

THE FIRST QUARTER IN BRIEF

- Orkla's first quarter operating profit (EBITA) totalled NOK 1,062 million (NOK 1,467 million)¹.
- Orkla Brands achieved profit growth in the first quarter. Most of the companies compensated for the rise in raw material prices in the quarter by raising prices.
- Orkla Aluminium Solutions reported a satisfactory quarter despite challenging markets, particularly in the US. The integration of Alcoa's extrusion business is proceeding as planned, while Heat Transfer & Building System continued to perform well.
- In Orkla Materials, Elkem posted considerably lower profit than last year. This is primarily due to financial losses on energy trading in the first quarter of 2008, contrary to the high gain realised last year, and continued weak results from Elkem Aluminium. Elkem Solar is pursuing its project plan and start-up is expected towards the end of the year.
- Orkla Associates' contribution to Group profit was lower than last year. REC's profit for the first quarter ended at somewhat lower than in 2007, besides which REC's contribution to Orkla's profit in the first quarter of 2007 was boosted by gains on sales of shares. Jotun continued the positive performance trend it achieved in 2007.
- Partly due to weak stock markets, the return on the Share Portfolio in the first quarter was -7.2 %, compared with -13.3 % for the Morgan Stanley Nordic Index and -16.1 % for the Oslo Stock Exchange Benchmark Index.
- Pre-tax profit for the first quarter amounted to NOK 881 million (NOK 3,505 million)¹. Realised portfolio gains and the sale of other financial assets were particularly high in the first quarter of 2007, which explains a difference of around NOK 2 billion.

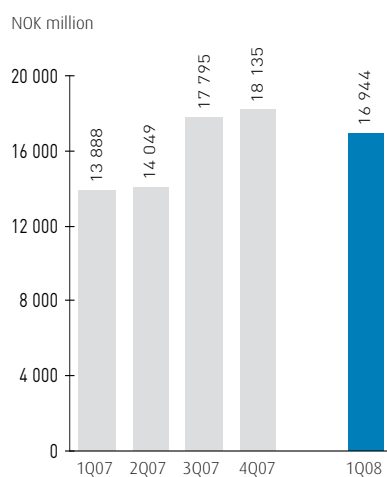
¹ The figures in brackets refer to the corresponding period of the previous year.

KEY FIGURES FIRST QUARTER FOR THE ORKLA GROUP

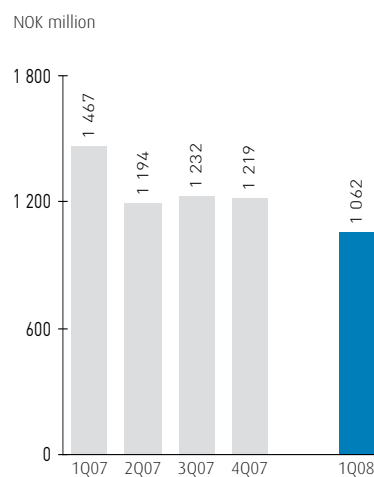
Amounts in NOK million	1.1.-31.3.		1.1.-31.12.
	2008	2007	2007
Operating revenues	16,944	13,888	63,867
Operating profit (EBITA) ¹	1,062	1,467	5,112
Profit before taxes	881	3,505	10,059
Earnings per share diluted (NOK)	0.6	2.7	8.1
Cash flow from operations	826	1,097	4,443
Net interest-bearing debt	18,628	16,062	16,178
Equity (%)	55.4	57.7	58.3
Net gearing	0.35	0.32	0.29

¹ Before amortisation, restructuring and significant impairments.

OPERATING REVENUES



EBITA^{*}



^{*} EBITA = Operating profit before amortisation, restructuring and significant impairments.

**FIRST
QUARTER
2008**

More information about Orkla is available at www.orkla.com/ir

THE GROUP

Orkla's first-quarter operating revenues totalled NOK 16,944 million (NOK 13,888 million)¹. A substantial part of the revenue growth is ascribable to the consolidation of Alcoa's extrusion operations into Orkla Aluminium Solutions. However, all the other segments, except for Elkem Aluminium, reported an underlying² rise in operating revenues.

The Norwegian krone was significantly stronger in the first quarter of 2008 than in the same period of last year, particularly measured against the USD, but also against euro-related currencies. This has resulted in a negative currency translation effect of NOK -710 million on operating revenues.

