

WEYERHAEUSER CO
Form 10-K
February 19, 2013
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012

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

A WASHINGTON CORPORATION

91-0470860

(IRS EMPLOYER IDENTIFICATION NO.)

FEDERAL WAY, WASHINGTON 98063-9777 TELEPHONE (253) 924-2345

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT:

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED:
Common Shares (\$1.25 par value)	Chicago Stock Exchange New York Stock Exchange

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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 has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" 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 Act). Yes No

As of June 30, 2012, the aggregate market value of the registrant's common stock held by non-affiliates of the registrant was \$11,825,766,504 based on the closing sale price as reported on the New York Stock Exchange Composite Price Transactions.

Edgar Filing: WEYERHAEUSER CO - Form 10-K

As of February 1, 2013, 544,262,350 shares of the registrant's common stock (\$1.25 par value) were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Notice of 2013 Annual Meeting of Shareholders and Proxy Statement for the company's Annual Meeting of Shareholders to be held April 11, 2013, are incorporated by reference into Part II and III.

WEYERHAEUSER COMPANY > 2012 ANNUAL REPORT AND FORM 10-K

Table of Contents

TABLE OF CONTENTS

PART I

ITEM 1.	<u>OUR BUSINESS</u>	1
	<u>WE CAN TELL YOU MORE</u>	1
	<u>WHO WE ARE</u>	1
	• <u>REAL ESTATE INVESTMENT TRUST (REIT) ELECTION</u>	1
	• <u>OUR BUSINESS SEGMENTS</u>	1
	• <u>EFFECT OF MARKET CONDITIONS</u>	1
	• <u>COMPETITION IN OUR MARKETS</u>	2
	• <u>SALES OUTSIDE THE U.S.</u>	2
	• <u>OUR EMPLOYEES</u>	2
	<u>WHAT WE DO</u>	2
	• <u>TIMBERLANDS</u>	2
	• <u>WOOD PRODUCTS</u>	10
	• <u>CELLULOSE FIBERS</u>	13
	• <u>REAL ESTATE</u>	15
	<u>NATURAL RESOURCE AND ENVIRONMENTAL MATTERS</u>	18
	• <u>REGULATIONS AFFECTING FORESTRY PRACTICES</u>	18
	• <u>ENDANGERED SPECIES PROTECTIONS</u>	18
	• <u>FOREST CERTIFICATION STANDARDS</u>	18
	• <u>WHAT THESE REGULATIONS AND CERTIFICATION PROGRAMS MEAN TO</u>	19
	<u>US</u>	
	• <u>CANADIAN ABORIGINAL RIGHTS</u>	19
	• <u>POLLUTION-CONTROL REGULATIONS</u>	19
	• <u>ENVIRONMENTAL CLEANUP</u>	20
	• <u>REGULATION OF AIR EMISSIONS IN THE U.S.</u>	20
	• <u>REGULATION OF AIR EMISSIONS IN CANADA</u>	21
	• <u>REGULATION OF WATER</u>	21
	• <u>POTENTIAL CHANGES IN POLLUTION REGULATION</u>	21
	<u>FORWARD-LOOKING STATEMENTS</u>	22
ITEM 1A.	<u>RISK FACTORS</u>	23
	<u>RISKS RELATED TO OUR INDUSTRIES AND BUSINESS</u>	23
	• <u>MACROECONOMIC CONDITIONS</u>	23
	• <u>COMMODITY PRODUCTS</u>	23
	• <u>INDUSTRY SUPPLY OF LOGS, WOOD PRODUCTS AND PULP</u>	23
	• <u>HOMEBUILDING MARKET AND ECONOMIC RISKS</u>	23
	• <u>CAPITAL MARKETS</u>	24
	• <u>CHANGES IN CREDIT RATINGS</u>	24
	• <u>SUBSTITUTION</u>	24
	• <u>CHANGES IN PRODUCT MIX OR PRICING</u>	24
	• <u>INTENSE COMPETITION</u>	24
	• <u>MATERIAL DISRUPTION OF MANUFACTURING</u>	25
	• <u>CAPITAL REQUIREMENTS</u>	25
	• <u>ENVIRONMENTAL LAW AND REGULATIONS</u>	25
	• <u>CURRENCY EXCHANGE RATES</u>	26
	• <u>AVAILABILITY OF RAW MATERIALS AND ENERGY</u>	26
	• <u>TRANSPORTATION</u>	26
	• <u>REIT STATUS AND TAX IMPLICATIONS</u>	26
	• <u>LEGAL PROCEEDINGS</u>	27

