

The Orkla Group

Preliminary results 2001

14 February 2002

by CEO Finn Jebsen



Agenda

- ▶ Highlights 2001
- ▶ Orkla seen in perspective
- ▶ Goals and basic thinking
- ▶ Q4 and annual results 2001



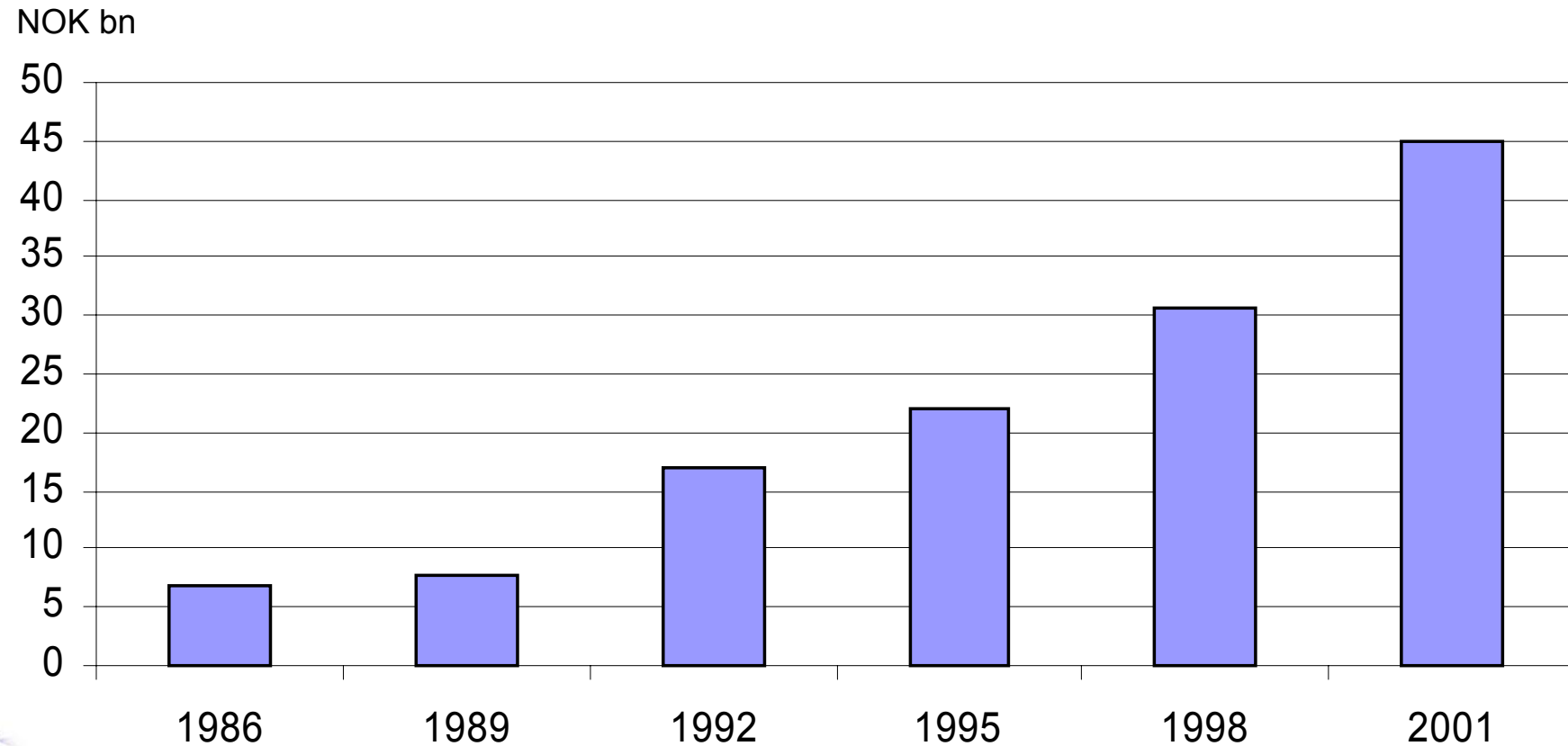
Highlights 2001

- ▶ Strong growth - operating revenues up by 31%
- ▶ Significant progress for the Industry Division
 - EBIT up by 28%
- ▶ A weak year for the Financial Investments division
 - Negative return of 15.3%



