

MERCER INTERNATIONAL INC.

Form 424B3

August 22, 2017

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**Filed Pursuant to Rule 424(b)(3)
Registration No. 333-219866**

PROSPECTUS

MERCER INTERNATIONAL INC.

OFFER TO EXCHANGE

\$250,000,000 principal amount of its 6.500% Senior Notes due 2024 which have been registered under the Securities Act for any and all of its outstanding 6.500% Senior Notes due 2024

The exchange offer expires at 5:00 p.m., New York City time, on September 20, 2017, unless extended.

In this prospectus, we refer to all outstanding \$250,000,000 aggregate principal amount of our 6.500% Senior Notes due 2024, \$225,000,000 aggregate principal amount of which were issued on February 3, 2017 and \$25,000,000 aggregate principal amount of which were issued on March 27, 2017, as the Old Notes . Additionally, in this prospectus, we refer to the registered 6.500% Senior Notes due 2024 as the New Notes . The Old Notes and the New Notes are collectively referred to in this prospectus as the Notes .

We will exchange the New Notes for all outstanding Old Notes that are validly tendered pursuant to the exchange offer and not validly withdrawn prior to the expiration of the exchange offer.

The exchange offer is not subject to any conditions other than that it not violate applicable law or any applicable interpretation of the staff of the Securities and Exchange Commission, which we refer to in this prospectus as the SEC .

You may withdraw tenders of Old Notes at any time before the exchange offer expires.

The exchange of Old Notes for New Notes will not be a taxable event for U.S. federal income tax purposes, but you should refer to the discussion under the heading Summary of Material United States Federal Income Tax Considerations for more information.

We will not receive any cash proceeds from the exchange offer.

The terms of the New Notes are substantially identical in all material respects to those of the Old Notes, except for transfer restrictions, registration rights and rights to additional interest relating to the Old Notes.

You may tender Old Notes only in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

Our affiliates may not participate in the exchange offer.

All untendered Old Notes will continue to be subject to any applicable restrictions on transfer set forth in the Old Notes and in the indenture governing the Old Notes. In general, the Old Notes may not be offered or sold, unless registered under the *Securities Act of 1933*, as amended, which we refer to in this prospectus as the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. Other than in connection with the exchange offer, we do not currently anticipate that we will register the Old Notes under the Securities Act.

There is no established trading market for the New Notes.

Each broker-dealer that receives New Notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such New Notes. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of New Notes received in exchange for Old Notes where such Old Notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. Broker-dealers who acquired Old Notes directly from us in the initial offering of the Old Notes must, in the absence of an exemption, comply with the registration and prospectus delivery requirements of the Securities Act in connection with any secondary resales and cannot rely on the position of the staff enunciated in *Exxon Capital Holdings Corp.*, SEC no-action letter (publicly available May 13, 1988).

Please refer to Risk Factors beginning on page 12 of this prospectus for a description of the risks you should consider when evaluating this offer to exchange.

We are not making this exchange offer in any jurisdiction where it is not permitted.

Neither the SEC nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is August 22, 2017.

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We have not authorized anyone to give any information or to make any representations to you other than the information contained in this prospectus. You must not rely on any information or representations not contained in this prospectus unless we authorize it. This prospectus does not offer to exchange the Old Notes for New Notes in any jurisdiction where it is not permitted.

The information contained in this prospectus is current only as of the date on the cover page of this prospectus, and may change after that date.

This prospectus incorporates important business and financial information about us that is not included in or delivered with this prospectus. This information is available without charge to you upon written or oral request. If you would like a copy of any of this information, please submit your request to Mercer International Inc., Suite 1120, 700 West Pender Street, Vancouver, British Columbia, Canada V6C 1G8, Attention: Investor Relations, or call (604) 684-1099 and ask to speak to Investor Relations. In addition, to obtain timely delivery of any information you request, you must submit your request no later than September 13, 2017, which is five business days before the date the exchange offer expires.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus and the documents we have filed with the SEC that are incorporated by reference herein contain forward-looking statements within the meaning of Section 21E of the *Securities Exchange Act of 1934*, as amended, referred to as the Exchange Act, and Section 27A of the Securities Act. Generally, forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include words such as expects, anticipates, intends, plans, believes, seeks, estimates, or words of similar meaning, or future or verbs, such as will, should, could, or may, although not all forward-looking statements contain these identifying words.

