



The Orkla Group

First Eight Months of 1999

1 October 1999

Highlights

- Profit growth for Nordic food and beverages
- Continued strong performance for BBH
- Chemicals - still weak profits
- Improvement programmes proceeding as planned

Income Statement

in NOK million

	1 Jan - 31 Aug		1 May - 31 Aug	
	1999	1998	1999	1998
Operating income	20 177	20 271	10 544	10 692
Operating profit before goodwill				
amortisation and other income and expenses	1 616	1 749	1 126	1 140
Goodwill amortisation	-296	-275	-147	-140
Other income and expenses	93	-259	93	-259
Operating profit	1 413	1 215	1 072	741
Associated companies	97	172	65	85
Dividends received	313	293	181	195
Portfolio gains	342	903	68	513
Financial items, net	-605	-697	-294	-426
Profit before tax	1 560	1 886	1 092	1 108
Profit after tax	1 201	1 377	859	801
- Minority interests	99	92	80	53

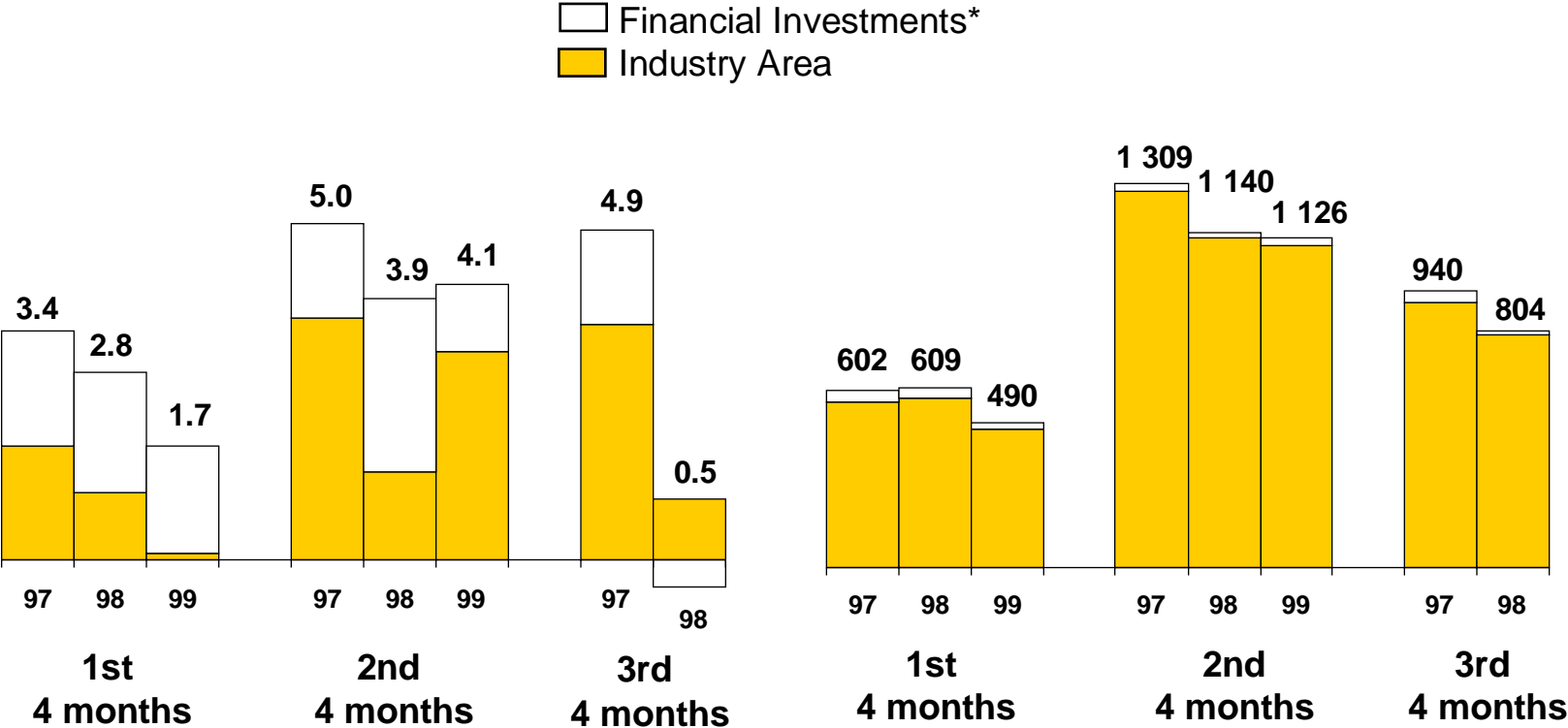
EPS and operating profit by 4-month period

