First quarter results 2015

7 May 2015

Peter A. Ruzicka, President & CEO

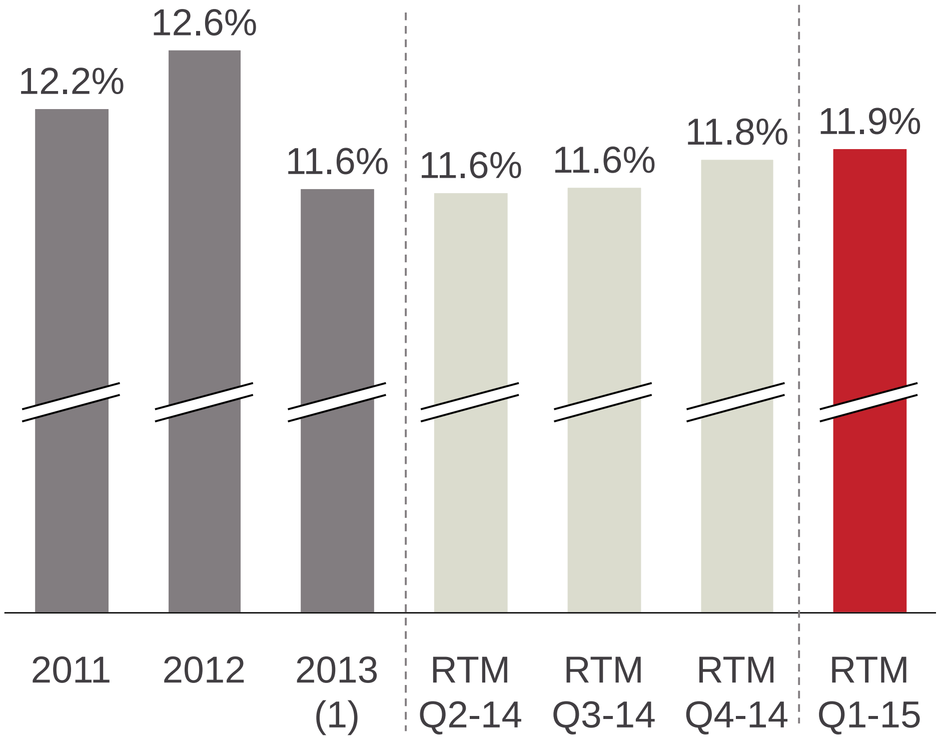
Positive organic growth for all business areas

- Group EBIT (adj.)[1] increased by 10% to NOK 725 million
- Improving operations in Branded Consumer Goods
  - 4.3% organic growth[2]. Positive organic growth for all business areas
  - EBIT (adj.) margin 10.7%, up from 10.3% in Q1-14
- Good performance from associates
  - Volume growth and increased operating revenues in Jotun
  - Improved Sapa result due to synergies and growth in North America
- Delivering on strategy
  - Agreement to acquire Cederroth and completion of NP Foods acquisition
  - Completion of Orkla Brands Russia divestment
  - Add-on acquisitions in Orkla Food Ingredients
  - Agreement to become the primary Nordic go-to-market partner for PepsiCo
- EPS increased by 32% to NOK 0.62, up from NOK 0.47 in Q1-14

[1]EBIT (adj.) = Operating profit before other income and expenses
[2]Reported growth adjusted for FX and M&A

Improving operations in Branded Consumer Goods

RTM EBIT (adj.) margin development



Actions

- Delivered on initiated and ongoing structural processes
- Focused on activities that drive organic growth and improve margins
- Ongoing optimisation of production structure

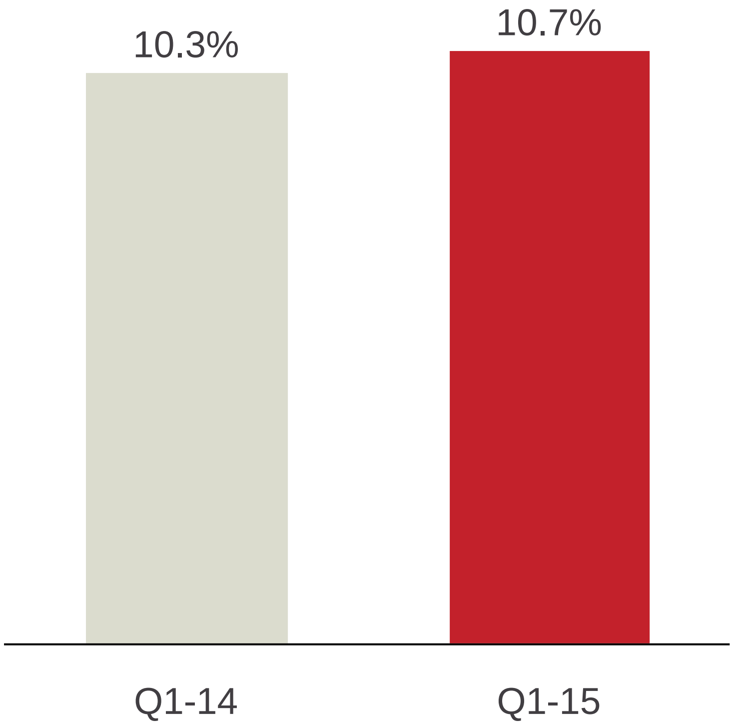
(1) RTM EBIT (adj.) margin diluted due to the acquisition of Rieber

Branded Consumer Goods Q1 2015:

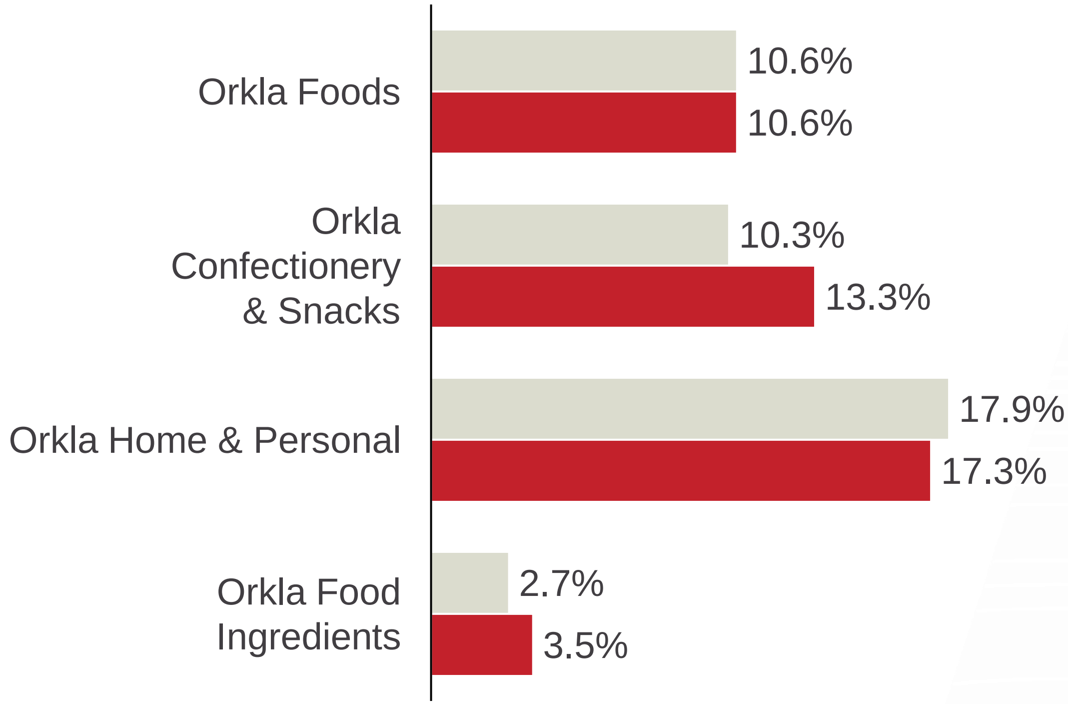
Positive development in EBIT (adj.) margin

