



NEWS RELEASE
For immediate release

KP Tissue Releases Third Quarter 2020 Financial Results
Consumer Business Momentum Continued into Q3

Mississauga (ON), November 5, 2020 - KP Tissue Inc. (KPT) (TSX: KPT) reports the Q3 2020 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 14.7% interest in KPLP.

KPLP Q3 2020 Business and Financial Highlights

- Revenue was \$369.1 million in Q3 2020 compared to \$344.0 million in Q3 2019 excluding the divested Mexico business in 2019, an increase of \$25.1 million or 7.3%.
- Adjusted EBITDA was \$46.2 million in Q3 2020 compared to \$44.0 million in Q3 2019, an increase of 5.1%.
- TAD Sherbrooke site near completion and remains on time and on budget.
- Declared a quarterly dividend of \$0.18 per share to be paid on January 15, 2021.

"We are pleased with our third quarter results which reflects strong North American sales momentum in our consumer business while reinvesting in key areas for future growth. The Away-From-Home segment continued to face challenging end-market conditions. As we enter the ninth month of Covid-19, our focus has been and continues to be on the safety of our people while ensuring we maintain business continuity during this unprecedented tissue demand. I am pleased with the work we have done in both areas," stated KP Tissue Chief Executive Officer, Dino Bianco.

"Two years ago, we launched our OpEx Program with the objective to drive more capacity, asset reliability and cost savings. The level of engagement has been exceptional, leading to a shift to a culture of excellence. Clearly, this has allowed us to navigate through the pandemic in a much stronger position. By the end of 2020, we anticipate reaching the top-end of our goal of \$15-20 million in cost savings on a run rate basis.

"The new TAD Sherbrooke facility is near completion and remains on time and on budget. As we finalize our commercial plans, we anticipate strong demand for this output across North American customers. This new production facility will alleviate some of the capacity constraints of recent quarters and will enhance our competitive position in the paper towel category, supported by positive consumer trends for the foreseeable future.

I would like to thank the entire Kruger Products team for their continued dedication during these uncertain times as well as managing through the unpredictable and volatile market conditions. We look forward to 2021 as we continue to grow and invest in our business while welcoming our new TAD facility," concluded Mr. Bianco.

Outlook

Demand for our products is expected to remain healthy in the Consumer segment and a slow recovery in the Away-From-Home segment. For the fourth quarter, we expect Q4 2020 Adjusted EBITDA to be below both Q3 2020 and Q4 2019, as we intend to reinvest in our brands and our business, while incurring extra costs to meet the high demand.

KPLP Q3 2020 Financial Results

Revenue was \$369.1 million in Q3 2020 compared to \$369.4 million in Q3 2019, a decrease of \$0.3 million or 0.1%. Excluding revenue of \$25.4 million from the divested Mexico business revenue from Q3 2019, revenue increased by \$25.1 million or 7.3%. Revenue was favourably impacted primarily by COVID-19 buying activity, with volume increasing in the Consumer segment in Canada and the U.S. and decreasing in the AFH segment.

Cost of sales was \$307.7 million in Q3 2020 compared to \$317.0 million in Q3 2019, a decrease of \$9.3 million or 2.9%. Excluding the divested Mexico business, Q3 2020 cost of sales increased by \$15.2 million or 5.2%. On a volume adjusted basis, manufacturing costs decreased slightly compared to Q3 2019, primarily due to lower pulp costs, operational transformation initiatives (“OpEx”) that increased production efficiency, and the COVID-19 transition to a reduced sku production environment. These cost decreases were partially offset by inflation, increased outsourcing costs compared to Q3 2019 required to meet continuing demand and additional manufacturing overhead costs, in part due to precautions taken in our manufacturing facilities as a result of COVID-19. As a percentage of revenue, cost of sales was 83.4% in Q3 2020 compared to 85.8% in Q3 2019.

