

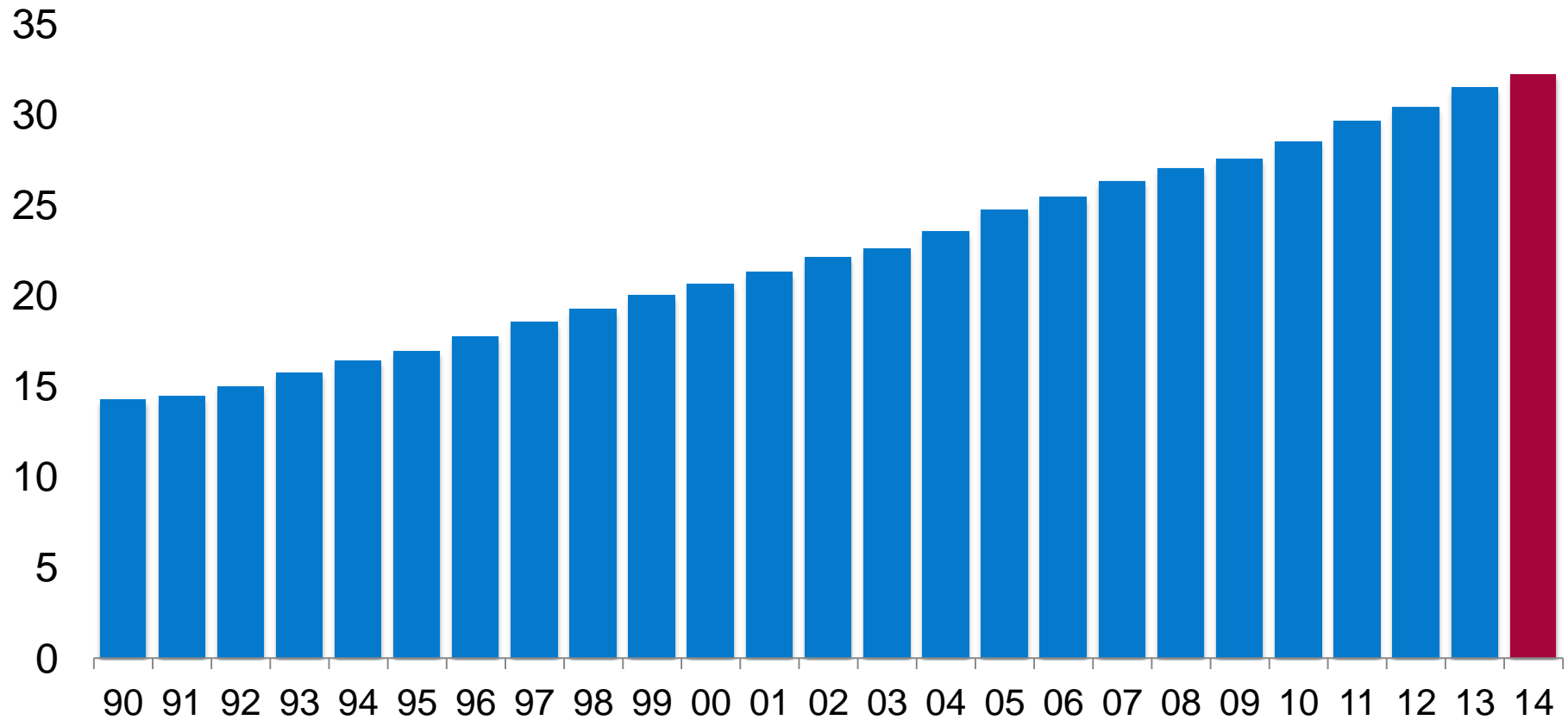


Review of the Global Tissue Market

- May 2015

Global tissue demand grew 2.2% in 2014

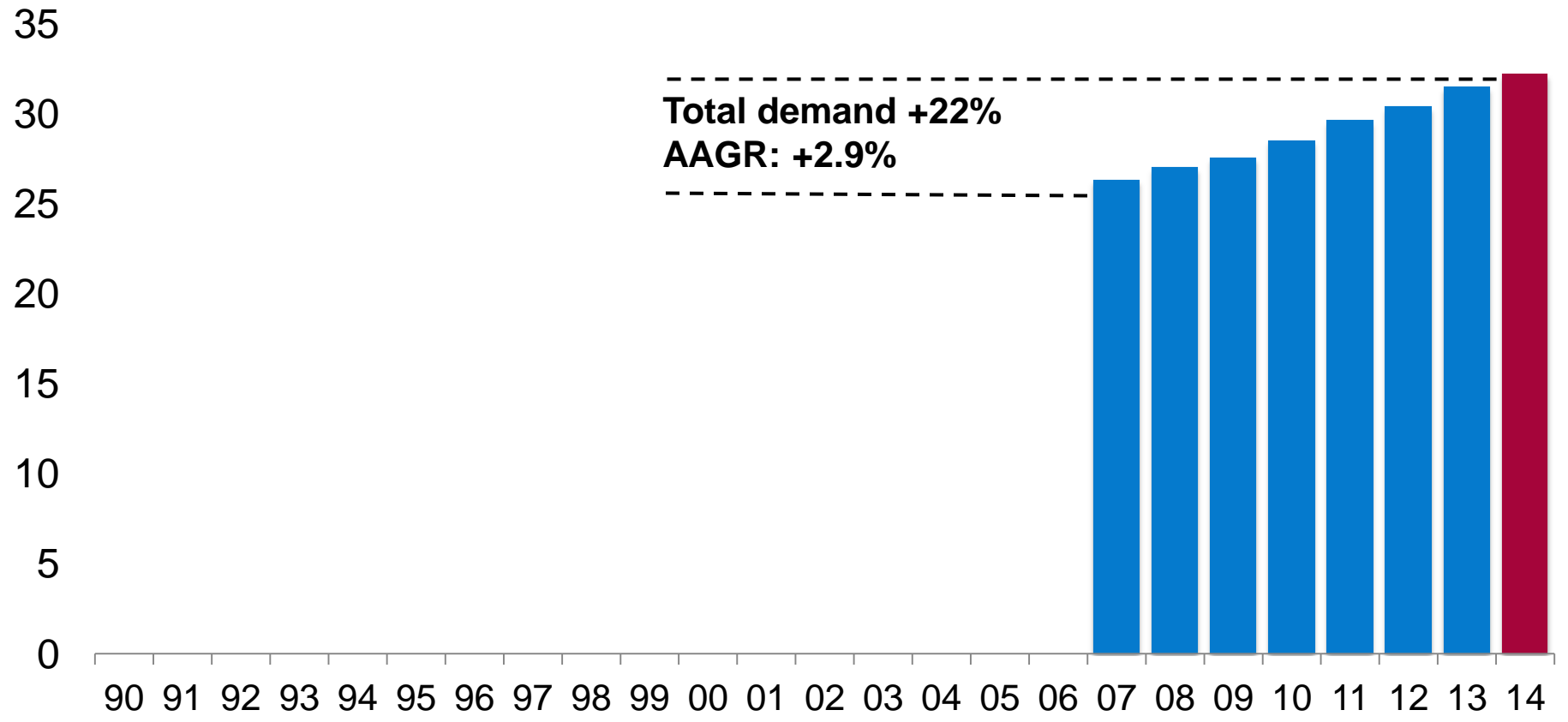
World Tissue Demand
in millions of tonnes



