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FOR IMMEDIATE RELEASE

TSX: WEF

Western Reports Third Quarter 2014 Results

November 13, 2014 – Vancouver, British Columbia. Western Forest Products Inc. (TSX: WEF) (“Western” or the “Company”) announced results for the third quarter of 2014 with an adjusted EBITDA of \$20.0 million, compared to an adjusted EBITDA of \$27.6 million for the third quarter of 2013.

The Company reported revenue of \$262.1 million in the third quarter of 2014, as compared to \$239.4 million for the third quarter of 2013.

Q3 2014 HIGHLIGHTS

- Increased revenue to \$262 million, a 9% increase from the same period last year.
- Facilitated the completion of a \$230 million secondary offering by Brookfield Special Situations Management Limited.
- Implemented a new five-year labour contract with the United Steelworkers Union.
- Amended and extended the Company’s term loan facility through 2019 and reduced the effective interest rate.

“We overcame an extended fire season and weakness in export markets to deliver the second-highest third quarter EBITDA result ever,” said Don Demens, President and Chief Executive Office. “With the recent consolidation of our Nanaimo-area sawmill operations and the ongoing strategic capital investments in our business, we are positioning Western for the future.”

Net income of \$2.7 million (\$0.01 per diluted share) was reported in the third quarter of 2014, as compared to \$17.2 million (\$0.04 per diluted share) for the third quarter of 2013. Net income in the third quarter of 2014 includes restructuring charges of \$8.1 million associated with the closure of the Nanaimo Sawmill Division.

FINANCIAL SUMMARY

	Three months ended September 30,		Nine months ended September 30,	
	2014	2013	2014	2013
<i>(millions of dollars except where noted)</i>				
Revenue	\$ 262.1	\$ 239.4	\$ 804.3	\$ 735.5
Adjusted EBITDA	20.0	27.6	93.7	104.4
Adjusted EBITDA margin	7.6%	11.5%	11.6%	14.2%
Operating income prior to restructuring items and other income	12.6	19.8	68.8	80.6
Net income from continuing operations	2.7	17.2	55.5	76.0
Net income for the period	2.7	17.2	55.5	75.5
Basic earnings per share (in dollars)	\$ 0.01	\$ 0.04	\$ 0.14	\$ 0.17
Diluted earnings per share (in dollars)	\$ 0.01	\$ 0.04	\$ 0.14	\$ 0.16
Net Debt at September 30,			62.6	79.1
Liquidity at September 30,			159.2	132.1

Third Quarter 2014

Overview

Western reported adjusted EBITDA of \$20.0 million in the third quarter of 2014, our second best third quarter in Company history. Adjusted EBITDA decreased \$7.6 million in comparison to the same period in 2013 due to challenging markets in Japan and China and operational curtailments due to an extended fire season.

Revenue grew to \$262.1 million in the third quarter of 2014, an improvement of \$22.7 million over the same period last year. Increased log shipments, an improved lumber sales mix and pricing, and the benefit of a weaker Canadian dollar ("CAD") contributed to these results.

Third quarter lumber revenue increased 5%, compared to the same period in 2013, as continued strong demand from the North American repair and renovation sector led to increased volumes and pricing for Western Red Cedar ("WRC") and our specialty moulding and millwork ("Niche") lumber products. These results were achieved through a log purchase strategy that increased sawlog purchases to drive higher production of WRC lumber in the quarter, and offset the impact of an extended fire season on the supply of fibre to our mills. In addition, our flexible operating platform made it possible to shift production volumes from Japan lumber to Niche products.

In the third quarter of 2014, log revenue increased 22% on the strength of a 15% increase in log sales volumes as compared to the same period in 2013. We achieved a 4% increase in average realized log prices period over period as we continued to internalize pulp logs, which offset the decrease in export log prices.

Lumber production increased 4% in the third quarter of 2014 compared to the same quarter of last year, due to a log purchase strategy that improved fibre supply to our mills and contributed to increased operating shifts period over period.

