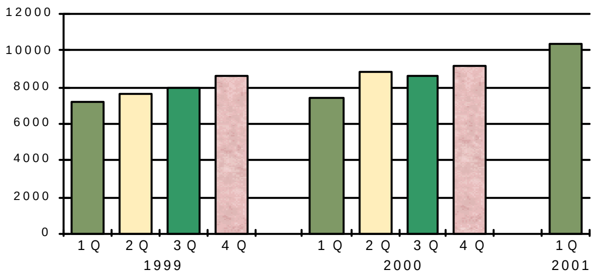
Orkla – First quarter 2001

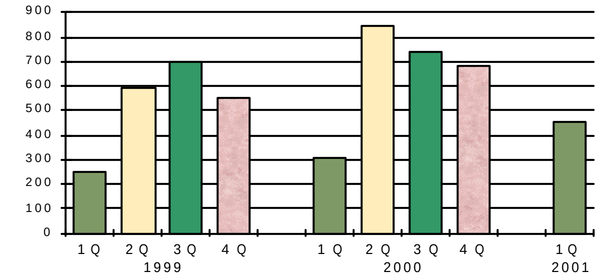
Group Income Statement

Amounts in NOK million	1.1.-31.3. 2001	1.1.-31.3. 2000	1.1.-31.12. 2000
Operating revenues	**10,405**	7,405	34,083
Cost of goods sold	**(4,134)**	(2,816)	(13,850)
Other operating expenses	**(5,167)**	(3,771)	(15,565)
Ord. depreciation and write downs	**(543)**	(397)	(1,618)
Operating profit before goodwill and other revenues and expenses	**561**	421	3,050
Goodwill amortisation and write-downs	**(109)**	(117)	(479)
Other revenues and expenses	**19**	40	36
Operating profit	**471**	344	2,607
Profit from associates	**63**	20	242
Dividends	**98**	15	555
Portfolio gains	**243**	621	2,727
Financial items, net	**(279)**	(221)	(960)
Profit before tax	**596**	779	5,171
Taxes	**(161)**	(209)	(1,388)
Profit after tax	**435**	570	3,783
Of this minority interests	**33**	14	182
Profit before tax, Industry area	**219**	115	1,816
Profit before tax, Financial Investments	**377**	664	3,355
Earnings per share fully diluted (NOK)	**1.9**	2.6	17.0
Earnings per share fully diluted (NOK) *)	**2.3**	3.1	19.5

*) Excluding goodwill amortisation and non-recurring items.

Operating revenues and Operating profit**) in NOK million first quarter





**) Excluding «Other revenues and expenses».

The Orkla Group

From 2001, Orkla will be reporting its results on a quarterly basis. For some of the Group's business areas, sales are subject to seasonal variations, primarily in connection with Easter and the summer season. The variable date of the Easter holiday may therefore lead to a certain displacement of sales between the first and second quarters, while the summer season will be split between the second and third quarters. In 2001, most of the Easter sales were registered in the first quarter, particularly in the case of Orkla Foods. Easter sales also had a positive impact on Orkla Brands' results in comparison with the corresponding period last year.

Main trends

The establishment of Carlsberg Breweries and the acquisition of Det Berlingske Officin (Denmark) and Superfish (Poland) represent a significant expansion of the Orkla Group. Group operating revenues increased to NOK 10,405 million in the first quarter of 2001 compared with NOK 7,405 million last year.

Group pre-tax profit in the first quarter totalled NOK 596 million, compared with NOK 779 million in the corresponding period last year. In the Industry division, Branded Consumer Goods and Chemicals continued to achieve positive growth, and Orkla's operating profit before goodwill amortisation rose 33 % to NOK 561 million. Profit growth in the Chemicals area was driven by volume growth for the lignin business and generally favourable exchange rates. The early pre-Easter sales had a positive impact on results from the Branded Consumer Goods business. The Financial Investments division reported lower realised portolio gains than in the first quarter of last year and was also affected by the negative trend on the Norwegian and international stock markets.

