



INVESTOR UPDATE

Sept, 2011



Duncan Davies
President & CEO, International Forest Products Limited

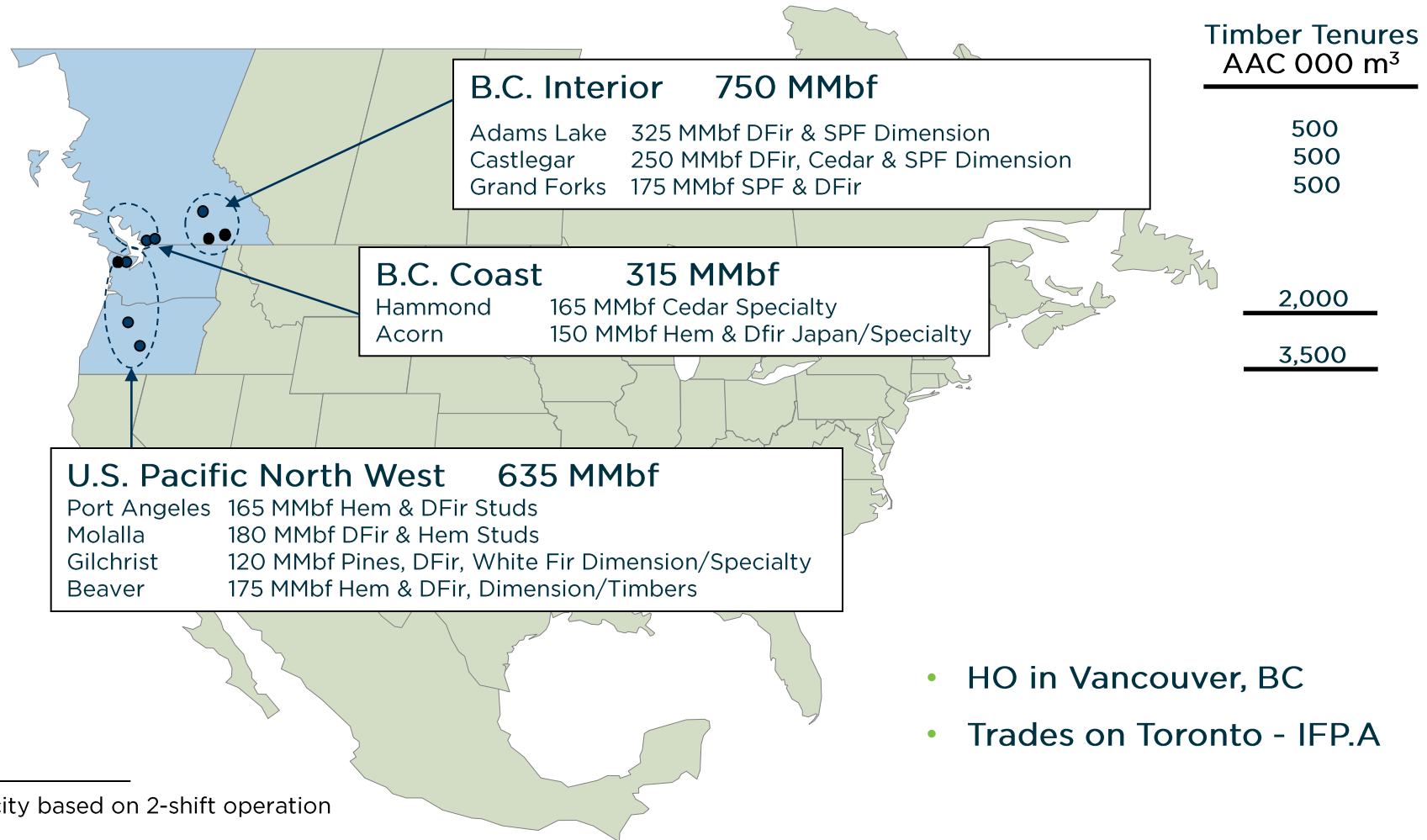
Forward-Looking Statements

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 2010 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.

Introduction

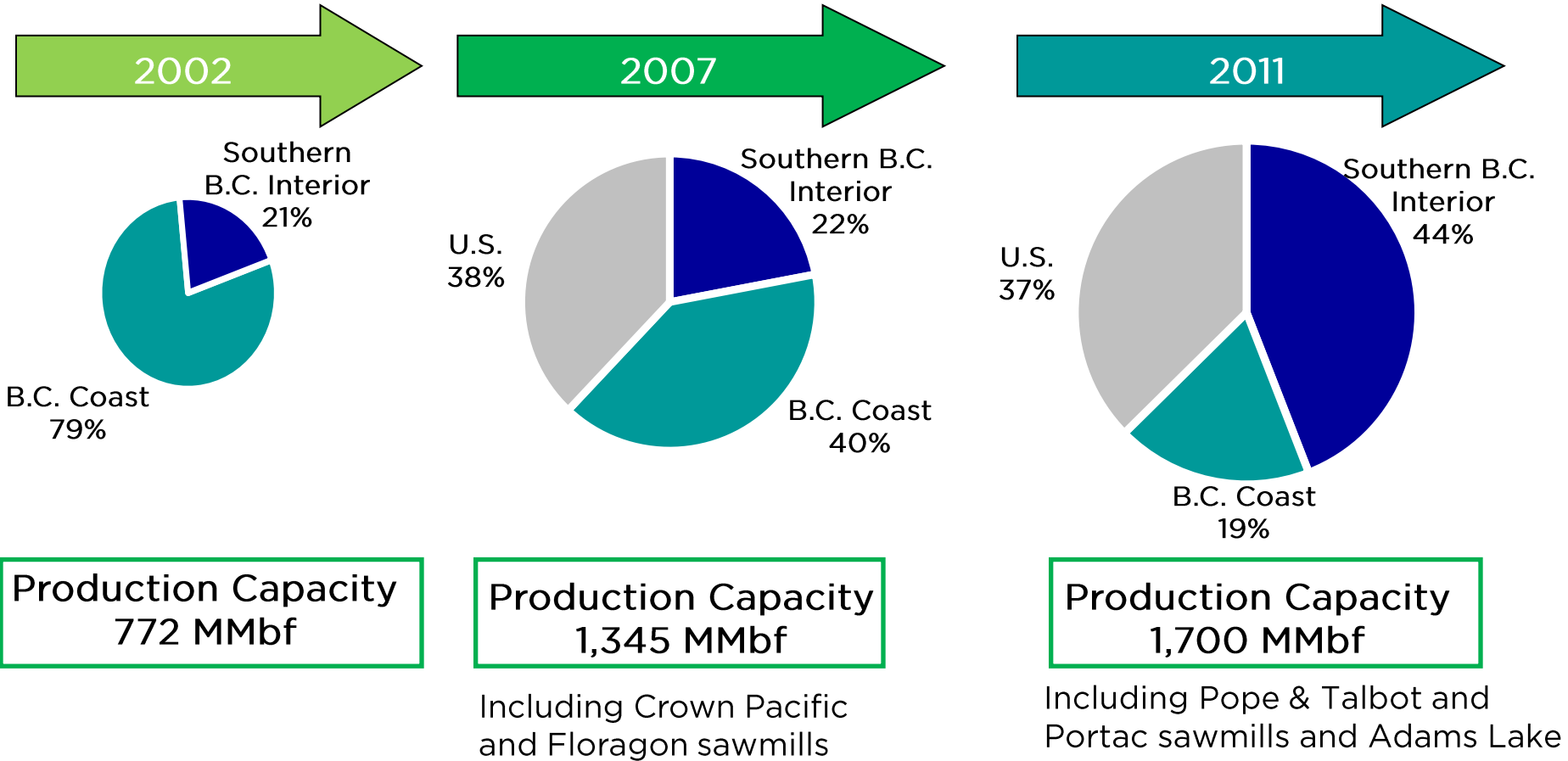
Investor Update



¹ Capacity based on 2-shift operation

Interfor has a diversified base of operations with lumber capacity of 1,700 MMbf ¹.

