



KP

KP Tissue Inc.

The Smart
Alternative!

WhiteCloud

Available only at Walmart in the USA



INITIAL PUBLIC OFFERING
November 2012

PRESENTERS

MARIO GOSSELIN

**Chief Executive Officer,
Kruger Products L.P.**

MARK HOLBROOK

**Chief Financial Officer,
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ALEXANDRE PATTE

**Vice-President Business
Development and
Treasurer, Kruger Inc.**

MARIO GOSSELIN

CHIEF EXECUTIVE OFFICER, KRUGER PRODUCTS L.P.



INVESTMENT HIGHLIGHTS

- **Canada's #1 tissue company** with leading brands
- **Strong free cash flow profile** - initial dividend yield of 3.6% - 4.0%
- **Strong customer relationships** with compelling retail proposition
- **Well located and efficient** infrastructure
- **Experienced management team** with track record of EBITDA growth
- **Successful US platform** with significant potential upside from TAD Project

CORPORATE TIMELINE

A Leader in the Tissue Industry

Scott Paper Limited
Commences Operations

Kruger acquires **100% of Scott Paper Limited** from KC for \$450 million

Acquisition of **Memphis Plant**

Begins transitioning the KC brands

Successfully completes **transition of KC brands**

Commences **TAD Project**

Business **Rationalization Project**

1923

1997

2002

2004

2007

2011

2012



BUSINESS OVERVIEW

LTM Adj. Revenue:
\$903 million⁽¹⁾



CONSUMER

LTM Adj. EBITDA:
\$129 million⁽¹⁾



AWAY-FROM-HOME

(1) 52 weeks ended September 23, 2012; as defined in the Prospectus (also see Prospectus for reconciliations to most comparable IFRS measure).

CANADA'S LEADING TISSUE COMPANY

Bathroom Tissue





(Dollar Market Share
in Parentheses)

Facial Tissue

(Dollar Market Share
in Parentheses)

Paper Towels

(Dollar Market Share
in Parentheses)

 Kruger Products	#1 (34.3%)	#1 (31.2%)	#2 (22.6%)
	#2 (19.8%)	#3 (16.0%)	#4 (4.7%)
	#3 (14.0%)	#4 (8.0%)	#1 (35.9%)
 Kimberly-Clark	#4 (5.2%)	#2 (18.3%)	#5 (4.5%)

LEADING BRANDS



CANADIAN BRANDS

#1



bathroom tissue dollar market share since 2000

#1



facial tissue dollar market share since 2005

#2



paper towel dollar market share since 2004

EnviroCare 

100% Premium Quality.
100% Recycled Paper.



US BRANDS

TOP RANKED

bathroom tissue in terms of consumer value by a leading consumer magazine



Source: ACNielsen dollar market share data.

DRIVE MARKETING EXCELLENCE

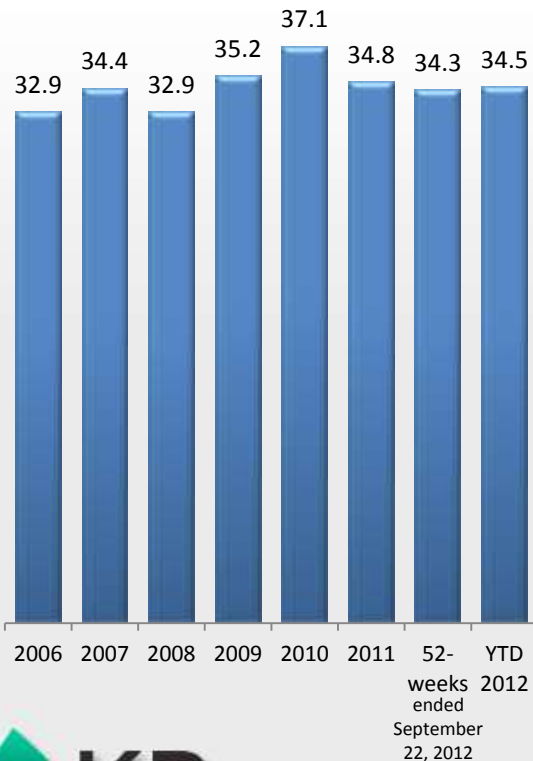
- Relevant and differentiated consumer positioning
- Breakthrough advertising campaigns
- Emotional connection via key marketing initiatives (sponsorships, fashion show)
- Consumer analytics
- Continued brand investment



