



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

NEWS RELEASE

**WEST FRASER TIMBER CO. LTD.
 (“WFT”)**

Thursday, February 14, 2013

West Fraser Announces Fourth Quarter Results

Vancouver, B.C. – **West Fraser Timber Co. Ltd.** today reported earnings of \$22 million or \$0.51 per share on sales of \$773 million in the fourth quarter of 2012 and earnings of \$87 million or \$2.02 per share, on sales of \$3 billion for 2012.

These results compare with previous periods as follows:

(\$ millions except earnings per share (“EPS”))	2012			2011	
	Q4	Q3	YTD	YTD	Q4
Sales	773	772	3,000	2,762	650
EBITDA ¹	76	102	279	226	18
Operating earnings	37	66	127	58	(22)
Earnings (loss) from continuing operations	22	55	87	27	(11)
Basic EPS from continuing operations (\$)	0.51	1.27	2.02	0.63	(0.25)
Adjusted earnings (loss) from continuing operations ²	53	55	138	23	(15)
Adjusted basic EPS from continuing operations (\$) ²	1.25	1.27	3.22	0.54	(0.35)
Earnings	22	55	87	73	6
Basic EPS (\$)	0.51	1.27	2.02	1.70	0.14
Diluted EPS (\$)	0.51	1.27	2.02	1.47	0.14

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 2012 results for details of adjustments.

“In the second half of 2012 we saw encouraging signs that the U.S. housing market is recovering.” said Hank Ketcham, West Fraser’s Chairman and CEO. “This has led to gradual improvement of results from our building products operations.”

Operational Results

In the quarter our lumber operations generated operating earnings of \$52 million (Q3 –\$37 million) and EBITDA of \$75 million (Q3 - \$58 million). The improvement in our results reflects improved prices for SPF and SYP lumber.

The panel segment, which includes plywood, LVL and MDF, generated operating earnings in the quarter of \$7 million (Q3 –\$22 million) and EBITDA of \$12 million (Q3 - \$25 million) as Canadian dollar plywood prices weakened from third quarter levels.

Pulp and paper operations generated operating earnings in the quarter of \$13 million (Q3 - \$17 million) and EBITDA of \$24 million (Q3 - \$28 million). Improved NBSK pricing was offset by weakening BCTMP and newsprint markets.

Outlook

We are approaching 2013 with guarded optimism that the long-awaited U.S. housing recovery is taking hold. We will continue to invest in our existing facilities in order to maintain and improve our competitiveness.

Leadership Succession

The Company also announced that, as part of its ongoing leadership succession process, effective March 1, 2013 Hank Ketcham will assume the role of Executive Chairman and Ted Seraphim, who is currently the Company's President and Chief Operating Officer, will be appointed President and Chief Executive Officer. Mr. Seraphim will also be nominated for election as a director of the Company at the Company's April 30, 2013 Annual General Meeting.

Annual Financial Statements and Management's Discussion & Analysis ("MD&A")

The Company's consolidated financial statements for the year ended December 31, 2012 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, 2013 to shareholders of record on March 22, 2013.

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 2012 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 15, 2013 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.



West Fraser Timber Co. Ltd.

Condensed Consolidated Balance Sheets

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

	December 31 2012	December 31 2011
Assets		
Current assets		
Cash and short-term investments	\$ 102	\$ 68
Receivables	251	266
Income taxes receivable	-	4
Inventories (note 3)	459	398
Prepaid expenses	11	9
	823	745
Property, plant and equipment	959	936
Timber licences	496	490
Goodwill and other intangibles	330	336
Other assets	10	11
	\$ 2,618	\$ 2,518
Liabilities		
Current liabilities		
Payables and accrued liabilities	\$ 322	\$ 274
Income taxes payable	20	-
Reforestation and decommissioning obligations	43	41
	385	315
Long-term debt	300	306
Other liabilities	313	270
Deferred income taxes	128	144
	1,126	1,035
Shareholders' Equity		
Share capital	602	601
Accumulated other comprehensive earnings	(9)	(6)
Retained earnings	899	888
	1,492	1,483
	\$ 2,618	\$ 2,518

Number of Common shares and Class B Common shares outstanding at February 14, 2013 was 42,863,296.



