



NEWS RELEASE – For immediate release

**KRUGER INC. TO TEMPORARILY REDUCE PRODUCTION
AT ITS QUÉBEC PAPER MILLS**

Montréal, Québec, July 31, 2009 – Kruger Inc. today announced that it will temporarily cut back production at its Québec paper mills this August and September, by interrupting production for periods of one to three weeks depending on the paper machines involved. The Company came to this decision to rebalance its order book in light of a significant drop in demand for various paper grades and unfavourable economic conditions, particularly the high value of the Canadian dollar against the US currency.

Production Interruptions:

Brompton Mill (Sherbrooke):

- Newsprint production will be interrupted from August 21 to September 8, 2009. Approximately 350 employees will be affected.

Trois-Rivières Mill:

- Coated and supercalendered paper production will be interrupted from August 26 to September 16, 2009, affecting some 450 employees.
- Newsprint production will be interrupted from September 1 to 13, 2009. All of the mill's paper machines will be shut down during this period and approximately 250 additional employees will be affected.

Kruger Wayagamack Mill (Trois-Rivières):

- Directory paper production will be interrupted from August 31 to September 8, 2009, affecting some 80 employees.
- Coated paper production will continue during this period.

With this decision, Kruger Inc. will cut its total production by 26,500 tonnes of newsprint, 7,500 tonnes of coated paper, 4,500 tonnes of supercalendered paper and 2,000 tonnes of directory paper.

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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 Québec, Ontario, Alberta, British Columbia, Newfoundland and Labrador, in the United States and the United Kingdom and has 9,000 employees.

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