

Corporate Presentation

30 July 2015



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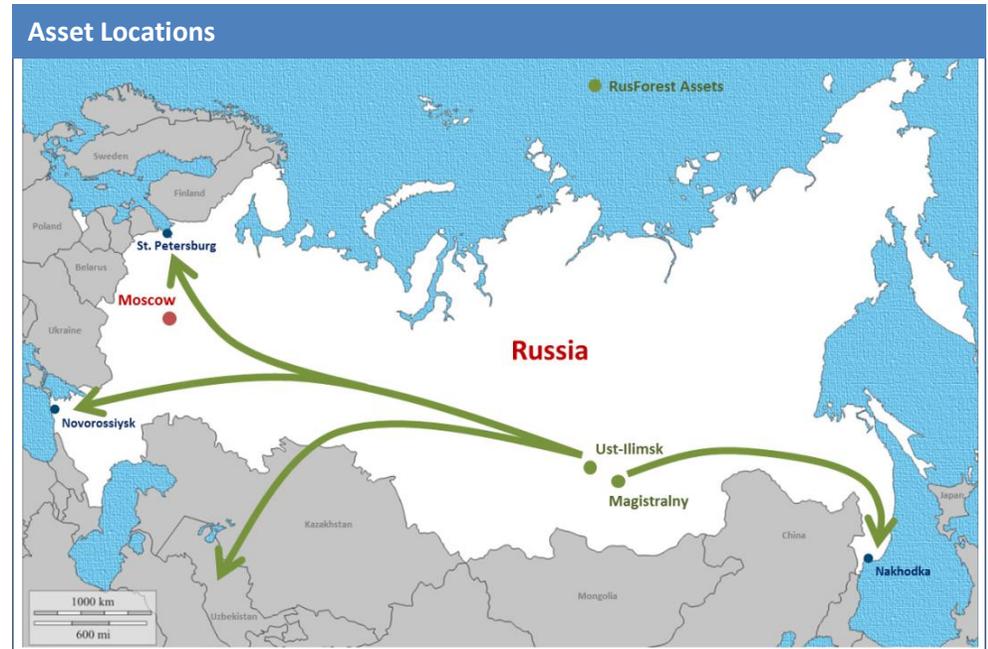
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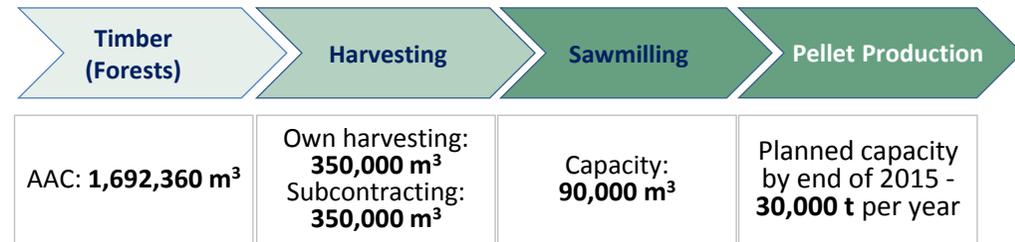
1. Company Overview

Summary

- Swedish forestry company operating in Russia
- Vertically integrated from timber leases to sawmilling (and wood pellets by the end of 2015)
- High-quality, slow-growth forests
- Close proximity to main growth markets in Asia
- Strong management team
- Experienced Board members



