

Q3 2015

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3rd QUARTER IN BRIEF

- EBITA NOK 160 million (NOK 165 million)

- Positive FX impact in all business areas

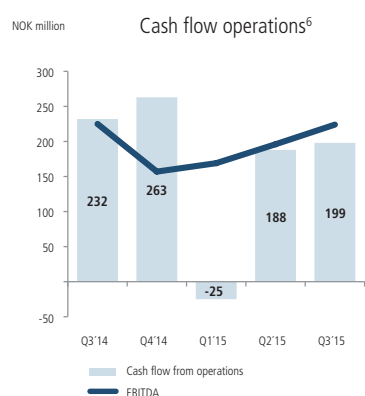
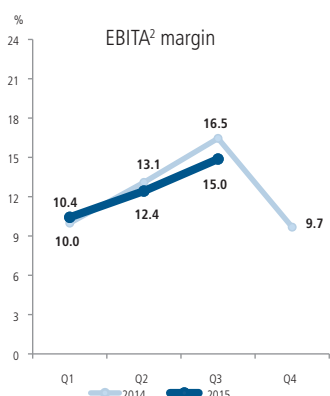
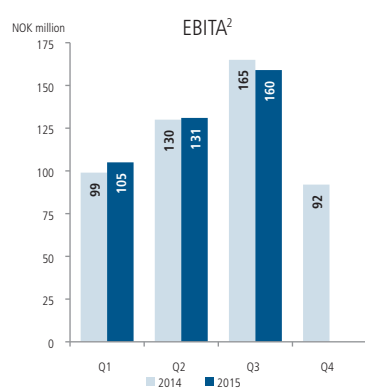
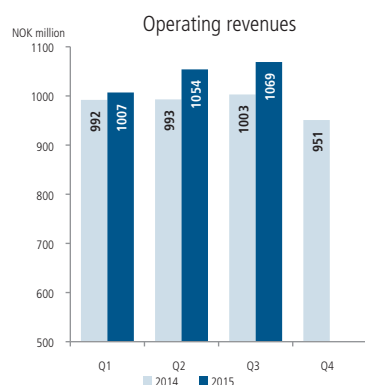
- Lower sales volume and weaker product mix for Performance Chemicals

- Positive volume development in Fine Chemicals

CONTENTS

The Group	3
The Business Areas	5
Performance Chemicals	5
Specialty Cellulose	6
Other Businesses	7
Foreign exchange and hedging	8
Cash flow and financial situation	8
Share information	8
Other matters and subsequent events	9
Outlook	10
The Group's condensed income statement	11
Earnings per share	11
The Group's condensed comprehensive income statement	11
The Group's condensed balance sheet	12
Changes in equity	13
The Group's condensed cash flow statement	13
Notes	14 – 19

THE GROUP¹



Amounts in NOK million	Note	1.7 - 30.9		1.1 - 30.9		1.1 - 31.12
		2015	2014	2015	2014	2014
Operating revenues	2	1 069	1 003	3 130	2 988	3 939
EBITDA ¹		225	225	590	573	730
EBITA ²	2	160	165	396	394	486
Profit/loss before taxes		151	153	376	371	430
Earnings per share (NOK)	5	1.12	1.10	2.78	2.66	3.34
Net interest-bearing debt	10	716	657	716	657	608
Equity ratio (%)		51.4	58.3	51.4	58.3	52.0
Leverage ratio ³		0.96	0.92	0.96	0.92	0.83
Return on capital employed ⁴ (%)		15.6	16.3	15.6	16.3	16.5

Third quarter

Borregaard's operating revenues totalled NOK 1,069 million (NOK 1,003 million⁵) in the 3rd quarter of 2015. EBITA was NOK 160 million (NOK 165 million). There was a slight decline in Performance Chemicals and Specialty Cellulose while Other Businesses improved. Currency developments, including negative hedging effects, contributed positively by approximately NOK 70 million. Hedging effects were NOK -55 million in the 3rd quarter. In total, costs were stable in local currencies.

EBITA in Performance Chemicals declined slightly from the 3rd quarter of 2014 as lower sales volume and weaker product mix were not fully compensated by higher prices and positive currency effects. For Specialty Cellulose, the impact of lower sales prices, a weaker product mix and lower contribution from bioethanol was largely offset by beneficial currency effects. EBITA in Other Businesses improved due to currency impact and increased sales in Fine Chemicals.

