



Third quarter 2012

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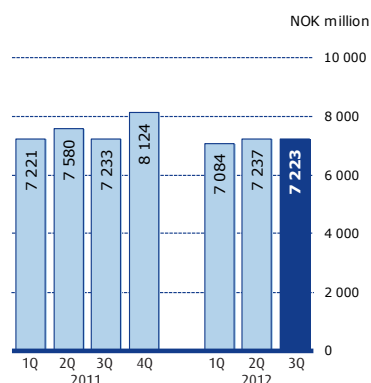
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The third quarter in brief

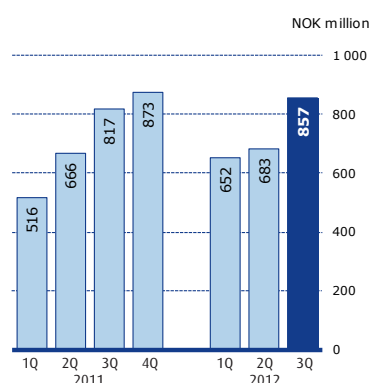
- Important structural changes confirm strategic direction.
 - Agreement to purchase Rieber & Søn ASA.
 - Acquisition of Jordan finally approved and consolidated with accounting effect from 1 September 2012.
 - Joint venture agreement between Sapa and Norsk Hydro ASA for aluminium extrusions and building systems.
 - Stock exchange listing of Borregaard ASA.
 - Ownership interest in REC reduced to 15.6%.
- For continuing operations, the Orkla Group reported operational improvement in the third quarter. EBITA¹ reached NOK 857 million (NOK 817 million)².
- Overall stable revenue and profit growth for the Branded Consumer Goods area. Improvement for the Nordic branded consumer goods businesses was counteracted to some extent by weak profit performance in Russia. Overall, market shares were maintained.
- Improvement measures are being carried out in Sapa Heat Transfer and third-quarter EBITA¹ was better than in the same period of 2011.
- The continued positive performance of Sapa Profiles in North America was counteracted by weak markets in Europe, and Sapa Profiles reported lower profit than in the same quarter of 2011.

KEY FIGURES FOR THE ORKLA GROUP		1.1. – 30.9.		1.1. – 31.12.		1.7. – 30.9.	
Amounts in NOK million	Note	2012	2011	2011	2012	2011	2011
Operating revenues	2	21,544	22,034	30,158	7,223	7,233	7,233
EBITA ¹	2	2,192	1,999	2,872	857	817	817
Profit/loss before taxes		3,235	3,109	4,426	1,181	660	660
Profit/loss from discontinued operations		(1,221)	(3,467)	(4,503)	(1,106)	(1,738)	(1,738)
Earnings per share, diluted (NOK)		1.4	(1.0)	(0.8)	(0.2)	(1.3)	(1.3)
Cash flow from operating activities	12	1,708	866	2,460	565	1,183	1,183
Net interest-bearing liabilities	6	9,488	8,060	10,645			
Equity ratio (%)		52.1	55.0	51.8			
Net gearing ⁴		0.30	0.20	0.31			

OPERATING REVENUES



EBITA¹



¹ Operating profit before amortisation and other income and expenses

² Figures in parentheses are for the corresponding period in the previous year

³ Excluding acquired and sold operations and currency translation effects

⁴ [Net interest-bearing liabilities]/Equity

Accounting changes

The structural changes related to Sapa, Borregaard Chemicals and the shareholding in REC have had a significant impact on the presentation of Orkla's consolidated financial statements. As from 30 September 2012, all of these areas will be presented as "Discontinued operations". This means that the businesses mentioned will no longer be consolidated as subsidiaries and associate, respectively, but will be presented as net aggregate profit/loss after tax on the line for discontinued operations in the income statement. In the balance sheet, the discontinued operations will be presented on two lines, one for assets and one for liabilities.

As far as the income statement and associated notes are concerned, both the income statement for 2012 and comparative figures for 2011 will be restated. With regard to the balance sheet and cash flow statement, only third-quarter figures will be restated.

The Group

For continuing operations, Orkla's operating revenues totalled NOK 7,223 million (NOK 7,233 million)² in the third quarter. The Branded Consumer Goods area achieved underlying³ sales growth of 1% in the third quarter, driven by the Nordic companies and MTR Foods in India. Due to substantially lower power prices, Hydro Power posted a weak performance. Currency translation effects had a negative impact of around NOK 23 million on third-quarter operating revenues.

Group EBITA¹ amounted to NOK 857 million (NOK 817 million)² in the third quarter. The Branded Consumer Goods area accounted for around 90% of profit. Orkla Financial Investments made a substantial contribution to profit as a result of gains on the sale of property, with total EBITA¹ of NOK 51 million (NOK 1 million)² in the third quarter. Third-quarter EBITA¹ was positively impacted by currency translation effects totalling NOK 7 million.

Other income and expenses amounted to NOK -24 million in the third quarter, largely related to the immediate recognition of M&A costs at Group level.

Third-quarter profit from associates totalled NOK 83 million (NOK 61 million)². The profit growth was primarily related to Jotun.

The Share Portfolio reported a net accounting gain of NOK 1,076 million (NOK 914 million)² for the first nine months. Net sales of shares totalled NOK 899 million in the quarter. At the end of the third quarter, the market value was NOK 2,860 million and the portfolio is expected to be sold by the end of the first half of 2014.

Net finance costs amounted to NOK -157 million (NOK -117 million)² in the third quarter. Interest expenses were equivalent to an average borrowing rate of 3.6%. As at the third quarter of 2012, the Group's net interest-bearing liabilities totalled NOK 9,488 million.

Borregaard Chemicals is presented as at 30 September 2012 on the line for discontinued operations with accumulated profit/loss after tax minus expenses incurred in connection with the stock exchange listing. The Sapa businesses that are included in the agreement with Norsk Hydro ASA are presented in the same way. This part of Sapa has been established through a series of acquisitions that have given rise to accounting goodwill. An impairment assessment was carried out in the third quarter, and the investment has been written down by NOK 1,500 million. The write-down is ascribed to discontinued operations. Accumulated profit/loss for REC, which was previously presented as an associate, has been moved to discontinued operations.

Group profit before tax amounted to NOK 1,181 million (NOK 660 million)² in the third quarter. Third-quarter taxes totalled NOK 236 million. Orkla's diluted earnings per share were NOK -0.2 in the third quarter (NOK -1.3)².

The business areas

The Branded Consumer Goods area

	1.1. – 30.9.		1.1. – 31.12.		1.7. – 30.9.
Amounts in NOK million	2012	2011	2011	2012	2011
Operating revenues	17,174	17,752	24,621	5,929	6,030
EBITA ¹	1,883	1,908	2,784	773	762
EBITA margin (%)	11.0	10.7	11.3	13.0	12.6
Cash flow from operations before net replacement expenditures	1,958	1,632	2,800	780	847
Net replacement expenditures	(441)	(444)	(646)	(168)	(159)
Cash flow from operations	1,517	1,188	2,154	612	688
Expansion investments	(113)	(179)	(216)	(48)	(34)

Overall, Orkla's branded consumer goods area showed a flat underlying³ profit performance in the third quarter. The Nordic branded consumer goods business reported sales and profit growth. These results were counteracted to some extent by a decline for Orkla Brands International. Lower profit in Orkla Brands Russia was the main driver of Orkla Brands International's profit performance.

