



For Immediate Release

MERCER INTERNATIONAL INC. REPORTS 2009 FIRST QUARTER RESULTS

NEW YORK, NY, April 29, 2009 -- Mercer International Inc. (Nasdaq: MERC, TSX: MRI.U) today reported results for the first quarter ended March 31, 2009. Total revenues in the quarter and Operating EBITDA decreased to €139.6 million (U.S.\$181.9 million) and €1.1 million (U.S.\$1.4 million) from €186.8 million (U.S.\$280.2 million) and €32.8 million (U.S.\$49.4 million), respectively, in the same period last year as pulp industry conditions remained challenging. Operating EBITDA is defined on page 4 of this press release and reconciled to net income (loss) attributable to common shareholders on page 6 of the financial tables in this press release.

Summary Financial Highlights

	<u>Q1</u> <u>2009</u>	<u>Q4</u> <u>2008</u>	<u>Q1</u> <u>2008</u>
(in millions of Euros, except where otherwise stated)			
Pulp revenues.....	€ 129.0	€ 161.0	€ 179.1
Energy revenues.....	10.6	11.0	7.7
Operating income (loss).....	(12.4)	(21.4)	18.6
Operating EBITDA (loss).....	1.1	(7.5)	32.8
Unrealized gain (loss) on derivative instruments.....	(15.0)	(29.7)	(7.9)
Foreign exchange gain (loss) on debt.....	(4.4)	(0.9)	6.0
Net income (loss) attributable to common shareholders.....	(39.4)	(59.0)	2.9
Net income (loss) per share attributable to common shareholders			
Basic.....	€ (1.08)	€ (1.63)	€ 0.08
Diluted.....	€ (1.08)	€ (1.63)	€ 0.08

Summary Operating Highlights

	<u>Q1</u> <u>2009</u>	<u>Q4</u> <u>2008</u>	<u>Q1</u> <u>2008</u>
Pulp Production ('000 ADMTs).....	345.6	338.9	360.9
Scheduled Production Downtime ('000 ADMTs).....	-	21.0	1.5
Pulp Sales ('000 ADMTs).....	336.7	364.1	348.2
NBSK pulp list price in Europe (US\$/ADMT).....	585	698	880
NBSK pulp list price in Europe (€/ADMT).....	449	530	586
Average pulp sales realizations (€/ADMT)(1).....	377	436	510
Energy Production ('000 MWh).....	356.3	348.8	364.9
Energy Sales ('000 MWh).....	112.2	107.9	114.1
Average Spot Currency Exchange Rates(2):			
€ / \$.....	0.7675	0.7591	0.6666
C\$ / \$.....	1.2453	1.2118	1.0042
C\$ / €.....	1.6217	1.5951	1.5057

(1) List price, less discounts and commissions.

(2) Average Bank of Canada noon spot rates over the reporting period.

President's Comments

Mr. Jimmy S.H. Lee, President and Chairman, stated: "Our first quarter results, while very disappointing, were largely as expected and reflect the prevailing difficult economic environment. Pulp prices declined further in the first two months of 2009 although the stronger U.S. dollar in the period softened the impact of such decreases. In the quarter we recorded a non-cash provision of €4.6 million against our inventories. Beneficial to us in the quarter were lower fiber and freight costs along with the higher tariffs now in effect for excess energy sold from our German mills."

Mr. Lee continued: "Despite the severe market challenges we continue to focus on improvements in areas of our business that we can control, including the implementation of cost reduction at our mills and initiatives to enhance and sustain liquidity. With the completion of the amendment to the project finance loan of our 74.9% owned subsidiary Stendal in the current quarter, we have been able to decisively increase the Stendal mill's liquidity. We are also in continuing negotiations with lenders with respect to the term financing for the "green" energy project at our Celgar mill."

Mr. Lee added: "As there has been a return of Chinese buyers to the market in the current quarter and the announcement of a price increase for April in China and Europe, there is some indication that certain markets may have bottomed out and stabilized. Despite these developments we are cognizant that the renewed demand from China may be temporary and primarily motivated by current pricing. Significant volumes remain in global pulp distribution channels and need to be balanced by further production curtailments among producers. As a result we expect market conditions to remain difficult in the near-term."

