



INVESTOR UPDATE
ACQUISITION OF TOLLESON LUMBER

February 10, 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 2012 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.

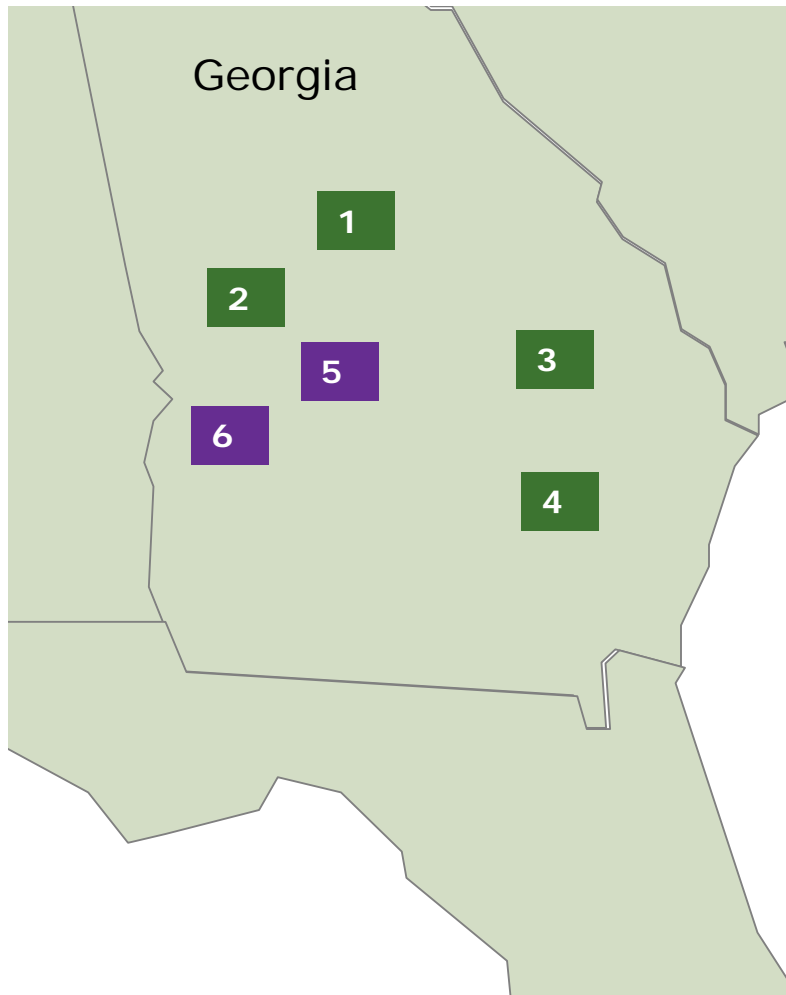
TOLLESON - SUMMARY TERMS

- Total consideration of US\$180 million⁽¹⁾.
 - US\$129.9 million cash/retained liabilities
 - 3.68 million Interfor shares (5.5% pro forma interest)
- Tolleson assets include:
 - 2 sawmills in Georgia with combined capacity of >400 MMBf (once kilns are upgraded)
 - A remanufacturing facility in Georgia; and
 - Working capital of US\$7.8 million.
- In 2013, Tolleson generated adjusted EBITDA of US\$37 million on sales of US\$134 million.
 - Additional operating hours and upgraded kilns/debottlenecking at Perry mill to add an additional 50 MMBf of production
 - Expected synergies in excess of US\$5 million
- Ilim Timber to have one nominee to the Interfor Board.
 - Normal governance provisions in place with Ilim Timber
 - Board nominee: Paul Herbert, former International Paper executive and Ilim Group CEO (retired).
- Joint international marketing initiatives with Ilim Timber to be evaluated.
- Subject to regulatory approvals.
- Target close end of Q1 2014.

KEY OBSERVATIONS

- The Tolleson transaction is consistent with Interfor's strategic focus.
 - Strong geographic fit with existing operations - synergy potential.
 - Low cost operations.
 - Upside opportunity with additional operating hours at Perry.
 - Immediately accretive.
 - Strong pro forma capital structure.

