



West Fraser Timber Co. Ltd

1000-1100 Melville Street
Vancouver, B.C.
Canada V6E 4A6
Telephone: (604) 895-2700
Fax: (604) 681-6061

NEWS RELEASE

**WEST FRASER TIMBER CO. LTD.
("WFT")
2002 1st Quarter Results**

Tuesday, April 23, 2002

Attention: Business & Financial Editors

West Fraser posts earnings of \$26.6 million for the quarter

West Fraser today announced first quarter earnings of \$26.6 million, \$0.78 per share, with improved results in its lumber and panel divisions offset by weaker earnings in its pulp and paper operations. Sales for the first quarter were \$381 million, compared to 2001 first quarter sales of \$375 million. EBITDA⁽¹⁾ was \$86 million for the first quarter of 2002, compared to \$72 million for the first quarter of 2001. The EBITDA margin for the quarter was 23%, compared to 19% for the same period last year.

First quarter earnings for 2001 have been restated as a result of a change in the accounting for foreign exchange gains and losses on long-term debt. The change, recommended by the Canadian Institute of Chartered Accountants, took effect January 1, 2002. As a result, first quarter earnings for 2001 were restated from a profit of \$16.2 million, \$0.45 per share, to a loss of \$4.5 million, \$0.17 per share, and retained earnings as of January 1, 2002 were reduced by \$33 million.

Hank Ketcham, Chairman, President and Chief Executive Officer, said that trade uncertainties and questions about the sustainability of the U.S. led economic recovery "make it difficult to predict the direction of building product prices."

Trade dispute

On March 21, 2002 the United States Department of Commerce released its final determinations on its antidumping duty (ADD) and countervailing duty (CVD) investigations. The combined duty rate for West Fraser of 21.6% consists of a company specific rate of 2.26% for ADD and an industry rate of 19.34% for CVD.

The net effect of the ADD on the first quarter results was \$1.7 million before tax. This was comprised of \$3.7 million in ADD for the quarter at 2.26% that was partly offset by a reversal of the ADD accrual for the period to December 31, 2001 to reflect a reduction from the preliminary rate of 5.94%.

Operational results

Lumber EBITDA for the quarter was \$54 million compared to \$29 million during the same quarter last year. The EBITDA margin was 25%, compared to 15% for the first quarter of 2001. The average benchmark western SPF 2x4 price increased to U.S. \$267 in the first quarter compared to U.S. \$194 for the first quarter of 2001. Shipments for the quarter declined by 21 MMfbm due to market uncertainty and a shortage of rail cars.

(1) EBITDA is defined as operating earnings plus depreciation and amortization

The construction of the Chasm sawmill was completed and the mill began producing lumber in early March, achieving 75% of its design capacity by the end of the month.

The panel division generated EBITDA of \$17 million compared to \$11 million for the first quarter a year ago. This represented a margin of 30% this year compared to 22% a year ago.

Pulp and paper results reflected significantly lower pulp and newsprint prices, unsatisfactory operating results at the Kitimat papermill and higher energy costs in the Alberta pulp and newsprint mills that last year benefited from the sale of electricity at record high prices. Pulp and paper generated EBITDA of \$16 million in the quarter compared to \$33 million for the same quarter last year. EBITDA margins declined to 15% from 26% in the first quarter last year.

Board elections

At the company's annual general meeting William H. Ketcham was elected as a director. He replaces Janet Ketcham who, after serving as a director for nearly 25 years, retired from the Board. All other incumbent directors were re-elected.

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 March 31, 2002	As at December 31, 2001 (Restated – Note 2)
ASSETS		
Cash and short-term Investments	\$ 216.9	\$ 270.1
Accounts receivable	161.6	169.6
Inventories	403.7	305.6
Prepaid expenses	14.4	7.8
Discontinued operations – current assets	1.6	5.9
	798.2	759.0
Other assets	90.7	86.5
Capital assets	1,277.0	1,290.7
Deferred charges	16.5	16.3
Discontinued operations – long-term assets	145.0	167.0
	\$ 2,327.4	\$ 2,319.5
LIABILITIES		
Accounts payable and accrued liabilities	\$ 162.5	\$ 188.8
Current portion of reforestation obligation	28.1	28.1
Current portion of long-term debt	239.1	238.9
Discontinued operations – current liabilities	14.9	15.4
	444.6	471.2
Long-term debt	359.8	359.6
Reforestation obligation	73.1	64.1
Other liabilities	38.3	36.5
Future income taxes	213.1	213.2
Discontinued operations – long-term liabilities	4.9	4.5
SHAREHOLDERS' EQUITY		
Share capital	326.2	324.8
Retained earnings	867.4	845.6
	\$2,327.4	\$2,319.5

