



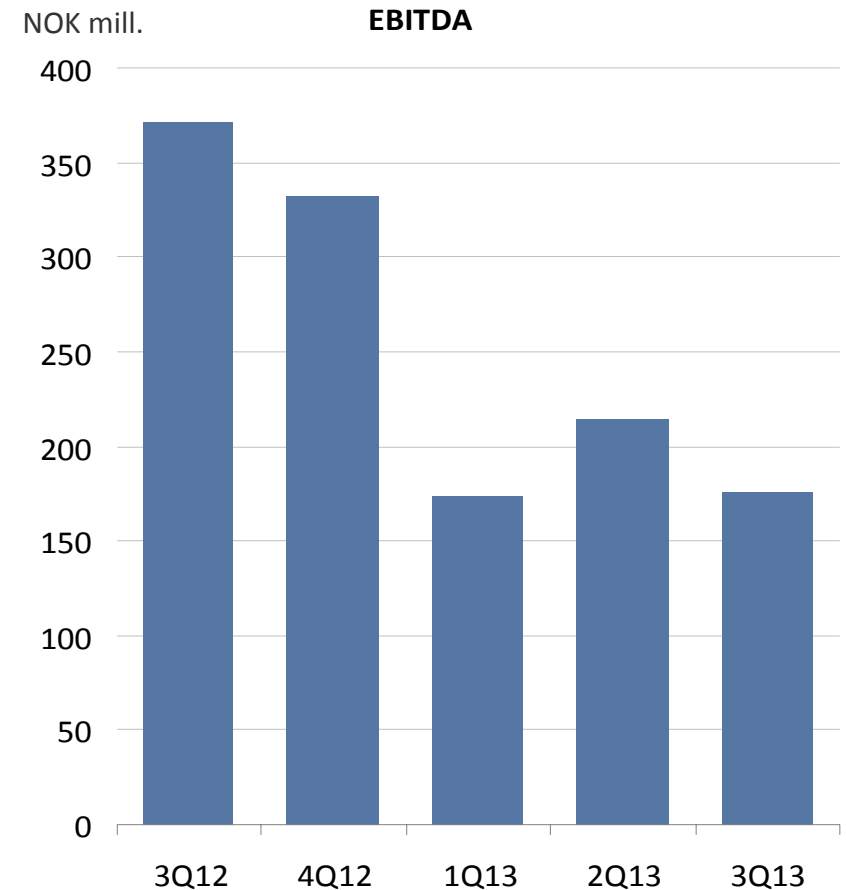
3Q13 presentation

24 October 2013



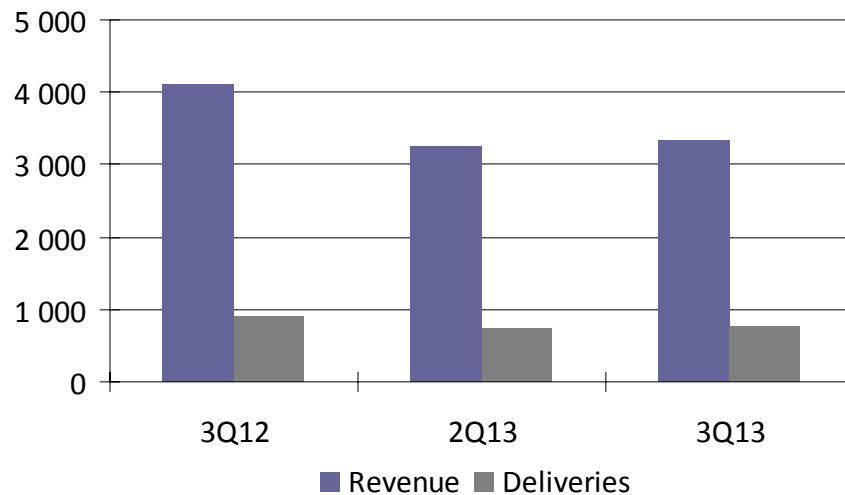
3Q13 in brief

- EBITDA NOK 176 mill. (NOK 214 mill. 2Q13)
- Cash flow from operations NOK 17 mill.
 - Before net financial items
- Net debt increased to NOK 6 918 mill.
 - Negative net cash flow and NOK depreciation
 - Increase in the quarter NOK 277 mill.

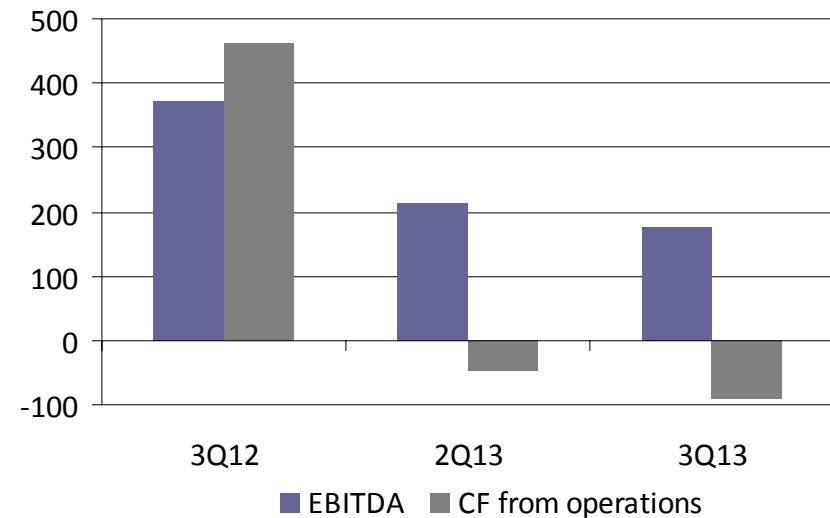


Stable volumes with market preparations AA

NOK mill. and 1 000 tonnes



NOK mill.



