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THIRD QUARTER  
**2010**

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**ORKLA**

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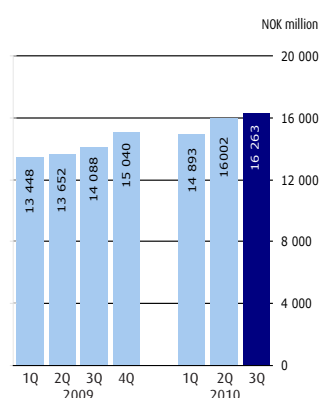
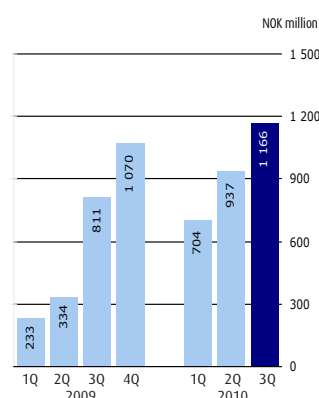
## THE THIRD QUARTER IN BRIEF

- Profit growth for all business areas. Third-quarter EBITA<sup>1</sup> amounted to NOK 1,166 million, compared with NOK 811 million in the same quarter of 2009.
- Orkla Brands continued to achieve profit growth. EBITA<sup>1</sup> totalled NOK 776 million (NOK 759 million)<sup>2</sup>. Good growth for Orkla Brands Nordic, but the situation was more challenging in Russia and the Baltics.
- Orkla Aluminium Solutions reported sales and profit growth in the third quarter. Sales rose by 29% and third-quarter EBITA<sup>1</sup> was NOK 162 million (NOK 29 million)<sup>2</sup>.
- In Orkla Materials, market conditions improved for both Elkem Silicon-related and Borregaard Chemicals, resulting in EBITA<sup>1</sup> of NOK 131 million (NOK -162 million)<sup>2</sup> for Elkem Silicon-related and EBITA<sup>1</sup> of NOK 92 million (NOK 90 million)<sup>2</sup> for Borregaard Chemicals.
- The return on the Share Portfolio for the first nine months was 21.3%, compared with 16.0% for the Morgan Stanley Nordic Index and 2.7% for the Oslo Stock Exchange Benchmark Index.
- In Orkla Associates, REC posted EBITDA of NOK 827 million (NOK 449 million)<sup>2</sup> in the third quarter. Jotun reported operating profit of NOK 1,041 million (NOK 858 million)<sup>2</sup> for the first eight months.
- The Group's investment in REC is accounted for according to the equity method. Orkla bases the value of its equity interest on the market price as long as the market price is lower than the carrying value, according to the principles applied for associates. The REC share price rose through the third quarter from NOK 15.61 to NOK 19.92. In total, the accounting impact on profit was NOK 2 billion in the quarter.
- On 25 October, Orkla entered into an agreement of selling the wholly-owned forest companies Borregaard Skoger AS, AS Børresen and Borregaard Vafos AS for a total of NOK 1,725 million. The transaction is subject to approval by Stortinget (the Norwegian Parliament). Completion of the transaction also assumes approval of the Norwegian Competition Authority.

## KEY FIGURES FOR THE ORKLA GROUP

Amounts in NOK million	Note	1.1. – 30.9.		1.1. – 31.12.	1.7. – 30.9.	
		2010	2009	2009	2010	2009
Operating revenues	2	47,158	41,188	56,228	16,263	14,088
Adjusted EBITA <sup>1</sup>	2	2,807	1,378	2,448	1,166	811
Profit/loss before taxes		(1,777)	461	1,071	3,434	494
Earnings per share diluted (NOK)		(2.5)	1.4	2.5	3.1	0.5
Cash flow from operating activities		688	3,115	5,802	683	1,663
Net interest-bearing liabilities		23,983	28,226	19,848		
Equity ratio (%)		49.4	50.3	51.7		
Net gearing <sup>4</sup>		0.54	0.59	0.41		

OPERATING REVENUES

EBITA<sup>1</sup><sup>1</sup> Operating profit before amortisation and other income and expenses<sup>2</sup> Figures in parentheses are for the corresponding period in the previous year<sup>3</sup> Excluding acquired and sold operations and currency translation effects<sup>4</sup> [Net interest-bearing liabilities]/Equity

## THE GROUP

Orkla's third-quarter operating revenues totalled NOK 16,263 million (NOK 14,088 million)<sup>2</sup>. The improvement from last year was driven by increased demand and market growth for Orkla Aluminium Solutions and Elkem Silicon-related.

Compared with the third quarter of 2009, the Norwegian krone has strengthened against the euro. The Group had currency translation effects that had a negative impact on sales of NOK 361 million in the third quarter and around NOK 1.8 billion for the year to date.

Group third-quarter EBITA<sup>1</sup> amounted to NOK 1,166 million (NOK 811 million)<sup>2</sup>. Orkla Brands reported a satisfactory profit performance in the quarter with underlying<sup>3</sup> profit growth of 5%. For Orkla Aluminium Solutions, higher sales and the positive effects of internal improvement projects boosted profit by NOK 133 million in the quarter, compared with last year. Orkla Materials posted third-quarter profit of NOK 321 million (NOK 139 million)<sup>2</sup>. Market conditions were good for both Elkem Silicon-related and Borregaard's chemical operations. Elkem Solar increased production during the quarter. EBITA for Elkem Solar alone amounted to NOK -144 million (NOK -191 million)<sup>2</sup>.

Borregaard's energy operations reported a good quarter with higher prices than last year. The reservoir levels at the Saudefaldene plant were still low. However, the figures for the third quarter of 2009 include NOK 81 million from power plants sold as of 31 December 2009.

For the Group as a whole, EBITA<sup>1</sup> was negatively impacted by currency translation effects totalling NOK 70 million for the year to date, and NOK 12 million in the third quarter alone.

At the end of the third quarter, the return on the Share Portfolio was 21.3%, compared with 16.0% for the Morgan Stanley Nordic Index and 2.7% for the Oslo Stock Exchange Benchmark Index. Gains/losses and write-downs on the Share Portfolio totalled NOK 318 million (NOK 334 million)<sup>2</sup> in the third quarter, and NOK 905 million (NOK 247 million)<sup>2</sup> for the year to date. Dividends received in the third quarter amounted to NOK 60 million (NOK 14 million)<sup>2</sup> and NOK 448 million (NOK 238 million)<sup>2</sup> for the year to date. At the end of the first nine months, the Financial Investments area had made net sales of portfolio investments totalling NOK 1,178 million, including NOK 674 million in the third quarter.