Mr. Lee concluded: "Although there have been several temporary and permanent mill closures, because of sales of inventory from such idled mills, the effect of such reduced production has not yet been really reflected in balancing the market."

Three Months Ended March 31, 2009 Compared to Three Months Ended March 31, 2008

Pulp revenues for the three months ended March 31, 2009 decreased by approximately 28.0% to €129.0 million from €179.1 million in the comparative period of 2008, primarily due to the ongoing global economic crisis and its effect on world pulp markets. Revenues from the sale of excess energy increased by approximately 36.6% in the first quarter to €10.6 million from €7.7 million in the same quarter last year due to the higher biomass energy tariffs now in effect under Germany's Renewable Energy Resources Act.

Pulp production decreased to 345,620 ADMTs in the current quarter from 360,881 ADMTs in the same quarter of 2008 primarily due to seven days of unscheduled production downtime at our Celgar mill as a result of a temporary railway shutdown due to weather conditions. We took no scheduled maintenance downtime at our mills in the first three months of 2009 compared to one day in the same period of 2008.

Pulp sales volume decreased to 336,659 ADMTs in the current quarter from 348,176 ADMTs in the comparative period of 2008. Average pulp sales realizations decreased by approximately 26.1% to €377 per ADMT in the first quarter of 2009, compared to €510 per ADMT in the same period last year.

Costs and expenses in the first quarter of 2009 decreased to €52.0 million from €68.2 million in the comparative period of 2008.

As a result of continuing weak NBSK markets in the current quarter, we recorded additional non-cash provisions of €3.4 million and €1.2 million against our finished goods and fiber inventories, respectively.

On average, and including the effect of the non-cash inventory provision on our fiber inventories, our fiber costs decreased by approximately 10.4% in the first quarter of 2009 from the same period in 2008 primarily due to lower demand. We currently expect fiber prices to level off in the near term due to the effect of the ongoing sawmilling curtailments and harvesting reductions.

During the first quarter of 2009, our raw material inventories decreased to €26.5 million from €38.2 million at the end of the fourth quarter of 2008. Our pulp inventories increased by approximately 7.9% to €40.9 million in the first quarter of 2009 from €37.9 million at the end of the prior quarter.

For the first quarter of 2009, we recorded an operating loss of €12.4 million compared to operating income of €18.6 million in the comparative quarter of 2008, primarily due to lower price realizations and sales volume resulting from deteriorating market conditions.

Interest expense in the first quarter of 2009 decreased very marginally to €6.5 million from €6.6 million in the comparative quarter of 2008.

In the first three months of 2009 we recorded a loss of €3.2 million on the final disposition of certain investments previously owned by our Stedal mill. Such investments were held in an independently-

managed fund created for purposes of investing the debt service reserve account funds under the mill's project finance facility.

Our Stendal mill recorded an unrealized loss of €15.0 million on our interest rate derivatives at the end of the current quarter, compared to an unrealized loss of €7.9 million in the same quarter of last year in large part due to the significant decrease in European interest rates. We recorded a foreign exchange loss on our debt of €4.4 million in the first quarter of 2009 compared to an unrealized gain of €6.0 million.

In the first quarter of 2009, the noncontrolling shareholder's interest in the Stendal mill's loss was €9.3 million, compared to €3.2 million in the same quarter last year.

In the first quarter of 2009, we reported Operating EBITDA of €1.1 million compared to €32.8 million in the first quarter of 2008 and an Operating EBITDA loss of €7.5 million in the fourth quarter of 2008. EBITDA in the current quarter includes non-cash inventory provisions of €4.6 million. Operating EBITDA is defined as operating income (loss) plus depreciation and amortization and non-recurring capital asset impairment charges. Management uses Operating EBITDA as a benchmark measurement of its own operating results, and as a benchmark relative to its competitors. Management considers it to be a meaningful supplement to operating income as a performance measure primarily because depreciation expense and non-recurring capital asset impairment charges are not an actual cash cost, and depreciation expense varies widely from company to company in a manner that management considers largely independent of the underlying cost efficiency of their operating facilities. In addition, we believe Operating EBITDA is commonly used by securities analysts, investors and other interested parties to evaluate our financial performance.

