

Norske Skog launches offer of EUR 250 million Senior Secured Notes (SSN) and exchange offer of existing notes

Today, Norske Skog is launching two separate offers (i) an offering of EUR 250 million Senior Secured Notes (SSN) due December 2019 to achieve a broader refinancing and debt extension of the group's capital structure and (ii) an exchange offer of existing notes.

Norske Skog intends to use the net proceeds from the issuance primarily to facilitate a debt exchange for the existing bonds, which would extend maturities of all but the 2033 bonds. Existing bondholders would be offered a differentiated mix of cash and new unsecured notes depending on the underlying maturity dates of the existing notes. The new SSN would rank senior to the new exchange notes issued. The new exchange notes issued would in turn rank senior to the existing notes that do not participate in the exchange.

The SSN financing and debt exchange transactions have been pre-marketed to a number of major holders of existing bonds and large institutional investors. Norske Skog has received interest in participation and strong support for the transactions from various investors.

- We are pleased to announce our long-term financing plan. Following the completion of the transactions, we will have strengthened and secured our long-term capital structure by enhancing our liquidity position, realizing immediate de-leveraging and extending material debt maturities until at least December 2019, said Mr. Sven Ombudstvedt, President and CEO of Norske Skog.

- We now believe that we are in a better cost position and are more competitive compared to prior years, due to continued cost reduction programmes, an advantageous currency situation, a lower oil price and better economies of scale at our remaining units. We have adapted our production portfolio to market needs, and last year completed substantial investments at Saugbrugs and Boyer, giving these units a competitive edge for the future, explained Mr. Ombudstvedt.

Norske Skog will require the consents of a specified majority of the holders of each of the series of existing notes to be able to issue the EUR 250 million SSN. No consents would be required to issue approximately EUR 180 million SSN. Therefore, if the offering is completed, Norske Skog will in any case make a minimum issue of approximately EUR 180 million SSN.

The advisors for the transactions are Goldman Sachs International and Citi. This information is subject of the disclosure requirements pursuant to section 5-12 of the Norwegian Securities Trading Act. Not for distribution in the United States.

Norske Skog
Communications and Public Affairs

For further information:

Norske Skog media:

Vice President Corporate Communication
Carsten Dybevig
Mob: +47 917 63 117

Norske Skog financial markets:

Vice President Investor Relations
Tom Rogn
Mob: +47 948 55 659
