858 Beatty Street
Suite 501
Vancouver, B.C.
Canada V6B 1C1
Telephone: (604) 895-2700
Fax: (604) 681-6061

West Fraser

NEWS RELEASE

WEST FRASER TIMBER CO. LTD.
(“WFT”)

Monday, October 23, 2017

West Fraser Announces Third Quarter Results

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

Highlights

- Completed acquisition of six sawmills and a finger-joint mill in Florida and Georgia.
- Adjusted EBITDA of $269 million for the quarter.
- Quarter ending net debt to capital ratio of 16%.

Results Compared to Previous Periods

($ millions except earnings per share (“EPS”))	**Q3-17**	Q2-17	YTD-17	Q3-16	YTD-16
Sales	**1,247**	1,322	3,758	1,155	3,343
Adjusted EBITDA[1]	**269**	305	819	213	481
Operating earnings	**177**	217	577	156	355
Earnings	**120**	146	389	107	247
Basic EPS ($)	**1.53**	1.86	4.97	1.35	3.06
Adjusted Earnings[1]	**150**	174	458	115	229
Adjusted basic EPS ($)[1]	**1.93**	2.23	5.87	1.45	2.84

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 third quarter 2017 Management’s Discussion & Analysis for details of these adjustments.

Gilman acquisition

On August 31, 2017 we completed the acquisition of the Gilman Companies for net cash consideration of $525 million (US$418 million). The Gilman Companies are comprised of six sawmills and a finger-joint mill in Florida and Georgia as well as an administrative office in St. Marys, Georgia. Ted Seraphim, our President and CEO said, “We are delighted to welcome the

Gilman leadership and employees to the West Fraser family. This acquisition is a major step in our growth strategy as we expand our lumber business in the United States."

Forest fires in British Columbia and hurricanes in the U.S. South

A number of wildfires throughout the interior region of British Columbia resulted in a provincial state of emergency being declared from July 7 to September 15, 2017. Our operations in 100 Mile House, Williams Lake and Chasm were briefly suspended due to the wildfires, reducing our production by 55 MMfbm of lumber and 15 Msf of plywood.

The 2017 hurricane season was more severe than normal causing significant damage to areas in South East Texas and Florida. We were fortunate that our facilities were undamaged and that disruptions to our operations were minimal.

Operational results

Our lumber segment generated operating earnings of $126 million (Q2-17 - $171 million) and Adjusted EBITDA of $195 million (Q2-17 - $240 million). This quarter's results were negatively impacted by lower product pricing and lower SPF production as a result of the British Columbia forest fires. Countervailing and antidumping duties, which commenced in the previous quarter, resulted in an expense of $31 million for the current quarter.

Our panels segment generated operating earnings in the quarter of $45 million (Q2-17 - $23 million) and Adjusted EBITDA of $48 million (Q2-17 - $26 million). Improved plywood pricing was the primary driver of improved results.

Our pulp & paper segment generated operating earnings of $21 million (Q2-17 - $32 million) and Adjusted EBITDA of $30 million (Q2-17 - $42 million). The major factors contributing to the decrease in operating earnings were lower Canadian dollar pulp prices and increased maintenance costs from our Hinton pulp mill major maintenance shutdown.

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 $31 million for the current quarter and $65 million for the first nine months of 2017. The requirement that we pay countervailing duties was suspended on August 24, 2017 until final determination is determined by the U.S. International Trade Commission.

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

The Company's MD&A is available on the Company's website: www.westfraser.com and on the System for Electronic Document Analysis and Retrieval at 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 Tuesday, October 24, 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.

West Fraser Timber Co. Ltd.

Condensed Consolidated Balance Sheets

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

		September 30 2017		December 31 2016
Assets				
Current assets				
Cash and short-term investments	**$**	**132**	$	50
Receivables		**371**		297
Inventories (note 4)		**586**		581
Prepaid expenses		**19**		10
		1,108		938
Property, plant and equipment		**1,869**		1,685
Timber licences		**538**		551
Goodwill and other intangibles		**707**		371
Other assets		**25**		20
Deferred income tax assets		**11**		35
	$	**4,258**	$	3,600
Liabilities				
Current liabilities				
Cheques issued in excess of funds on deposit	**$**	**-**	$	15
Payables and accrued liabilities		**455**		379
Income taxes payable		**63**		21
Reforestation and decommissioning obligations		**44**		44
		562		459
Long-term debt (note 5)		**632**		413
Other liabilities (note 6)		**286**		272
Deferred income tax liabilities		**224**		215
		1,704		1,359
Shareholders' Equity				
Share capital		**547**		549
Accumulated other comprehensive earnings		**105**		150
Retained earnings		**1,902**		1,542
		2,554		2,241
	$	**4,258**	$	3,600

Number of Common shares and Class B Common shares outstanding at October 23, 2017 was 77,924,929.

