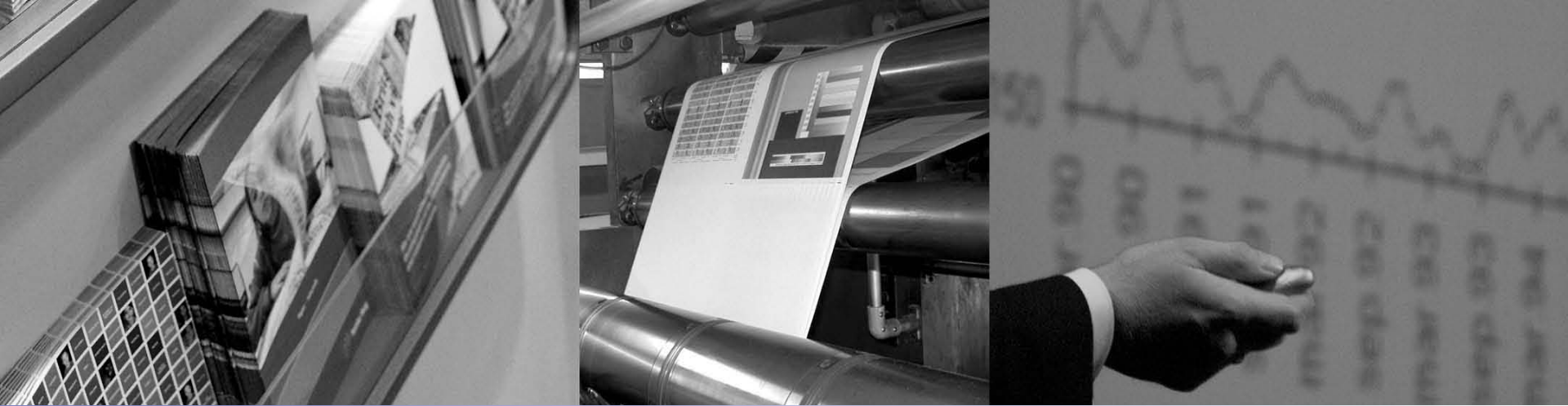


Future on Paper

Q1 2009 – Webcast presentation

7 May 2009



Future on Paper

Q1 2009 presentation

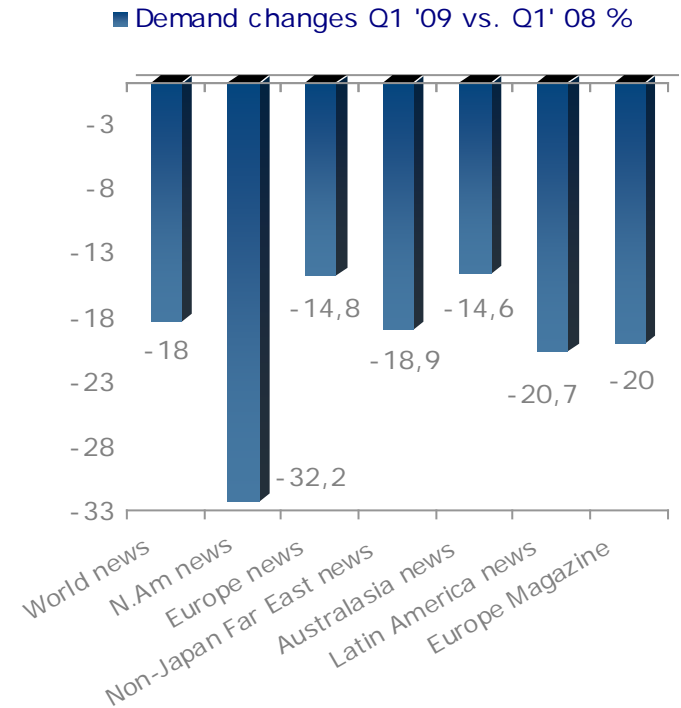
Christian Rynning-Tønnesen
President and CEO

