

# 2010

## Q1 REPORT





## KEY FIGURES (UNAUDITED)

		JAN-MAR 2010	OCT-DEC 2009	JAN-MAR 2009	YTD 2010	YTD 2009
Operating revenue	NOK mill	4 455	4 909	5 259	4 455	5 259
Gross operating earnings *)	NOK mill	275	472	504	275	504
Gross operating margin	%	6.2	9.6	9.6	6.2	9.6
Gross operating earnings after depreciation **)	NOK mill	(252)	(27)	(149)	(252)	(149)
Operating earnings	NOK mill	(1 364)	1 075	(1 374)	(1 364)	(1 374)
Profit/loss before income taxes	NOK mill	(1 606)	887	(1 500)	(1 606)	(1 500)
Net profit/loss for the period	NOK mill	(1 153)	667	(1 111)	(1 153)	(1 111)
Earnings per share	NOK	(6.04)	3.53	(5.73)	(6.04)	(5.73)
Return on capital employed	%	(1.3)	(0.1)	(0.6)	(1.3)	(0.6)
Net cash flow from operating activities	NOK mill	101	537	723	101	723
Cash flow per share	NOK	0.53	2.83	3.82	0.53	3.82
Total assets	NOK mill	31 571	33 155	38 845	31 571	38 845
Net interest-bearing debt	NOK mill	9 465	9 595	12 925	9 465	12 925
Gearing (net interest-bearing debt / equity)		0.86	0.80	1.08	0.86	1.08
Production	1 000 tonnes	950	966	985	950	985
Deliveries	1 000 tonnes	951	1 007	924	951	924

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

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



## REPORT OF THE BOARD OF DIRECTORS

# FIRST QUARTER 2010

- // First quarter 2010: Gross operating earnings NOK 275 million (NOK 472 million in the fourth quarter of 2009). Low price levels in Europe and increased prices for input factors are the main causes of the weaker result
- // Increased global demand for newsprint, levelling off in Europe
- // Net loss after tax for the period NOK 1 153 million, affected by fall in value of energy contracts of NOK 954 million
- // Norske Skog Bio Bio has recommenced production after the stop due to the earthquake

## INCOME STATEMENT

		JAN-MAR 2010	OCT-DEC 2009	JAN-MAR 2009	YTD 2010	YTD 2009
Operating revenue	NOK mill	4 455	4 909	5 259	4 455	5 259
Gross operating earnings *)	NOK mill	275	472	504	275	504
Gross operating earnings after depreciation **)	NOK mill	(252)	(27)	(149)	(252)	(149)
Operating earnings	NOK mill	(1 364)	1 075	(1 374)	(1 364)	(1 374)
Profit/loss before income taxes	NOK mill	(1 606)	887	(1 500)	(1 606)	(1 500)
Net profit/loss for the period	NOK mill	(1 153)	667	(1 111)	(1 153)	(1 111)

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

\*\*) Operating earnings before restructuring costs, other gains and losses and impairments.

## COMPARABILITY

Norske Skog's total production capacity, calculated on an annual basis, was 4 483 000 tonnes in the first quarter of 2010, compared to 4 596 000 tonnes in the fourth quarter of 2009 and 5 188 000 tonnes in the first quarter of 2009. The reason for the reduction is the indefinite idling of PM 2 at Norske Skog Parengo in June 2009 and the sale of two factories in China with accounting effect from 1 July and 1 November 2009. Capacity reductions also affect the normal depreciation charge which will, on an annual basis, be lower in 2010 than in 2009.

Gross operating earnings for the first quarter of 2010 include income of NOK 47 million which is a one-off item in connection with changes in the regulations for Norwegian early retirement schemes. The amount is included in the income statement under employee benefit expenses and is allocated as follows: NOK 20 million to newsprint Europe, NOK 23 million to magazine paper and NOK 4 million to other activities. The amount recognised as income has been expensed in prior periods and has no cash effect.

PRODUCTION STOP AT NORSKE  
SKOG BIO BIO

Norske Skog Bio Bio in Chile was hit by an earthquake at the end of February 2010 and was out of operation for the rest of the first quarter, with a production loss of around 10 000 tonnes compared to full production. There were no personal injuries as a result of the earthquake.

Norske Skog's insurance coverage includes natural disasters, and the economic effects are believed to be modest. An accrual has been made for the estimated business interruption insurance compensation for lost gross margin in the first quarter. This has been recognised as revenue in the accounts, and the negative impact on gross operating earnings is NOK 5 million, equivalent to the deductible. When it comes to property damage, an impairment of NOK 48 million has been recognised, based on a preliminary assessment of the extent of the damage, and an accrual for estimated insurance compensation of NOK 36 million has been recognised in Other gains and losses. It should be noted that these are preliminary numbers, and the final amounts will be available only when the extent of the damage is known.

The mill started running again on 30 April. Although start-up took place without any problems, there is still some possibility that there are further damages that have not yet been discovered. The earthquake caused damage to a bridge, which complicates the incoming and outgoing transportation of goods to the mill.

GROUP COMMENT -  
UNDERLYING OPERATIONS

## First quarter 2010 compared with fourth quarter 2009

Gross operating earnings were NOK 275 million in the first quarter of 2010, a fall of NOK 197 million compared with the fourth quarter of 2009. With the exception of the activities in Australasia and in the energy segment, operating earnings are weak in most business units. Production volumes are not essentially different in the two quarters, but sales volume is around five per cent lower, largely as a result of normal seasonal fluctuations. Capacity utilisation in the first quarter of 2010 was 85 per cent.

The main reason for the very weak result is a sharp fall in prices in Europe, both for newsprint and magazine paper. Prices have also increased for input factors such as recovered paper and market pulp. These negative effects are, to a certain extent, offset by the sale of surplus energy in Norway and continued reduction of fixed costs.

Depreciation in the first quarter of 2010 is NOK 29 million higher than in the fourth quarter of 2009, mainly due to a correction made in December 2009. This was because the estimated useful life of paper machines at Norske Skog Boyer was extended with effect from 1 January 2009, but this was not reflected in the accounts before the fourth quarter.

## First quarter 2010 compared with first quarter 2009

Gross operating earnings have decreased by NOK 229 million in this time-frame. In addition to the conditions mentioned above, the result is negatively impacted by a stronger NOK in the first quarter of 2010 compared to the first quarter of 2009. On a comparable basis, there has been a slight volume increase, as capacity utilisation was only 76 per cent in the first quarter of 2009.

## SPECIAL ITEMS IN THE OPERATING EARNINGS UNDER IFRS

		JAN-MAR 2010	OCT-DEC 2009	JAN-MAR 2009	YTD 2010	YTD 2009
Restructuring expenses	NOK mill	0	(90)	(1)	0	(1)
Other gains and losses	NOK mill	(913)	1 418	(1 225)	(913)	(1 225)
Impairments	NOK mill	(198)	(226)	0	(198)	0

"Other gains and losses" in the first quarter of 2010 consist of NOK 36 million income recognised relating to accrued insurance compensation for damages at Norske Skog Bio Bio, while the rest is essentially changes in the value of the group's energy portfolio. There has been a sharp fall in future electricity prices in the first quarter of 2010, both in Norway and in Brazil. This item in the income statement has also in previous periods consisted to a large extent of changes in value of the energy portfolio.

