FOR IMMEDIATE RELEASE **TSX: WEF**

Western Announces Fourth Quarter and Fiscal 2018 Results

February 12, 2019 – Vancouver, British Columbia – Western Forest Products Inc. (TSX: WEF) ("Western" or the "Company") reported adjusted EBITDA of $18.0 million in the fourth quarter of 2018. Higher specialty lumber prices and increased lumber shipments in the fourth quarter of 2018 were offset by an incremental $10.0 million of US export lumber duty expense, an added $5.9 million of stumpage costs and the impacts of significantly lower commodity lumber prices.

Fourth Quarter Highlights

- Increased lumber production and shipments by 9% over the fourth quarter of last year
- Reached an agreement to sell a 7% interest in the Port Alberni Forest Operation to the Huu-ay-aht First Nations for $7.2 million, subject to closing conditions
- Announced the acquisition of the assets of Columbia Vista Corporation in Vancouver, Washington
- Accelerated capital invested to $31.0 million, adding $4.5 million to the Arlington, Washington facility
- Completed $9.1 million of share repurchases, cancelling 4.9 million common shares
- Returned $8.7 million to shareholders via regular, quarterly dividend

Western's adjusted EBITDA result in the fourth quarter of 2018 compared to adjusted EBITDA of $38.9 million in the fourth quarter of 2017, and $32.3 million reported in the third quarter of 2018. Operating income prior to restructuring and other income was $7.7 million in the fourth quarter of 2018, compared to $30.3 million in fourth quarter of 2017, and $23.4 million reported in the third quarter of 2018.

Net income of $5.3 million ($0.02 per diluted share) was reported for the fourth quarter of 2018, as compared to $19.0 million ($0.05 per diluted share) for the fourth quarter of 2017 and $15.1 million ($0.04 per diluted share) in the third quarter of 2018. Western recorded net income of $69.2 million ($0.18 per diluted share) for the year ended December 31, 2018, as compared to $74.4 million ($0.19 per diluted share) in 2017.

(millions of dollars except per share amounts and where otherwise noted)	Q4 2018	Q4 2017	Q3 2018	YTD 2018	YTD 2017
Total revenue	$ 284.8	$ 283.1	$ 292.5	$ 1,196.7	$ 1,143.4
Export tax	$ 10.1	$ 0.1	$ 11.5	$ 43.0	$ 15.8
Stumpage	$ 13.8	$ 7.9	$ 10.9	$ 52.7	$ 22.1
Adjusted EBITDA	$ 18.0	$ 38.9	$ 32.3	$ 143.5	$ 152.6
Adjusted EBITDA margin	6.3%	13.7%	11.0%	12.0%	13.3%
Operating income prior to restructuring items and other income (expense)	$ 7.7	$ 30.3	$ 23.4	$ 103.4	$ 117.0
Net income for the period	5.3	19.0	15.1	69.2	74.4
Basic and diluted earnings per share (in dollars)	$ 0.02	$ 0.05	$ 0.04	$ 0.18	$ 0.19
Net debt (cash) - end of period	$ (2.4)	$ (35.3)	$ (42.8)		
Total liquidity - end of period	250.4	269.3	291.8		

"Our refined marketing strategy delivered higher price realizations to overcome the impacts of operating headwinds in 2018 that included a difficult coastal fire season, US export duties, higher stumpage, and volatile commodity markets," said Don Demens, President and Chief Executive Officer. "We've made significant progress in advancing our strategy over the last year, from upgrading our foundational systems, to a mutually beneficial partnership with Huu-ay-aht First Nations, and the acquisition of two US assets. We plan on carrying this momentum forward as we actively pursue growth opportunities with our specialty products-focused business."

The Company generated revenue of $284.8 million in the fourth quarter of 2018, as compared to $283.1 million in the fourth quarter of 2017, and $292.5 million in the third quarter of 2018. The Company realized a record average lumber price despite a steep decline in commodity lumber market pricing, and delivered a 9% increase in total lumber shipments. These achievements more than offset the impact of temporarily suspending export log shipments in favour of supplying logs to our coastal sawmills.

For the year ended December 31, 2018, Western generated record annual revenue of $1,196.7 million, as compared to annual revenue of $1,143.4 million in 2017. Western reported adjusted EBITDA of $143.5 million as compared to $152.6 million in 2017.

On February 1, 2019, the Company completed its acquisition of certain assets of Columbia Vista Corporation and related entities located in Vancouver, Washington for US$30.5 million, subject to post closing working capital adjustment.

