



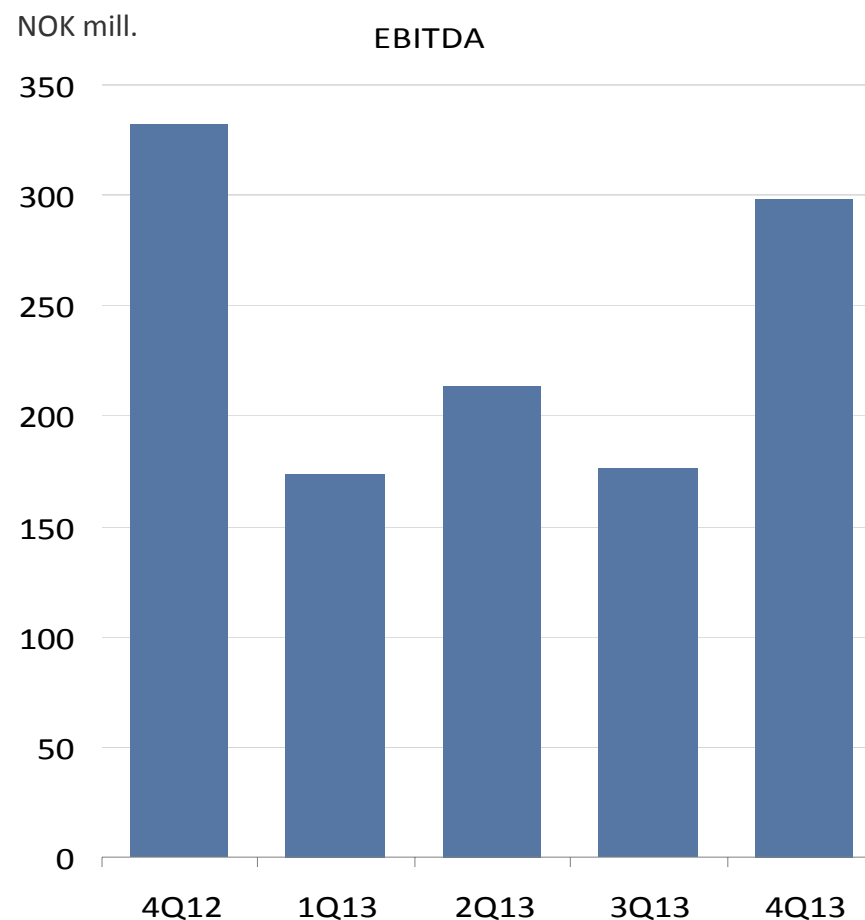
4Q13 presentation

05 February 2014



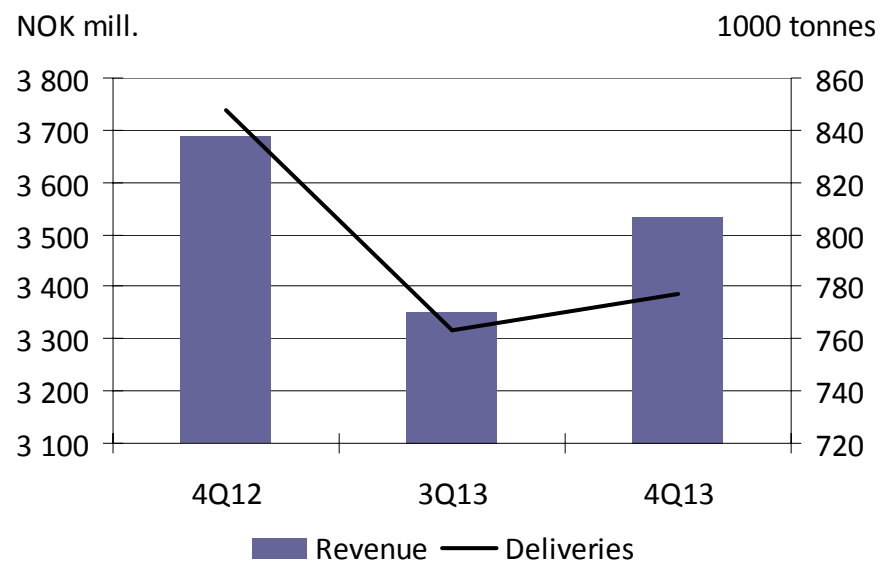
4Q13 in brief

- EBITDA NOK 298 mill. (NOK 176 mill. 3Q13)
- Cash flow from operations NOK 497 mill.
 - Before net financial items
- Net debt decreased to NOK 6 817 mill.
 - Net cash flows offsetting negative currency effect from NOK depreciation
 - Decrease in the quarter NOK 101 mill.

