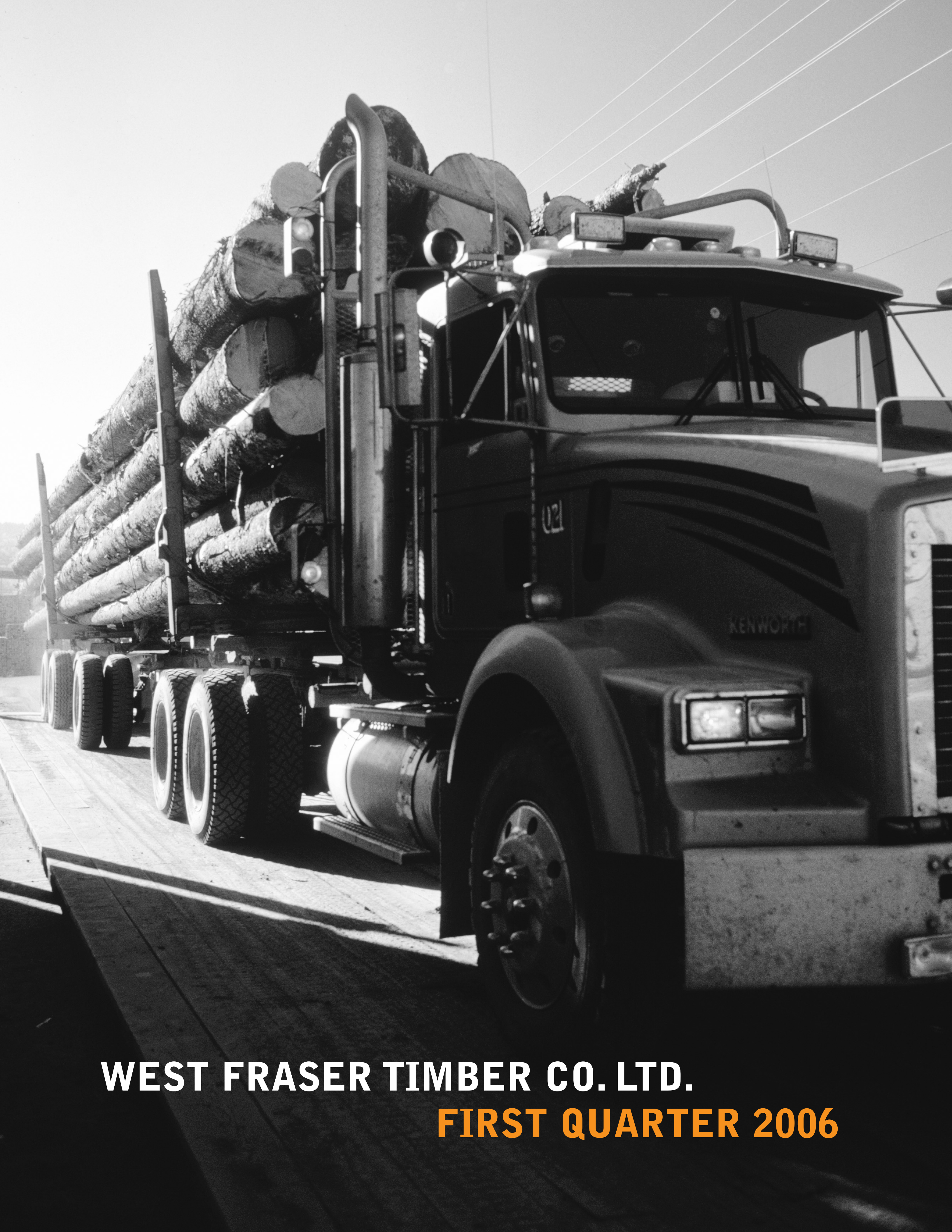

WEST FRASER TIMBER CO. LTD.

FIRST QUARTER 2006

REPORT TO SHAREHOLDERS

For the first quarter of 2006, West Fraser reported earnings of $6 million or $0.14 per share on sales of $902 million compared to earnings of $9 million or $0.20 per share on sales of $832 million in the fourth quarter of 2005 and $43 million or $0.99 per share on sales of $902 million in the first quarter of last year.

EBITDA[1] was $115 million or 13% of sales for the quarter compared to EBITDA of $95 million or 11% of sales in the fourth quarter of 2005 and $142 million or 16% of sales for the comparable period last year.

First quarter 2006 earnings reflect the following after-tax items:

- An expense of $25 million or $0.58 per share related to a restructuring charge resulting from the announced closure of the number one pulp machine and the wood room at Hinton Pulp in Hinton, Alberta;
- An expense of $1 million or $0.02 per share related to share option compensation; and
- An expense of $2 million or $0.04 per share related to the translation of U.S. dollar denominated debt.

First quarter 2005 earnings reflect the following after-tax items:

- An expense of $5 million or $0.12 per share related to share option compensation; and
- An expense of $3 million or $0.07 per share related to the translation of U.S. dollar denominated debt.

