

# UNIFOR WAGE POLICY CONFERENCE

Montreal | February 5-7, 2014

## Economic and Financial Overview of the Eastern Canada Pulp and Paper Industry



**UNIFOR**  
the **Union** | le **syndicat**

**Unifor Research Department**

February, 2014

# CONTENTS

<b>Global industry</b> .....	<b>1</b>
<b>Canadian industry</b> .....	<b>3</b>
<b>Major product lines</b> .....	<b>7</b>
Newsprint.....	7
Market pulp .....	8
Printing and writing grades.....	9
Packaging grades .....	10
Tissue .....	10
<b>Company profiles and finances</b> .....	<b>11</b>
Financial trends.....	11
Public companies .....	12
Cascades.....	13
Domtar .....	14
Fortress Paper .....	15
Resolute.....	16
Rock-Tenn .....	17
Sonoco.....	18
Tembec.....	19
Private companies .....	20
AV Group .....	21
Atlantic Packaging.....	22
Georgia-Pacific.....	23
J.D. Irving.....	24
Kruger.....	25
New Forest.....	26
Paper Excellence .....	26
Port Hawkesbury .....	27
Strathcona.....	27
Twin Rivers .....	28
White Birch .....	28



The background of the entire page is a photograph of a large stack of cut logs. The logs are stacked in a somewhat haphazard manner, with their circular cross-sections facing the viewer. The wood grain is clearly visible on the ends of the logs. A semi-transparent blue overlay covers the entire image, creating a monochromatic effect. In the center of the image, there is a dark blue horizontal band containing the text "ECONOMIC OVERVIEW" in white, bold, uppercase letters.

# **ECONOMIC OVERVIEW**



# GLOBAL INDUSTRY

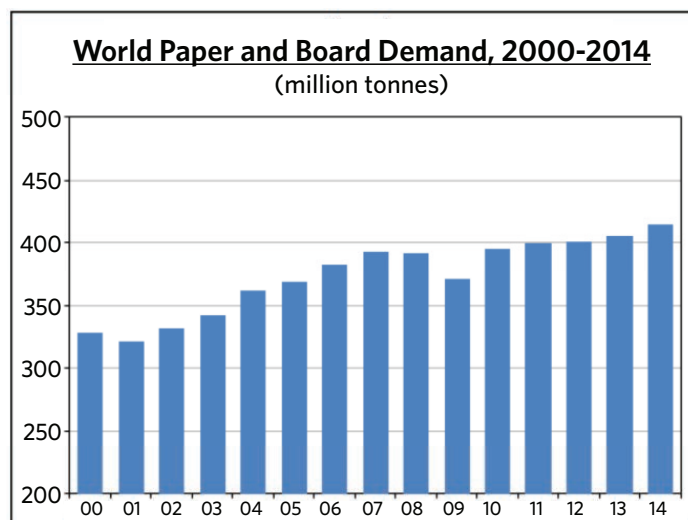
The global pulp, paper and paperboard market remains in transition due to recent and on-going large reductions in graphic paper capacity in North America and Europe. At the same time, South America has continued to expand its chemical market pulp capacity and Southeast Asia increased the number of paper and paperboard installations in order to serve its rapidly growing economies. The ramifications of these and other changes are resulting in an unprecedented global shift in pulp and paper supply.

2013 was another challenging year. Despite major capacity closures across several pulp, paper and paperboard grades, global production capacity is still too high when measured against falling or static consumption which applies to most grades. In all major regions, only paperboard remained strong.

The latest RISI estimate for world paper demand for 2013 shows only a 1% increase over 2012, the third consecutive year at this paltry rate of growth. The likely result for 2013 is well below the 3% gain anticipated at the beginning of the year. Part of the blame for the underperformance can be traced to the general economy, which did not accelerate as expected, and worldwide growth has remained at only 3%. Most of the remaining downward pressure has been due to the abrupt slowdown in Chinese demand.

The popularity of the internet and smart phones continued to reposition advertising dollars from print media to electronic platforms. Stagnant or declining demand for paper in developed markets has forced all companies to take a fresh look at their operations. In the paper sector, the current trend in mature markets is to convert newsprint machines to paperboard and packaging grades, or to permanently idle machines or entire mills.

Additionally, the sector has been advancing with green technology, such as wood-based biorefineries



Source: RISI Viewpoint, December, 2013

and biofuels, hoping to boost income by diversifying revenue streams, such as energy generation from biomass and black liquor.

With so much of the installed capacity in the developed world requiring significant reinvestment, further rationalization is likely to occur across virtually all sectors of the industry in the years ahead. In contrast, massive capital investment, often spurred by substantial government investment support programs, continues to find its way into emerging markets in South America, the Middle East, North Africa and Asia.

---

World paper demand is expected to rise 2.4% in 2014

---

The good news for the paper industry is that producers in the parts of the world that have been impacted the longest by the weak demand environment are starting to adapt. North American suppliers have rationalized their capacity in most grades and are generally registering stronger financial results, especially in the packaging sector. The major exception is in the

printing papers area where the extent of the demand drop is still outpacing efforts to reduce capacity. Western European companies also appear to be making some headway in matching supply to the new demand reality. Containerboard is showing the best results, as in North America, while massive closures in some grades of graphic papers are finally overtaking declining demand and boosting prospects for improving financial results.



The bad news for the paper industry is that producers in the parts of the world that are just now seeing the first signs of a significant demand slowdown are not reacting quickly in their capital spending. Chinese

producers are in the midst of yet another investment round, concentrated on virgin boxboard and tissue. These two grades are still registering strong growth rates but not nearly to the same extent as the capacity increases. An export surge can be expected in both of these sectors. Excess capacity in China, along with modest capacity expansion in other developing regions of the world, will tend to keep a tight cap on global operating rates which reached 87% last year.

The latest RISI forecast for 2014 is cautiously optimistic that world paper demand growth will accelerate compared to the paltry gains posted over the past three years.

Part of this optimism is based on a better performance in the general economy, with both North America and Europe showing improvements. Even graphic paper usage is predicted to stabilize in the coming year after declining by nearly 2% annually over the last three years. The performance of packaging papers relative to the general economy is also projected to improve. Overall, world paper demand is expected to rise 2.4% in 2014.

# CANADIAN INDUSTRY

It's been a painful decade for Canada's pulp and paper industry, its workers and the communities that depend on it. The industry's wrenching decline and transformation were well underway in the half-decade before the meltdown on Wall Street in 2008. Well before the global financial crisis took hold, the dramatic surge in the value of the Canadian dollar, the shift away from printed media generally, compounded by years of underinvestment, led to steep cuts in production, capacity and employment.

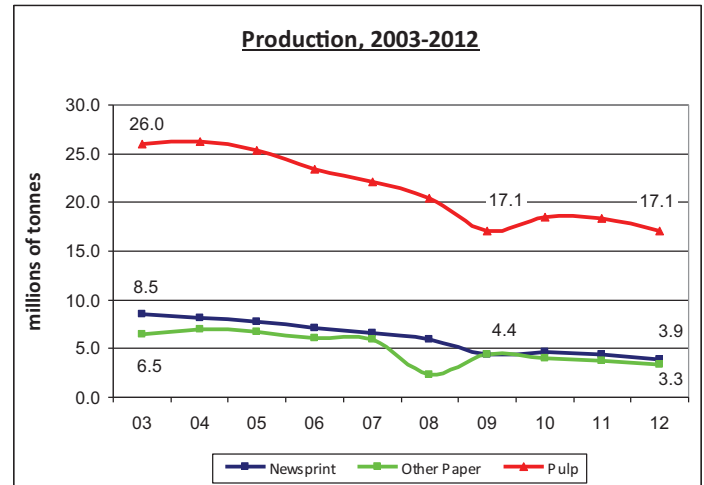
And if you add to the mix Canada's world-leading position as a supplier of newsprint, which has seen the sharpest fall in demand among all paper grades, it is little wonder that the industry faced a full-blown crisis as the global economy shifted into reverse. The worst of the crisis was marked by multiple bankruptcies, closures and a wholesale restructuring of the corporate landscape. Finally, though, we're now seeing some better times. And many are rightfully asking: Is the crisis over?

We continue to see closures of mills and machines. However, a look at the Canadian industry's performance since we were last in bargaining, in 2009, reveals some stabilizing developments and a few positive signs. Of course, significant pressures continue to exist, stemming from shifts in demand away from many paper grades and a generally stagnant, or declining, outlook for graphic papers in mature markets. But the situation is improving as the global economy recovers; the Canadian dollar declines to a more realistic, and sustainable, level; and we're seeing some stronger performance in packaging grades, and in the ever-expanding and nearly recession-proof tissue market, among others.

