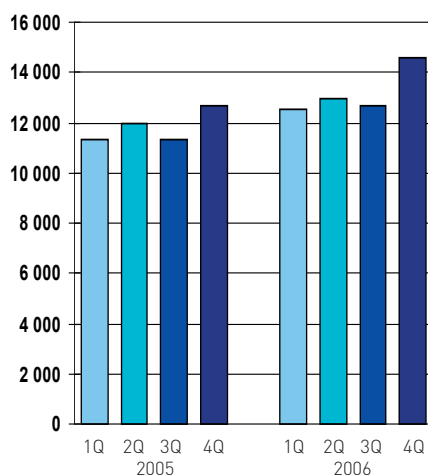


KEY FIGURES FOURTH QUARTER FOR ORKLA ASA

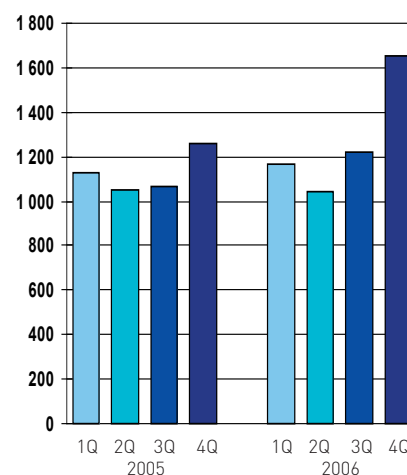
| Amounts in NOK million | 1.1.-31.12. | | 1.10.-31.12. | |
|--|---------------|--------|---------------|--------|
| | 2006 | 2005 | 2006 | 2005 |
| Operating revenues | 52,683 | 47,307 | 14,580 | 12,646 |
| Operating profit before amortisation and other revenues and expenses | 5,084 | 4,494 | 1,652 | 1,258 |
| Profit before taxes | 8,525 | 6,949 | 2,965 | 1,536 |
| Earnings per share diluted (NOK) | 54.3 | 28.1 | 12.4 | 7.9 |
| Cash flow from operations | 4,555 | 3,765 | 1,964 | 1,577 |
| Net interest-bearing debt | 11,420 | 16,036 | | |
| Equity (%) | 60.4 | 50.8 | | |
| Net gearing | 0.24 | 0.42 | | |

OPERATING REVENUES

NOK million


OPERATING PROFIT*

NOK million



* Before amortisation and other revenues and expenses

THE FOURTH QUARTER IN BRIEF

- Operating profit before amortisation increased by 31 % in the fourth quarter to NOK 1,652 million compared with 2005. All business areas reported profit growth.
- In the Branded Consumer Goods area, Orkla Brands strengthened its market positions and achieved underlying² revenue growth of almost 9 % in the fourth quarter. Orkla Foods reported good profit growth in the Nordic market.
- Speciality Materials had another good quarter, driven by continued strong volume growth for Sapa and a high level of profit from financial power trading.
- The return on the share portfolio was 11.8 % in the fourth quarter. High realisation of gains contributed to a book profit of more than NOK 1.7 billion (NOK 422 million)¹.
- Group profit before tax totalled NOK 2,965 million in the fourth quarter (NOK 1,536 million)¹. Earnings per share (diluted) amounted to NOK 54.3 in 2006, compared with NOK 28.1 in 2005. Gains from discontinued operations amounted to NOK 19.9 per share.
- On 21 November, Orkla signed a letter of intent with Alcoa to form a new jointly-owned company based on Sapa's and Alcoa's aluminium profile businesses. Orkla will be the majority shareholder in the new company and the aim is to sign a final agreement in the first half of 2007.
- On 5 February 2007 Orkla purchased another 12.48 % of the share capital in the Renewable Energy Corporation (REC). As a result of this transaction, the Group's total ownership share in REC is now 39.99 %.

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

² Excluding acquisitions, divestments and currency translation effects.

MAIN TRENDS

Group operating revenues in the fourth quarter totalled NOK 14,580 million (NOK 12,646 million)¹. Volume growth was once again strong in the fourth quarter for Sapa, and high aluminium prices contributed to substantial revenue growth. Sapa's underlying² operating revenues increased by 28 % compared with the same quarter in 2005. In the Branded Consumer Goods area, new businesses contributed with approximately NOK 400 million in operating revenues. Orkla Foods, and Orkla Brands in particular, reported sales growth in the Nordic region, while the trend was somewhat more mixed outside the Nordic market. All in all, the Branded Consumer Goods area reported a 3 % rise in underlying² revenues. In the fourth quarter, NOK strengthened against USD but weakened against EUR-related currencies. Currency translation effects boosted operating revenues by more than NOK 400 million in the fourth quarter, while the effect for 2006 as a whole was just over NOK 370 million. Full-year operating revenues amounted to NOK 52,683 million (NOK 47,307 million)¹.

