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, 2013 available at www.canfor.com or www.sedar.com.
OUR FACILITIES

- **Sawmills**
  - 12 in BC, 1 in Alberta
  - 10 in US South
    (4 in Carolinas, 3 in Alabama; 2 in Georgia & 1 in Mississippi - to close April 2015)
  - Capacity: 5.7 billion board feet

- **Pulp and paper mills**
  - 3 NBSK pulp facilities in Prince George
  - 1 BCTMP facility near Fort St John
  - Capacity: 1.3 billion tonnes pulp
  - 140,000 tonnes paper

- **Green Energy**
  - 1 plant in Alberta
  - 3 pellet plants in BC
DIVERSIFIED CUSTOMERS AND MARKETS

STRONG FOCUS ON HIGH-VALUE AND SPECIALTY PRODUCTS

2014 Lumber Sales
$2.2 Billion

- United States
- Asia
- Canada
- Other

2014 Pulp Sales
$1.1 Billion

- Americas
- Asia
- Europe
SIGNIFICANT STRATEGIC CAPITAL UPGRADES

• From 2010 to 2014, the Canfor lumber business has invested more than $300 million on high returning strategic capital upgrades in regions and operations with excellent fibre base:
  - Planer upgrades
  - Energy systems
  - Productivity improvements
  - Grade optimization

• An additional $150 million has been spent on the acquisition of two Tembec sawmills and re-capitalization of Radium facility in southeastern B.C.
US SOUTH EXPANSION

- Total Capacity: approx. 1.4 billion board feet (incl. 2015 acquisitions in GA and MS)
- Strong fibre supply region, high performing operations
- Significant reinvestment of capital
- Access to domestic and offshore markets

PRODUCTION MIX

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

Pro-forma (post-acquisition)
- US South: 70%
- British Columbia: 23%
- Alberta: 7%
RISING GLOBAL DEMAND FOR HIGH VALUE GRADES

**OFFSHORE MARKETS**

**J-Grade**
- Japan
- China

**Square Edge**
- Korea
- Japan
- China

**#2 &Better**
- China

**#3 & Economy**
- China
- India
- Middle East
- Other Emerging Markets

**NORTH AMERICA**

**Square Edge**
- USA
- Canada

**MSR**
- USA
- Canada

**#2 &Better**
- USA
- Canada

**#3 & Economy**
- USA
- Canada

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![Graph showing % Offshore Shipments vs % North American Shipments](image-url)
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

Lumber EBITDA per Mfbm (rolling four quarter average)
CHINA IMPORTS OF LUMBER (MMfbm)

Source: China Customs
US LUMBER DEMAND
HOUSING STARTS NOT THE ONLY MARKET TO WATCH

Source: RISI
CANFOR PULP PRODUCTS INC. (CFX)
OPERATING CAPACITY REMAINS HIGH FOR SOFTWOOD PULP

- Significant new hardwood capacity forecast to come to market in the near-term
- Historical price premium of $70 for NBSK over eucalyptus; currently near $150/admt
- Potential for softwood pricing to be negatively influenced by falling hardwood operating rates

Source: RISI and PPPC
FOCUS ON PREMIUM GRADES SUPPORTING TOP QUARTILE PERFORMANCE

- Targeting customers that need reinforcing pulp
  - Specialty
  - Décor, Masking tape base, Abrasive backing, Labels
  - Tissue

- Branded top quality lightweight tissue
- Publication grades
  › Magazines / Catalogues
  › Reduce commodity P&W

- A balanced and diversified regional mix
  - Rebalance growth in China and the reduction in North American business

End Use

- Tissue
- Commodity
- Publishing
- Specialty

2007

- Tissue: 30%
- Commodity: 12%
- Publishing: 45%
- Specialty: 5%

2014

- Tissue: 27%
- Commodity: 6%
- Publishing: 23%
- Specialty: 5%

Sales

- America
- APAC
- China
- Europe
- Japan

2007

- America: 48%
- APAC: 15%
- China: 15%
- Europe: 15%
- Japan: 9%

2014

- America: 31%
- APAC: 31%
- China: 20%
- Europe: 10%
- Japan: 9%
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
INVESTOR CONTACTS

TSX Ticker: CFP, CFX

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