There are a number of important factors, many of which are beyond our control that could cause actual conditions, events or results to differ significantly from those described in the forward-looking statements. These factors include, but are not limited to, the following:

our business is highly cyclical;

a weakening of the global economy, including capital and credit markets, could adversely affect our business and financial results and have a material adverse effect on our liquidity and capital resources;

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our level of indebtedness could negatively impact our financial condition, results of operations and liquidity;

cyclical fluctuations in the price and supply of our raw materials, particularly fiber, could adversely affect our business;

we face intense competition in our markets;

we are exposed to currency exchange rate fluctuations;

we are subject to extensive environmental regulation and we could incur substantial costs as a result of compliance with, violations of or liabilities under applicable environmental laws and regulations;

our business is subject to risks associated with climate change and social and government responses thereto;

our operations require substantial capital and we may be unable to maintain adequate capital resources to provide for such capital requirements;

our acquisition of a sawmill and bio-mass power plant near Friesau, Germany, and other acquisitions may result in additional risks and uncertainties in our business;

fluctuations in prices and demand for lumber could adversely affect our business;

adverse housing market conditions may increase the credit risk from customers of our Friesau sawmill;

our lumber products produced at the Friesau sawmill are vulnerable to declines in demand due to competing technologies or materials;

changes in credit ratings issued by nationally recognized statistical rating organizations could adversely affect our cost of financing and have an adverse effect on the market price of our securities;

we rely on government grants and participate in German statutory energy programs;

we are subject to risks related to our employees;

we are dependent on key personnel;

we may experience material disruptions to our production (including as a result of, among other things, planned and unplanned maintenance downtime);

if our long-lived assets become impaired, we may be required to record non-cash impairment charges that could have a material impact on our results of operations;

we may incur losses as a result of unforeseen or catastrophic events, including the emergence of a pandemic, terrorist attacks or natural disasters;

our insurance coverage may not be adequate;

we rely on third parties for transportation services;

our new enterprise resource planning system may cost more than expected, be delayed, fail to perform as planned and interrupt operational transactions during and following the implementation, which could adversely affect our operations and results of operations;

we periodically use derivatives to manage certain risks which has caused significant fluctuations in our operating results;

failures or security breaches of our information technology systems could disrupt our operations and negatively impact our business;

a small number of our shareholders could significantly influence our business;

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our international sales and operations are subject to applicable laws relating to trade, export controls and foreign corrupt practices, the violation of which could adversely affect our operations; and

we are exposed to interest rate fluctuations.

Given these uncertainties, you should not place undue reliance on our forward-looking statements. You should read this prospectus and the documents incorporated by reference herein with the understanding that our actual future results may be materially different from what we expect. The foregoing review of important factors is not exhaustive or necessarily in order of importance and should be read in conjunction with the other cautionary statements that are included in or incorporated by reference into this prospectus. These factors expressly qualify all subsequent oral and written forward-looking statements attributable to us or persons acting on our behalf. New factors emerge from time to time, and it is not possible for us to predict all such factors. Except as required by law, we do not undertake any obligation to update or revise any forward-looking statements contained in or incorporated by reference in this prospectus whether as a result of new information, future events or otherwise.

CURRENCY

The following table sets out exchange rates, based on the noon buying rates in New York City, for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York, referred to as the Noon Buying Rate, for the conversion of dollars to euros and Canadian dollars in effect at the end of the following periods, the average exchange rates during these periods (based on daily Noon Buying Rates) and the range of high and low exchange rates for the periods indicated:

	Six Months Ended June 30,			Years Ended December 31,			
	2017	2016	2016	2015	2014	2013	2012
				(\$/)			
End of period	1.1411	1.1032	1.0552	1.0859	1.2101	1.3779	1.3186
High for period	1.0416	1.0743	1.0375	1.0524	1.2101	1.2774	1.2062
Low for period	1.1420	1.1516	1.1516	1.2015	1.3927	1.3816	1.3463
Average for period	1.0838	1.1167	1.1072	1.1096	1.3297	1.3281	1.2859
				(\$/C\$)			
End of period	0.7703	0.7686	0.7448	0.7226	0.8620	0.9401	1.0042
High for period	0.7275	0.6853	0.6853	0.7148	0.8588	0.9348	0.9600
Low for period	0.7703	0.7972	0.7972	0.8529	0.9423	1.0164	1.0299
Average for period	0.7496	0.7535	0.7558	0.7830	0.9060	0.9712	1.0007

On August 14, 2017, the most recent weekly publication of the daily Noon Buying Rate before the date of this prospectus reported that, as of August 11, 2017, the Noon Buying Rate for the conversion of euros and Canadian dollars to dollars was \$1.1811 per euro and \$0.7881 per Canadian dollar.

