

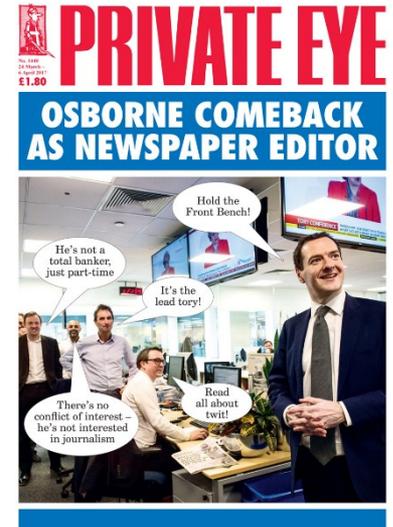
An aerial photograph of a forested hillside. The forest is a mix of green evergreen trees and brown, bare deciduous trees. In the foreground, there are rocky outcrops with moss and some low-lying vegetation. A dark grey rectangular box is overlaid on the lower right portion of the image, containing white text.

1Q17 Presentation

26 April 2017

Future on paper

- Private Eye saw its highest print circulation ever in 2H16
 - The fortnightly magazine increased circulation 9% yoy
 - To an average of 250' copies
 - Most of the magazine's content is available only to print buyers
- Print is read, websites are scanned
 - Newspapers are read for 40 minutes, online visitors spend 30 seconds
 - Revenues closely match audience attention
- Print remains the revenue source
 - More than 90% of newspaper revenue come from the print edition



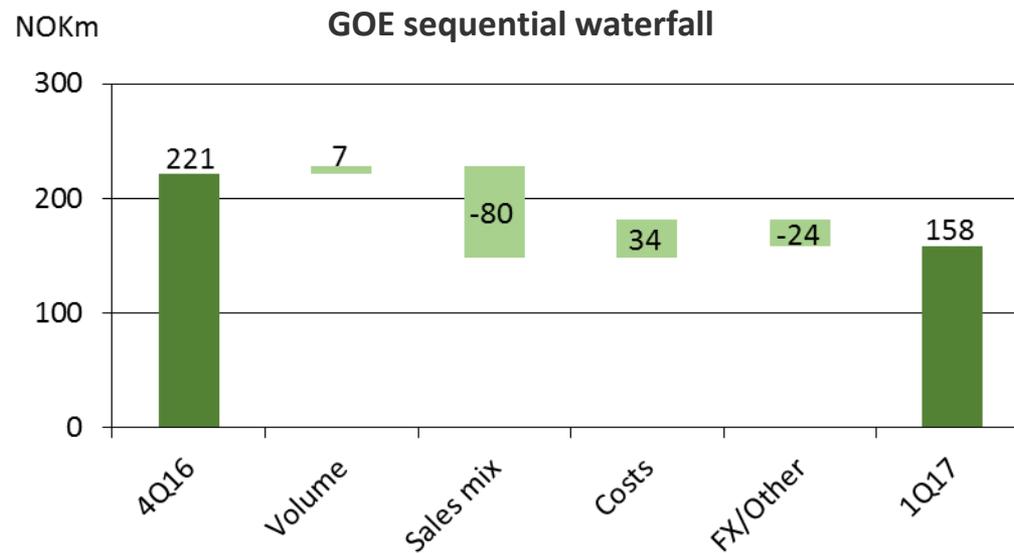
Stable in Europe, weak in Australasia

- Gross operating earnings NOK 158m in 1Q17 (NOK 221m in 4Q16)
 - Europe: Cost reduction efforts offsetting seasonally lower sales volumes
 - Australasia: Temporal production problems; CO2 compensation in the previous quarter
- Net debt increased by NOK 97m to NOK 6 399m
 - Slight negative unrealized currency effect from NOK depreciation
- Cash flow from operations NOK 175m before net financial items
 - Working capital release offsetting restructuring payments related to de-manning
- Loss for the period NOK 274m in 1Q17 (NOK 124m in 4Q16)
 - After depreciation, interest expenses and unrealized negative currency effect
 - Group book equity NOK 39m (NOK 184m by year-end)
- Norske Skog's debt level / interest payments too high to execute diversification strategy
 - The board is continuously exploring refinancing opportunities