Impairments in the first quarter of 2010 consist of NOK 48 million estimated property damage at Norske Skog Bio Bio, and NOK 150 million relating to impairment of fixed assets at Norske Skog Singburi. This impairment has been made as a result of higher expected recovered paper prices compared with those used in the previous valuation of this mill. Impairments in the fourth quarter of 2009 related mainly to Norske Skog Saugbrugs.

## SPECIFICATION FINANCIAL ITEMS

		JAN-MAR 2010	OCT-DEC 2009	JAN-MAR 2009	YTD 2010	YTD 2009
Net interest costs (excluding interest-rate derivatives)	NOK mill	(192)	(201)	(283)	(192)	(283)
Realised and unrealised gains/losses on interest-rate derivatives	NOK mill	11	51	(211)	11	(211)
Realised/unrealised gains/losses on currency	NOK mill	(48)	(11)	383	(48)	383
Gain buy-back of bonds	NOK mill	0	7	7	0	7
Other financial items	NOK mill	(8)	(36)	(39)	(8)	(39)
Total financial items	NOK mill	(237)	(188)	(143)	(237)	(143)

Interest costs in the first quarter of 2010 were marginally lower than in the fourth quarter of 2009. Compared with the first quarter of 2009, there is a reduction of NOK 91 million, based on higher net debt and significantly weaker NOK in early 2009. Termination of interest-rate swap agreements in the first quarter of 2009 resulted in a receipt of cash, but this was recognised as a cost in the accounts.

Currency items accounted for a total cost of NOK 48 million in the first quarter of 2010. This relates mainly to realised and unrealised gains and losses on cash flow hedges. In the first quarter of 2009, there were large foreign exchange gains resulting from the significant strengthening of NOK through this quarter.

## CASH FLOW

		JAN-MAR 2010	OCT-DEC 2009	JAN-MAR 2009	YTD 2010	YTD 2009
Gross operating earnings	NOK mill	275	472	504	275	504
Change in working capital and adjustments *)	NOK mill	(238)	197	(48)	(238)	(48)
Cash from net financial items	NOK mill	82	(78)	303	82	303
Taxes paid	NOK mill	(19)	(55)	(36)	(19)	(36)
Net cash flow from operating activities	NOK mill	101	537	723	101	723
Purchases of fixed assets	NOK mill	(83)	(180)	(79)	(83)	(79)

\*) Consists of items with no cash effect included in gross operating earnings, and items with cash effect included in restructuring expenses and other gains and losses.

The cash flow in the first quarter of 2010 is reduced compared to previous quarters. The main reasons are considerably weaker gross operating earnings, and there has also been an increase in working capital. Inventories and accounts receivable are roughly unchanged from year-end, and the increased working capital is primarily related to the payment of items which were provided for in prior periods, including severance

payments in connection with workforce reductions. These effects are to some extent offset by realised gains from currency hedging, which has resulted in positive cash flow from financial items in the quarter. There may be relatively large interest payments in the second quarter of 2010, as in previous years.

## BALANCE SHEET

		31 MAR 2010	31 DEC 2009	31 MAR 2009
Non-current assets	NOK mill	22 235	23 546	24 088
Cash and cash equivalents	NOK mill	4 169	4 241	5 307
Other current assets	NOK mill	5 167	5 368	9 451
Total assets	NOK mill	31 571	33 155	38 845
Equity including minority interests	NOK mill	11 044	12 015	12 156
Non-current liabilities	NOK mill	16 740	17 316	20 209
Current liabilities	NOK mill	3 787	3 824	6 481
Net interest-bearing debt	NOK mill	9 465	9 595	12 925

Total assets are reduced by approximately NOK 1.6 billion from year-end. The main reasons are the reduced value of the energy portfolio and that capitalised investments are significantly lower than depreciation and impairments. The expected investment level for the whole year is expected to be around NOK 500 million.

Equity including minority interests was NOK 11 044 million per 31 March 2010, compared with NOK 12 015 million at year-end. Equity per share was NOK 58. A more detailed specification of the changes in equity is provided later in the quarterly report.

In February, the rating company Standard & Poor's downgraded Norske Skog's debt to B with negative outlook from the previous B + with negative outlook.

Net interest-bearing debt at 31 March 2010 was NOK 9 465 million, which is NOK 130 million lower than at year-end. The average term to maturity on interest-bearing debt was 5.7 years as at 31 March 2010, and gearing was 0.86 compared to 0.80 at year-end.

## SEGMENT INFORMATION

## Newsprint total - Key figures

		JAN-MAR 2010	OCT-DEC 2009	JAN-MAR 2009	YTD 2010	YTD 2009
Operating revenue	NOK mill	2 613	2 999	3 329	2 613	3 329
Gross operating earnings	NOK mill	225	383	345	225	345
Gross operating earnings after depreciation	NOK mill	(156)	57	(138)	(156)	(138)
Gross operating margin	%	8.6	12.8	10.4	8.6	10.4
Production	1 000 tonnes	654	653	736	654	736
Deliveries	1 000 tonnes	644	693	662	644	662
Production / capacity	%	85	82	78	85	78

Around 55 per cent of the newsprint segment's production capacity is in Europe, and the bulk of the remaining capacity is in Australasia. The segment has a very weak result in the first quarter of 2010, the main reason being low prices in Europe. The result in newsprint outside Europe is significantly better.

Based on preliminary numbers, the global demand for newsprint increased by around five per cent in the first quarter of 2010 compared with the corresponding period in 2009. The best development has been in Asia and Australasia. Demand is still far lower than in the same period in 2008, resulting in significant overcapacity both in Europe and worldwide.

## Newsprint Europe - Key figures

		JAN-MAR 2010	OCT-DEC 2009	JAN-MAR 2009	YTD 2010	YTD 2009
Operating revenue	NOK mill	1 314	1 549	1 575	1 314	1 575
Gross operating earnings	NOK mill	18	151	204	18	204
Gross operating earnings after depreciation	NOK mill	(146)	(30)	(7)	(146)	(7)
Gross operating margin	%	1.4	9.7	13.0	1.4	13.0
Production	1 000 tonnes	367	350	379	367	379
Deliveries	1 000 tonnes	356	371	347	356	347
Production / capacity	%	83	80	76	83	76

In most European markets, there has been a fall in prices of around 20 per cent from year-end, based on a high fall in demand throughout 2009. There were price reductions in some countries as early as autumn 2009, so that the achieved average prices measured in NOK in the first quarter of 2010 show a somewhat smaller reduction than 20 per cent compared to the fourth quarter of 2009. In some contracts for 2010, the price reduction comes into effect from 1 April 2010. The price fall in early 2010 is historically high and, combined with the price increases for recovered paper, the impact is that profitability is very weak. In the first quarter of 2010, these negative effects are, to some extent,

offset by the sale of surplus energy in connection with the downtime at the Norwegian mills. Costs of NOK 20 million have been deducted in the region relating to the new rules for Norwegian early retirement schemes, as described earlier. Norske Skog had a higher capacity utilisation in the first quarter of 2010 compared with the previous year.