Dry weather conditions forced the extended fire season and resulted in a 10% decline in log harvest volumes and an incremental \$3.5 million in shut-down costs in the third quarter of 2014, as compared to the same period in 2013. Log costs increased period over period due to an increase in heli-logging, relative to total log production, and higher stumpage rates.

Net income for the third quarter of 2014 was \$2.7 million, or \$0.01 per share as compared to net income of \$17.2 million, or \$0.04 per share, for the same period in 2013. Reflected in net income for the third quarter of 2014 is a restructuring charge of \$8.1 million, or \$0.02 per share, taken for the consolidation of our Nanaimo-area sawmill operations. The closure of the Nanaimo sawmill in the fourth quarter of 2014 is expected to improve our margins without affecting our production capacity, and was made possible through the capital investments at our Duke Point and Saltair sawmills.

Our total liquidity position at September 30, 2014, has improved to \$159.2 million, compared to \$125.9 million at the end of 2013. The increased liquidity in 2014 has primarily resulted from cash generated by operations.

In the third quarter of 2014, we continued to provide returns to our shareholders through our dividend program, paying \$7.8 million or \$0.02 per share to shareholders on September 19, 2014. Total dividend payments in the nine months ended September 30, 2014 amounted to \$23.5 million, or \$0.06 per share.

Operating Results

Third quarter 2014

In the third quarter of 2014, we generated \$262.1 million of revenue and \$20.0 million of adjusted EBITDA compared to \$239.4 million and \$27.6 million, respectively, in the same quarter last year. Third quarter net income was \$2.7 million in 2014, as compared to \$17.2 million in the same period in 2013. Increased revenue was the result of higher log sales volumes and improved lumber prices driven by adjusting our sales mix, and the impact of a weaker CAD dollar. The decline in adjusted EBITDA and net income were primarily due to challenging markets in Japan and China and operational curtailments due to an extended fire season. Net income in the third quarter of 2014 also reflects a restructuring charge of \$8.1 million taken for the consolidation of our Nanaimo-area sawmill operations.

Lumber revenue in the third quarter of 2014 grew to \$180.4 million, a 5% increase over the third quarter of 2013. Third quarter average realized lumber prices increased \$68 per thousand board feet as compared to the third quarter of 2013. Higher pricing was due to a combination of a 21% increase in Niche product shipments and an 8% increase in WRC product shipments period over period, and price improvements for those products which offset a 4% decrease in total lumber shipment volume.

Third quarter log revenue was \$66.0 million, an increase of 22% over the same period in 2013. The increased log revenue was due to 15% higher log sales volumes and a 4% increase in average realized log price. The strength of the domestic log market and higher export log sales volumes offset the impact of a 10% decline in export log prices. Log sales mix and average realized log prices were further enhanced by a focus on improving log utilization while maintaining lumber quality standards. Third quarter pulp log sales volumes were reduced by 14% while export log sales volumes increased 10%, relative to total log sales volumes.

By-products revenue was \$15.7 million in the third quarter of 2014, an increase of \$1.9 million from the same period in 2013. The increase in by-products revenue is due to a 5% rise in chip sales volumes driven by increased lumber production, and as a result of a 10% increase in average realized chip prices primarily due to the positive impact of the weaker CAD.

Third quarter lumber production was 231 million board feet, an increase of 4% compared to the third quarter of 2013, as we operated with increased shifts. These results were achieved through flexible production programs, realizing the benefits of capital improvements, and our log purchase strategy.

Dry weather conditions in the third quarter of 2014 limited log production to 1.1 million cubic metres, a 10% reduction as compared to the third quarter of 2013. The impact of dry weather conditions on lumber production was mitigated by increased sawlog purchases in the third quarter of 2014. In addition, operational curtailments resulted in \$3.5 million of incremental shut-down expenses in the third quarter of 2014 as compared to the same period in 2013. Also negatively impacting log costs in the third quarter of 2014 were higher contractor costs, increased stumpage rates, and increased transportation costs.