## Production and Shipments

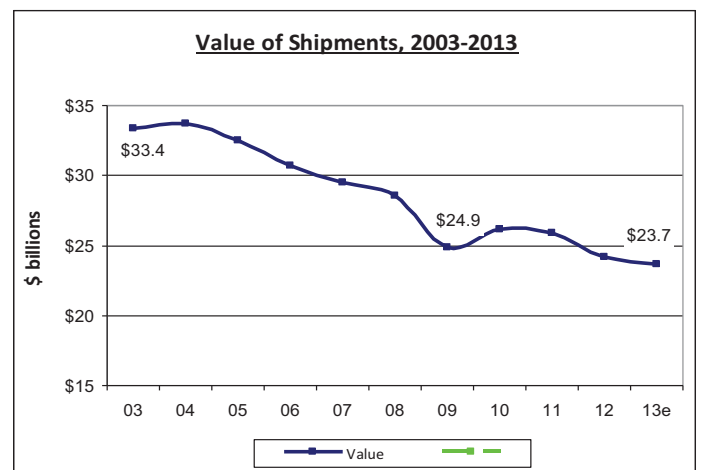
Since 2003, Canadian volumes have dropped by more than half for newsprint and by more than one-third for other papers and market pulp. The better news, however, is that since 2009, we've seen greater

stability. The latest full-year figures show that pulp production has largely flat lined, reaching 17.1 million tonnes per year, while the decline in newsprint (to 3.9 mty), and other papers (to 3.3 mty), has slowed.



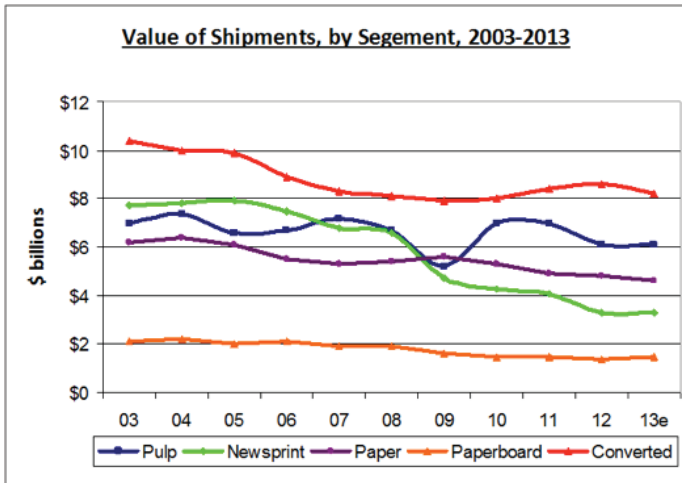
Source: Natural Resources Canada, Canadian Forest Service, 2013

The downturn in production over the last decade is also reflected in the industry's annual value of shipments, which has fallen by more than \$9 billion since 2003. The worst of it, however, has passed, as nearly \$8 billion of the \$9 billion decline occurred before the end of 2009. Since 2009, the annual value of shipments has been largely flat, and is expected to reach \$24 billion in 2013.



Source: Statistics Canada, CANSIM 304-0014, NAICS 322

Of course the story has not been even across all grades. The dramatic drop-off in demand for newsprint has largely continued, but since 2009 we've seen a decent recovery in pulp shipments, a modest recovery in shipments of converted paper products, and relatively stable shipments in paperboard and other papers. Even newsprint shipments managed to stabilize in 2013, registering a small uptick.



Source: Statistics Canada, CANSIM 304-0014, NAICS 32211, 322121, 322122, 32213, 3222

## Employment and Wages

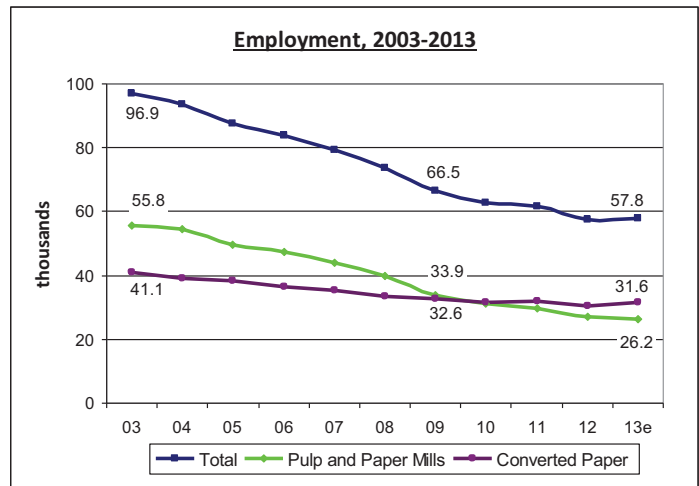
Employment across all Canadian manufacturing sectors has been hit hard in the last decade. The combined effects of a lack of effective industrial policy, devastating free trade deals and a vastly over-valued currency resulted in the elimination of more than 400,000 manufacturing jobs during that time. The pulp and paper industry was among those worst hit, losing 41,000 jobs since 2003, or more than 1 in 3. The resulting devastation for workers, their families and communities is still being felt.

While there may not be good news on the job front currently, there is better news. Job losses have indeed continued, but the rate has slowed significantly. From 2003 to 2009, the industry shed 30,000 jobs, or 30%. Since 2009, pulp and paper has lost another 9,000 jobs, or 13%, about half the rate of decline seen before 2009. Most importantly, 2013 saw a very minor increase in employment: the first in more than a decade.



The employment picture, of course, has not been even across the industry. Available job figures reveal a far better picture in the

converted paper segments (packaging, containers, bags, stationery), compared to pulp and paper mills (paper, paperboard, pulp). Stemming the job loss is certainly not a full recovery, but employment has stabilized and a strengthening global economy, combined with successful conversions to stronger products, should give some greater sense of security to the 58,000 Canadians who continue to work in the industry.



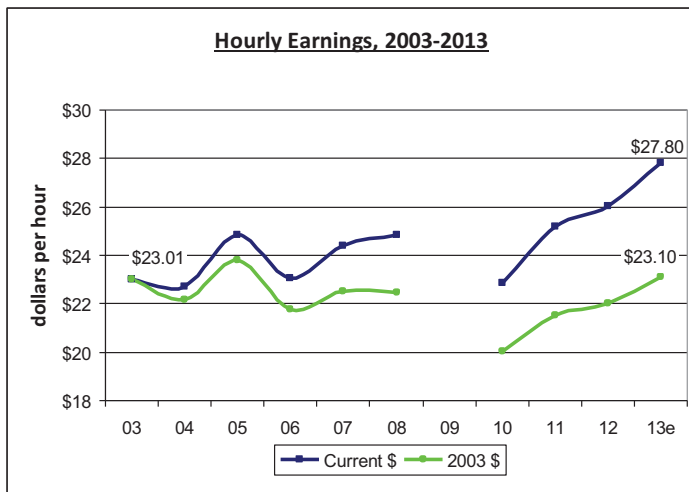
Source: Statistics Canada, CANSIM 281-0024, SEPH, NAICS 322, 3221, 3222

Against the backdrop of a sharp downturn in employment, industry average pay levels headed downward during the worst of the crisis, but have since recovered to some extent. A look at hourly earnings (excluding overtime) over the last decade shows both the dramatic shake-out during the financial crisis, and the subsequent developments.

Before 2009, pulp and paper workers saw minor wage increases. However, the extent of the restructuring during the crisis meant that even Statistics Canada was unable to properly survey the industry in 2009, and did not release data for that year. Average hourly earnings declined between 2008 and 2010, but since then we've seen some increases, reaching \$27.80 last

year. Of course, these figures reflect a Canada-wide average, including better times in the West, as well as the significant wage reductions taken by workers in operations under bankruptcy protection.

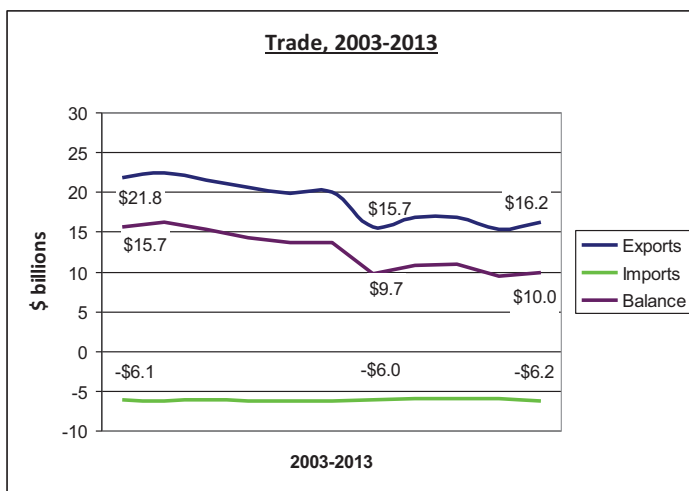
Taking inflation into account, a look at real wages (in constant 2003 dollars) shows that, as for most Canadian workers, industry-wide real earnings have just paced inflation over the past decade. Although many workers saw wage cuts in recent times, the fact that the overall industry is seeing some wage growth is a positive sign.



