INTERFOR

PRESS RELEASE

International Forest Products Limited

Vancouver, B.C. **January 28, 2004**

Interfor Reports Loss in 4th Quarter

Rising Dollar, U.S. Duties and Coastal Labour Dispute Impact Results

OPERATING RESULTS

International Forest Products Limited ("Interfor" or the "Company") today reported a net loss of $6.7 million or $0.14 per share in the 4th Quarter of 2003 compared to a net loss of $1.4 million or $0.04 per share in the immediately preceding quarter and net earnings of $12.7 million or $0.35 per share in the 4th Quarter of 2002.

The loss in the current quarter includes a provision of $1.5 million, or $900,000 after-tax, to account for restructuring costs and capital asset write-downs. These costs include provisions associated with the announced permanent closing of the Company's Specialty Products Division (which had been acquired in 2001 as part of the purchase of Primex Forest Products Limited) offset, in part, by the reversal of another previously recorded restructuring provision. The results for the quarter also include an increase in revenues of $3.0 million from foreign exchange hedging activities which had the effect of reducing the Company's net loss after-tax by $1.9 million or $0.04 per share in the current quarter.

For the twelve months ended December 31, 2003, Interfor's net loss amounted to $23.0 million or $0.58 per share, compared to net earnings of $40.0 million or $1.12 per share in 2002. For the current year, foreign exchange hedging activity contributed an increase in revenues of $11.0 million which had the effect of reducing the Company's net loss after-tax by $6.5 million, or $0.15 per share.

"Interfor's results for the 4th Quarter reflect the impact of the rise in the value of the Canadian dollar (which moved from an average of US$0.725 in the 3rd Quarter to an average of US$0.76 in the 4th Quarter), the continuing effect of duties on U.S. shipments and the effects of the 3-1/2 week coastal labour dispute which began in late November," said Duncan Davies, Interfor's President and C.E.O.

Lumber shipments totaled 137.5 million board feet in the 4th Quarter compared to 207.9 million board feet in the same quarter last year. Log production totaled 636,000 m^3 in the 4th Quarter compared to 916,000 m^3 in the 4th Quarter of 2002.

Overall, sales revenue was $128.4 million in the quarter compared to $215.7 million in the 4th Quarter of 2002. EBITDA for the quarter was $1.2 million compared to $35.4 million in 2002. For the year, sales amounted to $603.7 million compared to $784.1 million in 2002. EBITDA in 2003 was $4.4 million compared to $121.1 million in 2002.

During the quarter, Interfor paid $6.0 million ($3.8 million after-tax, or $0.08 per share) in duties on shipments of 43.5 million board feet to the U.S. The amounts paid in the 4th Quarter bring the total for the year to $31.0 million ($19.6 million after-tax or $0.50 per share). In the 4th Quarter of 2002 Interfor paid total duties of $10.4 million ($6.6 million after-tax or $0.19 per share). The reduction in duties paid in the 4th Quarter of 2003 compared to 2002 reflects a combination of factors including the general reduction in product price levels (particularly in cedar), lower volumes, the impact of the rise in the value of the Canadian dollar, and the benefits associated with the transfer of the former McDonald Cedar remanufacturing facility to Sumas, Washington early in the year.

CASH FLOW AND BALANCE SHEET

During the quarter, Interfor generated $2.3 million in cash from operations. After working capital changes, a total of $3.3 million in cash was consumed in the 4th Quarter. Capital spending was $9.1 million, including $4.5 million in roads, $0.4 million in maintenance capital, $2.1 million in high return discretionary projects and $2.1 million in land development costs.

The planer/sorter project at Adams Lake was completed in the 4th Quarter. By all accounts, the project has been an outstanding success, with productivity levels exceeding proforma by year-end. In the quarter, an additional dry kiln was installed at Adams Lake to enable the mill to handle the increased level of production resulting from the planer/sorter project and other initiatives which have boosted production by more than 20% in the last year.

