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## NEWS RELEASE

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

Thursday, July 20, 2017

#### West Fraser Announces Second Quarter Results

Vancouver, B.C. – West Fraser Timber Co. Ltd. reports second quarter 2017 results:

#### Second Quarter Highlights

- Record sales and operating earnings for the quarter
- Earnings up 19% from previous quarter and 49% from the second quarter of 2016
- Strong product pricing across operating segments
- Quarter ending net debt to capital ratio of 6%

#### Results Compared to Previous Periods

(\$ millions except earnings per share ("EPS"))	Q2-17	Q1-17	YTD-17	Q2-16	YTD-16
Sales	1,322	1,189	2,511	1,111	2,188
Adjusted EBITDA <sup>1</sup>	305	245	550	138	268
Operating earnings	217	183	400	120	199
Earnings	146	123	269	98	140
Basic EPS (\$)	1.86	1.58	3.44	1.22	1.72
Adjusted Earnings <sup>1</sup>	174	134	308	64	113
Adjusted basic EPS (\$) <sup>1</sup>	2.23	1.71	3.94	0.80	1.40

1. In this News Release, reference is made to Adjusted EBITDA, Adjusted earnings and Adjusted basic EPS (collectively "these measures"). We believe that, in addition to earnings, these measures are useful performance indicators. None of these measures is a generally accepted earnings measure under International Financial Reporting Standards ("IFRS") and none has a standardized meaning prescribed by IFRS. Investors are cautioned that these measures should not be considered as an alternative to earnings, EPS or cash flow, as determined in accordance with IFRS. As there is no standardized method of calculating any of these measures, our method of calculating each of them may differ from the methods used by other entities and, accordingly, our use of any of these measures may not be directly comparable to similarly titled measures used by other entities. Refer to the tables in the section titled "Non-IFRS Measures" in our second quarter 2017 Management's Discussion & Analysis for details of these adjustments.

#### Forest fires in British Columbia

The province of British Columbia has declared a provincial state of emergency due to a number of wildfires throughout the interior region of British Columbia. We have temporarily suspended operations in 100 Mile House, Williams Lake and Chasm and these facilities will remain suspended until it is safe to resume operations. Ted Seraphim, our President and CEO said, "Our foremost concern is for people's safety and the safeguarding of our communities. I would like to personally thank our employees who are making extraordinary contributions including fighting fires, helping displaced employees and safeguarding our assets."

## **Operational results**

Our lumber segment generated operating earnings of \$171 million (Q1-17 - \$152 million) and Adjusted EBITDA of \$240 million (Q1-17 - \$191 million). Improved product pricing was the primary driver of improved results. Countervailing and antidumping duties commenced this quarter resulting in an expense of \$34 million.

Our panels segment generated operating earnings in the quarter of \$23 million (Q1-17 - \$12 million) and Adjusted EBITDA of \$26 million (Q1-17 - \$15 million). Improved plywood pricing was offset by costs associated with our WestPine MDF plant restart.

Our pulp & paper segment generated operating earnings of \$32 million (Q1-17 - \$31 million) and Adjusted EBITDA of \$42 million (Q1-17 - \$40 million). Higher pulp prices were offset by higher maintenance costs as our Cariboo pulp mill had a planned maintenance shutdown followed by non-related operational issues. Our Hinton pulp mill struggled in the first part of the quarter, however performance improved to targeted levels over the balance of the quarter.

## **Softwood lumber dispute**

The U.S. Department of Commerce's preliminary review resulted in a West Fraser specific countervailing duty rate of 24.12% effective April 28, 2017 and an antidumping duty rate of 6.76% effective June 30, 2017, resulting in an expense of \$34 million for the quarter.

We continue to believe that the allegations of subsidy and dumping are groundless. Ted Seraphim, our President and CEO, said: "I want to thank all of our employees for their tremendous effort and dedication to operational excellence. We are going into the softwood lumber dispute with a strong balance sheet which will enable us to sustain another round of this long-standing disagreement."

## **Management's Discussion & Analysis ("MD&A")**

The Company's MD&A is available on the Company's website: [www.westfraser.com](http://www.westfraser.com) and on the System for Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com) under the Company's profile.

## **The Company**

West Fraser is a diversified wood products company producing lumber, LVL, MDF, plywood, pulp, newsprint, wood chips and energy with facilities in western Canada and the southern United States.

