FOURTH QUARTER

2012

NORSKE SKOG

NORWEGIAN PAPER TRADITION

Norske Skog

OUR BUSINESS

Norske Skog is a world leading producer of newsprint and magazine paper. The group has 11 fully or partly owned mills in 9 countries and an annual production capacity of approximately 3.7 million tonnes. Through sales offices and agents, newsprint and magazine paper is sold to over 80 countries. The group has 4 000 employees.

The parent company, Norske Skogindustrier ASA, is incorporated in Norway and has its head office at Lysaker outside of Oslo. The company is listed on the Oslo Stock Exchange.

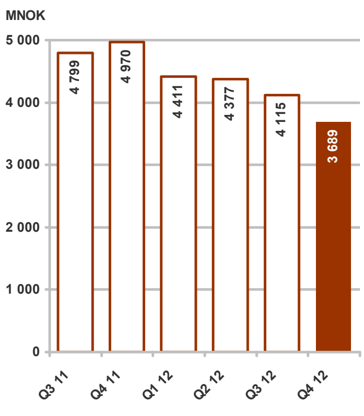
KEY FIGURES (UNAUDITED)

All amounts are presented in NOK million unless otherwise stated.

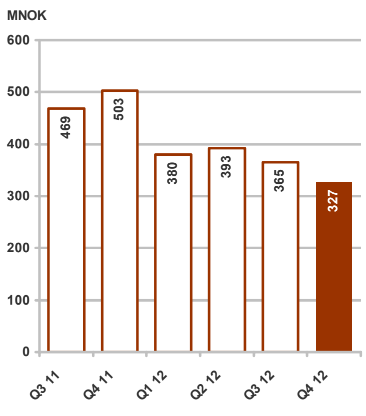
	OCT-DEC 2012	JUL-SEP 2012	OCT-DEC 2011	YTD 2012	YTD 2011
INCOME STATEMENT					
Operating revenue	3 689	4 115	4 970	16 592	18 904
Gross operating earnings	327	365	503	1 464	1 515
Operating earnings	-1 758	-455	-841	-2 684	-2 701
Profit/loss for the period	-1 914	-433	-592	-2 781	-2 545
Earnings per share (NOK)	-10.07	-2.28	-3.12	-14.63	-13.36
CASH FLOW					
Net cash flow from operating activities	247	463	409	982	455
Net cash flow from investing activities	-73	-86	-104	300	470
Cash flow per share (NOK)	1.30	2.44	2.15	5.18	2.4
OPERATING MARGIN AND PROFITABILITY (%)					
Gross operating margin	8.9	8.9	10.1	8.8	8.0
Return on capital employed	0.9	1.0	0.9	4.2	-0.9
Return on equity	-35.5	-6.4	-7.7	-47.3	-28.9
Return on assets	-10.0	-3.2	-1.8	-14.6	-8.7
PRODUCTION / DELIVERIES / CAPACITY UTILISATION					
Production (1 000 tonnes)	814	904	961	3 555	3 832
Deliveries (1 000 tonnes)	848	901	1 020	3 588	3 857
Production / capacity (%)	87	90	87	88	87

	31 DEC 2012	30 SEP 2012	30 JUN 2012	31 MAR 2012	31 DEC 2011
BALANCE SHEET					
Non-current assets	11 411	13 746	14 267	14 342	15 803
Current assets	4 650	4 834	5 467	5 883	6 171
Total assets	16 061	18 580	19 734	20 224	21 974
Equity	4 314	6 459	7 044	7 031	7 433
Net interest-bearing debt	6 021	6 285	6 883	7 096	7 863

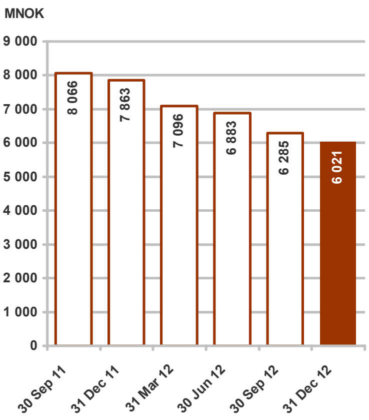
OPERATING REVENUE



GROSS OPERATING EARNINGS



NET INTEREST-BEARING DEBT



REPORT OF THE BOARD OF DIRECTORS FOR THE FOURTH QUARTER OF 2012

- Fourth quarter of 2012: Gross operating earnings NOK 327 million (NOK 365 million in the third quarter of 2012). Decline due to muted seasonal effect, NOK appreciation and active capacity management

- Cash flow from operating activities NOK 382 million before net financial payments in the quarter

- Net interest-bearing debt reduced by NOK 264 million to NOK 6 021 million in the quarter. Total debt reduction in 2012 of NOK 1 842 million

- Impairment charge of NOK 1 649 million

INCOME STATEMENT

	OCT-DEC 2012	JUL-SEP 2012	OCT-DEC 2011	YTD 2012	YTD 2011
Operating revenue	3 689	4 115	4 970	16 592	18 904
Gross operating earnings *)	327	365	503	1 464	1 515
Depreciation	-223	-231	-365	-935	-1 658
Operating earnings	-1 758	-455	-841	-2 684	-2 701
Profit/loss before income taxes	-1 801	-453	-996	-2 849	-3 132
Profit/loss for the period	-1 914	-433	-592	-2 781	-2 545

*) Operating earnings before depreciation, restructuring expenses, other gains and losses and impairments.

Group operating revenue was lower, both compared to the previous quarter and to the same period in 2011. The decline mainly reflected lower production capacity in the group, resulting in reduced deliveries. During 2012, the group closed Norske Skog Follum and sold Norske Skog Bio Bio and Norske Skog Parenco.

The variable cost level was somewhat below the previous quarter, and lower compared to the same period in 2011. Variable costs consist mainly of energy and fibre (wood, recovered paper and pulp). Fixed costs showed a clear decrease, due to reduced group capacity and cost reduction efforts. The annualised level of fixed costs was NOK 3.4 billion in the fourth quarter, down from NOK 4.1 billion in the last quarter of 2011.

Gross operating earnings decreased somewhat from the third quarter and showed a marked decline compared with the same period in 2011. Magazine paper had the weakest development, followed by newsprint Europe. Newsprint outside Europe improved slightly.

Depreciation was NOK 223 million in the quarter, a small reduction from the previous quarter due to impairment of one machine at Norske Skog Tasman. The depreciation level was significantly lower when compared to the same quarter in 2011.

Other gains and losses and impairment charges contributed to an overall negative result for the period.

Year-to-date global demand for newsprint had decreased by 3% at the end of November compared to the same period in 2011. For magazine paper, there was a decline of 5%.

Capacity utilisation for the group was 87% (90% in the third quarter) with active capacity management.

