

## **Appendix to the stock exchange announcement by Orkla ASA ("Orkla") on 10 October 2014**

### About Gränges

Gränges is a leading global supplier of rolled products for brazed aluminium heat exchangers used primarily in automotive applications. The Company develops, produces and markets materials that enhance both the production economy during the customer manufacturing process as well as the performance of the final products, the brazed heat exchangers. Gränges' vision is to help create smaller, lighter and more designable heat exchangers to increase economic efficiency and reduce environmental impact. Gränges operates through three geographical regions: Europe, Asia and Americas with production, research and development in Finspång, Sweden, and Shanghai, China. Through sales and technical support offices in the U.S., India, Japan, South Korea and an agent in Brazil, the Company serves customers worldwide. Gränges has a global leading position in its market niche with an estimated total market share of approximately 20 per cent. Gränges has approximately 950 employees. For further information on Gränges, please see the prospectus prepared in connection with the initial public offering dated 26 September 2014.

The board of directors of Gränges currently consists of Anders Carlberg (chairman), Bertil Villard, Ragnhild Wiborg, Terje Andersen, Carina Andersson, Øystein Larsen (employee representative) and Conny Svensson (employee representative). Tommy Andersson and Claudi Martin Callizo are deputy employee representatives.

The management of Gränges currently consists of Johan Menckel (CEO), Oskar Hellström (CFO), Paul Neutjens (CTO), Kent Schölin (President Europe), Colin Xu (President Asia), Daniel Daoust (President Americas), Niclas Nelson (General Counsel) and Pernilla Grennfelt (Director Communication and IR).

### Key figures from Gränges' income statement and balance sheet

The following key figures have been derived from the selected interim condensed financial information as of, and for the six month periods ended, 30 June 2014 and the selected combined financial information as of, and for the years ended, 31 December 2013 and 2012.

On September 2, 2014, an extraordinary shareholders' meeting in Gränges resolved to distribute a dividend of SEK 1 650 million to Orkla<sup>1</sup>. The dividend was executed on September 4, 2014 and was financed by available liquid funds and a loan from the Orkla group's parent company Orkla ASA. This loan will be repaid and replaced by Gränges AB's credit facility from Svenska Handelsbanken AB (publ) and Skandinaviska Enskilda Banken AB immediately after listing. Adjusted for the dividend paid in September, the equity of Gränges AB on 30 June 2014 would have been SEK 1 768 million and the net debt, including pensions, SEK -939 million.

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<sup>1</sup> Through its wholly owned subsidiary Orkla Industriinvesteringar AB who is the direct shareholder of Gränges AB

<b>Summary of Consolidated Income Statement</b>	<b>Full year</b>			<b>Apr-Jun</b>		<b>Jan-Jun</b>	
<i>All numbers in SEK million</i>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Net Sales	4 642	4 946	4 840	1 176	1 253	2 333	2 473
Operating Profit	456	392	118	124	73	244	167
Profit before taxes	418	331	64	120	65	232	146
Profit for the period	309	316	66	90	48	175	108

<b>Summary of Consolidated Balance Sheet</b>	<b>31 Dec</b>			<b>30 Jun</b>	
<i>All numbers in SEK million</i>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2014</b>	<b>2013</b>
<i>Assets</i>					
Non-current assets	1 759	1 776	1 720	1 720	1 808
Current assets	2 867	2 520	2 670	3 119	2 907
Total assets	4 626	4 296	4 390	4 839	4 715
<i>Equity and liabilities</i>					
Equity	3 098	2 208	2 260	3 418	2 941
Non-current liabilities	400	959	709	191	401
Current liabilities	1 128	1 129	1 421	1 230	1 373
Total equity and liabilities	4 626	4 296	4 390	4 839	4 715

#### The significance of the transaction for Orkla

In 2011, Orkla decided to shift strategic focus to seek future growth in, and allocate capital to, the branded consumer goods sector, where Orkla has its main operations. The transaction enables realisation of values in form of a (for Orkla) significant cash consideration, providing financial flexibility for Orkla.

In Orkla's accounts, Gränges will as from the third quarter of 2014 be considered as a discontinued operation and the historical numbers will no longer be reported as part of Orkla's operations. The P&L effect for Orkla accumulated per third quarter is expected to be slightly positive.

#### Agreements to the benefit of senior employees or members of the board of directors relating to the Offering

Certain members of the board of directors and members of the executive management of Gränges have committed, and are guaranteed, to acquire shares in Gränges in the Offering for the following amounts: Anders Carlberg (SEK 1,500,000), Bertil Villard (SEK 1,500,000), Terje Andersen (SEK 100,000), Ragnhild Wiborg (SEK 50,000), Carina Andersson (SEK 100,000), Johan Menckel (SEK 1,200,000), Oskar Hellström (SEK 500,000), Kent Schölin (SEK 200,000), Pernilla Grennfelt (SEK 200,000) and Niclas Nelson (SEK 200,000).

As part of the separation from the Orkla group and the planned IPO, Gränges has terminated certain incentive programs for executive management, resulting in a remuneration of SEK 3.2 million for the CEO and SEK 4.8 million, including social insurance contributions, for other members of the executive management of Gränges.

Gränges has established an employee incentive programme (the "LTI"), addressed to Gränges' executive management and other key employees, as a way to promote and stimulate continuous loyalty with the operations by linking the interests of such persons with the interests of the shareholders. The LTI comprises a total of 1,000,000 employee warrants, with a maximum of 200,000 warrants to the CEO and a maximum of 150,000 warrants to other members of the executive management and other key individuals of the group. THE LTI runs for two years as from the listing on NASDAQ OMX Stockholm, followed by a conversion period of one year. The strike price is 120 percent of the final price in the Offering.

Certain primary insiders in Orkla have applied for shares in the Offering and received the following allocations:

- Canica AS (related party to Stein Erik Hagen) 2,665,441 shares
- Ventotene Invest AS (related party to Peter A. Ruzicka) 20,000 shares

No agreements which benefits leading employees or members of the board of directors of Orkla have been entered into in connection with the planned transaction.