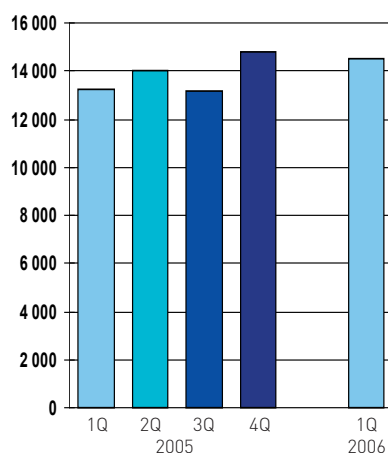


KEY FIGURES FIRST QUARTER FOR ORKLA ASA

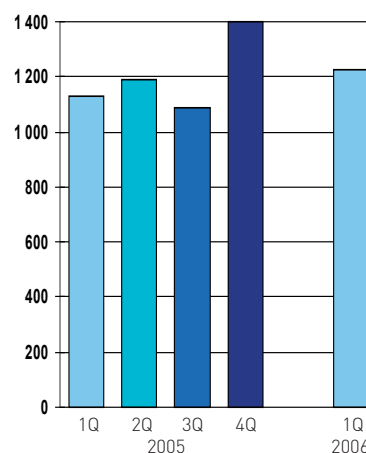
Amounts in NOK million	1.1.-31.3.		1.1.-31.12.
	2006	2005	2005
Operating revenues	14,530	13,273	55,304
Operating profit before amortisation and other revenues and expenses	1,223	1,128	4,805
Profit before taxes	2,210	1,687	7,206
Earnings per share diluted (NOK)	8.4	5.5	28.1
Cash flow from operations	647	658	4,342
Net interest-bearing debt	15,276	8,831	15,445
Equity (%)	52.8	47.7	50.8
Net gearing	0.38	0.25	0.41

OPERATING REVENUES

NOK million


OPERATING PROFIT*

NOK million



* Before amortisation and other revenues and expenses

THE FIRST QUARTER IN BRIEF

- Group pre-tax profit totalled NOK 2,210 million (NOK 1,687 million)¹. First quarter earnings per share were NOK 2.9 higher than in the same period of 2005 and amounted to NOK 8.4.
- Market growth in Europe helped to boost sales volume and profit growth for Sapa. High energy prices and substantial gains from power trading contributed to good results for both Elkem's and Borregaard's energy businesses.
- In the Branded Consumer Goods area, Orkla Foods and Orkla Brands reported profit performance on a par with or marginally weaker than in the first quarter of last year. In Denmark, Orkla Media continued to achieve profit growth, driven by rising advertising revenues.
- The positive trend from 2005 continued for Orkla Finans. In the Financial Investments division, book portfolio gains amounted to NOK 696 million in the first quarter. The return on the investment portfolio was 11.5 %, and the net asset value increased by NOK 1,858 million in the first quarter.

¹ Figures in brackets are for the same period last year

MAIN TRENDS

Group operating revenues in the first quarter totalled NOK 14,530 million (NOK 13,273 million)¹. New companies contributed approximately NOK 500 million. The fact that Easter came later than last year is considered to have had a positive effect on sales and profit for Orkla Brands, while the effect for Orkla Foods and Orkla Media was considered to be neutral. The improved market situation in Europe contributed to significant volume growth for Sapa. Underlying² growth for Sapa's operating revenues was 20 % compared with the first quarter of last year. The NOK strengthened against EUR-related currencies compared with the first quarter of last year, which resulted in a negative currency translation effect of more than NOK 100 million.

Group operating profit before amortisation totalled NOK 1,223 million for the first quarter (NOK 1,128 million)¹. On the Nordic market, Orkla Foods and Orkla Brands reported relatively stable profit growth on a par with the corresponding period of last year. Although the Swedish market is still challenging, both Procordia Food and the Snacks business in Sweden achieved slight profit growth during the period. In Orkla Media, Berlingske continued to make progress in Denmark. In addition, the sale of the 50 % stake in the Internet portal Zett generated a gain of around NOK 30 million in Norway.

