



GEORGIA ANALYST TOUR - MAY 2015

FORWARD-LOOKING STATEMENTS

Information contained herein constitutes forward-looking statements. Forward-looking statements, which include all statements that are not historical facts, are subject to certain risks and uncertainties that could cause actual results to differ materially from those anticipated in or suggested by the forward-looking statements. See additional risks described in the Company's MD&A under "Risks and Uncertainties" in the Company's 2014 Annual Report, which is incorporated by reference. All forward-looking statements made are qualified by these cautionary statements.

Participants should not place undue reliance on the forward-looking statements, which reflect Management's plans, estimates, projections and views only as of the date hereof. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances.

AGENDA

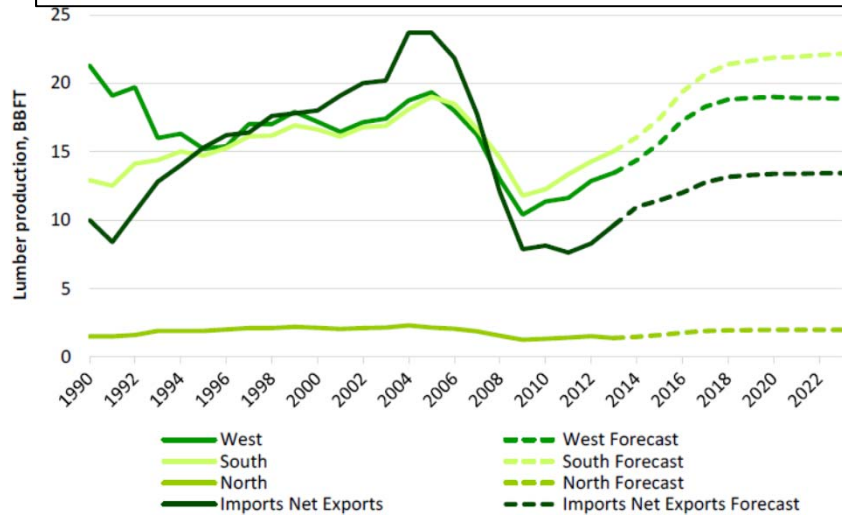
1. Overview
2. Operations
3. Timber Supply and Procurement
4. Sales and Marketing

