



ORKLA THIRD QUARTER 2004

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GROUP INCOME STATEMENT

| Amounts in NOK million | 1.1.-30.9. | | 1.1.-31.12. | 1.7.-30.9. | |
|---|------------|----------|-------------|------------|---------|
| | 2004 | 2003 | 2003 | 2004 | 2003 |
| Operating revenues | 23,474 | 21,919 | 30,160 | 7,736 | 7,359 |
| Operating expenses | (20,746) | (19,317) | (26,495) | (6,852) | (6,479) |
| Ordinary depreciation and write-downs | (920) | (915) | (1,243) | (302) | (314) |
| Operating profit before goodwill amortisation | 1,808 | 1,687 | 2,422 | 582 | 566 |
| Ordinary goodwill amortisation and write-downs | (282) | (288) | (391) | (96) | (98) |
| Other revenues and expenses * | (662) | (50) | (790) | (550) | 0 |
| Operating profit | 864 | 1,349 | 1,241 | (64) | 468 |
| Profit from associates | 156 | 662 | 658 | 54 | 59 |
| Dividends | 680 | 384 | 437 | 31 | 2 |
| Portfolio gains | 574 | (30) | 259 | 202 | 72 |
| Financial items, net | (150) | (446) | (609) | (32) | (132) |
| Ordinary profit before tax | 2,124 | 1,919 | 1,986 | 191 | 469 |
| Taxes | (531) | (524) | (624) | (48) | (127) |
| Ordinary profit after tax | 1,593 | 1,395 | 1,362 | 143 | 342 |
| Gains/discontinued operations | 12,529 | 535 | 574 | 0 | 383 |
| Profit for the year | 14,122 | 1,930 | 1,936 | 143 | 725 |
| Of this minority interests | 37 | 24 | 35 | 12 | 5 |
| Profit before tax, Industry division | 678 | 975 | 706 | (28) | 374 |
| Profit before tax, Financial Investments division | 1,446 | 944 | 1,280 | 219 | 95 |
| Earnings per share (NOK) | 68.4 | 9.2 | 9.2 | 0.6 | 3.5 |
| Earnings per share fully diluted (NOK) | 68.2 | 9.2 | 9.2 | 0.6 | 3.5 |
| Earnings per share fully diluted, adjusted (NOK) ** | 11.6 | 11.4 | 16.2 | 3.4 | 4.3 |

This quarterly report has been prepared in accordance with the same accounting principles as the annual accounts and in accordance with Norwegian Accounting Standard No. 11.

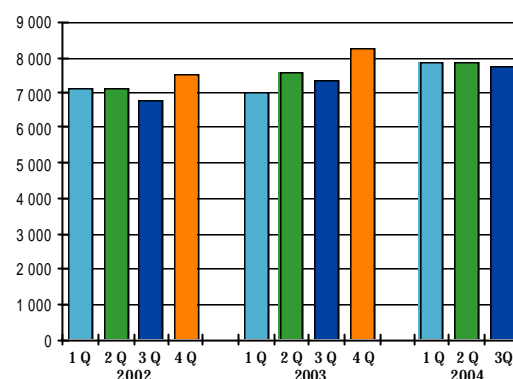
To make the figures in 2003 comparable with the presentation of the 2004 figures, Orkla Beverages is presented on a single line as discontinued operation. The gain from the sale of Orkla's interest in Carlsberg Breweries is presented on the same line.

* Other revenues and expenses totalled NOK - 622 million as of the end of the third quarter and are related to write-downs and restructuring at Denofa (NOK -515 million) and the fine chemicals operations in Italy, the USA and China (NOK -250 million), a restructuring provision for the sulphuric acid factory in Norway (NOK -50 million), a donation in connection with Orkla's 350th anniversary (NOK -35 million) and a gain on the sale of real estate property (NOK 188 million).

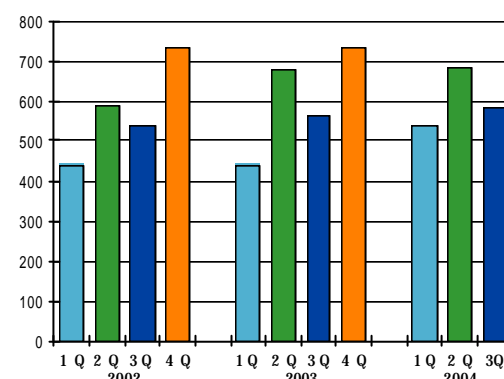
** Excluding goodwill amortisation, other revenues and expenses and gain on sale of share in Carlsberg Breweries.