Source: Numera/PPPC

Global tissue demand up 22% since 2007

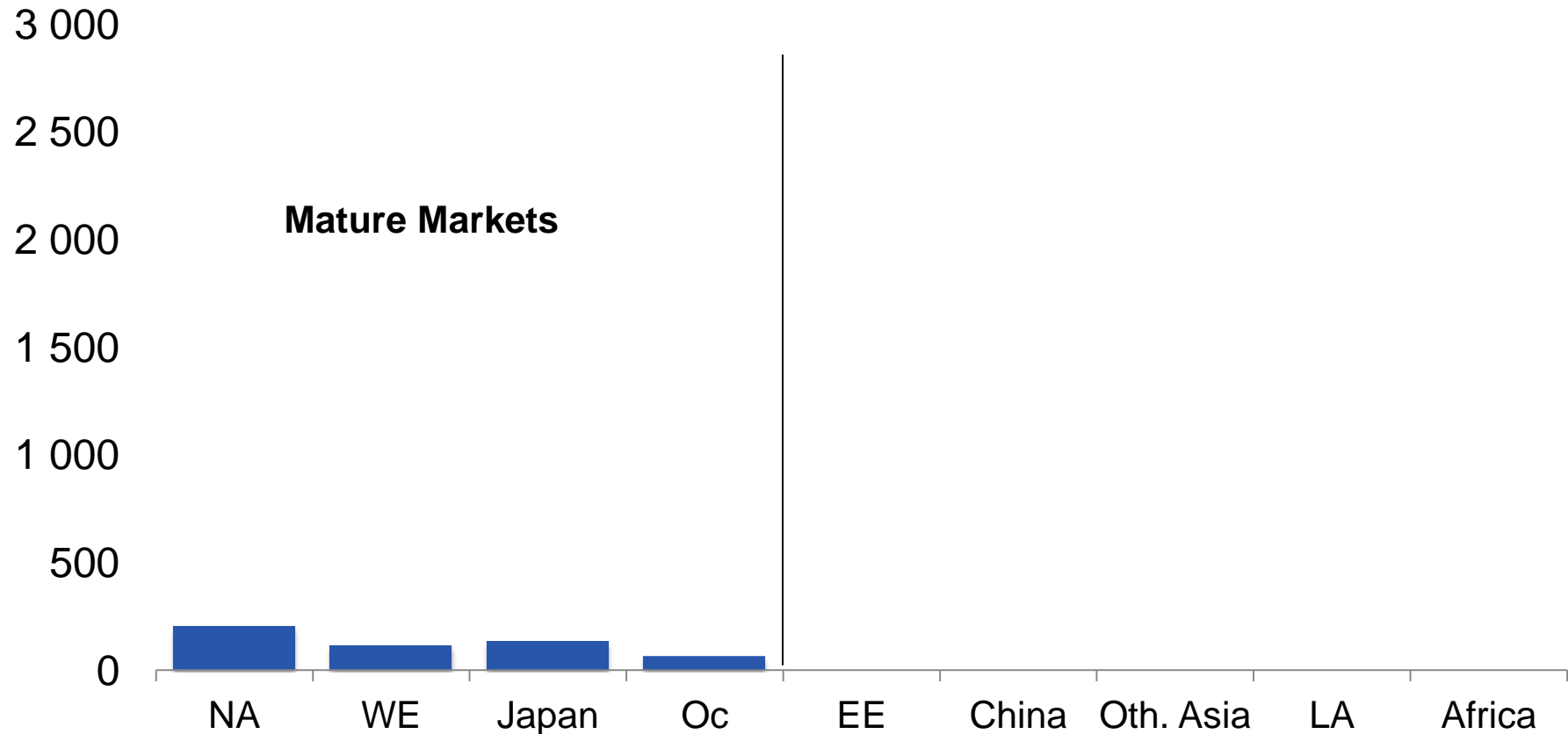
World Tissue Demand
in millions of tonnes



Source: Numera/PPPC

Very little growth in mature markets...

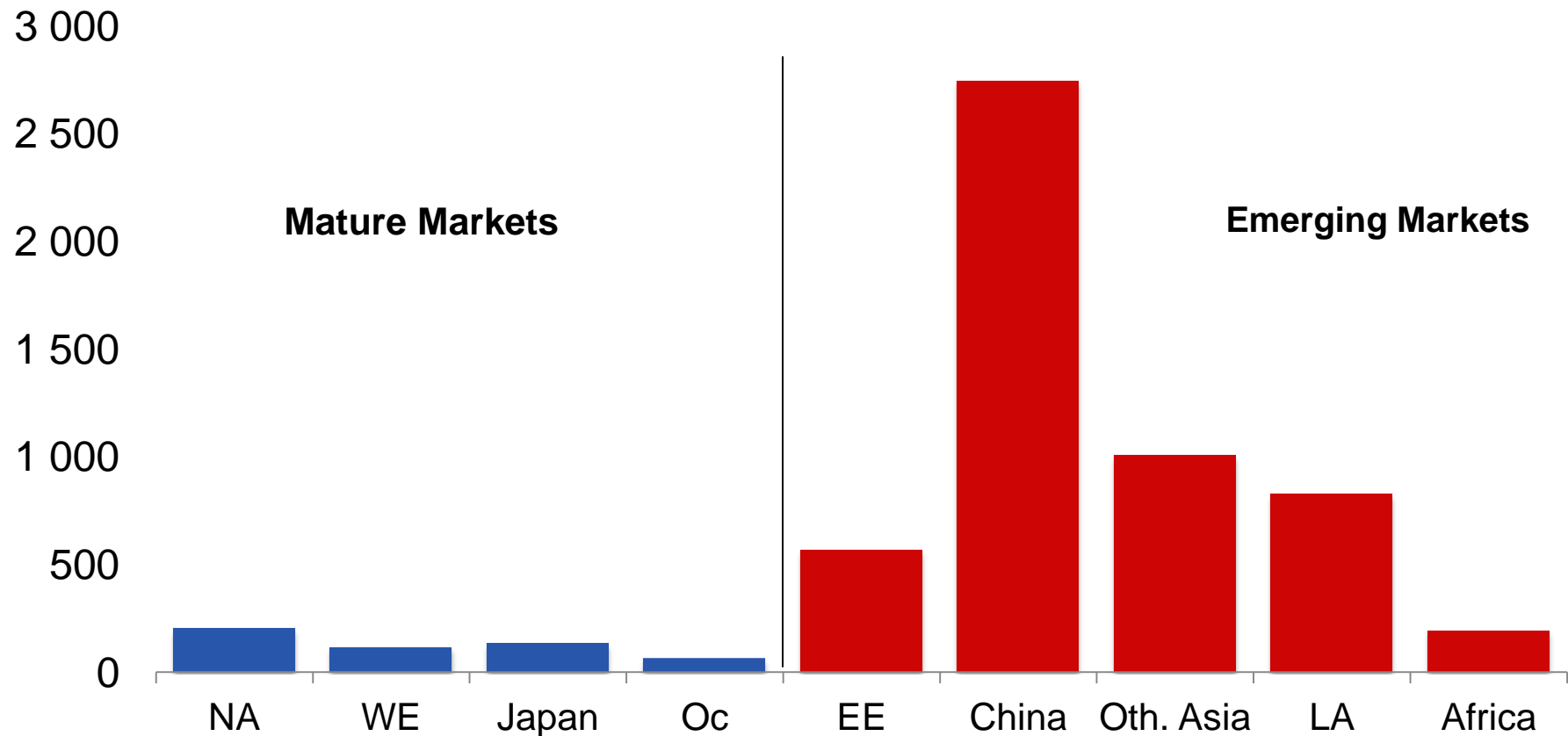
World Tissue Demand
change in 000 tonnes and % AAGR, 2014 vs 2007



