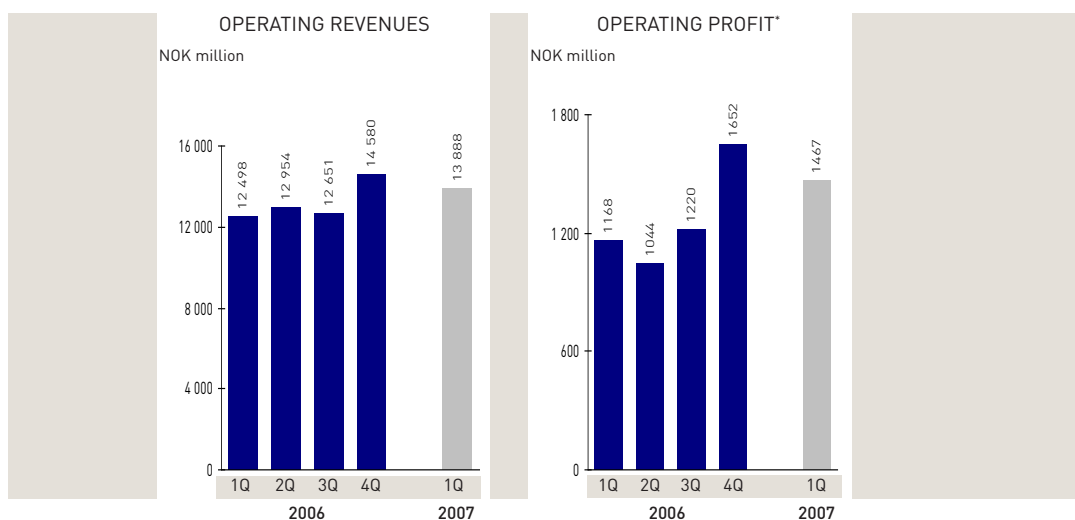


KEY FIGURES FIRST QUARTER FOR ORKLA ASA

Amounts in NOK million	1.1.–31.3. 2007	2006	1.1.–31.12. 2006
Operating revenues	13,888	12,498	52,683
Operating profit (EBITA)*	1,467	1,168	5,084
Profit before taxes	3,505	2,148	8,525
Earnings per share diluted (NOK)	13.6	8.4	54.3
Earnings per share diluted after split 20 April 2007 (NOK)	2.71	1.68	10.86
Cash flow from operations	1,097	666	4,555
Net interest-bearing debt	16,062	16,072	11,420
Equity (%)	57.7	52.8	60.4
Net gearing	0.32	0.40	0.24

* Before amortisation and other income and expenses



* Before amortisation and other income and expenses

THE FIRST QUARTER IN BRIEF

- Group pre-tax profit totalled NOK 3,505 million (NOK 2,148 million)¹. Operating profit before amortisation was up 26 %, while a number of financial gains were realised in the first quarter.
- Driven by progress in the Nordic region, Orkla Branded Consumer Goods achieved 10 % growth in operating profit before amortisation. Outside the Nordic region, results at the start of the year were slightly weaker than last year.
- Continued strong markets and positive mix effects resulted in higher margins and good profit growth for Orkla Aluminium Extrusion. The final agreement on a new joint venture based on Sapa's and Alcoa's aluminium profile businesses is expected to be signed in the second quarter.
- Markets were good for most areas in Orkla Materials and both Elkem and Borregaard reported profit growth.
- The return on the Share Portfolio was 6.9 % and the net asset value increased by NOK 1,260 million in the first quarter.
- Gains from the sale of shares in Mecom and the Renewable Energy Corporation (REC) and of interests in real estate projects at Fornebu contributed to high financial profit.
- Orkla increased its ownership interest in REC to 39.75 % in the first quarter.

¹ The figures in brackets refer to the corresponding period of the previous year

THE ORKLA GROUP

Group operating revenues totalled NOK 13,888 million in the first quarter (NOK 12,498 million)¹. New companies contributed just over NOK 300 million. Compared with the first quarter of last year, the NOK strengthened against the USD but weakened against EUR-related currencies. This resulted in a positive currency translation effect, which boosted operating revenues by approximately NOK 70 million.

Group operating profit before amortisation increased by 26 % in the first quarter to NOK 1,467 million (NOK 1,168 million)¹.