Key developments in the quarter

Market

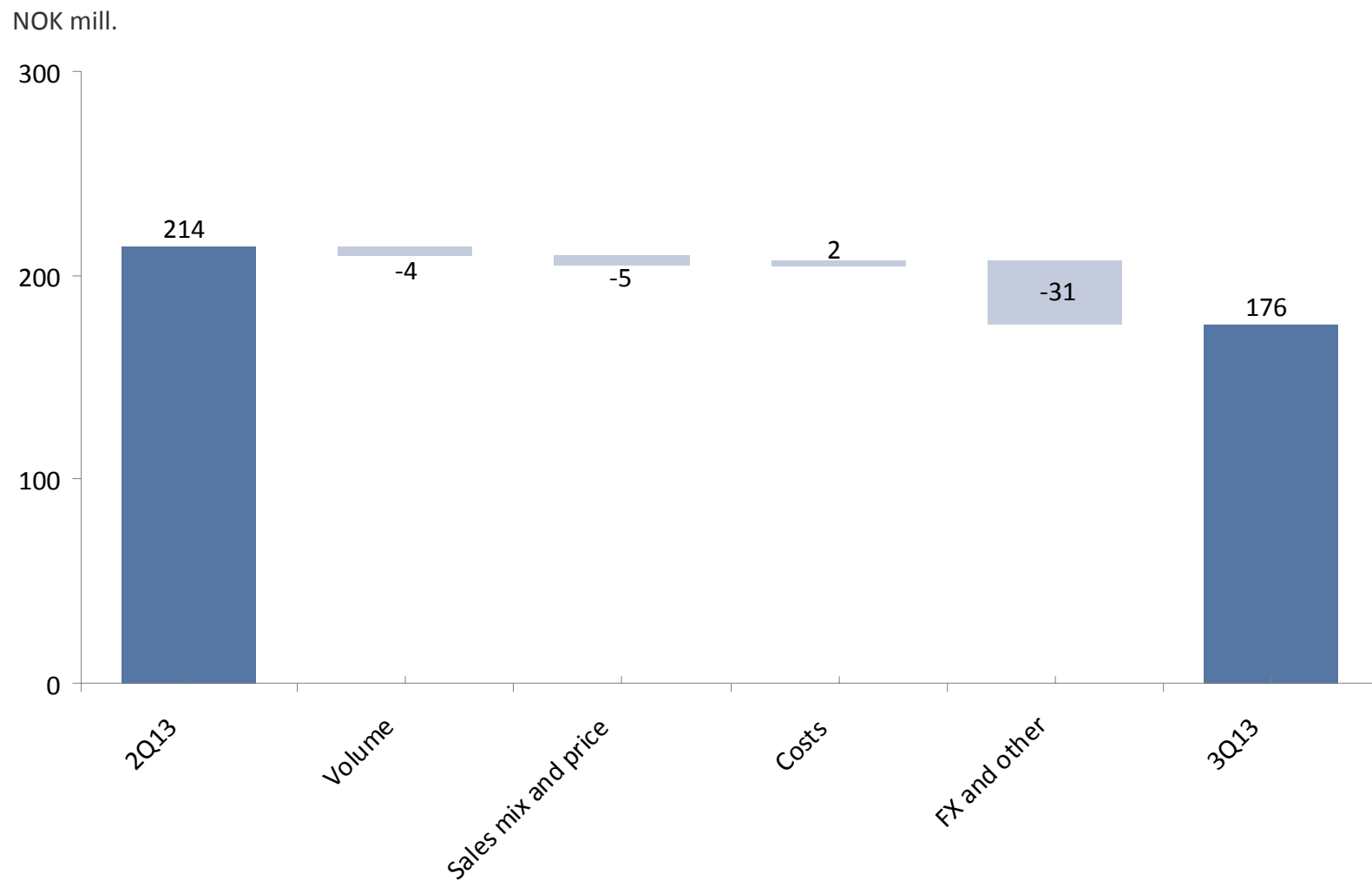
- European publication paper prices increased into 2H13
 - Newsprint and super calendared (SC) magazine paper
- Relatively stable input factor costs
- Continued weak demand for coated magazine paper
 - No price increase for light weight coated (LWC) magazine paper

Norske Skog

- Singburi in Thailand divested for USD 33 mill. after close of quarter
 - Proceeds to be received during 4Q13
- Active capacity management
 - Temporary curtailment at Walsum announced after close of quarter
 - 225 thousand tonnes of annual LWC capacity to be removed from mid-December