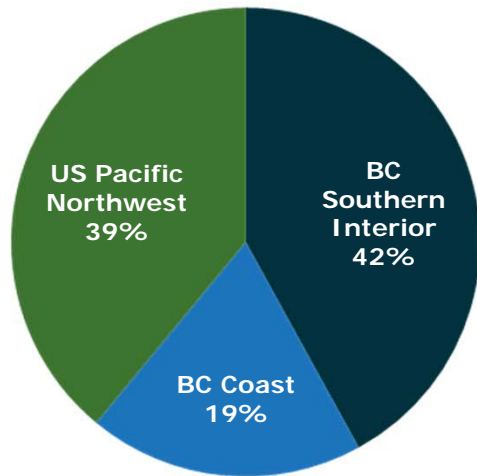
STRONG GEOGRAPHIC FIT IN GEORGIA



#	Company	Location
1	Interfor	Eatonton, GA
2	Interfor	Thomaston, GA
3	Interfor	Swainsboro, GA
4	Interfor	Baxley, GA
5	Tolleson	Perry, GA
6	Tolleson	Preston, GA

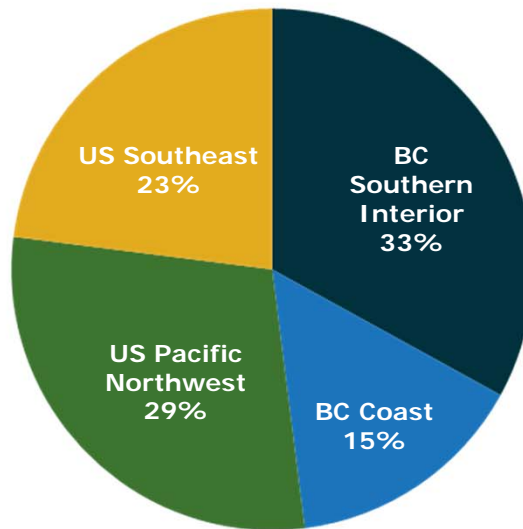
GROWING PROFILE IN THE US SOUTHEAST

2011



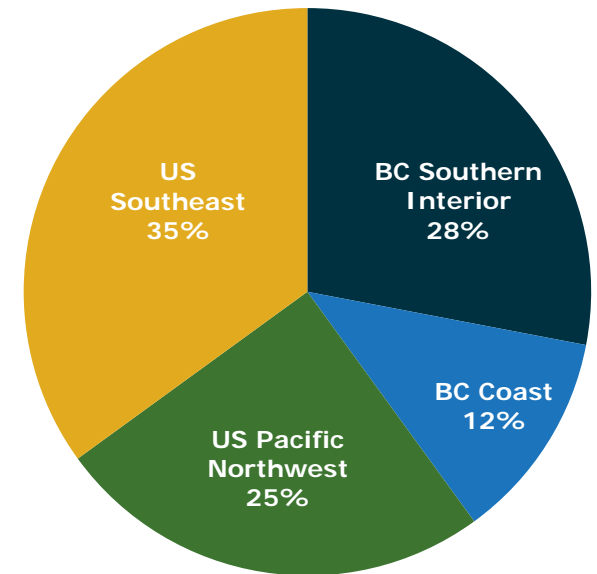
Capacity - 1.6 Bbf

2013



2.2

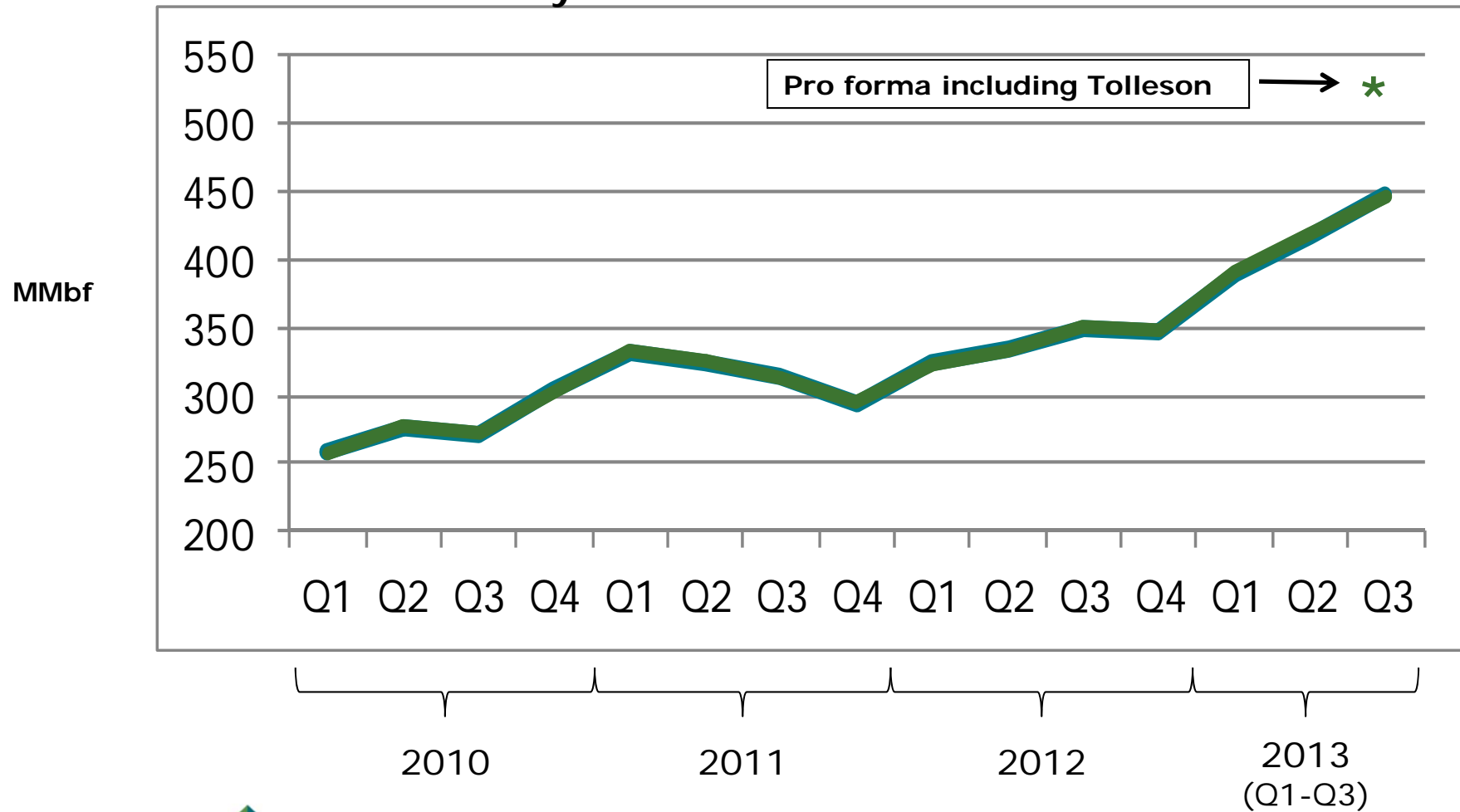
2014 – Pro Forma



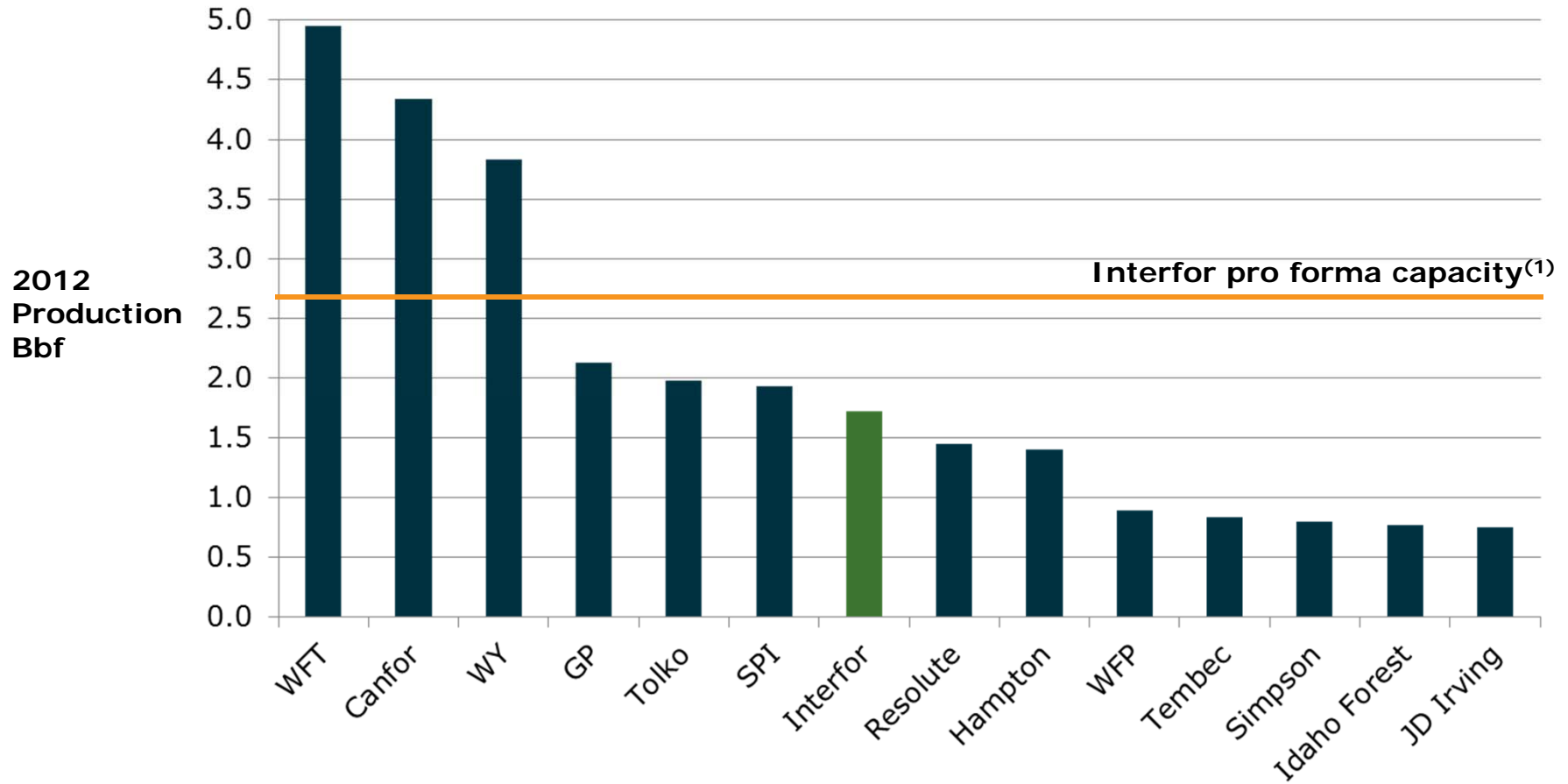
2.6

RECENT GROWTH

Quarterly Lumber Production 2010 - 2013



MOVING UP THE TIERS



Source: Wood Markets monthly – March 2013

