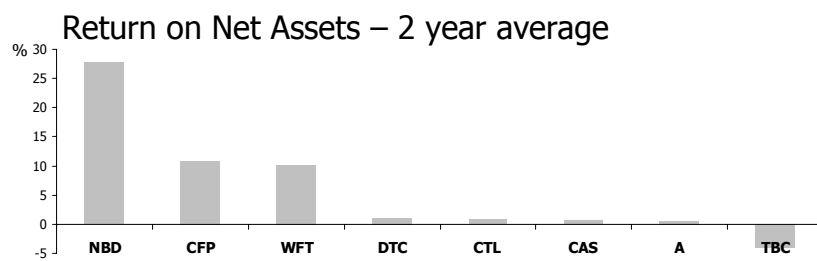
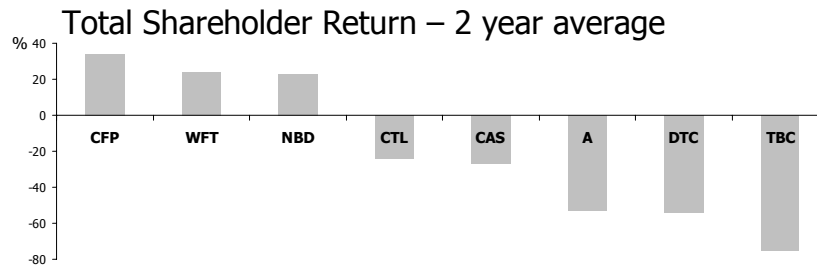


## Finance : Agenda

- Performance Measures
- Maintain Financial Strength
- Prudently Manage Risks
- Profitably Redeploy Capital

CANFOR CORPORATION  PAGE 2

## Performance Measures : Financial

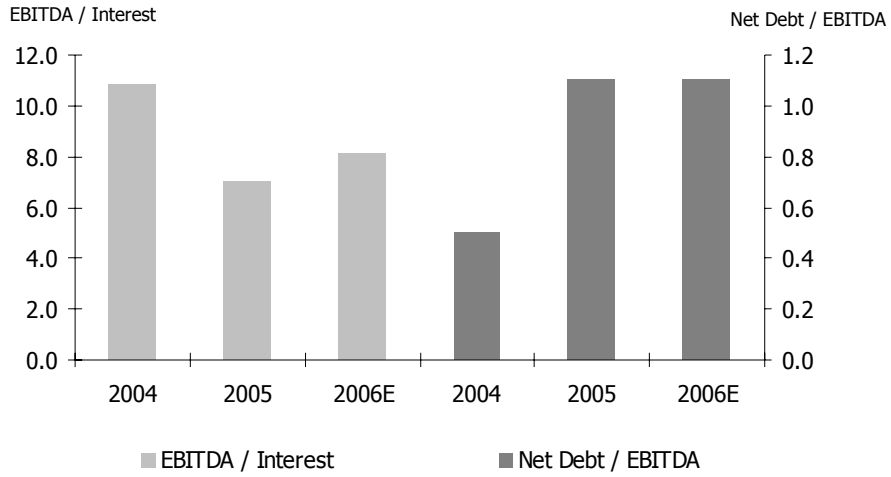


## Performance Measures : Operational

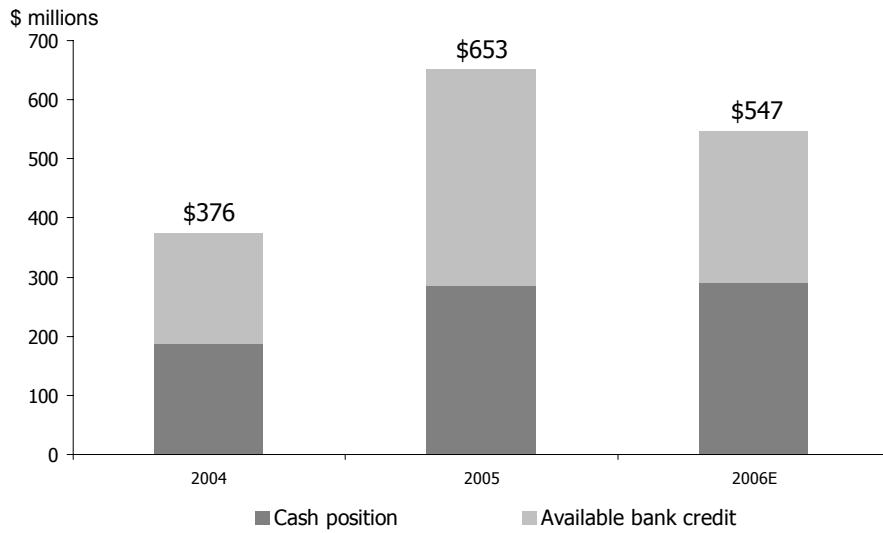
Specific measures and targets are under development - could include:

- Cash conversion cost
- Lumber recovery factor
- % prime grades shipped (J, MSR, SE, Select)
- Productivity
- Medical incident rate

