



April 17, 2018

## **KP Tissue Announces Senior Unsecured Note Financing**

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MISSISSAUGA, Ontario, April 17, 2018 (GLOBE NEWSWIRE) -- KP Tissue Inc. (KPT) (TSX:KPT) announced today that Kruger Products L.P. ("KPLP") has, pursuant to an underwriting agreement entered into today, agreed to issue and sell CDN \$125 million principal amount of 6.00% Senior Unsecured Notes ("Notes") due April 24, 2025 by way of private placement (the "Offering"). Interest on the Notes is payable semi-annually in arrears on April 24<sup>th</sup> and October 24<sup>th</sup> of each year, commencing on October 24, 2018.

Scotia Capital Inc., CIBC World Markets Inc. and Desjardins Securities Inc. are acting as joint book-running managers for the Offering. The Offering is expected to close on April 24, 2018, subject to customary closing conditions and to KPLP agreeing with the lenders under its syndicated credit agreement to certain amendments to that agreement. KPLP intends to use the net proceeds of the financing to reduce the outstanding balance under its syndicated bank credit facility and to pay transaction costs associated with the Offering.

The Notes will be unsecured obligations of KPLP and unconditionally guaranteed, jointly and severally, by certain subsidiaries of KPLP, being the same guarantors as under KPLP's senior credit facility. The Notes will rank senior in right of payment to all existing and future subordinated indebtedness of KPLP and equal in right of payment to all indebtedness of KPLP that is not subordinated in right of payment to the Notes other than any indebtedness that ranks senior to the Notes by operation of law.

The offer and sale of the Notes have not been and will not be registered under the *United States Securities Act of 1933*, as amended (the Securities Act), or applicable state securities laws, and the Notes may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act and applicable state securities laws. The Notes have not been and will not be qualified for sale to the public under applicable Canadian securities laws and, accordingly, any offer and sale of the Notes in Canada will be made on a basis exempt from the prospectus requirements of such securities laws.

This press release does not constitute an offer to sell or purchase, or a solicitation of an offer to sell or purchase, the Notes. No offer, solicitation, purchase or sale will be made in any jurisdiction in which such offer, solicitation, purchase or sale would be unlawful.

#### **About 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](http://www.kptissueinc.com). KPT currently holds a 15.9% interest in KPLP. For more information visit [www.kptissueinc.com](http://www.kptissueinc.com).

#### **About Kruger Products L.P.**

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](http://www.krugerproducts.ca).

#### **Forward Looking Information**

Certain information included herein is forward-looking, within the meaning of applicable Canadian securities laws. Such information is typically identified by words such as "anticipate", "believe", "could", "estimate", "expect", "plan", "intend", "forecast", "future", "guidance", "may", "predict", "project", "should", "strategy", "target", "will" or similar expressions suggesting future outcomes. Forward-looking information in this news release includes the expected closing date, and use of the net proceeds of, the Offering. KPT believes the expectations reflected in such forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct and such information should not

be unduly relied upon.

Forward-looking information is not a guarantee of future performance. By its very nature, forward-looking information involves inherent assumptions, risks and uncertainties, both general and specific, and risks that predictions, forecasts, projections and other forward-looking information will not be achieved. These risks include, but are not limited to, risks associated with the ability to satisfy closing conditions of the Offering, including agreeing with the lenders under KPLP's syndicated credit agreement to certain consequential amendments to such agreement. Should one or more of these risks and uncertainties materialize, or should assumptions described above prove incorrect, KPT's actual performance and results in future periods may differ materially from any projections of future performance or results expressed or implied by such forward-looking information. We caution readers not to place undue reliance on this information as a number of important factors could cause the actual results to differ materially from the beliefs, plans, objectives, expectations and anticipations, estimates and intentions expressed in such forward-looking information.

Forward-looking information contained in this news release is provided for the purpose of providing information about management's goals, plans and range of expectations for the future and may not be appropriate for other purposes. Any forward-looking information is made as of the date hereof and, except as required by law, KPT does not undertake any obligation to publicly update or revise such information to reflect new information, subsequent or otherwise.

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