The Group's equity interests in REC (39.7%) and Jotun (42.5%) are presented according to the equity method on the line for associates. Orkla bases the value of its interest in REC on the market price as long as the market price is lower than the carrying value, according to the principles applied for associates. The REC share price rose through the third quarter from NOK 15.61 to NOK 19.92. In total, the accounting impact on profit was NOK 2 billion in the quarter. Reference is also made to note 8 in this report.

Group profit before tax amounted to NOK 3,434 million (NOK 494 million) in the third quarter and NOK -1,777 million (NOK 461 million)<sup>2</sup> for the year to date. The tax charge as of 30 September is estimated to be NOK 750 million (NOK 92 million)<sup>2</sup>. Earnings per share amounted to NOK 3.1 (NOK 0.5)<sup>2</sup> in the third quarter and NOK -2.5 (NOK 1.4)<sup>2</sup> for the year to date.

On 1 October Orkla entered into an agreement to sell Orkla Finans. The acquisition entails the purchase by Pareto AS of all the shares in Orkla Finans AS.

## THE BUSINESS AREAS

### ORKLA BRANDS

	1.1. – 30.9.		1.1. – 31.12.	1.7. – 30.9.	
Amounts in NOK million	2010	2009	2009	2010	2009
Operating revenues	16,647	16,722	23,046	5,804	5,661
EBITA <sup>1</sup>	2,057	1,919	2,793	776	759
EBITA margin (%)	12.4	11.5	12.1	13.4	13.4
Cash flow from operations before					
net replacement expenditures	2,117	2,328	3,745	906	959
Net replacement expenditures	(402)	(376)	(476)	(155)	(111)
Expansion investments	(19)	(109)	(132)	(4)	(25)

<sup>1</sup> Operating profit before amortisation and other income and expenses

- Continued profit growth
- Sales and market shares were maintained
- Demanding markets, particularly in the out-of-home channel, and also in Russia and the Baltics

All in all, the trend on the Nordic grocery markets is relatively stable, although markets are weak for the out-of-home sector and exports. Internationally, volumes have declined in Russia, the Baltics and Austria; the heat wave in Russia in particular had a negative impact on chocolate sales in the summer months.

Orkla Brands posted third-quarter operating revenues of NOK 5,804 million (NOK 5,661 million)<sup>2</sup>. Underlying<sup>3</sup> revenues were in line with last year. However, the four business units reported varying performances. Orkla Brands Nordic (OBN) and Orkla Food Ingredients (OFI) posted underlying<sup>3</sup> growth of 5% and 2%, respectively. Orkla Brands International (OBI) reported an underlying<sup>3</sup> decline of 5%, primarily related to slower sales in Russia, exacerbated by a heat wave during much of the quarter. Orkla Foods Nordic (OFN) reported an underlying<sup>3</sup> decline of 4%, largely related to Bakers.

International price trends for the main raw materials remained variable. On the whole, raw material prices were slightly higher than at the same time last year, although the prices of the different raw materials varied significantly.

Third-quarter EBITA<sup>1</sup> totalled NOK 776 million (NOK 759 million)<sup>2</sup>. Underlying<sup>3</sup> profit growth was around 5%. OBN maintained its strong profit growth, OFI posted underlying<sup>3</sup>

profit on a par with last year, profit for OFN was impacted by weak results for Bakers, while OBI was negatively affected by the situation in Russia.

The profit growth was mainly ascribable to innovations and cost improvements, as well as to currency effects related to purchasing. The cost-improvement programmes aimed at reducing purchasing, production and indirect costs developed as expected and their aggregate contribution was on a par with last year's.

The main launches in the third quarter were Pierre Robert Strømpebukser, Nugatti Krønsjy (Stabburet), Relax (Nidar) and a new variety of Nidar Favoritter. Among the products launched earlier this year, the new biscuits Dots/Ballerina Kladdkaka (Norway/Sweden) have performed satisfactorily.

### Orkla Foods Nordic

Orkla Foods Nordic reported third-quarter operating revenues of NOK 2,267 million (NOK 2,377 million)<sup>2</sup>. This was an underlying<sup>3</sup> decline of 4%, primarily ascribable to reduced distribution and lower sales for Bakers. Third-quarter EBITA<sup>1</sup> amounted to NOK 290 million (NOK 297 million)<sup>2</sup>, equivalent to a 3% underlying<sup>3</sup> decline in profit.

At Bakers, cost adjustments were counteracted by falling volumes, resulting in lower profit than last year. Stabburet strengthened its market shares, but sales and profit were slightly lower than in 2009. The businesses in Sweden continued to deliver a positive performance, with stronger market shares and improved profit for both Procordia og Abba. The businesses in Denmark and Finland reported profit growth, while the Baltic businesses achieved results on a par with last year. All in all, Orkla Foods Nordic has strengthened its market shares slightly.

### Orkla Brands Nordic

Orkla Brands Nordic reported third-quarter operating revenues of NOK 1,939 million (NOK 1,890 million)<sup>2</sup>, an underlying<sup>3</sup> improvement of 5%. EBITA<sup>1</sup> ended at NOK 418 million (NOK 367 million)<sup>2</sup>, an underlying<sup>3</sup> improvement of 16%.

Lilleborg, Lilleborg Profesjonell, Pierre Robert Group, Axellus, OLW and Chips Finland showed good profit growth. For several of the companies, the improvement was attributable to good volume growth. A favourable product mix in several of the companies also contributed to improved results.

Although market share performance varied in the third quarter, overall shares remained unchanged. OLW, Chips Finland and Axellus in Norway and Sweden increased their market shares, while KiMs Norge, Nidar and Lilleborg saw a decline.

### Orkla Brands International

The economic downturn in Russia continued to affect results in the third quarter. Moreover, sales were reduced by a heat wave in July and August throughout large parts of Russia. Combined with high raw material prices, primarily for cocoa beans, this contri-

buted to low profit growth for SladCo and Krupskaya. The MTR brand was relaunched in June and the company achieved volume-driven growth in the spices, ready mixes, pasta products and ready meal segments.

Orkla Brands International reported third-quarter operating revenues of NOK 464 million (NOK 459 million)<sup>2</sup>, equivalent to an underlying<sup>3</sup> decline of around 5%. Third-quarter EBITA<sup>1</sup> was NOK 0 million (NOK 31 million)<sup>2</sup>, an underlying<sup>3</sup> decrease of NOK 20 million.

