



COMPANY OVERVIEW

November 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%)

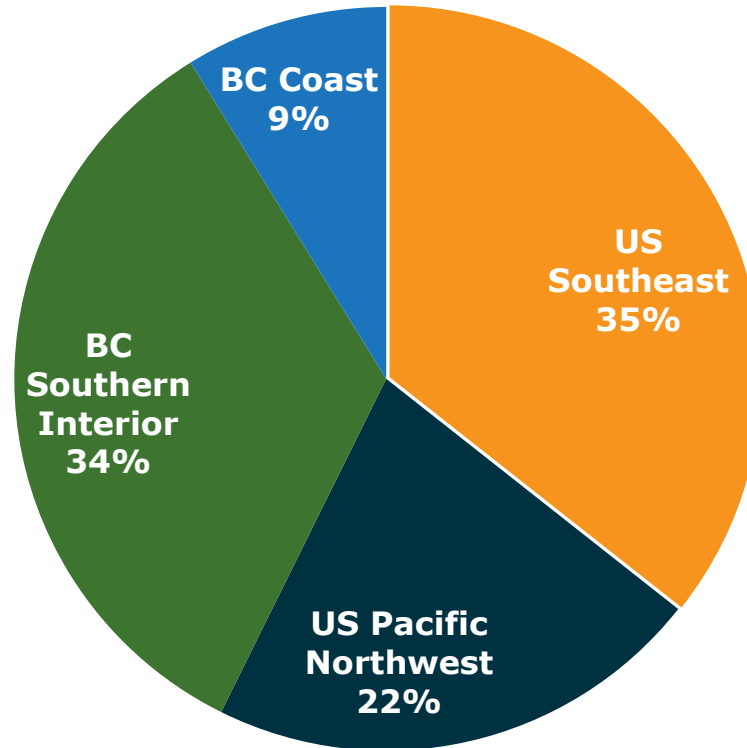
- 3 mills
- Hem-Fir, Douglas-Fir, Speciality Pines
- Studs, Dimension, Speciality

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
- Included in S&P/TSX composite index

INTERFOR'S BALANCED PROFILE



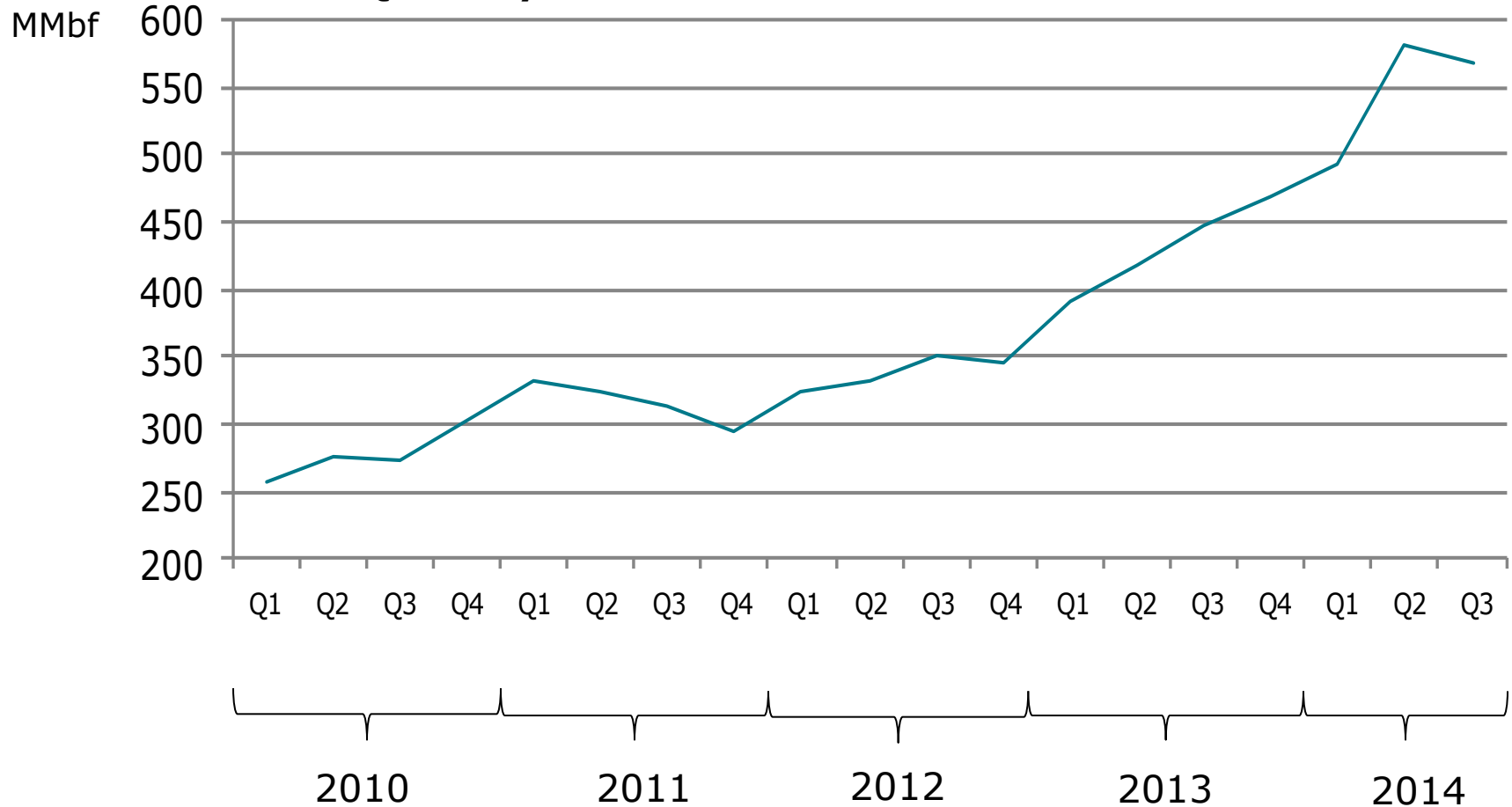
Production Volume 3Q 2014 – 567 MMbf
Operating Rate – 95%

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 |

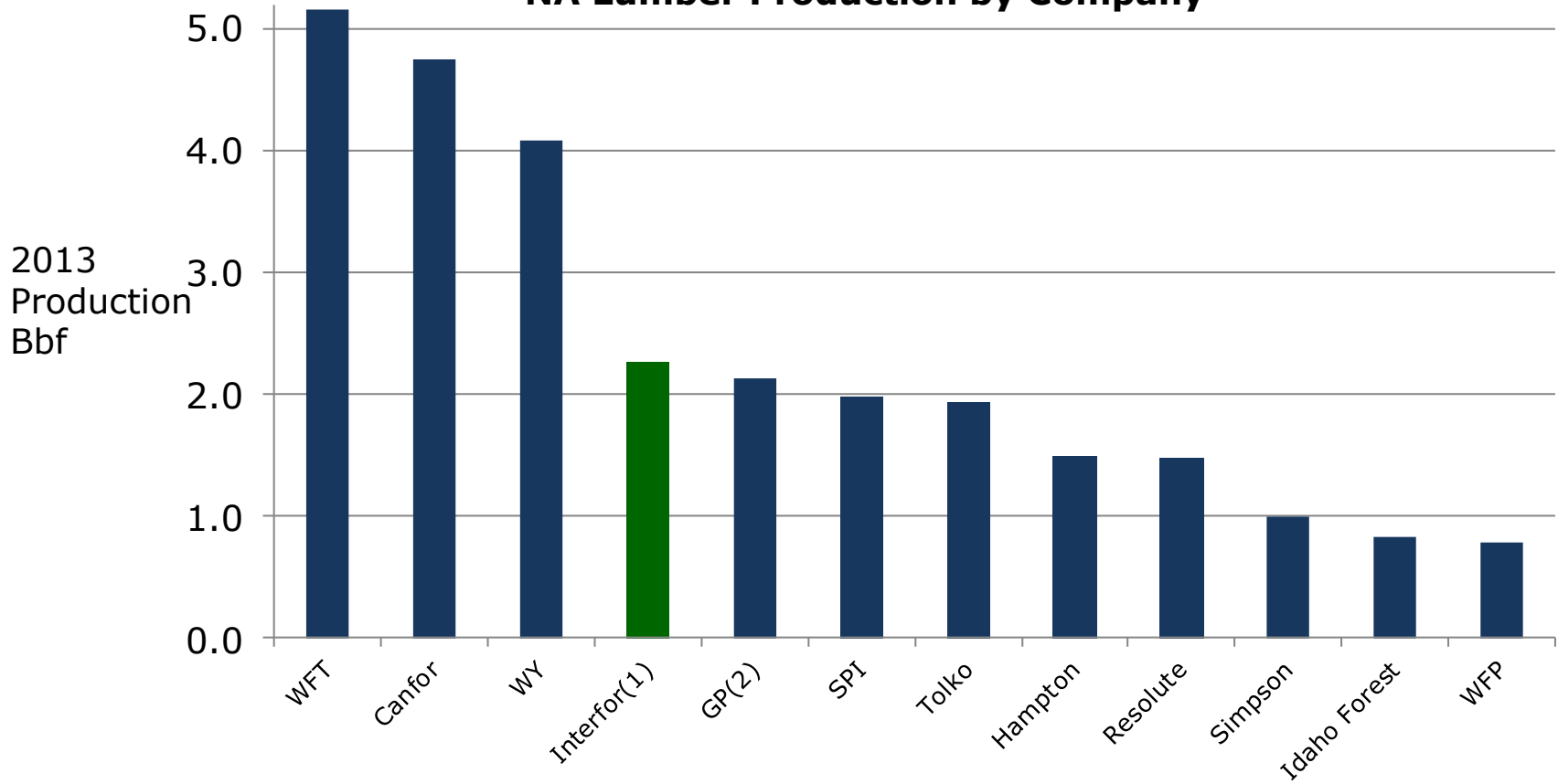
PRODUCTION HAS MORE THAN DOUBLED

Quarterly Lumber Production 2010 - 2014



4th LARGEST LUMBER PRODUCER IN N.A.