Sapa achieved growth in volumes and profit due to the positive market situation in Europe and effects of improvement programmes. In Elkem and Borregaard, the energy businesses had a good quarter, with high prices and gains from power trading. Growth for the primary aluminium business was driven by high market prices and good operations at the plants. Market conditions are still difficult for the silicon business, but they are expected to improve somewhat in the second quarter. There is still strong focus on Elkem's project to produce silicon metal for the solar cell industry. During the period, costs related to the solar project amounted to NOK 34 million, NOK 23 million of which were capitalised. Borregaard's operations are still affected by the demanding operating parameters, high oil-related costs and reduced effect of currency hedges. At LignoTech, this was partially offset by improved volumes, prices and product mix.

There was a high level of activity in the field of investment advisory services and provision of alternative investments in Orkla Finans. First quarter operating profit was NOK 41 million, compared with NOK 8 million in the first quarter of last year.

Associates primarily consist of Jotun and Elkem's investment in the Renewable Energy Corporation (REC). At the beginning of the year, REC had two previously issued convertible bonds. Under IFRS, these bonds are treated as debt instruments and the option element is shown as a financial expense in the financial statements (see separate report on IFRS effects at www.recgroup.com). This imputed cost will depend on the difference between the conversion price and the value of the underlying share. The respective bonds were converted at the end of March, and the change in value up to the time of conversion will affect REC's official first quarter results. Because REC's results are published after Orkla's, Orkla has chosen to report the contribution to profit from REC at zero in the first quarter. On the other hand, Orkla

also owned a share in REC's convertible bonds that were converted at the end of March. Under IFRS, the increase in value up to the time of conversion must be taken to income in Orkla's financial statements. This imputed income, amounting to NOK 283 million, is reported under other financial revenues.

The return on Orkla's investment portfolio was 11.5 % in the first quarter, compared with a rise of 19.2 % for the Oslo Stock Exchange Benchmark Index and of 6.3 % for the dividend-adjusted FTSE World Index. Book portfolio gains totalled NOK 696 million (NOK 512 million)¹ in the first quarter. At quarter-end, unrealised gains amounted to just over NOK 6.1 billion.

Group earnings per share diluted totalled NOK 8.4 (NOK 5.5)¹. The improvement was due to the gain related to the adjustment of the value of the investment in REC and profit growth in the Industry division. Higher dividends received and realised portfolio gains in the Financial Investments division also made a positive contribution. Before amortisation and other revenues and expenses, earnings per share amounted to NOK 8.6 (NOK 5.7)¹. At the end of the first quarter, the tax charge is estimated to be 20 %.

ORKLA FOODS

- Underlying² sales growth of 3 % for Orkla Foods Nordic, driven by several successful launches
- Agreement to buy a chocolate company in St. Petersburg

Orkla Foods' operating revenues amounted to NOK 3,199 million (NOK 3,154 million)¹. Underlying² operating revenues were on a par with the first quarter of 2005. Operating profit before amortisation was NOK 174 million (NOK 181 million)¹. The underlying² decline was NOK 5 million, mainly due to weaker sales on the Russian market at the beginning of the year. Easter effects are in sum considered to be neutral for Orkla Foods in comparison with 2005.

Orkla Foods Nordic posted operating revenues of NOK 2,111 million (NOK 2,059 million)¹. Underlying² growth was 3 %, driven by several successful launches. Operating profit before amortisation for Orkla Foods Nordic totalled NOK 152 million (NOK 151 million)¹. Procordia Food in Sweden and Bakers in Norway increased their operating profit in the first quarter thanks to extensive efficiency measures. Higher exports from Panda and new launches by Felix Abba led to improvements in Finland. Higher raw material prices for herring and declining prices on the Swedish grocery market resulted in lower sales revenues and operating profit for Abba Seafood. In Denmark, Beauvais improved its underlying² operating revenues, but its operating profit was slightly weaker.

