

WEYERHAEUSER CO
Form 8-K
July 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

July 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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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON D.C., 20549

ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

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

Weyerhaeuser Reports Second Quarter Net Earnings of \$420 Million, or \$1.71 Per Diluted Share, on Net Sales of \$5.8 Billion

FEDERAL WAY, Wash. Weyerhaeuser Company (NYSE: WY) today reported second quarter net earnings of \$420 million, or \$1.71 per diluted share, on net sales of \$5.8 billion. This compares with \$369 million, or \$1.57 per diluted share, on net sales of \$5.7 billion for the second quarter of 2004.

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

A gain of \$110 million, or 45 cents per diluted share, related to the sale of the company's operations in coastal British Columbia.

A charge of \$44 million, or 18 cents per diluted share, related to a planned repatriation of \$1.1 billion of eligible Canadian earnings under the provisions of the American Jobs Creation Act of 2004.

A gain of \$37 million, or 15 cents per diluted share, related to the recognition of a deferred gain from previous timberlands sales.

A charge of \$12 million, or 5 cents per diluted share, related to litigation.

Second quarter 2004 earnings included the following after-tax items:

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

A charge of \$10 million, or 4 cents per diluted share, for an adverse judgment in a lawsuit.

This year's overall results are good, despite conditions that were more difficult than second quarter of last year, said Steven R. Rogel, chairman, president and chief executive officer. We're pleased with this short-term performance, but we also recognize that many of our businesses face significant long-term challenges. We remain focused on finding ways to enhance the earnings performance of our entire portfolio, regardless of market conditions.

SUMMARY OF SECOND QUARTER FINANCIAL HIGHLIGHTS

| Millions (except per share data) | 2Q 2005 | 2Q 2004 | Change |
|---|----------------|----------------|---------------|
| Net earnings | \$ 420 | \$ 369 | \$ 51 |
| Earnings per diluted share | \$ 1.71 | \$ 1.57 | \$ 0.14 |
| Net sales | \$ 5,838 | \$ 5,728 | \$ 110 |

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

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| Millions | 2Q 2005 | 2Q 2004 | Change |
|---|----------------|----------------|---------------|
| Timberlands | \$ 210 | \$ 201 | \$ 9 |
| Wood Products | \$ 204 | \$ 448 | \$ (244) |
| Cellulose Fiber and White Papers | \$ 16 | \$ 14 | \$ 2 |
| Containerboard, Packaging and Recycling | \$ 99 | \$ 62 | \$ 37 |
| Real Estate and Related Assets | \$ 156 | \$ 118 | \$ 38 |

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

| | 2Q 2005 | 1Q 2005 | Change |
|-------------------------------------|----------------|----------------|---------------|
| Contribution to earnings (millions) | \$210 | \$200 | \$10 |

Second quarter earnings increased slightly from the first quarter due primarily to higher domestic log prices. Export prices were flat quarter to quarter. Fee harvest was down slightly.

Third quarter earnings are expected to be slightly lower than the second quarter, due to reduced harvest and sales activity from normal seasonal shutdowns. Export prices are expected to be modestly higher, but not enough to offset anticipated declines in domestic log prices.

WOOD PRODUCTS

| | 2Q 2005 | 1Q 2005 | Change |
|-------------------------------------|----------------|----------------|---------------|
| Contribution to earnings (millions) | \$204 | \$131 | \$73 |

Earnings increased significantly from first quarter due primarily to higher shipment volumes for all core product lines. The overall effect of price on earnings quarter to quarter was minor, with higher prices for engineered wood products offset by lower prices in oriented strand board and plywood. Average lumber prices realized were flat. Second quarter earnings included \$18 million in pre-tax charges related to litigation.

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 second quarter, compared with \$22 million in the first quarter.

Prices for commodity building products are expected to drop seasonally in the third quarter. Shipment volumes are expected to be flat. As a result, third quarter earnings are expected to decline to a level closer to the first quarter.

