

**PRESS RELEASE - For Immediate Release**

**KRUGER TO TEMPORARILY SHUT DOWN THREE PAPER MACHINES**

**Due to Increasing Canadian Dollar Value and Costs**

**Montreal (Quebec), December 3, 2004** -- Kruger Inc. announced today that it will temporarily shut down three paper machines for eight days beginning on December 24, 2004. The machines will start up again on January 3, 2005. The three paper machines are in three different Kruger mills: Trois-Rivières Mill and Kruger Wayagamack, both in Trois-Rivières, Quebec, and Corner Brook Pulp and Paper mill in Newfoundland and Labrador.

Although there are orders for the three machines, and normally all of the company's paper machines operate over the Christmas holidays, the shutdowns are necessary mainly given the important negative economic impact caused by the increasing value of the Canadian dollar. 350 employees are affected by the temporary shutdowns at the three mills.

Kruger is currently conducting an extensive operational review of each of its mills to determine if further paper-machine shutdowns are warranted.

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 Cashmere from 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  
E-mail: [jmajeau@kruger.com](mailto:jmajeau@kruger.com)  
Web Site: [www.kruger.com](http://www.kruger.com)