Webcast
7 May 2009



Demand fell sharply

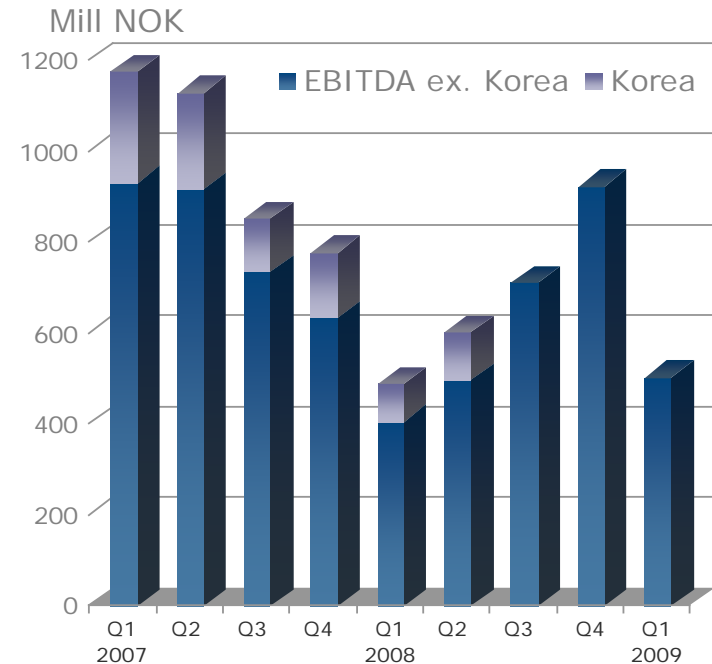
- Recession impacts advertising
 - Estimated drop in ad spend YTD '09 vs YTD '08 ~ 20%
- Structural decline in newsprint demand in mature markets



Source: PPPC, CEPIPRINT, NS Panasia

Recession hit Q1 result

- EBITDA NOK 504 mill
 - NOK 922 mill in Q4 '09 and
 - NOK 406 mill ex. Korea in Q1 '08
- Operating rate only 76%
- Lower volumes reduce result



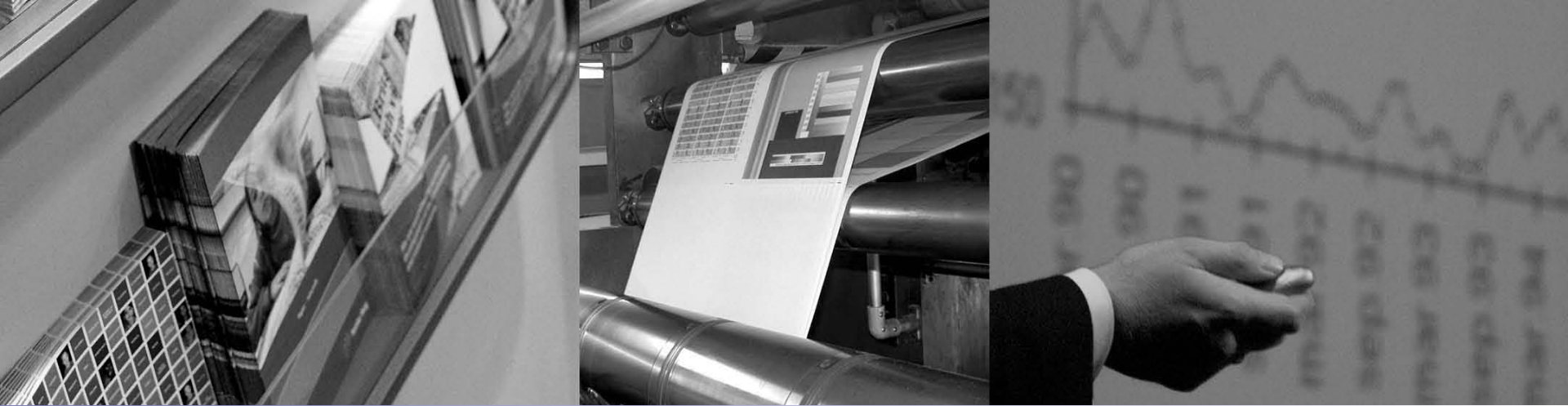
Firm actions required

- Reduce capacity
 - Further curtailments in all regions
 - Permanent capacity closures under evaluation
- Reduce cost
 - Temporary lay-offs
 - Further cost reductions in all units

Focus on financial flexibility

Improved financial position:

- Fairly good cash flow NOK 723 mill
- Net debt reduced by NOK 1,2 bn
- Debt maturity schedule improved



Future on Paper

Q1 2009 presentation

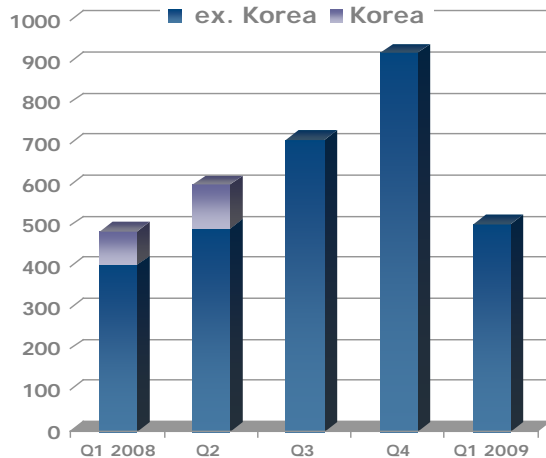
Audun Røneid
CFO

Webcast
7 May 2009



Key financial results Q1 2009

EBITDA NOK mill



EBITDA Q1: NOK 504 mill

- Down from NOK 922 mill in Q4 '08
- Lower sales volumes is the main explanation

Key figures NOK million

	2009 Q1	2008 Q4	2008 Q1
Operating revenue	5 259	7 354	6 269
EBITDA	504	922	406*
EBIT before special items	-149	256	-232
Result after tax	(1111)	(1282)	(966)