Freight costs were \$23.6 million in the third quarter of 2014, an increase of \$3.1 million compared to the same period of 2013. This increase was the result of a 15% increase in log shipment volumes in the current quarter as compared to the third quarter of 2013, and the impact of the weaker CAD in the current quarter, as freight costs are primarily USD denominated.

Selling and administration expenses in the third quarter of 2014 were \$8.3 million, compared to \$8.2 million in the same quarter in 2013. As a percentage of revenue, our selling and administration costs were 3.2% for the third quarter of 2014, a slight reduction from 3.4% in the third quarter of 2013.

Year to date, September 30, 2014

Adjusted EBITDA for the first nine months of 2014 was \$93.7 million, compared to \$104.4 million in the same period in 2013, as a result of rising lumber and log prices which were offset by an increase in log costs. Adjusted EBITDA margin decreased from 14.2% to 11.6% year over year.

Revenue for the first nine months of 2014 grew to \$804.3 million, an increase of 9% over the same period of 2013. The factors that provided increased year-to-date revenue results are consistent with those discussed in the third quarter summary above, and reflect continued efforts by Western to channel product sales into higher value markets. The CAD was, on average, 8% weaker relative to the USD during the first nine months of 2014 compared to the same period in 2013, which has also contributed to the improved pricing for our products.

Lumber production for the first nine months of 2014 increased 5% from the first nine months of 2013, and overall mill productivity increased 4% over those same periods. These production efficiencies primarily reflect the beneficial impacts of the capital investments implemented at the Saltair sawmill during 2013, combined with operating improvements at our other mills.

Log harvest volumes for the first nine months of 2014 were 3.9 million cubic metres, a decrease in volume of 6% in the same period last year. Harvest costs increased in the first nine months of 2014 as a result of increased harvest operating costs, the construction of more spur roads, and rising stumpage rates. Our plan to increase the amount of accessible timber for harvest has led to an increase in spur road construction which resulted in an additional \$2.0 million expense in the first nine months of 2014 compared to the first nine months of 2013.

Selling and administration costs through the first nine months of 2014 were \$26.2 million, an increase of \$2.0 million compared to the same period of last year. The nine months' selling and administration costs as a percentage of revenue was 3.3% and has remained relatively consistent year over year.

Restructuring Costs

In the third quarter of 2014, an expense of \$8.1 million was recognized for the consolidation of our Nanaimo-area sawmill operations.

Finance costs

Finance costs in the third quarter of 2014 were \$1.4 million, a decrease of \$0.3 million compared to the same quarter of 2013. This decrease was commensurate with lower interest rates and lower outstanding debt levels on our revolving term loan facility during the third quarter of 2014, which averaged \$82.3 million.

Discontinued Operations

Operations on the site of the former Squamish pulp mill were discontinued in 2006. Since that date, the Company has expensed costs for supervision, security, property taxes and environmental remediation. Year-to-date, we have incurred no net expense for the site as revenue from selling hydro-electric power generated at the site offset our costs.

Closing of the previously announced sale of this site is progressing satisfactorily. The Company anticipates net proceeds on the sale of approximately \$18.0 million, after remediation costs, and cash proceeds from the sale of approximately \$21.8 million.

As economic and other circumstances allow, Western will continue to pursue opportunities to sell non-core assets.

Strategy and Outlook

Western's strategy, which is designed to maximize product margins while increasing our sales volume, continued to progress through the third quarter of 2014.

Key operational priorities in support of the strategy in 2014 include:

- Increasing log availability through improved utilization
- Accessing additional log volume on the open market to increase lumber production
- Improving productivity through increased equipment utilization
- Focusing our lumber marketing programs by mill to drive higher margins

Market Outlook

The pace of U.S. new home construction continues its gradual improvement. We anticipate that a pace of just under 1 million seasonally adjusted starts will remain relatively unchanged for the balance of 2014. In the medium-term, we anticipate an acceleration of US new home construction and continued strength in the repair and renovation sectors, which should drive lumber demand higher. Over the longer-term, reduced supply of Canadian softwood lumber due to BC's mountain pine beetle infestation and reduced allowable cut levels from eastern provinces, along with an increase in worldwide demand for lumber, are expected to lead to improved pricing for logs and lumber.