Operating EBITDA does not reflect the impact of a number of items that affect our net income, including financing costs and the effect of derivative instruments. Operating EBITDA is not a measure of financial performance under GAAP, and should not be considered as an alternative to net income attributable to common shareholders or income from operations as a measure of performance, nor as an alternative to net cash from operating activities as a measure of liquidity. Operating EBITDA has significant limitations as an analytical tool, and should not be considered in isolation, or as a substitute for analysis of our results as reported under GAAP. For a reconciliation of Operating EBITDA to net income (loss) attributable to common shareholders, see page 6 of the financial tables included in this press release.

We reported a net loss attributable to common shareholders for the first quarter of 2009 of €39.4 million, or a loss of €1.08 per basic and diluted share, which included an aggregate unrealized non-cash loss

of €19.4 million on Stendal's interest rate derivative and foreign exchange losses on our debt. In the first quarter of 2008, net income attributable to common shareholders was €2.9 million, or €0.08 per basic and diluted share. As at March 31, 2009 and 2008, respectively, we had 36,422,487 and 36,285,027 common shares outstanding.

Liquidity and Capital Resources

In light of the continued volatile market environment and recessionary economic conditions, we are providing additional information concerning our liquidity and capital resources.

The following table is a summary of selected financial information for the periods indicated:

	As at March 31, 2009	As at December 31, 2008
	(in thousands)	
Financial Position		
Cash and cash equivalents.....	€ 41,236	€ 42,452
Cash, restricted	3,531	13,000
Working capital	109,961	154,374
Property, plant and equipment.....	879,300	881,704
Total assets.....	1,113,541	1,151,600
Long-term liabilities.....	926,561	914,970
Total equity.....	78,385	132,103

As at March 31, 2009, our cash and cash equivalents were €41.2 million, working capital was €10.0 million and we had approximately €31.5 million in available undrawn lines of credit.

As at March 31, 2009, we had an aggregate amount of €22.8 million outstanding under the Stendal mill's project finance facility. We had also drawn approximately C\$22.0 million under the C\$40.0 million working capital facility for our Celgar mill and approximately €10.0 million under the €40.0 million working capital facility for our Rosenthal mill.

Restricted Group

The following table is a summary of selected financial information for the Restricted Group for the periods indicated:

	As at March 31, 2009	As at December 31, 2008
	(in thousands)	
Restricted Group Financial Position		
Cash and cash equivalents.....	€ 28,682	€ 26,176
Working capital	73,683	101,490
Property, plant and equipment.....	354,777	351,009
Total assets.....	562,641	564,374
Long-term liabilities.....	316,826	309,235
Total equity	189,069	210,179

As at March 31, 2009, our Restricted Group had cash and cash equivalents of €28.7 million, working capital of €73.7 million and approximately €31.5 million in available undrawn lines of credit.

Earnings Release Call

In conjunction with this release, Mercer International Inc. will host a conference call, which will be simultaneously broadcast live over the Internet. Management will host the call, which is scheduled for Thursday, April 30, 2009 at 10:00 AM (Eastern Daylight Time). Listeners can access the conference call live and archived through May 30, 2009, over the Internet at <http://investor.shareholder.com/media/eventdetail.cfm?mediaid=36264&c=MERC&mediakey=957433ACFFF2F424B0AB33A05D209E5E&e=0> or through a link on the Company's News/Financial page at <http://www.mercerint.com/s/NewsReleases.asp>. Please allow 15 minutes prior to the call to visit the site and download and install any necessary audio software. A replay of this call will be available approximately two hours after the live call ends until May 7, 2009 at 11:59 PM (Eastern Daylight Time). The replay number is (800) 642-1687 for domestic callers or (706) 645-9291 for international callers, and the passcode is 94432276.

Mercer International Inc. is a global pulp manufacturing company. To obtain further information on the company, please visit its web site at <http://www.mercerint.com>.

