



DON KAYNE
PRESIDENT & CEO

PAT ELLIOTT
VICE PRESIDENT & TREASURER

CIBC Investor Conference
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FORWARD LOOKING STATEMENTS

The presentation and answers to questions today contain forward-looking statements which involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any future results, performance or achievements expressed or implied by such statements. Factors that could have a material impact on any future oriented statements made herein include, but are not limited to: general economic, market and business conditions, product selling prices, raw material and operating costs, foreign exchange rates, interest rates, changes in law and public policy, the outcome of trade disputes, and opportunities available to or pursued by the Company.

For further details on these factors and our assumptions and applicable risks and uncertainties, please refer to Canfor Corporation's Annual Report for the year ended December 31, 2013 available at www.canfor.com or www.sedar.com.



CANFOR CORPORATION (CFP)

OUR FACILITIES

● Sawmills

- 12 in BC, 1 in Alberta
- 10 in US South
(4 in Carolinas, 3 in Alabama; 2 in Georgia & 1 in Mississippi - to close in early 2015)
- Capacity: 5.7 billion board feet

● Pulp and paper mills

- 3 NBSK pulp facilities in Prince George
- 1 BCTMP facility near Fort St John
- Capacity: 1.3 billion tonnes pulp
140,000 tonnes paper

● Green Energy

- 1 plant in Alberta
- 3 pellet plants in BC



DIVERSIFIED REGIONS & CUSTOMERS:

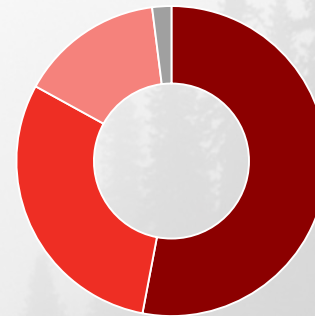
- INTEGRATED CLIENT SERVICE MODELS; STRONG SUPPLY CHAIN FOCUS



Lumber Sales

Last 12 months to Q3 2014
\$2.0 Billion

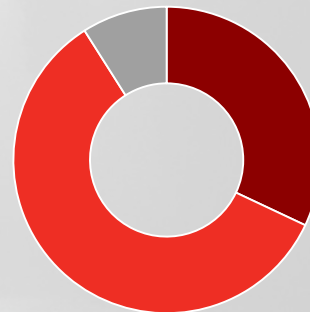
- United States
- Asia
- Canada
- Other



Pulp Sales

Last 12 months to Q3 2014
\$1.0 Billion

- Americas
- Asia
- Europe

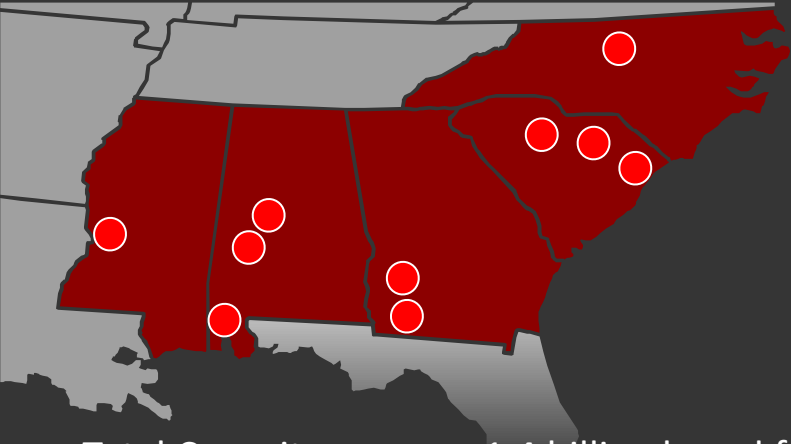


SIGNIFICANT STRATEGIC CAPITAL UPGRADES

- From 2010 to 2014, the Canfor lumber business has invested more than \$300 million on high returning strategic capital upgrades in regions and operations with excellent fibre base:
 - Planer upgrades
 - Energy systems
 - Productivity improvements
 - Grade optimization
- An additional \$150 million has been spent on the acquisition of two Tembec sawmills and re-capitalization of Radium facility in southeastern B.C.



