



West Fraser Timber Co. Ltd

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**NEWS RELEASE**  
**WEST FRASER TIMBER CO. LTD.**  
**("WFT")**  
**Thursday July 26, 2007**

Attention: Business & Financial Editors  
Financial Analysts

**West Fraser Announces Second Quarter Results**

Vancouver, B.C. – West Fraser Timber Co. Ltd. today reported a second quarter loss of \$14 million or \$0.33 per share on sales of \$948 million compared to a loss of \$5 million or \$0.12 per share on sales of \$759 million in the first quarter of 2007 and earnings of \$104 million or \$2.41 per share on sales of \$888 million in the second quarter of last year. For the first half of 2007, West Fraser recorded a loss of \$19 million or \$0.45 per share on sales of \$1,707 million. This compares to earnings of \$110 million or \$2.55 per share on sales of \$1,790 million for the first half of 2006.

EBITDA<sup>1</sup> was \$28 million or 3% of sales for the second quarter compared to EBITDA of \$87 million or 10% of sales for the comparable period last year. For the first quarter of 2007, EBITDA was \$41 million or 5% of sales.

Second quarter 2007 earnings reflect the following after-tax items:

- A gain of \$22 million or \$0.51 per share related to the translation of U.S. denominated debt; and
- Recovery of \$3 million or \$0.06 per share related to a statutory income tax rate reduction enacted in the quarter.

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

- A gain of \$13 million or \$0.30 per share related to the translation of U.S. denominated debt;
- A gain of \$51 million or \$1.18 per share related to sale of an interest in a power purchase agreement;
- A gain of \$9 million or \$0.21 per share related to the B.C. timber take-back compensation; and
- Recovery of \$33 million or \$0.77 per share related to a statutory income tax rate reduction enacted in the quarter.

<sup>1</sup>Throughout this news release, reference is made to EBITDA (defined as operating earnings plus amortization and 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.

## **Operational Results**

Lumber EBITDA for the quarter was \$4 million compared to negative \$13 million in the first quarter of 2007. Second quarter results reflect a stronger Canadian dollar and include the results from 13 U.S. sawmills acquired by the Company on March 31, 2007, which suffered operating losses during the quarter. First quarter results reflected log inventory writedowns of \$18 million.

SPF benchmark lumber prices averaged US \$259 per Mfbm in the quarter, compared to US \$254 in the previous quarter, while SYP benchmark lumber prices averaged US \$283 per Mfbm in the second quarter, compared to US \$263 in the first quarter. Lumber prices are expected to remain low as a result of continued weak housing starts in the U.S. and excess supply.

Lumber production was 1,393 Mmfbm for the quarter, compared to 994 Mmfbm in the previous quarter. The increased production reflects the addition of the 13 U.S. sawmills, which performed largely as expected. Later in the year, additional planer capacity will be added to the Quesnel operations to handle the increased volume of lumber being produced by the new sawmill as it progresses through its startup.

The mountain pine beetle infestation is impacting most of the Company's B.C. lumber operations. West Fraser is working with other companies in the industry and the B.C. government to address potential economic concerns related to the mountain pine beetle infestation. This includes ensuring stumpage determinations accurately reflect the value of mountain pine beetle-affected logs. In Alberta, West Fraser is shifting harvesting operations to areas that are at a higher risk of infestation.

Panel operations contributed EBITDA of \$12 million, compared to \$16 million in the previous quarter. The reduction was primarily due to lower plywood prices.

EBITDA from the pulp and paper operations was \$9 million compared to \$35 million in the previous quarter. The reduction was mainly the result of the scheduled maintenance shutdowns of the two NBSK mills and the Kitimat linerboard and kraft paper mill, and an extension of the scheduled shutdown at Kitimat due to an effluent pipe failure. This further reduced production and increased maintenance costs for the quarter. The stronger Canadian dollar eroded the benefit of improved pricing for pulp products.

## **Outlook**

West Fraser is expecting difficult market conditions to continue, especially for building products. The strength of the Canadian dollar will continue to negatively impact the Company's results.

## **The Company**

West Fraser is an integrated forest products company producing lumber, LVL, MDF, plywood, pulp, linerboard, kraft paper and newsprint. The Company has approximately 9,300 employees and operations in British Columbia, Alberta and the southern United States.

## **Forward-Looking Statements**

Some information contained in this release is prospective, such as statements about potential future developments, and may be affected by known or unknown risks and uncertainties, which are mostly outside the control of West Fraser. The results or outcomes of events mentioned in such prospective information may differ materially from actual results or outcomes. This prospective information and statements are not guaranteed by the Company and actual results and outcomes will depend on a number of factors including those described in the Company's 2006 annual Management Discussion & Analysis under "Risks and Uncertainties." Readers should exercise caution in relying on such information and statements. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances.

## **Conference Call**

Investors are invited to listen to the quarterly conference call on Friday, July 27 at 8:30 a.m. Pacific Daylight Time (11:30 a.m. Eastern Daylight Time) by dialing 1-866-542-4236 (toll-free North America). The call may also be accessed through West Fraser's web site at [www.westfraser.com](http://www.westfraser.com).

## MANAGEMENT'S DISCUSSION & ANALYSIS

The following discussion and analysis should be read in conjunction with the unaudited interim consolidated financial statements included in this quarterly report and Management's Discussion & Analysis included in the Company's 2006 annual report. The figures are expressed in Canadian dollars, unless otherwise indicated. Additional information relating to the Company, including the Company's Annual Information Form is available on SEDAR at [www.sedar.com](http://www.sedar.com).

This management's discussion and analysis contains historical information, descriptions of current circumstances and statements about potential future developments. The latter, which are forward-looking statements, are presented to provide reasonable guidance to the reader but the accuracy of these statements depends on a number of assumptions and is subject to various 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, transportation limitations, natural disasters, insect infestation, the effects of forestry, land use, environmental and other government laws and regulations, First Nations claims and the ability of the Company to execute its business plans. These statements are not guaranteed by the Company and actual outcomes and results may differ materially from those anticipated or projected. Accordingly, readers should exercise caution in relying upon forward-looking statements. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances.

Throughout this report, reference is made to EBITDA (defined as operating earnings plus amortization and 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.

The information in this report is as at July 26, 2007, unless otherwise indicated.

