



Trois-Rivières Mill

Press Release – For immediate release

**KRUGER INVESTS \$45 MILLION
IN ITS TROIS-RIVIÈRES MILL**

Paper operations improvement program

Trois-Rivières, May 17, 2001 – This morning during a scrum, Montréal-based Kruger Inc. announced the completion of a \$45-million capital-spending program at its Trois-Rivières Newsprint and Coated Paper Mill, resulting in an overall production capacity increase of 28 000 tonnes per year at the Royal Boulevard mill. Major production and quality improvements have already been made to Paper Machines No. 1 and 4, base stock machines, and No. 7 and No. 10 newsprint machines. The work was carried out between November 2000 and June 2001 and required a 12 000 metric tonne production decrease.

“The mill has undergone almost continuous modernization since it was acquired by Kruger twenty seven years ago. To date, over 1 billion 200 million dollars have been invested in the Trois-Rivières mill, making it one of the largest production facilities in eastern Canada,” said Gilles Dontigny, General Manager of the Trois-Rivières mill. “The \$45 million capital-spending program, involving major production and quality improvements in paper operations, will allow us to meet the ever increasing requirements of our customers,” added Mr. Dontigny.

Modernization of No. 7 and 10 newsprint machines includes upgrading the forming, press and drying sections. The total production increase from this modernization represents 19 000 metric tonnes a year.

An array of improvements have been made to PMs 1 and 4, which produce base stock for coated paper, to upgrade the approach system, the forming sections, dry weight controls, the press and drying sections, winders, reelers and electrical controls.

Modernization of the coating line, and especially of coater no. 8, represents a 15 300-tonne increase in the annual production of coated paper. The new winder will enable the mill to meet the increased demand for 50-inch rolls and larger, as well as ever increasing quality standards.

Training, the key to success

Kruger Trois-Rivières invests more than \$2 million annually in various training programs. The technological changes at the mill will require more major investments in training over the next few years.

“We are currently setting up a training management structure based on a skills-oriented approach. This will allow the company to quickly target and meet the individual training needs of all our employees,” stated François Jobin, Manager of Human Resources.

The services of qualified internal trainers, renowned external consultants, universities, colleges and various school boards have been called upon in order to maximize employee training efforts.

Kruger is a firm believer in customer satisfaction through consistent product quality—and only a skilled workforce can ensure this. Employees are recruited based on a well-defined selection process. Criteria include the ability to keep up with technological changes and being a fast learner.

Continuous improvement

The Trois-Rivières mill has been under continuous expansion to increase productivity and reduce manufacturing costs. Up to 450 people per day have worked on the different phases of the \$45 million investment project—\$25 million of this amount was invested locally in the form of salaries and the purchase of goods and services.

Production at the mill averages 1800 metric tonnes of paper per day: 55% newsprint, 25% coated paper and 20% specialty grades for magazines and advertising publications. The mill operates 7 paper machines, 2 off-machine coaters and 7 supercalenders. Mill furnish includes TMP and recycled pulp.

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 employs over 10 500 people and has operations in Québec, Ontario, Alberta, British Columbia, Newfoundland, the United States and the United Kingdom.

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