

Neenah Paper Inc
Form S-4
May 24, 2005

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As filed with the Securities and Exchange Commission on May 23, 2005

Registration No. 333-

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

NEENAH PAPER, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

2621
(Primary Standard Industrial
Classification Code Number)

20-1308307
(I.R.S. Employer
Identification Number)

**Preston Ridge III
3460 Preston Ridge Road
Suite 600
Alpharetta, Georgia 30005
(678) 566-6500**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

**Steven S. Heinrichs, Esq.
Vice President, General Counsel and Secretary
Neenah Paper, Inc.
Preston Ridge III
3460 Preston Ridge Road
Suite 600
Alpharetta, Georgia 30005
(678) 566-6500**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copy to:
**William L. Floyd, Esq.
McKenna Long & Aldridge LLP
303 Peachtree Street, Suite 5300
Atlanta, Georgia 30308**

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this registration statement.

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If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

CALCULATION OF REGISTRATION FEE

Title of each class of Securities to be registered	Amount to be registered	Proposed maximum offering price per unit	Proposed maximum aggregate offering price(1)	Amount of registration fee
7 ³ / ₈ % senior notes due 2014	\$225,000,000	100%	\$225,000,000	\$26,483
Guarantees of 7 ³ / ₈ % senior notes due 2014	\$225,000,000	(2)	(2)	(2)

(1) Estimated solely for purposes of calculating the registration fee in accordance with Rule 457(f) promulgated under the Securities Act, as amended.

(2) No separate filing fee is required pursuant to Rule 457(n) of the Securities Act.

The Registrants hereby amend this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrants shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

TABLE OF ADDITIONAL REGISTRANTS

Name	State or Other Jurisdiction of Incorporation or Organization	Primary Standard Industrial Classification Code Number	IRS Employer Identification Number
Neenah Paper Sales, Inc.	Delaware	2621	20-1349983
Neenah Paper Michigan, Inc.	Delaware	2621	45-0485480
Neenah Paper Company of Canada	Nova Scotia	2621	98-0434800

The address of the principal executive offices of all the registrants is Preston Ridge III, 3460 Preston Ridge Road, Suite 600, Alpharetta, Georgia 30005 and the telephone number is (678) 566-6500.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion, Dated May 23, 2005

PROSPECTUS

**NEENAH PAPER, INC.
Offer to Exchange up to \$225,000,000 of its
7³/₈% Senior Notes due 2014,
which have been registered under the Securities Act of 1933,
for any and all of its outstanding
7³/₈% Senior Notes due 2014**

The Exchange Offer will expire at 5:00 p.m., New York City time, on , 2005, unless extended.

We will exchange all initial senior notes that are validly tendered and not validly withdrawn prior to the expiration of the exchange offer for an equal principal amount of exchange senior notes that are freely tradable.

You may withdraw tendered initial senior notes at any time prior to 5:00 p.m., New York City time, on the expiration date of the exchange offer. We do not currently intend to extend the expiration date.

We believe that the exchange of initial senior notes for exchange senior notes will not be a taxable exchange for United States federal income tax purposes, but you should see the section entitled "Material United States Income Tax Considerations" on page 141 for more information.

The terms of the exchange senior notes are substantially identical to the terms of the initial senior notes, except that the exchange senior notes are registered under the Securities Act of 1933, as amended, and the transfer restrictions and registration rights relating to the initial senior notes do not apply to the exchange senior notes.

We will not receive any proceeds from the exchange offer.

The exchange senior notes are being offered in order to satisfy specified obligations under the registration rights agreement entered into in connection with the placement of the initial senior notes.

There is no existing market for the exchange senior notes to be issued, and we do not intend to apply for their listing on any securities exchange or to arrange for them to be quoted on any quotation system.

Each broker-dealer that receives exchange securities for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such exchange securities. The letters of transmittal state that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange senior notes received in exchange for initial senior notes where such initial senior notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. For a period of 90 days after the expiration date of the exchange offer, we will make this prospectus available to any broker-dealer for use in connection with any such resale. See "Plan of Distribution."

Consider carefully the "Risk Factors" beginning on page 14 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

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The date of this prospectus is , 2005.

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You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with different information. We are not making an offer of these securities in any state where the offer is not permitted. You should not assume that the information contained in this prospectus is accurate as of any date other than the date on the front of this prospectus.

SUMMARY

This summary highlights key information contained elsewhere in this prospectus. This summary is not complete and does not contain all of the information that may be important to you. You should read this entire prospectus before making a decision to participate in the offer. Neenah Paper, Inc. was incorporated in April 2004 in contemplation of the spin-off by Kimberly-Clark Corporation of its Canadian pulp business and its fine paper and technical paper businesses in the United States. The distribution of our common stock to all of the stockholders of Kimberly-Clark (the "Spin-Off") occurred on November 30, 2004. References to "Neenah Paper," "we," "our" and "us" mean Neenah Paper, Inc., a Delaware corporation, and its subsidiaries after giving effect to the Spin-Off. References in this prospectus to "Kimberly-Clark" mean Kimberly-Clark Corporation, a Delaware corporation, and its subsidiaries, other than Neenah Paper, unless the context otherwise requires.

We describe in this prospectus our businesses as if it were our businesses for all historical periods described. However, we are a newly formed entity that had not conducted any operations prior to the Spin-Off. References in this prospectus to our historical assets, liabilities, products, businesses or to the activities of our businesses are generally intended to refer to the historical assets, liabilities, products, businesses or activities of the transferred businesses as the businesses were conducted as part of Kimberly-Clark prior to the Spin-Off and as it has been conducted by us since November 30, 2004. Our historical financial results as part of Kimberly-Clark contained herein do not reflect our future results as a separate, independent company or what our financial results would have been had we been a separate, independent company during the periods presented.

The term "initial senior notes" refers to the 7³/₈% senior notes due 2014, and the term "exchange senior notes" refers to the 7³/₈% senior notes due 2014, registered under the Securities Act of 1933, as amended. The terms "note" or "notes" refer to both the initial senior notes and the exchange senior notes to be issued in this exchange offer.

Our Company

We are a leading North American producer of premium fine papers and technical papers. We also produce bleached kraft market pulp in Canada, where we own approximately one million acres of timberlands and have non-exclusive rights to harvest wood off approximately 4.8 million acres of other timberlands. We have three primary operations: our fine paper business, our technical paper business and our pulp business.

Our fine paper business is a leading producer of premium writing, text, cover and specialty papers used in corporate annual reports, corporate identity packages, invitations, personal stationery and high-end packaging. Our products include some of the most recognized and preferred papers in North America, where we enjoy leading market positions in many of our product categories. We sell our products primarily to authorized paper distributors, converters and specialty businesses, with sales to distributors and distributor-owned paper stores accounting for approximately 85% of our sales. We believe that our fine paper manufacturing facilities located in Neenah and Whiting, Wisconsin are among the most efficient in their markets and make us one of the lowest cost producers.

Our technical paper business is a leading producer of durable, saturated and coated base papers for a variety of end uses. We sell our technical paper globally into 15 product categories, and we focus on nine categories where we believe we are a market leader, which include, among others, the tape, label, abrasive, medical packaging and heat transfer technical paper markets. We are also a global supplier of materials used to create customer-specific components for furniture, book covers and original equipment manufacturers' products. Our customers are located in 39 countries and include 3M Company, Perfecseal, Avery Dennison Corporation and Saint-Gobain Group. Our technical paper manufacturing facility is located in Munising, Michigan.

Our pulp business consists of two mills located in Pictou, Nova Scotia and Terrace Bay, Ontario, together with related timberlands. The Pictou mill is comprised of a single-line pulp facility, which produces primarily softwood pulp, as well as timberlands encompassing approximately one million acres of owned and 200,000 acres of licensed or managed land in Nova Scotia. In 2004, the Pictou mill produced approximately 260,000 metric tons of bleached kraft pulp. The Terrace Bay mill is comprised of two single-line pulp facilities, which produces both softwood and hardwood pulp, and a timberlands operation. Terrace Bay holds non-exclusive rights under a sustainable forest license to harvest wood off approximately 4.6 million acres of land owned by the Province of Ontario. In 2004, the Terrace Bay mill produced approximately 450,000 metric tons of pulp. As described in "Recent Events" below, on May 1, 2005, we closed one of the two single-line pulp facilities at Terrace Bay.

Our Strengths

Strong Market Position. Our fine paper business shares a leading position in most of its product categories, and our technical paper business is a market leader in nine categories of durable, saturated and coated base papers. These established leading market positions offer us competitive advantages with margin-enhancing economies of scale, broad product offerings, advanced customization capabilities through advanced research and development and superior client support services.

Efficient Paper Operations. We believe our fine paper business utilizes assets that are significantly newer and more efficient than our competitors, making us one of the lowest cost producers in the fine paper category. We also believe that our technical paper business operates efficient and competitive production facilities. As a result of these efficiencies, we have and believe we can maintain strong market positions in our core paper markets.

High Quality Products. We have a strong reputation for producing high quality fine and technical paper products. Our fine paper business markets some of the most recognized and preferred papers in North America, and we believe our technical paper business is well recognized for using its process and technical capabilities to develop unique product solutions to meet the specific needs of our global customers. Because of our reputation, we believe that we are and will continue to be a supplier of choice in many of our fine and technical paper markets. Our pulps have been used as a key raw material in Kimberly-Clark's successful tissue products for many years.

Pulp Supply Agreement with Kimberly-Clark. In connection with the Spin-Off, we entered into a long-term pulp supply agreement with Kimberly-Clark. We believe that this agreement provides us with a level of stability in our pulp sales considering the volumes and pricing in the pulp supply agreement and the creditworthiness of Kimberly-Clark, and it also allows us to operate our pulp mills at high capacity utilization rates. These benefits enable us to focus on cost reductions in our pulp business.

Extensive Timberland Holdings. We own approximately one million acres of timberlands in Nova Scotia, and we have rights to harvest wood off approximately 4.8 million acres of timberlands in Nova Scotia and Ontario. We believe that these holdings provide us with increased operating and financial flexibility.

Experienced Management and Operating Team. We have a highly experienced management and operating team. Our chief executive officer, Sean T. Erwin, and our chief financial officer, Bonnie C. Lind, have over 26 and 22 years of experience, respectively, in the paper, pulp and consumer products industries. William K. O'Connor, our head of sales and marketing, has over 23 years of experience in these same industries. Our general counsel and secretary, Steven S. Heinrichs, is an experienced public company legal executive. Our head of operations, James R. Piedmonte, has over 25 years of experience in managing manufacturing operations, and the paper and pulp mill general managers have an average of 25 years of experience in their respective business lines. In addition, other members of our senior management team have significant, long-term experience in the paper and pulp industry.

Our Strategy

Sustain and Improve Paper Competitive Position. We intend to sustain and improve our fine and technical paper competitive positions. Our experienced team of employees and management will pursue business strategies designed to take advantage of our existing strengths including our strong market positions, efficient paper operations, high quality products and well recognized brands while responding to the challenges faced by each of our business units. In addition to maintaining our focus on efficiency and market position, we plan to seek out organic growth opportunities while we continue to strengthen our current business and cost positions.

Leverage Our Low Cost Production Facilities. We believe that our fine and technical paper production assets provide us with a flexible, efficient and low cost platform for growth. As a result of the recent improvements in the global economy, we have experienced increased orders and operating schedules for base paper at our paper mills. More specifically, to support our growth, we are developing the process capability to utilize available, low cost capacity within our fine paper operations to support the increased technical paper demand.

Reinvigorate Research and Development. In connection with the Spin-Off and our focus on core operations, we have commenced a strategy designed to reinvigorate our research and development capabilities. We have begun to further develop our human and technical resources in research and development. We believe this will ensure that we are the development partner of choice for our key customers and will allow us to take advantage of new technical paper product opportunities that we previously were unable to effectively support. This partnering approach has received the strong support of our key customers and is designed to position our business for growth.

Improve Pulp Mill Efficiency and Cost Structure. We have developed plans to improve our pulp mill efficiency and cost structure, and business teams are already actively engaged in these programs. To support this effort, we expect to allocate a major share of our planned capital investments during the next several years to improve the competitive position, technical capabilities and efficiency of our pulp operations. For example, we have developed plans to expand the low cost cogeneration of power at our Terrace Bay mill and other process efficiencies in our pulp operations. We also plan to continue to work jointly with the operating employees in the mills and in the Terrace Bay timberlands operation so that employee productivity and involvement remain or become a competitive strength of our company. Management and employee incentive programs are aligned with achieving improvements in our pulp business.

Transition to a Market Pulp Producer. We plan to transition from an internal supplier of pulp as a part of Kimberly-Clark to a market pulp producer. As part of this transition, we have begun to develop our external pulp sales function, and we plan to make appropriate improvements in bale quality, customer support and technical support to enhance our ability to establish a broader pulp market customer base. We believe that our pulp supply agreement with Kimberly-Clark will provide us with a level of stability that will facilitate a successful transition.