Forestry value chain & annual capacities



AAC = Annual Allowable Cut; m³ = cubic meters

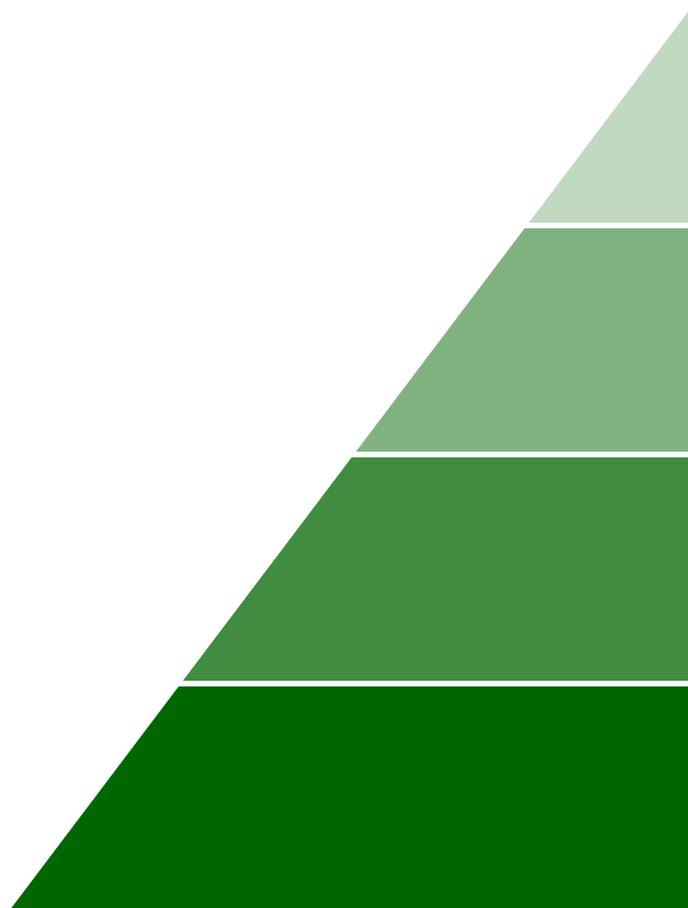
Corporate Information

Stock Exchange Listing	NASDAQ First North ticker "RUSF"
Share Price *	SEK 2.16
Shares Outstanding	132,033,881
Market Capitalization	USD 33.2 million
Net Debt	USD -10.0 million
Enterprise Value	USD 23.2 million
Main Shareholder	Nova Capital (25.4%)

*Share price at closing on 29 July 2015. Net debt at 30 June 2015.

2. RusForest's Competitive Advantages

RusForest's competitive advantages



Highly experienced management team

Strong market position

Low production costs

Wood resources of highest quality

2.1. Wood Resources

Russia's wood resources:

- Forest land area in Russia amounts to 882 million ha with total growing stock of 82 billion m³, which makes up 20% of total world forest resources
- Mature and over-mature stands account for 44 billion m³ or 54% of the total growing stock
- The major share of forests is concentrated in Siberia and Far East of Russia – 78% of stocked area and 73% of the growing stock
- Severe weather conditions for tree growth in Siberia (short summers and cold winters) results in a special strength and durability of wood that is particularly valued by consumers in Japan and other high end markets. Siberian wood generally counts twice the amount of growth rings than equal dimensions from other countries. The density of Siberian wood is higher than other European species

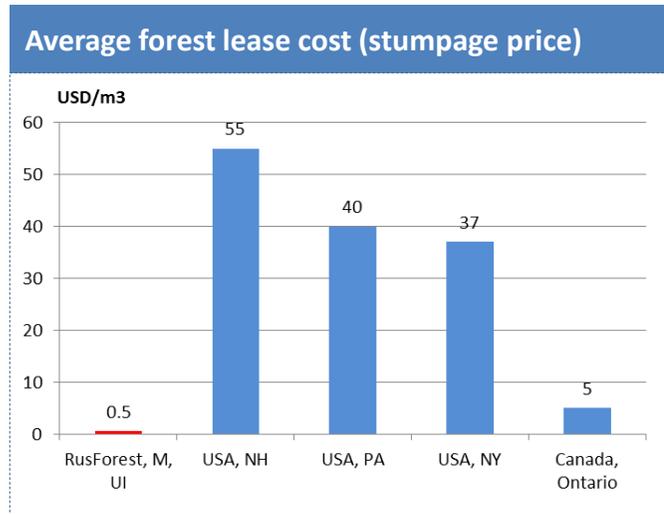


RusForest's wood resources:

- RusForest's long-term forest leases in Irkutsk and Krasnoyarsk Regions – **1.2** million ha
- Annual Allowable Cut (AAC) – **1.7** million m³
- Within the leased areas there is a high concentration of mature softwood, predominately **pine** and **larch**
- Magistralny forest lease areas are **FSC** certified
- Low stumpage price in comparison with other companies

2.2. Costs Competitiveness

RusForest's operations are characterised by low wood costs and high EBITDA margin!



