



Alan Nicholl

Senior Vice President, Finance & CFO

Pat Elliott

Vice President & Treasurer

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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 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)

CFP Overview

- US market demand steady, reflecting improved housing prices, pent up demand and falling unemployment; availability of financing and land continue to be challenges
- Canadian market weaker after robust performance in recent years
- China shipments increased in value for 2013, continuing positive trend in demand for higher-grade lumber
- Japan demand for the highest quality lumber up significantly in 2013, projected to moderate somewhat in 2014
- Supply constraints in Canada will limit production upswing as markets recover; US supply response coming from US South
- Global customer base expecting significant future growth in demand, product quality
- Benefits of \$300 million capital program and Tembec strategic acquisition, upgrades are being realized
- Strategic growth targeted in strong fibre areas supporting key customers

CANFOR'S OPERATIONS

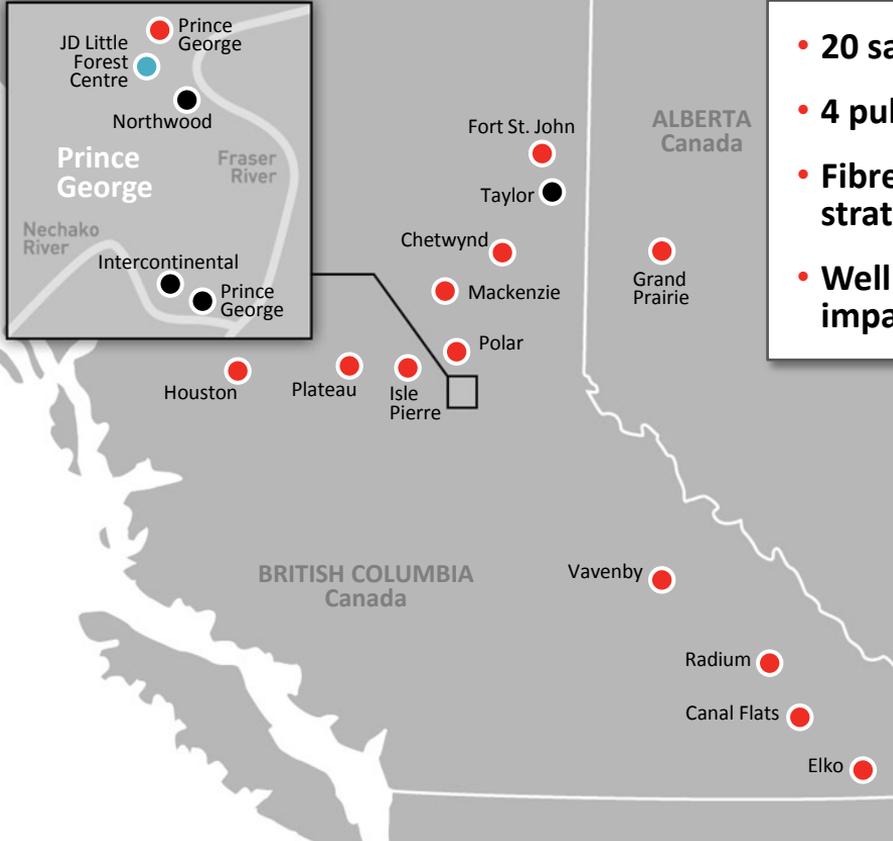
○ Sawmill

● Pulp & Paper

● Other

Western Canada

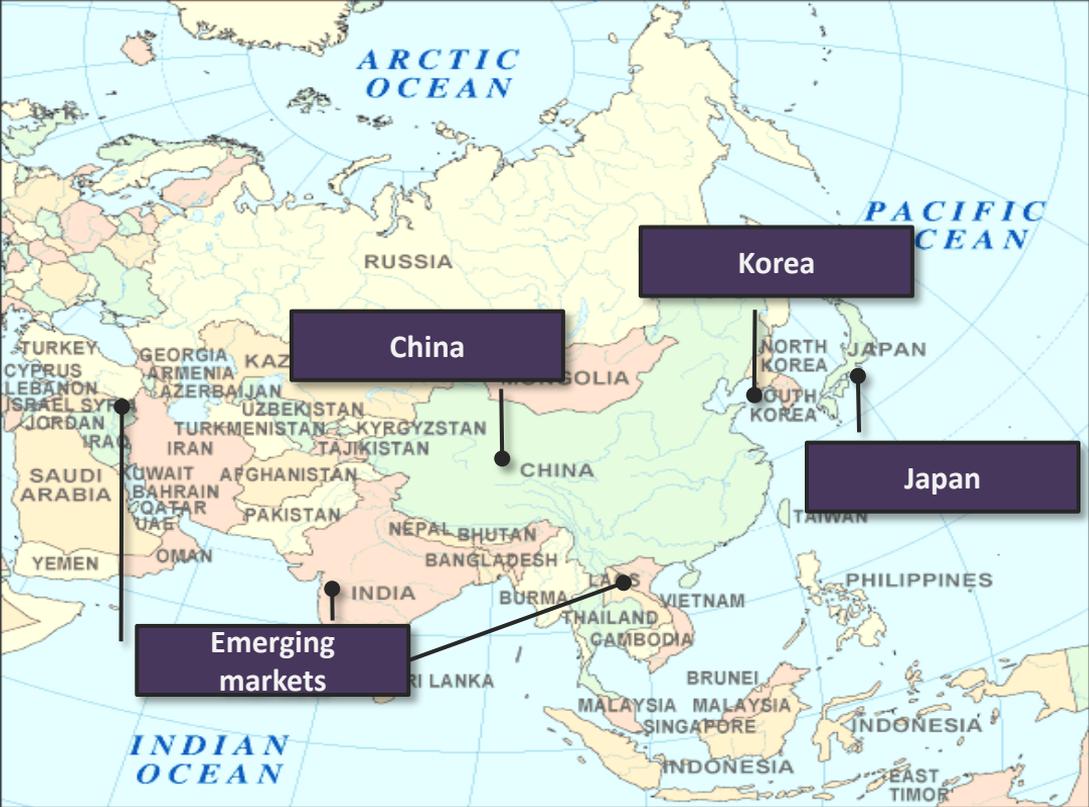
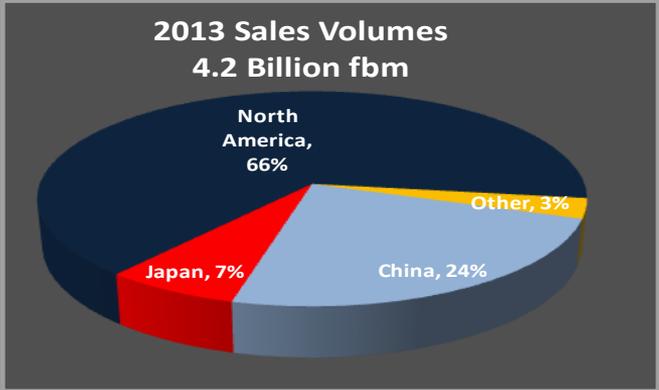
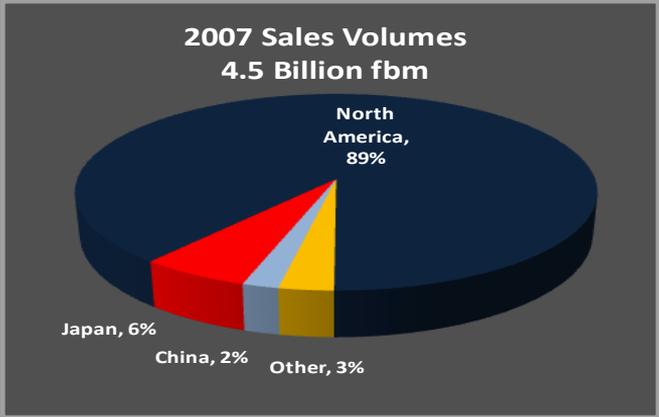
East Coast