NON-GAAP FINANCIAL MEASURES

This prospectus contains non-GAAP financial measures, that is, financial measures that either exclude or include amounts that are not excluded or included in the most directly comparable measure calculated and presented in accordance with the generally accepted accounting principles in the United States, referred to as GAAP. Specifically,

we make use of the non-GAAP measures Operating EBITDA and Operating EBITDA margin .

Operating EBITDA is defined as operating income (loss) plus depreciation and amortization and non-recurring capital asset impairment charges. Operating EBITDA margin is Operating EBITDA expressed as a

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percentage of revenues. We use Operating EBITDA and Operating EBITDA margin as benchmark measurements of our own operating results and as benchmarks relative to our competitors. We consider them to be meaningful supplements to operating income as performance measures primarily because depreciation expense and non-recurring capital asset impairment charges are not actual cash costs, and depreciation expense varies widely from company to company in a manner that we consider largely independent of the underlying cost efficiency of our 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 (loss) attributable to common shareholders, 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 (loss) or income (loss) from operations as a measure of performance, or as an alternative to net cash from operating activities as a measure of liquidity. Operating EBITDA and Operating EBITDA margin are internal measures and therefore may not be comparable to other companies.

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. Some of these limitations are that Operating EBITDA does not reflect: (i) our cash expenditures, or future requirements, for capital expenditures or contractual commitments; (ii) changes in, or cash requirements for, working capital needs; (iii) the significant interest expense, or the cash requirements necessary to service interest or principal payments, on our outstanding debt; (iv) noncontrolling interests in our Stendal northern bleached softwood kraft, or NBSK, pulp mill operations prior to our acquisition of 100% of the economic interest of Stendal in September 2014; (v) the impact of realized or marked to market changes in our derivative positions, which can be substantial; and (vi) the impact of impairment charges against our investments or assets. Because of these limitations, Operating EBITDA should only be considered as a supplemental performance measure and should not be considered as a measure of liquidity or cash available to us to invest in the growth of our business. Because all companies do not calculate Operating EBITDA in the same manner, Operating EBITDA as calculated by us may differ from Operating EBITDA or EBITDA as calculated by other companies. We compensate for these limitations by using Operating EBITDA as a supplemental measure of our performance and by relying primarily on our GAAP financial statements.

INDUSTRY AND MARKET DATA

In this prospectus, we rely on and refer to information and statistics regarding our market share and the markets in which we compete. We have obtained some of this market share information and industry data from internal surveys, market research, publicly available information and industry publications. Such reports generally state that the information contained therein has been obtained from sources believed to be reliable, but the accuracy or completeness of such information is not guaranteed. Although we believe this information is reliable, we cannot guarantee the accuracy or completeness of that information, and investors should use caution in placing reliance on such information.

Statements in this prospectus concerning the production capacity of our mills are management estimates based primarily on historically achieved levels of production and assumptions regarding maintenance downtime. Statements concerning electrical generating capacity at our mills are also management estimates based primarily on our expected pulp and lumber production (which largely determines the amount of electricity we can generate) and assumptions regarding maintenance downtime, in each case within manufacturers' specifications of capacity.

In this prospectus, please note the following:

references to we , our , us , the Company or Mercer mean Mercer International Inc. and its subsidiaries, the context clearly suggests otherwise, and references to Mercer Inc. mean Mercer International Inc. excluding its subsidiaries;

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references to ADMTs mean air-dried metric tonnes;

references to MW mean megawatts and MWh mean megawatt hours;

references to Mfbm means thousand board feet; and

references to \$ mean dollars, which is our reporting currency, unless otherwise stated; refers to euros; and
C\$ refers to Canadian dollars.

Due to rounding, numbers presented throughout this prospectus may not add up precisely to totals we provide and percentages may not precisely reflect the absolute figures.

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SUMMARY

This summary highlights certain information contained elsewhere or incorporated by reference in this prospectus. Because it is a summary, it is not complete and does not contain all the information you will need to make your investment decision. You should read this entire prospectus carefully, including the section entitled "Risk Factors", our financial statements and the notes thereto and the documents incorporated by reference into this prospectus before deciding to invest. See "Where You Can Find More Information".

Mercer International Inc.

