

THIRD QUARTER
2011

NORSKE SKOG
NORWEGIAN PAPER TRADITION

OUR BUSINESS

Norske Skog is a world leading producer of newsprint and magazine paper. The group has 14 fully or partly owned mills in 11 countries and an annual production capacity of 4.4 million tonnes. Through sales offices and agents, newsprint and magazine paper is sold to over 80 countries. The group has 5 200 employees.

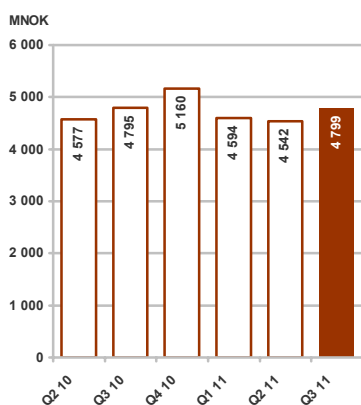
The parent company, Norske Skogindustrier ASA is incorporated in Norway and has its head office in Lysaker outside of Oslo. The company is listed on the Oslo Stock Exchange.

KEY FIGURES (UNAUDITED)

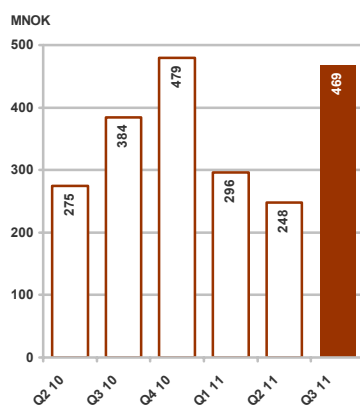
All amounts in the interim financial statements are presented in NOK million unless otherwise stated.

	JUL-SEP 2011	APR-JUN 2011	JUL-SEP 2010	YTD 2011	YTD 2010
INCOME STATEMENT					
Operating revenue	4 799	4 542	4 795	13 934	13 826
Gross operating earnings	469	248	384	1 012	934
Operating earnings	-1 883	-202	-326	-1 860	-2 333
Net profit/loss for the period	-1 841	-280	-244	-1 952	-2 270
Earnings per share (NOK)	-9.66	-1.47	-1.28	-10.24	-11.92
CASH FLOW					
Net cash flow from operating activities	413	-129	336	46	284
Net cash flow from investing activities	-21	603	724	574	454
Cash flow per share (NOK)	2.18	-0.68	1.77	0.24	1.50
OPERATING MARGIN AND PROFITABILITY (%)					
Gross operating margin	9.8	5.5	8.0	7.3	6.8
Return on capital employed	0.2	-1.1	-0.7	-1.7	-3.3
Return on equity	-20.7	-2.8	-2.4	-21.5	-20.5
Return on assets	-7.6	-0.7	-1.0	-6.8	-7.4
PRODUCTION / DELIVERIES / CAPACITY UTILISATION					
Production (1 000 tonnes)	1 011	910	1 005	2 872	2 947
Deliveries (1 000 tonnes)	996	922	1 017	2 837	2 950
Production / capacity (%)	91	82	90	87	88
	30 SEP 2011	30 JUN 2011	31 MAR 2011	31 DEC 2010	30 SEP 2010
BALANCE SHEET					
Non-current assets	15 892	18 054	19 150	19 271	20 023
Current assets	7 700	7 519	9 327	10 027	9 573
Total assets	23 592	25 573	28 478	29 297	29 596
Equity	7 967	9 851	9 996	10 183	10 136
Net interest-bearing debt	8 066	8 371	8 966	8 889	8 998

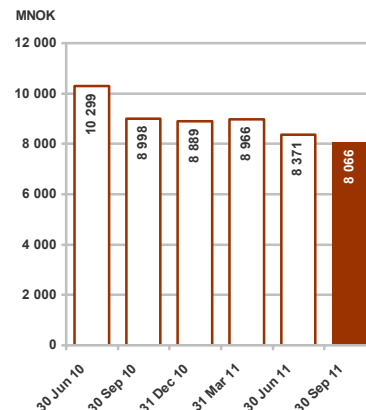
OPERATING REVENUE



GROSS OPERATING EARNINGS



NET INTEREST-BEARING DEBT



REPORT OF THE BOARD OF DIRECTORS FOR THE THIRD QUARTER OF 2011

- Third quarter 2011: Gross operating earnings NOK 469 million (NOK 248 million in the second quarter). The improvement reflected lower costs, better sales volumes and higher selling prices
- Better cash flow from operations at NOK 413 million and reduction of net interest-bearing debt by NOK 305 million to NOK 8 066 million
- Impairments of NOK 1 875 million mainly related to Norske Skog Parenco and higher applied cost of capital for the group
- Full production at Norske Skog Saugbrugs in the third quarter following stoppage in the second quarter



INCOME STATEMENT

	JUL-SEP 2011	APR-JUN 2011	JUL-SEP 2010	YTD 2011	YTD 2010
Operating revenue	4 799	4 542	4 795	13 934	13 826
Gross operating earnings ^{*)}	469	248	384	1 012	934
Gross operating earnings after depreciation ^{**)}	39	-184	-129	-280	-608
Operating earnings	-1 883	-202	-326	-1 860	-2 333
Profit/loss before income taxes	-2 135	-271	-278	-2 136	-3 060
Net profit/loss for the period	-1 841	-280	-244	-1 952	-2 270

^{*)} Operating earnings before depreciation, restructuring expenses, other gains and losses and impairments.

^{**)} Operating earnings before restructuring expenses, other gains and losses and impairments.

COMPARABILITY

As mentioned in previous quarters, a new calculation of the production capacity at Norske Skog's mills was made towards the end of 2010. This resulted in downward adjustments of the capacity at some of the units. Total production capacity in each of the three quarters of 2011 was 1 106 000 tonnes compared to 1 121 000 in each of the quarters of 2010.

There were significant gross operating earnings in the energy segment in 2010, above all stemming from the market sale of excess energy in Norway. This amounted to NOK 94 million during the first three quarters of 2010. As previously communicated, no material gross operating earnings are expected from this segment in 2011 as the surplus energy in the long-term energy contract in Norway has been sold. In the third quarter of 2011, gross operating earnings in the energy segment were NOK 0 million. The year-to-date contribution is NOK 3 million.

Full production at Norske Skog Saugbrugs

On 2 February, the mill was struck by fire, causing extensive damages to the raw material plant and electrical systems. There were no personal injuries. One paper machine, PM 4, was restarted shortly afterwards. PM 5 and PM 6 were restarted towards the end of the second quarter and have been operating normally during the third quarter. The production level was 115 000 tonnes in the third quarter, returning to a normalised level from just 43 000 tonnes in the second quarter.

Norske Skog has insurance coverage that includes both the lost contribution margin (business interruption insurance) and property damage. An accrual of NOK 12 million has been made in the third quarter for business interruption compensation. Other gains and losses in the income statement include an accrual of NOK 18 million related to the property damage insurance.

GROUP COMMENT – GROSS OPERATING EARNINGS*Third quarter 2011 compared to second quarter 2011*

Gross operating earnings in the third quarter of 2011 were NOK 469 million, compared to NOK 248 million in the second quarter. The improvement reflected a combination of lower costs, better sales volumes and higher selling prices. Both the newsprint segment and the magazine paper segment reported considerably better results when compared to the previous low levels.

