



PRESS RELEASE

## **RusForest Provides Operations and Non-Core Asset Sales Update**

October 7, 2014, Stockholm, Sweden – RusForest AB (publ) (“RusForest” or the “Company”) (NASDAQ OMX: RUSF), a Swedish forestry company with operations in Russia, announces preliminary Q3 2014 production and sales results for its core assets in Arkhangelsk and Magistralny, as well as an update on the Company’s non-core asset sales.

### **Operations Update**

RusForest sawlog harvesting decreased 20.2% to 90,992 m<sup>3</sup> in Q3 2014 compared to 114,040 m<sup>3</sup> in Q3 2013.

RusForest sawnwood production increased 2.1% to 54,447 m<sup>3</sup> in Q3 2014 compared to 53,305 m<sup>3</sup> in Q3 2013.

#### *Arkhangelsk*

Arkhangelsk harvesting produced 7,042 m<sup>3</sup> of sawlogs in Q3 2014 compared to 25,023 m<sup>3</sup> in Q3 2013. Lower volumes were a result of suspending harvesting operations in unprofitable forest areas.

The Arkhangelsk sawmill (LDK-3) produced 32,828 m<sup>3</sup> of sawnwood in Q3 2014 compared to 34,079 m<sup>3</sup> in Q3 2013.

Arkhangelsk sawnwood sales were 29,667 m<sup>3</sup> in Q3 2014 compared to 25,461 m<sup>3</sup> in Q3 2013.

The average sawnwood price realization in Arkhangelsk increased in Q3 2014 by 18.7% to US\$212/m<sup>3</sup> compared to Q3 2013.

The Arkhangelsk pellet mill produced 16,646 tons of pellets in Q3 2014 compared to 12,830 tons in Q2 2014.

#### *Magistralny*

Magistralny harvesting produced 83,950 m<sup>3</sup> of sawlogs in Q3 2014 compared to 89,017 m<sup>3</sup> in Q3 2013. Harvesting in forest lease areas controlled by third parties in Q3 2014 reached 65,808 m<sup>3</sup> compared to 63,600 m<sup>3</sup> in Q3 2013.

The Magistralny sawmill produced 21,619 m<sup>3</sup> of sawnwood in Q3 2014 compared to 19,226 m<sup>3</sup> in Q3 2013.

Magistralny sawnwood sales were 21,992 m<sup>3</sup> in Q3 2014 compared to 20,214 m<sup>3</sup> in Q3 2013.

The share of Magistralny sawnwood sales going to Japan in Q3 2014 was 48% compared to 63% in Q3 2013.

The average sawnwood price realization in Magistralny decreased in Q3 2014 by 0.5% to US\$219/m<sup>3</sup> compared to Q3 2013.



## **Non-Core Asset Sales Update**

In March 2014, RusForest announced the sale of the Boguchany forestry assets. As part of the transaction, RusForest signed a Memorandum of Understanding to sell the Boguchany harvesting company, RusForest Angara LLC, to the buyer of the Boguchany sawmill. The buyer asked RusForest to extend the closing deadline for the sale of RusForest Angara LLC due to the on-going Ukraine crisis and the related international sanctions against the Russian financial sector. RusForest is looking for alternative buyers for the asset.

In July 2014, RusForest announced the sale of Ystad Pellets AB. The transaction was successfully closed in September 2014.

## **About RusForest AB**

RusForest is a Swedish forestry company operating in Eastern Siberia and the Arkhangelsk region of Russia. The Company controls long-term timber leases and utilizes these resources to produce a wide range of sawnwood products and wood pellets. RusForest is listed on NASDAQ OMX Stockholm First North (ticker "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:

Gustav Wetterling, Group CFO, telephone: +46 8 771 85 00