US SOUTH EXPANSION

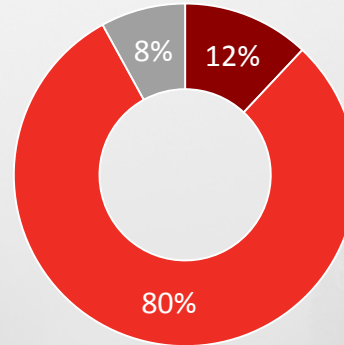


- Total Capacity: approx. 1.4 billion board feet (incl. 2015 acquisitions in GA and MS)
- Strong fibre supply region, high performing operations
- Significant reinvestment of capital
- Access to domestic and offshore markets

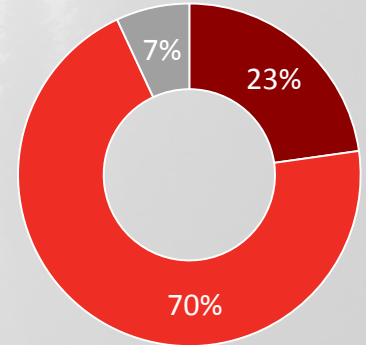
PRODUCTION MIX

■ US South ■ British Columbia ■ Alberta

Current



Pro-forma (post-acquisition)



RISING GLOBAL DEMAND FOR HIGH VALUE GRADES

OFFSHORE MARKETS

J-Grade

- Japan
- China

Square Edge

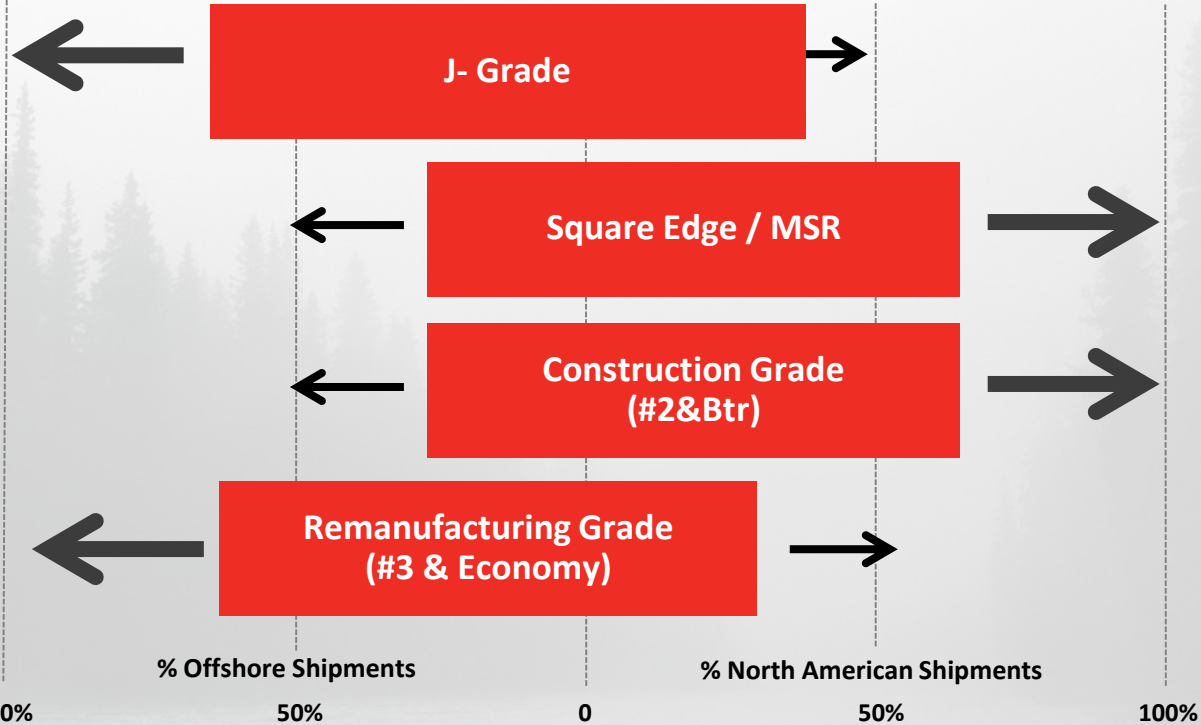
- Korea
- Japan
- China

#2 & Better

- China

#3 & Economy

- China
- India
- Middle East
- Other Emerging Markets



NORTH AMERICA

Square Edge

- USA