Summary of Fourth Quarter 2018 Results

Adjusted EBITDA for the fourth quarter of 2018 was $18.0 million, as compared to $38.9 million from the same period last year. An incremental $10.0 million of export tax expense, an added $5.9 million of stumpage expense and a commodity-heavy sales mix more than offset improvements in specialty product price realizations. In addition, lower commodity lumber pricing drove a negative lumber and log inventory revaluation of $1.9 million, as compared to a positive adjustment of $2.5 million in the same period last year.

Operating income prior to restructuring items and other income decreased to $7.7 million from $30.3 million in the same period last year. Last year, we proactively increased Western Red Cedar (“WRC”) pricing and shipments in advance of the application of lumber duties, and US countervailing lumber duty application was limited to three days in the quarter. In contrast, the fourth quarter of 2018 saw a return to a more normal seasonal WRC sales cycle and the full application of lumber duties.

Canadian to United States dollar (“USD”) exchange rate volatility leading into year-end resulted in an unrealized mark-to-market expense of $2.2 million from outstanding foreign currency forward contracts, as compared to a $0.7 million unrealized gain in the fourth quarter of 2017.

Sales

Lumber revenue was $230.9 million, an increase of 11% from same period last year. We grew shipments by 9% and increased realized lumber pricing, despite a weaker sales mix and a steep decline in commodity lumber prices. Specialty lumber sales pricing was supported by a 26% increase in high-value WRC timbers. To mitigate declining commodity lumber prices, we significantly increased direct lumber sales into China.

As noted above, we returned to a more normal seasonal WRC sales cycle, which contributed to an 11% decrease in WRC shipments. Specialty lumber represented 49% of total fourth quarter shipments, as compared to 55% in the same period last year.

Fourth quarter log revenue was $36.2 million, a 36% decrease from the same period last year. Improved log pricing was more than offset by a weaker log sales mix. Log shipments decreased by 25% as compared to the fourth quarter of 2017, as we temporarily suspended our export log sales program to direct additional logs to our mills. The only export log shipment in the period originated from a short-term First Nation timber purchase agreement managed by Western.

By-products revenue was $17.7 million in the fourth quarter of 2018, as compared to $19.2 million in the same period in 2017. Pricing remained comparatively flat, on lower shipments due to reduced chip volumes purchased for resale.

Operations

Lumber production was 200 million board feet, a 9% increase over the fourth quarter of 2017, despite storm-related power outages and capital projects which interrupted production in late December. We grew lumber production by leveraging the benefit of our mill capital investments, well-positioned opening log inventory, and the redirection of export logs. We significantly increased year-over-year production at our Duke Point facility through improved operating efficiencies and higher operating hours. In addition, we grew finished lumber production from the upgraded planer. Recent investments in our Chemainus timber deck drove a 14% increase in high-value WRC timber production over the same period last year.

Fourth quarter manufacturing costs were 3% higher than the same period last year due to increased secondary processing and storm and capital related downtime. Our natural gas pricing was higher due to a temporary supply disruption.

Log production was 1,135,000 cubic metres, an increase of 3% from the fourth quarter of last year. We took advantage of improved harvest conditions to make up ground from fire-related curtailments in the third quarter, increasing closing log inventory by 6% compared to the end of 2017.

Excluding stumpage expense, our harvest costs were consistent with the fourth quarter of 2017. Stumpage expense increased by 75% as a result of provincial rate equation updates, the ongoing influence of coastal log exports and higher market log pricing, despite weaker lumber markets.

Saw log purchases were 212,000 cubic metres, a 38% decrease from the same quarter last year. Increased demand from export markets and pulp manufacturers reduced log supply to domestic sawmills and drove log prices higher.

Freight expense increased $1.4 million as compared to the fourth quarter of 2017. Higher freight expense was attributable to increased in-market sales to China, consistent with our strategy. Increased freight costs arising from a 9% increase in lumber shipments were largely offset by savings from lower log shipments.

Fourth quarter adjusted EBITDA and operating income included $10.1 million of countervailing duty (“CVD”) and anti-dumping duty (“AD”), as compared to $0.1 million in the same quarter last year. CVD was not in effect until December 28, 2017. Duty expense in the fourth quarter of 2017 was offset by a $3.5 million export tax recovery due to differences in preliminary and revised duty rates.