Source: Numera/PPPC

...but exceptional growth in emerging markets

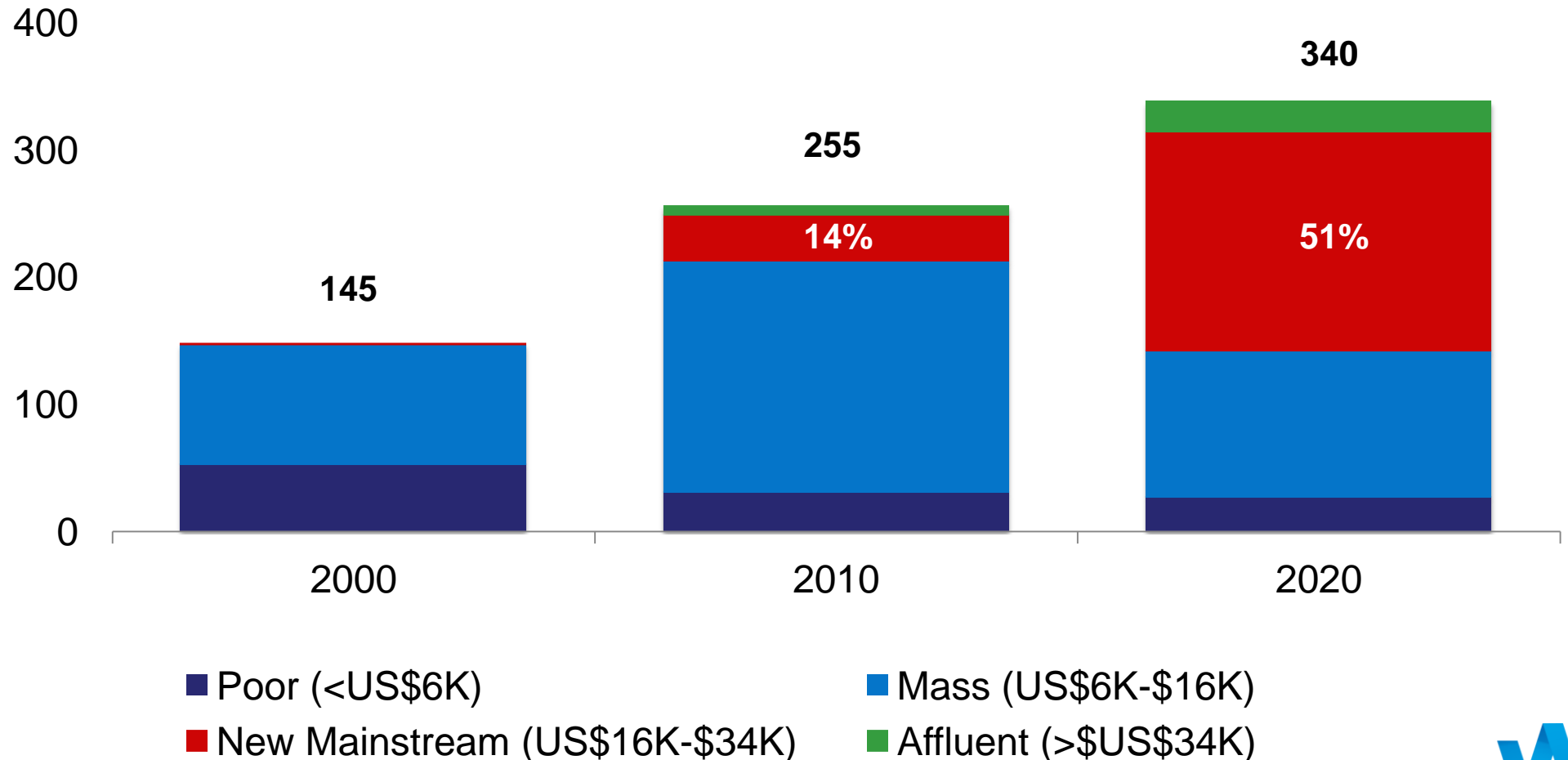
World Tissue Demand
change in 000 tonnes and % AAGR, 2014 vs 2007



Source: Numera/PPPC

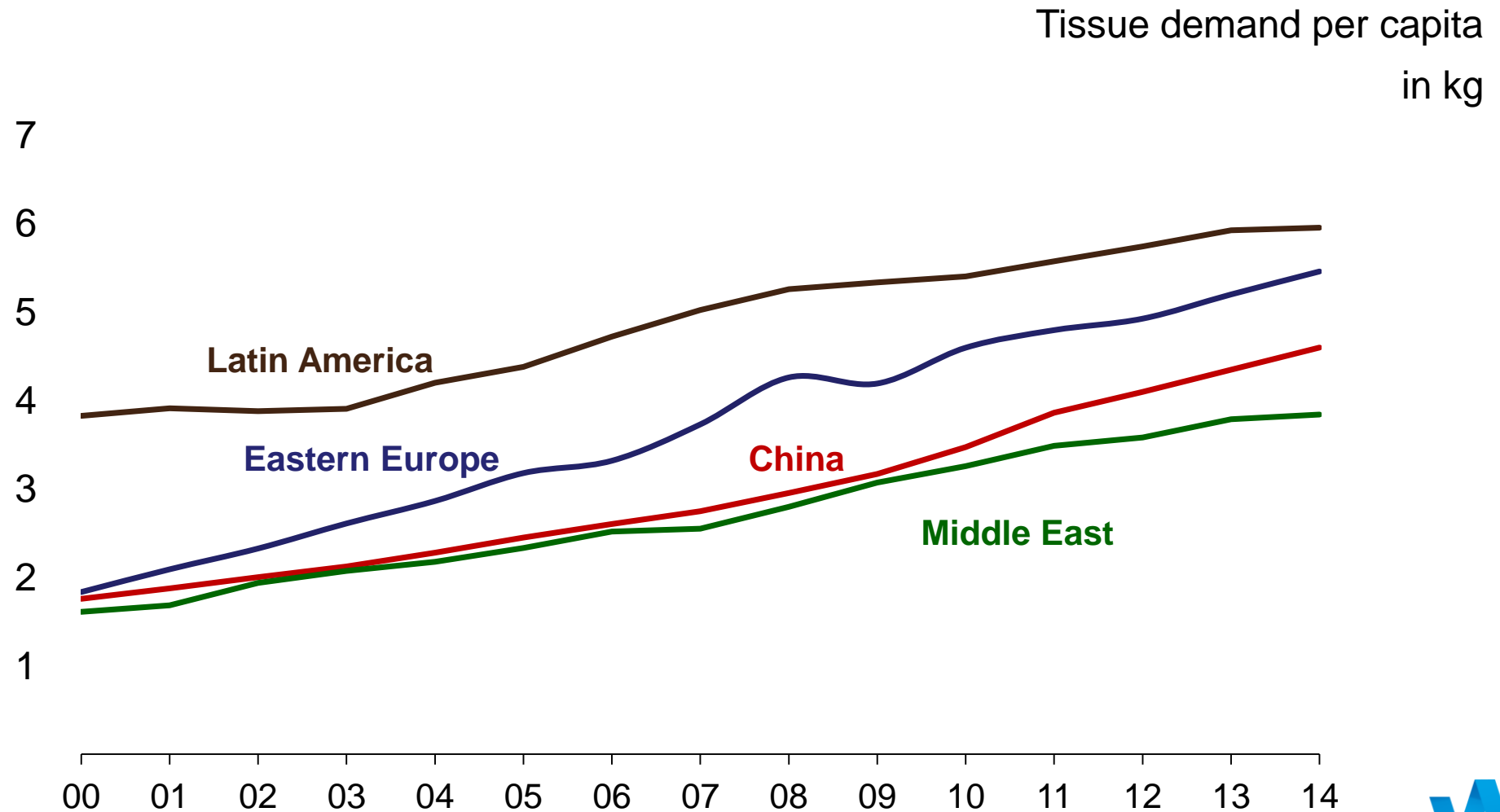
China's burgeoning new urban middle class

