



Interfor Corporation

Vancouver, B.C.

February 6, 2020

Interfor Reports Q4'19 Results EBITDA¹ of \$18 million on Sales of \$457 million Net Debt to Invested Capital¹ of 21%; Liquidity of \$363 million

INTERFOR CORPORATION ("Interfor" or the "Company") (TSX: IFP) recorded a net loss of \$103.8 million, or \$1.54 per share, in 2019, compared to net earnings of \$111.1 million, or \$1.59 per share in 2018. Adjusted EBITDA was \$63.4 million on sales of \$1.9 billion.

Interfor recorded a net loss in Q4'19 of \$41.7 million, or \$0.62 per share, compared to \$35.6 million, or \$0.53 per share in Q3'19 and \$13.5 million, or \$0.20 per share in Q4'18. Adjusted net loss in Q4'19 was \$17.4 million compared to \$11.8 million in Q3'19 and \$20.2 million in Q4'18.

Adjusted EBITDA was \$17.6 million on sales of \$456.8 million in Q4'19 versus \$16.8 million on sales of \$486.5 million in Q3'19.

Included in the Company's results for Q4'19 are \$22.7 million (after-tax) for capital asset write-downs and restructuring costs, or \$30.4 million on a pre-tax basis. This includes \$13.1 million of non-cash impairments for goodwill related to the reconfiguration of the Company's B.C. Coastal business and \$16.1 million of non-cash asset impairments on assets in the U.S. Northwest business to reflect their fair value, as well as cash costs of \$1.2 million for discontinued operations.

Notable items in the quarter included:

- Mixed Lumber Price Movements
 - Movements in key benchmark prices were mixed compared to Q3'19 as the Western SPF Composite and KD H-F Stud 2x4 9' benchmarks rose by US\$16 to US\$354 per mfbm and US\$10 to US\$347 per mfbm, respectively while the SYP Composite declined by US\$15 to US\$340 per mfbm.
 - Interfor's average lumber selling price fell \$17 to \$566 per mfbm, on 681 million board feet of lumber sales, partially due to a change in species mix and decline in specialty sales as a result of the closure of the Hammond sawmill.
- Production Balanced with Shipments
 - Total lumber production was 668 million board feet, down 17 million board feet from Q3'19. Production in the B.C. region declined to 187 million board feet from 205 million board feet in the preceding quarter due to the previously announced closure of the Hammond sawmill. The U.S. South and U.S. Northwest regions accounted for 342 million board feet compared to 348 million board feet and 139 million board feet compared to 131 million board feet in Q3'19, respectively.
 - Total lumber shipments were 681 million board feet, including Interfor produced volume of 671 million board feet and agency and wholesale volumes of 10 million board feet, or 11 million board feet lower than Q3'19.
 - Lumber inventory levels ended at 4 million board feet lower than in Q3'19.

¹ Refer to Adjusted EBITDA and Net debt to invested capital in the Non-GAAP Measures section

- Continued Strong Financial Position
 - Net debt ended the quarter at \$224.9 million, or 21.3% of invested capital, resulting in available liquidity of \$363.1 million.
 - Interfor generated \$16.3 million of cash flow from operations before changes in working capital, or \$0.24 per share. Total cash generated from operations was \$24.6 million, resulting primarily from lower trade receivable balances.
 - Capital spending was \$37.0 million in Q4'19, including \$26.6 million on high-return discretionary projects primarily in the U.S. South.
- Softwood Lumber Duties
 - Interfor expensed \$11.2 million of duties in the quarter, representing the full amount of countervailing ("CV") and anti-dumping ("AD") duties incurred on its Canadian shipments of softwood lumber into the U.S. at a combined rate of 20.23%.
 - On February 3, 2020, the U.S. Department of Commerce (the "DoC") issued preliminary revised combined rates of 8.37% for 2017 and 8.21% for 2018. These rates are the result of the DoC's administrative review and are subject to change until its final rate determinations which are expected in August 2020. At such time, the final rates will be applied to new lumber shipments. No adjustments have been recorded in the financial statements as of December 31, 2019 to reflect the preliminary revised duty rates.
 - Cumulative duties of US\$94.2 million have been paid by Interfor since the inception of the current trade dispute and are held in trust by the U.S. Except for US\$3.3 million in respect of overpayments arising from duty rate adjustments, Interfor has recorded the duty deposits as an expense.