Demand in Europe was virtually unchanged in the first quarter of 2010 compared with the first quarter of 2009. Imports from North America have decreased compared to 2009. As a result of relatively strong demand in Asia, there is an increase in exports from Europe.

## Newsprint outside Europe – Key figures

		JAN-MAR 2010	OCT-DEC 2009	JAN-MAR 2009	YTD 2010	YTD 2009
Operating revenue	NOK mill	1 243	1 369	1 358	1 243	1 358
Gross operating earnings	NOK mill	196	216	149	196	149
Gross operating earnings after depreciation	NOK mill	(20)	71	(121)	(20)	(121)
Gross operating margin	%	15.8	15.8	11.0	15.8	11.0
Production	1 000 tonnes	286	303	357	286	357
Deliveries	1 000 tonnes	288	322	315	288	315
Production / capacity	%	87	84	79	87	79

The region newsprint outside Europe consists of the former geographical regions of Asia, Australasia and South America. Total annual capacity is 1 320 000 tonnes, of which 880 000 tonnes is in Australasia.

The result in the first quarter of 2010 was marginally lower than in the fourth quarter of 2009, but considerably better than the first quarter of 2009. On a 12-month perspective, the improved results relate, among other things, to price increases in Australia from 1 July 2009 and the fact that Norske Skog owned two factories in China in the first quarter of 2009 that were later sold and which had weak results.

Both production and sales tonnage in the first quarter of 2010 were negatively impacted by the production stop at Norske Skog Bio Bio after

the earthquake in late February. The economic effects of the earthquake are small, due to the fact that income has been recognised in relation to the estimated compensation from business interruption insurance.

Outside Europe, there has been an increased demand for newsprint in the beginning of 2010. In the first quarter of 2010 compared with the corresponding period in 2009, there has been an increase of 15 - 20 per cent in Asia and in Australasia and around 10 per cent in South America. Prices are increasing both in Asia and South America, albeit from a very low level. In Australia, it is expected that new long-term contracts will be signed within the second quarter of 2010.

## REPORT OF THE BOARD OF DIRECTORS - FIRST QUARTER 2010

### Magazine paper - Key figures

		JAN-MAR 2010	OCT-DEC 2009	JAN-MAR 2009	YTD 2010	YTD 2009
Operating revenue	NOK mill	1 503	1 674	1 603	1 503	1 603
Gross operating earnings	NOK mill	56	162	201	56	201
Gross operating earnings after depreciation	NOK mill	(81)	(2)	43	(81)	43
Gross operating margin	%	3.7	9.6	12.6	3.7	12.6
Production	1 000 tonnes	296	313	249	296	249
Deliveries	1 000 tonnes	307	314	262	307	262
Production / capacity	%	85	89	71	85	71

The magazine paper segment shows, like newsprint Europe, a very weak result, mainly due to a sharp fall in prices in early 2010. The result is also negatively impacted by higher prices for chemical pulp, which is an important input factor for most types of magazine paper. These effects are offset to a certain extent by the sale of surplus energy in connection with short-term production stops in Norway. Costs of NOK 23 million have been deducted in the region relating to the new rules for Norwegian early retirement schemes, as described earlier.

Demand for magazine paper in Europe in the first quarter was around four per cent higher than in the first quarter of 2009. For uncoated magazine paper (SC), there is a small reduction, while there is a significant increase for coated magazine paper (LWC). Export markets for LWC also show an increase. Based on the somewhat better development, Norske Skog has announced a price increase of 35 EUR/tonne. The effect of this price increase will be seen in the second half of 2010.

### Energy - Key figures

		JAN-MAR 2010	OCT-DEC 2009	JAN-MAR 2009	YTD 2010	YTD 2009
Operating revenue	NOK mill	589	435	449	589	449
Gross operating earnings	NOK mill	46	(32)	10	46	10
Gross operating earnings after depreciation	NOK mill	46	(32)	10	46	10
Operating earnings	NOK mill	(908)	1 336	(1 350)	(908)	(1 350)

The ordinary activities of the segment consist primarily of the purchase and resale of energy to the Norwegian mills. For accounting purposes, purchase of energy in Norway is recognised as a cost of materials in the segment, with resale at contract prices to the Norwegian mills. The remaining sales are sales to external parties of surplus energy that arose after a paper machine at Norske Skog Follum was closed in the summer of 2008. Gross operating earnings of NOK 46 million in the first quarter of 2010 has arisen as a result of such excess energy being sold at high prices in the Norwegian spot market.

As well as the results from the ordinary activities of the segment mentioned above, the operating earnings under IFRS in the energy segment also include changes in the value of the energy contracts and

embedded derivatives. The contracts are recognised in the balance sheet in accordance with IAS 39 *Financial instruments - recognition and measurement*, which means that the value consists of the difference between the estimated market price and the contract price over the contract term, discounted to present value. The value can fluctuate significantly from quarter to quarter due to changes in expected future energy prices, and is also affected by currency, price indices and the discount rate used. There was a fall in value of NOK 954 million in the first quarter of 2010. This consists of a fall in value of the energy contracts in Norway and Brazil, while there was a slight increase in New Zealand.

### Other activities - Key figures

		JAN-MAR 2010	OCT-DEC 2009	JAN-MAR 2009	YTD 2010	YTD 2009
Operating revenue	NOK mill	528	523	567	528	567
Gross operating earnings	NOK mill	(52)	(40)	(53)	(52)	(53)
Gross operating earnings after depreciation	NOK mill	(62)	(50)	(64)	(62)	(64)

Other activities include unallocated group costs and trading activities relating to recovered paper.



## COST REDUCTIONS

The board decided in June 2009 to implement a series of measures to reduce fixed costs and improve cash flow. The main elements were closure of capacity, workforce reductions at mills and at corporate headquarters and other cost reductions in areas such as maintenance. The target cost reduction was NOK 600-700 million in total, of which around NOK 200 million was achieved in the second half of 2009. Further potential cost reductions of NOK 150-200 million have subsequently been identified, and it is expected that the total amount of NOK 750-900 million will be achieved during 2010. The comparison basis is the cost level in the first half of 2009.

In addition to reduced fixed costs, programmes have also been established for the reduction of costs relating to purchasing and logistics.

## GOVERNING BODIES

According to the company's articles of association, the general meeting shall choose the shareholder-elected members of the corporate assembly and election committee. In the subsequent meeting, the new corporate assembly shall choose the shareholder-elected board members. Following the election, the corporate assembly consists of the following shareholder-elected members: Tom Ruud (chair), Tom Rathke (deputy chair), Emil Aubert, Ragnhild Borchgrevink, Målfrid Brath, Ann Kristin Brautaset, Jens Nicolai Jensen, Mikael Løken, Even Mengshoel, Otto Sjøberg, Karen Helene Ulltveit-Moe and Olav Veum. The shareholder-elected deputy members of the corporate assembly are Henrik A. Christensen and Maria Moræus Hanssen. It is further decided that the term of office for shareholder-elected members of the corporate assembly shall be one year.

