



Interfor Corporation

Vancouver, B.C.

February 7, 2019

Interfor Reports 2018 Results
EBITDA⁽¹⁾ of \$280 million and Net Earnings of \$112 million in 2018
NCIB Purchases of 2.3 million Shares for \$37 million in 2018
Net Debt to Invested Capital⁽¹⁾ of 6%

INTERFOR CORPORATION ("Interfor" or the "Company") (TSX: IFP) recorded net earnings of \$111.7 million, or \$1.60 per share, in 2018, compared to \$97.2 million, or \$1.39 per share in 2017. Adjusted EBITDA was \$280.4 million on record annual sales of \$2.2 billion.

Interfor recorded a net loss in Q4'18 of \$13.2 million, or \$0.19 per share, compared to net earnings of \$28.1 million, or \$0.40 per share in Q3'18 and \$36.2 million, or \$0.52 per share in Q4'17. Adjusted net loss in Q4'18 was \$19.8 million compared to Adjusted net earnings of \$28.2 million in Q3'18 and \$45.1 million in Q4'17.

Adjusted EBITDA was \$6.2 million on sales of \$468.5 million in Q4'18 versus \$69.4 million on sales of \$570.5 million in Q3'18.

Notable items in the quarter included:

- Lumber Price Volatility
 - Key benchmark prices decreased in Q4'18 versus Q3'18. The Western SPF Composite and KD H-F Stud 2x4 9' benchmarks fell US\$117 and US\$132 per mfbm, respectively. The SYP Composite decreased US\$77 to US\$386 per mfbm.
 - Interfor's average lumber selling price fell \$102 to \$599 per mfbm, on 647 million board feet of lumber sales.
- Lumber Production Decline Due to Temporary Factors
 - Total lumber production was 607 million board feet, down 67 million board feet quarter-over-quarter. This decline reflects Interfor's previously announced plan to temporarily reduce production across its B.C. Interior operating platform. In addition, project related down-time in the U.S. South and normal holiday-related operating schedules further contributed to the lower lumber production.
 - Production in the B.C. region declined to 174 million board feet from 224 million board feet in the preceding quarter. The U.S. South and U.S. Northwest regions accounted for 303 million board feet and 130 million board feet, respectively, compared to 313 million board feet and 137 million board feet in Q3'18, respectively.
 - Lumber inventory levels ended at 32 million board feet lower than Q3'18.
- Log Cost Inflation in B.C.
 - Operating cost increases were driven by B.C. log cost inflation, which was impacted by higher stumpage rates and open market log costs.

⁽¹⁾ Refer to Adjusted EBITDA and Net debt to invested capital in the Non-GAAP Measures section

- Interfor's operating costs were also impacted by an increase in its net realizable value provision for log and lumber inventories by \$8.2 million in Q4'18.
- Financial Flexibility
 - Net debt ended the quarter at \$63.8 million, or 6.1% of invested capital, resulting in available liquidity of \$506.9 million.
 - Interfor generated \$6.7 million of cash from operations before changes in working capital, or \$0.10 per share, and total cash from operations of \$18.0 million. The \$11.3 million net cash inflow from working capital was driven by reduced accounts receivable and lumber inventory volumes, partially offset by a seasonal increase in B.C. Interior log volumes.
 - Capital investments of \$59.4 million in Q4'18 included \$38.1 million on U.S. South focused high-return discretionary projects, with the remainder related to maintenance capital and woodlands projects.
 - Interfor purchased and cancelled 1,680,295 of its Common Shares ("Shares") at a cost of \$25.0 million in Q4'18, for a total of 2,277,540 Shares purchased at a cost of \$36.9 million in 2018. The Company's normal course issuer bid ("NCIB") was amended in December 2018 and permits the purchase of up to 6,934,456 Shares until its expiry on March 6, 2019.
- Softwood Lumber Duties
 - Interfor expensed \$9.7 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\$60.4 million have been paid by Interfor since the inception of the current trade dispute and are held in trust by the U.S. With the exception of US\$3.3 million recorded as a long-term receivable in respect of overpayments arising from duty rate adjustments, Interfor has recorded the duty deposits as an expense.