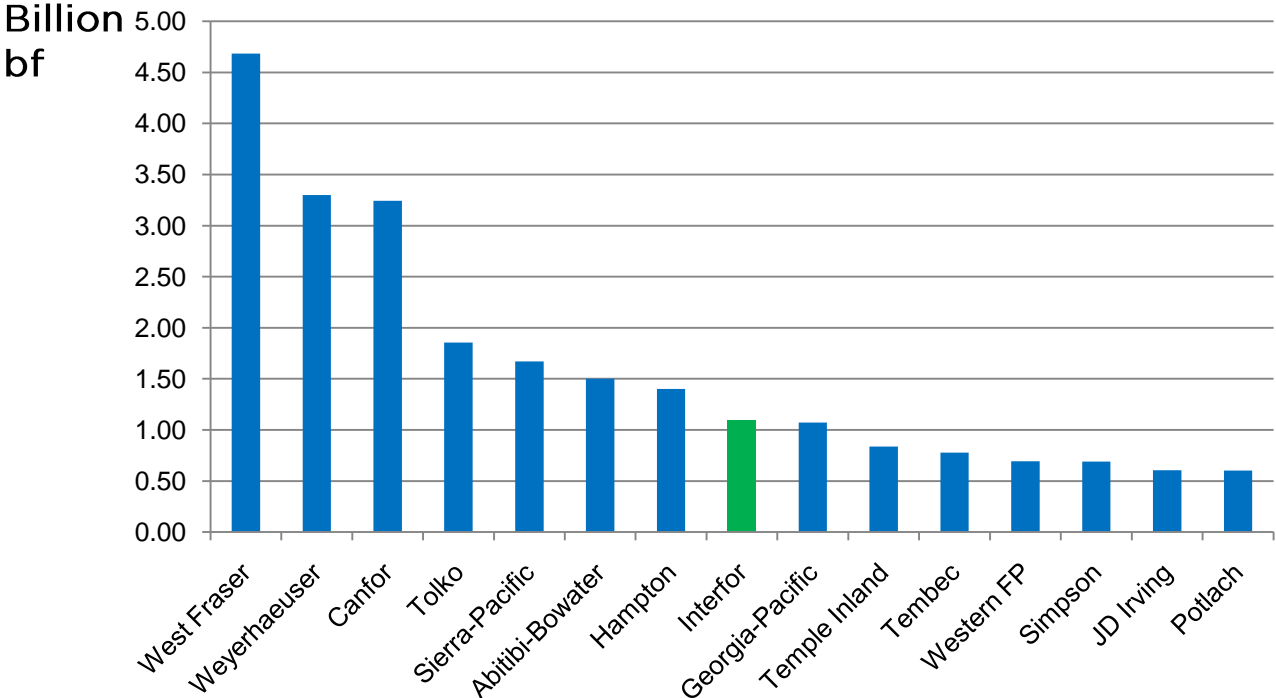
Investor Update



Over the last 9 years, Interfor has more than doubled its capacity, rationalized its operations and diversified its revenue base

Investor Update

North America's Largest Lumber Producers in 2010



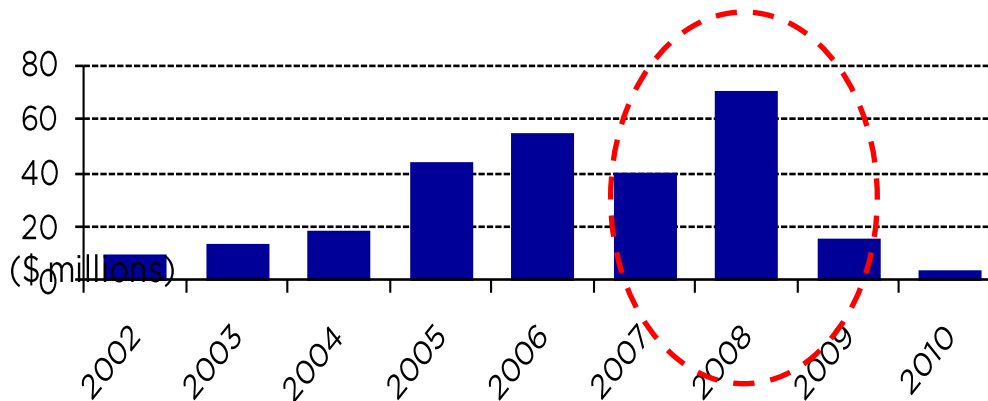
Source: Wood Markets monthly – March 2011

Interfor was the 8th largest lumber producer in North America in 2010

Investor Update

- Interfor has spent more than \$270 million in the last 9 years to upgrade its assets. Major projects were completed at Adams Lake, Molalla and Port Angeles.

Discretionary Capex (excluding acquisitions)



\$100 million investment in a new sawmill at Adams Lake, completed April '09

In addition, Interfor spends \$20 - \$30 million per year to maintain the efficiency of its operations and on logging roads

