

PaperlinX North America

Chris Creighton
President

PaperlinX North America

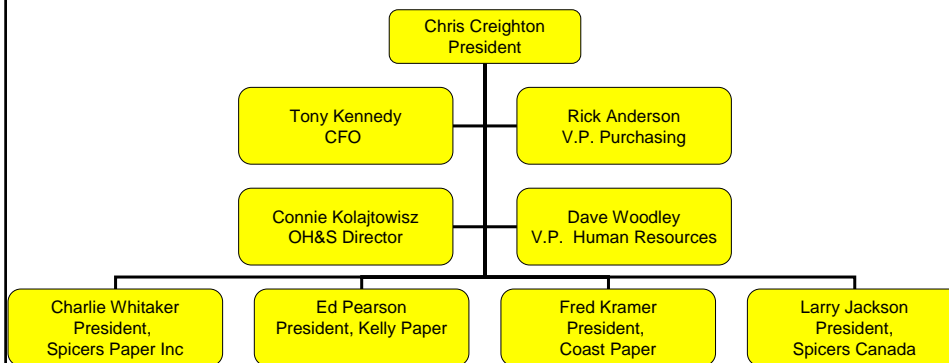
			Locations
Spicers Inc	-	US West Coast	15
Kelly Paper	-	US West Coast	50
Coast Paper	-	Canada	9
Spicers	-	Canada	12

PaperlinX North America



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PaperlinX North America - Management



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History

1984/2000: S.P.L. acquires Noland, LaSalle, Fraser, Seaboard.

2000: PPX NA incorporated

2001: COAST PAPER

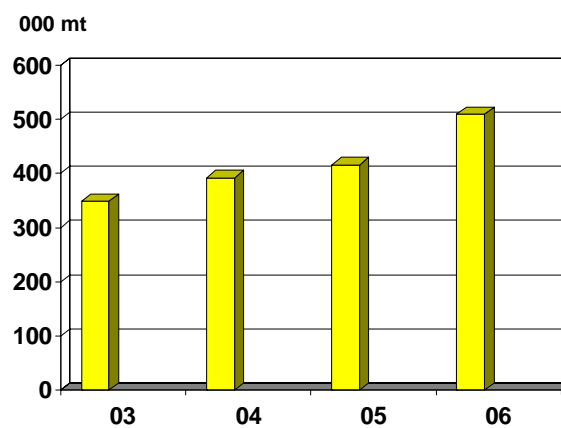
2003: PAPIER TURGEON (now Papier Coast)

2003: KELLY PAPER (via Buhrmann)

2006: CASCADES RESOURCES (now Spicers Canada)

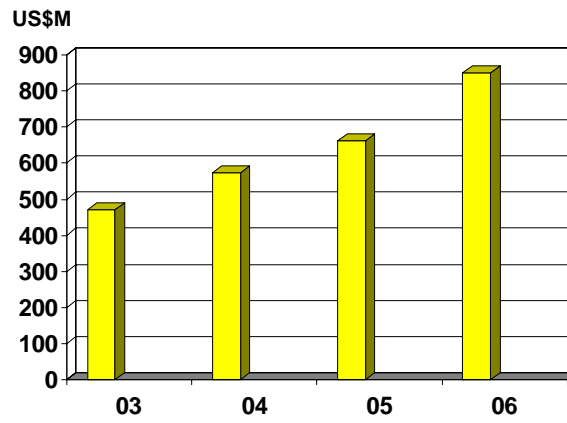
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Volume Growth (000 tonnes)



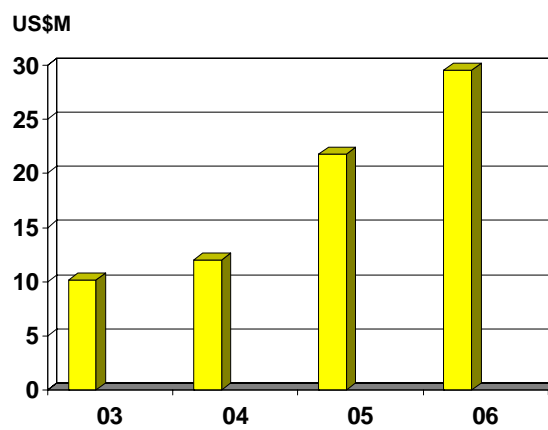
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Revenue Growth (US\$M)