West Fraser Timber Co. Ltd.

Condensed Consolidated Statements of Changes in Shareholders' Equity

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

	July 1 to September 30		January 1 to September 30	
	2017	2016	**2017**	2016
Share capital				
Balance - beginning of period	**$ 549**	$ 560	**$ 549**	$ 579
Common share repurchases	**(2)**	(9)	**(2)**	(28)
Balance - end of period	**$ 547**	$ 551	**$ 547**	$ 551
Accumulated other comprehensive earnings				
Balance - beginning of period	**$ 129**	$ 129	**$ 150**	$ 164
Translation gain (loss) on foreign operations	**(24)**	8	**(45)**	(27)
Balance - end of period	**$ 105**	$ 137	**$ 105**	$ 137
Retained earnings				
Balance - beginning of period	**$ 1,767**	$ 1,332	**$ 1,542**	$ 1,404
Actuarial gain (loss) on post-retirement benefits	**39**	26	**6**	(79)
Common share repurchases	**(15)**	(47)	**(15)**	(142)
Earnings for the period	**120**	107	**389**	247
Dividends	**(9)**	(5)	**(20)**	(17)
Balance - end of period	**$ 1,902**	$ 1,413	**$ 1,902**	$ 1,413
Shareholders' Equity	**$ 2,554**	$ 2,101	**$ 2,554**	$ 2,101

West Fraser Timber Co. Ltd.

Condensed Consolidated Statements of Earnings and Comprehensive Earnings

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

	July 1 to September 30		January 1 to September 30	
	2017	2016	**2017**	2016
Sales	**$ 1,247**	$ 1,155	**$ 3,758**	$ 3,343
Costs and expenses				
Cost of products sold	**775**	739	**2,313**	2,263
Freight and other distribution costs	**153**	158	**484**	473
Export duties	**31**	-	**65**	-
Amortization	**51**	50	**151**	147
Selling, general and administration	**50**	45	**142**	126
Equity-based compensation	**10**	7	**26**	(21)
	1,070	999	**3,181**	2,988
Operating earnings	**177**	156	**577**	355
Finance expense	**(8)**	(7)	**(23)**	(22)
Other (note 9)	**(2)**	1	**(3)**	(8)
Earnings before tax	**167**	150	**551**	325
Tax provision (note 10)	**(47)**	(43)	**(162)**	(78)
Earnings	**$ 120**	$ 107	**$ 389**	$ 247
Earnings per share (dollars) (note 11)				
Basic	**$ 1.53**	$ 1.35	**$ 4.97**	$ 3.06
Diluted	**$ 1.53**	$ 1.35	**$ 4.97**	$ 2.73
Comprehensive earnings				
Earnings	**$ 120**	$ 107	**$ 389**	$ 247
Other comprehensive earnings				
Translation gain (loss) on foreign operations	**(24)**	8	**(45)**	(27)
Actuarial gain (loss) on post-retirement benefits	**39**	26	**6**	(79)
Comprehensive earnings	**$ 135**	$ 141	**$ 350**	$ 141

West Fraser Timber Co. Ltd.