## **Forward-Looking Statements**

This Report 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 their accuracy depends on a number of assumptions and is subject to various risks and uncertainties. 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 in the 2016 annual Management's Discussion & Analysis under "Risks and Uncertainties", 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.

### **Conference Call**

Investors are invited to listen to the quarterly conference call on Friday, July 21, 2017 at 8:30 a.m. Pacific Time (11:30 a.m. Eastern Time) by dialing 1-888-390-0546 (toll-free North America). The call may also be accessed through West Fraser's website at [www.westfraser.com](http://www.westfraser.com).



**West Fraser Timber Co. Ltd.**

Condensed Consolidated Balance Sheets

(in millions of Canadian dollars, except where indicated - unaudited)

	<b>June 30</b>	December 31
	<b>2017</b>	2016
<b>Assets</b>		
<b>Current assets</b>		
Cash and short-term investments	\$ 231	\$ 50
Receivables	380	297
Inventories (note 3)	582	581
Prepaid expenses	28	10
	<b>1,221</b>	938
<b>Property, plant and equipment</b>	<b>1,704</b>	1,685
<b>Timber licences</b>	<b>543</b>	551
<b>Goodwill and other intangibles</b>	<b>374</b>	371
<b>Other assets</b>	<b>18</b>	20
<b>Deferred income tax assets</b>	<b>1</b>	35
	<b>\$ 3,861</b>	\$ 3,600
<b>Liabilities</b>		
<b>Current liabilities</b>		
Cheques issued in excess of funds on deposit	\$ -	\$ 15
Payables and accrued liabilities	380	379
Income taxes payable	39	21
Reforestation and decommissioning obligations	44	44
	<b>463</b>	459
<b>Long-term debt</b> (note 4)	<b>399</b>	413
<b>Other liabilities</b> (note 5)	<b>339</b>	272
<b>Deferred income tax liabilities</b>	<b>215</b>	215
	<b>1,416</b>	1,359
<b>Shareholders' Equity</b>		
Share capital	549	549
Accumulated other comprehensive earnings	129	150
Retained earnings	1,767	1,542
	<b>2,445</b>	2,241
	<b>\$ 3,861</b>	\$ 3,600

Number of Common shares and Class B Common shares outstanding at July 20, 2017 was 78,167,502.



**West Fraser Timber Co. Ltd.**

Condensed Consolidated Statements of Changes in Shareholders' Equity  
(in millions of Canadian dollars, except where indicated - unaudited)

	April 1 to June 30		January 1 to June 30	
	2017	2016	2017	2016
<b>Share capital</b>				
Balance - beginning of period	\$ 549	\$ 571	\$ 549	\$ 579
Common share repurchases	-	(11)	-	(19)
Balance - end of period	\$ 549	\$ 560	\$ 549	\$ 560
<b>Accumulated other comprehensive earnings</b>				
Balance - beginning of period	\$ 145	\$ 132	\$ 150	\$ 164
Translation loss on foreign operations	(16)	(3)	(21)	(35)
Balance - end of period	\$ 129	\$ 129	\$ 129	\$ 129
<b>Retained earnings</b>				
Balance - beginning of period	\$ 1,671	\$ 1,338	\$ 1,542	\$ 1,404
Actuarial loss on post-retirement benefits	(44)	(45)	(33)	(105)
Common share repurchases	-	(53)	-	(95)
Earnings for the period	146	98	269	140
Dividends	(6)	(6)	(11)	(12)
Balance - end of period	\$ 1,767	\$ 1,332	\$ 1,767	\$ 1,332
<b>Shareholders' Equity</b>	<b>\$ 2,445</b>	<b>\$ 2,021</b>	<b>\$ 2,445</b>	<b>\$ 2,021</b>



**West Fraser Timber Co. Ltd.**

Condensed Consolidated Statements of Earnings and Comprehensive Earnings  
(in millions of Canadian dollars, except where indicated - unaudited)

