

# West Fraser Timber Co. Ltd.

## Annual Information Form

Dated: January 31, 2000  
For the Period Ending December 31, 1999

CERTAIN OF THE INFORMATION PRESENTED IN THIS ANNUAL INFORMATION FORM, AND ANNUAL REPORT WHICH IT FORMS PART OF, MAY INCLUDE FORWARD-LOOKING STATEMENTS. THE ACCURACY OF SUCH STATEMENTS IS SUBJECT TO A NUMBER OF RISKS, UNCERTAINTIES AND ASSUMPTIONS THAT MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS OF THE COMPANY TO DIFFER MATERIALLY FROM THOSE PROJECTED INCLUDING, BUT NOT LIMITED TO, THE EFFECT OF GENERAL ECONOMIC CONDITIONS, INCLUDING THE LEVEL OF INTEREST RATES AND HOUSING STARTS, MARKET DEMAND FOR THE COMPANY'S PRODUCTS, THE EFFECT OF FORESTRY, LAND USE, ENVIRONMENTAL AND OTHER GOVERNMENTAL REGULATIONS, THE RISK OF LOSSES FROM FIRES, FLOODS AND OTHER NATURAL DISASTERS, AND THE COMPANY'S ABILITY TO EXECUTE ITS BUSINESS PLANS. THE COMPANY IS ALSO A LARGE EXPORTER AND IS AFFECTED BY CHANGES IN ECONOMIC ACTIVITY IN THE UNITED STATES, EUROPE AND ASIA, AND BY CHANGES IN CURRENCY EXCHANGE RATES AND RESTRICTIONS ON INTERNATIONAL TRADE.

West Fraser Timber Co. Ltd. is an integrated forest products company producing lumber, specialty wood products, wood chips, fibre-board, plywood, pulp, linerboard, kraft paper and newsprint. The Company carries on its operations through subsidiary companies and joint ventures (collectively, "West Fraser"). Most of the forest products manufactured by West Fraser are sold worldwide as commodities. The Company, through its indirect subsidiary, Revy Home Centres Inc. ("Revy"), operates a chain of retail home improvement stores in British Columbia, Alberta, Saskatchewan, Manitoba and Ontario.

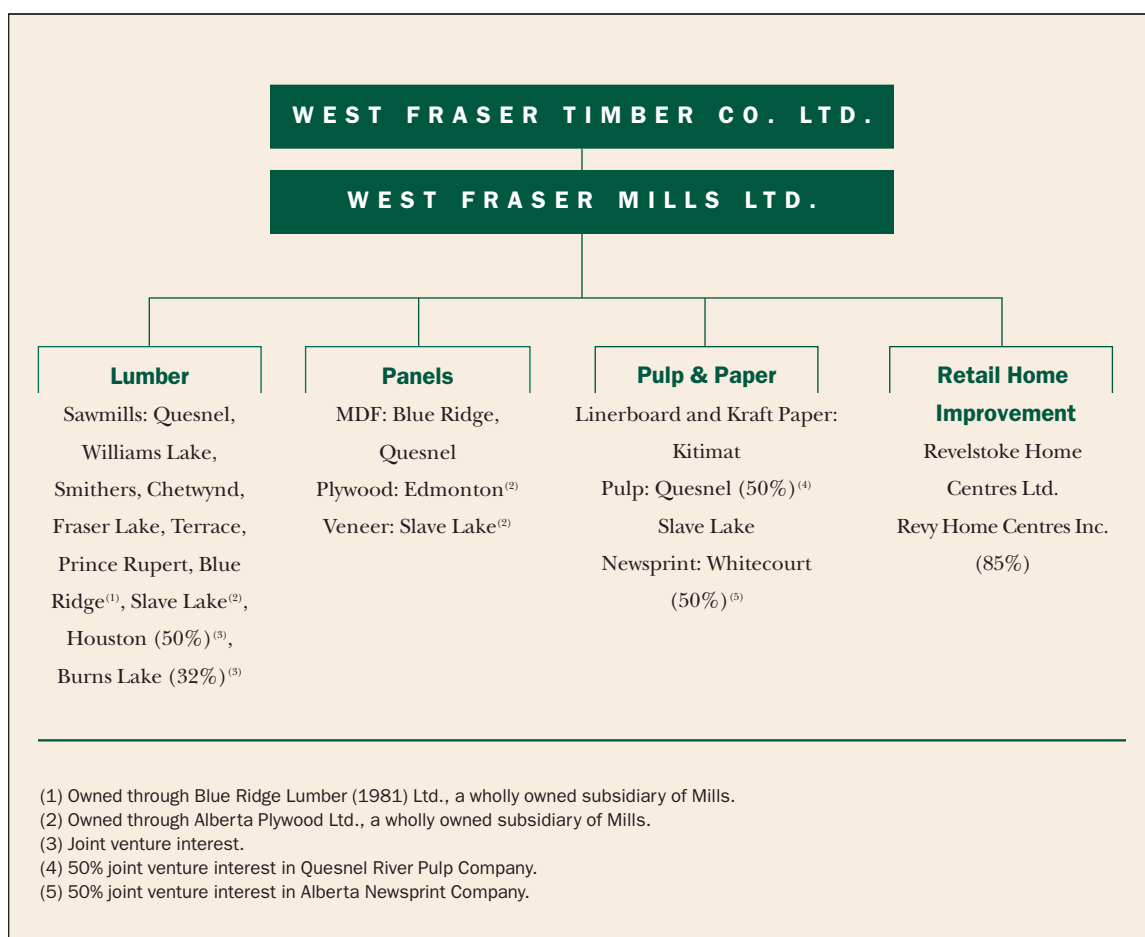
The Company began operations in 1955 and took on its present form in 1966 by the amalgamation of a group of companies under the *Company Act* (British Columbia). Its executive office is at 1000 – 1100 Melville Street, Vancouver, British Columbia, V6E 4A6.