Underlying³ operating revenues rose by 1% in the third quarter. A broad-based improvement in sales in Orkla Foods Nordic was somewhat offset by slightly weaker third-quarter sales for Orkla Food Ingredients. For Orkla Food Ingredients, however, the third quarter of 2011 was affected by stockpiling in anticipation of the introduction of a tax on fat in Denmark. The loss of contract production in Procordia and Lilleborg Profesjonell is still affecting results negatively in the third quarter, but this effect is diminishing. Overall market shares for the Branded Consumer Goods area were maintained.

Global raw material prices have fallen since they peaked in February 2011. Prices have been stable during the year, but have remained high. Due to delayed effects, Orkla's branded consumer goods companies continued to see a slight increase in raw material costs in the quarter. Prices have been raised to compensate for this increase.

In addition to the agreement to purchase Rieber & Søn, agreements were entered into regarding two smaller acquisitions in Procordia and Axellus.

Orkla Foods Nordic

- Sales and profit growth
- Growth through the grocery channel
- Higher raw material costs offset by steady price increases

Orkla Foods Nordic posted third-quarter operating revenues of NOK 2,102 million (NOK 2,242 million)². The underlying³ improvement was 4%; however, it was boosted slightly by positive timing effects that will have a corresponding negative impact in the fourth quarter. EBITA¹ amounted to NOK 313 million (NOK 262 million)², an underlying³ profit rise of 13%. The sale of property by Abba Seafood generated a gain of NOK 11 million in the quarter.

New product launches targeting the grocery channel boosted operating revenues in the third quarter. In particular, the launch of Big One American Diner and Big One Takeaway contributed to growth for Stabburet in Norway, while the launch of Middagsklart helped to enhance Abba Seafood's performance in Sweden. Overall, price trends for key raw materials were flat in the reporting period, but costs were nonetheless higher than in the same quarter of 2011 due to carry-over effects. However, prices were raised to compensate for this increase. Total market shares are considered to have increased slightly in the quarter.

Stabburet continued its positive performance in relation to both the grocery channel and the out-of-home channel, and increased its market shares. The Swedish businesses reported an increase in both operating revenues and profit, primarily driven by Abba Seafood's improved performance. The results of the Finnish businesses and Beauvais foods in Denmark were on a par with the same quarter in 2011. All in all, the Baltic businesses contributed positively, with particularly good development for the Estonian company Kalev.

In the third quarter, Procordia acquired the brand rights to Jock (berry drinks) in Sweden. In 2011, the brand had total sales of around SEK 65 million.

Orkla Brands Nordic

- Operating profit slightly weaker than in 2011
- Weak performance for Göteborgs/Sætre
- Jordan incorporated into Orkla Brands Nordic as from 1 September

Orkla Brands Nordic reported third-quarter operating revenues of NOK 2,023 million (NOK 1,947 million)², equivalent to an underlying³ decline of 1%. EBITA¹ amounted to NOK 417 million (NOK 428 million)², an underlying³ decrease of 3%.

The decline in sales and profit in the quarter is primarily ascribable to weak volume performance in Göteborgs/Sætre

and Pierre Robert Group. Moreover, the loss of contract production in Lilleborg Profesjonell pulled profit down, year on year. On the other hand, Lilleborg in particular reported improvement related to sales growth in several categories, especially dishwashing detergents and hair products.

Göteborgs/Sætre saw a decline in volumes in both Norway and Sweden. In Norway activity from other branded consumer goods players increased, while activity from the retail sector's private labels increased in Sweden.

Pierre Robert Group posted lower sales in Norway in the third quarter due to reduced distribution with one of its customers. Moreover, margins were reduced by substantially higher purchasing costs for wool products.

Orkla Brands Nordic experienced varying development in market shares. KiMs in Denmark and Axellus reported growth, while Sætre saw a decline in market shares.

Jordan Personal & Home Care became part of Orkla Brands Nordic as from 1 September and the process of integrating the business into Lilleborg is proceeding as planned. Jordan House Care will operate as a separate segment within Orkla Brands Nordic. Sales and profit performance was on a par with the acquisition conditions.

Orkla Brands International

- Continued good sales growth in India
- Increased investment in advertising
- Lower profit in Orkla Brands Russia

Orkla Brands International posted third-quarter operating revenues of NOK 494 million (NOK 498 million)², equivalent to underlying³ growth of 4%. Third-quarter EBITA¹ amounted to NOK -15 million (NOK 10 million)². Underlying³, this was equivalent to a profit decline of NOK 24 million.

The increase in operating revenues was primarily driven by the business in India, which achieved volume growth for spice mixes, powder mixes and beverages. General growth in the Indian economy slowed somewhat in 2012, and MTR Foods' growth in the third quarter was somewhat weaker than in the first half-year.

The Russian market is undergoing a significant transformation where national retailers in particular are gaining market shares. Orkla Brands Russia is simultaneously undergoing major internal changes following the merger of two companies. In order to adjust to the changing market situation and reduce complexity, the number of product lines has been reduced substantially. The company is also in the process of a significant restructuring of production. During this period, production planning has been challenging, leading to negative effects in the third quarter resulting from the discounting of discontinued product lines and products with a short remaining shelf life.

Felix Austria reported good growth in the grocery sector, driven by ready meals.

Advertising investments increased, year on year, by NOK 10 million, mainly related to MTR Foods in India.

Orkla Food Ingredients

- Challenging markets in Southern and Eastern Europe

Orkla Food Ingredients reported third-quarter operating revenues of NOK 1,372 million (NOK 1,418 million)², equivalent to an underlying³ decline of 5%. Third-quarter EBITA¹ amounted to NOK 58 million (NOK 62 million)².

The decline in operating revenues in the quarter was partly due to the impact of the introduction of a tax on fat in Denmark on 1 October 2011 which resulted in extensive stockpiling of margarine products at the end of the third quarter of 2011, but also partly to fewer sales days in the Scandinavian market.

The companies in Orkla Food Ingredients have generally maintained sales, in a market that can be described as demanding. The market shift away from artisan bakeries, towards industrial bakeries with lower margins, continued in the third quarter.

Other businesses

Sapa

As a result of the agreement to establish a joint venture between parts of Sapa and Norsk Hydro ASA, reporting of Sapa will be changed. Sapa Heat Transfer will be reported as a separate segment and will be included in the Group's sales and operating profit. Sapa Profiles & Building System will be presented as net profit/loss after tax on the line for discontinued operations. When the joint venture agreement is finally approved, this investment will be re-established as a jointly controlled entity and will be presented in the same way as an associate, in line with the equity method of accounting.