Selling, general and administrative (SG&A) expenses were \$31.2 million in Q3 2020 compared to \$25.8 million in Q3 2019, an increase of \$5.4 million or 21.4%. The increase compared to Q3 2019 was primarily due to increased investment in marketing to support the brands, higher compensation and personnel related costs, and increased spending on Information Technology. As a percentage of revenue, SG&A expenses were 8.5% in Q3 2020 compared to 7.0% in Q3 2019.

Adjusted EBITDA was \$46.2 million in Q3 2020 compared to \$44.0 million in Q3 2019, an increase of \$2.2 million or 5.1%. The increase was primarily due to the favourable sales impact and product mix, and slightly lower cost of sales as described above. The increases were partially offset by higher SG&A costs.

Net income was \$18.5 million in Q3 2020 compared to \$10.5 million in Q3 2019, an increase of \$8.0 million. The increase was primarily due to higher Adjusted EBITDA as discussed above and lower consulting costs related to operational transformation initiatives, interest expense, restructuring costs and income taxes, partially offset by higher depreciation expense.

KPLP Q3 2020 Financing Activity

Total liquidity, representing cash and availability under the Senior Credit Facility within covenant limitations, was \$298.8 million as of September 30, 2020. In addition, \$34.0 million of cash was held by KPSI and committed to the TAD Sherbrooke Project.

KPT Q3 2020 Financial Results

KPT had net income of \$0.8 million in Q3 2020. Included in net income was \$2.7 million representing KPT’s share of KPLP’s net income, depreciation expense of \$1.3 million related to adjustments to carrying amounts on acquisition and income tax expense of \$0.6 million.

Dividends on Common Shares

The Board of Directors of KPT declared a quarterly dividend of \$0.18 per share to be paid on January 15, 2021 to shareholders of record at the close of business on December 31, 2020.

Additional Information

For additional information please refer to Management’s Discussion and Analysis (MD&A) of KPT and KPLP for the third quarter ended September 30, 2020 available on SEDAR at www.sedar.com or our website at www.kptissueinc.com.

Third Quarter Results Conference Call Information

KPT will hold its third quarter conference call on Thursday, November 5, 2020 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, November 12, 2020 by dialing 1-800-585-8367 or 416-621-4642 and entering passcode 6068964.

The replay of the webcast will remain available on the website until midnight, November 12, 2020.

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 14.7% 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 have referenced Adjusted EBITDA as a non-IFRS financial measure. This term replaces the previously referenced non-IFRS financial measure EBITDA. 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, (x) change in fair value of derivatives, (xi) consulting costs related to operational transformation initiatives, (xii) corporate development related costs and (xiii) loss (gain) on sale of shares. A reconciliation of Adjusted EBITDA to the relevant reported results can be found in the MD&A of KPT and KPLP for the third quarter ended September 30, 2020 available on SEDAR at www.sedar.com.

COVID-19

In March 2020, the World Health Organization characterized the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", as a global pandemic. This has resulted in local governments enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses in the United States of America and Canada resulting in an economic slowdown. Equity markets have experienced significant volatility and weakness and the local governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. There is significant uncertainty as to the likely effects of this outbreak. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments to quantify the impact this pandemic may have on the financial results and condition of KPLP in future periods.

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. Forward-looking statements in this press release include, but are not limited to, statements regarding the projected capacity of the TAD Sherbrooke Project, the anticipated benefits of the TAD Sherbrooke Project and the expected dates for commencement of construction and production of the TAD Sherbrooke Project. 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 statements are based on certain key expectations and assumptions made by KPT or KPLP. Although KPT and KPLP believe 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 statements 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 Q4 2020 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 KPT'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 30, 2020 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 Sherbrooke Project; operational risks; 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; risks relating to information technology; cyber-security; insurance; internal controls; trade; and risks related to COVID-19.

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.

