



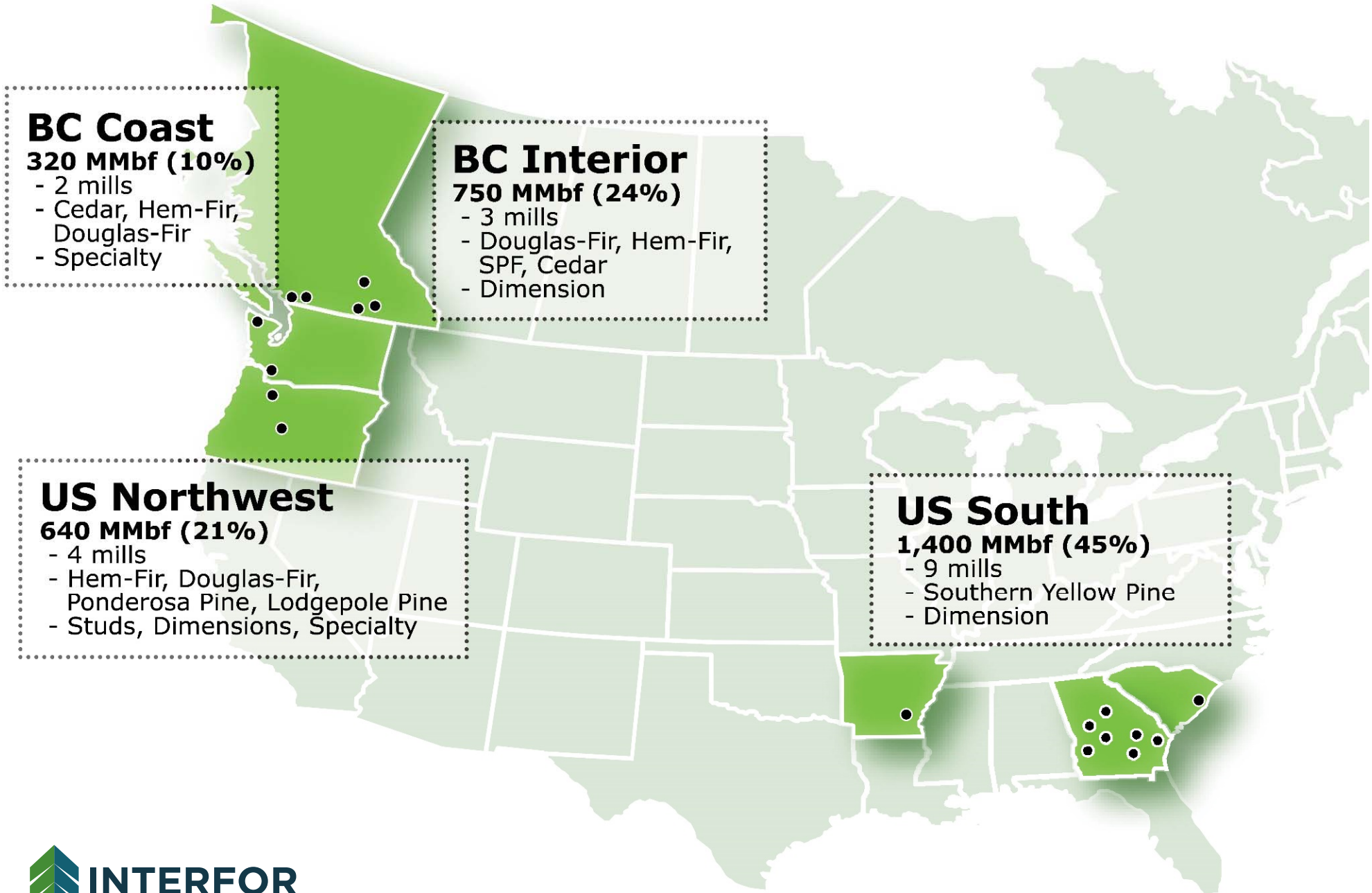
COMPANY UPDATE

APRIL 2018

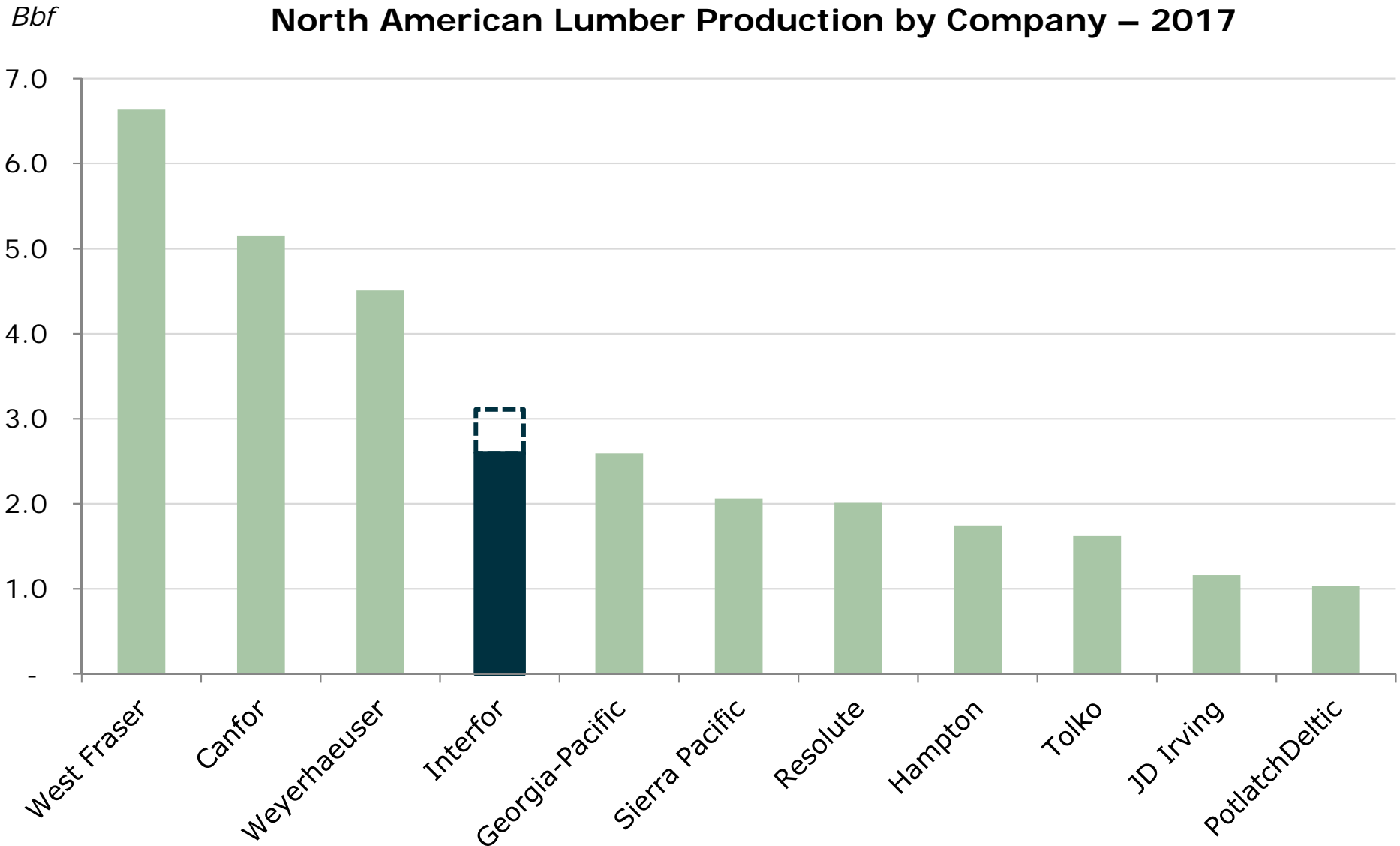
FORWARD-LOOKING INFORMATION

This presentation 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. Statements containing forward-looking information may include words such as: will, could, should, believe, expect, anticipate, intend, forecast, annualized, projection, target, outlook, opportunity, risk or strategy. Readers are cautioned that actual results may vary from the forward-looking information in this presentation, 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 presentation, 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 presentation, include volatility in the 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; 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 ("B.C."); environmental impacts of the Company's operations; labour disruptions; and cyber-security measures. Unless otherwise indicated, the forward-looking information in this presentation is based on the Company's expectations at the date of this presentation. Interfor undertakes no obligation to update such forward-looking information, except as required by law.