West Fraser Mills Ltd. ("Mills"), the Company's principal operating subsidiary, owns directly or indirectly all of the Company's other subsidiaries and joint venture operations.

West Fraser holds timber-cutting rights in British Columbia and Alberta representing 6.2 million m<sup>3</sup> of AAC from which harvesting operations provide raw material for its manufacturing operations. All of the softwood fibre requirements of West Fraser's pulp and paper mills and panel plants can be satisfied, directly or indirectly, from its own operations. West Fraser's share of the current annual capacities of its wholly owned and joint venture manufacturing facilities is approximately 1,730 MMfbm of lumber, 240 MMsf of plywood, 240 MMsf of MDF, 450,000 tonnes of linerboard and kraft paper, 350,000 tonnes of BCTMP and 125,000 tonnes of newsprint.

# ANNUAL INFORMATION FORM

## Corporate Structure



The above chart shows the relationship of the Company to its principal operating subsidiaries and the joint ventures in which it participates and, where less than 100%, the percentage of direct or indirect ownership by the Company.

Mills and Revelstoke Home Centres Ltd. (“Revelstoke”) subsist under the laws of British Columbia. Blue Ridge Lumber (1981) Ltd. is organized under the laws of Alberta. Alberta Plywood Ltd. and Revy are organized under the laws of Canada. Alberta Newsprint Company (“ANC”) is an unincorporated joint venture governed by the laws of Alberta. Quesnel River

Pulp Company (“QRP”) is an unincorporated joint venture governed by the laws of British Columbia.

West Fraser also owns West Fraser Overseas Ltd., incorporated under the laws of Antigua, which indirectly owns and develops timber plantations in South America.

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*Business of West Fraser*

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## HISTORY

West Fraser originated in 1955 when three brothers, Henry H. Ketcham, Jr., William P. Ketcham and Samuel K. Ketcham, acquired a small lumber planing mill at Quesnel. From 1955 to 1979 the business expanded through the acquisition of a number of sawmills and related timber rights in the interior of British Columbia and the development of a small chain of retail building supply stores.

In 1979 West Fraser formed the QRP joint venture with a Canadian subsidiary of Daishowa Paper Manufacturing Co. Ltd. of Japan to construct and operate a pulp mill at Quesnel.

In 1981 West Fraser acquired a 40% interest in Eurocan Pulp & Paper which owned a linerboard and kraft paper mill, two sawmills and partial interests in two joint venture sawmills. West Fraser increased its ownership to 50% in 1984 and in 1993 acquired the remaining 50%.

In 1989 West Fraser, together with Whitecourt Newsprint Company Limited Partnership and its partners, formed ANC to construct and operate a newsprint mill at Whitecourt, Alberta.

In 1995 West Fraser acquired the Blue Ridge sawmill and the Ranger Board MDF plant, both

located at Blue Ridge, Alberta, and the Slave Lake Pulp mill located at Slave Lake, Alberta.

West Fraser completed construction of the WestPine MDF plant at Quesnel in 1996.

In 1999, West Fraser acquired a plywood plant in Edmonton and a stud mill and veneer plant in Slave Lake.

West Fraser has expanded its retail operations since 1988 by constructing new traditional and full-service warehouse stores and through acquisitions. The most recent acquisition, that of Lansing Buildall, was accomplished through merging the existing home improvement operations of Revelstoke and Lansing Buildall, excluding the associated real estate holdings, into Revy, a new company. The former shareholders of Lansing Buildall acquired a 15% equity interest in Revy through the merger.

West Fraser's sales revenues from its various product lines over the last five years were as follows:

### SALES REVENUES (\$ MILLIONS)

YEAR ENDED DECEMBER 31	1999	1998	1997	1996	1995
Lumber	\$ 811.4	\$ 668.6	\$ 811.2	\$ 782.0	\$ 633.3
Panels	118.7	78.3	71.6	48.7	9.5
Pulp and paper	485.6	441.5	441.0	438.5	548.4
Retail home improvement	788.4	688.2	546.9	372.6	300.6
Corporate and other	-	(13.2)	(0.9)	-	-
	<b>\$ 2,204.1</b>	<b>\$ 1,863.4</b>	<b>\$ 1,869.8</b>	<b>\$ 1,641.8</b>	<b>\$ 1,491.8</b>

# ANNUAL INFORMATION FORM

*Business of West Fraser*

## **TIMBER TENURES**

**British Columbia** About 95% of the timberland in British Columbia is owned by the province. Timber harvesting operations are regulated under the *Forest Practices Code of British Columbia Act* and under the *Forest Act* (British Columbia), which empowers the Minister of Forests to grant various forms of timber tenures, including forest licenses, TFLs and timber sale licenses.