SPECIAL ITEMS IN OPERATING EARNINGS

	OCT-DEC 2012	JUL-SEP 2012	OCT-DEC 2011	YTD 2012	YTD 2011
Restructuring expenses	14	-122	-361	-118	-387
Other gains and losses	-228	-65	-532	-1 009	-201
Impairments	-1 649	-403	-86	-2 086	-1 969

Other gains and losses in the quarter were essentially related to a reduction in the value of energy contracts recognised in the balance sheet.

Total impairment losses of NOK 1 649 million have been recognised in the interim financial statements for the fourth quarter. The impairment losses consist of NOK 1 071 million related to the segment newsprint outside Europe and NOK 578 million related to the magazine paper segment. The impairments have mainly arisen as a result of lower sales price expectations and reduced cash flow horizon.

Norske Skog has made some changes with respect to how value in use is calculated in the impairment testing performed at 31 December 2012. The adjusted present value model (APV) for calculating the present value of future cash flows has been replaced by a weighted average cost of capital model (WACC). When calculating value in use at the end of 2012, the discount rate after tax was in the interval from 6.3% to 14.6%. The cash flow horizon in the impairment model is consistent with the useful life of each paper machine in the group. The board-approved operating plan for 2013 forms the basis for calculating expected future cash flows. In the impairment testing, sales prices are assumed to exhibit a decline in real terms and variable costs are assumed to decline in real terms, with lower demand for input factors due to a shrinking industry.

Further information regarding impairments is given in Note 3.

FINANCIAL ITEMS

	OCT-DEC 2012	JUL-SEP 2012	OCT-DEC 2011	YTD 2012	YTD 2011
Net interest expenses incl. realised gain/loss on interest rate derivatives	-138	-155	-147	-581	-674
Unrealised gain/loss on interest rate derivatives	-2	-1	-3	-4	-22
Net interest expenses	**-141**	**-156**	**-150**	**-585**	**-696**
Currency gains/losses *)	97	225	-146	359	-43
Other financial items	-6	16	-62	130	110
Total financial items	**-49**	**86**	**-358**	**-96**	**-629**

*) Currency gains and losses on accounts receivable and accounts payable are reported as Operating revenue and Cost of materials respectively.

Net interest expenses were NOK 141 million in the quarter, a slight reduction from the previous quarter. Currency gains of NOK 97 million related to cash flow hedging and currency gains on interest-bearing debt that does not qualify for hedge accounting.

CASH FLOW

	OCT-DEC 2012	JUL-SEP 2012	OCT-DEC 2011	YTD 2012	YTD 2011
Gross operating earnings	327	365	503	1 464	1 515
Change in working capital and adjustments *)	83	187	125	312	- 382
Cash from net financial items	-135	-87	-182	-729	-557
Taxes paid	-28	-2	-38	-64	-121
Net cash flow from operating activities	247	463	409	982	455
Purchases of property, plant and equipment and intangible assets	-201	-106	-165	-492	-490
Sales of property, plant and equipment, shares in companies, financial assets etc.	128	11	94	782	246

*) Includes items with no cash effect included in Gross operating earnings, items with cash effect included in Other gains and losses and payments made relating to restructuring activities.

Net cash flow from operating activities was NOK 247 million in the quarter, derived from gross operating earnings, release of working capital and payable interest and tax in the period. Cash flow from operating activities before net financial payments was NOK 382 million in the quarter.

Purchases of property, plant and equipment related to a machine conversion project, energy efficiency investments and ordinary maintenance investments. Sales of property, plant and equipment reflected sales proceeds from the divestment of Norske Skog Parenco and disposal of water rights in Norway.

BALANCE SHEET

	31 DEC 2012	30 SEP 2012	31 DEC 2011
Non-current assets	11 411	13 746	15 803
Cash and cash equivalents	1 194	1 028	1 200
Other current assets	3 456	3 806	4 971
Total assets	16 061	18 580	21 974
Equity including non-controlling interests	4 314	6 459	7 433
Non-current liabilities	8 963	9 190	10 184
Current liabilities	2 784	2 931	4 356
Net interest-bearing debt	6 021	6 285	7 863

Equity including non-controlling interests was NOK 4 314 million at 31 December 2012, a reduction of NOK 2 145 million from the previous quarter. The decrease reflected the negative result for the period and currency translation differences. Equity per share was NOK 23. For more information, see the detailed statement of changes in equity later in this report.

Net interest-bearing debt was NOK 6 021 million at 31 December 2012, a reduction of NOK 264 million in the quarter. The reduction came from cash flow from operating activities and a positive currency impact.

Cash and cash equivalents amounted to NOK 1 194 million at year end.

SEGMENT INFORMATION

NEWSPRINT EUROPE

	OCT-DEC 2012	JUL-SEP 2012	OCT-DEC 2011	YTD 2012	YTD 2011
Operating revenue	1 136	1 072	1 368	4 528	6 034
Gross operating earnings	64	86	141	363	387
Depreciation	-55	-52	-111	-211	-548
Operating earnings	17	22	-178	162	-392
Gross operating margin (%)	5.7	8.1	10.3	8.0	6.4
Production (1 000 tonnes)	297	294	315	1 181	1 488
Deliveries (1 000 tonnes)	310	290	333	1 187	1 488
Production / capacity (%)	91	90	87	88	90

The region includes Norske Skog's European operations in the newsprint market, with mills in Norway, France and Austria. Annual production capacity is 1 305 000 tonnes.

Operating revenue increased from the third quarter, with somewhat seasonally higher volumes. Gross operating margin was relatively stable in Europe, but negatively impacted by exports and an appreciating NOK. Operating revenue declined compared to the same period last year, following the closure of Norske Skog Follum.

The fixed cost level was noticeably lower year over year, due to reduced capacity, and relatively stable compared to the previous quarter. Variable costs declined from the same period last year and were somewhat higher quarter over quarter.

Depreciation was broadly unchanged from the third quarter, but significantly lower compared to 2011.

Year-to-date demand for newsprint in Europe had declined by 9% at the end of November, compared to the same period in 2011. However, an increase in exports of 24% mitigated the impact on industry shipments, which were 3% lower.

Capacity utilisation in the quarter was 91% (90% in the third quarter).

NEWSPRINT OUTSIDE EUROPE

	OCT-DEC 2012	JUL-SEP 2012	OCT-DEC 2011	YTD 2012	YTD 2011
Operating revenue	1 187	1 317	1 423	5 263	5 679
Gross operating earnings	242	223	236	880	915
Depreciation	-110	-124	-139	-492	-596
Operating earnings	-975	-267	-18	-1 151	-213
Gross operating margin (%)	20.4	16.9	16.6	16.7	16.1
Production (1 000 tonnes)	248	270	280	1 077	1 185
Deliveries (1 000 tonnes)	255	272	294	1 093	1 190
Production / capacity (%)	84	92	86	88	91

The region consists of Norske Skog's operations in Australia, New Zealand, Brazil and Thailand. Annual production capacity was 1 180 000 tonnes in the fourth quarter of 2012. Following the closure of one machine at Norske Skog Tasman in early January 2013, the annual production capacity is 1 020 000 tonnes.