CONSOLIDATED STATEMENTS OF EARNINGS AND RETAINED EARNINGS

EARNINGS	(\$ millions)	
	January 1 to March 31	
	2002	2001 (Restated – Note 2)
Net Sales	\$ 381.4	\$ 375.1
Cost of products sold	277.2	286.9
Amortization of capital assets	34.9	32.6
Selling, general and administrative	18.2	16.3
Operating earnings	51.1	39.3
Interest expense	(9.7)	(10.9)
Exchange loss on long-term debt	(0.4)	(24.9)
Other income (expense)	(0.1)	5.1
Earnings from continuing operations before income taxes	40.9	8.6
Income taxes	14.3	11.4
Earnings from continuing operations	26.6	(2.8)
Earnings from discontinued operations (note 3)	-	(1.7)
Earnings	\$ 26.6	\$ (4.5)

Earnings per common share (in dollars) (note 4)

Basic from continuing operations	\$ 0.79	\$ (0.10)
Basic after discontinued operations	\$ 0.79	\$ (0.17)
Diluted from continuing operations	\$ 0.78	\$ (0.10)
Diluted after discontinued operations	\$ 0.78	\$ (0.17)

RETAINED EARNINGS

Balance – beginning of period	\$ 878.6	\$ 782.8
Change in accounting for foreign exchange (note2)	(33.0)	(21.4)
	845.6	761.4
Earnings	26.6	(4.5)
	872.2	756.9
Convertible obligation	-	(0.6)
Preferred share payment	(0.2)	-
Dividends	(4.6)	(4.3)
Balance – end of period	\$ 867.4	\$ 752.0

CONSOLIDATED STATEMENTS OF CASH FLOWS

	(\$ millions)	
	January 1 to March 31	
	2002	2001
		(Restated – Note 2)
Cash Flows From Operating Activities		
Earnings from continuing operations	\$ 26.6	\$ (2.8)
Amortization of capital assets	34.9	32.6
Exchange loss on long-term debt	0.4	24.9
Future income taxes	(0.1)	1.6
Other long-term liabilities	1.7	5.5
Reforestation obligation	9.0	10.2
Other	(0.1)	0.4
	72.4	72.4
Net change in non-cash working capital items	(123.0)	(109.0)
Total Operating Activities	(50.6)	(36.6)
Cash Flows from Financing Activities		
Proceeds from long-term debt	-	31.4
Dividends	(4.6)	(4.3)
Other	1.2	(0.2)
Total Financing Activities	(3.4)	26.9
Cash Flows from Investing Activities		
Capital asset additions	(21.8)	(9.5)
Proceeds from disposal of capital assets	0.5	0.5
Change in other assets	(4.1)	1.1
Total Investing Activities	(25.4)	(7.9)
Change in cash from continuing operations	(79.4)	(17.6)
Change in cash from discontinued operations	26.2	(5.3)
Net Cash – beginning of period	270.1	(95.6)
Net Cash – end of period	\$ 216.9	\$(118.5)
Interest Paid	\$ 14.8	\$15.4
Income Taxes Paid	\$ 46.2	\$ 21.3

QUARTERLY COMPARISONS – Continuing Operations

January 1 to December 31

	2002	2001 (Restated – Note 2)
Sales (in millions of dollars)		
First	\$ 381.4	\$ 375.1
Second	-	416.1
Third	-	407.4
Fourth	-	363.7
	-	\$1,562.3
Earnings (in millions of dollars)		
First	\$ 26.6	\$ (2.8)
Second	-	64.9
Third	-	30.8
Fourth	-	4.4
	-	\$ 97.3
Diluted Earnings Per Share (in dollars)		
First	\$ 0.78	\$ 0.10
Second	-	1.92
Third	-	0.91
Fourth	-	0.12
Annual	-	\$ 2.85

Number of common shares outstanding at March 31, 2002 was 33,443,420.