West Fraser Timber Co. Ltd.

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

	October 1 to December 31		January 1 to December 31	
	2012	2011	2012	2011
Retained earnings				
Balance - beginning of period	\$ 836	\$ 902	\$ 888	\$ 943
Actuarial gain (loss) on employee future benefits (net of tax)	47	(14)	(52)	(104)
Earnings for the period	22	6	87	73
Dividends	(6)	(6)	(24)	(24)
Balance - end of period	\$ 899	\$ 888	\$ 899	\$ 888
Accumulated other comprehensive earnings				
Balance - beginning of period	\$ (12)	\$ 1	\$ (6)	\$ (10)
Translation gain (loss) on foreign operations	3	(7)	(3)	4
Balance - end of period	\$ (9)	\$ (6)	\$ (9)	\$ (6)
Share capital				
Balance - beginning of period	\$ 602	\$ 601	\$ 601	\$ 601
Issuance of Common shares	-	-	1	-
Balance - end of period	\$ 602	\$ 601	\$ 602	\$ 601
Shareholders' equity	\$ 1,492	\$ 1,483	\$ 1,492	\$ 1,483



West Fraser Timber Co. Ltd.

Condensed Consolidated Statements of Earnings and Comprehensive Earnings

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

	October 1 to December 31		January 1 to December 31	
	2012	2011	2012	2011
Sales	\$ 773	\$ 650	\$ 3,000	\$ 2,762
Costs and expenses				
Cost of products sold	505	476	2,020	1,917
Freight and other distribution costs	118	111	477	460
Export taxes	11	15	48	58
Amortization	39	40	152	168
Selling, general and administration	33	26	115	104
Equity-based compensation	30	4	61	(3)
	736	672	2,873	2,704
Operating earnings	37	(22)	127	58
Finance expense	(5)	(5)	(19)	(20)
Exchange gain (loss) on long-term debt	(3)	9	7	(7)
Other income	2	1	-	14
Earnings from continuing operations before tax provision	31	(17)	115	45
Tax recovery (provision) (note 4)	(9)	6	(28)	(18)
Earnings from continuing operations	22	(11)	87	27
Earnings from discontinued operations (note 5)	-	17	-	46
Earnings	\$ 22	\$ 6	\$ 87	\$ 73
Earnings per share (dollars) (note 6)				
Basic from continuing operations	\$ 0.51	\$ (0.25)	\$ 2.02	\$ 0.63
Diluted from continuing operations	\$ 0.51	\$ (0.25)	\$ 2.02	\$ 0.41
Basic after discontinued operations	\$ 0.51	\$ 0.14	\$ 2.02	\$ 1.70
Diluted after discontinued operations	\$ 0.51	\$ 0.14	\$ 2.02	\$ 1.47
Comprehensive earnings				
Earnings	\$ 22	\$ 6	\$ 87	\$ 73
Other comprehensive earnings				
Translation gain (loss) on foreign operations	3	(7)	(3)	4
Actuarial gain (loss) on employee future benefits	47	(14)	(52)	(104)
Comprehensive earnings	\$ 72	\$ (15)	\$ 32	\$ (27)



West Fraser Timber Co. Ltd.

