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FOR IMMEDIATE RELEASE **TSX: WEF**

Western Reports Third Quarter 2012 Results

November 7, 2012 – Vancouver, British Columbia. Western Forest Products Inc. (TSX: WEF) ("Western" or "the Company") today announced results for the third quarter of 2012. The Company reported EBITDA of $8.4 million for the third quarter of 2012 compared to $15.8 million for the third quarter of 2011.

Q3 2012 HIGHLIGHTS

- EBITDA of $8.4 million in the quarter, which is our twelfth consecutive quarter of positive EBITDA.
- Net debt is reduced to $19.7 million, the lowest figure ever reported for Western. Our liquidity is now $178.0 million.
- Manufacturing mill productivity per shift improved 13% over the same quarter of 2011.
- Lumber shipments into North America increased to 60% of our sales from 48% a year ago.
- Timberlands harvest was negatively impacted by the driest late summer in a century.
- Lumber revenue increased 4% compared to the third quarter of 2011

"The US recovery is underway and housing is accelerating, Japan is showing improvement and China remains a key market. We are continuing to position Western to take full advantage of these market improvements. Our margin focus, repositioned cost structure, and flexibility allowed us to post our twelfth consecutive quarter of positive EBITDA in the third quarter.

Dry weather conditions impacted log supply but despite this, our sawmill productivity continued to climb and our timberlands performed well in delivering volume even with operating days being reduced significantly. The demand for our lumber products increased, our lumber order file emerged from the quarter strong, and our liquidity and debt position is still the best it has been since the Company's inception" said Dominic Gammiero, Chairman and Chief Executive Officer.

Net income for the third quarter of 2012 was $2.0 million ($nil per share), on sales of $219.4 million, which compares to a net income reported in the third quarter of 2011 of $5.3 million ($0.01 per share) and a net income reported for the second quarter of 2012 of $10.6 million ($0.02 per share).

FINANCIAL SUMMARY

(millions of dollars except where noted)	Three months ended September 30 2012	Three months ended September 30 2011	Nine months ended September 30 2012	Nine months ended September 30 2011
Revenue	$ 219.4	$ 233.5	$ 694.2	$ 633.0
EBITDA	8.4	15.8	36.4	50.0
EBITDA as % of revenue	3.8%	6.8%	5.2%	7.9%
Operating income prior to restructuring items and other expenses	2.6	9.2	16.4	30.0
Net income from continuing operations	2.3	5.6	15.4	21.3
Net income for the period	2.0	5.3	14.5	20.5
Basic and diluted earnings per share (in dollars)	0.00	0.01	0.03	0.04
Net Debt at September 30			19.7	63.2
Liquidity at September 30			178.0	116.0

Overview

Third quarter 2012

During the third quarter, the lumber markets in North America continued to improve. Rising building permits for new construction and accelerating housing starts are now pointing to a recovery in the US housing industry. This is providing the opportunity for the Company to redirect some of its lumber production into North American markets to take advantage of an improving demand for its lumber products. Total revenue for the third quarter of 2012 was $219.4 million, a decline of $14.1 million from the third quarter of 2011. While our lumber revenue increased in the current quarter, revenues from both log and by-product sales reduced significantly, leading to the overall decline. Our results for the third quarter of 2012 were negatively impacted by log harvest restrictions related to higher than normal fire hazards in our timberlands operations, and reduced prices for pulp logs and by-products. As a result, our timberlands operations worked fewer days, and had restricted activities for certain periods of time. Overall log harvest production in the third quarter was 285,000m^3 (17%) lower than the third quarter of 2011, and 397,000m^3 (22%) less than the second quarter of 2012. The reduced harvest volume led to a 19% reduction in log sales volumes and an increase in logging costs per unit, compared to the same quarter last year.

The third quarter EBITDA result of $8.4 million is a decline from the $15.8 million figure reported in the third quarter a year ago. This decline is primarily the result of lower selling prices for our pulp and export logs, and a 19% reduction in the volume of logs sold compared to the third quarter of 2011. Unit log costs in the current quarter were also higher than the third quarter of 2011, driven by a combination of lower productivity and higher than anticipated repair and maintenance costs. Despite our log supply challenges, our manufacturing operations saw both production and productivity increases from the same quarter a year ago.

EBITDA for the three months ended September 30, 2011 was restated to $15.8 million, a decrease of $2.3 million, due to the adoption of a new inventory accounting policy on January 1, 2012. The annual impact of the policy change on our 2011 EBITDA results amounted to a decrease of $0.2 million.

