

PRESS RELEASE – For Immediate Distribution

**KRUGER REDUCES PRODUCTION AT ITS SAWMILLS
IN FORESTVILLE AND LAUNAY**

Montreal, May 27, 2003 — Kruger Inc. today announced that it will be reducing production at the Forestville (Scierie HCN) and Launay (Scierie Gallichan) sawmills. Each of these mills will cut back one work shift as of June 2nd, for an undetermined period. These measures will affect 36 employees, 15 at Scierie HCN and 21 at Scierie Gallichan.

“In view of the lumber surplus on the North American market, high export costs to the United States and the 27% duty imposed by the United States, we have no other choice but to reduce our production so that we may reduce our financial losses”, explained Mr. Jean-François Mérette, Vice President of Operations – Forest and Wood Products Division of Kruger Inc. “In the current economic context, our cost structure will not permit us to maintain operations at their current level”, Mr. Mérette added.

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 other 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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