



**Annual general meeting of
Norske Skogindustrier ASA
14 April 2011**

Oxenøen Brug, Bærum

To the shareholders in Norske Skogindustrier ASA

The annual general meeting in Norske Skogindustrier ASA will be held on Thursday, 14 April 2011 at 11.00 a.m. in the company's premises at Oxenøen Brug in Bærum (Oxenøyveien 80).

Agenda

- 1. Opening of the meeting by the chair of the corporate assembly and registration of the attending shareholders**
- 2. Election of two persons to sign the minutes together with the chair**
- 3. Approval of the summons and proposed agenda**
- 4. Approval of the annual report and report of the board of directors for 2010 for Norske Skogindustrier ASA and the group**

Attached is the income statement, balance sheet and cash flow statement for 2010 for the parent company and the group (without notes).

- 5. Coverage of loss for 2010**

The loss for the year is to be allocated to other paid-in equity. The board recommends to the general meeting that no dividend should be disbursed for the accounting year 2010.

- 6. The board's declaration on salary and other remuneration for executive employees**

The board's declaration has been included as an appendix to this summons. The board recommends that the general meeting takes the board's declaration relating to salary and other remuneration for executive employees in the company for the coming accounting year under advisement. Furthermore, the board of directors recommends that the general meeting approves the board's guidelines for awarding variable remuneration related to the price development of the company's shares.

- 7. Determination of remuneration to the members of the corporate assembly**

The remuneration committee recommends that the general meeting approves an increase in the remuneration for serving on the corporate assembly. The remuneration for the chair of the corporate assembly will be NOK 165 000 per annum, and remuneration will be NOK 6 400 per meeting day for the other members and alternate members of the corporate assembly, members of the election committee and members of the remuneration committee.

- 8. Approval of the auditor's remuneration**

The board proposes that the general meeting approves the auditor's remuneration for 2010 for Norske Skogindustrier ASA of NOK 2 600 000.

- 9. Election of members and deputy members to the corporate assembly**

The election committee's recommendation has been included as an appendix to this summons.

- 10. Election of four members and chair of the election committee**

The election committee's recommendation is included as an appendix to this summons.

- 11. Proposal to authorize the board to increase the share capital**

The board's recommendation is included as an appendix to this summons.

- 12. Proposal to authorize the board to issue convertible bonds**

The board's recommendation is included as an appendix to this summons.

Information

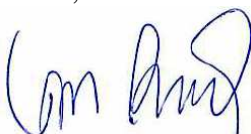
The general meeting is summoned and led by the chair of the corporate assembly in accordance with Section 8, third subsection of the articles of association. The annual report for 2010 includes the board's proposal for the annual accounts of Norske Skogindustrier ASA and the group, the report of the board of directors and the auditor's statement, the board's declaration regarding executive salaries, the declaration made by the board and the president and CEO regarding the annual report and the report of the board of directors, the corporate assembly's opinion on the board's proposal to the accounts for Norske Skogindustrier ASA and the group, and the corporate assembly's opinion on the board's proposal for coverage of the net loss. The summons and registration form are distributed to all shareholders according to the address list in the Norwegian Registry of Securities (VPS), at least 21 days before the general meeting. The annual report for 2010 will be available on <http://www.norskeskog.com>, or can be sent upon request (oddrunn.ringstad@norskeskog.com).

Norske Skogindustrier ASA has a share capital of NOK 1 899 456 260 consisting of 189 945 626 shares, each with a nominal value of NOK 10. Each share carries one vote at the company's general meetings. Norske Skogindustrier ASA owns 41 862 treasury shares which cannot be voted for at the general meeting. The shareholders have the following rights in respect of a general meeting:

- The right to attend the general meeting, either in person or by proxy
- The right to speak at the general meeting
- The right to be accompanied by an advisor at the general meeting and to give such advisor the right to speak
- The right to require information from the members of the board of directors, the members of the corporate assembly and the president and CEO in accordance with the regulations in Section 5-15 of the Public Limited Liability Companies Act
- The right to present alternative proposals in respect of matters for discussion at the general meeting

Shareholders who wish to participate in the general meeting, either in person or by proxy, must give advance notification. The right to participate and vote in the general meeting can only be exercised when the acquisition of the shares is registered in the shareholder register on the fifth business day before the general meeting (registration date). Registration must be received by Nordea Bank ASA, Issuer Services, no later than Monday 11 April at 17.00 p.m. CET, either via fax or electronic communication. The attendance slip contains a PIN code and a reference number for electronic registration, which can be done on the company's website www.norskeskog.com. Power of proxy can not be given electronically. Shareholders, who have not registered within the deadline, will be denied entrance to the general meeting.