Q1-14 Q1-15

EBIT (adj.) margin BCG



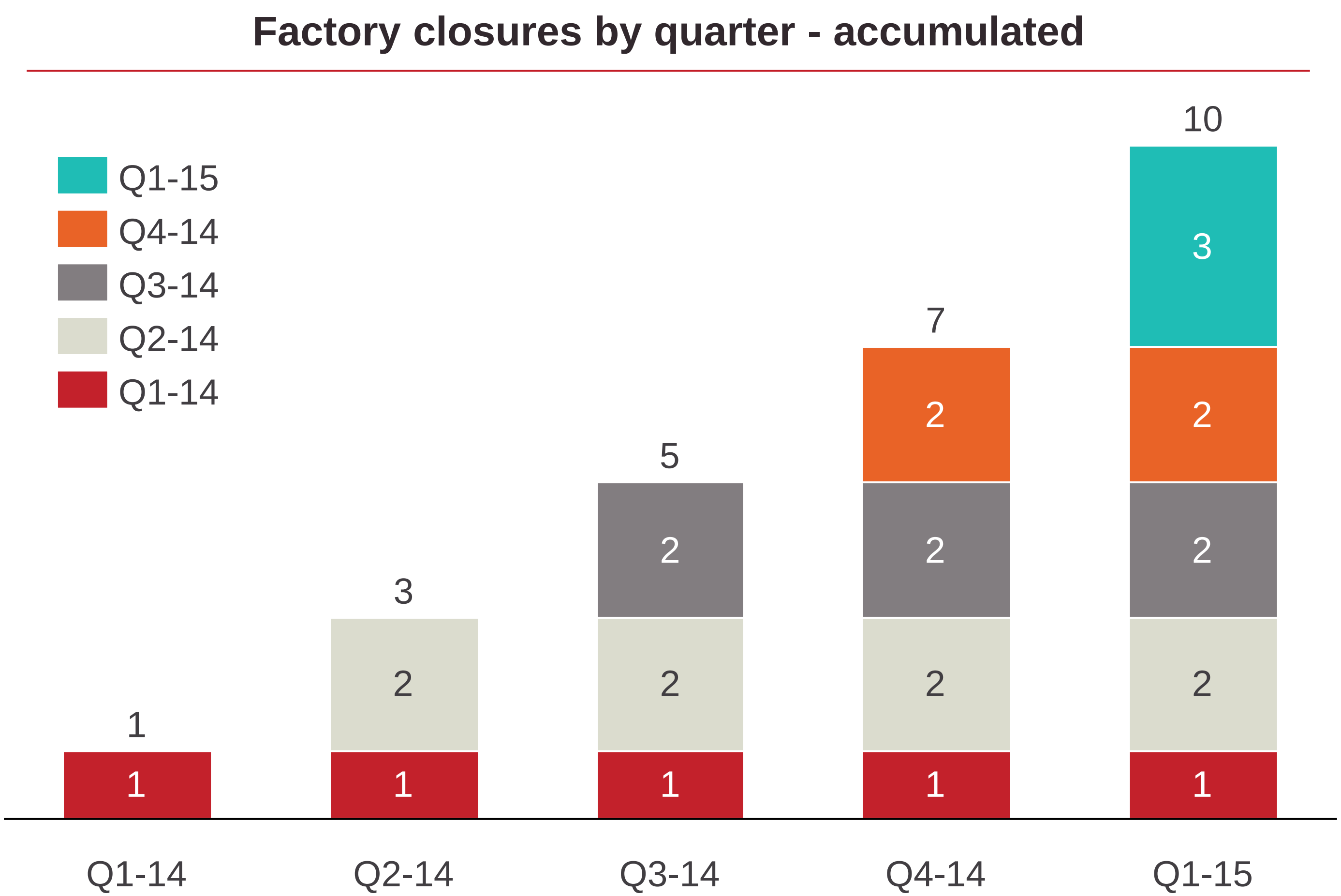
EBIT (adj.) margin BCG per business area



Orkla

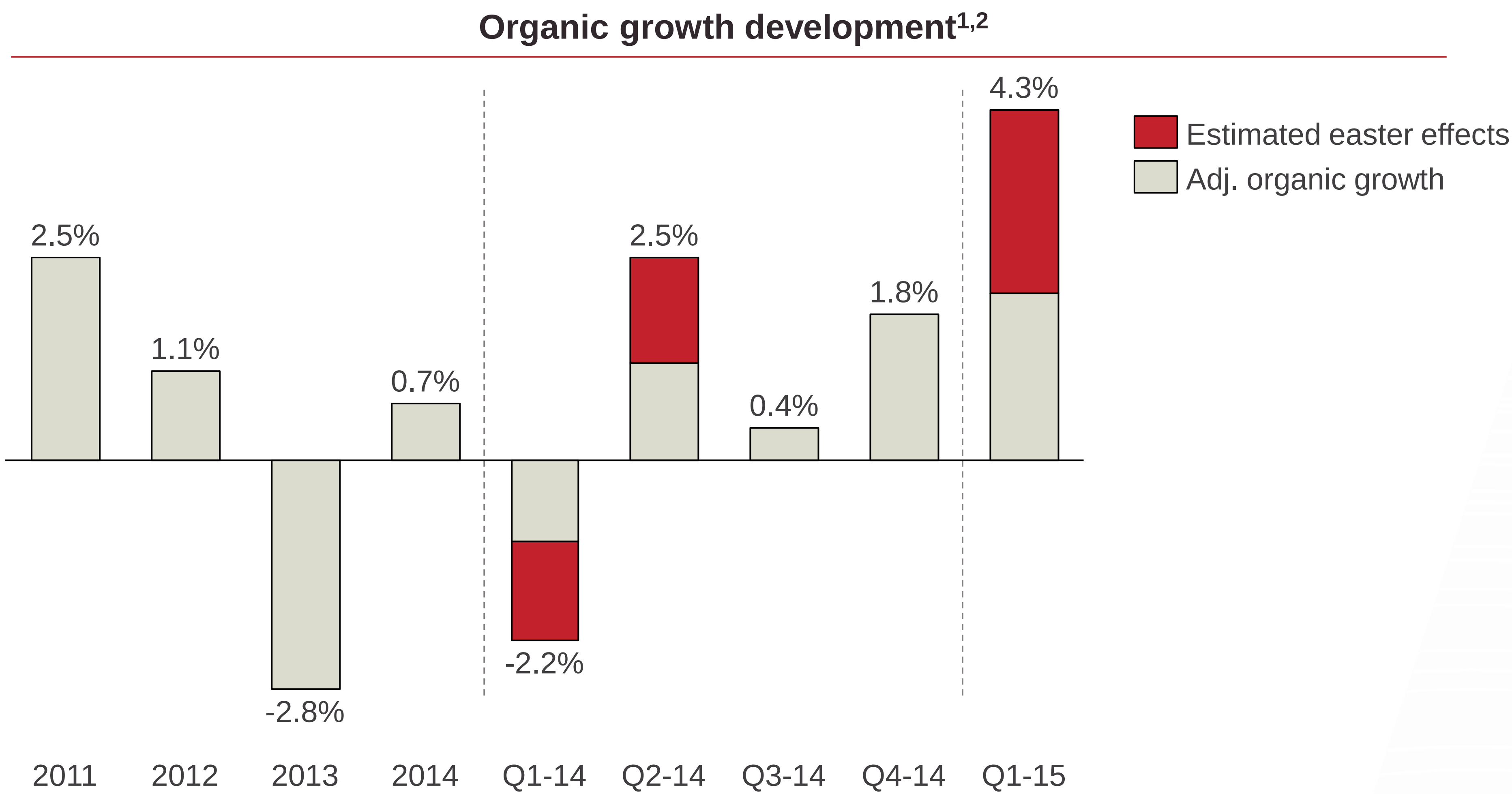
Branded Consumer Goods Q1 2015:

Optimising our factory footprint across all business areas



Branded Consumer Goods Q1 2015:

Continued positive organic growth

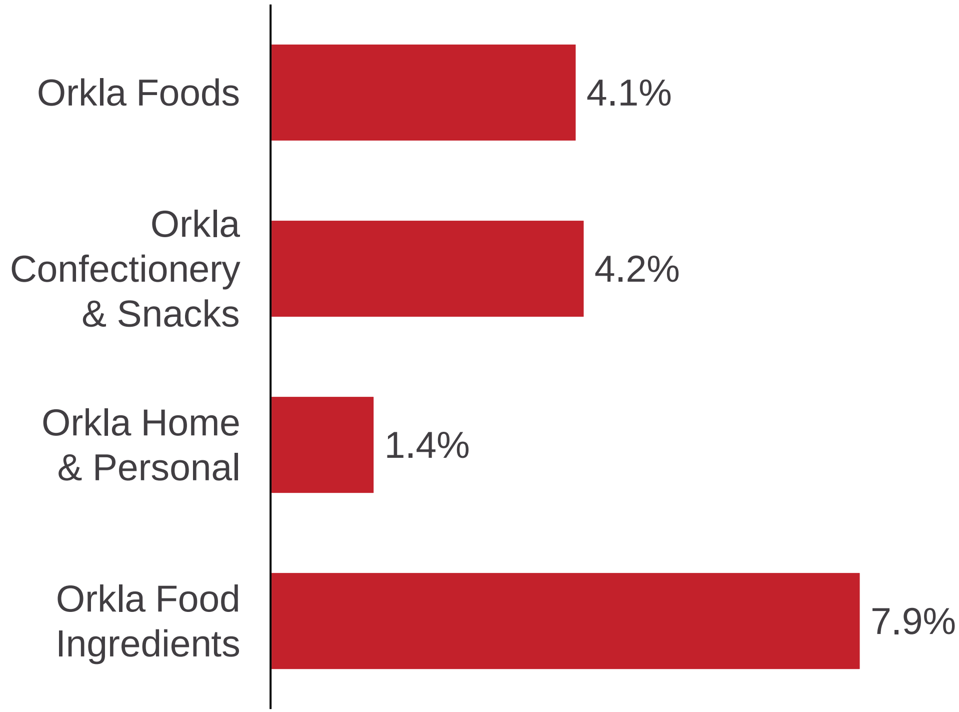


[1]Reported growth adjusted for FX and M&A
[2]For organic growth, data before Q4-14 includes Orkla Brands Russia

Branded Consumer Goods Q1 2015:

Growth in all business areas

Organic growth[1] BCG per business area in Q1



Comments

- Organic growth in all business areas
- Top line growth mainly volume driven
- About half of the BCG organic growth is related to Easter and campaign effects

[1]Reported growth adjusted for FX and M&A

Examples of innovations and relaunches in Q1 2015

Orkla Foods: Chilled vegetable pasta

Orkla Confectionery & Snacks: Big Cut

Examples of innovations and relaunches in Q1 2015

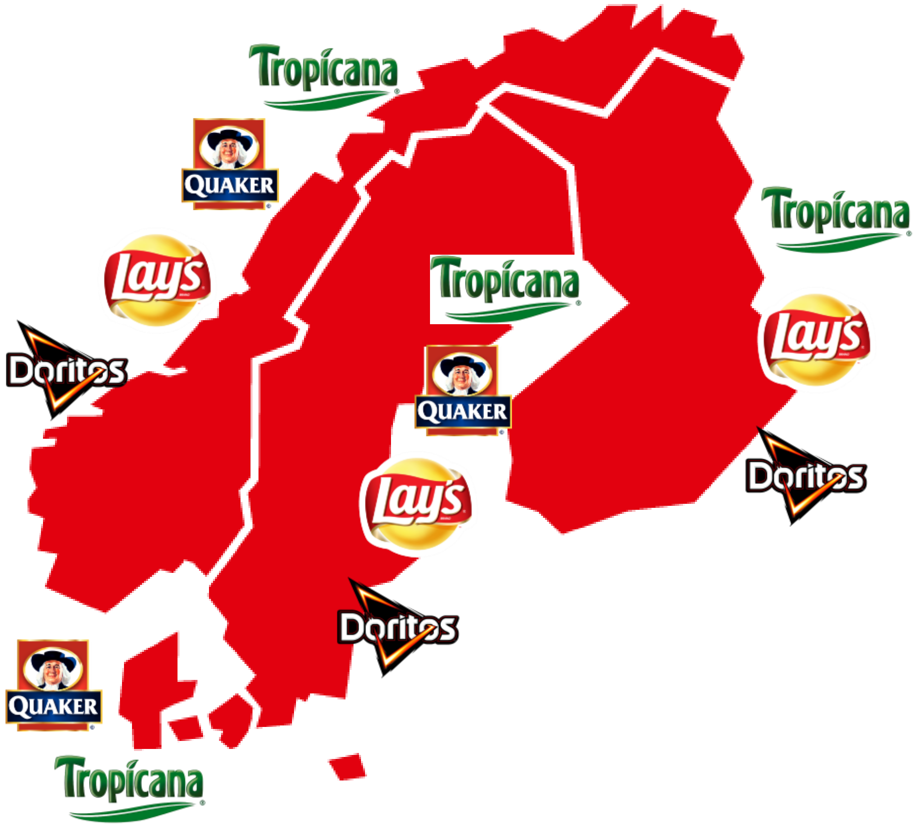
Orkla Home & Personal: More efficient detergents in smaller packaging

Orkla

Orkla Food Ingredients: Marzipan for ice cream and cakes

Activities that drive organic growth

The primary Nordic go-to-market partner for PepsiCo



Summary Q1 2015:

Executing on strategy

- Deliver on initiated and ongoing structural processes
- Optimise supply chain
- Focus on activities that drive organic growth and improve margins:
  - Strong innovation programmes
  - More cross-market initiatives
  - Increase sales force effectiveness
  - Strengthen relations with customers

