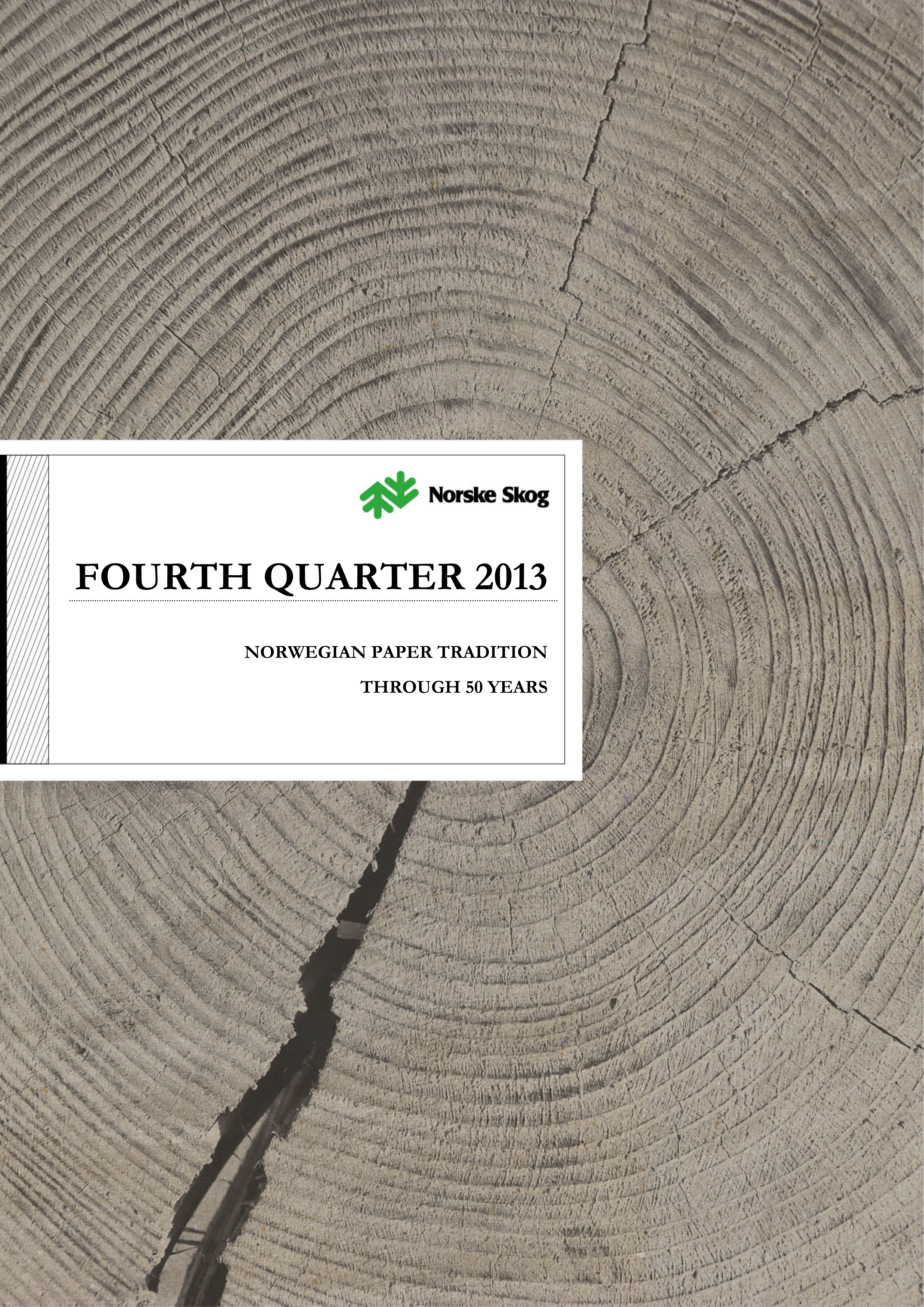


Norske Skog

FOURTH QUARTER 2013

NORWEGIAN PAPER TRADITION

THROUGH 50 YEARS

INTRODUCTION

Norske Skog is a world leading producer of newsprint and magazine paper. The group has nine fully or partly owned mills in seven countries and an annual production capacity of approximately three million tonnes. Through sales offices and agents, newsprint and magazine paper is sold to over 80 countries. The group has 3 200 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.

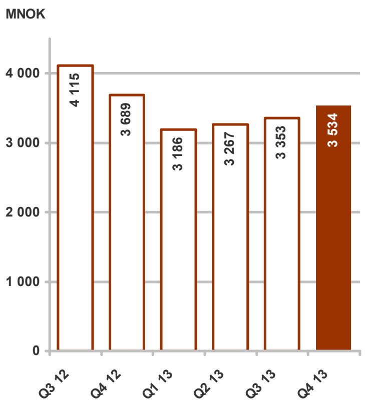
KEY FIGURES (UNAUDITED)

All amounts are presented in NOK million unless otherwise stated.