OPERATIONAL RESULTS

Lumber EBITDA for the quarter was $91 million or 17% of sales compared to $66 million or 14% of sales in the fourth quarter of 2005. Increased EBITDA resulted primarily from higher lumber prices during the quarter. Benchmark SPF 2X4 lumber prices averaged US $343 per Mfbm for the quarter compared to US $327 per Mfbm in the fourth quarter of 2005. Unseasonable mild weather contributed to sustained product demand and stronger pricing during the quarter.

Softwood lumber duties continued to affect the Company's financial results. West Fraser expensed $22 million in lumber duty payments in the first quarter compared to $29 million in the fourth quarter of 2005[2]. The reduction primarily reflects revised countervailing and antidumping duty rates which became effective in December 2005. The strengthening Canadian dollar was also a factor, averaging US $0.87 in the first quarter compared to US $0.85 in the fourth quarter of 2005.

All sawmills operated at or near capacity during the quarter. The Quesnel, B.C. sawmill rebuild remains on schedule with production to commence in the second half of this year.

While lumber shipments increased by 9% over the previous quarter, rail car availability continued to be a significant issue. West Fraser is exploring alternate methods of transportation to partially offset the continued shortage of rail cars.

Panel operations generated EBITDA for the quarter of $16 million or 13% of sales compared to $13 million or 10% of sales in the fourth quarter of 2005. Improved results were due to increased production at the Company's plywood operations and LVL facility.

The pulp and paper operations produced largely at expected levels generating EBITDA of $13 million or 5% of sales compared to EBITDA of $10 million or 4% of sales in the fourth quarter of 2005. Pulp results were adversely affected by a $38 million (after-tax $25 million) restructuring charge related to the announced closure of the number one pulp machine and the wood room at Hinton Pulp. These operational changes, which will be effective in the fourth quarter, combined with improvements to the remaining pulp machine in 2007, are expected to improve the efficiency of the Hinton mill. Upon completion of operational improvements and with the planned closure of the number one pulp machine, annual production of NBSK pulp will be reduced by 70,000 tonnes to approximately 350,000 tonnes.

West Fraser's two NBSK pulp mills and the Kitimat linerboard and kraft paper mill will take regularly scheduled annual maintenance shutdowns in the second quarter of 2006. These outages are expected to reduce overall production by approximately 45,000 tonnes.

STUMPAGE CHANGES

On April 1, 2006, the province of British Columbia changed the way logs are graded at the scale as well as the stumpage calculation to reflect the value of logs affected by the mountain pine beetle. While designed to be revenue neutral to the province, these changes will affect the distribution of stumpage across the B.C. Interior. Generally, timber stands that are heavily damaged by mountain pine beetle will pay higher stumpage with a corresponding reduction in less severely damaged or unaffected stands.

The province of B.C. also announced on April 6, 2006 that it will introduce a new market- based timber pricing system for the B.C. Interior effective September 1, 2006. Under this new system, stumpage will be based on timber sales data derived from publicly-auctioned timber rather than from the Statistics Canada lumber and chip price indices.

West Fraser has not yet determined the financial impact of these stumpage changes.

LUMBER TRADE DISPUTE

On March 17, 2006, a North American Free Trade Agreement (NAFTA) panel issued its final ruling confirming that Canadian softwood lumber is not subsidized and that U.S. countervailing duties (CVD) on softwood lumber should never have been levied. The NAFTA panel's decision affirmed the de minimis subsidy finding issued by the Department of Commerce in November 2005, which should have led to a revocation of the CVD order. While NAFTA has continuously confirmed that there is no merit to U.S. allegations both with regard to injury and subsidy, the U.S. has refused to revoke the orders or refund deposits.

On April 7, 2006, the U.S. Court of International Trade ruled that the Byrd Amendment, which stipulated that duties paid by foreign producers should be distributed to domestic companies that filed the trade complaints, does not apply to Canada.

Industry continues to pursue resolution of this costly issue both through litigation and negotiation. West Fraser believes that given the series of legal decisions that have decisively favoured the Canadian position, a revocation of the orders and refund of deposits should occur.

On behalf of the Board of Directors,

Henry H. Ketcham
Chairman of the Board,
President & Chief Executive Officer
April 21, 2006

[1] Throughout this Report To Shareholders, reference is made to EBITDA (defined as operating earnings plus amortization of property, plant, equipment and timber, plus the pulp restructuring charge), which the Company considers to be a key performance indicator. EBITDA is not a generally accepted earnings measure and should not be considered as an alternative to earnings or cash flows as determined in accordance with Canadian generally accepted accounting principles. As there is no standardized method of calculating EBITDA, the Company's use of the term may not be directly comparable with similarly titled measures used by other companies.

[2] As at March 31, 2006, the total amount on deposit related to duties is US $390 million, excluding amounts deposited by Weldwood prior to its acquisition by West Fraser, refunds of which are for the account of the previous owner.

