



NEWS RELEASE – For immediate release

**KRUGER INC. TO CEASE COATED PAPER PRODUCTION INDEFINITELY
AT ITS TROIS-RIVIÈRES MILL**

Montréal, Québec, July 10, 2009 – Kruger Inc. today announced that it will cease the production of coated paper at its Trois-Rivières mill for an indefinite period, effective October 30, 2009. The Company had to come to this decision in response to the decreasing demand for coated paper, which dropped 35% in North America in 2009 over last year, as well as falling prices and the appreciation of the Canadian dollar.

Three paper machines and two coaters will be shut down, as well as the woodroom and groundwood plants, resulting in approximately 400 layoffs. The Trois-Rivières mill will, however, continue to produce newsprint and supercalendered paper, maintaining 550 jobs at the site.

This decision will result in a 35% reduction of Kruger's annual coated paper production capacity. The Company will maintain coated paper production at its Wayagamack Mill which will continue to supply its customers in various markets around the world.

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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