### Orkla Food Ingredients

While several companies reported volume growth, challenging competition impacted negatively on results. Orkla Foods Romania experienced declines in volume and profit as a result of the financial crisis. A 51% interest in Merkur, a sales and distribution company for bakery ingredients in Poland, was acquired with effect from 1 July. The company has annual sales of around NOK 100 million. An agreement was also entered into to purchase 100% of the shares in Frederik Christiansen Food in Denmark in September. The company posted sales totalling DKK 144 million in 2009 and is the third largest wholesaler in the bakery ingredients sector in Denmark.

Orkla Food Ingredients reported third-quarter operating revenues of NOK 1,201 million (NOK 1,018 million)<sup>2</sup>, equivalent to underlying<sup>3</sup> growth of 2%. Third-quarter EBITA<sup>1</sup> amounted to NOK 68 million (NOK 64 million)<sup>2</sup>. Underlying<sup>3</sup> profit was in line with last year.

### ORKLA ALUMINIUM SOLUTIONS

	1.1. – 30.9.		1.1. – 31.12.	1.7. – 30.9.	
Amounts in NOK million	2010	2009	2009	2010	2009
Operating revenues	20,395	15,211	20,803	7,024	5,424
EBITA <sup>1</sup>	589	(461)	(344)	162	29
EBITA margin (%)	2.9	(3.0)	(1.7)	2.3	0.5
Cash flow from operations before					
net replacement expenditures	(178)	726	1,388	163	344
Net replacement expenditures	(413)	(182)	(263)	(154)	7
Expansion investments	(235)	(329)	(445)	(97)	(133)

<sup>1</sup> Operating profit before amortisation and other income and expenses

- Revenue and profit growth. Volume-related increase in working capital
- Markets for Sapa Profiles in line with last year
- Expansion in Asia developing according to plan

The underlying<sup>3</sup> development in volumes and net sales has been positive through the first three quarters of the year, although the third quarter was seasonally somewhat weaker. Following a strong second quarter, July was somewhat weaker than expected, but August and September were in line with expectations. Third-quarter operating revenues reached NOK 7,024 million (NOK 5,424 million)<sup>2</sup>. EBITA<sup>1</sup> ended at NOK 162 million (NOK 29 million)<sup>2</sup> in the third quarter, negatively impacted by summer shut-downs in large parts of Europe.

The cost improvement programme which targets a reduction of the cost base by NOK 500 million through 2010 developed according to plan in the quarter. Together with other strategic initiatives, it contributed to the improvement in results. An activity-driven increase in working capital contributed negatively to cash flow from operations in the quarter.

In line with Sapa's expansion strategy in Asia, Sapa and Alufit India Private Limited signed a Letter of Intent on 15 October whereby Sapa would acquire a majority stake in Alufit's Aluminum extrusion business. Alufit would retain ownership and continue to operate its fabrication business and would enter into a preferred long-term supply agreement with Sapa for the supply of extruded Aluminum products.

### Sapa Profiles

Sapa Profiles' sales volumes reached 204,000 tonnes and EBITA<sup>1</sup> was NOK 99 million (NOK -68 million)<sup>2</sup> in the third quarter. The negative development compared with the second quarter is an expected seasonality effect.

The markets for Sapa Profiles showed slightly positive growth in Europe, while growth in North America was close to zero. However, the uncertainty in the markets is somewhat higher than in the first half of the year. The transportation sector displays good growth, while the building and construction sector remains weak in both Europe and North America. The solar segment continues to show very strong demand and Sapa has strengthened its position. American authorities have made a preliminary ruling in the anti-dumping-case on Chinese imports, imposing 137% duty. The effect on the market is uncertain. Still, the new duty is expected to curtail the volume of imports. The effect on the market is uncertain. Still, the new duty is expected to curtail the volume of imports.

### Sapa Heat Transfer & Building System

Sapa Heat Transfer's volume for the third quarter of 2010 was 42,000 tonnes. Sapa Heat Transfer and Building System had aggregate EBITA<sup>1</sup> of NOK 63 million (NOK 97 million)<sup>2</sup> in the quarter. Sapa Heat Transfer's order intake has continued to increase and the outlook for the coming quarter is positive. However, Sapa Building System is affected by a weak building and construction market, and sees few signs of improved activity in the European market.

Sapa Heat Transfer's plant in Finspång (Sweden) experienced a serious fire in one of the cold rolling mills on 12 February. Production re-started in late August. Damage to property, incremental costs to secure deliveries, as well as business interruption losses are covered by insurance. A close dialogue with the insurance company has been established to determine final compensation. The net impact on results is expected to be limited.

### ORKLA MATERIALS

	1.1. – 30.9.		1.1. – 31.12.	1.7. – 30.9.	
Amounts in NOK million	2010	2009	2009	2010	2009
Operating revenues	9,295	8,148	11,317	3,402	2,664
EBITA <sup>1</sup>	442	223	436	321	139
EBITA margin (%)	4.8	2.7	3.9	9.4	5.2
Cash flow from operations before					
net replacement expenditures	230	1,184	2,044	96	678
Net replacement expenditures	(278)	(196)	(329)	(95)	(74)
Expansion investments	(986)	(1,026)	(1,188)	(847)	(212)

<sup>1</sup> Operating profit before amortisation and other income and expenses

- Elkem's silicon-related operations saw good demand and higher prices.
- Production improved and market conditions were more favourable for key product categories in Borregaard Chemicals.
- Orkla Materials Energy received a substantial contribution to profit from Borregaard's energy operations, while production at the Saudefaldene plant was lower than normal in the third quarter.

Orkla Materials reported third-quarter operating revenues of NOK 3,402 million (NOK 2,664 million)<sup>2</sup> and EBITA<sup>1</sup> of NOK 321 million (NOK 139 million)<sup>2</sup>.

### Elkem Silicon-related

Operating revenues totalled NOK 2,211 million (NOK 1,441 million)<sup>2</sup>. EBITA<sup>1</sup> amounted to NOK 131 million in the third quarter, compared with NOK -162 million in the same period of 2009.