Interfor's net debt increased during the 4th Quarter to $13.0 million, or 4% of invested capital. In addition, the Company had $117 million in unused lines of credit available at year-end. "Our strong balance sheet is one of our most important strategic assets", said Davies. "It provides significant protection against uncertainty and an excellent foundation to pursue strategic opportunities."

COASTAL LABOUR SITUATION

At the request of both parties, the B.C. government legislated the end of the coastal labour dispute on December 16, 2003 and put in place a binding mediation/arbitration process with a deadline of May 31, 2004. Respected mediator Donald Munroe, QC was appointed to oversee the process. Munroe's mandate includes a requirement to put in place terms and conditions of employment consistent with the economic viability and competitiveness of the industry in both the short and long term, good labour/management relations and the interests of employees and the union. "This process holds the potential to form one of the building blocks for the long-awaited revitalization of the coastal industry," said Davies. "While a number of other issues also need to be addressed if the industry and our Company are going to be truly successful, we are looking forward to the outcome of the process and, ultimately, to re-establishing the B.C. Coast as a strong competitor in the global market."

CERTIFICATION AND LAND USE

Interfor's coastal woodlands were successfully re-certified to the Sustainable Forestry Initiative (SFI) program standards in the 4th Quarter. The external audit was conducted by KPMG Performance Registrar Inc. and was completed in December. The company was the first in B.C. to certify its public forest lands to SFI standards back in January, 2001. Ongoing external assessments of Interfor's environmental management system continue to demonstrate consistently good performance.

Discussions at the Central Coast Land and Resource Management Plan table were concluded in December and a consensus agreement regarding conservation and forest use was reached. This is a major achievement and an important milestone in the process that has now extended over seven years. The plan, which effectively balances conservation and socio-economic interests in this part of the coastal region, will now be submitted to the provincial government for final approval.

OUTLOOK

The prospects for the early part of 2004 remain challenging, although some signs of improvement are beginning to emerge.

Consumption in the U.S. market remains very strong and the pricing of structural products has improved significantly in recent months. The near term prospects for cedar are also better than they were at this time last year. Prices have returned to pre-duty levels and there is potential to regain market share lost in 2003.

Prices in Japan increased by about 20% in the 2nd half of last year and helped to mute the impact of the rise in the value of the Canadian dollar on shipments to that market. The shift in the C$/Euro cross has significantly altered the competitive balance between Canadian and European suppliers and provides a good opportunity for B.C. producers to regain market share in Japan, as well as the possibility of an increase in sales activity in Europe.

On January 16, 2004, the B.C. Government announced its intention to adopt market-based timber pricing on the B.C. Coast effective February 29, 2004. “While some of the details of the new system are yet to be finalized, the decision to move forward with stumpage reform is a welcome one,” said Davies. “The old system was out-of-tune with market realities and acted as a significant constraint on harvesting activity. The new system – which is designed to reflect global market realities and local harvesting costs – is expected to result in a reduction in stumpage rates in the short term and a resumption of harvesting activity.”

While we are encouraged by these developments, the coastal industry, including Interfor, continues to be challenged by various issues including the current level of the Canadian dollar and the ongoing effects of duties on shipments to the U.S.

All-in-all, while we expect Interfor’s financial results will improve in the months ahead, they are likely to remain under pressure through the early part of 2004. The Company intends to manage production levels as the year progresses in order to ensure the best possible financial results and will continue to pursue high return and strategic opportunities in order to enhance the Company’s long-term earnings potential.

FORWARD LOOKING STATEMENTS

This press release contains statements that are forward-looking in nature. Such statements involve known and unknown risks and uncertainties that may cause the actual results of the Company to be materially different from those expressed or implied by those forward-looking statements. Such risks and uncertainties include, among others: general economic and business conditions, product selling prices, raw material and operating costs, changes in foreign-currency exchange rates and other factors referenced herein and in the Company’s annual statutory report.