Net financial items were NOK -9 million compared with NOK -12 million in the 3rd quarter of 2014. The improvement was due to lower net interest expenses. Group profit before tax was NOK 151 million (NOK 153 million). Tax expense in the 3rd quarter was NOK -40 million (NOK -43 million), giving a tax rate of 26% (28%).

Earnings per share in the 3rd quarter were NOK 1.12 (NOK 1.10).

Cash flow from operations⁶ in the 3rd quarter of 2015 was NOK 199 million (NOK 232 million). The reduction was primarily due to an increase in net working capital compared with a decrease during the same quarter last year.

1. Operating profit before depreciation, amortisation and other income and expenses.
2. Operating profit before amortisation and other income and expenses.
3. Net interest bearing debt/EBITDA (LTM).
4. EBITA/(Average net working capital+Average tangible assets+Average intangible assets at cost-Average net pension liabilities-Average deferred tax excess value) (LTM).
5. Figures in parentheses are for the corresponding period in the previous year.
6. Cash flow from operating activities according to IFRS adjusted for financial items, taxes paid, share of JV dividend/profit

Year-to-date (01.01. - 30.09.)

Borregaard's operating revenues totalled NOK 3,130 million (NOK 2,988 million). EBITA was NOK 396 million compared with NOK 394 million during the same period of 2014. Higher results in Performance Chemicals and Other Businesses were offset by lower EBITA in Specialty Cellulose. An improved currency situation contributed positively in all business areas. In total, costs were stable in local currencies. Hedging effects were NOK -179 million (NOK -18 million).

Net financial items amounted to NOK -20 million (NOK -23 million) in the first nine months of 2015. Profit before tax was NOK 376 million (NOK 371 million). The tax expense was NOK -100 million, giving a tax rate of 27% (29%).

Earnings per share were NOK 2.78 (NOK 2.66).

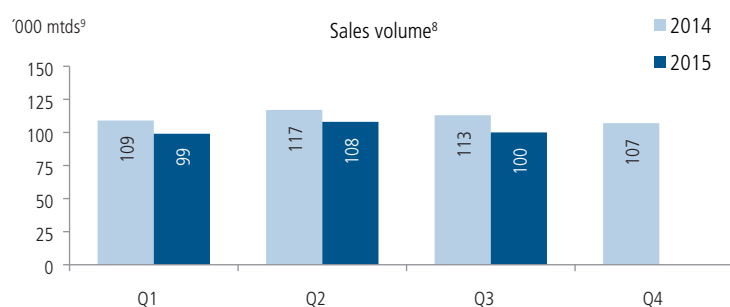
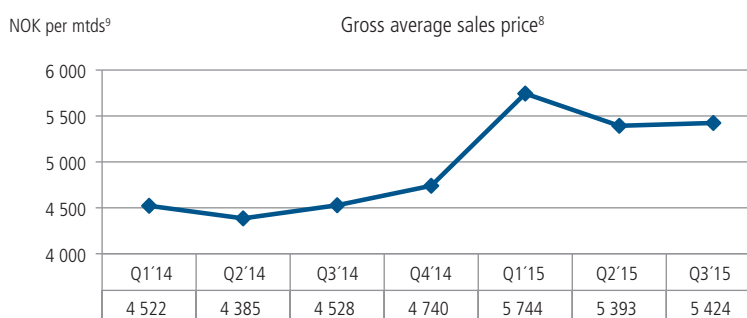
THE BUSINESS AREAS

Performance Chemicals

Amounts in NOK million	1.7 – 30.9		1.1 – 30.9		1.1 – 31.12
	2015	2014 ⁷	2015	2014 ⁷	2014 ⁷
Operating revenues	488	467	1 506	1 381	1 822
EBITA	111	117	349	305	388
EBITA margin (%)	22.7	25.1	23.2	22.1	21.3

Performance Chemicals reported 3rd quarter operating revenues of NOK 488 million (NOK 467 million). EBITA was NOK 111 million (NOK 117 million). A 12% decline in sales volume and a weaker product mix were partly compensated by higher prices and positive currency effects. Reduced demand, primarily in Russia, China and Brazil, has not been matched by a decrease in global lignin supply. Competition was therefore stronger in some regions, especially within the construction sector. The weaker product mix was mainly due to lower demand from the oil sector. Costs were largely stable in local currencies.

In the first nine months of 2015, Performance Chemicals had operating revenues of NOK 1,506 million (NOK 1,381 million). EBITA reached NOK 349 million (NOK 305 million). Sales volume was 9% below the corresponding period of 2014 due to lower demand and reduced raw material supply. Favourable currency impact and higher sales prices more than compensated for the lower sales volume. High-value sales volume was down compared with the same period of last year, primarily due to lower demand from the oil sector.