	April 1 to June 30		January 1 to June 30	
	2017	2016	2017	2016
<b>Sales</b>	\$ 1,322	\$ 1,111	\$ 2,511	\$ 2,188
<b>Costs and expenses</b>				
Cost of products sold	798	775	1,538	1,524
Freight and other distribution costs	171	156	331	315
Export duties	34	-	34	-
Amortization	49	48	100	97
Selling, general and administration	48	42	92	81
Equity-based compensation	5	(30)	16	(28)
	<b>1,105</b>	<b>991</b>	<b>2,111</b>	<b>1,989</b>
<b>Operating earnings</b>	<b>217</b>	<b>120</b>	<b>400</b>	<b>199</b>
Finance expense	(8)	(7)	(15)	(15)
Other (note 7)	(1)	7	(1)	(9)
<b>Earnings before tax</b>	<b>208</b>	<b>120</b>	<b>384</b>	<b>175</b>
Tax provision (note 8)	(62)	(22)	(115)	(35)
<b>Earnings</b>	<b>\$ 146</b>	<b>\$ 98</b>	<b>\$ 269</b>	<b>\$ 140</b>
<b>Earnings per share (dollars) (note 9)</b>				
Basic	\$ 1.86	\$ 1.22	\$ 3.44	\$ 1.72
Diluted	\$ 1.86	\$ 0.86	\$ 3.44	\$ 1.36
<b>Comprehensive earnings</b>				
Earnings	\$ 146	\$ 98	\$ 269	\$ 140
<b>Other comprehensive earnings</b>				
Translation loss on foreign operations	(16)	(3)	(21)	(35)
Actuarial loss on post-retirement benefits	(44)	(45)	(33)	(105)
<b>Comprehensive earnings</b>	<b>\$ 86</b>	<b>\$ 50</b>	<b>\$ 215</b>	<b>\$ -</b>



**West Fraser Timber Co. Ltd.**

Condensed Consolidated Statements of Cash Flows

(in millions of Canadian dollars, except where indicated - unaudited)

	April 1 to June 30		January 1 to June 30	
	2017	2016	2017	2016
<b>Cash provided by operations</b>				
Earnings	\$ 146	\$ 98	\$ 269	\$ 140
Adjustments				
Amortization	49	48	100	97
Finance expense	8	7	15	15
Foreign exchange gain on long-term financing	(4)	(1)	(5)	(10)
Loss on power agreements, net of settlement costs	-	-	-	11
Post-retirement expense	19	18	38	35
Contributions to post-retirement benefit plans	(17)	(16)	(31)	(28)
Tax provision	62	22	115	35
Income taxes received (paid)	(16)	4	(52)	(5)
Other	(33)	(28)	(30)	(29)
Changes in non-cash working capital				
Receivables	11	6	(80)	(30)
Inventories	156	180	(5)	84
Prepaid expenses	(11)	(10)	(18)	(15)
Payables and accrued liabilities	(4)	(47)	3	(42)
	<b>366</b>	<b>281</b>	<b>319</b>	<b>258</b>
<b>Cash used for financing</b>				
Repayment of operating loans	(110)	(150)	-	(34)
Finance expense paid	(10)	(10)	(11)	(11)
Dividends	(6)	(6)	(11)	(12)
Common share repurchases	-	(62)	-	(112)
	<b>(126)</b>	<b>(228)</b>	<b>(22)</b>	<b>(169)</b>
<b>Cash used for investing</b>				
Additions to capital assets	(78)	(57)	(134)	(106)
Government assistance	1	3	1	7
Other	2	-	3	-
	<b>(75)</b>	<b>(54)</b>	<b>(130)</b>	<b>(99)</b>
<b>Change in cash</b>	<b>165</b>	<b>(1)</b>	<b>167</b>	<b>(10)</b>
<b>Foreign exchange effect on cash</b>	<b>16</b>	<b>13</b>	<b>29</b>	<b>17</b>
<b>Cash - beginning of period</b>	<b>50</b>	<b>(21)</b>	<b>35</b>	<b>(16)</b>
<b>Cash - end of period</b>	<b>\$ 231</b>	<b>\$ (9)</b>	<b>\$ 231</b>	<b>\$ (9)</b>
<b>Cash consists of</b>				
Cash and short-term investments			\$ 231	\$ 27
Cheques issued in excess of funds on deposit			-	(36)
			<b>\$ 231</b>	<b>\$ (9)</b>

**West Fraser Timber Co. Ltd.**

Notes to Condensed Consolidated Interim Financial Statements

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

**1. Nature of operations**

West Fraser Timber Co. Ltd. (“West Fraser”, “we”, “us” or “our”) is a diversified wood products company producing lumber, LVL, MDF, plywood, pulp, newsprint, wood chips and energy with facilities in western Canada and the southern United States. Our executive office is located at 858 Beatty Street, Suite 501, Vancouver, British Columbia. West Fraser was formed by articles of amalgamation under the *Business Corporations Act* (British Columbia) and is registered in British Columbia, Canada. Our Common shares are listed for trading on the Toronto Stock Exchange under the symbol WFT.

