



NEWS RELEASE

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

Thursday, February 16, 2012

West Fraser Announces Fourth Quarter Results

Vancouver, B.C. – **West Fraser Timber Co. Ltd.** today reported earnings after discontinued operations of \$6 million or \$0.14 per share on sales of \$650 million in the fourth quarter of 2011 and earnings after discontinued operations of \$73 million or \$1.47 per share, on sales of \$2,762 million for 2011.

These results compare with previous periods as follows:

(\$ millions except earnings per share ("EPS"))	2011			2010	
	Q4	Q3	YTD	YTD	Q4
Sales	650	705	2,762	2,886	719
EBITDA ¹	18	66	226	460	82
Operating earnings	(22)	23	58	275	43
Earnings (loss) from continuing operations	(11)	6	27	182	28
Basic EPS from continuing operations (\$)	(0.25)	0.14	0.63	4.24	0.65
Adjusted earnings (loss) from continuing operations ²	(15)	2	23	199	37
Adjusted basic EPS from continuing operations (\$) ²	(0.35)	0.05	0.54	4.65	0.86
Earnings after discontinued operations	6	37	73	186	43
Basic EPS after discontinued operations (\$)	0.14	0.87	1.70	4.35	1.00
Diluted EPS after discontinued operations (\$)	0.14	0.44	1.47	4.35	1.00

1. In this News Release, reference is made to EBITDA (defined as operating earnings plus amortization). Our management believes that, in addition to earnings, EBITDA is a useful performance indicator and is a useful measure of cash available prior to debt service, capital expenditures and income taxes. Reference is also made to Adjusted earnings (loss) from continuing operations (calculated as set out in the tables described in footnote 2 and Adjusted EPS (collectively, with EBITDA, "these measures"). 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 none of these measures should be considered as an alternative to earnings, earnings per share 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.

2. Refer to the tables titled "Annual Earnings Adjustments for Certain Non-Operational Items" and "Quarterly Earnings Adjustments for Certain Non-Operational Items" in Management's Discussion and Analysis of our 2011 results for details of adjustments.

"We ended a challenging year with a difficult quarter as markets for our products continue to be unsettled," said Hank Ketcham, West Fraser's Chairman, President and CEO. "We are very encouraged with the results of our capital investment program as well as the continued commitment of our employees to West Fraser's long-term success."

Operational Results

In the quarter our lumber operations generated an operating loss of \$30 million (Q3 – negative \$15 million) and EBITDA of negative \$8 million (Q3 - \$6 million). The decline in our results reflects weaker prices for lower-grade SPF lumber and wider-dimension SYP lumber and reduced shipments.

The panel segment, which includes plywood, LVL and MDF, did not generate any operating earnings in the quarter (Q3 – negative \$2 million) and EBITDA of \$4 million (Q3 - \$2 million) as Canadian dollar plywood and MDF prices showed some improvement.

Pulp and paper operations generated operating earnings in the quarter of \$13 million (Q3 - \$19 million) and EBITDA of \$27 million (Q3 - \$36 million). Pulp prices weakened during the quarter with the NBSK benchmark averaging 7% lower than in the third quarter.

Outlook

We are approaching 2012 with conservatism and caution in light of ongoing economic uncertainty in our key markets and the continuing volatility of the Canadian dollar. We will continue to invest in our existing facilities in order to maintain and improve our competitiveness.

Annual Financial Statements and Management’s Discussion & Analysis (“MD&A”)

The Company’s consolidated financial statements for the year ended December 31, 2011 and related 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.

Dividend Declared

The Board of Directors of the Company has declared a dividend of \$0.14 per share on the Common shares and the Class B Common shares in the capital of the Company, payable on April 5, 2012 to shareholders of record on March 23, 2012.

The Company

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

Forward-Looking Statements

This news release contains historical information, descriptions of current circumstances and statements about potential future developments. The latter, which are forward-looking statements and are included under the heading “Outlook”, 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 2011 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, February 17, 2012 at 8:30 a.m. Pacific Time (11:30 a.m. Eastern Time) by dialing 1-800-952-6845 (toll-free North America). The call may also be accessed through West Fraser's website at www.westfraser.com. A presentation summarizing the fourth quarter results will also be available on the Company's website.



West Fraser Timber Co. Ltd.