USD/m ³	RusForest Potential	Wood Markets Benchmarking		
		Finland	Sweden	Austria
Log Cost (incl. Less Residual Sales)	48	79	84	103
Recovery	44%	47%	50%	48%
Net Wood Cost *	110	167	167	216
Sawmill Cost:				
Labor	34	26	30	30
Other Direct Cost	23	32	33	32
Overhead and Admin	7	7	9	5
Total Sawmill Cost	64	64	73	67
Total Cash Cost Mill Gate	174	231	240	284
Prices at Mill Gate	220-230	232	233	272
EBITDA/m³ **	46-56	1	-7	-12
% EBITDA on Sales	21-24%	1%	-3%	-4%

Sources: Wood Markets, Company calculations

* Wood net cost = (Log cost at mill x Log consumption) – Income for residuals.

Wood net cost can be reduced by lowering log consumption (increasing yield) and/or selling residuals at higher price. However in Russia residuals prices are relatively low.

RusForest does not exclude additional income from residuals sales.

** EBITDA calculations based on the conservative approach with all corporate costs included.

2.3. Markets (1 of 2)

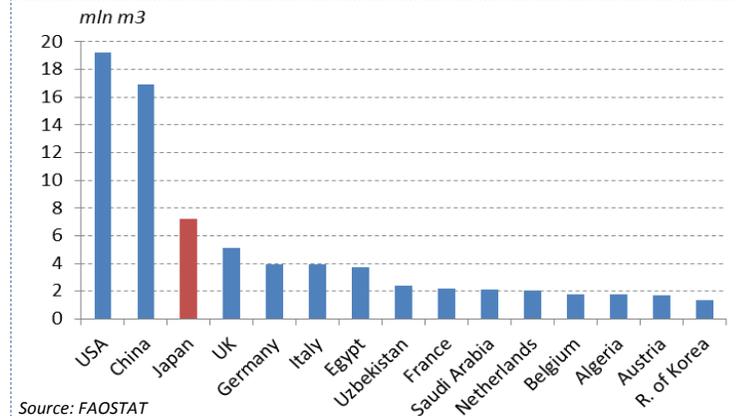
Japanese sawnwood market

- Japan is the third largest softwood sawnwood market in the world (after USA and China)
- Japanese sawnwood market is very stable
- Japanese market is characterized by high quality and prices
- The proportional share of Russian sawnwood on the Japanese market increased from 11.8% in 2013 to 12.4% in 2014
- In the future, we expect further growth in the share of Russia on the Japanese sawnwood market

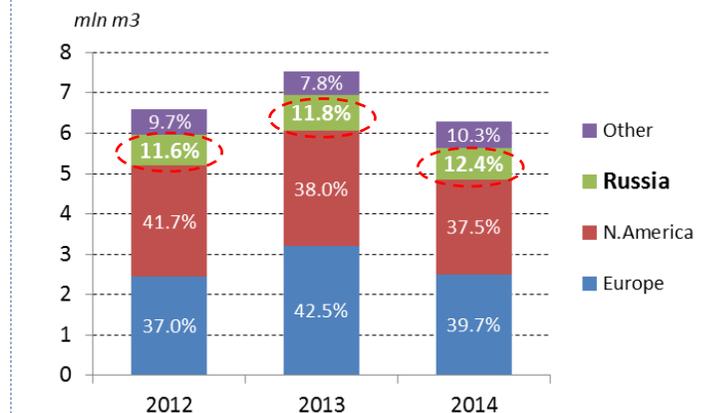
RusForest's competitive advantages on the Japanese sawnwood market

- Consistently high sawnwood quality
- Stable delivery volumes
- Comparatively close to market
- Extensive management's experience on the Japanese softwood market