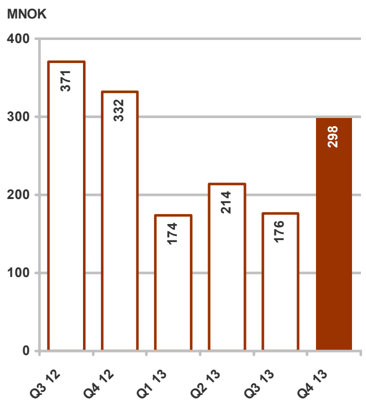
	OCT-DEC 2013	JUL-SEP 2013	OCT-DEC 2012	YTD 2013	YTD 2012
INCOME STATEMENT					
Operating revenue	3 534	3 353	3 689	13 339	16 592
Gross operating earnings	298	176	332	862	1 485
Operating earnings	-283	-4	-1 753	-1 111	-2 663
Profit/loss for the period	-457	-147	-1 914	-1 844	-2 781
Earnings per share (NOK)	-2.41	-0.77	-10.07	-9.71	-14.63
CASH FLOW					
Net cash flow from operating activities	313	-91	247	68	982
Net cash flow from investing activities	-42	-85	-73	-169	300
Cash flow per share (NOK)	1.65	-0.80	1.30	0.36	5.18
OPERATING MARGIN AND PROFITABILITY (%)					
Gross operating margin	8.4	5.2	9.0	6.5	9.0
Return on capital employed	1.1	0.4	0.9	1.3	4.4
Return on equity	-18.7	-5.3	-36.6	-58.3	-48.0
Return on assets	-1.7	0.2	-1.0	-6.7	-14.5
PRODUCTION / DELIVERIES / CAPACITY UTILISATION					
Production (1 000 tonnes)	738	754	814	3 039	3 555
Deliveries (1 000 tonnes)	777	763	848	3 050	3 588
Production / capacity (%)	89	90	87	88	88

	31 DEC 2013	30 SEP 2013	30 JUN 2013	31 MAR 2013	31 DEC 2012
BALANCE SHEET					
Non-current assets	10 611	10 999	10 655	11 531	11 393
Current assets	4 005	4 154	4 723	4 566	4 650
Total assets	14 617	15 153	15 378	16 097	16 043
Equity	2 175	2 712	2 801	4 070	4 151
Net interest-bearing debt	6 817	6 918	6 641	6 482	6 021

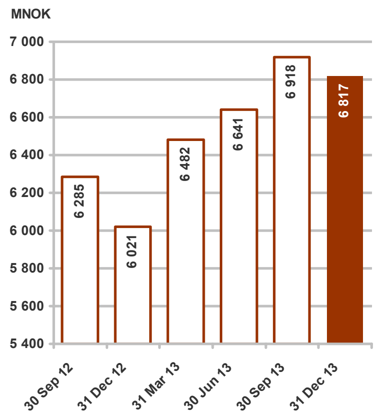
OPERATING REVENUE



GROSS OPERATING EARNINGS



NET INTEREST-BEARING DEBT



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

- Fourth quarter 2013: Gross operating earnings NOK 298 million (NOK 176 million in the third quarter)

- Cash flow from operating activities NOK 497 million before net financial items in the quarter (NOK 17 million in the third quarter)

- Net interest-bearing debt decreased by NOK 101 million to NOK 6 817 million, reflecting net cash flows more than offsetting a negative currency effect from NOK depreciation. The increase for the year of NOK 796 million was almost fully explained by NOK depreciation

- Norske Skog divested Singburi in Thailand during the quarter and announced the permanent closure of one machine at Walsum in Germany

- A new NOK 250 million securitisation facility was entered into with Sparebank 1 Gruppen. The facility remained undrawn throughout the quarter

- New long-term sales contracts were concluded in Australasia, increasing visibility for the domestic business in the region until 2020

INCOME STATEMENT

	OCT-DEC 2013	JUL-SEP 2013	OCT-DEC 2012	YTD 2013	YTD 2012
Operating revenue	3 534	3 353	3 689	13 339	16 592
Gross operating earnings *)	298	176	332	862	1 485
Depreciation	-196	-136	-223	-728	-935
Operating earnings	-283	-4	-1 753	-1 111	-2 663
Profit/loss before income taxes	-597	-240	-1 801	-2 344	-2 849
Profit/loss for the period	-457	-147	-1 914	-1 844	-2 781

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

Operating revenue increased from the previous quarter, reflecting higher sales volumes and positive currency effects from NOK depreciation. This outweighed a reduced contribution from Singburi following deconsolidation during the quarter.

Cost of materials was on level with the third quarter. Reduced fibre prices in Norway were offset by higher fibre and energy costs in Europe and NOK depreciation. Variable costs consist mainly of energy and fibre in the form of wood, recovered paper and pulp.

Fixed costs were lower than in the previous quarter, due to deconsolidation of Singburi, ongoing cost reduction programmes and a reduction in the provision for environmental obligations in Australasia.

Gross operating earnings improved to NOK 298 million in the quarter, from NOK 176 million in the previous quarter.

Depreciation increased from the third quarter, which included a one-off reversal at Norske Skog Tasman.

Loss for the period was NOK 457 million, reflecting several negative non-cash items commented below under “Special items in operating earnings”.

Global demand for newsprint declined by 5% in the first eleven months of the year compared to the corresponding period last year. There was a decrease of 3% for magazine paper in the same period.

Capacity utilisation for the group was 89% in the fourth quarter (90% in the third quarter).

SPECIAL ITEMS IN OPERATING EARNINGS

	OCT-DEC 2013	JUL-SEP 2013	OCT-DEC 2012	YTD 2013	YTD 2012
Restructuring expenses	-149	3	14	-145	-118
Other gains and losses	-237	-47	-228	-1 100	-1 009
Impairments	0	0	-1 649	0	-2 086

Restructuring expenses of NOK 149 million were largely related to a provision for the permanent closure of one machine at Walsum. This has no cash impact, since the actual closure costs will be paid out during the first half of 2014 and financed in full by working capital released in relation to the closure.

