



# The Orkla Group First Four Months of 2000

30 May 2000

## Highlights first four months of 2000

- Overall improvement for industrial activities
  - Substantial increase in operating profit
  - Continued strong growth for BBH; volume growth 74%
- Positive development for the investment portfolio
- Temporary increase in debt level

# Income statement

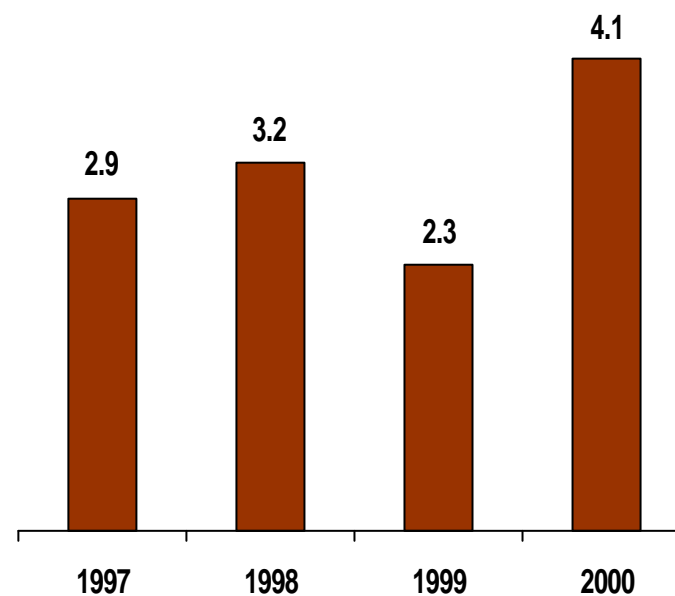
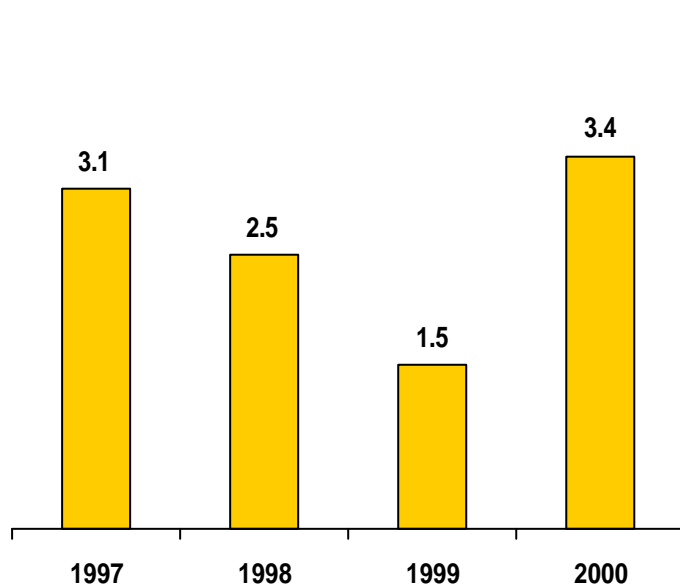
in NOK million	1 Jan - 30 Apr		Year
	2000	1999	1999
Operating revenues	10 137	9 633	31 492
<b>Operating profit before goodwill</b>			
<b>amortisation and other revenues and expenses</b>	<b>682</b>	490	2 529
Goodwill amortisation	-158	-149	-443
Other revenues and expenses	40	0	91
<b>Operating profit</b>	<b>564</b>	341	2 177
Associated companies	53	32	114
Dividends received	105	132	325
Portfolio gains	621	274	595
Financial items, net	-305	-311	-892
<b>Profit before tax</b>	<b>1 038</b>	468	2 319
<b>Profit after tax</b>	<b>768</b>	342	1 792
- Minority interests	39	19	125

# Earnings per share fully diluted\*

1 Jan - 30 April

Book

Excl. non-recurring items  
and goodwill amortisation



\*) Adjusted for rights issue

# Cash flow statement - key figures

in NOK million

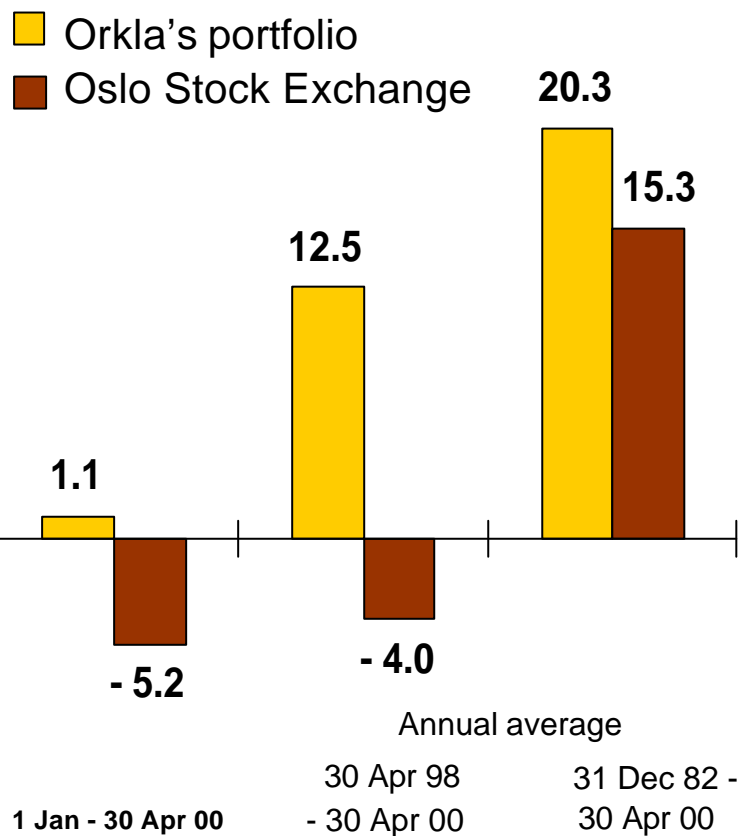
	1 Jan - 30 Apr		Year
	2000	1999	1999
<b>Cash flow from operations</b>	<b>278</b>	<b>863</b>	<b>3 756</b>
- <i>change in net working capital</i>	-887	-119	-369
Net capital expenditure	-383	-382	-1 270
<b>Free cash flow Industry</b>	<b>-324</b>	<b>225</b>	<b>1 728</b>
<b>Free cash flow Financial Investments</b>	<b>-449</b>	<b>-325</b>	<b>598</b>
<b>Self-financing capacity</b>	<b>-840</b>	<b>-241</b>	<b>1 687</b>
Expansion investments and acquisitions, Industry	-668	-500	-1 211
Net acquisitions/sales portfolio investments	-1 218	-250	-1 653
Share buy back/share issue	-65	0	-117
<b>Net cash flow</b>	<b>-2 791</b>	<b>-991</b>	<b>-1 294</b>
Currency translation differences interest-bearing liabilities	-275	140	129
<b>Change in net interest-bearing liabilities</b>	<b>3 066</b>	<b>851</b>	<b>1 165</b>