Worlds largest softwood sawnwood exporters in 2013



Share of Russian soft sawnwood on Japanese market

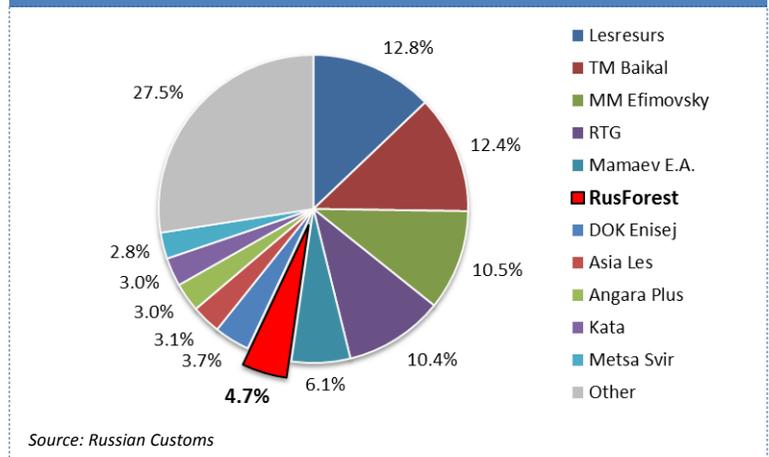


2.3. Markets (2 of 2)

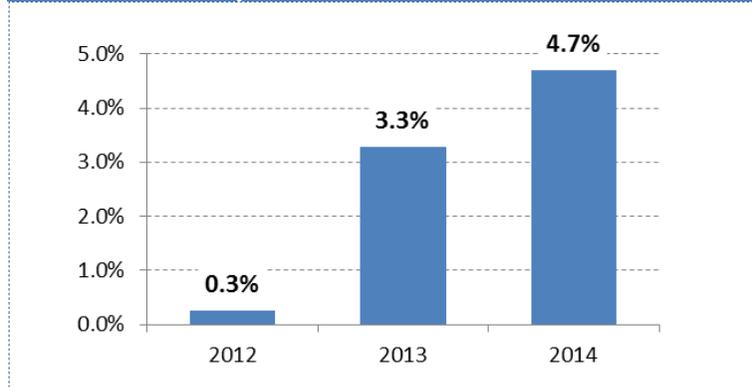
RusForest's sales to Japan

- RusForest has stable sales to the Japanese sawnwood market with premium prices
- The share of the Japanese market in RusForest's sales increased from 6.9% in 2012 to 40% in 2013 and **47%** in 2014
- In 2013-2014, RusForest strengthened its sales on the Japanese market by increasing the volume and quality of sawnwood, delivered from Magistralny
- RusForest is the 6th largest Russian sawnwood exporter to Japan (in terms of volume) with the share of 4.7%

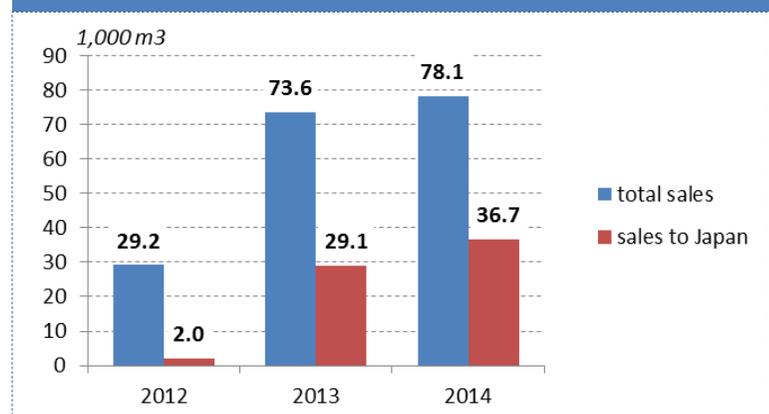
Largest Russian sawnwood exporters to Japan in 2014