OPERATING REVENUES AND OPERATING PROFIT BEFORE GOODWILL AMORTISATION IN NOK MILLION QUARTERLY***

OPERATING REVENUES



OPERATING PROFIT BEFORE GOODWILL AMORTISATION



*** Excluding Orkla Beverages.

MAIN TRENDS IN THE THIRD QUARTER

- > The Branded Consumer Goods business achieved profit growth and again posted satisfactory profit for the third quarter.
- > Continued growth on advertising markets in Norway and Denmark, but the third quarter is usually a quarter with relatively lower advertising revenues and profit for the Media business.
- > Provisions and write-downs in connection with restructuring in the Chemicals area will improve profit by approximately NOK 125 million from 2006. A total of NOK 515 million has been posted under «Other expenses» for the Chemicals business in the third quarter. The restructuring programmes concern Denofa and the fine chemicals operations outside Norway.
- > The net asset value of the investment portfolio increased by almost NOK 900 million in the third quarter and the return on the portfolio was 17.5 % as of 30 September. The Oslo Stock Exchange Benchmark Index has risen especially strongly, by 28.3 %, while the dividend-adjusted FT World Index has risen 3.2 % so far this year.

Group operating revenues in the third quarter totalled NOK 7,736 million (NOK 7,359 million)¹. Underlying² growth for operating revenues was on a par with the corresponding period of last year. A rise in advertising revenues and a higher level of activity in the newspaper business in Norway resulted in growth for Orkla Media, while a decline in export revenues for Lilleborg Home and Personal Care had a negative impact for Orkla Brands. At Orkla Foods, weaker sales from the Swedish companies were only partially offset by positive growth for Stabburet in Norway. At the end of the third quarter, operating revenues totalled NOK 23,474 million, equivalent to 1 % underlying² growth. So far this year, new business has contributed just over NOK 700 million in operating revenues.

Group operating profit before goodwill amortisation in the third quarter amounted to NOK 582 million (NOK 566 million)¹. At the end of the third quarter, operating profit before goodwill amortisation was NOK 1,808 million (NOK 1,687 million)¹, equivalent to underlying² growth of 5 %.

The Branded Consumer Goods business continued to report profit growth in the third quarter. The after-effects of the transport strike in Norway are estimated to have reduced profit by about NOK 10 million in the third quarter. Orkla Foods had another satisfactory quarter, driven by revenue and profit growth for Stabburet in Norway. The Swedish businesses, Procordia Food and Abba Seafood, are facing tough competition from low-price products but the cost reduction programmes are having a positive effect. The overall performance of Orkla Brands is satisfactory, despite a decline in export sales from Lilleborg Home and Personal Care and growing competition from private labels for the Biscuits business. A continued rise in advertising revenues for the newspaper businesses in Denmark and Norway and cost reductions in Denmark contributed to profit growth for Orkla Media.

The Chemicals business continued to be affected by the weak performance of Denofa in the third quarter. Steadily rising prices, especially for speciality cellulose but also for paper cellulose, resulted in profit growth for the cellulose business.

Other revenues and expenses amounted to NOK - 550 million for the quarter (NOK 0 million)¹. The Chemicals business posted NOK 515 million in «Other expenses» in the third quarter. Of this, NOK 265 million is related to restructuring and write-downs at Denofa, while NOK 250 million is related to restructuring of the fine chemicals business outside Norway. NOK 35 million was charged against «H.O./Unallocated» for a donation (for research and development) in connection with Orkla's 350th anniversary.

The contribution to profit from associates in the third quarter amounted to NOK 54 million (NOK 59 million)¹. Jotun has achieved profit growth in the third quarter and so far this year.

At the end of the third quarter, the return on Orkla's investment portfolio was 17.5 %, compared with a rise of 28.3 % on the Oslo Stock Exchange Benchmark Index. The dividend-adjusted FT World Index was up 3.2 %. The Financial Investments division realised gains of NOK 202 million (NOK 72 million)¹ in the third quarter. At the end of the quarter unrealised gains totalled just under NOK 4.3 billion.

