

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATION (EU) 596/2014

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Norges Statsbaner AS
(incorporated with limited liability under the laws of Norway)

**announces Consent Solicitation
in respect of certain Notes**

24 October 2016. Norges Statsbaner AS (the **Existing Issuer**) announces today separate invitations (together the **Consent Solicitation**) to Eligible Noteholders (as defined below) of each series of notes described in the tables below (together the **Notes** and each series of the Notes a **Series**) to consent to the substitution of Materiellselskapet AS (the **New Issuer**) in place of the Existing Issuer as issuer and principal debtor in respect of the relevant Series, and to certain consequential changes to the terms and conditions of, and other documents relating to, the relevant Series, as proposed by the Existing Issuer (each a **Proposal** and together the **Proposals**) for approval by an Extraordinary Resolution at a meeting (including any adjourned such meeting) of the holders of such Series (each a **Meeting** and together the **Meetings**), all as further described under "*Summary of the Proposals*" below.

This announcement does not contain the full terms and conditions of the Consent Solicitation, which are contained in the consent solicitation memorandum dated 24 October 2016 (the **Consent Solicitation Memorandum**) prepared by the Existing Issuer. Subject to the restrictions described under "*Solicitation and Distribution Restrictions*" below, Eligible Noteholders may obtain a copy of the Consent Solicitation Memorandum from the Global Information Agent, the contact details for which are set out below. In order to receive a copy of the Consent Solicitation Memorandum, a holder of Notes will be required to provide confirmation as to his or her status as an Eligible Noteholder. Eligible Noteholders are advised to read carefully the Consent Solicitation Memorandum.

All documentation relating to the Consent Solicitation, together with any updates, will also be available (subject to the restrictions referred to under "*Solicitation and Distribution Restrictions*" below) via the Consent Website (<https://sites.dfkingltd.com/nsb>).

Capitalised terms used in this announcement but not defined have the meanings given to them in the Consent Solicitation Memorandum.

Details of the Notes

Description of the Notes	ISIN / Common Code (if applicable)	Valor (if applicable)	VPS Identification Number (if applicable)	Outstanding nominal amount
CHF Notes				
CHF250,000,000 2.125 per cent. Notes due February 2020	CH0123575091 / 058505366	12.357.509	Not Applicable	CHF250,000,000
CHF125,000,000 1.125 per cent. Notes due May 2023	CH0210891989 / 091471990	21.089.198	Not Applicable	CHF125,000,000

Description of the Notes	ISIN / Common Code (if applicable)	Valor (if applicable)	VPS Identification Number (if applicable)	Outstanding nominal amount
NOK Notes				
NOK600,000,000 Floating Rate Notes due February 2019	NO0010703440	Not Applicable	985 140 421	NOK600,000,000
NOK400,000,000 3.10 per cent. Notes due April 2019	NO0010674922	Not Applicable	985 140 421	NOK400,000,000
NOK300,000,000 Floating Rate Notes due April 2019	NO0010674914	Not Applicable	985 140 421	NOK300,000,000
NOK300,000,000 3.08 per cent. Fixed Rate Notes due February 2021	NO0010703457	Not Applicable	985 140 421	NOK300,000,000
NOK350,000,000 4.25 per cent. Fixed Rate Notes due January 2022	NO0010635360	Not Applicable	985 140 421	NOK350,000,000
NOK500,000,000 3.75 per cent. Fixed Rate Notes due February 2026	NO0010703556	Not Applicable	985 140 421	NOK500,000,000
NOK1,150,000,000 4.625 per cent. Fixed Rate Notes due January 2027	NO0010635428	Not Applicable	985 140 421	NOK1,150,000,000

Background to the Proposals

The Existing Issuer is Norway's national railway company, wholly owned by the Kingdom of Norway through the Norwegian Ministry of Transportation and Communication (the **Ministry of Transport**). The Existing Issuer has up until now been responsible for procuring its own rolling stock, and has acquired its rolling stock after extensive competitive tendering in accordance with the Norwegian Public Procurement Act.