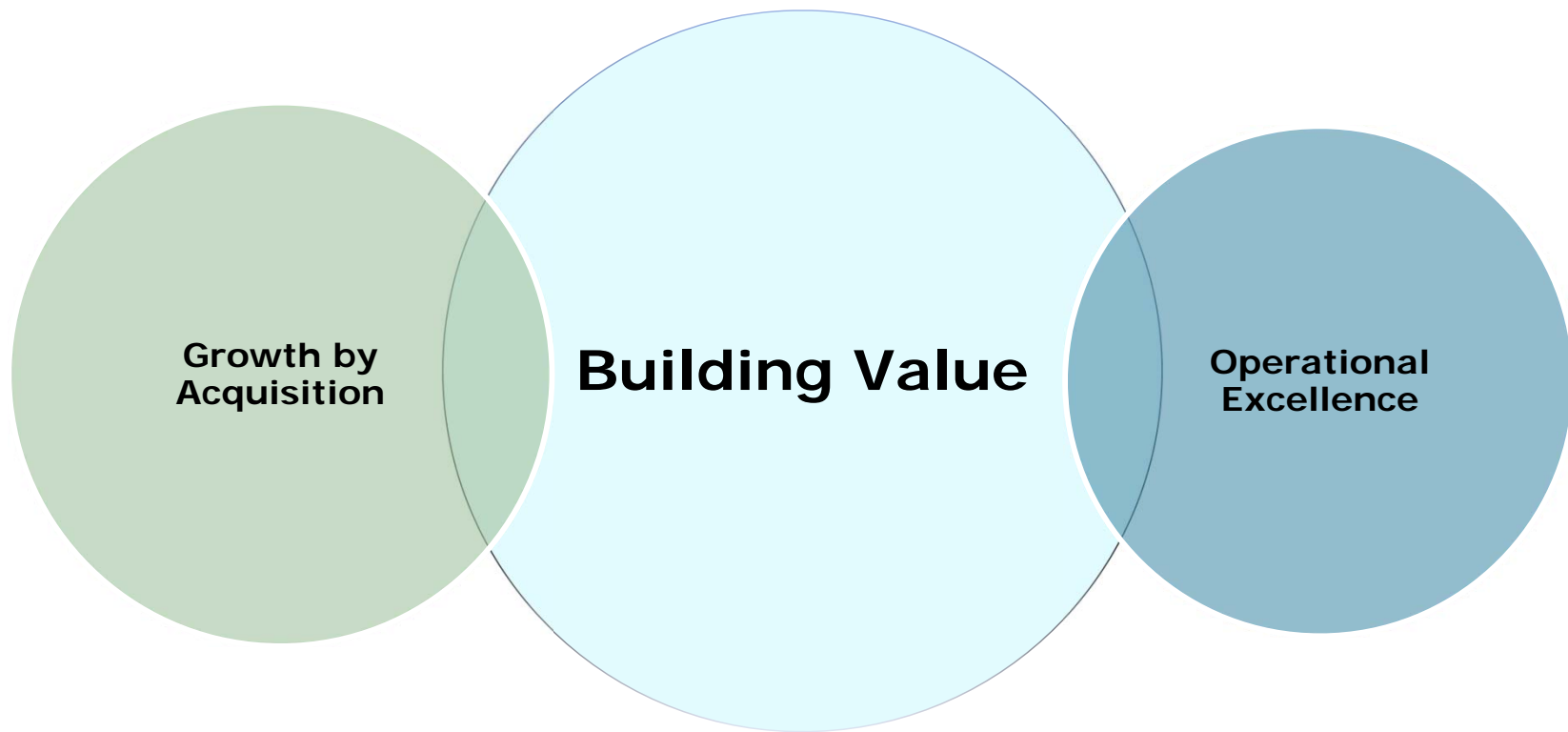
INTERFOR'S FOUR REGIONS



4th LARGEST LUMBER PRODUCER



INTERFOR STRATEGIC PLAN



SUMMARY

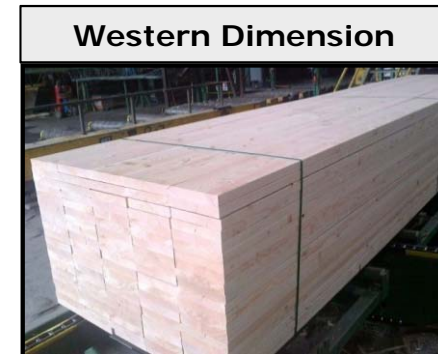
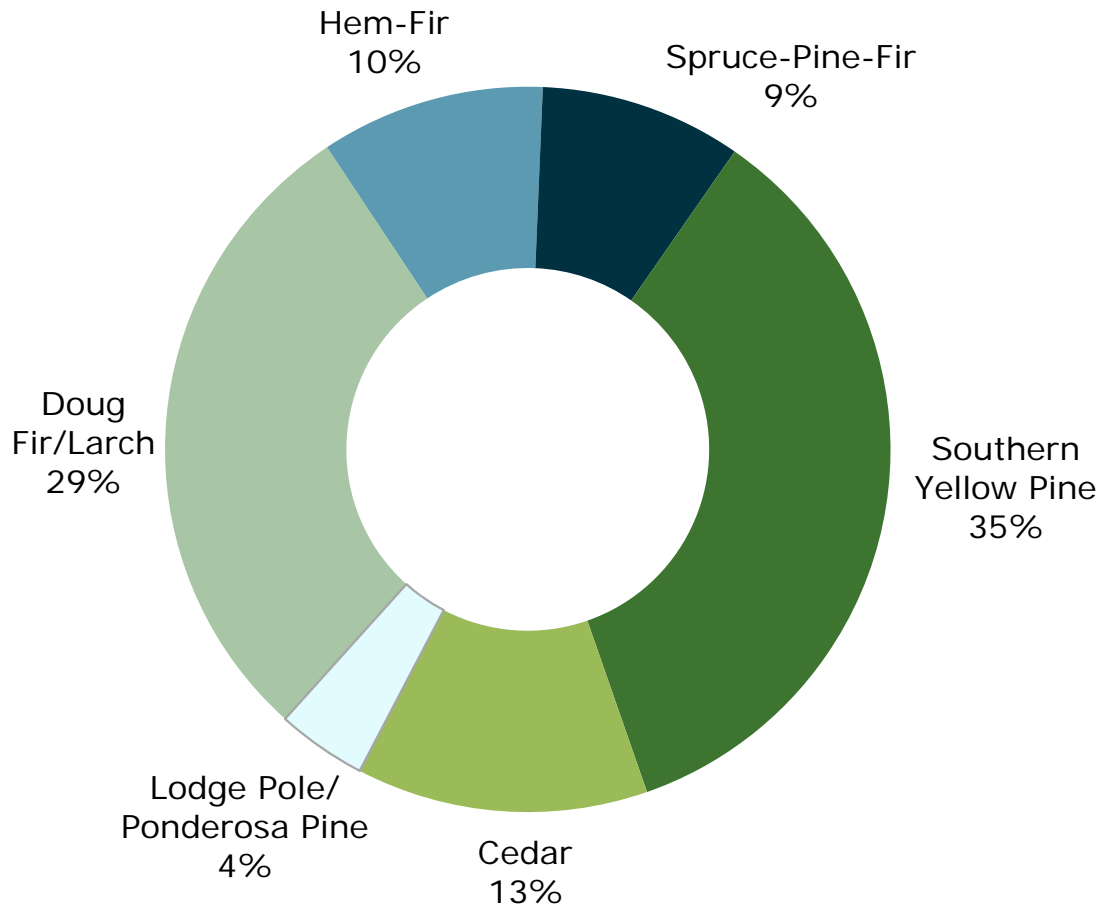
- Record 2017 results:
 - Production of 2.6 billion board feet
 - Sales of \$2.0 billion
 - EBITDA of \$288 million
 - Strong free cash flow
 - Leverage reduced to 12% ND/IC
- Multi-year strategic capital plan underway:
 - +/- \$150 mm/year capex
 - Near term: Two US South projects totaling US\$65 million
 - Increase production by 150 million board feet per year
 - Completion in Q1-2019
 - Medium-term: Advancing other large scale capital projects
 - Greenfield sawmill in the US South
 - Decision in mid-2018



