Interfor Corporation

Vancouver, B.C. November 8, 2018

Interfor Reports Q3'18 Results

EBITDA[(1)] of $69 million and Net Earnings of $28 million
Operating Cash Flow[(1)] of $1.00 per share
Net Debt to Invested Capital[(1)] of 0%
Greenfield Decision Postponed Indefinitely

INTERFOR CORPORATION ("Interfor" or the "Company") (TSX: IFP) recorded net earnings in Q3'18 of $28.1 million, or $0.40 per share, compared to $63.8 million, or $0.91 per share in Q2'18 and $16.8 million, or $0.24 per share in Q3'17. Adjusted net earnings in Q3'18 were $28.2 million or $0.40 per share, compared to $68.9 million, or $0.98 per share in Q2'18 and $20.0 million, or $0.29 per share in Q3'17.

Adjusted EBITDA was $69.4 million on sales of $570.5 million in Q3'18 versus $123.8 million on sales of $619.9 million in Q2'18.

In comparison to the third quarter of 2017, Interfor posted improved results across most key metrics, including an $8.9 million or 15% improvement in Adjusted EBITDA, an $11.3 million or 67% increase in net earnings and a 29 million board foot rise in lumber production.

Notable items in the quarter included:

- Lower Lumber Prices
  - Key benchmark prices decreased quarter-over-quarter, with the SYP Composite, Western SPF Composite and KD H-F Stud 2x4 9' benchmark dropping by US$63, US$98 and US$94 per mfbm, respectively. Interfor's average lumber selling price fell $52 from Q2'18 to $701 per mfbm.
  - Lumber prices have experienced an unusual level of volatility in 2018. The logistics disruptions that occurred in Q1'18 led to a significant increase in lumber inventories being trapped at producer yards. This supply side constraint, combined with growing demand, contributed to an unprecedented rise in lumber prices during the early part of the year. As shipment levels increased, prices responded, falling in record amounts from late May through the end of September and dropping further in the early part of Q4'18. Notwithstanding the volatility experienced in 2018, Interfor believes that the underlying fundamental drivers of demand for its lumber products remain positive.
- Production Balanced With Shipments
  - Total lumber production was 674 million board feet or 14 million board feet lower than the prior quarter. Production in the U.S. South region of 313 million board feet was negatively impacted by several factors including preventative downtime ahead of Hurricane Florence and maintenance/project related downtime, which contributed to a 12 million board feet decrease from the preceding quarter. The B.C. and U.S. Northwest regions accounted for 224 million board feet and 137 million board feet, respectively, compared to 215 million board feet and 148 million board feet in Q2'18, respectively.

[(1)] Refer to Adjusted EBITDA, Operating cash flow per share and Net debt to invested capital in the Non-GAAP Measures section

- Total lumber shipments were 685 million board feet, of which 675 million board feet were Interfor produced volumes, with the balance of 10 million board feet being agency and wholesale volumes. Total lumber shipments were 15 million board feet lower than Q2'18, as Q3'18 shipments were negatively impacted by adverse weather in the U.S. South. The Company's lumber inventory was reduced 2 million board feet quarter-over-quarter.
- Production in Q4'18 from Interfor's B.C. Interior operations will be impacted by a previously announced temporary curtailment. The curtailment is in response to the combination of declining lumber prices and escalating log costs and is expected to reduce the Company's production in the region by approximately 20% during the quarter.

- Higher Operating Costs
  - Interfor's production costs increased by $22 per mfbm of lumber sold in Q3'18 versus Q2'18, as a result of several factors, including: (i) higher stumpage and log hauling costs in the B.C. Interior; (ii) higher log and lumber inventory valuation adjustments due to the decline in lumber prices; (iii) higher maintenance spending in the U.S. South; and (iv) lower production due to the downtime from several maintenance projects and adverse weather in the U.S. South.
- Strong Cash Flows and Liquidity
  - Interfor generated $69.7 million of cash from operations before changes in working capital, or $1.00 per share. Total cash generated from operations was $85.0 million.
  - Net debt ended the quarter at $3.8 million, or 0.4% of invested capital, resulting in available liquidity of $567.2 million. The Company closed on its previously announced agreement to extend US$84 million of its 2021 to 2023 term debt maturities to 2027 to 2029, resulting in a weighted average fixed interest rate on its term debt of 4.47%.
  - Capital spending was $38.5 million on a mix of high-return discretionary, maintenance and woodlands projects. In addition, Interfor has US$12.6 million of deposits placed with key suppliers for capital equipment related to Phases I and II of its strategic capital plan.
  - Interfor purchased and cancelled 597,245 of its common shares at a total cost of $12.0 million. The Company's existing normal course issuer bid ("NCIB") permits the purchase of up to 3,500,000 common shares until its expiry on March 6, 2019.
- Softwood Lumber Duties
  - Interfor expensed $15.9 million of duties in the quarter, representing the full amount of countervailing ("CV") and anti-dumping ("AD") duties incurred on its Canadian shipments of softwood lumber into the U.S. at a combined rate of 20.23%.
  - Cumulative duties of US$52.9 million have been paid by Interfor since the inception of the current trade dispute and are held in trust by the U.S. Of this total, US$3.2 million is recorded as a receivable in respect of overpayments arising from duty rate adjustments and US$49.7 million has been expensed and is not recorded on the balance sheet as a receivable.

