

Press release



www.orkla.com

P.O. Box 423 Skøyen, NO-0213 Oslo Tel.: +47-22 54 40 00 E-mail: info@orkla.no

Ref.: SVP Corporate Communications Ole Kristian Lunde
SVP Investor Relations Rune Helland

Tel.: +47-2254 4431
Tel.: +47-2254 4411

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Solid quarter in challenging operating conditions

Orkla's second-quarter operating profit (EBITA)¹ ended at NOK 1,230 million, compared with NOK 1,194 million for the same quarter of 2007. Orkla Brands continued its positive profit trend, and Sapa delivered satisfactory profit despite declining volumes. The Share Portfolio outperformed the Nordic index, but delivered a negative return in a weak financial market.

"We are satisfied with our profitability performance in the second quarter, and the Industry division reported good overall results. However, we expect future market conditions to remain challenging," says President and CEO Dag J. Opedal.

Orkla's second-quarter operating revenues totalled NOK 17.6 billion, up from NOK 14.0 billion in 2007. A substantial part of the increase in the operating revenues (but also a lower operating margin) is ascribable to the merged aluminium profile business (Sapa/Alcoa).

Orkla Brands, Sapa and Borregaard all posted satisfactory performances. Both Elkem Solar's construction project and the integration of Sapa's and Alcoa's profile businesses are on schedule.

As expected, profit for the primary aluminium business was negatively impacted by the weak USD and hedge losses. Moreover, costs expensed for Elkem Solar's new plant were NOK 53 million higher than in the same quarter of last year.

Second-quarter profit before tax amounted to NOK 2.5 billion (NOK 3.1 billion in 2007). Orkla signed an agreement with Egmont in the second quarter to sell the remainder of the Group's media business, i.e. its 40 per cent stake in Hjemmet Mortensen. This generated a book gain of NOK 830 million for Orkla in the second quarter. All in all, therefore, the sale of Orkla's media business has brought in approximately NOK 9 billion, and a gain of around NOK 5 billion.

In a weak stock market, Orkla's Financial Investments division delivered a negative return of 8.3 per cent, compared with a negative return of 16.9 per cent for Morgan Stanley Nordic Index and a negative return of 5.6 per cent for the Oslo Stock Exchange Benchmark Index.

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

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.

CONDENSED GROUP INCOME STATEMENT

Amounts in NOK million	<u>1.1. – 30.6.</u> 2008	2007	<u>1.1. – 31.12.</u> 2007	<u>1.4. – 30.6.</u> 2008	2007
Operating revenues	34,513	27,937	63,867	17,569	14,049
Operating expenses	(31,162)	(24,345)	(56,729)	(15,807)	(12,390)
Depreciations and write-downs property, plant and equipment	(1,059)	(931)	(2,026)	(532)	(465)
Amortisation intangible assets	(115)	(114)	(230)	(58)	(56)
Restructuring and significant impairments	(34)	0	(814)	(34)	0
Operating profit	2,143	2,547	4,068	1,138	1,138
Profit from associates	1,332	646	848	1,153	294
Dividends	399	654	1,076	311	414
Gains and losses/write-downs Share Portfolio	(183)	1,892	3,627	112	1,011
Financial items, net	(312)	819	440	(216)	196
Profit before taxes	3,379	6,558	10,059	2,498	3,053
Taxes	(710)	(983)	(1,614)	(516)	(317)
Profit for the period	2,669	5,575	8,445	1,982	2,736
Minority interests' share of profit	130	49	46	78	14
Profit attributable to equity holders for the period	2,539	5,526	8,399	1,904	2,722
Profit before tax, Industry division	2,951	3,503	4,579	1,961	1,503
Profit before tax, Orkla Financial Investments	428	3,055	5,480	537	1,550

EARNINGS PER SHARE

Amounts in NOK	<u>1.1. – 30.6.</u> 2008	2007	<u>1.1. – 31.12.</u> 2007	<u>1.4. – 30.6.</u> 2008	2007
Earnings per share	2.5	5.4	8.2	1.9	2.6
Earnings per share diluted	2.5	5.3	8.1	1.9	2.6
Earnings per share diluted¹	2.6	5.4	9.0	1.9	2.7

¹ Excl. amortisation, restructuring, significant impairments and discontinued operations.