



Forest and Wood Products Division

PRESS RELEASE – For immediate release

A DECISION THAT PRESERVES JOBS AND SUPPORTS SUSTAINABLE DEVELOPMENT

Court of appeal authorizes Kruger to continue harvesting burned wood
on René-Levasseur Island

Montreal, Quebec, August 19, 2005 – Kruger is extremely pleased with the Quebec Court of Appeal’s decision, handed down today, authorizing the Company to continue harvesting burned wood on René-Levasseur Island. “We are very happy with this decision, for both our workers and the people on the North Shore, who also benefit from our operations. The decision will ensure about 150 direct jobs that were threatened on the North Shore, in addition to having a positive impact on chip supply for our mills in Trois-Rivières,” notes Mr. Jean Majeau, Kruger’s Vice-President, Corporate Affairs.

“Harvesting burned wood is an activity that is in keeping with sustainable development objectives, because in addition to protecting 150 jobs in the North Shore region, it incorporates forest renewal operations and helps maintain biodiversity, adds Mr. Majeau. In our opinion, the harvesting of burned wood balances ecological and environmental requirements with those of economic and social development.”

Kruger points out that its operations represent exemplary forest practices that conform to all sustainable development requirements. Its forest practices on Common Area 093-20, including René-Levasseur Island, are certified to the CSA-Z809-02 standard by independent external specialists, the Company having met every sustainable forest management (SFM) criteria. In addition, Kruger has voluntarily contributed to doubling protected areas on René-Levasseur Island, bringing the total protected area to 25% of the land area on the island. Finally, Kruger plans its forest operations in cooperation with about 20 regional organizations.

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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