



NEWS RELEASE

For immediate release

NOT FOR DISTRIBUTION IN THE U.S.A. OR OVER U.S. WIRE SERVICES

KP Tissue declares a Quarterly Dividend of \$0.18 per Common Share

Mississauga (ON), August 10, 2016 – KP Tissue Inc. (“KPT”) (TSX:KPT) announced today that the Board of Directors has declared a quarterly dividend of \$0.18 per common share, payable on October 17, 2016 to shareholders of record at the close of business on September 30, 2016, subject to applicable law.

The dividends paid are designated as "eligible" dividends for the purposes of the Income Tax Act (Canada) and any similar provincial and territorial legislation.

The dividend is being declared in connection with the declaration of a corresponding quarterly distribution by Kruger Products L.P. (“KPLP”) in which KP Tissue holds a limited partnership interest.

Dividend Reinvestment Plan

The Corporation has a Dividend Reinvestment Plan under which eligible shareholders may elect to have their cash dividends reinvested in additional common shares of KPT. Under the Plan, the Corporation will automatically reinvest all cash dividends of KPT in newly issued Common Shares at a price per Common Share equal to 97% of the 5-day weighted average trading price of the Common Shares prior to the dividend payment date.

Only Canadian shareholders are eligible to participate in the DRIP and the DRIP is subject to additional limitations and restrictions. Interested shareholders are encouraged to review the full text of the DRIP, available on KPT’s website at www.kptissueinc.com.

Shareholders who wish to participate in the DRIP should contact their broker, financial institution, or other nominee through which their Common Shares are held to determine their eligibility and provide appropriate enrolment instructions, and to ensure any deadlines or other requirements that such broker, financial institution, or nominee may impose or be subject to are met.

About KP Tissue Inc.

KP Tissue Inc. (KPT) was created to acquire, and its business is limited to holding, a limited partnership interest in KPLP. For more information visit www.kptissueinc.com.

About Kruger Products L.P.

Kruger Products L.P. is Canada's leading manufacturer of quality tissue products for household, industrial and commercial use. Kruger Products L.P. serves the Canadian consumer market with

such well-known brands as Cashmere®, Purex®, SpongeTowels®, Scotties® and White Swan®. In the U.S., Kruger Products L.P. manufactures the White Cloud® brand, as well as many private label products. Kruger Products L.P. has approximately 2,500 employees and operates seven production facilities in North America, including five FSC® CoC-certified plants (FSC® C104904), four of which are located in Canada and one in the US. For more information visit www.krugerproducts.ca.

-30-

INFORMATION:

François Paroyan
General Counsel and Corporate Secretary
KP Tissue Inc.
Tel.: 905.812.6936
Francois.Paroyan@krugerproducts.ca

INVESTORS:

Mike Baldesarra
Director of Investor Relations
KP Tissue Inc.
Tel.: 905.812.6962
IR@kptissueinc.com

SOURCE KP Tissue Inc