



COMPANY OVERVIEW

May 2015

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 2014 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.

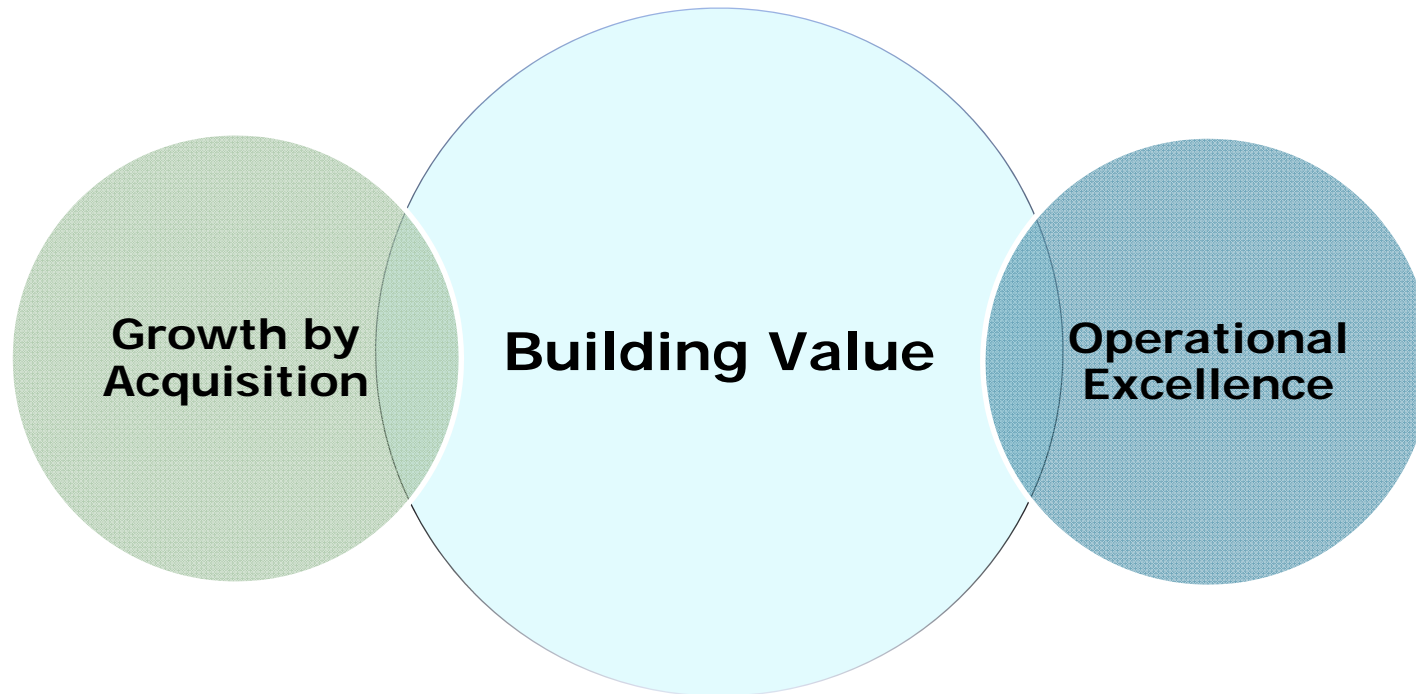
We are strategic, fact-based and proactive.

We strive for excellence in everything we do.

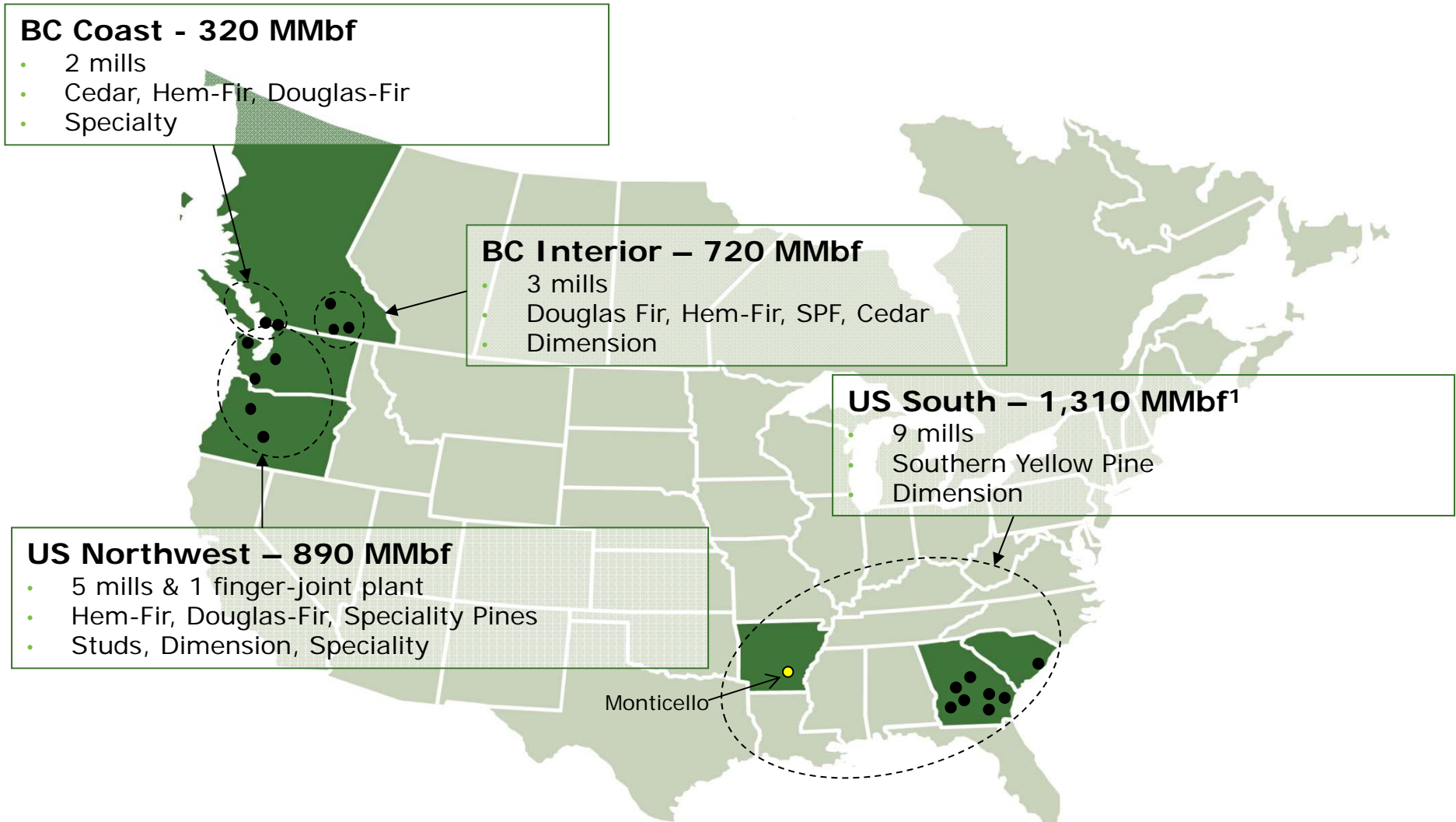
We are responsible for our own success.



