



COMPANY OVERVIEW

August 2014



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 2013 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.

THE INTERFOR WAY

We conduct ourselves with honesty and integrity.

We respect, value and engage our employees.

We embrace world-leading safety and environmental standards.

We are strategic, fact-based and proactive.

We strive for excellence in everything we do.

We are responsible for our own success.



PURE PLAY LUMBER - FOUR REGIONS

BC Coast - 320 MMbf (13%)

- 2 mills
- Cedar, Hem-Fir, Douglas-Fir
- Specialty

BC Interior - 720 MMbf (30%)

- 3 mills
- Douglas Fir, Hem-Fir, SPF, Cedar
- Dimension

US Pacific Northwest - 470 MMbf (20%)

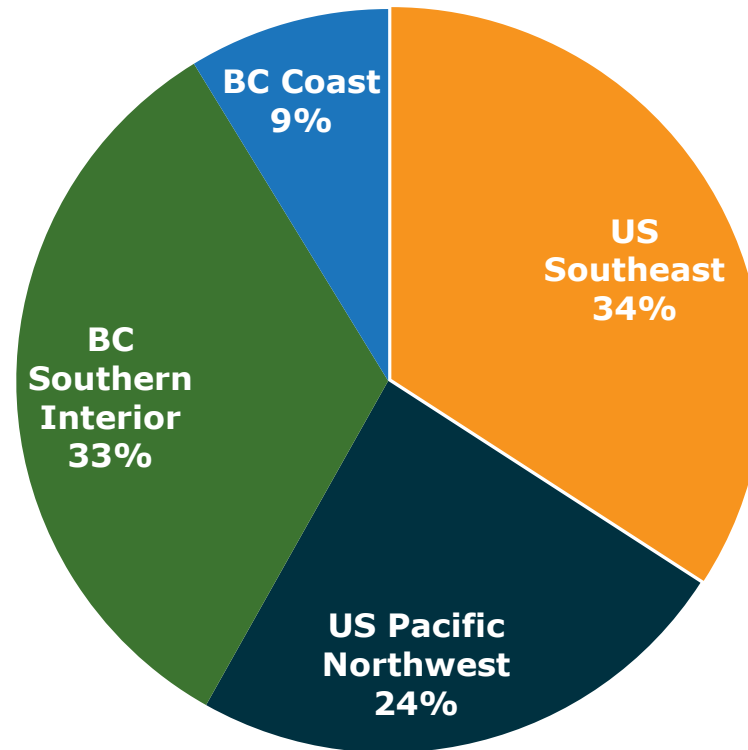
- 3 mills
- Hem-Fir, Douglas-Fir, Speciality Pines
- Studs, Dimension, Speciality

US Southeast - 880 MMbf (37%)

- 6 mills
- Southern Yellow Pine
- Dimension

- 2.4 Bft lumber capacity
- Head office in Vancouver, British Columbia
- Trades on TSX-IFP
- Market capitalization \$1 billion
- Included in S&P/TSX composite index

INTERFOR'S BALANCED PROFILE



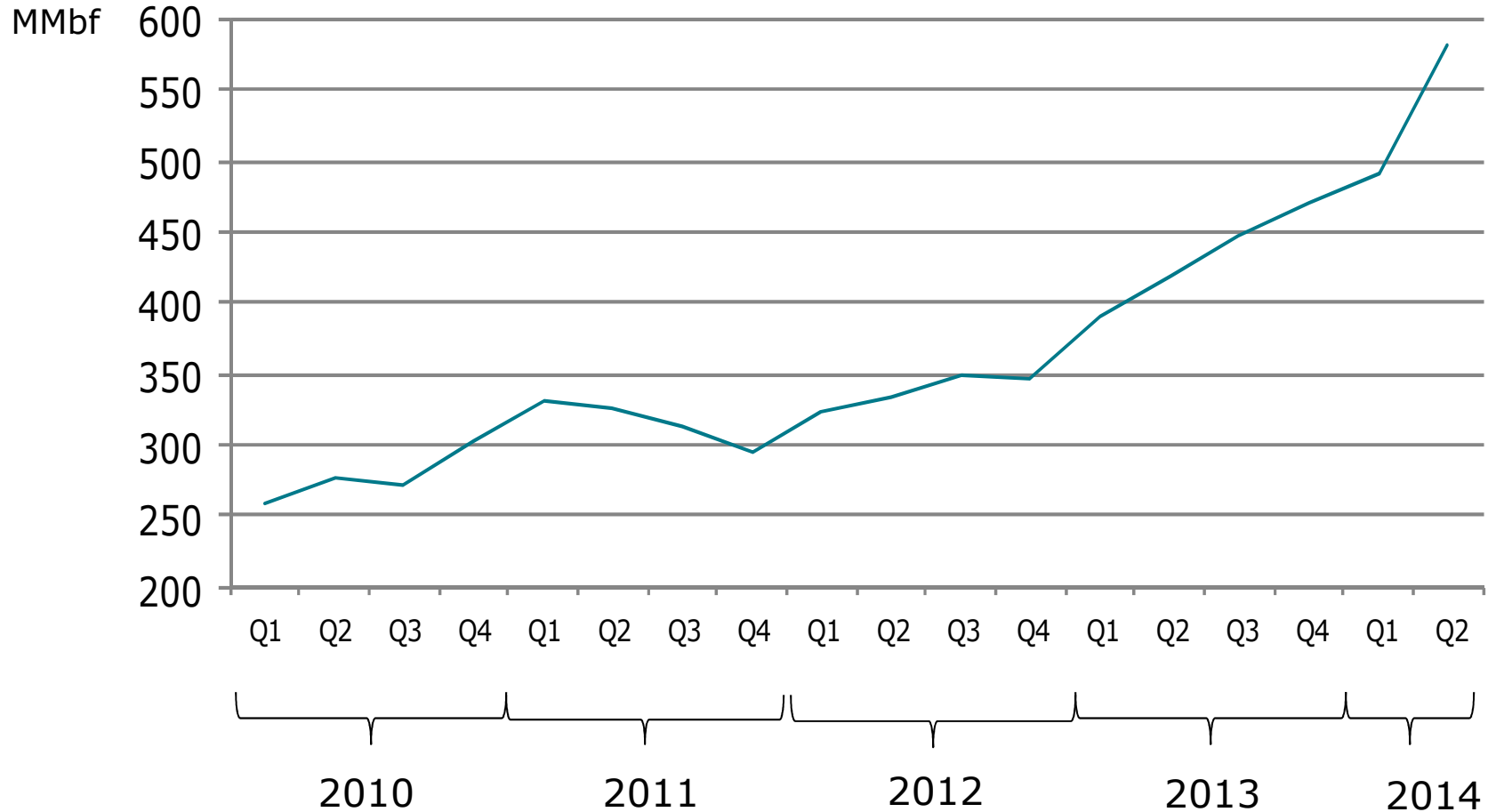
Production Volume 2Q 2014 – 582 MMbf
Operating Rate – 94% (excluding impact of Beaver mill)

INTERFOR TRANSFORMATION

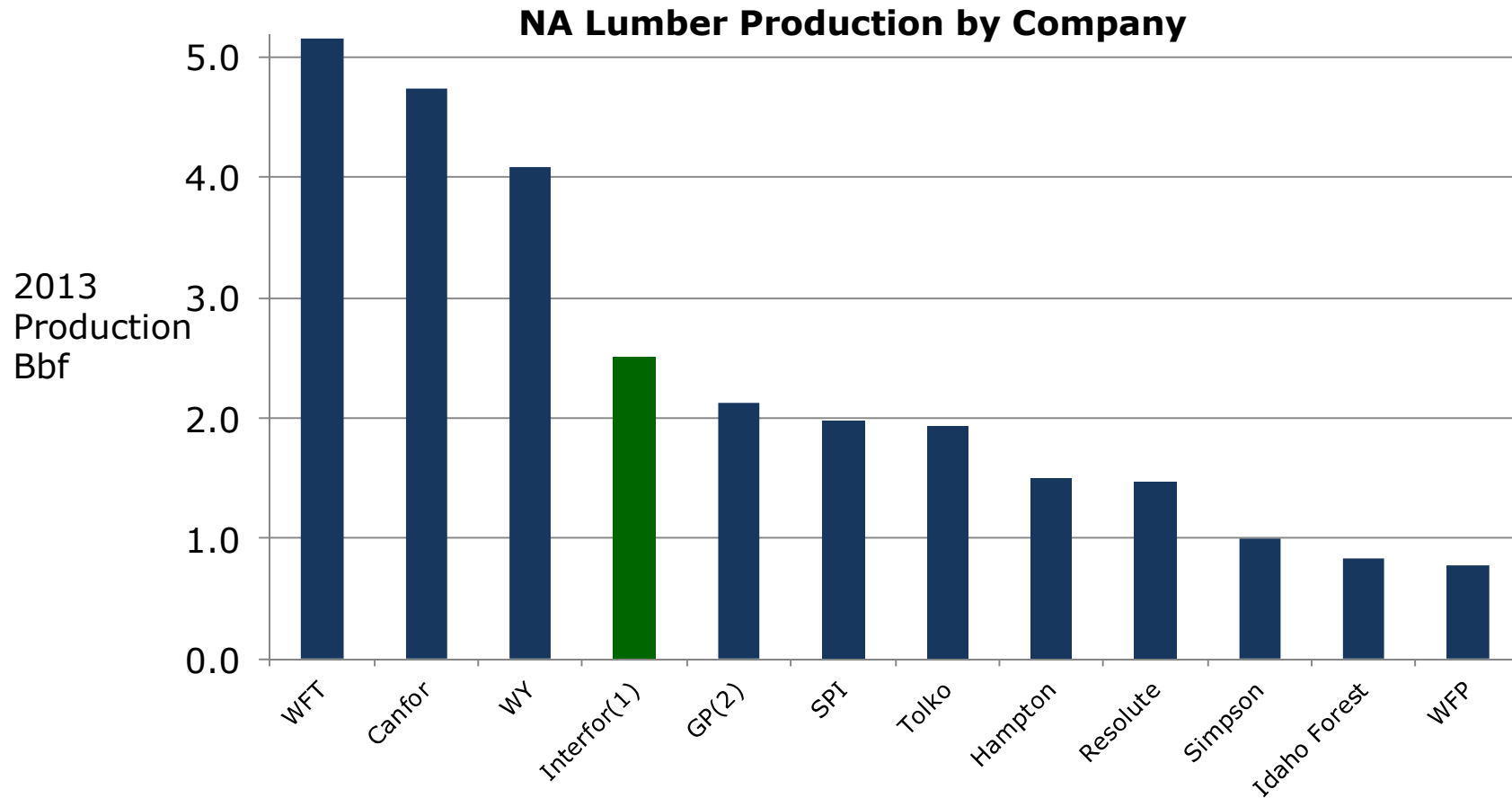
2012	2014
<ul style="list-style-type: none">• Top 10 N.A. lumber producer	<ul style="list-style-type: none">• Top 5 N.A. lumber producer
<ul style="list-style-type: none">• 9 sawmills in 3 regions	<ul style="list-style-type: none">• 14 sawmills in 4 regions
<ul style="list-style-type: none">• No presence in US South	<ul style="list-style-type: none">• Largest lumber producer in Georgia
<ul style="list-style-type: none">• Enterprise value \$400 million	<ul style="list-style-type: none">• Enterprise value \$1.3 billion