Operating revenue declined compared to the previous quarter, with reduced deliveries and an appreciating NOK. The sale of Norske Skog Bio Bio in May 2012 influences the comparison with the same period last year.

The improved gross operating margin compared to the previous quarter and the same period in 2011 reflected lower costs. Reduced variable costs had the largest impact.

Depreciation was lower, after impairment of one machine at Norske Skog Tasman in the third quarter and the sale of Norske Skog Bio Bio in the second quarter.

Demand for newsprint in Oceania was weak, with a year-to-date decline of 13% at the end of November, compared to the same period in 2011. Latin America saw a more modest decrease of 3%.

Capacity utilisation was 84% (92% in the third quarter).

MAGAZINE PAPER

	OCT-DEC 2012	JUL-SEP 2012	OCT-DEC 2011	YTD 2012	YTD 2011
Operating revenue	1 311	1 580	1 966	6 254	6 291
Gross operating earnings	52	84	139	330	291
Depreciation	-53	-50	-110	-212	-488
Operating earnings	-505	-74	-193	-471	-1 644
Gross operating margin (%)	4.0	5.3	7.1	5.3	4.6
Production (1 000 tonnes)	269	339	366	1 297	1 159
Deliveries (1 000 tonnes)	283	338	392	1 308	1 178
Production / capacity (%)	86	89	88	87	79

The segment includes Norske Skog's operations in the magazine paper market, with mills in Norway, Germany and Austria. Annual production capacity is 1 260 000 tonnes.

Operating revenue decreased following the sale of Norske Skog Parenco in the third quarter and the closure of Norske Skog Follum in the first quarter. An appreciating NOK adversely affected the export business.

The fixed cost level was markedly reduced, with lower capacity in the segment. Variable costs were lower year over year and stable compared to the previous quarter.

Depreciation was in line with the previous quarter, but significantly lower compared to the same period in 2011.

Year-to-date demand for magazine paper in Europe had declined by 6% at the end of November, compared to the same period in 2011. A somewhat better development for the smaller SC (uncoated) segment (minus 3%) compared to the larger LWC (coated) segment (minus 8%) was largely due to customer substitution.

Capacity utilisation was 86% (89% in the third quarter).

OTHER ACTIVITIES

	OCT-DEC 2012	JUL-SEP 2012	OCT-DEC 2011	YTD 2012	YTD 2011
Operating revenue	385	551	802	2 315	3 688
Gross operating earnings	-21	-34	-15	-118	-95
Depreciation	-4	-5	-5	-18	-25
Operating earnings	-313	-140	-556	-1 259	-468

Other activities include the purchase and internal resale of energy to the mills, trading activities related to recovered paper, unallocated group costs and the purchase and resale of wood.

HEALTH AND SAFETY

The H-value (the number of lost-time injuries per million working hours) was 2.37 in the 12 month period from 1 January 2012 to 31 December 2012.

EVENTS IN THE FOURTH QUARTER OF 2012

The divestment of Norske Skog Parenco was completed on 2 October 2012.

RISK MANAGEMENT

Norske Skog conducts continuous evaluations of its operational and financial risk factors. The main operational risks are related to prices and sales volumes for newsprint and magazine paper, as well as the prices of key input factors such as wood, recovered paper and energy.

Financial risk management mainly includes currency, interest rate and liquidity risk. A description of risk factors and risk management is given in the annual financial statements for 2011.

The company's RCF loan covenants will be back to the original trajectory after a reset has been in place for 2012. Please refer to Note 7 for further information.

RELATED PARTIES

Some of the company's shareholders are forest owners who supply wood to the group's mills in Norway. All transactions with related parties are conducted on normal commercial terms. No directors receive remuneration for their work for the company from any source other than the company itself.

SHARES

The foreign ownership share was 19% at 31 December 2012, two percentage points lower than one year ago. An overview of the main shareholders as at 31 December 2012 is included on page 18, based on information supplied by RD:IR.

OUTLOOK

Norske Skog expects that the operating environment will remain challenging, with weak demand in both Europe and Australasia. Relatively stable costs and already announced industry-wide capacity closures will be supportive. Active capacity management will lead to low utilisation rates in the short term. Further NOK appreciation remains an additional risk.

LYSAKER, 6 FEBRUARY 2013 – THE BOARD OF DIRECTORS OF NORSKE SKOGINDUSTRIER ASA

Eivind Reiten
Chair

Eilif Due
Board member

Siri Beate Hatlen
Board member

Finn Johnsson
Board member

Karen Kvalevåg
Board member

Åse Aulie Michelet
Board member

Jon-Aksel Torgersen
Board member

Kjetil Bakkan
Board member

Paul Kristiansen
Board member

Svein Erik Veie
Board member

Sven Ombudstvedt
President and CEO

INTERIM FINANCIAL STATEMENTS, FOURTH QUARTER OF 2012

CONDENSED CONSOLIDATED INCOME STATEMENT

NOK MILLION	NOTE	OCT-DEC 2012	JUL-SEP 2012	OCT-DEC 2011	YTD 2012	YTD 2011
Operating revenue	6	**3 689**	**4 115**	**4 970**	**16 592**	**18 904**
Distribution costs		-375	-424	-464	-1 645	-1 786
Cost of materials		-1 998	-2 381	-2 688	-9 564	-11 243
Change in inventories		-134	-36	-281	-156	-118
Employee benefit expenses		-556	-606	-690	-2 512	-2 793
Other operating expenses		-299	-302	-344	-1 252	-1 450
Gross operating earnings		**327**	**365**	**503**	**1 464**	**1 515**
Depreciation	4	-223	-231	-365	-935	-1 658
Restructuring expenses	9	14	-122	-361	-118	-387
Other gains and losses	5, 8	-228	-65	-532	-1 009	-201
Impairments	3, 4	-1 649	-403	-86	-2 086	-1 969
Operating earnings		**-1 758**	**-455**	**-841**	**-2 684**	**-2 701**
Share of profit in associated companies	3	6	-83	203	-70	198
Financial items		-49	86	-358	-96	-629
Profit/loss before income taxes		**-1 801**	**-453**	**-996**	**-2 849**	**-3 132**
Income taxes		-113	20	404	69	588
Profit/loss for the period		**-1 914**	**-433**	**-592**	**-2 781**	**-2 545**
Profit/loss for the period attributable to:						
Owners of the parent		-1 911	-432	-592	-2 778	-2 536
Non-controlling interests		-3	-1	0	-3	-8
Basic/diluted earnings per share (NOK)		-10.07	-2.28	-3.12	-14.63	-13.36

