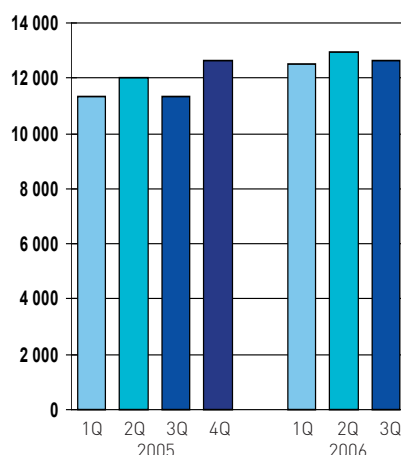


KEY FIGURES THIRD QUARTER FOR ORKLA ASA

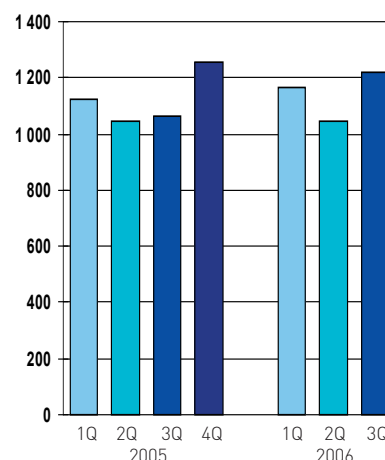
Amounts in NOK million	2006	1.1.-30.9. 2005	1.1.-31.12. 2005	2006	1.7.-30.9. 2005
Operating revenues	38,103	34,661	47,307	12,651	11,325
Operating profit before amortisation and other revenues and expenses	3,432	3,236	4,494	1,220	1,064
Profit before taxes	5,560	5,413	6,949	1,461	1,807
Earnings per share diluted (NOK)	41.9	20.2	28.1	25.3	7.3
Cash flow from operations	2,591	2,188	3,765	1,285	1,107
Net interest-bearing debt	19,430	16,388	16,036		
Equity (%)	53.6	50.2	50.8		
Net gearing	0.44	0.45	0.42		

OPERATING REVENUES

NOK million


OPERATING PROFIT*

NOK million



* Before amortisation and other revenues and expenses

THE THIRD QUARTER IN BRIEF

- Third quarter operating profit before amortisation was 15 % higher than last year, totalling NOK 1,220 million. All the business areas in the Industry division achieved profit growth.
- Branded Consumer Goods reported both sales and profit growth on the Nordic market, while certain markets outside the Nordic region remain challenging.
- The positive effects of restructuring and improvement projects and the continuing good markets for Sapa in Europe contributed to strong profit growth for Speciality Materials.
- Good underlying² development in the value of the investment portfolio. At quarter-end, the return on the portfolio was 14 %, which was higher than both the Oslo Stock Exchange Benchmark Index and the Morgan Stanley Nordic Index. Due to low realised gains, however, book profit from the Financial Investments division was lower than last year.
- The sale of the Media business has been completed as planned and the net contribution to profit from the discontinued operations amounted to NOK 4,144 million at the end of the third quarter.
- Group pre-tax profit totalled NOK 1,461 million in the third quarter (NOK 1,807 million)¹. So far this year, Group earnings per share diluted amount to NOK 41.9 (NOK 20.2)¹, of which the net contribution to profit from discontinued operations was NOK 20.0 per share.

¹ The figures in brackets are for the same period last year

² Excluding acquisitions, divestments and currency translation effects

MAIN TRENDS

The sale of the Media business was recognised in the financial statements in the third quarter. The net contribution to profit from discontinued operations is shown after tax and minority interests on a single line in the income statement. Comparable historical figures have been adjusted accordingly. Final completion took place on 11 October 2006, so the effect of the transaction on cash flow will not be evident until the fourth quarter.