Company Overview

We are one of the world's largest producers of market NBSK pulp, which is pulp that is sold on the open market. Since April 12, 2017, when we acquired substantially all of the assets of one of Germany's largest sawmills and a bio-mass power plant, referred to as the Friesau Facility, we have two reportable operating segments:

Pulp, which consists of the manufacture, sales and distribution of NBSK pulp, electricity and other by-products at our three pulp mills; and

Wood products, which consists of the manufacture, sales and distribution of lumber, electricity and other wood residuals at the Friesau Facility.

Our size provides us increased presence, better industry information in our markets and close customer relationships with many large pulp consumers. We operate two modern and highly efficient pulp mills in Eastern Germany and one pulp mill in Western Canada and have our headquarters in Vancouver, Canada. We are the sole NBSK pulp producer, and the only significant market pulp producer in Germany, which is the largest pulp import market in Europe. In the second quarter of 2017, we acquired the Friesau Facility, thereby expanding into the German lumber business and further growing our bio-mass energy profile.

We are able to supply the growing pulp demand in China both through our Canadian mill's ready access to the Port of Vancouver and through our Stendal mill's existing logistics arrangements. In addition, as a result of the significant investments we have made in co-generation equipment, all of our mills generate and sell a significant amount of surplus green energy to regional utilities. We also produce and sell tall oil, a by-product of our pulp production process, which is used as both a chemical additive and as a green energy source.

We currently employ over 1,800 people. Our three NBSK pulp mills have consolidated annual production capacity of approximately 1.5 million ADMTs of NBSK pulp and are capable of generating 305 MW of electricity. Our Friesau Facility has an annual production capacity of 465 million board feet of lumber and 13 MW of electricity. Key operating details for each of our operations are as follows:

Rosenthal mill. Our Rosenthal mill is a modern, efficient ISO 9001, 14001 and 50001 certified NBSK pulp mill that has an annual production capacity of approximately 360,000 ADMTs and 57 MW of electrical generation. The Rosenthal mill is located in the town of Blankenstein, Germany, approximately 300 kilometers south of Berlin.

Stendal mill. Our Stendal mill is a state-of-the-art, single-line, ISO 9001, 14001 and 50001 certified NBSK pulp mill that has an annual production capacity of approximately 660,000 ADMTs and 148 MW of electrical generation. The Stendal mill is one of the largest NBSK mills in Europe. The Stendal mill is located near the town of Stendal, Germany, approximately 130 kilometers west of Berlin.

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Celgar mill. Our Celgar mill is a modern, efficient ISO 9001 and 14001 certified NBSK pulp mill with an annual production capacity of approximately 520,000 ADMTs and 100 MW of electrical generation. The Celgar mill is located near the city of Castlegar, British Columbia, Canada, approximately 600 kilometers east of Vancouver.

Friesau Facility. Our Friesau Facility has an annual production capacity of approximately 465 million board feet of lumber and 13 MW of electricity. The Friesau Facility is located near Friesau, Germany, approximately 16 kilometers west of our Rosenthal mill.

Corporate Information

Mercer International Inc. is a Washington corporation and our common stock is listed for trading on the NASDAQ Global Select Market (MERC) and the Toronto Stock Exchange (MERC.U). Our principal office is located at Suite 1120, 700 West Pender Street, Vancouver, British Columbia, Canada V6C 1G8. Our main telephone number is (604) 684-1099 and our website address is www.mercerint.com. Information on our website is not incorporated by reference in this prospectus and should not be considered in connection with any investment in the New Notes offered hereby.

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The Exchange Offer

The Exchange Offer

We are offering to exchange up to \$250,000,000 aggregate principal amount of New Notes for up to \$250,000,000 aggregate principal amount of Old Notes that are properly tendered and accepted. You may tender Old Notes only in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. We will issue New Notes on or promptly after this exchange offer expires. As of the date of this prospectus, \$250,000,000 aggregate principal amount of Old Notes are outstanding.

The terms of the New Notes are substantially identical in all material respects to the terms of the Old Notes, except that the New Notes will not contain terms with respect to transfer restrictions, registration rights and rights to additional interest that relate to the Old Notes. The New Notes and the Old Notes will be governed by the same indenture dated as of February 3, 2017, which we refer to as the Indenture . No accrued interest will be paid at the time of the exchange.

Expiration Date

This exchange offer will expire at 5:00 p.m., New York City time, on September 20, 2017, unless extended or earlier terminated by the Company (such time, as the same may be extended, is referred to in this prospectus as the Expiration Date).