CONSOLIDATED STATEMENTS OF OPERATIONS

For the three months and years ended December 31, 2003 and 2002 (unaudited)

(thousands of dollars except earnings per share)	3 Months Dec. 31, 2003	3 Months Dec. 31, 2002	Year Dec. 31, 2003	Year Dec. 31, 2002
		(restated – note 1(a))		
Sales				
Sales revenue before duties	$ 134,344	$ 226,028	$ 634,701	$ 808,609
Less U.S. countervailing and antidumping duty deposits (note 10(a))	5,953	10,358	31,040	24,469
	128,391	215,670	603,661	784,140
Costs and expenses:				
Production (note 1(b))	123,989	177,234	591,234	660,446
Selling and administration	5,021	4,841	18,845	18,285
Amortization of plant and equipment	4,520	5,709	19,507	21,674
Depletion and amortization of timber, roads and other	5,197	11,008	16,581	32,051
Recovery of duties accrued in prior year	-	-	-	(10,333)
Restructuring costs (note 6)	1,525	-	3,225	2,500
	140,252	198,792	649,392	724,623
Operating earnings (loss)	(11,861)	16,878	(45,731)	59,517
Interest expense on long-term debt	(94)	(626)	(1,775)	(3,050)
Other interest expense	(284)	(276)	(1,931)	(496)
Other income (expense)	(154)	227	3,298	1,352
B.C. Corporation capital tax	-	182	-	(209)
Equity in earnings of investee companies	1,988	1,402	7,566	4,206
	1,456	909	7,158	1,803
Earnings (loss) before income taxes	(10,405)	17,787	(38,573)	61,320
Income taxes (recovery):				
Current	(205)	(1,067)	495	400
Future	(3,478)	6,170	(16,078)	20,938
	(3,683)	5,103	(15,583)	21,338
Net earnings (loss)	$ (6,722)	$ 12,684	$ (22,990)	$ 39,982
Net earnings (loss) per share (note 7)				
Basic	$ (0.14)	$ 0.35	$ (0.58)	$ 1.12
Diluted	$ (0.14)	$ 0.35	$ (0.58)	$ 1.11
EBITDA (note 9)	$ 1,215	$ 35,406	$ 4,446	$ 121,091

See accompanying notes to consolidated financial statements

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

For the years ended December 31, 2003 and 2002 (unaudited)

(thousands of dollars)	Year Dec. 31, 2003	Year Dec. 31, 2002
Retained earnings, beginning of year	$ 63,101	$ 23,119
Net earnings (loss)	(22,990)	39,982
Share issue expenses, net of future income taxes of $1,117,000	(2,179)	-
Retained earnings, end of year	$ 37,932	$ 63,101

See accompanying notes to consolidated financial statements

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CONSOLIDATED STATEMENTS OF CASH FLOWS

For the three months and years ended December 31, 2003 and 2002 (unaudited)