A forest license confers the right to harvest a specified volume of timber on public lands. It usually has a term of 15 years and is replaceable every five years for a further 15-year term. The Ministry of Forests may also grant short-term non-replaceable forest licenses. A TFL requires the licensee to manage a defined land area to yield an annual harvest on a sustained yield basis. It has a term of 25 years and is replaceable every five years for a further 25-year term. Replacement of a forest license or TFL is subject to satisfactory performance by the licensee and to agreement on terms between the licensee and the Ministry of Forests.

The AAC is determined by the licensee for a TFL and by the Ministry of Forests for a forest license. In all cases the AAC must be approved by the Chief Forester of the province. Generally, the volume harvested under a forest license or TFL may differ from the AAC by up to 50% on an annual basis, but the average harvest must be within 10% of the AAC over any five-year period. All tenures in which West Fraser has an interest are currently in compliance with their cut control requirements.

**Alberta** Over 90% of the timberland in Alberta is owned by the province. Forest operations on public lands in Alberta are regulated under the *Forests Act* (Alberta), which empowers the Minister of Environmental Protection to grant various forms of timber tenures, including FMAs, timber quotas and timber permits. An FMA gives the holder rights to establish, grow and harvest timber on a defined land area and provides that the Minister of Environmental Protection recognizes the holder's rights to grow and harvest timber as the primary use of the FMA. An FMA generally has a 20-year term with provision for further 20-year renewal periods. Each FMA requires the holder to conduct a forest inventory and prepare a detailed forest management plan to determine the AAC and to have annual operating plans approved by the Ministry of Environmental Protection before harvesting begins.

A timber quota gives the holder the right to harvest, during a period of 20 years, a specified percentage of the AAC for a Forest Management Unit as determined by the Minister of Environmental Protection, and is renewable. The Ministry of Environmental Protection or the holder of the FMA is responsible for completing the forest inventory, preparing the forest management plan and allocating the volume of timber to be harvested by each quota holder. A quota holder must obtain a timber license issued by the Ministry that describes the area planned for logging by the quota holder and the time during which the timber may be harvested, usually a three-year to five-year period. The volume of timber that may be harvested under a timber quota may be varied from time to time by the Minister but, generally, is subject to review by the Minister every five years.

## TIMBER SUPPLY

The Ministry of Forests of British Columbia completed a review of AAC levels for all TFLs and Timber Supply Areas in 1996. West Fraser's British Columbia operations were not materially affected. In 1997 the Ministry began a second timber supply review for the province, which is expected to be completed in 2001.

The following table summarizes the timber tenures supplying the mills which West Fraser owns or in which it has an interest, the AAC and the actual harvest in 1999:

LOCATION	TENURE <sup>(1)</sup>	EXPIRY DATE	AAC <sup>(2)</sup> (IN THOUSANDS OF M <sup>3</sup> )	1999 HARVEST <sup>(2)</sup> (IN THOUSANDS OF M <sup>3</sup> )
<b>BRITISH COLUMBIA</b>	Coniferous			
	Long-term tenures	2010-2020	3,754	3,959
	Short-term tenures	2000-2008	300	169
<b>ALBERTA</b>	Coniferous			
	Long-term tenures	2006-2019	1,491	2,758
	Short-term tenures	2000	125	430
	Deciduous			
	Long-term tenures	2009-2010	412	469
	Short-term tenures	2000	80	33

(1) Long-term tenures include TFLs, FMAs, timber quotas and forest licenses, which are renewable timber tenures. Short-term tenures include timber sale licenses and timber licenses, which are not renewable.  
 (2) Figures for AAC and harvest are for West Fraser's interest only.

Annual log requirements for West Fraser's sawmills operating at stated capacity, including the proportionate requirements for the partly owned sawmills, total approximately 6.2 million m<sup>3</sup>, of which approximately 80% can be obtained from the tenures included in the above table. Additional timber needed to meet the log requirements is purchased on the open market.

## WOOD CHIP SUPPLY

A significant portion of West Fraser's wood chip requirements is supplied from its own operations. This reduces its exposure to risks associated with wood chip price fluctuations and supply shortages. Fibre requirements of Eurocan Pulp & Paper, QRP and WestPine are

met primarily by West Fraser's sawmilling operations in British Columbia.

The Ranger Board MDF plant obtains its fibre directly from the Blue Ridge sawmill and other sawmills in the area. The Slave Lake mill consumes approximately 507,000 m<sup>3</sup> of timber per year when operating at capacity. Of this requirement, 239,000 m<sup>3</sup> (representing 47%) is available under the Slave Lake FMA. Additional fibre required by the mill is obtained from industrial salvage and purchases from local suppliers at prevailing market prices.

