



PRESS RELEASE – For immediate release

**BOISACO AND KRUGER AGREE TO CONSOLIDATE
MILLING OPERATIONS IN THE UPPER NORTH SHORE**

Boisaco acquires HCN Sawmill in Forestville

Sacré-Cœur, Québec, January 9, 2009 – Boisaco Inc. and Kruger Inc. announced today that they have entered into an agreement under which Boisaco will acquire Kruger’s HCN Sawmill in Forestville. The transaction, which will see 194,000 m³ of softwood transferred to the Sacré-Cœur sawmill, will enable Boisaco to consolidate its operations in Sacré-Cœur and secure nearly 600 jobs.

“We are pleased to proceed with this acquisition, which was essential for our company’s viability. It was also one of the main recommendations made by the Working Committee on Wood Processing on the North Shore (Livernoche Committee) and received widespread consensus in the region,” stated Marc Gilbert, President and Chief Executive Officer of Boisaco. Although the HCN Sawmill will remain closed, Boisaco has undertaken to keep it operational until March 31, 2010, for a potential restart. However, more softwood will have to be transferred to resume operations at the Forestville sawmill.

Kruger’s timber supply had been reduced by 42% on the North Shore, compromising its business plan and the viability of its operations in Forestville, Longue-Rive and Ragueneau. “We are aware that the future of the sawmill industry on the North Shore depends on a consolidation of the remaining wood supplies. It was with this in mind that we proceeded with the sale of HCN Sawmill to Boisaco,” said Éric Bisson, Senior Vice President, Forest and Wood Products, Kruger Inc. “We cooperated with all regional stakeholders to ensure a harmonious consolidation, while minimizing as much as possible the impact on workers and local communities,” added Mr. Bisson.

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About Boisaco

Founded in 1985, Boisaco Inc. operates a sawmill and drying and planing complex in Sacré-Cœur that has an annual capacity of 100,000,000 FBM. It is owned by two worker-shareholder co-operatives (Unisaco and Cofor), a local investment company (Investra) and a new shareholder, Desjardins Venture Capital. Over the years, Boisaco has been the driving force behind the start-up of numerous re-manufacturers of lumber products in partnership with other developers: Sacopan (manufacture of decorative moulded fibreboard door skins), Graniber (granite cutting and polishing), Bersaco (hardwood pallet components) and Ripco (horse bedding). Boisaco and its affiliates employ more than 600 workers.

About Kruger

Founded in 1904, Kruger Inc. is a major producer of publication papers, tissue, lumber and other wood products, corrugated cartons from recycled fibres, 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 9,000 employees.

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