Net income for the third quarter of 2012 was $2.0 million, a decrease of $3.3 million from the net income of $5.3 million a year earlier, and a decrease of $8.6 million from the net income in the previous quarter. The decrease in net income in the third quarter of 2012 compared to the same quarter a year ago is principally due to the reduced EBITDA of $7.4 million. This was partially offset by the inclusion of other non-operating gains this quarter of $1.1 million, compared to expenses of $1.9 million in the third quarter of 2011, a favourable fair value adjustment to the biological assets and slightly lower finance costs compared to the third quarter of last year.

Year to date, September 30, 2012

Net income for the first nine months of 2012 was $14.5 million, which compares to net income in the first nine months of 2011 of $20.5 million. EBITDA of $36.4 million for the nine months to September 30, 2012 is $13.6 million less than for the first nine months of 2011. Partially offsetting this decrease in EBITDA is an increase in other income of $6.2 million, mainly as a result of gains on property sales in the current period, and lower finance costs in the nine months ended September 30, 2012.

Our liquidity position at September 30, 2012 increased to $178.0 million from $175.5 million at the end of the previous quarter, and from $112.1 million at December 31, 2011.

Operating Results

Third quarter 2012

Lumber revenue for the third quarter of 2012 increased by 4% compared to the third quarter of 2011, primarily due to higher shipment volumes. Lumber shipment volumes increased by 4% to 218 million board feet in the third quarter of 2012 from 209 million board feet in the third quarter of 2011. Stronger markets in North America provided the opportunity to ship 60% of our lumber into the North American markets and away from China and Japan where weaker economic activity had led to a modest decline in demand. We believe this flexibility is a competitive advantage for Western that will add considerable value over the short and long term.

In the third quarter of 2012, our overall realized average lumber price of $676 per thousand board feet was approximately the same as that in the third quarter of 2011. In general, lumber prices did not change significantly over the two quarters. Our lumber sales mix in the current quarter changed marginally with approximately 3% more hemlock and western red cedar sales and 6% less douglas fir sales this quarter, compared to the third quarter of 2011.

Log revenue in the third quarter of 2012 was $58.5 million, a decrease of 24% compared to the same quarter last year. The decrease is due to a 19% reduction in the volume of logs sold, combined with the average log prices realized in the third quarter of 2012 being 4%, or $3 per cubic metre, lower than a year ago. Weather related curtailments in the third quarter of 2012 in our timberland operations led to production volumes that were 83% of third quarter 2011 levels. Export log prices decreased in 2012 as a result of lower demand in China and Japan. Domestic pulplog prices were 16% lower in the current quarter compared to the third quarter 2011 due to decreased market pulp prices.

By-product revenues decreased by $1.4 million, or 9%, in the current quarter compared to the third quarter of 2011. While chip volumes sold in this quarter were 10% higher than the third quarter last year, prices received for the chips were on average 20% lower this quarter, which more than offset the impact of the favourable volume increase. Prices realized for our chips sold under fibre agreements with certain of our customers are based on a chip pricing formula, which is a function of pulp prices and the mix of chips sold. Pulp prices were significantly lower in the current quarter compared to the same quarter in 2011, with a drop in demand for NBSK pulp from China being the primary cause for this. This price reduction resulted in the lower chip prices.

EBITDA of $8.4 million for the third quarter of 2012 compares to $15.8 million for the same quarter last year, and to $18.7 million in the second quarter of 2012. The decline in EBITDA for the current quarter of 2012 compared to the third quarter of 2011 is mainly the result of lower log harvesting levels, higher log costs, lower log sales prices and volumes, and lower by-product prices.

As already mentioned, a prolonged spell of particularly hot and dry weather in the third quarter severely impacted our ability to harvest logs. Current quarter harvest levels were 17% lower than in the third quarter of 2011, which has led to higher unit operating costs this year. Spending on repair and maintenance costs on mobile equipment was also higher in the current quarter. In addition to higher operating costs, our timberlands operations received less revenue from other operating activities, such as market logging and our joint ventures with First Nations. In conjunction with these higher costs, log sale margins were further compressed by the lower log sales prices as described above, and lower shipment volumes compared to the same period last year.