Carlsberg Breweries is now operational after the final agreement on the establishment of the company was signed on 13 February 2001. From the first quarter of 2001, Orkla's Beverage business, represented by 40 % of Carlsberg Breweries, has been consolidated as a jointly controlled business. For accounting purposes, the merger will be treated as a continuing business and the net book value of Orkla's investment will be carried forward. One of the consequences of this is a reduction in Orkla's goodwill in connection with the beverage business, while Carlsberg Breweries' expansion into Feldschlösschen Getränke (Switzerland) and Coca-Cola bottling in Denmark and Finland have generated new goodwill. The net effect is that Orkla's goodwill amortisation relating to the beverage business is approximately NOK 70 million a year lower.

The first quarter is traditionally a slow sales period for the brewery industry, and in comparison with the pro forma figures for the first quarter of 2000, the trends in Carlsberg Breweries' three market areas were somewhat mixed: volume and profit growth continued in Central and Eastern Europe, the Asian market developed as anticipated, while the situation in Northern and Western Europe was unsatisfactory.

The new Nordic structure for the snacks business (CSC) achieved positive profit growth. Newly-acquired Superfish (Poland) also got off to a good start and its results were better than expected. Berlingske is developing as anticipated but, as previously pointed out, in the next few years this investment will have a negative impact on profit after goodwill amortisation and financial items.

The Financial Investments division realised portfolio gains of NOK 243 million in the first quarter. The return on Orkla's investment portfolio was -9.6 % in the first quarter and the net asset value has dropped NOK 1,802 million since the beginning of the year.

In the first quarter, the Group had negative cash flow of NOK 2,904 million and a consequent rise in net interest-bearing debt. This is mainly ascribable to expansion investments in Carlsberg Breweries since 31 May 2000. The most significant transactions in the period were the acquisition of Feldschlösschen, the establishment of Carlsberg Asia and the takeover of Coca-Cola bottling in Denmark and Finland. Due to the expansion of Carlsberg Breweries, the Group's balance sheet total has increased by approximately NOK 6.5 billion since 31 December 2000, which is also the main reason why the equity ratio has fallen 3.3 percentage points since the beginning of the year. At the end of the first quarter, the equity ratio was 32.3 %.

Group earnings per share were NOK 1.9 compared with NOK 2.6 in the first quarter of last year. Before goodwill amortisation and non-recurring items, earnings per share were NOK 2.3 in the first quarter of 2001 compared with NOK 3.1 last year. These calculations are based on a 27 % tax charge, which is approximately on a par with last year.

The Orkla Group

All the Group's business areas reported sales growth in the first quarter. In the case of the Branded Consumer Goods business, sales were affected by pre-Easter purchasing, while new product launches and a high level of activity contributed to volume growth for Orkla Brands. Carlsberg Breweries' (40 %) operating revenues were about NOK 1.0 billion (49 %) higher than the pro forma figures for the first quarter of 2000. This figure includes the effects of the above-mentioned acquisitions. BBH continued to report satisfactory growth, and volume was 27 % higher than in the first quarter of last year. Orkla's Branded Consumer Goods business strengthened or maintained the market positions of its priority categories in the first quarter.

Group operating profit totalled NOK 471 million, compared with 344 million last year. Before other revenues and expenses, operating profit was 49 % higher. For the Industry division, operating profit before other revenues and expenses rose 80 % and was significantly affected by the Group's expansion, while the underlying trend is positive. The Industry division's operating margin (before goodwill amortisation) was 5.3 %.

For Branded Consumer Goods, all business areas contributed to the rise in operating profit, with Orkla Foods and Orkla Brands reporting the strongest profit growth. However, this was largely ascribable to Easter sales being posted in a different reporting period.

The rise in profit for Chemicals was partly driven by volume growth for the lignin business and favourable exchange rates (USD).