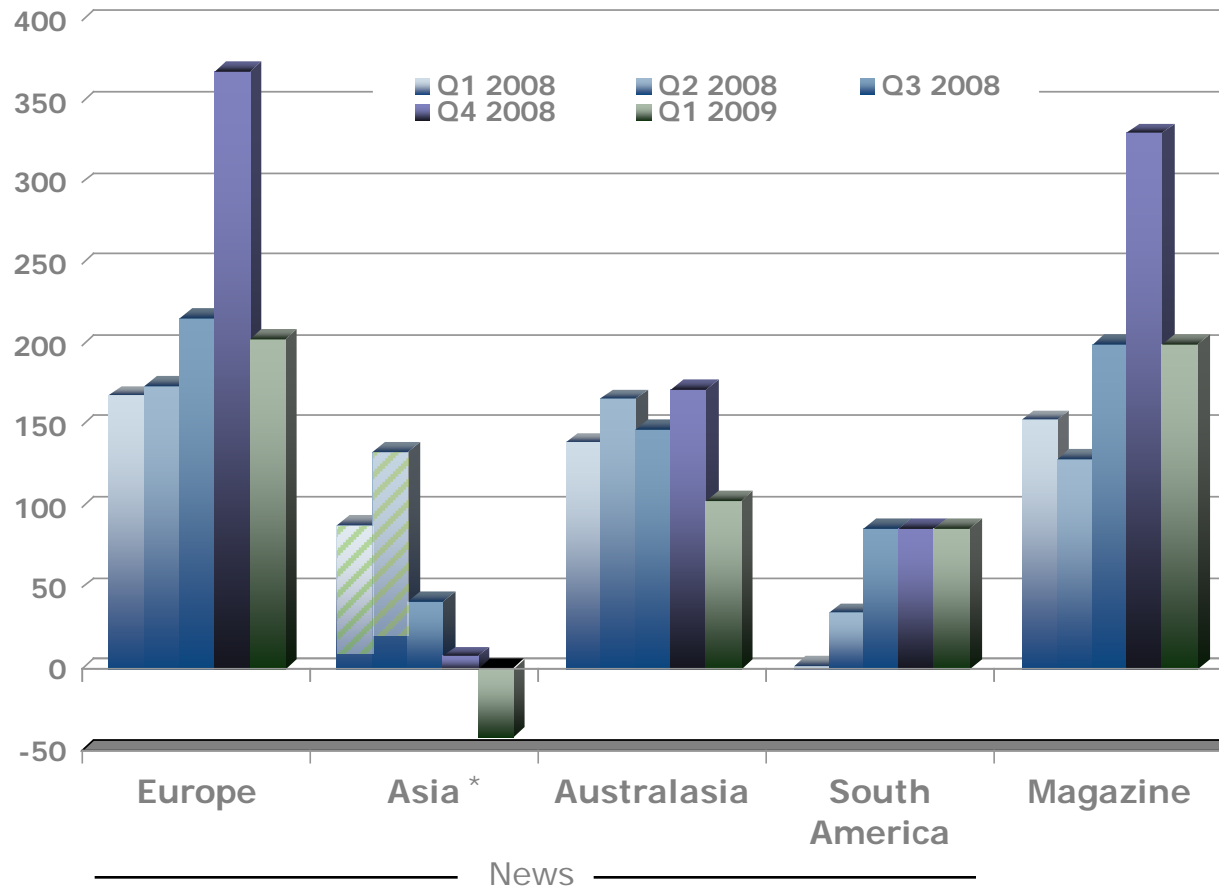
*Ex. Korea

Net result: NOK -1.1 bn

- Lower forward energy prices reduce value of energy portfolio by NOK 1,35 bn. No cash impact

Result segments (EBITDA)

