



Press Release

FOR IMMEDIATE RELEASE
CNW Code 01 + Mauricie Weeklies

QUÉBEC AND KRUGER INVEST MORE THAN \$11 MILLION IN EMPLOYEE RETENTION AND TRAINING AT THE TROIS-RIVIÈRES MILL

Trois-Rivières, August 21, 2008 – Sam Hamad, Quebec Minister of Employment and Social Solidarity; Julie Boulet, Quebec Minister of Transportation, Minister of Natural Resources and Wildlife, Minister responsible for the Mauricie region and Member for Laviolette; and Denis Lafrenière, General Manager of Kruger's Trois-Rivières Mill, today announced a major investment in employee retention and training at the mill. Kruger Inc. will be investing close to \$8.4 million in an employee training plan, while Emploi-Québec will be contributing almost \$2.8 million.

"Ever since the forest industry has fallen on challenging times, Emploi-Québec has been present in the regions in order to support affected workers and to help improve the productivity and competitiveness of companies through workforce training. Government of Québec support for Kruger's training plan is in keeping with the orientations of the Employment Pact. Skill development and the recognition of competencies are invaluable for businesses that are striving to succeed in the context of market globalization," stated Minister Hamad.

"Kruger's presence in Trois-Rivières is a source of pride for the region and for Québec. Mauricie's natural resource-centered development has allowed many men and women to achieve their potential and build enriching personal, professional and social lives. By focussing on value-added products, the region will be better positioned than ever to experience economic growth and ensure that natural resource-based companies continue to operate. It is in this spirit that the Government of Québec recently tabled a Green Paper to build the Québec of tomorrow," stated Minister Boulet.

To reach productivity improvement targets for the Trois-Rivières Kruger Mill, the major training plan will support the following components:

- The first component will target all operators. Training will enable them to develop their technical skills to use new equipment and to exercise greater autonomy in problem-solving and therefore promote a versatile workforce and labour mobility among the various work stations.
- The second component will target all maintenance trades. Training will develop the skills of electricians and maintenance mechanics based on process changes and new equipment. This approach will result in improved versatility and greater collaboration among the various trades, as well as more effective and better integrated work organization.
- The last component will target the supervisor group. In response to these organizational changes, this group's role will focus more on managing the continuous improvement of production processes.

"This investment will enable Kruger's Trois-Rivières Mill to remain competitive by improving equipment reliability, adapting production to evolving market needs, developing versatile mechanical maintenance employees and improving supervisors' skills," said Denis Lafrenière. "Our plan for work reorganization would not have been possible without the full cooperation of our employees and Union representatives. They effectively joined forces to ensure the success of this ambitious project which will improve the mill's productivity and its position in the pulp and paper sector."



Founded in 1904, Kruger Inc. has operations in Canada, including Québec, as well as in the United States and the United Kingdom, and employs more than 9,000 people. Acquired in 1973, the Trois-Rivières Mill is part of the Publication Papers Business Unit. It operates six machines with a daily production capacity of 1,800 metric tonnes of newsprint and value-added paper.

– 30 –

Sources

Alexandre Boucher
Press Secretary
Office of the Minister of Employment and Social
Solidarity
418 643-4810

Amina Chaffai
Political Advisor
Office of the Minister of Transportation and
Minister responsible for the Mauricie region
819-538-3349

Information

Jean Majeau
Vice President – Corporate Affairs
Kruger Inc.
514 343-3213