The annual fibre requirement of the ANC mill is approximately 650,000 m<sup>3</sup>, of which 95% is obtained from local sawmills, including the Blue Ridge sawmill, normally more than

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80% in trade for sawlogs. The balance is obtained from pulpwood harvested from ANC's FMA and direct fibre purchases.

## **HARVESTING OPERATIONS**

West Fraser's harvesting operations are carried out by independent contractors supervised by its woodlands staff to ensure compliance with the terms of the timber tenures, statutes and regulations and with West Fraser's policies.

## **REFORESTATION**

Under the terms of the timber tenures in British Columbia and Alberta, tenure holders are required to carry out reforestation to ensure re-establishment of the forest after harvesting. The determination of the type of reforestation to be performed in a particular area is based on the climate, terrain, species and other factors affecting regeneration of the forest. Each of West Fraser's reforestation projects is planned and supervised by its forestry staff and is approved by the relevant government authority.

## **STUMPAGE**

The provinces of British Columbia and Alberta levy stumpage on timber harvested on Crown land. Under the market-index-based stumpage systems in place in British Columbia and Alberta, the stumpage paid for wood harvested is principally tied to prices received for lumber.

The reference price used in calculating stumpage in British Columbia is different from that used in Alberta. The lag time for calculating stumpage off the reference price also differs for the two provinces, with the result that Alberta stumpage rates are more market-sensitive.

## **CANADA-U.S. SOFTWOOD LUMBER AGREEMENT**

Under the Canada-U.S. Softwood Lumber Agreement, which took effect on April 1, 1996, and expires on March 31, 2001. 14.7 billion board feet of lumber from the provinces of British Columbia, Alberta, Ontario and Quebec may be exported annually to the United States free of export duty. This annual quota of 14.7 billion board feet has been allocated by the federal government to each primary producer and re-manufacturer in the affected provinces such that each may export a specified quantity of softwood lumber to the United States without payment of export duty. Exports in excess of this level, or in excess of a quarterly maximum of 28.75% of the annual quota, incur an indexed charge which immediately before July 1, 1999, was US\$52.93 per Mfbm on the first 650 MMfbm, and US\$105.86 per Mfbm above that level.

Effective July 1, 1999, an additional charge has been levied against softwood lumber quota holders in British Columbia. The volume previously assigned at the US\$52.93 level was reduced by 25%. This 25% volume was repriced at US\$105.86 and additional volume attracts a charge of US\$146.25.

## **ABORIGINAL LAND CLAIMS**

The governments of Canada and British Columbia have entered into negotiations to consider aboriginal land claims in British Columbia. This negotiation process is administered by the British Columbia Treaty Commission. Several native groups have filed notices of intention with the Treaty Commission to negotiate land claims in and around West Fraser's operating areas. It is expected that negotiations will last several years. West Fraser is not in a position to assess what future settlements, if any, may be made or how they may affect its operations. These claims may

result in increased aboriginal involvement in the management of the public lands on which West Fraser conducts its harvesting operations.

In 1998 the governments of British Columbia and Canada completed a treaty with the Nisga'a which is in the final stages of approval. It is not expected to have a material impact on West Fraser.

The Alberta government is in the process of settling a minor land claim in the Whitecourt FMA area. Management does not expect that there will be other land claim settlements affecting any of West Fraser's Alberta operating areas.

### ENVIRONMENT

West Fraser's operations are subject to various federal, provincial and local environmental protection laws. It has programs under which all forestry and manufacturing operations are audited for compliance with applicable laws and standards, as well as management practices. The Environmental Committee of the Company's board of directors tours West Fraser's operations on a periodic basis and reviews its environmental procedures.

### ENERGY

West Fraser's energy requirements are met mostly by provincial utilities and other third parties with the remainder being self-generated.

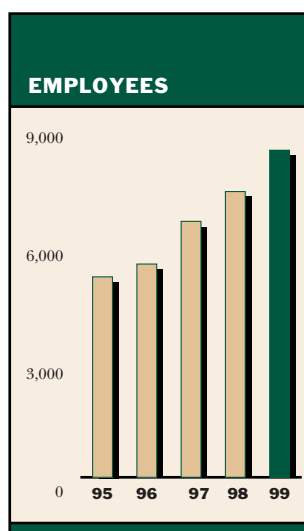
### RESEARCH AND DEVELOPMENT

West Fraser supports joint industry research and development organizations and conducts research and development at several plants to improve processes, maximize resource utilization and develop new products and environmental applications.

### HUMAN RESOURCES

As at December 31, 1999, West Fraser employed approximately 8,800 individuals in its operations, including 900 in its joint venture operations. Total remuneration paid to employees in 1999, including West Fraser's share of the joint venture operations, was \$171 million.

Approximately 36% of West Fraser's forest products employees are covered by collective agreements. Agreements in respect of 50% of these employees expire in 2000 and the balance in 2003.