Chinese Urban Households by Annual Disposable Income
in millions of households



Source: McKinsey Global Institute

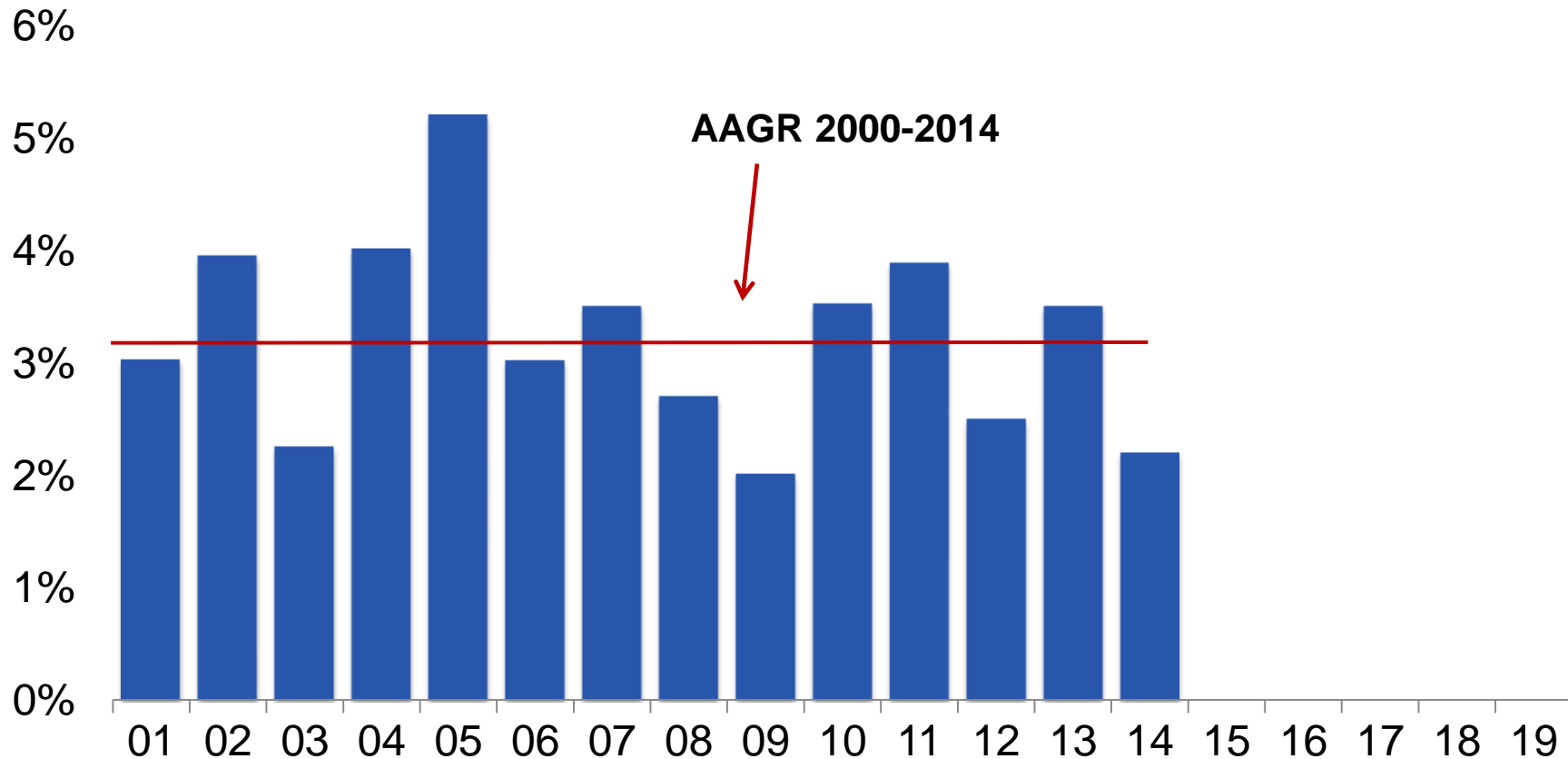
Per capita gains in emerging markets



Source: Numera/PPPC

2014 global growth was below trend

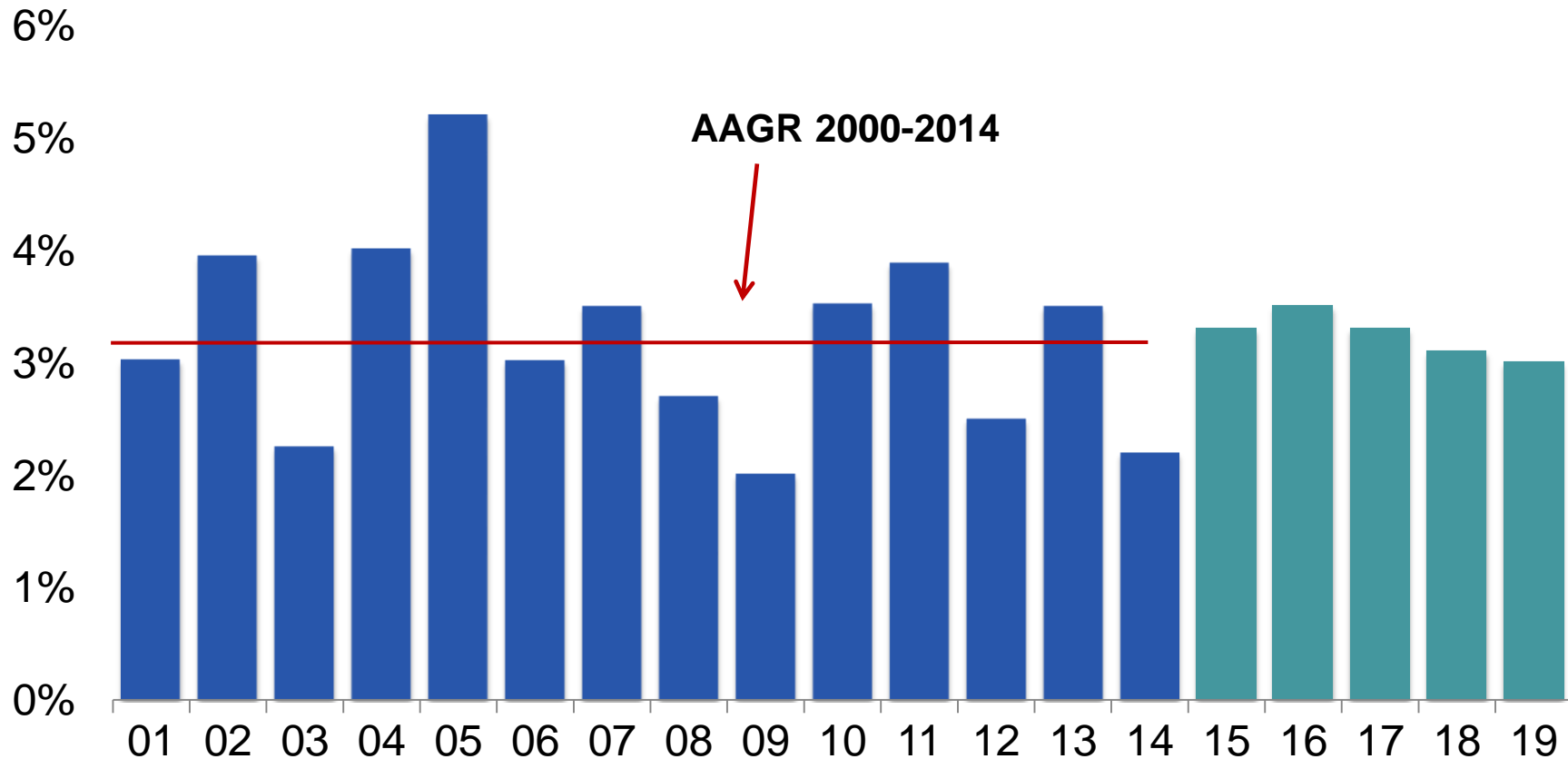
World Tissue Demand
year-over-year % change



