

AS "Saldus mežrūpniecība" board opinion about the takeover bid and its impact on the Company's future operations.

On February 19th, 2015, shareholders, representing 90.87% of JSC "Saldus mežrūpniecība" (hereinafter - the "Company") share capital and represented by the Company's shareholder SIA "PATA AB", has entered into an agreement, according to which they have expressed a desire to act in concert to offer the repurchase of shares of the Company held by other shareholders. According to the Law on the Financial Instruments Market, Article 66, part 1 of paragraph 1, Shareholders are obliged to make the mandatory takeover bid, setting the per share repurchase price of the mandatory offer - EUR 18.98.

By assessment of SIA "PATA AB" mandatory takeover bid, the Board concluded that the proposal complies with the rules of regulatory provisions and observed the rights and interests of all Company shareholders. Share repurchase price is calculated in accordance with the Law on the Financial Instruments Market and approved by Financial and Capital Market Commission on 25th March, 2015. Shareholders of the Company, including the minority shareholders have the opportunity to assess SIA "PATA AB" takeover bid and to choose the free and economically motivated decision whether to sale the Company shares for offered price or reject it.

After the settlement of the redeemed shares the shares of the Company will continue to be traded on the Second Baltic listing of Riga Stock Exchange and those shareholders who will not use the opportunity to sell their shares will retain their shareholder rights.

The Board considers that larger controlling stake in the hands of a single shareholder could improve the effectiveness of the Company's operations and future development, including possibility to attract new investments.

The Board has reason to consider that the Company will continue its operations as usual and there are no plans to reduce scale of operations or number of employees.

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