Market conditions for the silicon-related businesses were good in the third quarter with good demand and high prices for silicon and ferrosilicon for the steel and aluminium industries and the chemicals market. The carbon business experienced satisfactory demand in the quarter. At the end of September, the silicon-related businesses were operating at virtually full capacity. In the third quarter, average utilization of capacity was 91%, compared to 57% in the third quarter last year.

Elkem Solar had EBITA<sup>1</sup> of NOK -144 million in the third quarter. The process of ramping up the factory continued and production increased gradually throughout the quarter. Volume produced in the third quarter totalled 598 tonnes and Elkem Solar anticipates increased production in the fourth quarter. The market has developed positively throughout the third quarter.

### Borregaard Chemicals

Borregaard's chemicals business reported third-quarter operating revenues of NOK 933 million (NOK 937 million)<sup>2</sup>, an underlying<sup>3</sup> decrease of 2% from last year. EBITA<sup>1</sup> amounted to NOK 92 million (NOK 90 million)<sup>2</sup>.

The third quarter saw better market conditions for key product categories, with growth in demand and higher prices. However, the impact on profit was limited by higher raw material costs and negative currency effects. Production at the Sarpsborg plant was

better than in the first half-year. The diphenol business in Italy was closed down at the end of July.

The speciality cellulose business achieved better results than last year. Higher selling prices and a more favourable mix more than offset lower sales and production volumes and increased variable costs. Profit from the lignin business was on a par with the same quarter of 2009. There was volume growth in the agricultural sector and industrial applications, while volumes in the construction industry remained stable. Selling prices were on the same level as last year, but a rise in the prices of key factor inputs resulted in higher variable costs and thus a certain pressure on margins. In the ingredients and pharma businesses, aggregate results for continuing business were on a par with the third quarter of last year. Good market conditions resulting in profit improvement in the aroma area were counteracted by a weaker situation for the pharma area and in Denomega, where sales growth is slower than anticipated.

### Orkla Materials Energy

Borregaard Energi reported improved results and high profit for the third quarter, mainly due to better market prices than last year. Elkem Energi had lower production than normal. Production at the Saudefaldene plant totalled 319 GWh in the third quarter, compared with 517 GWh in the corresponding period of last year.

### ORKLA ASSOCIATES

	1.1. – 30.9.		1.1. – 31.12.	1.7. – 30.9.	
Amounts in NOK million	2010	2009	2009	2010	2009
Profit/loss from associates	(5,303)	(403)	(3,919)	2,089	(328)
<i>Of which Renewable Energy Corporation (REC)</i>					
Share of profit/loss REC	82	(516)	(931)	(356)	(401)
Revaluation/write-down REC	(5,643)	0	(3,135)	2,371	0

Orkla Associates consists mainly of investments in Renewable Energy Corporation ASA (REC) (39.7% interest) and Jotun AS (42.5% interest). The figures below are on a 100% basis.

REC experienced strong demand in the quarter, and operating revenues were NOK 3,783 million, compared to NOK 2,071 million in the corresponding quarter last year. Results were positively affected by higher sales volumes and Singapore ramp-up, and negatively affected by restructuring cost related to the close-down in Glava (Sweden) and by a power outage in REC Silicon. EBITDA for the quarter was NOK 827 million (NOK 449 million)<sup>2</sup>. Including negative net financial items of NOK 1,158 million, profit before tax from continuing operations was NOK -1,003 million (NOK -398 million)<sup>2</sup>.

As of 31 August, Jotun continued to show growth in sales and profit and all divisions, apart from Jotun Dekorativ, were able to report volume growth. Operating revenues for the first eight months totalled NOK 8,044 million (NOK 7,811 million)<sup>2</sup>, a rise of

approximately 3%. Operating profit for the same period ended at NOK 1,041 million (NOK 858 million)<sup>2</sup>. However, there has been an increase in important raw material prices in the second tertiary. Jotun is pursuing an extensive investment programme in line with its strategy of organic growth.

### ORKLA FINANCIAL INVESTMENTS

	1.1. – 30.9.		1.1. – 31.12.	1.7. – 30.9.	
Amounts in NOK million	2010	2009	2009	2010	2009
EBITA <sup>1</sup>	(41)	(70)	(85)	2	(32)
Other income and expenses	(105)	-	-	-	-
Dividends	448	238	251	60	14
Gains, losses and write-downs in the Share Portfolio	905	247	584	318	334
Other financial items	168	27	11	59	14
Profit/loss before taxes	1,375	442	761	439	330
Market value Share Portfolio	11,721	10,316	11,037		
Return Share Portfolio (%)	21.3	26.2	39.0		
Unrealised gains Share Portfolio	4,371	2,802	3,522		

<sup>1</sup> Operating profit before amortisation and other income and expenses

Pre-tax profit for Orkla Financial Investments amounted to NOK 439 million (NOK 330 million)<sup>2</sup> in the third quarter. Pre-tax profit for the year to date was NOK 1,375 million (NOK 442 million)<sup>2</sup>.

The year-to-date return on the Share Portfolio was 21.3% (the Morgan Stanley Nordic Index 16.0% and the Oslo Stock Exchange Benchmark Index 2.7%).

The market value of the Share Portfolio was NOK 11,721 million after net sales of shares totalling NOK 1,178 million for the year to date. As of 30 September, unrealised gains amounted to NOK 4,371 million. Net share sales in the third quarter totalled NOK 674 million.

Gains/losses and write-downs amounted to NOK 318 million (NOK 334 million)<sup>2</sup> in the third quarter, and NOK 905 million (NOK 247 million)<sup>2</sup> for the year to date. Accounting write-downs in accordance with IFRS totalled NOK 46 million in the third quarter and NOK 212 million for the year to date.

Dividends received in the third quarter and for the year to date totalled NOK 60 million (NOK 14 million)<sup>2</sup> and NOK 448 million (NOK 238 million)<sup>2</sup>, respectively.

Orkla Eiendom (real estate) had third-quarter EBITA<sup>1</sup> of NOK 29 million (NOK -18 million)<sup>2</sup>. Year-to-date EBITA<sup>1</sup> amounted to NOK 54 million (NOK -53 million)<sup>2</sup>.

EBITA<sup>1</sup> for Orkla Finans totalled NOK -13 million (NOK -8 million)<sup>2</sup> in the third quarter. Year-to-date EBITA<sup>1</sup> amounted to NOK -36 million (NOK -35 million)<sup>2</sup>. On 1 October, Orkla entered into an agreement to sell all shares in Orkla Finans AS to Pareto AS.