Reconfiguration of B.C. Coastal Business

On September 3, 2019, Interfor announced a plan to reconfigure its B.C. Coastal business, including the permanent closure of its Hammond sawmill, located in Maple Ridge, B.C., and the reorganization of its forestry and woodlands operations.

Hammond ceased lumber production in early October 2019, sold most of the related log and lumber inventories in Q3'19 and Q4'19 and is expected to sell its remaining lumber inventories by the end of Q1'20. The Hammond site is no longer in use.

Strategic Capital Plan Update

Interfor's previously announced Phase I strategic capital projects at the Meldrim, Georgia and Monticello, Arkansas sawmills were substantially completed at the end of Q2'19 and continue through the ramp-up phase.

The Phase II projects at the Thomaston and Eatonton sawmills in Georgia and the Georgetown sawmill in South Carolina, with a budget of US\$240 million, are on track for completion in various stages from 2020 to 2022. As of December 31, 2019, US\$56.9 million has been capitalized and the projects remain on budget.

Acquisition of B.C. Interior Cutting Rights from Canfor

On June 3, 2019, Interfor entered into a purchase agreement with Canadian Forest Products Ltd. ("Canfor") to acquire two replaceable timber licences with annual cutting rights of approximately 349,000 cubic metres, an interest in a non-replaceable forest licence and other related forestry assets in the Adams Lake area of the B.C. Interior.

The transaction remains subject to various consents, including that by the Government of B.C. and is currently targeted to close in Q1'20 as consultation with stakeholders continues.

Financial and Operating Highlights¹

	Unit	For the 3 months ended			For the year ended Dec.31		
		Dec. 31 2019	Dec. 31 2018	Sept. 30 2019	2019	2018	2017
			(restated) ²		(restated) ²	(restated) ²	
Financial Highlights³							
Total sales	\$MM	456.8	468.5	486.5	1,875.8	2,186.6	1,990.1
Lumber	\$MM	385.2	387.7	403.5	1,576.1	1,841.0	1,679.4
Logs, residual products and other	\$MM	71.6	80.8	83.0	299.7	345.6	310.7
Operating earnings (loss)	\$MM	(49.0)	(16.9)	(44.8)	(128.8)	157.9	151.2
Net earnings (loss)	\$MM	(41.7)	(13.5)	(35.6)	(103.8)	111.1	97.1
Net earnings (loss) per share, basic	\$/share	(0.62)	(0.20)	(0.53)	(1.54)	1.59	1.39
Adjusted net earnings (loss) ⁴	\$MM	(17.4)	(20.2)	(11.8)	(58.1)	113.5	116.5
Adjusted net earnings (loss) per share, basic ⁴	\$/share	(0.26)	(0.29)	(0.17)	(0.86)	1.63	1.66
Operating cash flow per share (before working capital changes) ⁴	\$/share	0.24	0.14	0.03	0.68	4.12	4.03
Adjusted EBITDA ⁴	\$MM	17.6	8.9	16.8	63.4	291.6	296.8
Adjusted EBITDA margin ⁴	%	3.9%	1.9%	3.5%	3.4%	13.3%	14.9%
Total assets	\$MM	1,341.9	1,565.3	1,421.0	1,341.9	1,565.3	1,389.6
Total debt	\$MM	259.8	272.8	264.9	259.8	272.8	250.9
Net debt ⁴	\$MM	224.9	63.8	212.7	224.9	63.8	119.3
Net debt to invested capital ⁴	%	21.3%	6.2%	19.4%	21.3%	6.2%	12.3%
Annualized return on invested capital ⁴	%	6.6%	3.6%	6.1%	6.3%	29.1%	29.0%
Operating Highlights							
Lumber production	million fbm	668	607	685	2,646	2,635	2,595
Total lumber sales	million fbm	681	647	692	2,668	2,680	2,677
Lumber sales - Interfor produced	million fbm	671	639	681	2,626	2,638	2,594
Lumber sales - wholesale and commission	million fbm	10	8	11	42	42	83
Lumber - average selling price ⁵	\$/thousand fbm	566	599	583	591	687	627
Average USD/CAD exchange rate ⁶	1 USD in CAD	1.3200	1.3204	1.3204	1.3269	1.2957	1.2986
Closing USD/CAD exchange rate ⁶	1 USD in CAD	1.2988	1.3642	1.3243	1.2988	1.3642	1.2545

