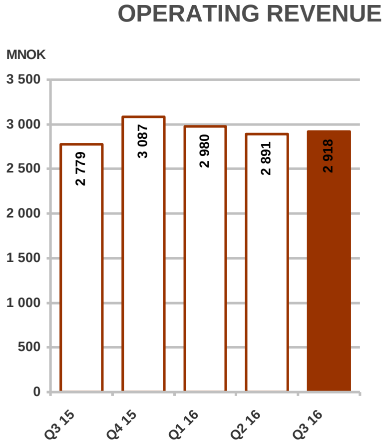
INTRODUCTION

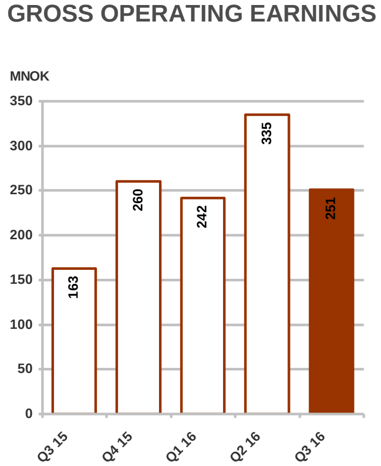
Norske Skog is a world leading producer of publication paper. Publication paper includes newsprint and magazine paper. The group has seven fully-owned mills in five countries and one partly-owned mill in Malaysia. The annual production capacity for the fully-owned mills is 2.7 million tonnes. Newsprint and magazine paper is sold through sales offices and agents to over 80 countries. The group has approximately 2 500 employees.

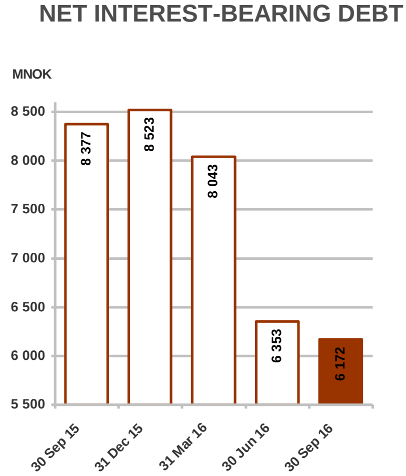
The parent company, Norske Skogindustrier ASA, is incorporated in Norway and has its head office at Skøyen in Oslo. The company is listed on the Oslo Stock Exchange, with the ticker NSG.

KEY FIGURES (UNAUDITED)

NOK MILLION (unless otherwise stated)	Q3 2016	Q2 2016	Q3 2015 Restated	YTD 2016	YTD 2015 Restated
INCOME STATEMENT					
Operating revenue	2 918	2 891	2 779	8 789	8 451
Gross operating earnings	251	335	163	828	493
Operating earnings	114	-1 146	-167	-992	-278
Profit/loss for the period	190	229	-874	430	-698
Earnings per share (NOK)	0.70	1.01	-4.60	1.78	-3.67
CASH FLOW					
Net cash flow from operating activities	19	42	-96	246	-867
Net cash flow from investing activities	-64	-73	-59	-185	-141
Cash flow per share (NOK)	0.07	0.16	-0.51	0.88	-4.56
OPERATING MARGIN AND PROFITABILITY (%)					
Gross operating margin	8.6	11.6	5.9	9.4	5.8
Return on capital employed (annualised)	10.4	13.1	5.3	10.5	5.5
PRODUCTION / DELIVERIES / CAPACITY UTILISATION					
Production (1 000 tonnes)	628	620	593	1 887	1 821
Deliveries (1 000 tonnes)	621	618	595	1 864	1 782
Production / capacity (%)	93	92	85	93	83







NOK MILLION	30 SEP 2016	30 JUN 2016	31 DEC 2015 Restated	30 SEP 2015 Restated
BALANCE SHEET				
Non-current assets	6 913	7 198	9 473	9 595
Current assets	3 298	3 420	3 187	3 294
Total assets	10 210	10 618	12 660	12 889
Equity	269	190	-229	288
Net interest-bearing debt	6 172	6 353	8 523	8 377

REPORT OF THE BOARD OF DIRECTORS FOR THE THIRD QUARTER OF 2016

- Gross operating earnings third quarter NOK 251 million, a decrease from NOK 335 million in the previous quarter
  - Somewhat higher energy and recovered paper (RP) costs
  - Negative impact from Brexit due to GBP depreciation
  - Annual maintenance shut at Golbey in France and higher other activities costs
- Net interest–bearing debt reduced by NOK 181 million to NOK 6 172 million
  - Positive unrealized currency effect from NOK appreciation and gains on bond buybacks
- Cash flow from operations NOK 115 million before net financial items
  - Seasonal build in working capital reduced cash flow in the quarter
- Profit for the period NOK 190 million, a slight decrease from NOK 229 million in the previous quarter
- Group equity improved with profit for the period to NOK 269 million

INCOME STATEMENT

NOK MILLION	Q3 2016	Q2 2016	Q3 2015	YTD 2016	YTD 2015
Operating revenue	2 918	2 891	2 779	8 789	8 451
Distribution costs	-313	-292	-321	-920	-915
Cost of materials	-1 689	-1 609	-1 637	-5 071	-5 123
Change in inventories	29	17	-3	79	162
Fixed cost	-694	-671	-656	-2 048	-2 082
Gross operating earnings	**251**	**335**	**163**	**828**	**493**

Operating revenue increased slightly from the second quarter with modestly higher sales volumes. Newsprint prices increased in the UK, but not enough to offset the negative impact from GBP depreciation following Brexit. Publication paper prices in other markets remained stable in local currencies in the third quarter.

Variable costs increased per tonne reflecting somewhat higher energy and RP costs. Fixed costs were broadly flat.

Gross operating earnings decreased quarter-over-quarter with cost inflation and margin contraction for the export business to the UK.

NOK MILLION	Q3 2016	Q2 2016	Q3 2015 Restated	YTD 2016	YTD 2015 Restated
Depreciation	-156	-186	-190	-532	-573
Restructuring expenses	-1	-46	-2	-47	-21
Other gains and losses	20	-10	-137	-2	-177
Impairments	0	-1 238	0	-1 238	0
Operating earnings	**114**	**-1 146**	**-167**	**-992**	**-278**

Depreciation decreased significantly following recognized impairment charges in the previous quarter.

Other gains and losses reflected a higher mark to market valuation of energy contracts in Norway.