Strategic Capital Plan Update

- Interfor continues to make progress on previously announced Phases I and II strategic capital projects in the U.S. South. The Phase I projects total US$65 million at the Meldrim, Georgia and Monticello, Arkansas sawmills. Both of these projects remain on budget, with completion set for the Meldrim project in Q1'19 and the Monticello project by Q2'19. The Phase II projects total US$240 million at the Thomaston and Eatonton sawmills in Georgia and the Georgetown sawmill in South Carolina. These projects are on track for completion in various stages over the period of 2019 to 2021.

Greenfield Decision Postponed Indefinitely

- Over the past year, Interfor has been assessing the feasibility of greenfield sawmill opportunities in the U.S. South. In that regard, the Company has completed a detailed engineering study, secured the rights to a well-located site and negotiated a number of ancillary arrangements in support of the project. However, based on prevailing market conditions for greenfield projects, including equipment lead times, contractor availability and projected capital costs, Interfor has concluded the project does not currently meet its criteria for discretionary investments and has postponed its decision on the project for an indefinite period.
- In the meantime, the Company intends to focus on the previously announced Phase I and II internal capital projects and on other capital investment alternatives. Any future decision on the greenfield project would likely result in that project being scheduled for construction, if at all, subsequent to the Phase I and II capital projects achieving substantial completion.

Financial and Operating Highlights [1]

		For the 3 months ended			For the 9 months ended	
		Sept. 30	Sept. 30	Jun. 30	Sept. 30	Sept. 30
	Unit	2018	2017	2018	2018	2017
Financial Highlights[2]						
Total sales	$MM	570.5	489.2	619.9	1,718.0	1,457.3
Lumber	$MM	480.3	410.2	527.0	1,453.2	1,233.4
Logs, residual products and other	$MM	90.2	79.0	92.9	264.8	223.9
Operating earnings	$MM	41.3	28.3	85.9	173.6	101.5
Net earnings	$MM	28.1	16.8	63.8	124.8	61.0
Net earnings per share, basic	$/share	0.40	0.24	0.91	1.78	0.87
Adjusted net earnings[3]	$MM	28.2	20.0	68.9	133.9	71.4
Adjusted net earnings per share, basic[3]	$/share	0.40	0.29	0.98	1.91	1.02
Operating cash flow per share (before working capital changes)[3]	$/share	1.00	0.82	1.76	3.83	2.72
Adjusted EBITDA[3]	$MM	69.4	60.5	123.8	274.2	198.2
Adjusted EBITDA margin[3]	%	12.2%	12.4%	20.0%	16.0%	13.6%
Total assets	$MM	1,539.5	1,296.3	1,536.0	1,539.5	1,296.3
Total debt	$MM	258.9	249.6	263.4	258.9	249.6
Net debt	$MM	3.8	176.9	34.4	3.8	176.9
Net debt to invested capital[3]	%	0.4%	17.8%	3.4%	0.4%	17.8%
Annualized return on invested capital[3]	%	27.7%	23.9%	48.5%	37.3%	25.5%
Operating Highlights						
Lumber production	million fbm	674	645	688	2,029	1,940
Total lumber sales	million fbm	685	671	700	2,033	1,991
Lumber sales - Interfor produced	million fbm	675	650	689	1,999	1,928
Lumber sales - wholesale and commission	million fbm	10	21	11	34	63
Lumber - average selling price[4]	$/thousand fbm	701	611	753	715	620
Average USD/CAD exchange rate[5]	1 USD in CAD	1.3070	1.2528	1.2911	1.2876	1.3074
Closing USD/CAD exchange rate[5]	1 USD in CAD	1.2945	1.2480	1.3168	1.2945	1.2480

Notes:

(1) Figures in this table may not equal or sum to figures presented elsewhere due to rounding.
(2) Financial information presented for interim periods in this release is prepared in accordance with IFRS and is unaudited.
(3) Refer to the Non-GAAP Measures section of this release for definitions and reconciliations of these measures to figures reported in the Company's consolidated financial statements.
(4) Gross sales before duties.
(5) Based on Bank of Canada foreign exchange rates.