MANAGEMENT'S DISCUSSION & ANALYSIS

The following discussion and analysis should be read in conjunction with the unaudited consolidated interim financial statements included in this quarterly report and the Management's Discussion & Analysis included in the Company's 2005 Annual Report. Additional information relating to the Company, including the Company's Annual Information Form is available on SEDAR at www.sedar.com

The information contained in this report includes forward-looking statements the accuracy of which depends on a number of assumptions and is subject to risks and uncertainties. These include, but are not limited to, uncertainties associated with the effect of general economic conditions on demand for the Company's products, foreign exchange rate fluctuations, trade sanctions, the availability of fibre and changes in stumpage fees, competition, operational curtailments and transportation limitations, natural disasters, insect infestation, the effects of forestry, land use, environmental and other government regulations, First Nations claims, and the ability of the Company to execute its business plans. Accordingly, actual results, performance and achievements of the Company may differ materially from those projected.

Throughout this report, reference is made to EBITDA (defined as operating earnings plus amortization of property, plant, equipment and timber, plus the pulp restructuring charge), which West Fraser considers to be a key performance indicator. EBITDA is not a generally accepted earnings measure and should not be considered as an alternative to earnings or cash flows as determined in accordance with Canadian generally accepted accounting principles. As there is no standardized method of calculating EBITDA, the Company's use of the term may not be directly comparable with similarly titled measures used by other companies.

The information in this report is as at April 21, 2006.

REVENUE AND EARNINGS COMPARISON

	January 1 to March 31	
	2006	2005
FINANCIAL HIGHLIGHTS (millions of $, except as noted)		
Sales	**902**	902
Operating Earnings	**15**	79
Amortization	**62**	63
Restructuring Charge – Pulp	**38**	–
EBITDA	**115**	142
EBITDA Margin (%)	**13**	16
Earnings	**6**	43
Diluted Earnings per Share ($)	**0.14**	0.99
$CDN / $US – average	**1.155**	1.226
OPERATING HIGHLIGHTS		
Lumber (Mfbm)		
Production	**1,135,555**	1,058,830
Shipments	**1,097,861**	927,334
Panels		
MDF (Msf – 3/4")		
Production	**71,079**	71,664
Shipments	**77,910**	71,662
Plywood (Msf – 3/8")		
Production	**183,755**	178,232
Shipments	**175,473**	153,544
LVL (cf)		
Production	**781,247**	813,989
Shipments	**750,517**	821,152
Pulp & Paper (tonnes)		
Linerboard & Kraft Paper		
Production	**120,490**	119,213
Shipments	**124,208**	102,613
NBSK		
Production	**141,278**	150,863
Shipments	**144,730**	147,613
BCTMP		
Production	**140,395**	129,797
Shipments	**162,504**	147,737
Newsprint		
Production	**32,314**	33,227
Shipments	**31,866**	32,688

SELECTED QUARTERLY INFORMATION ($ millions, except Earnings Per Share (EPS) amounts which are in $)

	Q1-06	Q4-05	Q3-05	Q2-05	Q1-05	Q4-04	Q3-04	Q2-04
Sales	**902**	832	890	953	902	552	700	607
Earnings	**6**	9	18	38	43	41	78	67
Basic EPS	**0.14**	0.20	0.42	0.89	1.00	1.10	2.12	1.82
Diluted EPS	**0.14**	0.20	0.42	0.88	0.99	0.94	1.95	1.79

The decline in EBITDA from the first quarter of 2005 is due primarily to the stronger Canadian dollar, lower prices for lumber, plywood and pulp, and increased energy and freight costs, offset partially by reduced duty payments. EBITDA for the first quarter of 2005 was reduced by approximately $17 million due to the increase in cost of sales resulting from the valuation of acquired finished goods inventory at fair value. This was a one-time adjustment resulting from the Weldwood acquisition.

A restructuring charge of $38 million recorded in the quarter relates to the closure of the number one pulp machine and wood room at the Hinton Pulp mill and includes the write down of a portion of Hinton Pulp's property, plant, equipment and timber and other restructuring costs.

Share option expense was $1 million in the first quarter of 2006 compared to $8 million in the first quarter of 2005 due to the movement of the Company's share price relative to the previous period. Interest expense decreased by $2 million compared to the first quarter of 2005 due primarily to interest earned on cash held on deposit.

The fluctuation of the Canadian dollar versus the U.S. dollar resulted in an exchange loss on U.S. denominated long-term debt of $2 million in the first quarter of 2006 compared to $3 million in the first quarter of 2005.

Other income of $6 million was comprised primarily of foreign exchange translation gains on receivables and U.S. operations and gains on the sale of property, plant and equipment.

The Alberta government recently announced a 1.5% reduction in its corporate income tax rate which will result in an income tax recovery of approximately $9 million in the second quarter of 2006.

LUMBER

	January 1 to March 31	
	2006	2005
Sales – $ millions	**505**	498
EBITDA – $ millions	**91**	103
EBITDA margin – %	**17**	20
Operating Earnings – $ millions	**64**	74
Benchmark Price		
SPF #2 & Better 2 x 4 (US$ per Mfbm)[1]	**343**	398
SYP #2 West 2 x 4 (US$ per Mfbm)[2]	**409**	394

[1] Source: Random Lengths – 2x4, #2 & Better – Net FOB mill.
[2] Source: Random Lengths – 2x4 – Net FOB mill westside.