On 12 May 2015, the Ministry of Transport published a white paper (Meld. St. 27 (2014-2015)) describing a proposed reform of the Norwegian railway sector (the **Reform**). The white paper was approved by Stortinget (the Norwegian Parliament) on 15 June 2015. The Reform entails a partial liberalisation of the railway sector by opening up the passenger railway services for competition as well as changes to the organisational structure of the sector.

The rolling stock that until now has been owned by the Existing Issuer was developed specifically for the Norwegian rail system and climate, represents a significant investment and has a long remaining useful life, and therefore represents a potential barrier to entry for new train operators in the Norwegian passenger rail market. To reduce entry barriers and ensure competition for passenger train services on equal terms, the Ministry of Transport has decided that the rolling stock shall be transferred from the Existing Issuer to the New Issuer and be made available to the train operators that win the tenders for the traffic packages.

The initial step of the reorganisation envisaged by the Reform has been the internal reorganisation of the companies and business sectors within the Existing Issuer. The rolling stock owned by the Existing Issuer, as well as certain employees, was transferred to the New Issuer on 15 October 2016 in accordance with an asset purchase agreement dated 14 October 2016 entered into between the Existing Issuer and the New Issuer. As consideration for the rolling stock and other rights, assets and liabilities taken over by the New Issuer, the New Issuer has, *inter alia*, agreed to assume the obligations of the Existing Issuer under the Notes. On the same date the New Issuer and the Existing Issuer entered into a lease contract whereby the Existing Issuer leases back the rolling stock transferred to the New Issuer.

The following step in the reorganisation will be the separation of the New Issuer from the Existing Issuer by a transfer of the shares in the New Issuer to the Ministry of Transport. The transfer will be carried out in the form of a statutory demerger of the Existing Issuer (the **Demerger**). The Demerger is scheduled to be finally approved in February 2017 and the completion of the separation is expected to take place by the end of April 2017. For accounting purposes, the Demerger will be effective as of 1 January 2017.

The New Issuer initially targets a long-term debt rating from Standard & Poor's (**S&P Global**) of A+, whilst the long term rating of the Existing Issuer as at the date of this announcement is currently A+ with a negative outlook dependant on the final outcome of the Reform. In the longer term, the New Issuer targets a long-term debt rating of AA.

S&P Global is expected to publish a press release shortly after the date of this announcement, and has been asked to assign a senior long-term credit rating to the New Issuer. It is expected that, if S&P Global does assign a credit rating to the New Issuer, the same credit rating would also be applied by S&P Global to the New Issuer's debt securities, including (following implementation of the Proposals) the Notes.

Neither the Existing Issuer nor the New Issuer intends to seek or maintain a credit rating from Moody's Investors Service Limited (or its affiliates) for itself or for any of their respective debt securities following the date of this announcement.

Further background to the Proposals, which Noteholders are advised to review carefully, is set out in the Consent Solicitation Memorandum and the notice convening the Meetings published by the Existing Issuer on the date of this announcement (the **Notice**).

Summary of the Proposals

The purpose of the Consent Solicitation in respect of each Series is:

- (i) to provide for the substitution of the New Issuer, which is currently a subsidiary of the Existing Issuer, in place of the Existing Issuer as issuer and principal debtor in respect of such Series, subject to satisfaction of the Eligibility Condition (as defined below), all as further described in the Consent Solicitation Memorandum; and
- (ii) certain consequential changes to the relevant Trust Deed constituting the Notes of such Series and (in the case of any Series of CHF Notes) the relevant Agency Agreement.

Eligible Noteholders

The Consent Solicitation is only being made, and the Consent Solicitation Memorandum and any other documents or materials relating to the Consent Solicitation are only for distribution or to be made available, to persons that are (a) located and resident outside the United States and who are not "U.S. persons" (as defined in Regulation S under the Securities Act) and (b) otherwise persons to whom the Consent Solicitation can be lawfully made and that may lawfully participate in the Consent Solicitation (each an **Eligible Noteholder**).

