

# Press release



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## **A good year financially, but weaker market conditions towards year-end**

**Orkla's operating revenues totalled NOK 63.9 billion in 2007 (up from NOK 52.7 billion in 2006). EBITA ended at NOK 5.1 billion, on a par with 2006, while strong financial results caused pre-tax profit to reach NOK 10.1 billion (NOK 8.5 billion). Fourth-quarter operating revenues totalled NOK 18.1 billion (NOK 14.6 billion), and EBITA was NOK 1.2 billion (NOK 1.7 billion).**

“Orkla considerably moved its positions forwards in 2007. The Group strengthened its position in the solar energy industry by increasing its shareholding in REC and investing in a new production plant for Elkem Solar. Through the merger of Sapa's and Alcoa's aluminium extrusion operations, the Group substantially reinforced its business platform in this sector. Orkla is well positioned for further growth,” says Group President and CEO Dag J. Opedal.

Earnings per share increased by 19 per cent to NOK 8.2, (in 2006 NOK 6.9 excluding the sale of the media business). Orkla pursues a dividend strategy based on a relatively stable increase in dividends, considering the Group's financial situation. In line with this strategy, the Board of Directors proposes to pay an ordinary dividend for 2007 of NOK 2.25 per share, which is an increase of 12.5 % compared with 2006.

The 21 per cent increase in the Group's operating revenues for 2007 is largely ascribable to the merged extrusion business, where new business contributed approx. NOK 7.6 billion in the last seven months of 2007.

Among the Group's other businesses, Borregaard's chemical business, Elkem's silicon business and Orkla Brands achieved satisfactory growth, while parts of Orkla Foods reported lower growth than their targets.

Orkla's Financial Investments area also reported good value growth, achieving a return of 16.2 per cent for the year. It thereby outperformed both the Morgan Stanley Nordic Index and the Oslo Stock Exchange Benchmark Index, which had a return of 11.7 and 11.5 per cent, respectively.

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## GROUP INCOME STATEMENT

Amounts in NOK million	1.1.–31.12.		1.10.–31.12.	
	2007	2006	2007	2006
<b>Operating revenues</b>	<b>63,867</b>	52,683	<b>18,135</b>	14,580
Operating expenses	<b>(56,729)</b>	(45,800)	<b>(16,394)</b>	(12,465)
Depreciations and write-downs property, plant and equipment	<b>(2,026)</b>	(1,799)	<b>(522)</b>	(463)
Amortisation intangible assets	<b>(230)</b>	(216)	<b>(63)</b>	(57)
Restructuring and significant impairments	<b>(814)</b>	(388)	<b>(385)</b>	(388)
<b>Operating profit</b>	<b>4,068</b>	4,480	<b>771</b>	1,207
Profit from associates	<b>848</b>	289	<b>5</b>	118
Dividends	<b>1,076</b>	769	<b>357</b>	52
Gains and losses/write-downs Share Portfolio	<b>3,627</b>	3,271	<b>337</b>	1,716
Financial items, net	<b>440</b>	(284)	<b>(203)</b>	(128)
<b>Profit before taxes</b>	<b>10,059</b>	8,525	<b>1,267</b>	2,965
Taxes	<b>(1,614)</b>	(1,346)	<b>(207)</b>	(345)
<b>Profit after taxes</b>	<b>8,445</b>	7,179	<b>1,060</b>	2,620
Discontinued operations	<b>0</b>	4,109	<b>0</b>	(35)
<b>Profit for the period</b>	<b>8,445</b>	11,288	<b>1,060</b>	2,585
Minority interests' share of profit	<b>46</b>	52	<b>(50)</b>	17
Profit attributable to equity holders	<b>8,399</b>	11,236	<b>1,110</b>	2,568
Profit before tax, Industry division	<b>4,579</b>	4,150	<b>414</b>	1,020
Profit before tax, Orkla Financial Investments	<b>5,480</b>	4,375	<b>853</b>	1,945
<b>Earnings per share (NOK)</b>	<b>8.2</b>	10.9	<b>1.1</b>	2.5
<b>Earnings per share diluted (NOK)</b>	<b>8.1</b>	10.9	<b>1.1</b>	2.5
<b>Earnings per share diluted (NOK)*</b>	<b>9.0</b>	7.3	<b>1.5</b>	2.8

\* Excl. amortisation, restructuring and significant impairments and discontinued operations