

Canfor Pulp Income Fund



CIBC World Markets

Investor
Presentation

February 2008

Disclosure of Risk Factors

Certain statements in this presentation constitute "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. Words such as "expects," "anticipates," "intends," "plans," "will," "believes," "seeks," "estimates," "should," "may," "could" and variations of such words and similar expressions are intended to identify such forward looking statements. The risks and uncertainties are detailed from time to time in reports filed by Canfor Pulp Income Fund and Canfor Pulp Limited Partnership (Canfor Pulp or Partnership) with the securities regulatory authorities in all of the provinces and territories of Canada to which recipients of this presentation are referred to for additional information concerning the Partnership, its prospects and uncertainties relating to the Partnership and its prospects. These statements are based on management's current expectations and beliefs and actual events or results may differ materially. New risk factors may arise from time to time and it is not possible for management to predict all of those risk factors or the extent to which any factor or combination of factors may cause actual results, performance and achievements of the Partnership to be materially different from those contained in forward-looking statements. The forward-looking statements are based on current information and expectations and the Partnership assumes no obligation to update such information to reflect later events or developments, except as required by law.

In this presentation, references are made to EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization and before other non-operating income and expenses) and adjusted distributable cash. Canfor Pulp considers EBITDA and adjusted distributable cash to be an important indicator for identifying trends in the performance and of the Fund's ability to generate funds to meet its debt service, capital expenditure requirements and to make cash distributions to its partners. EBITDA and adjusted distributable cash is not a generally accepted earnings measure and should not be considered as an alternative to net income or cash flows as determined in accordance with Canadian generally accepted accounting principles. As there is no standardized method of calculating EBITDA and adjusted distributable cash, the Fund's use of these terms may not be directly comparable with similarly titled measures used by other entities.

Unless otherwise noted, all financial references are in Canadian dollars.

Overview

3 mills in the central interior of British Columbia

- Pulp capacity of 1.1 million tonnes
- Kraft paper capacity of 140,000 tonnes
- 4 pulp machines and 1 paper machine

Business spun out from Canfor Corporation on July 1, 2006

- Canfor currently owns 50.2%
- Canfor Pulp Income Fund (CFX.un) owns 49.8%

CFX.UN

- Float of 35.5 million units on the TSX
- Average daily volume of units traded (2007) = 230,000 units per day



Northwood



Intercon and Prince George Pulp & Paper

Why Canfor Pulp?

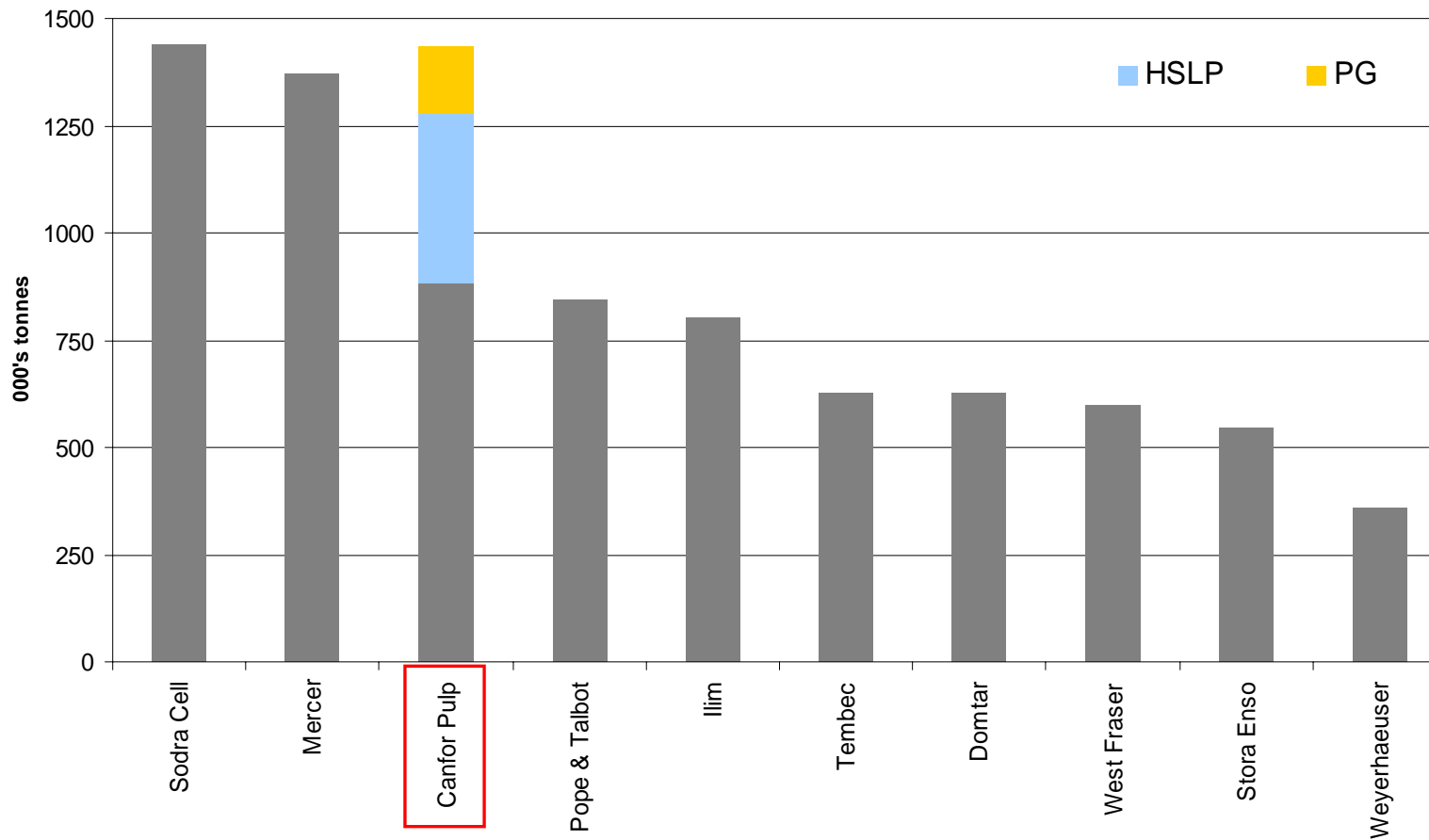
- Market leadership
 - Size
 - Premium Product
 - Customer Base
- Low cost producer
- Financial strength
- Experienced management team *
- Abundant fibre supply



