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, 2010 available at www.canfor.com or www.sedar.com.
Who We Are

• Largest producer of Canadian dimension lumber
• 50.2% owner of Canfor Pulp Limited Partnership
• Builder of market demand in the world’s fastest-growing economies
• A company with a strong reputation for quality, customer service and excellence in logistics support
• Supplier of products the world wants – smart green solutions
• Top performer, anchored by an exceptional balance sheet
Key Facts

- 17 sawmills in Canada and the US
- Controlling interest in 3 NBSK pulp mills through Canfor Pulp Limited Partnership
- 16 million m3 of annual log harvest
Canfor’s Fibre

- Strong, sustainable fibre supply
- Fibre base supports our customer focused strategy
- Well located mills in regions minimally impacted by mountain pine beetle
- Acquisition of Tembec tenure will further strengthen fibre security (75% of all Canfor fibre from committed tenure)
Focus on Performance

- $300 million spending program to improve modernization and efficiency
- Driving to top quartile margin performance through:
  - Productivity and operational excellence
  - Extracting optimal value from our fibre advantage
  - Continuing to capitalize on our high quality customer base
- Spending directed at mill locations with strong long-term fibre supply

Figures in white represent capital expenditures greater than $20M between 2010 and 2012
Customer Regions

**North America**

- The United States remains our largest market - 45% of total SPF sales in 2011
- Canada is a strong and steady market, taking almost 20% of SPF sales
- We are committed to growth with our key customers
- Our focus is on the retail business – first to rebound when the economy improves
- Our customers are the future consolidators in a more concentrated market
Customer Regions

**China**
- Canfor aggressively building demand for our products – China is an excellent example of our market development work
- Canfor was the first company into China; in a decade, it has grown from obscurity into our largest offshore market
- Huge demand for affordable housing; acute domestic fibre shortage
Looking forward in China

- Canada has built strong, sustainable recognition of the merits of wood frame construction in China
- Latest Chinese government White Paper solidifies government support for promotion of wood use to combat climate change
- Opportunities for wood in multi-family and hybrid applications immense; China’s shortfall in domestic supply represents persistent opportunity for Canfor (top chart)
- China has acute need for sustainable housing – in the last decade 218 million people in China moved from rural to urban centres (bottom chart)
Customer Regions

Japan

• Canfor has had a strong relationship with Japan for more than 30 years
• Mature, high value market; strong cultural ties to wood construction
• Widespread recognition of environmental, health, seismic benefits of using wood
• 2x4 market continues to be the backbone of our market
• Hybrid market inroads (in post and beam segment), including commercial and public buildings
Conclusion

- We see moderately improving demand signals in existing and emerging markets.
- Wood products are increasingly embraced as an environmentally preferable choice, and the need for sustainable housing continues to grow as global population expands.
- Canfor is well positioned to meet this demand:
  - High quality, secure fibre supply.
  - Strong, low cost asset base realizing benefits of $300 million capital program and strategic acquisitions.
- Aggressive and proven program of building markets, recognition of our products around the world.
These materials have been prepared by Management of the Company. No regulatory authority has approved or disapproved of the contents of these materials. These materials do not constitute an offer to sell or the solicitation of an offer to buy any securities of the Company and shall not constitute an offer, solicitation or sale of the Company’s securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. Securities of the Company may not be offered or sold in the United States absent their prior registration or qualification or an applicable exemption from the applicable registration or qualification requirements.

TSX Ticker: CFP

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## Capitalization and Liquidity

<table>
<thead>
<tr>
<th>Long Term Debt</th>
<th>$ Millions</th>
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<tbody>
<tr>
<td>Senior Unsecured Notes</td>
<td>6.33%</td>
</tr>
<tr>
<td>2012</td>
<td>50</td>
</tr>
<tr>
<td>Senior Unsecured Notes</td>
<td>5.42%</td>
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<tr>
<td>2013</td>
<td>75</td>
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<tr>
<td><strong>Total Debt</strong></td>
<td><strong>125</strong></td>
</tr>
<tr>
<td><strong>Cash</strong></td>
<td><strong>70</strong></td>
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<tr>
<td><strong>Shareholders’ Equity</strong></td>
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<tr>
<td><strong>Net Debt to Total Capitalization</strong></td>
<td><strong>5%</strong></td>
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</table>

<table>
<thead>
<tr>
<th>Liquidity</th>
<th>$ Millions</th>
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<tbody>
<tr>
<td>Syndicated credit facility</td>
<td>Oct 2013</td>
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<tr>
<td>Other credit facility</td>
<td>Jan 2012</td>
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<tr>
<td>Outstanding Letters of Credit</td>
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<tr>
<td>Cash balance</td>
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<tr>
<td><strong>Net Liquidity</strong></td>
<td><strong>415</strong></td>
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</tbody>
</table>

*All amounts as at September 30, 2011 and exclude the Canfor Pulp Limited Partnership*
Major Shareholders*

The Pattison Group 38%
Mackenzie Cundill 14%
Jarislowsky Fraser 11%

*Information as per public filings