RusForest's share in Russian exports of softwood sawnwood to Japan



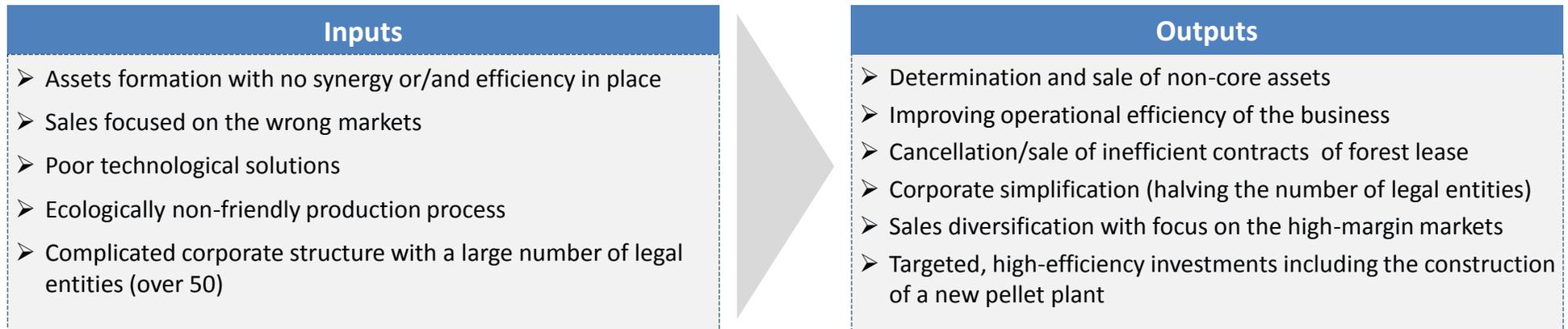
RusForest's sawnwood sales in 2012 – 2014



2.4. Management Team

The Company's recent success depends largely on the highly experienced management team who joined the Company in 2013, of which many has experience from managing another project in Siberia - Lesresurs - one of the leading wood processing companies in Russia and one of the largest Russian sawnwood exporter to Japan. Lesresurs has demonstrated strong sales and EBITDA growth rates over the last 5 years.

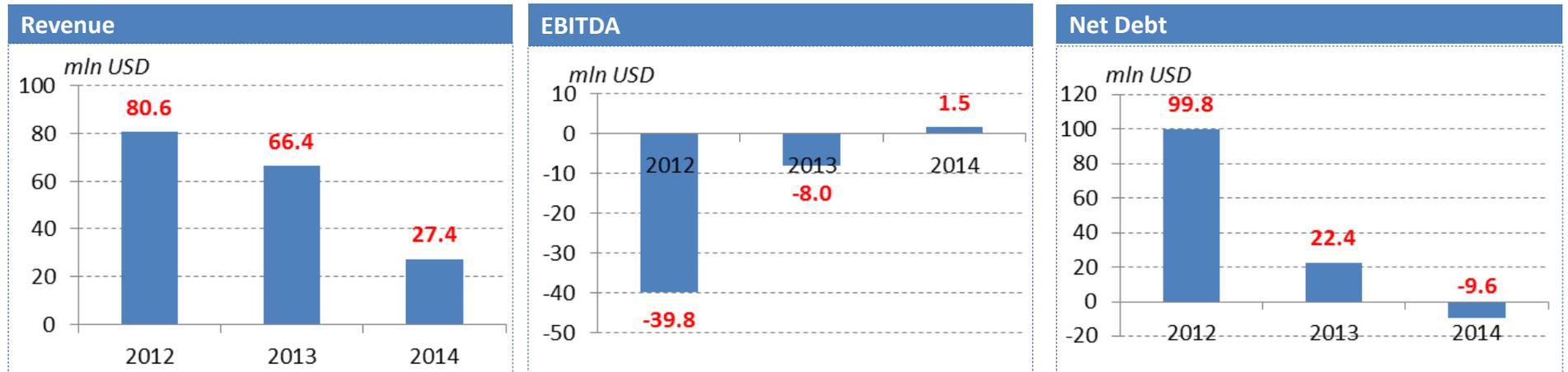
During 2013-2014 the following results were achieved by new management team in RusForest:



3 Financial Overview

At the beginning of 2015, RusForest is a smaller company in terms of production footprint and turnover, but the Company is more efficient and financially sound than ever before!

RusForest's key financials dynamics:



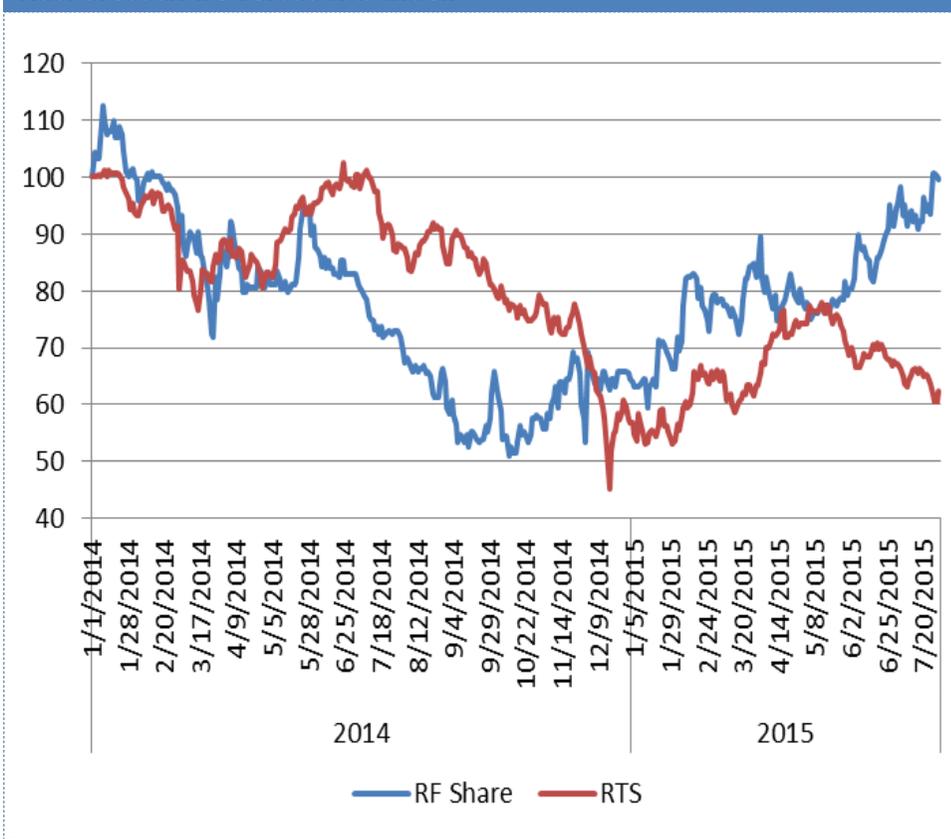
4. RusForest share development and holdings

RusForest's share price has since 2014 been influenced by Russian macro events, however, the successful turnaround of the Company has led the share to perform better than Russian indices. Last 12 month have been characterized by significant Insider activity on the buy side. Directors and management control about 1.5% of outstanding shares.

Shareholders 31 March 2015	Number of shares	Percentage
Nova Capital	33,500,000	25.4%
Merrill Lynch International	12,360,799	9.4%
Avanza pension	10,936,382	8.3%
Nordnet Pension	3,821,268	2.9%
Credit Suisse Sec Europé Ltd	3,015,175	2.3%
Swedbank AS	2,739,689	2.1%
Others	65,660,568	49.7%
Total	132,033,881	100.0%

Person	Position	Transactions last 12M	Total holdings
Anton Bogdanov	CEO RusForest Management Company	+315,916	338,000
Gustav Wetterling	CFO RusForest	+61,500	85,000
Anders Börjesson	CEO RusForest AB	+75,000	175,000
Alexander Rudik	Board Member	+932,699	994,259
Other Insiders		-	321,355
Total shares		+1,385,115	1,964,775
Total % of outstanding shares		+1.0%	1.5%