Despite operating less shifts, our primary sawmill lumber production was 7% higher in the third quarter of 2012 compared to the third quarter of 2011, reflecting a higher productivity level in the current quarter, measured on a volume per shift basis. The Ladysmith, Somass and Cowichan Bay mills lost some shifts due to log supply shortages, and the Chemainus mill took maintenance downtime. In addition, conversion costs of lumber produced by our primary sawmills in the third quarter of 2012 decreased by 2% from the same period a year ago. These productivity improvements and reduced conversion costs reflect the ongoing initiatives undertaken as part of the company-wide margin improvement program initiated in 2011.

Our operating results for the third quarter of 2012 were positively impacted by a weakening of the average value of the Canadian dollar relative to both the US dollar and Japanese Yen compared to the third quarter of 2011, by 2% and 1%, respectively. This increased our Canadian dollar proceeds received on US dollar denominated sales (a high percentage of our lumber sales are denominated in US dollars, including those to China), and also on Yen denominated sales.

Total freight costs were $19.0 million in the third quarter of 2012, which compares to the third quarter of 2011 costs of $23.8 million. The primary reason for the reduction in freight costs was a change in the mix of regions to which lumber sales were made, with a swing from 60% to domestic markets and 40% to export markets in the third quarter of 2012 compared to 48% and 52%, respectively, in the third quarter 2011. The other significant factor contributing to the lower freight costs this quarter was the decline in volumes of log exports compared to the third quarter of 2011.

Selling and administration costs increased by $0.5 million to $6.9 million in the current quarter compared to $6.4 million in the same quarter of 2011, mainly due to increased salary costs and higher investments in information systems technology, primarily associated with projects to enhance the quality of our management and sales information.

Year to date, September 30, 2012

Total revenues for the first nine months of 2012 were $694.2 million, an increase of 10% over the revenues for the same period in 2011. The increase is the result of higher demand for all lumber and logs with volume increases for the current nine month period for lumber and logs being 12% and 11%, respectively. Lower pulplog and by-product pricing in the nine months to September 31, 2012 compared to the same period in 2011 has partially offset the impact of the volume increases.

EBITDA for the first nine months of 2012 was $36.4 million compared to $50.0 million earned in the first nine months of 2011. EBITDA margins fell from 7.9% to 5.2%. The primary reason for the contraction of the margins has been the decreased log margins due to reduced selling prices of export and most domestic logs, along with increases in our log costs over the respective periods. The cost of our logs sold in the first nine months of 2012 was higher than 2011, as we drew down inventories that carried higher costs incurred in the fourth quarter of 2011 and experienced higher operating costs in the third quarter of 2012.

Non-operating income and costs

Finance costs decreased from $1.5 million in the third quarter of 2011 to $1.1 million in the current quarter. This decrease is primarily attributable to a reduction in our outstanding debt amount over the respective periods, combined with a lower interest rate in the current quarter compared to 2011. For similar reasons, finance costs for the first nine months of 2012 of $4.0 million were lower than the $5.2 million incurred for the first nine months a year ago.

Other income of $1.1 million for the third quarter of 2012 compares to a net expense of $1.9 million in the third quarter of 2011. The current quarter income mainly comprises proceeds received from the Province of British Columbia as final compensation resulting from the creation of new protective areas in our Haida Gwaii and Central Coast operating areas. The expense of $1.9 million in the comparable quarter in 2011 related to impairment losses taken on intangible and other assets resulting from the sale of TFL 60.

Outlook and Strategy

Recent positive data relating to the US housing industry, combined with housing affordability rates at near record high levels, supports our view that a recovery is underway and accelerating in the US. Continued improvement in home construction activity is expected to directly and indirectly increase demand for all our lumber products including Western Red Cedar for external applications; value added Niche products for internal appearance grades including exposed beams and trim; and, Commodity products for structural applications.

While we normally anticipate some seasonal weakness in the fourth quarter for our high value Western Red Cedar, as a result of the reduced harvest levels in the most recent quarter, we are now expecting cedar prices to remain firm through the year end and into 2013. Our fourth quarter product focus will be on industrial products for the BC remanufacturing community. Our operating focus for the fourth quarter is to manage our cedar inventories, in preparation for the peak US selling season in the first half of 2013.

The Japanese market has shown signs of improvement after a slow summer. In response to an increase in inquiries for Hemlock Squares we are planning to increase production at our mills. The increase in demand has allowed us to increase prices in October and November. We are also seeing some increased demand for Douglas Fir as US producers have reduced their Japanese exports to service the US domestic market. Demand for custom cut volumes of Yellow Cedar for the fourth quarter are forecast to be stronger than the third quarter. We expect to have to adjust production and shipping schedules in the fourth quarter to lessen the impact of any weather related delays in our logging program.