After adjustments for discontinued operations, Group operating revenues totalled NOK 12,651 million (NOK 11,325 million)¹ in the third quarter. Strong volume growth and high aluminium prices once again boosted revenues for Sapa, and underlying² revenues were 33 % higher in the third quarter than in the same quarter last year. Both Orkla Foods and Orkla Brands achieved growth in the Nordic region, and underlying² operating revenues for the Branded Consumer Goods area as a whole were up 2 %. New business in Branded Consumer Goods increased revenues by approximately NOK 260 million. In the third quarter, the NOK weakened against both the USD and EUR-related currencies. Currency translation effects increased revenues by more than NOK 200 million in the third quarter, while accumulated currency translation effects are slightly negative so far this year. At the end of September, operating revenues amounted to NOK 38,103 million (NOK 34,661 million)¹.

Group operating profit before amortisation totalled NOK 1,220 million in the third quarter (NOK 1,064 million)¹. At the end of the third quarter, operating profit before amortisation was NOK 3,432 million (NOK 3,236 million)¹. Improvements in the Nordic region contributed to underlying² profit growth for both Orkla Foods (+3 %) and Orkla Brands (+7 %) in the third quarter. In Russia there are still challenges in connection with the sales and distribution situation, but the chocolate and biscuits company SladCo reported slightly higher profit than last year. Sapa's good profit growth was driven by a continuing strong growth in demand in Europe and Asia and the positive effects from improvement projects. For Elkem, restructuring contributed to profit improvement for Silicon Metal, while the operating situation at Icelandic Alloys also improved significantly compared to the same period last year. For Primary Aluminium, the reduced effect of favourable currency hedging contracts offset the effect of higher aluminium prices and profit was on a par with the third quarter of last year. Somewhat improved market conditions and the effects of improvement programmes boosted sales and profit for Borregaard, while the operations in Switzerland are still affected by a weak operating situation and high costs. Orkla's interests in Hjemmet Mortensen (40 % financial stake) and Netzeitung GmbH (100 % owned) are reported under "Other business". At the end of the third quarter, Orkla's interest in Hjemmet Mortensen generated operating profit before amortisation of NOK 86 million (NOK 92 million)¹. The German operations is still in the development phase and has had a minor deficit so far this year.

On 27 October the Board of Directors of Orkla ASA decided to invest NOK 2.7 billion in a plant that will produce 5,000 tonnes of solar grade silicon for solar cells per year.

Associates primarily consist of Jotun (42.5 % interest) and the Renewable Energy Corporation (REC) in which Orkla has a 27.5 % interest. So far this year, underlying² sales and profit growth have been positive for both Jotun and REC. REC is a listed company and reported an increase in operating revenues of 89 % and EBITA of 215 % so far this year compared to the same period last year. At the end of the third quarter, REC's operating revenues and EBITA amounted to NOK 3,014 million (NOK 1,597 million)¹ and NOK 1,050 million (NOK 333 million)¹ respectively. At the end of the first eight months, Jotun had increased its operating revenues by 13 % to NOK 5,159 million (NOK 4,571 million)¹ and EBITA was NOK 550 million (NOK 497 million)¹.

The value of Orkla's investment portfolio grew relatively well in the third quarter and at the end of September the return on the portfolio was 14.0 %, compared to a rise of 11.0 % for the Morgan Stanley Nordic Index and 11.8 % for the Oslo Stock Exchange Benchmark Index. The dividend-adjusted FTSE World Index was up 9.0 %. Due to low realisation of gains, book portfolio gains amounted to NOK 199 million (NOK 672 million)¹ in the third quarter. At quarter-end, unrealised gains totalled just over NOK 5.3 billion.

At the end of the third quarter, the Group's tax charge is estimated to be 18 % and Group earnings per share diluted were NOK 41.9 (NOK 20.2)¹, of which the gain and contribution to profit from discontinued operations amounted to NOK 20.0 per share. Excluding amortisation, other revenues and expenses and discontinued operations, earnings per share were NOK 22.3 (NOK 21.6)¹. The increase in profit for the Industry division was partially offset by somewhat lower realised gains from the investment portfolio.

ORKLA FOODS

- 5 % top-line growth for Orkla Foods Nordic but continuing pressure on prices and margins
- Broad-based progress in the Nordic region for groceries, catering and baking ingredients
- Continued negative sales growth for the chocolate and biscuits company SladCo in Russia

Orkla Foods' operating revenues amounted to NOK 3,506 million in the third quarter (NOK 3,324 million)¹. Underlying² growth was 1 % compared to the same period last year. Operating profit before amortisation totalled NOK 341 million (NOK 319 million)¹, equivalent to a underlying² growth of 3 %.

