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WEYERHAEUSER CO
Form 8-K
January 26, 2004

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 23, 2004

(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

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SIGNATURES

Item 12. Results of Operations and Financial Condition

On January 23, 2004, Weyerhaeuser Company issued a press release as follows:

FEDERAL WAY, Wash.-- Weyerhaeuser Company (NYSE: WY) today reported fourth quarter net earnings of \$92 million, or 41 cents per share, on net sales of \$5.1 billion. This compares with \$126 million, or 57 cents per share, on net sales of \$4.7 billion for the fourth quarter of 2002.

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

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

Fourth quarter 2002 earnings include the following after-tax items:

- * Gains of \$95 million, or 42 cents per share, on the sale of timberlands in Washington state net of costs associated with the closure of related Wood Products and Timberlands operations, a reduction in depreciation resulting from an adjustment to the preliminary purchase price allocation for the Willamette acquisition and the benefit from insurance proceeds covering a business disruption.
- * Charges of \$57 million, or 26 cents per share, for the termination of the former MacMillan Bloedel pension plan for U.S. employees, acquisition and integration of Willamette Industries and the closure of other facilities.

Net sales in 2003 were \$19.9 billion compared with \$18.5 billion in 2002. For the full year 2003, Weyerhaeuser reported net earnings of \$277 million, or \$1.25 per share, compared with \$241 million, or \$1.09 per share for the full year 2002.

Significant 2003 accomplishments:

- * Reduced Weyerhaeuser Company debt, excluding Real Estate and Related Assets, by approximately \$1.1 billion to \$11.6 billion. Total company debt, which includes Real Estate and Related Assets, was reduced by approximately \$1.1 billion to \$12.5 billion at year-end. Weyerhaeuser continues to make excellent progress toward achieving its target financial ratios.
- * Captured \$300 million in synergies from the Willamette acquisition in half the projected time.
 - Sold approximately 444,000 acres of non-strategic timberlands.
 - Reduced capital spending, excluding Real Estate and Related Assets, to approximately \$626 million, a 35 percent decrease from \$960 million the prior year.
 - Continued to rationalize the company's manufacturing system by closing 12 facilities. In addition, Weyerhaeuser significantly improved the productivity of its remaining manufacturing operations.

"Thanks to the hard work of our employees, during 2003 we successfully completed the integration of Willamette, captured the synergies and continued to reduce debt despite very challenging economic conditions," said Steven R. Rogel, chairman, president and chief executive officer. "Continuing consolidation and a changing customer base are driving significant changes within the forest products industry. These changes underscore the importance of the strategies we pursued in 2003 to aggressively reduce costs, increase productivity, and maintain strong relationships with our customers and suppliers. We're pleased with the progress we made this year, but we recognize that we must constantly improve if we are going to successfully respond to these market challenges.

"In 2004, we plan to become even more efficient and to continue working closely with customers to meet their needs," Rogel said. "This will mean developing the most productive manufacturing system in the industry. We'll also

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continue reducing debt and maximizing our return on assets to position Weyerhaeuser to compete successfully in our evolving industry."

SUMMARY OF FOURTH QUARTER FINANCIAL HIGHLIGHTS

Millions (except per share data)	4Q 2003	4Q 2002	Change
Net earnings		\$92	\$126 (\$34)
Earnings per share	\$0.41		\$0.57 (\$0.16)
Net sales	\$5,145	\$4,718	\$427

SUMMARY OF 2003 FINANCIAL HIGHLIGHTS

Millions (except per share data)	2003	2002	Change
Net earnings	\$277	241	\$36
Earnings per share	\$1.25	\$1.09	\$0.16
Net sales	\$19,873	\$18,521	\$1,352

SEGMENT RESULTS FOR FOURTH QUARTER 2003

(Contributions to Pre-Tax Earnings)

Millions	4Q 2003	4Q 2002	Change
Timberlands		\$185	\$300 (\$115)
Wood Products	\$111	(\$75)	\$186
Pulp and Paper	(\$67)	\$86	(\$153)
Containerboard, Packaging and Recycling	\$32	\$114	(\$82)
Real Estate and Related Assets		\$109	\$81 \$28

TIMBERLANDS

	4Q 2003	3Q 2003	Change
Contribution to earnings (millions)	\$185	\$143	\$42

Excluding the pre-tax gain of \$61 million in the fourth quarter on the sale of non-strategic timberlands in Tennessee and the Carolinas, fourth quarter earnings were down slightly from third quarter. Stronger log prices and improved export markets in the West were offset by lower seasonal fee harvest and lower domestic sales volumes. Log prices in the South remained flat, but lower seasonal fee harvest caused a reduction in earnings.