Financial Performance

Jens Bjørn Staff, CFO

Group EBIT (adj.) improved by 10% to NOK 725 million in Q1

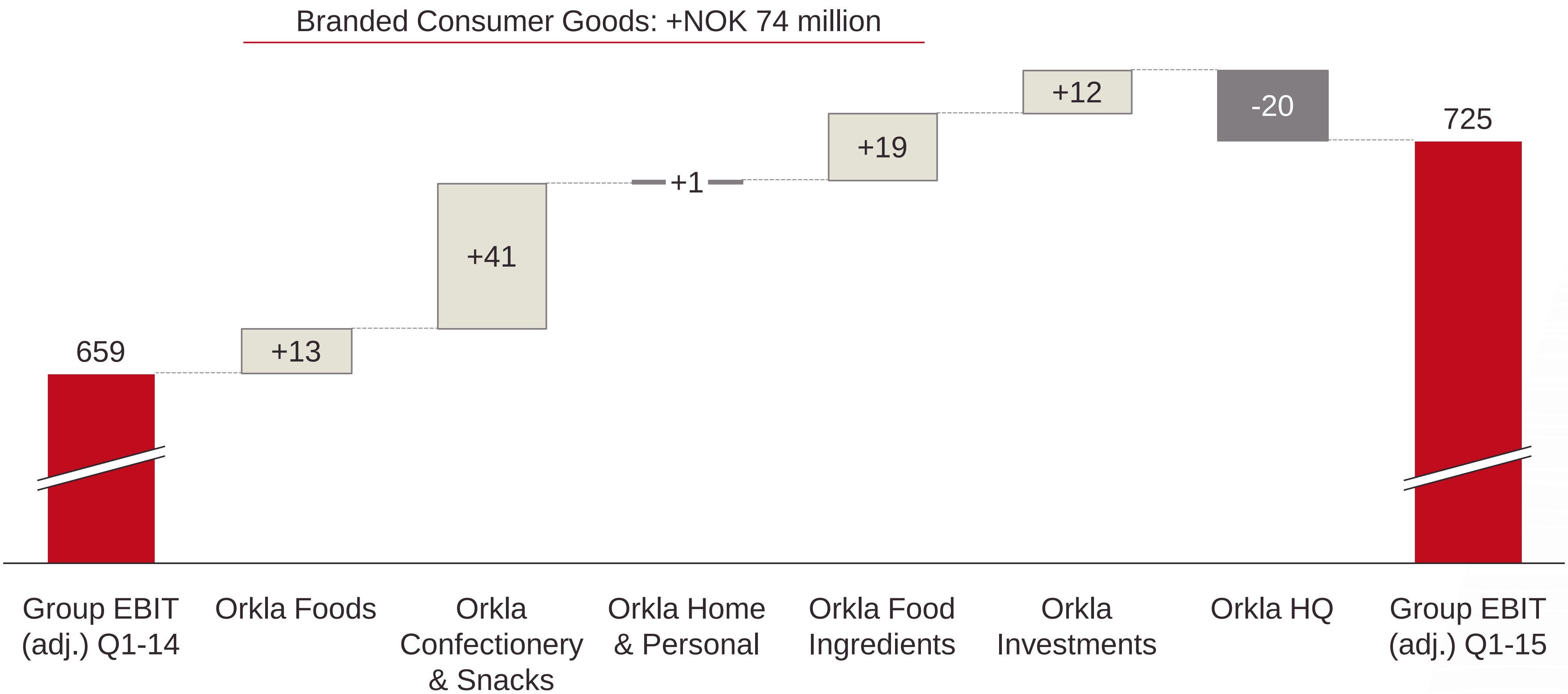
Amounts in NOK million

Key figures	Q1-14	Q1-15
Operating revenues	**7,013**	**7,541**
EBIT (adj.)	**659**	**725**
Other income and expenses	-32	-117
EBIT	**627**	**608**
Profit/loss from associates and JV	55	238
Net financials and other	-103	-51
Profit/loss before tax[1]	**579**	**795**
Discontinued operations[2]	33	-
EPS (NOK)	**0.47**	**0.62**

[1]From continuing operations
[2]Gränges and Orkla Brands Russia are classified as discontinued operations (adj. made for historical figures)

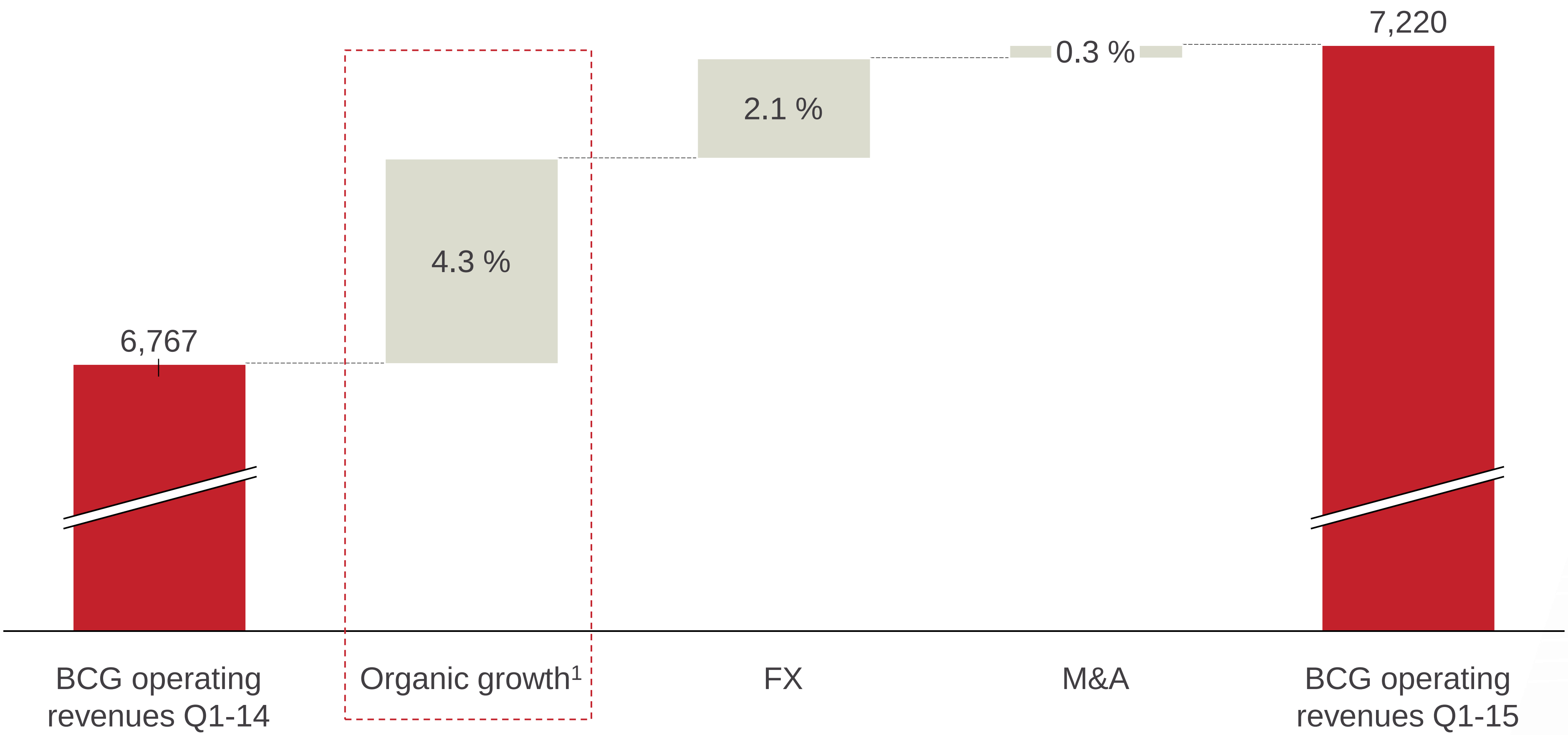
EBIT (adj.) improvement driven by Orkla Confectionery & Snacks