Source: Statistics Canada, CANSIM 281-0029, SEPH, NAICS 322

## Trade

In terms of trade, pulp and paper is one of Canada's few value-added manufacturing industries in which we run a surplus. A mix of better pricing, higher-value



Source: Industry Canada, Trade Data Online, NAICS 322, January, 2014

products and expanded reach into overseas markets has combined to minimize the impact of the downturn on export values. After registering a strong drop in exports in 2009, Canada actually saw a minor uptick in the overall value of exports last year, estimated to have reached above \$16 billion.

A closer look at the destination of Canadian exports reveals that the sharp decline in exports to the U.S. has been partially offset by rising exports to China, which tripled over the last decade, reaching more than \$3 billion last year. Last year, exports to the U.S. and other nations grew, while those to China remained steady.



Source: Industry Canada, Trade Data Online, NAICS 322, January, 2014

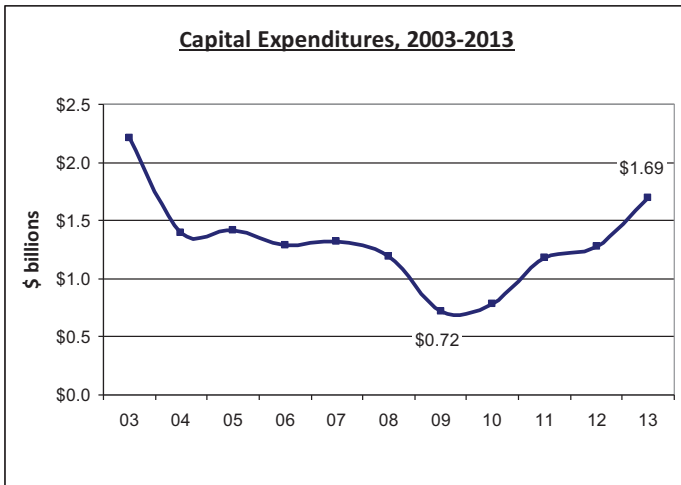
## Investment

Ongoing investment is the lifeblood of any manufacturing industry. The history of chronic underinvestment in Canada's pulp and paper industry, compounded by dramatic structural declines in demand for key products, saw perilously low levels of new capital investment in the years prior to the global financial crisis.

Since 2009, however, investments in converting existing mills to dissolving pulp, and from newsprint to paperboard and tissue, along with investments in energy retrofits spurred by the federal Green Transformation Program, have led to a significant



rebound in capital investments. Annual capital investment reached nearly \$1.7 billion last year, the highest level in a decade, and more than double the level seen when we were last in bargaining in 2009. Perhaps more than any other sign of improving fortunes, the return to stronger investment levels points toward a more positive future.



Source: Statistics Canada, CANSIM 029-0009, NAICS 322

## What's Ahead

Is the crisis over? It may be too early to say. What is clear is that the Canadian industry survived the

depths of the global recession, albeit in a dramatically smaller, and significantly restructured, form. The immediate signs point to stabilization; indeed, we see some positive signs emerging. Production levels, the value of shipments and employment are stabilizing. And exports and capital investment are actually improving.

In the year ahead, forecasts for sustained strong pricing for key products, combined with a lower Canadian dollar, only point to better performance.

Longer term, much more is needed, not only to fully declare the crisis over, but to spark an actual recovery. For that to happen, we need to see sustained investment, conversions toward products with stronger market outlooks, a more balanced overall product mix, and integrated and substantial industrial policies to support the industry's move up the value-added chain. Without these, we may find another crisis down the road. Compared to the dramatic slide we lived through before, and during, the global recession, however, the worst is certainly behind us.

# MAJOR PRODUCT LINES

## Newsprint

Since the growth of the Internet and digital media, the newsprint market has experienced the largest structural shift among all paper grades. Global newsprint demand remained largely stable from the turn of the millennium through 2007, at about 40 million tonnes per year, largely because of contrasting tendencies: On the one hand, newsprint demand was declining at an accelerating rate in the mature markets of North America and Europe; on the other, this trend was offset by broad-based economic growth in rapidly developing nations.



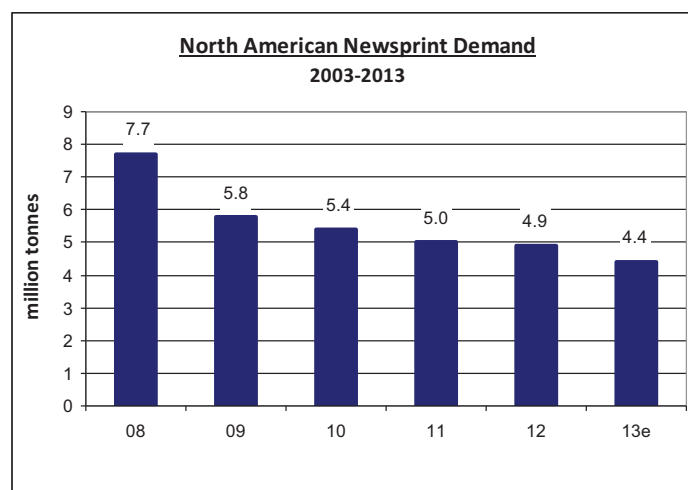
With the onset of the global financial crisis in 2008, however, newsprint experienced the worst of both worlds: a much steeper rate of decline in mature markets arising from even faster advances in digital media, combined with the devastating effects of a sharp slowdown in general economic activity across all global markets. What had been a relatively stable balance between contrasting forces became a rapid free-fall in global demand. From 2008 through 2012, world newsprint demand dropped by 25%.

As the world's largest supplier of newsprint, and because the lion's share of our production serves mature markets, Canada was hit particularly hard. Canadian newsprint production fell from 6.0 million tonnes in 2008 to 3.9 million tonnes in 2012 — a 35% decline. And owing to weaker pricing, particularly in 2010-11, the value of newsprint shipments fell even harder: It was cut in half, from \$6.6 billion in 2008, to

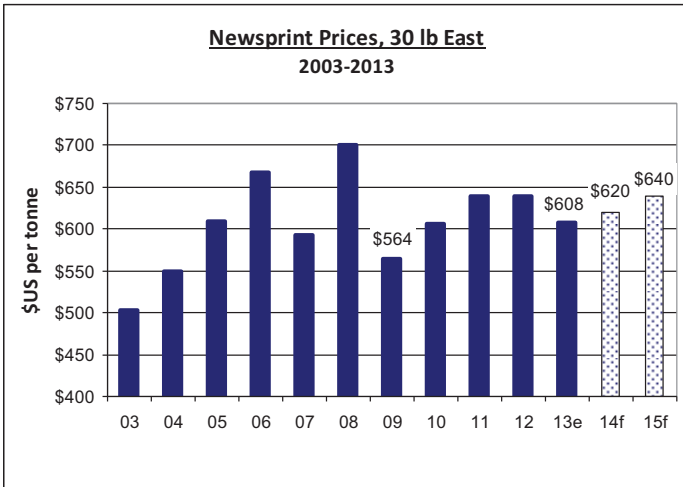
\$3.3 billion in 2012. After years of decline, however, the estimated value of shipments for 2013 is expected to reach the same level as in 2012.

Despite the long slide in the newsprint market, there are several positive signs ahead. Although no one expects global demand to rebound, the combination of forecasted stronger pricing (which is expected to climb 5% by 2015) and a lower dollar, points to far better financial performance ahead for Canadian producers. Consider that the world's leading newsprint supplier — Resolute Products, which has 9% of global capacity — notes in their latest quarterly financial report that each 1-cent decline in the Canadian dollar delivers \$14 million in additional operating profits.

For any business, operating in a growing market is certainly preferable. But global newsprint demand will likely continue above 20 million tonnes per year for the next decade at least. A key strategy for producers is to consolidate production and capture as much of the profitable market as possible, while using positive financial results to convert existing capacity in an orderly way toward other more stable and profitable grades, such as paperboard and packaging. Much of this transformation is already underway, both in Canada and globally, and the trend is expected to continue in the years ahead.



Source: Resolute Forest Products, 3rd Quarter Financial Report, December 2013



Sources: RISI and BMO Capital Markets, Commodities Watch, December 2013

## Market Pulp

Canada's leading position as the top global producer of Northern Bleached Softwood Kraft pulp (NBSK) means that this country meets approximately one-third of worldwide demand. Strong demand for NBSK in paper grades, and increasing global demand for tissue production, mean that overall demand has been relatively stable in recent years. As a result, Canadian pulp production has fared better than have other segments of the industry.

