

M E R C E R

I N T E R N A T I O N A L G R O U P



PWC Global Forest and Paper Industry Conference

May 2007

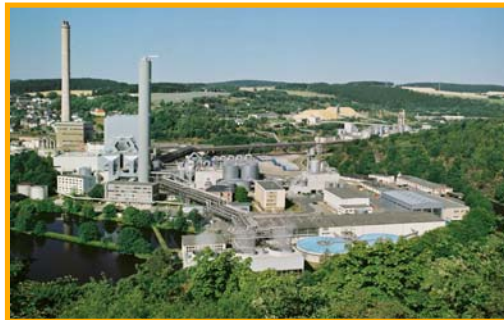
Forward Looking Statements

The Private Securities Litigation Reform Act of 1995 provides a “safe harbor” for forward-looking statements. Certain information included in this presentation contains statements that are forward-looking, such as statements relating to results of operations and financial conditions and business development activities, as well as capital spending and financing sources. Such forward-looking information involves important risks and uncertainties that could significantly affect anticipated results in the future and, accordingly, such results may differ materially from those expressed in any forward-looking statements made by or on behalf of Mercer. For more information regarding these risks and uncertainties, review Mercer’s filings with the Securities and Exchange Commission.

Company Overview

- Our focus is NBSK⁽¹⁾ Market Pulp
- Operate 3 modern world-class NBSK production facilities
- Target profitability in all market conditions
- Revenue growth of over 230% in the last few years

Rosenthal
(Germany)



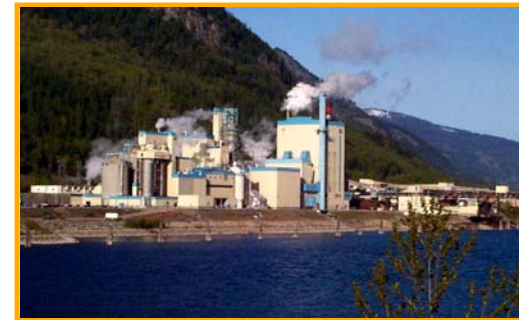
310,000 ADMT

Stendal
(Germany)



600,000 ADMT

Celgar
(BC, Canada)