- Canada

MSR

- USA
- Canada

#2 & Better

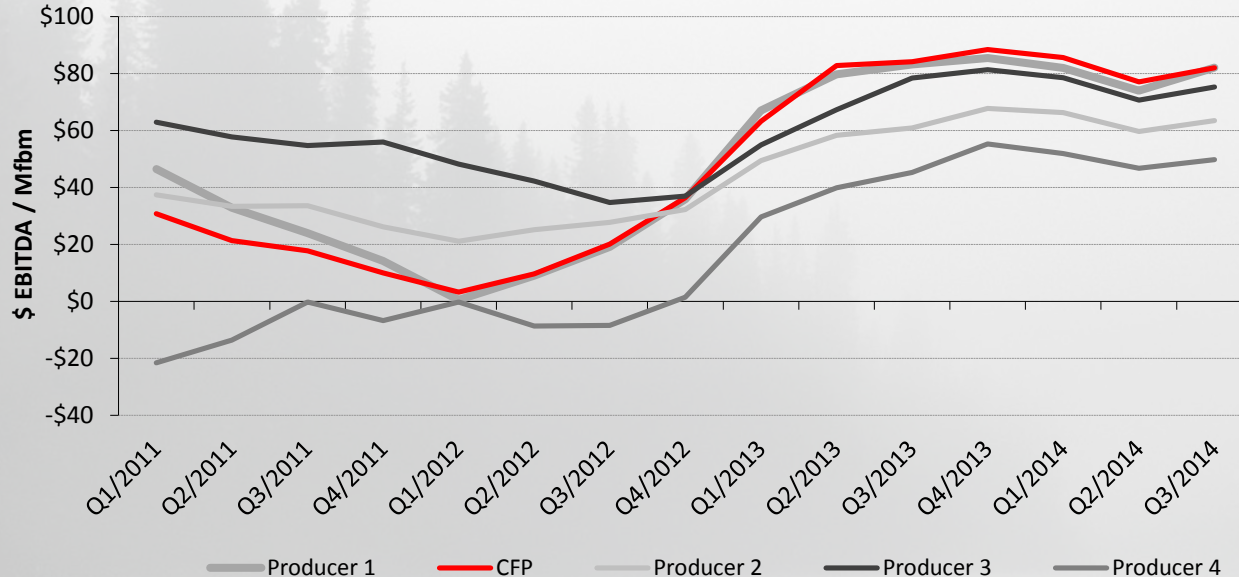
- USA
- Canada

#3 & Economy

- USA
- Canada

SIGNIFICANT EBITDA IMPROVEMENTS: TOP QUARTILE PERFORMANCE

Lumber EBITDA per Mfbm (rolling four quarter average)

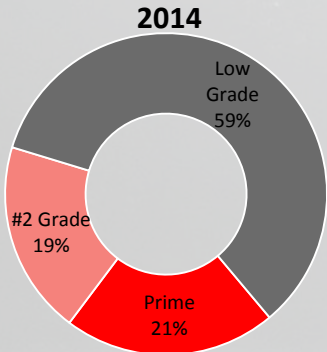
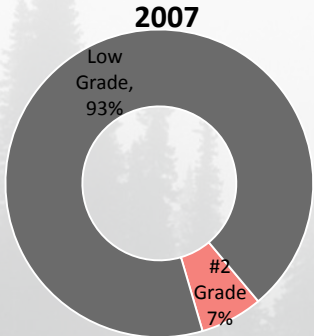


- **Optimizing top quartile performance at lumber operations**
 - Divested non-core assets, closed fibre-challenged mills
- **Expanded market presence and diversification**
 - Building further value / volume in China and Japan
 - Pioneering into new markets (e.g. India)
- **Regional performance reflect strong results in all regions**
 - Strong margin focus and quality fibre base in all regions