"Other revenues and expenses" include a NOK 46 million gain on the sale of Fredrikstad Blikk- og Metallvarefabrikk and a provision of NOK 27 million for demolition projects in the Chemicals area.

Profit from associated companies amounted to NOK 63 million, NOK 43 million higher than in the corresponding period last year. NOK 17 million of this came from profit growth at Jotun, while NOK 20 million came from Enskilda Securities, which was included as an associated company from 1 May 2000. The investment in Hartwall will be reported as an associated company until a final decision has been made about the brewery structure in Finland.

Orkla Foods

Orkla Foods' operating revenues totalled NOK 2,706 million in the first quarter of 2001. For continuing business, this represents a rise of 5 % compared with the corresponding period of 2000. Likewise, operating profit before other revenues and expenses increased by 28 % compared with last year. The rise in sales and profit was largely due to the fact that a relatively larger proportion of the pre-Easter sales took place in March this year. Consequently, operating profit was higher for most divisions. Orkla Foods is exposed to underlying price growth for many of its factor inputs and work is in progress on several measures to compensate for this. Market shares were largely strengthened or maintained.

Orkla Foods implemented a number of preventive measures in the first quarter of 2001 as a result of the outbreak of foot and mouth disease and BSE (mad cow disease). The company purchases beef for approximately NOK 265 million a year, but has so far suffered little commercial damage as a result of these livestock diseases.

Stabburet has improved its market positions despite a sluggish grocery market, and growth for continuing business was 11 %.

Procordia Food's operating revenues were up 7 %. Cost trends were favourable in comparison with the corresponding period last year, largely due to the cost improvement projects that have been initiated.

	Operating revenues			Operating profit*)		
	1.1.-31.3.		1.1.-31.12.	1.1.-31.3.		1.1.-31.12.
Amounts in NOK million	**2001**	2000	2000	**2001**	2000	2000
Orkla Foods	**2,706**	2,487	11,039	**128**	89	787
Orkla Beverages	**3,091**	1,400	7,424	**25**	(42)	712
Orkla Brands	**1,166**	1,080	4,586	**155**	101	543
Orkla Media	**1,843**	846	3,585	**40**	39	205
Elimination	**(43)**	(36)	(146)	**0**	0	0
Branded Consumer Goods	**8,763**	5,777	26,488	**348**	187	2,247
Chemicals	**1,529**	1,374	6,926	**123**	79	450
H.O./Unallocated/Elimination	**54**	55	252	**(34)**	(24)	(200)
Other revenues and expenses	**0**	0	0	**19**	40	36
Industry	**10,346**	7,206	33,666	**456**	282	2,533
Financial Investments	**59**	199	417	**15**	62	74
Group	**10,405**	7,405	34,083	**471**	344	2,607

*) Other revenues and expenses totalled NOK 19 million in 1. quarter 2001: Gains from sale of Fredrikstad Blikk- og Metallvarefabrikk (NOK 46 million), as well as provisions for future demolition costs (NOK -27 million), both in Chemicals. 1. quarter 2000: Gains from sale of Viking Fottøy (NOK 70 million), and discontinuation of biscuit production at Kolbotn, Norway (NOK -30 million).

Abba Seafoods' operating revenues in the first quarter totalled SEK 431 million (including the Polish company Superfish). Continuing business rose 11 % and Superfish is performing well.

Felix Abba and Beauvais reported sales growth of 11 % and 5 % respectively compared with last year.

Orkla Food Ingredients continued its efforts to develop efficient Nordic structures and concentrated all marzipan production in one plant in the first quarter. KåKå in Sweden has sold its restaurant wholesale business.

Orkla Foods International is continuing its efforts to reduce costs and achieve profitable operations in Poland. All in all, the other units achieved positive results.

In the first quarter, Bakers reported sales growth of 5 % on a highly competitive market, largely in the bake-off products and small goods segments. Competition from foreign manufacturers in the long-life bakery products segment is growing. In order to strengthen its competitive position, Bakers has decided to expand its main bakery in Oslo.