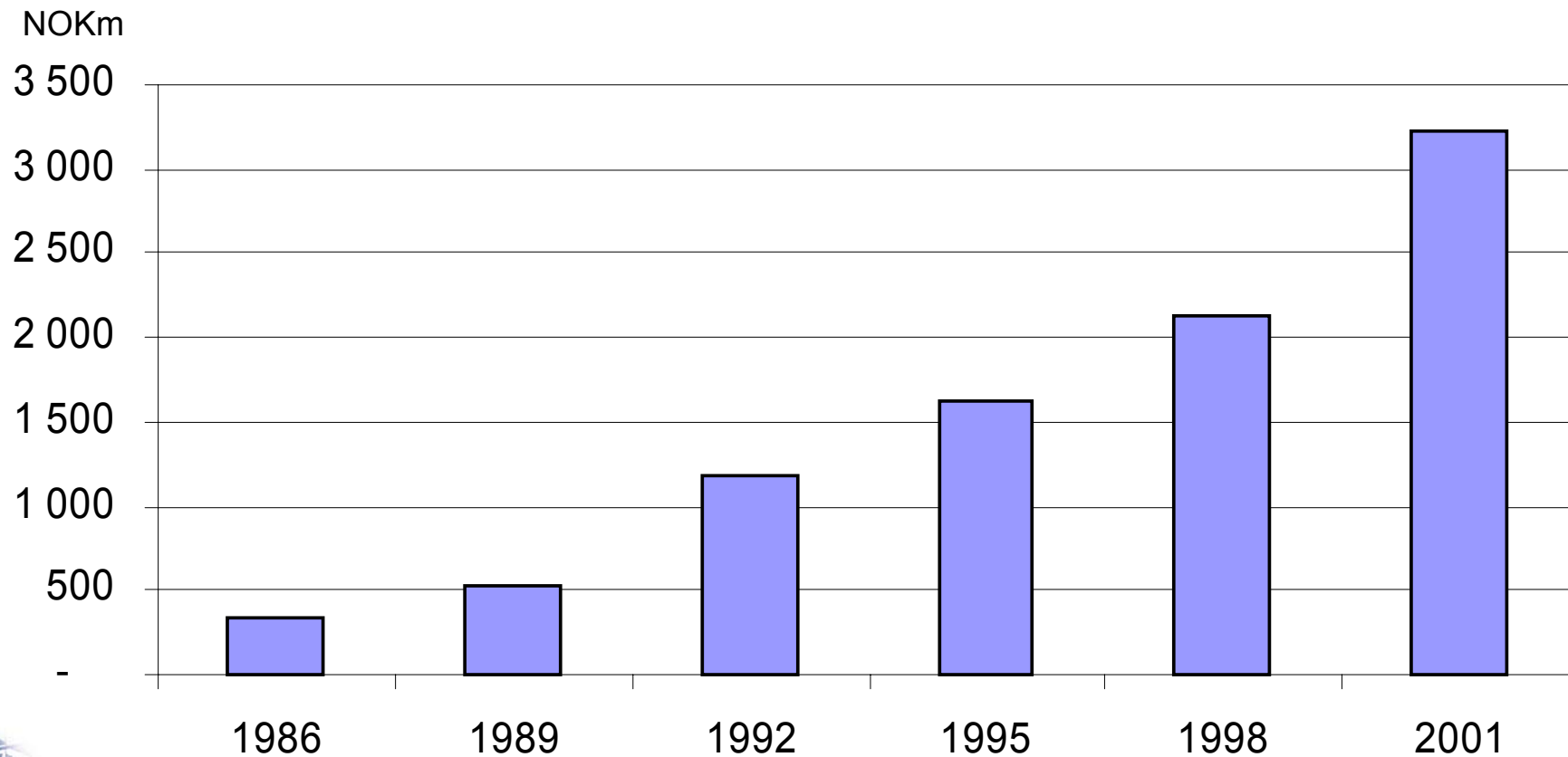
Orkla seen in perspective

Operating revenues CAGR 13% over 15 years



Orkla seen in perspective

EBIT* CAGR 16% over 15 years

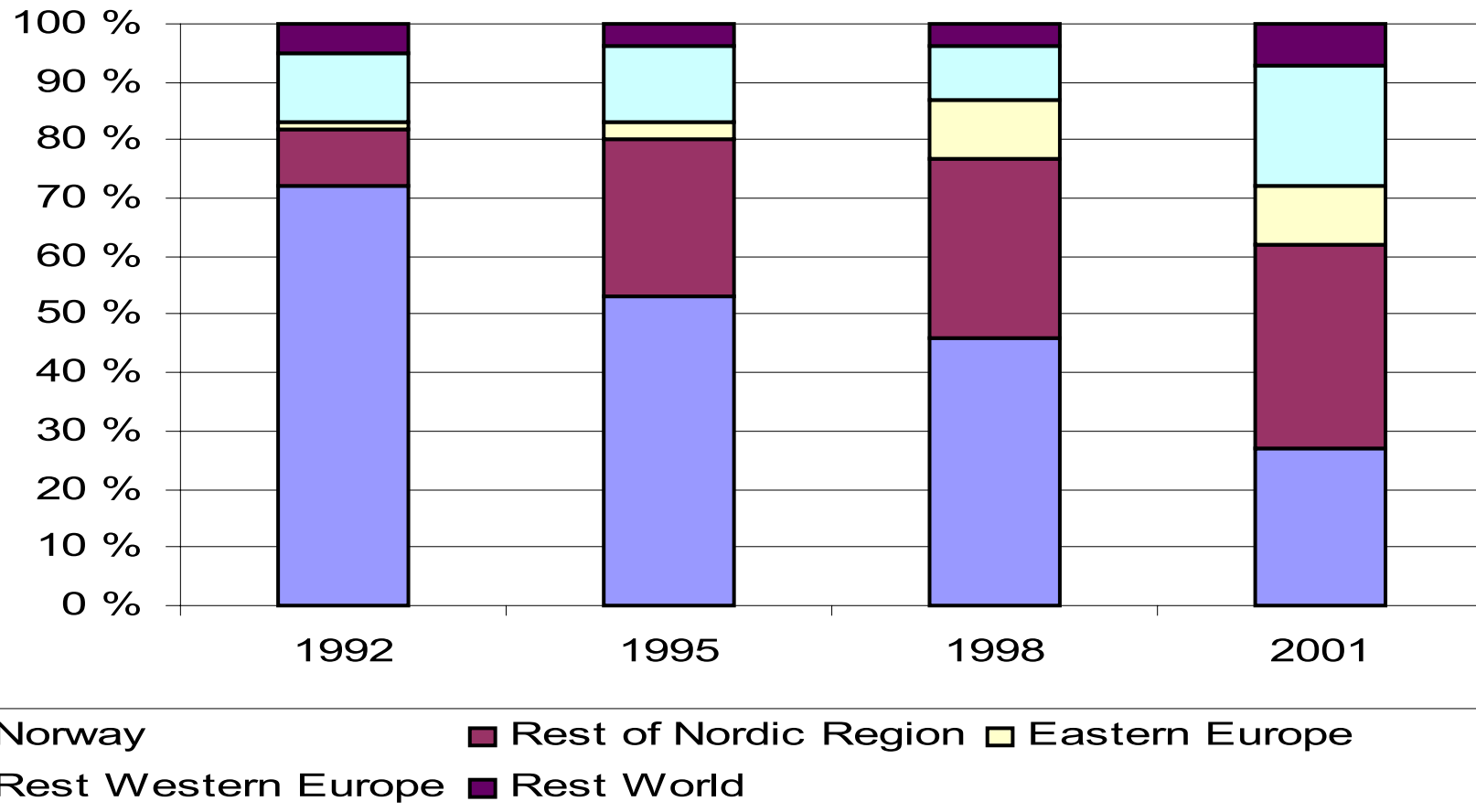


*) before other revenues and expenses