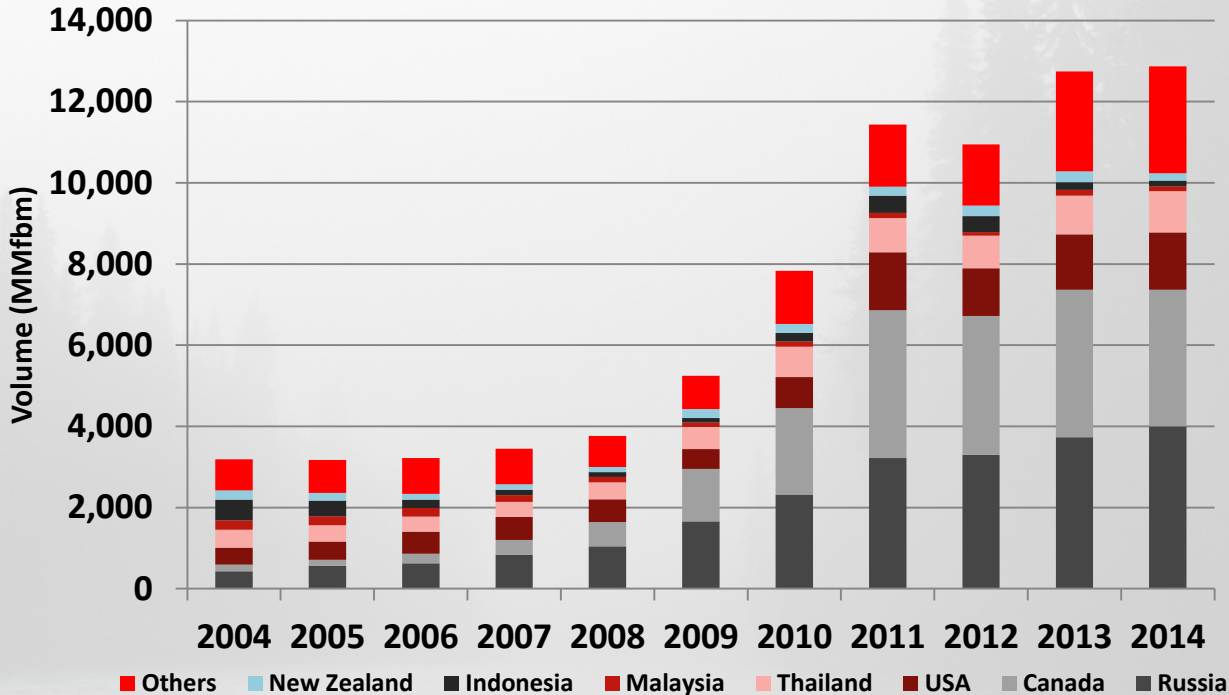


LUMBER MARKETS

CHINA IMPORTS OF LUMBER (MMfbm)

