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NEWS RELEASE

**WEST FRASER TIMBER CO. LTD.
("WFT")
2001 4th Quarter and Annual Results**

Tuesday, February 19, 2002

Attention: Business & Financial Editors

**West Fraser posts solid 2001 results, reflecting underlying efficiencies;
stock and cash dividends declared**

West Fraser today posted 2001 annual earnings slightly below the previous year's, despite a difficult fourth quarter and a challenging business and economic environment. The Company also declared a 10% stock dividend in addition to its regular cash dividend of \$0.14 per share.

The Company announced that it earned \$9.3 million or \$0.29 per share on a diluted basis in the fourth quarter ended December 31, 2001, compared to \$22.4 million or \$0.69 per share on a diluted basis in the same quarter in 2000. For the full year, the Company earned \$126.5 million or \$3.68 per share on a diluted basis, slightly below the \$131.5 million or \$4.14 per share on a diluted basis in 2000. The 2001 earnings included a net gain on the sale of its Uruguay timberlands and its Revy home improvement business.

Sales for the fourth quarter of 2001 were \$364 million, compared to 2000 sales of \$368 million. Sales from continuing operations in 2001 were \$1,562 million, compared to \$1,505 million for 2000.

"While we are pleased to have achieved these results in such a difficult operating environment, we continue to strive to improve all our operations," said Hank Ketcham, Chairman, President and Chief Executive Officer. He noted, however, that the Company is involved in a "major trade dispute initiated by the U.S. industry to protect its market share." As well, a sluggish global economy is keeping commodity prices low.

"Even though we are already a recognized low-cost producer in the industry, we intend to continue to reduce our production costs, through technology, efficiency and ingenuity," he said.

Fourth quarter earnings from continuing operations were \$3.2 million or \$0.09 per share on a diluted basis, compared to \$19.3 million or \$0.62 per share on a diluted basis in the same quarter of 2000. For 2001, earnings were \$108.9 million from continuing operations or \$3.52 per share on a diluted basis, compared to \$121.9 million or \$3.99 per share on a diluted basis for 2000.

EBITDA was \$46 million for the quarter, compared to \$80 million for the fourth quarter of 2000. The EBITDA margin for the quarter was 13%, compared to 22% for the same period of last year. EBITDA was \$311 million for 2001, or a margin of 20%, compared to EBITDA in 2000 of \$367 million, or a 24% margin.

The quarterly results included an accrual of \$16.3 million (\$10.1 million after tax) for potential duties imposed by the U.S. government on softwood lumber. For the year, the Company accrued \$25.0 million (\$16.0 after tax) for these duties. The accrual was based on a preliminary countervailing duty rate of 19.31% and a West Fraser-specific antidumping rate of 5.94%.

West Fraser, its industry partners and all levels of government are working to find an acceptable solution to the U.S. softwood lumber trade dispute. "We are convinced that the efficiency of our plants and the strength of the U.S. dollar are to blame for the U.S. industry's demands in the dispute," Mr. Ketcham said.

Operational results

The lumber EBITDA for the quarter was \$13 million, compared to \$21 million during the same quarter last year. The EBITDA margin was 7%, compared to 12% for the fourth quarter of 2000. The average benchmark western SPF 2x4 price increased to U.S. \$221 in the fourth quarter, compared to U.S. \$200 for the fourth quarter of 2000. The EBITDA margin decline was due to poor results experienced in the United States and the impact of the Chasm mill rebuild, which will be completed in March 2002.

Results for the panel division continued to improve, with good operating performance, stable product pricing and increased sales of specialty products. This segment generated EBITDA of \$17 million during the quarter, compared to \$8 million in 2000, representing margins of 34% and 17% respectively.

Pulp and paper results reflect weak prices and lower than expected production from the Kitimat linerboard and kraft paper operations. In addition, the Kitimat mill took its scheduled maintenance shutdown of 14 days in October, which negatively affected fourth quarter results. The EBITDA from pulp and paper operations was \$18 million for the quarter, compared to \$50 million in 2000, representing margins of 15% and 31% respectively.

Outlook

Mr. Ketcham said that "although it is hard to be optimistic in the short term, the Company is confident in its ability to compete effectively and weather the uncertain economic environment of 2002".

