

Canfor Fact Sheet



Canfor Corporation is a leading Canadian integrated forest products company based in Vancouver, British Columbia with interests in over 32 facilities in British Columbia, Alberta, Quebec, Washington State and North and South Carolina.

Canfor is the largest producer of SPF lumber in North America while also producing oriented strand board (OSB), plywood, remanufactured lumber products and specialized wood products. Canfor also owns a 50.2% interest in Canfor Pulp Limited Partnership, one of the largest producers of northern softwood kraft pulp in Canada and a leading producer of high-performance kraft paper.

Canfor has an annual production capability of approximately 5 billion board feet of lumber, 450 million square feet of plywood, and 1 billion square feet of OSB. Canfor also has approximately 11 million cubic metres of allowable annual cut under its forest tenures, all of which is CSA SFM certified. Canfor (CFP) is listed on the Toronto Stock Exchange. The main operating company is Canadian Forest Products Ltd., from which the name Canfor is derived.

EMPLOYEES

Canfor and Canfor Pulp Income Fund directly employ approx. 7,300 people as well as an additional 2,200 contractors.

SALES (in Canadian Dollars)

\$3.26 billion in 2007
\$3.84 billion in 2006
\$3.79 billion in 2005

WOOD PRODUCTS OPERATIONS

- Canfor operates 20 sawmills with operations in British Columbia, Alberta, Quebec, and North and South Carolina with an annual production capacity of approximately 5 billion board feet of lumber.
- North Central Plywoods in Prince George, BC has an annual capacity of 185 million square feet (3/8" basis). The Tackama plywood plant in Fort Nelson, BC, produces up to 270 million square feet (3/8" basis) of plywood annually.
- Also in Fort Nelson is Canfor's PolarBoard oriented strand board (OSB) plant, with an annual production capacity of 650 million square feet (3/8" basis).
- Canfor is involved in a joint venture corporation, Peace Valley OSB Corp., with Louisiana-Pacific. Equally owned, the new OSB plant in Fort St. John, BC is expected to have an annual capacity of 820 million square feet of OSB on a 3/8" basis making it one of the largest OSB mills in the world.
- The company's U.S. subsidiary, Canfor U.S.A. operates one lumber remanufacturing facility with a capacity of 215 million board feet. Uneeda Wood Products Division in Chilliwack, BC has a production capacity of 200 million board feet of laminated wood beams per year. Canfor also participates in a joint venture remanufacturing facility, Kyahwood Forest Products, in Moricetown, BC.
- Canfor operates two finger-joint plants, one in the Prince George region and one at Uneeda Wood Products in Chilliwack, BC. The Mackenzie, BC sawmill contracts with a local operation to produce finger-jointed studs.
- Canfor sells its lumber throughout North America and overseas through its Canfor Wood Products Marketing operations in Japan, China, Europe, Canada and the United States.

PULP AND PAPER MANUFACTURING

- Canfor created a pulp income trust for its Pulp and Paper Operations (excluding Taylor and Howe Sound) to create an independent pulp and paper business. 50.2% is owned by Canfor with the remaining 49.8% spun-out to unitholders. The fund trades as CFX.UN on the Toronto Stock Exchange.
- The Pulp Income Trust operates two pulp mills and one pulp and paper mill in Prince George, BC, which have the capacity to produce over one million tonnes annually of high quality northern softwood kraft pulp and 140,000 tonnes of kraft paper.
- Canfor operates a 212,000 tonne pulp mill near Taylor, BC, which produces both softwood and hardwood bleached chemi-thermo mechanical pulp using wood chips from northern white spruce softwood and aspen hardwood species.
- In addition, Canfor owns 50% of Howe Sound Pulp and Paper Limited Partnership (HSLP) located on BC's Sunshine Coast, which has the capacity to produce 392,000 tonnes of northern softwood kraft pulp and 219,000 tonnes of newsprint per year.
- Canfor's northern bleached softwood kraft pulp and kraft papers are sold in world markets by the Canfor Pulp and Paper Marketing operations in Canada, the United States, and Europe.

