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NEWS RELEASE

**WEST FRASER TIMBER CO. LTD.
("WFT")**

Thursday, July 22, 2010

West Fraser Announces Second Quarter Results

Vancouver, B.C. – **West Fraser Timber Co. Ltd.** today reported earnings after discontinued operations of \$63 million or \$1.46 per share on sales of \$772 million in the second quarter of 2010 and earnings after discontinued operations of \$83 million or \$1.91 per share, on sales of \$1.5 billion for the first half of 2010.

“Although the improved results were driven largely by higher prices for all products, we benefited from higher production and shipments by our lumber division, as well as from our continued focus on cost control across the Company.” said Hank Ketcham, the Company’s Chairman, President and CEO.

These results compare with previous periods as follows:

(\$ million except earnings per share (“EPS”))	2010			2009	
	YTD	Q2	Q1	YTD	Q2
Sales	1,460	772	688	1,170	612
EBITDA ¹	254	151	103	(17)	8
Operating earnings from continuing operations	156	103	53	(140)	(50)
Earnings from continuing operations	97	62	35	(102)	(23)
Earnings after discontinued operations	83	63	20	(122)	(39)
Diluted EPS after discontinued operations (\$)	1.91	1.46	0.45	(2.85)	(0.91)

¹ Throughout this News Release, reference is made to EBITDA (defined as operating earnings plus amortization and asset impairments). Management of the Company believes that, in addition to earnings, EBITDA is a useful performance indicator and is a useful complementary measure of cash available prior to debt service, capital expenditures and income taxes. However, EBITDA is not a generally accepted earnings measure under Canadian generally accepted accounting principles (“GAAP”) and does not have a standardized meaning prescribed by Canadian GAAP. Investors are cautioned that EBITDA should not be considered as an alternative to earnings or cash flow as determined in accordance with Canadian GAAP. As there is no standardized method of calculating EBITDA, the Company’s method of calculating EBITDA may differ from the methods used by other entities and, accordingly, the Company’s use of that term may not be directly comparable to similarly titled measures used by other entities.

Operational Results

In the quarter the lumber segment generated operating earnings of \$47 million and EBITDA of \$75 million. The positive results reflect continued strong pricing during most of the quarter for both SPF and SYP lumber, as well as greater production and shipments. Shipments to China increased 30% in the quarter compared to the previous quarter. Towards the end of the quarter and into July lumber prices declined reflecting oversupply and a continuing weak U.S. housing market.

The panel segment, which includes plywood, LVL and MDF, generated operating earnings in the quarter of \$15 million and EBITDA of \$20 million. Plywood prices improved in the quarter with the average benchmark price increasing 14% from the previous quarter. MDF and LVL operations continue to operate on a curtailed basis while the three plywood mills ran at near capacity levels.

Pulp and paper operations generated operating earnings of \$36 million and EBITDA of \$49 million. Pulp prices increased in the quarter with the average NBSK benchmark price for the quarter increasing to US\$993 per tonne, an increase of 13% from the previous quarter. Planned maintenance downtime at both NBSK mills and the Quesnel BCTMP mill reduced production in the quarter by approximately 36,000 tonnes.

Outlook

Lumber prices in the second half of the year are expected to be lower than in the first half of the year as low U.S. housing starts will continue to dampen demand. Housing starts in Canada are likely to support reasonable demand for plywood, although increasing imports of U.S. plywood could temper price increases. Pulp markets are weakening due to reduced demand in China. As a result we anticipate that pulp prices will be under pressure through the third quarter.

The Company

West Fraser is an integrated wood products company producing lumber, wood chips, LVL, MDF, plywood, pulp and newsprint. The Company has operations in western Canada and the southern United States.

Forward-Looking Statements

This news release contains historical information, descriptions of current circumstances and statements about potential future developments. The latter, which are forward-looking statements are included under the heading "Outlook", and are presented to provide reasonable guidance to the reader but their accuracy depends on a number of assumptions and is subject to various risks and uncertainties which are also described under this heading. Actual outcomes and results will depend on a number of factors. Accordingly, readers should exercise caution in relying upon forward-looking statements and the Company undertakes no obligation to publicly revise them to reflect subsequent events or circumstances, except as required by applicable securities laws.

Conference Call

Investors are invited to listen to the quarterly conference call on Friday, July 23, 2010 at 8:30 a.m. Pacific Time (11:30 a.m. Eastern Time) by dialing 1-800-355-4959 (toll- free North America). The call may also be accessed through West Fraser's website at www.westfraser.com.

Management's Discussion & Analysis

This discussion and analysis by West Fraser's management ("MD&A") of the Company's financial performance during the second quarter of 2010 should be read in conjunction with the unaudited interim consolidated financial statements and accompanying notes included in this quarterly report and the 2009 annual MD&A included in the Company's 2009 Annual Report. Dollar amounts are expressed in Canadian currency, unless otherwise indicated.

This MD&A contains historical information, descriptions of current circumstances and statements about potential future developments and anticipated financial results. The latter, which are forward-looking statements, are presented to provide reasonable guidance to the reader but their accuracy depends on a number of assumptions and is subject to various risks and uncertainties. Forward-looking statements are included under the headings "Business Outlook" and "New Accounting Pronouncements". Actual outcomes and results will depend on a number of factors that could affect the ability of the Company to execute its business plans, including those matters described under "Risks and Uncertainties" in the 2009 annual MD&A, and may differ materially from those anticipated or projected. Accordingly, readers should exercise caution in relying upon forward-looking statements and the Company undertakes no obligation to publicly revise them to reflect subsequent events or circumstances, except as required by applicable securities laws.

Throughout this MD&A reference is made to EBITDA (defined as operating earnings plus amortization and asset impairments). Management believes that, in addition to earnings, EBITDA is a useful performance indicator and is a useful complementary measure of cash available prior to debt service, capital expenditures and income taxes. EBITDA is not a generally accepted earnings measure under Canadian generally accepted accounting principles ("GAAP") and does not have a standardized meaning prescribed by Canadian GAAP. Investors are cautioned that EBITDA should not be considered as an alternative to earnings or cash flow, as determined in accordance with Canadian GAAP. As there is no standardized method of calculating EBITDA, the Company's method of calculating EBITDA may differ from the methods used by other entities and, accordingly, the Company's use of that term may not be directly comparable to similarly titled measures used by other entities.

This MD&A includes references to benchmark prices over selected periods for products of the type produced by West Fraser. These benchmark prices do not necessarily reflect the prices obtained by West Fraser for those products during such period. The information in this interim MD&A is as at July 22, 2010 unless otherwise indicated.