NOK mill

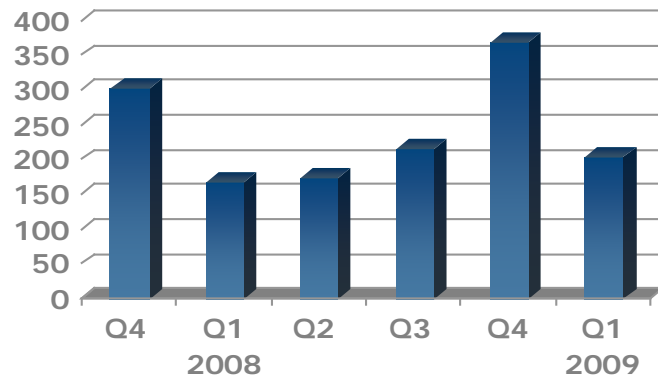


 Korea

*) Q3 and Q4 ex Norske Skog Korea

Newsprint Europe

EBITDA NOK mill



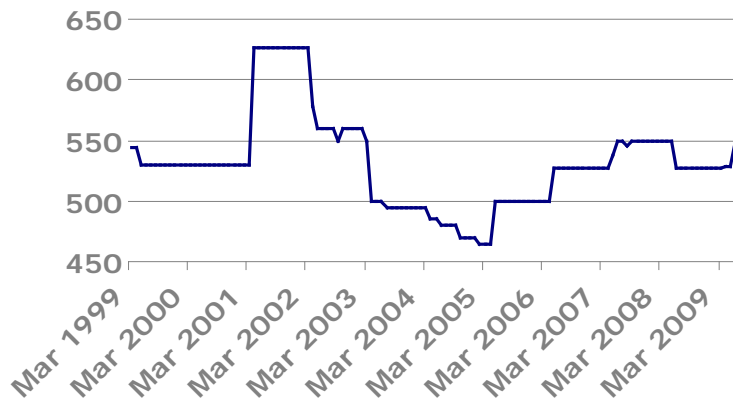
Key figures

NOK million

	2009 Q1	2008 Q4	2008 Q1
Operating revenue	1 575	2 396	1 823
EBITDA	204	369	169
EBITDA margin %	13,0	15,4	9,3
Deliveries 1 000 ton	347	517	470

Price development newsprint Euro/tonne

— Newsprint 45 g - Germany

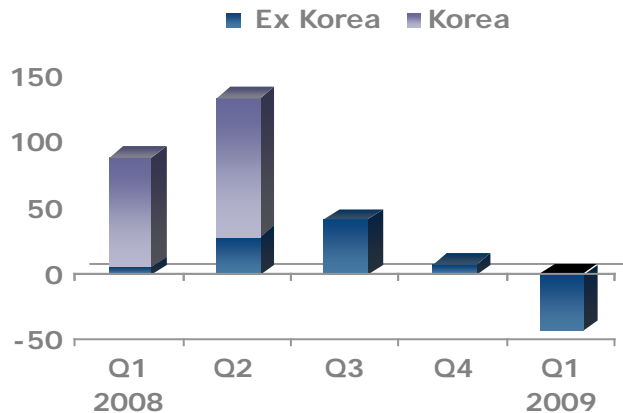


Low volumes hit result

- Extensive downtime is taken; operating rate 76%
- Price increases in all markets, but partly countered by stronger NOK
- Negative impact from currency translation

Newsprint Asia

EBITDA NOK mill



Key figures NOK million	2009 Q1	2008 Q4	2008 Q1*
Operating revenue	330	382	1267
EBITDA	-42	8	89
EBITDA margin %	-12,7	2.0	7,0
Deliveries 1 000 ton	88	81	136

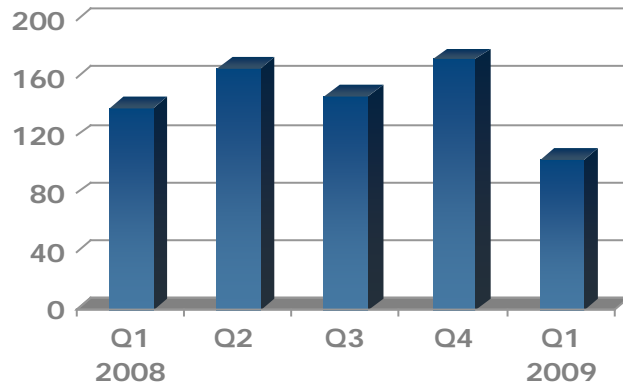
Low volumes and low prices

- Continued weak market balance in China and most other Asian countries
- Operating rate 62% (65% in Q4 '08)
- Significantly lower prices in Q1 '09 vs. Q4 '08

*Ex Korea

Newsprint Australasia

EBITDA NOK mill



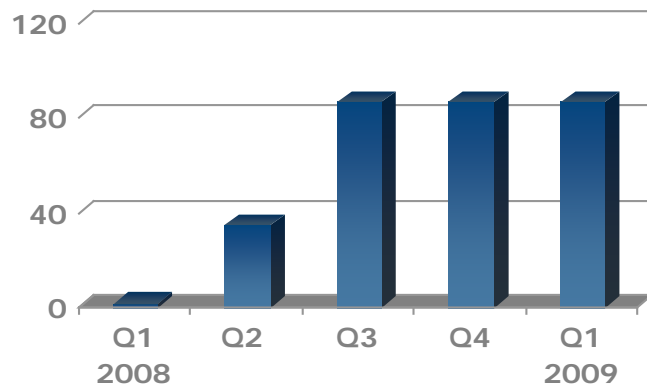
Key figures NOK million	2009 Q1	2008 Q4	2008 Q1
Operating revenue	713	917	953
EBITDA	104	173	140
EBITDA margin %	14,5	18.8	14,7
Deliveries 1 000 ton	173	222	219