RusForest share versus RTS Index



Q1 2015 Result Summary

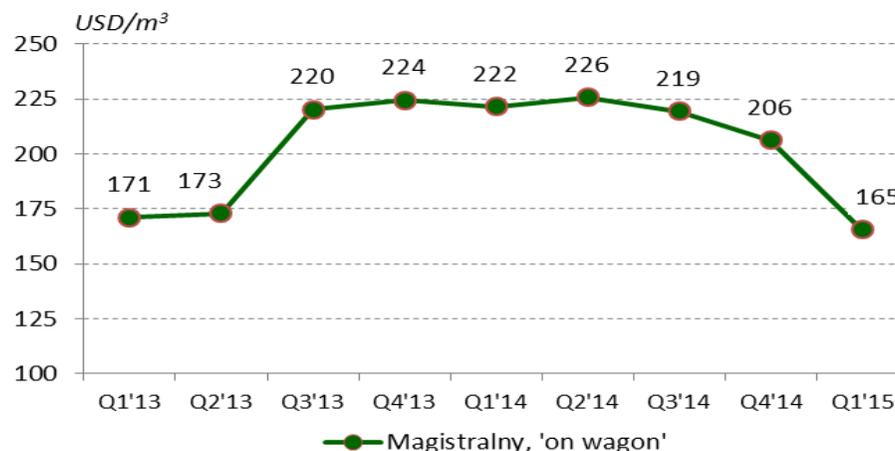
First Quarter 2015 Production and Sales

- Harvesting and sawmilling levels in Magistralny in Q1 2015 were consistent with last year while subcontracted harvesting in Ust-Ilimsk increased 37%.
- Less sawnwood and sawlogs sold due to challenging market conditions.
- Sales to the key Japanese market stable at 41% in Q1 2015 compared with to 42% in Q1 2014.
- The average sawnwood price realised (price 'on wagon') decreased by 25% in Q1 2015 compared with Q1 2014 to 165.4/m³.

	First quarter		Full year
	2015	2014*	2014
Production & sales continuing operations			
Sawlogs harvested, m ³	74,304	76,106	278,896
Sawlogs harvested, m ³ (subcontracting)	262,415	192,008	320,210
Sawnwood produced, m ³	21,778	21,711	78,826
Sawlogs sold, m ³	16,410	27,852	78,312
Sawnwood sold, m ³	19,291	22,046	78,088

Production figures include Magistralny and Ust-Ilimsk operations but do not include the discontinued operations Arkhangelsk and Boguchany.

Price development of sawnwood



First Quarter 2015 Financial Highlights

- Revenue decreased by 33% in Q1 2015 to USD 5.6 million, compared with USD 8.4 million in Q1 2014.
- Continued positive adjusted EBITDA, which amounted to USD 1.9 million in Q1 2015 compared with USD 1.3 million in Q1 2014.
- Net profit of USD 1.7 million in Q1 2015 compared with a loss of USD 3.2 million in Q1 2014
- Cash balance of USD 10.8 million at 31 March 2015, compared with USD 10.0 million at 31 December 2014.

USDm	First quarter		Full year
	2015	2014*	2014
Revenue	5.6	8.4	27.4
EBITDA adjusted**	1.9	1.3	1.5
Profit/(loss) from continuing operations	1.7	(0.9)	(2.9)
Loss from discontinued operations	-	(2.4)	(11.6)
Profit/(Loss) for the period	1.7	(3.2)	(14.5)
Net profit/(loss) per share (USD per share)	0.01	(0.02)	(0.11)

	31 Mar 2015	31 Dec 2014
Cash balance	10.8	10.0
Working capital***	7.2	7.2
Net debt****	(10.4)	(9.6)

*The Q1 2014 Profit and Loss and Cash Flow statements have been restated to show Arkhangelsk business segment, which was divested in Q4 2014, as discontinued operations. Details about Arkhangelsk result in Q1 2014 can be found in Note 4 on page 23.

**Detailed EBITDA calculation on page 5 of this report.

***Calculated as inventory, trade & other current receivables and receivable from asset sale, less trade and other current payables.

****Calculated as loans and borrowings less interest bearing loan receivables and cash.

First Quarter 2015 Income Statement

- Revenue decreased 33% in Q4 2015 compared with Q1 2015:
 - Sawnwood revenue down 36% due to lower volumes and prices.
 - Sawlog revenue down 45% due to lower volumes and prices.
 - Revenue from Ust-Ilimsk increased by 68%
- Cost of sales decreased 50% in Q1 2015 compared with Q1 2014, mainly due to the weaker Russian rouble but also due to operational improvement measures. As a result gross profit margin in Q1 2015 was 52%, compared with 35% in Q1 2014.
- Significant reductions in administrative and distribution costs which resulted in operating profit of USD 1.2 million in Q1 2015.