7. The 2014 figures are restated to reflect that BALI project costs are part of Performance Chemicals. See Note 13.

8. Average sales price and sales volume reflect 100% of sales and volume from the J/V in South Africa. Average sales price is calculated using actual FX rates, excluding hedging impact.

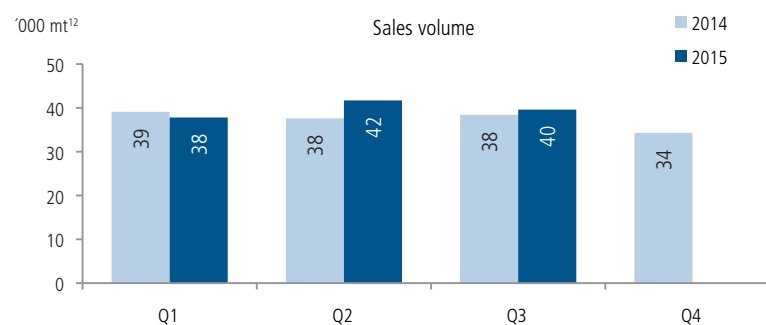
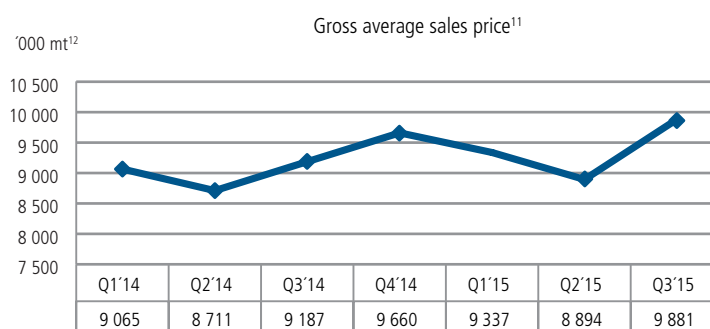
9. Metric tonne dry solid.

Specialty Cellulose

Amounts in NOK million	1.7 – 30.9		1.1 – 30.9		1.1 – 31.12
	2015	2014 ¹⁰	2015	2014 ¹⁰	2014 ¹⁰
Operating revenues	389	384	1 090	1 121	1 459
EBITA	56	62	82	133	163
EBITA margin (%)	14.4	16.1	7.5	11.9	11.2

Specialty Cellulose reported 3rd quarter operating revenues of NOK 389 million (NOK 384 million). EBITA was NOK 56 million (NOK 62 million). The result decline compared with the 3rd quarter of 2014 was due to reduced sales prices, a weaker product mix and lower contribution from bioethanol, largely offset by positive currency effects. Sales volume was stable, but product mix was negatively affected by reduced acetate grade sales. In total, costs were stable. Hedging effects were NOK -28 million in the 3rd quarter (NOK -2 million). Compared with the preceding quarter, the product mix improved due to increased deliveries of highly specialised grades.

Operating revenues in the first nine months of 2015 were NOK 1,090 million (NOK 1,121 million). EBITA amounted to NOK 82 million (NOK 133 million). Lower cellulose sales prices, weaker product mix and a reduced contribution from the bioethanol business were partly compensated by a positive currency impact. Hedging effects were NOK -97 million (NOK -12 million).



10. The 2014 figures are restated to reflect that Exilva project costs are not included as part of Specialty Cellulose. See Note 13.

11. Average sales price is calculated using actual FX rates, excluding hedging impact.

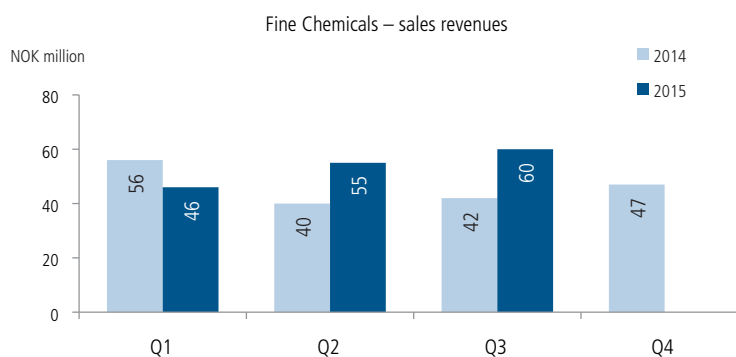
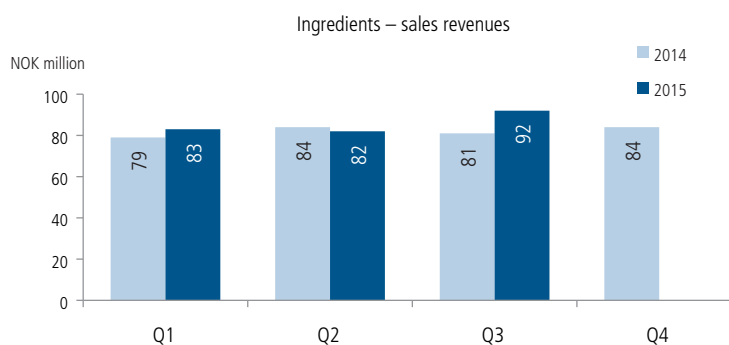
12. Metric tonne.

