

Canfor Corporation

Thomas Sitar – Vice President, Finance and CFO

RBC Capital Markets - Paper, Packaging & Forest Products Conference

November 30, 2010





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, 2009 available at www.canfor.com or www.sedar.com.



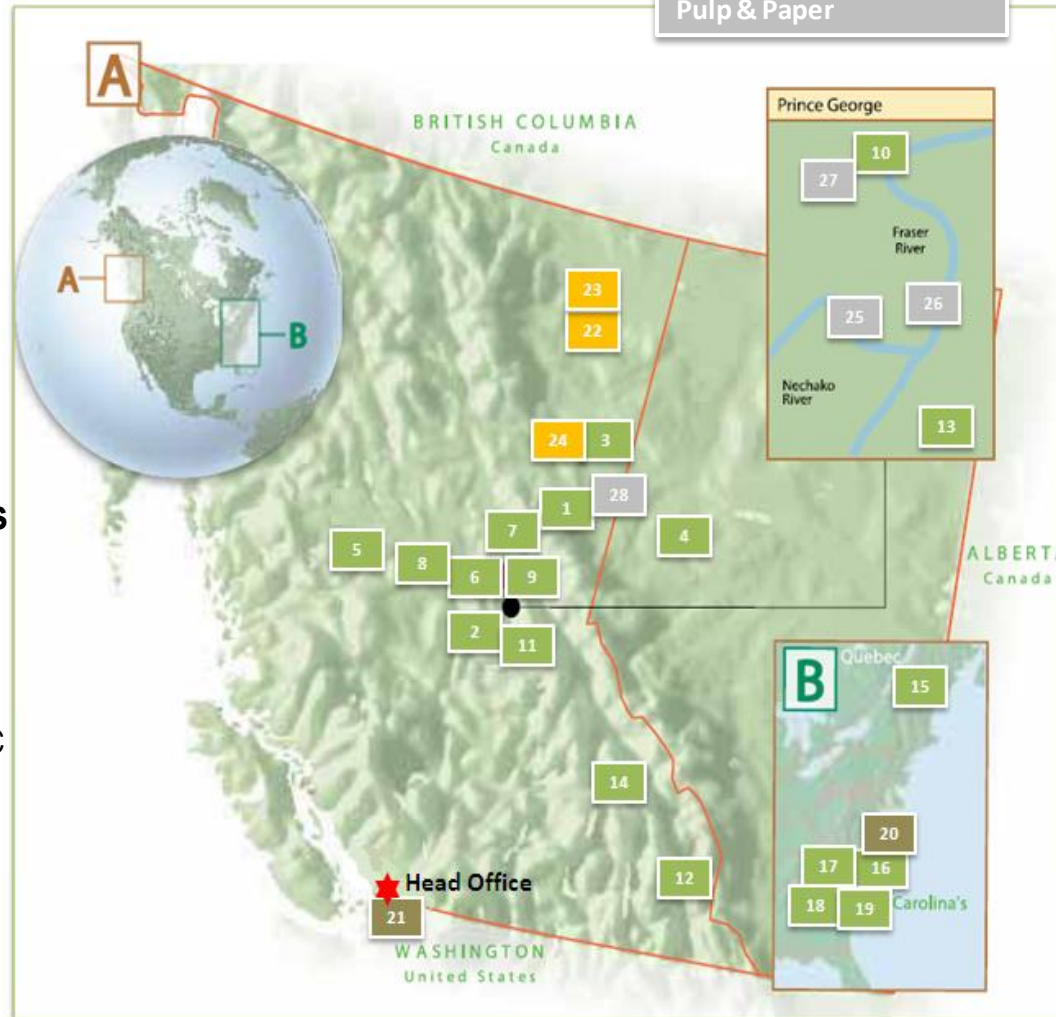
Canfor Operations

Core Holdings

- 15 sawmills in Canada (4.3 BBF)
- 4 sawmills in US (0.6 BBF)
- 50.2% interest in Canfor Pulp (3 BC interior pulp mills -1 million admt)

Non Core Holdings

- 50% interest -Peace Valley OSB plant
- 2 panel plants in BC – OSB & plywood
- 1 BCTMP pulp mill in BC

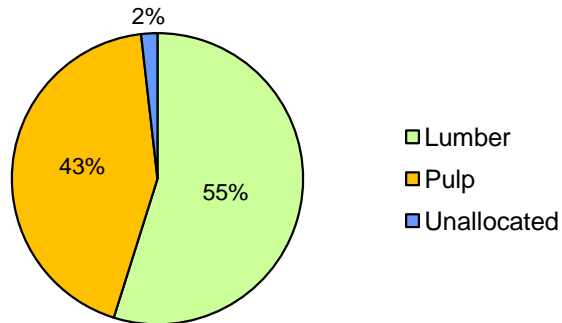


	Locations
1	Chetywnd
2	Clear Lake
3	Ft. St. John
4	Grand Prairie, AB
5	Houston
6	Isle Pierre
7	Mackenzie
8	Plateau
9	Polar
10	Prince George
11	Quesnel
12	Radium
13	Rustad
14	Vavenby
15	Daaquam, QC
16	Darlington, SC
17	Graham, NC
18	Conway, SC
19	Camden, SC
20	Marion, SC
21	Bellingham, WA
22	Tackama
23	PolarBoard
24	Peace Valley
25	Intercontinental
26	Prince George
27	Northwood
28	Taylor