Source: Numera/PPPC

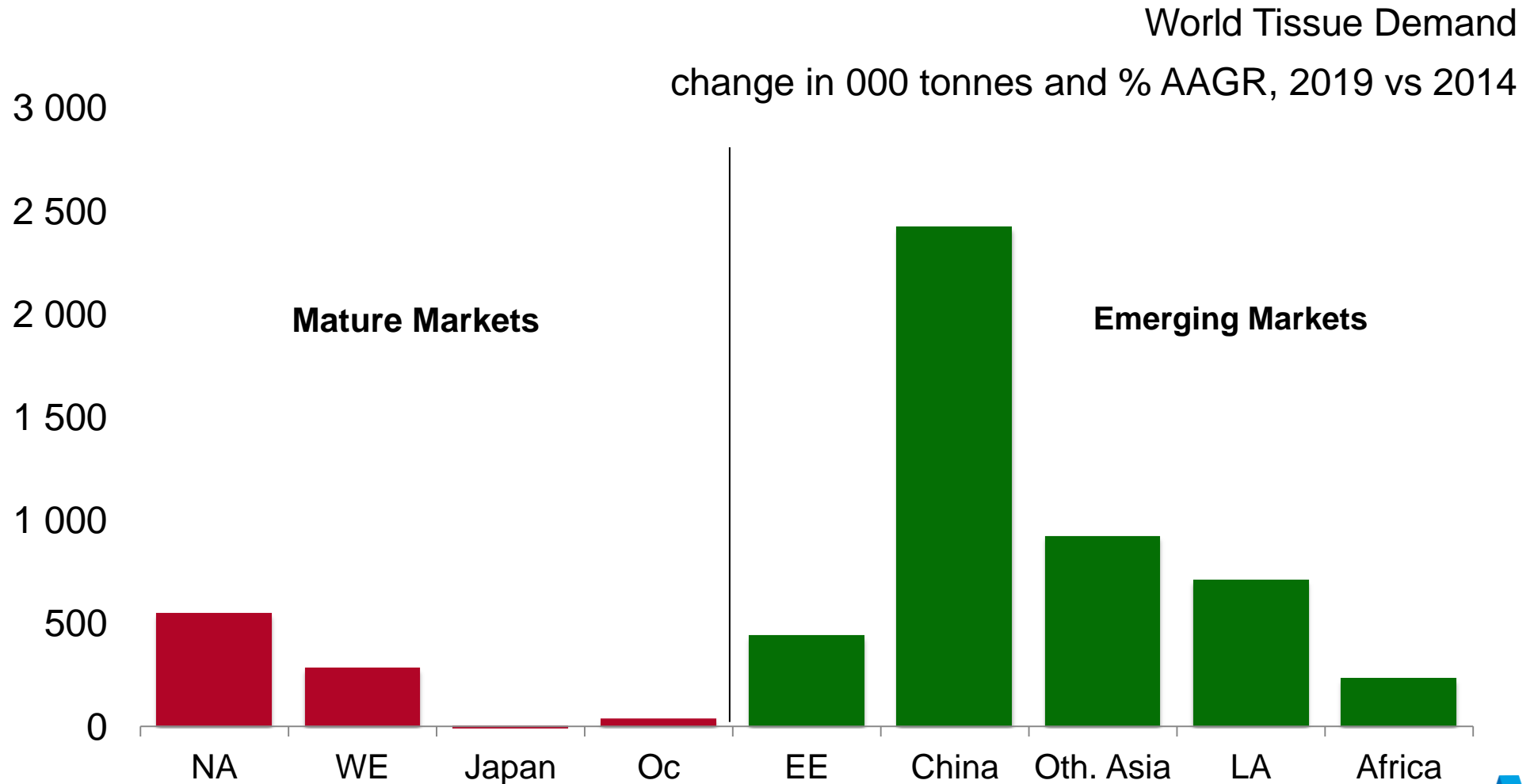
Return to trend through 2019

World Tissue Demand
year-over-year % change



Source: Numera/PPPC

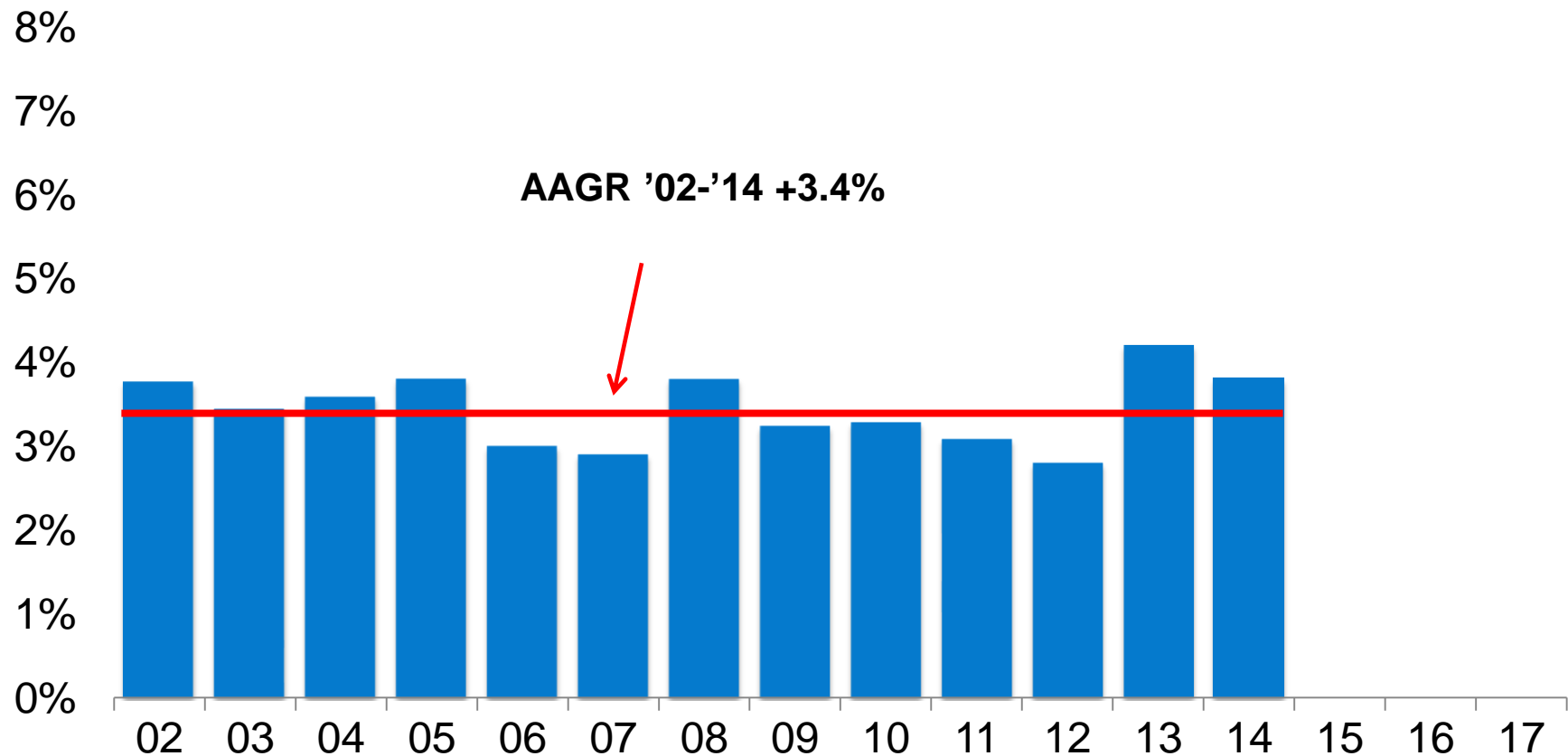
85% of growth in emerging markets



Source: Numera/PPPC

