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Shareholders' General Meeting

The ordinary General Meeting will be held on Wednesday May 8, 1996 at 12 o'clock at Festiviteten, Kirkegt. 18, Levanger.

Financial information 1996

General Meeting on May 8

Shares are quoted exclusive of dividend on May 9

Dividend paid to shareholders registered at the VPS as of May 8, 1996 on May 29

Publication of results for January-March on May 8

Publication of results for January-June on August 22

Publication of results for January-September on November 7

This is Norske Skog

Activity

Norske Skog is one of the world's leading producers of printing paper, with total output capacity of nearly 2.3 million tonnes at mills in Norway, France and Austria. In newsprint, Norske Skog is the third largest supplier in Western Europe and the fifth largest in the world. The Group is also one of the ten largest sawn timber suppliers in the Nordic area. Products, companies and plant capacity are shown below.

Business concept

Norske Skog's area of activity is forest industry.

The Group's goal

Norske Skog will continue its development as an international forest industry group. The Group will strive for long-term profitability and must be able to compete with the leaders in its product and market areas.

History

The company was established as Nordenfjelske Treforedling AS in 1962 and began producing newsprint at Skogn in 1966. After its expansion through the acquisition of other forest industry activities, the company changed its name to Norske Skogindustrier A.S in 1972. In 1989 Norske Skog merged with Tofte Industrier AS and A/S Follum Fabrikker, and in the same year it acquired Saugbrugsforeningen.

Production capacities

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Paper

			Capacities
Newsprint:			
Nordenfjelske Treforedling	Levanger	540,000 tonnes	
Follum Fabrikker	Ringerike	360,000 tonnes	
Papeteries de Golbey	Golbey, France	250,000 tonnes	
Bruck	Steiermark, Austria	115,000 tonnes	
A/S Union (affiliated company)	Skien	240,000 tonnes	1,505,000 tonnes
SC magazine paper:			
Saugbrugsforeningen	Halden		540,000 tonnes
LWC magazine paper:			
Bruck	Steiermark, Austria		220,000 tonnes
Total printing paper (newsprint, SC and LWC)			2,265,000 tonnes
Special grades:			
Sande Paper Mill (fluting)	Sande	85,000 tonnes	
Hurum Papirfabrikk (kraft paper)	Hurum	35,000 tonnes	120,000 tonnes
Total capacity paper			2,385,000 tonnes

Fibre

Tofte Industrier (sulphate pulp)	Hurum	365,000 tonnes	
Folla CTMP (chemithermomechanical pulp)	Verran	90,000 tonnes	455,000 tonnes
Total capacity market pulp			455,000 tonnes

Building Materials *)

Norske Skog Trelast AS		590,000 cubic metres
Norske Skog Plater AS (particle board)		350,000 cubic metres
Fibo-Trespo AS (laminated board products)		4,000,000 square metres
Langmoen Parkett AS (hardwood flooring)		1,500,000 square metres

Resources **)

Total property area	180,000 hectares
Of which productive forest area	81,000 hectares
With sustainable annual timber yield of	102,000 cubic metres
Mean annual electricity output	415 GWh

*) This activity also includes eight units for trading in building materials and further treatment of sawn timber.

**) This activity also includes procurement of round timber, waste paper and energy, and management of the Group's property.

1995 Highlights

Good performance

Norske Skog's operating profit more than trebled in 1995 to NOK 2,500 million. Output at several of the Group's companies set new records. In both absolute and relative terms, Norske Skog's profit reached a record level.

PdG a Group company

In 1995 Norske Skog increased its ownership stake in Papeteries de Golbey S.A. (PdG), in Lorraine, France, from 49% to 100%, and the company has been consolidated in the Group accounts since 01.04.1995. PdG is one of the newest and most modern newsprint mills in Europe, it is centrally located in relation to the Group's main markets and it has good development potential.

Acquisition of Bruck

With effect from 01.01.1996 Norske Skog took over the Bruck printing paper mill at Steiermark in Austria. Bruck has capacity of 220,000 tonnes of LWC (coated magazine paper) and 115,000 tonnes of newsprint. Together with PdG this means that Norske Skog has reinforced its position as a leading supplier of printing paper, and has become one of the 30 largest paper manufacturers in the world.

Expansion in board

It is decided to invest NOK 325 million in a new production line at the Group's particle board mill at Braskereidfoss. Norske Skog acquired the Agnes Fabrikker A/S particle board mill at Stavem with effect from 01.01.1995. Together these two developments increase Norske Skog's particle board capacity from 250,000 cubic metres

to 440,000 cubic metres/year.

Long-term financing

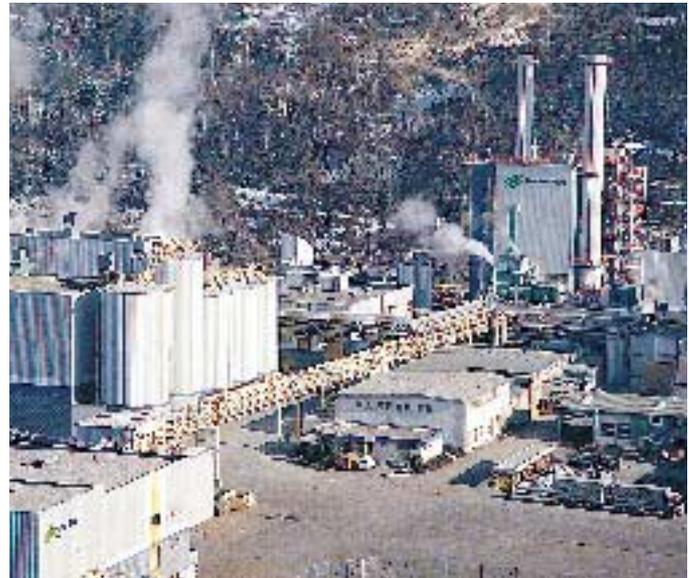
In September 1995 Norske Skog concluded an agreement with the Group's Norwegian and international banking connections providing for a USD 470 million long-term revolving credit facility. The facility has a term of seven years.

Organisation

Area Building Materials has been restructured, from 31.12.1995 to become a wholly-owned subsidiary, Norske Skog Bygg AS. The individual product areas - sawn timber, board, parquet and high pressure laminates - have been established as separate, wholly-owned subsidiaries of Norske Skog Bygg AS. This company structure provides greater flexibility and opportunities for co-operation with external partners.



PAPETERIES DE GOLBEY, FRANCE



NORSKE SKOG BRUCK, AUSTRIA

Aims and Activity in 1996

Operation

Norske Skog will maintain high production and sales activity in 1996, too. In several areas, output will be higher than in 1995. We shall strive to safeguard the effects of the cost reductions we have achieved.

Organisation

Bruck, Austria, and Papeteries de Golbey, France, will be phased in to Norske Skog's systems and organisation, in order to achieve the greatest possible synergies. Together, the two companies have about 900 employees and total capacity of nearly 600,000 tonnes of printing paper.

Projects

Norske Skog will carry out a number of major projects in 1996: Biofuel boiler at Saugbrugsforeningen in Halden, modernisation of particle board mill at Braskereidfoss, and a significant increase in capacity for laminated flooring at Fibo-Trespo, Lyngdal. Investments in Norske Skog's plants in Norway in 1996 will total around NOK 1 billion.

The structural development of Europe's forest industry

The structural development of Europe's forest industry is marked by specialisation, internationalisation and concentration. Product choice and the siting of production are increasingly being adapted to the market, a trend which leads to growing cross-border merger and acquisition activity. A significant part of the Nordic forest industry is concentrated within a few large groups which are active in several countries and which focus on a limited number of core areas. The major Nordic printing paper players, for example, have 25-50% of their capacity outside the Nordic area.

The forest industry remains a relatively fragmented industry, compared with other major international industries. The world's ten largest suppliers of market pulp and paper account for 32% and 16%, respectively, of the total market for these products. Corresponding figures for the world's motor car and computer industry are 80% and 50%, respectively. One might think that the capital-intensive forest industry would demand greater size than many other sectors. At the same time, the structure of the European forest industry invites continued major

changes, particularly when one considers Continental industry in relation to Nordic and North American competitors. According to Pulp and Paper International, the average capacity of paper mills in western Europe, outside the Nordic area, was less than 50,000 tonnes/year in 1994. The corresponding figure for North America was 152,000 tonnes and for the Nordic area 210,000 tonnes/year. It must therefore be assumed that the process of concentration within the forest industry will continue with full momentum.

Norske Skog has grown strongly during the past 15 years. After its active involvement in the restructuring of Norwegian forest industry in the 1970's and 1980's, the Group has continued to expand through engagements in France and Austria. Measured in current prices, the Group's operating income increased sevenfold from 1980 to 1995. In an international context, however, the Group is smaller than many of the companies which, during recent years, have made major acquisitions or participated in mergers.

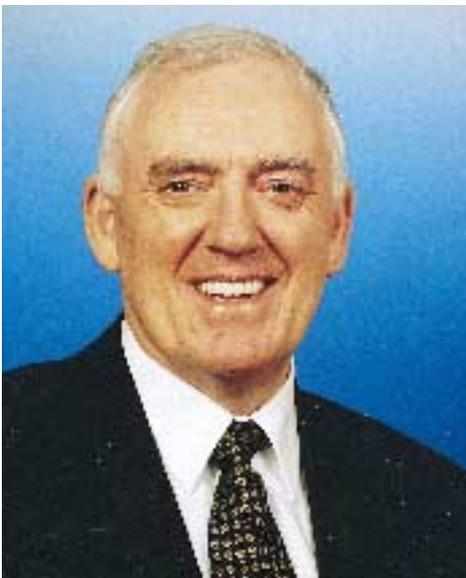
Its focus on core areas has, nevertheless, given Norske Skog a strong position in printing paper - newsprint, uncoated (SC) and coated (LWC) magazine paper. After the acquisitions made in 1995 Norske Skog has become Europe's third largest in newsprint and the world's fifth largest, with 3.6% of global capacity. The Group is the world's third largest supplier of SC magazine paper. It is now a major challenge to secure our market positions for these products, in step with the growth of the overall market.

The market outlook for the printing paper industry is, in fact, favourable. In Europe, consumption of newsprint and SC magazine paper is expected to grow by 2% annually, and that of LWC by 4%, during the period 1994-2004. If we reckon that a new printing paper machine has a capacity of 300,000 tonnes/year, seven such new machines would be needed to cover the rise in European consumption of newsprint and SC magazine paper foreseen during the decade.

Structural developments within the pulp industry have to a great extent been influenced by environmental and market conditions. Owing to the large amounts of raw material required, long-fibre market pulp is a typical Nordic and North American product, and structural development in this sector has therefore taken place in these areas. Capacity has been concentrated in fewer and fewer and larger and larger plants making bleached sulphate pulp. The imbalance in the pulp market during 1989-94 was due to strong capacity growth. From 1982 to 1994 world demand for bleached chemical market pulp rose by 13 million tonnes or more than 4% per year. During the 1990's the rise has been even more marked - nearly 6% per year. Consumption growth during the next ten-year period is expected to be somewhat lower - estimated at around 2% per year. Norske Skog today uses about 25% of its output of bleached chemical pulp in its own paper mills, and is thus one of the medium-large players in market pulp. A significant expansion is currently taking place in the production of pulp in tropical areas, based on plantation operation. Most of it is short-fibre pulp. This growth will almost certainly become more marked in future, partly because the mills are in areas where demand is expected to grow strongly.

Within the timber using industry structural development has also led to stronger concentration, but the sawn timber industry remains a relatively fragmented sector. Developments have gone furthest in Finland, where there

Photo: Anne Nørseth



are now three groupings, each with a capacity of around two million cubic metres/year - or about the same as Norway's entire output of sawn timber. The structure of the sawn timber industry in Norway is characterised by many small units. If the Norwegian sawn timber industry is to cope with the strong international competition, this structure must be changed; larger units, improved utilisation of the large investments involved, and a total capacity which is better suited to the raw materials basis. While in 1975 there were 13 particle board mills in Norway, and 18 in Sweden, today there are 6 in the two countries. The total European market for sawn timber and particle board amounts to 70 and 26 million cubic metres, respectively. With an annual production of about 500,000 cubic metres of sawn timber and just over 300,000 cubic metres of particle board, Norske Skog is a small player in this arena.

Norske Skog derives about 2/3 of its operating income from Western Europe, which today accounts for about 1/4 of world production and consumption of paper, and more than 1/5 of world sawn timber usage. Eastern Europe may offer a close and large potential, in terms both of its market and its resources. The development of the EU's internal market is expected to stimulate both trade and investment across borders. Overseas companies are already involved in European wood processing firms.

In the course of a couple of decades, the basic conditions for the printing paper industry in Western Europe have changed to the disadvantage of the Nordic area and in favour of producers in the UK and on the Continent. This applies primarily to a raw material- and energy-intensive product such as newsprint, and to a lesser degree to magazine paper, which contains little waste paper. The newsprint mills on the Continent and in the UK operate on the basis of a fibre mix containing 60-70% waste paper. Some mills use 100% recycled fibre. The possibility of using recycled fibre has changed their raw materials basis dramatically; moreover, production based on recycled fibre requires far less energy than that based on new fibre.

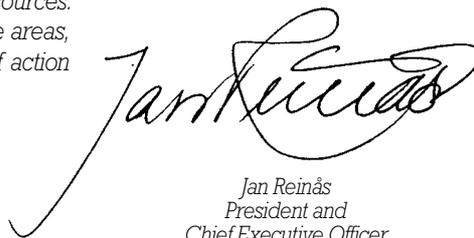
The expansion of European newsprint production during recent years has, therefore, taken place on the Continent and in the UK - not in the Nordic area. It is significant that of the eight new newsprint machines built in Western Europe during 1990-95, all were installed on the Continent and in the UK. This expansion is due mainly to the fact that Nordic companies have chosen to grow outside the Nordic area, where newsprint is concerned, while production of magazine paper has expanded in the Nordic countries.

Energy supplies in both Norway and the rest of Europe are currently undergoing a dynamic process; uncertainty about the future of nuclear power in Sweden, the creation of a Nordic electricity market, Norwegian power exchange contracts with foreign electricity utilities, and the possible emergence of a common energy policy within the EU. The combined effect of these factors could be less predictable supply conditions and a price level approaching that on the Continent. This would increase the relative competitiveness of newsprint suppliers in countries such as Germany, France and Austria, and further stimulate the re-location of the newsprint industry.

Norske Skog has its base and its roots in Norway. The trends described face the company with major challenges. The Group now has about 25% of its paper production capacity on the Continent. Of its total capacity for printing paper in Norway (including Union), newsprint accounts for nearly 70%.

A new newsprint machine has a lifetime of 20-30 years. Bearing this in mind, it is necessary to ask whether such a large proportion of newsprint will be appropriate in Norway, well into the next century. We must therefore secure the freedom to convert to Norwegian production of printing paper grades which are less raw materials- and energy-intensive, and which attract a higher price than newsprint. For example, light weight coated magazine paper (LWC) requires only about half the amount of raw materials and energy needed to make newsprint. Our possibilities for maintaining market shares for newsprint lie in increased capacity outside Norway.

A development on these lines must be seen in the appropriate time perspective. It will require a great deal of capital and make large demands on the organisation's total resources. Above all, it will be necessary to concentrate strongly on our core areas, maintaining the financial strength required to ensure freedom of action and the ability to stand up to the turbulence of a cyclical industry which competes on an international market.



Jan Reinås
President and
Chief Executive Officer

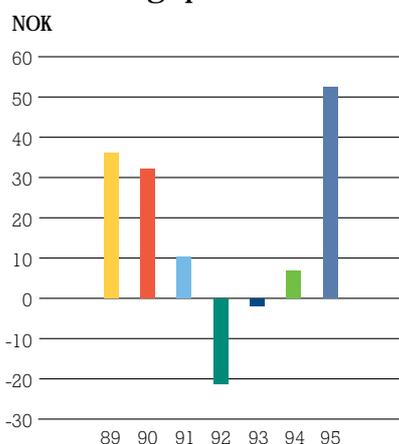
Main financial figures

		1995	1994	1993	1992	1991	1990	1989
Operating revenue	NOK mill.	12,548	9,170	7,338	7,557	8,640	9,879	9,248
Operating profit	NOK mill.	2,500	732	299	-47	500	1,128	1,001
Profit for the year	NOK mill.	1,699	206	-47	-516	246	773	802
Return on assets	%	21.4	7.1	5.0	0.4	8.0	15.0	17.0
Equity ratio	%	44.0	40.4	32.3	32.1	36.4	32.2	29.0
Gearing ¹⁾		0.61	0.67	1.13	1.07	0.49	0.65	0.63
Investments	NOK mill.	926	565	1,127	2,220	1,190	1,001	1,373
Ordinary depreciation	NOK mill.	832	616	552	575	553	548	487
Net earnings per share after tax	NOK	52.39	6.91	-1.79	-21.28	10.18	32.05	35.99
Net earnings per share after full conv.	NOK	45.99	7.70	1.68	-13.03	11.30	30.25	34.59
Return on equity	%	30.1	4.8	-	-	6.5	25.3	33.4

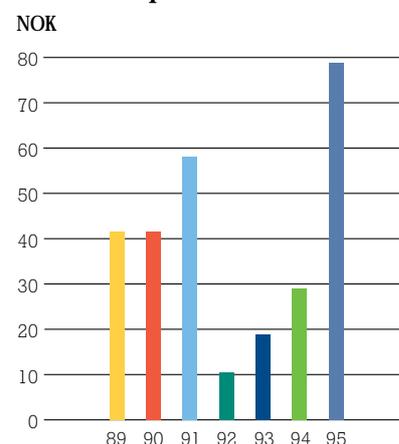
¹⁾ Net interest-bearing debt/Equity

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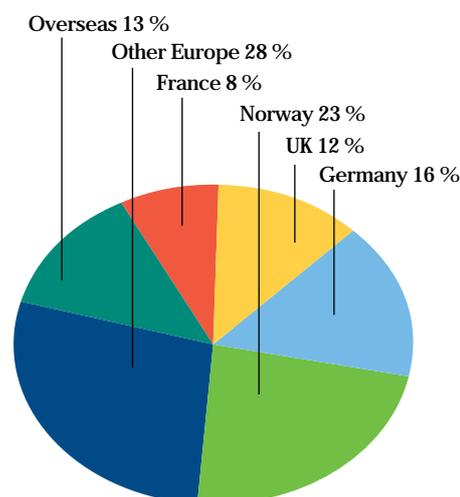
Net earnings per share after tax



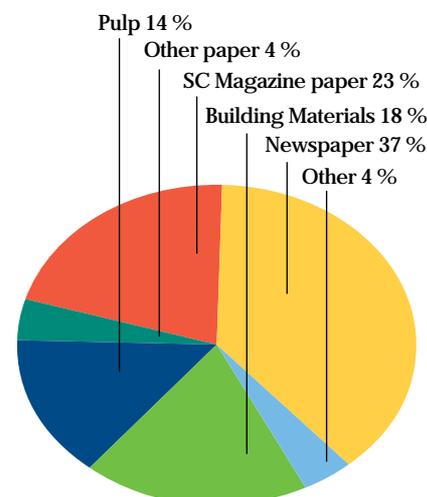
Cash flow per share after tax



Operating revenue per market



Operating revenue per product



Norske Skog will focus on its core areas, develop production with the highest possible added value, and continue internationalisation

The forest industry in Norway increased exports in 1995 by over 30% to nearly NOK 15 billion. Pulp showed the strongest rise, by nearly 50%. The increase reflects high output, good demand and a generally high price level. This picture shows one of Norske Skog's special paper carrying vessels unloading at the Group's terminal at Tilbury, England. 90% of the Group's Norwegian-produced printing paper is exported, primarily to Western Europe, but also to the US and Japan.

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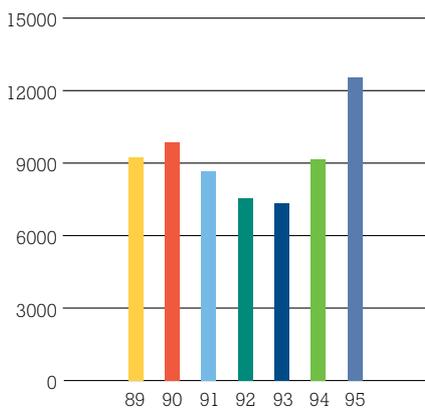
Photo: Stein Thue

NORSKE SKOG OWNS MAJORITY STAKES IN THREE SHIPS WHICH HAVE BEEN SPECIALLY BUILT FOR PAPER TRANSPORT. THESE SHIPS PLY BETWEEN THE EXPORT PORTS IN NORWAY AND TERMINALS ABROAD. STORAGE AND OVERLAND TRANSPORT IS HANDLED BY NORSKE SKOG'S LOCAL ORGANISATIONS IN THE EUROPEAN IMPORT MARKETS. GREAT BRITAIN IS AN IMPORTANT MARKET, AND ACTIVITY IS LIVELY AT THE TERMINAL IN TILBURY (ABOVE). "NORNEWS LEADER" (RIGHT) IS OF 5,670 TONNES DEADWEIGHT, AND WAS BUILT IN 1991.



Consolidated operating revenue

NOK mill.



Consolidated profit

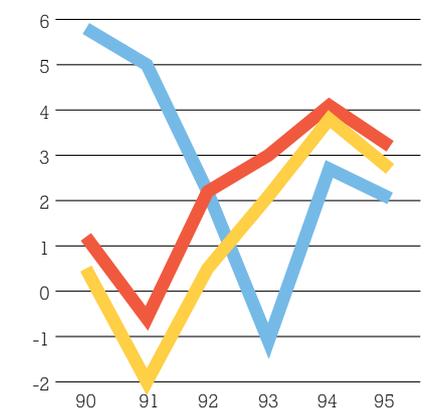
NOK mill.



Operating profit
Profit after financial items

Growth per year in gross domestic product (GDP)

%



USA UK Germany

Paper consumption is closely linked to fluctuations in the economy. Economic growth has been high during the past two years, and this has meant increased paper consumption and favourable market conditions. Source: OECD December 1995

The year 1995

Continued strong demand for pulp and printing paper, coupled with satisfactory market balance, led to high prices, increased capacity utilisation and a marked rise in profits, making 1995 a very good year for Norske Skog.

Through its acquisition of the Bruck paper mill in Austria, and the remaining 51% of the shares in Papeteries de Golbey, in France, Norske Skog boosted its capacity for paper by nearly 500,000 tonnes in 1995, to over 2.3 million tonnes/year. The Group thus reinforced its position as Europe's third largest producer of printing paper, and the world's fifth largest newsprint producer.

The long-term growth in consumption of forest industry products is expected to continue. World demand for paper was about 275 million tonnes in 1995, and according to forecasts by the UN's Food and Agriculture Organisation (FAO) this could rise by 60% to about 440 million tonnes during the next 15 years. Global consumption of wood-based printing paper was nearly 50 million tonnes in 1995 and consumption growth is estimated at 3% per year. It is against this background that Norske Skog must develop to secure its market positions.

This must be done by ensuring that the company's production facilities in Norway remain competitive, and that it continues to grow internationally. Through the decisions taken in 1995 Norske Skog has strengthened its position in the European printing paper market, increased its production capacity on the Continent and expanded its product range by the addition of LWC magazine paper. LWC is a product with high added value, and one which is expected to attract relatively high demand in the future.

Norske Skog is the country's largest producer of building materials and exports significant amounts of sawn timber, board, parquet and laminated flooring. There was good activity on the Norwegian building materials market, but sawn timber prices fell steeply during the year owing to imbalance on export markets in Europe. Following its acquisition of Agnes Fabrikker, Norske Skog is the second largest supplier of particle board in the Nordic area. The favourable situation for flooring products continued. Norske Skog has now adapted its company structure to foster further active development within these areas.

Result and dividend

Norske Skog achieved a pre-tax profit of NOK 2,336 million in 1995. This is the highest result the Group has ever attained. The corresponding figure for 1994 was NOK 333 million.

Norske Skog's operating revenue rose by 37% in 1995 to NOK 12,548 million (NOK 9,170 million). Of the increase, 62% reflected higher prices, 10% increased output and 28% new companies.

Operating profit climbed to NOK 2,500 million (NOK 732 million). The operating margin was 20% (8.0%). Cash flow from operations was NOK 2,555 million, compared with NOK 866 million in 1994. The improved results reflect high prices, high production and continued strict cost management.

Net financial items amounted to minus NOK 225 million in 1995, against minus NOK 262 million in 1994. The expansion undertaken in 1995 has led to increased interest costs, but this effect has been more than offset by interest hedging and gains from hedging of foreign currency income. Net interest costs rose to NOK 308 million in 1995 (NOK 218 million). At the end of 1995 the value of unrealised gains on loans, financial investments and financial instruments was NOK 40 million (NOK 41 million).

The Group's tax cost amounted to NOK 637 million, corresponding to 27% of the pre-tax profit.

The Board proposes a dividend of NOK 6.00 per share (NOK 1.50).

Capital developments, financing and investments

Norske Skog strengthened its financial position during 1995. Its equity capital ratio rose by 4 percentage points to 44% at the end of 1995. In this connection, the consolidation in the Group accounts of Papeteries de Golbey (PdG) and Agnes Fabrikker must be borne in mind. Pro forma consolidation in the Group accounts of Bruck as of 31.12.1995 results in an equity capital ratio of 39%. The ratio of net interest-bearing debt to equity was 0.61 as of 31.12.1995, compared with 0.67 at the end of 1994.

Norske Skog acquired the Bruck LWC and newsprint mill in Austria with effect from 01.01.1996 for NOK 2,100 million, NOK 1,800 million of which was settled by the take-over of debt. KNP is entitled to supplementary payments totalling up to about NOK

THE US IS A VERY LARGE AND IMPORTANT MARKET FOR SC MAGAZINE PAPER FROM SAUGBRUGSFORENINGEN IN HALDEN. THIS PAPER IS USED IN ADVERTISING LEAFLETS, CATALOGUES AND MAGAZINES SUCH AS THE MUSIC MAGAZINE "ROLLING STONE".

220 million, if Bruck achieves profits in 1996, 1997 and 1998 above a specified level. Profit in 1995 has been used to pay off debt, but as a result of the consolidation of PdG net interest-bearing debt increased by NOK 800 million during the year. PdG's financing has been restructured and the company's agreement with the bank syndicate has been renegotiated.

Norske Skog has extended the Group's existing loans, and in addition has concluded an agreement providing for a revolving credit facility of USD 470 million (NOK 2,970 million). By the new year this had not been drawn upon. The average life of Norske Skog's net interest-bearing debt is 3.4 years. The financial restructuring of the Group has resulted in improved terms for its loans.

The Group's total assets at the year's end amounted to NOK 14,864 million, compared with NOK 11,710 million as of 31.12.1994. The increase mainly reflects the acquisition and consolidation of Agnes Fabrikker and PdG, as well as a general increase in activity.

Liquid assets totalled NOK 1,010 million at the end of last year, compared with NOK 1,499 million as of 31.12.1994. Overall liquidity also includes unutilised overdrafts and drawing rights which totalled NOK 3,270 million at the end of the year.

