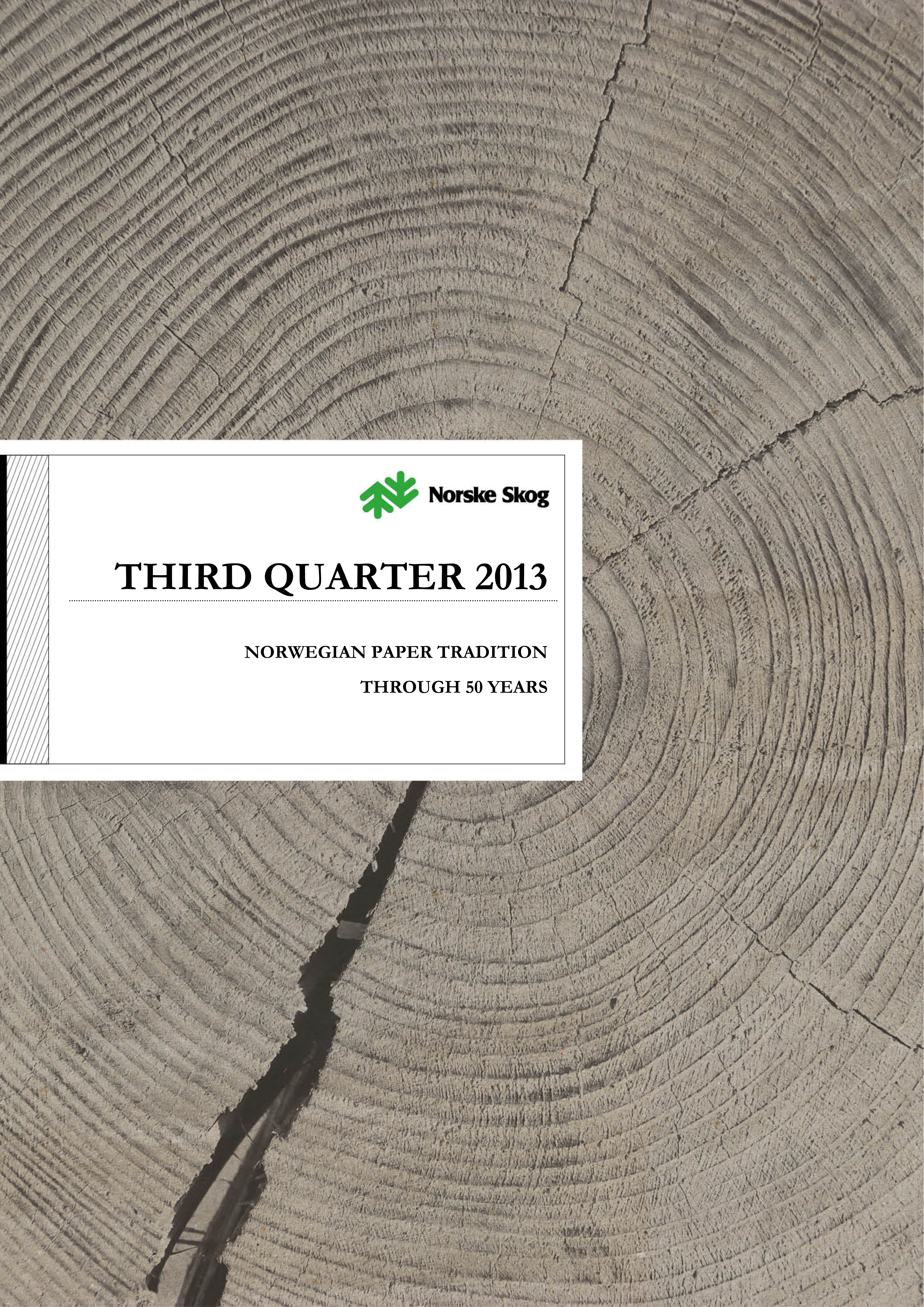


Norske Skog

THIRD QUARTER 2013

NORWEGIAN PAPER TRADITION

THROUGH 50 YEARS

INTRODUCTION

Norske Skog is a world leading producer of newsprint and magazine paper. The group has 11 fully or partly owned mills in 9 countries and an annual production capacity of approximately 3.4 million tonnes. Through sales offices and agents, newsprint and magazine paper is sold to over 80 countries. The group has 3 500 employees.

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

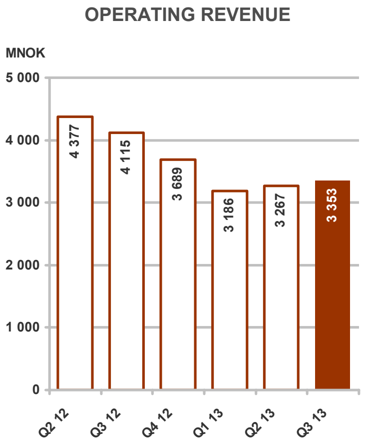
Norske Skog implemented the amended accounting standard IAS 19 *Employee benefits* from 1 January 2013. Comparable figures for 2012 have been restated as a result of the changes.

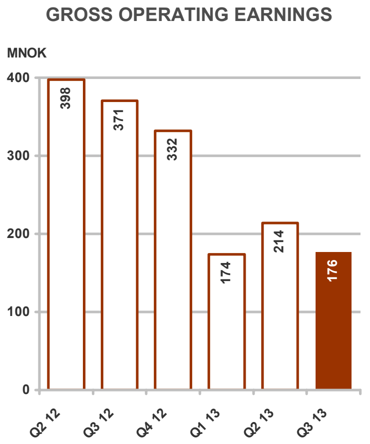
KEY FIGURES (UNAUDITED)

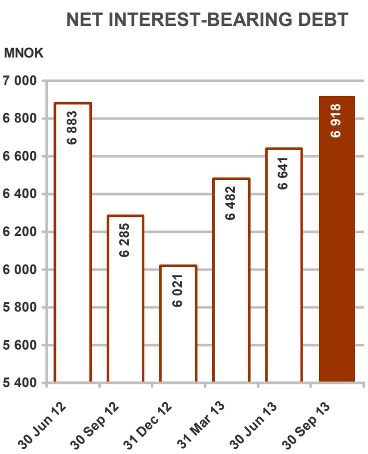
All amounts are presented in NOK million unless otherwise stated.