A look back over the last decade shows that Canadian pulp production has fallen hard — by one-third, from 26.0 million tonnes in 2003, to 17.1 million tonnes in 2012. However, much of that decline occurred before the global financial crisis and recession. Pulp production actually increased in 2010-11, and then moderated in 2012 to return to the same level as in 2009.

During the depths of the global financial crisis, in 2009, NBSK prices dropped by 16%, to \$US 718 per tonne, but then grew strongly in the following two years. Because of better pricing, the value of Canada's pulp shipments increased by nearly \$1 billion since we were last in bargaining, in 2009, reaching \$6.1 billion in 2013.

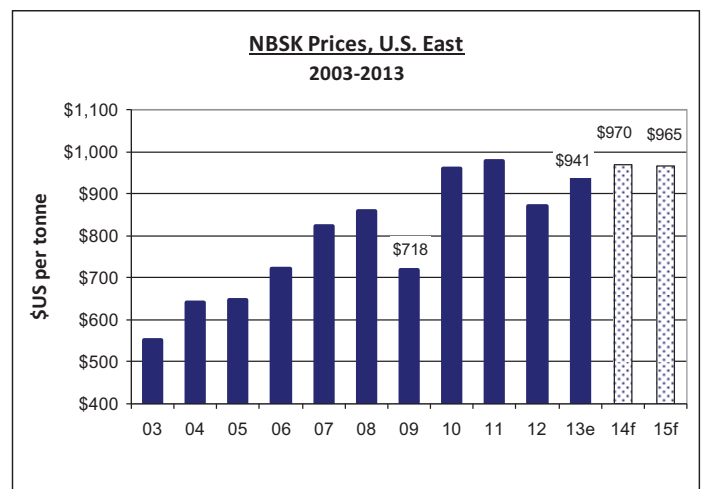
The current favourable outlook in the NBSK market is driven largely by the rapidly rising tissue demand in developing nations. This positive outlook lies behind the recent strong increase in prices, which rose 8%

last year to an average of \$US 941 in 2013. And prices are going even higher. In recent months, NBSK spot prices have tipped above \$US1,000 per tonne, and current forecasts expect average prices to rise another 3% in 2014. And, of course, price movements are tracked in U.S. dollars, which means that the positive impact of the lower Canadian dollar will only mean stronger financial performance ahead.

Demand and prices for Northern Bleached Hardwood Kraft (NBHK) have also held up fairly well in recent times. And pricing, in particular, has been favourable with prices rising from the range of \$US 700 per tonne two years ago, to above \$850 per tonne currently.



Global demand for dissolving pulp has surged over the last decade, from the range of 3 million tonnes per year to nearly 7 million currently. And prices soared from 2009 to 2011: more than doubling. Not surprisingly, however, this led to a rush of new capacity that has translated into overcapacity combined with a dramatic drop off in prices. The oversupply of dissolving pulp has led to global charges of dumping, an emerging trade dispute with China, and idling of capacity - including 10-weeks of downtime at the Fortress mill in Thurso, Quebec announced last December.



Sources: RISI and BMO Capital Markets, Commodities Watch, December 2013



## Printing and Writing Papers

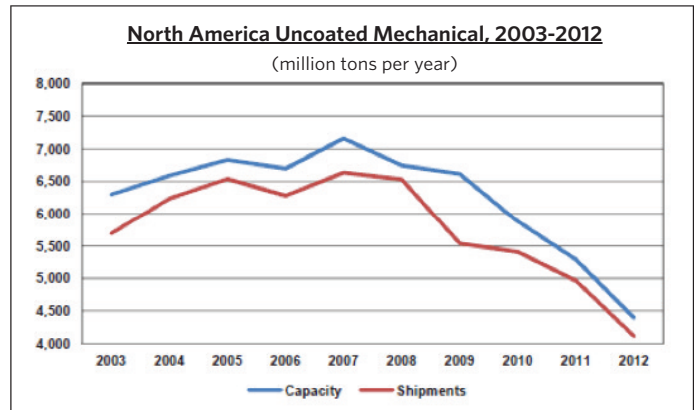
North American demand for printing and writing papers has fallen sharply in face of transitions to internet and other digital media. North American shipments of coated, and uncoated, papers each fell by more than a quarter over the last decade.

Uncoated mechanical paper grades have experienced the ongoing demand decline that has hit all major printing and writing paper market sectors in North America due to electronic substitution for a wide range of print applications. The market appears set on a path of structural decline common to most graphic paper grades.

In the five years through 2013, North American uncoated mechanical capacity fell about 30% to 4.4 million tons, with about 1.6 million tons located in the U.S. and 2.8 million tons in Canada. Looking back to better times, North American demand grew about 3% annually from the 1970s until it peaked at about 6.2 million tons per year in 2007. Demand fell 20% in 2008-2009 and is on track to decline to about 4.4 million tons in 2013. The bright note in this segment however, is that profitability of Canadian mills may be aided by a weakening in the Canadian dollar.

A look at uncoated freesheet market also reveals a similar downward trend. A recent RISI forecast expects overall North American uncoated freesheet shipments to decline 2.9% per year in each of 2014, 2015, and 2016. Shipments in 2014 are expected to total 9.2 million tons. In face of declining demand, an unprecedented more than one million tons of uncoated freesheet paper capacity in the U.S. is being permanently retired by the end of February, 2014, and capacity is set to decline to 9.7 million tons by 2016.

A similar picture emerges in the coated paper grades, which fall on the higher end of the publication grade spectrum. In 2013, North American coated mechanical production capacity was about 3.7 million tons – almost a 40% drop from 2007 – and coated freesheet capacity was down about 27% at 4.7 million tons, making a combined total of about 8.4 million tons per year of coated papers. Shipments were tracking for about 7.7 million tons, with U.S.

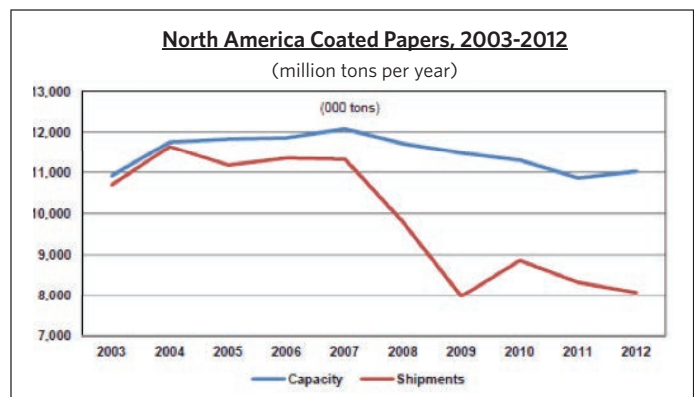


Source: RISI Market Profile, January, 2014

coated printing paper shipments accounting for around 6.8 million tons.

The effect of electronic media on magazine sales and higher postal charges played a big part in the 5.4% coated mechanical demand drop, and 1.8% decline in coated freesheet demand over the first 10 months of 2013. Magazines' declining circulation and page counts hurt coated mechanical demand most, since upscale periodicals that use coated freesheet held up better with advertisers and readers

Looking ahead, the market for coated papers will continue to decline as catalog circulation is falling (and they are becoming smaller and thinner), so lower paper grades can be expected to take catalog market share as publishers seek ways to cut costs. Circulation is also dropping for mass market magazines, whose publishers have in some cases already begun switching to uncoated grades for reasons of economy. With coated paper in steady decline, particularly coated mechanical, more capacity is likely to eventually cut to match the drop in demand.



Source: RISI Market Profile, January, 2014

For all grades of printing and writing paper, despite the ongoing decline in demand in mature markets, the potential exists for greater export to emerging markets. And the lower Canadian dollar can only serve to boost financial performance in the years ahead.

## Packaging Grades

Converted paper and paperboard have seen much stronger performance than other paper grades, both over the longer-term, and particularly since the global financial crisis and recession. With demand and prices moving in closer relationship to broader overall economic performance, the sector saw a downturn in 2008-2009, but fortunes have improved in a recovering global economy.

The value of Canadian converted paper and paperboard shipments fell by a quarter from 2003 to 2009 (from \$12.5 billion to \$9.5 billion), but the situation has been relatively stable since then with shipments rising to \$9.7 billion last year.

Overall North American packaging materials production has remained stable in recent years, with output at 48.9 million tonnes in 2008 and 48.8 million tonnes in 2012. Like other grades, packaging has undergone a wave of consolidation, particularly in containerboard where the top three North American producers (International Paper, Rock Tenn, and Georgia-Pacific), now control more than 70% of the market.