- 20 sawmills located across North America
- 4 pulp mills including 1 paper mill
- Fibre base supports our customer focused strategy
- Well located mills in regions minimally impacted by mountain pine beetle



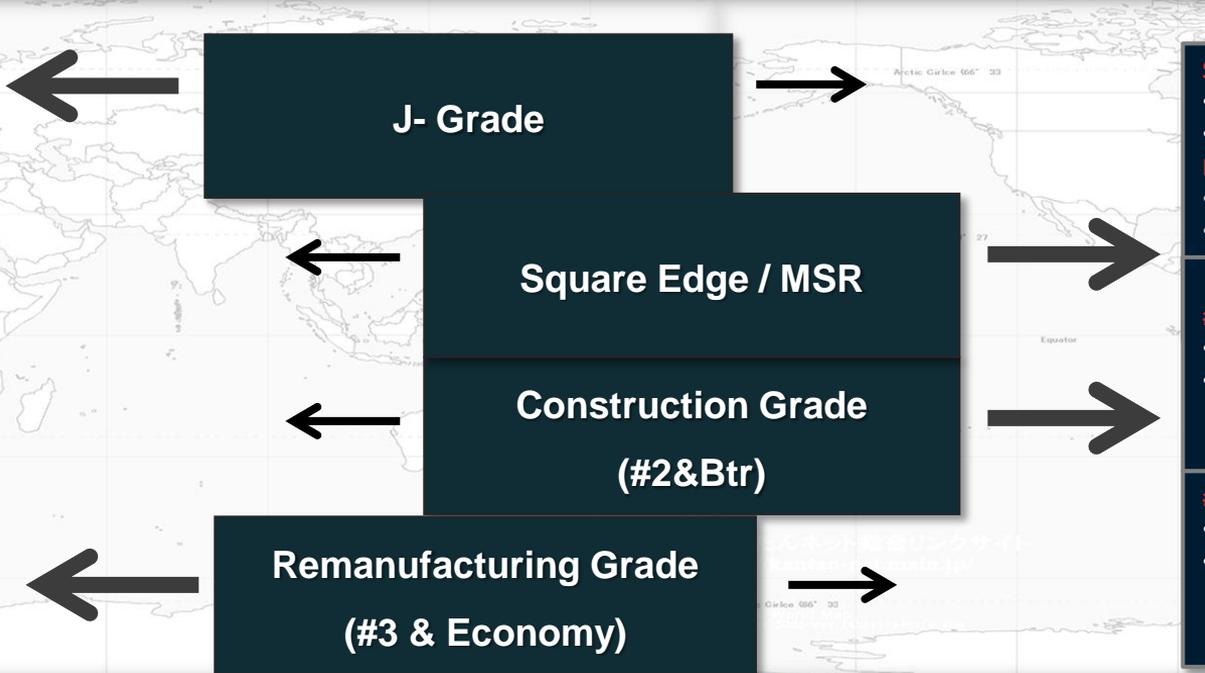
SPF Global Market Diversification



Global Demand For All Lumber 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**
 - US
 - Canada
- MSR**
 - US
 - Canada
- #2 & Better**
 - US
 - Canada
- #3 & Economy**
 - US
 - Canada