Orkla Foods International posted operating revenues of NOK 505 million (NOK 537 million)¹. Operating profit before amortisation was NOK 3 million (NOK 12 million)¹. In Russia, SladCo reported lower revenues than in the first quarter of last year, partly due to extremely cold weather in January and a certain amount of downsizing of inventories by customers and distributors. The sales function was strengthened with the appointment of a new sales director. Sales revenues increased by

² Excluding acquisitions and divestments and currency translation effects

GROUP INCOME STATEMENT

Amounts in NOK million	1.1.–31.3.		1.1.–31.12.
	2006	2005	2005
Operating revenues	14,530	13,273	55,304
Operating expenses	(12,786)	(11,620)	(48,350)
Depreciations and write-downs of tangible assets	(521)	(525)	(2,149)
Amortisation intangible assets	(53)	(49)	(236)
Other revenues and expenses	0	0	(312)
Operating profit	1,170	1,079	4,257
Profit from associates	49	29	196
Dividends	149	145	1,019
Gains and losses/write-downs portfolio investments	696	512	2,186
Financial items, net	146	(78)	(452)
Profit before taxes	2,210	1,687	7,206
Taxes	(442)	(388)	(1,162)
Profit after taxes	1,768	1,299	6,044
Minority	26	162	246
Profit before tax, Industry division	1,279	903	3,722
Profit before tax, Financial Investments division	931	784	3,484
Earnings per share (NOK)	8.4	5.5	28.1
Earnings per share diluted (NOK)	8.4	5.5	28.1
Earnings per share diluted (NOK)*	8.6	5.7	30.1

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

* Before amortisation and other revenues and expenses

10 % in the Baltic States, while operating profit improved slightly in Poland, the Czech Republic, Romania and Austria. Orkla has entered into an agreement to buy more than 75 % of the shares in the Russian chocolate company Krupskaya.

Orkla Food Ingredients reported operating revenues of NOK 651 million (NOK 622 million)¹. Operating profit before amortisation was NOK 19 million (NOK 18 million)¹. The improvement programmes are proceeding according to plan.

ORKLA BRANDS

- Acquisitions in 2005 contributed to growth for the Snacks business and Dietary Supplements and Health Products
- Comprehensive improvement project being implemented in Confectionery

Orkla Brands' operating revenues totalled NOK 1,708 million (NOK 1,348 million)¹ in the first quarter. The Snacks business, Confectionery and Dietary Supplements and Health Products reported underlying² growth in operating revenues, while there was a slight decline in the other areas. The sales performance of the Biscuits business was still weak in Sweden, where there is strong competition from private labels. In Norway, sales for the Snacks business were particularly good, driven by innovation and increased distribution. Lilleborg reported underlying² sales growth for personal hygiene products, while sales of detergents were somewhat lower. The process of merging the activities of Peter

Möller and Collett Pharma proceeded as planned and sales growth was good. Easter sales for the Confectionery business were good, while sales of other products were slightly weaker than last year.

Operating profit before amortisation totalled NOK 251 million in the first quarter (NOK 230 million)¹, which is on a par with last year when new business is taken into account. All in all, the Easter effects for Orkla Brands were positive compared with last year, especially for Confectionery and Lilleborg. Market pressure on prices and somewhat higher prices for input factors were offset by internal improvement activities.

The confectionery business will implement a project to improve production aimed at reducing annual costs by around NOK 50 million. The impact on profit of these efforts, which is mainly expected to be realised in 2007, will be an important contribution towards Orkla Brands achieving its overall goal of reducing its cost base by at least NOK 200 million by 2008.