First quarter earnings are expected to be higher than the fourth quarter -- adjusted for the sale of non-strategic timberlands in the fourth quarter -- due to higher domestic log sales volumes and prices in the West, and higher planned fee harvest in the South.

WOOD PRODUCTS

	4Q 2003	3Q 2003	Change
Contribution to earnings (millions)	\$111	\$151	(\$40)

The net reduction in earnings from the third quarter was due primarily due to volatile prices for wood products. Prices increased for oriented strand board and plywood before declining sharply late in the quarter. Declines in Western lumber prices, lower volumes and higher raw material costs reduced lumber results. Higher OSB prices negatively affected margins for engineered wood products. The late quarter decline in structural panel prices negatively affected earnings in the company's building products distribution centers. Wood Products recognized pre-tax charges of \$13 million in the fourth quarter compared with \$31 million in the third quarter for the closure of facilities. The segment also incurred \$22 million in countervailing and anti-dumping duties

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and related costs on Canadian softwood lumber the company sold into the United States in the fourth quarter. This compares to \$25 million in the third quarter. For the year, Weyerhaeuser incurred \$97 million in countervailing and anti-dumping duties.

First quarter results are expected to be lower than fourth quarter due primarily to price decreases in lumber and structural panels. The company expects the Canadian softwood lumber issue to continue to affect earnings.

PULP AND PAPER

	4Q 2003	3Q 2003	Change
Contribution (charge) to earnings (millions)	(\$67)	(\$18)	(\$49)

A weak paper market combined with pre-tax charges of \$30 million associated with the closure of the paper machine at Longview, Wash., resulted in significantly lower earnings compared with the prior quarter. Paper prices were slightly lower during the quarter. To balance supply to demand, the paper business took 96,000 tons of market-related downtime during the quarter. Pulp earnings were steady as higher pulp prices were mostly offset by higher manufacturing costs.

First quarter losses are expected to narrow from fourth quarter due to increased demand for fine paper and improving softwood pulp prices.

CONTAINERBOARD, PACKAGING AND RECYCLING

	4Q 2003	3Q 2003	Change
Contribution to earnings (millions)	\$32	\$42	(\$10)

Excluding pre-tax charges of \$40 million in the third quarter associated with the closure of facilities and settlement of litigation, fourth quarter earnings were down \$50 million from third quarter. Prices for boxes and containerboard declined through the quarter. Packaging volumes declined seasonally, but were higher than levels a year ago. Manufacturing costs rose modestly during the quarter. The mills took 71,000 tons of market-related downtime to adjust production to the seasonal decline in shipments.

Earnings in the first quarter are expected to be down slightly due primarily to higher raw material costs for old corrugated containers (OCC). This is expected to be partially offset by anticipated containerboard price increases late in the quarter. Volumes should improve seasonally and year-over-year. Increases in operating rates are expected to result in lower manufacturing costs.

REAL ESTATE AND RELATED ASSETS

	4Q 2003	3Q 2003	Change
Contribution to earnings (millions)	\$109	\$97	\$12

A continued strong housing market, low interest rates and a quarterly record for closings produced increased earnings from the prior quarter.

Continued strong markets are expected to produce first quarter earnings that are comparable to fourth quarter. The company currently has a backlog of approximately six months of homes sold, but not closed.

OTHER

The company will hold a live conference call at 7 a.m. PST (10 a.m. EST) on Jan. 23 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. Supporting slides are available at <http://www.weyerhaeuser.com> by clicking "Listen to Our Webcast and View Supporting Slides." Replays of the call will be available for one week following

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completion of the live call and can be accessed at 1-800-642-1687 (access code 4861240) within North America and at 1-706-645-9291 (access code 4861240) from outside North America.

