

**PRESS RELEASE – For Immediate Release**

**KRUGER INVESTS \$78 MILLION IN ITS BROMPTONVILLE MILL WITH THE PARTICIPATION OF THE QUÉBEC GOVERNMENT**

**Bromptonville, Tuesday, June 5, 2001** – Madam Pauline Marois, Deputy Première of Québec and Minister of Finance and Economy, and the Kruger company, represented by Bernard Routhier, Vice-President – Operations, today announced an investment of 78 million dollars at its Bromptonville mill to improve the quality of paper and reduce production costs. This project was accomplished with a \$7.5 million loan from Investissement Québec. The investment will also serve to consolidate the 470 jobs at the mill.

Mr. Gille Baril, Minister of State for the Regions and Minister of Industry and Commerce, Mr. Claude Boucher, Secretary of State for Municipal Infrastructures and Regional Deputy for the Eastern Townships, Mr. Clément Nault, Mayor of Bromptonville, and many other guests attended the event.

The Deputy Première emphasized Kruger’s contribution to the economic development of the region and the whole of Québec. “The Québec government supports this project which will have a major impact on the economy as the majority of goods and services purchased will be from Québec.” Madame Marois reiterated that “Kruger is major player in the paper industry, which contributes to the development of Québec’s economy with some 30 000 direct jobs.”

“This new investment, which constitutes the 2nd phase in a 125 million dollar modernization program, demonstrates our confidence in the future of the Bromptonville mill,” proudly stated Bernard Routhier, Executive Vice President – Operations for Kruger. “It will enable us to improve our position as a leader in finished product quality,” he added.

This investment is aimed at improving equipment in the deinking plant in order to use a wider variety of recycled fibre and reduce the mill’s production costs. It will also allow the mill to increase its capacity to generate steam and electricity at low cost from solid residue produced in the mill and surrounding area. By reducing consumption of fossil fuels and their utilization for energy purposes, the mill’s environmental performance, which is already excellent, will be further enhanced. In addition, major improvements will be made to paper machine Nos. 1 and 2 in order to increase their productivity and the quality of the paper produced. An employee training program will accompany the modernization projects.

The work, which began in November 2000, will be completed in the months to come and, in all, will have required more than 600 000 hours in engineering, construction and

project management. At some stages in the construction more than 400 people were working on this \$78-million project.

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 papers, specialty publication paper, tissue, linerboard, packaging, lumber and other forest products. The company has operations in Québec, Ontario, Alberta, British Columbia and Newfoundland, the United States and the United Kingdom, and employs over 10 500 people.

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#### **SOURCES:**

Danielle Cantin  
Communications Danielle Cantin inc.  
Tel.: (819) 373-7135  
Cell.: (819) 691-5176  
E-mail: danielle@cdcantin.com

Nicole Bastien  
Press Officer  
Office of the Deputy Première  
Tel.: (418) 643-5270

#### **INFORMATION:**

Jean Majeau  
General Manager, Corporate and  
Governmental Affairs  
Kruger  
Tel.: (514) 343-3213  
Cell.: (514) 919-5222  
E-mail: jmajeau@kruger.com

Josée Morin  
Communications Advisor  
Investissement Québec  
Tel.: (514) 873-1426  
E-mail: josee.morin@invest-quebec.com