Interfor is continuing to move ahead with discretionary projects in 2011-12

Investor Update

- Interfor produces a wide range of commodity and specialty offerings



Cedar siding



Cedar decking



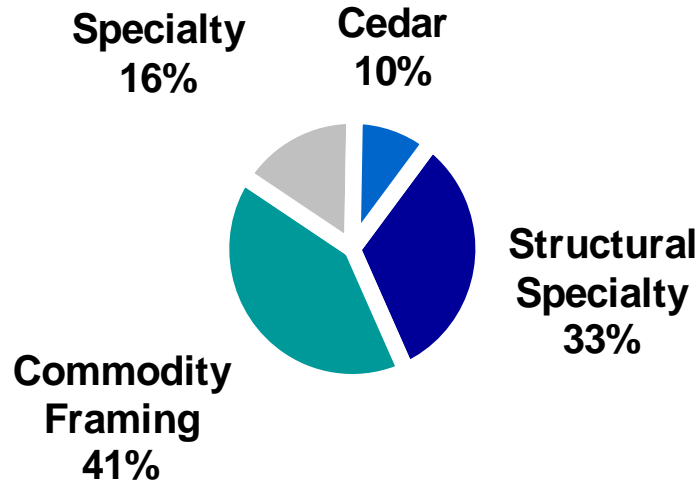
Japan structural



Facia & trim



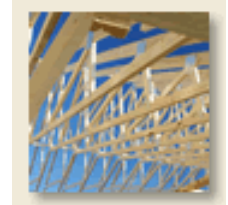
Millwork



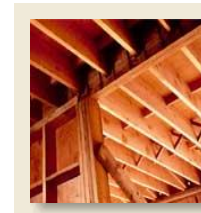
Rough cedar



Lumber



Studs



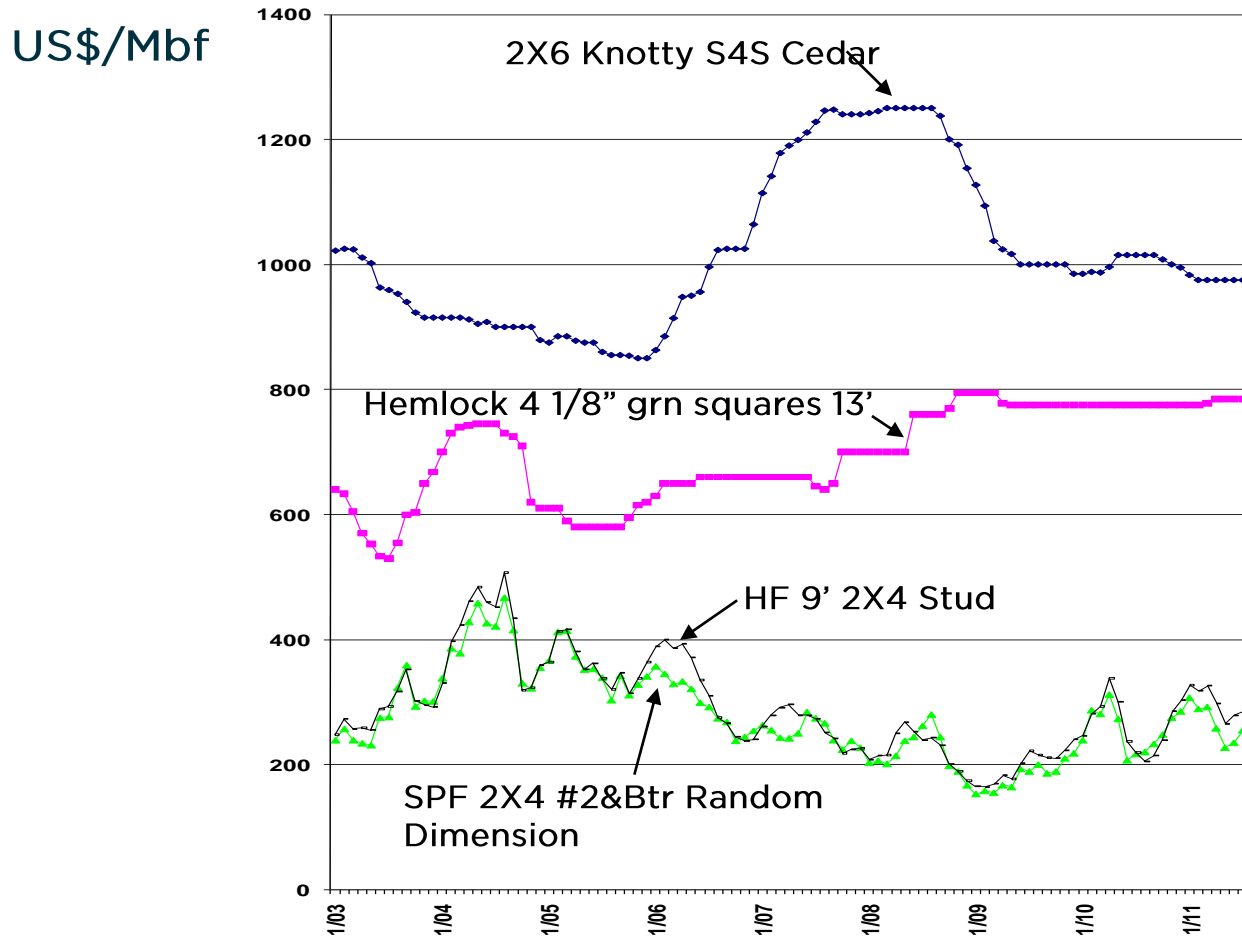
Structural dimension



Interfor's product line offering is the broadest of the major lumber producers

Investor Update

Benchmark Prices, January '03 to August '11

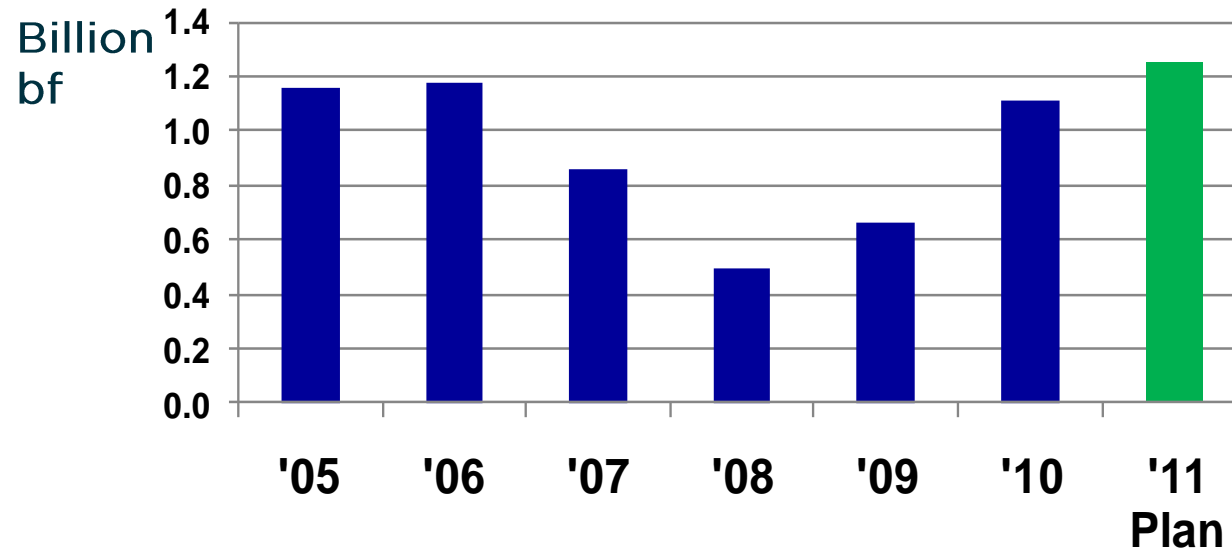


Source: Random Lengths Publications Inc.

Interfor's key product lines function independently from a pricing standpoint

Investor Update

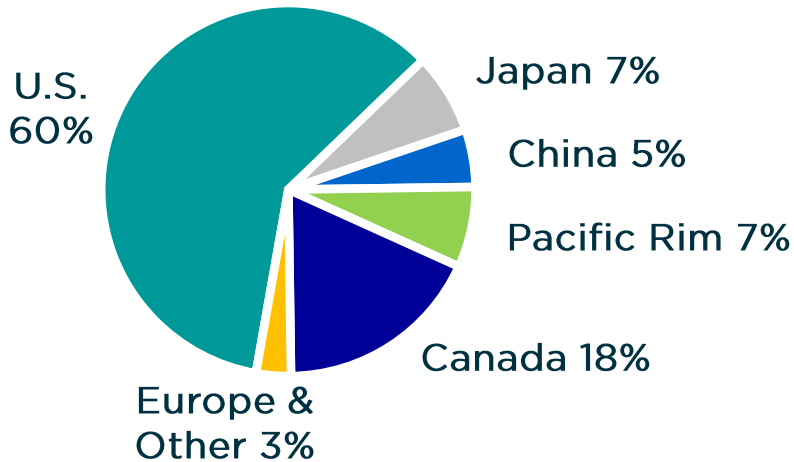
Lumber Production - 2005 to 2011



Interfor's production volume was 1.1 Bbf in 2010 (up 70% from 2009); production in 2011 is expected to exceed 1.2 Bbf

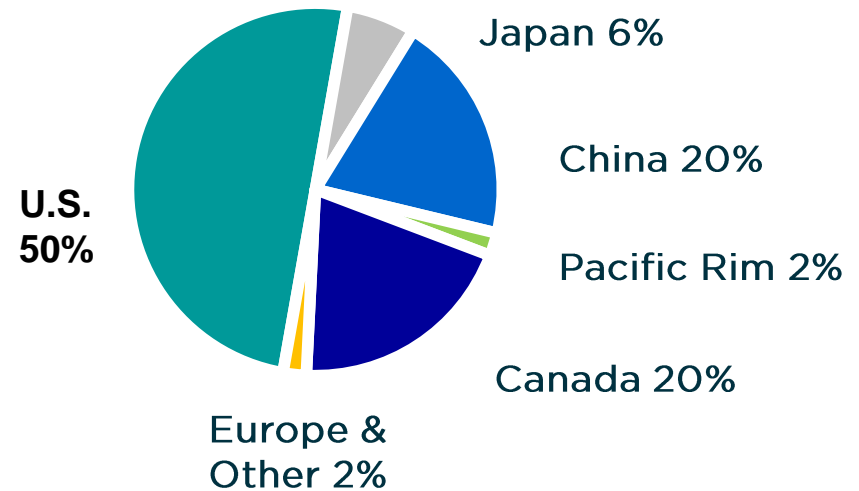
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2009 *