Orkla Branded Consumer Goods continued to perform well on the Nordic markets. Outside the Nordic region, results at the start of the year were somewhat weaker than last year. Progress in the Nordic region was primarily driven by strong focus on innovation and new launches within Orkla Brands, while certain segments in Orkla Foods faced a more challenging market situation. Underlying² growth in operating revenues and operating profit before amortisation for Orkla Branded Consumer Goods was 2 % and 5 % respectively.

Continuing strong markets for Orkla Aluminium Extrusion in Europe and Asia contributed to good profit growth in the first quarter. Volume growth in the first quarter was lower than in 2006, but positive mix effects and improved margins resulted in underlying² growth in operating revenues and operating profit before amortisation of 21 % and 57 % respectively. The final agreements in connection with the new joint venture based on Sapa's and Alcoa's aluminium profile businesses are expected to be signed in the second quarter.

The generally positive market situation for Orkla Materials contributed to profit growth for both Elkem and Borregaard. Elkem's progress was primarily ascribable to efficient operations and improved markets for the silicon-related units. Operating profit was also boosted by NOK 40 million related to a gain on a terminated contract at Elkem Chartering. For Borregaard, the lignin business continued to develop well, while the effect of the improved market situation was counteracted by high timber prices for speciality cellulose. As anticipated, the reduction in power volume in the DNN agreement from the beginning of 2007 led to weaker profit from Borregaard's energy business.

Orkla Associates primarily consists of investments in the Renewable Energy Corporation ASA (REC), Jotun and Hjemmet Mortensen. The 40 % financial ownership interest in Hjemmet Mortensen, which is presented as a joint venture under "Other business", contributed NOK 30 million (NOK 24 million)¹ to Orkla's first quarter operating profit before amortisation. The ownership interests in REC (39.75 %) and Jotun (42.5 %) are presented according to the equity method and the share of profit after tax is reported on the line for profit from associates. Jotun achieved positive underlying growth in operations, while the contribution from REC to Orkla's profit was NOK 289 million in the first quarter (NOK 0 million)¹.

For Orkla Financial Investments, the return on the Share Portfolio was 6.9 % in the first quarter, compared with 7.3 % for the Morgan Stanley Nordic Index. (The Oslo Stock Exchange Benchmark Index rose 4.8 %). Book portfolio gains and the change in the fair value of associates amounted to NOK 881 million (NOK 696 million)¹. At quarter-end, unrealised gains amounted to almost NOK 5.8 billion. Orkla Finans

Forsikringsmegling (insurance broking) was sold at a gain of NOK 40 million, which was recognised in first quarter operating profit. Orkla Eiendom (real estate) sold ownership interests in projects at Fornebu at a gain of NOK 261 million. The ownership share in individual projects was lower than 50 % and the gain is reported in the income statement as "Other financial income".

As previously reported, Orkla increased its ownership interest in REC in the course of the first quarter by buying shares from Good Energies Investment (GEI). In connection with the acquisition in REC, Orkla also gave Q-Cells AG a financial downside protection for its ownership position in REC by issuing three put options. At the time of issue, the value of these options was calculated to be NOK 489 million, which was capitalised. According to IFRS, ongoing changes in this value must be reported in the income statement, and in the first quarter the change in value amounted to a calculated financial income of just over NOK 6 million. Orkla also had a financial interest in Good Energies Investment's (GEI) sale of 4 % of the share capital in REC and in this connection made a gain of about NOK 270 million in the first quarter. Towards the end of the quarter, Orkla reduced its stake in REC to 39.75 % in order to have a certain margin to the 40 % limit that triggers a mandatory offer. The sale resulted in a further gain of NOK 102 million, which is included in the above-mentioned contribution to profit from REC.

In the first quarter, Orkla sold its ownership interest in the Mecom Group plc (19.97 %) at a book gain of just over NOK 300 million. Following this transaction, Orkla owns no shares in Mecom. At quarter-end, Orkla had a remaining seller's credit to Mecom, which was redeemed after the end of the quarter. Following this transaction, Orkla has no outstanding accounts with Mecom and the final total of proceeds from the sale of the media business is NOK 7.8 billion.

As of the end of the first quarter, Group earnings per share (diluted), before share split, amounted to NOK 13.6 (NOK 8.4)¹. The increase was due to the improved performance of Orkla Aluminium Extrusion and Orkla Materials, as well as gains from the sale of shares in Mecom and REC and the sale of ownership interests in real estate projects at Fornebu, which had a positive impact on profit. Higher dividends received and realised portfolio gains in the Financial Investments division also made a positive contribution. The Group's tax charge for 2007 is estimated to be around 19 %.