NA Lumber Production by Company



Source: Wood Markets monthly – March 2014

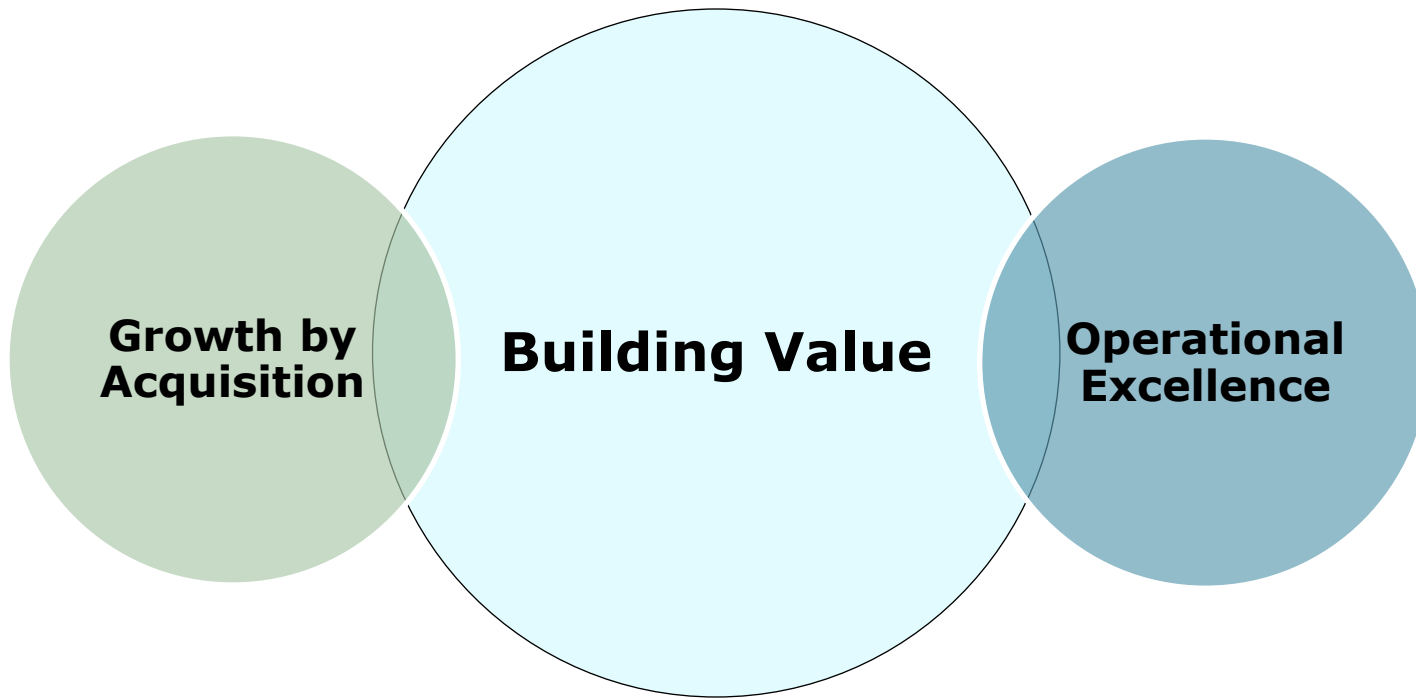
Notes:

(1) Interfor's 3Q 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

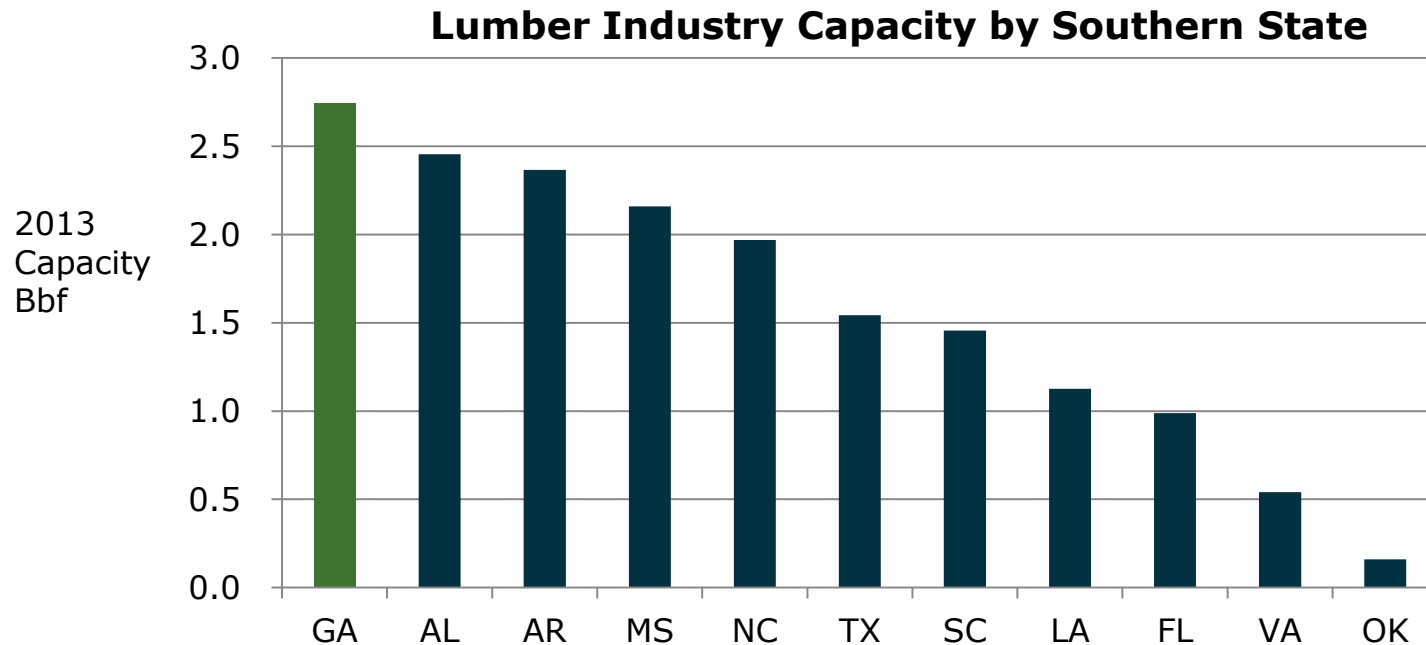


Thomaston, Georgia



SIGNIFICANT PRESENCE IN US SOUTH

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



Source: FEA- December 2013

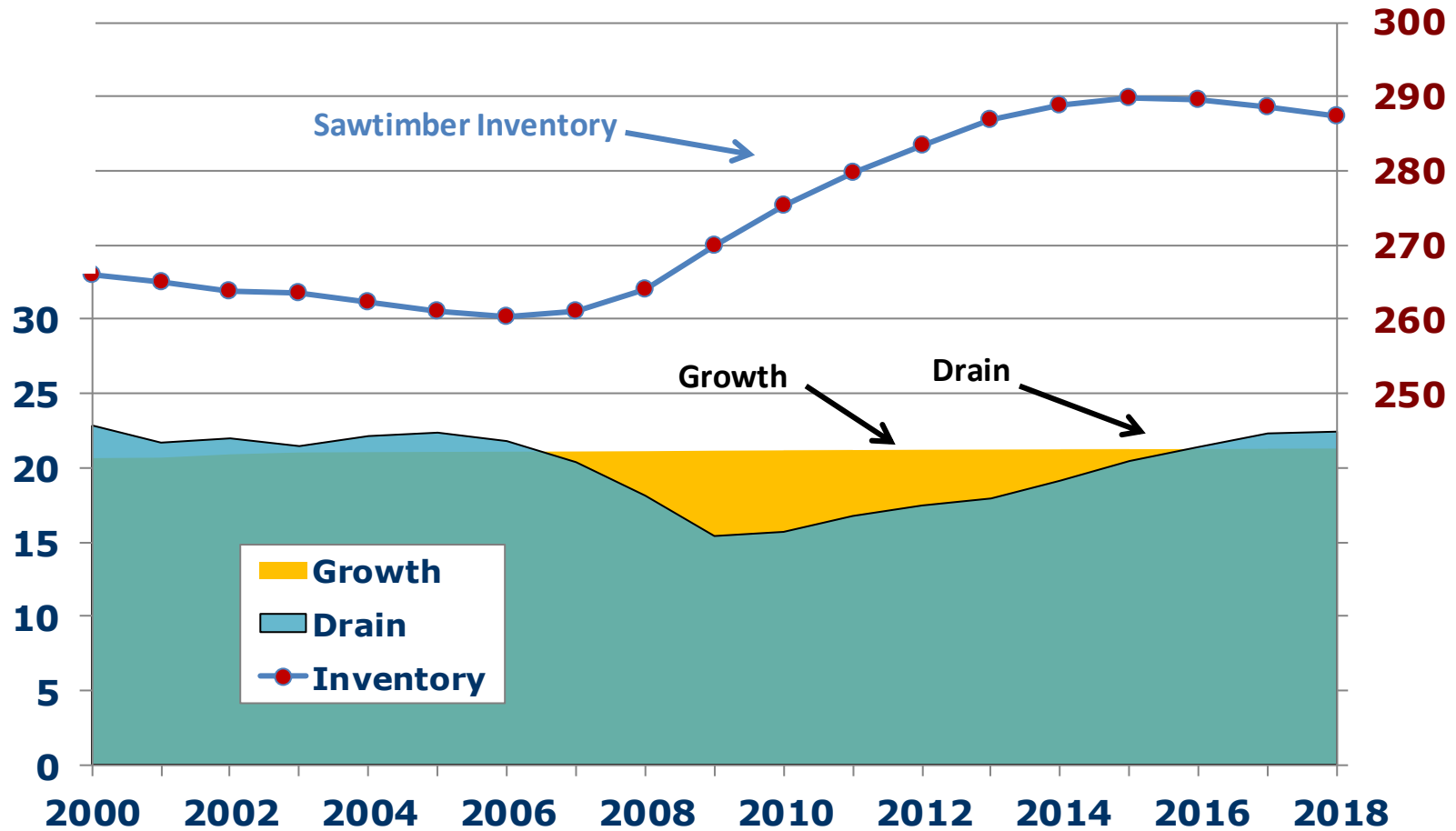
GEORGIA OPERATIONS



FAVOURABLE LOG SUPPLY IN US SOUTH

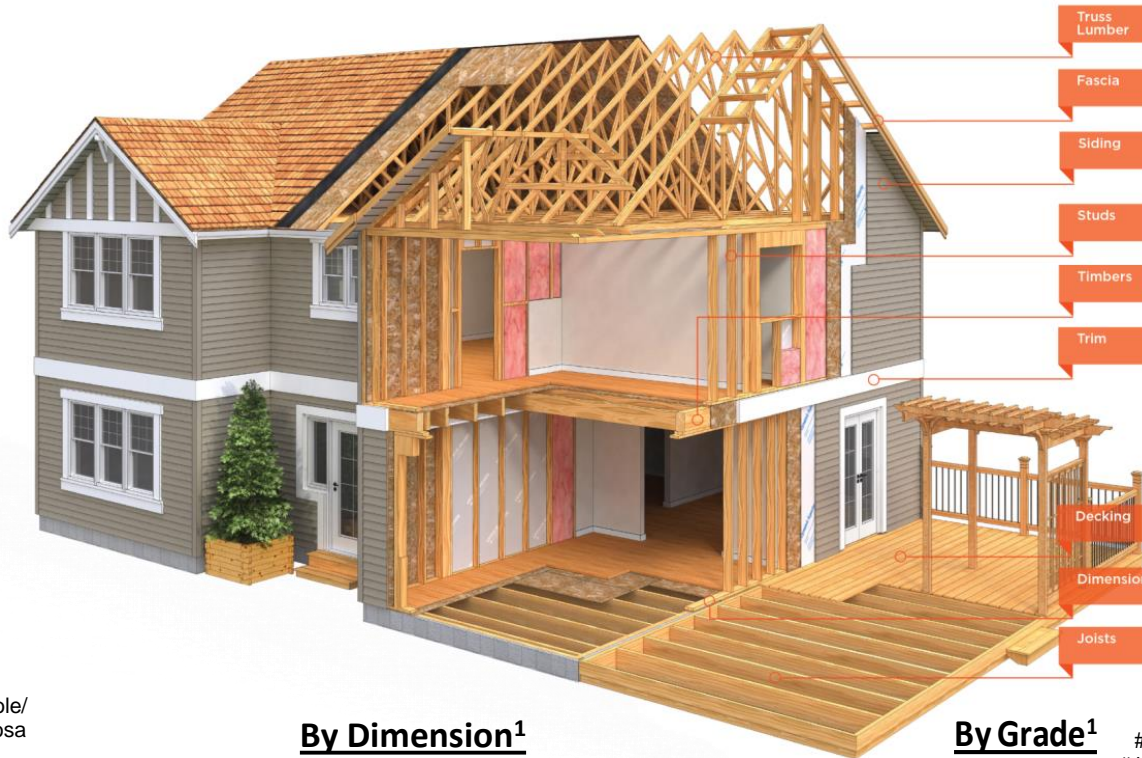
Growth & Drain, Bbf Int'1 1/4"

Inventory, Bbf Int'1 1/4"

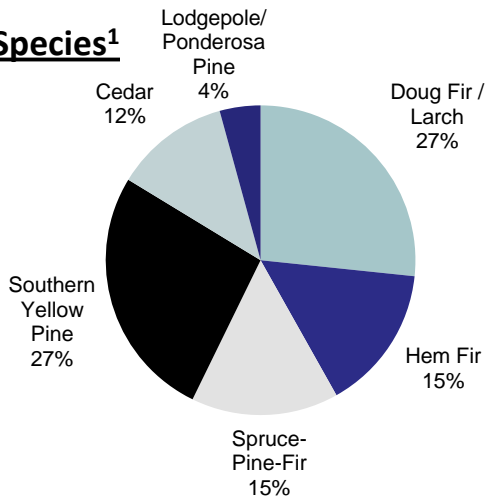


Source: FEA- October 2014

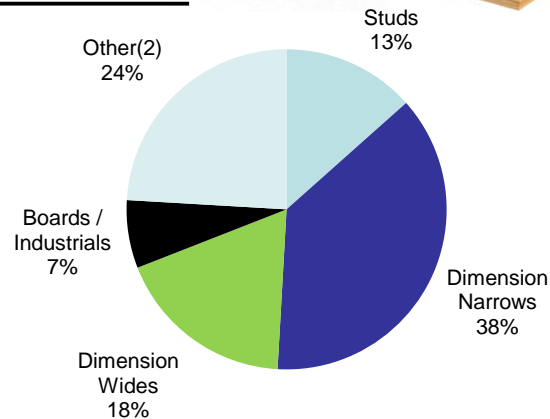
DIVERSE LUMBER MIX



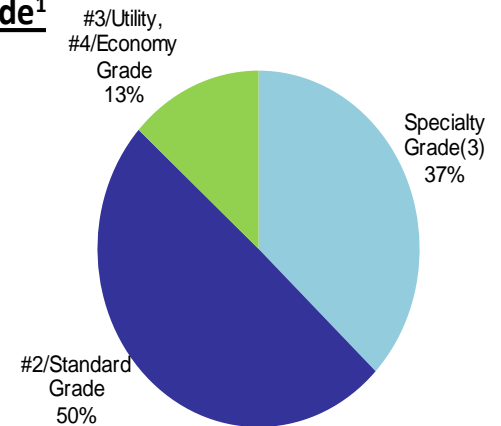
By Species¹



By Dimension¹



By Grade¹

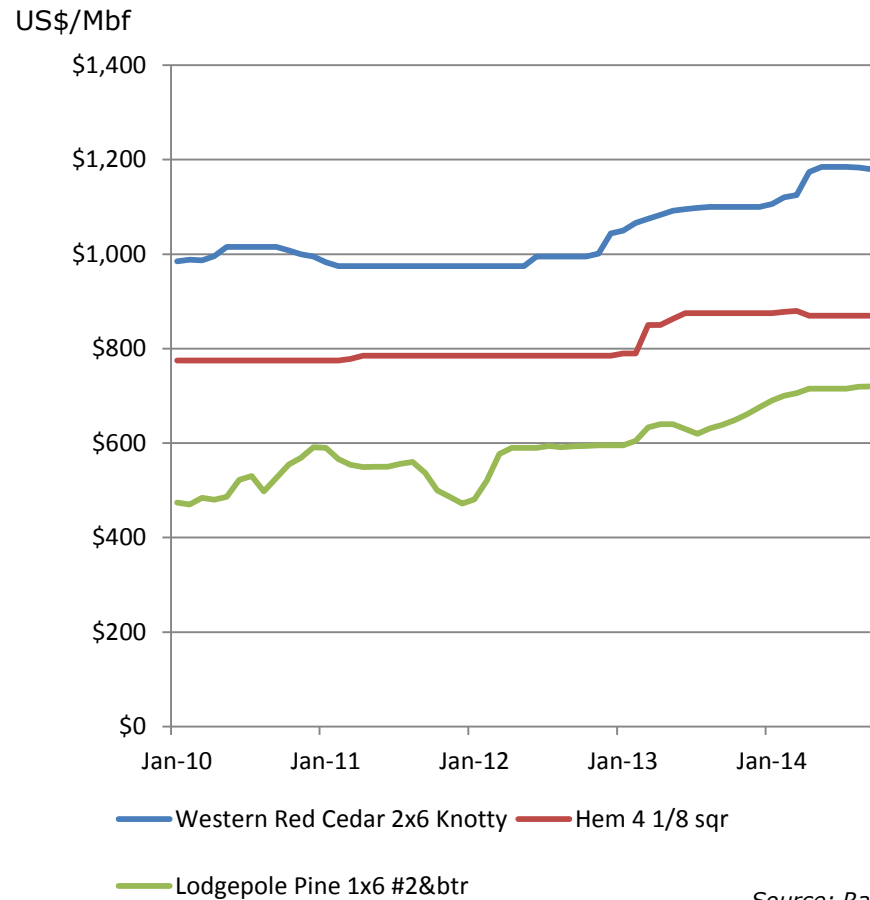


Notes:

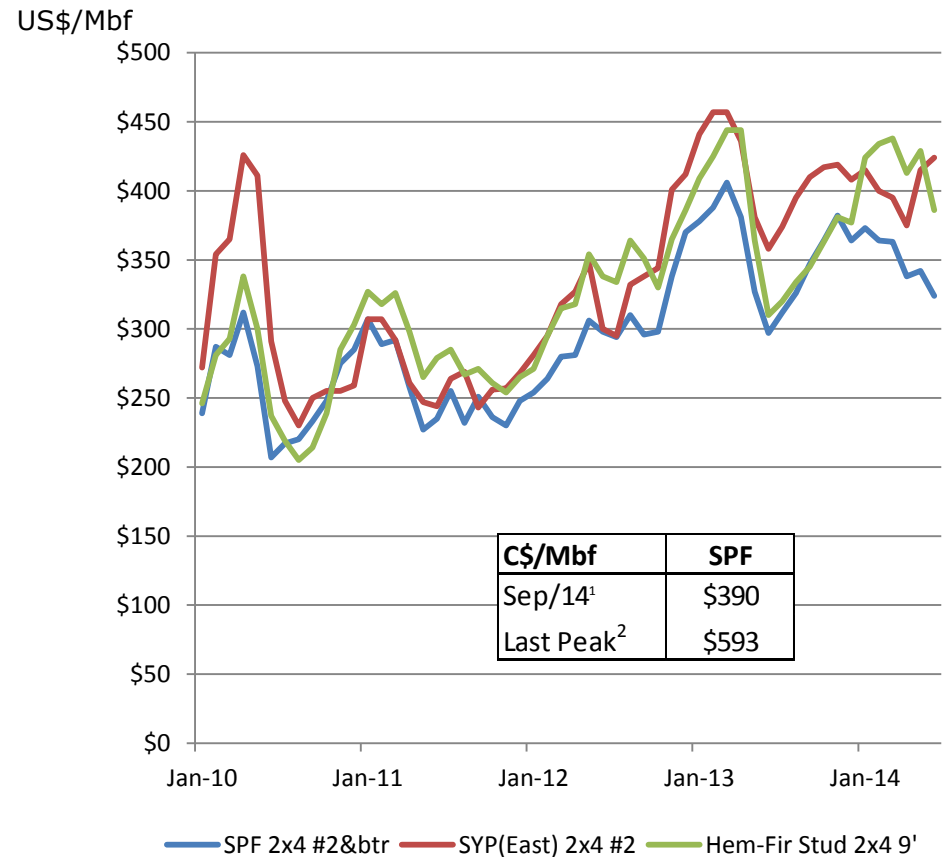
- (1) Figures are broken down by value for the 9 months ending September 30, 2014
- (2) Japan squares, cedar siding/decking/fascia and other export dimensions.
- (3) Machine Stress Rated ("MSR"), J-Grade, Elite, Reserve, etc.

PRODUCT DIVERSIFICATION RATIONALE

Specialty Benchmark Prices Monthly – Jan 2010 – Sep 2014



Commodity Benchmark Prices Monthly – Jan 2010 – Sep 2014



Source: Random Lengths – September 2014

Notes:

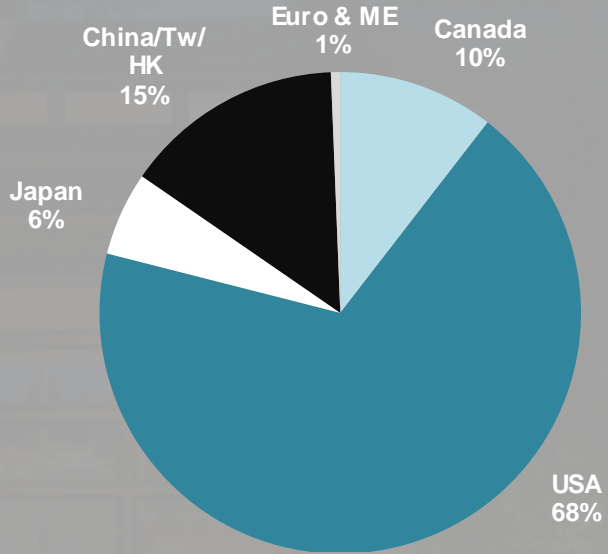
- (1) Average price in US\$/Mbf for the month of September 2014, converted to CAD\$/Mbf at the average USD/CAD foreign exchange rate for the month of September.
- (2) The highest US\$/Mbf quarterly average price in the past 10 years, converted to CAD\$/Mbf at the USD/CAD foreign exchange rate at that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



DIVERSE MARKET PROFILE



9 months ending September 2014
Average Shipments (By Volume)
By End Market



RECENT INITIATIVES/CURRENT FOCUS

Canadian Operations

- Castlegar sawmill upgrade project

US Southeast Operations

- Integrating Georgia operations under Interfor ownership
- Phasing-in the Thomaston 2nd shift - - additional 80 MMbf
- Identifying other reinvestment opportunities

Pacific Northwest Operations

- Implementing Port Angeles optimization initiatives

CASTLEGAR UPGRADE: MILL HISTORY

2008

2008 - 2013

2013

Next Steps

Purchase a strong and valuable fiber supply for a reasonable price.



Acquired Castlegar from Pope & Talbot in May 2008.

Develop a successful operating culture with all key stakeholders.



Curtailed from May 2008 until July 2010. Manning was reduced; productivity enhanced.

Acquire additional fiber to support two shift operation.



Acquired Springer Creek licenses (175,000 m³) near Castlegar in May 2013.

Invest to realize potential from the wood basket.



Upgrade the mill.

CASTLEGAR UPGRADE: PROJECT SUMMARY

- Superior and secure fiber basket.
- Aged infrastructure and outdated technology.
- \$50 million investment
 - Eliminate \$20 mm of maintenance capex over the next 4 years
 - Modernize and convert from 3 line to 2 line operation
 - Increase recovery, production and grade out turns, and reduce conversion costs
- Very attractive payback.
- Timing
 - Construction completion – Q4 2015
 - Ramp-up to full operations – Q1 2016
 - 30 days of operational downtime
- Proven and tested project management team.

**Sawmill will be substantially rebuilt,
delivering 1st quartile results.**

CASTLEGAR UPGRADE: BEFORE AND AFTER

Castlegar



Grand Forks and Adams Lake



SUMMARY INCOME STATEMENT

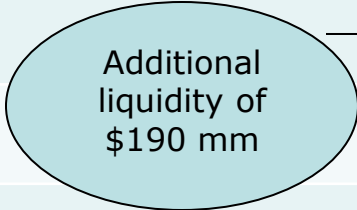
| C\$ millions | Q3 2014 | Q2 2014 |
|-------------------------------------|---------|---------|
| Sales | \$373.1 | \$390.2 |
| Adjusted EBITDA ¹ | \$45.4 | \$47.3 |
| Adjusted EBITDA Margin ² | 12.6% | 13.0% |
| Adjusted EBITDA/Mbf ² | \$79 | \$80 |

Notes:

- (1) Excludes Other Income and Long-term Incentive Compensation expense
- (2) Excludes impacts from discontinued Beaver operations as well as impacts from the Company's agency and wholesale business