**2. Basis of presentation and statement of compliance**

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* as issued by the International Accounting Standards Board and use the same accounting policies and methods of their application as the December 31, 2016 annual financial statements. These condensed consolidated interim financial statements should be read in conjunction with our 2016 annual consolidated financial statements.

**3. Inventories**

Inventories at June 30, 2017 were written down by \$6 million (March 31, 2017 - \$5 million; December 31, 2016 - \$5 million; June 30, 2016 - \$11 million) to reflect net realizable value being lower than cost.

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

**Long-term debt**

	<b>June 30, 2017</b>	December 31, 2016
US\$300 million senior notes due October 2024; interest at 4.35%	\$ 389	\$ 403
US\$8 million note payable due October 2020; interest at 2%	10	10
Notes payable	4	4
	<b>403</b>	417
Deferred financing costs	(4)	(4)
	<b>\$ 399</b>	\$ 413

The fair value of the long-term debt is \$389 million (December 31, 2016 - \$391 million) based on rates available to us at the balance sheet date for long-term debt with similar terms and remaining maturities.



## Operating loans

Our operating loans consist of a \$500 million committed revolving credit facility which matures September 30, 2020, a \$32 million (US\$25 million) demand line of credit dedicated to our U.S. operations and an \$8 million demand line of credit dedicated to our jointly-owned newsprint operation. In addition, we have demand lines of credit totalling \$59 million dedicated to letters of credit, of which US\$7 million is committed to our U.S. operations.

At June 30, 2017 there were no amounts outstanding under our revolving credit facility. As a result, the associated deferred financing costs of \$2 million were reported in other assets. Letters of credit in the amount of \$46 million were also supported by our facilities, leaving \$553 million of credit available for further use. At December 31, 2016, our revolving credit facility was undrawn, deferred financing costs were \$2 million and our outstanding letters of credit were \$48 million.

Interest on these facilities is payable at floating rates based on Prime, U.S. base, Bankers' Acceptances or LIBOR at our option.

All debt is unsecured except the \$8 million joint operation demand line of credit, which is secured by that joint operation's current assets.

## 5. Other liabilities

	<b>June 30, 2017</b>	December 31, 2016
Post-retirement (note 6)	\$ 217	\$ 162
Reforestation	76	69
Decommissioning	27	25
Other	19	16
	<b>\$ 339</b>	<b>\$ 272</b>

## 6. Post-retirement benefits

We maintain defined benefit and defined contribution pension plans covering a majority of our employees. The defined benefit plans generally do not require employee contributions and provide a guaranteed level of pension payable for life based either on length of service or on earnings and length of service, and in most cases do not increase after commencement of retirement. We also provide group life insurance, medical and extended health benefits to certain employee groups.

The status of the defined benefit pension plans and other retirement benefit plans, in aggregate, is as follows:

	<b>June 30, 2017</b>		December 31, 2016	
Projected benefit obligations	\$	(1,732)	\$	(1,648)
Fair value of plan assets		<b>1,533</b>		1,507
Impact of minimum funding requirement		<b>(11)</b>		(13)
	\$	<b>(210)</b>	\$	(154)
<b>Represented by</b>				
Post-retirement assets	\$	<b>7</b>	\$	8
Post-retirement liabilities (note 5)		<b>(217)</b>		(162)
	\$	<b>(210)</b>	\$	(154)

The significant actuarial assumptions used to determine our balance sheet date post-retirement assets and liabilities are as follows:

	<b>June 30, 2017</b>	March 31, 2017	December 31, 2016
Discount rate	<b>3.50%</b>	3.75%	3.75%
Future compensation rate increase	<b>3.50%</b>	3.50%	3.50%

The actuarial loss on post-retirement benefits, included in other comprehensive earnings, is as follows:

	April 1 to June 30		January 1 to June 30	
	<b>2017</b>	2016	<b>2017</b>	2016
Actuarial loss	\$ <b>(60)</b>	\$ (62)	\$ <b>(45)</b>	\$ (143)
Tax recovery	<b>16</b>	17	<b>12</b>	38
	\$ <b>(44)</b>	\$ (45)	\$ <b>(33)</b>	\$ (105)

