



Fonds de Solidarité FTQ Backs Les Chantiers de Chibougamau Itée Construction of World's Largest Cross-Laminated Timber Plant

*A testament to the Fonds ongoing engagement in
the wood and pulp and paper industries*

Montréal, June 8, 2011 - The Fonds de solidarité FTQ ("Fonds") today announced a recent investment of \$5 million in Les Chantiers de Chibougamau Itée ("Chantiers Chibougamau"), a manufacturer of custom-engineered wood products. The investment, which took the form of a "competitiveness loan," was used to finance the capital assets of a new plant that will manufacture cross-laminated timber (CLT) panels. Commissioned in April, the plant is the largest of its kind in the world, resulting in the creation of 30 new jobs, bringing the total number of employees to approximately 600.

"Chantiers Chibougamau is a family business that for the last 50 years has been setting itself apart and commanding a choice position in its industry due to its innovative capacity while at the same time focusing on sustainable development," said Gaétan Morin, Executive Vice-President, Investments, at the Fonds de solidarité FTQ. "By building the largest CLT plant in the world, the company will boost its production capacity to the equivalent of 50% of all the facilities in Europe and in so doing consolidate Québec's leadership in the wood processing and allied products industry."

"Given the Fonds' values, flexibility and understanding of our line of business, we're confident that we picked the right partner to accompany us in our future growth projects," added Frédéric Verreault, spokesperson and Director of Corporate Affairs and Communications at Chantiers Chibougamau. "This first investment by the Fonds will allow us to break into a North American market with tremendous potential and remain ahead of the curve in the competitive construction lumber industry."

Founded in 1961 by the Fillion family, Chantiers Chibougamau is strategically positioned in Québec's wood industry and was the first private company harvesting the boreal forest to obtain certification from the Forest Stewardship Council. In 2000, the company set up the Nordic Engineered Wood Division to market engineered wood. It also continued its vertical integration by specializing in the development of architecturally exposed structures for the non-residential construction market. Among the company's achievements – one as spectacular as the next – is the Collège Marie-Victorin sports centre in Montréal, which won the Cecobois 2011 award of excellence in the structural concept category, the Barouf restaurant-bar on St-Denis Street in Montréal, ExelTech's airplane hangars at Pierre-Élliott-Trudeau International Airport, the FTQ building in Abitibi and the CSN Fondation building in Québec City. The construction of the CLT plant is its latest innovation.

From forest harvesting to the final product, the company serves several North American and European markets, offering a range of diverse products, including notably lumber and engineered wood. The new CLT panels are derived from products already used by Chantier Chibougamau. Like traditional panels, they are stronger and more stable, making them good substitutes for the cement and steel used in the frames of multi-storey residential buildings. They are easy and quick to install, offer good structural and seismic performance and are much more environmentally friendly, explaining their popularity in Europe.

The Fonds ongoing engagement in the wood and pulp and paper industries

Nearly \$250 million invested over the last five years

When the Fonds de solidarité FTQ was created back in 1984, the first investment it made was in the wood industry (Scierie des Outardes à Baie-Comeau). Although the Fonds went on to strategically diversify its investments across 25 sectors, it maintained an active presence in the wood and pulp and paper industries.

Over the last five years – a period marked by economic upheaval caused by, among other things, a sharp drop in housing starts south of the border – the Fonds has kept up the pace with nearly \$250 million of investments in companies that have managed to hold their own during the downturn. Today, the Fonds and its regional funds have 20 partners in the wood and pulp and paper industries, including limited partnership Société de gestion d’actifs forestiers **Solifor**, created by the Fonds in 2007 and given a \$150 million budget to purchase and maintain forestland in Québec and to ensure its renewal and sustainable development. Solifor owns nearly 160,000 hectares of forest properties, many of which were acquired from Abitibi Bowater as part of that company’s financial restructuring.

Another partner company, **Scierie Dion & Fils** is a leading Québec hardwood sawmill that thanks to the \$10 million secured from the Fonds last November was able to enlarge its plant in Saint-Raymond de Portneuf and acquire new cutting-edge equipment for a new sawing line for smaller pieces of wood.

More recently, the Fonds announced a \$2 million investment in **Groupe Crête division Saint-Faustin**, a family-owned business in Saint-Séverin (Mauricie), that was used to reopen the former Forget sawmill acquired by Groupe Crête, bringing back some 250 direct and indirect jobs.

A long-standing Fonds partner, **Stella-Jones** has secured over \$75 million in financing over the years. Specializing in railway ties and wood poles for electrical utilities, Stella-Jones took over a U.S. competitor in April 2010, establishing the company as a leader in the North American railway ties market.

In pulp and paper, the Fonds de solidarité FTQ played a role in the reopening of the Thurso pulp mill in May 2010 by investing \$15 million in **Fortress Paper**, resulting in the recall of nearly 300 workers. **Emballages Cré-O-Pack International** is another company in this industry that secured a loan from the Fonds régional Laval for its growth projects.

About the Fonds de solidarité FTQ

The Fonds de solidarité FTQ helps drive our economy. With net assets of \$7.7 billion as at November 30, 2010, the Fund is a development capital investment fund that channels the savings of Quebecers into investments in all sectors of the economy to help further Québec's economic growth. The Fund is a partner, either directly or through its network members, in 2,052 companies. With its 577,511 owner-shareholders, it has helped, on its own or with other financial partners, to create, maintain and protect 150,133 jobs. For more information, visit www.fondsftq.com.

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