



## Interfor Corporation

Vancouver, BC

May 7, 2015

### **Interfor to Acquire Arkansas Sawmill From The Price Companies**

- **Consideration of US\$29.255 million, plus closing inventory and other capital expenditure related adjustments**
- **Creates a complementary presence on the West Side of the US South**
- **Increases Interfor's US South capacity to over 1.3 billion board feet and raises the proportion of Interfor's total capacity in the US South to more than 40%**
- **Significant operational improvement opportunities at the mill**

**INTERFOR CORPORATION** ("Interfor" or the "Company") (TSX: IFP) announced today that it has reached an agreement with The Price Companies, Inc. ("Price") to acquire Price's sawmill in Monticello, Arkansas (the "Monticello Sawmill").

The Monticello Sawmill is located in Southern Arkansas, approximately 90 miles southeast of Little Rock.

For the last 12 months ended March 31, 2015, the Monticello Sawmill produced approximately 75 million board feet of lumber. In addition, the mill has a number of operational and capital investment initiatives underway, including the construction of a continuous dry kiln that is expected to be completed in the third quarter of 2015. These initiatives should increase the mill's near-term production to more than 100 million board feet per year<sup>1</sup> and provide for drying capacity of approximately 150 million board feet per year.<sup>1</sup>

As a result of this transaction, Interfor's total annual lumber capacity will increase to 3.2 billion board feet, reinforcing its position as the fastest growing lumber company in the world. The Company's lumber capacity in the US Southeast will total 1.3 billion board feet, representing more than 40% of the Company's total pro forma capacity.

"This transaction is another illustration of our strategy to grow in regions with strong timber baskets and access to important lumber markets," said Duncan Davies, Interfor's President and CEO. "The Monticello Sawmill fits these criteria, as well as having significant upside from initiatives that are underway and on the drawing board."

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<sup>1</sup> Based on normal operating hours.

The purchase price parameters are consistent with Interfor's recent acquisitions in the US South. The transaction is expected to be accretive to Interfor's results immediately on closing.

### ***Transaction Overview***

The purchase price for the Monticello Sawmill will be US\$29.255 million, plus closing log and lumber inventories, and adjustments related to Price's pre-closing capital expenditure payments for designated capital projects.

As of March 31, 2015, Interfor had a Net Debt to Invested Capital ratio of 34%. The Company has additional liquidity under its bank credit facilities in excess of \$170 million and will draw on those facilities to fund the transaction.

The completion of the transaction is subject to customary conditions and is expected to close in June 2015.

A [presentation](#) will be posted to the [website](#) regarding the transaction.

### **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", "plans" 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: satisfaction of the conditions to the completion of the Monticello Sawmill acquisition in a timely manner, if at all, uncertainties related to the realization of the anticipated benefits of the Monticello Sawmill acquisition, 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 Annual Information Form 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.

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### **ABOUT INTERFOR**

Interfor is a growth-oriented lumber company with operations in Canada and the United States. The Company has annual production capacity of more than 3.1 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 the website at [www.interfor.com](http://www.interfor.com).

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