In thousands of USD	Q1 2015	Q1 2014*	12M 2014
Continuing operations			
Revenue	5,613	8,418	27,429
Cost of sales	(2,701)	(5,442)	(18,204)
Gross profit	2,912	2,976	9,225
Other income	116	571	422
Distribution expenses	(811)	(1,533)	(4,891)
Administrative expenditure	(915)	(2,121)	(8,477)
Other expenses	(81)	(198)	(1,526)
Operating profit/(loss)	1,221	(305)	(5,247)
Exchange gain/(loss)	531	(191)	2,878
Financing income	34	9	455
Financing cost	(23)	(344)	(969)
Net financing income/(cost)	542	(526)	2,364
Profit/(loss) before tax from continuing operations	1,763	(831)	(2,883)
Income tax	(30)	(36)	(26)
Profit/(loss) from continuing operations	1,733	(867)	(2,909)
Discontinued operations			
Loss after tax from discontinued operations	-	(2,370)	(11,632)
Profit/(loss) for the period	1,733	(3,237)	(14,541)
Attributable to:			
Equity holders of the parent	1,704	(3,203)	(14,493)
Non-controlling interests	29	(34)	(48)
Profit/(loss) for the period	1,733	(3,237)	(14,541)
Profit (loss) per share	0.01	(0.02)	(0.11)

First Quarter 2015 Balance Sheet

- Magistralny and Ust-Ilimsk forest leases at zero-book value in the BS.
- Receivable from the sale of Arkhangelsk of USD 5.2 million at 31 March 2015.
- Advance for purchase of non-controlling interests in subsidiaries of USD 0.4 million at 31 March 2015.
- Cash balance of USD 10.8 million at 31 March 2015, compared with USD 10.0 million at 31 December 2014.
- Debt of USD 0.4 million at 31 March 2015. Consists of zero-coupon bonds maturing in 2018.
- Working Capital of USD 7.2 million at 31 March 2015, compared with USD 7.2 million at 31 December 2014.

In thousands of USD	31 Mar 2015	31 Dec 2014
Property, plant and equipment	14,722	14,914
Intangible assets	93	98
Deferred tax asset	10	6
Total non-current assets	14,825	15,018
Inventory	2,059	1,750
Receivable from assets sale	5,242	6,242
Advance for purchase of non-controlling interest in subsidiaries	428	-
VAT refundable	1,378	1,530
Trade and other receivables	1,359	1,563
Current tax assets	2	52
Loans receivable	110	93
Cash and cash equivalents	10,752	9,987
Total current assets	21,330	21,217
Total assets	36,155	36,235
EQUITY		
Total Equity	32,414	31,820
Liabilities		
Loans and borrowings	436	479
Deferred tax liability	10	6
Total non-current liabilities	446	485
Interest-bearing loans and borrowings	3	6
Trade and other payables	3,107	3,858
Current tax liabilities	37	42
Provisions	148	24
Total current liabilities	3,295	3,930
Total liabilities	3,741	4,415
Total equity and liabilities	36,155	36,235

First Quarter 2015 Cash Balance Reconciliation

- Positive cash flow from operating activities, as well as in total for the quarter.
- Net investment in equipment of USD 1.1 million in Q1 2015, mainly related to new pellet mill in Magistralny.
- Proceeds from sale of Arkhangelsk of USD 1.0 million received in Q1 2015.
- Acquisition of non controlling interest in subsidiaries of USD 0.4 million in Q1 2015, related to buy out of minorities in Ust-Ilimsk.

in thousands of USD		Q1 2015
Cash balance 31 Dec 2014		9,987
Continuing operations		
Cash flow from operating activities		1,772
Net Investment in equipment		(1,067)
Acquisition of shares in subsidiaries (less cash balances of		7
Proceeds from sale of subsidiaries		1,000
Costs related to the sale of subsidiaries		(330)
Net financial		37
Cash flow from investing		(353)
Acquisition of non-controlling interest in subsidiaries		(399)
Interest paid & other loan related items		(27)
Cash flow from financing activities		(426)
Cash flow during the period		993
Exchange-rate differences on cash balance		(228)
Cash balance 31 March 2015		10,752

Conclusion

Conclusion

Unique platform:

- Swedish forestry company operating in Russia
- Vertically integrated from timber leases to sawmilling and wood pellet production
- High-quality, slow-growth forests
- Close proximity to main markets in Japan and China
- Strong management team
- Experienced Board members

Next operational steps:

- Construction of pellet mill in Magistralny
- Consolidation of forestry assets in Ust-Ilimsk
- Further simplification of the corporate structure
- Additional reduction of administrative costs
- Optimization of forest resources (possible sales and/or swaps)