Condensed Consolidated Statements of Cash Flows

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

	October 1 to December 31		January 1 to December 31	
	2012	2011	2012	2011
Operating activities				
Earnings from continuing operations	\$ 22	\$ (10)	\$ 87	\$ 27
Adjustments				
Amortization	39	40	152	168
Finance expense	5	5	19	20
Exchange loss (gain) on long-term debt	3	(9)	(7)	7
Tax provision (recovery)	9	(6)	28	18
Income taxes received (paid)	(1)	-	2	(75)
Reforestation and decommissioning obligations	(3)	-	(2)	6
Employee future benefits expense	9	7	38	35
Contributions to employee future benefit plans	(39)	(64)	(64)	(93)
Other	1	(3)	(8)	(9)
Changes in non-cash working capital				
Receivables	2	32	(22)	8
Inventories	(36)	(40)	(58)	(24)
Prepaid expenses	2	4	(2)	(1)
Payables and accrued liabilities	8	(7)	32	(2)
Cash flows from operating activities	21	(51)	195	85
Financing activities				
Repayment of operating loans	-	-	-	(15)
Finance expense paid	(8)	(9)	(18)	(20)
Dividends	(6)	(6)	(24)	(24)
Other	(1)	-	-	-
Cash flows from financing activities	(15)	(15)	(42)	(59)
Investing activities				
Acquisition	(30)	-	(30)	-
Additions to capital assets	(44)	(89)	(150)	(213)
Proceeds from Green Transformation Program	4	5	49	37
Proceeds from disposal of capital assets	-	-	9	10
Other	2	1	3	2
Cash flows from investing activities	(68)	(83)	(119)	(164)
Change in cash from continuing operations	(62)	(149)	34	(138)
Change in cash from discontinued operations	-	9	-	45
Cash - beginning of period	164	208	68	161
Cash - end of period	\$ 102	\$ 68	\$ 102	\$ 68

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 an integrated wood products company producing lumber, wood chips, LVL, MDF, plywood, pulp and newsprint 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. We are listed 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 using the same accounting policies and methods of their application as the December 31, 2012 annual financial statements. These condensed consolidated interim financial statements should be read in conjunction with the Company’s 2012 annual financial statements.

3. Inventories

Inventories at December 31, 2012 were written down by \$3 million (September 30, 2012 - \$6 million; December 31, 2011 - \$15 million) to reflect net realizable value being lower than cost.

4. Tax provision

The tax provision differs from the amount that would have resulted from applying the Canadian statutory income tax rates to earnings before income taxes as follows:

	October 1 to December 31		January 1 to December 31	
	2012	2011	2012	2011
Income tax expense at statutory rate of 25% (2011 - 26.5%)	\$ (8)	\$ 4	\$ (29)	\$ (12)
Non-taxable amounts	(5)	2	(9)	2
Rate differentials between jurisdictions and on specified activities	-	1	(1)	6
Recognized (unrecognized) tax assets	3	(1)	11	(12)
Other	1	-	-	(2)
Tax recovery (provision)	\$ (9)	\$ 6	\$ (28)	\$ (18)

5. Discontinued operations

We permanently closed our linerboard and kraft paper mill, located in Kitimat, B.C. in January 2010 and the windup was substantially completed in December 2011.

6. 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			
	2012		2011	
	From continuing operations	After discontinued operations	From continuing operations	After discontinued operations
Earnings				
Basic	\$ 22	\$ 22	(11) \$	6
Share option expense	23	23	3	3
Diluted	\$ 45	\$ 45	(8) \$	9
Weighted average number of shares (thousands)				
Basic	42,862	42,862	42,845	42,845
Share options	675	675	280	280
Diluted	43,537	43,537	43,125	43,125
Earnings per share (dollars)				
Basic	\$ 0.51	\$ 0.51	(0.25) \$	0.14
Diluted	\$ 0.51	\$ 0.51	(0.25) \$	0.14

January 1 to December 31

	2012		2011	
	From continuing operations	After discontinued operations	From continuing operations	After discontinued operations
Earnings				
Basic	\$ 87	\$ 87	\$ 27	\$ 73
Share option expense (recovery)	45	45	(6)	(6)
Equity settled share option adjustment	(3)	(3)	(3)	(3)
Diluted	\$ 129	\$ 129	\$ 18	\$ 64
Weighted average number of shares (thousands)				
Basic	42,857	42,857	42,840	42,840
Share options	555	555	434	434
Diluted	43,412	43,412	43,274	43,274
Earnings per share (dollars)				
Basic	\$ 2.02	\$ 2.02	\$ 0.63	\$ 1.70
Diluted	\$ 2.02	\$ 2.02	\$ 0.41	\$ 1.47