Other Businesses

Amounts in NOK million	1.7 – 30.9		1.1 – 30.9		1.1 – 31.12
	2015	2014 ¹³	2015	2014 ¹³	2014 ¹³
Operating revenues	199	158	558	504	682
EBITA	-7	-14	-35	-44	-65
EBITA margin (%)	-3.5	-8.9	-6.3	-8.7	-9.5

Other Businesses had total operating revenues of NOK 199 million (NOK 158 million) and an EBITA of NOK -7 million (NOK -14 million) in the 3rd quarter of 2015. For Ingredients, a negative impact of lower production was more than compensated by positive currency effects. Fine Chemicals benefitted from increased sales of x-ray contrast media intermediates and positive currency effects. Exilva project costs continued at a higher level than last year due to increased business development activities.

In the first nine months of 2015, operating revenues in Other Businesses were NOK 558 million (NOK 504 million). EBITA was NOK -35 million compared with NOK -44 million in the corresponding period in 2014. The improvement was due to positive currency effects and increased sales of x-ray contrast media intermediates in Fine Chemicals. Exilva project costs were higher as a result of increased business development activities.



13. The 2014 figures are restated to reflect that BALI project costs are not part of Other Businesses and that Exilva project costs are included in Other Businesses. See Note 13. 2014 operating revenues and eliminations are restated due to minor changes in the treatment of internal transactions.

FOREIGN EXCHANGE AND HEDGING

Borregaard has significant currency exposure, which is hedged according to the company's hedging strategy. Compared with the 3rd quarter of 2014, the positive impact of foreign exchange on EBITA, including hedging effects, was approximately NOK 70 million. Hedging effects were NOK -55 million in the 3rd quarter.

In the first nine months of 2015, the positive impact of foreign exchange on EBITA, including hedging effects, was approximately NOK 165 million when compared with the same period in 2014. Hedging effects were NOK -179 million.

Assuming FX rates as of 20 October 2015 (USD 8.12 and EUR 9.24) and based on currency exposure forecasts, Borregaard expects the net positive impact of foreign exchange on EBITA to be approximately NOK 65 million in the 4th quarter of 2015 compared with the same quarter last year.

CASH FLOW AND FINANCIAL SITUATION

Cash flow from operating activities in the 3rd quarter of 2015 was NOK 198 million (NOK 227 million). The reduction was mainly due to an increase in net working capital compared with a decrease in the corresponding quarter of 2014. The increase in working capital was mainly explained by a weaker NOK.

In the first nine months of 2015, cash flow from operating activities was NOK 262 million (NOK 355 million). The reduction was mainly due to a higher increase in net working capital than in the same period last year, partly offset by a lower tax payment. Investments increased by NOK 68 million to NOK 230 million. Expansion investments were mainly related to the Exilva project. Realised effect of hedging of net investments in subsidiaries was NOK -50 million (NOK -4 million).

Investments are expected to increase in the 4th quarter of 2015 compared with the 3rd quarter of 2015 due to investment spending related to the annual maintenance stop and expansion projects. For the full year, maintenance investments are expected to be in line with depreciations.

On 30 September 2015, the Group had net interest-bearing debt totalling NOK 716 million (NOK 657 million), a decline of NOK 109 million from the 2nd quarter and an increase of NOK 108 million from year-end 2014. The Group was well capitalised with an equity ratio of 51.4% and a leverage ratio of 0.96.

SHARE INFORMATION

Total number of shares outstanding on 30 September 2015 was 100 million, including 777,883 treasury shares. The Group has not sold or repurchased treasury shares in the first nine months of 2015. Total number of shareholders was 7,091. Borregaard ASA's share price was NOK 51.25 at the end of the 3rd quarter, compared with NOK 55.50 at the end of the 2nd quarter of 2015 and NOK 55.50 at the end of 2014.