Lumber production was higher than the first quarter of 2005 due to third shifts being added at two sawmills and improved lumber recovery at a number of operations. Rail car availability in Western Canada continued to be a significant issue contributing to increased lumber inventories.

Lumber EBITDA for the quarter was $91 million or 17% of sales compared to $103 million or 20% of sales in the first quarter of 2005. The decline in EBITDA compared to the same period of last year was due primarily to lower lumber prices which were partially offset by the impact of higher production and shipment volumes, and reduced duty rates. Results were also affected by lower chip prices and a stronger Canadian dollar, which averaged US $0.87 in the first quarter of 2006 compared to US $0.82 in the first quarter of 2005.

The U.S. softwood lumber duties continued to affect the Company's financial results. In the first quarter of 2006, West Fraser expensed lumber duty deposits of $22 million compared to $40 million in the first quarter of 2005. Reduced duties reflect lower duty rates and lumber prices. The following table presents duties expensed in the periods indicated.

EXPORT DUTIES ($ millions)	Q1	Q2	Q3	Q4	Total
2006	**22**	**–**	**–**	**–**	**22**
2005	40	43	39	29	151
2004	31	42	52	31	156
2003	23	26	31	32	112
2002[1]	2	(13)	29	24	42

[1] After 2001 reversals.

The Company expects to conclude the sale of its interests in the Burns Lake and Decker Lake sawmills in 2006. The mills represent approximately 320 MMfbm of annual lumber capacity and timber harvesting rights representing 450,000 m^3 of AAC. These divestitures are required in accordance with an agreement made by West Fraser with the Competition Commissioner upon acquiring Weldwood.

Many analysts predict that 2006 U.S. housing starts will moderate from the record 2005 level which may lead to reduced lumber and other building product prices. The continuing softwood lumber dispute may also cause uncertainty and price volatility in 2006.

PANELS

	January 1 to March 31	
	2006	2005
Sales – $ millions	**124**	130
EBITDA – $ millions	**16**	22
EBITDA margin – %	**13**	16
Operating Earnings – $ millions	**7**	12
Benchmark Price		
MDF (US$ per MSF 3/4″ basis)[1]	**414**	417
Plywood (Cdn$ per MSF 3/8″ basis)[2]	**375**	439

[1] Source: Resource Information Systems, Inc. – MDF Western U.S. – Net FOB mill.
[2] Source: Crow's Market Report – Delivered Toronto.

EBITDA in the panels division was $16 million or 13% of sales compared to $22 million or 16% of sales in the first quarter of 2005. The EBITDA decline was due primarily to lower Canadian dollar prices for plywood and MDF. Demand for the panel products remained strong in the first quarter of 2006 and is expected to remain strong in the second quarter.

PULP & PAPER

	January 1 to March 31	
	2006	2005
Sales – $ millions	**273**	275
EBITDA – $ millions	**13**	30
EBITDA margin – %	**5**	11
Operating Earnings – $ millions	**(48)**	6
Benchmark Price		
NBSK (US$ per tonne)[1]	**653**	670
Linerboard (US$ per tonne)[2]	**513**	495
Newsprint (US$ per tonne)[3]	**644**	571

[1] Source: Pulp & Paper Week – U.S. list price.
[2] Source: Pulp & Paper Week – Unbleached linerboard kraft, East.
[3] Source: Resource Information Systems, Inc. – U.S. delivered 48.8 gram newsprint.

EBITDA in the pulp and paper segment was $13 million or 5% of sales compared to $30 million or 11% of sales in the first quarter of 2005. Operating earnings declined by $54 million from the first quarter in 2005 largely due to a $38 million restructuring charge which was recorded in the quarter as a result of the decision to close the number one pulp line and wood room at Hinton Pulp. Earnings were also impacted by higher energy costs and the 6% higher value of the Canadian dollar compared to the same period of 2005.

Annual maintenance shutdowns are scheduled at the Hinton and Cariboo pulp mills and at the Kitimat linerboard and kraft paper mill in the second quarter of 2006. The annual shutdowns are expected to reduce normal operating production by approximately 45,000 tonnes.

The BCTMP mills ran well in the quarter. NBSK production was lower in the first quarter of 2006 compared to the same period of last year due to operational issues at Hinton Pulp. First quarter 2006 earnings were negatively affected by lower product prices, the stronger Canadian dollar and higher energy costs. Fibre costs in British Columbia were lower than in the comparable quarter of 2005 as residual wood chips were priced based on the lower NBSK prices in the quarter. Fibre costs in Alberta were higher in the quarter largely due to higher transportation costs.

In March, the Company announced the permanent closure of Hinton Pulp's number one pulp machine and wood room. In addition, a $20 million upgrade to the remaining pulp machine was announced. The closure of the number one pulp machine and wood room will occur in the fourth quarter of 2006 and the upgrade of the remaining pulp machine is expected to be completed in 2007. After completion of the upgrade and with the planned closure of the number one pulp machine, the annual capacity of the mill will be reduced approximately 70,000 tonnes to 350,000 tonnes. As a result of the announced closure, the Company recorded a write down of $35 million of property, plant, equipment and timber and a charge of $3 million for other restructuring costs.