(thousands of dollars)	3 Months Dec. 31, 2003	3 Months Dec. 31, 2002	Year Dec. 31, 2003	Year Dec. 31, 2002
Cash provided by (used in):		(restated – note 1(a))		
Operating activities:				
Net earnings (loss)	$ (6,722)	$ 12,684	$ (22,990)	$ 39,982
Items not involving cash:				
Amortization of plant and equipment	4,520	5,709	19,507	21,674
Depletion and amortization of timber, roads and other	5,197	11,008	16,581	32,051
Future income taxes	(3,478)	6,170	(16,078)	20,938
Reforestation liability	(1,074)	1,031	(719)	1,296
Other long-term liabilities	2,482	(2,112)	5,057	(3,548)
Equity in earnings of investee companies	(1,988)	(1,402)	(7,566)	(4,206)
Writedown of property, plant and equipment	3,315	2,544	3,315	1,126
Other	6	(418)	(2,025)	(1,543)
	2,258	35,214	(4,918)	107,770
Cash generated from (used in) operating working capital:				
Accounts receivable	13,216	358	13,881	(15,869)
Inventories	(12,623)	(24,570)	49,218	(20,545)
Prepaid expenses	(434)	560	(382)	(704)
Accounts payable and accrued liabilities	(5,665)	(6,437)	(56,908)	12,452
Income taxes	(44)	(448)	168	4,653
	(3,292)	4,677	1,059	87,757
Investing activities:				
Additions to property, plant and equipment	(4,663)	(4,952)	(23,275)	(17,067)
Additions to logging roads and timber	(4,482)	(7,793)	(16,625)	(24,028)
Proceeds on disposal of property, plant and equipment	458	523	3,494	3,467
Investments and other assets	94	3,717	528	3,582
	(8,593)	(8,505)	(35,878)	(34,046)
Financing activities:				
Repurchase of capital stock (note 5)	-	(1,974)	(923)	(1,974)
Issuance of capital stock, net of expenses (note 5)	-	-	72,549	94
Increase (decrease) in bank indebtedness	11,885	-	12,951	(1,589)
Reductions in long-term debt (note 4(b))	-	-	(50,000)	(50,000)
	11,885	(1,974)	34,577	(53,469)
Increase (decrease) in cash	-	(5,802)	(242)	242
Cash on deposit, beginning of period	-	6,044	242	-
Cash on deposit, end of period	$ -	$ 242	$ -	$ 242

See accompanying notes to consolidated financial statements

CONSOLIDATED BALANCE SHEETS
December 31, 2003 (unaudited) and December 31, 2002 (audited)

(thousands of dollars)	Dec. 31, 2003	Dec. 31, 2002
Assets		
Current assets:		
Cash on deposit	$ -	$ 242
Accounts receivable	26,278	40,257
Inventories	93,045	142,263
Prepaid expenses	6,680	6,298
Future income taxes	4,505	12,166
	130,508	201,226
Investments and other assets:		
Investments and advances	41,122	33,796
Deferred financing fee, net of accumulated amortization	53	-
	41,175	33,796
Property, plant and equipment, net of accumulated amortization	194,660	196,155
Timber and logging roads, net of accumulated depletion and amortization	86,637	86,449
Goodwill (note 2)	13,862	19,647
	$ 466,842	$ 537,273
Liabilities and Shareholders' Equity		
Current liabilities:		
Bank indebtedness (note 4(a))	$ 12,951	$ -
Accounts payable and accrued liabilities	69,316	126,226
Income taxes payable	358	190
	82,625	126,416
Reforestation liability, net of current portion	21,044	21,763
Long-term debt (note 4(b))	-	50,000
Other long-term liabilities	14,463	9,406
Future income taxes (note 2)	5,035	35,767
Shareholders' equity:		
Share capital (note 5)		
Class A subordinate voting shares	293,462	218,455
Class B common shares	4,080	4,080
Contributed surplus	8,201	8,285
Retained earnings	37,932	63,101
	343,675	293,921
	$ 466,842	$ 537,273

See accompanying notes to consolidated financial statements

1. Significant accounting policies:

These unaudited interim consolidated financial statements include the accounts of International Forest Products Limited and its subsidiaries (collectively referred to as "Interfor" or the "Company"). These interim consolidated financial statements do not include all disclosures required by Canadian generally accepted accounting principles for annual financial statements, and accordingly, these interim consolidated financial statements should be read in conjunction with Interfor's most recent annual consolidated financial statements. These interim consolidated financial statements follow the same accounting policies and methods of application used in the Company's audited annual consolidated financial statements as at and for the year ended December 31, 2002.

(a) Accounting policy changes:

In the first quarter of 2003, the Company changed its accounting policy for expensing fixed woodlands production costs in its interim quarterly financial statements from a units of production basis to an incurred cost basis. This change does not impact the Company's annual consolidated financial statements. Prior period quarterly results have been restated to reflect the new accounting policy.

(b) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. During the first quarter of 2003, the Company settled various forestry liabilities relating to prior period activities and realized after tax recoveries on these settlements totaling $2.6 million.