Condensed Consolidated Balance Sheets

(in millions of Canadian dollars - unaudited)

	December 31 2011	December 31 2010
Assets		
Current assets		
Cash and short-term investments	\$ 67.8	\$ 163.1
Receivables	266.7	246.0
Income taxes receivable	4.4	-
Inventories (note 4)	397.8	372.4
Prepaid expenses	8.6	7.6
	745.3	789.1
Property, plant and equipment	935.7	924.7
Timber licences	490.1	509.6
Goodwill and other intangibles	336.6	345.4
Other assets	29.6	41.5
	\$ 2,537.3	\$ 2,610.3
Liabilities		
Current liabilities		
Cheques issued in excess of funds on deposit	\$ -	\$ 2.4
Operating loans	-	8.8
Payables and accrued liabilities	273.9	271.0
Income taxes payable	-	58.3
Reforestation and decommissioning	41.0	48.2
Current portion of long-term debt	0.3	0.3
	315.2	389.0
Long-term debt	306.3	299.5
Other liabilities	289.0	225.7
Deferred income taxes	143.8	162.3
	1,054.3	1,076.5
Shareholders' equity		
Share capital	600.9	600.5
Accumulated other comprehensive earnings	(5.5)	(9.6)
Retained earnings	887.6	942.9
	1,483.0	1,533.8
	\$ 2,537.3	\$ 2,610.3

Number of Common shares and Class B Common shares outstanding at February 16, 2012 was 42,848,017



West Fraser Timber Co. Ltd.

Condensed Consolidated Statements of Earnings and Comprehensive Earnings

(in millions of Canadian dollars - unaudited)

	October 1 to December 31		January 1 to December 31	
	2011	2010	2011	2010
Sales	\$ 650.0	\$ 719.1	\$ 2,762.1	\$ 2,885.9
Costs and expenses				
Cost of products sold	475.7	460.7	1,916.6	1,787.0
Freight and other distribution costs	111.2	112.3	460.3	441.2
Export taxes	14.9	16.7	57.7	59.7
Amortization	40.0	38.2	167.7	185.0
Selling, general and administration	26.2	28.6	104.7	107.0
Equity-based compensation	4.1	19.3	(2.7)	31.4
	672.1	675.8	2,704.3	2,611.3
Operating earnings	(22.1)	43.3	57.8	274.6
Interest expense	(4.7)	(6.0)	(20.1)	(27.7)
Exchange gain (loss) on long-term debt	9.3	10.3	(6.7)	16.9
Other income (expense)	1.1	(3.8)	13.9	(8.5)
Earnings from continuing operations before tax provision	(16.4)	43.8	44.9	255.3
Tax provision (note 5)	5.8	(16.0)	(18.1)	(73.5)
Earnings from continuing operations	(10.6)	27.8	26.8	181.8
Earnings from discontinued operations (note 6)	16.7	15.2	45.9	4.6
Earnings	\$ 6.1	\$ 43.0	\$ 72.7	\$ 186.4
Earnings per share (dollars) (note 7)				
Basic from continuing operations	\$ (0.25)	\$ 0.65	\$ 0.63	\$ 4.24
Diluted from continuing operations	\$ (0.25)	\$ 0.65	\$ 0.41	\$ 4.24
Basic after discontinued operations	\$ 0.14	\$ 1.00	\$ 1.70	\$ 4.35
Diluted after discontinued operations	\$ 0.14	\$ 1.00	\$ 1.47	\$ 4.35
Comprehensive earnings				
Earnings	\$ 6.1	\$ 43.0	\$ 72.7	\$ 186.4
Other comprehensive earnings				
Translation gain (loss) on foreign operations	(6.8)	(6.1)	4.1	(9.6)
Actuarial loss on employee future benefits	(14.4)	(17.0)	(104.0)	(59.1)
Comprehensive earnings	\$ (15.1)	\$ 19.9	\$ (27.2)	\$ 117.7



West Fraser Timber Co. Ltd.

Condensed Consolidated Statement of Changes in Equity

(in millions of Canadian dollars - unaudited)

	October 1 to December 31		January 1 to December 31	
	2011	2010	2011	2010
Retained earnings				
Balance - beginning of period	\$ 902.0	\$ 919.5	\$ 942.9	\$ 823.3
Actuarial loss on employee future benefits	(14.4)	(17.0)	(104.0)	(59.1)
Earnings for the period	6.1	43.0	72.7	186.4
Dividends	(6.1)	(2.6)	(24.0)	(7.7)
Balance - end of period	\$ 887.6	\$ 942.9	\$ 887.6	\$ 942.9
Accumulated other comprehensive earnings				
Balance - beginning of period	\$ 1.3	\$ (3.5)	\$ (9.6)	\$ -
Translation (loss) gain on foreign operations	(6.8)	(6.1)	4.1	(9.6)
Balance - end of period	\$ (5.5)	\$ (9.6)	\$ (5.5)	\$ (9.6)
Share capital				
Balance - beginning of period	\$ 600.8	\$ 600.1	\$ 600.5	\$ 599.7
Issuance of Common shares	0.1	0.4	0.4	0.8
Balance - end of period	\$ 600.9	\$ 600.5	\$ 600.9	\$ 600.5
Shareholders' equity	\$ 1,483.0	\$ 1,533.8	\$ 1,483.0	\$ 1,533.8



West Fraser Timber Co. Ltd.