Other gains and losses consisted primarily of a non-cash reduction in the value of energy contracts recognised on the balance sheet. The energy contracts in Norway are denominated in EUR to hedge NOK exposure. With NOK depreciation, the implied NOK contract price increases and the theoretical contract value declines. There was a reduction in the value of energy contracts in New Zealand due to lower electricity prices.

FINANCIAL ITEMS

	OCT-DEC 2013	JUL-SEP 2013	OCT-DEC 2012	YTD 2013	YTD 2012
Net interest expenses incl. realised gain/loss on interest rate derivatives	-160	-162	-138	-622	-581
Unrealised gain/loss on interest rate derivatives	1	1	-2	8	-4
Net interest expenses	**-159**	**-160**	**-141**	**-614**	**-585**
Currency gains/losses *)	-170	-87	97	-618	359
Other financial items	6	2	-9	-26	109
Total financial items	**-323**	**-245**	**-54**	**-1 258**	**-117**

*) 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 159 million in the quarter and on level with the previous quarter.

Currency losses of NOK 170 million were largely non-cash and mainly related to debt denominated in foreign currency increasing as a result of NOK depreciation. The operational cash flow hedge was also negative.

CASH FLOW

	OCT-DEC 2013	JUL-SEP 2013	OCT-DEC 2012	YTD 2013	YTD 2012
Gross operating earnings	298	176	332	862	1 485
Change in operating working capital *)	282	-119	201	340	692
Change in other working capital **)	-39	15	-138	-176	-228
Payments made relating to restructuring activities	-8	-10	-17	-122	-182
Adjustment for items with no cash impact	-23	-40	32	-158	8
Cash flow from net financial items	-184	-108	-135	-622	-729
Taxes paid	-14	-6	-28	-56	-64
Net cash flow from operating activities	**313**	**-91**	**247**	**68**	**982**
Purchases of property, plant and equipment and intangible assets	-176	-110	-201	-529	-492
Sales of property, plant and equipment, shares in companies, financial assets etc.	162	9	128	410	783

*) 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 313 million. Operating working capital of NOK 282 million was released, mainly related to lower inventories. Cash flow from net financial items was NOK -184 million and consisted primarily of paid interest, in addition to some realised losses on currency hedging.

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

Sales of property, plant and equipment principally included the divestment of Singburi after deconsolidated debt.

BALANCE SHEET

	31 DEC 2013	30 SEP 2013	31 DEC 2012	1 JAN 2012
Non-current assets	10 611	10 999	11 393	15 789
Cash and cash equivalents	1 015	820	1 194	1 200
Other current assets	2 990	3 334	3 456	4 971
Total assets	14 617	15 153	16 043	21 960
Equity including non-controlling interests	2 175	2 712	4 151	7 359
Non-current liabilities	8 779	8 972	9 092	10 239
Current liabilities	3 662	3 469	2 801	4 362
Net interest-bearing debt	6 817	6 918	6 021	7 863

Equity was NOK 2 175 million at 31 December 2013. The decrease reflected the loss for the period. Details are provided in the Statement of changes in group equity later in this report. Equity per share was NOK 11.

Net interest-bearing debt decreased by NOK 101 million to NOK 6 817 million at 31 December 2013. The reduction reflected net cash flows adjusted for negative currency effects on foreign debt.

Cash and cash equivalents amounted to NOK 1 015 million at 31 December 2013. The new NOK 250 million securitisation facility remained undrawn at 31 December 2013.

SEGMENT INFORMATION

NEWSPRINT EUROPE

	OCT-DEC 2013	JUL-SEP 2013	OCT-DEC 2012	YTD 2013	YTD 2012
Operating revenue	1 315	1 067	1 136	4 437	4 528
Gross operating earnings	138	56	65	309	365
Depreciation	-55	-54	-55	-211	-211
Operating earnings	85	2	17	107	164
Gross operating margin (%)	10.5	5.3	5.7	7.0	8.1
Production (1 000 tonnes)	306	284	297	1 178	1 181
Deliveries (1 000 tonnes)	327	285	310	1 188	1 187
Production / capacity (%)	94	87	91	90	88

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 fourth quarter.

Operating revenue increased from the previous quarter, reflecting higher sales volumes and NOK depreciation.

Cost of materials increased slightly compared to the previous quarter, with higher wood and energy prices. Fixed costs declined somewhat from the third quarter.

Gross operating earnings improved to NOK 138 million in the quarter, from NOK 56 million in the previous quarter.

Demand for newsprint in Europe decreased by 6% in the first eleven months of the year compared to the corresponding period last year. Exports declined by 15% 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 94% in the fourth quarter (87% in the third quarter).

NEWSPRINT OUTSIDE EUROPE

	OCT-DEC 2013	JUL-SEP 2013	OCT-DEC 2012	YTD 2013	YTD 2012
Operating revenue	837	868	1 187	3 809	5 263
Gross operating earnings	149	113	242	606	879
Depreciation	-93	-43	-110	-353	-492
Operating earnings	66	69	-945	71	-1 122
Gross operating margin (%)	17.8	13.1	20.4	15.9	16.7
Production (1 000 tonnes)	165	188	248	807	1 077
Deliveries (1 000 tonnes)	178	187	255	813	1 093
Production / capacity (%)	84	91	84	88	88

The region consists of Norske Skog's operations in Australasia and Thailand for part of the quarter. Annual production capacity in the region was 785 000 tonnes in the fourth quarter due to the Singburi deconsolidation.