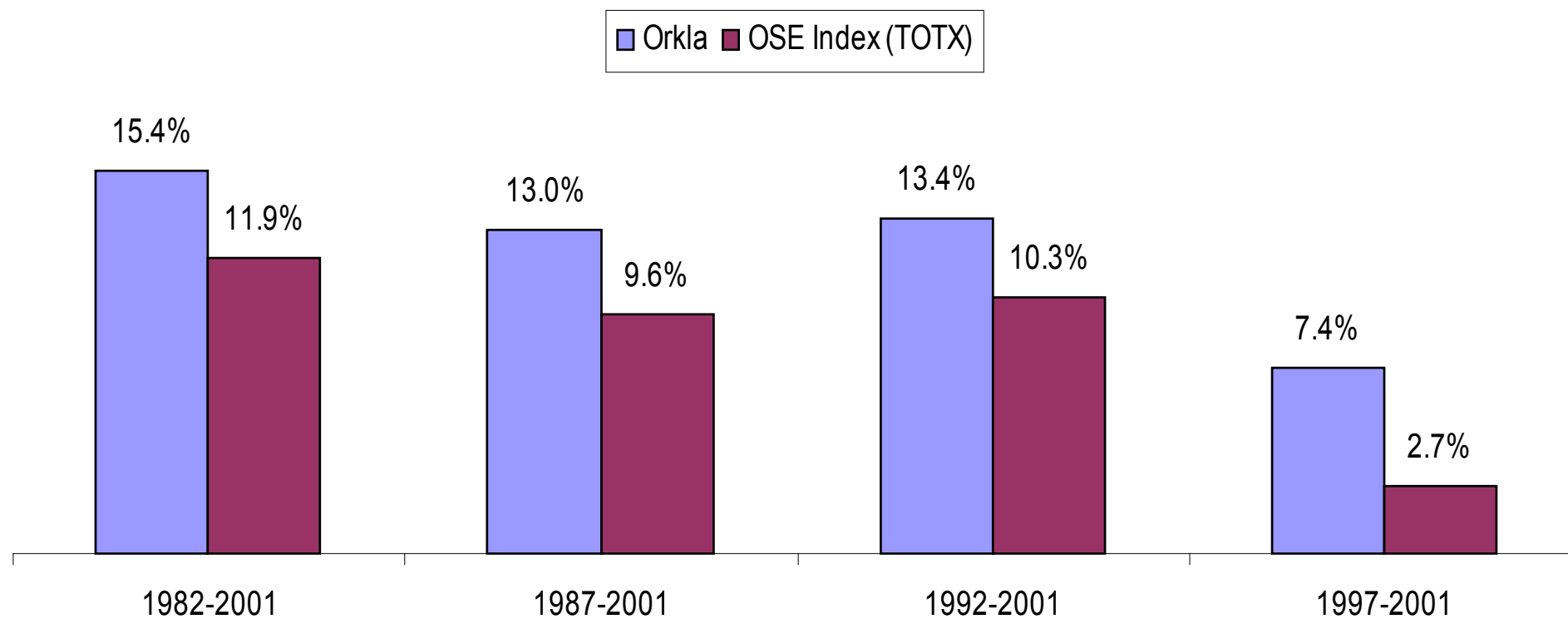
Orkla seen in perspective

Geographical distribution of operating revenues



Orkla seen in perspective

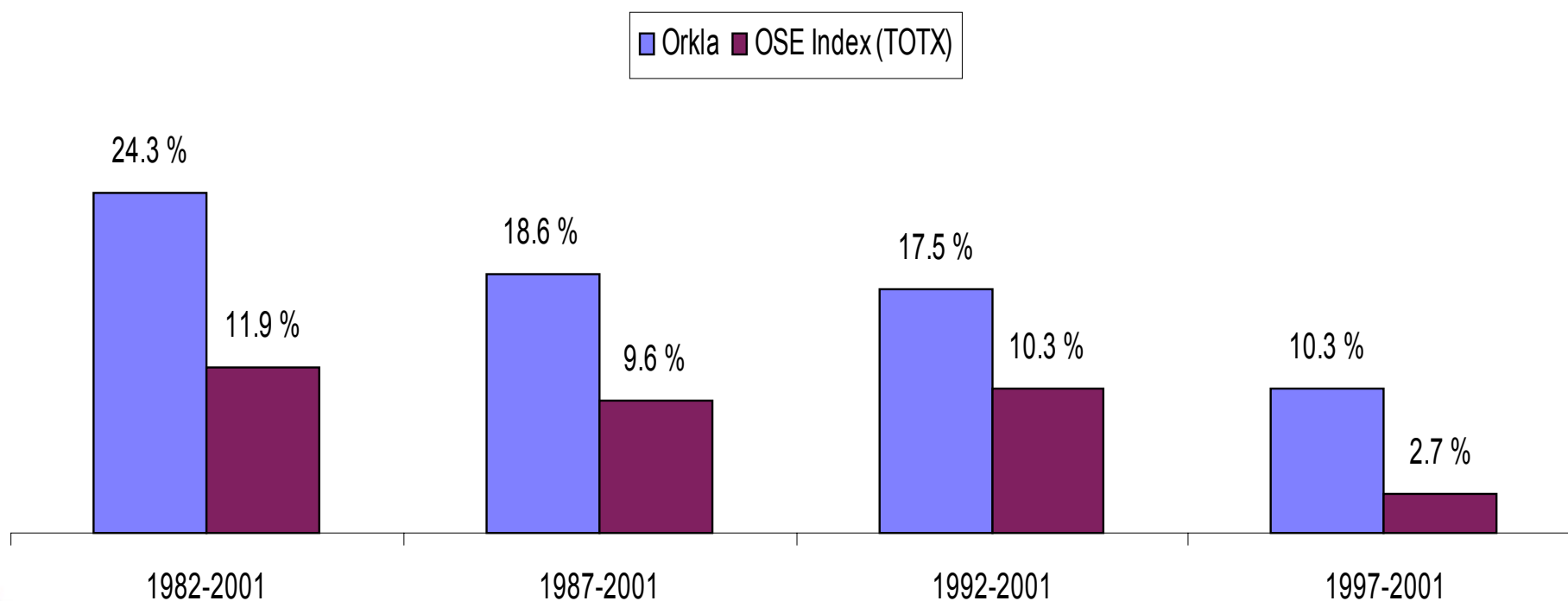
Annualised return on investment portfolio



