



PRESS RELEASE – For immediate distribution

**KRUGER INC. INVESTS
\$2 MILLION IN THE LASALLE PACKAGING PLANT**

Phase III of a five-year modernization program

Montreal, December 1st, 2005 – Kruger’s Containerboard Division announces a 1.9 million dollar investment for the modernization of the corrugator at its LaSalle plant which produces 1.2 billion square feet of corrugated containers a year. This phase includes replacing a single facer and installing a new quality control system on the corrugator. The project will increase the efficiency, product quality, uniformity and capacity of the corrugator and of the downstream converting equipment.

This investment reflects the determination of Kruger Inc. to reinforce its competitive position in the packaging sector and is part of a five-year investment program. To-date, close to \$15 million has already been invested to upgrade Kruger packaging plants in Quebec and Ontario as part of this program.

“Our project will help to increase our competitive position in a market where response time, quality and product performance are key factors for success”, said Mr. Michel Dubuc, General Manager of the LaSalle plant.

Founded in 1960, the LaSalle plant has a workforce of 245 employees. It specializes in the manufacture of regular and die-cut corrugated cartons, and corrugated sheets.

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 other wood products, including DRICore, the most recently patented unique engineered sub-flooring system. In March 2004, Kruger Inc. established a new business unit, the Kruger Energy Group, to achieve its growth objectives in the energy sector. 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, SpongeTowels, 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.

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