

June 25th 2007

Norske Skogindustrier ASA
V/ Hallvard Granheim

International Financial Reporting Interpretations Committee
First Floor
30 Cannon Street
London EC4M 6XH
United Kingdom

Dear Sir / Madam


On behalf Norske Skogindustrier ASA we hereby write to inform you that we disagree with your proposed draft rejection regarding the scope of IAS 39.11A.

We believe that it should be clear from the last part of IAS 39.11 that the word contract as used in IAS 39.11, IAS 39.11A and IAS 39.12-13 includes both financial instruments within the scope of IAS 39 and non-financial instruments outside the scope of IAS 39. It thus follows from a plain English reading of IAS 39.11A that the option in IAS 39.11A applies to contracts where the host contract is a financial instrument as well as contracts where the host contract otherwise would be outside of the scope of IAS 39.

We are today taking the option in IAS 39.11A into consideration when selecting the proper treatment for non-financial contracts containing embedded derivatives otherwise to be separated. We thus disagree with your expectation that there is no significant divergence in practise.

If you have questions or want further clarifications please contact Hallvard Granheim.

Kind regards



Hallvard Granheim
Manager Treasury Controlling
Norske Skogindustrier ASA

Norske Skogindustrier ASA

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