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QUESTIONS AND REQUESTS IN CONNECTION WITH THE FOREGOING SHOULD BE DIRECTED TO THE PARENT AT EXCHANGEOFFER@NORSKESKOG.COM.



Investor Meetings

London, January 25, 2016



Norske Skog

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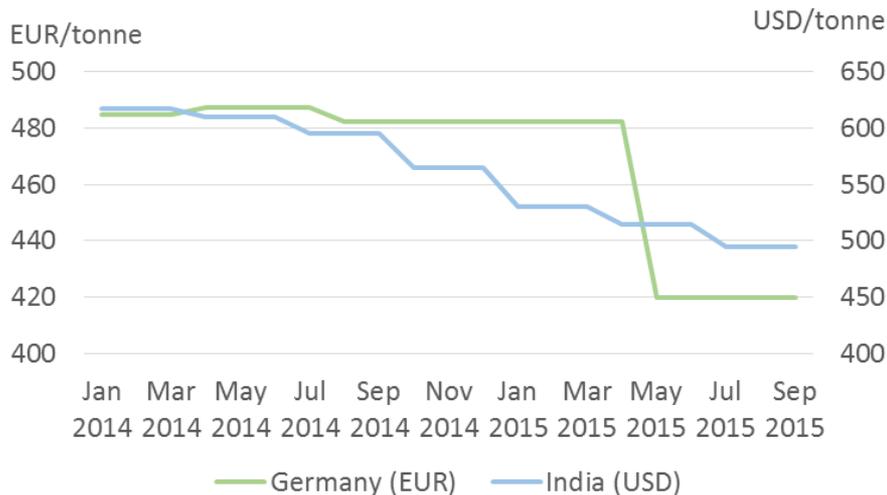
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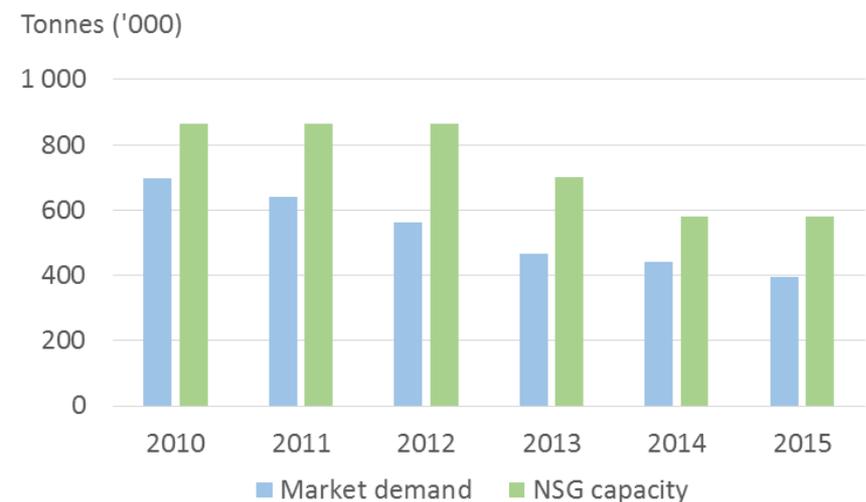
Exceedingly challenging operating environment in 2015

- Volume fight in Europe in 1H15
 - Newsprint prices dropped by close to 15% to reach cash cost level
 - Stable pricing throughout 4Q15
- Newsprint prices in Asia also at cash cost level
 - Growing challenge for Australasian business with less domestic demand

Newsprint prices in Germany and India



Newsprint demand to NSG capacity Australasia



Improvement in 1H16 not making up for “lost” 2015

- Higher publication paper prices in Europe in 2016
 - Improved market balance following capacity closures
 - Improvement also expected in Asian markets in 2016
 - Less exports out of better margin Europe and improved global market balances
 - Enhanced cost position in 2016
 - Lower energy costs in Europe and efficiency measures to reduce variable costs per tonne by 2-3%
 - Fixed costs initiatives continue at all mills
- => “Lost” 2015 however not to be compensated in 1H16
- Challenging liquidity towards summer 2016



Leading to pressure on liquidity...

