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NEWS RELEASE

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

Monday, November 2, 2009

West Fraser Announces Third Quarter Results

Vancouver, B.C. – **West Fraser Timber Co. Ltd.** today reported a loss of $198 million or $4.64 per share on sales of $679 million in the third quarter of 2009 and a loss of $321 million or $7.49 per share, on sales of $1,965 million for the first nine months of 2009.

In the third quarter of 2009 the following significant items were included in earnings:

- Asset impairment charges of $155 million (after tax $109 million or $2.54 per share);
- A valuation allowance which resulted in a reduction to the tax recovery of $85 million or $1.98 per share;
- The translation of U.S. dollar-denominated debt which resulted in a foreign exchange gain of $28 million (after tax $24 million or $0.55 per share); and
- A gain on derivative financial instruments of $7 million (after tax $5 million or $0.11 per share).

These results compare with previous periods as follows:

($ million except earnings per share ("EPS"))	2009 YTD	2009 Q3	2009 Q2	2008 YTD	2008 Q3
Sales	1,965	679	667	2,443	848
EBITDA[1]	13	42	(10)	118	78
Operating earnings (loss) before asset impairment charges	(194)	(29)	(75)	(90)	8
Operating earnings (loss)	(349)	(184)	(75)	(90)	8
Earnings (loss)	(321)	(198)	(39)	(68)	(2)
Diluted EPS ($)	(7.49)	(4.64)	(0.91)	(1.58)	(0.05)

[1] *Throughout this News Release, reference is made to EBITDA (defined as operating earnings plus amortization and asset impairment charges). 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.*

On October 28, 2009 the Company announced that the Kitimat, B.C. linerboard and kraft paper mill will permanently close on January 31, 2010. Hank Ketcham, West Fraser's Chairman, President and CEO stated: "We deeply regret the impact the mill closure will have on our 535 employees, their families and the community and we will ensure those who are affected are treated with fairness and respect. The mill closure is a difficult but necessary action that comes during extremely challenging economic conditions."

Asset impairment charges of $138 million related to the Kitimat mill and $17 million related to certain sawmill assets were recorded in the third quarter.

Operational Results

The Company's lumber operations produced EBITDA for the quarter of $3 million, compared to EBITDA of $1 million for the second quarter of 2009. The average benchmark price of SPF lumber increased by US$17 per Mfbm but, due to a stronger Canadian dollar, only improved by $7 per Mfbm in Canadian dollars. The average benchmark price for SYP lumber decreased by US$13 per Mfbm over the previous quarter.

Panel operations, which include plywood, MDF and LVL, generated EBITDA for the quarter of $19 million compared to $5 million in the previous quarter. The EBITDA increase was due to higher average plywood prices, with the benchmark price increasing to $379 per Msf compared to $305 per Msf in the previous quarter.

Pulp and paper operations produced EBITDA of $19 million compared to negative $18 million in the previous quarter. Higher pulp prices in the quarter more than offset the impact of the stronger Canadian dollar and lower linerboard and newsprint prices. Results in the previous quarter were negatively affected by a scheduled maintenance shutdown at the Cariboo facility and the maintenance shutdown and market-related downtime at the Kitimat linerboard and kraft paper mill.

Outlook

The U.S. housing market showed some signs of improvement in the third quarter as housing starts increased slightly, the inventory of new homes, both in terms of numbers of homes and months of supply, continued to decline and interest rates remained at historically low levels. While these indicators provide a source for modest optimism in terms of a strengthening demand for building products, factors which may offset improved U.S. housing construction activity include increasing U.S. unemployment, additional foreclosures adding to housing inventories, an end to, or reductions in, government home-buying assistance programs and increased interest rates.

The announced closure of our linerboard and kraft paper plant will result in additional closure costs being accrued in the fourth quarter but results from ongoing operations in the pulp and paper segment are expected to improve due to current strong demand and pricing for pulp.

"Our strong balance sheet, conservative business philosophy and longstanding emphasis on controlling costs will serve us well as we work through this difficult time in our industry's history", said Mr. Ketcham.

The Company

West Fraser is an integrated wood products company producing lumber, LVL, MDF, plywood, pulp, linerboard, kraft paper 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 Tuesday, November 3, 2009 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 West Fraser's financial performance during the third quarter of 2009 should be read in conjunction with the unaudited interim consolidated financial statements and accompanying notes included in this quarterly report and the 2008 annual MD&A included in the Company's 2008 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 "Discussion & Analysis by Product Segment – Pulp & Paper Segment" (the description of the proposed Pulp and Paper Green Transformation Program and the Kitimat mill closure) and "Business Outlook" (market expectations) and "Capital Structure and Debt Ratings" (comment on potential rating upgrades). Actual outcomes and results of these statements will depend on a number of factors which are noted in this 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 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. 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 an indicator of performance, or to cash flows from operating, investing and financing activities as a measure of liquidity and cash flows. 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 November 2, 2009 unless otherwise indicated.