Investments at Norske Skog's plants in 1995 totalled NOK 926 million. The largest projects were the upgrade of PM 7 at Follum Fabrikker, construction start on a new bio-fuel boiler at Saugbrugsforeningen, the upgrade of PM 3 at Nordenfjelske Treforedling, a new sawline at Langmoen Tre, capacity expansion at Fibo-Trespo and the start of work on the new particle board mill at Braskereidfoss.

Strategy and development

Norske Skog will continue to concentrate on its core areas, to develop production with the highest possible added value, and continue internationalisation.

The PdG newsprint mill in France is now a wholly-owned subsidiary since Norske Skog increased its stake, in 1995, from 49% to 100%. The mill's productivity has developed satisfactorily, it is well located in the market, and when the time comes its capacity will be increased by an additional paper machine.

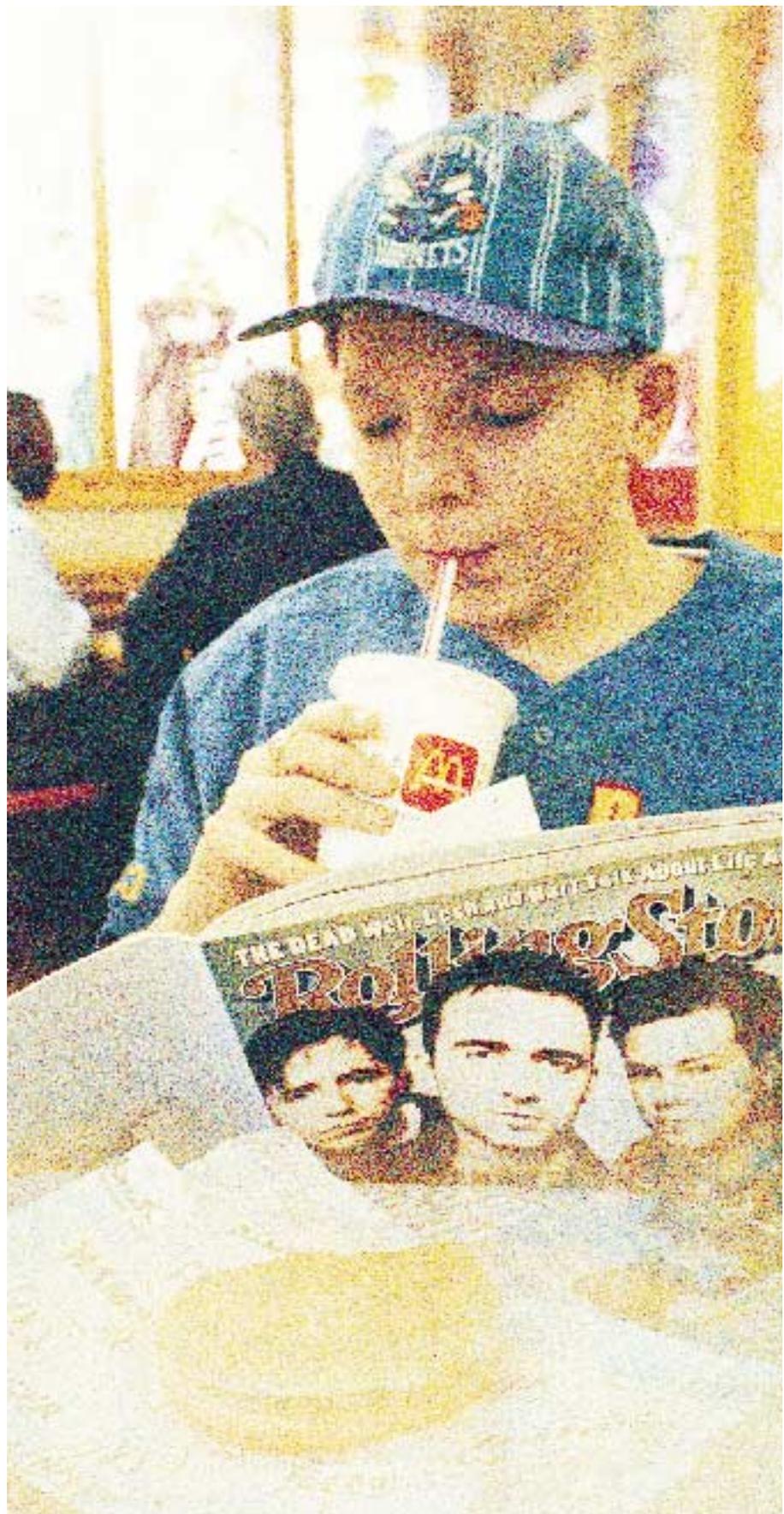
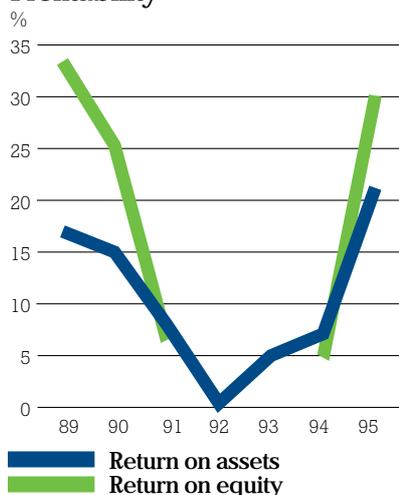
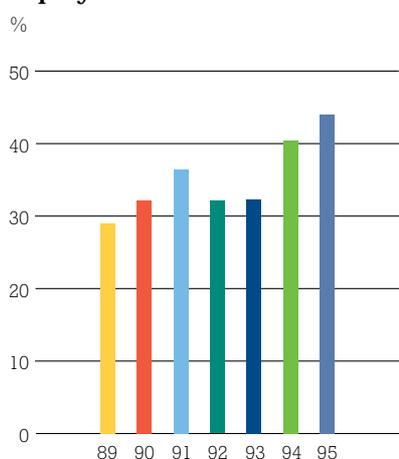


Photo: Stein Thue

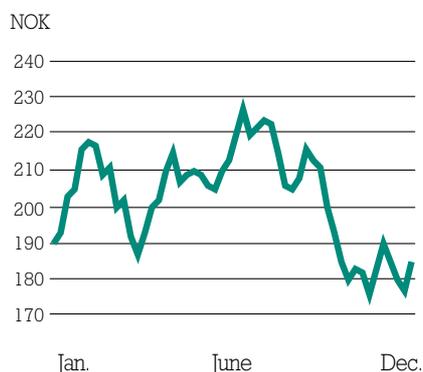
Profitability



Equity ratio



Share price development 1995 (A-shares)



Bruck in Austria has capacity of 220,000 tonnes of LWC and 115,000 tonnes of newsprint. The company's 1995 operating revenues amounted to NOK 1,881 million. During the past five years the previous owners have invested NOK 2,500 million in the plant.

With the acquisition of PdG and Bruck, the Group has strengthened its position in the European printing paper market, and is now well placed to serve markets in Central and Eastern Europe. Bruck adds LWC to Norske Skog's product range, and gives the Group competence in a growth product with a high degree of added value. Including special grades, Norske Skog's paper mills in Norway, France and Austria have a total capacity of over 2.3 million tonnes per year.

Structural changes in Western Europe's building materials industry and trade have led to fewer and larger units on both the supplier and customer sides. Norske Skog wishes to exploit the opportunities offered by Area Building Materials in the individual product areas, as well as the potential represented by the structural development of the Norwegian sawn timber industry. The Group has therefore decided to implement a new company structure in Area Building Materials. Building activity has been brought together under a wholly-owned subsidiary, Norske Skog Bygg AS, effective 31.12.1995. The individual product areas have been organised as separate limited companies: Fibro-Trespo AS, Langmoen Parkett AS, Norske Skog Trelast AS and Norske Skog Plater AS. These companies are wholly-owned subsidiaries of Norske Skog Bygg AS. This structure provides for greater flexibility and opportunities to conclude ownership or market cooperation with other interests.

It was decided during 1995 to renew the production line at the Group's particle board mill at Braskereidfoss. At the same time Norske Skog acquired the Agnes Fabrikker particle board mill, with effect - for accounting purposes - from 01.01.1995. This means that Norske Skog's output capacity for particle board increases from 250,000 cu.m. to 440,000 cu.m./year, and this is important to secure the long-term competitiveness of Norske Skog Plater AS. Norske Skog acquired in 1995 the sole world rights to a new and revolutionary laminating system - Alloc - for laminated flooring. Production was started in February 1996 and we expect much of this product.

Shareholder structure

Norske Skog's ownership structure was stable in 1995. Almost two thirds of the company's shares are owned by forest owner organisations and institutional investors within the banking, finance and investment fund sectors. At the turn of the year the two largest shareholders - with 6.9% and 4.4%, respectively, of total shares - were Drammensdistriktets Skogeierforening and Folketrygd-fondet (the state social security fund). Foreign interests held 19.3% of the company's shares, compared with 25% at the end of 1994.

The price of Norske Skog shares reached an all-time high in 1995 of NOK 233 for A shares. The price eased somewhat during the year, to NOK 185.50 at the end of 1995. This compared with NOK 190 a year earlier. Turnover in Norske Skog shares remained high during 1995. Liquidity during the year averaged 86.6%. Liquidity is the ratio between shares traded and the average number of shares issued.

Norske Skog had 17,710 shareholders as of 31.12.1995. The number of issued shares was 32,615,320, comprising 26,530,991 (81.3%) A shares, with voting rights, and 6,084,329 (18.7%) non-voting B shares. The company's share capital is NOK 652,306,400.

The RISK figure as of 01.01.1995 has been set at minus NOK 0.67 per share. Norske Skog has provisionally estimated the RISK figure as of 01.01.1996 at NOK 35 per share. During 1996 the tax authorities will determine the final RISK figure on the basis of Norske Skog's tax return for 1995.

Area Paper

Total sales within Area Paper during 1995 amounted to NOK 8,066 million (NOK 5,831 million). Operating profit rose from NOK 454 million to NOK 1,708 million in 1995. There was a marked improvement in the results of Saugbrugsforeningen and Nordenfjelske Treforedling. Follum Fabrikker and PdG also did better than in the previous year. Profits of Union, an affiliated company, also rose considerably.

These favourable results reflect the fact that the paper market is again in balance, following several years of overcapacity. This made it possible to increase prices significantly during the year. Market conditions improved strongly towards the end of 1994, following a period in which weak consumption growth on several main markets coincided with substantial capacity increases in the early 1990's. Apart from

PARQUET FLOORING IS STEADILY GAINING GROUND - THIS IS ALSO EVIDENT IN PUBLIC BUILDINGS WHICH DEMAND GOOD-LOOKING, HARD-WEARING FLOORS - SUCH AS IN THE CANTEN AT THE INSURANCE COMPANY GJENSIDIGE, SHOWN HERE.



Photo: Stein Thue

Review of profit and loss account

Operating profit per Area (NOK mill.)	1995	1994	1993
Paper	1,708	454	469
Fibre	682	178	-187
Building Materials	96	146	85
Total Areas	2,486	778	367
Eliminations/administration expenses	14	-46	-68
Operating profit	2,500	732	299
Share of profit in affiliated companies	60	-137	-116
Net financial expenses	-225	-262	-185
Financial items	-165	-399	-301
Profit before minority interests and taxes	2,335	333	-2
Minority interests	1	0	6
Profit before taxes	2,336	333	4
Taxes	-637	-127	-51
Profit for the year	1,699	206	-47

shut-downs for maintenance and installation of new plant, full capacity utilisation was achieved at all our plants. Paper production rose by 7.3% to 1.9 million tonnes, including the affiliated company Union. At both Nordenfjelske Treforedling and Follum Fabrikker there were production shut-downs, during the year, in order to upgrade PM 3 and PM 7, respectively.

Consumption of newsprint in Western Europe rose by 2% last year. Capacity growth in Europe was very small in 1995, and in North America capacity in the newsprint industry declined, owing to shut-downs and conversion of plant to produce other paper grades. In the US demand for newsprint showed a declining trend in 1995. Strong economic growth in parts of the Far East led to increased demand for newsprint in this part of the world, resulting in reduced deliveries to Europe from Canada and Russia.

Improved newsprint grades and SC magazine paper also benefitted from favourable market trends in 1995. In Western Europe and the US demand for SC magazine paper rose by 12% and 2%, respectively. Some of this strong growth was due, however, to stock building by customers.

Printing paper prices rose by 15-25% for deliveries during the first half year and by 18-20% for the second half of 1995. This means that the price level prior to the decline of 1991-93 has been largely regained.

Saugbrugsforeningen's new paper machine, PM 6, now supplies SC magazine paper of very high quality. The machine is also performing well as regards volume,

and overall it is achieving good profitability.

The Group has, through its acquisition of Bruck, become a producer of LWC magazine paper. World consumption of this product amounts to over 11 million tonnes per year, corresponding to more than 20% of total printing paper usage. Within the printing paper product segment it is LWC which has shown the strongest growth, averaging 5% p.a. during the past 15 years.

At the end of 1995 there was still good balance in the printing paper industry in North America and Western Europe. For LWC in particular, but also for SC magazine paper, there was a decline in orders towards the end of the year. This was mainly due to customers' stock adjustments. During the next two years the increase in world printing paper capacity is expected to be relatively small. Given an expected growth in consumption of around 2-3%, capacity utilisation should therefore remain high.

The special grades made at Sande Paper Mill and Hurum Papirfabrikk were also in good demand during 1995, with prices developing favourably. Towards the end of the year there was pressure on prices for packaging grades, and a reduced order inflow owing to customers' stock adjustments. At Sande Paper Mill it became necessary to lay off 100 employees for three weeks during February-March 1996.

Area Fibre

The marked improvement of pulp markets continued during 1995, leading to a consi-

derable improvement in the results of both Tofte Industrier and Folla CTMP. Both companies set new output records in 1995 - of 355,700 tonnes and 89,100 tonnes respectively. Total sales reached NOK 2,171 million in 1995 (NOK 1,498 million). Operating profit was NOK 682 million (NOK 178 million).

High production and low stocks at paper mills in the western industrial countries led to a satisfactory improvement of market balance, and a rapid rise in prices. The price of bleached long-fibre sulphate pulp rose from USD 750/tonne in the first quarter of 1995 to USD 825 in March-April and USD 925 from June 1. During part of October-November 1995 the price reached USD 1,000, before it declined again to USD 925 in December and further to USD 875 in January and USD 725 in February. The price is still under pressure.

Consumption of market pulp was well maintained until the end of 1995. Immediately after the summer holidays customers' warehouses were full, resulting in a slower rate of shipment from suppliers. This led, in turn, to an increase in Norscan stocks - from under 1 million tonnes on July 1, 1995, to nearly 2 million tonnes at the end of the year. Several suppliers have, therefore, implemented production shut-downs in order to keep the stock situation under control. Stock adjustments are expected to continue through the first quarter of 1996. Tofte Industrier shut down production for two weeks in November/December, and the present view is that six weeks' production shut-down will be needed during the first half of 1996.

NORSKE SKOG PLATER HAS JUST OVER 60% OF THE MARKET FOR PARTICLE BOARD IN NORWAY. THIS PICTURE IS FROM HOV DOKKA, WHICH USES LARGE AMOUNTS OF PARTICLE BOARD IN THE PRODUCTION OF OFFICE FURNITURE.

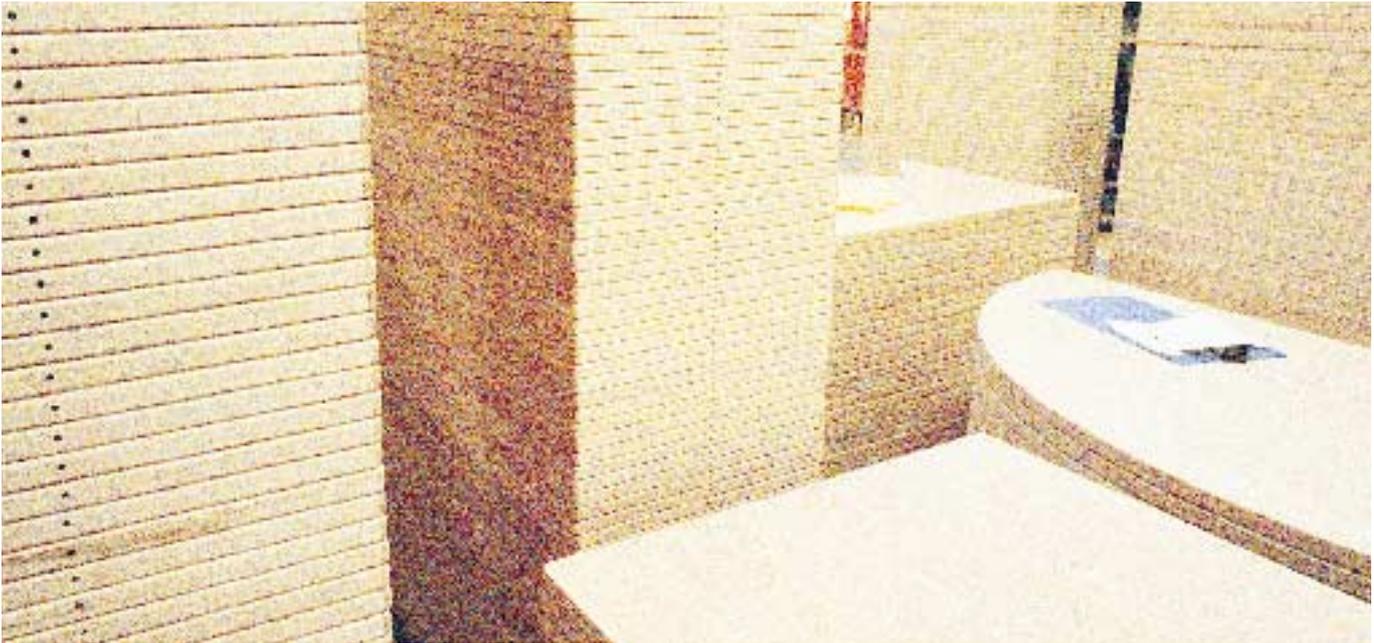


Photo: Stein Thue

Capacity for CTMP increased by about 25% during 1995, when Canadian mills which had been temporarily shut down were brought back into production. Short-fibre pulp from the East can, moreover, compete with CTMP for some uses. Both capacity utilisation and price trends will, therefore, probably be weaker in 1996 for CTMP than for sulphate pulp.

Area Building Materials

Satisfactory profitability for boards and flooring products enabled Area Building Materials to achieve an operating profit of NOK 96 million in 1995 (NOK 146 million). Total sales reached NOK 2,333 million (NOK 2,048 million).

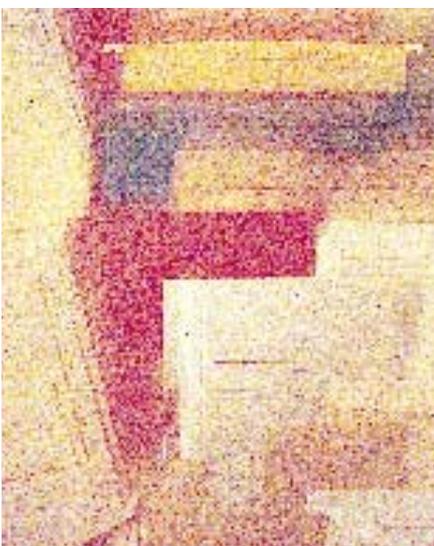


Photo: Reklamefotografene

Activity in the Norwegian building materials market was generally at an acceptable level in 1995, primarily owing to satisfactory activity in construction of commercial buildings. Housing starts in 1995 amounted to about 20,400 units (21,240).

The Norwegian and export markets for sawn timber deteriorated significantly in 1995, and the prices of bulk products are now at the same low level as in 1988. Combined with high raw material prices, this led to very poor profitability at the sawmills. The weaker timber prices reflect imbalance in the markets, owing to increased production in Sweden and Finland and higher domestic production in leading importer countries such as Germany, France and Great Britain.

Demand for particle board in Norway continued to rise in 1995, and estimated consumption was about 245,000 cubic metres. Exports of particle board broke previous records, and accounted for about 50% of total deliveries.

Norske Skog's flooring products did well, but weaker activity on a key market like

HURUM PAPIRFABRIKK MAKES A WIDE RANGE OF SPECIAL GRADES, INCLUDING PAPER FOR OFFICE USE.

Germany led to a shift towards lower priced products, thereby putting pressure on parquet prices. Volume trends for laminated flooring were satisfactory, and exports to the US started in the autumn of 1995.

The building materials market in Norway is not expected to show significant growth during 1996. Where export markets - particularly Germany - are concerned, there is great uncertainty about developments this year.

Area Resources

In 1995 6.0 million cubic metres of round timber and sawmill chips (5.9) and 28,000 tonnes of waste paper were purchased for the Group's plants in Norway. Of this, 2.5 million cubic metres (2.1) were imported. Deciduous timber, including eucalyptus for Tofte Industrier, accounted for 0.6 million cubic metres of imports.

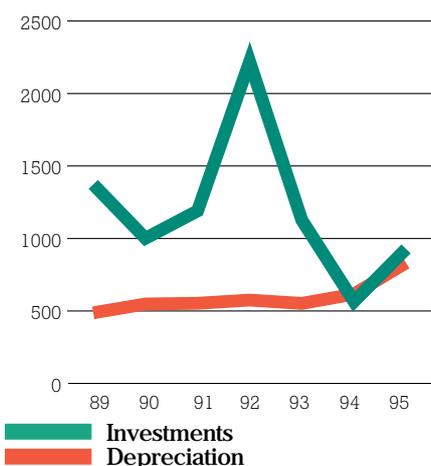
Norske Skog considers Norwegian waste paper as a fibre resource and is working to increase the use of this raw material. PdG experienced shortages of waste paper, with very high prices, during parts of the year. Towards the end of the year the supply was satisfactory, and the price had declined significantly.

Harvesting in Norske Skog's own forests in 1995 yielded 102,250 cubic metres (102,000). During the year work was done to map key biotopes and other areas of special natural value in the company's forests in south Norway and Sweden. The results of these surveys will play an impor-

THE ULTRA-LOCAL NEWSPAPER SURVIVES AND FLOURISHES IN A TURBULENT MEDIA WORLD. AKERSPOSTEN/ULLERN AVIS, IN OSLO, HAS JUST CELEBRATED ITS 90TH BIRTHDAY, HAS A CIRCULATION OF 5,500 AND 10 EMPLOYEES - AND IS TECHNOLOGICALLY FULLY ABBREAST OF THE TIMES.

Operational investments and depreciation

NOK mill.



tant part in planning future exploitation of our own forests. The environmental aspects of forestry are the subject of great international attention, from both customers and organisations. Norske Skog is actively concerned with this and will contribute to favourable developments in this area.

16

Total electricity consumption by the Group's plants in Norway amounted to 4,900 GWh (4,500). A large part of this was secured through contracts. Usage of thermal energy amounted to 4,950 GWh and consisted of 59% from biofuels, 23% recycled electric power, 8% spot market power and 10% oil. Capacity for producing bio-energy will increase further through the installation of new biofuel boilers at Saugbrugsforeningen and Braskereidfoss. Norske Skog's own hydro power plants generated a total of 405 GWh (417 GWh).

Research, development and the environment

R & D efforts are concentrated on paper and pulp, with particular emphasis on market-orientated product and process development, and with a focus on the total environment.

Interest in environment within the forest industry is growing steadily, and this has an impact on development work. In 1995 a large share of resources went to extensive efforts to develop production of totally chlorine-free (TCF) sulphate pulp. Work has also started with a view to closing the bleaching systems at Tofte Industrier, making it possible to supply so-called totally effluent-free (TEF) sulphate pulp. Corresponding projects have been started at our printing paper mills.

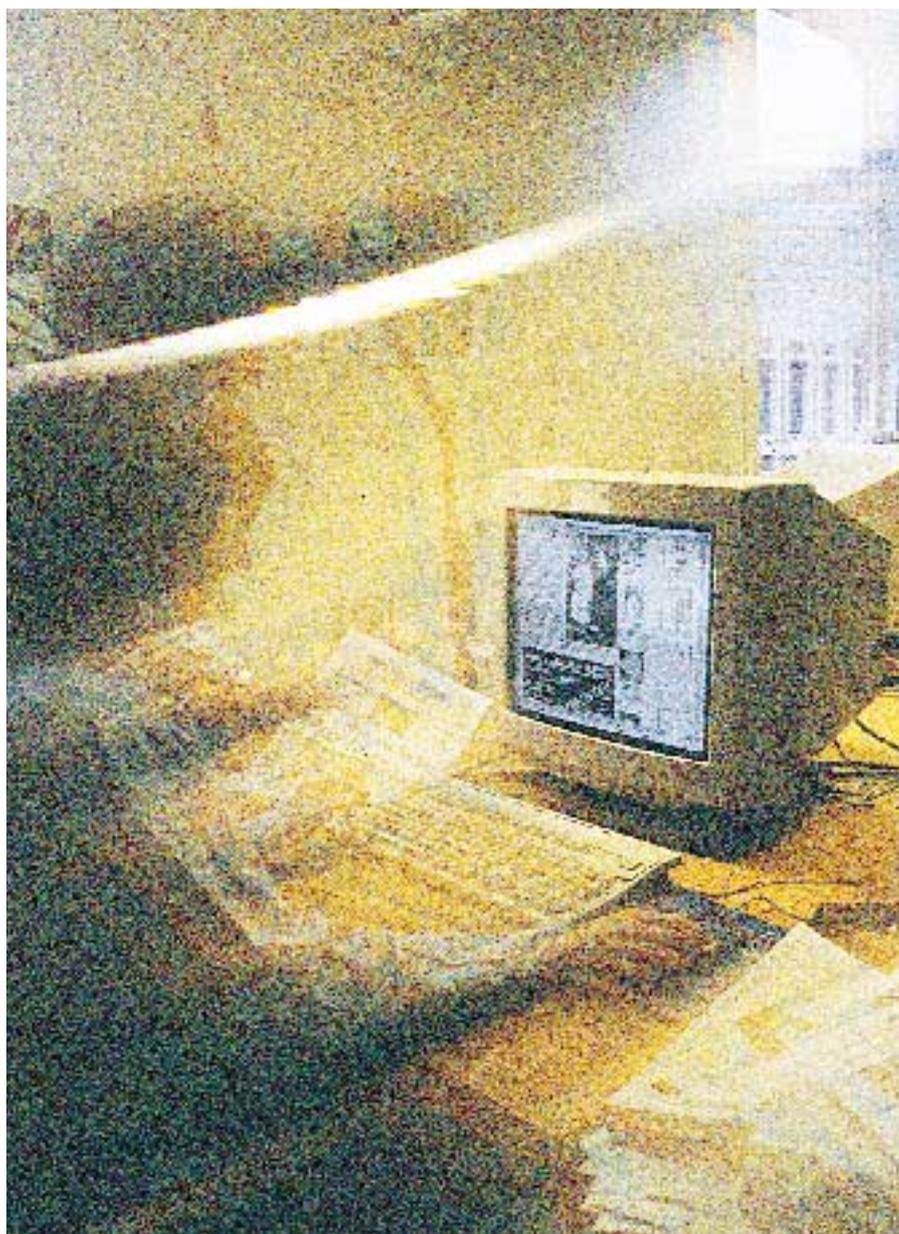


Photo: Stein Thue

Follum Fabrikker launched two new paper products in 1995. These products have been developed as an R & D project, and in quality they will compete with more expensive, wood-free grades.