OVERVIEW

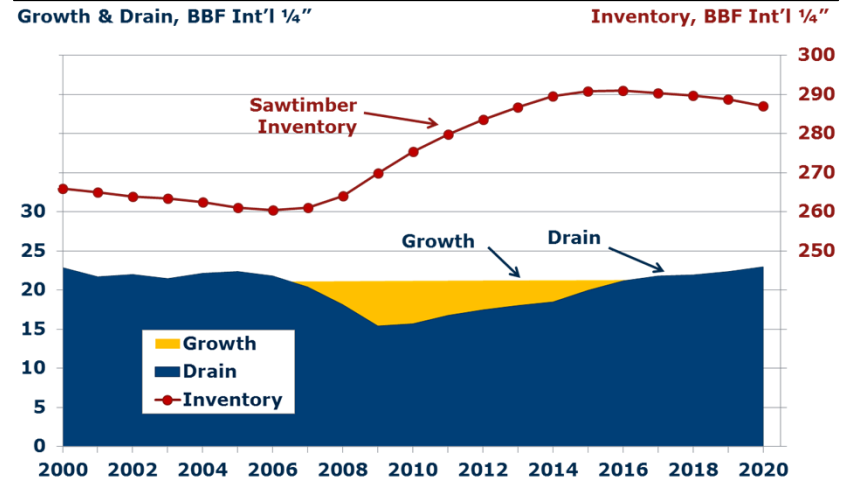


US SOUTH RATIONALE

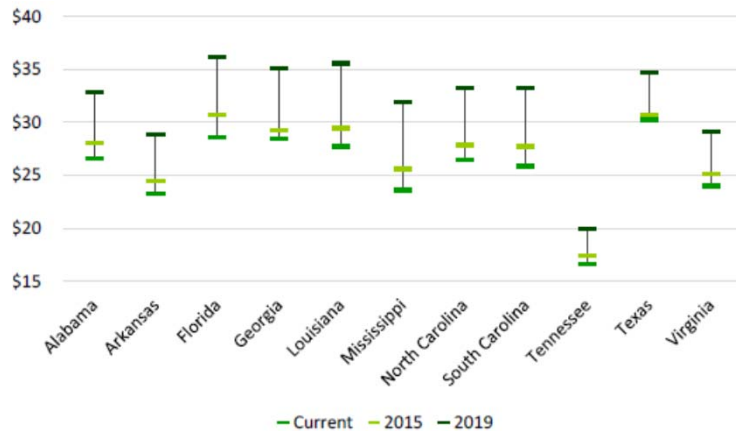
US Lumber Production By Region



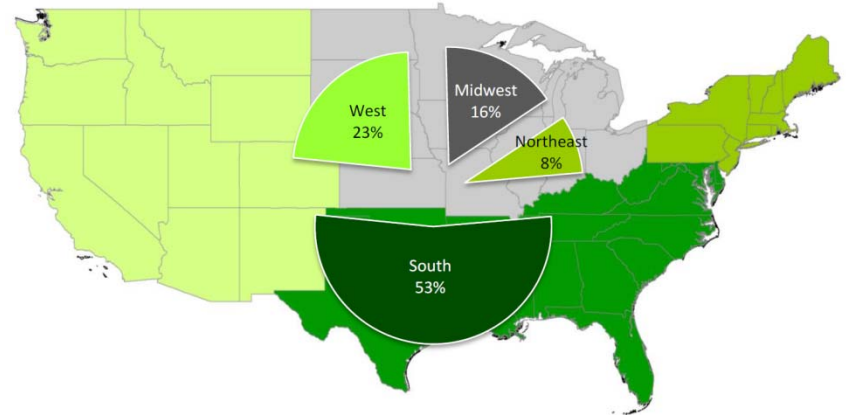
US South Sawtimber Supply/Demand



US South Pine Sawtimber (Stumpage) Prices



US Single Family Housing Starts By Region



Source: Forisk Consulting and FEA

INTERFOR US SOUTH – KEY FACTS

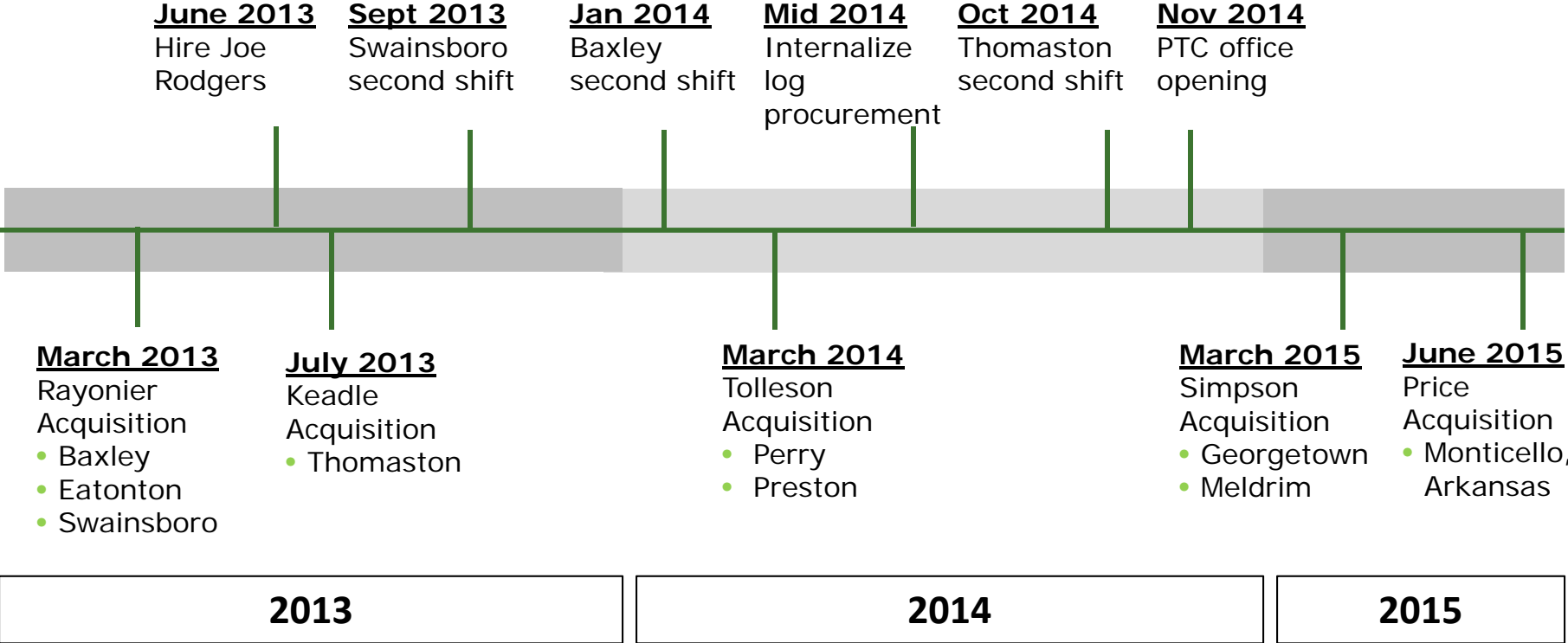
- Invested over US\$400 million since March 2013
 - 5 acquisitions
 - Various internal projects (mostly 2nd shift capex)
- 1,300 employees
- 9 mills
- 1.3 Billion feet of lumber production across 3 States
 - Largest lumber producer in Georgia
 - US South represents over 40% of Interfor's capacity

Note: Figures are pro forma for the impact of the Monticello acquisition

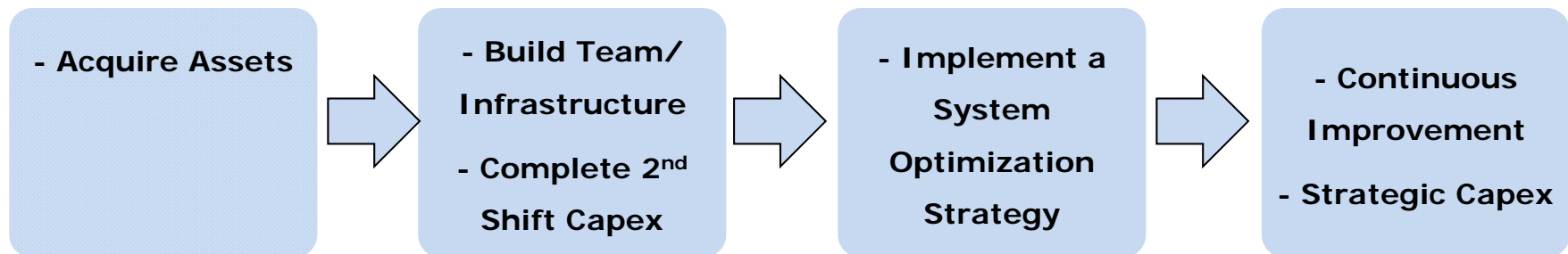
INTERFOR US SOUTH EVOLUTION

ACQUIRED **ASSETS**...NOW BUILDING &
OPTIMIZING A **BUSINESS**

TIMELINE

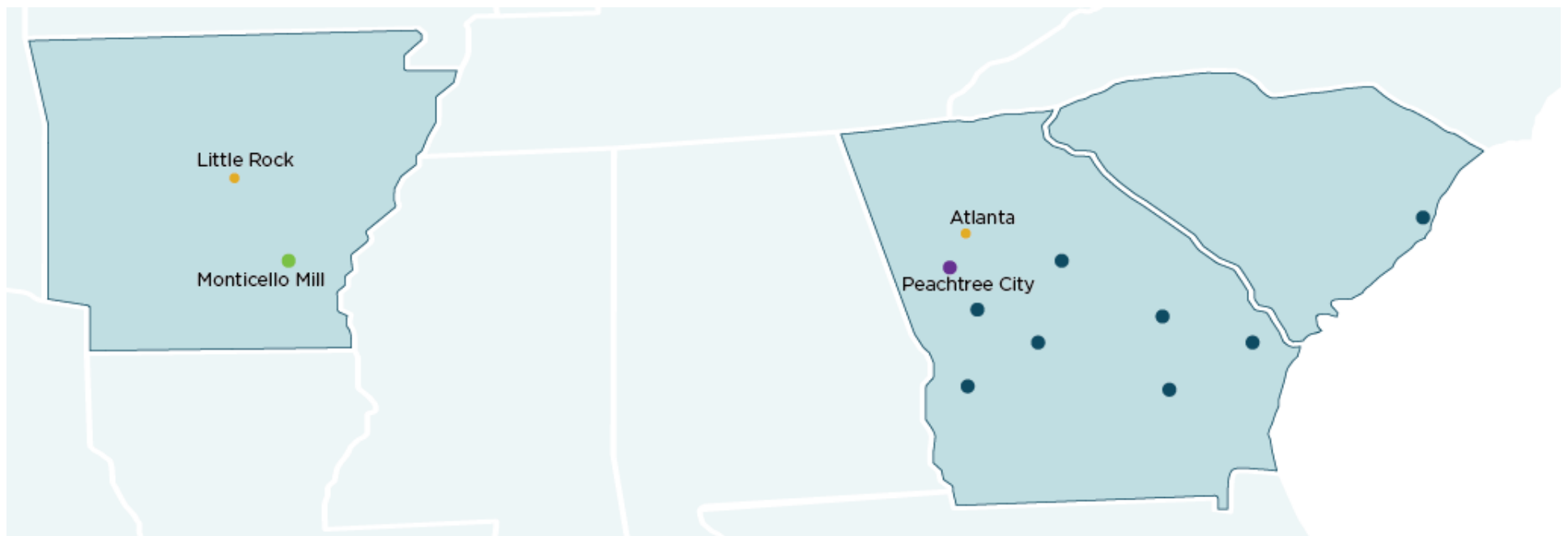


FROM START-UP TO A MATURING BUSINESS



RECENT TRANSACTION - ARKANSAS

- Acquisition price of: (i) US\$29.255 mm; (ii) spending reimbursement for three ongoing capital projects, plus (iii) closing log and lumber inventory
- Production of 75 mm fbm going to >100 mm fbm over near term
- Significant operational upside
- Closing expected in June 2015