Global capacity above trend in 2014

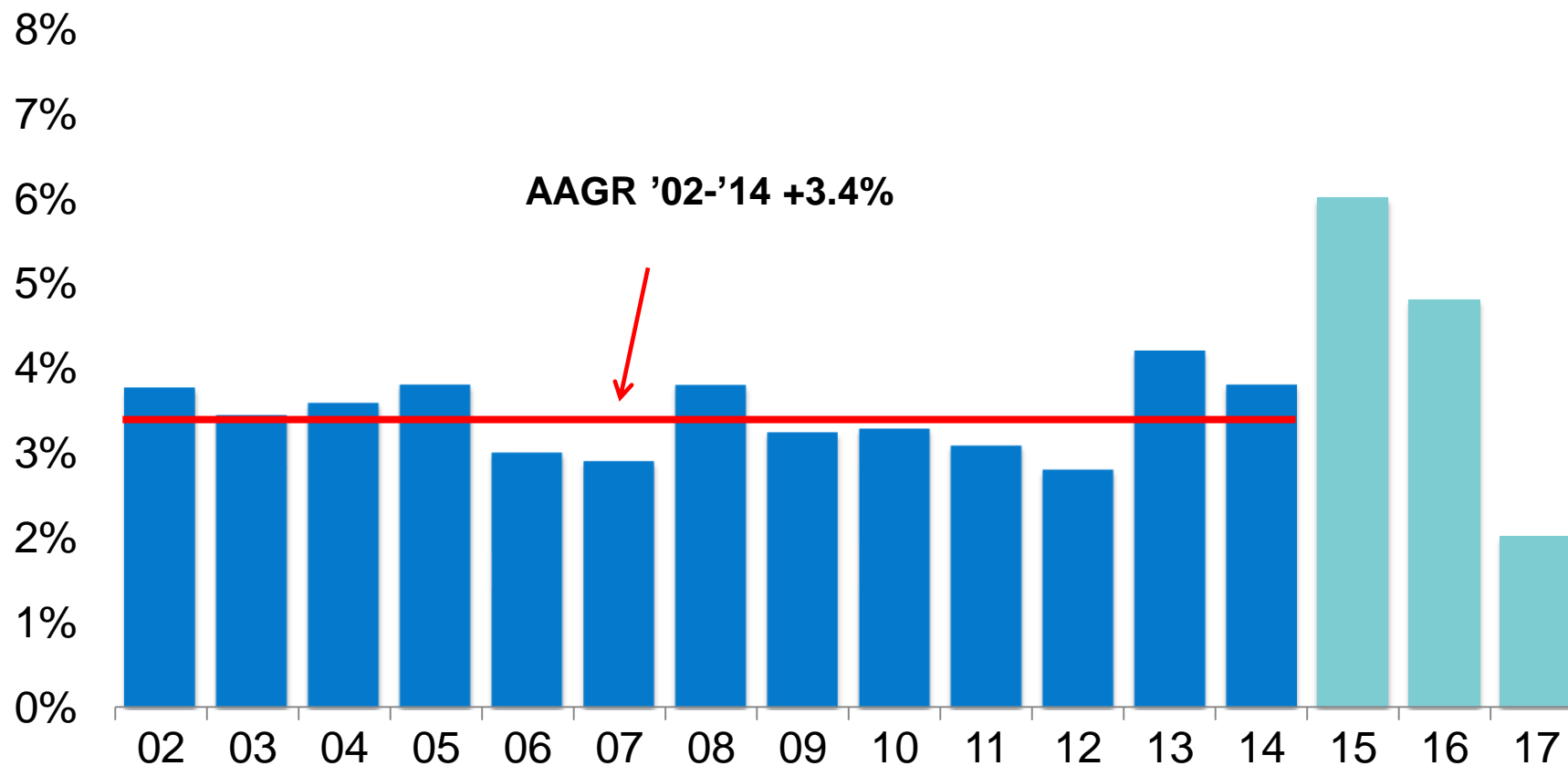
World Tissue Capacity
year-over-year % change



Source: Numera/PPPC

Growth significantly above trend in 2015-16

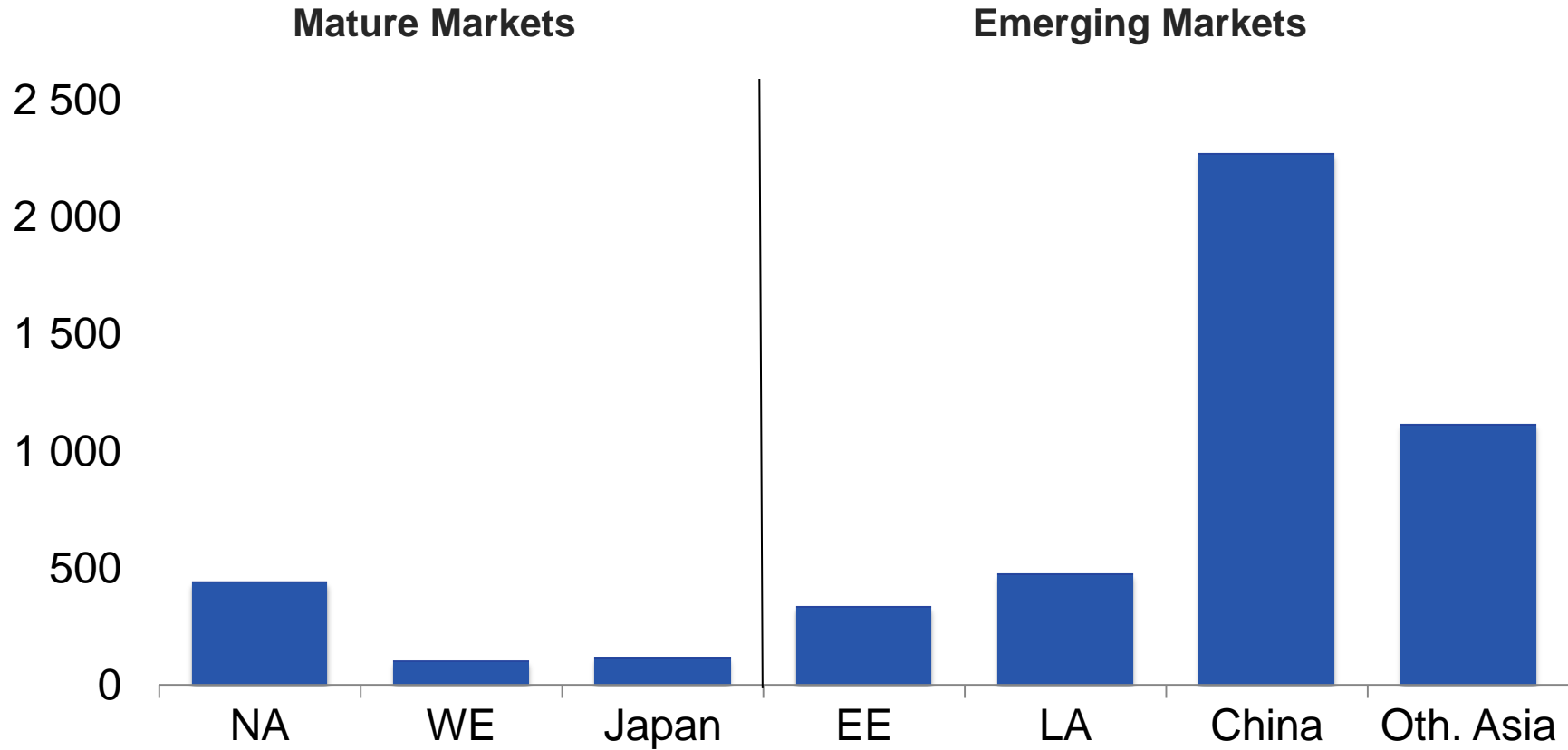
World Tissue Capacity
year-over-year % change