100% % Offshore Shipments 50% 0 % North American Shipments 50% 100%

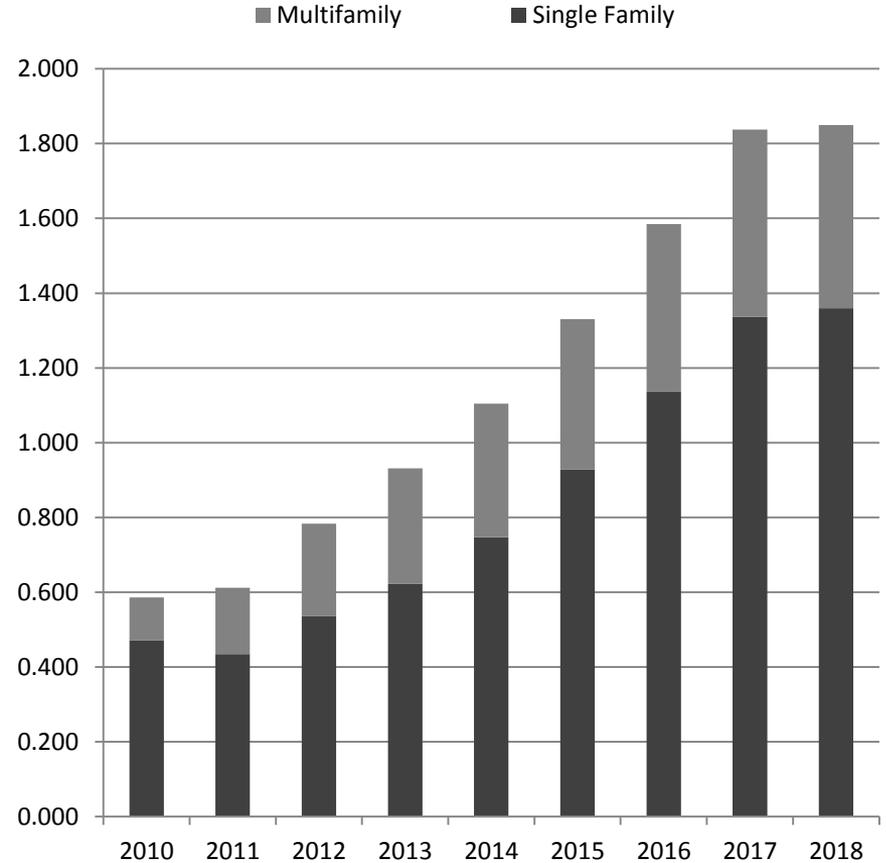


THE UNITED STATES



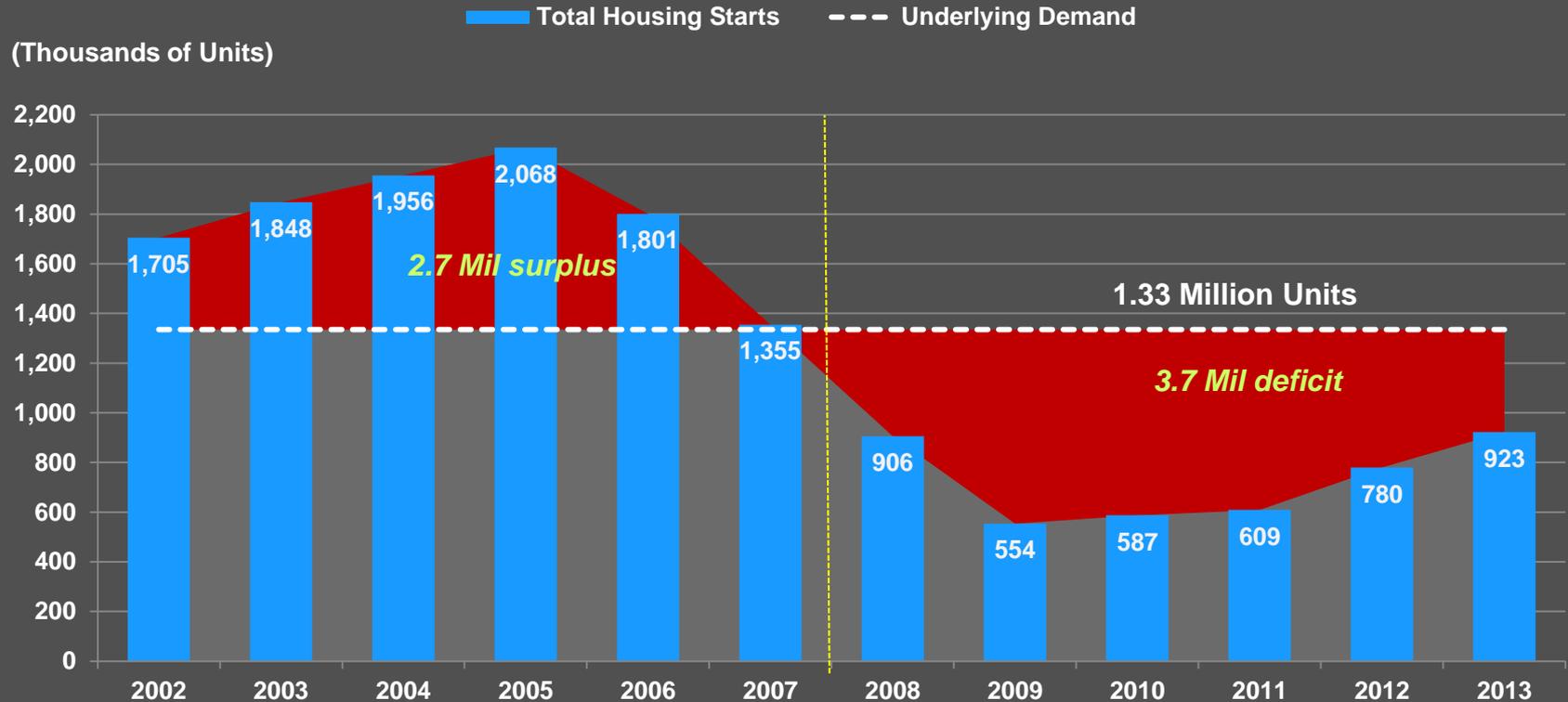
In 2014, analysts predict a
15%
increase in US housing starts

US Housing Starts Forecast



* Source: FEA

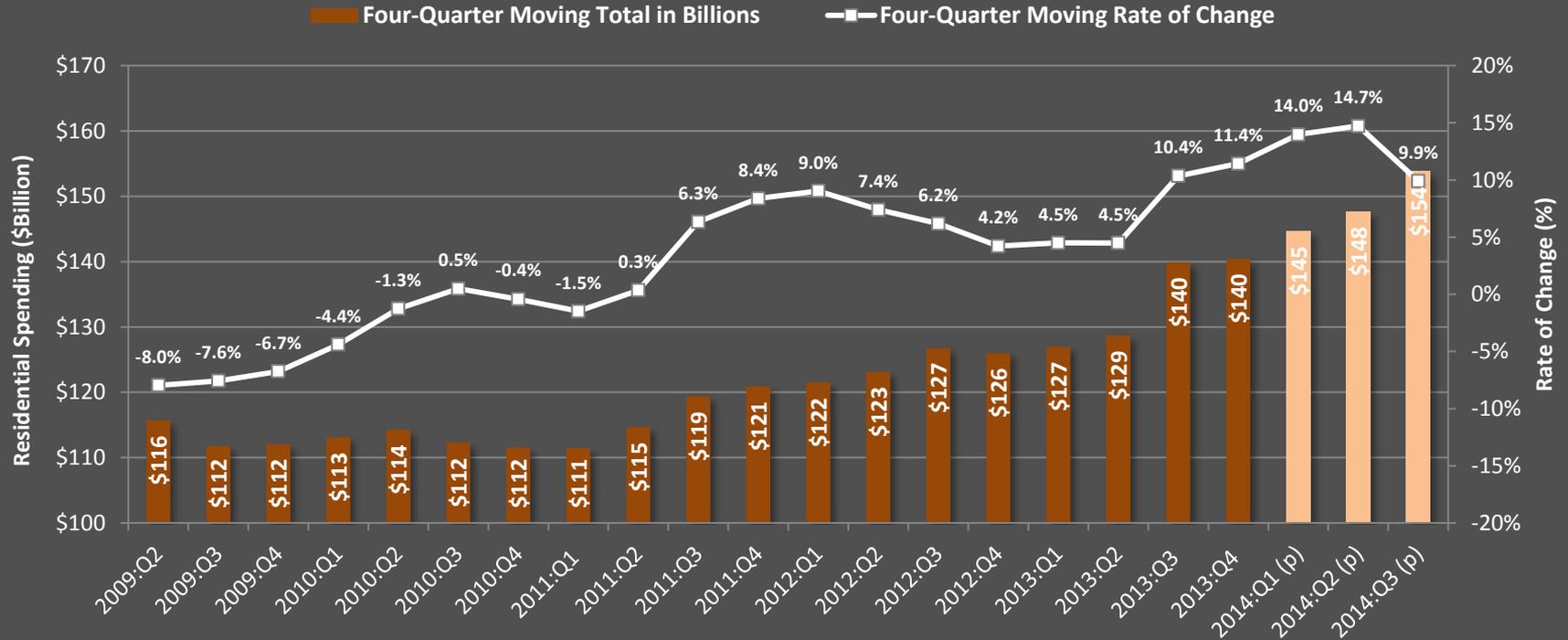
US Housing Starts Averaging 1.33 Million units (over the last 12 years)