First-quarter EBITA was NOK 1,062 million (NOK 1,467 million)¹. Orkla Brands, Orkla Aluminium Solutions and Borregaard all reported a satisfactory performance, and the negative difference in profit is largely explained by certain special items. Elkem Energy's trading operations are naturally subject to some volatility and profit may vary considerably from one quarter to the next. In the first quarter of 2008 the business realised a loss, while it posted substantial gains in the first quarter of 2007. In total, this resulted in a drop in profit of NOK -183 million compared with last year. Costs expensed for Elkem Solar totalled NOK 77 million in 2008 compared with NOK 27 million last year. Elkem Aluminium's profit will be squeezed for some time by higher costs and a weak USD against the NOK, while the prices realised on aluminium sales are lower than current market prices, due to aluminium hedge contracts previously entered into. As a result of the turmoil on the financial markets, demand for Orkla Finans's products was lower at the start of 2008.

The Nordic grocery market continues to show good growth. Most of the Orkla Brands businesses have implemented price hikes that largely compensate for increases in raw material prices in the quarter. However, raw material prices continue to rise, and further price increases will be carried out. The timing of Easter has had slightly different effects on the various markets, but due to the extra selling day on account of leap year, the net effect in 2008 is viewed as virtually neutral compared with last year.

The market for Orkla Aluminium Solutions in the US is still slow, but the trend is relatively stable. The European market weakened moderately in the first quarter. Stock rundowns and a weak end to 2007 resulted in a positive timing effect on EBITA in the first quarter, amounting to approximately NOK 30 million. However, the lower number of selling days due to Easter had a somewhat negative impact. One-time costs related to the integration of Alcoa's extrusion business were charged against profit as planned.

EBITA for the Group as a whole was negatively affected by currency translation effects amounting to NOK -33 million in the quarter.

Orkla's ownership interests in REC (39.73 %) and Jotun (42.5 %) are presented according to the equity method on the line for associates. REC's contribution to Orkla's profit amounted to NOK 84 million in the first quarter, while its contribution in the first quarter of 2007 totalled NOK 289 million, including a gain of NOK 103 million on Orkla's sale of REC shares to reduce its stake to 39.73 %. REC reported first-quarter EBITDA

of NOK 742 million, compared with NOK 869 million last year. Jotun's contribution to profit amounted to NOK 78 million (NOK 62 million)¹.

At quarter-end the return on the Share Portfolio was -7.2 %. This compares with -13.3 % for the Morgan Stanley Nordic Index and -16.1 % for the Oslo Stock Exchange Benchmark Index. Gross gains of NOK 256 million were realised, but due to impairment charges of over NOK 500 million under IFRS, realised portfolio gains and the change in the fair value of associates amounted to a total of NOK -295 million (NOK 881 million)¹. Dividends received for the Share Portfolio amounted to NOK 87 million (NOK 240 million)¹.

In connection with its purchase of additional shares in REC in the first quarter of 2007, Orkla issued three put options in REC to Q-Cells AG. Orkla also had certain rights in the event of selling these shares by Q-Cells. Since the end of the quarter, Orkla has signed an agreement with Q-Cells to cancel these options in return for Orkla renouncing its rights attached to the shares. At the start of the quarter, the net value of the options and rights was assessed at NOK 67 million. At quarter-end, the net value was assessed at 0, resulting in an imputed finance income of NOK 67 million in the quarter.

First-quarter finance income in 2007 was boosted by several large one-time items. The biggest of these were the sale of Mecom shares (NOK 311 million), the sale of ownership interests in real estate projects at Fornebu (NOK 261 million) and a share of the sales gain arising from Q-Cells' reduction of its shareholding in REC (NOK 270 million).

Orkla's earnings per share, diluted, were NOK 0.6 in the first quarter, while first-quarter earnings per share in 2007 were NOK 2.7, due to high realised portfolio gains and substantial finance income. After the first quarter, a tax charge of approximately 22 % has been estimated for 2008.

ORKLA BRANDS

- The high general rise in costs was compensated for partly by price increases and partly by increased volume and a positive product mix
- Further price increases will be implemented
- The new organisational model has been established

The Orkla Brands business area, which consists of the former companies Orkla Foods and Orkla Brands, was consolidated in terms of management and organisation in the first quarter. While the new business area will continue to base its strategy and organisation on a multi-local model, it aspires to achieve inter-company synergies beyond those previously available.

First-quarter operating revenues for Orkla Brands totalled NOK 5,361 million (NOK 5,285 million)¹. Taking account of the acquisition and disposal of companies, growth was about 5 %. The fact that Easter was early this year had a negative effect in some markets and a positive effect in others, with the result that the net impact was limited. Orkla Brands reported growth in EBITA of NOK 24 million in the first quarter, of which NOK 20 million can be ascribed to a provision for costs related to the winding-up of Topp last year. The winding-up and sale of loss-making businesses, and the contribution to profit from new businesses, have also contributed positively.