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## CAPITAL EXPENDITURES AND ACQUISITIONS

West Fraser invests much of its operating cash flow in upgrading and expanding its facilities and operations. West Fraser's capital

expenditures and acquisitions for the past five years are as follows:

CAPITAL EXPENDITURES AND ACQUISITIONS (\$ MILLIONS)					
YEAR ENDED DECEMBER 31	1999	1998	1997	1996	1995
Lumber	\$ 33.5	\$ 43.3	\$ 59.3	\$ 40.3	\$173.8
Panels	76.9	2.2	5.7	99.1	135.3
Pulp and paper	10.7	27.7	37.3	47.0	209.3
Retail home improvement	57.3	79.0	43.2	25.3	63.5
Other	2.7	5.5	10.7	8.1	20.9
	<b>\$181.1</b>	\$157.7	\$156.2	\$219.8	\$602.8

## MARKETS

West Fraser's products are sold in competitive markets open to a number of companies with similar products. Purchasing decisions by customers are based on price, product quality and service, and are heavily influenced by general economic conditions.

The following table sets forth selected industry product average prices for the past five years. These prices do not necessarily reflect those obtained by West Fraser.

AVERAGE TRANSACTION PRICES (U.S. DOLLARS – EXCEPT PLYWOOD)					
	1999	1998	1997	1996	1995
2 x 4 random length SPF (per Mfbm) <sup>(1)</sup>	\$343	\$288	\$354	\$353	\$251
Plywood (per Msf 3/8" basis) <sup>(2)</sup>	C\$442	C\$366	C\$379	C\$378	C\$377
MDF (per Msf 3/4" basis) <sup>(3)</sup>	\$400	\$380	\$373	\$419	\$471
Newsprint (per tonne) <sup>(4)</sup>	\$502	\$580	\$555	\$645	\$670
BCTMP Softwood pulp (per tonne) <sup>(5)</sup>	\$391	\$391	\$414	\$410	\$763
Kraft paper (50 lb) (per tonne) <sup>(6)</sup>	\$715	\$706	\$731	\$689	\$771
Kraft linerboard (42 lb) (per tonne) <sup>(6)</sup>	\$435	\$402	\$375	\$414	\$562

(1) Random lengths.  
(2) Source: Crow's Publications Ltd.  
(3) Source: RISI and West Fraser database.  
(4) Source: ANC database.  
(5) Source: RISI.  
(6) U.S. domestic price. Source: Forecaster.

## LUMBER

**Production** West Fraser produces lumber and by-product wood chips from 11 sawmills, and has a plant at Quesnel producing finger-jointed studs out of trim blocks.

Annual capacity of each sawmill is based on operating two shifts per day, five days per week, except for Quesnel and Williams Lake which operate with a limited third shift each day and for Terrace and Prince Rupert, which currently operate on one shift.

**Sales** Lumber produced by wholly owned sawmills is sold by West Fraser's lumber sales department to retail and wholesale customers and lumber brokers. These lumber sales are influenced by the Canada-U.S. Softwood Lumber Agreement, which limits the quantity of lumber that may be

exported to the United States free of export tax. In 1999, 71% by value of lumber sales were to customers in the United States and 22% to Canadian customers, who resold a significant portion into the United States. Far Eastern and other customers accounted for the remaining 7%. Most of the sales to North American customers are shipped by rail. The remainder are shipped by truck directly to the customer or through reload facilities or shipped by water through West Fraser's deep-sea terminal at Kitimat. Lumber output from the joint venture sawmills at Houston and Burns Lake is marketed by Weldwood of Canada Limited, mainly in North America.

### WEST FRASER'S SHARE OF LUMBER CAPACITY AND PRODUCTION (MMFBM)

	OWNERSHIP	1999	1998	1997	1996	1995
Capacity		<b>1,730</b>	1,620	1,600	1,600	1,460
Production:						
Quesnel	100%	<b>293</b>	274	276	285	294
Quesnel Finger-Joint	100%	<b>25</b>	21	23	21	21
Williams Lake	100%	<b>153</b>	148	141	140	134
Smithers	100%	<b>192</b>	166	165	158	150
Chetwynd	100%	<b>204</b>	190	187	187	171
Fraser Lake	100%	<b>230</b>	217	222	208	190
Terrace	100%	<b>77<sup>(1)</sup></b>	59 <sup>(1)</sup>	114	139	143
Prince Rupert <sup>(1)(2)</sup>	100%	<b>6</b>	12	6	6	4
Blue Ridge	100%	<b>243</b>	223	205	214	69
Slave Lake	100%	<b>6</b>	—	—	—	—
Houston	50%	<b>129</b>	119	122	118	122
Burns Lake	32%	<b>87</b>	84	83	86	82
		<b>1,645</b>	1,513	1,544	1,562	1,380

(1) Operating on a one-shift basis.

(2) Production refers to West Fraser's own production. The mill is used primarily to process timber owned by third parties on a custom cut basis.

# ANNUAL INFORMATION FORM

## Business Segments

### PANELS

**Production** The Ranger Board plant was acquired in August 1995 and construction of the WestPine plant was completed in July 1996. These plants have the flexibility to produce MDF in varying thicknesses and widths. The Alberta Plywood plant was acquired in November 1999 together with a veneer plant at Slave Lake which is the primary source of its raw material.