Improve Business Focus. We believe our corporate focus on our core paper and pulp operations will allow us to improve our cost structure and supply chain management. In addition, we believe that our strategies as a stand-alone business following the Spin-Off will allow us to better allocate capital and research and development spending on our core businesses. As operating units within Kimberly-Clark, our facilities were managed and operated as parts of larger Kimberly-Clark business segments. We will combine our operating facilities into a single product supply organization, reporting directly to our chief executive officer. We expect to achieve performance improvements through the establishment of common best practices, shared services, strategic capital investments, stretch targets and key performance indicators for cost savings, efficiency gains and process improvements. We intend to centrally manage our capital resources across our businesses by allocating funds based on business

priority and financial returns. We plan to achieve improvements in both our supply chain efficiencies and management of working capital through the integration of these efforts within our company.

Recent Events

On May 1, 2005, we closed the smaller of our two single-line pulp mills at the Terrace Bay facility (the "No. 1 Mill"). The No. 1 Mill was originally constructed in 1948 and had annual capacity of approximately 125,000 tons of bleached kraft pulp. In conjunction with the closure, we offered early retirement and severance packages to approximately 140 employees. The closing was authorized by our Chief Executive Officer on February 28, 2005, pursuant to a resolution of the Board of Directors.

We expect to incur approximately \$5.6 million of exit costs in connection with the closure, including one-time termination benefits related to early retirement, severance and defined benefit pension plans of approximately \$5.2 million and other associated exit costs of \$0.4 million. We recorded approximately \$3.5 million for termination benefits related to the closure in the three months ended March 31, 2005. In addition, we expect to incur approximately \$1.0 million of general expenses related to training of employees.

Also, in March 2005, we recorded a pre-tax, non-cash asset impairment loss of approximately \$0.8 million related to the remaining value of the long-lived assets of the No. 1 Mill. Costs associated with the closure, excluding expenses related to employee training, are recorded in Restructuring Costs and Asset Impairment Loss on the condensed consolidated and combined statements of operations included elsewhere in this prospectus.

As a result of closing the No. 1 Mill, we notified Kimberly-Clark of our intention to terminate a part of our commitment to supply and their requirement to purchase northern bleached hardwood kraft pulp pursuant to the terms of the pulp supply agreement. Under the pulp supply agreement, we were obligated to provide 40,000, 30,000, 20,000 and 10,000 tons of northern bleached hardwood kraft pulp produced at the Terrace Bay mill annually in 2005, 2006, 2007 and 2008, respectively. Our commitment to supply and Kimberly-Clark's requirement to purchase northern bleached hardwood kraft pulp pursuant to the terms of the pulp supply agreement from the Pictou mill (in annual quantities which are identical to those shown above) are unchanged.

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Corporate Information

We were incorporated in Delaware in April 2004. Our principal executive offices are located at Preston Ridge III, 3460 Preston Ridge Road, Suite 600, Alpharetta, Georgia 30005, and our telephone number is (678) 566-6500.

Summary of the Exchange Offer

On November 30, 2004, we completed the private offering of \$225,000,000 aggregate principal amount of 7³/₈% senior notes due 2014 in a transaction exempt from the registration requirements of the Securities Act. Simultaneously with that transaction, we entered into a registration rights agreement with the initial purchasers of the initial senior notes in which we agreed to deliver this prospectus to you and to complete an exchange offer for the initial senior notes. Below is a summary of the exchange offer.

Terms of the Offer

We are offering to exchange an aggregate of \$225,000,000 of exchange senior notes for a like principal amount of initial senior notes. The terms of the exchange senior notes are substantially identical to the terms of the initial senior notes, except that the transfer restrictions, registration rights and additional interest provisions relating to the initial senior notes will not apply to the exchange senior notes. In order to be exchanged, an initial senior note must be properly tendered and accepted. All initial senior notes that are validly tendered and not withdrawn will be exchanged. We will issue exchange senior notes promptly after the expiration of the exchange offer.

Expiration Date

The exchange offer expires at 5:00 p.m., New York City time, on _____, 2005, unless we extend the offer. We do not currently intend to extend the expiration date.

Procedures For Tendering

If you wish to accept the exchange offer and tender initial senior notes, you must complete and sign a letter of transmittal in accordance with the instructions contained in it and forward it by mail, facsimile or hand delivery, together with any other documents required by the letter of transmittal, to the exchange agent, either with the initial senior notes to be tendered or in compliance with the specified procedures for guaranteed delivery of initial senior notes or, if you hold initial senior notes through The Depository Trust Company ("DTC"), in compliance with the Automated Tender Offer Program procedures of DTC. See "The Exchange Offer Procedures for Tendering." Certain brokers, dealers, commercial banks, trust companies and other nominees may also effect tenders by book-entry transfer. Letters of transmittal and certificates representing initial senior notes should not be sent to us. Such documents should only be sent to the exchange agent. Questions regarding how to tender and requests for information should be directed to the exchange agent. See "The Exchange Offer Exchange Agent."

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By signing, or agreeing to be bound by the letter of transmittal, you will represent to us, among other things:

Any exchange senior notes that you receive will be acquired in the ordinary course of your business;

You have no intent to participate in an arrangement or understanding with any person or entity to participate in a distribution of the initial senior notes or the exchange senior notes;

If you are a broker-dealer that will receive exchange senior notes for your own account in exchange for initial senior notes that were acquired as a result of marketmaking activities or other trading activities, you will deliver a prospectus, as required by law, in connection with any resale of the exchange senior notes; and

You are not an "affiliate," as defined in Rule 405 of the Securities Act, of ours or, if you are an affiliate of ours, you will comply with any applicable registration and prospectus delivery requirements of the Securities Act.

See "The Exchange Offer Procedures for Tendering."

Special Procedures for Beneficial Owners

If you are a beneficial owner of initial senior notes that are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, and you wish to tender the initial senior notes in the exchange offer, you should contact that registered holder promptly and instruct that registered holder to tender on your behalf. If you wish to tender on your own behalf, you must, prior to completing and executing the letter of transmittal and delivering your initial senior notes, either make appropriate arrangements to register ownership of the initial senior notes in your name or obtain a properly completed bond power from the registered holder. The transfer of registered ownership may take considerable time and may not be able to be completed prior to the expiration date. See "The Exchange Offer Procedures for Tendering."

Effect on Holders of Initial Senior Notes

As a result of the making of, and upon acceptance for exchange of all validly tendered initial senior notes pursuant to the terms of the exchange offer, we will have fulfilled a covenant contained in the registration rights agreement and, accordingly, there will be no increase in the interest rate on the initial senior notes under the circumstances described in the registration rights agreement. If you are a holder of initial senior notes and you do not tender your initial senior notes in the exchange offer, you will continue to hold the initial senior notes and you will be entitled to all the rights and limitations applicable to the initial senior notes in the indenture and the registration rights agreement, except for any rights under the indenture or registration rights agreement that by their terms terminate upon the consummation of the exchange offer. All untendered initial senior notes will continue to be subject to the restrictions on transfer provided for in the initial senior notes and in the indenture.

To the extent that initial senior notes are tendered and accepted in the exchange offer, the trading market for initial senior notes could be adversely affected.

*Acceptance of Initial Senior Notes for Exchange;
Issuance of Exchange Senior Notes*

The exchange offer is subject to customary conditions, which we may waive. See "The Exchange Offer Conditions to the Exchange Offer." Subject to such conditions, we will accept for exchange any and all initial senior notes which are properly tendered in the exchange offer before the expiration date. The exchange senior notes will be delivered promptly after the expiration date. Any initial senior notes not accepted for exchange for any reason will be returned to the tendering holder promptly after the expiration or termination of the exchange offer.

*Accrued Interest on Initial Senior
Notes*

Initial senior notes accepted for exchange will cease to accrue interest from and after the date of consummation of the exchange offer. Holders of initial senior notes whose initial senior notes are accepted for exchange will not receive any payment in respect of accrued interest on such initial senior notes; rather, that interest will be payable on the exchange senior notes delivered in exchange for the initial senior notes on the first interest payment date after the exchange date.

*Material United States Federal Income Tax
Consequences*

Your exchange of initial senior notes for exchange senior notes to be issued in the exchange offer will not be a taxable exchange for United States federal income tax purposes.

Accordingly, we believe that:

You will recognize no gain or loss or interest income upon the exchange of initial senior notes for exchange senior notes;

Your holding period for the exchange senior notes will include the holding period of the initial senior notes; and

Your adjusted tax basis of the exchange senior notes will be the same as your adjusted tax basis of the initial senior original notes you exchanged at the time of such exchange.

See "Material United States Federal Income Tax Considerations."

Withdrawal Rights

You may withdraw your tender of initial senior notes at any time prior to 5:00 p.m., New York City time, on the expiration date of the exchange offer.

Resales of Exchange Senior Notes

Based on interpretations by the staff of the Division of Corporate Finance of the Securities and Exchange Commission ("SEC"), as detailed in a series of no-action letters issued to unrelated third parties, we believe that the exchange senior notes issued pursuant to the exchange offer in exchange for initial senior notes may be offered for resale, resold or otherwise transferred by holders after the exchange offer without further registration under the Securities Act if:

you acquire the exchange senior notes in the ordinary course of your business;

you have not engaged in, do not intend to engage in and have no arrangement or understanding with any person to participate in, a distribution of the initial senior notes or exchange senior notes;

you are not an "affiliate" of Neenah Paper, as defined in Rule 405 of the Securities Act;

you are not a broker-dealer who owns initial senior notes acquired directly from us or from an affiliate of ours;

if you are a broker-dealer, you will receive the exchange senior notes for your own account in exchange for initial senior notes that were acquired as a result of market-making activities or other trading activities and you agree to deliver a prospectus in connection with any resale of these exchange senior notes; and

you are not acting on behalf of any person who could not truthfully make the foregoing representations.

Any holder that is an "affiliate" of ours or a broker-dealer that acquired initial senior notes directly from us or that otherwise cannot rely upon the interpretations of the SEC staff must comply with the registration and prospectus delivery requirements of the Securities Act in order to resell the initial senior notes and will not be permitted or entitled to exchange initial senior notes in the exchange offer. See "Plan of Distribution."

You will be required to represent to us that you comply with the above criteria in the letter of transmittal when you exchange your initial senior notes.

Exchange Agent

The Bank of New York Trust Company, N.A. is serving as the exchange agent in connection with the exchange offer. The address and telephone and facsimile numbers of the exchange agent are listed under the heading "The Exchange Offer Exchange Agent."

Use of Proceeds

We will not receive any proceeds from the issuance of exchange senior notes in the exchange offer.

Summary of the Terms of the Exchange Notes

The terms of the exchange senior notes and the initial senior notes are identical in all material respects, except:

the exchange senior notes will have been registered under the Securities Act;

the exchange senior notes will not contain transfer restrictions and registration rights that relate to the initial senior notes; and

the exchange senior notes will not provide for any increase in the interest rate related to our obligation to register the initial senior notes.

Both the initial senior notes and the exchange senior notes are governed by the same indenture.

<i>Issuer</i>	Neenah Paper, Inc.
<i>Securities Offered</i>	Up to \$225,000,000 aggregate principal amount of 7 ³ / ₈ % exchange senior notes due 2014, which have been registered under the Securities Act.
<i>Maturity Date</i>	The exchange senior notes will mature on November 15, 2014.
<i>Interest Payment Dates</i>	May 15 and November 15 of each year, commencing on May 15, 2005.
<i>Guarantees</i>	The exchange senior notes will be guaranteed on an unsecured senior basis by substantially all of our domestic restricted subsidiaries and, for as long as they guarantee other indebtedness of ours or our domestic restricted subsidiaries, by each of our foreign restricted subsidiaries.

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Ranking

The exchange senior notes will be our unsecured senior obligations and will rank equally with all of our other existing and future unsecured debt. The exchange senior notes will be senior to all of our subordinated debt. The guarantees of the exchange senior notes will rank equally with all of our guarantors' other existing and future unsecured senior debt. The guarantees of the exchange senior notes will be senior to all of our guarantors' senior debt. The exchange senior notes and the guarantees will be effectively subordinated to our and our guarantors' existing and future secured indebtedness to the extent of the value of the assets securing that indebtedness.

Optional Redemption

We may redeem some or all of the exchange senior notes at any time on or after November 15, 2009 at the redemption prices set forth under "Description of the Notes Optional Redemption."

We may redeem up to 35% of the exchange senior notes prior to November 15, 2007 from the proceeds of certain equity offerings. See "Description of the Notes Optional Redemption."

Change of Control Offer

Upon the occurrence of a change of control, we will be required to offer to repurchase the exchange senior notes at a price equal to 101% of their principal amount, plus accrued and unpaid interest, if any, to but not including the repurchase date. See "Description of the Notes Repurchase at the Option of Holders Upon a Change of Control."

