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WEYERHAEUSER CO
Form 8-K
October 24, 2003

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

October 24, 2003

(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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Item 12. Results of Operations and Financial Condition

SIGNATURES

Item 12. Results of Operations and Financial Condition
On October 24, 2003, Weyerhaeuser Company issued a press release as follows:

FEDERAL WAY, Wash. - Weyerhaeuser Company (NYSE: WY) today reported third quarter net earnings of \$82 million, or 37 cents per share, on net sales of \$5.2 billion. This compares with \$13 million, or 6 cents per share, on net sales of \$4.9 billion for the third quarter of 2002.

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

A charge of \$32 million, or 14 cents per share, for closure of facilities;

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A charge of \$15 million, or 7 cents per share, associated with the settlement of a class action linerboard antitrust lawsuit;

A charge of \$15 million, or 7 cents per share, for integration and restructuring activities.

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

A charge of \$11 million, or 5 cents per share, for integration and restructuring activities;

A charge of \$20 million, or 9 cents per share, for business disruption costs following a recovery boiler incident at the Plymouth, N.C., paper facility.

Other significant third quarter financial matters include:

Reduced Weyerhaeuser Company debt to \$12.4 billion as of the end of the third quarter. Total company debt, which includes Real Estate and related operations, was reduced approximately \$360 million to \$13.2 billion at the end of the quarter.

Capital spending, excluding Real Estate and related operations, for the first nine months was approximately \$471 million, in line with a revised estimate of \$720 million for the entire year.

Incurred approximately \$25 million in countervailing and anti-dumping duties and related costs on Canadian softwood lumber the company imports into the United States. This compares with \$26 million incurred in the second quarter.

"The strength of the structural panel and softwood lumber markets provided the long-awaited improvement of our Wood Products segment, but our fine paper and containerboard packaging businesses face challenges from weak demand and deteriorating prices," said Steven R. Rogel, chairman, president and chief executive officer. "Real estate continues to be a strong performer. In addition, we continue to make progress on paying down the debt associated with the Willamette acquisition.

"We see some bright spots in the fourth quarter," Rogel said. "Our home building businesses continue to operate with a strong backlog and wood products pricing is expected to decline seasonally, but remain strong relative to fourth quarter last year. Market pulp prices are improving modestly, but paper and packaging markets are expected to remain weak. "

SUMMARY OF THIRD QUARTER FINANCIAL HIGHLIGHTS

Millions (except per share data)	3Q 2003	3Q 2002	Change
Net earnings	\$82	\$13	\$69
Earnings per share	\$0.37	\$0.06	\$0.31
Net sales	\$5,184	\$4,890	\$294

SEGMENT RESULTS FOR THIRD QUARTER 2003 (Contributions to Pre-Tax Earnings)

Millions	3Q 2003	3Q 2002	Change
Timberlands	\$143	\$133	\$10

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Wood Products	\$151	(\$18)	\$169
Pulp and Paper	(\$18)	\$10	(\$28)
Containerboard, Packaging and Recycling	\$42	\$88	(\$46)
Real Estate and Related Assets	\$97	\$85	\$12

TIMBERLANDS

	3Q 2003	2Q 2003	Change
Contribution to earnings (millions)	\$143	\$300	(\$157)

Excluding a pre-tax gain of \$144 million in the second quarter on the sales of Western Washington timberlands, third quarter earnings were slightly lower than the previous quarter. Lower harvest levels resulting from fire danger in the West and unseasonable wet weather in the South affected third quarter earnings. The segment benefited, however, from a stronger export market aided by a strengthening Japanese housing market.

The fourth quarter outlook for Timberlands earnings, excluding previously announced timberland sales in the Carolinas and Tennessee, is expected to decline slightly from the third quarter due to lower southern fee harvest.

WOOD PRODUCTS

	3Q 2003	2Q 2003	Change
Contribution (charge) to earnings (millions)	\$151	(\$53)	\$204

An exceptionally strong market for oriented strand board and plywood, as well as an improving lumber market, produced the segment's first quarterly earnings since second quarter in 2002. Third quarter results reflect a pre-tax charge of \$31 million for costs associated with the closure of the Dierks, Ark., veneer operations and the engineered lumber mill in Junction City, Ore.