Notes:

- Figures in this table may not equal or sum to figures presented elsewhere due to rounding.
- Financial information has been restated for implementation of IFRS 16, *Leases*.
- Financial information presented for interim periods in this release is prepared in accordance with IFRS and is unaudited.
- Refer to the Non-GAAP Measures section of this release for definitions and reconciliations of these measures to figures reported in the Company's consolidated financial statements.
- Gross sales before duties.
- Based on Bank of Canada foreign exchange rates.

Liquidity

Balance Sheet

Interfor's net debt at December 31, 2019 was \$224.9 million, or 21.3% of invested capital, representing an increase of \$161.0 million from the level of net debt at December 31, 2018.

Net debt was positively impacted by a strengthened Canadian Dollar against the U.S. Dollar as all debt held was denominated in U.S. Dollars; this was partially offset by the Company's U.S. Dollar cash balances.

Thousands of Dollars	For the three months ended			For the year ended	
	Dec. 31, 2019	Dec. 31, 2018	Sept. 30, 2019	Dec. 31, 2019	Dec. 31, 2018
Net debt					
Net debt, period opening	\$212,674	\$3,800	\$198,209	\$63,825	\$119,300
Net drawing (repayment) on credit facilities	(1)	(1)	-	754	110
Impact on U.S. Dollar denominated debt from (strengthening) weakening CAD	(5,099)	13,941	3,120	(13,834)	21,830
Decrease (increase) in cash and cash equivalents	16,994	7,286	11,747	127,659	(23,968)
Decrease (increase) in marketable securities	-	49,871	-	41,766	(41,140)
Impact on U.S. Dollar denominated cash and cash equivalents and marketable securities from strengthening (weakening) CAD	292	(11,072)	(402)	4,690	(12,307)
Net debt, period ending	\$224,860	\$63,825	\$212,674	\$224,860	\$63,825

On March 28, 2019, the Company completed a modernization of its credit facilities. The new facility replaced the U.S. Operating Line, Canadian Operating Line, and Revolving Term Line with one consolidated facility. The new facility increased credit availability to \$350 million and matures in March 2024.

As at December 31, 2019, the Company had net working capital of \$187.9 million and available liquidity of \$363.1 million, including cash and borrowing capacity on its credit facility.

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.

Capital Resources

The following table summarizes Interfor's credit facilities and availability as of December 31, 2019:

Thousands of Canadian Dollars	Revolving Term Line	Senior Secured Notes	Total
Available line of credit	\$350,000	\$259,760	\$609,760
Maximum borrowing available	\$350,000	\$259,760	\$609,760
Less:			
Drawings	-	259,760	259,760
Outstanding letters of credit included in line utilization	21,752	-	21,752
Unused portion of facility	\$328,248	\$-	328,248
Add:			
Cash and cash equivalents			34,900
Available liquidity at December 31, 2019			\$363,148

As of December 31, 2019, the Company had commitments for capital expenditures totaling \$93.5 million for both maintenance and discretionary capital projects and \$60 million in respect of its purchase agreement with Canfor to acquire two replaceable timber licences and a non-replaceable forest licence and other related forestry assets.