Group operating profit before amortisation was NOK 1,652 million in the fourth quarter (NOK 1,258 million)¹. For 2006 as a whole, operating profit before amortisation was NOK 5,084 million (NOK 4,494 million)¹.

Compared with a relatively weak fourth quarter in 2005, Orkla Brands achieved 17 % underlying² growth in operating profit before amortisation. Orkla Foods made good progress in the Nordic region but, as expected, profit from the Russian businesses was somewhat weaker than in the fourth quarter of 2005.

Continued strong demand in Europe and Asia combined with productivity improvements resulted in another strong quarter for Sapa. Fourth quarter volume growth was 14 %, while underlying² growth in operating profit was NOK 158 million. For Elkem, very high gains from financial power trading led to significant profit growth compared with the same quarter in 2005. Improved market conditions and price rises contributed to higher operating revenues for Borregaard in the fourth quarter, but profit growth was limited by increases in raw material and energy costs.

After another quarter with good performance and a high level of activity in the alternative investments segment, Orkla Finans reported operating profit of NOK 87 million (NOK 51 million)¹.

Orkla's stake in Hjemmet Mortensen (40 % financial interest) is reported under «Other business». For 2006 as a whole, its contribution to operating profit before amortisation was NOK 114 million (NOK 124 million)¹.

Restructuring provisions and write-downs, booked as «Other expenses», amounted to NOK 388 million in the fourth quarter. The main items are linked to Borregaard's operations in Switzerland and Elkem's decision to move Bjølvfossen's production of value-added ferrosilicon to Iceland in 2008. Borregaard's Swiss business reported a weak profit performance in 2006. A comprehensive improvement programme is currently being implemented, the goal of which is to return the business to a satisfactory profit level. In accordance with IFRS, however, property, plant and equipment were depreciated by NOK 255 million in this connection. Elkem will bring new business to Bjølvfossen, but the extent to which current property, plant and equipment can be utilised directly is uncertain. These assets have therefore been written down by NOK 115 million. Neither of these write-downs will affect cash flow.

Associates largely consist of Jotun (42.5 % interest) and REC, where Orkla had a 27.5 % ownership interest at year-end. REC achieved underlying² sales and profit growth in 2006. For the fourth quarter isolated it was reported a rise in operating revenues and EBITDA of 54 % and 86 % respectively, compared to the same quarter in 2005. REC's operating revenues and EBITDA in 2006 as a whole amounted to NOK 4,334 million (NOK 2,454 million)¹ and NOK 1,965 million (NOK 830 million)¹ respectively. Jotun had an underlying² growth of more than 10 % in both operating revenues and EBITA in 2006.

The return on Orkla's investment portfolio in 2006 was 27.4 %, compared to a rise of 23.9 % on the Morgan Stanley Nordic Index (Oslo Stock Exchange Benchmark Index up 32.4 %). The dividend-adjusted FTSE World Index rose by 17.0 % in 2006. Realised portfolio gains totalled NOK 1,716 million (NOK 422 million)¹ in the fourth quarter. At year-end, unrealised gains amounted to more than NOK 5.6 billion.

Group earnings per share (diluted) totalled NOK 54.3 (NOK 28.1)¹ in 2006, of which the gain from discontinued operations amounted to NOK 19.9 per share. The improvement was otherwise ascribable to broad-based profit growth for the Industry division and a high level of realised portfolio gains within the Financial Investments division. Excluding amortisation, other revenues and expenses and discontinued operations, earnings per share amounted to NOK 36.5 (NOK 30.1)¹. The tax charge for continuing business was 15.8 % in 2006.

The Board of Directors proposes an ordinary dividend of NOK 10.00 per share for 2006, up from NOK 7.50 per share in 2005.

The sale of Orkla Media was recognised in the financial statements in the third quarter. However, the final settlement took place on 11 October 2006 and the effect of the transaction on cash flow was not reflected in the financial statements until the fourth quarter. Part of the settlement was in the form of shares in the Mecom Group. After the end of the quarter, these shares were sold at a gain of about NOK 300 million. The gain will be recognised in the income statement under «Other financial revenues» in the first quarter of 2007. The Internet-based media company Netzeitung GmbH was not sold with the rest of Orkla Media. However, a decision has been made to sell this investment and it is therefore being reported as discontinued operations in the fourth quarter. In accordance with IFRS, this shareholding is valued at the lowest of book value and estimated realisation value.