NOK MILLION	Q3 2016	Q2 2016	Q3 2015 Restated	YTD 2016	YTD 2015 Restated
Share of profit in associated companies	-3	-204	-7	-206	-23
Financial items	84	1 359	-782	1 408	-425
Income taxes	-5	220	81	220	28
Profit/loss for the period	**190**	**229**	**-874**	**430**	**-698**

Share of profit in associated companies is equity method income accounting of the group's one-third stake in Malaysian Newsprint Industries (MNI).

Financial items included net interest expenses in excess of NOK 200 million, offset by a currency gain of around NOK 250 million on debt denominated in EUR and USD due to NOK appreciation and gains on bond buybacks. Interest expenses through the income statement are higher than cash interest payments reflecting amortization of bond issuance costs and payment in kind (PIK) interest.

Profit for the quarter after depreciation and financial items was NOK 190 million.

GROWTH OPPORTUNITIES BEYOND PUBLICATION PAPER

Biogas in Europe
The biogas project at Saugbrugs in Norway is to contribute fully from next year following completion this autumn. The biogas project at Golbey in France, announced this summer, will be completed next autumn. Onsite biogas brings twofold economic benefits; a new biogas revenue stream and reduced paper production costs. Biogas is a renewable alternative to fossil fuels which improves urban air quality.

Wood pellets in New Zealand
Norske Skog acquired a foothold in the pellets business last year following the acquisition of Nature's Flame, the pellets market leader in New Zealand. Export opportunities to Asia are currently being explored and pellets production will be considered expanded to the Tasman newsprint site. New Zealand has a considerable competitive advantage in exports to Asia given its location. Wood pellets are a renewable alternative to fossil fuels.

Tissue in Austria
Norske Skog is in partner discussions for a brownfield conversion of the the newsprint line at Bruck in Austria to tissue.

Bruck is ideally located for tissue production in an area close to key markets and benefits from onsite industrial infrastructure, synergies with large-scale magazine paper production and an experienced local management team.

The tissue project will result in the discontinuation of newsprint production at Bruck by year-end 2017, reducing market supply by 125 000 tonnes. The onsite 265 000 tonnes LWC machine will continue production alongside the new tissue machine.

SEGMENT INFORMATION

PUBLICATION PAPER EUROPE

NOK MILLION (unless otherwise stated)	Q3 2016	Q2 2016	Q3 2015	YTD 2016	YTD 2015
Operating revenue	1 988	2 057	1 956	6 162	5 928
Gross operating earnings	**191**	**260**	**120**	**633**	**268**
Gross operating margin (%)	9.6	12.6	6.2	10.3	4.5
Return on capital employed (%) (annualised)	12.3	17.7	6.9	13.8	5.1
Production (1 000 tonnes)	458	459	428	1 385	1 338
Deliveries (1 000 tonnes)	447	460	431	1 366	1 308
Production / capacity (%)	92	92	82	93	81

The segment constitutes Norske Skog's European operations in the publication paper market with mills in Norway, France and Austria. Annual production capacity is 2.0 million tonnes.

Operating revenue decreased from the previous quarter with somewhat lower sales volumes and a negative Brexit impact from GBP depreciaition. European publication paper prices remained stable outside the UK. Import inflation drove UK newsprint prices higher, but the increase is still lagging the flagging pound.

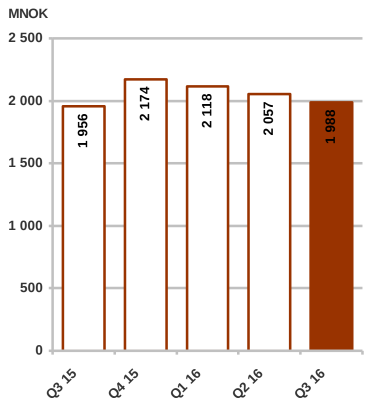
Variable costs increased per tonne with somewhat higher energy and RP costs. Fixed costs were broadly flat.

Gross operating earnings decreased quarter-over-quarter with lower revenue and cost inflation, a weak pound and zero contribution from Golbey in France in September due to its annual maintenance stop.

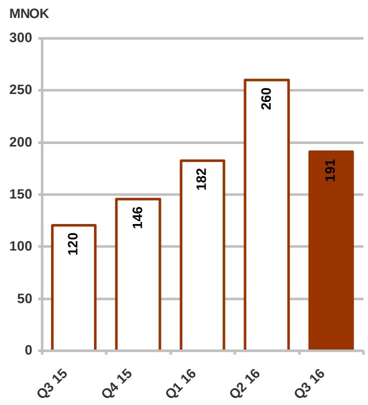
Demand for newsprint and magazine paper in Europe decreased by 3% and 2% respectively through August compared to the same period the year before.

Capacity utilisation remained high at 92% in the period.

OPERATING REVENUE



GROSS OPERATING EARNINGS



PUBLICATION PAPER AUSTRALASIA

NOK MILLION (unless otherwise stated)	Q3 2016	Q2 2016	Q3 2015	YTD 2016	YTD 2015
Operating revenue	917	824	811	2 597	2 513
Gross operating earnings	**73**	**78**	**61**	**225**	**257**
Gross operating margin (%)	7.9	9.4	7.6	8.7	10.2
Return on capital employed (%) (annualised)	8.2	5.9	5.0	6.5	7.8
Production (1 000 tonnes)	171	161	165	502	482
Deliveries (1 000 tonnes)	174	158	163	497	474
Production / capacity (%)	97	91	92	95	90

The segment consists of Norske Skog's operations in Australasia with mills in Australia and New Zealand. Annual production capacity is 0.7 million tonnes.

Operating revenue increased from the previous quarter with higher sales volumes at Boyer. Publication paper prices in Australasia remained relatively stable as long term contracts are an important constituent of the business.

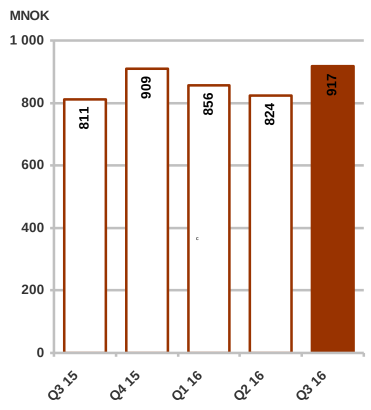
Variable costs increased per tonne with relatively more magazine paper to newsprint production. Fixed costs were broadly flat.

Gross operating earnings decreased somewhat quarter-over-quarter with increased costs offsetting the higher sales volumes.