- Cash and cash equivalents NOK 699 million end 3Q15
 - Seasonal release of working capital in 4Q15 largely offset by interest payments
 - Capex in 4Q15 somewhat higher than in 3Q15
 - Redemption of remaining USD bond in October 2015

=> Cash and cash equivalents lower end 4Q15 compared to end 3Q15

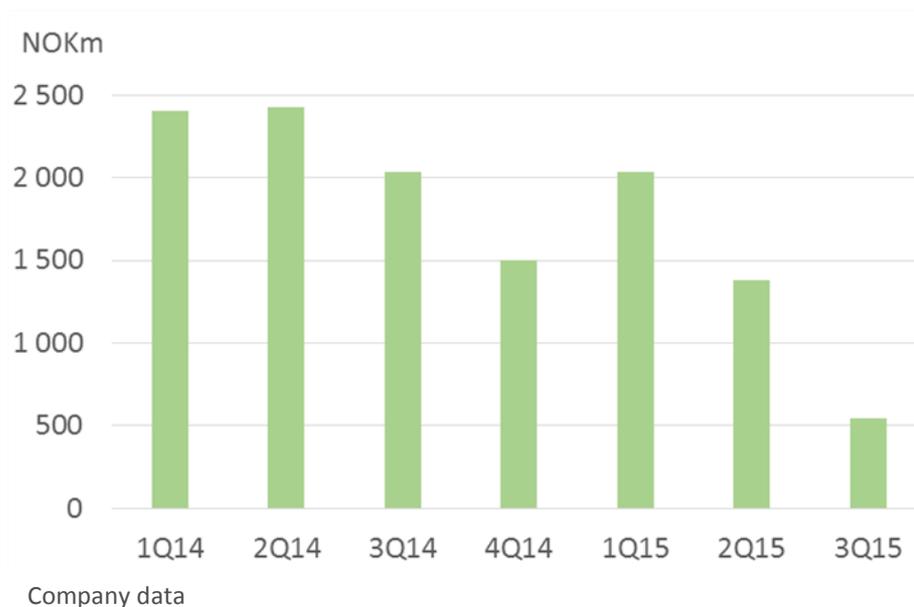
- Large cash outflows in 1H16
 - June 2016 maturity about NOK 1 000 million
 - Cash interest payments about NOK 500 million
 - WC and minimum cash requirements



... and pressure on book equity

- Total equity NOK 547 million end 3Q15
 - Foreign denominated debt appreciated somewhat in 4Q15 with NOK depreciation
 - PPE appreciated to a lesser degree
 - 4Q15 GOE less than interest and depreciation charges through P&L of close to NOK 450 million

=> Total equity lower end 4Q15 compared to end 3Q15



The new exchange offer reflects company needs

- A successful completion of the new exchange offer delivers
 - A reduction in net debt in the range of NOK 1 billion
 - Enhancing book equity
 - A reduction in annual cash interest payments by around NOK 150 million
 - Improving group cash generation
 - Extends bond maturities to June 2019 and beyond
 - The current bond maturity profile is for
 - NOK 1 billion in June this year...
 - ... and another NOK 2 billion in June next year



The new exchange offer considerations

- Participating 2016 holders to receive
 - 54% of nominal value in QSF notes
 - 44% of nominal value in June 2019 notes
 - 10% of nominal value in the form of perpetual notes=> Implied nominal recovery 108%
- Participating 2017 holders to receive
 - 20.4% of nominal value in QSF notes
 - 26.4% of nominal value in December 2026 notes
 - 36.2% of nominal value in the form of perpetual notes=> Implied nominal recovery 83%
- Participating 2016 and 2017 holders in addition given equity subscription rights for cash*
 - On a pro rata basis for an aggregate amount of EUR 15 million at price NOK 2.24 a share
 - The subscription rights are not transferable
- Non-participating 2017 holders to receive
 - 10% of nominal value in December 2026 notes => Implied nominal recovery 10%

* In order to address dilution effects, a repair offering to existing shareholders at price NOK 2.24 will be offered upon completion



Description of exchange notes

- QSF notes
 - Qualified Securitization Financing
 - An extension of the current AR facilities to include inventories as collateral
 - Maturity date December 2026
 - Interest rate 6% cash and 6% PIK*
- June 2019 notes
 - Maturity date June 2019
 - Interest 5.875% cash and 5.875% PIK
- December 2026 notes
 - Maturity date December 2026
 - Interest 3.5% cash and 3.5% PIK
- Perpetual notes
 - Maturity date December 2115
 - Interest 2%
 - Treated as equity for accounting purposes

* Payment In Kind – The interest is added to the issue amount and redeemed at maturity



Timeline and requirements

- Exchange offer launched on January 5th 2016
- Exchange offer to close on February 3rd 2016
- Required participation and conditions
 - 90% participation for remaining 2016 notes
 - To bridge liquidity challenge
 - 75% participation for remaining 2017 notes
 - To sufficiently enhance book equity
 - Minimum EUR 10 million of equity subscription
 - From 2016 and 2017 holders



In conclusion

- A successful completion of the new exchange protects value for all stakeholders
 - Clears runway for cyclical uptick and possible industry consolidation
 - Unsecured bondholders retain position
- An unsuccessful exchange raises the prospect of a comprehensive balance sheet restructuring
 - Leaving secured bondholders in charge
 - Potential significant loss in value for all stakeholders
 - Likely close to total loss in value for 2016 and 2017 notes