Production, Shipments and Financial Comparisons

	Q3–09	Q2–09	**YTD-09**	Q3–08	YTD-08
Production					
Lumber – MMfbm					
SPF	**726**	741	**2,141**	867	2,595
SYP	**336**	338	**986**	384	1,249
	1,062	1,079	**3,127**	1,251	3,844
Plywood – MMsf (3/8" basis)	**193**	185	**562**	207	612
MDF – MMsf (3/4" basis)	**52**	52	**149**	60	179
LVL – Mcf	**447**	297	**1,177**	239	839
BCTMP – Mtonnes	**156**	117	**343**	156	455
NBSK – Mtonnes	**134**	127	**390**	118	348
Linerboard and Kraft Paper – Mtonnes	**120**	70	**303**	120	331
Newsprint – Mtonnes	**20**	29	**78**	31	94
Shipments					
Lumber – MMfbm					
SPF	**773**	799	**2,300**	861	2,580
SYP	**337**	376	**1,034**	398	1,267
	1,110	1,175	**3,334**	1,259	3,847
Plywood – MMsf (3/8" basis)	**178**	215	**563**	211	613
MDF – MMsf (3/4" basis)	**49**	58	**161**	53	174
LVL – Mcf	**456**	343	**1,201**	435	1,113
BCTMP – Mtonnes	**152**	159	**416**	108	428
NBSK – Mtonnes	**130**	141	**394**	128	371
Linerboard and Kraft Paper – Mtonnes	**110**	82	**270**	115	327
Newsprint – Mtonnes	**28**	23	**70**	31	94
Financial Comparisons - $ millions					
Sales	**679**	667	**1,965**	848	2,443
EBITDA	**42**	(10)	**13**	78	118
Amortization	**(71)**	(65)	**(207)**	(70)	(208)
Operating earnings before asset impairment charges	**(29)**	(75)	**(194)**	8	(90)
Asset Impairments	**(155)**	-	**(155)**	-	-
Operating earnings	**(184)**	(75)	**(349)**	8	(90)
Interest expense – net	**(7)**	(8)	**(24)**	(8)	(27)
Exchange gain (loss) on long-term debt	**28**	30	**44**	(13)	(22)
Other income (loss)	**(4)**	(4)	**(4)**	10	21
Recovery of (provision for) income taxes	**(31)**	18	**12**	1	50
Earnings	**(198)**	(39)	**(321)**	(2)	(68)
Cdn. $1.00 converted to U.S. – average	**0.911**	0.857	**0.855**	0.961	0.982

Selected Quarterly Information

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

	Q3-09	Q2-09	Q1-09	Q4-08	Q3-08	Q2-08	Q1-08	Q4-07
Sales	**679**	667	619	746	848	823	772	782
Earnings (loss)	**(198)**	(39)	(83)	(70)	(2)	4	(69)	(3)
Basic and Diluted EPS	**(4.64)**	(0.91)	(1.94)	(1.63)	(0.05)	0.08	(1.60)	(0.07)

Discussion & Analysis

Asset impairment charges and a valuation allowance on future income taxes pushed the net loss for the quarter to $198 million. Despite this loss, the Company generated EBITDA of $42 million in the quarter, increasing its liquidity by $79 million.

Of the total asset impairment charges of $155 million recorded in the quarter, $138 million related to the Kitimat linerboard and kraft paper mill and $17 million related to certain sawmill assets. The impairment charges were non-cash and consisted of write-downs of $137 million of property, plant and equipment, $12 million of parts and supplies inventory and $6 million of deferred shutdown expenditures. The impairment charges resulted from management's determination that estimated future cash flows from the operations were not sufficient to fully recover the book value of the assets over the expected operating life of the assets.

The valuation allowance was provided on future income tax assets primarily related to the benefit of loss carryforwards recognized in prior years. The valuation allowance was necessary as the asset no longer meets the accounting requirements for recognition due to continuing losses experienced in the related businesses. However, given the length of the loss carryforward period, management expects that the benefit from the tax losses will be realized during the carryforward period.

The Company's operating results before impairment charges and the valuation allowance improved in the quarter compared to the previous quarter. Housing starts in the United States increased slightly from the previous quarter and the inventory of new and existing homes declined. Average lumber prices for spruce-pine-fir ("SPF") increased slightly over the average for the previous quarter, but prices for southern yellow pine ("SYP") lumber declined in the current quarter from the previous quarter. Pulp prices rose due to tighter global inventories and improving demand, particularly from China.

During the quarter the Board of Directors declared a dividend of $0.03 per share.

Subsequent to the end of the quarter the Company made a scheduled debt repayment totalling $133 million using available cash and drawing from its committed operating facility.

In the third quarter of 2009 the following significant items were included in earnings:

- Asset impairment charges of $155 million (after tax $109 million or $2.54 per share);

- A valuation allowance which resulted in a reduction to the tax recovery of $85 million or $1.98 per share;

- The translation of U.S. dollar-denominated debt which resulted in a foreign exchange gain of $28 million (after tax $24 million or $0.55 per share); and

- A gain on derivative financial instruments of $7 million (after tax $5 million or $0.11 per share).

The Canadian dollar continued to strengthen in the current quarter. The change in value of the Canadian dollar relative to the U.S. dollar during the periods presented below resulted in the following foreign exchange gains and losses:

($ millions)

	Q3–09	Q2–09	**YTD-09**	Q3–08	YTD-08
Included in other income (expense)					
Translation gain (loss) of current monetary items	**(12)**	(12)	**(19)**	4	9
Gain on foreign currency contracts	**11**	7	**13**	-	-
Exchange gain (loss) on U.S. dollar-denominated long-term debt	**28**	30	**44**	(13)	(22)
Foreign exchange translation gain (loss) on investment in self-sustaining foreign operations[1]	**(34)**	(31)	**(49)**	18	30

1. Included in other comprehensive earnings.

The results of the current quarter include a provision for income taxes of $31 million, after taking into account a valuation allowance of $85 million, compared to an $18 million recovery of income taxes for the preceding quarter and a $1 million recovery for the third quarter of 2008. For the first nine months of 2009, the tax recovery was $12 million compared to $50 million in the first nine months of 2008. Note 9 to the accompanying interim consolidated financial statements provides a reconciliation of the statutory income tax rate to the effective income tax rate.

Discussion & Analysis by Product Segment

Lumber Segment

	Q3–09	Q2–09	**YTD-09**	Q3–08	YTD-08
Sales - $ millions	**336**	337	**984**	458	1,260
EBITDA - $ millions	**3**	1	**(43)**	29	(3)
EBITDA margin - %	**-**	-	**-**	6	-
Operating earnings before asset impairments - $ millions	**(36)**	(31)	**(151)**	(5)	(105)
Operating earnings - $ millions	**(53)**	(31)	**(168)**	(5)	(105)
Benchmark prices (US$ per Mfbm)					
SPF #2 & Better 2 x 4[1]	**192**	175	**174**	262	233
SYP #2 West 2 x 4[2]	**234**	247	**241**	309	304

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

The U.S. housing market improved marginally in the quarter with a slight increase in housing starts and lower new and existing home inventories. Significant production curtailments by producers in Canada and the U.S. continued throughout the quarter.