Weyerhaeuser Company, one of the world's largest integrated forest products companies, was incorporated in 1900. In 2003, sales were \$19.9 billion. It has offices or operations in 18 countries, with customers worldwide. Weyerhaeuser is principally engaged in the growing and harvesting of timber; the manufacture, distribution and sale of forest products; and real estate construction, development and related activities. Additional information about Weyerhaeuser's businesses, products and practices is available at <http://www.weyerhaeuser.com>.

This news release contains statements concerning the company's future results and performance that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Some of these forward looking statements can be identified by the use of forward-looking terminology such as "expects," "may," "will," "believes," "should," "approximately," "anticipates," "estimates," and "plans," and the negative or other variations of those terms or comparable terminology or by discussions of strategy, plans or intentions. In particular, some of these forward-looking statements deal with expectations regarding debt reduction, continued savings, increasing productivity in the manufacturing system, management of asset base, the company's markets in the first quarter; and expected earnings and performance of the company's business segments during the first quarter. 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; 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 (1)	Q1		Q2		Q3	
	March 2003	March 2002	June 2003	June 2002	Sept. 2003	Sept. 2002
(in millions)	30,	31,	29,	30,	28,	29,
Net sales and revenues:						
Weyerhaeuser (2)	\$4,169	\$3,595	\$4,498	\$4,501	\$4,650	\$4,422
Real estate and related assets	445	396	432	421	534	468
Total net sales and revenues	4,614	3,991	4,930	4,922	5,184	4,890
Costs and expenses:						
Weyerhaeuser:						

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Costs of products sold	3,322	2,831	3,611	3,519	3,598	3,576
Depreciation, amortization and fee stumpage	321	264	313	311	320	304
Selling expenses	107	103	111	116	117	116
General and administrative expenses	231	186	232	231	249	201
Research and development expenses	12	12	12	13	10	11
Taxes other than payroll and income taxes	47	38	48	53	45	48
Charges for integration and restructuring	29	2	25	23	24	17
Charges for closure of facilities	22	27	12	28	48	--
Other operating costs, net (3) (4)	37	4	(205)	(27)	16	19
	4,128	3,467	4,159	4,267	4,427	4,292
Real estate and related assets:						
Costs and operating expenses	330	291	316	317	406	359
Depreciation and amortization	3	2	2	1	3	1
Selling expenses	24	21	25	24	27	23
General and administrative expenses	14	10	14	11	15	14
Taxes other than payroll and income taxes	1	1	1	1	--	1
Other operating costs, net	(7)	(8)	--	2	2	6
	365	317	358	356	453	404
Total costs and expenses	4,493	3,784	4,517	4,623	4,880	4,696
Operating income	121	207	413	299	304	194
Interest expense and other:						
Weyerhaeuser:						
Interest expense incurred (5)	(208)	(178)	(205)	(222)	(200)	(214)
Less interest capitalized	5	4	6	16	3	16
Equity in income (loss) of affiliates	(5)	(4)	3	(2)	(3)	(6)
Interest income and other	6	5	6	6	3	9
Real estate and related assets:						
Interest expense incurred	(14)	(13)	(13)	(13)	(13)	(12)
Less interest capitalized	14	13	13	13	13	12
Equity in income of Unconsolidated						

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entities	5	6	7	6	11	10
Interest income and other	11	6	8	8	6	11
Earnings before income taxes and cumulative effect of a change in accounting principle	(65)	46	238	111	124	20
Income taxes	22	(16)	(81)	(39)	(42)	(7)
Earnings before cumulative effect of a change in accounting principle	(43)	30	157	72	82	13
Cumulative effect of a change in accounting principle, net of applicable taxes of \$6 (6)	(11)	--	--	--	--	--
Net earnings (loss)	\$(54)	\$30	\$157	\$72	\$82	\$13
Basic and diluted net earnings (loss) per share:						
Net earnings (loss) before cumulative effect of a change in accounting principle	\$(0.19)	\$0.14	\$0.71	\$0.32	\$0.37	\$0.06
Cumulative effect of a change in accounting principle	(0.05)	--	--	--	--	--
Net earnings (loss)	\$(0.24)	\$0.14	\$0.71	\$0.32	\$0.37	\$0.06
Dividends paid per share	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40

WEYERHAEUSER COMPANY
STATISTICAL INFORMATION (unaudited)