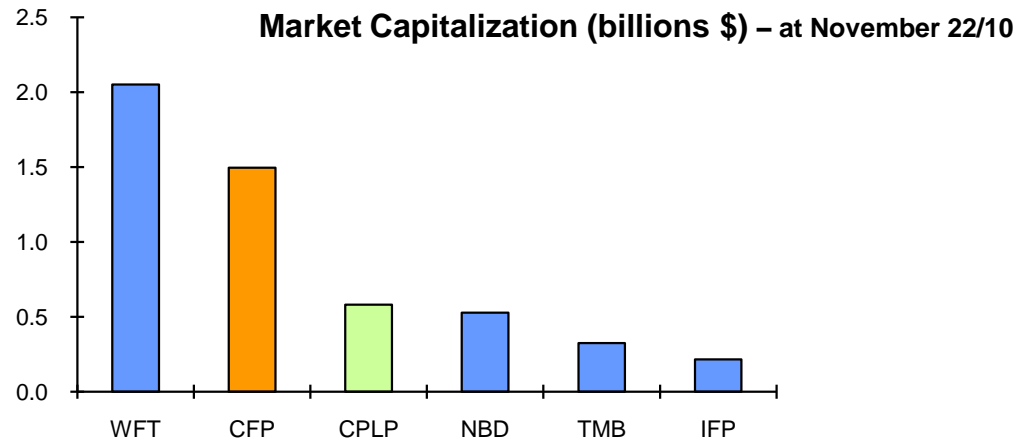
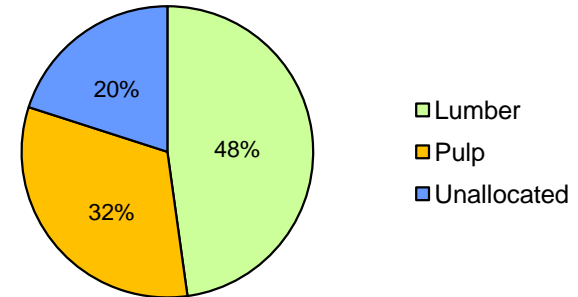


Canfor Overview

2009 Revenues (\$2.1 billion)

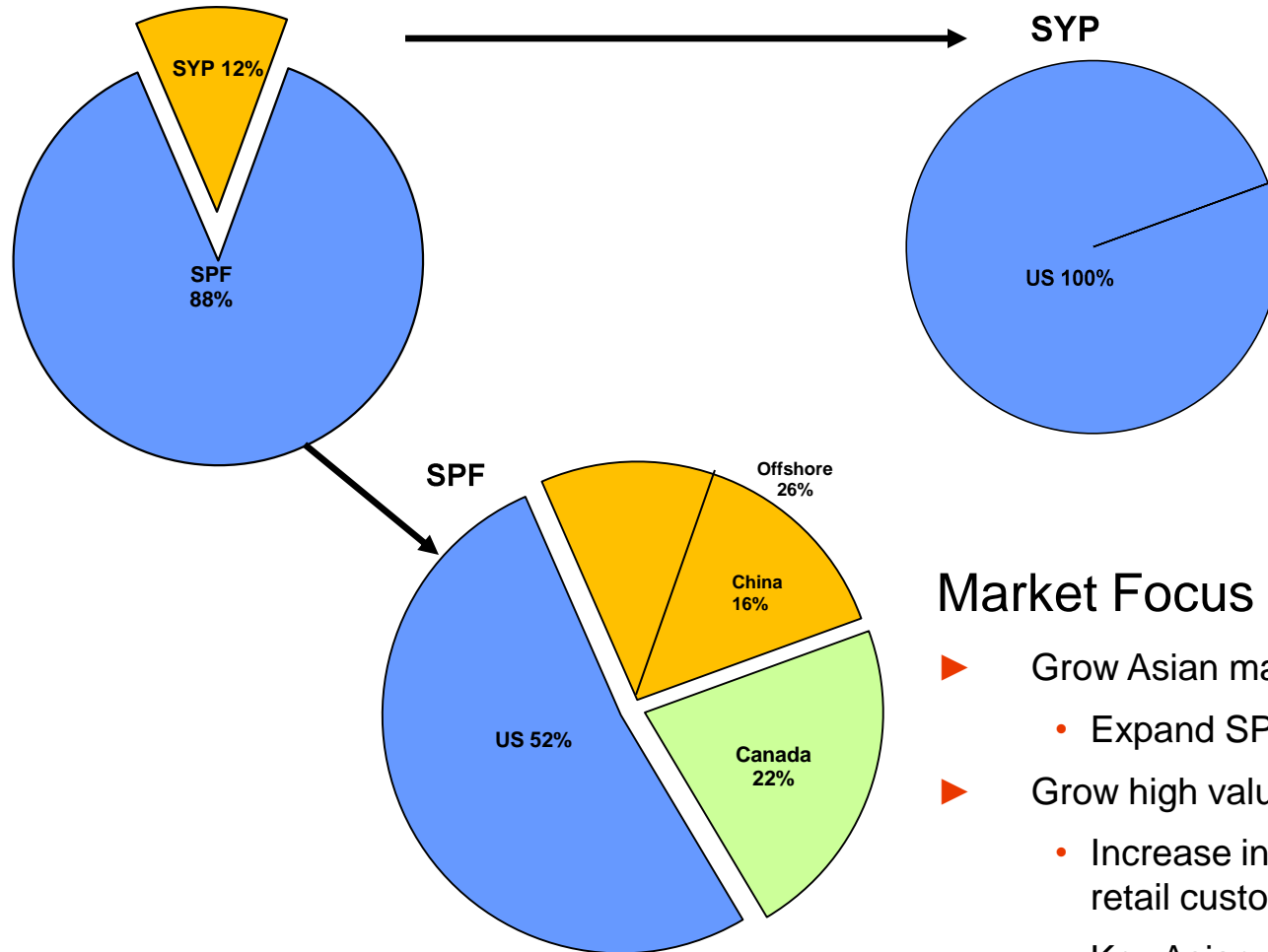


Assets (\$2.7 billion)





Our Markets - Lumber



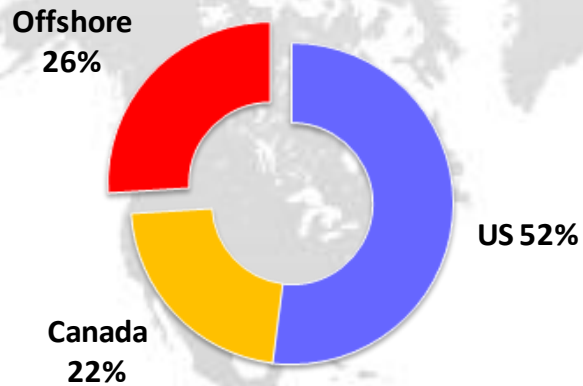
Market Focus

- ▶ Grow Asian markets
 - Expand SPF uses in China
- ▶ Grow high value customers
 - Increase integration with U.S. retail customers
 - Key Asian customers

Represents September 2010 YTD volumes

Geographic Market Diversification (SPF only)