Operating revenues so far this year total NOK 10,065 million (NOK 9,788 million)¹. At the end of September, operating profit before amortisation was NOK 819 million, compared with NOK 780 million in the same period of 2005. Adjusted for acquisitions and divestments, this is equivalent to a profit growth of 4 %.

Orkla Foods Nordic reported third quarter operating revenues of NOK 2,287 million (NOK 2,170 million)¹, equivalent to underlying² growth of 6 %. Operating profit before amortisation was NOK 288 million (NOK 278 million)¹. Adjusted for acquisitions and divestments, profit

GROUP INCOME STATEMENT

	1.1.–30.9.		1.1.–31.12.		1.7.–30.9.
Amounts in NOK million	2006	2005	2005	2006	2005
Operating revenues	38,103	34,661	47,307	12,651	11,325
Operating expenses	(33,335)	(30,012)	(40,925)	(10,984)	(9,798)
Depreciations and write-downs of tangible assets	(1,336)	(1,413)	(1,888)	(447)	(463)
Amortisation intangible assets	(159)	(128)	(223)	(53)	(42)
Other revenues and expenses	0	(115)	(214)	0	0
Operating profit	3,273	2,993	4,057	1,167	1,022
Profit from associates	171	169	152	149	78
Dividends	717	781	1,018	119	109
Gains and losses/write-downs portfolio investments	1,555	1,764	2,186	199	672
Financial items, net	(156)	(294)	(464)	(173)	(74)
Profit before taxes	5,560	5,413	6,949	1,461	1,807
Taxes	(1,001)	(1,065)	(1,089)	(222)	(276)
Profit after taxes	4,559	4,348	5,860	1,239	1,531
Discontinued operations	4,144	41	154	4,002	1
Profit for the year	8,703	4,389	6,014	5,241	1,532
Minority	35	213	216	9	23
Profit before tax, Industry division	3,130	2,659	3,465	1,127	957
Profit before tax, Financial Investment division	2,430	2,754	3,484	334	850
Earnings per share (NOK)	42.0	20.3	28.1	25.3	7.3
Earnings per share diluted (NOK)	41.9	20.2	28.1	25.3	7.3
Earnings per share diluted (NOK) *	22.3	21.6	30.1	6.1	7.5

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

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

was up 4 %. Stabburet (Norway), Procordia Food and Abba Seafood (both in Sweden), Felix Abba (Finland) and Beauvais (Denmark) all achieved profit growth. Bakers (Norway) and Panda (Finland) reported slightly weaker operating profit. The cost reduction programmes are proceeding according to plan, but raw material prices increased in the Nordic region, some of them significantly.

Operating revenues for Orkla Foods International totalled NOK 607 million (NOK 559 million)¹ in the third quarter. Operating profit before amortisation was NOK 18 million (NOK 9 million)¹. The chocolate and biscuits company SladCo reported weak sales growth, but operating profit was positive. In the fourth quarter of last year, SladCo posted particularly high profit, driven by substantial sales to distributors and retailers. A lower contribution to profit from SladCo is therefore anticipated for the fourth quarter of this year. The integration of the chocolate company Krupskaya is proceeding as anticipated. Sales growth was still good in the Baltic States. Integration of the margarine company Royal Brinkers in Romania and coordination of production are proceeding as planned.

Orkla Food Ingredients reported operating revenues of NOK 692 million (NOK 662 million)¹ in the third quarter. Operating profit before amortisation totalled NOK 35 million (NOK 32 million)¹. Orkla Food Ingredients increased its market shares on several of its main markets. The cost performance of several of the larger companies was favourable due to a number of cost reduction measures. The greatest improvements

were achieved by Idun Industri (Norway), K&K& (Sweden), Odense Marcipan and Credin bageripartner (both in Denmark).