**Sales** MDF is marketed under the names "Ranger™" and "WestPine™", and plywood is marketed under "Zed ply™". Panel sales are mainly in North America, with the balance exported to markets in the Far East and Europe through direct sales and distributors under the direction of West Fraser's sales personnel.

#### PANELS CAPACITY AND PRODUCTION (MMSF)

MDF: 3/4" BASIS	1999	1998	1997	1996	1995
Capacity	240	210	210	210	110
Production:					
Ranger Board	127	113	99	87	14
WestPine MDF	88	68	62	15	—
	215	181	161	102	14
PLYWOOD: 3/8" BASIS					
Capacity	240	—	—	—	—
Production:					
Alberta Plywood	37	—	—	—	—

### PULP AND PAPER

#### Linerboard and Kraft Paper

**Production** The Eurocan Pulp & Paper mill produces linerboard and kraft paper. Linerboard is sold worldwide to producers of corrugated shipping containers. Kraft paper is sold worldwide to a variety of paper converters whose product lines include a range of multiwall industrial sacks.

**Sales** All linerboard and kraft paper produced by the Eurocan Pulp & Paper mill is sold by West Fraser's sales department, principally through a sales agency agreement with Stora Enso Oyj, which gives West Fraser access to a worldwide sales office network. In 1999, 35% of the production was sold to European customers, 26% to Far Eastern customers and the balance to customers in several other countries.

#### LINERBOARD AND KRAFT PAPER CAPACITY AND PRODUCTION (TONNES)

	1999	1998	1997	1996	1995
Capacity	450,000	450,000	450,000	450,000	450,000
Production:					
Linerboard	330,846	311,438	309,591	329,855	311,956
Kraft paper	102,756	104,022	101,507	79,549	95,972
	433,602	415,460	411,098	409,404	407,928

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*Business Segments*

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## Pulp

**Production** West Fraser produces BCTMP primarily from aspen at the Slave Lake mill, which was acquired in August 1995, and from softwood at the QRP mill. BCTMP is used by paper manufacturers to produce tissue products and a variety of other paper grades.

**Sales** West Fraser's sales department markets pulp produced by Slave Lake and its share of pulp produced by QRP. In 1999, 42% was sold to customers in the Far East, 20% to customers in Europe, 35% to customers in the United States and the remainder to customers in Canada and elsewhere.

### WEST FRASER'S SHARE OF PULP CAPACITY AND PRODUCTION (TONNES)

	1999	1998	1997	1996	1995
Capacity	<b>350,000</b>	325,000	300,000	300,000	190,000
Production:					
QRP	<b>166,586</b>	152,193	159,488	140,483	152,227
Slave Lake Pulp	<b>170,804</b>	135,827	140,084	109,672	35,219
	<b>337,390</b>	288,020	299,572	250,155	187,446

## Newsprint

**Production** The ANC mill produces mostly standard newsprint and a smaller quantity of rotogravure paper.

**Sales** ANC's newsprint is sold by a partnership owned indirectly by the owners of ANC. In 1999, 75% was sold to customers in the United States and 25% to customers in Canada.

### WEST FRASER'S SHARE OF NEWSPRINT CAPACITY AND PRODUCTION (TONNES)

	1999	1998	1997	1996	1995
Capacity	<b>125,000</b>	125,000	125,000	120,000	117,500
Production	<b>124,351</b>	122,957	124,614	118,593	120,252

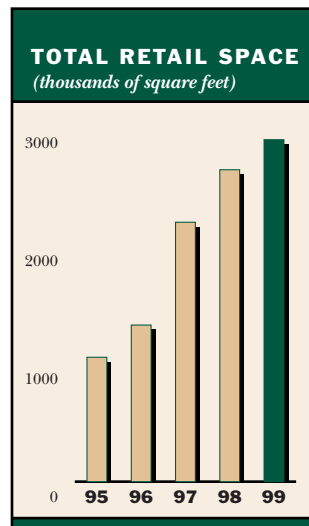
# ANNUAL INFORMATION FORM

## Business Segments

### RETAIL HOME IMPROVEMENT

Revy, which is 85% owned by Revelstoke, operates 14 full-service warehouse stores and 43 retail home improvement centres. There are 27 located in British Columbia, 16 in Alberta, two in Saskatchewan, two in Manitoba and ten in Ontario. Revy also operates distribution centres in Langley, British Columbia; Calgary, Alberta; and Mississauga, Ontario and a wholesale lumber trading division. Revy is in the process of constructing two additional warehouse stores in Ontario and has acquired several store sites in larger urban centres. Its total retail sales floor space is approximately 2.9 million square feet.

The retail home improvement industry is highly competitive, with a large multinational chain and a number of regional chains and smaller retailers in each market. The Company believes that Revy will maintain its competitive position through continued expansion into new or growing markets and the upgrading of its existing outlets.