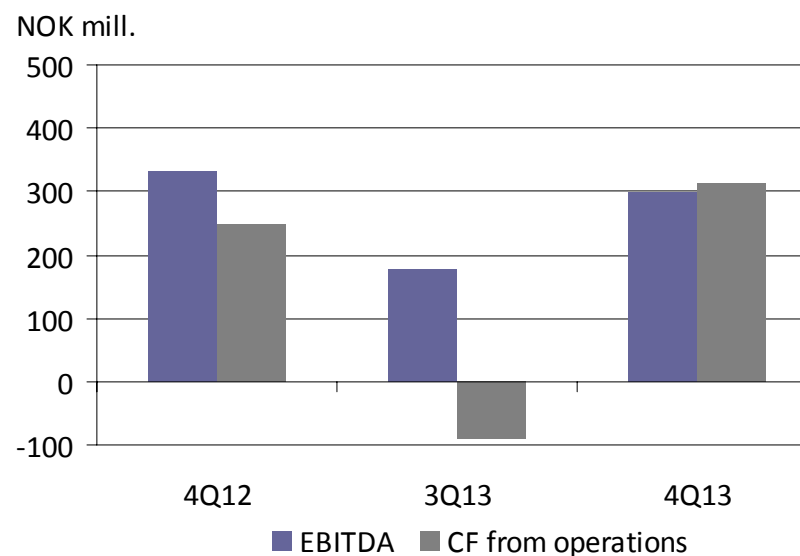


Increased revenues and high cash conversion

- Deliveries and NOK depreciation



- Revenue, costs and WC release



Key developments in the quarter

Market

- Stable paper prices in Europe in 2H13
 - Tighter market for newsprint and super calendared (SC) magazine paper
 - Continued overcapacity for light weight coated (LWC) magazine paper
- Slight increase in input factor costs

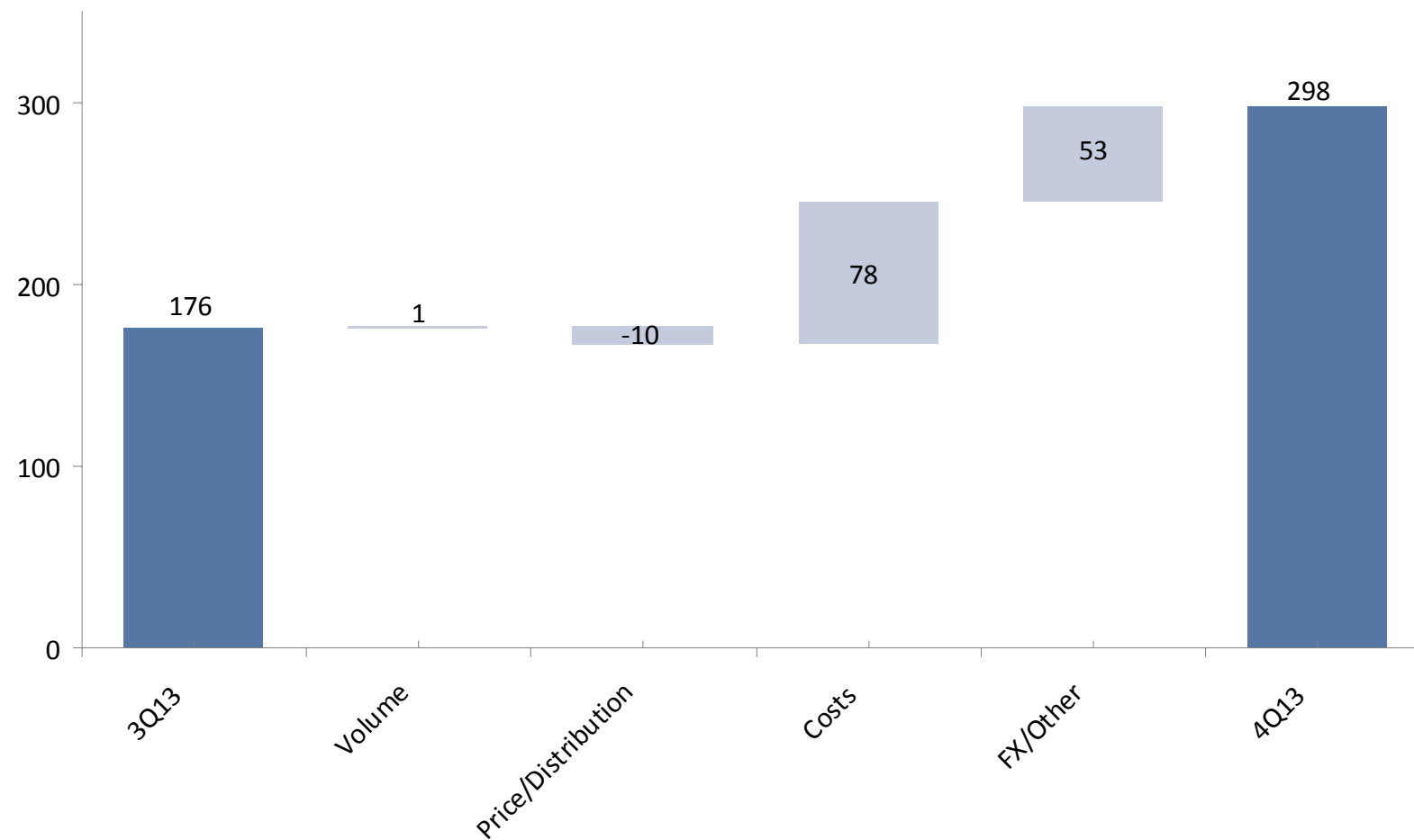
Norske Skog

- Singburi in Thailand divested
- One machine permanently closed at Walsum in Germany
- New NOK 250 mill. securitization facility entered into with Sparebank 1 Gruppen
 - Undrawn at end of quarter
- New long-term sales contracts concluded in Australasia
 - Increased visibility until 2020