Fourth quarter results are expected to be lower than third quarter due primarily to lower lumber and structural panel prices.

PULP AND PAPER

	3Q 2003	2Q 2003	Change
Contribution (charge) to earnings (millions)	(\$18)	(\$7)	(\$11)

Pulp prices rebounded late in the quarter, but a weak paper market hurt third quarter results. Costs associated with approximately 64,000 tons of market-related downtime for fine paper also negatively affected the third quarter performance. Third quarter results include pre-tax charges totaling \$9 million for costs associated with staff reductions at a number of facilities.

Fourth quarter earnings are expected to be lower than third quarter due to weak paper markets that will offset expected increases in pulp prices.

CONTAINERBOARD, PACKAGING AND RECYCLING

	3Q 2003	2Q 2003	Change
Contribution to earnings (millions)	\$42	\$108	(\$66)

Eroding packaging and containerboard prices produced third quarter results that were lower than second quarter levels. During the quarter, Weyerhaeuser took approximately 89,000 tons of market-related

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downtime. Third quarter results include pre-tax charges of \$40 million for costs associated primarily with the settlement of a class action linerboard antitrust lawsuit and the closure of the North Bend, Ore., containerboard mill.

Excluding the third quarter charges for settlement of the class action linerboard antitrust lawsuit and closures, fourth quarter earnings are expected to be lower than third quarter due primarily to eroding prices and seasonally lower packaging shipments.

REAL ESTATE AND RELATED ASSETS

	3Q 2003	2Q 2003	Change
Contribution to earnings (millions)	\$97	\$91	\$6

Real estate benefited from the continued strong housing market to produce record quarterly earnings. Closings increased from second quarter levels and traffic during the third quarter remained strong.

Fourth quarter earnings are expected to be slightly higher than third quarter due to increased closings of single-family homes. The company currently has a backlog in excess of six months of homes sold, but not closed.

OTHER

The company will hold a live conference call at 7 a.m. PDT (10 a.m. EDT) on Oct. 24 to discuss the third quarter results.

To access the conference call, listeners calling from within North America should dial 1-800-446-4472 at least 15 minutes prior to the start of the conference call. Those wishing to access the call from outside North America should dial 1-416-695-5261. Replays of the call will be available for one week following completion of the live call and can be accessed at 1-866-518-1010 within North America and at 1-416-695-5275 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, one of the world's largest integrated forest products companies, was incorporated in 1900. In 2002, sales were \$18.5 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 the company's markets in the fourth quarter; expected earnings and performance of the company's business segments during the fourth quarter and anticipated capital spending. The accuracy of such statements is subject to a number of

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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) (in millions)	Q1		Q2		Q3	
	March 30, 2003	March 31, 2002	June 29, 2003	June 30, 2002	Sept. 28, 2003	Sept. 29, 2002
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:						
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

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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 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

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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
=====						

CONSOLIDATED EARNINGS (1) (in millions)	Year-to-date		Q4	Year ended
	Sept. 28, 2003	Sept. 29, 2002	Dec. 29, 2002	Dec. 29, 2002

Net sales and revenues:				
Weyerhaeuser (2)	\$ 13,317	\$ 12,518	\$ 4,253	\$ 16,771
Real estate and related assets	1,411	1,285	465	1,750

Total net sales and revenues	14,728	13,803	4,718	18,521

Costs and expenses:				
Weyerhaeuser:				
Costs of products sold	10,531	9,926	3,285	13,211
Depreciation, amortization and fee stumpage	954	879	335	1,214
Selling expenses	335	335	115	450
General and Administrative expenses	712	618	229	847
Research and				