ORKLA BRANDED CONSUMER GOODS

- Continued growth in sales and profit in the Nordic region, primarily driven by innovations and a high level of activity at Orkla Brands
- Weaker start to the year than last year in terms of profit outside the Nordic region. Challenging market situation in Poland
- Broad-based profit growth for Orkla Food Ingredients

First quarter operating revenues for Orkla Branded Consumer Goods increased to NOK 5,285 million (NOK 4,878 million)¹. This improvement was partly due to structural growth, and underlying² operating revenues were 2 % higher than in the first quarter of 2006. The effects of Easter coming somewhat earlier in 2007 than in 2006 are estimated to have been more or less neutral. Operating profit before amortisation totalled NOK 468 million (NOK 425 million)¹, equivalent to underlying² growth of NOK 20 million.

² Excluding acquisitions, divestments and currency translation effects

GROUP INCOME STATEMENT

Amounts in NOK million	2007	1.1.–31.3. 2006	1.1.–31.12. 2006
Operating revenues	13,888	12,498	52,683
Operating expenses	(11,955)	(10,882)	(45,800)
Depreciations and write-downs property, plant and equipment	(466)	(448)	(1,799)
Amortisation intangible assets	(58)	(52)	(216)
Other income and expenses	0	0	(388)
Operating profit	1,409	1,116	4,480
Profit from associates	352	44	289
Dividends	240	149	769
Gains and losses/write-downs Share portfolio	881	696	3,271
Financial items, net	623	143	(284)
Profit before taxes	3,505	2,148	8,525
Taxes	(666)	(433)	(1,346)
Profit after taxes	2,839	1,715	7,179
Discontinued operations	0	48	4,109
Profit for the year	2,839	1,763	11,288
Minority	35	21	52
Profit before tax, Industry division	2,000	1,217	4,150
Profit before tax, Orkla Financial Investments	1,505	931	4,375
Earnings per share (NOK)	13.6	8.4	54.5
Earnings per share diluted (NOK)	13.6	8.4	54.3
Earnings per share diluted (NOK) *	13.8	8.3	36.5

* Excl. amortisation, other income and expenses and discontinued operations

The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting.

ORKLA FOODS

Orkla Foods' operating revenues amounted to NOK 3,325 million (NOK 3,199 million)¹. The improvement was primarily due to structural growth. Underlying² operating revenues were 2 % lower than in the first quarter of 2006. Operating profit before amortisation totalled NOK 159 million (NOK 174 million)¹. The underlying² decline was NOK 22 million. The main launches were Grandiosa Full Pakke (pizza, Norway) and Felix Middagsrätt (ready meals, Sweden).

Orkla Foods Nordic reported operating revenues of NOK 2,145 million (NOK 2,111 million)¹. Underlying² operating revenues were on a par with the first quarter of 2006. Operating profit before amortisation was NOK 147 million (NOK 152 million)¹. Procordia Food and Abba Seafood (Sweden), Stabburet (Norway), Beauvais (Denmark) and Felix Abba (Finland) achieved sales growth, while sales for Bakers (Norway) and Panda (Finland) declined. After the end of the first quarter, Beauvais acquired Pastella, a fresh pasta manufacturer which is market leader in Denmark, Sweden, Finland and the Netherlands. Pastella's annual operating revenues are estimated to be approximately DKK 130 million. Felix Abba has entered into an agreement to take over Saariainen's vegetable production, which has estimated annual operating revenues of around EUR 10 million.

Operating revenues for Orkla Foods International totalled NOK 549 million (NOK 505 million)¹. Operating profit before amortisation was NOK -17 million (NOK 3 million)¹. The weaker performance was due to weaker profit growth in Central and Eastern Europe and especially challenging

markets in Poland. The Russian chocolate companies reported operating revenues and operating profit on a par with the first quarter of 2006, while the Baltic companies continued to make progress. The acquisition of all the shares in MTR Foods has been approved by the Indian authorities and the company will be taken over with accounting effect from 1 April.

Orkla Food Ingredients reported operating revenues of NOK 701 million (NOK 651 million)¹. Operating profit before amortisation totalled NOK 29 million (NOK 19 million)¹. Underlying² profit growth was 42 %. Progress was broad-based, with Odense Marzipan (Denmark) doing particularly well. In the first quarter, Orkla Food Ingredients took over Setuza, the leading margarine and fat company in the Czech Republic (exclusive production), which has estimated annual operating revenues of NOK 125 million.