* Refer to Appendix for Officer Biographies

Market Leadership

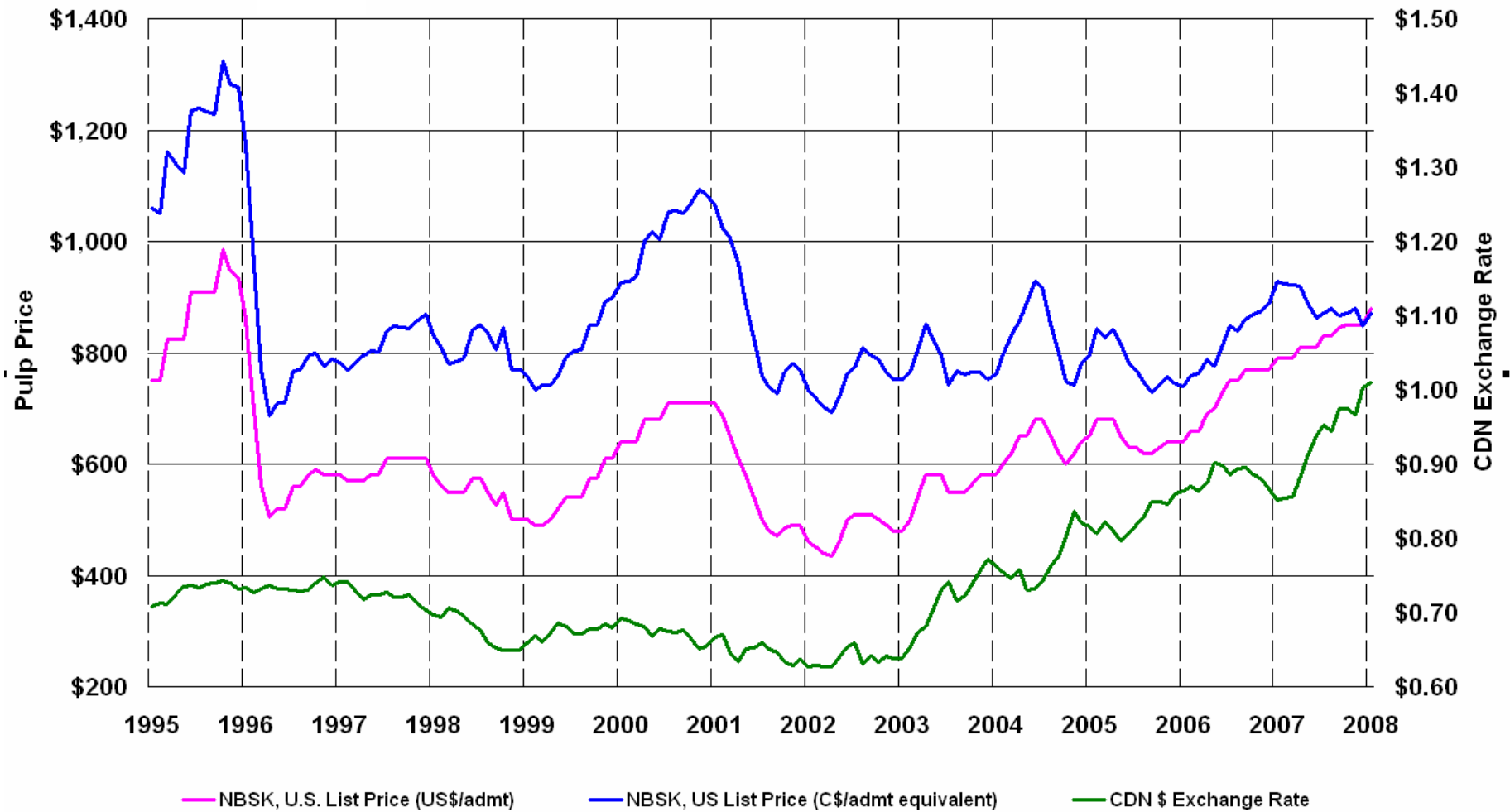
No. 3 in NBSK Globally / Largest NSK Seller