Strategic Capital Plan Update

- Interfor continues to make progress on previously announced Phase 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, with completion scheduled for Q2'19. The related capital expenditures through Q4'18 total US\$34.6 million and expected total costs through completion remain in-line with initial guidance.
- 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. The related capital expenditures through Q4'18 total US\$15.3 million and the projects remain on budget.

Financial and Operating Highlights ⁽¹⁾

Unit	For the three months ended			For the year ended Dec. 31			
	Dec. 31, 2018	Dec. 31, 2017	Sep. 30, 2018	2018	2017	2016	
Financial Highlights⁽²⁾							
Total sales	\$MM	468.5	532.8	570.5	2,186.6	1,990.1	1,792.7
Lumber	\$MM	387.7	446.0	480.3	1,841.1	1,679.4	1,458.3
Logs, residual products and other	\$MM	80.8	86.8	90.2	345.5	310.7	334.4
Operating earnings (loss)	\$MM	(17.0)	47.9	41.3	156.6	149.3	75.9
Net earnings (loss)	\$MM	(13.2)	36.2	28.1	111.7	97.2	65.6
Net earnings (loss) per share, basic	\$/share	(0.19)	0.52	0.40	1.60	1.39	0.94
Adjusted net earnings (loss) ⁽³⁾	\$MM	(19.8)	45.1	28.2	114.1	116.5	58.7
Adjusted net earnings (loss) per share, basic ⁽³⁾	\$/share	(0.29)	0.64	0.40	1.64	1.66	0.84
Operating cash flow per share (before working capital changes) ⁽³⁾	\$/share	0.10	1.19	1.00	3.95	3.91	2.75
Adjusted EBITDA ⁽³⁾	\$MM	6.2	89.5	69.4	280.4	287.8	199.6
Adjusted EBITDA margin ⁽³⁾	%	1.3%	16.8%	12.2%	12.8%	14.5%	11.1%
Total assets	\$MM	1,529.5	1,353.0	1,539.5	1,529.5	1,353.0	1,301.6
Total debt	\$MM	272.8	250.9	258.9	272.8	250.9	308.8
Net debt ⁽³⁾	\$MM	63.8	119.3	3.8	63.8	119.3	289.6
Net debt to invested capital ⁽³⁾	%	6.1%	12.3%	0.4%	6.1%	12.3%	26.9%
Annualized return on invested capital ⁽³⁾	%	2.4%	36.4%	27.7%	27.9%	28.1%	17.7%
Operating Highlights							
Lumber production	million fbm	607	655	674	2,635	2,595	2,490
Total lumber sales	million fbm	647	686	685	2,680	2,677	2,561
Lumber sales - Interfor produced	million fbm	639	666	675	2,638	2,594	2,469
Lumber sales - wholesale and commission	million fbm	8	20	10	42	83	92
Lumber - average selling price ⁽⁴⁾	\$/thousand fbm	599	650	701	687	627	570
Average USD/CAD exchange rate ⁽⁵⁾	1 USD in CAD	1.3204	1.2713	1.3070	1.2957	1.2986	1.3248
Closing USD/CAD exchange rate ⁽⁵⁾	1 USD in CAD	1.3642	1.2545	1.2945	1.3642	1.2545	1.3427

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 strengthened its financial position throughout 2018, with strong cash flow generated from operations used to fund capital projects, invest in marketable securities and repurchase Shares. Net debt at December 31, 2018 was \$63.8 million, or 6.1% of invested capital, representing a decrease of \$55.5 million from the level of net debt at December 31, 2017. Net debt was negatively impacted by a weakened 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.

Thousands of Dollars	For the 3 months ended			For the year ended	
	Dec. 31, 2018	Dec. 31, 2017	Sep. 30, 2018	Dec. 31, 2018	Dec. 31, 2017
Net debt					
Net debt, period opening	\$3,800	\$176,866	\$34,415	\$119,300	\$289,551
Net drawing (repayment) on credit facilities	(1)	(1)	112	110	(40,217)
Impact on U.S. Dollar denominated debt from (strengthening) weakening CAD	13,941	1,301	(4,572)	21,830	(17,704)
Decrease (increase) in cash and cash equivalents	7,286	(59,698)	61,248	(23,968)	(114,789)
Decrease (increase) in marketable securities	49,871	921	(91,011)	(41,140)	-
Impact on U.S. Dollar denominated cash and cash equivalents and marketable securities from strengthening (weakening) CAD	(11,072)	(89)	3,608	(12,307)	2,459
Net debt, period ending	\$63,825	\$119,300	\$3,800	\$63,825	\$119,300

As at December 31, 2018, the Company had net working capital of \$359.2 million and available liquidity of \$506.9 million, including 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 rose to 4.47%.

