

PRESS RELEASE

RusForest Provides Update on Operations and Financial Position

Stockholm, January 26, 2015 - RusForest AB (publ) (“RusForest” or the “Company”) (NASDAQ OMX: RUSF), a Swedish forestry company with operations in Russia, announces preliminary Q4 2014 and full-year 2014 production and sales results for its Magistralny and Ust-Ilimsk units, as well as an update on its financial position.

Management Comments

Anton Bogdanov, CEO of RusForest Management Company, commented, “In addition to increasing harvesting, sawmilling and sales volumes in the fourth quarter, we strengthened our solid track record with key customers. After completing the recent asset sales and debt repayments, we now have a clean balance sheet and are focused on increasing profitability in Eastern Siberia.”

Harvesting

- Q4 2014: RusForest sawlog harvesting in Magistralny increased 11.5% to 105,038 m³ in Q4 2014, compared with 94,220 m³ in Q4 2013.
- Full-year 2014: RusForest sawlog harvesting in Magistralny decreased 10.7% to 278,896 m³ in 2014, compared with 312,228 m³ in 2013.

The lower harvesting volumes in 2014 were caused by poor weather conditions (late arrival of winter and early start of spring) in the first half of the year that shortened the harvesting season. This was partly offset by increased harvesting volumes in the second half of 2014 due to better utilization of harvesting equipment.

Subcontracting

- Q4 2014: Subcontractors harvested 106,379 m³ of saw logs in Ust-Ilimsk forest lease areas in Q4 2014, compared with 68,174 m³ in Q4 2013 (+56%).
- Full-year 2014: Subcontractors harvested 320,210 m³ of sawlogs in Ust-Ilimsk forest lease areas in 2014, compared with 222,414 m³ in 2013 (+44%).

In 2014, RusForest worked closely with all subcontractors to improve the utilization of annual allowable cut (“AAC”) in Ust-Ilimsk, and we increased our cooperation with the largest subcontractors there such as Ilim Group.

Sawmilling

- Q4 2014: RusForest sawnwood production in Magistralny increased 2.7% to 21,368 m³ in Q4 2014 compared with 20,805 m³ in Q4 2013.
- Full-year 2014: RusForest sawnwood production in Magistralny increased 11.1% to 78,826 m³ in 2014 compared with 70,924 m³ in 2013.

Sales

- Q4 2014: RusForest sold 20,355 m³ of sawnwood from Magistralny compared with 19,733 m³ in Q4 2013 (+3.2%). The Company also sold 19,670 m³ of sawlogs compared with 25,176 m³ in Q4 2013 (-21.9%).
- Full-year 2014: RusForest sold 78,088 m³ of sawnwood from Magistralny compared with 73,566 m³ in 2013 (+6.1%). The Company also sold 78,312 m³ of sawlogs compared with 106,942 m³ in 2013 (-26.8%).

RusForest increased both production and sales volumes of sawnwood in Q4 2014 and full year 2014 compared with the same periods in 2013 due to increased capacity utilization of sawmilling machinery and further improvement in our sales policy. However, in the second half of 2014, the roundwood oversupply on the Chinese market decreased RusForest's sawlog sales in Q4 2014. The share of the Japanese market in total sales increased from 40% in 2013 to 47% in 2014.

Financial Position

At December 31, 2014, following the divestment of the Boguchany and Arkhangelsk units, RusForest had an unaudited cash balance of approximately USD 10.0 million, of which approximately USD 6.5 million was held at the corporate level. At year end, the Company had unaudited corporate debt of approximately USD 0.5 million (zero coupon bonds denominated in SEK and maturing in May 2018).

About RusForest AB

RusForest is a Swedish forestry company operating in Eastern Siberia. The Company controls long-term timber leases and utilizes these resources to produce a wide range of sawnwood products. 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 or contact:

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