Norske Skog aims to be known for its high standards in all environmental matters and the use of natural resources in the Group's activities. These standards are to apply through the entire product life cycle, from the use of raw materials and energy, through discharges from processing and until the product is either recycled or destroyed without danger to health or the environment.

With a couple of minor exceptions, Norske Skog's plants kept discharges within per-

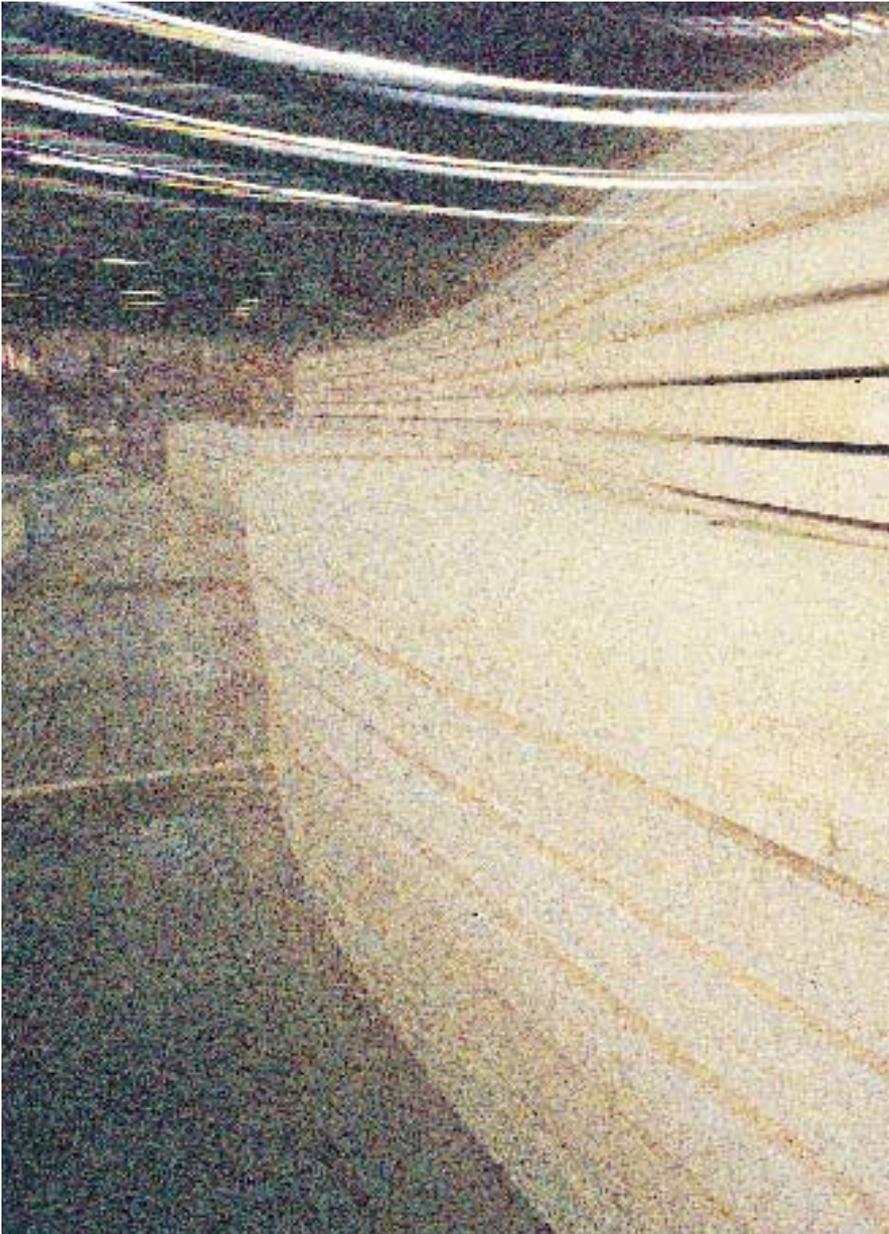
mitted limits during 1995. Discharges of organic substances (COD) a ton produced declined by 15%, from 1994 to 1995. Suspended material (SS) remained unaltered. Total environmental investments within the Group reached NOK 152 million (NOK 75.3 million).

Follum Fabrikker was reported to the police by the State Pollution Control Authority (SFT) in 1995 for an acute spill of 13 cubic metres of caustic liquid (NaOH) in October 1994. The case has been concluded with the acceptance by Norske Skog of a fine amounting to NOK 500,000. The spill did not demonstrable damage to the environment.

The most important environmentally-related investments in 1995 concerned new

LAMINATED WOOD IS BEING INCREASINGLY USED IN LARGE, SUPPORTING BEAMS.
THE LAMINATED WOOD INDUSTRY IS AN IMPORTANT AND DEMANDING CUSTOMER GROUP FOR
NORSKE SKOG'S SAWMILLS. THIS PICTURE WAS TAKEN AT MOELVEN INDUSTRIER.

Photo: Stein Thure



biological waste water treatment plants at Follum Fabrikker and Folla CTMP. Both facilities were put into operation towards the end of the year. At Saugbrugs a new multifuel boiler will begin operating in 1996. This means that waste which was previously collected in deposits will now be used to produce energy. The Group's environmental plants are now of a generally high standard.

Norske Skog decided in 1995 that the Group's companies should seek registration within the EU's new environmental management and audit system, EMAS. The latter requires, among other things, that companies should have established a satisfactory environmental management system, that they have drawn up their own

environmental policy and that they prepare annual environmental reports. Nordenfjelske Treforedling is a pilot company for this purpose within the Norske Skog group.

Personnel and the working environment

1995 was a year of high activity and hard work within all parts of the Group's organisation. The Board thanks all Norske Skog employees for their valuable contributions to the Group's excellent performance during the year.

Organisational structure was changed in 1995 to enable the Group to meet future challenges better.

Increasing attention is now being devoted to securing and developing necessary competence, and to the recruitment of key personnel. To this end, our contacts with key educational institutions have been strengthened. Our management development programme "Management in Norske Skog" has been revised and carried further, based on the management requirements formulated by our President and CEO and on Norske Skog's other management principles. The implementation of this has started within our organisation.

In 1995 the number of injuries resulting in time off work at the Group's companies amounted to 20 (23) per million hours worked. Absenteeism due to illness was 5.8 per cent of time worked (5.2%).

At the end of 1995 Norske Skog had 5,193 people on its payroll (4,758). The increase reflects the fact that PdG and Agnes Fabrikker, with 325 and 108 employees, respectively, are now part of the Group. Norske Skog Bruck in Austria, with 520 employees, will form part of Norske Skog from 01.01.1996. The total number of people on the Norske Skog payroll is therefore 5,713, including just over 950 outside Norway. Total wages and social expenses in 1995 were NOK 1,568 million (NOK 1,306 million).

In 1995 Thorleif Borge, Ole Ellingsrud, Kåre Leira, Jan Morten Trønnes and Ole Jørgen Wefald left the Board. They were succeeded by Roy Borgersen, Eivind Reiten, Arne Rødø, Arnt Saelor and Halvard Sæther. Jon R. Gundersen was elected new Vice Chairman, following Ole Jørgen Wefald. The Board thanks the departing Board members for their efforts on behalf of Norske Skog.

No options for the purchase of Norske Skog shares have been given to employees.

Details of the shareholdings of the company's elected officers and the administration are given on page 64 and 65.

The remuneration to the auditor of Norske Skogindustrier ASA is shown in note 3.

The salary of the President and CEO, and the agreement covering his entitlements after leaving the company, are shown in note 3, which also details the remuneration paid to the members of the Board and the Corporate Assembly.

Future prospects

Market balance for the grades of printing paper produced by Norske Skog is expected to continue relatively good in Western Europe during 1996, although trends may vary somewhat from product to product. There is less optimism about the outlook in North America, while activity in the Far East remains high. Capacity increases for printing paper will be small in 1996.

Capacity increases for bleached sulphate pulp are expected to total about 1.5 million tonnes in 1996. Given continued high stock levels during the first quarter of 1996 we can expect continued pressure on prices

and reduced capacity utilisation during the first half year. Increased demand for fine paper could improve market balance in the coming months.

No major changes are expected in export markets for sawn timber, in the short term. Particle board and flooring products are expected to maintain present performance, but competition has become keener.

Overall, the prospects for Norske Skog seem favourable in 1996.

Application of profit

Norske Skogindustrier ASA made a profit of NOK 1,507 million.

	NOK million
Profit for the year	1,507
From temporary restricted reserve	238
Available for application	1,745

Proposal for application:

To legal reserve	151
To distributable reserve	1,398
Dividend to shareholders	196
Total applied	1,745



FROM THE LEFT: ARNE RØDØ, KJELL HANSEN (OBSERVER), ROY BORGENSEN, EGIL MOLTEBERG (CORPORATE ASSEMBLY CHAIRMAN), ARNT SÆLOR, JOHN FRØSETH, EIVIND REITEN, CHAIRMAN OF THE BOARD OF DIRECTORS LAGE WESTERBØ, JAN REINÅS, HALVARD SÆTHER. VICE CHAIRMAN OF THE BOARD OF DIRECTORS, JON R. GUNDERSEN, WAS NOT PRESENT WHEN THE PICTURE WAS TAKEN.

Lysaker, February 28, 1996

Lage Westerbo
Lage Westerbo
Chairman

Jon R. Gundersen
Jon R. Gundersen
Vice Chairman

Roy Borgersen
Roy Borgersen

John Frøseth
John Frøseth

Eivind Reiten
Eivind Reiten

Arne Rødø
Arne Rødø

Arnt Sælør
Arnt Sælør

Halvard Sæther
Halvard Sæther

Jan Reinås
Jan Reinås

Strong demand and good market balance for printing paper and pulp led to a marked improvement in Norske Skog's results in 1995

THE LARGE EUROPEAN NEWSPAPERS ARE DEMANDING CUSTOMERS WHICH WORK AT HIGH SPEEDS - IN KEEN COMPETITION WITH THE BROADCAST MEDIA FOR THE ATTENTION OF THE PUBLIC AND ADVERTISERS. THE TIMES' EDITORIAL OFFICES, SEEN HERE DURING A HECTIC EVENING SESSION.

Newsprint consumption in Western Europe averages 17 kilos per person - and usage is rising. The recycling rate is high, and the traditional importing countries are increasing their own production based on waste paper. This picture was taken at the offices of one of Norske Skog's customers in Great Britain - The Times, London. Norske Skog now has total newsprint capacity of 1.5 million tonnes, and is the world's fifth largest manufacturer of this product.



Photo: Stein Thue

CLOSE CO-OPERATION BETWEEN CUSTOMER AND SUPPLIER ASSURES THE BEST POSSIBLE PRINTING RESULTS. TONY BROWN, RESPONSIBLE FOR TECHNICAL CUSTOMER SERVICE WITH NORSKE SKOG UK, IS SEEN HERE (RIGHT) STUDYING THE DAY'S ISSUE OF THE TIMES, TOGETHER WITH ONE OF THE PRINTERS.



Accounts 1995 Consolidated

Profit and Loss Account	Notes	1995 NOK mill.	1994 NOK mill.	1993 NOK mill.
Operating revenue	1	12,548	9,170	7,338
Cost of materials	2	5,252	4,438	3,348
Wages, salaries and personnel expenses	3, 4	1,568	1,306	1,316
Other operating expenses	5	2,396	2,078	1,823
Ordinary depreciation	16	832	616	552
Operating expenses		10,048	8,438	7,039
Operating profit		2,500	732	299
Share of profit in affiliated companies	13	60	- 137	-116
Net financial expenses	6	-225	- 262	-185
Financial items		-165	- 399	-301
Profit before minority interests and taxes		2,335	333	-2
Minority interests		1	0	6
Profit before taxes		2,336	333	4
Taxes	7	-637	-127	-51
Profit for the year		1,699	206	-47

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Statement of Cash Flow

Cash flow from operating activities

Cash generated from operations		12,181	8,908	7,052
Cash used in operations		-9,395	-7,737	-6,358
Financial revenue received		258	248	406
Financial expenses paid		-482	-510	-591
Taxes paid		-7	-43	-17
Net cash flow from operating activities	8	2,555	866	492

Cash flow from investment activities

Investments in operational fixed assets		-926	-565	-1,127
Sales of operational fixed assets		20	41	45
Net financial investments		-649	9	83
Net cash flow from investment activities		-1,555	-515	-999

Cash flow from financial activities

New long-term debt		1,097	322	907
Repayment of long-term debt		-2,621	-1,408	-416
New short-term liabilities		1,126	240	470
Repayment of short-term liabilities		-1,182	-470	-334
Dividend paid		- 48	-26	0
Converted bonds		16	7	163
Share issues		89	767	0
Net cash flow from financial activities		-1,523	-568	790

Total change in liquid assets		-523	-217	283
Liquid assets as at January 1		1,533	1,716	1,433
Liquid assets as at December 31		1,010	1,499	1,716

Balance Sheet

Assets	Notes	1995 NOK mill.	1994 NOK mill.	1993 NOK mill.
Cash and bank deposits	9	184	202	104
Short-term investments	10	826	1,297	1,612
Accounts receivable	11	1,886	1,570	1,252
Other short-term receivables		394	332	384
Stocks	12	1,328	932	909
Current assets		4,618	4,333	4,261
Shares in affiliated companies	13	307	308	445
Shares in other companies and partnerships	14,15	103	84	79
Other long-term receivables	17	281	420	523
Securities and long-term financial assets		691	812	1,047
Operational fixed assets	16	9,555	6,565	6,647
Fixed assets		10,246	7,377	7,694
Total assets		14,864	11,710	11,955

Liabilities and shareholders' equity

Short-term liabilities	18	2,795	1,576	1,312
Other short-term liabilities	19	542	467	646
Current liabilities		3,337	2,043	1,958
Pension obligations	4	73	75	73
Subordinated convertible bonds	20	1,206	1,207	1,226
Senior long-term debt	21	3,267	2,988	4,195
Deferred tax	7	435	666	639
Long-term liabilities		4,981	4,936	6,133
Minority interests		1	4	3
Share capital		652	635	526
Other consolidated equity	23	5,893	4,092	3,335
Shareholders' equity	23	6,545	4,727	3,861
Total liabilities and shareholders' equity		14,864	11,710	11,955
Mortgages	24	964	177	334
Guarantees	25	270	125	151
Contract obligations	27			

The consolidated accounts

The consolidated accounts include all companies in which Norske Skog owns more than 50 per cent of the voting shares. Affiliated companies are shown in the accounts according to the equity method.

Inter-company sales, receivables, payables and profits included in inventories are eliminated in the consolidated accounts.

Shares in subsidiary companies are eliminated in accordance with the purchase method. The price paid in excess of the calculated equity is, on the basis of an excess value analysis according to the unit principle, allocated to the relevant items in the balance sheet and amortised accordingly. If the date of payment differs from the date of purchase and no interest has been agreed, the purchase amount is corrected to allow for the accrued interest. The interest adjustment is recorded as a financial expense.

In translating to NOK the liquid assets, receivables etc. of foreign subsidiaries which are considered an integrated part of the parent company, the year-end exchange rate is used. In the same way, current liabilities are translated at the year-end exchange rate. Long-term liabilities are translated at the higher of the exchange rate on the transaction date or on the balance sheet date, while non-monetary items are translated at the exchange rate on the transaction date. Profit and loss account items are translated at average exchange rate for the year, except for cost of materials and ordinary depreciation, which are translated at the exchange rate on the transaction date. The translation difference is shown in the profit and loss account. Items on the balance sheets of affiliated companies are translated to NOK at year-end exchange rates. Profit and loss account items are translated at the average exchange rate for the year. The translation difference is shown under consolidated equity.

Minority interests in subsidiaries that are not wholly-owned are shown as separate items in the profit and loss account and balance sheet.

Affiliated are those companies in which the Group owns between 20 and 50 per cent and where its ownership gives influence. The Group's share of profit of affiliated companies is shown under financial items in the profit and loss account. In the balance sheet, investments in affiliated companies are shown at cost, adjusted for the Group's share of post-acquisition profit less taxes. Excess/lesser values, amounting to the difference between cost and calculated equity at the time of acquisition, are shown under fixed assets.

Revenue recognition

Sales are recognised as revenue from the time of delivery. Newsprint is mostly sold free delivered to customers abroad and free from mill in the domestic market, while other deliveries are sold on a cif (cost, insurance and freight) basis.

Operating revenue includes gross operating revenue reduced with commissions, rebates and other direct reductions in the sales price.

Cash rebates

Cash rebates in respect of sales are deducted from sales revenue and in respect of purchases deducted from cost of materials.

Classification

Assets which are to be retained or used on a long-term basis and receivables due for repayment more than a year after the end of the accounting year are shown as fixed assets. Other assets are classified as current assets. There will be corresponding classification for liabilities.

Assets and liabilities in foreign currencies

Bank deposits, short-term receivables and short-term debt denominated in foreign currencies are translated into Norwegian kroner using year-end exchange rates. Current portion of long-term debt is translated to NOK in the same manner as long-term debt.

Long-term receivables and long-term debt denominated in foreign currencies are translated into Norwegian kroner at the lower, respective higher, of the exchange rates on the transaction date or on the balance sheet date. Each currency is consciously managed as a whole so that unrealised losses are eliminated against unrealised gains within each currency. Net unrealised losses within each currency are booked as financial expenses. Net unrealised gains are booked as financial revenue (reversed) within the limits of previous booked losses.

Shares, bonds and commercial papers

Shares, bonds and commercial papers included under current assets are valued as separate portfolios. Each portfolio is consciously managed as a whole, and is recorded at the lower of cost of market value at year-end. Net unrealised losses of each portfolio are booked as financial expenses, while net unrealised gains are booked as financial revenue within the limits of previous losses.

Shares shown under fixed assets not being shown as affiliated companies are investments of strategic character without influence of the company. These shares are valued at cost or market value if value reduction is of a permanent character.

Stocks

Raw materials and other purchased goods are valued at purchase cost on a first-in-first-out (FIFO) basis. The value of own produced finished goods includes cost of raw materials, energy, direct wages and a share of indirect costs including maintenance and ordinary depreciation. Future net realisable value is used where this is lower than cost.

Shares in limited partnerships (K/S) and other partnerships

Shares in limited and other partnerships are included in the accounts according to the net method/equity method. The Group's share of the profit is included in the profit and loss account as financial revenue and is added to the book value of the investments in the balance sheet. Shares less than 20 per cent are included in accordance with the cost method.

Operational fixed assets and depreciation

Expenditure that increases capacity or significantly improves the quality of the facilities, including environmental investments, are capitalised. Building loan expenses of larger investments are capitalised.

Ordinary depreciation is calculated from the time fixed assets are used in normal operations and is based on the estimated useful economic lives of the assets in accordance with the following guidelines:

Machinery	10 - 20 years
Fixtures	10 years
Vehicles	5 - 10 years
Factory buildings	25 - 33 years
Other buildings	10 - 25 years
Computer equipment	3 - 5 years
Goodwill and other exclusive rights	5 - 20 years

Spare parts are capitalised in the same group as the machinery to which they belong, and depreciation rates follow those of the machinery. No depreciation has been made for plant under construction.

Gains and losses on sales of operational fixed assets are calculated as the difference between sale price and net book value and included as other income.

Leasing

A concrete evaluation of each leasing agreement determines whether it is considered to be a financial or an operational leasing agreement. Fixed assets leased under agreements regarded as financial leasing agreements are capitalised in the balance sheet and depreciated in the same way as ordinary fixed assets. The amortisation part of the leasing obligation is shown as a long-term loan. The liability is reduced by the amount of rental paid, after deducting the calculated interest cost.

Pension costs and pension obligations

The net periodic pension cost is included in wages, salaries and personnel expenses, and consists of the total of the benefits earned during the year, the interest costs of the prior period benefit, the expected return on pension plan assets, the booked effect of changes in estimates and pension plans, the booked effect of any difference between the actual and expected return, plus periodic employers' contribution.

The plan assets at fair value is evaluated against projected benefit obligations. Initially, each individual pension arrangement is evaluated separately, but the value of overfunding in one arrangement, and underfunding in others, is combined and shown net on the balance sheet, where plan assets can be transferred between one arrangement and another. Net plan assets are shown as long-term receivables, and net pension obligations as long-term liabilities.

Changes in projected benefit obligations resulting from changes in estimates and pension plans, as well as disparities between actual and expected return, are charged according to the accrual method over the remaining earning time, or expected lifetime, only when the accumulated effect exceeds 10 % of the larger of plan assets or pension obligations.

Bonds held in treasury

The senior long-term debt in the balance sheet is reduced by bonds held in treasury. Value above or below par on bond issued and owned by the company is accrued over the remaining life of the loan.

Subordinated convertible bonds

Outstanding convertible bonds are shown in the accounts as debt. On conversion, the outstanding debt is reduced by the nominal value of the bonds converted and share capital increased with the nominal value of shares issued. Any share premium is included in the legal reserve.

Outstanding debt is reduced by the nominal value of own convertible bonds held in treasury and any share premium is written off over the remaining life of the bonds.

Deferred taxes/deferred tax advantage

At the balance day deferred taxes are booked according to temporary differences between fiscal and tax values, together with taxable deficit. Temporary differences related to assets and liabilities are eliminated within the same period and shown in the accounts as net values.

Deferred tax advantage due to pension obligations and deficits which are not eliminated has been classified as tax advantage and shown separately in the balance sheet.

Derivative financial instruments

The treatment of derivative financial instruments in the accounts depends on the intentions behind entering into the agreements. The agreements are classified as either hedging contracts or trading contracts. For hedging contracts the gains or losses related to these derivative financial instruments are amortised and classified in the same manner as the result on the underlying balance items.

Contracts not related to any particular commercial or financial transaction are accounted for as speculations. Each type of the derivative financial instruments is consciously managed as a whole, and the portfolios are valued at the lower of cost or market value at year-end. Net unrealised losses within each portfolio are booked as financial expenses. Net unrealised gains within each portfolio are booked as financial revenue (reversed) within the limits of previously booked losses. Market value is described as the price to be paid to close the different portfolios.

Fully covered derivative positions are treated as realised even though they have not expired. Net gains or losses on these contracts are included as financial revenue or financial expenses.

Premiums, received or paid, related to options expiring after the date of the balance sheet, are classified as current liabilities or as current assets. The portfolios of foreign exchange options and interest rate options are valued at the lower of cost or market value at year-end. Unrealised losses, if any, are included in the financial expenses. Premiums related to the interest rate options with more than one exercise date (caps/floors) are written off over the options' life. At expire date the rest value, if any, will be included in the accounts.

Comparability

The consolidated accounts 1995 include two new companies compared with 1994. Agnes Fabrikker was bought with effect from 01.01.95. Throughout 1995 Norske Skog bought all the shares in PdG. PdG became a Norske Skogindustrier ASA subsidiary from 01.04.95, and a wholly-owned subsidiary from 31.10.95. Total operating revenue for the same period in 1994 for these companies amounted to NOK 686 million and total assets as at Desember 31, 1994, amounted to NOK 3,200 million.

With effect from 01.01.95 Saugbrugsforeningen AS, Saugbrug Eiendom AS, Anker Træsliperi & Papirfabrik AS, Cathrineholm Jernværk AS, Norske Skog Finans AS and Follum Fabrikker A/S merged with Norske Skogindustrier ASA. At the same time Namdalens Træsliperi AS and Folla Bruk A/S merged with A/S Van Severen & Co. Ltd., and the assets in A/S Van Severen & Co. Ltd. related to the sawmill were transferred to Norske Skogindustrier ASA.

With effect from 31.12.95 Area Building Materials was organized as separate limited companies, Norske Skog Bygg AS is a wholly-owned subsidiary of Norske Skogindustrier ASA. Norske Skog Trelast AS, Norske Skog Plater AS, Langmoen Parkett AS and Fibotrespo AS are wholly-owned subsidiaries of Norske Skog Bygg AS. The assets in Norske Skogindustrier ASA related to Area Building Materials were transferred to the subsidiaries, as at 31.12.1994, respectively.

Notes to the Consolidated Accounts

All figures shown as NOK million if not any other information is given.

1. Business areas

1995	Paper	Fibre	Build. mater	Staff/ elim.	Consolidated
Operating revenue:					
Norway	842	703	1,468	-20	2,993
Rest of Europe	5,679	1,461	832	-2	7,970
Rest of World	1,545	7	33	0	1,585
Total operating revenue	8,066	2,171	2,333	-22	12,548
Operating expenses	5,777	1,373	2,123	-57	9,216
Ordinary depreciation	581	116	114	21	832
Operating profit	1,708	682	96	14	2,500
<hr/>					
Current assets	2,555	461	674	928	4,618
Fixed assets	7,530	937	829	950	10,246
Non-interest bearing debt	945	128	260	1,462	2,795
<hr/>					
Investments	601	96	217	12	926
Personnel	2,799	532	1,681	181	5,193
Export share (%)	90	68	37	-	76

1994

Operating revenue:					
Norway	846	537	1,338	-209	2,512
Rest of Europe	3,802	941	691	2	5,436
Rest of World	1,183	20	19	0	1,222
Total operating revenue	5,831	1,498	2,048	-207	9,170
Operating expenses	4,978	1,208	1,808	-172	7,822
Ordinary depreciation	399	112	94	11	616
Operating profit	454	178	146	-46	732
<hr/>					
Current assets	2,171	348	550	1,264	4,333
Fixed assets	5,006	965	646	760	7,377
Non-interest bearing debt	921	98	283	274	1,576
<hr/>					
Investments	268	84	193	20	565
Personnel	2,505	518	1,597	138	4,758
Export share (%)	85	64	35	-	73

1993

Operating revenue:					
Europe (incl. Norway)	3,406	1,041	1,704	-149	6,002
Rest of World	1,325	11	0	0	1,336
Total operating revenue	4,731	1,052	1,704	-149	7,338
Operating expenses	3,914	1,132	1,532	-91	6,487
Ordinary depreciation	348	107	87	10	552
Operating profit	469	-187	85	-68	299
<hr/>					
Current assets	1,870	351	412	1,628	4,261
Fixed assets	5,131	1,077	584	902	7,694
Non-interest bearing debt	553	242	195	322	1,312
<hr/>					
Investments	1,019	67	37	4	1,127
Personnel	2,518	509	1,568	144	4,739

2. Cost of raw materials

	1995	1994	1993
Raw materials and purchased goods	5,400	4,388	3,306
Changes in stocks of finished goods	-148	50	42
Total	5,252	4,438	3,348

3. Wages, salaries and personnel expenses

	1995	1994	1993
Wages/salaries incl. holiday allowance	1,405	1,169	1,152
National insurance and pensions	163	137	164
Total	1,568	1,306	1,316

Salary paid to the President and Chief Executive Officer was NOK 1,315,840, and perquisites with company car, residence etc. amounted to NOK 250,455.

Remuneration of the Corporate Assembly and the Board Members amounted to NOK 385, 000 and NOK 600,000 respectively.

