



PRESS RELEASE

INVESTMENT OF \$1.2 MILLION IN KRUGER LASALLE

Montréal, May 17, 2001 – Kruger Inc. announces the installation of a new flexo folder gluer at its packaging plant in Ville LaSalle. The project should be completed by mid-year.

“This machine will allow us to respond more rapidly to customers requirements and will also increase its converting capacity by 84 million sq. ft.,” said Mr. Michel Dubuc, General Manager of the Kruger plant in Ville LaSalle. The plant already has the capacity to produce 700 million sq. ft. of regular slotted containers and 500 million sq. ft. of die cut cartons.

This investment ensures the plant’s long-term survival. With 230 employees, Kruger has been one of the most important employers in Ville LaSalle since 1960.

“Our team of workers and management has successfully evolved in a highly demanding high-volume, quick-turnaround environment,” Mr. Dubuc added. Kruger LaSalle is one of the most modern operations of its kind in Québec, making a wide variety of boxes, diecuts and sheets, and specializing in quality flexo printing in up to four colors.

Certified ISO 9001 and ISO 14 001 (environmental management system), the plant’s quality and productivity levels are continuously improving, and since 1988, Kruger has invested over 34 million dollars in the construction and modernization of the plant on Cordner Street. In 1999, the plant set a production record by manufacturing, converting and shipping 1,2 billion square feet of containerboard.

Kruger is a leader in sustainable forest ecosystems and recycling. The company is a major pulp and paper producer engaged in the manufacture and sale of newsprint, supercalendered and coated grades, specialty publication paper, tissue, linerboard, packaging, lumber and other forest products. The company has operations in Québec, Ontario, Alberta, British Columbia, Newfoundland, the United States and the United Kingdom, and employs over 10,500 people.

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