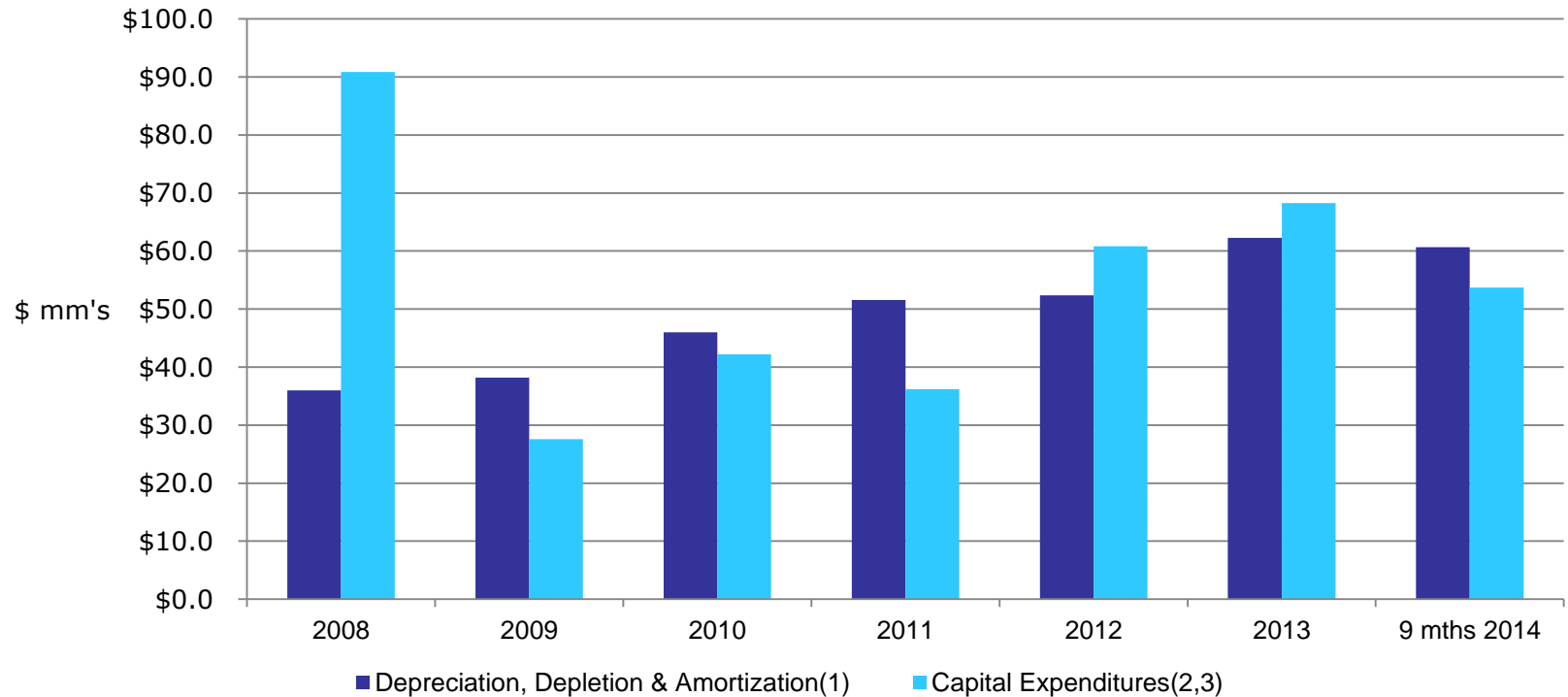
STRONG CAPITAL STRUCTURE

- Interfor has a strong balance sheet, with significant liquidity
 - Average interest rate of approximately 3.2% (73% of debt has locked-in rates)

| C\$ millions | | Sep 30, 2014 |
|--|---|--------------|
| Net debt |  | \$204 |
| Book Equity | | \$630 |
| Invested capital | | \$834 |
| Net debt / invested capital | | 24% |
| Net debt/Last quarter annualized Adjusted EBITDA | | 1.12x |

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.

