



Quarter 4, 2011 Financial Performance Overview

Presented by:

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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 and labour 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, 2010.



Q4 2011 Review: Items Impacting Earnings Comparability

(millions of dollars, except for per share amounts)	Q4 2011		Q3 2011	
	\$	\$/Share	\$	\$/Share
Net income (loss) , as reported	\$ (38.1)		\$ (9.6)	
Less: Non-controlling interests	\$ 6.0		\$ 12.0	
Net income (loss) attributable to equity shareholders of the Company	\$ (44.1)	\$ (0.31)	\$ (21.6)	\$ (0.15)
Non-operating / unusual items (after-tax, net of non-controlling interests)				
Foreign exchange (gain) loss on long-term debt and investments, net	\$ (3.3)	\$ (0.02)	\$ 11.0	\$ 0.08
(Gain) loss on derivative financial instruments	\$ (6.7)	\$ (0.05)	\$ 7.0	\$ 0.05
Decrease (increase) in fair value of asset-backed commercial paper	\$ (0.5)	\$ -	\$ 1.8	\$ 0.01
Mill closure provisions	\$ 17.0	\$ 0.12	\$ -	\$ -
Asset impairment charges	\$ 5.5	\$ 0.04	\$ -	\$ -
Net impact of above items	\$ 12.0	\$ 0.09	\$ 19.8	\$ 0.14
Sharholder net income (loss), as adjusted	\$ (32.1)	\$ (0.22)	\$ (1.8)	\$ (0.01)