## Balance sheet - some key figures

in NOK million	<u>30 Apr 00</u>	<u>31 Dec 99</u>
Long-term assets	22 310	21 223
Portfolio investments etc.	12 906	11 375
Short-term assets	9 733	9 026
<b>Total assets</b>	<b>44 949</b>	<b>41 624</b>
<b>Equity to total assets ratio</b>		
- Book	33.5%	34.2%
- Incl. unrealised capital gains before tax	44.6%	46.4%
<b>Net interest-bearing liabilities</b>	<b>18 775</b>	<b>15 709</b>

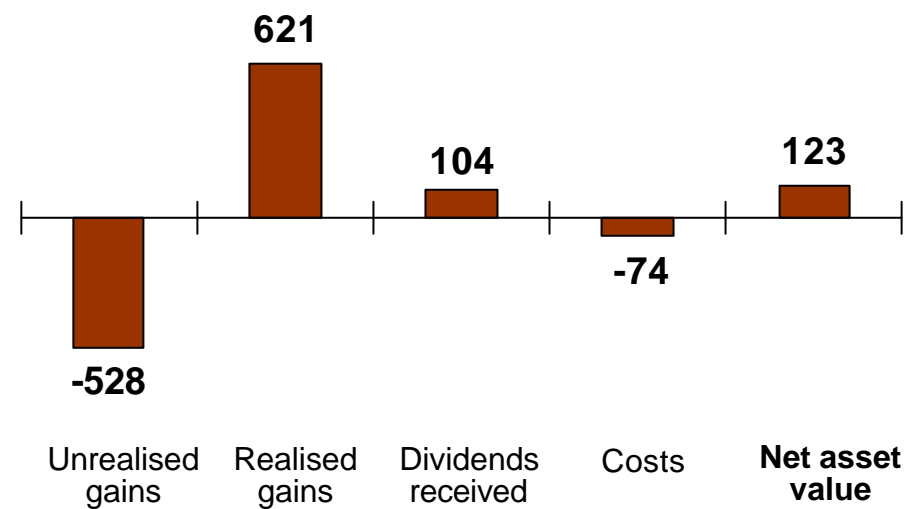
## Portfolio performance

### Return



### Value added 1 Jan - 30 Apr 2000

NOK million



## Portfolio key figures

in NOK million	<u>30 Apr 00</u>	<u>31 Dec 99</u>	<u>Change 00</u>
Market value	21 907	20 875	1 032
Net asset value	16 727	16 604	123
Unrealised gains before tax	9 007	9 535	-528
Share of portfolio invested			
outside Norway	40 %	32 %	+8 %-p
in Telecommunications, IT, Internet	37 %	35 %	+2 %-p
in listed companies	86 %	87 %	-1 %-p



## Portfolio as of 30 April 2000

Principal holdings	Industry	Share of equity (%)	Share of portfolio (%)	Market value (NOK million)
Nokia	Telecom		10.1	2 209
Elkem	Metals	25.3	8.1	1 771
NetCom	Telecom	10.1	7.8	1 709
Storebrand	Insurance	10.0	7.1	1 548
Dyno*	Chemicals	18.1	4.2	925
Merkantildata	IT	8.4	3.4	750
StepStone	Internet	10.0	2.9	640
Nycomed Amersham	Pharmaceuticals	1.4	2.8	603
Schibsted	Media	4.0	2.4	516
<b>Total principal holdings</b>			<b>48.7</b>	<b>10 671</b>

\*) Orkla has accepted a take-over bid, but the transaction has not yet been completed

## Orkla Foods

in NOK million

	1 Jan - 30 Apr		Year
	2000	1999	1999
<b>Operating revenues</b>	<b>3 443</b>	3 298	10 757
<b>Operating profit before goodwill*</b>	<b>227</b>	222	873
Goodwill amortisation	-55	-55	-164
<b>Operating profit*</b>	<b>172</b>	167	709
<b>Operating margin before goodwill*</b>	<b>6.6%</b>	6.7%	8.1%

\* Excluding other revenues and expenses

- Overall satisfactory results
- Stable or improved market shares
- Positive development in Norway
- Improved sales, but still losses in Orkla Foods International
- New acquisitions in Norway, Sweden, Hungary and the Baltic States

## Orkla Beverages

in NOK million

	1 Jan - 30 Apr 2000	1999	Year 1999
<b>Operating revenues</b>	<b>2 042</b>	1 730	6 373
<b>Operating profit before goodwill*</b>	<b>88</b>	15	630
Goodwill amortisation	-56	-50	-148
<b>Operating profit*</b>	<b>32</b>	-35	482
<b>Operating margin before goodwill*</b>	<b>4.3%</b>	0.9%	9.9%

\* Excluding other revenues and expenses

- Operating profit increased by 67 MNOK
- Strong volume growth for BBH
- Mixed picture for the Nordic market

## Nordic Markets

in NOK million

	1 Jan - 30 Apr 2000	1999	Year 1999
<b>Operating revenues</b>	1 417	1 377	4 806
<b>Operating profit before goodwill*</b>	-26	-40	253
<b>Operating margin before goodwill*</b>	-1.8%	-2.9%	5.3%