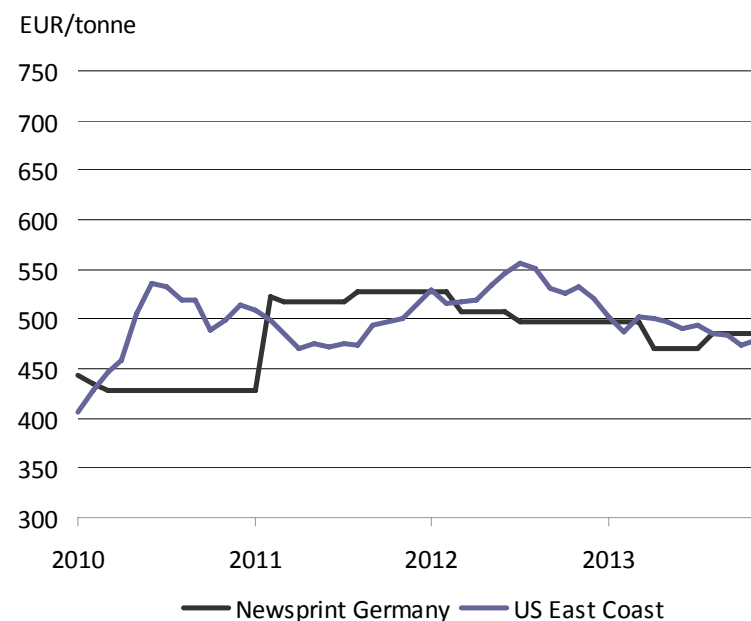
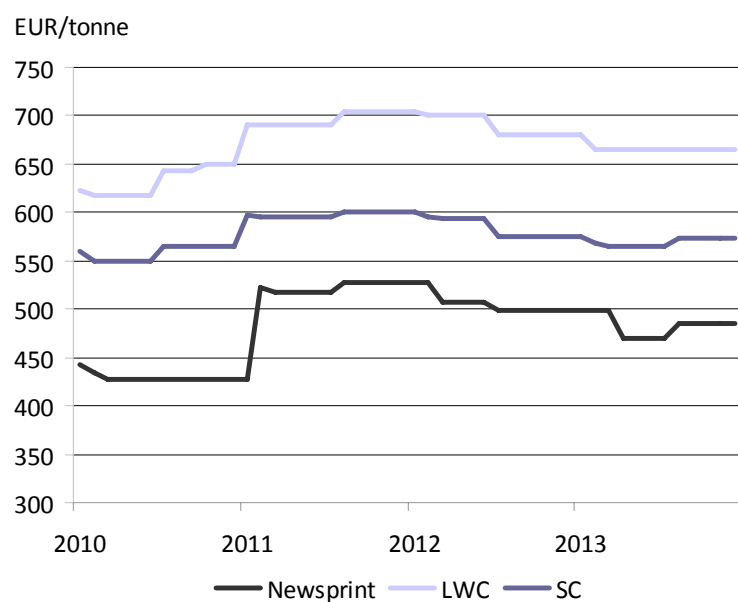
EBITDA change from 3Q13 to 4Q13

NOK mill.



European paper prices stable through 2H13

- Price direction into 2014
 - Newsprint and SC increases
 - LWC flat
- US newsprint price flat in USD
 - Below European level in EUR
 - USD depreciation to EUR