## CASH FLOW AND FINANCIAL SITUATION

As of 30 September, cash flow from operations amounted to NOK 688 million (NOK 3,115 million)<sup>2</sup>. In the third quarter, cash flow from operations totalled NOK 683 million (NOK 1,663 million)<sup>2</sup>.

Due to seasonal and activity-driven growth, working capital increased by NOK 656 million in the third quarter and NOK 2,811 million for the year to date. Working capital is expected to be significantly reduced towards the end of the year.

The expansion investments in the first nine months totalled NOK 1,240 million (NOK 1,464 million)<sup>2</sup>, and are largely related to Elkem's purchase of part of Norske Skog's power contract with Statkraft (NOK 800 million) in the third quarter.

As of 30 September, the Financial Investments area's net sales of portfolio investments totalled NOK 1,178 million.

After this, the Group had a net cash flow of NOK 365 million in the third quarter. Taking account of positive currency effects of NOK 438 million, liabilities were reduced by NOK 803 million in the quarter. Net interest-bearing liabilities as of 30 September amounted to NOK 23,983 million. The liabilities, the majority of which are subject to floating interest terms, are distributed among the following currencies: NOK, SEK, EUR, DKK and USD.

The consolidated balance sheet totalled approximately NOK 90.2 billion at the end of the third quarter, compared to NOK 94.7 billion as of 31 December 2009. The reduction compared to 31 December 2009 is predominantly owing to the payment of receivables on the sale of power plants and changes in the value of REC shares. As of 30 September 2010, the equity ratio was 49.4%, while net gearing<sup>4</sup> was 0.54 at quarter-end.

## OTHER MATTERS

On 8 September, Orkla's Board of Directors appointed in Bjørn Wiggen as Orkla's new CEO. Wiggen came from the position as CEO of Sapa (Orkla Aluminium Solutions) and Executive Vice President, Orkla Materials.

At the same time, the former head of Sapa's operations in North America, Timothy R. J. Stubbs, was appointed new CEO of Sapa. Svein Tore Holsether, former Business Area President for Sapa Asia & Middle East, has now been appointed Executive Vice President with overall responsibility for Orkla's M&A activities. Holsether will take up the position in January 2011. Stubbs and Holsether will be new members of Orkla's new Group Executive Board.

Orkla has entered into an agreement of selling the wholly-owned forest companies Borregaard Skoger AS, AS Børresen and Borregaard Vafos AS to Statskog for a total of NOK 1,725 million. The sale covers approximately 1.1 million decares, of which around 750,000 decares are productive forest land. The transaction also encompasses Borregaard Skoger's equity interest in Statskog-Borregaard Skogsdrift (SB Skog). The transaction is subject to approval by Stortinget (the Norwegian Parliament). Completion of the transaction also assumes approval by the Norwegian Competition Authority.

## OUTLOOK

The global economy is expected to continue to grow, but with greater uncertainty as regards the development of the various markets. Orkla is well positioned for a continued economic upswing, but is also prepared to tackle possible new setbacks.

With regard to Orkla Brands, raw material price trends are complex, but negative on the whole. Given its broad-based product portfolio, however, Orkla Brands is not particularly exposed to individual raw materials. In Norway, the prices of agricultural products are expected to continue to rise. On the whole, Orkla Brands expects to be able to compensate for market-based increases in raw material prices by raising prices correspondingly. All in all, the outlook for the Nordic grocery markets is stable. Outside the Nordic region, market trends are somewhat more challenging, especially in Russia and the Baltics.

Within Orkla Aluminium Solutions, Sapa Profiles expects flattening markets for the remainder of the year and will be negatively affected by seasonal effects in December. Particularly in North America, December is a weak month, with uncertainty regarding holiday planning for Sapa's customers. Sapa Building System expects weaker markets due to low activity in the building and construction industry. Sapa Heat Transfer is still experiencing high demand and a satisfactory order intake.

With regard to Orkla Materials, Elkem Silicon-related expects markets to remain good in the fourth quarter, with further positive price effects in early 2011. Borregaard Chemicals also anticipates good markets in the fourth quarter. In view of the resource situation at the Sauda plant, production is likely to remain somewhat lower than normal in the fourth quarter. Elkem Solar is expected to gradually increase production in step with its ramp-up plan.



## THE GROUP'S CONDENSED INCOME STATEMENT

Amounts in NOK million	Note	1.1. – 30.9.		1.1. – 31.12.	1.7. – 30.9.	
		2010	2009	2009	2010	2009
<b>Operating revenues</b>	2	<b>47,158</b>	41,188	56,228	<b>16,263</b>	14,088
Operating expenditures		<b>(42,465)</b>	(37,989)	(51,303)	<b>(14,475)</b>	(12,661)
Depreciation and impairment charges on tangible assets		<b>(1,886)</b>	(1,821)	(2,477)	<b>(622)</b>	(616)
Amortisation of intangible assets		<b>(37)</b>	(153)	(213)	<b>(12)</b>	(53)
Other income and expenses	3	<b>(176)</b>	(104)	2,871	<b>(15)</b>	(94)
<b>Operating profit</b>		<b>2,594</b>	1,121	5,106	<b>1,139</b>	664
Profit/loss from associates	8	<b>(5,303)</b>	(403)	(3,919)	<b>2,089</b>	(328)
Received dividends		<b>449</b>	239	252	<b>60</b>	14
Gains, losses and write-downs in the Share Portfolio		<b>905</b>	247	584	<b>318</b>	334
Financial items, net		<b>(422)</b>	(743)	(952)	<b>(172)</b>	(190)
<b>Profit/loss before taxes</b>		<b>(1,777)</b>	461	1,071	<b>3,434</b>	494
Taxes		<b>(750)</b>	(92)	496	<b>(322)</b>	(13)
<b>Profit/loss for the period for continued operations</b>		<b>(2,527)</b>	369	1,567	<b>3,112</b>	481
Gains/profit discontinued operations		<b>0</b>	993	993	<b>0</b>	0
<b>Profit/loss for the period</b>		<b>(2,527)</b>	1,362	2,560	<b>3,112</b>	481
Profit/loss attributable to non-controlling interests		<b>38</b>	(59)	(31)	<b>(1)</b>	23
Profit/loss attributable to owners of the parent		<b>(2,565)</b>	1,421	2,591	<b>3,113</b>	458
Profit/loss before taxes, the Industry division		<b>(3,152)</b>	19	310	<b>2,995</b>	164
Profit/loss before taxes, Orkla Financial Investments		<b>1,375</b>	442	761	<b>439</b>	330