In the third quarter, total sales volumes were markedly higher than in the second quarter with normalised operations at Norske Skog

Saugbrugs. For the individual segments, newsprint showed a slight decline in sales volumes, while magazine paper exhibited a significant increase. Capacity utilisation for the group was 91 per cent in the third quarter, compared to 82 per cent in the second quarter. Had operations been on a normal level at Norske Skog Saugbrugs in the second quarter, the operating rate for the group would have been 90 per cent. Realised average selling prices were higher in the third quarter of 2011 than in the previous quarter, with price increases achieved both within and outside Europe. The prices of important input factors declined somewhat from a high level in the second quarter. Currency had a limited effect on running gross operating earnings for the group, as the NOK was stable on average against Norske Skog's currency basket. However, a depreciation of NOK from the end of the second quarter to the end of the third quarter had a certain positive currency effect on accounts receivable.

Third quarter 2011 compared to third quarter 2010

Gross operating earnings in the third quarter of 2011 were NOK 85 million better than the reported NOK 384 million in the third quarter of 2010. However, the third quarter of 2010 included a one-off positive effect related to reduced environmental provisions at Norske Skog Boyer in Australia amounting to NOK 108 million. Therefore, underlying gross operating earnings improved by NOK 193 million from the third quarter of 2011 to the third quarter of 2010. Gross operating earnings were significantly higher both for the newsprint segment and the magazine paper segment, compared with the same period last year. Selling prices were higher and input costs stable when measured in NOK. Sales volumes for newsprint were on the same level as last year, while magazine paper exhibited a certain decline. The contribution from energy in the third quarter of last year was more than offset by negative gross operating earnings from other activities in that quarter.

SPECIAL ITEMS IN THE OPERATING EARNINGS UNDER IFRS

	JUL-SEP 2011	APR-JUN 2011	JUL-SEP 2010	YTD 2011	YTD 2010
Restructuring expenses	-4	-23	-22	-27	-32
Other gains and losses	-43	5	-175	331	-1 501
Impairments	-1 875	0	0	-1 883	-192

Impairments of NOK 1 875 million were recognised in the third quarter. Of the total amount, NOK 927 million was related to Norske Skog Parenco, which has been moved to a separate cash generating unit due to conversion out of newsprint. In addition, impairments reflected a higher weighted average cost of capital for the group, reduced cash flow horizon for some units and a stronger NOK. Further information is disclosed in Note 3 to the interim financial statements.

Other gains and losses in the third quarter included gains related to sales of fixed assets, predominately property, amounting to NOK 78 million. Other gains and losses also included accrued insurance compensation of NOK 18 for property damage related to the fire at Norske Skog Saugbrugs. The value of commodity contracts (mainly energy contracts) and embedded derivatives fell by NOK 119 million in the third quarter of 2011.

FINANCIAL ITEMS

	JUL-SEP 2011	APR-JUN 2011	JUL-SEP 2010	YTD 2011	YTD 2010
Net interest expenses inclusive realised gain/loss on interest rate derivatives	-199	-168	-188	-527	-546
Unrealised gain/loss on interest rate derivatives	0	-13	-11	-19	-26
Net interest expenses	-200	-181	-199	-546	-572
Currency gains/losses ¹⁾	-240	126	261	103	-117
Other financial items	189	-12	-12	172	-23
Total financial items	-251	-67	50	-271	-711

¹⁾ Currency gains and losses on accounts receivable and accounts payable are reported as operating revenue and cost of materials respectively.

Net financial items were NOK -251 million in the third quarter. The currency loss in the quarter was mainly attributed to mark to market valuation changes for the group's rolling cash flow hedging, reflecting

a weaker NOK from the end of the second quarter to the end of the third quarter. Other financial items included gains realised through bond buy-backs.

CASH FLOW

	JUL-SEP 2011	APR-JUN 2011	JUL-SEP 2010	YTD 2011	YTD 2010
Gross operating earnings	469	248	384	1 012	934
Change in working capital and adjustments ¹⁾	-75	113	-42	-508	-433
Cash from net financial items	25	-424	3	-375	-322
Taxes paid	-6	-66	-9	-83	104
Net cash flow from operating activities	413	-129	336	46	284
Purchases of fixed assets	-119	-138	-85	-325	-274
Sales of fixed assets and shares in companies	75	18	44	152	60

¹⁾ Includes items with no cash effect included in gross operating earnings, and items with cash effect included in restructuring expenses and other gains and losses.

Net cash flow from operations was NOK 413 million in the third quarter, a clear improvement from a negative cash flow of NOK 129 million in the second quarter. The improvement was mainly attributed to the higher gross operating earnings and lower interest payments in the quarter.

Working capital increased by NOK 75 million in the quarter, largely reflecting the rebuild of normal inventory and receivables levels at Norske Skog Saugbrugs. Paid taxes amounted to NOK 6 million. Investments in fixed assets were NOK 119 million in the quarter. Sale of fixed assets in the quarter included NOK 30 million in received insurance proceeds related to Norske Skog Saugbrugs.

BALANCE SHEET

	30 SEP 2011	30 JUN 2011	31 DEC 2010	30 SEP 2010
Non-current assets	15 892	18 054	19 271	20 023
Cash and cash equivalents	2 427	2 394	4 440	4 461
Other current assets	5 273	5 125	5 586	5 112
Total assets	23 592	25 573	29 297	29 596
Equity including minority interests	7 967	9 851	10 183	10 136
Non-current liabilities	10 051	10 594	13 875	16 104
Current liabilities	5 574	5 129	5 240	3 356
Net interest-bearing debt	8 066	8 371	8 889	8 998

Total assets decreased by NOK 1 981 million from the previous quarter, mainly due to impairments of fixed assets amounting to NOK 1 875 million. However, the fact that investments were lower than depreciation, and reduced value of the energy contracts also contributed to the reduction.

Equity including minority interests was NOK 7 967 million at 30 September 2011, a reduction of NOK 1 884 million from the previous quarter. Equity per share was NOK 42. A more detailed specification of the changes in equity is provided later in this report.

Net interest-bearing debt was NOK 8 066 million at 30 September 2011, a reduction of NOK 305 million from the end of the second quarter.

Current liabilities amounted to NOK 5 574 million at 30 September 2011. This amount consisted mainly of USD 259 million outstanding on a USD nominated bond that was paid on 15 October, and a NOK 655 million bond maturing in the first quarter of next year. Cash and cash equivalents amounted to NOK 2 427 million at 30 September 2011.