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

	<u>September 30, 2020</u>	<u>December 31, 2019</u>
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	117,469	93,141
Trade and other receivables	97,222	89,236
Receivables from related parties	643	59
Current portion of advances to partners	4,066	80
Inventories	200,480	190,686
Income tax recoverable	587	466
Prepaid expenses	12,018	8,341
	<u>432,485</u>	<u>382,009</u>
Non-current assets		
Property, plant and equipment	1,125,759	935,010
Right-of-use assets	96,157	97,582
Other long-term assets	10	1,766
Goodwill	160,939	160,939
Intangible assets	15,766	15,317
Deferred income taxes	25,757	30,988
Total assets	<u>1,856,873</u>	<u>1,623,611</u>
Liabilities		
Current liabilities		
Trade and other payables	289,547	242,357
Payables to related parties	6,588	6,809
Income tax payable	573	325
Distributions payable	11,847	11,393
Current portion of provisions	5,158	759
Current portion of long-term debt	4,937	4,937
Current portion of lease liabilities	20,813	18,080
	<u>339,463</u>	<u>284,660</u>
Non-current liabilities		
Long-term debt	705,036	586,125
Lease liabilities	96,944	100,682
Provisions	5,935	6,148
Pensions	184,280	140,674
Post-retirement benefits	61,725	57,005
Liabilities to non-unitholders	<u>1,393,383</u>	<u>1,175,294</u>
Current portion of Partnership units liability	21,155	5,103
Long-term portion of Partnership units liability	128,160	138,412
Total Partnership units liability	<u>149,315</u>	<u>143,515</u>
Total liabilities	<u>1,542,698</u>	<u>1,318,809</u>
Equity		
Partnership units	434,308	408,978
Deficit	(207,052)	(183,188)
Accumulated other comprehensive income	86,919	79,012
Total equity	<u>314,175</u>	<u>304,802</u>
Total equity and liabilities	<u>1,856,873</u>	<u>1,623,611</u>

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

	3-month period ended September 30, 2020	3-month period ended September 30, 2019	9-month period ended September 30, 2020	9-month period ended September 30, 2019
	\$	\$	\$	\$
Revenue	369,103	369,358	1,131,012	1,086,009
Expenses				
Cost of sales	307,733	317,053	932,255	962,884
Selling, general and administrative expenses	31,267	25,751	91,393	73,177
Loss on sale of non-financial assets	-	1	1	7
Restructuring costs, net	52	1,549	1,273	1,846
Operating income	30,051	25,004	106,090	48,095
Interest expense	9,746	11,445	31,659	34,175
Other expense	2,477	2,344	10,629	4,057
Income before income taxes	17,828	11,215	63,802	9,863
Income taxes	(627)	728	8,055	1,656
Net income for the period	18,455	10,487	55,747	8,207
Other comprehensive income (loss)				
Items that will not be reclassified to net income:				
Remeasurements of pensions	(4,142)	(9,718)	(40,797)	(60,130)
Remeasurements of post-retirement benefits	(439)	(421)	(3,827)	(6,752)
Items that may be subsequently reclassified to net income:				
Cumulative translation adjustment	(6,320)	4,037	7,907	(8,476)
Total other comprehensive loss for the period	(10,901)	(6,102)	(36,717)	(75,358)
Comprehensive income (loss) for the period	7,554	4,385	19,030	(67,151)