The 1995 audit fee for Norske Skogindustrier ASA amounted to NOK 1,742,000. Other audit fee amounted to NOK 864,000.

The President and CEO has an agreement entitling him to three years' salary after leaving the company, with deductions for salary earned from other employers during this period. Retirement age for the President and CEO is 60 years.

4. Pension costs and pension obligations

Norske Skogindustrier ASA, with subsidiaries, has collective benefit retirement plans for its employees in life insurance company. The retirement plans for the Group are uniform. The main conditions are 30 years' service, a pension amounting to 65 % of pensionable earnings on January 1 of the year the employee reaches 67 years, plus disablement, spouse and childrens' pension. All plan benefits are coordinated with expected social security benefits. The pension level is reduced to 60 % from the pensioner's 75th birthday. As of December 31, 1995 the pension arrangements covered 6,937 members, of whom 4,931 were working and 2,006 were pensioners.

In addition to the benefit obligations covered through insurance arrangements, the Group has uninsured benefit obligations. This includes, among other things, obligations concerning former owners of subsidiaries, and pensions of top management and Board members, totalling 45 persons. The uninsured benefit obligations also include estimated future obligations connected with the AFP- arrangement (involving a possible future reduction of the pension age), and obligations concerning foreign subsidiaries. Obligations relating to top management pensions are partly insured through a supplementary retirement plan with life insurance company.

In evaluating plan assets their estimated value when the accounts are closed is used. This estimated value is corrected every year in accordance

with the figures provided by the life insurance company regarding the market value of the assets.

In measuring accrued obligations the projected obligation when the accounts are closed is used. This projected obligation is corrected every year in accordance with the figures provided by the actuary concerning accrued pension obligations.

Calculation of future benefit obligations is based on the following assumptions:

Discount rate	5.5 %
Expected return on plan assets	6.5 %
Salary adjustment	3.0 %
Social security increase/inflation	2.0 %
Pension increase	1.6 %

Net periodic pension cost	1995
Benefits earned during the year	37
Interest cost on prior period benefit	37
Expected return on plan assets	-45
Periodic employer tax	1
Net periodic pension cost	30

Status of the pension plans reconciled to the consolidated balance sheet

	Plan assets exceed PBO		PBO exceed plan assets	
	31.12.95	31.12.94	31.12.95	31.12.94
Projected Benefit Obligations (PBO)	-657	-616	-79	-83
Plan assets at fair value	851	684	14	11
Plan assets in excess of / less than (-) PBO	194	68	-65	-72
Unrecognized gain (-) / loss on plan assets	15	29	-3	1
Net plan assets / pension obligations	209	97	-68	-71
Accrual employer tax	0	0	-5	-4
Plan assets/pension obligations (-) in the balance sheet	209	97	-73	-75

The plan assets are managed by the life insurance companies and invested in accordance with the general guidelines applying to life insurance companies in Norway.

Return on plan assets in 1994 was NOK 43 million. For 1995 it is estimated a return of NOK 45 million.

The effect of changes in estimates and deviations between projected and actual returns is booked during the average remaining earning period, only when the accumulated effect exceeds 10 % of plan assets or pension obligations, whichever is the larger. This entails booking according to the straight line method over 15 years.

5. Other operating expenses

Losses on bad debts are included as follows:

	1995	1994	1993
Amounts written off during the year	-15	-22	-20
Received amounts previously written off	1	0	5
Changes in bad debt reserves	7	0	22
Total	-7	-22	7

6. Net financial expenses

	1995	1994	1993
Dividends received	1	3	1
Interest revenue	100	148	160
Profit on shares	0	50	14
Profit on bonds	35	0	190
Profit on other investments	17	0	7
Realised net profit on foreign currency debt and related foreign exchange contracts	0	30	0
Net profit realised on foreign exchange contracts related to cash flows	94	10	3
Other financial revenue	43	7	14
Interest on pension premium fund	0	0	17
Total financial revenue	290	248	406
Interest expenses	408	366	439
Loss on shares	10	0	0
Loss on bonds	0	113	0
Realised and unrealised net loss on foreign currency debt and related foreign exchange contracts	4	0	130
Other financial expenses	93	31	22
Total financial expenses	515	510	591
Net financial expenses	-225	-262	-185

The principle for booking interest on the pension premium fund has been changed following the introduction of new accounting standard affecting pensions. Instead of showing the return on the fund as financial revenue, this return is - starting from and including 1994 - credited under operating expenses.

7. Taxes

The local tax authorities in Hurum refused the company to expense for tax purposes the environmental improvements at the Tofte mill during 1990 and 1991. In a judgement made on December 13, 1993, Drammen municipal court ruled that Norske Skog was entitled to do this. The community of Hurum has appealed this judgement. Receivable payable taxes have been booked as current receivables in the amount of NOK 114 million, since, in the company's opinion, there is no legal basis for refusing the company to expense the environmental investments for tax purposes. Net increase in taxes represent NOK 25 million if the company loses the appeal, since deferred tax will be reduced by NOK 89 million.

NOK 89 million has been allocated to cover accrued taxes payable due to other factors that may result in increased taxable revenue. Net taxes paid during 1995 amount to 7 million.

Tax expenses	1995	1994	1993
Taxes payable	-513	-74	14
Change in deferred tax	-124	-53	-65
Total tax expenses	-637	-127	-51

Deferred tax/deferred tax advantage

A specification is made of temporary differences and losses to be brought forward, as well as calculation of deferred tax/deferred tax advantage at the end of the year:

Deferred tax	1995	1994	1993
Total short-term items	6	-6	-4
Total long-term items	2.537	2.403	2.405
Taxable deficit to be brought forward	-937*)	-13	-223
Total temporary differences and losses to be brought forward	1.606	2.384	2.178
Deferred tax	435	666	639

*) Taxable deficit to be brought forward is mainly related to PdG.

Deferred tax advantage	1995	1994	1993
Uncovered pension obligations	61	62	66
Deficits not eliminated	0	12	11
Total basis of tax advantage	61	74	77
Deferred tax advantage (see note 17)	17	20	22

8. Net cash flow from operations

The connection between profit before minority interests and cash flow from operating activities is shown below:

	1995	1994	1993
Profit before minority interests and taxes	2,335	333	-2
Ordinary depreciation	832	616	552
Share of profit in affiliated companies	-60	137	116
Taxes paid	-7	-43	-17
Changes in receivables	-367	-262	-286
Changes in stocks	-371	-23	124
Changes in current liabilities	193	108	5
Net cash flow from operating activities	2,555	866	492

9. Cash and bank deposits

Restricted deposits covering personnel taxes and sundry guarantees amount to NOK 34 million in 1995, compared to NOK 20 million in 1994.

10. Short-term investments

	1995	1994	1993
Treasury bonds	10	140	478
Bank/Insurance	320	274	637
Financial institutions	237	177	152
Industry/Commerce/Shipping	55	64	8
Foreign bonds	22	192	158
Total bonds	644	847	1,433
Commercial papers	158	340	0
Shares	0	0	103
Short-term investments in foreign currencies	24	110	76
Total	826	1,297	1,612

At year-end, unrealised gains in the bond portfolio amounted to NOK 7 million, which are not taken to income. In the portfolio of commercial papers book value balance the market value at year-end. Corresponding figures for year-end 1994 were unrealised losses in the bond portfolio of NOK 2 million and unrealised gains in the portfolio of commercial papers of NOK 1 million.

Norske Skogindustrier ASA bonds held in treasury have been deducted from the bond portfolio.

11. Accounts receivable

	1995	1994	1993
Accounts receivable	1,940	1,631	1,313
Provision for bad debts	-54	-61	-61
Total	1,886	1,570	1,252

12. Stocks

	1995	1994	1993
Raw materials	636	412	319
Work in progress	49	53	35
Finished goods	643	467	555
Total	1,328	932	909

13. Affiliated companies

In the consolidated accounts, shares in affiliated companies are included according to the equity method. Norske Skog owns 47.8 % of the voting shares in Union. Norske Skog's total ownership in Union of 57.4 % has been used when applying the equity method. Share of profit is reported after correction of dividend from affiliated companies and the Group's share of the dividends payable by Norske Skog to Union.

Company	Ownership	Book value 31.12.1994	Share of profit for the year	Book value 31.12.1995
Union	57.4%	234	64	298
Norsk Gjenvinning	31.8%	5	4	9
Total		239	68	307
Share of profit in PdG 01.01.95-31.03.95			-8	
Share of profit in affiliated companies			60	

14. Shares

Shares included as financial assets

<i>Shares owned by the company</i>	Share capital	Number of shares	Total nominal value	Book value
Norsk Finpapir AS	2.0	2,940	0.3	3.0
Vifor AS	22.1	2,100	2.1	2.4
Støren Trelast AS	6.6	12,400	1.1	1.1
Adresseavisen AS	31.3	37,015	0.6	4.7
Norsk Avfallshandtering AS	131.4	300	3.0	3.0
A/S Union *)	10.0	287,093	2.8	12.8
Norsk Gjenvinning *)	0.5	175	0.2	18.5
Stangeskovene	20.3	726	3.6	13.4
Other shares, each with book value less than NOK 1 million				1.7
Total				60.6

Shares owned by subsidiaries (value in Group Accounts)

A/S Union *)	10,0	287,094	2,8	12.8
Other shares				32.9
Total				106.3
*) Included as affiliated companies				-44.1
Partnerships (see note 15)				41.1
Total amount shares and partnerships				103.3

Shares in subsidiaries

<i>Shares in Norwegian subsidiaries owned by the company</i>	Share capital (NOK 1,000)	Number of shares	Total nominal value (NOK 1,000)	Owner-ship %	Book value (NOK 1,000)
Nornews AS	50	1,000	50	100.0	50
Norske Treindustrier AS	50	50	50	100.0	50
Norske Skog Sales AS	50	500	50	91.0	46
A/S Van Severen & Co. Ltd.	6,625	66,250	6,625	100.0	32,427
Norske Skog Bygg AS	10,000	100,000	100	100.0	10,000
Norsk Virke AS	4,000	364	3,640	91.0	3,640
Sande Paper Mill A/S	10,000	10,000	10,000	100.0	15,862
Folla CTMP AS	10,000	100,000	10,000	100.0	0
Total					62,075

<i>Shares in foreign subsidiaries owned by the company</i>		Share capital (NOK 1,000)	Number of shares	Total nominal value (NOK 1,000)	Owner-ship %	Book value (NOK 1,000)
Papeteries de Golbey S.A.	FRF	2,187,370	2,187,370	2,187,370	100.0	2,270,988
Norske Skog Holding GmbH	ATS	25,000	25	25,000	100.0	15,680
Markproject Ltd.	GBP	300	50,000	300	100.0	3,105
Norske Skog Deutschland GmbH	DEM	500	500	500	100.0	4,222
Norske Skog (UK) Ltd.	GBP	100	10,000	100	100.0	2
Norske Skog Holland B.V.	NLG	100	200	100	100.0	400
Norske Skog Belgium S.A.	BEC	4,375	4,375	4,375	100.0	207
Nornews Produtos Florestais, LDA	PTE	400	400	400	100.0	17
Norske Skog Espana S.A.	ESP	400	400	400	100.0	1,652
Norske Skog (Ireland) Ltd.	IEP	2	20	2	100.0	22
Norske Skog (Schweiz) AG	CHF	25	25	25	100.0	193
Norske Skog Danmark ApS	DKK	30	30	30	100.0	25
Norske Skog Italia s.r.l.	ITL	20,000	19	19,000	95.0	84
Norske Skog France S.A.R.L.	FRF	50	500	50	100.0	6,374
Norske Skog (Japan) Co. Ltd.	JPY	2,000	20	2,000	100.0	94
Norske Skog (USA) Inc.	USD	2	200	2	100.0	8
Norske Skog AB	SEK	50	500	50	100.0	58
Norske Skog (Cyprus) Ltd.	CYP	1	1,000	1	100.0	2
Norske Skog Trading Far East Ltd.	USD	20	20,000	20	100.0	69
AB Lee Bruk	SEK	150	1,500	150	100.0	11,089
Total						2,314,291
Total shares owned by the company						2,376,366

<i>Shares in Norwegian subsidiaries owned by consolidated companies</i>		Share capital (NOK 1,000)	Number of shares	Total nominal value (NOK 1,000)	Ownership %
Norske Skog Trelast AS	NOK	6,500	65,000	6,500	100.0
Norske Skog Plater AS	NOK	26,000	26	26,000	100.0
TreNova AS	NOK	7,500	75,000	7,500	100.0
Lundby Bruk AS	NOK	2,000	20,000	2,000	100.0
AWA AS	NOK	1,000	600	600	60.0
Folla Tech AS	NOK	950	950	950	100.0
Saugbrugs Trelast AS	NOK	500	5,000	500	100.0
Langmoen Parkett AS	NOK	20,000	20,000	20,000	100.0
Fibo-Trespo AS	NOK	16,000	16,000	16,000	100.0

Shares in foreign subsidiaries owned by consolidated companies

Polak & van Berg B.V.	NLG	120	240	120	100.0
Amstelpoort B.V.	NLG	10	20	10	100.0
Respatex International Ltd.	GBP	10	10,000	10	100.0
Norske Skog Italia s.r.l.	ITL	20,000	1	1,000	5.0
Nor-Holz GmbH	DEM	100	1	83	83.0
Forpromote GmbH	DEM	100	1	50	50.0

■ 15. Shares in partnerships

NOK 1,000	Ownership	Partnership capital paid	Partnership capital not paid	Share of profit	Book value
Nornews Express ANS	55 %	936	0	3,166	16,278
Lys-Skog ANS	60 %	10,123	0	1,224	12,476
ANS Hed-Opp	11 %	5,200	5,000	0	1,223
Norway Airlines City of Stavanger ANS	8.3 %	5,544	9,383	0	4,767
ANS Østfoldtømmer	28.7 %	6,310	0	0	6,310
Total owned by the company / consolidated		28,113	14,383	4,390	41,054

16. Operational fixed assets

Acquisition cost	Goodwill and other exclusive rights	Ships	Machinery, equipment, etc.	Buildings and plants	Real estate	Plant under construction	Total
Acquisition cost 31.12.1994	29	21	9,065	2,609	232	192	12,148
Addition, new companies	113	0	2,776	864	7	4	3,764
Addition 1995 at cost	23	0	618	89	8	188	926
Sales 1995 at cost	0	0	20	5	2	15	42
Transferred from plant under construction	0	0	202	18	0	-220	0
Acquisition cost 31.12.1995	165	21	12,641	3,575	245	149	16,796

Revaluation

Revaluation 31.12.1994	0	0	0	2	113	0	115
Revaluation new companies	0	0	0	31	6	0	37
Revaluation 31.12.1995	0	0	0	33	119	0	152

Depreciation

Accumulated ordinary depreciation 31.12.1994	12	16	4,723	904	44	0	5,699
Acc. depreciation new companies	8	0	709	165	2	0	884
Ordinary depreciation 1995	7	1	691	132	1	0	832
Depreciation on fixed assets sold 1995	0	0	17	5	0	0	22
Accumulated ordinary depreciation 31.12.1995	27	17	6,106	1,196	47	0	7,393

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Book value

Book value 31.12.1994	17	5	4,343	1,707	301	192	6,565
Book value 31.12.1995	138	4	6,535	2,412	317	149	9,555

Operating fixed assets - acquisition and disposals over the last 5 years

1991	Acquisition	0	0	680	118	17	375	1,190
	Disposal	0	112	38	72	14	0	236
1992	Acquisition	7	0	372	39	14	1,788	2,220
	Disposal	0	0	8	3	8	0	19
1993	Acquisition	18	0	160	41	3	905	1,127
	Disposal	0	0	6	23	7	0	36
1994	Acquisition	4	0	314	53	9	185	565
	Disposal	0	0	20	2	19	0	41
1995	Acquisition	23	0	618	89	8	188	926
	Disposal	0	0	7	0	13	0	20
Total 5 years	Acquisition	52	0	2,144	340	51	3,441	6,028
	Disposal	0	112	79	100	61	0	352

■ 17. Other long-term receivables

	1995	1994	1993
Loans to employees	8	8	8
Sundry long-term receivables	47	37	49
Subordinated loan to Papeteries de Golbey	0	258	258
Pension plan assets	209	97	186
Deferred tax advantage	17	20	22
Total	281	420	523

Loans to associated parties under the Joint Stock Companies' Act § 12-10 represent NOK 7,1 million.

■ 18. Short-term liabilities

	1995	1994	1993
Public dues and holiday allowances	226	183	169
Accounts payable	1,027	953	665
Sundry interest-free short debt	249	108	188
Provisions for dividend	196	48	26
Accrued expenses	476	149	145
Taxes payable	621	121	90
Deferred revenue	0	14	29
Total	2,795	1,576	1,312

■ 19. Other short-term liabilities

	1995	1994	1993
Short-term bank debt	215	240	371
Current portion of long-term debt	327	227	175
Other short-term debt	0	0	100
Total	542	467	646

■ 20. Subordinated convertible bonds

	1995	1994	1993
Remaining debt as at December 31.12.	1,206	1,222	1,229
Face value of bonds held in treasury	0	0	-3
Total	1,206	1,222	1,226
Current portion of the long-term debt	0	-15	0
Book value of long-term debt	1,206	1,207	1,226

The Group had two subordinated convertible bond loans outstanding as at December 31, 1995. During 1993 the Group sold all the Norske Skogindustrier ASA bonds held in treasury. The profit of NOK 74 million was booked as financial revenue over the remaining period of the loan. The last part, NOK 14 million, was taken to income in 1995.

As at December 31, 1995 Norske Skogindustrier ASA had no stock of subordinated convertible bonds held in treasury.

Loan	Interest rate	Conv. rate	Face value	Balance at 31.12.95	Curr. portion long-term debt	Book value
NSI 1990/1997	8,50%	195	500	499	0	499
NSI 1991/2000	8,125%	201	707	707	0	707
Total			1,207	1,206	0	1,206

21. Senior long-term debt

	1995	1994	1993
Senior long-term debt in NOK	783	739	1,623
Senior long-term debt in foreign currencies	2,811	2,461	2,747
Total	3,594	3,200	4,370
Current portion of senior long-term debt	-327	-212	-175
Total	3,267	2,988	4,195

Bonds

The book value of bonds held i treasury is NOK 102 millioner at year-end. These bonds are neither included in the bond portfolio nor in the liabilities.

On September 20, 1991 the company issued a 10.5 per cent domestic bullet bond loan with an upper limit of NOK 1,500 million, maturing in 2001. During 1995 no additional bonds were issued, so that the total drawn on this facility as of December 31, 1995, was NOK 944 million.

In connection with this bond loan, the company has entered into cross-currency swap agreements of NOK 700 million, thus changing the exposure into floating rate foreign currency obligations. This part of the bond loan has been presented in the accounts as a foreign currency debt with floating interest.

On March 16, 1994 the company issued a 6.5 % domestic bullet bond loan with an upper limit of NOK 1,000, maturing in 2004. The total outstanding on this facility as of December 31, 1995, was thus NOK 55 million.

Senior long-term debt by currency

The senior long-term debt by currencies, current portion included:

	Amount in foreign currency (million)	Booked exchange rates	NOK million 31.12.95	Weighted average interest (%) 31.12.95
USD	109	6,319	690	6.15
DEM	220	4,412	975	5.72
JPY	148	0,061	9	3.75
GBP	10	9,766	101	7.59
FRF	755	1,290	974	7.31
NLG	5	3,942	18	
CHF	5	5,494	27	5.60
Set-off			17	
Total debt in foreign currencies			2,811	
Total senior long-term debt in NOK			783	6.66
Total senior long-term debt			3,594	
Subordinated convertible bonds			1,206	8.28
Current portion of long-term debt			-327	
Total long-term debt			4,473	

Unrealised losses according to exchange rates as at December 31, 1995 amount to NOK 143 million. Unrealised losses as at December 31, 1994 amounted to NOK 187 million. The change of NOK 44 million is included in the financial expenses in 1995.

Repayment of debt

The company's long-term debt as at December 31, 1995 matures as follows:

	Subord. conv. bonds	Debt banks	Bonds	Total
1997	499	1,154	5	1,658
1998	0	385	0	385
1999	0	27	0	27
2000	707	670	0	1,377
2001	0	12	944	956
2002	0	6	0	6
2003	0	8	0	8
After 2003	0	1	55	56
Total	1,206	2,263	1,004	4,473

The company is well prepared financially to refinance loans which mature during the next few years, through established long-term drawing facilities totalling NOK 3,270 million (USD 470 million and NOK 300 million), with a term of 7 years.

Loan of FRF 250 million in Nordisk Investeringsbank (NIB) matures in 1997. However, the bank can prolong the maturity until 2006. Above, the loan is included in the amount to be paid in 1997.

Calculated on the basis of most of the Group's long-term, fixed-interest debt, this debt had a market value on December 31, 1995, which was NOK 79 million higher than booked value.

Some of the company's loans have a negative pledge. Furthermore, some of the company's loan agreements include certain restrictions regarding financial key figures of solidity and liquidity. Norske Skog meets these requirements.

22. Foreign exchange- and interest off-balance instruments

Foreign exchange exposure

Bank deposits, receivables, long-term receivables and cash flow from operations in foreign currencies are managed partly through debt in foreign currencies and partly through the use of different derivative financial instruments. Mainly, Norske Skog uses foreign exchange contracts in managing the foreign exchange exposure.

Interest rate exposure

In order to obtain an effective management of the interest structure in the company, off-balance interest rate contracts are used in addition to a well-proportioned balance of interest bearing assets and liabilities.

Foreign exchange contracts

Currency	Purchase contracts equivalent to NOK million	Sales contracts equi- valent to NOK million
USD		396
GBP		846
DEM		229
DKK		193
FRF	344	
BEC		152
NLG		364
ITL		4
ESP		296
IEP		12
CHF		92
JPY		88
SEK		42
FIM	73	
PTE		5
ATS	310	
XEU		49
AUD		16
NOK	2,062	
Total	2,789	2,784

Foreign currency contracts have been converted to NOK at the spot rates ruling on December 31, 1995.

All the foreign exchange contracts mature during 1996. The portfolio of foreign exchange contracts at year-end showed total gains of NOK 1 million against NOK 10 million in 1994. The market value of fully covered foreign exchange contracts have been reduced by NOK 3 million since December 31, 1994, and this change is included in the financial expenses. The net unrealised gain of NOK 5 million in the portfolio of foreign exchange contracts has not been included in the accounts. The total amount is split into the following items:

	1995	1994	1993
Gains/losses(-) on fully covered foreign exchange contracts	-4	-1	0
Unrealised gains as at December 31	5	11	1
Total	1	10	1

Currency options

Currency options are contracted in USD, GBP, DEM and ATS against NOK as at December 31, 1995. As at December 31, 1995 there are unrealised losses in this portfolio amounting to NOK 5 million. The change in unrealised losses is included in the financial expenses.

The market value consists of:

	1995	1994	1993
Cost price currency options	8	3	1
Unrealised gains/losses(-)	-5	-2	-2
Market value currency options	3	1	-1

Forward rate agreements (FRA)

Currency	Net purchase/sales (-) in million	Period
NOK	200	3-6 months
USD	-60	3 months
FRF	100	3 months
DEM	90	3 months

When selling forward rate agreements the company will benefit from a decrease in the interest rates.

As at December 31, 1995 there is an unrealised loss in the FRA portfolio amounting to NOK 1 million, which is included in the financial expenses.

Long-term interest rate futures

Commercial paper no.	Net purchase/sales(-)
Norsk Stat/100463, March 1996	50

When buying long-term interest rate futures the company will benefit from a decrease in the interest rates.

As at December 31, 1995 there is no unrealised gain or loss in the interest rate futures portfolio.

Interest rate swaps

Currency	Million	Receives	Pays	Maturity
NOK	150	Fixed	Floating	1996
NOK	350	Fixed	Floating	1998
DEM	51	Floating	Fixed	2001
DEM	75	Floating	Fixed	1998
FRF	50	Floating	Fixed	1999
CHF	5	Floating	Fixed	1998

When interest rates are decreasing the company will benefit from receiving fixed interest rates and paying floating interest rates.

As at December 31, 1995 there are unrealised gains in the portfolio amounting to NOK 11 million, which are not included in the accounts. At the end of 1994 the unrealised gains amounted to NOK 24 million.

23. Shareholders' equity

Other consolidated equity	1995	1994	1993
Legal reserve	1,754	1,511	801
Temporary restricted reserve	79	289	498
Distributable reserve	3,680	1,614	1,522
Other consolidated equity	380	678	514
Total consolidated equity	5,893	4,092	3,335

Shareholders' equity	Consolidated
Shareholders' equity 31.12.1994	4,727
Profit for the year	1,699
Share issues	89
Converted bonds	16
Provisions for dividend	-196
Corrections acquiring PdG	179
Transl. differences foreign subsidiaries and affiliated companies	31
Shareholders' equity 31.12.1995	6,545

24. Mortgages

The following loans are secured by real estate mortgages	1995	1994	1993
Outstanding balance, bond	10	18	33
Outstanding balance, other mortgage debt	954	159	301
Total	964	177	334

Book value of assets securing this debt as at 31.12.	1995	1994	1993
Ships	4	5	7
Machinery	5,706	3,818	4,140
Buildings	2,046	1,400	1,412
Forest, land and other real estate	158	260	283
Plant under construction	106	110	35
Operating fixed assets	8,020	5,593	5,877
Stocks/receivables	63	71	178
Total	8,083	5,664	6,055

The increase in other mortgage debt and assets securing this debt is due to the consolidation of PdG.

25. Guarantees

	1995	1994	1993
Partnership shares not paid	14	14	14
Other guarantees	256	111	137
Total	270	125	151

The above does not include mutual responsibility beyond the amount subscribed to ANS, which amounts to a maximum of NOK 54 million.

26. Environment

Capitalised environmental investments

	1995	1994	1993
Nordenfjelske Treforedling	0	0	1
Follum Fabrikker	43	9	6
Saugbrugsforeningen	64	3	40
Sande Paper Mill	6	2	17
Tofte Industrier	1	49	26
Folla CTMP	27	4	3
Other	11	8	3
Total	152	75	96

Nordenfjelske Treforedling

Nordenfjelske Treforedling began in 1995 to plan the purchase and construction of a new biological waste water treatment plant. The plant has an estimated investment cost of just over NOK 100 million. Tenders will be invited during the first half of 1996 so that it should be possible to start building work during the autumn of 1996. It is planned that the facility should be ready to begin running in during the summer of 1997.

Follum Fabrikker

Follum Fabrikker started up a new biological waste water treatment plant at the end of 1995. Work on the facility was started in autumn 1995. Total investment costs are about NOK 55 million, of which NOK 43 million accrued in 1995. The treatment plant was needed to enable Follum to meet new discharge limits, set by SFT, applying from 1.4.96.

Saugbrugsforeningen

Saugbrugsforeningen began building a new incineration boiler in 1995. The boiler is needed, among other things, to deal with sludge from the treatment plants. Saugbrugs' permit to deposit this sludge expires 1.7.96 and the company was therefore obliged to find other means of disposal. The boiler, which will start regular operation from 1.7.96, has a total budget of NOK 180 million, of which NOK 64 million accrued in 1995.