Orkla seen in perspective

Return to shareholders

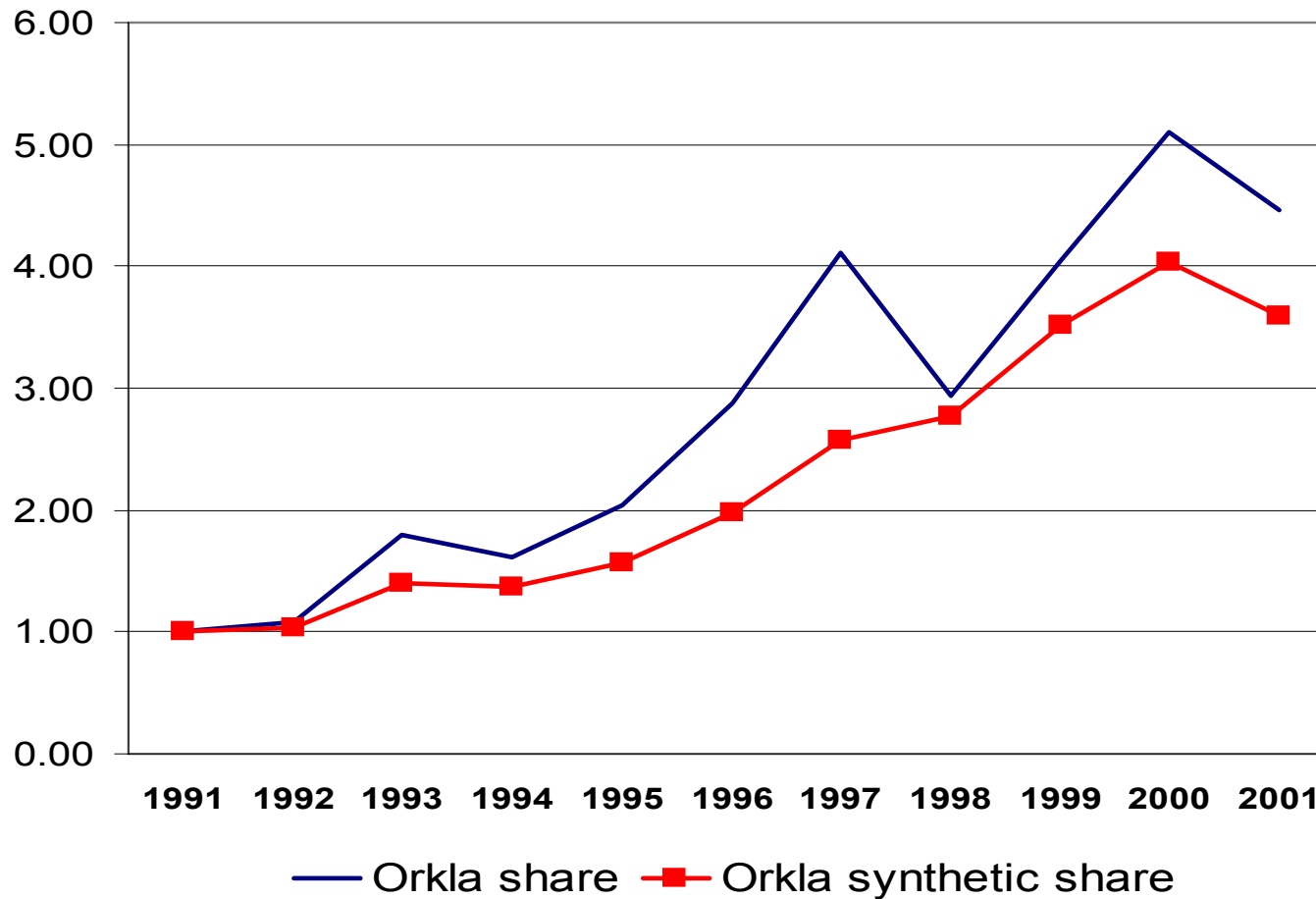
Annualised return as of 31.12.2001 if invested at beginning of different years
(and dividends re-invested at date of payout)



Orkla seen in perspective

Orkla has created more value than a synthetic Orkla-share*

Value of NOK 1 invested 31.12.91 (Dividend not reinvested)



*Weighted with FTSE 300 Foods, Household & Personal Care, Beverage, Media and Chemicals Industry indices and OSEBX



Goals and basic thinking

Long-term value creation - more than our competitors

...by being a dynamic and growing company



Goals and basic thinking

How will Orkla create profitable growth?