Amounts in NOK million



4.3% organic growth in BCG

Amounts in NOK million



[1]Reported growth adjusted for FX and M&A

Branded Consumer Goods

Key financials Q1 2015

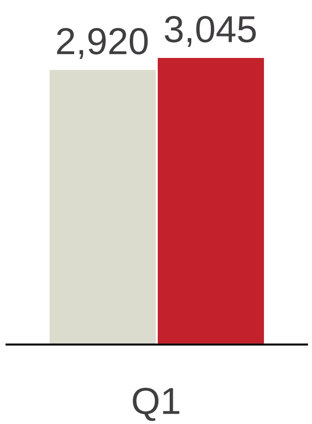
Orkla Foods

Amounts in NOK million

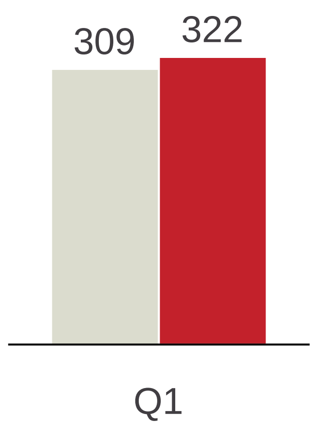
2014 2015

Operating revenues

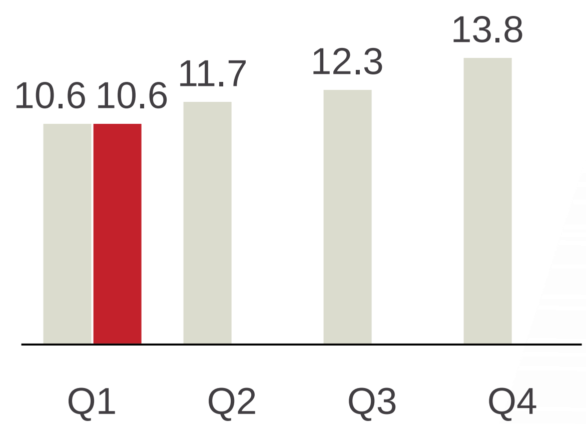
+4.1% OG[1]



EBIT (adj.)



EBIT (adj.) margin (%)



- Broad-based sales growth in Q1
- Timing of Easter effects positive
- Timing of campaign effects negative

- Broad-based EBIT (adj.) improvement and stable margins
- EBIT (adj.) improvement related to sales growth and positive effects of cost improvements

 [1]Reported growth adjusted for FX and M&A

Orkla

Key financials Q1 2015

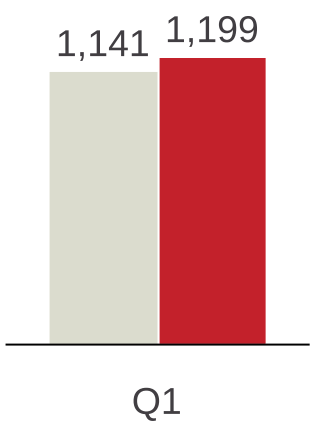
Orkla Confectionery & Snacks

Amounts in NOK million

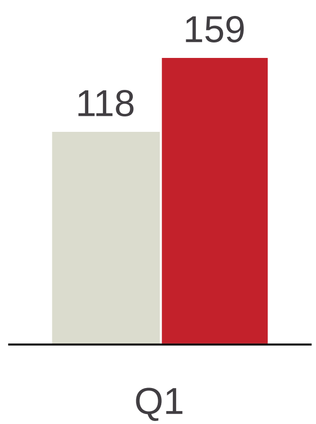
2014 2015

Operating revenues

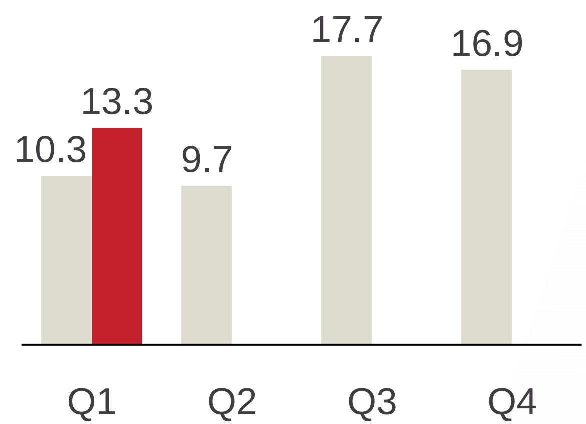
+4.2% OG[1]



EBIT (adj.)



EBIT (adj.) margin (%)



- Organic growth mainly driven by Norway and Denmark
- Positive Easter effects in the Scandinavian countries

- Broad-based EBIT (adj.) improvement in most business units
- Positive development related to improved margins and lower fixed costs

[1]Reported growth adjusted for FX and M&A

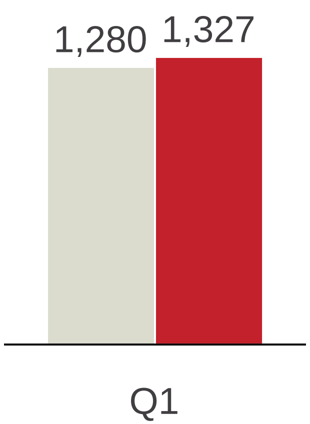
Orkla Home & Personal

Amounts in NOK million

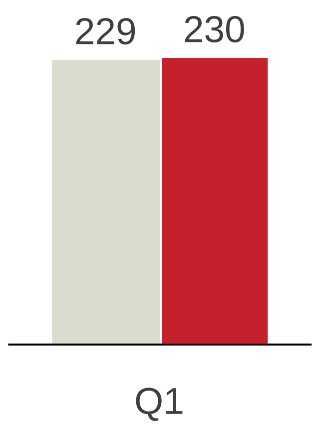
2014 2015

Operating revenues

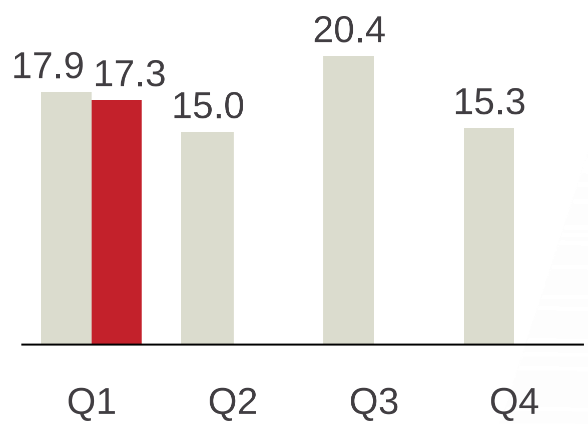
+1.4% OG[1]



EBIT (adj.)



EBIT (adj.) margin (%)



- Broad-based growth

- Margins negatively affected by a weak NOK
- Increased marketing investments to support strong launch programme in Lilleborg

[1]Reported growth adjusted for FX and M&A

Key financials Q1 2015

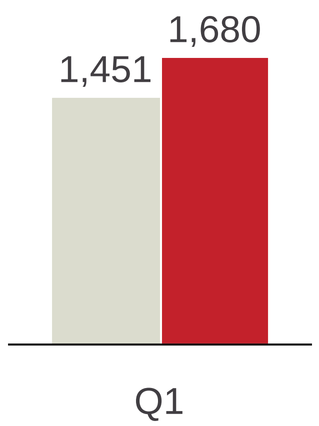
Orkla Food Ingredients

Amounts in NOK million

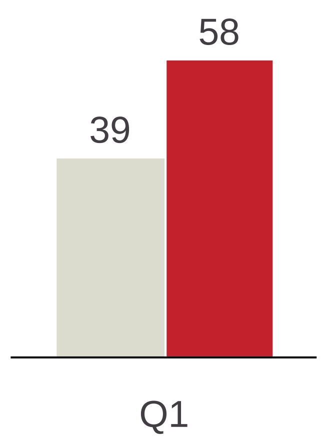
2014 2015

Operating revenues

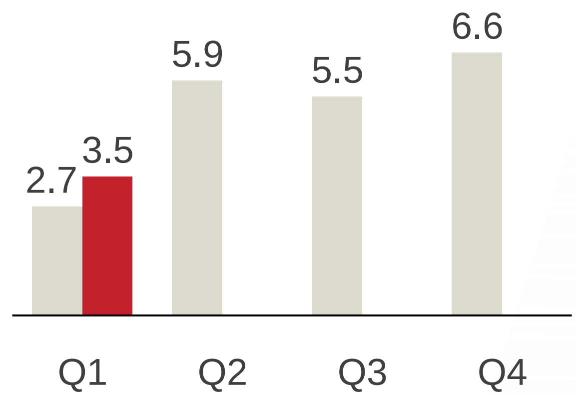
+7.9% OG[1]



EBIT (adj.)