Group cash flow from operations was satisfactory in the third quarter and almost 20 % better than in the corresponding period of last year.

Group earnings per share (fully diluted) at the end of the third quarter totalled NOK 68.2 (NOK 9.2)¹, of which the gain on the sale of Orkla's interest in Carlsberg Breweries amounted to NOK 60.7 per share. Restructuring and write-downs in the Chemicals area and the loss of contribution to profit from the Beverages business had a negative impact on earnings per share for the Industry division, while lower financial expenses had a positive effect. The gain on the sale of Orkla's interest in Enskilda Securities in 2003 was more than equalled by higher portfolio gains, gains on the sale of real estate in Oslo and higher dividends received, with the result that earnings per share were higher for the Financial Investments division. Before goodwill amortisation, other revenues and expenses and the gain on the sale of Carlsberg Breweries, earnings per share amounted to NOK 11.6 (NOK 11.4)¹. Calculations are based on a tax charge of 25 % for continuing business.

ORKLA FOODS

- Broad-based profit growth
- Improvement programmes proceeding as planned
- Revenue growth and strong profit growth for Stabburet
- Increased competition from private labels in Sweden

Orkla Foods posted operating revenues of NOK 3,112 million in the third quarter, compared with NOK 2,973 million in the corresponding period of last year. At the end of the third quarter, operating revenues totalled NOK 9,230 million, equivalent to underlying² growth on a par with the first nine months of last year. Operating profit before goodwill amortisation in the third quarter amounted to NOK 320 million, up 12 % from the third quarter of last year. All divisions except Abba Seafood in Sweden reported profit growth. As of 30 September, operating profit before goodwill amortisation was NOK 766 million, equivalent to 14 % growth compared with the corresponding period of 2003. The improvement programmes are proceeding as planned.

In Norway, Stabburet reported growth in both sales and profit. Pizza Grandiosa is up 41 % so far this year. Many other brands also strengthened or maintained their positions on the Norwegian market.

In Sweden, Procordia Food and Abba Seafood faced increasing competition due to the growth of private labels and the introduction of hard discounts. Since it was launched early in the second quarter, Bob Mixx, which contains less sugar and more berries, has taken 10 % of the Swedish cordial market. The Kalles brand achieved 11 % volume growth in the third quarter, largely thanks to the launch of the fish roe product Kalles Randiga.

Both Beauvais in Denmark and Felix Abba in Finland and the Baltic States reported growth in operating revenues and operating profit.

Orkla Foods International and Orkla Food Ingredients reported growth in operating profit in the third quarter. Giuseppe in the Czech Republic, Orkla Foods Hungary and the Polish companies Kotlin and Superfish all achieved profit growth. In Denmark, Dragsbæk continued to perform well in the third quarter, while Odense Marcipan and Credin also reported quarterly growth.

The acquisition of Bakehuset contributed to a 33 % rise in sales for Bakers. Coordination and efficiency improvement measures following the takeover of Bakehuset Norge are proceeding as planned.

¹ The figures in brackets are for the corresponding period of 2003.

² Excluding acquisitions and divestments and currency translation effects.

OPERATING REVENUES

OPERATING PROFIT BEFORE GOODWILL AMORTISATION

| Amounts in NOK million | 1.1.–30.9. | | 1.1.–31.12. | 1.7.–30.9. | | 1.1.–30.9. | | 1.1.–31.12. | 1.7.–30.9. | |
|--------------------------------|------------|--------|-------------|------------|-------|------------|-------|-------------|------------|------|
| | 2004 | 2003 | 2003 | 2004 | 2003 | 2004 | 2003 | 2003 | 2004 | 2003 |
| Orkla Foods | 9,230 | 8,534 | 11,913 | 3,112 | 2,973 | 766 | 671 | 1,030 | 320 | 286 |
| Orkla Brands | 3,464 | 3,450 | 4,739 | 1,102 | 1,146 | 681 | 667 | 929 | 217 | 223 |
| Orkla Media | 5,977 | 5,388 | 7,378 | 1,966 | 1,799 | 215 | 107 | 242 | 43 | 33 |
| Eliminations | (143) | (138) | (202) | (50) | (50) | 0 | 0 | 0 | 0 | 0 |
| Branded Consumer Goods | 18,528 | 17,234 | 23,828 | 6,130 | 5,868 | 1,662 | 1,445 | 2,201 | 580 | 542 |
| Chemicals | 4,720 | 4,526 | 6,048 | 1,543 | 1,439 | 257 | 318 | 344 | 45 | 55 |
| H.O./Unallocated/Eliminations | (57) | (70) | (66) | (14) | (22) | (125) | (84) | (131) | (37) | (32) |
| Industry division | 23,191 | 21,690 | 29,810 | 7,659 | 7,285 | 1,794 | 1,679 | 2,414 | 588 | 565 |
| Financial investments division | 283 | 229 | 350 | 77 | 74 | 14 | 8 | 8 | (6) | 1 |
| Group | 23,474 | 21,919 | 30,160 | 7,736 | 7,359 | 1,808 | 1,687 | 2,422 | 582 | 566 |