\* Excluding other revenues and expenses

- Cost reduction programme on track
- Progress in Norway
- Weaker profits in Sweden
  - Reduced sales in beer segments with low margins
  - Focus on higher prices

## Nordic market shares

	Norway			Sweden		
	Beer	Soft drinks	Water	Beer	Soft drinks	Water
Total market change from 30.04.99	+2 %	+4 %	-1 %	-1 %*	+2 %	+5 %
<b>Pripps Ringnes</b>						
Market share	59 %	25 %	75 %	32 %	18 %	56 %
Change from 30.04.99	0 %-p	+1 %-p	-2 %-p	-7 %-p	-2 %-p	0 %-p
Change from year 1999	0 %-p	0 %-p	-2 %-p	-3 %-p	-1 %-p	-1 %-p

\*Excluding private imports of beer

- Continued growth for Pepsi in Norway
- Reduced market shares for beer in Sweden due to higher prices in unprofitable segments

## BBH - Baltic Beverages Holding

in NOK million	1 Jan - 30 Apr		Year
	2000	1999	1999
<b>Operating revenues (50%)</b>	<b>628</b>	355	1 576
<b>Operating profit before goodwill* (50%)</b>	<b>125</b>	67	414
<b>Operating margin before goodwill*</b>	<b>19.9%</b>	18.9%	26.3%
<b>Volume in million litres (100%)</b>	<b>499</b>	287	1 278
Total assets incl. goodwill - NOK billion (50%)	<b>2.9</b>	2.3	2.5
Average RUR/USD exchange rate	<b>28.5</b>	24.0	24.7

\* Excluding other revenues and expenses

- 74% volume growth, of which 65% for continuing business
- Lower growth rate for the rest of the year
- Continued capacity expansion
- Positive effects from new distribution systems in Russia and Ukraine
- Increased market shares

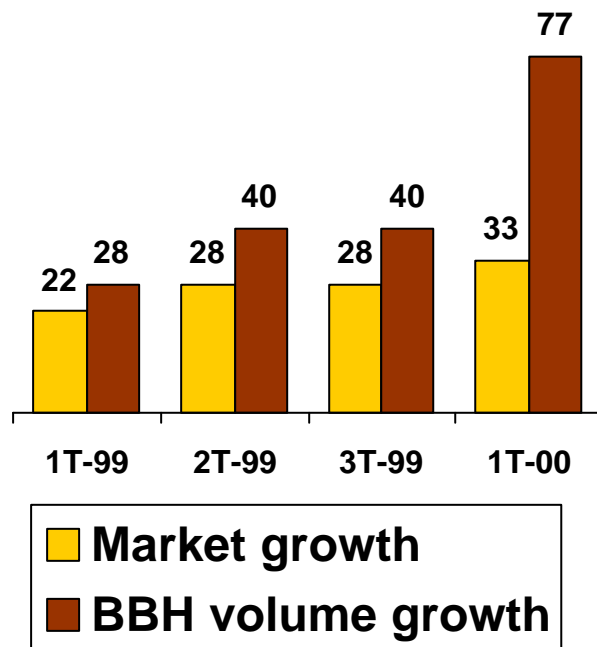
## Market trends first four months

	Market growth 1999-2000	Baltic Beverages Holding				Litres per capita Year 1999
		Volume growth 1999-2000	Market share 2000*	Change from 31.12.99	Change from 30.04.99	
<b>Russia</b>	33 %	77 %	25 %	+2 %-p	+5 %-p	30
<b>Ukraine</b>	38 %	125 %	17 %	+2 %-p	+4 %-p	16
<b>Baltic States</b>	16 %	33 %	44 %	0 %-p	+3 %-p	53

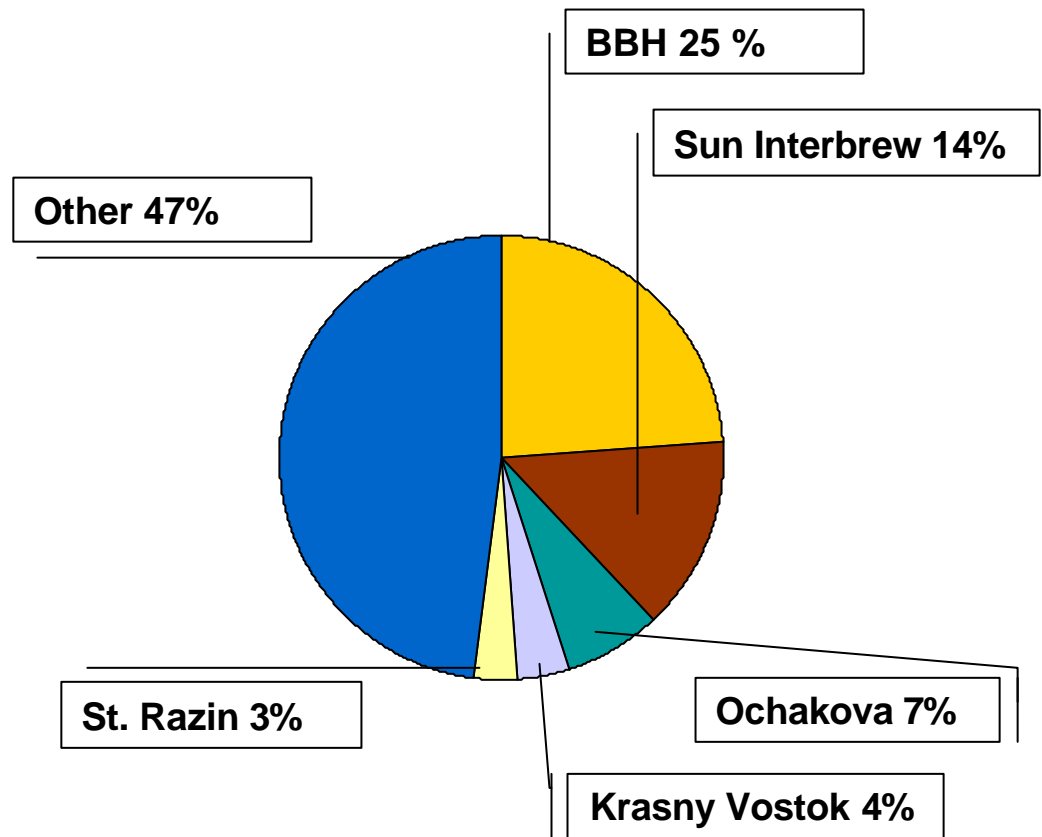
\* Average market share for all breweries controlled by BBH by April 30

