



March 8, 2018

KP Tissue Releases Fourth Quarter and Full Year 2017 Financial Results

Record Revenue in 2017

MISSISSAUGA, Ontario, March 08, 2018 (GLOBE NEWSWIRE) -- KP Tissue Inc. (KPT) (TSX:KPT) reports the Q4 and full year 2017 financial and operational results of KPT and Kruger Products L.P. (KPLP). Kruger Products is Canada's leading manufacturer of quality tissue products for the Consumer market (Cashmere, Purex, SpongeTowels, Scotties, and White Swan) and the Away-From-Home market, and continues to grow in the U.S. Consumer tissue business with the White Cloud® brand and premium private label products. KPT currently holds a 15.9% interest in KPLP.

KPLP Full Year 2017 Business and Financial Highlights

- | Revenue increased by 4.2% to \$1,280.0 million in 2017 compared to \$1,227.9 million in 2016
- | Adjusted EBITDA was \$144.2 million in 2017, down from \$152.5 million in 2016, a 5.4% decrease
- | TAD products Adjusted EBITDA contribution continued to be strong, reaching previously set target

KPLP Q4 2017 Business and Financial Highlights

- | Revenue increased slightly to \$340.0 million in Q4 2017 compared to Q4 2016
- | Adjusted EBITDA was \$33.7 million in Q4 2017 compared to \$42.9 million in Q4 2016
- | Experienced record high pulp and freight costs in the quarter
- | Successful ramp-up of new Paper Machine #8 and a new converting line in Crabtree, Quebec
- | Declared a quarterly dividend of \$0.18 per share to be paid on April 16, 2018

"We are proud of the record revenue achieved in 2017 of nearly \$1.3 billion. Our cost-saving initiatives, capital investment program and the selling price increase that took effect in Q4 in the Canadian Consumer market alleviated only part of the impact from the significant run-up in market pulp prices and the unprecedented increase in freight costs, impacting our results in the fourth quarter," said Mario Gosselin, CEO of KP Tissue and KPLP.

"We continue to be #1 in the Canadian tissue market, and achieved our target for the TAD products Adjusted EBITDA contribution in the U.S. Furthermore, we ramped up production of our Crabtree (Quebec) paper machine, and improved our results for the Away-from-Home segment despite the impact of higher input costs.

"We are committed to our long-term strategy of building our brands in Canada and growing our business in the United States. For the first quarter of 2018, even with the full impact of the Canadian Consumer price increase, we expect Adjusted EBITDA to decrease over Q1 2017, due primarily to the continued escalation of pulp and freight costs. We are implementing a value creation program to partially mitigate the impact of these extraordinary short-term market conditions," concluded Mr. Gosselin.

KPLP Q4 2017 Financial Results

Revenue in Q4 2017 was \$340.0 million, compared to \$339.6 million in Q4 2016, an increase of \$0.4 million or 0.1%. The increase in revenue was primarily due to a selling price increase in Canada, offset by lower Consumer sales volume in Canada and the unfavourable impact of foreign exchange on U.S. dollar sales.

Cost of sales in Q4 2017 increased to \$296.0 million from \$284.2 million in Q4 2016, primarily due to significantly higher pulp costs, as well as higher freight costs, partially offset by the favourable impact of foreign exchange on U.S. dollar denominated costs. As a percentage of revenue, cost of sales were 87.1% in Q4 2017 compared to 83.7% in Q4 2016.

Selling, general and administrative (SG&A) expenses in Q4 2017 were \$23.7 million, compared to \$26.4 million in Q4 2016. The decrease was primarily due to lower bonus compensation and cost reduction initiatives. As a percentage of revenue, SG&A expenses were 7.0% in Q4 2017, compared to 7.8% in Q4 2016.

Adjusted EBITDA in Q4 2017 was \$33.7 million, compared to \$42.9 million in Q4 2016, lower by \$9.2 million or 21.4%,

primarily due to higher pulp costs and increased freight costs, partially offset by lower SG&A expenses.

Net loss in Q4 2017 was \$18.0 million, compared to \$4.5 million in Q4 2016, primarily due to lower Adjusted EBITDA of \$9.2 million, an increase in tax expense of \$5.8 million, a decrease in the gain on sale of non-financial assets of \$2.5 million and a change in fair value of derivatives of \$0.4 million in Q4 2017. These items were partially offset by a decrease in the change in amortized cost of Partnership units liability of \$3.3 million and lower depreciation expense of \$0.5 million.

