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WEYERHAEUSER CO
Form 8-K
July 23, 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

July 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

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON D.C., 20549

ITEM 12. RESULTS OF OPERATION AND FINANCIAL CONDITION

On July 23, 2004, Weyerhaeuser Company a press release stating the following:

FEDERAL WAY, Wash.-- Weyerhaeuser Company (NYSE: WY) today reported record second quarter net earnings of \$369 million, or \$1.57 per share, on net sales of \$5.9 billion. This compares with \$157 million, or 71 cents per share, on net

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sales of \$4.9 billion for the second quarter of 2003.

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

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

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

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

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

A charge of \$17 million, or 8 cents per share, for integration and restructuring activities.

A gain of \$95 million, or 43 cents per share, for the sale of timberlands in Western Washington.

A gain of \$7 million, or 3 cents per share, for the settlement of an insurance claim relating to the company's Cemwood litigation.

Other significant second quarter financial matters include:

Proceeds from an equity offering in the second quarter allowed the company, including Real Estate and Related Assets, to reduce outstanding debt by approximately \$1.0 billion to approximately \$11.6 billion at the end of the quarter. Strong cash flow from operations also contributed to a net second quarter increase in cash and short-term investments of approximately \$650 million, which is expected to be applied to future debt repayment. These debt repayments are expected to reduce interest expense beginning in the third quarter.

Capital spending, excluding acquisitions and Real Estate and Related Assets, for the first six months was approximately \$177 million. The company's capital spending budget remains \$750 million for the year.

"Our record quarterly earnings reflect favorable market conditions for Wood products and Timberlands, combined with hard work by our employees to improve efficiency and streamline operations," said Steven R. Rogel, chairman, president and chief executive officer. "The robust housing market drove strong earnings in both Wood Products and Real Estate. In addition, the performance of the company's paper-related businesses is improving."

"As we look to the third quarter, our businesses are well positioned to take advantage of continued strong market conditions. Despite recent price weakness in some product lines, Wood Products earnings are expected to remain healthy and our single-family home building business has a record backlog of orders. Price increases in pulp, paper and packaging continue to be implemented."

SUMMARY OF SECOND QUARTER FINANCIAL HIGHLIGHTS

Millions (except per share data)	2Q 2004	2Q 2003	Change
Net earnings	\$369	\$157	\$212
Earnings per share	\$1.57	\$0.71	\$0.86
Net sales	\$5,893	\$4,930	\$963

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

Millions	2Q 2004	2Q 2003	Change
Timberlands	\$201	\$300	(\$99)
Wood Products	\$448	(\$53)	\$501
Pulp and Paper	\$14	(\$7)	\$21
Containerboard, Packaging and Recycling	\$62	\$108	(\$46)
Real Estate and Related Assets	\$118	\$91	\$27

DISCUSSION AND OUTLOOK BY BUSINESS SEGMENT

TIMBERLANDS

	2Q 2004	1Q 2004	Change
Contribution to earnings (millions)	\$201	\$159	\$42

Second quarter earnings increased from the first quarter primarily due to seasonally higher fee harvest volume and higher prices for logs in both export and domestic markets. Third quarter earnings, excluding the previously announced sale of 304,000 acres of timberlands in Georgia, are expected to be slightly lower than the second quarter, with reduced harvest and sales activity due to normal seasonal shutdowns.

WOOD PRODUCTS

	2Q 2004	1Q 2004	Change
Contribution to earnings (millions)	\$448	\$173	\$275

Second quarter earnings of \$448 million include a \$16 million pre-tax charge resulting from an adverse judgment in a lawsuit. This compares to first quarter earnings of \$173 million, which included a pre-tax gain of \$33 million on the sale of the company's oriented strand board mill in Slave Lake, Alberta, and a pre-tax charge of \$49 million for the settlement of litigation.