PRODUCTION HAS MORE THAN DOUBLED

Quarterly Lumber Production 2010 - 2014



4th LARGEST LUMBER PRODUCER IN N.A.



Source: Wood Markets monthly – March 2014

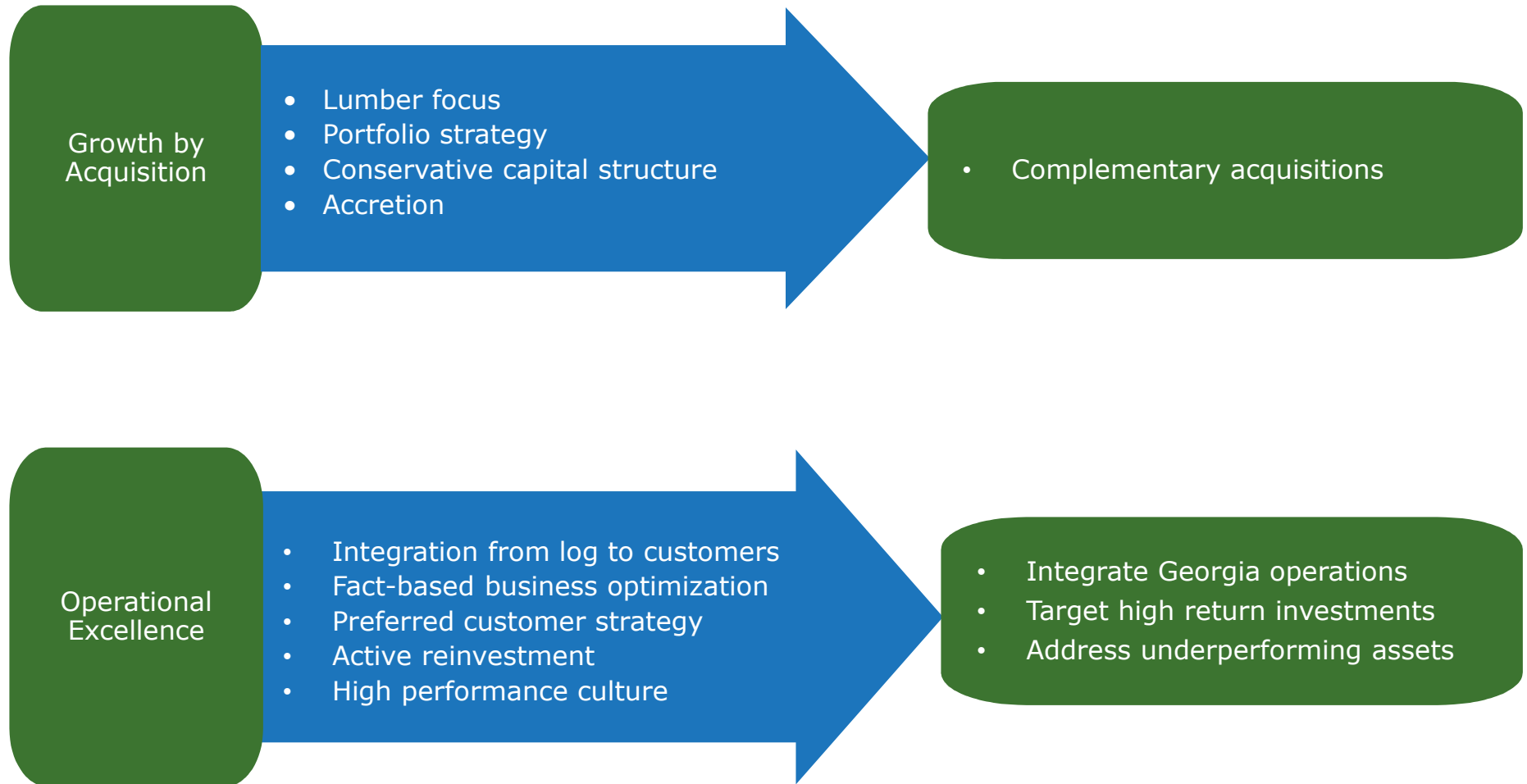
Notes:

(1) Interfor's 2Q 2014 production annualized

(2) GP includes Temple Inland.



INTERFOR STRATEGIC PLAN



HISTORY OF SUCCESSFUL ACQUISITIONS

Year	Business Acquired	Assets	Region
2001	Primex	2 sawmills 2 reman facilities	Coast
2004	Crown Pacific	3 sawmills	PNW
2005	Floragon	1 sawmill	PNW
2008	Pope and Talbot	2 sawmills	BC Interior
2008	Portac	1 sawmill	PNW
2010	Weyerhaeuser BC interior	275,000 m ³ of tenure	BC Interior
2013	Rayonier sawmills	3 sawmills	US South
2013	Springer Creek	174,000 m ³ of tenure	BC Interior
2013	Keadle	1 sawmill	US South
2014	Tolleson	2 sawmills and reman facility	US South

STATE OF THE ART OPERATIONS

- Interfor has invested over \$300 million in various strategic capital projects over the past several years, with additional projects now underway.

Adams Lake, BC



Grand Forks, BC



Port Angeles, Washington



Gilchrist, Oregon



Swainsboro, Georgia

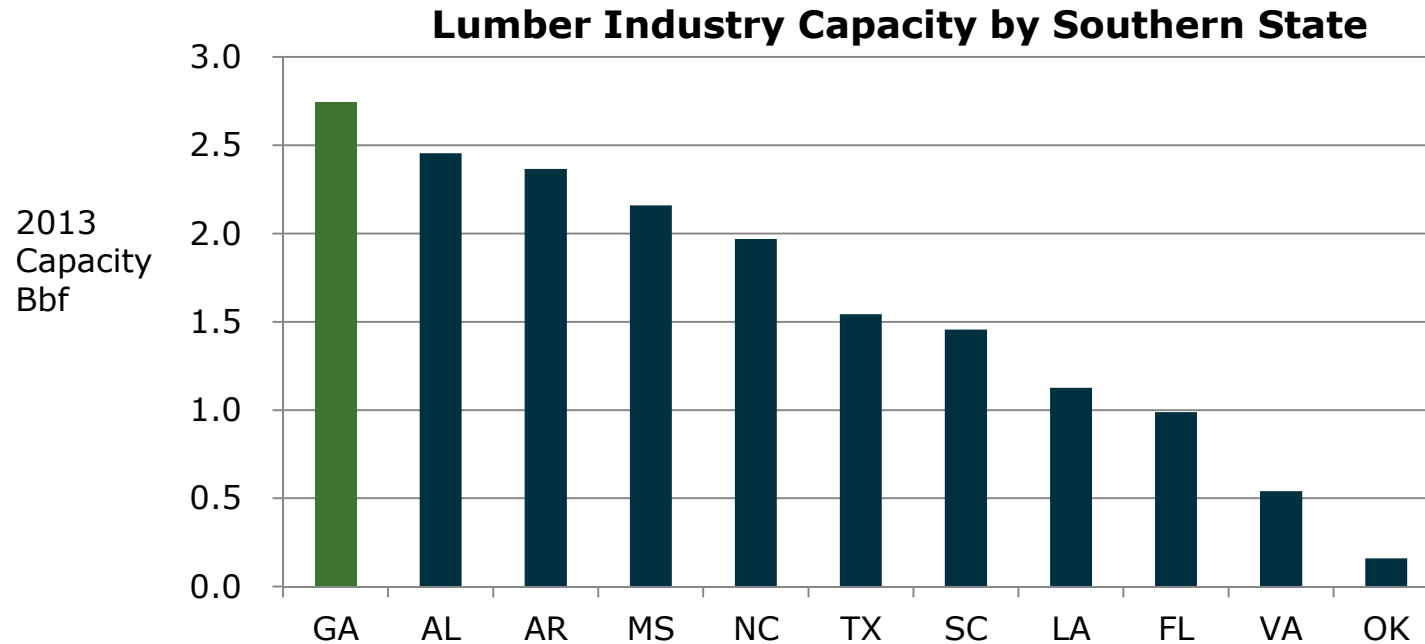


Baxley, Georgia



SIGNIFICANT PRESENCE IN US SOUTH

- Interfor is the largest lumber producer in Georgia – market share >30%.