Employee-elected members of the corporate assembly are not up for election in 2010. Norske Skog's election committee consists of Tom Ruud (chair), Ole H. Bakke, Kirsten C. Idebøen and Otto Sjøberg. Following the election, the shareholder-elected members of the board are: Eivind Reiten (chair), Gisèle Marchand (deputy chair), Alexandra Bech Gjørsv, Halvor Bjørken, Helge Evju, Einar J. Greve and Ingrid Wiik. There are three employee-elected members of the board, consisting of Svein Erik Veie who is newly elected, together with Paul Kristiansen and Inge Myrland who continue as board members.

## HEALTH AND SAFETY

The H-value (the number of lost-time injuries per million working hours) was 1.5 in the 12-month period from 1 April 2009 to 31 March 2010. Six of the mills had no lost-time injuries in the last period. The H-value for the previous 12-month period was 2.0.

## SHARES

The foreign ownership share was 26.2% at 31 March 2010, which is a small increase from year-end. A total of 97 million shares were traded in the first quarter of 2010.

## OUTLOOK FOR THE REST OF 2010

The board emphasises that there is considerable uncertainty when assessing future prospects.

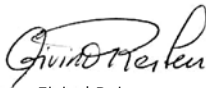
The fall in demand in Europe has levelled off, but there is still uncertainty regarding further development in the rest of 2010. Due to annual contracts, price levels for newsprint will be very low for the rest of the year, while price increases are expected on a significant portion of the magazine paper volumes in the second half of the year. Demand is increasing outside of Europe, and there is reason to expect some price increases in all regions. Deliveries in Australia will be made under existing contracts until the end of the first half, and new long-term contracts are being prepared.

Continued high price levels are expected for recovered paper and chemical market pulp. Recovered paper prices will be higher in the second quarter than in the first quarter, due to the structure of recovered paper contracts.

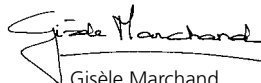
The result for the energy segment in the first quarter of 2010 was positively impacted by sales of excess energy at high prices in Norway. This is not expected to be the case for the rest of the year.

Lysaker, 5 May 2010

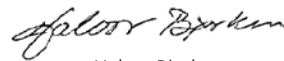
The Board of Directors of Norske Skogindustrier ASA



Eivind Reiten  
Chair



Gisèle Marchand  
Deputy chair



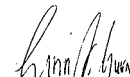
Halvor Bjørken  
Board member



Helge Evju  
Board member



Alexandra Bech Gjørsv  
Board member



Einar J. Greve  
Board member



Paul Kristiansen  
Board member



Inge Myrland  
Board member

(Sign.)

Svein Erik Veie  
Board member



Ingrid Wiik  
Board member



Sven Ombudstvedt  
President and CEO



INTERIM FINANCIAL STATEMENTS - FIRST QUARTER 2010

INCOME STATEMENT

NOK MILLION	JAN-MAR 2010	OCT-DEC 2009	JAN-MAR 2009	YTD 2010	YTD 2009
<b>Operating revenue</b>	<b>4 455</b>	<b>4 909</b>	<b>5 259</b>	<b>4 455</b>	<b>5 259</b>
Distribution costs	(431)	(452)	(419)	(431)	(419)
Cost of materials	(2 720)	(2 678)	(3 149)	(2 720)	(3 149)
Change in inventories	0	(175)	134	0	134
Employee benefit expenses	(670)	(726)	(809)	(670)	(809)
Other operating expenses	(358)	(406)	(513)	(358)	(513)
<b>Gross operating earnings</b>	<b>275</b>	<b>472</b>	<b>504</b>	<b>275</b>	<b>504</b>
Depreciation	(528)	(499)	(652)	(528)	(652)
<b>Gross operating earnings after depreciation</b>	<b>(252)</b>	<b>(27)</b>	<b>(149)</b>	<b>(252)</b>	<b>(149)</b>
Restructuring expenses	0	(90)	(1)	0	(1)
Other gains and losses	(913)	1 418	(1 225)	(913)	(1 225)
Impairments	(198)	(226)	0	(198)	0
<b>Operating earnings</b>	<b>(1 364)</b>	<b>1 075</b>	<b>(1 374)</b>	<b>(1 364)</b>	<b>(1 374)</b>
Share of profit in associated companies	(4)	0	17	(4)	17
Financial items	(237)	(188)	(143)	(237)	(143)
<b>Profit/loss before income taxes</b>	<b>(1 606)</b>	<b>887</b>	<b>(1 500)</b>	<b>(1 606)</b>	<b>(1 500)</b>
Income taxes	453	(220)	389	453	389
<b>Net profit/loss for the period</b>	<b>(1 153)</b>	<b>667</b>	<b>(1 111)</b>	<b>(1 153)</b>	<b>(1 111)</b>
Majority share of net profit/loss for the period	(1 145)	670	(1 086)	(1 145)	(1 086)
Minority share of net profit/loss for the period	(8)	(3)	(25)	(8)	(25)
Basic/diluted earnings per share	(6.04)	3.53	(5.73)	(6.04)	(5.73)

STATEMENT OF COMPREHENSIVE INCOME

NOK MILLION	JAN-MAR 2010	OCT-DEC 2009	JAN-MAR 2009	YTD 2010	YTD 2009
<b>Net profit/loss for the period</b>	<b>(1 153)</b>	<b>667</b>	<b>(1 111)</b>	<b>(1 153)</b>	<b>(1 111)</b>
<b>Other comprehensive income</b>					
Currency translation differences	142	(16)	(1 448)	142	(1 448)
Tax expense on translation differences	0	41	(15)	0	(15)
Hedge of net investment in foreign operations	36	125	1 177	36	1 177
Tax expense on net investment hedge	4	(66)	(11)	4	(11)
Cash flow hedge	0	0	44	0	44
Reclassifications to income statement (divestment of operations)	0	18	(115)	0	(115)
Tax expense on reclassifications	0	0	0	0	0
Other items	2	(1)	0	2	0
Tax expense on other items	0	(16)	0	0	0
<b>Other comprehensive income</b>	<b>183</b>	<b>85</b>	<b>(367)</b>	<b>183</b>	<b>(367)</b>
Other comprehensive income for the period before taxes	179	126	(341)	179	(341)
Tax expense on other comprehensive income	4	(41)	(26)	4	(26)
<b>Other comprehensive income</b>	<b>183</b>	<b>85</b>	<b>(367)</b>	<b>183</b>	<b>(367)</b>
<b>Comprehensive income</b>	<b>(970)</b>	<b>752</b>	<b>(1 477)</b>	<b>(970)</b>	<b>(1 477)</b>
Majority share of comprehensive income	(964)	753	(1 441)	(964)	(1 441)
Minority share of comprehensive income	(6)	(1)	(36)	(6)	(36)