Meetings

At each Meeting, Noteholders will be invited to consider and, if thought fit, approve the Extraordinary Resolution relating to the relevant Series, with any implementation of that Extraordinary Resolution being subject to satisfaction of the Eligibility Condition (as defined below), all as more fully described in the Notice.

In accordance with the procedures for participating in the Consent Solicitation and at the Meetings, each Noteholder must confirm whether or not it is an Eligible Noteholder in order to participate in the Consent Solicitation in respect of the relevant Series or otherwise participate at the relevant Meeting.

The implementation of each Proposal in respect of a Series and the related Extraordinary Resolution will be conditional on:

- (i) the passing of the relevant Extraordinary Resolution; and
- (ii) the quorum required for, and the requisite majority of votes cast at, the relevant Meeting being satisfied by Eligible Noteholders, irrespective of any participation at the relevant Meeting by Ineligible Noteholders (and would also have been so satisfied if any Ineligible Noteholders who provide confirmation only of their status as Ineligible Noteholders and waive their right to attend and vote (or be represented) at the relevant Meeting had actually participated at such Meeting), including the satisfaction of such condition at an adjourned Meeting (the **Eligibility Condition**),

(together, the **Consent Conditions**).

At each Meeting, the relevant Extraordinary Resolution will be considered by the holders of the relevant Series of Notes only, and neither an Extraordinary Resolution nor the payment of any related Consent Fee is conditional on the passing of the Extraordinary Resolution (or the implementation of the Proposal) relating to any other Series.

Early Consent Fee

Pursuant to the Consent Solicitation, each Eligible Noteholder from whom a valid Consent Instruction in favour of the relevant Extraordinary Resolution is received by the relevant Tabulation Agent by 5.00 p.m. (CET) on 4 November 2016 (such time and date with respect to each relevant Series, as the same may be extended, the **Early Consent Deadline**) will be eligible to receive payment of an amount equal to 0.10 per cent. of the nominal amount of the Notes that are the subject of such Consent Instruction (the **Early Consent Fee**). Only Eligible Noteholders will, subject to the conditions described in the Consent Solicitation Memorandum, be entitled to receive the Early Consent Fee.

Eligible Noteholders may continue to submit Consent Instructions after the Early Consent Deadline and up to the Expiration Deadline but such Noteholders will not be eligible to receive the Early Consent Fee.

Payment of the Early Consent Fee in respect of a Series of Notes is conditional on the satisfaction of the Consent Conditions for that Series, as further described in the Consent Solicitation Memorandum.

Payment of any Early Consent Fee in relation to a Series is not conditional on the passing of the Extraordinary Resolution (or the implementation of the Proposal) relating to any other Series.

Ineligible Noteholder Payment

Any Noteholder who is not an Eligible Noteholder, on the basis that such Noteholder is either (i) a U.S. person and/or located or resident in the United States and/or (ii) a person to whom the Consent Solicitation cannot otherwise be lawfully made (each an **Ineligible Noteholder**) may be eligible, to the extent permitted by applicable laws and regulations, to receive an equivalent amount to any applicable Early Consent Fee (which is an amount equal to 0.10 per cent. of the nominal amount of the Notes that are the subject of the relevant Ineligible Noteholder Confirmation (as defined in the Notice)) (the **Ineligible Noteholder Payment**).

To be eligible for the Ineligible Noteholder Payment, an Ineligible Noteholder must deliver, or arrange to have delivered on its behalf, a valid Ineligible Noteholder Confirmation that is received by the relevant Tabulation Agent by 5.00 p.m. (CET) on 4 November 2016 (the **Ineligible Instruction Deadline**) and is not subsequently revoked, as more fully described in the Notice.