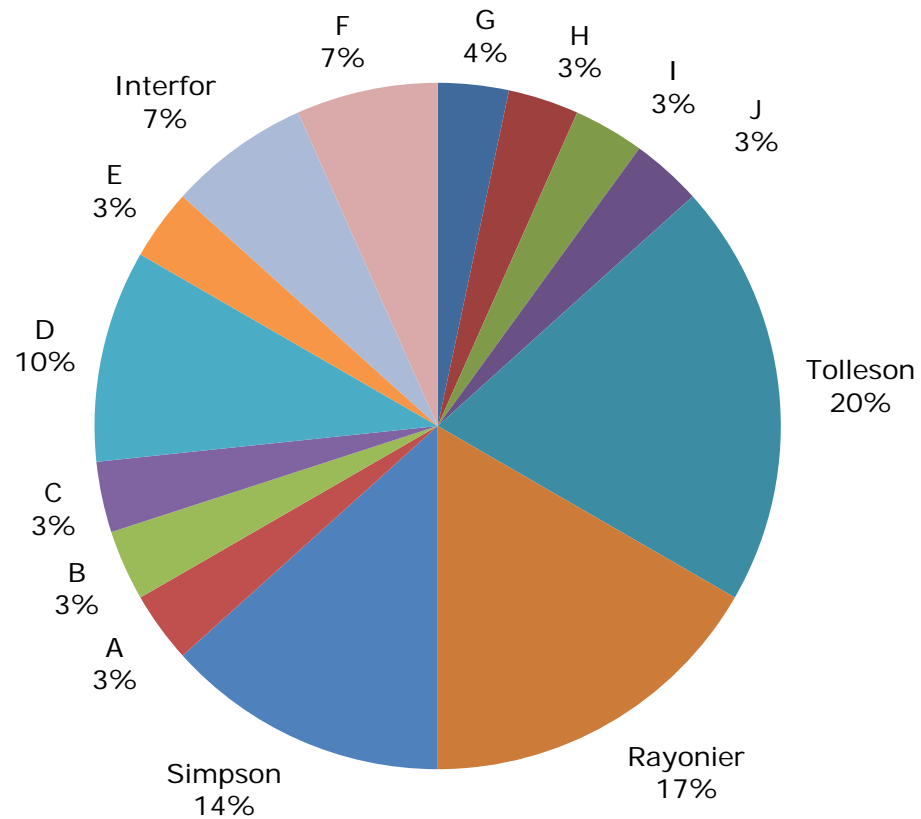




OPERATIONS

BUILDING A BUSINESS IN THE SOUTH

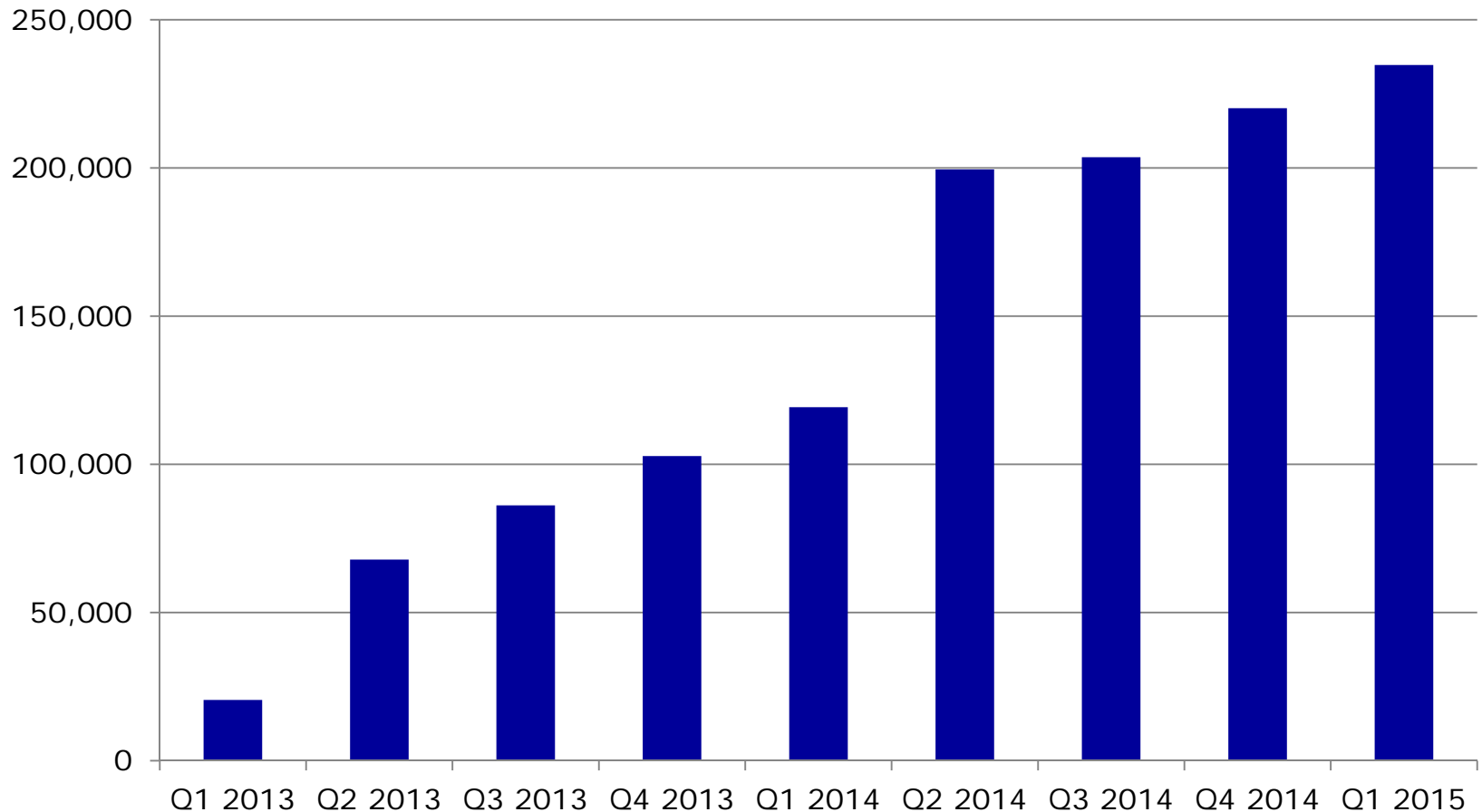
US SOUTH LEADERSHIP ORIGINS



OPTIMIZATION WITHIN THE REGION

Mill	Primary Breakdown	Log Size
Baxley	<ul style="list-style-type: none"> • Sharp Chain • Chip-n-saw (decommissioned) 	Small to medium
Eatonton	<ul style="list-style-type: none"> • Pee wee machine 	Super pulp to small
Georgetown	<ul style="list-style-type: none"> • Chip-n-saw 	Small to medium
Meldrim	<ul style="list-style-type: none"> • Sharp chain 	Small to medium
Perry	<ul style="list-style-type: none"> • Sharp chain • Headrig (decommissioned) 	Small to medium
Preston	<ul style="list-style-type: none"> • Sharp chain • Headrig 	Small to large
Swainsboro	<ul style="list-style-type: none"> • Chip-n-Saw 	Small
Thomaston	<ul style="list-style-type: none"> • Sharp chain • Headrig 	Small to large

