

WEYERHAEUSER CO
Form 10-Q
May 09, 2008
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE QUARTERLY PERIOD ENDED MARCH 30, 2008

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE TRANSITION PERIOD FROM _____ TO _____

COMMISSION FILE NUMBER: 1-4825

WEYERHAEUSER COMPANY

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Washington (State or other jurisdiction of incorporation or organization) 33663 Weyerhaeuser Way South	91-0470860 (I.R.S. Employer Identification Number)
Federal Way, Washington (Address of principal executive offices)	98063-9777 (Zip Code)
(253) 924-2345 (Registrant's telephone number, including area code)	

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of May 2, 2008, 211,256,406 shares of the registrant's common stock (\$1.25 par value) were outstanding.

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The financial information included in this report has been prepared in conformity with accounting practices and methods reflected in the financial statements included in the annual report (Form 10-K) filed with the Securities and Exchange Commission for the year ended December 30, 2007. Though not audited by an independent registered public accounting firm, the financial information reflects, in the opinion of management, all adjustments necessary to present a fair statement of results for the interim periods indicated. The results of operations for the 13-week period ended March 30, 2008, should not be regarded as necessarily indicative of the results that may be expected for the full year.

Signature

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 thereto duly authorized.

WEYERHAEUSER COMPANY

Date: May 8, 2008

By: /s/ Jeanne M. Hillman
Jeanne M. Hillman
Vice President and Principal Accounting Officer

Table of Contents**PART I. FINANCIAL INFORMATION****CONSOLIDATED STATEMENT OF EARNINGS****(DOLLAR AMOUNTS IN MILLIONS EXCEPT PER-SHARE FIGURES)****(UNAUDITED)****FOR THE THIRTEEN-WEEK PERIODS ENDED****MARCH 30, 2008 AND APRIL 1, 2007**

	MARCH 30, 2008	APRIL 1, 2007 REVISED
		(NOTE 1)
Net sales and revenues:		
Weyerhaeuser	\$ 1,725	\$ 2,178
Real Estate	371	487
Total net sales and revenues	2,096	2,665
Costs and expenses:		
Weyerhaeuser:		
Costs of products sold	1,443	1,793
Depreciation, depletion and amortization	147	156
Selling expenses	61	72
General and administrative expenses	149	165
Research and development expenses	17	16
Charges for restructuring	1	3
Charges for closure of facilities (Note 6)	53	3
Impairment of goodwill	3	22
Other operating costs, net (Note 12)	44	24
	1,918	2,254
Real Estate:		
Costs and operating expenses	327	379
Depreciation and amortization	4	6
Selling expenses	36	41
General and administrative expenses	29	28
Other operating income, net	(6)	(4)
Impairment of long-lived assets	33	
	423	450
Total costs and expenses	2,341	2,704
Operating loss	(245)	(39)
Weyerhaeuser:		
Interest expense incurred	(132)	(131)
Less: interest capitalized	24	30
Interest income and other	13	20

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Equity in loss of affiliates	(4)	(1)
Real Estate:		
Interest expense incurred	(12)	(12)
Less: interest capitalized	12	12
Interest income and other	1	3
Equity in income (loss) of unconsolidated entities	(23)	18
Loss from continuing operations before income taxes	(366)	(100)
Income taxes	137	37
Loss from continuing operations	(229)	(63)
Discontinued operations, net of income taxes (Note 3)	81	783
Net earnings (loss)	\$ (148)	\$ 720
Basic earnings (loss) per share (Note 4):		
Continuing operations	\$ (1.08)	\$ (0.27)
Discontinued operations	0.38	3.36
Net earnings (loss)	\$ (0.70)	\$ 3.09
Diluted earnings (loss) per share (Note 4):		
Continuing operations	\$ (1.08)	\$ (0.27)
Discontinued operations	0.38	3.36
Net earnings (loss)	\$ (0.70)	\$ 3.09
Dividends paid per share	\$ 0.60	\$ 0.60

See accompanying Notes to Consolidated Financial Statements.

