 737                           | 2,235                         | 2,196                         | 680                          | 2,876                        |
| Coated groundwood tons                                   | 58                            | 59                            | 62                           | 61                           | 56                            | 60                            | 176                           | 180                           | 63                           | 243                          |
| Liquid packaging board tons                              | 60                            | 66                            | 65                           | 72                           | 64                            | 69                            | 189                           | 207                           | 69                           | 276                          |
| Paper converting tons                                    | 475                           | 467                           | 494                          | 459                          | 494                           | 470                           | 1,463                         | 1,396                         | 443                          | 1,839                        |
| Containerboard, Packaging and Recycling (thousands):     |                               |                               |                              |                              |                               |                               |                               |                               |                              |                              |
| Containerboard tons                                      | 295                           | 250                           | 259                          | 221                          | 238                           | 245                           | 792                           | 716                           | 285                          | 1,001                        |
| Packaging MSF  | 17,354                        | 18,146                        | 18,600                       | 18,917                       | 18,560                        | 18,287                        | 54,514                        | 55,350                        | 17,535                       | 72,885                       |
| Recycling tons   | 692                           | 678                           | 695                          | 701                          | 665                           | 645                           | 2,052                         | 2,024                         | 670                          | 2,694                        |
| Kraft bags and sacks tons                                | 23                            | 24                            | 22                           | 23                           | 22                            | 23                            | 67                            | 70                            | 25                           | 95                           |
| Real Estate and Related Assets:                          |                               |                               |                              |                              |                               |                               |                               |                               |                              |                              |
| Single-family homes sold                                 | 1,378                         | 1,506                         | 1,525                        | 1,564                        | 1,608                         | 1,313                         | 4,511                         | 4,383                         | 992                          | 5,375                        |
| Single-family homes closed                               | 1,189                         | 1,065                         | 1,279                        | 1,216                        | 1,257                         | 1,345                         | 3,725                         | 3,626                         | 1,638                        | 5,264                        |
| Single-family homes sold but not closed at end of period | 2,561                         | 2,702                         | 2,807                        | 3,050                        | 3,158                         | 3,018                         | 3,158                         | 3,018                         | 2,372                        | 2,372                        |
| <b>Total production volumes:</b>                         |                               |                               |                              |                              |                               |                               |                               |                               |                              |                              |
|  | <b>Q1</b>                     | <b>Q2</b>                     | <b>Q3</b>                    | <b>Year-to-date</b>          | <b>Q4</b>                     | <b>Year-to-date</b>           |                               |                               |                              |                              |
|  | <b>March<br/>27,<br/>2005</b> | <b>March<br/>28,<br/>2004</b> | <b>June<br/>26,<br/>2005</b> | <b>June<br/>27,<br/>2004</b> | <b>Sept.<br/>25,<br/>2005</b> | <b>Sept.<br/>26,<br/>2004</b> | <b>Sept.<br/>25,<br/>2005</b> | <b>Sept.<br/>26,<br/>2004</b> | <b>Dec.<br/>26,<br/>2004</b> | <b>Dec.<br/>26,<br/>2004</b> |
| Timberlands (thousands):                                 |                               |                               |                              |                              |                               |                               |                               |                               |                              |                              |

