



**PRESS RELEASE – For immediate distribution**

**KRUGER'S FOREST PRACTICES MEET ALL  
SUSTAINABLE DEVELOPMENT REQUIREMENTS**

**Montreal (Quebec), May 13, 2005** – Kruger Inc. today reiterated that it performs all of its forest activities according to the highest standards of sustainable forest management and with constant care to protect the environment and biodiversity.

“All of our forest activities on the North Shore, including Île René-Levasseur, are performed with the highest respect for the rules that govern sustainable development,” declared Mr. Jean Majeau, Vice President, Corporate Affairs for Kruger.

In recent years, Kruger Inc. has introduced many initiatives for protecting the environment and biodiversity. For example, in collaboration with various environmental and outdoor recreational groups, the Company suggested 100% protection of Monts Groulx and doubling the proportion of protected areas on Île René-Levasseur, bringing it to 23%.

It also committed, from the beginning, to protect all exceptional sites or habitats, if such sites were discovered. In this regard, Kruger Inc. initiated research, in collaboration with the Quebec Ministry of Natural Resources and Wildlife, aimed at identifying exceptional forest ecosystems (EFE) on Île René-Levasseur. Six EFEs were identified from a total area of 1,538 hectares as a result of this exercise, and they will be preserved.

Kruger Inc. recently received CSA-Z809-02 accreditation for its forest activities in Common Area 093-20 on the North Shore, including Île René-Levasseur, after meeting all criteria relative to sustainable forest management. Protection of biological diversity is a principle criterion.

“Kruger Inc. has always acted in concert with other users of the resource, including the Betsiamites Innu community, and deplores the recent decision by Chief Raphaël Picard to withdraw its two representatives from the Public Advisory Committee, formed for the purpose of involving the local community in Kruger Inc.'s forest management planning activities for the North Shore,” Mr. Majeau added.

If Chief Raphaël Picard's request for an injunction is granted, Kruger Inc. will suffer irreparable damages and will then be forced to shut down its forest activities on the North Shore, resulting in the loss of close to 1,000 direct jobs on the North Shore and in the Mauricie. Kruger Inc. has invested over 150 million dollars on the North Shore since 1997. It also recently invested close to 500 million dollars to save and reopen the Wayagamack mill in Trois-Rivières, in partnership with the Société générale de financement du Québec. If the conclusions that Chief Picard is seeking are granted, this major investment will be jeopardized.

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. In March 2004, Kruger created a new Business Unit, Kruger Energy Group, to ensure its growth in the energy sector. Scott Paper Limited, a member of the Kruger Company, is the leading tissue manufacturer in Canada, 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.

## **INFORMATION**

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