Condensed Consolidated Statements of Cash Flows

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

	July 1 to September 30		January 1 to September 30	
	2017	2016	**2017**	2016
Cash provided by operations				
Earnings	**$ 120**	$ 107	**$ 389**	$ 247
Adjustments				
Amortization	**51**	50	**151**	147
Finance expense	**8**	7	**23**	22
Foreign exchange loss (gain) on long-term financing	**(5)**	2	**(10)**	(8)
Loss on power agreements, net of settlement costs	**-**	-	**-**	11
Post-retirement expense	**19**	18	**57**	53
Contributions to post-retirement benefit plans	**(17)**	(18)	**(48)**	(46)
Tax provision	**47**	43	**162**	78
Income taxes received (paid)	**(7)**	6	**(59)**	1
Other	**(30)**	(22)	**(60)**	(51)
Changes in non-cash working capital				
Receivables	**31**	(6)	**(49)**	(36)
Inventories	**22**	5	**17**	89
Prepaid expenses	**12**	16	**(6)**	1
Payables and accrued liabilities	**32**	41	**35**	(1)
	283	249	**602**	507
Cash provided by (used for) financing				
Proceeds from long-term debt	**250**	-	**250**	-
Repayment of operating loans	**-**	(99)	**-**	(133)
Finance expense paid	**(1)**	(3)	**(12)**	(14)
Dividends	**(9)**	(5)	**(20)**	(17)
Common share repurchases	**(17)**	(58)	**(17)**	(170)
Other	**(2)**	3	**(2)**	3
	221	(162)	**199**	(331)
Cash used for investing				
Acquisition (note 3)	**(525)**	-	**(525)**	-
Additions to capital assets	**(90)**	(76)	**(224)**	(182)
Government assistance	**1**	1	**2**	8
Other	**1**	1	**4**	1
	(613)	(74)	**(743)**	(173)
Change in cash	**(109)**	13	**58**	3
Foreign exchange effect on cash	**10**	12	**39**	29
Cash - beginning of period	**231**	(9)	**35**	(16)
Cash - end of period	**$ 132**	$ 16	**$ 132**	$ 16
Cash consists of				
Cash and short-term investments			**$ 132**	$ 52
Cheques issued in excess of funds on deposit			**-**	(36)
			$ 132	$ 16

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. Gilman acquisition

On August 31, 2017 we completed the acquisition of six SYP sawmills and a finger-joint mill in Florida and Georgia as well as an administrative office in Georgia (the “Gilman Acquisition”). The consideration paid, net of cash acquired was \$525 million (US\$418 million) and the transaction was an acquisition of shares. The acquisition was financed with cash on hand, borrowings on our revolving credit facility and a \$250 million (US\$200 million) term loan. The purchase agreement contains indemnification provisions that are typical for a share purchase transaction.

The acquisition has been accounted for as an acquisition of a business and we have allocated the purchase price based on our preliminary estimated fair value of the assets acquired and the liabilities assumed as follows:

		Preliminary September 30, 2017
Net assets acquired	$	**606**
Less cash acquired		**(81)**
Net non-cash assets acquired		**525**
Allocation:		
Current assets		**63**
Current liabilities		**(16)**
Property, plant and equipment		**121**
Other assets		**6**
Goodwill		**337**
Employee future benefits		**(13)**
Deferred income taxes, net		**27**
	$	**525**

The deferred income tax asset estimate of $27 million includes an asset of $51 million related to estimated net operating losses acquired, partially offset by a liability of $24 million related to temporary differences on other assets and liabilities.

Factors contributing to goodwill include the Gilman workforce, assets that are geographically complementary to our existing facilities and offer close access to large markets, the good timber basket and multiple outlets for residuals. This transaction strengthens our core lumber business and gives us increased scale and geographic diversification. This was a rare opportunity to acquire a U.S. lumber producer of a meaningful scale with high quality facilities and a culture similar to our own. The goodwill of $337 million is not deductible for tax purposes.

The following table shows the results of the Gilman Acquisition since the acquisition date and the estimated pro-forma West Fraser consolidated results as if we owned the Gilman Acquisition since January 1, 2017:

		Gilman September 1 to 30, 2017		West Fraser Pro-forma January 1 to September 30, 2017
Sales	$	**31**	$	**4,012**
Earnings (loss)	$	**(1)**	$	**444**

Balances that required significant fair value adjustments for purchase price accounting included inventory, property, plant and equipment, goodwill and deferred income taxes. After accounting for the increased value assigned to the acquired inventory and costs associated with the rapid integration of systems, the acquired operations did not make a material contribution to operating earnings in the one month post acquisition.

Acquisition costs of $1 million have been expensed in selling, general and administration.

4. Inventories

Inventories at September 30, 2017 were written down by $4 million (June 30, 2017 - $6 million; December 31, 2016 - $5 million; September 30, 2016 - $10 million) to reflect net realizable value being lower than cost.

5. Long-term debt and operating loans

Long-term debt

	September 30, 2017	December 31, 2016
US$300 million senior notes due October 2024; interest at 4.35%	**$ 374**	$ 403
US$200 million term loan due August 2022; floating interest rate	**250**	-
US$8 million note payable due October 2020; interest at 2%	**9**	10
Notes payable	**4**	4
	637	417
Deferred financing costs	**(5)**	(4)
	$ 632	$ 413

On August 28, 2017 we were advanced a $250 million (US$200 million) 5 year non-revolving term loan due on August 25, 2022. This loan was used to fund the Gilman Acquisition. Interest is payable at floating rates based on Base Rate Advances or LIBOR Advances at our option. The loan is repayable at any time, in whole or in part, at our option and without penalty but cannot be redrawn after payment.

