


**2013
Annual General
Meeting**

INTERFOR

2012 IN REVIEW

- **Business conditions improved as the year progressed.**
- **Recovery in US housing gained momentum; Chinese market continued to grow.**
- **Lumber prices up 18% year-over-year.**
- **Production up 7% to 1.4 billion board feet.**
- **Net earnings of \$3.7 million or \$0.07 per share; EBITDA \$60.5 million.**
- **Net debt closed at \$120 million or 24% of invested capital.**

2012 IN REVIEW

- **Significant progress on “strategic initiatives” in 2012.**
- **Capital projects completed at Adams Lake, Grand Forks and Castlegar;**
- **Acquisition of Rayonier’s Wood Products Business announced.**
- **Achievements position Interfor for long-term success.**

Q1 2013 IN REVIEW

- **Market conditions significantly better than Q4.**
- **Random Lengths Composite Index up US\$66 or 19% quarter-over-quarter; US duty at 0% vs 8% in Q4.**
- **Interfor earned \$17.8 million or \$0.32 per share in Q1 (before share-based compensation and other items).**
- **EBITDA was \$37.1 million.**
- **Net debt \$208 million (34 % of invested capital).**

OUTLOOK

- **Random Lengths Composite Index has dropped to US\$396 (down US\$55 from peak).**
- **Near-term weakness will likely continue; albeit at higher levels than last year. Higher log costs likely.**
- **Interfor will continue to focus on long-term positioning.**
- **Integration of Southeast operations continues; Springer Creek acquisition announced.**



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