SOURCE: US Census Bureau

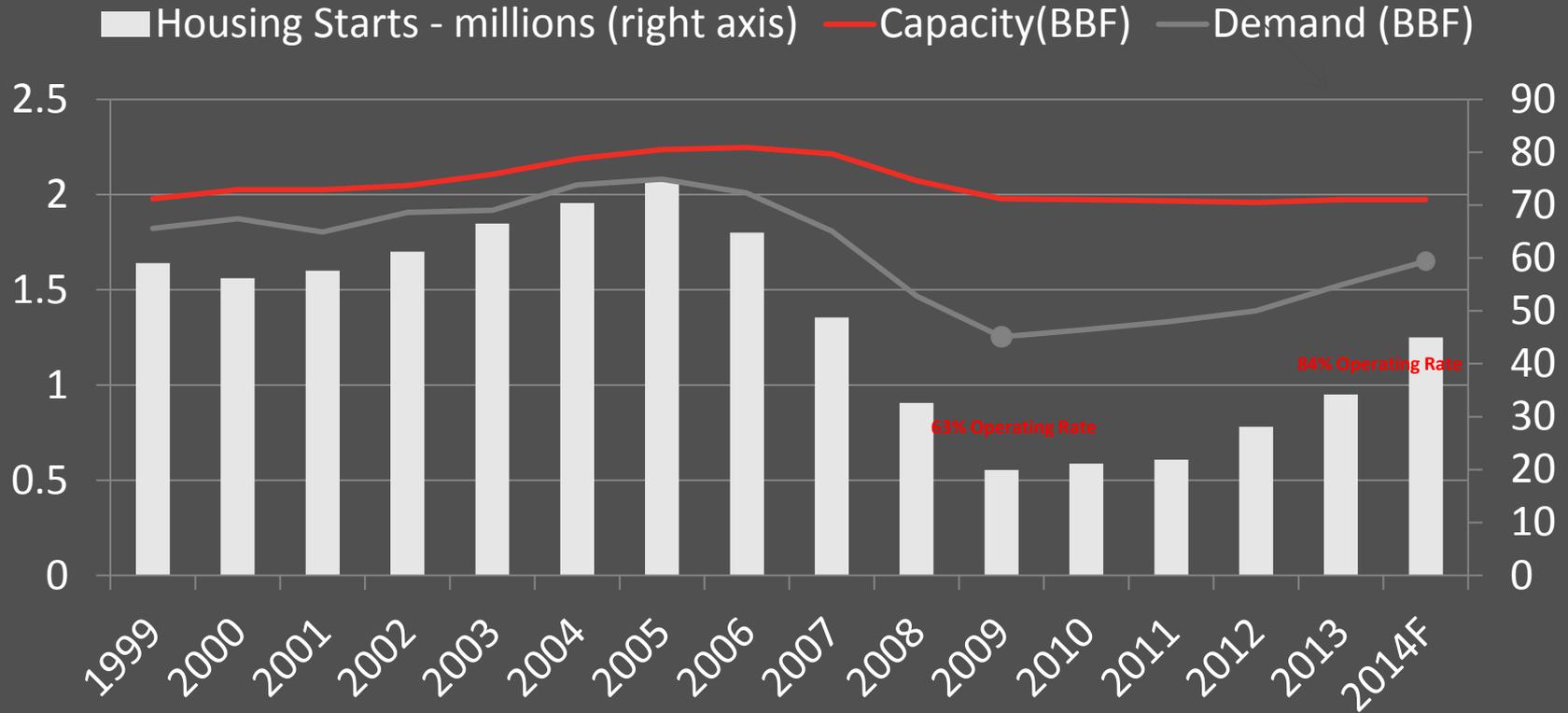
Joint Center for Housing Studies

Leading Indicator of Remodeling Activity



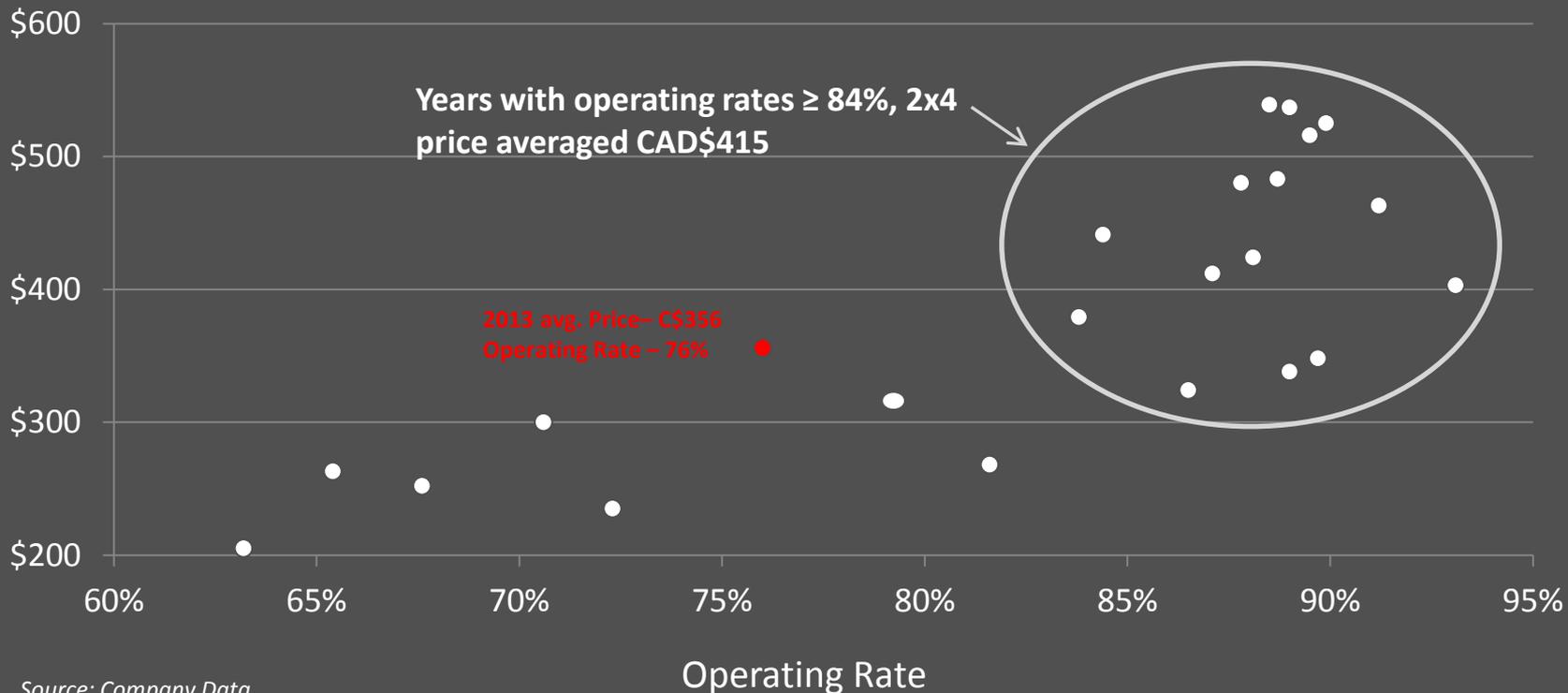
Sources: Joint Center for Housing Studies, Leading Indicator of Remodeling Activity and U.S. Census Bureau Value of Private Residential Construction Spending Put in Place (C-30).

North American Capacity and Demand



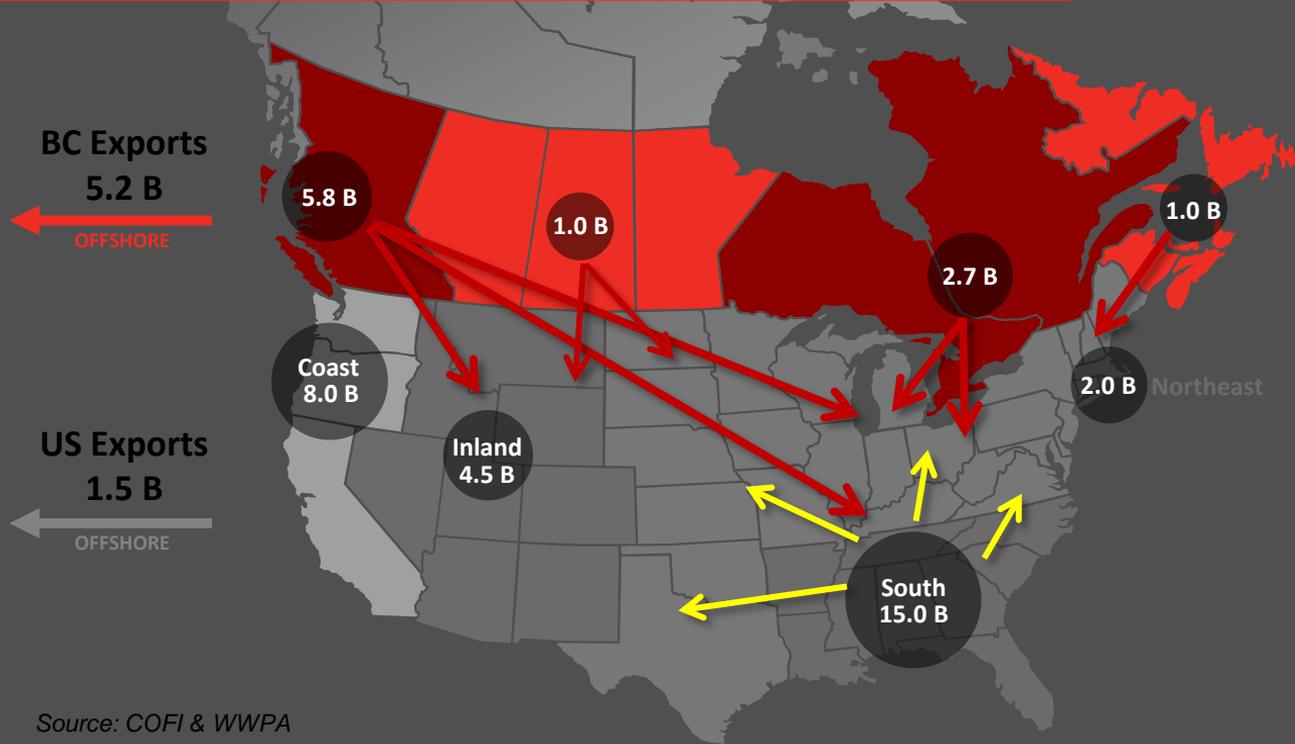
Source: FEA, US Census, Company Data

CAD Price/Operating Rate (1992-2013)