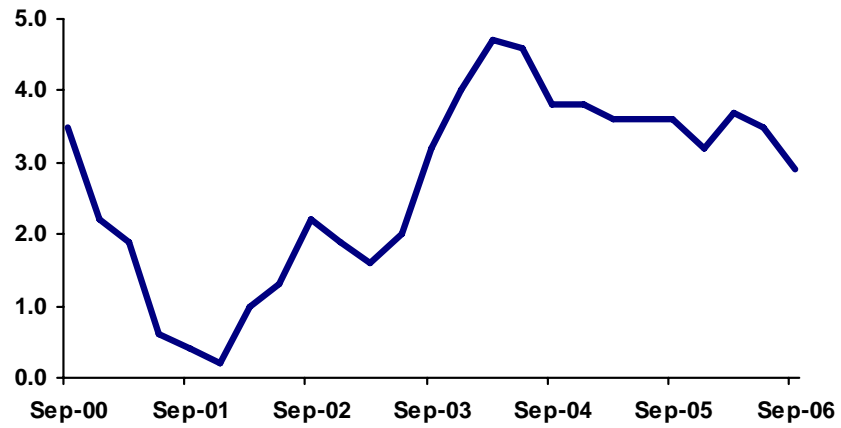
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EBIT Growth (US\$M)



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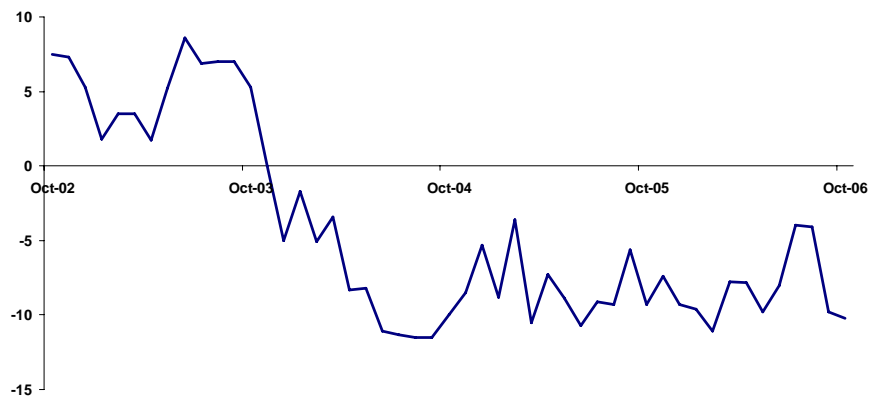
US GDP Growth (% year on year)



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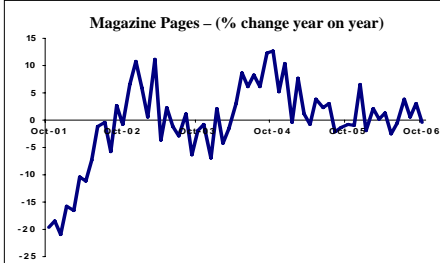
US Employment

US Unemployment (% year on year)



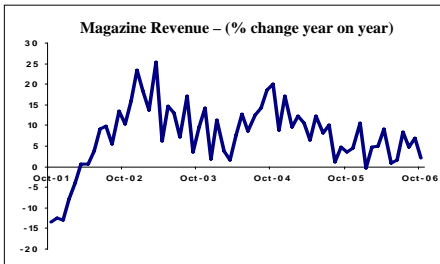
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Advertising: North America



Magazine Pages:

- OCT 06 down -0.4% vs. OCT 05
- YTD 06 up 0.6% vs. YTD 05



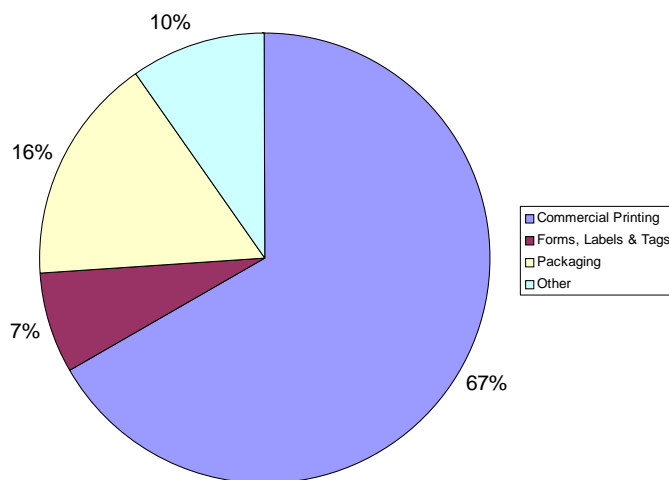
Magazine Revenue:

- OCT 06 up 2.1% vs. OCT 05
- YTD 06 up 4.3% vs. YTD 05

Source: PIB

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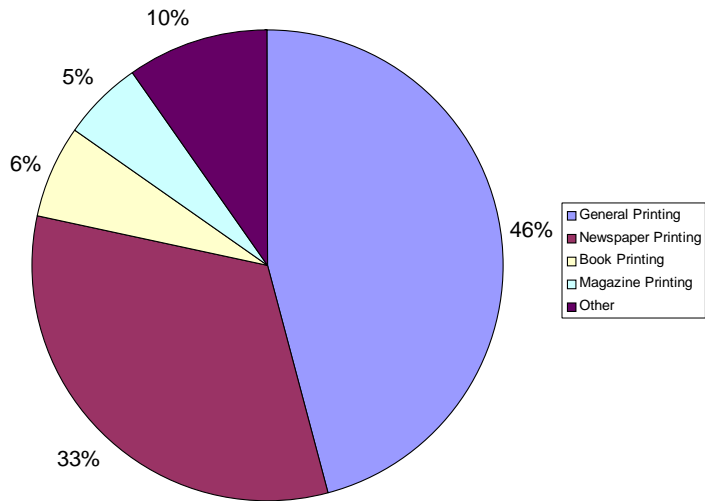
US Total Print Market – 2005 (total shipments \$US165b)



Source: PIA

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US Commercial Print Market – 2005 (total shipments \$US110b)



Source: PIA

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NA Industry Statistics: September 2006

September 2006 v September 2005				
	Apparent Consumption % Change	Shipments %Change	Imports %Change	Capacity %Change
CFS	3.8	-4.0	33.4	-3.9
UCFS	0.1	-1.3	-10.5	-0.6
September 2006 YTD v September 2005 YTD				
	Apparent Consumption % Change	Shipments %Change	Imports %Change	Capacity %Change
CFS	5.6	0.5	18.1	-3.9
UCFS	-1.1	0.4	-13.7	-2.6

Source: RISI & Company Data

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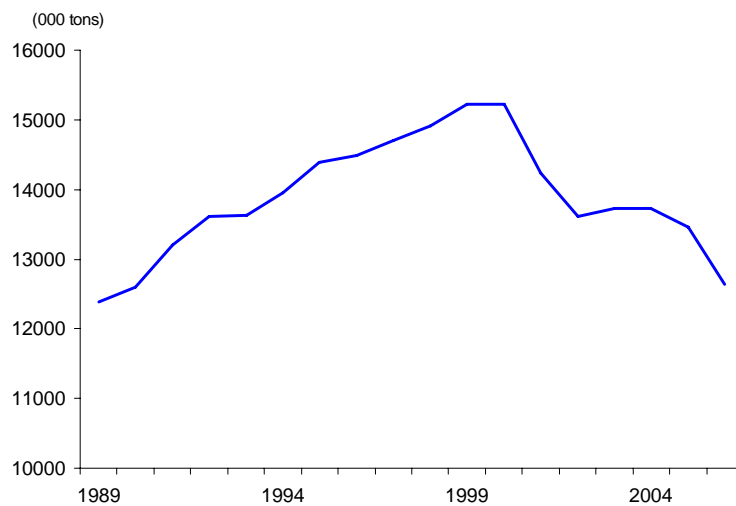
North American Capacity Closures in 2005

Printing and Writing Paper

International Paper	Pensacola, Fla	142,000
International Paper	Jay, Maine	88,000
Tembec	St Leonard-de-Portneuf, Que	75,000
Badger	Peshtigo, Wis.	70,000
Sappi	Muskegon, Mich	116,000
International Paper	Bastrop, La	300,000
Cascades	Thunder Bay, Ont	165,000
Pasadena Paper	Pasadena, Texas	190,000
Weyerhaeuser	Prince Albert, Sask	280,000
Stora Enso	Stevens Point, Wis	25,000
Domtar	Cornwall, Ont	265,000
Domtar	Ottawa, Ont	65,000
Domtar	Vancouver, B.C.	120,000
Total		1,901,000