On 5 February 2007, Orkla bought almost 62 million shares in REC, equivalent to 12.48 % of the share capital, from Good Energies Investments (GEI). The price was NOK 105 per share and the purchase price totalled approximately NOK 6.5 billion. Following this transaction, Orkla's total ownership interest in REC is 39.99 %. At the same time, Q-Cells AG bought 17.9 % of the share capital in REC from GEI. As part of this transaction, by issuing three put options, Orkla has given Q-Cells AG financial downside protection for 15.9 % of the share capital in REC. On the same day, Q-Cells and the Orkla-owned company Elkem Solar AS entered into a long-term agreement for delivery of solar grade silicon that will be produced at the new factory currently under construction in Kristiansand. This agreement has been entered into on ordinary market terms and the contracted volume is equivalent to Elkem Solar's remaining production capacity until 2018. For further details, reference is made to a Notice to the Stock Exchange submitted by Orkla on 5 February 2007.

GROUP INCOME STATEMENT

| Amounts in NOK million | 1.1.-31.12. | | 1.10.-31.12. | |
|--|---------------|----------|---------------|----------|
| | 2006 | 2005 | 2006 | 2005 |
| Operating revenues | 52,683 | 47,307 | 14,580 | 12,646 |
| Operating expenses | (45,800) | (40,925) | (12,465) | (10,913) |
| Depreciations and write-downs of tangible assets | (1,799) | (1,888) | (463) | (475) |
| Amortisation intangible assets | (216) | (223) | (57) | (95) |
| Other revenues and expenses | (388) | (214) | (388) | (99) |
| Operating profit | 4,480 | 4,057 | 1,207 | 1,064 |
| Profit from associates | 289 | 152 | 118 | (17) |
| Dividends | 769 | 1,018 | 52 | 237 |
| Gains and losses/write-downs portfolio investments | 3,271 | 2,186 | 1,716 | 422 |
| Financial items, net | (284) | (464) | (128) | (170) |
| Profit before taxes | 8,525 | 6,949 | 2,965 | 1,536 |
| Taxes | (1,346) | (1,089) | (345) | (24) |
| Profit after taxes | 7,179 | 5,860 | 2,620 | 1,512 |
| Discontinued operations | 4,109 | 154 | (35) | 113 |
| Profit for the year | 11,288 | 6,014 | 2,585 | 1,625 |
| Minority | 52 | 216 | 17 | 3 |
| Profit before tax, Industry division | 4,150 | 3,465 | 1,020 | 806 |
| Profit before tax, Investment division | 4,375 | 3,484 | 1,945 | 730 |
| Earnings per share (NOK) | 54.5 | 28.1 | 12.4 | 7.9 |
| Earnings per share diluted (NOK) | 54.3 | 28.1 | 12.4 | 7.9 |
| Earnings per share diluted (NOK) * | 36.5 | 30.1 | 14.3 | 8.6 |

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

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

ORKLA FOODS

- Good progress by Orkla Foods Nordic
- Acquisitions resulted in growth, but an underlying² decline outside the Nordic region
- Continued pressure on prices and higher costs for factor inputs were compensated for by the positive impact of improvement programmes

Orkla Foods' operating revenues amounted to NOK 4,201 million in the fourth quarter (NOK 3,862 million)¹. Operating profit before amortisation totalled NOK 459 million (NOK 433 million)¹. Underlying² operating revenues and profit were on a par with the fourth quarter of 2005.

For the year as a whole, operating revenues totalled NOK 14,266 million (NOK 13,650 million)¹, which is equivalent to 5 % growth compared with 2005. The increase was largely due to acquisitions and progress in the Nordic region, and underlying² growth was on a par with 2005. Full-year operating profit before amortisation was NOK 1,278 million (NOK 1,213 million)¹, while underlying² growth was 2 %.

Fourth quarter operating revenues for Orkla Foods Nordic totalled NOK 2,598 million (NOK 2,444 million)¹. Operating profit before amortisation was NOK 336 million (NOK 307 million)¹. The main reason for the rise in profit was good growth in the grocery markets, stronger focus on innovation and brand-building, and improvement programmes. Higher raw material prices and energy costs were only partially offset by price rises in the Nordic grocery market, which continued to be challenging. Felix Abba (Finland), Stabburet

(Norway), Beauvais (Denmark), Abba Seafood and Procordia Food (Sweden) all increased their operating revenues, while revenues for Panda (Finland) and Bakers (Norway) declined.

Fourth quarter operating revenues for Orkla Foods International totalled NOK 848 million (NOK 701 million)¹. The increase was primarily due to the acquisition of the Russian chocolate company Krupskaya. Operating profit before amortisation was NOK 51 million (NOK 68 million)¹. The drop in operating profit was mainly due to the fact that SladCo did not achieve the same good results as in the fourth quarter of 2005, when the company had extraordinary sales to distributors and retailers.