Note: Interfor's 2012 production figure includes the total 2012 production of the acquired Rayonier and Keadle mills; GP includes Temple Inland.

(1) Based on Interfor pro forma for Tolleson acquisition and the impact of the expansion projects in the US Southeast.



STRONG CAPITAL STRUCTURE WITH SIGNIFICANT LIQUIDITY

- In conjunction with the acquisition, Interfor has increased its bank lines by \$50 million and will therefore have total liquidity of approximately \$120 million following completion of the transaction.

C\$ millions	Sep '13	Sep '13
	Actual	Pro Forma (1)
Net debt	\$150	\$275
Book Equity	\$499	\$554
Invested capital	\$649	\$829
Net debt / invested capital	23%	33%

(1) As of February 7, 2014 and based on a 20 day volume-weighted average price for Interfor's Class A subordinate voting shares of C\$14.95 per share and a C\$/US\$ exchange rate of \$0.906. Net debt excludes the retained liabilities.

THE TRANSACTION IS RIGHT ON STRATEGY

Growth by Acquisition

- Lumber focus ✓
- Portfolio strategy ✓
- Conservative capital structure ✓
- Accretion ✓

Operational Excellence

- Integration from log to customers ✓
- Fact-based business optimization ✓
- Preferred customer strategy ✓
- Active reinvestment ✓
- High performance culture ✓

QUESTIONS