Condensed Consolidated Statements of Cash Flows
(in millions of Canadian dollars - unaudited)

	October 1 to December 31		January 1 to December 31	
	2011	2010	2011	2010
Operating activities				
Earnings from continuing operations	\$ (10.6)	\$ 27.8	\$ 26.8	\$ 181.8
Adjustments				
Amortization	40.0	38.2	167.7	185.0
Interest expense	4.7	6.0	20.1	27.7
Exchange (gain) loss on long-term debt	(9.3)	(10.3)	6.7	(16.9)
Tax provision	(5.8)	16.0	18.1	73.5
Income taxes (paid) received	-	(1.5)	(75.1)	66.1
Reforestation and decommissioning obligations	(0.1)	5.4	6.3	3.6
Employee future benefits expense	5.9	11.1	35.0	28.9
Contributions to employee future benefit plans	(64.7)	(58.4)	(93.2)	(66.2)
Other	0.9	(2.3)	(7.9)	(12.9)
Changes in non-cash working capital				
Receivables	31.4	(44.6)	7.7	(87.0)
Inventories	(40.3)	(31.2)	(23.9)	(14.9)
Prepaid expenses	4.5	5.1	(0.9)	2.3
Payables and accrued liabilities	(7.2)	23.8	(2.4)	50.1
Cash flows from operating activities	(50.6)	(14.9)	85.0	421.1
Financing activities				
Repayment of long-term debt	-	-	(0.3)	(100.3)
Proceeds from (repayment of) operating loans	0.2	(4.0)	(14.7)	(64.2)
Interest paid	(9.0)	(10.0)	(19.8)	(23.8)
Dividends	(6.1)	(2.6)	(24.0)	(7.7)
Other	(0.8)	(2.2)	(0.5)	(5.6)
Cash flows from financing activities	(15.7)	(18.8)	(59.3)	(201.6)
Investing activities				
Additions to capital assets	(89.7)	(18.6)	(213.4)	(89.1)
Proceeds from Green Transformation Program	5.4	0.2	36.9	1.6
Proceeds from disposal of capital assets	0.5	(0.1)	10.4	3.2
Other	-	0.5	1.8	1.0
Cash flows from investing activities	(83.8)	(18.0)	(164.3)	(83.3)
Change in cash from continuing operations	(150.1)	(51.7)	(138.6)	136.2
Change in cash from discontinued operations	9.9	(0.5)	45.7	34.3
Cash - beginning of period	208.0	212.9	160.7	(9.8)
Cash - end of period	\$ 67.8	\$ 160.7	\$ 67.8	\$ 160.7
Cash consists of				
Cash and short-term investments			\$ 67.8	\$ 163.1
Cheques issued in excess of funds on deposit			-	(2.4)
			\$ 67.8	\$ 160.7

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

The Company is an integrated wood products company producing lumber, wood chips, LVL, MDF, plywood, pulp and newsprint with facilities in Canada and the southern United States. The Company's executive office is located at 858 Beatty Street, Suite 501, Vancouver, British Columbia. The Company was formed by articles of amalgamation under the *Business Corporations Act* (British Columbia) and is registered in British Columbia, Canada. The Company is listed on the Toronto Stock Exchange under the symbol WFT.

2. Transition to International Financial Reporting Standards ("IFRS")

The Company adopted IFRS effective January 1, 2011. Prior to the adoption of IFRS, the Company prepared its financial statements in accordance with Canadian generally accepted accounting principles. Comparative figures have been restated to conform to IFRS.

3. 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 using the accounting policies disclosed in the Company's annual consolidated financial statements for the year ended December 31, 2011. These financial statements can be found on the Company's website at www.westfraser.com and on the System for Electronic Document Analysis and Retrieval at www.sedar.com under the Company's profile.

These condensed consolidated interim financial statements should be read in conjunction with the Company's 2011 annual consolidated financial statements.