Conditions to the Exchange Offer

This exchange offer is not subject to any condition other than that it not violate applicable law or any applicable interpretation of the staff of the SEC. This exchange offer is not conditioned upon any minimum principal amount of Old Notes being tendered for exchange.

Procedures for Tendering Old Notes

If you wish to tender your Old Notes for New Notes pursuant to the exchange offer:

you must comply with the Automated Tender Offer Program, or ATOP , procedures of The Depository Trust Company, referred to as DTC ; and

Wells Fargo Bank, National Association, the exchange agent, must receive timely confirmation of a book-entry transfer of the Old Notes into its account at DTC through DTC s ATOP pursuant to the procedure for book-entry transfer described herein, along with a properly transmitted agent s message, before the Expiration Date.

By tendering Old Notes pursuant to this exchange offer, you will make the representations to us described under The Exchange Offer Procedures for Tendering and those contained in the related letter of transmittal.

Special Procedures for Beneficial Owners If you are a beneficial owner whose Old Notes are registered in the name of a broker, dealer, commercial bank, trust company or other

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nominee and wish to tender such Old Notes in the exchange offer, please contact the registered holder as soon as possible and instruct them to tender on your behalf and comply with our instructions set forth elsewhere in this prospectus.

Acceptance of the Old Notes and Delivery of the New Notes

Subject to the satisfaction or waiver of the conditions to the exchange offer, we will accept for exchange any and all Old Notes which are validly tendered in this exchange offer and not withdrawn before 5:00 p.m., New York City time, on the Expiration Date.

Withdrawal Rights

You may withdraw the tender of your Old Notes at any time before 5:00 p.m., New York City time, on the Expiration Date, by complying with the procedures for withdrawal described in this prospectus under the heading "The Exchange Offer - Withdrawal of Tenders".

Ranking

The New Notes are our senior unsecured obligations and are not guaranteed by any of our operating subsidiaries, all of which are located outside the United States. Accordingly, the New Notes will rank:

effectively junior in right of payment to all our existing and future secured indebtedness, to the extent of the assets securing such indebtedness, and all indebtedness and liabilities of our subsidiaries;

equal in right of payment with all of our existing and future unsecured senior indebtedness; and

senior in right of payment to any of our future subordinated indebtedness.

Optional Redemption

The New Notes will be redeemable on and after February 1, 2020, at any time in whole or in part, at our option on not less than 30 and not more than 60 days' prior notice at the applicable redemption prices described under "Description of New Notes - Optional Redemption" plus accrued and unpaid interest, if any, to (but not including) the date of redemption. Prior to February 1, 2020, we may redeem the New Notes, in whole or in part at the applicable premium described under "Description of New Notes - Optional Redemption". In certain circumstances, prior to February 1, 2020, we may redeem, at our option, up to 35% of the New Notes with the net proceeds of certain equity offerings at a redemption price of 106.500% of the principal amount of New Notes redeemed, plus accrued and unpaid interest, if any, to (but not including) the redemption

date.

Certain Covenants

The New Notes will be issued under the Indenture governing our Old Notes which restrict our ability and the ability of our restricted subsidiaries to, among other things:

incur additional indebtedness or issue preferred stock;

pay dividends or make other distributions to our shareholders;

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purchase or redeem capital stock or subordinated indebtedness;

make investments;

create liens;

incur restrictions on the ability of our restricted subsidiaries to pay dividends or make other payments to us;

sell assets;

consolidate or merge with or into other companies or transfer all or substantially all of our assets; and

engage in transactions with affiliates.

These limitations will be subject to a number of important qualifications and exceptions. See [Description of New Notes](#) [Certain Covenants](#) .

Suspension of Covenants

If, on any date following the date of the Indenture, the New Notes are rated investment grade by Moody's Investors Service, Inc. and Standard & Poor's Rating Services and no default or event of default has occurred and is continuing under the Indenture, most of the restrictive covenants as well as our obligation to offer to repurchase the New Notes following certain asset sale events, will be suspended with respect to the New Notes. See [Description of New Notes](#) [Changes in Covenants When New Notes Rated Investment Grade](#) .

Change in Control

Upon certain changes in control, each holder of New Notes may require us to repurchase some or all of its New Notes at a purchase price equal to 101% of the principal amount of the New Notes plus accrued and unpaid interest, if any, to the date of purchase. See [Description of New Notes](#) [Purchase of New Notes at the Option of Holders Upon a Change in Control](#) .

