



Quarter 1, 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.



Q1 2011 Review: Items Impacting Earnings Comparability

(millions of dollars, except for per share amounts)	Q1 2011		Q4 2010*	
	\$	\$/Share	\$	\$/Share
Net income, as reported	\$ 32.3		\$ 55.4	
Less: Non-controlling interests	\$ 25.3		\$ 24.0	
Net income attributable to equity shareholders of the Company	\$ 7.0	\$ 0.05	\$ 31.4	\$ 0.22
Non-operating / unusual items (after-tax, net of non-controlling interests)				
Foreign exchange gain on long-term debt and investments, net	\$ (3.0)	\$ (0.02)	\$ (6.9)	\$ (0.05)
Gain on derivative financial instruments	\$ (2.9)	\$ (0.02)	\$ (0.5)	\$ (0.00)
Gain on sale of operating assets of Howe Sound Pulp & Paper LP	\$ -	\$ -	\$ (4.9)	\$ (0.03)
Increase in fair value of asset-backed commercial paper	\$ (1.0)	\$ (0.01)	\$ (5.5)	\$ (0.04)
Net impact of above items	\$ (6.9)	\$ (0.05)	\$ (17.8)	\$ (0.12)
Net income, as adjusted	\$ 0.1	\$ 0.00	\$ 13.6	\$ 0.10

* Note that Q4 2010 information has been restated in accordance with IFRS throughout this presentation.