	• <u>EXPORT TAXES</u>	<u>27</u>
	• <u>NATURAL DISASTERS</u>	<u>28</u>
	<u>RISKS RELATED TO OWNERSHIP OF OUR COMMON STOCK</u>	<u>28</u>
	• <u>STOCK-PRICE VOLATILITY</u>	<u>28</u>
ITEM 1B.	<u>UNRESOLVED STAFF COMMENTS</u>	<u>28</u>
ITEM 2.	<u>PROPERTIES</u>	<u>28</u>
ITEM 3.	<u>LEGAL PROCEEDINGS</u>	<u>28</u>
ITEM 4.	<u>MINE SAFETY DISCLOSURES — NOT APPLICABLE</u>	
PART II		
ITEM 5.	<u>MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES</u>	<u>29</u>
ITEM 6.	<u>SELECTED FINANCIAL DATA</u>	<u>30</u>
ITEM 7.	<u>MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>	<u>31</u>
	<u>WHAT YOU WILL FIND IN THIS MD&A</u>	<u>31</u>
	<u>ECONOMIC AND MARKET CONDITIONS AFFECTING OUR OPERATIONS</u>	<u>31</u>
	<u>REAL ESTATE INVESTMENT TRUST (REIT) ELECTION</u>	<u>32</u>
	<u>FINANCIAL PERFORMANCE SUMMARY</u>	<u>33</u>
	<u>RESULTS OF OPERATIONS</u>	<u>34</u>
	• <u>CONSOLIDATED RESULTS</u>	<u>34</u>
	• <u>TIMBERLANDS</u>	<u>35</u>
	• <u>WOOD PRODUCTS</u>	<u>37</u>
	• <u>CELLULOSE FIBERS</u>	<u>38</u>
	• <u>REAL ESTATE</u>	<u>39</u>
	• <u>UNALLOCATED ITEMS</u>	<u>40</u>
	• <u>INTEREST EXPENSE</u>	<u>41</u>
	• <u>INCOME TAXES</u>	<u>41</u>
	<u>LIQUIDITY AND CAPITAL RESOURCES</u>	<u>41</u>
	• <u>CASH FROM OPERATIONS</u>	<u>41</u>
	• <u>INVESTING IN OUR BUSINESS</u>	<u>42</u>
	• <u>FINANCING</u>	<u>43</u>
	<u>OFF-BALANCE SHEET ARRANGEMENTS</u>	<u>45</u>
	<u>ENVIRONMENTAL MATTERS, LEGAL PROCEEDINGS AND OTHER CONTINGENCIES</u>	<u>45</u>
	<u>ACCOUNTING MATTERS</u>	<u>46</u>
	• <u>CRITICAL ACCOUNTING POLICIES</u>	<u>46</u>
	• <u>PROSPECTIVE ACCOUNTING PRONOUNCEMENTS</u>	<u>48</u>
ITEM 7A.	<u>QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u>	<u>49</u>
	<u>LONG-TERM DEBT OBLIGATIONS</u>	<u>49</u>
ITEM 8.	<u>FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA</u>	<u>50</u>
	<u>REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	<u>50</u>
	<u>CONSOLIDATED STATEMENT OF OPERATIONS</u>	<u>51</u>
	<u>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME</u>	<u>51</u>
	<u>CONSOLIDATED BALANCE SHEET</u>	<u>52</u>
	<u>CONSOLIDATED STATEMENT OF CASH FLOWS</u>	<u>54</u>
	<u>CONSOLIDATED STATEMENT OF CHANGES IN EQUITY</u>	<u>55</u>
	<u>INDEX FOR NOTES TO CONSOLIDATED FINANCIAL STATEMENTS</u>	<u>56</u>
	<u>NOTES TO CONSOLIDATED FINANCIAL STATEMENTS</u>	<u>57</u>

ITEM 9.	<u>CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE</u>	<u>99</u>
ITEM 9A.	<u>CONTROLS AND PROCEDURES</u>	<u>99</u>
	<u>EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES</u>	<u>99</u>
	<u>CHANGES IN INTERNAL CONTROL</u>	<u>99</u>
	<u>MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING</u>	<u>99</u>
	<u>REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	<u>100</u>
ITEM 9B.	OTHER INFORMATION — NOT APPLICABLE	
PART III		
ITEM 10.	<u>DIRECTORS AND EXECUTIVE OFFICERS</u>	<u>101</u>
ITEM 11.		