Operating revenue decreased compared to the previous quarter following deconsolidation of Singburi mid-quarter.

Cost of materials was on level with the previous quarter. Fixed costs decreased with the deconsolidation of Singburi and a downward revision of environmental obligations in Australasia.

Gross operating earnings increased to NOK 149 million, from NOK 113 million in the third quarter.

Negotiations of new long-term contracts in Australasia, running until 2020, were finalised in the quarter. The old contracts, which would have expired in 2015, were cancelled. Break fee compensations were received both in the third and the fourth quarter. The final break fee will be received in the fourth quarter of 2014. The break fees have no direct impact on gross operating earnings, but are amortised over the remaining duration of the old contracts.

Demand for newsprint in Australasia declined by 17% in the first eleven months of the year compared to the corresponding period last year. Demand for coated magazine paper in Australasia increased by 5% in the same period.

Capacity utilisation was 84% in the fourth quarter (91% in the third quarter), reflecting the closure of one newsprint machine at Boyer in mid-December to be converted to coated magazine paper.

MAGAZINE PAPER

	OCT-DEC 2013	JUL-SEP 2013	OCT-DEC 2012	YTD 2013	YTD 2012
Operating revenue	1 354	1 388	1 311	4 992	6 254
Gross operating earnings	15	27	57	12	349
Depreciation	-44	-35	-53	-148	-212
Operating earnings	-163	-4	-500	-266	-452
Gross operating margin (%)	1.1	2.0	4.3	0.2	5.6
Production (1 000 tonnes)	267	282	269	1 054	1 297
Deliveries (1 000 tonnes)	272	291	283	1 049	1 308
Production / capacity (%)	88	92	86	87	87

The segment constitutes Norske Skog’s operations in the magazine paper market with mills in Norway, Germany and Austria. Annual production capacity was 1 215 000 tonnes in the fourth quarter, due to closure of one machine at Walsum towards the end of the quarter.

Operating revenue decreased, with sales volumes lower compared to the seasonal peak in the third quarter.

Cost of materials increased compared to the previous quarter, with higher wood and energy prices. Fixed costs declined somewhat from the third quarter.

Gross operating earnings declined to NOK 15 million, from NOK 27 million in the previous quarter. Walsum had negative gross operating earnings in the quarter, due to over capacity for lightweight coated (LWC) magazine paper in Europe. One of two machines at Walsum was permanently closed on 21 December.

Demand for magazine paper in Europe declined in the first eleven 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 88% in the fourth quarter (92% in the third quarter).

OTHER ACTIVITIES

	OCT-DEC 2013	JUL-SEP 2013	OCT-DEC 2012	YTD 2013	YTD 2012
Operating revenue	41	47	385	313	2 315
Gross operating earnings	0	-20	-21	-56	-116
Depreciation	-3	-4	-4	-15	-18
Operating earnings	-267	-70	-313	-1 011	-1 258

Other activities consist mainly of unallocated group costs and purchase and resale activities to the business units. Operating earnings of NOK -267 million mainly constitute a reduction in the value of energy contracts. See “Special items in operating earnings” above.

HEALTH AND SAFETY

The H-value (the number of lost-time injuries per million working hours) was 1.06 in the 12 month period from 1 January 2013 to 31 December 2013.

EVENTS IN THE FOURTH QUARTER OF 2013

Singburi in Thailand was sold to a Thai industrial group for an enterprise consideration of USD 33 million. Norske Skog entered a new NOK 250 million securitisation facility with Sparebank 1 Gruppen. One of two machines at Walsum in Germany was permanently closed. Negotiations, extending long term contracts in Australasia until 2020, were concluded.

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 21% at the end of December 2013, two percentage points higher than one year ago. An overview of the main shareholders at the end of December 2013 is included on page 18.

OUTLOOK

Prices in Europe have improved into 2014, with better market balance for newsprint and SC magazine paper. The current NOK level is further supportive to revenues.

In Australasia, the conversion of one newsprint machine to coated magazine paper will contribute to a larger domestic business from the second quarter. Production in Australasia will be low in the first quarter due to the conversion.

Variable costs for the group are expected to remain relatively stable when measured in local currencies. Fixed costs will decline following the machine closure at Walsum and ongoing cost reduction programmes.

SKØYEN, 4 FEBRUARY 2014 – 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, FOURTH QUARTER OF 2013

CONDENSED CONSOLIDATED INCOME STATEMENT

NOK MILLION	NOTE	OCT-DEC 2013	JUL-SEP 2013	OCT-DEC 2012	YTD 2013	YTD 2012
Operating revenue	7	**3 534**	**3 353**	**3 689**	**13 339**	**16 592**
Distribution costs		-363	-367	-375	-1 398	-1 645
Cost of materials		-2 053	-2 004	-1 998	-8 017	-9 564
Change in inventories		-147	-46	-134	-45	-156
Employee benefit expenses	5	-458	-501	-551	-2 002	-2 491
Other operating expenses		-214	-257	-299	-1 014	-1 252
Gross operating earnings		**298**	**176**	**332**	**862**	**1 485**
Depreciation	9	-196	-136	-223	-728	-935
Restructuring expenses	6	-149	3	14	-145	-118
Other gains and losses	4, 10	-237	-47	-228	-1 100	-1 009
Impairments	3, 9	0	0	-1 649	0	-2 086
Operating earnings		**-283**	**-4**	**-1 753**	**-1 111**	**-2 663**
Share of profit in associated companies		9	9	6	26	-70
Financial items	5	-323	-245	-54	-1 258	-117
Profit/loss before income taxes		**-597**	**-240**	**-1 801**	**-2 344**	**-2 849**
Income taxes		140	94	-113	500	69
Profit/loss for the period		**-457**	**-147**	**-1 914**	**-1 844**	**-2 781**
Profit/loss for the period attributable to:						
Owners of the parent		-457	-147	-1 911	-1 844	-2 778
Non-controlling interests		0	0	-3	0	-3
Basic/diluted earnings per share (NOK)		-2.41	-0.77	-10.07	-9.71	-14.63

