



TSX: FTP

FORTRESS PAPER ANNOUNCES FOURTH QUARTER AND ANNUAL RESULTS

Vancouver, British Columbia, March 3, 2008 – Fortress Paper Ltd. (“Fortress Paper” or the “Company”) reported net income of \$2.3 million for the fourth quarter of 2007 on sales of \$37.5 million. For the year ended December 31, 2007, Fortress Paper recorded net income of \$5.3 million on sales of \$145.3 million.

Highlights

EBITDA was \$4.3 million or 11.3% of sales for the three months ended December 31, 2007. For the year ended December 31, 2007, EBITDA was \$13.6 million or 9.4% of sales. For a reconciliation of net income to EBITDA, please see the Management Discussion and Analysis of financial condition for the year ended December 31, 2007 (“MD&A”) available on SEDAR at www.sedar.com.

EBITDA is defined as earnings before interest, income taxes, depreciation, amortization, non-operating income and expenses and stock based compensation which the Company considers to be a key performance indicator. EBITDA is not a generally accepted earnings measure and should not be considered as an alternative to earnings or cash flows as determined in accordance with Canadian generally accepted accounting principles. As there is no standardized method of calculating EBITDA, the Company’s use for the term may not be comparable with similarly titled measures used by other companies.

Selected Financial Information

The selected financial information presented herein is qualified in its entirety by, and should be read in conjunction with, our audited consolidated financial statements as at and for the year ended December 31, 2007 and the related notes thereon and our Management Discussion and Analysis filed on SEDAR.

	YTD	Q4 (unaudited)	Q3
	2007		
	(unaudited, in thousands except earnings per share (“EPS”))		
Sales	145,294	37,537	34,065
Operating income	10,598	3,380	1,406
EBITDA	13,611	4,255	2,196
EBITDA per share	\$1.96	\$0.42	\$0.22
Net income	5,284	2,279	211
Basic and diluted EPS	\$0.76	\$0.22	\$0.02
Weighted average shares outstanding Basic	6,935	10,204	10,049
Weighted average shares outstanding Diluted	7,873	11,141	10,986
Average Swiss/Canadian exchange rate ⁽¹⁾	0.8946	0.8563	0.8720
Average Euro/Canadian exchange rate ⁽¹⁾	1.4691	1.4213	1.4370

(1) Source – Bank of Canada (average noon rate for the period indicated)

Operational Results

Prior year comparative financial information has not been presented because the Company acquired its assets from Mercer International Inc. effective August 1, 2006.

Landqart's results for the 2007 fiscal year reflect a higher portion of our sales attributed to security papers rather than specialty papers. Security papers traditionally receive higher sales per tonne prices and higher EBITDA margins. The Dresden mill continues to focus on its strategy of shifting production to non-woven wallpaper base which offers higher sales per tonne and higher EBITDA margins. During the third quarter of 2007, the Company completed the scheduled shutdowns of its mills to implement capital expenditure upgrades at both mills in order to increase higher margin production capacity. Our fourth quarter results reflect the improved productivity.

Sales for the year ended December 31, 2007 totaled \$145.3 million. The Landqart Mill and the Dresden Mill contributed \$63.3 million and \$82.0 million of sales revenue, respectively. Total shipments during the period were 52,093 tonnes, comprised of 16,268 tonnes of security and specialty papers from the Landqart Mill and 35,825 tonnes of wallpaper base from the Dresden Mill. The average sales revenue per tonne at the Landqart Mill and Dresden Mill was \$3,890 per tonne and \$2,289 per tonne, respectively, during the period.

Sales for the three months ended December 31, 2007 totaled \$37.5 million compared to \$34.1 million in the prior quarter. The Landqart Mill and the Dresden Mill contributed \$17.1 million (\$13.3 million in the prior quarter) and \$20.4 million (\$20.8 million in the prior quarter) of sales revenue, respectively.

Total shipments during the period were 13,247 tonnes, comprised of 4,138 tonnes of security and specialty papers from the Landqart Mill and 9,109 tonnes of wallpaper base from the Dresden Mill. This compares to the prior quarter's shipments of 12,798 tonnes, comprised of 3,864 tonnes of security and specialty papers from the Landqart Mill and 8,934 tonnes of wallpaper base from the Dresden Mill.

The average sales revenue per tonne at the Landqart Mill and the Dresden Mill was \$4,126 per tonne and \$2,247 per tonne, respectively, during the fourth quarter. In the previous quarter, the average sales revenue per tonne at the Landqart Mill and the Dresden Mill was \$3,439 per tonne and \$2,325 per tonne, respectively.

Annual Financial Statements and Management's Discussion & Analysis

The Company's consolidated financial statements for the year ended December 31, 2007 and related MD&A can be obtained on the Company's website at: www.fortresspaper.com and on SEDAR at www.sedar.com.

The Company

Fortress Paper is a leading international producer of security and other specialty papers. The Company operates two paper mills, the Landqart Mill located in Switzerland and the Dresden Mill located in Germany. The Company's security papers include banknote, passport and visa papers and its specialty papers include non-woven wallpaper base products, and graphic and technical papers. As an extension of its security papers business, the Landqart Mill has been actively developing and marketing innovative paper-based security products.

Conference Call

A conference call to discuss the financial results for the fourth quarter and fiscal year ended December 31, 2007 will be held on Tuesday, March 4, 2008 at 9:30 a.m. (PST). To attend the conference call, please use the following dial-in numbers: 604-899-1159 from Vancouver; 403-232-6311 from Calgary or international; 780-424-5694 from Edmonton; 416-883-0139 from Toronto; 613-212-4230 from Ottawa; and 514-395-2055 from Montreal

The toll-free dial-in number from elsewhere in Canada and the United States is 1-888-458-1598.

Participant pass code: 77788#

A replay of the conference call will be available for seven days. To access the replay in Canada (other than Calgary) or the United States, listeners may dial 1-877-653-0545. The Calgary and international dial-in number for the replay is 403-232-0933. The pass code to access the replay is 609920#.

Forward-Looking Statements

Some information in this news release contains forward-looking statements that reflect the current views and/or expectations of the Company with respect to its performance, business and future events. The reader is cautioned that forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements including, without limitation, those relating to damage to our reputation, competition, maintaining our market position, marketability and price of our products, technology and protection of our intellectual property, dependence on our major customers, fluctuations in the price and supply of raw materials, fluctuations in foreign exchange and other risk factors detailed in our filings with Canadian securities regulatory authorities. These risks, as well as others, could cause actual results and events to vary significantly. Fortress Paper Ltd. does not undertake any obligations to release publicly any revisions for updating any voluntary forward-looking statements

For further information please contact:

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