Earnings per share NOK

* Tax split pro forma according to average tax rate

Operating profit in NOK million

Excluding goodwill amortisation and other income and expenses



Cash flow statement

in NOK million

Cash flow from operations

Net capital expenditure

Financial items paid

Free cash flow Industry

Free cash flow Financial Investments

Taxes and dividends paid

Miscellaneous

Self-financing capacity

Expansion investments, industry

Net acquisitions/sales portfolio investments

Share buy back

Net cash flow

1 Jan - 31 Aug

1999

1998

Year

1998

2 161

2 116

3 629

-637

-1 069

-1 726

-549

-447

-631

975

600

1 272

378

-132

321

-838

-1 035

-1 494

167

-173

-102

682

-740

-3

-769

-1 010

-1 295

-1 108

276

421

-186

0

0

-1 381

-1 474

-877

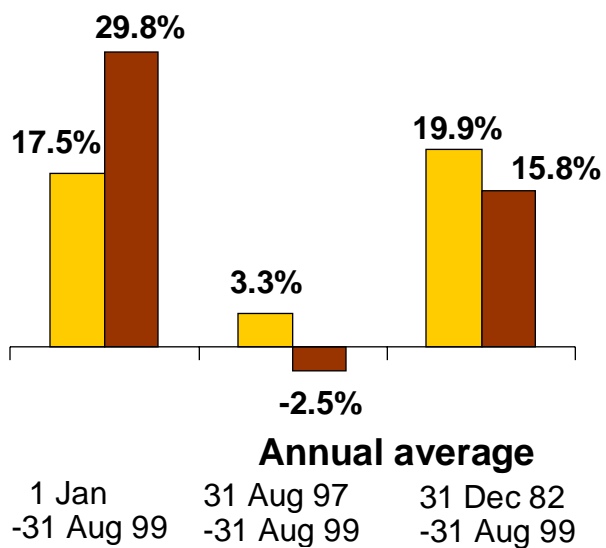
Balance sheet - some key figures

in NOK million	31 Aug 99	31 Dec 98
Long-term assets	21 216	21 079
Portfolio investments etc.	9 984	8 851
Short-term assets	9 269	8 702
Total assets	40 469	38 632
Equity to total assets ratio		
- Book	34.5%	34.3%
- Incl. unrealised capital gains before tax	42.6%	40.6%
Net interest-bearing liabilities	15 925	14 544