Total Lumber Sales \$289 million
(647 MMbf)

2010 *



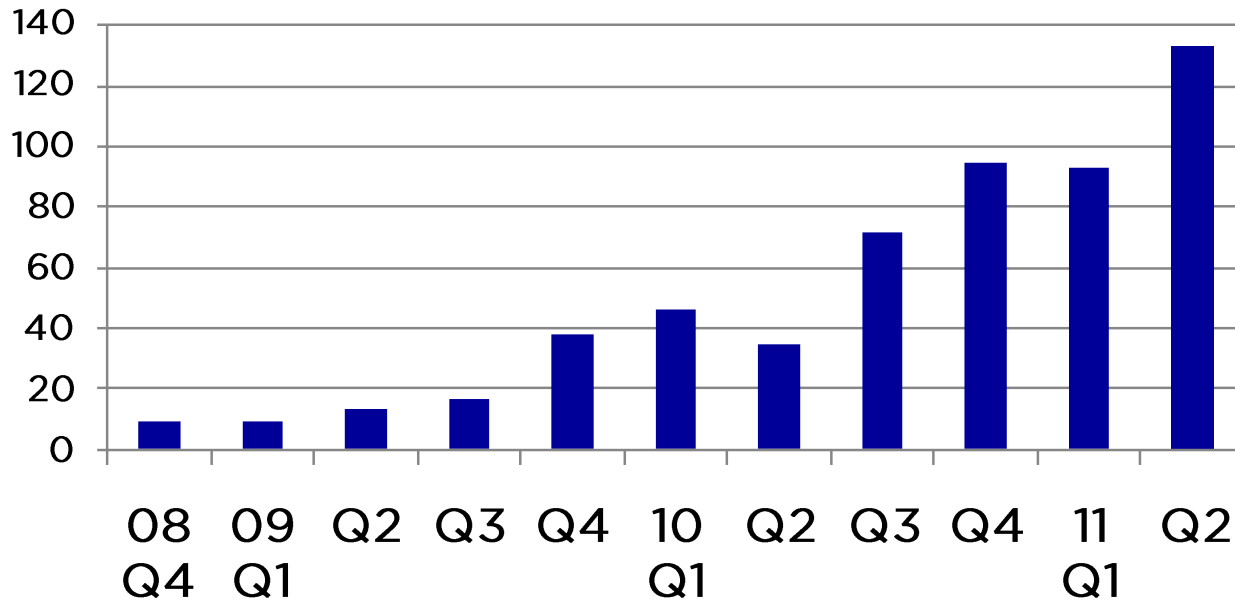
Total Lumber Sales \$482 million
(1,102 MMbf)

* Based on volume

Interfor has a more diversified geographic sales mix than other producers; volumes to China increased rapidly in 2010

Investor Update

Lumber Volumes to China & Pacific Rim (excluding Japan)



Interfor's sales to China have ramped up quarter-over-quarter; sales to China could exceed 350 MMbf in 2011

Section 2

Financial Update

Investor Update

Selected Income Statement / Cash Flow Items ¹.

C\$millions	H1 '11	2010	2009
Sales	367.9	625.6	389.8
Net Income (Loss)	(7.0)	(5.2)	(23.9)
Adjusted EBITDA	24.3	48.4	(6.4)
Cash from Operations ² .	24.5	40.7	(21.6)
Capital Expenditures	(19.6)	(42.2)	(27.6)

1. 2010 and H1 2011 under International Financial Reporting Standards (IFRS); 2009 under Canadian generally accepted accounting principles (GAAP)
2. Before changes in operating working capital

Interfor's operating results and cash flow performance improved significantly in 2010 year/year with increased production and higher commodity prices

Investor Update

- In April '11 Interfor sold 8.2 million shares @ \$7.00 for gross proceeds of \$57.6 million. Proceeds were initially used to repay debt

Selected Balance Sheet Items

C\$millions	Jun '11	Dec '10	Dec '09
Long-term debt	99.1	156.0	144.5
Equity	395.0	347.5	361.4
Net debt	93.1	146.7	140.7
Net debt / invested capital	19%	30%	28%

Jun 2011 and Dec 2010 under IFRS; Dec 2009 under Canadian GAAP

Interfor's strong Balance Sheet provides insurance against uncertainty and the ability to pursue strategic opportunities

Investor Update

- Interfor's bank facilities were modified and extended, effective Jul '11

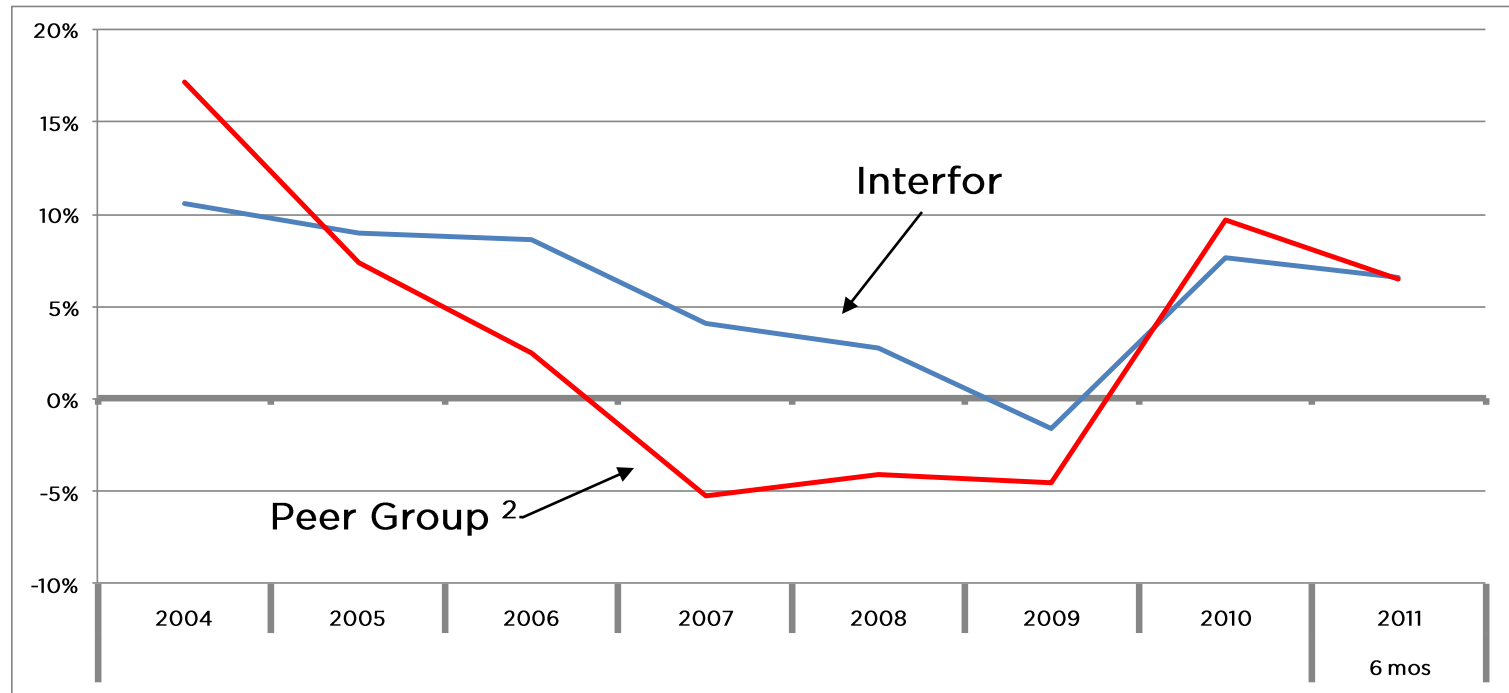
As at Jul '11	CAD Operating Line	CAD Term Line	Seaboard Operating Lines	Total
C\$millions				
Available line of credit	65.0	200.0	5.0	270.0
Maturity	July '15	July '15	Demand	
Maximum borrowing available	65.0	200.0	0.6	265.6
Drawings & letters of credit	5.5	99.1	0.1	104.7
Unused portion of line	59.5	100.9	0.5	160.9
Cash & equivalents				7.3

At Jun 30 '11, Interfor had approximately \$168 million in unused credit available

Peer Comparison

Investor Update

EBITDA Margin 2004 - Q2 2011 ¹.



