



Building Value

**Duncan Davies,
President and CEO**

**John Horning,
Senior Vice President and CFO**

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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 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.

Interfor's Goal

Interfor's goal is to become one of the world's pre-eminent building products companies with a diversified regional operating platform and active presence in global markets and, in doing so, to provide superior returns for shareholders

Current Focus

- Monetize non-core and non-performing assets
- Use cash from asset sales and operations to upgrade core assets (to top decile status)
- Grow in regions and products which have attractive fundamentals
- Maintain a strong balance sheet

Current Focus - Monetize Non-core & Non-performing Assets

- Interfor generated \$91 million in cash after tax and severance payments in 2005 from the sale of surplus properties and other non-core assets

2005		2006 Plan	
INITIATIVE	AMOUNT (\$MM)	INITIATIVE	AMOUNT (\$MM)
▪ Sale of TFL 38	\$3	▪ Sale of Non-Core Tenures	
▪ Sale of Surplus Properties & Equipment	\$19	▪ Sale of BW Creative	
▪ Compensation from Province of B.C.	\$20	▪ Sale of Surplus Properties	
▪ Sale of Seaboard Assets	\$55	▪ Other	
▪ Less Severance (net of FRT)	(\$6)		
Total	\$91	Total	\$40 - \$60

- The Company expects to generate between \$40 and \$60 million in 2006 from the sale of surplus properties and other non-core assets

Current Focus - Capital Investments in Core Assets

- Interfor's discretionary capex program is designed to ensure core operations incorporate state-of-the-art technology, and achieve top decile performance

\$MM	2005	2006 Plan	Key Projects
Coast	\$23	\$1	Queensboro rebuild (2005)
Interior	\$1	\$32	Energy system and infrastructure at Adams Lake
U.S.	\$20	\$32	Upgrades at Port Angeles, Molalla and Gilchrist
Total	\$44	\$65	

Current Focus - Disciplined Growth Through Acquisitions

- Interfor has been successful expanding its presence into the U.S.; the Company will continue to pursue opportunities for value-creating growth

	2004 - 2005	
	Purchase Price ⁽¹⁾ (MM's)	Capacity (MMfbm)
Crown Pacific	\$57	275
Floragon	\$50	220

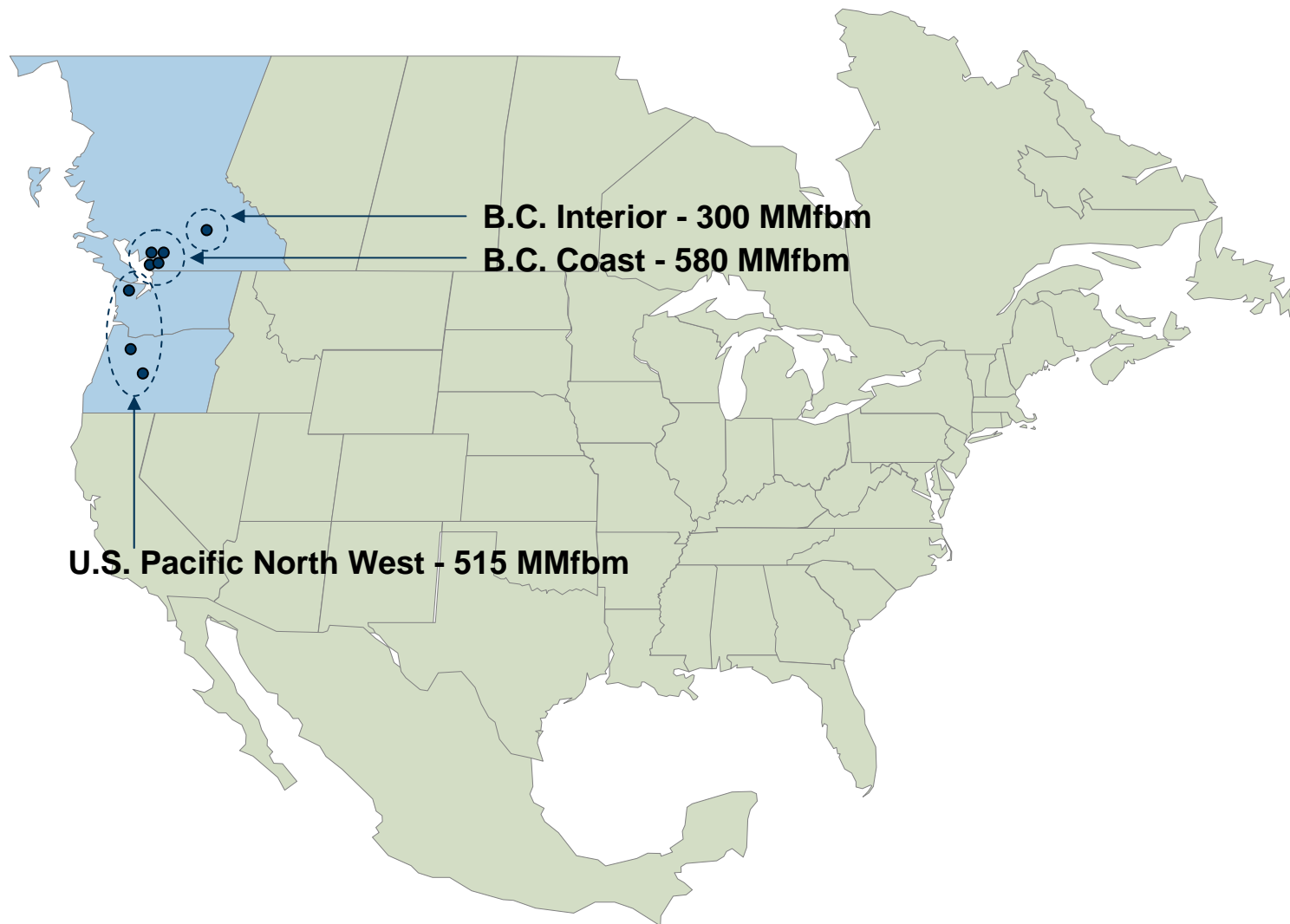
2006 ----->
Opportunities for Growth
<ul style="list-style-type: none"> Wood products with attractive fundamentals: <ul style="list-style-type: none"> SPF or SYP lumber Engineered wood products Geographic regions with favourable operating parameters: <ul style="list-style-type: none"> Fibre availability Labour Proximity to end markets