Portfolio performance

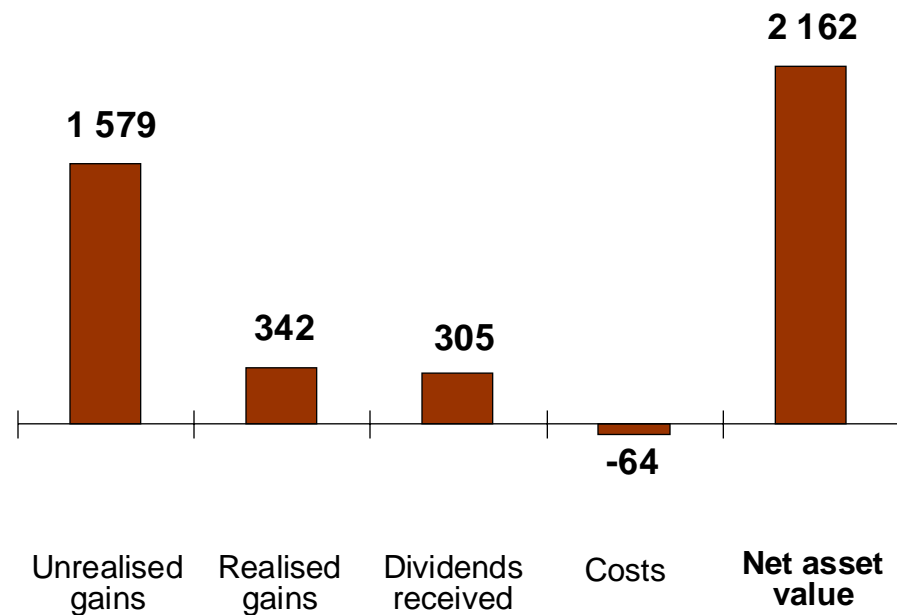
Return

- Orkla's portfolio
- Oslo Stock Exchange



Value added 1 Jan - 31 Aug 1999

NOK million



Portfolio key figures

in NOK million

Market value

Net asset value

Unrealised gains before tax

Share of portfolio invested outside Norway

	31 Aug 99	31 Dec 98	Change 1999
Market value	15 548	12 624	2 924
Net asset value	12 572	10 410	2 162
Unrealised gains before tax	5 708	4 129	1 579
Share of portfolio invested outside Norway	29%	29%	0%-p

Portfolio as of 31 August 1999

Principal holdings	Industry	Share of equity (%)	Share of portfolio (%)	Market value (NOK million)
Elkem	Metals	25.3	11.2	1 746
Storebrand	Insurance	10.0	9.2	1 438
NetCom	Telecommunications	10.1	7.6	1 184
Dyno	Chemicals	18.1	4.9	767
Nokia	Telecommunications	0.2	4.7	736
Nycomed Amersham	Pharmaceuticals	1.4	2.9	450
Elkjøp	Trading/Retail	8.9	2.5	385
Hafslund	Energy	8.6	2.4	368
Chips	Food	14.0	2.3	356
Steen & Strøm Invest	Real estate	10.6	2.3	352
Total principal holdings			50.0	7 782

Orkla Foods

in NOK million

	1 Jan - 31 Aug 1999	1 Jan - 31 Aug 1998	1 May - 31 Aug 1999	1 May - 31 Aug 1998
Operating income	6 691	6 495	3 393	3 402
Goodwill amortisation	-110	-108	-55	-55
Operating profit*	424	331	257	227
Operating margin*	6.3%	5.1%	7.6%	6.7%

* Excluding other income and expenses

- Further profit growth in Norway
 - Improved sales and reduced costs
- Positive impact from reduced costs and market growth in Sweden
 - Procordia Food's cost reduction programme on track
 - Abba Seafood strengthens position for core product groups
- Integration of recent acquisition into Food Ingredients Division proceeds as planned
- Continued weak profit for International Division

Orkla Beverages

in NOK million	1 Jan - 31 Aug		1 May - 31 Aug	
	1999	1998	1999	1998
Operating income	4 287	4 719	2 557	2 746
Goodwill amortisation	-99	-95	-49	-49
Operating profit*	384	465	419	395
Operating margin*	9.0%	9.9%	16.4%	14.4%

* Excluding other income and expenses

- Profit growth in the Nordic market
- Continued volume growth and high margins for BBH

Nordic market shares

1st eight months 1999 and 1998

	Norway			Sweden		
	Beer	Soft drinks	Water	Beer	Soft drinks	Water
Total market change	+3%	+2%	+9%	+3%**	+8%	+16%
Pripps Ringnes						
Market share	59%	25%	71%	37%	20%	56%
Change from 1998	0%-p	+2%-p*	0%-p	0%-p	0%-p	0%-p

* Including PepsiCo-products 100% in 98 and 99

** Excluding private imports of beer

- Market shares for beer maintained
- Improved market share for PepsiCo brands in Norway
- Strong market growth for water. Market position maintained
- Stable market shares for private label beer and soft drinks in Norway

Nordic markets

in NOK million	1 Jan - 31 Aug 1999		1 May - 31 Aug 1999	
	1999	1998	1999	1998
Operating income	3 243	3 389	1 866	1 903
Operating profit*	192	77	232	112
Operating margin*	5.9%	2.3%	12.4%	5.9%