INTERFOR STRATEGIC PLAN



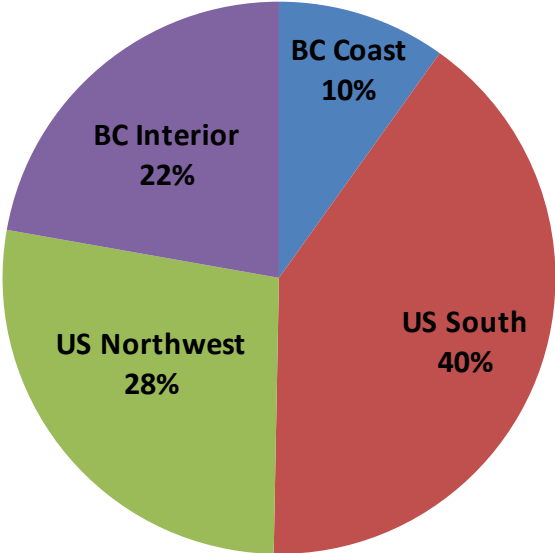
INTERFOR'S FOUR REGIONS



Notes:
(1) Pro forma for Monticello acquisition

BALANCED PROFILE ACROSS THE REGIONS

- Approximately 2/3 of Interfor's production capacity is in the US

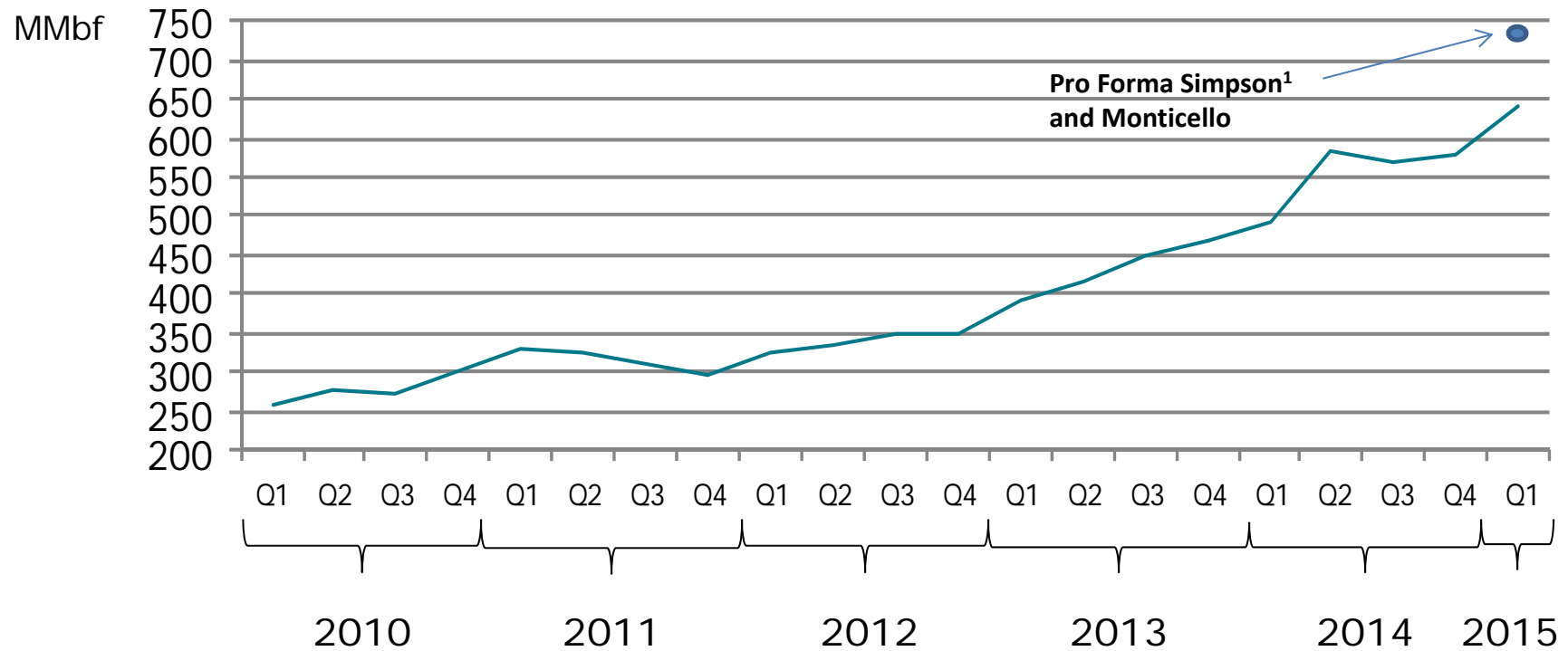


Capacity - 3.2 Bbf¹

Notes:
(1) Pro forma for Monticello acquisition

PRODUCTION GROWTH

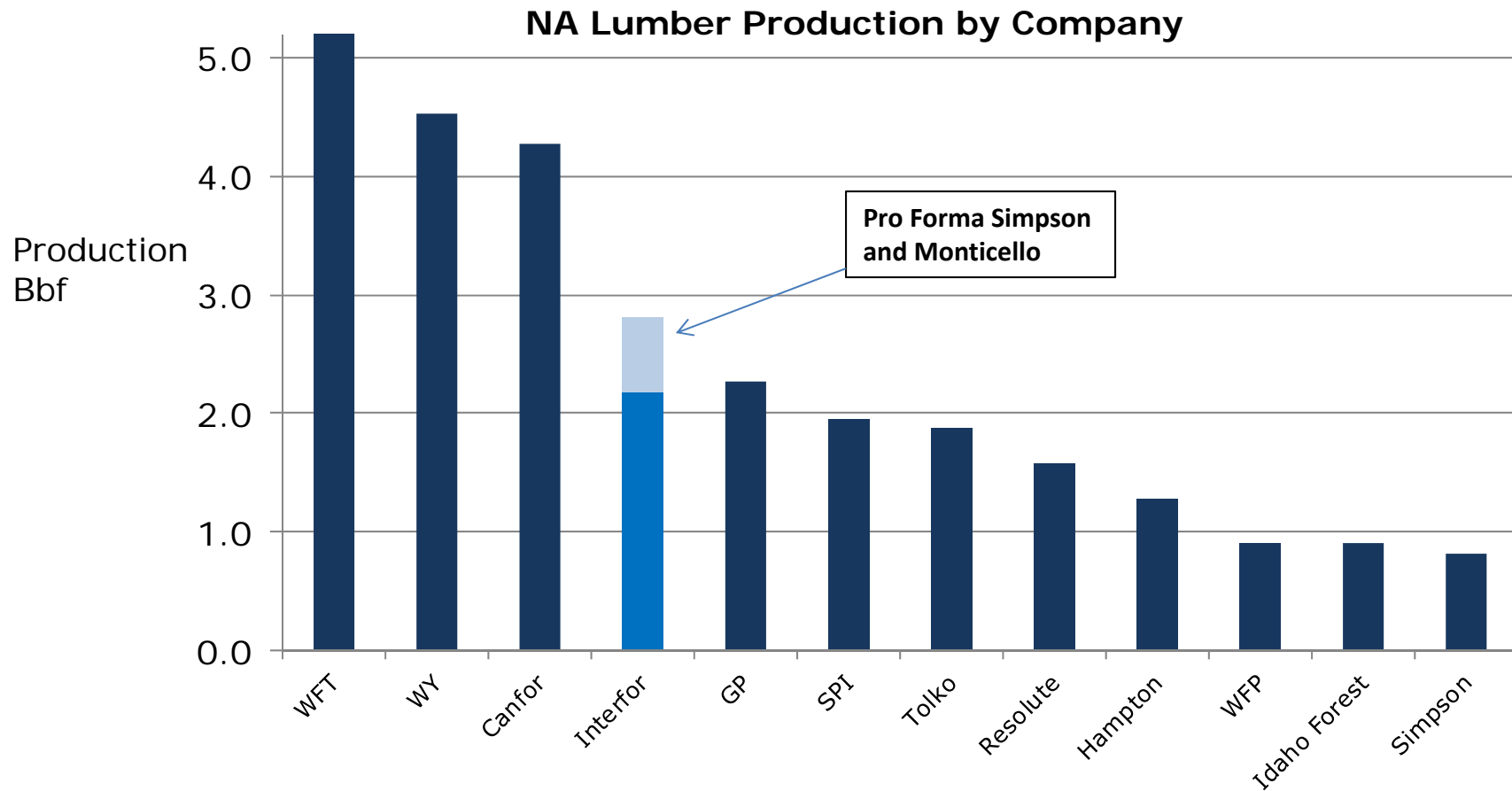
Quarterly Lumber Production 2010 - 2015



Notes:

(1) Simpson transaction closed on March 1, 2015, therefore, only one month included in Q1 2015 production.