The Household Textiles business has extensively restructured parts of the product portfolio. This process included the launch of two new underwear ranges under the Pierre Robert and Axe labels in Norway and Sweden. This business area has also achieved broader distribution in Norway. Other major launches in the first quarter included Doc Pluss (Confectionery), Jif Window System and OMO tablets (Lilleborg), Café Mini Brownies (the Biscuits business) and OLV Cheez Cruncherz (the Snacks business).

OPERATING REVENUES

	1.1.–31.3.		1.1.–31.12.
Amounts in NOK million	2006	2005	2005
Orkla Foods Nordic	2,111	2,059	8,864
Orkla Food Ingredients	651	622	2,743
Orkla Foods International	505	537	2,312
Eliminations Orkla Foods	(68)	(64)	(269)
Orkla Foods	3,199	3,154	13,650
Orkla Brands	1,708	1,348	6,336
Orkla Media	2,200	2,087	8,677
Eliminations Branded Consumer Goods	(29)	(64)	(255)
Branded Consumer Goods	7,078	6,525	28,408
Elkem Energy	358	347	1,473
Elkem Aluminium	662	604	2,333
Elkem Silicon-related	1,355	1,601	6,469
Eliminations Elkem	(182)	(296)	(1,147)
Elkem	2,193	2,256	9,128
Sapa	3,944	3,192	12,517
Borregaard Energy	96	69	343
Borregaard Chemicals	1,044	1,066	4,170
Eliminations Borregaard	(39)	(45)	(155)
Borregaard	1,101	1,090	4,358
Eliminations Speciality Materials	1	(24)	(92)
Speciality Materials	7,239	6,514	25,911
H.O./Unallocated/Eliminations	(14)	(7)	(19)
Industry division	14,303	13,032	54,300
Financial Investments division	227	241	1,004
Group	14,530	13,273	55,304

* Before amortisation and other revenues and expenses

OPERATING PROFIT*

	1.1.–31.3.		1.1.–31.12.
	2006	2005	2005
	152	151	997
	19	18	143
	3	12	73
	-	-	-
	174	181	1,213
	251	230	1,049
	75	28	425
	-	-	-
	500	439	2,687
	256	198	571
	141	120	452
	15	54	131
	-	-	-
	412	372	1,154
	232	133	496
	51	33	157
	14	46	142
	-	-	-
	65	79	299
	-	-	-
	709	584	1,949
	(53)	(37)	(137)
	1,156	986	4,499
	67	142	306
	1,223	1,128	4,805

The Snacks business in Norway strengthened its market share, while the market share of the Biscuits business in Sweden declined slightly. Other market shares were largely unchanged.

ORKLA MEDIA

- Continued growth in advertising revenues and profit for Berlingske in Denmark
- Gain on the sale of Orkla Media's interest in Zett. Intensified investment in Tinde

Orkla Media's operating revenues amounted to NOK 2,200 million in the first quarter (NOK 2,087 million)¹, equivalent to 4 % underlying² growth. The improvement was largely ascribable to positive revenue growth for the Danish newspaper business. Operating profit before amortisation was NOK 75 million, up NOK 47 million from the same period last year. All in all, Orkla Media experienced no significant Easter effects. Non-recurring effects amounting to NOK 30 million in the first quarter were largely due to the gain on the sale of Media's 50 % stake in Zett. The freed-up capital from the sale will be used to intensify investment in Tinde.

Berlingske's profit was significantly higher than in the first quarter of last year, largely driven by the improvement in advertising revenues. The market for «situations vacant» advertisements continued to grow.

Newspapers Norway reported profit growth compared with the same period last year. The Oslo Project, which is Orkla Media's project for local free newspapers in the Oslo region, achieved significant growth in sales, but it is still in the investment phase and profit was negative.

Newspapers Central and Eastern Europe reported a slight decline in profit in the first quarter compared with last year, mainly due to larger investments in marketing to meet the intensified competitive situation.

First quarter profit for Magazines in Norway was on a par with last year.

Direct Marketing achieved profit growth in the first quarter compared with the corresponding period of last year. This improvement was largely the result of the cost reduction measures that have been implemented in this sector.