ORKLA BRANDS

- Satisfactory profit level
- Profit growth for the smaller businesses
- Decline in export sales for Lilleborg Home and Personal Care
- Increased competition from private labels for the Biscuits business

Operating revenues for Orkla Brands totalled NOK 1,102 million in the third quarter. The difference in comparison with the third quarter of last year is largely ascribable to the loss of contract production and export of detergents for Lilleborg Home and Personal Care, plus certain after-effects of the transport workers' strike in the second quarter. At the end of the third quarter, operating revenues totalled NOK 3,464 million. Exports of detergents are weaker than last year, while underlying revenue growth on Orkla Brands' domestic market is on a par with last year.

Operating profit before goodwill amortisation amounted to NOK 217 million in the third quarter, down 3 % from the corresponding period of last year. The transport workers' strike and lower export sales resulted in a decline in profit for Lilleborg Home and Personal Care. The Biscuits business was affected by weak summer sales and tougher competition from private labels. The smaller businesses, such as Dietary Supplements, Lilleborg Industrial Detergents and Household Textiles, all reported profit growth for the quarter. In the third quarter, most business areas continued to benefit from the cost reduction measures that have been implemented. An improvement project has been initiated in Household Textiles to ensure that it has a long-term, competitive business platform. Operating profit before goodwill amortisation amounted to NOK 681 million at the end of September, NOK 14 million higher than in the first nine months of 2003.

Orkla Brands launched several new products in the third quarter: Lux shower series and solid soap, Dove Lip Balm, Dove for coloured hair, Jif Wet Disposable Mop, Sterilan Mineral, Define Anti-Fizz, Comfort Pear&Ginko (Lilleborg Home and Personal Care), Café Brownie and Noble Collection (Biscuits), Polly Cashew Nuts and Polly Chilli Nuts (Snacks), Bocca with Nuts, Bamsemums Banana and Troika Pieces (Confectionery).

Orkla Brands' market shares are largely stable and were unchanged from the second quarter on an overall basis.

ORKLA MEDIA

- Growth on advertising markets
- Continued profit growth for the newspaper businesses in Norway and Denmark
- Declining circulation in Denmark and Poland

Orkla Media's operating revenues totalled NOK 1,966 million in the third quarter, equivalent to underlying² growth of 4 %. The improvement was largely due to a rise in revenues for the newspaper businesses in Denmark and Norway. Operating profit before goodwill amortisation amounted to NOK 43 million for the quarter, up NOK 10 million from the corresponding period of last year. So far this year, operating revenues amount to NOK 5,977 million, equivalent to 4 % underlying² growth. Operating profit before goodwill amortisation was NOK 215 million (NOK 107 million)¹ at the end of the third quarter.

Berlingske in Denmark also reported profit growth in the third quarter compared with the corresponding period of last year due to a rise in advertising revenues and reduced costs. Circulation continued to decline, but was on a par with the total market. Urban is being distributed nationally from the third quarter, which will have a negative impact on profit in future.

Newspapers Norway continued to report profit growth in the third quarter compared with the corresponding period of last year. This is ascribable to a continued rise in revenues and reduced costs.

Newspapers Central and Eastern Europe reported profit on a par with last year. Circulation continued to decline. As a result of the competitive situation there is stronger focus on marketing and product development, which had a negative impact on quarterly profit.

Profit for Magazines was on a par with the third quarter of last year.