Dividends declared

West Fraser's Board of Directors today declared a stock dividend of one Common share for each ten Common or Class B shares held, payable on March 15, 2002 to shareholders of record on March 1, 2002. In lieu of issuing fractional shares, the Company will make a cash payment based on the closing share price on March 1, 2002.

The Directors also declared a regular cash dividend of \$0.14 per share. The cash dividend is payable on April 2, 2002 to shareholders of record on March 18, 2002.

Director appointed

Larry S. Hughes was appointed to the Board of Directors. Mr. Hughes is a partner at the law firm Lang Michener and is the Company's Secretary.

West Fraser is an integrated forest products company with manufacturing operations in British Columbia, Alberta and the southern United States producing dimension lumber and related solid wood products, fibreboard, pulp, linerboard, kraft paper and newsprint.

CONSOLIDATED BALANCE SHEETS

(in millions of Canadian dollars)

	As at December 31, 2001	As at December 31, 2000
ASSETS		
Cash and short-term investments	\$ 270.1	\$ -
Accounts receivable	169.6	182.5
Inventories	305.6	334.9
Prepaid expenses	7.8	6.4
Discontinued operations – current assets	5.9	233.9
	759.0	757.7
Other assets	86.5	78.6
Capital assets	1,290.7	1,272.6
Deferred charges	49.3	36.4
Discontinued operations – long term assets	167.0	308.2
	\$ 2,352.5	\$ 2,453.5
LIABILITIES		
Bank indebtedness	\$ -	\$ 95.6
Accounts payable	188.8	206.6
Current portion of reforestation obligation	28.1	29.8
Current portion of long-term debt	238.9	37.5
Discontinued operations – current liabilities	15.4	65.2
	471.2	434.7
Long-term debt	359.6	570.6
Other long-term liabilities	100.6	72.4
Future income taxes	213.2	245.2
Discontinued operations – long term liabilities	4.5	3.3
	471.2	434.7
SHAREHOLDERS' EQUITY		
Convertible obligation	-	19.5
Share capital	324.8	324.3
Contributed surplus	-	0.7
Retained earnings	878.6	782.8
	\$ 2,352.5	\$ 2,453.5

CONSOLIDATED STATEMENTS OF EARNINGS AND RETAINED EARNINGS

(in millions of Canadian dollars)

EARNINGS	October 1 to December 31		January 1 to December 31	
	2001	2000	2001	2000
Net Sales	\$ 363.7	\$ 367.8	\$ 1,562.3	\$ 1,504.8
Cost of products sold	300.0	274.4	1,181.3	1,077.4
Amortization of capital assets	30.4	31.3	123.3	123.9
Selling, general and administrative	17.5	13.4	70.5	60.4
Operating earnings	15.8	48.7	187.2	243.1
Financing expense	(13.2)	(5.2)	(48.6)	(35.2)
Other income (expense)	(2.4)	(23.5)	4.8	(13.5)
Earnings from continuing operations before income taxes	0.2	20.0	143.4	194.4
Income taxes	(3.0)	0.7	34.5	72.5
Earnings from continuing operations	3.2	19.3	108.9	121.9
Earnings from discontinued operations (note 3)	6.1	3.1	17.6	9.6
Earnings	\$ 9.3	\$ 22.4	\$ 126.5	\$ 131.5
Earnings per share (in dollars) (note 4)				
Basic from continuing operations	\$ 0.09	\$ 0.62	\$ 3.53	\$ 3.99
Basic after discontinued operations	\$ 0.29	\$ 0.70	\$ 3.69	\$ 4.23
Diluted from continuing operations	\$ 0.09	\$ 0.62	\$ 3.52	\$ 3.99
Diluted after discontinued operations	\$ 0.29	\$ 0.69	\$ 3.68	\$ 4.14
RETAINED EARNINGS				
Balance – beginning of period	\$ 874.1	\$765.3	\$782.8	\$681.5
Change in accounting for future income taxes	-	-	-	(13.1)
Earnings	874.1	765.3	782.8	668.4
	9.3	22.4	126.5	131.5
	883.4	787.7	909.3	799.9
Discontinued operations - convertible obligation	-	(0.6)	(12.6)	(2.3)
Cancellation of shares	-	-	-	2.2
Preferred share payment	(0.5)	-	(1.1)	-
Common share dividends	(4.3)	(4.3)	(17.0)	(17.0)
Balance – end of period	\$ 878.6	\$782.8	\$878.6	\$782.8