² Excluding acquisitions, divestments and currency translation effects.

GROUP INCOME STATEMENT

Amounts in NOK million	1.1.-31.3.		1.1.-31.12.
	2008	2007	2007
Operating revenues	16,944	13,888	63,867
Operating expenses	(15,355)	(11,955)	(56,729)
Depreciations and write-downs property, plant and equipment	(527)	(466)	(2,026)
Amortisation intangible assets	(57)	(58)	(230)
Restructuring and significant impairments	0	0	(814)
Operating profit	1,005	1,409	4,068
Profit from associates	179	352	848
Dividends	88	240	1,076
Gains and losses/write-downs Share Portfolio	(295)	881	3,627
Financial items, net	(96)	623	440
Profit before taxes	881	3,505	10,059
Taxes	(194)	(666)	(1,614)
Profit for the period	687	2,839	8,445
Minority interests' share of profit	52	35	46
Profit attributable to equity holders	635	2,804	8,399
Profit before tax, Industry division	990	2,000	4,579
Profit before tax, Orkla Financial Investments	(109)	1,505	5,480
Earnings per share (NOK)	0.6	2.7	8.2
Earnings per share diluted (NOK)	0.6	2.7	8.1
Earnings per share diluted (NOK)¹	0.7	2.7	9.0

¹ Excl. amortisation, restructuring and significant impairments and discontinued operations.

The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the same accounting policies and methods of computation are followed as compared with the most recent annual financial statements.

Prices of finished products have been raised, but raw material prices are expected to continue to rise, coupled with a sharp increase in labour costs, and further price increases will be implemented. Prices on the Norwegian raw material market are also expected to rise due to the agricultural wage settlement this spring.

Several of the large Nordic businesses in Orkla Brands are showing good underlying² growth. Work continues on implementing structural measures in businesses in the former Eastern Europe. The situation has still not been resolved, but results from the businesses are somewhat better than in 2007. Bakers still faces challenging markets. The businesses in Russia reported lower profit in the first quarter, and further price increases will be carried out to turn this trend around.

Orkla Foods Nordic

Orkla Foods Nordic posted first-quarter operating revenues of NOK 2,293 million (NOK 2,207 million)¹. Taking into account acquisitions and disposals, growth was around 6 %. The overall impact of the early Easter holiday is considered to have little significance for the interpretation of year-on-year figures. EBITA totalled NOK 160 million (NOK 152 million)¹. There is good underlying² growth in profit in companies like Procordia, Stabburet and Felix Abba. The growing effect of price increases and several successful new launches, combined with sales campaigns focused on the basic product range, were important factors for profit growth. The launch of Grandiosa Spelt pizza was well received, and the pizza is now the second most popular variety in a growing Norwegian pizza market. The market situation is still challenging for Bakers, which posted slightly lower first-quarter profit. The company is working on

adapting its business model to changed market conditions. Aggregate market shares for Orkla Foods Nordic were somewhat reduced.

Orkla Brands Nordic

Orkla Brands Nordic reported first-quarter operating revenues of NOK 1,859 million (NOK 1,990 million)¹. Underlying² growth in sales was around 3 %. EBITA totalled NOK 327 million (NOK 309 million)¹, which is about the same level as last year when account is taken of the provision for costs totalling NOK 20 million related to Topp in the first quarter of 2007. Lilleborg Professional, Textiles and Biscuits achieved profit growth in the quarter, primarily due to strong sales growth. Lilleborg, which is a key company in the business unit, posted slightly lower profit than in 2007, and faced tougher competition in the dish-washing and laundry detergent categories. These categories are of key importance to the business, and future profit growth must be expected to be affected by this trend. Higher raw material and labour costs pose a challenge for Orkla Brands Nordic as well, and further price increases are expected ahead. Lilleborg's market shares have declined slightly, while the market shares of other businesses are unchanged or have risen slightly.