(c) Comparative figures:

Certain of the prior year's figures have been reclassified to confirm to the presentation adopted in the current year.

2. Reorganizations:

During 2003, the Company reorganized its corporate structure which concluded in the wind-up of Primex Forest Products Ltd. and the Field Sawmills Limited Partnership. The reorganizations resulted in a reduction of goodwill of $5,700,000 and a corresponding decrease to long term future income tax liability.

3. Seasonality of operating results:

The Company operates in the solid wood business which includes logging and sawmill operations. Logging operations are seasonal due to a number of factors including weather, ground and fire season conditions. Generally, the Company operates its logging divisions in the latter half of the first quarter, throughout the second and third quarters and in the first half of the fourth quarter. Sawmill operations are less seasonal than logging operations but do depend on the availability of logs from the logging operations. In addition, the market demand for lumber and related products is generally lower in the first quarter due to reduced construction activity which increases during the spring, summer and fall.

(Tabular amounts expressed in thousands except per share amounts)

4. Bank indebtedness and long-term debt:

(a) Bank indebtedness:

The Company increased its operating line of credit from $60,000,000 to $100,000,000 on April 28, 2003, and subsequently decreased it to $75,000,000 on August 29, 2003. The line is subject to a borrowing base calculation dependent upon certain accounts receivable and inventories. As at December 31, 2003, the maximum borrowing available was $60,641,000 (2002 - $60,000,000), of which $18,441,000 was drawn (2002 - $3,470,000). The utilization includes the total of outstanding letters of credit. The loan bears interest at rates based on bank prime plus a premium depending upon a financial ratio or, at the Company's option, at rates for Bankers' Acceptances. The line of credit is secured and is subject to certain financial covenants including a minimum working capital requirement and a maximum ratio of total debt to total capitalization. The line matures on April 29, 2004.

(b) Long-term debt:

The Company has available a revolving term line of credit (the "Revolving Line") which it increased on August 29, 2003 from $50,000,000 to $75,000,000. This line was not utilized at December 31, 2003 (2002 – $nil). The Revolving Line bears interest at rates based on bank prime plus a premium, depending upon a financial ratio or, at the Company's option, at rates for Bankers' Acceptances. The line matures on April 29, 2005.

In 2001, the Company established a term line of credit (the "Acquisition Line") totaling $100,000,000, which was used to facilitate the acquisition of Primex Forest Products Ltd. During 2003, the Company repaid $50,000,000 (2002 - $50,000,000) and the Acquisition Line, being fully repaid (2002 - $50,000,000), was subsequently cancelled.

5. Share capital:

On September 11, 2003 the Company issued 12,900,000 Class A subordinate voting shares without par value at a price of $5.85 per share for gross proceeds of $75,465,000. The net proceeds of $72,170,000 after share issue costs were used to pay down existing bank indebtedness.

Share transactions for the year ended December 31, 2003 were as follows:

	Number				
	Class A	Class B	Total		Amount
Balance, December 31, 2002	34,524	1,016	35,540	$	222,535
Share issuances	12,984	-	12,984		75,846
Share repurchases	(133)	-	(133)		(839)
Balance, December 31, 2003	47,375	1,016	48,391	$	297,542

The weighted average shares outstanding for the three month and annual periods are shown below in note 7.

6. Restructuring costs:

In light of poor lumber markets, the continuing U.S. softwood lumber dispute (note 10 (a)), the 20% reduction of the Company's timber tenures (note 10 (b)), and the continued strength of the Canadian dollar against the U.S. dollar, the Company reduced staff levels and made the decision to permanently close its Specialty Products Division.

Accordingly, the Company recorded severance costs of $1,700,000 during the second quarter of 2003. Additional amounts of $3,165,000 in write-downs of property, plant and equipment and $1,260,000 in severance and other related restructuring costs were recorded in the fourth quarter of 2003, partially offset by a reversal of previously accrued restructuring costs of $2,900,000.

