Interfor Corporation

Vancouver, B.C. November 2, 2017

Interfor Reports Q3'17 Results

EBITDA[1] of $60.5 million (or $70.0 million excluding duties)
Free Cash Flow from Operations of $57.5 Million (or $0.82 per Share)
Net Debt to Invested Capital Ratio of 17.9%
Proceeding With Strategic Capital Plan

INTERFOR CORPORATION ("Interfor" or "the Company") (TSX: IFP) recorded net earnings in Q3'17 of $16.8 million, or $0.24 per share, compared to $24.5 million, or $0.35 per share in Q2'17 and $15.1 million, or $0.22 per share in Q3'16. Adjusted net earnings[1] (which takes into account the effects of share-based compensation expense and non-recurring items) in Q3'17 were $20.0 million or $0.29 per share, compared to $28.7 million, or $0.41 per share in Q2'17 and $20.7 million, or $0.30 per share in Q3'16.

Adjusted EBITDA[1] for Q3'17 was $60.5 million (or $70.0 million excluding the impact from $9.4 million of softwood lumber duties expense), on sales of $489.2 million versus $77.4 million on sales of $511.4 million in Q2'17.

Notable items in the quarter included:

- Mixed Benchmark Lumber Prices and Stronger Canadian Dollar
    - Total lumber production was 645 million board feet, or 10 million board feet fewer than the prior quarter. Accordingly, sales of Interfor–produced lumber were 650 million board feet versus 654 million board feet in Q2'17. Production in the U.S. South region decreased to 281 million board feet from 294 million board feet in the preceding quarter, as the Company took precautionary measures and temporarily suspended operations at most of its U.S. South sawmills for several days in advance of and during Hurricane Irma. Fortunately, the Company's sawmills did not sustain any material damage and have since been operating in a normal manner. The B.C. and U.S. Northwest regions, in spite of facing fire-related log harvest constraints, produced at levels comparable to Q2'17. The B.C. and U.S. Northwest regions accounted for 225 million board feet and 139 million board feet, respectively, compared to 215 million board feet and 146 million board feet in Q2'17, respectively.
    - Interfor's average lumber selling price decreased $31 from Q2'17 to $611 per mfbm, due to a combination of factors, including a US$31 per mfbm decline in the SYP Composite benchmark price and a strengthening of the Canadian Dollar by 6.8% on average, partially offset by a US$26 per mfbm increase in the Western SPF Composite benchmark price.
- Significant Cash Flow and Lower Leverage
    - Interfor generated $57.5 million of cash from operations before changes in working capital, or $0.82 per share, plus a $3.5 million reduction in working capital, for total cash generated from operations of $61.0 million.
    - Capital spending was $28.9 million on a mix of high-return discretionary, maintenance and woodlands projects.
    - Net debt ended the quarter at $177.8 million, or 17.9% of invested capital.

[1] Refer to Adjusted EBITDA and Adjusted net earnings in the Non-GAAP Measures section

Strategic Capital Plan

- Interfor has been working on a multi-year strategic capital plan (the "Plan") that will involve a number of discretionary projects designed to capture the opportunities within its current operating platform and to pursue opportunities for further growth.
- The Company has received Board approval to proceed with the Plan, the key elements of which include:
  - An increase in discretionary spending on existing assets over the next five years.
    - The Plan includes both large scale projects that involve the rebuilding of a number of machine centres, plus a series of smaller debottlenecking and optimization projects, with attractive paybacks. For 2018, discretionary spending is expected to be in the range of $100 million, representing approximately two-thirds of the Company's total annual capital program.
    - As part of the 2018 phase, Interfor is proceeding with projects at two of its sawmills in the U.S. South that involve spending of approximately US$65 million which are designed to increase production by approximately 150 million board feet per year, lower cash conversion costs, improve lumber recovery and enhance grade outturns and product mix. These projects are expected to be completed in Q4'18 and Q1'19, respectively.
    - Other large capital projects are continuing to be advanced from an engineering and feasibility standpoint and will be sequenced as appropriate. These projects will be subject to Board approval in the normal course.
  - Interfor has completed a detailed feasibility study and business case for a greenfield sawmill capable of producing in excess of 200 million board feet of lumber on an annualized basis. Interfor is now proceeding with the next stage of its process and has identified a potential location in the Central Region of the U.S. South. Interfor has estimated the total capital cost to be approximately US$115 million, including pre-start-up costs and working capital. A decision on the project is expected in early 2018.