### U.S. Sawmill Acquisition

On March 31, 2007, the Company acquired 13 sawmills in the southern United States. West Fraser's second quarter 2007 results include the results of operations from the acquired sawmills, which are not reflected in earlier reporting periods.

### Softwood Lumber Agreement

The Softwood Lumber Agreement (the "SLA 2006") came into force on October 12, 2006. Under the SLA 2006, each Canadian province that is subject to its provisions was required to choose between two export tax options with respect to lumber shipments to the U.S.: to pay to the Canadian government either a variable export tax based on a reference lumber price or a lower variable export tax together with a quota on total shipments. B.C. and Alberta chose the export tax-only option, which results in West Fraser's Canadian lumber exports to the U.S. being subject to the following taxes:

Prevailing price <sup>1</sup>	Export Tax (%)
Over US \$355	Nil
US \$336 - \$355	5
US \$316 - \$335	10
US \$315 or under	15

1. Based on Random Lengths Framing Lumber Composite Price (the "Reference Price").

The export tax rate is set monthly based on a four-week average Reference Price that is published 21 days prior to the start of any given month. Shipments to the U.S. from B.C. and Alberta during the first half of 2007 were subject to a 15% export tax.

If monthly shipments from the B.C. Interior region or from Alberta (as export tax-only regions) exceed a certain volume prescribed by the SLA 2006, a surge mechanism (the "Surge") will result in a 50% increase in the applicable export tax rate for that month. The Surge is calculated monthly based on estimated trailing U.S. lumber consumption. For the first half of 2007 the Canadian government determined that the Surge did not apply to any Canadian lumber exports to the U.S.

The U.S. government has asserted that for the purposes of the Surge calculation, lumber consumption levels should be based on actual rather than estimated consumption. This issue is now the subject of consultations between the two governments and could be referred to arbitration under the SLA 2006. The Company believes the Canadian position should prevail. However, if the Surge adjustment applies as asserted by the United States, the Company would incur additional export taxes of approximately \$17 million related to the first half of 2007.

## Revenue & Earnings Comparison

	2007			2006	
	Q2	Q1	YTD	Q2	YTD
<b>Production</b>					
Lumber – MMfbm					
SPF	<b>902</b>	902	<b>1,804</b>	982	2,013
SYP	<b>491</b>	92	<b>583</b>	99	203
MDF – MMsf (3/4" basis)	<b>69</b>	68	<b>137</b>	76	147
Plywood – MMsf (3/8" basis)	<b>197</b>	186	<b>383</b>	190	374
LVL – Mcf	<b>629</b>	750	<b>1,379</b>	797	1,578
BCTMP – Mtonnes	<b>143</b>	139	<b>282</b>	143	284
NBSK – Mtonnes	<b>97</b>	118	<b>215</b>	112	253
Linerboard and Kraft Paper – Mtonnes	<b>89</b>	105	<b>194</b>	102	223
Newsprint – Mtonnes	<b>31</b>	32	<b>63</b>	32	64
<b>Shipments</b>					
Lumber – MMfbm					
SPF	<b>971</b>	865	<b>1,836</b>	1,031	2,025
SYP	<b>541</b>	91	<b>632</b>	100	204
MDF – MMsf (3/4" basis)	<b>77</b>	75	<b>152</b>	78	156
Plywood – MMsf (3/8" basis)	<b>227</b>	157	<b>384</b>	190	366
LVL – Mcf	<b>561</b>	707	<b>1,268</b>	811	1,561
BCTMP – Mtonnes	<b>169</b>	139	<b>308</b>	164	327
NBSK – Mtonnes	<b>97</b>	119	<b>216</b>	140	284
Linerboard and Kraft Paper – Mtonnes	<b>97</b>	110	<b>206</b>	120	244
Newsprint – Mtonnes	<b>30</b>	30	<b>61</b>	31	63
<b>Financial Highlights (\$ millions)</b>					
Sales	<b>948</b>	759	<b>1,707</b>	888	1,790
EBITDA	<b>28</b>	41	<b>69</b>	87	202
Amortization	<b>(65)</b>	(62)	<b>(127)</b>	(60)	(122)
Restructuring charge	-	-	-	-	(38)
Operating earnings (loss)	<b>(37)</b>	(21)	<b>(58)</b>	27	42
Interest expense	<b>(10)</b>	(2)	<b>(12)</b>	(11)	(21)
Exchange gain on long-term debt	<b>27</b>	3	<b>30</b>	15	14
Gain on sale of power purchase agreement	-	-	-	62	62
Gain on timber take-back	-	-	-	14	14
Other income (expense)	<b>(15)</b>	12	<b>(3)</b>	(12)	(6)
Recovery of income taxes	<b>21</b>	3	<b>24</b>	9	5
<b>Earnings (Loss)</b>	<b>(14)</b>	(5)	<b>(19)</b>	104	110
<b>\$CDN/\$US – average</b>	<b>1.10</b>	1.17	<b>1.14</b>	1.12	1.14

## Selected Quarterly Information

(\$ millions, except earnings per share ("EPS") amounts which are in \$)

	Q2-07	Q1-07	Q4-06	Q3-06	Q2-06	Q1-06	Q4-05	Q3-05
Sales	948	759	727	809	888	902	832	890
Earnings (loss)	(14)	(5)	296	(8)	104	6	9	18
Basic EPS	(0.33)	(0.12)	6.93	(0.19)	2.43	0.14	0.20	0.42
Diluted EPS	(0.33)	(0.12)	6.87	(0.19)	2.41	0.14	0.20	0.42

The operating loss for the quarter increased from the first quarter of 2007 reflecting higher costs and lower shipments for NBSK, linerboard and kraft paper as a result of the planned maintenance shutdowns at the NBSK mills and the Kitimat linerboard and kraft paper mill during the second quarter. The addition of the U.S. sawmills also contributed to the increased operating loss for the quarter. The increase in operating loss was partially offset by improved results from the Canadian lumber division due in part to lower log costs reflecting the impact of the log inventory write-down in the first quarter. Although prices for lumber and pulp both strengthened during the second quarter, the strengthened Canadian dollar more than offset U.S.-dollar price improvements.