SEGMENT INFORMATION

NEWSPRINT TOTAL

	JUL-SEP 2011	APR-JUN 2011	JUL-SEP 2010	YTD 2011	YTD 2010
Operating revenue	3 087	3 114	2 944	9 084	8 397
Gross operating earnings	397	270	352	940	815
Gross operating earnings after depreciation	97	-29	-20	45	-302
Gross operating margin	12.8	8.7	12.0	10.3	9.7
Production (1 000 tonnes)	698	682	688	2 078	2 026
Deliveries (1 000 tonnes)	689	706	693	2 051	2 016
Production / capacity (%)	92	90	89	92	88

The newsprint segment includes the geographic regions newsprint Europe, newsprint outside Europe and sales offices. Gross operating earnings in the third quarter of 2011 recorded a marked improvement compared to the second quarter, but also against the third quarter of 2010 after adjusting for the aforementioned one-off effect at

Norske Skog Boyer. The demand for standard newsprint worldwide and in Europe fell by around five per cent and one per cent respectively during the first nine months of the year when compared to the same period in 2010.

NEWSPRINT EUROPE

	JUL-SEP 2011	APR-JUN 2011	JUL-SEP 2010	YTD 2011	YTD 2010
Operating revenue	1 548	1 619	1 374	4 666	4 091
Gross operating earnings	144	45	-18	245	2
Gross operating earnings after depreciation	-2	-102	-174	-192	-463
Gross operating margin	9.3	2.8	-1.3	5.3	0.1
Production (1 000 tonnes)	381	380	388	1 173	1 145
Deliveries (1 000 tonnes)	374	402	386	1 155	1 137
Production / capacity (%)	89	88	88	91	87

Gross operating earnings improved markedly in the third quarter from a low level in the previous quarter and in the third quarter of last year. Selling prices were significantly higher in the quarter compared to the same period last year, but some price increases were also recorded from the second quarter of this year. Compared with the previous year, European reference prices were more than 20 per cent higher. The production volume in the third quarter of 2011 was on the same level as the second quarter, but somewhat lower than in the third

quarter of 2010. Capacity utilisation was 89 per cent in the quarter. Deliveries were lower than in the previous quarter. Costs were somewhat lower in the third quarter when compared to the second quarter, but remained at a high level relative to the third quarter of 2010. A weaker NOK from the end of the second quarter to the end of the third quarter had a certain positive translation effect on accounts receivable.

NEWSPRINT OUTSIDE EUROPE

	JUL-SEP 2011	APR-JUN 2011	JUL-SEP 2010	YTD 2011	YTD 2010
Operating revenue	1 484	1 445	1 495	4 256	4 113
Gross operating earnings	246	219	369	679	796
Gross operating earnings after depreciation	95	67	153	223	145
Gross operating margin	16.6	15.2	24.7	16.0	19.3
Production (1 000 tonnes)	317	301	300	905	881
Deliveries (1 000 tonnes)	314	304	307	896	879
Production / capacity (%)	97	92	91	92	89

The region includes the operations of Norske Skog in Australasia, South America and Asia. Combined annual production capacity amounts to 1 305 000 tonnes, of which 865 000 tonnes are located in Australasia. Gross operating earnings in the third quarter showed an improvement when compared to the second quarter, but a decline compared to the third quarter of 2010. The improvement from the second quarter this year resulted from price increases in Australia and higher sales volumes. The decline compared with the same period last year was predominately related to the one-off effect at Norske Skog Boyer. However, there were also lower gross

operating earnings from the South American operations, largely reflecting a depreciation of the Brazilian Real.

The production volume increased from the previous quarter and when compared to the same period last year. That resulted in a very high capacity utilisation of 97 per cent, compared to 92 per cent in the second quarter and 91 per cent in the same quarter of 2010.

MAGAZINE PAPER

	JUL-SEP 2011	APR-JUN 2011	JUL-SEP 2010	YTD 2011	YTD 2010
Operating revenue	1 568	1 276	1 606	4 326	4 598
Gross operating earnings	77	15	41	152	136
Gross operating earnings after depreciation	-47	-111	-90	-226	-255
Gross operating margin	4.9	1.2	2.5	3.5	3.0
Production (1 000 tonnes)	313	228	317	794	921
Deliveries (1 000 tonnes)	307	217	324	786	935
Production / capacity (%)	89	65	91	76	88

Gross operating earnings in the third quarter of 2011 exhibited a clear improvement compared to the previous quarter. The improvement reflected lower costs, higher sales volumes and stable selling prices. The figures for the second quarter of 2011 were strongly affected by the stoppage at Norske Skog Saugbrugs, both with respect to revenues, costs and volumes. However, an accrual has been made for the expected business interruption insurance compensation, which limited the effect on gross operating earnings. The improvement in gross operating earnings compared to the same period last year

reflects higher selling prices and stable costs when measured in NOK, which more than offset a reduction in deliveries compared with last year. The demand for both SC (uncoated) magazine paper and LWC (coated) magazine paper in Europe was around two per cent lower in the first nine months of the year compared to the same period last year. The weaker NOK from the end of the second quarter to the end of the third quarter had a certain positive currency effect on accounts receivable.

ENERGY

	JUL-SEP 2011	APR-JUN 2011	JUL-SEP 2010	YTD 2011	YTD 2010
Operating revenue	308	391	527	1 195	1 611
Gross operating earnings	0	2	30	3	94
Gross operating earnings after depreciation	0	2	30	3	94
Operating earnings	-123	-102	-144	66	-1 437

The segment's normal activities primarily include the purchase and resale of energy to the Norwegian mills and Norske Skog Pisa in Brazil. For accounting purposes, purchase of energy for these mills is accounted for as a cost of materials in the segment, with resale at contract price.

Due to the sale of surplus energy in Norway in 2010, gross operating earnings in the energy segment were, as expected, not significant.

In addition to the earnings from ordinary operations mentioned above, the operating earnings under IFRS include the fair value adjustments on energy contracts and embedded derivatives. The contracts are

presented in the balance sheet in accordance with IAS 39 *Financial Instruments - Recognition and Measurement*, which means that the value consists of the difference between the estimated market price and contract price over the contract period, discounted to present value. At the end of the third quarter, the group had recognised amounts in the balance sheet relating to the contracts in Norway and New Zealand. The value can fluctuate significantly from quarter to quarter due to changes in expected future energy prices, and is also affected by changes in exchange rates, price indices and the discount rate used.

OTHER ACTIVITIES

	JUL-SEP 2011	APR-JUN 2011	JUL-SEP 2010	YTD 2011	YTD 2010
Operating revenue	545	540	504	1 692	1 568
Gross operating earnings	-5	-39	-38	-83	-111
Gross operating earnings after depreciation	-11	-45	-49	-103	-144

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

HEALTH AND SAFETY

The H-value (the number of lost-time injuries per million working hours) was 1.54 in the 12 month period from 1 October 2010 to 30 September 2011.

RISK MANAGEMENT

Norske Skog conducts continuous and thorough evaluations of operational and financial risk factors. The main operational risks are related to prices and sales volumes for newsprint and magazine paper, as well as prices for key input factors such as wood, recovered paper and energy.

Financial risk management includes primarily currency, interest rate and liquidity risk. The annual report for 2010 gives a comprehensive description of risk factors and risk management.

RELATED PARTIES

Some of the company's shareholders are forest owners that supply wood to the group's mills in Norway. All transactions with related parties are conducted in accordance with general market terms and conditions. None of the board members receive remuneration for their work for the company from any source other than the company itself.

SHARES

The foreign ownership share at 30 September 2011 was 26 per cent, which is nine per cent lower than at year-end. An overview of the main shareholders at 5 October 2011 is included on page 18, and is based on information supplied by RD:IR and VPS through the service Nominee ID.