The Company's Canadian sawmills operated at approximately 73% of capacity and its U.S. sawmills operated at 67% capacity during the quarter. Heavy rains in the southern U.S. during the quarter accounted for approximately 15% of the reduced production of SYP lumber. Overall operating rates, both in Canada and the U.S., were similar to the previous quarter but, as a result of increased production curtailments, were approximately 13% lower compared to the third quarter of 2008.

The average SPF benchmark lumber price increased by US$17/Mfbm in the quarter compared to the previous quarter but as the Canadian dollar strengthened during the period, the increase when converted to Canadian dollars was limited to approximately $7/Mfbm. SYP benchmark prices were lower than in the previous quarter. The low prices for both SPF and SYP reflect the continued low demand for lumber in North America.

Shipments of both SPF and SYP were lower in the quarter compared to the previous quarter and the corresponding quarter in the previous year reflecting lower demand. Shipments to the U.S. from Alberta exceeded the limits imposed under the 2006 Softwood Lumber Agreement (the "SLA") in each of the months in the quarter. Under the terms of the SLA, shipments in a month where the limits are exceeded are subject to a surtax of 50% of the export tax otherwise imposed. Accordingly, the export tax applicable to all shipments to the U.S. from Alberta in the quarter was 22.5% rather than 15% of the selling price of the lumber. In the previous quarter the surtax was applicable for shipments in only one month, and in each of the three months of the third quarter of 2008 shipments did not exceed the applicable limit.

Unit production costs were up approximately 5% compared to the previous quarter as lower costs in the previous quarter reflected consumption of previously written-down log inventories. Freight costs were slightly higher in the current quarter reflecting higher fuel surcharges. A $17 million asset impairment charge related to certain sawmill assets was recorded in the quarter, reflecting continued poor market conditions.

Operating earnings before asset impairments were significantly lower in the quarter compared to the third quarter of 2008. The average U.S. dollar SPF benchmark price was 27% lower compared to the same quarter last year. As the Canadian dollar was weaker in the current quarter compared to the third quarter of 2008, the average SPF benchmark price was 23% lower after converting to Canadian dollars. The average U.S. dollar benchmark SYP lumber price was 24% lower in the current quarter compared to the corresponding quarter of 2008. Lower log costs, freight costs and cash conversion costs in the current quarter compared to the third quarter of 2008 only partially offset the decline in lumber prices.

Operating earnings before asset impairments for the first nine months of 2009 were lower than the comparable period of 2008 due to lower U.S. dollar lumber prices, partially offset by the weaker Canadian dollar and lower log and freight costs.

Panels Segment

	Q3–09	Q2–09	**YTD-09**	Q3–08	YTD-08
Sales - $ millions	**102**	100	**298**	108	324
EBITDA - $ millions	**19**	5	**31**	5	18
EBITDA margin - %	**19**	5	**10**	4	6
Operating earnings - $ millions	**12**	(3)	**6**	(5)	(10)
Benchmark price					
Plywood (per Msf 3/8" basis)[1] Cdn$	**379**	305	**332**	333	338
MDF (per Msf 3/4" basis)[2] US$	**480**	493	**493**	549	533

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.

As most of the Company's plywood production is sold in Canada, the improving Canadian housing market stimulated demand resulting in higher prices compared to the previous quarter and the same quarter of 2008. However, year-to-date shipments and average prices were lower than in the same period of 2008 due to lower demand experienced in the first half of 2009. Fibre costs were lower in both the current quarter and year-to-date 2009 compared to the previous quarter and the corresponding periods in 2008.

The MDF operations contributed positively to earnings for both the current quarter and for the first three quarters of the year. Average benchmark prices for the current quarter and for the first three quarters of 2009 declined compared to the same periods of 2008. Lower resin and natural gas costs largely offset the price declines. Throughout the quarter and year-to-date in 2009, the MDF plants operated at approximately 69% of capacity. During the same period of 2008, only one of the two MDF plants operated on a curtailed basis.

Production from West Fraser's LVL plant improved due to increased operating hours compared to the previous quarter, although the plant continues to operate on a curtailed basis.

Pulp & Paper Segment

	Q3–09	Q2–09	**YTD-09**	Q3–08	YTD-08
Sales - $ millions	**241**	229	**682**	282	859
EBITDA - $ millions	**19**	(18)	**18**	45	101
EBITDA margin - %	**8**	-	**3**	16	12
Operating earnings before asset impairments - $ millions	**(4)**	(41)	**(53)**	20	26
Operating earnings - $ millions	**(143)**	(41)	**(191)**	20	26
Benchmark price					
NBSK (US$ per tonne)[1]	**733**	645	**684**	880	880
Linerboard (US$ per tonne)[2]	**592**	599	**609**	672	632
Newsprint (US$ per tonne)[3]	**442**	566	**578**	728	672

1. Source: Resource Information Systems, Inc. – U.S. list price delivered U.S.
2. Source: Pulp & Paper Week – Unbleached linerboard kraft, East.
3. Source: Resource Information Systems, Inc. – delivered 48.8 gram newsprint.

In the current quarter the Company recorded asset impairment charges of $138 million relating to the Eurocan linerboard and kraft paper mill at Kitimat, B.C. The impairment charge was non-cash and consisted of a write-down of $121 million of property, plant and equipment, $11 million of parts and supplies inventory and $6 million of deferred shutdown expenditures. The impairment charge resulted from management's determination that estimated future cash flows from the operations were not sufficient to fully recover the book value of the assets over the expected operating life of the assets.