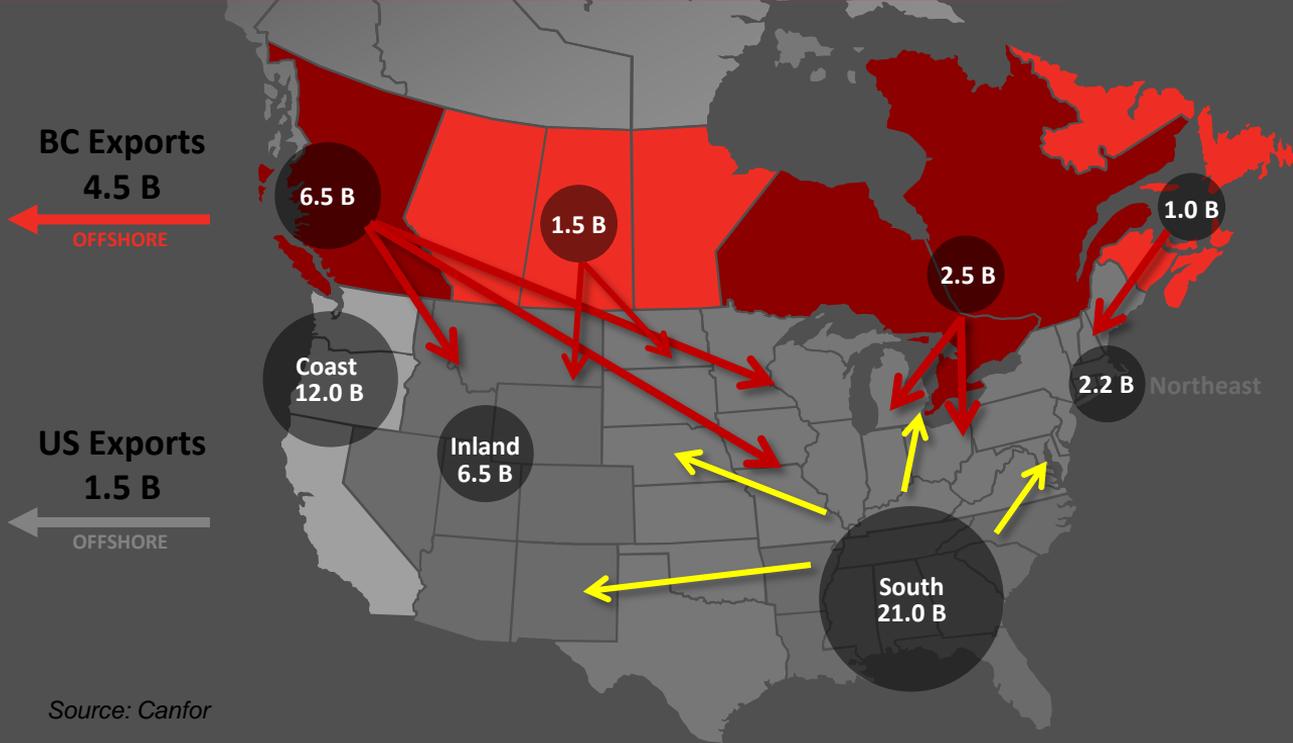
Source: Company Data

2013 - CANADIAN EXPORTS TO THE U.S. IS 10.9 BFBM WITH 5.2 BFBM TO OFFSHORE



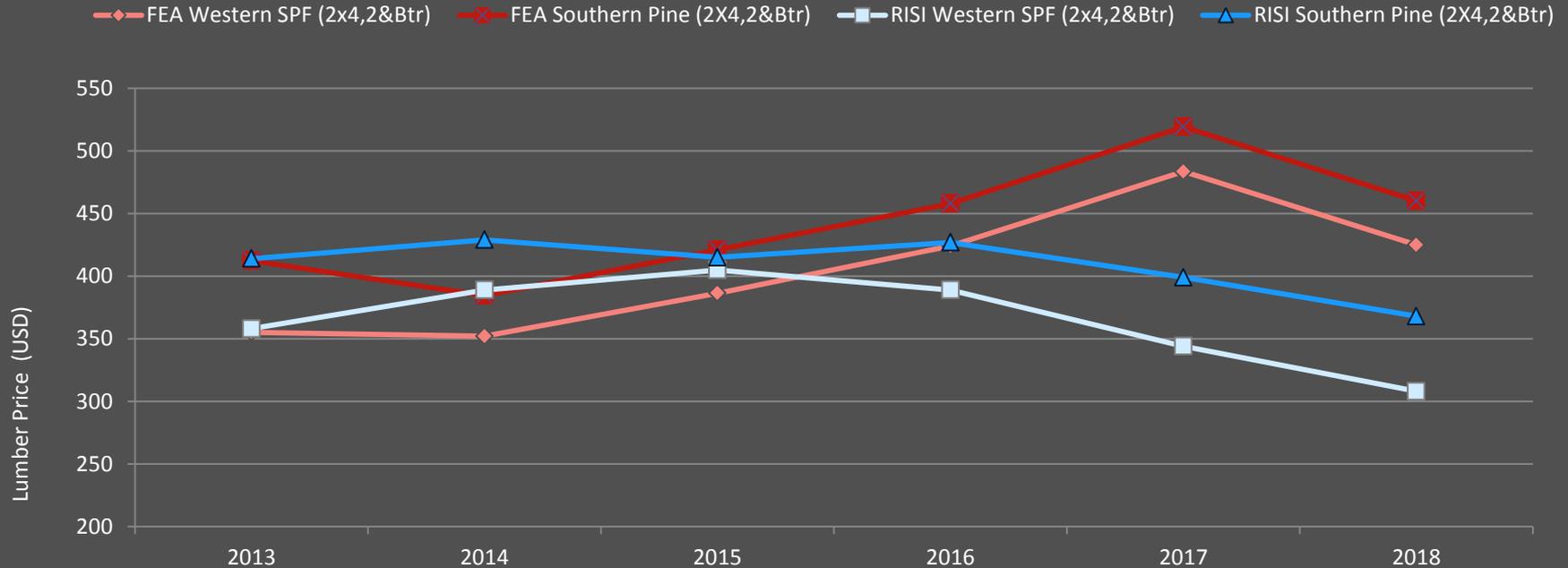
Source: COFI & WWPA

2018 - CANADIAN EXPORTS TO THE U.S. IS 11.5 BFBM WITH 4.5 BFBM TO OFFSHORE



Source: Canfor

North American Lumber Prices Forecast



Source: FEA, RISI



JAPAN

Japan – Significant Market for BC

- Canfor has had a strong relationship with Japan for more than 40 years
- Mature, high value market and a 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



2x4 imported from B.C. transformed into panels for Japanese houses



Source: BC Government (www.flickr.com/photos/bcgovphotos/)



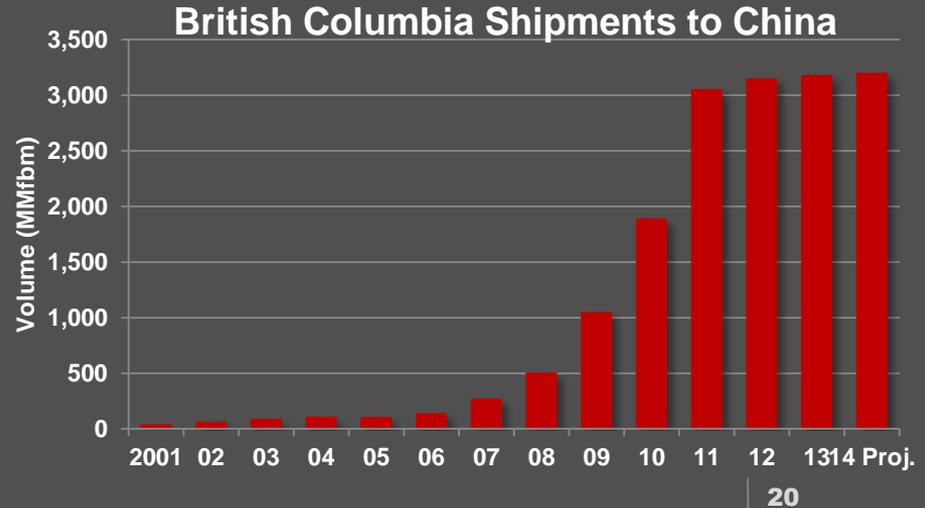
CHINA



First

North American lumber
company in China

- China has grown from obscurity into BC lumber producers' largest offshore market
- Huge demand for affordable housing
- Expanded wood use to include higher grade lumber



