



Canfor Corporation

Don Kayne, President and Chief Executive Officer



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.



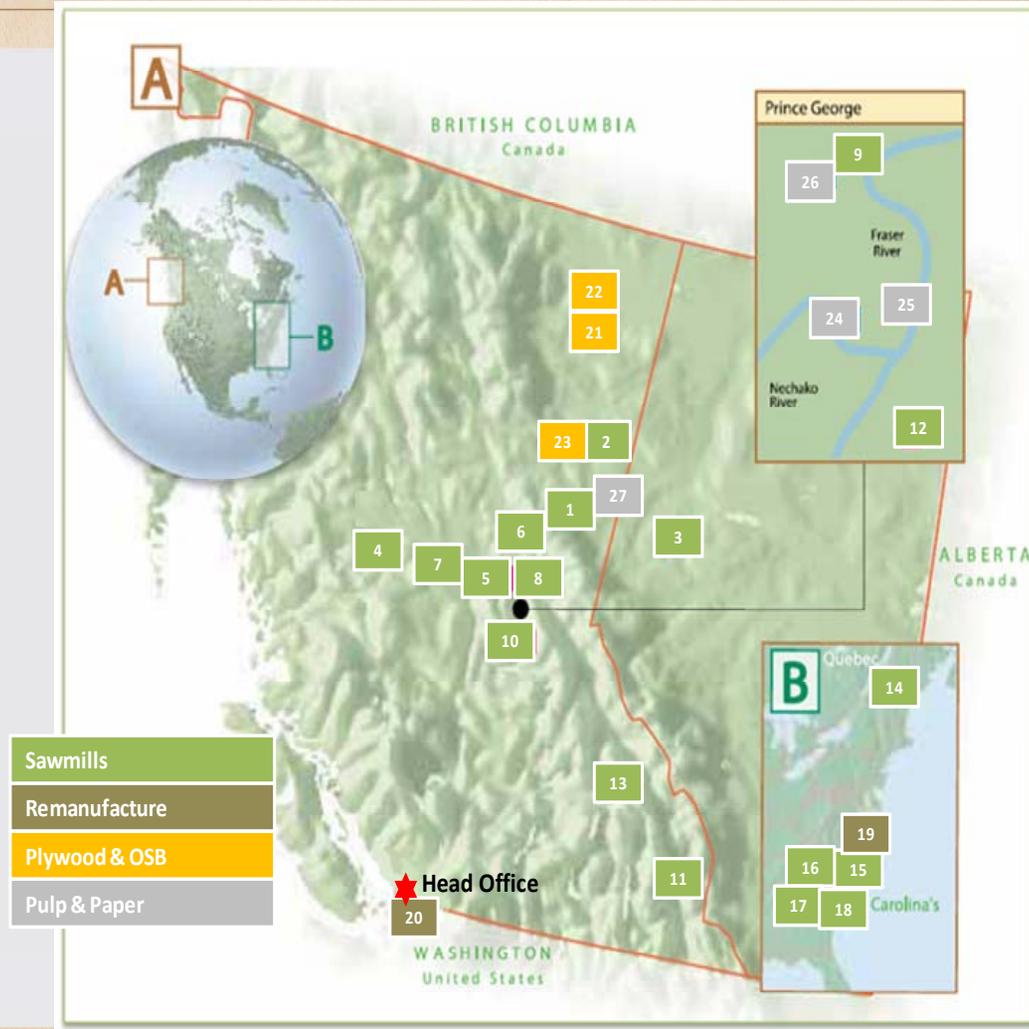
Canfor Operations

Core Holdings

- 14 sawmills in Canada (4.3 Bfbm)
- 4 sawmills in US (0.6 Bfbm)
- 50.2% interest in Canfor Pulp (3 BC interior pulp mills -1 million adm)

Non Core Holdings

- 50% interest -Peace Valley OSB plant
- 2 panel plants in BC – OSB & plywood
- 1 BCTMP pulp mill in BC



Locations	
1	Chetywnd
2	Ft. St. John
3	Grand Prairie, AB
4	Houston
5	Isle Pierre
6	Mackenzie
7	Plateau
8	Polar
9	Prince George
10	Quesnel
11	Radium
12	Rustad
13	Vavenby
14	Daaquam, QC
15	Darlington, SC
16	Graham, NC
17	Conway, SC
18	Camden, SC
19	Marion, SC
20	Bellingham, WA
21	Tackama
22	PolarBoard
23	Peace Valley
24	Intercontinental
25	Prince George
26	Northwood
27	Taylor



Canfor Southern Operations – Southern Yellow Pine

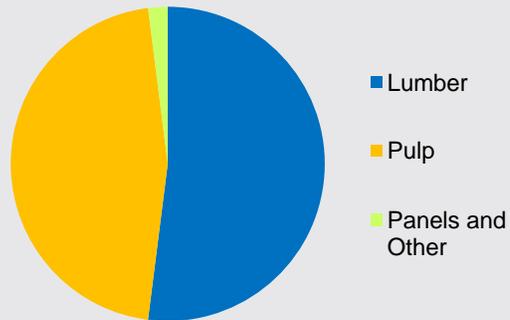


- 600 million board feet of capacity
- Strong management team
- Excellent fibre supply
- Modern facilities
- Traditional thinking has led to highly regional markets
- Creating new opportunities to diversify our markets

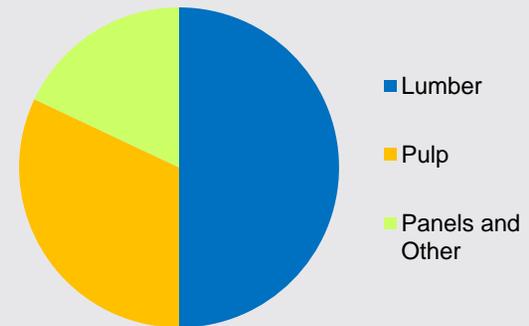


Canfor Overview

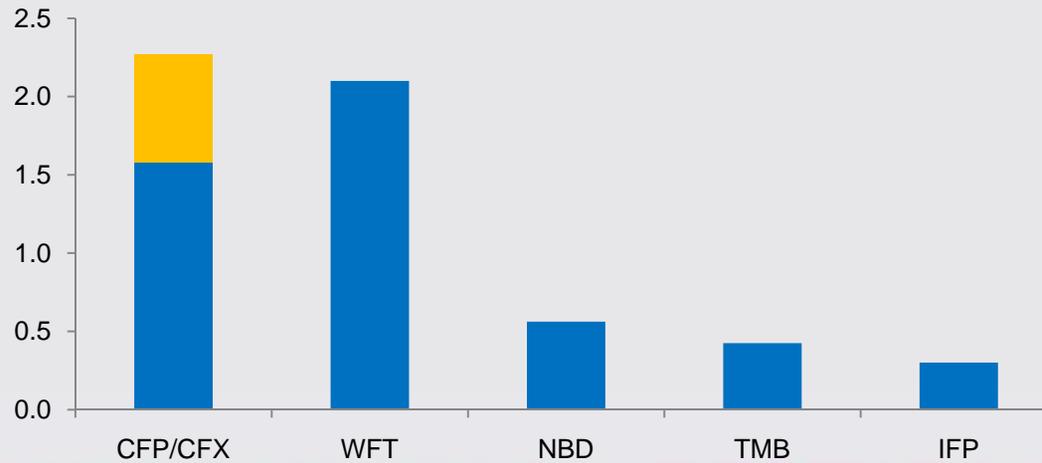
2010 Revenues (\$2.4 billion)