Operating earnings before impairment charges in the pulp and paper segment improved from the previous quarter. Higher pulp prices more than offset the effect of lower prices for linerboard and newsprint and the stronger Canadian dollar. The return of the Quesnel and Slave Lake BCTMP mills to full production also contributed to the improvement in operating earnings. With the exception of the newsprint mill, each of the pulp and paper operations operated at capacity during the current quarter. Higher operating rates in the current quarter compared to the previous quarter resulted in lower unit production costs. In the previous quarter, in addition to the annual maintenance shut-downs at the Kitimat linerboard and kraft paper mill and the Cariboo Pulp mill, market-related curtailments were implemented at the Kitimat mill and the Slave Lake and Quesnel BCTMP mills. Production at the newsprint mill was lower in the current quarter than the previous quarter as production was curtailed to accommodate modifications to the paper machine.

U.S. dollar prices for pulp, linerboard and newsprint were all lower in the current quarter compared to the third quarter in 2008. These lower prices resulted in reduced operating earnings before impairment charges compared to the corresponding quarter of 2008. The lower prices were only partially offset by the weaker Canadian dollar. Lower fibre, chemical, energy and maintenance costs contributed to average unit production costs which were approximately 13% lower in the current quarter compared to the third quarter of 2008.

For the first nine months of 2009 operating earnings before asset impairment charges were $79 million lower than in the first nine months of 2008. The reduction reflects the significantly lower prices for all pulp and paper products, which were only partially offset by a weaker

Canadian dollar. Average unit production costs were approximately 5% lower in 2009 compared to the first three quarters of 2008 despite the lower total production as a result of market-related downtime taken in 2009 at the linerboard and kraft paper mill and the BCTMP mills. Lower fibre, natural gas and other costs contributed to the lower production costs.

West Fraser has been allocated $88.4 million under the Government of Canada's Pulp and Paper Green Transformation Program. The credits were granted based on the Company's black liquor production during 2009. The Pulp and Paper Green Transformation Program is designed to promote capital projects to improve the environmental performance and energy efficiency of the Canadian pulp and paper industry. The Company expects to receive the funds as a reimbursement of amounts invested in qualifying capital projects before March 31, 2012.

Kitimat Linerboard and Kraft Paper Mill Closure

On October 28, 2009 the Company announced that the Eurocan linerboard and kraft paper mill located at Kitimat, B.C. is expected to be permanently closed on January 31, 2010.

The 40-year-old mill has historically struggled with high costs and negative returns. A contributing factor to the mill's problems in recent years has been sawmill curtailments in the region, which have reduced the supply of lower-cost residual wood chips to Eurocan and increased the mill's reliance on more expensive whole log chips.

In addition, since December of 2008 Eurocan has experienced a drop in the net selling price of its products of approximately 40 per cent. This decline has been driven by the global economic slowdown, the rise of the Canadian dollar and severe competition from low-cost paper producers in other countries.

Due to continuing negative operating results and cash flows an impairment charge of $138 million was recorded as at September 30, 2009. In the fourth quarter, shutdown costs related to severance, contract cancellations and site remediation will be recorded. Other costs of shutdown will be recorded as incurred. The linerboard and kraft paper operations will be classified as a discontinued operation for reporting purposes for periods presented subsequent to the mill closure. Below is a summary of the assets and liabilities included in West Fraser's consolidated balance sheet related to the operations:

	As at September 30, 2009 ($ millions)
Current assets	**119**
Non-current assets	**2**
Total assets	**121**
Current liabilities	**(27)**
Non-current liabilities	**(13)**
Total liabilities	**(40)**

Below is a summary of the Eurocan balances included in West Fraser's statements of earnings and cash flows for the periods shown:

($ millions)

	Nine months ended September 30, 2009	Year ended December 31 2008	Year ended December 31 2007
Sales	**182**	326	293
EBITDA	**(12)**	14	(6)
Amortization	**20**	27	26
Asset impairments	**138**	-	-
Operating loss	**(170)**	(13)	(32)
Allocated interest expense	**(2)**	(2)	(2)
Allocated gain on foreign currency contracts	**10**	2	-
Other income (expense)	**(9)**	1	(1)
Earnings (loss) before income taxes	**(171)**	(12)	(35)
Cash flows from operating and investing activities	**(28)**	7	(23)

Business Outlook

For a detailed description of West Fraser's business outlook for 2009 see its 2008 annual MD&A under "Business Outlook", which is included in the Company's 2008 Annual Report.

Housing markets in the U.S. have improved somewhat in recent months with housing starts up slightly and the inventory of new and existing homes declining. However until housing starts increase in a meaningful way, demand and prices for lumber, plywood, LVL and MDF will remain low and production of these products will continue to be curtailed. The major risks to a recovery of the U.S. housing market, in addition to excess housing inventory, include rising unemployment, expiry of, or limits to, government home-buying assistance programs and increased interest rates.

Demand for pulp and paper is generally driven by the strength of the economies in the consuming countries. The demand for pulp has recently strengthened leading to price increases. The sustainability of the price increases depends on continued improvements in demand from the key markets of Europe, China and the United States. Risks to the recovery of pulp and paper markets include the continuation of global recessionary trends.

Capital Requirements and Liquidity

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

	Q3-09	Q4-08	Q3-08
Cash[1]	**70**	4	8
Current assets	**714**	841	857
Current liabilities	**501**	482	384
Ratio of current assets to current liabilities	**1.4**	1.7	2.2
Net debt	**484**	642	574
Shareholders' equity	**1,652**	2,030	2,043
Net debt to capitalization[2] - %	**23**	24	22

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.

The Company will, from time to time, use derivative financial instruments to manage its exposure to U.S. dollar/Canadian dollar exchange rate and commodity price fluctuations. These programs are intended to reduce the volatility of the Company's earnings, although the programs employing derivatives cover only a small portion of the Company's future earnings. The main risk associated with the use of derivatives is counterparty default which the Company manages by restricting counterparties to those entities having at least an investment grade credit rating. In order to determine the fair value of derivatives for reporting purposes, the Company obtains quotes or other indications of value from independent sources, including financial institutions. In cases where markets are less liquid, the Company also uses its internal assumptions for future product prices.