Non-GAAP Measures

This release makes reference to the following non-GAAP measures: Adjusted net earnings (loss), Adjusted net earnings (loss) per share, EBITDA, Adjusted EBITDA, 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 audited consolidated financial statements (unaudited for interim periods) prepared in accordance with IFRS:

Thousands of Canadian Dollars except number of shares and per share amounts	For the 3 months ended			For the year ended Dec.31		
	Dec. 31 2019	Dec. 31 2018	Sept. 30 2019	2019	2018	2017
		(restated) ¹			(restated) ¹	(restated) ¹
Adjusted Net Earnings (Loss)						
Net earnings (loss)	\$(41,676)	\$(13,512)	\$(35,648)	\$(103,785)	\$111,058	\$97,119
Add:						
Capital asset and goodwill write-downs and restructuring costs	30,416	4,551	31,814	63,982	15,304	9,203
Other foreign exchange loss (gain)	510	(3,330)	(216)	275	(3,474)	2,035
Long term incentive compensation expense (recovery)	1,265	(9,180)	1,049	3,446	(7,829)	12,977
Other (income) expense	298	(1,254)	100	(5,925)	(1,188)	1,987
Post closure wind-down costs and losses (recoveries)	-	-	-	-	4	(21)
Income tax effect of above adjustments	(8,241)	2,530	(8,867)	(16,117)	(396)	(6,848)
Adjusted net earnings (loss)	\$(17,428)	\$(20,195)	\$(11,768)	\$(58,124)	\$113,479	\$116,452
Weighted average number of shares - basic ('000)	67,257	68,884	67,253	67,277	69,713	70,030
Adjusted net earnings (loss) per share	\$(0.26)	\$(0.29)	\$(0.17)	\$(0.86)	\$1.63	\$1.66
Adjusted EBITDA						
Net earnings (loss)	\$(41,676)	\$(13,512)	\$(35,648)	\$(103,785)	\$111,058	\$97,119
Add:						
Depreciation of plant and equipment	20,711	19,241	20,595	80,438	80,065	77,417
Depletion and amortization of timber, roads and other	14,214	11,229	8,142	44,294	46,148	45,957
Capital asset and goodwill write-downs and restructuring costs	30,416	4,551	31,814	63,982	15,304	9,203
Finance costs	3,740	2,758	3,784	15,024	12,452	15,978
Other foreign exchange loss (gain)	510	(3,330)	(216)	275	(3,474)	2,035
Income tax expense (recovery)	(11,851)	(1,553)	(12,804)	(34,359)	39,092	34,115
EBITDA	16,064	19,384	15,667	65,869	300,645	281,824
Add:						
Long term incentive compensation expense (recovery)	1,265	(9,180)	1,049	3,446	(7,829)	12,977
Other (income) expense	298	(1,254)	100	(5,925)	(1,188)	1,987
Post closure wind-down costs and losses (recoveries)	-	-	-	-	4	(21)
Adjusted EBITDA	\$17,627	\$8,950	\$16,816	\$63,390	\$291,632	\$296,767
Sales	\$456,819	\$468,544	\$486,494	\$1,875,821	\$2,186,567	\$1,990,106
Adjusted EBITDA margin	3.9%	1.9%	3.5%	3.4%	13.3%	14.9%
Net debt to invested capital						
Net debt						
Total debt	\$259,760	\$272,840	\$264,860	\$259,760	\$272,840	\$250,900
Cash and cash equivalents	(34,900)	(166,152)	(52,186)	(34,900)	(166,152)	(131,600)
Marketable securities	-	(42,863)	-	-	(42,863)	-
Total net debt	\$224,860	\$63,825	\$212,674	\$224,860	\$63,825	\$119,300
Invested capital						
Net debt	\$224,860	\$63,825	\$212,674	\$224,860	\$63,825	\$119,300
Shareholders' equity	830,982	968,766	880,854	830,982	968,766	849,552
Total invested capital	\$1,055,842	\$1,032,591	\$1,093,528	\$1,055,842	\$1,032,591	\$968,852
Net debt to invested capital ²	21.3%	6.2%	19.4%	21.3%	6.2%	12.3%
Operating cash flow per share (before working capital changes)						
Cash provided by operating activities	\$24,642	\$21,096	\$29,658	\$28,252	\$265,612	\$266,748
Cash used in (generated from) operating working capital	(8,334)	(11,253)	(27,336)	17,322	21,457	15,621
Operating cash flow (before working capital changes)	\$16,308	\$9,843	\$2,322	\$45,574	\$287,069	\$282,369
Weighted average number of shares - basic ('000)	67,257	68,884	67,253	67,277	69,713	70,030
Operating cash flow per share (before working capital changes)	\$0.24	\$0.14	\$0.03	\$0.68	\$4.12	\$4.03
Annualized return on invested capital						
Adjusted EBITDA	\$17,627	\$8,950	\$16,816	\$63,390	\$291,632	\$296,767
Invested capital, beginning of period	\$1,093,528	\$984,189	\$1,109,618	\$1,032,591	\$968,852	\$1,076,218
Invested capital, end of period	1,055,842	1,032,591	1,093,528	1,055,842	1,032,591	968,852
Average invested capital	\$1,074,685	\$1,008,390	\$1,101,573	\$1,044,217	\$1,000,722	1,022,535
Adjusted EBITDA divided by average invested capital	1.6%	0.9%	1.5%	6.1%	29.1%	29.0%
Annualization factor	4.0	4.0	4.0	1.0	1.0	1.0
Annualized return on invested capital	6.6%	3.6%	6.1%	6.1%	29.1%	29.0%