In our Niche segment, the North American market for appearance grade products remains soft and year over year volumes are flat. We do not foresee a significant change in North American sales in the fourth quarter, as our customer base indicates they have sufficient inventories. We will continue to reposition some of our shop and better grade production to China. We are anticipating a slight improvement in European sales, where there is increasing interest in purchasing, albeit at lower price levels.

Commodity lumber volumes in the third quarter were down 5% from second quarter levels, primarily due to log supply issues, which are expected to persist into the fourth quarter. The shortages in supply, along with our newly developed local sales channels, have allowed us to increase pricing through to the end of the third quarter and into the fourth quarter. The traditional seasonal slowdown in housing demand in the US is starting to impact benchmark kiln-dried SPF pricing, which may eventually put price pressure on our commodity products. However, any price reductions are not expected to affect us until late in the fourth quarter, given our strong order file position. Demand for mat stock and timbers for use in the oil exploration industry have had a slow start to the fall season, due to an exceptionally dry summer and early fall.

With respect to logs, demand is expected to increase due to the coast-wide weather related production curtailments. Export log prices in China and Korea have stabilized and we expect price appreciation through the fourth quarter as customers replenish their depleted inventories. Pulplog demand is expected to remain flat heading into the fourth quarter as the price for pulp remains under pressure.

We are positioning ourselves for the coming recovery in the housing markets and are implementing a comprehensive strategic capital plan to ensure our continued competitiveness in the global lumber markets. Our balance sheet is strong, and we expect that the strategic capital program will be funded by cash generated from operations. These capital projects are expected to further enhance our margins through improved efficiencies and product grades. The first two projects are underway.

Our first project is the $38 million upgrade of our Saltair sawmill. The project is on time and on budget with $24 million committed and contractors selected. Our project team is preparing the site for arrival of equipment and installation of the stacker over the Christmas shutdown. This $24 million phase includes a full upgrade to the edgers, trimmer, sorter and stacker for the mill and will be complete at the end of the second quarter of 2013. Our second project, the automated lumber grading project being initiated at our Alberni Pacific sawmill is also expected to be complete in the second quarter of 2013.

Complementing our strategic capital investment program, we continue to work on the non-capital margin improvement program. This program is targeted to deliver an additional $25 million in margin enhancements over the next three years through a variety of cost reduction and productivity initiatives across the organization. We remain on schedule to implement approximately one third of these savings by the end of 2012, with the majority relating to manufacturing throughput and logistics enhancements.

Adjustment of Second Quarter 2012 Net Income

Subsequent to filing the interim financial statements for the three and six months ended June 30, 2012, management discovered an error relating to the second quarter net income. Management has adjusted net income for the second quarter as it facilitates an understanding of the respective results for the second and third quarters of 2012. The adjustment resulted in an increase to the unrealized loss related to currency forward contracts and recognized in revenues, and a decrease to net income of $1.7 million from that previously recorded for the three and six months ended June 30, 2012.

The Company's third quarter 2012 news release, management's discussion and analysis, unaudited condensed unaudited interim financial statements and notes to the financial statements have been filed on SEDAR and are also available on the Company's website at www.westernforest.com.

Forward Looking Statements and Information

This press release contains statements which constitute forward-looking statements and forward-looking information within the meaning of applicable securities laws. Those statements and information appear in a number of places in this document and include statements and information regarding our current intent, belief or expectations primarily with respect to market and general economic conditions, future costs, expenditures, available harvest levels and our future operating performance, objectives and strategies. Such statements and information may be indicated by words such as "estimate", "expect", "anticipate", "plan", "intend", "believe", "should", "may" and similar words and phrases. Readers are cautioned that it would be unreasonable to rely on any such forward-looking statements and information as creating any legal rights, and that the statements and information are not guarantees and may involve known and unknown risks and uncertainties, and that actual results and objectives and strategies may differ or change from those expressed or implied in the forward-looking statements or information as a result of various factors. Such risks and uncertainties include, among others: general economic conditions, competition and selling prices, changes in foreign currency exchange rates, labour disruptions, natural disasters, relations with First Nations groups, changes in laws, regulations or public policy, misjudgements in the course of preparing forward-looking statements or information, changes in opportunities and other factors referenced under the "Risks and Uncertainties" section of our MD&A in our 2011 Annual Report dated February 22, 2012. All written and oral forward-looking statements or information attributable to us or persons acting on our behalf are expressly qualified in their entirety by the foregoing cautionary statements. Except as required by law, Western does not expect to update forward-looking statements or information as conditions change.