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|  |        |        |        |        |        |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Fee Depletion cunits                                 | 2,248  | 2,265  | 2,231  | 2,404  | 2,098  | 2,189  | 6,577  | 6,858  | 2,155  | 9,013  |
| Wood Products (millions):                            |        |        |        |        |        |        |        |        |        |        |
| Softwood lumber board feet                           | 1,821  | 1,760  | 1,869  | 1,881  | 1,651  | 1,819  | 5,341  | 5,460  | 1,727  | 7,187  |
| Plywood square feet (3/8 )                           | 303    | 422    | 302    | 405    | 296    | 405    | 901    | 1,232  | 396    | 1,628  |
| Veneer square feet (3/8 <sup>(1)</sup> )             | 517    | 585    | 529    | 609    | 486    | 592    | 1,532  | 1,786  | 600    | 2,386  |
| Composite panels square feet (3/4 )                  | 267    | 268    | 282    | 281    | 268    | 272    | 817    | 821    | 245    | 1,066  |
| Oriented strand board square feet (3/8 )             | 1,007  | 1,031  | 1,019  | 1,056  | 1,017  | 1,022  | 3,043  | 3,109  | 972    | 4,081  |
| Hardwood lumber board feet                           | 92     | 89     | 96     | 96     | 91     | 84     | 279    | 269    | 80     | 349    |
| Engineered I-Joists LF                               | 133    | 110    | 132    | 124    | 108    | 136    | 373    | 370    | 134    | 504    |
| Engineered Solid Section CF                          | 11     | 9      | 10     | 11     | 10     | 11     | 31     | 31     | 10     | 42     |
| Cellulose Fiber and White Papers (thousands):        |        |        |        |        |        |        |        |        |        |        |
| Pulp air-dry metric tons                             | 621    | 619    | 614    | 636    | 663    | 652    | 1,898  | 1,907  | 639    | 2,546  |
| Paper ton <sup>(2)</sup>                             | 763    | 743    | 752    | 736    | 765    | 766    | 2,280  | 2,245  | 761    | 3,006  |
| Coated groundwood tons                               | 55     | 55     | 59     | 61     | 60     | 62     | 174    | 178    | 62     | 240    |
| Liquid packaging board tons                          | 60     | 61     | 64     | 67     | 69     | 71     | 193    | 199    | 67     | 266    |
| Paper converting tons                                | 475    | 460    | 487    | 442    | 483    | 471    | 1,445  | 1,373  | 465    | 1,838  |
| Containerboard, Packaging and Recycling (thousands): |        |        |        |        |        |        |        |        |        |        |
| Containerboard ton <sup>(3)</sup>                    | 1,503  | 1,503  | 1,581  | 1,598  | 1,597  | 1,604  | 4,681  | 4,705  | 1,586  | 6,291  |
| Packaging MSF  | 18,628 | 19,493 | 19,915 | 20,208 | 19,416 | 19,473 | 57,959 | 59,174 | 18,648 | 77,822 |
| Recycling ton <sup>(4)</sup>                         | 1,624  | 1,607  | 1,673  | 1,707  | 1,716  | 1,703  | 5,013  | 5,017  | 1,701  | 6,718  |
| Kraft bags and sacks tons                            | 23     | 24     | 22     | 23     | 21     | 23     | 66     | 70     | 24     | 94     |

(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 and  
kraft bags and  
sacks by  
company  
facilities.
  
- (4) Recycling  
production  
includes  
volumes  
processed in  
Weyerhaeuser  
recycling  
facilities that are  
consumed by  
company  
facilities and  
brokered  
volumes.

**PRELIMINARY RESULTS    SUBJECT TO AUDIT**

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**WEYERHAEUSER COMPANY**  
**STATISTICAL INFORMATION**  
**CONDENSED CONSOLIDATED BALANCE SHEET (unaudited)**  
(in millions)

|   | <b>March<br/>27,<br/>2005</b> | <b>June<br/>26,<br/>2005</b> | <b>Sept.<br/>25,<br/>2005</b> | <b>Dec. 26,<br/>2004</b> |
|---|-------------------------------|------------------------------|-------------------------------|--------------------------|
| <b>Assets</b>   |                               |                              |                               |                          |
| <b>Weyerhaeuser</b>   |                               |                              |                               |                          |
| Current assets:   |                               |                              |                               |                          |
| Cash and short-term investments   | \$ 402                        | \$ 1,704                     | \$ 885                        | \$ 1,044                 |
| Receivables, less allowances  | 1,840                         | 2,008                        | 1,966                         | 1,558                    |
| Inventories   | 2,122                         | 2,018                        | 1,992                         | 1,891                    |
| Prepaid expenses  | 634                           | 612                          | 581                           | 592                      |
| Assets of business held for sale  | 1,119                         |                              |                               | 1,129                    |
| Total current assets  | 6,117                         | 6,342                        | 5,424                         | 6,214                    |
| Property and equipment  | 11,447                        | 11,175                       | 11,093                        | 11,672                   |
| Construction in progress  | 324                           | 451                          | 544                           | 268                      |
| Timber and timberlands at cost, less fee<br>stumpage charged to disposals | 3,712                         | 3,709                        | 3,690                         | 3,733                    |
| Investments in and advances to equity<br>affiliates                       | 491                           | 495                          | 496                           | 489                      |
| Goodwill  | 2,997                         | 2,977                        | 2,989                         | 2,996                    |
| Deferred pension and other assets   | 1,197                         | 1,249                        | 1,309                         | 1,201                    |
| Restricted assets held by special<br>purpose entities                     | 914                           | 916                          | 914                           | 909                      |
|   | 27,199                        | 27,314                       | 26,459                        | 27,482                   |
| <b>Real Estate and Related Assets</b>                                     |                               |                              |                               |                          |
| Cash and short-term investments   | 5                             | 11                           | 4                             | 153                      |
| Receivables, less allowances  | 60                            | 57                           | 49                            | 43                       |
| Real estate and land for sale and<br>development                          | 2,083                         | 2,333                        | 2,288                         | 1,947                    |
| Other assets  | 323                           | 278                          | 357                           | 329                      |
|   | 2,471                         | 2,679                        | 2,698                         | 2,472                    |
| Total assets  | \$ 29,670                     | \$ 29,993                    | \$ 29,157                     | \$ 29,954                |
| <b>Liabilities and Shareholders Interest</b>                              |                               |                              |                               |                          |
| <b>Weyerhaeuser</b>   |                               |                              |                               |                          |
| Current liabilities:  |                               |                              |                               |                          |
| Notes payable and commercial paper  | \$ 2                          | \$ 2                         | \$ 3                          | \$ 3                     |
| Current maturities of long-term debt                                      | 96                            | 225                          | 182                           | 489                      |
| Accounts payable  | 1,150                         | 1,225                        | 1,167                         | 1,159                    |
| Accrued liabilities   | 1,313                         | 1,655                        | 1,562                         | 1,432                    |
| Liabilities of business held for sale                                     | 308                           |                              |                               | 297                      |

