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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

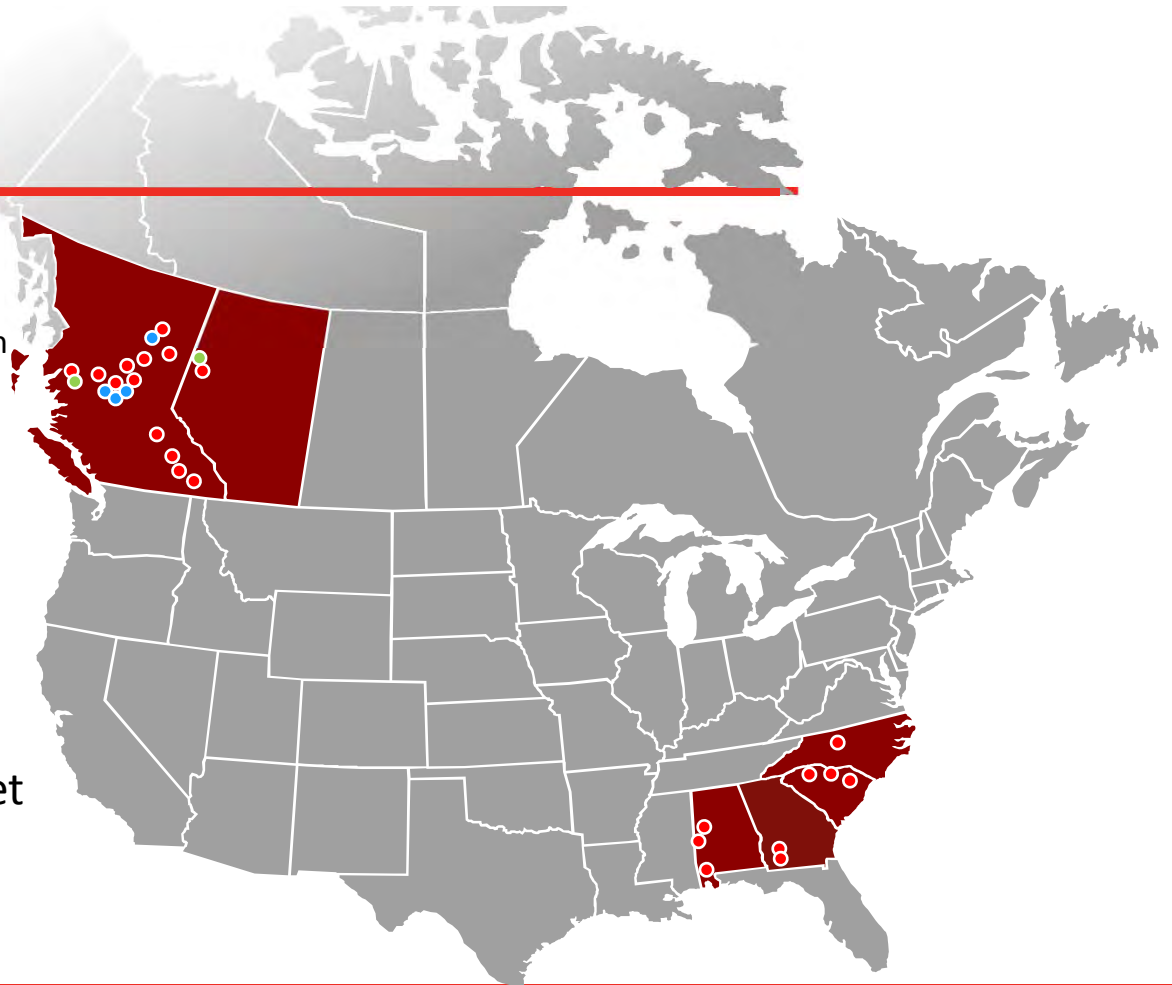
● Sawmills

- 12 in BC, 1 in Alberta
- 3 in South Carolina, 1 in North Carolina, 3 in Alabama; 2 in Georgia
- Capacity: 5.6 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

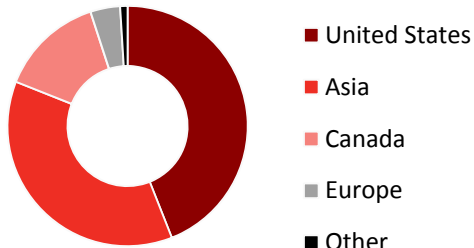
- Green Energy plant (Alberta), Pellet Plant (BC)