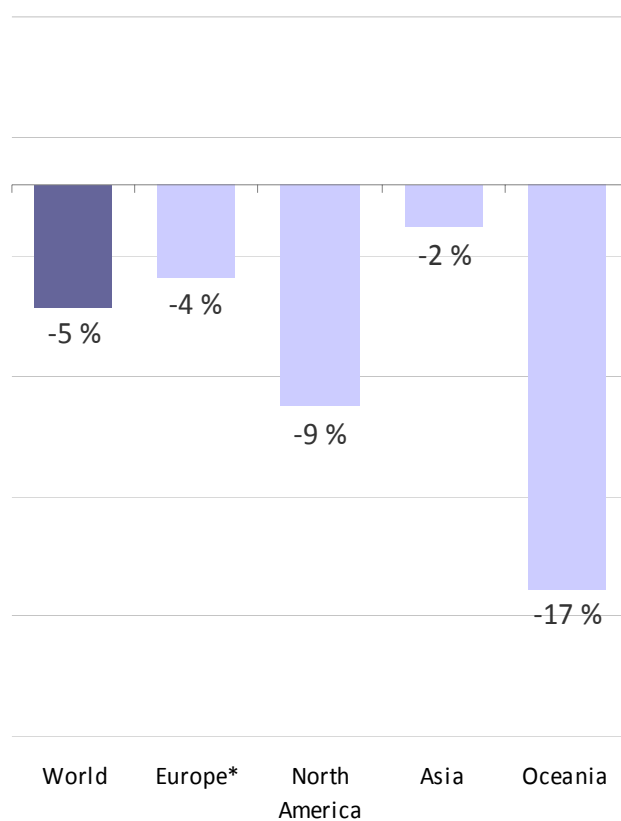


RISI. German and US East Coast prices

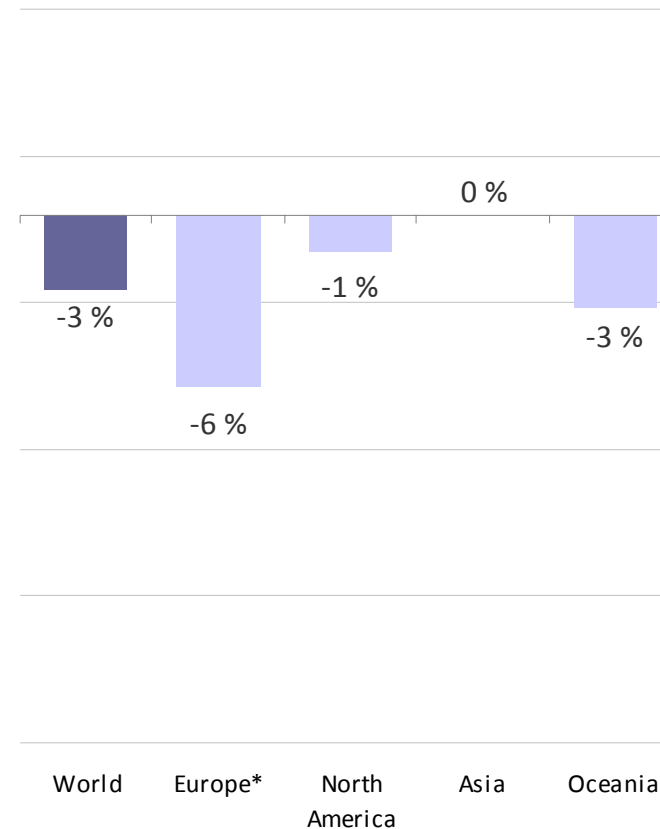


Demand manageable

Newsprint



Magazine



PPPC YTD November 2013

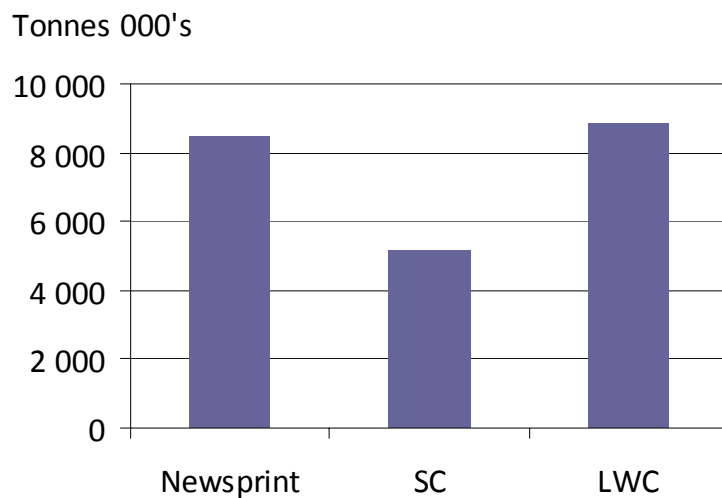
* Eurograph YTD December 2013. Newsprint including improved



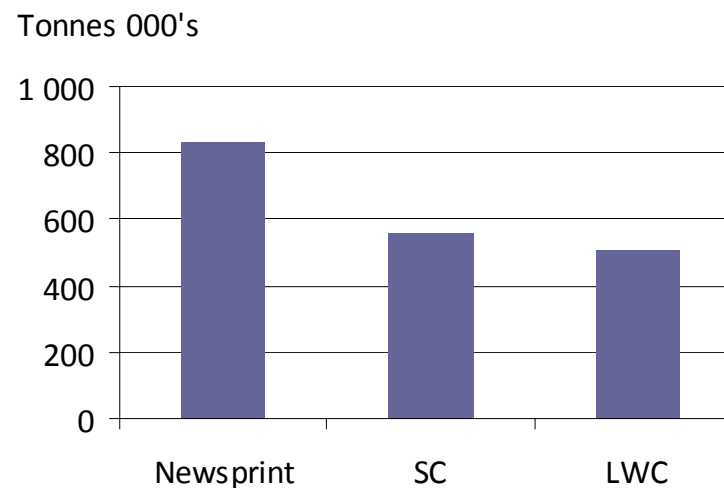
Lower capacity in Europe

- Tighter market balance for newsprint and SC magazine paper
- 0.5 mill. tonnes of LWC capacity already announced closed in 2014