Orkla Brands International

Orkla Brands International's operating revenues totalled NOK 526 million (NOK 484 million)¹, and underlying² growth was 10 %. EBITA amounted to NOK -27 million (NOK -22 million)¹. The decline in profit is primarily ascribable to the Russian businesses' increased investment in advertising, combined with higher raw material prices and cost growth. Further price increases and cost cuts will be implemented to

EBITA PER BUSINESS AREA*

Amounts in NOK million	1.1.-31.3.		1.1.-31.12.
	2008	2007	2007
Orkla Group	1,062	1,467	5,112
Orkla Brands	492	468	2,218
Orkla Aluminium Solutions	343	350	1,187
Orkla Materials	319	622	1,732
Orkla Financial Investments	(15)	80	237
Orkla HQ/Other Business	(77)	(53)	(262)

* EBITA = Operating profit before amortisation, restructuring and significant impairments.

See appendix for detailed split on operating revenues and EBITA.

remedy this situation. MTR Foods in India continued to report good progress. Badam Drink, a milk-based beverage, was successfully launched in MTR Foods' home region (Bangalore and surrounding areas). The businesses in Central and Eastern Europe achieved growth in the first quarter, but structural measures and changes in the companies are still being considered.

Orkla Food Ingredients

Orkla Food Ingredients posted operating revenues of NOK 780 million (NOK 701 million)¹, and underlying² growth was around 5 %. EBITA amounted to NOK 32 million (NOK 29 million)¹. Orkla Food Ingredients has succeeded in passing soaring raw material costs on to the market. Several of the businesses achieved profit growth, with KåKå in Sweden and its subsidiary KåKå Cz in the Czech Republic reporting the greatest improvement. The Danish ice cream producer Frima Vafler, which has annual sales of around NOK 40 million, was taken over with effect from 1 January 2008. The Danish company Naturli Foods was acquired as of 1 March 2008. The company markets and sells products based on vegetable raw materials and has annual sales of around NOK 25 million.

ORKLA ALUMINIUM SOLUTIONS

- The integration of Sapa's and Alcoa's extrusion operations is proceeding as planned
- Slow, but stable market in the US, signs of weaker demand on some European markets
- Demand and profit growth still good for Heat Transfer in China

Alcoa's extrusion business was consolidated as from 1 June 2007, and has a significant impact on the comparison with last year's figures.

Volume delivery in the first quarter totalled 242,800 tonnes compared with 118,000 tonnes in the first quarter of 2007. Operating revenues amounted to NOK 7,432 million, up from NOK 4,653 million in 2007. The integration of Alcoa's extrusion business accounted for a large part of this growth. EBITA ended at NOK 343 million, compared with NOK 350 million the year before. The EBITA margin was 4.6 %, down 2.9 percentage points from 2007. Negative currency translation effects on operating revenues accounted for a 7 % drop compared with the same quarter of 2007, while the currency translation effect on EBITA was negative by 5 %. Orders deferred from December to January had a positive timing effect on first-quarter EBITA, amounting to NOK 30 million. However, this was partly offset by an early Easter which reduced

the number of working days compared with last year.

Sapa Profiles delivered a total volume of 206,600 tonnes, of which the former Alcoa units contributed with 128,200 tonnes. Volume from the former Sapa units ended at 78,500 tonnes, compared with 85,200 tonnes in 2007. First-quarter operating revenues for Sapa Profiles totalled NOK 5,961 million (NOK 3,205 million)¹, while EBITA was NOK 200 million, compared with NOK 222 million last year. The closure of the plants in Banbury in the UK and Noblejas in Spain, as well as the restructuring of the extrusion operations in the south-east US, are proceeding as planned.

Sapa Heat Transfer sold a total volume of 35,800 tonnes. First-quarter operating revenues for Sapa Heat Transfer & Building System amounted to NOK 1,754 million (NOK 1,778 million)¹, while EBITA was NOK 143 million (NOK 128 million)¹.

The US market remained weak, but relatively stable in the first quarter. The trend on the European market has been more varied, but all the markets are feeling the impact of a weakened building and construction industry that is sending ripple effects to other sectors. The decline in the industry was first seen in the UK and Spain and has since spread to most of the other countries in Europe. In the transport and engineering industry, however, demand has remained stable, and a few niche segments (such as the solar industry) do not appear to be affected by the general trend. The price of metal has been high for much of the quarter, but now seems to have stabilised.

On 15 February Sapa AB signed a letter of intent to buy the Chinese extrusion company, Kam Kiu. With more than 30 presses and extensive processing activities, Kam Kiu is one of China's largest extrusion manufacturers. Kam Kiu has sales of approximately NOK 1.2 billion and has 2,100 employees. The company, which is located in Guangdong Province, has a strong export position and is focusing increasingly on the Chinese market. The acquisition is expected to be concluded in the second quarter subject to a satisfactory due diligence and the approval of relevant management boards and authorities.