Assets (\$2.8 billion)



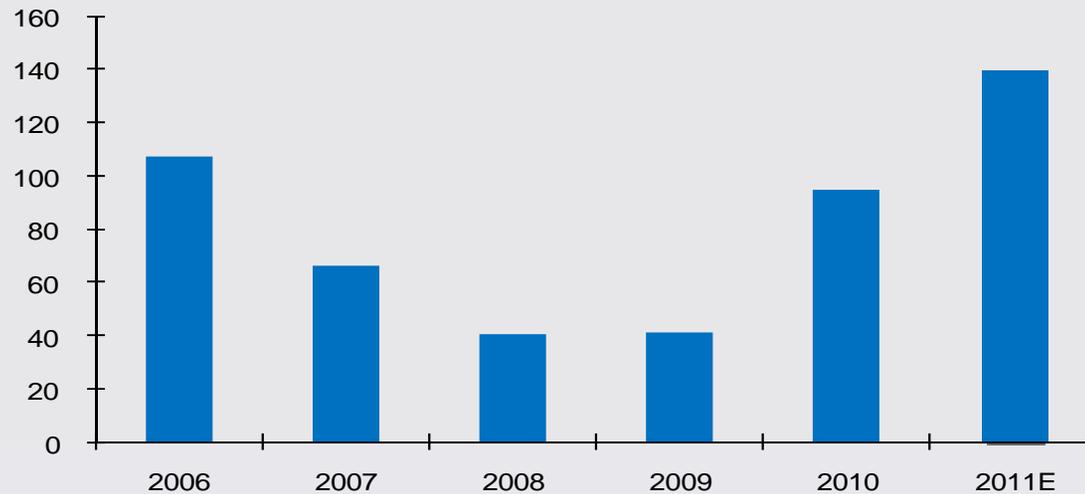
Market Capitalization (billions\$)





Capital Expenditures

- ▶ 2010 capital spend of \$90 million:
 - Maintenance capital - \$25 million
- ▶ 2011 projected capital spend - \$140 million (part of 3 year/ \$300 million program)
 - Mill modernization and cost reduction
 - Improvement projects have a high ROI (+ 20%)
 - Announced \$62 million in specific projects





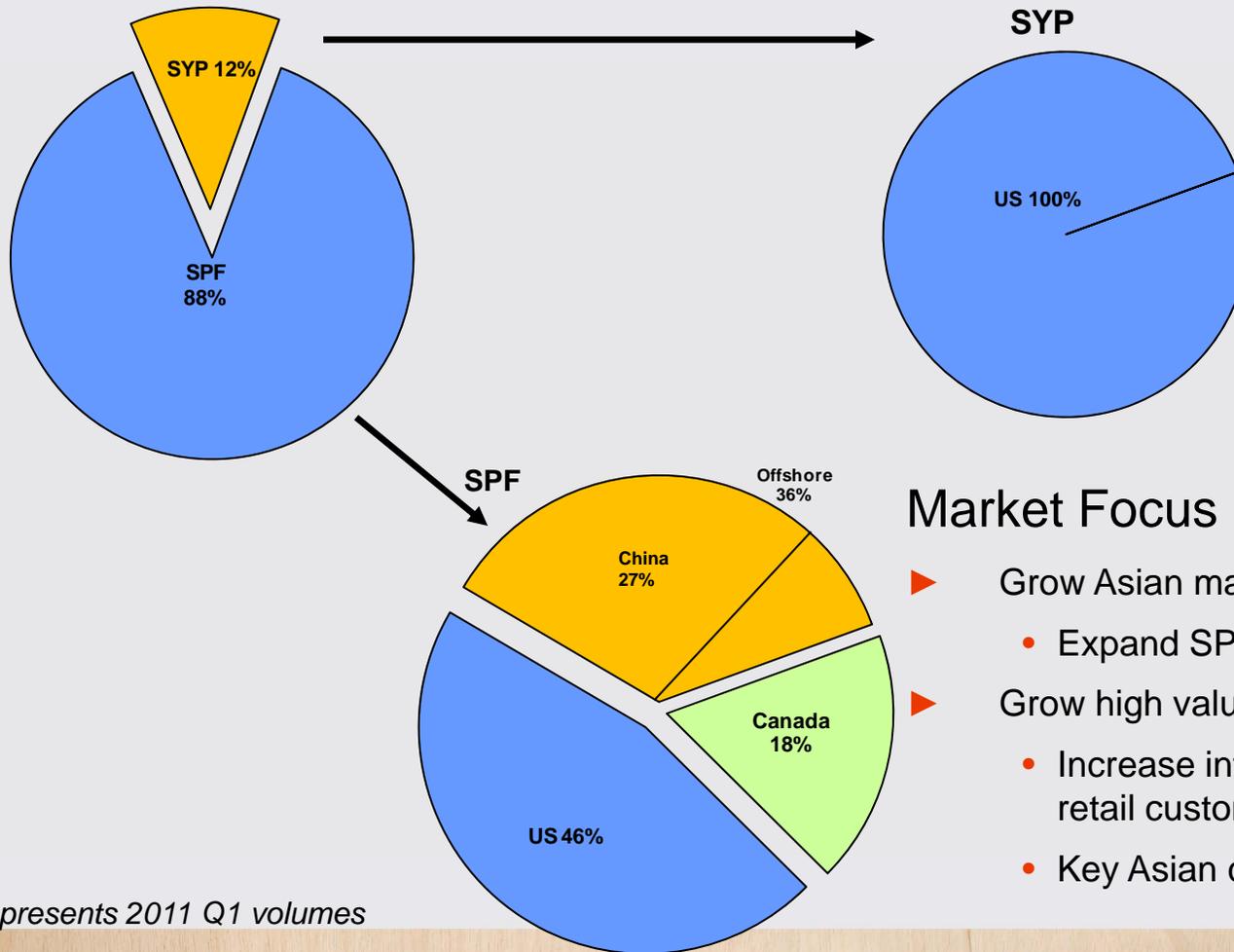
Fort St. John Upgrade



- \$45 million project, completed in 2011
- Rebuild of portions of sawmill and planer to increase grade recovery, productivity and to reduce costs
- Increase in capacity from 220 to 300 million board feet
- Top quartile mill with assured green fibre supply