(1) Net of Working Capital



Provide Superior Returns For Shareholders

Map of Operations - North America

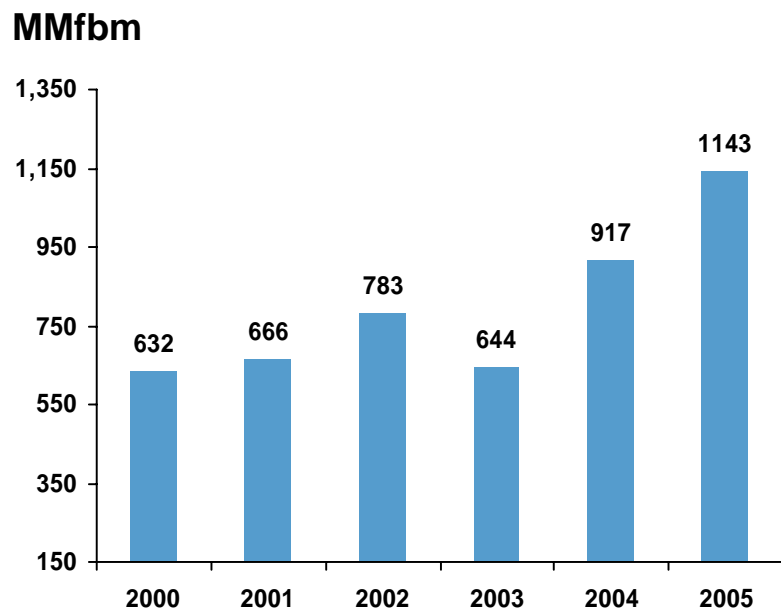


Results - Increasing Scale Of Operations

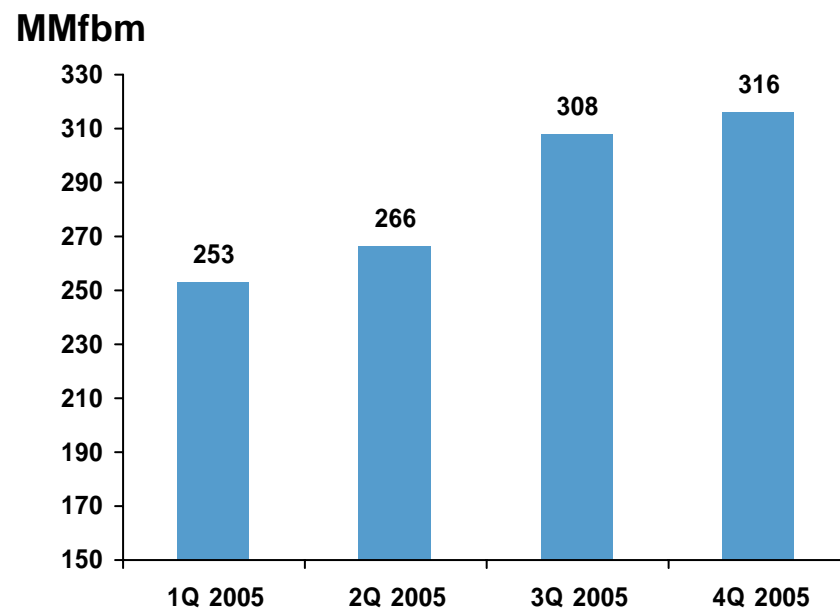
- Lumber production reached a new record in the 4th quarter of 2005, despite weather related disruptions in the U.S. and the curtailment at Queensboro (restarted mid-January)
- 2006 annual shipments are expected to exceed 1.3 billion board feet

Interfor Lumber Production

2000 – 2005 Annual



2005 by Quarter

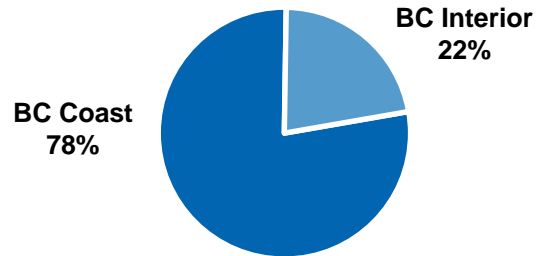


Provide Superior Returns For Shareholders

Results – Operating Platform & Markets

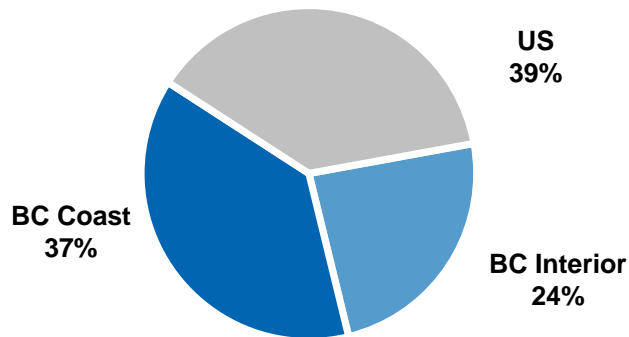
■ Diversification of Operating Platform

2000



Production 632 MMfbm

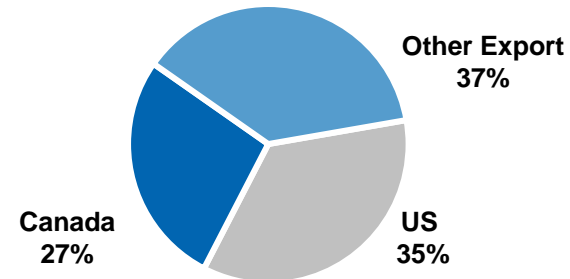
2005



Production 1,143 MMfbm

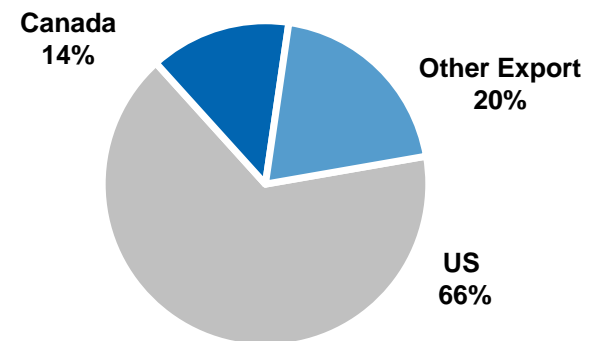
■ Market exposure has changed significantly