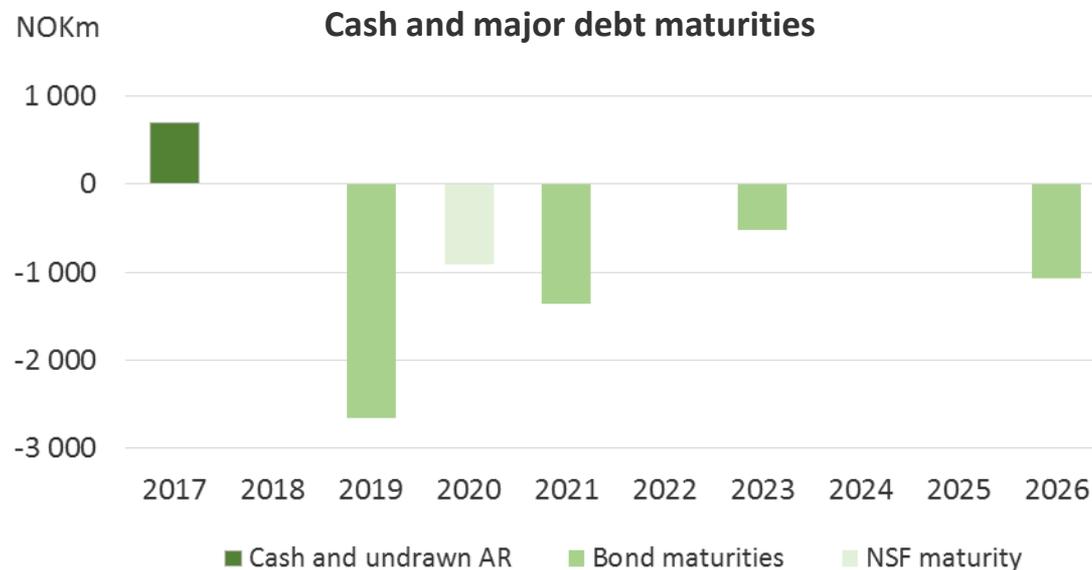
GOE lower with negative sales mix

- Negative sales mix with some pressure on LWC pricing in Europe, production problems at Boyer and more newsprint exports to Asia from Australasia
- Costs declined with ongoing cost reduction initiatives
- FX/Other include CO2 compensation in NZ in 4Q16



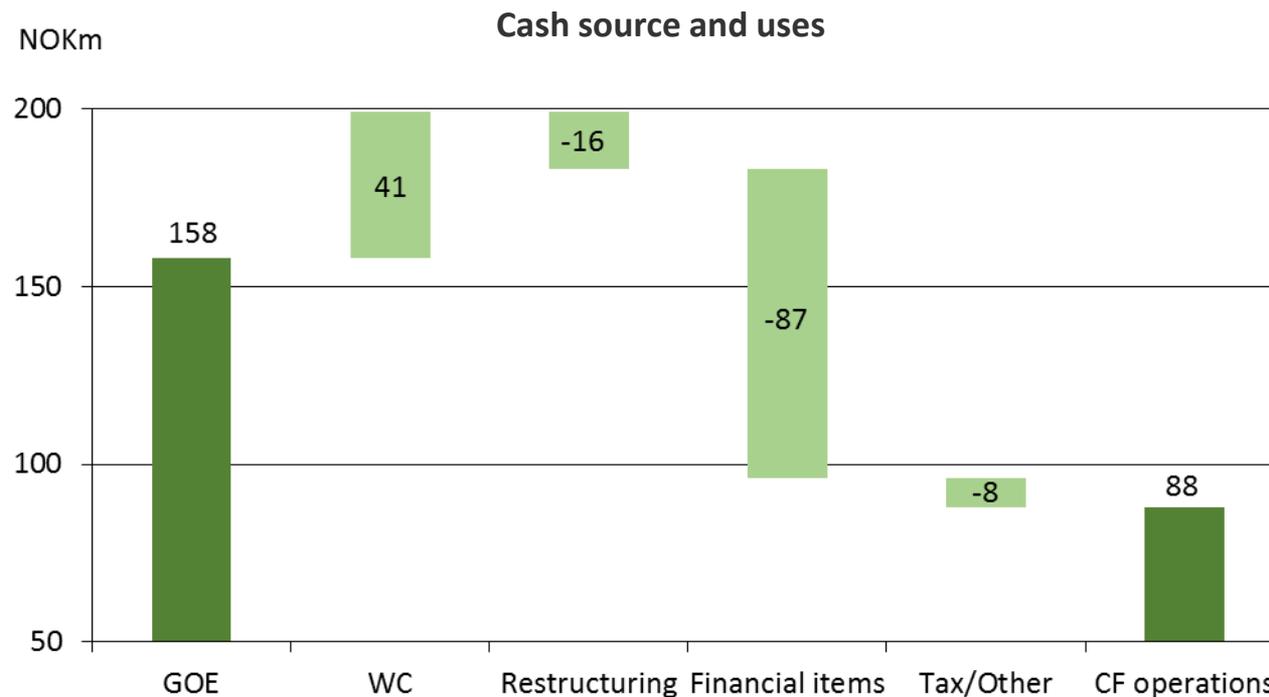
Norske Skog's debt is too high

- Net debt increased by NOK 97 million in the quarter to NOK 6 399 million
- Secured debt can not be refinanced without also addressing unsecured debt