Liquidity

Balance Sheet

Interfor maintained a strong financial position throughout Q3'18. Net debt at September 30, 2018 was $3.8 million, or 0.4% of invested capital, representing a decrease of $173.1 million from September 30, 2017, and a decrease of $115.5 million from December 31, 2017. The majority of the decrease in net debt in Q3'18 is attributed to strong cash flows generated from operations. Net debt was positively impacted by a strengthened Canadian Dollar against the U.S. Dollar as all debt held was denominated in U.S. Dollars; this was partially hedged by the Company's U.S. Dollar cash and marketable securities balances.

	For the 3 months ended Sept. 30,		For the 9 months ended Sept. 30,	
Thousands of Dollars	**2018**	**2017**	**2018**	**2017**
Net debt				
Net debt, period opening, CAD	$34,415	$215,155	$119,300	$289,551
Net repayment on credit facilities, CAD	112	2	111	(40,216)
Impact on U.S. Dollar denominated debt from (strengthening) weakening CAD	(4,572)	(9,942)	7,889	(19,005)
Decrease (increase) in cash and cash equivalents, CAD	63,392	(30,525)	(33,953)	(52,543)
Decrease (increase) in marketable securities, CAD	(89,547)	2,176	(89,547)	(921)
Net debt, period ending, CAD	$3,800	$176,866	$3,800	$176,866
Net debt components by currency				
U.S. Dollar debt, period opening, USD	$200,000	$200,000	$200,000	$230,000
Net repayment on credit facilities, USD	-	-	-	(30,000)
U.S. Dollar debt, period ending, USD	$200,000	$200,000	200,000	200,000
Spot rate, period end			1.2945	1.2480
U.S. Dollar debt expressed in CAD			258,900	249,600
Total debt, CAD			258,900	249,600
Cash and cash equivalents, CAD			(165,553)	(71,813)
Marketable securities, CAD			(89,547)	(921)
Net debt, period ending, CAD			$3,800	$176,866

As at September 30, 2018, the Company had net working capital of $411.7 million and available liquidity of $567.2 million, including unrestricted cash, marketable securities and borrowing capacity on operating and term line facilities.

On June 15, 2018, the Company extended the maturity of its U.S. Operating line from May 1, 2019 to June 15, 2021, with no other significant changes. On August 14, 2018, Interfor completed an agreement to extend US$84 million of its 2021 to 2023 Senior Secured Note maturities to 2027 to 2029. As a result, Interfor's weighted average fixed interest rate on its term debt is 4.47%.

These resources, in addition to cash generated from operations, will be used to support capital expenditures, working capital requirements and debt servicing commitments. We believe that Interfor will have sufficient liquidity to fund operating and capital requirements for the foreseeable future.

Capital Resources

The following table summarizes Interfor's credit facilities and availability as of September 30, 2018:

Thousands of Canadian Dollars	Operating Line	Revolving Term Line	Senior Secured Notes	U.S. Operating Line	Total
Available line of credit	$65,000	$200,000	$258,900	$64,725	$588,625
Maximum borrowing available	$65,000	$200,000	$258,900	$64,725	$588,625
Less:					
Drawings	-	-	258,900	-	258,900
Outstanding letters of credit included in line utilization	14,472	-	-	3,184	17,656
Unused portion of facility	$50,528	$200,000	$ -	$61,541	312,069
Add:					
Cash and cash equivalents					165,553
Marketable securities					89,547
Available liquidity at September 30, 2018					$567,169

As of September 30, 2018, the Company had commitments for capital expenditures totaling $105.6 million.

Non-GAAP Measures

This release makes reference to the following non-GAAP measures: Adjusted net earnings, Adjusted net earnings per share, EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, Net debt to invested capital, Operating cash flow per share (before working capital changes) and Return on invested capital which are used by the Company and certain investors to evaluate operating performance and financial position. These non-GAAP measures do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers.

