

PRESS RELEASE – For Immediate Release

KRUGER PARTICIPATES IN THE CREATION OF PROTECTED AREAS

Protection of Monts Groulx Mountains and René-Levasseur Island

Montréal, July 5, 2002 – Kruger Inc. today announced that it will participate in the *Quebec Strategy Regarding Protected Areas* by contributing to the integral protection of the Monts Groulx Mountains and a 70% increase in the existing protected areas on René-Levasseur Island. Including the Louis Babel Ecological Reserve, 20% of René-Levasseur Island will now be protected.

“We have consulted all interested stakeholders in order to best address their concerns. We wanted to be sure that Kruger’s contribution in the creation of protected areas met with as much consensus as possible and identify mitigating measures to minimize the impact on our supplies”, declared Mr. Roger Robitaille, Senior Vice President, Forest and Wood Products Division of Kruger Inc.

The Kruger Company thus contributes to the protection of more than 420 km² on René-Levasseur Island. The harvesting contracts attributed to Kruger since 1997 ensure the supply to Kruger’s three sawmills on the North Shore and part of the chip supply for its two mills in Trois-Rivières.

“After consulting with our partners, we agreed that it would be preferable to protect the Monts Groulx Mountains and the Memory Bay Peninsula on René-Levasseur Island to significantly increase the existing protected areas, while minimizing the visual impact of our forest operations,” Mr. Robitaille continued. “We are very pleased to be associated with the introduction of the Quebec Strategic Action Plan on Protected Areas” he concluded.

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Kruger, Scierie Manic has set up a Permanent Advisory Committee on the North Shore. The regional community and all interested organizations therefore have the opportunity to participate in the planning of Kruger's forest management activities for common area 093-20. This area is situated some 280 kilometers north of Baie-Comeau, around the Manicouagan Reservoir. The comments and suggestions made to the Permanent Advisory Committee by the region's stakeholders in the context of partnership and harmonization will enable Kruger to continuously improve its practices and to harmonize its activities with the needs and expectations of all forest users.

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.

- 30 -

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