ELKEM

- High market prices and profit growth for the primary aluminium business
- High power prices and substantial gains from power trading contributed to good results for the energy business
- Markets for silicon metal and ferrosilicon still weak

Elkem's operating revenues for the first quarter totalled NOK 2,193 million (NOK 2,256 million)¹. Operating profit before amortisation amounted to NOK 412 million, which is NOK 40 million higher than in the same period last year.

Results for the primary aluminium business were better than in the first quarter of 2005. The average price of aluminium for three months delivery on the London Metal Exchange (LME) was USD 2,443 in the first quarter, up from USD 1,887 in the first quarter of 2005. Volume delivered totalled 82,344 tonnes, which was 1 % higher than in 2005. Operations at both aluminium plants were good during the quarter. A metal hedge loss of NOK 86 million and a currency hedge gain of NOK 7 million were reported in the income statement for the first quarter. Prices of primary aluminium remained high at the start of the second quarter, and the market is expected to stay strong for the remainder of the quarter.

The energy business reported very good first quarter results. Hydro-power production in Norway totalled 797 GWh, down 109 GWh from the corresponding period in 2005. There has been less inflow in western and northern Norway than usual. However, profit from trading was significantly higher than in previous periods. In the first quarter the spot price on the Nordic market rose from 32 øre/kWh in January to 35 øre/kWh in February and to 42 øre/kWh in March. Due to seasonal fluctuations, lower profit is expected from the energy business in the next two quarters. At the end of the first quarter, resources in the form of water reservoirs and, in particular, snow accumulation were slightly lower than normal for this time of year.

Results for the silicon-related units were somewhat weaker than in the same period last year. The market for silicon metal and ferrosilicon remained weak in the first quarter, but market prices for ferrosilicon are expected to rise in the second quarter due to reduced production capacity in Europe. The production unit on Iceland did not operate as well as expected. Operations and profit growth in the other silicon-related units were good. However, profit from Elkem Chartering was lower than in the same period in 2005 due to the weaker dry bulk market. The strong focus on Elkem's project for manufacturing silicon metal for the solar cell industry continued in the first quarter.

On Wednesday 12 April a serious accident occurred at the Elkem Thamshavn silicon metal plant in Orkanger, Norway. The explosion resulted in five workers being injured. One worker was critically injured and is still being treated at hospital, while the other four received minor injuries and have been discharged from hospital. The causes of the accident are currently being investigated. The scale of the material damage and amount of time required to rebuild the melting furnace has yet to be clarified.

SAPA

- Positive market performance and higher demand on the European market for extrusions
- Strong growth in China led to improved performance for Heat Transfer
- Productivity improved as a result of efficiency improvement programmes
- First quarter operating profit increased by 74 % to NOK 232 million

Volume delivered in the first quarter totalled 114,030 tonnes (98,160 tonnes)¹, equivalent to an increase of 16 %. Volume for Profiles in Europe and USA increased by 22 % and 11 % respectively, while volume for Heat Transfer increased by 7 %. The purchase of the Slovakian extrusion company Alufinal, now Sapa Profily, increased total volume by around 4,000 tonnes. The improvements in the European market situation in the fourth quarter of 2005 continued into 2006, and demand was higher on most markets in Europe in the first quarter. In the USA, demand remained high in most market segments. The performance of the Heat Transfer business was mixed. In Sweden, volume declined slightly due to increased price competition and somewhat lower demand. On the other hand, the Chinese operation continued to report good volume growth.

First quarter operating revenues ended at NOK 3,944 million (NOK 3,192 million)¹. In SEK this represented a 30 % growth, which in addition to increased volume can largely be ascribed to a higher metal price. Compared with the same quarter in 2005, the average price of aluminium delivered on the LME rose 29 %. Due to acquisitions, total operating revenues increased by 3 %.