Sapa Heat Transfer

- Stable volume for Sapa Heat Transfer
- Improved profit compared with the third quarter of 2011

Sapa Heat Transfer delivered 36,000 tonnes in the third quarter, in line with the third quarter of 2011. However, EBITA¹ increased to NOK 64 million (NOK 28 million)² following improvements in Heat Transfer's Swedish business in Finspång.

Sapa Heat Transfer's programme to improve results through restructuring, operational improvements and price increases is progressing, and the EBITA¹ margin for the third quarter was 7% compared with 3% in the third quarter of 2011. The Swedish business in Finspång improved its EBITA¹,

year on year. In the same period, the Shanghai business's export margins were negatively affected by local metal prices that were higher than world market prices.

Sapa Profiles & Building System

- Market growth and continued share gain in Sapa Profiles North America
- Significant volume drop in weak European market
- Reported on the line for discontinued operations until the agreement is finally approved

Sales volume in the third quarter of 2012 was 219,000 tonnes, which is a 5,000 tonne (-2%) volume decrease compared to the same period of 2011. Volume related to Asia increased by 4,000 tonnes. Third-quarter EBITA¹ at NOK 43 million (NOK 137 million)².

Sapa Profiles North America continued to increase its volume in the third quarter, delivering 115,000 tonnes, which constituted a year-on-year increase of 7,000 tonnes (6%). The volume increase was driven by market share gain as well as continued market growth. However, the market's growth pace softened in the third quarter compared to the first half of 2012. Optimisation of production footprint and operational improvements over the last two years have increased profitability, and the EBITA¹ margin for the third quarter reached 5.2%.

The European market continued to deteriorate, and Sapa Profiles Europe's sales volume dropped 14,000 tonnes (13%) from the 106,000 tonnes delivered in the same period in 2011. The restructuring savings were more than offset by weak markets and price pressure, which led to an EBITA¹ margin of -0.3% for the third quarter. Further restructuring is required due to the uncertainty in the European market.

The Asian business is in a comprehensive establishment and build-up phase, which includes organisational, manufacturing and market investments. For 2012, profit contributions are expected to be negative, also affected by the current slow-down in Chinese economic growth. In particular, the Chinese solar, building and construction industries have demonstrated slower growth in the third quarter, affecting demand for extrusions in this area. In order to meet the weaker market development, Sapa has adjusted the Jiangyin (China) organisation and laid off some 150 employees in the quarter. This process will take some time and positive EBITA¹ from the Asian operations is expected to be realised during 2014, somewhat later than previously anticipated. Third-quarter EBITA¹ for Profiles Asia amounted to NOK -24 million.

Sapa Building System is still affected by the low activity in the European building and construction industry, which is generating lower sales than in 2011. In addition, productivity issues in Belgium caused delivery delays in the third quarter, affecting results negatively. Sapa Building System continues to gradually improve its market position. The market is not expected to pick up in the fourth quarter of 2012.

Orkla Financial Investments

	1.1. – 30.9.		1.1. – 31.12.	1.7. – 30.9.	
Amounts in NOK million	2012	2011	2011	2012	2011
EBITA ¹	196	(40)	(58)	51	1
Other income and expenses	(19)	(6)	(20)	0	(6)
Dividends received	180	342	438	8	22
Gains, losses and write-downs					
Share Portfolio	1,076	914	1,643	418	(105)
Other financial matters	93	72	94	(9)	(5)
Profit/loss before taxes	1,526	1,282	2,097	468	(93)
Share Portfolio:					
Market value	2,860	7,433	5,497		
Unrealised gains	472	1,822	1,180		

Net sales of portfolio shares amounted to NOK 899 million in the third quarter. As at 30 September 2012, the market value of the Share Portfolio was NOK 2,860 million, while unrealised gains amounted to NOK 472 million. In the third quarter, realised portfolio gains and changes in the fair value of associates totalled NOK 418 million (NOK -105 million)². Write-downs under IFRS amounted to NOK -39 million (NOK -347 million)².

Third-quarter EBITA¹ for Orkla Eiendom was NOK 52 million (NOK 11 million)². The increase is mainly ascribable to the delivery of apartments in the ongoing Idun property development project. Most of the remaining apartments in the Idun project are expected to be delivered by the end of the fourth quarter.

Hydro Power

Hydro Power had third-quarter EBITA¹ of NOK 45 million (NOK 93 million)². The decline in profit is mainly due to lower power prices. Power prices in the third quarter averaged 13.1 øre/kWh (24.7 øre/kWh)². The hydro power business achieved slightly higher production in the quarter.

Jotun (42.5% ownership interest)

Jotun's sales performance was good as of the end of the third quarter of 2012. The growth in sales is particularly spurred by sales of decorative paint products. Margins improved, year on year, primarily due to raw material prices, higher selling prices and product mix. Geographically, Asia and the Middle East are the primary contributors to the positive trend. In 2012, Jotun has continued to pursue its extensive investment programme in line with the company's strategy. The most important investments in the period consisted of the building of new factories in Norway, China and the USA.

Cash flow and financial situation

The following comments relate to the cash flow statement as presented in Orkla's in-house format. Reference is made to Note 12 to this report.

Cash flow from operations in the first nine months amounted to NOK 1,708 million. The level of working capital has increased somewhat in the course of 2012, primarily due

to higher prices, but also to seasonal fluctuations. A reduction in working capital is expected in the fourth quarter.

Expansion investments totalled NOK -254 million as at 30 September 2012. Company acquisitions amounted to NOK 1,562 million at the end of the first nine months, and are largely related to the acquisition of Jordan. Sale of companies/share of companies totalled NOK 1,856 million as at 30 September 2012. At the time of its stock market listing, Borregaard had an interest-bearing debt of NOK 923 million. This debt is presented as a sale of operations in the third quarter, while the proceeds of sales of shares will not be recognised until the fourth quarter. The sale of shares in Fornebu Utvikling ASA and Bakers have also contributed to sale of companies/share of companies. As at 30 September 2012, net sales of portfolio investments amounted to NOK 2,914 million. The sell-off of shares is proceeding as planned.

No treasury shares were bought in the third quarter, and share buybacks totalled NOK 467 million as at 30 September 2012.

The Group had a net cash flow of NOK 935 million at the end of the first nine months. The Group's net interest-bearing liabilities were reduced by NOK 1,157 million in the quarter, and totalled NOK 9,488 million as at 30 September 2012. At the end of the first nine months, the Group's interest-bearing liabilities had an average borrowing rate of 3.6% and were chiefly distributed among the following currencies: NOK, SEK, EUR and USD. At quarter end, the equity ratio was 52.1%, while net gearing⁴ was 0.30.