The following table provides a reconciliation of these non-GAAP measures to figures as reported in the Company's unaudited interim consolidated financial statements prepared in accordance with IFRS:

	For the 3 months ended			For the 9 months ended	
Thousands of Canadian Dollars except number of shares and per share amounts	**Sept. 30 2018**	**Sept. 30 2017**	**Jun.30 2018**	**Sept. 30 2018**	**Sept. 30 2017**
Adjusted Net Earnings					
Net earnings	$28,092	$16,778	$63,775	$124,843	$60,957
Add:					
Capital asset write-downs and restructuring costs (recovery)	5,848	(21)	4,669	10,753	1,781
Other foreign exchange loss (gain)	1,847	1,353	(1,880)	(144)	2,447
Long term incentive compensation expense (recovery)	(7,503)	3,004	3,996	1,351	9,867
Other expense (income)	(192)	347	80	66	992
Post closure wind-down costs and losses (recoveries)	-	(39)	-	4	(26)
Income tax effect of above adjustments	149	(1,456)	(1,701)	(2,926)	(4,588)
Adjusted net earnings	$28,241	$19,966	$68,939	$133,947	$71,430
Weighted average number of shares - basic ('000)	*69,908*	*70,030*	*70,038*	*69,993*	*70,030*
Adjusted net earnings per share	$0.40	$0.29	$0.98	$1.91	$1.02
Adjusted EBITDA					
Net earnings	$28,092	$16,778	$63,775	$124,843	$60,957
Add:					
Depreciation of plant and equipment	20,071	18,836	20,851	60,990	58,406
Depletion and amortization of timber, roads and other	9,715	10,435	8,350	27,482	26,756
Capital asset write-downs and restructuring costs (recovery)	5,848	(21)	4,669	10,753	1,781
Finance costs	2,465	3,294	2,786	8,156	10,891
Other foreign exchange loss (gain)	1,847	1,353	(1,880)	(144)	2,447
Income tax expense	9,044	6,559	21,132	40,709	26,168
EBITDA	77,082	57,234	119,683	272,789	187,406
Add:					
Long term incentive compensation expense (recovery)	(7,503)	3,004	3,996	1,351	9,867
Other expense (income)	(192)	347	80	66	992
Post closure wind-down costs and losses (recoveries)	-	(39)	-	4	(26)
Adjusted EBITDA	$69,387	$60,546	$123,759	$274,210	$198,239
Sales	$570,486	$489,169	$619,893	$1,718,023	$1,457,325
Adjusted EBITDA margin	12.2%	12.4%	20.0%	16.0%	13.6%
Net debt to invested capital					
Net debt					
Total debt	$258,900	$249,600	$263,360	$258,900	$249,600
Cash and cash equivalents	(165,553)	(71,813)	(228,945)	(165,553)	(71,813)
Marketable securities	(89,547)	(921)	-	(89,547)	(921)
Total net debt	$3,800	$176,866	$34,415	$3,800	$176,866
Invested capital					
Net debt	$3,800	$176,866	$34,415	$3,800	$176,866
Shareholders' equity	985,316	817,676	977,294	985,316	817,676
Total invested capital	$989,116	$994,542	$1,011,709	$989,116	$994,542
Net debt to invested capital(1)	0.4%	17.8%	3.4%	0.4%	17.8%
Operating cash flow per share (before working capital changes)					
Cash provided by operating activities	$84,956	$60,977	$133,729	$237,196	$171,475
Cash used in (generated from) operating working capital	(15,223)	(3,474)	(10,579)	31,171	19,028
Operating cash flow (before working capital changes)	$69,733	$57,503	$123,150	$268,367	$190,503
Weighted average number of shares - basic ('000)	*69,908*	*70,030*	*70,038*	*69,993*	*70,030*
Operating cash flow per share (before working capital changes)	$1.00	$0.82	$1.76	$3.83	$2.72
Annualized return on invested capital					
Adjusted EBITDA	$69,387	$60,546	$123,759	$274,210	$198,239
Invested capital, beginning of period	$1,011,709	$1,031,291	$1,028,240	$973,488	$1,076,218
Invested capital, end of period	989,116	994,542	1,011,709	989,116	994,542
Average invested capital	$1,000,413	$1,012,917	$1,019,975	$981,302	$1,035,380
Adjusted EBITDA divided by average invested capital	6.9%	6.0%	12.1%	27.9%	19.1%
Annualization factor	4.0	4.0	4.0	1.33	1.33
Annualized return on invested capital	27.7%	23.9%	48.5%	37.3%	25.5%

Notes:
(1) Net debt to invested capital as of the period end.