LUMBER MARKETS

INTERFOR'S DIVERSE LUMBER MIX

Lumber Sales By Species ¹

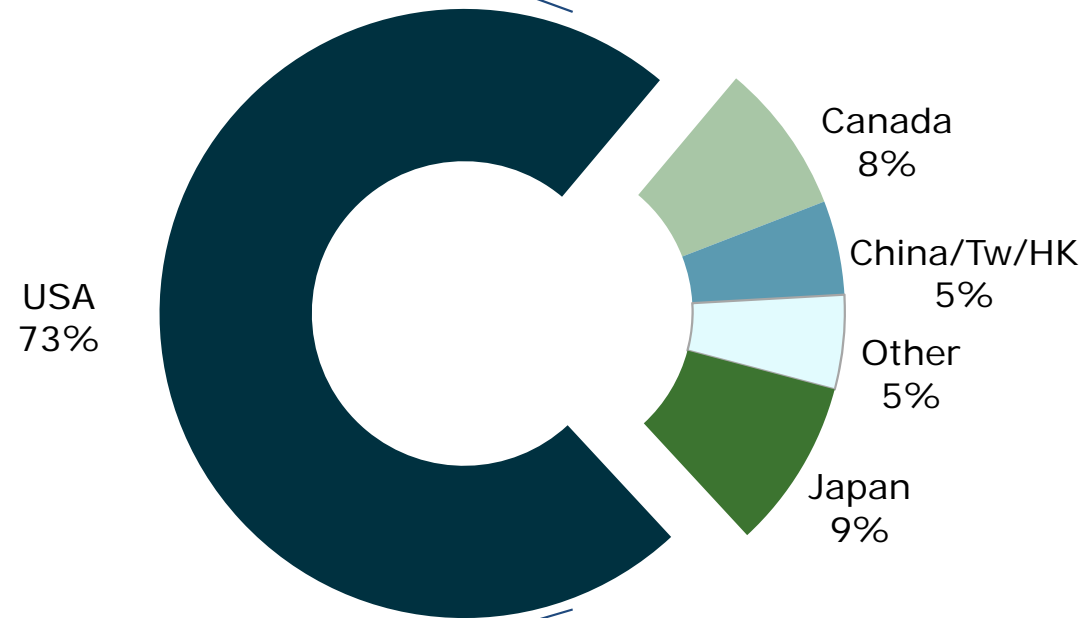


(1) By value for FY2017

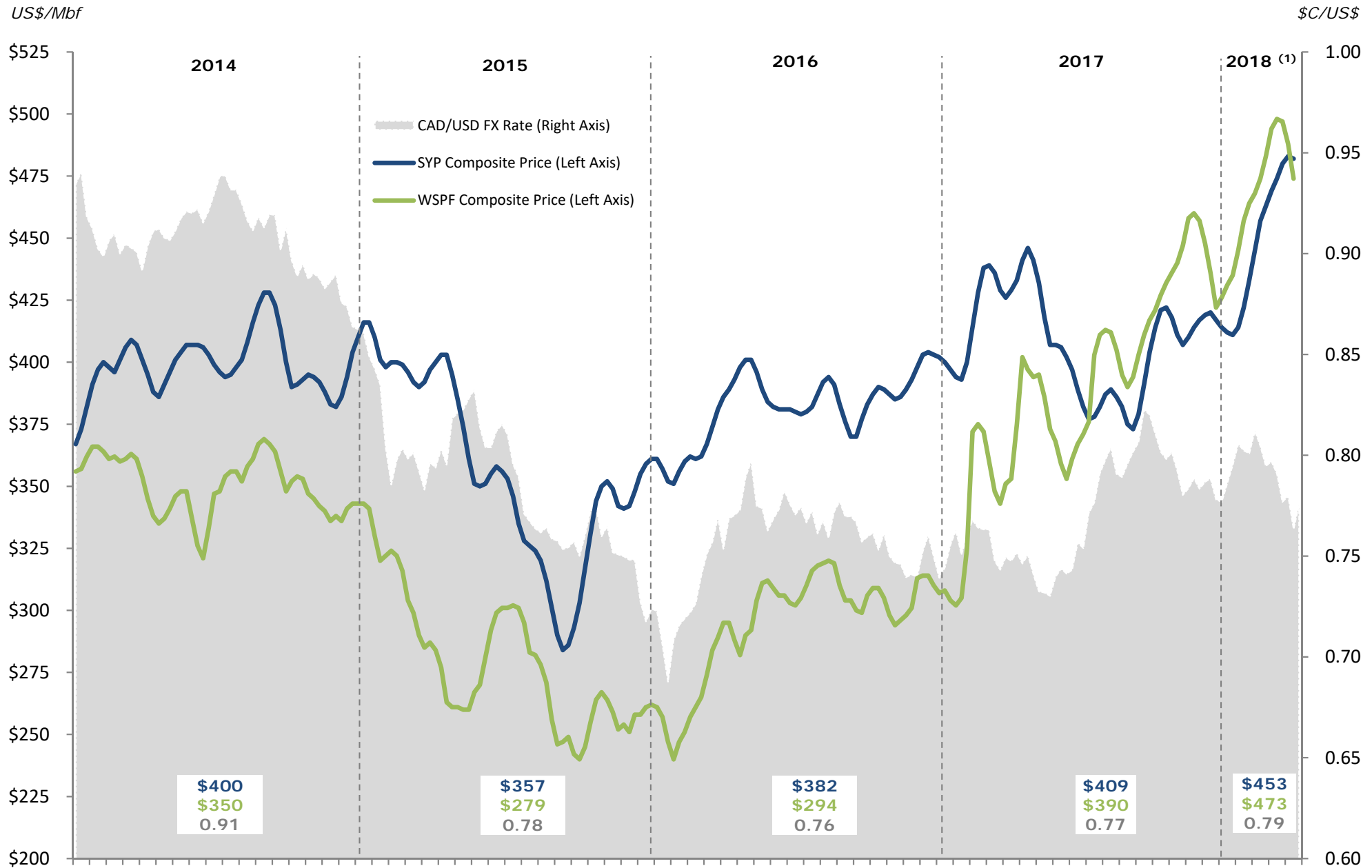
NORTH AMERICAN DRIVEN BUSINESS



Lumber Sales By Market ¹



BENCHMARK LUMBER PRICE & FX TRENDS



Source: Random Lengths & Bank of Canada
 (1) Prices and FX up to March 23, 2018

KEY MARKET DRIVERS

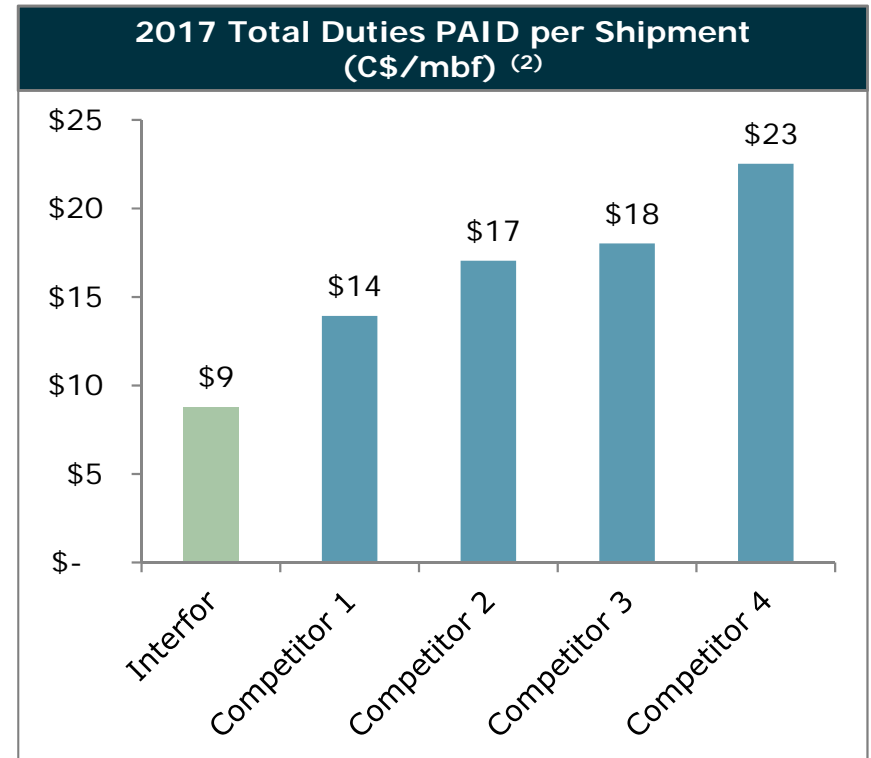
	2016 ⁽¹⁾	2017 ⁽¹⁾	2018E ⁽¹⁾	2019E ⁽¹⁾
US Housing Starts - Total (mm)	1.18	1.21	1.31	1.39
<i>Change</i>		+3%	+9%	+6%
US Housing Starts - Single Family (mm)	0.78	0.85	0.93	1.01
<i>Change</i>		+9%	+9%	+9%
NA Lumber Consumption (Bft)	54.8	58.3	60.8	63.6
<i>Change</i>		+6%	+4%	+4%
NA Offshore Exports (Bft)	6.3	6.3	6.4	6.5
<i>Change</i>		-1%	+2%	+2%
NA Offshore Imports (Bft)	1.0	1.4	1.4	1.6
<i>Change</i>		+44%	+2%	+12%

(1) Source: Forest Economic Advisors (FEA) forecast published March 25, 2018.

US/CANADA SOFTWOOD LUMBER DISPUTE

- Interfor's Canadian operations' shipments to the U.S. represented 16% of company-wide lumber shipments in 2017.
- 66% of Interfor's 2017 lumber production was US-based.
- Significant differences in accounting treatment for duties between publicly traded companies – limits EBITDA comparability.

U.S. Countervailing (CV) & Anti-Dumping (AD) Softwood Lumber Duties ⁽¹⁾			
Company	CV	AD	Total
West Fraser	17.99%	5.57%	23.56%
Canfor	13.24%	7.28%	20.52%
Tolko	14.85%	7.22%	22.07%
Resolute	14.70%	3.20%	17.90%
JD Irving	3.34%	6.04%	9.38%
All Others (Applicable to Interfor)	14.19%	6.04%	20.23%



(1) Reflects final duty rates announced by the US Department of Commerce on December 28, 2017.

(2) Reflects total cash deposits paid per shipment. Competitors include publicly traded western Canadian lumber companies.



