



NEWS RELEASE

**WEST FRASER TIMBER CO. LTD.
("WFT")
Monday, October 24, 2005**

Attention: Business & Financial Editors
Financial Analysts

West Fraser Announces Third Quarter Results

Vancouver, B.C – **West Fraser Timber Co. Ltd.** today reported third quarter earnings of \$18 million or \$0.42 per share on sales of \$890 million compared to earnings of \$78 million or \$1.95 per share on sales of \$700 million in the third quarter of 2004.

For the first nine months of 2005, earnings were \$99 million or \$2.29 per share, on sales of \$2,745 million. This compares to earnings of \$171 million or \$4.48 per share, on sales of \$1,848 million for the first nine months of 2004.

EBITDA¹ was \$73 million or 8% of sales for the quarter compared to EBITDA of \$144 million or 21% of sales in the third quarter of 2004. For the first nine months of 2005, EBITDA was \$352 million or 13% of sales compared to \$368 million or 20% of sales for the first nine months of 2004.

West Fraser's 2005 results include the results of operations from the Weldwood acquisition that closed on December 31, 2004, which are not reflected in reporting periods before 2005.

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

- An expense of \$5 million or \$0.12 per share related to the write-down of assets for a jointly-owned sawmill shut down in Red Earth, Alta;
- A gain of \$3 million or \$0.06 per share related to share option compensation recovery;
- A gain of \$24 million or \$0.55 per share related to the translation of U.S. dollar denominated debt; and
- A gain of \$9 million or \$0.22 per share related to the reduction of the B.C. statutory tax rate.

Third quarter 2004 earnings include the following after-tax items:

- An expense of \$9 million or \$0.22 per share related to share option compensation; and
- A gain of \$9 million or \$0.22 per share related to the translation of U.S. dollar denominated debt.

¹Throughout this press release, reference is made to EBITDA (defined as operating earnings plus amortization of property, plant, equipment and timber), 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 impact of price declines in our building products, and pulp and paper markets, was compounded by the continued appreciation of the Canadian dollar and rising fuel costs,” said Hank Ketcham, Chairman, President and Chief Executive Officer. “West Fraser remains focused on cost, efficiency and productivity improvements to help meet the challenge of increasingly difficult market conditions.”

OPERATIONAL RESULTS

The Canadian dollar averaged US \$0.832 in the third quarter of 2005 compared to US \$0.804 in the second quarter of this year and US \$0.765 in the third quarter of last year. The Company estimates that every U.S. cent increase or decrease relative to the Canadian dollar results in an approximate \$19 million⁽²⁾ change to earnings on an annualized basis.

The published price for natural gas increased by 27% compared to the last quarter and by 50% compared to the third quarter of 2004. For West Fraser, every one dollar price change per gigajoule of natural gas results in approximately a \$7 million change⁽³⁾ in annualized earnings based on current usage.

EBITDA in the lumber division for the quarter was \$52 million or 10% of sales compared to \$108 million or 18% of sales in the preceding quarter and \$129 million or 27% of sales in third quarter of 2004. The decline in EBITDA margin compared to the previous quarter and the same period in 2004 was due primarily to lower prices of SPF lumber. Benchmark SPF 2X4 lumber prices averaged US \$328 per Mfbm in the current quarter compared to the previous quarter's average of US \$361 per Mfbm and an average of US \$434 per Mfbm in the third quarter of 2004.

The extensive damage caused by the hurricanes in the U.S. South resulted in short-lived price increases for various building products, including lumber. Fortunately, the hurricane activity did not directly affect West Fraser's employees or operations in Louisiana and Arkansas.

During the quarter, West Fraser shut down its joint-venture Red Earth, Alta. sawmill due to very difficult operating conditions, resulting in an after-tax write-down of \$5 million. In B.C., construction of the new sawmill in Quesnel is progressing on schedule. All of the key equipment has been ordered and almost 70% of the foundation is in place.

The ongoing softwood lumber dispute with the United States continued to impact the Company. Lumber export duties expensed in the quarter were \$39 million (last quarter - \$43 million; third quarter 2004 - \$52 million).⁽⁴⁾

Panel operations generated EBITDA of \$14 million or 11% of sales in the quarter compared to \$17 million or 13% of sales in the previous quarter and \$20 million or 27% of sales in the comparable quarter of 2004. The EBITDA decline in this period primarily reflects lower plywood prices.

Weaker demand for MDF combined with increased sales to Asian markets resulted in lower mill nets compared to both the second quarter of 2005 and the third quarter of 2004. West Fraser's laminated veneer lumber operation continued to perform well.