Notes:

- 1 Financial information has been restated for implementation of IFRS 16, Leases.
- 2 Net debt to invested capital as of the period end.



CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS (LOSS)
For the three months and year ended December 31, 2019 and 2018 (unaudited)

(thousands of Canadian Dollars except earnings per share)	Three Months Dec. 31, 2019	Three Months Dec. 31, 2018 (restated) ¹	Year Dec. 31, 2019	Year Dec. 31, 2018 (restated) ¹
Sales	\$456,819	\$468,544	\$1,875,821	\$2,186,567
Costs and expenses:				
Production	418,954	438,036	1,728,394	1,789,590
Selling and administration	8,992	11,897	38,748	52,012
Long term incentive compensation expense (recovery)	1,265	(9,180)	3,446	(7,829)
U.S. countervailing and anti-dumping duty deposits	11,246	9,661	45,289	53,337
Depreciation of plant and equipment	20,711	19,241	80,438	80,065
Depletion and amortization of timber, roads and other	14,214	11,229	44,294	46,148
	475,382	480,884	1,940,609	2,013,323
Operating earnings (loss) before write-downs and restructuring costs	(18,563)	(12,340)	(64,788)	173,244
Capital asset and goodwill write-downs and restructuring costs	(30,416)	(4,551)	(63,982)	(15,304)
Operating earnings (loss)	(48,979)	(16,891)	(128,770)	157,940
Finance costs	(3,740)	(2,758)	(15,024)	(12,452)
Other foreign exchange gain (loss)	(510)	3,330	(275)	3,474
Other income (expense)	(298)	1,254	5,925	1,188
	(4,548)	1,826	(9,374)	(7,790)
Earnings (loss) before income taxes	(53,527)	(15,065)	(138,144)	150,150
Income tax expense (recovery):				
Current	(783)	(45)	26	2,955
Deferred	(11,068)	(1,508)	(34,385)	36,137
	(11,851)	(1,553)	(34,359)	39,092
Net earnings (loss)	\$(41,676)	\$(13,512)	\$(103,785)	\$111,058
Net earnings (loss) per share, basic and diluted	\$(0.62)	\$(0.19)	\$(1.54)	\$1.59

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
For the three months and year ended December 31, 2019 and 2018 (unaudited)

(thousands of Canadian Dollars)	Three Months Dec. 31, 2019	Three Months Dec. 31, 2018 (restated) ¹	Year Dec. 31, 2019	Year Dec. 31, 2018 (restated) ¹
Net earnings (loss)	\$(41,676)	\$(13,512)	\$(103,785)	\$111,058
Other comprehensive income (loss):				
Items that will not be recycled to Net earnings (loss):				
Defined benefit plan actuarial gain (loss), net of tax	1,621	(2,338)	603	508
Items that are or may be recycled to Net earnings (loss):				
Foreign currency translation differences for foreign operations, net of tax	(10,053)	28,990	(27,634)	43,660
Total other comprehensive income (loss), net of tax	(8,432)	26,652	(27,031)	44,168
Comprehensive income (loss)	\$(50,108)	\$13,140	\$(130,816)	\$155,226