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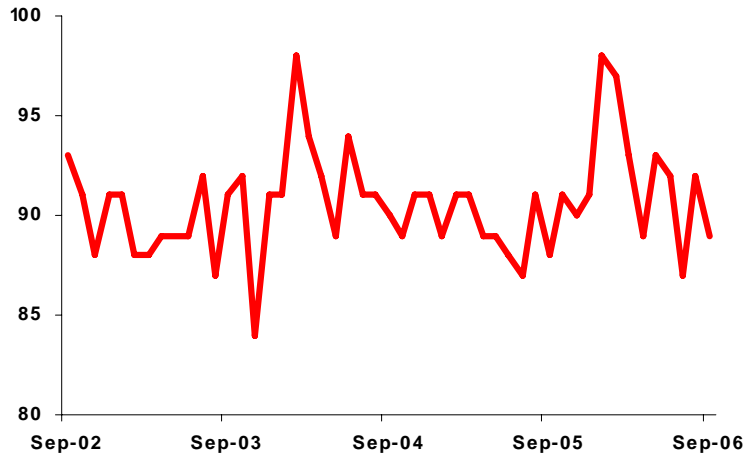
NA Uncoated Woodfree Paper Capacity



Source: RISI & Company Data

PaperlinX

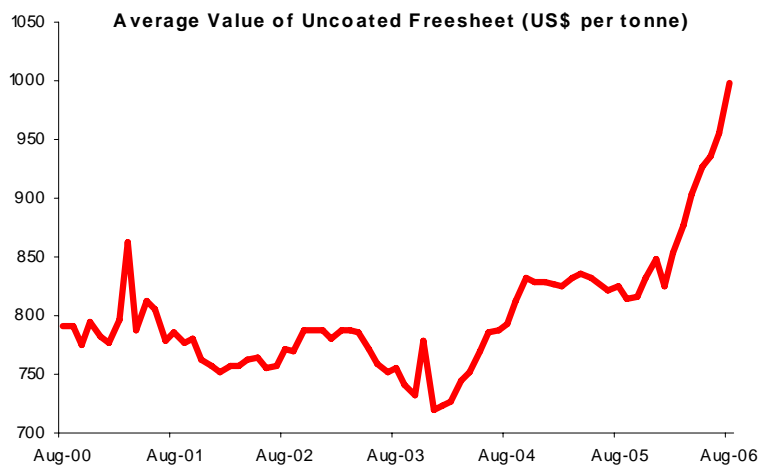
Uncoated Woodfree Paper Operating Rate



Source: RISI & Company Data

PaperlinX

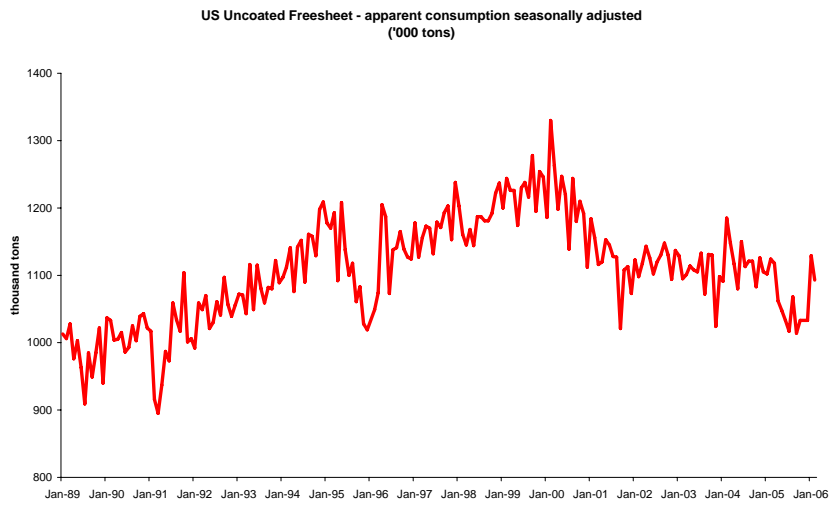
Uncoated Woodfree Paper Pricing



Source: RISI & Company Data

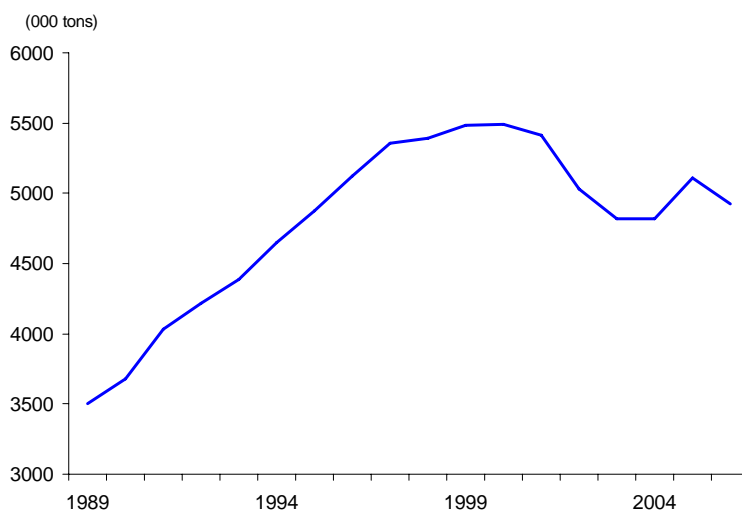
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Uncoated Woodfree Paper Consumption