Installed capacity 2012



Capacity closures 2013

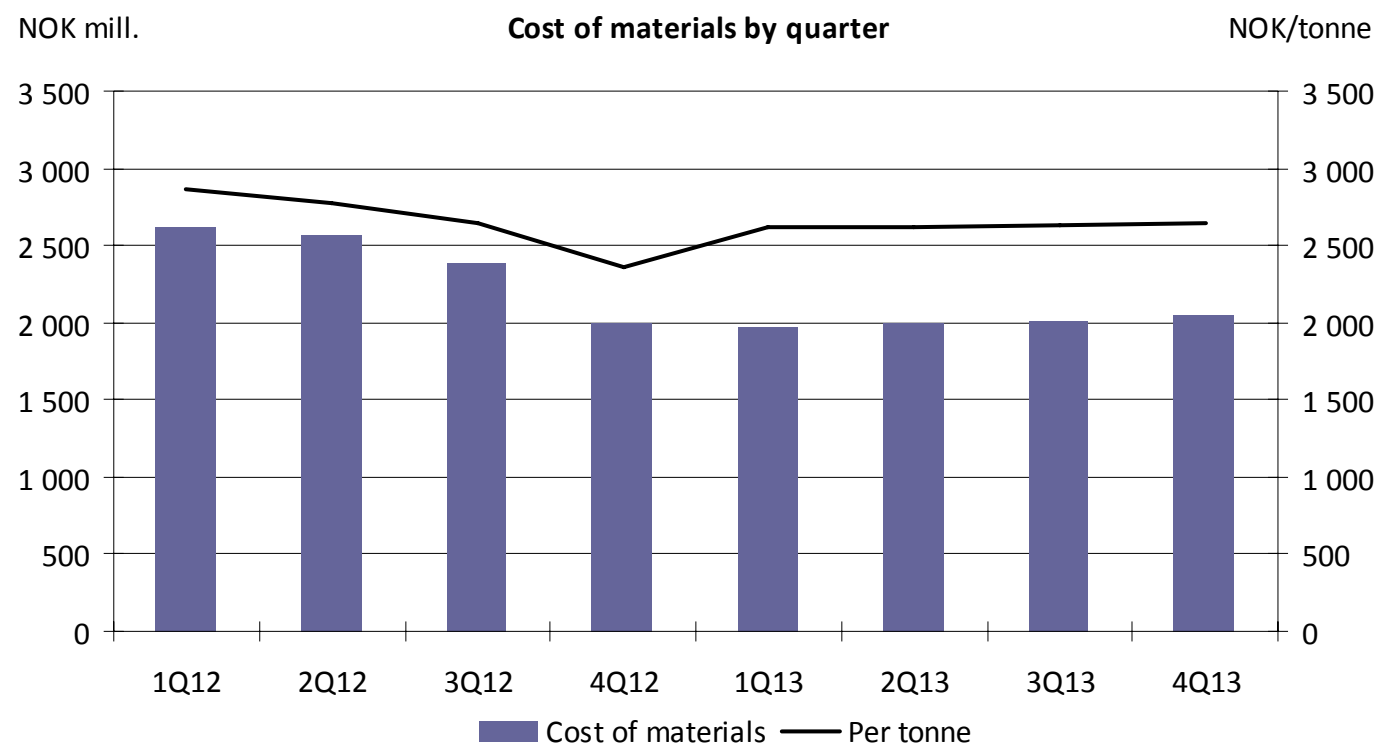


PPPC



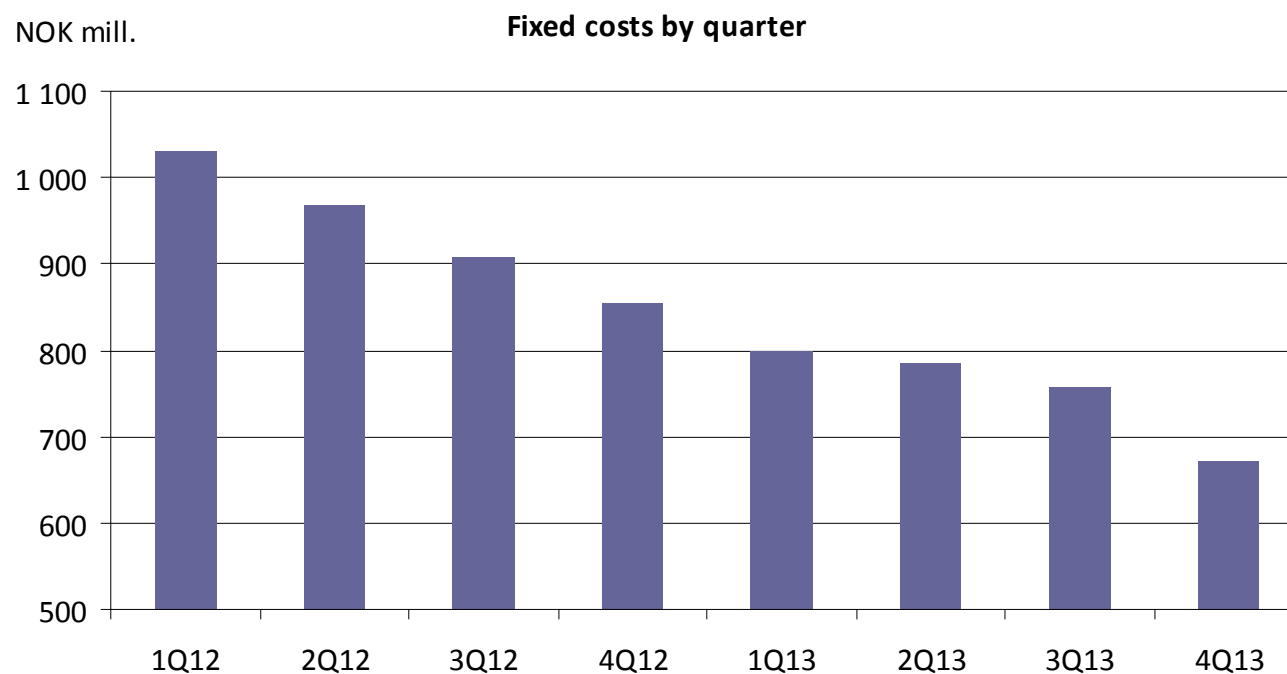
Cost of materials stable

- Overall lower with reduced capacity - flat per tonne
 - Relatively stable input factor costs
 - Productivity enhancements