Orkla Food Ingredients reported fourth quarter operating revenues of NOK 837 million (NOK 795 million)¹ and growth for most of its companies. Operating profit before amortisation totalled NOK 72 million (NOK 58 million)¹. Comprehensive improvement programmes had a positive impact on operating profit for Idun Industri in Norway and Jästbolaget in Sweden. K&K (Sweden), Odense Marcipan and Credin bageripartner (Denmark) also achieved good growth.

ORKLA BRANDS

- Significant profit growth for Orkla Brands, but the improvement must be viewed in the light of weak fourth quarter results in 2005. Confectionery and Lilleborg made the most progress.
- Good underlying² revenue growth in the quarter
- Market shares strengthened, with the exception of Biscuits, whose market share declined slightly.

OPERATING REVENUES

| Amounts in NOK million | 1.1.–31.12. | | 1.10.–31.12. | |
|---|---------------|---------------|---------------|---------------|
| | 2006 | 2005 | 2006 | 2005 |
| Orkla Foods Nordic | 9,283 | 8,864 | 2,598 | 2,444 |
| Orkla Food Ingredients | 2,857 | 2,743 | 837 | 795 |
| Orkla Foods International | 2,429 | 2,312 | 848 | 701 |
| Eliminations Orkla Foods | (303) | (269) | (82) | (78) |
| Orkla Foods | 14,266 | 13,650 | 4,201 | 3,862 |
| Orkla Brands | 7,250 | 6,336 | 2,085 | 1,764 |
| Eliminations Branded Consumer Goods | (118) | (249) | (37) | (69) |
| Branded Consumer Goods | 21,398 | 19,737 | 6,249 | 5,557 |
| Elkem Energy | 1,677 | 1,473 | 425 | 370 |
| Elkem Primary Aluminium | 2,590 | 2,333 | 638 | 600 |
| Elkem Silicon-related | 5,621 | 6,469 | 1,537 | 1,618 |
| Eliminations Elkem | (708) | (1,147) | (139) | (260) |
| Elkem | 9,180 | 9,128 | 2,461 | 2,328 |
| Sapa | 16,318 | 12,517 | 4,325 | 3,164 |
| Borregaard Energy | 428 | 343 | 105 | 87 |
| Borregaard Chemicals | 4,369 | 4,170 | 1,160 | 1,039 |
| Eliminations Borregaard | (139) | (155) | (28) | (18) |
| Borregaard | 4,658 | 4,358 | 1,237 | 1,108 |
| Eliminations Speciality Materials | (234) | (92) | (93) | (26) |
| Speciality Materials | 29,922 | 25,911 | 7,930 | 6,574 |
| H.O./Other operations/Eliminations | 600 | 655 | 140 | 209 |
| Industry division | 51,920 | 46,303 | 14,319 | 12,340 |
| Financial Investment division | 763 | 1,004 | 261 | 306 |
| Group | 52,683 | 47,307 | 14,580 | 12,646 |

OPERATING PROFIT*

| | 1.1.–31.12. | | 1.10.–31.12. | |
|--|-------------|-------|--------------|-------|
| | 2006 | 2005 | 2006 | 2005 |
| | 1,057 | 997 | 336 | 307 |
| | 166 | 143 | 72 | 58 |
| | 55 | 73 | 51 | 68 |
| | - | - | - | - |
| | 1,278 | 1,213 | 459 | 433 |
| | 1,177 | 1,049 | 329 | 266 |
| | - | - | - | - |
| | 2,455 | 2,262 | 788 | 699 |
| | 711 | 571 | 322 | 138 |
| | 527 | 452 | 129 | 135 |
| | 200 | 131 | 102 | 52 |
| | - | - | - | - |
| | 1,438 | 1,154 | 553 | 325 |
| | 839 | 496 | 236 | 95 |
| | 229 | 157 | 62 | 45 |
| | 137 | 142 | 11 | 4 |
| | - | - | - | - |
| | 366 | 299 | 73 | 49 |
| | - | - | - | - |
| | 2,643 | 1,949 | 862 | 469 |
| | (199) | (23) | (85) | 8 |
| | 4,899 | 4,188 | 1,565 | 1,176 |
| | 185 | 306 | 87 | 82 |
| | 5,084 | 4,494 | 1,652 | 1,258 |

* Before amortisation and other revenues and expenses

Orkla Brands' fourth quarter operating revenues totalled NOK 2,085 million (NOK 1,764 million)¹. The acquisition of Dansk Droge had a positive impact on revenues. When this acquisition and exchange rate fluctuations are taken into account, Orkla Brands achieved an underlying² rise of almost 9 % in operating revenues. Part of this growth is related to extraordinary discount provisions for Confectionery in 2005, but most of it is related to good fourth quarter sales. All companies contributed to growth.