⁽²⁾ Excludes the exchange impact on translation of U.S. denominated debt and other monetary items.

⁽³⁾ Relates to direct usage.

⁽⁴⁾ As at September 30, 2005, the total amount on deposit related to duties is US \$346 million, not including the amounts on deposit from Weldwood prior to the acquisition.

Pulp and paper operations produced EBITDA of \$8 million or 3% of sales for the quarter compared to EBITDA of \$15 million or 6% of sales in the last quarter and EBITDA of \$12 million or 8% of sales in the same quarter last year. The decline in EBITDA was the result of low pulp and linerboard prices in the quarter compounded by the stronger Canadian dollar.

Integration Activities On Track

West Fraser's integration activities are well underway. Key personnel and organizational changes have been implemented, and the centralization of North American lumber sales and information technology functions in Quesnel, B.C. is nearing completion. A detailed systems integration process, which will continue into 2006, is underway to ensure the establishment of common technology platforms.

"The integration of Weldwood is going well," said Ketcham. "We made critical decisions quickly, moved swiftly to integrate core business processes and systems, and are learning from organizational best practices to help capture the target synergies West Fraser previously identified."

Lumber Trade Dispute

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 countervailing and antidumping cases, and the refund of cash deposits with interest. The U.S. has so far refused to comply with the ruling.

Although the U.S. has said it is not legally obligated to refund the deposits, another NAFTA panel recently ruled – in a related West Fraser appeal of the antidumping order – that the U.S. has no authority to keep deposits collected pursuant to an invalid order.

Forward-Looking Statements

Some information contained in this release is prospective and may be affected by known or unknown risks and uncertainties, which are mostly outside the control of West Fraser. The results or events mentioned in such prospective information may differ substantially from actual results or events.

Conference Call

Investors are invited to listen to the quarterly conference call to be held on Tuesday, October 25 at 8:30 a.m. Pacific Daylight Time by dialing 1-888-575-8232 (toll-free North America). The call may also be accessed through West Fraser's web site at www.westfraser.com.

West Fraser is an integrated forest products company that produces lumber, LVL, MDF, plywood, pulp, linerboard, kraft paper and newsprint. The Company has manufacturing operations in British Columbia, Alberta and the southern United States. West Fraser has approximately 7,300 employees and is headquartered in Vancouver, British Columbia.



CONSOLIDATED STATEMENTS OF EARNINGS AND RETAINED EARNINGS

(in millions of Canadian dollars - unaudited)

	July 1 to September 30		January 1 to September 30	
	2005	2004	2005	2004
<u>EARNINGS</u>				
Sales	\$ 889.5	\$ 700.0	\$ 2,744.7	\$ 1,847.6
Costs and expenses				
Cost of products sold	613.5	375.5	1,774.8	1,013.1
Freight and other distribution costs	137.6	98.1	401.5	258.1
Countervailing and antidumping duties	38.9	51.6	122.5	124.8
Amortization	68.4	36.0	191.0	107.0
Selling, general and administration	31.2	17.1	95.2	53.8
Share option expense (recovery)	(4.2)	13.6	(1.1)	29.8
	885.4	591.9	2,583.9	1,586.6
Operating earnings	4.1	108.1	160.8	261.0
Other				
Interest expense - net	(10.4)	(3.0)	(38.3)	(11.3)
Exchange gain on long-term debt	23.8	9.0	13.9	4.0
Other income (expense)	(10.2)	0.3	(1.6)	1.8
Earnings before income taxes and non-controlling interest	7.3	114.4	134.8	255.5
Income tax (expense) recovery	11.0	(36.4)	(34.4)	(84.1)
Earnings before non-controlling interest	18.3	78.0	100.4	171.4
Non-controlling interest	(0.2)	-	(1.4)	-
Earnings	\$ 18.1	\$ 78.0	\$ 99.0	\$ 171.4
Earnings per share (note 8)				
Basic	\$ 0.42	\$ 2.12	\$ 2.32	\$ 4.65
Diluted	\$ 0.42	\$ 1.95	\$ 2.29	\$ 4.48
<u>RETAINED EARNINGS</u>				
Balance - beginning of period	\$ 1,254.0	\$ 1,076.9	\$ 1,185.1	\$ 993.8
Earnings	18.1	78.0	99.0	171.4
	1,272.1	1,154.9	1,284.1	1,165.2
Common share dividends	(5.9)	(5.2)	(17.9)	(15.5)
Balance - end of period	\$ 1,266.2	\$ 1,149.7	\$ 1,266.2	\$ 1,149.7



CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions of Canadian dollars - unaudited)

	July 1 to September 30		January 1 to September 30	
	2005	2004	2005	2004
<u>Cash Flows From Operating Activities</u>				
Earnings	\$ 18.1	\$ 78.0	\$ 99.0	\$ 171.4
Items not affecting cash				
Amortization	68.4	36.0	191.0	107.0
Exchange gain on long-term debt	(23.8)	(9.0)	(13.9)	(4.0)
Change in reforestation obligation	(11.3)	(7.3)	(5.6)	(5.4)
Change in other long-term liabilities	0.1	0.3	1.3	(0.5)
Change in deferred charges	(3.5)	(3.0)	(1.3)	(3.4)
Future income taxes	(13.9)	(7.2)	(31.5)	(16.6)
Gain on sale of property, plant, equipment & timber	(1.9)	-	(5.4)	(0.3)
Other	0.8	0.6	3.2	1.8
	33.0	88.4	236.8	250.0
Net change in non-cash working capital items	38.5	91.9	(191.1)	69.2
	71.5	180.3	45.7	319.2
<u>Cash Flows From Financing Activities</u>				
Repayment of long-term debt	(148.4)	-	(249.0)	(13.3)
Net proceeds of bank loans	100.0	-	34.0	-
Dividends	(5.9)	(5.2)	(17.9)	(15.5)
Proceeds from subscription receipts issue (net)	-	267.2	-	267.2
Issuance of Common shares (note 7)	0.1	0.1	0.3	0.6
Other	0.1	0.1	0.1	0.2
	(54.1)	262.2	(232.5)	239.2
<u>Cash Flows From Investing Activities</u>				
Additions to property, plant, equipment & timber	(58.6)	(39.5)	(160.9)	(98.7)
Proceeds from disposal of property, plant, equipment & timber	16.7	0.4	23.4	3.8
Change in restricted cash	-	(275.0)	-	(275.0)
(Increase) decrease in other assets	5.5	3.8	0.1	(8.9)
	(36.4)	(310.3)	(137.4)	(378.8)
Change in cash and short-term investments	(19.0)	132.2	(324.2)	179.6
Cash and short-term investments - beginning of period	44.4	313.3	349.6	265.9
Cash and short-term investments - end of period	\$ 25.4	\$ 445.5	\$ 25.4	\$ 445.5
Interest paid	\$ 5.9	\$ 6.3	\$ 31.3	\$ 17.4
Income taxes paid	\$ 17.4	\$ 9.2	\$ 242.8	\$ 26.2



CONSOLIDATED BALANCE SHEETS

(in millions of Canadian dollars - unaudited)

	As at September 30, 2005	As at December 31, 2004
ASSETS		
Current assets		
Cash and short-term investments	\$ 25.4	\$ 349.6
Accounts receivable	299.1	296.2
Income tax receivable	19.3	-
Inventories	538.7	541.2
Prepaid expenses	28.1	22.8
	910.6	1,209.8
Property, plant, equipment & timber (note 4)	2,301.3	2,337.0
Deferred charges	37.6	36.3
Goodwill	276.7	276.7
Other assets	61.4	67.6
	\$ 3,587.6	\$ 3,927.4
LIABILITIES & SHAREHOLDERS' EQUITY		
Current liabilities		
Bank operating loans	\$ 100.0	\$ 66.0
Accounts payable and accrued liabilities	373.3	392.1
Income tax payable	-	147.3
Current portion of reforestation obligation	50.8	50.4
Current portion of long-term debt	1.2	150.2
	525.3	806.0
Long-term debt	627.3	735.5
Other liabilities (note 6)	186.8	189.2
Future income taxes	378.1	409.6
Non-controlling interest	7.0	5.6
	1,724.5	2,145.9
Shareholders' equity (note 7)	1,863.1	1,781.5
	\$ 3,587.6	\$ 3,927.4

Number of Common shares outstanding at October 20, 2005 was 42,752,472

QUARTERLY COMPARISONS

January 1 to December 31

(in millions of Canadian dollars - unaudited)