Production, Shipments and Financial Comparisons

	Q2-10	Q1-10	YTD-10	Q2-09	YTD-09
Production					
Lumber – MMfbm					
SPF	860	827	1,687	741	1,415
SYP	363	274	637	338	650
	1,223	1,101	2,324	1,079	2,065
Plywood – MMsf (3/8” basis)	207	191	398	185	369
MDF – MMsf (3/4” basis)	47	48	95	52	97
LVL – Mcf	594	580	1,174	297	731
BCTMP – Mtonnes	139	156	295	117	187
NBSK – Mtonnes	116	124	240	127	256
Newsprint – Mtonnes	31	33	64	29	58
Linerboard and Kraft Paper – Mtonnes	-	29	29	70	183
Shipments					
Lumber – MMfbm					
SPF	842	830	1,672	799	1,527
SYP	346	270	616	376	696
	1,188	1,100	2,288	1,175	2,223
Plywood – MMsf (3/8” basis)	192	181	373	215	385
MDF – MMsf (3/4” basis)	49	51	100	58	112
LVL – Mcf	580	564	1,144	343	746
BCTMP – Mtonnes	170	142	312	159	263
NBSK – Mtonnes	118	132	250	141	264
Newsprint – Mtonnes	36	34	70	23	42
Linerboard and Kraft Paper – Mtonnes	22	89	111	82	160
Financial Comparisons - \$ millions					
Sales	772	688	1,460	612	1,170
EBITDA	151	103	254	8	(17)
Amortization	(48)	(50)	(98)	(58)	(123)
Operating earnings	103	53	156	(50)	(140)
Interest expense – net	(7)	(8)	(15)	(7)	(15)
Exchange gain (loss) on long-term debt	(15)	11	(4)	29	17
Other income (expense)	2	(7)	(5)	(5)	3
(Provision) recovery of income taxes	(21)	(14)	(35)	10	33
Earnings from continuing operations	62	35	97	(23)	(102)
Earnings (loss) from discontinued operations	1	(15)	(14)	(16)	(20)
Earnings	63	20	83	(39)	(122)
Cdn. \$1.00 converted to U.S.–average	0.973	0.961	0.967	0.857	0.829

Selected Quarterly Information

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

	Q2-10	Q1-10	Q4-09	Q3-09	Q2-09	Q1-09	Q4-08	Q3-08
Sales ¹	772	688	570	612	612	558	662	759
Earnings ¹	62	35	8	(100)	(23)	(80)	(75)	(5)
Earnings after discontinued operations	63	20	(20)	(199)	(39)	(83)	(70)	(2)
Basic EPS ¹	1.46	0.80	0.18	(2.34)	(0.53)	(1.86)	(1.76)	(0.11)
Diluted EPS ¹	1.44	0.79	0.18	(2.34)	(0.53)	(1.86)	(1.76)	(0.11)
Basic EPS after discontinued operations	1.48	0.45	(0.47)	(4.64)	(0.91)	(1.94)	(1.62)	(0.05)
Diluted EPS after discontinued operations	1.46	0.45	(0.47)	(4.64)	(0.91)	(1.94)	(1.62)	(0.05)

1. From continuing operations.

Discussion & Analysis

The improved earnings in the quarter compared to the prior quarter and the same quarter last year reflect higher average prices for SPF and SYP lumber, plywood and pulp. The value of the Canadian dollar against the U.S. dollar increased approximately 14% from the value in the second quarter of 2009 partially offsetting the effect of higher U.S.-dollar product prices.

A combination of constrained lumber supply and improved seasonal demand supported higher average lumber prices in the current quarter. However, U.S. housing starts remained low and by the end of the quarter prices for both SPF and SYP lumber had declined from the highs reached during the quarter.

Prices for all grades of pulp continued to increase as a result of strong demand and supply limitations resulting from the Chilean earthquake earlier in the year. In the latter part of the quarter pulp demand, particularly in China, began to subside.

Selling, general and administration expense was lower in the current quarter largely as a result of a recovery related to equity-based compensation. The recovery of \$10 million relates mainly to the decline in the Company’s share price at the end of the current quarter compared to the value at the end of the previous quarter. In the previous quarter and in the second quarter of 2009, the charges related to equity-based compensation were \$15 million and nil respectively.

Earnings and cash flows for comparative periods presented have been reclassified to show the results from the Eurocan linerboard and kraft paper business (“Eurocan”) as a discontinued operation.

Results for the quarter include a loss on the translation of U.S. dollar-denominated debt of \$15 million (after tax \$13 million or \$0.29 per share).

Interest expense in the quarter was consistent with that of the previous quarter and the 2009 comparative quarter as the effect of higher interest rates were offset by lower borrowings and the effect of the higher value of the Canadian dollar on U.S.-denominated interest expense.

As a result of strong cash flow in the quarter, the net debt to total capitalization ratio declined to 12%.

The change in value of the Canadian dollar relative to the U.S. dollar during the periods presented resulted in the following foreign exchange gains and losses from continuing operations:

	Q2-10	Q1-10	YTD-10	Q2-09	YTD-09
Included in other income					
Translation of current monetary items	3	(4)	(1)	(7)	(2)
Gain (loss) on foreign currency contracts	(1)	1	-	-	-
Gain (loss) on U.S. dollar-denominated long-term debt	(15)	11	(4)	29	17
Translation gain (loss) on investment in self-sustaining foreign operations	14	(9)	5	(31)	(15)

Discussion & Analysis by Product Segment

Lumber Segment

	Q2-10	Q1-10	YTD-10	Q2-09	YTD-09
Sales - \$ millions	440	387	827	337	648
EBITDA - \$ millions	75	66	141	1	(46)
EBITDA margin - %	16	16	16	-	-
Operating earnings - \$ millions	47	36	83	(31)	(115)
Benchmark prices (US\$ per Mfbm)					
SPF #2 & Better 2 x 4 ¹	264	269	267	174	165
SYP #2 West 2 x 4 ²	377	322	350	247	245

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 improved in the quarter compared to the previous quarter and the second quarter of 2009 largely due to higher realized lumber prices and increased shipments in both Canada and the U.S.

Average U.S.-dollar benchmark prices for SPF lumber declined 2% in the quarter compared to the previous quarter and increased 52% compared to the second quarter of 2009. Similar benchmark prices for SYP lumber were 17% higher in the current quarter compared to the previous quarter and 53% higher than the second quarter of 2009. The increases compared to 2009 were mainly the result of supply constraints. Despite the decrease in the SPF benchmark price compared to the previous quarter, actual sales realizations improved as there is some time lag between benchmark price changes and actual mill sales. Partially offsetting the increase in prices was the strengthening of the Canadian dollar relative to the U.S. dollar, up 14% in the current quarter compared to the second quarter of 2009.