Strong demand for lumber, structural panels and engineered wood products continued into the second quarter with U.S. housing starts staying near the 2 million seasonally adjusted annual level through the quarter. High industry operating rates in OSB and plywood, combined with transportation issues affecting all products, kept prices at very high levels for much of the quarter. Prices for hardwood lumber, particleboard and medium density fiberboard also increased in response to strong demand from industrial manufacturers.

The segment incurred \$34 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. This compares to \$26 million in the first quarter.

Third quarter earnings are expected to be lower than second quarter, but to remain healthy. Prices for lumber and structural panels are expected to be lower as supply and demand begins to balance and transportation issues abate. Average realizations for engineered lumber and industrial panels are expected to improve.

PULP AND PAPER

	2Q 2004	1Q 2004	Change
Contribution (charge) to earnings (millions)	\$14	(\$25)	\$39

Earnings improved during the quarter as general improvement in the world economy and a weakening dollar increased demand for all products, resulting in higher

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prices. Transportation disruptions slowed product shipments during the quarter.

The segment expects to report improved earnings in the third quarter. Overall prices for pulp are expected to increase modestly. Improvements in fine paper prices are anticipated as demand continues to grow.

CONTAINERBOARD, PACKAGING AND RECYCLING

	2Q 2004	1Q 2004	Change
Contribution to earnings (millions)	\$62	\$24	\$38

Earnings increased over first quarter levels primarily due to higher box shipments coupled with rising prices for both containerboard and boxes. Increased productivity also contributed to higher earnings, partially offset by cost increases for recycled fiber during the quarter.

Customer demand is expected to remain strong in the third quarter, with industry operating rates remaining high and industry inventories near historic lows. This should result in continued favorable business conditions for this segment. As a result, the company expects higher third quarter earnings due primarily to increasing box prices.

REAL ESTATE AND RELATED ASSETS

	2Q 2004	1Q 2004	Change
Contribution to earnings (millions)	\$118	\$120	(\$2)

Second quarter earnings benefited from increases in single-family home sale closings and margins. First quarter earnings included a \$22 million pre-tax gain on a land sale.

Housing sales remain strong with a backlog of homes sold, but not closed, exceeding seven months. Third quarter earnings from new home sales are expected to be comparable to the second quarter. Total segment earnings for the third quarter are expected to be higher due to an \$18 million pre-tax gain from the sale of a multi-family site.

OTHER

The company will hold a live conference call at 7 a.m. PDT (10 a.m. EDT) on July 23 to discuss the second 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 48 hours following completion of the live call and can be accessed at 1-800-642-1687 (access code: 8362614) within North America and at 1-706-645-9291 (access code: 8362614) from outside North America.

The call may also be accessed through Weyerhaeuser's Internet site at www.weyerhaeuser.com by clicking on the "Listen to our conference call" link.

Weyerhaeuser Company (NYSE: WY), 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

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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," "plans," "continuing" and "maintaining" 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 improvement in our pulp, paper and containerboard markets, strong order files, transportation disruptions, higher export and domestic log sales volumes and seasonally higher fee harvest in the second quarter 2004, increased demand and pricing for wood products in second quarter 2004, profitability, price increases and stable demand for pulp and paper in the second quarter 2004, greater demand for boxes in second quarter 2004, increasing prices, shipments and OCC costs in the containerboard markets; continuing strong housing demands, absence of acreage sales in the real estate markets during second quarter 2004, increasing productivity in the manufacturing system, management of asset base, the company's markets in the second quarter 2004; and earnings and performance of the company's business segments during the second quarter 2004. The accuracy of such statements is subject to a number of risks, uncertainties and assumptions that may cause actual results to differ materially from those projected, including, but not limited to, the effect of general economic conditions, including the level of interest rates and housing starts; market demand for the company's products, which may be tied to the relative strength of various U.S. business segments; energy prices; raw material prices; transportation disruptions; 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 (in millions)	Q1		Q2	
	March 28, 2004	March 30, 2003	June 27, 2004	June 29, 2003
Net sales and revenues:				
Weyerhaeuser (1)	\$4,568	\$4,169	\$5,369	\$4,498
Real Estate and Related Assets	469	445	524	432
Total net sales and revenues	5,037	4,614	5,893	4,930
Costs and expenses:				
Weyerhaeuser:				