	2005	2004
Sales		
First	\$ 902.4	\$ 541.1
Second	952.8	606.5
Third	889.5	700.0
Fourth		552.4
	\$	2,400.0
Earnings		
First	\$ 42.9	\$ 26.5
Second	38.0	66.9
Third	18.1	78.0
Fourth		40.6
	\$	212.0
Diluted Earnings Per Share (in dollars)		
First	\$ 0.99	\$ 0.71
Second	\$ 0.88	\$ 1.79
Third	\$ 0.42	\$ 1.95
Fourth		\$ 0.94
Annual		\$ 5.36



THIRD QUARTER SEGMENTED INFORMATION

(in millions of Canadian dollars - unaudited)

	Lumber	Panels	Pulp & paper	Corporate & other	Consolidated
July 1, 2005 to September 30, 2005					
Sales					
To external customers	\$ 519.8	\$ 126.8	\$ 242.9	\$ -	\$ 889.5
To other segments	19.6	1.9	-	-	
	<u>\$ 539.4</u>	<u>\$ 128.7</u>	<u>\$ 242.9</u>	<u>\$ -</u>	
EBITDA¹	\$ 51.8	\$ 13.7	\$ 7.8	\$ (0.8)	\$ 72.5
Amortization	<u>35.6</u>	<u>8.9</u>	<u>23.5</u>	<u>0.4</u>	<u>68.4</u>
Operating earnings (loss)	16.2	4.8	(15.7)	(1.2)	4.1
Interest expense	(7.9)	(3.1)	(1.7)	2.3	(10.4)
Exchange gain on long-term debt	-	-	-	23.8	23.8
Other income (expense)	2.0	(0.4)	(0.6)	(11.2)	(10.2)
Earnings (loss) before income taxes & non-controlling interest	<u>\$ 10.3</u>	<u>\$ 1.3</u>	<u>\$ (18.0)</u>	<u>\$ 13.7</u>	<u>\$ 7.3</u>
July 1, 2004 to September 30, 2004					
Sales					
To external customers	\$ 467.5	\$ 72.9	\$ 159.6	\$ -	\$ 700.0
To other segments	14.6	-	-	-	
	<u>\$ 482.1</u>	<u>\$ 72.9</u>	<u>\$ 159.6</u>	<u>\$ -</u>	
EBITDA¹	\$ 129.4	\$ 19.8	\$ 12.0	\$ (17.1)	\$ 144.1
Amortization	<u>16.5</u>	<u>5.1</u>	<u>14.1</u>	<u>0.3</u>	<u>36.0</u>
Operating earnings (loss)	112.9	14.7	(2.1)	(17.4)	108.1
Interest expense	(1.9)	(0.3)	(1.1)	0.3	(3.0)
Exchange gain on long-term debt	-	-	-	9.0	9.0
Other income (expense)	2.3	-	-	(2.0)	0.3
Earnings (loss) before income taxes & non-controlling interest	<u>\$ 113.3</u>	<u>\$ 14.4</u>	<u>\$ (3.2)</u>	<u>\$ (10.1)</u>	<u>\$ 114.4</u>

¹ Non GAAP measure:

EBITDA is defined as operating earnings plus amortization.

**FIRST NINE MONTH SEGMENTED INFORMATION***(in millions of Canadian dollars - unaudited)*

	Lumber	Panels	Pulp & paper	Corporate & other	Consolidated
January 1, 2005 to September 30, 2005					
Sales					
To external customers	\$ 1,577.8	\$ 391.0	\$ 775.9	\$ -	\$ 2,744.7
To other segments	64.3	5.6	-	-	
	<u>\$ 1,642.1</u>	<u>\$ 396.6</u>	<u>\$ 775.9</u>	<u>\$ -</u>	
EBITDA¹	\$ 262.1	\$ 52.6	\$ 51.9	\$ (14.8)	\$ 351.8
Amortization	91.2	27.1	70.7	2.0	191.0
Operating earnings (loss)	170.9	25.5	(18.8)	(16.8)	160.8
Interest expense	(23.9)	(9.4)	(7.6)	2.6	(38.3)
Exchange gain on long-term debt	-	-	-	13.9	13.9
Other income (expense)	6.4	(0.3)	0.4	(8.1)	(1.6)
Earnings (loss) before income taxes & non-controlling interest	<u>\$ 153.4</u>	<u>\$ 15.8</u>	<u>\$ (26.0)</u>	<u>\$ (8.4)</u>	<u>\$ 134.8</u>
January 1, 2004 to September 30, 2004					
Sales					
To external customers	\$ 1,149.2	\$ 218.9	\$ 479.5	\$ -	\$ 1,847.6
To other segments	39.2	-	-	-	
	<u>\$ 1,188.4</u>	<u>\$ 218.9</u>	<u>\$ 479.5</u>	<u>\$ -</u>	
EBITDA¹	\$ 305.6	\$ 58.8	\$ 44.5	\$ (40.9)	\$ 368.0
Amortization	45.3	17.3	43.2	1.2	107.0
Operating earnings (loss)	260.3	41.5	1.3	(42.1)	261.0
Interest expense	(6.6)	(0.9)	(3.7)	(0.1)	(11.3)
Exchange gain on long-term debt	-	-	-	4.0	4.0
Other income (expense)	0.9	-	(0.8)	1.7	1.8
Earnings (loss) before income taxes & non-controlling interest	<u>\$ 254.6</u>	<u>\$ 40.6</u>	<u>\$ (3.2)</u>	<u>\$ (36.5)</u>	<u>\$ 255.5</u>