Source: Numera/PPPC

5M tonnes to be added in just 3 years

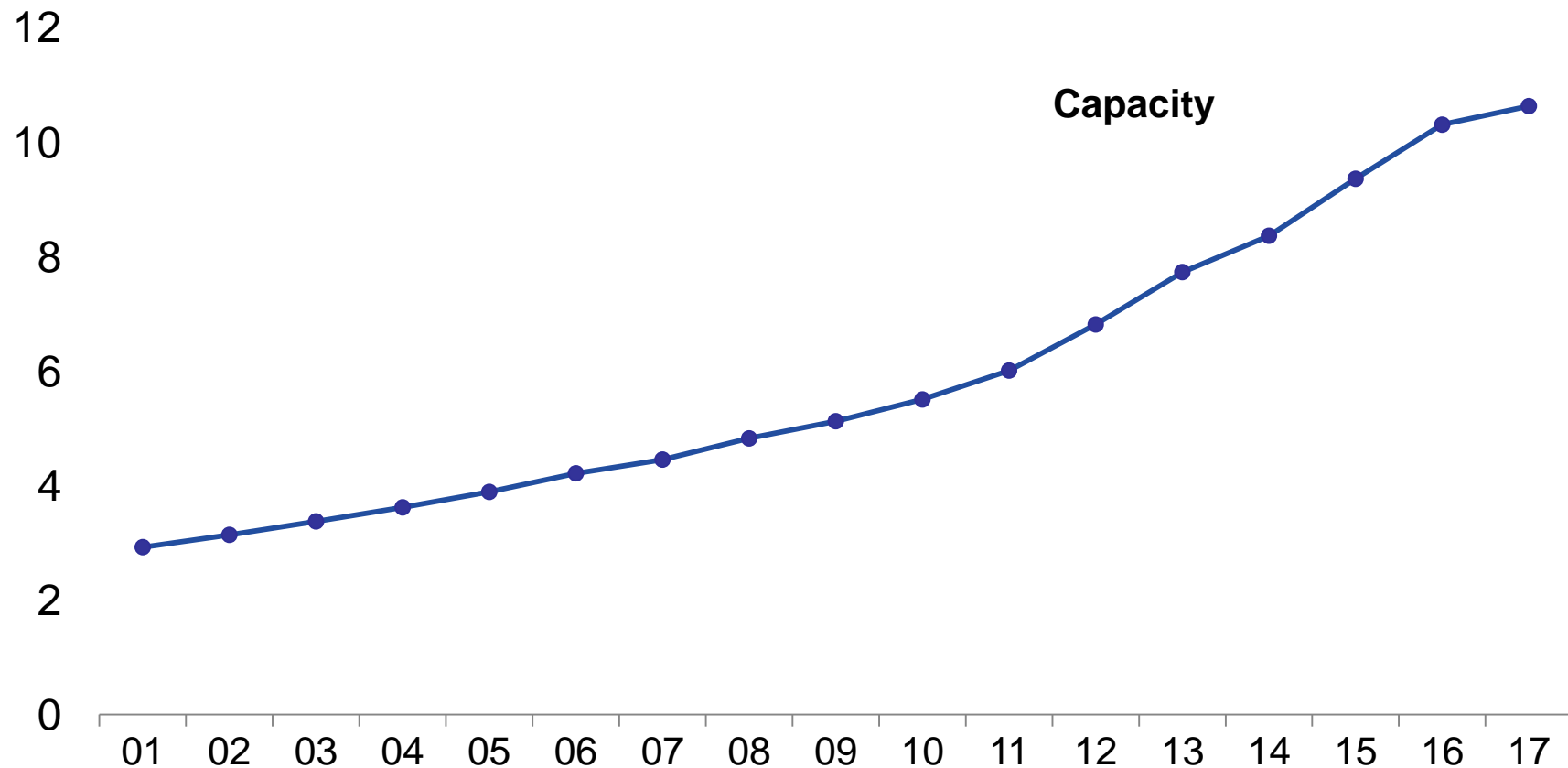
World Tissue Capacity by Region
change in 000s of tonnes and % AAGR 2014-2017



Source: Numera/PPPC

Capacity growth in China continues

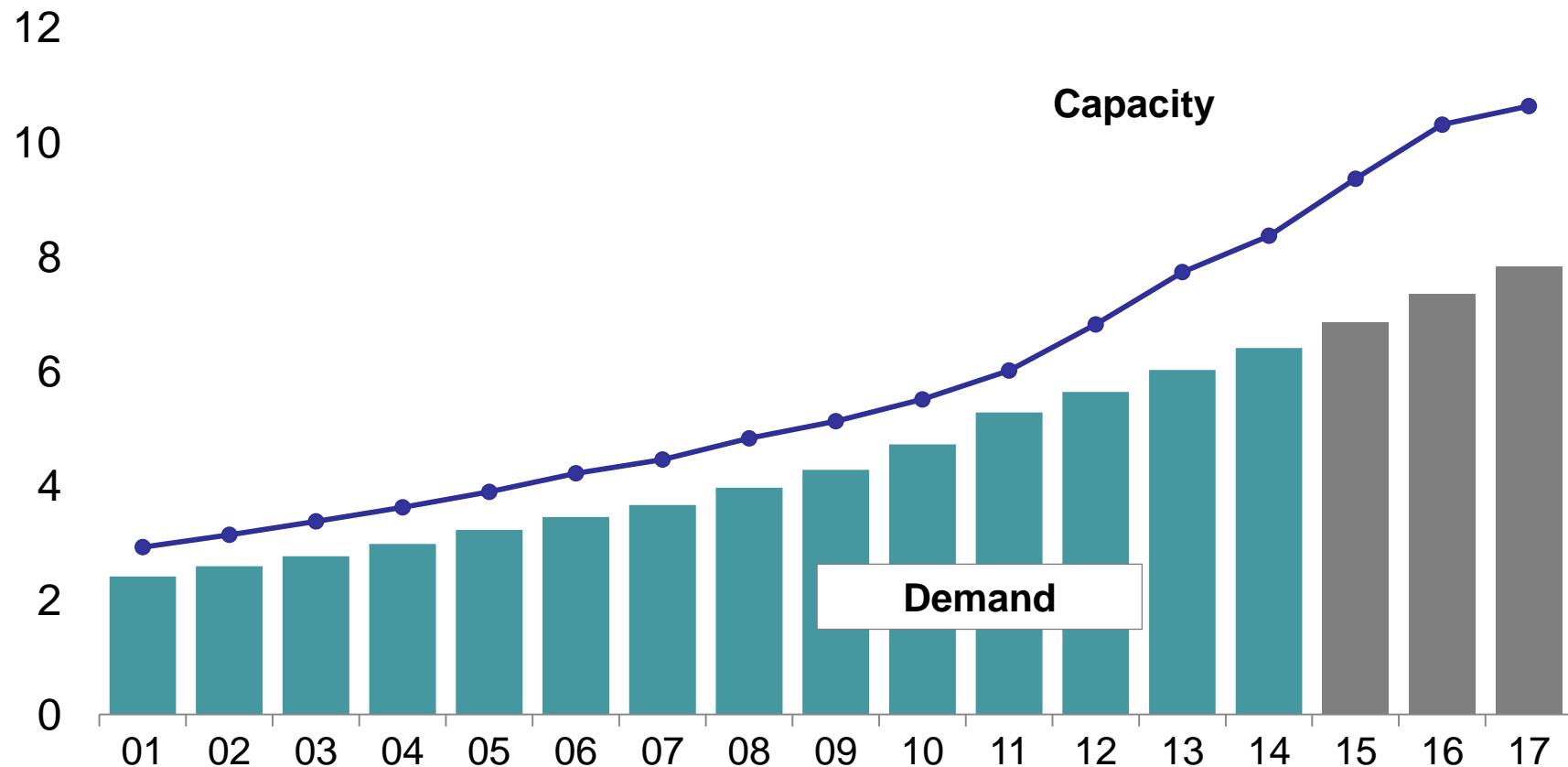
Tissue Capacity in China
in millions of tonnes



Source: Numera/PPPC

Leading to a large surplus by 2016...