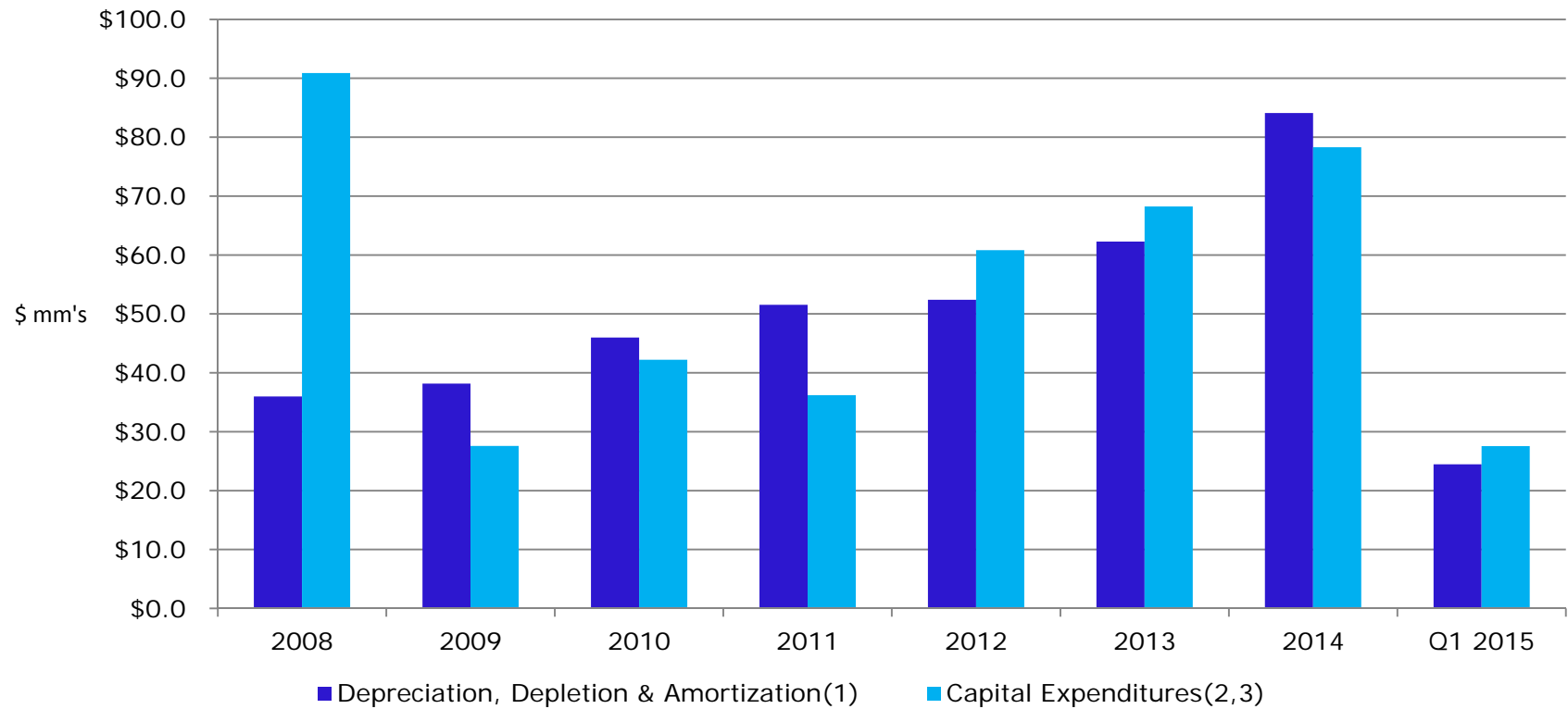
4th LARGEST LUMBER PRODUCER



Source: Wood Markets monthly – March 2015

CAPITAL SPENDING PROFILE

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



Notes:

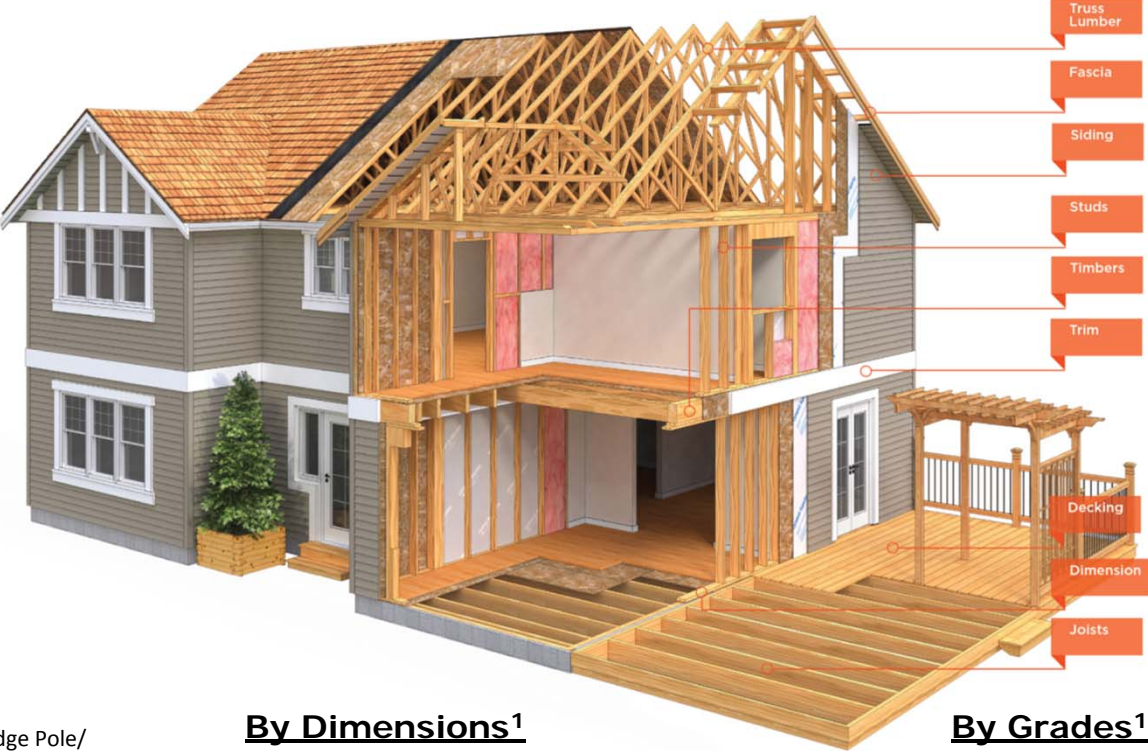
- (1) Includes depreciation of plant and equipment and depletion and amortization of logging roads, timbers and other.
- (2) Includes additions to property, plant and equipment, additions to logging roads and additions to timbers and other intangible assets.
- (3) Does not include additions arising from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

STATE OF THE ART OPERATIONS

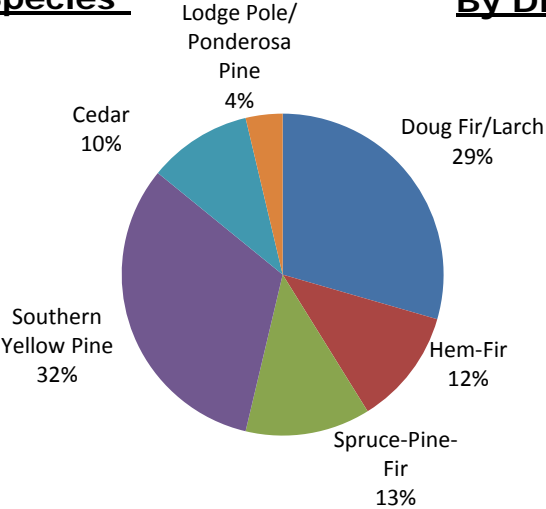
- Interfor has invested over \$350 million in various strategic capital projects over the past several years, with additional projects now underway.