7. **Other**

	April 1 to June 30		January 1 to June 30	
	2017	2016	2017	2016
Foreign exchange loss on working capital	\$ (4)	\$ -	\$ (5)	\$ (10)
Foreign exchange loss on intercompany financing <sup>1</sup>	(6)	(1)	(9)	(18)
Foreign exchange gain on long-term debt	10	2	14	28
Gain on disposal of WestPine equipment	-	5	-	5
Loss on power agreements	-	-	-	(19)
Other	(1)	1	(1)	5
	\$ (1)	\$ 7	\$ (1)	\$ (9)

1. Relates to US\$200 million of financing provided to our U.S. operations. IAS 21 requires that the exchange gain or loss be recognized through earnings as the financing is not considered part of our permanent investment in our U.S. subsidiaries. The balance sheet amounts and related financing expense are eliminated in these consolidated financial statements.

8. **Tax provision**

The tax provision differs from the amount that would have resulted from applying the British Columbia statutory income tax rate to earnings before tax as follows:

	April 1 to June 30		January 1 to June 30	
	2017	2016	2017	2016
Income tax expense at statutory rate of 26%	\$ (54)	\$ (31)	\$ (100)	\$ (45)
Non-taxable amounts	(2)	8	(5)	10
Rate differentials between jurisdictions and on specified activities	(6)	(2)	(11)	(4)
Unrecognized capital losses	1	-	1	1
Other	(1)	3	-	3
Tax provision	\$ (62)	\$ (22)	\$ (115)	\$ (35)

9. **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 is calculated based on earnings available to Common shareholders adjusted to remove the actual share option expense (recovery) charged to earnings and after deducting a notional charge for share option expense assuming the use of the equity-settled method, as set out below. The diluted weighted average number of shares is calculated using the treasury stock method. When earnings available to Common shareholders for diluted earnings per share are greater than earnings available to Common shareholders for basic earnings per

share, the calculation is anti-dilutive and diluted earnings per share are deemed to be the same as basic earnings per share.

	April 1 to June 30		January 1 to June 30	
	2017	2016	2017	2016
<b>Earnings</b>				
Basic	\$ 146	\$ 98	\$ 269	\$ 140
Share option expense (recovery)	9	(28)	26	(25)
Equity-settled share option adjustment	-	-	(3)	(3)
Diluted	\$ 155	\$ 70	\$ 292	\$ 112
<b>Weighted average number of shares (thousands)</b>				
Basic	78,166	80,867	78,165	81,574
Share options	819	812	848	888
Diluted	78,985	81,679	79,013	82,462
<b>Earnings per share (dollars)</b>				
Basic	\$ 1.86	\$ 1.22	\$ 3.44	\$ 1.72
Diluted	\$ 1.86	\$ 0.86	\$ 3.44	\$ 1.36

10. **Segmented information**

	Lumber	Panels	Pulp & paper	Corporate & other	Total
<b>April 1, 2017 to June 30, 2017</b>					
Sales					
To external customers	\$ 914	\$ 147	\$ 261	\$ -	\$ 1,322
To other segments	32	2	-	-	
	<u>\$ 946</u>	<u>\$ 149</u>	<u>\$ 261</u>	<u>\$ -</u>	
Operating earnings before amortization	\$ 206	\$ 26	\$ 42	\$ (8)	\$ 266
Amortization	(35)	(3)	(10)	(1)	(49)
Operating earnings	171	23	32	(9)	217
Finance expense	(5)	(1)	(2)	-	(8)
Other	-	-	(3)	2	(1)
Earnings before tax	<u>\$ 166</u>	<u>\$ 22</u>	<u>\$ 27</u>	<u>\$ (7)</u>	<u>\$ 208</u>
<b>April 1, 2016 to June 30, 2016</b>					
Sales					
To external customers	\$ 771	\$ 126	\$ 214	\$ -	\$ 1,111
To other segments	24	2	-	-	
	<u>\$ 795</u>	<u>\$ 128</u>	<u>\$ 214</u>	<u>\$ -</u>	
Operating earnings before amortization	\$ 113	\$ 21	\$ 4	\$ 30	\$ 168
Amortization	(35)	(3)	(9)	(1)	(48)
Operating earnings	78	18	(5)	29	120
Finance expense	(4)	(1)	(2)	-	(7)
Other	2	5	1	(1)	7
Earnings before tax	<u>\$ 76</u>	<u>\$ 22</u>	<u>\$ (6)</u>	<u>\$ 28</u>	<u>\$ 120</u>