ORKLA BRANDS

Orkla Brands' first quarter operating revenues amounted to NOK 1,990 million. Taking into account the acquisition of Dansk Droge (Dietary Supplements) last year and exchange rate fluctuations, the underlying² rise in operating revenues was 7 %. Revenue growth was broad-based and all units except Dietary Supplements achieved more than 4 % underlying² growth. This was, however, compared with a relatively weak first quarter last year. The sales performance of Dietary Supplements was on a par with last year when structural changes are taken into account.

The rise in revenues was largely related to introductory sales of new products, with the Explore skin care range from Lilleborg making the largest contribution. Contributions from other launches included Sun

OPERATING PROFIT PER BUSINESS AREA*

Amount in NOK million	1.1.-31.3.		1.1.-31.12.
	2007	2006	2006
Orkla Group	1,467	1,168	5,084
Orkla Branded Consumer Goods	468	425	2,455
Orkla Foods	159	174	1,278
Orkla Brands	309	251	1,177
Orkla Aluminium Extrusion	350	232	839
Orkla Materials	622	477	1,804
Elkem	531	412	1,438
Borregaard	91	65	366
Orkla Financial Investments	80	67	185
Orkla HQ/Other Business	(53)	(33)	(199)

* Before amortisation and other income and expenses

See appendix on last page for detailed split on operating revenues and operating profit.

Alt i 1 (Sun all in one, Lilleborg), ABC Bokstavkjeks (alphabet biscuits, Biscuits) and Crispo bar (Confectionery). Parts of this growth are ascribable to a certain build-up of stocks by customers. Snacks experienced strong revenue growth in the first quarter, mainly related to the Nordic business. For the first time in a long time, revenues from Biscuit sales in Sweden grew well in the first quarter, mainly due to good sales of Ballerina MiniMuffins. However, investments in establishing a position on the Danish biscuit market are so far having a negative impact on profit. Easter sales for Confectionery were on a par with last year.

First quarter operating profit before amortisation totalled NOK 309 million (NOK 251 million)¹. Different accrual accounting for advertising investments helps to explain part of this improvement. All units reported underlying² profit growth. Focused efforts are being made to improve efficiency in all parts of the value chain. This is regarded as being essential in order to compensate for wage growth and higher prices for important raw materials.

Lilleborg strengthened its market share, mainly in the field of detergents, while shares for Biscuits were somewhat weaker in both Norway and Sweden. Other market shares were largely unchanged.

The integration of Dansk Droge is proceeding according to plan and work is in progress on realising synergy gains. The main synergy gains are not expected to become apparent until 2008, and will be in the fields of production and purchasing. The new name of the entire Dietary Supplements business will be Axellus.

ORKLA ALUMINIUM EXTRUSION

- Higher profit and margins for Sapa. Operating profit before amortisation increased by 51 % to NOK 350 million
- Good markets in China and most European countries, while the housing and transport markets in the USA are still weak
- Improvements in operating margins continued for all units

Delivered volume in the first quarter totalled 117,933 tonnes, 3 % higher than in the first quarter of last year (114,030 tonnes)¹. Volume for Profiles in Europe was up 6 %, while due to weak markets, especially the private housing market, delivered volume for Profiles in North America was 18 % lower than in the first quarter of 2006. Total volume for Profiles was up 3 %. Volume for Heat Transfer increased by 5 % and the Chinese business in particular achieved good growth in the first quarter due to good utilisation of increased capacity in a strong market.

Demand remained strong in most European countries in the first quarter and, compared with the first quarter of last year, total market growth is estimated to have been around 4 %. However, the US market was still weak and demand in the private housing market was low. The market situation for Building System was good in the first quarter, with good markets in Europe, especially in Germany and Scandinavia. At quarter-end, however, there were signs that demand was levelling off somewhat, especially in the French market.

First quarter operating revenues totalled NOK 4,653 million (NOK 3,944 million)¹, up 18 %. In addition to volume growth, this increase is primarily ascribable to changes in the product mix and improved margins, and partly also to higher metal prices. Compared with the first quarter of 2006, the LME price was up 12 %, measured in USD.