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Development expenses	34	36	16	52
Taxes other than payroll and income taxes	140	139	39	178
Charges for integration and restructuring	78	42	30	72
Charges for closure of facilities	82	55	40	95
Other operating costs, net (3) (4)	(152)	(4)	(135)	(139)
	12,714	12,026	3,954	15,980
Real estate and related assets:				
Costs and operating expenses	1,052	967	359	1,326
Depreciation and amortization	8	4	7	11
Selling expenses	76	68	22	90
General and Administrative expenses	43	35	13	48
Taxes other than payroll and income taxes	2	3	1	4
Other operating costs, net	(5)	-	(1)	(1)
	1,176	1,077	401	1,478
Total costs and expenses	13,890	13,103	4,355	17,458
Operating income	838	700	363	1,063
Interest expense and other:				
Weyerhaeuser:				
Interest expense incurred (5)	(613)	(614)	(207)	(821)
Less interest capitalized	14	36	14	50
Equity in income (loss) of affiliates	(5)	(12)	(1)	(13)
Interest income and other	15	20	8	28
Real estate and related assets:				
Interest expense incurred	(40)	(38)	(15)	(53)
Less interest capitalized	40	38	15	53
Equity in income of Unconsolidated entities	23	22	9	31

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Interest income and other	25	25	8	33
	-----	-----	-----	-----
Earnings before income taxes and cumulative effect of a change in accounting principle	297	177	194	371
Income taxes	(101)	(62)	(68)	(130)
	-----	-----	-----	-----
Earnings before cumulative effect of a change in accounting principle	196	115	126	241
Cumulative effect of a change in accounting principle, net of applicable taxes of \$6 (6)	(11)	-	-	-
	-----	-----	-----	-----
Net earnings (loss)	\$ 185	\$ 115	\$ 126	\$ 241
	=====	=====	=====	=====
Basic and diluted net earnings (loss) per share:				
Net earnings (loss) before cumulative effect of a change in accounting principle	\$ 0.88	\$ 0.52	\$ 0.57	\$ 1.09
Cumulative effect of a change in accounting principle	(0.05)	-	-	-
	-----	-----	-----	-----
Net earnings (loss)	\$ 0.83	\$ 0.52	\$ 0.57	\$ 1.09
	=====	=====	=====	=====
Dividends paid per share	\$ 1.20	\$ 1.20	\$ 0.40	\$ 1.60
	=====	=====	=====	=====

- (1) Certain reclassifications have been made to conform prior period data with the current presentation.
- (2) The first, second and third quarters of 2003 include charges of \$24 million, \$26 million and \$25 million, respectively, 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 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.

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- (3) 2003 first, second and third quarters include net foreign exchange gains (losses) of \$35 million, \$47 million and (\$4) million, respectively. 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. 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)

Net sales and revenues (in millions):	Q1		Q2		Q3	
	March 30, 2003	March 31, 2002	June 29, 2003	June 30, 2002	Sept. 28, 2003	Sept. 29, 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 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

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	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
Bleached 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):	Q1		Q2		Q3	
(in millions)	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

Net sales and revenues (in millions):	Year-to-date		Q4	Year ended
	Sept. 28, 2003	Sept. 29, 2002	Dec. 29, 2002	Dec. 29, 2002

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Timberlands:

Raw materials (logs, timber and chips)	\$ 628	\$ 519	\$ 254	\$ 773
Other products	63	58	39	97
	-----	-----	-----	-----
	691	577	293	870
	-----	-----	-----	-----

Wood Products:

Softwood lumber	2,488	2,438	748	3,186
Plywood and veneer	584	556	178	734
Oriented strand board, composite and other panels	1,033	777	251	1,028
Hardwood lumber	241	229	77	306
Engineered lumber products	891	892	256	1,148
Raw materials (logs, timber and chips)	235	355	117	472
Other products	608	558	160	718
	-----	-----	-----	-----
	6,080	5,805	1,787	7,592
	-----	-----	-----	-----

Pulp and Paper:

Pulp	963	877	319	1,196
Paper	1,672	1,569	594	2,163
Coated groundwood	107	92	34	126
Bleached board	149	128	51	179
Other products	23	24	10	34
	-----	-----	-----	-----
	2,914	2,690	1,008	3,698
	-----	-----	-----	-----