Table of Contents**CELLULOSE FIBER AND WHITE PAPERS (Formerly Pulp and Paper)**

| | 2Q 2005 | 1Q 2005 | Change |
|-------------------------------------|----------------|----------------|---------------|
| Contribution to earnings (millions) | \$ 16 | \$ 19 | (\$3) |

Segment earnings declined slightly from first quarter, due primarily to scheduled maintenance downtime and higher chip, chemical and freight costs.

Fluff pulp pricing improved during the quarter. Oversupply and weak demand in Europe resulted in lower papergrade pulp prices and shipment volumes. Fine paper prices improved in all major product lines and sales volume increased modestly.

Price declines are expected for papergrade pulp and fine paper product lines in the coming months. However, the company expects that minimal scheduled maintenance downtime will result in lower costs and higher third quarter earnings.

CONTAINERBOARD, PACKAGING AND RECYCLING

| | 2Q 2005 | 1Q 2005 | Change |
|-------------------------------------|----------------|----------------|---------------|
| Contribution to earnings (millions) | \$99 | \$48 | \$51 |

Earnings increased over first quarter levels primarily due to a seasonal increase in box shipments and lower manufacturing costs at the containerboard mills. Lower manufacturing costs were due primarily to increased production in the second quarter when compared to first quarter. The first quarter included a pre-tax charge of \$12 million associated with the settlement of a linerboard antitrust lawsuit and \$4 million for costs associated with the closure of a packaging facility in Bowling Green, Ky.

The company expects third quarter earnings to decrease as both containerboard and box prices are currently under pressure.

REAL ESTATE AND RELATED ASSETS

| | 2Q 2005 | 1Q 2005 | Change |
|-------------------------------------|----------------|----------------|---------------|
| Contribution to earnings (millions) | \$ 156 | \$ 183 | (\$27) |

Earnings declined as expected from the prior quarter as contributions from land sales declined \$36 million. Single-family home closings and average prices increased. The backlog of homes sold, but not closed, represents approximately six months sales.

The company's key real estate markets continue to be strong and Weyerhaeuser expects single-family closings to remain steady in the third quarter.

OTHER

The company will hold a live conference call at 7 a.m. PDT (10 a.m. EDT) on July 21 to discuss the second quarter results.

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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 48 hours following completion of the live call and can be accessed at 1-800-642-1687 (access code: 7576930) within North America and at 1-706-645-9291 (access code: 7576930) from outside North America.

The call may also be accessed through Weyerhaeuser's Internet site at <http://investor.weyerhaeuser.com>.

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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 third quarter; expected earnings and performance of the company's business segments during the third quarter, demand and pricing for the company's products in the third quarter, supply, raw material and freight costs, reduced timber harvest in the third quarter, maintenance downtime, and land and new home sales. 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; 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 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.

Table of Contents**WEYERHAEUSER COMPANY
FINANCIAL INFORMATION (unaudited)****CONDENSED EARNINGS**