At any time on or prior to November 15, 2009, if holders of not less than 75% of the aggregate principal amount of the exchange senior notes have accepted such an offer, we may redeem all of the notes that remain outstanding after such offer at a redemption price calculated in the manner described in "Description of the Notes Optional Redemption."

Certain Covenants

The exchange senior notes will be issued under an indenture among us, each of the subsidiary guarantors and The Bank of New York Trust Company, N.A., as trustee. The indenture includes covenants that, among other things, limit our ability and the ability of our restricted subsidiaries to:

Incur additional debt;

Pay dividends on or repurchase our capital stock and make other restricted payments;

Make certain investments;

Create or permit to exist certain liens;

Use the proceeds from sales of assets or subsidiary stock;

Limit dividends or other payments by our restricted subsidiaries to us;

Enter into certain types of transactions with affiliates;

Enter into certain sale and leaseback transactions;

Designate unrestricted subsidiaries; and

Sell all or substantially all of our or any of our guarantors' assets or merge us or any of our guarantors with or into other companies.

These covenants are subject to important exceptions and qualifications. See "Description of the Notes Certain Covenants."

If, at any time, the credit rating on the notes, as determined by both Moody's Investors Service and Standard and Poor's Ratings Services, equals or exceeds Baa3 and BBB-, respectively, or any equivalent replacement ratings, we will no longer be subject to most of the restrictive covenants and corresponding events of default contained in the indenture. Any restrictive covenants or corresponding events of default that cease to apply to us as a result of achieving these ratings will be restored if one or both of the credit ratings on the notes later falls below these thresholds. See "Description of the Notes Certain Covenants Covenant Suspension."

Absence of a Public Market For the Exchange Senior Notes

The exchange senior notes generally will be freely transferable but will also be new securities for which there will not initially be a public market. Accordingly, we cannot assure you whether a market for the exchange senior notes will develop or as to the liquidity of any market. We do not intend to apply for a listing of the exchange senior notes on any securities exchange or automated dealer quotation system.

Denomination and Form

The exchange senior notes will be issued in denominations of \$1,000 and any integral multiple of \$1,000. The exchange senior notes will be represented by one or more global securities registered in the name of The Depository Trust Company or its nominee. Beneficial interests in the global securities will be shown on, and transfers of the beneficial interests will be effected only through, records maintained by DTC and its participants. Except as described elsewhere in this prospectus, exchange senior notes in certificated form will not be issued. See "Description of the Notes Certificated Exchange Senior notes."

Trustee

The Bank of New York Trust Company, N.A.

Governing Law

The exchange senior notes and the indenture will be governed by the laws of the State of New York.

Risk Factors

See "Risk Factors" beginning on page 14 for a discussion of risk factors you should carefully consider before deciding to participate in the exchange offer.

Summary Consolidated and Combined Historical Financial and Other Data

The following table sets forth our summary historical financial and other data. You should read the information set forth below in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our historical consolidated and combined financial statements and the notes to those consolidated and combined financial statements included elsewhere in this prospectus. The statement of operations data for each of the three-month periods ended March 31, 2005 and 2004 and the balance sheet data as of March 31, 2005 set forth below are derived from our unaudited historical condensed consolidated and combined financial statements included elsewhere in this prospectus. The statement of operations data for each of the years ended December 31, 2004, 2003 and 2002 and the balance sheet data as of December 31, 2004 and 2003 set forth below are derived from our audited historical consolidated and combined financial statements included elsewhere in this prospectus. The statement of operations data for the year ended December 31, 2001 and the balance sheet data as of December 31, 2002 set forth below are derived from our audited historical combined financial statements not included in this prospectus. The statement of operations data for the year ended December 31, 2000 and the balance sheet data as of December 31, 2001 and 2000 set forth below are derived from our unaudited historical combined financial statements not included in this prospectus.

The consolidated and combined financial statements reflect the consolidated operations of Neenah and its subsidiaries as a separate, stand-alone entity subsequent to November 30, 2004. The historical financial and other data for periods through November 30, 2004 have been prepared on a combined basis from Kimberly-Clark's consolidated financial statements using the historical results of operations and bases of the assets and liabilities of Kimberly-Clark's fine paper and technical paper businesses in the United States and its Canadian pulp business and give effect to allocations of expenses from Kimberly-Clark. For a description of these allocations, see Note 1 of the notes to our audited historical consolidated and combined financial statements included elsewhere in this prospectus. The historical financial and other data will not be indicative of our future performance, nor do they reflect what our financial position and results of operations would have been had we operated as a separate, independent company during the periods presented.

To understand how our historical results would have been different had we been separate from Kimberly-Clark during such periods, you should also read "Management's Discussion and Analysis of Financial Condition and Results of Operations Business Outlook" contained elsewhere in this prospectus.

Prior to the Spin-Off, all of the operations of our pulp and paper business were included in the consolidated income tax returns of Kimberly-Clark. Under the tax sharing agreement, Kimberly-Clark will indemnify us for all income tax liabilities and retain rights to all tax refunds relating to operations in the consolidated income tax returns for periods through the date of the Spin-Off. Accordingly, the combined balance sheets for 2003, 2002, 2001 and 2000 do not include current or prior period income tax receivables or payables related to our operations, which were filed on a consolidated basis with Kimberly-Clark. The income tax provisions were determined as if our business were a separate taxpayer.

Additionally, a footnote containing consolidating financial information as of December 31, 2004 and 2003 and for the three years ended December 31, 2004 and condensed consolidating financial information as of and for the three months ended March 31, 2005 for Neenah Paper, Inc. and each of our subsidiaries guaranteeing the initial senior notes and exchange senior notes is not included in the notes to our financial statements included in this prospectus. The footnote is not included because: (a) historical information required to prepare consolidating comparative financial statements was not maintained on a discrete comparable basis within Kimberly-Clark; (b) prior to the Spin-Off, the business operations that now constitute Neenah Paper, Inc. and our subsidiaries were not part of separate operating units or divisions of Kimberly-Clark for which discrete financial statements were prepared; and (c) the functions and operations of the assets and the related businesses as currently structured is substantially different from that which existed at Kimberly-Clark.

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	Three Months Ended March 31,		Year Ended December 31,				
	2005	2004	2004	2003	2002	2001	2000
(Dollars in millions except per share)							
Consolidated and Combined Statement of Operations Data(a)							
Net sales(b)	\$ 196.6	\$ 198.4	\$ 772.1	\$ 710.3	\$ 702.0	\$ 744.0	\$ 915.5
Cost of products sold(b)	171.3	165.3	647.9	602.4	570.4	601.2	616.7
Gross profit	25.3	33.1	124.2	107.9	131.6	142.8	298.8
Selling, general and administrative expenses	12.7	9.1	45.8	34.6	33.6	37.2	32.1
Asset impairment loss(c)	4.3		112.8				
Other (income) and expense net	(0.6)	(0.3)	5.5	10.0	(1.3)	(4.5)	(3.4)
Operating income (loss)	8.9	24.3	(39.9)	63.3	99.3	110.1	270.1
Interest expense	4.7		1.4				
Income (loss) before income taxes	4.2	24.3	(41.3)	63.3	99.3	110.1	270.1
Provision (benefit) for income taxes	1.5	9.2	(14.9)	24.4	37.0	35.5	101.0
Net income (loss)	\$ 2.7	\$ 15.1	\$ (26.4)	\$ 38.9	\$ 62.3	\$ 74.6	\$ 169.1
Earnings (loss) per basic share(d)	\$ 0.18	\$ 1.03	\$ (1.79)	\$ 2.64	\$ 4.23	\$ 5.06	\$ 11.47
Earnings (loss) per diluted share(d)	\$ 0.18	\$ 1.03	\$ (1.79)	\$ 2.64	\$ 4.23	\$ 5.06	\$ 11.47
Other Financial Data(c)							
Net cash flow provided by (used in):							
Operating activities	\$ 8.3	\$ 12.7	\$ 76.0	\$ 73.6	\$ 111.8	\$ 145.2	\$ 172.2
Investment activities	(6.5)	(1.2)	(19.1)	(23.6)	(16.0)	(26.1)	(16.2)
Financing activities	3.5	(11.5)	(37.8)	(50.0)	(95.8)	(119.1)	(163.1)
Capital expenditures	(6.6)	(1.7)	19.1	24.4	18.4	29.1	16.8
Ratio of earnings to fixed charges(e)	1.8X	82.0X	(e)	71.3X	125.1X	123.3X	338.6X

	As of March 31,	As of December 31,				
	2005	2004(f)	2003	2002	2001	2000
(As Restated) (Dollars in millions)						

Consolidated and Combined Balance Sheet Data(c)							
Working capital	\$ 124.6	\$ 116.4	\$ 101.7	\$ 98.4	\$ 114.1	\$ 138.8	
Total assets	577.1	565.7	592.0	540.3	602.0	679.7	
Long-term debt	227.2	225.0					
Total liabilities	379.3	368.6	158.3	146.6	151.9	197.6	
Total stockholders' and invested equity	197.8	197.1	433.7	393.7	450.1	482.1	

(a) As noted elsewhere in this prospectus, for periods prior to the Spin-Off, our historical financial results will not be indicative of our future performance, nor do they reflect what our financial position and results of operations would have been had we operated as a separate, independent company during the periods presented.

(b) The above amounts of Net sales and Cost of products sold for the years ended December 31, 2003, 2002, 2001 and 2000 have been increased from the amounts previously reported by \$44.5 million, \$44.0 million, \$42.8 million and \$43.7 million, respectively, to be in conformity with EITF 00-10, which prohibits the netting of shipping and handling costs against revenues.

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- (c) In 2004, we recorded a \$112.8 million pre-tax, non-cash impairment loss to reduce the carrying amount of the Terrace Bay facility (See Management's Discussion and Analysis of Financial Condition and Results of Operations Asset Impairment Loss).
- (d) As a result of the net loss in 2004, the assumed incremental 60,683 shares resulting from the exercise of stock options were excluded from the diluted earnings per share calculation, as the effect would have been anti-dilutive. For 2003, 2002, 2001 and 2000, basic and diluted earnings per share were computed using the number of shares of Neenah common stock outstanding at the Spin-Off date.
- (e) For the purposes of determining the ratio of earnings to fixed charges, earnings consist of income before income taxes (less interest) plus fixed charges. Fixed charges consist of interest expense, including amortization of debt issuance costs, and the estimated interest portion of rental expense. For the year ended December 31, 2004, our earnings were insufficient to cover fixed charges by \$41.3 million.
- (f) As described in Note 17 of notes to consolidated and combined financial statements, the consolidated balance sheet and the consolidated and combined statement of changes in stockholders' and invested equity as of December 31, 2004 have been restated to reflect a decrease in net deferred tax assets of \$20.9 million.

RISK FACTORS

Before you decide to participate in the exchange offer, you should carefully consider these risk factors, as well as the other information contained in this prospectus. This section describes some, but not all, of the risks associated with an investment in the notes. Our business, financial condition, results of operations or liquidity could be materially adversely affected by any of these risks, which could affect our ability to make payments on the notes. Additional risks not presently known to us or that we currently deem immaterial may also impair our business, financial condition, results of operations or liquidity.

Risks Related to Our Business and Industry

Our historical financial data is not representative of our results as a separate company and, therefore, will not be reliable as an indicator of our future performance.

The historical combined financial data we have included in this prospectus present the results of operations and financial position of the businesses transferred to us as they were historically operated by Kimberly-Clark. Accordingly, this data is not indicative of our future performance, nor does it reflect what our financial position and results of operations would have been had we operated as a separate, independent company during the periods presented. This is because, among other things:

our pulp mills now supply pulp to Kimberly-Clark on terms that are significantly different than those in place prior to the Spin-Off (for a description of what our results of operations would have been if the new terms had been in place during periods prior to the Spin-Off, see "Management's Discussion and Analysis of Financial Condition and Results of Operations Business Outlook");

we now supply pulp to other customers instead of supplying more than 90% of our production to Kimberly-Clark;

we have made adjustments and allocations, primarily with respect to corporate and administrative costs, because Kimberly-Clark did not account for us as, and we were not operated as, a single, stand-alone business for periods presented prior to the Spin-Off;

the information does not reflect changes that we expect to occur in the future as a result of our separation from Kimberly-Clark, including taxes, capital spending projects, employee and transition services matters, the establishment of new offices and certain ongoing full-year incremental expenses such as selling, general and administrative expenses; and

we will incur interest expense related to the issuance of \$225 million principal amount of 7.375% senior notes due 2014 and our entry into a credit agreement that provides for up to \$150 million of secured borrowings.

For additional information about our past financial performance, see "Summary Selected Historical Financial and Other Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our audited and unaudited historical consolidated and combined financial statements included elsewhere in this prospectus.

Our pulp business operates in a cyclical industry which can have an impact on our operating results.