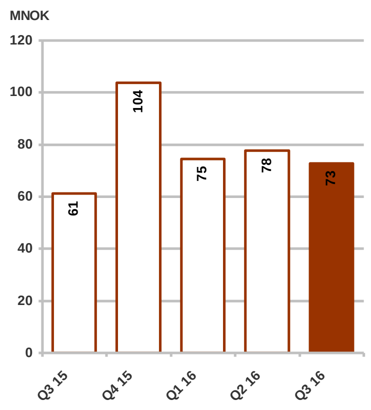
Demand for newsprint in Australasia decreased by 6% through August compared to the same period the year before. Demand for magazine paper was relatively stable.

Capacity utilisation was close to full at 97% in the period.

OPERATING REVENUE



GROSS OPERATING EARNINGS



OTHER ACTIVITIES

NOK MILLION	Q3 2016	Q2 2016	Q3 2015	YTD 2016	YTD 2015
Operating revenue	41	38	40	112	101
Gross operating earnings	**-13**	**-2**	**-19**	**-30**	**-32**

Other activities is a cost center consisting of unallocated group costs. The costs run at an annual level in excess of NOK 50 million, but are not uniformly distributed throughout the quarters of the year.

CASH FLOW

NOK MILLION	Q3 2016	Q2 2016	Q3 2015	YTD 2016	YTD 2015
Gross operating earnings	251	335	163	828	493
Change in working capital	-104	-11	-134	-38	-689
Restructuring activities	-20	-2	-8	-34	-12
Other items	-8	-1	-14	-17	-59
Net financial items	-96	-279	-98	-475	-570
Taxes paid	-4	1	-5	-18	-28
Net cash flow from operating activities	**19**	**42**	**-96**	**246**	**-867**
Purchases of property, plant and equipment and intangible assets	**-65**	**-74**	**-45**	**-187**	**-119**

Working capital increased with build-up of inventories for seasonally higher fourth quarter sales volumes.

Restructuring activities reflected payments related to centralisation of shared services in Australasia. Net financial items were primarily coupon payments on issued bonds.

Cash flow from purchases of property, plant and equipment and intangible assets included both maintenance capital expenditures and development capital expenditures. The growth developments have their own project financing.

BALANCE SHEET

NOK MILLION	30 SEP 2016	30 JUN 2016	30 SEP 2015 Restated
Non-current assets	6 913	7 198	9 595
Cash and cash equivalents	**570**	**725**	**699**
Other current assets	2 727	2 695	2 595
Total assets	10 210	10 618	12 889
Equity including non-controlling interests	**269**	**190**	**288**
Non-current liabilities	7 292	7 672	8 700
Current liabilities	2 649	2 756	3 901
Net interest-bearing debt	**6 172**	**6 353**	**8 377**

Equity improved to NOK 269 million at the end of the third quarter with profit for the period. A specification of changes in equity is shown on page 10.

Net interest-bearing debt was NOK 6 172 million at quarter end, a decrease of NOK 181 million in the period. The reduction largely reflected favourable foreign exchange movements.

Cash and cash equivalents amounted to NOK 570 million at quarter end.

RELATED PARTIES

Some of the company's shareholders are forest owners who supply wood to the group's mills in Norway. Norske Skog has entered into certain financing agreements with GSO and Cyrus. These are all done pursuant to applicable laws and regulations and relevant group financing terms. All transactions with related parties are conducted on normal commercial terms.

RISK MANAGEMENT

Norske Skog conducts continuous evaluations of its operational and financial risk factors. The main risk exposures for the group are linked to price and volume developments for publication paper and the costs of key input factors such as energy and fibre. Currency movements and developments in the broader economic climate remain the largest uncertainties impacting all of the above. The high financial leverage of the group amplifies the business risks. For an elaborated description of risk factors and risk management please refer to the annual financial statements for 2015.

OUTLOOK

The market balance for publication paper in Europe is favourable with modest demand declines and reduced supply due to capacity closures. The newsprint market will tighten further in 2017 with significant additional European capacity closures already announced, which should lead to price increases.

The Asian export market for newsprint, of increasing importance to Norske Skog due to a smaller domestic market in Australasia, is encouraging with price improvements.

Ongoing growth initiatives will begin to contribute meaningfully to gross operating earnings from next year and reach full run-rate potential within a timeframe of 3-4 years. Fixed costs initiatives continue at all mills towards a group level run-rate of NOK 600 million per quarter.

Recent foreign exchange developments, particulary from GBP depreciation, but also from NOK appreciation to EUR is a headwind for the group. Combined with somewhat higher energy and RP costs, this will diminish the positive seasonal effect from higher sales volumes in the fourth quarter.

SKØYEN, 18 OCTOBER 2016 – THE BOARD OF DIRECTORS OF NORSKE SKOGINDUSTRIER ASA

Henrik A. Christensen Chair	Eilif Due Board member	Nils Ingemund Hoff Board member
Joanne Owen Board member	Paul Kristiansen Board member	Cecilie Jonassen Board member
Svein Erik Veie Board member	Mimmi Berdal Board member	Sven Ombudstvedt President and CEO

INTERIM FINANCIAL STATEMENTS, THIRD QUARTER OF 2016

CONDENSED CONSOLIDATED INCOME STATEMENT

NOK MILLION	NOTE	Q3 2016	Q2 2016	Q3 2015 Restated	YTD 2016	YTD 2015 Restated
Operating revenue	5	**2 918**	**2 891**	**2 779**	**8 789**	**8 451**
Distribution costs		-313	-292	-321	-920	-915
Cost of materials		-1 689	-1 609	-1 637	-5 071	-5 123
Change in inventories		29	17	-3	79	162
Employee benefit expenses		-477	-457	-453	-1 400	-1 425
Other operating expenses		-217	-214	-202	-648	-657
Gross operating earnings		**251**	**335**	**163**	**828**	**493**
Depreciation	4	-156	-186	-190	-532	-573
Restructuring expenses		-1	-46	-2	-47	-21
Other gains and losses	7	20	-10	-137	-2	-177
Impairments	3, 4	0	-1 238	0	-1 238	0
Operating earnings		**114**	**-1 146**	**-167**	**-992**	**-278**
Share of profit in associated companies	3	-3	-204	-7	-206	-23
Financial items		84	1 359	-782	1 408	-425
Profit/loss before income taxes		**195**	**9**	**-955**	**211**	**-726**
Income taxes		-5	220	81	220	28
Profit/loss for the period		**190**	**229**	**-874**	**430**	**-698**
Profit/loss for the period attributable to:						
Owners of the parent		190	229	-874	430	-698
Non-controlling interests		0	0	0	0	0
Basic/diluted earnings per share (NOK)		0.70	1.01	-4.60	1.78	-3.67