Lumber shipments increased approximately 8% compared to the previous quarter and were similar to shipment volumes in the second quarter of 2009. Shipments to Japan and China increased 18% in the quarter from the previous quarter and nearly 60% from levels reached in the comparative period in 2009.

SPF lumber production increased by 4% in the current quarter compared to the previous quarter and by 16% compared to the second quarter of 2009. The Company's Canadian mills operated near capacity in the quarter.

SYP production was 32% higher in the current quarter compared to the previous quarter and 7% higher compared to the second quarter of 2009. The increase over the previous quarter is due primarily to improved log availability, as severe weather conditions in many of the operating areas interrupted log supply in the previous quarter. Many of the U.S. sawmills continued to operate on reduced shifts due to uncertainty regarding the market recovery. The operating rate of the U.S. sawmills improved to approximately 75% in the quarter from 55% in the previous quarter.

Log and lumber inventory valuation adjustments reduced operating earnings by \$4 million in the quarter. This compares to valuation adjustments that increased earnings in the previous quarter by \$10 million and in the second quarter of 2009 by \$47 million.

In the quarter the lumber composite price increased to levels that triggered a reduction of the export tax rate applied to certain Canadian softwood lumber exports to the United States under the Softwood Lumber Agreement. With the increase in the composite price, the base export tax rate was reduced from 15% to 10% for shipments from B.C. and Alberta for May and reduced to nil for June. As a result of lower lumber prices in the latter part of the quarter, the base export tax increased to 10% for July. For any month where shipments from B.C. or Alberta exceed the provincial surge limit, the export tax rate will be increased by 50 % of the base export tax rate.

From the beginning of the Softwood Lumber Agreement in 2006 to April 2010, the Company has been subject to a 15% tax on the selling price of all softwood lumber shipped from Canada into the U.S. For several months in 2009 and 2010 lumber shipments from the province of Alberta exceeded the prescribed surge volumes causing shipments in those months to be subject to a higher 22.5% export tax.

Panels Segment

	Q2-10	Q1-10	YTD-10	Q2-09	YTD-09
Sales - \$ millions	106	98	204	100	196
EBITDA - \$ millions	20	11	31	5	12
EBITDA margin - %	19	11	15	5	6
Operating earnings - \$ millions	15	5	20	(3)	(5)
Benchmark price					
Plywood (per Msf 3/8" basis) ¹ Cdn\$	377	332	355	305	308
MDF (per Msf 3/4" basis) ² US\$	536	473	505	494	500

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

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

The Company's panels segment is comprised of its plywood, MDF and LVL operations.

Operating earnings improved compared to the previous quarter due primarily to higher plywood prices. Compared to the second quarter of 2009, operating earnings were significantly higher, due to higher plywood prices and lower amortization in the plywood segment as certain assets became fully amortized. A press fire at the Quesnel MDF plant in the current quarter resulted in 23 days downtime, reducing production by approximately 8,300 Msf. The reduced profitability due to the lost production more than offset the effect of the increased MDF prices compared to the previous quarter and the second quarter of last year.

Benchmark plywood prices increased approximately 14% in the current quarter compared to the previous quarter reflecting improved seasonal demand in Canada. Compared to the second quarter of 2009, plywood prices were 24% higher. MDF prices improved in the current quarter compared to the previous quarter but on a Canadian dollar basis were lower by 4% compared to the second quarter of 2009 due to the strengthening of the Canadian dollar.

Unit production costs for plywood were lower in the current quarter compared to the previous quarter largely due to improved production. Compared to the second quarter of 2009, plywood unit production costs were lower due to improved production, lower amortization and lower log costs.

MDF unit production costs were similar compared to the previous quarter and the second quarter of 2009 despite a press fire which reduced production at the Quesnel plant.

The two MDF plants operated in the quarter at approximately 65% of capacity while the operating rate of the LVL plant increased due to an increase in the operating rate to approximately 75% in the quarter compared to approximately 40% in the second quarter of 2009.

Pulp & Paper Segment

	Q2-10	Q1-10	YTD-10	Q2-09	YTD-09
Sales - \$ millions	226	203	429	174	325
EBITDA - \$ millions	49	40	89	1	12
EBITDA margin - %	22	19	21	-	4
Operating earnings - \$ millions	36	25	61	(16)	(23)
Benchmark price					
NBSK (US\$ per tonne) ¹	993	880	937	645	659
Newsprint (US\$ per tonne) ²	564	553	576	566	645

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

2. Source: Resource Information Systems, Inc. – delivered 48.8 gram newsprint.

The pulp & paper segment includes the NBSK, the BCTMP and the newsprint businesses. Results from the Eurocan business are included in discontinued operations.

Operating earnings increased over the previous quarter as a result of higher prices and increased shipments for pulp and newsprint, offset in part by higher fibre costs and reduced NBSK and BCTMP production. Compared to the second quarter of 2009, operating earnings improved due to substantially higher pulp prices offset partially by higher average fibre costs and higher costs associated with more extensive maintenance downtime.

Pulp prices continued to increase in the current quarter, although BCTMP prices did not increase to the same extent as NBSK prices. Newsprint prices were marginally higher in the current quarter compared to the previous quarter and comparable to the second quarter of last year.

The value of the Canadian dollar as measured against the U.S. dollar increased only marginally in the current quarter compared to its value in the previous quarter. Compared to the corresponding quarter in the previous year, the value of the Canadian dollar increased by approximately 14% partially offsetting the higher pulp prices in the current quarter.

Pulp production was 9% lower in the current quarter than in the previous quarter due mainly to planned maintenance downtime at both NBSK mills and the Quesnel BCTMP mill. Pulp production in the current quarter was 5% higher than in the corresponding quarter in 2009. NBSK production was lower due to the maintenance downtime at the Hinton mill in the current quarter whereas no such downtime was taken at the mill in the corresponding quarter in 2009. BCTMP production in the current quarter was higher than in the second quarter of 2009 as production was curtailed at both BCTMP mills due to weak markets in the second quarter of 2009.

Average unit pulp production costs increased approximately 11% in the current quarter compared to the previous quarter, due to increased fibre and maintenance costs. Compared to the corresponding quarter in 2009, average unit production costs were 4% higher largely due to higher fibre costs and increased maintenance costs at both the Hinton NBSK and the Quesnel BCTMP mills.