In January Sapa Profiles in Sweden announced that SEK 30 million will be invested in the Sapa Innovation Centre, which will offer customers and other Sapa companies the benefit of the Sapa Group's collective experience and expertise.

ORKLA MATERIALS

- Losses on Elkem power trading resulted in a substantial difference in profit for the energy business compared with last year's unusually high figure
- Weak performance by Elkem Aluminium driven by losses on metal hedges, a weaker dollar and higher raw material costs
- Construction of Elkem Solar's industrial plant is on schedule, but higher costs charged to profit than last year
- Good market conditions bring profit growth for Borregaard's chemicals business despite high raw material and energy prices and unfavourable currency movements

Orkla Materials posted first-quarter operating revenues of NOK 3,922 million (NOK 3,568 million)¹ and EBITA of NOK 319 million (NOK 622 million)¹.

Elkem

Elkem's first-quarter operating revenues totalled NOK 2,708 million (NOK 2,433 million)¹. EBITA was NOK 217 million, down NOK 314 million compared with the same period last year. Losses on Elkem Power Trading and higher recognised costs at Elem Solar accounted for respectively NOK 183 million and NOK 50 million of the profit reduction.

EBITA for Primary Aluminium was down on last year's first quarter, mainly due to a stronger NOK against the USD and higher power costs. The average price of aluminium for three-month delivery on the London Metal Exchange (LME) in the quarter was USD 2,785 compared with USD 2,747 in the first quarter of 2007. Primary aluminium prices rose through the quarter from a level of USD 2,400 to a level of USD 3,000. A loss of NOK 61 million (NOK 108 million)¹ on metal hedges was realised in the quarter. Delivered volume from the plants totalled 78,600 tonnes. The new anode factory in Mosjøen is still on a run up and had a negative impact on profit in the quarter.

The energy business reported EBITA of NOK 104 million (NOK 244 million)¹ in the first quarter of 2008. EBITA from power production was satisfactory, but EBITA from trading was a negative NOK 54 million, which is NOK 183 million less than in the same period last year. However, heavier precipitation and higher reservoir inflow than normal enabled hydropower production of 837 GWh by Elkem in Norway in the first quarter, 83 GWh higher than in the same period last year. Elkem's resource situation was stronger at quarter-end than is normal for the time of year. The system price on the Nordic market fell from 36.4 øre/kWh in January to 23.7 øre/kWh in March.

The silicon-related units reported somewhat weaker overall EBITA than in the first quarter of 2007 due to higher recognised costs at Elkem Solar and because last year's first-quarter profit included an extraordinary gain from the termination of a leasing contract at Elkem Chartering. The market for silicon and ferrosilicon metal strengthened further in the first quarter, mainly as a result of higher Chinese export taxes on metal products and the introduction of a permanent anti-dumping tax on ferrosilicon exported by a number of countries to Europe. The construction of the new industrial plant for Elkem Solar at Fiskaa in Kristiansand continued to make good progress in the quarter. Overall investment costs are expected to be as previously announced, and start-up is expected in the second half of 2008. Recognised costs

for Elkem Solar in the first quarter were NOK 77 million. The calcium carbide business in Pryor in the US was sold in the quarter, providing a positive one-time effect of NOK 15 million.

An unappealable judgment was handed down in a lawsuit brought against Statkraft concerning the replacement of welded pipelines at Sauda. Elkem was awarded compensatory damages of NOK 210 million which for accounting purposes will show as a reduction in the investment in the ongoing hydropower development at Sauda.

Borregaard

Borregaard's first-quarter operating revenues amounted to NOK 1,216 million (NOK 1,145 million)¹, equivalent to an underlying² increase of 9 % compared with the same period of 2007. EBITA was NOK 102 million (NOK 91 million)¹. The chemicals business reported good progress overall, while the energy business posted somewhat lower profit than in last year's first quarter.

The profit growth for the chemicals business (EBITA of NOK 77 million as against NOK 62 million last year) was primarily ascribable to improved market conditions for cellulose used in textile production with strong demand and rising prices. Cellulose production was also somewhat higher, although profit growth was slowed by increases in raw material and energy costs and unfavourable currency conditions. Profit for the lignin business was somewhat weaker. The sales volume was 10 % lower than last year as a result of increased competition and lower demand, especially from the building industry. This, together with a weaker US dollar, was partially offset by higher selling prices and a better product mix. The fine chemicals business performed weaker than in the first quarter of 2007. In the ingredients business, profit on aroma products declined, whereas the yeast business made progress. Omega 3 products were on a positive market trend.