Lower volumes reduce result

- Operating rate 88% in Q1, down from 99% in Q4 '08
- Prices up 6.5% in New Zealand from 1 Jan

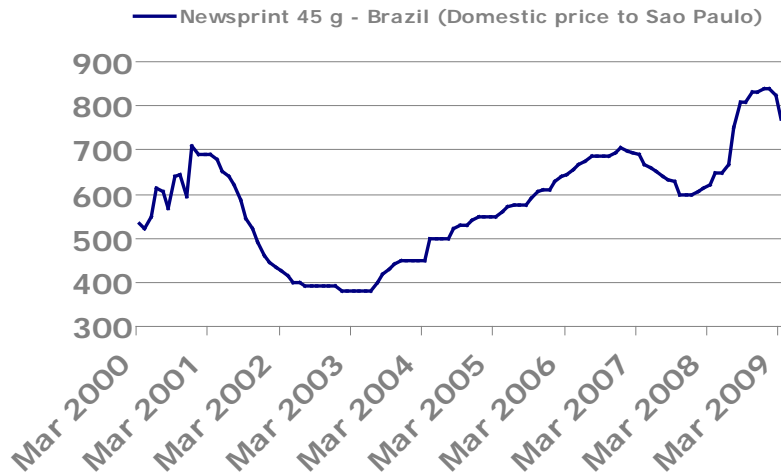
Newsprint South America

EBITDA NOK mill



Key figures NOK million	2009 Q1	2008 Q4	2008 Q1
Operating revenue	315	387	270
EBITDA	87	87	2
EBITDA margin %	27,6	22,5	0,8
Deliveries 1 000 ton	54	79	68

Price development newsprint Brazil USD/tonne

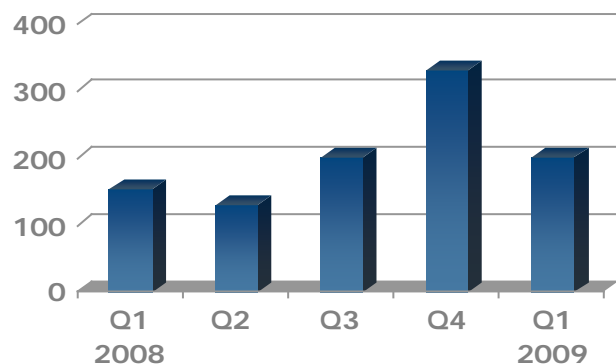


Satisfactory results

- Operating rate 88 % in Q 1 (100 % in Q 4)
- Favourable currency development

Magazine paper

EBITDA NOK mill



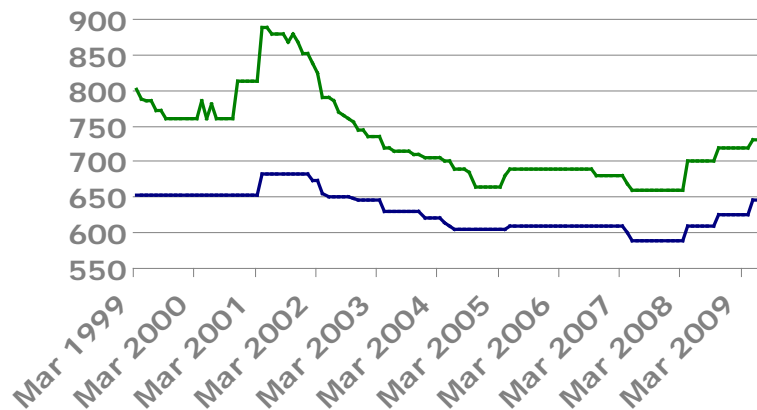
Key figures

NOK million

	2009 Q1	2008 Q4	2008 Q1
Operating revenue	1 603	2 232	1 514
EBITDA	201	331	155
EBITDA margin %	12,6	14,8	10,2
Deliveries 1000 ton	262	343	298