Wood pulp is a commodity for which there are multiple other suppliers. Typically, commodities businesses compete primarily on the basis of price and availability. The revenues from producing a commodity tend to be cyclical, with periods of shortage and rapidly rising prices leading to increased production and increased industry investment until supply exceeds demand. Those periods are then typically followed by periods of reduced prices and excess and idled capacity until the cycle is repeated.

The following chart shows price information for northern softwood kraft pulp from 1980 to 2004 and illustrates the cyclical nature of the pulp industry:

Pulp Price Trends

Northern Bleached Softwood Kraft Pulp

Source: Resource Information Systems, Inc.

The markets and profitability of have been, and are likely to continue to be, cyclical. Accordingly, we must continuously and effectively manage our production and capacity to be able to respond effectively to business cycles in the pulp industry.

If we are unable to effectively respond to the significant challenges faced by our pulp business, which has experienced losses in recent periods, our financial condition and results of operations will be materially and adversely affected.

We expect that our pulp business will continue to face a number of significant challenges relating to, among other things, the cyclical nature of the pulp industry (as described in the risk factor above), our cost structure, particularly at our Terrace Bay mill, and other factors.

Because our pulp business competes primarily on the basis of price and availability, the financial success of our pulp mills depends on their ability to produce pulp at a competitive cost. Our ability to contain or reduce costs at our pulp mills is significant to our business. We believe that our Terrace Bay mill currently has an unfavorable cost structure, with the cost of wood at Terrace Bay being the single most important contributing factor.

If our pulp business had been operated on a stand-alone basis during 2004 (prior to the Spin-Off), 2003 and 2002 and if transfers of pulp to Kimberly-Clark in those years had reflected the prices at which we expect to sell pulp to Kimberly-Clark after the Spin-Off, we estimate that our pulp business would have reported gross profit (losses) of approximately \$19 million, \$21 million and \$7 million in 2004, 2003 and 2002, respectively. Those pro forma gross profit (losses) would have represented in 2004, 2003 and 2002 a decrease in our gross profit of about \$26 million, about \$25 million and about \$18 million, respectively. The decrease in gross profit would have resulted primarily from lower market prices for pulp during those years, the resulting prices at which we would have transferred pulp to

Kimberly-Clark during those years, the high costs at our Terrace Bay mill and the impact of a weakening U.S. dollar relative to the Canadian dollar in 2004 and 2003. For our pulp business to be profitable after the Spin-Off, we must reduce costs at our Terrace Bay mill even if pulp prices increase. Although we are attempting to implement strategies to reduce costs at the mill, we can give you no assurance that we will be able to reduce those costs to a level at which we can profitably sell pulp produced by our Terrace Bay mill.

For a description of additional challenges and risk factors facing our pulp business see "Management's Discussion and Analysis of Financial Condition and Results of Operations Introduction" and " Business Outlook."

The terms of our pulp supply agreement with Kimberly-Clark may require us to sell pulp at prices that are lower than the prices at which we may be able to sell pulp to other customers.

The pulp supply agreement that we have entered into with Kimberly-Clark requires us to supply and Kimberly-Clark to purchase pulp from our Pictou and Terrace Bay mills over several years. The prices at which we sell pulp to Kimberly-Clark under the new supply agreement reflect a discount from published industry index prices that may be greater than the discount reflected in sales to other customers, particularly during periods in which demand for pulp exceeds supply. The pulp supply agreement also contains minimum and maximum prices for northern bleached softwood kraft pulp shipped to North America prior to December 31, 2007 which may result in us charging Kimberly-Clark prices that are lower than those we could obtain from other customers.

Furthermore, the new pulp supply agreement is a supply-or-pay arrangement. Accordingly, if we do not supply the required minimum quantities of pulp to Kimberly- Clark, we must pay Kimberly-Clark for the shortfall based on the difference between the contract price and any higher price that Kimberly-Clark otherwise pays to purchase the pulp, plus 10% of the difference. If such an event were to occur, our business could be materially adversely affected.

Fluctuations in currency exchange rates could adversely affect our results.

Changes in the Canadian dollar exchange rate relative to the U.S. dollar have an effect on our results of operations and cash flows. Exchange rate fluctuations can have a material impact on our financial results because substantially all of our pulp mills' expenses are incurred in Canadian dollars and our pulp revenues are denominated in U.S. dollars. For example, in 2004, a hypothetical \$0.01 increase in the Canadian dollar relative to the U.S. dollar would have decreased our income before income taxes by approximately \$6 million, excluding additional currency remeasurement losses. We anticipate continued strength for the Canadian dollar relative to the U.S. dollar. See "Management's Discussion and Analysis of Financial Condition and Results of Operations Business Outlook."

We use hedging arrangements to reduce our exposure to exchange rate fluctuations, although these arrangements could result in us incurring higher costs than we would incur without the arrangements.

The following chart shows changes in the U.S./Canadian dollar exchange rate from 1980 to 2004:

U.S. \$/Canadian \$ Exchange Rate History

Source: Resource Information Systems, Inc.

In addition, because we transact business in other foreign countries, some of our revenues and expenses are denominated in a currency other than the local currency of our operations. As a result, changes in exchange rates between the currency in which the transaction is denominated and the local currency of our operations into which the transaction is being recorded can impact the amount of local currency recorded for such transaction. This can result in more or less local currency revenues or costs related to such transaction, and thus have an effect on our income before income taxes.

The availability of and prices for raw materials and energy will significantly impact our business.

We purchase a substantial portion of the raw materials and energy necessary to produce our products on the open market, and, as a result, the price and other terms of those purchases are subject to change based on factors such as worldwide supply and demand and government regulation. We do not have significant influence over our raw material or energy prices and generally do not possess enough power to pass increases in those prices along to purchasers of our products, unless those increases coincide with increased demand for the product. Therefore, raw material or energy prices could increase at the same time that prices for our products are decreasing. In addition, we may not be able to recoup other cost increases we may experience, such as those resulting from inflation or from increases in wages or salaries or increases in the health, pension or other employee benefits costs, insurance costs or other costs.

We obtain most of the wood fiber we require for our Terrace Bay pulp mill and a portion of the wood fiber required for our Pictou pulp mill from timberland areas licensed by the Ontario and Nova Scotia provincial governments, respectively. These governments have granted us non-exclusive licenses for substantial timberland areas from which we obtain fiber, and we also obtain fiber harvested from timberland areas licensed to others by these governments. There can be no assurance that the amount of fiber that we are allowed to harvest from these licensed areas will not be decreased, or that our licenses will continue to be renewed or extended by the governments on acceptable terms. In each of

the areas where our Canadian pulp mills are located, there is increasing competition for wood fiber from various other users. Concerns over the sustainability of forestry practices, particularly in the "boreal forest" area of northern Canada, may also lead to reductions in the timberlands available for harvest to supply our pulp mills. A number of North American non-governmental environmental organizations have launched a campaign to permanently set aside and protect from harvesting significant portions of boreal forest, including portions of the timberlands that supply wood to the Terrace Bay mill. In addition, aboriginal groups have made land claims against various levels of government which, if successful, would further reduce the timberlands from which wood could be harvested for our mills. Changes in governmental practices and policies as they apply to us and to others from whom we obtain fiber also may result in less fiber being available, increased costs to obtain the fiber and additional expense in meeting forestry and silvicultural standards. These results could have a material adverse effect upon our financial position, liquidity and results of operations.

In addition, in 2004, over 60% of the wood chips used by the Pictou mill were supplied by two suppliers, and approximately 55% of the wood chips used by the Terrace Bay mill were supplied by one supplier. While we believe that alternative sources of critical supplies, such as wood chips, would be available, disruption of our primary sources could create a temporary, adverse effect on product shipments. Also, an interruption in supply of a latex specialty grade to our technical paper business, which we currently obtain from a single source, could disrupt and eventually cause a shutdown of production of certain technical paper latex specialty grades.

Our mills may experience unexpected or prolonged shutdowns, which would adversely affect our financial position and results of operations.

Our pulp mills require annual shutdowns to perform major maintenance because they normally operate continuously. We generally schedule shutdowns of two weeks each year at our mills. The annual scheduled shutdown of our pulp mills impacts our profitability and cash flow in the fiscal quarter in which the shutdown occurs. The annual pulp mill maintenance shutdowns at Terrace Bay and Pictou occurred in September and October 2004, which resulted in substantially lower operating results and lower production volumes for those months. In addition to scheduled shutdowns, as described above, depressed pulp prices may cause pulp mills to shut down for a period of time if pulp prices fall to a level where it would be uneconomic to operate the mill.

Unexpected production disruptions could also cause us to shut down any of our mills. Those disruptions could occur due to any number of circumstances, including shortages of raw materials, disruptions in the availability of transportation, labor disputes and mechanical or process failures. Specifically, the failure of any of our recovery boilers would result in a significant disruption to our business.

If our mills are shut down, they may experience prolonged startup periods, regardless of the reason for the shutdown. Those startup periods could range from several days to several weeks, depending on the reason for the shutdown and other factors. The shutdown of any of our mills for a substantial period of time for any reason could have a material adverse effect on our financial position and results of operations.

The results of our pulp business will depend on our pulp supply agreement with Kimberly-Clark and our ability to supply other customers.

The historical results of our pulp business have been based almost entirely on pulp transfers to Kimberly-Clark. Kimberly-Clark is our largest customer and purchases pulp from us pursuant to the terms of a pulp supply agreement. If the pulp supply agreement were to be terminated, our financial condition and results of operations would be materially and adversely affected.

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We have begun to supply increasing quantities of pulp to customers other than Kimberly-Clark. The success of our pulp business will depend in part upon our ability to effectively market our pulp to new customers, to earn customer acceptance of our pulp and to continue to effectively supply those new customers. If we are unable to effectively market our pulp to customers other than Kimberly-Clark, our financial condition, results of operations and liquidity would be materially and adversely affected.

Our business will suffer if we are unable to effectively respond to decreased demand for some of our products.

We have experienced and may continue to experience decreased demand for some of our existing products. For example, our fine paper business has experienced decreased demand as a result of the growing use of digital and electronic communications media, while our technical paper business must cope with a trend to replace durable papers with synthetic films. Our pulp business, and in particular the northern bleached hardwood kraft pulp produced at our Terrace Bay mill, must compete with an increasing supply of, and in some cases customer preference for, lower priced eucalyptus pulps produced by competitors in the southern hemisphere. If we are unable to implement our business strategies to develop new sources of demand to effectively respond to decreased demand for our existing products, our financial position and results of operations would be adversely affected.

Our activities are subject to extensive government regulation, which could increase our costs, cause us to incur liabilities and adversely affect the manufacturing and marketing of our products.

Our operations are subject to federal, state, provincial and local laws, regulations and ordinances in both the United States and Canada relating to various environmental, health and safety matters. The nature of our operations requires that we invest capital and incur operating costs to comply with those laws, regulations and ordinances and exposes us to the risk of claims concerning non-compliance with environmental, health and safety laws or standards. We cannot assure you that significant additional expenditures will not be required to maintain compliance with, or satisfy potential claims arising from, such laws, regulations and ordinances. Future events, such as changes in existing laws and regulations, increasingly strict enforcement policies or contamination of sites owned, operated or used for waste disposal by us (including currently unknown contamination and contamination caused by prior owners and operators of such sites or other waste generators) may give rise to additional costs that could require significantly increased capital expenditures and operating costs, which would reduce the funds otherwise available for operations, capital expenditures, future business opportunities or other purposes. For example, the ratification of the Kyoto Protocol by Canada may result in lower limits for the emission of carbon dioxide and other greenhouse gases. The specific limitations in respect of our Canadian operations are unknown and uncertain and may increase costs.

The outcome of legal actions and claims may adversely affect us.

We are involved in legal actions and claims arising in the ordinary course of our business. We will indemnify Kimberly-Clark for certain liabilities and costs arising out of a lawsuit involving a vehicle accident in which the plaintiff sustained severe injuries, including paralysis, as a result of the accident. The outcome of that lawsuit and other legal actions and claims against us cannot be predicted with certainty. That lawsuit and other legal actions and claims against us could have a material adverse effect on our financial condition, results of operations and liquidity.

We have significant pension liabilities.

We have significant pension liabilities which could require future funding beyond that which we have funded in the past or which we currently anticipate. For example, in 2004 total contributions to our pension trust were \$16.6 million. A material increase in funding requirements could have a material adverse effect on our cash flows and liquidity.

The markets for all of our products are affected by general economic conditions.

The markets for all of our products are affected to a significant degree by general economic conditions. Any downturn in the U.S. economy or in our export markets could adversely affect our business.

Labor interruptions would adversely affect our business.

All of our hourly paid employees are unionized. In addition, some of our key customers and suppliers are also unionized. Several of our labor agreements have expired or are scheduled to expire in 2005. Strikes, lockouts or other work stoppages or slow downs involving our unionized employees could have a material adverse effect on us.