- ▶ Focus on operations as well as on structural possibilities
- ▶ Dual structure; both industry and financial investments
- ▶ Achieve competitive advantages through competence building
- ▶ Achieve competitive advantages through a strong, sound corporate culture



Goals and basic thinking

- ▶ How does Orkla's structure support profitable growth?
 - Provides a broad frontier of opportunities within our core competencies
 - Allows for a “healthy opportunism” in allocating funds to the best performers
 - As we expand geographically, the broadness of our product portfolio will be reduced



Trading conditions (Q4-2001)

- ▶ Slowdown in the global economy:
 - Orkla's Branded Consumer Goods area has been relatively unaffected
 - Impacts on Chemicals reduced by specialisation strategy
 - Recovery in the equity markets in Q4



Key figures and highlights - Q4-2001

- ▶ **Main trends from first 3 quarters continued in the 4th quarter**
 - Carlsberg Breweries developing as planned, both strategically and operationally
 - Continued solid performance from Chemicals - even in weakening markets
 - Continued strong performance by Brands - successful new launches
 - Media hit by downturn in advertising markets
- ▶ **Substantial gain on sales of Hartwall shares**
- ▶ **Considerable realisation of losses in the investment portfolio - low tax rate (23.8%)**

NOK million	1 Oct - 31 Dec		
	2001	2000	Change
Operating revenues	11 577	9180	26 %
EBIT*	795	680	17 %
Associated companies	1 275	3	
Portfolio gains	-932	-353	
Net financial items	-350	-279	
Profit before tax	801	191	
Earnings per share (NOK)	3.0	0.5	

* Excl. other revenues and expenses



Key figures - full year 2001

NOK million	1 Jan - 31 Dec		
	2001	2000	Change
Operating revenues	44 799	34 083	31 %
EBIT*	3 232	2 571	26 %
Associated companies	1 510	242	
Portfolio gains	-760	2 727	
Net financial items	-1 302	-960	
Profit before tax	3 253	5 171	
Earnings per share (NOK)	10.7	17.0	
Cash earnings ¹ per share (NOK)	23.0	26.9	
Portfolio return	-15.3 %	-1.5 %	

* Excl. other revenues and expenses

1) Profit after tax - minorities + depreciations + goodwill amortisation



Orkla Foods

in NOK million	1 Jan - 31 Dec		1 Oct - 31 Dec	
	2001	2000	2001	2000
Operating revenues	11 133	11 039	3 054	3 029
EBITA*	952	955	324	325
Goodwill amortisation	-161	-168	-40	-41
Operating profit*	791	787	284	284
EBITA-margin*	8.6 %	8.7 %	10.6 %	10.7 %

* Excluding other revenues and expenses

- ▶ Operating revenues +2.5% and EBIT +5% after adjustment for continuing businesses and currency effects
 - Weak SEK reduces revenues and profit by NOKm 446 and 43, respectively

- ▶ In local currency, 7 out of 8 divisions reported profits in line with or better than last year



Orkla Beverages (40% of Carlsberg Breweries)

in NOK million	1 Jan - 31 Dec		1 Oct - 31 Dec	
	2001	PR 2000*	2001	PR 2000*
Operating revenues	14 924	7 424	3 697	1 860
EBITA**	1 311	884	221	133
Goodwill amortisation	-98	-172	-29	-43
Operating profit**	1 213	712	192	90
EBITA-margin**	8.8 %	11.9 %	6.0 %	7.2 %

*Pripps Ringnes

**Excluding other revenues and expenses

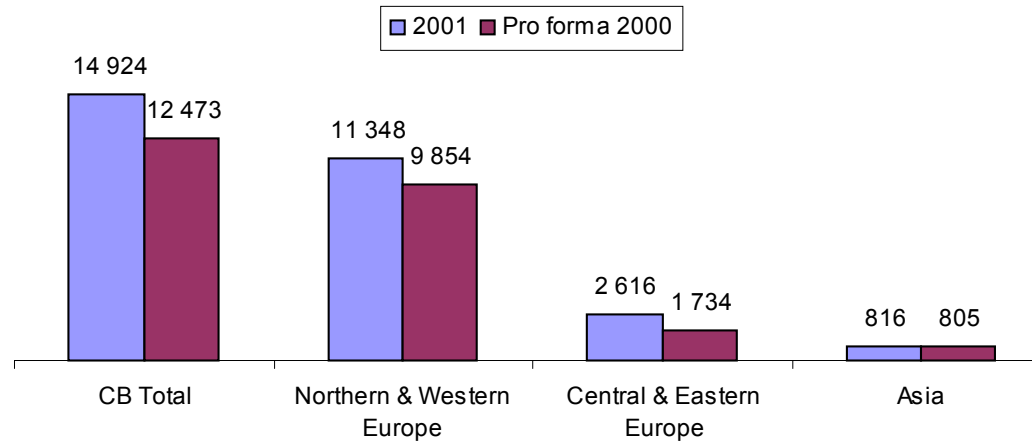
- ▶ Improved financial performance in line with our expectations
- ▶ Strong branded products growth, particularly for the Carlsberg brand
- ▶ Felschlösschen turnaround ahead of schedule
- ▶ Positive trend in the Nordic countries except for Sweden
- ▶ Outstanding performance by BBH