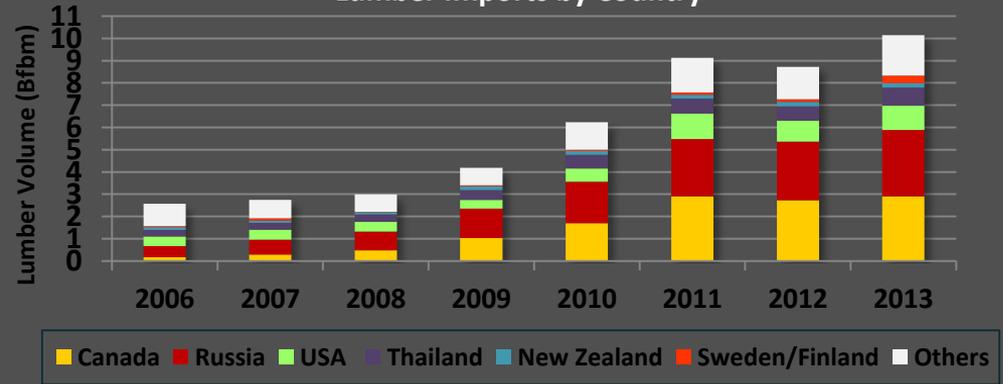
China Imports - Logs & Lumber (HW & SW)