On May 8, 2005, hourly employees at the Pictou pulp mill, represented by Local 440 of the Communications, Energy and Paperworkers Union of Canada, voted in favor of possible strike action if the union and the Company are unable to resolve their differences in negotiations. A union vote in favor of strike action is not uncommon in labor negotiations in Nova Scotia and does not mean that a strike will occur. On May 13, 2005, the government appointed labor conciliator involved in the negotiations submitted his report to the Nova Scotia government. Following the submission of the conciliator's report, a two-week "cooling-off" period is in effect, during which time further negotiations are expected to occur and no strike action by the union or lock-out by the Company can occur. The Pictou collective bargaining agreement, which expired on June 1, 2004, remains in effect by operation of law until a new contract is executed.

Our operating results are likely to fluctuate.

Our operating results are subject to substantial quarterly and annual fluctuations due to a number of factors, many of which are beyond our control. Such factors may include, among others, the effects of competitive pricing pressures, decreases in average selling prices of our products, production capacity levels and manufacturing yields, availability and cost of products from our suppliers, the gain or loss of significant customers, our ability to develop, introduce and market new products and technologies on a timely basis, changes in the mix of products produced and sold, seasonal customer demand and environmental costs. Operating results also could be adversely affected by increasing interest rates and other general economic and other conditions causing a downturn in the market for paper products. The foregoing factors are difficult to forecast, and these or other factors could materially adversely affect our quarterly or annual operating results.

We face many competitors, several of which have greater financial and other resources.

We face competition in each of our business segments from companies that produce the same type of products that we produce or that produce alternative products that customers may use instead of our products. Many of our competitors have greater financial, sales and marketing, or research and development resources than we do. Greater financial resources and product development capabilities may also allow our competitors to respond more quickly to new opportunities or changes in customer requirements.

Risks Related to the Spin-Off and Our Separation from Kimberly-Clark

We could incur significant tax liabilities if the Spin-Off becomes a taxable event.

Kimberly-Clark received a private letter ruling from the U.S. Internal Revenue Service regarding the U.S. federal income tax consequences of the Spin-Off substantially to the effect that, for U.S. federal income tax purposes, the transfer of our business to us by Kimberly-Clark and the distribution of our common stock qualified as a tax-free transaction under Sections 368(a)(1)(D) and 355 of the Internal Revenue Code of 1986, as amended. Although the private letter ruling is generally binding on

the Internal Revenue Service, if the factual representations and assumptions made in the private letter ruling were incorrect in any material respect at the time of the Spin-Off, the private letter ruling could be retroactively revoked or modified by the Internal Revenue Service. If, notwithstanding the private letter ruling, the Spin-Off is determined to be a taxable transaction, our stockholders and Kimberly-Clark could be subject to significant U.S. federal income tax liability.

The Spin-Off could become taxable as a result of actions or events that occur after the Spin-Off. In that case, we and Kimberly-Clark could be liable for, and we could be required to indemnify and pay Kimberly-Clark for, taxes and resulting liabilities imposed upon Kimberly-Clark stockholders with respect to the Spin-Off. As part of the Spin-Off, we entered into a tax sharing agreement with Kimberly-Clark that allocated between Kimberly-Clark and us the taxes and liabilities relating to any failure of the Spin-Off to be tax-free.

The Spin-Off could become taxable to Kimberly-Clark (but not its stockholders) under Section 355(e) of the Internal Revenue Code if, pursuant to a plan or series of transactions related to the Spin-Off, we engage in, or enter into an agreement to engage in, a transaction that would result in a 50% or greater change by vote or value in our stock ownership, or if Kimberly-Clark engages in, or enters into an agreement to engage in, a transaction that would result in a 50% or greater change by vote or value in its stock ownership. Such transactions are presumed to occur pursuant to a plan or series of transactions related to the Spin-Off if they occur during the four-year period beginning on the date that begins two years before the date of the Spin-Off, unless it is established that such transactions did not occur pursuant to a plan or series of transactions related to the Spin-Off. If an acquisition or issuance of our stock causes the Spin-Off to be taxable to Kimberly-Clark under Section 355(e), we would be required to indemnify Kimberly-Clark against that tax.

Both Kimberly-Clark and its stockholders could be taxed on the Spin-Off if the Spin-Off were to not qualify for tax-free treatment for U.S. federal income tax purposes for other reasons.

Although the taxes described above generally would be imposed on Kimberly-Clark and its stockholders, under the tax sharing agreement, we may be required to indemnify Kimberly-Clark for all or a portion of these taxes. In addition, under U.S. federal income tax laws, we and Kimberly-Clark would both be liable for Kimberly-Clark's U.S. federal income taxes resulting from the Spin-Off being taxable even though Kimberly-Clark may be required under the tax sharing agreement to indemnify us for such taxes. If we were to be required to indemnify Kimberly-Clark for taxes incurred as a result of the Spin-Off being taxable, or were otherwise liable for and required to pay such taxes and were not indemnified for such taxes, it would have a material adverse effect on our profitability and financial condition.

We may not realize potential benefits from our separation from Kimberly-Clark.

We cannot assure you that we will realize the potential benefits that we expected from our separation from Kimberly-Clark. In addition, we will incur significant costs, which may be greater than those for which we have planned, and we will bear the negative effects of our separation from Kimberly-Clark, including loss of access to the financial, managerial and professional resources from which we have benefited in the past.

Prior to the Spin-Off, we had not previously operated as an independent company, and our new management team has been assembled for only a short time.

We had not previously operated as an independent, public company prior to the Spin-Off. We now are fully responsible for arranging our own funding, managing all of our own administrative and employee arrangements and supervising all of our legal and financial affairs, including publicly reported financial statements. We have and will continue to adopt separate stock-based and performance-based incentive plans for our employees and have and will continue to develop our own compliance and administrative procedures necessary for a publicly held company. In addition, we are seeking to first

stabilize and then begin to grow our business, an area in which we currently have limited resources because of, among other things, the amount of our debt and our need to incur capital expenditures relating to our pulp mills. We anticipate that our success in these endeavors will depend substantially upon the ability of our senior management and other key employees to work together. Although the individual members of our senior management team have significant experience, they previously had not worked together as a group. Accordingly, we cannot assure you that as an independent company, our aggregate results of operations will continue at the same level. Moreover, the inability of our senior management to function cohesively could delay or prevent us from implementing fully our business strategy, which could have a material adverse effect on our financial position and results of operations.

We may not be able to fund our future capital requirements internally or obtain third-party financing.

In the past, our working capital and capital expenditure requirements have been met from cash flow generated by our businesses and from Kimberly-Clark. Now, however, we may be required or choose to obtain additional debt or equity financing to meet our future working capital requirements, as well as to fund capital expenditures and acquisitions. To the extent we must obtain financing from external sources to fund our capital requirements, we cannot guarantee that financing will be available on favorable terms, if at all. We do not expect that any financing would reflect interest rates or other terms as favorable as those historically enjoyed by Kimberly-Clark because, among other things, the credit rating of our debt will be less favorable than the ratings for Kimberly-Clark.

The transition services to be provided for us by Kimberly-Clark may be difficult for us to perform or replace without operational problems and additional cost.

We have entered into a corporate services agreement with Kimberly-Clark pursuant to which Kimberly-Clark provides for us certain transition services for a period of time following the Spin-Off. These services will include, among others, certain employee benefits administration and payroll, transportation, management information systems, environment and energy, and certain accounting functions. If, after the expiration of the agreement (which expires with respect to most services on December 31, 2005), we are unable to perform these services or replace them in a timely manner or on terms and conditions as favorable as those we expect to receive from Kimberly-Clark, we may experience operational problems and increased costs to us. See "Management's Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Contractual Obligations" for more information on the corporate services agreement.

We may experience increased costs resulting from decreased purchasing power, which could decrease our overall profitability.

Prior to our Spin-Off, we were able to take advantage of Kimberly-Clark's size and purchasing power in procuring goods, services and technology, such as management information services, health insurance, pension and other employee benefits, payroll administration, risk management, tax and other services. As a separate, stand-alone entity, we may be unable to obtain similar goods, services and technology at prices or on terms as favorable as those obtained prior to the Spin-Off.

Risks Relating to Our Indebtedness

We incurred significant indebtedness in connection with the Spin-Off, which subjected us to restrictive covenants relating to the operation of our business.

We have \$225 million of senior notes outstanding and \$150 million of capacity on our revolving credit agreement, with no amounts outstanding. Our leverage could have important consequences to you. For example, it could:

make it difficult for us to satisfy our financial obligations, including making scheduled principal and interest payments on the notes and our other indebtedness;

place us at a disadvantage to our competitors;

require us to dedicate a substantial portion of our cash flow from operations to service payments on our indebtedness, thereby reducing funds available for other purposes;

increase our vulnerability to a downturn in general economic conditions or the industry in which we operate;

limit our ability to obtain additional financing for working capital, capital expenditures, acquisitions and general corporate and other purposes; and

limit our ability to plan for and react to changes in our business and the industry in which we operate.

The terms of our indebtedness, including the revolving credit facility and the indenture governing the notes, contain covenants restricting our ability to, among other things, incur certain additional debt, make specified restricted payments and capital expenditures, authorize or issue capital stock, enter into transactions with our affiliates, consolidate or merge with or acquire another business, sell certain of our assets or liquidate, dissolve or wind-up our company. In addition, the terms of our revolving credit facility require us to achieve and maintain certain specified financial ratios. These restrictions may limit our ability to engage in activities which could expand our business, including obtaining future financing, making needed capital expenditures or taking advantage of business opportunities such as strategic acquisitions and dispositions.

Our revolving credit facility accrues interest at variable rates. As of March 31, 2005, we had \$150.0 million of capacity under our new revolving credit facility that was reduced by \$5.9 million of outstanding letters of credit to \$144.1 million of availability. We may reduce our exposure to rising interest rates by entering into interest rate hedging arrangements, although those arrangements may result in us incurring higher interest expenses than we would incur without the arrangements. If interest rates increase in the absence of such arrangements, we will need to dedicate more of our cash flow from operations to make payments on our debt. For more information on our liquidity, see "Management's Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources."

Our failure to comply with the covenants contained in our revolving credit facility or the indenture could result in an event of default that could cause acceleration of our indebtedness.

Our failure to comply with the covenants and other requirements contained in the indenture, our revolving credit facility or our other debt instruments could cause an event of default under the relevant debt instrument. The occurrence of an event of default could trigger a default under our other debt instruments, prohibit us from accessing additional borrowings and permit the holders of the defaulted debt to declare amounts outstanding with respect to that debt to be immediately due and payable. Our assets or cash flows may not be sufficient to repay fully borrowings under our outstanding debt instruments, and we may be unable to refinance or restructure the payments on indebtedness on favorable terms, or at all.

Despite our indebtedness levels, we and our subsidiaries may be able to incur substantially more indebtedness, which may increase the risks created by our substantial indebtedness.

Because the terms of our revolving credit facility and the indenture governing the notes do not fully prohibit us or our subsidiaries from incurring additional indebtedness, we and our subsidiaries may be able to incur substantial additional indebtedness in the future, some of which may be secured. If we or any of our subsidiaries incur additional indebtedness, the related risks that we and they now face may intensify.

We may not be able to generate a sufficient amount of cash flow to meet our debt obligations, including the notes.

Our ability to make scheduled payments or to refinance our obligations with respect to the notes, our other debt and our other liabilities will depend on our financial and operating performance, which, in turn, is subject to prevailing economic conditions and to certain financial, business and other factors beyond our control. If our cash flow and capital resources are insufficient to fund our debt obligations and other liabilities, we could face substantial liquidity problems and may be forced to reduce or delay scheduled expansions and capital expenditures, sell material assets or operations, obtain additional capital or restructure our debt. We cannot assure you that our operating performance, cash flow and capital resources will be sufficient to repay our debt in the future. In the event that we are required to dispose of material assets or operations or restructure our debt to meet our debt and other obligations, we cannot assure you as to the terms of any such transaction or how quickly any such transaction could be completed.

If we cannot make scheduled payments on our debt, we will be in default and, as a result:

our debt holders could declare all outstanding principal and interest to be due and payable;

our senior secured lenders could terminate their commitments and commence foreclosure proceedings against our assets; and

we could be forced into bankruptcy or liquidation.

If our operating performance declines in the future or we breach our covenants under the revolving credit facility, we may need to obtain waivers from the required lenders under our revolving credit facility to avoid being in default. We may not be able to obtain these waivers. If this occurs, we would be in default under the revolving credit facility.

We depend on our subsidiaries to generate cash flow to meet our debt service obligations, including payments on the notes.

We conduct a substantial portion of our business through our subsidiaries. Consequently, our cash flow and ability to service our debt obligations, including the notes, depend upon the earnings of our subsidiaries and the distribution of those earnings to us, or upon loans, advances or other payments made by these entities to us. The ability of these entities to pay dividends or make other payments or advances to us will be subject to applicable laws and contractual restrictions contained in the instruments governing their debt, including our revolving credit facility and the indenture governing the notes. These limitations are also subject to important exceptions and qualifications.