EBIT (adj.) margin (%)



- Positive Easter effects
- Improvement was driven by good performance in most business units

- Broad based EBIT (adj.) improvement
- Improvement was supported by strengthened market positions

 [1]Reported growth adjusted for FX and M&A

Orkla

Orkla Investments

Key financials Q1 2015

Orkla Investments

JVs & associates - Equity accounting

Ownership: 42.5%	Ownership: 50%	Ownership: 31%
JOTUN	sapa:	GRÄNGES

Fully consolidated[1]

Hydro Power

Orkla's financial investments

[1] In addition to Sapa, Jotun and Gränges, Orkla Investments has a number of smaller associates within Real Estate which are accounted for under the equity method.

Orkla

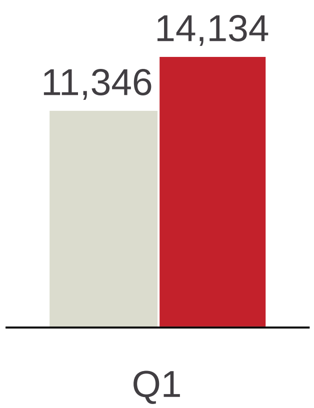
Key financials Q1 2015

Sapa (50/50 joint venture)

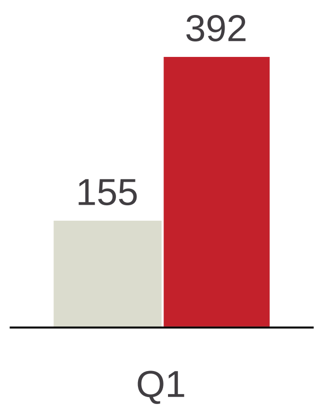
Amounts in NOK million

2014 2015

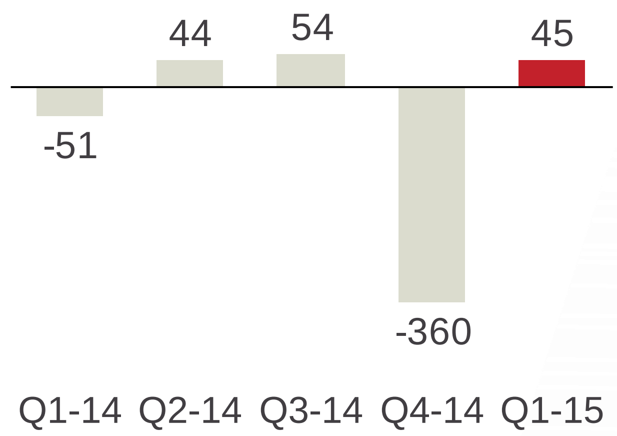
Operating revenues



Underlying EBIT



Orkla's share of net profit after tax



- Strong demand in North America
- Stable demand in Europe

- Underlying EBIT improvement driven by synergy programmes and positive FX effects
- Investor call to be held 18 May at 3 pm CET

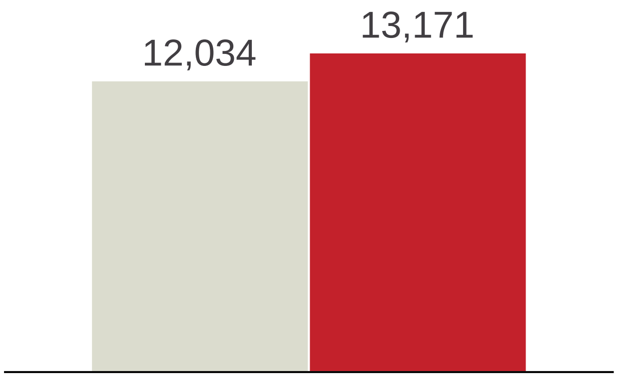
Key financials 2014

Jotun (42.5%)

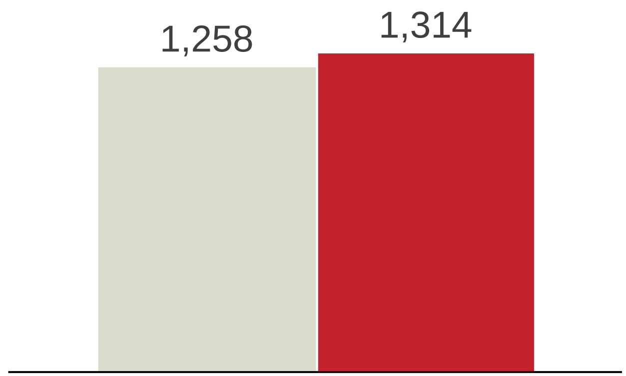
Amounts in NOK million

2013 2014

Total net sales



EBIT



- All time high sales and operating profit for Q1
- Good sales growth for all segments

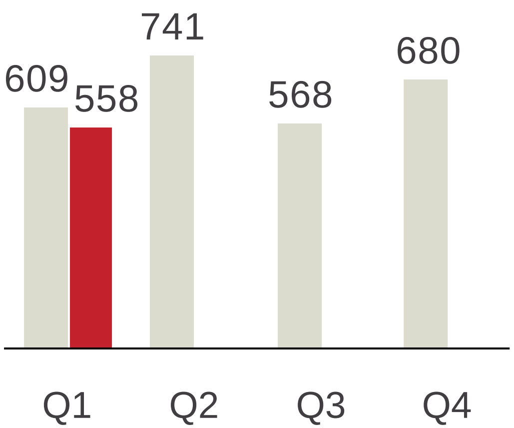
- Positively impacted by currency effects

Key financials Q1 2015

Hydro Power

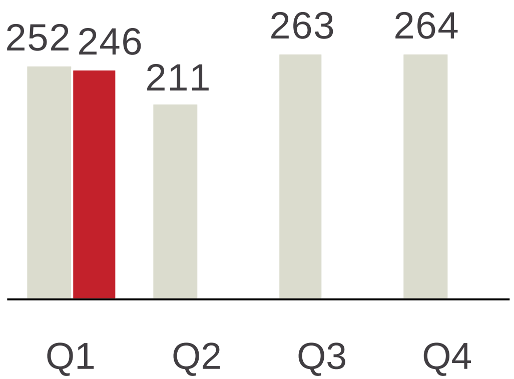
2014 2015

GWh produced



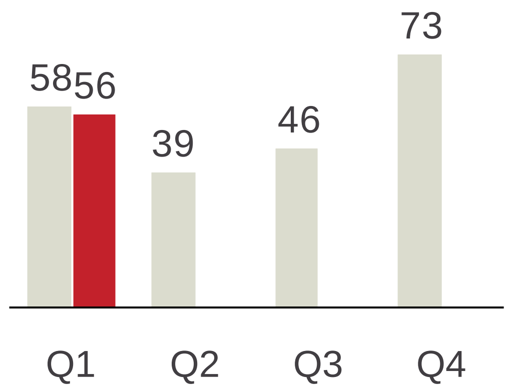
- Lower volumes compared with Q1 2014

Spot prices (NOK/MWh)



- Lower spot prices compared with Q1 2014

EBIT (adj.) (NOK million)

