



PRESS RELEASE – For immediate distribution

KRUGER INC. ACQUIRES THE MAISON DES FUTAILLES

Montréal, (Québec) – September 1, 2006 - Kruger Inc. today announced that, following due diligence and negotiations with the Société des alcools du Québec (SAQ) and the QFL Solidarity Fund, it is acquiring the Maison des Futailles (MDF). The QFL Solidarity Fund will retain a 25% interest.

“We are very pleased to welcome the Maison des Futailles and its employees into the Kruger organization. We are very happy to be able to share with them a new stage in the development and growth of the company,” said Mr. Donald Cayouette, Executive Vice President, Operations.

Gaétan Morin, QFL Solidarity Fund Senior Vice President, Investment, described this transaction as an excellent opportunity for the various parties involved. “We are delighted that the new owner of the Maison des Futailles is already a long-standing partner of the QFL Solidarity Fund. Kruger Inc. possesses all the necessary assets and tools to help the Maison des Futailles move towards new business horizons.”

This acquisition is in keeping with the diversification strategy adopted by the Kruger organization during the last ten years. In 1997 the Company acquired Scott Paper, the largest Canadian manufacturer and distributor of well-known tissue products, including Cashmere, Purex, SpongeTowels, Scotties, White Swan, White Cloud and a wide range of products for hotels, restaurants, educational institutions, public buildings, health care facilities and industries.

Founded in 1999, the Maison des Futailles is a leading winemaker, bottler and marketer of wines and spirits. Its impressive line of products is marketed in Quebec and elsewhere, and includes over 250 imported and domestic wines and spirits. These products are distributed in many establishments throughout Quebec, including SAQ outlets, restaurants and other licensed establishments, food stores and bulk wine and spirits outlets.

MDF owns prestigious brands of wines and spirits, such as Kamouraska vodka, the second biggest seller in the restaurant business, VS Global Cognac, the best in its category; Sortilège, a maple syrup whiskey and best seller of the heartland products; and Pomme de glace, an ice cider. Wines offered by MDF include Australian wines such as Australian Ridge and Settler’s Cove; Reserva de Peron, from Argentina; Marquis de Méricourt and Châtenois, Québec wines; and Girondin AOC, from Bordeaux. In the fall of 2005 MDF launched its own brand “Maître Sommelier” in grocery stores offering a collection of high quality wines; more recently it created the line “Rewine” that includes wines from various origins intended for the

younger consumer. Also, the Mondia Alliance division of the Maison des Futailles represents many world-renowned brands including Francis Ford Coppola, California wines; Angostura rum from the Caribbean, Pol Roger Champagne, Tariquet, wines from France; Ramos Pinto, wines and ports from Portugal and many other famous brands.

The QFL Solidarity Fund is a development capital fund with total net assets of \$6.6 billion. Through its RRSP, the Fund calls upon the savings of Quebecers to help create and maintain jobs in Quebec by investing in all sectors of the economy, thereby enhancing Quebec's economic development. It is a partner in 2,184 companies, either directly or through one of the members of its network. The Fund now has over 573,000 shareholders and participates, solely or with other financial partners, in creating, maintaining and supporting over 116,228 jobs.

Kruger is a major producer of publication papers – newsprint, coated paper, specialty grades, directory paper; tissue, recycled linerboard, corrugated containers, lumber and other wood products. A producer of green and renewable energy, and leader in recycling, Kruger 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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INFORMATION

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