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WEYERHAEUSER CO
Form 8-K
January 24, 2005

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

January 21, 2005

(Date of earliest event report)

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

Washington	1-4825	91-0470860
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(State or other
jurisdiction of
incorporation or
organization)

(Commission
File Number)

(IRS Employer
Identification
Number)

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

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

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

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

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON D.C., 20549

ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

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

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

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

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

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

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

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

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

Other significant fourth quarter 2004 financial matters include:

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

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

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

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

SUMMARY OF FOURTH QUARTER FINANCIAL HIGHLIGHTS

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

SUMMARY OF ANNUAL FINANCIAL HIGHLIGHTS

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

SEGMENT RESULTS FOR FOURTH QUARTER

(Contributions to Pre-Tax Earnings)

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

TIMBERLANDS

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

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

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

WOOD PRODUCTS

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

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

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

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

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

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

PULP AND PAPER

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

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

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

CONTAINERBOARD, PACKAGING AND RECYCLING

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

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

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

REAL ESTATE AND RELATED ASSETS

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

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

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

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

OTHER

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

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

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

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

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 terms or comparable terminology or by discussions of strategy, plans or intentions. In particular, some of these forward-looking statements deal with expectations regarding the company's markets in the first quarter of 2005; expected earnings and performance of the company's business segments during the first quarter of 2005, demand and pricing for the company's products in the first quarter of 2005, non-strategic timberland sales in the first quarter of 2005, seasonal decline in single-family home closings in the first quarter of 2005, effect of Canadian exchange rate, and other matters. The accuracy of such statements is subject to a number of risks, uncertainties and assumptions that may cause actual results to differ materially from those projected, including, but not limited to, the effect of general economic conditions, including the level of interest rates and housing starts; market demand for the company's products, which may be tied to the relative strength of various U.S. business segments; energy prices; weather conditions; availability and pricing of raw materials, performance of the company's manufacturing operations; the successful execution of internal performance plans; the level of competition from domestic and foreign producers; the effect of forestry, land use, environmental and other governmental regulations; fires, floods and other natural disasters; disruption

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of transportation and legal proceedings. The company is also a large exporter and is affected by changes in economic activity in Europe and Asia, particularly Japan, and by changes in currency exchange rates, particularly the relative value of the U.S. dollar to the Euro and the Canadian dollar; and restrictions on international trade or tariffs imposed on imports, including the countervailing and dumping duties imposed on the company's softwood lumber shipments from Canada to the United States. These and other factors that could cause or contribute to actual results differing materially from such forward looking statements are discussed in greater detail in the company's Securities and Exchange Commission filings.

WEYERHAEUSER COMPANY

STATISTICAL INFORMATION (unaudited)

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

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

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

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

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

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

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

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

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

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

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

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

WEYERHAEUSER COMPANY STATISTICAL INFORMATION (unaudited)

Net sales and revenues (in millions):

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

Containerboard, Packaging and Recycling:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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primarily from fluctuations in Canadian and New Zealand exchange rates.

WEYERHAEUSER COMPANY STATISTICAL INFORMATION (unaudited)

Third party sales
volumes:

	Q1		Q2		Q3	
	March	March	June	June	Sept.	Sept.
	28, 2004	30, 2003	27, 2004	29, 2003	26, 2004	28, 2003

Timberlands (thousands):

Logs - cunits	1,044	984	954	1,006	904	987
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Wood Products
(millions):

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

Pulp and Paper (thousands):

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

Containerboard,
Packaging and Recycling
(thousands):

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

Real Estate and Related
Assets:

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

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

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

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

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

Pulp and Paper

(thousands):

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

Containerboard, Packaging and Recycling

(thousands):

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

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

Timberlands (thousands):

Fee Depletion - cunits	2,155	2,171	9,013	9,428
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Wood Products (millions):

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

Pulp and Paper (thousands):

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

Containerboard, Packaging and Recycling (thousands):

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

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

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

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

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

WEYERHAEUSER COMPANY STATISTICAL INFORMATION

CONDENSED CONSOLIDATED BALANCE SHEET (unaudited) (in millions)

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

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

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

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

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SIGNATURES

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

WEYERHAEUSER COMPANY

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

Date: January 21, 2005