Softwood Lumber Duties

Interfor recorded $9.4 million of expense in respect of countervailing and anti-dumping duties imposed by the U.S. on its lumber shipments from Canada into the U.S. during Q3'17. Anti-dumping duties were incurred at a preliminary rate of 6.87% throughout the third quarter while countervailing duties, at a preliminary rate of 19.88%, were only applicable on shipments through August 13th. The countervailing duty ceased in August in accordance with U.S. law and is not expected to resume until late December 2017 or early January 2018, pending final rulings by the U.S. International Trade Commission. In Q3'17, Interfor shipped approximately 115 million board feet from its Canadian operations to the U.S. market, which represented approximately 17% of the Company's total lumber sales.

On November 2, 2017, the U.S. Department of Commerce announced its final determinations. As part of its determinations, the final countervailing duty rate was lowered from 19.88% to 14.25%, while the anti-dumping duty rate was lowered from 6.87% to 6.58%. In addition, the U.S. Department of Commerce concluded that critical circumstances did not exist for countervailing duties, but did exist for anti-dumping duties.

Interfor has not yet submitted any deposits in respect of retroactive duties relating to critical circumstances, which could total approximately US$3.0 million in respect of anti-dumping. Interfor does not believe the retroactive application of such duties will stand up under final scrutiny which, in turn, should result in a full return to the Company of any related deposits.

Interfor is of the view that these duties imposed by the U.S. are without merit and are politically driven. Interfor intends to vigorously defend the Company's and the Canadian industry's positions through various appeal processes, in conjunction with the B.C. and Canadian Governments.

Notice of CFO Retirement Plans

John Horning, Interfor's Chief Financial Officer, has notified the Company's Board of his intention to retire on December 31, 2018. Mr. Horning, 62, who has been with Interfor since 1997, has been instrumental in the Company's repositioning and growth initiatives over the last two decades. A successor will be named in due course.

Summary of Quarterly Results (1)

		2017			2016				2015
	Unit	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Financial Performance (Unaudited)									
Total sales	$MM	489.2	511.4	456.8	442.3	457.6	458.8	433.9	411.4
Lumber	$MM	410.2	433.7	389.6	363.5	374.8	371.1	348.9	325.0
Logs, residual products and other	$MM	79.0	77.7	67.2	78.8	82.8	87.7	85.0	86.4
Operating earnings (loss)	$MM	28.3	42.7	30.4	22.3	20.1	30.0	3.5	(6.3)
Net earnings (loss)	$MM	16.8	24.5	19.7	26.6	15.1	23.2	0.8	(3.5)
Net earnings (loss) per share, basic	$/share	0.24	0.35	0.28	0.38	0.22	0.33	0.01	(0.05)
Adjusted net earnings(2)	$MM	20.0	28.7	22.7	17.7	20.7	17.5	2.7	4.5
Adjusted net earnings per share, basic(2)	$/share	0.29	0.41	0.32	0.25	0.30	0.25	0.04	0.06
Adjusted EBITDA(2)	$MM	60.5	77.4	60.3	51.3	58.1	56.9	33.4	35.8
Shares outstanding - end of period	million	70.0	70.0	70.0	70.0	70.0	70.0	70.0	70.0
Shares outstanding - weighted average	million	70.0	70.0	70.0	70.0	70.0	70.0	70.0	70.0
Operating Performance									
Lumber production	million fbm	645	655	640	607	628	637	618	568
Total lumber sales	million fbm	671	675	645	619	647	658	637	615
Lumber sales - Interfor produced	million fbm	650	654	624	598	627	634	609	586
Lumber sales - wholesale and commission	million fbm	21	21	21	21	20	24	28	29
Lumber - average selling price(3)	$/thousand fbm	611	642	604	588	580	564	548	529
Average USD/CAD exchange rate(4)	1 USD in CAD	1.2528	1.3449	1.3238	1.3341	1.3050	1.2886	1.3732	1.3354
Closing USD/CAD exchange rate(4)	1 USD in CAD	1.2480	1.2977	1.3322	1.3427	1.3117	1.3009	1.2971	1.3840

Notes:

(1) Figures in this table may not add due to rounding.
(2) Refer to the Non-GAAP Measures section of this release for a definition and reconciliation of this measure to figures reported in the Company's consolidated financial statements.
(3) Gross sales before export taxes.
(4) Based on Bank of Canada foreign exchange rates.