Newsprint production was slightly lower in the current quarter compared to the previous quarter, largely resulting from production curtailments due to high electricity costs in the quarter. Compared to the corresponding quarter in 2009, production was 7% higher due to fewer power price-related production curtailments in the current quarter.

Average unit production costs for newsprint were lower in the current quarter compared to the previous quarter and the corresponding quarter in 2009, mainly the result of electricity sales under the Company's power purchase agreement during high power price periods and, in the case of the second quarter of 2009, a reduction in amortization as certain assets became fully amortized.

Discontinued Operations

The Eurocan mill was closed in the first quarter of 2010.

The mill recorded after-tax earnings of \$1 million in the current quarter compared to an after-tax loss of \$15 million in the previous quarter and an after-tax loss of \$16 million in the second quarter of 2009. The current quarter results include the sale of product inventory as well as site security and other costs.

In the previous quarter the mill operated for approximately 23 days, producing 29,348 tonnes of linerboard and kraft paper. In the second quarter of 2009, in addition to downtime related to a 14 day maintenance shut-down, the mill operated on a curtailed basis as a result of weak linerboard markets.

At the end of the current quarter substantially all of the finished product inventory had been sold or committed to specific customers.

The Company continues to work with interested parties on the sale of various assets associated with the Eurocan mill.

As at June 30, 2010 the assets and liabilities associated with the Eurocan business are as follows:

(\$ millions)	June 30, 2010
Current assets	23
Non-current assets	1
Total assets	24
Current liabilities	(22)
Non-current liabilities	(13)
Total liabilities	(35)

The summarized results for the discontinued Eurocan business are as follows:

(\$ millions)	Q2-10	Q1-10	YTD-10	Q2-09	YTD-09
Sales	14	51	65	55	116
Operating earnings	(1)	(20)	(21)	(26)	(26)
Allocated gain on foreign currency contracts	-	-	-	8	3
Other income (expense)	2	(1)	1	(6)	(6)
Earnings before income tax	1	(21)	(20)	(24)	(29)
Income tax recovery	-	6	6	8	9
Earnings (loss)	1	(15)	(14)	(16)	(20)
Cash flows from operating and investing activities	25	(8)	17	(12)	(13)

Business Outlook

For a description of West Fraser's business outlook for 2010 see its 2009 annual MD&A under "Business Outlook", which is included in the Company's Annual Report.

Historically, a key market for the Company's lumber, MDF and LVL has been U.S. home construction which has experienced a severe and prolonged downturn over the past four years. Many observers have predicted a slow and unsteady recovery of this market which will be largely dependent on reduced levels of unemployment and unsold housing inventory in the U.S. However, although the timing of the recovery is uncertain, West Fraser's focus on cost control and reinvestment should position it to achieve above-average returns as the U.S. housing market improves. This focus has permitted the Company to operate at its current high rates. As was seen in the first half of 2010, there are opportunities during a slow but uneven recovery to achieve adequate returns.

In addition to the recovery of the U.S. housing market, West Fraser expects to benefit from the development and expansion of new markets for solid wood products, most notably China.

Most of West Fraser's plywood is sold in Canada which has not experienced a housing collapse to the same degree as in the U.S. The Canadian plywood market has suffered from periods of weakness during the recent recession and due to competition from U.S. plywood and product substitution. However, West Fraser expects that its plywood business will achieve competitive returns over the next several years absent a significant reversal in current Canadian housing trends.

Pulp markets have recently been driven by strong demand, fuelled particularly by increased demand from Chinese consumers. This has driven benchmark prices to high levels. Pulp markets are weakening due to reduced demand in China. As a result we anticipate that pulp prices will be under pressure through the third quarter. However, it is expected that overall demand for pulp will remain relatively strong, particularly if the global economy improves, as there are relatively limited sources of new production capacity available over the next few years.

Capital Requirements and Liquidity

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

As at	June 30, 2010	Dec. 31, 2009
Cash ¹	94	(10)
Current assets	701	704
Current liabilities	333	495
Ratio of current assets to current liabilities	2.1	1.4
Net debt	235	505
Shareholders' equity	1,704	1,618
Net debt to capitalization ² - %	12	24

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

2. Net debt (total debt less net cash) 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 normal business cycles and 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)

	Q2-10	Q1-10	YTD-10	Q2-09	YTD-09
Operating Activities					
Cash provided before working capital changes	130	89	219	(6)	(9)
Non-cash working capital change	83	(8)	75	82	70
Cash provided from operating activities	213	81	294	76	61
Financing Activities					
Debt and operating loans	(123)	(44)	(167)	(57)	(35)
Dividends and other	(1)	(5)	(6)	(1)	(7)
Cash used in financing activities	(124)	(49)	(173)	(58)	(42)
Investing Activities					
Additions to property, plant, equipment & timber	(6)	(28)	(34)	(5)	(11)
Other – net	1	(1)	-	2	3
Cash used in investing activities	(5)	(29)	(34)	(3)	(8)
Change in cash from continuing operations	84	3	87	15	11
Change in cash from discontinued operations	25	(8)	17	(12)	(13)
Change in cash	109	(5)	104	3	(2)

Capital Structure and Debt Ratings

At June 30, 2010 the Common share equity of the Company consisted of 40,016,246 Common shares and 2,806,478 Class B Common shares for a total of 42,822,724 shares issued and outstanding.

All of West Fraser's debt is secured and, with the exception of current borrowings incurred by its joint venture newsprint mill, ranks equally in right of payment.

The Company is rated by three rating agencies. In 2009 as a result of the significant and prolonged downturn in the North American housing industry each of these agencies downgraded its rating of the Company. Based on the approaches employed by these agencies, rating upgrades could occur after a sustained improvement in the Company's various markets occurs resulting in improved profitability for the Company. During the current quarter Standard & Poor's changed its outlook from negative to stable. The current rating by each of these agencies is as follows:

Debt Ratings

Agency	Rating	Outlook
Dominion Bond Rating Service	BB(high)	Negative
Moody's	Ba1	Negative
Standard & Poor's	BB	Stable

Risks and Uncertainties

For a review of the risks and uncertainties to which the Company is subject, see the 2009 annual MD&A which is included in the Company's 2009 Annual Report.

New Accounting Pronouncements

International Financial Reporting Standards

In February 2008, the Canadian Accounting Standards Board confirmed that International Financial Reporting Standards ("IFRS") will replace Canada's current GAAP for publicly accountable profit-oriented enterprises effective January 1, 2011. IFRS requires that in the year of implementation the comparative financial statements be restated to conform to the standards.