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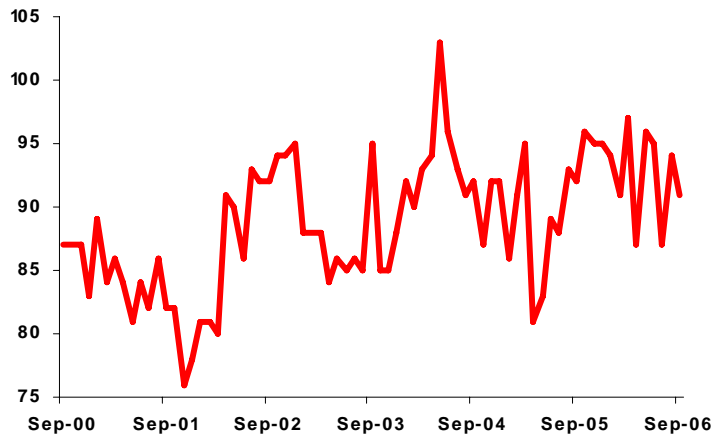
NA Coated Woodfree Paper Capacity



Source: RISI & Company Data

PaperlinX

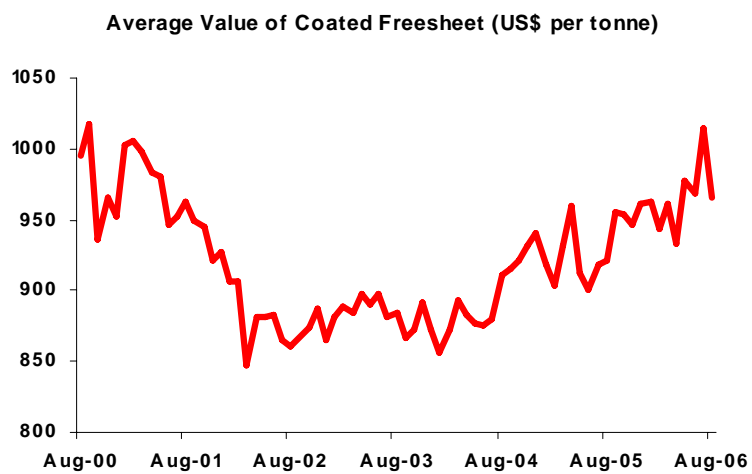
Coated Woodfree Paper Operating Rate



Source: RISI & Company Data

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Coated Woodfree Paper Pricing

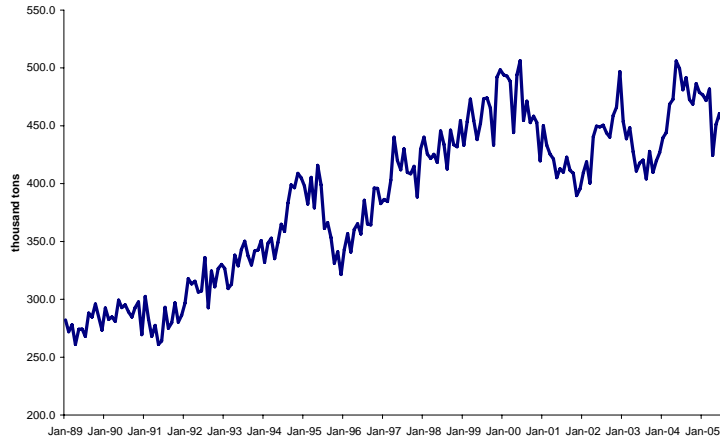


Source: RISI & Company Data

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Coated Woodfree Paper Consumption