# ANNUAL INFORMATION FORM

Share Capital and Markets for Securities

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## SITE OWNERSHIP

West Fraser's wholly owned wood products and pulp and paper mills are on land owned by West Fraser except for the sawmills at Chetwynd and Williams Lake, which are on land held under long-term leases. The joint venture sawmills at Houston and Burns Lake are also on land held under long-term leases. The QRP mill and the ANC mill are each on land owned equally by West Fraser and its joint venture partner. The retail home improvement outlets consist of 29 locations where the buildings and land are owned by Revelstoke or Revy, 26 locations where the buildings and land are leased by Revy and two locations where buildings are owned by Revelstoke on leased land.

## SHARE CAPITAL AND MARKETS FOR SECURITIES

The authorized share capital of the Company consists of 80,000,000 shares divided into

- (a) 50,000,000 Common shares,
- (b) 20,000,000 Class B Common shares, and
- (c) 10,000,000 Preferred shares, issuable in series.

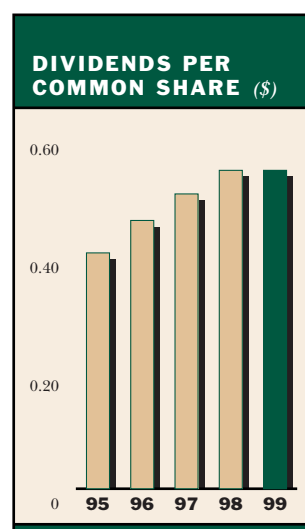
The Common shares and Class B Common shares are equal in all respects, including the right to dividends, except that each Class B Common share may at any time be exchanged for one Common share. The Common shares are listed and traded on The Toronto Stock Exchange under the symbol WFT.

As at December 31, 1999 the issued share capital consisted of 30,590,674 Common shares, of which 259,545 were Common shares held by Mills and 5,947,068 were Class B Common shares.

## DIVIDENDS

The declaration and payment of dividends is within the discretion of the board of directors of the Company. It has been the practice of the Company to declare dividends on a quarterly basis payable after the end of each quarter.

In 1999 the Company declared dividends of \$0.54 per Common share and Class B Common share and dividends of \$0.492 per Series 1 Preferred Share.



# ANNUAL INFORMATION FORM

## Directors and Officers

### DIRECTORS

The name and municipality of residence of each of the directors of the Company, their principal occupations during the past five years and the periods during which they have been directors of the Company, are as follows:

Name and Municipality of Residence	Principal Occupation	Director Since
<b>Henry H. Ketcham, III</b> Vancouver, B.C.	Chairman of the Board, President and Chief Executive Officer	<b>September 16, 1985</b>
<b>Clark S. Binkley</b> <sup>(3)</sup> Cambridge, Massachusetts	Chief Investment Officer Hancock Timber Resource Group Inc.	<b>February 13, 1992</b>
<b>J. Duncan Gibson</b> <sup>(2)</sup> Toronto, Ontario	Vice-Chairman, Commercial Banking Division The Toronto-Dominion Bank	<b>April 29, 1997</b>
<b>Janet W. Ketcham</b> <sup>(1) (3)</sup> Seattle, Washington	Investor	<b>November 21, 1977</b>
<b>William P. Ketcham</b> <sup>(1) (3)</sup> Seattle, Washington	President of Henry H. Ketcham Lumber Co., Inc.	<b>December 1, 1966</b>
<b>C. Calvert Knudsen</b> <sup>(1) (2)</sup> Seattle, Washington	Retired Chairman and Chief Executive Officer of MacMillan Bloedel Ltd.	<b>June 12, 1980</b>
<b>Harald H. Ludwig</b> <sup>(1)</sup> West Vancouver, B.C.	President of Macluan Capital Corporation	<b>May 2, 1995</b>
<b>F. David Radler</b> <sup>(2)</sup> Vancouver, B.C.	President and Chief Operating Officer of Hollinger Inc.	<b>December 10, 1991</b>

(1) Member of the Audit Committee

(2) Member of the Compensation Committee

(3) Member of the Environmental Committee

Each director has held the same or similar principal occupation with the organization indicated or a predecessor thereof for the last five years except for Henry H. Ketcham, III who, in addition to his position of President and Chief Executive Officer, became Chairman of the Board effective October 1, 1996; Clark S. Binkley who before August 1, 1999 was Sr. Vice-President, Investment Strategy and Research and before July 31, 1998 was Dean, Faculty of Forestry, University of British Columbia; and J. Duncan Gibson who previously held various positions with The Toronto-Dominion Bank. The term of office of each director will expire at the conclusion of the Company's next annual general meeting.