The somewhat weaker profit recorded by the energy business (EBITA of NOK 25 million against NOK 29 million last year) is attributable to losses on financial power trading. Energy production by the company was somewhat higher than last year, and well above normal levels thanks to ample precipitation. Although market prices weakened over the quarter, they were on average higher than in the first quarter of 2007.

Borregaard decided in early April to close down the lignin business in Finland.

ORKLA ASSOCIATES

Orkla Associates primarily consists of investments in the Renewable Energy Corporation ASA (REC) (39.73 % stake), Jotun AS (42.5 % stake) and Hjemmet Mortensen AS (40 % stake). The figures below are on a 100 % basis.

REC achieved its production targets and posted income growth of 10 %. First-quarter operating revenues were NOK 1,771 million (NOK 1,616 million)¹. EBITDA was NOK 742 million (NOK 869 million)¹. The reduction of 15 % is ascribable to high expansion costs and currency translation effects. A sales contract on wafers to an existing customer worth NOK 2 billion was announced together with the quarterly profit figures. At the start of April REC acquired 20 % of Mainstream Energy LLC in the USA, a leading downstream participant in the industry.

GROUP BALANCE SHEET

	31.3.		31.12.
Amounts in NOK million	2008	2007	2007
Intangible assets	16,468	17,227	16,626
Property, plant and equipment	22,656	16,908	21,481
Financial non-current assets	15,198	13,535	14,999
Non-current assets	54,322	47,670	53,106
Inventories	8,686	6,775	8,533
Receivables	12,489	10,946	12,628
Share Portfolio etc.	17,191	19,448	17,559
Cash and cash equivalents	3,784	2,322	2,966
Current assets	42,150	39,491	41,686
Total assets	96,472	87,161	94,792
Paid-in equity	1,990	2,009	2,002
Earned equity	48,825	47,951	50,661
Minority interests	2,638	329	2,601
Equity	53,453	50,289	55,264
Provisions	5,914	5,614	6,142
Non-current interest-bearing liabilities	18,336	14,866	16,093
Current interest-bearing liabilities	4,186	4,446	3,188
Other current liabilities	14,583	11,946	14,105
Equity and liabilities	96,472	87,161	94,792
Equity ratio (%)	55.4	57.7	58.3

CHANGE IN EQUITY

	1.1.-31.3.		1.1.-31.12.
Amounts in NOK million	2008	2007	2007
Equity 1 January	52,663	47,773	47,773
Profit for the year after minorities	635	2,804	8,399
Dividends	0	0	(2,061)
Buy back of own shares	(662)	12	(566)
Change in fair value shares	(1,078)	(375)	(2,646)
Change in fair value hedging instruments	(470)	11	(14)
Options costs	6	6	25
Gains on deemed disposals	-	-	938
Equity adjustments REC ¹ and changes in accounting policies	-	-	1,610
Translations effects	(279)	(271)	(795)
Equity at end of period	50,815	49,960	52,663

¹ The adjustment in equity is largely due to the fact that Orkla did not participate in a share issue in 2006 in which the share issue price was higher than the price on which Orkla based the capitalised value of its REC holding.

Continued high activity in shipbuilding and oil and gas projects, and a booming construction industry in the Middle East, enabled Jotun to maintain its progress in the first quarter of 2008. Operating revenues were up 9 % from the same period last year, accompanied by growth in operating profit. All business areas recorded sales growth and profits on a par with or better than in the same period of 2007. However, persistent high raw material prices and a weaker USD reduced margins some what in core areas. Jotun continues its international expansion and opened a new factory in India in March. Further, decisions were taken to build new factories in Korea and Libya.

Hjemmet Mortensen's first-quarter operating revenues came to NOK 436 million (NOK 459 million)¹, while EBITA was NOK 50 million (NOK 74 million)¹.

CASH FLOW

	1.1.-31.3.		1.1.-31.12.
Amounts in NOK million	2008	2007	2007
Industry division:			
Operating profit	1,021	1,330	3,831
Amortisation, depreciations and impairment charges	576	521	2,556
Changes in net working capital, etc.	(387)	(445)	(286)
Cash flow from operations before net replacement expenditures	1,210	1,406	6,101
Net replacement expenditures	(384)	(309)	(1,658)
Cash flow from operations	826	1,097	4,443
Financial items, net	(275)	105	(618)
Cash flow from Industry division	551	1,202	3,825
Cash flow from Orkla Financial Investments	473	358	1,352
Taxes paid	(427)	(493)	(1,089)
Other	(17)	(66)	132
Cash flow from capital transactions	580	1,001	4,220
Dividends paid	(19)	(20)	(2,114)
Net buy back own shares	(662)	12	(566)
Cash flow before expansion	(101)	993	1,540
Expansion investments, Industry division	(740)	(642)	(2,964)
Sold companies/share of companies	101	1,727	1,900
Acquired companies/share of companies	(485)	(6,491)	(7,513)
Net purchases/sales Share Portfolio	(1,055)	(460)	1,821
Net cash flow	(2,280)	(4,873)	(5,216)
Currency translation net interest-bearing debt	(170)	231	458
Change in net interest-bearing debt	2,450	4,642	4,758
Net interest-bearing debt	18,628	16,062	16,178