CHEMICALS

- Restructuring and write-downs at Denofa and fine chemicals businesses outside Norway
- Profit growth for Speciality Cellulose

Borregaard's operating revenues totalled NOK 1,543 million in the third quarter, equivalent to underlying² growth of 6 % compared with the third quarter of last year.

Operating profit before goodwill amortisation amounted to NOK 45 million (NOK 55 million)¹. The lower profit was primarily due to a significant decline at Denofa, while Borregaard ChemCell achieved substantial growth.

At the end of the third quarter, operating revenues totalled NOK 4,720 million, equivalent to 2 % underlying² growth compared with last year. So far this year, operating profit before goodwill amortisation amounts to NOK 257 million, down NOK 61 million from the first nine months of last year.

Borregaard LignoTech reported slightly weaker third quarter profit than last year due to tougher competition in certain segments and an unfavourable currency situation.

Borregaard ChemCell's third quarter profit was significantly better than last year and on a par with the second quarter. The continuing strong demand for dissolving cellulose for textile production in Asia and stable prices for paper cellulose made a positive contribution. Poor results from the yeast business, which is still being developed, had a negative impact. Higher timber prices were offset by lower energy costs and the positive effect of improvement programmes.

Borregaard Synthesis reported weak results in the third quarter due to low sales of pharmaceutical intermediates from Norway and the USA and higher oil-related raw material costs for the Italian business. The profitability of Borregaard Synthesis' operations outside Norway has declined in recent years, and a restructuring programme has therefore been initiated for the companies in Italy, the USA and China. The cost of the restructuring programme, which is calculated to be NOK 250 million, has been posted under «Other expenses» for the third quarter.

Denofa continued to report significantly weaker profit than last year in the third quarter. The continued low industrial crushing margin for soya beans, tougher competition and the company's weaker position in oils and fats had a negative impact. The trend for Denofa's markets and operating parameters has been extremely negative in recent years and the oil and fat business in particular has been running at a significant operating loss, despite the improvement programmes that have been implemented. Denofa has therefore embarked on a restructuring process in which alternative forms of operation and structural solutions are being considered. For the third quarter, an allocation of NOK 265 million has been made under «Other expenses», mainly linked to write-downs and provisions at the Fredrikstad plant. Part of this amount is related to further losses in the third quarter in connection with the imbalances on the soya market and a provision for winding up the current sourcing operation in Brazil.

The restructuring programmes at Borregaard Synthesis and Denofa will alone improve annual profit by approximately NOK 125 million compared with the current level, with full effect from 2006.

Borregaard Energy achieved better quarterly profit than last year, while Borregaard Vafos and Borregaard Hellefoss reported slightly weaker results.

FINANCIAL INVESTMENTS

After rising 19.6 % by the end of the second quarter of 2004, the Oslo Stock Exchange Benchmark Index rose a further 7.2 % in the third quarter. The Index was thus 28.3 % higher than at the beginning of the year. The markets in Sweden and Denmark also grew in the third quarter, while the Finnish market declined slightly. The dividend-adjusted FT World Index has risen 3.2 % so far this year. As of 30 September, the return on Orkla's investment portfolio was 17.5 %.

Pre-tax profit for the Financial Investments division amounted to NOK 219 million (NOK 95 million)¹. Realised portfolio gains totalled NOK 202 million for the quarter (NOK 72 million)¹. Dividends received in the third quarter amounted to NOK 31 million (NOK 2 million)¹. Pre-tax profit so far this year is NOK 1.446 million (NOK 944 million)¹. Profit includes a NOK 188 million gain on the sale of real estate in Oslo.

Net purchases of shares amounted to NOK 140 million in the third quarter and NOK 231 million so far this year.

The net asset value of the share portfolio increased by NOK 873 million in the third quarter to NOK 16,199 million. The market value of the portfolio was NOK 16,823 million at the end of September, and investments outside Norway accounted for 32 %. Unrealised gains totalled NOK 4,260 million as of 30 September and were equivalent to 25 % of the portfolio's market value.

CASH FLOW AND FINANCIAL SITUATION

Cash flow from operating activities amounted to NOK 932 million in the third quarter, which is NOK 148 million better than in the corresponding period of last year. Write-downs and restructuring provisions in the Chemicals business affect profit, but have no effect on cash flow in the third quarter. The depletion of soya bean inventories will otherwise result in positive development in working capital for the Chemicals business. At the end of the third quarter, cash flow from operating activities totalled NOK 1,790 million, on a par with the corresponding period of last year.