Total liquidity, representing cash and cash equivalents and availability under the credit line within covenant limitations, was \$53.3 million as of December 31, 2017, compared to \$76.0 million as of September 24, 2017.

KPLP 2017 Financial Results

Revenue was \$1,280.0 million in Fiscal 2017, compared to \$1,227.9 million in Fiscal 2016, an increase of \$52.1 million or 4.2%. The increase in revenue was primarily due to increased sales volume across all regions.

Adjusted EBITDA was \$144.2 million in Fiscal 2017, compared to \$152.5 million in Fiscal 2016. The decrease was primarily due to higher fibre costs, and increased freight and warehousing costs. These were partially offset by increased sales volume and lower SG&A expenses.

Net income was \$15.3 million in Fiscal 2017, compared to \$35.5 million in Fiscal 2016. The decrease in net income was primarily due to an increase in tax expense of \$9.2 million, lower Adjusted EBITDA of \$8.3 million, higher depreciation expense of \$3.9 million, a decrease in the gain on sale of non-financial assets of \$2.8 million and the change in fair value of derivatives of \$0.4 million. These decreases were partially offset by a decrease in interest expense of \$2.0 million, a change in the foreign exchange gain of \$1.1 million, a decrease in restructuring costs of \$0.8 million and a decrease in the change in amortized cost of Partnership units liability of \$0.4 million.

KPT Q4 2017 Financial Results

KPT incurred a net loss of \$4.2 million in Q4 2017. Included in the net loss was \$2.9 million representing KPT's share of KPLP's loss. The loss was increased by depreciation expense of \$1.5 million related to adjustments to carrying amounts on acquisition.

KPT 2017 Financial Results

KPT incurred a net loss of \$5.4 million in 2017. Included in the net loss was \$2.5 million representing KPT's share of KPLP's income. The income was reduced by depreciation expense of \$5.9 million related to adjustments to carrying amounts on acquisition and income tax expense of \$2.2 million.

Dividends on Common Shares

The Board of Directors of KPT declared a quarterly dividend of \$0.18 per share to be paid on April 16, 2018 to shareholders of record at the close of business on April 2, 2018.

Additional Information

For additional information please refer to Management's Discussion and Analysis (MD&A) of KPT and KPLP for the fourth quarter and year ended December 31, 2017 available on SEDAR at www.sedar.com or our website at www.kptissueinc.com.

Fourth Quarter Results Conference Call Information

KPT will hold its fourth quarter conference call on Thursday, March 8, 2018 at 8:30 a.m. Eastern Time.

Via telephone: 1-877-223-4471 or 647-788-4922

Via the internet at: www.kptissueinc.com

Presentation material referenced during the conference call will be available at www.kptissueinc.com.

A rebroadcast of the conference call will be available until midnight, March 15, 2018 by dialing 800-585-8367 or 416-621-4642 and entering passcode 4083249.

The replay of the webcast will remain available on the website until midnight, March 15, 2018.

About KP Tissue Inc. (KPT)

KPT was created to acquire, and its business is limited to holding, a limited partnership interest in KPLP, which is accounted for as an investment on the equity basis. KPT currently holds a 15.9% interest in KPLP. For more information visit www.kptissueinc.com.

About Kruger Products L.P. (KPLP)

KPLP is Canada's leading manufacturer of quality tissue products for household, industrial and commercial use. KPLP serves the Canadian consumer market with such well-known brands as Cashmere®, Purex®, SpongeTowels®, Scotties® and White Swan®. In the U.S., KPLP manufactures the White Cloud® brand, as well as many private label products. The Away-From-Home division manufactures and distributes high-quality, cost-effective product solutions to a wide range of commercial and public entities. KPLP has approximately 2,500 employees and operates eight FSC® COC-certified (FSC® C-104904) production facilities in North America. For more information visit www.krugerproducts.ca.