	JUL-SEP 2013	APR-JUN 2013	JUL-SEP 2012	YTD 2013	YTD 2012
INCOME STATEMENT					
Operating revenue	3 353	3 267	4 115	9 805	12 904
Gross operating earnings	176	214	371	564	1 153
Operating earnings	-4	-647	-450	-829	-909
Profit/loss for the period	-147	-859	-433	-1 387	-867
Earnings per share (NOK)	-0.77	-4.53	-2.28	-7.31	-4.56
CASH FLOW					
Net cash flow from operating activities	-91	-48	463	-245	736
Net cash flow from investing activities	-85	113	-86	-127	373
Cash flow per share (NOK)	-0.48	-0.25	2.44	-1.29	3.88
OPERATING MARGIN AND PROFITABILITY (%)					
Gross operating margin	5.2	6.6	9.0	5.7	8.9
Return on capital employed	0.4	0.1	1.0	0.3	3.1
Return on equity	-5.3	-25.0	-6.4	-40.4	-12.5
Return on assets	0.2	-4.0	-3.2	-4.9	-5.2
PRODUCTION / DELIVERIES / CAPACITY UTILISATION					
Production (1 000 tonnes)	754	771	904	2 301	2 742
Deliveries (1 000 tonnes)	763	759	901	2 273	2 740
Production / capacity (%)	90	87	90	88	88

	30 SEP 2013	30 JUN 2013	31 MAR 2013	31 DEC 2012	30 SEP 2012
BALANCE SHEET					
Non-current assets	10 999	10 655	11 531	11 393	13 730
Current assets	4 154	4 723	4 566	4 650	4 834
Total assets	15 153	15 378	16 097	16 043	18 564
Equity	2 712	2 801	4 070	4 151	6 317
Net interest-bearing debt	6 918	6 641	6 482	6 021	6 285







REPORT OF THE BOARD OF DIRECTORS FOR THE THIRD QUARTER OF 2013

- Third quarter of 2013: Gross operating earnings NOK 176 million (NOK 214 million in the second quarter of 2013)
- Cash flow from operating activities NOK 17 million before net financial items in the quarter (NOK 298 million in the second quarter of 2013)
- Net interest-bearing debt increased by NOK 277 million to NOK 6 918 million, reflecting NOK depreciation and negative cash flow following interest payments and capital expenditure. The year to date currency impact was NOK 565 million
- A temporary curtailment was announced after close of quarter for one of two machines at Norske Skog Walsum, due to excess capacity. This will take effect from mid December
- Norske Skog Singburi in Thailand was divested for USD 33 million after close of quarter

INCOME STATEMENT

	JUL-SEP 2013	APR-JUN 2013	JUL-SEP 2012	YTD 2013	YTD 2012
Operating revenue	3 353	3 267	4 115	9 805	12 904
Gross operating earnings *)	176	214	371	564	1 153
Depreciation	-136	-198	-231	-533	-712
Operating earnings	-4	-647	-450	-829	-909
Profit/loss before income taxes	-240	-1 001	-453	-1 747	-1 048
Profit/loss for the period	-147	-859	-433	-1 387	-867

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

Norske Skog's operating revenue increased compared to the previous quarter, with price increases and stable sales volumes. Revenue was lower when compared to the corresponding period last year, due to reduced capacity. Operating revenue for the third quarter of 2012 included contributions from the divested mills Norske Skog Parenco in the Netherlands and Norske Skog Pisa in Brazil. The closure of one machine at Norske Skog Tasman in New Zealand in January this year further distorts comparability.

Variable costs were on level with the previous quarter. Variable costs consist mainly of energy and fibre (wood, recovered paper and pulp). Fixed costs were reduced by NOK 145 million compared to the corresponding period last year, with reduced capacity and ongoing cost reduction programmes.

Gross operating earnings decreased to NOK 176 million in the quarter, from NOK 214 million in the second quarter. Gross operating earnings declined from NOK 371 million in the same quarter last year, due to reduced capacity and compressed margins.

Depreciation was lower compared to the second quarter, reflecting the deconsolidation of Norske Skog Pisa and a one-off reversal at Norske Skog Tasman.

Depreciation, other gains and losses and financial items resulted in a loss before income taxes. Other gains and losses were related to the reduced value of energy contracts. Financial items were negative due to interest expenses and unrealised currency losses. The loss for the period was NOK 147 million, with tax income partly offsetting the loss before income taxes.

Global demand for newsprint fell by 5% in the first eight months of the year compared with the corresponding period last year. There was a decline of 3% for magazine paper.

Capacity utilisation for the group was 90% in the third quarter (87% in the second quarter).

SPECIAL ITEMS IN OPERATING EARNINGS

	JUL-SEP 2013	APR-JUN 2013	JUL-SEP 2012	YTD 2013	YTD 2012
Restructuring expenses	3	0	-122	4	-132
Other gains and losses	-47	-662	-65	-863	-781
Impairments	0	0	-403	0	-437

Other gains and losses in the quarter constituted a net decline in the value of energy contracts recognised on the balance sheet.

The reduced value of energy contracts came from negative currency derivative elements due to NOK depreciation in Norway. This was partly offset by an increase in the value of energy contracts in New Zealand, due to higher electricity prices.

FINANCIAL ITEMS

	JUL-SEP 2013	APR-JUN 2013	JUL-SEP 2012	YTD 2013	YTD 2012
Net interest expenses incl. realised gain/loss on interest rate derivatives	-162	-153	-155	-462	-443
Unrealised gain/loss on interest rate derivatives	1	2	-1	7	-2
Net interest expenses	**-160**	**-150**	**-156**	**-455**	**-444**
Currency gains/losses *)	-87	-191	225	-448	262
Other financial items	2	-17	11	-32	119
Total financial items	**-245**	**-358**	**81**	**-935**	**-63**

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

Net interest expenses were NOK 160 million in the quarter, NOK 10 million higher than in the previous quarter.

Foreign exchange losses of NOK 87 million were mainly related to interest-bearing debt that does not qualify for hedge accounting.

CASH FLOW

	JUL-SEP 2013	APR-JUN 2013	JUL-SEP 2012	YTD 2013	YTD 2012
Gross operating earnings	176	214	371	564	1 153
Change in operating working capital *)	-119	258	117	59	491
Change in other working capital **)	15	-33	109	-138	-90
Payments made relating to restructuring activities	-10	-15	-13	-114	-165
Adjustment for items with no cash impact	-40	-95	-32	-136	-24
Cash flow from net financial items	-108	-346	-87	-437	-594
Taxes paid	-6	-32	-2	-43	-36
Net cash flow from operating activities	**-91**	**-48**	**463**	**-245**	**736**
Purchases of property, plant and equipment and intangible assets	-110	-125	-106	-352	-291
Sales of property, plant and equipment, shares in companies, financial assets etc.	9	238	11	249	654

*) Change in operating working capital includes changes in accounts receivable, accounts payable, inventories and prepayments.
**) Change in other working capital includes changes in provisions and other receivables.

Net cash flow from operating activities was NOK -91 million due to compressed margins, an increase in working capital and cash interest payments. The change in operating working capital was adversely affected by increased exports of magazine paper to Australia and Asia.

Purchases of property, plant and equipment and intangible assets included development capital expenditure in relation to a machine conversion project at Norske Skog Boyer in Australia and an energy efficiency project at Norske Skog Saugbrugs in Norway, in addition to ordinary maintenance capital expenditure.