Fixed costs reduced

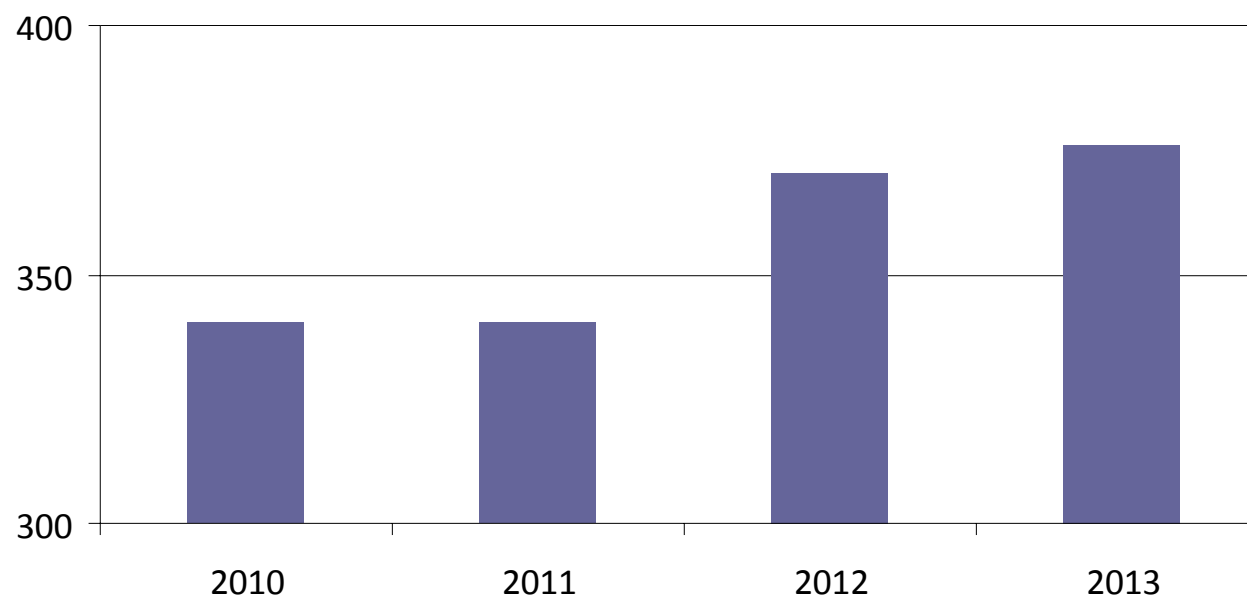
- Continued reduction of fixed costs
 - Deconsolidation of Singburi during the quarter
 - Ongoing cost reduction programmes
 - Reduction in provision for environmental obligations



Economies of scale improving

- Portfolio optimization
 - Smaller business units divested and closed

Average mill size (1 000 tonnes)





4Q13 financials



Key messages 4Q13

- EBITDA increased
 - Higher sales volumes
 - Positive currency effects from NOK depreciation
 - Lower costs
 - Ongoing cost reduction programmes
 - Reduction in provision for environmental obligations in Australasia
- Strong cash flow from operations
 - Improved EBITDA and release of WC
- Net debt reduced
 - Reduction mitigated by negative currency effect from NOK depreciation

