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)

Locations

- 23 Sawmills
  - 12 in Canada
  - 11 in US
- 4 Green Energy Plants
- 3 Engineered Product Mills
- 2 Chip Plants
- 4 Pulp Mills / 1 Kraft Paper Mill (integrated)

Lumber Capacity: 5.8 billion boardfeet
Pulp/Paper Capacity: 1.4 million tonnes

2014 Lumber Sales $2.2 Billion
- United States
- Asia
- Canada
- Other

2014 Pulp Sales $1.1 Billion
- Americas
- Asia
- Europe
Significant Strategic Upgrades

From 2010 to 2015, the Canfor lumber business has invested more than $500 million on high returning strategic capital upgrades in regions and operations with excellent fibre base:
US Expansion

• Total Capacity: approx. 1.6 billion board feet
• Strong fibre supply region, high performing operations
• Significant reinvestment of capital
• Access to domestic and offshore markets
• Strategic acquisition total $325 million (2013-2015)

Production Mix

Current

- US South: 80%
- British Columbia: 12%
- Alberta: 8%

Pro-forma

- US South: 65%
- British Columbia: 28%
- Alberta: 7%
Significant EBITDA Improvements: Top Quartile Performance

- 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 and quality fiber base in all regions
China Imports (MMfmb)

- **2007**
  - Source: China Customs
  - Low Grade, 93%
  - #2 Grade 7%

- **2014**
  - Source: China Customs
  - Low Grade 59%
  - #2 Grade 19%
  - Prime 21%

Graphs showing the volume of China's imports from different countries and grades from 2004 to 2014.
US Lumber Demand

Housing starts not the Only Market to Watch

US Lumber Demand

Four-Quarter Moving Total in Billions
Four-Quarter Moving Rate of Change

Homeowners Improvements (Billions of $)

Rate of Change (%)
Pulp Operations

Locations
1. Intercontinental
2. Northwood
3. Prince George
4. Taylor

1.2 million tonnes of high quality premium reinforcing pulp and paper

Canada

Sales

End Use

2007

2014

Sales

2007

2014

Tissue
Commodity
Publishing
Specialty

America
APAC
China
Europe
Japan

2007

2014

2007

2014

Canada

BC

AB

1.2 million tonnes of high quality premium reinforcing pulp and paper
Operating Rate for Softwood Pulp

- Operating rate projected to come off due to *projected capacity additions*
- Historical price premium of $70 for NBSK over eucalyptus; currently near $95/admt
- Potential risk for softwood pricing to be negatively influenced by falling operating rates
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
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