CONSOLIDATED EARNINGS (1) (in millions)	Q4		Year ended	
	Dec. 28, 2003	Dec. 29, 2002	Dec. 28, 2003	Dec. 29, 2002
Net sales and revenues:				
Weyerhaeuser (2)	\$4,527	\$4,253	\$17,844	\$16,771
Real estate and related assets	618	465	2,029	1,750
Total net sales and revenues	5,145	4,718	19,873	18,521
Costs and expenses:				
Weyerhaeuser:				
Costs of products sold	3,547	3,285	14,078	13,211
Depreciation, amortization and fee stumpage	353	335	1,307	1,214
Selling expenses	122	115	457	450
General and administrative expenses	238	229	950	847
Research and development expenses	17	16	51	52
Taxes other than payroll and income taxes	45	39	185	178
Charges for integration and restructuring	25	30	103	72
Charges for closure of facilities	45	40	127	95
Other operating costs, net (3) (4)	(92)	(135)	(244)	(139)
	4,300	3,954	17,014	15,980

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Real estate and related assets:				
Costs and operating expenses	464	359	1,516	1,326
Depreciation and amortization	3	7	11	11
Selling expenses	31	22	107	90
General and administrative expenses	20	13	63	48
Taxes other than payroll and income taxes	1	1	3	4
Other operating costs, net	(4)	(1)	(9)	(1)
	515	401	1,691	1,478
Total costs and expenses	4,815	4,355	18,705	17,458
Operating income	330	363	1,168	1,063
Interest expense and other:				
Weyerhaeuser:				
Interest expense incurred (5)	(202)	(207)	(815)	(821)
Less interest capitalized	5	14	19	50
Equity in income (loss) of affiliates	(1)	(1)	(6)	(13)
Interest income and other	2	8	17	28
Real estate and related assets:				
Interest expense incurred	(13)	(15)	(53)	(53)
Less interest capitalized	13	15	53	53
Equity in income of unconsolidated entities	(3)	9	20	31
Interest income and other	8	8	33	33
Earnings before income taxes and cumulative effect of a change in accounting principle	139	194	436	371
Income taxes	(47)	(68)	(148)	(130)
Earnings before cumulative effect of a change in accounting principle	92	126	288	241
Cumulative effect of a change in accounting principle, net of applicable taxes of \$6 (6)	--	--	(11)	--
Net earnings (loss)	\$92	\$126	\$277	\$241
Basic and diluted net earnings (loss) per share:				
Net earnings (loss) before cumulative effect of a change in accounting principle	\$0.41	\$0.57	\$1.30	\$1.09
Cumulative effect of a change in accounting principle	--	--	(0.05)	--
Net earnings (loss)	\$0.41	\$0.57	\$1.25	\$1.09
Dividends paid per share	\$0.40	\$0.40	\$1.60	\$1.60

(1) Certain reclassifications have been made to conform prior period data with the current presentation.

(2) 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. 2002 first quarter includes \$13 million of charges for countervailing and

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anti-dumping duties and related costs and a credit of \$18 million for the reversal of countervailing and anti-dumping duties accrued in 2001. The 2002 second quarter includes \$7 million of charges for countervailing and anti-dumping duties and related costs, a credit of \$29 million for the reversal of charges accrued in 2001 and a credit of \$13 million for charges accrued in the first quarter of 2002. The 2002 third and fourth quarters include charges of \$31 million and \$26 million, respectively, for countervailing and anti-dumping duties and related costs. The 2002 impact of countervailing and anti-dumping duties and related costs is a net charge of \$17 million which includes current year charges of \$64 million and \$47 million of credits related to the reversal of charges accrued in 2001.

- (3) 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. 2002 includes \$33 million in net foreign exchange gains. Gains of \$8 million, \$27 million and \$14 million are included in the first, second and fourth quarters, respectively. A loss of \$16 million is included in the third quarter.
- (4) 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. 2002 fourth quarter includes a \$117 million gain on the sale of timberlands in Washington state.
- (5) 2002 first quarter includes a \$35 million charge to write off debt issue costs in connection with the refinancing of debt in connection with the acquisition of Willamette Industries.
- (6) Statement of Financial Accounting Standards No. 143, Accounting for Asset Retirement Obligations, was adopted as of the beginning of 2003. Results for 2002 were not impacted by the change in accounting principle.