One million Orkla shares were bought back during the quarter at an average price of NOK 174.1 per share.

Net acquisitions in the third quarter amounted to NOK 160 million and were primarily related to Orkla Foods' acquisition of SIA Spilva in Latvia and Orkla Media's acquisition of the Polish newspaper companies Echo Dnia and Slowo Ludu. Divestments amounted to NOK 35 million and are related to the sale of Orkla's interest in Orkla Exolon.

Settlement for the sale of real estate properties at Skøyen in Oslo in the second quarter was made in the third quarter, which contributed to positive cash flow from the investment portfolio.

GROUP BALANCE SHEET

| | 30.9. 2004 | 30.9. 2003 | 31.12. 2003 |
|---|---------------|---------------|----------------|
| Amounts in NOK million | | | |
| Intangible assets | 3,854 | 3,984 | 3,728 |
| Tangible assets | 9,116 | 9,645 | 9,662 |
| Discontinued operations | 0 | 5,164 | 4,949 |
| Financial long-term assets | 6,562 | 2,268 | 2,176 |
| Long-term assets | 19,532 | 21,061 | 20,515 |
| Inventories | 3,035 | 3,212 | 2,996 |
| Receivables | 4,716 | 4,692 | 4,770 |
| Portfolio investments | 12,640 | 11,477 | 11,867 |
| Cash and cash equivalents | 1,240 | 857 | 1,276 |
| Short-term assets | 21,631 | 20,238 | 20,909 |
| Total assets | 41,163 | 41,299 | 41,424 |
| Paid-in equity | 2,006 | 2,010 | 2,010 |
| Accumulated profit | 25,403 | 17,824 | 11,569 |
| Minority interests | 242 | 242 | 247 |
| Equity | 27,651 | 20,076 | 13,826 |
| Provisions | 1,564 | 1,190 | 1,516 |
| Long-term interest-bearing liabilities | 5,534 | 12,313 | 13,038 |
| Short-term interest-bearing liabilities | 249 | 1,900 | 1,261 |
| Other short-term liabilities | 6,165 | 5,820 | 11,783 |
| Equity and liabilities | 41,163 | 41,299 | 41,424 |
| Equity to total assets (%): | | | |
| Book | 67.2 | 48.6 | 45.8 |
| Including unrealised gains before tax | 70.3 | 50.3 | 49.4 |

* Calculated before allocation to additional dividend.

CHANGES IN EQUITY*

| | 30.9. 2004 | 30.9. 2003 | 31.12. 2003 |
|------------------------------------|---------------|---------------|----------------|
| Amounts in NOK million | | | |
| Equity 1 January | 13,579 | 17,800 | 17,800 |
| Profit for the year after minority | 14,085 | 1,906 | 1,901 |
| Dividend | 0 | 0 | (5,972) |
| Repurchase of own shares | (136) | (250) | (253) |
| Translation effects etc. | (119) | 378 | 103 |
| Total | 27,409 | 19,834 | 13,579 |

*Excluding minorities.

Net interest-bearing liabilities were further reduced during the period and amounted to NOK 82 million at the end of the quarter. Gross interest-bearing liabilities amounted to NOK 5.8 billion and are being used to finance, among other things, a bank-guaranteed interest-bearing receivable of NOK 4.4 billion with a due date in 2006, established in connection with the settlement for the sale of Orkla's interest in Carlsberg Breweries. The Group's average borrowing rate in the third quarter was 3.6 %. The equity to total assets ratio was 67.2 % as of the end of September.