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Costs of products sold	3,539	3,322	3,922	3,611
Depreciation, amortization and fee stumpage	325	321	328	313
Selling expenses	121	107	122	111
General and administrative expenses	241	231	235	232
Research and development expenses	12	12	13	12
Taxes other than payroll and income taxes	48	47	48	48
Charges for integration and restructuring	15	29	13	25
Charges for closure of facilities	1	22	--	12
Other operating costs, net (2) (3)	14	37	42	(205)
	4,316	4,128	4,723	4,159
Real Estate and Related Assets:				
Costs and operating expenses	321	330	381	316
Depreciation and amortization	2	3	4	2
Selling expenses	27	24	30	25
General and administrative expenses	17	14	19	14
Taxes other than payroll and income taxes	1	1	--	1
Other operating costs, net	1	(7)	1	--
	369	365	435	358
Total costs and expenses	4,685	4,493	5,158	4,517
Operating income	352	121	735	413
Interest expense and other:				
Weyerhaeuser:				
Interest expense incurred (4)	(195)	(208)	(218)	(205)
Less interest capitalized	3	5	1	6
Equity in income (loss) of affiliates	--	(5)	7	3
Interest income and other	3	6	5	6
Real Estate and Related Assets:				
Interest expense incurred	(15)	(14)	(14)	(13)
Less interest capitalized	15	14	14	13
Equity in income of unconsolidated entities	9	5	20	7
Interest income and other	11	11	9	8
Earnings before income taxes and cumulative effect of a change in accounting principle	183	(65)	559	238
Income taxes	(62)	22	(190)	(81)
Earnings before cumulative effect of a change in accounting principle	121	(43)	369	157
Cumulative effect of a change in accounting principle, net of applicable taxes of \$6 (5)	--	(11)	--	--
Net earnings (loss)	\$121	\$(54)	\$369	\$157
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

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

	Year-to-date		Q3	Q4	Year ended
	June	June	Sept.	Dec.	Dec.
	27,	29,	28,	28,	28,
	2004	2003	2003	2003	2003
Net sales and revenues:					
Weyerhaeuser (1)	\$9,937	\$8,667	\$4,650	\$4,527	\$17,844
Real Estate and Related Assets	993	877	534	618	2,029
Total net sales and revenues	10,930	9,544	5,184	5,145	19,873
Costs and expenses:					
Weyerhaeuser:					
Costs of products sold	7,461	6,933	3,598	3,547	14,078
Depreciation, amortization and fee stumpage	653	634	320	353	1,307
Selling expenses	243	218	117	122	457
General and administrative expenses	476	463	249	238	950
Research and development expenses	25	24	10	17	51
Taxes other than payroll and income taxes	96	95	45	45	185
Charges for integration and restructuring	28	54	24	25	103
Charges for closure of facilities	1	34	48	45	127
Other operating costs, net (2) (3)	56	(168)	16	(92)	(244)
	9,039	8,287	4,427	4,300	17,014
Real Estate and Related Assets:					
Costs and operating expenses	702	646	406	464	1,516
Depreciation and amortization	6	5	3	3	11
Selling expenses	57	49	27	31	107
General and administrative expenses	36	28	15	20	63
Taxes other than payroll and income taxes	1	2	0	1	3
Other operating costs, net	2	(7)	2	(4)	(9)
	804	723	453	515	1,691
Total costs and expenses	9,843	9,010	4,880	4,815	18,705