These resources, in addition to cash generated from operations, will be used to support working capital requirements, debt servicing commitments and capital expenditures. 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 December 31, 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	\$272,840	\$68,210	\$606,050
Maximum borrowing available	\$65,000	\$200,000	\$272,840	\$50,590	\$588,430
Less:					
Drawings	-	-	272,840	-	272,840
Outstanding letters of credit included in line utilization	14,858	-	-	2,810	17,668
Unused portion of facility	\$50,142	\$200,000	\$-	\$47,780	297,922
Add:					
Cash and cash equivalents					166,152
Marketable securities					42,863
Available liquidity at December 31, 2018					\$506,937

As of December 31, 2018, the Company had commitments for capital expenditures totaling \$161.4 million for both maintenance and discretionary capital projects.

Non-GAAP Measures

This release makes reference to the following non-GAAP measures: Adjusted net earnings, Adjusted net earnings per share, EBITDA, Adjusted EBITDA, Net debt to invested capital and Operating cash flow per share (before working capital changes) 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 audited consolidated financial statements (unaudited for interim periods) prepared in accordance with IFRS:

Thousands of Canadian Dollars except number of shares and per share amounts	For the 3 months ended			For the year ended Dec. 31,		
	Dec. 31, 2018	Dec. 31, 2017	Sep. 30, 2018	2018	2017	2016
Adjusted Net Earnings (Loss)						
Net earnings (loss)	\$(13,165)	\$36,196	\$28,092	\$111,678	\$97,153	\$65,643
Add:						
Capital asset write-downs and restructuring costs	4,551	7,422	5,848	15,304	9,203	7,280
Other foreign exchange loss (gain)	(3,330)	(412)	1,847	(3,474)	2,035	(1,468)
Long term incentive compensation expense (recovery)	(9,180)	3,110	(7,503)	(7,829)	12,977	4,551
Other expense (income)	(1,254)	995	(192)	(1,188)	1,987	(14,094)
Post closure wind-down costs and losses (recoveries)	-	5	-	4	(21)	909
Income tax effect of above adjustments	2,530	(2,260)	149	(396)	(6,848)	2,008
Recognition of previously unrecognized deferred tax assets	-	-	-	-	-	(6,171)
Adjusted net earnings (loss)	\$(19,848)	\$45,056	\$28,241	\$114,099	\$116,486	\$58,658
Weighted average number of shares - basic ('000)	68,884	70,030	69,908	69,713	70,030	70,030
Adjusted net earnings (loss) per share	\$(0.29)	\$0.64	\$0.40	\$1.64	\$1.66	\$0.84
Adjusted EBITDA						
Net earnings (loss)	\$(13,165)	\$36,196	\$28,092	\$111,678	\$97,153	\$65,643
Add:						
Depreciation of plant and equipment	19,283	19,217	20,071	80,273	77,623	76,092
Depletion and amortization of timber, roads and other	8,566	11,879	9,715	36,048	38,635	34,895
Capital asset write-downs and restructuring costs	4,551	7,422	5,848	15,304	9,203	7,280
Finance costs	2,254	3,139	2,465	10,410	14,030	18,602
Other foreign exchange loss (gain)	(3,330)	(412)	1,847	(3,474)	2,035	(1,468)
Income tax expense (recovery)	(1,518)	7,968	9,044	39,191	34,136	7,207
EBITDA	16,641	85,409	77,082	289,430	272,815	208,251
Add:						
Long term incentive compensation expense (recovery)	(9,180)	3,110	(7,503)	(7,829)	12,977	4,551
Other (income) expense	(1,254)	995	(192)	(1,188)	1,987	(14,094)
Post closure wind-down costs and losses (recoveries)	-	5	-	4	(21)	909
Adjusted EBITDA	\$6,207	\$89,519	\$69,387	\$280,417	\$287,758	\$199,617
Sales	\$468,544	\$532,781	\$570,486	\$2,186,567	\$1,990,106	\$1,792,712
Adjusted EBITDA margin	1.3%	16.8%	12.2%	12.8%	14.5%	11.1%