For 2006 as a whole, operating revenues totalled NOK 7,250 million (NOK 6,336 million)¹, NOK 914 million higher than in 2005. Underlying² revenues were up 3 %. Biscuits in Sweden continued to experience a decline in revenues, while the other businesses performed slightly better than in 2005.

Operating profit before amortisation was NOK 329 million (NOK 266 million)¹ in the fourth quarter, NOK 63 million higher than in the same period of 2005. All business areas reported profit growth, with Confectionery and Lilleborg making the largest contributions. Much of the increase was related to non-recurring factors and the acquisition of Dansk Droge.

Full-year operating profit before amortisation totalled NOK 1,177 million (NOK 1,049 million)¹. This growth was primarily due to companies acquired in 2005 and 2006, and profit growth for Confectionery, Lilleborg and Household Textiles. The Biscuits business reported somewhat weaker results in 2006.

The main launches in 2006 were Pierre Robert (Textiles), Jif Vindu System (window system, Lilleborg), Nidar Smågodt Favoritter (favourite sweets, Confectionery) and Omo Ultra Tabletter (laundry detergent tablets, Lilleborg).

ELKEM

- High market prices for primary aluminium
- Significant drop in power prices, but strong trading results for the energy business
- Stable profit growth for silicon-related units

Elkem's fourth quarter operating revenues amounted to NOK 2,461 million (NOK 2,328 million)¹. Operating profit before amortisation totalled NOK 553 million (NOK 325 million)¹, up NOK 228 million compared with the fourth quarter of 2005.

Profit for primary aluminium was slightly lower than in the fourth quarter of 2005, largely due to a reduced contribution from USD currency hedges. The average price for aluminium for three-months' delivery on the London Metal Exchange (LME) was USD 2,726 in the fourth quarter, compared with USD 2,069 in the fourth quarter of 2005. Delivered volume was 77,634 tonnes. A NOK 125 million loss on metal hedging was realised in the fourth quarter. Aluminium prices are still high at the beginning of 2007, but slightly lower than the average for the fourth quarter of last year. The market is expected to remain strong in the first quarter of 2007.

Profit from the Energy business was strong in the fourth quarter, mainly driven by a good trading result. Elkem's hydropower production in Norway totalled 837 GWh, which is 135 GWh lower than in the same period of 2005. Precipitation was well above normal in both Northern and Western Norway. The system price on the Nordic market dropped from 52.5 øre/KWh in September to 27.3 øre/KWh in December. At the end of the fourth quarter Elkem's resource situation, in the form of reservoirs, was considerably better than normal for the time of year.

The results for the silicon-related units were significantly stronger than in the same period of 2005. The markets for silicon metal and ferrosilicon strengthened in the fourth quarter. The operating and profit performance of the other silicon-related units was good. The Elkem Solar project progressed well in the fourth quarter. The decision to invest in the construction of a 5,000-tonne production plant for solar grade silicon was approved by Orkla's Board of Directors at the end of October and the factory will be completed in 2008. In connection with the decision to move FSM production from Bjølvfossen to Iceland, fixed assets at Bjølvfossen were written down by NOK 115 million in the fourth quarter.

At the end of the fourth quarter, Elkem acquired a 50 % interest in the South African carbon producer Ferrovel. The acquisition was capitalised on 31 December 2006 but had no effect on profit.

SAPA

- A good quarter with continued strong profit growth
- 14 % volume growth driven by continuing good markets for Profiles and Building System in Europe, and Heat Transfer in Asia. The acquisition of the Slovakian company Sapa Profily accounted for 4 % of this rise in volume
- Both higher prices and productivity improvements contributed to the increase in profit

Fourth quarter volumes totalled 106,867 tonnes (93,501)¹, equivalent to a rise of 14 % compared with the same period in 2005. The acquisition of the Slovakian company Sapa Profily accounted for 3,900 tonnes (4 %). The Profiles business reported 15 % volume growth, including the contribution from Sapa Profily. Profiles in Europe achieved 23 % volume growth, while volumes for Profiles in the USA declined by 21 % due to a relatively strong market downturn, particularly in the private housing market and the transport industry. Heat Transfer reported a 12 % rise in volume, driven by yet another good quarter for the business in China. Heat Transfer's Swedish operations also had a good quarter with better margins and volumes than in the same quarter of 2005.