| | Q1 | | Q2 | | Year-to-date | | Q3 | Q4 |
|--------------------------------------|----------------------|----------------------|------------------|------------------|------------------|------------------|-------------------|------------------|
| | March 27, 2005 | March 28, 2004 | June 26, 2005 | June 27, 2004 | June 26, 2005 | June 27, 2004 | Sept. 26, 2004 | Dec. 26, 2004 |
| and revenues: | | | | | | | | |
| user (1) | \$ 4,749 | \$ 4,442 | \$ 5,190 | \$ 5,204 | \$ 9,939 | \$ 9,646 | \$ 5,088 | \$ 4,804 |
| and Related Assets | 655 | 469 | 648 | 524 | 1,303 | 993 | 591 | 911 |
| sales and revenues | 5,404 | 4,911 | 5,838 | 5,728 | 11,242 | 10,639 | 5,679 | 5,715 |
| expenses: | | | | | | | | |
| user: | | | | | | | | |
| products sold | 3,652 | 3,432 | 3,974 | 3,790 | 7,626 | 7,222 | 3,758 | 3,735 |
| on, amortization and fee stumpage | 325 | 317 | 326 | 318 | 651 | 635 | 316 | 320 |
| expenses | 118 | 120 | 119 | 122 | 237 | 242 | 123 | 119 |
| and administrative expenses | 223 | 239 | 218 | 233 | 441 | 472 | 226 | 247 |
| and development expenses | 14 | 12 | 12 | 13 | 26 | 25 | 13 | 17 |
| er than payroll and income taxes | 46 | 48 | 48 | 47 | 94 | 95 | 51 | 48 |
| or integration and restructuring | 5 | 15 | 4 | 13 | 9 | 28 | 8 | 3 |
| or closure of facilities | 5 | 4 | 3 | | 8 | 4 | 13 | 0 |
| rating costs, net ^{(2) (3)} | 9 | 17 | (40) | 43 | (31) | 60 | (300) | 36 |
| | 4,397 | 4,204 | 4,664 | 4,579 | 9,061 | 8,783 | 4,208 | 4,525 |
| and Related Assets: | | | | | | | | |
| operating expenses | 426 | 321 | 441 | 381 | 867 | 702 | 414 | 647 |
| on and amortization | 3 | 2 | 4 | 4 | 7 | 6 | 3 | 5 |
| expenses | 33 | 27 | 36 | 30 | 69 | 57 | 31 | 37 |
| and administrative expenses | 24 | 17 | 25 | 19 | 49 | 36 | 19 | 26 |
| er than payroll and income taxes | 1 | 1 | | | 1 | 1 | 1 | 0 |
| rating costs, net | | 1 | (2) | 1 | (2) | 2 | (19) | 0 |
| | 487 | 369 | 504 | 435 | 991 | 804 | 449 | 715 |
| s and expenses | 4,884 | 4,573 | 5,168 | 5,014 | 10,052 | 9,587 | 4,657 | 5,240 |
| income | 520 | 338 | 670 | 714 | 1,190 | 1,052 | 1,022 | 475 |
| expense and other: | | | | | | | | |
| user: | | | | | | | | |
| expense incurred (4) | (196) | (195) | (179) | (218) | (375) | (413) | (184) | (241) |
| est capitalized | | 3 | 2 | 1 | 2 | 4 | 0 | 5 |
| income (loss) of affiliates | | | 4 | 7 | 4 | 7 | 4 | 3 |
| come and other | 27 | 3 | 20 | 5 | 47 | 8 | 7 | 9 |
| and Related Assets: | | | | | | | | |
| expense incurred | (14) | (15) | (14) | (14) | (28) | (29) | (14) | (14) |

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| | | | | | | | | |
|---|---------|---------|---------|---------|---------|---------|---------|---------|
| Investment income | 14 | 15 | 14 | 14 | 28 | 29 | 14 | 14 |
| Income of unconsolidated entities | 10 | 9 | 13 | 20 | 23 | 29 | 12 | 11 |
| Income and other | 5 | 11 | (2) | 9 | 3 | 20 | 1 | 10 |
| Income before income taxes | 366 | 169 | 528 | 538 | 894 | 707 | 862 | 272 |
| Provision for income taxes ⁽⁵⁾ | (128) | (57) | (229) | (183) | (357) | (240) | (293) | (94) |
| Income from continuing operations | 238 | 112 | 299 | 355 | 537 | 467 | 569 | 178 |
| Income from discontinued operations, net of tax | 1 | 9 | 121 | 14 | 122 | 23 | 25 | 21 |
| Income before taxes | \$ 239 | \$ 121 | \$ 420 | \$ 369 | \$ 659 | \$ 490 | \$ 594 | \$ 199 |
| Net earnings per share: | | | | | | | | |
| Income from continuing operations | \$ 0.98 | \$ 0.50 | \$ 1.23 | \$ 1.51 | \$ 2.20 | \$ 2.04 | \$ 2.36 | \$ 0.73 |
| Income from discontinued operations | | 0.04 | 0.49 | 0.06 | 0.50 | 0.10 | 0.10 | 0.09 |
| Income before taxes | \$ 0.98 | \$ 0.54 | \$ 1.72 | \$ 1.57 | \$ 2.70 | \$ 2.14 | \$ 2.46 | \$ 0.82 |
| Net earnings per share: | | | | | | | | |
| Income from continuing operations | \$ 0.98 | \$ 0.50 | \$ 1.22 | \$ 1.51 | \$ 2.19 | \$ 2.03 | \$ 2.35 | \$ 0.73 |
| Income from discontinued operations | | 0.04 | 0.49 | 0.06 | 0.50 | 0.10 | 0.10 | 0.09 |
| Income before taxes | \$ 0.98 | \$ 0.54 | \$ 1.71 | \$ 1.57 | \$ 2.69 | \$ 2.13 | \$ 2.45 | \$ 0.82 |
| Dividends paid per share | \$ 0.40 | \$ 0.40 | \$ 0.50 | \$ 0.40 | \$ 0.90 | \$ 0.80 | \$ 0.40 | \$ 0.40 |
| Average shares outstanding (in thousands) | 242,863 | 223,728 | 244,702 | 234,494 | 243,782 | 229,111 | 241,621 | 242,114 |
| | 244,185 | 225,072 | 245,881 | 235,475 | 244,959 | 230,242 | 242,649 | 243,472 |

