



PRESS RELEASE – For immediate release

Crisis in the Forest Industry

**KRUGER URGES THE ADOPTION OF MEASURES
TO IMPROVE QUEBEC’S COMPETITIVE POSITION**

Montréal (Québec), August 6, 2007 - In view of the continuing crisis in the Quebec forest industry, Kruger Inc. joins its partners to support the rapid adoption of measures to improve the industry’s competitive position.

Although some measures have already been implemented, Kruger urges the government to adopt the additional measures recently suggested by Quebec forest companies. These measures would help reduce the excessively high costs of fiber supplies that currently put Quebec mills in an unfavorable and precarious position.

Founded in 1904, Kruger Inc. is a major producer of publication papers, tissue, lumber and other wood products, corrugated cartons from recycled fibers, green and renewable energy and wines and spirits. The Company is also a leader in paper and paperboard recycling in North America. 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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