Our sales performance continues to be spurred by robust demand for our cedar products, which have increased in volume and price over 2013, and represented 38% of lumber revenue in the first nine months of 2014. We anticipate this trend to continue as limited log and lumber inventories are expected to support stable pricing for WRC through the traditionally slower fourth quarter and into 2015.

Demand for lumber in Japan remains flat and we have adjusted our production levels to offset the impact of seasonal weakness in this market. We expect nominal growth in the Japan lumber market through to the first half of 2015 as high inventory levels are slowly depleted.

The North American home repair and renovation sector is expected to continue its moderate growth path and we expect this will continue to drive growth in volume and improved pricing in our Niche lumber products.

Weakening demand in China led to a decline in our commodity lumber prices and we anticipate that market conditions for our commodity lumber will remain challenging through the remainder of 2014.

Export log markets are being negatively impacted by high log inventories in China. Domestic log demand remains strong due to lower supply. We believe that export log inventory will normalize in the near-term, and we anticipate a continuation of a strong domestic log market due to supply constraints.

Strategic Capital Plan Update

Our strategic capital plan continues to make steady progress:

- The Cowichan Bay log auto-rotation project was successfully installed and is fully operational.
- The first phase of the Duke Point sawmill modernization was completed and we have begun our second phase of the modernization, which is anticipated to be fully operational in the first half of 2015.
- The Barge loading facility upgrade project at Duke Point was completed in the third quarter of 2014.
- The final phase of our Saltair sawmill project, which involves the installation of a new log in-feed, has commenced. Installation will occur in two phases beginning at the end of December and the project is expected to be fully operational in the first half of 2015.

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 2013 Annual Report dated February 20, 2014. 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 adjusted EBITDA which is defined as operating income prior to operating restructuring items and other income, plus amortization of property, plant, equipment, and intangible assets, impairment adjustments, and changes in fair value of biological assets. Adjusted EBITDA margin is EBITDA presented as a proportion of revenue. Western uses adjusted EBITDA and adjusted EBITDA margin as benchmark measurements of our own operating results and as benchmarks relative to our competitors. We consider adjusted 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 adjusted EBITDA and adjusted EBITDA margin are commonly used by securities analysts, investors and other interested parties to evaluate our financial performance.

Adjusted 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, adjusted EBITDA does not reflect the impact of a number of items that affect our net income. Adjusted EBITDA and adjusted EBITDA margin are not measures of financial performance under IFRSs, and should not be considered as alternatives to measure performance under IFRSs. Moreover, because all companies do not calculate adjusted EBITDA and adjusted EBITDA margin in the same manner, these measures as calculated by Western may differ from similar measures as calculated by other companies. A reconciliation between the Company's net income as reported in accordance with IFRSs and adjusted EBITDA is included in the Company's Management's Discussion & Analysis for the year ended December 31, 2013, which is available under the Company's profile on SEDAR at www.sedar.com.

Also in this report management uses key performance indicators such as net debt, net debt to capitalization and current assets to current liabilities. Net debt is defined as long-term debt less cash and cash equivalents. Net debt to capitalization is a ratio defined as net debt divided by capitalization, with capitalization being the sum of net debt and shareholder's equity. Current assets to current liabilities is defined as total current assets divided by total current liabilities. These Key Performance Indicators are non-GAAP financial measures that do not have a standardized meaning and may not be comparable to similar measures used by other issuers. They are not recognized by IFRS, however, they are meaningful in that they indicate the Company's ability to meet their obligations on an ongoing basis, and indicate whether the Company is more or less leveraged than the prior year.

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:

Friday, November 14, 2014 at 9:00 a.m. PST/12:00 p.m. EST

On Friday, November 14, 2014, Western Forest Products Inc. will host a teleconference call at 9:00 a.m. PST (12:00 p.m. EST). To participate in the teleconference please dial 416-340-8530 or 1-800-769-8320. This call will be taped, available one hour after the teleconference, and on replay until November 21, 2014 at 8:59 p.m. PST (11:59 p.m. EST). To hear a complete replay, please call 905-694-9451 / 1-800-408-3053 (passcode: 6295130).