Demand was good on most European markets in the fourth quarter. Market growth for 2006 is estimated to be 5-10 %, and Sapa Profiles is assumed to have strengthened its position on most markets in Europe. Building System experienced good market growth during the quarter, with continuously good markets in Europe. Growth was particularly good on the German market, while the historically strong market for building systems in France softened slightly towards the end of the year.

Sapa's fourth quarter operating revenues totalled NOK 4,325 million (NOK 3,164 million)¹. The 37 % rise was driven by increased volumes and higher metal prices. The average price in SEK for aluminium for delivery on the LME was 17 % higher in the fourth quarter of 2006 than in the same

quarter of 2005. Acquired companies boosted operating revenues by 4 %, while exchange rate differences related to translation to SEK had a negative impact of 3 %.

Operating profit before amortisation rose by 148 % in the fourth quarter to NOK 236 million (NOK 95 million)¹. Restructuring costs amounting to NOK 47 million were recognised in the fourth quarter, mainly related to workforce reduction programmes (NOK 104 million for 2006 as a whole). The Profiles, Building System and Heat Transfer businesses all reported good profit growth compared with 2005. Fourth quarter profit was significantly strengthened by higher prices and improved margins in the Profiles business, together with continuous work on improvement programmes.

BORREGAARD

- Improved results from the lignin business and good profit from the energy business
- High energy and timber prices curbed profitability for the speciality cellulose business
- Positive effects from improvement programmes

Borregaard reported fourth quarter operating revenues of NOK 1,237 million (NOK 1,108 million)¹, which is an underlying² rise of 10 % from the corresponding quarter of 2005. For 2006 as a whole, operating revenues amounted to NOK 4,658 million (NOK 4,358 million)¹, equivalent to an underlying² growth of 10 % compared with the previous year.

Fourth quarter operating profit before amortisation amounted to NOK 73 million (NOK 49 million)¹. The improvement in relation to the previous year is ascribable to substantially higher profit for Borregaard LignoTech and Borregaard Energy, while profit declined for Borregaard Ingredients & Pharma and Borregaard ChemCell. For the full year, operating profit before amortisation totalled NOK 366 million (NOK 299 million)¹. Good progress was made in all business areas except for Borregaard ChemCell, which reported significantly lower profit. For Borregaard as a whole, the year was characterised by better market conditions for cellulose, lignin and aroma products, very good profitability for the energy business and positive effects from improvement programmes. These factors were counteracted to some extent by production problems in Switzerland, higher raw material and energy costs and the reduced effects of currency hedges.

Borregaard LignoTech posted significantly better profit than in the corresponding quarter of 2005. Total sales volumes rose 15 % as a result of the distribution agreement with the Russian lignin manufacturer Vyborg and the integration of Melbar in Brazil. Higher raw material and energy costs were offset by price rises and the effect of improvement programmes.

Borregaard ChemCell reported weak profit that was slightly lower than in the fourth quarter of 2005. Good market conditions, increased specialisation and the effects of improvement programmes were counteracted by the sharply rising cost of raw materials, particularly timber. Production volumes were high in Norway, but in Switzerland they have still not reached the level attained in 2005. The ethanol business achieved higher profit due to high sales volumes and good prices.

Borregaard Ingredients & Pharma posted lower profit than in the fourth quarter of 2005, primarily due to lower deliveries of pharmaceutical intermediates.

GROUP BALANCE SHEET

| | 31.12. 2006 | 31.12. 2005 |
|--|----------------|----------------|
| Amounts in NOK million | | |
| Intangible assets | 17,571 | 18,077 |
| Tangible assets | 16,568 | 16,912 |
| Financial non-current assets | 7,914 | 3,629 |
| Non-current assets | 42,053 | 38,618 |
| Assets held for sale | 113 | - |
| Inventories | 6,510 | 6,055 |
| Receivables | 10,924 | 11,348 |
| Portfolio investments | 18,224 | 16,177 |
| Cash and cash equivalents | 1,788 | 2,411 |
| Current assets | 37,446 | 35,991 |
| Total assets | 79,612 | 74,609 |
| Paid-in equity | 2,008 | 2,010 |
| Earned equity | 45,765 | 35,167 |
| Minority interests | 336 | 746 |
| Equity | 48,109 | 37,923 |
| Provisions | 5,308 | 5,799 |
| Non-current interest-bearing liabilities | 10,849 | 13,045 |
| Current interest-bearing liabilities | 3,552 | 5,703 |
| Other current liabilities | 11,794 | 12,139 |
| Equity and liabilities | 79,612 | 74,609 |
| Equity ratio (%) | 60.4 | 50.8 |