* Excluding goodwill amortisation and other income and expenses

- Positive effects from cost reductions and warm summer
- Strong profit growth in Sweden
 - Volume growth and positive mix-effects
- Profit maintained in Norway
 - Strong volume growth for PepsiCo-products and positive mix-effects
 - Canned beer has taken a larger share of the beer market than expected

BBH - Baltic Beverages Holding

in NOK million

Operating income (50%)

Operating profit (50%) *

Operating margin *

Volume in million litres (100%)

Total assets incl. goodwill - NOK billion (50%)

Average RUB/USD exchange rate

	1 Jan - 31 Aug 1999	1 Jan - 31 Aug 1998	1 May - 31 Aug 1999	1 May - 31 Aug 1998
Operating income (50%)	1 051	1 330	696	843
Operating profit (50%) *	312	515	245	353
Operating margin *	29.7%	38.7%	35.2%	41.9%
Volume in million litres (100%)	846	621	559	391
Total assets incl. goodwill - NOK billion (50%)	2.5	1.9		
Average RUB/USD exchange rate	24	6	24	6

* Excluding goodwill amortisation

- 36% volume growth as of Aug 31 99
- Full capacity utilisation and high margin in second 4-month period

Market trends first eight months*

	Market growth	BBH growth	BBH market share	Litres per capita
	1998-99	1998-99	1999**	Year 1998
Russia	26 %	37 %	21 %	23
Ukraine	14 %	23 %	14 %	12
Estonia	27 %	34 %	50 %	47
Latvia	26 %	19 %	48 %	31
Lithuania	21 %	68 %	37 %	44

* Based on estimated figures for imported beer in August

** Average market share for all breweries controlled by BBH by Aug 31

Orkla Brands

in NOK million

	1 Jan - 31 Aug 1999		1 May - 31 Aug 1999	
	1999	1998	1999	1998
Operating income	2 863	2 735	1 432	1 400
Goodwill amortisation	-22	-18	-11	-9
Operating profit*	269	270	161	153
Operating margin*	9.4%	9.9%	11.2%	10.9%

* Excluding other income and expenses

- Market shares and profits stable or improved for most product groups
- Volume growth for biscuits
- Lower profit for Snacks
- Fixed and indirect costs reduced

Orkla Media

in NOK million	1 Jan - 31 Aug		1 May - 31 Aug	
	1999	1998	1999	1998
Operating income	2 126	2 014	1 046	1 003
Goodwill amortisation	-51	-42	-25	-22
Operating profit*	73	91	11	32
Operating margin*	3.4%	4.5%	1.1%	3.2%

* Excluding other income and expenses

- **Mixed picture in Norway**

- Improvement for magazines due to higher advertising volumes and cost reductions
- Slight profit decline for newspapers due to lower advertising volumes
- Profit decline for Direct Marketing, restructuring in progress

- **Lower profits in Poland due to weaker advertising sales in parts of the operation**

Chemicals

in NOK million	1 Jan - 31 Aug		1 May - 31 Aug	
	1999	1998	1999	1998
Operating income	3 692	3 827	1 823	1 894
Operating profit*	146	311	97	174
Operating margin*	4.0%	8.1%	5.3%	9.2%

* Excluding other income and expenses

- Improvement programme in progress
 - Cost reductions and improvement of production yields and output
- Lignin: Continued negative price mix, but signs of recovery in Asia
- Ingredients: Margins still low, but export volumes increasing
- Fine Chemicals: Sales of pharma products slower than expected
- Basic Chemicals: Market prices still low

A and B shares conversion

- One common class of share from mid-December 99
 - Equal voting rights and equal share price
- Rights issue for ORKA
 - Seven ORKA-shares held on Oct 7 99 entitle holder to subscribe for one new share against payment of NOK 6.25 (nominal value)
 - Prospectus distributed end of October
 - Subscription period Nov 8 until Nov 22
 - Subscription rights will be traded on OSE during subscription period
- New shares will be entitled to dividend from 1999