Selling and Administration Expense

Fourth quarter selling and administration expense was $7.6 million in 2018, as compared to $7.4 million in the same period last year. A decline in our common share price over the quarter resulted in a $0.7 million mark-to-market recovery related to share-based compensation plans. We incurred comparatively greater expense related to foundational system and process improvements in support of our growth strategy.

Net Income

Net income for the fourth quarter of 2018 was $5.3 million, as compared to $19.0 million for the same period of 2017. Operating margins and net income were reduced by higher export duty and stumpage expenses.

Arlington Operation Update

In the fourth quarter of 2018, we invested $4.5 million in Arlington infrastructure and equipment upgrades. Approximately 24% of all US-bound shipments were distributed through the facility in the fourth quarter of 2018. With infrastructure upgrades and equipment installation nearing completion, we expect to commission secondary processing late in the first quarter of 2019, and continue to increase the portion of US-bound shipments distributed through Arlington.

Sale of Ownership Interest in Port Alberni Forest Operations

On December 14, 2018, Western announced it had reached an agreement whereby the Huu-ay-aht First Nations will acquire a 7% interest from Western in a newly formed Limited Partnership for $7.2 million, subject to closing adjustments (the “Transaction”). The assets of the Limited Partnership will consist of Port Alberni Forest Operation, including TFL 44 and certain other associated assets and liabilities. The Company will continue to source fibre from the Limited Partnership assets to support its BC manufacturing facilities.

The completion of the Transaction is subject to customary closing conditions and is scheduled to close late in the first quarter of 2019. As part of the agreement, Western may sell Huu-ay-aht First Nations an incremental interest in the Limited Partnership subject to further negotiation.

Columbia Vista Asset Acquisition

On February 1, 2019, we completed the asset acquisition of Columbia Vista Corporation’s operations in Vancouver, Washington. This acquisition is consistent with our strategy of pursuing margin-focused business opportunities that complement our position in selected markets. Bringing Western and Columbia Vista together provides us the opportunity to expand our Douglas fir specialty product offerings, particularly in Japan, which will support our BC-based hemlock programs. The combination of Columbia Vista and Western makes us more meaningful to our selected customers and creates a stronger company for all our employees.

Summary of 2018 Annual Results

We delivered an annual adjusted EBITDA of $143.5 million in 2018 and adjusted EBITDA margin of 12.0%, despite facing the significant headwinds of an incremental $27.2 million in export duty expense and additional stumpage expense of $30.6 million; both of which more than doubled from last year. Operating income prior to restructuring items and other income decreased by 12% from 2017 to $103.4 million.

Sales

Lumber revenue increased by 11% in 2018 to $952.9 million, as we grew sales volumes and improved price realizations. Average lumber price realizations were 6% higher compared to 2017, despite proportionately higher commodity sales. Commodity lumber increased to 50% of total lumber shipments in 2018, from 45% in 2017. Conversely, WRC lumber shipments declined to 23%, from 28% in the prior year, due in part to a more normal seasonal WRC sales cycle in the fourth quarter of 2018. We grew shipments to China to capitalize on strong market demand and pricing, while at the same time partially mitigating the impact of US duties.

Log revenue was $160.0 million in 2018, a decrease of $54.8 million from 2017 due to a 9% decrease in log shipments. Lower log revenue was the result of the temporary suspension of our export log sales program in 2018, to supply our coastal sawmills and capitalize on increased demand for commodity lumber.

By-product revenue increased to $83.8 million in 2018, from $70.4 million in 2017. Chip price realizations increased 23%, more than offsetting a 7% reduction in sales volumes. Lower shipments were driven by reduced chip volumes purchased for resale.

Operations

Lumber production was 864 million board feet, a 9% increase over 2017. In addition, we produced 14 million board feet equivalent of custom cut production for a third party in the first quarter of 2018, which was not reflected in our lumber production volume. Higher opening log inventory and increased mill operating hours improved total production. In addition, we directed export logs into our manufacturing operations to leverage our flexible operating platform and capitalize on strong commodity markets in the first half of 2018. Operating costs were driven lower year-over-year through a heavier mix of commodity lumber and incremental benefits realized from our strategic capital initiatives.

The recapitalization of our Duke Point sawmill and improved opening log inventory facilitated a 30% increase in total operating hours as compared to 2017. The ramp-up of our rebuilt Duke Point planer operation has supported the reduction of secondary remanufactured lumber processed via higher-cost, third-party facilities, while growing our production of finished lumber products.