INTERIM FINANCIAL STATEMENTS - FIRST QUARTER 2010

BALANCE SHEET

NOK MILLION	NOTE	31 MAR 2010	31 DEC 2009	31 MAR 2009
Deferred tax asset		130	128	102
Other intangible assets		249	208	284
Property, plant and equipment		17 051	17 561	23 086
Investment in associated companies		230	228	262
Other non-current assets		4 575	5 420	354
<b>Total non-current assets</b>		<b>22 235</b>	<b>23 546</b>	<b>24 088</b>
Inventories		2 007	2 003	2 653
Receivables		2 427	2 511	3 138
Cash and cash equivalents	3	4 169	4 241	5 307
Other current assets		733	853	3 661
<b>Total current assets</b>		<b>9 336</b>	<b>9 609</b>	<b>14 758</b>
<b>Total assets</b>		<b>31 571</b>	<b>33 155</b>	<b>38 845</b>
Paid-in equity		12 302	12 302	12 302
Retained earnings and other reserves		(1 279)	(315)	(379)
Minority interests		22	28	233
<b>Total equity</b>		<b>11 044</b>	<b>12 015</b>	<b>12 156</b>
Pension obligations		629	665	608
Deferred tax liability		1 376	1 836	1 140
Interest-bearing non-current liabilities	3	13 708	13 892	16 312
Other non-current liabilities		1 026	922	2 148
<b>Total non-current liabilities</b>		<b>16 740</b>	<b>17 316</b>	<b>20 209</b>
Interest-bearing current liabilities	3	331	355	2 010
Trade and other payables		3 154	3 196	4 046
Tax payable		34	35	71
Other current liabilities		269	237	354
<b>Total current liabilities</b>		<b>3 787</b>	<b>3 824</b>	<b>6 481</b>
<b>Total liabilities</b>		<b>20 527</b>	<b>21 140</b>	<b>26 689</b>
<b>Total equity and liabilities</b>		<b>31 571</b>	<b>33 155</b>	<b>38 845</b>

CASH FLOW STATEMENT

NOK MILLION	JAN-MAR 2010	OCT-DEC 2009	JAN-MAR 2009	YTD 2010	YTD 2009
Cash generated from operations	4 566	5 056	5 809	4 566	5 809
Cash used in operations	(4 529)	(4 386)	(5 353)	(4 529)	(5 353)
Cash from net financial items	82	(78)	303	82	303
Taxes paid	(19)	(55)	(36)	(19)	(36)
<b>Net cash flow from operating activities <sup>1)</sup></b>	<b>101</b>	<b>537</b>	<b>723</b>	<b>101</b>	<b>723</b>
Purchases of fixed assets	(83)	(180)	(79)	(83)	(79)
Sales of fixed assets	11	20	4	11	4
Dividend received	0	0	0	0	0
Acquisition of shares in companies	0	0	(2)	0	(2)
Sales of shares in companies	0	(193)	21	0	21
<b>Net cash flow from investing activities</b>	<b>(72)</b>	<b>(354)</b>	<b>(56)</b>	<b>(72)</b>	<b>(56)</b>
New loans raised	15	6	3 790	15	3 790
Repayments of loans	(39)	(816)	(4 731)	(39)	(4 731)
Dividend paid	0	0	0	0	0
Purchase/sale of treasury shares	0	0	(1)	0	(1)
New equity	0	0	0	0	0
<b>Net cash flow from financing activities</b>	<b>(24)</b>	<b>(810)</b>	<b>(942)</b>	<b>(24)</b>	<b>(942)</b>
Foreign currency effects on cash and cash equivalents	(76)	(47)	(613)	(76)	(613)
<b>Total change in cash and cash equivalents</b>	<b>(72)</b>	<b>(675)</b>	<b>(888)</b>	<b>(72)</b>	<b>(888)</b>
<b><sup>1) Reconciliation of net cash flow from operating activities</sup></b>					
Gross operating earnings	275	472	504	275	504
Restructuring expenses	0	(90)	(1)	0	(1)
Change in working capital	(157)	257	(60)	(157)	(60)
Other items in operating earnings with/without cash effects	(81)	30	13	(81)	13
Cash from net financial items	82	(78)	303	82	303
Taxes paid	(19)	(55)	(36)	(19)	(36)
<b>Net cash flow from operating activities</b>	<b>101</b>	<b>537</b>	<b>723</b>	<b>101</b>	<b>723</b>

INTERIM FINANCIAL STATEMENTS - FIRST QUARTER 2010

STATEMENT OF CHANGES IN GROUP EQUITY

NOK MILLION	PAID-IN EQUITY	RETAINED EARNINGS	HEDGE ACCOUNTING	OTHER EQUITY RESERVES	TOTAL BEFORE MINORITY INTERESTS	MINORITY INTERESTS	TOTAL EQUITY
<b>Equity 1 January 2009</b>	<b>12 310</b>	<b>621</b>	<b>(1 335)</b>	<b>1 766</b>	<b>13 362</b>	<b>269</b>	<b>13 632</b>
Comprehensive income for the period	0	(1 086)	1 211	(1 566)	(1 441)	(36)	(1 477)
Dividend	0	0	0	0	0	0	0
Change in holding of treasury shares	(8)	0	0	9	1	0	1
Change in ownership in subsidiaries	0	0	0	0	0	0	0
<b>Equity 31 March 2009</b>	<b>12 302</b>	<b>(465)</b>	<b>(124)</b>	<b>209</b>	<b>11 922</b>	<b>233</b>	<b>12 156</b>
Comprehensive income for the period	0	(119)	473	(291)	63	(205)	(141)
Dividend	0	0	0	0	0	0	0
Change in holding of treasury shares	0	0	0	0	0	0	0
Change in ownership in subsidiaries	0	0	0	0	0	0	0
<b>Equity 31 December 2009</b>	<b>12 302</b>	<b>(583)</b>	<b>349</b>	<b>(81)</b>	<b>11 987</b>	<b>28</b>	<b>12 015</b>
Comprehensive income for the period	0	(1 145)	40	142	(963)	(6)	(970)
Dividend	0	0	0	0	0	0	0
Change in holding of treasury shares	0	0	0	0	0	0	0
Change in ownership in subsidiaries	0	0	0	0	0	0	0
<b>Equity 31 March 2010</b>	<b>12 302</b>	<b>(1 729)</b>	<b>389</b>	<b>61</b>	<b>11 023</b>	<b>22</b>	<b>11 044</b>

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The interim financial statements of Norske Skog have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim financial statements are unaudited.

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

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 2009.

The newsprint segment has previously been divided into four geographical regions. From the first quarter of 2010, the number of regions will be reduced to two and the figures will be presented for activities inside and outside Europe. Sales offices and other administrative entities will, as before, not be allocated to regions. Comparative figures for 2009 have been restated in accordance with the new region structure.

