

## PRESS RELEASE

### **RusForest Provides Operations Update**

March 10, 2014, Stockholm, Sweden – RusForest AB (publ) (“RusForest” or the “Company”) (NASDAQ OMX: RUSF), a Swedish forestry company with operations in Russia, announces preliminary Q4 2013 and full-year 2013 production.

#### **Harvesting**

- Q4 2013: RusForest sawlog harvesting increased 13% to 187,067 m<sup>3</sup> in Q4 2013 compared to 164,936 m<sup>3</sup> in Q4 2012.
- Full-year 2013: RusForest sawlog harvesting increased 11% to 711,488 m<sup>3</sup> in 2013 compared to 638,719 m<sup>3</sup> in 2012.

#### **Sawmilling**

- Q4 2013: RusForest sawnwood production increased 2% to 68,267 m<sup>3</sup> in Q4 2013 compared to 66,778 m<sup>3</sup> in Q4 2012.
- Full-year 2013: RusForest sawnwood production increased 5% to 263,765 m<sup>3</sup> in 2013 compared to 251,059 m<sup>3</sup> in 2012.

Anton Bogdanov, the Company’s Group COO, commented, “In addition to increasing harvesting and sawmilling volumes in the fourth quarter, we were able to increase our average sales price realization for sawnwood by 4% in Q4 2013 compared to Q3 2013. With the recent start-up of the Arkhangelsk pellet mill and the sale of our non-core Boguchany assets, we are making significant progress with the operational turnaround.”

#### **Northwest Russia**

##### *Arkhangelsk*

Arkhangelsk harvesting produced 26,937 m<sup>3</sup> of sawlogs in Q4 2013 compared to 34,055 m<sup>3</sup> in Q4 2012. Lower volumes were a result of suspending harvesting operations in unprofitable forest areas.

The Arkhangelsk sawmill (LDK-3) produced 31,664 m<sup>3</sup> of sawnwood in Q4 2013 compared to 31,611 m<sup>3</sup> in Q4 2012.

The construction of the pellet mill at the LDK-3 sawmill is close to completion, and the plant is now in the test-production phase with full capacity expected by the end of March 2014. Photos of the pellet mill are available on the Company’s website at <http://www.rusforest.com/ldk-3.html>

## **Eastern Siberia**

### *Magistralny*

Magistralny harvesting produced 92,952 m<sup>3</sup> of sawlogs in Q4 2013 compared to 65,157 m<sup>3</sup> in Q4 2012. Harvesting in forest lease areas controlled by third parties in Q4 2013 totaled 50,233 m<sup>3</sup> – more than half of total harvesting – in order to secure sawlogs suitable for Japanese production.

The Magistralny sawmill produced 20,806 m<sup>3</sup> of sawnwood in Q4 2013 compared to 15,453 m<sup>3</sup> in Q4 2012.

The average Magistralny sawnwood price increased by 31% in Q4 2013 compared to Q1 2013.

### *Boguchany*

Boguchany harvesting produced 67,178 m<sup>3</sup> of sawlogs in Q4 2013 compared to 65,724 m<sup>3</sup> in Q4 2012.

The Boguchany sawmill produced 15,797 m<sup>3</sup> of sawnwood in Q4 2013 compared to 19,714 m<sup>3</sup> in Q4 2012. Lower volumes were a result of the late arrival of winter in Siberia. Sawlog hauling operations were suspended in November due to wet and muddy road conditions.

As previously announced, RusForest has sold the Boguchany sawmill, Boguchansky LPK, for \$8.0 million and has agreed to sell the Boguchany harvesting company, RusForest Angara LLC, to the same buyer for \$5.8 million.

## **About RusForest AB**

RusForest is a Swedish forestry company operating in Eastern Siberia and the Arkhangelsk region of Russia. The Company is listed on NASDAQ OMX Stockholm First North (ticker symbol "RUSF").

*RusForest AB's Certified Adviser on First North is Pareto Securities AB.*

For additional information, please visit the Company's website at [www.rusforest.com](http://www.rusforest.com) or contact:

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