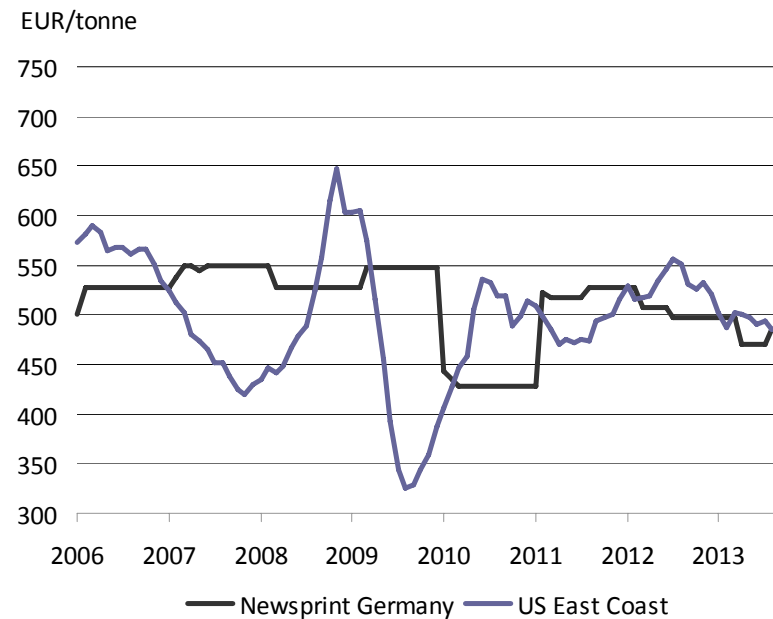
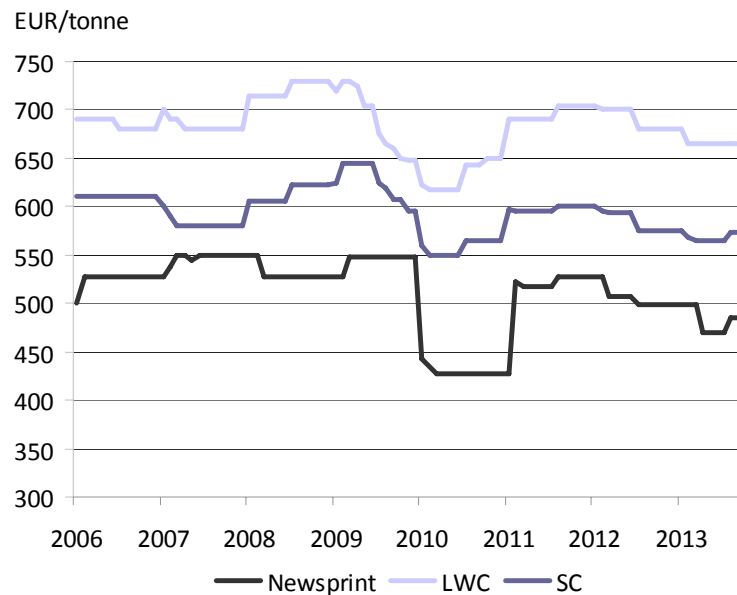


EBITDA change from 2Q13 to 3Q13



European publication paper prices increase

- European reference prices into 3Q13
 - Newsprint and SC increases
 - LWC flat
- US newsprint price flat in USD
 - Equal to European level in EUR
 - USD depreciation to EUR