INTERIM FINANCIAL STATEMENTS - FIRST QUARTER 2010

2. OPERATING SEGMENTS

The group's activities are divided into three operating segments: Newsprint, Magazine paper and Energy. Activities in the group that do not fall into any of the three operating segments are presented under Other activities and encompass corporate functions, investments in non-production related properties, trading and sorting of recovered paper, purchase and sales of wood and the group's bio fuel project.

The revenue reported per operating segment includes both sales to external parties and sales to other segments. Intra-segment sales are eliminated in the consolidated group accounts.

Recognition, measurement and classification applied in the segment reporting are consistent with the group's accounting principles described in Note 2 to the annual financial statements for the year ended 31 December 2009.

OPERATING REVENUE AND EXPENSES PER OPERATING SEGMENT

JAN-MAR 2010	NEWSPRINT	MAGAZINE PAPER	ENERGY	OTHER ACTIVITIES	ELIMINATIONS	NORSKE SKOG GROUP
<b>Operating revenue</b>	<b>2 613</b>	<b>1 503</b>	<b>589</b>	<b>528</b>	<b>(778)</b>	<b>4 455</b>
Distribution costs	(252)	(151)	0	(29)	0	(431)
Cost of materials	(1 540)	(914)	(541)	(388)	664	(2 720)
Change in inventories	30	(28)	0	(2)	0	0
Employee benefit expenses	(388)	(213)	0	(69)	0	(670)
Other operating expenses	(239)	(140)	(2)	(92)	115	(358)
<b>Gross operating earnings</b>	<b>225</b>	<b>56</b>	<b>46</b>	<b>(52)</b>	<b>0</b>	<b>275</b>
Depreciation	(380)	(137)	0	(10)	0	(528)
<b>Gross operating earnings after depreciation</b>	<b>(156)</b>	<b>(81)</b>	<b>46</b>	<b>(62)</b>	<b>0</b>	<b>(252)</b>
Restructuring expenses	0	0	0	0	0	0
Other gains and losses	30	0	(954)	10	0	(913)
Impairments	(198)	0	0	0	0	(198)
<b>Operating earnings</b>	<b>(324)</b>	<b>(81)</b>	<b>(908)</b>	<b>(52)</b>	<b>0</b>	<b>(1 364)</b>

OCT-DEC 2009	NEWSPRINT	MAGAZINE PAPER	ENERGY	OTHER ACTIVITIES	ELIMINATIONS	NORSKE SKOG GROUP
<b>Operating revenue</b>	<b>2 999</b>	<b>1 674</b>	<b>435</b>	<b>523</b>	<b>(723)</b>	<b>4 909</b>
Distribution costs	(272)	(155)	0	(26)	0	(452)
Cost of materials	(1 490)	(916)	(467)	(394)	589	(2 678)
Change in inventories	(136)	(46)	0	6	0	(175)
Employee benefit expenses	(440)	(221)	0	(65)	0	(726)
Other operating expenses	(279)	(174)	0	(85)	134	(406)
<b>Gross operating earnings</b>	<b>383</b>	<b>162</b>	<b>(32)</b>	<b>(40)</b>	<b>0</b>	<b>472</b>
Depreciation	(326)	(163)	0	(10)	0	(499)
<b>Gross operating earnings after depreciation</b>	<b>57</b>	<b>(2)</b>	<b>(32)</b>	<b>(50)</b>	<b>0</b>	<b>(27)</b>
Restructuring expenses	(70)	(18)	0	(2)	0	(90)
Other gains and losses	32	0	1 368	17	0	1 418
Impairments	(27)	(200)	0	0	0	(226)
<b>Operating earnings</b>	<b>(7)</b>	<b>(219)</b>	<b>1 336</b>	<b>(34)</b>	<b>0</b>	<b>1 075</b>

JAN-MAR 2009	NEWSPRINT	MAGAZINE PAPER	ENERGY	OTHER ACTIVITIES	ELIMINATIONS	NORSKE SKOG GROUP
<b>Operating revenue</b>	<b>3 329</b>	<b>1 603</b>	<b>449</b>	<b>567</b>	<b>(688)</b>	<b>5 259</b>
Distribution costs	(255)	(145)	0	(20)	0	(419)
Cost of materials	(2 103)	(784)	(437)	(410)	586	(3 149)
Change in inventories	199	(66)	0	0	0	134
Employee benefit expenses	(463)	(251)	0	(95)	0	(809)
Other operating expenses	(362)	(157)	(1)	(96)	102	(513)
<b>Gross operating earnings</b>	<b>345</b>	<b>201</b>	<b>10</b>	<b>(53)</b>	<b>0</b>	<b>504</b>
Depreciation	(483)	(159)	0	(11)	0	(652)
<b>Gross operating earnings after depreciation</b>	<b>(138)</b>	<b>43</b>	<b>10</b>	<b>(64)</b>	<b>0</b>	<b>(149)</b>
Restructuring expenses	(1)	0	0	0	0	(1)
Other gains and losses	126	0	(1 360)	9	0	(1 225)
Impairments	0	0	0	0	0	0
<b>Operating earnings</b>	<b>(13)</b>	<b>43</b>	<b>(1 350)</b>	<b>(55)</b>	<b>0</b>	<b>(1 374)</b>

INTERIM FINANCIAL STATEMENTS - FIRST QUARTER 2010

NEWSPRINT

	JAN-MAR 2010	OCT-DEC 2009	JAN-MAR 2009	YTD 2010	YTD 2009
<b>INCOME STATEMENT</b>					
<b>Operating revenue</b>	<b>2 613</b>	<b>2 999</b>	<b>3 329</b>	<b>2 613</b>	<b>3 329</b>
Distribution costs	(252)	(272)	(255)	(252)	(255)
Cost of materials	(1 540)	(1 490)	(2 103)	(1 540)	(2 103)
Change in inventories	30	(136)	199	30	199
Employee benefit expenses	(388)	(440)	(463)	(388)	(463)
Other operating expenses	(239)	(279)	(362)	(239)	(362)
<b>Gross operating earnings</b>	<b>225</b>	<b>383</b>	<b>345</b>	<b>225</b>	<b>345</b>
Depreciation	(380)	(326)	(483)	(380)	(483)
<b>Gross operating earnings after depreciation</b>	<b>(156)</b>	<b>57</b>	<b>(138)</b>	<b>(156)</b>	<b>(138)</b>
Restructuring expenses	0	(70)	(1)	0	(1)
Other gains and losses	30	32	126	30	126
Impairments	(198)	(27)	0	(198)	0
<b>Operating earnings</b>	<b>(324)</b>	<b>(7)</b>	<b>(13)</b>	<b>(324)</b>	<b>(13)</b>
<b>KEY FIGURES</b>					
Share of operating revenue from external parties (%)	97	98	100	97	100
Gross operating margin (%)	8.6	12.8	10.4	8.6	10.4
Production / capacity (%)	85	82	78	85	78
<b>PRODUCTION AND DELIVERIES (1 000 TONNES)</b>					
Production	654	653	736	654	736
Deliveries	644	693	662	644	662
<b>OPERATING REVENUE PER REGION</b>					
Newsprint Europe	1 314	1 549	1 575	1 314	1 575
Newsprint outside Europe	1 243	1 369	1 358	1 243	1 358
Sales offices and other activities	1 016	1 055	1 113	1 016	1 113
Eliminations	(960)	(974)	(717)	(960)	(717)
<b>Total</b>	<b>2 613</b>	<b>2 999</b>	<b>3 329</b>	<b>2 613</b>	<b>3 329</b>
<b>GROSS OPERATING EARNINGS PER REGION</b>					
Newsprint Europe	18	151	204	18	204
Newsprint outside Europe	196	216	149	196	149
Sales offices and other activities	10	17	(8)	10	(8)
Eliminations	0	0	0	0	0
<b>Total</b>	<b>225</b>	<b>383</b>	<b>345</b>	<b>225</b>	<b>345</b>