Source: PPPC & Management Estimates

Market Conditions

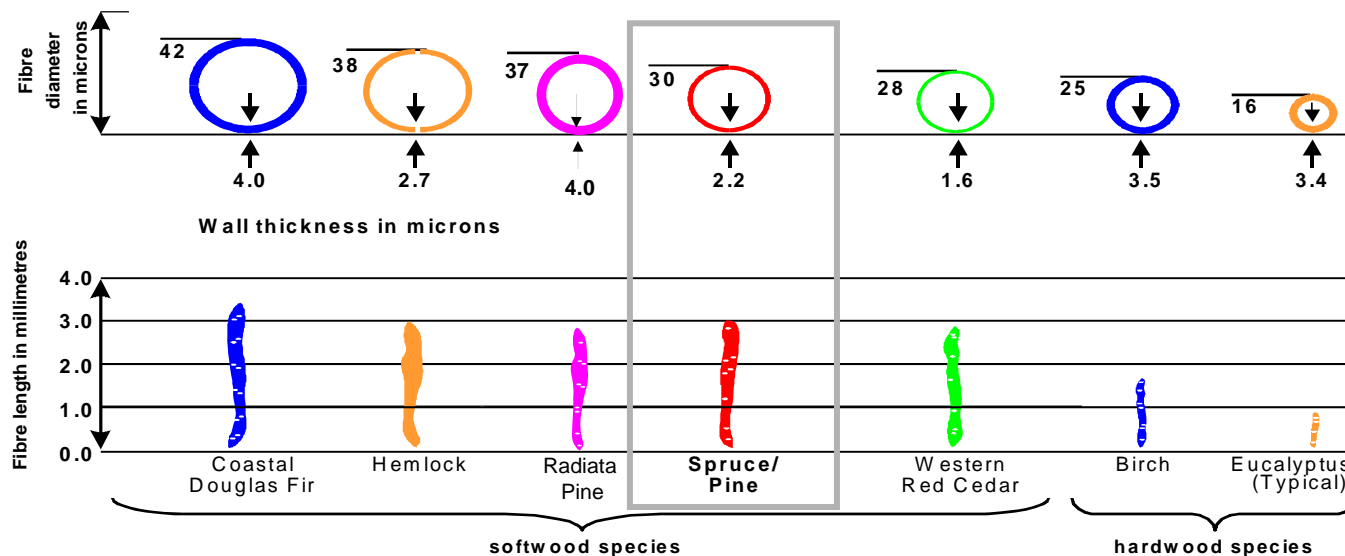
NBSK List Prices in \$US Delivered to North America vs. Foreign Exchange



Premium Products: Reinforcing Pulp

- Not all pulps are the same: Northern spruce and pine fibre produced in the central interior of British Columbia is recognized as being the strongest in the world due to the long, slender fibres. This provides for a better printing surface, better softness and better strength.
- This fibre is the best to produce a reinforcing pulp, which in turn commands a premium price.

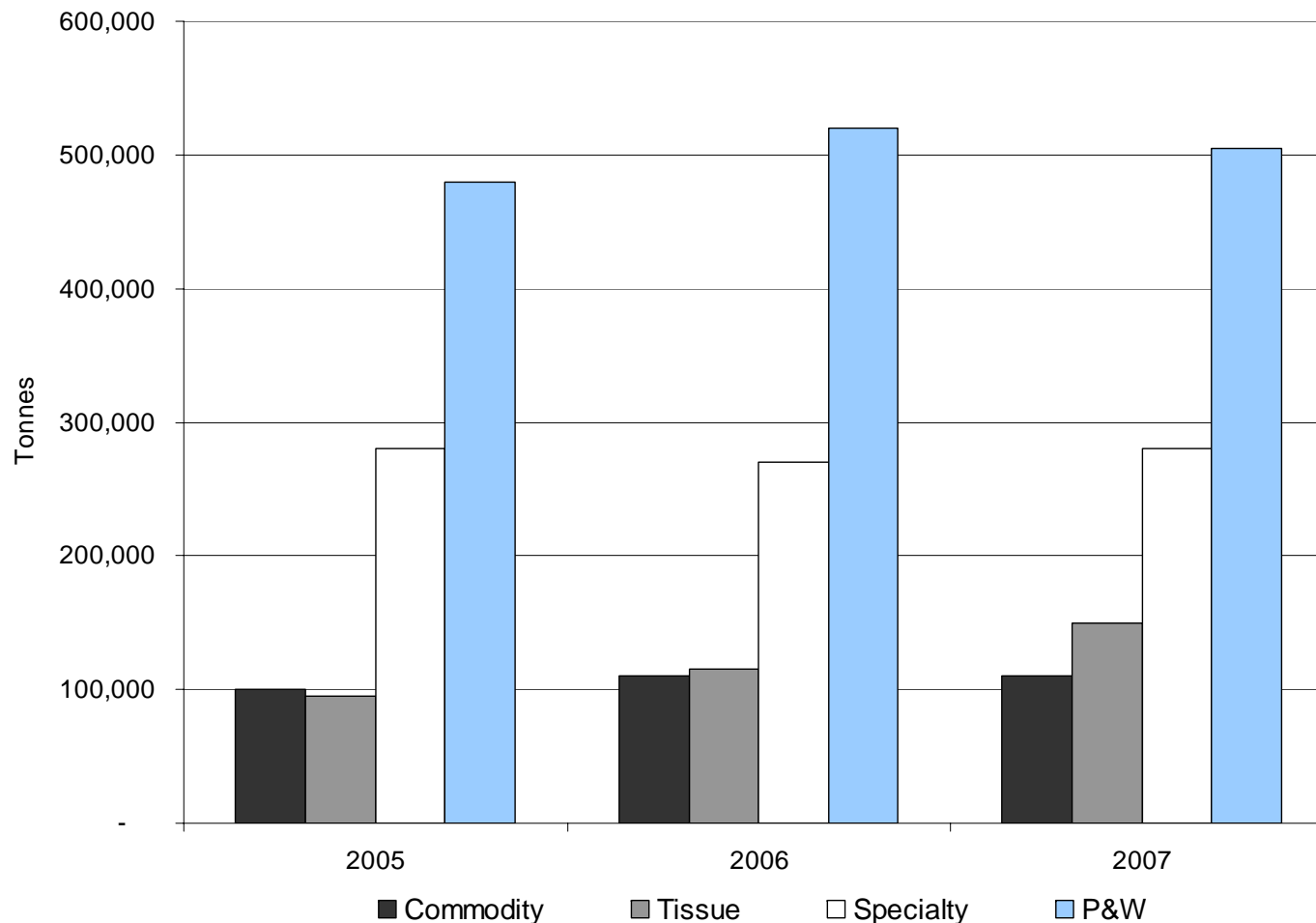
Typical Fibre Dimensions



"Weight weighted lengths measured by Kajaani FS200"