Operating profit before amortisation rose 74 % in the first quarter to NOK 232 million (NOK 133 million)¹. Besides the strong growth in volume, this rise is the result of increased productivity resulting from the comprehensive improvement programmes initiated in the first half of 2005. Improvements have been achieved in all parts of Sapa. In the UK and Portugal, where results were negative for a period of time, restructuring measures and higher sales generated positive results. The rise in the price of aluminium, which continued from the year before, has had a negative impact on operating profit due to the delay in raising sales prices.

BORREGAARD

- Good profitability in the energy business
- Progress for the ingredients and pharmaceuticals businesses
- Production problems and high costs, reduces profit for ChemCell
- Restructuring and improvement measures carried out as planned

Borregaard's operating revenues for the first quarter totalled NOK 1,101 million (NOK 1,090 million)¹, which is an underlying² increase of 1 % from the same quarter in 2005.

Operating profit before amortisation amounted to NOK 65 million (NOK 79 million)¹. The decline is primarily ascribable to poorer results from Borregaard ChemCell and Borregaard LignoTech, while Borregaard

GROUP BALANCE SHEET

	31.3. 2006	31.3. 2005	31.12. 2005
Amounts in NOK million			
Intangible assets	17,875	16,320	18,077
Tangible assets	17,199	17,215	16,912
Financial long-term assets	4,469	7,114	3,629
Non-current assets	39,543	40,649	38,618
Inventories	6,374	5,839	6,055
Receivables	10,980	10,172	11,348
Portfolio investments	17,333	14,518	16,177
Cash and cash equivalents	2,417	2,235	2,411
Current assets	37,104	32,764	35,991
Total assets	76,647	73,413	74,609
Paid-in equity	2,011	2,008	2,010
Earned equity	37,705	31,793	35,167
Minority interests	758	1,229	746
Equity	40,474	35,030	37,923
Provisions	5,635	6,366	5,799
Non-current interest-bearing liabilities	13,737	12,843	13,045
Current interest-bearing liabilities	4,180	2,705	5,703
Other current liabilities	12,621	16,469	12,139
Equity and liabilities	76,647	73,413	74,609
Equity ratio (%)	52.8	47.7	50.8

CHANGE IN EQUITY

	1.1.–31.3. 2006	1.1.–31.3. 2005	31.12. 2005
Amounts in NOK million			
Equity 1 January	37,177	31,246	31,246
Profit for the year after minorities	1,742	1,137	5,798
Dividend			(1,952)
Sale of own shares	25	24	63
Change in fair value portfolio	1,015	422	1,536
Change in fair value hedging instruments	(99)	(127)	(571)
Option costs	25	3	26
All-inclusive principle due to acquisitions		1,186	1,445
Translation effects	(169)	(90)	(414)
Equity at end of period	39,716	33,801	37,177

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

CASH FLOW

	1.1.–31.3. 2006	1.1.–31.3. 2005	1.1.–31.12. 2005
Amounts in NOK million			
Industry division:			
Operating profit	1,103	937	3,951
Amortisations, depreciations and write-downs	572	569	2,487
Change in net working capital	(560)	(319)	(450)
Cash flow from operations before net replacement expenditures	1,115	1,187	5,988
Net replacement expenditures	(468)	(529)	(1,646)
Cash flow from operations	647	658	4,342
Financial items, net	(166)	(59)	(494)
Cash flow from Industry division	481	599	3,848
Cash flow from Financial Investments division	562	(90)	706
Taxes paid	(511)	(340)	(1,245)
Other	126	(107)	220
Cash flow before capital transactions	658	62	3,529
Dividends paid	(21)	(1)	(2,081)
Shares buy back	25	24	63
Cash flow before expansion	662	85	1,511
Expansion investments, Industry division	(256)	(2)	(737)
Sold companies	56	0	383
Acquired companies	(811)	(9,892)	(18,672)
Net purchases/sales portfolio investments	478	(227)	660
Net cash flow	129	(10,036)	(16,855)
Currency translation net interest-bearing debt	40	23	228
Change in net interest-bearing debt	(169)	10,013	16,627
Net interest-bearing debt	15,276	8,831	15,445

Energy and Borregaard Ingredients and Pharma (the former Borregaard Synthesis and the yeast and speciality oil businesses) reported improved results. Production problems and high costs at ChemCell, high oil-related costs and reduced effect of currency hedges had a negative impact, while price increases, an improved product mix, financial power trading and the effects of improvement programmes contributed positively.