The preceding includes forward looking statements which involve known and unknown risks and uncertainties which may cause our actual results in future periods to differ materially from forecasted results. Among those factors which could cause actual results to differ materially are the following: the effects of the current economic and financial turmoil, the highly cyclical nature of our business, raw material costs, our level of indebtedness, competition, foreign exchange and interest rate fluctuations, our use of derivatives, expenditures for capital projects, environmental regulation and compliance, disruptions to our production, market conditions and other risk factors listed from time to time in our SEC reports.

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-FINANCIAL TABLES FOLLOW-

MERCER INTERNATIONAL INC.
INTERIM CONSOLIDATED BALANCE SHEETS

(Unaudited)
(In thousands of Euros)

	<u>March 31,</u> <u>2009</u>	<u>December 31,</u> <u>2008</u>
ASSETS		
Current assets		
Cash and cash equivalents.....	€ 41,236	€ 42,452
Cash, restricted.....	3,531	13,000
Receivables	80,943	100,158
Inventories	89,761	98,457
Prepaid expenses and other	<u>3,085</u>	<u>4,834</u>
Total current assets.....	<u>218,556</u>	<u>258,901</u>
Long-term assets		
Property, plant and equipment.....	879,300	881,704
Investments	71	419
Deferred note issuance and other costs	8,852	4,011
Deferred income tax	3,231	3,036
Note receivable, less current portion	<u>3,531</u>	<u>3,529</u>
	<u>894,985</u>	<u>892,699</u>
Total assets	<u>€ 1,113,541</u>	<u>€ 1,151,600</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued expenses.....	€ 81,575	€ 87,517
Pension and other post-retirement benefit obligations, current portion	520	510
Debt, current portion.....	<u>26,500</u>	<u>16,500</u>
Total current liabilities.....	<u>108,595</u>	<u>104,527</u>
Long-term liabilities		
Debt, less current portion	838,556	837,918
Unrealized interest rate derivative losses	62,125	47,112
Pension and other post-retirement benefit obligations.....	12,980	12,846
Capital leases and other	9,877	11,267
Deferred income tax	<u>3,023</u>	<u>5,827</u>
	<u>926,561</u>	<u>914,970</u>
Total liabilities	<u>1,035,156</u>	<u>1,019,497</u>
EQUITY		
Shareholders' equity		
Share capital	202,844	202,844
Paid-in capital	(5,897)	299
Retained earnings (deficit).....	(74,396)	(35,046)
Accumulated other comprehensive loss	<u>(6,944)</u>	<u>(1,872)</u>
Total shareholders' equity	<u>115,607</u>	<u>166,225</u>
Noncontrolling interest (deficit).....	<u>(37,222)</u>	<u>(34,122)</u>
Total equity.....	<u>78,385</u>	<u>132,103</u>
Total liabilities and equity	<u>€ 1,113,541</u>	<u>€ 1,151,600</u>

MERCER INTERNATIONAL INC.
INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(In thousands of Euros, except per share data)

	Three Months Ended	
	March 31,	
	2009	2008
Revenues		
Pulp revenue.....	€ 129,033	€ 179,101
Energy revenue.....	<u>10,539</u>	<u>7,715</u>
	139,572	186,816
Costs and expenses		
Operating costs.....	131,997	147,156
Operating depreciation and amortization	<u>13,401</u>	<u>14,121</u>
	(5,826)	25,539
Selling, general and administrative expenses	7,145	6,896
(Sale) purchase of emission allowances.....	<u>(558)</u>	<u>-</u>
Operating income (loss).....	<u>(12,413)</u>	<u>18,643</u>
Other income (expense)		
Interest expense.....	(16,549)	(16,620)
Investment income (loss)	(3,202)	310
Foreign exchange gain (loss) on debt	(4,416)	6,031
Unrealized gain (loss) on derivative instruments	<u>(15,013)</u>	<u>(7,850)</u>
Total other income (expense).....	<u>(39,180)</u>	<u>(18,129)</u>
Net income (loss) before income taxes	(51,593)	514
Income tax benefit (provision) – current.....	(49)	376
– deferred.....	<u>3,031</u>	<u>(1,204)</u>
Net income (loss)	(48,611)	(314)
Less: net loss attributable to noncontrolling interest	<u>9,261</u>	<u>3,183</u>
Net income (loss) attributable to common shareholders	(39,350)	2,869
Retained earnings (deficit), beginning of period	<u>(35,046)</u>	<u>37,419</u>
Retained earnings (deficit), end of period.....	<u>€ (74,396)</u>	<u>€ 40,288</u>
Net income (loss) per share attributable to common shareholders		
Basic	<u>€ (1.08)</u>	<u>€ 0.08</u>
Diluted	<u>€ (1.08)</u>	<u>€ 0.08</u>

