

Press Release



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Continued profit growth for Orkla

Orkla achieved strong growth in both revenues and profit in the first quarter. Group pre-tax profit totalled NOK 3.5 billion, compared with NOK 2.1 billion last year. All business areas made progress and operating profit was up 26 per cent, in addition to which substantial financial gains were realised during the quarter.

First quarter operating revenues grew 11 per cent, from NOK 12.5 billion last year to NOK 13.9 billion this year. New companies contributed more than NOK 300 million to operating revenues. Earnings per share (before the share split) increased by 62 per cent to NOK 13.6.

Portfolio gains realised in the first quarter totalled NOK 881 million. Gains from the sale of shares in Mecom and the Renewable Energy Corporation (REC) and interests in real estate projects at Fornebu also contributed to high financial profit. In the first quarter, Orkla increased its ownership interest in REC to 39.75 per cent.

“Orkla has achieved good growth in the past quarter and all business areas have made progress in terms of both operating revenues and profit. Over time, systematic work has been done in the Group on innovation and improvement programmes, and we are now seeing the results of this. The progress must however be seen in the light of a more moderate 1Q2006. At the same time, we have been helped along by strong markets for several of our businesses,” says Group President and CEO Dag J. Opedal.

The biggest companies acquired in the first quarter were MTR Foods (India, around 1,000 employees and annual operating revenues of NOK 230 million) and Setuza in the Czech Republic (annual operating revenues of NOK 125 million). After the end of the first quarter, Beauvais acquired Pastella, a manufacturer of fresh pasta and market leader in Denmark, Sweden, Finland and the Netherlands. Felix Abba has also entered into an agreement to take over Saarioinen’s vegetable production, which has an annual turnover of approximately EUR 10 million.

GROUP INCOME STATEMENT

		1.1.–31.3.	1.1.–31.12.
Amounts in NOK million	2007	2006	2006
Operating revenues	13,888	12,498	52,683
Operating expenses	(11,955)	(10,882)	(45,800)
Depreciations and write-downs property, plant and equipment	(466)	(448)	(1,799)
Amortisation intangible assets	(58)	(52)	(216)
Other income and expenses	0	0	(388)
Operating profit	1,409	1,116	4,480
Profit from associates	352	44	289
Dividends	240	149	769
Gains and losses/write-downs Share portfolio	881	696	3,271
Financial items, net	623	143	(284)
Profit before taxes	3,505	2,148	8,525
Taxes	(666)	(433)	(1,346)
Profit after taxes	2,839	1,715	7,179
Discontinued operations	0	48	4,109
Profit for the year	2,839	1,763	11,288
Minority	35	21	52
Profit before tax, Industry division	2,000	1,217	4,150
Profit before tax, Orkla Financial Investments	1,505	931	4,375
Earnings per share (NOK)	13.6	8.4	54.5
Earnings per share diluted (NOK)	13.6	8.4	54.3
Earnings per share diluted (NOK) *	13.8	8.3	36.5

* Excl. amortisation, other income and expenses and discontinued operations