At September 30, 2009, an unrealized gain of $6 million is included in accounts receivable related to outstanding derivative financial instruments.

Selected Cash Flow Items ($ millions)

	Q3–09	Q2–09	**YTD-09**	Q3–08	YTD-08
Operating Activities					
Cash provided (used) before working capital changes	**16**	(7)	**14**	72	132
Non-cash working capital change	**64**	72	**114**	16	50
Cash provided (used) in operating activities	**80**	65	**128**	88	182
Financing Activities					
Debt and operating loan repayments	**(10)**	(57)	**(45)**	(63)	(133)
Dividends and other	**(1)**	(1)	**(8)**	(6)	(18)
Cash used in financing activities	**(11)**	(58)	**(53)**	(69)	(151)
Investing Activities					
Additions to property, plant, equipment & timber	**(1)**	(6)	**(12)**	(6)	(37)
Other – net	**1**	3	**4**	8	18
Cash used in investing activities	**-**	(3)	**(8)**	2	(19)
Change in cash	**69**	4	**67**	21	12

Capital Structure and Debt Ratings

On September 30, 2009 the number of shares in the capital of the Company outstanding was 42,811,043 comprised of 40,004,565 Common shares and 2,806,478 Class B Common shares.

West Fraser maintains a $600 million revolving credit facility which is committed until March 31, 2012.

The Company is rated by three agencies and each has issued a rating review of West Fraser in 2009 in light of the prolonged downturn in the North American housing market and the industry outlook for the next few years. In March 2009, Standard & Poor's downgraded the Company's rating from BBB- with a negative outlook to BB+ with a negative outlook and downgraded the Company's rating again in September 2009 to BB with a negative outlook. In April 2009, Dominion Bond Rating Service changed its outlook to negative but maintained its investment grade rating on the Company's debt. In July 2009, Moody's downgraded West Fraser to Ba1 from Baa3 and maintained its negative outlook. Based on the traditional approaches employed by these rating agencies, until a sustained improvement of the Company's various markets is observed, upgrades are unlikely. The major risks to improvement of the Company's key markets are described under "Business Outlook".

Debt Ratings

Agency	**Rating**	Outlook
Dominion Bond Rating Service	BBB-	Negative
Moody's	Ba1	Negative
Standard & Poor's	BB	Negative

Risks and Uncertainties

For a review of the risks and uncertainties to which the Company is subject, see the 2008 annual MD&A which is included in the Company's 2008 Annual Report.

New Accounting Pronouncement

International Financial Reporting Standards

In February 2008, the Canadian Accounting Standards Board confirmed that International Financial Reporting Standards ("IFRS") will replace Canada's current generally accepted accounting principles ("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.

West Fraser has commenced the process to transition from GAAP to IFRS. A project team has been established 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 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. There are a number of differences that have been identified between Canadian GAAP and IFRS. Many of the differences identified are not expected to have a material affect on the reported results or financial position. However, there may be significant changes resulting from the initial adoption of IFRS and accounting policy choices for certain areas. The Company has not yet determined how reporting according to IFRS will affect future financial statements. The adoption of IFRS is not expected to materially affect cash flows or debt covenant calculations as current covenants are calculated based on current GAAP.

While the effects of IFRS on future financial statements has 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.

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 and internal controls over financial reporting as those terms are defined in NI52-109.

There were no changes in internal controls over financial reporting that occurred during the quarter ended September 30, 2009 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 September 30, 2009		As at December 31, 2008
ASSETS				
Current assets				
Cash and short-term investments	**$**	**70.4**	$	20.2
Accounts receivable		**213.4**		253.0
Income taxes receivable		**42.3**		26.8
Inventories (note 3)		**364.2**		511.6
Prepaid expenses		**23.9**		29.0
		714.2		840.6
Property, plant, equipment and timber		**1,678.2**		2,040.8
Deferred costs		**99.5**		78.1
Goodwill		**263.7**		263.7
Other assets (note 4)		**93.2**		101.2
Future income taxes		**-**		87.2
	$	**2,848.8**	$	3,411.6
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Cheques issued in excess of funds on deposit	**$**	**-**	$	16.5
Operating loans (note 5)		**-**		29.7
Accounts payable and accrued liabilities		**223.8**		241.4
Current portion of reforestation obligations		**44.1**		44.1
Current portion of long-term debt (note 5)		**233.0**		150.3
		500.9		482.0
Long-term debt (note 5)		**321.6**		465.3
Other liabilities (note 6)		**160.3**		167.5
Future income taxes		**214.1**		266.8
		1,196.9		1,381.6
Shareholders' equity				
Share capital		**599.6**		599.4
Accumulated other comprehensive earnings		**(47.3)**		1.7
Retained earnings		**1,099.6**		1,428.9
		1,651.9		2,030.0
	$	**2,848.8**	$	3,411.6

Number of Common shares and Class B Common shares outstanding at October 29, 2009 was 42,812,773.