## Beer market in Russia

### Market growth and BBH volume growth (%)



### Market shares Russia





## Orkla Brands

in NOK million

	1 Jan - 30 Apr		Year
	2000	1999	1999
<b>Operating revenues</b>	<b>1 410</b>	1 431	4 531
<b>Operating profit before goodwill*</b>	<b>134</b>	119	511
Goodwill amortisation	-11	-11	-34
<b>Operating profit*</b>	<b>123</b>	108	477
<b>Operating margin before goodwill*</b>	<b>9.5%</b>	8.3%	11.3%

\* Excluding other revenues and expenses

- Sales and profits improved for Biscuits
- Favourable profit trend for Confectionery continues
- Production problems in Denmark for Snacks solved
- Disappointing results for the Textile business in Sweden

## Orkla Media

in NOK million

	1 Jan - 30 Apr		Year
	2000	1999	1999
<b>Operating revenues</b>	<b>1 130</b>	1 080	3 332
<b>Operating profit before goodwill*</b>	<b>85</b>	88	248
Goodwill amortisation	-29	-26	-77
<b>Operating profit*</b>	<b>56</b>	62	171
<b>Operating margin before goodwill*</b>	<b>7.5%</b>	8.1%	7.4%

\* Excluding other revenues and expenses

- Positive trends in Norway
  - Higher circulation
  - Advertising: Higher volumes for newspapers and prices for magazines
- Better cost control in Poland
- High IT costs continue to weaken profit for Direct Marketing

# Orkla Media - Internet

## Portal services

- Hjemmenett (47%)
  - e-shop (100%)
  - Netpool N. (50%)

## Channel services

- Bilnett (100%)
- Doktor Online (40%)
- Jobbnett (49%)
- Eiendomsnett (40%)
- Spisekartet (35%)
- GoToScandinavia\* (25%)

## e-commerce

- Shopnett (48%)
- GiBud\* (23%)

## Development companies

- WEBplan (90%)
- Mimer (67%)
- Viewpoint\* (43%)

## Other

- Mogul/Optosof (3%)

- Total investments NOK 103 million, of which NOK 56 million this year
- A total of 57 Orkla Media services on the Internet
  - One third available only on the Internet

\*) Investments in year 2000

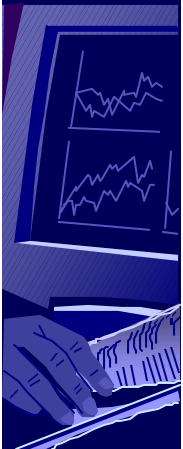
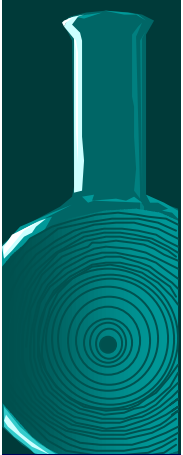
## Chemicals

in NOK million

	1 Jan - 30 Apr		Year
	2000	1999	1999
<b>Operating revenues</b>	<b>1 826</b>	1 850	5 621
Goodwill amortisation	-5	-5	-14
<b>Operating profit*</b>	<b>101</b>	42	250
<b>Operating margin before goodwill*</b>	<b>5.8%</b>	2.5%	4.7%

\* Excluding other revenues and expenses

- Improvement in all core areas
- Cost and productivity improvements on schedule
- Higher world market price for cellulose
- Process to establish partnership for Speciality Cellulose under way