The cost benefits of these operating improvements were partly offset by a 25% increase in primary production volumes at third party custom cut facilities year-over-year. We leveraged these facilities in order to supply our customers' needs, optimize sawmill cut schedules and grow overall production.

Log production for 2018 was 4,328,000 cubic metres, 8% higher than 2017 despite the impact of the worst coastal fire season on record. Log costs were 7% higher, due to increased stumpage, a higher percentage of grapple yarding and the mix of operations offset by our margin improvement initiatives and reduced helicopter logging.

We supplemented our internal log supply with saw log purchases of 979,000 cubic metres, a 15% decrease from 2017. The temporary suspension of our export log program limited our ability to successfully procure logs from government-auctioned standing timber sales. Increased pricing for purchased logs was driven by strong demand.

Freight expense decreased by $12.6 million in 2018 to $90.6 million. The temporary suspension of our export log sales program more than offset the impact of a 5% increase in lumber shipments over 2017.

Selling and Administration Expense

Selling and administration expenses were $32.0 million, as compared to $32.8 million in 2017. Mark-to-market recovery related to share-based compensation plans more than offset increased IT costs related to foundational system and process improvements in support of our growth strategy.

Finance Costs

Finance costs were $2.7 million in 2018 compared to $2.5 million in 2017.

On August 8, 2018, we announced the execution of a new $250 million syndicated credit facility. The facility, which matures on August 1, 2022, includes an accordion feature to access an additional $100 million of debt. As part of this refinancing, we recognized the remaining deferred financing costs of the previous credit facilities. The Company had drawings of $7.0 million on the credit facility as at December 31, 2018.

Net Income

Net income was $69.2 million, as compared to $74.4 million in 2017. Reduced operating margins were offset by reduced operating restructuring items and lower income tax expense.

Operating Restructuring Items

We incurred $4.8 million of operating restructuring costs in 2018, including $2.2 million relating to the indefinite curtailment of our Somass sawmill; $1.5 million in severance and related expenses attributable to ongoing business optimization initiatives; and $0.6 million incurred to retrain employees affected by the closure of the Englewood train operation. Operating restructuring costs were $14.4 million in 2017, due primarily to the indefinite curtailment of our Somass sawmill and closure of the Englewood train.

Our Somass sawmill remains indefinitely curtailed as a result of a fibre supply deficit arising from years of tenure takebacks and government land use decisions, and rising costs associated with the US Softwood Lumber dispute. We are evaluating options to create a sustainable, long-term solution for the site, and we are considering the input of government, First Nations and other stakeholders.

Income Taxes

We used the majority of our remaining non-capital loss carryforwards during the second quarter of 2018, which will result in cash taxes payable for the tax year ending December 31, 2018. Accordingly, current income tax expense of $14.3 million and deferred income tax expense of $11.3 million, respectively, were recognized in net income in 2018. Total income tax expense decreased by $1.3 million from the fourth quarter of 2017 as a result of lower operating earnings.

Deferred income tax recovery of $0.2 million was recognized through other comprehensive income as a result of actuarial losses arising from our legacy defined benefit pension plans. In 2017, we recognized deferred income tax recovery of $0.7 million through other comprehensive income as a result of actuarial losses arising from these pension plans.

At December 31, 2018, the Company and its subsidiaries had unused non-capital loss carry forwards totaling approximately $2.0 million in Canada, and $2.1 million in the US, which can be used to reduce taxable income. In addition, the Company has unused capital losses carried forward of approximately $93.7 million in Canada, which are available indefinitely.

In May 2018, the Company received correspondence from the Canada Revenue Agency (“CRA”) regarding certain restructuring transactions, occurring in 2004 and 2007 to 2011, and the general anti-avoidance rule. Management believes the CRA’s position is without merit. Management is prepared to defend its position if a notice of reassessment is issued, and as such, the Company has not recognized any income tax provision as at December 31, 2018 relating to this matter.

Strategy and Outlook

Western’s long-term business objective is to create superior value for shareholders by building a margin-focused log and lumber business of scale to compete successfully in global softwood markets. We believe this will be achieved by maximizing the sustainable utilization of our forest tenures, operating safe, efficient, low-cost manufacturing facilities and augmenting our sales of targeted high-value specialty products for selected global customers with a lumber wholesale program. We seek to manage our business with a focus on operating cash flow and maximizing value through the production and sales cycle. We routinely evaluate our performance using the measure Return on Capital Employed.