Notes:

1 Financial information has been restated for implementation of IFRS 16, Leases.



CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the three months and year ended December 31, 2019 and 2018 (unaudited)

(thousands of Canadian Dollars)

	Three Months Dec. 31, 2019	Three Months Dec. 31, 2018 (restated) ¹	Year Dec. 31, 2019	Year Dec. 31, 2018 (restated) ¹
Cash provided by (used in):				
Operating activities:				
Net earnings (loss)	\$(41,676)	\$(13,512)	\$(103,785)	\$111,058
Items not involving cash:				
Depreciation of plant and equipment	20,711	19,241	80,438	80,065
Depletion and amortization of timber, roads and other	14,214	11,229	44,294	46,148
Income tax expense (recovery)	(11,851)	(1,553)	(34,359)	39,092
Finance costs	3,740	2,758	15,024	12,452
Other assets	1,371	(2,824)	1,894	(3,000)
Reforestation liability	1,291	763	(1,286)	79
Provisions and other liabilities	(1,586)	(4,980)	3,620	(8,972)
Stock options	151	216	692	774
Write-down of plant, equipment, intangibles, goodwill and other	29,100	3,238	45,494	13,925
Unrealized foreign exchange loss (gain)	544	(3,479)	554	(3,364)
Gain on lease modifications	(1,140)	-	(1,140)	-
Other expense (income)	1,439	(1,254)	(5,866)	(1,188)
	16,308	9,843	45,574	287,069
Cash generated from (used in) operating working capital:				
Trade accounts receivable and other	26,706	30,618	1,517	27,414
Inventories	(5,450)	(2,846)	22,632	(33,821)
Prepayments	2,639	225	(4,443)	(3,035)
Trade accounts payable and provisions	(15,851)	(15,628)	(36,446)	(7,623)
Income taxes paid	290	(1,116)	(582)	(4,392)
	24,642	21,096	28,252	265,612
Investing activities:				
Additions to property, plant and equipment	(31,864)	(50,307)	(158,645)	(106,440)
Additions to roads and bridges	(5,175)	(8,524)	(22,447)	(32,165)
Additions to timber licences and other intangible assets	-	(68)	(77)	(158)
Proceeds on disposal of property, plant and equipment, timber and other	431	1,846	8,880	2,355
Net proceeds from (additions to) marketable securities, deposits and other assets	1,208	58,548	48,338	(48,385)
	(35,400)	1,495	(123,951)	(184,793)
Financing activities:				
Issuance of share capital, net of expenses	85	-	165	143
Share repurchases	-	(24,979)	(7,825)	(36,929)
Interest payments	(3,345)	(2,271)	(12,193)	(10,151)
Lease payments	(2,946)	(2,608)	(11,638)	(9,936)
Debt refinancing costs	(29)	(18)	(1,223)	(88)
Change in operating line components of long term debt	(1)	(1)	4	(2)
Additions to long term debt	-	-	197,925	155,909
Repayments of long term debt	-	-	(197,175)	(155,797)
	(6,236)	(29,877)	(31,960)	(56,851)
Foreign exchange gain (loss) on cash and cash equivalents held in a foreign currency	(292)	7,885	(3,593)	10,584
Increase (decrease) in cash	(17,286)	599	(131,252)	34,552
Cash and cash equivalents, beginning of period	52,186	165,553	166,152	131,600
Cash and cash equivalents, end of period	\$34,900	\$166,152	\$34,900	\$166,152

Notes:

1 Financial information has been restated for implementation of IFRS 16, *Leases*.



CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31, 2019, 2018 and January 1, 2018 (unaudited)

(thousands of Canadian Dollars)

