

**PRESS RELEASE – For immediate release**

**PRODUCTION REDUCED AT THE CORNER BROOK PULP AND PAPER MILL**

**12 000 MT of newsprint withdrawn from the market over the last few months**

**Montreal, June 17, 2002** – Kruger Inc. announced today a temporary shutdown for a period of 4 days of its Corner Brook Pulp and Paper mill (CBPP) in Newfoundland, to hook up equipment required for the fall start-up of its cogeneration project.

The temporary shutdown begins today. The installation of the cogeneration equipment, a \$29 million-investment, along with downtime related to other capital and improvement projects, resulted in a 12,000 metric tonne reduction in newsprint output over the last few months for the Corner Brook Paper Mill.

“These investments will enable us to optimize the use of wood residue for the production of steam and electricity at the Corner Brook mill and are in keeping with Kruger’s environmental policy, which favors responsible management of natural resources,” said Michel Vachon, Vice-President, Manufacturing. “In accordance with an agreement in principle signed in October 2000 with Newfoundland and Labrador Hydro (HYDRO), CBPP will sell them 12 MW of electricity produced by the cogeneration project, helping HYDRO meet its objective of providing cost-effective power generated through technologies that address environmental concerns,” Mr. Vachon added.

Kruger is a major pulp and paper company engaged in the manufacturing and sale of newsprint, groundwood specialty grades, lightweight coated paper, directory paper, tissue, recycled linerboard, corrugated containers, lumber and wood products. Kruger Inc. recently acquired Scott Paper Limited. As the leading tissue manufacturer in Canada, Scott Paper serves the Canadian consumer market with well-known brands including Cottonelle, Purex, ScotTowels, Scotties, White Swan, Capri and Viva, as well as away from home products for industrial and commercial use across Canada. The Kruger company has operations in Québec, Ontario, Alberta, British Columbia and Newfoundland, the United States, United Kingdom and employs over 10,500 people.

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