

Press Release



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Good end to an eventful year for Orkla

Orkla ended the year well and overall 2006 was thus a period of significant profit growth. All business areas reported higher profit than last year, both for the quarter and for the full year. Orkla's Financial Investments division also created good value, with an annual return of 27.4 per cent.

Group operating profit before amortisation increased by 31 per cent in the fourth quarter, to NOK 1.7 billion. Total operating profit for the year before amortisation was NOK 5.1 billion, up from NOK 4.5 billion in 2005.

“Orkla's business areas have, almost without exception, made good progress. At the same time, we have made several important acquisitions and investments. The decision to invest almost NOK 3 billion in Elkem Solar and the acquisition of Dansk Droge (Denmark), Krupskaya (Russia), Alufinal (Czech Republic) and Royal Brinkers (Romania) are all important expansion projects. Both the Branded Consumer Goods business and the Speciality Materials business strengthened their positions last year,” says Group President and CEO Dag J. Opedal.

In the Branded Consumer Goods area, Orkla Brands strengthened its market positions and achieved underlying revenue growth of almost nine per cent in the fourth quarter. Orkla Foods reported good profit growth on the Nordic market but, as anticipated, somewhat weaker results for SladCo in comparison with the previous year.

The Speciality Materials area, which comprises Elkem, Sapa and Borregaard, had another good quarter, driven by continued strong volume growth for Sapa and high profit from financial power trading. In November, Orkla signed a letter of intent with Alcoa concerning the establishment of a new joint company based on Sapa's and Alcoa's aluminium profile businesses. Orkla will be the majority shareholder in the new company, which is expected to be established in the first half of this year.

Group earnings per share for 2006 totalled NOK 54.3, compared with NOK 28.1 in 2005. The net contribution to profit from discontinued operations (Orkla Media) amounted to NOK 19.9 per share.

GROUP INCOME STATEMENT

Amounts in NOK million	1.1.–31.12.		1.10.–31.12.	
	2006	2005	2006	2005
Operating revenues	52,683	47,307	14,580	12,646
Operating expenses	(45,800)	(40,925)	(12,465)	(10,913)
Depreciations and write-downs of tangible assets	(1,799)	(1,888)	(463)	(475)
Amortisation intangible assets	(216)	(223)	(57)	(95)
Other revenues and expenses	(388)	(214)	(388)	(99)
Operating profit	4,480	4,057	1,207	1,064
Profit from associates	289	152	118	(17)
Dividends	769	1,018	52	237
Gains and losses/write-downs portfolio investments	3,271	2,186	1,716	422
Financial items, net	(284)	(464)	(128)	(170)
Profit before taxes	8,525	6,949	2,965	1,536
Taxes	(1,346)	(1,089)	(345)	(24)
Profit after taxes	7,179	5,860	2,620	1,512
Discontinued operations	4,109	154	(35)	113
Profit for the year	11,288	6,014	2,585	1,625
Minority	52	216	17	3
Profit before tax, Industry division	4,150	3,465	1,020	806
Profit before tax, Investment division	4,375	3,484	1,945	730
Earnings per share (NOK)	54.5	28.1	12.4	7.9
Earnings per share diluted (NOK)	54.3	28.1	12.4	7.9
Earnings per share diluted (NOK) *	36.5	30.1	14.3	8.6

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