

Press release



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Date: 6 May 2009

Orkla's profit affected by weak markets

The global economic decline intensified in the first quarter, weakening markets for Aluminium Solutions and Materials. Orkla Brands achieved satisfactory results with an improvement of six per cent. First-quarter operating profit (EBITA)¹ ended at NOK 233 million, compared with NOK 1.0 billion in the same period in 2008. Net profit was NOK 638 million, compared with NOK 687 million in the same period the previous year. Orkla has already implemented and is planning extensive measures to manage the cash flow and adapt production capacity to the weak market situation.

Orkla's first-quarter operating revenues totalled NOK 13.4 billion, down from NOK 16.3 billion in 2008. Much of this decline is ascribable to weak markets and a 40 per cent decline in volume for Orkla Aluminium Solutions. Volume and price trends for Orkla Materials were also negative in the quarter. Orkla's equity ratio was 50 per cent, while net interest-bearing debt was on a par with the end of 2008.

"Orkla has a diverse portfolio in which the less cyclical businesses like Orkla Brands and the energy business reported satisfactory results, while the more international, cyclical business areas in Aluminium Solutions and Materials were hard hit by the powerful global economic downturn. However, Orkla's financial position is robust, and the main focus in the short term is to adapt capacity and costs to the weak markets and, at the same time, be as well positioned as possible when the economic situation again improves," says President and CEO Dag J. Opedal.

He points out a few important milestones that were reached in the first quarter:

"The swap agreement whereby Orkla took over Alcoa's 45 per cent interest in Sapa Profiles in exchange for Orkla's 50 per cent stake in Elkem Aluminium was finally completed, generating an accounting gain of NOK 993 million. The new Elkem Solar plant is an investment of well over NOK 4 billion, and the ramp-up programme aimed at full-scale operations in the course of 2009 is on track. We also inaugurated one of the last major hydropower plants in Norway, Saudefaldene. That was an investment of over NOK 2 billion, and the plant's total production output is equivalent to 20 per cent of the city of Oslo's energy consumption," sums up President and CEO Opedal.

¹ Operating profit (EBITA): Before amortisation, restructuring and significant impairment charges

Fakta og bakgrunn: www.orkla.no. Illustrasjoner: Gå til www.orkla.no, velg Nyheter / Illustrasjoner. Her kan du laste ned Orklas logo, bilder av Orkla-ledelsen og andre illustrasjonsbilder.

THE GROUP'S CONDENSED INCOME STATEMENT

Amounts in NOK million	1.1. – 31.3.		1.1. – 31.12.
	2009	2008	2008
Operating revenues	13,448	16,332	65,579
Operating expenditures	(12,597)	(14,820)	(59,336)
Depreciation and impairment charges on tangible assets	(618)	(483)	(2,003)
Amortisation of intangible assets	(50)	(52)	(228)
Write-down of inventory in Sapa Profiles	0	0	(372)
Restructuring and significant impairments	0	0	(1,282)
Operating profit	183	977	2,358
Profit/loss from associates	135	179	2,189
Dividends	45	88	473
Gains, losses and write-downs in the Share Portfolio	(315)	(295)	(6,043)
Financial items, net	(363)	(103)	(992)
Profit/loss before taxes	(315)	846	(2,015)
Tax expenses	(40)	(184)	(895)
Profit/loss for the period for continued operations	(355)	662	(2,910)
Gains/profit discontinued operations	993	25	(55)
Profit/loss for the period	638	687	(2,965)
Minority interest's share of the profit/loss for the period	(70)	52	(137)
Majority interest's share of the profit/loss for the period	708	635	(2,828)
Profit/loss before taxes, the Industry division	36	955	3,356
Profit/loss before taxes, Orkla Financial Investments	(351)	(109)	(5,371)

EARNINGS PER SHARE

Amounts in NOK	1.1. – 31.3.		1.1. – 31.12.
	2009	2008	2008
Earnings per share	0.7	0.6	(2.8)
Earnings per share (diluted)	0.7	0.6	(2.8)
Earnings per share (diluted)¹	(0.3)	0.6	(1.1)

¹ Excl. amortisation, write-down of inventory in Sapa Profiles in 2008, restructuring, significant impairments and discontinued operations.