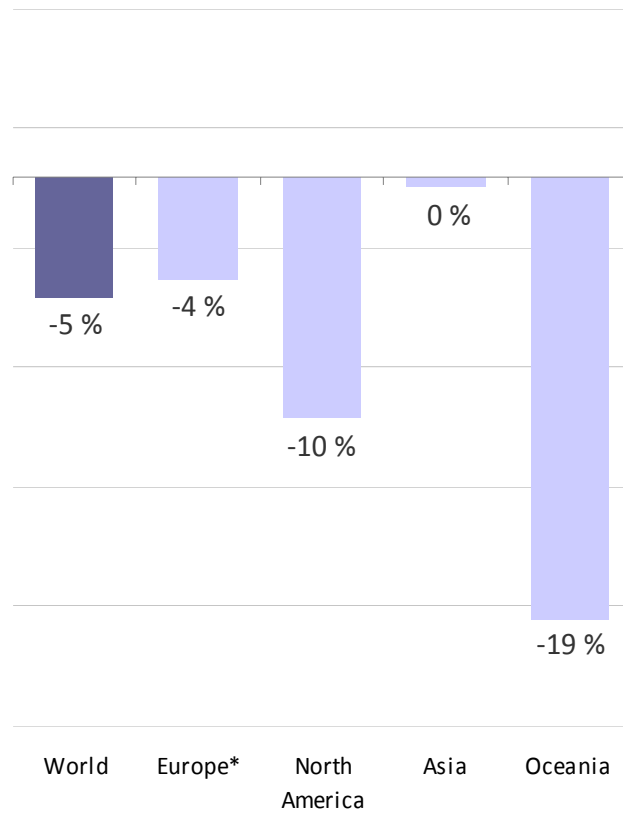


RISI. German and US East Coast prices

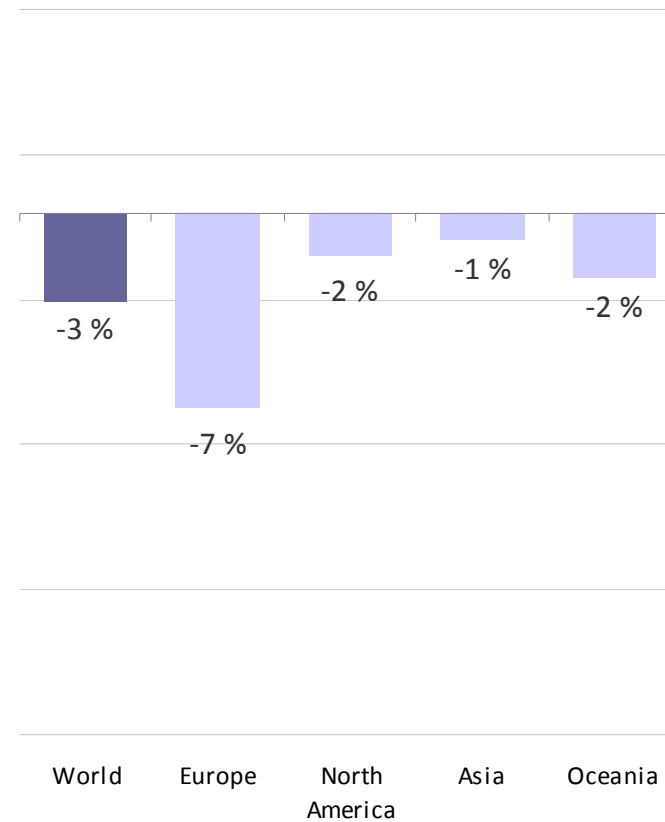


Weak demand

Newsprint



Magazine



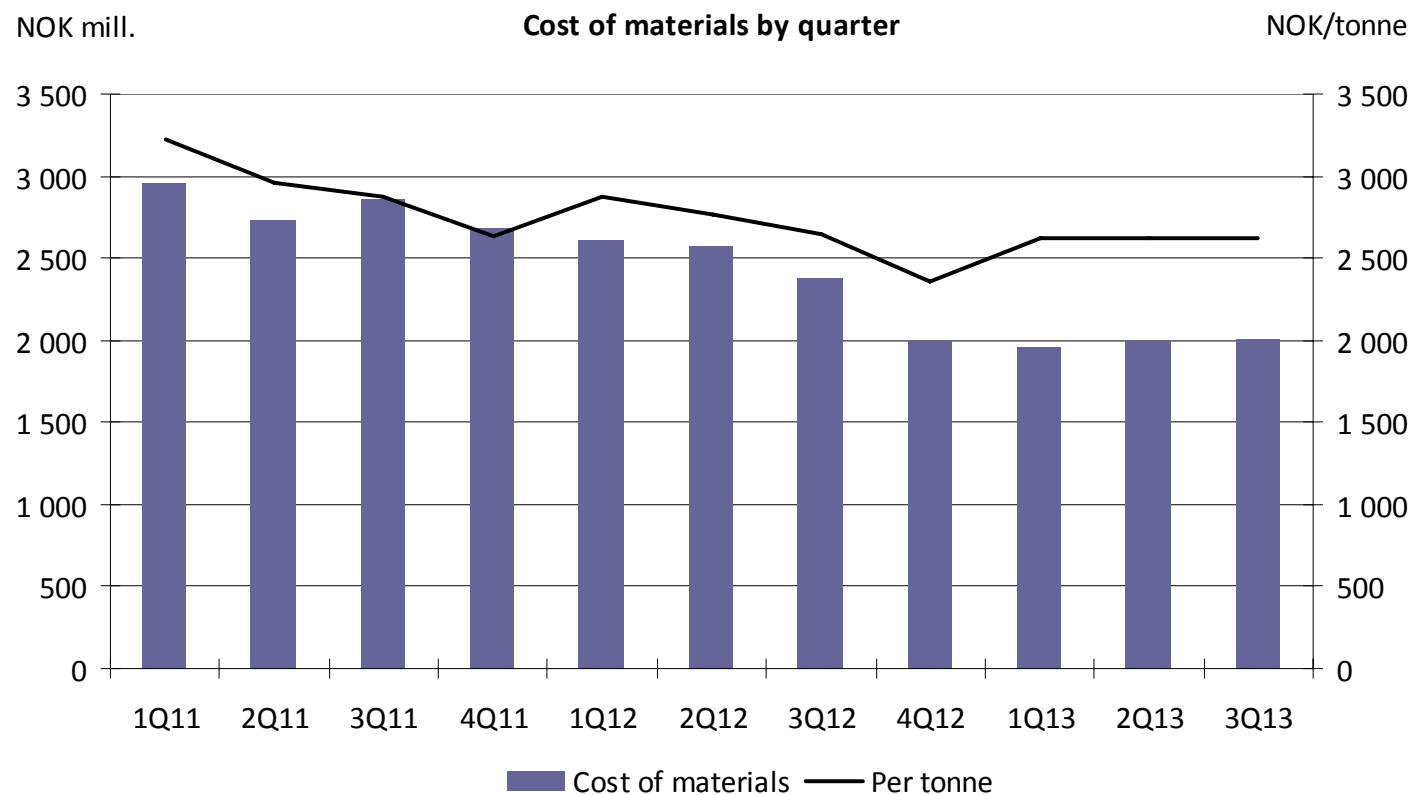
PPPC / Eurograph. YTD August 2013

*Including Imprevo



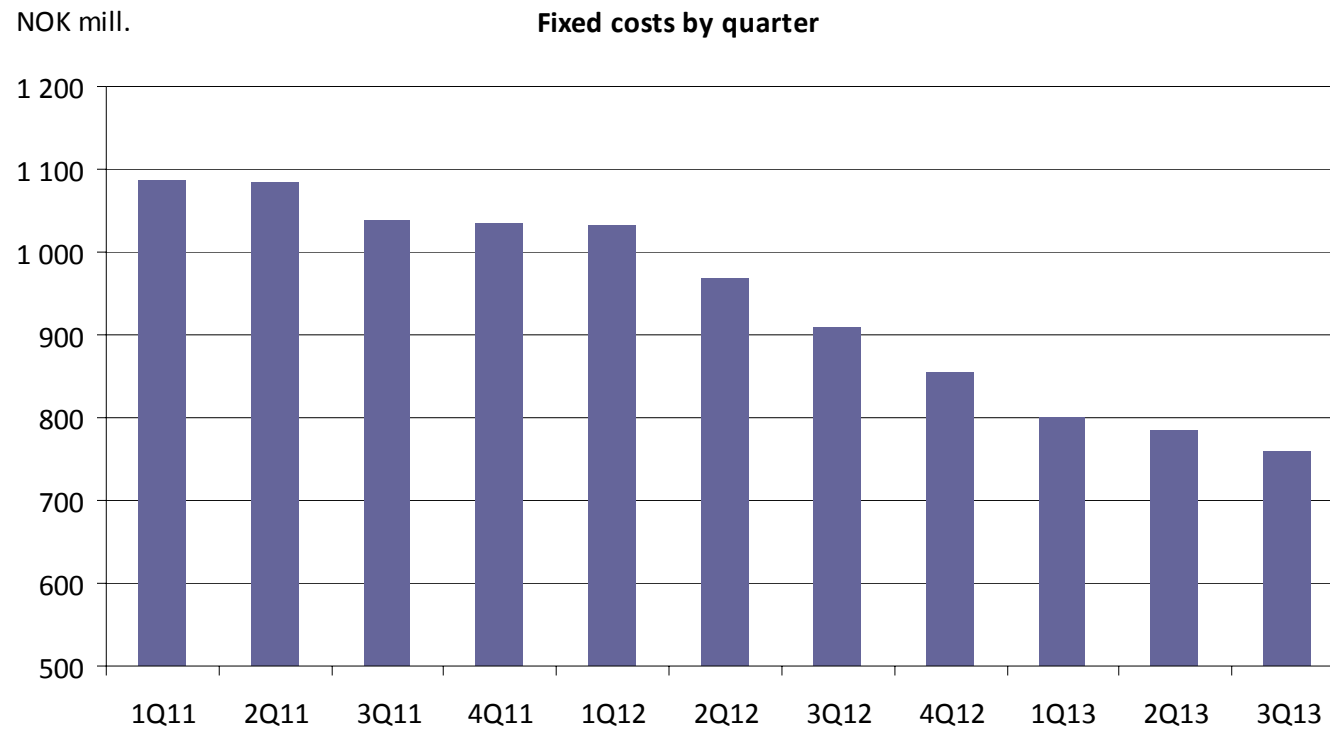
Cost of materials flat