OTHER MATTERS AND SUBSEQUENT EVENTS

Lignin capacity expansion in South Africa

Borregaard and Sappi have decided to increase the lignin production capacity by 20,000 metric tonnes dry substance per year at LignoTech South Africa. The company is a joint venture between Borregaard (50%) and Sappi (50%). The total investment is estimated at ZAR 105 million and the project is expected to be completed in 2017. See notification to the Oslo Stock Exchange on 7 July 2015.

Agreement signed with Flambeau Rivers Paper for the acquisition of their lignin business

Borregaard has signed an agreement with Flambeau Rivers Paper LLC for the acquisition of the lignin business based at the latter's Park Falls operations in Wisconsin, USA. The parties have entered into a long-term lignin raw material supply agreement. Closing is expected to take place during the 4th quarter of 2015. The acquired business will be integrated into Borregaard's existing US operation.

The annual lignin volume is approximately 40,000 metric tonnes dry substance. The products are sold to the low and medium value segments in North America. See notification to the Oslo Stock Exchange on 21 October 2015.

OUTLOOK

For Performance Chemicals, both total and high-value sales volume in the 4th quarter are expected to be on the same level as in the 3rd quarter. However, volume forecasts are uncertain due to low market visibility. The impact of weaker demand and increased competition in the construction segment will be partly offset by reallocation of volumes to other regions and applications.

In 2015, cellulose prices in sales currency will be approximately 7% below their 2014 level. Product mix in 2015 will be weaker than in 2014, primarily due to lower demand in the cellulose acetate market. In the 4th quarter, total sales volume and sales of highly specialised cellulose grades are expected to be lower than in the 3rd quarter of 2015.

The challenging market situation for Ingredients and the positive development in Fine Chemicals are expected to continue. Corporate costs will remain at largely the same level as in 2014, while costs related to the Exilva project will continue at a high level due to increased business development activities.

Currency, including hedging impact, will contribute positively in all business areas in the 4th quarter of 2015 compared with the corresponding quarter last year.

Borregaard's EBITA in the 4th and 1st quarters is normally lower than in the 2nd and 3rd quarters due to payroll accounting (holiday pay in the 2nd and 3rd quarters), seasonal variations in thermal energy costs and the impact of the annual maintenance stop in October at the Sarpsborg site.

Sarpsborg, 20 October 2015
The Board of Directors of Borregaard ASA

THE GROUP'S CONDENSED INCOME STATEMENT

Interim condensed income statement

Amounts in NOK million	Note	1.7 - 30.9		1.1 - 30.9		1.1 - 31.12
		2015	2014	2015	2014	2014
Operating revenues	2	1 069	1 003	3 130	2 988	3 939
Operating expenses		-844	-778	-2 540	-2 415	-3 209
Depreciation property, plant and equipment		-65	-60	-194	-179	-244
Amortisation intangible assets		0	0	0	0	0
Other income and expenses	3	0	0	0	0	-30
Operating profit		160	165	396	394	456
Financial items, net		-9	-12	-20	-23	-26
Profit before taxes		151	153	376	371	430
Income tax expense	4	-40	-43	-100	-106	-98
Profit for the period		111	110	276	265	332
Profit attributable to non-controlling interests		-1	0	-2	-1	-2
Profit attributable to owners of the parent		112	110	278	266	334
EBITDA adjusted ¹		225	225	590	573	730
EBITA adjusted ²	2	160	165	396	394	486

EARNINGS PER SHARE

Interim earnings per share

Amounts in NOK million	Note	1.7 - 30.9		1.1 - 30.9		1.1 - 31.12
		2015	2014	2015	2014	2014
Earnings per share (100 million shares)	5	1.12	1.10	2.78	2.66	3.34
Diluted earnings per share	5	1.13	1.10	2.79	2.67	3.35

THE GROUP'S CONDENSED COMPREHENSIVE INCOME STATEMENT

Interim condensed comprehensive income statement

Amounts in NOK million	Note	1.7 - 30.9		1.1 - 30.9		1.1 - 31.12
		2015	2014	2015	2014	2014
Profit for the period		111	110	276	265	332
Items not to be reclassified to P&L						
Actuarial gains and losses (after tax)		0	0	0	0	-8
Total		0	0	0	0	-8
Items to be reclassified to P&L						
Change in hedging reserve after tax (cash flow)	7	-182	17	-113	37	-156
Change in hedging reserve after tax (net investments in subsidiaries)	7	-35	-8	-43	-9	-58
Translation effects		43	3	58	13	109
Total		-174	12	-98	41	-105
The Group's comprehensive income		-63	122	178	306	219
Comprehensive income non-controlling interests		0	-1	-2	-2	-1
Comprehensive income owners of the parent		-63	123	180	308	220

1. Operating profit before depreciation, amortisation and other income and expenses.
2. Operating profit before amortisation and other income and expenses.