Pulp prices increased in the quarter and are expected to increase further through the middle of the year. During the second half of the year new capacity from southern hemisphere producers is expected to increase supply and may put downward pressure on prices unless offset by increased demand.

The Kitimat linerboard and kraft paper mill set a quarterly production record at 120,490 tonnes. Although linerboard and kraft paper U.S. dollar prices increased from prices in the comparative quarter, the stronger Canadian dollar more than offset the increase.

Linerboard markets strengthened in the first quarter of 2006 compared to the fourth quarter of 2005 as a result of linerboard capacity reductions in North America. Linerboard and Kraft paper prices are expected to increase in the next quarter.

Despite the decline in newsprint consumption and demand, prices continue to increase as a result of production capacity reductions resulting from mill closures.

CAPITAL STRUCTURE

The Company issued 3,422 Common shares pursuant to the Employee Share Purchase Plan during the three months ended March 31, 2006. The shares issued and outstanding at March 31, 2006 are presented in the table below.

	March 31, 2006	December 31, 2005
Common	**37,875,208**	37,871,786
Class B common	**4,885,206**	4,885,206
Total Common	**42,760,414**	42,756,992

Common shares and Class B common shares are equal in all respects except that each Class B common share may be exchanged for one Common share.

CAPITAL REQUIREMENTS AND LIQUIDITY

SUMMARY OF FINANCIAL POSITION

	March 31, 2006	December 31, 2005
Net Cash[1]	**22**	18
Current Assets – $ millions	**1,130**	988
Current Liabilities – $ million	**713**	617
Ratio of current assets to current liabilities	**1.6**	1.6
Net Debt – $ millions	**847**	775
Shareholders Equity – $ millions	**1,866**	1,866
Net Debt to Capitalization (%)[2]	**31**	29

[1] Net cash consists of cash and short-term investments less cheques issued in excess of funds on deposit.

[2] Net debt (total debt less cash and short-term investments) divided by net debt plus shareholders' equity.

West Fraser's cash requirements, other than for operating purposes, are primarily for interest, repayment of debt, additions to property, plant, equipment and timber, acquisitions and payment of common share dividends. In years without a major acquisition or significant debt repayment, cash on hand and cash provided by operations have normally been sufficient to meet these requirements.

Cash used in operating activities in the first quarter of 2006 was $15 million comprised of cash generated of $102 million before the change in non-cash working capital items and cash used of $117 million related to non-cash working capital items (first quarter 2005 cash generated of $113 million before the change in non-cash working capital items and cash used of $300 million related to non-cash working capital items). The increase in first quarter 2006 non-cash working capital items of $117 million was primarily due to the seasonal build up of log inventory and an increase in finished goods inventory.

Additions to property, plant, equipment and timber amounted to $55 million compared to $35 million in the first quarter 2005. First quarter proceeds from disposal of property, plant, equipment and timber of $3 million were primarily from the sale of rental properties. Common share dividends were $6 million in the first quarter of 2006 and 2005.

At March 31, 2006, the Company had unused committed credit facilities of approximately $290 million.

STUMPAGE

a) Interior Log Grades

On April 1, 2006, the province of British Columbia changed the way logs are graded at the scale and also the way stumpage is calculated for beetle infested trees. The changes are designed to be revenue neutral to the province but will change the distribution of stumpage across the Interior Region of B.C. Generally, timber stands that are heavily damaged by mountain pine beetle will pay higher stumpage with a corresponding reduction in less severely damaged or unaffected stands.

The Ministry of Forests has calculated an automatic adjustment of stumpage for every cutting permit in the B.C. Interior, effective April 1st. This adjustment is based on the historic level of dry logs in the vicinity of the cutting permit. Licensees will have the option to accept this automatic adjustment or to reassess the level of damage in the timber stand and follow new stumpage appraisal procedures to calculate a new stumpage rate. West Fraser has sufficient log inventory at its B.C. sawmills to cover mill consumption until the third quarter of 2006. The impact of these new stumpage rates is expected to be an increase of two to three dollars a cubic metre on quota wood for West Fraser.

b) B.C. Interior Market Based Pricing System

On April 6, 2006, the B.C. government announced that the province will introduce a new timber pricing system for the B.C. Interior effective September 1, 2006. Under this new system, stumpage will be based on timber sales data derived from publicly auctioned timber rather than the Statistics Canada lumber and chip price indices. The impact of this proposed change cannot be determined at this time.

SOFTWOOD LUMBER DISPUTE UPDATE

On March 17, 2006, a North American Free Trade Agreement (NAFTA) panel issued its final ruling confirming that Canadian softwood lumber is not subsidized and that U.S. countervailing duties (CVD) on softwood lumber should never have been levied. The NAFTA panel's decision affirmed the de minimis subsidy finding issued by the Department of Commerce in November 2005, which should have led to a revocation of the CVD order. While NAFTA has continuously confirmed that there is no merit to U.S. allegations both with regard to injury and subsidy, the U.S. has refused to revoke the orders or refund deposits.

On April 7, 2006, the U.S. Court of International Trade ruled that the Byrd Amendment, which stipulated that duties paid by foreign producers should be distributed to domestic companies that filed the trade complaints, does not apply to Canada.