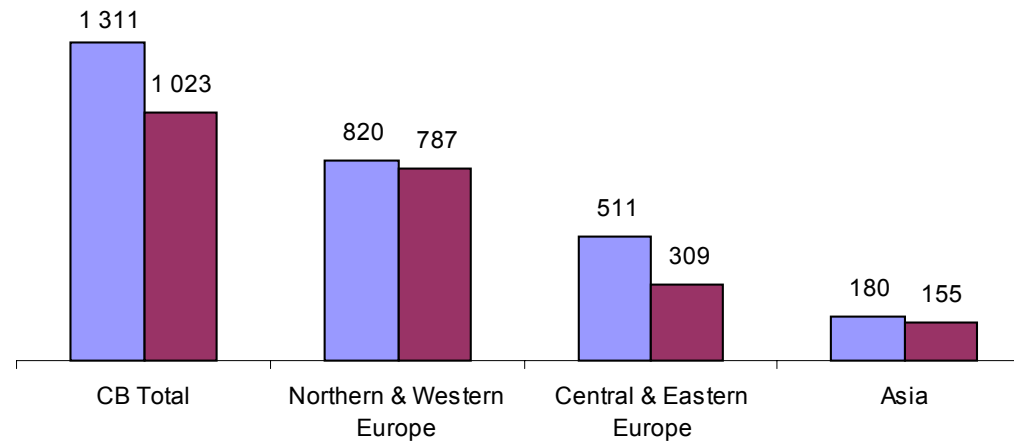
Carlsberg Breweries (40%)

NOK million

Operating revenues



EBITA



* Pro forma 2000 figures excluding Feldschlösschen

¹⁸ Difference between CB Total and sum of the regions is HQ/Unallocated



Orkla Brands

in NOK million	1 Jan - 31 Dec		1 Oct - 31 Dec	
	2001	2000	2001	2000
Operating revenues	4 527	4 586	1 199	1 237
EBITA*	648	576	171	159
Goodwill amortisation	-37	-33	-11	-8
Operating profit*	611	543	160	151
EBITA-margin*	14.3 %	12.6 %	14.3 %	12.9 %

* Excluding other revenues and expenses

- ▶ Strong performance ascribed to successful innovation and high level of exports
- ▶ Operating revenues +5% after adjustment for continuing businesses and currency effects
- ▶ All business areas except Industrial Detergents and Biscuits improved profit in 2001



Orkla Media

in NOK million	1 Jan - 31 Dec		1 Oct - 31 Dec	
	2001	2000	2001	2000
Operating revenues	7 453	3 585	1 936	1 000
EBITA*	294	292	102	113
Goodwill amortisation	-139	-87	-36	-22
Operating profit*	155	205	66	91
EBITA-margin*	3.9 %	8.1 %	5.3 %	11.3 %

* Excluding other revenues and expenses

- ▶ Newspapers hurt by declining advertising markets in second half of 2001
 - Particularly in Denmark and Poland - also in Norway in Q4
- ▶ Extensive cost-cutting programmes launched
 - Workforce reduced by 8% both in Berlingske and in Poland
 - Substantial cost reductions undertaken at earlier stages in Norway
- ▶ Magazines recorded solid profit growth in Q4 and thus in 2001



Chemicals

in NOK million	1 Jan - 31 Dec		1 Oct - 31 Dec	
	2001	2000	2001	2000
Operating revenues	6 581	6 926	1 658	1 955
EBITA*	569	465	132	143
Goodwill amortisation	-15	-15	-4	-4
Operating profit*	554	450	128	139
EBITA-margin*	8.6 %	6.7 %	8.0 %	7.3 %

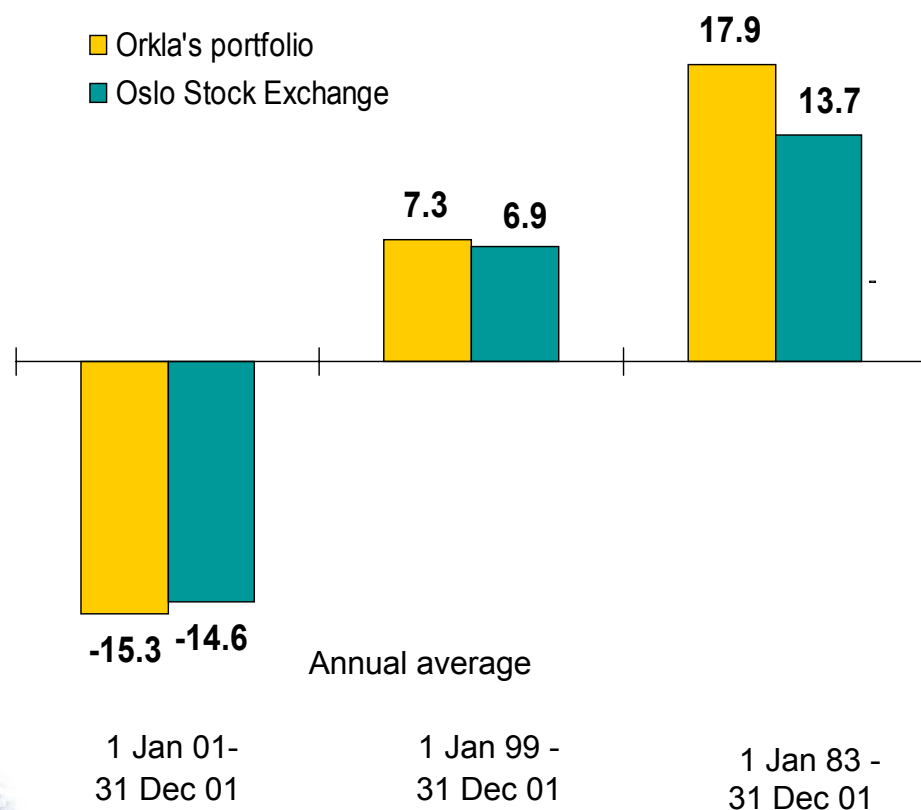
* Excluding other revenues and expenses

- ▶ Operating revenues down due to discontinued contract soya crushing
 - Growth for continuing businesses of 3% (currency adjusted)
- ▶ Strong sales and profit growth for Borregaard LignoTech
 - Capacity expansion in South Africa initiated
- ▶ Poor results for Borregaard Synthesis in second half of the year
- ▶ Specialisation strategy improves performance of Borregaard ChemCell
- ▶ Positive currency effects, partly offset by high oil related costs



