



PRESS RELEASE – For Immediate Release

**KRUGER INVESTS \$11 MILLION IN LONGUE-RIVE
AND CONSOLIDATES ITS NORTH SHORE SAWING OPERATIONS**

Revival plan receives unanimous support from stakeholders

Longue-Rive, November 6, 2003. Representatives from Kruger Inc., the Town of Longue-Rive, the Upper North Shore RCM and Scierie Beaulieu employees' union (CSN) announced today that Kruger's revival plan for its North Shore operations has received unanimous support from all stakeholders, including the Québec government. The revival plan provides for the integration of Scierie Jacques Beaulieu's sawmill activities into Kruger's two other North Shore sawmills, Scierie HCN and Scierie Manic, as well as an \$11 million investment in Longue-Rive and the consolidation of 775 direct jobs in the region.

"We are confident that this move will make us more competitive and help to reduce our financial losses on the North Shore," stated Daniel Tardif, Senior Vice-President, Forest and Wood Products Division of Kruger Inc. He also noted that the crisis affecting the forest industry is hitting North Shore mills the hardest due to the much higher cost of roundwood in the region compared to provincial averages.

"This is a win-win solution for both the Town of Longue-Rive and employees," stated Mario Tremblay, Longue-Rive Mayor. "The action plan will generate new investments in Longue-Rive and minimize socio-economic impacts," he added.

"This agreement will allow us to save many of the jobs lost following the suspension of sawing operations at Scierie Jacques Beaulieu and the fire at the mill's planer," said Steve Laprise, President of the Scierie Beaulieu Workers Union, CSN. "We are confident that Kruger's revival plan will help to ensure sustainable employment for workers," concluded Mr. Laprise.

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“We support Kruger’s revival plan since it will save 184 of the 211 jobs at Scierie Jacques Beaulieu, 90% of which will remain in the Upper North Shore area,” affirmed Jean-Marie Delaunay, Reeve of the Upper North Shore RCM. “Kruger has made its intention to maintain business activities on the Upper North Shore clear with its revival plan, which includes an \$ 11 million investment in Longue-Rive,” concluded Mr. Delaunay.

Approved revival plan

- Integration of Scierie Jacques Beaulieu sawing operations into Kruger’s two other North Shore sawmills, Scierie HCN and Scierie Manic;
- Addition of a new work team at Scierie Manic (20 jobs);
- Addition of a new work team at Scierie HCN (11 jobs);
- \$8.5 million investment to build a new planing unit at Scierie Jacques Beaulieu (28 jobs);
- \$1 million investment to build a new dryer at Scierie Jacques Beaulieu (10 jobs);
- \$2 million investment to build a bark boiler at Scierie Jacques Beaulieu;
- \$500 000 investment to move and install a drum debarker at Scierie HCN;
- Maintenance of forest operations (125 jobs);
- Scierie Jacques Beaulieu employees will be offered first pick of the jobs created at Forestville and Ragueneau.

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