## EARNINGS PER SHARE

Amounts in NOK	1.1. – 30.9.		1.1. – 31.12.	1.7. – 30.9.	
	2010	2009	2009	2010	2009
<b>Earnings per share</b>	<b>(2.5)</b>	1.4	2.5	<b>3.1</b>	0.5
<b>Earnings per share (diluted)</b>	<b>(2.5)</b>	1.4	2.5	<b>3.1</b>	0.5

## THE GROUP'S CONDENSED COMPREHENSIVE INCOME

Amounts in NOK million	1.1. – 30.9.		1.1. – 31.12.	1.7. – 30.9.	
	2010	2009	2009	2010	2009
<b>Profit/loss for the period</b>	<b>(2,527)</b>	1,362	2,560	<b>3,112</b>	481
Change in unrealised gains on shares	<b>850</b>	1,954	2,511	<b>825</b>	756
Change in hedging reserve	<b>(396)</b>	466	591	<b>(210)</b>	225
Translation effects	<b>(46)</b>	(2,071)	(2,677)	<b>(516)</b>	(1,033)
<b>The Group's comprehensive income</b>	<b>(2,119)</b>	1,711	2,985	<b>3,211</b>	429
Comprehensive income attributable to non-controlling interests	<b>32</b>	(329)	(310)		
Comprehensive income attributable to owners of the parent	<b>(2,151)</b>	2,040	3,295		

## THE GROUPS'S CONDENSED BALANCE SHEET

Amounts in NOK million	Note	30.9. 2010	31.12. 2009
Intangible assets		15,787	14,731
Property, plant and equipment		24,670	24,694
Financial assets	5	11,270	15,922
<b>Non-current assets</b>		<b>51,727</b>	<b>55,347</b>
<b>Assets held for sale</b>	9	<b>382</b>	-
Inventories		8,541	7,531
Receivables	5	14,418	16,568
Share Portfolio, etc.		11,750	11,087
Cash and cash equivalents	5	3,337	4,153
<b>Current assets</b>		<b>38,046</b>	<b>39,339</b>
<b>Total assets</b>		<b>90,155</b>	<b>94,686</b>
Paid-in equity		1,995	1,995
Earned equity		42,195	46,560
Non-controlling interests		333	370
<b>Equity</b>		<b>44,523</b>	<b>48,925</b>
Provisions and other non-current liabilities		4,177	4,339
Non-current interest-bearing liabilities	5	26,354	29,042
Current interest-bearing liabilities	5	2,880	1,746
Liabilities held for sale	9	95	-
Other current liabilities		12,126	10,634
<b>Equity and liabilities</b>		<b>90,155</b>	<b>94,686</b>
Equity ratio (%)		49.4	51.7

## CHANGES IN EQUITY

Amounts in NOK million	1.1. – 30.9.2010			1.1. – 31.12.2009		
	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	48,555	370	48,925	47,383	2,686	50,069
The Group's comprehensive income	(2,151)	32	(2,119)	3,295	(310)	2,985
Dividends	(2,294)	(50)	(2,344)	(2,288)	(66)	(2,354)
Buybacks of Orkla shares	22	-	22	94	-	94
Option costs	58	-	58	71	-	71
Change in non-controlling interests	-	(19)	(19)	-	(1,940)	(1,940)
<b>Equity at the close of the period</b>	<b>44,190</b>	<b>333</b>	<b>44,523</b>	<b>48,555</b>	<b>370</b>	<b>48,925</b>

## THE GROUP'S CONDENSED CASH FLOW

Amounts in NOK million	Note	1.1. – 30.9.		1.1. – 31.12.	1.7. – 30.9.	
		2010	2009	2009	2010	2009
<b>Cash flow in the Industry division:</b>						
Operating profit		2,740	1,191	5,191	1,137	696
Amortisation, depreciation and impairment charges		1,911	1,933	2,653	624	650
Gain on sale of power plants presented as «sale of companies»		-	-	(3,066)	-	-
Changes in net working capital, etc.		(2,811)	821	2,197	(656)	517
Cash flow from operations before net replacement expenditures		1,840	3,945	6,975	1,105	1,863
Net replacement expenditures		(1,152)	(830)	(1,173)	(422)	(200)
Cash flow from operations		688	3,115	5,802	683	1,663
Financial items, net		(570)	(1,022)	(1,261)	(260)	(207)
<b>Cash flow from Industry division</b>		<b>118</b>	<b>2,093</b>	<b>4,541</b>	<b>423</b>	<b>1,456</b>
<b>Cash flow from Orkla Financial Investments</b>		<b>697</b>	<b>1,075</b>	<b>1,003</b>	<b>105</b>	<b>430</b>
Taxes paid		(579)	(1,686)	(1,402)	(143)	(241)
Other payments		333	22	25	228	28
<b>Cash flow before capital transactions</b>		<b>569</b>	<b>1,504</b>	<b>4,167</b>	<b>613</b>	<b>1,673</b>
Paid dividends		(2,344)	(2,328)	(2,354)	(146)	(159)
Net sale/purchase of Orkla shares		22	3	94	5	3
<b>Cash flow before expansion</b>		<b>(1,753)</b>	<b>(821)</b>	<b>1,907</b>	<b>472</b>	<b>1,517</b>
Expansion investments in Industry division		(1,240)	(1,464)	(1,765)	(949)	(371)
Sale of companies/share of companies		224	77	5,914	224	77
Purchase of companies/share of companies	4	(2,619)	(2,955)	(3,282)	(56)	(2,864)
Net sale/purchase of portfolio investments		1,178	2,616	2,866	674	686
<b>Net cash flow</b>		<b>(4,210)</b>	<b>(2,547)</b>	<b>5,640</b>	<b>365</b>	<b>(955)</b>
Currency effects of net interest-bearing liabilities		75	1,745	1,936	438	632
<b>Change in net interest-bearing liabilities</b>		<b>4,135</b>	<b>802</b>	<b>(7,576)</b>	<b>(803)</b>	<b>323</b>
<b>Net interest-bearing liabilities</b>	5	<b>23,983</b>	<b>28,226</b>	<b>19,848</b>		

## NOTES

## NOTE 1 GENERAL INFORMATION

Orkla ASA's condensed consolidated financial statements for the third quarter of 2010 were approved at a meeting of the Board of Directors on 27 October. 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. On the whole, the same accounting principles and methods of calculation have been applied as in the last annual financial statements, with such exceptions and requirements as are prescribed by IFRS amendments (see next paragraph).