## Maintain Financial Strength : Credit Quality



## Maintain Financial Strength : Liquidity

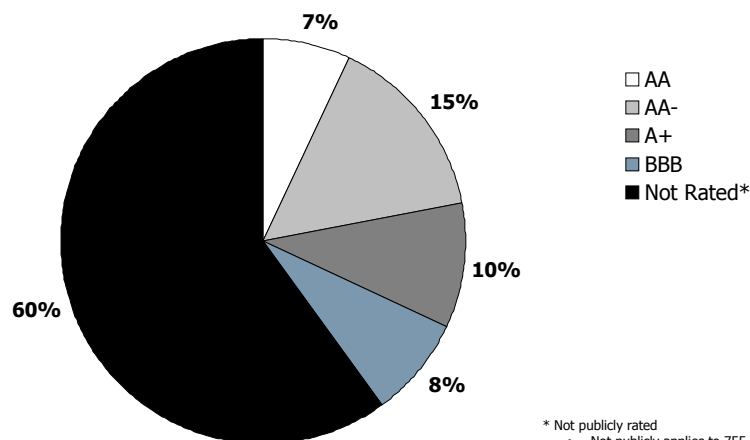


## Prudently Manage Risks : Market Prices

<i>\$ millions</i>	Revenue at Risk	Earnings Sensitivity
Foreign Exchange <sup>1</sup>	2,000	28
Lumber/Panels <sup>2</sup>	1,500	44
Pulp <sup>3</sup>	500	9
Energy <sup>4</sup>	N/A	7

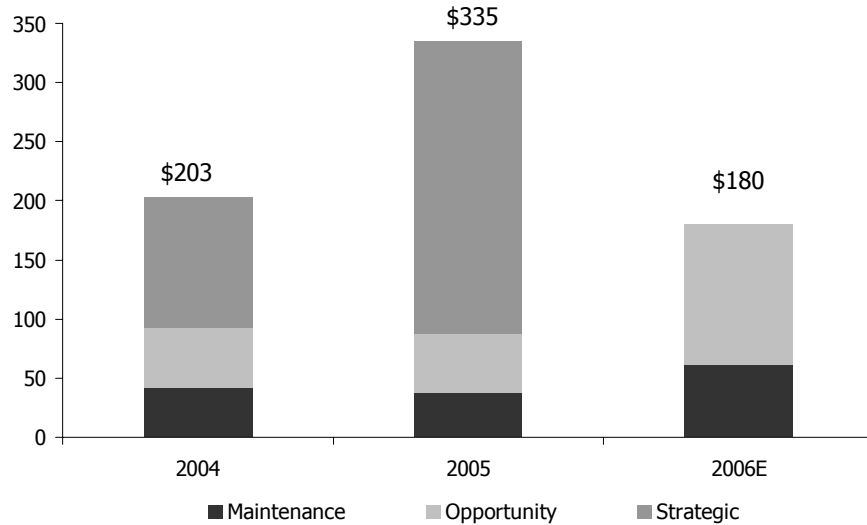
1. For a \$0.01 change, i.e. \$0.88 to \$0.89
2. For a US\$10 per unit change in both (lumber is mfbm and panels is msf)
3. For a US\$10 per tonne change
4. For \$1 per Gj change in natural gas prices or a \$0.10 per litre change in diesel costs

## Prudently Manage Risks : Customer Diversification



- \* Not publicly rated
- Not publicly applies to 755 lumber/panel customers
  - 3 person credit group uses:
    - Dun & Bradstreet
    - Lumbermen's
    - Internal analysis of all customers

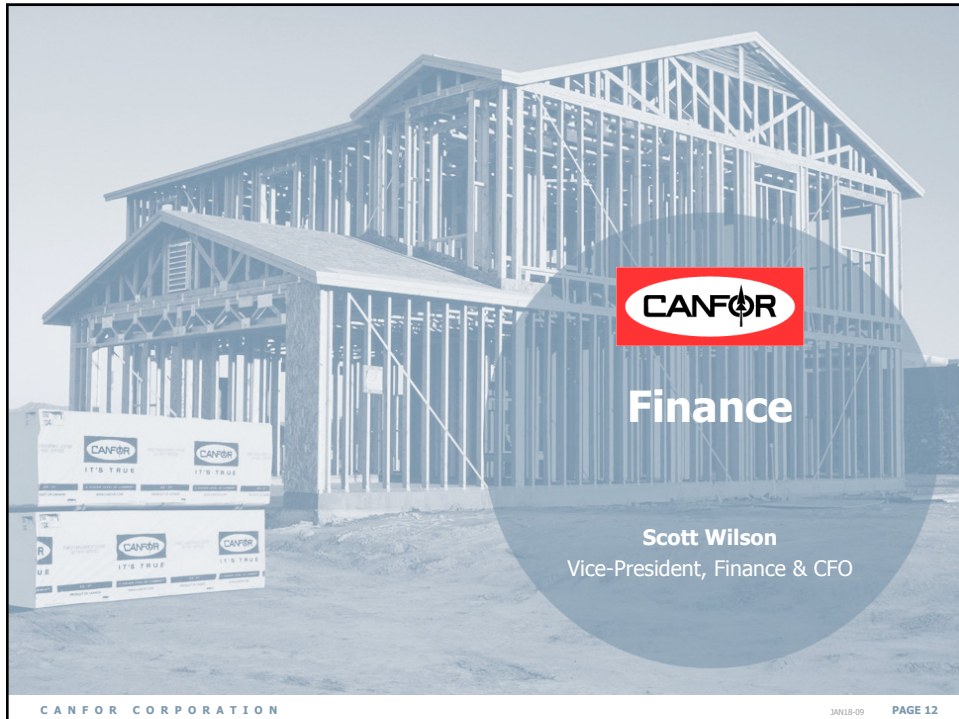
## Profitably Redeploy Capital : Capital Expenditures




## Profitably Redeploy Capital : Governance

- Rigorous planning
  - Feasibility, concept development, value engineering, conservative assumptions
- Contractor relationships
- Dedicated capital group for projects over \$1 million
- Board committee review
- Independent monitoring
- Post-project appraisals and learnings

# Questions?





**Finance**

**Scott Wilson**  
Vice-President, Finance & CFO

CANFOR CORPORATION

JAN 18 '09 PAGE 12