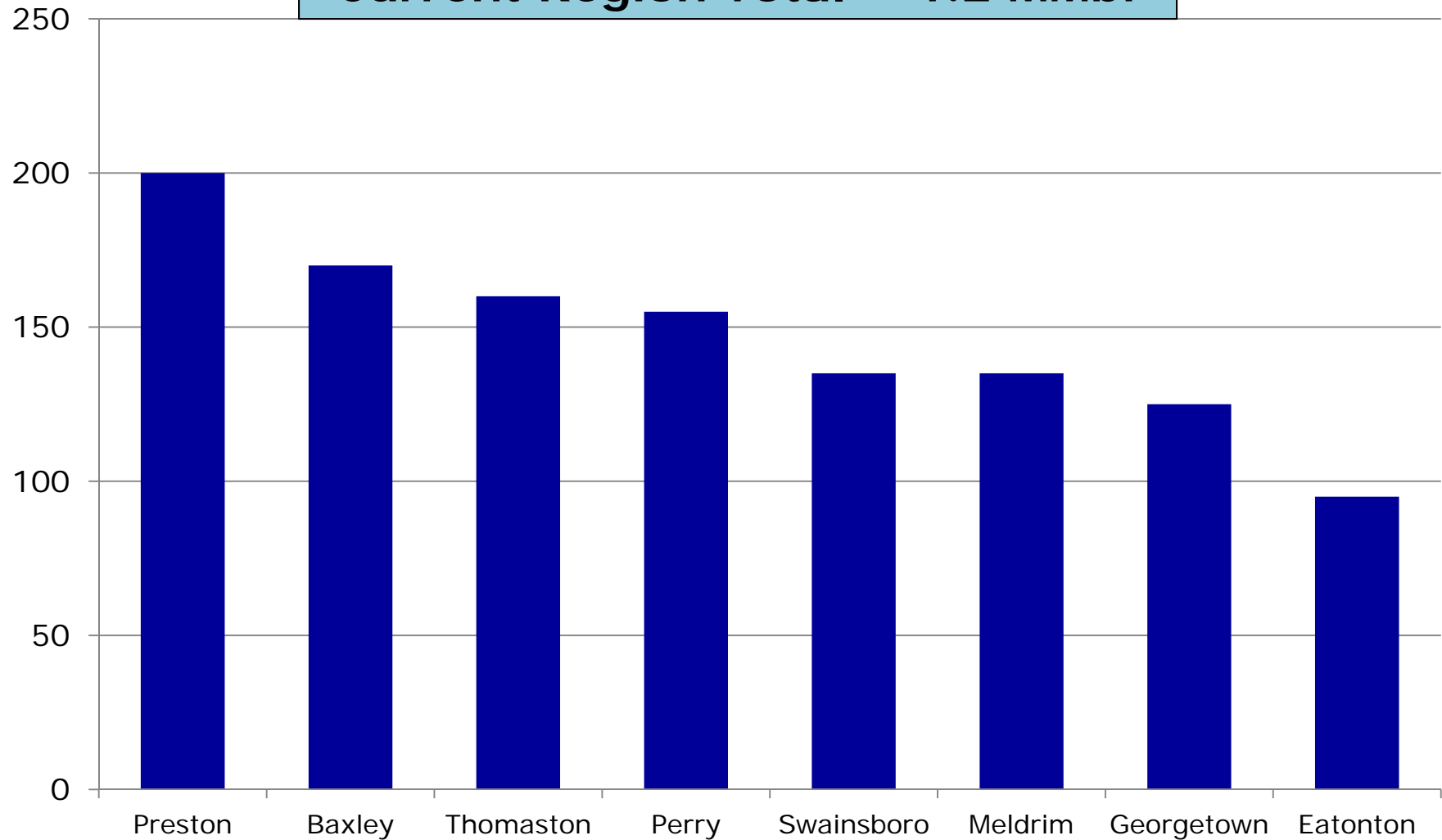
PRODUCTION VOLUMES BY QUARTER (MBF)



- Note:
1. Rayonier acquisition closed March 1, 2013 and Q1 2013 includes one month of Interfor operations.
 2. Keadle acquisition close July 1, 2013 and Q3 2013 includes a full quarter of Interfor operations.
 3. Tolleson acquisition closed March 17, 2014 and Q1 2014 includes two weeks of Interfor operations.
 4. Simpson acquisition close March 1, 2015 and Q1 2015 includes one month of Interfor operations.

ANNUAL PRODUCTION CAPACITY (MMBF)

Current Region Total = 1.2 MMbf



CAPITAL PROJECT INITIATIVES

Projects Completed

- Swainsboro continuous kiln
- Baxley kiln conversion to continuous
- Thomaston kilns and crane