Non-IFRS Measures

This press release uses certain non-IFRS financial measures which KPLP believes provide useful information to management of KPLP and the readers of the financial information in measuring the financial performance and financial condition of KPLP. These measures do not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similarly titled measures presented by other companies. An example of such a measure is Adjusted EBITDA. Beginning with Q4 2015 in accordance with Canadian Securities Administrators Staff Notice 52-306 (Revised), we reference Adjusted EBITDA as a non-IFRS financial measure. This term replaces the previously referenced non-IFRS financial measure EBITDA. Our definition of Adjusted EBITDA is unchanged from our former definition of EBITDA. Accordingly, this change in terminology has no impact on our reported financial results for prior periods. Adjusted EBITDA is not a measurement of operating performance computed in accordance with IFRS and should not be considered as a substitute for operating income, net income or cash flows from operating activities computed in accordance with IFRS. "Adjusted EBITDA" is calculated by KPLP as net income (loss) before (i) interest expense, (ii) income taxes, (iii) depreciation, (iv) amortization, (v) impairment (gain on sale) of non-financial assets, (vi) loss (gain) on disposal of property, plant and equipment, (vii) foreign exchange loss (gain), (viii) costs related to restructuring activities, (ix) changes in amortized cost of Partnership units liability, and (x) one-time costs due to pension revaluations related to past service. A reconciliation of Adjusted EBITDA to the relevant reported results can be found in the MD&A of KPT and KPLP for the fourth quarter ended December 31, 2017 available on SEDAR at www.sedar.com.

Forward-Looking Statements

Certain statements in this press release about KPT's and KPLP's current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements or any other future events or developments constitute forward-looking statements. The words "may", "will", "would", "should", "could", "expects", "plans", "intends", "trends", "indications", "anticipates", "believes", "estimates", "predicts", "likely" or "potential" or the negative or other variations of these words or other comparable words or phrases, are intended to identify forward-looking statements. The forward-looking information is based on certain key expectations and assumptions made by KPT, including expectations and assumptions concerning: the impact of the TAD Project on Adjusted EBITDA; the expectation of continued growth in sales of TAD products in the U.S.; a successful ramp-up of the Crabtree paper machine; improved performance of the Away-From-Home business; and expanded distribution of White Cloud to select U.S. retailers. Although KPT believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information since no assurance can be given that such expectations and assumptions will prove to be correct.

The outlook provided in respect of Adjusted EBITDA for Q1 2018 is forward-looking information and is subject to the risk and uncertainties referred to below. The purpose of the outlook is to provide the reader with an indication of management's expectations, at the date of this press release, regarding KPLP's future financial performance. Readers are cautioned that this information may not be appropriate for other purposes.

Many factors could cause KPLP's actual results, level of activity, performance or achievements or future events or developments (which could in turn affect the economic benefits derived from the Corporation's economic interest in KPLP) to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the following factors, which are discussed in greater detail in the "Risk Factors - Risks Related to KPLP's Business" section of the KPT Annual Information Form dated March 9, 2018 available on SEDAR at www.sedar.com: Kruger Inc.'s influence over KPLP; KPLP's reliance on Kruger Inc.; consequences of an event of insolvency relating to Kruger Inc.; risks associated with the TAD Project; operational risks; Gatineau Plant land lease; significant increases in input costs; reduction in supply of fibre; increased pricing pressure and intense competition; KPLP's inability to innovate effectively; adverse economic conditions; dependence on key retail trade customers; damage to the reputation of KPLP or KPLP's brands; KPLP's sales being less than anticipated; KPLP's failure to implement its business and operating strategies; KPLP's obligation to make regular capital expenditures; KPLP's entering into unsuccessful acquisitions; KPLP's dependence on key personnel; KPLP's inability to retain its existing customers or obtain new customers; KPLP's loss of key suppliers; KPLP's failure to adequately protect its intellectual property rights; KPLP's reliance on third party intellectual property licenses; adverse litigation and other claims affecting KPLP; material expenditures due to comprehensive environmental regulation affecting KPLP's cash flow; KPLP's pension obligations are significant and can be materially higher than predicted if KPLP Management's underlying assumptions are incorrect; labour disputes adversely affecting KPLP's cost structure and KPLP's ability to run its plants; exchange rate and U.S. competitors; KPLP's inability to service all of its indebtedness; exposure to potential consumer product liability, covenant compliance; interest rate and refinancing risk; information technology; cyber-security; insurance; internal controls; and trade related risk.

Readers should not place undue reliance on forward-looking statements made herein. The forward-looking information contained herein is expressly qualified in its entirety by this cautionary statement. The forward-looking information contained herein is made as of the date of press release and KPT undertakes no obligation to publicly update such forward-looking information to reflect new information, subsequent or otherwise, unless required by applicable securities laws.