BALANCE SHEET

	30 SEP 2013	30 JUN 2013	31 DEC 2012	30 SEP 2012	1 JAN 2012
Non-current assets	10 999	10 655	11 393	13 730	15 789
Cash and cash equivalents	820	1 575	1 194	1 028	1 200
Other current assets	3 334	3 148	3 456	3 806	4 971
Total assets	15 153	15 378	16 043	18 564	21 960
Equity including non-controlling interests	2 712	2 801	4 151	6 317	7 359
Non-current liabilities	8 972	8 659	9 092	9 302	10 239
Current liabilities	3 469	3 918	2 801	2 946	4 362
Net interest-bearing debt	6 918	6 641	6 021	6 285	7 863

Equity including non-controlling interests was NOK 2 712 million at 30 September 2013, a reduction of NOK 89 million from the previous quarter. The decrease reflected a negative net result for the period and currency translation effects on debt and assets. Equity per share was NOK 14. More information is provided in the detailed statement of changes in equity later in this report.

Net interest-bearing debt was NOK 6 918 million at 30 September 2013, an increase of NOK 277 million in the quarter. The increase derived from debt inflation with NOK depreciation and negative cash flow.

Cash and cash equivalents amounted to NOK 820 million at 30 September 2013.

SEGMENT INFORMATION

NEWSPRINT EUROPE

	JUL-SEP 2013	APR-JUN 2013	JUL-SEP 2012	YTD 2013	YTD 2012
Operating revenue	1 067	1 076	1 072	3 122	3 392
Gross operating earnings	56	66	87	171	300
Depreciation	-54	-51	-52	-156	-156
Operating earnings	2	21	23	21	147
Gross operating margin (%)	5.3	6.1	8.1	5.5	8.9
Production (1 000 tonnes)	284	299	294	872	884
Deliveries (1 000 tonnes)	285	300	290	862	877
Production / capacity (%)	87	92	90	89	87

The region constitutes Norske Skog's European operations in the newsprint market, with mills in Norway, France and Austria. Annual production capacity was 1 305 000 tonnes in the third quarter.

Operating revenue was on level with both the previous quarter and the corresponding period last year. Price increases in the third quarter were offset by lower sales volumes.

Variable costs increased slightly compared to the previous quarter, with higher recovered paper prices. Fixed costs remained on level despite a weaker Norwegian krone, with ongoing cost reduction programmes.

Gross operating earnings declined to NOK 56 million in the quarter, from NOK 66 million in the previous quarter and were reduced from NOK 87 million in the same quarter last year.

Demand for newsprint in Europe decreased by 6% in the first eight months of the year compared to the corresponding period last year. Exports declined by 16% from a high level last year and with reduced capacity in Europe. Demand for improved and other uncoated grades in Europe showed an improvement of 4%.

Capacity utilisation was 87% in the third quarter (92% in the second quarter).

NEWSPRINT OUTSIDE EUROPE

	JUL-SEP 2013	APR-JUN 2013	JUL-SEP 2012	YTD 2013	YTD 2012
Operating revenue	868	1 077	1 317	2 972	4 076
Gross operating earnings	113	215	223	457	637
Depreciation	-43	-109	-124	-261	-382
Operating earnings	69	-85	-268	6	-176
Gross operating margin (%)	13.1	19.9	16.9	15.4	15.6
Production (1 000 tonnes)	188	234	270	642	830
Deliveries (1 000 tonnes)	187	226	272	634	839
Production / capacity (%)	91	92	92	89	90

The region consists of Norske Skog's operations in Australasia and Thailand. Annual production capacity in the region was 830 000 tonnes in the third quarter.

Operating revenue decreased compared to the previous quarter following the deconsolidation of Norske Skog Pisa. Compared to the corresponding period last year, operating revenue was further impacted by the closure of one machine at Norske Skog Tasman in January this year.

Variable costs were on level with the previous quarter. Fixed costs decreased following the divestment of Norske Skog Pisa and ongoing cost reduction programmes.

Gross operating earnings decreased to NOK 113 million, from NOK 215 million in the second quarter. The main reasons for the decline are the deconsolidation of Norske Skog Pisa and the weaker market in Australasia. In addition, there were positive one-off items in the second quarter that were not present in the third quarter.

A new longer term price contract in Australasia was negotiated in the quarter. The previous contract was therefore cancelled and a break fee was received. This break fee was settled in full with a positive cash effect in the quarter. However, for accounting purposes the effect will be recognised over the remaining duration of the old contract (to the end of the second quarter in 2015). Compared to the corresponding period last year, gross operating earnings were reduced from NOK 223 million.

Demand for newsprint in Australasia declined by 19% in the first eight months of the year compared to the corresponding period last year. However, demand for coated magazine paper in Australasia increased by 7% in the period.

Capacity utilisation was 91% in the third quarter (92% in the second quarter).

MAGAZINE PAPER

	JUL-SEP 2013	APR-JUN 2013	JUL-SEP 2012	YTD 2013	YTD 2012
Operating revenue	1 388	1 098	1 580	3 639	4 944
Gross operating earnings	27	-47	89	-3	293
Depreciation	-35	-34	-50	-104	-159
Operating earnings	-4	-81	-69	-103	48
Gross operating margin (%)	2.0	-4.3	5.6	-0.1	5.9
Production (1 000 tonnes)	282	238	339	787	1 028
Deliveries (1 000 tonnes)	291	234	338	777	1 025
Production / capacity (%)	92	78	89	86	87

The segment constitutes Norske Skog's operations in the magazine paper market with mills in Norway, Germany and Austria. Annual production capacity was 1 225 000 tonnes in the third quarter.

Operating revenue increased compared to the previous quarter, with seasonally higher sales volumes and increased exports to Australia and Asia. The exports to Australia are in preparation for the commissioning of magazine capacity at Norske Skog Boyer in March next year. Operating revenue declined compared to the same quarter last year, following the divestment of Norske Skog Parenco.

Variable costs were reduced compared to the previous quarter, due to lower fibre prices. Fixed costs declined with ongoing cost reduction programmes.

Gross operating earnings improved to NOK 27 million from a negative NOK 47 million in the previous quarter. Compared to the corresponding period last year, gross operating earnings decreased from NOK 89 million.

Demand for magazine paper in Europe declined in the first eight months of the year compared to the corresponding period last year. For SC (uncoated) magazine paper there was a decrease of 4%, while LWC (coated) magazine paper saw a larger decline of 8%.

Capacity utilisation was 92% in the third quarter (78% in the second quarter).

OTHER ACTIVITIES

	JUL-SEP 2013	APR-JUN 2013	JUL-SEP 2012	YTD 2013	YTD 2012
Operating revenue	47	88	551	272	1 930
Gross operating earnings	-20	-16	-34	-56	-96
Depreciation	-4	-4	-5	-11	-14
Operating earnings	-70	-497	-140	-744	-945

Other activities consist mainly of unallocated group costs. Operating revenue was considerably lower compared to the same quarter last year, following the divestment of the global recovered paper business Reparco in 2012 and reduced activities related to wood and energy.

