



Kruger

Forest and Wood
Products

PRESS RELEASE – For immediate release

KRUGER INC. SUSPENDS OPERATIONS AT FOUR SAWMILLS FOR AN INDEFINITE PERIOD OF TIME

Montréal (Québec), March 30, 2007 – Kruger Inc. announced today that it will have to suspend operations at four sawmills due to the unfavourable conditions at this time in the North American lumber market. The sawmills at Parent, in the Upper Mauricie, and at Launay, in Abitibi, will be shut down on April 5 for an indefinite period of time, while the sawmills in Ragueneau and Forestville as well as the Longue-Rive drying and planing operation on the North Shore will cease operations beginning June 29, also for an indefinite period of time.

Some 1,027 mill employees and forest workers will be affected by the closures, of which 233 are at Parent, 170 at Launay and 624 on the North Shore.

“We are sorry about the impact this decision will have on our employees. Unfortunately, current market conditions, especially the impact from low demand, the significant drop in product selling prices and the strength of the Canadian dollar, leave us no other choice.” stated Mr. Jean Majeau, Vice President, Corporate Affairs for the company. He added, “We hope that an improvement in current market conditions will eventually allow us to resume our operations.”

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 and paperboard recycling in North America. It recently continued its expansion in the retail sector with the acquisition of the Maison des Futailles, a leading wines and spirits merchant in Québec. 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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