

PRESS RELEASE - For immediate distribution**MINISTER MALTAIS ANNOUNCES A \$2.1 MILLION GRANT
FOR MANPOWER TRAINING AT KRUGER WAYAGAMACK**

Trois-Rivières, Friday, February 7, 2003 - Mrs. Agnès Maltais, Employment Minister, today announced a \$2.1 million grant from Emploi-Québec to Kruger Wayagamack of Trois-Rivières for manpower training. Mrs. Maltais was accompanied by Mr. Guy Julien, MP for Trois-Rivières, Revenue Minister and Minister responsible for the Mauricie region, as well as Mr. Daniel Archambault, General Manager of Kruger Wayagamack.

This financial contribution from the Québec Government will allow the some 500 men and women currently employed by the mill to update their skills, in keeping with the anticipated technological and organizational changes. It will also be used to train the 110 new employees that Kruger Wayagamack plans to hire during the year," stated Mrs. Maltais.

235 000 Hours of Training

In May 2001, Kruger Inc. and SGF Rexfor purchased this mill, built in 1912, and in partnership created the Kruger Wayagamack company. In January 2002, the two partners confirmed a major investment program in the order of \$416 million aimed at providing the mill with state-of-the-art coated paper production equipment and technology capable of producing 200 000 metric tonnes of lightweight and ultra-lightweight coated paper per year. "In fact, the program includes the start-up of a new coated paper machine, modernization of the two existing machines, as well as improvement of the groundwood and kraft pulp processes and the mill's auxiliary systems. This represents a major challenge in terms of manpower," stated Mr. Archambault, General Manager.

In particular, to accomplish the technological transfer, a team of in-house trainers must go to Finland to learn all about the new technology. At the same time, modernization of the existing machines and start-up of the new coated paper machine will require an investment of 235 000 training hours. The training will affect more than two-thirds of current employees and all future employees over a 21-month period. Eighty percent of the training hours will be related to the start-up of the new machine, and 20% to the modernization of machines 2 and 3. In terms of scheduling, training activities began last autumn and should continue until 2004.

A Total Budget of Over \$8 Million

According to the proponents of this mega-project, analysis of training requirements, development of training content, training of instructors, distribution of training content to the teams, and management of the training program will require a budget of over \$8 million. Kruger has longstanding ties to the regional University, Cegeps and School Board, and will continue to rely on these resources for its manpower training. Taking into account the significant efforts made to meet the challenges of this modernization program, and considering that the qualification of employees is key to the success of this project, Kruger Wayagamack is also calling on the resources of Emploi-Québec. Agreements have therefore been reached with representatives of the Trois-Rivières Local Employment Center (CLE) under the Integration of Jobs and On-the-Job Training programs. "These programs fosters the development of current employees' skills, support hiring to fill new permanent positions, and establish training measures for new people starting in a position," stressed the Employment Minister.

Training and qualified manpower are a primary concern in the operation of such a high-tech industrial complex. “Emploi-Québec’s investment will not only benefit this project, but it will also create positive spinoffs in the years to come with respect to regional employment and the economic vitality of the Mauricie. This gesture is clearly in keeping with our vision for regional development, which includes reinforcing a niche of excellence in the pulp and paper sector,” concluded Minister Guy Julien.

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