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

NOK MILLION	OCT-DEC 2013	JUL-SEP 2013	OCT-DEC 2012	YTD 2013	YTD 2012
Profit/loss for the period	**-457**	**-147**	**-1 914**	**-1 844**	**-2 781**
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss					
Currency translation differences	-8	144	-192	140	-511
Tax expense on translation differences	-23	-22	-36	-30	-36
Hedge of net investment in foreign operations	-56	-56	26	-243	224
Tax expense on net investment hedge	-1	-1	-1	-4	13
Reclassified translation differences upon divestment of foreign operations	-34	-7	72	221	130
Reclassified hedging gain/loss on net investment upon divestment of foreign operations	0	0	-141	-361	-222
Tax expense on reclassifications	0	0	39	101	62
Other items	0	0	2	1	2
Tax expense on other items	0	0	0	0	0
Total	**-122**	**58**	**-231**	**-175**	**-338**
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of post employment benefit obligations	52	0	-20	52	-82
Tax effect on remeasurements of post employment benefit obligations	1	0	-1	1	-7
Total	**53**	**0**	**-21**	**53**	**-89**
Other comprehensive income for the period	**-69**	**58**	**-252**	**-122**	**-427**
Comprehensive income for the period	**-526**	**-89**	**-2 167**	**-1 966**	**-3 208**
Comprehensive income for the period attributable to:					
Owners of the parent	-526	-89	-2 164	-1 967	-3 204
Non-controlling interests	0	0	-3	1	-4

CONDENSED CONSOLIDATED BALANCE SHEET

NOK MILLION	NOTE	31 DEC 2013	30 SEP 2013	31 DEC 2012	1 JAN 2012
Deferred tax asset	5	541	560	313	355
Intangible assets	9	152	275	232	148
Property, plant and equipment	3, 4, 9	9 025	9 150	9 533	12 622
Investments in associated companies	4	595	598	339	422
Other non-current assets	5, 10	299	416	976	2 242
Total non-current assets		**10 611**	**10 999**	**11 393**	**15 789**
Inventories		1 274	1 493	1 370	1 867
Trade and other receivables		1 574	1 695	1 816	2 732
Cash and cash equivalents	8	1 015	820	1 194	1 200
Other current assets	10	141	145	271	372
Total current assets		**4 005**	**4 154**	**4 650**	**6 171**
Total assets		**14 617**	**15 153**	**16 043**	**21 960**
Paid-in equity		12 302	12 302	12 302	12 303
Retained earnings and other reserves	5	-10 127	-9 601	-8 161	-4 957
Non-controlling interests		0	10	9	13
Total equity		**2 175**	**2 712**	**4 151**	**7 359**
Pension obligations	5	714	641	629	598
Deferred tax liability	5	392	509	493	498
Interest-bearing non-current liabilities	8	6 973	7 018	7 208	8 407
Other non-current liabilities	10	699	804	762	736
Total non-current liabilities		**8 779**	**8 972**	**9 092**	**10 239**
Interest-bearing current liabilities	8	1 044	910	203	931
Trade and other payables	5	2 040	2 171	2 114	2 480
Tax payable		39	32	43	31
Other current liabilities	10	540	356	441	920
Total current liabilities		**3 662**	**3 469**	**2 801**	**4 362**
Total liabilities		**12 441**	**12 441**	**11 892**	**14 601**
Total equity and liabilities		**14 617**	**15 153**	**16 043**	**21 960**

SKØYEN, 4 FEBRUARY 2014 – THE BOARD OF DIRECTORS OF NORSKE SKOGINDUSTRIER ASA

Eivind Reiten
Chair

Eilif Due
Board member

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Board member

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Board member

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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	OCT-DEC 2013	JUL-SEP 2013	OCT-DEC 2012	YTD 2013	YTD 2012
Cash generated from operations	3 629	3 222	3 668	13 490	17 037
Cash used in operations	-3 118	-3 200	-3 258	-12 745	-15 261
Cash from net financial items	-184	-108	-135	-622	-729
Taxes paid	-14	-6	-28	-56	-64
Net cash flow from operating activities [1]	**313**	**-91**	**247**	**68**	**982**
Purchases of property, plant and equipment and intangible assets	-176	-110	-201	-529	-492
Sales of property, plant and equipment and intangible assets	1	4	45	23	101
Dividend received	2	16	0	18	10
Purchase of shares in companies and other financial payments	-29	0	0	-68	0
Sales of shares in companies and other financial payments	161	5	83	387	682
Net cash flow from investing activities	**-42**	**-85**	**-73**	**-169**	**300**
New loans raised	29	95	115	873	1 183
Repayments of loans	-109	-689	-106	-1 024	-2 440
Purchase/sale of treasury shares	0	0	0	0	-1
Net cash flow from financing activities	**-80**	**-594**	**10**	**-151**	**-1 258**
Foreign currency effects on cash and cash equivalents	5	15	-18	74	-31
Total change in cash and cash equivalents	**195**	**-755**	**165**	**-178**	**-6**
Cash and cash equivalents at start of period	820	1 575	1 028	1 194	1 200
Cash and cash equivalents at end of period	1 015	820	1 194	1 015	1 194
[1] Reconciliation of net cash flow from operating activities					
Gross operating earnings	298	176	332	862	1 485
Change in operating working capital	282	-119	201	340	692
Change in other working capital	-39	15	-138	-176	-228
Payments made relating to restructuring activities	-8	-10	-17	-122	-182
Adjustment for items with no cash impact	-23	-40	32	-158	8
Cash flow from net financial items	-184	-108	-135	-622	-729
Taxes paid	-14	-6	-28	-56	-64
Net cash flow from operating activities	**313**	**-91**	**247**	**68**	**982**