The decrease in operating earnings for the quarter and first half of 2007 compared to the same periods of 2006 is mainly attributable to significantly lower lumber prices in 2007. For the half, reduced earnings were partially offset by improved results for pulp as a result of higher pulp prices in 2007 and the first quarter 2006 restructuring charge of \$38 million.

Selling, general and administration expense was \$32 million for the quarter (first half 2007 - \$53 million), compared to \$24 million for the second quarter of 2006 (first half 2006 - \$53 million). The second quarter expense reflects the inclusion of the acquired U.S. sawmills while the first quarter expense was reduced by a reversal of previously accrued incentive compensation.

The net interest expense was \$10 million for the quarter (first half 2007 - \$12 million), compared to \$11 million for the second quarter of 2006 (first half 2006 - \$21 million). The decline in interest expense in the first half of 2007 compared to the first half of 2006 is due to interest earned on cash held on deposit in the first quarter of 2007.

The change in value of the Canadian dollar relative to the U.S. dollar resulted in an exchange gain of \$27 million in the quarter on the Company's U.S. denominated long-term debt (first half 2007 – gain of \$30 million), compared to a gain of \$15 million for the second quarter of 2006 (first half 2006 – gain of \$14 million). The currency change also resulted in an approximate \$16 million loss on the translation of U.S. dollar cash and receivables for the quarter being included in other expense (first half 2007 – loss of \$20 million), compared to a \$12 million loss for the second quarter of 2006 (first half 2006 – loss of \$8 million).

Other expense for the first half of 2007 also includes a \$10 million gain resulting from the termination of certain pulp supply contracts in connection with the U.S. sawmill acquisition.

## Lumber

	2007			2006	
	Q2	Q1	YTD	Q2	YTD
Sales - \$ millions	<b>564</b>	361	<b>926</b>	480	985
EBITDA - \$ millions	<b>4</b>	(13)	<b>(10)</b>	49	140
EBITDA margin - %	<b>1</b>	-	-	10	14
Operating earnings (loss) - \$ millions	<b>(26)</b>	(40)	<b>(66)</b>	22	85
Benchmark Price					
SPF #2 & Better 2 x 4 (per Mfbm) <sup>1</sup> US \$	<b>259</b>	254	<b>257</b>	316	329
SYP #2 West 2 x 4 (per Mfbm) <sup>2</sup> US \$	<b>283</b>	263	<b>273</b>	351	380

1. Source: Random Lengths – 2 x 4, #2 & Better – Net FOB mill.

2. Source: Random Lengths – 2 x 4 – Net FOB mill Westside.

Operating earnings for the quarter include results from the acquired U.S. sawmills. Although the acquired mills ran well in the quarter, low prices resulted in operating losses from these mills. Lumber prices increased from the first quarter but a stronger Canadian dollar more than offset the benefit of the U.S.-dollar price increase. Production and shipment volumes increased as a result of the inclusion of the U.S. mills. Planer capacity will be added to the Quesnel operations to handle the increased volume of lumber being produced by the new sawmill as it progresses through its startup.

Both SPF and SYP lumber prices were lower in the first half of 2007 compared to the first half of 2006, resulting in reduced earnings. Although the Canadian dollar strengthened in the second quarter of 2007, the average exchange rate for the first half of 2007 was the same as the first half of 2006.

West Fraser and others in the industry are working closely with the B. C. government to identify ways to address the potential economic impact of the continuing mountain pine beetle (“MPB”) infestation on operations. This includes ensuring that the most current information related to the impact on operations is factored into stumpage determinations and that the log grades introduced in 2006 accurately reflect the potential of MPB-affected logs to yield merchantable lumber. The Company is also working with the B.C. government to develop the most appropriate responses to deal with non-sawlog material left in harvested areas.

The Alberta government is taking proactive steps to control the spread of the MPB and to reduce the area of stands at risk for attack. All of the Company’s Alberta operations are shifting harvest activities into pine stands which have been identified as being at high risk of infestation.

On July 20 the United Steelworkers union representing BC coastal lumber and sawmilling companies initiated a strike that shutdown the Company’s Terrace sawmill. The impact of the strike on West Fraser’s results is not expected to be significant.

The significant decline in U.S. housing starts over the past 12 months has resulted in reduced lumber demand and excess lumber supply. Announced production curtailments by other lumber producers will decrease supply somewhat but it is expected that the market will continue to be oversupplied resulting in a depressed lumber pricing environment for at least the balance of the year.

## Panels

	2007			2006	
	Q2	Q1	YTD	Q2	YTD
Sales - \$ millions	<b>127</b>	119	<b>246</b>	127	251
EBITDA - \$ millions	<b>12</b>	16	<b>28</b>	16	32
EBITDA margin - %	<b>9</b>	13	<b>11</b>	12	13
Operating earnings - \$ millions	<b>3</b>	4	<b>7</b>	6	12
Benchmark price					
MDF (per Msf 3/4" basis) <sup>1</sup> US \$	<b>463</b>	451	<b>457</b>	431	423
Plywood (per Msf 3/8" basis) <sup>2</sup> Cdn \$	<b>357</b>	379	<b>368</b>	360	367

1. Source: Resource Information Systems, Inc. – MDF Western U.S. – Net FOB mill.

2. Source: Crow's Market Report – Delivered Toronto.

An increase in sales volume only partially offset the effect of declining plywood prices as operating earnings for the quarter declined from the previous quarter. Operating earnings for the quarter and first half of 2007 declined from the comparable periods in 2006 due primarily to lower LVL production, shipments and prices.

Plywood prices have not declined to the same extent as lumber due to recent closures of certain plywood plants in Canada combined with strong Canadian housing starts. A stable pricing environment for both plywood and MDF is expected for the balance of 2007.