INFORMATION:

Francois 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

Kruger Products L.P.
Consolidated Statement of Financial Position
 (thousands of Canadian dollars)

	December 31, 2017	December 31, 2016
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	8,837	36,511
Trade and other receivables	113,194	123,095
Receivables from related parties	85	185
Current portion of advances to partners	1,928	5,465
Inventories	192,394	179,543
Income tax recoverable	522	423
Prepaid expenses	8,007	7,286
	324,967	352,508
Non-current assets		
Advances to partners	4,489	-
Property, plant and equipment	761,610	762,270
Other long-term assets	6,331	6,075
Goodwill	160,939	160,939
Intangible assets	15,327	15,270
Deferred income taxes	26,092	39,913
Total assets	1,299,755	1,336,975
Liabilities		
Current liabilities		
Bank indebtedness	9,051	9,007
Trade and other payables	190,698	201,477
Payables to related parties	2,596	3,606
Income tax payable	498	1,779
Distributions payable	10,382	10,148
Current portion of provisions	333	1,885
Current portion of long-term debt	190,947	8,859
	404,505	236,761
Non-current liabilities		

Long-term debt	225,368	415,379
Provisions	5,973	6,487
Pensions	119,558	92,646
Post-retirement benefits	60,457	57,162
Liabilities to non-unitholders	815,861	808,435
Current portion of Partnership units liability	1,928	8,611
Long-term portion of Partnership units liability	158,381	137,296
Total Partnership units liability	160,309	145,907
Total liabilities	976,170	954,342
Equity		
Partnership units	356,240	336,576
Deficit	(99,742)	(42,792)
Accumulated other comprehensive income	67,087	88,849
Total equity	323,585	382,633
Total equity and liabilities	1,299,755	1,336,975

Kruger Products L.P.
Consolidated Statement of Comprehensive Income (Loss)
(thousands of Canadian dollars)

	3-month period ended December 31, 2017 \$	3-month period ended December 31, 2016 \$	Year ended December 31, 2017 \$	Year ended December 31, 2016 \$
Revenue	340,071	339,626	1,280,014	1,227,896
Expenses				
Cost of sales	295,978	284,299	1,098,086	1,031,647
Selling, general and administrative expenses	23,609	26,480	90,076	92,763
Gain on sale of non-financial assets	5	(2,544)	(75)	(2,939)
Restructuring costs, net	54	134	(180)	552
Operating income	20,425	31,257	92,107	105,873
Interest expense	10,467	10,673	42,021	44,000
Other expense	20,130	23,061	21,990	22,754
Income (loss) before income taxes	(10,172)	(2,477)	28,096	39,119
Income taxes	7,916	2,017	12,838	3,629
Net income (loss) for the year	(18,088)	(4,494)	15,258	35,490
Other comprehensive income (loss)				
Items that will not be reclassified to net income (loss):				
Remeasurements of pensions	(6,916)	55,495	(27,563)	(8,491)
Remeasurements of post-retirement benefits	(2,491)	4,613	(2,763)	94
Items that may be subsequently reclassified to net income (loss):				
Available-for-sale investment	-	-	-	(290)
Cumulative translation adjustment	5,357	6,192	(21,762)	(10,666)
Total other comprehensive income (loss) for the year	(4,050)	66,300	(52,088)	(19,353)

Comprehensive income (loss) for the year	<u>(22,138)</u>	<u>61,806</u>	<u>(36,830)</u>	<u>16,137</u>
---	-----------------	---------------	-----------------	---------------

Kruger Products L.P.
Consolidated Statement of Cash Flows
(thousands of Canadian dollars)