Sales & Marketing Strategy Update

We are progressing with the execution of our sales and marketing strategy that focuses on the production and sale of targeted, high-margin products of scale to selected customers. We supplement our key product offerings with purchased lumber to deliver the suite of products our customers require. To accelerate and lead our sales and marketing initiatives, we made the following executive management additions in the fourth quarter of 2018:

Bruce Alexander joined Western as the Senior Vice President, Sales, Marketing and Manufacturing. Mr. Alexander is an experienced executive and brings over 30 years of sales, manufacturing and management experience in the forest products and manufacturing industries, including on the coast of BC. Mr. Alexander will be responsible for positioning Western as the leading global supplier of specialty building materials. Common leadership of sales, marketing and manufacturing business units will drive alignment between these functions, and is expected to optimize the production of targeted products of scale and grow our selected customer base worldwide.

Don McGregor joined Western as Vice President, Wholesale Lumber. Mr. McGregor brings almost 30 years of lumber marketing experience, including more than 20 years as President of Vanport Canada, a leading wholesale lumber company. Mr. McGregor is responsible for leading wholesale lumber operations and, in building relationships with global suppliers, broadening the scope of our specialty product offerings. Through the existing industry-leading product portfolio and complementary supply from new supply relationships, Mr. McGregor will expand product offerings to deliver greater value to our selected customers.

Market Outlook

Despite the recent volatility in commodity lumber pricing, our long-term view of market fundamentals remains unchanged. In North America, rising lumber consumption will continue to be driven by increased new home construction and a robust repair and renovation sector. We expect lumber demand in China to continue to grow due to a government commitment to housing, while in Japan, lumber consumption is expected to remain relatively stable over the next few years.

The supply of commodity lumber exceeded demand in North America in the second half of 2018 as new home construction stalled. Benchmark KD SPF 2x4 pricing fell more than 49% from the peak in May 2018 which led to numerous mill production curtailments. Demand in China for commodity lumber has remained relatively strong despite declining prices. We successfully grew China lumber shipments by 12% in 2018. Lumber shipments to Japan declined by 19% in 2018 mainly due to limited Douglas fir log availability.

Looking ahead, we anticipate North American demand and pricing for commodity lumber to improve as we enter the spring building season. However, we do not expect pricing to repeat last year's record performance as idled commodity lumber capacity is likely to respond to improved demand, moderating any pricing response. Lumber pricing in China has reset and is expected to remain flat through the first quarter of 2019, as that market enters the seasonal holiday slowdown. We will continue to monitor these prices and make adjustments in our operating plans accordingly.

In the first half of 2019, we expect WRC pricing trends to be product specific. We anticipate prices to remain stable for WRC timbers and wide width WRC products. In contrast, we expect the narrow width WRC lumber market to remain weak due to substitution from low priced imported lumber and an abundant supply of narrow-width US cedar lumber production. We anticipate pricing in high-value WRC export markets to weaken. To mitigate the impact of lower WRC pricing we will endeavor to manage our product mix.

Our Japan product mix is expected to improve with the inclusion of Douglas fir sales from our Columbia Vista division. We expect demand in Japan to be relatively stable for the first half of 2019, as builders look to complete projects ahead of an expected increase in the Japanese consumption tax. The recent closure of a Japanese fir sawmill is expected to support fir pricing. Demand for hemlock products is expected to remain pressured due to domestic product substitution.

We expect further decreases in domestic saw log prices in response to declining lumber markets through the first quarter of 2019.

Strategic Capital Program Update

We continue to implement a strategic capital program that is designed to position Western as the only company capable of sustainably consuming the complete profile of the coastal forest and competitively manufacturing a diverse product mix for global markets.

Our strategic capital program is focused on the installation of technology that will deliver top quartile performance and improve our ability to manufacture targeted products that yield the best margin. In addition to investments in our manufacturing assets, we also allocate capital to strategic, high-return projects involving our information systems, timberlands assets, and forest inventories.

In the fourth quarter of 2018, we continued to make advancements with the latest phase of the Duke Point planer rebuild and progressed on a number of small, high-return capital projects focused on debottlenecking our manufacturing operations.

We completed our acquisition of Columbia Vista Corporation in Vancouver, Washington on February 1, 2019 for US$30.5 million, subject to post closing working capital adjustments. The assets acquired include a sawmill operation and separate remanufacturing site with 18 dry kilns and planer facilities.