Source: FEA- December 2013

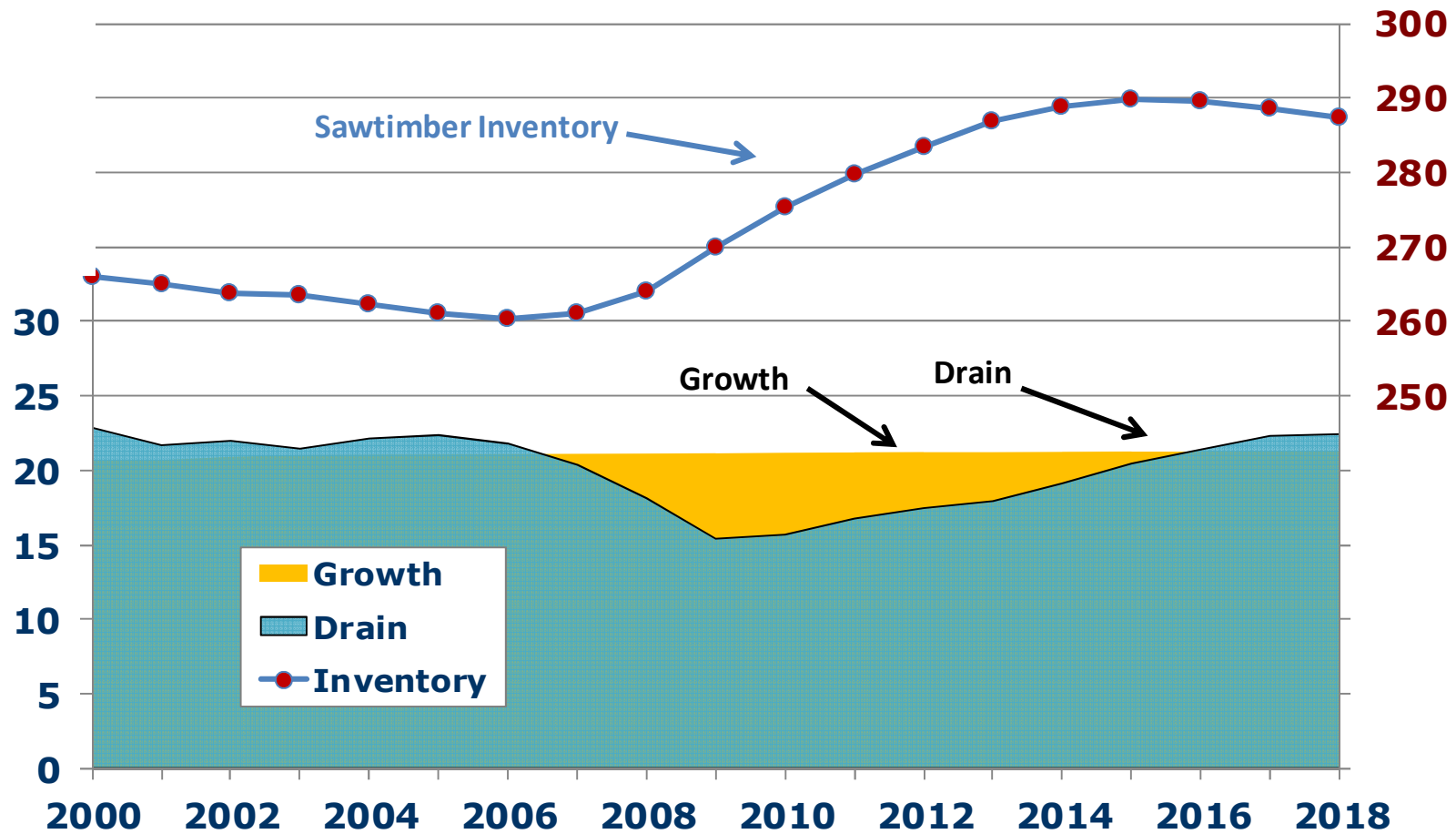
GEORGIA OPERATIONS



FAVOURABLE LOG SUPPLY IN US SOUTH

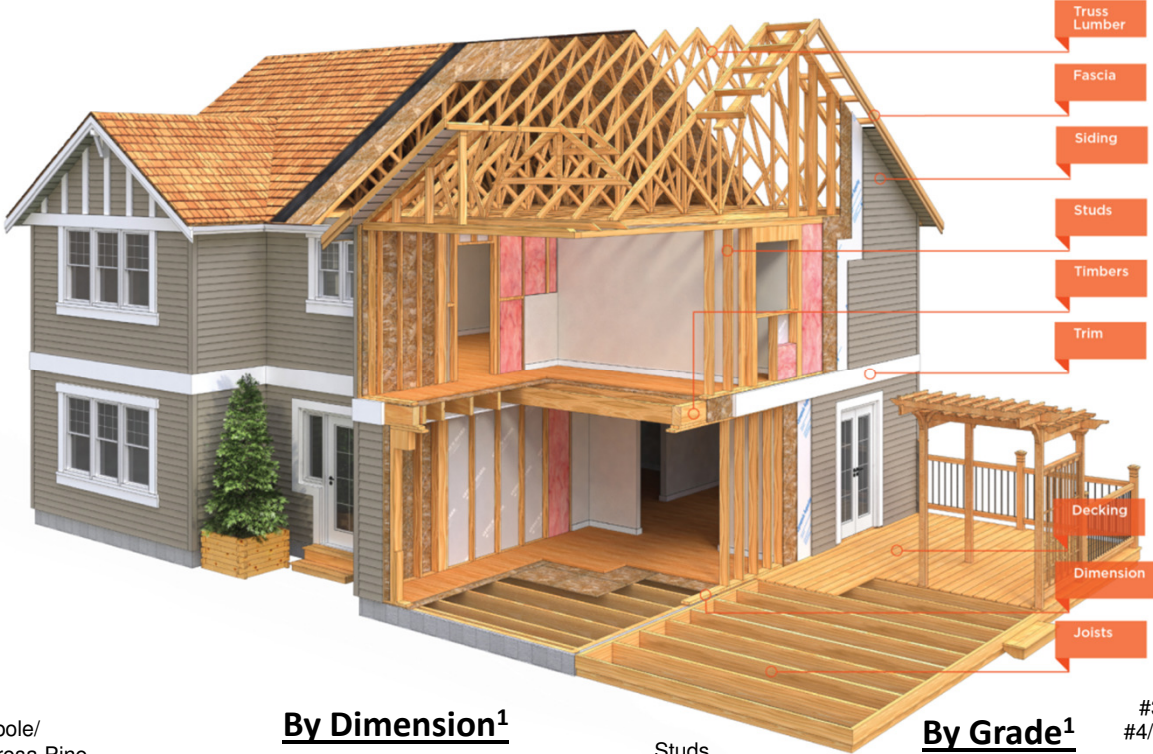
Growth & Drain, Bbf Int'1 1/4"

Inventory, Bbf Int'1 1/4"