Our Markets - Lumber



Represents 2011 Q1 volumes

Market Focus

- ▶ Grow Asian markets
 - Expand SPF uses in China
- ▶ Grow high value customers
 - Increase integration with U.S. retail customers
 - Key Asian customers



Customer Centric Organization

Product Offerings

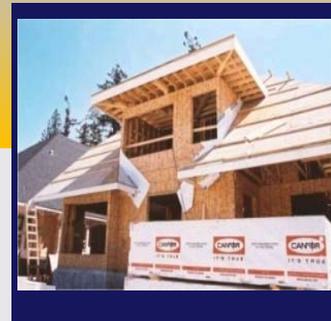
**Offshore
Premium**



**Home Centre
Grade**



**Construction
Grade**



**Reman
Grade**





North America



- Focus on repair and remodel and pro dealer markets
- 45% of total SPF sales for 2011 are destined for the U.S.
- Key customer relationships provide broad market diversification
- Significant integration with customers
- Multi-story/multi-family and non-residential

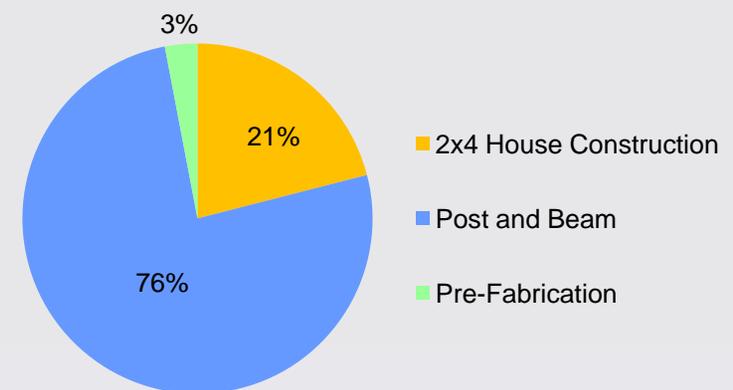


Japan



- Traditional market in 2x4 house construction for our highest value lumber
- New opportunities in post and beam market (EWP & J-Grade)
- Tsunami rebuild will increase demand in 12-18 months

Market Breakdown



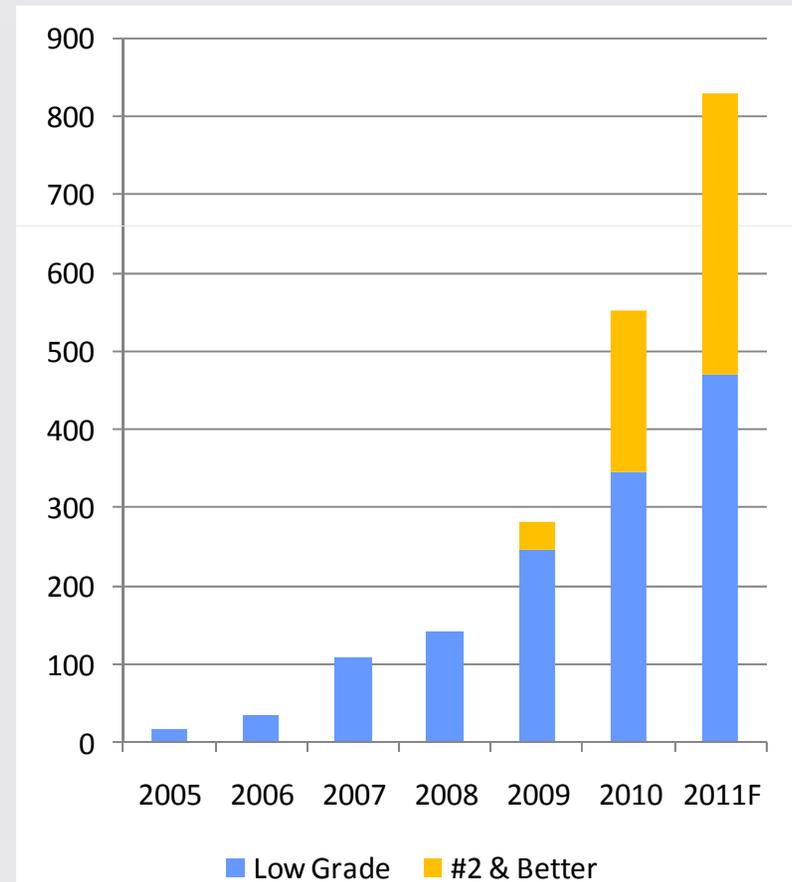


China



- ▶ Long term commitment to China
- ▶ Building codes are now more conducive to wood frame construction (“WFC”)
- ▶ Establishing 2 x 4 for the emerging WFC housing sector

Mmfbm





China – Moving up the Value Chain

	2011E	2013E
Wood Frame Construction <ul style="list-style-type: none"> • Single family rural • Multi-family 6-storey 	2%	8%
Hybrid Construction – Infill Walls & Interior Partitions Wood Truss Replacement		
Wood Products Remanufacturing <ul style="list-style-type: none"> • Specialty products • Engineered wood products • Doors, flooring and furniture 	49%	51%
Concrete Forming <ul style="list-style-type: none"> • Residential high-rises • Infrastructure projects 	48%	39%