Sande Paper Mill

Sande Paper Mill had problems, throughout the whole of 1995, in keeping within permitted limits for its discharges to water, mainly because the amounts of waste water exceeded the capacity of the treatment plant. To solve this problem it has been decided to extend the existing treatment plant with a new biological reactor. This work was started in 1995, and it is expected that the new reactor will be able to start operation by the summer of 1996. With this latest investment it is expected that the total investment cost for the whole biological treatment plant will be about NOK 37 million, of which NOK 6 million accrued in 1995.

Folla CTMP

Folla started up a new biological waste water treatment plant in November 1995. The plant's total investment cost was just over NOK 30 million. Of this, NOK 27 million accrued in 1995. The treatment plant was required to enable Folla to meet new discharge limits set by SFT, applying from 1.1.96.

27. Contract obligations

The company has contract obligations for purchase of operational fixed assets amounting to NOK 362 million in addition to the expenses included in the accounts as at December 31, 1995. Additionally, decisions have been made to invest totally NOK 270 million.

28. Leasing obligations

Follum Fabrikker has a long-term rent agreement concerning port storage facilities at Oslo's Filipstad Quay. The agreement runs until 2013; rent paid in 1995 was NOK 3.6 million.

Saugbrugsforeningen has a long-term rent agreement concerning port storage facilities at Sauøya. The agreement runs until 2023; rent paid in 1995 was NOK 1.9 million.

Tofte Industrier rents terminal sites for storage of pulpwood at Lier in Drammen and Ljan in Oslo. Total rent paid in 1995 totalled NOK 1.2 million.

29. Bruck

Norske Skog acquired the Bruck paper mill in Austria with effect from 01.01.1996. See the Board of Directors' report for further information about the purchase. The cost price includes that part of the agreed profit share-out which Norske Skog expects to pay. A proforma consolidation of Bruck in Norske Skog's group accounts for 1995 would have the following effects:

	Real 1995	Proforma 1995
Operating revenue	12,548	14,429
Current assets	4,618	4,880
Fixed assets	10,246	12,078
Total assets	14,864	16,958
Current liabilities	3,337	4,098
Long-term liabilities	4,982	6,315
Shareholders' equity	6,545	6,545
Total liabilities and shareholders' equity	14,864	16,958
Equity ratio	44.0%	38.6%

Bruck produced 194,600 tonnes of LWC and 112,600 tonnes of newsprint in 1995. Norske Skog's total output of paper in 1995 was 1,908,900 tonnes, including Papeteries de Golbey's production for the whole of 1995 and production at the Group's affiliated company, Union.

Accounts 1995 Norske Skogindustrier ASA

Profit and Loss Account	Notes	1995 NOK mill.	1994 NOK mill.	1993 NOK mill.
Operating revenue	2	9,919	5,456	4,292
Cost of materials		4,227	2,815	2,032
Wages, salaries and personnel expenses	4	1,052	685	705
Other operating expenses	3	1,888	1,139	1,025
Ordinary depreciation	7	578	341	329
Operating expenses		7,745	4,980	4,091
Operating profit		2,174	476	201
Financial revenue		401	431	541
Financial expenses		-557	-446	-558
Financial items, net		-156	-15	-17
Profit before taxes		2,018	461	184
Taxes	6	-511	-9	-11
Profit for the year		1,507	452	173
Application of profit for the year:				
Group contribution		0	-429	-192
Allocated to legal reserve		-151	-45	-18
Transferred from temporary restricted reserve		238	209	211
Transferred from/to(-) distributable reserve		-1,398	-139	-148
Dividend to shareholders		-196	-48	-26
Total		-1,507	-452	-173

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Statement of Cash Flow

Cash flow from operating activities

Cash generated from operations		9,883	5,140	4,083
Cash used in operations		-7,393	-4,489	-3,630
Financial revenue received		401	391	541
Financial expenses paid		-557	-446	-558
Taxes paid		4	-43	-17
Net cash flow from operating activities	5	2,338	553	419

Cash flow from investment activities

Investments in operational fixed assets		-761	-249	-165
Sales of operational fixed assets		16	31	6
New intercompany receivables		-60	-40	-842
Net financial investments		-1,814	11	76
Net cash flow from investment activities		-2,619	-247	-925

Cash flow from financial activities

New long-term debt		1,092	322	879
Repayment of long-term debt		-1,453	-1,385	-393
New short-term liabilities		1,126	240	470
Repayment of short-term liabilities		-1,151	-470	-334
Dividend paid		-48	-26	0
Merger Numedal Bruk		0	0	16
Converted bonds		16	7	163
Share issues		89	767	0
Net cash flow from financial activities		-329	-545	801

Total change in liquid assets		-610	-239	295
Liquid assets as at January 1		1,397	1,636	1,341
Liquid assets as at December 31		787	1,397	1,636

Balance Sheet

Assets	Notes	1995 NOK mill.	1994 NOK mill.	1993 NOK mill.
Cash and bank deposits		52	101	26
Shares		0	0	103
Bonds		622	656	1,433
Commercial papers		75	339	0
Other short-term investments		38	301	74
Liquid assets		787	1,397	1,636
Accounts receivable		1,423	1,021	604
Provision for bad debts		-47	-40	-38
Other receivables		283	216	315
Intercompany receivables		747	259	1,014
Receivables		2,406	1,456	1,895
Raw materials and work in progress		367	250	205
Finished goods		383	204	253
Stocks		750	454	458
Current assets		3,943	3,307	3,989
Shares in subsidiaries		2,376	852	721
Shares in other companies		61	48	48
Partnerships		41	35	37
Pension plan assets	4	165	59	117
Other long-term assets		40	295	300
Deferred tax advantage	6	13	10	9
Intercompany receivables		238	2,492	2,407
Securities and long-term financial assets		2,934	3,791	3,639
Operational fixed assets	7	5,920	2,684	2,788
Fixed assets		8,854	6,475	6,427
Total assets		12,797	9,782	10,416

Liabilities and shareholders' equity

Bank debt		215	240	471
Current portion of long-term debt		57	212	162
Taxes payable		576	104	84
Provisions for dividend		196	48	26
Public dues and holiday allowances		126	93	81
Accounts payable		528	409	241
Other short-term liabilities		461	151	220
Current liabilities		2,159	1,257	1,285
Pension obligations	4	46	38	33
Senior long-term debt		2,551	2,802	3,897
Bond loans		0	0	29
Mortgage loans		28	66	167
Subordinated convertible bonds		1,206	1,207	1,226
Deferred tax	6	642	363	432
Long-term liabilities		4,473	4,476	5,784
Share capital		652	635	526
Legal reserve		1,754	1,511	801
Temporary restricted reserve		79	289	498
Distributable reserve		3,680	1,614	1,522
Shareholders' equity	8	6,165	4,049	3,347
Total liabilities and shareholders' equity		12,797	9,782	10,416
Mortgages		28	103	245
Guarantees		408	344	850

Notes

Norske Skogindustrier ASA

1. Accounting principles

The company's accounting principles are the same as those of the consolidated accounts, which are described on page 24 and 25. The company's notes are similar to the consolidated notes. Only those notes which are different, are shown below.

2. Operating revenue

The figures include ordinary revenue from sale of goods to companies within the Group amounting to NOK 142 million. Additionally, administrative fee and income from rent to the subsidiaries amounted to NOK 40 million. All intercompany deliveries, intercompany profits and intercompany debts are eliminated in the consolidated accounts.

3. Other operating expenses

Losses on bad debts amounting to NOK 10 million are included in the figures.

After Saugbrugsforeningen AS was merged with Norske Skogindustrier ASA in 1995, the shares which Saugbrugsforeningen AS owned in A/S Union were transferred to Normews AS at their taxable value. This transaction gave an accounting gain of NOK 194 million. An accounting loss of NOK 220 million was booked following the liquidation, in 1995, of the subsidiary company Norske Skogindustrier B.V., in the Netherlands. The accounting effect of both these circumstances has been eliminated in the Group accounts.

4. Pension costs and pension liabilities

Net periodic pension cost

	1995
Benefits earned during the year	28
Interest costs on prior period benefit	28
Expected return on plan assets	-36
Periodic employer tax	1
Net periodic pension cost	21

Status of pension plans reconciled to the balance sheet

	Pension assets exceed PBO		PBO exceed plan assets	
	31.12.95	31.12.94	31.12.95	31.12.94
Projected Benefit Obligations (PBO)	-512	-390	-52	-47
Plan assets at fair value	684	431	14	11
Plan assets in excess of/less than(-) PBO	172	41	-38	-36
Unrecognized gain(-)/loss on plan assets	-7	18	-4	1
Net plan assets/pension obligations	165	59	-42	-35
Employer tax accruals	0	0	-4	-3
Pension assets/pension obligations (-) in the balance sheet	165	59	-46	-38

See note 4 to the consolidated accounts regarding assumptions and further information.

5. Net cash flow from operations

The connection between profit before taxes and cash flow from operations is shown below:

	1995	1994	1993
Profit before taxes	2,018	461	184
Ordinary depreciation	578	341	329
Shares a.o. written off	0	-40	0
Taxes paid	4	-43	-17
Changes in receivables	-36	-316	-209
Changes in stocks	-139	4	132
Changes in current liabilities	-87	146	0
Net cash flow from operating activities	2,338	553	419

6. Taxes

The local tax authorities in Hurum refused the company to expense for tax purposes the environmental improvements at the Tofte mill during 1990 and 1991. In a judgement made on December 13, 1993, Drammen municipal court ruled that Norske Skog was entitled to do this. The community of Hurum has appealed this judgement. Receivable payable taxes have been booked as current receivables in the amount of NOK 114 million, since, in the company's opinion, there is no legal basis for refusing the company to expense the environmental investments for tax purposes. Net increase in taxes represent NOK 25 million if the company loses the appeal, since deferred tax will be reduced by NOK 89 million.

NOK 89 million has been allocated to cover accrued taxes due to other factors that may result in increased taxable revenue. During 1995 NOK 9 million was paid in tax and NOK 13 million repaid owing to previous years' circumstances.

Taxation basis

A specification of the difference between profit before taxes and basis for taxation this year is shown below:

	1995	1994	1993
Profit before taxes	2,018	461	184
Permanent differences	-204	-73	26
Group contribution	0	-443	-192
Change of temp. differences	-74	81	-18
Basis for taxation this year	1,740	26	0

	1995	1994	1993
Tax expenses			
Taxes payable	-468	-62	15
Change in deferred tax	-43	53	-26
Total tax expenses	-511	-9	-11

Deferred tax/deferred tax advantage

A specification is made of temporary differences and calculation of deferred tax/deferred tax advantage at the end of the year (taxation rate 28 per cent):

Deferred tax	1995	1994	1993
Reserve in accounts receivable	-36	-26	-35
Reserve in stocks	67	24	35
Other short-term items	-14	-8	-5
Total short-term items	17	-10	-5
Accelerated depreciation	1,972	1,194	1,304
Allocated capital gains	69	81	106
Pension plan assets	165	59	116
Other long-term items	-17	-23	-81
Total long-term items	2,189	1,311	1,445
Total temporary differences	2,206	1,301	1,440
Deferred tax	642	363	432

Deferred tax advantage	1995	1994	1993
Uncovered pension obligations	-45	-36	-33
Deferred tax advantage	13	10	9

7. Operational fixed assets

Acquisition cost	Goodwill and other exclusive rights	Ships	Machinery, equipment, etc.	Buildings and plants	Real estate	Plant under construction	Total
Acquisition cost 31.12.1994	21	21	5,214	1,316	62	139	6,773
Addition mergers	0	0	2,962	1,002	119	47	4,130
Addition 1995 at cost	10	0	527	55	7	162	761
Sales 1995 at cost	-7	0	-618	-180	-13	-44	-862
Reclassification	0	0	184	24	0	-208	0
Acquisition cost 31.12.1995	24	21	8,269	2,217	175	96	10,802

Revaluation

Revaluation 31.12.1994	0	0	0	0	2	0	2
Revaluation mergers 01.01.1995	0	0	0	0	93	0	93
Revaluation 31.12.1995	0	0	0	0	91	0	91

Depreciation

Accumulated ordinary depreciation 31.12.1994	8	16	3,394	662	11	0	4,091
Accumulated depr. mergers 01.01.1995	0	0	736	107	18	0	860
Ordinary depreciation 1995	6	1	483	86	1	0	578
Depreciation on fixed assets sold 1995	-3	0	-424	-129	0	0	-556
Accumulated ordinary depreciation 31.12.1995	11	17	4,189	726	30	0	4,973

Book value

Book value 31.12.1994	13	5	1,820	654	53	139	2,684
Book value 31.12.1995	13	4	4,080	1,491	236	96	5,920

Operating fixed assets - acquisition and disposals over the last 5 years

1991	Acquisition	0	0	572	51	6	96	725
	Disposal	0	112	23	13	8	0	156
1992	Acquisition	0	0	286	24	2	37	349
	Disposal	0	0	5	0	7	0	12
1993	Acquisition	18	0	110	10	2	25	165
	Disposal	0	0	4	23	6	0	33
1994	Acquisition	3	0	106	6	2	132	249
	Disposal	0	0	16	1	14	0	31
1995	Acquisition	10	0	527	55	7	162	761
	Disposal	4	0	199	51	22	28	304
Total 5 år	Acquisition	31	0	1,601	146	19	452	2,249
	Disposal	4	112	247	88	57	28	536

8. Shareholders' equity

	Share capital	Legal reserve	Temporary restricted reserve	Distributable reserve	Total
Shareholders' equity 31.12.1994	635	1,511	289	1,614	4,049
Mergers	0	4	28	668	700
Share issues	10	79	0	0	89
Converted bonds	7	9	0	0	16
Group contribution	0	0	0	0	0
Reversal of temporary restricted reserve	0	0	-238	238	0
Profit for the year	0	151	0	1,356	1,507
Provisions for dividend	0	0	0	-196	-196
Shareholders' equity 31.12.1995	652	1,754	79	3,680	6,165

Auditor's Statement

To the Annual General Meeting of Norske Skogindustrier ASA

We have audited the annual accounts of Norske Skogindustrier ASA for 1995, showing net income of NOK 1,507 million for the company and net income of NOK 1,699 million for the group. The annual accounts, which consist of the Board of Directors' report, statement of income, balance sheet, statement of cash flows and notes are the responsibility of the Board of Directors and the President and Chief Executive Officer.

Our responsibility is to examine the company's annual accounts, its accounting records and the conduct of its affairs.

We have conducted our audit in accordance with applicable laws, regulations and generally accepted auditing standards. We have performed the auditing procedures we considered necessary to determine that the annual accounts are free of material errors or omissions. We have examined, on a test basis, the accounting material supporting the financial statements, the appropriateness of the accounting principles applied, the accounting estimates made by management and the overall presentation of the annual accounts. To the extent required by generally accepted auditing standards we have also evaluated the company's asset management and internal controls.

The appropriation of net income as proposed by the Board of Directors, complies with the requirements of the Joint Stock Companies Act.

In our opinion, the annual accounts have been prepared in conformity with the Joint Stock Companies Act and present fairly the company's financial position as of 31 December 1995 and the result of its operations for the fiscal year in accordance with generally accepted accounting principles.

Oslo, February 28, 1996

ARTHUR ANDERSEN & CO.

Henning Strøm
State Authorised Public Accountant (Norway)

The Corporate Assembly's Statement

The Corporate Assembly's Statement to the General Meeting

The Board's draft accounts for 1995 have been presented to, and discussed by, the Corporate Assembly.

The Corporate Assembly recommends that the General Meeting confirms the Board's proposed profit and loss statement and balance sheet of Norske Skogindustrier ASA, together with the consolidated profit and loss statement, and balance sheet.

It also recommends the Board's proposal for distributing the profit to be approved.

Lysaker, March 27, 1996

Egil Molteberg
Corporate Assembly Chairman

Output of virtually
all Norske Skog's products
set new records in 1995

Market pulp from suppliers such as Tofte Industrier and Folla CTMP covers fibre requirements at paper mills which do not produce enough pulp for their own needs. Pulp from Tofte and Folla is used in a wide range of products: newsprint, magazine paper, fine paper, cardboard, tissue and nappies. This picture shows different types of packaging made from Tofte pulp. Tofte Industrier is Northern Europe's only supplier of eucalyptus pulp.

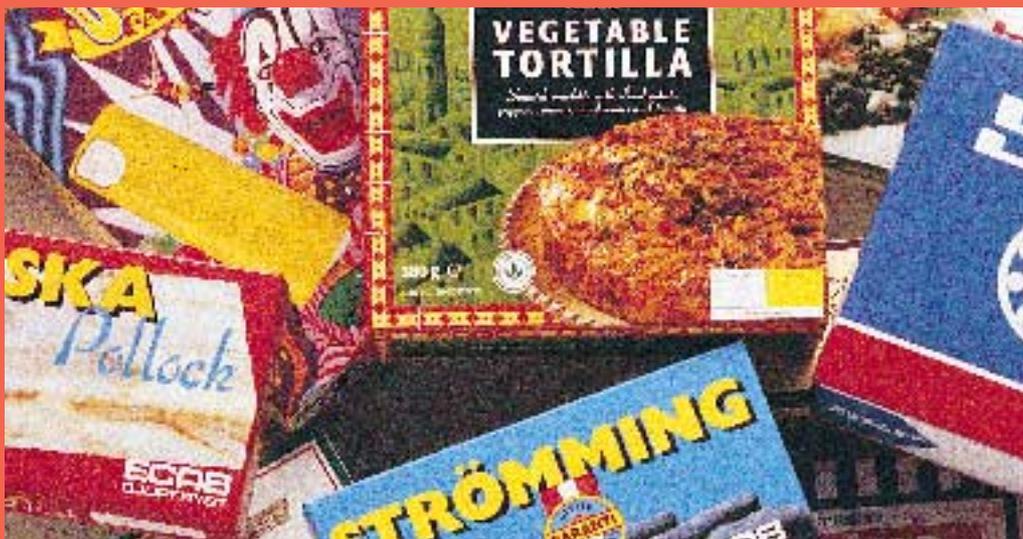


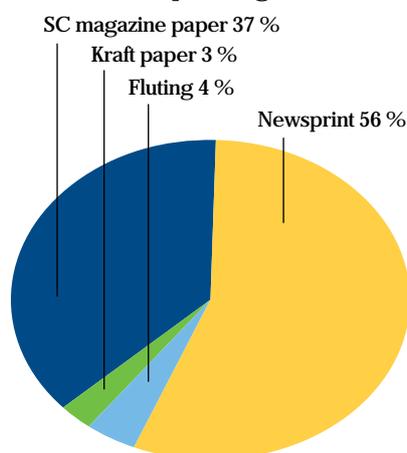
Photo: Stein Thue

CORRECT PACKAGING ENSURES THAT GROCERIES REACH CONSUMERS IN GOOD CONDITION.

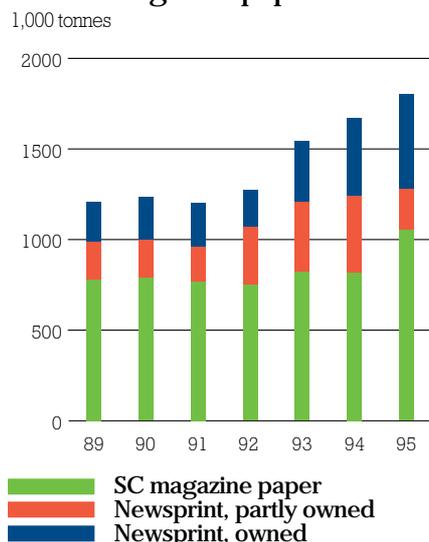


The Area Paper includes the newsprint mills Nordenfjelske Treforedling, Skogn, Follum Fabrikker, Hønefoss and Papeteries de Golbey in France, as well as Saugbrugsforeningen, in Halden, which produces SC magazine paper, and Norske Skog Bruck GmbH, in Austria, which produces LWC and newsprint. The area also includes Sande Paper Mill A/S, which makes fluting, and Hurum Papirfabrikk, which makes special paper, as well as the affiliated company A/S Union (Union Co.), which co-operates in timber procurement and in the sale and distribution of newsprint.

Breakdown of operating revenue 1995



Production newsprint and SC magazine paper



Area Paper		1995	1994	
Operating revenue	NOK million	8,066	5,831	
Operating expenses	NOK million	5,777	4,978	
Depreciation	NOK million	581	399	
Operating profit	NOK million	1,708	454	
Operating margin	%	21.2	7.8	
Total assets		NOK million	10,085	7,177
- Current assets	NOK million	2,555	2,171	
- Fixed assets	NOK million	7,530	5,006	
Total profitability	%	19.8	6.4	
Export share	%	90	85	
Number of employees		2,799	2,505	

Market conditions

1995 was a very good year for suppliers of printing paper. At Norske Skog's plants it was possible to achieve full capacity utilisation throughout the whole year. The growth in Western Europe's newsprint consumption, which averaged 4% per year during the last decade, was 2% in 1995, partly owing to weaker economic growth and partly because suppliers did not have the physical capacity to increase production further. Norske Skog maintained its 10% share of the West European newsprint market. In the US, there was no growth in total newsprint consumption in 1995. The decline in usage by the daily press was offset by increased demand from other consumers, first and foremost the advertising industry.

In 1995, too, there was strong growth in the consumption of SC magazine paper in Western Europe, and deliveries rose by 10%. This partly reflected a switch to SC magazine paper from other grades, and partly a steep rise in demand in Germany. Following lively activity at the start of the year in the US, this market stabilised during 1995. The growth for LWC in Western Europe continued in 1995 and deliveries was just over 5% more than in 1994. Towards the close of the year demand stagnated somewhat.

Sande Paper Mill's fluting markets developed very favourably during the first half year, with good demand and higher prices. Towards the end of the year demand sank and the price trend stagnated. It was therefore necessary to curb output. Hurum Papirfabrikk's profitability was affected by high pulp prices, but for much of the year there was good demand and a favourable price trend for the company's special grades.

Production

It is indicative of the situation that in 1995 new records were set for both production, in absolute figures, and for productivity. The plants achieved stable, satisfactory operation. Raw material availability was satisfactory.

Total paper production at Norske Skog's mills in Norway and France (including Union) reached 1,908,900 tonnes in 1995, 7.3% more than in 1994. Production of newsprint rose by just over 3% to 1,275,600 tonnes. This is the highest amount ever achieved, despite the fact that two of the plants had to shut down one paper machine for major upgrades.

The upgrade of PM 3 at Nordenfjelske Treforedling, in order to follow up the market's increased quality requirements, was successful. All three of the company's paper machines achieved excellent productivity in 1995.

Follum Fabrikker set a new production record in 1995, even though one of its paper machines underwent a major upgrade, with a demanding running-in period and many new components. Papeteries de Golbey continued to develop well, and has now strengthened its position as regards both quality and productivity. Union Bruk,

PAPER CONSUMPTION IN THE FAR EAST IS RISING RAPIDLY, AND JAPAN HAS FOR MANY YEARS BEEN AN IMPORTANT CUSTOMER FOR SC MAGAZINE PAPER FROM SAUGBRUGSFORENINGEN, IN HALDEN. THIS PAPER IS USED IN THE PRODUCTION OF MAGAZINES.



Photo: Stein Thue

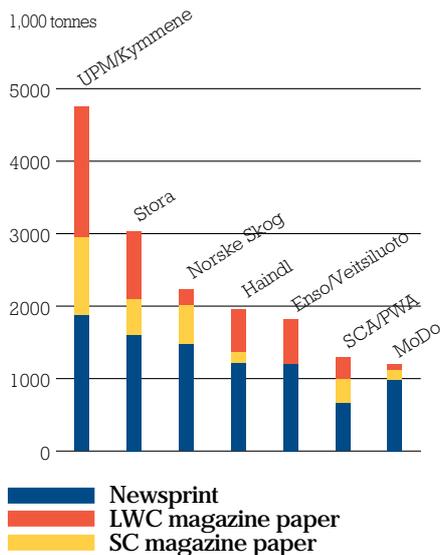
too, achieved very satisfactory operation in 1995, with output volume at a new record, almost 9% above the 1994 figure.

Saugbrugsforeningen's new PM 6 completely fulfilled expectations in 1995, and strongly contributed to increasing output of SC magazine paper by 22%, or 92,800 tonnes, to 522,700 tonnes. PM 6 has now been trimmed for a capacity of 290,000 tonnes per year, and is among the world's leading quality suppliers of SC magazine paper.

The amount of waste carton board being collected for Hurum Papirfabrikk is rising. Until the target quantity has been reached, supplies are being supplemented with factory waste from cardboard manufacturers. The project is successful from a purely technical standpoint, and the company produces office cardboard and envelope paper of good quality, based on collected beverage cartons.

Production		1995	1994
Newsprint			
Nordenfjelske Treforedling	tonnes	496,100	494,300
Follum	tonnes	327,300	321,500
Papeteries de Golbey	tonnes	228,000	213,800
Total	tonnes	1,051,400	1,029,600
Union			
Union	tonnes	224,200	208,600
Total newsprint incl. Union	tonnes	1,275,600	1,238,200
Magazine paper			
Saugbrugsforeningen	tonnes	522,700	429,900
Total printing paper	tonnes	1,798,300	1,668,100
Special grades			
Fluting (Sande Paper Mill)	tonnes	79,700	78,600
Kraft paper (Hurum Papirfabrikk)	tonnes	30,900	32,300
Total special grades	tonnes	110,600	110,900
Total all paper grades paper	tonnes	1,908,900	1,779,000

Printing paper producers in Europe. Capacities 1996



Operating margin

48



Plant and investments

In 1995, as previously, most of the investments concerned quality and environment related projects. At all the Group's printing paper plants in Norway demanding projects in this category were carried out.

The upgrade of Nordenfjelske Treforedling's PM 3 improved both the strength and printability of the newsprint produced, and deliveries from this machine have been well received even in the most demanding markets.

At Follum Fabrikker the upgrade of PM 7 means a continued conversion of production from standard newsprint to new printing paper products with higher added value and price. The facilities are still being trimmed, but the market has reacted positively to the new grades from PM 7.

When the new biofuel boiler at Saugbrugsforeningen starts up in the summer of 1996, the use of fossil fuels by Norske Skog will fall to a very low level.

Personnel, organisation and the work environment

The organisation of Area Paper has been significantly expanded during 1995. From 01.04.1995 it has included Papeteries de Golbey, with 325 employees, and from 01.01.1996 Area Paper has also included the Bruck paper mill, with 520 employees in Austria.

The phasing of the new units into Norske Skog's organisation has been carried out as intended. As early as autumn 1995 Norske Skog and the then parent company of Bruck began co-operating in the marketing and distribution of Bruck's products. It is intended that the co-operation regarding the sale of LWC should continue for part of 1996.

No lay-offs took place at any of the paper mills during 1995.

Environment

Following the investments which were completed in 1995 there are now biological waste water treatment plants at Follum Fabrikker, Saugbrugsforeningen and Sande Paper Mill. It is planned to build a corresponding facility at Nordenfjelske Treforedling.