2000



Lumber Sales \$502 million

2005

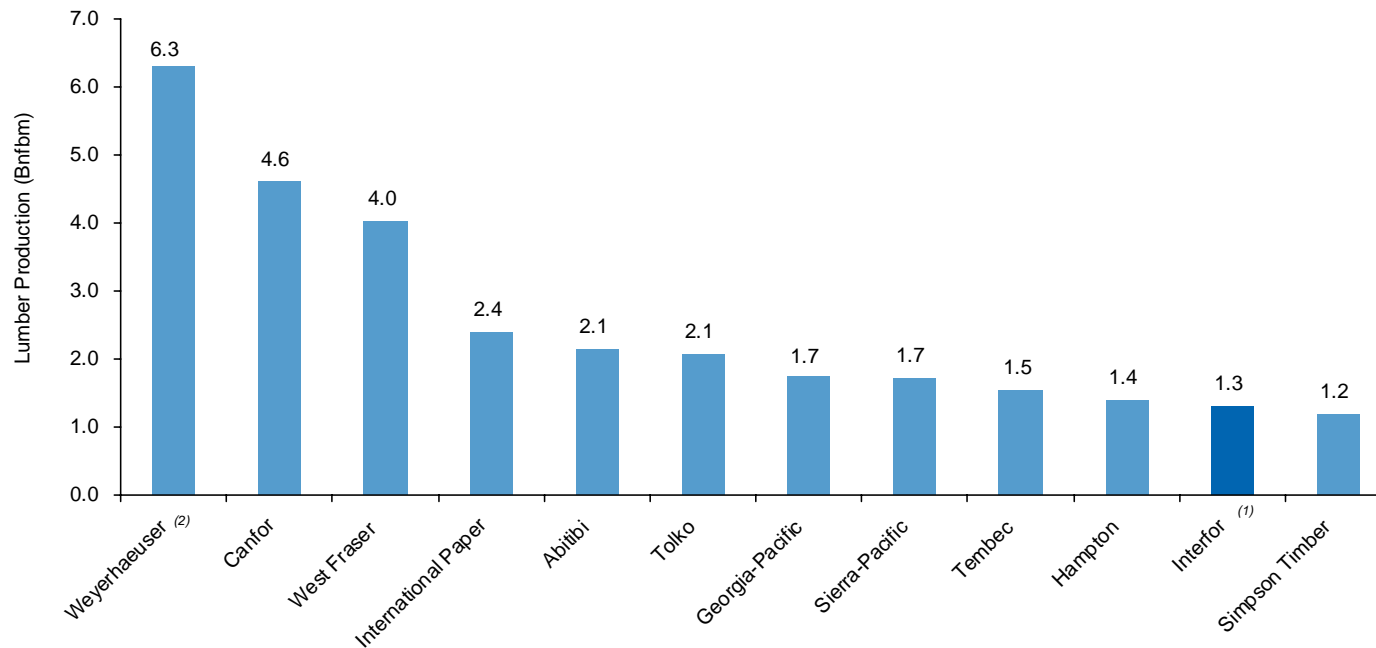


Lumber Sales \$644 million

Results - Growth

- Interfor currently ranks as the 11th largest lumber producer in North America (13th in the world).

North America's Largest Lumber Producers - 2004 Production (Pro-Forma)