ORKLA FINANCIAL INVESTMENTS

Orkla Financial Investments had first-quarter profit before tax of a negative NOK 109 million (NOK 1,505 million)¹.

The Share Portfolio showed a negative return of 7.2 % compared with a negative 13.3 % for the Morgan Stanley Nordic Index and a negative 16.1 % for the Oslo Børs Benchmark Index.

The portfolio's market value was NOK 17,141 million. Net share purchases in the quarter came to NOK 1,055 million, and the largest transaction being the purchase of shares in Scandinavian Property Development. At quarter-end, the profit reserve amounted to NOK 2,732 million.

Gross realised portfolio gains came to NOK 256 million in the quarter. However, impairment charges under IFRS of just over NOK 500 million left realised portfolio gains and change in fair value of associates combined at a negative NOK 295 million (NOK 881 million)¹. Dividends received totalled NOK 87 million (NOK 240 million)¹.

Orkla Finans' operating revenues totalled NOK 52 million (NOK 168 million)¹ and EBITA was NOK -13 million (NOK 77 million)¹ in the quarter.

Orkla Eiendom posted pre-tax profit of NOK 13 million for the quarter (NOK 269 million)¹.

CASH FLOW AND FINANCIAL SITUATION

Cash flow from operating activities totalled NOK 826 million in the first quarter. The reduction of NOK 271 million compared with the same quarter of 2007 is mainly due to lower operating profit. Working capital rose in the quarter in line with seasonal variations, but compared with last year the development was positive.

Financial items paid were a negative NOK 275 million. This compares with last year's positive net income of NOK 105 million which included a one-off gain of just under NOK 300 million.

First-quarter expansion investments totalled NOK 740 million. These largely relate to Elkem with Elkem Solar accounting for the bulk, although there were also outgoings related to completion of the hydro-power development at Sauda and the FSM plant in Iceland.

Net purchases of portfolio shares totalled NOK 1,055 million in the first quarter as against net purchases of NOK 460 million in the same quarter of last year. Business acquisitions came to NOK 485 million, primarily related to an interest in a property company acquired by Orkla Eiendom. Orkla also bought treasury shares of NOK 662 million in the quarter.

After expansion and net portfolio purchases the Group had a negative net cash flow of NOK 2,280 million in the quarter. Net interest-bearing liabilities increased by NOK 2,450 million and reached NOK 18,628 million at quarter-end.

The average borrowing rate for the Group's net interest-bearing liabilities in the first quarter was 5.0 %, and the share of net interest-bearing liabilities carrying floating interest rates was 76 %. The interest-bearing liabilities are mainly in SEK, EUR, DKK, and USD.

Group balance sheet assets rose by NOK 1.7 billion, mainly as a result of expansion and acquisitions.

OTHER MATTERS

At the Annual General Meeting on 24 April 2008 a dividend of NOK 2.25 per share was declared for 2007, up from NOK 2.0 the previous year. The dividend will be disbursed on 7 May 2008 to shareholders of record as per the date of the Annual General Meeting.

The following were re-elected to the Corporate Assembly for a term of one year: Nils-Henrik Pettersson, Gunn Wærsted, Lars Winfeldt, Anne Gudfin, Olaug Svarva, Dag Mejdell and Marianne Blystad. Upon his election as deputy member to the Board of Directors, Peter Ruzicka stepped down from the Corporate Assembly and was replaced for

a period of one year by Nils Selte. Benedikte Bjørn and Ann Kristin Brautaset were re-elected as deputy members to the Corporate Assembly for a period of one year.

OUTLOOK

Considerable turbulence and uncertainty affected financial markets at the start of 2008. Despite central bank interventions, this is expected to result in lower growth in the US, and probably also in Europe and Asia.

In the short term sluggish business conditions in the US will affect Orkla mainly through an expectedly weaker trend in international equity and financial markets and through increased exposure to the US market for aluminium extrusions. A further weakening in the US could potentially affect more markets and businesses in Orkla Aluminium Solutions and Orkla Materials.