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	-866	0	0	-866	-1	-867
Other comprehensive income for the period	0	0	154	-329	-175	0	-175
Change in holding of treasury shares	-1	0	0	0	-1	0	-1
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	-1 387	0	0	-1 387	0	-1 387
Other comprehensive income for the period	0	0	-450	398	-52	1	-51
Equity 30 September 2013	**12 302**	**-9 748**	**-133**	**282**	**2 702**	**10**	**2 712**
Profit/loss for the period	0	-457	0	0	-457	0	-457
Other comprehensive income for the period	0	0	-57	-12	-69	0	-69
Non-controlling interest – divested operations	0	0	0	0	0	-10	-10
Equity 31 December 2013	**12 302**	**-10 205**	**-190**	**269**	**2 175**	**0**	**2 175**

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 4 February 2014.

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 fourth quarter of 2013, the discount rate after tax was in the interval from 6.1% to 8.1%. The group's cash-generating units are Europe newsprint, Australasia 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 31 December 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 31 December 2013. No reversals of previous impairments have been recognised in the fourth 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 3 200 million and NOK 1 500 million respectively. Correspondingly, a 1% increase in the discount rate will cause a reduction in the recoverable amount of NOK 1 000 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. Norske Skog has one long-term energy contract in New Zealand. The electricity prices for long-term electricity contracts in New Zealand are not directly observable in the market for the whole contract length. Price forecasts from acknowledged external sources are used in the estimation of fair value. The group uses its judgement to select a variety of methods and make assumptions that are mainly based on marked conditions existing at each balance sheet date. Due to lower expected future energy prices in the mid-term of the contract period (2016 to 2020) compared to the expectations at the end of third quarter, the value of the contract has fallen. At the same time, due to NOK depreciation against EUR, the embedded derivatives in energy contracts for the Norwegian mills have had a negative value development during the fourth quarter of 2013.

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. 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 was 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, and the remaining 49% stake was accounted for as an associated company in accordance with the equity method of accounting.

At the time of the initial divestment, Norske Skog had also agreed upon the terms of sale for the remaining 49% of its shares in Norske Skog Pisa. In January 2014, Norske Skog renegotiated the terms of the sale of the remaining stake, with an accelerated timeline, and a sales price of USD 37 million. The value of the investment in associated company has been updated at the end of December to reflect the agreed sales price of USD 37 million (NOK 223 million).

On 5 October 2013, Norske Skog signed an agreement for the sale of its shares in the company that owns and operates the mill at Singburi in Thailand, Norske Skog (Thailand) Co. Ltd. The completion date for the transaction was 21 November 2013. Norske Skog Singburi was deconsolidated from this date, and a gain of NOK 49 million has been recognised in the fourth quarter of 2013 in the income statement line Other gains and losses. This amount includes a gain of NOK 35 million related to currency translation differences that were recognised directly in equity during the ownership period and reclassified to the income statement upon divestment. Following the divestment of Norske Skog Singburi, Norske Skog no longer has non-controlling interests.

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 fourth quarter of 2012 amounted to NOK 20 million (loss of NOK 18 million in the third quarter of 2012). Adjusted for tax effects, the loss amounted to NOK 21 million in the fourth quarter of 2012 (loss of NOK 20 million in the third 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 fourth quarter of 2012 (reduced employee benefit expenses of NOK 5 million in the third 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. RESTRUCTURING EXPENSES

Restructuring expenses of NOK 149 million in the fourth quarter of 2013 relate mainly to provisions for severance payments and other costs as a result of the decision in October 2013 to permanently idle a paper machine (PM4) at Norske Skog Walsum in Germany.

7. 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.

OCT-DEC 2013	NEWSPRINT	MAGAZINE PAPER	OTHER ACTIVITIES	ELIMINATIONS	NORSKE SKOG GROUP
Operating revenue	**2 332**	**1 354**	**41**	**-193**	**3 534**
Distribution costs	-232	-131	0	0	-363
Cost of materials	-1 334	-860	-11	151	-2 053
Change in inventories	-105	-41	0	0	-147
Employee benefit expenses	-260	-186	-12	0	-458
Other operating expenses	-116	-122	-19	42	-214
Gross operating earnings	**284**	**15**	**0**	**0**	**298**
Depreciation	-149	-44	-3	0	-196
Restructuring expenses	-1	-134	-13	0	-149
Other gains and losses	13	0	-250	0	-237
Impairments	0	0	0	0	0
Operating earnings	**147**	**-163**	**-267**	**0**	**-283**