Form of the New Notes

The New Notes will be issued in book-entry form and will be represented by one or more global securities deposited with a custodian for and registered in the name of a nominee of DTC.

Summary of Material United States Federal Income Tax Considerations	The exchange of Old Notes for New Notes pursuant to this exchange offer will not be a taxable event for U.S. federal income tax purposes. For a discussion of the material U.S. federal income tax consequences of an exchange pursuant to this exchange offer, see Summary of Material United States Federal Income Tax Considerations .
Exchange Agent	Wells Fargo Bank, National Association, the trustee under the Indenture, is serving as the exchange agent, referred to herein as the Exchange Agent .
Resale of New Notes	We believe that the New Notes that will be issued in this exchange offer may be resold by most investors without compliance with the registration and prospectus delivery provisions of the Securities Act, subject to certain conditions.

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Consequences of Failure to Exchange

If you do not exchange your Old Notes for New Notes, you will continue to be subject to the restrictions on transfer provided in the Old Notes and in the Indenture governing the Old Notes. In general, the Old Notes may not be offered or sold, unless registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. We do not currently plan to register the resale of any Old Notes under the Securities Act.

Registration Rights Agreement

You are entitled to exchange your Old Notes for New Notes with substantially identical terms. This exchange offer satisfies this right. After the exchange offer is completed, you will no longer be entitled to any exchange or registration rights with respect to your Old Notes and we will not be required to pay additional interest on any New Notes pursuant to the registration rights agreement.

We explain this exchange offer in greater detail beginning on page 25.

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The New Notes

The summary below describes the principal terms of the New Notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The Description of the Notes section of this prospectus contains a more detailed description of the terms and conditions of the New Notes.

The form and terms of the New Notes are the same as the form and terms of the Old Notes, except that the New Notes will be registered under the Securities Act and, therefore, the New Notes will not be subject to the transfer restrictions and registration rights applicable to the Old Notes. The New Notes will evidence the same debt as the Old Notes and are governed by the same Indenture as the Old Notes.

Issuer	Mercer International Inc.
Securities Offered	\$250,000,000 aggregate principal amount of 6.500% Senior Notes due 2024.
Maturity	February 1, 2024.
Interest Rate	6.500% per year (calculated using a 360-day year).
Interest Payment Dates	The interest on the New Notes will be paid on February 1 and August 1 of each year (or if any of those days is not a business day, the next succeeding business day without accrual of additional interest as a result of the delay in payment). The New Notes will bear interest from the most recent payment date on which interest has been paid on the Old Notes.
Use of Proceeds	We will not receive any cash proceeds from this exchange offer.

Risk Factors

You should carefully consider all of the information in this prospectus. In particular, for a discussion of some specific factors that you should consider in evaluating an investment in the New Notes, see Risk Factors beginning on page 10 of this prospectus and Risk Factors included in our Annual Report on Form 10-K for the year ended December 31, 2016.

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The following tables sets forth a summary of consolidated financial and operating information as at and for the periods indicated. The following selected data are qualified in their entirety by, and should be read in conjunction with, Selected Historical Consolidated Financial Information, Management's Discussion and Analysis of Financial Condition and Results of Operations and our audited and unaudited consolidated financial statements and the accompanying notes in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016 and our Quarterly Report on Form 10-Q for the quarters ended March 31, 2017 and June 30, 2017, each of which is incorporated by reference in this prospectus. Balance sheet data as of December 31, 2014 is derived from our audited consolidated financial statements for the fiscal year ended December 31, 2014, which is not included or incorporated by reference in this prospectus. For financial and other data for the three and six months ended June 30, 2017 and the comparative three and six months of the prior year, please refer to the quarterly financial information included in our Form 10-Q for the period ended June 30, 2017 incorporated by reference in this prospectus.

Historical results are not necessarily indicative of the results to be expected for any future periods.

	Year Ended December 31, 2016 2015 2014 (in thousands of dollars, other than as otherwise indicated)		
Statement of Operations Data			
Pulp revenues	847,328	946,237	1,073,632
Energy and chemical revenues	84,295	86,967	101,480
Total revenues	931,623	1,033,204	1,175,112
Costs and expenses	817,880	867,520	1,013,314
Operating income	113,743	165,684	161,798
Interest expense	51,575	53,891	67,516
Foreign exchange gain (loss) on intercompany debt	(1,140)		