End-Use Mix

Target Customers That Need Reinforcing Pulp



Examples include:

Printing & Writing

- Magazines
- Catalogues

Specialty

- Adhesive labels (beer)
- Masking tape

Tissue

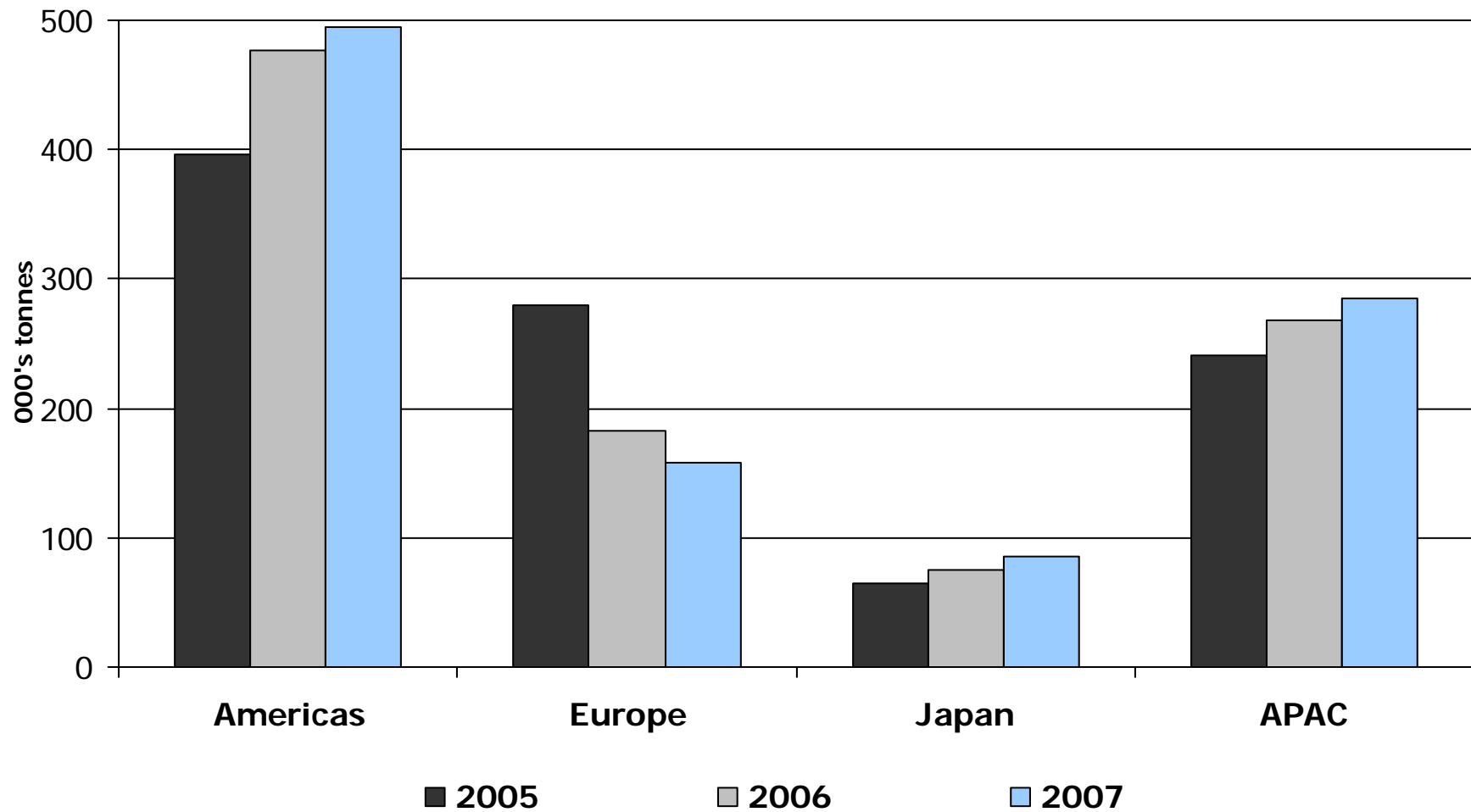
- Branded top quality "Use at-home" tissues