HEALTH AND SAFETY

The H-value (the number of lost-time injuries per million working hours) was 1.46 in the 12 month period from 1 October 2012 to 30 September 2013.

EVENTS IN THE THIRD QUARTER OF 2013

The machine which was temporarily curtailed at Norske Skog Skogn with effect from June was restarted at the end of August.

A temporary curtailment of one of two machines at Norske Skog Walsum in Germany was announced after close of quarter. This will take effect from mid December.

Norske Skog Singburi in Thailand was sold to a Thai industrial group for an enterprise value of USD 33 million after close of quarter.

RISK MANAGEMENT

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

Financial risk management mainly includes currency, interest rate and liquidity risk. A description of risk factors and risk management is given in the annual financial statements for 2012.

RELATED PARTIES

Some of the company's shareholders are forest owners who supply wood to the group's mills in Norway. All transactions with related parties are conducted on normal commercial terms. No directors receive remuneration for their work for the company from any source other than the company itself.

SHARES

The foreign ownership share was 20% at the end of September 2013, one percentage point higher than one year ago. An overview of the main shareholders at the end of September 2013 is included on page 18.

OUTLOOK

Prices are expected to remain relatively stable from the third quarter into the fourth quarter. We anticipate little change in the level of variable costs, whilst fixed costs will decline somewhat as a result of ongoing cost reduction programmes. The currently weaker Norwegian krone is supportive to underlying earnings. Reported volumes, revenue and costs will be reduced following the divestment of Norske Skog Singburi.

SKØYEN, 23 OCTOBER 2013 – THE BOARD OF DIRECTORS OF NORSKE SKOGINDUSTRIER ASA

Eivind Reiten
Chair

Eilif Due
Board member

Siri Beate Hatlen
Board member

Finn Johnsson
Board member

Karen Kvalevåg
Board member

Ingelise Arntsen
Board member

Jon-Aksel Torgersen
Board member

Kjetil Bakkan
Board member

Paul Kristiansen
Board member

Svein Erik Veie
Board member

Sven Ombudstvedt
President and CEO

INTERIM FINANCIAL STATEMENTS, THIRD QUARTER OF 2013

CONDENSED CONSOLIDATED INCOME STATEMENT

NOK MILLION	NOTE	JUL-SEP 2013	APR-JUN 2013	JUL-SEP 2012	YTD 2013	YTD 2012
Operating revenue	6	**3 353**	**3 267**	**4 115**	**9 805**	**12 904**
Distribution costs		-367	-342	-424	-1 035	-1 270
Cost of materials		-2 004	-1 994	-2 381	-5 964	-7 566
Change in inventories		-46	68	-36	101	-21
Employee benefit expenses	5	-501	-510	-601	-1 544	-1 940
Other operating expenses		-257	-274	-302	-800	-953
Gross operating earnings		**176**	**214**	**371**	**564**	**1 153**
Depreciation	7	-136	-198	-231	-533	-712
Restructuring expenses		3	0	-122	4	-132
Other gains and losses	4, 9	-47	-662	-65	-863	-781
Impairments	3, 7	0	0	-403	0	-437
Operating earnings		**-4**	**-647**	**-450**	**-829**	**-909**
Share of profit in associated companies		9	4	-83	17	-75
Financial items	5	-245	-358	81	-935	-63
Profit/loss before income taxes		**-240**	**-1 001**	**-453**	**-1 747**	**-1 048**
Income taxes		94	142	20	360	181
Profit/loss for the period		**-147**	**-859**	**-433**	**-1 387**	**-867**
Profit/loss for the period attributable to:						
Owners of the parent		-147	-859	-432	-1 387	-867
Non-controlling interests		0	0	-1	0	0
Basic/diluted earnings per share (NOK)		-0.77	-4.53	-2.28	-7.31	-4.56

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

NOK MILLION	JUL-SEP 2013	APR-JUN 2013	JUL-SEP 2012	YTD 2013	YTD 2012
Profit/loss for the period	**-147**	**-859**	**-433**	**-1 387**	**-867**
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss					
Currency translation differences	144	-336	-235	148	-319
Tax expense on translation differences	-22	-7	0	-7	0
Hedge of net investment in foreign operations	-56	-70	85	-187	198
Tax expense on net investment hedge	-1	0	-2	-3	14
Reclassified translation differences upon divestment of foreign operations	-7	262	0	255	58
Reclassified hedging gain/loss on net investment upon divestment of foreign operations	0	-361	0	-361	-81
Tax expense on reclassifications	0	101	0	101	23
Other items	0	1	0	1	0
Tax expense on other items	0	0	0	0	0
Total	**58**	**-410**	**-152**	**-53**	**-107**
Items that will not be reclassified subsequently to profit or loss					
Actuarial gains (losses) on defined benefit plans and other post-employment benefits	0	0	-18	0	-65
Tax effect actuarial gains (losses) on defined benefit plans and other post-employment benefits	0	0	-2	0	-5
Total	**0**	**0**	**-20**	**0**	**-69**
Other comprehensive income for the period	**58**	**-410**	**-172**	**-53**	**-176**
Comprehensive income for the period	**-89**	**-1 269**	**-605**	**-1 440**	**-1 042**
Comprehensive income for the period attributable to:					
Owners of the parent	-89	-1 269	-604	-1 441	-1 041
Non-controlling interests	0	0	-1	1	-1

CONDENSED CONSOLIDATED BALANCE SHEET

NOK MILLION	NOTE	30 SEP 2013	30 JUN 2013	31 DEC 2012	30 SEP 2012	1 JAN 2012
Deferred tax asset	5	560	495	313	450	355
Intangible assets	6, 7	275	107	232	343	148
Property, plant and equipment	3, 4, 6, 7	9 150	9 074	9 533	11 336	12 622
Investments in associated companies	4	598	599	339	341	422
Other non-current assets	5, 9	416	380	976	1 260	2 242
Total non-current assets		**10 999**	**10 655**	**11 393**	**13 730**	**15 789**
Inventories		1 493	1 513	1 370	1 657	1 867
Trade and other receivables		1 695	1 462	1 816	1 969	2 732
Cash and cash equivalents	8	820	1 575	1 194	1 028	1 200
Other current assets	9	145	172	271	180	372
Total current assets		**4 154**	**4 723**	**4 650**	**4 834**	**6 171**
Total assets		**15 153**	**15 378**	**16 043**	**18 564**	**21 960**
Paid-in equity		12 302	12 302	12 302	12 302	12 303
Retained earnings and other reserves	5	-9 601	-9 511	-8 161	-5 998	-4 957
Non-controlling interests		10	10	9	12	13
Total equity		**2 712**	**2 801**	**4 151**	**6 317**	**7 359**
Pension obligations	5	641	628	629	626	598
Deferred tax liability	5	509	505	493	507	498
Interest-bearing non-current liabilities	8	7 018	6 917	7 208	7 322	8 407
Other non-current liabilities	9	804	608	762	847	736
Total non-current liabilities		**8 972**	**8 659**	**9 092**	**9 302**	**10 239**
Interest-bearing current liabilities	8	910	1 496	203	209	931
Trade and other payables	5	2 171	2 095	2 114	2 204	2 480
Tax payable		32	30	43	61	31
Other current liabilities	9	356	297	441	472	920
Total current liabilities		**3 469**	**3 918**	**2 801**	**2 946**	**4 362**
Total liabilities		**12 441**	**12 576**	**11 892**	**12 247**	**14 601**
Total equity and liabilities		**15 153**	**15 378**	**16 043**	**18 564**	**21 960**