Rank **5** **2** **1** **1** **1** **1** **3** **3**

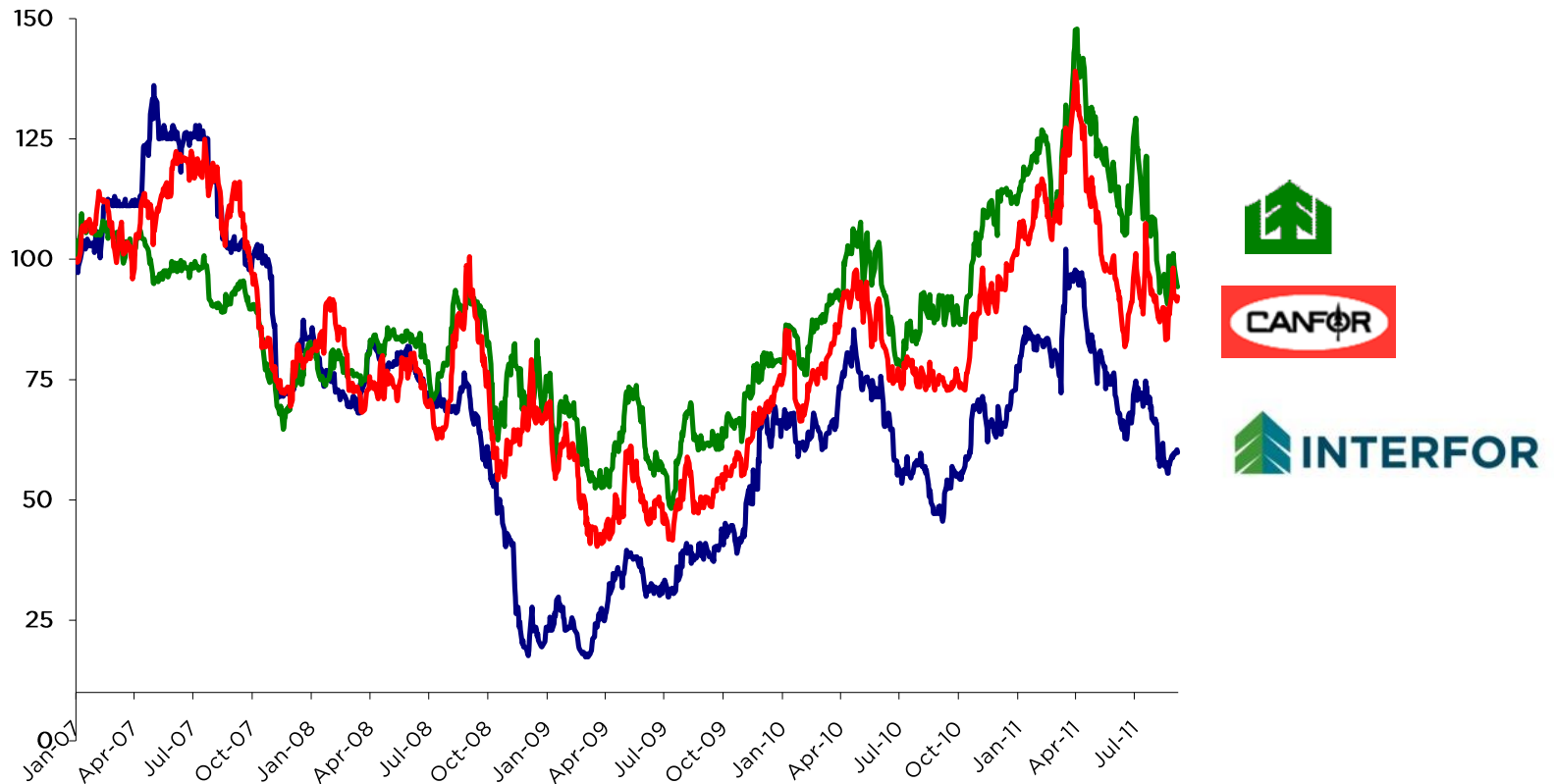
¹ Excludes impact of lumber duty refunds

² Peer group includes Canfor, West Fraser, Western Forest, Pope & Talbot (lumber or solid wood segments only); peer group excludes P&T effective Q3'07 (no longer reporting)

Interfor outperformed its peers during the 2005-9 period

Peer Comparison – Share Price Performance

Share Prices Indexed from Jan 1, '07 to Sep 7, '11



Interfor's share price has lagged its peers since mid-2008 primarily due to product mix (Canfor and WFT have pulp)

Investor Update

Financial Analysts' Recent EBITDA Estimates / Indicated EV Multiples

	Date	EBITDA (\$millions)		EV/EBITDA ¹	
		2011E	2012E	2011E	2012E
RBC	Aug 22	49.0	68.0	6.8x	4.9x
Raymond James	Aug 5	55.0	85.0	6.1x	3.9x
TD	Aug 8	45.3	71.8	7.4x	4.6x
BMO	Sep 8	48.0	73.0	7.0x	4.6x
BNS	Aug 5	39.0	86.0	8.6x	3.9x
Salman Partners	Aug 5	49.3	77.5	6.8x	4.3x
Average (excl hi/low)		47.9	76.8	7.0x	4.3x

1. Enterprise Value based on share price at Sept 7th and Interfor Net Debt at June 30th

Interfor is trading at 4.3x analysts' 2012 EBITDA estimates and between 2.7x and 3.2x trend EBITDA estimates

Key Takeaways

Key Takeaways

- Interfor has been radically transformed over the last 7 - 8 years
- Interfor is positioning its assets to be top quartile (top decile)
- Interfor has a balanced geographic manufacturing base and diversified product lines and market exposure
- Interfor has a strong balance sheet and more than \$165 million in unused credit lines
- Interfor has a strong track record of performance against its peers
- Interfor is trading at 4.3x 2012 and 3.0x Trend EBITDA estimates