Lysaker, 15 March 2011



Tom Ruud

Chair of the corporate assembly

Appendix point 4:**Accounts parent company and group - Norske Skogindustrier ASA****INCOME STATEMENT**

PARENT			GROUP	
2010	2009	NOK MILLION	2010	2009
6 089	5 586	Operating revenue	18 986	20 362
-615	-562	Distribution costs	-1 856	-1 749
-3 717	-2 960	Cost of materials	-11 539	-11 445
-58	94	Change in inventories	-31	-132
-874	-1 052	Employee benefit expenses	-2 709	-3 100
-615	-776	Other operating expenses	-1 438	-1 751
211	332	Gross operating earnings	1 413	2 185
-346	-431	Depreciation	-1 991	-2 465
-135	-99	Gross operating earnings after depreciation	-578	-280
-6	-38	Restructuring expenses	-57	-396
-809	-826	Other gains and losses	-1 578	1 233
1 254	372	Impairments	-165	-1 883
304	-592	Operating earnings	-2 379	-1 325
0	0	Share of profit in associated companies	-17	25
-846	-1 620	Financial items	-924	280
-542	-2 212	Profit/loss before income taxes	-3 320	-1 019
114	-468	Income taxes	851	-380
-429	-2 681	Net profit/loss for the year	-2 469	-1 400
		Majority share of net profit/loss for the year	-2 462	-1 205
		Minority share of net profit/loss for the year	-6	-194
		Basic/diluted earnings per share (in NOK)	-12.97	-6.36

Appendix point 4:**Accounts parent company and group - Norske Skogindustrier ASA****BALANCE SHEET**

PARENT			GROUP	
31.12.2010	31.12.2009	NOK MILLION	31.12.2010	31.12.2009
		Assets		
92	45	Deferred tax asset	137	128
49	68	Other intangible assets	160	208
3 553	2 483	Property, plant and equipment	15 909	17 561
0	0	Investments in associated companies	209	228
22 740	24 237	Investments in subsidiaries	0	0
6 811	6 067	Other non-current assets	2 856	5 420
33 245	32 900	Total non-current assets	19 271	23 546
704	760	Inventories	2 013	2 003
1 212	1 144	Receivables	2 397	2 511
3 847	3 690	Cash and cash equivalents	4 440	4 241
883	720	Other current assets	1 177	853
6 644	6 314	Total current assets	10 027	9 609
39 889	39 214	Total assets	29 297	33 155
		Shareholders' equity and liabilities		
10 189	10 616	Paid-in equity	12 303	12 302
0	0	Retained earnings and other reserves	-2 143	-315
0	0	Minority interests	22	28
10 189	10 616	Total equity	10 183	12 015
186	272	Pension obligations	559	665
477	546	Deferred tax	923	1 836
22 443	22 816	Interest-bearing non-current liabilities	11 717	13 892
80	173	Other non-current liabilities	676	922
23 185	23 807	Total non-current liabilities	13 875	17 316
1 871	1 456	Interest-bearing current liabilities	1 954	355
4 635	3 275	Trade and other payables	3 074	3 196
0	0	Tax payable	32	35
9	60	Other current liabilities	180	237
6 515	4 791	Total current liabilities	5 240	3 824
29 700	28 599	Total liabilities	19 115	21 140
39 889	39 214	Total equity and liabilities	29 297	33 155

Appendix point 4:**Accounts parent company and group - Norske Skogindustrier ASA****CASH FLOW STATEMENT**