West Fraser Timber Co. Ltd.
CONSOLIDATED STATEMENTS OF EARNINGS
(in millions of Canadian dollars - unaudited)

	July 1 to September 30 **2009**	July 1 to September 30 2008	January 1 to September 30 **2009**	January 1 to September 30 2008
Sales	**$ 678.9**	$ 848.4	**$ 1,964.7**	$ 2,442.9
Costs and expenses				
Cost of products sold	**481.7**	585.0	**1,501.4**	1,789.5
Freight and other distribution costs	**115.7**	140.1	**338.5**	404.0
Export taxes	**13.8**	17.4	**34.0**	47.6
Amortization	**70.5**	69.5	**207.2**	207.6
Selling, general and administration	**26.0**	28.5	**77.6**	83.9
Asset impairments (note 7)	**155.1**	-	**155.1**	-
	862.8	840.5	**2,313.8**	2,532.6
Operating earnings	**(183.9)**	7.9	**(349.1)**	(89.7)
Other				
Interest expense - net	**(7.3)**	(8.2)	**(23.5)**	(27.5)
Exchange gain (loss) on long-term debt	**27.7**	(13.4)	**44.2**	(21.9)
Other income (expense)	**(3.8)**	10.1	**(4.1)**	21.1
Earnings before income taxes	**(167.3)**	(3.6)	**(332.5)**	(118.0)
Recovery of (provision for) income taxes (note 9)	**(31.2)**	1.3	**11.8**	50.4
Earnings	**$ (198.5)**	$ (2.3)	**$ (320.7)**	$ (67.6)
Earnings per share *(dollars)* (note 10)				
Basic and diluted	**$ (4.64)**	$ (0.05)	**$ (7.49)**	$ (1.58)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS
(in millions of Canadian dollars - unaudited)

	July 1 to September 30 **2009**	July 1 to September 30 2008	January 1 to September 30 **2009**	January 1 to September 30 2008
Earnings	**$ (198.5)**	$ (2.3)	**$ (320.7)**	$ (67.6)
Other comprehensive earnings:				
Foreign exchange translation gain (loss) on investments in self sustaining foreign operations	**(33.9)**	17.7	**(49.0)**	29.5
Comprehensive earnings	**$ (232.4)**	$ 15.4	**$ (369.7)**	$ (38.1)

West Fraser Timber Co. Ltd.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(in millions of Canadian dollars - unaudited)

	Issued Capital		Translation of foreign operations	Retained Earnings	Total equity
	Number of Shares				
Balance - January 1, 2008	42,805,086	$ 599.3	$ (93.2)	$ 1,580.4	**$ 2,086.5**
Change in accounting	-	-	-	9.6	**9.6**
Restated balance	42,805,086	599.3	(93.2)	1,590.0	**2,096.1**
Changes in equity for 2008					
Foreign exchange translation gain on investments in self-sustaining foreign operations	-	-	94.9	-	**94.9**
Share purchase loans received	-	0.1	-	-	**0.1**
Earnings for the period	-	-	-	(137.1)	**(137.1)**
Dividends	-	-	-	(24.0)	**(24.0)**
Balance - December 31, 2008	42,805,086	599.4	1.7	1,428.9	**2,030.0**
Changes in equity for 2009					
Foreign exchange translation loss on investments in self-sustaining foreign operations	-	-	(49.0)	-	**(49.0)**
Issue of Common shares	5,957	0.2	-	-	**0.2**
Earnings for the period	-	-	-	(320.7)	**(320.7)**
Dividends	-	-	-	(8.6)	**(8.6)**
Balance - September 30, 2009	**42,811,043**	**$ 599.6**	**$ (47.3)**	**$ 1,099.6**	**$ 1,651.9**

West Fraser Timber Co. Ltd.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions of Canadian dollars - unaudited)

	July 1 to September 30		January 1 to September 30	
	2009	2008	**2009**	2008
CASH FLOWS FROM OPERATING ACTIVITIES				
Earnings	**$ (198.5)**	$ (2.3)	**$ (320.7)**	$ (67.6)
Items not affecting cash				
Amortization	**70.5**	69.5	**207.2**	207.6
Asset impairments (note 7)	**155.1**	-	**155.1**	-
Exchange loss (gain) on translation of long-term debt	**(27.7)**	13.4	**(44.2)**	21.9
Loss (gain) on asset sales	**0.3**	(4.2)	**(1.7)**	(7.6)
Change in reforestation obligations	**(12.1)**	(9.0)	**(9.0)**	(3.4)
Change in other long-term liabilities	**0.7**	6.8	**1.2**	14.2
Change in deferred costs	**(16.3)**	(1.5)	**(17.3)**	(11.2)
Future income taxes	**39.5**	(11.0)	**24.0**	(41.8)
Unrealized gain on derivative financial instruments	**(3.2)**	-	**(5.8)**	-
Deferred shutdown cost amortization	**6.8**	7.9	**19.5**	17.5
Other	**0.4**	2.1	**5.9**	2.7
	15.5	71.7	**14.2**	132.3
Net change in non-cash working capital items	**64.3**	16.6	**114.0**	49.6
	79.8	88.3	**128.2**	181.9
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of long-term debt	**(0.2)**	(0.3)	**(17.4)**	(1.2)
Repayment of operating loans	**(9.6)**	(62.8)	**(27.2)**	(132.0)
Dividends	**(1.3)**	(5.9)	**(8.6)**	(17.9)
Other	**0.2**	-	**0.2**	0.1
	(10.9)	(69.0)	**(53.0)**	(151.0)
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to property, plant, equipment and timber	**(0.9)**	(6.2)	**(12.4)**	(37.3)
Proceeds from disposals of property, plant, equipment and timber	**-**	5.8	**2.0**	12.9
Decrease in other assets	**1.1**	2.0	**1.9**	5.2
	0.2	1.6	**(8.5)**	(19.2)
Increase (decrease) in cash *	**69.1**	20.9	**66.7**	11.7
Cash - beginning of period	**1.3**	(12.9)	**3.7**	(3.7)
Cash - end of period	**$ 70.4**	$ 8.0	**$ 70.4**	$ 8.0

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

Supplemental information:

Interest paid	**$ 1.1**	$ 3.1	**$ 16.4**	$ 20.3
Income taxes received (paid) - net	**$ (1.7)**	$ 4.6	**$ 22.2**	$ 15.9

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 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, 2008.

These interim consolidated financial statements follow the same accounting policies and methods of their application as the December 31, 2008 consolidated annual financial statements.