In 1995 work began on a co-operation project which aims to close the water systems in an integrated printing paper mill. The project, which has a total budget of NOK 24 million, is partly financed by the State Pollution Control Authority (SFT) and is due for completion in 1997.

The industry's use of resources, including forests, is attracting increasing attention. Sustainable use of forests is therefore a live issue in the printing paper market, and leading customers seek information about the ecological character of the mills' timber purchases. Norske Skog is participating in several development and information orientated co-operation projects, both in Norway and abroad, together with timber suppliers, customers and environmental organisations.

Future prospects

The underlying trend in the printing paper market is positive. The overall market continues to grow, and seen in an historical context, the imbalance in the markets has been due to the concentration of capacity increases, and not to any break in the upward trend of demand. Structural changes are now taking place in these markets - changes which can alter the competitive situation for Norske Skog's companies, as well as others.

The total consumption of newsprint in the US now appears to have reached saturation point, with relatively little room for further growth. It should be borne in mind, in this connection, that total per capita usage of paper in the US is now above 330 kilos, compared with barely 190 kilos in Norway. The US accounts for nearly 40% of the world newsprint market. In another important market, Western Europe excluding the Nordic countries, the degree of self-sufficiency for newsprint continues to rise, based on the raw material resources represented by waste paper.

NORSKE SKOG SUPPLIES NEWSPRINT TO SEVEN OF THE TEN LARGEST DAILY PAPERS IN WESTERN EUROPE.

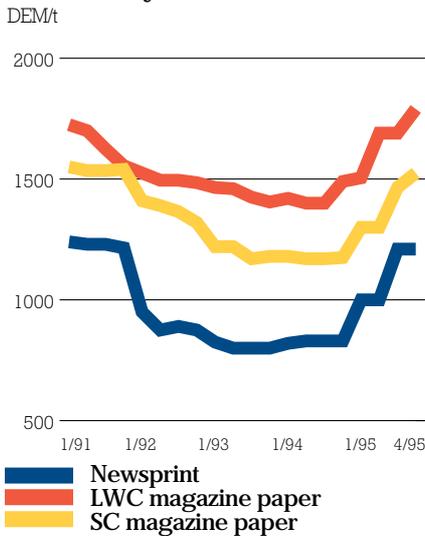


Photo: Stein Thue



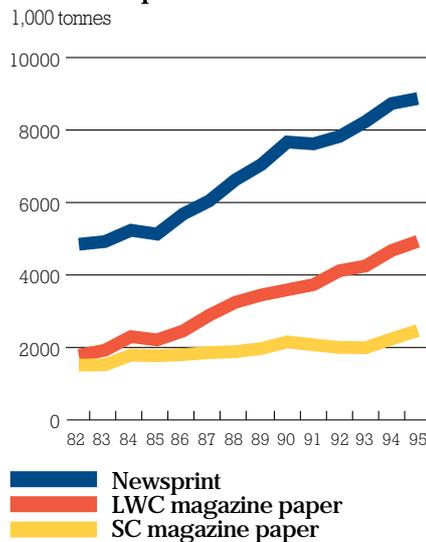
Photo: Stein Thre

Printing paper price development in Germany



Source: PPI Pricewatch

Demand for printing paper in West Europe



Source: Cepiprint

At the same time there is much speculation about the potential of the growing economies in Central and Eastern Europe. By West European standards, the per capita consumption of paper in these countries is very low. In the Far East consumption of printing paper is growing very strongly, and a lot of new high technology printing equipment is coming into use. These markets are becoming among the most demanding, both as regards product quality and service.

The immediate impact of these developments is that the entire industry is becoming steadily more globalised. Suppliers in the Nordic area and Western Europe are becoming increasingly sensitive to turbulence in markets which until now have had little effect on traditional trading patterns.

During the coming months demand trends for printing paper will to a great extent be affected by economic developments on main markets such as the EU, the US and Japan.

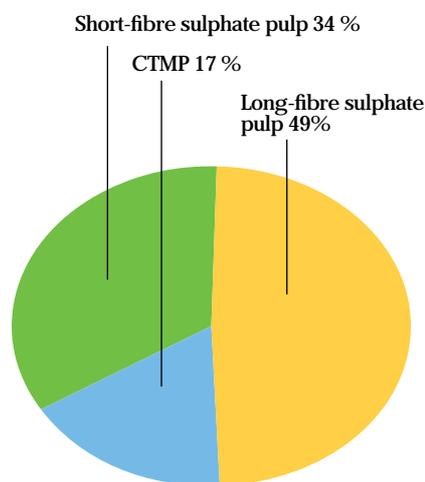
Temporary stock changes of a more speculative character may affect market balance, primarily for LWC and SC magazine paper. In Western Europe, newsprint capacity is likely to shrink in 1996, rather than to grow. For SC magazine paper and LWC, capacity increases will be significantly less than the growth in the total market during recent years. Even with a weaker market balance than in 1995, there will still be a basis for high production of printing paper in 1996.

Developments in the European packaging market are also closely connected with the general level of economic activity. For Sande Paper Mill's semi-chemical fluting, consumption is expected to stabilise at the present level, and this could lead to some pressure on prices. The market for special paper from Hurum Papirfabrikk was rather weak at the start of 1996, but it is expected to improve during the second half of the year.

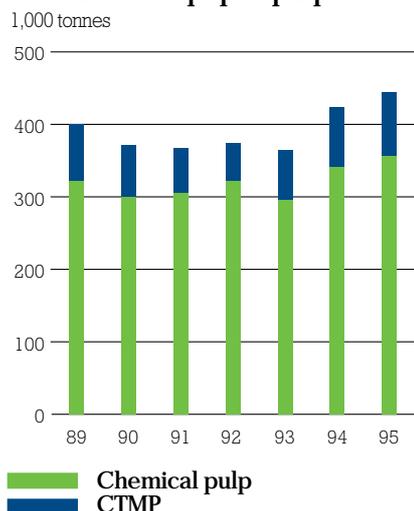
Area Fibre

The Area Fibre includes Tofte Industrier, which produces bleached short- and long-fibre sulphate pulp, and Folla CTMP in Verran, which makes bleached chemithermomechanical pulp.

Breakdown of operating revenue 1995



Production of paper pulp



		1995	1994
Operating revenue	NOK million	2,171	1,498
Operating expenses	NOK million	1,373	1,208
Depreciation	NOK million	116	112
Operating profit	NOK million	682	178
Operating margin	%	31.4	11.9
<hr/>			
Total assets	NOK million	1,398	1,313
- Current assets	NOK million	461	348
- Fixed assets	NOK million	937	965
Total profitability	%	50.3	13.0
Export share	%	68	64
Number of employees		532	518

Market conditions

The marked improvement in the pulp market in 1994 continued during the first half of 1995. Demand for market pulp was very good and capacity growth was small. At the turn of the year 1994/95 pulp stocks held by paper producers were small, while at the same time list prices were rising rapidly, leading to larger than normal purchases, for a time. In the early summer the market began to show signs of imbalance, and by the summer holiday paper producers' pulp storage warehouses were to a large extent full, while their stocks of finished product were also too large. This applied particularly to producers of wood-free paper grades.

After the summer demand for wood-free grades in Europe was very low. At the same time, Indonesian and Russian pulp manufacturers were supplying large volumes to Southern Europe at low prices. Several pulp suppliers and paper mills therefore implemented production curbs, in order to keep the stock situation under control. Even so, the Nordic and Canadian suppliers' stocks almost doubled, from one million tonnes to nearly two million tonnes, during the second half of 1995. This weakened market balance and the favourable price trend stagnated.

At the beginning of 1995 the list price for bleached long-fibre sulphate pulp (NBSK) was USD 750/tonne, and it rose in both the second and third quarter, to USD 825 and USD 925, respectively. In June a price at the record level of USD 1,000 was announced, with effect from 01.10. For eucalyptus pulp the price rose from ECU 580/tonne to ECU 700 in the third quarter, and a price of ECU 735 was announced from 01.10. The stock situation led to pressure on prices, however, and the list price of long-fibre pulp fell to USD 925 and that for eucalyptus pulp to ECU 690. These were the prices ruling at the turn of the year.

The market trend for CTMP has largely been the same as for sulphate pulp. During the ten first months of the year demand was good and record prices were achieved. In consequence, the Canadian mills which shut down during the previous recession started production again, boosting capacity for CTMP by 25%. Only insignificant production curbs were applied to CTMP in 1995.

Demand for chlorine-free grades of pulp (TCF pulp) is lower than expected and is currently declining. It is in Germany, Austria and Switzerland that there is a market for TCF pulp, but in these countries, too, interest is less than it was.

Production conditions

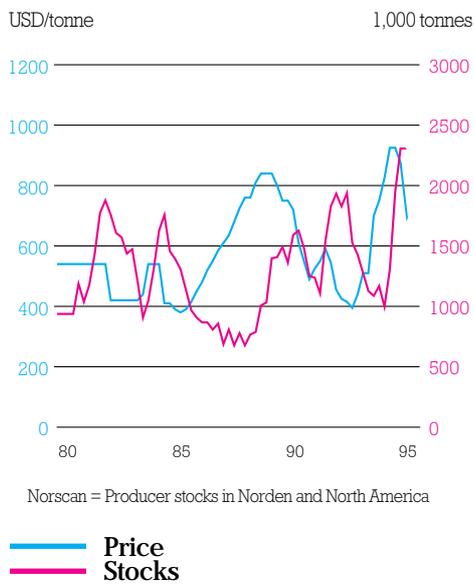
Tofte Industrier produced 355,700 tonnes of sulphate pulp in 1995. That was 15,000 tonnes more than in 1994 and a new output record. Of the total, 141,000 tonnes was eucalyptus pulp. In 1995 3,000 tonnes of TCF pulp were produced - all of it high quality. Tofte Industrier stopped production for a week during the first half of the year in order to carry out necessary maintenance and installation of new equipment. Towards the end of 1995 the company shut down operation for two weeks, to curb stock building. Production was satisfactory throughout the whole year. The high level of production meant that the plant was a net external supplier of electric power in 1995.

Folla CTMP produced 89,100 tonnes of CTMP in 1995 - 5,900 tonnes more than in 1994 and a new output record. The company shut down production for four days in July, to carry out maintenance, and stopped production again for eight days, at the end of the year, because of the market situation.

Operating margin



List price bleached long-fibre pulp/ Norscan stocks



HURUM PAPIRFABRIKK LIES VIRTUALLY NEXT DOOR TO TOFTE INDUSTRIER; IT USES TOFTE'S SULPHATE PULP TO PRODUCE A NUMBER OF SPECIAL GRADES OF PAPER - WHICH WE FIND AS FINISHED PACKAGING FOR PRODUCTS WE USE DAILY.

Plant and investments

A number of investments were made at Tofte Industrier in 1995. A new chips silo will improve pre-heating of the chips, before they go to the digester. The soda recovery boiler and the packaging lines on the drying machines have been upgraded to achieve higher capacity and better capacity utilisation. Investments in 1996 will mainly concentrate on measures to increase production further, improve quality and reduce discharges.

At Folla CTMP the new biological waste water treatment plant was the largest single investment in 1995. The plant was - as planned - ready to start operation at the turn of the year. In addition, smaller investments were made in production and quality improvement projects.

Personnel and work environment

The number of jobs at Tofte Industrier increased by 15 to 407, reflecting higher activity and changes in the Group's organisational structure. At Folla CTMP operating time was increased in 1995, with the introduction - for the first time - of year-round operation.

The companies' training and skill-improvement programmes are being carried out largely according to plan, and they continued in 1996. The number of lost time injuries declined at both Tofte and Folla in 1995, but is still too high. During the second half of the year absence due to illness increased at both plants. In 1996 special attention will be devoted to retraining.

Environment

Tofte Industrier kept well within the limits of its discharge permits in 1995. The plant's discharges are now down to a level which is one of the best in the pulp industry. In 1996 environmental investments will be concentrated on odorous gas treatment plant, as the first step in a comprehensive plan to reduce odour emissions.

Folla CTMP also kept within its discharge limits in 1995. The new discharge limits applying to the company took effect from 01.01.1996 and entail a marked reduction of discharges to water - something which has been made possible by the new waste water treatment plant.



Photo: Reklamefotografene

Production	1995	1994
Long-fibre sulphate pulp, Tofte	tonnes 214,900	194,900
Short-fibre sulphate pulp, Tofte	tonnes 140,800	145,800
Total sulphate pulp	tonnes 355,700	340,700
CTMP, Folla CTMP	tonnes 89,100	83,200

Future prospects

Capacity growth, particularly for long-fibre pulp, is relatively small. A limited growth in demand for paper and board could lead to better market balance for pulp, following the weakening experienced at the year's end. Activity on our main markets has been affected by stock adjustments which have been carried out by pulp suppliers, paper manufacturers and the various links in the trade chain leading to the consumer. An unsettled market situation will prevail through the first half of 1996.

The stock adjustments in late autumn 1995 led to pressure on prices and lower capacity utilisation for bleached long-fibre sulphate pulp. The list price for NBSK fell during January 1996 to USD 875 and in February to USD 725. For short-fibre eucalyptus the list price was ECU 500. Prices are still under pressure. Tofte Industrier plans a six-week production shutdown in the first half of the year.

The market for CTMP will be affected by the Canadian capacity which was re-started in 1995. Deliveries of bleached short-fibre sulphate pulp from the East to Europe can in certain circumstances be a competitor for CTMP. It is therefore likely that both capacity utilisation and price trends will be relatively weaker for CTMP than for sulphate pulp in 1996.

Area Building Materials has, with effect from 31.12.1995, been separated from the parent company and is now a 100%-owned subsidiary, Norske Skog Bygg AS. The four product areas have been established as separate limited companies. Norske Skog Trelast AS comprises these sawmills: Van Severen, Namsos, Østerdalsbruket, Koppang, Våler Skurlag, Våler, Langmoen Tre, Brumunddal, Numedal Bruk, Flesberg, Soknabruket, Ringerike, and Telemarksbruket, Bø, as well as eight units concerned with trade in building materials and further processing. Norske Skog Plater AS includes the particle board mills at Braskereidfoss, in Kvam and at Stavern, as well as the production of I-beams at Grubhei. Langmoen Parkett AS has its production facility at Brumunddal, while Fibo-Trespo AS makes laminated board products at Lyngdal.

Area Building Materials

		1995	1994
Operating revenue	NOK million	2,333	2,048
Operating expenses	NOK million	2,123	1,808
Depreciation	NOK million	114	94
Operating profit	NOK million	96	146
Operating margin	%	4.1	7.1
<hr/>			
Total assets	NOK million	1,503	1,196
- Current assets	NOK million	674	550
- Fixed assets	NOK million	829	646
Total profitability	%	7.1	13.3
Export share	%	37	35
Number of employees		1,681	1,597

Sawn timber

Markets and production

Norske Skog Trelast achieved record output of 496,500 m³ in 1995 (490,800 m³). The volume sold was also higher than ever before. Export share was 29% in 1995. Germany is the largest export market. On the Norwegian market, building product chains are becoming steadily more important, and about 70% of the Group's sawn timber sales in Norway were made via these chains in 1995.

Sawn timber stocks in the most important importing countries were very high at the turn of the year 1994/95. During 1995 production increased in Sweden and Finland, while at the same time key importers such as Germany, France and Great Britain reduced their import requirements through increased domestic production of sawn timber. This led to a very marked deterioration of sawn timber markets throughout Europe in the first half of 1995. Sawn timber prices fell, in consequence, to the same low level as in 1988/89.

There is a significant imbalance between production capacity in Norway's sawn timber industry and the supply of timber which the companies can rely on. This meant that the price decline for finished goods could not be offset on the raw materials side. While sawn timber prices declined by 30% in the first half of 1995, the reduction in the price of sawmill timber was only 15%. This meant that raw material prices remained well above those apply-

ing for our competitors in Sweden and Finland. This dramatically weakened profitability from May/June 1995 and through the autumn.

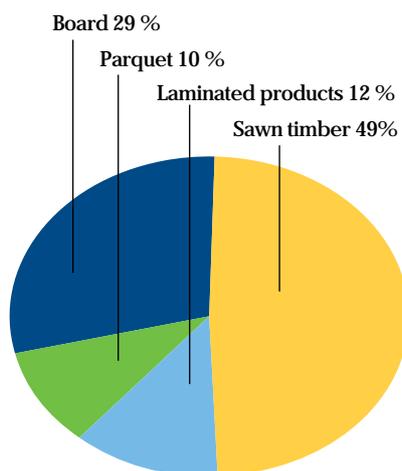
Investments

A total of NOK 95 million was invested at Norske Skog's sawn timber companies in 1995. The most important projects concerned modernisation of the sawline at Langmoen Tre, a new raw material grading plant at Østerdalsbruket and a major upgrade of the planing line at Van Severen. At Soknabruket the upgrade of the boiler plant and the extension of drying capacity was completed in the spring of 1996. Market requirements regarding special dried products are clearly rising, and the heating plant and drier are therefore priority areas.

Personnel and organisation

The increase in the number of employees in 1995 from 774 to 805 reflects the fact that previously shared departments now form part of Norske Skog Trelast's organisation. From 01.01.1996 Telemarksbruket, Bø, with 33 employees, has formed part of the company, following the acquisition by the Group of a 66% ownership stake in Telemarksbruket. The latter has an annual output of about 30,000 m³ of sawn timber, and is located in an area which is advantageous from the timber supply viewpoint.

Breakdown of operating revenue 1995

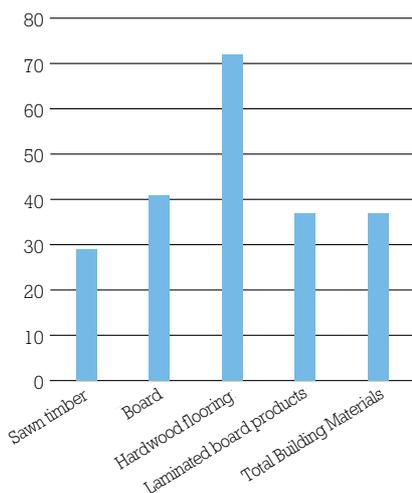


THE TERMINAL BUILDING AT THE NEW GARDERMOEN
MAIN AIRPORT; LAMINATED WOOD STRUCTURES MADE
BY MOELVEN INDUSTRIER, OF TIMBER FROM
SOKNABRUKET AND VÅLER SKURLAG.



Photo: Stein Thue

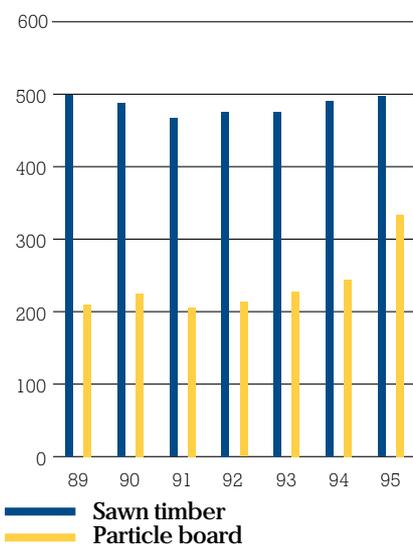
Export share building materials (% of value)



Operating margin



Output of sawn timber and particle board 1,000 m³



Future prospects

Consumption of sawn timber is relatively stable on the main markets, but sawn timber stocks were high at the turn of the year 1995/96. Pressure on prices on both the domestic and export markets, and an unchanged cost level for raw materials, will mean continued poor profitability in 1996.

Board Market and production

From the market viewpoint, 1995 was overall - a good year for Norske Skog Plater. Consumption of particle board in Norway rose by about 4% to 245,000 m³, and the Group's market share is just over 60%. Export sales set a new record, at 158,000 m³ in 1995. Consumption in the main markets in Sweden, Denmark and Great Britain were stable or increased slightly. Several price increases were implemented.

Apart from one of the production lines at Agnes Fabrikker, there was full capacity utilisation at all the Group's particle board plants in 1995. Output reached 334,100 m³ (243,700 m³ - excluding Agnes Fabrikker).

Investments, personnel and organisation

Agnes Fabrikker, Stavem, which became part of Norske Skog Plater from 01.01.1995, has a capacity of 110,000 m³ and 108 employees. Renewal of the production line at Braskereidfoss has an investment budget of NOK 325 million. The project is being executed according to plan and the new facility is due to be ready for operation during the first quarter of 1997.

Great emphasis is given to work with health, the environment and safety, and to various training schemes. Absence due to illness declined somewhat in 1995.

Future prospects

Norske Skog Plater has seen profitability improve during the past few years and in 1995 it achieved a satisfactory economic result. Overcapacity in the Continental particle board industry may also have a negative impact on Nordic markets - a fact

which creates some uncertainty about developments in 1996. No growth is foreseen in particle board consumption in Sweden and Denmark, while activity on the Norwegian market is expected to be maintained at today's level.

Langmoen Parkett Market and production

Langmoen Parkett increased sales volumes on most markets in 1995. Exports accounted for 72% of sales. Following a good start to the year, the general trend of the German economy led to weaker markets for hardwood flooring. Germany accounts for 1/3 of the total sales of parquet in Europe. Increased focus on price, and less on quality, led to greater competition from low-price producers in East-Europe and Asia. In Norway demand for parquet was very good, and consumption rose by about 20% in 1995.

Production, investments and personnel

Several departments changed from two- to three-shift production, boosting output by 20%. Supplies of suitable grades of raw material were satisfactory.

Investments at Langmoen Parkett in 1995 were concentrated on increasing capacity of the raw materials drying plant. Production of plank has been rationalised.

The rise in the number of employees primarily reflects the expansion of operating time and internal transfers from joint departments to Langmoen Parkett. Absence due to illness increased to 7.5%.

Future prospects

No immediate improvement is expected in export markets for parquet. Developments in Germany will determine the activity level. In Norway demand is expected to stabilise at the present high level. Langmoen Parkett is working on several interesting development projects.

AN IMPORTANT USE AREA FOR PARTICLE BOARD; HIGH QUALITY OFFICE FURNITURE BEING MADE AT HOV DOKKA.



Photo: Stein Thure

Fibo-Trespo AS

Market and production

Fibo-Trespo increased sales on both the domestic and export markets in 1995, and total operating income increased by 24%. Exports accounted for 37% of sales. Sweden and Germany are the most important export markets, but demand for the company's main product, laminated flooring, rose in all European countries where the flooring was marketed. In the autumn of 1995 Fibo-Trespo's flooring was launched in the US, where the total market for this product is expected to grow strongly.

The favourable development of the market was followed up with record-high output, and laminated board products increased by 28% to 2.3 million square metres in 1995.

Investments and development projects

Most of the NOK 46 million invested in 1995 was devoted to capacity increases. The company is currently building a new biofuel facility which is scheduled to start operation in March 1996.

In 1995 Norske Skog purchased from Vällinge Aluminium AB the exclusive world-wide licence rights to Alloc laminated flooring. Alloc laminated flooring is a patented method for the simple installation of flooring without the use of glue.

Personnel and organisation

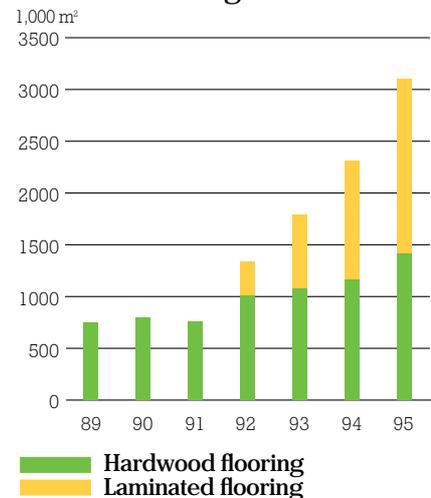
The rise in the number of employees in 1995 reflects increased activity as a result of the investments made in capacity expansion.

Since continued growth is expected, the company's sales organisation is being strengthened both in Norway and internationally.

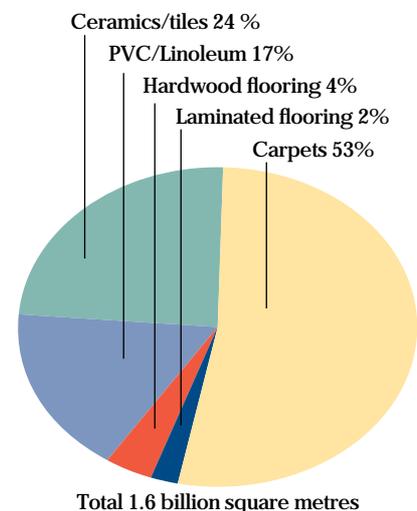
Future prospects

The total markets for Fibo-Trespo's products are developing favourably, particularly the market for laminated flooring. Further investments in capacity expansion, totalling NOK 140 million, are planned in 1996.

Output of hardwood flooring and laminated flooring



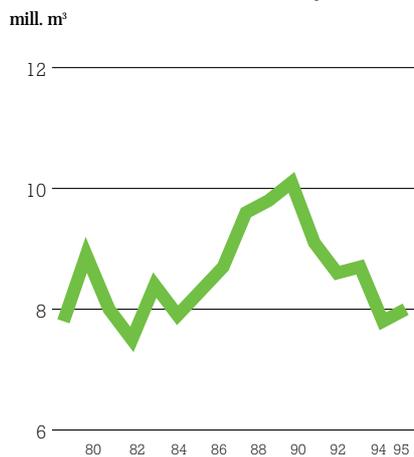
Breakdown of flooring market, Europe



Area Resources

This area includes the Group's forest properties, its hydro power stations, procurement of electric power, management of the Group's buildings and other properties in Norway, and Norsk Virke AS, which is responsible for purchases of round timber, chips and waste paper.

Roundwood cut in Norway



Timber

Norsk Virke is responsible for supplies of pulpwood and chips to the Group's pulp and paper mills in Norway (excluding Saugbrugsforeningen, which is supplied by Østfoldtømmer ANS), and Union Bruk. The company is also responsible for supplying sawn timber to the sawmills Van Severen, Soknabruk, Numedalsbruket, Telemarksbruket and Hen Tre, raw materials to the particle board mills and for purchases of waste paper through AWA AS.

Norsk Virke bought about 5.7 million cubic metres of round timber and sawmill chips and 28,000 tonnes of waste paper in 1995. The import share of this was about 2.1 million cubic metres. Of total imports, eucalyptus for Tofte and birchwood for Sande Paper Mill accounted for about 0.6 million cubic metres. Sweden was the largest supplier of coniferous timber imports. Timber imports are expected to be lower in 1996.

As a purchasing company for timber and waste paper, Norsk Virke is a leader in implementing quality control of its activity. The company was certified to quality control standard ISO 9002 in December 1995.

Forestry is the area of forest industry activity which attracts the greatest market interest, where environmental issues are concerned. Supplies of timber from sustainable forestry are important to Norske Skog. It is inherent in our strategy that the Group should be known for its high standards in all environmental matters, and in the use of natural resources connected with its activities. Norsk Virke looks after this, in its area.

Norsk Virke seeks to find the means to this end in its negotiations and business agreements with timber suppliers who adapt harvesting of the forests to the industry's requirements for pulpwood and sawn timber.