PARENT			GROUP	
2010	2009	NOK MILLION	2010	2009
		Cash flow from operating activities		
5 930	5 948	Cash generated from operations	18 920	21 144
-6 134	-5 570	Cash used in operations	-18 070	-18 734
-532	-517	Cash from net financial items	-520	-548
-3	0	Taxes paid	67	-166
-739	-139	Net cash flow from operating activities	397	1 697
		Cash flow from investing activities		
-130	-212	Purchase of fixed assets	-411	-580
22	13	Sales of fixed assets	168	45
0	0	Dividends received	0	68
836	1 179	Change in intercompany balance with subsidiaries	0	0
-47	-2	Acquisition of shares in companies and other financial payments made	-112	-2
766	76	Sales of shares in companies and other financial payments received	770	-117
1 447	1 054	Net cash flow from investing activities	415	-587
		Cash flow from financing activities		
1	4 669	New loans raised	53	4 753
-330	-6 414	Repayment of loans	-465	-6 901
0	0	Dividend paid	0	0
1	-1	Purchase/sale of treasury shares	1	-1
0	0	New equity	1	0
-328	-1 744	Net cash flow from financing activities	-409	-2 149
-223	-745	Foreign currency effects on cash and cash equivalents	-204	-915
157	-1 574	Total changes in cash and cash equivalents	199	-1 954
3 690	5 264	Cash and cash equivalents 1 January	4 241	6 195
3 847	3 690	Cash and cash equivalents 31 December	4 440	4 241

Appendix point 6:

The board's declaration on salary and other remuneration for executive employees

In accordance with the provision in Section 6-16a of the Public Limited Liability Companies Act, cf. Section 5-6, third subsection, the annual general meeting shall consider the board's declaration concerning the determination of salary and other remuneration for executive employees for the upcoming accounting year. The board of directors will present the declaration to the general meeting for discussion and a vote.

The board of Norske Skog has appointed a separate remuneration committee which handles issues related to remuneration of the president and CEO and corporate management. The committee shall, when determining the methods used for assessment of salary determination and any bonus and other incentive schemes, ensure that the size and scope of remuneration and salaries reflect the individual executive employee's duties and responsibilities, and that the schemes contribute to the long-term creation of value for all company shareholders.

Norske Skog's objective is to ensure that the corporate management is composed in a manner which ensures international range, experience and diversity. This also entails that Norske Skog must have a salary policy which makes the company interesting and able to attract personnel in an international market, partly in competition with Nordic and North-American listed wood processing companies. At the same time, salary and other remuneration for senior employees must be balanced against the fact that the company is domiciled in Norway, and salary and remuneration for senior employees must therefore be of a nature and scope that does not harm the company's reputation.

1) SALARY POLICY STATEMENT FOR EXECUTIVE EMPLOYEES

Salary and remuneration disbursed to the president and CEO and corporate management consists of fixed salary and variable elements, where the variable elements must contribute further to create correlation between the priorities of the corporate management and the strategies and objectives stipulated by the board.

Fixed salary

The board has not established any upper nor lower limit to the amounts which can be paid to senior executives in the company as fixed salary in the coming fiscal year. See also Note 13 in the group accounts.

Variable elements

In addition to fixed salary, the company has a three-pronged bonus and incentive programme designed to help harmonize the priorities of the corporate management with the strategies and goals for the business established by the board:

Annual bonus agreements

The company has operated bonus schemes for executives and employees for a number of years to ensure that important commercial goals receive adequate priority. These annual bonus agreements for corporate management provide a maximum payout corresponding to six months' salary. The performance figures are financial, operational and individual.

Long-term incentive programme

The purpose of this programme is to secure a continued strong focus on the development of shareholder value. The board adopted new principles for the long-term incentive programme in 2007, where the criteria for awarding synthetic shares to corporate management are tied to Total Shareholder Return (TSR – development of the share price including dividend payments), such that this must be above average for a defined group of a selection of listed paper manufacturers, and with positive TSR for the period as an absolute condition. This scheme will yield a 30% payout if Norske Skog performs better than the average for the reference group and a full payout if the company falls within the best quartile. The maximum annual payouts are 35 000 synthetic shares for the president and CEO and 17 500 for other members of corporate management, subject to a ceiling of 1.25 times the annual salary in the relevant year. At least 50% of the allocation (after tax) must be applied to purchasing shares, which must be retained until the total shareholding corresponds to a gross annual salary. Development is measured over a three-year period, with a new period beginning each year. This scheme involves no dilution effect.