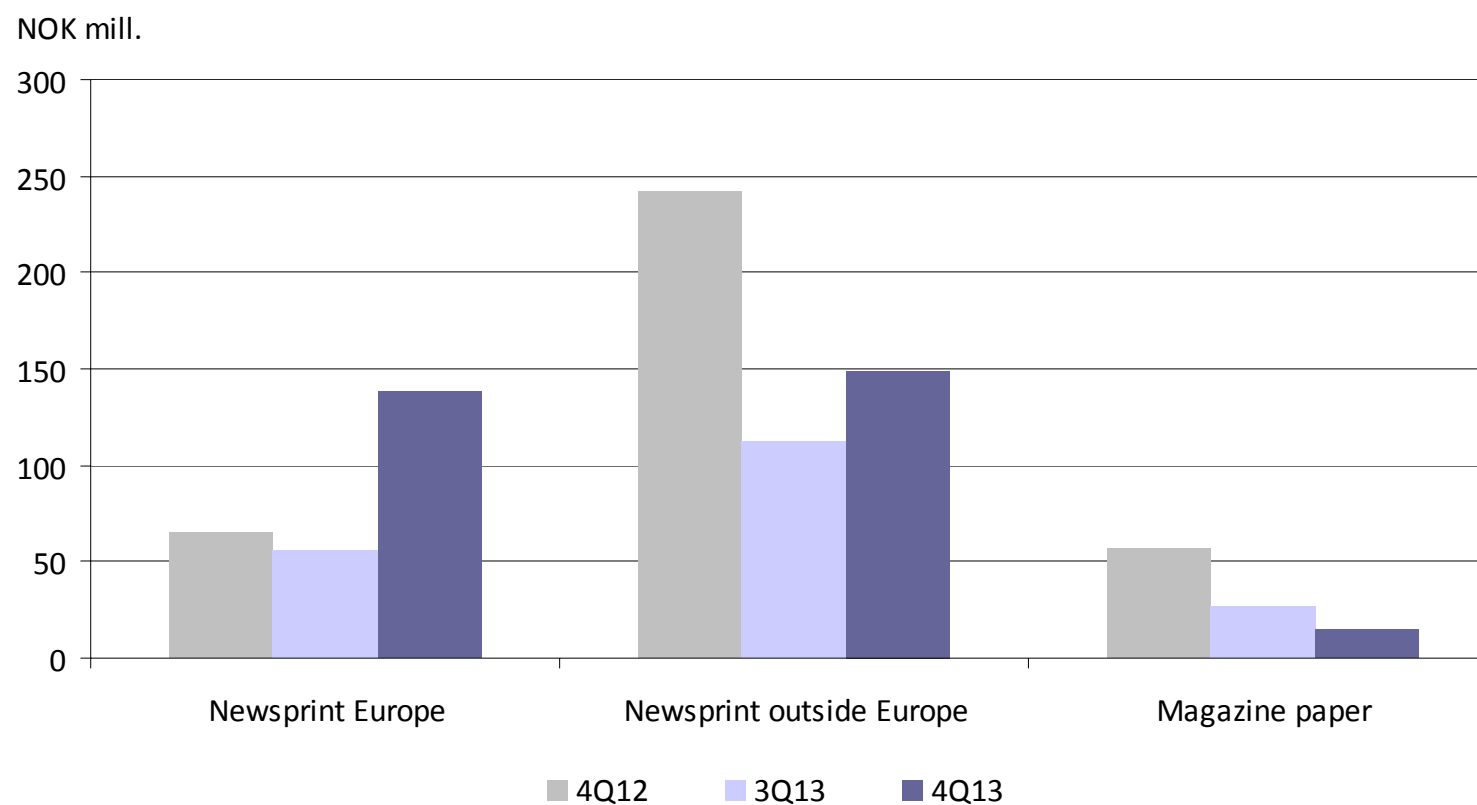


Summary P&L

Key figures (NOK mill.)	4Q12	3Q13	4Q13
Operating revenue	3 689	3 353	3 534
Variable costs	2 507	2 417	2 563
Fixed costs	850	758	672
EBITDA	332	176	298
<i>EBITDA margin %</i>	<i>9.0</i>	<i>5.2</i>	<i>8.4</i>
Depreciation	223	136	196
Other	-1 863	-44	-386
EBIT	-1 753	-4	-283
Financials, taxes and other	-161	-142	-174
Profit/loss for the period	-1 914	-147	-457



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 increased
 - Higher sales volume and NOK depreciation
 - Cost of materials slightly higher, while fixed costs declined somewhat

Key figures (NOK mill.)	4Q12	1Q13	2Q13	3Q13	4Q13
Operating revenue	1 136	979	1 076	1 067	1 315
EBITDA	65	49	66	56	138
EBITDA margin (%)	5.7	5.0	6.1	5.3	10.5
Deliveries ('000 tonnes)	310	277	300	285	327
Operating rate (%)	91	89	92	87	94



Newsprint outside Europe

Capacity	Tonnes
Albury, Australia	280 000
Boyer, Australia	270 000
Tasman, New Zealand	155 000
Singburi, Thailand*	80 000
Total	785 000

*Deconsolidated during the quarter

- EBITDA increased
 - Revenue lower due to Singburi deconsolidation
 - Fixed costs lower
 - Singburi deconsolidation
 - Reduction in provision for environmental obligations

Key figures (NOK mill.)	4Q12	1Q13	2Q13	3Q13	4Q13
Operating revenue	1 187	1 026	1 077	868	837
EBITDA	242	129	215	113	149
EBITDA margin (%)	20.4	12.6	19.9	13.1	17.8
Deliveries ('000 tonnes)	255	221	226	187	178
Operating rate (%)	84	86	92	91	84



Magazine

Capacity	Tonnes
Saugbrugs, Norway	530 000
Walsum, Germany*	415 000
Bruck, Austria	270 000
Total	1 215 000

*One machine closed towards the end of the quarter

- EBITDA declined
 - Sales volume lower from seasonal peak in 3Q
 - Walsum loss making in the quarter
 - One of two machines at mill permanently closed in December

Key figures (NOK mill.)	4Q12	1Q13	2Q13	3Q13	4Q13
Operating revenue	1 311	1 152	1 098	1 388	1 354
EBITDA	57	17	-47	27	15
EBITDA margin (%)	4.3	1.5	-4.3	2.0	1.1
Deliveries ('000 tonnes)	283	252	234	291	272
Operating rate (%)	86	87	78	92	88

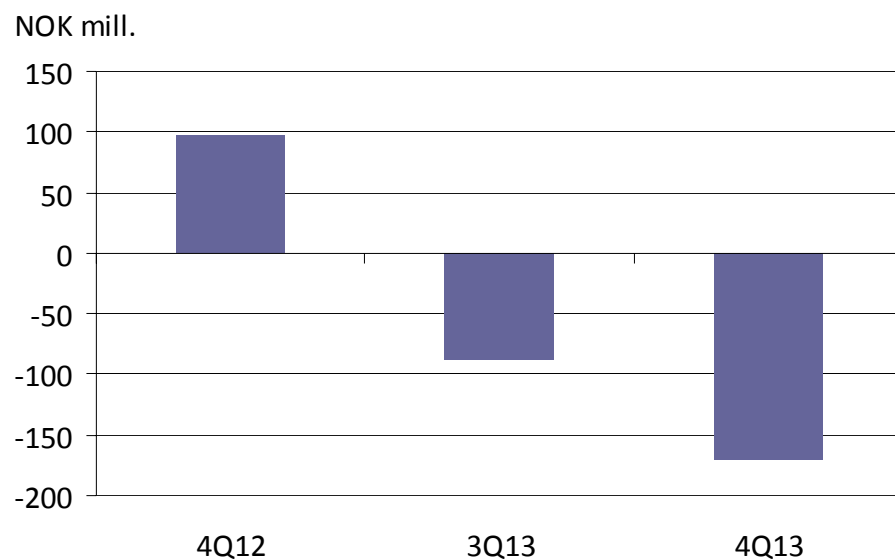


Summary cash flow

Key figures (NOK mill.)	4Q12	3Q13	4Q13
EBITDA	332	176	298
Change operating working capital	201	-119	282
Net financial items	-135	-108	-184
Other	-151	-41	-84
Cash flow from operations	247	-91	313
Cash flow from investments	-73	-85	-42
Net cash flow after investments	174	-176	271