CONSOLIDATED STATEMENT OF CASH FLOWS

(in millions of Canadian dollars)

	October 1 to December 31		January 1 to December 31	
	2001	2000	2001	2000
Cash Flows from Operating Activities				
Earnings from continuing operations	\$ 3.2	\$ 19.3	\$ 108.9	\$ 121.9
Amortization of capital assets	30.4	31.3	123.3	123.9
Amortization of deferred foreign exchange loss	5.5	3.1	15.0	8.7
Future income taxes	(18.5)	(24.7)	(32.1)	(23.7)
Change in other long-term liabilities	27.8	5.5	27.8	5.5
Change in reforestation obligation	(9.0)	21.0	(12.7)	16.0
Write-down of capital assets	-	19.8	-	19.8
Other	(1.0)	(2.7)	(0.8)	(7.8)
	38.4	72.6	229.4	264.3
Net change in non-cash working capital items	10.0	(6.0)	30.4	(110.6)
Total Operating Activities	48.4	66.6	259.8	153.7
Cash Flows from Financing Activities				
Proceeds from long-term debt	-	-	76.4	-
Repayment of long-term debt	-	-	(112.8)	(37.4)
Dividends	(4.3)	(4.3)	(17.0)	(17.0)
Other	(0.5)	(6.0)	(1.3)	(6.0)
Total Financing Activities	(4.8)	(10.3)	(54.7)	(60.4)
Cash Flows from Investing Activities				
Capital asset additions	(40.4)	(15.4)	(112.9)	(64.1)
Proceeds from disposal of capital assets	(0.4)	(1.1)	1.5	2.5
Acquisitions	-	(111.8)	(29.9)	(111.8)
Decrease (increase) in other assets	1.0	3.6	(3.1)	(52.0)
Total Investing Activities	(39.8)	(124.7)	(144.4)	(225.4)
Change in cash from continuing operations	3.8	(68.4)	60.7	(132.1)
Change in cash from discontinued operations	20.7	(11.4)	305.0	(18.8)
Net cash – beginning of period	245.6	(15.8)	(95.6)	55.3
Net Cash – end of period	\$ 270.1	\$ (95.6)	\$ 270.1	\$ (95.6)
Interest Paid	\$7.1	\$15.9	\$46.7	\$53.7
Income Taxes Paid	\$23.2	\$18.5	\$93.4	\$160.1

QUARTERLY COMPARISONS – Continuing Operations

January 1 to December 31

	2001	2000
Sales <i>(in millions of dollars)</i>		
First	\$ 375.1	\$ 393.9
Second	416.1	402.3
Third	407.4	340.8
Fourth	363.7	367.8
	\$1,562.3	\$1,504.8
Earnings <i>(in millions of dollars)</i>		
First	\$ 17.9	\$ 45.9
Second	41.8	36.6
Third	46.0	20.1
Fourth	3.2	19.3
	\$ 108.9	\$ 121.9
Diluted Earnings Per Share <i>(in dollars)</i>		
First	\$ 0.58	\$ 1.52
Second	1.36	1.21
Third	1.50	0.65
Fourth	0.09	0.62
Annual	\$ 3.52	\$ 3.99

Number of common shares outstanding at December 31, 2001 was 30,360,088.

NOTES TO INTERIM FINANCIAL STATEMENTS

January 1 to December 31, 2001 and 2000

*(figures are in millions of dollars except where indicated)***1. BASIS OF PRESENTATION**

These interim consolidated financial statements follow the same accounting policies and methods of their application as the December 31 consolidated annual financial statements.

2. ACQUISITION

Effective April 24, 2001, the company acquired a sawmill and associated timber rights located in British Columbia. The acquisition has been accounted for by the purchase method and the results of operations have been included with those of the company from the effective date.