THE GROUP'S CONDENSED BALANCE SHEET

Interim condensed statement of financial position

Amounts in NOK million	Note	2015 30.9	2014 31.12
Intangible assets	12	89	77
Property, plant and equipment	12	2 039	2 004
Other assets	8	80	76
Investment in joint venture		103	106
Non-current assets		2 311	2 263
Inventories		600	610
Receivables	8	866	707
Cash and cash deposits	10	125	168
Current assets		1 591	1 485
Total assets		3 902	3 748
Group equity	9	2 000	1 941
Non-controlling interests		6	8
Total Equity		2 006	1 949
Provisions and other liabilities		277	196
Interest-bearing liabilities	8, 10	850	784
Non-current liabilities		1 127	980
Interest-bearing liabilities	8, 10	9	8
Other current liabilities	8	760	811
Current liabilities		769	819
Equity and liabilities		3 902	3 748
Equity ratio		51.4%	52.0%

CHANGES IN EQUITY

Interim condensed change in equity

Amounts in NOK million	Note	1.1 – 30.9.2015			1.1 – 31.12.2014		
		Controlling interests	Non-controlling interests	Total equity	Controlling interests	Non-controlling interests	Total equity
Equity 1.1		1 941	8	1 949	1 847	9	1 856
Profit/loss for the period		278	-2	276	334	-2	332
The Group's comprehensive income	7	-98	0	-98	-114	1	-113
Total comprehensive income	7	180	-2	178	220	-1	219
Option costs (share based payment)		3	0	3	0	0	0
Dividend	9	-124	0	-124	-109	0	-109
Buy-back of shares	9	0	0	0	-76	0	-76
Exercise of share options	6	0	0	0	51	0	51
Reduced tax payable of exercised share options		0	0	0	8	0	8
Equity at the close of the period	9	2 000	6	2 006	1 941	8	1 949

THE GROUP'S CONDENSED CASH FLOW STATEMENT

Interim condensed cash flow statement

Amounts in NOK million	Note	1.7 – 30.9		1.1 – 30.9		1.1 - 31.12
		2015	2014	2015	2014	2014
Profit before taxes		151	153	376	371	430
Amortisation, depreciation and impairment charges		65	60	194	179	244
Changes in net working capital, etc.		-26	7	-228	-77	59
Dividend (share of profit) from JV		16	21	-2	8	6
Taxes paid		-8	-14	-78	-126	-139
Cash flow from operating activities		198	227	262	355	600
Investments property, plant and equipment and intangible assets*		-71	-79	-230	-162	-313
Other capital transactions		2	0	5	2	2
Cash flow from investing activities		-69	-79	-225	-160	-311
Dividends		0	0	-124	-109	109
Proceeds from exercise of share options	9	0	4	0	44	48
Buy-back of shares	6	0	-7	0	-62	-76
Gain/(loss) on hedges for net investments in subsidiaries		-40	-11	-50	-4	-72
Net paid to/from shareholders		-40	-14	-174	-131	-209
Proceeds from interest-bearing liabilities	10	0	0	86	734	6
Repayment of interest-bearing liabilities	10	-23	-13	-23	-761	0
Change in interest-bearing receivables	10	0	0	-2	-4	-3
Change in net interest-bearing liabilities		-23	-13	61	-31	3
Cash flow from financing activities		-63	-27	-113	-162	-206
Change in cash and cash equivalents		66	121	-76	33	83
Cash and cash equivalents at beginning of period		36	-44	168	39	39
Change in cash and cash equivalents		66	121	-76	33	83
Currency effects cash and cash equivalents		23	2	33	7	46
Cash and cash equivalents at the close of the period	10	125	79	125	79	168

*Investments by category

Replacement investments		56	48	156	104	228
Expansion investments		15	31	74	58	85

NOTES | NOTE 1

Organisation and basis for preparation

General information

Borregaard ASA is incorporated and domiciled in Norway. The address of its registered office is Hjalmar Wessels vei 6, Sarpsborg.

Borregaard ASA was listed on the Oslo Stock Exchange on 18 October 2012 and was incorporated as a public limited liability company on 22 August 2012.