At Borregaard Fabrikker in Sarpsborg, oil was spilled into the Glomma River in March due to a leak in a discharge pipe for fuel oil. Borregaard has been reported to the police for this incident. In March the Norwegian Competition Authority secured evidence at Borregaard in Sarpsborg in order to disprove or confirm whether the company has contravened the Competition Act. The matter concerns one product segment on the Norwegian market within Borregaard's trading department.

Borregaard LignoTech reported slightly lower profit than in the first quarter of last year. Higher sales volume, a somewhat better product mix and higher prices were offset by high oil-related costs (energy and freight) and the reduced effect of currency hedges. Borregaard has decided to wind up its production of around 40,000 tonnes of lignin in Vargön, Sweden, from the summer 2006. In March, Borregaard signed an agreement to purchase the Brazilian lignin company Melbar, which has an annual production capacity of 36,000 tonnes.

Borregaard ChemCell's first quarter profit was considerably lower than in the corresponding period of 2005 due to poor operations and high costs. High energy costs, increased timber prices in Switzerland and the reduced effect of currency hedges also had negative effects. However, sales volumes were somewhat higher than last year, with sales directed towards more specialised products that are sold at higher prices.

Borregaard Ingredients and Pharma posted better results than in the same period in 2005. Delivered volumes of pharmaceutical intermediates were high and capacity utilisation was good. The business in Italy (diphenols) reported progress. In the aroma chemicals business there was strong demand and higher prices, particularly for ethyl vanillin. The yeast business in Switzerland improved its results, but profitability is still weak. In the first quarter Borregaard sold all of its shares (100 %) in the Chinese company Borregaard Taicang Chemicals to the Japanese company Otsuka Chemicals. This sale is part of the ongoing process of restructuring the fine chemicals business outside Norway.

Borregaard Energy achieved good quarterly results that were well above last year's level. This increase was largely due to the good contribution from financial power trading. High sales volume on the market due to the company's own substantial production and a steady supply of contracts also helped to boost profit. The prices obtained were higher than in 2005. In March Borregaard purchased a minority shareholding (39 %) in the Mossefossen power plant, which is equivalent to an annual production of 5 GWh. The power plant is now wholly owned by Borregaard.

FINANCIAL INVESTMENTS

The Morgan Stanley Nordic Index rose 13.9 % in the first quarter. After climbing 40.5 % in 2005, the Oslo Stock Exchange Benchmark Index was up 19.2 %. The dividend-adjusted FTSE World Index showed a rise of 6.3 %. The first quarter return on Orkla's investment portfolio was 11.5 %.

Portfolio gains recognised in the income statement in the first quarter totalled NOK 696 million (NOK 512 million)¹. Dividends received amounted to NOK 149 million (NOK 142 million)¹.

Net sales of shares in the first quarter amounted to NOK 478 million. Net asset value increased by NOK 1,858 million in the quarter to NOK 18,900 million. At quarter-end, the market value of the portfolio was NOK 17,319 million, and investments outside Norway accounted for 50 % of the portfolio. Unrealised gains totalled NOK 6,117 million at the end of the first quarter and were equivalent to 35 % of the portfolio's market value.

Orkla Finans continued to achieve good growth and perform well. In the first quarter operating revenues totalled NOK 120 million (NOK 52 million)¹ and operating profit amounted to NOK 41 million (NOK 8 million)¹. There was a high level of activity in investment counselling and provision of alternative investment products.