Net assets acquired at fair values:

Non-cash working capital	\$ 7.3
Capital assets	34.0
Reforestation obligation assumed	(11.4)
Cash consideration	<u>\$29.9</u>

3. DISCONTINUED OPERATIONS

Retail Home Improvement

On April 30, 2001 (the Measurement Date) the company adopted a plan to dispose of its retail home improvement operations and the majority of related real estate. Effective June 6, 2001, the company sold substantially all of its retail home improvement operations for proceeds of \$184.7 million. The majority of the real estate is expected to be sold in 2002.

The loss from discontinued operations is based on management's best estimates. These include the proceeds to be realized on the sale of the real estate and other retained assets, closure and other costs related to the disposition of retail sales operations owned, and other liabilities and possible claims. Changes to these estimates will be recognized as a gain or loss from discontinued operations in the period in which such changes are determined.

Non-current assets of discontinued operations principally comprise capital assets. Retail sales up to the date of disposal were \$433.8 million (2000 - \$804.6 million)

Convertible Obligation

On the acquisition of a home improvement business in 1998, a subsidiary of the company issued 1,500,000 of its common shares. Under certain circumstances, the company had the right to issue common shares in satisfaction of a contractual repurchase. Accordingly, the present value was recorded in shareholder's equity as a convertible obligation. On July 13, 2001, the company acquired these shares for \$32.1 million, which resulted in a charge of \$12.6 million to retained earnings.

Timber Plantations

On June 29, 2001 the company sold its timber plantations for net proceeds of \$72.2 million. The resulting gain on sale of \$33.3 million has been accounted for as discontinued operations. Capital losses are available to eliminate taxes on the sale.

Discontinued Operations

The results of discontinued operations are as follows:

	October 1 to December 31		January 1 to December 31	
	2001	2000	2001	2000
Earnings (loss) before income tax to Measurement Date	\$ -	\$4.4	\$(1.7)	\$16.7
Income tax recovery (expense)	-	(2.1)	0.8	(7.9)
Earnings (loss) from operations to Measurement Date	-	2.3	(0.9)	8.8
Earnings (loss) on disposal of retail operations (net of tax recovery of \$3.1)	6.1	-	(14.8)	-
Earnings (loss) from discontinued retail operations	6.1	2.3	(15.7)	8.8
Timber plantations	-	0.8	33.3	0.8
Earnings from discontinued operations	\$6.1	\$3.1	\$17.6	\$9.6

4. EARNINGS PER SHARE

Basic earnings per share are calculated based on earnings available to common shareholders, as set out below, using the weighted average number of common shares outstanding. Diluted earnings per share assume the settlement of the convertible obligation for common shares, if dilutive, and the exercise of options using the treasury stock method.

	October 1 to December 31			
	2001		2000	
	From continuing	After discontinued	From continuing	After discontinued
Earnings				
Earnings	\$ 3.2	\$ 9.3	\$ 19.3	\$ 22.4
Preferred share payments	(0.5)	(0.5)	(0.5)	(0.5)
Convertible obligation accretion	-	-	-	(0.6)
Available to shareholders - basic	2.7	8.8	18.8	21.3
Convertible obligation accretion (if dilutive)	-	-	-	0.6
Available to shareholders - diluted	\$ 2.7	\$ 8.8	\$ 18.8	\$ 21.9
Weighted average shares (thousands)				
Weighted average shares – basic	30,360	30,360	30,343	30,343
Dilutive shares – convertible obligation	-	-	-	1,197
Stock options – treasury stock method	98	98	-	-
Weighted average shares - diluted	30,458	30,458	30,343	31,540
Earnings per share (dollars)				
Basic earnings per share	\$ 0.09	\$ 0.29	\$ 0.62	\$ 0.70
Diluted earnings per share	\$ 0.09	\$ 0.29	\$ 0.62	\$ 0.69