OPERATIONS OVERVIEW

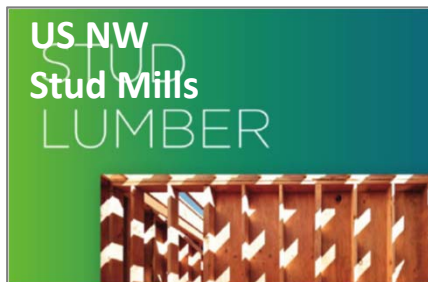
BUSINESS COMPARISONS



- 3 dimension mills in BC southern interior
- Modern/low cost operations
- Good fiber supply/limited exposure to pine beetle



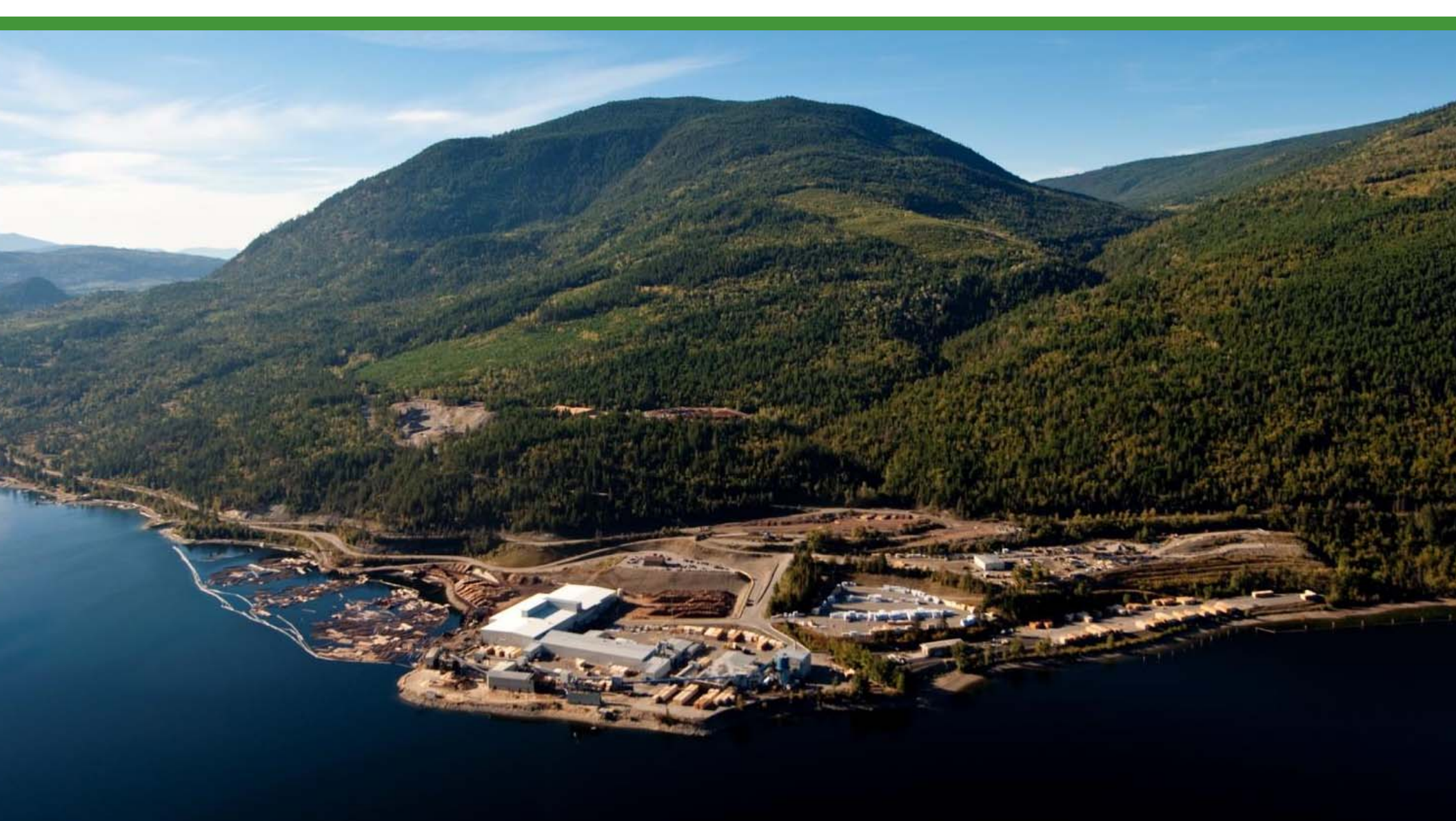
- 9 dimension mills in Georgia, S. Carolina and Arkansas
- Low cost wood baskets
- Strong geographic fit/significant operational upside



- 3 stud mills in Washington State and Oregon
- Efficient/modern operations



- 3 specialty mills in BC Coast and Oregon
- High value products (eg. cedar, Japanese squares and pine boards)