Forests

Norske Skog's forests are located in the counties of Nord-Trøndelag, Hedmark, Oppland, Akershus, Buskerud and Østfold, in Norway, and in the Swedish counties of Älvsborg and Värmland. Total area of these forests is 180,000 hectares, of which 81,000 hectares is productive forest. In addition to timber production, these properties are actively exploited for hunting and fishing. The administration of the Group's forests was brought together under joint management in 1995.

Operating conditions in the forest were normal in 1995 and 102,250 cubic metres was

harvested. This is about the same amount as in 1994. Great stress is laid on maintaining sustainable forestry, combining profitable timber production with consideration of biodiversity and multiple use interests.

Elk hunting yielded 475 animals, 57 fewer than in 1994. Norske Skog has salmon fishing rights along several stretches of river. To improve fish quality, an upgrade of salmon ladders was started in 1995. There are plans to increase activity in the hunting and fishing sectors.

Energy

Norske Skog is one of the largest buyers of electric power in Norway. The Group's total consumption in 1995 was 4,900 GWh, of which 400 GWh was spot power for electric boilers.

Norske Skog is a large producer of bio-energy. Of its total consumption of thermal energy, amounting to 4,950 GWh, 59% came from biofuels. Of the rest, 23% came from recycled electricity, 8% from spot market power and 10% from oil. Capacity for burning biofuel will increase by 80 MW in 1996 with the installation of new boilers at Saugbrugsforeningen and the new particle board mill at Braskereidfoss.

Norske Skog's own hydro power plants generated 405 GWh in 1995 - close to normal annual output. Production of back pressure power at Tofte Industrier reached 250 GWh. Over the country as a whole, inflow to river systems was well above normal. Statnett Marked's prices for spot power varied from 4 to 20 øre/kWh, with an average of 12 øre/kWh. This meant that the mills' electric boilers could be used during parts of the year.

Norske Skog had secured a large part of its 1995 power requirements through contracts, so that its exposure to the spot market was limited.

Major changes are taking place in the Norwegian electricity supply sector. The conditions on which Norske Skog can obtain long-term, predictable supplies of electric power are of vital importance to its activity and development.

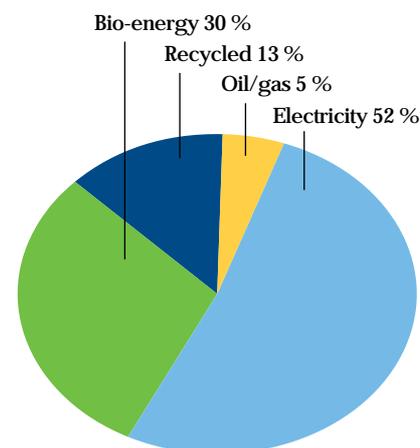
Properties

The Group's properties in Norway comprise buildings and land in 50 administrative districts (kommunes), registered under around 1,000 property title numbers. Its buildings number about 900, with a total floor area of 650,000 m², and a total insurance value of NOK 5,600 million.

Coniferous for sale and industrial production.

Source: Central Bureau of Statistics.

Total use of energy



Norske Skog's financial operations are centralised. The finance department has total responsibility for cash management and for management of the Group's currency and interest rate risks. The finance department is, moreover, responsible for all equity and loan financing, as well as for supervising and co-ordinating the Group's property insurance.

In the management of the Group's currency and interest rate exposure, the goal is to minimise risk, in accordance with given guidelines.

Norske Skog operates in a cyclical and capital-intensive industry. An adequate capital base and a sound financial structure are necessary to ensure financial flexibility during economic fluctuations.

The finance department has established comprehensive internal supervisory routines to ensure that the financial management follows external and internal guidelines.

Group financing

The Group's strategy is to have a high equity ratio and a long-term debt financing. It is considered important to spread borrowing among different capital markets. Norske Skog seeks to maintain close, long-term relationships with selected core banks related to the forest industry.

To ensure financial flexibility in the coming years, Norske Skog syndicated in 1995 a seven-year revolving credit facility of USD 470 million (NOK 3 billion) in the bank market. Due to the Group's good profitability, combined with a liquid bank market, the facility was well received in the market and considerably oversubscribed. As of end-1995, it had not been drawn upon. In addition, a loan provided by Eksportfinans, originally of USD 50 million (NOK 316 million) was renewed and increased to USD 104 million (NOK 657 million).

In connection with the take over of the remaining 51% of the shares in Papeteries de Golbey (PdG), PdG's capital base was restructured. PdG was provided with new equity capital, while existing loans were refinanced on the basis of the new ownership structure.

The Group's liquidity was good in 1995 and NOK 1.5 billion of debt was paid off. The consolidation of PdG resulted in an increase of the Group's total debt.

Currency risk

Fluctuations in foreign exchange rates expose Norske Skog to both direct and indirect economic risk.

The direct risk (basic risk) reflects the fact that 70-75% of the Group's operating revenues are in foreign currencies, while only about 10% of its costs are in such currencies. The largest exposures are against GBP, USD and DEM.

The basic risk per currency is calculated as 12 months' future net cash flow per currency (rolling). Allowance is made for the fact that market pulp is invoiced in local European currencies, while prices are agreed in USD. On a 12-month horizon, 75% of the currency risk on pulp is calculated as a USD risk. The basic risk is estimated by the individual operating units, and consolidated by the finance department to a net exposure per currency. At all times, 50-100% of that exposure should be hedged. Hedging takes place either by drawing on a loan in foreign currency, or through the use of hedging instruments such as forward contracts and currency options.

The effect on the accounts of hedging deals is shown in the Group accounts under financial items. Such currency losses or gains will to a greater or lesser extent have counterpart items in the form of increased or reduced future net operating revenue. The size of the counterpart item will depend mainly on what proportion of the exposure has been hedged.

Norske Skog is exposed to indirect risk because our competitive position is affected by fluctuations in the domestic currencies of our competitors. This applies mainly to SEK, FIM and CAD. This type of risk is not hedged.

Interest rate risk

Norske Skog is normally a net borrower, and is therefore exposed to risk connected to changes in interest rate levels. Management of interest rate risk is based on the fact that there is a connection between the way interest rates develop during the different phases of an economic cycle, and the trend of the company's results. During an upswing, interest rates will normally be higher than during a downturn, and in the same way Norske Skog's results are normally higher in an economic upturn than in a downturn. Thus, Norske Skog can handle higher interest costs during an upswing, while it is important to ensure low interest costs during a recession. It is therefore regarded as a reduction of risk to have floating interest rates, to the greatest possible

extent, on net borrowing. In order to exploit interest rate fluctuations, we also have a proportion of borrowing at fixed interest rates.

Today's loan portfolio consists of floating and fixed interest rate loans. The economic risk incorporated in the portfolio is measured in terms of interest rate sensitivity. Exposure limits are set for sensitivity to a 1% rise in the general level of interest rates, and the limits are fixed for each separate currency. This risk is hedged either by interest-bearing assets or by off balance sheet hedging instruments.

As a consequence of this strategy, Norske Skog has held long-term bonds to reinsure the interest rate risk on long-term loans. This resulted in a loss on bonds in 1994, while the company had gains on its bond holdings in 1993 and 1995. The losses and gains on the bond portfolio have their counterpart item in an increase/decrease in the value of the company's fixed interest rate debt. This increase/decrease is not shown in the accounts, in accordance with present accounting rules.

Liquidity

Norske Skog's strategy is to adjust its holding of liquid assets to the coming 12 months' amortisation payments, other short-term debt and investments. Liquid assets are defined as bank deposits, liquid securities and unused committed drawing rights. The Group follows a conservative policy with regard to placement of liquidity. Its securities portfolio consists mainly of state, bank and credit institution bonds.

Property insurance

The Group's strategy is that all premises should be adequately insured so that one shall not sustain any major losses, in case of fire or other damages.

Insurance policies are adapted to the needs of the various mills. The units within Area Building Materials are in general not covered for machinery breakdown in contrast to the paper and pulp mills.

The Group's total insured values (including cover for business interruption) exceeds more than NOK 40 billion.

This does not include machinery breakdown cover for the areas Paper and Fibre.

Norske Skog is focusing on property loss control and loss prevention. This has resulted in a positive trend for the recent years' loss history.

Norske Skog's research and development unit, Norske Skog Teknikk, comprises departments for fibre, paper, process control and environment and is also responsible for coordinating quality control work within the group. At Soknabruket Area Building Materials is constructing a wood technology and timber drying laboratory.

Bleaching of sulphate pulp

For environmental and marketing reasons the paper and pulp industry has devoted considerable resources, during recent years, to reduce the use of chlorine for bleaching pulp. Most pulp mills in western Europe have now switched from using elemental chlorine to chlorine dioxide, which contains only 20% of the chlorine concentration found in elemental chlorine. Norske Skog Teknikk and Tofte Industrier have during the past couple of years been running a project which aims to find feasible methods of producing totally chlorine free (TCF) pulp.

These studies are being conducted at Tofte Industrier, and in 1995 the mill produced TCF pulp, on an experimental basis, using short-fibre pulpwood (eucalyptus). The bleaching agent employed was peroxide. The experiment was successful and the work is being continued. With long-fibre pulp it is much more difficult to achieve the brightness the market demands and at the same time retain fibre quality and pulp strength. Completely new methods will therefore have to be developed for this type of pulp.

Concern for the environment has grown and is still growing, and this has an impact on development work. During 1995 a large proportion of resources was devoted to finding a workable technique for closing the bleaching system at Tofte Industrier, thus permitting production of a totally effluent-free (TEF) pulp. The closed system means that the bleaching plant's waste water is evaporated and the residue burned, so that no dissolved material from the bleaching plant is discharged to water. A similar project has been started to close the water system in a paper mill.

New printing paper grades

During the past two to three years Norske Skog Teknikk, Follum Fabrikker and certain customers have co-operated in the development of new wood-based paper grades from Follum's PM 7. In 1995 two new products were launched: NORSET and NORDATA Laser. NORSET is a new printing paper grade specially developed for the printing process which is used in printing high quality magazines, advertising inserts and similar. This is a market segment which is growing well.

NORDATA Laser is the first surface-treated, wood-based computer paper on the market. It performs as well as more expensive, wood-free grades, which today dominate this part of the market. Both the new paper grades are based on peroxide bleached pulp - a feature which gives them a good reputation in the market, both as regards resource use and environmentally. These two new products have been received by the market with great interest.

Individual marking of sawmill timber

Together with other large Nordic suppliers of sawn timber, Norske Skog Trelast is participating in a project which consists of identifying the quality grade assigned to a log when it is felled in the forest. Each log is marked with a tiny "radio transmitter", inserted into the timber when the tree is cut down. This transmitter emits a signal when the log passes a registration unit at the sawmill. In this way it will become possible - among other things - to identify the connection between grades of timber from different supply areas, and the quality of the sawmill product. Operative experiments are being conducted at Soknabruket. The project is very interesting and has great potential.

NORSKE SKOG TEKNIKK IS RUN FROM CORPORATE CENTER AT LYSAKER, BUT HAS DEPARTMENTS AT SAUGBRUGSFØRENINGEN, NORDENFJELSKA TREFØREDLING, FOLLUM FABRIKKER, TOFTE INDUSTRIER AND UNION. THIS PICTURE SHOWS THE RESEARCH LABORATORY AT SAUGBRUGSFØRENINGEN, IN HALDEN.



Norske Skog is the country's largest building materials manufacturer, with significant exports of sawn timber, board, parquet and laminated flooring

The laminated wood industry is an important customer group for Norske Skog Trelast. This is a use area which demands particularly high standards of strength and consistent quality. As early as ten years ago, Norske Skog developed the first fully-automated strength grading line in Europe - at Soknabruket. This picture was taken during the erection of the terminal building at Oslo's new main airport, Gardermoen. Norske Skog produced nearly 500,000 m³ of sawn timber in 1995. This is the amount of sawn timber needed to build about 30,000 new detached houses. The total number of dwellings built in Norway in 1995 was approximately 20,000 units.



Photo: Stein Thue

THE TERMINAL BUILDING AT OSLO'S NEW MAIN AIRPORT, GARDERMOEN, IS BEING BUILT OF NORWEGIAN NATURAL MATERIALS - WOOD AND STONE. THE HUGE LAMINATED WOOD BEAMS WERE PRODUCED BY MOELVEN INDUSTRIER; THE AUTOMATICALLY STRENGTH-GRADED SAWN TIMBER OF WHICH THEY ARE MADE WAS SUPPLIED BY NORSKE SKOG SAWMILLS, SOKNABRUKET AND VÅLER SKURLAG.



Representatives and Executive Staff



Jan Reinås
President and Chief
Executive Officer



Omund Revhaug
Executive Vice-
President Corporate
Development



Jan Kildal
Executive Vice-
President and Chief
Financial Officer



Bjørn-Frode Jacobsen
Vice-President
Human Resources



Knut Kringstad
Senior Vice-President
Research and
Development



Rolf Løvstrøm
Vice-President
Public Affairs

64

Executive Staff from April 1, 1996

Jan Reinås, President
and Chief Executive Officer (500)

Omund Revhaug, Executive
Vice-President Corporate Development

Jan Kildal, Executive Vice-President and
Chief Financial Officer

Bjørn-Frode Jacobsen, Vice-President
Human Resources*

Knut Kringstad, Senior Vice-President
Research and Development

Rolf Løvstrøm, Vice-President
Public Affairs

Claes-Inge Isacson,
Executive Vice-President
Pulp and Magazine paper

Lorents Mørkved, Senior Vice-President
Newsprint (1,822)

Vidar Lerstad, Managing Director
Norske Skog Sales (50)

Thor H. Lobben, Senior Vice-President
Resources (279)

Sverre A. Larssen, Executive
Vice-President Building Materials (1,301)

*Ketil Lyng was until March 31, 1996 Senior
Vice-President for human resources and
administration. He will later this year take up
a new position of managing director of
Norske Skog Golbey S.A. in France.*

*) From May 1, 1996.

Corporate Assembly

Nominated by the shareholders

Egil Molteberg, Ås, chairman (59)
Karl Stalleland, Grimstad, vice chairman
Bjørn Asp, Steinkjer
Jan Tore Berg-Knutsen, Oslo (50)
Bjørn Blakstad, Sørumsund (148)
Kjell Brandtsegg, Steinkjer (2.157)
Einar Gjems, Rena (100)
Tellef Harstveit, Åmli (284)
Pål Haugstad, Ringebu (56)
Kurt Jessen Johansson, Mosjøen (169)
Ola R. Kristiansen, Halden (378)
Borger A. Lenth, Koppang
Tore Lindholt, Skjetten
Hans-Ellef Lømo, Rykkinn
Johan Olaf Melø, Kvelde
Dieter Oswald, Bø i Telemark (60)
Per Stamnes, Hønefoss (110)
Kjell Stendahl, Spillum (60)
Ola Stomsvik, Meisingset (27)
Dag Tørvold, Skien

Deputy members

1. Tom Jarneid, Oslo (26)
2. Lars W. Grøholt, Hov (1)
3. Torstein A. Opdahl, Namnå (99)
4. Arne Bakken, Trysil (4)
5. Anders Garberg, Buvika
6. Per Kjelstad, Sande i Sunnfjord

Nominated by the employees

Rolf Bråthen, Follum (25)
Steinar Voldseth, Skogn
Kåre Walseng, Skogn
Roger Harstad Olsen, Hurum
Sverre Abrahamsen, Fibo-Trespo
Ruth Bekkeli, Våler (16)
Torbjørn Dybsand, Langmoen
Alfred Isaksen, Saugbrugs (30)
Roy Eilertsen, Saugbrugs
Knut Arne Thorsen, Van Severen



Claes-Inge Isacson
Executive Vice-President
Pulp and
Magazine paper



Lorents Mørkved
Senior Vice-President
Newsprint



Vidar Lerstad
Managing Director
Norske Skog Sales



Thor H. Lobben
Senior Vice-President
Resources



Sverre A. Larssen
Executive
Vice-President
Building Materials

Photo: Anne Norseth

Deputy members

Kjell Runar Evju, Follum
Kjetil Bakkan, Skogn
Villy Nikolaisen, Skogn
Rune Nordhagen, Tofte
Odd Kåre Dahlen, Numedal
Terje Nybo, Braskereidfoss
Jarl Kurud, Langmoen
Connie I. Abelsen, Saugbrugs
Anders Brunborg, Saugbrugs (66)
Odd Vidar Vandbakk, Folla

Observers from the employees

Ole Petter Løbben, Follum
Olav Svendsen, Hurum
Arne Fredrik Hansen, Hurum (60)
Ove Magne Anseth, Braskereidfoss
Nils Jørgen Engseth, Langmoen (30)

Deputy observers

Iver Engebretsen, Follum
Eivind Syverstad, Sande
Kjell Torp, Tofte
Jostein Bråthen, Braskereidfoss
May Kvissellien, Langmoen

Board of Directors

Lage Westerbø, Aurdal, chairman (256)
Jon R. Gundersen, Oslo, vice chairman (283)
Roy Borgersen, Tofte (105)
John Frøseth, Støren (38)
Jan Reinås, Bærum (500)
Eivind Reiten, Oslo
Arne Rødø, Van Severen
Arnt Sælør, Fibo-Trespo (66)
Halvard Sæther, Lillehammer

Deputy members by the employees

Ole Ellingsrud, Braskereidfoss
Tom Helland, Braskereidfoss

Observer

Kjell Hansen, Follum

Deputy observer

Kåre Leira, Skogn (92)

Auditors

Arthur Andersen & Co., Oslo

(Number of shares owned in parantheses)

**Norske Skogindustrier A.S
(formerly A/S Follum Fabrikker),
adapted May 12, 1989 and effective
as of October 13, 1989.**

Art. 1 Name

The name of the company is Norske Skogindustrier A.S (Norwegian Forest Industries Ltd.).

Art. 2 Objects

The objects of the company are to run industrial and commercial operations, principally with a point in forest industrial products, and diverse associated operations. The company may also participate in other enterprises by share subscription or similar.

Art. 3 Registered office

The registered office of the company is in Levanger, Norway.

Art. 4 Share capital and shares

The company's share capital amount to NOK 652,306,400.- six hundre and fifty-two million three hundred and six thousand four hundred Norwegian kroner - distributed on 32,615,320 shares at NOK 20.- each. The shares are divided among 26,530,991 A-shares and 6,084,329 B-shares.

The shares carry the same voting rights in the company, apart from B-shares, which do not carry voting rights at the company's annual general meeting.

The company's shares shall be registered with the Norwegian Registry of Securities (VPS).

Art. 5 Transfer of shares

Transfer of shares must be reported to the company's board of directors, who must give their approval. Shares transferred to a new owner do not carry voting rights until eight days after the company has been notified of the transfer.

Art. 6 Board of directors

The company shall be managed by a board for directors consisting of at least eight, and at the most eleven members. Board members are elected by the corporate assembly for two-year terms. After one year, half of the members elected by the shareholders must withdraw after the drawing of lots. No-one can be elected to the board after reaching the age of 70.

The corporate assembly elects the chairman and vice chairman of the board for one-year terms. The corporate assembly also adopts the remuneration payable to board members. The board of directors is responsible for appointing a managing director, to be known as President and chief executive officer, and for adopting his remuneration. The board of directors can authorize board members, the managing director or certain designated employees, to sign for the company.

Art. 7 Corporate assembly

The company shall have a corporate assembly consisting of 30 members, of whom 20 members and 6 deputy members are to be elected by the annual general meeting. Members chosen by the annual general meeting are elected for two-year terms. After the first year, 10 of these members must withdraw after the drawing of lots. Deputy members are elected for one-year terms.

The corporate assembly elects anyone of their body to act as chairman and vice chairman for one-year terms.

Art. 8 General meeting

The general meeting shall be summoned within the time limit stipulated in the Norwegian Companies Act, by the publication of newspaper notices in *Aftenposten* and *Dagens Næringsliv*. The notice may state that any shareholders wishing to attend the general meeting must notify the company within a certain time limit, which must not expire any earlier than five days before the general meeting. Shareholders failing to notify the company within the given time limit may be denied entrance to the general meeting. The general meeting shall be held in the municipality where the company has its registered office, or in Oslo.

The annual general meeting shall deal with and decide the following matters:

- 1) The adoption of the company's profit and loss account and balance sheet on the basis of the company's accounts and group accounts for the year.
- 2) The application of the profit or covering of loss for the year in accordance with the adopted balance sheet, and the declaration of dividend.
- 3) The adoption of remuneration of the members of the corporate assembly.
- 4) The election of the shareholders' members to the corporate assembly.
- 5) The approval of the auditor's fee.
- 6) Any other business on the agenda of the meeting notice.

Shareholders wishing to have any matters dealt with at the general meeting must give notice in writing to the board of directors within one month of the general meeting. The general meeting shall be summoned and chaired by the chairman or vice chairman of the corporate assembly or, in their absence, by the chairman of the board.

Art. 9 Amendments

Any amendments to the Articles of Association shall be made by the annual general meeting. A valid resolution may only be passed by a 2/3 majority of votes cast and these must represent 2/3 of the share capital represented at the annual general meeting.

Business Concept

Norske Skog's activity area is forest industry.

The Group's Goal

Norske Skog will continue to develop as an international forest industry group. The Group will achieve long-term profitability and must be able to compete with the leaders in its product and market areas.

The Group's Strategy

■
Norske Skog will concentrate its activity on core areas.

■
Norske Skog's core areas are woodcontaining printing paper, bleached sulphate pulp and the timber-working industry.

■
Norske Skog must be among the leaders when it comes to quality.

■
Norske Skog shall be known for maintaining high standards with regard to all environmental matters and the use of natural resources in the Group's activities.

■
Norske Skog will further develop an internationally orientated and adaptable organisation which, through its competence, motivation and efficiency can match the best.

■
Norske Skog will achieve a high degree of value creation, based mainly on the processing of Norwegian timber resources.

■
Norske Skog shall have the financial strength necessary to allow freedom of action in both booms and recessions.

■
Norske Skog shall run its activities at least as cost-efficiently as the best competitors in its main markets.

■
Norske Skog shall carry out market orientated product and process development.

■
Norske Skog will seek partnerships within specific areas, when this is appropriate.

■
Norske Skog shall achieve continuous improvements within the area of health, safety and the working environment.

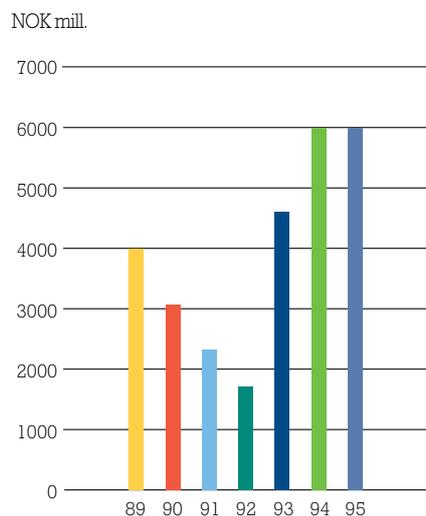
■
Norske Skog shall, through its actions, build a reputation for credibility and reliability.

Shareholder policy, share capital and shareholder structure

Shareholder policy

The forest industry is a sector which is marked by wide fluctuations in earnings and by large capital requirements for continuing investment in machinery and equipment. To be able to cope with economic fluctuations and major investment outlays a sound balance sheet is required, with a high equity capital ratio and long-term financing.

Market value Norske Skog as of 31.12.



Risk capital is a must for Norske Skog's further development. The company's shares must therefore be a competitive investment option.

Norske Skog will achieve this by dividend payments and by creating the conditions for a long-term rise in the shares' value.

It is Norske Skog's goal to pay a dividend which gives shareholders a reasonable proportion of profits during an economic cycle, without impairing the company's ability to finance future development from its own resources. Efforts will be made to even out dividend payments over the life of the cycle.

Dividend for 1995

The Board proposes a dividend of NOK 6.00 per share for 1995, against NOK 1.50 for 1994.

Shares and share capital

The company's share capital as of 31.12.1995 was NOK 652,306,400, consisting of 26,530,991 A-shares and 6,084,329 B-shares. B-shares are non-voting. Apart from that, all shares are entitled to equal rights in the company, and there is no limit regarding foreign holding.

At the end of 1995 foreigners owned 14.2% of Norske Skog A-shares and 19.3% of all the company's shares.

Corresponding figures at the beginning of 1995 were 15.9% of A-shares and 24.7% of the total number of shares.

In May 1995 486,500 new B-shares were issued, as part of payment for shares in Papeteries de Golbey. In addition there are issued 331,858 A-shares and 37,291 B-shares because of conversion of bonds. Total increase of the share capital was 17.1 NOK million throughout the year.

Keeping the market informed

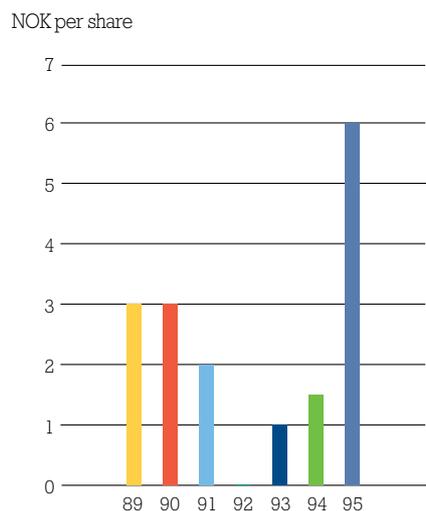
Norske Skog gives high priority to communication with the Norwegian and international financial market. Our goal is to increase knowledge about the company and understanding of the forestry industry. By doing this we build up the confidence needed to stimulate long-term investors' interest in Norske Skog.

Relevant, timely information to the financial market is an important part of our contact with investors. From 1995 Norske Skog has changed over to quarterly accounts, with reports scheduled for publication on the following dates:

- Result and dividend, 1995 - March
- Annual report and accounts, 1995 - April
- 1st quarter 1996 - May 8
- 2nd quarter 1996 - August 22
- 3rd quarter 1996 - November 7

In addition to the information provided by the interim reports, Norske Skog holds regular presentations to market players at home and abroad. During 1995 such presentations were held in Norway, England, Germany, Sweden and the US. Presentation activity abroad is increasing.

Dividend Norske Skog



Share price movements in 1995

The Oslo Stock Exchange all-share index rose by 11.6% during 1995, and the index for industrial shares increased by 9.8%. The price of Norske Skog shares fell by 1.6%. At the end of the year the list price of A-shares was NOK 185.50 and B-shares NOK 175.50.

The highest list price of A-shares during the year was NOK 233.00 and the lowest NOK 170.00.

The stock exchange value of Norske Skog was NOK 6 billion as of 31.12.1995. This is the same as the beginning of the year.

Trading in Norske Skog shares

The company's shares are listed on the Oslo Stock Exchange. In addition, the B-shares are listed on SEAQ (Stock Exchange Automatic Quotation System) in London.