Further description of structural changes

On 20 August, Orkla ASA entered into an agreement with the Rieber family to purchase their shares in Rieber & Søn ASA. The agreement covers 90.11% of the shares in Rieber & Søn at a price of NOK 66.58 per share. In 2011, total turnover in Rieber & Søn was approximately NOK 4.3 billion. Operating profit before depreciation and write-downs (EBITDA) was NOK 642 million in 2010 and NOK 464 million in 2011. The company has a total of 2900 employees, of whom 1700 work outside of Norway. It is expected that it will be possible to complete the transaction by the end of the first quarter of 2013. Completion of the agreement is contingent on the transaction being approved by the EU Commission and the Russian competition authorities. After the agreement with the Rieber family is closed, Orkla will make a mandatory offer to the remaining shareholders in the company, based on the same purchase price per share that is to be paid to the Rieber family, after which it will apply to have the company delisted from the Oslo Stock Exchange.

On 31 August, Orkla's purchase of Jordan was completed, in line with the conditions set out in the press release of 22 June 2012.

On 15 October, Orkla ASA and Norsk Hydro ASA agreed to combine their respective extrusion, building system and

tubing businesses to create a leading global supplier of aluminium solutions. The agreement covers Profiles and Building System, in addition to Extruded and Welded Tubes, from Orkla's wholly-owned Sapa and Hydro's entire Extruded Products business. The new combined company, which will be named Sapa, will be a joint venture owned 50/50 by Orkla and Hydro. The transaction is expected to be completed in the first half of 2013, following the approval of relevant competition authorities.

In accordance with the structural sale process, on 19 September, Orkla ASA confirmed its intention to carry out the stock exchange listing of Borregaard ASA, with an associated public offering of shares in Borregaard ASA. On 18 October, Orkla ASA announced that the bookbuilding period for the stock exchange listing of shares in Borregaard ASA had been carried out successfully. Orkla has sold 81 million shares, which constitute 81% of the shares in Borregaard. In addition, joint bookrunners have borrowed 12,150,000 shares, equivalent to 15% of the offering, to cover over-allotments. The shares offered were priced at NOK 21 per share, based on which the market price (equity value) of Borregaard was NOK 2.1 billion. Orkla will own 19% of the shares in Borregaard if the over-allotment option is not exercised, or 7% if the over-allotment option is exercised in its entirety. This stabilisation period lasts for 30 days and the final ownership percentage will thus be determined on 16 November. A moderate accounting gain will be recognised in the fourth quarter.

As stated in the stock exchange notice on 26 September 2012, Orkla ASA sold 200,000,000 shares in REC at a price per share of NOK 1.90. Orkla has since entered into a total return swap agreement, for exposure to 200,000,000 shares in REC at the same price. The agreement will run for six months, unless the parties agree to terminate the agreement at an earlier date. After this transaction, Orkla ASA owns 329,569,968 shares in REC, equivalent to 15.6% of the share capital and the votes in the company.

Other matters

In September, the Board of Directors of Orkla ASA decided to extend Åge Korsvold's contract as President and CEO.

Orkla ASA has negotiated an agreement to sell up to 100% of the shares in the company Salvesen & Thams. The buyer is a consortium headed by Orkla's former CEO Bjørn M. Wiggen, and otherwise consists of employees in Salvesen & Thams and local investors who have been invited to participate in the consortium. The consortium is expected to be finally established in the fourth quarter of 2012, so that the transaction can be completed before the end of the year. The selling price for Salvesen & Thams's operations is NOK 235 million.

Outlook

There is still uncertainty concerning the development of the global economy. The uncertainty as to the financial situation in Europe has increased since the second quarter, and markets are expected to remain soft. Moderate growth is expected in the USA, but for the time being the upturn is fragile. Orkla is well prepared to deal with slower growth, and due to its composition and structure, is not particularly vulnerable to individual factors or markets. Nevertheless, a weaker economic climate will have a negative impact, particularly on Sapa.

Orkla anticipates a relatively stable trend on the Nordic grocery market. Raw material prices have remained at a stable high level, but the FAO Food Price Index is somewhat lower than in 2011. Due to the mix of raw materials and a certain contractual time lag, raw material costs in the branded consumer goods business are still slightly higher than in 2011. Selling prices are being raised to compensate for this effect.

Restructuring measures in Sapa, implemented towards the end of last year and in the first half of 2012, are contributing to profit growth as planned. This effect is being counteracted by unfavourable market conditions in Europe. The building and construction industry and the extrusion market in Europe are expected to remain soft throughout 2012. Sapa's extrusion business in North America is expected to continue its positive performance, but with a slightly lower growth rate in the second half of 2012.

Oslo, 30 October 2012
The Board of Directors of Orkla ASA

CONDENSED INCOME STATEMENT

Amounts in NOK million	Note	1.1. – 30.9.		1.1. – 31.12.	1.7. – 30.9.	
		2012	2011	2011	2012	2011
Operating revenues	2	21,544	22,034	30,158	7,223	7,233
Operating expenses		(18,657)	(19,289)	(26,295)	(6,132)	(6,175)
Depreciation and write-down property, plant and equipment		(695)	(746)	(991)	(234)	(241)
Amortisation intangible assets		(11)	(6)	(17)	(4)	(2)
Other income and expenses	3	(189)	(33)	(375)	(24)	(17)
Operating profit		1,992	1,960	2,480	829	798
Profit/loss from associates		367	204	263	83	61
Dividends received		182	343	440	8	23
Gains, losses and write-downs Share Portfolio		1,076	914	1,643	418	(105)
Financial items, net		(382)	(312)	(400)	(157)	(117)
Profit/loss before taxes		3,235	3,109	4,426	1,181	660
Taxes		(570)	(624)	(651)	(236)	(220)
Profit/loss for the period for continued operations		2,665	2,485	3,775	945	440
Gains/profit/loss discontinued operations	10	(1,221)	(3,467)	(4,503)	(1,106)	(1,738)
Profit/loss for the period		1,444	(982)	(728)	(161)	(1,298)
Profit/loss attributable to non-controlling interests		44	23	48	13	7
Profit/loss attributable to owners of the parent		1,400	(1,005)	(776)	(174)	(1,305)

EARNINGS PER SHARE

Amounts in NOK	1.1. – 30.9.		1.1. – 31.12.	1.7. – 30.9.	
	2012	2011	2011	2012	2011
Earnings per share	1.4	(1.0)	(0.8)	(0.2)	(1.3)
Earnings per share (diluted)	1.4	(1.0)	(0.8)	(0.2)	(1.3)

CONDENSED COMPREHENSIVE INCOME STATEMENT

Amounts in NOK million	Note	1.1. – 30.9.		1.1. – 31.12.	1.7. – 30.9.	
		2012	2011	2011	2012	2011
Profit/loss for the period		1,444	(982)	(728)	(161)	(1,298)
Change in unrealised gains on shares after tax	4	(756)	(2,511)	(3,143)	(374)	(1,506)
Change in hedging reserve after tax	4	83	(910)	(770)	75	(459)
Translation effects		(1,031)	(147)	(109)	(598)	638
The Group's comprehensive income		(260)	(4,550)	(4,750)	(1,058)	(2,625)
Comprehensive income attributable to non-controlling interests		38	23	48		
Comprehensive income attributable to owners of the parent		(298)	(4,573)	(4,798)		