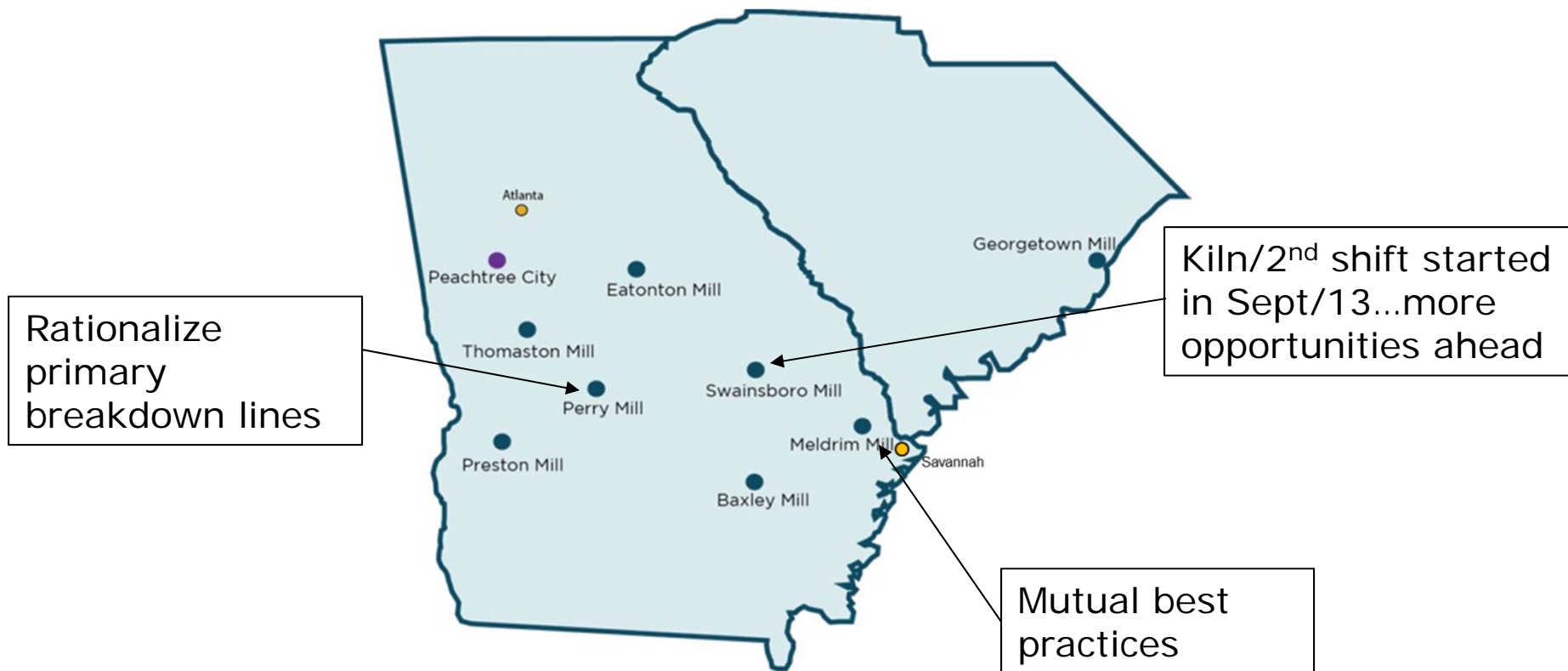
Impact

+70 MMbf
+40 MMbf
+80 MMbf

Projects Underway or Planned

- Georgetown continuous kilns
- Swainsboro
- Autograding

US SOUTH TOUR FOCUS ITEMS



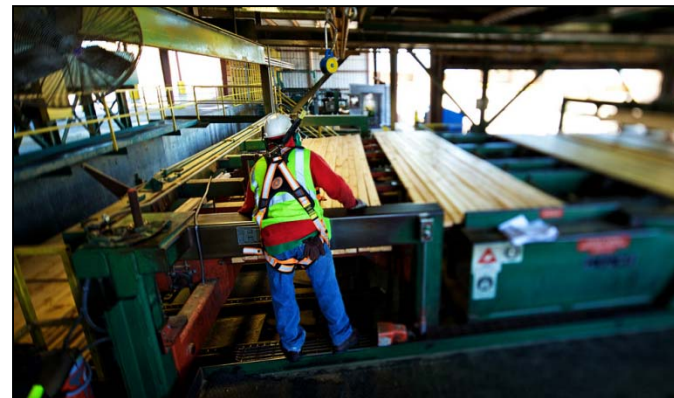
PERRY MILL

- 128 acre site
- Acquired in March 2014 as part of the Tolleson Ilim transaction
- Produces 2" dimension lumber, 4" through 12" widths, 8' to 20' lengths
- Shipped by truck and rail; Markets include the US Southeast



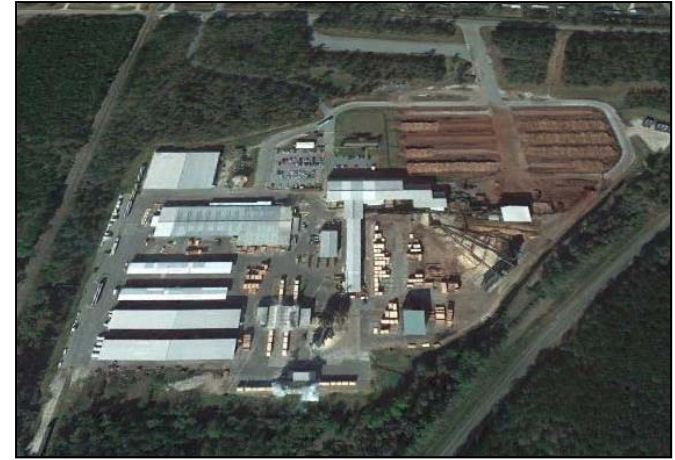
SWAINSBORO MILL

- 40 acre site
- Acquired in March 2013 as part of the Rayonier transaction
- September 2013 converted a conventional dry kiln to a continuous dry kiln and added a 2nd shift
- Produces 2" dimension lumber, 4" and 6" widths, 8' to 16' lengths, and timbers
- Shipped by truck and rail; Markets include the US Southeast; US Northeast



MELDRIM MILL

- 226 acre site
- Acquired in March 2015 from Simpson Lumber
- Produces 2" dimension lumber, 4" through 12" widths, 8' to 20' lengths
- Shipped by truck and rail
- Markets include the US Southeast and US Northeast





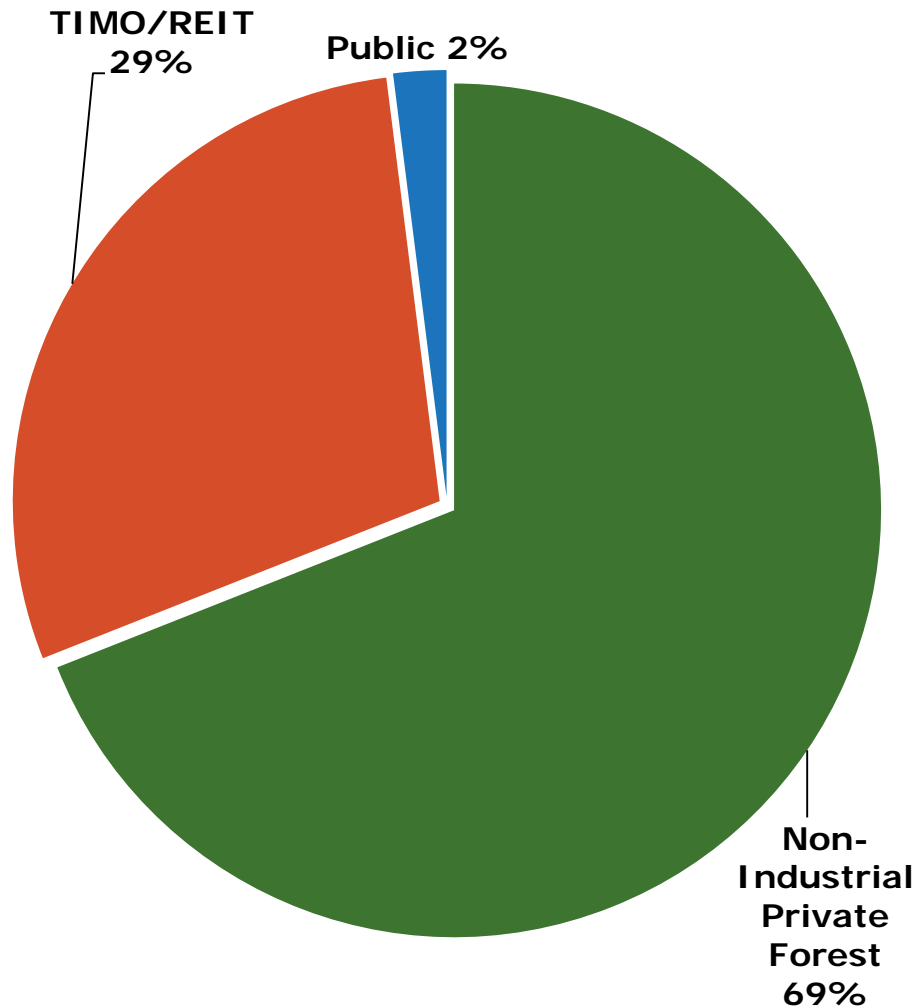
TIMBER SUPPLY AND PROCUREMENT

US SOUTH LOG MARKET OVERVIEW

- Positive growth/drain ratios
- Highly developed transportation infrastructure
- Regional log procurement
- Fragmented timberland ownership
- Year round logging and low log inventories
- Favorable regulatory environment
- Few species – easier to manage
- Short rotation