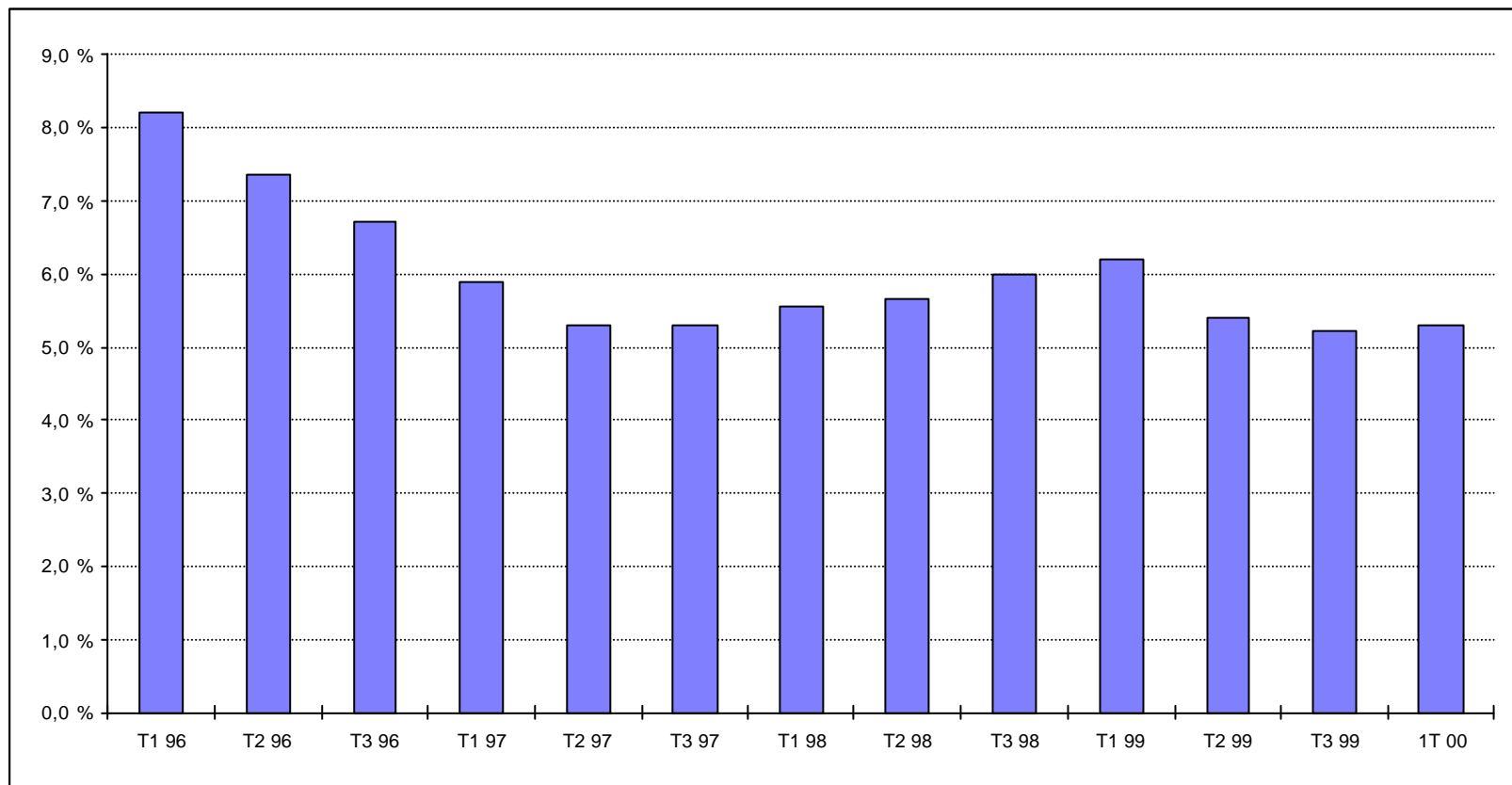


# Enclosures

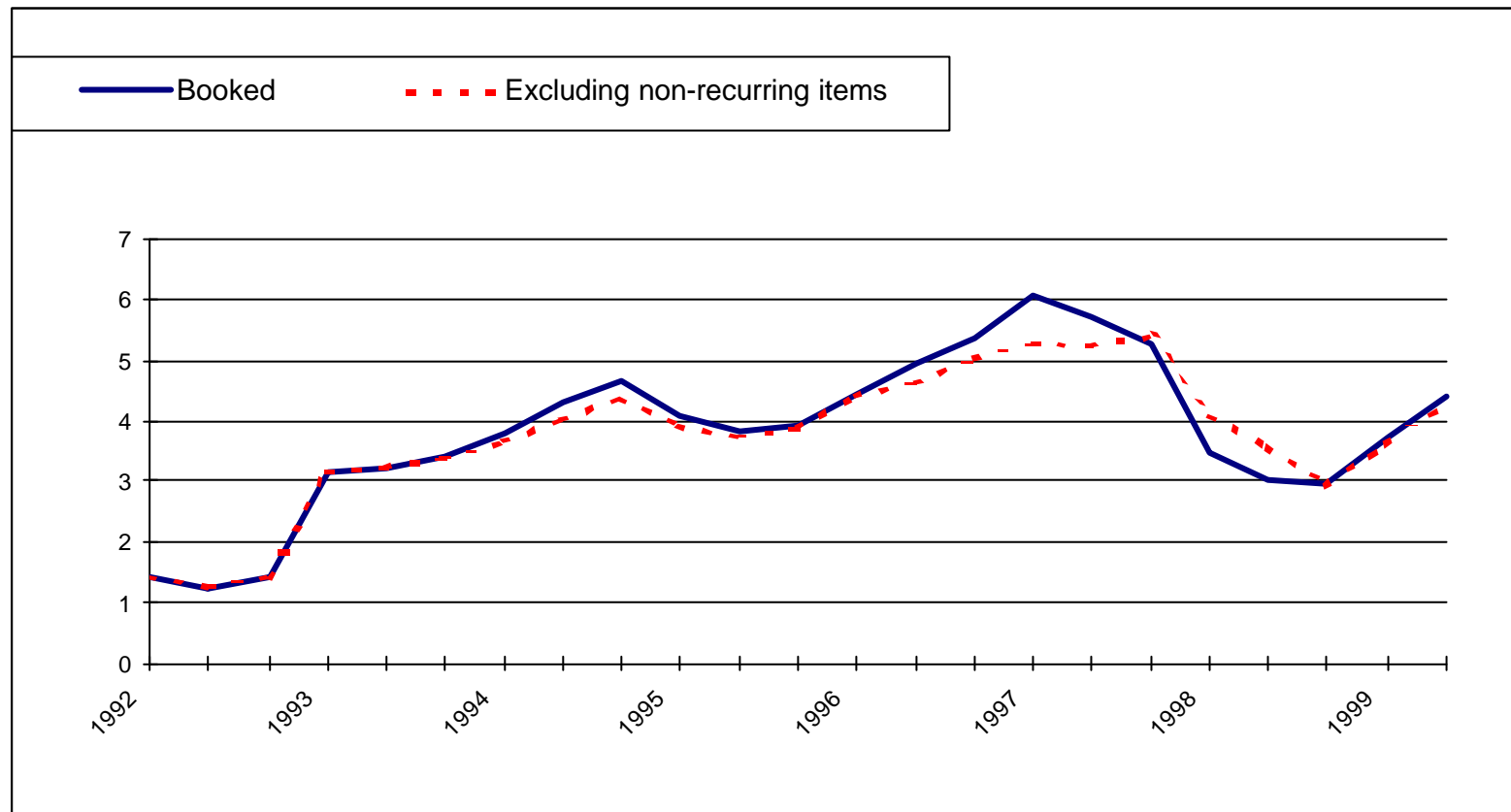
## Financial items

In NOK million	1 Jan - 30 Apr		Year
	2000	1999	1999
Net interest expenses	-302	-303	-847
Currency gain/loss	7	6	3
Other financial items, net	-10	-14	-48
<b>Net financial items</b>	<b>-305</b>	<b>-311</b>	<b>-892</b>
Avg. net interest bearing liabilities (billion)	16.9	14.7	15.6
Average interest rate	5.3%	6.2 %	5.5%