Interest payments a too large cash constituent

- Working capital release offset restructuring payments related to cost reduction initiatives
- Cash interest payments are limiting growth prospects for the group



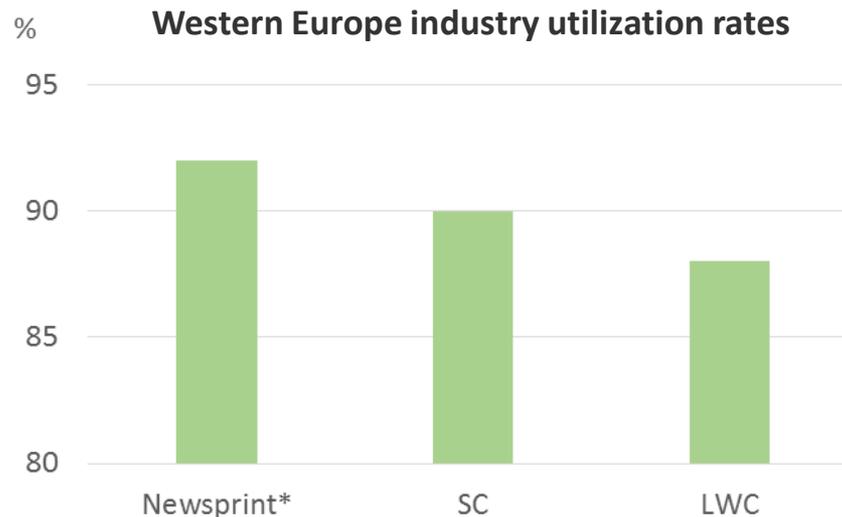
Limited “25 by 20” diversification without refinancing

- Norske Skog has identified green projects contributing more than 25% of GOE by 2020
 - Investments in biogas, wood pellets, tissue paper and other biomass products
- Biogas is now contributing to GOE
 - Biogas being produced at Saugbrugs, annual run-rate GOE around NOK 25m
- Identified growth projects in need of group refinancing to reach 25% target by 2020
 - Tissue project at Bruck to replace newsprint production
 - Industrial scale pellets production for exports to Japan from New Zealand
 - Additional biogas projects
 - Full scale production of fibre boards from TMP



Newsprint and SC in balance, LWC oversupplied

- Newsprint and SC magazine paper utilization rates favorable at 90% or above
 - Capacity closures / conversions to retain high utilization rate throughout 2017
- LWC magazine paper has a too low utilization below 90%
 - No capacity has been announced closed / converted

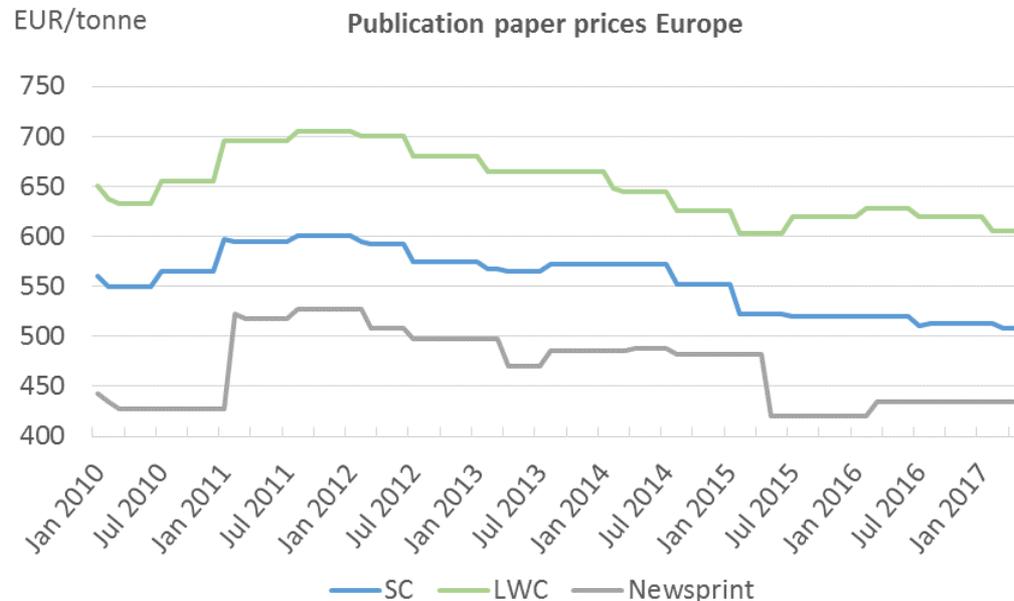


Euro-Graph, LTM March 2017

* Including improved

Utilization rates supporting prices in 2 of 3 segments

- European newsprint and SC magazine segments supported by industry closures / conversions
- LWC magazine segment in Europe is oversupplied, resulting in some price pressure