Orkla Foods has begun work on analysing its international Sauces category, which includes the production of ketchup and dressings in eight countries. Its purpose is to identify possibilities for strengthening competitiveness by rationalising the product range and optimising production.

Orkla Beverages (40 % of Carlsberg Breweries)

Orkla's 40 % share of Carlsberg Breweries represented sales totalling NOK 3,091 million in the first quarter, 49 % higher than the pro forma figures for the first quarter of 2000. The pro forma figures for the first quarter of 2000 do not include Feldschlösschen Getränke or the Coca-Cola operations in Denmark and Finland, while Carlsberg Asia is included with historical figures. The rise in operating revenues was partly due to Feldschlösschen Getränke and Carlsberg Breweries Thailand, which were not included in last year's figures, and a larger shareholding in Carlsberg Malaysia. Sales growth continued in Eastern Europe.

Operating profit before goodwill amortisation totalled NOK 48 million in the first quarter, 5 % lower than the pro forma figures for the same period last year. Strong profit growth in Eastern Europe was offset by lower profit in Western Europe. Total volume in the first quarter amounted to 13.2 million hl of beer and 2.9 million hl of soft drinks and water. This is equivalent to growth of 13 % and 24 % respectively, but most of it was due to the acquired businesses.

Operating revenues in Northern and Western Europe totalled NOK 2,332 million, 38 % higher than the pro forma figures for the first quarter of 2000. Operating profit before goodwill amortisation for this market area was NOK -6 million, compared with a pro forma NOK 45 million last year.

On the Nordic markets, Carlsberg Breweries achieved profit growth in Denmark and Norway, while in Finland profit was on a par with the corresponding period last year. In Sweden, profit was affected by a general 7 % decline on the Swedish beer market, and by increased competition and launch costs in connection with Pepsi.

Carlsberg-Tetley reported lower profit in the first quarter of 2001 as a result of pressure on margins, and also because non-recurring items had a positive impact on profit in the first quarter of 2000.

On other markets, the trend in Italy was positive while in Portugal it was negative, primarily as a result of poor weather during the period. The trend on the German market was unsatisfactory.

There was strong growth on the Central and Eastern Europe market in the first quarter. Operating revenues amounted to NOK 425 million, while operating profit before goodwill amortisation totalled NOK 40 million, an increase of 83 % and 42 % respectively compared with the pro forma figures for the corresponding period of last year. The operating margin was somewhat lower, partly because of a provision to the currency reserve due to uncertainty about future exchange rates in Russia and Ukraine.

For BBH (50 %), operating profit before goodwill amortisation amounted to NOK 35 million in the first quarter, 48 % higher than in the corresponding period of 2000. The rise in profit was mainly due to strong volume growth for the Baltika group and Yarpivo in Russia, and for Slavutich in Ukraine. For reasons of caution, NOK 12 million was charged against profit in the first quarter to hedge against possible future exchange rate depreciations, particularly relating to the RUR and the UAH.

BBH's operating revenues (50 %) totalled NOK 255 million in the first quarter, 62 % higher than in the first quarter of 2000. Volume growth in the first quarter was 27 % and for continuing business 22 %. The RUB exchange rate was stable throughout the first quarter and the general trend in the Russian economy was positive.

The first quarter volume growth illustrates that BBH is still winning market shares on a strongly growing market. In Russia, BBH has increased its market share by 2 percentage points compared with the first quarter of last year, to 29 %. In the first quarter, market growth was 14 % in Russia, 37 % in Ukraine and 0 % in the Baltic States as a whole.

The Vena brewery in Russia and the Svyturys brewery in Lithuania also reported a significant rise in profit and volume in the first quarter.

Carlsberg Asia Ltd., which is owned on a 50-50 basis by Carlsberg Breweries and the Chang Beverage Company, has been established with accounting effect from 1 January 2001.