The fair value of the long-term debt is $624 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

In August 2017, we extended our $500 million committed revolving credit facility to August 25, 2022. Our operating loans consist of a $500 million committed revolving credit facility, a $31 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 September 30, 2017 there were no amounts outstanding under our revolving credit facility. As a result, the associated deferred financing costs of $3 million were reported in other assets. Letters of credit in the amount of $47 million were also supported by our facilities, leaving $551 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, Base Rate Advances, Bankers' Acceptances or LIBOR Advances 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.

6. Other liabilities

	September 30, 2017	December 31, 2016
Post-retirement (note 7)	**$ 180**	$ 162
Reforestation	**61**	69
Decommissioning	**25**	25
Other	**20**	16
	$ 286	$ 272

7. 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:

	September 30, 2017	December 31, 2016
Projected benefit obligations	**$ (1,746)**	$ (1,648)
Fair value of plan assets	**1,589**	1,507
Impact of minimum funding requirement	**(15)**	(13)
	$ (172)	$ (154)
Represented by		
Post-retirement assets	**$ 8**	$ 8
Post-retirement liabilities (note 6)	**(180)**	(162)
	$ (172)	$ (154)

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

	September 30, 2017	June 30, 2017	December 31, 2016
Discount rate	**3.75%**	3.50%	3.75%
Future compensation rate increase	**3.50%**	3.50%	3.50%

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

	July 1 to September 30		January 1 to September 30	
	2017	2016	**2017**	2016
Actuarial gain (loss)	**$ 53**	$ 35	**$ 8**	$ (108)
Tax recovery (provision)	**(14)**	(9)	**(2)**	29
	$ 39	$ 26	**$ 6**	$ (79)

8. **Share Capital**

On September 12, 2017 our Board of Directors authorized the renewal of our normal course issuer bid ("NCIB") program to repurchase for cancellation up to 3,794,375 Common shares or approximately 5% of our issued and outstanding Common shares. The NCIB will expire on September 18, 2018. Our previous NCIB expired on September 18, 2017.

During the three months ended September 30, 2017 we purchased a total of 245,645 of Common shares under both of our NCIB programs. The purchase price averaged $68.45 per share and totalled $17 million for the period ended September 30, 2017.

9. **Other**

	July 1 to September 30		January 1 to September 30	
	2017	2016	**2017**	2016
Foreign exchange gain (loss) on working capital	**$ (7)**	$ 2	**$ (12)**	$ (8)
Foreign exchange gain (loss) on intercompany financing[1]	**(10)**	4	**(19)**	(14)
Foreign exchange gain (loss) on long-term debt	**15**	(6)	**29**	22
Gain on disposal of WestPine equipment	**-**	-	**-**	5
Loss on power agreements	**-**	-	**-**	(19)
Other	**-**	1	**(1)**	6
	$ (2)	$ 1	**$ (3)**	$ (8)

1. Relates to US$600 million (Q2-17 US$200 million) of financing provided to our U.S. operations. An additional US$400 million of financing was provided to our U.S. operations at the end of August 2017 to fund the Gilman Acquisition. 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.

10. **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:

	July 1 to September 30		January 1 to September 30	
	2017	2016	**2017**	2016
Income tax expense at statutory rate of 26%	**$ (43)**	$ (40)	**$ (143)**	$ (85)
Non-taxable amounts	**(2)**	(1)	**(7)**	9
Rate differentials between jurisdictions and on specified activities	**(2)**	(3)	**(13)**	(7)
Unrecognized capital losses	**-**	-	**1**	1
Other	**-**	1	**-**	4
Tax provision	**$ (47)**	$ (43)	**$ (162)**	$ (78)

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 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.

