

# Fact Sheet

JUNE 2009

# FraserPapers

Fraser Papers is an integrated paper company that produces a broad range of specialty packaging, label, converting and publishing papers. Our paper is known for performance and is backed by a high level of customer service and technical support.

## FULLY INTEGRATED OPERATIONS BETWEEN CANADA AND THE U.S.

### Canadian Assets

- Sulphite pulp mill, groundwood pulp mill and biomass cogeneration power plant in Edmundston, New Brunswick
- Hardwood pulp mill in Thurso, Québec
- Dimension lumbermill in Juniper, New Brunswick and dimension lumbermill in Plaster Rock

### U.S. Assets

- Paper mill in Madawaska, Maine
- Paper mill in Gorham, New Hampshire
- Two lumbermills in Ashland, Maine and one lumbermill in Masardis, Maine

### Energy

- Cogeneration facility on Edmundston site built in 1995 at a cost of \$120 million
  - ▶ Processes 800,000 tons of biomass annually
  - ▶ Steam used by the Madawaska paper mill
  - ▶ Electricity sold to NB Power



*Madawaska, Maine paper mill in the background and Edmundston, New Brunswick pulp mill in the foreground, connected by cross-border pipelines.*

### Employees

- Approximately 2,400 employees at year end 2008
- About 70% employees represented by labour unions



### Products

- Paper
  - ▶ Specialty Packaging
  - ▶ Specialty Printing
  - ▶ Specialty high-bright groundwood
  - ▶ Commodity freesheet
  - ▶ Commodity groundwood
  - ▶ Towel
- Pulp
- Lumber, wood chips, bark

## Publicly traded on the Toronto Stock Exchange since July 5, 2004

- Formerly a wholly-owned subsidiary of forestry company Nexfor Inc.
- Issued and outstanding capital consists of 50.2 million common shares, of which 70.5% are owned by Brookfield Asset Management

## Financial Results

- Cash flow from operations:
  - ▶ \$(65.4) million in 2007
  - ▶ \$(55.5) million in 2008
  - ▶ \$(9.7) million for Q1 2009
- \$34.2 million reduction in working capital in Q1 2009
- \$60 million rights offering and \$50 million in additional debt served to fund the deficits



*Plaster Rock, New Brunswick lumbermill*

## RESTRUCTURING EFFORTS

### Since 2006 the Company has been proactive in turning around its operations:

- Permanent shutdown of the Berlin, New Hampshire pulp mill
- Efficiency improvements
- Operating cost reductions
- Energy conservation
- Rebuild of the recovery boiler at Edmundston, New Brunswick sulphite mill
- Closure of the two smallest paper machines (PM#1, PM#2) in Madawaska and two additional machines in Gorham
- Increased production of value-added specialty papers

### More recent initiatives:

- Indefinite closure of paper machine (PM#6) in Madawaska
- Indefinite shutdown of Thurso, Quebec pulp mill



*Thurso, Québec pulp mill*

## CONTACT INFORMATION

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