Containerboard, Packaging
and Recycling:

Containerboard	231	264	86	350
Packaging	2,699	2,602	864	3,466
Recycling	183	166	63	229
Bags	59	52	23	75
Other products	108	72	20	92
	-----	-----	-----	-----
	3,280	3,156	1,056	4,212
	-----	-----	-----	-----

Real Estate and
Related Assets

Corporate and Other

	1,411	1,285	465	1,750
	352	290	109	399
	-----	-----	-----	-----
\$	14,728	\$ 13,803	\$ 4,718	\$ 18,521
	=====	=====	=====	=====

Contribution (charge)
to earnings (1):

(in millions)

Timberlands (2)

Wood Products

(3) (4) (5)

Year-to-date	Q4	Year ended
-----	-----	-----
Sept. 28, 2003	Dec. 29, 2002	Dec. 29, 2002
-----	-----	-----
\$ 592	\$ 300	\$ 702
(52)	(75)	(20)

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Pulp and Paper (6) (7)	(15)	(4)	86	82
Containerboard, Packaging and Recycling (8) (9)	230	221	114	335
Real Estate and Related Assets (10)	283	255	81	336
Corporate and Other (11) (12) (13)	(142)	(174)	(119)	(293)
	-----	-----	-----	-----
	\$ 896	\$ 755	\$ 387	\$ 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. 2002 fourth quarter includes a \$117 million gain on the sale of timberlands in Washington state.
- (3) The first, second and third quarters of 2003 include charges of \$24 million, \$26 million and \$25 million, respectively, 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 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 and third quarters include costs for the closure of facilities of \$22 million, \$11 million and \$31 million, respectively. 2003 second quarter also includes a charge of \$16 million to recognize impairment associated with an impending facility sale. 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. 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.

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- (9) 2003 second quarter includes the reversal of an accrual for closure charges of \$2 million. 2003 third quarter includes closure costs of \$17 million. 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.
- (13) 2003 results include net foreign exchange gains (losses) of \$36 million in the first quarter, \$51 million in the second quarter and (\$6) million in the third quarter. 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 30, 2003	March 31, 2002	June 29, 2003	June 30, 2002	Sept. 28, 2003	Sept. 29, 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
Softwood 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						

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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
Bleached 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	Q1		Q2		Q3	
volumes:						
	March	March	June	June	Sept.	Sept.
	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
Softwood 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	108	96	102	99	103	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 -						

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tons	62	48	55	60	61	43
Bleached 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
Third party sales	Year-to-date			Q4	Year ended	
volumes:						
	-----		-----	-----		
	Sept. 28,	Sept. 29,	Dec. 29,	Dec. 29,		
	2003	2002	2002	2002		
	-----		-----	-----		
Timberlands						
(millions):						
Raw materials -						
cubic feet	308	260	110	370		
Wood Products						
(millions):						
Softwood lumber -						
board feet	6,858	6,469	2,154	8,623		
Softwood plywood						
and veneer -						
square feet (3/8")	2,230	2,231	672	2,903		
Composite panels -						
square feet (3/4")	908	848	299	1,147		
Oriented strand						
board - square						
feet (3/8")	3,360	3,157	1,048	4,205		
Hardwood lumber -						
board feet	322	325	102	427		
Raw materials -						
cubic feet	358	468	127	595		
Pulp and Paper						
(thousands):						
Pulp - air-dry						
metric tons	1,851	1,742	636	2,378		
Paper - tons	2,134	2,012	730	2,742		
Coated groundwood -						
tons	180	152	58	210		
Bleached board -						
tons	191	161	68	229		
Paper converting -						
tons	1,452	1,362	497	1,859		
Containerboard, Packaging and Recycling						
(thousands)						
Containerboard -						
tons	668	752	231	983		
Packaging - MSF	54,874	52,839	17,491	70,330		

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Recycling - tons	1,697	1,695	597	2,292
Kraft bags and sacks - tons	74	65	28	93

Total production volumes:	Year-to-date	Q4	Year ended
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Sept. 28, 2003	Sept. 29, 2002	Dec. 29, 2002	Dec. 29, 2002
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Timberlands