West Fraser believes that recording a reversal of previously expensed duty deposits is not appropriate due to the uncertainty related to the timing and amount of potential refunds. Refunds will be reflected in the Company's earnings when receipt is reasonably certain.

CONSOLIDATED BALANCE SHEETS

(in millions of Canadian dollars – unaudited)

		As at March 31, 2006		As at December 31, 2005
ASSETS				
Current assets				
Cash and short-term investments	**$**	**59.9**	$	62.2
Accounts receivable		**298.6**		308.5
Inventories		**691.6**		572.0
Prepaid expenses		**21.3**		14.1
Income tax receivable		**10.1**		–
Current assets held for sale (note 2)		**48.0**		30.7
		1,129.5		987.5
Property, plant, equipment & timber		**2,186.4**		2,230.1
Deferred charges		**31.6**		27.1
Goodwill		**263.7**		263.7
Other assets		**59.8**		61.6
Long-term assets held for sale (note 2)		**63.3**		63.7
	$	**3,734.3**	$	3,633.7
LIABILITIES & SHAREHOLDERS' EQUITY				
Current liabilities				
Cheques issued in excess of funds on deposit	**$**	**37.7**	$	43.9
Operating loans		**240.0**		165.1
Accounts payable and accrued liabilities		**364.3**		333.1
Income tax payable		**–**		4.6
Current portion of reforestation obligation		**52.3**		52.3
Current portion of long-term debt		**4.2**		4.5
Current liabilities held for sale (note 2)		**14.6**		13.6
		713.1		617.1
Long-term debt		**625.4**		623.9
Other liabilities (note 4)		**151.5**		133.0
Future income taxes		**354.1**		377.6
Long-term liabilities held for sale (note 2)		**24.0**		16.2
		1,868.1		1,767.8
Shareholders' equity (note 5)		**1,866.2**		1,865.9
	$	**3,734.3**	$	3,633.7

Number of Common shares outstanding at April 20, 2006 was 42,761,395.

CONSOLIDATED STATEMENTS OF EARNINGS AND RETAINED EARNINGS

(in millions of Canadian dollars – unaudited)

	January 1 to March 31	
	2006	2005
Sales	**$ 902.0**	$ 902.4
Costs and expenses		
Cost of products sold	**589.7**	555.0
Freight and other distribution costs	**145.4**	126.9
Countervailing and antidumping duties	**22.4**	40.8
Amortization	**61.8**	62.7
Selling, general and administration	**28.6**	30.0
Share option expense	**0.9**	7.6
Restructuring charge – pulp (note 6)	**37.6**	–
	886.4	823.0
Operating earnings	**15.6**	79.4
Other		
Interest expense – net	**(10.0)**	(12.4)
Exchange loss on long-term debt	**(1.5)**	(3.2)
Other income	**6.2**	3.5
Earnings before income taxes and non-controlling interest	**10.3**	67.3
Income tax expense	**(3.8)**	(23.9)
Earnings before non-controlling interest	**6.5**	43.4
Non-controlling interest	**(0.4)**	(0.5)
Earnings	$ **6.1**	$ 42.9
Earnings per share (note 8)		
Basic	$ **0.14**	$ 1.00
Diluted	$ **0.14**	$ 0.99

RETAINED EARNINGS

Balance – beginning of period	$ **1,268.8**	$ 1,185.1
Earnings	**6.1**	42.9
	1,274.9	1,228.0
Common share dividends	**(6.0)**	(6.0)
Balance – end of period	**$ 1,268.9**	$ 1,222.0

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions of Canadian dollars – unaudited)

		January 1 to March 31		
		2006		2005
CASH FLOWS FROM OPERATING ACTIVITIES				
Earnings	**$**	**6.1**	$	42.9
Items not affecting cash				
Amortization		**61.8**		62.7
Write down of pulp assets related to restructuring (note 6)		**34.8**		–
Exchange loss on long-term debt		**1.5**		3.2
Change in reforestation obligation		**12.4**		12.3
Change in other long-term liabilities		**6.5**		0.9
Change in deferred charges		**(4.5)**		2.3
Future income taxes		**(15.4)**		(12.1)
Gain on asset sales		**(0.9)**		(0.6)
Other		**(0.2)**		1.2
		102.1		112.8
Net change in non-cash working capital items		**(116.8)**		(299.7)
		(14.7)		(186.9)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of long-term debt		**(0.3)**		–
Net proceeds from (repayment of) bank operating loans		**74.9**		(66.0)
Common share dividends		**(6.0)**		(6.0)
Issuance of Common shares		**0.1**		0.1
		68.7		(71.9)
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to property, plant, equipment & timber		**(54.7)**		(35.2)
Proceeds from disposal of property, plant, equipment & timber		**3.2**		1.8
Decrease (increase) in other assets		**1.4**		(4.4)
		(50.1)		(37.8)
Increase (decrease) in net cash *		**3.9**		(296.6)
Net cash - beginning of period		**18.3**		349.6
Net cash - end of period	**$**	**22.2**	$	53.0

*Net cash consists of cash, short term investments and cheques issued in excess of funds on deposit.