4. Inventories

Inventories at December 31, 2011 were written down by \$14.9 million (September 30, 2011 - \$10.7 million; December 31, 2010 - \$3.8 million) to reflect net realizable value being lower than cost.

5. Tax provision

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

	October 1 to December 31			
	2011		2010	
	Amount	%	Amount	%
Income taxes at statutory rates ¹	\$ 4.4	26.5	\$ (12.5)	(28.5)
Non taxable amounts	1.4	8.6	(3.6)	(8.2)
Rate differentials between jurisdictions and on specified activities	1.0	6.1	3.5	8.0
Unrecognized tax assets	(0.7)	(4.2)	(4.1)	(9.4)
Other	(0.3)	(1.8)	0.7	1.6
Tax provision	\$ 5.8	35.2	\$ (16.0)	(36.5)

	January 1 to December 31			
	2011		2010	
	Amount	%	Amount	%
Income taxes at statutory rates ¹	\$ (11.9)	(26.5)	\$ (72.8)	(28.5)
Non taxable amounts	1.7	3.8	(2.4)	(0.9)
Rate differentials between jurisdictions and on specified activities	5.9	13.1	5.6	2.2
Unrecognized tax assets	(11.7)	(26.1)	(1.4)	(0.6)
Other	(2.1)	(4.6)	(2.5)	(1.0)
Tax provision	\$ (18.1)	(40.3)	\$ (73.5)	(28.8)

1. The statutory tax rate decreased by 2% from December 31, 2010 due to a federal corporate tax rate reduction.

6. Discontinued operation

The Company permanently closed its linerboard and kraft paper mill, located in Kitimat, B.C. in January 2010. The results of the discontinued operation are as follows:

	October 1 to December 31		January 1 to December 31	
	2011	2010	2011	2010
Sales	\$ -	\$ 1.3	\$ 0.2	\$ 71.8
Operating earnings	\$ -	\$ 6.8	\$ -	\$ (8.4)
Other income	21.9	14.4	56.4	15.3
Earnings before tax provision	21.9	21.2	56.4	6.9
Tax provision	(5.2)	(6.0)	(10.5)	(2.3)
Earnings	\$ 16.7	\$ 15.2	\$ 45.9	\$ 4.6

During the year the Company sold its remaining assets associated with Kitimat for proceeds of \$50.0 million resulting in a gain of \$48.7 million.

7. 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.

	October 1 to December 31			
	2011		2010	
	From continuing operations	After discontinued operations	From continuing operations	After discontinued operations
Earnings				
Basic	\$ (10.6)	\$ 6.1	\$ 27.8	\$ 43.0
Share option expense	3.2	3.2	16.7	16.7
Equity settled share option adjustment	(0.3)	(0.3)	(0.3)	(0.3)
Diluted	\$ (7.7)	\$ 9.0	\$ 44.2	\$ 59.4
Weighted average number of shares				
Basic	42,844,571	42,844,571	42,828,502	42,828,502
Share options	280,190	280,190	474,178	474,178
Diluted	43,124,761	43,124,761	43,302,680	43,302,680
Earnings per share (dollars)				
Basic	\$ (0.25)	\$ 0.14	\$ 0.65	\$ 1.00
Diluted	\$ (0.25)	\$ 0.14	\$ 0.65	\$ 1.00

	January 1 to December 31			
	2011		2010	
	From continuing operations	After discontinued operations	From continuing operations	After discontinued operations
Earnings				
Basic	\$ 26.8	\$ 72.7	\$ 181.8	\$ 186.4
Share option (recovery) expense	(6.2)	(6.2)	23.5	23.5
Equity settled share option adjustment	(3.1)	(3.1)	(1.1)	(1.1)
Diluted	\$ 17.5	\$ 63.4	\$ 204.2	\$ 208.8
Weighted average number of shares				
Basic	42,840,180	42,840,180	42,822,949	42,822,949
Share options	433,685	433,685	424,557	424,557
Diluted	43,273,865	43,273,865	43,247,506	43,247,506
Earnings per share (dollars)				
Basic	\$ 0.63	\$ 1.70	\$ 4.24	\$ 4.35
Diluted	\$ 0.41	\$ 1.47	\$ 4.24	\$ 4.35