ORKLA BRANDS

- Profit growth primarily linked to sales growth and expansion
- Continued improvement in market shares
- The acquisition of Dansk Droge was completed in early September and is included in the financial statements as of 1 September.

Orkla Brands' operating revenues amounted to NOK 1,737 million in the third quarter (NOK 1,558 million)¹. Adjusted for new businesses (Collett Pharma and Dansk Droge) and exchange rate fluctuations, operating revenues were 2 % higher than last year. The Snacks business, Lilleborg, Confectionery and Textiles all reported good revenue growth in the third quarter, largely due to increased distribution, new product launches and a high level of activity. Some companies experienced delivery problems that intensified towards the end of the quarter. This will have a negative impact in the fourth quarter as well. At the end of the third quarter, accumulated underlying² growth in operating revenues was 2 %.

Operating profit before amortisation totalled NOK 327 million (NOK 291 million)¹ for the third quarter. Adjusted for acquired businesses, this is approximately NOK 25 million higher than last year. Profit growth was largely ascribable to a combination of revenue growth and somewhat lower investments in advertising. However, advertising investments are expected to increase somewhat in the fourth quarter. Profit

OPERATING REVENUES

	1.1.–30.9.		1.1.–31.12.		1.7.–30.9.	
Amounts in NOK million	2006	2005	2005	2006	2005	
Orkla Foods Nordic	6,685	6,420	8,864	2,287	2,170	
Orkla Food Ingredients	2,020	1,948	2,743	692	662	
Orkla Foods International	1,581	1,611	2,312	607	555	
Eliminations Orkla Foods	(221)	(191)	(269)	(80)	(67)	
Orkla Foods	10,065	9,788	13,650	3,506	3,324	
Orkla Brands	5,165	4,572	6,336	1,737	1,558	
Eliminations Branded Consumer Goods	(81)	(180)	(249)	(28)	(71)	
Branded Consumer Goods	15,149	14,180	19,737	5,215	4,811	
Elkem Energy	1,252	1,103	1,473	412	370	
Elkem Primary Aluminium	1,952	1,733	2,333	593	532	
Elkem Silicon-related	4,235	4,851	6,469	1,456	1,518	
Eliminations Elkem	(720)	(887)	(1,147)	(318)	(286)	
Elkem	6,719	6,800	9,128	2,143	2,134	
Sapa	11,993	9,353	12,517	3,904	2,887	
Borregaard Energy	323	256	343	100	111	
Borregaard Chemicals	3,209	3,131	4,170	1,133	977	
Eliminations Borregaard	(111)	(137)	(155)	(37)	(48)	
Borregaard	3,421	3,250	4,358	1,196	1,040	
Eliminations Speciality Materials	(141)	(66)	(92)	(61)	(21)	
Speciality Materials	21,992	19,337	25,911	7,182	6,040	
H.O./Other operations/Eliminations	460	446	655	146	151	
Industry division	37,601	33,963	46,303	12,543	11,002	
Financial investment division	502	698	1,004	108	323	
Group	38,103	34,661	47,307	12,651	11,325	

OPERATING PROFIT*

1.1.–30.9.		1.1.–31.12.		1.7.–30.9.	
2006	2005	2005	2006	2005	
721	690	997	288	278	
94	85	143	35	32	
4	5	73	18	9	
-	-	-	-	-	
819	780	1,213	341	319	
848	783	1,049	327	291	
-	-	-	-	-	
1,667	1,563	2,262	668	610	
389	433	571	116	136	
398	317	452	95	98	
98	79	131	66	(27)	
-	-	-	-	-	
885	829	1,154	277	207	
603	401	496	190	115	
167	112	157	55	47	
126	138	142	61	28	
-	-	-	-	-	
293	250	299	116	75	
-	-	-	-	-	
1,781	1,480	1,949	583	397	
(114)	(31)	(23)	(27)	(8)	
3,334	3,012	4,188	1,224	999	
98	224	306	(4)	65	
3,432	3,236	4,494	1,220	1,064	

* Before amortisation and other revenues and expenses

growth was relatively broad-based, and only the Biscuits business did not achieve profit growth in the third quarter. This has been a general trend for the Biscuits business in the past year and is mainly due to weak volume growth in Sweden. Efforts to reduce costs in all parts of the value chain are ongoing.