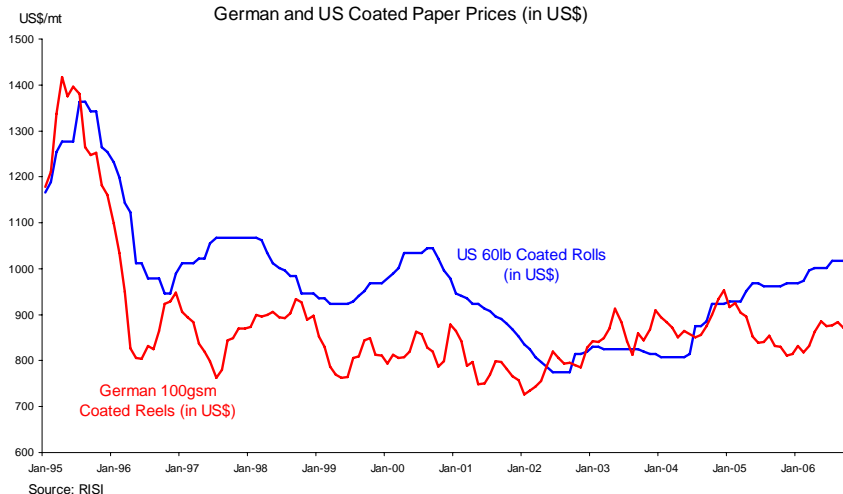
US Coated Freesheet - apparent consumption seasonally adjusted ('000 tons)



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US vs Europe Coated Prices (in US\$/tonne)

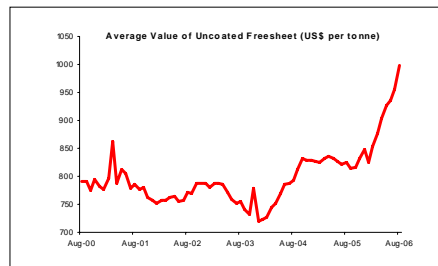
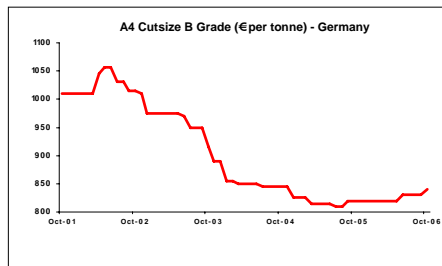
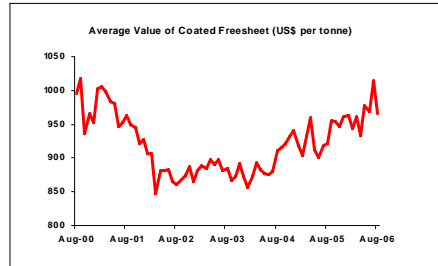
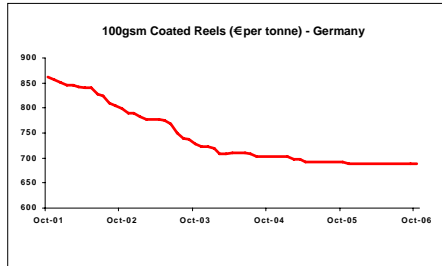
German and US Coated Paper Prices (in US\$)



Source: RISI

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Europe vs US - Prices



Source: RISI & Company Data

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North American Paper Industry Structure

- Key players
- Consolidation
 - uncoated commodity free sheet >65% with 2 parties
 - coated commodity free sheet >60% with 4 parties
 - SBS >60% with 2 parties
- Regional differences
- Capacity closures
 - major printer consolidation
- Imports / domestic supply

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Key Paper Grades

- Pacesetter family
- “Kelly” brand penetration
- Endeavour recycled / FSC
- Discovery
- Supreme
- IPPRINT
- Mill exclusives

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Key Suppliers

- Stora Enso
- Sappi
- International Paper
- Domtar/Weyerhaeuser
- Boise
- Burgo
- Moorim
- Lecta

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Key Competitors / Competitive Landscape

- Xpedx (U.S. Only)
- Unisource (U.S. and Canada)
- Domtar Merchants (Canada and U.S. East/Tx.)
- Regional Independents
- Mill agents
- Brokers
- Mills direct

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Merchant Value Proposition

- Spicers Canada: strategic partner in work flow solutions, technology and value added bundle
- Coast Paper: Paper specialist, end user bias, graphics in West, converting and FSC bias
- Kelly Paper: leaders in small to medium size printer segment. Graphics/consumables/Kelly brands
- Spicers Paper Inc.: Proprietary coated paper specialists, converting, FSC, superior service.

