

**NEWS RELEASE – For immediate release**

**CORNER BROOK PULP AND PAPER  
TO IMPLEMENT RATIONALIZATION PLAN**

**Corner Brook, NL, January 24, 2012** – Corner Brook Pulp and Paper announced today that it will implement a rationalization plan to improve its competitiveness in an increasingly demanding market. Starting in the first quarter of 2012, the plan will cover all sectors of the mill.

To ensure the mill's long-term viability, the Company must reduce its labour costs which are significantly higher than the Canadian industry average.

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, British Columbia, Newfoundland and Labrador and the United States.

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