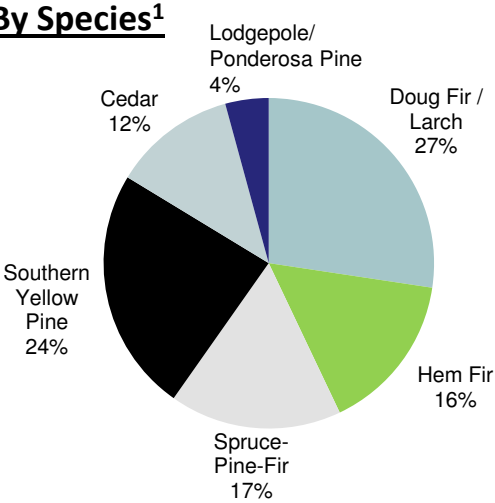


Source: FEA- July 2014

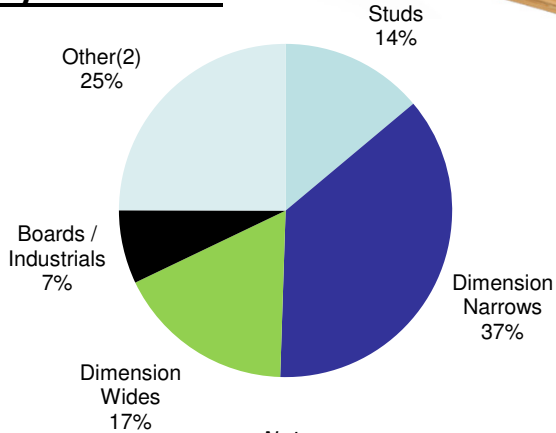
DIVERSE LUMBER MIX



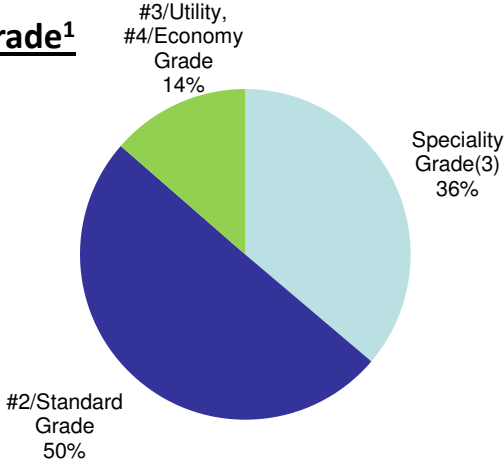
By Species¹



By Dimension¹



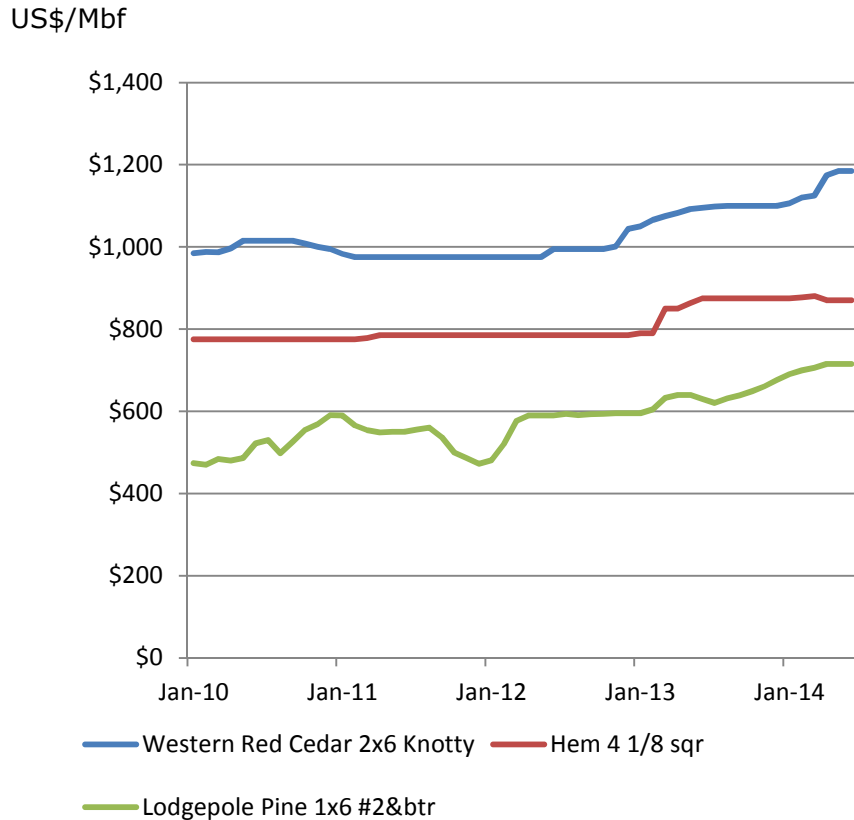
By Grade¹



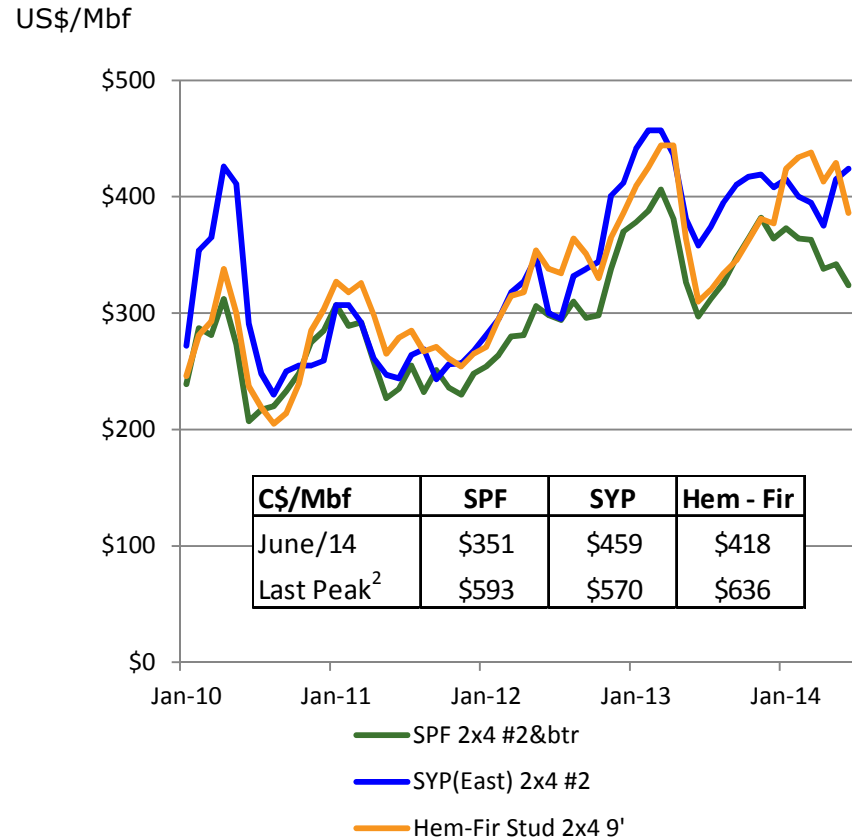
Notes:
 (1) Figures are broken down by value for the 1H of 2014
 (2) Japan squares, cedar siding/decking/fascia and other export dimensions.
 (3) Machine Stress Rated ("MSR"), J-Grade, Elite, Reserve, etc.

PRODUCT DIVERSIFICATION RATIONALE

**Specialty Benchmark Prices
Monthly – Jan 2010 – Jun 2014**



**Commodity Benchmark Prices
Monthly – Jan 2010 – Jun 2014**



Source: Random Lengths – June 2014

Notes:

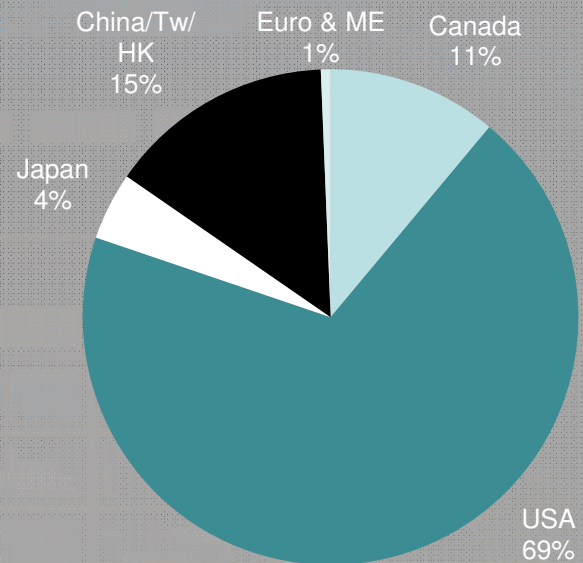
- (1) Average price in US\$/Mbf for the month of June 2014, converted to CAD\$/Mbf at the average USD/CAD foreign exchange rate for the month of June.
- (2) The highest US\$/Mbf quarterly average price in the past 10 years, converted to CAD\$/Mbf at the USD/CAD foreign exchange rate at that time.



DIVERSE MARKET PROFILE



1H 2014 Average Shipments (By Volume)
By End Market



RECENT INITIATIVES/CURRENT FOCUS

US Southeast Operations

- Completed Tolleson acquisition and integrating Georgia operations under Interfor ownership
 - Internalized log procurement
 - Implemented a new management structure
 - Established a regional office (Peachtree City) with centralized management, sales, logistics and administration
- Completing Thomaston 2nd shift capital project and identifying other reinvestment opportunities

Pacific Northwest Operations

- Consolidated operations in Washington State
 - Closed Beaver sawmill (negative contributor to EBITDA)
 - Enhanced the operational opportunities at Port Angeles sawmill
- Completed the installation of a high-speed moulder at Gilchrist sawmill

Canadian Operations

- Refining analysis to prioritize selected high-return capital projects

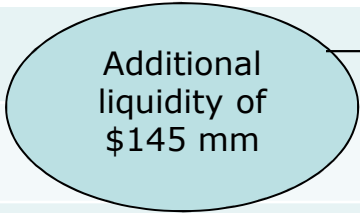
SUMMARY INCOME STATEMENT

- The 2Q results included a full quarter's impact from the Tolleson acquisition

C\$ millions	Q2 2014	Q1 2014
Sales	\$390.2	\$294.8
Adjusted EBITDA ¹	\$47.3	\$39.2
Adjusted EBITDA Margin	12.1%	13.3%
Adjusted EBITDA Margin, excl. Beaver sawmill	12.5%	13.6%
Adjusted EBITDA/Mbf	\$75	\$89
Adjusted EBITDA/Mbf, excl. Beaver sawmill	\$79	\$93