Commodity

- Photocopy paper

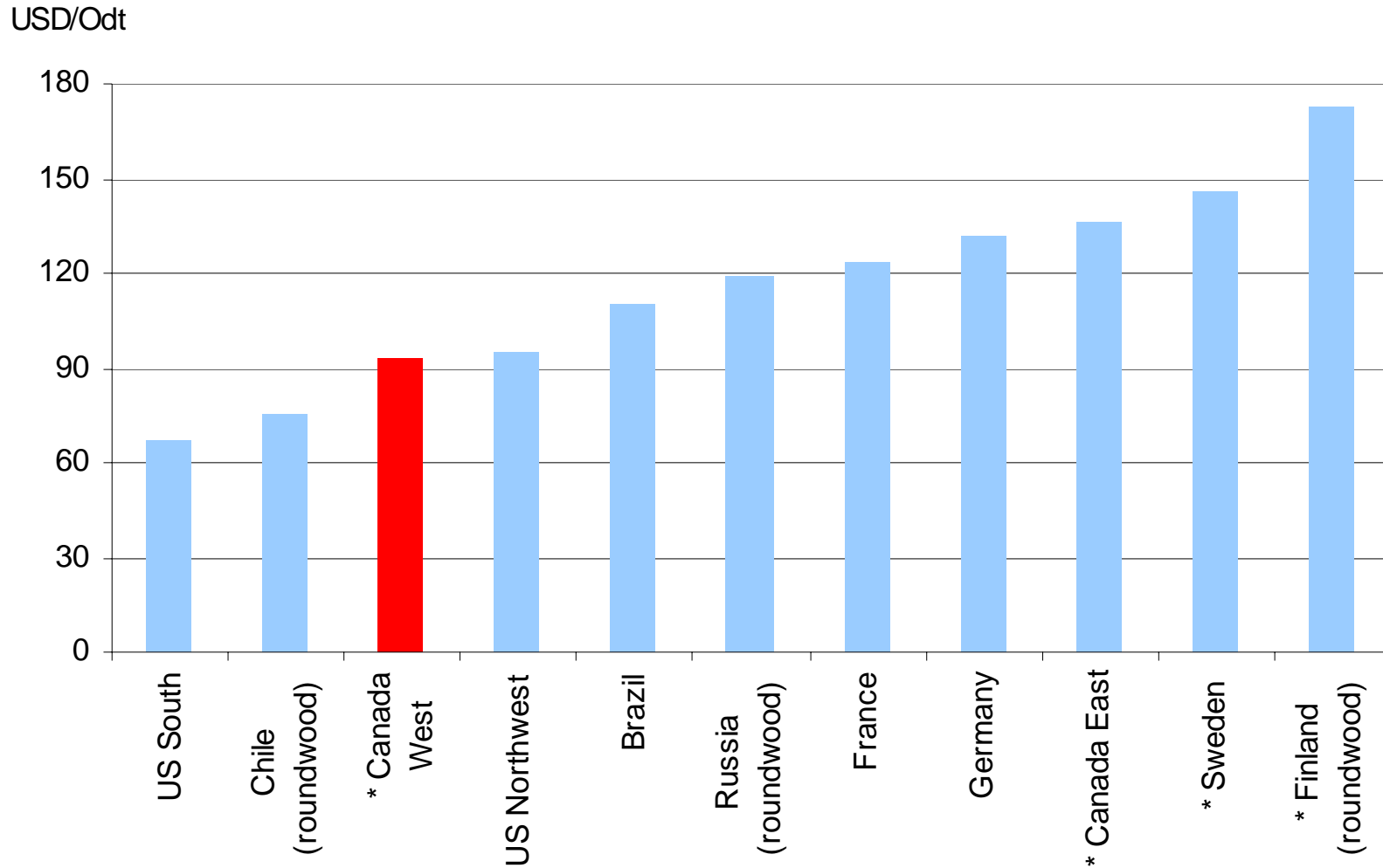
Diversified Sales by Region

Maintain high mill nets with diversified sales



Fibre - Abundant and Low Cost

Conifer Chips (Delivered Prices) - Q3/2007



Source: Wood Resources International

* NBSK producing region

High Margin Producer

Top quartile EBITDA per tonne producer due to:

Revenues

- Selling into the highest margin regions to targeted customers

Low costs

- Competitive fibre costs
- Strong operations which drives down production costs

Based on most recent PwC rankings of Canadian NBSK pulp mills, Canfor Pulp mills were top quartile in EBITDA

Financials

Strong margins: increasing pulp prices offset against the strengthening dollar and rising fibre costs

<i>\$ millions unless otherwise noted</i>	Year ended	Year ended
	Dec 2007	Dec 2006
Sales	921.6	830.4
EBITDA	188.5	180.2
- <i>ebitda margin%</i>	20%	22%
Net Income	129.9	123.0
- per unit	\$1.82	\$1.73
US\$ average pulp list price *	\$823	\$720
C\$ average pulp list price *	\$885	\$817
Average Cdn/US exchange rate	\$0.930	\$0.882

* Per tonne, delivered to USA

Balance Sheet

Maintain a strong balance sheet

<i>\$ millions</i>	As at Dec 2007
Cash	2.6
Current Assets	307.9
Fixed Assets & Other	598.5
Total	909.0

<i>\$ millions</i>	As at Dec 2007
Current & Other Liabilities	215.4
Long Term Debt	108.7
Equity	584.9
Total	909.0

- Net Debt/EBITDA (LTM) = 0.56
- Net Debt/Equity = 0.18
- Yield (as at February 15, 2008 price) = 14%

Summary

- Market leadership
 - Size
 - Premium Product
 - Customer Base
- Low cost producer
- Financial strength
- Experienced management team
- Abundant fibre supply



Canfor Pulp Income Fund



Appendix

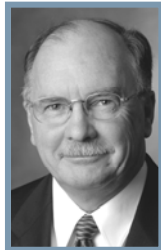
- Management Bio's
- Business Overview
- Industry Dynamics

Officer Biographies



Paul Richards – President & CEO

- Over 35 years in the pulp & paper business
- Worked at Weldwood, Repap, MacMillan Bloedel
- Chemical Engineer