DIVERSIFIED REGIONS AND CUSTOMERS

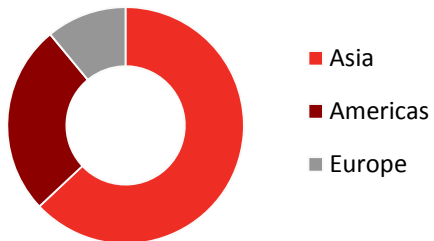
- STRONG FOCUS ON HIGH VALUE & SPECIALTY PRODUCTS

2013 Lumber Sales



Lumber Sales: \$2.2 billion

2013 Pulp Sales



Pulp & Paper Sales: \$1.0 billion



UPM



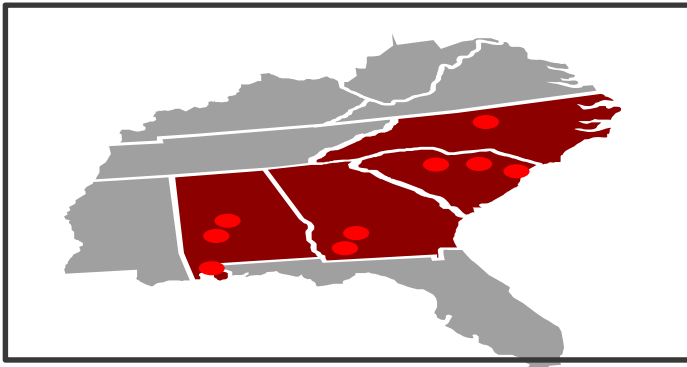
SIGNIFICANT STRATEGIC CAPITAL UPGRADES

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:

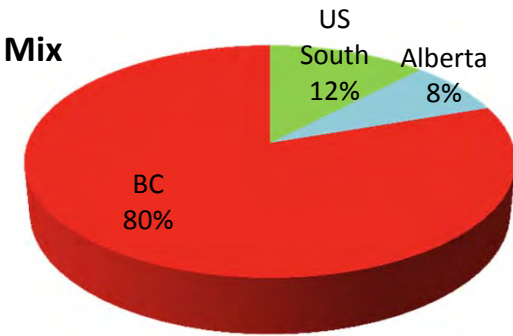
- Planer upgrades
- Energy systems
- Productivity improvements
- Grade optimization

An additional \$150 million has been spent on the acquisition of two Tembec sawmills and re-capitalization of Radium facility in Southeastern B.C.