As of 1 January 2010, the Group applies the new revised IFRS 3 «Business Combinations» and the new IAS 27 «Consolidated and Separate Financial Statements». These standards deal with matters such as goodwill relating to step acquisitions, non-controlling interests and contingent consideration. However, the main change for the Orkla Group is that acquisition costs are to be expensed immediately. These are presented under the item «Other income and expenses» in the income statement (see Note 3).

The Group has also applied the new IFRIC 15 as from the first quarter of 2010.

## NOTE 2 SEGMENTS

As from 2010, the segment structure has been changed compared with 2009 and Orkla Materials is reported as Elkem Silicon-related, Borregaard Chemicals and Orkla Materials Energy (see Orkla's Annual Report 2009).

## OPERATING REVENUES

	1.1. – 30.9.		1.1. – 31.12.	1.7. – 30.9.	
Amounts in NOK million	2010	2009	2009	2010	2009
<b>Orkla Group</b>	<b>47,158</b>	41,188	56,228	<b>16,263</b>	14,088
<b>Orkla Brands</b>	<b>16,647</b>	16,722	23,046	<b>5,804</b>	5,661
Orkla Foods Nordic	<b>6,719</b>	7,096	9,754	<b>2,267</b>	2,377
Orkla Brands Nordic	<b>5,720</b>	5,637	7,722	<b>1,939</b>	1,890
Orkla Brands International	<b>1,304</b>	1,349	1,939	<b>464</b>	459
Orkla Food Ingredients	<b>3,097</b>	2,888	3,966	<b>1,201</b>	1,018
Eliminations Orkla Brands	<b>(193)</b>	(248)	(335)	<b>(67)</b>	(83)
<b>Orkla Aluminium Solutions</b>	<b>20,395</b>	15,211	20,803	<b>7,024</b>	5,424
Sapa Profiles	<b>16,152</b>	11,432	15,621	<b>5,577</b>	4,120
Sapa Heat Transfer & Building System	<b>4,834</b>	4,355	5,856	<b>1,648</b>	1,507
Eliminations Orkla Aluminium Solutions	<b>(591)</b>	(576)	(674)	<b>(201)</b>	(203)
<b>Orkla Materials</b>	<b>9,295</b>	8,148	11,317	<b>3,402</b>	2,664
Elkem Silicon-related	<b>6,125</b>	4,484	6,332	<b>2,211</b>	1,441
Borregaard Chemicals	<b>2,783</b>	2,855	3,815	<b>933</b>	937
Orkla Materials Energy	<b>717</b>	948	1,353	<b>493</b>	336
Eliminations Orkla Materials	<b>(330)</b>	(139)	(183)	<b>(235)</b>	(50)
<b>Orkla Financial Investments</b>	<b>1,694</b>	2,207	2,977	<b>182</b>	709
<b>Orkla HQ/Other Business/Eliminations</b>	<b>(873)</b>	(1,100)	(1,915)	<b>(149)</b>	(370)

## OPERATING PROFIT - EBITA\*

<b>Orkla Group</b>	<b>2,807</b>	1,378	2,448	<b>1,166</b>	811
<b>Orkla Brands</b>	<b>2,057</b>	1,919	2,793	<b>776</b>	759
Orkla Foods Nordic	762	747	1,088	290	297
Orkla Brands Nordic	1,133	989	1,380	418	367
Orkla Brands International	(15)	32	89	0	31
Orkla Food Ingredients	177	151	236	68	64
<b>Orkla Aluminium Solutions</b>	<b>589</b>	(461)	(344)	<b>162</b>	29
Sapa Profiles	343	(587)	(574)	99	(68)
Sapa Heat Transfer & Building System	246	126	230	63	97
<b>Orkla Materials</b>	<b>442</b>	223	436	<b>321</b>	139
Elkem Silicon-related	185	(490)	(581)	131	(162)
Borregaard Chemicals	153	170	216	92	90
Orkla Materials Energy	104	543	801	98	211
<b>Orkla Financial Investments</b>	<b>(41)</b>	(70)	(85)	<b>2</b>	(32)
<b>Orkla HQ/Other Business</b>	<b>(240)</b>	(233)	(352)	<b>(95)</b>	(84)

\* 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.	
	2010	2009	2009	2010	2009	2009
Termination of the old AFP schemes	30	-	-	-	-	-
M&A costs	(38)	-	-	(15)	-	-
Closure of Borregaard Italy	(63)	-	-	-	-	-
Write-down of goodwill Orkla Finans	(105)	-	-	-	-	-
Orkla Brands, settlement Kotlin and Elbro	-	(10)	(10)	-	-	-
Orkla Aluminium Solutions, restructuring Indalex and Benelux	-	(94)	(185)	-	(94)	-
Gain on sale of power plants	-	-	3,066	-	-	-
	(176)	(104)	2,871	(15)	(94)	-

Termination of the former contractual early retirement (AFP) scheme has resulted in recognition of AFP provisions in the income statement following the Storting resolution in February 2010 to terminate the scheme. In 2004, Orkla in Norway switched to a defined contribution pension plan for all employees under 60 years of age. Pensioners and persons aged over 60 remained in the old fund-based defined benefit plan. The plan is fully financed and Orkla has no further obligation to pay in more funds. Under the accounting rules, however, it is not possible to remove this plan from the balance sheet. Orkla has therefore decided to issue paid-up policies to the pensioners in these funded plans, thereby enabling the Group to eliminate pension assets and liabilities from the balance sheet. The pensioners receive an extra adjustment to compensate for the anticipated marginally lower future return, and otherwise retain their full rights. Variances from estimates related to pension plan settlements are recognised at the same time. The net amount taken to income also takes into account any uncertainty linked to the winding-up of the old AFP scheme and other uncertain factors.

IFRS requires the recognition of income upon termination of old AFP schemes even if it is more likely than not that the new AFP scheme will be more comprehensive than the old one. It is emphasised that no form of provisions relating to a new AFP scheme have been made in the financial statements as of the first nine months of 2010. If a new AFP scheme is to be recognised as a defined benefit plan in accordance with the same principles as those applied for the old scheme, the provision will most likely increase over time.

