



April 6, 2005

Immediate Release

## **Interfor reaches agreement to acquire sawmill in the U.S. Pacific Northwest**

Vancouver, British Columbia - **International Forest Products Limited** ("Interfor" or "the Company") (IFP.SV.A) announced today that its subsidiary, Interfor Pacific Inc. ("Interfor Pacific") had reached agreement to acquire the assets of Floragon Forest Products Mollalla Inc. ("Floragon"), a well-established and successful independent sawmill in the U.S. Pacific Northwest for US\$50 million plus an amount for inventories. In addition, the vendors may qualify for an incentive payment based on the financial performance of the Floragon operation in the 12 months following the closing. The transaction is subject to regulatory approval in the United States and is scheduled to close on May 31, 2005.

"We have been looking for opportunities to expand our presence in the Pacific Northwest since acquiring the Crown Pacific sawmills and forming Interfor Pacific in September last year," said Duncan Davies, Interfor's President & CEO. "From a product and market standpoint, the Floragon operation is an excellent fit with our operations in Washington and Oregon. The mill has been significantly upgraded in recent years and is well-positioned from a log supply standpoint."

The Floragon operation is located at Mollala, Oregon approximately 30 miles southeast of Portland. The mill produced 220 million board feet in 2004 and generated total sales of US\$91.5 million. Floragon's product lines consist of Douglas Fir and Hem-Fir studs in lengths up to 10 feet. Log supply is purchased on an ongoing basis from a number of industrial land owners and public sources in the immediate area.

"We are also pleased that Ben Beddingfield, Floragon's President and the other members of the Floragon management team will be joining Interfor Pacific", said Davies. "The involvement of Ben and his group will provide continuity and facilitate the integration of Floragon into Interfor Pacific."

The acquisition is expected to be immediately accretive to Interfor's earnings.

The transaction will be financed from Interfor's existing bank lines. The Company's ratio of net debt to invested capital will remain below 20% after the acquisition, leaving Interfor with a strong base to pursue additional strategic investment opportunities.

Following the transaction and the ramping up of production at Interfor's New Westminster sawmill (which is in the final stages of a Cdn\$25 million rebuild) Interfor's annual production capacity will increase from 1.2 billion board feet to just under 1.5 billion board feet.

Interfor is one of the Pacific Northwest's largest producers of quality wood products for sale to markets around the world. The company currently has operations in British Columbia, Washington and Oregon, including five sawmills in the Coastal region of B.C., one in the B.C. Interior, two in Washington and one in Oregon. Interfor also operates a number of value-added remanufacturing and specialty products facilities in B.C. and Washington.

## **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.

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## INTERNATIONAL FOREST PRODUCTS LIMITED

### Rated Lumber Capacity (millions of board feet)

Region/Mill	Current	%	Proforma	%
BC Coast:				
Acorn	180		180	
Field	140		140	
Western Whitewood	110		180	
MacKenzie	60		60	
Hammond	<u>180</u>		<u>180</u>	
	670	56%	740	50%
B.C. Interior				
Adams Lake	220	18%	220	15%
U.S. PNW				
Gilchrist	165		165	
Marysville	25		25	
Port Angeles	120		120	
Floragon	<u>--</u>		<u>220</u>	
	310	26%	530	35%
Total Capacity	1,200	100%	1,490	100%