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

NOK MILLION	OCT-DEC 2012	JUL-SEP 2012	OCT-DEC 2011	YTD 2012	YTD 2011
Profit/loss for the period	**-1 914**	**-433**	**-592**	**-2 781**	**-2 545**
Other comprehensive income					
Currency translation differences	-192	-235	426	-511	69
Tax expense on translation differences	-36	0	-112	-36	-68
Hedge of net investment in foreign operations	26	85	-7	224	19
Tax expense on net investment hedge	-1	-2	-242	13	-268
Reclassification to income statement, divestment of operations [1)]	-69	0	-7	-92	42
Tax expense on reclassifications	39	0	0	62	0
Other items	2	0	1	2	2
Tax expense on other items	0	0	0	0	0
Other comprehensive income for the period	**-231**	**-152**	**59**	**-338**	**-205**
Comprehensive income for the period	**-2 145**	**-585**	**-533**	**-3 119**	**-2 749**
Comprehensive income for the period attributable to:					
Owners of the parent	-2 142	-584	-533	-3 115	-2 740
Non-controlling interests	-3	-1	0	-3	-9
[1)] Reconciliation of reclassification to income statement, divestment of operations:					
Currency translation differences	72	0	-7	130	51
Hedge of net investment in foreign operations	-141	0	0	-222	-9
Total	**-69**	**0**	**-7**	**-92**	**42**

CONDENSED CONSOLIDATED BALANCE SHEET

NOK MILLION	NOTE	31 DEC 2012	30 SEP 2012	31 DEC 2011
Deferred tax asset		321	456	352
Intangible assets	4	232	343	148
Property, plant and equipment	3, 4	9 533	11 336	12 622
Investments in associated companies	3	339	341	422
Other non-current assets	8	986	1 271	2 258
Total non-current assets		**11 411**	**13 746**	**15 803**
Inventories		1 370	1 657	1 867
Trade and other receivables		1 816	1 969	2 732
Cash and cash equivalents	7	1 194	1 028	1 200
Other current assets	5, 8	271	180	372
Total current assets		**4 650**	**4 834**	**6 171**
Total assets		**16 061**	**18 580**	**21 974**
Paid-in equity		12 302	12 302	12 303
Retained earnings and other reserves		-7 998	-5 855	-4 883
Non-controlling interests		9	12	13
Total equity		**4 314**	**6 459**	**7 433**
Pension obligations		495	510	541
Deferred tax liability		498	511	500
Interest-bearing non-current liabilities	7	7 208	7 322	8 407
Other non-current liabilities	8	762	847	736
Total non-current liabilities		**8 963**	**9 190**	**10 184**
Interest-bearing current liabilities	7	203	209	931
Trade and other payables	10	2 097	2 190	2 474
Tax payable		43	61	31
Other current liabilities	5, 8, 10	441	472	920
Total current liabilities		**2 784**	**2 931**	**4 356**
Total liabilities		**11 747**	**12 121**	**14 540**
Total equity and liabilities		**16 061**	**18 580**	**21 974**

LYSAKER, 6 FEBRUARY 2013 – THE BOARD OF DIRECTORS OF NORSKE SKOGINDUSTRIER ASA

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Kjetil Bakkan
Board member

Paul Kristiansen
Board member

Svein Erik Veie
Board member

Sven Ombudstvedt
President and CEO

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

NOK MILLION	OCT-DEC 2012	JUL-SEP 2012	OCT-DEC 2011	YTD 2012	YTD 2011
Cash generated from operations	3 668	4 301	4 925	17 037	18 726
Cash used in operations	-3 258	-3 750	-4 297	-15 261	-17 594
Cash from net financial items	-135	-87	-182	-729	-557
Taxes paid	-28	-2	-38	-64	-121
Net cash flow from operating activities [1)]	**247**	**463**	**409**	**982**	**455**
Purchases of property, plant and equipment and intangible assets	-201	-106	-165	-492	-490
Sales of property, plant and equipment and intangible assets	45	2	94	101	246
Dividend received	0	8	0	10	0
Purchase of shares in companies and other financial payments	0	0	-34	0	-63
Sales of shares in companies and other financial payments	83	9	2	682	777
Net cash flow from investing activities	**-73**	**-86**	**-104**	**300**	**470**
New loans raised	115	113	5	1 183	1 141
Repayments of loans	-106	-703	-1 486	-2 440	-5 311
Purchase/sale of treasury shares	0	0	0	-1	0
Net cash flow from financing activities	**10**	**-591**	**-1 481**	**-1 258**	**-4 170**
Foreign currency effects on cash and cash equivalents	-18	-8	-51	-36	5
Total change in cash and cash equivalents	**165**	**-223**	**-1 227**	**-6**	**-3 240**
Cash and cash equivalents at start of period	1 028	1 251	2 427	1 200	4 440
Cash and cash equivalents at end of period	1 194	1 028	1 200	1 194	1 200
[1)] Reconciliation of net cash flow from operating activities					
Gross operating earnings	327	365	503	1 464	1 515
Payments made relating to restructuring activities	-17	-13	-29	-182	-78
Change in working capital	63	226	146	465	-365
Adjustment for items with no cash impact	37	-27	9	29	60
Cash flow from net financial items	-135	-87	-182	-729	-557
Taxes paid	-28	-2	-38	-64	-121
Net cash flow from operating activities	**247**	**463**	**409**	**982**	**455**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN GROUP EQUITY

NOK MILLION	Paid-in equity	Retained earnings	Hedge accounting	Other equity reserves	Total before non-controlling interests	Non-controlling interests	Total equity
Equity 1 January 2011	**12 303**	**-3 048**	**489**	**416**	**10 161**	**22**	**10 183**
Profit/loss for the period	0	-1 944	0	0	-1 944	-8	-1 952
Other comprehensive income for the period	0	0	0	-263	-263	-1	-265
Equity 30 September 2011	**12 303**	**-4 992**	**489**	**153**	**7 954**	**13**	**7 967**
Profit/loss for the period	0	-592	0	0	-592	0	-592
Other comprehensive income for the period	0	0	-249	308	59	0	59
Equity 31 December 2011	**12 303**	**-5 584**	**240**	**461**	**7 420**	**13**	**7 433**
Profit/loss for the period	0	-866	0	0	-866	-1	-867
Other comprehensive income for the period	0	0	154	-261	-107	0	-107
Change in holding of treasury shares	-1	0	0	0	-1	0	-1
Equity 30 September 2012	**12 302**	**-6 450**	**394**	**201**	**6 446**	**12**	**6 459**
Profit/loss for the period	0	-1 911	0	0	-1 911	-3	-1 914
Other comprehensive income for the period	0	0	-77	-154	-231	0	-231
Equity 31 December 2012	**12 302**	**-8 361**	**317**	**47**	**4 305**	**9**	**4 314**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Norske Skogindustrier ASA ("the company") and its subsidiaries ("the group") manufacture, distribute and sell publication paper. This includes newsprint and magazine paper.

Norske Skog changed its internal organisational structure in 2011. As a result of this, the group's segment structure was changed with effect from 1 January 2012. See Note 6 Operating segments for more information.