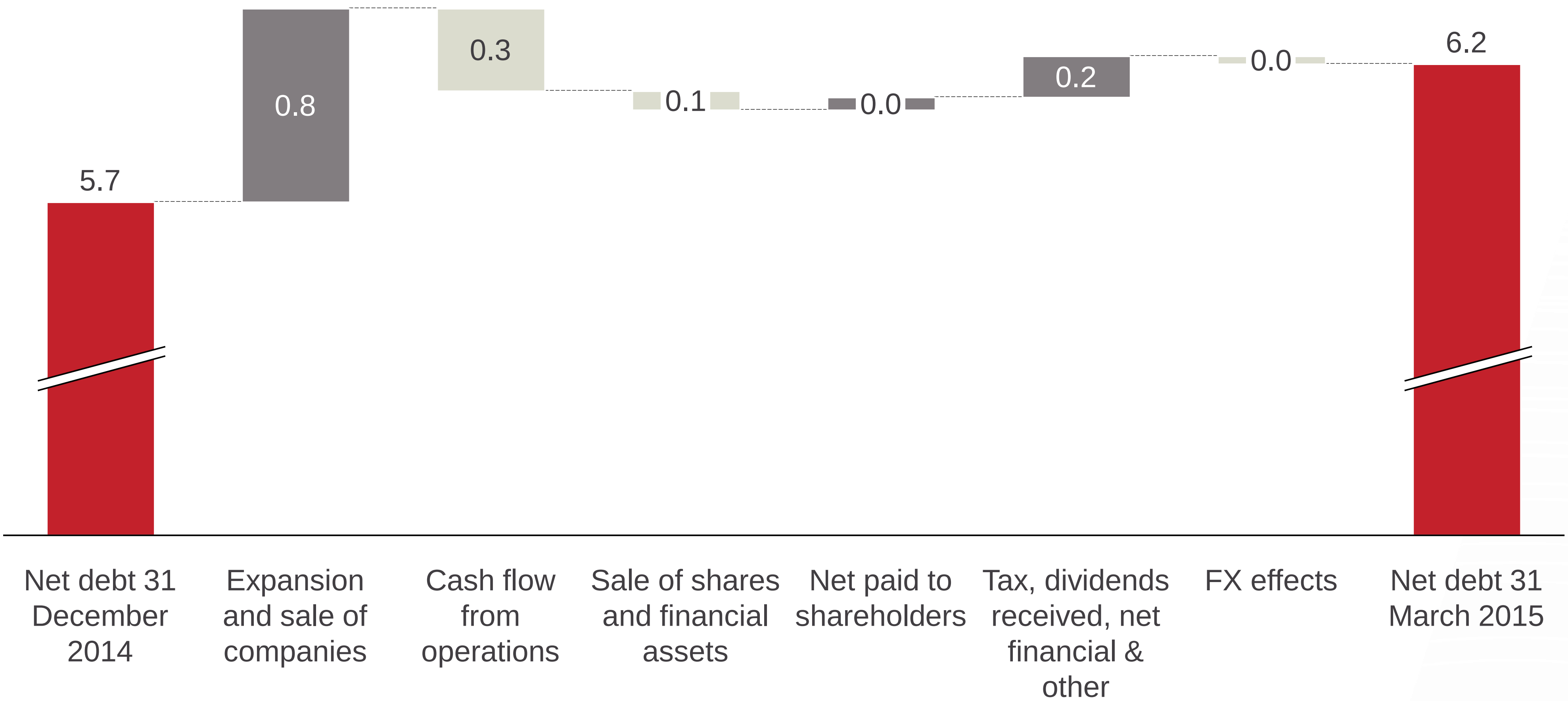


- EBIT (adj.) in Q1 15 slightly reduced compared with Q1 14

Capital structure

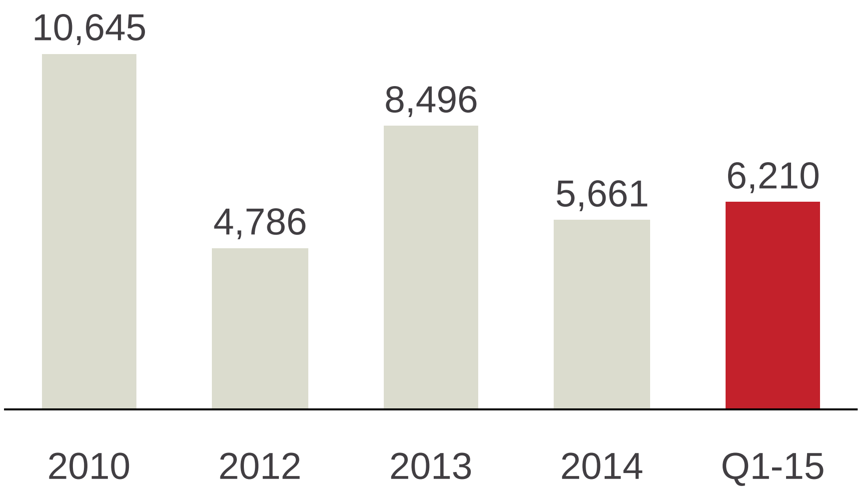
Change in net debt 2015

Amounts in NOK million

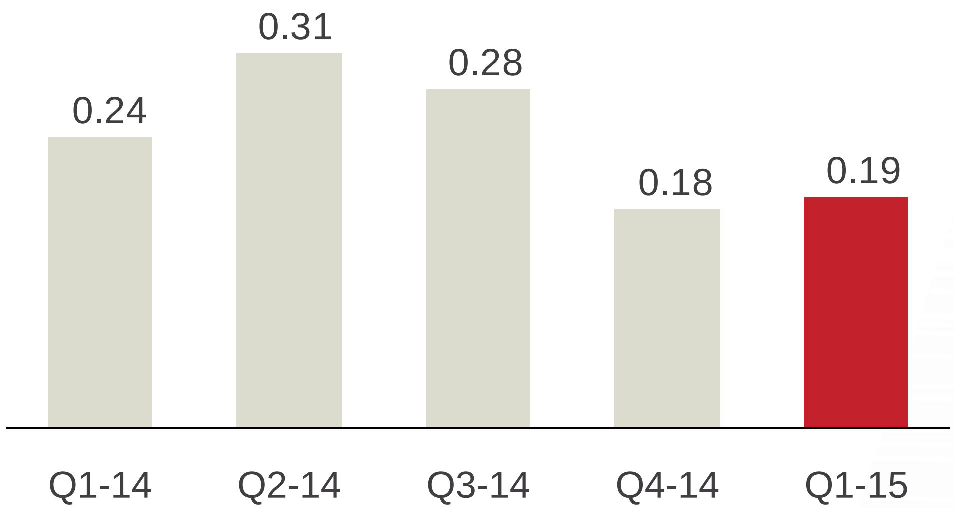


Strong balance sheet and financial flexibility

Net interest bearing debt (NOK million)



Net gearing



- Average maturity 3.9 years

Capital Markets Day 11 September 2015 – save the date

Orkla will host an investor day in London on Friday 11 September 2015 at London Stock Exchange.

The meeting will begin at 11.15 UK time and round off by 17.00.

A formal invitation with agenda will be sent out in June.

The Orkla management team look forward to welcoming you at this event.