MERCER INTERNATIONAL INC.

RESTRICTED GROUP SUPPLEMENTAL DISCLOSURE
Combined Condensed Balance Sheet
(Unaudited)
(In thousands of Euros)

The terms of the indenture governing our 9.25% senior unsecured notes require that we provide the results of operations and financial condition of Mercer International Inc. and our restricted subsidiaries under the indenture, collectively referred to as the "Restricted Group". As at and during the three months and year ended March 31, 2009 and 2008, the Restricted Group was comprised of Mercer International Inc., our Rosenthal and Celgar mills and certain holding subsidiaries. The Restricted Group excludes the Stendal mill.

	March 31, 2009			
	<u>Restricted Group</u>	<u>Unrestricted Subsidiaries</u>	<u>Eliminations</u>	<u>Consolidated Group</u>
ASSETS				
Current assets				
Cash and cash equivalents.....	€ 28,682	€ 12,554	€ -	€ 41,236
Cash, restricted.....	-	3,531	-	3,531
Receivables	42,699	38,244	-	80,943
Inventories	56,979	32,782	-	89,761
Prepaid expenses and other	<u>2,069</u>	<u>1,016</u>	-	<u>3,085</u>
Total current assets.....	130,429	88,127	-	218,556
Property, plant and equipment.....	354,777	524,523	-	879,300
Other.....	3,664	5,259	-	8,923
Deferred income tax	3,231	-	-	3,231
Due from unrestricted group	67,009	-	(67,009)	-
Note receivable, less current portion	3,531	-	-	3,531
Total assets	<u>€ 562,641</u>	<u>€ 617,909</u>	<u>€ (67,009)</u>	<u>€ 1,113,541</u>
LIABILITIES				
Current liabilities				
Accounts payable and accrued expenses.....	€ 46,226	€ 35,349	€ -	€ 81,575
Pension and other post-retirement benefit obligations, current portion	520	-	-	520
Debt, current portion.....	<u>10,000</u>	<u>16,500</u>	-	<u>26,500</u>
Total current liabilities.....	56,746	51,849	-	108,595
Debt, less current portion.....	297,672	540,884	-	838,556
Due to restricted group	-	67,009	(67,009)	-
Unrealized interest rate derivative losses	-	62,125	-	62,125
Pension and other post-retirement benefit obligations	12,980	-	-	12,980
Capital leases and other	6,174	3,703	-	9,877
Deferred income tax	-	3,023	-	3,023
Total liabilities	<u>373,572</u>	<u>728,593</u>	<u>(67,009)</u>	<u>1,035,156</u>
EQUITY				
Total shareholders' equity (deficit).....	189,069	(73,462)	-	115,607
Noncontrolling interest (deficit).....	-	(37,222)	-	(37,222)
Total liabilities and equity	<u>€ 562,641</u>	<u>€ 617,909</u>	<u>€ (67,009)</u>	<u>€ 1,113,541</u>

MERCER INTERNATIONAL INC.