All amounts in the interim financial statements are presented in NOK million unless otherwise stated. Due to rounding, there may be differences in the summation of columns.

With effect from the fourth quarter of 2012, the interim financial statements will only be presented in English. The annual report will also be presented in English from 2012.

The interim financial statements were authorised for issue by the board of directors in Norske Skogindustrier ASA on 6 February 2013.

2. ACCOUNTING POLICIES

The interim financial statements of Norske Skog have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim financial statements do not include all information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements for 2011. The interim financial statements are unaudited.

The accounting policies applied in the preparation of the interim financial statements are consistent with those applied in the preparation of the annual financial statements for the year ended 31 December 2011, except for the adaptation of amended standards and new interpretations which are mandatory from 1 January 2012. These changes are described in the annual financial statements for 2011. None of these have had a material impact on the financial position or performance of the group.

The group has not early adopted any standard, interpretation or amendment that has been issued but is not yet mandatory.

3. ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

Preparation of interim financial statements in accordance with IFRS implies use of estimates, which are based on judgements and assumptions that affect the application of accounting principles and the reported amounts of assets, liabilities, revenues and expenses. Actual amounts might differ from such estimates.

Estimated decline in value of intangible assets and property, plant and equipment

Intangible assets which have an indefinite useful life and goodwill are not subject to amortisation, but are tested annually for impairment. Property, plant and equipment, and intangible assets that are subject to amortisation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from a cash-generating unit. Norske Skog has made some changes with respect to how value in use is calculated in the impairment testing performed at 31 December 2012. The adjusted present value model (APV) for calculating the present value of future cash flows has been replaced by a weighted average cost of capital model (WACC). When calculating value in use at the end of 2012, the discount rate after tax was in the interval from 6.3% to 14.6%. The cash flow horizon in the impairment model is consistent with the useful life of each paper machine in the group. The board-approved operating plan for 2013 forms the basis for calculating expected future cash flows. In the impairment testing, sales prices are assumed to exhibit a decline in real terms and variable costs are assumed to decline in real terms, with lower demand for input factors due to a shrinking industry. The group's cash-generating units are Europe newsprint, Australasia newsprint, Norske Skog Pisa newsprint, Norske Skog Singburi newsprint, Europe magazine paper (light weight coated (LWC)) and Norske Skog Saugbrugs magazine paper (super calendared (SC)).

Calculation of value in use requires use of estimates. When estimating the value in use at 31 December 2012, impairment losses were identified. Total impairment losses of NOK 1 649 million have been recognised in the interim financial statements for the fourth quarter. The impairment losses consist of NOK 1 071 million related to the segment newsprint outside Europe and NOK 578 million related to the magazine paper segment. The impairments have mainly arisen as a result of lower sales price expectations and reduced cash flow horizon.

Impairment losses were recognised in the third quarter, as a result of the agreement to sell the paper mill Norske Skog Parenco and the global recovered paper business, Reparco. An impairment loss of NOK 116 million was expensed in the magazine paper segment and NOK 54 million was expensed in other activities. The divestment was completed on 2 October 2012.

Norske Skog also decided to permanently close 160 000 tonnes of newsprint capacity at Norske Skog Tasman in New Zealand in the third quarter. An impairment loss of NOK 236 million was recognised in relation to the closure, and was expensed in the segment newsprint outside Europe in the third quarter of 2012.

In the first quarter, impairment losses were recognised as a result of the agreement to sell the paper mill Norske Skog Bio Bio. An impairment loss of NOK 36 million was expensed in the segment newsprint outside Europe. The divestment was completed during the second quarter of 2012.

The possibility of reversing impairment losses in prior periods on property, plant and equipment and intangible assets (except goodwill) has also been evaluated at 31 December 2012. No reversals of previous impairments have been recognised in the fourth quarter of 2012.

The estimation of recoverable amount is based on assumptions regarding the future development of several factors. These include price development for finished goods, sales volumes, currency rates and interest rates. This means that there will be uncertainty when it comes to the outcome of the calculations. Norske Skog has performed sensitivity analyses using the variables mentioned above to predict how fluctuations will impact recoverable amount. In relation to the assumptions made in the calculation of the present value of future cash flows, recoverable amount is most sensitive to changes in prices of finished goods, sales volumes and the discount rate used. A reduction in sales price and sales volume for the whole group in the cash flow period of 5% will cause a reduction in recoverable amount in the order of NOK 4 800 million and NOK 1 700 million respectively. Correspondingly, a 1% increase in the discount rate will cause a reduction in the recoverable amount of NOK 800 million. An appreciation of NOK of 1% against all other functional currencies in the Norske Skog group will cause a reduction in the recoverable amount of NOK 300 million.

Investments in associated companies

Norske Skog owns a 33.65% stake in Malaysian Newsprint Industries Sdn. Bhd. (MNI) in Malaysia. MNI derecognised some assets in their financial statements for the third quarter of 2012, relating to property, plant and equipment that was no longer in use. Norske Skog's share of this derecognition was recognised in the consolidated financial statements for the third quarter of 2012, and amounted to NOK 183 million.

Following this, Norske Skog was also able to reverse impairments previously recognised of NOK 94 million in the third quarter of 2012. The effect of the derecognition and reversal of previous impairments was presented net in the income statement, and included in the line Share of profit in associated companies.

Commodity contracts and embedded derivatives in commodity contracts measured at fair value

Commodity contracts that fail to meet the own-use exemption criteria in IAS 39 *Financial instruments – recognition and measurement* are recognised in the balance sheet and valued at fair value. Fair value of commodity contracts and embedded derivatives in commodity contracts which are not traded in an active marked, are assessed through valuation techniques. Some of these contracts are long-term energy contracts. The electricity price for long-term electricity contracts in Norway and New Zealand is not directly observable in the market for the whole contract length. Price forecasts from acknowledged external sources are used in the estimation of fair value. The group uses its judgement to select a variety of methods and make assumptions that are mainly based on marked conditions existing at each balance sheet date.

See Note 9 in the annual financial statements for 2011 for more information regarding the calculation of fair value of derivatives.

Provisions

Provisions for environmental restoration, dismantling costs, restructuring activities and legal claims are recognised when the group has a present legal or constructive obligation as a result of past events; an outflow of resources is more likely than not to be required to settle the obligation and the amount can be reliably estimated.

Provisions for future environmental- and dismantling liabilities are based on a number of assumptions made using management's best judgment. Changes in any of these assumptions could have an impact on the group's provisions and costs.

See Note 2 in the annual financial statements for 2011 for a more thorough description of important accounting estimates and assumptions impacting the preparation of financial statements.

Contingent liabilities

Norske Skog is an international company that, through its ongoing business operations, will be exposed to litigation and claims from public authorities and contracting parties. At the end of 2012, the group is in dialogues with tax authorities in Norway and Australia regarding previously completed transactions. Norske Skog has an ongoing process related to simplification of the group's corporate structure. This, in combination with changes in individual countries' tax laws, could increase the group's tax exposure.

4. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

JAN-DEC 2012	PROPERTY, PLANT AND EQUIPMENT	INTANGIBLE ASSETS	TOTAL
Carrying value at start of period	12 622	148	12 770
Depreciation	-912	-23	-935
Impairments	-2 084	-2	-2 086
Additions *)	489	252	741
Value change, biological assets	7	0	7
Disposals	-368	-142	-510
Currency translation differences	-221	-1	-222
Carrying value at end of period	**9 533**	**232**	**9 765**

*) The difference between additions and the line Purchases of property, plant and equipment and intangible assets in the consolidated statement of cash flows is due to finance leases, allocated emission allowances and accruals for payments.

5. DIVESTMENT OF OPERATIONS

On 1 August 2012, an agreement was signed for the sale of the shares in Norske Skog Parenco B.V. in the Netherlands, and the global recovered paper business, Reparco. The sale was completed with effect from 2 October 2012. A gain of NOK 16 million has been recognised in the income statement line Other gains and losses in the fourth quarter relating to the final divestment. Impairment losses expensed in the third quarter of 2012 in relation to the sale of Norske Skog Parenco and Norske Skog Reparco were NOK 116 million and NOK 54 million, respectively.

On 24 March 2012, an agreement was signed for the sale of the shares in Papeles Norske Skog Bio Bio S.A. in Chile. The transaction was completed with effect from 3 May 2012. The sale resulted in a loss of NOK 10 million, which was expensed in the second quarter in the income statement line Other gains and losses.

On 23 March 2012, an agreement was signed for the sale of the shares in Norske Skog Follum AS, Follum Industripark AS and related properties. The transaction was completed with effect from 29 June 2012. A gain of NOK 26 million was recognised in Other gains and losses in the second quarter, and a gain of NOK 3 million was recognised in the third quarter upon final settlement of the transaction.

Impairment losses expensed in connection with the aforementioned divestments are described in Note 3.

6. OPERATING SEGMENTS

The composition of Norske Skog's operating segments was changed with effect from 1 January 2012. The segment structure is in line with the new operating model implemented during 2011. Norske Skog's chief operating decision maker is corporate management, who distribute resources and assess performance of the group's mills. The mills have a direct reporting line to corporate management.

In the segment reporting, the mills are grouped based on the product produced, within the segments newsprint and magazine paper. The operating segment newsprint is further divided into the geographic regions newsprint Europe and newsprint outside Europe.

Activities that are not part of the operating segments are included in other activities. From 1 January 2012, activities relating to energy are included within other activities. This is because there is no longer a central unit for monitoring and controlling activities related to energy. There will still be operating revenue and operating expenses related to energy, but the bulk of revenue will be from units within the group. Going forward, the activities related to energy will therefore have little or no importance for Norske Skog's ongoing operations.

The comparative figures for 2011 have been restated in accordance with the new segment structure.

OCT-DEC 2012	NEWSPRINT	MAGAZINE PAPER	OTHER ACTIVITIES	ELIMINATIONS	NORSKE SKOG GROUP
Operating revenue	**2 379**	**1 311**	**385**	**-386**	**3 689**
Distribution costs	-249	-126	0	0	-375
Cost of materials	-1 221	-768	-337	327	-1 998
Change in inventories	-81	-53	0	0	-134
Employee benefit expenses	-333	-189	-35	0	-556
Other operating expenses	-199	-124	-34	59	-299
Gross operating earnings	**296**	**52**	**-21**	**0**	**327**
Depreciation	-166	-53	-4	0	-223
Restructuring expenses	-4	23	-6	0	14
Other gains and losses	5	50	-283	0	-228
Impairments	-1 071	-578	0	0	-1 649
Operating earnings	**-940**	**-505**	**-313**	**0**	**-1 758**

YTD 2012	NEWSPRINT	MAGAZINE PAPER	OTHER ACTIVITIES	ELIMINATIONS	NORSKE SKOG GROUP
Operating revenue	**10 145**	**6 254**	**2 315**	**-2 122**	**16 592**
Distribution costs	-1 021	-558	-67	1	-1 645
Cost of materials	-5 627	-3 802	-1 988	1 852	-9 564
Change in inventories	-101	-51	-4	0	-156
Employee benefit expenses	-1 350	-975	-187	0	-2 512
Other operating expenses	-795	-539	-187	269	-1 252
Gross operating earnings	**1 252**	**330**	**-118**	**0**	**1 464**
Depreciation	-705	-212	-18	0	-935
Restructuring expenses	-121	20	-17	0	-118
Other gains and losses	-41	84	-1 052	0	-1 009
Impairments	-1 338	-694	-54	0	-2 086
Operating earnings	**-953**	**-471**	**-1 259**	**0**	**-2 684**

YTD 2011	NEWSPRINT	MAGAZINE PAPER	OTHER ACTIVITIES	ELIMINATIONS	NORSKE SKOG GROUP
Operating revenue	**11 967**	**6 291**	**3 688**	**-3 042**	**18 904**
Distribution costs	-1 129	-577	-80	0	-1 786
Cost of materials	-6 904	-3 775	-3 237	2 674	-11 243
Change in inventories	-13	-104	-1	0	-118
Employee benefit expenses	-1 597	-976	-220	0	-2 793
Other operating expenses	-1 006	-568	-245	369	-1 450
Gross operating earnings	**1 318**	**291**	**-95**	**0**	**1 515**
Depreciation	-1 145	-488	-25	0	-1 658
Restructuring expenses	-160	-217	-11	0	-387
Other gains and losses	20	115	-337	0	-201
Impairments	-624	-1 345	0	0	-1 969
Operating earnings	**-589**	**-1 644**	**-468**	**0**	**-2 701**

OPERATING SEGMENT NEWSPRINT

The newsprint segment encompasses production and sale of standard newsprint and other paper qualities used in newspapers, inserts, catalogues etc.