Notes To Interim Financial Statements

January 1 to March 31, 2002 and 2001

(figures are in millions of dollars except where indicated)

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, 2001.

These interim consolidated financial statements follow the same accounting policies and methods of their application as the December 31 consolidated annual financial statements except as disclosed in note 2.

2. CHANGE IN ACCOUNTING POLICY**Foreign Exchange**

Effective January 1, 2002, the company changed its method of accounting for foreign exchange gains and losses on long-term debt, as recommended by the Canadian Institute of Chartered Accountants. Before 2002, exchange gains and losses were deferred and amortized over the life of the debt. Under the new method, gains and losses must be recognized in the current period. The company has adopted the new recommendation retroactively and has restated prior periods' financial statements. The effect of adopting the new recommendations on the prior period's financial statements is as follows:

	January 1 to March 31		January 1 to December 31
	2002	2001	2001
Earnings as previously reported	\$ -	\$16.2	\$126.5
Earnings as restated	-	(4.5)	114.9
Opening retained earnings as previously reported	878.6	782.8	782.8
Opening retained earnings - restated	845.6	761.4	761.4

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.

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:

	January 1 to March 31 2002		January 1 to December 31 2001
Earnings (loss) before income tax to Measurement Date	\$ -	\$ (3.1)	\$ (1.7)
Income tax recovery (expense)	-	1.4	0.8
Earnings (loss) from operations to Measurement Date	-	(1.7)	(0.9)
Loss on disposal of retail operations (net of tax recovery of \$3.1m)	-	-	(14.8)
Earnings (loss) from discontinued retail operations	-	-	(15.7)
Timber plantations	-	-	33.3
Earnings (loss) from discontinued operations	\$ -	\$ (1.7)	\$ 17.6

4. SHARE CAPITAL

The company issued 3,038,698 common shares effective March 15, 2002 pursuant to a 10% stock dividend.

5. 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.

Earnings per share figures reflect the 10% stock dividend as if the shares had been outstanding from the beginning of the periods presented.

	January 1 to March 31			
	2002		2001	
	From continuing	After discontinued	From continuing	After discontinue
Earnings				
Earnings	\$ 26.6	\$ 26.6	\$ (2.8)	\$ (4.5)
Preferred share payments	(0.2)	(0.2)	(0.4)	(0.4)
Convertible obligation accretion	-	-	-	(0.6)
Available to shareholders	26.4	26.4	(3.2)	(5.5)
Weighted average shares (thousands)				
Weighted average shares – basic	33,418	33,418	33,383	33,383
Stock options – treasury stock method	342	342	98	98
Weighted average shares - diluted	33,760	33,760	33,481	33,481
Earnings per share (dollars)				
Basic earnings per share	\$ 0.79	\$ 0.79	\$ (0.10)	\$ (0.17)
Diluted earnings per share	\$ 0.78	\$ 0.78	\$ (0.10)	\$ (0.17)

6. STOCK BASED COMPENSATION

During the three months ended March 31, 2002, the company issued 297,000 stock options to employees at \$36.82 per share. These options vest at 20% per year and expire after 10 years. No compensation expense has been recognized for these options. Had compensation cost for these stock options been determined based on the fair value at the grant date, consistent with the fair value based method of accounting for stock-based compensation, the company's net income would have been reduced by \$0.1 million, with no change in either basic or diluted earnings per share. The total fair value of the options issued during the three months ended March 31, 2002 was \$4.7 million. The company has not calculated the fair value of the stock options issued prior to January 1, 2002.

7. CONTINGENT LIABILITY

On March 21, 2002, the U.S. Department of Commerce ("USDOC") issued its final determination in the countervailing and antidumping investigations. The USDOC's final determination in the countervailing investigation resulted in a duty rate of 19.34% to be posted by cash deposits from the effective date of a final order (estimated to be May 20, 2002 and discussed below). The USDOC's final determination in the antidumping investigation resulted in a company specific duty rate of 2.26%. The revised antidumping rate is effective from April 2, 2002 and, until the effective date of a final order, can be posted by bonds. After the final order, the company will have to post cash deposits.