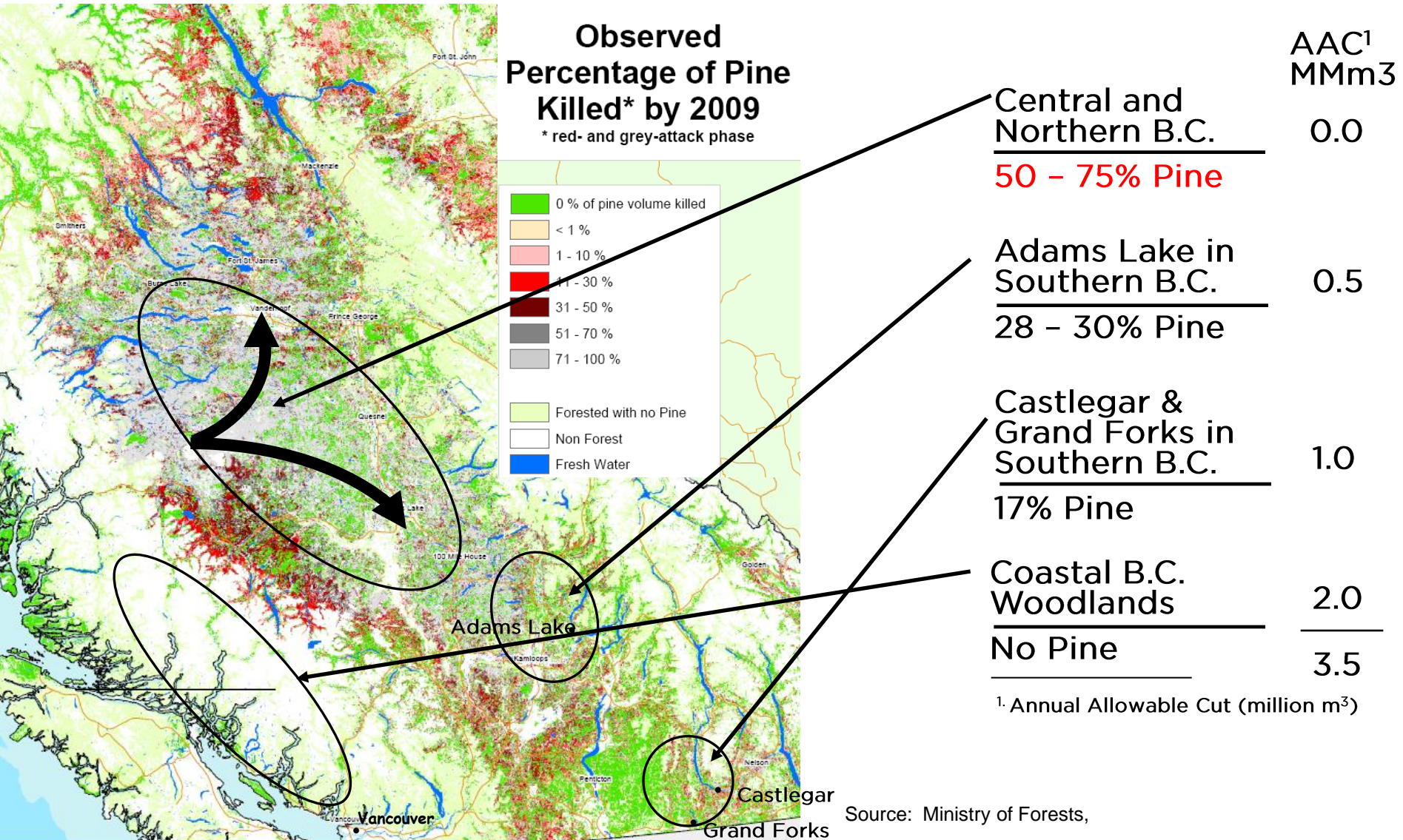
Interfor is positioned to take advantage of the recovery

APPENDIX

- Impact of Mountain Pine Beetle in B.C.
- China: Wood Frame Construction Markets
- U.S. Housing Market

Impact of Mountain Pine Beetle in B.C.

Mountain Pine Beetle (MPB) – Area Affected



Interfor's southern B.C. Interior wood baskets are less exposed to the MPB than B.C.'s central and northern interior regions; the Coast is not exposed

Peer Comparison – Exposure to MPB

Regional Operating Base

	Productive Capacity %		
	Interfor	West Fraser	Canfor
BC Interior – Central & Northern		46	79
BC Interior – Southern	44		
BC Coast	19		
Prairies		18	5
US Pacific NW	37		
US South		36	12
Other			3

Interfor has substantially less exposure to Mountain Pine Beetle than Canfor or West Fraser

China: Wood Frame Construction

China Markets - Wood Frame Construction

Wood truss re-roofing (east and north China)



Suburban villas (east, north, n-east, s-west)



Low cost rural housing (south-west)



Resort homes (north)



China Markets- Sectors under development

Public buildings



Apartment infill walls / partition walls



Multi-story residential



Mixed-use hybrid



China Markets- Use of B.C. Wood in Construction

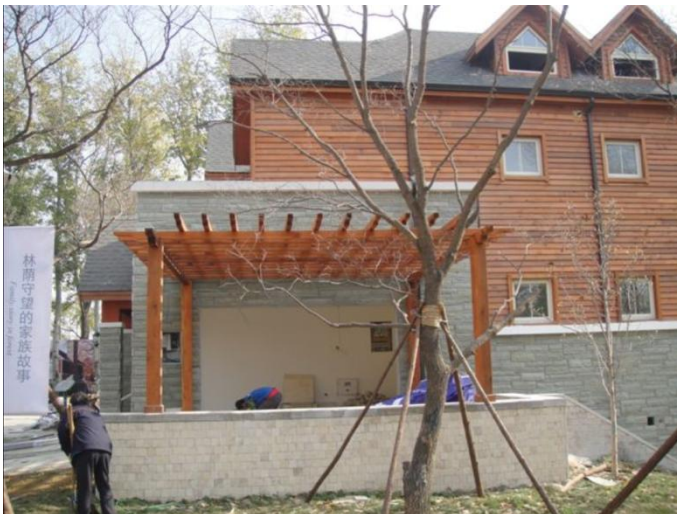
House framed with SPF lumber



SPF used for furniture frames



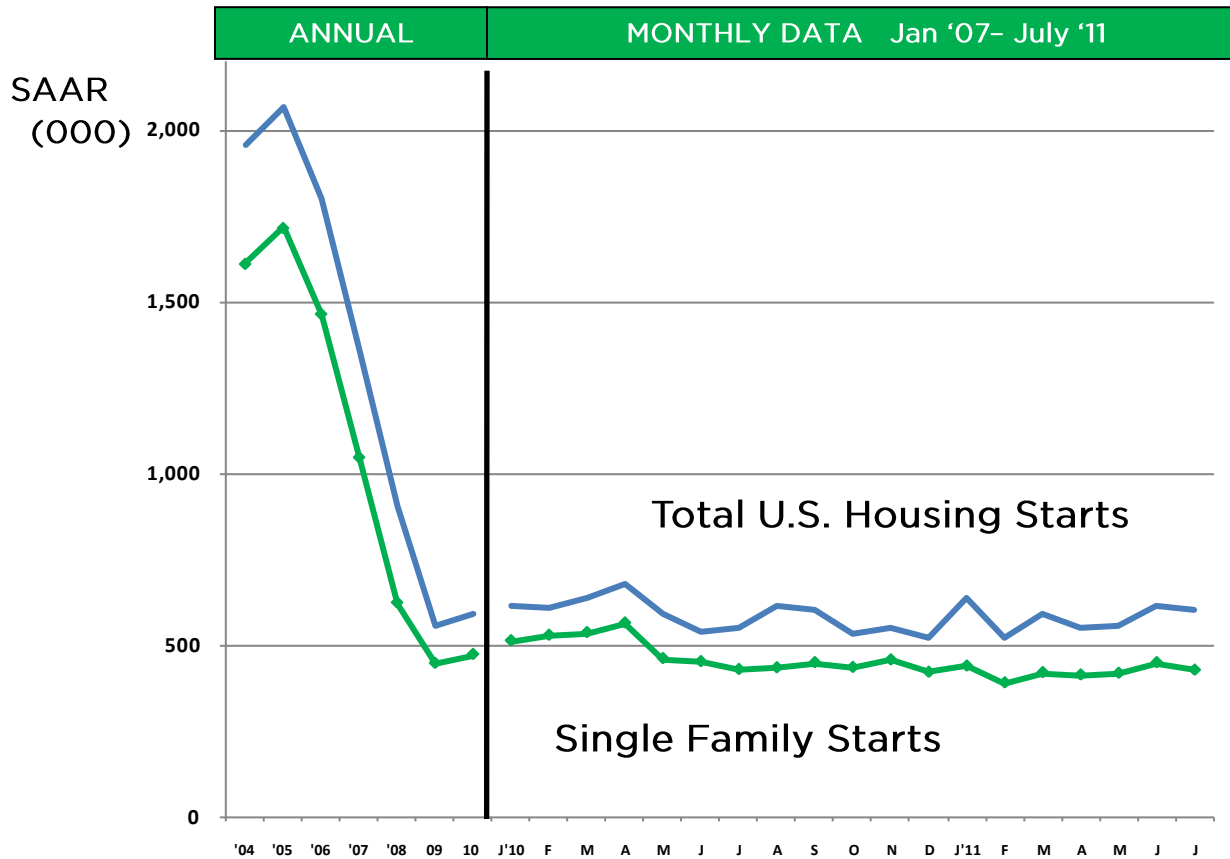
Cedar used as siding and for outdoor structures