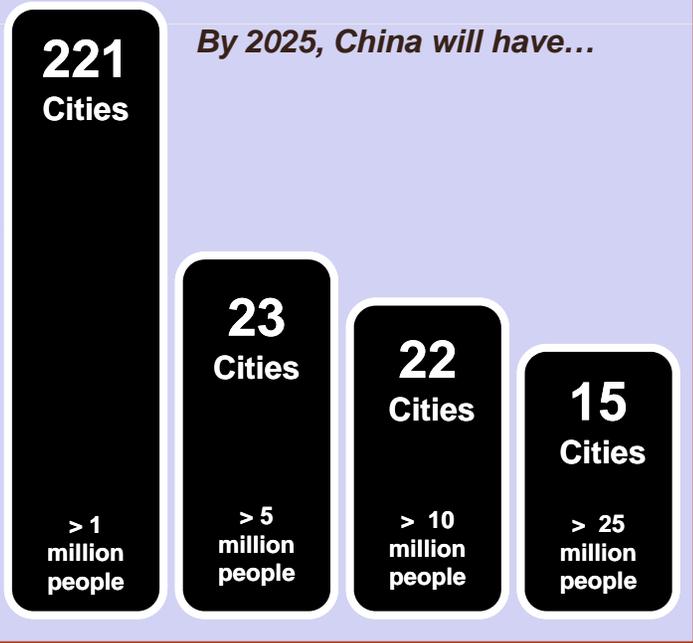
Company Estimates



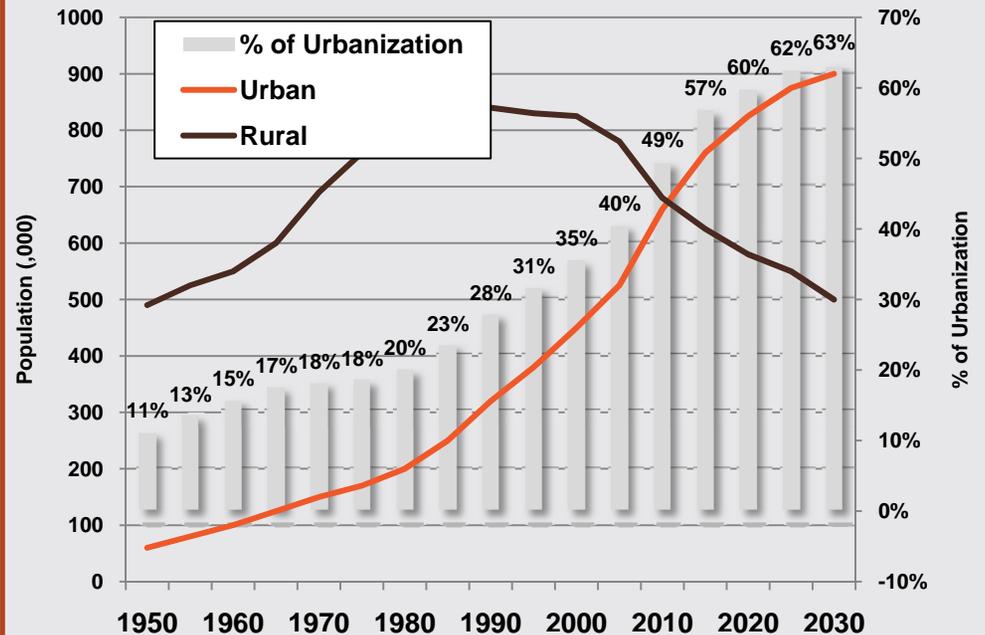
China's Rapid Urbanization

Shift to Urbanization

- From 2000 to 2010, ~ 218 million people moved from rural to urban area
- By 2025, urban population will represent 62 % of China's population