1 Non GAAP measure:

EBITDA is defined as operating earnings plus amortization.



THIRD QUARTER OPERATING HIGHLIGHTS

		July 1 to September 30		January 1 to September 30	
		2005	2004	2005	2004
Lumber	Production (Mfbm)	1,037,732	693,884	3,201,160	2,107,789
	Shipments (Mfbm)	1,135,649	768,200	3,185,491	1,991,319
Panels					
MDF	Production (Msf - 3/4")	73,383	71,851	219,711	211,475
	Shipments (Msf - 3/4")	69,127	68,211	215,599	216,086
Plywood	Production (Msf - 3/8")	182,389	64,286	545,620	191,414
	Shipments (Msf - 3/8")	203,408	66,054	551,138	200,249
LVL	Production (cf)	808,424	-	2,441,720	-
	Shipments (cf)	783,903	-	2,400,374	-
Pulp & Paper (tonnes)					
Linerboard and Kraft paper	Production	115,657	118,595	335,777	328,603
	Shipments	109,288	126,090	337,966	327,350
NBSK	Production	147,175	-	427,457	-
	Shipments	148,444	-	429,564	-
BCTMP	Production	147,374	130,156	415,595	391,578
	Shipments	112,052	99,106	384,946	355,649
Newsprint	Production	33,186	33,926	100,586	102,281
	Shipments	33,132	34,107	99,412	101,253

NOTES TO CONSOLIDATED INTERIM 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, 2004.

These interim consolidated financial statements follow the same accounting policies and methods of their application as the December 31, 2004 consolidated annual financial statements except as described in note 2.

2. CHANGE IN ACCOUNTING POLICY

Variable Interest Entities

Effective January 1, 2005, the Company adopted the new accounting guideline for consolidation of variable interest entities ("VIE") per CICA accounting Guideline 15. This guideline requires the consolidation of certain entities that are subject to control on a basis other than the ownership of voting interest. Accordingly, the Company began consolidating one of its joint-venture interests that was previously proportionately consolidated. The effect on assets was an increase of \$7.0 million and the effect on liabilities was an increase of \$5.4 million. There was no impact on earnings or equity from applying this VIE guideline. The change in accounting policy was applied prospectively with no restatement of prior periods.

3. ACQUISITION

On December 31, 2004, the Company acquired the only issued share of Weldwood of Canada Limited ("Weldwood") for net cash consideration of \$1,123.9 million. The terms of the transaction also provide that the seller is entitled to the net after-tax value of any refunds of softwood lumber duties paid by Weldwood before December 31, 2004 and to further cash consideration, not to exceed \$50.0 million in aggregate, if the average market price of NBSK pulp per tonne exceeds the greater of US\$710 and Cdn \$950 during any quarter ending on or before June 30, 2007. To date, the average pulp price has been below the levels that would trigger additional consideration. Weldwood was amalgamated with West Fraser Mills Ltd., the Company's principal operating subsidiary, effective January 1, 2005.

The business acquired consists of four wholly owned sawmills (one containing a wood treating facility), three partly owned sawmills (one containing a wood treating facility), two plywood plants, one laminated veneer lumber facility, one wholly owned and one partially owned NBSK pulp mill, and 5.2 million cubic meters of allowable annual cut. These facilities are located at various locations in British Columbia and Alberta.

The acquisition has been accounted for using the purchase method, whereby the purchase consideration was allocated to the estimated fair values of the assets acquired and liabilities assumed at the effective date of the purchase. The Company expects to finalize the allocation of the purchase cost for the acquisition by December 31, 2005. The preliminary allocation of the purchase cost is based on management's best estimate and information available at the time of preparing these consolidated financial statements and any changes may be material.