	July 1 to September 30		January 1 to September 30	
	2017	2016	**2017**	2016
Earnings				
Basic	**$ 120**	$ 107	**$ 389**	$ 247
Share option expense (recovery)	**17**	4	**43**	(21)
Equity-settled share option adjustment	**-**	-	**(3)**	(3)
Diluted	**$ 137**	$ 111	**$ 429**	$ 223
Weighted average number of shares (thousands)				
Basic	**78,128**	79,310	**78,153**	80,819
Share options	**869**	799	**860**	863
Diluted	**78,997**	80,109	**79,013**	81,682
Earnings per share (dollars)				
Basic	**$ 1.53**	$ 1.35	**$ 4.97**	$ 3.06
Diluted	**$ 1.53**	$ 1.35	**$ 4.97**	$ 2.73

12. Segmented information

	Lumber	Panels	Pulp & paper	Corporate & other	Total
July 1, 2017 to September 30, 2017					
Sales					
To external customers	**$ 860**	**$ 166**	**$ 221**	**$ -**	**$ 1,247**
To other segments	**29**	**2**	**-**	**-**	
	$ 889	**$ 168**	**$ 221**	**$ -**	
Operating earnings before amortization	**$ 164**	**$ 48**	**$ 30**	**$ (14)**	**$ 228**
Amortization	**(38)**	**(3)**	**(9)**	**(1)**	**(51)**
Operating earnings	**126**	**45**	**21**	**(15)**	**177**
Finance expense	**(5)**	**(1)**	**(2)**	**-**	**(8)**
Other	**(3)**	**-**	**(3)**	**4**	**(2)**
Earnings before tax	**$ 118**	**$ 44**	**$ 16**	**$ (11)**	**$ 167**
July 1, 2016 to September 30, 2016					
Sales					
To external customers	$ 788	$ 137	$ 230	$ -	$ 1,155
To other segments	26	2	-	-	
	$ 814	$ 139	$ 230	$ -	
Operating earnings before amortization	$ 151	$ 33	$ 31	$ (9)	$ 206
Amortization	(37)	(3)	(9)	(1)	(50)
Operating earnings	114	30	22	(10)	156
Finance expense	(4)	(1)	(2)	-	(7)
Other	1	-	1	(1)	1
Earnings before tax	$ 111	$ 29	$ 21	$ (11)	$ 150

	Lumber	Panels	Pulp & paper	Corporate & other	Total
January 1, 2017 to September 30, 2017					
Sales					
To external customers	**$ 2,584**	**$ 439**	**$ 735**	**$ -**	**$ 3,758**
To other segments	**87**	**6**	**-**	**-**	
	$ 2,671	**$ 445**	**$ 735**	**$ -**	
Operating earnings before amortization	**$ 561**	**$ 89**	**$ 112**	**$ (34)**	**$ 728**
Amortization	**(112)**	**(9)**	**(28)**	**(2)**	**(151)**
Operating earnings	**449**	**80**	**84**	**(36)**	**577**
Finance expense	**(14)**	**(3)**	**(6)**	**-**	**(23)**
Other	**(3)**	**-**	**(5)**	**5**	**(3)**
Earnings before tax	**$ 432**	**$ 77**	**$ 73**	**$ (31)**	**$ 551**
January 1, 2016 to September 30, 2016					
Sales					
To external customers	$ 2,288	$ 399	$ 656	$ -	$ 3,343
To other segments	79	6	-		
	$ 2,367	$ 405	$ 656	$ -	
Operating earnings before amortization	$ 364	$ 69	$ 49	$ 20	$ 502
Amortization	(109)	(9)	(27)	(2)	(147)
Operating earnings	255	60	22	18	355
Finance expense	(13)	(3)	(6)	-	(22)
Other	(2)	3	(21)	12	(8)
Earnings before tax	$ 240	$ 60	$ (5)	$ 30	$ 325

The geographic distribution of external sales is as follows[1]:

	July 1 to September 30		January 1 to September 30	
	2017	2016	**2017**	2016
Canada	**$ 312**	$ 261	**$ 860**	$ 759
United States	**701**	666	**2,126**	1,942
China	**148**	118	**464**	351
Other Asia	**73**	94	**270**	242
Other	**13**	16	**38**	49
	$ 1,247	$ 1,155	**$ 3,758**	$ 3,343

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

13. 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 softwood lumber producers and levy countervailing and antidumping duties against Canadian imports. We were 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 $65 million for the period April 28, 2017 to September 30, 2017 representing duties at the preliminary rates determined by the USDOC.

The USDOC is expected to announce final rates by November 13, 2017. The USITC is expected to make a ruling on “injury” not later than January 4, 2018. The requirement that we pay countervailing duties was suspended on August 24, 2017 until final determination is published by the USITC. 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.

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

For more information:

Chris Virostek, Vice President, Finance and Chief Financial Officer
Rodger Hutchinson, Vice President, Corporate Controller and Investor Relations
(604) 895-2700
www.westfraser.com