- (1) The first and second quarters of 2005 include charges of \$22 million and \$27 million, respectively, 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 and second quarters of 2005 include net foreign exchange gains (losses) of \$13 million and (\$13) million, respectively, for a year-to-date net effect of zero. 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 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 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 a planned repatriation of \$1.1 billion of eligible Canadian earnings under the provisions of the American Jobs Creation Act of 2004.
- (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.

PRELIMINARY RESULTS SUBJECT TO AUDIT

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

| Net sales and revenues (in millions): | Q1 | | Q2 | | Year-to-date | | Q3 | Q4 | Year ended |
|--|----------------|----------------|---------------|---------------|---------------|---------------|----------------|---------------|---------------|
| | March 27, 2005 | March 28, 2004 | June 26, 2005 | June 27, 2004 | June 26, 2005 | June 27, 2004 | Sept. 26, 2004 | Dec. 26, 2004 | Dec. 26, 2004 |
| Timberlands: | | | | | | | | | |
| Logs | \$ 182 | \$ 193 | \$ 195 | \$ 211 | \$ 377 | \$ 404 | \$ 197 | \$ 221 | \$ 822 |
| Other products | 82 | 58 | 63 | 66 | 145 | 124 | 51 | 105 | 280 |
| | 264 | 251 | 258 | 277 | 522 | 528 | 248 | 326 | 1,102 |
| Wood Products: | | | | | | | | | |
| Softwood lumber | 892 | 819 | 1,032 | 1,106 | 1,924 | 1,925 | 1,089 | 901 | 3,915 |
| Plywood | 183 | 221 | 196 | 263 | 379 | 484 | 237 | 208 | 929 |
| Veneer | 13 | 11 | 10 | 12 | 23 | 23 | 11 | 10 | 44 |
| Composite panels | 120 | 108 | 132 | 133 | 252 | 241 | 138 | 122 | 501 |
| OSB | 288 | 338 | 306 | 456 | 594 | 794 | 341 | 255 | 1,390 |
| Hardwood lumber | 94 | 90 | 102 | 100 | 196 | 190 | 89 | 86 | 365 |
| Engineered I-Joists | 160 | 134 | 213 | 178 | 373 | 312 | 189 | 177 | 678 |
| Engineered Solid Section | 190 | 148 | 241 | 194 | 431 | 342 | 203 | 189 | 734 |
| Logs | 27 | 23 | 24 | 38 | 51 | 61 | 32 | 32 | 125 |
| Other products | 272 | 255 | 339 | 312 | 611 | 567 | 315 | 280 | 1,162 |
| | 2,239 | 2,147 | 2,595 | 2,792 | 4,834 | 4,939 | 2,644 | 2,260 | 9,843 |
| Cellulose Fiber and White Papers: | | | | | | | | | |
| Pulp | 376 | 339 | 355 | 371 | 731 | 710 | 381 | 380 | 1,471 |
| Paper | 599 | 535 | 611 | 538 | 1,210 | 1,073 | 583 | 570 | 2,226 |
| Coated groundwood | 42 | 36 | 47 | 37 | 89 | 73 | 39 | 44 | 156 |
| Liquid packaging board | 47 | 49 | 52 | 53 | 99 | 102 | 53 | 53 | 208 |
| Other products | 14 | 10 | 12 | 13 | 26 | 23 | 15 | 16 | 54 |
| | 1,078 | 969 | 1,077 | 1,012 | 2,155 | 1,981 | 1,071 | 1,063 | 4,115 |
| Containerboard, Packaging and Recycling: | | | | | | | | | |
| Containerboard | 117 | 81 | 101 | 80 | 218 | 161 | 94 | 113 | 368 |
| Packaging | 898 | 853 | 969 | 918 | 1,867 | 1,771 | 916 | 897 | 3,584 |
| Recycling | 92 | 80 | 92 | 91 | 184 | 171 | 87 | 89 | 347 |
| Bags | 22 | 19 | 21 | 18 | 43 | 37 | 20 | 23 | 80 |
| Other products | 34 | 33 | 40 | 34 | 74 | 67 | 43 | 46 | 156 |
| | 1,163 | 1,066 | 1,223 | 1,141 | 2,386 | 2,207 | 1,160 | 1,168 | 4,535 |
| Real Estate and Related Assets | 655 | 469 | 648 | 524 | 1,303 | 993 | 591 | 911 | 2,495 |
| Corporate and Other | 149 | 135 | 151 | 147 | 300 | 282 | 135 | 158 | 575 |
| Less sales of discontinued operations | (144) | (126) | (114) | (165) | (258) | (291) | (170) | (171) | (632) |