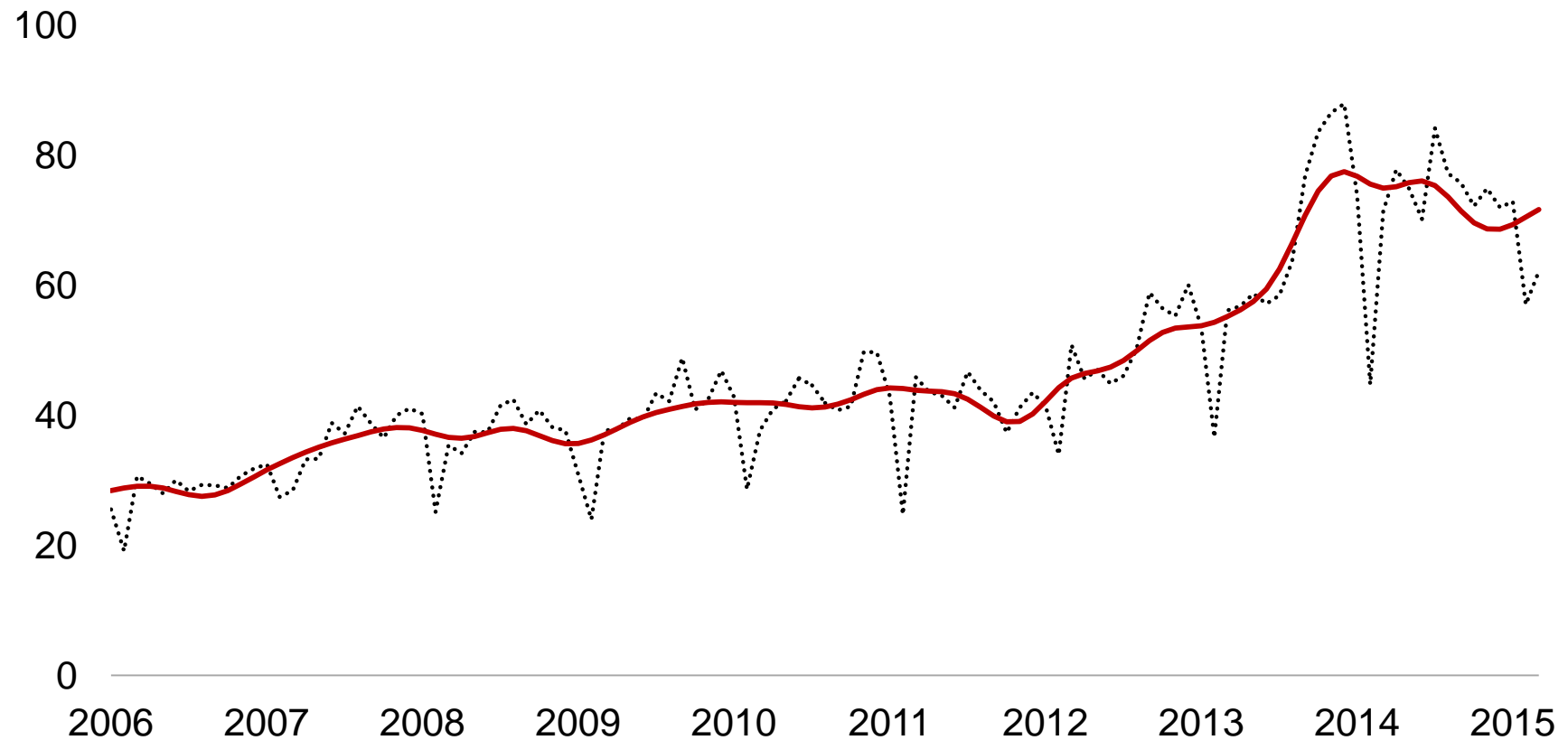
Tissue Capacity and Demand in China
in millions of tonnes



Source: Numera/PPPC

...with exports moving sideways since Q4/2013

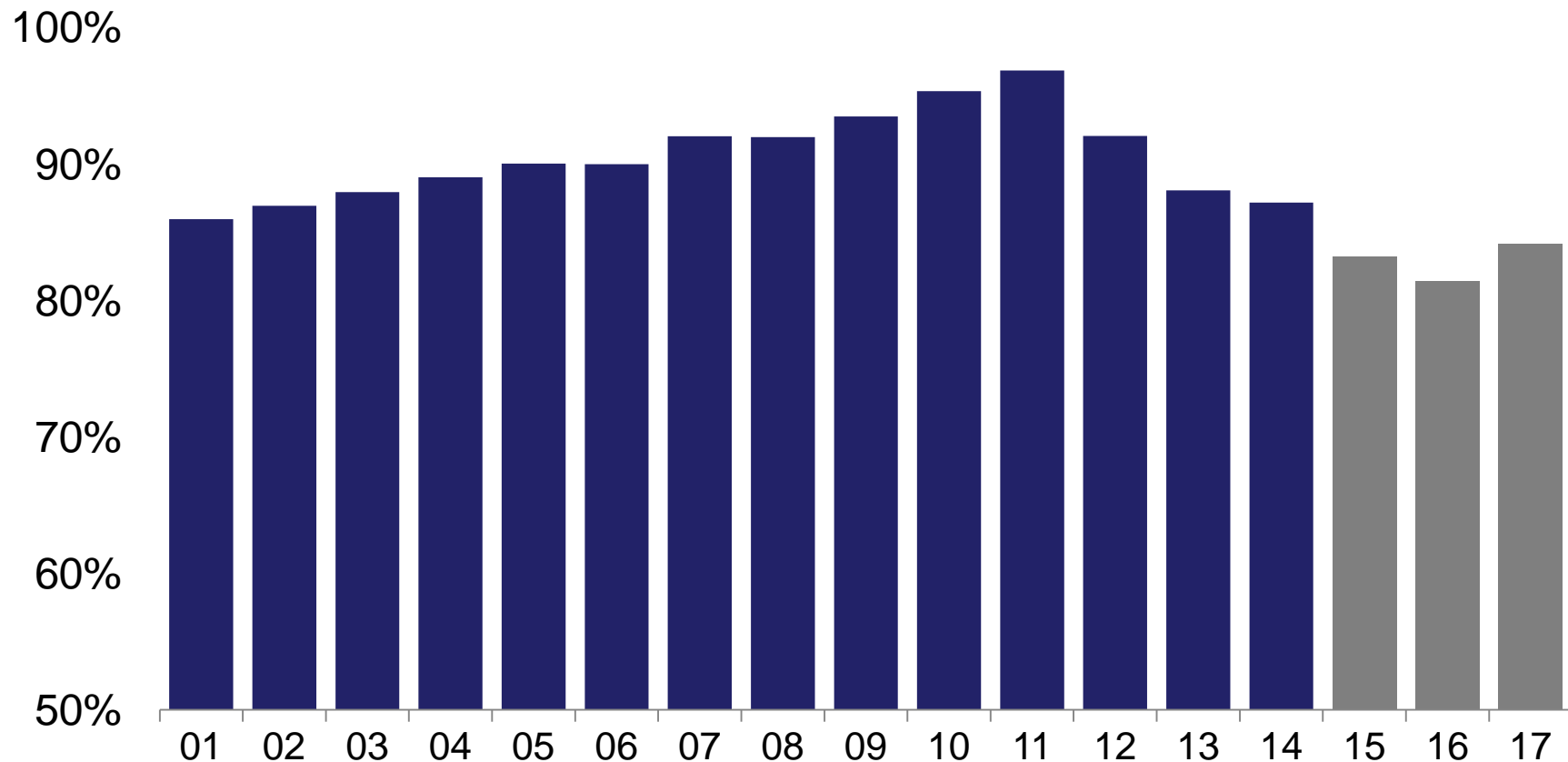
Chinese Exports of Tissue Paper & Converted Products
in 000s of tonnes



Source: China Customs, Numera/PPPC

Operating rates to decline in 2015-16

Tissue Shipment-to-Capacity Ratio in China
in percent



Source: Numera/PPPC



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