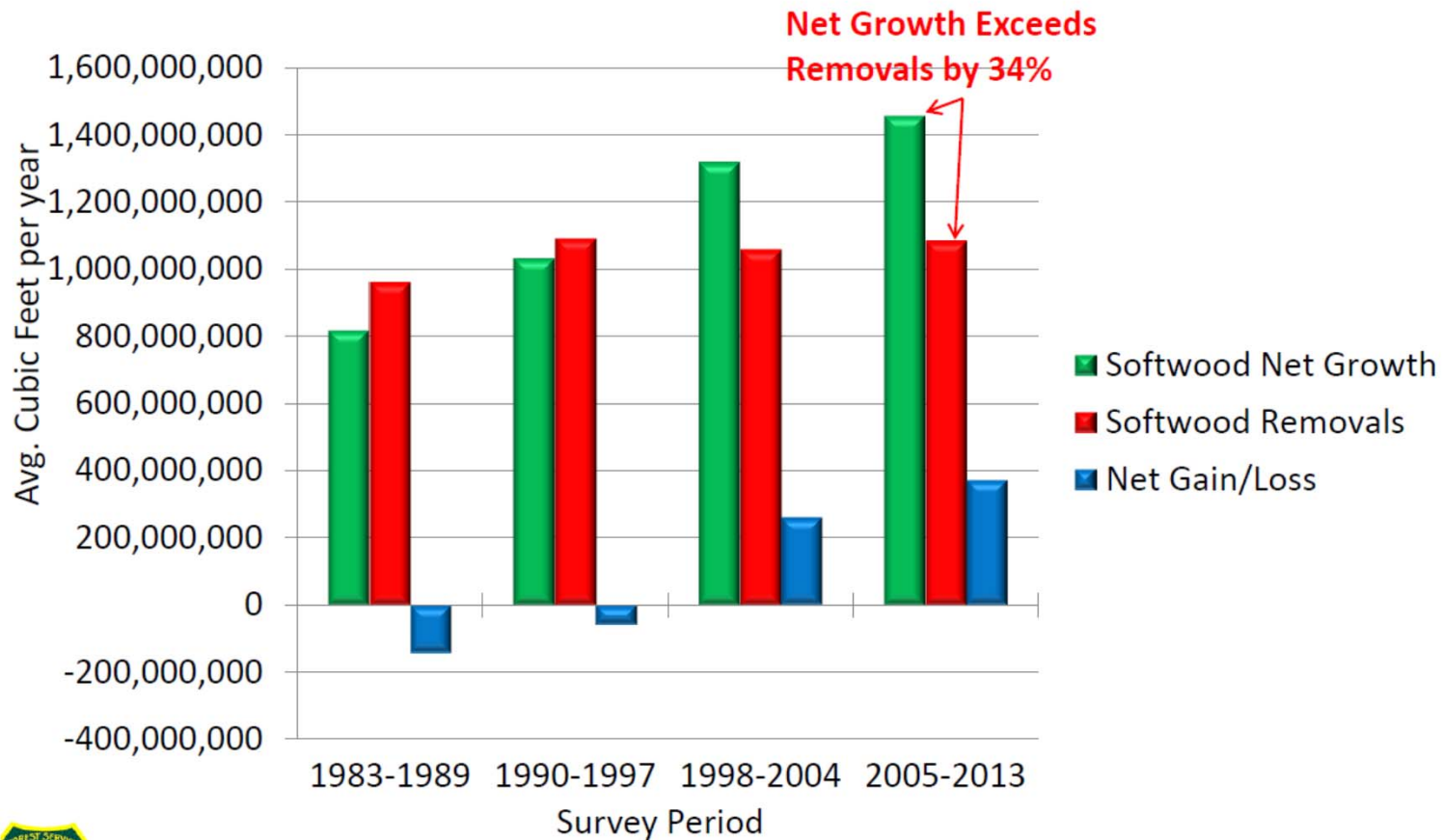
GEORGIA LOG MARKET DYNAMICS



- 25 million acres forested in Georgia.
- 98% available for commercial use.