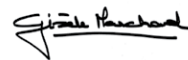
OUTLOOK FOR THE REST OF 2011

Stable prices and volumes for newsprint and magazine paper are expected in the fourth quarter. Input costs are expected to remain at a high level, but lower prices for market pulp and recovered paper are expected to contribute to a certain reduction. Gross operating earnings for the year are expected to be somewhat stronger than in 2010.

OXENØEN BRUG, 2 NOVEMBER 2011 – THE BOARD OF DIRECTORS OF NORSKE SKOGINDUSTRIER ASA



Eivind Reiten
Chair



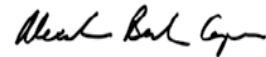
Gisèle Marchand
Deputy chair



Finn Johnsson
Board member



Helge Evju
Board member



Alexandra Bech Gjørv
Board member



Paul Kristiansen
Board member



Inge Myrland
Board member



Svein-Erik Veie
Board member



Åse Aulie Michelet
Board member



Sven Ombudstvedt
President and CEO

INTERIM FINANCIAL STATEMENTS, THIRD QUARTER 2011

INCOME STATEMENT

NOK MILLION	Note	JUL-SEP 2011	APR-JUN 2011	JUL-SEP 2010	YTD 2011	YTD 2010
Operating revenue	4	4 799	4 542	4 795	13 934	13 826
Distribution costs		-470	-421	-476	-1 322	-1 373
Cost of materials		-2 866	-2 732	-2 910	-8 554	-8 412
Change in inventories		45	-58	-39	164	13
Employee benefit expenses		-697	-702	-712	-2 103	-2 119
Other operating expenses		-342	-381	-273	-1 106	-1 002
Gross operating earnings		469	248	384	1 012	934
Depreciation	8	-429	-432	-513	-1 292	-1 542
Gross operating earnings after depreciation		39	-184	-129	-280	-608
Restructuring expenses	5	-4	-23	-22	-27	-32
Other gains and losses		-43	5	-175	331	-1 501
Impairments	3, 8	-1 875	0	0	-1 883	-192
Operating earnings		-1 883	-202	-326	-1 860	-2 333
Share of profit in associated companies		-2	-3	-1	-5	-16
Financial items		-251	-67	50	-271	-711
Profit/loss before income taxes		-2 135	-271	-278	-2 136	-3 060
Income taxes		294	-9	34	184	790
Net profit/loss for the period		-1 841	-280	-244	-1 952	-2 270
Majority share of net profit/loss for the period		-1 834	-280	-244	-1 944	-2 262
Minority share of net profit/loss for the period		-8	0	1	-8	-9
Basic/diluted earnings per share		-9.66	-1.47	-1.28	-10.24	-11.92

STATEMENT OF COMPREHENSIVE INCOME

NOK MILLION	JUL-SEP 2011	APR-JUN 2011	JUL-SEP 2010	YTD 2011	YTD 2010
Net profit/loss for the period	-1 841	-280	-244	-1 952	-2 270
Other comprehensive income					
Currency translation differences	119	41	-238	-357	265
Tax expense on translation differences	-2	46	0	44	0
Hedge of net investment in foreign operations	-140	35	135	26	137
Tax expense on net investment hedge	-26	-30	0	-26	-17
Reclassifications to income statement (divestment of operations)	5	43	0	49	0
Tax expense on reclassifications	0	0	0	0	0
Other items	1	-1	2	1	4
Tax expense on other items	0	0	0	0	0
Other comprehensive income	-43	134	-100	-264	389
Comprehensive income	-1 884	-145	-344	-2 216	-1 882
Majority share of comprehensive income	-1 877	-145	-344	-2 207	-1 875
Minority share of comprehensive income	-7	0	0	-9	-7

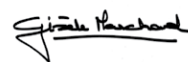
BALANCE SHEET

NOK MILLION	NOTE	30 SEP 2011	30 JUN 2011	31 DEC 2010	30 SEP 2010
Deferred tax asset		128	102	137	111
Other intangible assets	8	149	155	160	193
Property, plant and equipment	8	12 616	14 696	15 909	16 194
Investment in associated companies		203	205	209	214
Other non-current assets	7	2 796	2 896	2 856	3 311
Total non-current assets		15 892	18 054	19 271	20 023
Inventories		2 279	2 208	2 013	2 030
Receivables		2 616	2 348	2 485	2 411
Cash and cash equivalents	9	2 427	2 394	4 440	4 461
Other current assets	6	378	569	1 089	672
Total current assets	7, 11	7 700	7 519	10 027	9 573
Total assets		23 592	25 573	29 297	29 596
Paid-in equity		12 303	12 303	12 303	12 303
Retained earnings and other reserves		-4 350	-2 472	-2 143	-2 191
Minority interests		13	20	22	23
Total equity		7 967	9 851	10 183	10 136
Pension obligations		577	565	559	683
Deferred tax liability		470	721	923	989
Interest-bearing non-current liabilities	6	8 322	8 587	11 717	13 505
Other non-current liabilities	7	683	720	676	927
Total non-current liabilities		10 051	10 594	13 875	16 104
Interest-bearing current liabilities	6	2 453	2 468	1 954	315
Trade and other payables	11	2 675	2 499	2 845	2 722
Tax payable		40	24	32	32
Other current liabilities	7, 11	407	138	409	287
Total current liabilities		5 574	5 129	5 240	3 356
Total liabilities		15 625	15 722	19 115	19 460
Total equity and liabilities		23 592	25 573	29 297	29 596

OXENØEN BRUG, 2 NOVEMBER 2011 – THE BOARD OF DIRECTORS OF NORSKE SKOGINDUSTRIER ASA



Eivind Reiten
Chair



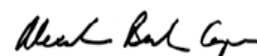
Gisèle Marchand
Deputy chair



Finn Johnsson
Board member



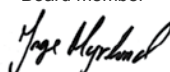
Helge Evju
Board member



Alexandra Bech GjØrv
Board member



Paul Kristiansen
Board member




Inge Myrland
Board member



Svein-Erik Veie
Board member



Åse Aulie Michelet
Board member



Sven Ombudstvedt
President and CEO

CASH FLOW STATEMENT

NOK MILLION	JUL-SEP 2011	APR-JUN 2011	JUL-SEP 2010	YTD 2011	YTD 2010
Cash generated from operations	4 580	4 585	4 738	13 801	13 902
Cash used in operations	-4 186	-4 223	-4 397	-13 297	-13 401
Cash from net financial items	25	-424	3	-375	-322
Taxes paid	-6	-66	-9	-83	104
Net cash flow from operating activities ¹⁾	413	-129	336	46	284
Purchases of fixed assets	-119	-138	-85	-325	-274
Sales of fixed assets	75	18	44	152	60
Acquisition of shares in companies and other financial payments	-28	0	0	-28	-102
Sales of shares in companies and other financial payments	52	723	766	775	770
Net cash flow from investing activities	-21	603	724	574	454
New loans raised	7	1 125	30	1 137	47
Repayments of loans	-481	-3 218	-158	-3 825	-348
Purchases/sales of treasury shares	0	0	0	0	1
New equity	0	0	0	0	1
Net cash flow from financing activities	-474	-2 093	-126	-2 689	-298
Foreign currency effects on cash and cash equivalents	115	31	-135	56	-185
Total change in cash and cash equivalents	33	-1 587	799	-2 013	254
^{1) Reconciliation of net cash flow from operating activities}					
Gross operating earnings	469	248	384	1 012	934
Restructuring expenses	-4	-23	-22	-27	-32
Change in working capital	-71	103	73	-532	-235
Other items in operating earnings with/without cash effects	0	33	-93	51	-166
Cash flow from net financial items	25	-424	3	-375	-322
Taxes paid	-6	-66	-9	-83	104
Net cash flow from operating activities	413	-129	336	46	284