Source: World market monthly – April 2005

(1) Includes IFP PF Flragon acquisition

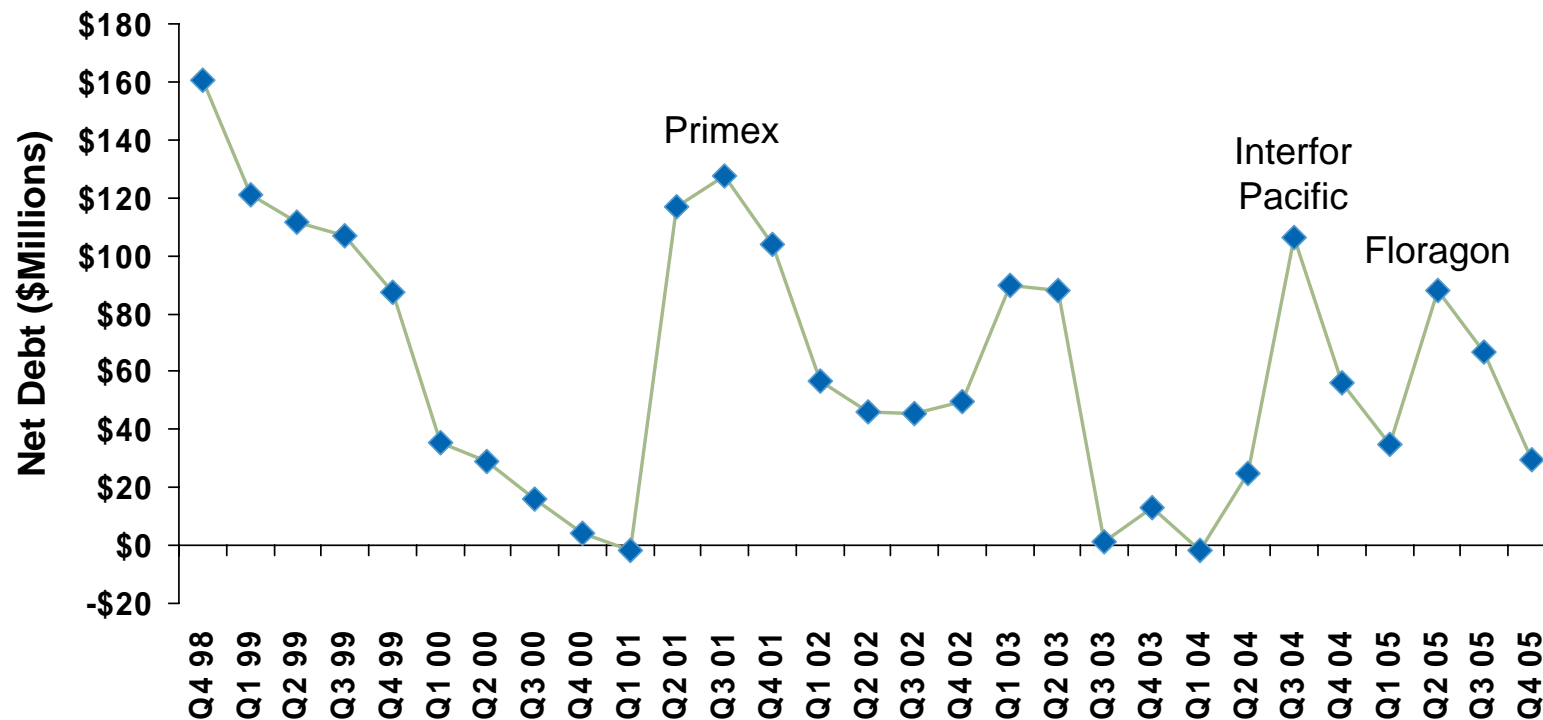
(2) Adjusted for sale of BC Coast



Provide Superior Returns For Shareholders

Current Focus - Strong Capital Structure

- Net Debt at December 31, 2005 was \$29.7 million or 7.1% of invested capital

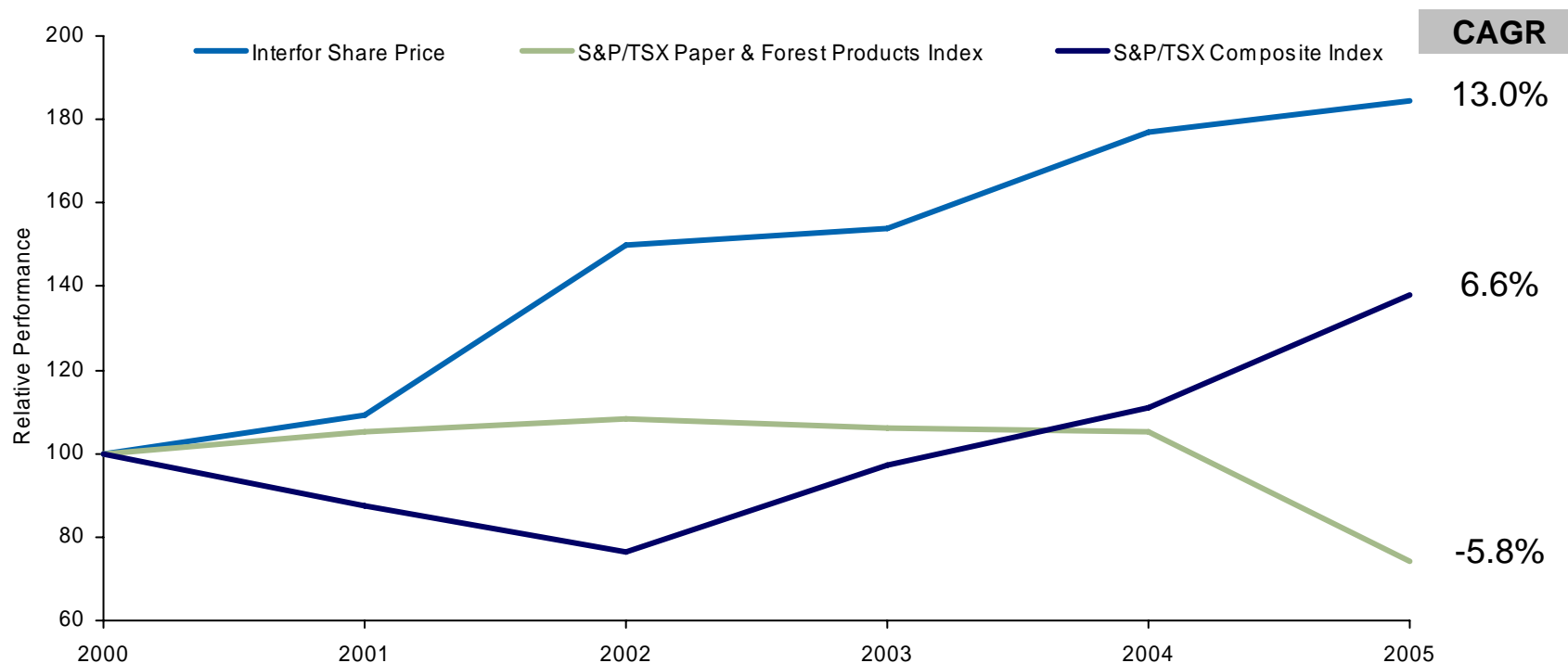


- Interfor's balance sheet provides a strong base for value-creating strategic initiatives

Results - Strong Share Price Performance

- Interfor's share price performance since 2000 has exceeded both the TSX Paper & Forest Products Index and the TSX Composite Index
- In spite of Interfor's strong performance the Company's shares continue to trade at a significant discount to its peers

5 Year Relative Performance



Provide Superior Returns For Shareholders

Building Value

Interfor has a clear goal and action-based strategy that has demonstrated positive results for shareholders

The journey of “Building Value” continues

APPENDIX

Financial Statements



Provide Superior Returns For Shareholders

4th Quarter Income Statement

Restructuring and Other Income after-tax