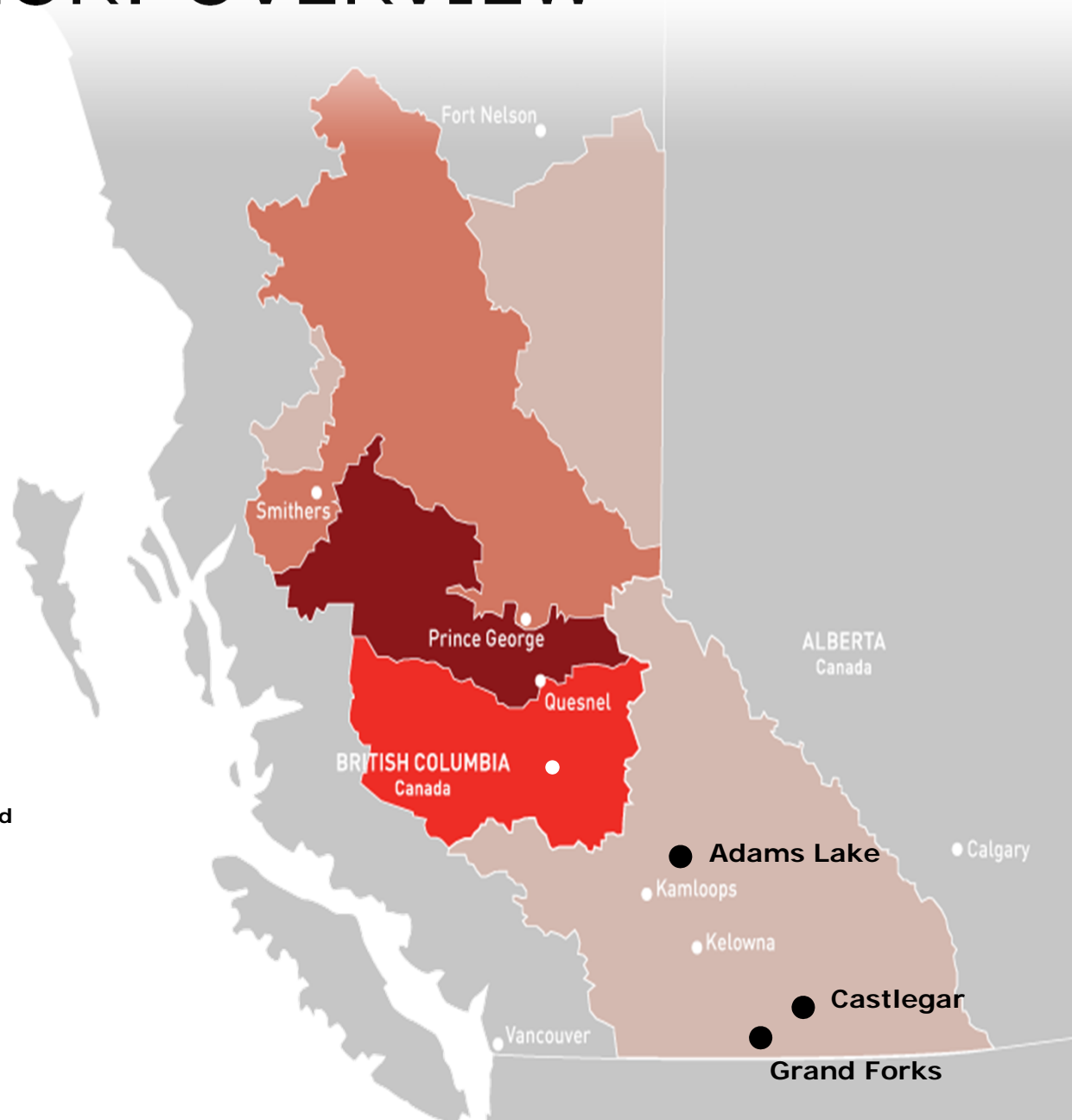


BC INTERIOR DIMENSION MILLS

BC INTERIOR: OVERVIEW

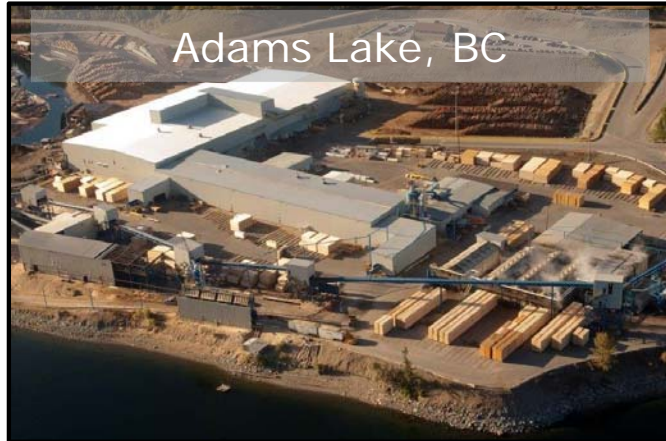
Mountain Pine Beetle Cumulative Percentage of Merchantable Forest Volume Killed Since 1999

- Very High (>45%)
- High (31-45%)
- Moderate (16-30%)
- Low (<16%)
- None (0%)



BC INTERIOR: CASE STUDY

2008-09



2012



2015



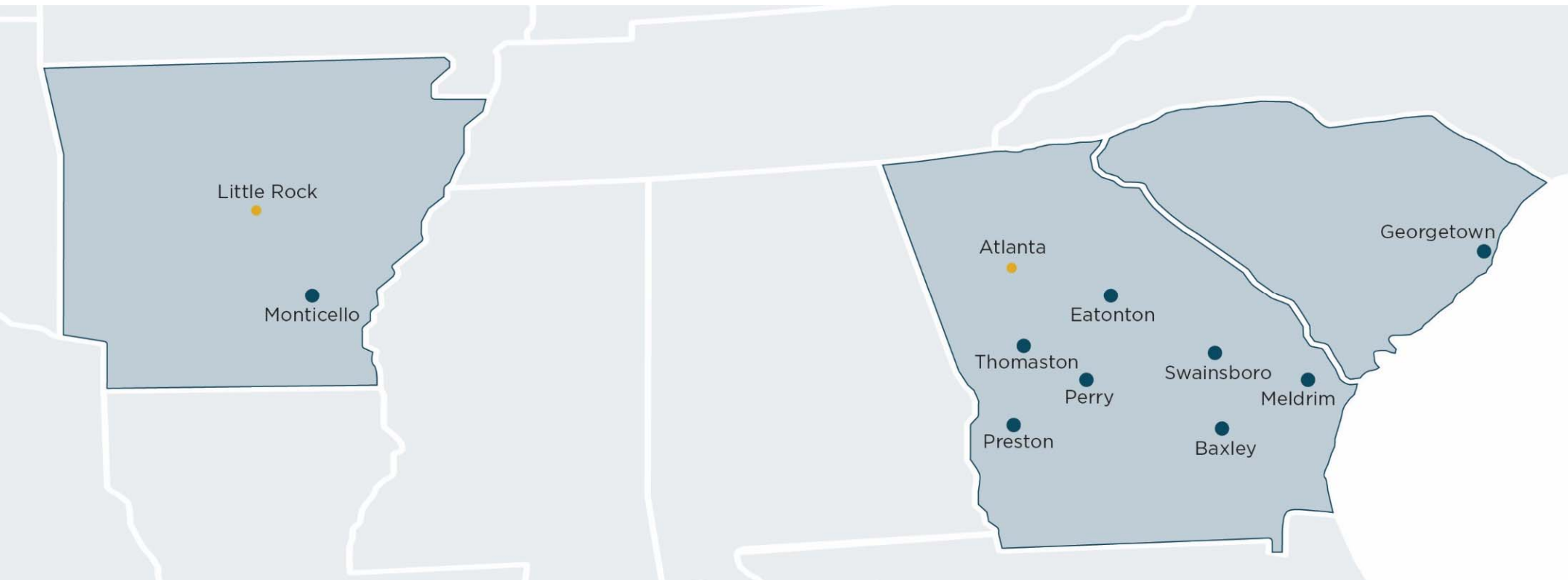
- 3 MILLS IN GOOD FIBER BASKETS
- SIGNIFICANTLY REPOSITIONED THE ASSETS
 - RE-INVESTMENTS ARE COMPLETE
 - STRONG CASH FLOW AND ROI
- **TOP DECILE/QUARTILE EBITDA MARGINS FOR THE BC INTERIOR**