Liquidity

Balance Sheet

Net debt at September 30, 2017 was $177.8 million, or 17.9% of invested capital, representing a decrease of $169.1 million from September 30, 2016 and a decrease of $111.8 million from December 31, 2016. A strengthened Canadian Dollar against the U.S. Dollar reduced debt by $19.0 million over the first nine months of 2017.

Thousands of dollars	For the 3 months ended Sept. 30, 2017	Sept. 30, 2016	Jun. 30, 2017	For the 9 months ended Sept. 30, 2017	Sept. 30, 2016
Net debt					
Net debt, period opening, CAD	$ 218,252	$ 395,959	$ 306,676	$ 289,551	$ 452,303
Net drawing (repayment) on credit facilities, CAD	2	(44,138)	(59,468)	(40,216)	(77,704)
Impact on U.S. Dollar denominated debt from (strengthening) weakening CAD	(9,942)	2,441	(6,359)	(19,005)	(25,734)
Increase in cash and cash equivalents, CAD	(30,525)	(7,333)	(22,597)	(52,543)	(1,936)
Net debt, period ending, CAD	$ 177,787	$ 346,929	$ 218,252	$ 177,787	$ 346,929
Net debt components by currency					
U.S. Dollar debt, period opening, USD	$ 200,000	$ 297,500	$ 235,979	$ 230,000	$ 338,699
Net repayment on credit facilities, USD	-	(22,791)	(35,979)	(30,000)	(63,990)
U.S. Dollar debt, period ending, USD	200,000	274,709	200,000	200,000	274,709
Spot rate, period end				1.2480	1.3117
U.S. Dollar debt expressed in CAD				249,600	360,336
Canadian Dollar debt, CAD				-	4,985
Total debt, CAD				249,600	365,321
Cash and cash equivalents, CAD				(71,813)	(18,392)
Net debt, period ending, CAD				$ 177,787	$ 346,929

Capital Resources

The following table summarizes Interfor's credit facilities and availability as of September 30, 2017:

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	$ 249,600	$ 62,400	$ 577,000
Maximum borrowing available	$ 65,000	$ 200,000	$ 249,600	$ 62,400	$ 577,000
Less:					
Drawings	-	-	249,600	-	249,600
Outstanding letters of credit included in line utilization	11,246	-	-	3,869	15,115
Unused portion of facility	$ 53,754	$ 200,000	$ -	$ 58,531	$ 312,285
Add: Cash and cash equivalents					71,813
Available liquidity at September 30, 2017					$ 384,098

As of September 30, 2017, the Company had commitments for capital expenditures totaling $12.6 million, related to both maintenance and discretionary projects.

Interfor continues to maintain its disciplined focus on monitoring discretionary capital expenditures, optimizing inventory levels and matching production with offshore and domestic demand.

As at September 30, 2017, the Company had net working capital of $201.7 million and available capacity on operating and term facilities of $312.3 million. 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.

Non-GAAP Measures

This release makes reference to the following non-GAAP measures: Adjusted net earnings, Adjusted net earnings per share, EBITDA, Adjusted EBITDA, Pre-tax return on total assets, 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 unaudited interim consolidated financial statements prepared in accordance with IFRS:

Thousands of Canadian Dollars except number of shares and per share amounts	For the 3 months ended Sept. 30, 2017	Sept. 30, 2016	Jun. 30, 2017	For the 9 months ended Sept. 30, 2017	Sept. 30, 2016
Adjusted Net Earnings[1]					
Net earnings	$ 16,778	$ 15,093	$ 24,512	$ 60,957	$ 39,093
Add:					
Restructuring (recovery) costs and capital asset write-downs	(21)	1,492	1,457	1,781	4,999
Other foreign exchange loss (gain)	1,353	(792)	913	2,447	(396)
Long term incentive compensation expense	3,004	8,321	3,270	9,867	4,352
Other (income) expense	347	(7)	456	992	358
Beaver sawmill post-closure wind-down costs (recoveries)	(39)	6	5	(27)	17
Tacoma sawmill post-acquisition losses and closure costs	-	94	-	1	777
Income tax effect of above adjustments	(1,456)	(1,408)	(1,883)	(4,588)	(2,887)
Recognition of previously unrecognized deferred tax assets	-	(2,134)	-	-	(5,402)
Adjusted net earnings	$ 19,966	$ 20,665	$ 28,730	$ 71,430	$ 40,911
Weighted average number of shares - basic ('000)	*70,030*	*70,030*	*70,030*	*70,030*	*70,030*
Adjusted net earnings per share	$ 0.29	$ 0.30	$ 0.41	$ 1.02	$ 0.58
Adjusted EBITDA					
Net earnings	$ 16,778	$ 15,093	$ 24,512	$ 60,957	$ 39,093
Add:					
Depreciation of plant and equipment	18,836	18,624	19,967	58,406	57,558
Depletion and amortization of timber, roads and other	10,435	9,441	10,024	26,756	27,062
Restructuring (recovery) costs and capital asset write-downs	(21)	1,492	1,457	1,781	4,999
Finance costs	3,294	4,379	3,535	10,891	14,528
Other foreign exchange loss (gain)	1,353	(792)	913	2,447	(396)
Income tax expense (recovery)	6,559	1,445	13,289	26,168	(29)
EBITDA	57,234	49,682	73,697	187,406	142,815
Add:					
Long term incentive compensation expense	3,004	8,321	3,270	9,867	4,352
Other (income) expense	347	(7)	456	992	358
Beaver sawmill post-closure wind-down costs (recoveries)	(39)	6	5	(27)	17
Tacoma sawmill post-acquisition losses and closure costs	-	94	-	1	777
Adjusted EBITDA[2]	$ 60,546	$ 58,096	$ 77,428	$ 198,239	$ 148,319
Pre-tax return on total assets					
Operating earnings before restructuring costs	$ 28,310	$ 21,610	$ 44,162	$ 103,236	$ 58,553
Total assets[3]	$1,296,015	$1,337,569	$1,318,784	$1,298,964	$ 1,358,294
Pre-tax return on total assets[4]	8.7%	6.5%	13.4%	10.6%	5.7%
Net debt to invested capital					
Net debt					
Total debt	$ 249,600	$ 365,321	$ 259,540	$ 249,600	$ 365,321
Cash and cash equivalents	(71,813)	(18,392)	(41,288)	(71,813)	(18,392)
Total net debt	$ 177,787	$ 346,929	$ 218,252	$ 177,787	$ 346,929
Invested capital					
Net debt	$ 177,787	$ 346,929	$ 218,252	$ 177,787	$ 346,929
Shareholders' equity	817,676	745,333	816,136	817,676	745,333
Total invested capital	$ 995,463	$1,092,262	$1,034,388	$ 995,463	$ 1,092,262
Net debt to invested capital[5]	17.9%	31.8%	21.1%	17.9%	31.8%
Operating cash flow per share (before working capital changes)					
Cash provided by operating activities	$ 60,977	$ 67,689	$ 105,816	$ 171,475	$ 150,291
Cash used in (generated from) operating work capital	(3,474)	(12,814)	(32,531)	19,028	(8,094)
Operating cash flow (before working capital changes)	$ 57,503	$ 54,875	$ 73,285	$ 190,503	$ 142,197
Weighted average number of shares - basic ('000)	*70,030*	*70,030*	*70,030*	*70,030*	*70,030*
Operating cash flow per share (before working capital changes)	*$ 0.82*	*$ 0.78*	*$ 1.05*	*$ 2.72*	*$ 2.03*

Notes:

(1) Certain historical periods have been recast to exclude the recognition of previously unrecognized deferred tax assets from Adjusted net earnings.

(2) If countervailing and anti-dumping duties expense was excluded, Adjusted EBITDA for Q3'17, Q2'17, and YTD'17 would be $70.0 million, $84.7 million, and $215.0 million, respectively. Other periods presented were not impacted by such duties.

(3) Total assets at period beginning for three month periods; average of opening and closing total assets for nine month periods.

(4) Annualized rate.