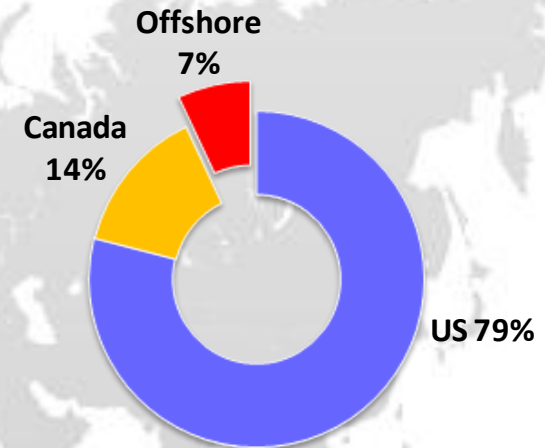
2010 Estimate (2.8 Bfbm)



Offshore Markets

China	16 %
Japan	8%
Korea/Other Asia	2 %

2005 (5.1 Bfbm)

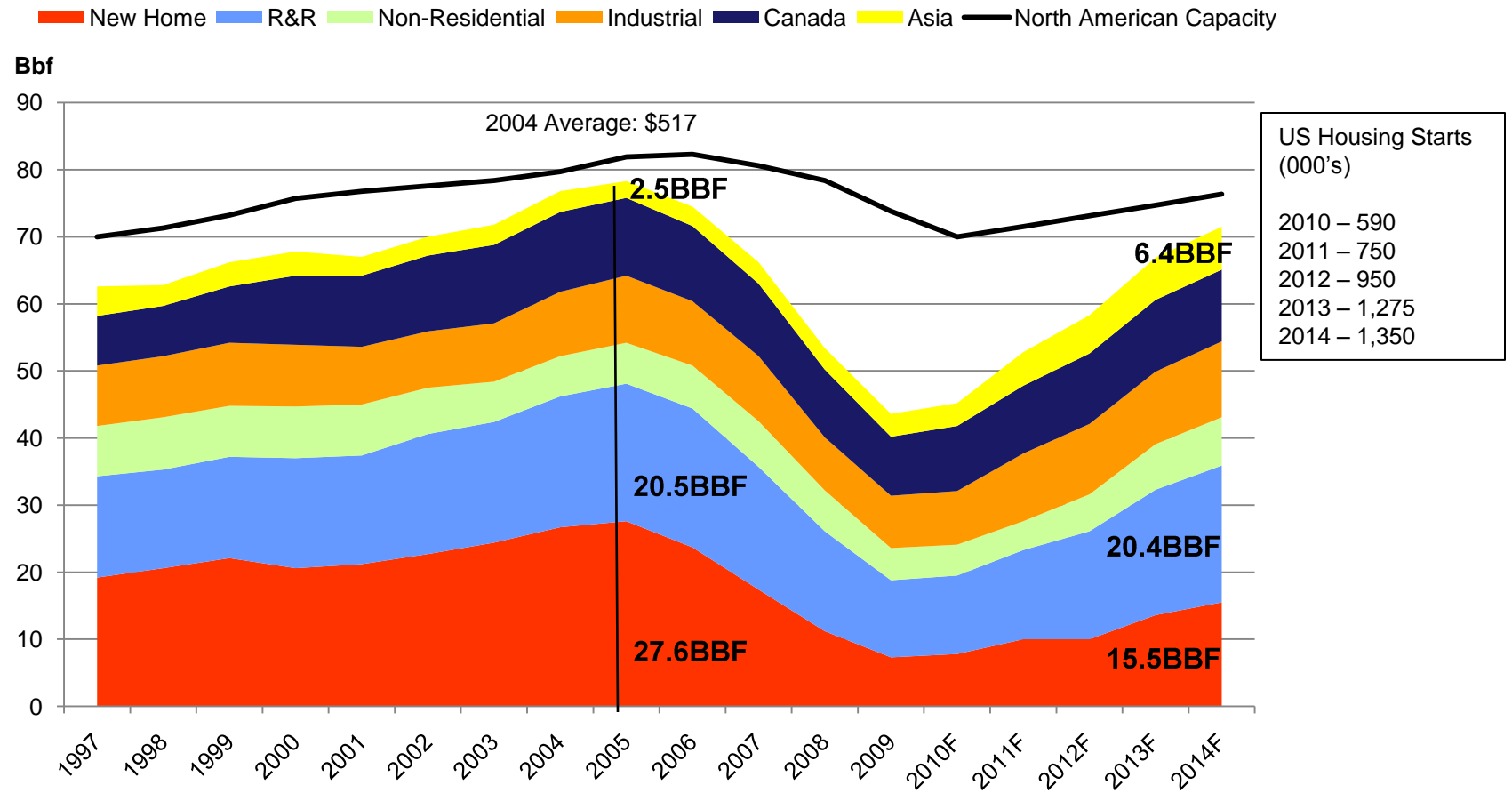


Offshore Markets

China	0.3 %
Japan	6%
Korea/Other Asia	0.7 %



North American Supply and Demand - Lumber



Source: Woodbridge Associates Inc., Company Estimates, USDA
 Capacity growth rate estimated at 2.2% based on historic figures