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Operating income	1,087	534	304	330	1,168
Interest expense and other:					
Weyerhaeuser:					
Interest expense incurred (4)	(413)	(413)	(200)	(202)	(815)
Less interest capitalized	4	11	3	5	19
Equity in income (loss) of affiliates	7	(2)	(3)	(1)	(6)
Interest income and other	8	12	3	2	17
Real Estate and Related Assets:					
Interest expense incurred	(29)	(27)	(13)	(13)	(53)
Less interest capitalized	29	27	13	13	53
Equity in income of unconsolidated entities	29	12	11	(3)	20
Interest income and other	20	19	6	8	33
Earnings before income taxes and cumulative effect of a change in accounting principle	742	173	124	139	436
Income taxes	(252)	(59)	(42)	(47)	(148)
Earnings before cumulative effect of a change in accounting principle	490	114	82	92	288
Cumulative effect of a change in accounting principle, net of applicable taxes of \$6 (5)	--	(11)	--	--	(11)
Net earnings (loss)	\$490	\$103	\$82	\$92	\$277
Basic net earnings (loss) per share:					
Net earnings (loss) before cumulative effect of a change in accounting principle	\$2.14	\$0.52	\$0.37	\$0.41	\$1.30
Cumulative effect of a change in accounting principle	--	(0.05)	--	--	(0.05)
Net earnings (loss)	\$2.14	\$0.47	\$0.37	\$0.41	\$1.25
Diluted net earnings (loss) per share:					
Net earnings (loss) before cumulative effect of a change in accounting principle	\$2.13	\$0.52	\$0.37	\$0.41	\$1.30
Cumulative effect of a change in accounting principle	--	(0.05)	--	--	(0.05)
Net earnings (loss)	\$2.13	\$0.47	\$0.37	\$0.41	\$1.25
Dividends paid per share	\$0.80	\$0.80	\$0.40	\$0.40	\$1.60

- (1) The first and second quarters of 2004 include charges of \$26 million and \$34 million, respectively, or \$60 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 and second quarters of 2004 include net foreign exchange losses of \$9 million and \$7 million, respectively, or a total net loss of \$16 million year-to-date. The 2003 first, second, third and fourth quarters include net foreign exchange gains (losses) of \$35

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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 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 quarter of 2004 includes a \$21 million charge 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	
	March 28, 2004	March 30, 2003	June 27, 2004	June 29, 2003
Timberlands:				
Logs	\$193	\$162	\$211	\$185
Other products	58	80	66	61
	251	242	277	246
Wood Products:				
Softwood lumber	819	752	1,106	846
Plywood	221	165	263	173
Veneer	11	9	12	9
Composite panels	108	90	133	104
OSB	338	167	456	227
Hardwood lumber	81	80	94	86
Engineered lumber products	298	254	396	308
Logs	23	25	38	33
Other products	248	216	294	262
	2,147	1,758	2,792	2,048
Pulp and Paper:				
Pulp	339	309	371	321
Paper	535	596	538	546
Coated groundwood	36	36	37	32
Liquid packaging board	49	47	53	52
Other products	10	6	13	6
	969	994	1,012	957
Containerboard, Packaging and Recycling:				
Containerboard	81	77	80	81
Packaging	853	879	918	922
Recycling	80	60	91	63

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Bags	19	20	18	20	
Other products	33	33	34	35	
	1,066	1,069	1,141	1,121	
Real Estate and Related Assets	469	445	524	432	
Corporate and Other	135	106	147	126	
	\$5,037	\$4,614	\$5,893	\$4,930	
	Year-to-date		Q3	Q4	Year
	June	June	Sept.	Dec.	ended
	27,	29,	28,	28,	Dec.
	2004	2003	2003	2003	2003
Timberlands:					
Logs	\$404	\$347	\$184	\$199	\$730
Other products	124	141	62	61	264
	528	488	246	260	994
Wood Products:					
Softwood lumber	1,925	1,598	890	793	3,281
Plywood	484	338	219	227	784
Veneer	23	18	9	12	39
Composite panels	241	194	100	99	393
OSB	794	394	345	370	1,109
Hardwood lumber	175	166	75	79	320
Engineered lumber products	694	562	329	288	1,179
Logs	61	58	19	28	105
Other products	542	478	251	246	975
	4,939	3,806	2,237	2,142	8,185
Pulp and Paper:					
Pulp	710	630	333	342	1,305
Paper	1,073	1,142	530	510	2,182
Coated groundwood	73	68	39	33	140
Liquid packaging board	102	99	50	49	198
Other products	23	12	5	9	26
	1,981	1,951	957	943	3,851
Containerboard, Packaging and Recycling:					
Containerboard	161	158	73	73	304
Packaging	1,771	1,801	898	845	3,544
Recycling	171	123	60	64	247
Bags	37	40	19	21	80
Other products	67	68	40	39	147
	2,207	2,190	1,090	1,042	4,322
Real Estate and Related Assets	993	877	534	618	2,029
Corporate and Other	282	232	120	140	492
	\$10,930	\$9,544	\$5,184	\$5,145	\$19,873
Contribution (charge) to earnings: (in millions)	Q1		Q2		
	March 28,	March 30,	June 27,	June 29,	
	2004	2003	2004	2003	
Timberlands (1)	\$159	\$149	\$201	\$300	
Wood Products (2) (3) (4)	173	(150)	448	(53)	
Pulp and Paper (5)	(25)	10	14	(7)	