CONDENSED BALANCE SHEET

Amounts in NOK million	Note	30.9.	31.12.
		2012	2011
Intangible assets		10,139	12,801
Property, plant and equipment		9,932	18,058
Financial assets	6	3,974	5,682
Non-current assets		24,045	36,541
Assets in discontinued operations	10	17,972	391
Inventories		4,542	8,047
Receivables	6	6,777	10,462
Share Portfolio etc.		3,801	5,502
Cash and cash equivalents	6	2,748	5,453
Current assets		35,840	29,855
Total assets		59,885	66,396
Paid in equity		1,984	1,997
Earned equity		28,869	32,109
Non-controlling interests		320	280
Equity		31,173	34,386
Provisions and other non-current liabilities		2,888	3,165
Non-current interest-bearing liabilities	6	11,629	15,488
Current interest-bearing liabilities	6	2,732	1,472
Liabilities in discontinued operations	10	5,211	177
Other current liabilities		6,252	11,708
Equity and liabilities		59,885	66,396
Equity ratio (%)		52.1	51.8

CONDENSED CHANGES IN EQUITY

Amounts in NOK million	1.1. – 30.9.2012			1.1. – 30.9.2011		
	Attributed to equity holders of the parent	Non-controlling interests	Total equity	Attributed to equity holders of the parent	Non-controlling interests	Total equity
Equity 1 January	34,106	280	34,386	46,566	365	46,931
The Group's comprehensive income	(298)	38	(260)	(4,573)	23	(4,550)
Dividends	(2,525)	-	(2,525)	(2,556)	(5)	(2,561)
Net buy-back/sale of Orkla shares	(467)	-	(467)	(171)	-	(171)
Option costs	44	-	44	63	-	63
Change in non-controlling interests	(7)	2	(5)	-	(50)	(50)
Equity at the close of the period	30,853	320	31,173	39,329	333	39,662

CONDENSED CASH FLOW STATEMENT IFRS

Amounts in NOK million	Note	1.1. – 30.9.		1.1. – 31.12.	1.7. – 30.9.	
		2012	2011	2011	2012	2011
Cash flow from operations before net replacement expenditure ¹		2,812	1,974	3,430	843	2,189
Received dividends and financial items		(117)	184	109	(126)	(116)
Taxes paid		(960)	(523)	(603)	(121)	(154)
Cash flow from operating activities		1,735	1,635	2,936	596	1,919
Net investments fixed assets		(826)	(1,832)	(2,437)	(287)	(642)
Net sale (purchase) of companies	5, 10	(414)	12,423	12,165	(1,189)	(281)
Net sale portfolio investments		2,914	2,475	4,494	899	424
Discontinued operations and other payments		45	(491)	(479)	543	52
Cash flow from investing activities		1,719	12,575	13,743	(34)	(447)
Net paid to shareholders		(3,227)	(2,732)	(7,545)	(137)	0
Change in interest-bearing liabilities and interest-bearing receivables		(2,803)	(6,036)	(6,488)	(2,539)	15
Cash flow from financing activities		(6,030)	(8,768)	(14,033)	(2,676)	15
Currency effects cash and cash equivalents		(129)	(56)	(12)	(47)	59
Change in cash and cash equivalents²		(2,705)	5,386	2,634	(2,161)	1,546
Cash and cash equivalents	6	2,748	8,205	5,453		

¹ The difference between cash flow from operations before investments in the condensed IFRS-compliant cash flow statement and the corresponding line in Orkla's cash flow statement in Note 12, is that Orkla's cash flow statement comprises only industrial activities.

² Borregaard has in addition a change in cash and cash equivalents as of 30 September 2012 amounting to NOK -52 million (NOK -22 million 30 September 2011) related to cash and cash equivalents not included in the group bank account system.

NOTES**NOTE 1 GENERAL INFORMATION**

Orkla ASA's condensed consolidated financial statements for the third quarter of 2012 were approved at a meeting of the Board of Directors on 30 October 2012. The figures in the statements have not been audited. Orkla ASA is a public limited liability company and its offices are located in Skøyen, Oslo (Norway).

Orkla shares are traded on the Oslo Stock Exchange. The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The same accounting principles and methods of calculation have been applied as in the last Annual Financial Statements.

As a result of significant restructuring carried out/announced prior to reporting of results for the third quarter, the Group's reporting has changed substantially since the second quarter. The businesses that were reported as Borregaard Chemicals (separate segment), Sapa Profiles (separate segment) and Building System and parts of Heat Transfer (part of a joint segment) have been reclassified and presented as discontinued operations as at 30 September. Borregaard Chemicals was listed on the stock exchange on 18 October and is regarded as discontinued operations as at 30 September. An agreement has been entered into to combine the aforementioned part of Sapa with similar operations in Hydro to establish a 50/50 joint venture, and that part is regarded as discontinued operations as at 30 September. Both the profit/loss figures for the year and reported comparative figures have been reclassified and presented as discontinued operations.

For Borregaard, the discontinued operations will correspond to the figures that were published in Borregaard's Combined Financial Statements in the

prospectus related to the stock exchange listing. For 2012, this corresponds to Borregaard Chemicals in Orkla's quarterly report. In 2011, Borregaard Chemicals comprised a number of smaller businesses that are not part of the stock exchange listed company. These are presented in HQ/Other Business in the comparative figures. The part of Sapa that is not included in the agreement with Hydro is presented "alone" in a new Sapa segment. The figures relate to Heat Transfer's operations in Finspång and Shanghai. REC is also presented as discontinued operations; see Note 10.

In the balance sheet, the aforementioned operations are presented on two lines as assets and liabilities in discontinued operations. In the balance sheet Borregaard is shown as having a net interest-bearing debt of NOK 923 million. This corresponds to the debt with which the listed company was established. The joint venture with Hydro is to be established on a debt-free basis. The presentation of figures in both the income statement and balance sheet is intended to reflect this factor. Interest has therefore not been presented separately, and in the balance sheet the Sapa items are presented with no interest-bearing items.

The future effects of new accounting standards were described in the Annual Financial Statements. However, IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosures of Interests in Other Entities may be postponed for a year, until 1 January 2014. This will entail a corresponding delay in amendments to the associated standards IAS 27 Consolidated and Separate Financial Statements and IAS 28 Investments in Associates. Early implementation appears to be permitted.