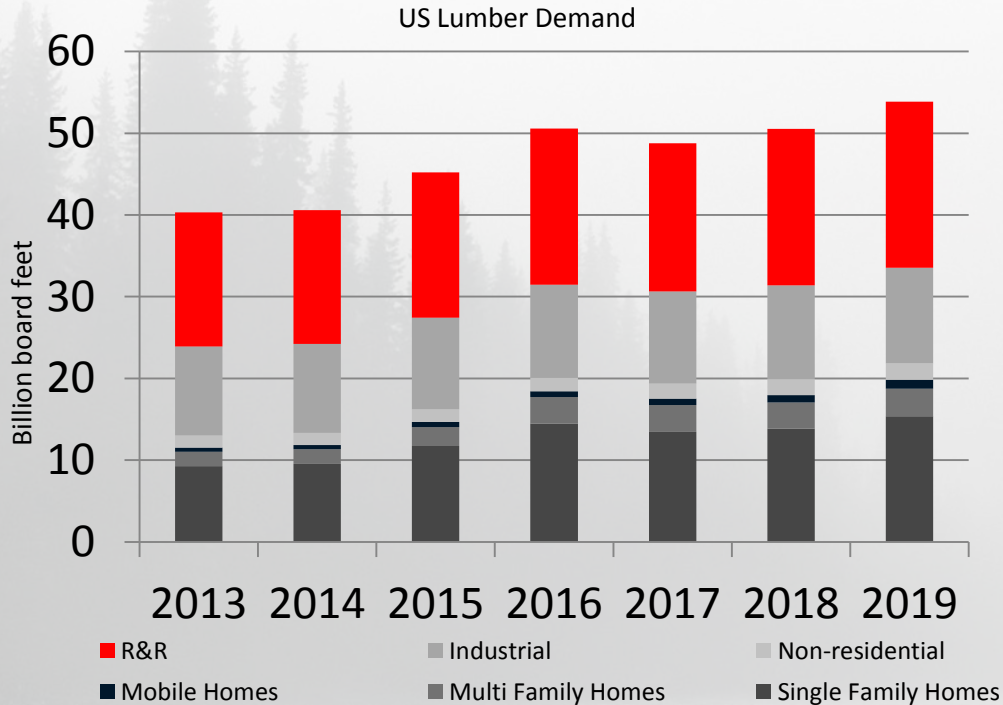


Source: China Customs

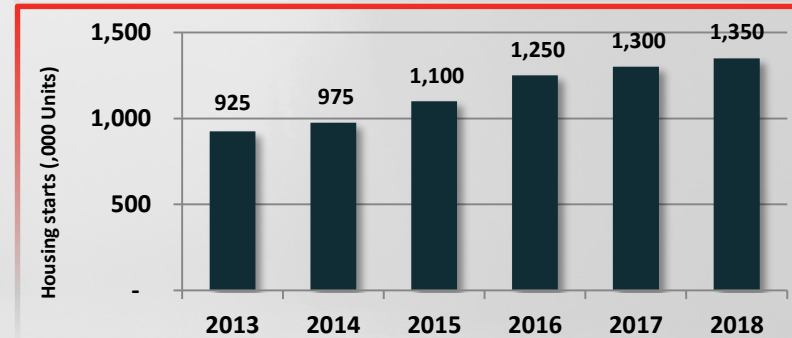
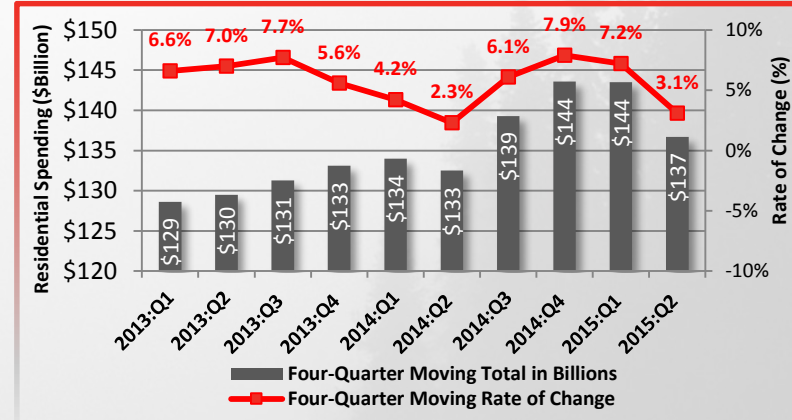