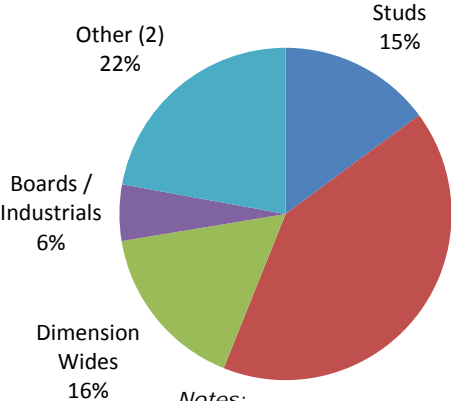
DIVERSE LUMBER MIX



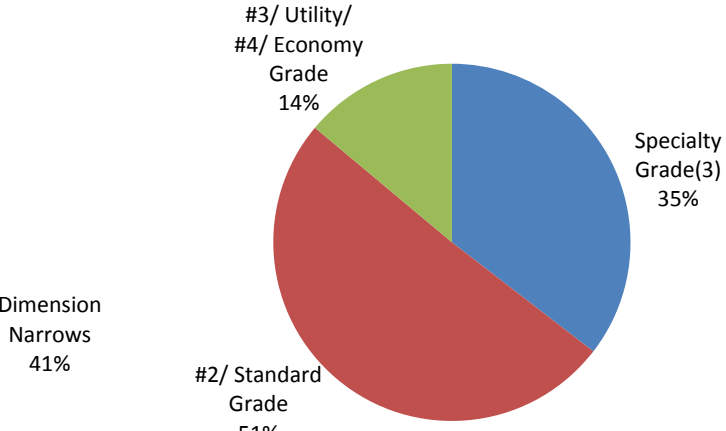
By Species¹



By Dimensions¹



By Grades¹

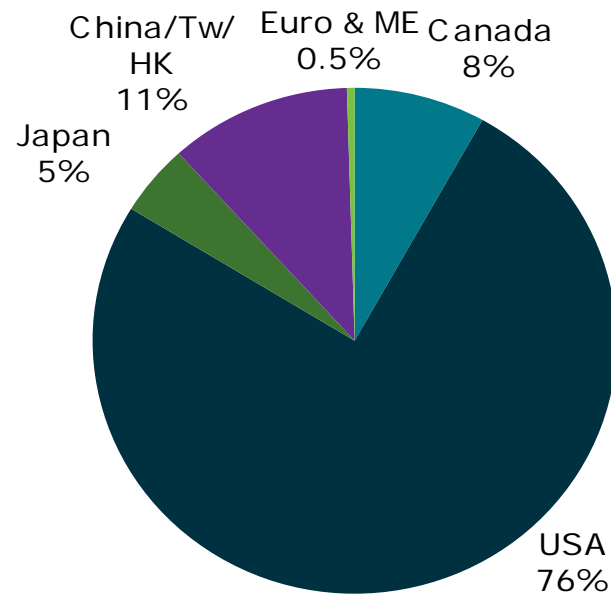


Notes:
 (1) Figures are broken down by value for the quarter ending March 31, 2015
 (2) Japan squares, cedar siding/decking/fascia and other export dimensions.
 (3) Machine Stress Rated ("MSR"), J-Grade, Elite, Reserve, etc.

CUSTOMERS

- A large percentage of Interfor's volume is currently sold into the US

Pro Forma 2014⁽¹⁾ - Volumes



Notes:

(1) Interfor 2014 adjusted to include a full year of shipments resulting from the Tolleson and Simpson acquisitions.

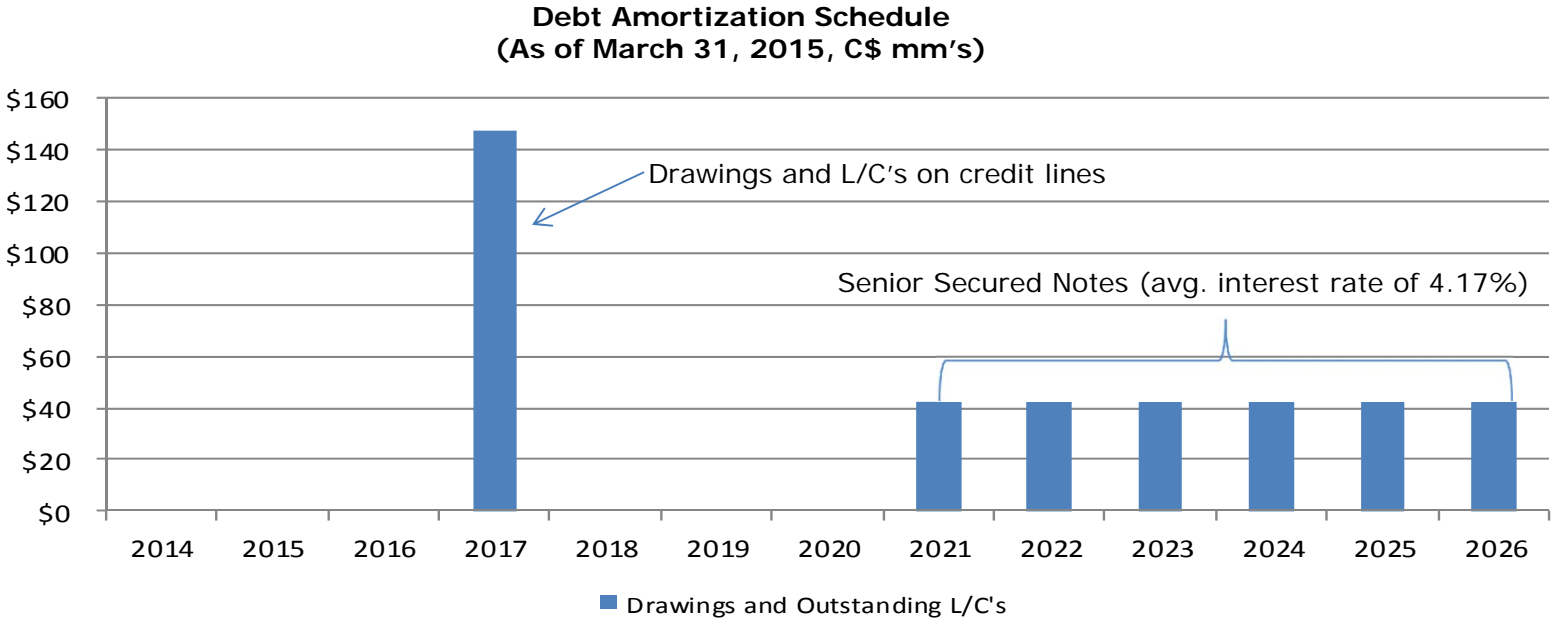
INTERFOR'S CAPITAL STRUCTURE

- Interfor is focused on maintaining a prudent capital structure

C\$ millions	Mar. 31, 2015	Dec. 31, 2014
Net debt	\$370	\$203
Book Equity	\$730	\$636
Invested capital	\$1,100	\$839
Net debt / invested capital	34%	24%

INTERFOR'S DEBT PROFILE

- As of March 31, 2015, available liquidity exceeded \$170 mm.



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

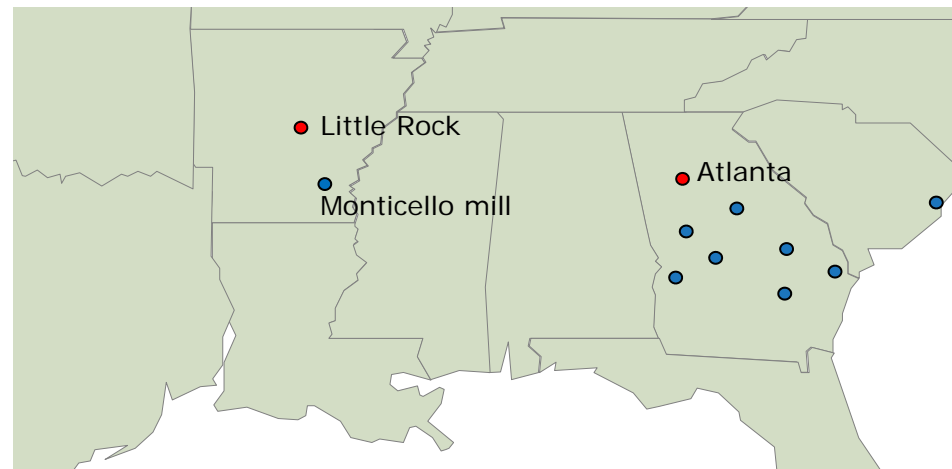
MONTICELLO ACQUISITION

MONTICELLO MILL - DEAL SUMMARY

- Key transaction terms:
 - (i) US\$29.255 mm, plus
 - (ii) spending reimbursement for three ongoing capital projects (primarily a continuous kiln project), plus
 - (iii) closing log and lumber inventory
- Near-term upside from:
 - Production increase from 75 MMbf to >100 MMbf (note: the capex spending at the new kiln will increase drying capacity to approximately 150 MMbf)
 - Productivity
 - Product mix
 - Recovery
- Closing expected in June 2015
- Funding of transaction through existing bank credit facilities
- Accretive to Interfor's results immediately on closing

TRANSACTION BACKGROUND

- The Monticello, Arkansas mill is owned by The Price Companies, who operate chip mills across the US South and Maine.
 - The Monticello sawmill is Price's only lumber operation. The sawmill is separate and standalone from the chip business.
- The Southern Arkansas region is an attractive log basket and also provides freight logical access to customers in the West Side region of the US South.
- The Arkansas mill is a complementary fit within Interfor's US South business system.