Price development magazine Euro/tonne

— Supercalendered 56 g - — LWC 60 g - Germany



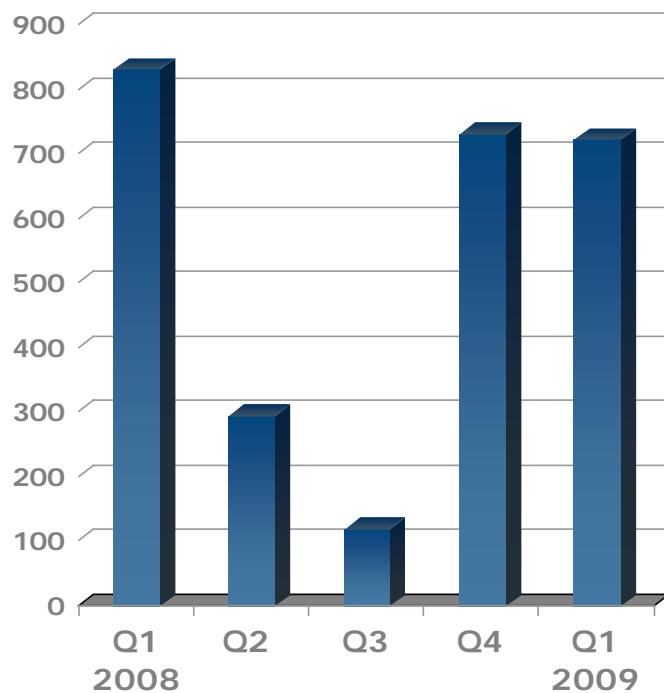
Source:RISI

Low volumes hit result

- Weak demand in Q 1
- Extensive downtime is taken; operating rate 71%
- Price increases
- Negative impact from currency translation

Cash flow^{*)}

Mill NOK



- Cash flow NOK 723 mill
 - Cash effect of monetizing currency/ interest rate swaps: NOK 460 mill
 - Paid taxes NOK 26 mill in Q 1 vs NOK 290 mill in Q 4
- Low capex level in Q1 – NOK 138 mill
- Full-year capex: Approx. NOK 900 mill

Total assets reduced by NOK 6.3 bn in Q1 '09

- Negative translation impact on assets from stronger NOK (~ NOK 3 bn)

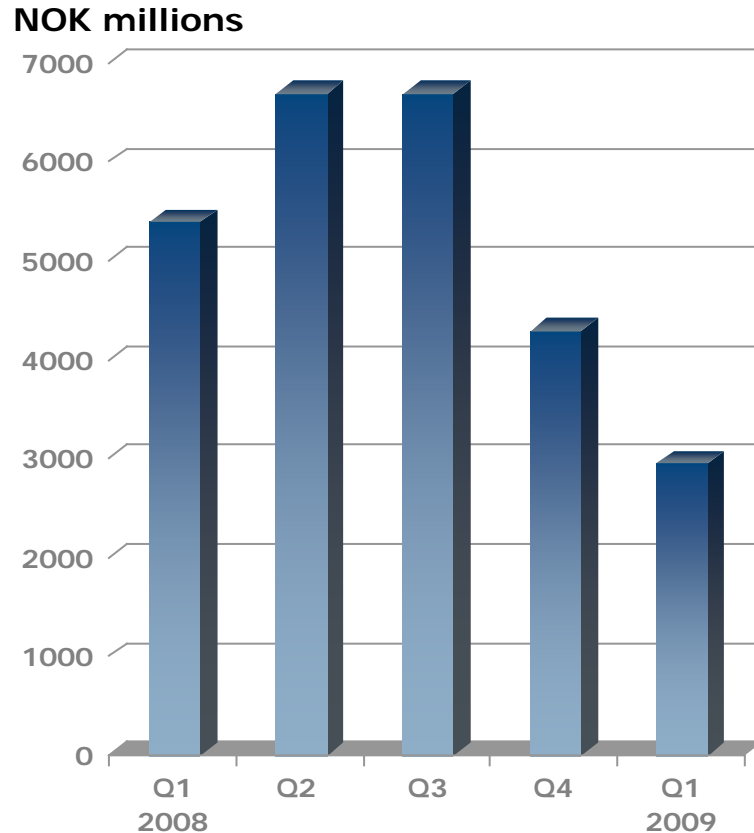
- In addition:

- Reduced value of energy portfolio
- Depreciation higher than capex
- Termination of interest- and currency swaps

- Limited impact on equity, as debt is reduced when NOK strengthens

NOK bn	31.3.09	31.12.08	Change
Property, plant and equipment	23.1	25.1	-2.0
Other non-current assets	1.0	1.9	-0.9
Total non-current assets	24.1	27.0	-2.9
Inventories and receivables	5.8	6.6	-0.8
Cash and cash equivalents	5.3	6.0	-0.7
Other current assets	3.7	5.6	-1.9
Total current assets	14.8	18.2	-3.4
Total assets	38.9	45.2	-6.3
Currency rates			
NOK/EUR	8.89	9.87	-10%
NOK/USD	6.68	7.00	-5%
NOK/GBP	9.55	10.12	-5%
NOK/AUD	4.63	4.85	-5%

Value of energy portfolio



- Reduction of NOK 1.35 NOK bn during Q1 due to lower forward prices
- Balance sheet value of ~NOK 2.9 billion
- No cash impact, but affects equity and gearing

Financial strategy (1 of 2):