INTERIM FINANCIAL STATEMENTS - FIRST QUARTER 2010

MAGAZINE PAPER

	JAN-MAR 2010	OCT-DEC 2009	JAN-MAR 2009	YTD 2010	YTD 2009
<b>INCOME STATEMENT</b>					
<b>Operating revenue</b>	<b>1 503</b>	<b>1 674</b>	<b>1 603</b>	<b>1 503</b>	<b>1 603</b>
Distribution costs	(151)	(155)	(145)	(151)	(145)
Cost of materials	(914)	(916)	(784)	(914)	(784)
Change in inventories	(28)	(46)	(66)	(28)	(66)
Employee benefit expenses	(213)	(221)	(251)	(213)	(251)
Other operating expenses	(140)	(174)	(157)	(140)	(157)
<b>Gross operating earnings</b>	<b>56</b>	<b>162</b>	<b>201</b>	<b>56</b>	<b>201</b>
Depreciation	(137)	(163)	(159)	(137)	(159)
<b>Gross operating earnings after depreciation</b>	<b>(81)</b>	<b>(2)</b>	<b>43</b>	<b>(81)</b>	<b>43</b>
Restructuring expenses	0	(18)	0	0	0
Other gains and losses	0	0	0	0	0
Impairments	0	(200)	0	0	0
<b>Operating earnings</b>	<b>(81)</b>	<b>(219)</b>	<b>43</b>	<b>(81)</b>	<b>43</b>
<b>KEY FIGURES</b>					
Share of operating revenue from external parties (%)	95	97	100	95	100
Gross operating margin (%)	3.7	9.6	12.6	3.7	12.6
Production / capacity (%)	85	89	71	85	71
<b>PRODUCTION AND DELIVERIES (1 000 TONNES)</b>					
Production	296	313	249	296	249
Deliveries	307	314	262	307	262

ENERGY

	JAN-MAR 2010	OCT-DEC 2009	JAN-MAR 2009	YTD 2010	YTD 2009
<b>INCOME STATEMENT</b>					
<b>Operating revenue</b>	<b>589</b>	<b>435</b>	<b>449</b>	<b>589</b>	<b>449</b>
Distribution costs	0	0	0	0	0
Cost of materials	(541)	(467)	(437)	(541)	(437)
Change in inventories	0	0	0	0	0
Employee benefit expenses	0	0	0	0	0
Other operating expenses	(2)	0	(1)	(2)	(1)
<b>Gross operating earnings</b>	<b>46</b>	<b>(32)</b>	<b>10</b>	<b>46</b>	<b>10</b>
Depreciation	0	0	0	0	0
<b>Gross operating earnings after depreciation</b>	<b>46</b>	<b>(32)</b>	<b>10</b>	<b>46</b>	<b>10</b>
Restructuring expenses	0	0	0	0	0
Other gains and losses	(954)	1 368	(1 360)	(954)	(1 360)
Impairments	0	0	0	0	0
<b>Operating earnings</b>	<b>(908)</b>	<b>1 336</b>	<b>(1 350)</b>	<b>(908)</b>	<b>(1 350)</b>
Share of operating revenue from external parties (%)	54	39	38	54	38



INTERIM FINANCIAL STATEMENTS - FIRST QUARTER 2010

OTHER ACTIVITIES

	JAN-MAR 2010	OCT-DEC 2009	JAN-MAR 2009	YTD 2010	YTD 2009
<b>INCOME STATEMENT</b>					
<b>Operating revenue</b>	<b>528</b>	<b>523</b>	<b>567</b>	<b>528</b>	<b>567</b>
Distribution costs	(29)	(26)	(20)	(29)	(20)
Cost of materials	(388)	(394)	(410)	(388)	(410)
Change in inventories	(2)	6	0	(2)	0
Employee benefit expenses	(69)	(65)	(95)	(69)	(95)
Other operating expenses	(92)	(85)	(96)	(92)	(96)
<b>Gross operating earnings</b>	<b>(52)</b>	<b>(40)</b>	<b>(53)</b>	<b>(52)</b>	<b>(53)</b>
Depreciation	(10)	(10)	(11)	(10)	(11)
<b>Gross operating earnings after depreciation</b>	<b>(62)</b>	<b>(50)</b>	<b>(64)</b>	<b>(62)</b>	<b>(64)</b>
Restructuring expenses	0	(2)	0	0	0
Other gains and losses	10	17	9	10	9
Impairments	0	0	0	0	0
<b>Operating earnings</b>	<b>(52)</b>	<b>(34)</b>	<b>(55)</b>	<b>(52)</b>	<b>(55)</b>
Share of operating revenue from external parties (%)	30	37	32	30	32
<b>OPERATING REVENUE</b>					
Recovered paper	198	157	127	198	127
Real estate activities	5	3	3	5	3
Bio fuel	0	0	0	0	0
Corporate functions	66	59	66	66	66
Miscellaneous	277	319	382	277	382
Eliminations	(18)	(14)	(11)	(18)	(11)
<b>Total</b>	<b>528</b>	<b>523</b>	<b>567</b>	<b>528</b>	<b>567</b>
<b>GROSS OPERATING EARNINGS</b>					
Recovered paper	8	1	4	8	4
Real estate activities	(2)	(5)	(2)	(2)	(2)
Bio fuel	(5)	(5)	(5)	(5)	(5)
Corporate functions	(62)	(36)	(52)	(62)	(52)
Miscellaneous	9	5	1	9	1
Eliminations	0	0	0	0	0
<b>Total</b>	<b>(52)</b>	<b>(40)</b>	<b>(53)</b>	<b>(52)</b>	<b>(53)</b>

3. INTEREST-BEARING DEBT

Norske Skog has recognised an item 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 405 million is included in interest-bearing debt as at 31 March 2010. The corresponding figure as at 31 December 2009 was NOK 411 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. The carrying amount is not included in net interest-bearing debt when calculating the gearing ratio. The calculation is shown in the table below.