Outlook

Peter A. Ruzicka, President & CEO

Delivering on strategy

Strong Q1 performance	• 4.3% organic growth in BCG, broad-based and volume-driven • Synergies from structural change contribute to margin improvement in BCG • Group EBIT (adj.) increased by 10% • Strong start to the year for Jotun and Sapa
Deliver on initiated and ongoing structural processes	• Agreement to acquire Cederroth and completion of NP Foods acquisition • Completion of Orkla Brands Russia divestment • Add-on acquisitions in Orkla Food Ingredients • Agreement to become the primary Nordic go-to-market partner for PepsiCo
Operational focus going forward	• Focus on activities that drive organic growth and improve margins • Optimise supply chain

Q&A

Peter A. Ruzicka, President & CEO

Jens Bjørn Staff, CFO

Appendices

Group income statement

Amounts in NOK million

	Q1-14	Q1-15	FY'14
Operating revenues	**7 013**	**7 541**	**29 599**
Amortisation intangibles	-4	-4	-23
EBIT (adj.)	**659**	**725**	**3 214**
Other income and expenses	-32	-117	-100
EBIT	**627**	**608**	**3 114**
Profit/loss from associates and joint ventures	55	238	121
Interests, net	-86	-63	-363
Other financial items, net	-17	12	0
Profit/loss before taxes	**579**	**795**	**2 872**
Taxes	-123	-155	-688
Profit/loss for the period continuing operations	**456**	**640**	**2 184**
Profit/loss from discontinued operations	33	0	-485
Profit/loss for the period	**489**	**640**	**1 699**
Earnings per share diluted (NOK)	**0.47**	**0.62**	**1.63**

Net financial items

	FY 2014	Q1-14	Q1-15
Gains, losses, write-downs shares and financial assets	56	-12	18
Dividends	37	14	11
Currency gain /loss	0	1	1
Interest on pensions	-49	-11	-11
Other financial items	-44	-9	-7
Other financial items, net	**0**	**-17**	**12**

Statement of financial position

Amounts in NOK million

	31.12.2014	31.03.2015
Intangible assets	14 598	14 993
Property, plant and equipment	9 484	9 599
Investments in associates and joint ventures etc.	13 026	13 473
Non-current assets	**37 108**	**38 065**
Assets held for sale	22	22
Inventories	3 873	4 052
Inventory of development property	200	188
Trade receivables	4 413	4 830
Other receivables	1 147	975
Shares and financial assets	734	691
Cash and cash equivalents	2 615	2 116
Current assets	**13 004**	**12 874**
Total assets	**50 112**	**50 939**
Paid-in equity	1 993	1 993
Earned equity	29 066	29 666
Non-controlling interests	245	243
Equity	**31 304**	**31 902**
Provisions	3 699	3 644
Non-current interest-bearing liabilities	8 510	8 503
Current interest-bearing liabilities	598	665
Trade payables	3 221	3 486
Other current liabilities	2 780	2 739
Equity and liabilities	**50 112**	**50 939**

Cash flow

Amounts in NOK million

	Q1-14	Q1-15
Operating profit	**638**	**605**
Amortisation, depreciation and write-downs	233	301
Change in net working capital	- 391	- 415
Net replacement expenditures	- 195	- 205
Cash flow from operations	**285**	**286**
Cash flow from operations, Financial Investments	**9**	**40**
Tax	- 162	- 224
Dividends received, net financial and other	581	58
Cash flow before capital transactions	**713**	**160**
Paid to shareholders, net purchase/sales own shares	23	- 46
Cash flow before expansion	**736**	**114**
Expansion investments	- 23	- 46
Sold and acquired companies	27	- 723
Net purchases/sales shares and financial assets	8	75
Net cash flow	**748**	**- 580**
Currency translations net interest-bearing liabilities	174	31
Change in net interest-bearing liabilities	**- 922**	**549**
Net interest-bearing liabilities	**7 574**	**6 210**

Sapa (joint venture) – figures on 100% basis

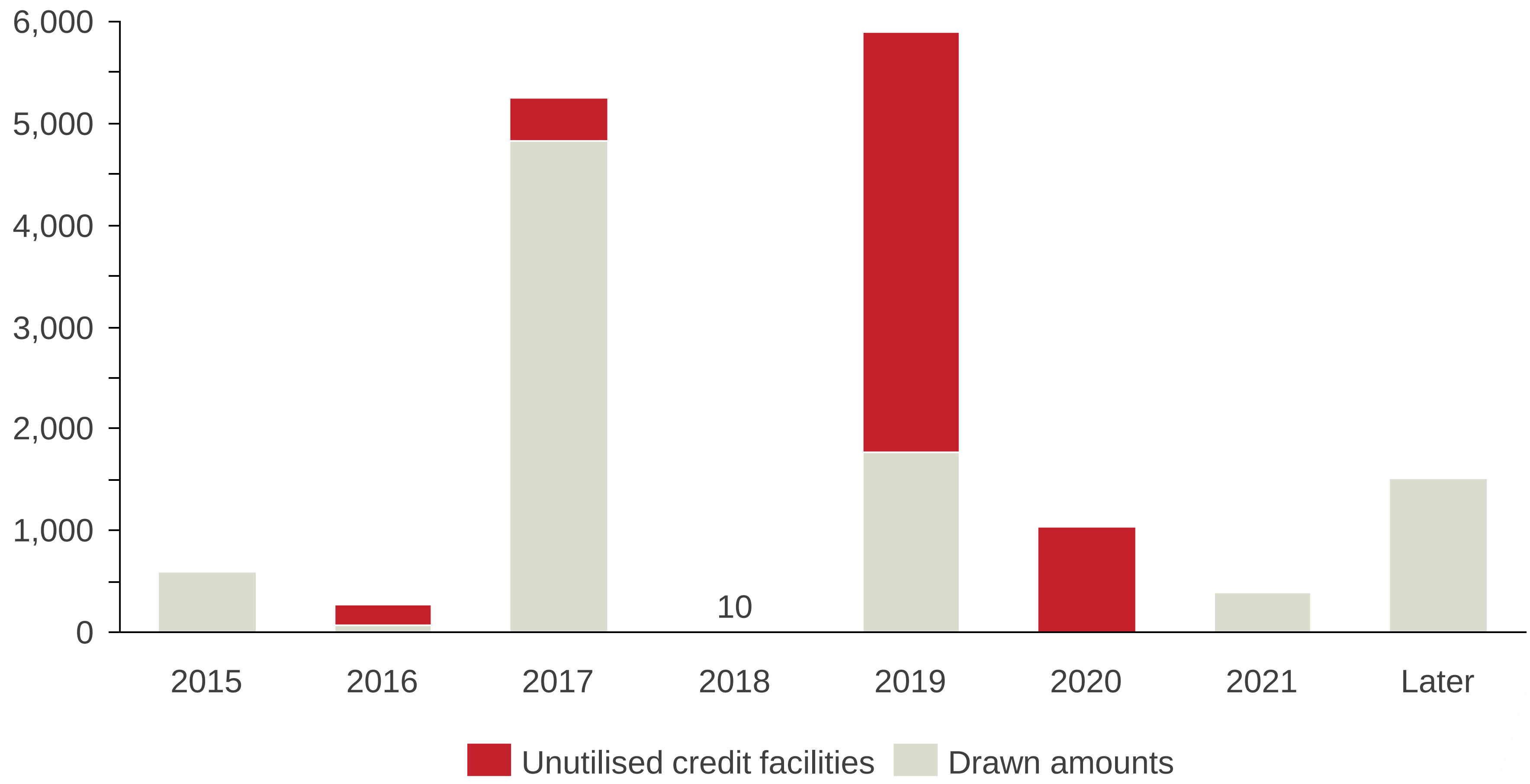
Amounts in NOK million

	Q1-13	Q2-13	Q3-13	Q4-13	Q1-14	Q2-14	Q3-14	Q4-14	Q1-15
Sales volume (1,000 tonnes)	346	360	346	314	359	367	350	322	353
Revenues	10,367	10,974	10,798	10,132	11,346	11,544	11,603	11,890	14,134
Underlying EBITDA	304	508	328	-43	440	641	492	343	705
Underlying EBIT	16	213	24	-339	155	350	201	-55	392
Reported EBIT	-148	-1,096	-1,985	-787	-3	168	198	-679	201
Reported net income (loss)	N/A	N/A	N/A	-620	-103	89	107	-719	89

[1]Pro forma figures before Q4 2013

Debt maturity profile

Amounts in NOK million



Funding sources

Amounts in NOK billion