The United States International Trade Commission (USITC) has 45 days from the USDOC's final determination to issue its final determination on injury. If the USITC finds injury or threat of injury, a final order will be issued within 7 days of its final determination. A finding of no injury will end both the countervail and antidumping cases.

The final amount and effective date of countervailing and antidumping duties that may be assessed on Canadian softwood lumber exports to the U.S., cannot be determined at this time and will depend on determinations yet to be made by the USITC and any reviewing courts, NAFTA or WTO panels to which those determinations may be appealed. Any adjustments resulting from a change in the countervailing and antidumping duty rates will be made prospectively.

For accounting purposes, the company has accrued \$20.9 million 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 accrued \$5.9 million for exports during the period from November 6, 2001 to March 31, 2002 representing the antidumping duty rate determined by the USDOC of 2.26%. For the three months ended March 31, 2002, the company accrued \$3.7 million for exports at the revised rate of 2.26% and reduced the accrual made in 2001 by \$2.0 million to reflect the reduction from the preliminary rate of 5.94%.

The company and other Canadian forest product companies, the Federal Government and Canadian provincial governments ("Canadian Interests") categorically deny the US allegations and strongly 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 these determinations 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 FIRST QUARTER

(\$ millions)

	Lumber	Panels	Pulp & Paper	Corporate & Other	Consolidated
January 1, 2002 to March 31, 2002					
Net sales at market prices					
To external customers	\$ 214.6	\$ 56.9	\$ 109.9		\$ 381.4
To other segments	7.7				
	<u>\$ 222.3</u>	<u>\$ 56.9</u>	<u>\$ 109.9</u>	<u>-</u>	
EBITDA	\$ 54.3	\$ 17.2	\$ 16.4	\$ (1.9)	\$ 86.0
Amortization of capital assets	14.4	6.4	13.7	0.4	34.9
Operating income (loss)	39.9	10.8	2.7	(2.3)	51.1
Interest expense	4.1	1.7	4.2	(0.3)	9.7
Exchange loss on long-term debt	-	-	-	0.4	0.4
Other	0.1	-	-	-	0.1
Earnings (loss) before income taxes	<u>\$ 35.7</u>	<u>\$ 9.1</u>	<u>\$ (1.5)</u>	<u>\$ (2.0)</u>	<u>\$ 41.3</u>

January 1, 2001 to March 31, 2001

Net sales at market prices					
To external customers	\$ 197.0	\$ 53.0	\$ 125.1		\$ 375.1
To other segments	7.8				
	<u>\$ 204.8</u>	<u>\$ 53.0</u>	<u>\$ 125.1</u>	<u>-</u>	
EBITDA	\$ 29.1	\$ 11.4	\$ 32.7	\$ (1.3)	\$ 71.9
Amortization of capital assets	13.7	6.2	12.7	-	32.6
Operating income (loss)	15.4	5.2	20.0	(1.3)	39.3
Interest expense	4.5	1.9	4.9	(0.4)	10.9
Exchange loss on long-term debt	-	-	-	24.9	24.9
Other	0.3	(0.1)	(2.6)	(2.7)	(5.1)
Earnings (loss) before income taxes	<u>\$ 10.6</u>	<u>\$ 3.4</u>	<u>\$ 17.7</u>	<u>\$ 1.8</u>	<u>\$ 33.5</u>

**OPERATING HIGHLIGHTS
FIRST QUARTER**

		January 1 to March 31	
		2002	2001
Lumber	Production (Mfbm)	531,821	547,646
	Shipments (Mfbm)	477,930	498,641
Panels			
	MDF		
	Production (Msf – 3/4")	57,539	61,243
	Shipments (Msf – 3/4")	62,947	66,110
Plywood			
	Production (Msf – 3/8")	60,173	64,189
	Shipments (Msf) – 3/8")	58,747	61,641
Pulp & Paper (tonnes)			
Linerboard and Kraft Paper	Production	103,089	107,899
	Shipments	88,601	93,925
BCTMP	Production	94,567	94,237
	Shipments	95,296	75,573
Newsprint	Production	31,040	30,750
	Shipments	30,832	29,474

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

Further information may be obtained from:
Mr. Martti Solin Vice President, Finance and Chief Financial Officer
or **Mr. Sam Ketcham**, Director of Corporate Planning
Telephone number (604) 895-2700
www.westfraser.com