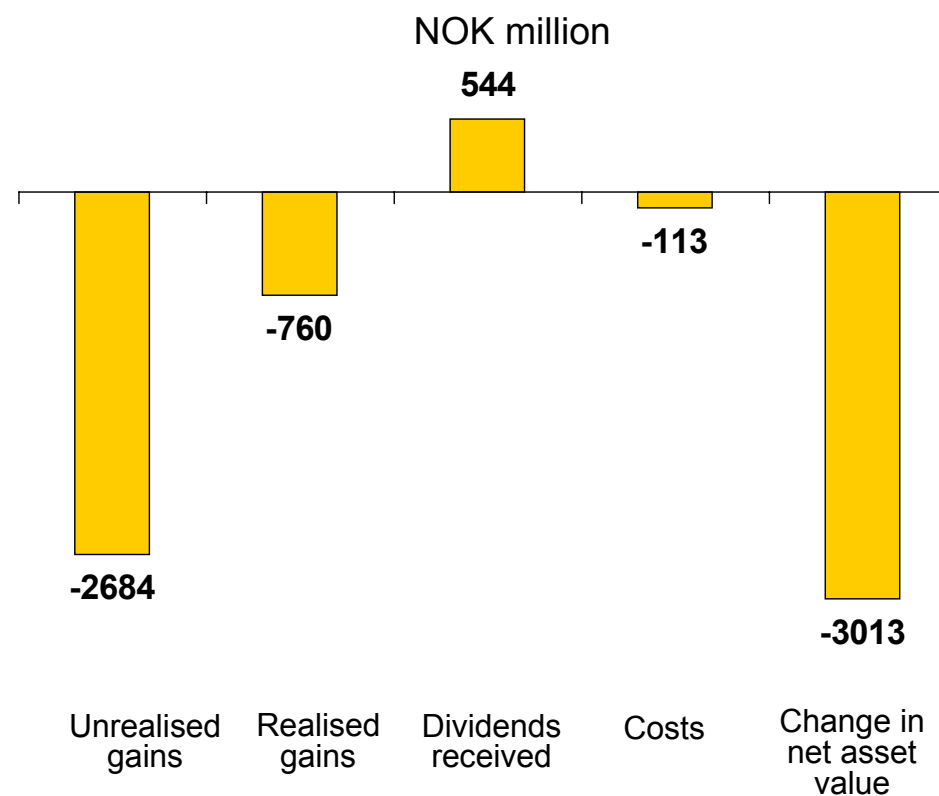
Financial Investments - portfolio performance

Return (%)



Change in Net Asset Value

1 Jan - 31 Dec 01



Financial Investments - portfolio key figures

in NOK million	31 Dec 01	31 Dec 00	Change 01
Market value	14 140	18 053	-3 913
Net asset value	12 909	15 922*	-3 013
Unrealised gains before tax	2 746	5 430	-2 684
Share of portfolio invested outside Norway	32 %	43 %	-11%-p
in listed companies	75 %	77 %	-2 %-p

* Adjusted from 15,981 from previous year (Berlingske and Chips)



Portfolio as of 31 Dec 01

Principal holdings	Industry	Market value (NOK million)	Share of portfolio (%)	Share of equity (%)
Elkem	Metals	2 369	16.8	32.2
Storebrand	Insurance	1 465	10.4	10.0
Norway Seafoods Holding ^{1, 2}	Industrial	1 017	7.2	20.6
DnB Holding	Bank	492	3.5	1.6
Bergesen	Shipping	424	3.0	4.5
Telia Overseas ²	Telecom	420	3.0	13.1
Industrikapital 97 ²	Investment	408	2.9	8.0
Industrikapital 2000 ²	Investment	408	2.9	3.6
Amersham Plc	Pharmaceuticals	381	2.7	0.7
Nordstjernen Holding ²	Investment	381	2.7	35.0
Total principal holdings		7 765	54.9	