STATEMENT OF CHANGES IN GROUP EQUITY

NOK MILLION	PAID-IN EQUITY	RETAINED EARNINGS	HEDGE ACCOUNTING	OTHER EQUITY RESERVES	TOTAL BEFORE MINORITY INTERESTS	MINORITY INTERESTS	TOTAL EQUITY
Equity 1 January 2010	12 302	-583	349	-81	11 987	28	12 015
Comprehensive income for the period	0	-2 015	-15	501	-1 530	-7	-1 537
Change in holding of treasury shares	2	0	0	0	2	0	2
Change in ownership in subsidiaries	0	0	0	-1	-1	0	-1
Equity 30 June 2010	12 303	-2 599	334	419	10 457	21	10 478
Comprehensive income for the period	0	-246	135	-233	-344	0	-344
Change in ownership in subsidiaries	0	0	0	0	0	2	2
Equity 30 September 2010	12 303	-2 845	469	186	10 113	23	10 136
Comprehensive income for the period	0	-200	20	227	47	3	50
Change in ownership in subsidiaries	0	-2	0	3	1	-4	-3
Equity 31 December 2010	12 303	-3 048	489	416	10 161	22	10 183
Comprehensive income for the period	0	-110	166	-385	-330	-2	-332
Equity 30 June 2011	12 303	-3 158	655	31	9 831	20	9 851
Comprehensive income for the period	0	-1 833	-166	122	-1 877	-7	-1 884
Equity 30 September 2011	12 303	-4 992	489	153	7 954	13	7 967

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Norske Skogindustrier ASA ("the company") and its subsidiaries ("the group") manufacture, distribute and sell publication paper. This includes newsprint and magazine paper.

All amounts in the interim financial statements are presented in NOK million unless otherwise stated. Due to rounding, there may be

differences in the summation of columns.

The interim financial statements were authorised for issue by the board of directors in Norske Skogindustrier ASA on 2 November 2011.

2. ACCOUNTING POLICIES

The interim financial statements of Norske Skog have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim financial statements do not disclose all the information and disclosures required in the annual financial statements, and should be read in conjunction with the group's annual financial statements as at 31 December 2010. The interim financial statements are unaudited.

The accounting policies applied in the preparation of the interim financial statements are consistent with those applied in the

preparation of the annual financial statements for the year ended 31 December 2010, except for the adaptation of amended standards and new interpretations which are mandatory from 1 January 2011. These changes are described in the annual financial statements for 2010. However, none of these currently have a material impact on the financial position or performance of the group.

The group has not early adopted any standard, interpretation or amendment that has been issued but is not yet mandatory.

3. ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

Preparation of interim financial statements in accordance with IFRS implies use of estimates, which are based on judgements and assumptions that affect the application of accounting principles and the reported amounts of assets, liabilities, revenues and expenses. Actual amounts might differ from such estimates.

Estimated decline in value of intangible assets and tangible fixed assets

Intangible assets which have an indefinite useful life and goodwill are not subject to amortisation, but are tested annually for impairment. Tangible fixed assets and intangible assets that are subject to amortisation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Since the carrying amount of the net assets in the group at the end of the third quarter of 2011 is higher than its market capitalisation, an impairment evaluation of the recoverable amount of the group's cash-generating units has been made. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from a cash-generating unit. The group's cash-generating units are Europe newsprint, Europe magazine paper (light weight coated (LWC)), Australasia newsprint, South America newsprint, Norske Skog Saugbrugs magazine paper (super calendared (SC)), Norske Skog Parenco magazine paper (NorCal), Norske Skog Follum magazine paper and Norske Skog Singburi newsprint. Norske Skog Parenco was included in the cash-generating unit Europe newsprint up to and including the second quarter of 2011. In recent years, production at the mill has gradually been converted from newsprint to magazine paper. For 2011, the bulk of production consists of magazine paper (NorCal). Since Norske Skog Parenco is the only mill in the group producing this magazine paper quality, it is included as a separate cash-generating unit from the third quarter.

Calculation of value in use requires use of estimates. When estimating the value in use at 30 September 2011, impairment indicators were identified. Total impairment losses of NOK 1 875 million have been recognised in the interim financial statements for the third quarter. The total impairment loss consists of NOK 45 million related to Europe newsprint, NOK 139 million for Europe magazine paper (light weight coated (LWC)), NOK 103 million for Australasia newsprint, NOK 241 million for South America newsprint, NOK 184 million for Norske Skog Singburi newsprint, NOK 236 million for Norske Skog Saugbrugs magazine paper (super calendared (SC)) and NOK 927 million for Norske Skog Parenco magazine paper (NorCal). The impairments have mainly arisen as a result of a higher weighted average cost of capital, reduced cash flow horizon, a stronger Norwegian krone (Norske Skog Saugbrugs magazine paper

(super calendared (SC)), and changes in the composition of cash-generating units (Norske Skog Parenco magazine paper (NorCal)).

In the first quarter of 2011, impairment losses of NOK 8 million were recognised related to Norske Skog Saugbrugs in Norway. The impairment was made as a result of damage from the fire at the mill on 2 February 2011.

The possibility of reversing impairment losses in prior periods on tangible fixed assets and intangible assets (except goodwill) has also been evaluated at 30 September 2011. There have been no reversals of previously recognised impairments during 2011.

The estimation of recoverable amount is based on assumptions regarding the future development of several factors. These include price development for finished goods, sales volumes, input prices (wood, recovered paper, energy, development in salaries etc.), capital expenditure on operational fixed assets, currency rates and interest rates. This means that there will be uncertainties when it comes to the outcome of the calculations. Norske Skog has performed sensitivity analyses using the variables mentioned above to predict how fluctuations will impact recoverable amount. In relation to the assumptions made in the calculation of the present value of future cash flows, recoverable amount is most sensitive to changes in prices of finished goods, sales volume and exchange rate movements. A reduction in sales price (from 2013) and sales volume in the cash flow period of 5% will cause a reduction in recoverable amount in the order of NOK 5 000 million and NOK 1 700 million respectively. Correspondingly, a weakening of USD of 5% will cause a NOK 700 million reduction in the recoverable amount. A price increase of 5% on the input prices for wood, recovered paper and energy will reduce recoverable amount by approximately NOK 700 million, NOK 500 million and NOK 600 million respectively.