INCOME STATEMENT	OCT-DEC 2012	JUL-SEP 2012	OCT-DEC 2011	YTD 2012	YTD 2011
Operating revenue	**2 379**	**2 472**	**2 883**	**10 145**	**11 967**
Distribution costs	-249	-260	-269	-1 021	-1 129
Cost of materials	-1 221	-1 377	-1 516	-5 627	-6 904
Change in inventories	-81	-8	-133	-101	-13
Employee benefit expenses	-333	-323	-378	-1 350	-1 597
Other operating expenses	-199	-191	-209	-795	-1 006
Gross operating earnings	**296**	**315**	**378**	**1 252**	**1 318**
Depreciation	-166	-176	-250	-705	-1 145
Restructuring expenses	-4	-112	-158	-121	-160
Other gains and losses	5	-36	-12	-41	20
Impairments	-1 071	-232	-51	-1 338	-624
Operating earnings	**-940**	**-241**	**-92**	**-953**	**-589**
Share of operating revenue from external parties (%)	99	99	98	99	99
OPERATING REVENUE PER REGION					
Newsprint Europe	1 136	1 072	1 368	4 528	6 034
Newsprint outside Europe	1 187	1 317	1 423	5 263	5 679
Sales offices and other activities	989	1 145	1 135	4 416	4 533
Eliminations	-933	-1 062	-1 043	-4 060	-4 279
Total	**2 379**	**2 472**	**2 883**	**10 145**	**11 967**
GROSS OPERATING EARNINGS PER REGION					
Newsprint Europe	64	86	141	363	387
Newsprint outside Europe	242	223	236	880	915
Sales offices and other activities	-11	6	1	9	16
Eliminations	0	0	0	0	0
Total	**296**	**315**	**378**	**1 252**	**1 318**

OPERATING SEGMENT MAGAZINE PAPER

The magazine paper segment encompasses production and sale of the paper qualities super calendered (SC), machine finished coated (MFC) and light weight coated (LWC). Magazine paper is used in magazines, catalogues and advertising materials. Norske Skog Parenco was reported in the operating segment for magazine paper from the fourth quarter of 2011, up to and including its divestment at the end of the third quarter of 2012.

INCOME STATEMENT	OCT-DEC 2012	JUL-SEP 2012	OCT-DEC 2011	YTD 2012	YTD 2011
Operating revenue	**1 311**	**1 580**	**1 966**	**6 254**	**6 291**
Distribution costs	-126	-142	-175	-558	-577
Cost of materials	-768	-965	-1 072	-3 802	-3 775
Change in inventories	-53	-23	-147	-51	-104
Employee benefit expenses	-189	-237	-267	-975	-976
Other operating expenses	-124	-128	-165	-539	-568
Gross operating earnings	**52**	**84**	**139**	**330**	**291**
Depreciation	-53	-50	-110	-212	-488
Restructuring expenses	23	0	-214	20	-217
Other gains and losses	50	8	27	84	115
Impairments	-578	-116	-35	-694	-1 345
Operating earnings	**-505**	**-74**	**-193**	**-471**	**-1 644**
Share of operating revenue from external parties (%)	98	97	97	96	95

OTHER ACTIVITIES

Activities in the group that do not fall into the operating segments newsprint or magazine paper are presented under other activities. This includes purchase and resale of energy to the group's mills, corporate functions, real estate activities, trading and sorting of recovered paper and purchase and resale of wood.

INCOME STATEMENT	OCT-DEC 2012	JUL-SEP 2012	OCT-DEC 2011	YTD 2012	YTD 2011
Operating revenue	**385**	**551**	**802**	**2 315**	**3 688**
Distribution costs	0	-22	-20	-67	-80
Cost of materials	-337	-461	-698	-1 988	-3 237
Change in inventories	0	-6	-1	-4	-1
Employee benefit expenses	-35	-46	-44	-187	-220
Other operating expenses	-34	-49	-54	-187	-245
Gross operating earnings	**-21**	**-34**	**-15**	**-118**	**-95**
Depreciation	-4	-5	-5	-18	-25
Restructuring expenses	-6	-9	12	-17	-11
Other gains and losses	-283	-38	-548	-1 052	-337
Impairments	0	-54	0	-54	0
Operating earnings	**-313**	**-140**	**-556**	**-1 259**	**-468**
Share of operating revenue from external parties (%)	11	24	28	24	30
OPERATING REVENUE					
Energy	139	139	301	726	1 497
Recovered paper	0	173	196	572	906
Real estate activities	0	0	0	1	5
Corporate functions	42	44	47	181	226
Miscellaneous	214	204	266	872	1 108
Eliminations	-9	-9	-8	-36	-53
Total	**385**	**551**	**802**	**2 315**	**3 688**
GROSS OPERATING EARNINGS					
Energy	0	0	0	0	3
Recovered paper	0	0	3	3	18
Real estate activities	0	3	-2	1	-15
Corporate functions	-20	-37	-6	-106	-80
Miscellaneous	-2	-1	-10	-16	-21
Eliminations	0	0	0	0	0
Total	**-21**	**-34**	**-15**	**-118**	**-95**

7. INTEREST-BEARING DEBT

NET INTEREST-BEARING DEBT

Norske Skog has recognised an amount in the balance sheet as a result of the termination of a large part of the fair value hedge portfolio in the first half of 2009. A hedge reserve (deferred income) amounting to NOK 196 million is included in interest-bearing debt at 31 December 2012. The corresponding figure as at 31 December 2011 was NOK 270 million.

The hedge reserve does not constitute any payment obligation for the group, but will be amortised in the income statement over the lifetime of the debt that has been hedged.

31 DEC 2012	REPORTED KEY FIGURES	KEY FIGURES ACCORDING TO LOAN AGREEMENT *)
Interest-bearing non-current liabilities	7 208	7 385
Interest-bearing current liabilities	203	207
- Hedge reserve	196	205
- Cash and cash equivalents	1 194	1 221
= Net interest-bearing debt	**6 021**	**6 166**
Adjusted net interest-bearing debt **)		6 248

*) Calculated using the average exchange rate per month for the last 12-month period.
**) Adjusted net interest-bearing debt according to definition in loan agreement.

LOAN COVENANTS

The loan covenants in the group's credit facility of EUR 140 million are partly linked to the debt ratio (Adjusted net interest-bearing debt / Adjusted EBITDA) and the interest coverage ratio (Adjusted EBITDA / Net interest expense).

In accordance with the agreement, all key figures are calculated at the average exchange rate per month for the last 12-month period.

The group's bond loans do not include financial covenants.

31 DEC 2012	REPORTED FIGURES	LOAN COVENANTS **)
EBITDA (last 12 months)	1 464	
Adjusted EBITDA *) (last 12 months)	1 395	
Net interest expense (last 12 months)	586	
Adjusted net interest-bearing debt / Adjusted EBITDA	4.48	< 4.75
Adjusted EBITDA / Net interest expense	2.38	> 2.25

*) Adjusted EBITDA consists of gross operating earnings for the group, excluding units that have been sold during the last 12 months.
**) The loan covenants presented in the table are as at 31 December 2012.

LOAN COVENANTS 2013	31 MAR 2013	30 JUN 2013	30 SEP 2013	31 DEC 2013
Adjusted net interest-bearing debt / Adjusted EBITDA	< 4.25	< 4.00	< 3.75	< 3.50
Adjusted EBITDA / Net interest expense	> 2.50	> 2.50	> 2.75	> 2.75

DEBT REPAYMENT SCHEDULE

CONTRACTUAL INSTALMENT PAYMENTS ON CURRENT AND NON-CURRENT INTEREST-BEARING DEBT	31 DEC 2012
2013 – first quarter	30
2013 – second quarter	24
2013 – third quarter	126
2013 – fourth quarter	24
2014	952
2015	949
2016	1 018
2017	2 893
2018	35
2019	35
2020	36
2021	25
2022 to 2033	1 160
Total	**7 307**

Total debt listed in the repayment schedule may differ from the carrying value in the balance sheet. This is due to premiums and discounts on issued bonds and hedge reserve.