The ability of our subsidiaries to generate sufficient cash flow from operations to allow us to make scheduled payments on our debt, including the notes, will depend upon their future financial performance, which will be affected by a range of economic, competitive and business factors, many of which are outside of our control. If our subsidiaries do not generate sufficient cash flow from operations to help us satisfy our debt obligations, including payments on the notes, we may have to undertake alternative financing plans, such as refinancing or restructuring our debt, selling assets, reducing or delaying capital expenditures or seeking to raise additional capital. Refinancing may not be possible, and any assets may not be able to be sold, or, if sold, we may not realize sufficient amounts from those sales. Additional financing may not be available on acceptable terms, if at all, or we may be prohibited from incurring it, if available, under the terms of our various debt instruments then in effect. Our ability to issue additional stock will be constrained because such an issuance of additional stock could cause the Spin-Off to be taxable to Kimberly-Clark, and we would be required to indemnify Kimberly-Clark against that tax. Our inability to generate sufficient cash flow to satisfy our debt obligations or to refinance our obligations on commercially reasonable terms would have an adverse effect on our business, financial condition and results of operations, as well as on our ability to satisfy our obligations on the notes. The earnings of our operating subsidiaries and the amount that they are

able to distribute to us as dividends or otherwise may not be adequate for us to service our debt obligations, including the notes.

Risks Relating to the Exchange Senior Notes

The notes will be effectively subordinated to our secured debt.

Our obligations under the notes, and the obligations of the guarantors under their respective guarantees, are unsecured. As a result, the notes and the related guarantees will be effectively subordinated to all of our and the guarantors' secured indebtedness to the extent of the value of the assets securing that indebtedness. As of March 31, 2005, we had \$150.0 million of capacity under our revolving credit facility that was reduced by \$5.9 million of outstanding letters of credit to \$144.1 million of availability. Our obligations under our revolving credit facility are secured by substantially all of our assets and by the stock of our subsidiaries, as described in "Description of Revolving Credit Facility."

In the event that we are not able to repay amounts due under our revolving credit facility, the lenders could proceed against the assets securing that indebtedness. In that event, any proceeds received upon a sale of the assets would be applied first to amounts due under our revolving credit facility before any proceeds would be available to make payments on the notes. If there is a default, the value of this collateral may not be sufficient to repay both the lenders under our revolving credit facility and the holders of the notes.

Although the notes initially will be guaranteed by substantially all of our subsidiaries, our foreign subsidiaries will only guarantee the notes for as long as they guarantee our other debt or the debt of our domestic restricted subsidiaries.

Although the notes initially will be fully and unconditionally guaranteed on an unsecured senior basis by substantially all of our existing, and all of our future, domestic and foreign restricted subsidiaries, our subsidiaries outside the United States (which hold substantially all of the assets of our Canadian pulp operations) will only guarantee the notes for as long as those subsidiaries guarantee our or our domestic restricted subsidiaries' other debt, including our revolving credit facility. If a foreign subsidiary guarantor is released or discharged from its guarantee of such other indebtedness for any reason whatsoever (except a discharge by or as a result of payment under such guarantee), or if such other guaranteed indebtedness is repaid in full by us or such domestic restricted subsidiary or refinanced with other indebtedness that is not guaranteed by the foreign subsidiary guarantor, then the foreign subsidiary guarantor also will be released from its guarantee of the notes. Our sole foreign subsidiary, before intercompany eliminations, contributed 56% of our net sales and incurred an operating loss of \$120.5 million (which includes the impairment loss of \$112.8 million) for the year ended December 31, 2004, and represented 56% of our total assets as of that date.

We may be unable to repurchase the notes upon a change of control.

Upon the occurrence of a change of control, we will be required under the indenture governing the notes to make an offer to repurchase all outstanding notes at a purchase price equal to 101% of the principal amount of the notes plus accrued and unpaid interest. We may not have sufficient funds to pay the purchase price for all notes tendered by holders under the offer to repurchase. In addition, the terms of our revolving credit facility require, and our other debt agreements may require, that we repay all outstanding amounts under those agreements upon the occurrence of a change of control. Our failure to repurchase all validly tendered notes upon a change of control would result in an event of default under the indenture governing the notes.

In addition, the definition of change of control for purposes of the indenture does not necessarily afford protection for the holders of the notes in the event of some types of highly leveraged transactions, including certain acquisitions, mergers, refinancings, restructurings or other

recapitalizations, although these types of transactions could increase our indebtedness or otherwise affect our capital structure or credit ratings and the holders of the notes. The definition of change of control for purposes of the indenture also includes a phrase relating to the direct or indirect sale, transfer, assignment, lease, conveyance or other disposition of "all or substantially all" of our properties or assets taken as a whole. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition under applicable law. Accordingly, our obligation to make an offer to purchase the notes, and the ability of a holder of notes to require us to repurchase its notes pursuant to the offer as a result of a highly leveraged transaction or a sale, transfer, assignment, lease, conveyance or other disposition of less than all of our assets taken as a whole, may be uncertain.

At any time on or prior to November 15, 2009, after the completion of a change of control offer that was accepted by holders of not less than 75% of the aggregate principal amount of the notes, we may redeem all of the remaining notes at a redemption price equal to the greater of 101% of the principal amount of the notes to be redeemed and 100% of the principal amount of the notes to be redeemed plus a "make whole" premium.

Upon the occurrence of a change of control, we will be required under the indenture governing the notes to make an offer to repurchase all outstanding notes at a purchase price equal to 101% of the principal amount of the notes plus accrued and unpaid interest. If the change of control offer is accepted by holders of not less than 75% of the aggregate principal amount of the notes, we may, at any time on or prior to November 15, 2009, redeem all of the remaining notes at a redemption price equal to the greater of 101% of the principal amount of the notes to be redeemed and 100% of the principal amount of the notes to be redeemed plus a "make whole" premium. See "Description of the Notes Optional Redemption." If the notes are redeemed, you may not receive the return you expect to receive on the notes.

If the notes are rated investment grade at any time by both Moody's and Standard and Poor's, most of the restrictive covenants and corresponding events of default contained in the indenture will be suspended.

If, at any time, the credit rating on the notes, as determined by both Moody's Investors Service and Standard and Poor's Ratings Services, equals or exceeds Baa3 and BBB , respectively, or any equivalent replacement ratings, we will no longer be subject to most of the restrictive covenants and corresponding events of default contained in the indenture. Any restrictive covenants or corresponding events of default that cease to apply to us as a result of achieving these ratings will be restored if one or both of the credit ratings on the notes later falls below these thresholds. However, during any period in which these restrictive covenants are suspended, we may incur other indebtedness, make restricted payments and take other actions that would have been prohibited if these covenants had been in effect. If the restrictive covenants are later restored, the actions taken while the covenants were suspended will not result in an event of default under the indenture even if they would constitute an event of default at the time the covenants are restored. Accordingly, if these covenants and corresponding events of default are suspended, you will have less credit protection than you will at the time the notes are issued.

A court may void the guarantees of the notes or subordinate the guarantees to other obligations of the subsidiary guarantors.

The notes are guaranteed by substantially all of our domestic restricted subsidiaries and, for as long as they guarantee other indebtedness of ours or our domestic restricted subsidiaries, by our foreign restricted subsidiary. There is a risk that a guarantor's guarantee of the notes could be voided by a court or that claims by holders of the notes under the guarantee could be subordinated to other debt of the guarantor. In addition, any payment by the guarantor pursuant to its guarantee could be required to be returned to that guarantor or to a fund for the benefit of the creditors of that guarantor.

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Although standards may vary depending on applicable law, generally under U.S. bankruptcy law and comparable provisions of state fraudulent transfer laws or applicable Canadian federal or provincial law, a court may void or subordinate a guarantee if the court were to find that, among other things, at the time any guarantor of the notes incurred the debt evidenced by its guarantee, the guarantor:

was insolvent or rendered insolvent by reason of the incurrence of the guarantee;

was engaged or about to engage in a business or transaction for which that guarantor's remaining assets constituted unreasonably small capital;

was a defendant in an action for money damages, or had a judgment for money damages docketed against it, if in either case, after a final judgment, the judgment was unsatisfied; or

intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature;

and that guarantor:

received less than reasonable equivalent value or fair consideration for the incurrence of its guarantee; or

incurred the guarantee or made related distributions or payments with the intent of hindering, delaying or defrauding creditors.

The measures of insolvency for purposes of the foregoing considerations will vary depending upon the law applied in any proceeding. Generally, however, a guarantor of the notes would be considered insolvent if:

the sum of its debts, including contingent liabilities, was greater than the fair value of all of its assets at a fair valuation;

the present fair value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or

it could not pay its debts as they become due.

U.S. investors in the notes may have difficulties enforcing civil liabilities against our Canadian subsidiary guarantor and our director and certain experts who are residents of Canada.

One of the subsidiary guarantors of the notes is governed by the laws of Nova Scotia, Canada. One of our directors, as well as certain experts named in this prospectus, are residents of Canada, and a substantial portion of our assets are located in Canada. As a result, it may be difficult for holders of the notes to effect service of process upon those persons within the United States or to enforce against them in the United States judgments of courts of the United States predicated upon the civil liability provisions of the U.S. federal securities laws or other laws of the United States. In addition, we have been advised by our Canadian counsel that there is doubt as to the enforceability in Canada against our Canadian subsidiary guarantor, our Canadian director and the experts named in this prospectus who are residents of Canada, in original actions or in actions for enforcements of judgments of U.S. courts, of liabilities predicated solely upon U.S. federal securities laws.

Risks Associated with the Exchange Offer

You may not be able to sell your initial senior notes if you do not exchange them for exchange senior notes in the exchange offer.

If you do not exchange your initial senior notes for exchange senior notes in the exchange offer, your initial senior notes will continue to be subject to the restrictions on transfer as stated in the

legend on the initial senior notes. In general, you may not offer or sell the initial senior notes unless they are:

registered under the Securities Act;

offered or sold pursuant to an exemption from the Securities Act and

applicable state securities laws; or

offered or sold in a transaction not subject to the Securities Act and

applicable state securities laws.

We do not currently anticipate that we will register the initial senior notes under the Securities Act. In addition, holders who do not tender their initial senior notes, except for certain instances involving the initial purchasers or holders of initial senior notes who are not eligible to participate in the exchange offer or who do not receive freely transferable exchange senior notes pursuant to the exchange offer, will not have any further registration rights under the registration rights agreement or otherwise and will not have rights to receive additional interest.

The market for initial senior notes may be significantly more limited after the exchange offer.

If initial senior notes are tendered and accepted for exchange pursuant to the exchange offer, the trading market for initial senior notes that remain outstanding may be significantly more limited. As a result, the liquidity of the initial senior notes not tendered for exchange may be adversely affected. The extent of the market for initial senior notes and the availability of price quotations will depend upon a number of factors, including the number of holders of initial senior notes remaining outstanding and the interest of securities firms in maintaining a market in the initial senior notes. An issue of securities with a similar outstanding market value available for trading, which is called the "float," may command a lower price than would be comparable to an issue of securities with a greater float. As a result, the market price for initial senior notes that are not exchanged in the exchange offer may be affected adversely as initial senior notes exchanged pursuant to the exchange offer reduce the float. The reduced float also may make the trading price of the initial senior notes that are not exchanged more volatile.

An active trading market may not develop for the exchange senior notes.

The exchange senior notes are new securities for which there is currently no market. We do not intend to list the exchange senior notes on a securities exchange or other market. We cannot assure you as to the liquidity of markets that may develop for the exchange senior notes, your ability to sell the exchange senior notes or the price at which you would be able to sell the exchange senior notes. If such markets were to exist, the exchange senior notes could trade at prices lower than their principal amount or purchase price depending on many factors, including prevailing interest rates and the markets for similar securities.

Restrictions on the exchange offer.

Issuance of exchange senior notes in exchange for initial senior notes pursuant to the exchange offer will be made only after timely receipt by the exchange agent of a properly completed and duly executed letter of transmittal, or an agent's message in lieu thereof, including all other documents required by such letter of transmittal. Therefore, holders of initial senior notes desiring to tender such initial senior notes in exchange for exchange senior notes should allow sufficient time to ensure timely delivery. We and the exchange agent are under no duty to give notification of defects or irregularities with respect to the tenders of initial senior notes for exchange. Each broker-dealer that receives exchange notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes.

FORWARD-LOOKING STATEMENTS

This prospectus contains disclosures which are "forward-looking statements." Forward-looking statements include all statements that do not relate solely to historical or current facts, and can generally be identified by the use of words such as "may," "believe," "will," "expect," "project," "estimate," "anticipate," "plan" or "continue." These forward-looking statements are based on the current plans and expectations of our management and are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results or those anticipated. These factors include, but are not limited to:

general economic conditions, particularly in the United States and Canada;

fluctuations in global equity and fixed income markets;

the competitive environment;

the loss of current customers or the inability to obtain new customers;

changes in asset valuations, including writedowns of property, plant and equipment, inventory, accounts receivable or other assets for impairment or other reasons;

employee and labor relations;

changes in U.S./Canadian dollar currency exchange rates;

changes in pulp prices;

the cost or availability of raw materials;

the absence of a public market for exchange senior notes; and

the other factors described under "Risk Factors."