WEYERHAEUSER COMPANY STATISTICAL INFORMATION (unaudited)

	Q1		Q2		Q3	
	March	March	June	June	Sept.	Sept.
Net sales and revenues (in millions):	30,	31,	29,	30,	28,	29,
	2003	2002	2003	2002	2003	2002
Timberlands:						
Raw materials (logs, timber and chips)	\$203	\$142	\$213	\$184	\$212	\$193
Other products	21	19	24	21	18	18
	224	161	237	205	230	211
Wood Products:						
Softwood lumber	752	692	846	901	890	845
Plywood and veneer	174	158	182	203	228	195
Oriented strand board, composite and other						

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panels	257	240	331	320	445	217
Hardwood lumber	80	76	86	81	75	72
Engineered lumber products	254	253	308	315	329	324
Raw materials (logs, timber and chips)	81	106	82	129	72	120
Other products	174	176	221	198	213	184
	1,772	1,701	2,056	2,147	2,252	1,957
Pulp and Paper:						
Pulp	309	280	321	297	333	300
Paper	596	416	546	563	530	590
Coated groundwood	36	30	32	30	39	32
Liquid packaging board	47	40	52	51	50	37
Other products	10	6	7	10	6	8
	998	772	958	951	958	967
Containerboard, Packaging and Recycling:						
Containerboard	77	73	81	90	73	101
Packaging	879	758	922	935	898	909
Recycling	60	48	63	51	60	67
Bags	20	10	20	20	19	22
Other products	33	10	35	34	40	28
	1,069	899	1,121	1,130	1,090	1,127
Real Estate and Related Assets	445	396	432	421	534	468
Corporate and Other	106	62	126	68	120	160
	\$4,614	\$3,991	\$4,930	\$4,922	\$5,184	\$4,890

Contribution (charge) to earnings(1): (in millions)	Q1		Q2		Q3	
	March 30, 2003	March 31, 2002	June 29, 2003	June 30, 2002	Sept. 28, 2003	Sept. 29, 2002
Timberlands (2)	\$149	\$107	\$300	\$162	\$143	\$133
Wood Products (3) (4) (5)	(150)	9	(53)	64	151	(18)
Pulp and Paper (6) (7)	10	1	(7)	(15)	(18)	10
Containerboard, Packaging and Recycling (8) (9)	80	58	108	75	42	88
Real Estate and Related Assets (10)	95	91	91	79	97	85
Corporate and Other (11) (12) (13)	(46)	(46)	(2)	(48)	(94)	(80)
	\$138	\$220	\$437	\$317	\$321	\$218

WEYERHAEUSER COMPANY
STATISTICAL INFORMATION (unaudited)

Net sales and revenues (in millions):

	Q4		Year ended	
	Dec. 28, 2003	Dec. 29, 2002	Dec. 28, 2003	Dec. 29, 2002

Timberlands:				
Raw materials (logs, timber and chips)	\$207	\$254	\$835	\$773
Other products	26	39	89	97
	233	293	924	870

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Wood Products:				
Softwood lumber	793	748	3,281	3,186
Plywood and veneer	239	178	823	734
Oriented strand board, composite and other panels	469	251	1,502	1,028
Hardwood lumber	79	77	320	306
Engineered lumber products	288	256	1,179	1,148
Raw materials (logs, timber and chips)	86	117	321	472
Other products	210	160	818	718
	2,164	1,787	8,244	7,592
Pulp and Paper:				
Pulp	342	319	1,305	1,196
Paper	510	594	2,182	2,163
Coated groundwood	33	34	140	126
Liquid packaging board	49	51	198	179
Other products	14	10	37	34
	948	1,008	3,862	3,698
Containerboard, Packaging and Recycling:				
Containerboard	73	86	304	350
Packaging	845	864	3,544	3,466
Recycling	64	63	247	229
Bags	21	23	80	75
Other products	39	20	147	92
	1,042	1,056	4,322	4,212
Real Estate and Related Assets	618	465	2,029	1,750
Corporate and Other	140	109	492	399
	\$5,145	\$4,718	\$19,873	\$18,521

Contribution (charge) to earnings(1): (in millions)	Q4		Year ended	
	Dec. 28, 2003	Dec. 29, 2002	Dec. 28, 2003	Dec. 29, 2002
	Timberlands (2)	\$185	\$300	\$777
Wood Products (3) (4) (5)	111	(75)	59	(20)
Pulp and Paper (6) (7)	(67)	86	(82)	82
Containerboard, Packaging and Recycling (8) (9)	32	114	262	335
Real Estate and Related Assets (10)	109	81	392	336
Corporate and Other (11) (12) (13)	(34)	(119)	(176)	(293)
	\$336	\$387	\$1,232	\$1,142

(1) Certain reclassifications have been made to conform prior period data with the current presentation.