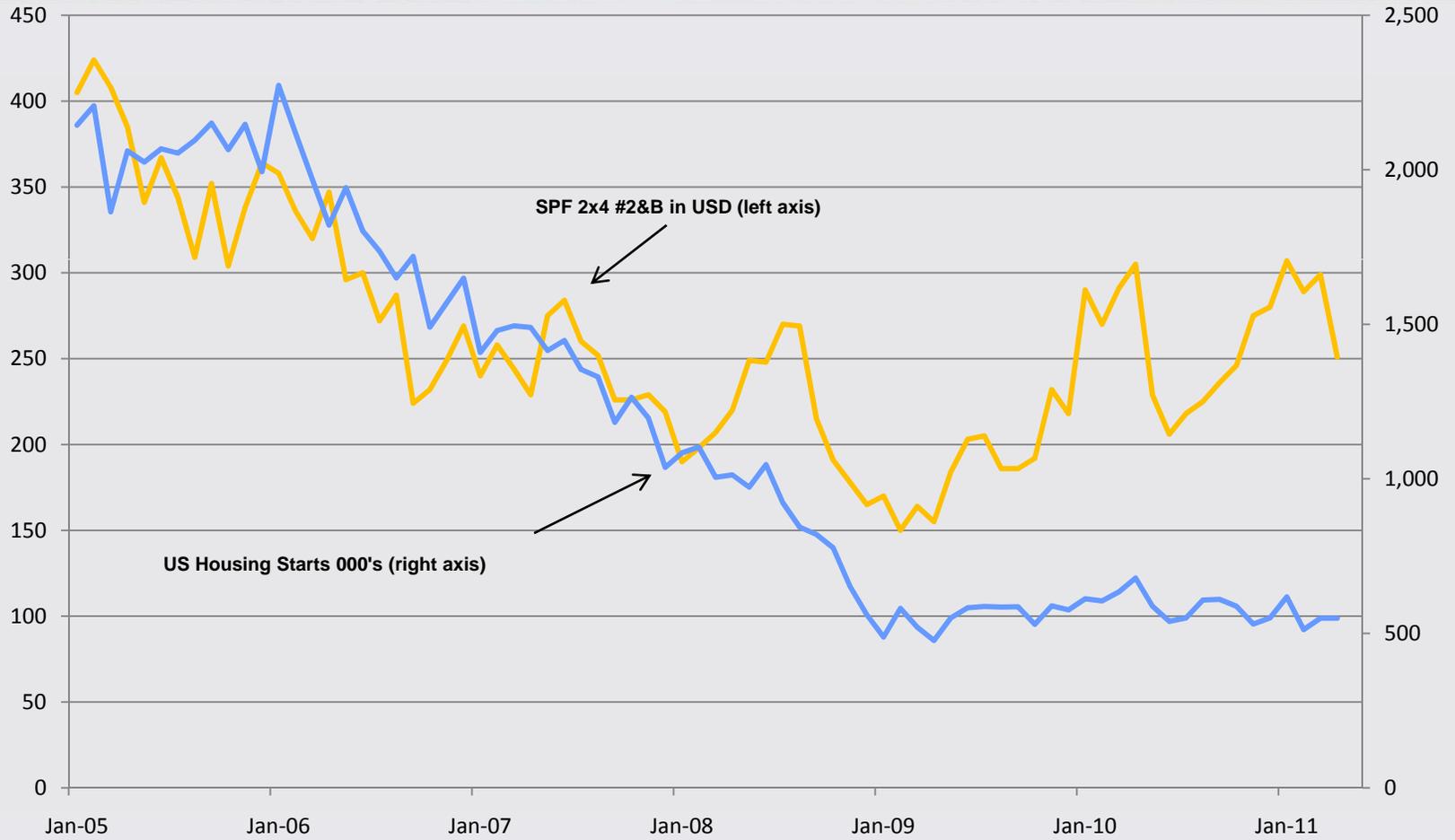
Source: Chinadaily.com



Source: United Nations

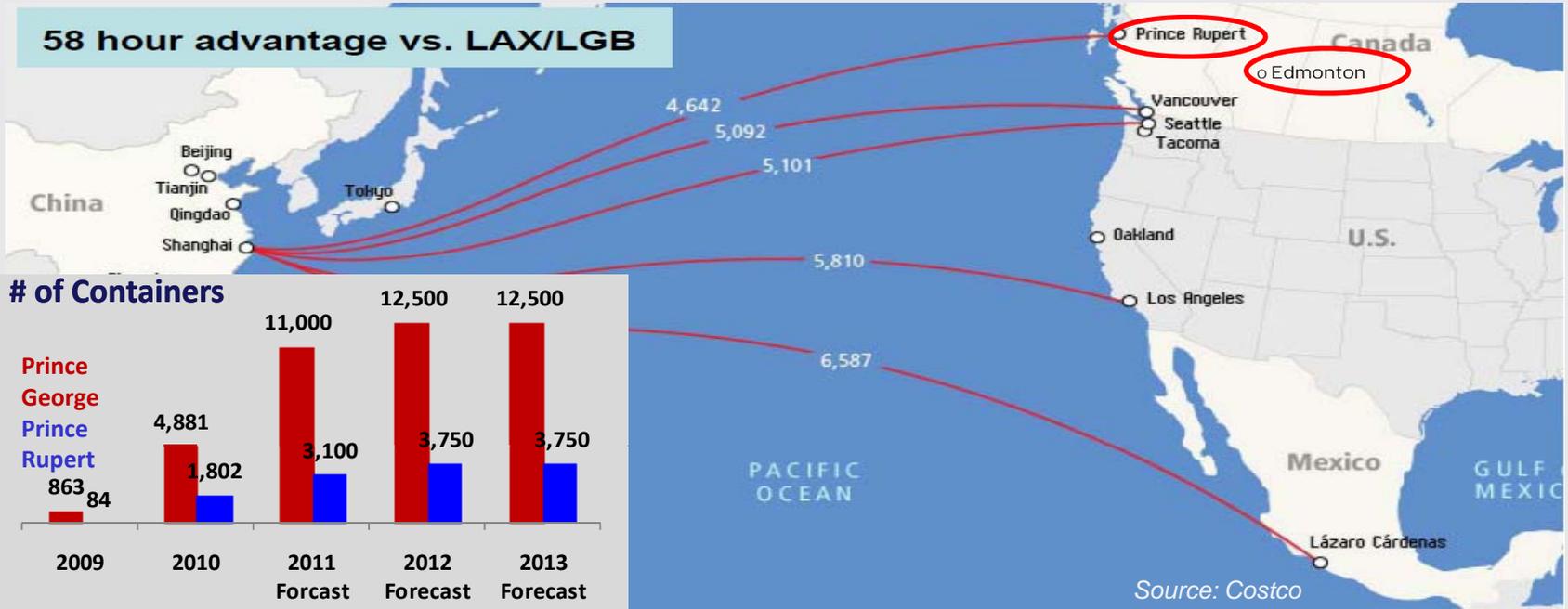


Market Pricing - "The China Effect"





Freight Advantage - Asia



2011 Growth Forecast

• PG/Prince Rupert	126%
• Edmonton	520%
• Vancouver	1.6%

- Strategic location as closest Canadian port to Asia
- New breakbulk program to assist in diversification from containers
- Container stuffing capacity growth at Port of Vancouver
- Prince Rupert offers several opportunities for throughput increase
- Edmonton Reload – container stuffing for China utilizing back haul rate