Lumber

2013 Share by Countries

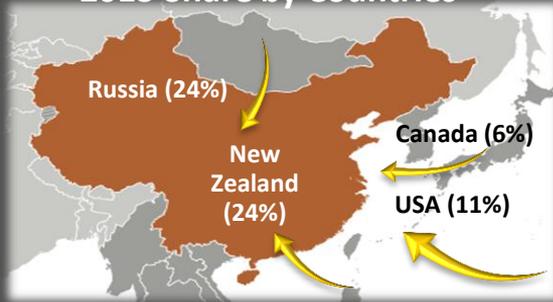


Lumber Imports by Country

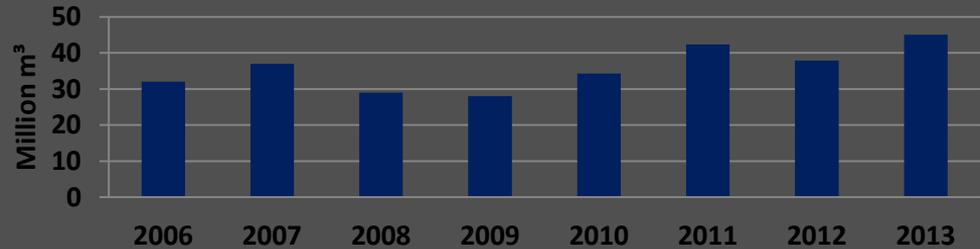


Log

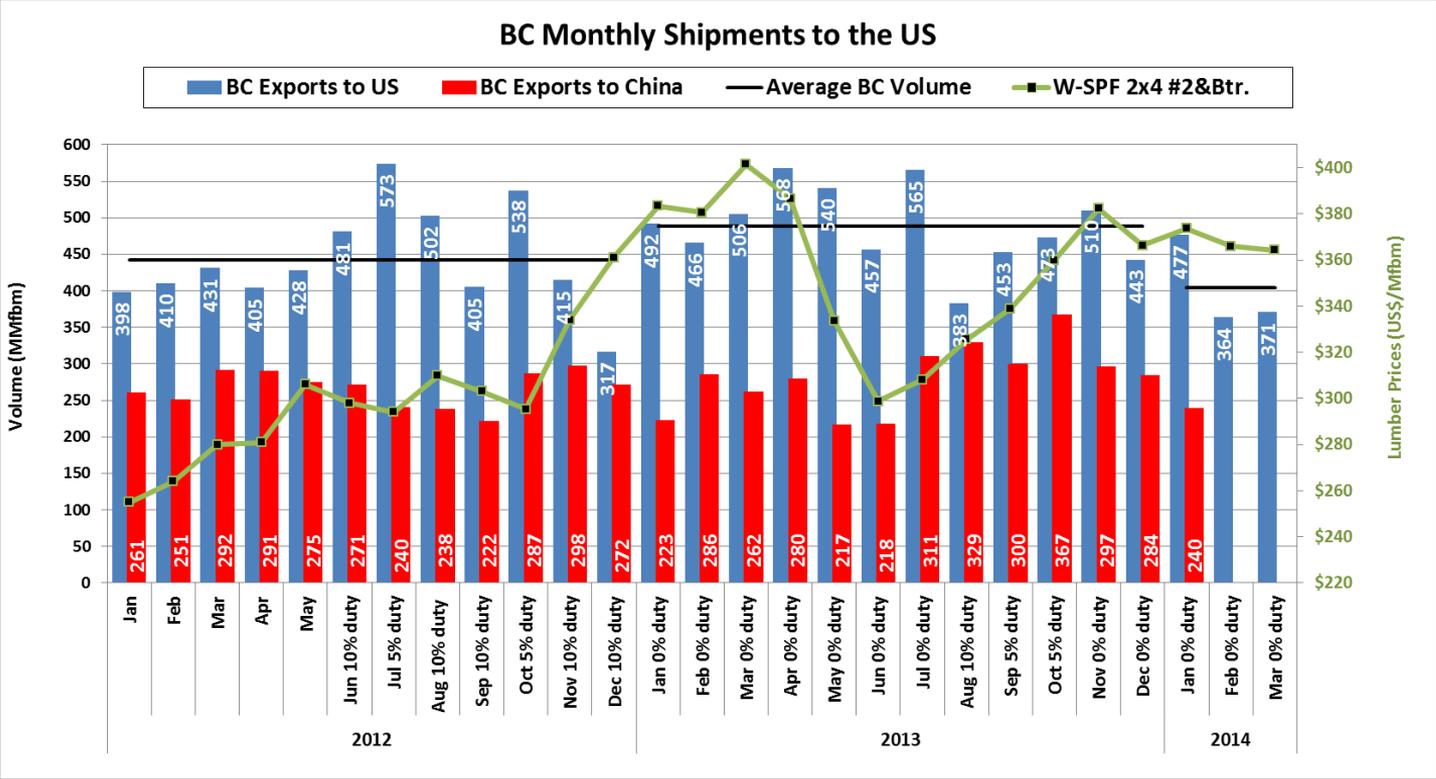
2013 Share by Countries



Log Imports ~ 42 Million m³



BC Shipments to the U.S. and China



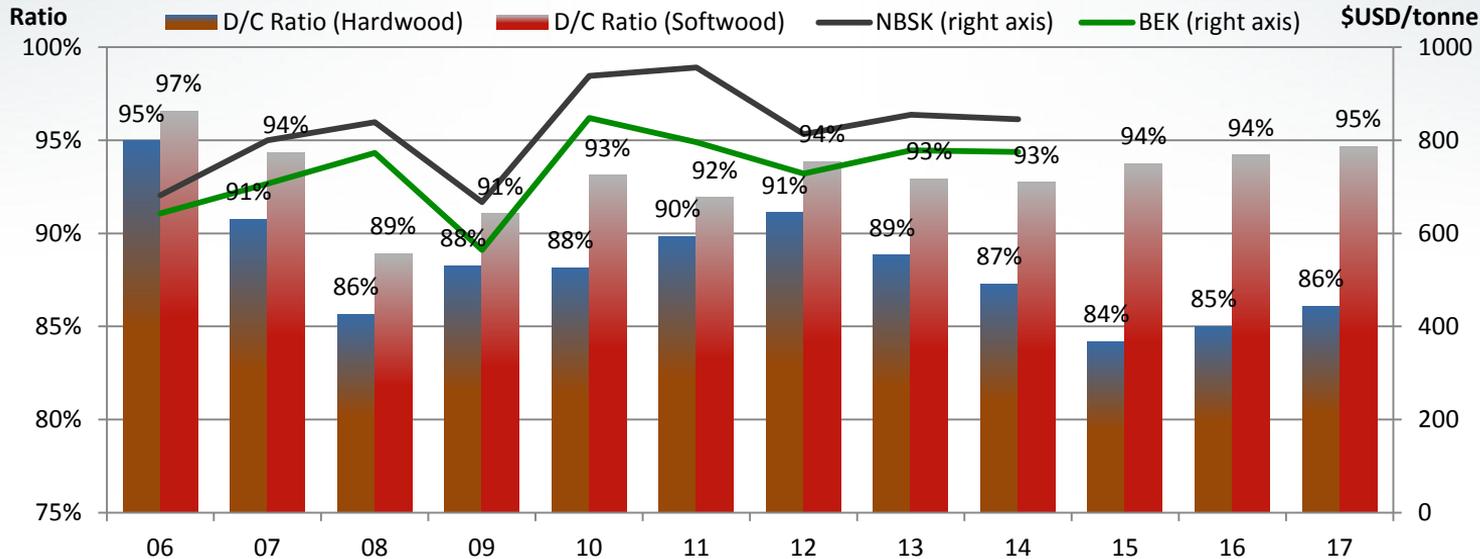
Source: DFAIT, COFI, Random Lengths Publications

Canfor Pulp Products Inc. (CFX)

Canfor Pulp Overview

- Three facilities located in close proximity within Prince George, BC
- Well capitalized mill operations with stable, low cost fibre supply
- Significant recent capital investment (≈\$200M) preserving top quartile performance
- Growing energy revenues from current and future high return capital investment
- Market pulp capacity of 1.1 million tonnes, kraft paper capacity of 140,000 tonnes
- Fourth largest NBSK pulp producer in the world