Net assets acquired	\$ 1,430.4
Less: Cash acquired	<u>(306.5)</u>
Net non-cash assets acquired	<u>\$ 1,123.9</u>
Preliminary allocation:	
Current assets	\$ 352.3
Current liabilities	(219.8)
Property, plant and equipment	690.6
Timber	432.3
Goodwill	276.7
Other assets - net	1.7
Reforestation obligation	(50.5)
Employee future benefits	(108.6)
Future income taxes	(245.2)
Non-controlling interest	<u>(5.6)</u>
Net cash consideration	<u>\$ 1,123.9</u>

The allocation above includes costs related to the acquisition of \$6.6 million and estimated severance and other costs associated with the integration of Weldwood of \$18.5 million. For the period ended September 30, 2005 \$3.5 million (\$1.8 million in the three months ended September 30, 2005) was paid related to the estimated severance and other costs. Actual amounts incurred in relation to these activities may differ from these estimates and any such differences will be factored into the final allocation.

Any payments required pursuant to pulp price movements described above will result in additional goodwill being recorded. Goodwill is not deductible for tax purposes.

The Company entered into a consent agreement on December 7, 2004 with the Canadian Commissioner of Competition which requires the Company, among other things, to divest a 90% interest in two sawmills and their related timber harvesting rights acquired in this transaction. The assets and liabilities related to these operations are included in the preliminary allocation above.

4. IMPAIRMENT OF LONG-LIVED ASSETS

During the quarter, the Company wrote off \$5.2 million related to the carrying value of its Red Earth, Alberta joint venture sawmill. The write-off is included in amortization expense.

5. BANK INDEBTEDNESS

The Company has approximately \$530.1 million in revolving lines of credit available, \$100.0 million of which was drawn as at September 30, 2005. The Company has also issued \$57.0 million under various letters of credit. The lines bear interest at floating rates based on prime, US base, bankers acceptances or LIBOR at the Company's option.

6. OTHER LIABILITIES

	September 30, 2005	December 31, 2004
Post-retirement obligations	\$ 113.4	\$112.0
Reforestation obligation-long term	66.5	70.6
Other asset retirement obligations	6.9	6.6
	<u>\$ 186.8</u>	<u>\$ 189.2</u>

7. SHAREHOLDERS' EQUITY

	September 30, 2005		December 31, 2004	
	Number of Shares Issued	Amount	Number of Shares Issued	Amount
Common	37,366,366	\$ 596.8	37,359,544	\$ 596.5
Class B common	5,385,206	0.5	5,385,206	0.5
Total Common	42,751,572	597.3	42,744,750	597.0
Retained Earnings		1,266.2		1,185.1
Share Purchase Loans		(0.4)		(0.6)
Shareholders' Equity		\$ 1,863.1		\$ 1,781.5

Common Shares

For the three months ended September 30, 2005, the Company issued 2,711 Common shares for cash of \$0.1 million (nine months ended September 30, 2005 issued 6,822 common shares for cash of \$0.3 million).

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.

	July 1 to September 30		January 1 to September 30	
	2005	2004	2005	2004
Earnings available to shareholders	\$ 18.1	\$ 78.0	\$ 99.0	\$ 171.4
Weighted average shares (thousands)				
Weighted average shares – basic	42,732	36,847	42,729	36,843
Share options – treasury stock method	532	675	561	559
Share subscription receipts (5,852 issued)	-	2,417	-	812
Weighted average shares - diluted	43,264	39,939	43,290	38,214
Earnings per share (dollars)				
Basic earnings per share	\$ 0.42	\$ 2.12	\$ 2.32	\$ 4.65
Diluted earnings per share	\$ 0.42	\$ 1.95	\$ 2.29	\$ 4.48

9. EMPLOYEE FUTURE BENEFITS

The total benefit cost of the Company's defined benefit pension plans was \$8.1 million for the quarter (\$22.9 million for the nine months ended September 30, 2005).

10. 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 minimus* 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.

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 in the period received. As at September 30, 2005, the total amount on deposit from May 22, 2002 related to CVD and ADD was US\$310.6 million and US\$35.2 million respectively. This amount does not include the amounts on deposit from Weldwood prior to the acquisition by the Company (see note 3).

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. The take-back will occur over two years commencing in 2005 and completing in March, 2006. All affected licensees are eligible for compensation for both timber rights and certain other asset values. 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 shares trade on the Toronto Stock Exchange under the symbol: “WFT”.

For more information:

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