	Lumber	Panels	Pulp & paper	Corporate & other	Total
<b>January 1, 2017 to, June 30, 2017</b>					
Sales					
To external customers	\$ 1,724	\$ 273	\$ 514	\$ -	\$ 2,511
To other segments	58	4	-	-	-
	<u>\$ 1,782</u>	<u>\$ 277</u>	<u>\$ 514</u>	<u>\$ -</u>	
Operating earnings before amortization	\$ 397	\$ 41	\$ 82	\$ (20)	\$ 500
Amortization	(74)	(6)	(19)	(1)	(100)
Operating earnings	323	35	63	(21)	400
Finance expense	(9)	(2)	(4)	-	(15)
Other	-	-	(2)	1	(1)
Earnings before tax	<u>\$ 314</u>	<u>\$ 33</u>	<u>\$ 57</u>	<u>\$ (20)</u>	<u>\$ 384</u>

**January 1, 2016 to June 30, 2016**

Sales					
To external customers	\$ 1,500	\$ 262	\$ 426	\$ -	\$ 2,188
To other segments	53	4	-	-	-
	<u>\$ 1,553</u>	<u>\$ 266</u>	<u>\$ 426</u>	<u>\$ -</u>	
Operating earnings before amortization	\$ 213	\$ 36	\$ 18	\$ 29	\$ 296
Amortization	(72)	(6)	(18)	(1)	(97)
Operating earnings	141	30	-	28	199
Finance expense	(9)	(2)	(4)	-	(15)
Other	(3)	3	(22)	13	(9)
Earnings before tax	<u>\$ 129</u>	<u>\$ 31</u>	<u>\$ (26)</u>	<u>\$ 41</u>	<u>\$ 175</u>

The geographic distribution of external sales is as follows<sup>1</sup>:

	April 1 to June 30		January 1 to June 30	
	2017	2016	2017	2016
Canada	\$ 294	\$ 251	\$ 548	\$ 498
United States	750	656	1,425	1,276
China	168	117	316	233
Other Asia	96	71	197	148
Other	14	16	25	33
	<u>\$ 1,322</u>	<u>\$ 1,111</u>	<u>\$ 2,511</u>	<u>\$ 2,188</u>

1. Sales distribution is based on the location of product delivery.

**11. Softwood lumber dispute**

On November 25, 2016 a coalition of U.S. lumber producers petitioned the U.S. Department of Commerce (“USDOC”) and the U.S. International Trade Commission (“USITC”) to investigate alleged subsidies to Canadian producers and levy countervailing and antidumping duties against Canadian imports. We have been chosen by the USDOC as a “mandatory respondent” to both

the countervailing and antidumping investigations and as a result have received unique company specific rates.

On April 24, 2017, the USDOC issued its preliminary determination in the countervailing duty investigation and imposed a company specific preliminary rate of 24.12% to be posted by cash deposits on the exports from Canada of softwood lumber to the U.S. on or after April 28, 2017. On June 26, 2017, the USDOC issued its preliminary determination in the antidumping duty investigation and imposed a company specific preliminary rate of 6.76% to be posted by cash deposits on the exports from Canada of softwood lumber to the U.S. on or after June 30, 2017. We have expensed \$34 million for the period April 28, 2017 to June 30, 2017 representing duties at the preliminary rates determined by the USDOC.

Any adjustments resulting from a change in the final countervailing and antidumping duty rates will be made prospectively.

Together with other Canadian forest product companies, the federal government and Canadian provincial governments (“Canadian Interests”) we categorically deny the U.S. allegations and disagree with the preliminary countervailing and antidumping determinations. Canadian Interests continue to defend the Canadian industry in this U.S. trade dispute. Depending on the outcome of the final phase of the investigation, Canadian Interests may appeal the decision of the USDOC and USITC to the appropriate courts, North America Free Trade Agreement panels and/or the World Trade Organization. Notwithstanding the preliminary rates established in the investigations, the final liability for the assessment of countervailing and antidumping duties will not be determined until each annual administrative review process is complete.

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

**For more information:**

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