SKØYEN, 23 OCTOBER 2013 – THE BOARD OF DIRECTORS OF NORSKE SKOGINDUSTRIER ASA

Eivind Reiten
Chair

Eilif Due
Board member

Siri Beate Hatlen
Board member

Finn Johnsson
Board member

Karen Kvalevåg
Board member

Ingelise Arntsen
Board member

Jon-Aksel Torgersen
Board member

Kjetil Bakkan
Board member

Paul Kristiansen
Board member

Svein Erik Veie
Board member

Sven Ombudstvedt
President and CEO

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

NOK MILLION	JUL-SEP 2013	APR-JUN 2013	JUL-SEP 2012	YTD 2013	YTD 2012
Cash generated from operations	3 222	3 455	4 301	9 861	13 369
Cash used in operations	-3 200	-3 126	-3 750	-9 626	-12 003
Cash from net financial items	-108	-346	-87	-437	-594
Taxes paid	-6	-32	-2	-43	-36
Net cash flow from operating activities [1)]	**-91**	**-48**	**463**	**-245**	**736**
Purchases of property, plant and equipment and intangible assets	-110	-125	-106	-352	-291
Sales of property, plant and equipment and intangible assets	4	19	2	23	55
Dividend received	16	0	8	16	10
Purchase of shares in companies and other financial payments	0	0	0	-39	0
Sales of shares in companies and other financial payments	5	219	9	226	599
Net cash flow from investing activities	**-85**	**113**	**-86**	**-127**	**373**
New loans raised	95	628	113	844	1 067
Repayments of loans	-689	-119	-703	-916	-2 334
Purchase/sale of treasury shares	0	0	0	0	0
Net cash flow from financing activities	**-594**	**508**	**-591**	**-72**	**-1 267**
Foreign currency effects on cash and cash equivalents	15	30	-8	69	-13
Total change in cash and cash equivalents	**-755**	**604**	**-223**	**-374**	**-172**
Cash and cash equivalents at start of period	1 575	971	1 251	1 194	1 200
Cash and cash equivalents at end of period	820	1 575	1 028	820	1 028
[1)] Reconciliation of net cash flow from operating activities					
Gross operating earnings	176	214	371	564	1 153
Change in operating working capital	-119	258	117	59	491
Change in other working capital	15	-33	109	-138	-90
Payments made relating to restructuring activities	-10	-15	-13	-114	-165
Adjustment for items with no cash impact	-40	-95	-32	-136	-24
Cash flow from net financial items	-108	-346	-87	-437	-594
Taxes paid	-6	-32	-2	-43	-36
Net cash flow from operating activities	**-91**	**-48**	**463**	**-245**	**736**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN GROUP EQUITY

NOK MILLION	Paid-in equity	Retained earnings	Hedge accounting	Other equity reserves	Total before non-controlling interests	Non-controlling interests	Total equity
Equity 1 January 2012	**12 303**	**-5 584**	**240**	**461**	**7 420**	**13**	**7 433**
Effect of implementation of IAS 19R	0	0	0	-74	-74	0	-74
Equity 1 January 2012 (restated)	**12 303**	**-5 584**	**240**	**387**	**7 346**	**13**	**7 359**
Profit/loss for the period	0	-434	0	0	-434	0	-434
Other comprehensive income for the period	0	0	71	-74	-3	0	-3
Change in holding of treasury shares	-1	0	0	0	-1	0	-1
Equity 30 June 2012	**12 302**	**-6 018**	**311**	**314**	**6 909**	**13**	**6 922**
Profit/loss for the period	0	-432	0	0	-432	-1	-433
Other comprehensive income for the period	0	0	83	-255	-172	0	-172
Equity 30 September 2012	**12 302**	**-6 450**	**394**	**59**	**6 305**	**12**	**6 317**
Profit/loss for the period	0	-1 911	0	0	-1 911	-3	-1 914
Other comprehensive income for the period	0	0	-77	-175	-252	0	-252
Equity 31 December 2012	**12 302**	**-8 361**	**317**	**-116**	**4 142**	**9**	**4 151**
Profit/loss for the period	0	-1 240	0	0	-1 240	0	-1 240
Other comprehensive income for the period	0	0	-393	283	-110	1	-109
Equity 30 June 2013	**12 302**	**-9 601**	**-76**	**167**	**2 791**	**10**	**2 801**
Profit/loss for the period	0	-147	0	0	-147	0	-147
Other comprehensive income for the period	0	0	-57	115	58	0	58
Equity 30 September 2013	**12 302**	**-9 748**	**-133**	**282**	**2 702**	**10**	**2 712**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

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 23 October 2013.

2. ACCOUNTING POLICIES

The interim financial statements of Norske Skog have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim financial statements do not include all information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements for 2012. 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 2012, except for the adaptation of amended standards and new interpretations which are mandatory from 1 January 2013. These changes are described in the annual financial statements for 2012.

From the first quarter of 2013, Norske Skog has applied the amended standard IAS 19 *Employee benefits*. In accordance with the amended standard, 2012 figures in the condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated balance sheet and condensed consolidated statement of cash flows have been restated. The implementation effects of the amended standard are further described in Note 5.

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 property, plant and equipment

Intangible assets which have an indefinite useful life and goodwill are not subject to amortisation, but are tested annually for impairment. Property, plant and equipment, 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. 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. Norske Skog applies a weighted average cost of capital (WACC) model for calculating the present value of future cash flows. When calculating value in use at the end of the third quarter of 2013, the discount rate after tax was in the interval from 6.3% to 14.6%. The group’s cash-generating units are Europe newsprint, Australasia newsprint, Norske Skog Singburi newsprint, Europe magazine paper (light weight coated (LWC)) and Norske Skog Saugbrugs magazine paper (super calendared (SC)).

Calculation of value in use requires use of estimates. When estimating the value in use at 30 September 2013, there was no indication that further impairments should be made.

The possibility of reversing impairment losses recognised in prior periods on property, plant and equipment and intangible assets (except goodwill) has also been evaluated at 30 September 2013. No reversals of previous impairments have been recognised in the third quarter of 2013.