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CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS

For the three and nine months ended September 30, 2018 and 2017 (unaudited)

(thousands of Canadian Dollars except earnings per share)	Three Months Sep. 30, 2018	Three Months Sep. 30, 2017	Nine Months Sep. 30, 2018	Nine Months Sep. 30, 2017
Sales	$570,486	$489,169	$1,718,023	$1,457,325
Costs and expenses:				
Production	472,354	407,222	1,359,291	1,205,504
Selling and administration	12,825	11,936	40,850	36,817
Long term incentive compensation expense (recovery)	(7,503)	3,004	1,351	9,867
U.S. countervailing and anti-dumping duty deposits	15,920	9,426	43,676	16,739
Depreciation of plant and equipment	20,071	18,836	60,990	58,406
Depletion and amortization of timber, roads and other	9,715	10,435	27,482	26,756
	523,382	460,859	1,533,640	1,354,089
Operating earnings before write-downs and restructuring	47,104	28,310	184,383	103,236
Capital asset write-downs and restructuring costs (recovery)	5,848	(21)	10,753	1,781
Operating earnings	41,256	28,331	173,630	101,455
Finance costs	(2,465)	(3,294)	(8,156)	(10,891)
Other foreign exchange gain (loss)	(1,847)	(1,353)	144	(2,447)
Other expense	192	(347)	(66)	(992)
	(4,120)	(4,994)	(8,078)	(14,330)
Earnings before income taxes	37,136	23,337	165,552	87,125
Income tax expense:				
Current	663	22	3,000	708
Deferred	8,381	6,537	37,709	25,460
	9,044	6,559	40,709	26,168
Net earnings	$28,092	$16,778	$124,843	$60,957
Net earnings per share, basic and diluted	$0.40	$0.24	$1.78	$0.87

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the three and nine months ended September 30, 2018 and 2017 (unaudited)

(thousands of Canadian Dollars)	Three Months Sep. 30, 2018	Three Months Sep. 30, 2017	Nine Months Sep. 30, 2018	Nine Months Sep. 30, 2017
Net earnings	$28,092	$16,778	$124,843	$60,957
Other comprehensive income (loss):				
Items that will not be recycled to Net earnings:				
Defined benefit plan actuarial gain, net of tax	957	1,192	2,846	794
Items that are or may be recycled to Net earnings:				
Foreign currency translation differences for foreign operations, net of tax	(9,289)	(16,589)	14,688	(31,151)
Loss in fair value of interest rate swaps	-	-	-	(11)
Total items that are or may be recycled to Net earnings	(9,289)	(16,589)	14,688	(31,162)
Total other comprehensive income (loss), net of tax	(8,332)	(15,397)	17,534	(30,368)
Comprehensive income	$19,760	$1,381	$142,377	$30,589

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the three and nine months ended September 30, 2018 and 2017 (unaudited)