MONTICELLO MILL OVERVIEW



Good mill infrastructure



Strong regional log supply



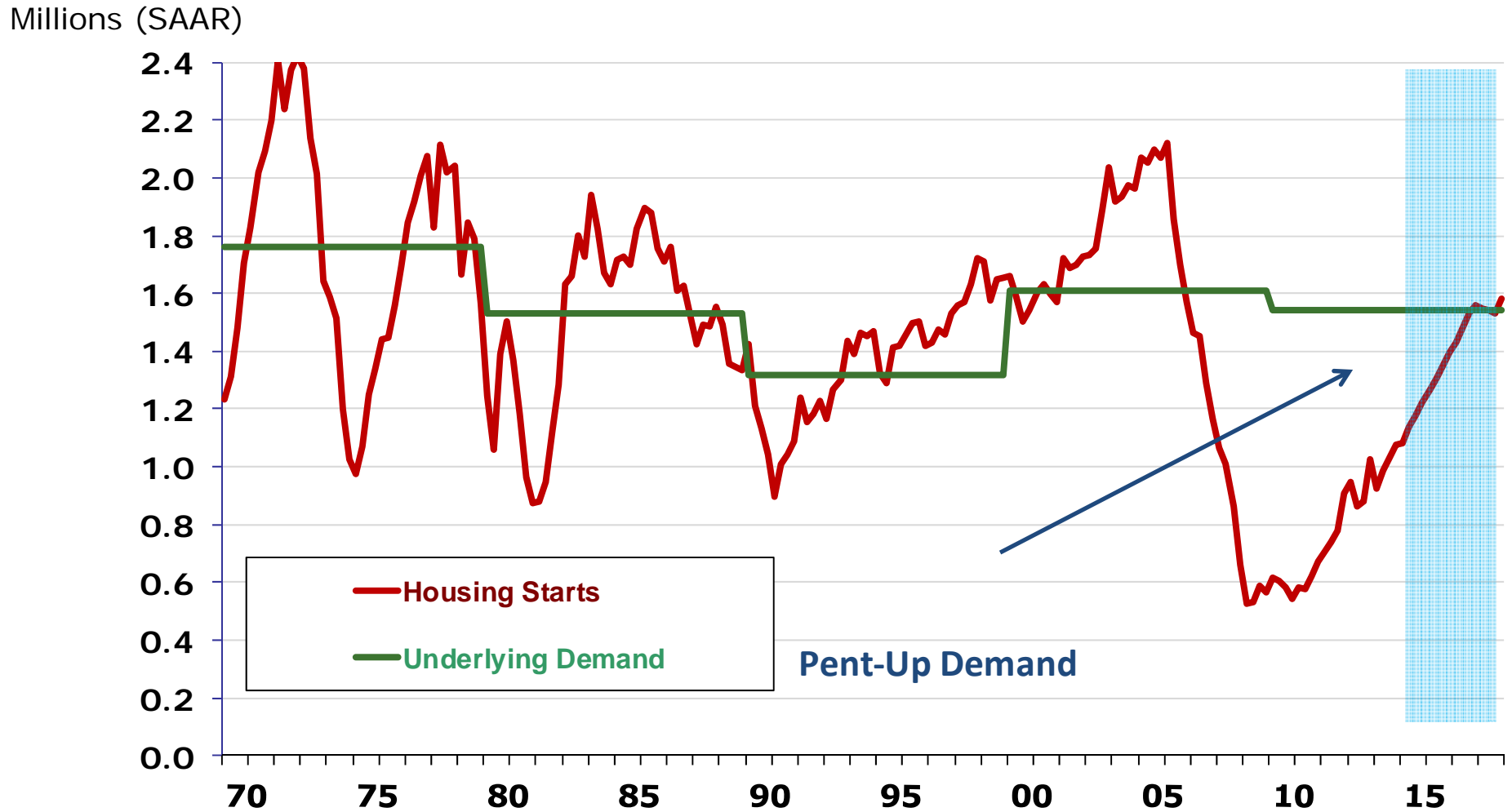
Updated optimization controls



Recent/ongoing capital projects to enhance operations

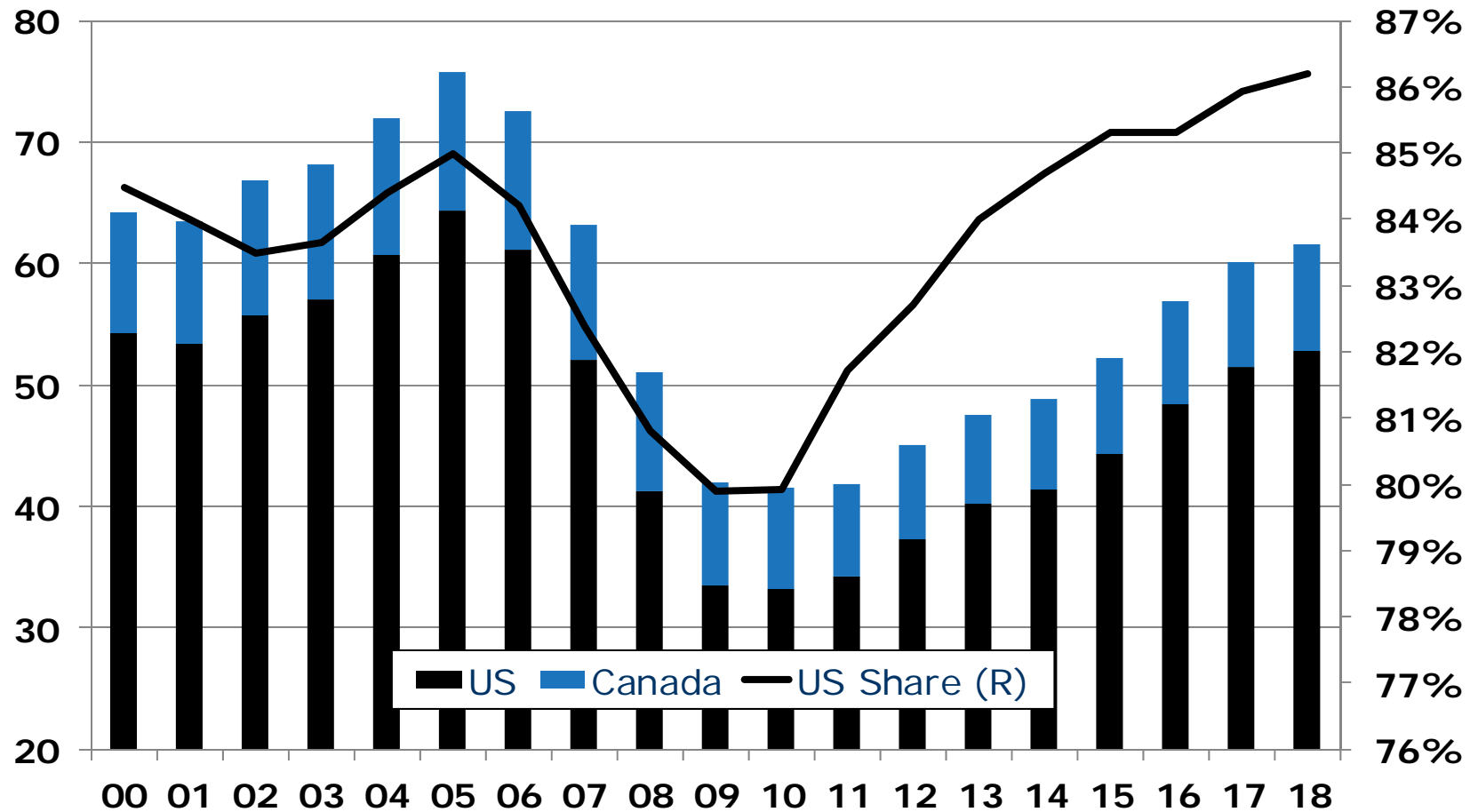
INDUSTRY INFORMATION

US HOUSING STARTS



NORTH AMERICAN LUMBER CONSUMPTION

Bbf



CHINA MARKETS – WOOD FRAME CONSTRUCTION