- Focused on operational excellence and achieving targeted operating rates
- Market conditions likely face some challenges from new supply
- Marketing focus on premium product sales to high quality customers
- Fully leveraging Canfor/Canfor Pulp integration opportunities (>\$10M per year)

Operating Capacity

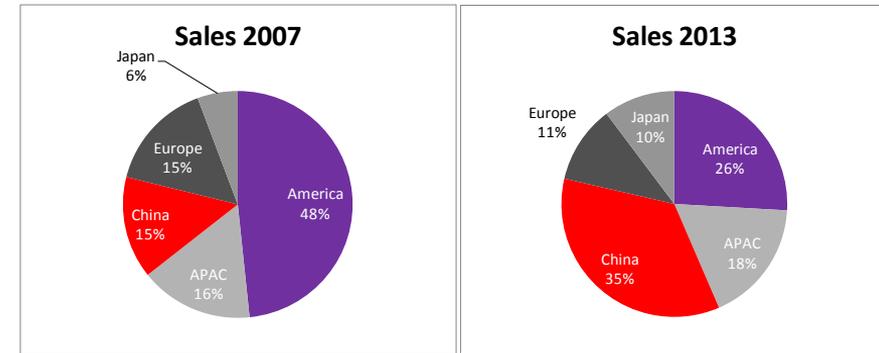
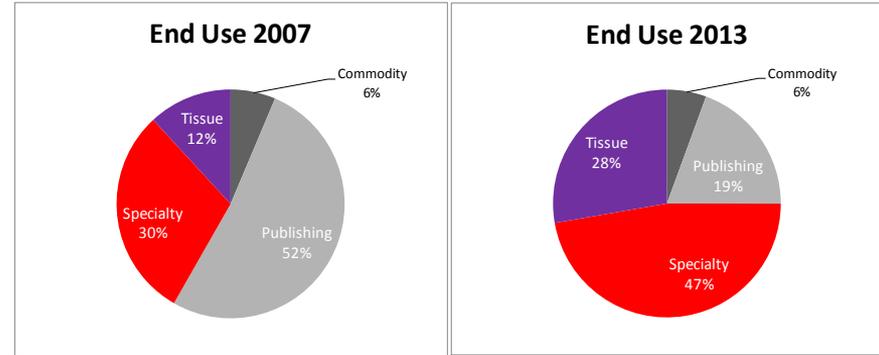


Source: RISI and PPPC

- 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

Diversified End-Use & Region

- **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



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Investor Contacts

TSX Ticker: CFP, CFX



Contacts:

Alan Nicholl – Senior Vice President, Finance and CFO

Alan.Nicholl@canfor.com

604-661-5370

Pat Elliott - Vice-President & Treasurer

Patrick.Elliott@canfor.com

604-661-5441