Operating profit before amortisation increased by 51 % to NOK 350 million. Profiles, Building System and Heat Transfer all made significant progress compared with last year. Improved margins due to price rises for Profiles were an important reason for the increase in profit and prices remained at a stable, high level compared with the fourth quarter of 2006. Improvement programmes also made a positive contribution in the first quarter.

ORKLA MATERIALS

- A positive market situation for most areas in Orkla Materials contributed to continued profit growth
- Elkem again made high gains from financial power trading in the first quarter of 2007. As anticipated, a significant reduction in contract volume from the DNN agreement resulted in lower profit for Borregaard's energy business
- Good profit growth for Elkem's silicon-related units. A gain from the termination of a contract at Elkem Chartering increased operating profit by NOK 40 million
- Higher profit for Borregaard's chemicals business, but high timber prices had a negative impact on profit from speciality cellulose

Operating revenues for Orkla Materials amounted to NOK 3,568 million (NOK 3,333 million)¹ in the first quarter. Operating profit before amortisation was NOK 622 million (NOK 477 million)¹. The NOK 145 million increase is primarily ascribable to Elkem's silicon business and Borregaard's lignin business.

ELKEM

Elkem's first quarter operating revenues totalled NOK 2,433 million. Operating profit before amortisation was NOK 531 million, up NOK 119 million compared with the first quarter of last year.

Profit for Primary Aluminium was slightly lower than in the first quarter of 2006, mainly due to higher raw material costs and a reduced contribution from USD hedges. The average price of aluminium for three-month delivery on the London Metal Exchange (LME) was USD 2,747 in the first quarter, compared with USD 2,443 in the first quarter of 2006. Delivered volume was 82,000 tonnes. A loss of NOK 108 million on metal hedges was realised in the first quarter. At the beginning of the second quarter of 2007, primary aluminium prices are still high and higher than the average price for the first quarter. The market is expected to remain strong in the second quarter.

The energy business again achieved strong profit in the first quarter of 2007, mainly driven by good trading results. Elkem's hydropower production in Norway was 754 GWh, 43 GWh lower than in the same period last year. Precipitation levels were well above average in both Northern and Western Norway. The system price on the Nordic market dropped from 27.3 øre/kWh in December to 19.4 øre/kWh in March. At the end of the first quarter, Elkem's resource situation in the form of reservoirs is significantly stronger than normal for the time of year and elsewhere in Norway. Elkem's investment in the development of Saudefaldene will be more expensive than originally planned. Weaker rock, with significantly larger water pockets than could have been expected on the basis of previous development and feasibility studies, will lead to a rise of around NOK 400 million in investment costs. However, the profitability of the project is still good and it will largely proceed according to the original schedule.

Profit from the silicon-related units was significantly better than in the same period last year. The market for silicon metal and ferrosilicon continued to be favourable in the first quarter, and is expected to remain so in the next three months. The other silicon-related units reported a good operating situation and profit growth. The construction of a new industrial plant for Elkem Solar at Fiskaa in Kristiansand made good progress in the first quarter and the level of activity has increased

considerably as regards preparing the site and strengthening the organisation. The project is proceeding according to plan and is expected to be completed in mid-2008. Recognised costs for Elkem Solar were NOK -27 million in the first quarter (NOK -11 million)¹. As previously announced, expensed costs for the year as a whole are expected to be about NOK 100-150 million above 2006.

BORREGAARD

Borregaard's operating revenues amounted to NOK 1,145 million in the first quarter of 2007 (NOK 1,101 million)¹, equivalent to underlying² growth of 4 % compared with the first quarter of last year.

Operating profit before amortisation was NOK 91 million (NOK 65 million)¹. For the company's industrial operations, price rises, an improved product mix and the effect of improvement programmes had a positive impact, but this was partially offset by high timber prices, the weaker USD exchange rate and the reduced effect of currency hedges. Profit from the energy area was weaker due to lower sales volume and low prices.

Borregaard LignoTech significantly increased its profit compared with the first quarter of last year. The market was characterised by strong demand, especially from the construction industry, and high prices. Total sales volume was 20 % higher than in the first quarter of last year due to new capacity and improved utilisation of existing plants.

Borregaard ChemCell's profit was still negative, but better than in the same period last year. The market for speciality cellulose improved, with good demand and higher prices. The sales mix was more favourable, from both Norway and Switzerland. Cellulose production in Switzerland was higher and more stable. However, extremely high timber prices dampened profitability at both factories. The ethanol business continued to make a good contribution to profit.