Update on IFRS Conversion Plan

West Fraser has commenced the process to transition from GAAP to IFRS. The Company has established a project team and a project plan has been developed and is being implemented. Regular progress reporting to the Audit Committee of the Board of Directors on the status of the IFRS implementation project has been instituted.

The project plan consists of three major phases, which at times will run concurrently:

- Assessment phase – This phase involves identifying the differences between GAAP and IFRS. These differences are then analysed to determine the possible effect on the Company including changes required to existing accounting policies and information systems, together with analysis of policy choices under IFRS.
- Design phase – During this phase additional specialist personnel will be identified to assist as necessary on system and process changes. Training requirements for staff will be assessed and appropriate training programs will be completed. In addition, optional exemptions for first time adopters of IFRS and accounting policy choices under IFRS will be evaluated.
- Implementation phase – This phase includes execution of changes to information systems and business processes, obtaining authorization for recommended exemptions for first time adopters and for accounting policy choices. During this phase draft IFRS-compliant financial statements will be completed for discussion and approval by senior management and the Audit Committee. Additional training will be provided to financial and other staff as necessary.

The assessment phase has been completed and the Company is now in the design and implementation phase of the project plan. All financial staff in key control positions have been provided with initial IFRS training with additional training being provided to members of the project team.

Implementation of changes to ensure that information systems are capable of dual reporting of GAAP and IFRS information for 2010 is underway. In addition, changes to the Company's

fixed asset system to account for impairment accounting under IFRS are scheduled to be tested in the second half of the year.

The expected effect of accounting policy choices and system changes on disclosure controls and internal controls over financial reporting is being monitored and appropriate control changes will be made prior to implementation of IFRS.

Differences between IFRS and GAAP

The standard-setting body of IFRS has significant ongoing projects that could affect the ultimate differences between GAAP and IFRS and these changes may have a material impact on the Company's financial statements. As a result, the final effect on the Company's consolidated financial statements will only be measurable once all of the applicable IFRS standards at the final changeover are known.

There are a number of differences between GAAP and IFRS that have been identified. Many of the differences identified are not expected to have a material affect on the reported results or the financial position of West Fraser. However, there may be significant changes resulting from the initial adoption of IFRS and accounting policy choices for certain areas. The adoption of IFRS is not expected to materially affect cash flows or debt covenant calculations as current covenants contemplate that they will continue to be calculated based on current GAAP.

While the qualitative effects of IFRS on future financial statements have not yet been determined, the Company has identified a number of key areas which are likely to be significantly affected including property, plant, equipment and timber, impairment of assets, employee future benefits, asset retirement obligations including reforestation obligations and presentation of financial statements.

The IFRS 1 exemptions being considered by the Company that could have a material effect on the opening balance sheet are as follows:

Exemption	Application of Exemption
Business combinations	The Company expects to apply this exemption and will not restate any business combinations that took place before January 1, 2010.
Employee future benefits	The Company expects to apply this exemption which will allow it to recognize cumulative actuarial gains and losses at January 1, 2010 as an adjustment to retained earnings.
Cumulative translation differences	The Company expects to apply this exemption which will allow it to transfer the January 1, 2010 cumulative translation account to retained earnings.

The key areas which are likely to be significantly affected by the adoption of IFRS are as follows:

Standards	Difference from GAAP	Potential Impact
Presentation and disclosure	IFRS requires significantly more disclosure than Canadian GAAP for certain standards	The increased disclosure requirements will cause the Company to change financial reporting processes to ensure the appropriate data is collected.
Impairment of assets	<p>IFRS requires the assessment of asset impairment to be based on discounted cash-flows while GAAP only requires discounting if the carrying value of assets exceeds the undiscounted cash flows.</p> <p>IFRS also requires the reversal of any previous asset impairments, excluding goodwill, where circumstances have changed. GAAP prohibits the reversal of impairment losses.</p>	The differences in methodology may result in asset impairments upon transition to IFRS. In addition, the potential for asset impairments will increase in the future.
Share-based compensation	IFRS requires the measurement of the Company's share option plan to be based on a valuation model while GAAP applies the intrinsic rate method.	The differences in methodology will result in an adjustment to the share option liability.
Asset retirement obligations	IFRS requires asset retirement obligations to be adjusted to the discount rate in affect at each balance sheet date while GAAP retains the historical discount rate.	The differences in methodology will result in an adjustment to retained earnings upon transition to IFRS and will increase earnings volatility in future periods.

Employee future benefits	IFRS provides an accounting policy choice to adjust actuarial gains and losses to equity or to apply the corridor approach as recommended by GAAP.	The Company may elect to adjust actuarial gains and losses to equity.
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Disclosure Controls and Procedures and Internal Control Over Financial Reporting

West Fraser's management, including the Chairman, President and Chief Executive Officer and the Executive Vice-President, Finance and Chief Financial Officer acknowledge responsibility for the design of disclosure controls and procedures (DC&P) and internal controls over financial reporting (ICFR) as those terms are defined in NI52-109.

There were no changes in internal controls over financial reporting that occurred during the quarter ended June 30, 2010 that have materially affected, or are reasonably likely to materially affect, West Fraser's internal control over financial reporting.

Additional Information

Additional information relating to the Company, including the Company's Annual Information Form, is available on SEDAR at www.sedar.com.



West Fraser Timber Co. Ltd.
 Consolidated Balance Sheets
 (in millions of Canadian dollars - unaudited)

	As at June 30, 2010	As at December 31, 2009
ASSETS		
Current assets		
Cash and short-term investments	\$ 96.6	\$ 12.0
Accounts receivable	229.6	200.6
Income taxes receivable	-	67.6
Inventories (note 3)	334.5	407.7
Prepaid expenses	40.6	15.8
	701.3	703.7
Property, plant, equipment and timber	1,572.1	1,624.1
Deferred pension costs	125.2	132.7
Goodwill	263.7	263.7
Other assets (note 4)	87.6	88.9
	\$ 2,749.9	\$ 2,813.1
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Cheques issued in excess of funds on deposit	\$ 2.9	\$ 21.8
Operating loans (note 6)	8.8	78.7
Accounts payable and accrued liabilities	244.0	252.6
Income taxes payable	41.1	-
Current portion of asset retirement obligations	36.1	41.5
Current portion of long-term debt (note 6)	0.3	100.3
	333.2	494.9
Long-term debt (note 6)	320.0	315.9
Other liabilities (note 7)	186.6	166.9
Future income taxes	206.5	217.2
	1,046.3	1,194.9
Shareholders' equity		
Share capital	600.0	599.7
Accumulated other comprehensive earnings	(54.8)	(59.8)
Retained earnings	1,158.4	1,078.3
	1,703.6	1,618.2
	\$ 2,749.9	\$ 2,813.1

Number of Common shares and Class B Common shares outstanding at July 21, 2010 was 42,823,904



West Fraser Timber Co. Ltd.