- Cost of materials have declined
 - Reduced capacity and hence production
 - Relatively stable input factor costs and productivity enhancements



Fixed costs reduced

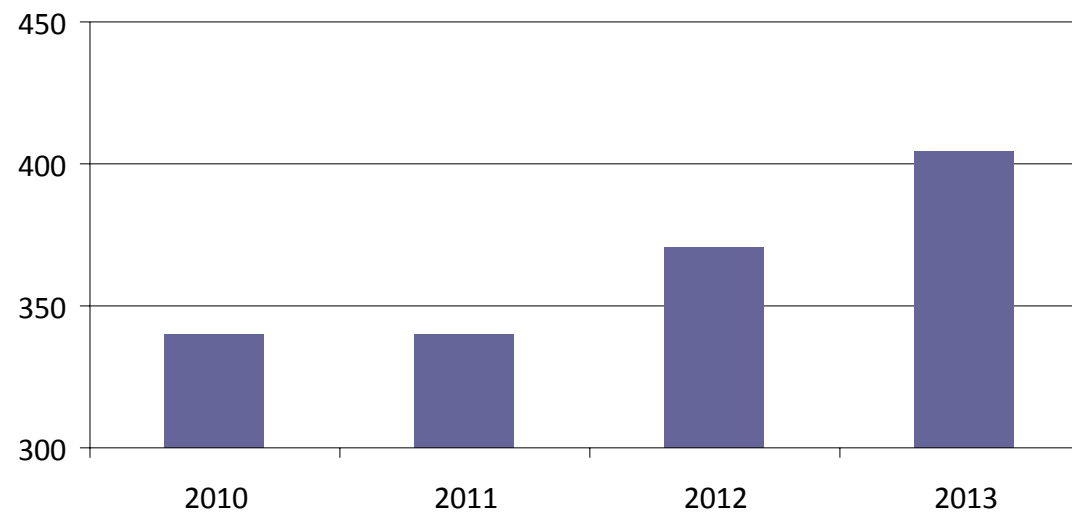
- Fixed costs continue lower
 - Ongoing cost reduction programs and reduced capacity
 - Singburi to be deconsolidated during 4Q13