Table of Contents**CONSOLIDATED BALANCE SHEET****(DOLLAR AMOUNTS IN MILLIONS, EXCEPT PER-SHARE FIGURES)****(UNAUDITED)**

	MARCH 30, 2008	DECEMBER 30, 2007
ASSETS		
Weyerhaeuser:		
Current assets:		
Cash and cash equivalents	\$ 53	\$ 92
Receivables, less allowances of \$4 and \$3	818	705
Inventories (Note 7)	840	827
Prepaid expenses	150	166
Deferred tax assets	150	137
Current assets of discontinued operations (Note 3)	1,102	1,087
Total current assets	3,113	3,014
Property and equipment, less accumulated depreciation of \$6,435 and \$6,385	4,043	4,204
Construction in progress	324	292
Timber and timberlands at cost, less depletion charged to disposals	3,812	3,769
Investments in and advances to equity affiliates	348	356
Goodwill (Note 8)	948	962
Deferred pension and other assets	2,499	2,446
Restricted assets held by special purpose entities	914	916
Noncurrent assets of discontinued operations (Note 3)	4,045	4,067
	20,046	20,026
Real Estate:		
Cash and cash equivalents	16	21
Receivables, less discounts and allowances of \$3 and \$2	60	63
Real estate in process of development and for sale	1,190	1,270
Land being processed for development	1,675	1,622
Investments in unconsolidated entities	43	58
Other assets	458	473
Consolidated assets not owned	268	273
	3,710	3,780
Total assets	\$ 23,756	\$ 23,806

See accompanying Notes to Consolidated Financial Statements

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CONSOLIDATED BALANCE SHEET

(CONTINUED)

	MARCH 30, 2008	DECEMBER 30, 2007
LIABILITIES AND SHAREHOLDERS INTEREST		
Weyerhaeuser		
Current liabilities:		
Notes payable and commercial paper	\$ 151	\$ 54
Current maturities of long-term debt	807	507
Accounts payable	537	625
Accrued liabilities	874	970
Current liabilities of discontinued operations (Note 3)	413	451
Total current liabilities	2,782	2,607
Long-term debt	6,058	6,059
Deferred income taxes	2,562	2,554
Deferred pension, other postretirement benefits and other liabilities	1,634	1,657
Liabilities (nonrecourse to Weyerhaeuser) held by special purpose entities	763	765
Noncurrent liabilities of discontinued operations (Note 3)	743	748
Commitments and contingencies (Note 11)		
	14,542	14,390
Real Estate		
Long-term debt	956	775
Other liabilities	360	432
Consolidated liabilities not owned	198	228
Commitments and contingencies (Note 11)		
	1,514	1,435
Total liabilities	16,056	15,825
Shareholders interest:		
Common shares: \$1.25 par value; authorized 400,000,000 shares; issued and outstanding: 209,658,353 and 209,546,474 shares	262	262
Exchangeable shares: no par value; unlimited shares authorized; issued and held by nonaffiliates: 1,584,698 and 1,600,110 shares	108	109
Other capital	1,636	1,609
Retained earnings	4,738	5,014
Cumulative other comprehensive income (Note 10)	956	987
Total shareholders interest	7,700	7,981
Total liabilities and shareholders interest	\$ 23,756	\$ 23,806

See accompanying Notes to Consolidated Financial Statements.

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	FOR THE THIRTEEN-WEEK PERIODS ENDED					
	MARCH 30, 2008 AND APRIL 1, 2007		CONSOLIDATED WEYERHAEUSER REAL ESTATE			
	MARCH 30, 2008	APRIL 1, 2007	MARCH 30, 2008	APRIL 1, 2007	MARCH 30, 2008	APRIL 1, 2007
Cash flows from operations:						
Net earnings (loss)	\$ (148)	\$ 720	\$ (95)	\$ 684	\$ (53)	\$ 36
Noncash charges (credits) to income:						
Depreciation, depletion and amortization	211	289	207	283	4	6
Deferred income taxes, net	(10)	(109)	(24)	(111)	14	2
Pension and other postretirement benefits (Note 9)	(18)	63	(18)	62		1
Share-based compensation expense	26	22	24	20	2	2
Reclass of excess tax benefits from share-based payment arrangements to financing		(47)		(44)		(3)
Equity in (income) loss of affiliates and unconsolidated entities	27	(17)	4	1	23	(18)
Litigation charges (Note 11)	18		18			
Charges for impairment of goodwill	3	22	3	22		
Charges for impairment of assets (Note 6 and 12)	61	34	28	34	33	