



PRESS RELEASE

RusForest Announces Sale of Boguchany Forestry Assets

March 3, 2014, Stockholm, Sweden – RusForest AB (publ) (“RusForest” or the “Company”) (NASDAQ OMX: RUSF), a Swedish forestry company with operations in Russia, announces the sale of the non-core Boguchany sawmill in Eastern Siberia for \$8.0 million. The Company has also agreed to sell the related Boguchany harvesting company for \$5.8 million. After repayment of the Boguchany harvesting and sawmilling debts, RusForest expects to receive a total net amount of \$4.0 million in cash.

RusForest has sold the Boguchany sawmill, Boguchansky LPK, in the Krasnoyarsk region for \$8.0 million. The Boguchany sawmill has an annual capacity of 120,000 cubic meters of sawnwood. The net cash received by RusForest after repayment of the sawmill’s debts will be approximately \$1.5 million. The Company has already received a cash pre-payment of \$1.5 million from the buyer.

RusForest has also signed a Memorandum of Understanding to sell the related Boguchany harvesting company, RusForest Angara LLC, to the same buyer for \$5.8 million. The harvesting company holds forestry leases with 748,400 cubic meters of annual allowable cut (“AAC”). The sale of the harvesting company is expected to close on or around September 30, 2014. The net cash received by RusForest after repayment of the harvesting company’s debts is expected to be approximately \$2.5 million.

The Boguchany operations continue to operate at a loss due to the lack of adequate rail logistics in the area and the absence of a nearby pulp mill for the sawmill’s residual products. The sale of the Boguchany unit reduces RusForest’s loss-making operations and allows management to focus on improving the Company’s remaining core operations. Following the sale, RusForest has total sawmilling capacity of 210,000 cubic meters of sawnwood and forestry leases with approximately 2.6 million cubic meters of AAC.

Matti Lehtipuu, the Company’s Group CEO, commented, “We are very pleased to sell the Boguchany forestry assets in order to stop burning cash there and to increase our likelihood of achieving positive cash flow later this year.”

The sale of the Boguchany unit is expected to result in an impairment of approximately \$35 million in the 2013 year-end financials to be released on March 31, 2014.

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 or contact:

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