CHINA MARKETS – SECTORS UNDER DEVELOPMENT

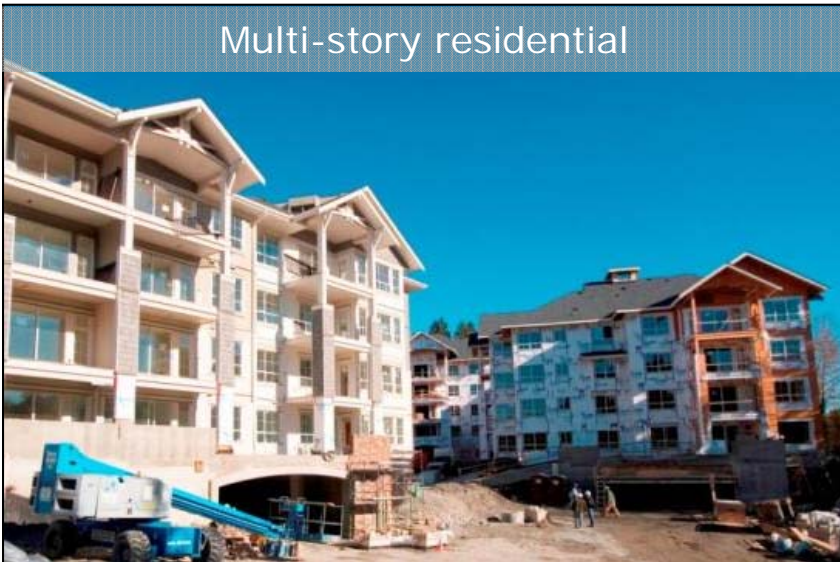
Public buildings



Apartment infill walls / partition walls



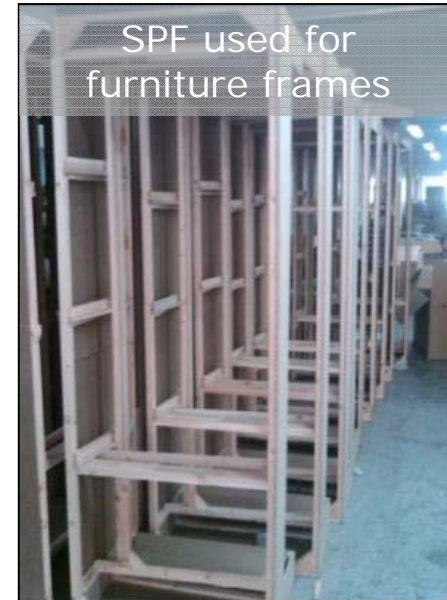
Multi-story residential



Mixed-use hybrid

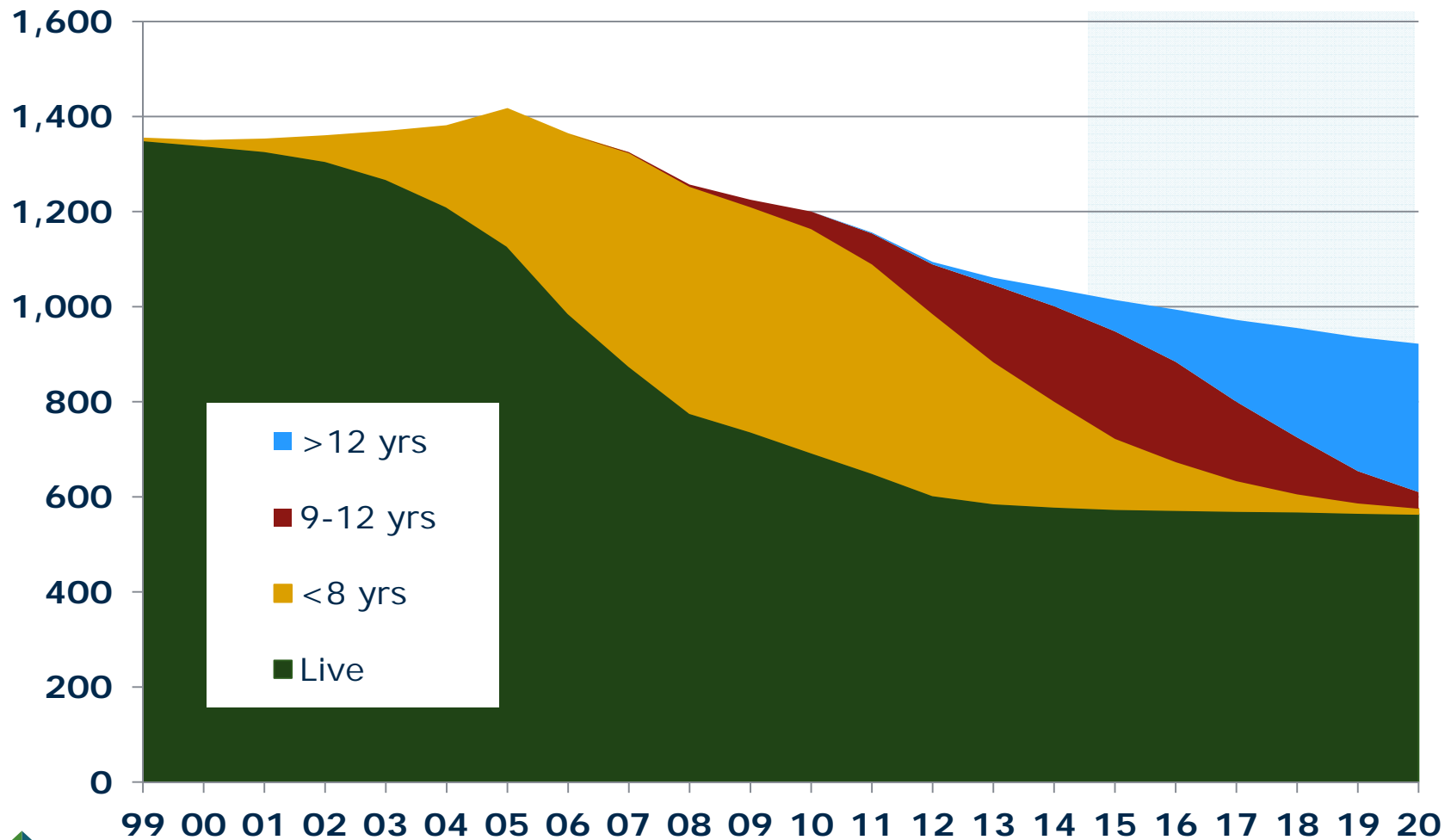


CHINA MARKETS – USE OF BC WOOD



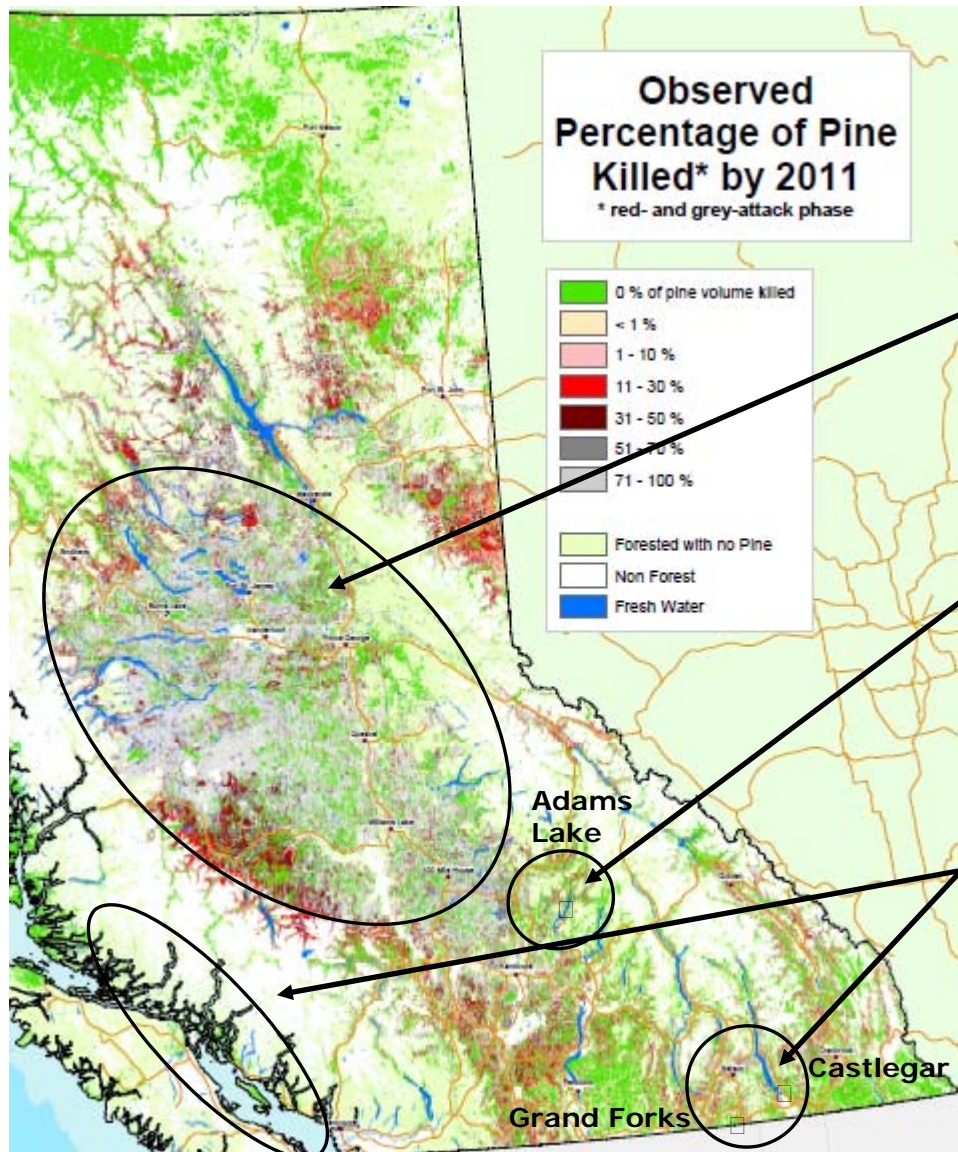
IMPACT OF MOUNTAIN PINE BEETLE (MPB)

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.