Operating revenues for Carlsberg Asia (50 %) totalled NOK 271 million in the first quarter, while operating profit before goodwill amortisation was NOK 56 million. For Carlsberg Breweries, this represents an increase in comparison with the first quarter of 2000. The improvement is primarily ascribable to the new operating structure in Asia, whereby the business in Thailand is consolidated into the figures. The company also increased its stake in Carlsberg Malaysia.

Orkla Brands

Operating revenues for Orkla Brands amounted to NOK 1,166 million in the first quarter. For continuing business, they rose 13 % in comparison with last year. Lilleborg Home and Personal Care achieved the strongest growth.

Operating profit before other revenues and expenses totalled NOK 155 million, equivalent to 44 % growth for continuing business. While all units achieved profit growth, most of it was generated by Lilleborg Home and Personal Care and Confectionery. The rise in sales and profit was partly ascribable to Easter sales coming in the first quarter. Orkla Brands increased its profit levels throughout the last six months of 2000 and the rise in profit in the first quarter of 2001 will not be representative of the year as a whole.

Market shares for Confectionery improved, while other market positions remained relatively stable.

Lilleborg Home and Personal Care reported profit growth in the first quarter, primarily due to a rise in sales in Norway, but also due to increased exports. Although active efforts are being made to develop new detergent and personal care products, growth in comparison with last year must be expected to slow down during the year.

The positive trend for the Confectionery business continued. The launch of new products and an earlier Easter are the main reasons for the rise in sales and profit in the first quarter.

Despite the slow total market for biscuits in Sweden, cost reductions and earlier pre-Easter sales contributed to profit growth for Orkla's Biscuits business. The newly-established Snacks business improved its profit on all markets and is now market leader in sales to the Swedish grocery trade.

Orkla Media

Operating revenues for Orkla Media almost doubled after the acquisition of Berlingske, amounting to NOK 1,843 in the first quarter. Operating profit totalled NOK 40 million, with 6 % growth for continuing business.

The newly-acquired Berlingske (consolidated from 1 January 2001) is developing as expected. Advertising volume for the group's newspapers was lower than last year, although it declined less than the total market. The circulation figures for the group's newspapers were marginally lower than last year. The improvement projects that have been initiated are proceeding according to plan

Newspapers Norway/Sweden reported a marginal decline in profit compared with 2000. Advertising volume was on a par with last year and circulation was stable. The group's newspapers are still focusing strongly on costs. The service centre for administrative and IT-support has started operations and services have been implemented for the first newspapers. There is still strong focus on Internet publishing.

Newspapers Eastern Europe reported profit for continuing business on a par with last year. Higher paper prices and increased investments in marketing had a negative impact on profit in the first quarter. Circulation growth for the group's Polish newspapers was slower than last year but better than that of other regional newspapers and the total market. In terms of circulation, the group's newspapers were market leaders on the Polish newspaper market in the first quarter. Advertising trends for Polish newspapers, measured in local currency, were positive in comparison with last year.

Magazines' operating profit was higher for continuing business, although the launch of "Her og Nå" had a negative impact on first quarter profit. Advertising volume for Magazines rose by about 5 % in comparison with last year, on a par with the total market. The printing press project (new offset press) has made progress and is approaching the required production efficiency. Hjemmet Mortensen has taken over the Swedish special interest magazine publisher Medströms Media AB with accounting effect from 1 April 2001.

Direct Marketing reported profit growth in comparison with last year, which was mainly ascribable to increased activity in connection with the group's fulfilment operations, but also due to activity in the CRM segment. The conversion to a new IT platform at Stroede Customer Development has been completed.

Chemicals

Borregaard's operating revenues totalled NOK 1,529 million in the first quarter, equivalent to 10 % growth for continuing business. All areas reported higher sales figures.

Operating profit before other revenues and expenses amounted to NOK 123 million in the first quarter compared with NOK 79 million in the first quarter of 2000. All areas reported profit growth compared with last year.