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

CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS

For the three and nine months ended September 30, 2017 and 2016 (unaudited)

(thousands of Canadian Dollars except earnings per share)	3 Months Sept. 30, 2017	3 Months Sept. 30, 2016	9 Months Sept. 30, 2017	9 Months Sept. 30, 2016
Sales	$ 489,169	$ 457,647	$ 1,457,325	$ 1,350,404
Costs and expenses:				
Production	407,222	388,733	1,205,504	1,169,356
Selling and administration	11,936	10,918	36,817	33,523
Long term incentive compensation expense	3,004	8,321	9,867	4,352
U.S. countervailing and anti-dumping duty deposits	9,426	-	16,739	-
Depreciation of plant and equipment	18,836	18,624	58,406	57,558
Depletion and amortization of timber, roads and other	10,435	9,441	26,756	27,062
	460,859	436,037	1,354,089	1,291,851
Operating earnings before restructuring costs	28,310	21,610	103,236	58,553
Restructuring costs (recovery)	(21)	1,492	1,781	4,999
Operating earnings	28,331	20,118	101,455	53,554
Finance costs	(3,294)	(4,379)	(10,891)	(14,528)
Other foreign exchange gain (loss)	(1,353)	792	(2,447)	396
Other income (expense)	(347)	7	(992)	(358)
	(4,994)	(3,580)	(14,330)	(14,490)
Earnings before income taxes	23,337	16,538	87,125	39,064
Income tax expense (recovery)				
Current	22	288	708	749
Deferred	6,537	1,157	25,460	(778)
	6,559	1,445	26,168	(29)
Net earnings	$ 16,778	$ 15,093	$ 60,957	$ 39,093
Net earnings per share, basic and diluted	$ 0.24	$ 0.22	$ 0.87	$ 0.56

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the three and nine months ended September 30, 2017 and 2016 (unaudited)

	3 Months Sept. 30, 2017	3 Months Sept. 30, 2016	9 Months Sept. 30, 2017	9 Months Sept. 30, 2016
Net earnings	$ 16,778	$ 15,093	$ 60,957	$ 39,093
Other comprehensive income (loss):				
Items that will not be recycled to Net earnings:				
Defined benefit plan actuarial gains (losses), net of tax	1,192	(42)	794	(2,988)
Items that are or may be recycled to Net earnings:				
Foreign currency translation differences for foreign operations, net of tax	(16,589)	2,622	(31,151)	(16,210)
Gain (loss) in fair value of interest rate swaps	-	93	(11)	(46)
Total items that are or may be recycled to Net earnings	(16,589)	2,715	(31,162)	(16,256)
Total other comprehensive income (loss), net of tax	(15,397)	2,673	(30,368)	(19,244)
Comprehensive income	$ 1,381	$ 17,766	$ 30,589	$ 19,849

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the three and nine months ended September 30, 2017 and 2016 (unaudited)

(thousands of Canadian Dollars)	3 Months Sept. 30, 2017	3 Months Sept. 30, 2016	9 Months Sept. 30, 2017	9 Months Sept. 30, 2016
Cash provided by (used in):				
Operating activities:				
Net earnings	$ 16,778	$ 15,093	$ 60,957	$ 39,093
Items not involving cash:				
Depreciation of plant and equipment	18,836	18,624	58,406	57,558
Depletion and amortization of timber, roads and other	10,435	9,441	26,756	27,062
Income tax expense (recovery)	6,559	1,445	26,168	(29)
Finance costs	3,294	4,379	10,891	14,528
Other assets	(252)	(22)	(70)	(306)
Reforestation liability	(522)	2,235	1,787	1,692
Provisions and other liabilities	2,178	4,288	4,225	993
Stock options	159	97	420	230
Write-down of plant and equipment	-	-	-	1,018
Unrealized foreign exchange gain	(2)	(698)	(11)	-
Other	40	(7)	974	358
	57,503	54,875	190,503	142,197
Cash generated from (used in) operating working capital:				
Trade accounts receivable and other	(8,785)	2,195	(21,041)	(9,858)
Inventories	10,417	5,507	(5,255)	(261)
Prepayments and other	(1,011)	254	(1,430)	517
Trade accounts payable and provisions	3,576	5,123	9,841	18,427
Income taxes paid	(723)	(265)	(1,143)	(731)
	60,977	67,689	171,475	150,291
Investing activities:				
Additions to property, plant and equipment	(19,805)	(15,223)	(42,957)	(37,220)
Additions to logging roads and bridges	(8,608)	(7,484)	(25,139)	(18,721)
Additions to timber licenses and other intangible assets	(461)	(633)	(1,826)	(988)
Proceeds on disposal of property, plant and equipment	63	2	461	316
Proceeds on disposal of investments	2,136	10,342	2,136	10,342
Investments and other assets	669	(1,347)	517	(10,900)
	(26,006)	(14,343)	(66,808)	(57,171)
Financing activities:				
Interest payments	(2,832)	(2,268)	(9,585)	(13,433)
Debt refinancing costs	(615)	(167)	(785)	(1,009)
Change in operating line components of long-term debt	2	2,937	(63)	(8,796)
Additions to long term debt	-	-	76,107	28,000
Repayments of long term debt	-	(47,074)	(116,260)	(96,908)
	(3,445)	(46,572)	(50,586)	(92,146)
Foreign exchange gain (loss) on cash and cash equivalents held in a foreign currency	(1,001)	559	(1,538)	962
Increase in cash	30,525	7,333	52,543	1,936
Cash and cash equivalents, beginning of period	41,288	11,059	19,270	16,456
Cash and cash equivalents, end of period	$ 71,813	$ 18,392	$ 71,813	$ 18,392