LEADERSHIP POSITION MAINTAINED OVER TIME

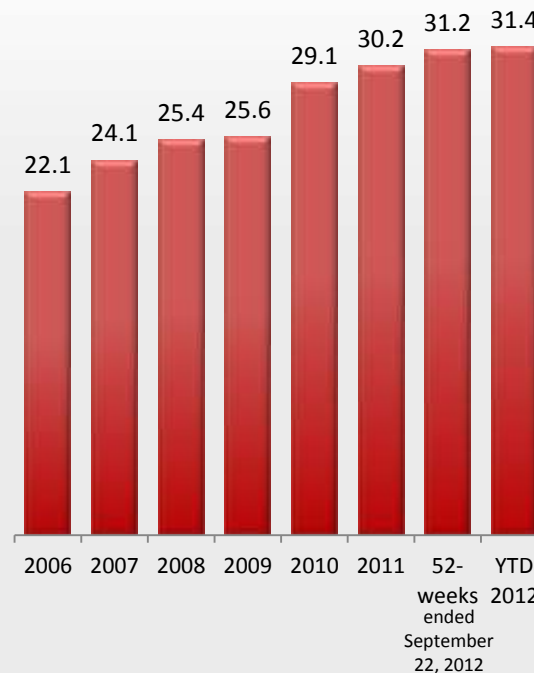
1st BATHROOM TISSUE

Increased 1.4 percentage points since 2006



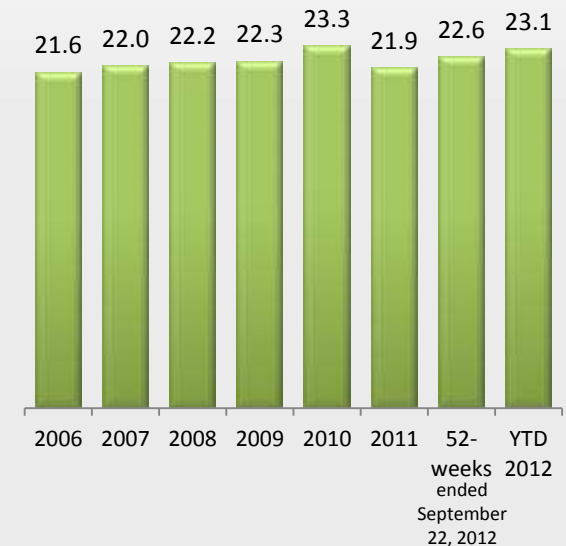
1st FACIAL TISSUE

Increased 9.1 percentage points since 2006



2nd PAPER TOWEL

Increased 1.0 percentage points since 2006



Source: ACNielsen dollar market share data.

STRONG CUSTOMER/RETAIL RELATIONSHIPS



51%

of all branded tissue product sales at the 6 largest Canadian Grocers⁽¹⁾

41%

of all branded tissue product sales in Canada⁽¹⁾

#1 Vendor in 2010 **#2 Vendor in 2011/2012**
out of 20 of the Largest CPG Companies in Canada⁽²⁾

(1) ACNielsen data, on a dollar basis.

(2) Third-party survey evaluating, amongst other things, quality of personnel and services.

ONE OF THE LEADERS IN AWAY-FROM-HOME

17%
of total Kruger
Products L.P. sales

24%
Canadian market share⁽¹⁾



unisource[®]



CardinalHealth



ARAMARK



(1) Management estimate.

MANUFACTURING & DISTRIBUTION



363,000 Tonnes
Capacity Across North America



New Westminster, BC



Crabtree, QC



- Headquarters
- Manufacturing Facilities



Memphis, TN



Sherbrooke, QC



Gatineau, QC

SUCCESSFUL US PENETRATION



Walmart 



- Serve North American retailers
- Hedge against US dollar fluctuation
- Acquired White Cloud brand in 2000
- Acquired Memphis Plant in 2002
- White Cloud sold exclusively at Walmart
- White Cloud Ultra #1 US bathroom tissue⁽¹⁾
- Sales reached \$237 M LTM

(1) In May 2012, a leading consumer magazine ranked White Cloud Ultra as the number one bathroom tissue in the U.S. in terms of consumer value.



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ROLL WITH US! tissue products!