# Change in average interest rate



# Interest cover 12 month rolling average





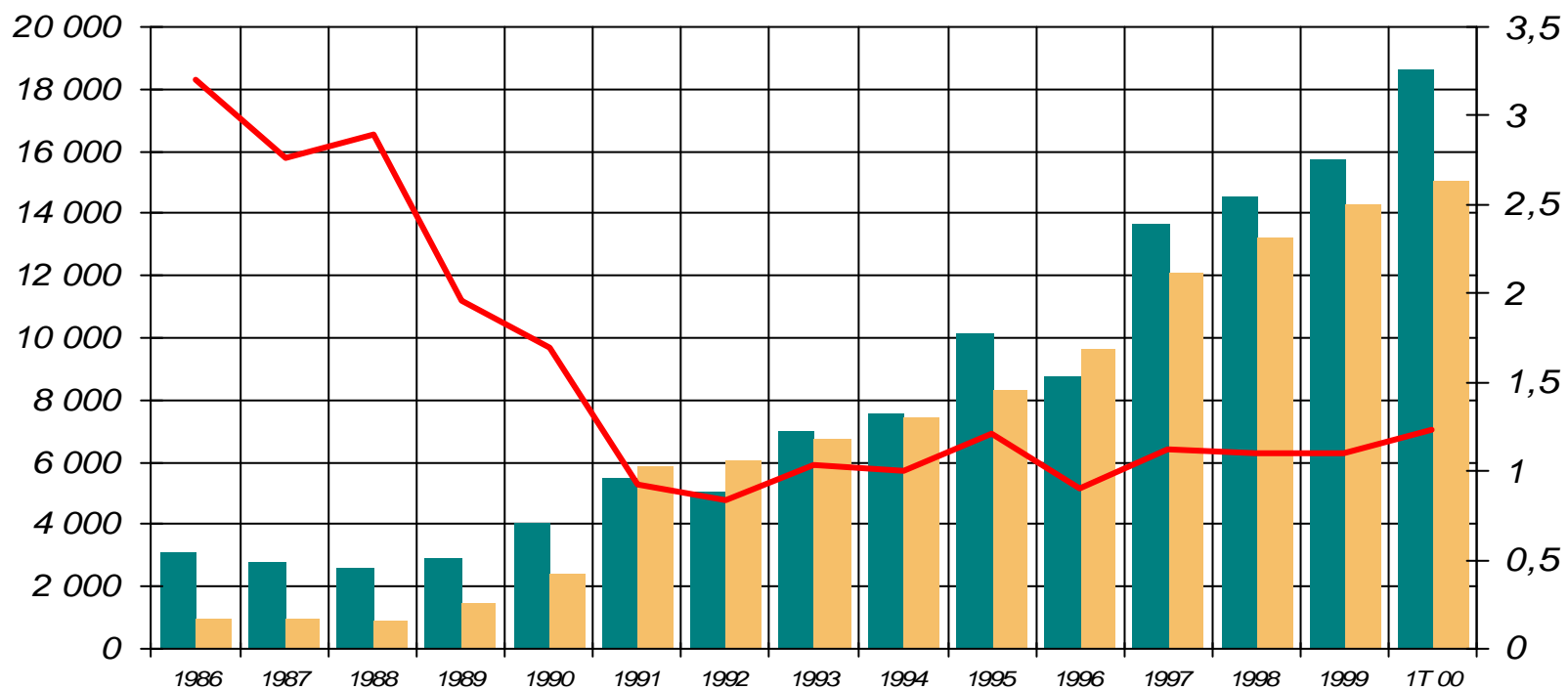
# Debt and equity

30 April 2000

*NOK million*

■ Net debt ■ Book equity — Net gearing

*Net gearing*



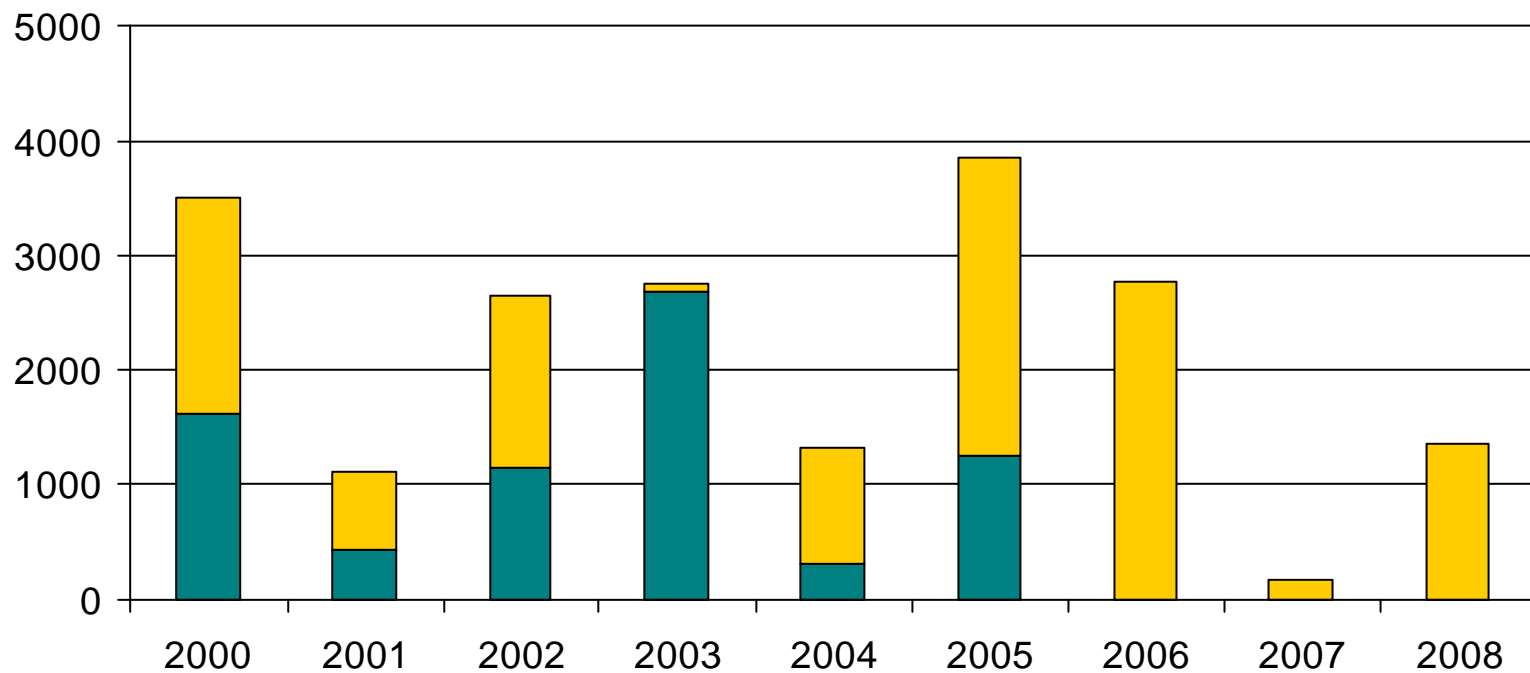
# Debt maturity profile

30 April 2000

*Average maturity 3.7 years*

NOK million

■ Bonds (incl. PP) ■ Banks



# Funding Sources

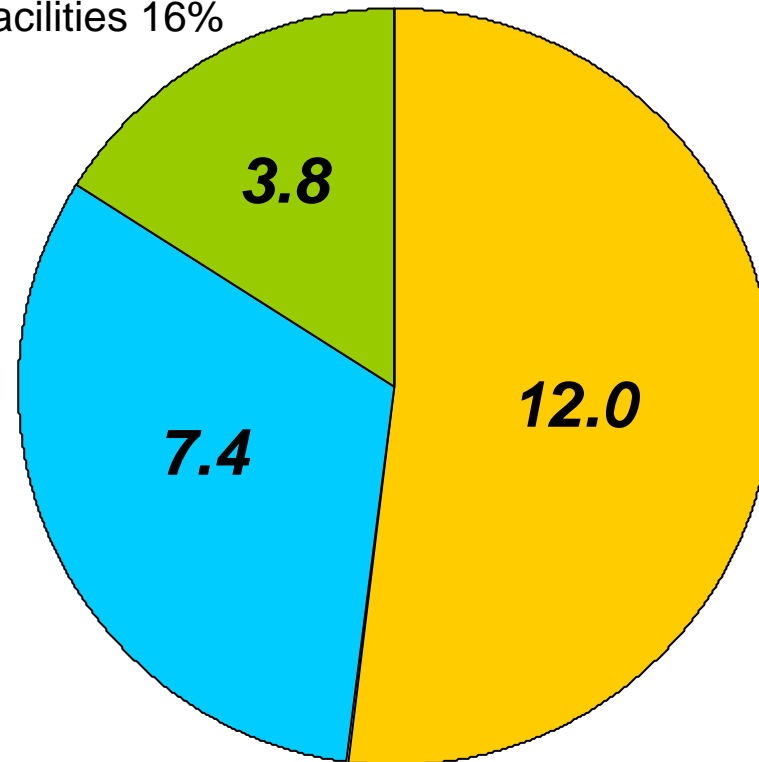
30 April 2000

*NOK billion*

Unutilised credit facilities 16%

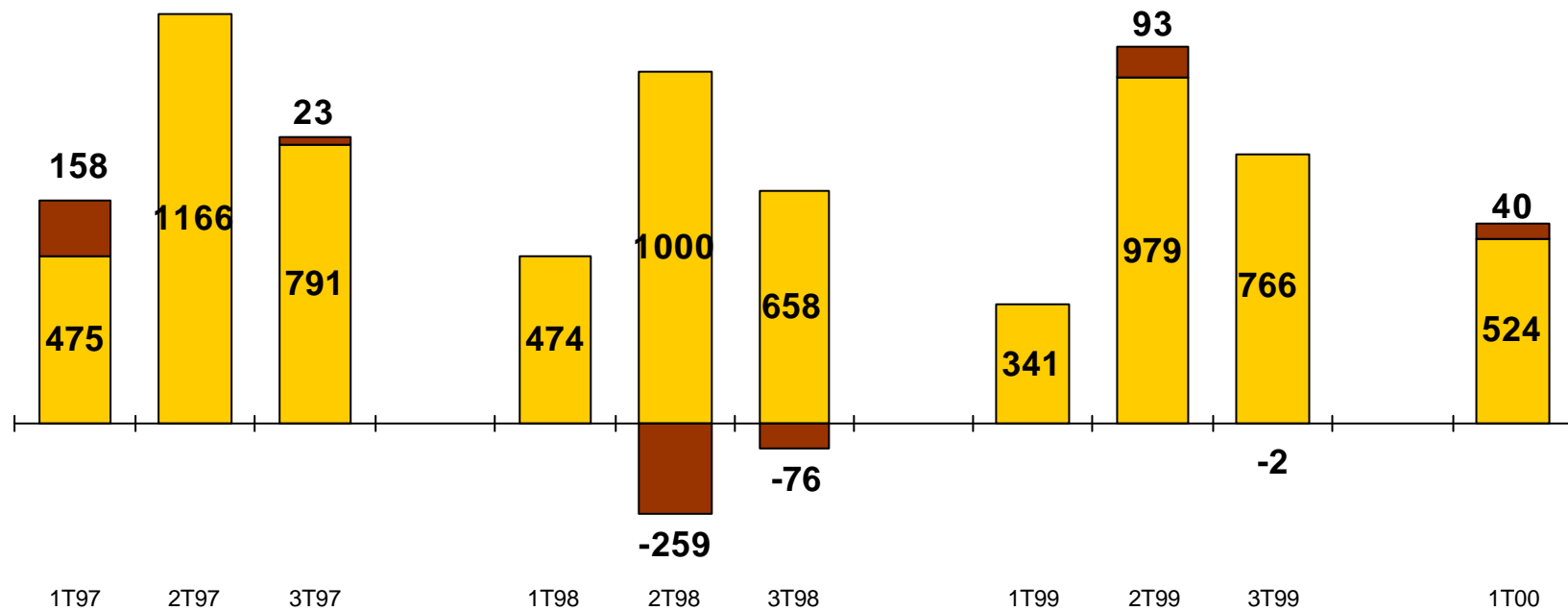
Bonds 32%

Banks 52%