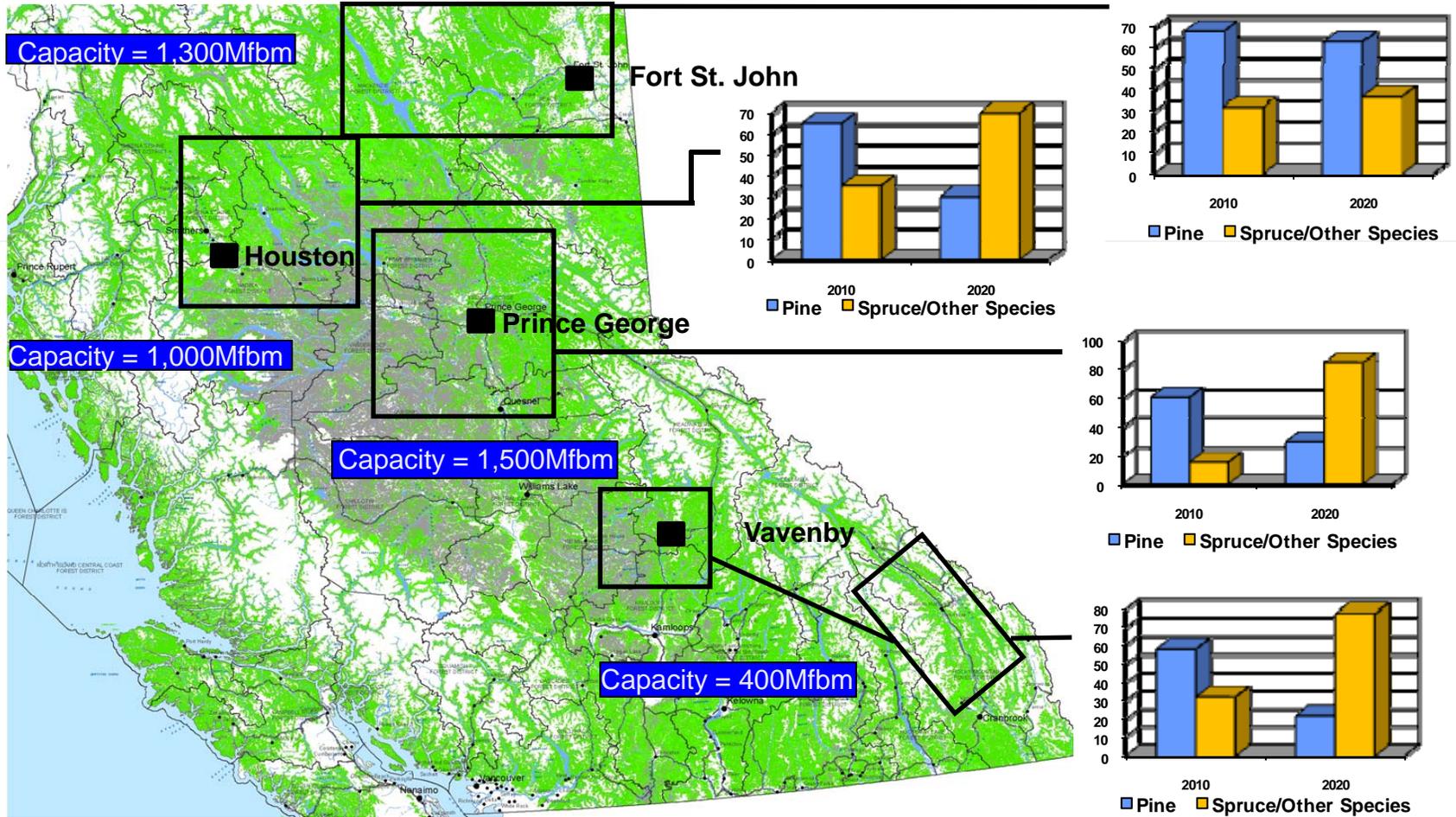


Green Building Focus

- Planted 30 million trees in 2010, twice the number harvested
- Signatory to the Canadian Boreal Forest Agreement
- 97% of our annual allowable cut is certified under the Canadian Standards Association for Sustainable Forest Management
- Committed to being carbon neutral
- Utilizing virtually 100% of wood residuals in value added applications

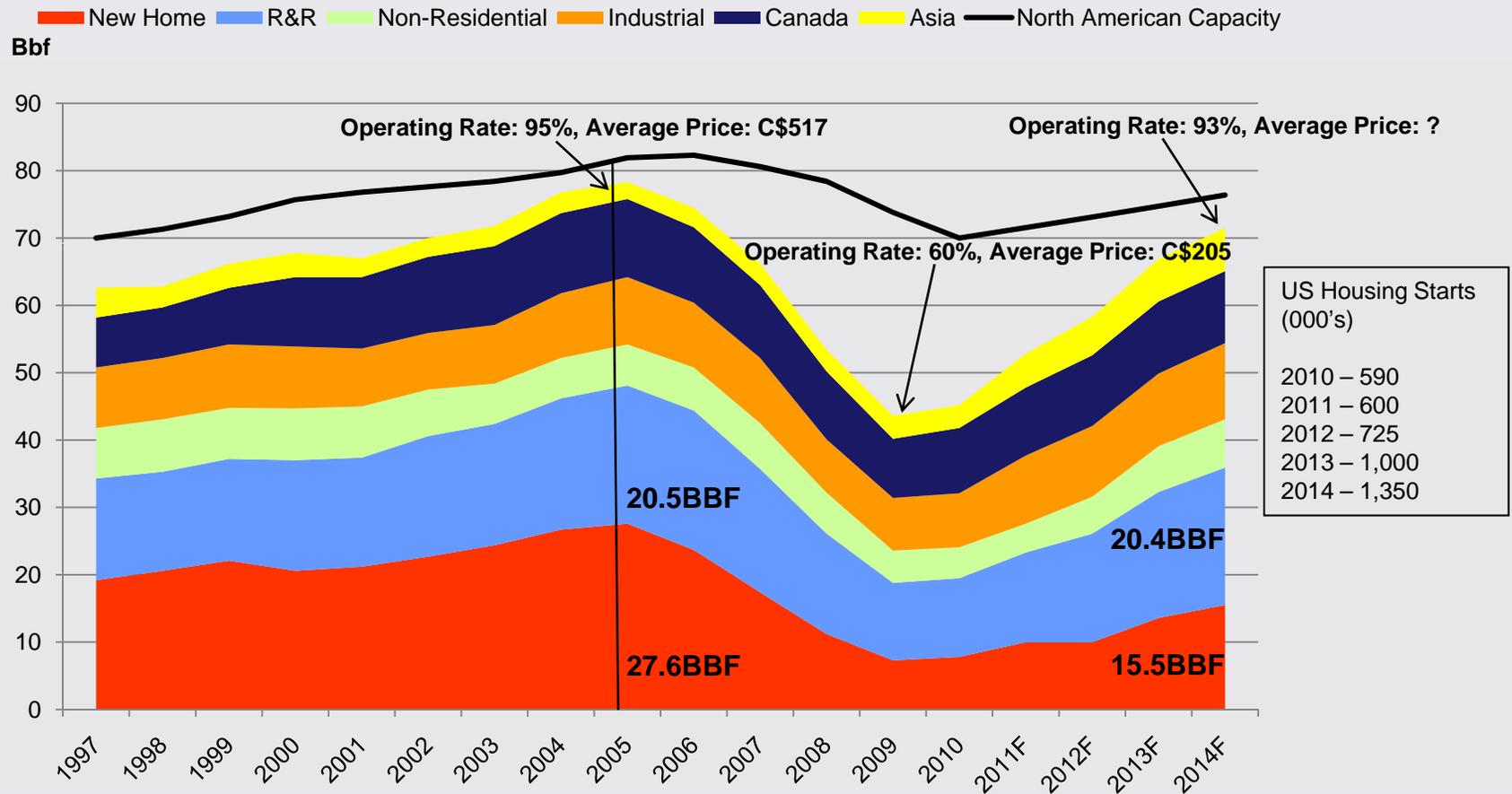


BC Fibre Outlook – Production Capacity





Long Term Outlook – Lumber Markets

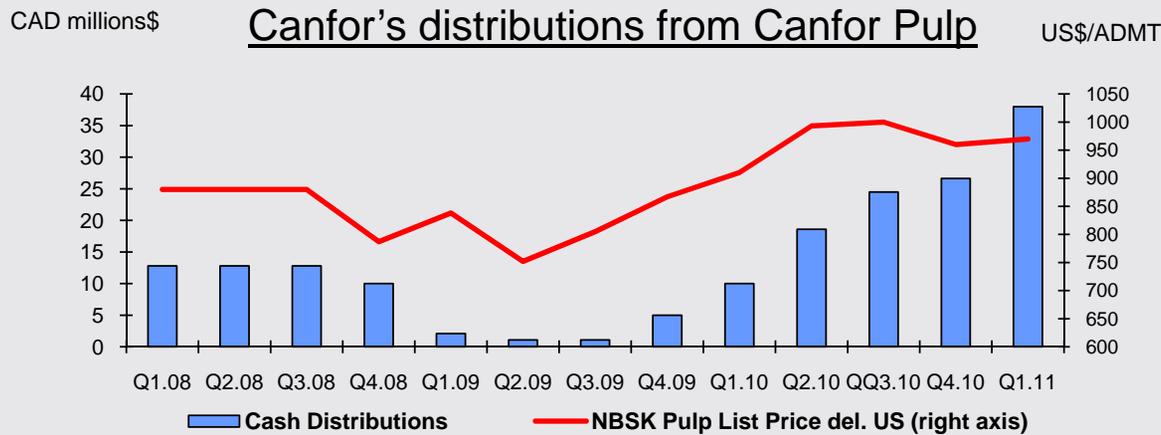


Source: Woodbridge Associates Inc., Company Estimates, USDA
Capacity growth rate estimated at 2.2% based on historic figures