Customer Centric

Product Offerings

**Offshore
Premium**



**Home Centre
Grade**



**Construction
Grade**



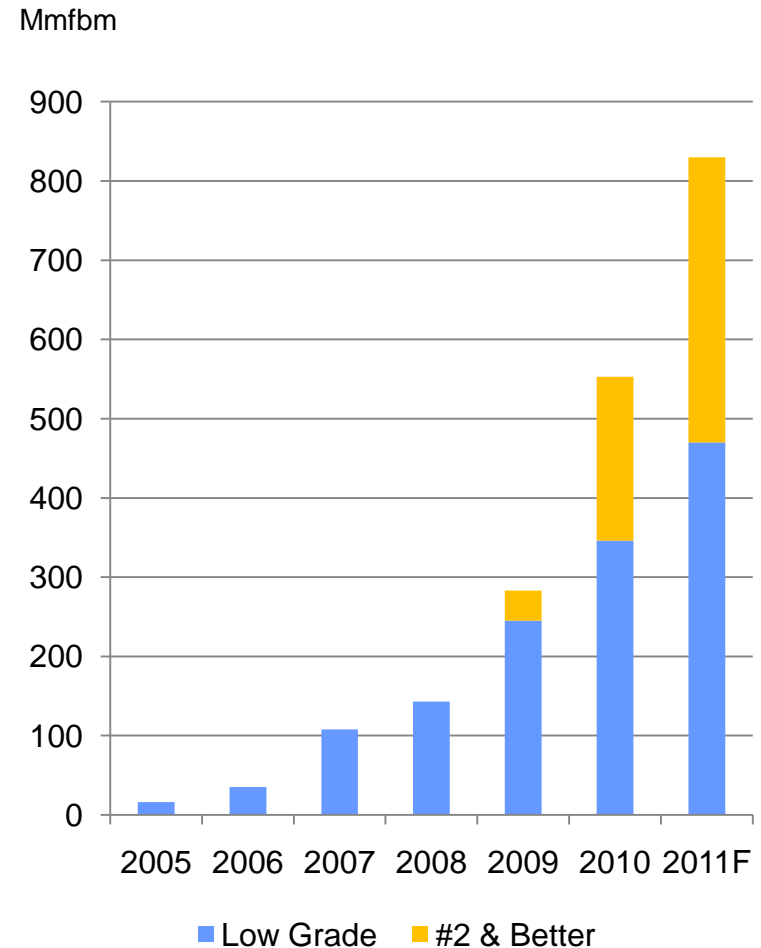
**Reman
Grade**





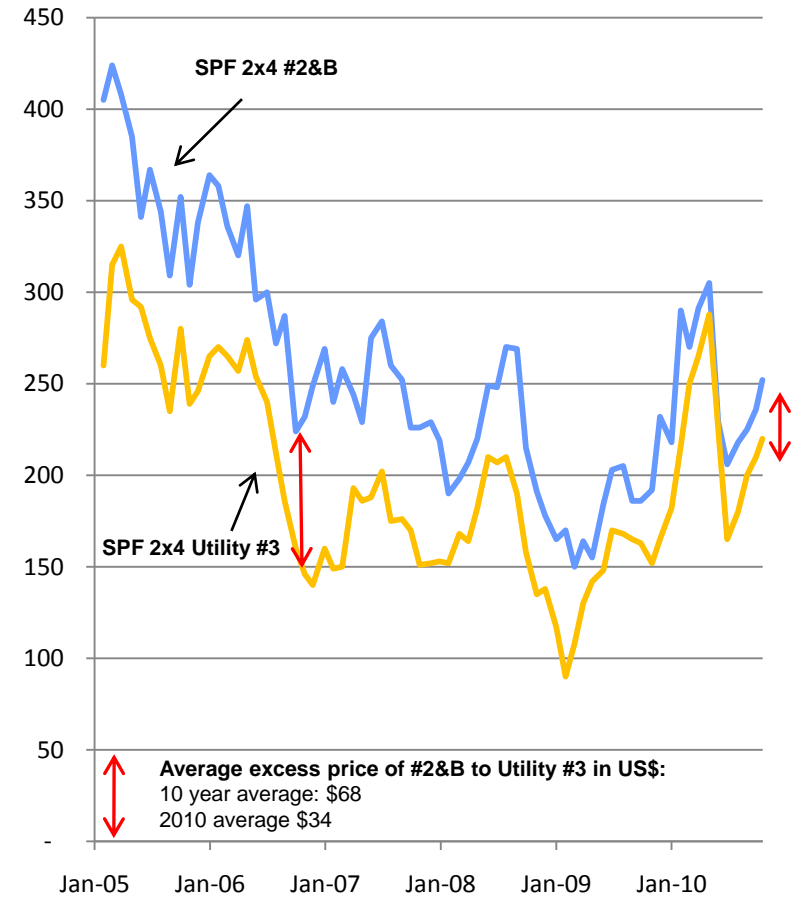
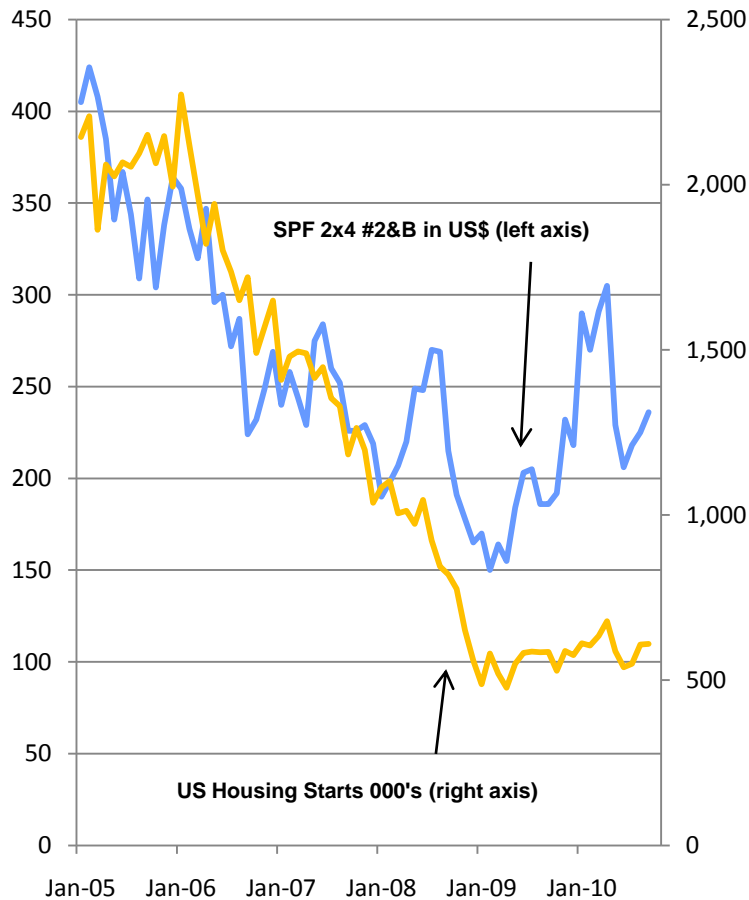
Canfor Lumber to China

- ▶ Long term commitment to China
- ▶ Building codes are now more conducive to wood frame construction (“WFC”)
- ▶ Increasing use of #2&Better grade in emerging WFC housing sector





Market Price Compression and the “China Effect”