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Containerboard, Packaging and Recycling (6) (7)	24	80	62	108
Real Estate and Related Assets (8)	120	95	118	91
Corporate and Other (9) (10) (11)	(76)	(46)	(67)	(2)
	\$375	\$138	\$776	\$437

	Year-to-date		Q3	Q4	Year ended
	June	June	Sept.	Dec.	Dec.
	27,	29,	28,	28,	28,
	2004	2003	2003	2003	2003
Timberlands (1)	\$360	\$449	\$143	\$185	\$777
Wood Products (2) (3) (4)	621	(203)	151	111	59
Pulp and Paper (5)	(11)	3	(18)	(67)	(82)
Containerboard, Packaging and Recycling (6) (7)	86	188	42	32	262
Real Estate and Related Assets (8)	238	186	97	109	392
Corporate and Other (9) (10) (11)	(143)	(48)	(94)	(34)	(176)
	\$1,151	\$575	\$321	\$336	\$1,232

- (1) 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 and second quarters of 2004 include charges of \$26 million and \$34 million, respectively, or \$60 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 first quarter of 2003 includes a \$79 million charge for a lawsuit involving the market for Pacific Northwest alder logs.
- (4) 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 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.
- (5) 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.
- (6) The third quarter of 2003 includes a \$23 million charge associated with the settlement of a class action linerboard antitrust lawsuit.
- (7) The first quarter of 2004 includes closure costs of \$3 million. The

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second quarter of 2004 includes a net gain of \$1 million on the sales of a facility and a joint venture investment. 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.

- (8) The first quarter of 2004 includes a \$22 million gain on a land sale. 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.
- (9) 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.
- (10) 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.
- (11) The first and second quarters of 2004 include net foreign exchange losses of \$10 million and \$6 million, or a loss of \$16 million 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 primarily from fluctuations in Canadian and New Zealand exchange rates.

WEYERHAEUSER COMPANY STATISTICAL INFORMATION (unaudited)

Third party sales volumes:	Q1		Q2	
	March 28, 2004	March 30, 2003	June 27, 2004	June 29, 2003
Timberlands (thousands):				
Logs - cunits	1,044	984	954	1,006
Wood Products (millions):				
Softwood lumber - board feet	2,054	2,175	2,393	2,385
Plywood - square feet (3/8")	642	664	668	697
Veneer - square feet (3/8")	55	62	60	63
Composite panels - square feet (3/4")	301	267	324	304
Oriented strand board - square feet (3/8")	981	1,025	1,143	1,206
Hardwood lumber - board feet	100	106	116	113
Logs - cunits (in thousands)	170	170	279	230
Pulp and Paper (thousands):				
Pulp - air-dry metric tons	624	623	642	596
Paper - tons	741	737	718	690
Coated groundwood - tons	59	61	61	55
Liquid packaging board - tons	66	60	72	67
Paper converting - tons	483	502	472	472
Containerboard, Packaging and Recycling (thousands):				
Containerboard - tons	250	221	221	233
Packaging - MSF	18,146	17,752	18,917	18,577
Recycling - tons	678	593	701	566
Kraft bags and sacks - tons	24	25	23	24