Economies of scale improving

- Portfolio optimization
 - Smaller business units divested and closed

Average mill size (1 000 tonnes)



3Q13 financials



Key messages 3Q13

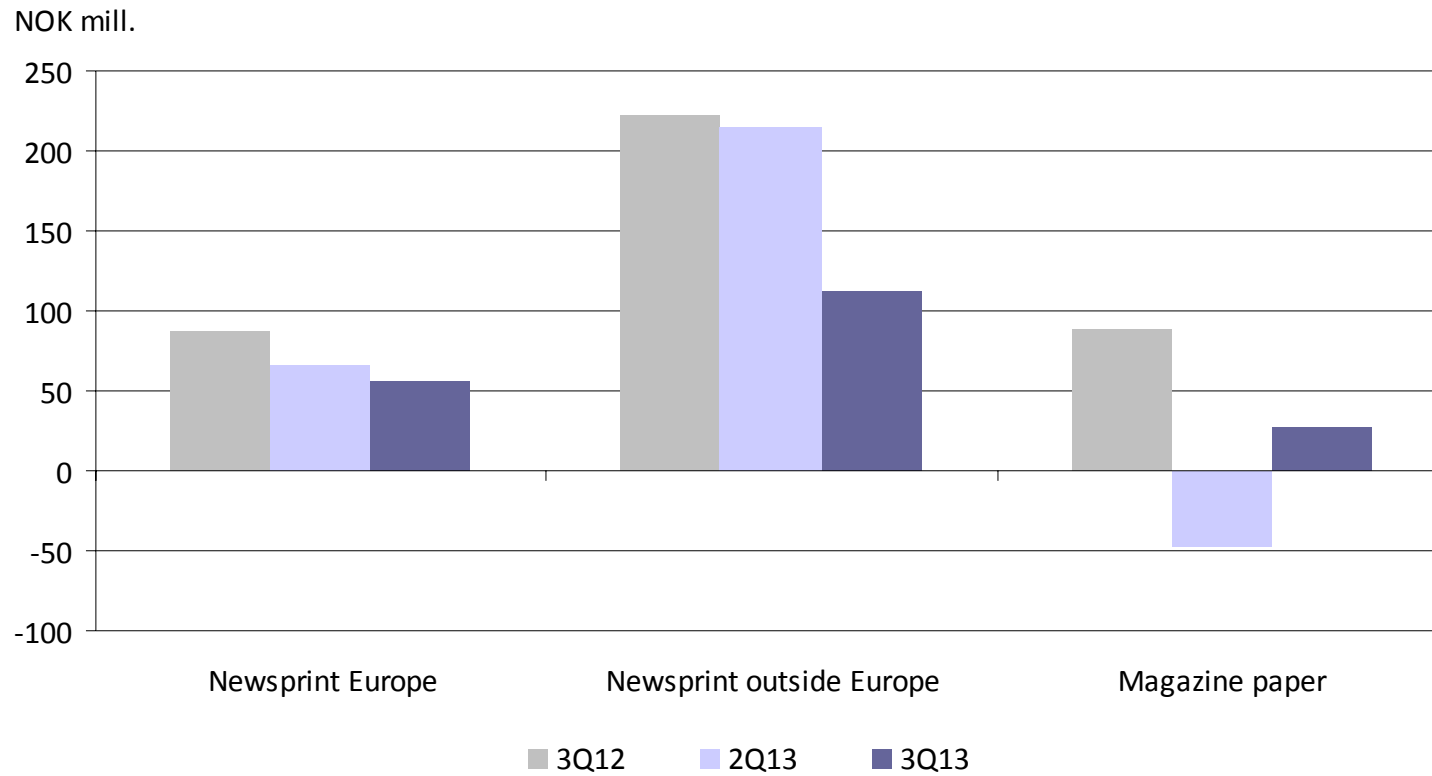
- Reported EBITDA decreased
 - Deconsolidation of Pisa
 - Weak market Australasia
 - Second quarter included net positive one-offs
- Negative net cash flow
 - EBITDA level, increased WC and cash interest payments
 - Relatively high capex with two ongoing development projects
- Net debt higher
 - Negative net cash flow and NOK depreciation



Summary P&L

Key figures (NOK mill.)	3Q12	2Q13	3Q13
Operating revenue	4 115	3 267	3 353
Variable costs	2 841	2 268	2 417
Fixed costs	903	784	758
EBITDA	371	214	176
<i>EBITDA margin %</i>	<i>9.0</i>	<i>6.6</i>	<i>5.2</i>
Depreciation	231	198	136
Other gains and losses	-590	-662	-44
EBIT	-450	-647	-4
Financials, taxes and other	18	-212	-142
Profit/loss for the period	-433	-859	-147