The acquisition of Dansk Droge was completed at the beginning of September and the company was integrated into the financial statements from the same date. A new management team has been established for the Dietary Supplements area and the integration of the company is proceeding according to plan.

The main new launches in the third quarter were Smash!Bar (Confectionery), Blenda Aloe Vera (Lilleborg), Möllers VAK-R (Dietary Supplements) and Polly Spesialnøtter (Snacks Norway). New products launched in the first quarter, such as Nidar Smågodtfavoritter (Confectionery), OMO Tabletter (Lilleborg), Bixit Sport (Biscuits) and Pierre Robert (Textiles) also made a good contribution in the third quarter.

The overall trend for market shares was positive.

ELKEM

- On 27 October the Board of Directors of Orkla ASA decided to invest in a plant that will produce 5,000 tonnes of solar grade silicon for solar cells per year
- Restructuring contributed to higher profit from the silicon-related units
- For the Energy business lower energy production was offset to some degree by higher prices and good trading result

Elkem's third quarter operating revenues totalled NOK 2,143 million (NOK 2,134 million)¹. Operating profit before amortisation amounted to NOK 277 million (NOK 207 million)¹.

Profit for the Primary Aluminium business was slightly lower than in the corresponding quarter of last year. This was primarily due to the fact that results in 2005 were positively affected by currency hedging gains, which amounted to NOK 41 million compared with NOK 6 million this year. The average aluminium price for three months' delivery on the London Metal Exchange (LME) this quarter was USD 2,527, compared with USD 1,847 in the third quarter of 2005. Total volume delivered was 78,520 tonnes. A metal hedging loss of NOK 102 million was realised in the third quarter while, as mentioned earlier, a gain of NOK 6 million was realised on currency hedging. Primary aluminium prices remain high at the start of the fourth quarter, and slightly higher

than the average price for the third quarter. The market is expected to stay strong for the remainder of the fourth quarter. Equipment problems at the plant in Mosjøen has led to extraordinary costs and somewhat reduced production in the quarter.

The Energy business reported satisfactory profit for the third quarter, primarily driven by good profit from trading. Elkem's hydropower production in Norway totalled 601 GWh, which is 223 GWh lower than in the corresponding period last year. There has been less inflow in Western Norway than normal, whereas it has improved in Northern Norway since the second quarter of 2006. The system price on the Nordic market rose from 39.3 øre/kWh in July to 53.1 øre/kWh in August before falling to 52.5 øre/kWh in September. At the end of the third quarter, Elkem's resource situation, in the form of reservoirs, was generally somewhat weaker than normal for the time of year, but Elkem's reservoir levels are higher than the average in Norway.

Profit from the silicon-related units was significantly higher than in the same period last year. The markets for silicon metal and ferrosilicon improved slightly in the third quarter, but the rise in profit can mainly be ascribed to restructuring and improvement programmes. Market prices for silicon increased slightly in the third quarter due to reduced production capacity. The operational and profit performance of the other silicon-related units was good.

On 27 October the Board of Directors of Orkla ASA decided to invest NOK 2.7 billion in a plant that will produce 5,000 tonnes of solar grade silicon for solar cells per year. The plant will be integrated into Elkem Fiskaa's existing silicon plant in Kristiansand and ordinary deliveries are scheduled to start in mid-2008. Production will be based on a new metallurgical process technology developed by Elkem Solar that is both competitive and environmentally friendly.

In the meeting on 27 October the Board of Directors of Orkla ASA also approved an investment in a new alloying and finishing facility for ferrosilicon on Iceland. In this respect, please refer to Elkem's press release on 13 October.

SAPA

- A good quarter with strong profit growth
- 14 % volume growth driven by continuing good markets for profiles and building systems in Europe, and Heat Transfer in Asia
- Both higher prices and productivity improvements contributed to profit growth

Delivered volumes in the third quarter totalled 102,850 tonnes (90,318 tonnes)¹, which is an increase of 14 %. There was 17 % volume growth for Profiles in Europe and 15 % for Heat Transfer, while volume for Profiles in the USA declined 1 %. The acquisition of the Slovakian company Sapa Profily contributed 3,800 tonnes (4 %) of total volumes.