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

NOK MILLION	Q3 2016	Q2 2016	Q3 2015 Restated	YTD 2016	YTD 2015 Restated
Profit/loss for the period	**190**	**229**	**-874**	**430**	**-698**
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss					
Currency translation differences	-111	-77	90	-302	-43
Tax expense on translation differences	0	-13	-42	-14	-253
Hedge of net investment in foreign operations	0	0	-139	37	-97
Tax expense on net investment hedge	0	0	0	0	0
Reclassified translation differences upon divestment of foreign operations	0	0	0	0	95
Perpetual notes	0	148	0	148	0
Other comprehensive income for the period	**-111**	**59**	**-91**	**-130**	**-298**
Comprehensive income for the period	**79**	**288**	**-965**	**299**	**-996**
Comprehensive income for the period attributable to:					
Owners of the parent	79	288	-965	299	-996
Non-controlling interests	0	0	0	0	0

CONDENSED CONSOLIDATED BALANCE SHEET

NOK MILLION	NOTE	30 SEP 2016	30 JUN 2016	31 DEC 2015 Restated	30 SEP 2015 Restated	1 JAN 2015 Restated
Deferred tax asset		0	0	0	381	598
Intangible assets	3, 4	20	22	87	83	92
Property, plant and equipment	3, 4	6 540	6 736	8 585	8 391	9 180
Investments in associated companies	3	159	174	374	370	429
Other non-current assets	7	193	266	426	369	387
Total non-current assets		**6 913**	**7 198**	**9 473**	**9 595**	**10 686**
Inventories		1 307	1 322	1 253	1 302	1 334
Trade and other receivables		1 188	1 134	1 357	1 270	1 209
Cash and cash equivalents	6	570	725	536	699	710
Other current assets	4, 7	232	238	40	23	39
Total current assets		**3 298**	**3 420**	**3 187**	**3 294**	**3 291**
Total assets		**10 210**	**10 618**	**12 660**	**12 889**	**13 977**
Paid-in equity		12 502	12 502	12 302	12 302	12 302
Retained earnings and other reserves		-12 232	-12 312	-12 532	-12 014	-11 017
Non-controlling interests		0	0	0	0	0
Total equity		**269**	**190**	**-229**	**288**	**1 285**
Pension obligations		258	266	276	287	820
Deferred tax liability		346	357	610	403	415
Interest-bearing non-current liabilities	6	6 229	6 512	7 453	7 385	6 592
Other non-current liabilities	7	460	538	631	624	692
Total non-current liabilities		**7 292**	**7 672**	**8 970**	**8 700**	**8 519**
Interest-bearing current liabilities	6	576	630	1 676	1 763	1 679
Trade and other payables		1 785	1 870	1 921	1 745	2 172
Tax payable		10	11	15	40	13
Other current liabilities	7	278	245	308	352	309
Total current liabilities		**2 649**	**2 756**	**3 920**	**3 901**	**4 173**
Total liabilities		**9 941**	**10 428**	**12 889**	**12 601**	**12 692**
Total equity and liabilities		**10 210**	**10 618**	**12 660**	**12 889**	**13 977**

SKØYEN, 18 OCTOBER 2016 – THE BOARD OF DIRECTORS OF NORSKE SKOGINDUSTRIER ASA

Henrik A. Christensen
Chair

Eilif Due
Board member

Nils Ingemund Hoff
Board member

Joanne Owen
Board member

Paul Kristiansen
Board member

Cecilie Jonassen
Board member

Svein Erik Veie
Board member

Mimmi Berdal
Board member

Sven Ombudstvedt
President and CEO

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

NOK MILLION	Q3 2016	Q2 2016	Q3 2015	YTD 2016	YTD 2015
Cash generated from operations	2 841	3 010	2 633	8 903	8 204
Cash used in operations	-2 722	-2 690	-2 626	-8 164	-8 472
Cash from net financial items	-96	-279	-98	-475	-570
Taxes paid	-4	1	-5	-18	-28
Net cash flow from operating activities [1)]	**19**	**42**	**-96**	**246**	**-867**
Purchases of property, plant and equipment and intangible assets	-65	-74	-45	-187	-119
Sales of property, plant and equipment and intangible assets	0	2	0	2	1
Dividend received	0	0	0	0	0
Purchase of shares in companies and other investments	0	0	0	0	-1
Sales of shares in companies and other investments	0	-1	-14	-1	-23
Net cash flow from investing activities	**-64**	**-73**	**-59**	**-185**	**-141**
New loans raised	21	332	111	1 443	2 512
Repayments of loans	-113	-1 093	-193	-1 620	-1 558
New paid in equity	0	57	0	200	0
Net cash flow from financing activities	**-92**	**-703**	**-81**	**23**	**954**
Foreign currency effects on cash and cash equivalents	-17	-13	40	-49	45
Total change in cash and cash equivalents	**-155**	**-747**	**-197**	**34**	**-10**
Cash and cash equivalents at start of period	725	1 472	896	536	710
Cash and cash equivalents at end of period	570	725	699	570	699
[1)] Reconciliation of net cash flow from operating activities					
Gross operating earnings	251	335	163	828	493
Change in working capital	-104	-11	-134	-38	-689
Payments made relating to restructuring activities	-20	-2	-8	-34	-12
Adjustment for other items	-8	-1	-14	-17	-59
Cash flow from net financial items	-96	-279	-98	-475	-570
Taxes paid	-4	1	-5	-18	-28
Net cash flow from operating activities	**19**	**42**	**-96**	**246**	**-867**

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 2015	**12 302**	**-11 708**	**-331**	**1 023**	**1 285**	**0**	**1 285**
Profit/loss for the period	0	176	0	0	176	0	176
Other comprehensive income for the period	0	0	42	-249	-207	0	-207
Equity 30 June 2015	**12 302**	**-11 533**	**-289**	**774**	**1 253**	**0**	**1 253**
Profit/loss for the period	0	-874	0	0	-874	0	-874
Other comprehensive income for the period	0	0	-139	50	-89	0	-89
Equity 30 September 2015	**12 302**	**-12 406**	**-428**	**824**	**288**	**0**	**288**
Profit/loss for the period	0	-828	0	0	-828	0	-828
Other comprehensive income for the period	0	0	-11	319	308	0	308
Equity 31 December 2015	**12 302**	**-13 234**	**-439**	**1 143**	**-229**	**0**	**-229**
Profit/loss for the period	0	240	0	0	240	0	240
Proceeds from shares issued	199	0	0	0	199	0	199
Other comprehensive income for the period	0	0	37	-56	-19	0	-19
Equity 30 June 2016	**12 502**	**-12 994**	**-403**	**1 085**	**190**	**0**	**190**
Profit/loss for the period	0	190	0	0	190	0	190
Other comprehensive income for the period	0	0	0	-111	-111	0	-111
Equity 30 September 2016	**12 502**	**-12 803**	**-403**	**975**	**269**	**0**	**269**

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.