	Dec. 31, 2019	Dec. 31, 2018 (restated) ¹	Jan. 1, 2018 (restated) ¹
Assets			
Current assets:			
Cash and cash equivalents	\$34,900	\$166,152	\$131,600
Marketable securities	-	42,863	-
Trade accounts receivable and other	86,608	90,384	112,470
Income taxes receivable	1,995	3,008	1,289
Inventories	181,577	209,178	165,156
Prepayments	20,449	16,833	12,186
	325,529	528,418	422,701
Employee future benefits	673	303	502
Deposits and other assets	9,296	16,842	6,404
Right of use assets	32,780	37,778	38,600
Property, plant and equipment	739,515	723,773	669,165
Roads and bridges	24,353	29,829	24,092
Timber licences	60,596	64,153	66,589
Other intangible assets	3,480	5,288	14,170
Goodwill	138,734	158,799	147,081
Deferred income taxes	6,961	133	253
	\$1,341,917	\$1,565,316	\$1,389,557
Liabilities and Shareholders' Equity			
Current liabilities:			
Trade accounts payable and provisions	\$114,358	\$154,869	\$152,355
Reforestation liability	13,021	13,947	12,873
Lease liabilities	10,105	10,158	8,019
Income taxes payable	163	356	224
	137,647	179,330	173,471
Reforestation liability	27,401	28,235	27,535
Lease liabilities	27,718	33,954	36,165
Long term debt	259,760	272,840	250,900
Employee future benefits	11,843	8,687	8,249
Provisions and other liabilities	18,957	16,421	25,808
Deferred income taxes	27,609	57,083	17,877
Equity:			
Share capital	533,685	537,534	555,388
Contributed surplus	4,471	3,851	8,582
Translation reserve	56,759	84,393	40,733
Retained earnings	236,067	342,988	244,849
	830,982	968,766	849,552
	\$1,341,917	\$1,565,316	\$1,389,557

Notes:

1 Financial information has been restated for implementation of IFRS 16, *Leases*.

Approved on behalf of the Board:

"L. Sauder"
Director

"Thomas V. Milroy"
Director

FORWARD-LOOKING STATEMENTS

This release contains forward-looking information about the Company's business outlook, objectives, plans, strategic priorities and other information that is not historical fact. A statement contains forward-looking information when the Company uses what it knows and expects today, to make a statement about the future. Generally, statements containing forward-looking information can be identified by the use of words such as: believe, expect, intend, forecast, plan, target, budget, outlook, opportunity, risk, strategy or variations or comparable language, or statements that certain actions, events or results may, could, would, should, might, or will occur or not occur. Readers are cautioned that actual results may vary from the forward-looking information in this release, and undue reliance should not be placed on such forward-looking information. Risk factors that could cause actual results to differ materially from the forward-looking information in this release are described in Interfor's annual Management's Discussion & Analysis under the heading "Risks and Uncertainties", which is available on www.interfor.com and under Interfor's profile on www.sedar.com. Material factors and assumptions used to develop the forward-looking information in this release include assumptions regarding selling prices for lumber, logs and wood chips; the Company's ability to compete on a global basis; the availability and cost of log supply; the effects of natural or man-made disasters; currency exchange rates; changes in government regulations; the availability of the Company's allowable annual cut ("AAC"); claims by and treaty settlements with Indigenous peoples; the Company's ability to export its products; the softwood lumber dispute between Canada and the U.S.; stumpage fees payable to the Province of British Columbia; environmental impacts of the Company's operations; labour disruptions; and the efficacy of information systems security. Unless otherwise indicated, the forward-looking information in this release is based on the Company's expectations at the date of this release. Interfor undertakes no obligation to update such forward-looking information, except as required by law.

ABOUT INTERFOR

Interfor is a growth-oriented forest products company with operations in Canada and the United States. The Company has annual production capacity of approximately 3.0 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 2019 audited consolidated financial statements and Management's Discussion and Analysis are available at www.sedar.com and www.interfor.com.

There will be an analyst conference call on Friday, February 7, 2020 at 8:00 a.m. (Pacific Time) hosted by **INTERFOR CORPORATION** for the purpose of reviewing the Company's release of its fourth quarter and fiscal 2019 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 March 7, 2020. The number to call is **1-855-859-2056, Passcode 1874063**.

For further information:

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