

**For Immediate Release**



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TSX: FTP

**FORTRESS PAPER ANNOUNCES RECORD THIRD QUARTER 2009 RESULTS**

**Vancouver, British Columbia, November 9, 2009** – Fortress Paper Ltd. (“Fortress Paper” or the “Company”) reported net income of \$3.5 million for the third quarter of 2009 on sales of \$51.0 million or basic and diluted earnings per share of \$0.34. For the third quarter of 2008 the Company reported net income of \$2.3 million on sales of \$43.7 million or basic and diluted earnings per share of \$0.22. In the second quarter of 2009 the Company reported net income of \$1.9 million on sales of \$49.6 million or basic and diluted earnings per share of \$0.19.

Adjusted net income for the third quarter of 2009 was \$0.38 per share. Adjusted net income for the previous year comparative period and prior quarter was \$0.34 per share and \$0.27 per share.

EBITDA was \$7.0 million or 13.7% of sales for the three months ended September 30, 2009. For the three months ended September 30, 2008 EBITDA was \$6.2 million or 14.2% of sales. EBITDA for the second quarter of 2009 was \$5.7 million or 11.5% of sales.

The increase in EBITDA relative to the prior year comparative period was primarily due to higher margin security paper sales at the Landqart mill and continued strong performance at the Dresden mill. The market for security papers, which includes bank notes, passport paper and other high security papers, continues to show strength and our order book for wallpaper base is experiencing its highest level of demand since the economic downturn.

EBITDA is 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 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.

Combining the consistently positive results at Dresden this quarter with a strong quarter from Lanqart due to higher margin banknote paper sales relative to prior quarters has provided Fortress with the Company’s best historical quarterly EBITDA.

As the year has progressed it has become apparent that our mills have been able to endure the economic crisis and produce healthy results further strengthening our balance sheet at a time the company is evaluating internal growth initiatives and accretive acquisition opportunities.

The Company is encouraged by the results at our Dresden mill and the Company expects to utilize the increased capacity to meet current and forecasted demand and strengthen our position in the global non-woven wallpaper market. The efficiency enhancements at our Dresden mill will enable us to meet some of the challenges resulting from current economic conditions.

The market for security papers continues to show strength and the order book for wallpaper base has grown to its current level of eight weeks.

## Selected Financial Information

The selected financial information presented herein is qualified in its entirety by, and should be read in conjunction with, our unaudited consolidated financial statements as at and for the three and six month periods ended September 30, 2009 and the related notes thereon and our Management's Discussion and Analysis filed on SEDAR.

### Three Months Ended September 30

Selected Financial Information and Statistics  
(thousands of dollars, except per unit  
amounts and shipments, unaudited)

	Q3 2009	Q2 2009	Q3 2008
Sales	51,000	49,638	43,744
EBITDA	6,967	5,699	6,234
Operating income	5,198	4,460	4,993
Net income	3,467	1,926	2,312
Basic EPS	\$0.34	\$0.19	\$0.22
Weighted average shares outstanding basic (thousands)	10,234	10,234	10,302
Diluted EPS	\$0.34	\$0.19	\$0.22
Weighted average shares outstanding diluted (thousands)	10,296	10,234	10,471
Shipments (tonnes)			
Landqart mill	4,145	4,127	4,286
Dresden mill	10,159	10,054	8,557
Total	14,304	14,181	12,843

## Operational Results

At the Landqart mill the market for security papers continues to show strength; however, specialty papers continued to experience challenges through the nine month period ended September 30, 2009 as a direct result of the global economic slowdown. When compared to the prior year period, current year to date results reflect weakness in the specialty papers which has been partially offset by strength in the security segment.

At the Dresden mill, the wallpaper base market experienced strengthening orders throughout the first nine months. Although sales tonnage has increased relative to the prior year, profitability is slightly lower at the Dresden mill due to product mix diversification. However, improved efficiencies on the paper machine at the Dresden mill has provided us with strong margins despite the economic slowdown.

Selected Financial Information and Statistics - Nine Months Ended September 30

(thousands of dollars, except for shipments, unaudited)	September 30, 2009	September 30, 2008	September 30, 2007
Sales	147,261	142,671	107,757
EBITDA	17,698	19,061	9,356
Operating income	13,423	15,595	7,218
Net income	8,977	9,902	3,005
Shipments (tonnes)	41,208	41,972	38,846

## **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 third quarter 2009 will be held on November 10, 2009 at 9:30 a.m. (PST). To attend the conference call, please dial one of the following numbers:

North America: 1-888-205-4499

International: 1-403-269-4703

Participant pass code: 63427#

A replay of the conference call will be available for 7 days. To access the replay, listeners may dial 1-877-245-4531 from North America or 403-205-4531 International. The pass code to access the replay is 976296#.

## **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 obligation to release publicly any revisions for updating any voluntary forward-looking statements.

For further information please contact:

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