\$ 5,404 \$ 4,911 \$ 5,838 \$ 5,728 \$ 11,242 \$ 10,639 \$ 5,679 \$ 5,715 \$ 22,033

| Contribution (charge) to earnings: (in millions) | Q1 | | Q2 | | Year-to-date | | Q3 | Q4 | Year ended |
|---|-------------|-------------|-------------|-------------|--------------|-------------|-------------|-------------|-------------|
| | March | March | June | June | June | June | Sept. | Dec. | Dec. |
| | 27, 2005 | 28, 2004 | 26, 2005 | 27, 2004 | 26, 2005 | 27, 2004 | 26, 2004 | 26, 2004 | 26, 2004 |
| Timberlands ^{(1) (2)} | \$ 200 | \$ 159 | \$ 210 | \$ 201 | \$ 410 | \$ 360 | \$ 450 | \$ 217 | \$ 1,027 |
| Wood Products ^{(3) (4) (5) (6)} | 131 | 173 | 204 | 448 | 335 | 621 | 362 | 72 | 1,055 |
| Cellulose Fiber and White Papers ⁽⁷⁾ | 19 | (25) | 16 | 14 | 35 | (11) | 80 | 35 | 104 |
| Containerboard, Packaging and Recycling ^{(8) (9)} | 48 | 24 | 99 | 62 | 147 | 86 | 82 | 81 | 249 |
| Real Estate and Related Assets ⁽¹⁰⁾ | 183 | 120 | 156 | 118 | 339 | 238 | 155 | 217 | 610 |
| Corporate and Other ^{(11) (12) (13)} | (17) | (76) | 99 | (67) | 82 | (143) | (45) | (83) | (271) |
| | \$ 564 | \$ 375 | \$ 784 | \$ 776 | \$ 1,348 | \$ 1,151 | \$ 1,084 | \$ 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.
- (3) The first and second quarters of 2005 include charges of \$22 million and \$27 million, respectively, 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 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 and second quarters of 2005 include charges of \$1 million and \$1 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 2004 second quarter 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.