	3-month period ended December 31, 2017 \$	3-month period ended December 31, 2016 \$	Year ended December 31, 2017 \$	Year ended December 31, 2016 \$
Cash flows from (used in) operating activities				
Net income (loss) for the year	(18,088)	(4,494)	15,258	35,490
Items not affecting cash				
Depreciation	12,875	13,661	51,289	47,436
Amortization	317	270	1,092	1,146
(Gain) loss on sale of property, plant and equipment	(1)	142	(3)	139
Change in amortized cost of Partnership units liability	18,835	22,129	23,013	23,363
Gain on sale of investment	-	-	-	(324)
Foreign exchange (gain) loss	931	932	(1,387)	(285)
Change in fair value of derivatives	364	-	364	-
Interest expense	10,467	10,673	42,021	44,000
Pension and post retirement benefits	2,572	2,597	10,111	10,402
Provisions	67	147	278	1,338
Income taxes	7,916	2,017	12,838	3,629
Gain on sale of non-financial assets	5	(2,544)	(75)	(2,939)
Total items not affecting cash	<u>54,348</u>	<u>50,024</u>	<u>139,541</u>	<u>127,905</u>
Net change in non-cash working capital	(9,235)	11,857	(35,194)	1,386
Contributions to pension and post-retirement benefit plans	(3,731)	(4,417)	(15,137)	(18,335)
Provisions paid	(633)	(815)	(1,648)	(2,267)
Income tax payments	<u>(423)</u>	<u>(83)</u>	<u>(3,592)</u>	<u>(1,970)</u>
Net cash from operating activities	<u>22,238</u>	<u>52,072</u>	<u>99,228</u>	<u>142,209</u>
Cash flows from (used in) investing activities				
Purchases of property, plant and equipment	(17,849)	(22,794)	(68,127)	(81,460)
Capitalized interest paid	-	(222)	(497)	(222)
Proceeds on sale of investment	-	-	-	1,439
Government assistance received	774	1,191	4,646	2,400
Purchases of software	(689)	(492)	(1,149)	(563)
Proceeds on sale of property, plant and equipment	<u>(4)</u>	<u>4,860</u>	<u>1,180</u>	<u>5,399</u>
Net cash used in investing activities	<u>(17,768)</u>	<u>(17,457)</u>	<u>(63,947)</u>	<u>(73,007)</u>
Cash flows from (used in) financing activities				
Proceeds from long-term debt	7,957	4,614	28,834	9,609
Repayment of long-term debt	(20,789)	(9,776)	(26,039)	(17,882)
Payment of deferred financing fees	-	(34)	(12)	(745)
Interest paid on long-term debt	(14,171)	(15,868)	(33,101)	(34,162)
Distributions and advances paid, net	<u>(5,555)</u>	<u>(5,979)</u>	<u>(31,547)</u>	<u>(22,862)</u>
Net cash used in financing activities	<u>(32,558)</u>	<u>(27,043)</u>	<u>(61,865)</u>	<u>(66,042)</u>
Effect of exchange rate changes on cash and cash equivalents held in foreign currency	<u>877</u>	<u>408</u>	<u>(1,134)</u>	<u>(1,111)</u>

Increase (decrease) in cash and cash equivalents during the year	(27,211)	7,980	(27,718)	2,049
Cash and cash equivalents - Beginning of year	26,997	19,524	27,504	25,455
Cash and cash equivalents - End of year	(214)	27,504	(214)	27,504

Kruger Products L.P.
Segment and Geographic Results
(thousands of Canadian dollars)

	3-month period ended December 31, 2017 \$	3-month period ended December 31, 2016 \$	Year ended December 31, 2017 \$	Year ended December 31, 2016 \$
Segment Information				
Segment Revenue				
Consumer	276,432	278,013	1,040,428	986,881
AFH	62,231	59,549	233,321	227,062
Other	1,408	2,064	6,265	13,953
Total segment revenue	<u>340,071</u>	<u>339,626</u>	<u>1,280,014</u>	<u>1,227,896</u>
Segment Adjusted EBITDA				
Consumer	32,207	41,934	138,158	146,367
AFH	1,395	987	6,235	5,217
Other	73	(1)	(163)	947
Total segment Adjusted EBITDA	<u>33,675</u>	<u>42,920</u>	<u>144,230</u>	<u>152,531</u>
Reconciliation to Net Income (Loss):				
Depreciation and amortization	13,192	13,931	52,381	48,582
Interest expense	10,467	10,673	42,021	44,000
Change in amortized cost of Partnership units liability	18,835	22,129	23,013	23,363
Change in fair value of derivatives	364	-	364	-
(Gain) loss on sale of property, plant and equipment	(1)	142	(3)	139
Gain on sale of non-financial assets	5	(2,544)	(75)	(2,939)
Restructuring costs, net	54	134	(180)	552
Foreign exchange (gain) loss	931	932	(1,387)	(285)
Income (loss) before income taxes	<u>(10,172)</u>	<u>(2,477)</u>	<u>28,096</u>	<u>39,119</u>
Income taxes	7,916	2,017	12,838	3,629
Net income (loss)	<u>(18,088)</u>	<u>(4,494)</u>	<u>15,258</u>	<u>35,490</u>
Geographic Revenue				
Canada	203,638	207,262	774,587	746,483
U.S.	120,127	118,110	452,837	429,627
Mexico	16,306	14,254	52,590	51,786
Total revenue	<u>340,071</u>	<u>339,626</u>	<u>1,280,014</u>	<u>1,227,896</u>