WOODLANDS

Canfor's forest operations in British Columbia, Alberta, and Quebec are located almost exclusively on public lands held under long-term forest tenure agreements with the Provinces of British Columbia, Alberta, and Quebec.

AAC in Replaceable Tenures

British Columbia	8,316,158 m ³
Alberta	842,681 m ³
Quebec	226,640 m ³

FOREST MANAGEMENT

Canfor has long been a leader in forest management - from its early days on Vancouver Island and the planting of the first seedlings at the Englewood Tree Farm Licence to today's challenges of practicing forestry in northern Alberta and British Columbia.

The company's forestry staff are engaged in all aspects of forest development including planning, road construction, harvesting methods and forest protection, as well as research and development

programs to increase the yield of its forest lands and improve the quality of its timber resources.

This staff also supervises the reforestation of all harvested areas, which, in 2006, involved the planting of 48.5 million seedlings.

CERTIFICATION

Customers of forest products increasingly require assurances that products purchased are derived from well-managed forests. Canfor has responded by implementing a comprehensive third-party sustainable forest management (SFM) certification strategy to verify that its forest operations are well managed.

Canfor retains an International Organization for Standardization ("ISO") 14001 certification of its environmental management system for its forest operations, first obtained in 1999 and re-certified as required for subsequent 3-year terms. In addition, Canfor retains certification under the Canadian Standards Association (CSA) standard for sustainable forest management (CAN/CSA Z809) for its Forest Management Agreement area at Grande Prairie, Alberta, for its Tree Farm Licences at Chetwynd, Prince George and Vavenby, BC, for its Forest Licences at Fort St. John, Houston, Prince George, Fort Nelson, Vanderhoof, Vavenby and Quesnel, BC and for its Pulpwood Agreements at Fort St. John and Fort Nelson, BC. A new certification to the CSA SFM standard has been acquired for Canfor's Forest Licence at Mackenzie, British Columbia.

Canfor is committed to having sustainable forest management certification in place for all of its tenures.

ENVIRONMENTAL STEWARDSHIP

Canfor is committed to maintaining the quality of air, land and water in both its manufacturing and woodlands operations. Over the years, Canfor has invested significant capital in its mills to not only meet but also exceed provincial and national standards of environmental protection. Canfor was one of the first forest products companies in western Canada to implement an environmental audit program.

Canfor is an industry leader in reducing greenhouse gas emissions from fossil fuels. Canfor's GHG Emissions were lower in 2006 due to greater utilization of wood residue fuels to offset fossil fuel use. Wood residue usage has increased from 53% to total residue generated in 2004 from 73% in 2006 to 82% in 2007.

Our Prince George Pulp and Paper, Intercontinental Pulp and Northwood Pulp mills, Rustad Sawmill, and the HSLP mill, have their Environmental Management Systems certified under the ISO 14001 standard.