8. Segmented information

	Lumber	Panels	Pulp & paper	Corporate & other	Consolidated
October 1, 2011 to December 31, 2011					
Sales at market prices					
To external customers	\$ 370.8	\$ 92.2	\$ 187.0	\$ -	\$ 650.0
To other segments	21.0	2.0	-	-	
	\$ 391.8	\$ 94.2	\$ 187.0	\$ -	
EBITDA ¹	\$ (7.6)	\$ 3.6	\$ 26.5	\$ (4.6)	\$ 17.9
Amortization	(21.9)	(3.8)	(13.6)	(0.7)	(40.0)
Operating earnings	(29.5)	(0.2)	12.9	(5.3)	(22.1)
Interest expense	(2.3)	(0.7)	(1.5)	(0.2)	(4.7)
Exchange gain on long-term debt	-	-	-	9.3	9.3
Other income (expense)	2.0	0.1	(5.5)	4.5	1.1
Earnings from continuing operations before tax provision	\$ (29.8)	\$ (0.8)	\$ 5.9	\$ 8.3	\$ (16.4)
October 1, 2010 to December 31, 2010					
Sales at market prices					
To external customers	\$ 396.8	\$ 92.0	\$ 230.3	\$ -	\$ 719.1
To other segments	21.6	2.3	-	-	
	\$ 418.4	\$ 94.3	\$ 230.3	\$ -	
EBITDA ¹	\$ 41.1	\$ 6.4	\$ 48.8	\$ (14.8)	\$ 81.5
Amortization	(15.8)	(3.3)	(18.4)	(0.7)	(38.2)
Operating earnings	25.3	3.1	30.4	(15.5)	43.3
Interest expense	(3.8)	(0.4)	(1.8)	-	(6.0)
Exchange gain on long-term debt	-	-	-	10.3	10.3
Other expense	(0.4)	(0.3)	(2.4)	(0.7)	(3.8)
Earnings from continuing operations before tax provision	\$ 21.1	\$ 2.4	\$ 26.2	\$ (5.9)	\$ 43.8

	Lumber	Panels	Pulp & paper	Corporate & other	Consolidated
January 1, 2011 to December 31, 2011					
Sales at market prices					
To external customers	\$ 1,579.4	\$ 369.5	\$ 813.2	\$ -	\$ 2,762.1
To other segments	90.7	8.6	-	-	
	\$ 1,670.1	\$ 378.1	\$ 813.2	\$ -	
EBITDA ¹	\$ 65.2	\$ 7.8	\$ 148.0	\$ 4.5	\$ 225.5
Amortization	(84.7)	(15.4)	(65.0)	(2.6)	(167.7)
Operating earnings	(19.5)	(7.6)	83.0	1.9	57.8
Interest expense	(10.8)	(3.2)	(6.1)	-	(20.1)
Exchange loss on long-term debt	-	-	-	(6.7)	(6.7)
Other income	9.8	0.2	3.3	0.6	13.9
Earnings from continuing operations before tax provision	\$ (20.5)	\$ (10.6)	\$ 80.2	\$ (4.2)	\$ 44.9

January 1, 2010 to December 31, 2010

Sales at market prices					
To external customers	\$ 1,621.4	\$ 401.2	\$ 863.3	\$ -	\$ 2,885.9
To other segments	93.6	8.2	-	-	
	\$ 1,715.0	\$ 409.4	\$ 863.3	\$ -	
EBITDA ¹	\$ 232.3	\$ 57.6	\$ 202.9	\$ (33.2)	\$ 459.6
Amortization	(94.0)	(17.7)	(70.3)	(3.0)	(185.0)
Operating earnings	138.3	39.9	132.6	(36.2)	274.6
Interest expense	(17.4)	(2.8)	(7.4)	(0.1)	(27.7)
Exchange gain on long-term debt	-	-	-	16.9	16.9
Other (expense) income	(0.2)	(1.0)	(7.6)	0.3	(8.5)
Earnings from continuing operations before tax provision	\$ 120.7	\$ 36.1	\$ 117.6	\$ (19.1)	\$ 255.3

1. **Non GAAP measure:**

EBITDA is defined as operating earnings plus amortization.

The geographic distribution of external sales is as follows:

	October 1 to December 31		January 1 to December 31	
	2011	2010	2011	2010
United States	\$ 317.6	\$ 327.3	\$ 1,303.2	\$ 1,409.8
Canada	156.9	166.8	651.6	704.1
China	96.1	132.0	456.2	354.3
Other Asia	53.0	43.4	229.4	281.8
Other	26.4	49.6	121.7	135.9
	\$ 650.0	\$ 719.1	\$ 2,762.1	\$ 2,885.9

Sales distribution is based on the location of product delivery by the Company.

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

For more information:

Larry Hughes, Vice-President, Finance and Chief Financial Officer

Rodger Hutchinson, Vice-President, Corporate Controller

(604) 895-2700

www.westfraser.com