Group Balance Sheet

Amounts in NOK million	**31.3. 2001**	31.3. 2000	31.12 2000
Assets:			
Long-term assets	**28,152**	21,603	24,696
Portfolio investments etc.	**12,895**	12,572	12,758
Short-term assets	**14,152**	9,274	11,193
Total assets	**55,199**	43,449	48,647
Equity and Liabilities:			
Equity and minority interests	**17,829**	14,893	17,301
Interest-bearing liabilities	**24,094**	19,505	19,746
Interest-free liabilities and provisions	**13,276**	9,051	11,600
Total equity and liabilities	**55,199**	43,449	48,647
Equity to total assets ratio (%):			
Book	**32.3**	34.3	35.6
Including unrealised gains before tax	**36.3**	46.0	42.0

Cash flow

Amounts in NOK million	**1.1.-31.3. 2001**	1.1.-31.3. 2000	1.1.-31.12. 2000
Industry area:			
Operating profit	**456**	282	2,533
Depreciation and write-downs	**647**	507	2,077
Change in net working capital	**252**	(341)	(353)
Cash flow from operating activities	**1,355**	448	4,257
Net replacement expenditure	**(659)**	(301)	(1,443)
Free cash flow operating activities	**696**	147	2,814
Financial items, net	**(239)**	(192)	(990)
Free cash flow from Industry area	**457**	(45)	1,824
Free cash flow from Financial Investments	**195**	(352)	(77)
Taxes and dividends paid	**(118)**	(111)	(1,173)
Sold companies	**101**	133	121
Miscellaneous capital transactions	**65**	(87)	(31)
Group's self-financing capacity	**700**	(462)	664
Expansion investments (Industry area)	**(82)**	(175)	(1,233)
Acquisitions	**(3,607)**	(27)	(2,280)
Net purchases/sales portfolio investm.	**85**	(1,078)	657
Share buy back	**0**	(65)	(35)
Net cash flow	**(2,904)**	(1,807)	(2,227)
Currency translations net interest-bearing liabilities	**291**	(137)	(45)
Change in net interest-bearing liabilities	**2,613**	1,944	2,272
Net interest-bearing liabilities	**20,594**	17,653	17,981

Borregaard LignoTech reported a significant rise in sales volume to the Asian construction industry, partly due a halt in production at LignoTech's most important competitor, Georgia-Pacific. Sales figures were more stable for specialty products and in the agricultural sector, while there was significant growth in the oil-drilling segment.

For Borregaard ChemCell, improved production of specialty cellulose and favourable exchange rates only partially offset higher energy costs. The high degree of specialisation in the specialty cellulose business reduces the impact of fluctuations in the overall pulp market. Improved market conditions for sodium hydroxide and chlorine derivatives were partly offset by a long-term slowdown in the market for sulphuric acid.

Borregaard Synthesis achieved significant profit growth in the first quarter compared with the corresponding period last year. Large deliveries of pharmaceutical intermediates more than compensated for lower profit from the Italian diphenol business. Borregaard has acquired 15 % of the shares in the Indian fine chemicals company Suven Pharmaceuticals. This is in line with Borregaard's growth strategy in the field of fine chemicals for the pharmaceutical industry.

Denofa experienced stronger market demand for soya meal, both in Norway and on the continent. This was partially offset by lower contributions from sales of fish oil to the fish feed industry and from sales of vegetable oils on the domestic market.

Other business areas also reported profit growth, primarily due to financial trading in electric power and satisfactory sales of ethanol-based products. Fredrikstad Blikk- og Metallvarefabrikk was sold at the beginning of the year with an accounting gain of NOK 46 million.

Borregaard plans to invest NOK 310 million in a new incineration plant for side streams from cellulose and vanillin production. The plant will support the specialisation strategy for the cellulose business and lead to environmental advantages in the form of environmentally sound production of steam, reduced emissions and less transport. At the end of March, Georgia-Pacific decided to close down its lignin business in Bellingham, USA, which means that LignoTech will have a stronger market position in North and South America and Asia. In the short term, the closure will cause operational problems for LignoTech's factory on the US west coast, which has so far purchased its raw materials from Georgia-Pacific. LignoTech is making active efforts to replace the reduction in production capacity on the lignin market.