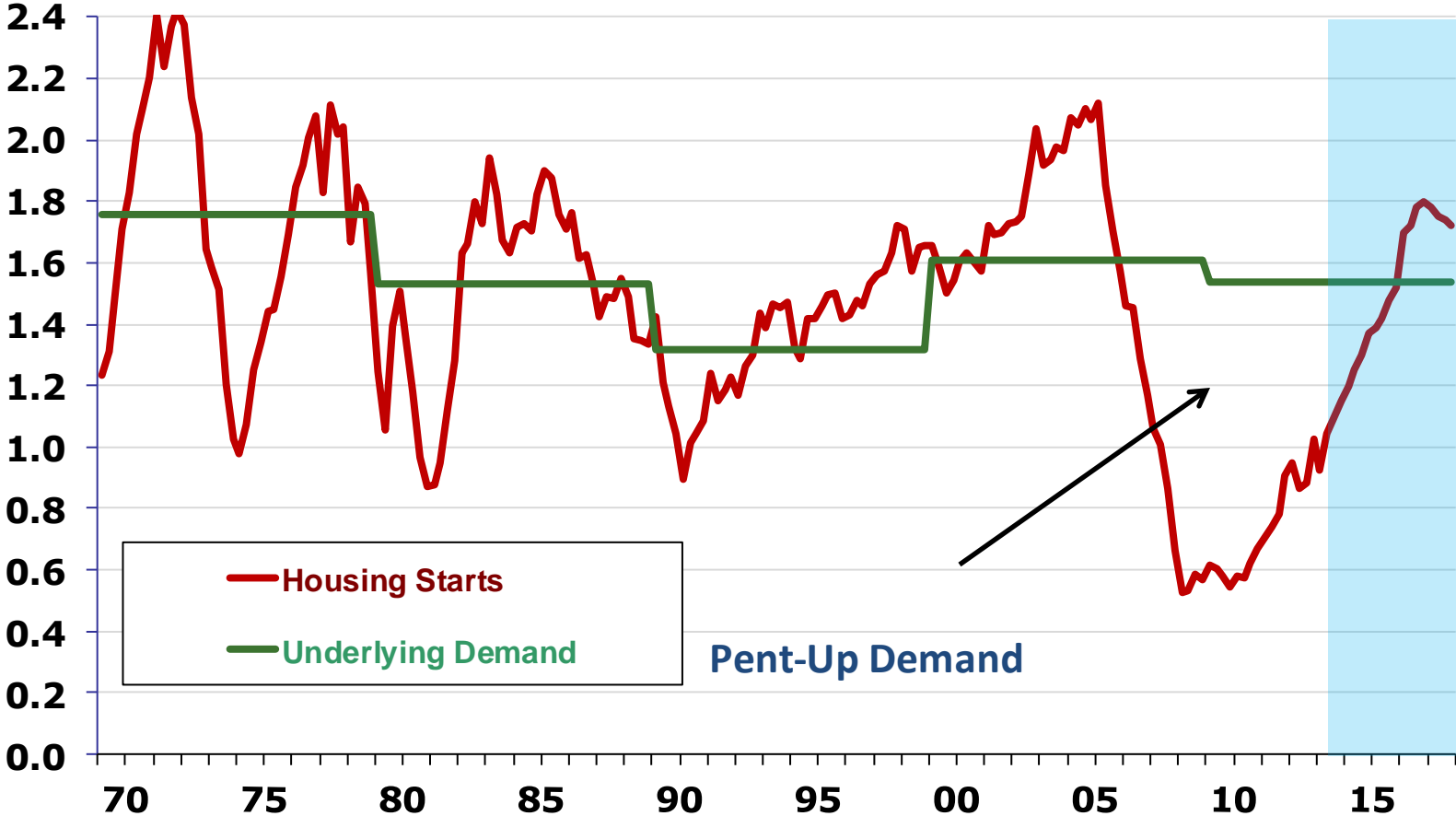
KEY TAKEAWAYS

- 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

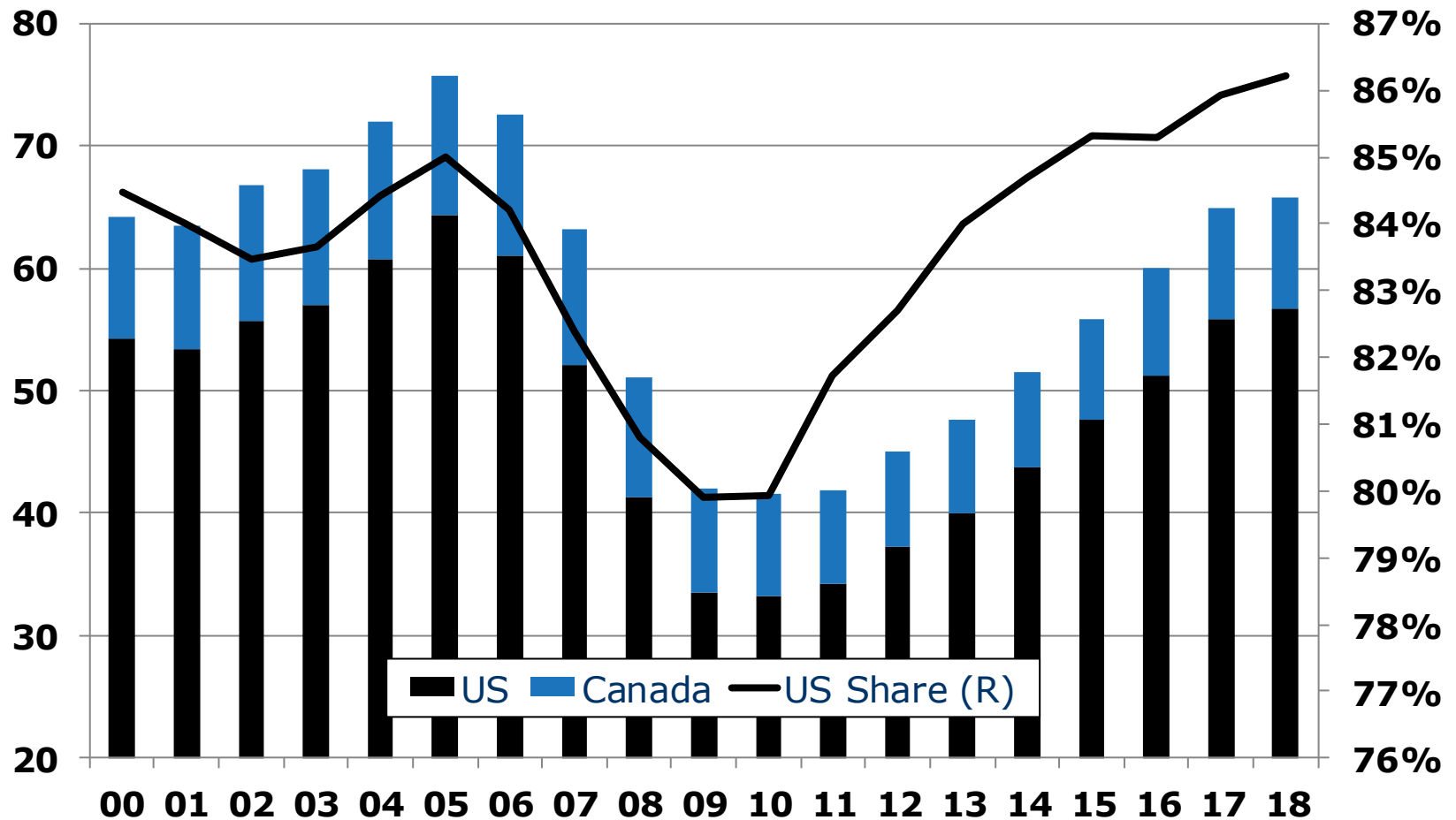
US HOUSING STARTS

Millions (SAAR)

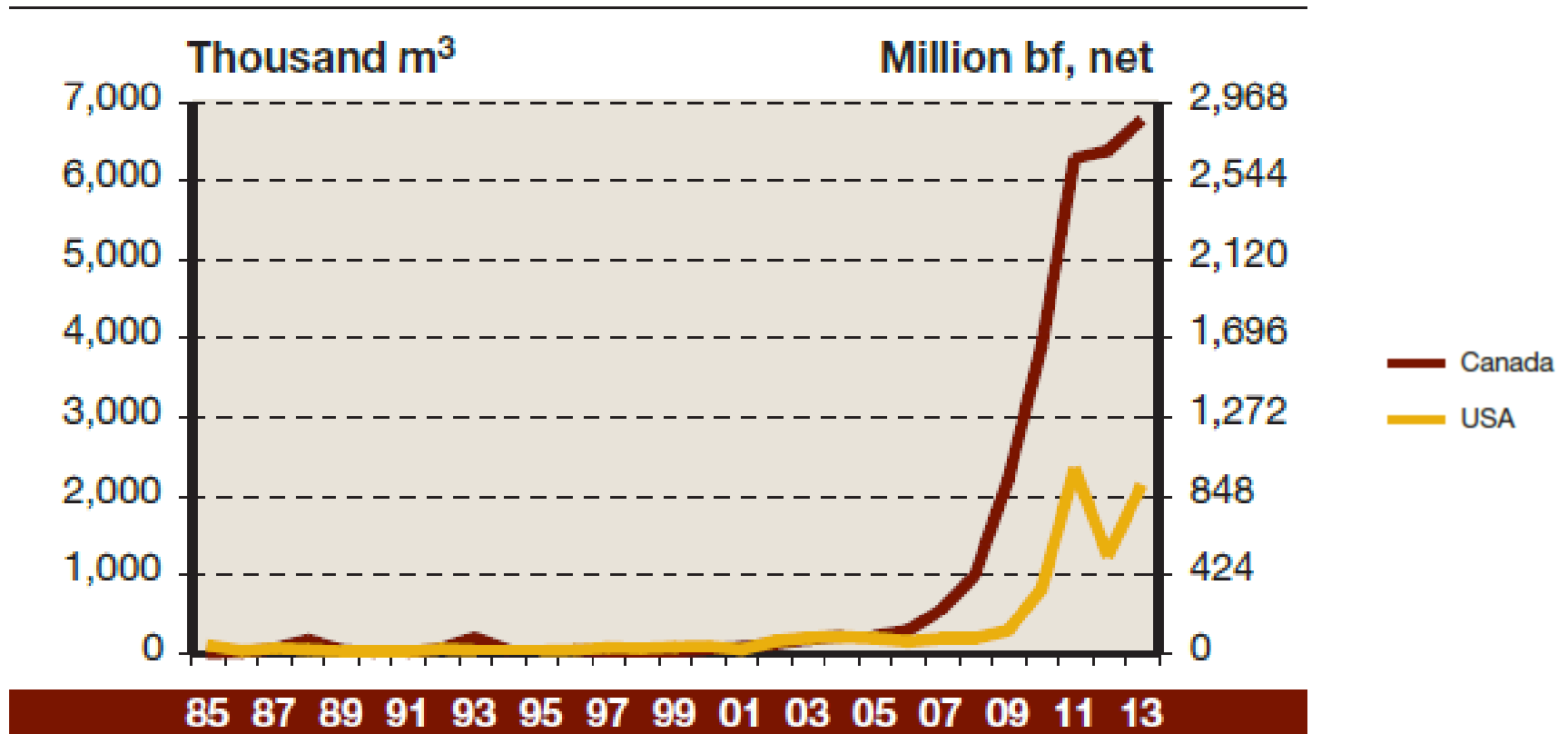


NORTH AMERICAN LUMBER CONSUMPTION

Bbf



NORTH AMERICAN LUMBER EXPORTS TO CHINA



CHINA MARKETS – WOOD FRAME CONSTRUCTION

Wood truss re-roofing
(east and north China)



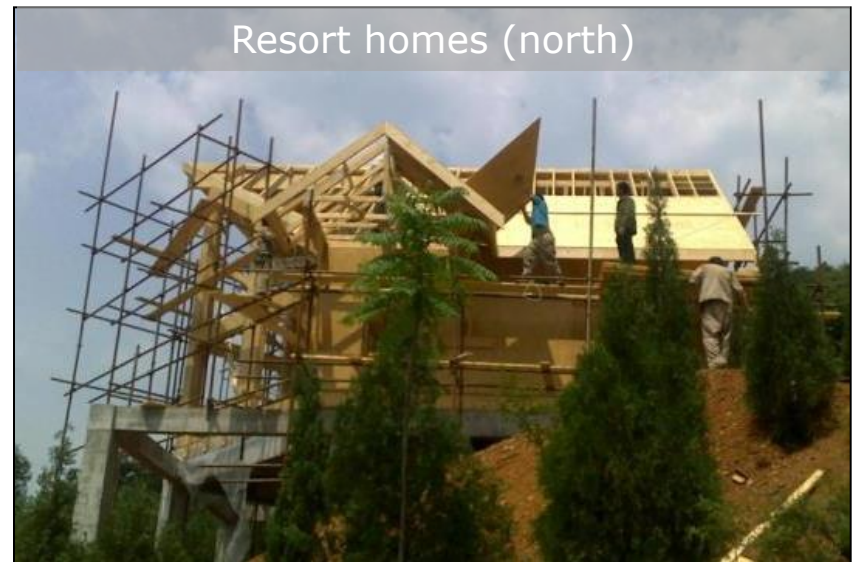
Suburban villas
(east, north, n-east, s-west)



Low cost rural housing (south-west)



Resort homes (north)