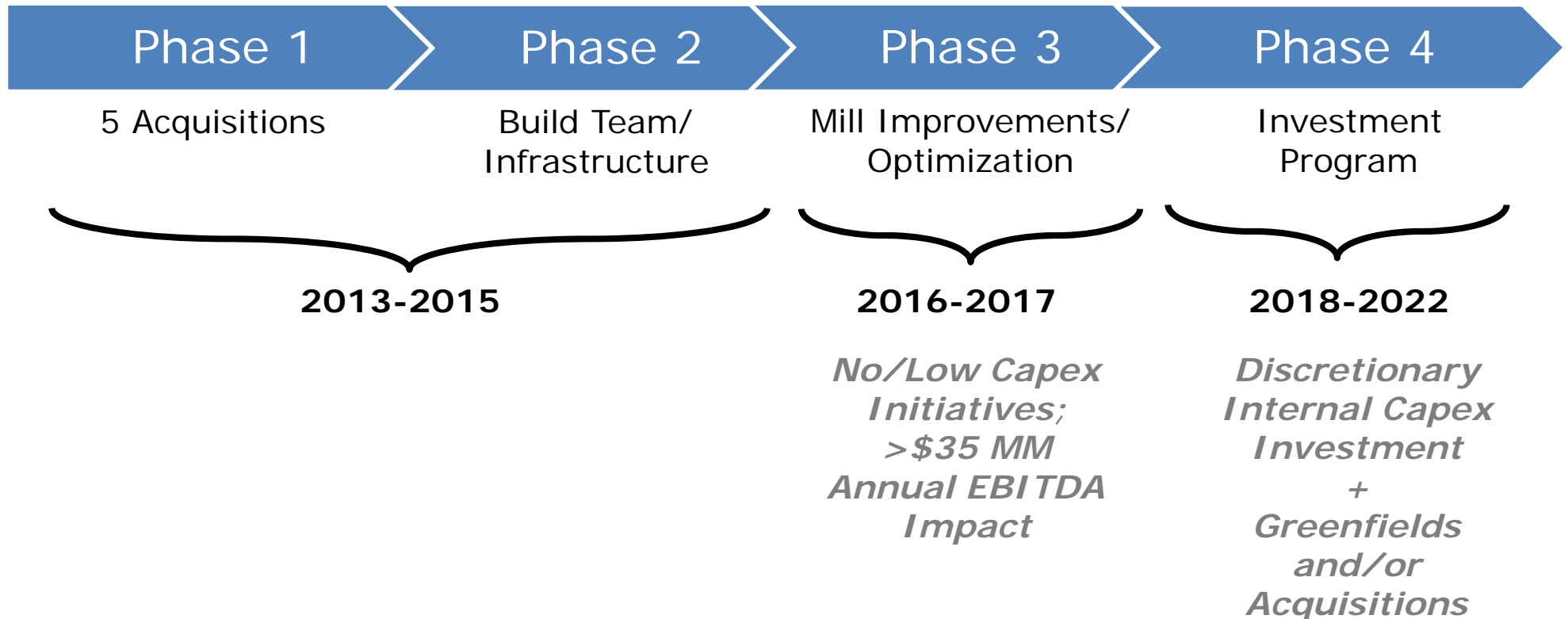
US SOUTH DIMENSION MILLS

US SOUTH: OVERVIEW

- 1.4 Billion feet of lumber capacity across 3 States
- Largest lumber producer in Georgia
- 45% of Interfor's capacity is in the South



US SOUTH: MULTIPLE PHASES



US SOUTH: INVESTMENT PROGRAM

- ~\$500 MM discretionary capex investment program over 5 years:
 - Machine center upgrades, debottlenecking and optimization projects for existing assets
 - Two initial projects formally announced for 2018/19 totaling US\$65 MM (Meldrim, GA and Monticello, AR); completion in Q1-2019
- Additional investment opportunities in greenfields and/or acquisitions

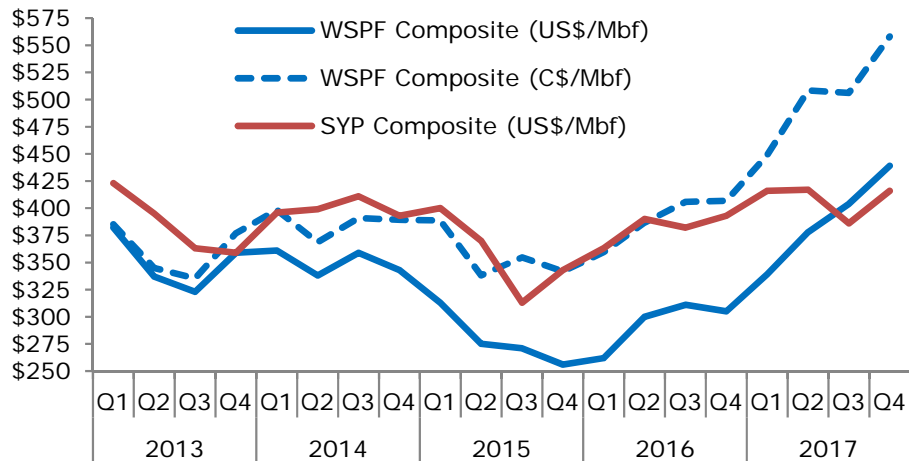




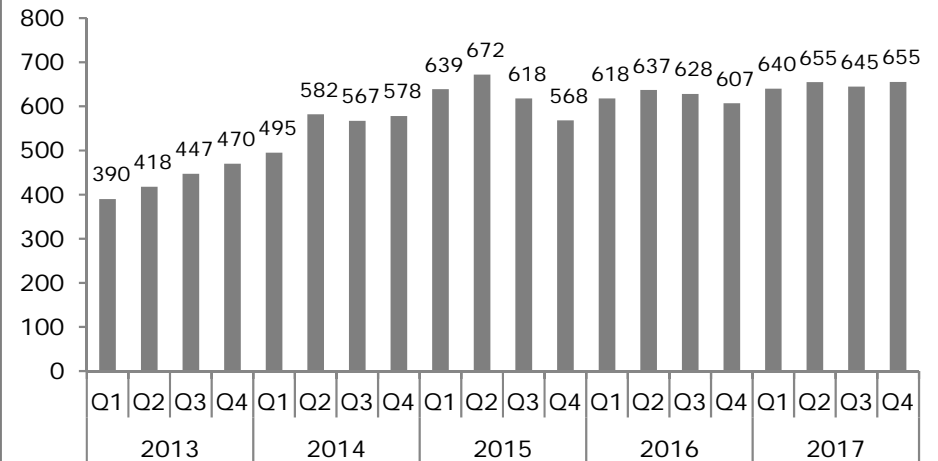
FINANCIAL REVIEW

HISTORICAL FINANCIAL RESULTS

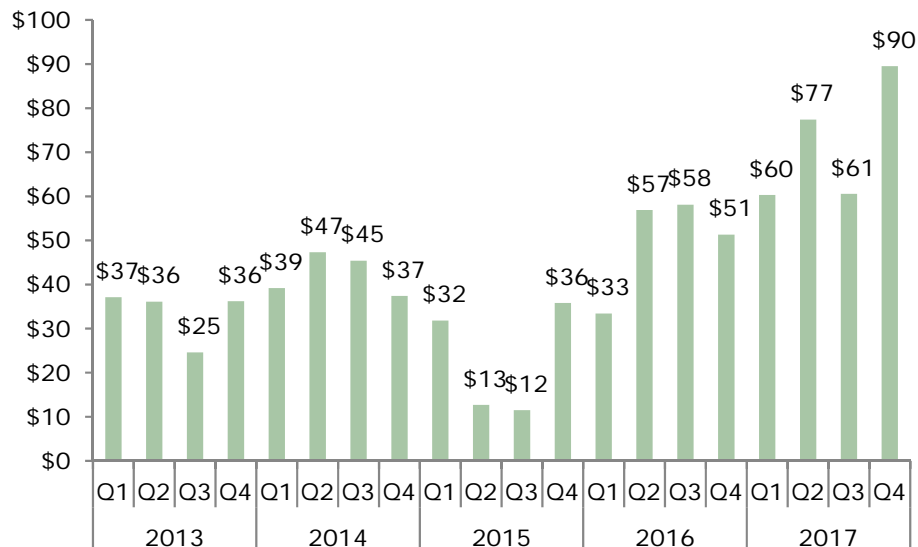
Benchmark Lumber Prices (\$/Mbf)