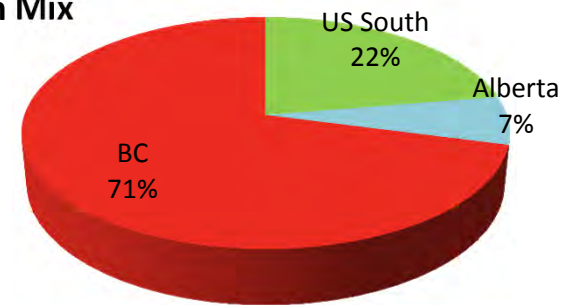
US SOUTH EXPANSION



2014 Production Mix

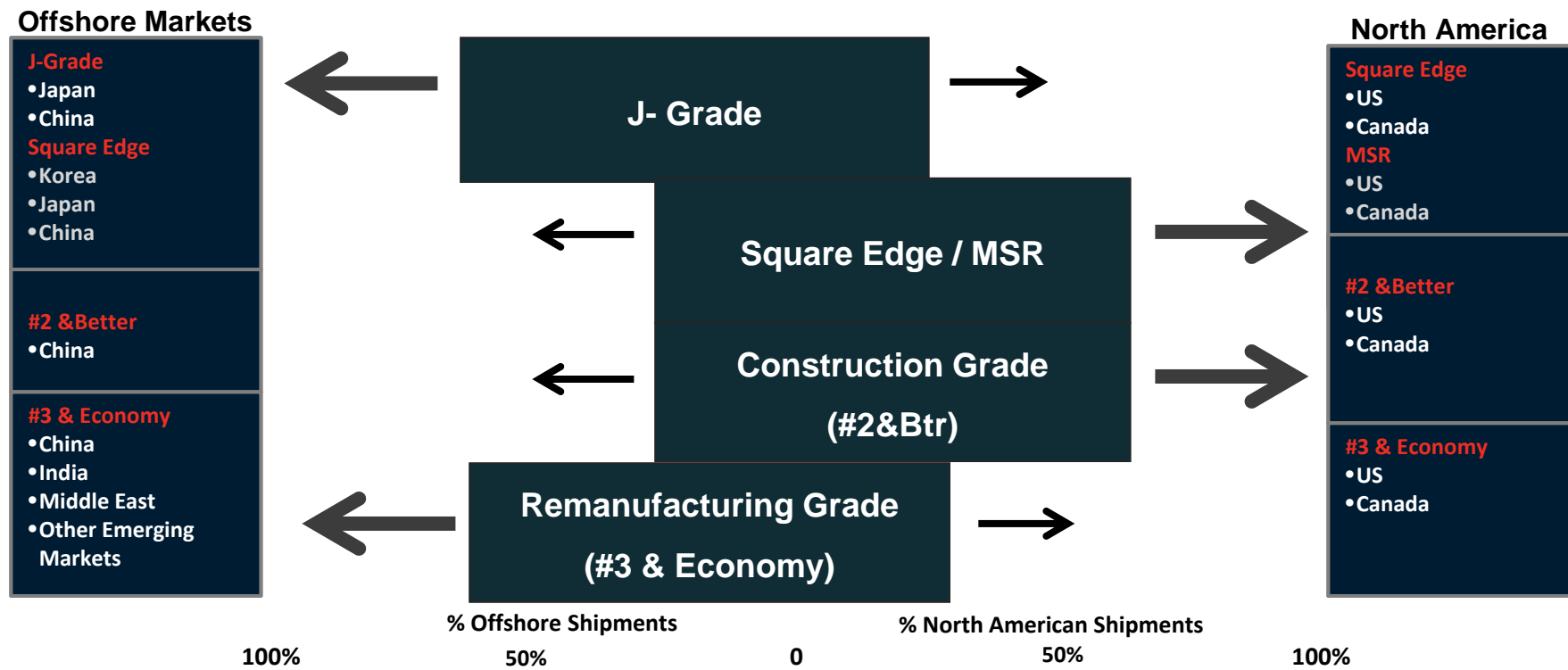


2016 Production Mix



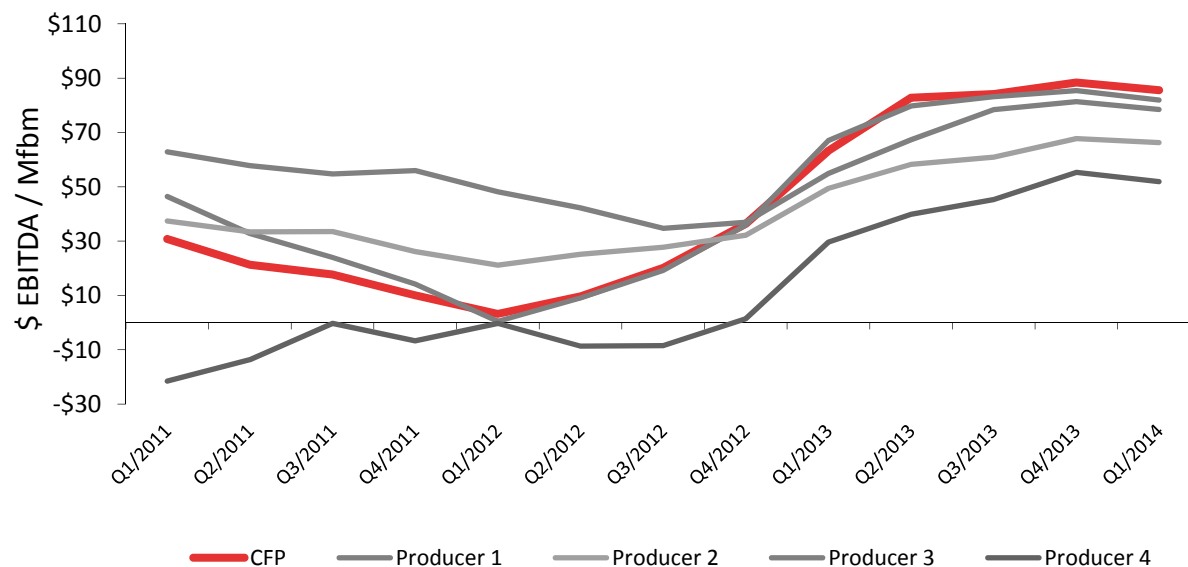
- Total Capacity: 1.25 billion board feet
- Strong fibre supply region, high performing operations
- Significant reinvestment of capital
- Access to domestic and offshore markets