China – Opportunities



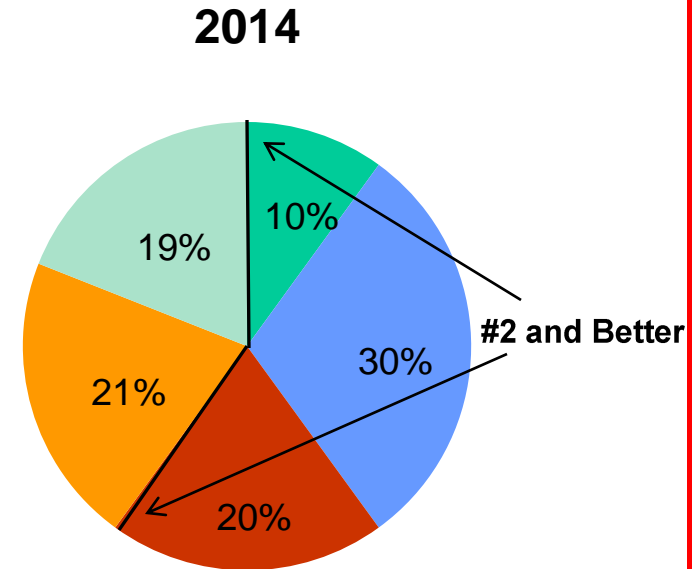
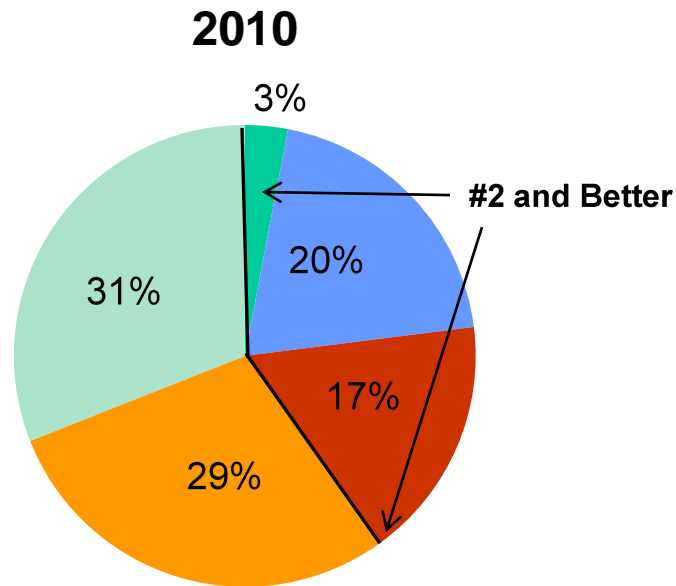
- Affordable high density multi-story hybrid dwellings
 - Residential
 - Commercial
 - Public buildings
- 6 story & under
 - Interior / exterior in-fill
 - Roofs
- 7 – 18 story
 - Interior in-fill walls
- Low-density wood frame dwellings
 - Villas / 2-3 story townhomes
 - Single family / farm houses
 - Resort homes

Why?

- Senior government support
- Competitive with concrete
- Building codes in place
- Quality assurance
- Seismic performance
- Green housing / carbon reduction



China – End Uses (Current and Projected)



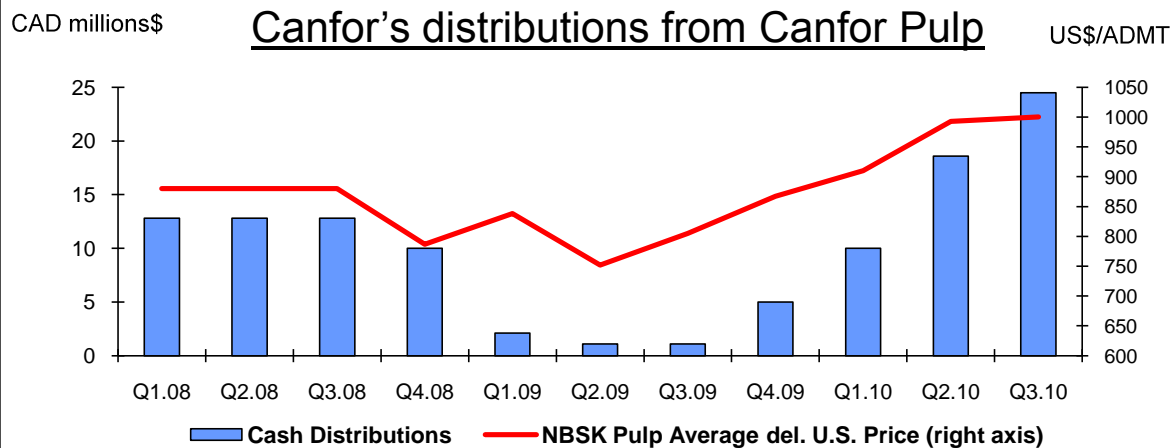
- House Construction (#2&Btr.) – Interior and Exterior Walls, Trusses, Concrete Forms, Scaffolding
- Industrial Remanufacturing (#2&Btr.) – Pallets, Crates, Flooring, Furniture
- Site Construction (#2&Btr.) – Concrete Forms, Scaffolding
- Site Construction (Utility #3) – Concrete Forms, Scaffolding
- Industrial Remanufacturing (Utility #3) – Pallets, Crates, Flooring, Furniture

Source: Woodbridge Associates Inc. and Company Estimates



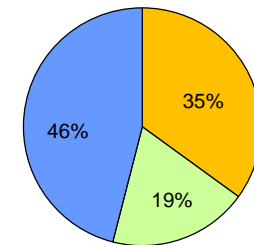
Canfor Pulp

- ▶ Controlling interest in Canfor Pulp Limited Partnership
- ▶ 2010 estimated declared cash distributions of \$81 million*
- ▶ NBSK pulp markets are currently balanced
- ▶ Low cost mills