Demand on most European extrusion markets was good in the third quarter, but the growth rate was slightly lower than in the first six months. At the end of September, market growth was estimated to be

over 5 % and Sapa Profiles had strengthened its position in most markets. The market for building systems continued to develop well in the third quarter, and markets remained robust in France and Scandinavia.

In the USA, market growth was slightly weaker in the third quarter, primarily due to market trends in the new housing segment. Heat Transfer in China reported another good quarter, and the Swedish business also achieved improved results and recovered some of the volumes and margins lost in previous periods.

Third quarter operating revenues ended at NOK 3,904 million (NOK 2,887 million)¹. In SEK, revenues again grew 30 % this quarter, largely due to higher metal prices as well as volume growth. The average price in USD of aluminium delivered on the LME was 37 % higher than in the third quarter of 2005. Acquisitions led to a 4 % rise in operating revenues, while exchange rate differences in translation to SEK had a negative impact of 1 %.

Operating profit before amortisation increased by 65 % in the third quarter, to NOK 190 million (NOK 115 million)¹. Restructuring costs totalling NOK 10 million, mainly related to workforce reduction programmes (NOK 57 million so far this year), were recognised in the third quarter. Profiles, Building System and Heat Transfer all achieved good profit growth compared to last year. Third quarter results were positively affected by higher sales prices in the Profiles business. The improvement programmes initiated in the first half of 2005 continued to improve productivity and had a positive impact on profit.

BORREGAARD

- Price increases and improvement measures are substantially boosting profit
- Production problems in Switzerland continue to have a negative impact on profit from Speciality Cellulose
- Good profit from the energy business

Borregaard's operating revenues for the third quarter of 2006 totalled NOK 1,196 million (NOK 1,040 million)¹, equivalent to an underlying² growth of 14 % compared with the same quarter last year.

Operating profit before amortisation amounted to NOK 116 million (NOK 75 million)¹. Borregaard Ingredients & Pharma, Borregaard LignoTech and Borregaard Energy reported improved results, while profit for Borregaard ChemCell was stable. Higher prices and the effect of improvement programmes had a positive impact, while production problems in Switzerland and high oil-related costs (energy and freight) reduced profit. Furthermore, restructuring costs of NOK 14 million related to the winding up of the lignin production in Sweden and workforce reductions were recognised in the third quarter.

Operating revenues for the first three quarters totalled NOK 3,421 million (NOK 3,250 million)¹. In terms of underlying business, this is an increase of 10 % compared with last year. Operating profit before amortisation so far this year amounted to NOK 293 million (NOK 250 million).

GROUP BALANCE SHEET

	30.9. 2006	30.9. 2005	31.12. 2005
Amounts in NOK million			
Intangible assets	17,457	16,618	18,077
Tangible assets	16,086	17,561	16,912
Financial non-current assets	5,663	3,583	3,629
Non-current assets	39,206	37,762	38,618
Inventories	6,587	6,306	6,055
Receivables	17,538	10,291	11,348
Portfolio investments	17,621	15,387	16,177
Cash and cash equivalents	2,402	2,821	2,411
Current assets	44,148	34,805	35,991
Total assets	83,354	72,567	74,609
Paid-in equity	2,007	2,010	2,010
Earned equity	42,265	33,706	35,167
Minority interests	382	705	746
Equity	44,654	36,421	37,923
Provisions	5,393	6,032	5,799
Non-current interest-bearing liabilities	11,187	14,096	13,045
Current interest-bearing liabilities	11,202	5,660	5,703
Other current liabilities	10,918	10,358	12,139
Equity and liabilities	83,354	72,567	74,609
Equity ratio (%)	53.6	50.2	50.8