PaperlinX

PaperlinX Canada Limited

November 30th, 2006



Review of Cascades Resources Acquisition



PaperlinX Acquisition Criteria

- Strong Customer Relationship
- Quality Supply Franchises
- Quality People
- Ability to extract synergy via in market scale
- Meet minimum 15% ROAFE by year 3

Major Projects



- Single IT Platform
- Combined Benefits and Pension
- Review of Logistics
- Review of Structure
- Quebec City Integration
- Sale of West
- Alignment with Strategic Suppliers

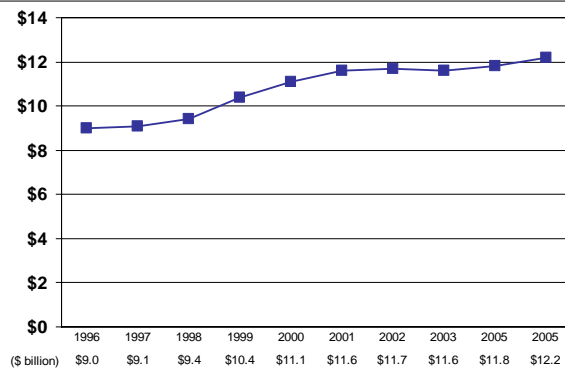
Canadian Printing Industry



2005 Canadian Printing Industry - \$23 Billion

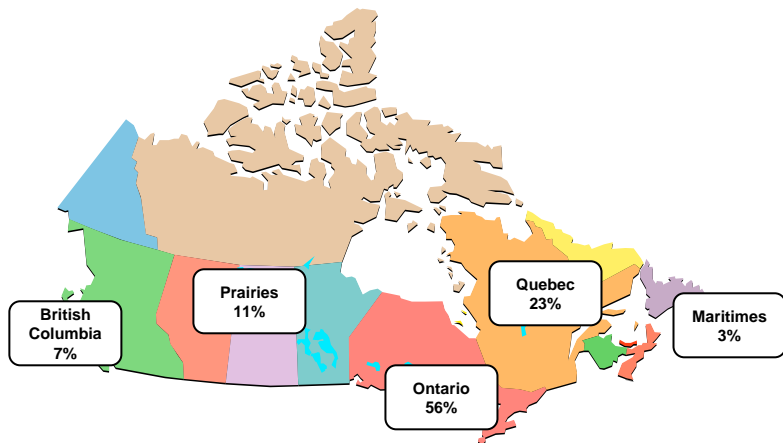
The industry continues to have consistent growth despite the influence on communication of the Internet and the strengthening of the Canadian dollar.

\$12 billion	-	Shipments – largest manufacturing in Canada
\$11 billion	-	Additional spin off to other sectors of the economy
\$1.7 billion	-	Worldwide exports
5,800	-	Businesses
84,000	-	Employees – 4 th largest employer in Canada



Source: Canadian Printing Industry Assoc.

**Regional Distribution
Of Printing Industry Volume – Canada
(2005)**



**2005 Woodfree Printing & Writing Shipments within Canada
Metric Tons (000's)**

	Domestic	Imports	Total	% Imports
Coated				
Woodfree	87	402	489	80%
Uncoated				
Woodfree	457	418	875	48%
TOTAL	544	820	1,364	60%

Source: Stats Canada, Pulp & Paper Canada

Canadian Paper Capacity Changes (000's Short Tons)



Canadian Paper Capacity Changes (000's Short Tons)

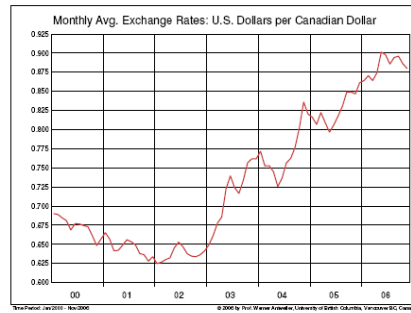
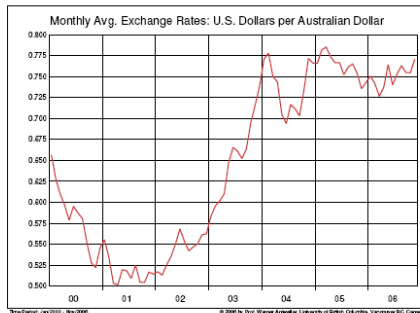
Coated Woodfree