## Pulp & Paper

	2007			2006	
	Q2	Q1	YTD	Q2	YTD
Sales - \$ millions	<b>257</b>	279	<b>535</b>	281	554
EBITDA - \$ millions	<b>9</b>	35	<b>44</b>	18	31
EBITDA margin - %	<b>3</b>	12	<b>8</b>	6	6
Operating earnings (loss) - \$ millions	<b>(16)</b>	11	<b>(5)</b>	(5)	(53)
Benchmark price					
NBSK (US \$ per tonne) <sup>1</sup>	<b>810</b>	790	<b>800</b>	705	679
Linerboard (US \$ per tonne) <sup>2</sup>	<b>568</b>	568	<b>568</b>	568	527
Newsprint (US \$ per tonne) <sup>3</sup>	<b>598</b>	614	<b>606</b>	658	651

1. Source: Resource Information Systems, Inc. - U.S. list price delivered U.S.

2. Source: Pulp & Paper Week – Unbleached linerboard kraft, East.

3. Source: Resource Information Systems, Inc. – U.S. delivered 48.8 gram newsprint.

The higher operating loss in the quarter compared to the first quarter of 2007 was the result of lower production of NBSK, linerboard and kraft paper due to annual maintenance shutdowns as well as a stronger Canadian dollar offsetting the benefits of higher product prices. Downtime was extended at the Kitimat mill for the 2007 shutdown as a result of a failure of an effluent line, further adding to the loss for the quarter. Contributing to the higher operating loss in the quarter compared to the second quarter of 2006 were higher furnish and maintenance costs and lower newsprint prices, partly offset by higher pulp prices. The operating loss of \$53 million for the first half of 2006 included a \$38 million restructuring charge.

## **Pulp**

The BCTMP mills continue to operate efficiently. However, total NBSK production was down during the first half of 2007 when compared to the first half of 2006 as a result of the curtailed operations of the #1 pulp machine at the Hinton mill as part of the restructuring plan announced in March, 2006. Both NBSK mills took maintenance downtime in the second quarters of 2007 and 2006.

The upgrade of the remaining #2 pulp machine at Hinton was completed during the quarter. By the end of the quarter, the machine was producing at approximately 85% of target and is expected to reach full production of 1,000 tonnes per day by the end of the third quarter. It is expected that the #1 pulp machine, which operated intermittently in the first half of 2007, will be permanently shut down during the third quarter.

Prices for NBSK continued to increase, averaging US \$810 per tonne for North America in the quarter, compared to US \$790 and US \$705 per tonne in the first quarter of 2007 and the second quarter of 2006 respectively, while the average for the first half of 2007 was US \$800 compared to US \$679 for the same period of 2006. The North American NBSK price increased further, to US \$830 in July and markets are expected to remain strong through the remainder of the year.

## **Linerboard and Kraft Paper**

Production at the Kitimat mill for the quarter was lower than the previous quarter and the second quarter of 2006 due largely to the unplanned extension of the annual maintenance shutdown. On June 21, 2007 the main effluent pipe ruptured. As a result, startup was delayed until July 10 while a temporary bypass pipe was established. The cost is estimated at \$10 million, including approximately \$4 million related to lost production, with approximately \$2.0 million recorded in the second quarter. Since the July 10 startup, the mill has operated at normal levels.

North American linerboard prices remained strong in the quarter, averaging US \$568 per tonne, unchanged from both the first quarter of 2007 and the second quarter of 2006. The current strength in the linerboard and kraft paper markets is expected to continue through the balance of the year. However, it is expected that the continued strength of the Canadian dollar will erode the benefit of price increases.

## **Newsprint**

The Alberta newsprint mill operated near capacity in the quarter. North American newsprint prices continued to decline along with consumption. There is little reason to expect significant pricing improvement in the near future.

## **Change in Accounting Policies**

### **Financial Instruments**

The Canadian Institute of Chartered Accountants issued new accounting rules on financial instruments, hedges and comprehensive earnings that will require the Company to account for derivatives and financial assets held for trading or available for sale at fair value. Loans, receivables and investments held to maturity will be measured at amortized cost using the effective interest rate method. Other financial liabilities will be measured at fair value or at amortized cost using the effective interest rate method. The effective interest rate method establishes the discount rate which equates the estimated future cash flows with the net carrying amount of the financial asset or liability.

Other comprehensive earnings is the method used to record revenues, expenses, gains and losses on net financial assets that are not required to be included in earnings. Foreign currency translation gains and losses on self-sustaining foreign operations are included in other comprehensive earnings. Comprehensive earnings are the sum of earnings for the period plus other comprehensive earnings.

The new rules, which became effective January 1, 2007, did not have a significant impact on the Company.

### Translation of Foreign Operations

The Company has determined that its foreign operations became self-sustaining upon the acquisition of 13 sawmills in the United States (see note 3 to the unaudited interim consolidated financial statements). Accordingly, on March 31, 2007, the Company changed its translation method from the temporal method to the current rate method.

Under the current rate method all assets and liabilities of the Company's foreign operations are translated at the exchange rate in effect at the balance sheet date and the resulting unrealized gains or losses are included in accumulated other comprehensive earnings. Under the temporal method, monetary assets and liabilities are translated at the exchange rate in effect at the balance sheet date while non-monetary items are translated at historical exchange rates.

The result of this change in accounting policy was an adjustment of \$18.2 million to accumulated other comprehensive loss included in shareholders' equity as at March 31, 2007. Unrealized gains or losses in translation are included in other comprehensive earnings (loss) from the date of the change.

### Capital Structure

The number of Common shares and Class B common shares outstanding was 42,799,434 as at June 30, 2007. The Company issued 2,945 Common shares pursuant to the Employee Share Purchase Plan during the three months ended June 30, 2007, (first half of 2007 – 5,697 Common shares) and 21,800 Common shares pursuant to the Stock Option Plan.

	June 30, 2007	December 31, 2006
Common	39,914,228	37,886,731
Class B common	2,885,206	4,885,206
Total	42,799,434	42,771,937

### Capital Requirements and Liquidity

#### Summary of Financial Position (\$ millions, except as otherwise indicated)

	June 30, 2007	December 31, 2006
Net cash <sup>1</sup>	19	606
Current assets	935	1,451
Current liabilities	542	830
Ratio of current assets to current liabilities	1.7	1.7
Net debt	698	19
Shareholders' equity	2,150	2,239
Net debt to capitalization <sup>2</sup> - %	25	1

1. Net cash consists of cash and short-term investments less outstanding cheques 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 payments, repayment of debt, additions to property, plant, equipment and timber, acquisitions and payment of dividends. In years without a major acquisition or debt repayment, cash on hand and cash provided by operations have normally been sufficient to meet these requirements.