You are cautioned not to unduly rely on such forward-looking statements, which speak only as of the date of this prospectus, when evaluating the information presented in this prospectus.

THE EXCHANGE OFFER

Purpose and Effect of the Exchange Offer

In connection with the sale of the initial senior notes on November 30, 2004, we entered into a registration rights agreement on that date with the initial purchasers of the initial senior notes, pursuant to which we agreed to file and to use our reasonable best efforts to cause to be declared effective by the SEC a registration statement with respect to the exchange of the initial senior notes for the exchange senior notes within 270 days after the issuance of the initial senior notes. We are making the exchange offer to fulfill our contractual obligations under that

agreement.

Pursuant to the exchange offer, we will issue the exchange senior notes in exchange for initial senior notes. The form and terms of the exchange senior notes are substantially identical as the form and terms of the initial senior notes, with two exceptions. First, the exchange senior notes will have been registered under the Securities Act and therefore will not be subject to specified restrictions on transfer applicable to the initial senior notes. Second, the exchange senior notes will not contain registration rights or provide for any increase in the interest rate related to our obligation to register the initial senior notes.

We are not making the exchange offer to, and will not accept tenders for exchange from, holders of initial senior notes in any jurisdiction in which the exchange offer or the acceptance thereof would not be in compliance with the initial senior notes or blue sky laws of such jurisdiction. Unless the context requires otherwise, the term "holder" with respect to the exchange offer means any person in whose name the initial senior notes are registered on our books or any other person who has obtained

a properly completed bond power from the registered holder, or any person whose initial senior notes are held of record by DTC who desires to deliver such initial senior notes by book-entry transfer at DTC.

Each broker-dealer that receives exchange senior notes for its own account in exchange for initial senior notes, where such initial senior notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such exchange senior notes. See "Plan of Distribution."

If you are an affiliate of ours or if you intend to participate in the exchange offer for the purpose of distributing the exchange senior notes, or if you are a broker-dealer that purchased initial senior notes from us to resell pursuant to Rule 144A or any other available exemption under the Securities Act, you will not be permitted or entitled to tender those initial senior notes in the exchange offer and must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any sale or transfer of those initial senior notes unless that sale is made pursuant to an exemption from such requirements. See "Plan of Distribution."

Terms of the Exchange

Upon the terms and conditions described in this prospectus and in the accompanying letter of transmittal, which together constitute the exchange offer, we will accept for exchange initial senior notes that are properly tendered on or before 5:00 p.m., New York City time, on the expiration date and not withdrawn as permitted below. As of the date of this prospectus, \$225 million aggregate principal amount of the initial senior notes is outstanding. This prospectus, together with the letter of transmittal, is first being sent on or about , 2005 to all holders of initial senior notes known to us. Initial senior notes tendered in the exchange offer must be in denominations of principal amount of \$1,000 and any integral multiple thereof. We will issue exchange senior notes promptly after the expiration of the exchange offer.

Our acceptance of the tender of initial senior notes by a tendering holder will form a binding agreement between the tendering holder and us upon the terms and subject to the conditions provided in this prospectus and in the accompanying letter of transmittal.

The exchange offer is not conditioned upon any minimum aggregate principal amount of initial senior notes being tendered or accepted for exchange.

Holders of initial senior notes do not have any dissenters' rights in connection with this exchange offer.

We make no recommendation to the holders of initial senior notes as to whether to tender or refrain from tendering all or any portion of their initial senior notes pursuant to the exchange offer. In addition, no one has been authorized to make any such recommendation. Holders of initial senior notes must make their own decision whether to tender pursuant to the exchange offer and, if so, the aggregate amount of initial senior notes to tender after reading this prospectus and the letter of transmittal and consulting with their advisers, if any, based on their own financial position and requirements.

If any tendered initial senior notes are not accepted for exchange because of an invalid tender, global securities for any unaccepted initial senior notes will be returned, without expense, to the tendering holder promptly after completion of this exchange offer.

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We will pay all charges and expenses in connection with this exchange offer. Holders participating in any underwritten offering shall be responsible for any underwriting discounts, commissions and fees and disbursements of counsel to the selling holders to the extent not required to be paid by us. See " Fees and Expenses." Subject to the instructions in the letter of transmittal, holders who tender initial senior notes in connection with this exchange offer will not be required to pay transfer taxes with respect to the exchange of initial senior notes in connection with this exchange offer.

Expiration Date; Extensions; Termination; Amendments

The exchange offer will expire at 5:00 p.m., New York City time, on _____, 2005 unless we, in our sole discretion, extend the period during which the exchange offer is open by giving written notice to the exchange agent and by timely public announcement communicated no later than 9:00 a.m. on the next business day following the date for expiration, unless otherwise required by applicable law or regulation, by making a press release. We will not extend the exchange offer beyond _____. During any extension of the exchange offer, all initial senior notes previously tendered pursuant to the exchange offer will remain subject to the exchange offer.

We expressly reserve the right to:

terminate the exchange offer and not accept for exchange any initial senior notes if we determine, in our sole discretion, that the conditions to the exchange offer have not been satisfied, and

amend the terms of the exchange offer in any manner permitted by applicable law, whether before or after any tender of initial senior notes.

If any such termination or amendment occurs, we will notify the exchange agent in writing and will either issue a press release or give written notice to the holders of initial senior notes as promptly as practicable. Unless we terminate the exchange offer prior to 5:00 p.m., New York City time, on the date of expiration, we will exchange the exchange senior notes for initial senior notes promptly following the expiration date.

If we waive any material condition to the exchange offer, or amend the exchange offer in any other material respect, we will promptly disclose such waiver or amendment by means of a prospectus supplement that will be distributed to the holders of the initial senior notes, and if at the time that such prospectus supplement is first sent or given to holders of initial senior notes, the exchange offer is scheduled to expire at any time earlier than the expiration of a period ending on the fifth business day from, and including, the date that such prospectus supplement is first so sent or given, then the exchange offer will be extended until the expiration of such period of five business days.

We will mail this prospectus and the related letter of transmittal and other relevant materials to record holders of initial senior notes and to brokers, banks and similar persons whose names, or the names of whose nominees, appear on the lists of holders for subsequent transmittal to beneficial owners of initial senior notes.

Procedures for Tendering

Your tender to us of initial senior notes pursuant to one of the procedures set forth below will constitute an agreement between you and us in accordance with the terms and subject to the conditions stated below and in the letter of transmittal.

General Procedures

You may tender your initial senior notes by:

properly completing and signing the letter of transmittal and delivering it, together with the certificate or certificates, if any, representing the initial senior notes being tendered and any required signature guarantees (or a timely confirmation of a book-entry transfer pursuant to the procedures described below), to the exchange agent at its address set forth below on or prior to the date and time the exchange offer expires, or

complying with the guaranteed delivery procedures described below.

Each broker-dealer that receives exchange senior notes for its own account in exchange for initial senior notes, where such initial senior notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of those exchange senior notes. See "Plan of Distribution."

If tendered initial senior notes are registered in the name of the signer of the letter of transmittal and the exchange senior notes to be issued in exchange for those initial senior notes are to be issued (and any untendered initial senior notes are to be reissued) in the name of the registered holder, the signature of such signer need not be guaranteed. In any other case, the tendered initial senior notes must be endorsed or accompanied by written instruments of transfer in form satisfactory to us and duly executed by the registered holder and the signature on the endorsement or instrument of transfer must be guaranteed by a bank, broker, dealer, credit union, savings association, clearing agency or other institution that is a member of a recognized signature guarantee medallion program within the meaning of Rule 17Ad-15 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). If the exchange senior notes and/or initial senior notes not exchanged are to be delivered to an address other than that of the registered holder appearing on the note register for the initial senior notes, the signature on the letter of transmittal must be guaranteed by one of the institutions just described.

If your initial senior notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and you wish to tender those initial senior notes, you should contact that holder promptly and instruct that holder to tender those initial senior notes on your behalf. If you wish to tender those initial senior notes yourself, you must, prior to completing and executing the letter of transmittal and delivering those initial senior notes, make appropriate arrangements to register ownership of those initial senior notes in your name and follow the procedures described in the immediately preceding paragraph. The transfer of record ownership may take considerable time.

Book-Entry Transfer

The exchange agent will make a request to establish an account with respect to the initial senior notes at DTC for purposes of the exchange offer within two business days after receipt of this prospectus, and any participant in DTC's system may make book-entry delivery of initial senior notes by causing DTC to transfer such initial senior notes into the exchange agent's account at DTC in accordance with DTC's procedures for transfer. Although delivery of initial senior notes may be effected through book-entry transfer at DTC, you must send the letter of transmittal, with any required signature guarantees and any other required documents, to the exchange agent at the address specified below, and it must be received by the exchange agent on or prior to the date the exchange offer expires or you must comply with the guaranteed delivery procedures described below.

DTC has confirmed that any participant in DTC's system may use the Automated Tender Offer Program procedures to tender initial senior notes.

Any participant in DTC's system may make book-entry delivery of initial senior notes by causing DTC to transfer such initial senior notes into the exchange agent's account in accordance with the

Automated Tender Offer Program procedures for transfer. However, the exchange for initial senior notes so tendered will be made only after a book-entry confirmation of such book-entry transfer of initial senior notes into the exchange agent's account, and timely receipt by the exchange agent of an agent's message and any other documents required by the letter of transmittal. An agent's message is a message, transmitted by DTC and received by the exchange agent and forming part of a book-entry confirmation, that states that DTC has received an express acknowledgment from a participant tendering initial senior notes that are the subject of such book-entry confirmation that such participant has received and agrees to be bound by the terms of the letter of transmittal, and that we may enforce that agreement against that participant.

The method of delivery of initial senior notes and all other documents, including delivery through DTC and any acceptance of an agent's message through the Automated Tender Offer Program, is at your election and risk. We recommend that you use an overnight or hand delivery service to deliver any documents. If you send these documents by mail, we recommend that you use registered mail, return receipt requested, that you obtain proper insurance, and that you mail those documents sufficiently in advance of the date which the exchange offer expires to permit delivery to the exchange agent on or before such date.

Guaranteed Delivery Procedures

If you wish to accept the exchange offer and time will not permit a letter of transmittal or initial senior notes to reach the exchange agent before the date on which the exchange offer expires, you must deliver to the exchange agent a letter, telegram or facsimile transmission from a bank, broker, dealer, credit union, savings association, clearing agency or other institution that is a member of a recognized guarantee medallion program within the meaning of Rule 17Ad-15 under the Exchange Act, stating:

the name and address of the tendering holder;

the principal amount of the initial senior notes being tendered;

the names in which the initial senior notes are registered;

if possible, the certificate numbers of the initial senior notes to be tendered; and

that the tender is being made thereby and guaranteeing that within three New York Stock Exchange trading days after the date of execution of such letter, telegram or facsimile transmission by the appropriate submitting institution, the initial senior notes, in proper form for transfer, will be delivered by such appropriate submitting institution together with a properly completed and duly executed letter of transmittal (and any other required documents).

Such a tender will be effective only if such notice is received by the exchange agent before the exchange offer expires.

Unless initial senior notes being tendered by the above-described method (or a timely book-entry confirmation) are deposited with the exchange agent within the time period set forth above (accompanied or preceded by a properly completed letter of transmittal and any other required documents), we may, at our option, reject the tender. Copies of a notice of guaranteed delivery which may be used by appropriate submitting institutions for the purposes described in the paragraphs above are available from the exchange agent.

A tender will be deemed to have been received as of the date when your properly completed and duly signed letter of transmittal or agent's message accompanied by the initial senior notes (or a timely book-entry confirmation) is received by the exchange agent. Issuances of exchange senior notes in exchange for initial senior notes tendered pursuant to a notice of guaranteed delivery or letter, telegram or facsimile transmission to similar effect (as provided above) by an appropriate submitting

institution will be made only against deposit of the letter of transmittal (and any other required documents) and the tendered initial senior notes (or a timely book-entry confirmation).

Determination of Validity

We will determine in our sole discretion all questions as to the validity, form and eligibility of initial senior notes tendered for exchange. This discretion extends to the determination of all questions concerning the timing of receipts and acceptance of tenders. These determinations will be final and binding. We reserve the right to reject any particular initial senior note not properly tendered or of which our acceptance might, in our judgment or our counsel's judgment, be unlawful. We also reserve the right to waive any defects or irregularities or conditions of the exchange offer as to any particular initial senior note either before or after the expiration date, including the right to waive the ineligibility of any tendering holder. Our interpretation of the terms and conditions of the exchange offer as to any particular initial senior note either before or after the expiration date, including the letter of transmittal and the instructions to the letter of transmittal, shall be final and binding on all parties. Unless waived, any defects or irregularities in connection with tenders of initial senior notes must be cured within a reasonable period of time.

