



FORTRESS PAPER ANNOUNCES FOURTH QUARTER 2014 RESULTS

Vancouver, British Columbia, March 9, 2015 – Fortress Paper Ltd. (“Fortress Paper” or the “Company”) reported 2014 fourth quarter EBITDA loss of \$1.4 million. The Dissolving Pulp Segment generated EBITDA loss of \$3.7 million and the Security Paper Products Segment generated EBITDA of \$3.2 million. Corporate costs contributed \$0.9 million to EBITDA loss.

EBITDA loss of \$3.7 million for the Dissolving Pulp Segment for the quarter ended December 31, 2014 was \$2.5 million greater, primarily due to the eight day annual maintenance shut-down and operational challenges in the lime kiln and re-caust areas, when compared to the third quarter of 2014 EBITDA loss of \$1.2 million, and \$7.1 million less compared to the fourth quarter of 2013 EBITDA loss of \$10.8 million. The Company sold 40,966 air dried metric tonnes (“ADMT”) of dissolving pulp and 6,009 ADMT of northern bleached hardwood kraft pulp (“NBHK”) in the fourth quarter of 2014. Although the dissolving pulp market conditions continue to be challenging, production efficiencies and cash costs continue to see improvements relative to the prior year comparative periods. The Dissolving Pulp Segment continues to be affected by the antidumping duty imposed by China’s Ministry of Commerce (“MOFCOM”) in April 2014. The operational challenges experienced in the fourth quarter of 2014 will also impact results in the first quarter of 2015.

The Landqart mill continues to implement new initiatives to improve efficiencies and profitability. EBITDA of \$3.2 million for the Security Paper Products Segment for the quarter ended December 31, 2014 was \$2.1 million higher when compared to the third quarter of 2014, and \$0.5 million higher when compared to results in the fourth quarter of 2013. Less than favourable conditions, including the strength of the Swiss franc against the euro and strong competition for orders putting pressure on pricing, continue to impact the results of the Security Paper Products Segment. The Landqart mill sold 2,270 tonnes of security paper in the fourth quarter of 2014, compared to 2,436 tonnes of security paper in the third quarter of 2014.

For a summary of significant developments please refer to the Management’s Discussion and Analysis for the three and twelve month periods ended December 31, 2014 (available on SEDAR at www.sedar.com).

A presentation to complement our fourth quarter earnings conference call is available under the “Investor Relations” section at www.fortresspaper.com.

Selected Financial Information

The selected financial information presented herein is qualified in its entirety by, and should be read in conjunction with, the Company’s audited consolidated financial statements as at and for the three and twelve month periods ended December 31, 2014 and the related notes thereto and Management’s Discussion and Analysis, which are available on SEDAR.

Reference is made in this news release to EBITDA (defined as net income before interest, income taxes, depreciation, amortization, non-operating income and expenses and stock-based compensation), which the Company considers to be an indicative measure of operating performance and a metric to evaluate profitability. Reference is also made to adjusted net loss (calculated as net loss less specific items affecting comparability with prior periods) and adjusted net loss per share (calculated as adjusted net loss divided by the weighted average number of shares outstanding in the period). EBITDA, adjusted net loss and adjusted net loss per share are not generally accepted earnings measures and should not be considered as an alternative to net loss or cash flows as determined in accordance with IFRS. As there is no standardized method of calculating these measures, the Company's EBITDA, adjusted net loss and adjusted net loss per share may not be directly comparable with similarly titled measures used by other companies. Reconciliations of EBITDA and adjusted net loss to net loss reported in accordance with IFRS are included below.

(thousands of dollars, except shipments, unaudited)	Q4 2014	Q3 2014	Q4 2013
Sales from continuing operations	74,449	80,374	37,183
EBITDA loss from continuing operations ⁽¹⁾	(1,396)	(1,478)	(9,367)
Net loss from continuing operations	(13,244)	(5,869)	(54,731)
Adjusted net loss from continuing operations ⁽²⁾	(11,915)	(5,731)	(21,247)
Paper shipments (tonnes) ⁽³⁾	2,270	2,436	2,097
Pulp shipments (ADMT)	46,975	55,199	6,758

⁽¹⁾ See Net Loss to EBITDA Reconciliation from Continuing Operations.

⁽²⁾ See Net Loss to Adjusted Net Loss Reconciliation from Continuing Operations.

⁽³⁾ From continuing operations.