**Selected Cash Flow Items** (\$ millions)

	Q2	2007 Q1	YTD	2006 Q2	YTD
<b>Operating Activities</b>					
Cash provided before working capital changes	8	52	60	26	128
Non-cash working capital change	70	(384)	(314)	118	1
Cash provided by (used in) operating activities	78	(332)	(254)	144	129
<b>Financing Activities</b>					
Debt and operating loans	(25)	150	125	(74)	1
Dividends and other	(5)	(6)	(11)	(6)	(12)
Cash provided by (used in) financing activities	(30)	144	114	(80)	(11)
<b>Investing Activities</b>					
Acquisition	-	(379)	(379)		
Additions to property, plant, equipment & timber	(41)	(27)	(68)	(63)	(118)
Other - net	-	1	1	(15)	(10)
Cash provided used in investing activities	(41)	(405)	(446)	(78)	((128)
<b>Change in cash</b>	<b>7</b>	<b>(593)</b>	<b>(586)</b>	<b>(14)</b>	<b>(10)</b>

On March 30, 2007, West Fraser extended its current \$500 million committed revolving credit facility from June 2010 to March 2012 and entered into a 5-year \$100 million committed revolving facility for its U.S. operations. Also, West Fraser entered into a \$100 million 3-year term facility to fund part of the U.S. acquisition. The revolving and term facilities are at floating interest rates.

**Risks and Uncertainties**

A comprehensive discussion of Risks and Uncertainties was included in the Company's 2006 Annual Report.

**Internal Controls Over Financial Reporting**

During the quarter ended June 30, 2007, there were no changes in the Company's internal controls over financial reporting that materially affected or would be reasonably likely to materially affect such controls.



**West Fraser Timber Co. Ltd.**  
**Consolidated Balance Sheets**

(in millions of Canadian dollars - unaudited)

	As at June 30, 2007	As at December 31, 2006
<b>Assets</b>		
<b>Current assets</b>		
Cash and short-term investments	\$ 51.7	\$ 605.6
Accounts receivable	319.0	300.9
Income taxes receivable	25.1	-
Inventories	493.8	531.9
Prepaid expenses	45.1	12.9
	<b>934.7</b>	<b>1,451.3</b>
<b>Property, plant, equipment and timber</b>	<b>2,342.3</b>	<b>2,133.9</b>
<b>Deferred charges</b>	<b>36.4</b>	<b>38.1</b>
<b>Goodwill</b>	<b>263.7</b>	<b>263.7</b>
<b>Other assets (note 4)</b>	<b>125.7</b>	<b>127.7</b>
	<b>\$ 3,702.8</b>	<b>\$ 4,014.7</b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Current liabilities</b>		
Cheques issued in excess of funds on deposit	\$ 32.6	\$ -
Operating loans (note 5)	22.2	-
Accounts payable and accrued liabilities	305.5	468.4
Income taxes payable	-	178.9
Current portion of reforestation obligations	54.2	54.2
Current portion of long-term debt (note 5)	127.9	128.2
	<b>542.4</b>	<b>829.7</b>
<b>Long-term debt (note 5)</b>	<b>566.8</b>	<b>496.0</b>
<b>Other liabilities (note 6)</b>	<b>138.4</b>	<b>137.5</b>
<b>Future income taxes</b>	<b>304.9</b>	<b>312.4</b>
	<b>1,552.5</b>	<b>1,775.6</b>
<b>Shareholders' equity</b>		
Share capital (note 7)	599.0	597.8
Accumulated other comprehensive loss (note 8)	(58.7)	-
Retained earnings	1,610.0	1,641.3
	<b>2,150.3</b>	<b>2,239.1</b>
	<b>\$ 3,702.8</b>	<b>\$ 4,014.7</b>

Number of Common shares outstanding at July 26, 2007 was 42,800,379



**West Fraser Timber Co. Ltd.**  
**Consolidated Statements of Earnings**

(in millions of Canadian dollars - unaudited)

	April 1 to June 30		January 1 to June 30	
	2007	2006	2007	2006
<b>Sales</b>	<b>\$ 948.1</b>	<b>\$ 887.9</b>	<b>\$ 1,706.7</b>	<b>\$ 1,789.9</b>
<b>Costs and expenses</b>				
Cost of products sold	728.8	609.6	1,275.9	1,199.3
Freight and other distribution	136.3	146.1	262.4	291.5
Export taxes	23.7	-	47.2	-
Amortization	64.8	60.0	126.9	121.8
Selling, general and administration	31.6	23.6	52.6	53.1
Restructuring charge	-	-	-	37.6
Duty	-	21.7	-	44.1
	<b>985.2</b>	<b>861.0</b>	<b>1,765.0</b>	<b>1,747.4</b>
<b>Operating earnings (loss)</b>	<b>(37.1)</b>	<b>26.9</b>	<b>(58.3)</b>	<b>42.5</b>
<b>Other</b>				
Interest expense	(10.1)	(10.7)	(12.3)	(20.7)
Exchange gain on long-term debt	26.8	15.5	30.0	14.0
Gain on sale of power purchase agreement	-	61.8	-	61.8
Gain on timber take-back	-	13.6	-	13.6
Other expense	(14.9)	(11.8)	(3.1)	(5.6)
<b>Earnings (loss) before income taxes and non-controlling interest</b>	<b>(35.3)</b>	<b>95.3</b>	<b>(43.7)</b>	<b>105.6</b>
Recovery of income taxes (note 9)	21.1	8.9	24.4	5.1
<b>Earnings (loss) before non-controlling interest</b>	<b>(14.2)</b>	<b>104.2</b>	<b>(19.3)</b>	<b>110.7</b>
Non-controlling interest	-	(0.4)	-	(0.8)
<b>Earnings (loss)</b>	<b>\$ (14.2)</b>	<b>\$ 103.8</b>	<b>\$ (19.3)</b>	<b>\$ 109.9</b>
<b>Earnings (loss) per share (note 11)</b>				
Basic	\$ (0.33)	\$ 2.43	\$ (0.45)	\$ 2.57
Diluted	\$ (0.33)	\$ 2.41	\$ (0.45)	\$ 2.55