Cascades	Thunder bay, ON	31	Jan. 06
Domtar	Ottawa, ON	30	March 06
Domtar	Cornwall, ON	126	March 06
Domtar	New Westminister, BC	134	June 06
Total		321	

Uncoated Woodfree

Domtar	Cornwall, ON	85	March 05
Cascades	St. Jerome, QC	10	Dec. 05
Weyerhaeuser	Prince Albert, SK	280	Dec. 05
Domtar	Ottawa, ON	35	March 06
Domtar	Cornwall, ON	53	March 06
Weyerhaeuser	Dryden, ON	155	April 06
Total		618	

Exchange Rates



Canadian Merchant Market



Paper Market - Approx. CAD \$ 2.1 Billion CDN

Major Competitors -
Domtar Merchants
Unisource
Cascades Resources / Gould
Others

Value Offering



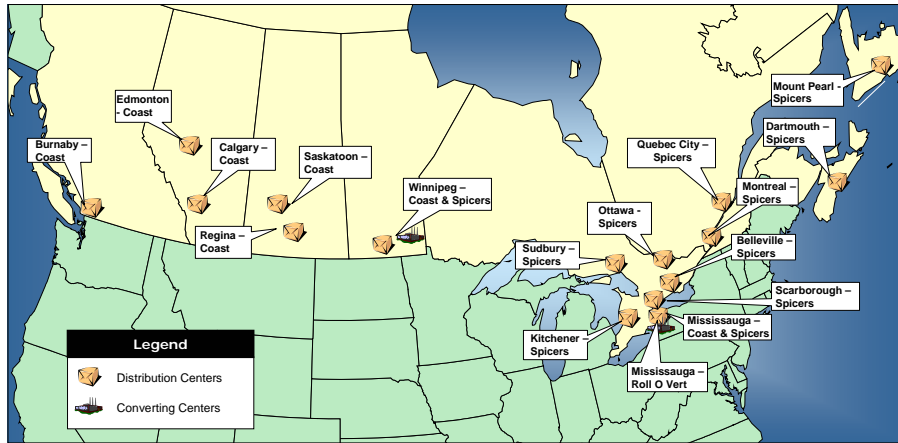
Delivering Value

PaperlinX Canada is the bridge that links knowledge to people, product to market and resources to industry. We recognize your need to streamline procurement and trim waste. By making available a diverse range of products, supported by a team of knowledgeable technical specialists, we address your companies procurement needs from your front office through to your shipping bay doors.

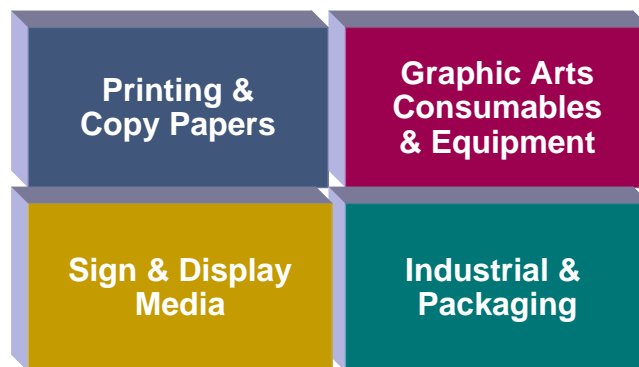
- **Printing papers**
- **Business imaging**
- **Consumer brands**
- **Packaging + shipping**
- **Sanitation + maintenance**
- **Graphic supplies + systems**



Coast & Spicers' Locations



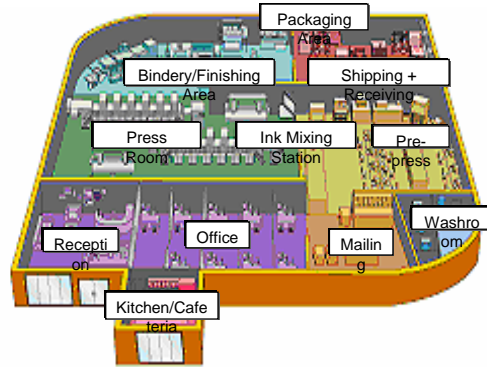
Focus on 4 Customer Segments



Commercial Printers



PRINTER / CUSTOMER



ONE STOP SHOPPING

Product / Customer Segment Matrix