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Real Estate and Related Assets:					
Single-family homes sold	1,506	1,289	1,564	1,321	
Single-family homes closed	1,065	1,010	1,216	1,003	
Single-family homes sold but not closed at end of period	2,702	2,161	3,050	2,479	
					Year ended
	Year-to-date	Q3	Q4		ended
	June	June	Sept.	Dec.	Dec.
	27,	29,	28,	28,	28,
	2004	2003	2003	2003	2003
Timberlands (thousands):					
Logs - cunits	1,998	1,990	987	1,148	4,125
Wood Products (millions):					
Softwood lumber - board feet	4,447	4,560	2,298	2,123	8,981
Plywood - square feet (3/8")	1,310	1,361	688	616	2,665
Veneer - square feet (3/8")	115	125	56	58	239
Composite panels - square feet (3/4")	625	571	302	289	1,162
Oriented strand board - square feet (3/8")	2,124	2,231	1,129	1,001	4,361
Hardwood lumber - board feet	216	219	103	105	427
Logs - cunits (in thousands)	449	400	189	210	799
Pulp and Paper (thousands):					
Pulp - air-dry metric tons	1,266	1,219	632	628	2,479
Paper - tons	1,459	1,427	707	688	2,822
Coated groundwood - tons	120	116	64	54	234
Liquid packaging board - tons	138	127	64	65	256
Paper converting - tons	955	974	478	430	1,882
Containerboard, Packaging and Recycling (thousands):					
Containerboard - tons	471	454	214	222	890
Packaging - MSF	37,063	36,329	18,545	17,867	72,741
Recycling - tons	1,379	1,159	538	593	2,290
Kraft bags and sacks - tons	47	49	25	26	100
Real Estate and Related Assets:					
Single-family homes sold	3,070	2,610	1,239	1,156	5,005
Single-family homes closed	2,281	2,013	1,182	1,431	4,626
Single-family homes sold but not closed at end of period	3,050	2,479	2,536	2,261	2,261
Total production volumes:					
		Q1		Q2	
	March 28,	March 30,	June 27,	June 29,	
	2004	2003	2004	2003	
Timberlands (thousands):					
Fee Depletion - cunits	2,265	2,555	2,404	2,479	
Wood Products (millions):					
Softwood lumber - board feet	1,760	1,842	1,881	1,825	
Plywood - square feet (3/8")	422	478	405	412	
Veneer - square feet (3/8") (1)	585	593	609	536	
Composite panels - square feet (3/4")	268	231	281	252	
Oriented strand board - square feet (3/8")	1,031	1,011	1,056	1,051	

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Hardwood lumber - board feet	89	98	96	93
Pulp and Paper (thousands):				
Pulp - air-dry metric tons	619	654	636	619
Paper - tons (2)	743	757	736	712
Coated groundwood - tons	55	62	61	55
Liquid packaging board - tons	61	56	67	68
Paper converting - tons	490	516	470	479
Containerboard, Packaging and Recycling (thousands):				
Containerboard - tons (3)	1,503	1,429	1,598	1,568
Packaging - MSF	19,493	18,977	20,208	19,955
Recycling - tons (4)	1,607	1,528	1,707	1,644
Kraft bags and sacks - tons	24	25	23	25
	Year-to-date	Q3	Q4	Year ended
	June	June	Sept.	Dec.
	27,	29,	28,	28,
	2004	2003	2003	2003
Timberlands (thousands):				
Fee Depletion - cunits	4,669	5,034	2,223	2,171
Wood Products (millions):				
Softwood lumber - board feet	3,641	3,667	1,742	1,704
Plywood - square feet (3/8")	827	890	414	404
Veneer - square feet (3/8") (1)	1,194	1,129	536	534
Composite panels - square feet (3/4")	549	483	253	252
Oriented strand board - square feet (3/8")	2,087	2,062	1,061	1,047
Hardwood lumber - board feet	185	191	93	89
				373
Pulp and Paper (thousands):				
Pulp - air-dry metric tons	1,255	1,273	604	645
Paper - tons (2)	1,479	1,469	706	658
Coated groundwood - tons	116	117	61	61
Liquid packaging board - tons	128	124	72	65
Paper converting - tons	960	995	472	415
				1,882
Containerboard, Packaging and Recycling (thousands):				
Containerboard - tons (3)	3,101	2,997	1,512	1,494
Packaging - MSF	39,701	38,932	19,865	19,033
Recycling - tons (4)	3,314	3,172	1,507	1,537
Kraft bags and sacks - tons	47	50	23	25
				98