Consolidated Statements of Earnings and Comprehensive Earnings
(in millions of Canadian dollars - unaudited)

	April 1 to June 30		January 1 to June 30	
	2010	2009	2010	2009
Sales	\$ 772.2	\$ 611.8	\$ 1,460.0	\$ 1,170.0
Costs and expenses				
Cost of products sold	478.6	464.8	897.2	918.5
Freight and other distribution costs	114.4	103.3	224.0	200.7
Export taxes	10.8	10.9	30.0	20.2
Amortization	47.8	58.4	97.6	123.1
Selling, general and administration	17.4	24.0	55.4	47.0
	669.0	661.4	1,304.2	1,309.5
Operating earnings	103.2	(49.6)	155.8	(139.5)
Other				
Interest expense - net	(7.2)	(7.2)	(14.5)	(15.1)
Exchange gain (loss) on long-term debt	(14.7)	29.5	(4.1)	16.5
Other income (expense)	2.3	(5.1)	(5.4)	2.4
Earnings from continuing operations before income taxes	83.6	(32.4)	131.8	(135.7)
Recovery of (provision for) income taxes (note 10)	(21.1)	9.8	(35.0)	33.4
Earnings from continuing operations	62.5	(22.6)	96.8	(102.3)
Earnings from discontinued operations (note 2)	0.8	(16.5)	(14.1)	(19.9)
Earnings	\$ 63.3	\$ (39.1)	\$ 82.7	\$ (122.2)
Earnings per share (dollars) (note 11)				
Basic from continuing operations	\$ 1.46	\$ (0.53)	\$ 2.26	\$ (2.39)
Diluted from continuing operations	\$ 1.44	\$ (0.53)	\$ 2.24	\$ (2.39)
Basic after discontinued operations	\$ 1.48	\$ (0.91)	\$ 1.93	\$ (2.85)
Diluted after discontinued operations	\$ 1.46	\$ (0.91)	\$ 1.91	\$ (2.85)
Comprehensive earnings				
Earnings	\$ 63.3	\$ (39.1)	\$ 82.7	\$ (122.2)
Other comprehensive earnings:				
Foreign exchange translation gain (loss) on investment in self-sustaining foreign operations	14.3	(31.5)	5.0	(15.1)
Comprehensive earnings	\$ 77.6	\$ (70.6)	\$ 87.7	\$ (137.3)



West Fraser Timber Co. Ltd.

Consolidated Statement of Changes in Equity
(in millions of Canadian dollars - unaudited)

	<u>Issued capital</u>		Translation of foreign operations	Retained earnings	Total equity
	Number of Shares	Amount			
Balance - January 1, 2009	42,805,086	\$ 599.4	\$ 1.7	\$ 1,428.9	\$ 2,030.0
Changes in equity for 2009					
Foreign exchange translation loss on investment in self-sustaining foreign operations	-	-	(61.5)	-	(61.5)
Issuance of Common shares	10,723	0.3	-	-	0.3
Earnings for the year	-	-	-	(340.8)	(340.8)
Dividends	-	-	-	(9.8)	(9.8)
Balance - December 31, 2009	42,815,809	599.7	(59.8)	1,078.3	1,618.2
Changes in equity for 2010					
Foreign exchange translation gain on investment in self-sustaining foreign operations	-	-	5.0	-	5.0
Issuance of Common shares	6,915	0.3	-	-	0.3
Earnings for the period	-	-	-	82.7	82.7
Dividends	-	-	-	(2.6)	(2.6)
Balance - June 30, 2010	42,822,724	\$ 600.0	\$ (54.8)	\$ 1,158.4	\$ 1,703.6



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	
	2010	2009	2010	2009
Cash flows from operating activities				
Earnings from continuing operations	\$ 62.5	\$ (22.6)	\$ 96.8	\$ (102.3)
Items not affecting cash				
Amortization	47.8	58.4	97.6	123.1
Gain on asset sales	-	(1.8)	-	(2.0)
Change in deferred maintenance	3.3	(10.4)	6.2	(6.3)
Change in deferred charges	3.2	(2.2)	9.0	(1.5)
Exchange loss (gain) on long-term debt	14.7	(29.5)	4.1	(16.5)
Change in reforestation obligations	(5.7)	(7.9)	7.1	3.1
Change in other long-term liabilities	0.5	1.2	6.8	0.8
Future income taxes	5.2	5.6	(10.4)	(12.4)
Other	(1.0)	3.5	2.1	5.0
	130.5	(5.7)	219.3	(9.0)
Net change in non-cash working capital items	82.6	81.8	74.5	70.3
	213.1	76.1	293.8	61.3
Cash flows from financing activities				
Repayment of long-term debt	-	(16.9)	(100.3)	(17.2)
Repayment of operating loans	(123.2)	(39.6)	(66.7)	(17.6)
Dividends	(1.4)	(1.3)	(2.6)	(7.3)
Other	0.2	-	(3.3)	-
	(124.4)	(57.8)	(172.9)	(42.1)
Cash flows from investing activities				
Additions to property, plant, equipment and timber	(5.5)	(4.8)	(33.5)	(10.7)
Proceeds from disposals of property, plant, equipment and timber	-	1.8	-	2.0
Change in other assets	0.5	0.1	(0.4)	0.8
	(5.0)	(2.9)	(33.9)	(7.9)
Change in cash from continuing operations	83.7	15.4	87.0	11.3
Change in cash from discontinued operations (note 2)	24.9	(11.9)	16.5	(13.7)
Cash - beginning of period	(14.9)	(2.2)	(9.8)	3.7
Cash - end of period	\$ 93.7	\$ 1.3	\$ 93.7	\$ 1.3
Cash consists of				
Cash and short-term investments	\$ 96.6	\$ 18.0	\$ 96.6	18.0
Cheques issued in excess of funds on deposit	(2.9)	(16.7)	(2.9)	(16.7)
	\$ 93.7	\$ 1.3	\$ 93.7	\$ 1.3
Supplemental information:				
Interest paid	\$ 1.5	\$ 14.5	\$ 6.6	\$ 15.3
Income taxes received - net	\$ 6.9	\$ (0.5)	\$ 69.6	\$ 23.9

West Fraser Timber Co. Ltd.