CHANGE IN EQUITY

	1.1.-30.9. 2006	2005	31.12. 2005
Amounts in NOK million			
Equity 1 January	37,177	31,246	31,246
Profit for the year after minorities	8,668	4,176	5,798
Dividends	(1,643)	(1,957)	(1,952)
Purchase/sale of own share	(171)	52	63
Change in fair value portfolio	125	1,490	1,536
Change in fair value hedging instruments	120	(19)	(571)
Option costs	16	22	26
All-inclusive principle due to acquisitions	0	1,220	1,445
Translation effects	(20)	(514)	(414)
Equity at end of period	44,272	35,716	37,177

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

CASH FLOW¹

	1.1.-30.9. 2006	2005	1.1.-31.12. 2005	1.7.-30.9. 2006	2005
Amounts in NOK million					
Industry division:					
Operating profit	3,175	2,768	3,751	1,172	956
Amortisation, depreciations and write-downs	1,491	1,617	2,145	499	490
Change in net working capital	(912)	(1,004)	(411)	1	135
Cash flow from operations before net replacement expenditures	3,754	3,381	5,485	1,672	1,581
Net replacement expenditures	(1,163)	(1,193)	(1,720)	(387)	(474)
Cash flow from operations	2,591	2,188	3,765	1,285	1,107
Financial items, net	(451)	(261)	(507)	(152)	(65)
Cash flow from Industry division	2,140	1,927	3,258	1,133	1,042
Cash flow from Financial Investments division	1,234	813	706	(146)	222
Taxes paid	(1,159)	(848)	(1,235)	(109)	(112)
Other	250	337	694	280	277
Cash flow from capital transactions	2,465	2,229	3,423	1,158	1,429
Dividends paid	(1,698)	(2,003)	(2,049)	(230)	(179)
Net share buy-back/sale	(171)	52	63	(292)	11
Cash flow before expansion	596	278	1,437	636	1,261
Expansion investments, Industry division	(751)	(478)	(737)	(268)	(247)
Sold companies	394	36	383	387	36
Acquired companies	(3,534)	(17,804)	(18,560)	(900)	(323)
Net purchases/sales portfolio investments	242	656	660	(598)	357
Net cash flow	(3,053)	(17,312)	(16,817)	(743)	1,084
Currency translation net interest-bearing debt	(341)	271	128	(426)	(178)
Change in net interest-bearing debt	3,394	17,041	16,689	1,169	(906)
Net interest-bearing debt	19,430	16,388	16,036		

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

Borregaard LignoTech posted higher profit than in the third quarter of 2005. A high sales volume (particularly to the construction industry) and higher prices offset the rise in oil-related and restructuring costs. The delivery agreement with the Russian lignin producer Vyborg and the integration of the Brazilian lignin company, Melbar, made a positive contribution.

Borregaard ChemCell reported profit on a par with the corresponding period last year. Products are more specialised and prices slightly higher. Production in Switzerland improved somewhat during the quarter, but higher energy and timber costs, combined with scheduled stoppages for maintenance in both Norway and Switzerland, had a negative impact. The ethanol business performed well in the third quarter.

Borregaard Ingredients & Pharma posted higher profit than in the corresponding quarter of last year. Deliveries of pharmaceutical intermediates were high. The diphenol business also performed favourably. Aroma chemicals implemented further price increases. The yeast business benefited from positive market trends, but profit was reduced due to higher costs and low productivity. Denomega reported accelerating sales of Omega-3 oils and is now working to increase production to meet customer demand.

Borregaard Energy again achieved very satisfactory profit in the third quarter, slightly higher than last year. Borregaard's own production and contract based supply of power were lower, resulting in lower sales

volume on the market, but this was partly offset by higher prices. Profit from financial power trading was higher than last year.

FINANCIAL INVESTMENTS

Total pre-tax profit for the Financial Investments division in the third quarter was NOK 334 million (NOK 850 million)¹.

The rise in the value of Orkla's investment portfolio was relatively good in the third quarter, and the return on the portfolio was 4.9 %. The Morgan Stanley Nordic Index rose 5.4 % and the Oslo Stock Exchange Benchmark Index fell 1.3 %. So far this year, the return on the portfolio has been 14.0 % compared to 11.0 % for the Morgan Stanley Nordic Index and 11.8 % for the Oslo Stock Exchange Benchmark Index.