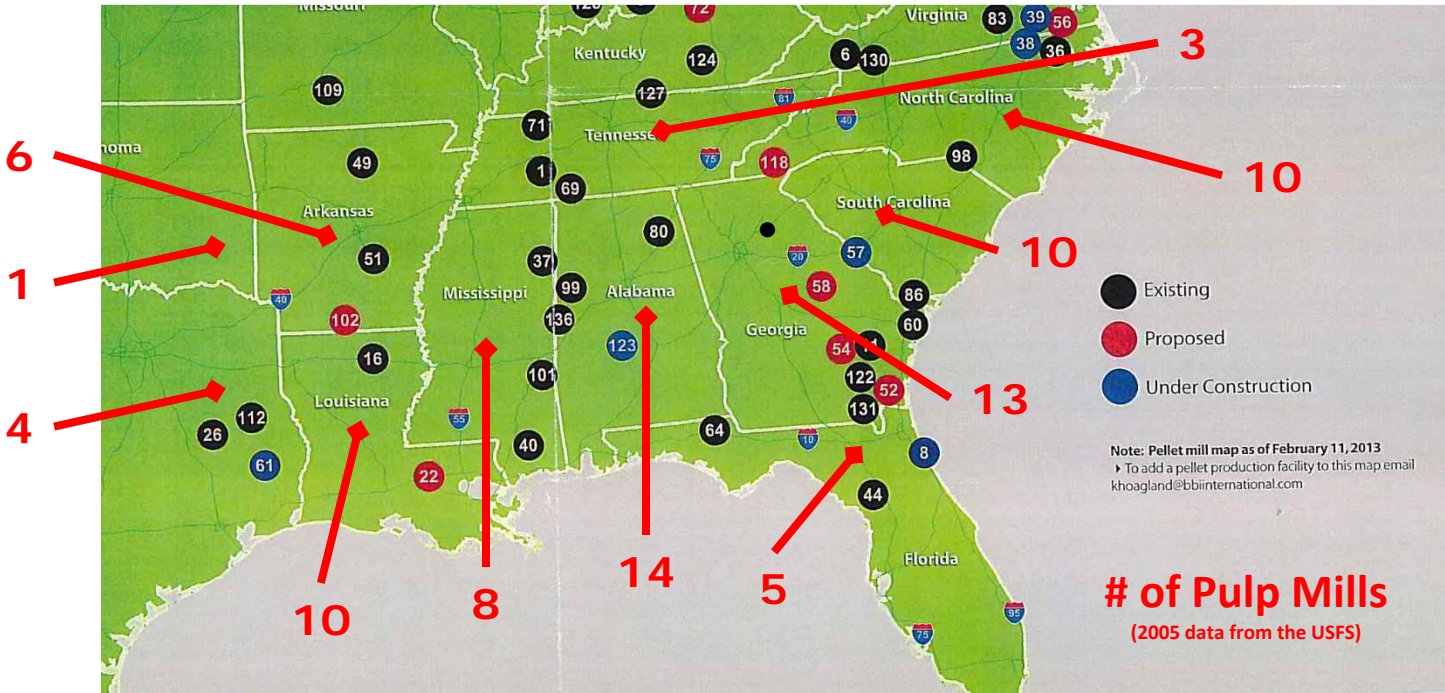
GEORGIA LOG MARKET DYNAMICS



Source: US Forest Service FIA Data 2013 and The Georgia Forestry Commission

RESIDUALS MARKET

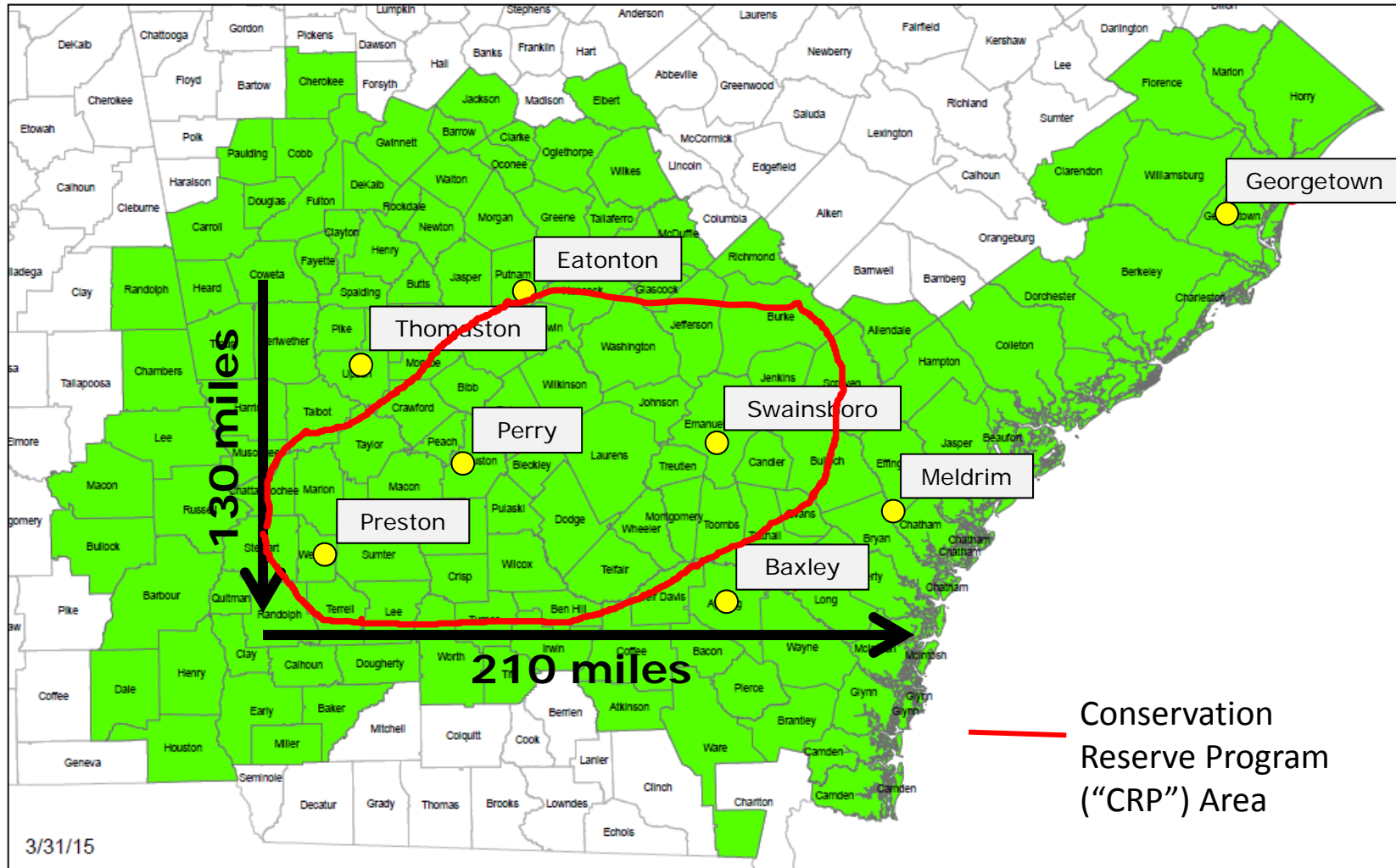
- Very strong presence of pulp mills
- Nearly all states also have one or more particleboard plants
- The biofuel market, particularly export pellets to Europe, is impactful



INTERFOR TIMBER TYPE UTILIZED

Timber Product Class				
	Super Pulpwood	Chip-n-Saw	Sawtimber	Large Sawtimber
Baxley		X	X	
Eatonton	X	X		
Georgetown	X	X	X	
Meldrim		X	X	
Perry		X	X	
Preston		X	X	X
Swainsboro	X	X		
Thomaston		X	X	X

US SOUTHEAST PROCUREMENT AREA



TIMBER PROCUREMENT STRATEGY

- Rayonier contract from March/13 – July/14
 - Now internalized
- Organized to be area/system focused rather than mill focused
 - Optimization of freight and log allocation across the mills
- Heavy gatewood purchases with some supplemental stumpage
- Buy logs with highest margin potential



SALES AND MARKETING

SOUTHERN YELLOW PINE OVERVIEW

- Structural commodity grade used for residential and industrial applications
 - Industrial applications include pallets, trusses, etc.
 - A significant portion of the production is treated and used for decking, landscaping, etc. (wood structure permits efficient and complete absorption of treating chemicals)

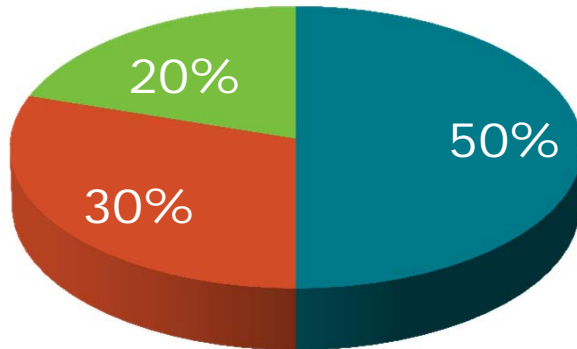


SYP CHARACTERISTICS

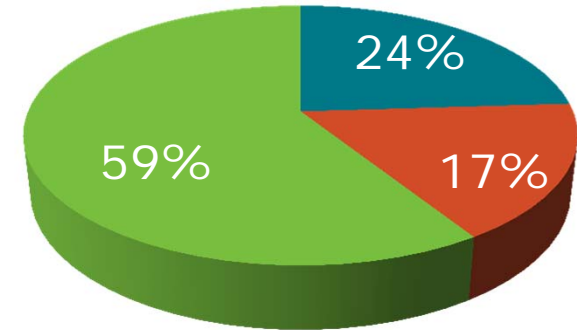
FEATURE	SOUTHERN YELLOW PINE	SPF
Renewable Resource	✓	✓
Recyclable	✓	✓
Energy Efficient	✓	✓
Most Tested Species	✓	
Highest Density	✓	
Superior Treatability	✓	
Stable Supply	✓	