Reference is made in this report to EBITDA which is defined as operating income prior to operating restructuring items and other expenses plus amortization of property, plant, equipment, and intangible assets, impairment adjustments, and changes in fair value of biological assets. Western uses EBITDA as a benchmark measurement of our own operating results and as a benchmark relative to our competitors. We consider EBITDA to be a meaningful supplement to operating income as a performance measure primarily because amortization expense, impairment adjustments and changes in the fair value of biological assets are non-cash costs, and vary widely from company to company in a manner that we consider largely independent of the underlying cost efficiency of their operating facilities. Further, the inclusion of operating restructuring items which are unpredictable in nature and timing may make comparisons of our operating results between periods more difficult. We also believe EBITDA is commonly used by securities analysts, investors and other interested parties to evaluate our financial performance.

EBITDA does not represent cash generated from operations as defined by IFRSs and it is not necessarily indicative of cash available to fund cash needs. Furthermore, EBITDA does not reflect the impact of a number of items that affect our net income. EBITDA is not a measure of financial performance under IFRSs, and should not be considered as an alternative to measures of performance under IFRSs. Moreover, because all companies do not calculate EBITDA in the same manner, EBITDA as calculated by Western may differ from EBITDA as calculated by other companies. A reconciliation between the Company's net income as reported in accordance with IFRSs and EBITDA is included in Appendix A to the Company's Management's Discussion & Analysis for the quarters ended September 30, 2012, June 30 2012, and March 31, 2012, which is available under the Company's profile on SEDAR at www.sedar.com.

Western is an integrated Canadian forest products company and the largest coastal British Columbia woodland operator and lumber producer with an annual available harvest of approximately 6.4 million cubic metres of timber of which approximately 6.2 million cubic metres is from Crown lands and lumber capacity in excess of 1.1 billion board feet from eight sawmills and three remanufacturing plants. Principal activities conducted by the Company include timber harvesting, reforestation, sawmilling logs into lumber and wood chips and value-added remanufacturing. Substantially all of Western's operations, employees and corporate facilities are located in the coastal region of British Columbia while its products are sold in over 25 countries worldwide.

TELECONFERENCE CALL NOTIFICATION:
Thursday, November 8, 2012 at 10:00 a.m. PST/1:00 p.m. EST

On Thursday, November 8, 2012, Western Forest Products Inc. will host a teleconference call at 10:00 a.m. PST (1:00 p.m. EST). To participate in the teleconference please dial 416-340-8527 or 877-240-9772. This call will be taped, available one hour after the teleconference, and on replay until December 8, 2012. To hear a complete replay, please call 905-694-9451 / 800-408-3053 Passcode 7346768.

Contacts:

For further information, please contact:

Dominic Gammiero (250) 734-4711	Brian Cairo (250) 734-4710
Chairman and CEO	CFO and Corporate Secretary

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November 7, 2012

To our Shareholders,

A US recovery is now underway with new housing starts accelerating. Japan is showing signs of improvement and China remains a key market. We continue to position Western to take full advantage of these market improvements. Our margin focus, repositioned cost structure, and flexibility allowed us to post our twelfth consecutive quarter of positive EBITDA.

British Columbia's driest summer in over 100 years impacted log supply. Despite this, our sawmill productivity continued to climb, and our timberlands performed well in delivering volume even with operating days being reduced significantly. Demand for our lumber products increased, our lumber order file emerged from the quarter strong, and our liquidity and debt position is the best it has been since the company's inception.

Q3 2012 financial highlights are as follows:

- EBITDA for the quarter was $8.4 million, our twelfth consecutive quarter of positive EBITDA
- Net debt decreased to $19.7 million, a new record low for Western
- Liquidity continues to increase and is now at $178.0 million
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- Sales revenue remained strong at $219.4 million

The quarter resulted in several achievements including:

- Lumber revenue increased 4% compared to the same quarter last year
- Manufacturing mill productivity per shift for the quarter improved 13% over the third quarter 2011
- Lumber shipments into North America increased to 60% of our sales from 48% a year ago

Western's ability to be responsive to shifts in lumber markets allowed us to divert volume into an improving North American lumber market and maintain strong sales revenues. During the third quarter, the lumber markets in North America, driven by the US, steadily improved. Rising building permits for new construction and housing starts provided improved market opportunities, and are pointing to an accelerated recovery in the US. We took advantage of this trend and redirected a higher percentage of our lumber production into the North American market. The Japanese market continues to show signs of improvement, from both a price and volume perspective, and China's demographics indicate a market that will have long-term strength. Our ability to be flexible and respond to market demand is a competitive advantage.