Commodity contracts and embedded derivatives in commodity contracts measured at fair value

Commodity contracts that fail to meet the own-use exemption criteria in IAS 39 *Financial instruments – recognition and measurement* are recognised in the balance sheet and valued at fair value. Fair value of commodity contracts and embedded derivatives in commodity contracts which are not traded in an active market, are assessed through valuation techniques. Some of these contracts are long-term energy contracts. The electricity price for long-term electricity contracts in Norway and New Zealand is not directly observable in the market for the whole contract length. Price forecasts from acknowledged external sources are used in the estimation of fair value. The group uses its judgement to select a variety of methods

and make assumptions that are mainly based on marked conditions existing at each balance sheet date.

See Note 9 in the annual financial statements for 2010 for more information regarding the calculation of fair value of derivatives.

Provisions

Provisions for environmental restoration, dismantling costs, restructuring activities and legal claims are recognised when the group has a present legal or constructive obligation as a result of past events; an outflow of resources is more likely than not to be required to settle the obligation and the amount can be reliably estimated.

Provisions for future environmental- and dismantling liabilities are based on a number of assumptions made using management's best judgment. Changes in any of these assumptions could have an impact on the group's provisions and costs.

See Note 22 in the annual financial statements for 2010 for more information regarding provisions for environmental- and dismantling liabilities.

See Note 2 in the annual financial statements for 2010 for a more thorough description of important accounting estimates and assumptions impacting the preparation of financial statements.

4. OPERATING SEGMENTS

JUL-SEP 2011	NEWSPRINT	MAGAZINE PAPER	ENERGY	OTHER ACTIVITIES	ELIMINATIONS	NORSKE SKOG GROUP
Operating revenue	3 087	1 568	308	545	-710	4 799
Distribution costs	-286	-166	0	-18	0	-470
Cost of materials	-1 780	-975	-308	-421	617	-2 866
Change in inventories	32	20	0	-7	0	45
Employee benefit expenses	-400	-243	0	-55	0	-697
Other operating expenses	-257	-128	0	-49	92	-342
Gross operating earnings	397	77	0	-5	0	469
Depreciation	-299	-124	0	-6	0	-429
Gross operating earnings after depreciation	97	-47	0	-11	0	39
Restructuring expenses	0	0	0	-4	0	-4
Other gains and losses	25	29	-123	26	0	-43
Impairments	-573	-1 302	0	0	0	-1 875
Operating earnings	-451	-1 321	-123	11	0	-1 883

JAN-SEP 2011	NEWSPRINT	MAGAZINE PAPER	ENERGY	OTHER ACTIVITIES	ELIMINATIONS	NORSKE SKOG GROUP
Operating revenue	9 084	4 326	1 195	1 692	-2 362	13 934
Distribution costs	-860	-402	0	-60	0	-1 322
Cost of materials	-5 388	-2 703	-1 191	-1 348	2 076	-8 554
Change in inventories	120	43	0	0	0	164
Employee benefit expenses	-1 219	-709	0	-176	0	-2 103
Other operating expenses	-797	-403	-1	-192	286	-1 106
Gross operating earnings	940	152	3	-83	0	1 012
Depreciation	-895	-378	0	-20	0	-1 292
Gross operating earnings after depreciation	45	-226	3	-103	0	-280
Restructuring expenses	-2	-2	0	-23	0	-27
Other gains and losses	32	88	62	148	0	331
Impairments	-573	-1 310	0	0	0	-1 883
Operating earnings	-497	-1 451	66	22	0	-1 860

JAN-SEP 2010	NEWSPRINT	MAGAZINE PAPER	ENERGY	OTHER ACTIVITIES	ELIMINATIONS	NORSKE SKOG GROUP
Operating revenue	8 397	4 598	1 611	1 568	-2 348	13 826
Distribution costs	-814	-468	0	-90	0	-1 373
Cost of materials	-4 917	-2 848	-1 514	-1 142	2 009	-8 412
Change in inventories	34	-17	0	-4	0	13
Employee benefit expenses	-1 217	-702	0	-200	0	-2 119
Other operating expenses	-669	-426	-3	-242	339	-1 002
Gross operating earnings	815	136	94	-111	0	934
Depreciation	-1 117	-391	0	-34	0	-1 542
Gross operating earnings after depreciation	-302	-255	94	-144	0	-608
Restructuring expenses	-27	-1	0	-4	0	-32
Other gains and losses	15	2	-1 530	13	0	-1 501
Impairments	-192	0	0	0	0	-192
Operating earnings	-506	-255	-1 437	-135	0	-2 333

OPERATING SEGMENT NEWSPRINT

The Newsprint segment encompasses production and sale of standard newsprint and other paper qualities used in newspapers, inserts, catalogues etc.

INCOME STATEMENT	JUL-SEP 2011	APR-JUN 2011	JUL-SEP 2010	YTD 2011	YTD 2010
Operating revenue	3 087	3 114	2 944	9 084	8 397
Distribution costs	-286	-294	-281	-860	-814
Cost of materials	-1 780	-1 770	-1 721	-5 388	-4 917
Change in inventories	32	-102	-6	120	34
Employee benefit expenses	-400	-404	-413	-1 219	-1 217
Other operating expenses	-257	-274	-171	-797	-669
Gross operating earnings	397	270	352	940	815
Depreciation	-299	-299	-372	-895	-1 117
Gross operating earnings after depreciation	97	-29	-20	45	-302
Restructuring expenses	0	-2	-22	-2	-27
Other gains and losses	25	15	-5	32	15
Impairments	-573	0	0	-573	-192
Operating earnings	-451	-16	-47	-497	-506
Share of operating revenue from external parties (%)	99	99	98	99	98
OPERATING REVENUE PER REGION					
Newsprint Europe	1 548	1 619	1 374	4 666	4 091
Newsprint outside Europe	1 484	1 445	1 495	4 256	4 113
Sales offices and other activities	1 198	1 152	1 167	3 398	3 305
Eliminations	-1 144	-1 102	-1 092	-3 237	-3 112
Total	3 087	3 114	2 944	9 084	8 397
GROSS OPERATING EARNINGS PER REGION					
Newsprint Europe	144	45	-18	245	2
Newsprint outside Europe	246	219	369	679	796
Sales offices and other activities	6	6	1	15	17
Eliminations	0	0	0	0	0
Total	397	270	352	940	815

OPERATING SEGMENT MAGAZINE PAPER

The Magazine paper segment encompasses production and sale of the paper qualities super calendered (SC), machine finished coated (MFC) and light weight coated (LWC). Magazine paper is used for

magazines, catalogues and advertising materials. Norske Skog Parencio will with effect from the fourth quarter of 2011 be reported as part of the magazine paper segment.

INCOME STATEMENT	JUL-SEP 2011	APR-JUN 2011	JUL-SEP 2010	YTD 2011	YTD 2010
Operating revenue	1 568	1 276	1 606	4 326	4 598
Distribution costs	-166	-106	-168	-402	-468
Cost of materials	-975	-821	-995	-2 703	-2 848
Change in inventories	20	41	-27	43	-17
Employee benefit expenses	-243	-238	-235	-709	-702
Other operating expenses	-128	-137	-141	-403	-426
Gross operating earnings	77	15	41	152	136
Depreciation	-124	-126	-130	-378	-391
Gross operating earnings after depreciation	-47	-111	-90	-226	-255
Restructuring expenses	0	-2	0	-2	-1
Other gains and losses	29	48	2	88	2
Impairments	-1 302	0	0	-1 310	0
Operating earnings	-1 321	-66	-88	-1 451	-255
Share of operating revenue from external parties (%)	97	92	96	94	96

OPERATING SEGMENT ENERGY

The energy segment includes purchase and sale of energy to mills in the group and trading and sale of excess energy in the spot market.