2. NEW ACCOUNTING PRONOUNCEMENT

International Financial Reporting Standards

In February 2008, the Canadian Accounting Standards Board confirmed that International Financial Reporting Standards will replace Canada's current generally accepted accounting principles for publicly accountable profit-oriented enterprises on January 1, 2011. For comparative purposes, amounts reported for the year ended December 31, 2010 will require restatement. The Company is presently evaluating the effect these standards will have on its consolidated financial statements.

3. INVENTORIES

Inventories at September 30, 2009 were written down by $28.6 million (September 30, 2008 - $48.6 million) to reflect net realizable value being lower than cost.

4. OTHER ASSETS

	September 30, 2009	December 31, 2008
Power purchase agreement – net	**$ 82.3**	$ 87.8
Investments	**4.1**	4.4
Advances for timber and timber deposits	**6.8**	9.0
	$ 93.2	$ 101.2

5. LONG–TERM DEBT AND OPERATING LOANS

Long-term debt

	September 30, 2009	December 31, 2008
Debentures due October 2009; interest at 4.94%	**$ 132.7**	$ 150.0
Term note due March 2010; interest at floating rates[1]	**100.0**	100.0
US $300 million senior notes due October 2014; interest at 5.2%	**321.2**	365.4
Note payable due in instalments to 2020; interest at 5.5%	**2.6**	2.8
	556.5	618.2
Less:		
Current portion	**(233.0)**	(150.3)
Deferred financing costs	**(1.9)**	(2.6)
	$ 321.6	$ 465.3

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

Operating loans

The Company has $605.0 million in revolving lines of credit available, of which none was drawn as at September 30, 2009. 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 $33.7 million which are supported by this facility. The revolving lines of credit include a $600 million committed facility maturing in 2012.

6. OTHER LIABILITIES

	September 30, 2009	December 31, 2008
Post-retirement obligations	**$ 68.1**	$ 68.6
Timber damage deposits	**14.8**	14.0
Reforestation obligations – long-term	**54.9**	63.9
Other asset retirement obligations	**15.3**	14.8
Other long-term obligations	**7.2**	6.2
	$ 160.3	$ 167.5

7. ASSET IMPAIRMENTS

The Company reviews property, plant, equipment and timber for impairment whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. Recoverability is assessed by comparing the carrying amount to the estimated future net cash flows the assets are expected to generate. If the carrying amount exceeds the estimated future net cash flows, the asset is written down to fair value.

Fair value is determined based on the discounted estimated net future cash flows expected to be generated over the estimated useful lives of the assets.

Estimated net future cash flows are based on several estimates including the future selling price of products, future U.S./Canadian dollar exchange rates, future production rates, future input costs and future capital requirements. The estimated net future cash flows are discounted at rates that reflect the Company's cost of capital.

Based on the review as at September 30, 2009 the Company recorded impairment charges of $138.2 million related to the Kitimat linerboard and kraft paper mill, of which $121.2 million related to property, plant and equipment, $10.5 million related to parts and supplies inventory and $6.5 million related to deferred maintenance expenditures. Subsequent to the quarter end the Company announced that the mill would be permanently closed (note 13). In addition, the Company recorded an impairment charge of $16.9 million related to certain sawmill assets due to continued weak market conditions.

8. EMPLOYEE FUTURE BENEFITS

The total benefit cost of the Company's defined benefit pension plans was $9.5 million for the three months ended September 30, 2009 (three months ended September 30, 2008 - $5.6 million) and $28.8 million for the nine months ended September 30, 2009 (nine months ended September 30, 2008 - $16.9 million).

9. INCOME TAXES

The Company's effective tax rate is as follows:

	July 1 to September 30			
	2009		2008	
	Amount	**%**	Amount	%
Income tax recovery at statutory rates	**$ 50.2**	**30.0**	$ 1.1	31.0
Non-taxable amounts	**4.6**	**2.7**	(1.8)	(49.9)
Rate differentials between jurisdictions and on specified activities	**1.0**	**0.6**	2.6	71.9
Rate differential on loss carry backs	**1.2**	**0.7**	(0.1)	(2.8)
Change in valuation allowance	**(84.7)**	**(50.6)**	-	-
Other	**(3.5)**	**(2.1)**	(0.5)	(13.8)
Income tax (provision) recovery	**$ (31.2)**	**(18.7)**	$ 1.3	36.4

	January 1 to September 30			
	2009		2008	
	Amount	**%**	Amount	%
Income tax recovery at statutory rates	**$ 99.8**	**30.0**	$ 36.6	31.0
Non-taxable amounts	**7.3**	**2.2**	(2.6)	(2.2)
Rate differentials between jurisdictions and on specified activities	**9.0**	**2.7**	8.8	7.5
Rate differential on loss carry backs	**5.1**	**1.5**	2.0	1.7
Reduction in statutory income tax rates	**4.7**	**1.4**	6.4	5.4
Change in valuation allowance	**(110.6)**	**(33.3)**	-	-
Other	**(3.5)**	**(1.0)**	(0.8)	(0.7)
Income tax recovery	**$ 11.8**	**3.5**	$ 50.4	42.7

10. 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. When there is a net loss, the exercise of stock options would result in a calculated diluted earnings per share that is anti-dilutive. Accordingly, these shares have not been included in the total weighted average shares for the purpose of calculating diluted earnings per share.