Notes to Consolidated Financial Statements

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

1. Basis of presentation

These interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”) for interim financial statements and do not contain all of the information that is required for annual financial statements. Accordingly, they should be read in conjunction with the consolidated annual financial statements for the year ended December 31, 2009.

These interim consolidated financial statements follow the same accounting policies and methods of their application as the December 31, 2009 consolidated annual financial statements.

2. Discontinued operation

On October 28, 2009, the Company announced its decision to permanently close the Kitimat linerboard and kraft paper mill. In January 2010, the mill ceased operations. Accordingly, current and prior period results for this operation have been reclassified to discontinued operations.

The results of the discontinued operation is as follows:

	April 1 to June 30		January 1 to June 30	
	2010	2009	2010	2009
Sales	\$ 13.7	\$ 54.7	\$ 64.8	\$ 115.8
Operating loss	(0.8)	(25.9)	(20.8)	(25.7)
Allocated interest expense	-	(0.5)	-	(1.1)
Gain on foreign currency contracts	-	7.4	-	2.6
Other income (expense)	1.9	(5.6)	1.1	(5.3)
Earnings (loss) before income tax	1.1	(24.6)	(19.7)	(29.5)
Income tax recovery (expense)	(0.3)	8.1	5.6	9.6
Earnings (loss)	\$ 0.8	\$ (16.5)	\$ (14.1)	\$ (19.9)
Cash flows from operating activities	\$ 24.8	\$ (11.4)	\$ 16.4	\$ (12.9)
Cash flows from investing activities	0.1	(0.5)	0.1	(0.8)
Increase (decrease) in cash	\$ 24.9	\$ (11.9)	\$ 16.5	\$ (13.7)

3. Inventories

Inventories at June 30, 2010 were written down by \$6.7 million (March 31, 2010 - \$3.5 million; December 31, 2009 - \$16.0 million) to reflect net realizable value being lower than cost.

4. **Other assets**

	June 30, 2010	December 31, 2009
Power purchase agreement – net	\$ 76.8	\$ 80.5
Advances for timber and timber deposits	5.4	5.7
Investments and other	5.4	2.7
	\$ 87.6	\$ 88.9

5. **Restructuring charges**

Restructuring charges relate to the closure of the Kitimat mill and certain indefinitely idled sawmills. A reconciliation of restructuring charges included in accounts payable and accrued liabilities is as follows:

	April 1 to June 30, 2010	January 1 to June 30, 2010
Accrued liability - beginning of period	\$ 23.0	\$ 34.1
Paid during the period	(7.6)	(26.3)
Change in accrual	(1.2)	6.4
Accrued liability – end of period	\$ 14.2	\$ 14.2

6. **Long-term debt and operating loans**

Long-term debt

	June 30, 2010	December 31, 2009
Term note due March 2010; interest at floating rates	\$ -	\$ 100.0
US \$300 million senior notes due October 2014; interest at 5.2%	319.4	315.3
Note payable due in instalments to 2020; interest at 5.5%	2.4	2.7
	321.8	418.0
Less:		
Current portion	(0.3)	(100.3)
Deferred financing costs	(1.5)	(1.8)
	\$ 320.0	\$ 315.9

Operating loans

The Company has \$605.0 million in revolving lines of credit, of which \$8.8 million (net of deferred financing costs of \$4.5 million) was drawn as at June 30, 2010. 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 letters of credit in the amount of \$34.2 million which are supported by this facility. The revolving lines of credit include a \$600.0 million committed facility maturing in March 2012.

The \$600.0 million committed facility and the US\$300 million senior notes are secured by the Company's assets.

7. **Other liabilities**

	June 30, 2010	December 31, 2009
Post-retirement obligations	\$ 69.5	\$ 65.7
Timber damage deposits	19.6	15.6
Reforestation obligations – long-term	64.3	51.9
Other asset retirement obligations	26.3	26.0
Other long-term obligations	6.9	7.7
	\$ 186.6	\$ 166.9

8. **Long-term incentive plan**

In the first quarter of 2010, the Company introduced a phantom share unit plan as part of its long-term incentive compensation. Units issued under this plan will provide for future cash payments to certain officers and employees based on criteria such as employment vesting period, changes in the Company’s share price between the grant date and the vesting period, and in some cases relative financial performance compared to a peer group of forest products companies.

The Company recorded equity-based compensation recovery of \$0.4 million for the three months ended June 30, 2010 and an expense of \$4.5 million for the six months ended June 30, 2010 with respect to this plan, which was recorded in selling, general and administration expense.

9. **Employee future benefits**

The total benefit cost of the Company’s defined benefit pension plans was \$7.2 million for the three months ended June 30, 2010 (three months ended June 30, 2009 - \$9.8 million) and \$16.1 million for the six months ended June 30, 2010 (six months ended June 30, 2009 - \$19.3 million).

10. **Income taxes**

The Company's effective tax rate on earnings from continuing operations is as follows:

	April 1 to June 30			
	2010		2009	
	Amount	%	Amount	%
Income taxes at statutory rates	\$ (23.9)	(28.5)	\$ 9.7	30.0
Non-taxable amounts	(2.1)	(2.5)	5.3	16.5
Rate differentials between jurisdictions and on specified activities	1.4	1.7	2.7	8.5
Rate differential on loss carry backs	-	-	1.9	5.8
Change in valuation allowance	3.7	4.4	(9.8)	(30.2)
Other	(0.2)	(0.3)	-	-
Income tax (provision) recovery	\$ (21.1)	(25.2)	\$ 9.8	30.6

	January 1 to June 30			
	2010		2009	
	Amount	%	Amount	%
Income taxes at statutory rates	\$ (37.6)	(28.5)	\$ 40.7	30.0
Non-taxable amounts	(0.6)	(0.5)	2.7	2.0
Rate differentials between jurisdictions and on specified activities	2.1	1.6	7.9	5.9
Rate differential on loss carry backs	-	-	3.2	2.4
Reduction in statutory income tax rates	-	-	4.7	3.4
Change in valuation allowance	3.7	2.8	(25.8)	(19.0)
Other	(2.6)	(2.0)	-	-
Income tax (provision) recovery	\$ (35.0)	(26.6)	\$ 33.4	24.7

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 and Class B common shares outstanding. Diluted earnings per share assume the exercise of share options using the treasury stock method.