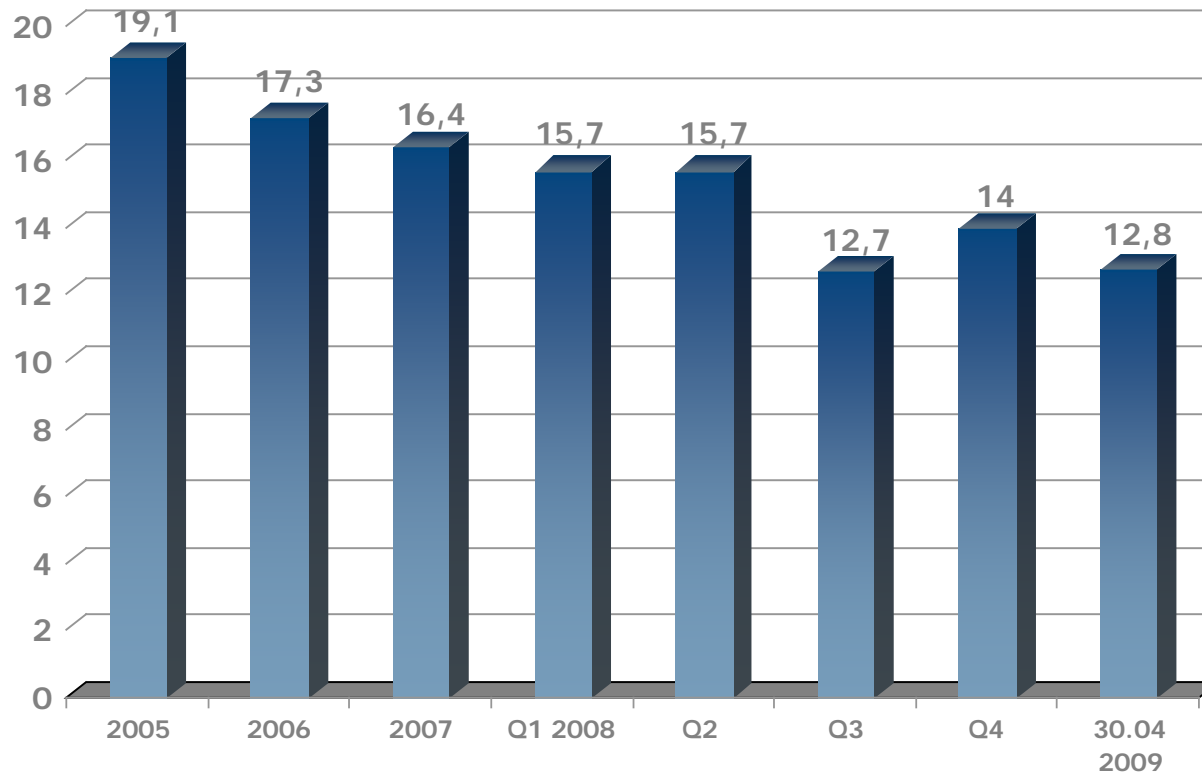
Reduce debt

- Improve cash flow from operations
- Working capital management
- Strong capex discipline
- Generate cash from asset divestments
- Buy debt at a discount
 - Bought NOK 1.5 bn from the 2011 bond loan*