CHINA MARKETS – SECTORS UNDER DEVELOPMENT

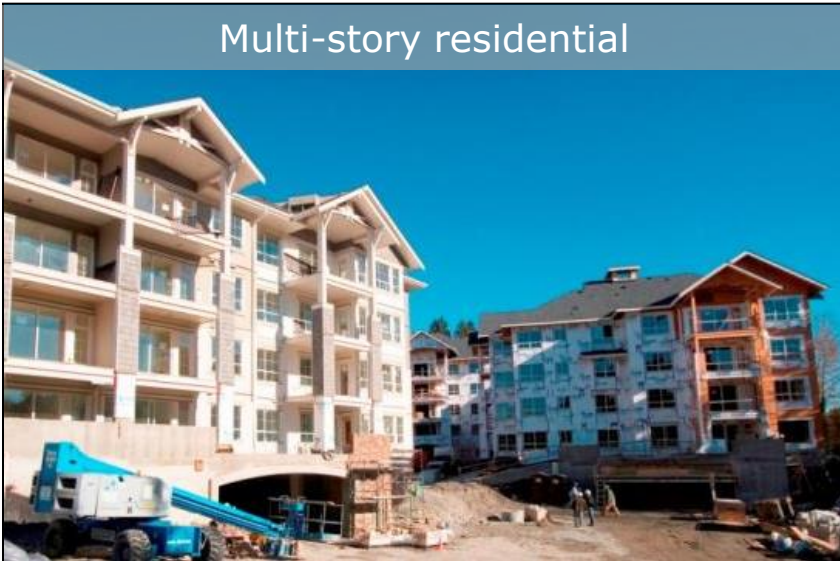
Public buildings



Apartment infill walls / partition walls



Multi-story residential



Mixed-use hybrid



CHINA MARKETS – USE OF BC WOOD

House framed with SPF lumber



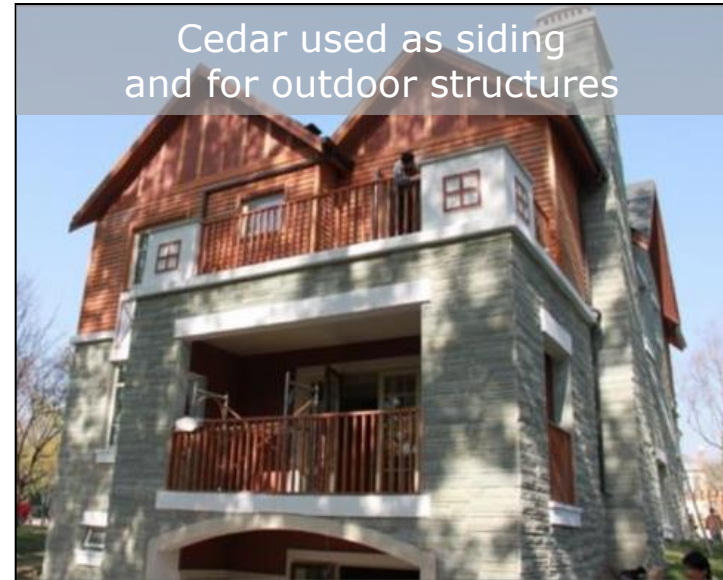
SPF used for furniture frames



Cedar used as siding and for outdoor structures

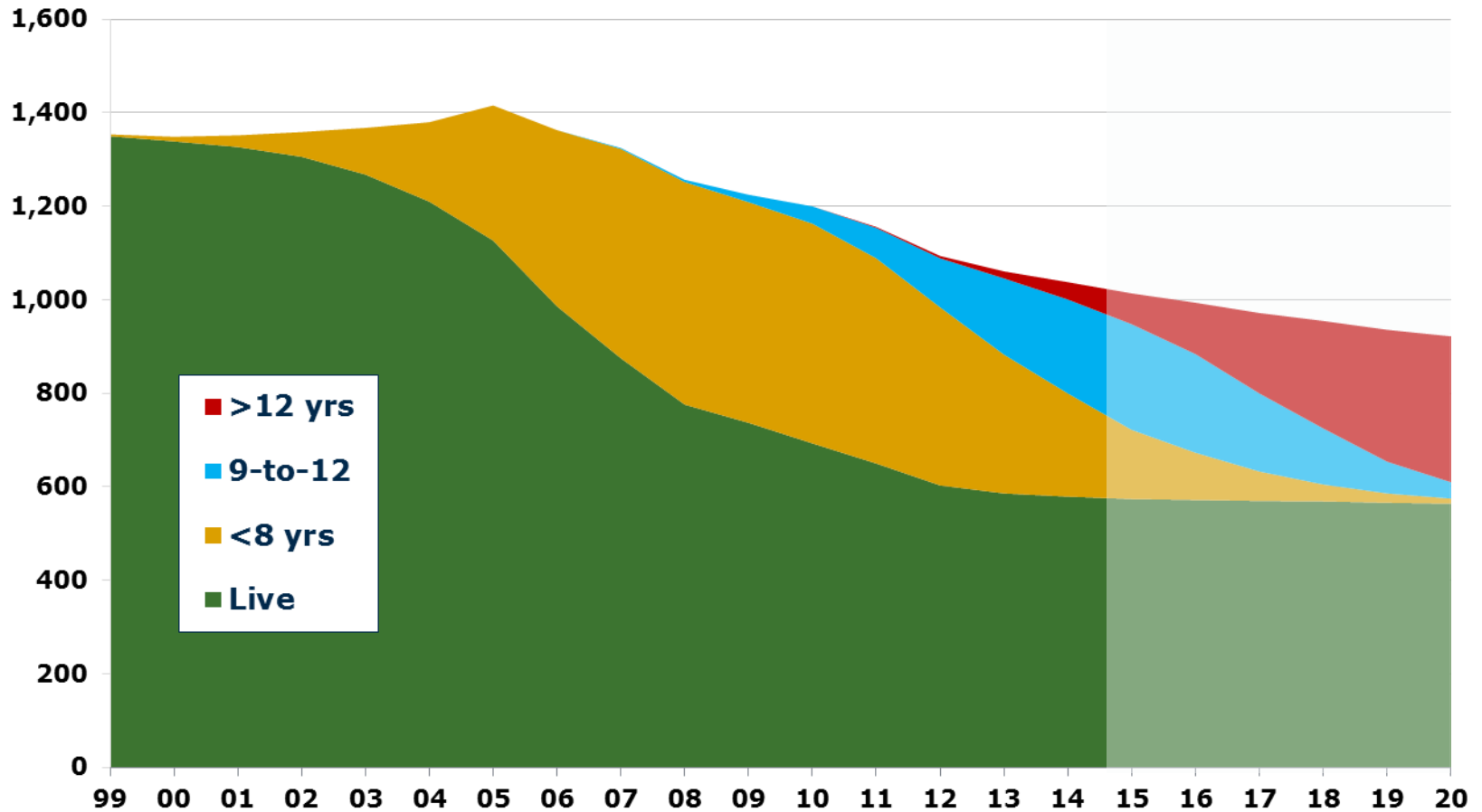


Cedar used as siding and for outdoor structures



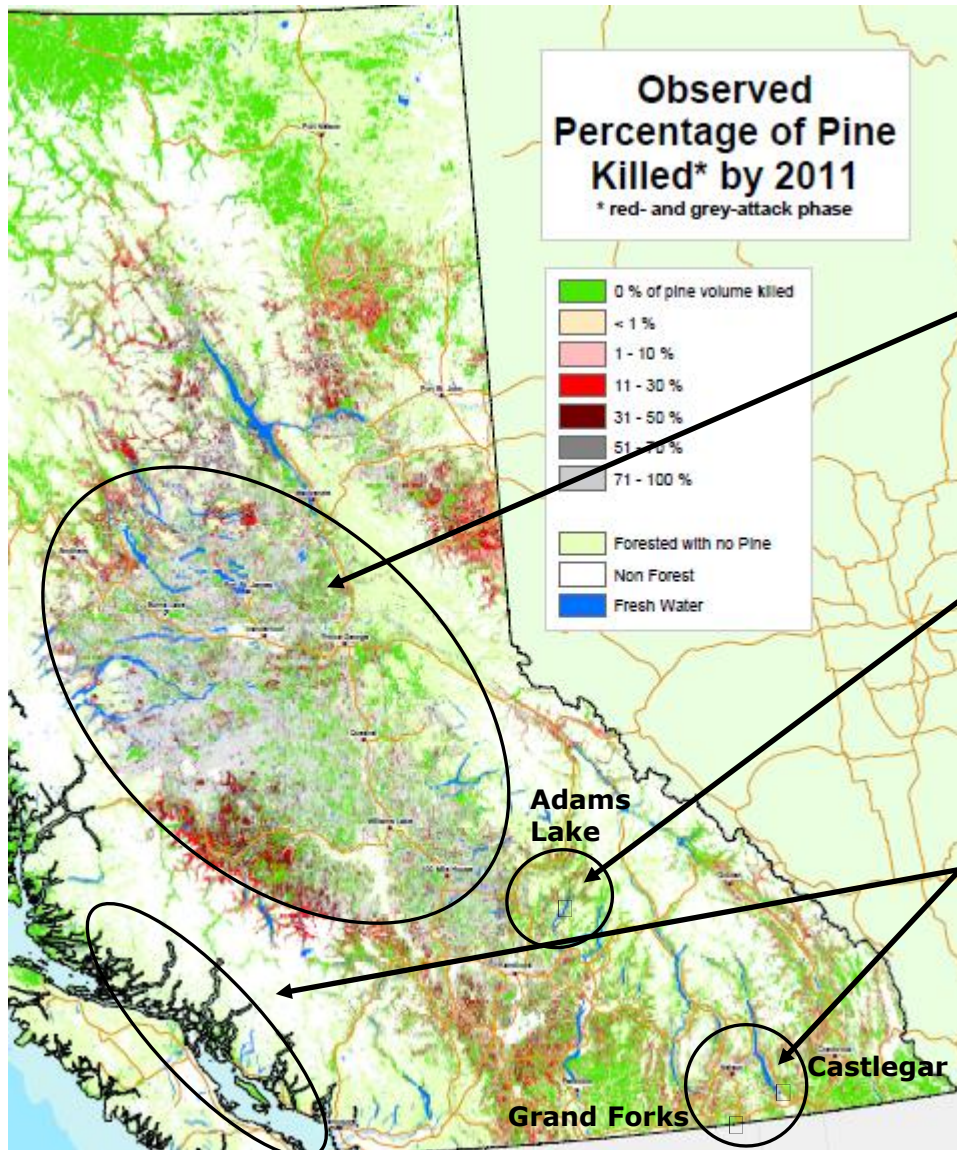
IMPACT OF MOUNTAIN PINE BEETLE (MPB)