Net debt to invested capital						
Net debt						
Total debt	\$272,840	\$250,900	\$258,900	\$272,840	\$250,900	\$308,821
Cash and cash equivalents	(166,152)	(131,600)	(165,553)	(166,152)	(131,600)	(19,270)
Marketable securities	(42,863)	-	(89,547)	(42,863)	-	-
Total net debt	\$63,825	\$119,300	\$3,800	\$63,825	\$119,300	\$289,551
Invested capital						
Net debt	\$63,825	\$119,300	\$3,800	\$63,825	\$119,300	\$289,551
Shareholders' equity	974,065	854,188	985,316	974,065	854,188	786,667
Total invested capital	\$1,037,890	\$973,488	\$989,116	\$1,037,890	\$973,488	\$1,076,218
Net debt to invested capital ⁽¹⁾	6.1%	12.3%	0.4%	6.1%	12.3%	26.9%
Operating cash flow per share (before working capital changes)						
Cash provided by operating activities	\$18,037	\$86,749	\$84,956	\$255,233	\$258,224	\$199,272
Cash used in (generated from) operating working capital	(11,303)	(3,332)	(15,223)	19,868	15,696	(6,695)
Operating cash flow (before working capital changes)	\$6,734	\$83,417	\$69,733	\$275,101	\$273,920	\$192,577
Weighted average number of shares - basic ('000)	68,884	70,030	69,908	69,713	70,030	70,030
Operating cash flow per share (before working capital changes)	\$0.10	\$1.19	\$1.00	\$3.95	\$3.91	\$2.75
Annualized return on invested capital						
Adjusted EBITDA	\$6,207	\$89,519	\$69,387	\$280,417	\$287,758	\$199,617
Invested capital, beginning of period	\$989,116	\$994,542	\$1,011,709	\$973,488	\$1,076,218	\$1,177,557
Invested capital, end of period	1,037,890	973,488	989,116	1,037,890	973,488	1,076,218
Average invested capital	\$1,013,503	\$984,015	\$1,000,413	\$1,005,689	\$1,024,853	\$1,126,888
Adjusted EBITDA divided by average invested capital	0.6%	9.1%	6.9%	27.9%	28.1%	17.7%
Annualization factor	4.0	4.0	4.0	1.0	1.0	1.0
Annualized return on invested capital	2.4%	36.4%	27.7%	27.9%	28.1%	17.7%

Notes:

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



CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
For the three months and years ended December 31, 2018 and 2017 (unaudited)

(thousands of Canadian Dollars except earnings per share)

	Three Months Dec. 31, 2018	Three Months Dec. 31, 2017	Year Dec. 31, 2018	Year Dec. 31, 2017
Sales	\$468,544	\$532,781	\$2,186,567	\$1,990,106
Costs and expenses:				
Production	440,534	427,418	1,799,825	1,632,922
Selling and administration	12,142	13,958	52,992	50,775
Long term incentive compensation expense (recovery)	(9,180)	3,110	(7,829)	12,977
U.S. countervailing and anti-dumping duty deposits	9,661	1,891	53,337	18,630
Depreciation of plant and equipment	19,283	19,217	80,273	77,623
Depletion and amortization of timber, roads and other	8,566	11,879	36,048	38,635
	481,006	477,473	2,014,646	1,831,562
Operating earnings (loss) before write-downs and restructuring	(12,462)	55,308	171,921	158,544
Capital asset write-downs and restructuring costs	4,551	7,422	15,304	9,203
Operating earnings (loss)	(17,013)	47,886	156,617	149,341
Finance costs	(2,254)	(3,139)	(10,410)	(14,030)
Other foreign exchange gain (loss)	3,330	412	3,474	(2,035)
Other income (expense)	1,254	(995)	1,188	(1,987)
	2,330	(3,722)	(5,748)	(18,052)
Earnings (loss) before income taxes	(14,683)	44,164	150,869	131,289
Income tax expense (recovery):				
Current	(45)	356	2,955	1,064
Deferred	(1,473)	7,612	36,236	33,072
	(1,518)	7,968	39,191	34,136
Net earnings (loss)	\$(13,165)	\$36,196	\$111,678	\$97,153
Net earnings (loss) per share, basic and diluted	\$(0.19)	\$0.52	\$1.60	\$1.39