# ANNUAL INFORMATION FORM

*Directors and Officers*

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## OFFICERS

The name and municipality of residence of each of the officers of the Company, the office held by each and the principal occupation of each during the last five years are as follows:

<b>Name, Municipality of Residence</b>	<b>Office Held/Principal Occupation</b>
<b>Henry H. Ketcham, III</b> , <i>Vancouver, B.C.</i>	Chairman, President, Chief Executive Officer
<b>Russell J. Clinton</b> , <i>White Rock, B.C.</i>	Senior Vice-President, Corporate Development
<b>D. Wayne Clogg</b> , <i>Quesnel, B.C.</i>	Vice-President, Woodlands
<b>Carl L. Grittner</b> , <i>Coquitlam, B.C.</i>	Vice-President, Building Supplies; President, Revy
<b>William H. LeGrow</b> , <i>Coquitlam, B.C.</i>	Vice-President, Transportation and Energy
<b>Gerald J. Miller</b> , <i>Tsawwassen, B.C.</i>	Vice-President, Pulp and Administration
<b>Lon M. Schroeder</b> , <i>Kitimat, B.C.</i>	Vice-President, Kitimat Operations
<b>Martti Solin</b> , <i>West Vancouver, B.C.</i>	Vice-President, Finance and Chief Financial Officer
<b>Zoltan F. Szucs</b> , <i>Coquitlam, B.C.</i>	Vice-President, Panelboard
<b>Ernest M. Thony</b> , <i>Quesnel, B.C.</i>	Vice-President, Lumber Sales
<b>Gary W. Townsend</b> , <i>Quesnel, B.C.</i>	Vice-President, Lumber Operations
<b>C. Paul Daniels, Q.C.</b> , <i>West Vancouver, B.C.</i>	Secretary
<b>Larry S. Hughes</b> , <i>Vancouver, B.C.</i>	Assistant Secretary Partner, Lang Michener Lawrence & Shaw (barristers and solicitors)

Each officer has held the same or similar principal occupation with the organization indicated or a predecessor thereof for the last five years except for Henry H. Ketcham, III, who was the President and Chief Executive Officer; Russell J. Clinton, who was the Senior Vice-President and Vice-President, Woodlands; D. Wayne Clogg, who was the general manager of various West Fraser sawmills; William H. LeGrow, who was the Manager, Transportation; Gerald J. Miller, who was Vice-President, Administration & Controller; Lon M. Schroeder, who held various positions with Eurocan Pulp & Paper; Zoltan F. Szucs, who was the Manager, Engineered Wood Products; and C. Paul Daniels, who was associate counsel, Lang Michener Lawrence & Shaw.

# ANNUAL INFORMATION FORM

## Directors and Officers

### SHAREHOLDINGS OF DIRECTORS AND SENIOR OFFICERS

As at December 31, 1999, the directors and senior officers, as a group, beneficially owned, directly or indirectly, or exercised control or direction over, 4,649,115 Common shares and 2,395,656 Class B Common shares, being 19% of the outstanding Common shares, 40% of the outstanding Class B Common shares and 23% of the outstanding voting securities of the Company.

### SELECTED CONSOLIDATED FINANCIAL INFORMATION

The section of this Annual Report entitled "Ten-Year Review", which is incorporated herein by reference, contains selected consolidated financial information for the last 10 years. Selected consolidated financial information for the last eight quarters is as follows:

#### SELECTED QUARTERLY INFORMATION (\$ MILLIONS, EXCEPT PER SHARE AMOUNTS)

	1999				1998			
	DEC 31	SEP 30	JUN 30	MAR 31	DEC 31	SEP 30	JUN 30	MAR 31
Net sales	\$ 560.6	\$ 609.7	\$ 589.9	\$ 443.9	\$ 471.9	\$ 513.7	\$ 471.9	\$ 405.9
Net earnings	\$ 39.5	\$ 56.7	\$ 37.0	\$ 14.2	\$ 6.3	\$ 12.5	\$ (14.3)	\$ 1.1
Basic earnings								
per share	\$ 1.34	\$ 1.86	\$ 1.23	\$ 0.45	\$ 0.17	\$ 0.38	\$ (0.52)	\$ 0.02
Fully diluted								
earnings								
per share	\$ 1.27	\$ 1.83	\$ 1.20	\$ 0.45	\$ 0.17	\$ 0.38	\$ (0.52)	\$ 0.02

## **ADDITIONAL INFORMATION**

When securities of the Company are in the course of distribution pursuant to a short form prospectus, or a preliminary short form prospectus has been filed in respect of a distribution of its securities, the Company will, upon request, provide to any person:

(a) one copy of this Annual Information Form, together with one copy of any document, or of the pertinent pages of any document, incorporated by reference in this Annual Information Form;

(b) one copy of the comparative financial statements of the Company for the year ended December 31, 1999, together with the accompanying auditors' report, and one copy of each interim financial statement of the Company prepared after December 31, 1999;

(c) one copy of the Information Circular for the annual general meeting of the Company to be held on April 26, 2000; and

(d) one copy of any other document that is incorporated by reference in the short form prospectus or the short form preliminary prospectus and is not described above.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and options to purchase securities, is contained in the Information Circular. Additional financial information is provided in the Company's comparative financial statements for the year ended December 31, 1999.

Copies of this Annual Information Form and the documents incorporated by reference therein, the comparative financial statements of the Company (including the audit report) for the year ended December 31, 1999, each interim financial statement prepared after December 31, 1999, the Information Circular and this Annual Report may be obtained at any time upon request from the Company at 1000 – 1100 Melville Street, Vancouver, British Columbia, V6E 4A6.