CHANGE EQUITY

| | 31.12. 2006 | 31.12. 2005 |
|---|----------------|----------------|
| Amounts in NOK million | | |
| Equity 1 January | 37,177 | 31,246 |
| Profit for the year after minorities | 11,236 | 5,798 |
| Dividends | (1,643) | (1,952) |
| Purchase/sale of own share | (158) | 63 |
| Change in fair value portfolio | 929 | 1,536 |
| Change in fair value hedging instruments | (133) | (571) |
| Option costs | 21 | 26 |
| All-inclusive principle due to acquisitions | - | 1,445 |
| Translation effects | 344 | (414) |
| Equity at end of period | 47,773 | 37,177 |

Effects of implementing IAS 32/39 Financial instruments are recognised in the opening balance at 1 January 2005

CASH FLOW¹

| | 1.1.-31.12. 2006 | 2005 | 1.10.-31.12. 2006 | 2005 |
|---|---------------------|-----------------|----------------------|--------------|
| Amounts in NOK million | | | | |
| Industry division: | | | | |
| Operating profit | 4,295 | 3,751 | 1,120 | 983 |
| Amortisation, depreciations and write-downs | 2,377 | 2,145 | 886 | 528 |
| Change in net working capital | (770) | (411) | 142 | 593 |
| Cash flow from operations before net replacement expenditures | 5,902 | 5,485 | 2,148 | 2,104 |
| Net replacement expenditures | (1,347) | (1,720) | (184) | (527) |
| Cash flow from operations | 4,555 | 3,765 | 1,964 | 1,577 |
| Financial items, net | (814) | (507) | (363) | (246) |
| Cash flow from Industry division | 3,741 | 3,258 | 1,601 | 1,331 |
| Cash flow from Financial Investment division | 1,113 | 706 | (121) | (107) |
| Taxes paid | (1,607) | (1,235) | (448) | (387) |
| Other | 375 | 694 | 125 | 357 |
| Cash flow from capital transactions | 3,622 | 3,423 | 1,157 | 1,194 |
| Dividends paid | (1,704) | (2,049) | (6) | (46) |
| Net share buy-back/sale | (158) | 63 | 13 | 11 |
| Cash flow before expansion | 1,760 | 1,437 | 1,164 | 1,159 |
| Expansion investments, Industry division | (1,291) | (737) | (540) | (259) |
| Sold companies | 7,797 | 383 | 7,403 | 347 |
| Acquired companies | (5,094) | (18,560) | (1,560) | (756) |
| Net purchases/sales portfolio investments | 1,710 | 660 | 1,468 | 4 |
| Net cash flow | 4,882 | (16,817) | 7,935 | 495 |
| Currency translation net interest-bearing debt | (266) | 128 | 75 | (143) |
| Change in net interest-bearing debt | (4,616) | 16,689 | (8,010) | (352) |
| Net interest-bearing debt | 11,420 | 16,036 | | |

¹ The cash flow is based on that Orkla Media is presented as discontinued operations

Profit performance for aroma products was positive, however, reflecting good market conditions and higher prices. The diphenol business in Italy had a satisfactory quarter, while low production hampered profitability for the yeast business. The omega-3 oils business is undergoing a phase of expansion that entails higher costs.

Borregaard Energy reported very good results in the fourth quarter, which were better than in the same quarter of 2005. Precipitation and temperatures well above normal resulted in good inflow and higher power production by the company's own run-of-the-river plants. The contracted volume also increased, but will be significantly lower in 2007. Market prices were higher than in the

same quarter in 2005, but declined towards the end of the quarter. Profit from financial power trading was on a par with 2005.

The Øraveien industrial park in Fredrikstad had positive development.

The profit performance of Borregaard's business in Switzerland was weak in 2006. A comprehensive improvement programme is now being implemented with the objective of bringing the business back to a satisfactory level of profit. In accordance with IFRS, however, property, plant and equipment were written down by NOK 255 million.

FINANCIAL INVESTMENTS

Total pre-tax profit for the Financial Investments division in the fourth quarter was NOK 1,945 million (NOK 730 million)¹.

The return on Orkla's share portfolio in the fourth quarter was 11.8 %. The Morgan Stanley Nordic Index rose 11.6 % (Oslo Stock Exchange Benchmark Index rose 18.5 %). For the full year 2006, the return on the share portfolio was 27.4 %, compared with 23.9 % for the Morgan Stanley Nordic Index and 32.4 % for the Oslo Stock Exchange Benchmark Index.