The interim financial statements were authorised for issue by the board of directors in Norske Skogindustrier ASA on 18 October 2016.

Norske Skog's accounting treatment of embedded derivatives in energy contracts in Norway was changed with effect from 1 January 2015. See note 2 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 and rows.

The table below shows the applied average (un-weighted monthly) quarterly foreign exchange rates (Q3 2016 and Q2 2016) and the closing exchange rate (30 September 2016, 30 June 2016 and 31 December 2015) for the most important currencies for the Norske Skog group.

	Q3 2016	Q2 2016	30 SEP 2016	30 JUN 2016	31 DEC 2015
AUD	6.31	6.16	6.13	6.23	6.45
EUR	9.29	9.32	8.99	9.30	9.62
GBP	10.94	11.86	10.44	11.25	13.07
NZD	6.02	5.70	5.85	5.96	6.04
USD	8.32	8.26	8.05	8.38	8.81

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 2015. 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 2015, except for the adaptation of amended standards and new interpretations, which are mandatory from 1 January 2016. These changes are described in the annual financial statements for 2015.

Norske Skog has Euro denominated energy contracts in Norway, reducing the group's exposure to the Norwegian krone. Financially, a contract combining energy prices and currency exposures is considered a hybrid instrument, containing a host contract and an embedded derivative. When the embedded derivative is considered closely related to the host contract the embedded derivative is not separated from its host contract, while it is accounted for as a freestanding derivative when it is not considered closely related. Norske Skog previously accounted for the foreign currency element separately as an embedded derivative. In first quarter 2015 Norske Skog changed the accounting principle to account for the combined contract as one contact without separation of an embedded foreign currency derivative.

This accounting treatment was applied for all four interim financial statements for 2015. Due to a preliminary assessment from the Financial Supervisory Authority of Norway (FSA) from March 2016 the new accounting treatment was reversed. The annual financial statements for 2015 were issued in compliance with the preliminary assessment from the FSA. On 27 June 2016 the FSA issued the final assessment containing the same conclusion on the accounting treatment. In the interim financial statements for 2016 the comparable figures for 2015 will be restated compared to the interim financial statements issued for the interim periods in 2015. See Note 7 Energy contracts, derivatives and financial instruments carried at fair value for more information. The change in accounting principle was agreed with the auditor at that time. As described above and in accordance with the FSA's assessment, Norske Skog needed to change the accounting principle governing the Norwegian energy contracts. The full accounting effects of returning to the former accounting principles, and the current estimate had a net effect on reported equity of NOK 301 million at 31 December 2015. The change in accounting principle did not have any cash effect. See Note 7 for further information about enery contracts.

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 property, plant and equipment, and investments in associated companies

Property, plant and equipment are tested for possible impairment charges 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 sales costs or 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 applies a scenario model for future cash flows discounted by the weighted average cost of capital (WACC) for calculating the present value of the assets. If the impairment tests indicate lower values than the carrying amounts, impairment will be recognized.

The key drivers of profitability in the industry and thus asset values for Norske Skog are product prices relative to production costs. The impairment model's starting point is the operating plan or budget for 2016, where contracted prices/costs are reflected when applicable.

As announced on 24 May 2016, Norske Skog requested the consultancy BCG to prepare a comprehensive analysis of the paper markets that Norske Skog operates in. The analysis gives a forward looking view based on the dynamics that have been observed in the market as well as the key drivers for prices and volumes up to 2020. The conclusions of analysis are broadly in line with management views, but slightly more conservative on prices, margins and scenario probabilities.

The probability weighting of the three scenarios in the model has been under discussion in the impairment testing process. The management is of the opinion that a reversal towards a more sustainable industry structure represents the best estimate for cash flows over the life time of the paper machines.

The IFRS accounting standard IAS 36 however requires more weight to be assigned to historical and current margins, resulting in an impairment charge as of 30 June 2016 for Norske Skog assets of approximately NOK 1.4 billion. The impairment charge is mainly related to the business in Australasia with NOK 947 million and NOK 291 million for the European business. In addition an impairment of NOK 205 million for the associated company MNI was recognized.

The impairment test as of 30 June 2016 effectively assigns zero probability to the better scenario for a consolidation of the industry, as margins are capped on budget levels for 2016. The management however believes a consolidation of the industry is a real probability and clearly the most rational move for the industry.

Commodity contracts

Commodity contracts and embedded derivatives in commodity contracts are 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 values of commodity contracts and embedded derivatives in commodity contracts that are not traded in an active marked, are assessed through valuation techniques. Norske Skog has one long-term energy contract in New Zealand. The electricity prices for long-term electricity contracts in New Zealand are 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 market conditions existing at each balance sheet date.

See Note 9 in the annual financial statements for 2015 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. See Note 2 in the annual financial statements for 2015 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 as well as assessments from public authorities in each country it operates.

Norske Skog has continued the process related to simplification of the group's corporate structure in 2016. The simplification of the group's corporate structure in combination with changes in individual countries' tax laws could increase the group's tax exposure. However, due to completed reorganisations and tax assessments, the overall tax exposure has decreased during the last years.

4. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

JAN-SEP	PROPERTY, PLANT AND EQUIPMENT	INTANGIBLE ASSETS	TOTAL
Carrying value at start of period	8 585	87	8 672
Additions *)	193	7	200
Depreciation	-528	-4	-532
Impairments ***)	-1 180	-58	-1 238
Value changes	-13	0	-13
Disposals	-12	-11	-23
Disposals assets held for sale **)	-206	0	-206
Currency translation differences	-299	-1	-300
Carrying value at end of period	**6 540**	**20**	**6 560**

*) The difference between additions and the line Purchases of property, plant and equipment and intangible assets in the condensed consolidated statement of cash flows is due to finance leases, allocated emission allowances, accruals for payments and other additions with no cash impact.

**) The Tasman geothermal power plant has been reclassified from Property plant and equipment to Other current assets from the second quarter of 2016 as a result of the ongoing process to sell the asset.