Terry Hodgins – Interim CFO & Secretary

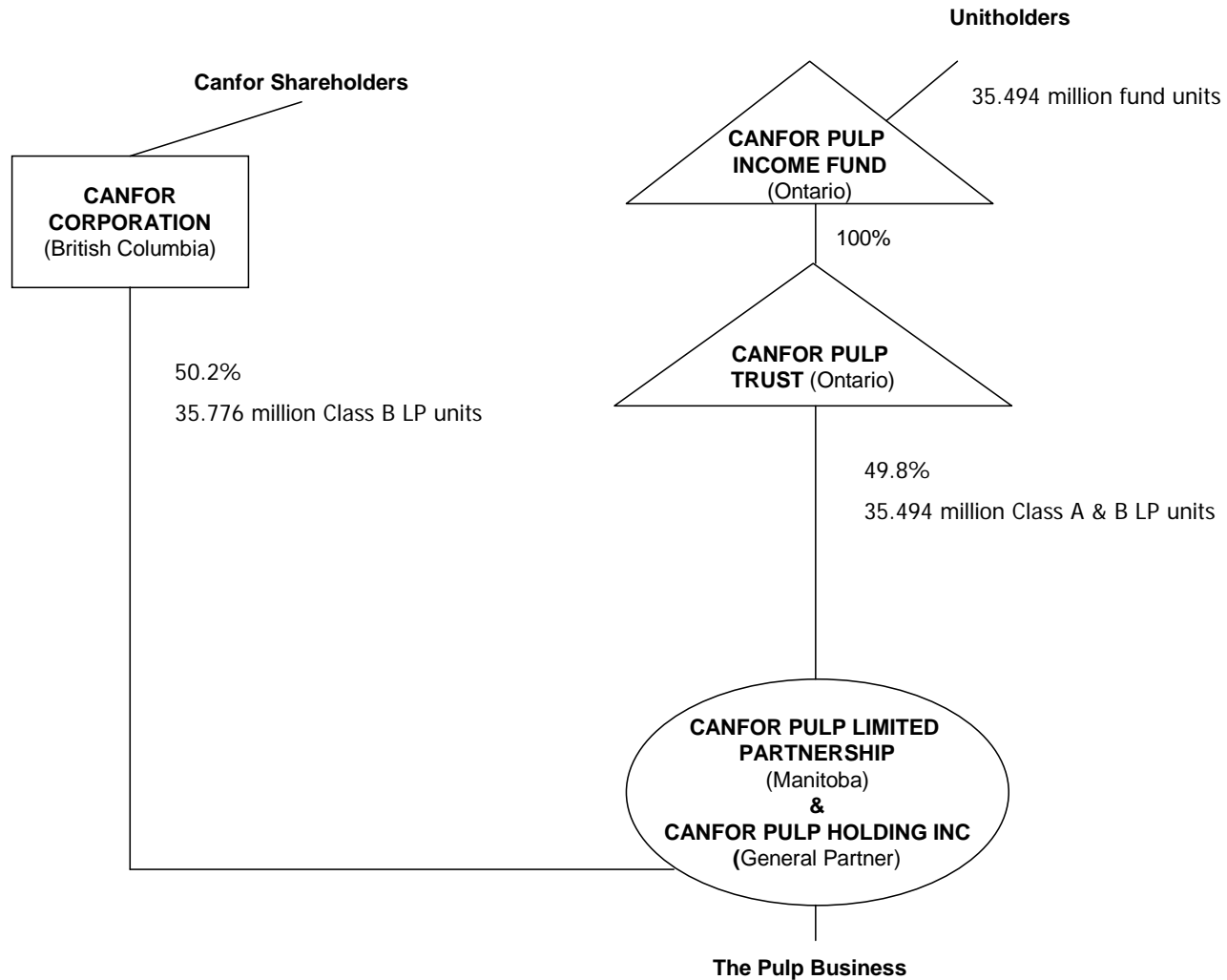
- Over 25 years of public company financial management
- Forestry experience at Canfor Corp. and Slocan Forest Products
- Chartered Accountant and Bachelor of Mechanical Engineering