Borregaard Ingredients & Pharma reported slightly lower profit than in the first quarter of 2006. The profitability of Ingredients was on a par with last year, driven by price rises for aroma products and good sales growth for yeast, but with higher costs related to the expansion of the omega-3 business. The Pharma business in Norway had lower sales and a somewhat weaker mix, while the diphenol business in Italy had a satisfactory quarter, despite a certain amount of pressure on prices.

Borregaard Energy reported lower quarterly profit than last year due to lower market prices, lower sales volume and a reduced contribution from financial power trading. The decline in volume was ascribable to the reduction of the DNN contract from January 2007, which has resulted in a significantly lower contract volume than before. However, the company's own production at run-of-the-river plants was high due to favourable weather conditions.

In the first quarter, Borregaard accepted a fine of NOK 2 million which the company was ordered to pay after an oil spill at the Sarpsborg factory in March 2006.

ORKLA ASSOCIATES

Orkla Associates primarily consists of investments in the Renewable Energy Corporation ASA (REC) (39.75 % ownership share), Jotun AS (42.5 % ownership share) and Hjemmet Mortensen AS (40 % financial ownership interest). REC and Jotun are presented in Orkla's financial

GROUP BALANCE SHEET

	31.3. 2007	31.3. 2006	31.12. 2006
Amounts in NOK million			
Intangible assets	17,227	17,875	17,571
Property, plant and equipment	16,908	17,199	16,568
Financial non-current assets	13,535	4,469	7,914
Non-current assets	47,670	39,543	42,053
Assets held for sale		-	113
Inventories	6,775	6,374	6,510
Receivables	10,946	10,980	10,924
Share Portfolio etc.	19,448	17,333	18,224
Cash and cash equivalents	2,322	2,417	1,788
Current assets	39,491	37,104	37,446
Total assets	87,161	76,647	79,612
Paid-in equity	2,009	2,011	2,008
Earned equity	47,951	37,705	45,765
Minority interests	329	758	336
Equity	50,289	40,474	48,109
Provisions	5,614	5,635	5,308
Non-current interest-bearing liabilities	14,866	13,737	10,849
Current interest-bearing liabilities	4,446	4,180	3,552
Other current liabilities	11,946	12,621	11,794
Equity and liabilities	87,161	76,647	79,612
Equity ratio (%)	57.7	52.8	60.4

CHANGE EQUITY

	1.1.-31.3. 2007	1.1.-31.3. 2006	31.12. 2006
Amounts in NOK million			
Equity 1 January	47,773	37,177	37,177
Profit for the year after minorities	2,804	1,742	11,236
Dividends	0	0	(1,643)
Sale/buy back of own shares	12	25	(158)
Change in fair value Share portfolio	(375)	1,015	929
Change in fair value hedging instruments	11	(99)	(133)
Option costs	6	25	21
Translation effects	(271)	(169)	344
Equity at end of period	49,960	39,716	47,773

CASH FLOW*

	1.1.-31.3. 2007	1.1.-31.3. 2006	1.1.-31.12. 2006
Amounts in NOK million			
Industry division:			
Operating profit	1,330	1,049	4,295
Amortisation, depreciations and impairment charges	521	499	2,377
Changes in net working capital, etc.	(445)	(524)	(770)
Cash flow from operations before net replacement expenditures	1,406	1,024	5,902
Net replacement expenditures	(309)	(358)	(1,347)
Cash flow from Industry division	1,097	666	4,555
Financial items, net	(156)	(178)	(814)
Cash flow from Industry division	941	488	3,741
Cash flow from Orkla Financial Investments	619	562	1,113
Taxes paid	(493)	(491)	(1,607)
Other	(66)	(105)	375
Cash flow from capital transactions	1,001	454	3,622
Dividends paid	(20)	(21)	(1,704)
Net sale/buy back own shares	12	25	(158)
Cash flow before expansion	993	458	1,760
Expansion investments, Industry division	(642)	(256)	(1,291)
Sold companies/share of companies	1,727	10	7,797
Acquired companies/share of companies	(6,491)	(765)	(5,094)
Net purchases/sales Share portfolio	(460)	478	1,710
Net cash flow	(4,873)	(75)	4,882
Currency translation net interest-bearing debt	231	39	(266)
Change in net interest-bearing debt	4,642	36	(4,616)
Net interest-bearing debt	16,062	16,072	11,420

* The cash flow is based on that Orkla Media is presented as discontinued operations in 2006

statements according to the equity method and Orkla's share of these companies' profit after tax is reported on the line for "Profit from associates" in the Group's financial statements. Hjemmet Mortensen is presented as a joint venture and the figures are reported line by line under "HQ/Other business". The figures below are on a 100 % basis.

