

NEWS RELEASE – For immediate release

CORNER BROOK PULP AND PAPER INITIATES RIGHTSIZING PLAN

Corner Brook, NL, February 2, 2012 – As previously announced, Corner Brook Pulp and Paper started implementing a rightsizing plan as part of its strategy to improve its competitiveness. Throughout the day yesterday, the Company met with union executives to announce the immediate layoff of nine employees, as well as a gradual reduction of 33 additional positions and four vacancies that will not be filled.

This announcement is the first step in an ongoing process to reduce labour costs. In order for the Mill to survive and be competitive, it must rank within the first quartile of the industry. To achieve this goal, it must reduce its workforce accordingly. Therefore, the Company will reassess its manning needs in the coming weeks and months to make further labour force adjustments.

Corner Brook Pulp and Paper will make every effort to minimize the impact of its rightsizing process on employees and their families.

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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