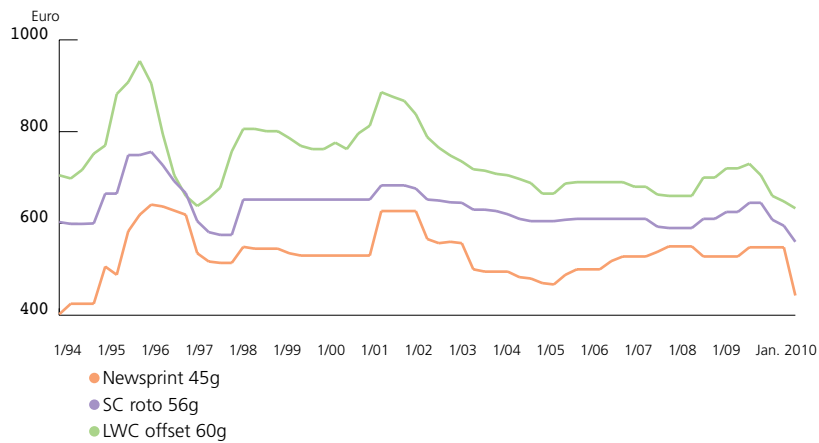
	31 MAR 2010
Interest-bearing non-current liabilities	13 708
Interest-bearing current liabilities	331
- Hedge reserve	401
- Fair value hedge	4
- Cash and cash equivalents	4 169
<b>= Net interest-bearing debt</b>	<b>9 465</b>
Equity less minority interests	11 023
<b>Gearing</b>	<b>0.86</b>

INTERIM FINANCIAL STATEMENTS - FIRST QUARTER 2010

4. NORSKE SKOG GROUP – QUARTERLY FIGURES

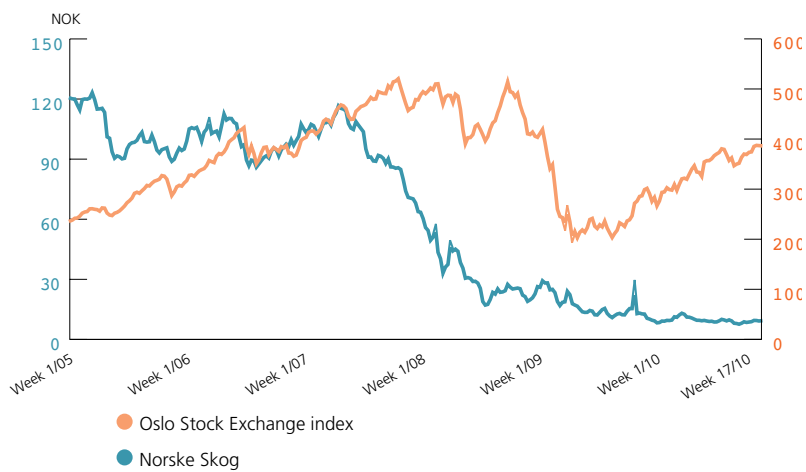
	JAN-MAR 2010	OCT-DEC 2009	JUL-SEP 2009	APR-JUN 2009	JAN-MAR 2009
<b>INCOME STATEMENT</b>					
<b>Operating revenue</b>	<b>4 455</b>	<b>4 909</b>	<b>5 033</b>	<b>5 160</b>	<b>5 259</b>
Distribution costs	(431)	(452)	(453)	(424)	(419)
Cost of materials	(2 720)	(2 678)	(2 680)	(2 938)	(3 149)
Change in inventories	0	(175)	(112)	22	134
Employee benefit expenses	(670)	(726)	(777)	(789)	(809)
Other operating expenses	(358)	(406)	(369)	(462)	(513)
<b>Gross operating earnings</b>	<b>275</b>	<b>472</b>	<b>642</b>	<b>568</b>	<b>504</b>
Depreciation	(528)	(499)	(649)	(666)	(652)
<b>Gross operating earnings after depreciation</b>	<b>(252)</b>	<b>(27)</b>	<b>(7)</b>	<b>(98)</b>	<b>(149)</b>
Restructuring expenses	0	(90)	(28)	(277)	(1)
Other gains and losses	(913)	1 418	168	872	(1 225)
Impairments	(198)	(226)	(1 006)	(651)	0
<b>Operating earnings</b>	<b>(1 364)</b>	<b>1 075</b>	<b>(872)</b>	<b>(153)</b>	<b>(1 374)</b>
Share of profit in associated companies	(4)	0	1	7	17
Financial items	(237)	(188)	542	69	(143)
<b>Profit/loss before income taxes</b>	<b>(1 606)</b>	<b>887</b>	<b>(330)</b>	<b>(77)</b>	<b>(1 500)</b>
Income taxes	453	(220)	(88)	(461)	389
<b>Net profit/loss for the period</b>	<b>(1 153)</b>	<b>667</b>	<b>(418)</b>	<b>(538)</b>	<b>(1 111)</b>
<b>OPERATING REVENUE PER SEGMENT</b>					
Newsprint	2 613	2 999	3 227	3 518	3 329
Magazine paper	1 503	1 674	1 607	1 387	1 603
Energy	589	435	408	445	449
Other activities	528	523	487	487	567
Eliminations	(778)	(723)	(696)	(676)	(688)
<b>Total</b>	<b>4 455</b>	<b>4 909</b>	<b>5 033</b>	<b>5 160</b>	<b>5 259</b>
<b>GROSS OPERATING EARNINGS PER SEGMENT</b>					
Newsprint	225	383	444	512	345
Magazine paper	56	162	201	125	201
Energy	46	(32)	12	(8)	10
Other activities	(52)	(40)	(15)	(61)	(53)
Eliminations	0	0	0	0	0
<b>Total</b>	<b>275</b>	<b>472</b>	<b>642</b>	<b>568</b>	<b>504</b>
<b>SHARE OF OPERATING REVENUE FROM EXTERNAL PARTIES</b>					
Newsprint	97%	98%	100%	100%	100%
Magazine paper	95%	97%	99%	100%	100%
Energy	54%	39%	36%	39%	38%
Other activities	30%	37%	34%	32%	32%

PRICE DEVELOPMENT NEWSPRINT, SC, LWC - GERMANY



Source: RISI

SHARE PRICE DEVELOPMENT 2000-2009



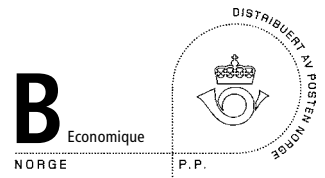
THE NORSKE SKOG SHARE

KEY FIGURES

JANUARY - MARCH 2010

AT 4.5.2010

	4.1.2010	31.3.2010	High	Low	Earnings per share	Book equity per share	Share price	Market value
<b>Norske Skog</b>	<b>9.41</b>	<b>8.99</b>	<b>10.85</b>	<b>7.35</b>	<b>-6.04</b>	<b>58.10</b>	<b>8.75</b>	<b>1 660</b>



Norske Skogindustrier ASA  
Shareholder Registry  
N-7620 SKOGEN, Norway

**Norske Skogindustrier ASA**

Oksenøyveien 80  
P O Box 329, NO-1326 Lysaker,  
Norway  
Phone: +47 67 59 90 00  
Fax: +47 67 59 91 81

[www.norskeskog.com](http://www.norskeskog.com)