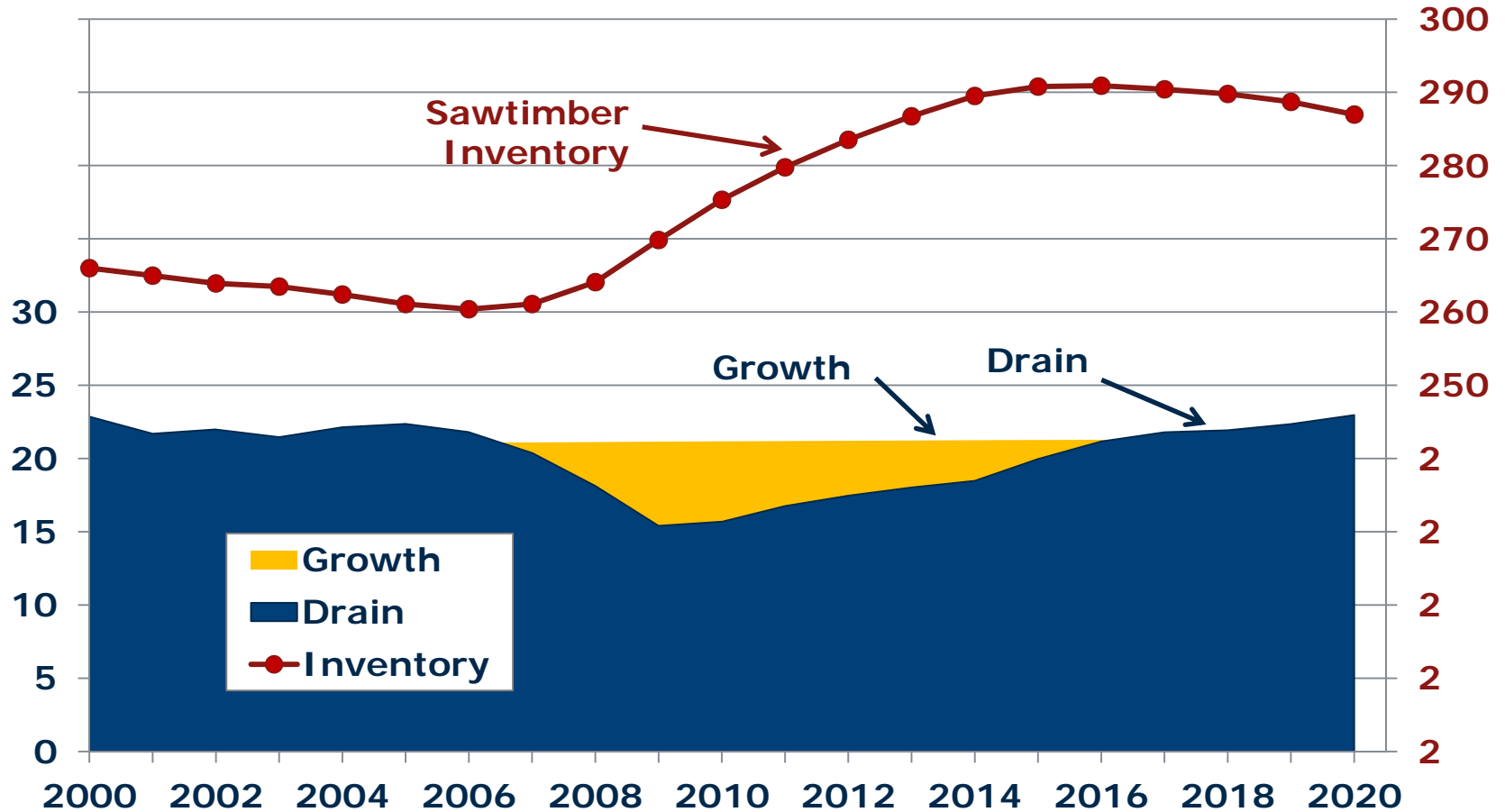
	Interfor AAC ¹ MMm ³
<u>Central and Northern BC</u> 50 – 75% Pine	0.0
<u>Adams Lake in Southern BC</u> 28 – 30% Pine	0.7
<u>Castlegar & Grand Forks in Southern BC</u> 17% Pine	1.2
<u>Coastal BC Woodlands</u> No Pine	2.0
	<hr/>
	3.9

¹: Annual Allowable Cut (million m³)

FAVOURABLE LOG SUPPLY IN US SOUTH

Growth & Drain, Bbf Int'1 ¼"