(\$millions*)

	<u>Q4 05</u>	<u>Q3 05</u>	<u>Q4 04</u>
Net Earnings (loss)	(\$4.9)	\$4.7	15.2
Earnings (loss) per share	\$(0.10)	\$0.10	\$0.31
Add: Restructuring	\$9.3	\$0.7	\$3.4
Less: Other Income	\$(3.8)	\$(8.0)	\$(17.2)
Net Earnings(loss) – continuing operations	\$0.6	\$(2.6)	\$1.4
EPS – continuing operations	\$0.01	\$(0.05)	\$0.03
EBITDA- continuing operations	\$16.3	\$13.8	\$15.0

* except per share amounts

Income Statement

Restructuring and Other Income after-tax

(\$millions*)

	<u>2005</u>	<u>2004</u>
Net Earnings	\$19.7	\$24.7
Earnings per share	\$0.41	\$0.51
Add: Restructuring	\$27.5	\$16.8
Less: Other Income	\$(37.2)	\$(19.7)
Net Earnings – continuing operations	\$10.0	\$21.8
EPS – continuing operations	\$0.21	\$0.45
EBITDA - continuing operations	\$74.7	\$88.0

* except per share amounts

4th Quarter Balance Sheet

(\$millions except ratios)

	<u>Q4 05</u>	<u>Q3 05</u>	<u>Q4 04</u>
<i>Total Debt *</i>	\$48.8	\$69.8	\$74.2
<i>Less Cash</i>	\$(19.1)	\$(3.1)	\$(18.3)
<i>Net Debt</i>	\$29.6	\$66.7	\$55.9
<i>Equity</i>	\$386.5	\$392.4	\$372.7
<i>Net Debt / IC</i>	7.1%	14.5%	13.0%

* Excludes Seaboard advance which was cancelled Jan 1/06