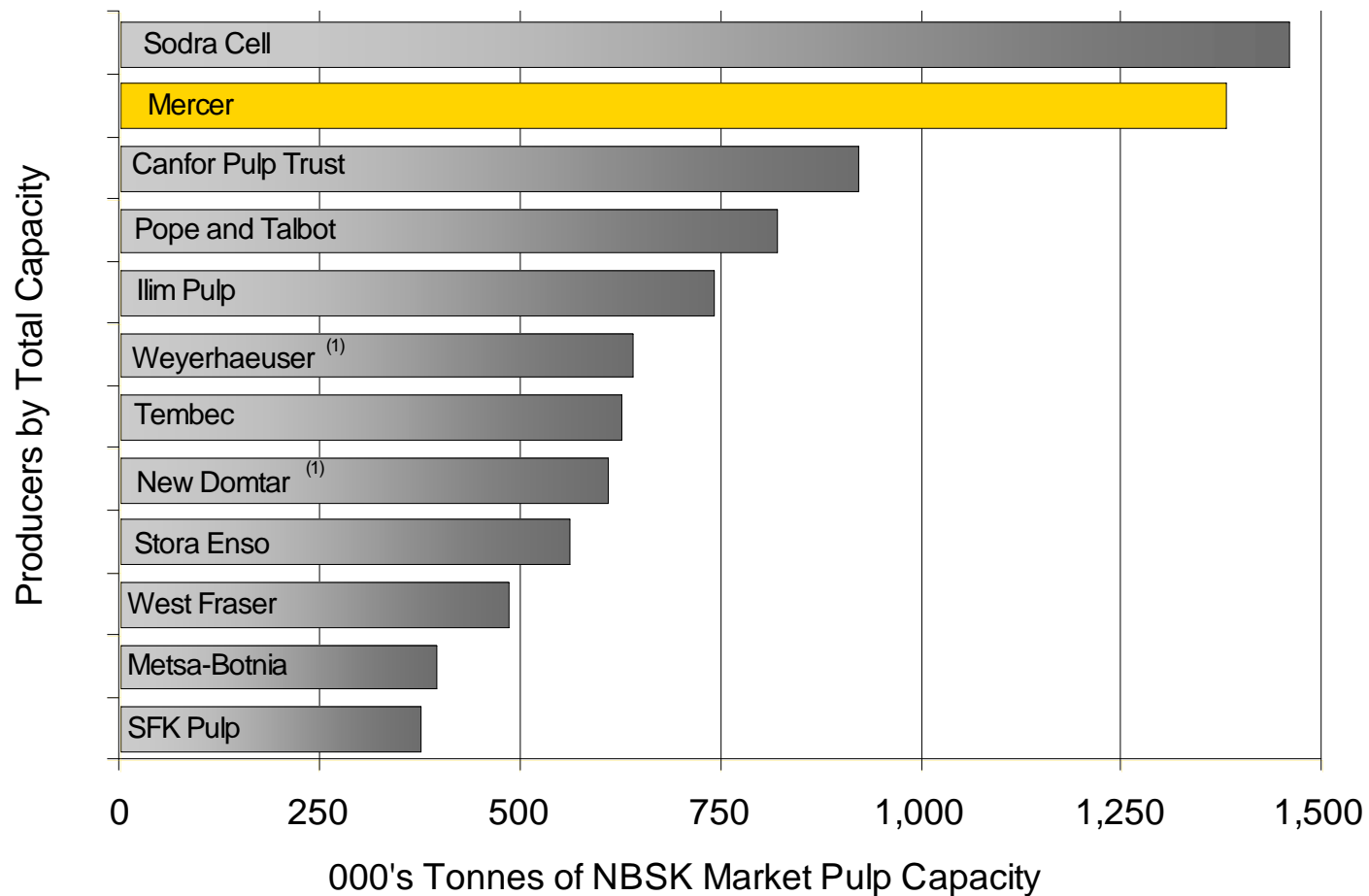
470,000 ADMT

⁽¹⁾ NBSK = northern bleached softwood kraft.

⁽²⁾ ADMT = air dried metric tonnes.

NBSK Market Pulp Capacity By Producer

- Mercer is the largest publicly traded NBSK market pulp producer in the world

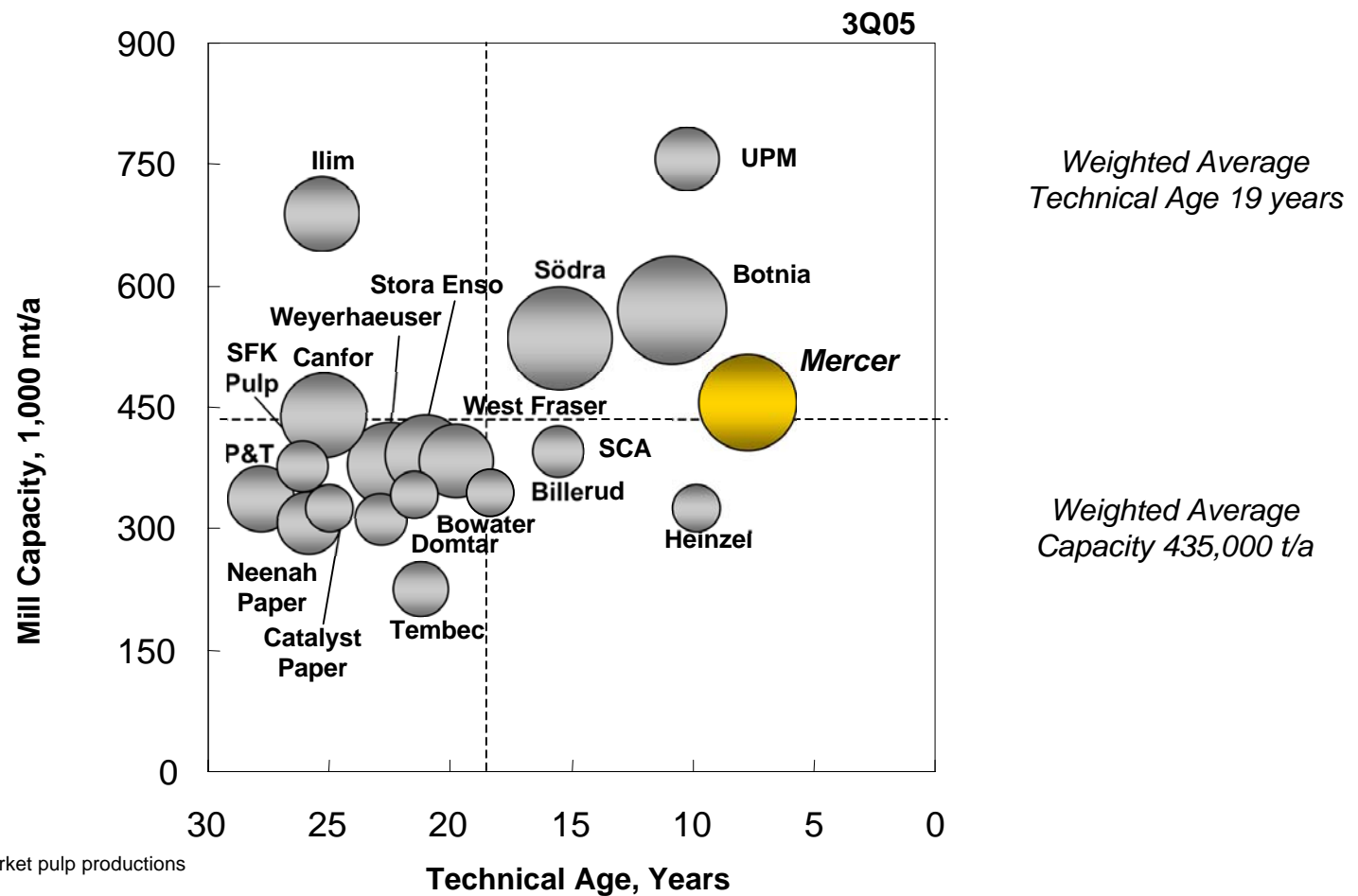


⁽¹⁾ Adjusted for the merger of Weyerhaeuser's fine paper business with Domtar, excluding idled mills in Prince Albert, SK and Lebel-sur-Quevillon, Que.