US LUMBER DEMAND

HOUSING STARTS NOT THE ONLY MARKET TO WATCH



Source: RISI





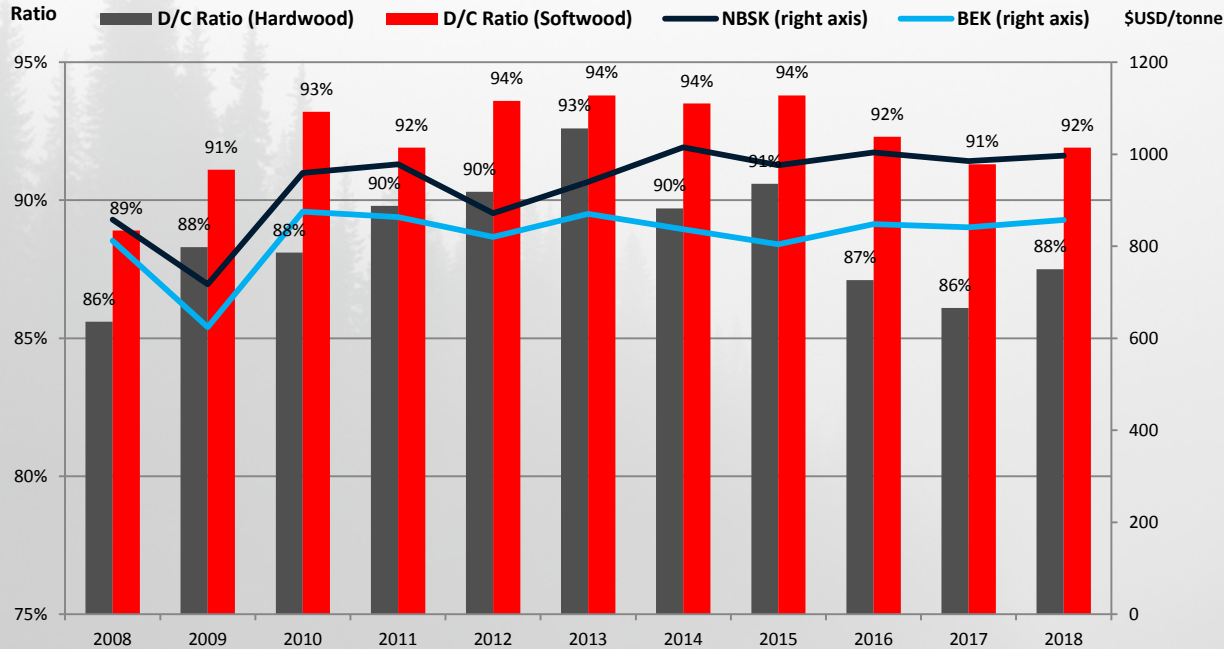
CANFOR PULP PRODUCTS INC. (CFX)

CANFOR PULP OVERVIEW

- 3 facilities located in close proximity within Prince George, BC
- Market pulp capacity of 1.1 million tonnes, kraft paper capacity of 140,000 tonnes
- Focus on operational excellence and achieving targeted operating rates
- Marketing focus on premium product sales to high quality customers
- Fully leverage Canfor/Canfor Pulp integration opportunities (>\$10M per year)



OPERATING CAPACITY REMAINS HIGH FOR SOFTWOOD PULP



- Significant new hardwood capacity forecast to come to market in the near-term
- Historical price premium of \$70 for NBSK over eucalyptus; currently near \$150/admt
- Potential for softwood pricing to be negatively influenced by falling hardwood operating rates