EBITDA by business area

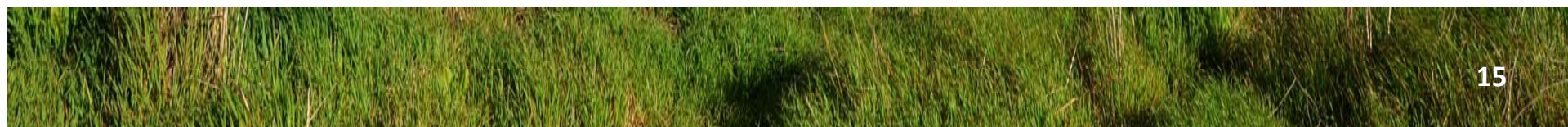


Newsprint Europe

Capacity	Tonnes
Skogn, Norway	550 000
Golbey, France	630 000
Bruck, Austria	125 000
Total	1 305 000

- EBITDA declined
 - Price increases offset by lower sales volumes
 - Costs slightly higher with recovered paper prices

Key figures (NOK mill.)	3Q12	4Q12	1Q13	2Q13	3Q13
Operating revenue	1 072	1 136	979	1 076	1 067
EBITDA	87	65	49	66	56
EBITDA margin (%)	8.1	5.7	5.0	6.1	5.3
Deliveries ('000 tonnes)	290	310	277	300	285
Operating rate (%)	90	91	89	92	87



Newsprint outside Europe

Capacity	Tonnes
Albury, Australia	280 000
Boyer, Australia	270 000
Tasman, New Zealand	155 000
Singburi, Thailand	125 000
Total	830 000

- EBITDA declined
 - Deconsolidated contribution from Pisa
 - Positive one-off items in Australia not included in EBITDA
 - Cost were lower
 - Deconsolidation of Pisa

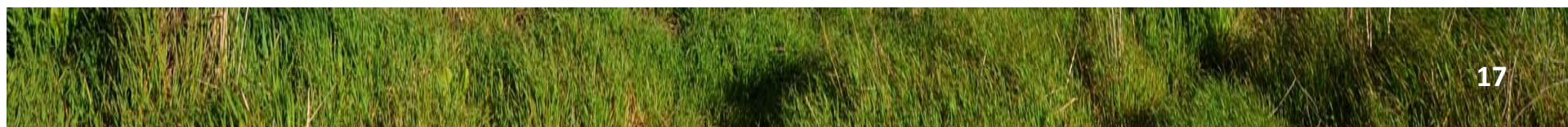
Key figures (NOK mill.)	3Q12	4Q12	1Q13	2Q13	3Q13
Operating revenue	1 317	1 187	1 026	1 077	868
EBITDA	223	242	129	215	113
EBITDA margin (%)	16.9	20.4	12.6	19.9	13.1
Deliveries ('000 tonnes)	272	255	221	226	187
Operating rate (%)	92	84	86	92	91

Magazine

Capacity	Tonnes
Saugbrugs, Norway	530 000
Walsum, Germany	425 000
Bruck, Austria	270 000
Total	1 225 000

- EBITDA turned positive again
 - Price increases SC offsetting weak LWC market
 - Costs lower with fibre prices

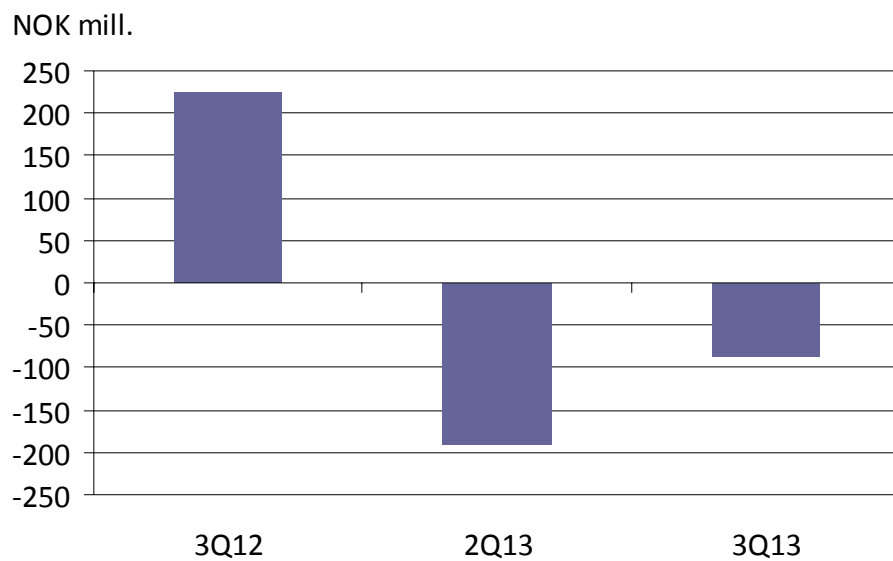
Key figures (NOK mill.)	3Q12	4Q12	1Q13	2Q13	3Q13
Operating revenue	1 580	1 311	1 152	1 098	1 388
EBITDA	89	57	17	-47	27
EBITDA margin (%)	5.6	4.3	1.5	-4.3	2.0
Deliveries ('000 tonnes)	338	283	252	234	291
Operating rate (%)	89	86	87	78	92