***) See Note 3 for basis for impairment charge

SUMMERY OF CURRENT ASSETS HELD FOR SALE

	30 SEP 2016	30 JUN 2016	31 DEC 2015
Other current assets	204	206	0

PROPERTY, PLANT AND EQUIPMENT PER SEGMENT

	PROPERTY, PLANT AND EQUIPMENT	INTANGIBLE ASSETS	TOTAL
Publication paper Europe	4 121	2	4 123
Publication paper Australasia	2 384	9	2 393
Other activities	36	10	46
Total	**6 540**	**20**	**6 560**

5. OPERATING SEGMENTS

The activities of the Norske Skog group are focused on two business systems, namely Europe and Australasia. The segment structure is in line with how the group is managed internally. Norske Skog's chief operating decision maker is corporate management, who distribute resources and assess performance of the group's operating segments. According to the operating model, all mills have a direct reporting line to corporate management. The mills have been aggregated into two operating segments, publication paper Europe and publication paper Australasia, based on geographical location. Norske Skog has an integrated strategy in Europe and Australasia to maximize the profit in each region. The optimisation is carried out through coordinated sales- and operational planning. The regional planning, in combination with structured sales and operational processes, ensures maximisation of profit.

Publication paper includes newsprint and magazine paper. Newsprint includes standard newsprint and improved newsprint used in newspapers, inserts, catalogues etc. Magazine paper includes the paper qualities super calendered (SC) and light weight coated (LWC).

Magazine paper is used in magazines, catalogues and advertising materials.

The publication paper Europe segment encompasses production and sale of newsprint and magazine paper in Europe. All the four European mills and the regional sales organization are included in the operating segment publication paper Europe.

The publication paper Australasia segment encompasses production and sale of newsprint and magazine paper in Australasia. All the three mills in Australasia and the regional sales organization are included in the operating segment publication paper Australasia.

Activities in the group that do not fall into the operating segments are presented under other activities. This includes corporate functions, energy (commodity contracts and embedded derivatives in commodity contracts), Green energy business and other holding company activities.

Q3 2016	PUBLICATION PAPER EUROPE	PUBLICATION PAPER AUSTRALASIA	OTHER ACTIVITIES	ELIMINATIONS	NORSKE SKOG GROUP
Operating revenue	**1 988**	**917**	**41**	**-28**	**2 918**
Distribution costs	-203	-108	-2	0	-313
Cost of materials	-1 183	-504	-2	0	-1 689
Change in inventories	44	-18	3	0	29
Employee benefit expenses	-304	-142	-31	0	-477
Other operating expenses	-150	-73	-21	28	-217
Gross operating earnings	**191**	**73**	**-13**	**0**	**251**
Depreciation	-98	-55	-3	0	-156
Restructuring expenses	-1	0	0	0	-1
Other gains and losses	0	-3	23	0	20
Impairments	0	0	0	0	0
Operating earnings	**92**	**15**	**8**	**0**	**114**
Share of operating revenue from external parties (%)	100	100	36		100

Q2 2016	PUBLICATION PAPER EUROPE	PUBLICATION PAPER AUSTRALASIA	OTHER ACTIVITIES	ELIMINATIONS	NORSKE SKOG GROUP
Operating revenue	**2 057**	**824**	**38**	**-28**	**2 891**
Distribution costs	-196	-93	-2	0	-292
Cost of materials	-1 153	-455	-1	0	-1 609
Change in inventories	4	10	3	0	17
Employee benefit expenses	-308	-133	-16	0	-457
Other operating expenses	-144	-75	-24	28	-214
Gross operating earnings	**260**	**78**	**-2**	**0**	**335**
Depreciation	-101	-82	-3	0	-186
Restructuring expenses	-1	-42	-3	0	-46
Other gains and losses	2	-2	-10	0	-10
Impairments	-291	-947	0	0	-1 238
Operating earnings	**-131**	**-996**	**-18**	**0**	**-1 146**
Share of operating revenue from external parties (%)	100	100	30		100

Q3 2015 Restated	PUBLICATION PAPER EUROPE	PUBLICATION PAPER AUSTRALASIA	OTHER ACTIVITIES	ELIMINATIONS	NORSKE SKOG GROUP
Operating revenue	**1 956**	**811**	**40**	**-29**	**2 779**
Distribution costs	-218	-101	-2	0	-321
Cost of materials	-1 163	-463	-10	0	-1 637
Change in inventories	-14	9	2	0	-3
Employee benefit expenses	-301	-129	-23	0	-453
Other operating expenses	-140	-67	-25	29	-202
Gross operating earnings	**120**	**61**	**-19**	**0**	**163**
Depreciation	-104	-82	-3	0	-190
Restructuring expenses	-1	0	-1	0	-2
Other gains and losses	4	-4	-138	0	-137
Impairments	0	0	0	0	0
Operating earnings	**19**	**-25**	**-161**	**0**	**-167**
Share of operating revenue from external parties (%)	100	100	35		100

YTD 2016	PUBLICATION PAPER EUROPE	PUBLICATION PAPER AUSTRALASIA	OTHER ACTIVITIES	ELIMINATIONS	NORSKE SKOG GROUP
Operating revenue	**6 162**	**2 597**	**112**	**-82**	**8 789**
Distribution costs	-613	-302	-6	0	-920
Cost of materials	-3 613	-1 457	-1	0	-5 071
Change in inventories	58	14	6	0	79
Employee benefit expenses	-921	-407	-72	0	-1 400
Other operating expenses	-441	-221	-69	82	-648
Gross operating earnings	**633**	**225**	**-30**	**0**	**828**
Depreciation	-301	-222	-9	0	-532
Restructuring expenses	-2	-42	-3	0	-47
Other gains and losses	2	-7	3	0	-2
Impairments	-291	-947	0	0	-1 238
Operating earnings	**41**	**-994**	**-39**	**0**	**-992**
Share of operating revenue from external parties (%)	100	100	29		100

YTD 2015 Restated	PUBLICATION PAPER EUROPE	PUBLICATION PAPER AUSTRALASIA	OTHER ACTIVITIES	ELIMINATIONS	NORSKE SKOG GROUP
Operating revenue	**5 928**	**2 513**	**101**	**-91**	**8 451**
Distribution costs	-616	-297	-3	0	-915
Cost of materials	-3 751	-1 394	22	0	-5 123
Change in inventories	128	33	2	0	162
Employee benefit expenses	-964	-383	-78	0	-1 425
Other operating expenses	-457	-215	-76	91	-657
Gross operating earnings	**268**	**257**	**-32**	**0**	**493**
Depreciation	-312	-253	-8	0	-573
Restructuring expenses	0	-17	-4	0	-21
Other gains and losses	-159	-8	-9	0	-177
Impairments	0	0	0	0	0
Operating earnings	**-204**	**-21**	**-53**	**0**	**-278**
Share of operating revenue from external parties (%)	100	100	19		100