**West Fraser Timber Co. Ltd.**

**Consolidated Statements of Retained Earnings**

*(in millions of Canadian dollars - unaudited)*

	April 1 to June 30		January 1 to June 30	
	2007	2006	2007	2006
<b>Balance - beginning of period</b>	\$ 1,630.2	\$ 1,268.9	\$ 1,641.3	\$ 1,268.8
Earnings (loss)	(14.2)	103.8	(19.3)	109.9
	<u>1,616.0</u>	<u>1,372.7</u>	<u>1,622.0</u>	<u>1,378.7</u>
Common share dividends	(6.0)	(6.0)	(12.0)	(12.0)
<b>Balance - end of period</b>	<u>\$ 1,610.0</u>	<u>\$ 1,366.7</u>	<u>\$ 1,610.0</u>	<u>\$ 1,366.7</u>

**Consolidated Statements of Comprehensive Earnings**

*(in millions of Canadian dollars - unaudited)*

<b>Earnings (loss)</b>	\$ (14.2)	\$ (19.3)
Other comprehensive loss	(40.5)	(58.7)
<b>Comprehensive loss</b>	<u>\$ (54.7)</u>	<u>\$ (78.0)</u>



**West Fraser Timber Co. Ltd.**  
**Consolidated Statements of Cash Flows**  
*(in millions of Canadian dollars - unaudited)*

	April 1 to June 30		January 1 to June 30	
	2007	2006	2007	2006
<b>Cash flows from operating activities</b>				
<b>Earnings (loss)</b>	\$ (14.2)	\$ 103.8	\$ (19.3)	\$ 109.9
Items not affecting cash				
Amortization	64.8	60.0	126.9	121.8
Write down of pulp assets	-	-	-	34.8
Exchange gain on long-term debt	(26.8)	(15.5)	(30.0)	(14.0)
Change in reforestation obligations	(12.3)	(11.3)	(0.8)	1.1
Future income taxes	(4.1)	(39.4)	(8.1)	(54.8)
Gain on asset sales	(0.7)	(74.8)	(0.7)	(74.8)
Other	1.4	3.2	(8.4)	4.1
	<b>8.1</b>	<b>26.0</b>	<b>59.6</b>	<b>128.1</b>
Net change in non-cash working capital items	<b>70.0</b>	<b>117.7</b>	<b>(314.1)</b>	<b>0.9</b>
	<b>78.1</b>	<b>143.7</b>	<b>(254.5)</b>	<b>129.0</b>
<b>Cash flows from financing activities</b>				
Repayment of long-term debt	(0.3)	(0.3)	(0.6)	(0.6)
Proceeds from long-term debt	-	-	102.8	-
Proceeds from (repayment of) operating loans	(25.1)	(73.5)	22.8	1.4
Common share dividends	(6.0)	(6.0)	(12.0)	(12.0)
Other	1.2	0.2	1.3	0.3
	<b>(30.2)</b>	<b>(79.6)</b>	<b>114.3</b>	<b>(10.9)</b>
<b>Cash flows from investing activities</b>				
Acquisition (note 3)	-	-	(379.2)	-
Additions to property, plant, equipment and timber	(41.4)	(63.1)	(68.0)	(117.8)
Proceeds from disposal of property, plant, equipment and timber	2.0	0.1	5.0	3.3
Increase in other assets	(1.7)	(15.3)	(4.1)	(13.9)
	<b>(41.1)</b>	<b>(78.3)</b>	<b>(446.3)</b>	<b>(128.4)</b>
<b>Increase (decrease) in net cash *</b>	<b>6.8</b>	<b>(14.2)</b>	<b>(586.5)</b>	<b>(10.3)</b>
<b>Net cash - beginning of period</b>	<b>12.3</b>	<b>22.2</b>	<b>605.6</b>	<b>18.3</b>
<b>Net cash - end of period</b>	<b>\$ 19.1</b>	<b>\$ 8.0</b>	<b>\$ 19.1</b>	<b>\$ 8.0</b>
*Net cash consists of cash and short-term investments less cheques issued in excess of funds on deposit.				
<b>Supplemental information:</b>				
<b>Interest paid</b>	<b>\$ 18.0</b>	<b>\$ 19.0</b>	<b>\$ 18.4</b>	<b>\$ 21.7</b>
<b>Income taxes paid</b>	<b>\$ 23.4</b>	<b>\$ 18.1</b>	<b>\$ 187.9</b>	<b>\$ 53.6</b>
<b>Non - cash investing activity:</b>				
<b>Contracts terminated on acquisition (note 3)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (10.4)</b>	<b>\$ -</b>



**West Fraser Timber Co. Ltd.**  
**Second Quarter Segmented Information**  
*(in millions of Canadian dollars - unaudited)*

	Lumber	Panels	Pulp & paper	Corporate & other	Consolidated
<b>April 1, 2007 to June 30, 2007</b>					
Sales					
To external customers	\$ 564.4	\$ 127.0	\$ 256.7	\$ -	\$ 948.1
To other segments	21.8	9.1	-	-	
	<u>\$ 586.2</u>	<u>\$ 136.1</u>	<u>\$ 256.7</u>	<u>\$ -</u>	
EBITDA <sup>1</sup>	\$ 3.9	\$ 12.1	\$ 8.8	\$ 2.9	\$ 27.7
Amortization	30.2	9.6	24.3	0.7	64.8
Operating earnings (loss)	(26.3)	2.5	(15.5)	2.2	(37.1)
Interest expense	(5.8)	(1.2)	(2.1)	(1.0)	(10.1)
Exchange gain on long-term debt	-	-	-	26.8	26.8
Other expense	(1.6)	(0.4)	(2.1)	(10.8)	(14.9)
Earnings (loss) before income taxes and non-controlling interest	<u>\$ (33.7)</u>	<u>\$ 0.9</u>	<u>\$ (19.7)</u>	<u>\$ 17.2</u>	<u>\$ (35.3)</u>
<b>April 1, 2006 to June 30, 2006</b>					
Sales					
To external customers	\$ 480.2	\$ 127.2	\$ 280.5	\$ -	\$ 887.9
To other segments	20.2	1.4	-	-	
	<u>\$ 500.4</u>	<u>\$ 128.6</u>	<u>\$ 280.5</u>	<u>\$ -</u>	
EBITDA <sup>1</sup>	\$ 48.5	\$ 15.6	\$ 18.1	\$ 4.7	\$ 86.9
Amortization	26.8	9.8	22.7	0.7	60.0
Operating earnings (loss)	21.7	5.8	(4.6)	4.0	26.9
Interest expense	(6.2)	(1.6)	(2.8)	(0.1)	(10.7)
Exchange gain on long-term debt	-	-	-	15.5	15.5
Gain on sale of power purchase agreement	-	-	61.8	-	61.8
Gain on timber take-back	13.6	-	-	-	13.6
Other income (expense)	0.4	0.1	(1.7)	(10.6)	(11.8)
Earnings before income taxes and non-controlling interest	<u>\$ 29.5</u>	<u>\$ 4.3</u>	<u>\$ 52.7</u>	<u>\$ 8.8</u>	<u>\$ 95.3</u>

**1 Non GAAP measure:**

EBITDA is defined as operating earnings plus amortization and restructuring charge.