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, currency rates and interest rates. This means that there will be uncertainty 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 volumes and the discount rate used. A reduction in sales price and sales volume for the whole group in the cash flow period of 5% will cause a reduction in recoverable amount in the order of NOK 4 000 million and NOK 1 600 million respectively. Correspondingly, a 1% increase in the discount rate will cause a reduction in the recoverable amount of NOK 900 million. An appreciation of NOK of 1% against all other functional currencies in the Norske Skog group will cause a reduction in the recoverable amount of NOK 400 million.

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 values of commodity contracts and embedded derivatives in commodity contracts which are not traded in an active marked, are assessed through valuation techniques. Some of these contracts are long-term energy contracts. The electricity prices for long-term electricity contracts in New Zealand are not directly observable in the market for the whole contract length. Price forecasts from acknowledged external sources are used in the estimation of fair value. The group uses its judgement to select a variety of methods and make assumptions that are mainly based on marked conditions existing at each balance sheet date.

See Note 9 in the annual financial statements for 2012 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 2 in the annual financial statements for 2012 for a more thorough description of important accounting estimates and assumptions impacting the preparation of financial statements.

Contingent liabilities

Norske Skog is an international company that, through its ongoing business operations, will be exposed to litigation and claims from public authorities and contracting parties. At the end of the third quarter of 2013, the group is in dialogues with tax authorities in Norway and Australia regarding previously completed transactions.

Norske Skog has an ongoing process related to simplification of the group's corporate structure. This, in combination with changes in individual countries' tax laws, could increase the group's tax exposure.

4. DIVESTMENT OF OPERATIONS

On 14 June 2013, Norske Skog signed an agreement for the sale of 51% of its shares in Norske Skog Pisa Ltda. The transaction was completed with effect from 27 June 2013. Following the transaction, Norske Skog is no longer the controlling owner of the mill, and Norske Skog Pisa was therefore deconsolidated in the interim financial statements from the end of the second quarter of 2013. Norske Skog has also agreed upon the terms of sale for the remaining 49% of its shares in Pisa.

Norske Skog's remaining share of 49% is accounted for as an associated company in accordance with the equity method of accounting. The investment is valued at NOK 239 million at the end of the third quarter, which is the fair value of the shares at the time of the transaction, based on the agreed sales price.

A loss of NOK 195 million was expensed in the second quarter in the income statement line Other gains and losses, consisting of the loss on the 51% share divested and the loss on the remaining share of 49%.

The loss on the divested 51% share was NOK 89 million. This amount included a net gain of NOK 12 million relating to translation differences and net investment hedge that were recognised directly in equity during the ownership period and were reclassified to the income statement upon loss of control.

The loss on the remaining share of 49% was NOK 106 million. This amount consists of the difference between the book value of the net assets derecognised and the fair value of the investment in associated company.

5. ADOPTION OF THE AMENDED IAS 19 – RESTATEMENT OF 2012 FIGURES

Norske Skog implemented the amended standard IAS 19 *Employee benefits* from 1 January 2013, with full retrospective application. Comparable figures for 2012 have been restated, except for changes to the carrying value of assets that include employee benefit costs in the carrying value (Property, plant and equipment and Inventories). Since the amendment is applied retrospectively, the balance sheet at 1 January 2012 has been included in the interim financial statements.

The most significant change in the amended IAS 19 is the removal of the corridor approach for actuarial gains and losses. Actuarial gains and losses are now recognised in the balance sheet immediately, with a charge or credit to other comprehensive income (OCI) in the periods in which they occur. These are not reclassified to profit or loss in later periods. Net actuarial losses on defined benefit liability (asset) plans and other post-employment plans in the third quarter of 2012 amounted to NOK 18 million (loss of NOK 22 million in the second quarter of 2012). Adjusted for tax effects, the loss amounted to NOK 20 million in the third quarter of 2012 (loss of NOK 24 million in the second quarter of 2012).

In accordance with the amended standard, the interest expense (income) will be calculated on the net defined benefit liability (asset) by applying the discount rate to the net defined benefit liability (asset). The net interest element is classified within Financial items. The change had an impact of NOK 5 million in reduced employee benefit expenses in the third quarter of 2012 (reduced employee benefit expenses of NOK 5 million in the second quarter of 2012). The majority of the Norske Skog group's pension obligations are in Germany and Norway. The pension scheme in Germany is unfunded and has no related pension assets. When calculating the net defined benefit liability (asset) in Norway at 31 December 2012, the same interest rate was applied to calculate both the interest expense on the defined benefit obligation and the expected return on plan assets. Based on this, the implementation did not have any impact on net profit/loss for the comparable figures for 2012.

The comparable figures for 2012 in the condensed consolidated balance sheet have been restated. The following line items have been impacted in the condensed consolidated balance sheet: Deferred tax asset, Other non-current assets, Retained earnings and other reserves, Pension obligations, Deferred tax liability and Trade and other payables. The most significant impacts were on pension obligations and retained earnings and other reserves. Pension obligations were increased by NOK 57 million at 1 January 2012 (increased by NOK 115 million at 30 September 2012 and increased by NOK 134 million at 31 December 2012). Retained earnings and other reserves were reduced by NOK 74 million at 1 January 2012 (reduced by NOK 142 million at 30 September 2012 and reduced by NOK 163 million at 31 December 2012).

6. OPERATING SEGMENTS

Norske Skog's segment structure is in line with the group's operating model. The chief operating decision maker is corporate management, who distribute resources and assess performance of the group's mills. The mills have a direct reporting line to corporate management.

In the segment reporting, the mills are grouped based on the product produced, within the segments newsprint and magazine paper. The operating segment newsprint is further divided into the geographic regions newsprint Europe and newsprint outside Europe.

Activities that are not part of the operating segments are included in other activities.

JUL-SEP 2013	NEWSPRINT	MAGAZINE PAPER	OTHER ACTIVITIES	ELIMINATIONS	NORSKE SKOG GROUP
Operating revenue	**2 098**	**1 388**	**47**	**-181**	**3 353**
Distribution costs	-218	-149	0	0	-367
Cost of materials	-1 270	-860	-5	131	-2 004
Change in inventories	-1	-45	0	0	-46
Employee benefit expenses	-270	-203	-29	0	-501
Other operating expenses	-170	-104	-33	50	-257
Gross operating earnings	**169**	**27**	**-20**	**0**	**176**
Depreciation	-97	-35	-4	0	-136
Restructuring expenses	3	0	0	0	3
Other gains and losses	-5	4	-46	0	-47
Impairments	0	0	0	0	0
Operating earnings	**69**	**-4**	**-70**	**0**	**-4**