	April 1 to June 30			
	2010		2009	
	From continuing operations	After discontinued operations	From continuing operations	After discontinued operations
Earnings available to shareholders	\$ 62.5	\$ 63.3	\$ (22.6)	\$ (39.1)
Weighted average number of shares				
Basic	42,821,150	42,821,150	42,805,086	42,805,086
Share options	526,399	526,399	-	-
Diluted	43,347,549	43,347,549	42,805,086	42,805,086
Earnings per share (dollars)				
Basic	\$ 1.46	\$ 1.48	\$ (0.53)	\$ (0.91)
Diluted	\$ 1.44	\$ 1.46	\$ (0.53)	\$ (0.91)

	January 1 to June 30			
	2010		2009	
	From continuing operations	After discontinued operations	From continuing operations	After discontinued operations
Earnings available to shareholders	\$ 96.8	\$ 82.7	\$ (102.3)	\$ (122.2)
Weighted average number of shares				
Basic	42,819,441	42,819,441	42,805,086	42,805,086
Share options	434,145	434,145	-	-
Diluted	43,253,586	43,253,586	42,805,086	42,805,086
Earnings per share (dollars)				
Basic	\$ 2.26	\$ 1.93	\$ (2.39)	\$ (2.85)
Diluted	\$ 2.24	\$ 1.91	\$ (2.39)	\$ (2.85)

12. Derivative financial instruments

From time to time, the Company uses derivatives to manage its exposure to U.S. dollar exchange fluctuations and commodity prices. The Company does not utilize derivative financial instruments for trading or speculative purposes and it does not apply hedge accounting.

The foreign currency contracts outstanding at June 30, 2010 were as follows:

Term	US\$	Average rate Cdn\$/US\$
0 to 5 months US dollar forwards	11.6	1.078

NBSK floating to fixed swap contracts outstanding at June 30, 2010 were as follows:

Term	Tonnes	Average fixed price
1 month	5,000	US\$710

13. **Segmented information**

	Lumber	Panels	Pulp & paper	Corporate & other	Consolidated
April 1, 2010 to June 30, 2010					
Sales at market prices					
To external customers	\$ 440.3	\$ 106.3	\$ 225.6	\$ -	\$ 772.2
To other segments	23.7	2.0	-	-	
	<u>\$ 464.0</u>	<u>\$ 108.3</u>	<u>\$ 225.6</u>	<u>\$ -</u>	
EBITDA ¹	\$ 75.0	\$ 20.1	\$ 49.4	\$ 6.5	\$ 151.0
Amortization	28.1	5.2	13.7	0.8	47.8
Operating earnings	<u>46.9</u>	<u>14.9</u>	<u>35.7</u>	<u>5.7</u>	<u>103.2</u>
Interest income (expense) - net	(4.8)	(1.0)	(1.9)	0.5	(7.2)
Exchange loss on long-term debt	-	-	-	(14.7)	(14.7)
Other income (expense)	<u>(0.6)</u>	<u>-</u>	<u>3.5</u>	<u>(0.6)</u>	<u>2.3</u>
Earnings from continuing operations before income taxes	<u>\$ 41.5</u>	<u>\$ 13.9</u>	<u>\$ 37.3</u>	<u>\$ (9.1)</u>	<u>\$ 83.6</u>
April 1, 2009 to June 30, 2009					
Sales at market prices					
To external customers	\$ 337.4	\$ 100.3	\$ 174.1	\$ -	\$ 611.8
To other segments	22.5	1.7	-	-	
	<u>\$ 359.9</u>	<u>\$ 102.0</u>	<u>\$ 174.1</u>	<u>\$ -</u>	
EBITDA ¹	\$ 1.4	\$ 5.4	\$ 1.3	\$ 0.7	\$ 8.8
Amortization	32.5	8.3	16.8	0.8	58.4
Operating earnings	<u>(31.1)</u>	<u>(2.9)</u>	<u>(15.5)</u>	<u>(0.1)</u>	<u>(49.6)</u>
Interest income (expense) - net	(5.1)	(1.0)	(1.4)	0.3	(7.2)
Exchange gain on long-term debt	-	-	-	29.5	29.5
Other income (expense)	<u>(8.4)</u>	<u>(0.9)</u>	<u>(5.4)</u>	<u>9.6</u>	<u>(5.1)</u>
Earnings from continuing operations before income taxes	<u>\$ (44.6)</u>	<u>\$ (4.8)</u>	<u>\$ (22.3)</u>	<u>\$ 39.3</u>	<u>\$ (32.4)</u>

1 Non GAAP measure:

EBITDA is defined as operating earnings plus amortization and asset impairments.

	Lumber	Panels	Pulp & paper	Corporate & other	Consolidated
January 1, 2010 to June 30, 2010					
Sales at market prices					
To external customers	\$ 826.7	\$ 204.0	\$ 429.3	\$ -	\$ 1,460.0
To other segments	46.7	3.8	-	-	
	\$ 873.4	\$ 207.8	\$ 429.3	\$ -	
EBITDA ¹	\$ 140.9	\$ 31.2	\$ 88.7	\$ (7.4)	\$ 253.4
Amortization	57.6	10.9	27.5	1.6	97.6
Operating earnings	83.3	20.3	61.2	(9.0)	155.8
Interest income (expense) - net	(9.1)	(1.8)	(3.7)	0.1	(14.5)
Exchange loss on long-term debt	-	-	-	(4.1)	(4.1)
Other expense	(2.1)	(0.4)	(2.8)	(0.1)	(5.4)
Earnings from continuing operations before income taxes	\$ 72.1	\$ 18.1	\$ 54.7	\$ (13.1)	\$ 131.8
January 1, 2009 to June 30, 2009					
Sales at market prices					
To external customers	\$ 648.4	\$ 196.4	\$ 325.2	\$ -	\$ 1,170.0
To other segments	46.4	3.4	-	-	
	\$ 694.8	\$ 199.8	\$ 325.2	\$ -	
EBITDA ¹	\$ (45.7)	\$ 12.4	\$ 11.6	\$ 5.3	\$ (16.4)
Amortization	69.7	17.6	34.1	1.7	123.1
Operating earnings	(115.4)	(5.2)	(22.5)	3.6	(139.5)
Interest income (expense) - net	(10.3)	(1.9)	(3.0)	0.1	(15.1)
Exchange gain on long-term debt	-	-	-	16.5	16.5
Other income (expense)	(1.0)	(0.4)	(1.4)	5.2	2.4
Earnings from continuing operations before income taxes	\$ (126.7)	\$ (7.5)	\$ (26.9)	\$ 25.4	\$ (135.7)

1 Non GAAP measure:

EBITDA is defined as operating earnings plus amortization and asset impairments.

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

For more information:

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