Value changes on energy contracts and embedded derivatives in energy contracts carried at fair value are reported as Other gains and losses.

INCOME STATEMENT	JUL-SEP 2011	APR-JUN 2011	JUL-SEP 2010	YTD 2011	YTD 2010
Operating revenue	308	391	527	1 195	1 611
Distribution costs	0	0	0	0	0
Cost of materials	-308	-389	-497	-1 191	-1 514
Change in inventories	0	0	0	0	0
Employee benefit expenses	0	0	0	0	0
Other operating expenses	0	0	0	-1	-3
Gross operating earnings	0	2	30	3	94
Depreciation	0	0	0	0	0
Gross operating earnings after depreciation	0	2	30	3	94
Restructuring expenses	0	0	0	0	0
Other gains and losses	-123	-104	-174	62	-1 530
Impairments	0	0	0	0	0
Operating earnings	-123	-102	-144	66	-1 437
Share of operating revenue from external parties (%)	26	38	46	35	48

OTHER ACTIVITIES

Activities in the group that do not fall into any of the three operating segments are presented under Other activities. This includes

corporate functions, real estate activities, trading and sorting of recovered paper and purchase and resale of wood.

INCOME STATEMENT	JUL-SEP 2011	APR-JUN 2011	JUL-SEP 2010	YTD 2011	YTD 2010
Operating revenue	545	540	504	1 692	1 568
Distribution costs	-18	-20	-27	-60	-90
Cost of materials	-421	-440	-371	-1 348	-1 142
Change in inventories	-7	3	-6	0	-4
Employee benefit expenses	-55	-61	-64	-176	-200
Other operating expenses	-49	-61	-73	-192	-242
Gross operating earnings	-5	-39	-38	-83	-111
Depreciation	-6	-6	-11	-20	-34
Gross operating earnings after depreciation	-11	-45	-49	-103	-144
Restructuring expenses	-4	-19	0	-23	-4
Other gains and losses	26	46	2	148	13
Impairments	0	0	0	0	0
Operating earnings	11	-18	-47	22	-135
Share of operating revenue from external parties (%)	25	27	26	27	29
OPERATING REVENUE					
Recovered paper	232	236	220	710	626
Real estate activities	1	1	4	5	13
Bio-fuel	0	0	0	0	0
Corporate functions	60	58	59	179	193
Miscellaneous	268	258	234	842	780
Eliminations	-17	-13	-13	-43	-45
Total	545	540	504	1 692	1 568
GROSS OPERATING EARNINGS					
Recovered paper	3	3	6	14	21
Real estate activities	-1	0	0	-12	-5
Bio-fuel	0	0	-3	0	-13
Corporate functions	-6	-33	-30	-74	-124
Miscellaneous	-1	-10	-11	-11	9
Eliminations	0	0	0	0	0
Total	-5	-39	-38	-83	-111

5. RESTRUCTURING EXPENSES

Restructuring expenses of NOK 4 million in the third quarter of 2011 were related to provisions for redundancy costs as a result of downsizing at the head office at Lysaker.

Restructuring expenses of NOK 23 million in the second quarter of 2011 were mainly related to provisions for redundancy costs as a result of the new operating model in Norske Skog, implemented in May. The main elements constituting the total provision were

NOK 13 million at Norske Skog Logistics in Antwerp, NOK 6 million at the head office and NOK 3 million relating to Norske Skog Focus employees. There was also a further provision of NOK 1 million relating to an updated estimate for redundancy payments after the reorganisation of the European sales organisation.

There were no restructuring expenses in the first quarter of 2011.

6. INTEREST-BEARING DEBT

NEW CREDIT FACILITY AND NEW BOND LOAN

In second quarter of 2011, Norske Skog signed a new three-year credit facility of EUR 140 million and a Euro-denominated bond loan of EUR 150 million with a maturity of five years.

NET INTEREST-BEARING DEBT

Norske Skog has recognised an amount in the balance sheet as a result of the termination of a large part of the fair value hedge portfolio in the first half of 2009. A hedge reserve (deferred income) amounting to NOK 275 million is included in interest-bearing debt as at 30 September 2011. The corresponding figure as at 31 December 2010 was NOK 338 million.

The hedge reserve does not constitute any payment obligation for the group, but will be amortised in the income statement over the lifetime of the debt that has been hedged

	30 SEP 2011
Interest-bearing non-current liabilities	8 322
Interest-bearing current liabilities	2 453
- Hedge reserve	275
- Fair value hedge	7
- Cash and cash equivalents	2 427
= Net interest-bearing debt	8 066
Adjusted net interest-bearing debt ¹⁾	8 152

¹⁾ Adjusted net interest-bearing debt according to definition in loan agreement.

DEBT REPAYMENT SCHEDULE

CONTRACTUAL INSTALMENT PAYMENTS ON CURRENT AND NON-CURRENT INTEREST-BEARING DEBT	30 SEP 2011
2011 – fourth quarter	1 728
2012 – first quarter	695
2012 – second quarter	21
2012 – third quarter	9
2012 – fourth quarter	21
2013	35
2014	932
2015	1 035
2016	1 122
2017	3 577
2018	34
2019	79
2020	36
2021	25
2022 to 2033	1 214
Total	10 565

Total debt listed in the repayment schedule may differ from the carrying value in the balance sheet. This is due to premiums and discounts on issued bonds, hedge reserve and fair value hedging.

In the third quarter of 2011 Norske Skog bought back bonds at a discount. The nominal value amounted to EUR 56 million and USD 27 million. For accounting purposes, the transactions gave a gain of NOK 205 million.

LOAN COVENANTS

The loan covenants in the group's credit facility of EUR 140 million are linked to the interest coverage ratio (gross operating earnings / net interest expense) and the debt ratio (net interest-bearing debt / gross operating earnings).

The group's bond loan does not include financial covenants.

30 SEP 2011	REPORTED FIGURES	LOAN COVENANTS ^{*)}
EBITDA (last 12 months)	1 492	
Adjusted EBITDA ^{*)} (last 12 months)	1 486	
Net interest expense (last 12 months)	690	
Net interest-bearing debt / Adjusted EBITDA	5.49	< 5.75
EBITDA / Net interest expense	2.16	> 1.75

^{*)} The adjusted gross operating earnings are corrected for sales and purchases of businesses in the last 12 months.

^{**)} The loan covenants presented in the table are as at 30 September 2011.

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

30 SEP 2011	ASSETS		LIABILITIES	
	CURRENT	NON-CURRENT	CURRENT	NON-CURRENT
Energy contracts and embedded derivatives in energy contracts	313	2 415	-13	-152
Other raw material contracts	2	14	-3	-31
Other derivatives and financial instruments carried at fair value	23	8	-76	-19
Total	339	2 438	-92	-202

Norske Skog's portfolio of commodity contracts consists mostly of physical energy contracts. Fair value of commodity contracts is therefore especially sensitive to future changes in energy prices. The fair value of embedded derivatives in physical contracts depends on currency and price index fluctuations.