A June 2013 Standard and Poor's analysts' review of the packaging industry highlighted healthy average pre-tax profits of 13.3% in 2012, and a positive outlook into the medium term. Compared to much weaker conditions in newsprint, the lure of packaging remains strong and is likely to lead to further conversions of existing newsprint production.

Given the slow, but steady, recovery in mature markets; and sustained, but slower, growth in emerging markets, the outlook for packaging grades remains positive. For Canadian producers, the lower dollar will only add to already positive financial performance in the years ahead.

## Tissue

By all measures, the global tissue sector is the healthiest segment of the pulp and paper industry in terms of growth and profitability. The wide ranging use of sanitary products in the mature markets of North America and Europe has proven largely immune from economic fluctuation, as tissue products are typically considered a staple of household consumption. While the rapidly growing economies of Latin America and China have driven global tissue consumption upward on a strong path for decades. In fact, over the last 20 years, global tissue demand has grown at an average rate of 3.9% per year. And growth is expected to accelerate to 4.1% per year to 2020.

While North America and Western Europe account for nearly half of world's 31 million tonnes of annual tissue consumption, it has been Latin America and China that have driven the overall growth. Consider that over the past 20 years consumption in Latin America has tripled, from less than 1 million tonnes per year, to the range of 3.4 million tonnes currently. And in China the growth has been even stronger, with consumption growing fivefold, from less than 1 million tonnes per year to the range of 5.5 million currently.

Strong growth and a positive long-term outlook have attracted increasing levels of investment and new capacity globally, with much of the production in Latin America. While demand will be strong ahead, there will be more firms chasing the market. Consider that global demand is expected to increase in the range of 1.2 million tonnes in each of the next two years, but an estimated 2.4 million tonnes of new capacity came on stream in 2013, and a further 2.0 million tonnes is scheduled for 2014. Utilization rates are already low for a growing market, at about 85%, and the new capacity additions will likely mean little improvement in the short term. In contrast to other pulp and paper segments, however, there could be worse problems than steady and strong demand resulting in surging investment. The outlook for Canadian tissue producers remains highly positive.

# COMPANY PROFILES AND FINANCES

## Financial Trends

The steep structural downturn in demand for key paper products, combined with the impact of the global financial crisis and recession, resulted in significant financial losses – often to the point of bankruptcy – across the global pulp and paper industry, particularly in 2008-09.

A review of the world’s 100 largest publicly-traded forestry firms by consultancy PWC highlights the period of deep losses, but also reveals a period of greater stability in more recent years. In 2008, the top 100 largest forestry firms lost a combined \$US 6.5 billion on revenues of \$US 358 billion. In 2009, the top 100 group eked out a slim 1.6% net profit margin, but since then have seen modest, but consistent, profits with an average 4% net profit margin over the last three full years to 2012.

Of course the top 100 group represents the integrated forestry industry, and masks the divergent trends seen between the increasingly profitable lumber and wood products side of the business, compared to the weaker overall performance in the pulp and paper sector. Despite these limitations, we can note that, on whole, the global forestry industry has returned to profitability.

There are 15 firms among the top 100 headquartered in Canada, and the latest results for the first 9 months of 2013 show combined net profits of \$594 million, certainly a positive development. Of course, there has been better performance among firms weighted toward the lumber and wood products segments, but overall this is a strong turnaround from just a few short years ago.

Among the 7 publicly-traded firms in this review of the Eastern Canada pulp and paper industry we see mixed results in terms of net profitability over the last three years, but much of this is owing to the effects of one-time restructuring charges arising from closures or merger and acquisition activity. Consider that among the firms covered by the last wage policy

## OWNERSHIP CHANGES 2009-2014

2009	2014
Abitibi Bowater	Resolute
Fibrex	Resolute
Fraser Paper	Twin Rivers
Fraser Paper	Fortress
NewPage	Port Hawksbury
Northern Pulp	Paper Excellence
Smurfit-Stone	Rock-Tenn

review in 2009, fully six have changed ownership. A review of revenues over the last three years shows a stable-to-improving picture, and the latest 12-month results highlight positive operating profits at all firms.

Several factors point to an improved financial outlook: Much of the restructuring is now behind us; we see stable-to-strong forecasts for demand and pricing in many key products; there is a return to better levels of capital investment; and significantly, we’ve seen a 10% drop in value of Canadian dollar over the last year. All these factors will only strengthen the bottom line ahead.

The Canadian industry retains a significant presence of privately-held firms, including many major firms with international operations. These firms have no obligation to publicly report any financial information. Typically private firms will release estimated revenues, and we consider operational and investment developments as signs of overall financial performance.

*Technical notes and sources for company profiles:*

*Rock-Tenn and Tembec fiscal yr. end Sep. 31st.*

*Financial data for public companies: IQ Capital. 2010 net profits for Resolute include a one-time restatement of asset values from restructuring. Revenue estimates for private firms: Dun & Bradstreet.*





# **PUBLIC COMPANIES**



## DESCRIPTION

Cascades Inc. (Cascades), along with its subsidiaries produces, converts and markets packaging and tissue products composed mainly of recycled fibers. The Company's operates in four segments: North American and European boxboard, North American Containerboard, Specialty Products (which consists of the packaging products of the Corporation) and Tissue Papers. In April 2012, it announced the consolidation of its corrugated product plants in its Norampac division in Ontario. In April 7, 2011, it acquired 3.36% interest of Reno de Medici S.p.A. On September 15, 2011, it acquired partition board manufacturing assets of Packaging Dimension Inc. On November 1, 2011, it acquired the remaining 50% of shares of Papersource Converting Mill Corp. On May 31, 2011, it acquired Genor Recycling Services Ltd. and 533784 Ontario Limited. In June 2013, Cascades Inc announced that it owns interest of Reno De Medici S.p.A. The company has 12,000 employees. Cascades Inc. was founded in 1964 and is headquartered in Kingsey Falls, Canada.

## ADDRESS

404 Marie-Victorin Boulevard  
 Kingsey Falls, QC JOA 1B0  
 Phone: 819-363-5100  
 Fax: 819-363-5155  
 Website: <http://www.cascades.com>

## KEY PERSONNEL

Dr. Alain Lemaire PhD, Co-Founder, Chairman  
 Mr. Mario Plourde , Chief Exec. Officer and Pres  
 Mr. Allan Hogg CA, Chief Financial Officer and Vice-Pres



### Annual Financial Results

(\$ millions)

	<u>2012</u>	<u>2011</u>	<u>2010</u>
	\$CDN	\$CDN	\$CDN
<b>Revenue</b>	\$3,645	\$3,625	\$3,182
<b>Operating Income</b>	\$75	\$8	\$100
<b>Net Income</b>	-\$11	\$99	\$41
<b>Assets</b>	\$3,694	\$3,728	\$3,437
<b>Liabilities</b>	\$2,716	\$2,699	\$2,388
<b>Stockholders' Equity</b>	\$978	\$1,029	\$1,049

### Last 12 Months' Results

<b>Revenue (\$millions)</b>	\$3,800
<b>Net Income (\$millions)</b>	-\$13
<b>Profit Margin</b>	-0.4%
<b>Operating Margin</b>	3.5%
<b>Return on Equity</b>	-1.3%

## DESCRIPTION

Domtar Corporation designs, manufactures, markets and distributes a range of fiber-based products, including communication papers, specialty and packaging papers and adult incontinence products. The Company operates in three business segments: Pulp and Paper, Distribution and Personal Care. Its Pulp and Paper segment consists of the manufacturing, sale and distribution of communication, specialty and packaging papers, as well as softwood, fluff and hardwood market pulp. The Company's Distribution segment includes the purchasing, warehousing, sale and distribution of its paper products and those of other manufacturers. These products include business and printing papers, certain industrial products and printing supplies. Its Personal Care segment consists of the manufacturing, sale and distribution of adult incontinence products. In July 2013, Domtar Corp acquired Associated Hygienic Products (AHP) from DSG International. In January 2014, the Company acquired Laboratorios Indas, SAU. Domtar Corporation has 9,000 employees and is headquartered in Montreal, Canada.