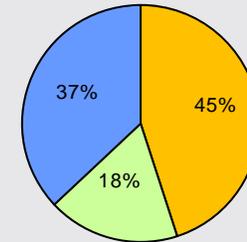


Canfor Pulp

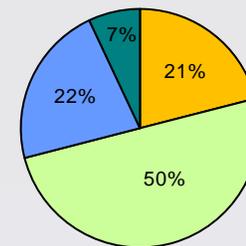
- ▶ Controlling interest in Canfor Pulp Limited Partnership (50.2%)
- ▶ 2010 declared cash distributions of \$92 million
- ▶ NBSK pulp markets remain tight (high prices)



■ North America ■ Europe ■ Asia



■ Tissue ■ P&W ■ Specialty ■ Commodity





Optimistic about the Future

- U.S. lumber market will recover
- Continued growth in Asia
- Significant increased demand for Green Building Products
- Improving lumber prices
- Supply/Demand metrics point to lumber shortage in the future



Canfor Corporation

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TSX:CFP



www.canfor.com

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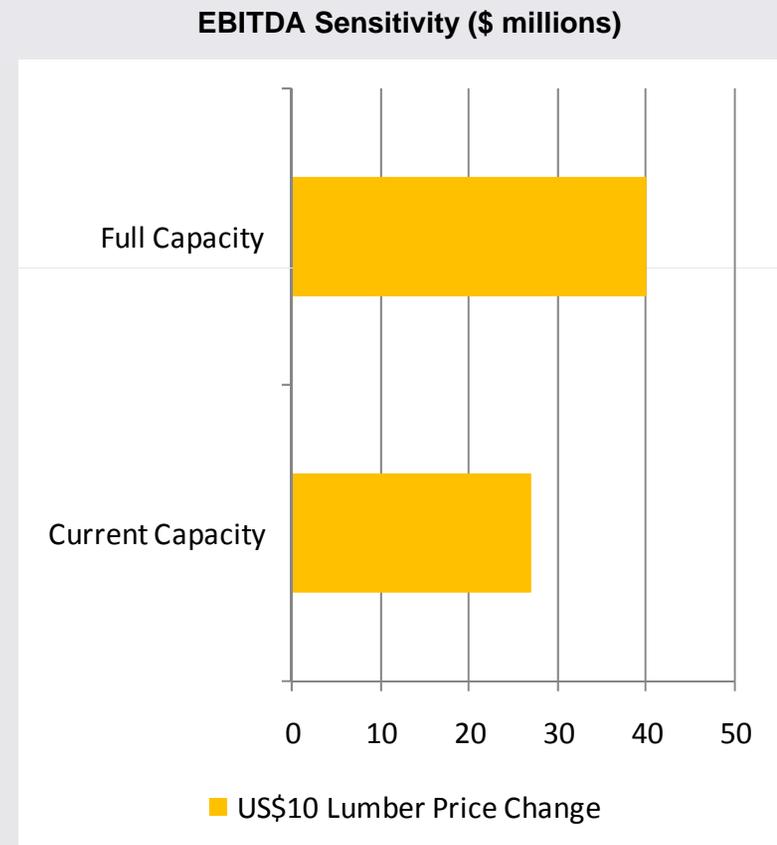
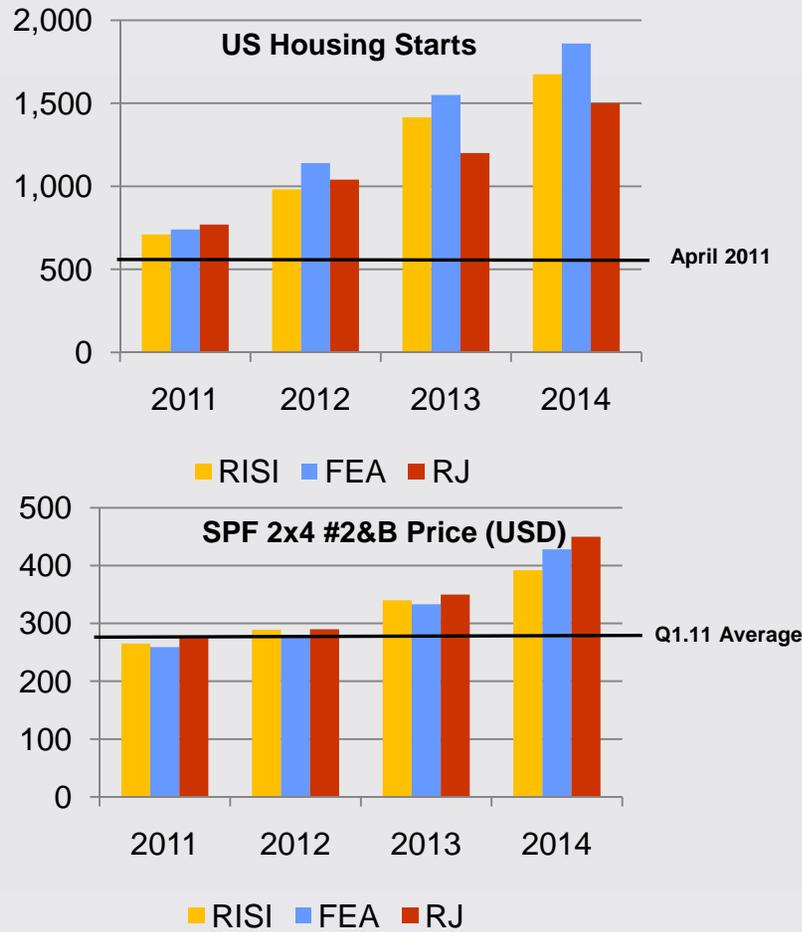
Patrick.Elliott@canfor.com



Appendix



Leveraged to a Lumber Market Recovery





Capitalization and Liquidity (as at April 1, 2011)