- (9) The first and second quarters of 2005 include charges of \$4 million and \$2 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 and second quarters of 2005 include net gains on land and lot sales of \$57 million and \$21 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 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 and second quarters of 2005 include net foreign exchange gains (losses) of \$13 million and (\$13) million, respectively, for a year-to-date net effect of zero. 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)**

| Third party sales volumes: | Q1 | | Q2 | | Year-to-date | | Q3 | Q4 | Year ended |
|--|-----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|----------------------|----------------------|
| | March 27, 2005 | March 28, 2004 | June 26, 2005 | June 27, 2004 | June 26, 2005 | June 27, 2004 | Sept. 26, 2004 | Dec. 26, 2004 | Dec. 26, 2004 |
| Timberlands (thousands): | | | | | | | | | |
| Logs cunits | 864 | 1,044 | 863 | 954 | 1,727 | 1,998 | 904 | 1,018 | 3,920 |
| Wood Products (millions): | | | | | | | | | |
| Softwood lumber board feet | 2,057 | 2,054 | 2,355 | 2,393 | 4,412 | 4,447 | 2,299 | 2,144 | 8,890 |
| Plywood square feet (3/8) | 537 | 642 | 600 | 668 | 1,137 | 1,310 | 672 | 647 | 2,629 |
| Veneer square feet (3/8) | 60 | 55 | 59 | 60 | 119 | 115 | 55 | 55 | 225 |
| Composite panels square feet (3/4) | 299 | 301 | 317 | 324 | 616 | 625 | 315 | 294 | 1,234 |
| Oriented strand board square feet (3/8) | 908 | 981 | 1,041 | 1,143 | 1,949 | 2,124 | 1,078 | 1,011 | 4,213 |
| Hardwood lumber board feet | 102 | 103 | 114 | 117 | 216 | 220 | 102 | 95 | 417 |
| Engineered I-Joists LF | 108 | 108 | 138 | 132 | 246 | 240 | 133 | 123 | 496 |
| Engineered Solid Section CF | 9 | 8 | 10 | 10 | 19 | 18 | 10 | 9 | 37 |
| Logs cunits (in thousands) | 187 | 170 | 177 | 279 | 364 | 449 | 237 | 248 | 934 |
| Cellulose Fiber and White Papers (thousands): | | | | | | | | | |
| Pulp air-dry metric tons | 629 | 624 | 587 | 642 | 1,216 | 1,266 | 633 | 659 | 2,558 |
| Paper tons | 736 | 741 | 742 | 718 | 1,478 | 1,459 | 737 | 680 | 2,876 |
| Coated groundwood tons | 58 | 59 | 62 | 61 | 120 | 120 | 60 | 63 | 243 |
| Liquid packaging board tons | 60 | 66 | 65 | 72 | 125 | 138 | 69 | 69 | 276 |
| Paper converting tons | 475 | 467 | 494 | 459 | 969 | 926 | 470 | 443 | 1,839 |
| Containerboard, Packaging and Recycling (thousands): | | | | | | | | | |
| Containerboard tons | 295 | 250 | 259 | 221 | 554 | 471 | 245 | 285 | 1,001 |
| Packaging MSF | 17,354 | 18,146 | 18,600 | 18,917 | 35,954 | 37,063 | 18,287 | 17,535 | 72,885 |
| Recycling tons | 692 | 678 | 695 | 701 | 1,387 | 1,379 | 645 | 670 | 2,694 |
| Kraft bags and sacks tons | 23 | 24 | 22 | 23 | 45 | 47 | 23 | 25 | 95 |
| Real Estate and Related Assets: | | | | | | | | | |
| Single-family homes sold | 1,378 | 1,506 | 1,525 | 1,564 | 2,903 | 3,070 | 1,313 | 992 | 5,375 |
| Single-family homes closed | 1,189 | 1,065 | 1,279 | 1,216 | 2,468 | 2,281 | 1,345 | 1,638 | 5,264 |
| Single-family homes sold but not closed at end of period | 2,561 | 2,702 | 2,807 | 3,050 | 2,807 | 3,050 | 3,018 | 2,372 | 2,372 |
| Total production volumes: | | | | | | | | | Year ended |
| | March 27, 2005 | March 28, 2004 | June 26, 2005 | June 27, 2004 | June 26, 2005 | June 27, 2004 | Sept. 26, 2004 | Dec. 26, 2004 | Dec. 26, 2004 |
| Timberlands (thousands): | | | | | | | | | |
| Fee Depletion cunits | 2,248 | 2,265 | 2,231 | 2,404 | 4,479 | 4,669 | 2,189 | 2,155 | 9,013 |
| Wood Products (millions): | | | | | | | | | |
| Softwood lumber board feet | 1,821 | 1,760 | 1,869 | 1,881 | 3,690 | 3,641 | 1,819 | 1,727 | 7,187 |
| Plywood square feet (3/8) | 303 | 422 | 302 | 405 | 605 | 827 | 405 | 396 | 1,628 |
| Veneer square feet (3/8 ⁽¹⁾) | 517 | 585 | 529 | 609 | 1,046 | 1,194 | 592 | 600 | 2,386 |