BONDS

Bond financing constitutes the majority of Norske Skog's total debt financing. All bonds are issued by Norske Skogindustrier ASA and are unsecured. The table below shows Norske Skog's issued bonds at 31 December 2012.

MATURITY	CURRENCY	COUPON	ORIGINAL AMOUNT	OUTSTANDING AMOUNT 31 DEC 2012
October 2015	USD	6.125%	USD 200 mill	USD 158 mill
October 2033	USD	7.125%	USD 200 mill	USD 200 mill
June 2016	EUR	11.75%	EUR 150 mill	EUR 130 mill
June 2017	EUR	7.00%	EUR 500 mill	EUR 388 mill
June 2014	NOK (NSG 17)	15.5%	NOK 530 mill	NOK 508 mill
June 2014	NOK (NSG 18)	N3m + 11.5%	NOK 220 mill	NOK 195 mill
October 2014	NOK (NSG 15)	5.4%	NOK 300 mill	NOK 185 mill

8. ENERGY CONTRACTS, DERIVATIVES AND FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE

	ASSETS		LIABILITIES	
31 DEC 2012	CURRENT	NON-CURRENT	CURRENT	NON-CURRENT
Energy contracts and embedded derivatives in energy contracts	124	831	-36	-90
Other raw material contracts	0	0	-2	-22
Other derivatives and financial instruments carried at fair value	93	0	-29	-53
Total	**217**	**831**	**-67**	**-165**

Norske Skog's portfolio of commodity contracts consists primarily of physical energy contracts. The fair value of commodity contracts is therefore particularly sensitive to future fluctuations in energy prices. The fair value of embedded derivatives in physical contracts depends on currency and price index fluctuations.

Lower energy prices have a negative impact on fair value. Energy prices in both the Nordic region and New Zealand have declined in both the short and long end of the price curve compared with the previous quarter.

A decrease in estimates of consumer price indices has a positive impact on fair value. Consumer price indices, which affect the fair value, shows only small changes compared with the previous quarter.

Changes in the value of energy-/commodity contracts and embedded derivatives in contracts are presented in the income statement line Other gains and losses. Realised effects from sales of energy contracts are also included in this accounting line. NOK 233 million was expensed in the fourth quarter of 2012, relating to negative changes in the value of energy contracts.

9. RESTRUCTURING EXPENSES

Total income recognised in relation to restructuring activities in the fourth quarter is NOK 14 million. Provisions expensed in 2011 at Norske Skog Walsum (NOK 21 million) and Norske Skog Bruck (NOK 3 million) have been released, as a result of more employees working during the notice period than anticipated. Additional restructuring expenses of NOK 10 million have been recognised in the fourth quarter. These consist primarily of NOK 5 million relating to severance payments as a result of the on-going restructuring at head office, and NOK 4 million at Norske Skog Skogn relating to a planned downsizing in 2013.

Restructuring expenses of NOK 122 million in the third quarter consisted mainly of provisions for severance payments of NOK 105 million as a result of the decision to permanently close 160 000 tonnes of newsprint capacity at Norske Skog Tasman in New Zealand. A provision of NOK 9 million was recognised at head office in relation to severance payments and other costs as a result of changes in corporate management. A provision of NOK 7 million was also recognised in relation to redundancies at Norske Skog Golbey in France.

Restructuring expenses in the second quarter of 2012 consisted of income of NOK 2 million following a review of the previous provision for severance payments at Norske Skog Parenco in the Netherlands, and a provision for severance payments of NOK 1 million at head office.

Restructuring expenses of NOK 11 million in the first quarter of 2012 were mainly related to provisions for severance payment and other costs as a result of the decision to close Norske Skog's shared service centre located in Antwerp in Belgium.

10. RECLASSIFICATION IN THE BALANCE SHEET

In the first quarter of 2012, a review of the classification of balance sheet items was performed. This resulted in the reclassification of restructuring liabilities in the balance sheet from Trade and other payables to Other current liabilities. The modified classification is applied retrospectively, and comparative figures in the balance sheet have been restated. The change has had an impact of NOK 140 million at 31 December 2012 (NOK 172 million at 30 September 2012 and NOK 363 million at 31 December 2011).

11. THE NORSKE SKOG SHARE

	31 DEC 2012	30 SEP 2012	30 JUN 2012	31 MAR 2012	31 DEC 2011
Share price (NOK)	3.96	5.19	4.09	5.70	4.52
Book value of equity per share (NOK)	22.68	33.97	37.08	36.96	39.08

12. PRINCIPAL SHAREHOLDERS

PRINCIPAL SHAREHOLDERS AT 31 DECEMBER 2012	NUMBER OF SHARES	OWNERSHIP %
Nobelsystem Scandinavia AS	7 500 000	3.95
AT Skog	6 671 000	3.51
SKAGEN Fondene	6 275 100	3.30
Dimensional Fund Advisors	5 587 204	2.94
Allskog BA	5 261 414	2.77
Astrup Fearnley AS	5 189 688	2.73
Acadian Asset Management	4 915 349	2.59
Nordnet Bank AB	4 540 608	2.39
Saba Capital Management	4 529 774	2.38
Folketrygdfondet	3 938 041	2.07
Uthalden AS	3 820 000	2.01
Swedbank Norge Market Making	3 000 000	1.58
Fiducia AS	2 986 644	1.57
Nordea Bank PLC Finland	2 702 700	1.42
Havlide AS	2 296 466	1.21
AS Herdebred	2 112 005	1.11
Torstein I. Tvenge	2 000 000	1.05
Mjøsen Skog BA	1 970 560	1.04
Danske Bank	1 893 775	1.00
Shareholders with < 1% ownership	112 755 298	59.36
Total	**189 945 626**	**100.00**

The data is provided by RD:IR and VPS, through the Nominee ID service. The data is obtained through the analysis of beneficial ownership and fund manager information provided in replies to disclosure of ownership notices issued to all custodians on the Norske Skogindustrier ASA share register. Whilst every reasonable effort is made to verify all data, neither RD:IR nor VPS can guarantee the accuracy of the analysis.

13. EVENTS AFTER THE BALANCE SHEET DATE

In January 2013, Norske Skog signed a lease contract for its new head office. The head office will be located centrally at Skøyen in Fram Eiendom's new building in 49 Karenslyst Allé in Oslo. The move will take place in early June 2013. Norske Skog has had its head office at Oxenøen in the municipality of Bærum since 1998. Norske Skog and the landlord of the head office at Oxenøen have agreed to terminate the current lease contract during June 2013.

There have been no other events after the balance sheet date with significant impact on the interim financial statements for the fourth quarter of 2012.

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