JAN-SEP 2013	NEWSPRINT	MAGAZINE PAPER	OTHER ACTIVITIES	ELIMINATIONS	NORSKE SKOG GROUP
Operating revenue	**6 369**	**3 639**	**272**	**-474**	**9 805**
Distribution costs	-663	-372	0	0	-1 035
Cost of materials	-3 771	-2 370	-145	322	-5 964
Change in inventories	66	36	0	0	101
Employee benefit expenses	-851	-608	-85	0	-1 544
Other operating expenses	-527	-327	-98	152	-800
Gross operating earnings	**622**	**-3**	**-56**	**0**	**564**
Depreciation	-417	-104	-11	0	-533
Restructuring expenses	4	0	0	0	4
Other gains and losses	-191	4	-676	0	-863
Impairments	0	0	0	0	0
Operating earnings	**18**	**-103**	**-744**	**0**	**-829**

JAN-SEP 2012	NEWSPRINT	MAGAZINE PAPER	OTHER ACTIVITIES	ELIMINATIONS	NORSKE SKOG GROUP
Operating revenue	**7 767**	**4 944**	**1 930**	**-1 736**	**12 904**
Distribution costs	-772	-432	-67	1	-1 270
Cost of materials	-4 407	-3 034	-1 651	1 525	-7 566
Change in inventories	-20	3	-4	0	-21
Employee benefit expenses	-1 017	-772	-151	0	-1 940
Other operating expenses	-595	-415	-152	210	-953
Gross operating earnings	**956**	**293**	**-96**	**0**	**1 153**
Depreciation	-539	-159	-14	0	-712
Restructuring expenses	-117	-4	-11	0	-132
Other gains and losses	-46	34	-769	0	-781
Impairments	-267	-116	-54	0	-437
Operating earnings	**-13**	**48**	**-945**	**0**	**-909**

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 2013	APR-JUN 2013	JUL-SEP 2012	YTD 2013	YTD 2012
Operating revenue	**2 098**	**2 204**	**2 472**	**6 369**	**7 767**
Distribution costs	-218	-230	-260	-663	-772
Cost of materials	-1 270	-1 285	-1 377	-3 771	-4 407
Change in inventories	-1	45	-8	66	-20
Employee benefit expenses	-270	-278	-322	-851	-1 017
Other operating expenses	-170	-178	-191	-527	-595
Gross operating earnings	**169**	**277**	**315**	**622**	**956**
Depreciation	-97	-160	-176	-417	-539
Restructuring expenses	3	0	-112	4	-117
Other gains and losses	-5	-185	-36	-191	-46
Impairments	0	0	-232	0	-267
Operating earnings	**69**	**-69**	**-241**	**18**	**-13**
Share of operating revenue from external parties (%)	100	100	99	100	99
OPERATING REVENUE PER REGION					
Newsprint Europe	1 067	1 076	1 072	3 122	3 392
Newsprint outside Europe	868	1 077	1 317	2 972	4 076
Sales offices and other activities	948	904	1 145	2 679	3 427
Eliminations	-785	-854	-1 062	-2 404	-3 127
Total	**2 098**	**2 204**	**2 472**	**6 369**	**7 767**
GROSS OPERATING EARNINGS PER REGION					
Newsprint Europe	56	66	87	171	300
Newsprint outside Europe	113	215	223	457	637
Sales offices and other activities	-1	-4	5	-5	19
Eliminations	0	0	0	0	0
Total	**169**	**277**	**315**	**622**	**956**

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 in magazines, catalogues and advertising materials.

INCOME STATEMENT	JUL-SEP 2013	APR-JUN 2013	JUL-SEP 2012	YTD 2013	YTD 2012
Operating revenue	**1 388**	**1 098**	**1 580**	**3 639**	**4 944**
Distribution costs	-149	-111	-142	-372	-432
Cost of materials	-860	-736	-965	-2 370	-3 034
Change in inventories	-45	23	-23	36	3
Employee benefit expenses	-203	-205	-232	-608	-772
Other operating expenses	-104	-115	-128	-327	-415
Gross operating earnings	**27**	**-47**	**89**	**-3**	**293**
Depreciation	-35	-34	-50	-104	-159
Restructuring expenses	0	0	0	0	-4
Other gains and losses	4	0	8	4	34
Impairments	0	0	-116	0	-116
Operating earnings	**-4**	**-81**	**-69**	**-103**	**48**
Share of operating revenue from external parties (%)	91	96	97	94	95

OTHER ACTIVITIES

Activities in the group that do not fall into the operating segments newsprint or magazine paper are presented under other activities. This includes purchase and resale of energy to the group's mills, corporate functions, real estate activities and purchase and resale of wood.

Following the divestment of the global recovered paper business Reparco in 2012, the group no longer has operating revenue or gross operating earnings related to recovered paper. Amounts relating to recovered paper in 2012 are now included within miscellaneous items in the specification below.

INCOME STATEMENT	JUL-SEP 2013	APR-JUN 2013	JUL-SEP 2012	YTD 2013	YTD 2012
Operating revenue	**47**	**88**	**551**	**272**	**1 930**
Distribution costs	0	0	-22	0	-67
Cost of materials	-5	-45	-461	-145	-1 651
Change in inventories	0	0	-6	0	-4
Employee benefit expenses	-29	-27	-46	-85	-151
Other operating expenses	-33	-32	-49	-98	-152
Gross operating earnings	**-20**	**-16**	**-34**	**-56**	**-96**
Depreciation	-4	-4	-5	-11	-14
Restructuring expenses	0	0	-9	0	-11
Other gains and losses	-46	-478	-38	-676	-769
Impairments	0	0	-54	0	-54
Operating earnings	**-70**	**-497**	**-140**	**-744**	**-945**
Share of operating revenue from external parties (%)	18	22	24	15	26
OPERATING REVENUE					
Energy	0	26	139	106	588
Real estate activities	0	0	0	0	0
Corporate functions	36	39	44	113	139
Miscellaneous	19	31	377	77	1 230
Eliminations	-8	-8	-9	-23	-27
Total	**47**	**88**	**551**	**272**	**1 930**
GROSS OPERATING EARNINGS					
Energy	0	0	0	0	0
Real estate activities	0	0	3	-1	1
Corporate functions	-19	-16	-37	-52	-85
Miscellaneous	-1	0	0	-3	-11
Eliminations	0	0	0	0	0
Total	**-20**	**-16**	**-34**	**-56**	**-96**

OPERATING CASH FLOW

	JUL-SEP 2013	APR-JUN 2013	JUL-SEP 2012	YTD 2013	YTD 2012
Newsprint	61	263	243	304	977
Magazine paper	61	29	355	101	590
Other activities	-100	38	-47	-170	-201
Operating cash flow allocated to segments	**22**	**330**	**551**	**235**	**1 366**
Cash from net financial items	-108	-346	-87	-437	-594
Taxes paid	-6	-32	-2	-43	-36
Net cash flow from operating activities	**-91**	**-48**	**463**	**-245**	**736**

