

PRESS RELEASE – For Immediate Release

**KRUGER INTERRUPTS PRODUCTION INDEFINITELY AT
ITS JACQUES BEAULIEU SAWMILL**

Longue-Rive (Québec), April 17, 2003 — Kruger Inc. today announced that it will be shutting down its sawmill operations at Scierie Jacques Beaulieu located in Longue-Rive, on the North Shore.

“The company’s decision was inevitable given the current economic climate,” stated Daniel Tardif, Senior Vice-President – Kruger Forest and Wood Products Division. “Market prices continue to drop and the 27% countervailing duties imposed by the United States on Canadian lumber are taking their toll on our profitability. In recent months, we’ve had to absorb significant financial losses in order to maintain operations at Scierie Jacques Beaulieu; our production costs have for quite some time now exceeded the selling prices of the mill’s products.”

Mr. Tardif added that finished product inventories were very high and that Kruger could no longer continue its operations in Longue-Rive without putting its other sawmill operations at risk. The shutdown will affect 50 employees.

Kruger is a major pulp and paper company engaged in the manufacturing and sale of newsprint, specialty grades, lightweight coated paper, directory paper, tissue, recycled linerboard, corrugated containers, lumber and wood products. Scott Paper Limited, a member of the Kruger Company, is 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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