



TSX: FTP

FORTRESS PAPER ANNOUNCES THIRD QUARTER 2014 RESULTS

Vancouver, British Columbia, November 13, 2014 – Fortress Paper Ltd. (“Fortress Paper” or the “Company”) reported a 2014 third quarter EBITDA loss of \$1.5 million. Excluding Fortress Optical Features Ltd. (“Fortress Optical”) operations which were sold during the quarter, EBITDA loss for the Company was \$1.0 million. The Dissolving Pulp Segment generated EBITDA loss of \$1.2 million and the Security Paper Products Segment generated EBITDA of \$1.1 million. Corporate costs contributed \$1.4 million to EBITDA loss.

The Company is encouraged by the Fortress Specialty Cellulose mill (“FSC”) results in the quarter ended September 30, 2014. EBITDA for the Dissolving Pulp Segment for the quarter ended September 30, 2014 was \$3.0 million higher when compared to the second quarter of 2014, and \$5.4 million higher compared to the third quarter of 2013. The Company sold 37,592 air dried metric tonnes (“ADMT”) of dissolving pulp and 17,607 ADMT of north bleached hardwood kraft pulp (“NBHK”) in the third quarter of 2014. Although the dissolving pulp market conditions continue to be challenging, production efficiencies and cash costs have improved during the quarter and relative to 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 Landqart mill continues to implement new initiatives to improve efficiencies and profitability. EBITDA for the Security Paper Products Segment for the quarter ended September 30, 2014 was \$1.5 million higher when compared to the second quarter of 2014, and \$0.5 million lower compared to the third 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 achieved 2,436 tonnes of security paper sales in the third quarter of 2014, compared to 1,921 tonnes of security paper sales in the second quarter of 2014.

For a summary of significant developments please refer to the Management’s Discussion and Analysis for the three and nine month periods ended September 30, 2014 (available on SEDAR at www.sedar.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 consolidated financial statements as at and for the three and nine month period ended September 30, 2014 and the related notes thereto and Management’s Discussion and Analysis, which are available on SEDAR. Financial information referring to continuing operations includes the financial results of Fortress Optical for the periods presented and excludes additional amounts relating to taxes and working capital on the disposal of the Dresden mill.

(thousands of dollars, except shipments, unaudited)	Q3 2014	Q2 2014	Q3 2013
Sales from continuing operations	80,374	67,262	53,160
EBITDA loss from continuing operations ⁽¹⁾	(1,478)	(5,994)	(7,290)
Net loss from continuing operations	(5,869)	(20,108)	(13,427)
Adjusted net loss from continuing operations ⁽²⁾	(5,731)	(18,438)	(15,573)
Paper shipments (tonnes) ⁽³⁾	2,436	1,921	1,856
Pulp shipments (ADMT)	55,199	43,343	31,258

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

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

⁽³⁾ From continuing operations.

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.

Net Loss to Adjusted Net Loss Reconciliation for Continuing Operations:

(thousands of dollars, except per share amounts, unaudited)	Q3 2014	Q2 2014	Q3 2013
Net loss from continuing operations	(5,869)	(20,108)	(13,427)
Foreign exchange loss	138	1,670	739
(Gain) on sale of property, plant and equipment	-	-	(4,135)
Legal provision	-	-	1,250
Adjusted net loss	(5,731)	(18,438)	(15,573)
Basic and diluted net loss per share	(0.40)	(1.38)	(0.92)
Adjusted net loss per share, basic and diluted	(0.39)	(1.26)	(1.07)

Net Loss to EBITDA Reconciliation for Continuing Operations:

(thousands of dollars, unaudited)	Q3 2014	Q2 2014	Q3 2013
Net loss	(5,869)	(20,108)	(13,427)
Income tax expense (recovery)	37	(32)	(611)
Foreign exchange loss	138	1,670	739
Net finance expense	5,943	5,623	4,021
Amortization	7,249	7,219	4,296
(Gain) on sale of property, plant and equipment	-	-	(4,135)
(Gain) on business disposal	(9,212)	-	-
Change in fair value of marketable securities	81	-	-
Legal provision	-	-	1,250
Stock based compensation	155	(366)	577
EBITDA loss	(1,478)	(5,994)	(7,290)

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 and the production of NBHK pulp. 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 third quarter 2014 will be held on November 14, 2014 at 11:30 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: 1167098#

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 1167098# and the participant pass code to access the replay is 15086 #.

Forward-looking Statements

This news release contains certain forward-looking statements that reflect 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 statements are not guarantees of future performance and involve 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 statements. Accordingly, readers should not place undue reliance on forward-looking statements, which are qualified entirely by this cautionary statement. Examples of such forward-looking statements 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, the benefits that may accrue to the Company as the result of certain dispositions and cost reduction and production improvement initiatives, and the timing for the completion of repairs to the cogeneration facility at the FSC mill. Assumptions underlying the Company's expectations regarding forward-looking statements or 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 FSC mill; there will be no unforeseen issues in the repair of the cogeneration facility; and that equipment will operate at expected levels. Persons reading this news release are cautioned that forward-looking statements or information are only predictions, and that the Company's actual future results or performance are subject to certain risks and uncertainties including, without limitation, that the IQ loan deferral will be revoked, 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 those 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 release publicly any revisions for updating any voluntary forward-looking statements, except as required by applicable securities law.

For further information please contact:

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