An increased energy price has a positive effect on fair value. The energy forward price in the Nordic region is down both in the short- and long-end compared to previous quarter. In New Zealand, the energy forward price is somewhat down in the short-end and in the medium-term.

When the Norwegian krone strengthens there is a positive effect on fair value. A weakened USD against BRL has a negative effect on the fair value. NOK has weakened against EUR, USD and NZD during the third quarter. USD has strengthened against BRL.

A decrease in consumer price index estimates has a positive effect on fair value. There have only been small changes in the estimates compared to the previous quarter.

8. INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT

JAN-SEP 2011	PROPERTY, PLANT AND EQUIPMENT	OTHER INTANGIBLE ASSETS	TOTAL
Carrying value at beginning of period	15 909	160	16 069
Depreciation	-1 271	-21	-1 292
Impairments	-1 883	0	-1 883
Acquisitions	325	92	417
Value change, biological assets	39	0	39
Disposals	-308	-81	-389
Currency translation difference	-195	-1	-196
Carrying value at end of period	12 616	149	12 765

9. NORSKE SKOG GROUP – QUARTERLY FIGURES

INCOME STATEMENT	JUL-SEP 2011	APR-JUN 2011	JAN-MAR 2011	OCT-DEC 2010	JUL-SEP 2010	APR-JUN 2010
Operating revenue	4 799	4 542	4 594	5 160	4 795	4 577
Distribution costs	-470	-421	-431	-484	-476	-465
Cost of materials	-2 866	-2 732	-2 956	-3 127	-2 910	-2 782
Change in inventories	45	-58	176	-44	-39	52
Employee benefit expenses	-697	-702	-703	-590	-712	-737
Other operating expenses	-342	-381	-383	-436	-273	-371
Gross operating earnings	469	248	296	479	384	275
Depreciation	-429	-432	-431	-450	-513	-501
Gross operating earnings after depreciation	39	-184	-136	30	-129	-226
Restructuring expenses	-4	-23	0	-25	-22	-9
Other gains and losses	-43	5	369	-77	-175	-412
Impairments	-1 875	0	-8	27	0	6
Operating earnings	-1 883	-202	225	-46	-326	-643
Share of profit in associated companies	-2	-3	-1	-1	-1	-10
Financial items	-251	-67	46	-213	50	-524
Profit/loss before income taxes	-2 135	-271	270	-260	-278	-1 176
Income taxes	294	-9	-101	62	34	303
Net profit/loss for the period	-1 841	-280	169	-198	-244	-874
OPERATING REVENUE PER SEGMENT						
Newsprint	3 087	3 114	2 883	3 138	2 944	2 840
Magazine paper	1 568	1 276	1 482	1 691	1 606	1 488
Energy	308	391	496	606	527	495
Other activities	545	540	607	586	504	536
Eliminations	-710	-779	-873	-861	-786	-784
Total	4 799	4 542	4 594	5 160	4 795	4 577
GROSS OPERATING EARNINGS PER SEGMENT						
Newsprint	397	270	274	244	352	238
Magazine paper	77	15	60	169	41	40
Energy	0	2	1	56	30	18
Other activities	-5	-39	-39	10	-38	-21
Eliminations	0	0	0	0	0	0
Total	469	248	296	479	384	275
SHARE OF OPERATING REVENUE FROM EXTERNAL PARTIES (%)						
Newsprint	99	99	99	98	98	98
Magazine paper	97	92	93	95	96	95
Energy	26	38	39	52	46	42
Other activities	25	27	28	26	26	30

10. THE NORSKE SKOG SHARE

	30 SEP 2011	30 JUN 2011	31 MAR 2011	31 DEC 2010	30 SEP 2010	30 JUN 2010
Share price (NOK)	4.21	8.95	17.90	13.85	11.75	7.43
Book value of equity per share (NOK)	41.88	51.77	52.53	53.50	53.25	55.06

11. COMPARABILITY

A review of the balance sheet has been carried out during the third quarter of 2011. This has resulted in re-classification of certain current asset and liability items. The modified classification has been applied retrospectively, such that comparative figures in the balance sheet are restated.

Prepayments to suppliers have been moved from Other current assets to Receivables. The change has an effect of NOK 75 million as at 30 September 2011 (NOK 72 million as at 30 June 2011, NOK 88 million as at 31 December 2010 and NOK 123 million as at 30 September 2010).

Accrued financial costs and short-term obligations related to financial instruments are moved from Trade and other payables to Other current liabilities. The change has an effect of NOK 336 million as at 30 September 2011 (NOK 69 million as at 30 June 2011, NOK 332 million as at 31 December 2010 and NOK 214 million as at 30 September 2010). Accrued expenses and provisions for goods received but not invoiced are reclassified from Other current liabilities to Trade and other payables. The change has an effect of NOK 68 million as at 30 September 2011 (NOK 93 million as at 30 June 2011, NOK 103 million as at 31 December 2010 and NOK 127 million as at 30 September 2010).

12. EVENTS AFTER THE BALANCE SHEET DATE

No events have occurred after the balance sheet date with significant impact on the interim financial statements for the third quarter of 2011.

13. PRINCIPAL SHAREHOLDERS

PRINCIPAL SHAREHOLDERS AT 5 OCTOBER 2011	NUMBER OF SHARES	OWNERSHIP %
SKAGEN Fondene	13 191 565	6.94
Viken Skog	10 897 825	5.74
Folketrygdfondet	7 924 431	4.17
AT Skog	6 671 000	3.51
Acadian Asset Management	6 148 926	3.24
Dimensional Fund Advisors	5 368 328	2.83
Allskog	5 261 414	2.77
Astrup Fearnley AS	4 296 219	2.26
JPMorgan Asset Management	3 889 094	2.05
Uthalden AS	3 640 000	1.92
Varma	3 554 561	1.87
Alfred Berg	3 240 000	1.71
Aviva Investors	2 786 637	1.47
Fiducia AS	2 606 644	1.37
Nordea Bank PLC Finland	2 350 400	1.24
Havlde AS	2 296 466	1.21
Mjøsen Skog	1 970 560	1.04
Lantern Structured Asset Management	1 938 727	1.02
Shareholders with < 1%	101 912 829	53.65
Total	189 945 626	100.00

The data is provided by RD:IR and VPS, through the Nominee ID service. The data is obtained through the analysis of beneficial ownership and fund manager information provided in replies to disclosure of ownership notices issued to all custodians on the

Norske Skogindustrier ASA share register. Whilst every reasonable effort is made to verify all data, neither RD:IR nor VPS can guarantee the accuracy of the analysis.

Return address:
Norske Skogindustrier ASA
Aksjekontoret
7620 Skogn



NORSKE SKOGINDUSTRIER ASA

Oksenøyenveien 80
P.O. Box 329, 1326 Lysaker
Norway

Telephone: +47 67 59 90 00
Fax: +47 67 59 91 81

www.norskeskog.com