In Orkla Real Estate, the first phase of the Ringnes development project was completed and delivered. First quarter operating profit amounted to NOK 35 million (NOK 139 million)¹.

In total, the Financial Investments division reported pre-tax operating profit of NOK 931 million (NOK 784 million)¹ for the first quarter.

CASH FLOW AND FINANCIAL SITUATION

Cash flow from operating activities totalled NOK 647 million in the first quarter, which is on a par with the same quarter last year. A seasonal increase in working capital in the Branded Consumer Goods division is mainly ascribable to higher receivables due to increased sales towards the end of the quarter. At Elkem, inventories of finished silicon metal and ferrosilicon products are still substantial. Higher aluminium prices led to an increase in receivables for both Elkem and Sapa, as well as higher value of inventory for Sapa.

Expansion investments amounted to NOK 256 million in the first quarter and were largely related to Elkem, where the expansion of the Saudefaldene hydropower plant, the anode factory in Mosjøen and the solar project accounted for the main disbursements.

Acquisitions totalled NOK 811 million in the first quarter. Elkem's conversion of the REC bonds account for most of this amount. Other companies acquired consist of minor investments by Orkla Media and the purchase of Martin Nordby by Orkla Foods. Divestments largely consist of Orkla Media's sale of its interest in Zett.

Net first quarter sales of portfolio investments amounted to NOK 478 million (net purchases amounting to NOK 457 million)¹. In the first quarter Orkla realised net sales of its own shares amounting to NOK 25 million (NOK 24 million)¹ in connection with the exercise of share options.

The Orkla Group had a positive net cash flow of NOK 129 million in the first quarter. Net interest-bearing liabilities were reduced by NOK 169 million and totalled NOK 15,276 million as of 31 March 2006.

The average interest rate for the Group's interest-bearing liabilities in the first quarter was 3.4 % and the proportion of interest-bearing liabilities at floating interest rates was 80 %. These loans were mainly in SEK, EUR, USD and NOK. As of 31 March 2006, the equity to total assets ratio was 52.8 %.

OTHER MATTERS

At the Annual General Meeting held on 28 April 2006, Nils-Henrik Pettersson and Gunn Wærsted were re-elected as members of the Corporate Assembly, while Lars Windfeldt, Anne Guddefin, Olaug Svarva, Dag Mejdell and Marianne Blystad were elected as new

members for two years. Peter Ruzicka was elected as member of the Corporate Assembly for one year. Benedikte Bjørn and Ann Kristin Brautaset were elected as deputy members.

OUTLOOK

There are no clear indications of any significant changes in the international economic situation in the second quarter. The macro-economic situation is generally considered to be positive, but the major imbalances in the world economy still entail a considerable risk to future developments. Especially will a strong NOK and a weaker USD have negative effects on Orkla's profits.

The Nordic grocery market is still challenging due to the growth of private labels in most categories. At the end of February, there was growth on the Swedish and Finnish grocery markets, while the market in Norway was stable. In Denmark the trend was slightly negative. While there is growth on most East European markets, there is also growing

pressure on prices due to the consolidation of the grocery market. Orkla Media's advertising markets are expected to continue to grow.

The resource situation is weaker than normal for this time of year as there was little snow in western and northern Norway last winter. At the same time there is substantial uncertainty regarding the CO₂-quota system in Europe, which may give rise to a volatile price development for energy in the near future. Prices for primary aluminium have continued to rise since the beginning of the year, and are expected to remain high in the second quarter. Sapa is reporting stronger demand and markets for profiles and building systems in Europe are considered to be better than in 2005. Operating parameters for Borregaard are still challenging, but the market outlook has improved slightly for some of the company's products.

The upswing on the Nordic financial markets has continued. There has been a moderate rise in interest rate levels on most markets.

Oslo, 4 May 2006
The Board of Directors of Orkla ASA