**West Fraser Timber Co. Ltd.**

**First Half Segmented Information**

(in millions of Canadian dollars - unaudited)

	Lumber	Panels	Pulp & paper	Corporate & other	Consolidated
<b>January 1, 2007 to June 30, 2007</b>					
Sales					
To external customers	\$ 925.5	\$ 245.8	\$ 535.4	\$ -	\$ 1,706.7
To other segments	46.8	11.8	-	-	-
	<u>\$ 972.3</u>	<u>\$ 257.6</u>	<u>\$ 535.4</u>	<u>\$ -</u>	
EBITDA <sup>1</sup>	\$ (9.5)	\$ 27.5	\$ 43.5	\$ 7.1	\$ 68.6
Amortization	56.4	20.4	48.6	1.5	126.9
Operating earnings (loss)	(65.9)	7.1	(5.1)	5.6	(58.3)
Interest expense	(8.6)	(2.0)	(2.4)	0.7	(12.3)
Exchange gain on long-term debt	-	-	-	30.0	30.0
Other income (expense)	(0.4)	(0.4)	7.8	(10.1)	(3.1)
Earnings (loss) before income taxes and non-controlling interest	<u>\$ (74.9)</u>	<u>\$ 4.7</u>	<u>\$ 0.3</u>	<u>\$ 26.2</u>	<u>\$ (43.7)</u>

**January 1, 2006 to June 30, 2006**

Sales					
To external customers	\$ 985.4	\$ 251.0	\$ 553.5	\$ -	\$ 1,789.9
To other segments	41.2	4.0	-	-	-
	<u>\$ 1,026.6</u>	<u>\$ 255.0</u>	<u>\$ 553.5</u>	<u>\$ -</u>	
EBITDA <sup>1</sup>	\$ 139.9	\$ 32.0	\$ 30.6	\$ (0.6)	\$ 201.9
Amortization	54.7	19.6	45.9	1.6	121.8
Restructuring charge	-	-	37.6	-	37.6
Operating earnings (loss)	85.2	12.4	(52.9)	(2.2)	42.5
Interest expense	(11.4)	(3.4)	(5.7)	(0.2)	(20.7)
Exchange gain on long-term debt	-	-	-	14.0	14.0
Gain on sale of power purchase agreement	-	-	61.8	-	61.8
Gain on timber take-back	13.6	-	-	-	13.6
Other income (expense)	2.4	0.3	(0.4)	(7.9)	(5.6)
Earnings before income taxes and non-controlling interest	<u>\$ 89.8</u>	<u>\$ 9.3</u>	<u>\$ 2.8</u>	<u>\$ 3.7</u>	<u>\$ 105.6</u>

**<sup>1</sup> Non GAAP measure:**

EBITDA is defined as operating earnings plus amortization plus restructuring charge.

**West Fraser Timber Co. Ltd.**  
**Notes to Interim Consolidated Financial Statements**

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

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**1. Basis of presentation**

These interim consolidated financial statements should be read in conjunction with the consolidated annual financial statements for the year ended December 31, 2006.

These interim consolidated financial statements follow the same accounting policies and methods of their application as the December 31, 2006 consolidated annual financial statements except as disclosed in note 2.

Certain comparative figures have been reclassified to conform to the current period's presentation.

**2. Changes in accounting and estimates**

**Foreign currency translation**

The Company has determined that its foreign operations became self sustaining upon the acquisition of 13 sawmills in the United States (note 3). Accordingly, on March 31, 2007, the Company changed its translation method from the temporal method to the current rate method.

Under the current rate method all assets and liabilities of the Company's foreign operations are translated at the exchange rate in effect at the balance sheet date and the resulting unrealized gains or losses are included in accumulated other comprehensive earnings (loss). Under the temporal method, monetary assets and liabilities are translated at the exchange rate in effect at the balance sheet date while non-monetary items are translated at historical exchange rates.

The result of this change in accounting policy was an adjustment of \$18.2 million to accumulated other comprehensive loss included in shareholders' equity as at March 31, 2007. Unrealized gains or losses on translation are included in other comprehensive earnings (loss) from the date of the change.

**Financial instruments**

Effective January 1, 2007, the Company adopted the new accounting standards issued by the Canadian Institute of Chartered Accountants for financial instruments, hedges and comprehensive earnings. The recommendations require the Company to account for derivatives and financial assets held for trading or available for sale at fair value. Loans, receivables and investments held to maturity are measured at amortized cost using the effective interest rate method. Other financial liabilities are measured at fair value or at amortized cost using the effective interest rate method. The effective interest rate method establishes the discount rate which equates the estimated future cash flows with the carrying amount of the financial asset or liability.

Other comprehensive earnings is the method used to record revenues, expenses, gains and losses on financial assets that are not required to be included in earnings. Foreign currency

translation gains and losses on self-sustaining foreign operations are included in other comprehensive earnings. Comprehensive earnings are the sum of earnings for the period plus other comprehensive earnings.

The adoption of the new recommendations did not materially impact the Company's financial statements.

### **Change in estimates**

The December 31, 2006 estimate of accrued incentive compensation was reduced by \$8.0 million in the first quarter of 2007 resulting in a reduction to selling, general and administration expenses.

### **3. Acquisition**

On March 31, 2007 the Company acquired 13 sawmills from International Paper Company ("IP") for \$389.6 million. The 13 mills are located in the southern United States.

The transaction resulted in the termination of supply contracts under which IP agreed to purchase 170,000 tonnes of NBSK pulp annually. The terminated pulp supply contracts were entered into as part of the Company's 2004 acquisition of Weldwood of Canada Limited and had a remaining term of less than eight years. These pulp supply contracts were valued at \$10.4 million based on market conditions at the time of termination and a settlement gain of \$10.4 million is recorded in other income.