## ADDRESS

395 de Maisonneuve Boulevard West  
 Montreal, QC H3A 1L6  
 Phone: 514-848-5555  
 Fax: 514-848-6878  
 Website: <http://www.domtar.com>

## KEY PERSONNEL

Mr. John D. Williams, Chief Exec. Officer, Pres and Director  
 Mr. Daniel Buron, Chief Financial Officer, Principal Accounting Officer and Sr. VP



### Annual Financial Results (\$ millions)

	<u>2012</u>	<u>2011</u>	<u>2010</u>
	\$USD	\$USD	\$USD
<b>Revenue</b>	\$5,482	\$5,612	\$5,850
<b>Operating Income</b>	\$367	\$592	\$603
<b>Net Income</b>	\$172	\$365	\$605
<b>Assets</b>	\$6,123	\$5,869	\$6,026
<b>Liabilities</b>	\$3,246	\$2,897	\$2,824
<b>Stockholders' Equity</b>	\$2,877	\$2,972	\$3,202

### Last 12 Months' Results

<b>Revenue (\$millions)</b>	\$5,360
<b>Net Income (\$millions)</b>	\$45
<b>Profit Margin</b>	0.8%
<b>Operating Margin</b>	4.6%
<b>Return on Equity</b>	1.6%



## DESCRIPTION

Fortress Paper Ltd. (Fortress) is an international producer of specialty pulp, specialty papers, security papers and other security related products. The Company operates in three business segments: dissolving pulp, specialty papers and security paper products. Fortress produces dissolving pulp at its Fortress Specialty Mill. Its specialty papers business includes non-woven wallpaper base products. Fortress's security paper products business includes banknote, passport, visa and other brand protection and security papers and optically variable thin film material (OTM). In December 2011, the Company completed the conversion of the Fortress Specialty Mill from a producer of northern bleached hardwood kraft pulp (NBHK) and specialty pulp and commenced production of dissolving pulp, also known as specialty cellulose. In April 2013, the Company sold Dresden Mill to Glatfelter Gernsbach GmbH & Co. KG, a subsidiary of P.H. Glatfelter Co. Fortress Paper Ltd. has 780 employees, was incorporated in 2006 and is headquartered in North Vancouver, Canada.

## ADDRESS

157 Chadwick Court  
 2nd Floor  
 North Vancouver, BC V7M 3K2  
 Phone: 604-904-2328  
 Fax: 604-988-5327  
 Website: <http://www.fortresspaper.com>

## KEY PERSONNEL

Mr. Chadwick Wasilenkoff , Chairman, Chief Exec. Officer, Pres  
 Mr. Kurt Loewen , Chief Financial Officer



### Annual Financial Results

(\$ millions)

	2012	2011	2010
	\$CDN	\$CDN	\$CDN
Revenue	\$314	\$309	\$281
Operating Income	-\$29	-\$13	\$43
Net Income	-\$21	-\$19	\$34
Assets	\$578	\$491	\$307
Liabilities	\$349	\$260	\$116
Stockholders' Equity	\$229	\$231	\$191

### Last 12 Months' Results

Revenue (\$millions)	\$380
Net Income (\$millions)	-\$42
Profit Margin	-11.1%
Operating Margin	6.4%
Return on Equity	-14.3%

## DESCRIPTION

Resolute Forest Products Inc. is a global forest products company. The Company's products include newsprint, commercial printing papers, market pulp and wood products. The Company owns or operates pulp and paper mills and wood products facilities in the United States, Canada and South Korea. On November 7, 2011, it began doing business as Resolute Forest Products, formerly AbitibiBowater. As of December 31, 2011, it owned or operated 18 pulp and paper mills and 23 wood products facilities in the United States, Canada and South Korea. The Company's segments include newsprint, coated papers, specialty papers, market pulp and wood products. On January 14, 2011, it acquired the noncontrolling interest in Augusta Newsprint Company (ANC). In April 2012, the Company held approximately 48.8% of the outstanding shares of Fibrek Inc. In December 2012, the Company purchased Bowater Mersey Paper Company Limited Power Corporation in May 2012. Resolute Forest Product has 9,300 employees and is headquartered in Montreal, Canada.

## ADDRESS

111 Duke Street  
Suite 5000  
Montreal, QC H3C 2M1  
Phone: 514-875-2515  
Website: <http://www.resolutefp.com>

## KEY PERSONNEL

Mr. Richard C. Garneau , Chief Exec. Officer, Pres and Director  
Ms. Jo-Ann Longworth , Chief Financial Officer and Sr. VP



### Annual Financial Results

(\$ millions)

	2012	2011	2010
	\$USD	\$USD	\$USD
<b>Revenue</b>	\$4,503	\$4,756	\$4,746
<b>Operating Income</b>	-\$30	\$198	-\$160
<b>Net Income</b>	-\$2	\$41	2,614*
<b>Assets</b>	\$6,324	\$6,298	\$7,135
<b>Liabilities</b>	\$3,231	\$2,881	\$3,426
<b>Stockholders' Equity</b>	\$3,093	\$3,417	\$3,709

### Last 12 Months' Results

<b>Revenue (\$millions)</b>	\$4,440
<b>Net Income (\$millions)</b>	-\$684
<b>Profit Margin</b>	-15.4%
<b>Operating Margin</b>	2.8%
<b>Return on Equity</b>	-22.8%

## DESCRIPTION

Rock-Tenn Company (RockTenn) is a North America's integrated manufacturer of corrugated and consumer packaging. The Company operates locations in the United States, Canada, Mexico, Chile, Argentina, Puerto Rico and China. The Company operates in three segments: Corrugated Packaging, consisting of its containerboard mills and its corrugated converting operations; Consumer Packaging, consisting of its coated and uncoated paperboard mills, consumer packaging converting operations and merchandising display facilities, and Recycling, which consists of its recycled fiber brokerage and collection operations. On June 22, 2012, the Company acquired Mid South Packaging LLC. On October 28, 2011, the Company acquired four entities doing business as GMI Group. Rock-Tenn Company has 25,800 employees, was founded in 1936, and is headquartered in Norcross, Georgia.

## ADDRESS

504 Thrasher Street  
 Norcross, GA 30071  
 Phone: 770-448-2193  
 Website: <http://www.rocktenn.com>

## KEY PERSONNEL

Mr. Steven C. Voorhees , Chief Exec. Officer,  
 Director and Member of Exec. Committee  
 Mr. Ward H. Dickson , Chief Financial Officer and  
 Exec. VP



### Annual Financial Results

(\$ millions)

	<u>2012</u>	<u>2011</u>	<u>2010</u>
	\$USD	\$USD	\$USD
<b>Revenue</b>	\$9,207	\$5,399	\$3,001
<b>Operating Income</b>	\$504	\$318	\$370
<b>Net Income</b>	\$249	\$141	\$226
<b>Assets</b>	\$10,687	\$10,566	\$2,914
<b>Liabilities</b>	\$7,281	\$7,194	\$1,903
<b>Stockholders' Equity</b>	\$3,406	\$3,372	\$1,011

### Last 12 Months' Results

<b>Revenue (\$millions)</b>	\$9,550
<b>Net Income (\$millions)</b>	\$727
<b>Profit Margin</b>	7.6%
<b>Operating Margin</b>	9.2%
<b>Return on Equity</b>	18.9%





## DESCRIPTION

Sonoco Products Company (Sonoco) is a manufacturer of industrial and consumer packaging products and a provider of packaging services, with 347 locations in 34 countries. The Company operates in four segments: Consumer Packaging, Paper and Industrial Converted Products, Display and Packaging, and Protective Solutions. The Company's Consumer Packaging operations consist of 79 plants throughout the world. The Company's Paper and Industrial Converted Products segment serves its markets through 220 plants on five continents. The products, services and markets of the Display and Packaging segment are point-of-purchase displays, custom packaging, fulfillment, primary package filling, supply chain management, and paperboard specialties. The products, services and markets of the Protective Solutions segment are engineered, custom-designed protective, temperature-assurance and retail security packaging solutions. The company has 19,900 employees, was founded in 1899, and is based in Hartsville, South Carolina

## ADDRESS

1 North Second Street  
 Hartsville, SC 29550  
 Phone: 843-383-7000  
 Fax: 843-383-7008  
 Website: <http://www.sonoco.com>

## KEY PERSONNEL

Mr. Harris E. DeLoach Jr., Exec. Chairman  
 Mr. M. Jack Sanders , Chief Exec. Officer, Pres  
 Mr. Barry L. Saunders , Chief Financial Officer and VP



### Annual Financial Results

(\$ millions)

	2012	2011	2010
	\$USD	\$USD	\$USD
Revenue	\$4,786	\$4,499	\$4,124
Operating Income	\$347	\$322	\$338
Net Income	\$196	\$218	\$201
Assets	\$4,176	\$3,993	\$3,281
Liabilities	\$2,687	\$2,581	\$1,789
Stockholders' Equity	\$1,489	\$1,412	\$1,492

### Last 12 Months' Results

Revenue (\$millions)	\$4,810
Net Income (\$millions)	\$207
Profit Margin	4.3%
Operating Margin	7.9%
Return on Equity	13.2%

## DESCRIPTION

Tembec Inc. (Tembec) operates in four segments: Forest Products, Pulp, Paper and Chemicals. The Company operates manufacturing facilities in Quebec, Ontario, British Columbia, the state of Ohio, as well as in Southern France. The Forest Products segment is divided into two areas of activity: forest resource management and manufacturing operations. In May 2013, it announced that the closing of the sale of its NBSK pulp mill and related assets located in Skookumchuck, British Columbia to Paper Excellence Canada Holdings Corporation. In November 2013, the Company sold approximately 7,150 hectares of land located within the Regional District of East Kootenay, British Columbia, to Teck Resources Ltd. Tembec Inc. was founded in 1972, has 3,500 employees and is headquartered in Montreal, Canada.