(millions):

Logs - cubic feet	481	508	155	663
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Wood Products

(millions):

Softwood lumber - board feet	5,409	4,960	1,871	6,831
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Softwood plywood and veneer - square feet (3/8")	1,825	1,758	520	2,278
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Composite panels - square feet (3/4")	736	636	228	864
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Oriented strand board - square feet (3/8")	3,123	3,016	1,033	4,049
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Hardwood lumber - board feet	313	302	104	406
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Pulp and Paper

(thousands):

Pulp - air-dry metric tons	1,877	1,729	552	2,281
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Paper - tons	2,175	1,881	730	2,611
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Coated groundwood - tons	178	151	59	210
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Bleached board - tons	196	161	66	227
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Paper converting - tons	1,467	1,351	493	1,844
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Containerboard, Packaging and

Recycling (thousands)

Containerboard - tons	4,509	4,471	1,533	6,004
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Packaging - MSF	58,797	56,291	18,809	75,100
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Recycling - tons	4,679	4,526	1,566	6,092
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Kraft bags and sacks - tons	73	65	28	93
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WEYERHAEUSER COMPANY

STATISTICAL INFORMATION

CONDENSED CONSOLIDATED BALANCE SHEET (unaudited)

(in millions)

	March 30, 2003	June 29, 2003	Sept. 28, 2003	Dec. 29, 2002
Assets				

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Current assets:

Cash and short-term investments	\$ 59	\$ 47	\$ 57	\$ 115
Receivables, less allowances	1,573	1,671	1,661	1,413
Inventories	2,167	2,093	1,959	1,941
Prepaid expenses	455	427	436	419
Total current assets	4,254	4,238	4,113	3,888
Property and equipment	12,228	12,274	12,235	12,278
Construction in progress	709	669	514	687
Timber and timberlands at cost, less fee stumpage charged to disposals	4,450	4,454	4,440	4,402
Investments in and advances to equity affiliates	538	564	560	578
Goodwill	3,191	3,224	3,221	3,131
Deferred pension and other assets	1,337	1,349	1,300	1,285
	26,707	26,772	26,383	26,249

Real estate and related assets	1,989	2,065	2,064	1,970
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Total assets	\$ 28,696	\$ 28,837	\$ 28,447	\$28,219
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Liabilities and Shareholders' Interest

Weyerhaeuser

Current liabilities:

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

Real estate and related assets

Notes payable and commercial paper	115	130	100	63
Long-term debt	764	762	762	814
Other liabilities	466	491	476	472

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	1,345	1,383	1,338	1,349
Total liabilities	22,068	21,931	21,526	21,596
Shareholders' interest	6,628	6,906	6,921	6,623
Total liabilities and shareholders' interest	\$ 28,696	\$ 28,837	\$ 28,447	\$28,219
	=====	=====	=====	=====

STATEMENT OF CASH FLOWS	Q1		Q2		Q3	
SELECTED INFORMATION	March	March	June	June	Sept.	Sept.
(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)	\$ 465	\$ 379	\$ 489	\$ 268
Cash paid for property and equipment	(128)	(158)	(172)	(288)	(146)	(237)
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	Year-to-date		Q4	Year ended
SELECTED INFORMATION	Sept. 28,	Sept. 29,	Dec. 29,	Dec. 29,
(unaudited)	2003	2002	2002	2002
(in millions)	-----	-----	-----	-----
(Weyerhaeuser only, excludes real estate & related assets)				
Net cash from operations	\$ 828	\$ 557	\$ 701	\$ 1,258
Cash paid for property and equipment	(446)	(683)	(241)	(924)
Cash paid for timberlands reforestation	(25)	(26)	(10)	(36)
Cash received from issuances of debt	13	13,127	1,015	14,142
Revolving credit facilities, notes and commercial paper borrowings, net	432	2	(230)	(228)
Payments on debt	(774)	(6,849)	(1,375)	(8,224)

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SIGNATURES

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

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

Date: October 24, 2003