The programme was continued for 2008 and 2009 and was also continued in 2010 with the change that the maximum annual bonus from the programme was set to NOK 4 million for president and CEO and NOK 2 million for members of corporate management (instead of a fixed number of shares), the requirement to purchase shares was related to a total ownership of a certain number of shares (200 000 for the CEO and 100 000 for other members of corporate management), and the number of companies in the defined group was reduced from 16 to 12 companies, including Norske Skog. It is proposed to continue with the programme in 2011.

Other variable elements

Other variable elements include a scheme of fixed car allowance, newspapers, mobile phone and coverage of costs for broadband communication in accordance with established rates.

Pension schemes

With effect from 1 January 2011, a new defined contribution pension scheme has been introduced for the employees in Norway, with a contribution of 4% for salary between 1 and 6 G (Norwegian national insurance base amount), and 8% between 6 and 12 G. The previous scheme with pensionable age of 67 and providing a pension of approximately 65% of ordinary salary at retirement, and 60% from the age of 77 including national insurance contributions, was closed from 31 December 2010, and covers employees who were born before 1 January 1959. The company has a supplementary scheme for salary which exceeds 12 G, and for corporate management there is a separate early retirement pension scheme from 64 to 67 years, previously referred to as an insured supplementary plan. It was decided to terminate the insured supplementary plan with effect from 1 January 2007, and this was replaced by a book reserve arrangement for the pension part, a disability insurance based on the terms of the former scheme, and survivors' benefits were replaced by a new group life insurance equivalent to one year's gross annual salary. Corporate management are covered by a special group life insurance policy with payments limited to three times the annual salary and a maximum of 80 G.

Schemes for pay after termination of employment

A mutual notice period of six months has been agreed for the president and CEO and the other members of corporate management. In the event of termination by the employer and/or mutually agreed resignation, a wage guarantee scheme corresponding to the fixed salary less other income in the period is disbursed for 18 months calculated from the end of the term of notice.

Terms for the president and CEO

The annual base salary of the president and CEO is NOK 4 000 000. The president and CEO has a retirement age of 64, with pension and other terms as described in this declaration.

2) ACCOUNT OF THE IMPACT FOR THE COMPANY AND SHAREHOLDERS OF AGREEMENTS RELATING TO OTHER REMUNERATION THAN ORDINARY SALARY ENTERED INTO OR AMENDED IN 2010

The general bonus schemes have yielded a medium disbursement in 2010, i.e. around 40-50 per cent of the maximum bonus. Financial KPIs (key performance indicators) are considered to be of great importance according to the standard. The scheme with synthetic options has been replaced by a new long-term incentive scheme from 2007, as described under item 1 above. The new scheme gave no disbursement in 2010.

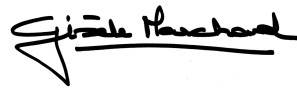
3) THE BOARD'S STATEMENT ON DETERMINATION OF SALARY AND OTHER REMUNERATION FOR 2011

The board aims to apply the main principles and guidelines described in item 1 above to both fixed salary and other remuneration to the company's executive employees for the current accounting year.

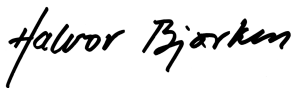
Oxenøen, 2. mars 2011



Eivind Reiten (leder)



Gisèle Marchand (nestleder)



Halvor Bjørken



Helge Evju



Alexandra Bech Gjorv



Ingrid Wiik



Paul Kristiansen



Inge Myrland



Svein Erik Veie

Appendix point 7:

The remuneration committee's recommendation concerning the stipulation of remuneration to the corporate assembly

General

The election committee shall advise the general meeting in questions concerning the remuneration for offices in the company's governing bodies ("the remuneration committee"). When processing such issues, the committee will be expanded with one new member appointed by and among the employees in the corporate assembly. The members of the remuneration committee were Tom Ruud (chair), Ole H. Bakke, Kirsten Idebøen and Otto Sjøberg, as well as Harald Bjerger (employee representative in the corporate assembly).

