

Press Release

Stockholm, 1 June 2010

RusForest AB appoints Martin Hermansson as President and CEO

The Board of Directors of RusForest AB (“RusForest” or “the Company”) have resolved to appoint Mr. Martin Hermansson as President and Chief Executive Officer of RusForest effective June 1st 2010. Martin Hermansson is the founder of Nord Timber Group (NTG).

A week ago RusForest announced that a Letter of Intent had been signed between RusForest and the principal owners of NTG, with the aim of merging the two companies.

“The proposed merger between RusForest and NTG will create a large, pan-Russian forestry company with a strong cost advantage and the ability to compete on the global arena. I am truly impressed by the way in which Martin Hermansson has managed to turn the company he founded only a couple of years back into one of the best run forestry operations in Russia. The Board of Director’s of RusForest is extremely pleased to have Mr. Hermansson assume the role of President and CEO of RusForest as the Company is about to merge with NTG to form one of the five largest forestry companies in Russia”, comments Sven Hirdman, Chairman of the Board of Directors of RusForest.

Martin Hermansson, born 1982 at a forest farm in Seglora in southern Sweden holds a Bachelor of Science from London School of Economics and has a solid industry background in Russia. The Hermansson family controls close to 1,500 hectares of forestry land in southern Sweden, and the forestry operation has been actively present in the family business since the 19th century. Martin Hermansson has worked in Russia for the past five years. Prior to setting up Nord Timber Group he founded his own consultancy business within the forestry sector, where Martin Hermansson was active as CEO between 2006 and 2008.

Since early 2008 Mr. Hermansson has established Nord Timber Group (where he currently serves as a non-executive Director) as a highly successful forestry company with a significant presence in the Arkhangelsk region of North West Russia. NTG today has a leased forest area of more than 1.0 million hectares of quality Spruce and Pine forests, quality roads and own rail terminals. Harvesting in NTG is expected to reach 400,000 m³ in 2010. At the same time NTG is about to finalize the installation of new drying capacity totalling some 80,000 m³ at its sawmill during the coming months. This will increase NTG’s total drying capacity towards 120,000 m³.

Aleksandr Williams, who has been instrumental in developing RusForest into a company with a clear focus on running an integrated forestry and sawmilling operation in Eastern Siberia will remain on the Board of Directors of RusForest.



"I would like to thank Mr. Williams for all his hard work over the years. I look forward to working together with Alexandr in his role as member of the Board of Directors of RusForest as we are now taking a giant leap towards becoming Russia's leading independent forestry and sawmilling company", comments Sven Hirdman.

Due to Martin Hermansson's close history with NTG, he will not be involved in the negotiations regarding the proposed merger, which will instead be led by RusForest's Deputy CEO Mr. Anders F. Börjesson. The appointment of Mr. Martin Hermansson as President and CEO of RusForest is not in any way conditioned on the merger between RusForest and NTG being finalized.

"We are working closely together with the principal shareholders of NTG in order to finalize a merger between the two companies during the course of the coming months, and I am extremely confident that such a deal would create a lot of value for the shareholders of RusForest. However, regardless of whether or not the involved parties are able to finalize a deal Martin Hermansson will prove to be the right person to develop RusForest into a world-class forestry company in the short, medium and long term - as he brings with him a wealth of experience from the Russian as well as the Swedish forestry industry", comments Per Brilioth, member of the board of RusForest and Managing Director of Vostok Nafta Investment Ltd , the largest shareholder of RusForest with an ownership of 49,9 percent.

About RusForest AB (publ)

RusForest is the only listed Russian forestry and sawmilling company, with operations based in Eastern Siberia and long term leases covering over 850 thousand hectares of forest land. Russia has the world's largest forest reserves by a significant margin, and Eastern Siberia is world renowned for its Pine and Larch of exceptional quality.

Through a series of acquisitions and development projects RusForest increased sawnwood production by 37.9% in 2009, to 166,333 m³, in spite of weak market conditions. RusForest has a number of exciting development projects, in particular the turn-key sawmill in Magistralny which is expected to add a further 50% to RusForest's sawnwood volumes upon completion.

For further information please contact:

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