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| | | | | | | | | | |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Composite panels square feet (3/4) | 267 | 268 | 282 | 281 | 549 | 549 | 272 | 245 | 1,066 |
| Oriented strand board square feet (3/8) | 1,007 | 1,031 | 1,019 | 1,056 | 2,026 | 2,087 | 1,022 | 972 | 4,081 |
| Hardwood lumber board feet | 92 | 89 | 96 | 96 | 188 | 185 | 84 | 80 | 349 |
| Engineered I-Joists LF | 133 | 110 | 132 | 124 | 265 | 234 | 136 | 134 | 504 |
| Engineered Solid Section CF | 11 | 9 | 10 | 11 | 21 | 20 | 11 | 10 | 42 |
| Cellulose Fiber and White Papers (thousands): | | | | | | | | | |
| Pulp air-dry metric tons | 621 | 619 | 614 | 636 | 1,235 | 1,255 | 652 | 639 | 2,546 |
| Paper ton ⁽²⁾ | 763 | 743 | 752 | 736 | 1,515 | 1,479 | 766 | 761 | 3,006 |
| Coated groundwood tons | 55 | 55 | 59 | 61 | 114 | 116 | 62 | 62 | 240 |
| Liquid packaging board tons | 60 | 61 | 64 | 67 | 124 | 128 | 71 | 67 | 266 |
| Paper converting tons | 475 | 460 | 487 | 442 | 962 | 902 | 471 | 465 | 1,838 |
| Containerboard, Packaging and Recycling (thousands): | | | | | | | | | |
| Containerboard ton ⁽³⁾ | 1,503 | 1,503 | 1,581 | 1,598 | 3,084 | 3,101 | 1,604 | 1,586 | 6,291 |
| Packaging MSF | 18,628 | 19,493 | 19,915 | 20,208 | 38,543 | 39,701 | 19,473 | 18,648 | 77,822 |
| Recycling ton ⁽⁴⁾ | 1,624 | 1,607 | 1,673 | 1,707 | 3,297 | 3,314 | 1,703 | 1,701 | 6,718 |
| Kraft bags and sacks tons | 23 | 24 | 22 | 23 | 45 | 47 | 23 | 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)