According to the earlier decisions by the general meeting, most recently of 22 April 2010, the remuneration for the chair of the corporate assembly is NOK 160 000 per year. The members of the corporate assembly and the remuneration committee (including observers and deputy members) will receive NOK 6 200 per meeting as remuneration. Coverage of meeting expenses is in accordance with standard government rates.

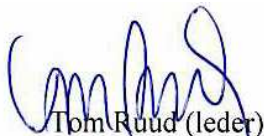
Assessment

The assessment of the remuneration committee is that there is a reasonable correlation between the current remuneration rates and the responsibilities and commitments which are incurred by being a member of the board. In accordance with former recommendations, the remuneration committee wishes to adjust the remunerations regularly to avoid large adjustments. The remuneration committee therefore proposes a minor increase in remuneration this year. The chair of the corporate assembly did not participate in the discussion or voting for the remuneration for the office he holds.

Recommendation:

1. With effect from 14 April 2011, the remuneration to the chair of the corporate assembly is increased to NOK 165 000 per year. The remuneration covers meetings in the election committee, remuneration committee and other meetings the chair of the corporate assembly participates in.
2. With effect from 14 April 2011, the remuneration to the other members of the corporate assembly, election committee and remuneration committee is increased to NOK 6 400 per meeting day.
3. Coverage of travel expenses and per diem is in accordance with standard government rates.

Oslo, 3 February 2011



Tom Ruud (leder)



Ole H. Bakke



Kirsten Idebøen



Otto Sjøberg



Harald Bjerger

Appendix points 9 and 10:

The election committee's recommendation of members for the corporate assembly

Election of members for the corporate assembly:

The election committee in Norske Skog is a body required by the articles of association and must accordingly consist of the chair as well as three other members elected by the general meeting for a year at a time. The election committee has consisted of Tom Ruud (chair), Ole H. Bakke, Kirsten Idebøen and Otto Sjøberg. None of the election committee members are members of the board. Ruud and Sjøberg are ordinary members of the corporate assembly. An employee representative, Harald Bjerger, has participated in the work of the election committee. The election committee has held five meetings in total in the period from November 2010 to March 2011, of which two were telephone meetings.

The election committee has asked the opinions of the largest Norwegian and foreign shareholders regarding candidates for the board of directors and corporate assembly, and any other matters of significance for the work of the election committee. The election committee has conducted conversations with the company's president and CEO, shareholder-elected board members and the chair of the board, who explained the board's work and self-evaluation. Shareholder-elected members of the board and the corporate assembly have been asked about their attitude towards possible re-election.

The election committee submits its proposals on the basis of an analysis of the company's needs and based on the need for relevant knowledge, experience and representation in the company's governing bodies. Composing a corporate assembly with focus on ensuring good representation of the company's shareholders is a particular objective. The election committee has emphasised both the need for continuity and new recruitment. The members of the election committee did not participate in the discussion or voting on issues that concerned themselves. The election committee has not used external consultants in its work this year.

Members and deputy members of corporate assembly:

The articles of association stipulate that the members of the corporate assembly are elected for one year at a time. This means that all shareholder-elected members of the corporate assembly are up for election in 2011.

The current members Mikael Løken and Otto Sjøberg have announced that they do not wish to be re-elected.

The election committee unanimously proposes the re-election of (the date or period for which the member was first elected or has previously been a member is shown in parenthesis):

- **Emil Aubert (1999), Ragnhild Borchgrevink (2010), Maalfrid Brath (2010), Ann Kristin Brautaset (2004), Jens Nicolai Jenssen (2010), Even Mengshoel (2008), Tom Ratkhe (2008), Tom Ruud (1997-2001, 2006), Karen Helene Ulltveit-Moe (2008) and Olav Veum (2010).**

The following persons are proposed unanimously as new members:

- **Maria Moræus Hanssen (2011) (currently an alternate member) and Helge Leiro Baastad (2011)**

Shareholder-elected deputy members of the corporate assembly are elected annually.