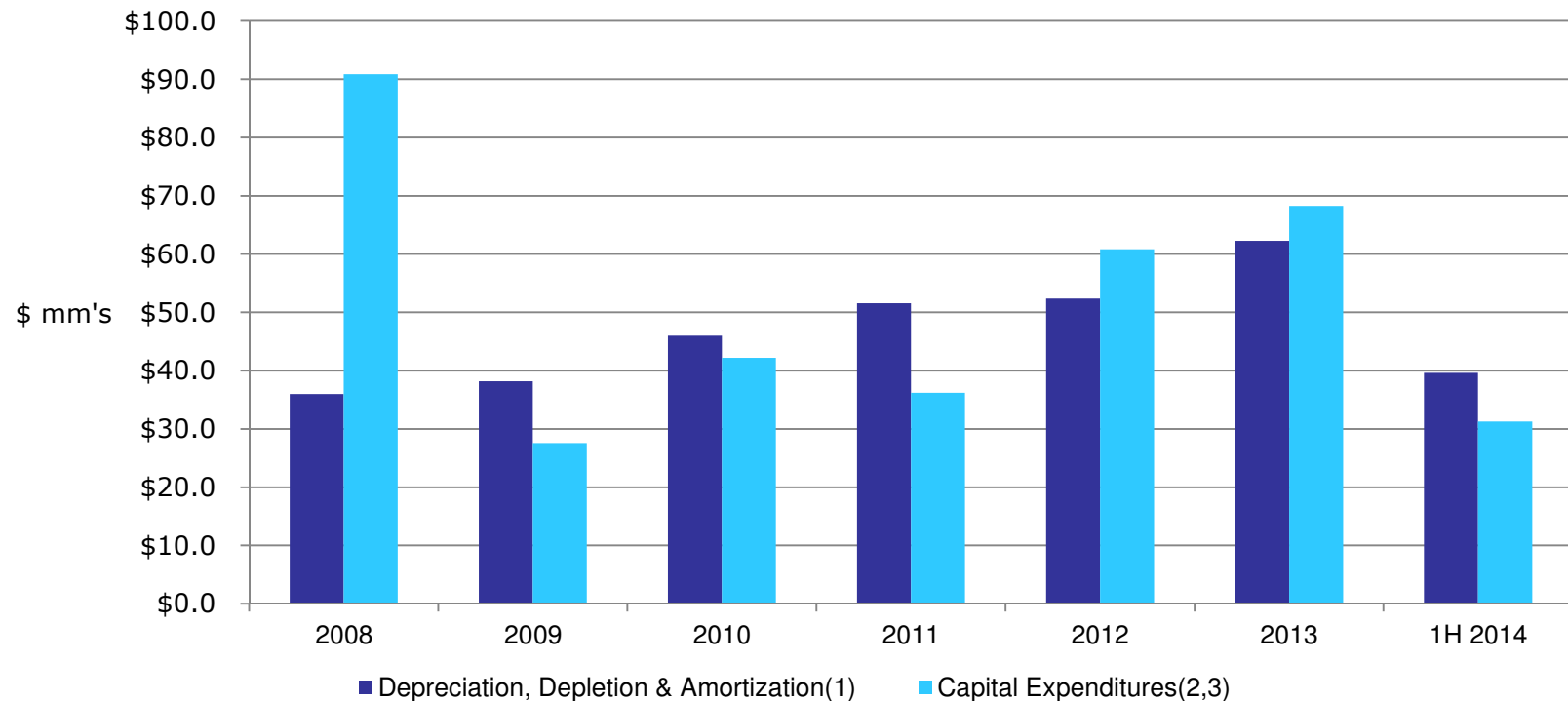
STRONG CAPITAL STRUCTURE

- Interfor has a strong balance sheet, with significant liquidity
 - Average interest rate of approximately 3.4% (65% of debt has locked-in rates)

C\$ millions		June 30, 2014
Net debt		\$237
Book Equity		\$608
Invested capital		\$845
Net debt / invested capital		28%
Net debt/Last quarter annualized Adjusted EBITDA		1.25x

CAPITAL SPENDING PROFILE

- Interfor has continually reinvested in its assets throughout the cycle
- Current focus is on high-return projects



Notes:

- (1) Includes depreciation of plant and equipment and depletion and amortization of logging roads, timbers and other.
- (2) Includes additions to property, plant and equipment, additions to logging roads and additions to timbers and other intangible assets.
- (3) Does not include additions arising from acquisitions.

STRONG SUPPORT FROM THE INVESTMENT COMMUNITY

Firm	Recommendation	Price Target as of Aug 18/14
BNS	Sector Outperform	\$19.25
CIBC	Sector Outperformer	\$22.50
National Bank	Outperform	\$20.00
Raymond James	Strong Buy	\$21.25
RBC	Outperform	\$19.00
Salman Partners	Buy	\$20.00
TD	Buy	\$22.00

The firm recommendations and price target estimates shown above are not based on analyses by Interfor, but on analyses performed by the firms. References to such recommendations and price targets are for information purposes only and do not imply that Interfor supports or confirms in any way the recommendations or price targets of the firms.

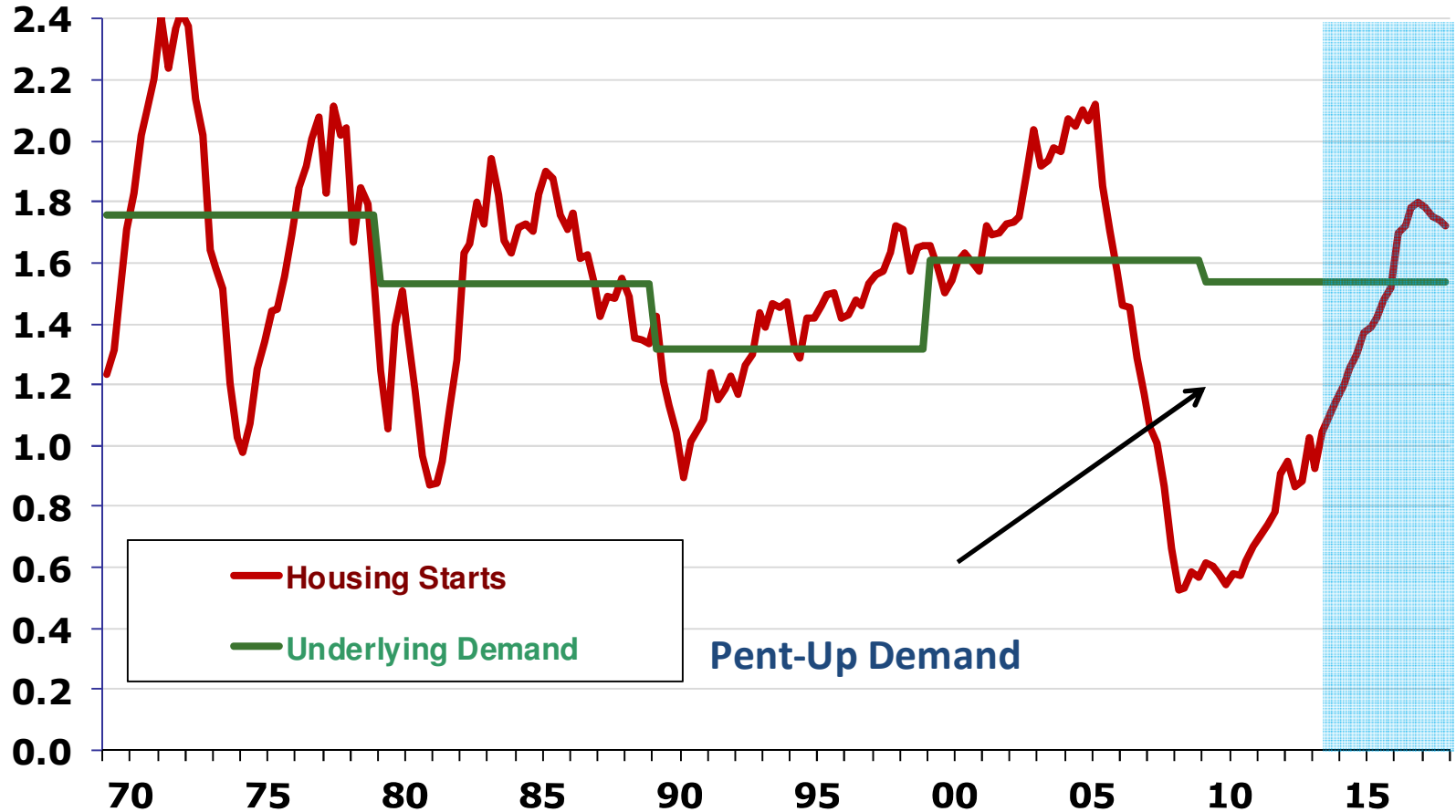
KEY TAKEAWAYS

- Pure play in lumber.
- Track record of growth over the last several years.
 - Acquisitions
 - Strategic capital investments
- Balanced geographic base and diverse product offering.
- Conservative balance sheet with additional financial capacity for future growth.
- Business upside:
 - Internal investments/optimization initiatives
 - External growth
 - Sectoral recovery