NOTE 2 SEGMENTS

As explained in Note 1, the Group has undergone significant changes as a result of agreements entered into prior to publication of third-quarter results. New segment information for continuing operations is as follows:

OPERATING REVENUES

Amounts in NOK million	1.1. – 30.9.		1.1. – 31.12.	1.7. – 30.9.	
	2012	2011	2011	2012	2011
Orkla Group	21,544	22,034	30,158	7,223	7,233
Branded Consumer Goods	17,174	17,752	24,621	5,929	6,030
Orkla Foods Nordic	6,191	6,846	9,496	2,102	2,242
Orkla Brands Nordic	5,825	5,795	7,928	2,023	1,947
Orkla Brands International	1,417	1,391	2,113	494	498
Orkla Food Ingredients	3,912	3,935	5,392	1,372	1,418
Eliminations Branded Consumer Goods	(171)	(215)	(308)	(62)	(75)
Sapa Heat Transfer	3,047	3,018	3,908	948	927
Hydro Power	580	1,449	1,691	177	214
Orkla Financial Investments	848	205	328	230	69
HQ/Other Business/Eliminations	(105)	(390)	(390)	(61)	(7)

Intercompany sales within the different segments are eliminated on separate lines in the above table. The only segment with material intercompany sales is Hydro Power: in the first nine months these amounted to NOK 156 million (NOK 485 million). The other segments have entirely immaterial intercompany operating revenues, as follows: Branded Consumer Goods NOK 6 million (NOK 14 million) and Orkla Financial Investments NOK 2 million (NOK 1 million).

OPERATING PROFIT - EBITA*

Amounts in NOK million	1.1. – 30.9.		1.1. – 31.12.	1.7. – 30.9.	
	2012	2011	2011	2012	2011
Orkla Group	2,192	1,999	2,872	857	817
Branded Consumer Goods	1,883	1,908	2,784	773	762
Orkla Foods Nordic	769	725	1,082	313	262
Orkla Brands Nordic	1,027	1,103	1,464	417	428
Orkla Brands International	(67)	(79)	8	(15)	10
Orkla Food Ingredients	154	159	230	58	62
Sapa Heat Transfer	236	173	179	64	28
Hydro Power	123	173	260	45	93
Orkla Financial Investments	196	(40)	(58)	51	1
HQ/Other Business	(246)	(215)	(293)	(76)	(67)

Reconciliation against operating profit

EBITA*	2,192	1,999	2,872	857	817
Amortisation intangible assets	(11)	(6)	(17)	(4)	(2)
Other income and expenses	(189)	(33)	(375)	(24)	(17)
Operating profit	1,992	1,960	2,480	829	798

* Operating profit before amortisation and other income and expenses

NOTE 3 OTHER INCOME AND EXPENSES

Amounts in NOK million	1.1.–30.9.		1.1.–31.12.		1.7.–30.9.	
	2012	2011	2011	2012	2011	2011
M&A costs	(70)	(6)	(69)	(25)	(2)	
Special IFRS effects	(7)	-	-	(4)	-	
Final settlements Group Executive Board and Orkla Financial Investments	(39)	-	-	-	-	
Restructuring Orkla Brands Russia	(92)	-	-	-	-	
Insurance settlements Sapa Heat Transfer	30	(48)	(41)	3	-	
Write-down property, plant and equipment in Denomega	(6)	-	(55)	-	-	
Restructuring Sapa Heat Transfer	(5)	(9)	(69)	2	(9)	
Step acquisition in Orkla Brands and Orkla Eiendom	-	(2)	(6)	-	(6)	
Gain on sale/settlements provisions etc., Switzerland and Italy	-	32	20	-	-	
Write-down and expenses related to Bakers (goodwill 2010)	-	-	(155)	-	-	
Total other income and expenses	(189)	(33)	(375)	(24)	(17)	

No major new items have been recognised as other income and expenses (OIE) in the third quarter.

Items recognised as OIE as at 30 September 2012 are as follows:

- "Final settlements" refers to the change of President and CEO, the resignation of the head of Orkla Brands and liquidation of the Share Portfolio.
- "Restructuring Orkla Brands Russia" consists of costs related to the relocation of production operations.
- "Insurance settlement Sapa" mainly refers to the recognition in income of the remainder of a provision following a settlement with the insurance company. The provision was estimated to cover customer claims in connection with the fire in Heat Transfer Finspång in 2010.
- The value of the assets in Denomega has been further adjusted by NOK 6 million.

NOTE 4 STATEMENT OF COMPREHENSIVE INCOME

The statement of comprehensive income shows changes in the value of the Share Portfolio (unrealised gains) and hedging instruments (hedging reserve). These figures are presented after tax. The tax effect as at the third quarter of 2012 relating to unrealised gains amounts to NOK 7 million, while the tax effect relating to the hedging reserve amounts to NOK 45 million.

Unrealised gains on shares and the hedging reserve included in equity as at 31 October 2012 (after tax) total NOK 378 million and NOK -188 million, respectively.

NOTE 5 ACQUISITIONS AND SALES OF COMPANIES**Purchase of Rieber & Søn**

Orkla ASA has entered into an agreement with the Rieber family to purchase their shares in Rieber & Søn ASA. The agreement covers 90.11% of the shares in Rieber & Søn at a price of NOK 66.58 per share. The transaction values the entire company (on a debt-free basis) at NOK 6.1 billion.

Rieber & Søn is listed on the Oslo Stock Exchange, and is a major supplier to the grocery sector in the Nordic region, parts of Central Europe and Russia. The company has well-known brands such as Toro, Vitana, K-Salat, Delecta, Frödinge, Chaka and Bähncke. In 2011, sales totalled around NOK 4.3 billion. Operating profit before depreciation and write-downs (EBITDA) amounted to NOK 642 million in 2010 and NOK 464 million in 2011. Sales in Rieber totalled NOK 3.1 billion and the EBITDA NOK 296 million per 30 September 2012. The company has a total of 2900 employees, of whom 1700 work outside of Norway.

Rieber & Søn have a number of well-known brands and businesses: Toro is Norway's leading supplier of sauces, soups and ready meals among other things. Other popular Norwegian brands in Rieber & Søn's portfolio are Denja, Mr. Lee, Vossafår and Vestlandslefsa. Vitana is one of the Czech Republic's largest and longest-established food manufacturers. K-Salat is well-positioned in both Sweden and Denmark in the mayonnaise, remoulade and salad markets. Delecta is one of Poland's leading dessert and baking mix brands. Frödinge is market leader for refrigerated and frozen cakes and desserts in Sweden. Chaka is a well-known Russian brand of nuts. Bähncke holds the leading position in the Danish mustard market. In addition, Rieber & Søn is a supplier to the out-of-home sector in Norway, Sweden, Denmark, the Czech Republic and Slovakia.

Orkla has entered into this agreement with the companies AS Atlantis Vest, Zee Ploeg AS and Flu AS. The selling companies are owned and controlled by representatives of the Rieber family. The purchase price will be paid in a cash settlement, which will be financed by means of available drawing facilities. The purchase price will be adjusted for interest at a rate equivalent to 3-month NIBOR for the period between entry into the agreement and completion.

Completion of the agreement is subject to approval of the transaction by the EU Commission and the Russian competition authorities. The transaction is expected to be completed by the end of the first quarter of 2013. After completion of the agreement with the Rieber family, Orkla will make a mandatory offer to the remaining shareholders in the company based on the same purchase price per share that will be paid to the Rieber family, after which it will apply for delisting of the company's shares from the Oslo Stock Exchange.