RISING GLOBAL DEMAND FOR HIGH VALUE GRADES



SIGNIFICANT EBITDA IMPROVEMENTS – TOP QUARTILE PERFORMANCE

EBITDA per Mfbm
(rolling four quarter average)

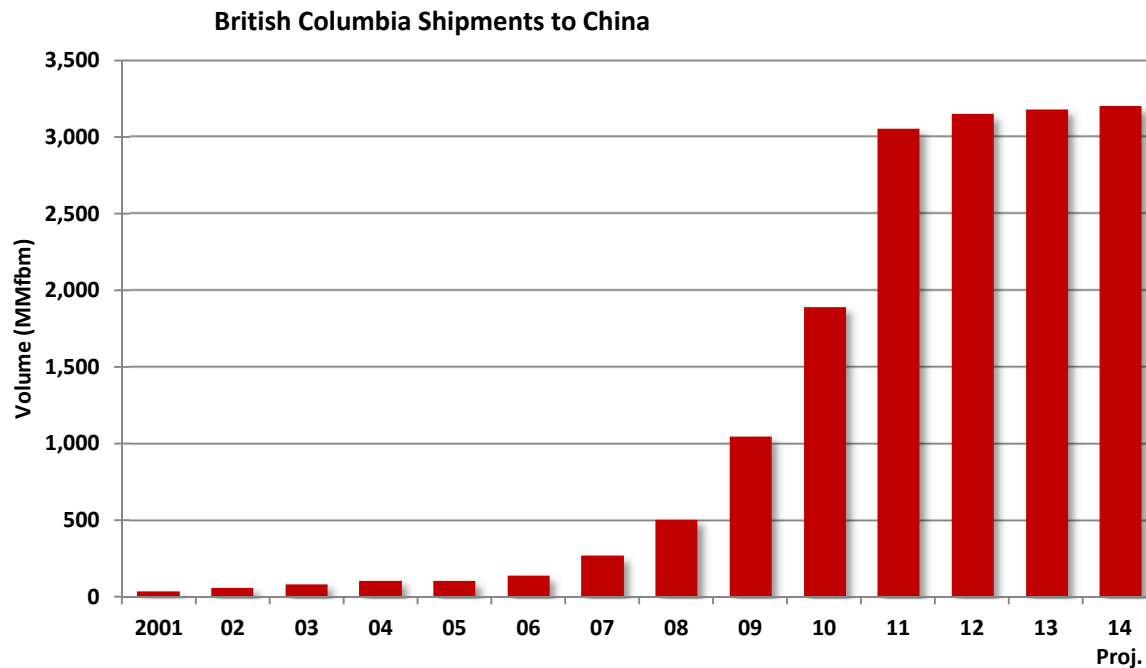


- **Optimizing top quartile performance at lumber operations**
 - Divested non-core assets, closed fibre-challenged mills
- **Expanded market presence and diversification**
 - Building further value / volume in China and Japan
 - Pioneering into new markets (e.g. India)
- **Regional performance reflect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