Indicative Timetable for the Consent Solicitation

<i>Event</i>	<i>Times and Dates</i>
<i>Announcement of Consent Solicitation along with delivery of (i) Notice of Meetings to SIS Participants and VPS Participants and (ii) VPS Certificate to VPS Participants</i>	24 October 2016
<i>Early Consent Deadline</i>	5.00 p.m. (CET) on 4 November 2016
<i>Expiration Deadline</i>	5.00 p.m. (CET) on 10 November 2016
<i>Meetings</i>	From 11.00 a.m. (CET) on 15 November 2016
<i>Announcement of results of Meetings and satisfaction of Consent Conditions</i>	As soon as reasonably practicable after the Meetings (and in any event within 14 days of the conclusion of the Meetings)
<i>Payment Date</i>	No later than the fifth Business Day immediately following the applicable Meeting at which the Extraordinary Resolution is passed for the relevant Series and the Eligibility Condition relating to such Extraordinary Resolution is satisfied

Event**Times and Dates**

If an Extraordinary Resolution is passed at the relevant Meeting in respect of any Series and the related Eligibility Condition is satisfied, (i) execution and, if applicable, delivery of the applicable Supplemental Trust Deed and, in respect of the CHF Notes, the applicable Supplemental Agency Agreement and (ii) announcement of the effective date of implementation of New Issuer as issuer and principal debtor in respect of the relevant Series along with execution of the applicable Amended and Restated Final Terms

No later than 31 December 2016

The above times and dates are subject to the right of the Existing Issuer (subject to applicable law and the provisions of the trust deeds constituting the Notes, and as provided in the Consent Solicitation Memorandum) to extend, waive any condition of, amend and/or terminate the Consent Solicitation in respect of any Series (other than the terms of the relevant Extraordinary Resolution) as described in the Consent Solicitation Memorandum and the passing of each Extraordinary Resolution at the initial Meeting for the relevant Series.

*Noteholders are advised to check with any bank, securities broker or other intermediary through which they hold their Notes when such intermediary would need to receive instructions from a Noteholder in order for such Noteholder to participate in, or (in the limited circumstances in which revocation is permitted) to validly revoke their instruction to participate in, the Consent Solicitation and/or the relevant Meeting(s) by the deadlines specified above. **The deadlines set by any such intermediary and any applicable Clearing System for the submission and (in the limited circumstances in which revocation is permitted) revocation of Consent Instructions and Ineligible Noteholder Instructions will be earlier than the relevant deadlines set out above and specified in the Consent Solicitation Memorandum.***

Unless stated otherwise, all announcements in connection with the Consent Solicitation will be made (i) in relation to NOK Notes, by publication on the website of the Luxembourg Stock Exchange (www.bourse.lu) and by delivery of notices to the VPS for communication to VPS Participants, and (ii) in relation to CHF Notes, by publication on the website of the SIX Swiss Exchange (http://www.six-swissexchange.com/news/official_notices/search_en.html), by delivery of notices to SIS for communication to SIS Participants. Such announcements may also be made on the relevant Reuters Insider screen page and/or by the issue of a press release to a Notifying News Service and/or by publication on <http://www.stamdata.com>. Copies of all announcements, notices and press releases can also be obtained from the Global Information Agent, the contact details for which are below. Significant delays may be experienced where notices are delivered to the relevant Clearing Systems and Noteholders are urged to contact the Global Information Agent for the relevant announcements during the course of the Consent Solicitation. In addition, Noteholders may contact any of the Solicitation Agent for information using the contact details below.

Eligible Noteholders are advised to read carefully the Consent Solicitation Memorandum for full details of, and information on the procedures for participating in, the Consent Solicitation.

Barclays Bank PLC is acting as Solicitation Agent, D.F. King Ltd. is acting as the Global Information Agent and Swiss Tabulation Agent and Nordic Trustee ASA is acting as VPS Tabulation Agent.

Questions and requests for assistance in connection with the Consent Solicitation may be directed to the Solicitation Agent:

Solicitation Agent

Barclays Bank PLC
5 The North Colonnade
Canary Wharf
London E14 4BB
United Kingdom

Telephone: +44 20 3134 8515
Attention: Liability Management Group
Email: eu.lm@barclays.com

Questions and requests for assistance in connection with the delivery of Consent Instructions may be directed to the relevant Tabulation Agent:

Global Information Agent and Swiss Tabulation Agent

D.F. King Ltd.
125 Wood Street
London EC2V 7AN
United Kingdom

Telephone: +44 20 7920 9700

Email: nsb@dfkingltd.com

Consent Website: <https://sites.dfkingltd.com/nsb>

VPS Tabulation Agent

Nordic Trustee ASA
Office address *Mailing address*
(including courier) Postboks 1470 Vika
Haakon VII gate 1 N-0116 Oslo
N-0161 Oslo Norway
Norway

Telephone: +47 22 87 94 00

Email: mail@nordictrustee.com

This announcement is released by Norges Statsbaner AS and contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 (MAR), encompassing information relating to the Consent Solicitation and the Proposal described above. For the purposes of MAR and Article 2 of Commission Implementing Regulation (EU) 2016/155, this announcement is made by Irene-Katrin Thunshelle, Chief Financial Officer at Norges Statsbaner AS.

DISCLAIMER This announcement must be read in conjunction with the Consent Solicitation Memorandum. The Consent Solicitation Memorandum contains important information which should be read carefully before any decision is made with respect to the Consent Solicitation. If any Noteholder is in any doubt as to the action it should take or is unsure of the impact of the implementation of any Extraordinary Resolution, it is recommended to seek its own financial and legal advice, including in respect of any tax consequences, from its broker, bank manager, solicitor, accountant or other independent financial, tax or legal adviser. Any individual or company whose Notes are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee or intermediary must contact such entity if it wishes to participate in the Consent Solicitation or otherwise participate at the relevant Meeting (including any adjourned such Meeting). None of the Existing Issuer, the New Issuer, the Solicitation Agent, the Global Information Agent, the Tabulation Agents and The Law Debenture Trust Corporation p.l.c. (the **Trustee**) expresses any opinion about the terms of the Consent Solicitation or Extraordinary Resolution or makes any recommendation whether Noteholders should participate in the Consent Solicitation or otherwise participate at the Meeting(s) applicable to them.

SOLICITATION AND DISTRIBUTION RESTRICTIONS

United States

The Consent Solicitation is only being made outside the United States, to persons other than "U.S. persons" (as defined in Regulation S under the Securities Act). Any purported participation in the Consent Solicitation resulting directly or indirectly from a violation of these restrictions will be invalid and any participation in the Consent Solicitation by a person that is located or resident in the United States or that is a U.S. person or by any agent, fiduciary or other intermediary acting on a non-discretionary basis for a beneficial owner that is giving instructions from within the United States or that is any U.S. person will not be accepted.

Neither this announcement nor the Consent Solicitation Memorandum is an offer of securities for sale in the United States or to any U.S. person. Securities may not be offered or sold in the United States absent registration or an exemption from registration. The Notes have not been, and will not be, registered under the Securities Act, or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons, unless an exemption from the registration requirements of the Securities Act is available.

Each Noteholder participating in the Consent Solicitation will represent that it is not a U.S. person (as defined in Regulation S under the Securities Act), and is not acting for the account or benefit of any U.S. person, and that it is not located or resident in the United States.

For the purpose of the above paragraphs, **United States** means the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia.

General

The distribution of this announcement and the Consent Solicitation Memorandum in certain jurisdictions may be restricted by law, and persons into whose possession this announcement and/or the Consent Solicitation Memorandum comes are required to inform themselves about, and to observe, any such restrictions.

Nothing in this announcement or the Consent Solicitation Memorandum constitutes or contemplates an offer of, an offer to purchase or the solicitation of an offer to sell any security in any jurisdiction and participation in the Consent Solicitation by a Noteholder in any circumstances in which such participation is unlawful will not be accepted.

Each Noteholder participating in the Consent Solicitation will be required to represent that it is an Eligible Noteholder. Any Consent Instruction from a Noteholder that is unable to make these representations will not be accepted. Each of the Existing Issuer, the New Issuer, the Solicitation Agent, the Global Information Agent and the Tabulation Agents reserves the right, in its absolute discretion, to investigate, in relation to any submission of Consent Instructions, whether any such representation given by a Noteholder is correct and, if such investigation is undertaken and as a result the Existing Issuer determines (for any reason) that such representation is not correct, such Consent Instruction may be rejected.