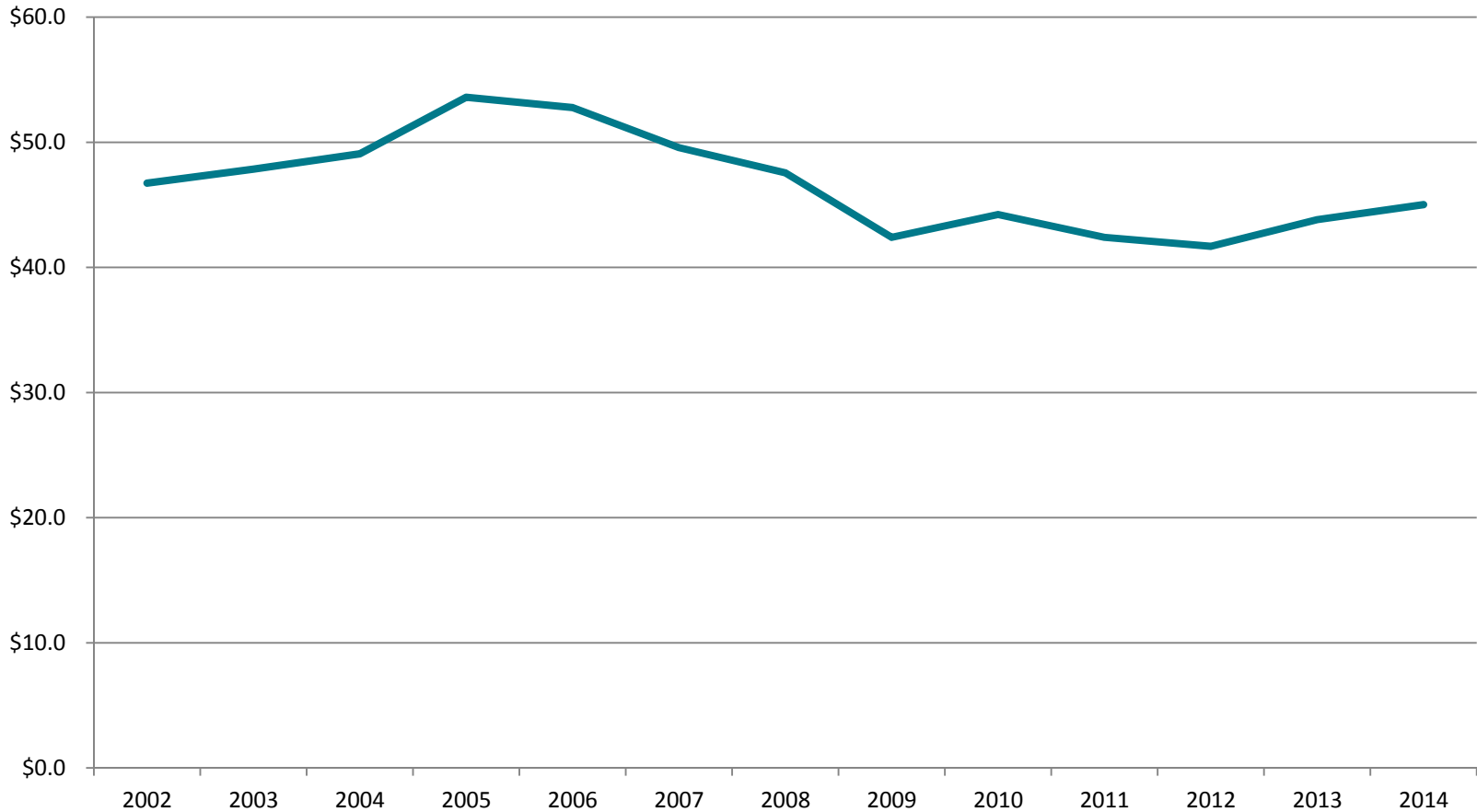
Inventory, Bbf Int'1 ¼"



Source: FEA– April 2015

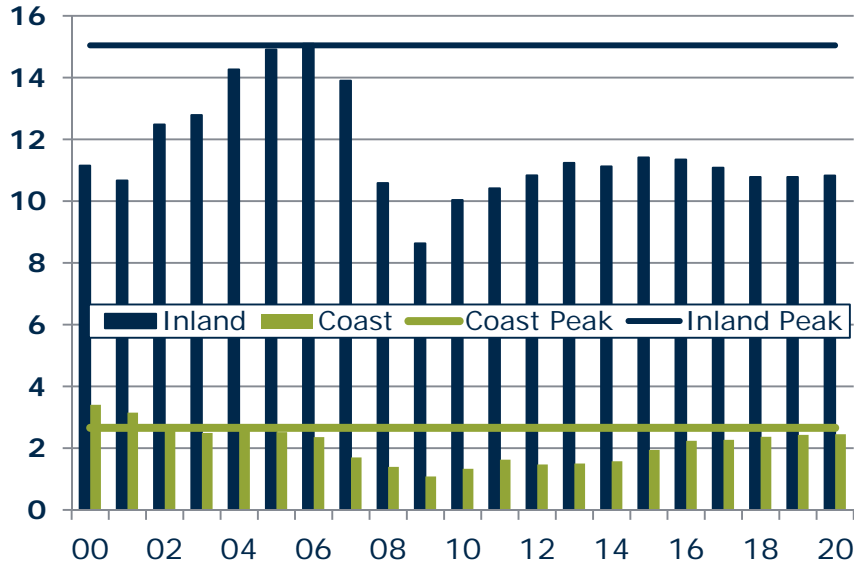
US SOUTH SAWTIMBER PRICES

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

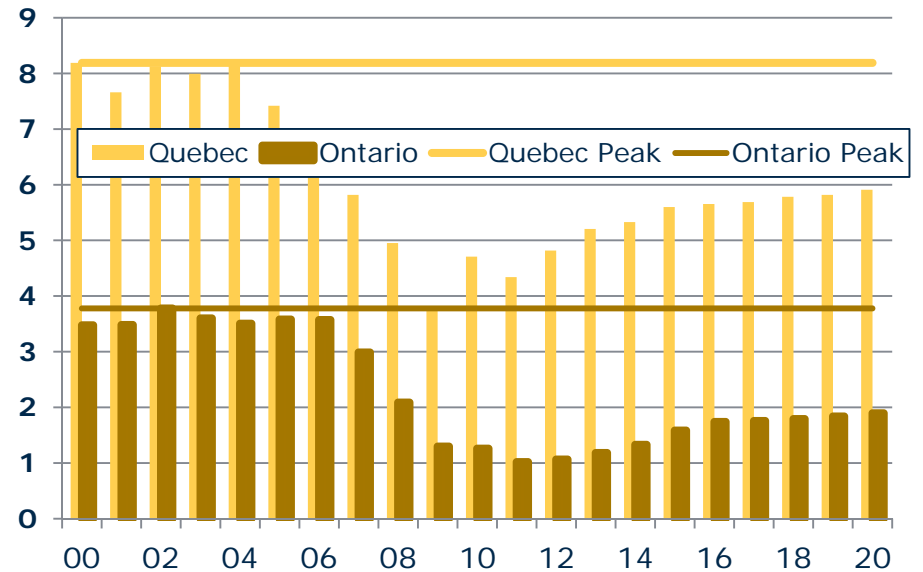


REGIONAL PRODUCTION VS PEAK (Bbf)

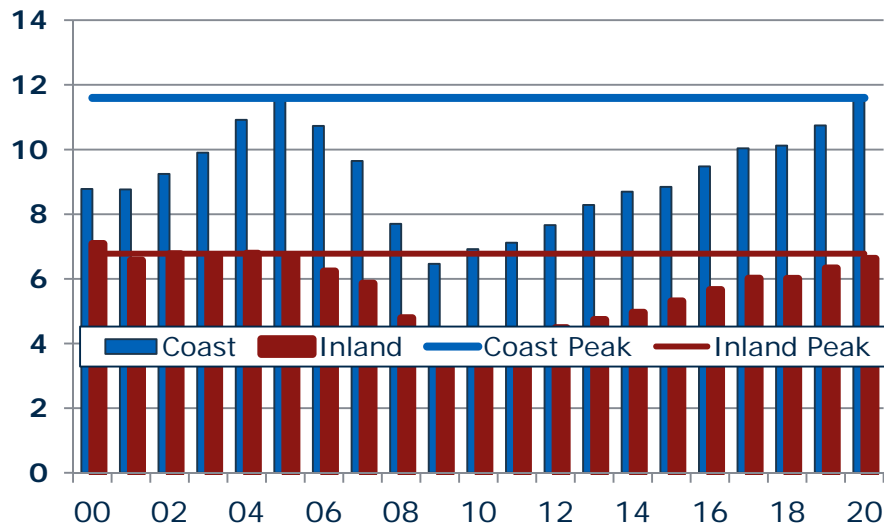
BC Lumber Production



Eastern Canada Lumber Production



US West Lumber Production



US South Lumber Production