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
September 30, 2017 and December 31, 2016 (unaudited)

(thousands of Canadian Dollars)	Sept. 30, 2017	Dec. 31, 2016
Assets		
Current assets:		
Cash and cash equivalents	$ 71,813	$ 19,270
Trade accounts receivable and other	113,332	95,059
Income taxes receivable	583	222
Inventories	155,624	154,535
Prepayments and other	14,807	14,016
Investments and other assets	921	2,911
	357,080	286,013
Employee future benefits	3,283	2,471
Other investments and assets	2,507	2,341
Property, plant and equipment	678,395	730,981
Logging roads and bridges	26,440	20,739
Timber licences	67,296	69,273
Other intangible assets	14,893	19,017
Goodwill	146,386	156,502
Deferred income taxes	-	14,311
	$ 1,296,280	$ 1,301,648
Liabilities and Shareholders' Equity		
Current liabilities:		
Trade accounts payable and provisions	$ 142,499	$ 138,029
Reforestation liability	12,702	11,609
Income taxes payable	223	317
	155,424	149,955
Reforestation liability	28,071	25,931
Long term debt	249,600	308,821
Employee future benefits	8,409	8,136
Provisions and other liabilities	24,980	21,290
Deferred income taxes	12,120	848
Equity:		
Share capital	555,388	555,388
Contributed surplus	8,419	7,999
Translation reserve	38,423	69,574
Hedge reserve	-	11
Retained earnings	215,446	153,695
	817,676	786,667
	$ 1,296,280	$ 1,301,648

Approved on behalf of the Board of Directors:

"*L. Sauder*"
Director

"*D.W.G. Whitehead*"
Director

FORWARD-LOOKING STATEMENTS

This release contains information and statements that are forward-looking in nature, including, but not limited to, statements containing the words "believes", "will", "should", "expects", "annualized" and similar expressions. Such statements involve known and unknown risks and uncertainties that may cause Interfor's actual results to be materially different from those expressed or implied by those forward-looking statements. Such risks and uncertainties include, among other things: price volatility, competition, availability and cost of log supply, natural or man-made disasters, currency exchange sensitivity, regulatory changes, allowable annual cut reductions, Aboriginal title and rights claims, potential countervailing and anti-dumping duties, stumpage fee variables and changes, environmental impact and performance, labour disruptions, and other factors referenced herein and in Interfor's Annual Report available on www.sedar.com and www.interfor.com. The forward-looking information and statements contained in this release are based on Interfor's current expectations and beliefs. Readers are cautioned not to place undue reliance on forward-looking information or statements. Interfor undertakes no obligation to update such forward-looking information or statements, except where 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 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 unaudited consolidated financial statements and Management's Discussion and Analysis for Q3'17 are available at www.sedar.com and www.interfor.com.

There will be a conference call on Friday, November 3, 2017 at 8:00 a.m. (Pacific Time) hosted by **INTERFOR CORPORATION** for the purpose of reviewing the Company's release of its third quarter 2017 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 December 3, 2017. The number to call is ***1-855-859-2056, Passcode 88589331.***

For further information:
John A. Horning, Executive Vice President and Chief Financial Officer
(604) 689-6829

Martin L. Juravsky, Senior Vice President, Corporate Development and Strategy
(604) 689-6873