

Notice to The Oslo Stock Exchange



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Date: 08.10.2001

ORK – BBH sells Kalnapilis to Bryggerigruppen

Please confer stock exchange notification dated 21.02.2001 regarding the same topic.

Kalnapilis is sold to Bryggerigruppen

Baltic Beverages Holding (BBH) sells its 87% share of the Lithuanian brewery Kalnapilis to Bryggerigruppen (The Danish Brewery Group) at a price of LTL 135.1 million, corresponding to NOK 297 million. Last year Kalnapilis had a market share in Lithuania of 18%. Kalnapilis is being sold because the Lithuanian competition authorities approved the establishment of Carlsberg Breweries on condition that one of the three breweries owned by BBH and Carlsberg Breweries be sold. The sale is subject to approval by the Lithuanian competition authorities.

Merging Svyturys and Utenos Alus

Svyturys, owned by Carlsberg Breweries, will after the sale of Kalnapilis be merged with Utenos Alus, owned by BBH. The Lithuanian competition authorities must approve the merger.

The merger of the two companies is expected to take place in the beginning of next year. The new company will be named AB Svyturio-Utenos Alus and Tomas Kucinskas will be CEO. Svyturys and Utenos Alus had market shares in 2000 of 26% and 20%, respectively.

The Lithuanian beer market

The Lithuanian beer market has grown significantly the last few years and today's per capita consumption is 59 litres. The increased beer consumption is mainly due to the economic growth in Lithuania and a generally improved product quality. Lithuania is still a growth market and an annual 5-7% increase in beer consumption is expected during the next five years.

Lithuania has five larger breweries: Svyturys, Utenos Alus, Kalnapilis, the Finnish owned Ragutis and Vilniaus Tauras, which is already owned by Bryggerigruppen. Together, the five breweries hold approximately 83% of the market and around 25 smaller breweries cover the remainder.

Other

BBH is owned 50% by the Finnish brewery Hartwall and 50% by Carlsberg Breweries. Carlsberg Breweries is owned 60% by Carlsberg A/S and 40% by Orkla.