Currency losses with NOK depreciation



Average rates	3Q13	4Q13	Change
EUR	7.93	8.24	3.9%
USD	5.98	6.06	1.3%
AUD	5.48	5.62	2.6%
NZD	4.77	5.01	5.0%
GBP	9.28	9.81	5.7%

Closing rates	3Q13	4Q13	Change
EUR	8.11	8.38	3.3%
USD	6.01	6.08	1.1%
AUD	5.60	5.43	-3.0%
NZD	4.98	5.00	0.4%
GBP	9.70	10.05	3.6%



Summary balance sheet

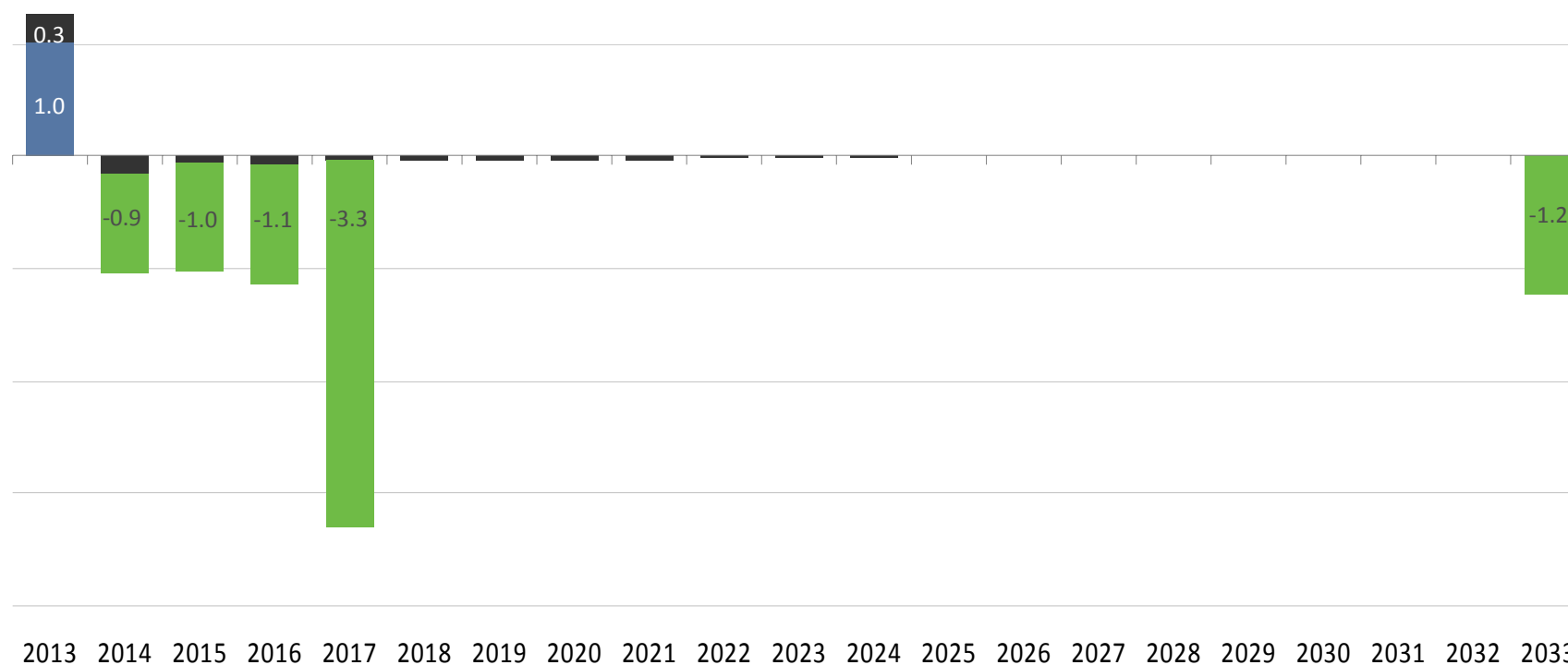
Key figures (NOK mill.)	4Q12	3Q13	4Q13
Non-current assets	11 393	10 999	10 611
Cash and cash equivalents	1 194	820	1 015
Other current assets	3 456	3 334	2 990
Total assets	16 043	15 153	14 617
Equity	4 151	2 712	2 175
Non-current liabilities	9 092	8 972	8 779
Current liabilities	2 801	3 469	3 662
Net interest bearing debt	6 021	6 918	6 817



Maturity profile

NOK bn.

■ Cash ■ Bank ■ Bonds



31 December 2013





Management focus and outlook

Management focus and outlook

- Prices in Europe have improved into 2014
 - Tighter market balance for newsprint and SC magazine paper
- Current NOK level supportive to revenues
- Conversion of one machine to magazine paper in Australasia
 - Contribute to larger domestic business from the second quarter
 - Low first quarter production in the region due to the conversion
- Variable costs expected to remain relatively stable in local currencies
- Fixed costs to decline
 - Closure at Walsum
 - Ongoing cost reduction programmes





Q&A