OTHER ACTIVITIES

INCOME STATEMENT	Q3 2016	Q2 2016	Q3 2015	YTD 2016	YTD 2015
OPERATING REVENUE					
Corporate functions	23	23	26	70	81
Green energy	14	11	13	31	16
Miscellaneous	5	5	3	15	11
Eliminations	-1	-1	-2	-4	-6
Total	**41**	**38**	**40**	**112**	**101**
GROSS OPERATING EARNINGS					
Corporate functions	-16	-4	-20	-35	-33
Green energy	1	0	1	-2	2
Miscellaneous	3	2	0	6	0
Eliminations	0	0	1	0	2
Total	**-13**	**-2**	**-19**	**-30**	**-32**

6. FINANCIAL ITEMS AND INTEREST-BEARING DEBT

FINANCIAL ITEMS

NOK MILLION	Q3 2016	Q2 2016	Q3 2015	YTD 2016	YTD 2015
Net interest expenses	**-206**	**-265**	**-247**	**-706**	**-678**
Currency gains/losses *)	256	60	-525	527	-600
Other financial items	35	1 563	-10	1 587	852
Total financial items	**84**	**1 359**	**-782**	**1 408**	**-425**

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

In first quarter 2016, Norske Skog launched a new exchange offer to the holder of the senior notes due in 2017 to exchange into new notes due in 2026, perpetual notes and the right to subscribe for equity. Norske Skog recognised a net gain, in connection with the exchange offer closed in April 2016, of about NOK 1 600 million in second quarter of 2016, which is included in Other financial items.

The appreciation of the NOK in third quarter has impacted on the translation of debt into NOK at 30 September, resulting in unrealized currency gain.

However, a stronger NOK is unfavourable for the underlying business and the competitiveness of the Norwegian mills.

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 62 million is included in interest-bearing debt at 30 September 2016. The corresponding figure at 30 June 2016 was NOK 64 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.

NOK MILLION	30 SEP 2016
Interest-bearing non-current liabilities	6 229
Interest-bearing current liabilities	576
- Hedge reserve	62
- Cash and cash equivalents	570
= Net interest-bearing debt	**6 172**

DEBT REPAYMENT SCHEDULE

NOK MILLION	30 SEP 2016
2016 – fourth quarter	340
2017	253
2018	47
2019	2 632
2020	926
2021	1 345
2022	20
2023	510
2024	20
2025	15
2026 to 2033	1 798
Total	**7 906**

Total debt listed in the repayment schedule differ from the carrying value in the balance sheet. This is due to the amortized cost principle (discounts on issued bonds and transaction costs) and hedge reserve.

Financed amounts from securitization arrangements is classified as interest-bearing current liabilities. This amounts to NOK 235 million in debt repayment in Q4 2016.

The financed amount represents a group of individual loans, which are settled individually at maturity of the accounts receivable. New loans are initiated on a consecutive basis based on new accounts receivable included under the securitisation agreement. The liability is in its nature current and Norske Skog does not have an unconditional right to defer settlement beyond twelve months. The liabilities are liabilities that are settled through its normal operating cycle. The corresponding accounts receivable is derecognised when the customer pays it.

BONDS

Bond financing constitutes the majority of Norske Skog's total debt financing. The 2026 and 2033 bonds and 2115 perpetual notes are issued by Norske Skogindustrier ASA and are unsecured. The 2021 and 2023 bonds are issued by Norske Skog Holding AS and are unsecured, but guaranteed. The 2019 bond is issued by Norske Skog AS and is guaranteed and secured. The table below shows Norske Skog's issued bonds at 30 September 2016.

The 2026 bond has a 3.5% cash coupon and a 3.5% Payment in Kind ("PIK") interest element, which accrues throughout the duration of the bond and is paid at maturity. The 2115 perpetual note has a 2% coupon, which is payable at the company's option. Any interest deferred will be accrued at a 2% rate per annum. Perpetual notes are treated as equity.

MATURITY	CURRENCY	COUPON	NOMINAL VALUE	AMOUNT OUTSTANDING 30 SEP 2016
February 2023	USD	8.00%	USD 61 mill	USD 61 mill
October 2033	USD	7.125%	USD 200 mill	USD 95 mill
December 2019	EUR	11.75%	EUR 290 mill	EUR 290 mill
February 2021	EUR	8.00%	EUR 159 mill	EUR 148 mill
June 2026	EUR	3.50% / 3.50% PIK	EUR 115 mill	EUR 115 mill
December 2115	EUR	2.00% PIK	EUR 79 mill	EUR 79 mill

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

	ASSETS		LIABILITIES	
30 SEP 2016	CURRENT	NON-CURRENT	CURRENT	NON-CURRENT
Energy contracts and embedded derivatives in energy contracts (level 3)	6	81	-41	-151
Energy contracts (level 2)	9	0	0	-2
Other raw material contracts (level 3)	0	0	0	0
Other derivatives and financial instruments carried at fair value (level 2)	0	0	0	0
Total	**15**	**81**	**-41**	**-153**

Norske Skog's portfolio of commodity contracts consists primarily of physical energy contracts. The fair value of commodity contracts is particularly sensitive to future fluctuations in energy prices. The fair value of embedded derivatives in physical contracts depends on currency and price index fluctuations. In valuation of derivative contracts the fair value includes the impact of credit risk. Credit risk adjustments are applied to derivative liability positions based on Norske Skog's own credit risk.

Higher energy prices have a positive impact on fair value. Energy prices in New Zealand have decreased in the long end of the price curve while the prices in the short end are virtually unchanged compared with previous quarter.

The energy contracts in Norway are nominated in EUR. These contracts contain embedded derivatives that are recognised at fair value in accordance with IAS 39 *Financial instruments – recognition and measurement*. NOK has strengthened against EUR during the quarter, which has had a positive effect on the fair value of the embedded derivatives.

A decrease in estimates of consumer price indices has a positive impact on fair value. Consumer price indices, which affect the fair value, show 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 financial energy contracts are also included in this accounting line.

Gains and losses on level 3 financial instruments recognised in the income statement, line item Other gains and losses, amounted to NOK 15 million in the third quarter (NOK -7 million in the second quarter).