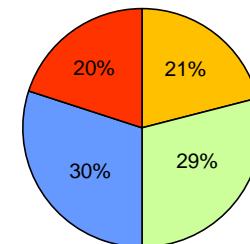


2009

■ North America ■ Europe ■ Asia



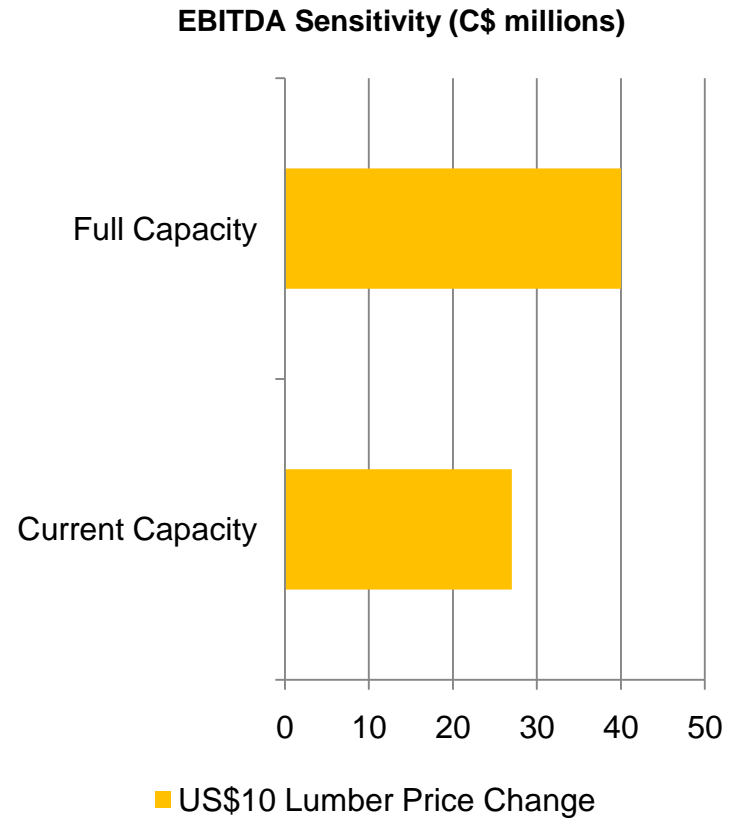
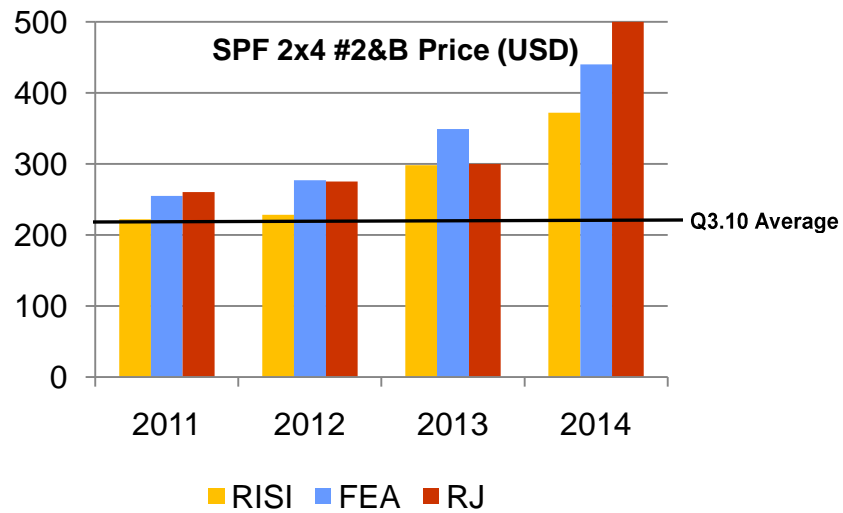
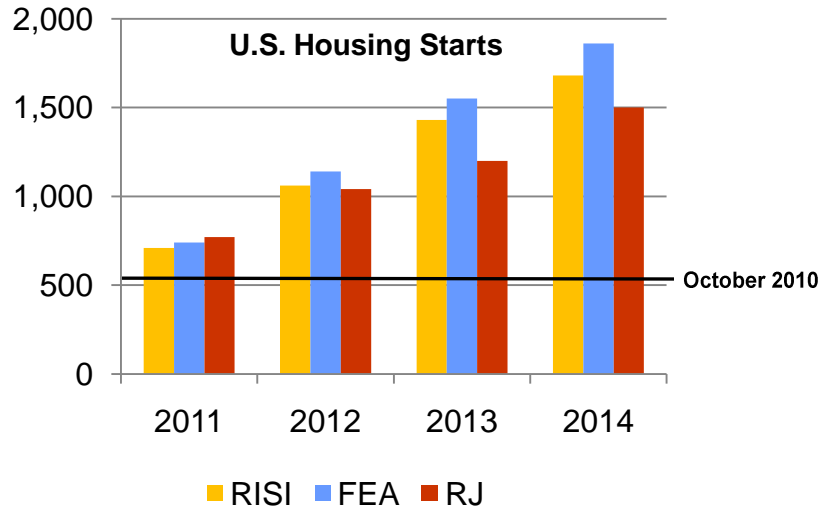
■ Tissue ■ P&W ■ Specialty ■ Commodity



* Assumes current monthly distribution of \$0.25 continues for the remainder of 2010



Leveraged to a Lumber Market Recovery





Optimistic about the future

- ▶ U.S. lumber market will recover
- ▶ Continued growth in Asia
- ▶ Constraints facing global fibre supply
- ▶ Improving lumber prices
- ▶ Supply/Demand metrics point to lumber shortage in the future





Canfor Corporation

These materials have been prepared by Management of the Company. No regulatory authority has approved or disapproved of the contents of these materials. These materials do not constitute an offer to sell or the solicitation of an offer to buy any securities of the Company and shall not constitute an offer, solicitation or sale of the Company's securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. Securities of the Company may not be offered or sold in the United States absent their prior registration or qualification or an applicable exemption from the applicable registration or qualification requirements.

TSX:CFP



Contacts:

Thomas Sitar – VP Finance and CFO
604 661 5487
Tom.Sitar@canfor.com

Patrick Elliott - Treasurer
604 661 5441
Patrick.Elliott@canfor.com

Appendix





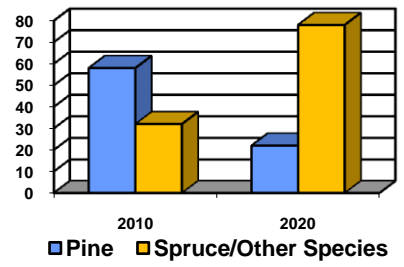
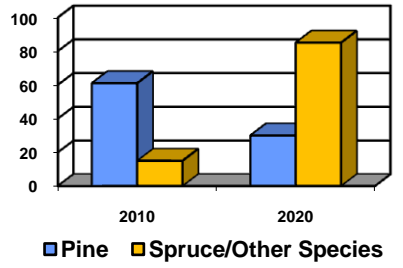
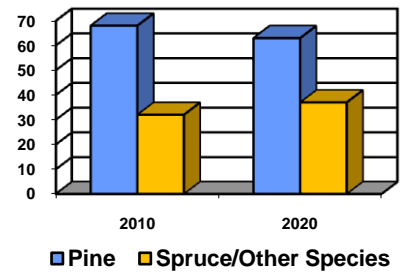
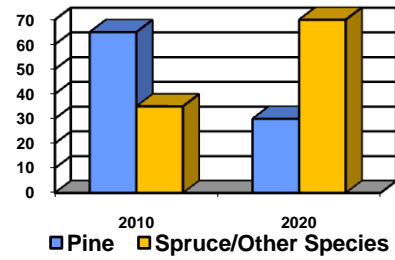
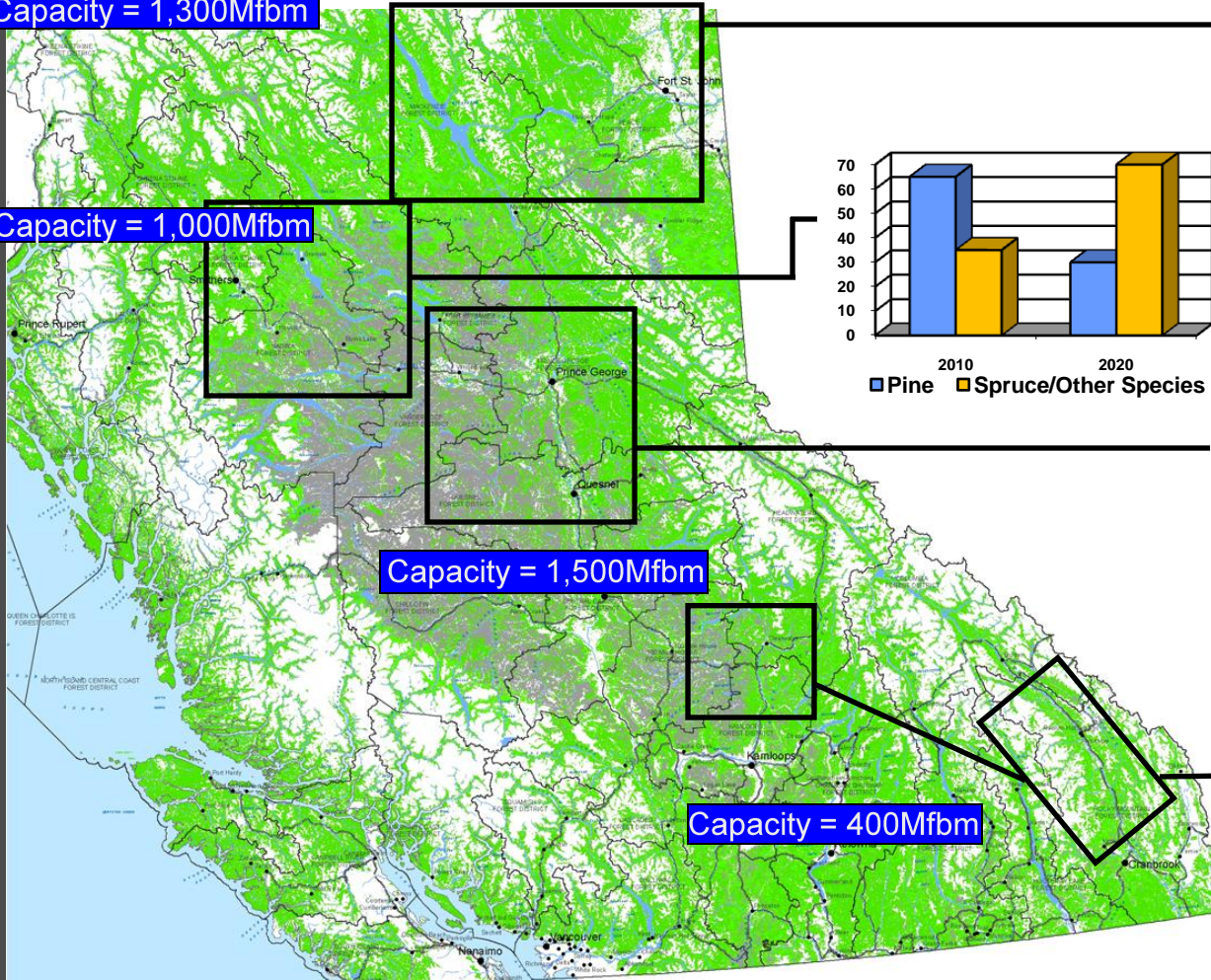
BC Fibre Outlook – Production Capacity

Capacity = 1,300Mfbm

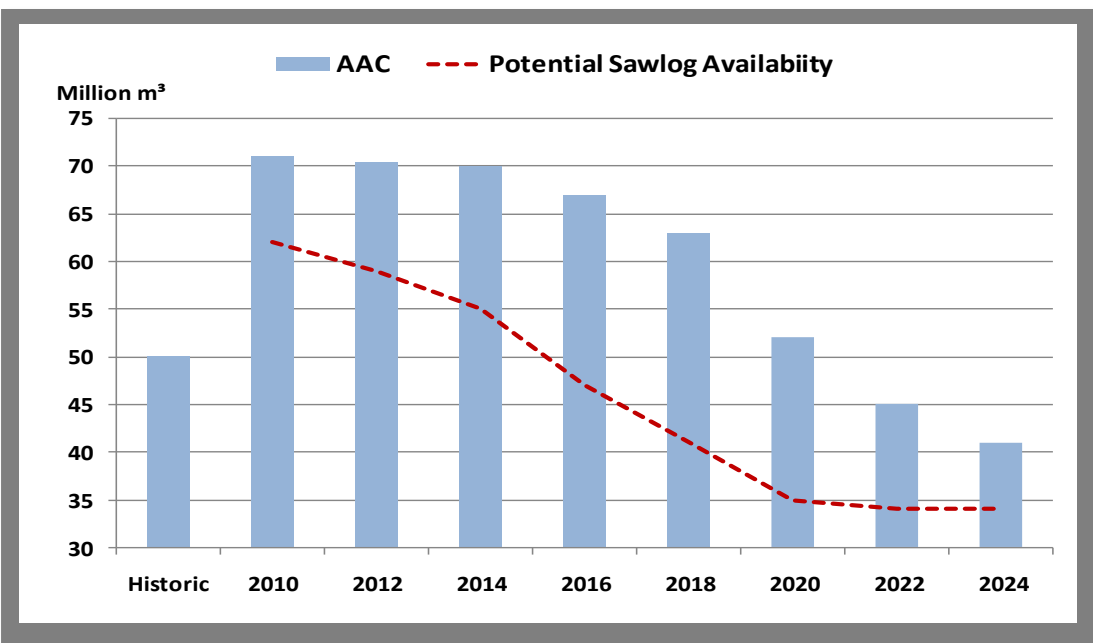
Capacity = 1,000Mfbm

Capacity = 1,500Mfbm

Capacity = 400Mfbm



Projected Reduction in British Columbia Harvest Levels



Source: BC Ministry of Forests. Wood Market – March 2010



British Columbia

- Reduction in sawlog availability due to Mountain Pine Beetle epidemic
- Projected sawlog availability is 20 -35% less than AAC