REC continued to grow strongly and its first quarter operating revenues increased by 85 % to NOK 1,616 million (NOK 872 million)¹. EBITDA was more than doubled, from NOK 380 million in the first quarter of 2006 to NOK 869 million in the first quarter of 2007.

Underlying growth in sales and operating profit was again positive for Jotun in the first quarter of 2007. Operating revenues totalled NOK 2,072 million, up 15 % from the same period in 2006 (NOK 1,806 million)¹.

First quarter operating revenues for Hjemmet Mortensen (100 %) amounted to NOK 459 million (NOK 397 million)¹. Operating profit was NOK 74 million (NOK 60 million)¹.

ORKLA FINANCIAL INVESTMENTS

First quarter profit before tax totalled NOK 1,505 million (NOK 931 million)¹.

The return on Orkla's share portfolio was 6.9 % in the first quarter, compared with a 7.3 % rise on the Morgan Stanley Nordic Index. (The Oslo Stock Exchange Benchmark Index was up 4.8 %).

Net purchases of shares amounted to NOK 460 million in the first quarter, while the net asset value of the portfolio increased by NOK 1,260 mil-

lion. At quarter-end, the market value of the Share Portfolio was NOK 19,414 million and foreign investments accounted for 50 %. Unrealised gains were NOK 5,760 million at the end of the first quarter. In the first quarter, realised portfolio gains and changes in the fair value of associates amounted to NOK 881 million (NOK 696 million)¹. Dividends received totalled NOK 240 million (NOK 148 million)¹.

Orkla Finans reported first quarter operating revenues of NOK 168 million (NOK 120 million)¹ and operating profit of NOK 77 million (NOK 41 million)¹. Orkla Finans Forsikringsmegling (insurance broking) was sold in the first quarter at a gain of NOK 40 million under operating profit.

Orkla Eiendom (real estate) posted pre-tax profit of NOK 269 million for the first quarter (NOK 39 million)¹. The sale of real estate projects at Fornebu was completed in the first quarter at a gain of NOK 261 million. Since the ownership interests in this project were less than 50 %, the gain was reported under financial items as "Other financial income".

CASH FLOW AND FINANCIAL SITUATION

Cash flow from operating activities amounted to NOK 1,097 million in the first quarter, which is an improvement of NOK 431 million compared with the same period last year.

Working capital increased due to seasonal fluctuations during the quarter, but the trend was positive compared with last year. High market prices and increased sales have resulted in a higher value for customer receivables for both Orkla Aluminium Extrusion and Elkem. The seasonal rise in working capital in the Branded Consumer Goods area was primarily ascribable to the payment of annual bonuses to retailers that had fallen due.

Expansion investments totalled NOK 642 million in the first quarter and were largely related to Elkem, where Elkem Solar, the hydro-power development at Saudefaldene and the anode factory at Mosjøen accounted for the largest outgoings.

Acquisitions amounted to NOK 6,491 million, most of which was ascribable to the acquisition of shares in REC. Other acquisitions were related to minor takeovers in Orkla Foods.

Net purchases of portfolio shares in the first quarter totalled NOK 460 million (net sales of NOK 478 million)¹. In the first quarter, net sales of Orkla's own shares amounted to NOK 12 million (NOK 25 million)¹ in connection with the Group's option programme.

After expansion, the Group had negative net cash flow of NOK 4,873 million in the first quarter. Net interest-bearing liabilities increased by NOK 4,642 million and amounted to NOK 16,062 million at quarter-end.

The average borrowing rate for the Group's net interest-bearing liabilities in the first quarter was 4.6 %. 91 % of interest-bearing liabilities, which

were mainly in SEK, EUR, DKK, USD and NOK, were at floating interest rates. The equity-to-total-assets ratio was 57.7 % at quarter-end.

OTHER MATTERS

At the General Meeting on 19 April 2007 the dividend was set at NOK 10 per share, before share split. Dividends will be paid out on 3 May 2007.

Thereafter, a resolution was adopted to split the Orkla share so that one old Orkla share was converted into five new Orkla shares. At the same time, the nominal value was changed from NOK 6.25 per share to NOK 1.25 per share.