### ADDRESS

800 René-Lévesque Blvd, Suite 1050  
 Montreal, QC H3B 1X9  
 Phone: 514-871-0137  
 Fax: 514-397-0896  
 Website: <http://www.tembec.com>

### KEY PERSONNEL

Mr. James V. Continenza , Exec. Chairman  
 Mr. James M. Lopez , Chief Exec. Officer, Pres  
 Mr. Michel J. Dumas , Chief Fin. Officer,  
 Exec. VP of Fin



### Annual Financial Results

(\$ millions)

	<u>2012</u>	<u>2011</u>	<u>2010</u>
	\$CDN	\$CDN	\$CDN
<b>Revenue</b>	\$1,427	\$1,493	\$1,633
<b>Operating Income</b>	-\$32	\$47	\$64
<b>Net Income</b>	-\$82	-\$5	\$52
<b>Assets</b>	\$1,059	\$1,093	\$1,103
<b>Liabilities</b>	\$957	\$860	\$803
<b>Stockholders' Equity</b>	\$102	\$233	\$300

### Last 12 Months' Results

<b>Revenue (\$millions)</b>	\$1,330
<b>Net Income (\$millions)</b>	-\$34
<b>Profit Margin</b>	-2.6%
<b>Operating Margin</b>	4.9%
<b>Return on Equity</b>	-21.1%



**PRIVATE COMPANIES**

## DESCRIPTION

The AV Group is ultimately owned by the Aditya Birla Group of India, a USD 28 billion corporation, with over 100,000 employees operating in 26 countries in many sectors. The AV Group is focused on producing specialty pulp products to service the textile and paper industry. AV Group consists of two pulp mills located in New Brunswick in Atholville and Nackawic, and one in Terrace Bay, Ontario.

### AV Cell

The entire production of the mill is exclusively for the Aditya Birla Group. The mill produces 180,000 tonnes per annum of dissolving pulp. The high-purity alpha cellulose is supplied to the viscose plants in India, Thailand and Indonesia, for the manufacture of rayon used in textile application. There are 256 employees.

### AV Nackawic

The mill produces northern bleached hardwood kraft woodpulp, typically used in coated paper, specialty printing and writing paper, packaging and tissue, and dissolving for processing into cellulose derivatives including rayon and acetate. There are 300 employees.

### AV Terrace Bay

In July 2012, Aditya Birla, through its subsidiaries, Grasim and Thai Rayon Public Co. Ltd., acquired Terrace Bay Pulp Inc. The acquisition was routed through a Special Purpose Vehicle (SPV) after the mill was placed under Companies Creditors Arrangement Act (CCAA). Aditya Birla group's planned investment in Terrace Bay Pulp Inc is around USD 250 million in a phased manner to enable the mill to produce dissolving grade pulp. Grasim's contribution is around USD 44 million out of the total equity contribution of USD 110 million. The mill presently produces northern bleached softwood kraft pulp, marketed in both North

## ADDRESS

175 Mill Rd, Atholville NB E3N 4S7

Telephone: 506-789-4343

103 Pinder Rd, Nackawic, NB E6G 1W4

Telephone: 506-575-3314

21 Mill Road, Terrace Bay, ON POT 2W0

Telephone: 807-825-1075

Website: [www.av-group.ca](http://www.av-group.ca)

## KEY PERSONNEL

Peter Forestell, Secretary AV Cell

Alan Hitzroth, President AV Nackawic

Giovanni Iadaluca, CEO AV Terrace Bay

## SALES ESTIMATES (CAD)

AV Cell (2012)	\$15.7 m
AV Nackawic (2012)	\$206.5 m
AV Terrace Bay (2012)	\$21.5 m

America and Europe, and used in the manufacture of premium tissue and paper products. Aditya Birla is moving ahead with plans to convert the NBSK mill to dissolving pulp production, beginning in 2014 and to be completed by 2016. In late 2013, the company stated that they are investigating other potential co-products. There are 350 employees.



## DESCRIPTION

Atlantic Packaging is a supplier of packaging products with a customer base throughout Canada and the U.S. The company's products include plastic bags, plastic films and sheets, paper bags, and corrugated containers, and more. Atlantic Packaging products and services include corrugated packaging, colour packaging, merchandising and displays, paper bag products, supply management, container boards and recycling. The company operates three recycled paper mills in Ontario. There are 2,400 employees.

## ADDRESS

111 Progress Ave, Scarborough, ON M1P 2Y9

Telephone: 416-298-8101

Website: [www.atlantic.ca](http://www.atlantic.ca)

## KEY PERSONNEL

Irving Granovsky, Chairman

John Cherry, Vice-Chairman

Dave Boles, President

Paul Doyle, VP, Finance and Administration

## SALES ESTIMATES (CAD)

2012

\$312.0 m

## DESCRIPTION

Georgia-Pacific, an indirect wholly-owned subsidiary of Koch Industries, a private company headquartered in Wichita, Kansas, manufactures and markets tissue, pulp, paper, packaging, building products, and related chemicals. It operates approximately 300 manufacturing facilities in North America, South America and Europe, ranging from large pulp, paper, and tissue operations to gypsum plants, box plants, and building products complexes. The company offers its products across the following product lines: Georgia-Pacific professional; bleached board and kraft; building products; cellulose and pulp; chemicals; consumer products; Dixie; gypsum; packaging; paper; wood and fiber supply; and paper, plastic, and metal waste recovery and recycling.

The company's key products and services include: paper towels, napkins and tissues, cups, plates and bowls, cutlery, food wraps, cartons, trays; liquid soap; absorbent non-wovens; bleached paperboard; kraft paper; plywood and other boards; pulps; wood adhesives, industrial resins, and chemicals; fire door components, plaster, sheathing, roof board, and joint systems; containerboard, corrugated containers, and cardboard; paper for business and commercial use; timber valuations and environmental and forest management; and paper, plastic and metal waste recovery and recycling. There are 46,270 employees, 600 of them in Canada.

## ADDRESS

133 Peachtree St Ne # 4810,  
Atlanta, GA 30303-1804 USA  
Telephone: 404-652-4000  
Website: [www.gp.com/index.html](http://www.gp.com/index.html)

## KEY PERSONNEL

James B. Hannan, CEO and President  
Tyler L. Woolson, Senior VP and CFO

## SALES ESTIMATE (USD)

Sales (2012):	\$7,953.8 m
Sales Growth (3 year):	35.00%

## CANADIAN SALES ESTIMATE (CAD)

Sales (2012):	\$78.0 m
---------------	----------

## FINANCES USD

Net Worth (2011):	\$14,621.0 m
-------------------	--------------



## DESCRIPTION

Although J.D. Irving started out in forest products, it is now a major, family-owned, conglomerate with seven business units and many subsidiaries. The company operates in Canada and the U.S. with a worldwide customer base. J.D. Irving is active in the retail, food processing, forestry, transportation, manufacturing, and shipbuilding sectors. Forestry and Forest Products, one of the business units, produces: specialty wood products, corrugating medium, kraft pulp, specialty paper grades, consumer tissues (facial, bath, towel and napkin), and premium kiln dried lumber (hardwood, softwood, eastern white pine and eastern white cedar). Companies operating under the Forestry and Forest Products Business Unit are: Irving Pulp and Paper Limited; Irving Paper Limited; Irving Tissue Company; Lake Utopia Paper; Sawmill Division; and Woodlands Division. There are 15,000 employees.

### ADDRESS

300 Union St. St. John NB E2L 4M3

Telephone: 506-632-7777

Website: [www.jdirving.com](http://www.jdirving.com)

### KEY PERSONNEL

James Kenneth Irving, Chairman and CEO

Arthur L. Irving, Director

### SALES ESTIMATES (CAD)

2012

\$1,669.1 m

## DESCRIPTION

Kruger produces newsprint, specialty grade, lightweight coated paper, directory paper, tissue, recycled linerboard, corrugated containers, lumber and other wood products. The company has operations in Canada, the U.S. and the U.K. There are two main divisions: industrial products, which include publication papers, forest products, containerboard and packaging; and consumer products, which include tissue products, wines and spirits. The company's other activities include Kruger Energy and recycling. The publication papers business unit produces newsprint, coated, directory and super-calendered paper. Kruger's publication papers business unit operates through two subsidiaries: Kruger Publication Papers and Kruger Pulp & Paper Sales. Kruger Publication Papers operates four paper mills located in Quebec, and Newfoundland and Labrador. The company owns a deinking facility and produces 300,000 tons of deinked pulp. Kruger's forest and wood products business unit produces rough, dressed dry or green lumber products for the construction industry and residual wood chips for the Kruger pulp and paper mills. It operates four sawmills that produce lumber in Quebec.