	January 1 to December 31			
	2001		2000	
	From continuing	After discontinued	From continuing	After discontinued
Earnings				
Earnings	\$108.9	\$126.5	\$121.9	\$131.5
Preferred share payments	(1.8)	(1.8)	(0.8)	(0.8)
Convertible obligation accretion	-	(12.6)	-	(2.3)
Available to shareholders - basic	107.1	112.1	121.1	128.4
Convertible obligation accretion (if dilutive)	-	-	-	2.3
Available to shareholders - diluted	\$107.1	\$112.1	\$121.1	\$130.7
Weighted average shares (thousands)				
Weighted average shares – basic	30,356	30,356	30,337	30,337
Dilutive shares – convertible obligation	-	-	-	1,200
Stock options – treasury stock method	96	96	-	-
Weighted average shares - diluted	30,452	30,452	30,337	31,537
Earnings per share (dollars)				
Basic earnings per share	\$ 3.53	\$ 3.69	\$ 3.99	\$ 4.23
Diluted earnings per share	\$ 3.52	\$ 3.68	\$ 3.99	\$ 4.14

5. CONTINGENT LIABILITY

On April 2, 2001, petitions for the imposition of antidumping and countervailing duties on softwood lumber from Canada were filed with the U.S. Department of Commerce ("USDOC") and the U.S. International Trade Commission ("USITC"), by certain U.S. industry and trade groups (the "Petitioners").

On August 9, 2001, the USDOC issued its preliminary determination on the countervailing duty investigation and imposed a preliminary duty rate of 19.31% to be posted by cash deposits or bonds on the exports from Canada of softwood lumber to the U.S. on or after August 17, 2001. The USDOC also made a preliminary determination that certain circumstances may have existed which may result in duties on the exports from Canada of softwood lumber applying retroactively to May 19, 2001 ("Critical Circumstances"). In accordance with U.S. law, the preliminary duty rate of 19.31% was suspended on December 15, 2001, 120 days after the preliminary determination.

On October 31, 2001, the USDOC issued its preliminary determination in the antidumping investigation and imposed a company specific preliminary duty rate of 5.94% on the company. The antidumping duty rate applies to all exports of softwood lumber from Canada on or after November 6, 2001.

The company has accrued \$20.9 million as a reduction of sales for the period from August 17, 2001 to December 15, 2001 representing the preliminary countervailing duty rate determined by the USDOC of 19.31%. The company has not accrued any duty for the period from May 19, 2001 to August 16, 2001 (estimated to be \$20.3 million), as management believes that the likelihood of Critical Circumstances in the countervailing case is not determinable at this time.

The company has accrued \$4.1 million as a reduction of sales for the period from November 6, 2001 to December 31, 2001 representing the preliminary antidumping duty rate determined by the USDOC of 5.94%.

Any adjustments resulting from a change in the final countervailing and antidumping duty rates or Critical Circumstances determination in the countervailing case will be made prospectively.

The Company and other Canadian forest product companies, the federal government and Canadian provincial governments ("Canadian Interests") categorically deny the US allegations and disagree with the preliminary countervailing and dumping determinations made by the USITC and USDOC. Canadian Interests continue to defend the Canadian industry in this trade dispute. Depending on the outcome of the final phase of the investigation, Canadian Interests may appeal the decision of these administrative agencies to the appropriate courts, NAFTA panels and the WTO. Notwithstanding the preliminary rates established in the investigations, the final liability for the assessment of countervailing and dumping duties will not be determined until each annual administrative review process is complete.

SEGMENTED INFORMATION
FOURTH QUARTER
(\$ millions)