Million m³



MPB – AREA AFFECTED

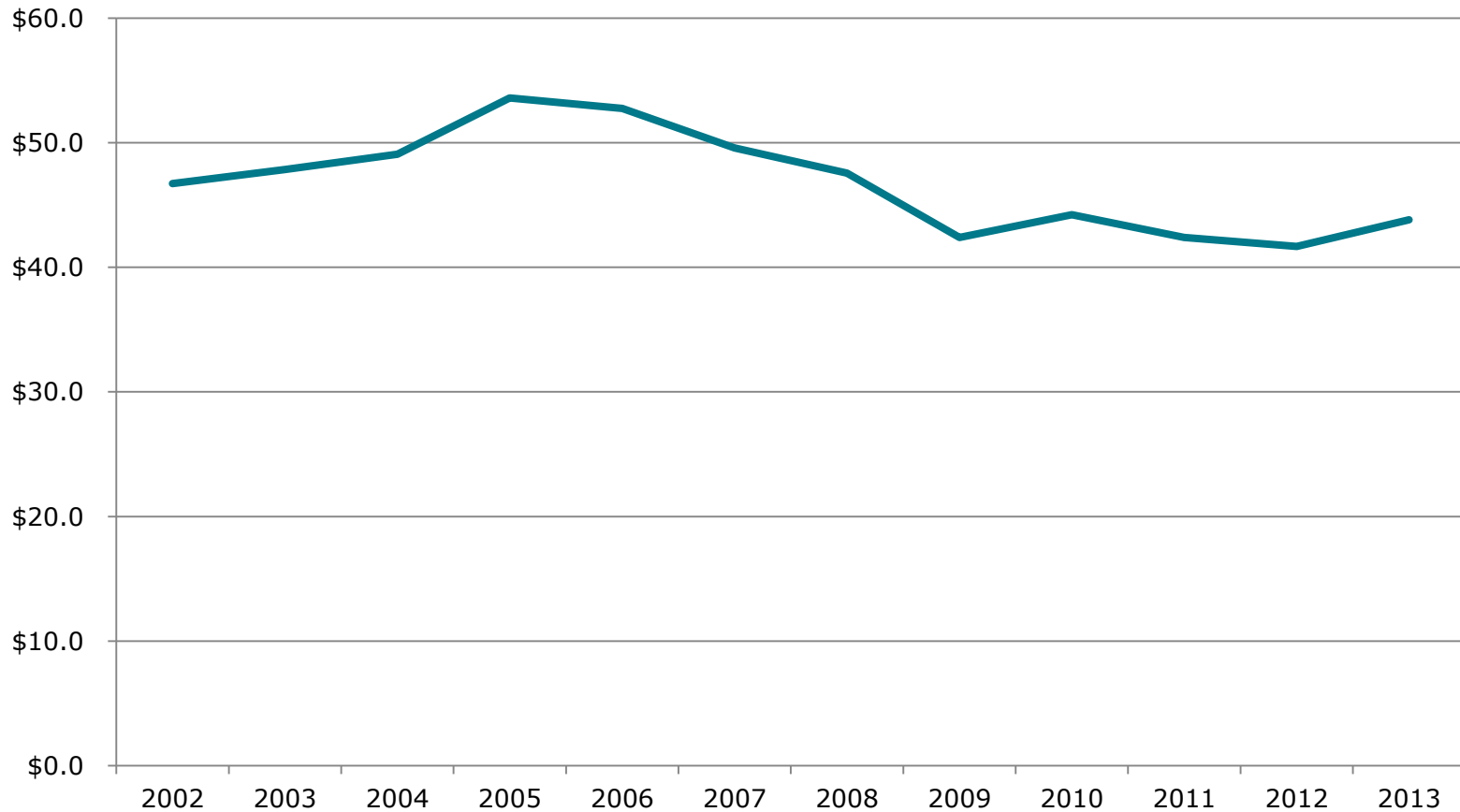
- Interfor's southern BC Interior wood baskets are less exposed to the MPB than BC's central and northern interior regions; the Coast is not exposed.



| | 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 m ³) | |

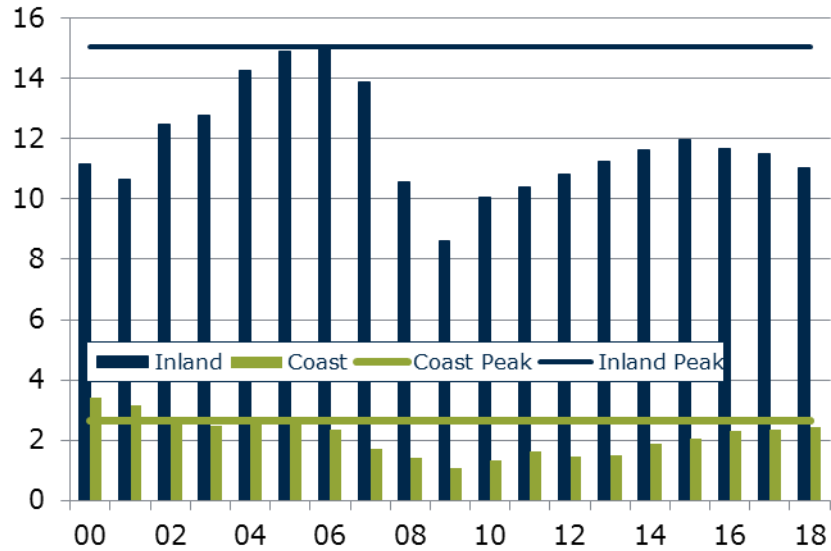
US SOUTH SAWTIMBER PRICES

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

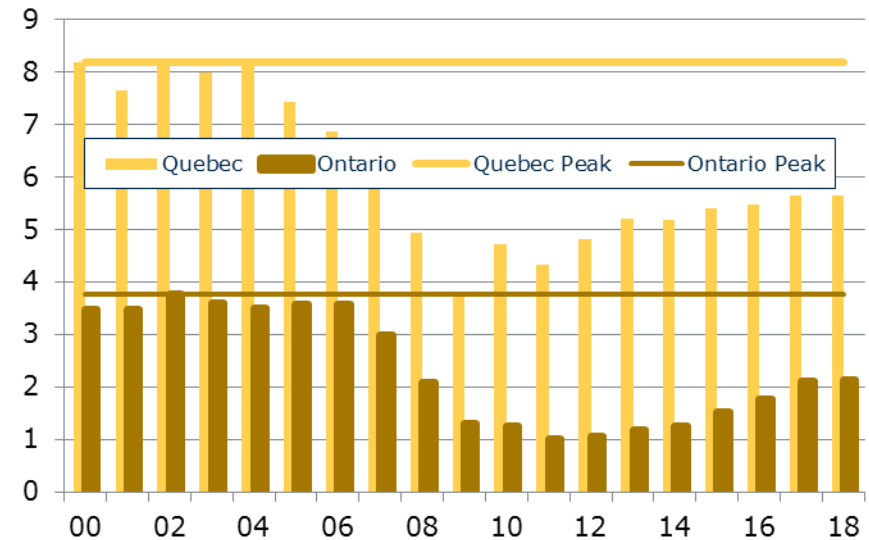


REGIONAL PRODUCTION VS PEAK (Bbf)

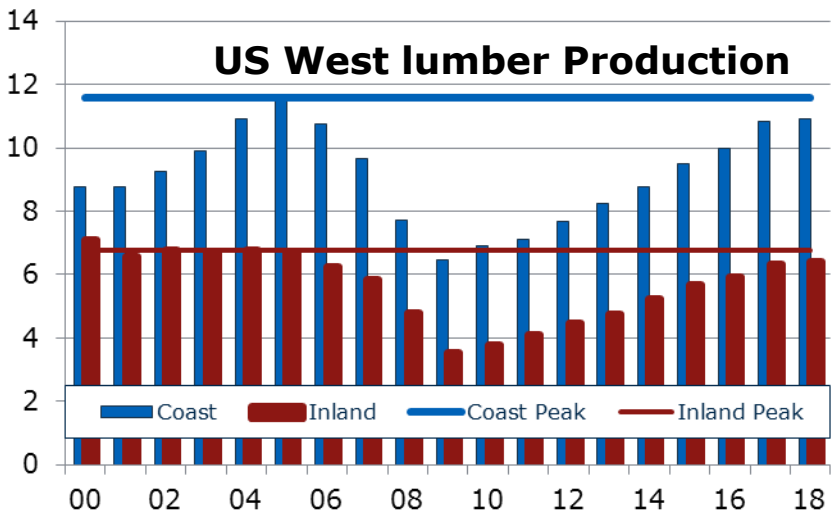
BC lumber Production



Eastern Canada Lumber Production



US West lumber Production



US South lumber Production