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the three months and years ended December 31, 2018 and 2017 (unaudited)

(thousands of Canadian Dollars)

	Three Months Dec. 31, 2018	Three Months Dec. 31, 2017	Year Dec. 31, 2018	Year Dec. 31, 2017
Net earnings (loss)	\$(13,165)	\$36,196	\$111,678	\$97,153
Other comprehensive income (loss):				
Items that will not be recycled to Net earnings:				
Defined benefit plan actuarial gain (loss), net of tax	(2,338)	(2,144)	508	(1,350)
Items that are or may be recycled to Net earnings:				
Foreign currency translation differences for foreign operations, net of tax	29,015	2,297	43,703	(28,854)
Loss in fair value of interest rate swaps	-	-	-	(11)
Total items that are or may be recycled to Net earnings	29,015	2,297	43,703	(28,865)
Total other comprehensive income (loss), net of tax	26,677	153	44,211	(30,215)
Comprehensive income	\$13,512	\$36,349	\$155,889	\$66,938



CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the three months and years ended December 31, 2018 and 2017 (unaudited)

(thousands of Canadian Dollars)

	Three Months Dec. 31, 2018	Three Months Dec. 31, 2017	Year Dec. 31, 2018	Year Dec. 31, 2017
Cash provided by (used in):				
Operating activities:				
Net earnings (loss)	\$(13,165)	\$36,196	\$111,678	\$97,153
Items not involving cash:				
Depreciation of plant and equipment	19,283	19,217	80,273	77,623
Depletion and amortization of timber, roads and other	8,566	11,879	36,048	38,635
Income tax expense (recovery)	(1,518)	7,968	39,191	34,136
Finance costs	2,254	3,139	10,410	14,030
Other assets	(2,824)	(4,133)	(3,000)	(4,203)
Reforestation liability	763	(678)	79	1,109
Provisions and other liabilities	(5,024)	1,404	(9,204)	5,629
Stock options	216	163	774	583
Write-down of plant, equipment and intangibles	3,238	7,091	13,925	7,091
Unrealized foreign exchange loss (gain)	(3,801)	158	(3,885)	147
Other expense (income)	(1,254)	1,013	(1,188)	1,987
	6,734	83,417	275,101	273,920
Cash generated from (used in) operating working capital:				
Trade accounts receivable and other	30,624	1,196	27,392	(19,845)
Inventories	(2,846)	(8,988)	(33,821)	(14,243)
Prepayments	216	2,349	(3,128)	919
Trade accounts payable and provisions	(15,575)	9,847	(5,919)	19,688
Income taxes paid	(1,116)	(1,072)	(4,392)	(2,215)
	18,037	86,749	255,233	258,224
Investing activities:				
Additions to property, plant and equipment	(50,307)	(17,413)	(106,440)	(60,370)
Additions to roads and bridges	(8,524)	(7,072)	(32,165)	(32,211)
Additions to timber licences and other intangible assets	(68)	(534)	(158)	(2,360)
Proceeds on disposal of property, plant and equipment	1,846	100	2,355	561
Net proceeds from (additions to) investments and other assets	58,555	626	(48,364)	3,279
	1,502	(24,293)	(184,772)	(91,101)
Financing activities:				
Share issuance, net of expenses	-	-	143	-
Share repurchase	(24,979)	-	(36,929)	-
Interest payments	(1,827)	(2,655)	(9,729)	(12,240)
Debt refinancing costs	(18)	(22)	(88)	(807)
Change in operating line components of long term debt	(1)	(1)	(2)	(64)
Additions to long term debt	-	-	155,909	76,107
Repayments of long term debt	-	-	(155,797)	(116,260)
	(26,825)	(2,678)	(46,493)	(53,264)
Foreign exchange gain (loss) on cash and cash equivalents held in a foreign currency	7,885	9	10,584	(1,529)
Increase in cash and cash equivalents	599	59,787	34,552	112,330
Cash and cash equivalents, beginning of period	165,553	71,813	131,600	19,270
Cash and cash equivalents, end of period	\$166,152	\$131,600	\$166,152	\$131,600



CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31, 2018 and 2017 (unaudited)

(thousands of Canadian Dollars)

	Dec. 31, 2018	Dec. 31, 2017
Assets		
Current assets:		
Cash and cash equivalents	\$166,152	\$131,600
Marketable securities	42,863	-
Trade accounts receivable and other	90,384	112,470
Income taxes receivable	3,008	1,289
Inventories	209,178	165,156
Prepayments	17,307	12,562
	<u>528,892</u>	<u>423,077</u>
Employee future benefits	303	502
Deposits and other assets	16,842	6,404
Property, plant and equipment	725,266	670,830
Roads and bridges	29,829	24,092
Timber licences	64,153	66,589
Other intangible assets	5,288	14,170
Goodwill	158,799	147,081
Deferred income taxes	132	251
	<u>\$1,529,504</u>	<u>\$1,352,996</u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Trade accounts payable and provisions	\$155,434	\$152,854
Reforestation liability	13,947	12,873
Income taxes payable	356	224
	<u>169,737</u>	<u>165,951</u>
Reforestation liability	28,235	27,535
Long term debt	272,840	250,900
Employee future benefits	8,687	8,249
Provisions and other liabilities	17,413	26,976
Deferred income taxes	58,527	19,197
Equity:		
Share capital	537,534	555,388
Contributed surplus	3,851	8,582
Translation reserve	84,423	40,720
Retained earnings	348,257	249,498
	<u>974,065</u>	<u>854,188</u>
	<u>\$1,529,504</u>	<u>\$1,352,996</u>

Approved on behalf of the Board:

"L. Sauder"
Director

"Thomas V. Milroy"
Director

FORWARD-LOOKING STATEMENTS

This release contains forward-looking information about the Company's business outlook, objectives, plans, strategic priorities and other information that is not historical fact. A statement contains forward-looking information when the Company uses what it knows and expects today, to make a statement about the future. Generally, statements containing forward-looking information can be identified by the use of words such as: believe, expect, intend, forecast, plan, target, budget, outlook, opportunity, risk, strategy or variations or comparable language, or statements that certain actions, events or results may, could, would, should, might, or will occur or not occur. Readers are cautioned that actual results may vary from the forward-looking information in this release, and undue reliance should not be placed on such forward-looking information. Risk factors that could cause actual results to differ materially from the forward-looking information in this release are described in Interfor's annual Management's Discussion & Analysis under the heading "Risks and Uncertainties", which is available on www.interfor.com and under Interfor's profile on www.sedar.com. Material factors and assumptions used to develop the forward-looking information in this release include assumptions regarding selling prices for lumber, logs and wood chips; the Company's ability to compete on a global basis; the availability and cost of log supply; the effects of natural or man-made disasters; currency exchange rates; changes in government regulations; the availability of the Company's allowable annual cut ("AAC"); claims by and treaty settlements with Indigenous peoples; the Company's ability to export its products; the softwood lumber dispute between Canada and the U.S.; stumpage fees payable to the Province of British Columbia; environmental impacts of the Company's operations; labour disruptions; and the efficacy of information systems security. Unless otherwise indicated, the forward-looking information in this release is based on the Company's expectations at the date of this release. Interfor undertakes no obligation to update such forward-looking information, except as 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 2018 audited consolidated financial statements and Management's Discussion and Analysis are available at www.sedar.com and www.interfor.com.

There will be an analyst conference call on Friday, February 8, 2019 at 8:00 a.m. (Pacific Time) hosted by **INTERFOR CORPORATION** for the purpose of reviewing the Company's release of its fourth quarter and fiscal 2018 financial results.

The dial-in number is **1-833-297-9919**. The conference call will also be recorded for those unable to join in for the live discussion, and will be available until March 8, 2019. The number to call is **1-855-859-2056, Passcode 9966426**.

For further information:

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