World Class Assets

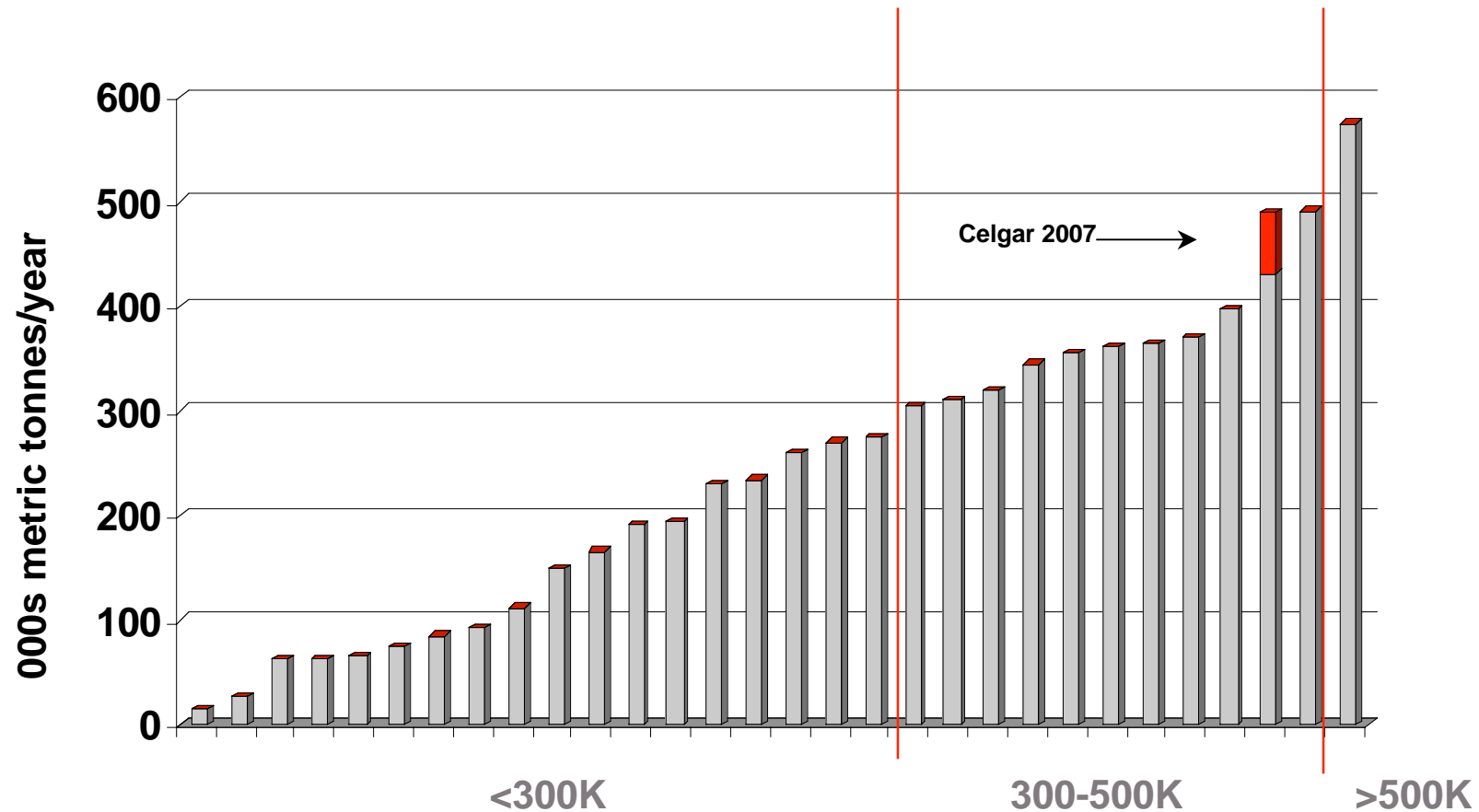
Mercer versus other top 20 NBSK producers (includes integrated capacity)

- Large, modern facilities – low capital requirements, high runability
- State-of-the-art environmental compliance
- Energy – net producers



Canadian NBSK Mill Size by Capacity

- Most Canadian mills are small by world class standards
- Many of the larger Canadian mills have multiple lines making them higher cost as they are essentially two mills on one site



NBSK Future in Canada

- Demand continues to grow for NBSK
- NBSK Capacity in Canada will continue to close
- Most Canadian NBSK mills are smaller, older and have higher operating costs than their global competitors
- Certain mills in Canada, like our Celgar mill, are relatively new, large and efficient, well positioned going forward
- Many mills have to make major capital investment decisions in the near future
- BC government and the Pulp and Paper Industry formed a joint task force aimed at the renewal of this industry
- The Joint Task Force will provide short and long term policy recommendations to government designed to improve conditions for capital reinvestment