Financial Investments

After a 1.7 % decline in 2000, the Oslo Stock Exchange All Share Index dropped a further 4.5 % in the first quarter of 2001. The trend was also negative on the other Nordic markets. The Finnish stock market suffered the most significant decline, falling 36 % in the first quarter. The return on Orkla's investment portfolio was down 9.6 % in the first quarter. The company's investments in Nokia, Merkantildata, StepStone and Storebrand made the largest negative contribution to the difference in comparison with the OSE All Share Index, while Elkem made a positive contribution.

If undelivered, please return to : Orkla ASA,
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In the event of a change of address, shareholders are requested to contact their account manager (bank etc.).

Information on Orkla is available at: www.orkla.com

Book profit from the Financial Investments division amounted to NOK 377 million, compared with NOK 664 million in the corresponding period last year. Realised portfolio gains totalled NOK 243 million, compared with NOK 621 million last year. Dividends received amounted to NOK 97 million. The Orkla Finance Group reported profit of NOK 22 million, compared with NOK 63 million in the corresponding period last year, of which the share of profit from Enskilda Securities AB accounted for NOK 20 million. Net sales of shares amounted to NOK 75 million in the first quarter.

The net asset value of the share portfolio declined by NOK 1,802 million to NOK 14,120 million in the first quarter. The market value of the portfolio was NOK 16,069 million at the end of the quarter and foreign investments accounted for 37 % of the portfolio. Unrealised gains amounted to NOK 3,446 million.

Cash flow, investments and financial situation

At the end of the first quarter, Group net cash flow was NOK-2,904 million, which reflects the high rate of investment. The situation is characterised by the structural changes Orkla undertook in 2000, particularly in the Beverage business, with subsequent acquisitions.

For the Industry division, free cash flow from operations was NOK 549 million higher than last year, primarily as a result of higher operating profit and a reduction in net working capital. However, this positive trend was somewhat offset by increased net replacement expenditure and environmental investments. Denofa's programme to ensure supplies of non-genetically modified soya beans continued.

NOK 3,536 million was charged against cash flow in the first quarter in connection with expansion and acquisitions by Carlsberg Breweries in the period 31 May 2000 - 31 March 2001. This includes the investments in Switzerland (Feldschlösschen) and Asia and the takeover of Coca-Cola bottling rights in Denmark and Finland.

Net interest-bearing debt at the end of the first quarter totalled NOK 20,594 million and the average borrowing rate on that date was 5.6 %. The percentage of interest-bearing debt at floating interest rates at the end of the first quarter was approximately 83 %, mainly in NOK, SEK, EUR, CHF and USD.

As of 31 March 2001, the book equity ratio was 32.3 %. Including unrealised gains on the share portfolio (before tax) the equity ratio was 36.3 %.

Outlook

There is a great deal of uncertainty about the US economic situation, and further developments in the USA will significantly affect the rest of the world economy. Global growth is expected to be lower this year than in 2000. The same applies to Orkla's main markets. However, Orkla's Branded Consumer Goods business is relatively less exposed to shifts in the economy.

In the Nordic region, more moderate economic activity in Sweden and Finland are expected to contribute to a slowdown in growth in the short term. Economic growth is expected to remain slow in Norway, but with a tight labour market and a strong rise in public consumption, price and cost growth are expected to remain at a higher level than elsewhere in Western Europe.

The positive trend in Central and Eastern Europe is expected to continue, but declining growth in Western Europe will probably have a slowing effect. Double-digit growth is expected to continue on the Russian beverage market, although it will be somewhat lower than in previous years. The level of oil prices will continue to affect economic development in Russia.

In the second quarter alone, a correction is anticipated for Orkla's Branded Consumer Goods business after the positive impact of earlier Easter sales in the first quarter.

Oslo, 9 May 2001
The Board of Directors of Orkla ASA

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