(thousands of Canadian Dollars)	Three Months Sep. 30, 2018	Three Months Sep. 30, 2017	Nine Months Sep. 30, 2018	Nine Months Sep. 30, 2017
Cash provided by (used in):				
Operating activities:				
Net earnings	$28,092	$16,778	$124,843	$60,957
Items not involving cash:				
Depreciation of plant and equipment	20,071	18,836	60,990	58,406
Depletion and amortization of timber, roads and other	9,715	10,435	27,482	26,756
Income tax expense	9,044	6,559	40,709	26,168
Finance costs	2,465	3,294	8,156	10,891
Other assets	241	(252)	(176)	(70)
Reforestation liability	(2,111)	(522)	(684)	1,787
Provisions and other liabilities	(3,724)	2,178	(4,180)	4,225
Stock options	212	159	558	420
Write-down of plant, equipment and intangibles	5,823	-	10,687	-
Unrealized foreign exchange loss (gain)	97	(2)	(84)	(11)
Other expense (income)	(192)	40	66	974
	69,733	57,503	268,367	190,503
Cash generated from (used in) operating working capital:				
Trade accounts receivable and other	20,738	(8,785)	(3,232)	(21,041)
Inventories	951	10,417	(30,975)	(5,255)
Prepayments	(560)	(1,011)	(3,344)	(1,430)
Trade accounts payable and provisions	(3,952)	3,576	9,656	9,841
Income taxes paid	(1,954)	(723)	(3,276)	(1,143)
	84,956	60,977	237,196	171,475
Investing activities:				
Additions to property, plant and equipment	(28,968)	(19,805)	(56,133)	(42,957)
Additions to roads and bridges	(9,473)	(8,608)	(23,641)	(25,139)
Additions to timber licences and other intangible assets	(40)	(461)	(90)	(1,826)
Proceeds on disposal of property, plant and equipment	324	63	509	461
Net proceeds from (additions to) investments and other assets	(93,354)	2,805	(106,919)	2,653
	(131,511)	(26,006)	(186,274)	(66,808)
Financing activities:				
Issuance of share capital, net of expenses	-	-	143	-
Repurchase of share capital	(11,950)	-	(11,950)	-
Interest payments	(2,788)	(2,832)	(7,902)	(9,585)
Debt refinancing costs	(67)	(615)	(70)	(785)
Change in operating line components of long term debt	-	2	(1)	(63)
Additions to long term debt	155,909	-	155,909	76,107
Repayments of long term debt	(155,797)	-	(155,797)	(116,260)
	(14,693)	(3,445)	(19,668)	(50,586)
Foreign exchange gain (loss) on cash and cash equivalents held in a foreign currency	(2,144)	(1,001)	2,699	(1,538)
Increase (decrease) in cash	(63,392)	30,525	33,953	52,543
Cash and cash equivalents, beginning of period	228,945	41,288	131,600	19,270
Cash and cash equivalents, end of period	$165,553	$71,813	$165,553	$71,813

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
September 30, 2018 and December 31, 2017 (unaudited)

(thousands of Canadian Dollars)

	Sep. 30, 2018	Dec. 31, 2017
Assets		
Current assets:		
Cash and cash equivalents	$165,553	$131,600
Marketable securities	89,547	-
Trade accounts receivable and other	117,593	112,470
Income taxes receivable	1,636	1,289
Inventories	199,294	165,156
Prepayments	16,363	12,562
	589,986	423,077
Employee future benefits	3,497	502
Deposits and other assets	22,712	6,404
Property, plant and equipment	670,173	670,830
Roads and bridges	27,427	24,092
Timber licences	64,794	66,589
Other intangible assets	8,877	14,170
Goodwill	151,354	147,081
Deferred income taxes	653	251
	$1,539,473	$1,352,996
Liabilities and Shareholders' Equity		
Current liabilities:		
Trade accounts payable and provisions	$164,066	$152,854
Reforestation liability	13,975	12,873
Income taxes payable	251	224
	178,292	165,951
Reforestation liability	27,306	27,535
Long term debt	258,900	250,900
Employee future benefits	8,170	8,249
Provisions and other liabilities	22,724	26,976
Deferred income taxes	58,765	19,197
Equity:		
Share capital	550,864	555,388
Contributed surplus	3,662	8,582
Translation reserve	55,408	40,720
Retained earnings	375,382	249,498
	985,316	854,188
	$1,539,473	$1,352,996

Approved on behalf of the Board:

"*L. Sauder*"
Director

"*Thomas V. Milroy*"
Director

FORWARD-LOOKING STATEMENTS

This release contains information and statements that are forward-looking in nature, including, but not limited to, statements containing the words "believes", "will", "should", "expects", "annualized" 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 other things: price volatility, competition, availability and cost of log supply, natural or man-made disasters, currency exchange sensitivity, regulatory changes, allowable annual cut reductions, Aboriginal title and rights claims, potential countervailing and anti-dumping duties, stumpage fee variables and changes, environmental impact and performance, labour disruptions, cyber-security measures, and other factors referenced herein and in Interfor's Annual Report available on www.sedar.com and www.interfor.com. The forward-looking information and statements contained in this release 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 approximately 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 our website at www.interfor.com.

The Company's unaudited consolidated financial statements and Management's Discussion and Analysis for Q3'18 are available at www.sedar.com and www.interfor.com.

There will be a conference call on Friday, November 9, 2018 at 8:00 a.m. (Pacific Time) hosted by **INTERFOR CORPORATION** for the purpose of reviewing the Company's release of its third quarter 2018 financial results.

The dial-in number is ***1-866-559-8291***. The conference call will also be recorded for those unable to join in for the live discussion, and will be available until December 9, 2018. The number to call is ***1-855-859-2056, Passcode 7288847.***

For further information:
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