YTD 2013	NEWSPRINT	MAGAZINE PAPER	OTHER ACTIVITIES	ELIMINATIONS	NORSKE SKOG GROUP
Operating revenue	**8 701**	**4 992**	**313**	**-667**	**13 339**
Distribution costs	-896	-503	0	0	-1 398
Cost of materials	-5 105	-3 229	-156	473	-8 017
Change in inventories	-40	-6	0	0	-45
Employee benefit expenses	-1 111	-794	-97	0	-2 002
Other operating expenses	-643	-449	-117	194	-1 014
Gross operating earnings	**906**	**12**	**-56**	**0**	**862**
Depreciation	-565	-148	-15	0	-728
Restructuring expenses	2	-134	-13	0	-145
Other gains and losses	-178	4	-926	0	-1 100
Impairments	0	0	0	0	0
Operating earnings	**165**	**-266**	**-1 011**	**0**	**-1 111**

YTD 2012	NEWSPRINT	MAGAZINE PAPER	OTHER ACTIVITIES	ELIMINATIONS	NORSKE SKOG GROUP
Operating revenue	**10 145**	**6 254**	**2 315**	**-2 122**	**16 592**
Distribution costs	-1 021	-558	-67	1	-1 645
Cost of materials	-5 627	-3 802	-1 988	1 852	-9 564
Change in inventories	-101	-51	-4	0	-156
Employee benefit expenses	-1 349	-956	-186	0	-2 491
Other operating expenses	-795	-539	-187	269	-1 252
Gross operating earnings	**1 252**	**349**	**-116**	**0**	**1 485**
Depreciation	-705	-212	-18	0	-935
Restructuring expenses	-121	20	-17	0	-118
Other gains and losses	-41	84	-1 052	0	-1 009
Impairments	-1 338	-694	-54	0	-2 086
Operating earnings	**-953**	**-452**	**-1 258**	**0**	**-2 663**

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	OCT-DEC 2013	JUL-SEP 2013	OCT-DEC 2012	YTD 2013	YTD 2012
Operating revenue	**2 332**	**2 098**	**2 379**	**8 701**	**10 145**
Distribution costs	-232	-218	-249	-896	-1 021
Cost of materials	-1 334	-1 270	-1 221	-5 105	-5 627
Change in inventories	-105	-1	-81	-40	-101
Employee benefit expenses	-260	-270	-333	-1 111	-1 349
Other operating expenses	-116	-170	-199	-643	-795
Gross operating earnings	**284**	**169**	**296**	**906**	**1 252**
Depreciation	-149	-97	-166	-565	-705
Restructuring expenses	-1	3	-4	2	-121
Other gains and losses	13	-5	5	-178	-41
Impairments	0	0	-1 071	0	-1 338
Operating earnings	**147**	**69**	**-940**	**165**	**-953**
Share of operating revenue from external parties (%)	100	100	99	100	99
OPERATING REVENUE PER REGION					
Newsprint Europe	1 315	1 067	1 136	4 437	4 528
Newsprint outside Europe	837	868	1 187	3 809	5 263
Sales offices and other activities	963	948	989	3 642	4 416
Eliminations	-783	-785	-933	-3 187	-4 060
Total	**2 332**	**2 098**	**2 379**	**8 701**	**10 145**
GROSS OPERATING EARNINGS PER REGION					
Newsprint Europe	138	56	65	309	365
Newsprint outside Europe	149	113	242	606	879
Sales offices and other activities	-3	-1	-12	-8	8
Eliminations	0	0	0	0	0
Total	**284**	**169**	**296**	**906**	**1 252**

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	OCT-DEC 2013	JUL-SEP 2013	OCT-DEC 2012	YTD 2013	YTD 2012
Operating revenue	**1 354**	**1 388**	**1 311**	**4 992**	**6 254**
Distribution costs	-131	-149	-126	-503	-558
Cost of materials	-860	-860	-768	-3 229	-3 802
Change in inventories	-41	-45	-53	-6	-51
Employee benefit expenses	-186	-203	-184	-794	-956
Other operating expenses	-122	-104	-124	-449	-539
Gross operating earnings	**15**	**27**	**57**	**12**	**349**
Depreciation	-44	-35	-53	-148	-212
Restructuring expenses	-134	0	23	-134	20
Other gains and losses	0	4	50	4	84
Impairments	0	0	-578	0	-694
Operating earnings	**-163**	**-4**	**-500**	**-266**	**-452**
Share of operating revenue from external parties (%)	89	91	98	93	96

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	OCT-DEC 2013	JUL-SEP 2013	OCT-DEC 2012	YTD 2013	YTD 2012
Operating revenue	**41**	**47**	**385**	**313**	**2 315**
Distribution costs	0	0	0	0	-67
Cost of materials	-11	-5	-337	-156	-1 988
Change in inventories	0	0	0	0	-4
Employee benefit expenses	-12	-29	-35	-97	-186
Other operating expenses	-19	-33	-34	-117	-187
Gross operating earnings	**0**	**-20**	**-21**	**-56**	**-116**
Depreciation	-3	-4	-4	-15	-18
Restructuring expenses	-13	0	-6	-13	-17
Other gains and losses	-250	-46	-283	-926	-1 052
Impairments	0	0	0	0	-54
Operating earnings	**-267**	**-70**	**-313**	**-1 011**	**-1 258**
Share of operating revenue from external parties (%)	28	18	11	17	24
OPERATING REVENUE					
Energy	0	0	139	106	726
Real estate activities	1	0	0	1	1
Corporate functions	29	36	42	142	181
Miscellaneous	19	19	214	95	1 444
Eliminations	-7	-8	-9	-31	-36
Total	**41**	**47**	**385**	**313**	**2 315**
GROSS OPERATING EARNINGS					
Energy	0	0	0	0	0
Real estate activities	0	0	0	-1	1
Corporate functions	1	-19	-19	-52	-104
Miscellaneous	0	-1	-2	-4	-12
Eliminations	0	0	0	0	0
Total	**0**	**-20**	**-21**	**-56**	**-116**