CASH FLOW

| | 1.1.-30.9. 2004 | 1.1.-30.9. 2003 | 1.1.-31.12. 2003 | 1.7.-30.9. 2004 | 1.7.-30.9. 2003 |
|---|--------------------|--------------------|---------------------|--------------------|--------------------|
| Amounts in NOK million | | | | | |
| Industry division: | | | | | |
| Operating profit | 662 | 1,340 | 1,233 | (58) | 467 |
| Depreciation and write-downs | 1,430 | 1,205 | 2,348 | 633 | 406 |
| Change in net working capital | 392 | (45) | 225 | 580 | 168 |
| Cash flow from operating activities before net replacements expenditure | 2,484 | 2,500 | 3,806 | 1,155 | 1,041 |
| Net replacement expenditure | (694) | (708) | (995) | (223) | (257) |
| Cash flow from operating activities | 1,790 | 1,792 | 2,811 | 932 | 784 |
| Financial items, net | (194) | (440) | (706) | (68) | (123) |
| Cash flow from Industry division | 1,596 | 1,352 | 2,105 | 864 | 661 |
| Cash flow from | | | | | |
| Financial Investments division | 777 | 182 | 141 | (7) | 32 |
| Taxes paid | (478) | (371) | (640) | (48) | (67) |
| Miscellaneous | (65) | 9 | 125 | (26) | (46) |
| Cash flow before capital transactions | 1,830 | 1,172 | 1,731 | 783 | 580 |
| Dividends paid | (6,025) | (737) | (722) | (348) | (2) |
| Share buy back | (136) | (250) | (253) | (173) | (2) |
| Cash flow before expansion | (4,331) | 185 | 756 | 262 | 576 |
| Expansion investments, | | | | | |
| Industry division | (19) | (74) | (84) | (8) | (12) |
| Sold companies | 17,506 | 1,006 | 1,039 | 35 | 123 |
| Acquired companies | (534) | (71) | (197) | (160) | (41) |
| Net purchases/sales portfolio investments | 191 | 853 | 774 | 282 | (409) |
| Net cash flow | 12,813 | 1,899 | 2,288 | 411 | 237 |
| Currency translation | | | | | |
| net interest-bearing debt | (52) | (651) | (759) | 46 | 16 |
| Change in net interest-bearing debt | (12,761) | (1,248) | (1,529) | (457) | (253) |
| Net interest-bearing debt | 82 | 13,124 | 12,843 | | |

OTHER MATTERS

Like all other listed companies in or associated with the EU, Orkla must present its accounts according to the International Financial Reporting Standards (IFRS) from 2005. The first report according to the new accounting standards will be for the first quarter of 2005.

The annual accounts for 2004 will be presented in accordance with the current Norwegian accounting standards. For the sake of comparison, however, the 2004 accounts will be restated according to IFRS and all reports in 2005 will show comparable figures for 2004 based on the same accounting principles (IFRS). The restated quarterly figures for 2004 will be published prior to publication of the results for the first quarter of 2005 (28 April 2005).



If undelivered, please return to:
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In the event of a change of address, shareholders are requested to contact their account manager (bank etc.).

Information about Orkla is available at: www.orkla.com

The annual report for 2004 will also contain a general explanation of how Orkla will apply IFRS and a more detailed description of the most important changes in Orkla's accounting practice as a result of the transition to IFRS.

Although the most important elements of IFRS have now been approved, there are still certain areas and details that have not been finalised. Further updates, adjustments and interpretations that may affect Orkla's future accounting practice must therefore be expected.

On the basis of what we know today, however, the transition to IFRS is not expected to have a significant impact on Orkla's accounts for 2005 and, all other things being equal, both earnings per share and book equity capital will be higher according to IFRS than according to the current Norwegian accounting standards. A more detailed description of the most important changes is shown as an appendix to Orkla's quarterly presentation for the third quarter of 2004 (www.orkla.no).

OUTLOOK

In general the economic prospects still appear to be uncertain. High oil prices are contributing to the uncertainty. High oil prices will also lead to higher energy and packaging costs, although the effect is not considered to be significant for Orkla.

Increased competition on the Nordic retail markets from new low-price actors has led to a new dynamic with stronger focus on private labels and prices. For the Branded Consumer Goods business, the cost improvement programmes in particular are expected to continue to have a positive effect.

For the Chemicals business, the restructuring programmes at Denofa and the fine chemicals companies outside Norway will gradually lead to cost reductions throughout 2005. From 2006, the programmes alone will lead to a profit improvement of approximately NOK 125 million compared with the current level.

The weakness of the US dollar against the Norwegian krone and the South African Rand will be unfavourable for the Chemicals business's prices in NOK. Measured in US dollar, prices for certain cellulose products continue to rise.

Oslo, 3 November 2004
The Board of Directors of Orkla ASA