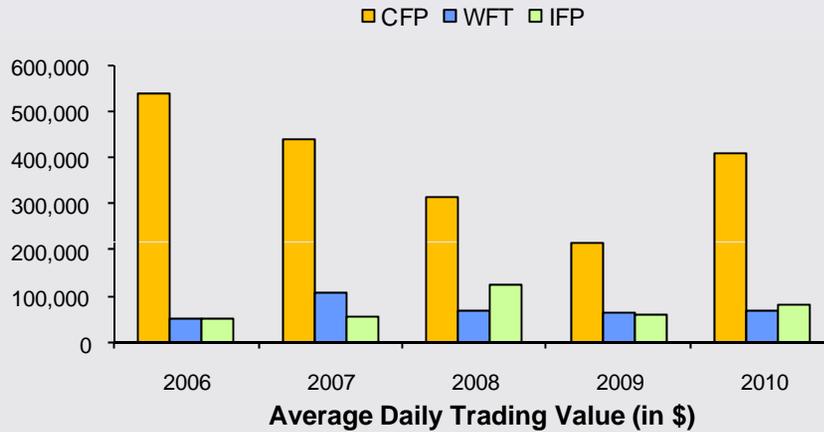
All information excludes CPLP

Long Term Debt				Liquidity		
				\$ Millions		
Senior Unsecured Notes	6.33%	2012	50	Syndicated credit facility	Oct 2013	350
Senior Unsecured Notes	5.42%	2013	75	Other credit facility	Jan 2012	12
<hr/>				<hr/>		
Total Debt			125	Outstanding Letters of Credit		(18)
Cash			119	Cash balance		119
Shareholders' Equity			1,476	<hr/>		
Net Debt to Total Capitalization			<1%	Net Liquidity		463



CFP Trading Liquidity

Average Daily Trading Volume (in shares)

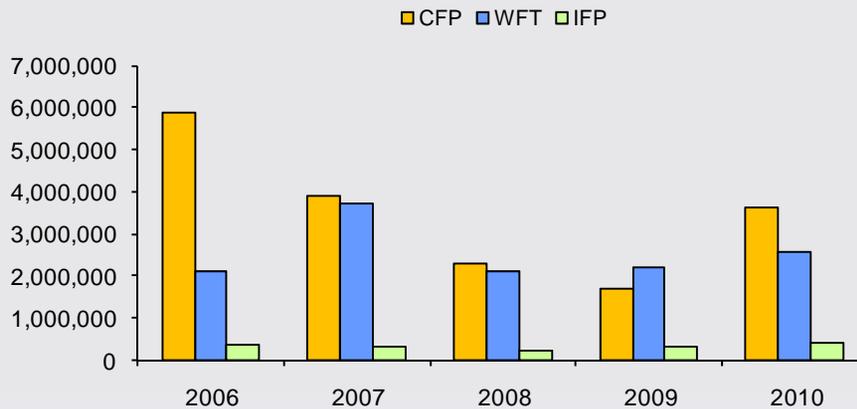


Major Shareholders*

The Pattison Group	36%
Mackenzie Cundill	14%
Jarislowsky Fraser	12%

* As per public filings

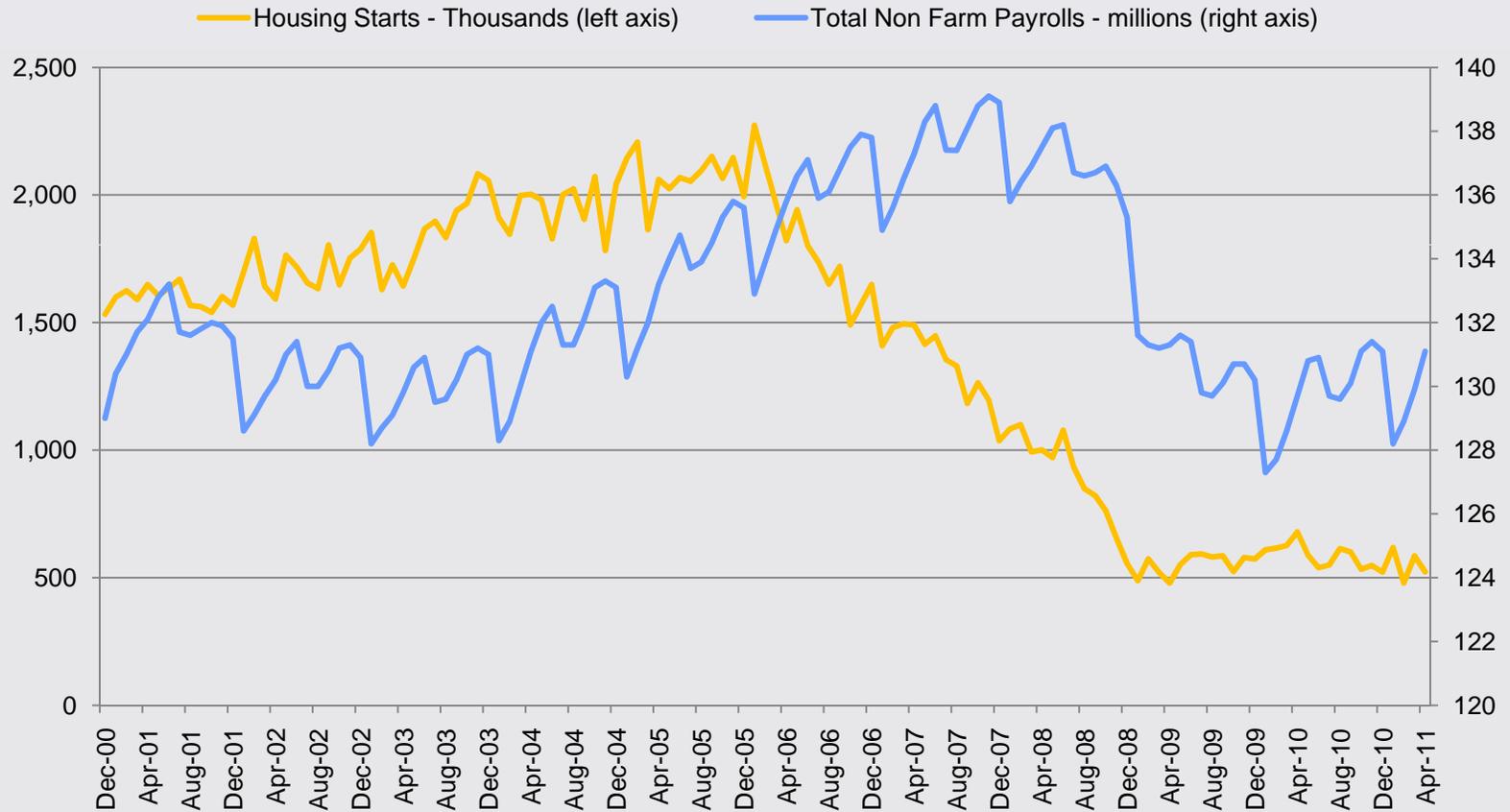
Average Daily Trading Value (in \$)



Source: Bloomberg



US Employment will drive US Housing Starts



Source: US Bureau of Labour, US Census Bureau



Housing Inventory Overhang - U.S. Vacant Units