RESTRICTED GROUP SUPPLEMENTAL DISCLOSURE
Combined Condensed Balance Sheet
(Unaudited)
(In thousands of Euros)

	December 31, 2008			
	Restricted Group	Unrestricted Subsidiaries	Eliminations	Consolidated Group
ASSETS				
Current assets				
Cash and cash equivalents.....	€ 26,176	€ 16,276	€ -	€ 42,452
Cash, restricted.....	-	13,000	-	13,000
Receivables	57,258	42,900	-	100,158
Inventories	59,801	38,656	-	98,457
Prepaid expenses and other	<u>3,215</u>	<u>1,619</u>	-	<u>4,834</u>
Total current assets.....	146,450	112,451	-	258,901
Property, plant and equipment.....	351,009	530,695	-	881,704
Other.....	4,425	5	-	4,430
Deferred income tax	3,036	-	-	3,036
Due from unrestricted group	55,925	-	(55,925)	-
Note receivable, less current portion.....	<u>3,529</u>	-	-	<u>3,529</u>
Total assets	<u>€ 564,374</u>	<u>€ 643,151</u>	<u>€ (55,925)</u>	<u>€ 1,151,600</u>
LIABILITIES				
Current liabilities				
Accounts payable and accrued expenses.....	€ 44,450	€ 43,067	€ -	€ 87,517
Pension and other post-retirement benefit obligations, current portion	510	-	-	510
Debt, current portion.....	<u>-</u>	<u>16,500</u>	-	<u>16,500</u>
Total current liabilities.....	44,960	59,567	-	104,527
Debt, less current portion	289,222	548,696	-	837,918
Due to restricted group.....	-	55,925	(55,925)	-
Unrealized interest rate derivative losses	-	47,112	-	47,112
Pension and other post-retirement benefit obligations ...	12,846	-	-	12,846
Capital leases and other.....	7,167	4,100	-	11,267
Deferred income tax.....	<u>-</u>	<u>5,827</u>	-	<u>5,827</u>
Total liabilities	<u>354,195</u>	<u>721,227</u>	<u>(55,925)</u>	<u>1,019,497</u>
EQUITY				
Total shareholders' equity (deficit).....	210,179	(43,954)	-	166,225
Noncontrolling interest (deficit).....	<u>-</u>	<u>(34,122)</u>	-	<u>(34,122)</u>
Total liabilities and equity	<u>€ 564,374</u>	<u>€ 643,151</u>	<u>€ (55,925)</u>	<u>€ 1,151,600</u>

MERCER INTERNATIONAL INC.

RESTRICTED GROUP SUPPLEMENTAL DISCLOSURE
Combined Condensed Statements of Operations
(Unaudited)
(In thousands of Euros)

	Three Months Ended March 31, 2009			
	Restricted Group	Unrestricted Subsidiaries	Eliminations	Consolidated Group
Revenues	€ 79,032	€ 60,540	€ -	€ 139,572
Operating costs	73,316	58,681	-	131,997
Operating depreciation and amortization	6,704	6,697	-	13,401
Selling, general and administrative expenses	4,422	2,165	-	6,587
	<u>84,442</u>	<u>67,543</u>	<u>-</u>	<u>151,985</u>
Operating income (loss)	<u>(5,410)</u>	<u>(7,003)</u>	<u>-</u>	<u>(12,413)</u>
Other income (expense)				
Interest expense	(7,302)	(10,356)	1,109	(16,549)
Investment income (loss)	916	(3,009)	(1,109)	(3,202)
Foreign exchange gain (loss) on debt	(4,416)	-	-	(4,416)
Derivative instruments	-	(15,013)	-	(15,013)
Total other income (expense)	<u>(10,802)</u>	<u>(28,378)</u>	<u>-</u>	<u>(39,180)</u>
Net income (loss) before income taxes	(16,212)	(35,381)	-	(51,593)
Income tax benefit (provision)	208	2,774	-	2,982
Net income (loss)	(16,004)	(32,607)	-	(48,611)
Less: net loss attributable to noncontrolling interest	-	9,261	-	9,261
Net income (loss) attributable to common shareholders	<u>€ (16,004)</u>	<u>€ (23,346)</u>	<u>€ -</u>	<u>€ (39,350)</u>