The company's containerboard and packaging unit operates through Krupack Packaging and manufactures containers for food, beverages, dairy products, meat, fruit, vegetables, flowers, chemicals, textiles and clothing. The company also produces

### ADDRESS

3285, chemin Bedford, Montréal, QC H3S 1G5

Telephone: 514 343-3100

Website: [www.kruger.com](http://www.kruger.com)

### KEY PERSONNEL

Joseph Kruger II, Chairman and CEO

Jean Roy, Senior VP and COO

### SALES ESTIMATES (CAD)

2012	\$2,611.2 m
------	-------------

boxes for large electrical appliances, auto parts and other industrial products, and point-of-purchase displays for retail stores. Kruger's tissue products business manufactures tissue products for household (Cashmere, Purex, White Swan, Scotties, SpongeTowels, White Cloud), industrial and commercial use. The unit includes four mills in Canada, one mill in Memphis, TN, and interests in tissue mills in Latin America. The company's recycling business unit offers recovery services for paper, cardboard, plastic material, and wood. Tissue products, packaging materials and energy are manufactured from the materials recovered through recycling. There are 11,500 employees.



## New Forest



### DESCRIPTION

New Forest is joint venture of Atlantic Packaging of Scarborough, ON and Mitchel-Lincoln Packaging of Saint-Laurent, QC. The New Forest mill in Scarborough has capacity to produce over 1.5 million tonnes of high-grade corrugated medium and linerboard per year. The bulk of the output is used by the Atlantic box-making facilities and the Mitchel-Lincoln plants in Quebec.

### ADDRESS

333 Progress Ave, Scarborough, ON M1P 2Z7

Telephone: 416-298-5418

Website: [www.newforest.ca](http://www.newforest.ca)

### KEY PERSONNEL

Gerry Murray, VP, Mills

John Pepper, Director of Sales

## Paper Excellence



### DESCRIPTION

Paper Excellence Canada Holdings Corporation is owned by Paper Excellence B.V. of the Netherlands, which in turn is owned by the giant Indonesian conglomerate Sinar Mas, with diverse interests in pulp and paper, agribusiness, financial services, telecommunications and more. Sinar Mas is reported to have more than 300,000 employees worldwide. Paper Excellence has grown from a single mill base to a multinational group producing 2.5 million tonnes paper and pulp. Paper Excellence now operates mills in British Columbia (Mackenzie, Howe Sound, Skookumchuck), Alberta (Prince Albert, Meadow Lake) and in Nova Scotia (Northern Resources). The company manufactures high quality newsprint and specialty papers, integrated fiber products and cellulose based products. In 2011, Northern Resources (Northern Pulp) was purchased from Blue Wolf and Atlas Holdings. Northern Pulp manufactures 275,000 tonnes of northern bleached softwood kraft per year or pulp, primarily for export. The product is used to manufacture common household products such as tissue, towel, and toilet paper along with writing and photocopy paper. There are over 2,300 Paper Excellence employees in Canada.

### ADDRESS

#### Paper Excellence

4940 3 Rd NW Unit 218, Richmond, BC V6X 2W8

Telephone: 604-232-2453

Website: [www.paperexcellence.com](http://www.paperexcellence.com)

#### Northern Pulp

260 Granton Abercrombie Branch Road,  
Abercrombie, NS B2H 5C6

Telephone: 902-752-8461

Website: [www.northernpulp.ca](http://www.northernpulp.ca)

### KEY PERSONNEL

Hardi Wardhana, President and Board Member

Bujung Wahab, Director Purchasing

# Port Hawkesbury

PORT HAWKESBURY



## DESCRIPTION

In January 2012, the Pacific West Commercial Corporation of Vancouver purchased the Port Hawkesbury Mill from the former owner, NewPage Corporation, which had filed for bankruptcy protection. Pacific West Commercial Corporation and affiliate Stern Partners also own, or have invested in, other pulp and paper companies, including the Alberta Newsprint Company of Whitecourt, Alberta and the West Linn Paper Company of Portland, Oregon. The Port Hawkesbury mill was re-opened in October 2012, and in August 2013, the company announced that the mill was making a slim profit and had a full order book. The Port Hawkesbury Mill manufactures super-calendared paper for use in retail inserts, magazines and catalogues and has the capability of producing 400,000 tonnes, about 20% of the North American capacity for SC paper. In addition, the mill has three thermomechanical pulp (TMP) lines capable of producing 650,000 air-dried metric tons of fiber annually. There are 320 employees.

## ADDRESS

120 Pulp Mill Rd Point Tupper Industrial Park,  
Port Hawkesbury, NS B9A 1A1

Telephone: 902-625-2460

Website: [www.porthawkesburypaper.com](http://www.porthawkesburypaper.com)

## KEY PERSONNEL

Ronald Stern, Owner Pacific West Commercial

Wayne Nystrom, President Port  
Hawkesbury Paper

Neil De Gelder, VP Port Hawkesbury Paper

## SALES ESTIMATES (CAD)

2012	\$137.2m
------	----------

# Strathcona



## DESCRIPTION

Strathcona Paper is owned by Canampac, a Canadian printing and packaging company. In addition to Strathcona Paper, Canampac has two other divisions: Boehmer Box, and LYFT Visual, a design and printing company. Strathcona Paper manufactures medium to heavy weight paperboard. The 100% recycled, clay coated paper board products are used in the production of box board packaging for consumer retail markets, including food and household goods packaging. There are 180 employees.

## ADDRESS

Strathcona

77 County Road 16, R.R. #7, Napanee, ON K7R 3L2

Telephone: 613-378-6672

Website: <http://www.strathconapaper.com/>

## KEY PERSONNEL

Mark Sklar, President

## SALES ESTIMATES (CAD)

2012	\$64.3 m
------	----------

# Twin Rivers



## DESCRIPTION

While in bankruptcy protection, Fraser Papers completed the sale of its specialty papers business to Twin Rivers in 2010. In June 2013, Twin Rivers Paper Company was jointly purchased by the investment firm, Atlas Holdings of Connecticut and Blue Wolf Capital of New York, a private equity company. The Twin Rivers Paper Company manufactures paper, packaging, label and publishing products and lumber. The packaging products are used in the consumer household goods, industrial, medical and food packaging and processing markets. The company operates mills in Edmundston, New Brunswick and Madawaska, Maine, and a lumber sawmill located in Plaster Rock, New Brunswick. There are 550 employees.

### ADDRESS

27 Rice St, Edmundston, NB E3V 1S9

Telephone: 506-735-5551

Website: [www.twinriverspaper.com](http://www.twinriverspaper.com)

### KEY PERSONNEL

Tim Lowe, CEO

Wayne Gosse, CFO

Jean-Pierre Grenon, VP Forestry and Sawmill

Adam Levy, Chief Restructuring Officer

### SALES ESTIMATES (CAD)

2012	\$235.9 m
------	-----------

# White Birch



## DESCRIPTION

White Birch Paper is owned by Brant Industries, a family-owned company. The company entered bankruptcy proceedings in 2010, triggering a painful and complex restructuring process. The company produces about 1.3 million tons of newsprint and directory paper annually for customers in North America and internationally. It also manufactures uncoated specialty paper and paperboard with recycled content. The paperboard products include folding boxboard, pulpboard, bristols and file folders, and posterboard. Brant Industries operate pulp and paper mills in Rivière-du-Loup, Québec (F.F. Soucy), Gatineau, Québec (Papier Masson), Québec City, Québec (Stadacona), and Ashland, Virginia (Bear Island). Brant also operates the Stadcona saw mill, which produces lumber and wood chips in St-Emile, Québec. There are 2,400 employees.

### ADDRESS

80 Field Point Rd, Greenwich, CT

06830-6416 USA

Telephone: 203-661-3344

Website: [www.whitebirchpaper.com](http://www.whitebirchpaper.com)

### KEY PERSONNEL

Peter M. Brant, Chairman and CEO

Christopher M. Brant, President and COO

Edward D. Sherrick, Senior VP and CFO

### SALES ESTIMATES (CAD)

2012	\$323.7 m
------	-----------