8. PRINCIPAL SHAREHOLDERS

PRINCIPAL SHAREHOLDERS AT 30 SEP 2016	NUMBER OF SHARES	OWNERSHIP %
GSO Special Sit.	37 499 426	13.44
Goldman Sachs & Co	23 729 273	8.51
Nobelsystem Scandinavia AS	8 100 000	2.90
Astrup Fearnley AS	6 469 688	2.32
GSO Credit Alpha Trading	5 673 933	2.03
SES AS	5 600 000	2.01
GSO Churchill Partners	5 537 965	1.98
Allskog BA	5 296 381	1.90
Uthalden A/S	4 705 000	1.69
Fiducia AS	4 686 644	1.68
Barokk Invest AS	4 050 000	1.45
Swedbank Norge Markets	3 577 500	1.28
GSO Credit-A- Partner	3 370 383	1.21
Skandinaviska Enskilda Banken	2 959 674	1.06
Citibank N.A	2 572 577	0.92
Clearstream Banking	2 446 776	0.88
Torstein I. Tvenge	2 385 000	0.85
Alfaplan AS	2 367 500	0.85
GSO Oasis Credit Partners	2 204 685	0.79
Nordea Bank Finland	2 187 272	0.78
Other shareholders	143 575 318	51.46
Total	**278 994 995**	**100.00**

The data is provided by VPS. Whilst every reasonable effort is made to verify all data, VPS can not guarantee the accuracy of the analysis.

On 31 March 2016, Norske Skog issued 63 460 714 new shares at a subscription price of NOK 2.24 in a private placement directed to GSO and Cyrus. The total proceeds of the private placement amounts to NOK 142 151 999. The share capital increase pertaining to the private placement has been duly registered in the Norwegian Register of Business Enterprises.

On 14 June 2016, Norske Skog issued 25 588 655 new shares at subscription price of NOK 2.24 in connection with repair offering. The share capital increase has been duly registered in the Norwegian Register of Business Enterprises. As a consequence of the above share capital increases the new share capital of Norske Skogindustrier ASA at 30 June is NOK 278 994 995, divided into 278 994 995 shares, each with a par value of NOK 1.

9. THE NORSKE SKOG SHARE

	30 SEP 2016	30 JUN 2016	31 DEC 2015 Restated	30 SEP 2015 Restated
Share price (NOK)	2.93	2.50	2.66	2.01
Book value of equity per share (NOK)	0.97	0.68	-1.21	1.52

10. EVENTS AFTER THE BALANCE SHEET DATE

There have been no events after the balance sheet date with significant impact on the interim financial statements for the third quarter of 2016.

11. HISTORICAL FIGURES

INCOME STATEMENT	Q3 2016	Q2 2016	Q1 2016	Q4 2015 Restated	Q3 2015 Restated
Operating revenue	**2 918**	**2 891**	**2 980**	**3 087**	**2 779**
Variable costs	-1 973	-1 884	-2 056	-2 183	-1 960
Fixed costs	-694	-671	-682	-643	-656
Gross operating earnings	**251**	**335**	**242**	**260**	**163**
Depreciation	-156	-186	-190	-194	-190
Restructuring expenses	-1	-46	0	-32	-2
Other gains and losses	20	-10	-12	79	-137
Impairments	0	-1 238	0	0	0
Operating earnings	**114**	**-1 146**	**40**	**114**	**-167**
Share of profit in associated companies	-3	-204	2	-18	-7
Financial items	84	1 359	-34	-376	-782
Profit/loss before income taxes	**195**	**9**	**7**	**-279**	**-955**
Income taxes	-5	220	4	-549	81
Profit/loss for the period	**190**	**229**	**11**	**-828**	**-874**

SEGMENT INFORMATION	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
Publication paper Europe					
Operating revenue	1 988	2 057	2 118	2 174	1 956
Gross operating earnings	191	260	182	146	120
Deliveries (1 000 tonnes)	447	460	460	476	431
Publication paper Australasia					
Operating revenue	917	824	856	909	811
Gross operating earnings	73	78	75	104	61
Deliveries (1 000 tonnes)	174	158	165	174	163
Other activities					
Operating revenue	41	38	33	38	40
Gross operating earnings	-13	-2	-15	11	-19

BALANCE SHEET	30 SEP 2016	30 JUN 2016	31 MAR 2016	31 DEC 2015 Restated	30 SEP 2015 Restated
Total non-current assets	**6 913**	**7 198**	**9 149**	**9 473**	**9 595**
Inventories	1 307	1 322	1 287	1 253	1 302
Trade and other receivables	1 188	1 134	1 275	1 357	1 270
Cash and cash equivalents	570	725	1 472	536	699
Other current assets	232	238	35	40	23
Total current assets	**3 298**	**3 420**	**4 069**	**3 187**	**3 294**
Total assets	**10 210**	**10 618**	**13 218**	**12 660**	**12 889**
Total equity	**269**	**190**	**-154**	**-229**	**288**
Total non-current liabilities	**7 292**	**7 672**	**9 662**	**8 970**	**8 700**
Trade and other payables	1 785	1 870	1 947	1 921	1 745
Other current liabilities	864	886	1 763	1 999	2 155
Total current liabilities	**2 649**	**2 756**	**3 710**	**3 920**	**3 901**
Total liabilities	**9 941**	**10 428**	**13 372**	**12 889**	**12 601**
Total equity and liabilities	**10 210**	**10 618**	**13 218**	**12 660**	**12 889**

CASH FLOW	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
Reconciliation of net cash flow from operating activities					
Gross operating earnings	251	335	242	260	163
Change in operating working capital	-129	12	104	155	-137
Payments made relating to restructuring activities	-20	-2	-12	-2	-8
Cash flow from net financial items	-96	-279	-100	-273	-98
Taxes paid	-4	1	-15	-22	-5
Other	17	-24	-34	-28	-11
Net cash flow from operating activities	**19**	**42**	**185**	**90**	**-96**
Purchases of property, plant and equipment and intangible assets	-65	-74	-48	-61	-45
Net divestments	0	2	0	-4	-14
Dividend received	0	0	0	0	0
Net cash flow from investing activities	**-64**	**-73**	**-48**	**-65**	**-59**
Net cash flow from financing activities	**-92**	**-703**	**818**	**-193**	**-82**
Foreign currency effects on cash and cash equivalents	**-17**	**-13**	**-19**	**5**	**40**
Total change in cash and cash equivalents	**-155**	**-747**	**936**	**-163**	**-197**