U.S. Housing Market

U.S. Housing Starts

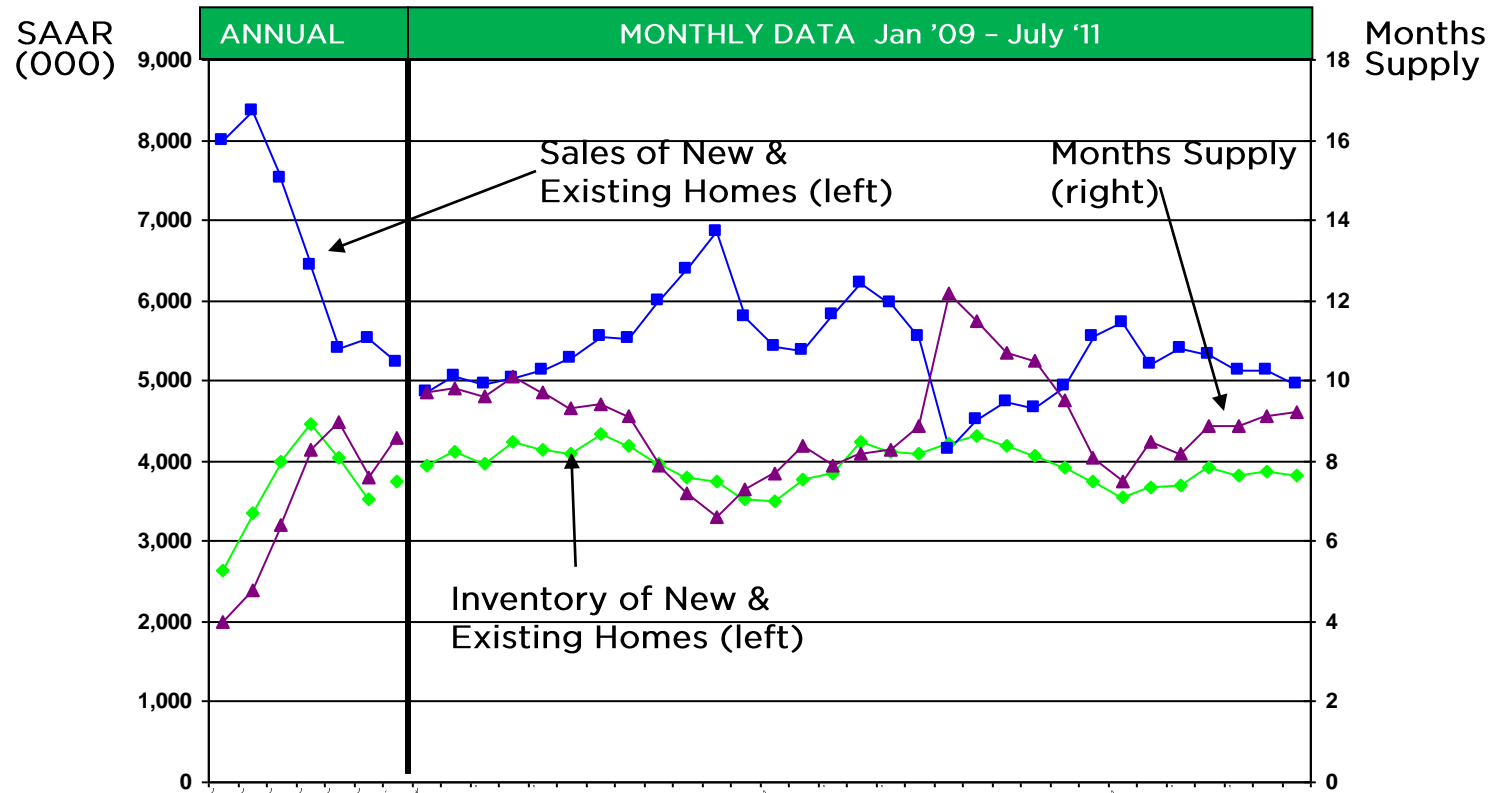
- New house construction is the largest driver of lumber consumption in the U.S.
- Starts peaked at 2.1 million units in 2005 and dropped to 480,000 units in early 2009
- Starts averaged 581,000 units YTD July, 2011



Source: U.S. Census Bureau

Total New & Existing Homes

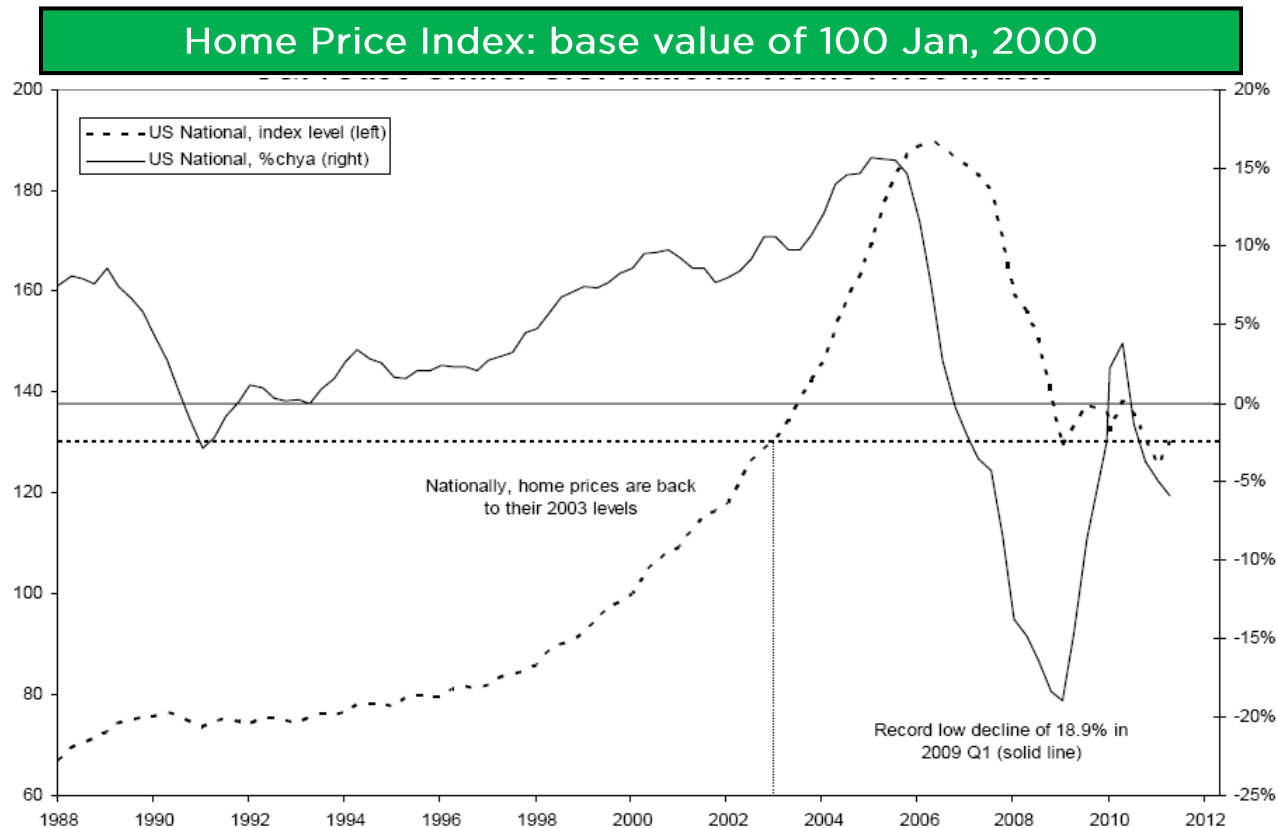
- Total sales of new and existing homes, currently at 5.0 million units, are off the bottom but below normalized levels of about 7.0 million units
- Months supply were at 9.2 months in July; well above a normalized level of about 6 months