Net sales of shares totalled NOK 1,468 million in the fourth quarter, the largest transactions being the sale of shares in Storebrand and Capió. Net asset value rose by NOK 2,088 million in the fourth quarter. The market value of the portfolio was NOK 18,198 million by the end of the quarter and foreign investments accounted for 51 % of the shares. Unrealised gains totalled NOK 5,647 million at the end of the fourth quarter, accounting for 31 % of the portfolio's market value.

Portfolio gains recognised in the income statement in the fourth quarter totalled NOK 1.716 million (NOK 422 million)¹. Dividends received amounted to NOK 49 million (NOK 220 million)¹.

Orkla Finans was very active in the field of alternative investments, including real estate projects. Fourth quarter operating revenues amounted to NOK 212 million (NOK 139 million)¹ and operating profit totalled NOK 87 million (NOK 51 million)¹.

In the fourth quarter Orkla Eiendom sold its ownership interest in the property at Bergerveien 12 in Billingstad outside Oslo at a gain of NOK 49 million. Because it was a less than 50 % interest, the gain was reported under «Other financial revenues». Pre-tax profit in the fourth quarter amounted to NOK 90 million (NOK 12 million)¹. Orkla Eiendom entered into an agreement of intent in the fourth quarter regarding the sale of ownership interests in real estate projects at Fornebu, Oslo. If the parties reach a final agreement, the gain on the sale is expected to total at least NOK 200 million. Any gain realised will be reported in the income statement under «Other financial revenues» in 2007.

CASH FLOW AND FINANCIAL SITUATION

Cash flow from operating activities amounted to NOK 1,964 million in the fourth quarter, which is an improvement of NOK 387 million compared with the same quarter in 2005. There was a seasonal decline in working capital in the fourth quarter, but as a result of higher sales the level was somewhat higher than at the end of 2005.

Expansion investments totalled NOK 540 million in the fourth quarter and are mainly related to Elkem and the expansion of the Saudefaldene hydropower plant, the anode factory at Mosjøen and capitalised costs related to the solar project.

Acquisitions in the fourth quarter totalled NOK 1,560 million, of which the purchase of shares in REC accounted for approximately NOK 449 million. In addition, Orkla received shares in the Mecom Group as part payment for the sale

of Orkla Media. In the cash flow statement, the value of these shares is shown under the line «Acquired companies». Divestments totalled NOK 7,403 million, which is related to the sale of Orkla Media and which, as mentioned earlier, was not reflected in the cash flow statement until the fourth quarter.

Net sales of portfolio shares totalled NOK 1,468 million in the fourth quarter (net sales amounting to NOK 4 million)¹. In the fourth quarter, net sales of Orkla's own shares amounted to NOK 13 million (net sales of NOK 11 million)¹.

The Group had a positive net cash flow of NOK 7,935 million in the fourth quarter. Net interest-bearing liabilities were reduced by NOK 8,010 million and totalled NOK 11,420 million at the end of 2006. The sale of the media business accounted for most of the reduction in net interest-bearing liabilities.

The Group's average borrowing rate on interest-bearing liabilities was 4.3 % in the fourth quarter, and 89 % of interest-bearing liabilities, which were mainly in SEK, EUR, USD and NOK, were at floating interest rates. At year-end, the equity-to-total-assets ratio was 60.4 %.

GENERAL MEETING

The Annual General Meeting will be held on 19 April 2007 at 3 p.m. in Gamle Losjen, Store Sal, Oslo. The annual report for 2006 will be published on 23 March 2007.

OUTLOOK

Internationally, a more moderate economic trend is expected in 2007. The U.S. economy slowed in the second half of 2006, and weaker U.S. growth represents an uncertainty factor for 2007. Growing industrial profits and increased household consumption are important growth impulses for the European economy, but in view of rising interest rates and international stimuli, on the whole, a more moderate trend is expected in the Eurozone as well in the coming year.

The Nordic grocery market is expected to continue to grow, and retailers will continue to focus on prices and discounts. Implemented and planned cost reduction programmes are expected to continue to contribute positively to the results of the Branded Consumer Goods area in 2007.

Due to generally good market conditions at the start of 2007, most of the business areas in the Speciality Materials division are experiencing increased demand for their products. This will be offset, however, by continuing high oil and energy costs and the rising prices of certain factor inputs, such as timber for Borregaard's operations.

The financial markets performed very well in 2006 and the Oslo Stock Exchange enjoyed particularly strong growth, driven by high oil and energy prices. Interest rates are expected to rise moderately on most markets in 2007. The macro situation on global stock markets is considered to be positive at the start of 2007. However, geopolitical factors, uncertainty related to the development in the U.S. economy and the possibility of slower growth in China are all risks that could significantly change the economic trend in 2007.

Oslo, 13 February 2007
The Board of Directors of Orkla ASA