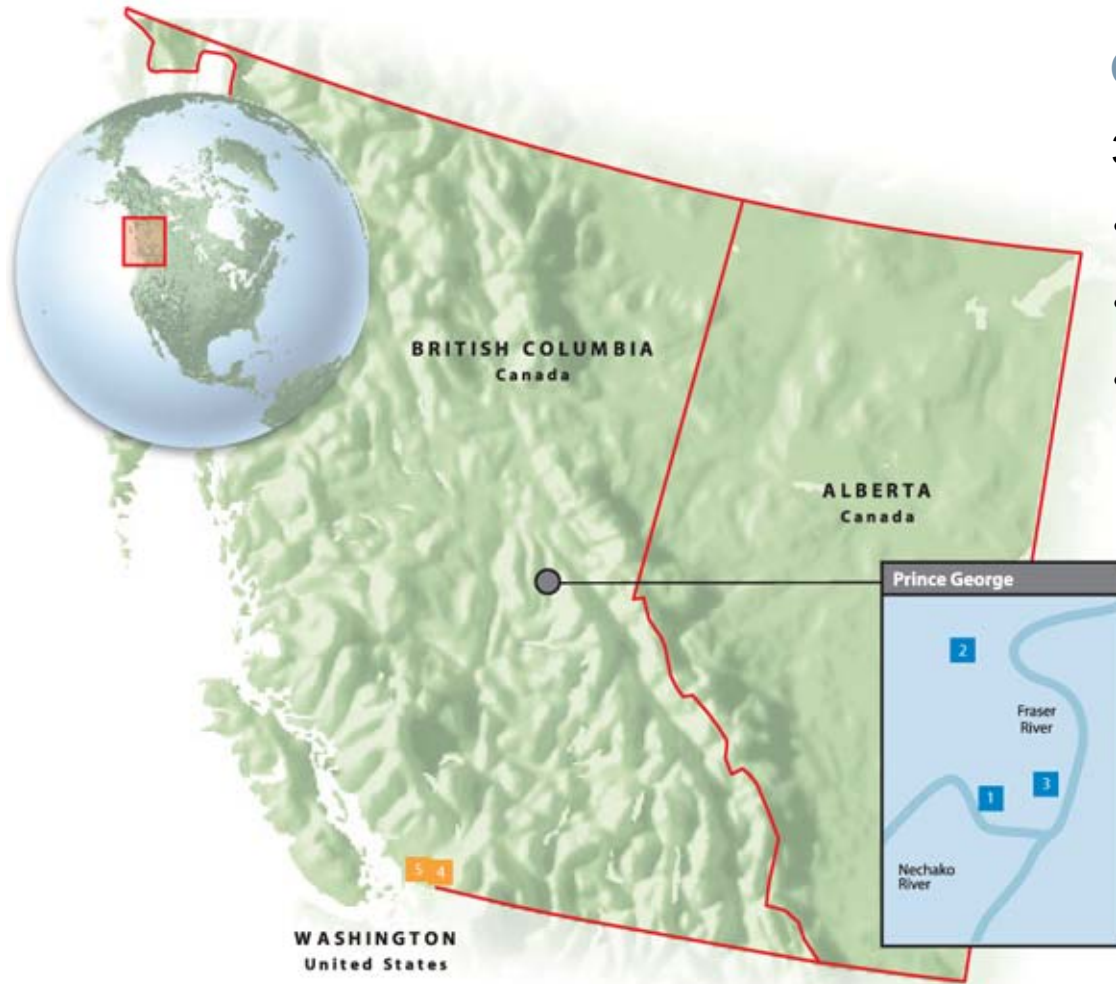
Joe Nemeth – Vice-President, Sales and Marketing

- Over 20 years of forestry experience, woodlands, lumber, plywood and pulp & paper (manufacturing and marketing)
- MBA and Bachelor of Forestry

Simplified Ownership Structure



Our Operations



Canfor Pulp Limited Partnership

3 mills in the BC Interior:

- 1.1 million tonnes of NBSK pulp capacity
- 140,000 tonnes of Kraft paper
- 4 pulp machines and 1 paper machine

MILL/LOCATION

- | | |
|---|---|
| 1 | Intercontinental |
| 2 | Northwood |
| 3 | Prince George Pulp & Paper |
| 3 | Prince George Pulp & Paper |
| 4 | Vancouver |
| 5 | Canfor Pulp Research & Development Centre - Vancouver |

KEY PRODUCTS

- | |
|-------------|
| NBSK Pulp |
| NBSK Pulp |
| NSK Pulp |
| Kraft Paper |
| Head Office |

- Pulp & Paper
- Other

The Operations – 3 Mills in Prince George, BC

- **Northwood**
- **Intercon**
- **Prince George Pulp & Paper**

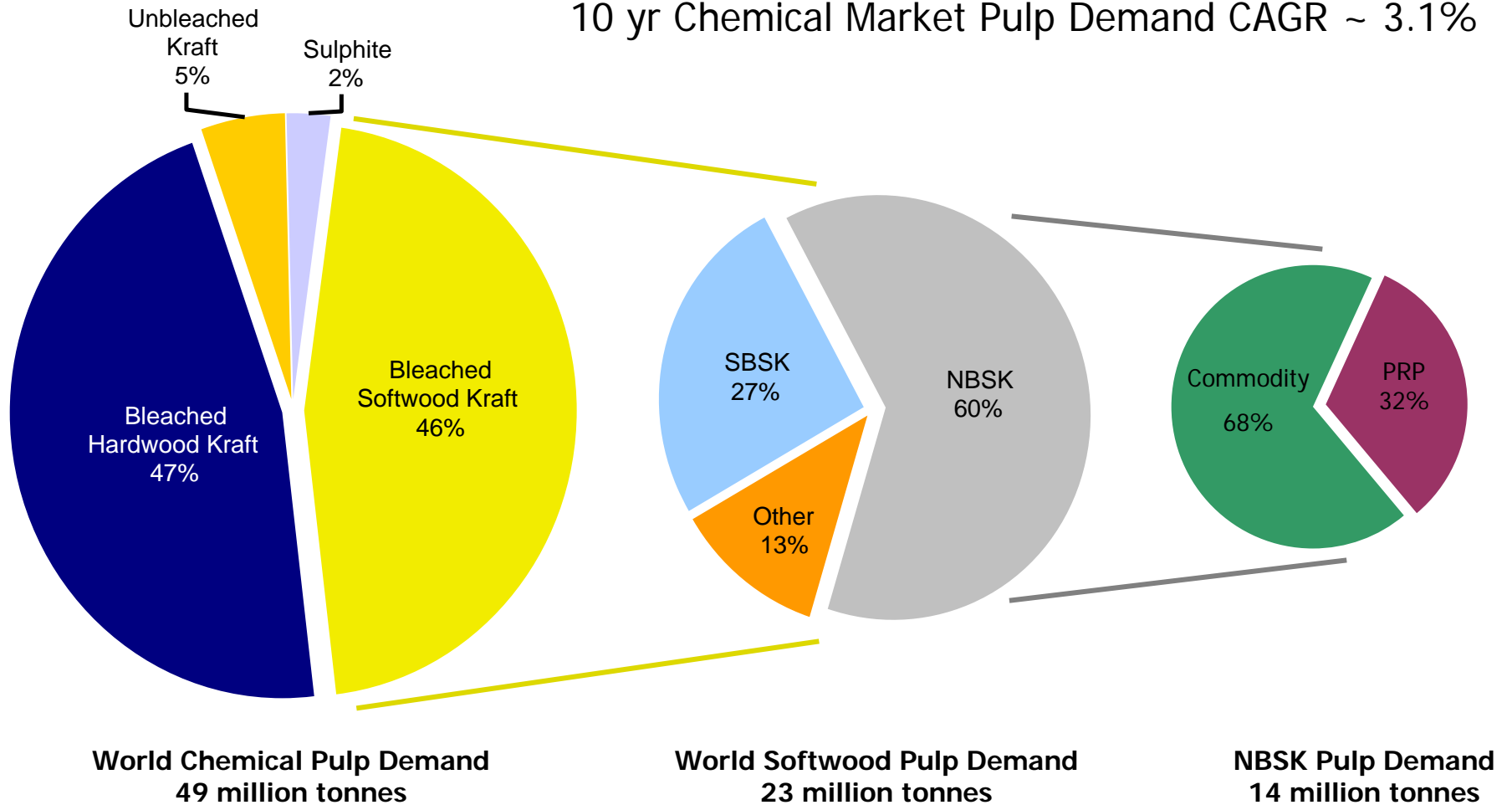
	Northwood	Intercontinental	PG&P	
Year Built	1966	1968	1966	
No. of employees	500	300	400	
Capacity (ADMT*)	590,000	315,000	155,000 (pulp)	140,000 (paper)
Operations	2-line	1-line	1-line	1-line
Markets	North America, Europe & Asia			North America & Europe
Products	Bleached NBSK		Semi-bleached and Unbleached	Bleached and Unbleached
Fibre consumed (Odt's)	2.5 million			
Certification	ISO 9001 and ISO 14001			