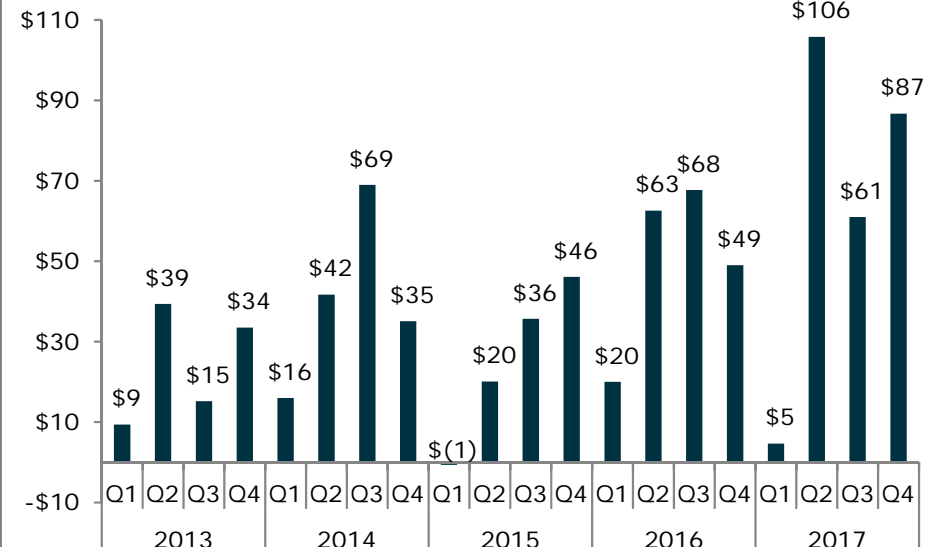
Production Volumes (Mmbf)



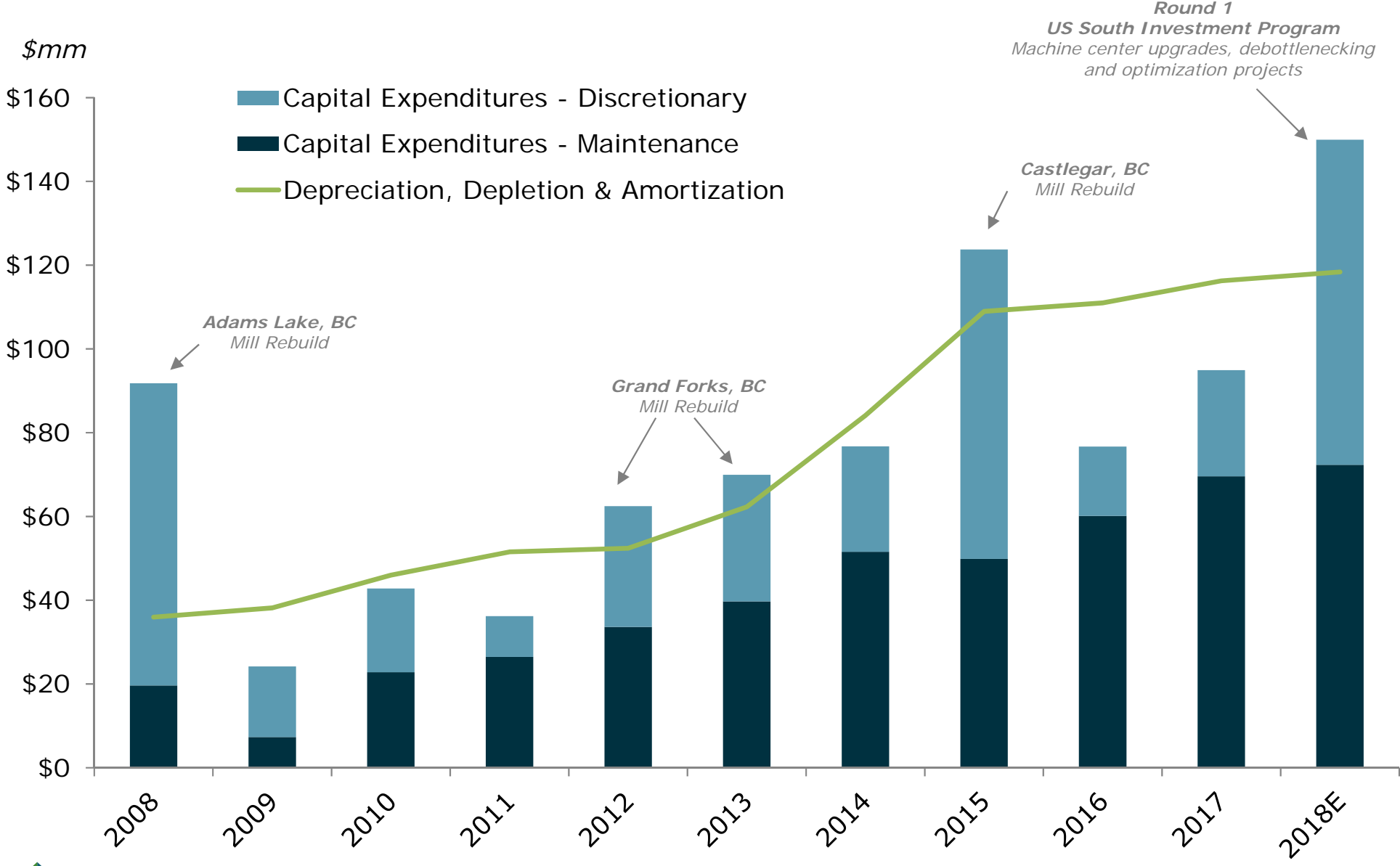
Adjusted EBITDA (C\$mm)



Cash From Operations After W/C Changes (C\$mm)



CAPITAL SPENDING PROFILE



FREE CASH FLOW CONSIDERATIONS

	<u>C\$mm</u>	
LTM Adjusted EBITDA (as of 12/31/17)	\$288	<ul style="list-style-type: none"> • Significant additional margin uplift opportunities in the US South.
Less:		
Annualized Cash Interest Expense	\$(12)	<ul style="list-style-type: none"> • Average interest rate ~ 4%.
2018E Maintenance Capex <i>(Maint. \$70m; Disc. \$80 mm)</i>	\$(70)	<ul style="list-style-type: none"> • 2018E total capex outlook of C\$150mm; maintenance capex includes logging roads.
Cash Taxes	\$(3)	<ul style="list-style-type: none"> • Substantial tax loss carry-forwards. \$66 mm in Canada and US\$132 mm in the US.
Other	\$TBD	<ul style="list-style-type: none"> • No significant employee future benefit obligations. • Incentive payouts dependent on stock price.
Free Cash Flow	\$203	
Free Cash Flow/Share	\$2.90	

CAPITAL STRUCTURE

Capital Structure As of December 31, 2017	
Cash (C\$mm)	\$(132)
Debt (C\$mm)	\$251
Net Debt (C\$mm)	\$119
Book Equity (C\$mm)	\$854
Invested Capital (C\$mm)	\$973
Net Debt / Invested Capital	12%
Net Debt/LTM EBITDA	0.4x
EBITDA/Interest Expense (LTM)	20.6x