The election committee unanimously proposes the election of (the date or period for which the deputy member was first elected or has previously been a member is shown in parenthesis):

1. **Aud Lystenstøen (2011),**
2. **Knut Aas (2011),**
3. **Henrik A. Christensen (2010).**

The numbers in front of each proposal indicate the proposed numerical order of the deputy members.

Chair and deputy chair of the corporate assembly

The corporate assembly elects its own chair and deputy chair. The election committee recommends that Tom Ruud be re-elected as chair, and Tom Rathke re-elected as deputy chair of the corporate assembly.

Election of members to the election committee

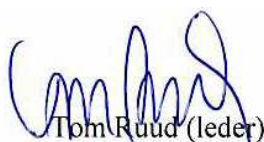
In the opinion of the election committee, the committee should be composed so as to ensure good contact with the company's shareholding interests. The continuity in the committee should also be maintained. Larger shareholders have been contacted to solicit their opinions on the composition of the election committee. Members of the election committee are elected directly by the general meeting for one year at a time.

The following are unanimously proposed as members of Norske Skog's election committee:

- **Tom Ruud (1997-2001, 2006), Ole H Bakke (2006), Kirsten Idebøen (2010) and Helge Leiro Baastad (2011).**

Tom Ruud is proposed as chair of the election committee.

Oslo, 3 February 2011



Tom Ruud (leder)



Ole H. Bakke



Kirsten Idebøen



Otto Sjøberg

Presentation of the election committee's proposal for new members of the corporate assembly and election committee of Norske Skogindustrier ASA

As new member of the corporate assembly:

Maria Moræus Hanssen (46)

Residence: Oslo
Education: Civil engineer from the Norwegian Institute of Technology (now NTNU) in petroleum technology
Position: Investment director in Aker ASA
Offices: Board member in Det norske Oljeselskap ASA and Hafslund ASA

As a new member of the corporate assembly and election committee:

Helge Leiro Baastad (50)

Residence: Asker
Education: Master of Business Administration from the Norwegian School of Economics (NHH)
Position: CEO of Gjensidige
Offices: Board member in Finansnæringens Hovedorganisasjon and Jordan AS

Appendix points 11 and 12:

Board authorisation to increase the company's share capital and to issue convertible bonds

The board requests authorisation from the general meeting to increase the company's share capital and to issue convertible bonds.

Because of the company's expressed intention of playing an active role in relation to further consolidation of the industry, the board has decided to propose to the general meeting to authorise the board to increase the company's share capital. The authorisation is limited to a maximum of 10% of the share capital (NOK 189 945 526) and will be valid for one year. This authorisation will give the company increased flexibility and a better position in relation to possible structural transactions, as well as a further strengthening of the position in relation to possible future capital needs. For the same reason and with the same time limit, the board proposes an authorisation to issue convertible bonds, limited to a maximum of NOK 800 million and with a maximum increase of the share capital of 10% in case of conversion. The board recommends that the annual general meeting make the following decision:

Decision in Case No. 11

- a. The board is authorised to increase share capital by up to NOK 189 945 526 (which is 10% of the share capital). Within this limit, the authority can be used several times.*
- b. The authorisation is valid for one year from the date of this general meeting.*
- c. Shareholders' rights under the Public Limited Liability Companies Act § 10-4 may be waived.*
- d. The authorisation also includes capital increases with contributions other than money and the right to incur special obligations for the company, cf. the Public Limited Liability Companies Act § 10-2. The authorisation may be used in connection with mergers, cf. the Public Limited Liability Companies Act § 13-5.*

Decision in Case No. 12

- a. The board of directors is authorised under the Public Limited Liability Companies Act § 11-8 to resolve to issue convertible bonds of up to NOK 800 million.*
- b. Upon conversion of loans raised under this authorisation, the company's share capital be increased by up to NOK 189 945 526 (which is 10% of the share capital).*
- c. The authorisation is valid for one year from the date of this general meeting.*
- d. The preferential right of existing shareholders under the Public Limited Liability Companies Act § 11-4, cf. § 10-4 may be waived.*