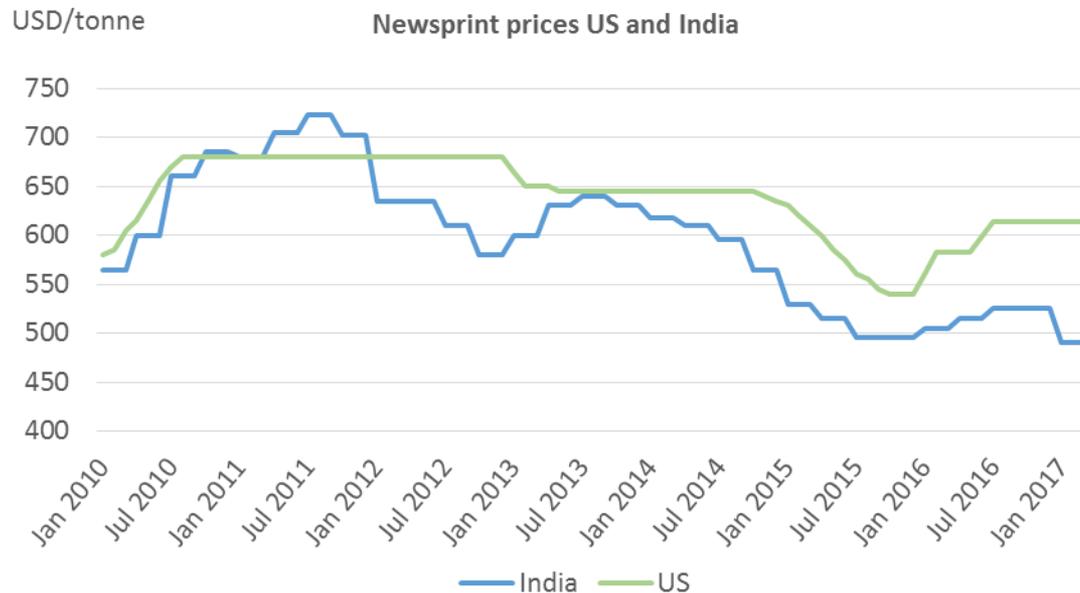


RISI



Newsprint prices in India and US historically correlated

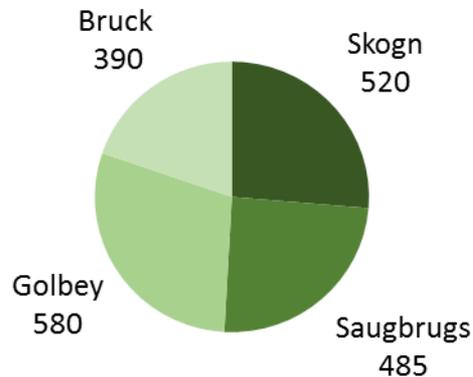
- Norske Skog increased export prices to Asia by 5 – 10% from 1 April 2017
 - Indian newsprint prices weakened in 1Q17 and lagged far behind US prices