Elisabeth Grieg, Johan H. Andresen jr., Idar Kreutzer and Peter Ruzicka were re-elected as members of the Corporate Assembly for a term of two years. Knut Brundtland, Rune Bjerke and Kjetil Houg were elected as new members for a term of two years. Knut Brundtland was elected Chairman of the Nomination Committee for a term of two years. Terje Venold, Anne Birgitte Fossum and Scilla Treschow Hokholt were re-elected as deputy members of the Corporate Assembly, while Andreas Enger was elected as a new deputy member, all for a term of two years. The Board of Directors thanks the Chairman of the Corporate Assembly, Harald Arnkværn, and other retiring members for their contributions to the best of Orkla.

OUTLOOK

The macro-economic picture is generally positive, with continued good growth anticipated in Europe and Asia. However, the slowdown that took place in the US economy in the second half of 2006 is expected to continue and thereby contribute to somewhat more moderate growth in the short term.

The Nordic grocery market is expected to remain relatively stable in the coming quarters and future profit growth will primarily be driven by Orkla's own efforts. Higher prices for factor inputs will require strong focus on internal improvement projects. The market trend is also positive on the East European grocery markets, but this is counteracted by the increased consolidation of customers and constantly increasing pressure on prices. This is particularly apparent in Poland.

For Orkla Aluminium Extrusion and Orkla Materials, good demand is again expected on most markets in the second quarter. Over time, an anticipated weak USD against the NOK will have a negative impact on Orkla Materials.

Continued growth is expected on the Norwegian and Nordic stock markets, while growth in Norway is expected to be somewhat lower than in 2006.

Rising market rates in relevant countries will result in a higher average borrowing rate for the Orkla Group. On the basis of the current currency composition of liabilities, the average borrowing rate is expected to rise by an estimated 85 points compared with 2006.

Oslo, 2 May 2007
The Board of Directors of Orkla ASA

APPENDIX: OPERATING REVENUES AND OPERATING PROFIT* PER BUSINESS AREA AND SEGMENT

OPERATING REVENUES

Amounts in NOK million	1.1.–31.3.		1.1.–31.12.
	2007	2006	2006
Orkla Group	13,888	12,498	52,683
Orkla Branded Consumer Goods	5,285	4,878	21,398
Orkla Foods	3,325	3,199	14,266
Orkla Foods Nordic	2,145	2,111	9,283
Orkla Food Ingredients	701	651	2,857
Orkla Foods International	549	505	2,429
Eliminations Orkla Foods	(70)	(68)	(303)
Orkla Brands	1,990	1,708	7,250
Eliminations Orkla Branded Consumer Goods	(30)	(29)	(118)
Orkla Aluminium Extrusion	4,653	3,944	16,318
Orkla Materials	3,568	3,333	13,798
Elkem	2,433	2,193	9,180
Elkem Energy	320	358	1,677
Elkem Primary Aluminium	704	662	2,590
Elkem Silicon-related	1,551	1,355	5,621
Eliminations Elkem	(142)	(182)	(708)
Borregaard	1,145	1,101	4,658
Borregaard Energy	47	96	428
Borregaard Chemicals	1,142	1,044	4,369
Eliminations Borregaard	(44)	(39)	(139)
Eliminations Orkla Materials	(10)	39	(40)
Orkla Financial Investments	243	227	763
Orkla HQ/Other Business	139	116	406

OPERATING PROFIT*

Amounts in NOK million	1.1.–31.3.		1.1.–31.12.
	2007	2006	2006
Orkla Group	1,467	1,168	5,084
Orkla Branded Consumer Goods	468	425	2,455
Orkla Foods	159	174	1,278
Orkla Foods Nordic	147	152	1,057
Orkla Food Ingredients	29	19	166
Orkla Foods International	(17)	3	55
Orkla Brands	309	251	1,177
Orkla Aluminium Extrusion	350	232	839
Orkla Materials	622	477	1,804
Elkem	531	412	1,438
Elkem Energy	244	256	711
Elkem Primary Aluminium	123	141	527
Elkem Silicon-related	164	15	200
Borregaard	91	65	366
Borregaard Energy	29	51	229
Borregaard Chemicals	62	14	137
Orkla Financial Investments	80	67	185
Orkla HQ/Other Business	(53)	(33)	(199)

* Before amortisation and other income and expenses