- (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.

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WEYERHAEUSER COMPANY
STATISTICAL INFORMATION

CONDENSED CONSOLIDATED BALANCE SHEET (unaudited)
(in millions)

	March 28, 2004	June 27, 2004	Dec. 28, 2003
Assets			
Weyerhaeuser			
Current assets:			
Cash and short-term investments	\$74	\$725	\$171
Receivables, less allowances	1,701	1,860	1,484
Inventories	2,020	1,936	1,911
Prepaid expenses	471	488	455
Total current assets	4,266	5,009	4,021
Property and equipment	12,141	11,883	12,243
Construction in progress	251	279	403
Timber and timberlands at cost, less fee stumpage charged to disposals	4,279	4,244	4,287
Investments in and advances to equity affiliates	603	592	603
Goodwill	3,232	3,218	3,237
Deferred pension and other assets	1,287	1,273	1,311
	26,059	26,498	26,105
Real Estate and Related Assets	2,078	2,225	2,004
Total assets	\$28,137	\$28,723	\$28,109
Liabilities and Shareholders' Interest			
Weyerhaeuser			
Current liabilities:			
Notes payable and commercial paper	\$103	\$2	\$4
Current maturities of long-term debt	1,129	445	90
Accounts payable	1,065	1,114	1,041
Accrued liabilities	1,212	1,323	1,390
Total current liabilities	3,509	2,884	2,525
Long-term debt	10,399	10,325	11,503
Deferred income taxes, pension, other postretirement benefits and other liabilities	5,694	5,789	5,671
	19,602	18,998	19,699
Real Estate and Related Assets			
Notes payable and commercial paper	78	--	1
Long-term debt	887	872	893
Other liabilities	356	443	407
	1,321	1,315	1,301
Total liabilities	20,923	20,313	21,000
Shareholders' interest	7,214	8,410	7,109
Total liabilities and shareholders' interest	\$28,137	\$28,723	\$28,109

STATEMENT OF CASH FLOWS

Q1

Q2

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SELECTED INFORMATION (unaudited) (in millions)	March 28, 2004	March 30, 2003	June 27, 2004	June 29, 2003
(Weyerhaeuser only, excludes Real Estate & Related Assets)				
Net cash from operations	\$(120)	\$(126)	\$807	\$397
Cash paid for property and equipment	(79)	(128)	(80)	(172)
Cash paid for timberlands reforestation	(12)	(14)	(6)	(5)
Cash received from issuances of debt	--	1	--	--
Revolving credit facilities, notes and commercial paper borrowings, net	98	599	(100)	(333)
Payments on debt	(60)	(251)	(813)	(14)
Proceeds from equity offering	--	--	954	--
	Year-to-date	Q3	Q4	Year ended
	June	June	Sept.	Dec.
	27,	29,	28,	28,
	2004	2003	2003	2003
Net cash from operations	\$687	\$271	\$557	\$821
Cash paid for property and equipment	(159)	(300)	(146)	(146)
Cash paid for timberlands reforestation	(18)	(19)	(6)	(9)
Cash received from issuances of debt	--	1	12	31
Revolving credit facilities, notes and commercial paper borrowings, net	(2)	266	166	(750)
Payments on debt	(873)	(265)	(509)	(50)
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.

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

Date: July 23, 2004