



## Interfor Corporation

Vancouver, BC

January 7, 2015

### **Interfor Announces \$60 Million Bought Deal Offering of Subscription Receipts**

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IN THE UNITED STATES.*

**INTERFOR CORPORATION** ("Interfor" or the "Company") (TSX: IFP) announced today that it has entered into an agreement with a syndicate of underwriters (the "Underwriters") led by RBC Capital Markets and Raymond James to sell 3,000,000 subscription receipts (the "Subscription Receipts") at a price of \$20.10 per Subscription Receipt, for aggregate gross proceeds of \$60,300,000 (the "Offering"). Interfor has also granted the Underwriters an over-allotment option, exercisable in whole or in part at closing of the Offering or any time until the earlier of (i) 30 days following the closing of the Offering, (ii) the Termination Date (as defined below), and (iii) the satisfaction of the Escrow Release Condition (as defined below), to purchase up to an additional 300,000 Subscription Receipts at the issue price to cover over-allotments, if any.

On December 18, 2014, the Company announced that it had reached agreement with Simpson Lumber Company, LLC ("Simpson") to acquire (the "Acquisition") Simpson's sawmill operations in Meldrim, GA, Georgetown, SC, Longview, WA and Commencement Bay, WA for consideration of US\$94.7 million, plus working capital and contingent future payments (the "Acquisition Price"). Upon completion of the Acquisition, Interfor's total capacity will increase by 30% to 3.1 billion board feet. The closing of the Acquisition is expected to occur in the first quarter of 2015 (the "Acquisition Closing").

The gross proceeds from the sale of the Subscription Receipts, less 50% of the Underwriters' commission, will be held in escrow pending confirmation by the Company to the Underwriters and the escrow agent that all the conditions precedent to completing the Acquisition other than the payment of the Acquisition Price have been satisfied or waived (the "Escrow Release Condition").

Each Subscription Receipt entitles the holder thereof to receive, for no additional consideration and without further action, one common share of the Company upon the Acquisition Closing. If (i) the Escrow Release Condition is not satisfied by 5:00 p.m. (Vancouver time) on April 30, 2015, (ii) the Acquisition is terminated at any earlier time, or (iii) the Company advises the Underwriters or announces to the public that it does not intend to proceed with the Acquisition (the date upon which any such event occurs being the "Termination Date"), holders of the Subscription Receipts will be entitled to receive the full purchase price of their Subscription Receipts, together with their pro rata share of interest earned thereon.

Net proceeds of the Offering will be used to partially fund the Acquisition Price and thereby provide the Company with ongoing financial flexibility.

The Company intends to apply to list the Subscription Receipts and the common shares of the Company issuable pursuant to the terms of the Subscription Receipts on the Toronto Stock Exchange (the "TSX"). Listing will be subject to the Company fulfilling all of the listing requirements of the TSX. Closing of the Offering is expected to occur on or about January 27, 2015.

For more details on the Acquisition, please refer to the Company's press release dated December 18, 2014 and the preliminary short form prospectus in respect of the Offering.

This press release does not constitute an offer to sell or a solicitation of an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or any state securities law and may not be offered or sold within the United States, or to, or for the account or benefit of, US persons (as defined in Regulation S under the 1933 Act) absent such registration or an applicable exemption from such registration requirements.

### **FORWARD-LOOKING STATEMENTS**

This release contains information and statements that are forward-looking in nature, including, but not limited to, statements containing the words "will" and "is expected" and similar expressions. Such statements involve known and unknown risks and uncertainties that may cause Interfor's actual results to be materially different from those expressed or implied by those forward-looking statements. Such risks and uncertainties include, among others: completion of the Acquisition, satisfaction of the conditions to the Offering in a timely manner, general economic and business conditions, product selling prices, raw material and operating costs, changes in foreign-currency exchange rates, and other factors referenced herein and in Interfor's Annual Report and Management Information Circular available on [www.sedar.com](http://www.sedar.com). The forward-looking information and statements contained in this report are based on Interfor's current expectations and beliefs. Readers are cautioned not to place undue reliance on forward-looking information or statements. Interfor undertakes no obligation to update such forward-looking information or statements, except where required by law.

### **ABOUT INTERFOR**

Interfor is a growth-oriented lumber company with operations in Canada and the United States. The Company has annual production capacity of 2.4 billion board feet and offers one of the most diverse lines of lumber products to customers around the world. For more information about Interfor, visit our website at [www.interfor.com](http://www.interfor.com).

For further information:

John A. Horning  
Executive Vice President and Chief Financial Officer  
(604) 689-6829

Martin L. Juravsky  
Senior Vice President, Corporate Development and Strategy  
(604) 689-6873