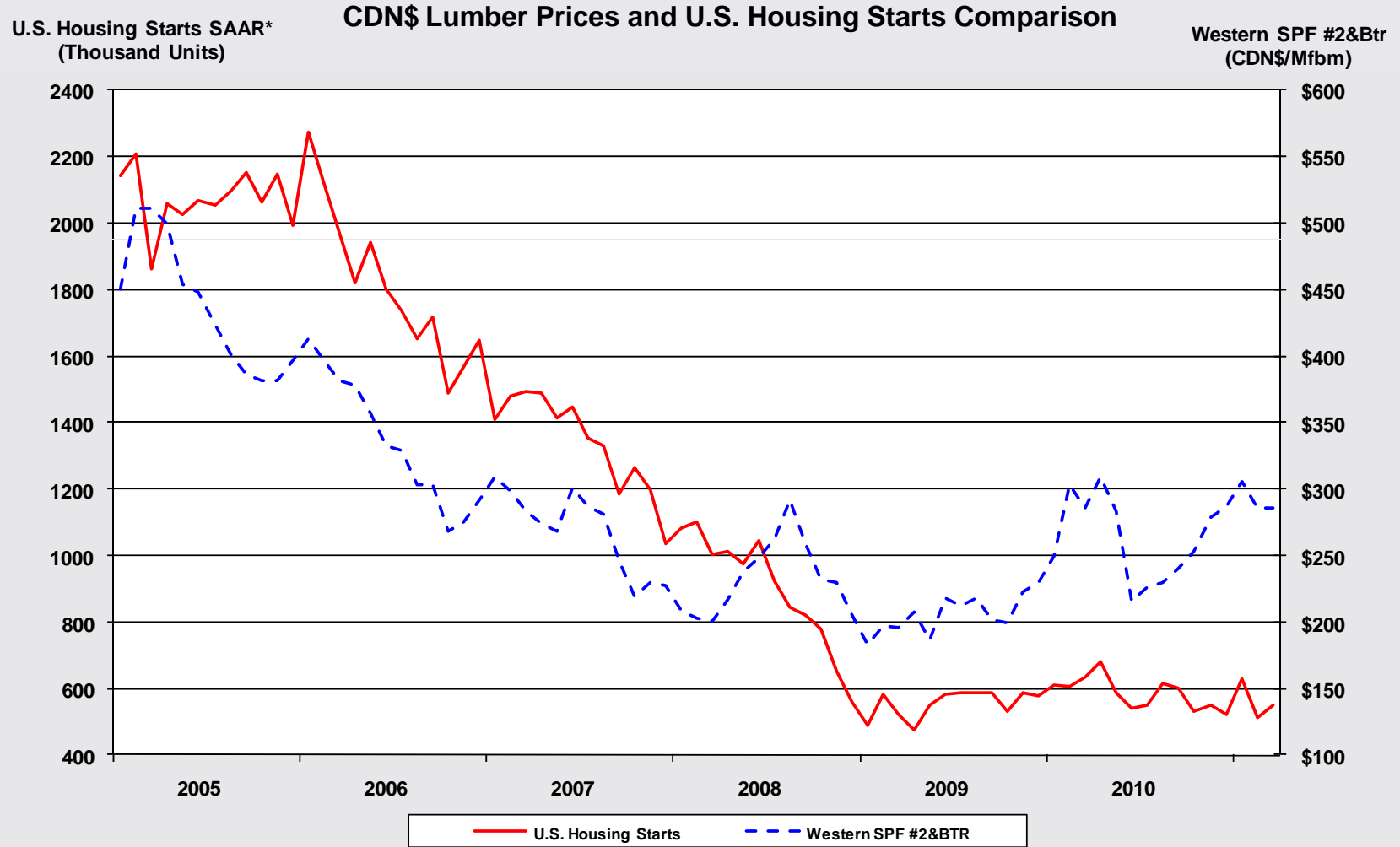


Sales and EBITDA Summary

(millions of dollars unless otherwise noted)	Q1 2011	Q4 2010	Variance
Gross Sales	\$ 624.0	\$ 629.1	\$ (5.1)
EBITDA by segment:			
Lumber	\$ 18.0	\$ 21.7	\$ (3.7)
Pulp & Paper	\$ 64.0	\$ 66.4	\$ (2.4)
Unallocated and other	\$ (9.1)	\$ (4.6)	\$ (4.5)
Total EBITDA	\$ 72.9	\$ 83.5	\$ (10.6)
Inventory adjustments (logs and finished product)	\$ 2.9	\$ (0.1)	\$ 3.0
Total EBITDA adjusted for above items	\$ 75.8	\$ 83.4	\$ (7.6)
Average Exchange Rate (\$US/\$CDN)	\$ 1.014	\$ 0.987	\$ 0.027
End of Period Exchange Rate (\$US/\$CDN)	\$ 1.029	\$ 1.005	\$ 0.024



History of Lumber Prices (CDN\$) and U.S. Housing Starts



Note: Canadian price is calculated as the US price multiplied by the average monthly exchange rate per the Bank of Canada Source: U.S. Bureau of the Census and Random Lengths Publications, Inc.
 * SAAR - Seasonally Adjusted Annual Rate



Lumber: Q1 2011 vs. Q4 2010

(millions of dollars unless otherwise noted)	Q1 2011	Q4 2010	Variance
Sales	\$ 328.6	\$ 318.0	\$ 10.6
Operating income (loss)	\$ (2.3)	\$ 0.7	\$ (3.0)
EBITDA, as reported	\$ 18.0	\$ 21.7	\$ (3.7)
Total (positive) negative impact from inventory valuation adjustments (logs and finished products)	\$ 0.1	\$ (0.7)	\$ 0.8
EBITDA, adjusted for above items	\$ 18.1	\$ 21.0	\$ (2.9)
Average SPF 2x4 #2&Btr price in CDN\$	\$ 292	\$ 273	\$ 19
Average SYP 2x4 #2 lumber price in US\$	\$ 302	\$ 256	\$ 46
Production - SPF lumber (MMfbm)	772	725	47
Production - SYP lumber (MMfbm)	95	83	12
Shipments - Canfor-produced SPF lumber (MMfbm)	715	760	(45)
Shipments - Canfor-produced SYP lumber (MMfbm)	91	93	(2)

EBITDA down \$2.9 million to \$18.1 million (before inventory valuation adjustments)

- Average Western SPF 2X4 #2&Btr price up \$19 to \$292/mfbm, SYP 2x4 price up US\$46 to US\$302
 - As in Q4, 2x4 benchmark price increases not representative of price movements for other dimensions / grades which saw more modest gains
- Shipments of Canfor-produced lumber down 6% reflecting impact of severe weather on construction activity and transportation networks in North America
- Unit manufacturing costs down marginally from previous quarter



Pulp & Paper: Q1 2011 vs. Q4 2010

(millions of dollars unless otherwise noted)	Q1 2011	Q4 2010	Variance
Sales	\$ 283.0	\$ 300.8	\$ (17.8)
Operating income	\$ 47.2	\$ 50.0	\$ (2.8)
EBITDA	\$ 64.0	\$ 66.4	\$ (2.4)
Average NBSK pulp list price delivered to U.S. - US\$	\$ 970	\$ 967	\$ 3
Average NBSK pulp list price delivered to U.S. - CDN\$	\$ 957	\$ 980	\$ (23)
Production - Pulp (000 mt)	317	321	(4)
Shipments - Canfor-produced pulp (000 mt)	318	331	(13)

EBITDA down \$2.4 million to \$64.0 million

- US\$ NBSK pulp prices hold firm, increase towards end of Q1; stronger Canadian dollar impacts sales realizations
- Lower pulp shipments and higher chemical costs offset by lower fibre and operating costs