KP Tissue Inc.
Statement of Financial Position
(thousands of Canadian dollars)

	December 31, 2017	December 31, 2016
	\$	\$
Assets		
Current assets		
Distributions receivable	1,658	1,636
Receivable from Partnership	-	426
Income tax recoverable	826	-
	<u>2,484</u>	<u>2,062</u>
Non-current assets		
Investment in associate	98,674	117,349
	<u>101,158</u>	<u>119,411</u>
Total Assets		
	<u>101,158</u>	<u>119,411</u>
Liabilities		
Current liabilities		
Dividend payable	1,658	1,636
Payable to Partnership	52	-
Current portion of advances from Partnership	309	914
Income tax payable	-	884
	<u>2,019</u>	<u>3,434</u>
Non-current liabilities		
Advances from Partnership	731	-
Deferred income taxes	1,483	893
	<u>4,233</u>	<u>4,327</u>
Total liabilities		
	<u>4,233</u>	<u>4,327</u>
Equity		
Common shares	15,014	13,176
Contributed surplus	144,819	144,819
Deficit	(74,952)	(58,729)
Accumulated other comprehensive income	12,044	15,818
	<u>96,925</u>	<u>115,084</u>
Total equity		
	<u>96,925</u>	<u>115,084</u>
Total liabilities and equity		
	<u>101,158</u>	<u>119,411</u>

KP Tissue Inc.
Statement of Comprehensive Income (Loss)
(thousands of Canadian dollars, except share and per share amounts)

	3-month period ended December 31, 2017	3-month period ended December 31, 2016	Year ended December 31, 2017	Year ended December 31, 2016
	\$	\$	\$	\$
Equity loss	(4,371)	(2,225)	(3,440)	(124)

Dilution gain	54	49	190	191
Income (loss) before income taxes	(4,317)	(2,176)	(3,250)	67
Income taxes	(97)	(1,768)	2,191	1,789
Net loss for the year	(4,220)	(408)	(5,441)	(1,722)
Other comprehensive income (loss) net of tax expense (recovery)				
Items that will not be reclassified to net loss:				
Remeasurements of pensions	(961)	7,839	(3,846)	(1,195)
Remeasurements of post-retirement benefits	(243)	456	(270)	9
Items that may be subsequently reclassified to net loss:				
Available-for-sale investment	-	-	-	(41)
Cumulative translation adjustment	931	1,244	(3,774)	(2,251)
Total other comprehensive income (loss) for the year	(273)	9,539	(7,890)	(3,478)
Comprehensive income (loss) for the year	(4,493)	9,131	(13,331)	(5,200)
Basic loss per share	(0.46)	(0.04)	(0.59)	(0.19)
Weighted average number of shares outstanding	9,206,637	9,084,494	9,162,508	9,037,833

KP Tissue Inc.
Statement of Cash Flows
(thousands of Canadian dollars)

	3-month period ended December 31, 2017 \$	3-month period ended December 31, 2016 \$	Year ended December 31, 2017 \$	Year ended December 31, 2016 \$
Cash flows from (used in) operating activities				
Net loss for the year	(4,220)	(408)	(5,441)	(1,722)
Items not affecting cash				
Equity loss	4,371	2,225	3,440	124
Dilution gain	(54)	(49)	(190)	(191)
Income taxes	(97)	(1,768)	2,191	1,789
Total items not affecting cash	4,220	408	5,441	1,722
Net change in non-cash working capital	-	-	478	-
Tax payments	-	-	(1,999)	(205)
Tax Distribution received	-	-	481	-
Advances received	-	-	1,040	205
Net cash from (used in) operating activities	-	-	-	-
Cash flows from investing activities				
Partnership unit distributions received	1,220	1,180	4,806	4,908
Net cash from investing activities	1,220	1,180	4,806	4,908
Cash flows used in financing activities				

Dividends paid	<u>(1,220)</u>	<u>(1,180)</u>	<u>(4,806)</u>	<u>(4,908)</u>
Net cash used in financing activities	<u>(1,220)</u>	<u>(1,180)</u>	<u>(4,806)</u>	<u>(4,908)</u>
Increase (decrease) in cash and cash equivalents during the year	-	-	-	-
Cash and cash equivalents - Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents - End of year	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

 [Primary Logo](#)

Source: KP Tissue Inc.

News Provided by Acquire Media