Neither we, the exchange agent nor any other person will be under any duty to give notification of any defect or irregularity in any tender of initial senior notes. Moreover, neither we, the exchange agent, nor any other person will incur any liability for failing to give notification of any defect or irregularity.

Terms and Conditions of the Letter of Transmittal

The letter of transmittal contains, among other things, the following terms and conditions, which are part of the exchange offer.

By tendering your initial senior notes for exchange, you thereby exchange, assign and transfer the initial senior notes to us and irrevocably constitute and appoint the exchange agent as your agent and attorney-in-fact to cause the initial senior notes to be assigned, transferred and exchanged. You will be required to represent and warrant that you have full power and authority to tender, exchange, assign and transfer the initial senior notes and to acquire exchange senior notes issuable upon the exchange of those tendered initial senior notes, and that, when the same are accepted for exchange, we will acquire good and unencumbered title to the tendered initial senior notes, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claim or proxy. You will also warrant that you will, upon request, execute and deliver any additional documents deemed by us to be necessary or desirable to complete the exchange, assignment and transfer of tendered initial senior notes by us. You will also agree that the acceptance of any tendered initial senior notes by us and the issuance of exchange senior notes in exchange for those notes shall constitute performance in full by us of our obligations under the registration rights agreement and that we will have no further obligations or liabilities under that agreement (except in limited circumstances). All authority conferred by you will survive your death or incapacity, and all of your obligations will be binding upon your heirs, legal representatives, successors, assigns, executors and administrators.

By tendering initial senior notes and executing the letter of transmittal, or transmitting an agent's message, as the case may be, you represent that:

you are not an affiliate of ours as defined in Rule 405 of the Securities Act, or you are an affiliate of ours and you agree to comply with the registration and prospectus delivery requirements of the Securities Act;

you did not acquire your initial senior notes directly from us or from an affiliate of ours;

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you are acquiring the exchange senior notes offered hereby in the ordinary course of your business;

you have not engaged in, you do not intend to engage in, and have no arrangement or understanding with any person to participate in, a distribution of the exchange senior notes; and

you are not acting on behalf of any person who could not truthfully make any of the foregoing representations.

If you are a broker-dealer that purchased initial senior notes for your own account as part of market-making or other trading activities, you represent that you have not agreed with us or our affiliates to distribute the exchange senior notes and you agree to deliver a prospectus in connection with any resale of the exchange senior notes, then you may exclude the representation in the second-to-last bullet point above.

Withdrawal Rights

You may withdraw any initial senior notes you have tendered pursuant to the exchange offer at any time prior to 5:00 p.m., New York City time, on the expiration date of the exchange offer.

For a withdrawal to be effective, a written or facsimile transmission notice of withdrawal must be timely received by the exchange agent at its address set forth below in the " Exchange Agent" section. Any such notice of withdrawal must state:

the person named in the letter of transmittal as having tendered initial senior notes to be withdrawn;

if possible, the certificate numbers of initial senior notes to be withdrawn;

the principal amount of initial senior notes to be withdrawn;

a statement that such holder is withdrawing its election to have those initial senior notes exchanged; and

the name of the registered holder of those initial senior notes.

The withdrawal notice must be signed by the holder in the same manner as the initial signature on the letter of transmittal (including any required signature guarantees) or be accompanied by evidence satisfactory to us that the person withdrawing the tender has succeeded to the beneficial ownership of the initial senior notes being withdrawn.

The exchange agent will return the properly withdrawn initial senior notes promptly following receipt of the notice of withdrawal. We will determine all questions as to the validity of notices of withdrawal, including time of receipt, and such determinations will be final and binding on all persons.

Acceptance of Initial Senior Notes for Exchange; Issuance of Exchange Senior Notes

Upon the terms and subject to the conditions of the exchange offer, we will choose and notify the exchange agent of the date on which the acceptance for exchange of initial senior notes validly tendered and not withdrawn and the issuance of the exchange senior notes will be made. For the purposes of the exchange offer, we will be deemed to have accepted for exchange validly tendered initial senior notes when we have given written notice thereof to the exchange agent.

The exchange agent will act as agent for the tendering holders of initial senior notes for the purposes of receiving exchange senior notes from us and causing the initial senior notes to be assigned, transferred and exchanged. Upon the terms and subject to the conditions of the exchange offer, delivery of the exchange senior notes to be issued in exchange for accepted initial senior notes will be made by the exchange agent promptly after acceptance of the tendered initial senior notes. Initial

senior notes not accepted for exchange by us will be returned without expense to the tendering holders (or in the case of initial senior notes tendered by book-entry transfer into the exchange agent's account at DTC pursuant to the procedures described above, such non-exchanged initial senior notes will be credited to an account maintained with DTC) promptly following the date on which the exchange offer expires, or, if we terminate the exchange offer prior to such date, promptly after the exchange offer is so terminated.

Interest Payments on the Exchange Senior Notes

The exchange senior notes will bear interest from the most recent date to which interest has been paid on the initial senior notes exchanged therefor or, if no interest has been paid on such initial senior notes, from November 30, 2004. Accordingly, registered holders of exchange senior notes on the relevant record date for the first interest payment date following the consummation of the exchange offer will receive interest accruing from the most recent date on which interest has been paid or, if no interest has been paid, from November 30, 2004.

Initial senior notes accepted for exchange will cease to accrue interest from and after the date of consummation of the exchange offer. Holders of initial senior notes whose initial senior notes are accepted for exchange will not receive any payment in respect of accrued interest on such initial senior notes; rather, that interest will be payable on the exchange senior notes delivered in exchange for the initial senior notes on the first interest payment date after the exchange date.

Conditions to the Exchange Offer

Despite any other term of the exchange offer and subject to an obligations under the registration rights agreement, we will not be required to accept for exchange, or exchange any exchange senior notes for, any initial senior notes, and we may terminate the exchange offer as provided in this prospectus before accepting any initial senior notes for exchange if in our reasonable judgment:

the exchange senior notes to be received will not be tradable by the holder, without restriction under the Securities Act, the Exchange Act and without material restrictions under the blue sky or securities laws of substantially all of the states of the United States;

the exchange offer, or the making of any exchange by a holder of initial senior notes, would violate applicable law or any applicable interpretation of the staff of the SEC; or

any action or proceeding has been instituted or threatened in any court or by or before any governmental agency with respect to the exchange offer that, in our judgment, would reasonably be expected to impair our ability to proceed with the exchange offer.

In addition, we will not be obligated to accept for exchange the initial senior notes of any holder that has not made to us:

the representations described under " Purpose and Effect of the Exchange Offer," " Procedures for Tendering" and "Plan of Distribution;" and

such other representations as may be reasonably necessary under applicable SEC rules, regulations or interpretations to make available to it an appropriate form for registration of the exchange senior notes under the Securities Act.

We expressly reserve the right, at any time or at various times, to extend the period of time during which the exchange offer is open. Consequently, we may delay acceptance of any initial senior notes by giving oral or written notice of the extension to their holders. During any such extensions, all notes previously tendered will remain subject to the exchange offer, and we may accept them for exchange. We will return any initial senior notes that we do not accept for exchange for any reason without

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expense to their tendering holder as promptly as practicable after the expiration or termination of the exchange offer.

We expressly reserve the right to amend or terminate the exchange offer, and to reject for exchange any initial senior notes not previously accepted for exchange, upon the occurrence of any of the conditions of the exchange offer specified above. We will give oral or written notice of any extension, amendment, nonacceptance or termination to the holders of the initial senior notes as promptly as practicable.

These conditions are for our sole benefit and we may assert them regardless of the circumstances that may give rise to them or waive them in whole or in part at any or at various times in our sole discretion. If we fail at any time to exercise any of the foregoing rights, this failure will not constitute a waiver of this right. Each right will be deemed an ongoing right that we may assert at any time or at various times.

In addition, we will not accept for exchange any initial senior notes tendered, and will not issue exchange senior notes in exchange for any initial senior notes if, at the time, any stop order will be threatened or in effect with respect to the registration statement of which this prospectus constitutes a part.

Consequences of Failure to Exchange

Holders of initial senior notes who do not exchange their initial senior notes for exchange senior notes under the exchange offer will remain subject to the restrictions on transfer of the initial senior notes:

as set forth in the legend printed on the senior notes as a consequence of the issuance of the initial senior notes under the exemption from, or in transactions not subject to, the registration requirements of the Securities Act and applicable state securities laws; and

otherwise as set forth in the prospectus distributed in connection with the private offering of the initial senior notes.

In general, you may not offer or sell the initial senior notes unless they are registered under the Securities Act or the offer or sale is exempt from registration under the Securities Act and applicable state securities laws. Except as required by the registration rights agreement, we do not intend to register resales of the initial senior notes under the Securities Act.

Accounting Treatment

The exchange senior notes will be recorded at the same carrying value as the initial senior notes for which they are exchanged, which is the aggregate principal amount of the initial senior notes, as reflected in our accounting records on the date of exchange. Accordingly, no gain or loss for accounting purposes will be recognized in connection with the exchange offer. The cost of the exchange offer will be amortized over the term of the exchange senior notes.

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Exchange Agent

We have appointed The Bank of New York Trust Company, N.A. as the exchange agent for the exchange offer. Delivery of the letters of transmittal and any other required documents should be directed to the exchange agent as follows:

By registered or certified mail, overnight delivery or hand delivery:

The Bank of New York Trust Company, N.A.
101 Barclay Street East
New York, New York 10286
Attn.: Corporate Trust Operations

By facsimile transmission:

(212) 298-1915
Attn.: Reorganization Unit

For additional information or questions relating to the exchange offer, contact:

Mr. David Mauer
Phone: (212) 815-3687

Delivery of the letter of transmittal to an address other than the New York address set forth above or transmission of such letter of transmittal via facsimile other than as set forth above does not constitute a valid delivery of such letter of transmittal.

Fees and Expenses

We have not retained any dealer-manager or similar agent in connection with the exchange offer and will not make any payments to brokers, dealers or others for soliciting acceptances of the exchange offer. We will, however, pay the exchange agent reasonable and customary fees for its services and will reimburse it for reasonable out-of-pocket expenses in connection with its services. We will also pay brokerage houses and other custodians, nominees and fiduciaries the reasonable out-of-pocket expenses incurred by them in forwarding tenders for their customers. We will pay the expenses to be incurred in connection with the exchange offer, including the fees and expenses of the exchange agent, printing, accounting and legal fees.

Transfer Taxes

Holders who tender their initial senior notes for exchange will not be obligated to pay any transfer taxes on the exchange. If, however, exchange senior notes are to be delivered to, or are to be issued in the name of, any person other than the registered holder of the initial senior notes tendered, or if a transfer tax is imposed for any reason other than the exchange of initial senior notes in connection with the exchange offer, then the amount of any such transfer taxes (whether imposed on the registered holder or any other persons) will be payable by the tendering holder. If satisfactory evidence of payment of such taxes or exemption therefrom is not submitted with the letter of transmittal, the amount of such transfer taxes will be billed directly to such tendering holder.

No Outside Information; Limitation on Exchange Offer

No person has been authorized to give any information or to make any representations in connection with the exchange offer other than those contained in this prospectus. If given or made, such information or representations should not be relied upon as having been authorized by us. Neither the delivery of this prospectus nor any exchange made hereunder shall, under any circumstances, create any implication that there has been no change in our business since the respective dates as of which information is given herein.

We are not making the exchange offer to (nor will tenders be accepted from or on behalf of) holders of initial senior notes in any jurisdiction in which the making of the exchange offer or the acceptance thereof would not be in compliance with the laws of such jurisdiction. However, we may, at our discretion, take such action as we may deem necessary to make the exchange offer in any such jurisdiction and extend the exchange offer to holders of initial senior notes in such jurisdiction. In any jurisdiction the securities laws or blue sky laws of which require the exchange offer to be made by a licensed broker or dealer, the exchange offer may be made on our behalf by one or more registered brokers or dealers which are licensed under the laws of such jurisdiction.

USE OF PROCEEDS

The exchange offer is intended to satisfy our obligations under the registration rights agreement. We will not receive any cash proceeds from the issuance of the exchange senior notes. In consideration for issuing the exchange senior notes as contemplated in this prospectus, we will receive, in exchange, an equal number of initial senior notes in like principal amount. The form and terms of the exchange senior notes are identical in all material respects to the form and terms of the initial senior notes. The initial senior notes surrendered in exchange for the exchange senior notes will be retired and marked as cancelled and cannot be reissued.

CAPITALIZATION

The following table sets forth our capitalization as of March 31, 2005. You should read this table together with "Selected Historical Combined Financial Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our historical financial statements and the notes to those statements included elsewhere in this prospectus.

As of March 31, 2005

(dollars in millions)

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