(Tabular amounts expressed in thousands except per share amounts)

7. Net earnings (loss) per share:

	3 months Dec. 31, 2003			3 months Dec. 31, 2002		
	Net earnings (loss)	Shares	Per share	Net earnings (loss)	Shares	Per share
Basic earnings (loss) per share	$ (6,722)	48,391	$ (0.14)	$ 12,684	35,803	$ 0.35
Share options	-	-	-	-	-	-
Diluted earnings (loss) per share	$ (6,722)	48,391	$ (0.14)	$ 12,684	35,803	$ 0.35

	Year Dec. 31, 2003			Year Dec. 31, 2002		
	Net earnings (loss)	Shares	Per share	Net earnings (loss)	Shares	Per share
Basic earnings (loss) per share	$(22,990)	39,456	$ (0.58)	$ 39,982	35,857	$ 1.12
Share options	-	-	-	-	153	-
Diluted earnings (loss) per share	$(22,990)	39,456	$ (0.58)	$ 39,982	36,010	$ 1.11

8. Segmented information:

The Company manages its business as a single operating segment, solid wood. The Company harvests logs which are sorted by species, size and quality and then manufactured into lumber products at the Company's sawmills, or sold. Substantially all of the Company's operations are located in British Columbia, Canada.

The Company sells to both foreign and domestic markets as follows:

	3 months Dec. 31, 2003	3 months Dec. 31, 2002	Year Dec. 31, 2003	Year Dec. 31, 2002
Canada	$ 46,452	$ 77,127	$234,805	$319,031
United States	30,509	43,239	137,729	190,070
Japan	34,913	74,297	151,066	202,096
Other export	16,517	21,007	80,061	72,943
	$128,391	$215,670	$603,661	$784,140

Sales by product line are as follows:

	3 months Dec. 31, 2003	3 months Dec. 31, 2002	Year Dec. 31, 2003	Year Dec. 31, 2002
Lumber	$ 95,688	$167,245	$450,458	$590,763
Logs	18,396	33,158	90,822	137,602
Wood chips and other by products	5,886	8,219	28,499	31,041
Other	8,421	7,048	33,882	24,734
	$128,391	$215,670	$603,661	$784,140

(Tabular amounts expressed in thousands except per share amounts)

9. EBITDA:

EBITDA represents earnings before interest, taxes, depletion, amortization and restructuring costs. The Company discloses EBITDA as it is a measure used by analysts to evaluate the Company's performance. As EBITDA is a non-GAAP measure, it may not be comparable to EBITDA calculated by others. In addition, as EBITDA is not a substitute for net earnings (loss), readers should consider net earnings (loss) in evaluating the Company's performance.

EBITDA can be calculated from the statement of operations as follows:

	3 months Dec. 31, 2003	3 months Dec. 31, 2002	Year Dec. 31, 2003	Year Dec. 31, 2002
Net earnings (loss)	$ (6,722)	$ 12,684	$(22,990)	$ 39,982
Add:				
Income taxes (recovery)	(3,683)	5,103	(15,583)	21,338
Interest expense on long-term debt	94	626	1,775	3,050
Other interest expense	284	276	1,931	496
Amortization of plant and equipment	4,520	5,709	19,507	21,674
Depletion and amortization of timber, roads and other	5,197	11,008	16,581	32,051
Restructuring costs	1,525	-	3,225	2,500
EBITDA	$ 1,215	$ 35,406	$ 4,446	$121,091

10. Contingencies:

(a) U.S. Softwood Lumber dispute:

The Company has recorded $5,953,000 (2002 - $10,358,000) for the quarter and $31,040,000 (2002 - $24,469,000) for the year ended December 31, 2003 as a reduction of sales revenue in respect of the countervailing and antidumping duties assessed on Canadian softwood lumber exports to the United States. Cumulative duties for the period from May 22, 2002 to December 31, 2003 total $55,508,000 (US$37,759,000).