Supplemental information:				
Interest paid	**$**	**2.7**	$	7.3
Income taxes paid	**$**	**35.5**	$	170.6

FIRST QUARTER SEGMENTED INFORMATION

(in millions of Canadian dollars – unaudited)

	Lumber	Panels	Pulp & paper	Corporate & other	Consolidated
January 1, 2006 to March 31, 2006					
Sales					
To external customers	**$ 505.2**	**$ 123.8**	**$ 273.0**	**$ –**	**$ 902.0**
To other segments	**21.0**	**2.6**	**–**	**–**	
	$ 526.2	**$ 126.4**	**$ 273.0**	**$ –**	
EBITDA [1]	**$ 91.4**	**$ 16.4**	**$ 12.5**	**$ (5.3)**	**$ 115.0**
Amortization	**27.9**	**9.8**	**23.2**	**0.9**	**61.8**
Restructuring charge – pulp	**–**	**–**	**37.6**	**–**	**37.6**
Operating earnings (loss)	**63.5**	**6.6**	**(48.3)**	**(6.2)**	**15.6**
Interest expense – net	**(5.2)**	**(1.8)**	**(2.9)**	**(0.1)**	**(10.0)**
Exchange loss on long-term debt	**–**	**–**	**–**	**(1.5)**	**(1.5)**
Other income	**2.0**	**0.2**	**1.3**	**2.7**	**6.2**
Earnings (loss) before income taxes and non-controlling interest	**$ 60.3**	**$ 5.0**	**$ (49.9)**	**$ (5.1)**	**$ 10.3**

	Lumber	Panels	Pulp & paper	Corporate & other	Consolidated
January 1, 2005 to March 31, 2005					
Sales					
To external customers	$ 497.7	$ 130.0	$ 274.7	$ –	$ 902.4
To other segments	19.2	1.0	–	–	
	$ 516.9	$ 131.0	$ 274.7	$ –	
EBITDA [1]	$ 102.7	$ 21.5	$ 29.5	$ (11.6)	$ 142.1
Amortization	28.8	9.3	23.8	0.8	62.7
Operating earnings (loss)	73.9	12.2	5.7	(12.4)	79.4
Interest (expense) income – net	(6.8)	(3.2)	(3.7)	1.3	(12.4)
Exchange loss on long-term debt	–	–	–	(3.2)	(3.2)
Other income	1.7	0.7	0.5	0.6	3.5
Earnings (loss) before income taxes and non-controlling interest	$ 68.8	$ 9.7	$ 2.5	$ (13.7)	$ 67.3

[1] **Non GAAP measure:**
EBITDA is defined as operating earnings plus amortization of property, plant, equipment and timber, plus the pulp restructuring charge.

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(figures are in millions of dollars except where indicated - unaudited)

1. BASIS OF PRESENTATION

These interim consolidated financial statements should be read in conjunction with the consolidated financial statements and notes included in the Company's annual report for the year ended December 31, 2005.

These interim consolidated financial statements follow the same accounting policies and methods of their application as the December 31, 2005 consolidated annual financial statements.

2. ASSETS HELD FOR SALE

The Company has commenced activities to sell its approximate 90% interest in two sawmills and their related timber harvesting rights. The non-controlling interest that relates to these operations is included in long-term liabilities held for sale.

In addition, the Company is selling a harvesting and road maintenance business and related equipment located in Alberta.

The sales of these operations are expected to occur in 2006. The results of operations from these assets held for sale are included in the consolidated statement of earnings. Effective January 1, 2006, amortization was discontinued on the assets held for sale.

3. BANK INDEBTEDNESS

The Company has approximately $530.0 million revolving lines of credit available, $ 240.0 million of which was drawn as at March 31, 2006. The Company has also issued $14.6 million under various letters of credit. All lines of credit are unsecured except for a $5.0 million joint-venture line of credit, and bear interest at floating rates based on prime, US base, bankers acceptances or LIBOR at the Company's option.

4. OTHER LIABILITIES

	March 31, 2006	December 31, 2005
Post-retirement obligations	**$ 50.8**	$ 44.2
Timber damage deposits	**11.2**	10.9
Reforestation obligation - long term	**80.0**	68.2
Other asset retirement obligations	**9.5**	9.7
	$ 151.5	$ 133.0

5. SHAREHOLDERS' EQUITY

	March 31, 2006		December 31, 2005	
	Number of Shares Issued	**Amount**	Number of Shares Issued	Amount
Common	**37,875,208**	**$ 597.1**	37,871,786	$ 597.0
Class B common	**4,885,206**	**0.5**	4,885,206	0.5
Total Common	**42,760,414**	**597.6**	42,756,992	597.5
Retained Earnings		**1,268.9**		1,268.8
Share Purchase Loans		**(0.3)**		(0.4)
Shareholders' Equity		**$ 1,866.2**		$ 1,865.9

Common Shares

For the three months ended March 31, 2006, the Company issued 3,422 Common shares for cash of $0.1 million (for the three months ended March 31, 2005 the Company issued 1,955 common shares for cash of $0.1 million).