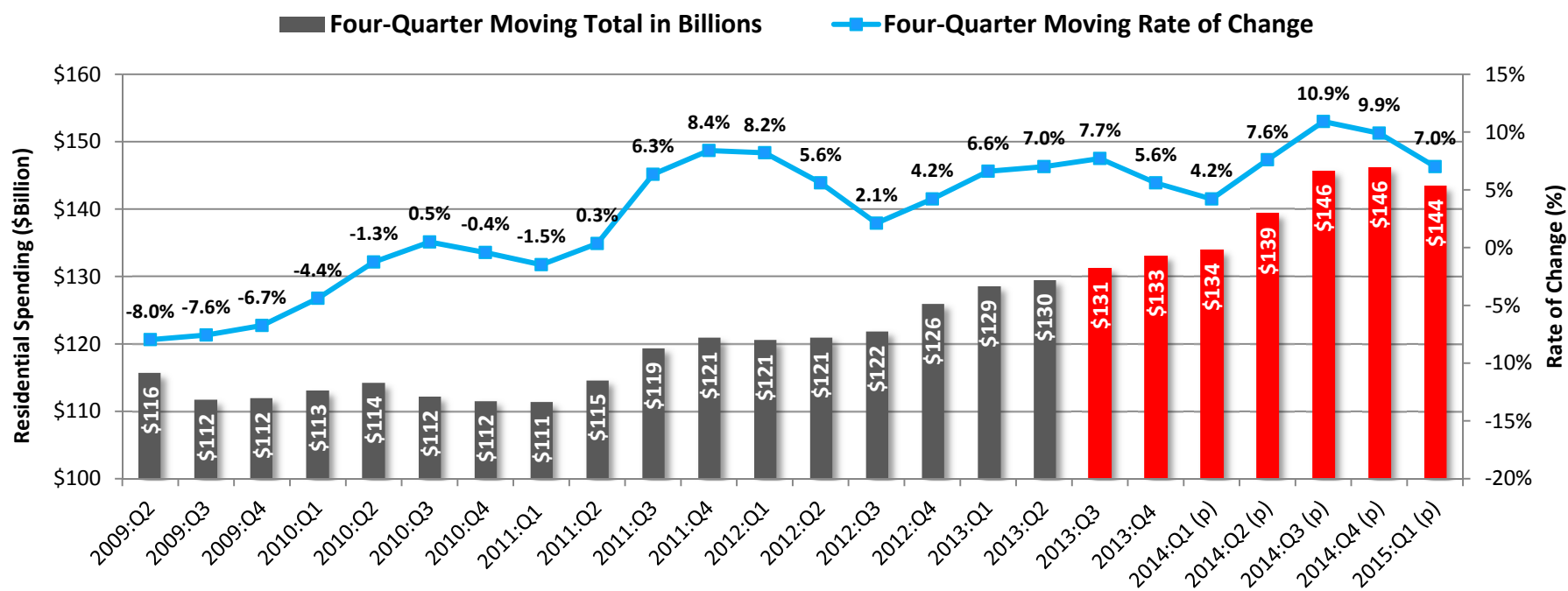
LUMBER MARKETS

SHIPMENTS TO CHINA REMAIN STRONG



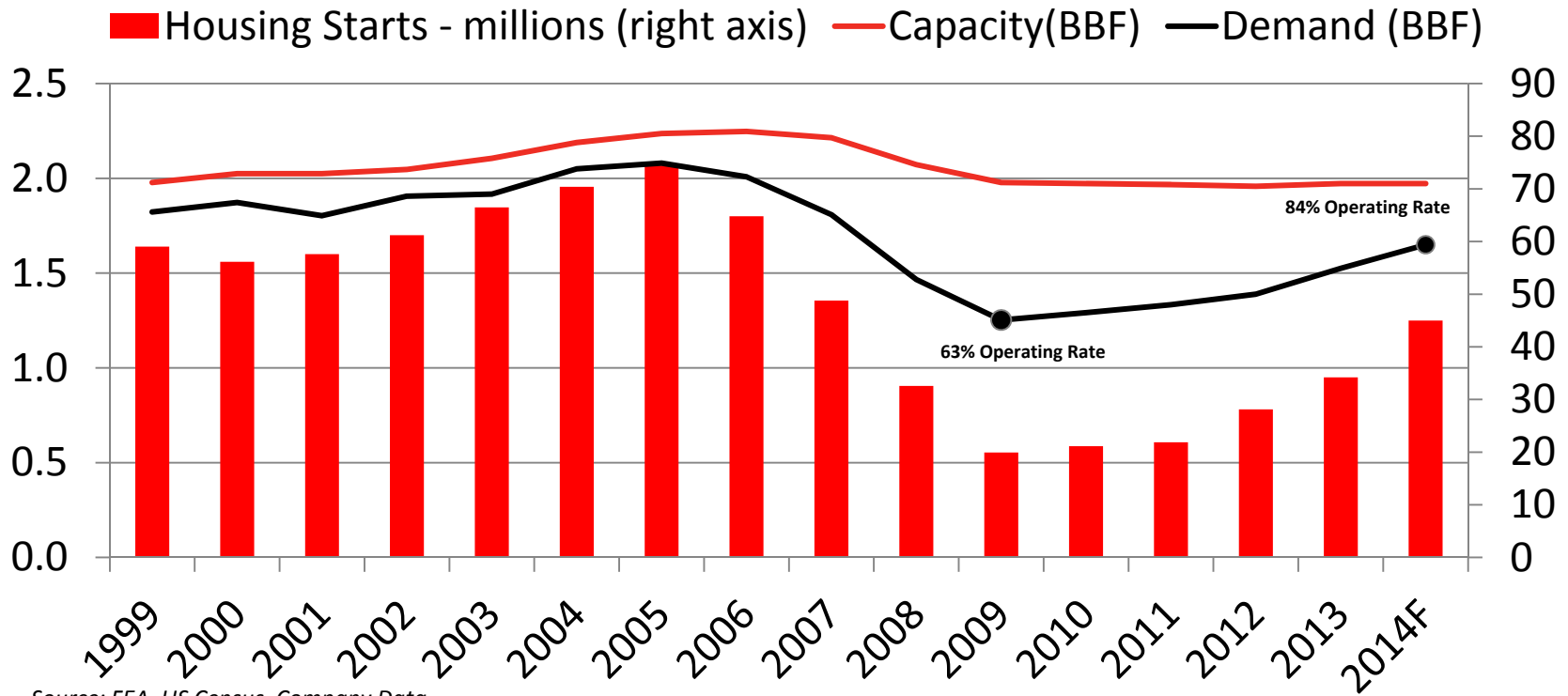
- Slower growth in recent years, steady demand equivalent to 300,000 housing starts
- End usage focused on remanufacturing and affordable housing
- Expanded wood use to include higher grade lumber