Purchase of Jordan

The agreement to purchase Jordan, a leading branded consumer goods company in the oral hygiene, cleaning and painting tools segments, was entered into on 22 June. The Norwegian Competition Authority approved the acquisition on 27 August, and the transaction was completed on 31 August. Under the agreement, Orkla ASA has acquired 100% of the shares in Jordan Personal & Home Care AS and Jordan House Care AS. In 2011, sales totalled approximately NOK 900 million. Operating profit (EBITA) was NOK 90 million and operating profit before depreciation and write-downs (EBITDA) was NOK 120 million. At year-end, the company had around 620 employees.

The purchase price of the company is NOK 1.2 billion on a cash and debt-free basis. The seller is Jordan AS, which has been a Norwegian family-owned company since its establishment in 1837.

Jordan is market leader in the Nordic region in toothbrushes, toothpicks and dental floss, as well as painting tools. In Norway, Jordan is the leading supplier of dishwashing brushes and microfiber cloths to the grocery sector. The company also exports its products to several countries outside the Nordic region. Jordan is Europe's third largest manufacturer of painting tools, under brands such as Anza, Spekter and Hamilton. Its subsidiary Peri-dent is one of the world's leading manufacturers of dental floss.

A preliminary purchase price allocation has been carried out for Jordan. A total of NOK 237 million has been ascribed to the Jordan brand, NOK 17 million

to the finished product inventory and NOK 579 million to goodwill. Goodwill largely refers to the extraction of synergies.

Jordan will be reported through the Orkla Brands Nordic segment.

Other acquisitions

As at the end of the third quarter, the Branded Consumer Goods area had acquired other smaller companies representing a total enterprise value of NOK 231 million. The largest of these acquisitions was made by the Axellus Group, which purchased the company Pharma-Vinci, thereby strengthening its focus on the pharmacy sector in Denmark. In 2011, Pharma-Vinci had sales totalling around DKK 50 million and 35 employees.

Felix Abba has entered into an agreement to purchase the Finnish company Boyfood, which manufactures and supplies refrigerated herring products under the BOY brand. In 2011 Boyfood had annual sales on the order of EUR 18 million.

Orkla Food Ingredients has purchased the companies Sebmag (Poland), Kobo (Poland), Food Distribution Services (Romania) and Ekvia (Slovakia), all of which are sales and distribution companies in the bakery and confectionery ingredients sector. In 2011, the companies had an aggregate turnover of around EUR 35 million and a total of 128 employees.

Sale of companies

As at the end of the third quarter, Orkla has sold Fornebu Utvikling, Widerøveien 5 and Bakers for a total of NOK 933 million. In addition, Borregaard's interest-bearing debt is presented as discontinued operations, which has an impact of NOK 923 million on the line for the sale of companies.

NOTE 6 NET INTEREST-BEARING LIABILITIES

The various elements of net interest-bearing liabilities are shown in the following table:

	30.9. 2012	31.12. 2011
Amounts in NOK million		
Non-current interest-bearing liabilities	(11,629)	(15,488)
Current interest-bearing liabilities	(2,732)	(1,472)
Non-current interest-bearing receivables (in "Financial Assets")	823	798
Current interest-bearing receivables (in "Receivables")	1,302	64
Cash and cash equivalents	2,748	5,453
Net interest-bearing liabilities	(9,488)	(10,645)

In addition Borregaard has net interest-bearing liabilities amounting to NOK 923 million presented as discontinued operations.

NOTE 7 RELATED PARTIES

The Canica system (largest shareholder, with a 24.3% stake) and Orkla both have equity interests in certain investments.

Prior to the sale of Widerøveien 5 AS, Sjøflyhavna Eiendom AS was sold by Widerøveien. Three of the buyers of Sjøflyhavna Eiendom are Canica AS (20%), Ventotene (15%) and Punis AS (15%). Ventotene is wholly-owned by Peter Ruzicka and Punis is owned by Canica employees. The sale was transacted on commercial terms and conditions.

There were no other special transactions between the Group and related parties in the first nine months of 2012.

In April, Åge Korsvold was appointed as new President and CEO, following the resignation of Bjørn M. Wiggen. On 6 September, the Board of Directors of Orkla ASA decided to extend Åge Korsvold's contract as President and CEO. The contract now runs until the end of 2013, but may be extended if both parties so desire. In May, Torkild Nordberg resigned from his position as CEO of Orkla Brands.

The Group has provided loans totalling NOK 99 million and NOK 179 million, respectively, to joint ventures and associates within Sapa Heat Transfer and Orkla's real estate investments.

NOTE 8 OPTIONS AND TREASURY SHARES

Changes in outstanding options and treasury shares are shown in the following tables:

Change in number of options:

Outstanding options as at 1 January 2012	22,651,500
Allocated during the period	0
Exercised during the period	0
Forfeited during the period	(500,000)
Outstanding options as at 30 September 2012	22,151,500

As at 31 December 2011, Orkla had a hedge through a cash-settled financial derivative of 600,000 underlying shares related to its option programme. The hedge agreement was terminated on 20 March 2012 and NOK 1 million was expensed in this connection.

Change in number of treasury shares:

Treasury shares as at 1 January 2012	8,920,791
External purchase of treasury shares	10,188,000
Amortisation treasury shares	(10,000,000)
Share programme for Orkla employees	0
Treasury shares as at 30 September 2012	9,108,791

After amortisation of 10,000,000 treasury shares the new share capital in Orkla ASA is NOK 1,273,663,712.50, and the new number of shares is 1,018,930,970.

NOTE 9 ASSESSMENTS RELATING TO IMPAIRMENT

In accordance with the Group's accounting principles, the Share Portfolio was written down by NOK 248 million as at the end of the third quarter of 2012.

In line with adopted principles, the Group has carried out impairment tests for all intangible assets with an indefinite useful life and for all goodwill in the third quarter.

Further changes have been made in Orkla Brands Russia (OBR) in order to strengthen competitiveness, and in this connection the number of factories will be reduced from four to three. This will reduce production costs and free up a property in St. Petersburg. The forecasts, expectations and assumptions on which the figures are based justify OBR's book values as at 30 September 2012. The total value of brands and goodwill in OBR is NOK 368 million.

Goodwill related to the investment in the part of Sapa that is to be included in the joint venture with Hydro has been written down by NOK 1.5 billion. This write-down is included in the figures presented as discontinued operations. The

remainder of the goodwill in the part that is to be included in the joint venture amounts to NOK 1.1 billion.

Apart from the write-downs presented as "Other income and expenses", no other deficit values have been identified in the Group's property, plant or equipment or intangible assets.

NOTE 10 DISCONTINUED OPERATIONS

Borregaard and Sapa

As stated in Note 1, the operations in Borregaard Chemicals, Sapa Profiles, Sapa Building System and parts of Heat Transfer have been presented as discontinued operations as at 30 September. This is justified by the fact that as at 30 September, it was "highly probable" that Borregaard would be listed on the stock exchange and that an agreement would be entered into with Hydro on the establishment of a joint venture. All the income statement figures have been restated and the operations are presented on two lines in the balance sheet, one for net assets and one for net liabilities.