	July 1 to September 30	
	2009	2008
Earnings available to shareholders	**$ (198.5)**	$ (2.3)
Weighted average number of shares (thousands)		
Weighted average shares – basic	**42,808**	42,805
Share options – treasury stock method	**-**	-
Weighted average shares - diluted	**42,808**	42,805
Earnings per share (dollars)		
Basic and diluted	**$ (4.64)**	$ (0.05)

	January 1 to September 30	
	2009	2008
Earnings available to shareholders	**$ (320.7)**	$ (67.6)
Weighted average number of shares (thousands)		
Weighted average shares – basic	**42,806**	42,805
Share options – treasury stock method	**-**	-
Weighted average shares - diluted	**42,806**	42,805
Earnings per share (dollars)		
Basic and diluted	**$ (7.49)**	$ (1.58)

11. DERIVATIVE FINANCIAL INSTRUMENTS

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

The foreign currency contracts outstanding at September 30, 2009 were as follows:

Term	US$	Average rate Cdn$/US$
0 to 5 months		
US dollar collars	100.0	1.151 – 1.361
0 to 10 months		
US dollar forwards	35.0	1.141

NBSK floating to fixed swap contracts outstanding at September 30, 2009 were as follows:

Term	Tonnes	Average fixed price
1 to 10 months	50,000	US$710

12. SEGMENTED INFORMATION

		Lumber		Panels		Pulp & paper		Corporate & other		Consolidated
July 1, 2009 to September 30, 2009										
Sales at market prices										
To external customers	**$**	**335.8**	**$**	**102.0**	**$**	**241.1**	**$**	**-**	**$**	**678.9**
To other segments		**25.8**		**1.7**		**-**		**-**		
	$	**361.6**	**$**	**103.7**	**$**	**241.1**	**$**	**-**		
EBITDA [1]	**$**	**3.1**	**$**	**19.0**	**$**	**18.9**	**$**	**0.7**	**$**	**41.7**
Amortization		**38.8**		**7.5**		**23.3**		**0.9**		**70.5**
Asset impairments		**16.9**		**-**		**138.2**		**-**		**155.1**
Operating earnings		**(52.6)**		**11.5**		**(142.6)**		**(0.2)**		**(183.9)**
Interest expense - net		**(3.9)**		**(0.5)**		**(2.4)**		**(0.5)**		**(7.3)**
Exchange gain on long-term debt		**-**		**-**		**-**		**27.7**		**27.7**
Other expense		**(1.0)**		**(0.7)**		**(1.2)**		**(0.9)**		**(3.8)**
Earnings before income taxes	**$**	**(57.5)**	**$**	**10.3**	**$**	**(146.2)**	**$**	**26.1**	**$**	**(167.3)**
July 1, 2008 to September 30, 2008										
Sales at market prices										
To external customers	$	458.4	$	108.2	$	281.8	$	-	$	848.4
To other segments		34.0		2.5		-		-		
	$	492.4	$	110.7	$	281.8	$	-		
EBITDA [1]	$	29.2	$	4.8	$	44.8	$	(1.4)	$	77.4
Amortization		34.4		9.3		24.9		0.9		69.5
Operating earnings		(5.2)		(4.5)		19.9		(2.3)		7.9
Interest income (expense) - net		(5.2)		(1.0)		(2.1)		0.1		(8.2)
Exchange loss on long-term debt		-		-		-		(13.4)		(13.4)
Other income		1.0		0.3		3.9		4.9		10.1
Earnings before income taxes	$	(9.4)	$	(5.2)	$	21.7	$	(10.7)	$	(3.6)

1 **Non GAAP measure:**
EBITDA is defined as operating earnings plus amortization and asset impairments.

		Lumber		Panels		Pulp & paper		Corporate & other		Consolidated
January 1, 2009 to September 30, 2009										
Sales at market prices										
To external customers	**$**	**984.2**	**$**	**298.4**	**$**	**682.1**	**$**	**-**	**$**	**1,964.7**
To other segments		**72.2**		**5.1**		**-**		**-**		
	$	**1,056.4**	**$**	**303.5**	**$**	**682.1**	**$**	**-**		
EBITDA [1]	**$**	**(42.6)**	**$**	**31.4**	**$**	**18.4**	**$**	**6.0**	**$**	**13.2**
Amortization		**108.5**		**25.1**		**71.0**		**2.6**		**207.2**
Asset impairments		**16.9**		**-**		**138.2**		**-**		**155.1**
Operating earnings		**(168.0)**		**6.3**		**(190.8)**		**3.4**		**(349.1)**
Interest expense - net		**(14.2)**		**(2.4)**		**(6.5)**		**(0.4)**		**(23.5)**
Exchange gain on long-term debt		**-**		**-**		**-**		**44.2**		**44.2**
Other income (expense)		**(2.0)**		**(1.1)**		**(5.3)**		**4.3**		**(4.1)**
Earnings before income taxes	**$**	**(184.2)**	**$**	**2.8**	**$**	**(202.6)**	**$**	**51.5**	**$**	**(332.5)**
January 1, 2008 to September 30, 2008										
Sales at market prices										
To external customers	$	1,259.9	$	323.9	$	859.1	$	-	$	2,442.9
To other segments		103.9		7.3		-		-		
	$	1,363.8	$	331.2	$	859.1	$	-		
EBITDA [1]	$	(3.4)	$	18.1	$	100.6	$	2.6	$	117.9
Amortization		101.9		28.1		74.9		2.7		207.6
Operating earnings		(105.3)		(10.0)		25.7		(0.1)		(89.7)
Interest expense - net		(16.6)		(3.5)		(7.3)		(0.1)		(27.5)
Exchange loss on long-term debt		-		-		-		(21.9)		(21.9)
Other income		3.6		0.8		6.8		9.9		21.1
Earnings before income taxes	$	(118.3)	$	(12.7)	$	25.2	$	(12.2)	$	(118.0)

1 **Non GAAP measure:**
EBITDA is defined as operating earnings plus amortization and asset impairments.

13. SUBSEQUENT EVENT

On October 28, 2009 the Company announced that the Eurocan linerboard and kraft paper mill would be permanently closed on January 31, 2010. Effective upon closure, the results of the mill will be shown as a discontinued operation in the consolidated financial statements of the Company.

An impairment charge related to the mill assets has been recorded in these financial statements (note 7). Closure costs for severance, contract cancellation and site remediation are expected to be accrued in the fourth quarter of 2009. Other closure costs and costs to maintain the mill site will be expensed as incurred.

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

For more information:

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