Scheduled for the first half of 2019 are the completion of a series of high-return, low-cost strategic capital projects at our Duke Point, Saltair and Cowichan Bay operations, along with the modernization of our forklift fleet as we implement a centralized fleet management program. We will continue to upgrade our processing equipment at Arlington and expect the facility to begin commissioning in the first quarter of 2019.

Softwood Lumber Dispute and US Market Update

Western's results for 2018 include $43.0 million of export duty expense, comprised of CVD and AD expense. At February 1, 2019, Western had $64.9 million of cash on deposit with the US Department of Treasury in respect of these softwood lumber duties.

The US application of duties continues a long-standing pattern of US protectionist action against Canadian lumber producers. We disagree with the US trade determination and the inclusion of specialty lumber products, particularly Western Red Cedar and Yellow Cedar products in this commodity lumber focused dispute. As duties paid are determined on the value of lumber exported, and as our shipments to the US market are predominantly high-value, appearance grade lumber, we are disproportionately impacted by these duties. We have filed a Chapter 19 North American Free Trade Agreement separate-like-product challenge, on which a ruling is not expected until late 2019.

US market sales represent less than 25% of Western's total revenue in 2018. Continued strong demand and a lack of supply has supported improvements in our specialty lumber product pricing, partly offsetting the impact of duties.

Our acquisition of a distribution and processing centre in Arlington, Washington and the assets of Columbia Vista Corporation in Vancouver, Washington are expected to partially mitigate the damaging effects of duties on our products destined for the US market while increasing US market sales. We intend to leverage our flexible operating platform to continue to overcome any challenges that arise from this trade dispute.

Forward Looking Statements and Information

This press release contains statements that may constitute forward-looking statements under the applicable securities laws. Readers are cautioned against placing undue reliance on forward-looking statements. All statements herein, other than statements of historical fact, may be forward-looking statements and can be identified by the use of words such as “will”, “estimate”, “project”, “expect”, “anticipate”, “plan”, “intend”, “believe”, “seek”, “should”, “may”, “likely”, “pursue” and similar references to future periods. Forward-looking statements in this press release include, but are not limited to, statements relating to: our current intent, belief or expectations with respect to: market and general economic conditions, future costs, available harvest levels and our future operating performance, objectives, capital expenditures and strategies. Although such statements reflect management’s current reasonable beliefs, expectations and assumptions as to, amongst other things, the future supply and demand of forest products, global and regional economic activity, and the consistency of the regulatory framework within which the Company currently operates, there can be no assurance that forward-looking statements are accurate, and actual results or performance may materially vary. Many factors could cause our actual results or performance to be materially different including: general economic conditions, international demand for lumber, competition and selling prices, international trade disputes, changes in foreign currency exchange rates, labour disruptions, natural disasters, relations with First Nations groups, changes in laws, the availability of annual allowable cut, changes in regulations or public policy affecting the forest industry, changes in opportunities and other factors referenced under the “Risks and Uncertainties” section of our MD&A in our 2018 Annual Report dated February 12, 2019. The foregoing list is not exhaustive, as other factors could adversely affect our actual results and performance. Forward-looking statements are based only on information currently available to us and refer only as of the date hereof. Except as required by law, we undertake no obligation to update forward-looking statements.

Reference is made in this press release 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 International Financial Reporting Standards (“IFRS”) 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 IFRS, and should not be considered as alternatives to measure performance under IFRS. 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 IFRS and adjusted EBITDA is included in the Company’s Management’s Discussion & Analysis for the year ended December 31, 2018, which is available under the Company’s profile on SEDAR at www.sedar.com.

Also in this press release 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 forest products company building a margin-focused log and lumber business to compete successfully in global softwood markets. With operations and employees located primarily on the coast of British Columbia and Washington State, Western is a premier supplier of high-value, specialty forest products to worldwide markets. Western has a lumber capacity in excess of 1.1 billion board feet from eight sawmills and four remanufacturing facilities. The Company sources timber from its private lands, long-term licenses, First Nations arrangements, and market purchases. Western supplements its production through a wholesale program providing customers with a comprehensive range of specialty products.

TELECONFERENCE CALL NOTIFICATION:

Wednesday, February 13, 2019 at 9:00 a.m. PST (12:00 p.m. EST)

On Wednesday, February 13, 2019, 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 416-340-2217 or 1-800-806-5484 (passcode: 6567034#). This call will be taped, available one hour after the teleconference, and on replay until February 23, 2019 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: 9860041#).

Contacts:
For further information, please contact:

Stephen Williams
Executive Vice President & Chief Financial Officer
(604) 648-4500