The acquisition has been accounted for using the purchase method, whereby the purchase consideration is allocated to the estimated fair values of the assets acquired and liabilities assumed at the effective date of the purchase. The Company has not yet finalized the allocation of the purchase cost for the acquisition. The preliminary allocation of the purchase cost is based on management's best estimates and information available at the time of preparing these consolidated financial statements and any changes may be material.

The preliminary purchase price allocation is as follows:

Current assets	\$102.2
Current liabilities	(28.1)
Property, plant and equipment	315.5
Consideration	389.6
Consideration attributed to termination of pulp supply contracts	(10.4)
Net cash consideration	\$379.2

The allocation above includes estimated costs related to the acquisition of \$6.2 million. Actual amounts incurred may differ from this estimate and any such difference will be included in the final allocation.

#### 4. Other assets

	June 30, 2007	December 31, 2006
Power purchase agreements - net	\$ 98.8	\$ 102.4
Investments	7.3	10.7
Advances for timber and timber deposits	19.6	14.6
	<b>\$ 125.7</b>	<b>\$ 127.7</b>

#### 5. Long-term debt and operating loans

	June 30, 2007	December 31, 2006
Debentures due 2007; interest at 6.8%	\$ 125.0	\$ 125.0
Debentures due 2009; interest at 4.94%	150.0	150.0
Term note due 2010; interest at floating rates <sup>(1)</sup>	100.0	-
US \$300 senior notes due 2014; interest at 5.2%	319.6	349.6
Term note due on demand; interest at floating rates <sup>(1)</sup>	2.7	3.3
Note payable due in installments to 2020; interest at 5.5%	2.9	-
Deferred financing costs	(5.5)	(3.7)
	<b>694.7</b>	<b>624.2</b>
Less: Current portion of long-term debt	(127.9)	(128.2)
	<b>\$ 566.8</b>	<b>\$ 496.0</b>

(1) Floating rates are based on Prime, US base, Banker's Acceptances or LIBOR at the Company's option.

The Company has approximately \$605.0 million in revolving lines of credit available, of which \$22.8 million was drawn as at June 30, 2007. Interest is payable at floating rates based on Prime, US base, Bankers' Acceptances or LIBOR at the Company's option. The Company has also issued \$19.8 million under various letters of credit.

#### 6. Other liabilities

	June 30, 2007	December 31, 2006
Post-retirement obligations	\$ 54.9	\$ 54.0
Timber damage deposits	15.2	14.6
Reforestation obligations - long-term	59.2	60.1
Other asset retirement obligations	9.1	8.8
	<b>\$ 138.4</b>	<b>\$ 137.5</b>

## 7. Share capital

	June 30, 2007		December 31, 2006	
	Number of Shares Issued	Amount	Number of Shares Issued	Amount
Common	39,914,228	\$ 598.9	37,886,731	\$ 597.6
Class B common	2,885,206	0.3	4,885,206	0.5
Total Common	42,799,434	599.2	42,771,937	598.1
Share purchase loans		(0.2)		(0.3)
Share capital		\$599.0		\$ 597.8

### Common shares

For the three months ended June 30, 2007, the Company issued 24,745 Common shares for cash of \$1.1 million (for the six months ended June 30, 2007 the Company issued 27,497 Common shares for cash of \$1.1 million and 2,000,000 Class B shares in the amount of \$0.2 million were exchanged for common shares).

## 8. Accumulated other comprehensive loss

	June 30, 2007
Adjustment on change in translation method (note 2)	\$ 18.2
Unrealized foreign exchange loss on translation of self-sustaining foreign operations	40.5
Accumulated other comprehensive loss	\$ 58.7

## 9. Income taxes

The Company's effective tax rate is as follows:

	April 1 to June 30, 2007		April 1 to June 30, 2006	
	Amount	%	Amount	%
Income taxes at statutory rates	\$ 12.1	34.1	\$ (32.4)	(34.1)
Non – taxable amounts	4.6	13.1	13.4	14.1
Rate differentials between jurisdictions and on specified activities	1.2	3.4	0.4	0.1
Reductions in income tax rates	2.7	7.7	33.1	34.9
Other	0.5	1.5	(5.6)	(5.7)
Income tax recovery	\$ 21.1	59.8	\$ 8.9	9.3

**January 1 to June 30, 2007**      January 1 to June 30, 2006

	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
Income taxes at statutory rates	\$ 14.9	34.1	\$ (35.8)	(34.1)
Non – taxable amounts	5.0	11.6	13.1	12.5
Rate differentials between jurisdictions and on specified activities	2.1	4.7	1.8	1.7
Reductions in income tax rates	2.7	6.1	33.1	31.6
Other	(0.3)	(0.7)	(7.1)	(6.9)
<b>Income tax recovery</b>	<b>\$ 24.4</b>	<b>55.8</b>	<b>\$ 5.1</b>	<b>4.8</b>

### 10. Employee future benefits

The total benefit cost of the Company's defined benefit pension plans was \$5.8 million for the three months ended June 30, 2007 (three months ended June 30, 2006 - \$6.7 million) and \$11.5 million for the six months ended June 30, 2007 (six months ended June 30, 2006 - \$12.4 million).

### 11. 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.

	April 1 to June 30		January 1 to June 30	
	<b>2007</b>	2006	<b>2007</b>	2006
<b>Earnings (loss)</b>	<b>\$ (14.2)</b>	\$103.8	<b>\$ (19.3)</b>	\$ 109.9
<b>Weighted average number of shares (thousands)</b>				
Weighted average shares – basic	<b>42,786</b>	42,744	<b>42,773</b>	42,742
Share options – treasury stock method	<b>446</b>	384	<b>418</b>	385
Weighted average shares - diluted	<b>43,232</b>	43,128	<b>43,191</b>	43,127
<b>Earnings (loss) per share (dollars)</b>				
Basic	<b>\$ (0.33)</b>	\$ 2.43	<b>\$ (0.45)</b>	\$ 2.57
Diluted	<b>\$ (0.33)</b>	\$ 2.41	<b>\$ (0.45)</b>	\$ 2.55

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

**For more information:**

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Financial Officer

Mr. Rodger Hutchinson, Vice-President, Corporate Controller  
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