Basis for preparation

These unaudited Interim Condensed Consolidated Financial Statements are prepared in accordance with IAS 34 Interim Financial Reporting. Borregaard ASA is the parent company of the Borregaard Group presented in these Interim Condensed Consolidated Financial Statements.

The same accounting principles and methods of calculation have been applied as in the Consolidated Financial Statements for 2014 for the Borregaard Group.

Use of estimates

The same use of estimates has been applied as in the Consolidated Financial Statements for 2014.

NOTE 2

Segments

Operating revenues

Amounts in NOK million	1.7 – 30.9		1.1 – 30.9		1.1 – 31.12
	2015	2014 ³	2015	2014 ³	2014 ³
Borregaard	1 069	1 003	3 130	2 988	3 939
Performance Chemicals	488	467	1 506	1 381	1 822
Specialty Cellulose	389	384	1 090	1 121	1 459
Other Businesses ⁴	199	158	558	504	682
Eliminations ⁴	-7	-6	-24	-18	-24

EBITA²

Amounts in NOK million	1.7 – 30.9		1.1 – 30.9		1.1 – 31.12
	2015	2014 ³	2015	2014 ³	2014 ³
Borregaard	160	165	396	394	486
Performance Chemicals	111	117	349	305	388
Specialty Cellulose	56	62	82	133	163
Other Businesses	-7	-14	-35	-44	-65
Reconciliation against operating profit and profit before taxes					
EBITA ² adjusted	160	165	396	394	486
Amortisation intangible assets	0	0	0	0	0
Other income and expenses	0	0	0	0	-30
Operating profit	160	165	396	394	456
Financial items, net	-9	-12	-20	-23	-26
Profit before taxes	151	153	376	371	430

There are limited intercompany sales between the different segments and eliminations consist essentially of allocations from the corporate headquarter. Segment reporting is changed from 1 January 2015 and the 2014 figures are restated to reflect the changes. See Note 13.

NOTE 3

Other income and expenses

There are no Other income and expenses in the 3rd quarter of 2015.

NOTE 4

Income tax expense

The tax rate of 26.6% for the first nine months of 2015 is a compilation of the tax rates in the various countries in which Borregaard operates and has taxable income. The normal tax rate is expected to be in the range 25 - 28%. The Norwegian Government has proposed a reduction of the tax rate in Norway from the current 27% to 25% from 1 January 2016. This is not yet reflected,

3. Segment reporting is changed from 1 January 2015, the 2014 figures are restated to reflect the changes. See Note 13.

4. 2014 operating revenues and eliminations are restated due to minor changes in the treatment of internal transactions.

but will be considered in the calculation of deferred taxes as of 31 December 2015 if the proposal is approved by the Norwegian Parliament.

NOTE 5

Earnings per share (EPS)

The share capital consists of 100 million shares. The company holds 777,883 treasury shares. As of 30 September 2015, there are 99,551,253 diluted shares (99,577,876 as of 31 December 2014). Earnings per diluted share were NOK 1.13 in the 3rd quarter of 2015.

NOTE 6

Stock options

No share options have been exercised during the 3rd quarter of 2015.

The Group Executive Management and other key employees hold a total of 958,800 stock options in three different share option programmes in Borregaard. The first programme has a total of 208,800 outstanding stock options at a strike price of NOK 16.68. The second programme has a total of 250,000 outstanding stock options at a strike price of NOK 19.15. The strike prices have been adjusted for dividends in 2013, 2014 and 2015, NOK 3.35 in total. The share options for the first two programmes were vested on 18 October 2013 and can be exercised until the end of October 2016.

The third option programme, comprising 500,000 stock options granted in October 2014, has a strike price of NOK 48.00 adjusted for dividend of NOK 1.25 in 2015. The options will expire after five years, the vesting period is three years and the options can be exercised during the last two years.

NOTE 7

Statement of comprehensive income

The statement of comprehensive income shows changes in the value of hedging instruments, both cash flow hedges and hedges of net investments in subsidiaries (hedging reserve). These figures are presented after tax. The tax effect for the nine months of 2015 relating to the hedging reserves amounts to NOK -111 million for cash flow hedges (NOK 2 million) and NOK -22 million for hedges of net investments in subsidiaries (NOK 0 million). Total hedging reserve included in equity as of 30 September 2015 (after tax) amounts to NOK -301 million and NOK -103 million respectively (NOK 5 million and NOK -11 million).