Net Loss to Adjusted Net Loss Reconciliation from Continuing Operations:

(thousands of dollars, except per share amounts, unaudited)	Q4 2014	Q3 2014	Q4 2013
Net loss from continuing operations	(13,244)	(5,869)	(54,731)
Foreign exchange loss (gain)	829	138	(123)
Impairment of property, plant and equipment	-	-	32,907
Legal provision	500	-	700
Adjusted net loss	(11,915)	(5,731)	(21,247)
Basic and diluted net loss per share	(\$0.90)	(\$0.40)	(\$3.76)
Adjusted net loss per share, basic and diluted	(\$0.81)	(\$0.39)	(\$1.46)

Net Loss to EBITDA Reconciliation from Continuing Operations:

(thousands of dollars, unaudited)	Q4 2014	Q3 2014	Q4 2013
Net loss	(13,244)	(5,869)	(54,731)
Income tax (recovery) expense	(3,908)	37	620
Foreign exchange loss (gain)	829	138	(123)
Net finance expense	2,392	5,943	4,698
Gain on extinguishment of debt	(2,577)	-	-
Amortization of deferred borrowing costs	6,341	-	-
Amortization	7,259	7,249	6,821
Loss (gain) on business disposal	70	(9,212)	-
Impairment of property, plant and equipment	-	-	32,907
Change in fair value of marketable securities	732	81	-
Legal provision	500	-	700
Stock based compensation	210	155	(259)
EBITDA loss	(1,396)	(1,478)	(9,367)

The Company

Fortress Paper operates internationally in two distinct business segments: dissolving pulp and security paper products. The Company operates its dissolving pulp business at the FSC mill located in Canada, which has expanded into the renewable energy generation sector with the construction of a cogeneration facility. The Company operates its security paper products business at the Landqart Mill located in Switzerland, where it produces banknote, passport, visa and other brand protection and security papers.

Conference Call

A conference call to discuss the financial results for the fourth quarter 2014 will be held on March 10, 2014 at 9:00 a.m. (PST). To participate in the conference call, please dial one of the following numbers:

North America: 1-855-353-9183
Vancouver: 604-681-8564
Calgary and international: 403-532-5601
Edmonton: 780-429-5820
Toronto: 416-623-0333
Ottawa: 613-212-0171
Montreal: 514-687-4017

Participant pass code: 15086#

Conference Reference Number: 1174347#

A replay of the conference call will be available for 30 days. To access the replay, listeners may dial 1-855-201-2300 from North America or 403-255-0697 International. The conference reference number is 1174347# and the participant pass code to access the replay is 15086 #.

Forward-Looking Information

This news release contains certain forward-looking information that reflects the current views and/or expectations of the Company with respect to its expectations, beliefs, assumptions, estimates and forecasts about its business and the industry and markets in which it operates. The reader is cautioned that forward-looking information is not a guarantee of future performance and involves known and unknown risks, uncertainties, assumptions and other factors which are difficult to predict and that may cause actual results or events to differ materially from those anticipated in such forward-looking information. Accordingly, readers should not place undue reliance on forward-looking information, which is qualified entirely by this cautionary statement. Examples of such forward-looking information contained in this news release include statements relating to the growth and future prospects of the Company's business, market conditions for dissolving pulp, expectations surrounding the impact of the MOFCOM antidumping duty, and the benefits that may accrue to the Company as the result of certain dispositions and cost reduction and production improvement initiatives. Assumptions underlying the Company's expectations regarding forward-looking information contained in this news release include, among others: that the Company will be able to effectively market its products; the ability of the Company to realize significant cost-savings from production improvements, cost reduction initiatives and the cogeneration facility at the Fortress Specialty Cellulose Mill; there will be no unforeseen issues in the repair of the cogeneration facility; that equipment will operate at expected levels; and that the Company's assumptions relating to dissolving pulp markets will be accurate. Persons reading this news release are cautioned that forward-looking information represents predictions only, and that the Company's actual future results or performance are subject to certain risks and uncertainties including, without limitation, that market conditions for dissolving pulp will not improve or will worsen, the Company will not realize anticipated cost savings from its cost reduction initiatives, equipment will not operate as intended, the cogeneration facility will not operate as expected, and other risk factors detailed in the Company's most recent Annual Information Form and other filings with Canadian securities regulatory authorities. These risks, as well as others, could cause actual results and events to vary significantly. The Company does not undertake any obligation to update any forward-looking information, except as required by applicable securities law.

For further information please contact:

Mr. Chadwick Wasilenkoff, Chief Executive Officer
Fortress Paper Ltd.
604-904-2328 (info@fortresspaper.com)