*air-dried metric tonnes; tonne = metric ton = 2240 lbs

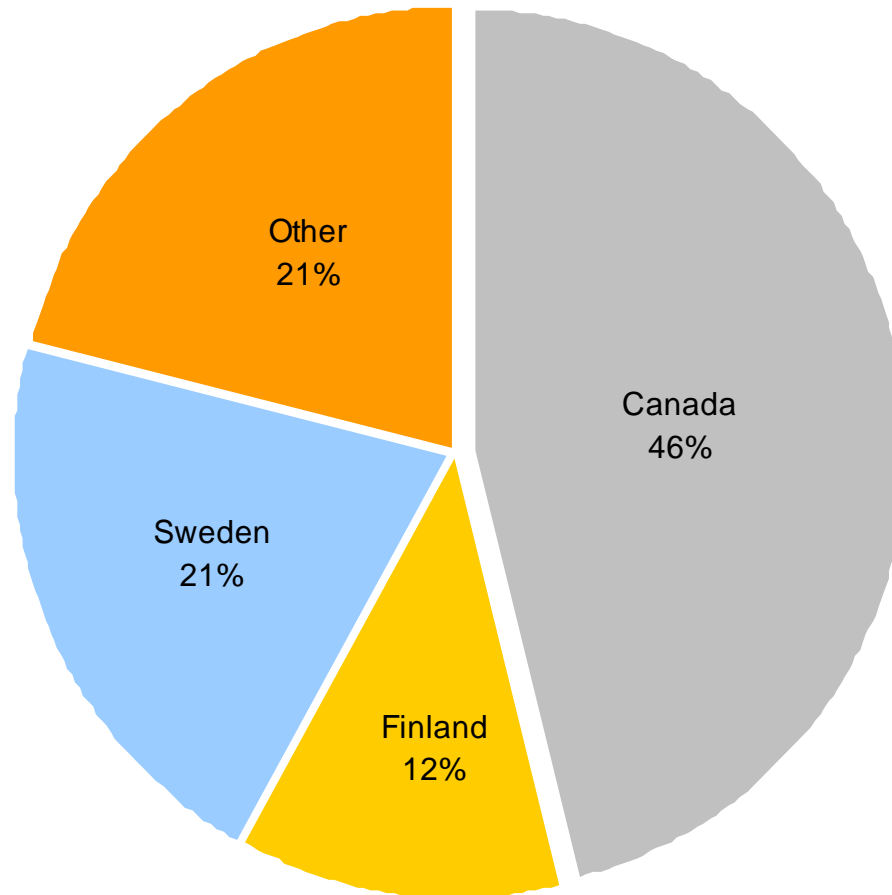
Global Chemical Market Pulp Demand

10 yr Chemical Market Pulp Demand CAGR ~ 3.1%



Source: Pulp & Paper Products Council (Dec 2007)

Global NBSK Supply by Region (2007)



Source: Pulp & Paper Products Council

Financials - Sensitivities

- Available on www.canforpulp.com and www.sedar.com are:
 - Annual Information Form
 - Annual MD&A and Audited financial statements
 - Quarterly MD&A and financial statements
- Sensitivities

(millions of dollars, unaudited)	Impact on annual EBITDA
Cdn dollar – US \$0.01 change per Cdn dollar	\$8
NBSK pulp price – US \$10 change per tonne	\$10
Fibre cost - \$10 change	\$25
Natural gas cost - \$1 change per gigajoule	\$4