(2) 2003 second quarter includes a \$144 million gain on the sales of timberlands in Washington state. 2003 fourth quarter includes a \$61 million gain on the sale of timberlands in Tennessee and the Carolinas. 2002 fourth quarter includes a \$117 million gain on the sale of timberlands in Washington state.

(3) 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. 2002 first quarter includes \$13 million of charges for countervailing and anti-dumping duties and related costs and a credit of \$18 million for

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the reversal of countervailing and anti-dumping duties accrued in 2001. The 2002 second quarter includes \$7 million of charges for countervailing and anti-dumping duties and related costs, a credit of \$29 million for the reversal of charges accrued in 2001 and a credit of \$13 million for charges accrued in the first quarter of 2002. The 2002 third and fourth quarters include charges of \$31 million and \$26 million, respectively, for countervailing and anti-dumping duties and related costs. The 2002 impact of countervailing and anti-dumping duties and related costs is a net charge of \$17 million which includes current year charges of \$64 million and \$47 million of credits related to the reversal of charges accrued in 2001.

- (4) The first quarter of 2003 includes a \$79 million charge for a lawsuit involving the market for Pacific Northwest alder logs.
- (5) 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. 2002 includes closure costs of \$51 million (\$17 million in the first quarter and \$34 million in the fourth quarter).
- (6) 2002 includes \$12 million in net business disruption costs associated with the recovery boiler explosion at the Plymouth, N.C., paper facility. Costs of \$22 million and \$30 million are included in the second and third quarters, respectively. Net recoveries of \$40 million are included in the fourth quarter.
- (7) 2003 second quarter includes \$3 million of closure costs. 2003 fourth quarter includes \$30 million of closure costs. 2002 fourth quarter results include an \$8 million benefit resulting from adjustments to closure reserves established in 2001.
- (8) The third quarter of 2003 includes a \$23 million charge associated with the settlement of a class action linerboard antitrust lawsuit.
- (9) 2003 second quarter includes the reversal of an accrual for closure charges of \$2 million. 2003 third and fourth quarters include closure costs of \$17 million and \$1 million, respectively. 2002 includes closure costs of \$52 million (\$10 million in the first quarter, \$28 million in the second quarter and \$14 million in the fourth quarter).
- (10) 2003 first quarter includes gains of \$8 million for the sale of two office buildings and \$10 for the sale of an apartment complex. 2003 second quarter includes a gain of \$12 million for the sale of commercial property. 2002 includes \$21 million in gains from sales of apartment complexes, including \$7 million in the second quarter and \$14 million in the third quarter.
- (11) 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. 2002 results include a \$35 million charge in the fourth quarter related to the termination of this pension plan.
- (12) 2003 second quarter includes a \$25 million gain for the settlement of an insurance claim relating to the Cemwood litigation. 2003 fourth quarter includes an \$8 million charge for the settlement of litigation related to workers compensation claims.

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(13) 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. 2002 results include net foreign exchange gains (losses) of \$8 million in the first quarter, \$27 million in the second quarter, (\$17 million) in the third quarter and \$14 million in the fourth quarter, for a 2002 net gain of \$32 million. These gains and losses result 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.
	30,	31,	29,	30,	28,	29,
	2003	2002	2003	2002	2003	2002
Timberlands (millions):						
Raw materials - cubic feet	96	67	110	102	102	91
Wood Products (millions):						
Softwood lumber - board feet	2,175	1,845	2,385	2,262	2,298	2,362
Plywood and veneer - square feet (3/8")	726	624	760	815	744	792
Composite panels - square feet (3/4")	278	308	317	445	313	95
Oriented strand board - square feet (3/8")	1,025	945	1,206	1,095	1,129	1,117
Hardwood lumber - board feet	106	108	113	113	103	104
Raw materials - cubic feet	128	143	118	164	112	161
Pulp and Paper (thousands):						
Pulp - air-dry metric tons	623	563	596	618	632	561
Paper - tons	737	546	690	717	707	749
Coated groundwood - tons	61	48	55	49	64	55
Liquid packaging board - tons	60	53	67	61	64	47
Paper converting - tons	502	375	472	488	478	499
Containerboard, Packaging and Recycling (thousands)						
Containerboard - tons	221	209	233	260	214	283
Packaging - MSF	17,752	15,001	18,577	19,285	18,545	18,553
Recycling - tons	593	604	566	552	538	539
Kraft bags and sacks - tons	25	13	24	26	25	26
Total production volumes:	Q1		Q2		Q3	
	March	March	June	June	Sept.	Sept.