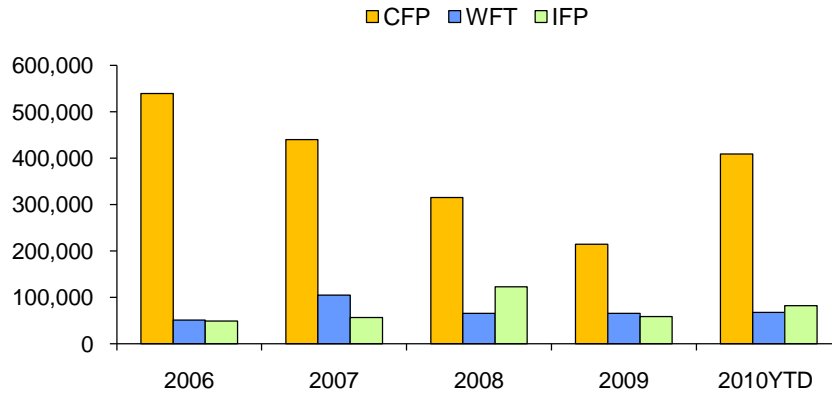
Eastern Canada

- Expecting lumber production to fall by 35% from 2010 to 2014 due to lower harvest level & downturn in pulp/newsprint industry

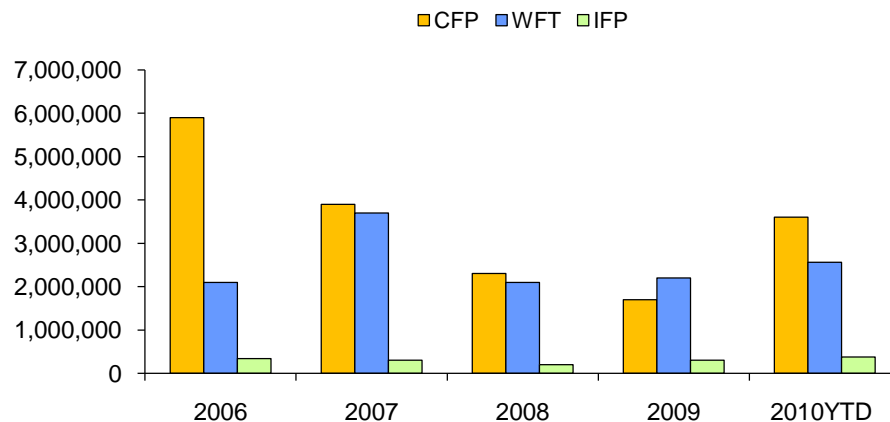


CFP Trading Liquidity

Average Daily Trading Volume (in shares)



Average Daily Trading Value (in \$)



Major Shareholders*

The Pattison Group	35%
Jarislowsky Fraser	15%
Mackenzie Cundill	14%

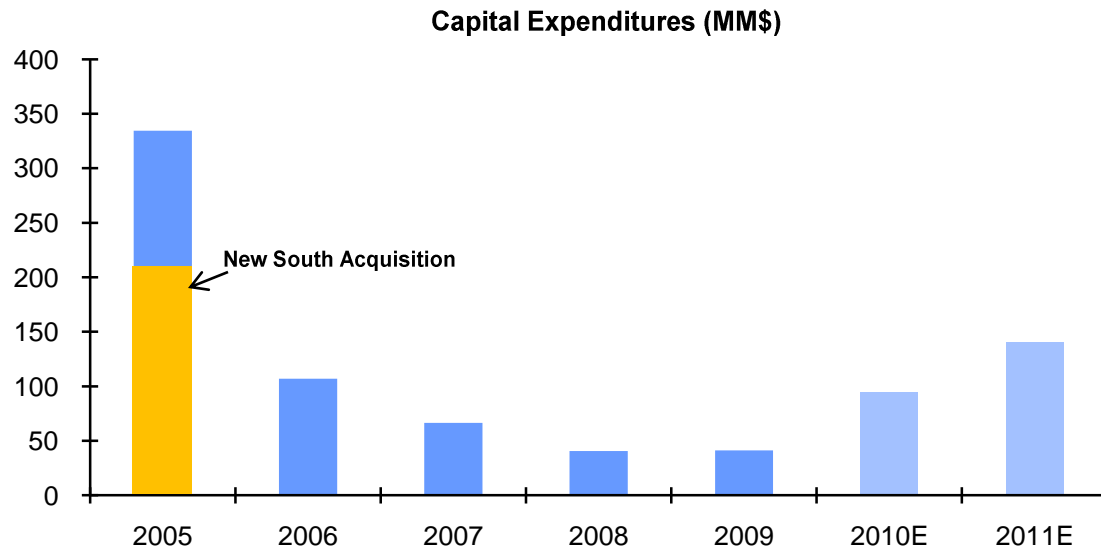
* As per public filings

Source: Bloomberg



Capital Expenditures

- ▶ 2010 projected capital spend of \$95 million:
 - Maintenance capital - \$20 million
- ▶ 2011 projected capital spend - \$140 million
 - Mill modernization and cost reduction
 - Improvement projects have a high ROI (+ 20%)





Capitalization and Liquidity (as at September 30, 2010)

All information excludes CPLP

Long Term Debt				\$ Millions		Liquidity			\$ Millions	
Senior Unsecured Notes	8.03%	2011	32	Syndicated credit facility	Oct 2013	350				
Senior Unsecured Notes	6.18%	2011	52	Other credit facilities	2011/12	48				
Senior Unsecured Notes	6.33%	2012	52	Outstanding Letters of Credit		(18)				
Senior Unsecured Notes	5.42%	2013	78	Cash balance		196				
<hr/>						<hr/>				
Total			214	Net Liquidity		576				
Cash			196							
Shareholders' Equity			1,444							
Net Debt to Total Capitalization			1%							