A relatively stable trend is expected in the Nordic grocery market. However, further increases are expected in prices of imported goods, and this year's round of collective bargaining for the farm sector is likely to produce increases in raw material prices which will need to be compensated for by further raising selling prices. Substantial cost increases seen outside the Nordic area, above all in Russia, underline the need for a closer focus on selling price increases.

Orkla Aluminium Solutions expects a weaker market trend in the US ahead, and the gradual weakening in the European market is also expected to continue into the second quarter. The new extrusion business, Sapa AB, was formally established in June 2007 and the establishment and adaptation of a new and considerably larger organisation with its own systems and routines will entail comprehensive processes that will continue throughout both 2008 and 2009. During this period increased investments and non-recurring expenses may incur. For 2008 operating expenditure increases relating to the integration process are estimated to be NOK 40-50 million per quarter.

While markets and prices for Orkla Materials are broadly favourable early in 2008, the picture is dampened by unfavourable currency movements, particularly the weakening USD, and higher prices of inputs. Since, for historical reasons, Elkem Aluminium has sold significant parts of its volume over the next three years on forward contracts, it is set to realise prices significantly lower than the current LME price. A rising cost curve and a weak USD will therefore squeeze Elkem Aluminium's margin in the short term. Elkem's and Borregaard's energy businesses on the other hand are relatively unaffected by the increased uncertainty on the global markets.

The Group's total exposure to the USD and EUR at the end of the first quarter of 2008 is estimated at USD 500 million and EUR 200 million respectively.

While increased credit margins due to volatile financial markets could bring some increase in borrowing rates, the rate reductions by the US Federal Reserve pull in the opposite direction. In the short term average borrowing rates can reasonably be assumed to remain more or less unchanged.

Oslo, 5 May 2008
The Board of Directors of Orkla ASA

APPENDIX: OPERATING REVENUES AND OPERATING PROFIT* PER BUSINESS AREA AND SEGMENT

OPERATING REVENUES

Amounts in NOK million	1.1.-31.3.		1.1.-31.12.
	2008	2007	2007
Orkla Group	16,944	13,888	63,867
Orkla Brands	5,361	5,285	22,253
Orkla Foods Nordic	2,293	2,207	9,548
Orkla Brands Nordic	1,859	1,990	7,666
Orkla Brands International	526	484	2,262
Orkla Food Ingredients	780	701	3,200
Eliminations Orkla Brands	(97)	(97)	(423)
Orkla Aluminium Solutions	7,432	4,653	25,335
Sapa Profiles	5,961	3,205	19,305
Sapa Heat Transfer & Building System	1,754	1,778	7,060
Eliminations Orkla Aluminium Solutions	(283)	(330)	(1,030)
Orkla Materials	3,922	3,568	14,891
Elkem	2,708	2,433	10,293
Elkem Energy	442	320	1,370
Elkem Primary Aluminium	643	704	2,657
Elkem Silicon-related	1,866	1,551	7,009
Eliminations Elkem	(243)	(142)	(743)
Borregaard	1,216	1,145	4,637
Borregaard Energy	62	47	177
Borregaard Chemicals	1,207	1,142	4,628
Eliminations Borregaard	(53)	(44)	(168)
Eliminations Orkla Materials	(2)	(10)	(39)
Orkla Financial Investments	288	243	933
Orkla HQ/Other Business/Eliminations	(59)	139	455

OPERATING PROFIT*

Amounts in NOK million	1.1.-31.3.		1.1.-31.12.
	2008	2007	2007
Orkla Group	1,062	1,467	5,112
Orkla Brands	492	468	2,218
Orkla Foods Nordic	160	152	893
Orkla Brands Nordic	327	309	1,218
Orkla Brands International	(27)	(22)	(71)
Orkla Food Ingredients	32	29	178
Orkla Aluminium Solutions	343	350	1,187
Sapa Profiles	200	222	590
Sapa Heat Transfer & Building System	143	128	597
Orkla Materials	319	622	1,732
Elkem	217	531	1,363
Elkem Energy	104	244	648
Elkem Primary Aluminium	37	123	312
Elkem Silicon-related	76	164	403
Borregaard	102	91	369
Borregaard Energy	25	29	109
Borregaard Chemicals	77	62	260
Orkla Financial Investments	(15)	80	237
Orkla HQ/Other Business	(77)	(53)	(262)

* Before amortisation, restructuring and significant impairments.