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	30,	31,	29,	30,	28,	29,
	2003	2002	2003	2002	2003	2002
Timberlands (millions):						
Logs - cubic feet	182	153	152	191	147	164
Wood Products (millions):						
Softwood lumber -						
board feet	1,842	1,530	1,825	1,702	1,742	1,728
Plywood and veneer -						
square feet (3/8")	672	471	557	649	596	638
Composite panels -						
square feet (3/4")	231	218	252	183	253	235
Oriented strand board -						
square feet (3/8")	1,011	957	1,051	944	1,061	1,115
Hardwood lumber -						
board feet	115	96	111	99	109	107
Pulp and Paper						
(thousands):						
Pulp - air-dry metric						
tons	654	607	619	492	604	630
Paper - tons	757	510	712	667	706	704
Coated groundwood - tons	62	48	55	60	61	43
Liquid packaging board						
- tons	56	63	68	67	72	31
Paper converting - tons	516	353	479	496	472	502
Containerboard, Packaging						
and Recycling (thousands)						
Containerboard - tons	1,429	1,250	1,568	1,600	1,512	1,621
Packaging - MSF	18,977	16,174	19,955	20,521	19,865	19,596
Recycling - tons	1,528	1,387	1,644	1,588	1,507	1,551
Kraft bags and sacks -						
tons	25	13	25	25	23	27

WEYERHAEUSER COMPANY
STATISTICAL INFORMATION (unaudited)

Third party sales volumes:	Q4		Year ended	
	Dec. 28, 2003	Dec. 29, 2002	Dec. 28, 2003	Dec. 29, 2002
Timberlands (millions):				
Raw materials - cubic feet	105	110	413	370
Wood Products (millions):				
Softwood lumber - board feet	2,123	2,154	8,981	8,623
Plywood and veneer - square feet				
(3/8")	674	672	2,904	2,903
Composite panels - square feet				
(3/4")	302	299	1,210	1,147
Oriented strand board - square				
feet (3/8")	1,304	1,048	4,664	4,205
Hardwood lumber - board feet	105	102	427	427
Raw materials - cubic feet	130	127	488	595
Pulp and Paper (thousands):				
Pulp - air-dry metric tons	628	636	2,479	2,378
Paper - tons	688	730	2,822	2,742
Coated groundwood - tons	54	58	234	210

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Liquid packaging board - tons	65	68	256	229
Paper converting - tons	430	497	1,882	1,859
Containerboard, Packaging and Recycling (thousands)				
Containerboard - tons	222	231	890	983
Packaging - MSF	17,867	17,491	72,741	70,330
Recycling - tons	593	597	2,290	2,292
Kraft bags and sacks - tons	26	28	100	93
Total production volumes:				
	Q4		Year ended	
	Dec. 28, 2003	Dec. 29, 2002	Dec. 28, 2003	Dec. 29, 2002
Timberlands (millions):				
Logs - cubic feet	148	155	629	663
Wood Products (millions):				
Softwood lumber - board feet	1,704	1,871	7,113	6,831
Plywood and veneer - square feet (3/8")	586	520	2,411	2,278
Composite panels - square feet (3/4")	252	228	988	864
Oriented strand board - square feet (3/8")	1,047	1,033	4,170	4,049
Hardwood lumber - board feet	106	104	441	406
Pulp and Paper (thousands):				
Pulp - air-dry metric tons	645	552	2,522	2,281
Paper - tons	658	730	2,833	2,611
Coated groundwood - tons	61	59	239	210
Liquid packaging board - tons	65	66	261	227
Paper converting - tons	415	493	1,882	1,844
Containerboard, Packaging and Recycling (thousands)				
Containerboard - tons	1,494	1,533	6,003	6,004
Packaging - MSF	19,033	18,809	77,830	75,100
Recycling - tons	1,537	1,566	6,216	6,092
Kraft bags and sacks - tons	25	28	98	93