Relatively few portfolio gains were realised and combined with a change in the fair value of associates they amounted to NOK 199 million (NOK 672 million)¹. Dividends received totalled NOK 119 million (NOK 109 million)¹.

Net purchases of shares totalled NOK 598 million in the third quarter. The net asset value of the portfolio rose by NOK 859 million during the quarter, totalling NOK 18,780 million at quarter-end. The market value of the portfolio was NOK 17,592 million and investments outside Norway accounted for 52 %. At the end of September, unrealised gains amounted to NOK 5,319 million, equivalent to 30 % of the portfolio's market value.

The high activity in the field of investment advisory services continues for Orkla Finans. Two new offices were opened, in Kristiansand and Sandvika, in the third quarter. Operating revenues for the quarter amounted to NOK 55 million (NOK 52 million)¹ and operating profit was NOK 5 million (NOK 4 million)¹.

No gains were realised on real estate in the third quarter, and operating profit for Orkla Real Estate was NOK -2 million (NOK 65 million)¹.

DISCONTINUED OPERATIONS

As mentioned earlier, the sale of the media business was recognised in the financial statements for the third quarter. The net contribution to profit from discontinued operations was NOK 4,002 million (NOK 1 million)¹ in the third quarter and NOK 4,144 million (NOK 41 million)¹ so far this year.

The final settlement took place on 11 October and therefore the effect of the transaction will not appear in the cash flow statement until the fourth quarter.

CASH FLOW AND FINANCIAL SITUATION

Cash flow from operating activities totalled NOK 1,285 million in the third quarter, up NOK 178 million from the same quarter of last year. Working capital was slightly reduced, primarily due to reduced inventories at Elkem, while the continuing high price of aluminium increased the value of Sapa's inventories.

Expansion investments amounted to NOK 268 million in the third quarter and were largely related to Elkem and the hydropower development at Saudefaldene, the anode factory at Mosjøen and the capitalisation of costs related to the solar project.

In the third quarter, acquisitions amounted to NOK 900 million, most of which was related to Orkla Brands' purchase of Dansk Droge.

Net purchases of portfolio shares in the third quarter amounted to NOK 598 million (net sales of NOK 357 million)¹. Net third-quarter purchases of Orkla's own shares amounted to NOK 292 million (net sales of NOK 11 million)¹.

Net interest-bearing liabilities increased by NOK 1,169 million, amounting to NOK 19,430 million at quarter-end. The sale of the media business alone will reduce net interest-bearing liabilities by approximately NOK 6.5 billion in the fourth quarter.

The Group's average borrowing rate on interest-bearing liabilities was 4.1 % in the third quarter and the proportion of interest-bearing liabilities at floating interest rate was 81 %. The loans were mainly in SEK, EUR, USD and NOK. At the end of September, the equity-to-total-assets ratio was 53.6 %.

OUTLOOK

Macro-economic indicators confirm the picture of a slight slowdown in the USA, while the outlook in Europe is somewhat more positive. Inflation data also showed moderating price growth in most regions.

Moderate growth is anticipated on the Nordic grocery market, but the larger proportion of private labels means that the market is still challenging in most categories. Outside the Nordic region profitability remains weak in certain Branded Consumer Goods companies.

Energy prices in Norway are expected to remain high. At the end of September, the resource situation for Elkem, in the form of reservoirs, was generally somewhat weaker than normal for the time of year, but reservoir levels were better than the average in Norway.

For Sapa, market prospects are still positive for profiles and building systems in Europe, even though growth may be lower than at the start of the year. In the USA, the market for profiles is expected to be relatively weak in the fourth quarter. Aluminium prices are expected to remain high in the fourth quarter. Although there has been a moderate rise in demand for Borregaard's products at the start of the fourth quarter, the company still faces challenging operating parameters.

Cost reduction and improvement projects that are being carried out in all parts of the Group are expected to make a positive contribution.

Overall, the Nordic financial markets improved in the third quarter, although the Norwegian market declined slightly.