



PRESS RELEASE – For Immediate Release

**SCOTT PAPER LIMITED TO CHANGE NAME TO KRUGER PRODUCTS –
New Name, New Logo Complete Massive Three Year
Re-Branding Initiative**

Toronto (Ontario) – October 10, 2006 - Kruger Inc., one of Canada's most successful and diversified companies with operations across North America and more than 10,000 employees globally, today announced it will be re-naming its Scott Paper division to Kruger Products. Montreal-based Kruger purchased the assets of Scott Paper from Kimberly-Clark in 1997. The purchase included a ten-year licensing and trademark agreement for the Scott, Cottonelle and ScotTowels trademark names which expires June 2007.

Today's announcement is the culminating highlight of a three year re-branding initiative conceived to create an entirely new and all-Canadian banner – Kruger Products – to encompass several of this country's most successful, best-selling tissue brands including: Cottonelle, now re-named Cashmere; SpongeTowels, the all-new, next generation of ScotTowels; Scotties; Purex; and Viva soon to be known as White Swan. Already Canada's leading manufacturer and distributor of paper products, Kruger Products will also embrace new and innovative entries in the years to come.

“We have invested significantly and strategically in our business both in Canada and the United States,” says Mario Gosselin, COO, Kruger Products. “Kruger Products is committed to growing and diversifying our North American operations for the future. As we enter this exciting new time, we will be more focused than ever in building value for all of our great brands.”

Kruger Products – Canada's Brand Powerhouse

Launched in 2004, Cashmere, the progressive evolution of Cottonelle, has grown its market position as Canada's number one bathroom tissue, thanks to new and enhanced product and consumer benefits including luxurious softness, quilting and extra-thickness. Marketing research indicates more than 80 per cent unaided awareness for the new Cashmere name, as a result of the Company's aggressive, multi-faceted three-year marketing program.

ScotTowels has also successfully transitioned to a new name, SpongeTowels, incorporating important product improvements featuring Sponge Pockets Technology. The brand's completely revamped and interactive web site, spongetowels.ca, is complemented by a national integrated marketing program featuring TV and print advertising heralding the new name and product benefits

Viva will be changing its name to White Swan. White Swan, one of Canada's most trusted and environmentally friendly value brands, will continue to offer Canadians premium bathroom tissue, facial tissues, paper towels and napkins at affordable prices.

The Company's highly successful Away From Home (AFH) Division, which manufactures and distributes high-quality, environmentally friendly and cost-effective products to a wide range of commercial and public organizations, will also fall under the new Kruger Products banner.

The Kruger Products Away From Home group provides paper-based products and solutions to numerous businesses in Canada and the United States in the food and hospitality, property management and healthcare sectors. Featuring trusted brands such as Embassy; Embassy Supreme; White Swan; Esteem; AllWorks; and Purex, AFH offerings include bathroom tissue; towels; facial tissue; napkins; wipers; dispensers; and handcare products.

New Logo for the Future

A new corporate logo has been created that also draws on Kruger's rich heritage while driving the new Kruger Products name into the future. The logo sees the familiar "K" icon within Kruger's own green coloured globe which represents the growth and creativity that are hallmarks of Kruger's success. The new name sits to the right of the classic icon.



"Our new name and logo represent a terrific progression for our company and reflect the power of the Kruger brand and the diversity of the company's business activities," says Mr. Gosselin.

Kruger Inc. – True Canadian Success Story

Kruger's evolution into a vertically integrated, international company is a true success story.

Founded in 1904, Kruger Inc. is a major producer of publication papers, tissue, lumber and other wood products, corrugated cartons from recycled fibers, and green and renewable energy. The Company is also a leader in paper recycling in North America. It recently continued its expansion in the retail sector with the acquisition of the Maison des Futailles, a leading winemaker, bottler and marketer of wines and spirits. Kruger operates facilities in Quebec, Ontario, Alberta, British Columbia, Newfoundland and Labrador, in the United States and the United Kingdom and has 10,000 employees.

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INFORMATION

Lindy Frank or David Weinstein at Strategic Objectives.

Tel: 416-366-7735

Fax: 416-366-2295

Email: lindy.frank@strategicobjectives.com