Severely dry weather conditions impacted operating days and supply. Due to the weather, we operated fewer days in our timberlands and many days we were forced to operate on a reduced workday. Log harvest volumes were 17% lower than the same quarter last year and 22% lower than the previous quarter this year. The reduced harvest resulted in a 20% reduction in log revenues and fibre supply to our mills was insufficient to allow us to satisfy market demand for our products. We expect weather conditions to continue to impact supply into the fourth quarter. We will be concentrating on building our log inventory in preparation for 2013 and maintaining our focus on getting maximum margin from every log.

Log markets didn't see the same improvements in the quarter but we are beginning to see signs of a stronger market going forward. During the quarter, we experienced weaker demand in our export markets for our logs, specifically Japan, Korea, and China which led to both lower volumes and prices. Our expectation is that shipments will return to more normal levels in 2013. In addition, due to lower prices for market pulp, our sales of pulp logs and chips to our coastal pulp mill customers were similarly impacted and we expect little improvement in the near term. However, as the US lumber markets continue to strengthen over the coming quarters, we expect the market for logs to tighten with increasing operating rates from mills along the coast of British Columbia and the Pacific Northwest. We have made organizational changes designed to enhance our position in log purchasing and trading to maximize margin in domestic and overseas log markets.

Western's focus on margin and strategic positioning produced continued positive results. Net debt continues to decline to its lowest level ever at $20 million - a significant improvement from the Company's debt position in 2008 at $233 million. Liquidity remains very strong at $178 million. Our manufacturing division has shown marked improvement in throughput in our sawmills and we have made gains in our transportation and procurement costs. We continue to seek opportunities and ideas through management collaboration and by fostering a culture of continuous improvement, hands on management, and margin focus.

A part of our strategic plan is investing in our mills in preparation for recovery in our markets. The $38 million upgrade of our Saltair sawmill is on time and on budget with $24 million committed and contractors selected. The project team is preparing the site for arrival of equipment and installation of the stacker over our Christmas shutdown. This $24 million phase will be completed at the end of the second quarter in the New Year. Our $6.7 million dollar investment in technology, the automated lumber grading equipment in our Alberni Pacific Sawmill, is expected to be complete at the end of the first quarter in 2013. These improvements will ensure our continued competitiveness in global lumber markets. We will keep you posted on our progress.

We are developing our management team to complement our margin focused business. This quarter we were pleased to announce the appointment of **Bruce St. John** as Vice President Lumber Sales and Marketing and **Tony Peiffer** as General Manager, Log Marketing.

Bruce has over 25 years of BC coastal lumber sales experience, and was most recently our General Manager of Whitewood Sales and Marketing. His primary focus will be bringing together our sales, manufacturing and timberlands groups to further refine our product line offerings to drive improved margin.

Tony also brings over 25 years of experience from the perspective of Coastal log marketing. Our margin focus necessitates expertise like Tony's to look at each block we harvest or purchase to ensure we are maximizing margin. Tony has a proven track record of delivering results in this area.

Our safety results continue to trend in a positive direction. We are committed to providing the systems, education, support and leadership necessary to deliver a zero incident work place for all of our employees. We demonstrate our commitment by leading the industry in key training initiatives such as danger tree assessment and we are proud to have launched new faller training and basic logger training programs this fall. We remain proactively focused on our contract operations as it is clear that improvement is needed here. Our goal is to ensure all workers operate in a "culture" of safety. This is the fundamental shift that will take improved safety results to the next level.

We expect to benefit materially from the recovery taking hold in the US housing industry and as we do so, we will continue to effectively manage factors within our control, and implement our strategic plan which is resulting in a strong financial position, short and long-term, with improved safety results. We would like to commend all of our employees for their continued focus on safety and margin and look forward to improved market and weather conditions in the last quarter of 2012.

Dominic Gammiero	Lee Doney
Chairman and CEO	*Vice Chairman*