Contacts:

For further information, please contact:

Stephen Williams
Senior Vice President, Chief Financial Officer & Corporate Secretary
(604) 648-4572

Letter to Shareholders

To Our Shareholders,

In the third quarter of 2014, Western managed a challenging operating environment and weaker export markets to achieve our second-highest third quarter revenue and adjusted EBITDA results.

Western recorded EBITDA of \$20 million in the third quarter of this year, the second-highest third quarter EBITDA result in company history. This financial result was achieved despite a number of factors that challenged our business operations, including weak Japanese and Chinese log and lumber markets, and a prolonged fire season that limited log harvest. We offset the impact of the weak markets by increasing log sales volumes and by successfully implementing our log purchasing strategy. Additional log purchases supported increased lumber sales volumes of our high-value Western Red Cedar products. In addition, our flexible operating platform allowed us to grow our Niche volumes as we successfully diverted volume from Japan.

Third quarter 2014 financial highlights:

- Grew revenue to \$262 million, a 9% increase from the same period last year
- Facilitated the completion of a \$230 million secondary offering by Brookfield Special Situations Management Limited
- Signed a new five-year labour contract with the United Steelworkers Union
- Amended and extended our Term Loan through 2019, and reduced the effective interest rate

Third quarter 2014 operational successes:

- Achieved an industry leading safety performance with a medical incident rate of 1.07
- Increased mill production volume by 4% from the third quarter last year to 231 Mmfbm
- Increased log sales volume by 15% from the third quarter last year to 707 Mm3
- Increased sawlog purchase volume 84% from the third quarter last year

We continue to benefit from the gradual improvement of the North American housing market and, in particular, the repair and renovation segment that is supporting growth in demand for our Western Red Cedar and Niche products. We expect the Japanese lumber market to remain slow through 2014 due to above-normal lumber inventories and weak demand. In the longer term, we expect to grow our market share in Japan as US suppliers refocus their efforts on the recovering US new home construction segment. Demand for lumber in China has been less active due to a slow-down in the housing market; however, over the longer term, we anticipate a recovery in demand from China due to continued urbanization and government initiatives to improve the quality of the existing housing stock.

We remain well positioned to capitalize on improving markets as we move forward with our strategic capital plan. During the third quarter, our \$2.5 million Cowichan Bay auto log rotation project was successfully installed, and the first phase of the Duke Point sawmill modernization was completed. Looking forward, the second phase of the Duke Point modernization will be fully operational in the first half of 2015. Our \$11 million Saltair sawmill log in-feed modernization project will occur in two phases: the \$4 million installation will be completed by the end of the year, and the remaining \$7 million merchandiser installation will be completed early in 2015. We continue to work on additional plans that will position Western as a top-quartile producer in our targeted product lines by driving our unit costs lower.

We are pleased to announce the appointment of Stephen (Steve) Williams to Senior Vice President, Chief Financial Officer, and Corporate Secretary. A Chartered Accountant, Steve has more than 20 years of experience in the forest industry, with extensive executive level experience in financings, organizational change, mergers and acquisitions, and in building highly effective teams.

We are also pleased to announce the appointment of Rick Forgaard to Vice President, Manufacturing. Rick has 30 years of experience in the Pacific Northwest forest industry, with extensive expertise in multi-site manufacturing operations and capital programs that have delivered top-quartile performance.

Western continues to lead the industry in safety. Our Timberlands and Manufacturing operations continue to perform at a world-class level, and our Timberland contractors continue to make progress with the best quarterly results ever. Employee safety remains a top priority for Western.

I would like to take this opportunity to thank our shareholders, customers, employees and the communities where we work for their continued support of Western Forest Products.

Sincerely,

A handwritten signature in black ink, appearing to read 'Don Demens', with a stylized flourish at the end.

Don Demens
President and CEO