ABBREVIATED HISTORY

- 1938 John Prentice and Poldi Bentley formed a furniture and paneling veneer company called Pacific Veneer in New Westminster, BC. In 1939, Pacific Veneer became a supplier of plywood for aviation and marine applications, and produced Douglas fir plywood.
- 1944 Timber rights were purchased in the Nimpkish Valley on Vancouver Island, which became the Englewood Logging Division. Included in the Nimpkish purchase was a firm called Canadian Forest Products Limited. In 1947, all the operations were re-organized under that name.
- 1951 Canfor moved into the pulp business with the acquisition of the Howe Sound Pulp Company Ltd. in Port Mellon, BC.
- 1955 Canfor purchased 50% of Northern Plywood Ltd. in Grande Prairie, Alberta. The other 50% was purchased later, along with other bush mills in the area. They were consolidated into Grande Prairie Logging Division.
- 1963 Several sawmills and planer mills were purchased in the Peace River District, including the timber rights and mills of the Fort St. John Lumber Co. These holdings were consolidated into the company's Chetwynd Division.
- 1965 A joint venture with Reed Paper Group Ltd. created Prince George Pulp and Paper. Another joint venture with Reed and Feldmuehle AG created Intercontinental Pulp Company Ltd. in 1968.
- 1981 The company acquired Swanson Lumber Co. Ltd., which had sawmills and woodlands in High Level, Alberta and Fort St. John, BC.
- 1983 On June 27, 1983, Canfor became a public company. Canadian Forest Products Ltd. is a wholly owned subsidiary of Canfor Corporation.
- 1989 Canfor acquired all of the shares of Balfour Forest Products Inc., which included the Clear Lake, Netherlands, Taylor and Polar operations in northern BC.
- 1999 In 1999, Canfor acquired all of the shares of Prince George - based Northwood Inc., which included the Northwood Pulp Mill, Prince George Sawmill, North Central Plywoods, Rustad, Houston, and Upper Fraser operations the Kyahwood Forest Products joint venture and J.D. Little Forest Centre.
- 2001 Canfor and Oji Paper Co. Ltd. reorganized their joint venture, Howe Sound Pulp and Paper Ltd., as a limited partnership. The partnership, now known as HSLP Ltd. Partnership, is jointly owned by Canfor and Oji and operates the Howe Sound Pulp and Paper mill.
- 2003 Canfor purchases Daaquam Lumber Inc. and Produit Forestiers Anticosti Inc., two privately owned lumber and timber harvesting companies based in Quebec.
- 2003 Canfor sells BC Chemicals, a division of Canadian Forest Products Ltd., to Chemtrade Logistics Income Fund.
- 2004 Canfor purchases Slocan Forest Products Ltd. increasing the company's production to over 5 billion board feet per year.
- 2005 Canfor announces the development of its International Distribution Centre in Richmond, BC and the opening of a Marketing Office in China.
- 2006 Canfor acquires New South Companies Inc., consisting of three sawmills, one remanufacturing facility, and two lumber treatment plants in North and South Carolina as well as an international import business.
- 2006 Canfor transfers its Englewood Logging operation, including Tree Farm License 37, to Western Forest Products.
- 2006 Canfor spun-out its NBSK pulp and paper operations into Canfor Pulp Limited Partnership (CPLP). CPLP is owned 50.2% by Canfor Corporation and 49.8% by Canfor Pulp Income Fund. Canfor Pulp Income Fund trades on the TSX under the symbol CXF.UN
- 2007 Canfor completed the acquisition of the assets of Chesterfield Lumber Company, Inc. in Darlington, South Carolina ["Darlington Mill"]. The sawmill has an annual capacity of approximately 140 million board feet of southern yellow pine lumber.
- 2007 Canfor announced that it was permanently closing its Panel & Fibre mill effective January 8th, 2008.

Canfor's Operations



SAWMILLS

Chetwynd	12
Clear Lake	23
Fort St. John	7
Grande Prairie	8
Houston	2
Isle Pierre	4
Mackenzie	13
Plateau	3
Polar	14
Prince George	16
Quesnel	24
Radium	26
Rustad	22
Vavenby	25

PULP & PAPER

Howe Sound	28
Intercontinental ⁽¹⁾	20
Northwood ⁽¹⁾	19
Prince George	17
Pulp & Paper ⁽¹⁾	11
Taylor	11

REMANUFACTURING

Canfor USA	31
Clear Lake	23
Grande Prairie	9
Kyahwood	1
Uneeda	30

PANELS

North Central Plywood	21
Peace Valley OSB	7
PolarBoard OSB	5
Tackama Plywood	6

NURSERIES/SEED ORCHARDS

Grande Prairie	10
J.D. Little Forest Centre	15
Vernon Seed Orchard	27

OTHER

Administration Centre	18
Canfor Pulp & Paper Marketing ⁽¹⁾	29
Canfor Wood Products Marketing	29
Corporate Head Office	29

NOT SHOWN ON MAP

Daaquam, PQ Sawmill
 North and South Carolina Facilities
 North American Distribution Centres
 Worldwide Sales Offices & Agencies

⁽¹⁾ Transferred to an Income Trust, effective July 1, 2006.