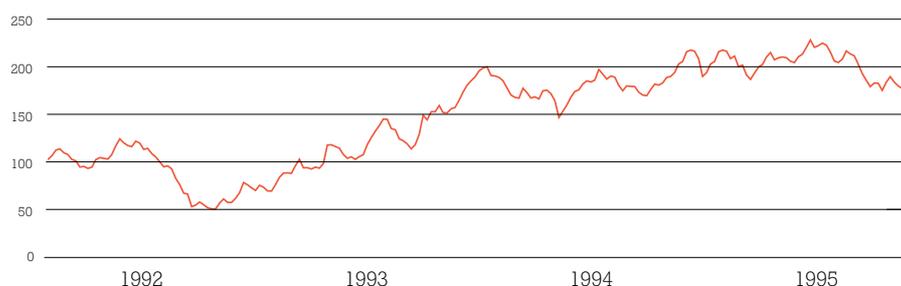
A total of 28.1 million Norske Skog shares were traded during the year. Compared with average number of shares - 32.4 million - this gives a turnover ratio of 0.87. That is a relatively high figure, considering the large number of long-term institutional shareholders in Norske Skog. 7.1 million A-shares and 4.1 B-shares were traded on SEAQ.

A growing number of Norwegian and foreign broking houses watch Norske Skog and publish analyses of the company.

Responsible for investor relations in Norske Skog is Jarle Langfjæran.

Prices of Norske Skog A-shares 1992 - 1995

NOK per share



Number of shares as at December 31, 1995

				Total
Number of shares				32,615,320
<i>Subordinated convertible bond loans:</i>				
Loan period:	Interest rate:	Conversion rate:	Converted to:	
1990/1997	8.5%	195	100% A	2,560,979
1991/2000	8.125%	201	100% B	3,516,915
Total convertible bonds				6,077,894
Potential number of shares				38,693,214

See note 20 to the accounts regarding the remainder of convertible bonds.

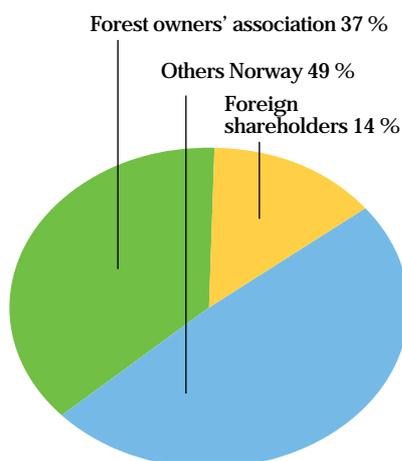
Principal shareholders as at December 31, 1995

Total number of shares: 32.615.320

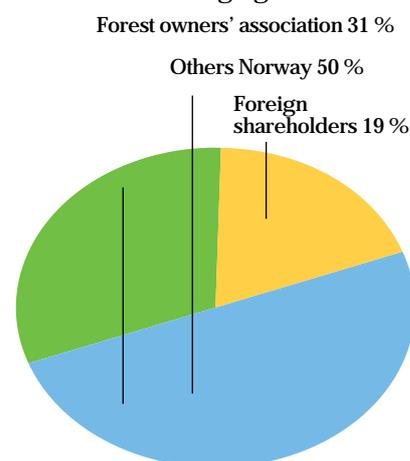
Name	A-shares		B-shares		Total		No.
	Number	%	Number	%	Number	%	
Drammensdistr.Skogeierforening, Hønefoss	2,199,745	8.29	36,273	0.60	2,236,018	6.86	1
Folketrygdfondet, Oslo	1,270,922	4.79	151,050	2.48	1,421,972	4.36	2
Morgan Guaranty Trust Co., Belgia	1,124,594	4.24	279,665	4.60	1,404,259	4.31	3
Mjøsen Skogeierforening, Lillehammer	1,067,185	4.02	94,800	1.56	1,161,985	3.56	4
Aksjefondet Avanse, Oslo	1,096,912	4.13	0	0.00	1,096,912	3.36	5
Telemark Tømmerslagslag, Skien	1,015,165	3.83	9,004	0.15	1,024,169	3.14	6
Gjensidige Forsikring/Forenede, Oslo	911,488	3.44	31,485	0.52	942,973	2.89	7
Glommen Skog/Fond, Elverum	878,282	3.31	44	0.00	878,326	2.69	8
Nedre Glommen Skogeierforening, Ås	832,544	3.14	41,750	0.69	874,294	2.68	9
UNI Storebrand Liv- og Skadefors., Oslo	495,146	1.87	371,163	6.10	866,309	2.66	10
UNION A/S, Skien	838,546	3.16	182	0.00	838,728	2.57	11
Chase Manhattan Bank NA, GBR	469,557	1.77	333,579	5.48	803,136	2.46	12
Vestfold-Lågen Skogeierforening, Hvitvingfoss	748,565	2.82	38,831	0.64	787,396	2.41	13
UNI Storebrand Spar, Oslo	538,271	2.03	28,000	0.46	566,271	1.74	14
Sør-Trøndelag Skogeierforening, Trondheim	503,260	1.90	11,428	0.19	514,688	1.58	15
State Street Bank & Trust Co, USA	233,506	0.88	269,515	4.43	503,021	1.54	16
Kommunal Landspensjonskasse, Oslo	0	0.00	490,200	8.06	490,200	1.50	17
Namdal Skogeierforening, Namsos	479,084	1.81	1,354	0.02	480,438	1.47	18
Nidarå Tømmerslagslag, Arendal	444,996	1.68	15,000	0.25	459,996	1.41	19
Norsk Hydro Pensjonskasse, Oslo	440,500	1.66	15,000	0.25	455,500	1.40	20
Total	15,588,268	58.75	2,218,323	36.46	17,806,591	54.60	

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Shareholder structure as at December 31, 1995
Total number of shares



Shareholder structure as at December 31, 1995
Shares with voting rights



Key Figures

Shares	Definition (page 72)	1995	1994	1993	1992	1991	1990		
Nominal value per share (NOK)		20	20	20	20	20	20		
Average number of shares excl. shares held in treasury (1,000)		32,430	29,794	26,259	24,251	24,174	24,121		
Average number of shares after full conversion excluding shares held in treasury (1,000)		38,508	36,241	32,791	31,399	29,922	26,509		
Net earnings per share after tax (NOK)	1	52.39	6.91	-1.79	-21.28	10.18	32.05		
Net earnings per share after full conversion *)		45.99	7.70	1.68	-13.03	11.30	30.25		
Cash flow per share after tax	2	78.79	29.07	18.74	10.56	58.12	41.50		
Cash flow per share after full conversion *)		68.22	25.91	18.11	11.56	49.73	38.85		
Dividend per share (NOK)		6.00	1.50	1.00	0.00	2.00	3.00		
Price earning ratio	3	3.54	27.77	-	-	9.63	3.96		
Payout ratio (%)	4	11.50	21.70	-	-	19.60	9.40		
Number of shares 31.12. (1,000)	A-share	26,531	26,199	23,684	21,826	21,826	21,825		
	B-share	6,084	5,561	2,631	2,425	2,425	2,425		
	Total	32,615	31,760	26,315	24,251	24,251	24,250		
Share price high/low (A- restricted)		233.0/170.0	203.50/140	175.50/65	127.50/45	173.0/73.0	185.0/103.0		
Sale number of shares (Oslo Børs)	(1,000)	28,000	26,192	25,619	30,190	19,571	10,010		
Share prices 31.12.	A-restricted	} 185.50	192.00	174.00	71.00	96.00	125.00		
	A-free		190.00	176.00	76.00	97.50	135.00		
	B-share		175.50	184.00	175.00	68.00	95.00	119.00	
Number of shareholders 31.12.	A-restricted	} 17,285	} 17,222	16,907	16,824	17,067	17,561		
	A-free			16,106	15,936	16,224	16,811		
	B-share			14,605	14,950	15,384	15,196	17,502	16,192
	Total			17,710	17,503	17,552	17,379	17,501	17,854
Number of foreign shareholders 31.12.	A-restricted	} 179	} 164	0	0	0	0		
	A-free			139	108	100	91		
	B-share			127	130	80	98	91	105
	Total			231	222	162	142	112	137
Percentage of shares for foreign shareholders 31.12.	A-restricted	} 14.2%	} 15.9%	0.0%	0.0%	0.0%	0.0%		
	A-free			42.7%	17.0%	11.7%	25.1%		
	B-share			41.4%	60.8%	58.4%	63.2%	54.4%	7.6%
	Total			19.3%	24.7%	18.6%	11.7%	8.9%	8.3%
Market value (NOK mill.)		6,000.0	5,983.0	4,597.0	1,750.9	2,376.6	3,089.5		

*) When calculating financial ratios per share after full conversion net earnings and cash flow are rectified by interest expenses on subordinated convertible bonds.

Profit and loss account (NOK million) Definition	1995	1994	1993	1992	1991	1990	1989
Operating revenue	12,548	9,170	7,338	7,557	8,640	9,879	9,248
Gross operating profit	5	3,332	1,348	851	728	1,183	1,678
Operating profit		2,500	732	299	-47	500	1,001
Profit before financial expenses	6	2,850	843	589	49	877	1,490
Profit before taxes		2,336	333	4	-659	478	917
Profit for the year		1,699	206	-47	-516	246	802

Balance sheet (NOK million)

Current assets	4,618	4,333	4,261	3,816	5,690	4,835	5,093
Fixed assets	10,246	7,377	7,694	7,917	6,042	5,380	4,662
Total assets	14,864	11,710	11,955	11,733	11,732	10,215	9,755
Current liabilities	3,337	2,043	1,958	2,535	2,077	2,418	3,358
Long-term liabilities	4,981	4,936	6,133	5,413	5,368	3,139	2,453
Minority interests	1	4	3	16	20	20	31
Untaxed reserves	-	-	-	-	-	3,379	2,713
Shareholders' equity	6,545	4,727	3,861	3,769	4,267	1,259	1,200
Total liabilities and shareholders' equity	14,864	11,710	11,955	11,733	11,732	10,215	9,755

Profitability

Gross operating margin %	7	26.6	14.7	11.6	9.6	13.7	17	18.1
Net operating margin %	8	19.9	8.0	4.1	-0.6	5.8	11.4	10.8
Net profit margin %	9	13.5	2.2	-0.6	-6.8	2.9	7.8	8.7
Return on assets %	10	21.4	7.1	5.0	0.4	8.0	15.0	17.0
Return on equity *)	11	30.1	4.8	-	-	6.5	25.3	33.4
Equity ratio %	12	44.0	40.4	32.3	32.1	36.4	32.2	29.0
Net interest-bearing debt/Equity		0.61	0.67	1.13	1.07	0.49	0.65	0.63
Return on capital employed %	13	25.4	8.3	3.4	-0.6	7.2	17.9	-

*) For 1990 and 1989 equity includes shareholders' equity and 60% of untaxed reserves.

Liquidity

Liquid assets (NOK million)	14	1,010	1,499	1,716	1,433	3,081	1,879	2,354
Cash flow (NOK million)	15	2,555	866	492	256	1,405	1,001	918
Current ratio	16	1.38	2.12	2.18	1.51	2.74	2	1.52

Definitions main financial figures :

1. Net earnings per share after tax= Profit for the year : Average number of shares
2. Cash-flow per share after tax= Cash flow : Average number of shares
3. Price-earnings ratio= Share price 31.12 : Net earnings per share after tax
4. Payout ratio= Dividends per share : Net earnings per share
5. Gross operating profit= Operating profit + Ordinary depreciation + Restructuring expenses
6. Profit before financial expenses= Operating profit + Financial revenue + Share of profit in affiliated companies
7. Gross operating margin= Gross operating profit : Operating revenue
8. Net operating margin= Operating profit : Operating revenue
9. Net profit margin= Profit for the year : Operating revenue
10. Return on assets= Profit before financial expenses : Total assets (average)
11. Return on equity= Profit for the year : Equity (average)
12. Equity ratio= Equity : Total assets
13. Return on capital employed= Operating profit : Capital employed (average) (see 17)
14. Liquid assets= Cash and bank deposits + Short-term investments
15. Cash flow= Net cash flow from operating activities (from Statement of Cash Flow)
16. Current ratio= Current assets : Current liabilities
17. Capital employed= Total assets with deductions for non-interest-bearing liabilities and interest-bearing assets

Basis for Value Estimates

General remarks

The assets of an industrial group such as Norske Skog consist largely of mills and the appertaining operating capital in the form of stocks and receivables. The value of these assets is, in principle, equal to the discounted value of the future cash flows they will generate. The Group has, however, certain other assets which must be taken into account when valueing total assets, including the Group's liquid assets, which on 31.12.1995 amounted to NOK 1,010 million.

Below are listed the most important assets not dependent on operations.

Forests

Norske Skog owns 81,000 hectares of productive forest, 17,000 hectares of which is in Dalsland, Sweden. Annual fellings during the past few years have averaged about 100,000m³.

The book value of the Group's forest properties is NOK 103 million. Of this, revaluation account for NOK 27 million.

Hydro power rights

Norske Skog owns power plants which, in a year with average precipitation, generate 415 GWh of hydro power. Only a small part of this hydro power is subject to "hjemfall" (that is, due to revert to state ownership within a specified period).

The book value of the Group's power plants and hydro power rights is NOK 77 million, of which revaluation account for NOK 58 million.

Shares in A/S Union

Norske Skog owns 574,187 shares in Union, corresponding to 57.4% of total share capital. The Union group produces about 240,000 tonnes of newsprint and other grades of printing paper. In addition, Union owns power plants with an annual output of 280 GWh and buildings in downtown Drammen.

The cost price to Norske Skog of its Union shares is NOK 25.6 million. Union is consolidated in Norske Skog's accounts according to the equity capital method. This gives it a book value of NOK 298 million, as of 31.12.95.

Ships

Norske Skog owns majority stakes in three vessels specially built for paper transport. It has a 55% ownership stake in each of the ships "Nornews Express" and "Nornews Leader", and one of 60% in "Lys-Skog".

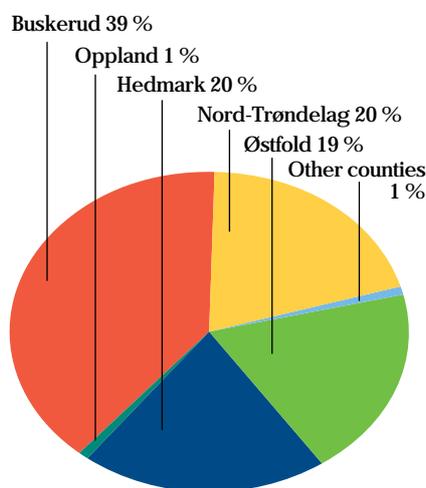
All three vessels carry newsprint, SC and to some extent paper pulp for Norske Skog, under long-term contracts.

"Nornews Express" is of 4,568 m.t. deadweight and built in 1987. "Nornews Leader" is of 5,670 m.t. deadweight and built in 1991. "Lys-Skog" is of 3,700 m.t. deadweight and built in 1991.

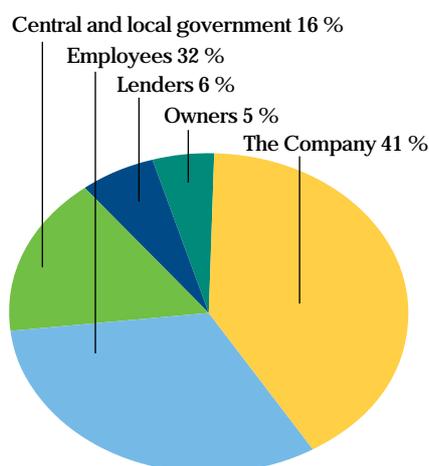
The book value of Norske Skog's 55% stakes in "Nornews Express" and "Nornews Leader" is NOK 16 million, and that of Norske Skog's 60% stake in "Lys-Skog" NOK 12 million.

Norske Skog has 4,750 employees in Norway and 24 plants in 19 "kommunes" (local authority districts) within 9 counties. The Group buys and processes raw materials from 35,000 timber suppliers throughout the whole of Norway south of Bodø. This presentation is an analysis of the value added and the socio-economic impact of Norske Skog's activity in Norway.

Distribution of employment at Norske Skog



Distribution of value added resulting from Norske Skog's own activity



The analysis is based on the Group's own accounts, official statistics and ratios calculated by the Central Bureau of Statistics on the basis of general statistics concerning business and industry. The effects of imports and the Group's activities abroad have been eliminated. This analysis has been prepared by Asplan Viak AS, a consultancy firm.

1. Value added

Norske Skog's operating revenues reached NOK 12,548 million in 1995. From this is deducted operating revenues arising from Norske Skog's activities abroad, purchases of goods and services from others, plus depreciation - altogether NOK 8,558 million. The value added resulting from Norske Skog's own activity in Norway is thus NOK 3,990 million.

The group makes significant purchases - primarily of raw materials and transport services - from a large number of suppliers in Norway. It is calculated that the value added of Norske Skog's suppliers, arising from the Group's activities, totals NOK 4,790 million. Total value added in Norway as a result of Norske Skog's activities in Norway was thus NOK 8,780 million in 1995.

Total value added in Norway due to Norske Skog's activity.

Operating revenue	12,548 NOK mill.
- adjustment items	970 NOK mill.
- deliveries of goods and services from suppliers	6,924 NOK mill.
- depreciation	664 NOK mill.
= Value added by Norske Skog in 1995	3,990 NOK mill.
+ Value added by suppliers	4,790 NOK mill.
= Value added as a result of Norske Skog's activity	8,780 NOK mill.

2. Employment, Norske Skog and suppliers

Norske Skog's external purchases of goods and services in Norway also have an employment effect. The greatest effects are in forestry and transport. These come in addition to the employment at the Group's own companies, which amount to 4,860 man-years. This means that the total employment created in Norway as a result of the Group's activity is about 15,660 man-years.

Employment, Norske Skog and suppliers, man-years

Norske Skog's own companies	4,860 man-years
Suppliers	
Forestry	4,700 man-years
Transport	1,900 man-years
Other	4,200 man-years
Total suppliers	10,800 man-years
Total overall employment effect of Norske Skog's activities in Norway	15,660 man-years

3. Contributions to public finances

Norske Skog contributes, directly and indirectly, to the financing of public expenditure.

Norske Skog	
Taxes and duties paid by the Group and its companies	645
Employees' taxes	305
Total Norske Skog	950
Taxes paid by suppliers' employees	780
Total taxes and duties paid as a result of Norske Skog's activity	1,730

Production

Area Paper		1995	1994	1993	1992	1991	1990	1989
Newsprint NT/Follum /PdG	tonnes 1)	1,051,400	815,800	820,900	748,400	767,000	786,700	777,500
SC Magazine Paper	tonnes	522,700	429,900	336,200	198,500	241,800	241,400	220,000
Fluting	tonnes	79,700	78,600	65,000	74,400	76,600	79,400	79,200
Kraft Paper	tonnes	30,900	32,300	27,600	29,400	32,300	30,500	30,500
Woodfree pr./wr.	tonnes	0	0	16,000	51,900	68,800	72,300	68,100

Area Fibre

Sulphate Pulp	tonnes	355,700	340,740	295,300	321,800	305,200	299,500	322,100
CTMP	tonnes	89,100	83,200	70,300	52,400	62,300	71,300	78,000
Dissolving Pulp	tonnes	0	0	0	0	34,800	49,900	75,000

Area Building Materials

Sawn Timber	m ³	496,500	490,800	475,600	476,150	466,700	487,600	499,000
Particle Board	m ³ 2)	334,100	243,700	227,700	213,200	206,000	224,700	209,927
Parquet	m ²	1,394,600	1,163,600	1,076,500	1,007,500	758,500	798,500	752,000
Laminated Products	m ²	2,299,600	1,796,400	1,260,100	988,000	738,900	779,600	1,040,000
Chipboard	tonnes	0	10,978	9,153	9,086	10,445	10,631	12,018

1) Includes NT, Follum and PdG at 01,01,1995

2) Includes Agnes Fabrikker at 01,01,1995

Personnel as at December 31

	1995	1994	1993	1992	1991	1990	1989
Area Paper	2,799	2,505	2,518	2,748	3,291	3,742	3,740
Area Fibre	532	518	509	527	719	748	731
Area Building Materials	1,681	1,597	1,568	1,602	1,755	1,846	1,969
Administration	181	138	144	139	139	129	96
Total	5,193	4,758	4,739	5,016	5,904	6,465	6,536

Historic landmarks

1253

Henry III of England orders 3,000 planks from Norway for Windsor Castle.

1695

First Norwegian paper production at Ole Bentsen's paper mill on the River Aker, in Christiania.

1696

First Norwegian export deliveries of paper to England.

1838

First Norwegian paper machine at Bentse Brug, Christiania.

1849

A/S Van Severen & Co Ltd., Namsos, is founded.

1853

First Norwegian steam engine driven sawmill at Spillumbruket, Namsos.

1859

Saugbrugsforeningen is founded.

1863

First Norwegian groundwood mill at Bentse Brug, Christiania.

1873

Follum Fabrikker, Hønefoss, is established.

1873

Union Co, Skien, is established.

1897

Tofte Cellulosefabrikk, later Tofte Industrier, is established.

1961

Public invited to subscribe to shares in Nordenfjelske Treforedling A/S - minimum NOK 21 million, maximum NOK 26 million.
The forest owners had subscribed in advance to NOK 24 million worth of shares.

1962

The company Nordenfjelske Treforedling A/S is established, on March 1.

1966

The first paper machine at Nordenfjelske Treforedling's newsprint mill at Fiborgtangen at Skogn starts production, on September 15.

1972

After the acquisition of other forest industry activities in paper, pulp, sawn timber and board production the company's name is changed, at a shareholders' general meeting on April 28, to Norske Skogindustrier A.S. (Norske Skog).

1989

Norske Skog, Follum Fabrikker and Tofte Industrier merge to form a single company with effect from October 13. The merged company, Norske Skog, acquires Saugbrugsforeningen with effect from December 1.

1995

Norske Skog acquires all the shares in the Papeteries de Golbey newsprint mill, in France, and in the firm of Bruck, Austria, which produces LWC and newsprint.

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Fiboveien 26 Fax +47 38 34 37 44
4580 LYNGDAL

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7800 NAMSOS Fax +47 74 27 26 07

BYGGMAKKER Saugbrugs

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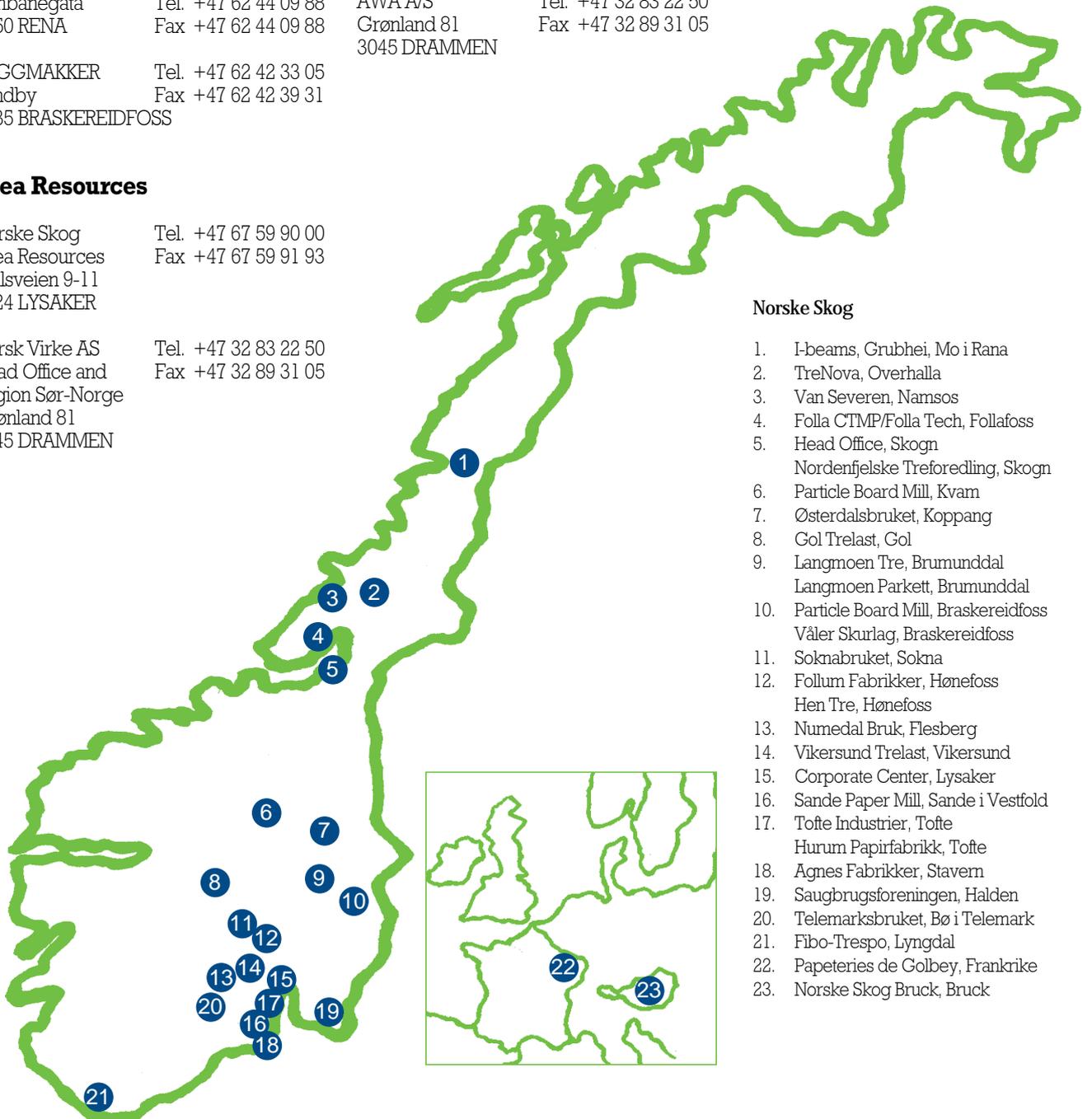
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Grønland 81
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2. TreNova, Overhalla
3. Van Severen, Namsos
4. Folla CTMP/Folla Tech, Follafooss
5. Head Office, Skogn
Nordenfjelske Treforedling, Skogn
6. Particle Board Mill, Kvam
7. Østerdalsbruket, Koppang
8. Gol Trelast, Gol
9. Langmoen Tre, Brumunddal
Langmoen Parkett, Brumunddal
10. Particle Board Mill, Braskereidfoss
Våler Skurlag, Braskereidfoss
11. Soknabruket, Sokna
12. Follum Fabrikker, Hønefoss
Hen Tre, Hønefoss
13. Numedal Bruk, Flesberg
14. Vikersund Trelast, Vikersund
15. Corporate Center, Lysaker
16. Sande Paper Mill, Sande i Vestfold
17. Tofte Industrier, Tofte
Hurum Papirfabrikk, Tofte
18. Agnes Fabrikker, Stavem
19. Saugbrugsforeningen, Halden
20. Telemarksbruket, Bø i Telemark
21. Fibo-Trespo, Lyngdal
22. Papeteries de Golbey, Frankrike
23. Norske Skog Bruck, Bruck

Sales Representatives in the Export Markets

References

1. Newsprint
2. SC magazine paper
3. LWC magazine paper
4. Kraft paper
5. Fluting
6. Pulp for sale
7. Sawn timber
8. Particle board
9. Parquet
10. Laminated board products

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NORSKE SKOG

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