6. RESTRUCTURING CHARGE – PULP

During the quarter, the Company expensed $37.6 million related to the closure of the number one pulp machine and wood room at the pulp mill in Hinton, Alberta. Of this amount, $34.8 million was for the write down of property, plant, equipment and timber with the balance for other restructuring costs.

7. EMPLOYEE FUTURE BENEFITS

The total benefit cost of the Company's defined benefit pension plans was $5.7 million for the quarter.

8. EARNINGS PER SHARE

Basic earnings per share is 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 exercise of share options using the treasury stock method.

	January 1 to March 31	
	2006	2005
Earnings	**$ 6.1**	$ 42.9
Weighted average number of shares (thousands)		
Weighted average shares – basic	**42,740**	42,721
Share options – treasury stock method	**375**	611
Weighted average shares – diluted	**43,115**	43,332
Earnings per share (dollars)		
Basic	**$ 0.14**	$ 1.00
Diluted	**$ 0.14**	$ 0.99

9. CONTINGENCIES

a) Countervailing and Antidumping Duties

In 2002, the U.S. Department of Commerce ("USDOC") issued its final determination in the countervailing and antidumping investigations, which resulted in a countervailing duty ("CVD") rate of 18.79% and an antidumping duty ("ADD") rate specific to the Company of 2.18%, both to be posted by cash deposits effective from May 22, 2002.

On April 21, 2004, the USDOC issued a response to an earlier North American Free Trade Agreement ("NAFTA") ruling regarding specific challenges made to the ADD rate calculation. The USDOC concluded that West Fraser's ADD rate would be reduced from 2.18% to 1.79% representing de minimis level, with the result that West Fraser would be exempted from the ADD order. In response to a July 11, 2005 USDOC remand determination which did not revoke the antidumping order against the Company, on July 21, 2005, a NAFTA panel affirmed its prior instruction that the anti-dumping order against West Fraser must be revoked.

On September 10, 2004, the U.S. International Trade Commission ("ITC") issued, in response to a NAFTA remand decision, a determination finding that the U.S. lumber industry was not threatened with material injury by reason of lumber imports from Canada. On November 24, 2004, the U.S. government launched an Extraordinary Challenge of the legality of the decision of the NAFTA panel. On August 10, 2005, a NAFTA Extraordinary Challenge Committee unanimously upheld a NAFTA panel ruling that evidence relied upon by the U.S. did not support its finding that Canadian imports threatened to injure the U.S. industry and further confirmed the panel's specific instruction that the U.S. find no threat of injury. This ruling was expected to result in the U.S. withdrawal of the CVD and ADD cases, and the refund of cash deposits with interest. The U.S. has so far refused to comply with the ruling.

Effective December 20, 2004 the Company's CVD and ADD deposit rates were reduced to 17.18% and 0.92%, respectively, as a result of the final determination in the first Administrative Review. These deposits were further reduced due to a ministerial error and recalculated to 16.37% for CVD on February 24, 2005 and to 0.91% for ADD on January 17, 2005.

Effective December 12, 2005, the Company's CVD and ADD deposit rates were reduced to 8.70% and 0.51% respectively, as a result of the final determination in the second Administrative Review.

The Company has recorded an expense for CVD and ADD equal to the amount paid as cash deposits throughout applicable periods. A refund of deposits will be recorded as income when receipt is reasonably certain. As at March 31, 2006, the total amount on deposit from May 22, 2002 related to CVD and ADD was US$352.2 million and US$37.6 million respectively. This amount does not include the amounts on deposit from Weldwood prior to the acquisition by the Company on December 31, 2004, as the previous owner is entitled to any refunds on these amounts.

The Company and other Canadian forest products companies, the Canadian federal and provincial governments (collectively the "Canadian Interests") categorically deny the U.S. allegations and strongly disagree with the final countervailing and dumping determinations made by the ITC and the USDOC. The Canadian Interests continue to aggressively defend the Canadian industry in this trade dispute. The final amount of CVD and ADD duties that may be assessed on Canadian softwood lumber exports to the U.S. cannot be determined at this time.

b) The Forestry Revitalization Plan ("FRP")

In 2003, the Government of B.C. ("Crown") enacted the FRP that provides for significant changes to Crown forest policy and to the existing allocation of Crown timber tenures to licensees. Licensees, including the Company, will be required to return 20% of their replaceable tenures and related assets such as roads and bridges. The effect of the timber take-back is a reduction of approximately 1,266,000 cubic meters of the Company's existing allowable annual cut on replaceable tenures. Affected licensees are eligible for compensation for both timber rights and certain other asset values. Allocation of the reduction to specific licenses has been completed but compensation has yet to be determined. The effect of the FRP on the Company's financial position and results of operations cannot be determined and will be recorded when the amounts can reasonably be determined.

West Fraser Timber Co. Ltd.
Tel: 604.895.2700
Fax: 604.681.6061
www.westfraser.com
shareholder@westfraser.com

PRINTED IN CANADA

West Fraser is an integrated forest products company producing lumber, LVL, MDF, plywood, pulp, linerboard, kraft paper and newsprint. The Company has 6,900 employees and operations in British Columbia, Alberta and the southern United States.