



**PRESS RELEASE – For Immediate Distribution**

**KRUGER INVESTS AN ADDITIONAL \$7 MILLION IN ITS PACKAGING PLANTS**

**Phase II of a Major 5-Year Investment Program**

**Montreal, June 16, 2004** – Kruger Inc. today announced that it is proceeding with Phase II of its investment program in the packaging sector. As part of this program, the company will invest 7 million dollars to establish and start up a new packaging plant in Brampton, Ontario.

A significant portion of this investment is used to acquire and install a state-of-the-art box-making press. This high-performance machine, which will produce 4-colour corrugated packaging, will allow Kruger to increase its packaging production capacity in Ontario, as well as improve its quality and offer more diversity to its customers.

“We are determined to strengthen our competitive position in the containerboard and packaging sectors, and to offer our customers even greater efficiency. We are therefore pursuing our strategic plan whose primary objective is to improve the equipment and operating systems in our plants”, indicated David Janigan, Vice President – Containerboard Division of Kruger Inc. “By increasing our production capacity, as well as the quality of our products and service, we are able to send a clear message to our customers; a message that tells them we want to be partners in their growth by offering high quality products at competitive prices.”

**Investments Totalling \$12 Million**

Kruger launched the first phase of its upgrading initiative in 2002, by modernizing the corrugator and installing a state-of-the-art five-color rotary die cutter press at its Rexdale (Toronto) plant. A new three-color rotary die cutter press was also installed at its LaSalle (Montreal) packaging plant during this first phase. Therefore, in the last two years, Kruger will have invested no less than 12 million dollars to modernize its packaging plants.

“The management systems in our Ontario packaging plants are certified ISO 9001 for quality, ISO 14001 for environment, OHSAS 18001 for health and safety and HACCP for food processing packaging. These certifications, together with the investments that we are currently making to increase our productivity and improve the quality of our products and service, show our continued commitment in responding to our customers’ needs”, declared Tony Lapenna, General Manager of the Rexdale Packaging Plant.

Specializing in the design and manufacture of high quality corrugated packaging, Kruger's Containerboard Division excels in the development of innovative 100% recyclable packaging products for North American markets. Approved for food contact, these value-added products include containers for food, beverages, dairy products, flowers, chemical products, textiles and clothing. Kruger also manufactures a wide range of corrugated products for electrical appliances, auto parts and other industrial products, as well as small creative containers or retail point-of-purchase displays found in supermarkets, pharmacies and other wholesale and retail outlets.

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 and Labrador, the United States, United Kingdom and employs over 10 500 people.

– 30 –

#### **INFORMATION:**

Jean Majeau  
Vice President, Corporate Affairs  
Tel.: (514) 343-3213  
Email: [jmajeau@kruger.com](mailto:jmajeau@kruger.com)  
Web site: [www.kruger.com](http://www.kruger.com)