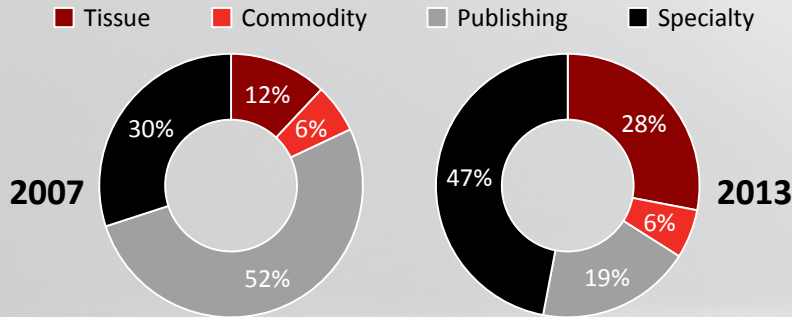
Source: RISI and PPPC

FOCUS ON PREMIUM GRADES SUPPORTING TOP QUARTILE PERFORMANCE

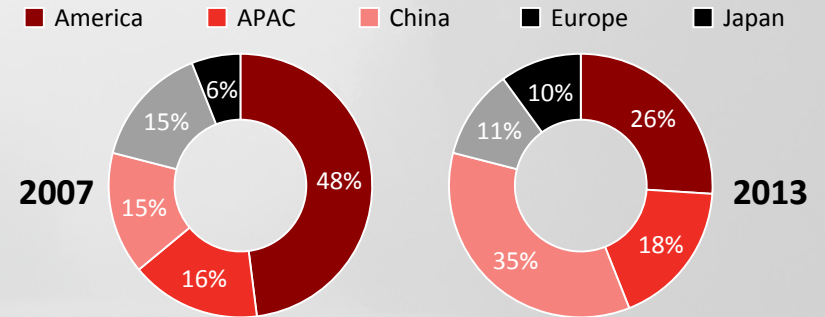
- Targeting customers that need reinforcing pulp
 - Specialty
 - Décor, Masking tape base, Abrasive backing, Labels
 - Tissue
 - Branded top quality lightweight tissue
 - Publication grades
 - > Magazines / Catalogues
 - > Reduce commodity P&W

- A balanced and diversified regional mix
 - Rebalance growth in China and the reduction in North American business

End Use

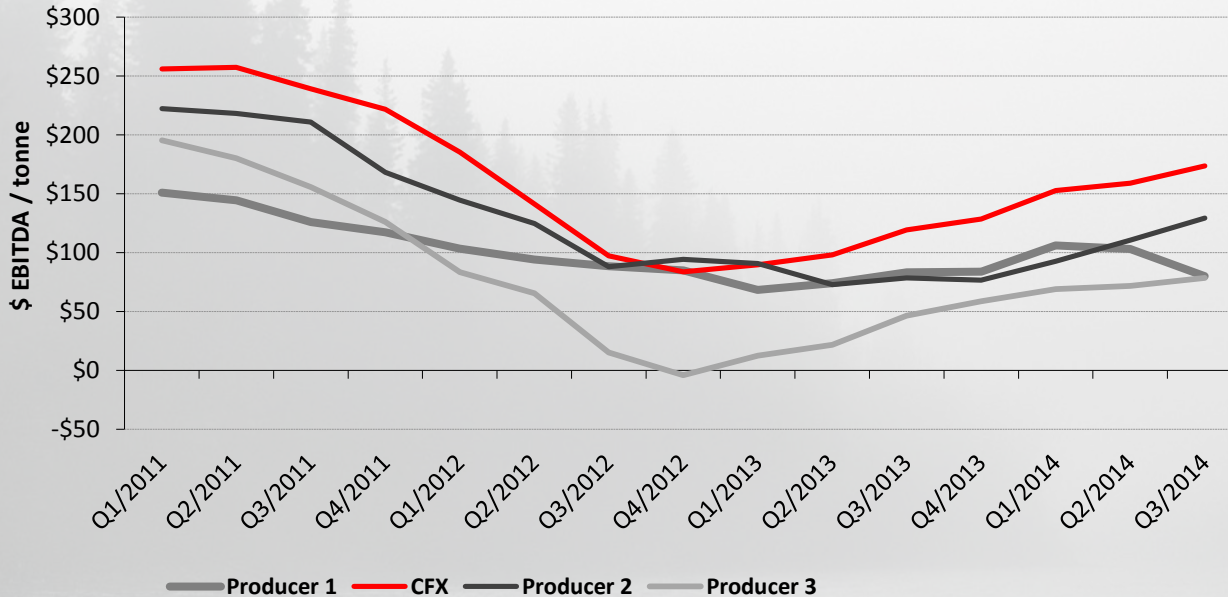


Sales



SUSTAINED EBITDA PERFORMANCE AGAINST PEERS

EBITDA per admt pulp (rolling four quarter average)



Reinforcing top quartile performance:

- Ongoing operational excellence focus
- Energy optimization
- Enhancing offerings of premium pulp and specialty paper
- Over \$250 million of capital investment since 2010



INVESTOR CONTACTS

TSX Ticker: CFP, CFX

PAT ELLIOTT

VICE-PRESIDENT & TREASURER

Patrick.Elliott@canfor.com

604-661-5441