APPENDIX

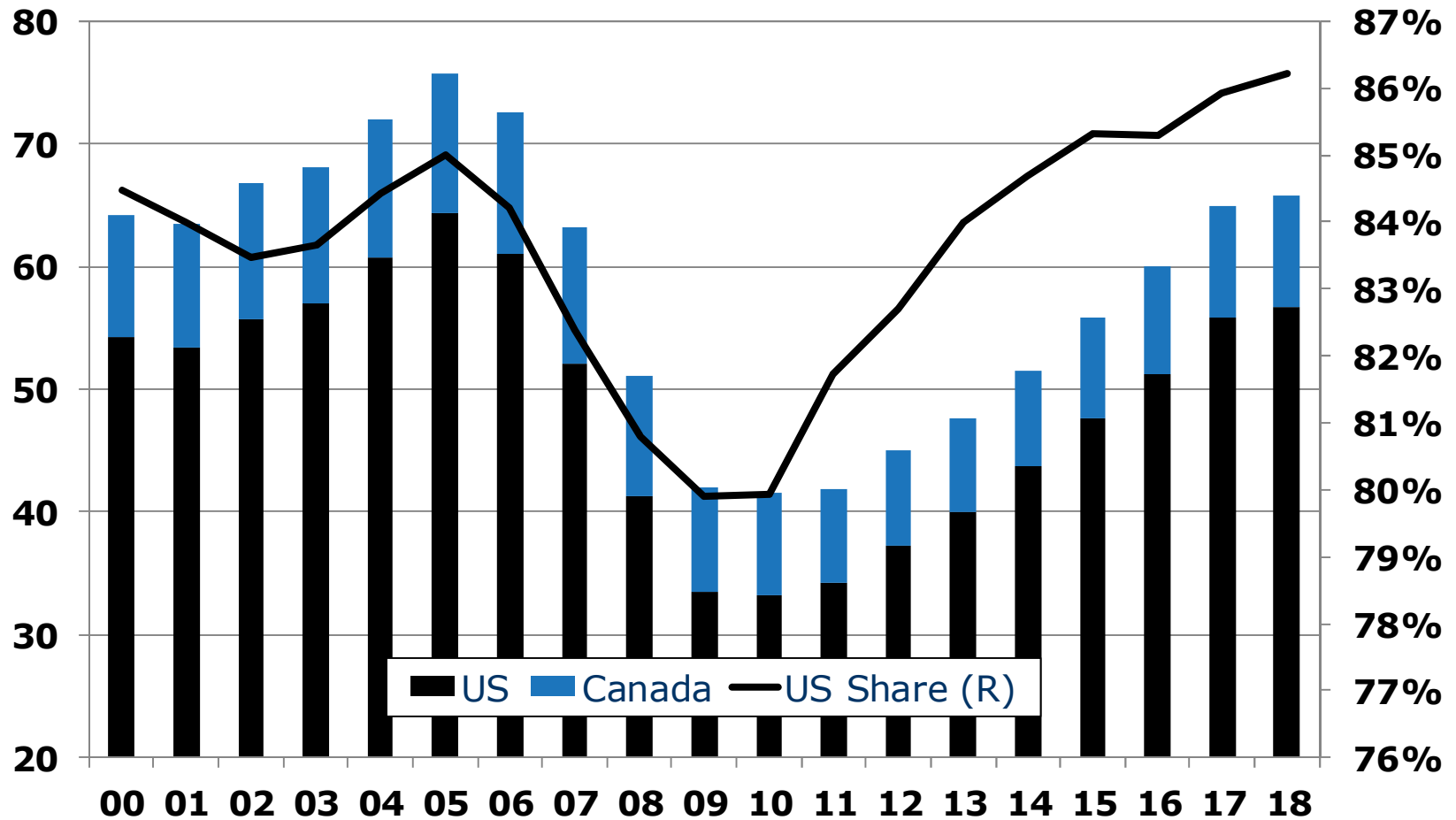
US HOUSING STARTS

Millions (SAAR)