OPERATING CASH FLOW

	OCT-DEC 2013	JUL-SEP 2013	OCT-DEC 2012	YTD 2013	YTD 2012
Newsprint	454	61	565	758	1 536
Magazine paper	97	61	-17	198	578
Other activities	-41	-100	-138	-210	-338
Operating cash flow allocated to segments	**510**	**22**	**410**	**746**	**1 776**
Cash from net financial items	-184	-108	-135	-622	-729
Taxes paid	-14	-6	-28	-56	-64
Net cash flow from operating activities	**313**	**-91**	**247**	**68**	**982**

PROPERTY, PLANT AND EQUIPMENT PER SEGMENT

31 DECEMBER 2013	PROPERTY, PLANT AND EQUIPMENT	INTANGIBLE ASSETS	TOTAL
Newsprint	6 757	81	6 838
Magazine paper	2 243	4	2 247
Other activities	25	66	91
Total	**9 025**	**152**	**9 177**

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 185 million is included in interest-bearing debt at 31 December 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.

31 DECEMBER 2013	REPORTED KEY FIGURES
Interest-bearing non-current liabilities	6 973
Interest-bearing current liabilities	1 044
- Hedge reserve	185
- Cash and cash equivalents	1 015
= Net interest-bearing debt	**6 817**

DEBT REPAYMENT SCHEDULE

CONTRACTUAL INSTALMENT PAYMENTS ON CURRENT AND NON-CURRENT INTEREST-BEARING DEBT	31 DEC 2013
2014 – first quarter	49
2014 – second quarter	742
2014 – third quarter	48
2014 – fourth quarter	207
2015	1 027
2016	1 153
2017	3 297
2018	34
2019	35
2020	36
2021	25
2022	14
2023 to 2033	1 247
Total	**7 913**

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 31 December 2013.

MATURITY	CURRENCY	COUPON	ORIGINAL AMOUNT	OUTSTANDING AMOUNT 31 DEC 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 501 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. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

JAN-DEC 2013	PROPERTY, PLANT AND EQUIPMENT	INTANGIBLE ASSETS	TOTAL
Carrying value at start of period	9 533	232	9 765
Additions *)	568	206	774
Depreciation	-710	-18	-728
Impairments	0	0	0
Value changes	-15	-43	-58
Disposals	-499	-220	-719
Currency translation differences	148	-5	143
Carrying value at end of period	**9 025**	**152**	**9 177**

*) 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.

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

	ASSETS		LIABILITIES	
31 DEC 2013	CURRENT	NON-CURRENT	CURRENT	NON-CURRENT
Energy contracts and embedded derivatives in energy contracts	11	133	-58	-259
Other raw material contracts	2	3	0	0
Other derivatives and financial instruments carried at fair value	16	0	-76	-12
Total	**29**	**136**	**-134**	**-271**

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.

Lower energy prices have a negative impact on fair value. Energy prices in New Zealand have decreased in the long end of the price curve while prices in the short 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 fourth 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 has also terminated its long-term group energy contract from 1998 that applied for energy supply in Southern Norway.

11. PRINCIPAL SHAREHOLDERS

PRINCIPAL SHAREHOLDERS AT 31 DECEMBER 2013	NUMBER OF SHARES	OWNERSHIP %
Nobelsystem Scandinavia AS	9 300 000	4.90
AT Skog BA	6 414 115	3.38
Dimensional Fund Advisors	6 275 346	3.30
Nordnet Bank AB (Nominee)	5 820 385	3.06
Allskog BA	5 295 662	2.79
Astrup Fearnley AS	5 189 688	2.73
Skandinaviska Enskilda Banken	4 775 000	2.51
Uthalden A/S	3 820 000	2.01
Danske Bank A/S (Nominee)	3 378 304	1.78
Fiducia AS	2 986 644	1.57
Swedbank Norge Marketmaking acc.	2 767 000	1.46
Spectatio Finans AS	2 480 000	1.31
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
Nordea Bank PLC Finland (Nominee)	1 985 500	1.05
Shareholders with < 1% ownership	120 849 511	63.62
Total	**189 945 626**	**100.00**

12. THE NORSKE SKOG SHARE

	31 DEC 2013	30 SEP 2013	30 JUN 2013	31 MAR 2013	31 DEC 2012
Share price (NOK)	4.74	3.43	2.67	3.05	3.96
Book value of equity per share (NOK)	11.45	14.50	14.70	21.39	21.82

13. EVENTS AFTER THE BALANCE SHEET DATE

Norske Skog and CellMark AB have agreed to enter into a long-term marketing agreement for sales of publication paper in the Asian markets. The parties will establish a new distributor in Singapore, NorCell Asia, which will have the exclusive marketing rights for all Norske Skog products to be sold in the Asian markets. Norske Skog will transfer its current sales operations and sales staff in Singapore from PanAsia Paper Trading to NorCell Asia.

Rune Sollie has been appointed as Chief Financial Officer (CFO) in Norske Skogindustrier ASA. Sollie has broad experience from various financial positions within Norwegian industry.

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

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