7. Segmented information

	Lumber	Panels	Pulp & paper	Corporate & other	Consolidated
October 1, 2012 to December 31, 2012					
Sales at market prices					
To external customers	\$ 477	\$ 109	\$ 187	\$ -	\$ 773
To other segments	18	1	-	-	-
	\$ 495	\$ 110	\$ 187	\$ -	
EBITDA ¹	\$ 75	\$ 12	\$ 24	\$ (35)	\$ 76
Amortization	(23)	(5)	(11)	-	(39)
Operating earnings	52	7	13	(35)	37
Finance expense	(2)	(1)	(2)	-	(5)
Exchange loss on long-term debt	-	-	-	(3)	(3)
Other income (expense)	(1)	-	4	(1)	2
Earnings from continuing operations before tax provision	\$ 49	\$ 6	\$ 15	\$ (39)	\$ 31

1. Non-IFRS measure:

EBITDA is defined as operating earnings plus amortization.

	Lumber	Panels	Pulp & paper	Corporate & other	Consolidated
October 1, 2011 to December 31, 2011					
Sales at market prices					
To external customers	\$ 370	\$ 93	\$ 187	\$ -	\$ 650
To other segments	22	1	-	-	
	\$ 392	\$ 94	\$ 187	\$ -	
EBITDA ¹	\$ (8)	\$ 4	\$ 26	\$ (4)	\$ 18
Amortization	(22)	(4)	(13)	(1)	(40)
Operating earnings	(30)	-	13	(5)	(22)
Finance expense	(2)	(1)	(1)	(1)	(5)
Exchange gain on long-term debt	-	-	-	9	9
Other income (expense)	2	-	(6)	5	1
Earnings from continuing operations before tax provision	\$ (30)	\$ (1)	\$ 6	\$ 8	\$ (17)

1. **Non-IFRS measure:**

EBITDA is defined as operating earnings plus amortization.

	Lumber	Panels	Pulp & paper	Corporate & other	Consolidated
January 1, 2012 to December 31, 2012					
Sales at market prices					
To external customers	\$ 1,783	\$ 442	\$ 775	\$ -	\$ 3,000
To other segments	72	6	-	-	
	\$ 1,855	\$ 448	\$ 775	\$ -	
EBITDA ¹	\$ 180	\$ 55	\$ 109	\$ (65)	\$ 279
Amortization	(86)	(16)	(48)	(2)	(152)
Operating earnings	94	39	61	(67)	127
Finance expense	(10)	(3)	(6)	-	(19)
Exchange gain on long-term debt	-	-	-	7	7
Other income (expense)	(4)	-	1	3	-
Earnings from continuing operations before tax provision	\$ 80	\$ 36	\$ 56	\$ (57)	\$ 115

1. **Non-IFRS measure:**

EBITDA is defined as operating earnings plus amortization.

	Lumber	Panels	Pulp & paper	Corporate & other	Consolidated
January 1, 2011 to December 31, 2011					
Sales at market prices					
To external customers	\$ 1,579	\$ 370	\$ 813	\$ -	\$ 2,762
To other segments	91	8	-	-	
	\$ 1,670	\$ 378	\$ 813	\$ -	
EBITDA ¹	\$ 65	\$ 8	\$ 148	\$ 5	\$ 226
Amortization	(85)	(15)	(65)	(3)	(168)
Operating earnings	(20)	(7)	83	2	58
Finance expense	(11)	(3)	(6)	-	(20)
Exchange loss on long-term debt	-	-	-	(7)	(7)
Other income	10	-	3	1	14
Earnings from continuing operations before tax provision	\$ (21)	\$ (10)	\$ 80	\$ (4)	\$ 45

1. **Non-IFRS 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	
	2012	2011	2012	2011
United States	\$ 368	\$ 318	\$ 1,435	\$ 1,303
Canada	194	157	747	652
China	139	96	513	456
Other Asia	47	53	201	229
Other	25	26	104	122
	\$ 773	\$ 650	\$ 3,000	\$ 2,762

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