NOTE 8

Fair value hierarchy

For financial instruments that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

The following measurement levels are used for determining the fair value of financial instruments:

- Level 1 — Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities
- Level 2 — Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable)
- Level 3 — Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable)

There were no transfers from one level to another in the measurement hierarchy from 2014 to the 3rd quarter of 2015. Borregaard has no items defined as level 1. The bond is determined as measurement level 3. The fair value of the bond is deemed to equal its book value.

Set out below is a comparison of the carrying amount and the fair value of financial instruments as of 30 September 2015:

Financial assets Amounts in NOK million	Level	Carrying amount	Fair value
Non-current financial receivables	2	69	69
Non-current derivatives	2	2	2
Current derivatives	2	13	13
Total financial assets		84	84
Financial liabilities			
Non-current financial liabilities	2,3	850	850
Non-current derivatives	2	231	231
Current financial liabilities	2	9	9
Current derivatives	2	210	210
Total financial liabilities		1 300	1 300

Financial instruments measured at fair value Amounts in NOK million	2015 30.9	Level 1	Level 2	Level 3
Financial instruments	-1 216	0	-816	-400

The financial instruments are measured based on observable spot exchange rates, the yield curves of the respective currencies as well as the currency basis spreads between the respective currencies.

NOTE 9

Compilation of Equity

	2015	2014
Amounts in NOK million	30.9	31.12
Share capital	100	100
Treasury shares	-1	-1
Share premium	1 346	1 346
Other paid-in equity	235	232
Translation effects	80	22
Hedging reserve	-404	-248
Actuarial gains/losses	-4	-4
Retained earnings	648	494
Group equity (controlling interests)	2 000	1 941

As of 30 September 2015, the company held 777,883 treasury shares at an average cost of NOK 44.08.

NOTE 10

Net interest-bearing debt

The various elements of net interest-bearing debt are shown in the following table:

	2015	2014
Amounts in NOK million	30.9	31.12
Non-current interest-bearing liabilities	850	784
Current interest-bearing liabilities including overdraft of cashpool	9	8
Non-current interest-bearing receivables (included in "Other Assets")	-18	-16
Cash and cash deposits	-125	-168
Net interest-bearing debt	716	608

NOTE 11

Related parties

The members of the Group Executive Management of Borregaard hold a total of 563,800 stock options in the Company as of 30 September 2015.

NOTE 12

Assessments relating to impairment

No impairment indicators have been identified in the Borregaard Group's property, plant and equipment or intangible assets in the 3rd quarter of 2015.

NOTE 13

Changes in Segments from 2015

From 1 January 2015 the Group has made changes to the internal reporting of its segments. BALI project costs are now reported as part of Performance Chemicals (previously reported as part of Other Businesses). The Exilva project is now reported as part of Other Businesses (previously part of Specialty Cellulose). Restated figures for 2014 are shown in the tables below:

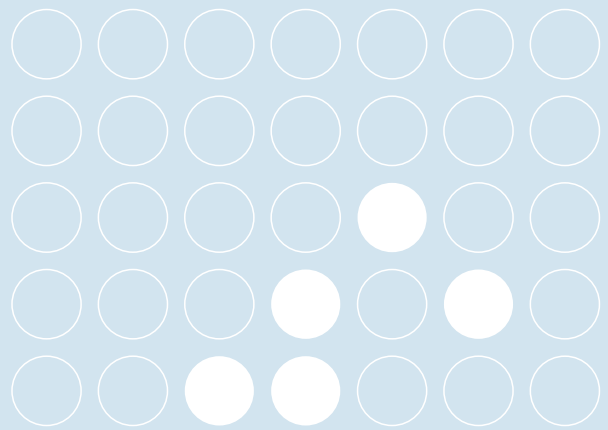
2014

Operating revenues			
Amounts in NOK million	2014	Restating	Restated 2014
Borregaard	3 939		3 939
Performance Chemicals	1 822		1 822
Specialty Cellulose	1 463	-4	1 459
Other Businesses ⁴	678	4	682
Eliminations ⁴	-24		-24
EBITA³			
Amounts in NOK million	2014	Restating	Restated 2014
Borregaaard	486		486
Performance Chemicals	419	-31	388
Specialty Cellulose	129	34	163
Other Businesses	-62	-3	-65

NOTE 14

Other matters and subsequent events

There have been no events after the balance sheet date that would have had an impact on the financial statements or the assessments carried out.



Borregaard ASA

P.O. Box 162

NO-1701 Sarpsborg, Norway

Telephone (+47) 69 11 80 00

Fax (+47) 69 11 87 70

email: borregaard@borregaard.com

www.borregaard.com