Selling costs incurred in connection with the process of selling Borregaard have been expensed as discontinued operations. Further costs will be incurred when the stock exchange listing is completed and will be presented along with a small gain on the sale in the fourth quarter.

The investment in REC

After the share issue in which Orkla was allotted 133,333,333 new shares in REC at a share price of NOK 1.50, Orkla sold 200,000,000 REC shares at a price of NOK 1.90 per share on 26 September. Orkla has subsequently entered into a total return swap (TRS) agreement with exposure to 200,000,000 shares in REC at the same price. The term to maturity is six months unless the parties agree to terminate the agreement at an earlier date.

After this trade, Orkla owns 329,569,968 shares in REC, equivalent to approximately 15.6% of the share capital and voting rights in the company. Consequently, as at 30 September the investment in REC is no longer to be regarded as an Orkla associate. Under IFRS, the investment must be remeasured and will be presented as "available for sale". This means that the investment will still be recognised at fair value in the balance sheet, but in accordance with the rules the change in value will be presented in "Comprehensive income" and will no longer affect the ordinary measurement of profit. The TRS must be presented at fair value with changes in value recognised in the ordinary income statement (finance item), so with regard to the income statement the Group is still exposed to approximately 9.5% of the change in the value of REC shares. With regard to the balance sheet, Orkla are still exposed to 25.1% of the fair value of REC, i.e. a 15.6% shareholding and 9.5% in a TRS.

The investment in REC has been significant for the Group. As a result of the transition from "Associate" to "Available for sale", the presentation of historically reported figures for REC as associate will be changed and the investment will be shown as discontinued operations on a separate line after ordinary profit/loss for the period after tax. In relation to this transition, accumulated currency effects in Orkla's owner period have been recognised in the income statement amounted to NOK 240 million.

Elkem

On 10 January 2011, Orkla ASA entered into a binding agreement regarding the sale of Elkem to China National Bluestar Group Co., Ltd. Settlement took place on 14 April 2011 in accordance with the conditions for the sale. For accounting purposes, the transaction was completed in the first quarter of 2011 when all the official approvals had been obtained. Profit and the gain on the sale of Elkem are presented on a single line in the consolidated income statement.

In the third quarter of 2012, Orkla received the final insurance settlement for the fire in Elkem Solar in 2009. The final settlement entailed a disbursement to Orkla of NOK 101 million. This is regarded as part of the sale of Elkem and has therefore been presented on the line for discontinued operations.

Profit & loss for discontinued operations:

	1.1. – 30.9.	
Amounts in NOK million	2012	2011
Operating revenues	22,718	26,373
Operating expenses	(21,278)	(24,175)
Depreciation of property, plant and equipment	(682)	(814)
Amortisation intangible assets	(21)	(37)
Other income and expenses	(1,532)	(582)
Operating profit	(795)	765
Profit/loss from associates	(199)	(4,948)
Financial items, net	(45)	(50)
Profit/loss before taxes	(1,039)	(4,233)
Taxes	(233)	(186)
Profit/loss for the period after taxes	(1,272)	(4,419)
Gain on sale after tax	-	1,137
Miscellaneous transactions	51	(185)
Profit/loss for discontinued operations	(1,221)	(3,467)

EBITA, by segment

Sapa (part of future Joint Venture)	305	527
Borregaard Chemicals	453	465
Elkem	-	392
Total	758	1,384

EBITA for the third quarter Borregaard: NOK 170 million (2011: NOK 172 million) and Sapa (joint venture) NOK 43 million (2011: NOK 137 million).

NOTE 11 OTHER MATTERS

After completion of the stock exchange listing of Borregaard, Orkla will own 19% of the shares in Borregaard if the over-allotment option is not exercised, or 7% if the over-allotment option is exercised in its entirety. See page 8 in this report.

The management and employees of Borregaard accepted the offer to exchange their options for shares in Orkla into an equivalent number of options for shares in Borregaard. Consequently, a total of 1,590,000 share options in Orkla will be cancelled.

There have otherwise been no events after the balance sheet date that would have had an impact on the financial statements or the assessments carried out.

NOTE 12 CASH FLOW STATEMENT ORKLA-FORMAT

The bottom line item of the Orkla-format cash flow statement is the change in net interest-bearing liabilities, which is an important key figure for the Group that is used directly in the management of the business areas, and is included in the presentation of segment information. Cash flow from operations differentiates between industrial activities and investing activities, and shows the Group's overall financial capacity generated by operations to cover the Group's financial items, taxes and items more subject to Group control such as dividends and treasury share transactions. The last part of the cash

flow statement shows which expansion measures have been carried out in the form of direct expansion investments, acquisition of companies, disposal of companies and changes in the level of investments in the Share Portfolio. The cash flow statement is presented on the basis of an average monthly exchange rate, while the change in net interest-bearing liabilities is an absolute figure measured at the closing rate. The difference is explained by the currency translation effect related to net interest-bearing liabilities.

CASH FLOW ORKLA-FORMAT

Amounts in NOK million	Note	1.1. – 30.9.		1.1. – 31.12.	1.7. – 30.9.	
		2012	2011	2011	2012	2011
Cash flow Industrial Activities:						
Operating profit		1,815	2,006	2,558	777	802
Operating profit discontinued operations		-	393	465	-	140
Amortisation, depreciation and impairment charges		698	1,582	2,088	230	531
Changes in net working capital, etc.		(297)	(2,159)	(1,094)	(259)	1
Cash flow from operations before net replacement expenditures		2,216	1,822	4,017	748	1,474
Net replacement expenditures		(508)	(956)	(1,557)	(183)	(291)
Cash flow from operations		1,708	866	2,460	565	1,183
Financial items, net		(376)	(308)	(488)	(154)	(79)
Cash flow from Industrial Activities		1,332	558	1,972	411	1,104
Cash flow from Orkla Financial Investments		756	506	66	81	610
Taxes paid		(960)	(523)	(603)	(121)	(154)
Discontinued operations and other payments		80	(501)	(509)	580	57
Cash flow before capital transactions		1,208	40	926	951	1,617
Paid dividends		(2,760)	(2,561)	(7,436)	(137)	0
Net sale/purchase of Orkla shares		(467)	(171)	(109)	0	0
Cash flow before expansion		(2,019)	(2,692)	(6,619)	814	1,617
Expansion Industrial Activities		(254)	(728)	(906)	(99)	(288)
Sale of companies/share of companies (enterprise value)	5, 10	1,856	13,503	13,503	923	0
Purchase of companies/share of companies (enterprise value)	5	(1,562)	(1,038)	(1,498)	(1,434)	(448)
Net purchase/sale portfolio investments		2,914	2,475	4,494	899	424
Net cash flow		935	11,520	8,974	1,103	1,305
Currency effects of net interest-bearing liabilities		222	72	33	102	(147)
Change in net interest-bearing liabilities		(1,157)	(11,592)	(9,007)	(1,205)	(1,158)
Net interest-bearing liabilities	6	9,488	8,060	10,645		