WEYERHAEUSER COMPANY
STATISTICAL INFORMATION

CONDENSED CONSOLIDATED BALANCE SHEET (unaudited)
(in millions)

	March 30, 2003	June 29, 2003	Sept. 28, 2003	Dec. 28, 2003	Dec. 29, 2002
Assets					
Weyerhaeuser					
Current assets:					
Cash and short-term investments	\$59	\$47	\$57	\$171	\$115
Receivables, less allowances	1,573	1,671	1,661	1,484	1,413
Inventories	2,167	2,093	1,959	1,911	1,941
Prepaid expenses	455	427	436	455	419
Total current assets	4,254	4,238	4,113	4,021	3,888
Property and equipment	12,228	12,274	12,235	12,243	12,278

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Construction in progress	709	669	514	403	687
Timber and timberlands at cost, less fee stumpage charged to disposals	4,450	4,454	4,440	4,287	4,402
Investments in and advances to equity affiliates	538	564	560	603	578
Goodwill	3,191	3,224	3,221	3,237	3,131
Deferred pension and other assets	1,337	1,349	1,300	1,311	1,285
	26,707	26,772	26,383	26,105	26,249
Real estate and related assets	1,989	2,065	2,064	2,004	1,970
Total assets	\$28,696	\$28,837	\$28,447	\$28,109	\$28,219

Liabilities and Shareholders' Interest

Weyerhaeuser

Current liabilities:

Notes payable and commercial paper	\$321	\$238	\$155	\$4	\$2
Current maturities of long-term debt	595	594	92	90	786
Accounts payable	975	1,046	975	1,041	983
Accrued liabilities	1,162	1,192	1,214	1,390	1,223
Total current liabilities	3,053	3,070	2,436	2,525	2,994
Long-term debt	12,129	11,866	12,120	11,503	11,907
Deferred income taxes, pension, other postretirement benefits and other liabilities	5,541	5,612	5,632	5,671	5,346
	20,723	20,548	20,188	19,699	20,247

Real estate and related assets

Notes payable and commercial paper	115	130	100	1	63
Long-term debt	764	762	762	893	814
Other liabilities	466	491	476	407	472
	1,345	1,383	1,338	1,301	1,349
Total liabilities	22,068	21,931	21,526	21,000	21,596
Shareholders' interest	6,628	6,906	6,921	7,109	6,623
Total liabilities and shareholders' interest	\$28,696	\$28,837	\$28,447	\$28,109	\$28,219

STATEMENT OF CASH FLOWS

	Q1		Q2		Q3	
	March	March	June	June	Sept.	Sept.
SELECTED INFORMATION (unaudited)	30,	31,	29,	30,	28,	29,
(in millions)	2003	2002	2003	2002	2003	2002
(Weyerhaeuser only, excludes real estate & related assets)						
Net cash from operations	\$(126)	\$(90)	\$397	\$379	\$557	\$268
Cash paid for property and equipment	(128)	(158)	(172)	(288)	(146)	(237)

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Cash paid for timberlands reforestation	(14)	(12)	(5)	(8)	(6)	(6)
Cash received from issuances of debt	1	13,001	--	100	12	26
Revolving credit facilities, notes and commercial paper borrowings, net	599	30	(333)	(150)	166	122
Payments on debt	(251)	(6,593)	(14)	(97)	(509)	(159)

STATEMENT OF CASH FLOWS SELECTED INFORMATION (unaudited) (in millions) (Weyerhaeuser only, excludes real estate & related assets)	Q4		Year ended	
	Dec. 28, 2003	Dec. 29, 2002	Dec. 28, 2003	Dec. 29, 2002
Net cash from operations	\$819	\$701	\$1,647	\$1,258
Cash paid for property and equipment	(146)	(241)	(592)	(924)
Cash paid for timberlands reforestation	(9)	(10)	(34)	(36)
Cash received from issuances of debt	31	1,015	44	14,142
Revolving credit facilities, notes and commercial paper borrowings, net	(750)	(230)	(318)	(228)
Payments on debt	(50)	(1,375)	(824)	(8,224)

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 23, 2004