

NEWS RELEASE – For immediate release

**KRUGER'S INDUSTRIAL PRODUCTS DIVISION CONFIRMS
HOLIDAY SCHEDULES IN ITS PAPER MILLS**

Montréal, Québec, December 21, 2009 – Kruger Inc.'s Industrial Products Division today announced that it will postpone by one week the temporary shutdown of Paper Machine No. 3 at its Wayagamack Mill (Trois-Rivières, Québec) and also confirmed the shutdown schedules for all its paper mills during the holiday season.

Kruger Wayagamack Mill (Trois-Rivières, Québec)

- Paper Machine No. 3 (directory paper): the previously announced shutdown has been postponed by one week; it will therefore begin on December 31 and last until February 23, 2010.
- Coated paper production will be maintained without interruption through the holiday season.

Trois Rivières Mill (Trois-Rivières, Québec)

- All operations – newsprint, coated, supercalendered – will be shut down for the statutory holidays: from December 24, 4:00 pm to December 26, 8:00 am and from December 31, 4:00 pm to January 4, 8:00 am.

Brompton Mill (Sherbrooke, Québec)

- All operations (newsprint) will be shut down from December 24, 4:00 pm until December 26, 4:00 pm and will then run normally through the New Year.

Corner Brook Pulp and Paper (Corner Brook, Newfoundland and Labrador)

- All operations (newsprint) will be shut down from December 24, 4:00 pm. Operations on Paper Machine No. 7 will resume on December 28, 8:00 am, while Paper Machine No. 2 will restart on December 29, 4:00 pm.

Faced with persistently challenging market conditions, particularly the high value of the Canadian dollar, as well as weak demand and low prices, Kruger Inc. reduced production in all its publication paper mills in 2009. Overall production was cut by approximately 300,000 MT, with curtailments totaling 180,000 MT for newsprint, 80,000 MT for coated paper and 30,000 MT for supercalendered paper.

Three paper machines were also shut down for an indefinite period of time in 2009, namely one newsprint machine at the Corner Brook Mill and a supercalendered paper and coated production line at the Trois-Rivières Mill.

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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