| | March 27, 2005 | June 26, 2005 | Dec. 26, 2004 |
|--|-------------------------------|--------------------------|--------------------------|
| Assets | | | |
| Weyerhaeuser | | | |
| Current assets: | | | |
| Cash and short-term investments | \$ 402 | \$ 1,704 | \$ 1,044 |
| Receivables, less allowances | 1,840 | 2,008 | 1,558 |
| Inventories | 2,122 | 2,018 | 1,891 |
| Prepaid expenses | 634 | 612 | 592 |
| Assets of business held for sale | 1,119 | | 1,129 |
| | | | |
| Total current assets | 6,117 | 6,342 | 6,214 |
| Property and equipment | 11,447 | 11,175 | 11,672 |
| Construction in progress | 324 | 451 | 268 |
| Timber and timberlands at cost, less fee stumpage charged to disposals | 3,712 | 3,709 | 3,733 |
| Investments in and advances to equity affiliates | 491 | 495 | 489 |
| Goodwill | 2,997 | 2,977 | 2,996 |
| Deferred pension and other assets | 1,197 | 1,249 | 1,201 |
| Restricted assets held by special purpose entities | 914 | 916 | 909 |
| | 27,199 | 27,314 | 27,482 |
| | | | |
| Real Estate and Related Assets | | | |
| Cash and short-term investments | 5 | 11 | 153 |
| Receivables, less allowances | 60 | 57 | 43 |
| Real estate and land for sale and development | 2,083 | 2,333 | 1,947 |
| Other assets | 323 | 278 | 329 |
| | 2,471 | 2,679 | 2,472 |
| | | | |
| Total assets | \$ 29,670 | \$ 29,993 | \$ 29,954 |
| | | | |
| Liabilities and Shareholders Interest | | | |
| Weyerhaeuser | | | |
| Current liabilities: | | | |
| Notes payable and commercial paper | \$ 2 | \$ 2 | \$ 3 |
| Current maturities of long-term debt | 96 | 75 | 489 |
| Accounts payable | 1,150 | 1,225 | 1,159 |
| Accrued liabilities | 1,313 | 1,655 | 1,432 |
| Liabilities of business held for sale | 308 | | 297 |
| | | | |
| Total current liabilities | 2,869 | 2,957 | 3,380 |
| Long-term debt | 9,263 | 9,076 | 9,277 |
| Deferred income taxes | 4,315 | 4,320 | 4,312 |

| | | | |
|---|-----------|-----------|-----------|
| Deferred pension, other postretirement benefits and other liabilities | 1,494 | 1,560 | 1,500 |
| Liabilities not owned, consolidated under FIN 46R | 820 | 784 | 815 |
| | 18,761 | 18,697 | 19,284 |
| Real Estate and Related Assets | | | |
| Notes payable and commercial paper | 2 | 5 | 2 |
| Long-term debt | 869 | 854 | 867 |
| Other liabilities | 533 | 588 | 546 |
| | 1,404 | 1,447 | 1,415 |
| Total liabilities | 20,165 | 20,144 | 20,699 |
| Shareholders' interest | 9,505 | 9,849 | 9,255 |
| Total liabilities and shareholders' interest | \$ 29,670 | \$ 29,993 | \$ 29,954 |

| STATEMENT OF CASH FLOWS | Q1 | | Q2 | | Year-to-date | | Q3 | Q4 | Year ended |
|--|----------|---------|--------|--------|--------------|--------|--------|--------|------------|
| | March | March | June | June | June | June | Sept. | Dec. | Dec. |
| SELECTED INFORMATION (unaudited) | 27, | 28, | 26, | 27, | 26, | 27, | 26, | 26, | 26, |
| (in millions) | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2004 | 2004 | 2004 |
| (Weyerhaeuser only, excludes Real Estate & Related Assets) | | | | | | | | | |
| Net cash from operations | \$ (203) | \$ (89) | \$ 713 | \$ 787 | 510 | \$ 698 | \$ 592 | \$ 745 | \$ 2,035 |
| Cash paid for property and equipment | (117) | (79) | (196) | (80) | (313) | (159) | (93) | (222) | (474) |
| Cash paid for timberlands reforestation | (12) | (12) | (6) | (6) | (18) | (18) | (5) | (7) | (30) |
| Cash received from issuances of debt revolving credit facilities, notes and commercial paper borrowings, net | 19 | 67 | 23 | (80) | 42 | (13) | (6) | 35 | 16 |
| Payments on debt | (404) | (60) | (206) | (813) | (610) | (873) | (253) | (742) | (1,868) |
| Proceeds from equity offering | | | | 954 | | 954 | | | 954 |
| Proceeds from the sale of BC Coastal operations | | | 1,107 | | 1,107 | | | | |

PRELIMINARY RESULTS SUBJECT TO AUDIT

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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: July 21, 2005