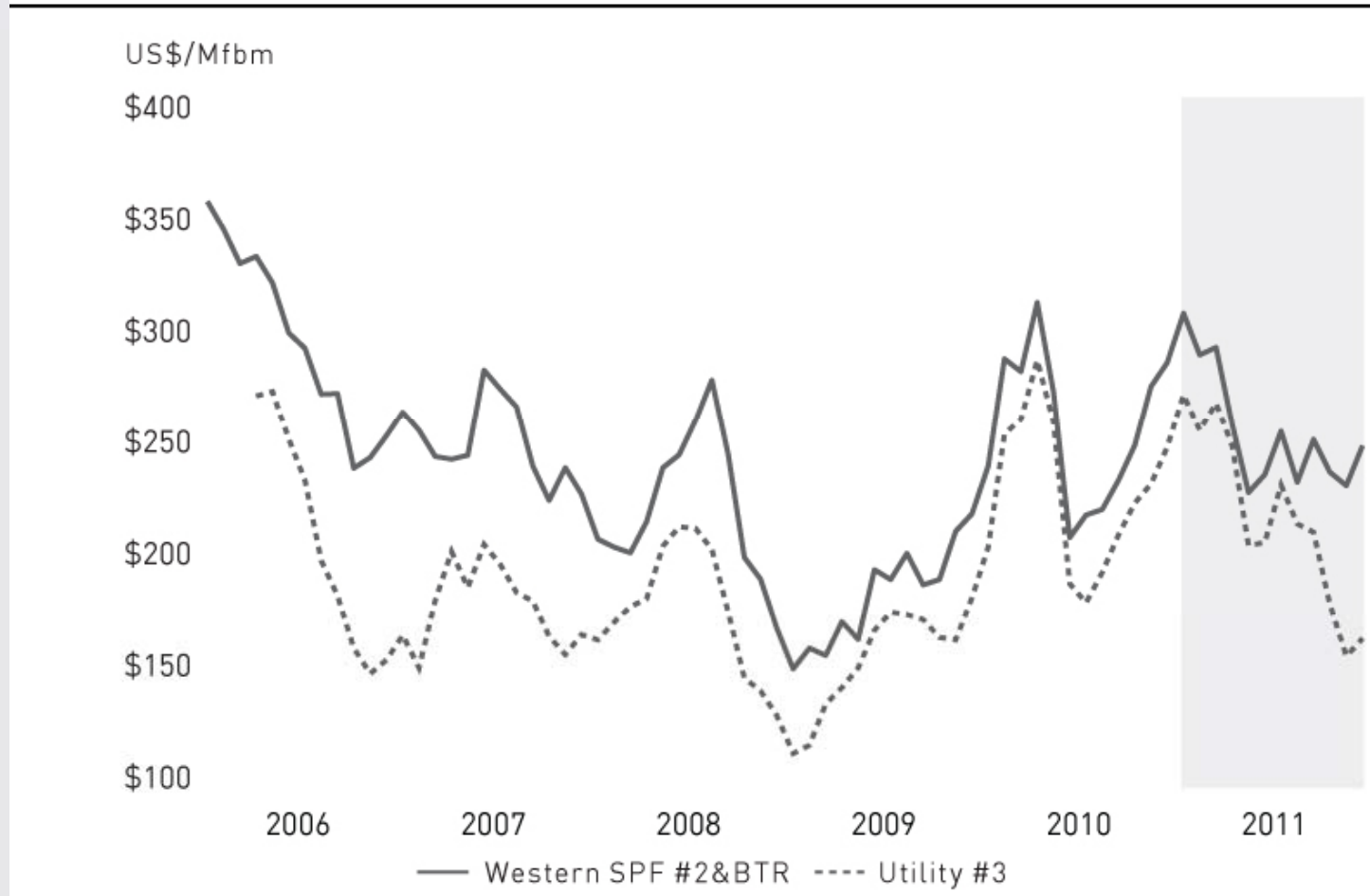
Sales and EBITDA Summary

(millions of dollars unless otherwise noted)	Q4 2011	Q3 2011	Variance
Gross Sales	\$ 576.2	\$ 602.1	\$ (25.9)
EBITDA by segment:			
Lumber	\$ (34.1)	\$ 9.7	\$ (43.8)
Pulp & Paper	\$ 39.2	\$ 51.5	\$ (12.3)
Unallocated and other	\$ (21.5)	\$ (6.8)	\$ (14.7)
Total EBITDA, as reported	\$ (16.4)	\$ 54.4	\$ (70.8)
Included in above:			
Negative impact of inventory valuation adjustments	\$ 10.9	\$ 0.1	\$ 10.8
Mill closure provisions	\$ 22.5	\$ -	\$ 22.5
Asset impairment charges	\$ 9.2	\$ -	\$ 9.2
EBITDA excluding inventory valuation adjustments, closure provisions and impairment charges	\$ 26.2	\$ 54.5	\$ (28.3)
Average exchange rate (US\$ per C\$1.00)	\$ 0.977	\$ 1.020	\$ (0.043)
End of Period Exchange Rate (US\$ per C\$1.00)	\$ 0.983	\$ 0.963	\$ 0.020



Western SPF 2x4 #2&Btr and Utility #3 Lumber Price Comparison

WESTERN SPF 2X4 #2&BTR AND UTILITY #3 LUMBER PRICE COMPARISON



Source: Random Lengths Publications Inc.



Lumber: Q4 2011 vs. Q3 2011

(millions of dollars unless otherwise noted)	Q4 2011	Q3 2011	Variance
Sales	\$ 325.9	\$ 331.4	\$ (5.5)
Operating income (loss)	\$ (55.6)	\$ (11.7)	\$ (43.9)
EBITDA, as reported	\$ (34.1)	\$ 9.7	\$ (43.8)
Negative impact of inventory valuation adjustments	\$ 9.7	\$ 1.5	\$ 8.2
Mill closure provisions	\$ 11.9	\$ -	\$ 11.9
Asset impairment charges	\$ 7.2	\$ -	\$ 7.2
EBITDA excluding impact of inventory valuation adjustments , closure provisions and impairment charges	\$ (5.3)	\$ 11.2	\$ (16.5)
Average SPF 2x4 #2&Btr price in CDN\$	\$ 244	\$ 241	\$ 3
Average SYP 2x4 #2 lumber price in US\$	\$ 260	\$ 259	\$ 1
Production - SPF Lumber (MMfbm)	761	814	(53)
Production - SYP Lumber (MMfbm)	106	117	(11)
Shipments - Canfor-produced SPF Lumber (MMfbm)	834	812	22
Shipments - Canfor-produced SYP Lumber (MMfbm)	113	123	(10)

EBITDA down \$16.5 million to negative \$5.3 million (before inventory valuation adjustments, closure provisions and impairment charges)

- Average NA Western SPF 2X4 #2&Btr, SYP 2x4 price prices flat
 - WSPF 2x4 #3 price down approx. 25%, reflecting softer demand from China in advance of Lunar New Year
- Modest increase in unit cash conversion costs, reflecting Christmas downtime and seasonally higher energy consumption
- Unit log costs for WSPF operations, reflecting higher hauling costs (low trucker availability), diesel costs and milder-than-expected weather conditions in Q4.



Pulp & Paper: Q4 2011 vs. Q3 2011

(millions of dollars unless otherwise noted)	Q4 2011	Q3 2011	Variance
Sales	\$ 237.0	\$ 260.5	\$ (23.5)
Operating income	\$ 17.5	\$ 37.3	\$ (19.8)
EBITDA	\$ 39.2	\$ 51.5	\$ (12.3)
Average NBSK pulp list price delivered to U.S. - US\$	\$ 920	\$ 993	\$ (73)
Average NBSK pulp list price delivered to U.S. - CDN\$	\$ 942	\$ 974	\$ (32)
Production - Pulp (000 mt)	295	274	21
Shipments - Canfor-produced pulp (000 mt)	275	291	(16)

EBITDA down \$12.3 million to \$39.2 million

- Average NBSK pulp price for U.S. delivery down 7% to US\$920/tonne, reflecting softening global demand, offset in part by 4% weaker Canadian dollar
 - Average list price to Europe down US\$112 to US\$868/tonne, price to China down US\$120 to US\$730/tonne.
- Higher production following completion of CPLP's Northwood pulp mill upgrade early in Q4.