PROPERTY, PLANT AND EQUIPMENT PER SEGMENT

30 SEPTEMBER 2013	PROPERTY, PLANT AND EQUIPMENT	INTANGIBLE ASSETS	TOTAL
Newsprint	6 920	205	7 125
Magazine paper	2 218	0	2 218
Other activities	12	70	82
Total	**9 150**	**275**	**9 425**

7. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

JAN-SEP 2013	PROPERTY, PLANT AND EQUIPMENT	INTANGIBLE ASSETS	TOTAL
Carrying value at start of period	9 533	232	9 765
Depreciation	-519	-14	-533
Impairments	0	0	0
Additions *)	358	226	584
Value changes	-7	-43	-50
Disposals	-381	-125	-506
Currency translation differences	166	-1	165
Carrying value at end of period	**9 150**	**275**	**9 425**

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

8. INTEREST-BEARING DEBT

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 190 million is included in interest-bearing debt at 30 September 2013. The corresponding figure at 31 December 2012 was NOK 196 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 SEPTEMBER 2013	REPORTED KEY FIGURES
Interest-bearing non-current liabilities	7 018
Interest-bearing current liabilities	910
- Hedge reserve	190
- Cash and cash equivalents	820
= Net interest-bearing debt	**6 918**

The group's revolving credit facility (RCF) was cancelled and fully repaid at the end of September 2013.

DEBT REPAYMENT SCHEDULE

CONTRACTUAL INSTALMENT PAYMENTS ON CURRENT AND NON-CURRENT INTEREST-BEARING DEBT	30 SEP 2013
2013 – fourth quarter	170
2014 – first quarter	9
2014 – second quarter	724
2014 – third quarter	10
2014 – fourth quarter	205
2015	1 015
2016	1 119
2017	3 194
2018	35
2019	35
2020	36
2021	25
2022 to 2033	1 248
Total	**7 825**

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 and hedge reserve.

BONDS

Bond financing constitutes the majority of Norske Skog's total debt financing. All bonds are issued by Norske Skogindustrier ASA and are unsecured. The table below shows Norske Skog's issued bonds at 30 September 2013.

MATURITY	CURRENCY	COUPON	ORIGINAL AMOUNT	OUTSTANDING AMOUNT 30 SEP 2013
October 2015	USD	6.125%	USD 200 mill	USD 158 mill
October 2033	USD	7.125%	USD 200 mill	USD 200 mill
June 2016	EUR	11.75%	EUR 150 mill	EUR 130 mill
June 2017	EUR	7.00%	EUR 500 mill	EUR 388 mill
June 2014	NOK (NSG 17)	15.5%	NOK 530 mill	NOK 508 mill
June 2014	NOK (NSG 18)	N3m + 11.5%	NOK 220 mill	NOK 195 mill
October 2014	NOK (NSG 15)	5.4%	NOK 300 mill	NOK 185 mill

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

	ASSETS		LIABILITIES	
30 SEP 2013	**CURRENT**	**NON-CURRENT**	**CURRENT**	**NON-CURRENT**
Energy contracts and embedded derivatives in energy contracts	27	264	-44	-193
Other raw material contracts	0	5	-2	0
Other derivatives and financial instruments carried at fair value	24	0	-37	-42
Total	**50**	**269**	**-82**	**-235**

Norske Skog's portfolio of commodity contracts consists primarily of physical energy contracts. The fair value of commodity contracts is therefore particularly sensitive to future fluctuations 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 impact on fair value. Energy prices in New Zealand have increased in the short end of the price curve whilst prices in the long end are virtually unchanged compared with the previous quarter.

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

A decrease in estimates of consumer price indices has a positive impact on fair value. Consumer price indices, which affect the fair value, show only small changes compared with the previous quarter.

Changes in the value of energy-/commodity contracts and embedded derivatives in contracts are presented in the income statement line Other gains and losses. Realised effects from financial energy contracts are also included in this accounting line. The gain in the third quarter of 2013 was negligible.

In April 2013, Norske Skog Saugbrugs signed a new long-term energy contract for the supply of electricity for the paper mill in Halden. The new energy contract secures an annual supply of 1.0 TWh up to 31 December 2020. The agreement entered into force on 1 May 2013. The contract ensures almost full energy coverage for Norske Skog Saugbrugs over the contract period. During the second quarter, Norske Skogindustrier ASA also terminated its long-term group energy contract from 1998 that applied for energy supply in Southern Norway.

10. PRINCIPAL SHAREHOLDERS

PRINCIPAL SHAREHOLDERS AT 30 SEPTEMBER 2013	NUMBER OF SHARES	OWNERSHIP %
Nobelsystem Scandinavia AS	8 750 000	4.61
AT SKOG BA	6 671 000	3.51
Nordnet Bank AB (Nominee)	6 156 041	3.24
Astrup Fearnley AS	5 189 688	2.73
Clearstream Banking SA (Nominee)	3 957 991	2.08
Uthalden A/S	3 820 000	2.01
Allskog BA	3 458 990	1.82
Fiducia AS	2 986 644	1.57
Danske Bank A/S (Nominee)	2 689 108	1.42
Nordea Bank PLC Finland (Nominee)	2 666 500	1.40
AS Havlide	2 296 466	1.21
Awilco Invest AS	2 200 000	1.16
AS Herdebred	2 112 005	1.11
Torstein I. Tvenge	2 000 000	1.05
Mjøsen Skog SA	1 970 560	1.04
Skandinaviska Enskilda Banken	1 940 845	1.02
Shareholders with < 1% ownership	131 079 788	69.01
Total	**189 945 626**	**100.00**

11. THE NORSKE SKOG SHARE

	30 SEP 2013	30 JUN 2013	31 MAR 2013	31 DEC 2012	30 SEP 2012
Share price (NOK)	3.43	2.67	3.05	3.96	5.19
Book value of equity per share (NOK)	14.50	14.70	21.39	21.82	33.22

12. EVENTS AFTER THE BALANCE SHEET DATE

Norske Skog has agreed to sell its Singburi mill in Thailand to a Thai industrial group for a total consideration of USD 33 million. The financial and operational closing of the transaction is expected to take place in the fourth quarter of 2013. The transaction is expected to have limited financial impact, and the final accounting effects will be disclosed in the interim financial statements for the fourth quarter of 2013.

Due to excess capacity in the coated mechanical market, paper machine 4 at Norske Skog Walsum will be temporarily idled from the second half of December. The machine has an annual production capacity of 225 000 tonnes. Walsum's second paper machine, paper machine 10, will continue to produce LWC (Light Weighted Coated) magazine paper at an annual production capacity of 200 000 tonnes.

There have been no other events after the balance sheet date with significant impact on the interim financial statements for the third quarter of 2013.

NORSKE SKOGINDUSTRIER ASA

Karenslyst allé 49
P.O. Box 294 Skøyen
0213 Oslo
Norway

Telephone: 22 51 20 20

www.norskeskog.com

Norske Skog