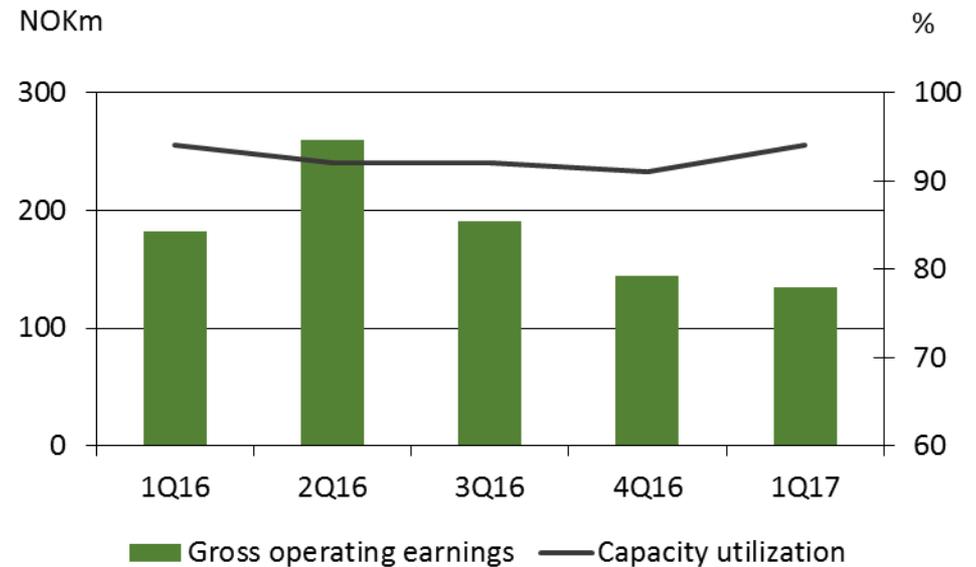
RISI

Publication paper Europe – Seasonal headwind

Mill capacities ('000 tonnes)

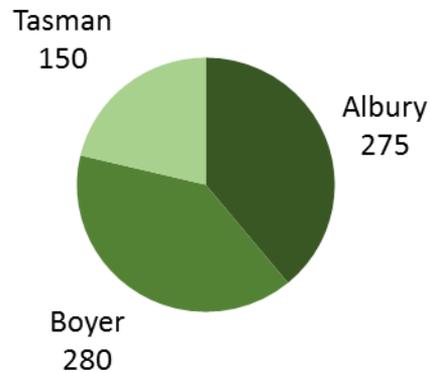


- GOE slightly lower with offsetting factors
 - Cost reductions offsetting seasonally lower sales volumes
 - High utilization rate at 94%

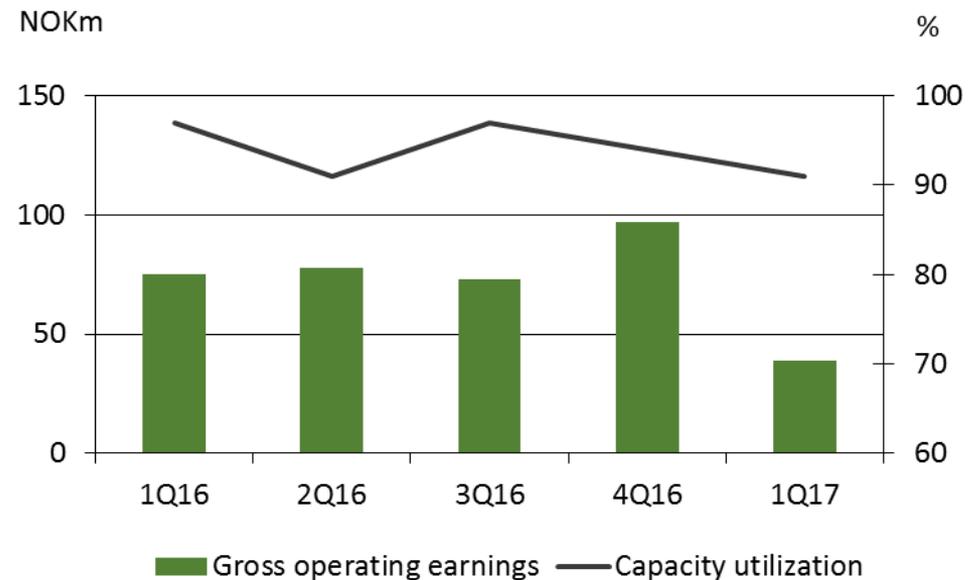


Publication paper Australasia – GOE clearly lower

Mill capacities ('000 tonnes)



- Production problems in 1Q17; CO2 compensation in 4Q16
 - Production problems at Boyer after maintenance stop
 - CO2 compensation in NZ benefitted previous quarter



Stable paper business, limited diversification

- Market balance in Europe supported by industry capacity closures / conversions
 - High operating rate for newsprint and SC magazine paper
 - LWC magazine paper segment remains oversupplied
- Norske Skog increased newsprint export prices to Asia by 5-10% from 1 April 2017
 - Long-term price contracts for domestic newsprint in Australasia, but structural decline in demand
- Group sales volumes expected to be on level with last year in 2017
- Comprehensive cost reduction / efficiency program to improve annual performance by NOK 500m
 - Details to be provided with release of second quarter results
- Saugbrugs biogas now producing and contributing to GOE
 - New facility formally opened by His Majesty King Harald V of Norway on 3 April 2017
- Norske Skog has no bond maturities before December 2019
- The board of directors is working continuously with refinancing alternatives for the group
 - Given high debt level / low book equity any solution will involve full equitization of unsecured bonds