	Three Months Ended March 31, 2008			
	Restricted Group	Unrestricted Subsidiaries	Eliminations	Consolidated Group
Revenues	€ 104,588	€ 82,228	€ -	€ 186,816
Operating costs	81,142	66,014	-	147,156
Operating depreciation and amortization	7,421	6,700	-	14,121
Selling, general and administrative expenses	3,744	3,152	-	6,896
	<u>92,307</u>	<u>75,866</u>	<u>-</u>	<u>168,173</u>
Operating income (loss)	<u>12,281</u>	<u>6,362</u>	<u>-</u>	<u>18,643</u>
Other income (expense)				
Interest expense	(6,712)	(10,867)	959	(16,620)
Investment income (loss)	1,736	(467)	(959)	310
Foreign exchange gain (loss) on debt	6,627	(596)	-	6,031
Derivative instruments	-	(7,850)	-	(7,850)
Total other income (expense)	<u>1,651</u>	<u>(19,780)</u>	<u>-</u>	<u>(18,129)</u>
Net income (loss) before income taxes	13,932	(13,418)	-	514
Income tax benefit (provision)	(2,154)	1,326	-	(828)
Net income (loss)	11,778	(12,092)	-	(314)
Less: net loss attributable to noncontrolling interest	-	3,183	-	3,183
Net income (loss) attributable to common shareholders	<u>€ 11,778</u>	<u>€ (8,909)</u>	<u>€ -</u>	<u>€ 2,869</u>

MERCER INTERNATIONAL INC.

**COMPUTATION OF OPERATING EBITDA
(Unaudited)
(In thousands of Euros)**

	Three Months Ended March 31,	
	2009	2008
Net income (loss) attributable to common shareholders	€ (39,350)	€ 2,869
Net loss attributable to noncontrolling interest.....	(9,261)	(3,183)
Income taxes (benefits).....	(2,982)	828
Interest expense.....	16,549	16,620
Investment (income) loss.....	3,202	(310)
Unrealized foreign exchange (gain) loss on debt.....	4,416	(6,031)
Derivative financial instruments	<u>15,013</u>	<u>7,850</u>
Operating income (loss).....	(12,413)	18,643
Add: Depreciation and amortization.....	<u>13,467</u>	<u>14,192</u>
Operating EBITDA ⁽¹⁾	<u>€ 1,054</u>	<u>€ 32,835</u>

- (1) Operating EBITDA does not reflect the impact of a number of items that affect our net income (loss) attributable to common shareholders, including financing costs and the effect of derivative instruments. Operating EBITDA is not a measure of financial performance under accounting principles generally accepted in the United States, and should not be considered as an alternative to net income (loss) attributable to common shareholders or income (loss) from operations as a measure of performance, nor as an alternative to net cash from operating activities as a measure of liquidity. Operating EBITDA has significant limitations as an analytical tool, and should not be considered in isolation, or as a substitute for analysis of our results as reported under GAAP.

**COMPUTATION OF RESTRICTED GROUP OPERATING EBITDA
(Unaudited)
(In thousands of Euros)**

	Three Months Ended March 31,	
	2009	2008
Restricted Group		
Net income (loss) attributable to common shareholders	€ (16,004)	€ 11,778
Income taxes (benefits).....	(208)	2,154
Interest expense.....	7,302	6,712
Investment (income) loss.....	(916)	(1,736)
Unrealized foreign exchange (gain) loss on debt.....	<u>4,416</u>	<u>(6,627)</u>
Operating income (loss).....	(5,410)	12,281
Add: Depreciation and amortization.....	<u>6,770</u>	<u>7,492</u>
Operating EBITDA ⁽¹⁾	<u>€ 1,360</u>	<u>€ 19,773</u>

- (1) Operating EBITDA does not reflect the impact of a number of items that affect our net income (loss) attributable to common shareholders, including financing costs and the effect of derivative instruments. Operating EBITDA is not a measure of financial performance under accounting principles generally accepted in the United States, and should not be considered as an alternative to net income (loss) attributable to common shareholders or income (loss) from operations as a measure of performance, nor as an alternative to net cash from operating activities as a measure of liquidity. Operating EBITDA has significant limitations as an analytical tool, and should not be considered in isolation, or as a substitute for analysis of our results as reported under GAAP.