The Company and other Canadian forest product companies, the Federal Government and Canadian provincial governments (“Canadian Interests”) continue to categorically deny the U.S. allegations that sales of Canadian softwood lumber into the U.S. threatens material injury to the U.S. industry. Canadian interests continue to pursue appeals of the final countervailing and dumping determinations with the appropriate courts, NAFTA panels and the WTO.

(b) B.C. Forest Revitalization Plan:

In March 2003, the Government of B.C (“Crown”) introduced the Forestry Revitalization Plan (the “Plan”) that provides for significant changes to Crown forest policy and to the existing allocation of Crown timber tenures to licensees. The changes prescribed in the Plan include: the elimination of minimum cut control regulations, the elimination of existing timber processing regulations, and the elimination of restrictions limiting the transfer and subdivision of existing licenses. As well, through legislation, licensees, including the Company, will be required to return 20% of their replaceable tenure to the Crown. The Plan states that approximately half of this volume will be redistributed to open up opportunities for woodlots, community forests and First Nations and the other half will be available for public auction. The Crown has acknowledged that licensees will be fairly compensated for the return of tenure and related costs such as roads and bridges.

The effect of the 20% timber take-back is expected to result in a reduction of approximately 580,000 m3 of the Company’s existing allowable annual cut on their replaceable tenures. The effect of the Plan on the Company’s financial position and results of operations cannot be determined at this time. The Company will record the effects of the Plan at the time the amounts to be recorded can be estimated.

11. Financial instruments:

(a) Derivative financial instruments:

The Company employs financial instruments, such as interest rate swaps and foreign currency forward and option contracts, to manage exposure to fluctuations in interest rates and foreign exchange rates. The Company does not expect any credit losses in the event of non-performance by counter parties as the counter parties are the Company's bankers.

As at December 31, 2003, the Company has outstanding obligations to sell a maximum of US$10,000,000 at an average rate of CDN$1.324 and Japanese ¥330,000,000 at an average rate of ¥81.85 to the CDN$ during 2004. Based on the exchange rates at December 31, 2003, the Company had unrealized gains of $237,000 with respect to these hedging arrangements. All previously deferred foreign exchange gains resulting from the cancellation of existing contracts during 2003 have been recognized in income as at December 31, 2003.

There were no interest rate swaps outstanding as at December 31, 2003.

(b) Sale of receivables:

During 2000, the Company entered into an agreement to sell designated trade receivables, with limited recourse, to a Trust. As these trade receivables are collected, they are replaced by new receivables to maintain the aggregate outstanding balance. At December 31, 2003, the Company received cash proceeds of $10,000,000 (2002 - $20,000,000) from the sale.

SELECTED STATISTICS

	Three Months Ended December 31		Years Ended December 31	
	2003	2002	2003	2002
Lumber volume (MMfbm)				
- Sales	138	208	632	760
- Production [(1)]	134	204	637	772
Log Volume (000 m^3)				
- Consumption [(1)]	576	895	2,824	3,400
- Production	636	916	1,965	2,911
Prices ($/Mfbm)				
- Lumber [(2)]	634	731	662	733
- Pulp Chips	36	33	37	33
Shares Outstanding (million)				
- Total at period end [(3)]	48.4	35.5	48.4	35.5
- Weighted average	48.4	35.8	39.5	35.9

[(1)] excluding volumes custom cut for third parties
[(2)] FAS basis, net of duty
[(3)] as of January 26, 2004 the number of shares outstanding by class are as follows:

Class A	47.4
Class B	1.0
Total	48.4

There will be a conference call on Thursday, January 29, 2004 at 8:00 AM (Pacific Standard Time) hosted by **INTERNATIONAL FOREST PRODUCTS LIMITED** for the purpose of reviewing the Company's release of its Fourth Quarter 2003 Financial Results. The dial-in number is ***1-800-840-6238***.

The conference call will also be recorded for those unable to join in for the live discussion. The number to call is ***1-800-558-5253 Reservation 21182766#*** and will be available until February 12, 2004.

William L. Sauder
Chairman

Duncan K. Davies
President and C.E.O.

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