# Operating profit by 4-month period

- Profit before other revenues and expenses
- Other revenues and expenses



## Orkla Beverages (split Nordic/BBH)

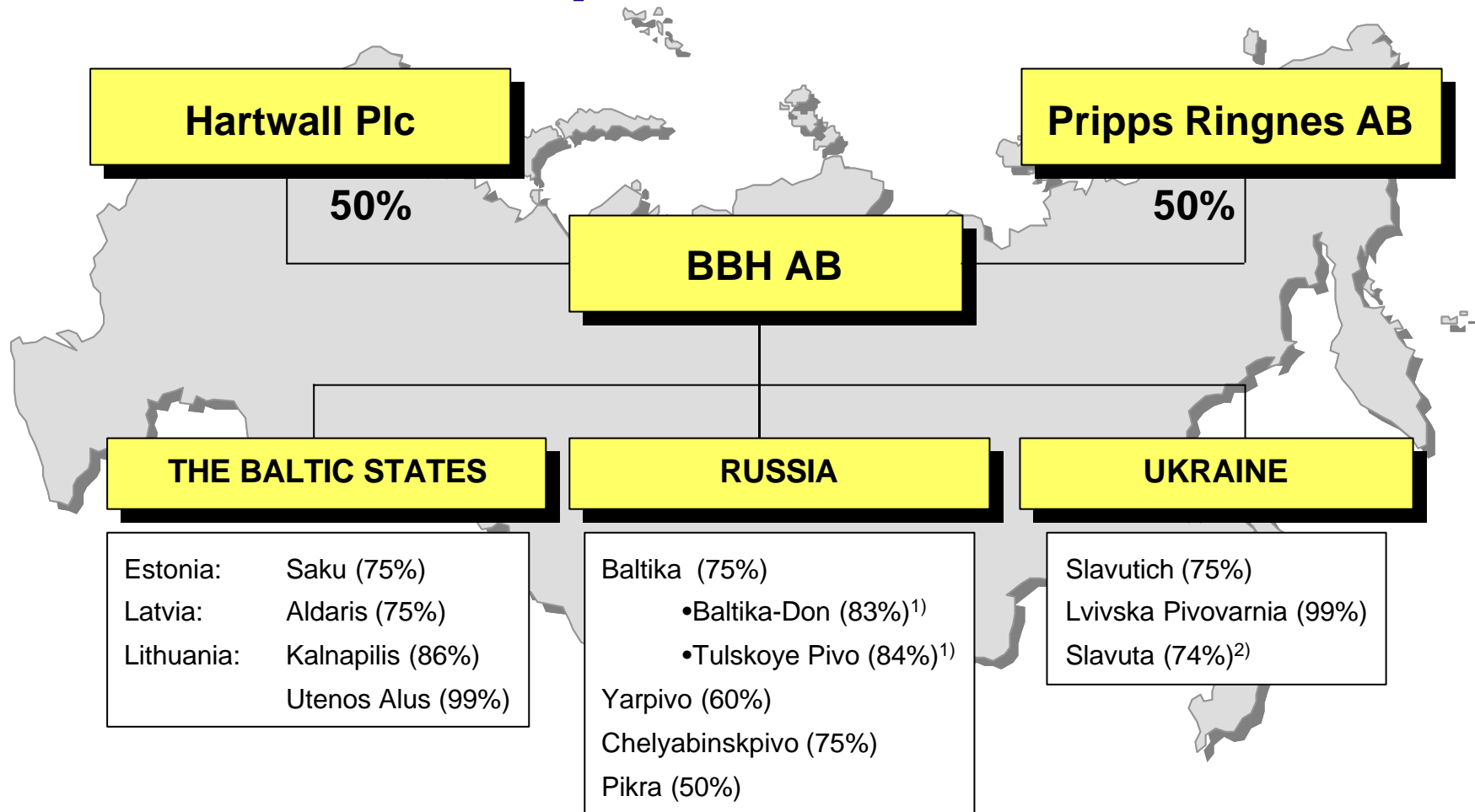
in NOK million	1 Jan - 30 Apr		Year
	2000	1999	1999
<b>Total operating revenues</b>	<b>2 042</b>	1 730	6 373
Operating revenues Nordic markets	1 417	1 377	4 806
Operating revenues BBH (50%)	628	355	1 576
Operating profit Nordic markets before goodwill	-26	-40	253
Operating profit BBH (50%) before goodwill	125	67	414
Unallocated overhead	-11	-12	-37
<b>Operating profit before goodwill</b>	<b>88</b>	15	630
Amortisation and depreciation of goodwill	-56	-50	-148
<b>Total operating profit</b>	<b>32</b>	-35	482

## Volume growth BBH breweries first four months

Million litres	2000	1999*	Change 1999-2000	Year 1999
<b>Russia</b>	397	225	+ 77 %	970
<b>Ukraine</b>	46	20	+ 125 %	118
<b>Baltic States</b>	56	42	+ 33 %	190
<b>BBH total</b>	<b>499</b>	287	+ 74 %	1278

\*) Adjusted for eliminations within BBH

# BBH - Ownership structure



<sup>1)</sup> Baltika-Don is majority owned through Baltika. Tulskoye Pivo is owned 50.01% by Baltika and 34.29% by BBH

<sup>2)</sup> Slavuta is the only malthouse owned directly by BBH, the seven others are owned by the breweries