LOGISTICS DIFFERENCES BY REGION

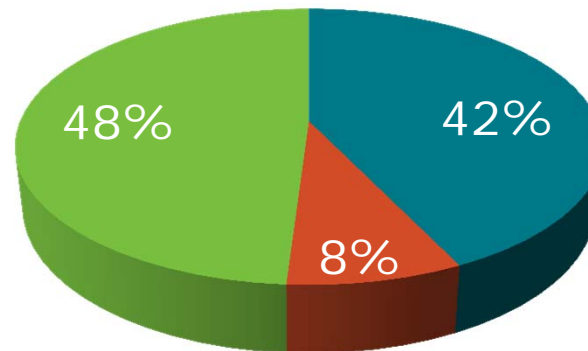
US Southeast



US Northwest



BC Interior

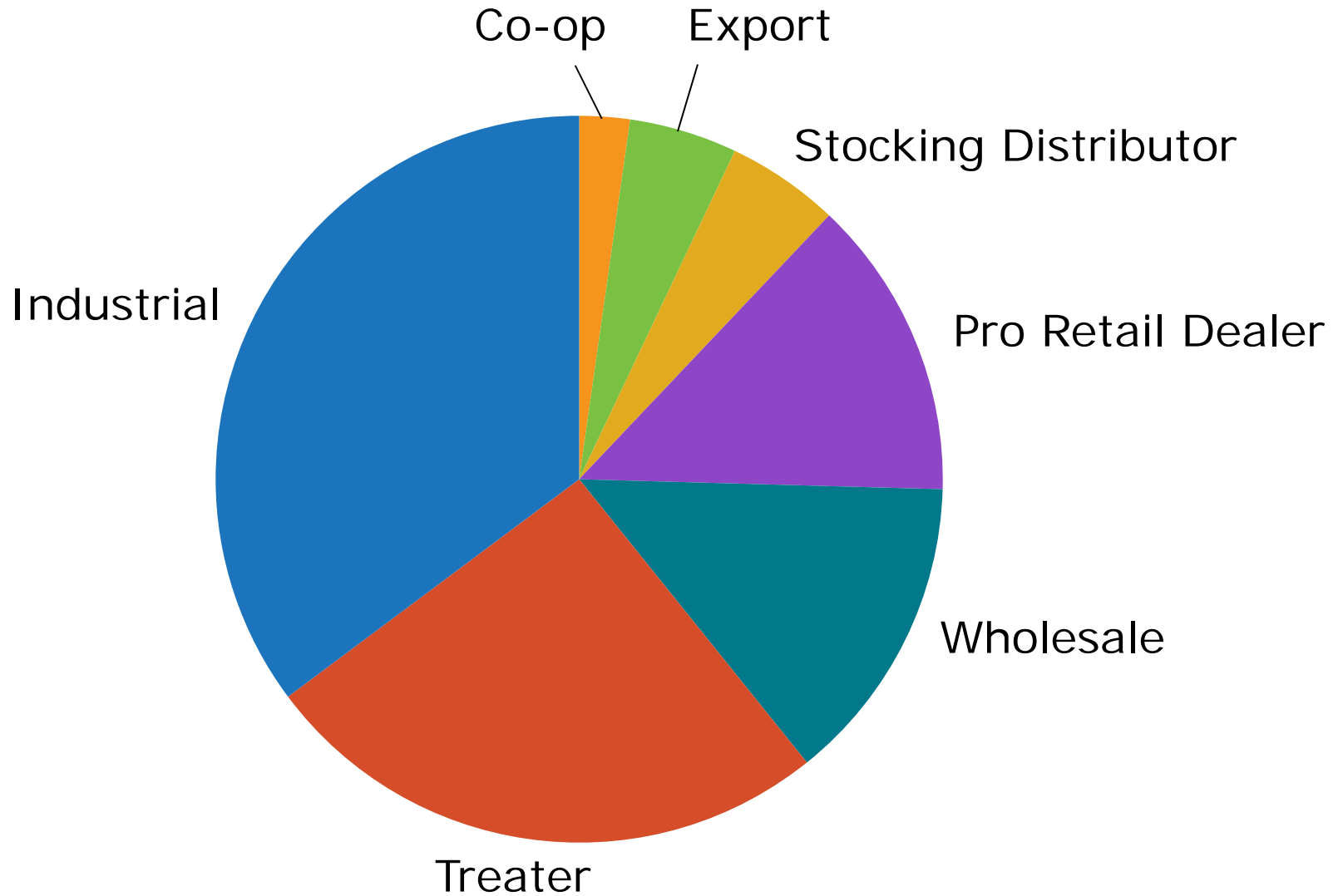


■ Truck ■ CPU ■ Rail

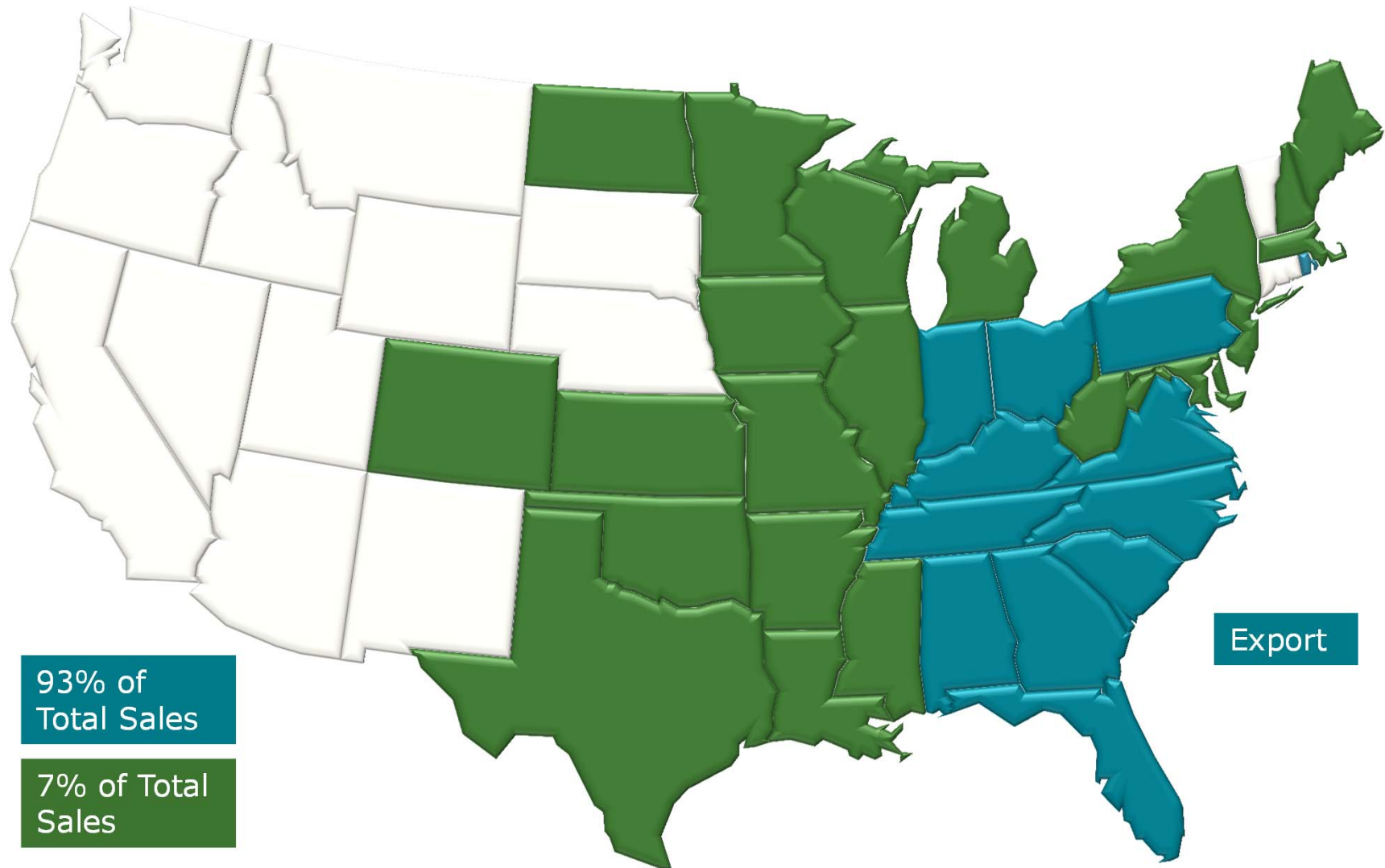
VARIED PRODUCT MIX

	<u>1"</u>	<u>2x4</u>	<u>2x6</u>	<u>2x8</u>	<u>2x10</u>	<u>2x12</u>
Baxley	X	XXX	XX	XX	XX	
Swainsboro	X	XXX	XX			
Eatonton	X	XXX	XXX	X		
Thomaston	X	XX	XX	XX	XX	XX
Preston	X	XX	XX	XX	XX	XX
Perry	X	XX	XX	XX	XX	XX
Meldrim		XX	XX	XX	XX	XX
Georgetown		XXX	XX	XX	X	
Total	2%	37%	26%	15%	12%	8%

SALES BY MARKET SEGMENT



INTERFOR US SOUTH SALES BY STATE



SALES AND MARKETING STRATEGY

- Centralized office in Peachtree City
- Balance the various end markets
- Utilize the mill system to manage product mix in conjunction with market requirements
- Balance between contract and spot business
- Manage traffic/working capital/customer commitments through an internal logistics team
- Work closely with operations
- Customer Promise: Deliver quality products “on spec, on time, every time”