	Lumber	Panels	Pulp & Paper	Corporate & Other	Consolidated
October 1 to December 31, 2001					
Net sales at market prices					
To external customers	\$ 190.3	\$ 50.7	\$ 122.7		\$ 363.7
To other segments	7.7				
	<u>\$ 198.0</u>	<u>\$ 50.7</u>	<u>\$ 122.7</u>		
EBITDA	\$ 13.0	\$ 17.1	\$ 17.9	\$ (1.8)	\$ 46.2
Amortization of capital assets	11.2	5.7	13.4	0.1	30.4
Operating earnings (loss)	1.8	11.4	4.5	(1.9)	15.8
Financing expense	3.4	3.0	4.3	2.5	13.2
Other	0.6	-	(0.5)	2.3	2.4
Earnings (loss) before income taxes	<u>\$ (2.2)</u>	<u>\$ 8.4</u>	<u>\$ 0.7</u>	<u>\$ (6.7)</u>	<u>\$ 0.2</u>
October 1 to December 31, 2000					
Net sales at market prices					
To external customers	\$ 162.6	\$ 45.9	\$ 159.3		\$ 367.8
To other segments	11.9				
	<u>\$ 174.5</u>	<u>\$ 45.9</u>	<u>\$ 159.3</u>		
EBITDA	\$ 21.4	\$ 7.9	\$ 49.5	\$ 1.2	\$ 80.0
Amortization of capital assets	12.4	5.6	13.4	(0.1)	31.3
Operating earnings (loss)	9.0	2.3	36.1	1.3	48.7
Financing expense	1.6	1.1	3.6	(1.1)	5.2
Other	20.9	-	(1.4)	4.0	23.5
Earnings (loss) before income taxes	<u>\$ (13.5)</u>	<u>\$ 1.2</u>	<u>\$ 33.9</u>	<u>\$ (1.6)</u>	<u>\$ 20.0</u>

**SEGMENTED INFORMATION
FOR YEAR**
(\$ millions)

	Lumber	Panels	Pulp & Paper	Corporate & Other	Consolidated
January 1 to December 31, 2001					
Net sales at market prices					
To external customers	\$ 851.8	\$ 214.0	\$ 496.5		\$ 1,562.3
To other segments	30.9				
	<u>\$ 882.7</u>	<u>\$ 214.0</u>	<u>\$ 496.5</u>		
EBITDA	\$ 152.5	\$ 62.3	\$ 103.8	\$ (8.1)	\$ 310.5
Amortization of capital assets	48.1	23.1	51.8	0.3	123.3
Operating earnings (loss)	104.4	39.2	52.0	(8.4)	187.2
Financing expense	16.0	6.9	20.1	5.6	48.6
Other	0.5	(0.1)	-	(5.2)	(4.8)
Earnings (loss) before income taxes	<u>\$ 87.9</u>	<u>\$ 32.4</u>	<u>\$ 31.9</u>	<u>\$ (8.8)</u>	<u>\$ 143.4</u>

January 1 to December 31, 2000

Net sales at market prices					
To external customers	\$ 724.3	\$ 198.5	\$ 582.0		\$ 1,504.8
To other segments	64.4				
	<u>\$ 788.7</u>	<u>\$ 198.5</u>	<u>\$ 582.0</u>		
EBITDA	\$ 150.8	\$ 47.8	\$ 173.7	\$ (5.3)	\$ 367.0
Amortization of capital assets	49.0	22.9	52.0	-	123.9
Operating earnings (loss)	101.8	24.9	121.7	(5.3)	243.1
Financing expense	10.5	7.1	20.5	(2.9)	35.2
Other	14.2	-	(1.8)	1.1	13.5
Earnings (loss) before income taxes	<u>\$ 77.1</u>	<u>\$ 17.8</u>	<u>\$ 103.0</u>	<u>\$ (3.5)</u>	<u>\$ 194.4</u>

**OPERATING HIGHLIGHTS
FOURTH QUARTER & YEAR**

		October 1 to December 31		January 1 to December 31	
		2001	2000	2001	2000
Lumber	Production (Mfbm)	428,285	424,061	1,983,432	1,713,111
	Shipments (Mfbm)	486,017	374,013	2,006,787	1,637,343
Panels					
MDF	Production (Msf-3/4")	61,117	62,164	249,461	239,540
	Shipments (Msf-3/4")	54,517	60,288	248,839	235,077
Plywood	Production (Msf-3/8")	59,650	62,022	247,854	245,847
	Shipments (Msf-3/8")	60,475	57,695	251,904	241,122
Pulp & Paper (tonnes)					
Linerboard and Kraft Paper	Production	82,934	115,518	406,580	429,173
	Shipments	94,878	110,631	408,499	405,871
BCTMP	Production	94,122	90,318	360,631	363,310
	Shipments	106,997	92,080	365,905	360,825
Newsprint	Production	32,181	30,992	119,621	123,454
	Shipments	33,039	30,694	115,894	122,337

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West Fraser shares trade on the Toronto Stock Exchange under the following symbol: WFT

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