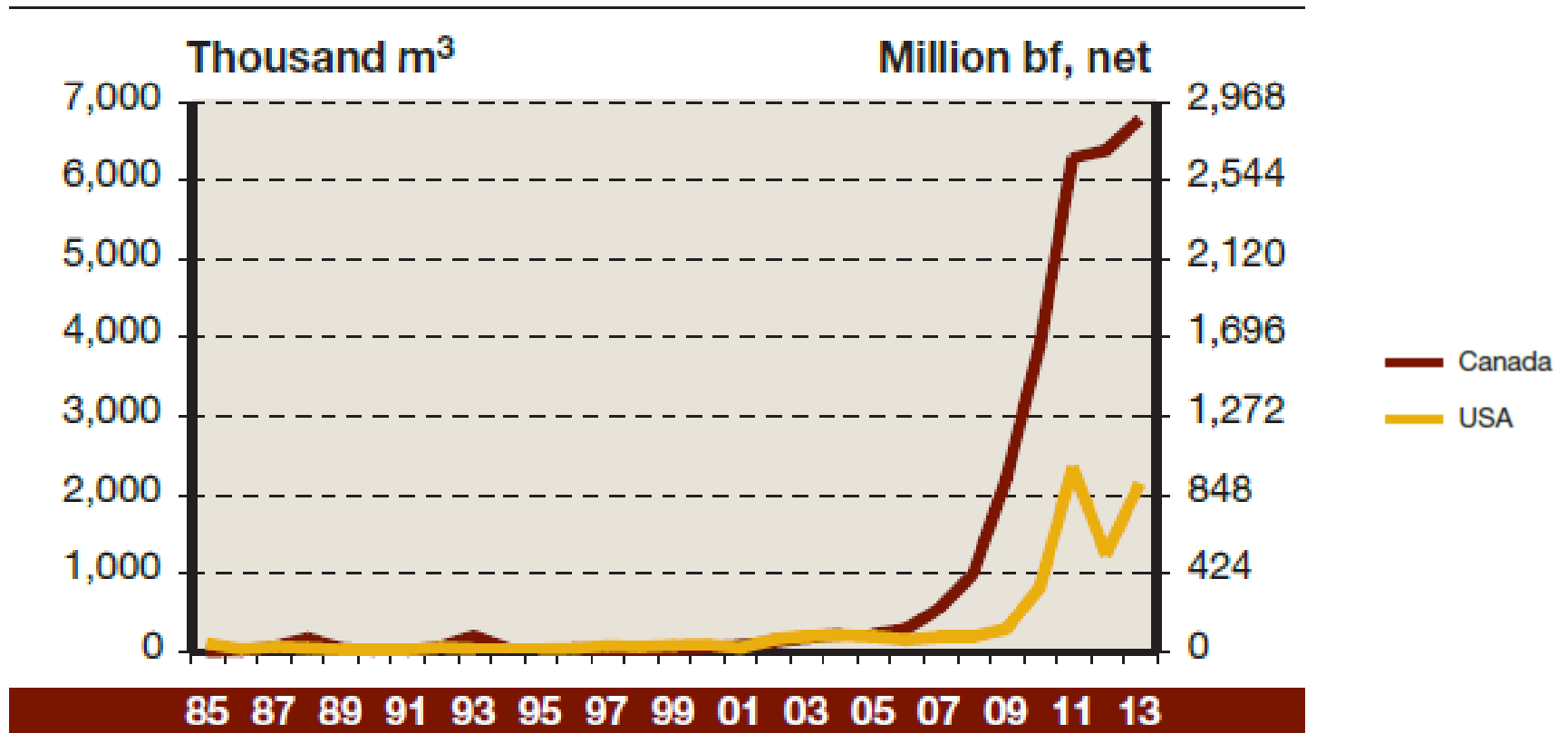


NORTH AMERICAN LUMBER CONSUMPTION

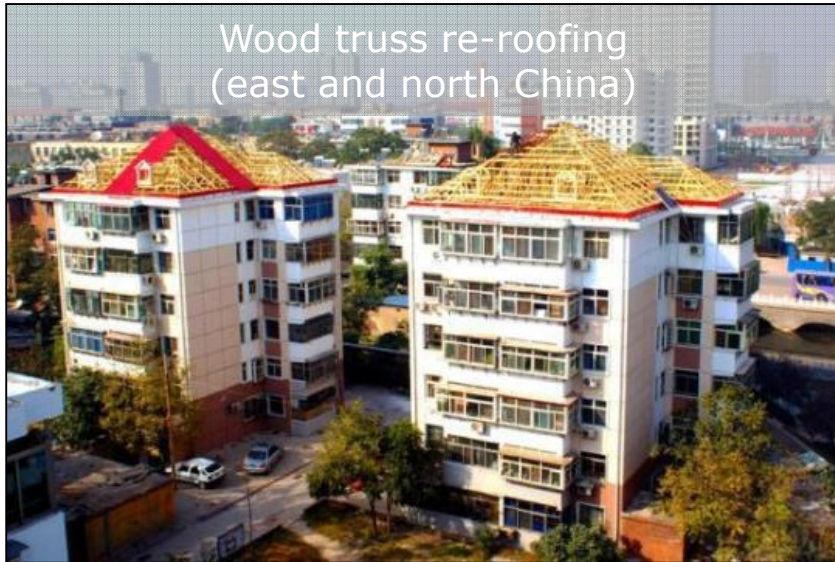
Bbf



NORTH AMERICAN LUMBER EXPORTS TO CHINA



CHINA MARKETS – WOOD FRAME CONSTRUCTION



CHINA MARKETS – SECTORS UNDER DEVELOPMENT

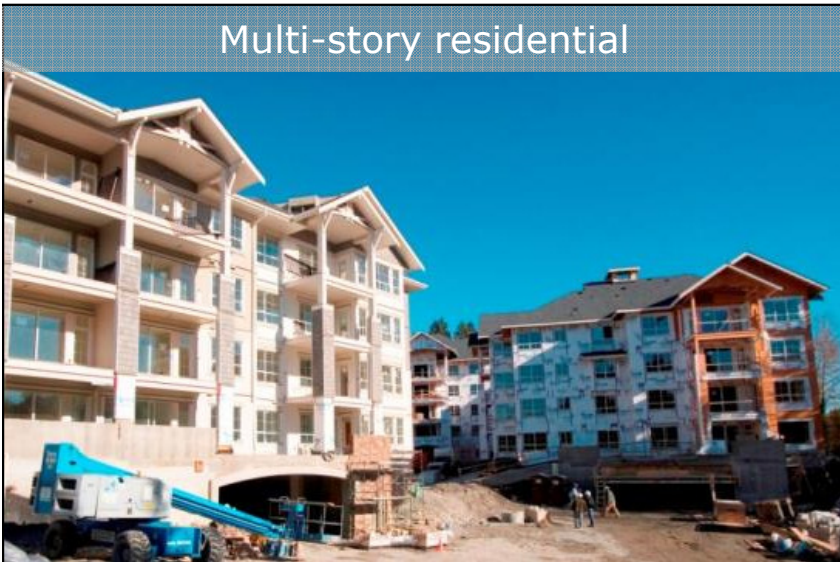
Public buildings



Apartment infill walls / partition walls



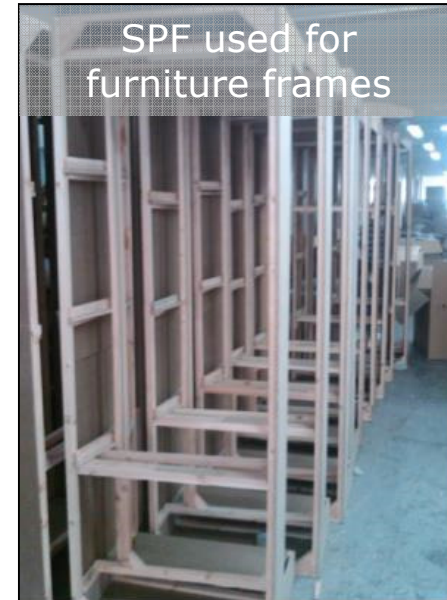
Multi-story residential



Mixed-use hybrid

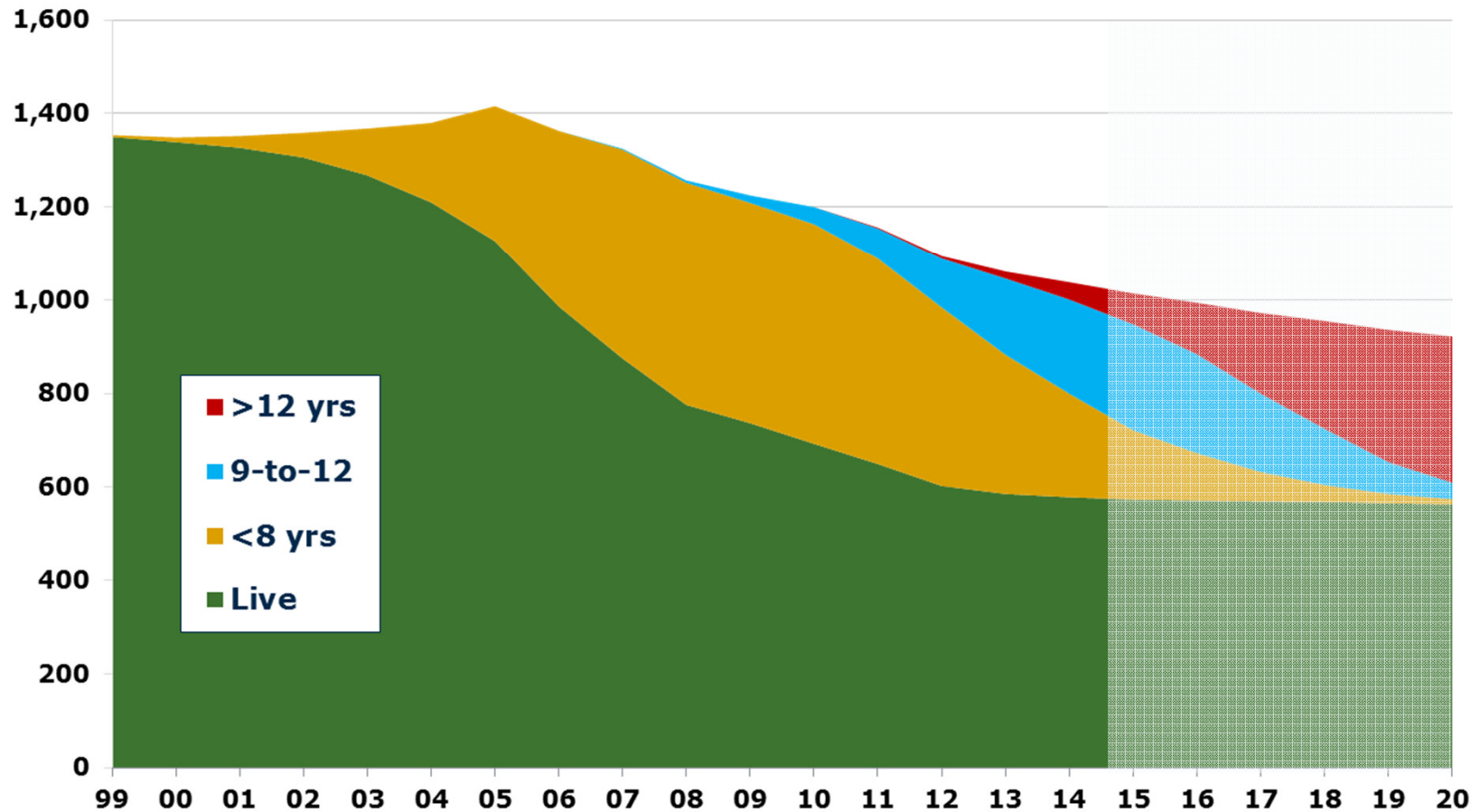


CHINA MARKETS – USE OF BC WOOD



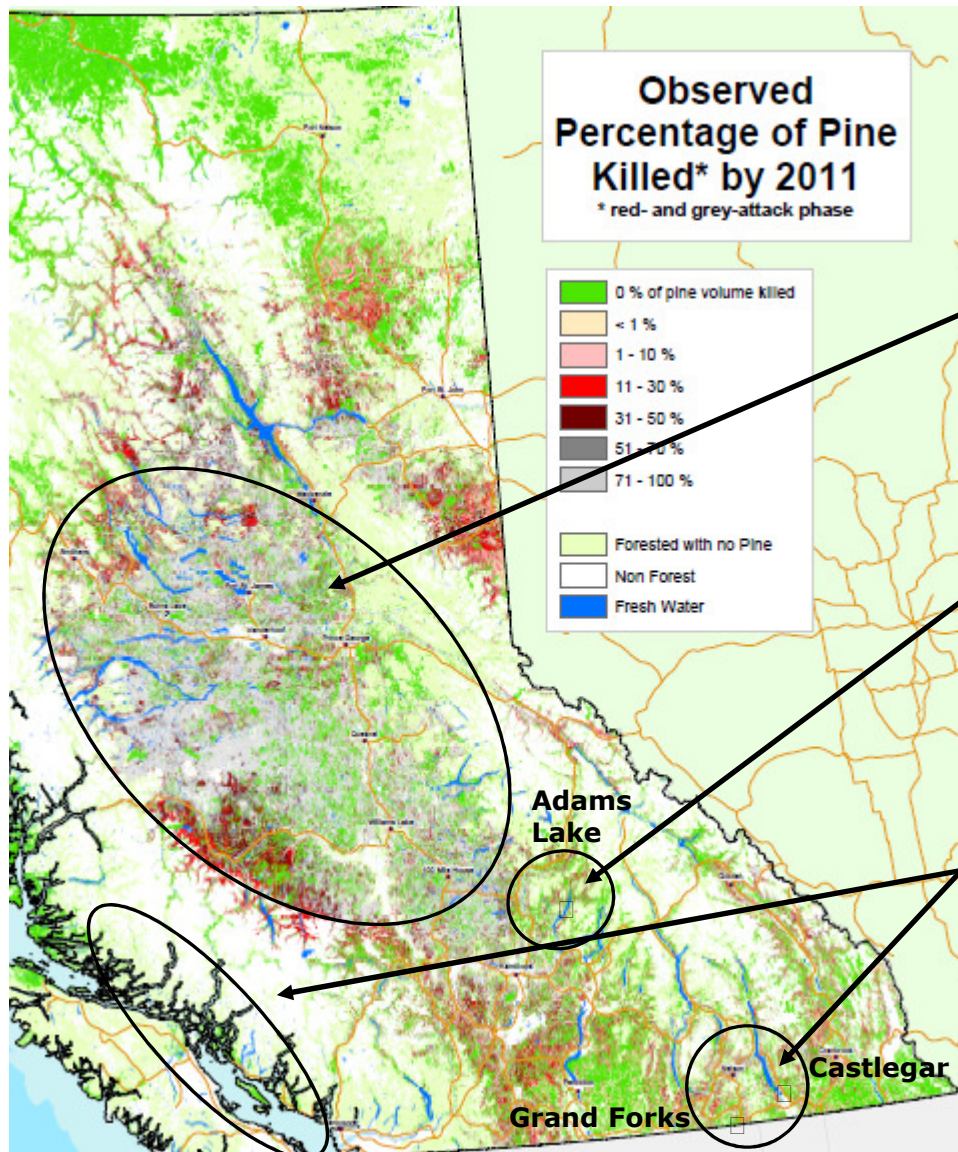
IMPACT OF MOUNTAIN PINE BEETLE (MPB)

Million m³



MPB – AREA AFFECTED

- Interfor's southern BC Interior wood baskets are less exposed to the MPB than BC's central and northern interior regions; the Coast is not exposed.