Summary Cash flow

Key figures (NOK mill.)	3Q12	2Q13	3Q13
EBITDA	371	214	176
Change operating working capital	117	258	-119
Net financial items	-87	-346	-108
Other	62	-175	-41
Cash flow from operations	463	-48	-91
Cash flow from investments	-86	113	-85
Net cash flow after investments	377	65	-176

Currency gains/losses



Average rates	2Q13	3Q13	Change
EUR	7.62	7.93	4.07%
USD	5.83	5.98	2.57%
AUD	5.77	5.48	-5.03%
NZD	4.78	4.77	-0.21%
GBP	8.95	9.28	3.69%
BRL	2.82	2.62	-7.09%

Closing rates	2Q13	3Q13	Change
EUR	7.88	8.11	2.92%
USD	6.03	6.01	-0.33%
AUD	5.56	5.60	0.72%
NZD	4.70	4.98	5.96%
GBP	9.20	9.70	5.43%
BRL	2.73	2.67	-2.20%

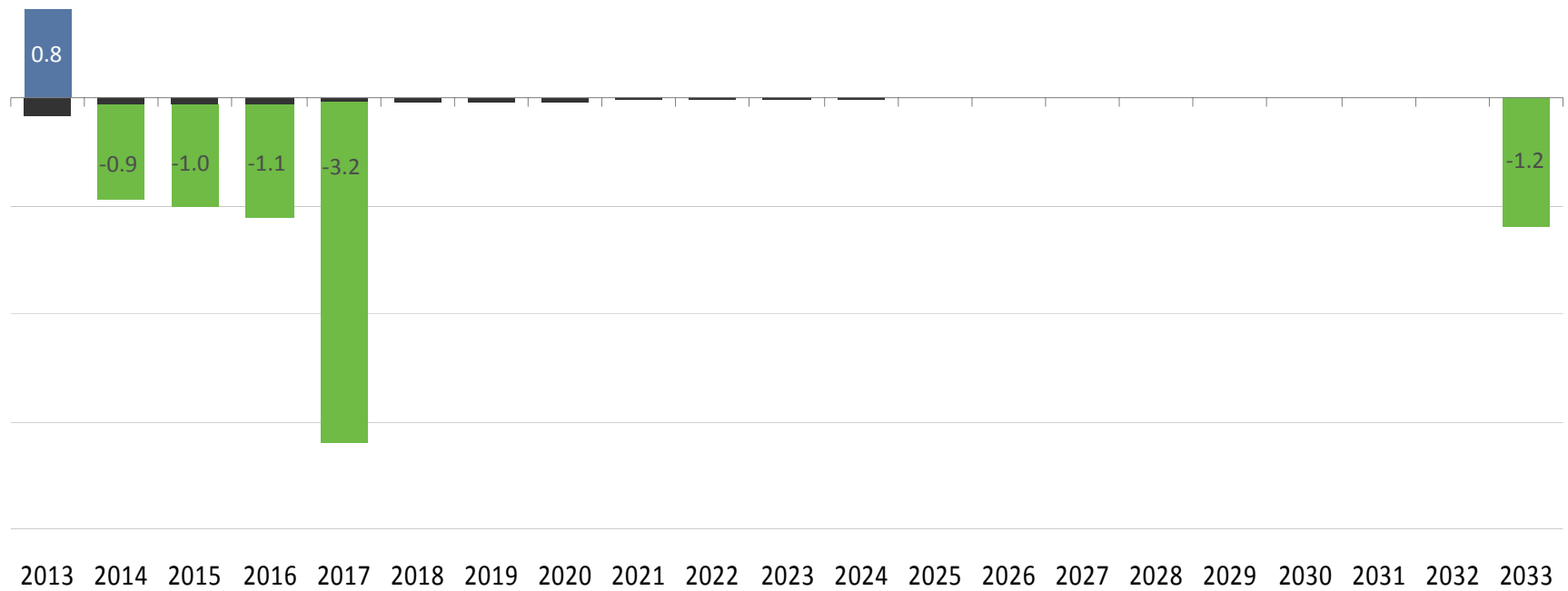
Summary Balance sheet

Key figures (NOK mill.)	3Q12	2Q13	3Q13
Non-current assets	11 393	10 655	10 999
Cash and cash equivalents	1 194	1 575	820
Other current assets	3 456	3 148	3 334
Total assets	16 043	15 378	15 153
Equity	4 151	2 801	2 712
Non-current liabilities	9 092	8 659	8 972
Current liabilities	2 801	3 918	3 469
Net interest bearing debt	6 482	6 641	6 918

Maturity profile

NOK bn.

■ Cash ■ Bank ■ Bonds



30 September 2013





Outlook and focus

Outlook

- Stable prices from 3Q13 into 4Q13
- High industry operating rates into 2014
- Variable costs anticipated to be little changed
- Fixed costs to decline somewhat with ongoing cost reduction programs
- Current currency level favourable
- The divestment of Norske Skog Singburi will reduce reported volumes, revenue and costs



Focus

- Margin improvements
 - Active capacity management (Walsum, LWC)
 - Further price increases and continued cost reductions
 - Contribution from project completions
 - Saugbrugs, energy efficiency
 - Boyer, conversion
- Cash conversion and net debt reduction
 - Capex management
 - WC improvements
 - Liquidity initiatives
- New government positive for improvements in the Norwegian regulatory framework