REPAIR & REMODING ACTIVITY EXPECTED TO INCREASE



Sources: Joint Center for Housing Studies, Leading Indicator of Remodeling Activity and U.S. Census Bureau Value of Private Residential Construction Spending Put in Place (C-30).

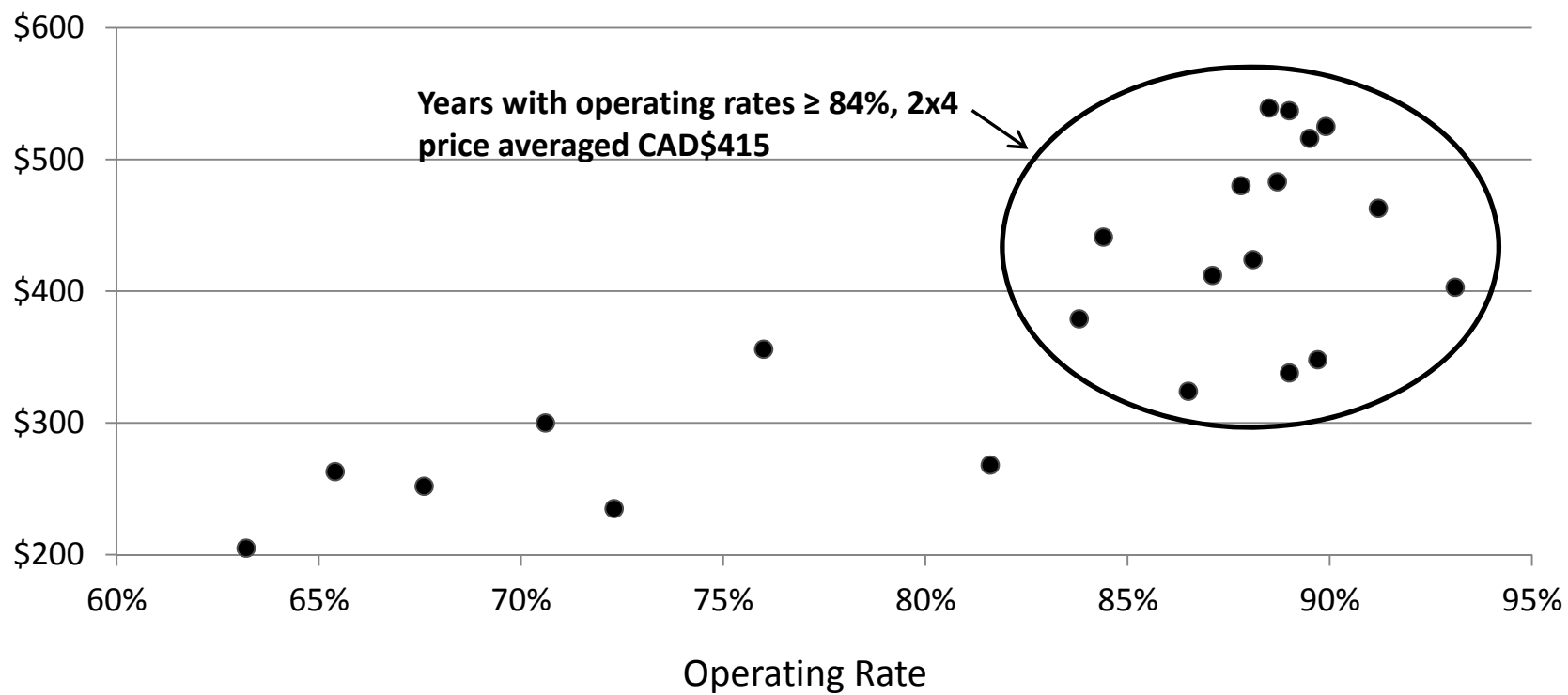
North American Capacity and Demand



Source: FEA, US Census, Company Data



CAD Price/Operating Rate (1992-2013)



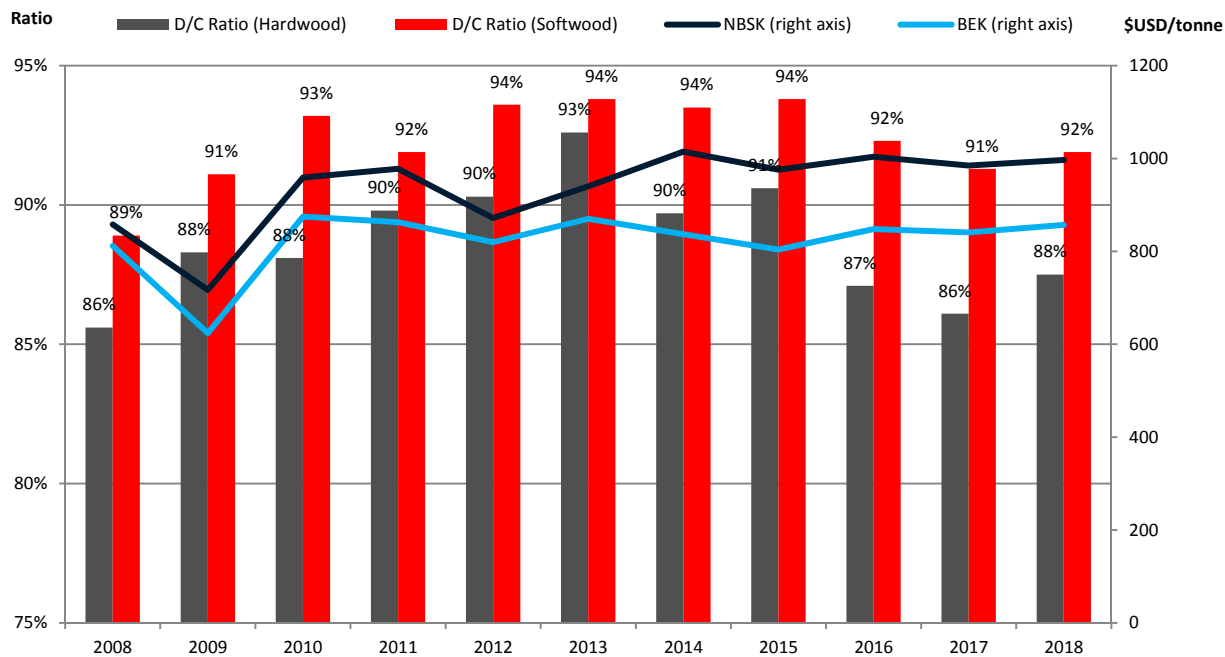
Canfor Pulp Products Inc. (CFX)



Canfor Pulp Overview

- 3 facilities located in close proximity within Prince George, BC
 - Well capitalized mill operations with stable, low cost fibre supply
 - Significant recent capital investment (≈\$250M) preserving top quartile performance
 - Growing energy revenues from current and future high return capital investment
- Market pulp capacity of 1.1 million tonnes, kraft paper capacity of 140,000 tonnes
 - Fourth largest NSK producer in the world
- 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