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

	3-month period ended September 30, 2020	3-month period ended September 30, 2019	9-month period ended September 30, 2020	9-month period ended September 30, 2019
	\$	\$	\$	\$
Cash flows from (used in) operating activities				
Net income for the period	18,455	10,487	55,747	8,207
Items not affecting cash				
Depreciation	15,537	14,637	48,497	43,533
Amortization	411	373	1,184	1,105
(Gain) loss on sale of property, plant and equipment	38	-	87	(5)
Change in amortized cost of Partnership units liability	5,863	1,547	10,903	4,641
Loss on sale of shares	-	586	-	586
Foreign exchange (gain) loss	(3,386)	488	86	(1,170)
Change in fair value of derivatives	-	(277)	(360)	-
Interest expense	9,746	11,445	31,659	34,175
Pension and post-retirement benefits	3,647	3,074	11,121	8,275
Provisions	2,538	2,764	6,137	3,437
Income taxes	(627)	728	8,055	1,656
Loss on sale of non-financial assets	-	1	1	7
Total items not affecting cash	33,767	35,366	117,370	96,240
Net change in non-cash working capital	1,051	11,851	27,086	(32,955)
Contributions to pension and post-retirement benefit plans	(3,855)	(4,488)	(11,793)	(11,641)
Provisions paid	(183)	(388)	(2,054)	(860)
Income tax payments	(1,795)	(817)	(1,808)	(2,414)
Net cash from operating activities	47,440	52,011	184,548	56,577
Cash flows from (used in) investing activities				
Purchases of property, plant and equipment	(5,307)	(6,992)	(12,758)	(19,272)
Purchases of property, plant and equipment related to the TAD Sherbrooke Proc	(62,105)	(52,252)	(194,118)	(94,460)
Interest paid on credit facilities related to the TAD Sherbrooke Project	(2,963)	(754)	(7,167)	(2,207)
Purchases of software	(40)	(123)	(1,633)	(1,457)
Proceeds on sale of shares	-	3,314	992	3,314
Proceeds on sale of property, plant and equipment	-	-	-	5
Net cash used in investing activities	(70,415)	(56,807)	(214,684)	(114,077)
Cash flows from (used in) financing activities				
Proceeds from long-term debt	61,211	(11,203)	193,538	23,985
Repayment of long-term debt	(50,819)	(2,078)	(84,520)	(9,364)
Payment of deferred financing fees	(7)	(927)	(500)	(1,280)
Payment of lease liabilities	(4,589)	(4,347)	(14,506)	(12,613)
Interest paid on long-term debt	(140)	(6,101)	(21,762)	(20,048)
Distributions and advances paid, net	(8,151)	(3,442)	(18,372)	(8,986)
Net cash from (used in) financing activities	(2,495)	(28,098)	53,878	(28,306)
Effect of exchange rate changes on cash and cash equivalents held in foreign currency	(1,249)	(134)	586	(1,671)
Increase (decrease) in cash and cash equivalents during the period	(26,719)	(33,028)	24,328	(87,477)
Cash and cash equivalents - Beginning of period	144,188	115,435	93,141	169,884
Cash and cash equivalents - End of period	117,469	82,407	117,469	82,407

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

	3-month period ended September 30, 2020	3-month period ended September 30, 2019	9-month period ended September 30, 2020	9-month period ended September 30, 2019
	\$	\$	\$	\$
Segment Information				
Segment Revenue				
Consumer	319,869	305,033	971,400	900,881
AFH	49,234	64,325	159,612	185,128
Total segment revenue	<u>369,103</u>	<u>369,358</u>	<u>1,131,012</u>	<u>1,086,009</u>
Adjusted EBITDA				
Consumer	55,264	45,985	179,193	111,432
AFH	(3,466)	(1,919)	(6,632)	(11,548)
Corporate and other costs	(5,550)	(55)	(10,939)	(834)
Total Adjusted EBITDA	<u>46,248</u>	<u>44,011</u>	<u>161,622</u>	<u>99,050</u>
Reconciliation to Net Income:				
Depreciation and amortization	15,948	15,010	49,681	44,638
Interest expense	9,746	11,445	31,659	34,175
Change in amortized cost of Partnership units liability	5,863	1,547	10,903	4,641
Change in fair value of derivatives	-	(277)	(360)	-
(Gain) loss on sale of property, plant and equipment	38	-	87	(5)
Loss on sale of non-financial assets	-	1	1	7
Loss on sale of shares	-	586	-	586
Restructuring costs, net	52	1,549	1,273	1,846
Foreign exchange (gain) loss	(3,386)	488	86	(1,170)
Consulting costs				
related to operational transformation initiatives	-	2,332	4,331	3,615
Corporate development related costs	159	115	159	854
Income before income taxes	<u>17,828</u>	<u>11,215</u>	<u>63,802</u>	<u>9,863</u>
Income taxes	(627)	728	8,055	1,656
Net income	<u>18,455</u>	<u>10,487</u>	<u>55,747</u>	<u>8,207</u>
Geographic Revenue				
Canada	223,272	213,179	671,805	618,758
US	145,831	130,769	459,207	390,345
Mexico	-	25,410	-	76,906
Total revenue	<u>369,103</u>	<u>369,358</u>	<u>1,131,012</u>	<u>1,086,009</u>