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|   |           |           |           |           |
|---|-----------|-----------|-----------|-----------|
| Total current liabilities   | 2,869     | 3,107     | 2,914     | 3,380     |
| Long-term debt  | 9,263     | 8,926     | 8,010     | 9,277     |
| Deferred income taxes   | 4,315     | 4,320     | 4,396     | 4,312     |
| Deferred pension, other postretirement benefits and other liabilities | 1,494     | 1,560     | 1,585     | 1,500     |
| Liabilities not owned, consolidated under FIN 46R                     | 820       | 784       | 783       | 815       |
|   | 18,761    | 18,697    | 17,688    | 19,284    |
| <b>Real Estate and Related Assets</b>                                 |           |           |           |           |
| Notes payable and commercial paper                                    | 2         | 5         | 3         | 2         |
| Long-term debt  | 869       | 854       | 852       | 867       |
| Other liabilities   | 533       | 588       | 488       | 546       |
|   | 1,404     | 1,447     | 1,343     | 1,415     |
| Total liabilities   | 20,165    | 20,144    | 19,031    | 20,699    |
| Shareholders' interest  | 9,505     | 9,849     | 10,126    | 9,255     |
| Total liabilities and shareholders' interest                          | \$ 29,670 | \$ 29,993 | \$ 29,157 | \$ 29,954 |

**STATEMENT OF CASH FLOWS**

|  | <b>Q1</b>                  |              | <b>Q2</b>   |             | <b>Q3</b>    |                         | <b>Year-to-date</b> |              | <b>Q4 Year-to-date</b> |             |
|--|----------------------------|--------------|-------------|-------------|--------------|-------------------------|---------------------|--------------|------------------------|-------------|
|  | <b>March</b>               | <b>March</b> | <b>June</b> | <b>June</b> | <b>Sept.</b> | <b>Sept.</b>            | <b>Sept.</b>        | <b>Sept.</b> | <b>Dec.</b>            | <b>Dec.</b> |
| <b>SELECTED INFORMATION (unaudited)</b>  | <b>27,</b>                 | <b>28,</b>   | <b>26,</b>  | <b>27,</b>  | <b>25,</b>   | <b>26,</b>              | <b>25,</b>          | <b>26,</b>   | <b>26,</b>             | <b>26,</b>  |
| <b>(in millions)</b>   | <b>2005</b>                | <b>2004</b>  | <b>2005</b> | <b>2004</b> | <b>2005</b>  | <b>2004</b>             | <b>2005</b>         | <b>2004</b>  | <b>2004</b>            | <b>2004</b> |
| <b>(Weyerhaeuser only, excludes Real Estate &amp; Related Assets)</b>  |                            |              |             |             |              |                         |                     |              |                        |             |
| Net cash from operations   | \$ (203)                   | \$ (89)      | \$ 713      | \$ 787      | \$ 441       | \$ 592                  | \$ 951              | \$ 1,290     | \$ 745                 | \$ 2,035    |
| Cash paid for property and equipment   | (117)                      | (79)         | (196)       | (80)        | (220)        | (93)                    | (533)               | (252)        | (222)                  | (474)       |
| Cash paid for timberlands reforestation  | (12)                       | (12)         | (6)         | (6)         | (6)          | (5)                     | (24)                | (23)         | (7)                    | (30)        |
| Cash received from issuances of debt revolving credit facilities, notes and commercial paper borrowings, net | 19                         | 67           | 23          | (80)        | (40)         | (6)                     | 2                   | (19)         | 35                     | 16          |
| Payments on debt   | (404)                      | (60)         | (206)       | (813)       | (965)        | (253)                   | (1,575)             | (1,126)      | (742)                  | (1,868)     |
| Proceeds from equity offering  |                            |              |             | 954         |              |                         |                     | 954          |                        | 954         |
| Proceeds from the sale of BC Coastal operations  |                            |              | 1,107       |             |              |                         | 1,107               |              |                        |             |
|  | <b>PRELIMINARY RESULTS</b> |              |             |             |              | <b>SUBJECT TO AUDIT</b> |                     |              |                        |             |

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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: October 21, 2005