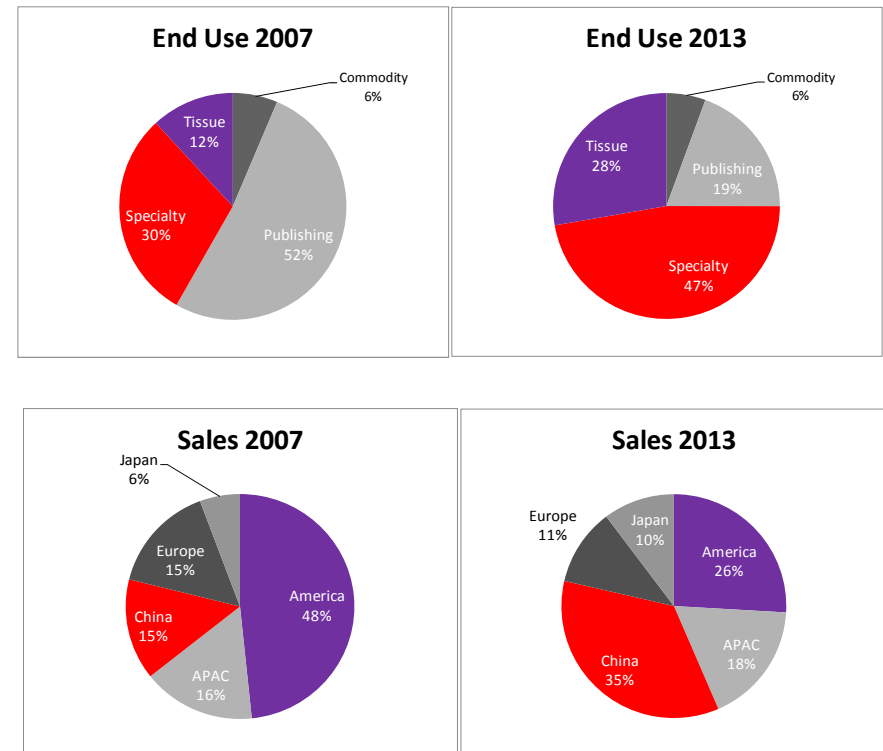
Publication grades

Magazines / Catalogues

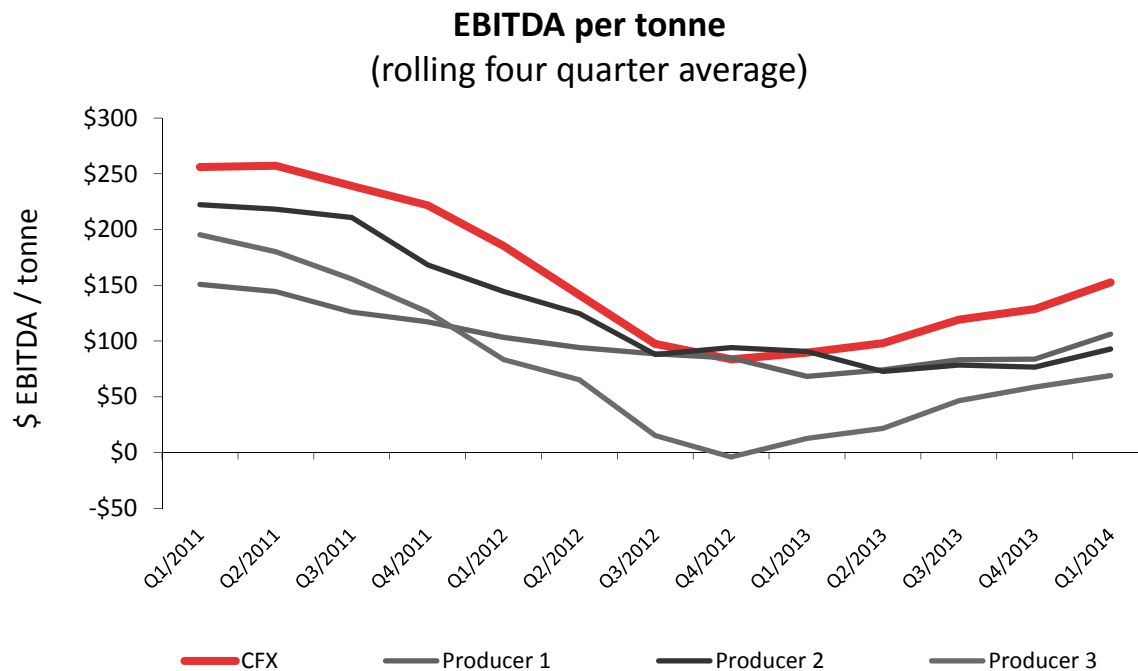
Reduce commodity P&W

A balanced and diversified regional mix

Rebalance growth in China and the reduction in North American business



SUSTAINED EBITDA PERFORMANCE AGAINST PEERS



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



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