Pro forma 30.04.09: Debt reduction

Gearing 31 March: 1.08

■ Net debt NOK bn



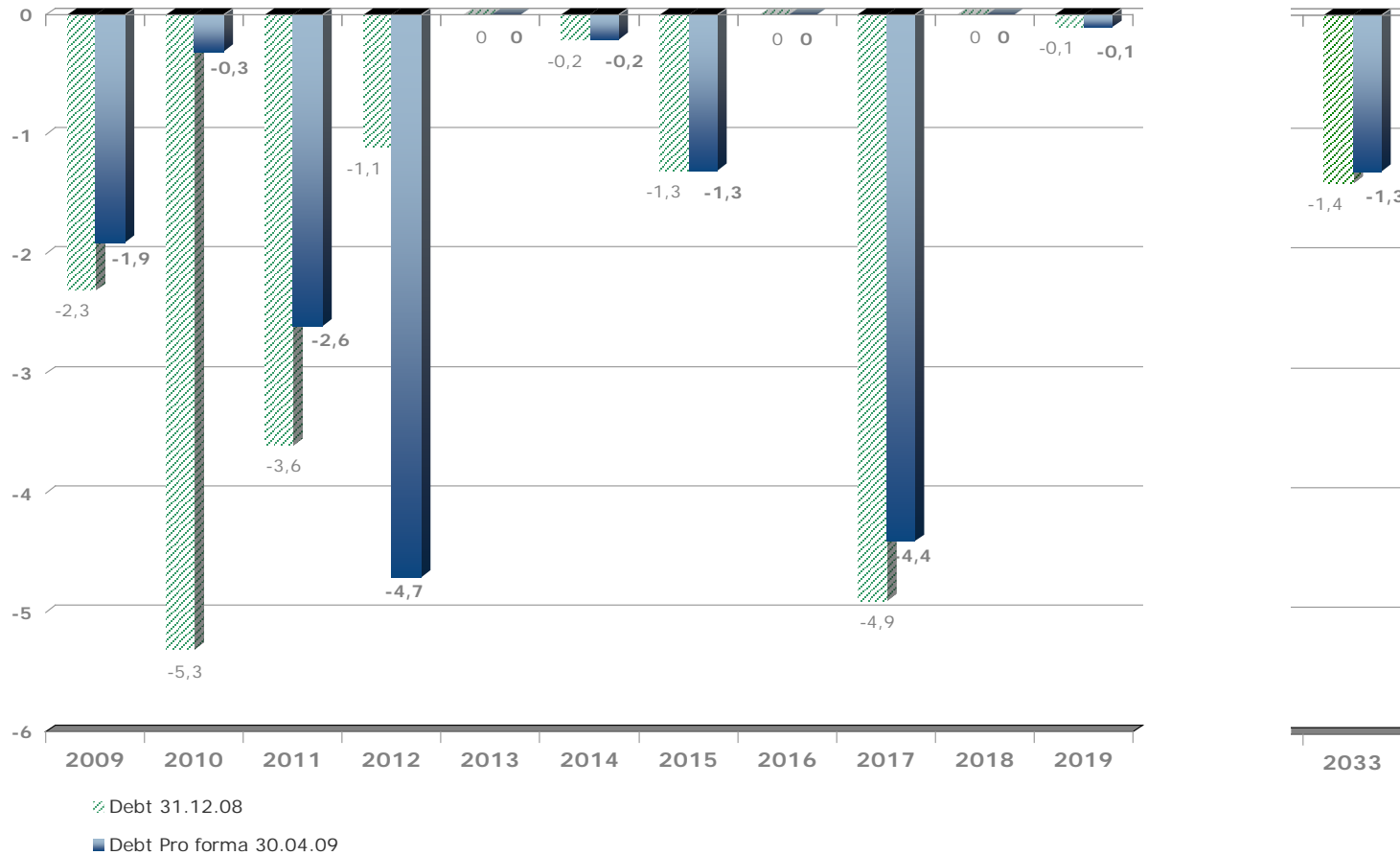
Financial strategy (2 of 2):

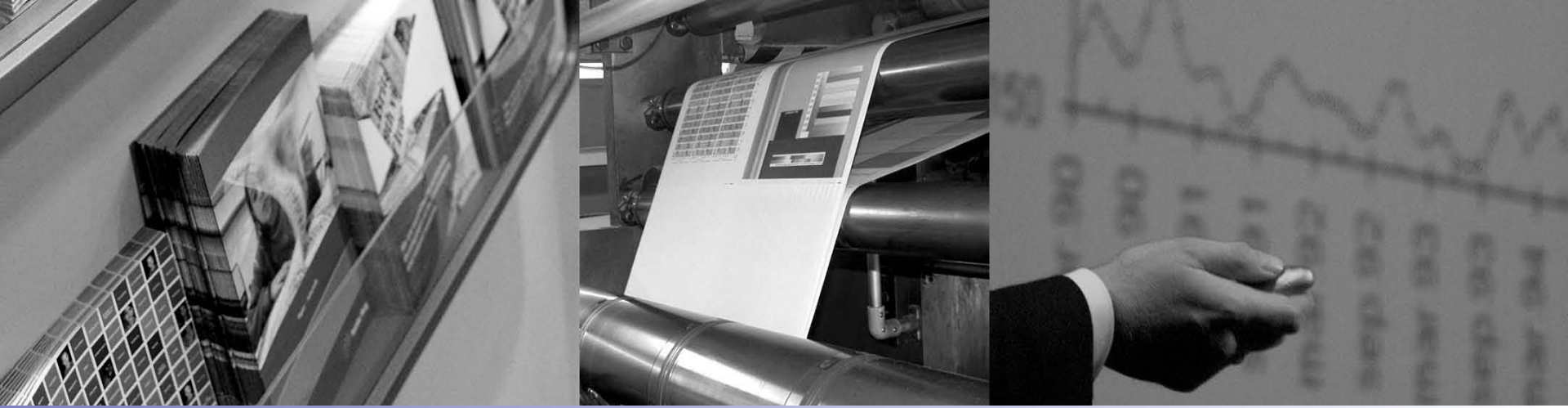
Improve maturity profile

- Average maturity 5.8 years at March 31 (5.2 years at December 31)
 - Prepaid EUR 500 mill (maturing 2010) by drawing EUR 400 mill on a revolving credit facility (maturing 2012)
- Q 2, 2009: New NOK 250 mill/12 years loan at a favourable rate
- Exploring bond options through the Norwegian Government Bond Fund (Statens Obligasjonsfond/SOF)

Pro forma 30.04.09:

Debt maturity profile





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Q1 2009 presentation

7 May 2009