

**NEWS RELEASE – For immediate release**

**KRUGER INC. CUTS BACK PRODUCTION  
AT ITS TWO TROIS-RIVIÈRES MILLS**

**Montréal, Québec, May 19, 2010** – Kruger Inc. and its subsidiaries today announced that they will cease coated and supercalendered paper production at the Trois-Rivières Mill and extend the interruption of directory paper production at the Wayagamack Mill for an indefinite period of time.

At the Trois-Rivières Mill, the No. 1 (coated paper) and No. 6 (supercalendered paper) Paper Machines, and the No. 8 Coating Machine will be shut down indefinitely, effective June 11, 2010. This measure will affect approximately 320 employees in Production, Maintenance and Administration. The mill, however, will continue to produce newsprint with close to 300 jobs maintained.

The No. 3 Machine at the Kruger Wayagamack Mill, which had stopped making directory paper on December 31 and was to resume operations in June, will be idled indefinitely. The extended shutdown will affect approximately 120 employees. However, the mill will maintain coated paper production, which means continued employment for over 350 employees.

Kruger came to these decisions due to persistently unfavourable market conditions and the strong Canadian dollar.

Founded in 1904, Kruger Inc., directly and through its subsidiaries, 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. It is also a leader in paper and paperboard recycling in North America. Kruger operates facilities in Quebec, Ontario, British Columbia, Newfoundland and Labrador and the United States.

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**INFORMATION:**

Jean Majeau  
Senior Vice President  
Corporate Affairs and Communications  
Tel.: (514) 343-3213  
E-mail: [jean.majeau@kruger.com](mailto:jean.majeau@kruger.com)  
Website: [www.kruger.com](http://www.kruger.com)