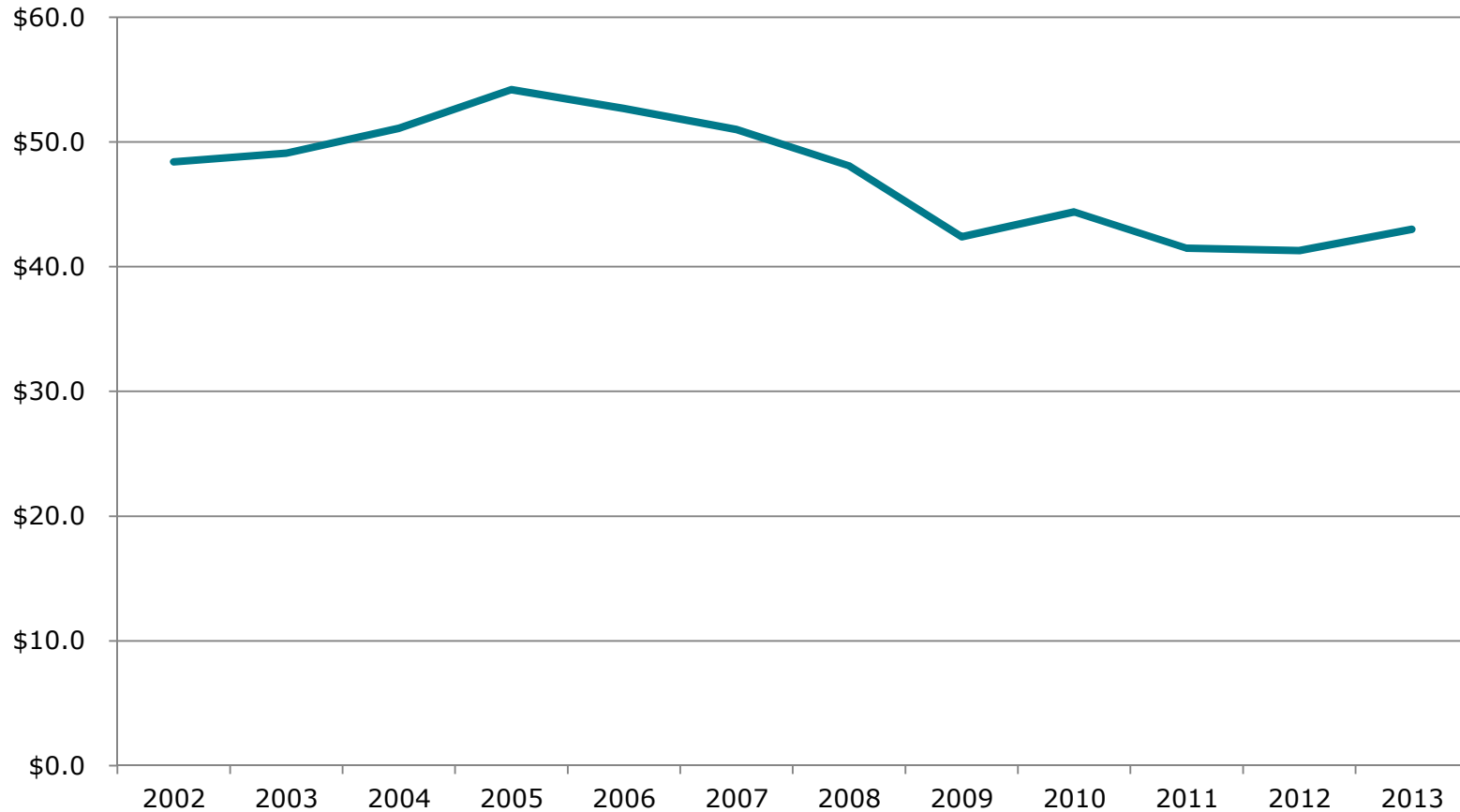


	Interfor AAC ¹ MMm ³
Central and Northern BC 50 – 75% Pine	0.0
Adams Lake in Southern BC 28 – 30% Pine	0.5
Castlegar & Grand Forks in Southern BC 17% Pine	1.2
Coastal BC Woodlands No Pine	2.0
	<hr/>
	3.7

¹. Annual Allowable Cut (million m³)

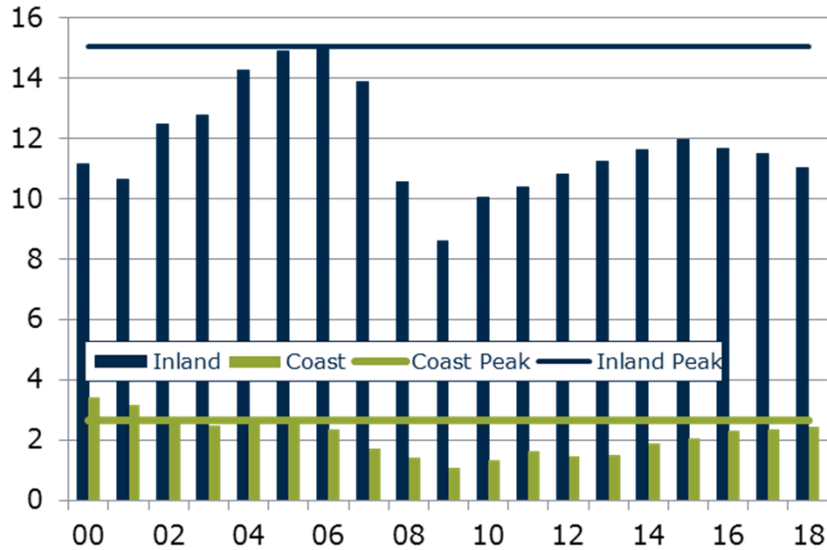
US SOUTH SAWTIMBER PRICES

US\$/Ton
(Nominal \$'s)

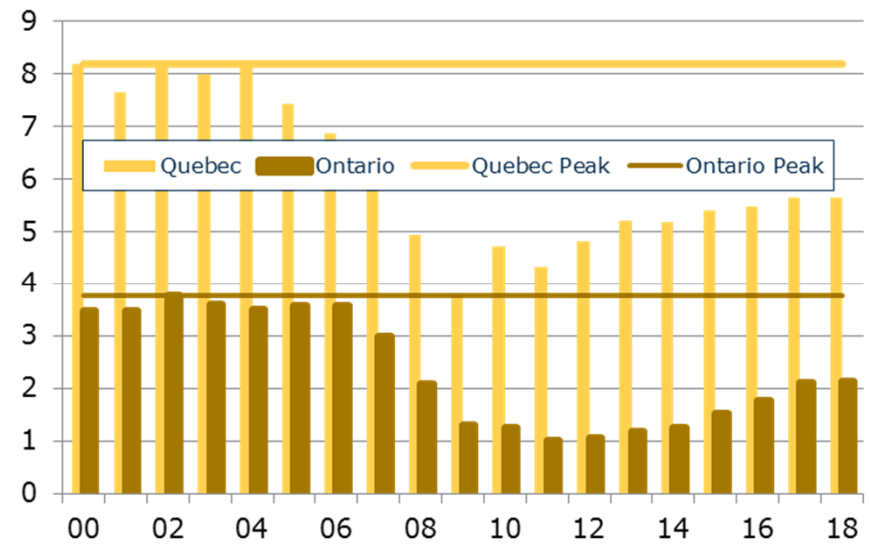


REGIONAL PRODUCTION VS PEAK (Bbf)

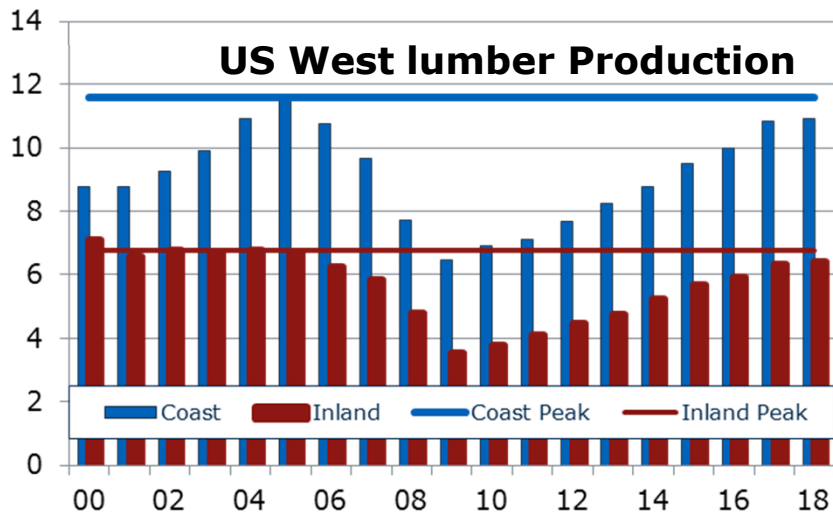
BC Lumber Production



Eastern Canada Lumber Production



US West Lumber Production



US South Lumber Production