Source: NAR (National Association of Realtors) Aug 18'11 for existing homes; U.S. Census Bureau Aug 23 for new homes

U.S. Home Price Trend - S&P's Case-Shiller Indices

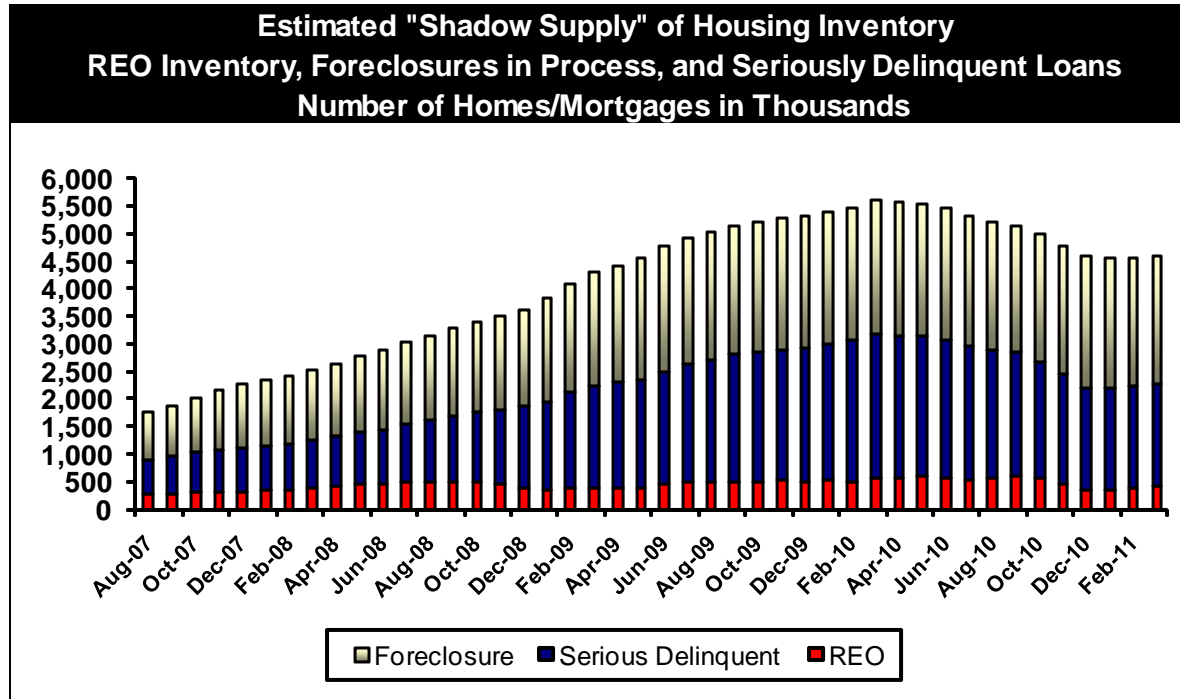
- The 10 and 20 City composite index continued to rise m/m in June, the 3rd consecutive monthly increase, while y/y prices declined in June.
- As of Q2, 2011, average home prices are back to their early 2003 levels.



Source: Standard & Poors, August 30, 2011

Uncertainty Around the U.S. Housing Recovery ¹.

- The estimated “Shadow Supply” of housing inventory (distressed homes) peaked at 5.8 million in March 2010 and declined to 4.6 million by March 2011



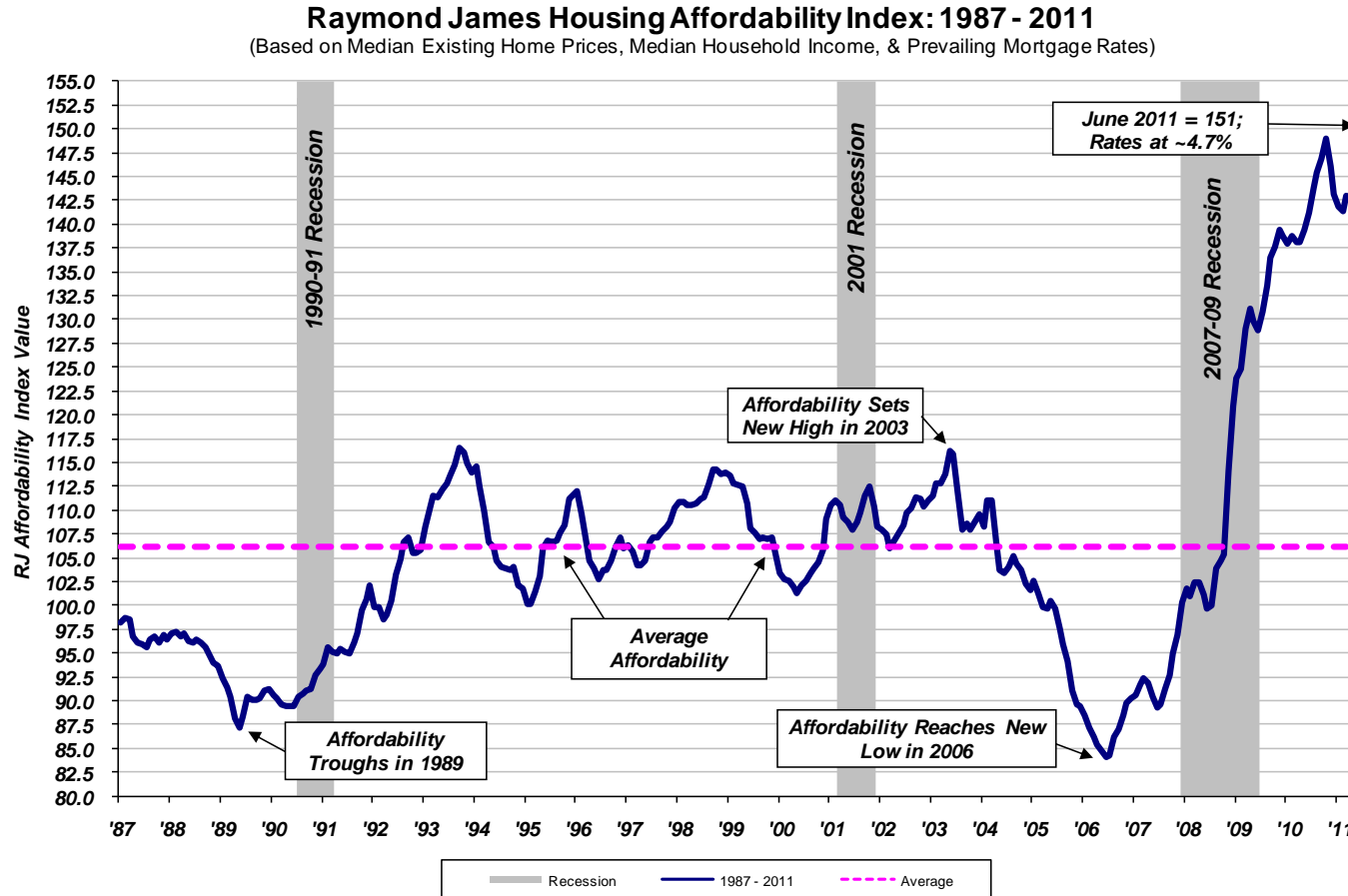
Source: Mortgage Bankers Association, Hope Now, RealtyTrac

¹ Raymond James & Associates, Inc. June 16, 2011 (Source: RealtyTrac, Mortgage Bankers Association, Hope Now, Raymond James)

- Although some progress is evident, this inventory remains a drag on new house construction and house pricing

U.S. Home Affordability is High

- Affordability has risen to record highs during 2009 and 2010 which could positively impact the recovery



Source: Raymond James & Associates Inc., June 16, 2011 (NAR, FHFB and Raymond James)

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