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

	September 30, 2020	December 31, 2019
	<u>\$</u>	<u>\$</u>
Assets		
Current assets		
Distributions receivable	1,751	1,733
Receivable from Partnership	73	247
	<u>1,824</u>	<u>1,980</u>
Non-current assets		
Investment in associate	75,391	81,052
Total Assets	<u><u>77,215</u></u>	<u><u>83,032</u></u>
Liabilities		
Current liabilities		
Dividend payable	1,751	1,733
Current portion of advances from Partnership	629	80
Income tax payable	1,697	944
	<u>4,077</u>	<u>2,757</u>
Non-current liabilities		
Deferred income taxes	1,119	3,158
Total liabilities	<u>5,196</u>	<u>5,915</u>
Equity		
Common shares	20,015	18,997
Contributed surplus	144,819	144,819
Deficit	(107,940)	(100,696)
Accumulated other comprehensive income	15,125	13,997
Total equity	<u>72,019</u>	<u>77,117</u>
Total liabilities and equity	<u><u>77,215</u></u>	<u><u>83,032</u></u>

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

	3-month period ended September 30, 2020	3-month period ended September 30, 2019	9-month period ended September 30, 2020	9-month period ended September 30, 2019
	\$	\$	\$	\$
Equity income (loss)	1,355	215	4,155	(3,022)
Dilution gain	77	134	528	365
Income (loss) before income taxes	1,432	349	4,683	(2,657)
Income taxes	667	729	2,340	2,258
Net income (loss) for the period	765	(380)	2,343	(4,915)
Other comprehensive income (loss) net of tax expense (recovery)				
Items that will not be reclassified to net income (loss):				
Remeasurements of pensions	(355)	(909)	(4,010)	(7,459)
Remeasurements of post-retirement benefits	(39)	(55)	(348)	(641)
Items that may be subsequently reclassified to net income (loss):				
Cumulative translation adjustment	(1,003)	637	1,128	(1,475)
Total other comprehensive loss for the period	(1,397)	(327)	(3,230)	(9,575)
Comprehensive loss for the period	(632)	(707)	(887)	(14,490)
Basic earnings (loss) per share	0.08	(0.04)	0.24	(0.52)
Weighted average number of shares outstanding	9,721,047	9,568,649	9,688,788	9,516,687

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

	3-month period ended September 30, 2020 \$	3-month period ended September 30, 2019 \$	9-month period ended September 30, 2020 \$	9-month period ended September 30, 2019 \$
Cash flows from (used in) operating activities				
Net income (loss) for the period	765	(380)	2,343	(4,915)
Items not affecting cash				
Equity (income) loss	(1,355)	(215)	(4,155)	3,022
Dilution gain	(77)	(134)	(528)	(365)
Income taxes	667	729	2,340	2,258
Total items not affecting cash	(765)	380	(2,343)	4,915
Net change in non-cash working capital	-	168	94	168
Tax payments	(269)	-	(1,504)	-
Tax Distribution	-	-	781	-
Advances received (paid)	269	(168)	629	(168)
Net cash from (used in) operating activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities				
Partnership unit distributions received	1,400	1,279	4,193	3,706
Net cash from investing activities	<u>1,400</u>	<u>1,279</u>	<u>4,193</u>	<u>3,706</u>
Cash flows used in financing activities				
Dividends paid	(1,400)	(1,279)	(4,193)	(3,706)
Net cash used in financing activities	<u>(1,400)</u>	<u>(1,279)</u>	<u>(4,193)</u>	<u>(3,706)</u>
Increase (decrease) in cash and cash equivalents during the period	-	-	-	-
Cash and cash equivalents - Beginning of period	-	-	-	-
Cash and cash equivalents - End of period	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>