**NOTE 4 ACQUISITION OF COMPANIES/AGREEMENT TO PURCHASE ASSETS**

At the end of the third quarter, Orkla Brands had bought businesses and a brand at a total cost of approx. NOK 950 million. The largest acquisitions are Peterhof (consolidated from 1 May) in Russia, Sonneveld Group (consolidated from 1 July) in the Netherlands and Kalev Chocolate Factory (consolidated from 27 May) in Estonia. In each acquisition, 100% of the shares were taken over. Peterhof, located in St. Petersburg, holds positions in the chocolate-based spreads and biscuits markets. Its annual sales are on the order of NOK 85 million. Sonneveld Group is market leader for bread improvers in the Benelux countries and its annual sales total around EUR 55 million. Kalev Chocolate Factory is the leading company in the chocolate and confectionery segment in Estonia. The company has annual sales of around EUR 28 million. The profit impact of these acquisitions has only a minor effect on the Group's position.

These acquisitions were made in order to establish new and strengthen existing market positions for Orkla Brands. The excess value related to the acquisitions is mainly attributable to goodwill and brands. The balance sheet total increased by NOK 1,166 million as a result of the Orkla Brands acquisitions.

On 6 May Orkla ASA subscribed for 132,078,878 shares in the rights issue in REC at a subscription price of NOK 12.10 per share. At the same time, Orkla ASA took over all of Elkem AS's shares and subscription rights in REC. After the completed rights issue, Orkla ASA owns 396,236,635 shares, thereby maintaining its equity interest in REC of 39.7%.

On 27 June, Elkem signed an agreement with Norske Skog regarding the takeover of a share of their power contract with Statkraft. The transaction was completed in the third quarter and Elkem has recognised NOK 800 million in the balance sheet in connection with the contract. Elkem's share of the contract with Statkraft amounts to a power volume of 1.5 TWh/year in the period 2011-2020.

Furthermore, some minor associate interests were acquired by Orkla's real estate operations (Eiendom).

**NOTE 5 NET INTEREST-BEARING LIABILITIES**

At the end of the third quarter, the Group's net interest-bearing liabilities (net-interest liabilities minus interest-bearing receivables and cash and cash equivalents) had increased by NOK 4,135 million, chiefly as a result of the payment of dividends, the acquisition of companies and the Group's participation in the share issue in REC (see Note 4). The various elements of net interest-bearing liabilities are shown in the following table:

	30.9. 2010	31.12. 2009
<b>Net interest-bearing liabilities</b>		
Non-current interest-bearing liabilities	(26,354)	(29,042)
Current interest-bearing liabilities	(2,880)	(1,746)
Non-current receivables (in «Financial assets»)	87	452
Current receivables (in «Receivables»)	1,827	6,335
Cash and cash equivalents	3,337	4,153
Net Interest-bearing liabilities	(23,983)	(19,848)

**NOTE 6 RELATED PARTIES**

There were no special transactions between the Group and related parties in the first nine months of 2010. The Canica system (largest Orkla shareholder with 23.3%) and Orkla both have equity interests in certain investments. The Group has provided subordinated loans totalling NOK 123 million to joint ventures and associates within its real estate operations (Eiendom).

On 8 September, Orkla's Board of Directors appointed Bjørn M. Wiggen as new President and CEO to succeed Dag J. Opedal.

**NOTE 7 OPTIONS AND TREASURY SHARES**

A total of 6,495,000 options have been awarded to senior executives and key employees in the first nine months. A total of 660,000 options were exercised in the same period. As of 30 September, 20,802,000 options were outstanding. A corresponding total of 660,000 treasury shares were sold in connection with the exercise of options. As of 30 September 2010, Orkla owned 9,197,815 treasury shares.

Change in number of options:	
Outstanding number of options as of 1 January 2010	14,967,000
Granted during the period	6,495,000
Exercised during the period	(660,000)
Outstanding number of options as of 30 September 2010	20,802,000

Change in treasury shares:	
Total as of 1 January 2010	9,857,815
Options exercised in treasury shares	(660,000)
Total as of 30 September 2010	9,197,815

#### NOTE 8 ASSESSMENTS RELATING TO IMPAIRMENT

Goodwill related to the operations of Orkla Finans was written down by NOK 105 million to nil. The business unit has reported weak results for some time and the Group has determined that the capitalised goodwill no longer justifies its value. Orkla Finans was sold to Pareto on 1 October.

At the end of the third quarter, the Group has carried out impairment tests for all intangible assets with an indefinite useful life and all goodwill using the same method as in previous years. No significant impairments were identified, and only a few minor write-downs were taken in the reporting period.

In accordance with the Group's accounting principles, the Share Portfolio was written down by NOK 212 million as of 30 September.

In line with the principle stated in the 2009 financial statements, the Group's investment in REC was written down to the market price of NOK 19.92 per share as of 30 September 2010. The total amount reported in the income statement, which includes the write-down and the Group's share of equity in REC, was NOK -5.6 billion. Seen in the third quarter alone, the situation has improved with an increase in value of NOK 2.0 billion.

In connection with recognition of the Group's share of results, the investment in Fornebu Utvikling ASA was adjusted downwards by NOK 22 million. The carrying value of the Group's interest in Fornebu Utvikling ASA is NOK 594 million. The market value of the interest is NOK 508 million (NOK 1.89 per share). There is little trading in the share and the carrying value of the equity capital in Fornebu Utvikling ASA was NOK 2.4 billion as of the second quarter, which means NOK 779 million for Orkla's 32.36% interest.

#### NOTE 9 ASSETS AND LIABILITIES HELD FOR SALE

Orkla has 25 October entered into an agreement of selling the wholly-owned forest companies Borregaard Skoger AS, AS Børresen and Borregaard Vafos AS to Statskog for a total of NOK 1,725 million and assets and liabilities in these companies are presented in Balance Sheet as «held for sale». The sale covers approximately 1.1 million decares, of which around 750,000 decares are productive forest land. The transaction also encompasses Borregaard Skoger's equity interest in Statskog-Borregaard Skogsdrift (SB Skog). The transaction is subject to approval by Stortinget (the Norwegian Parliament). Completion of the transaction also assumes approval by the Norwegian Competition Authority.

#### NOTE 10 OTHER MATTERS

In connection with the payment of dividends in the third quarter, NOK 115 million was mainly withheld tax and paid in July.

In the legal proceedings concerning the taxation of REC convertible debentures, the main hearing in Borgarting Court of Appeal has been scheduled for 2 February 2011.

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.