Market value of entire portfolio

14 140

1) Shares and convertible bonds

2) Not listed



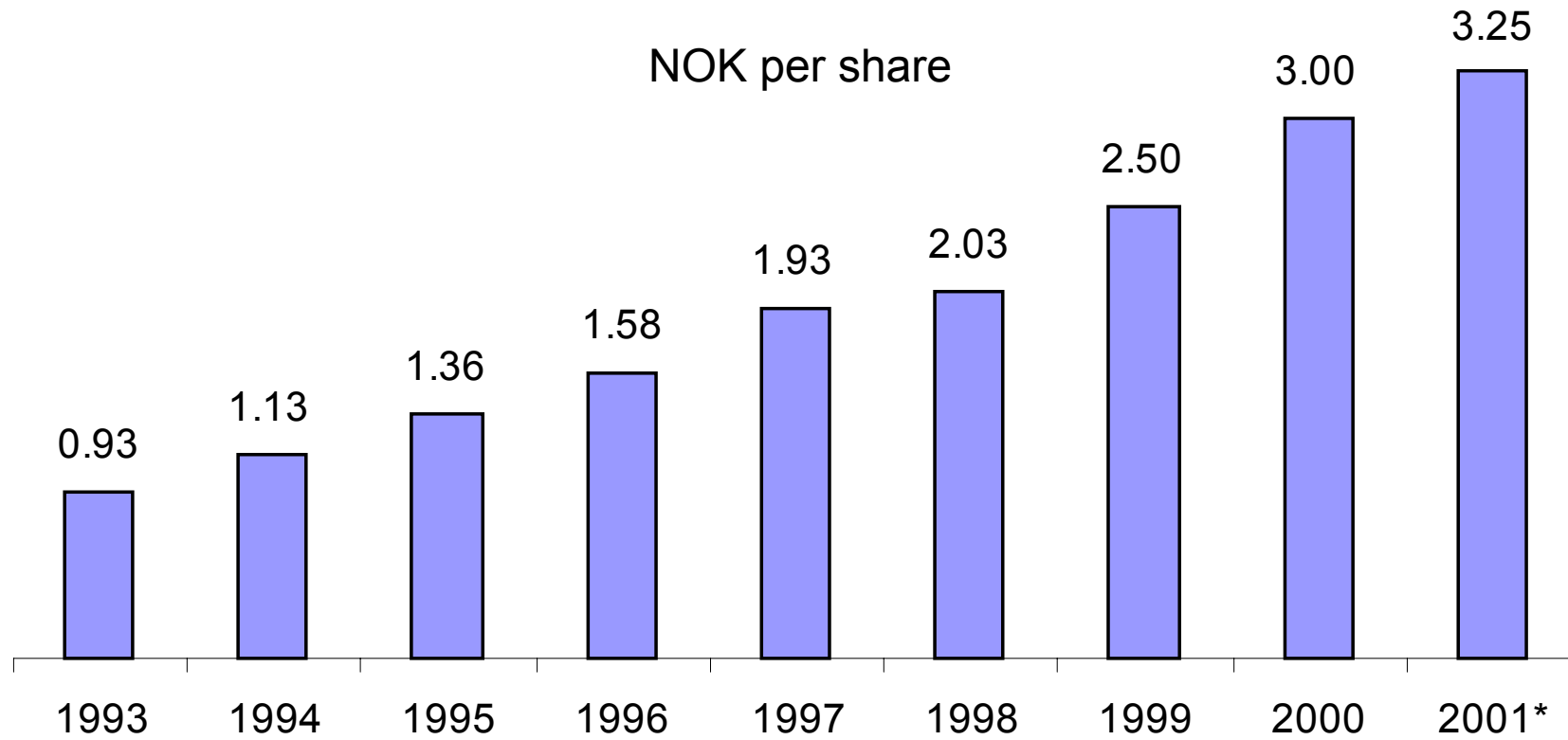
Balance Sheet - some key figures

in NOK million	31 Dec 01	31 Dec 00
Long-term assets	28 434	24 696
Portfolio investments etc.	11 599	12 758
Short-term assets	14 612	11 193
Total assets	54 645	48 647
Equity to total assets ratio		
- Book	34.7 %	35.6%*
- Incl. unrealised capital gains before tax	37.8 %	42.0 %
Net interest-bearing liabilities	19 132	17 981
Net gearing	1.01	1.03

*) 32.3% as of Q1-01 after consolidation of Carlsberg Breweries



Dividends over time



* Proposed for 2001





ORKLA



Enclosures



Income Statement*

NOK million	1 Jan - 31 Dec		1 Oct - 31 Dec	
	2001	2000	2001	2000
Operating revenues	44 799	34 083	11 577	9 180
EBITA	3 686	3 050	917	798
Goodwill amortisation	-454	-479	-122	-118
Other revenues and expenses	28	36	9	-4
Operating profit	3 260	2 607	804	676
Associated companies	1 510	242	1 275	3
Dividends received	545	555	4	144
Portfolio gains	-760	2 727	-932	-353
Financial items, net	-1 302	-960	-350	-279
Profit before tax	3 253	5 171	801	191
Profit after tax	2 480	3 783	690	140
- Minority interests	211	182	49	46

*CB consolidated 40% line by line

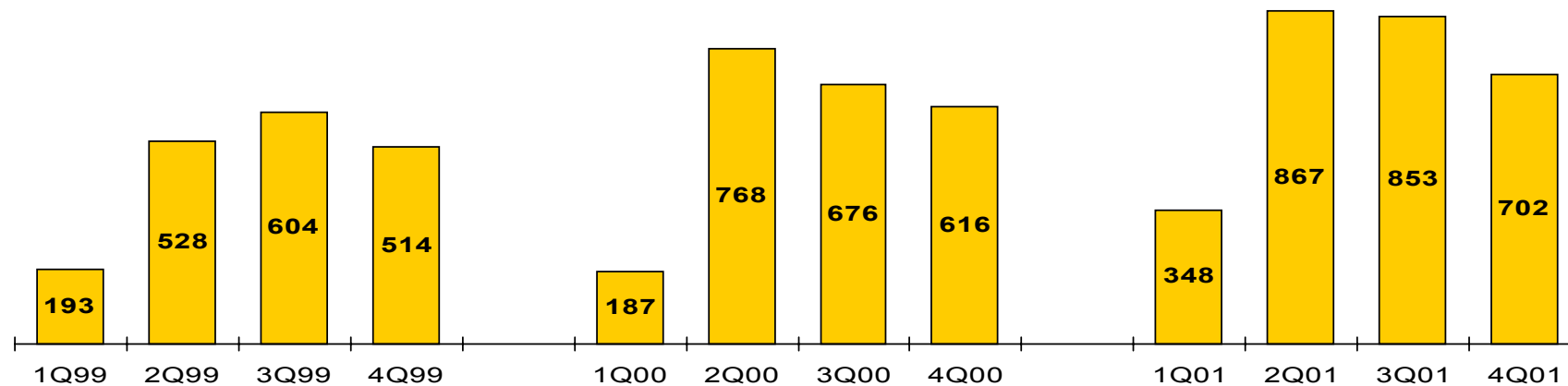


Cash Flow Statement - key figures

in NOK million	1 Jan - 31 Dec		1 Oct - 31 Dec	
	2001	2000	2001	2000
Cash flow from operations	5 849	4 257	2 041	1 754
<i>- change in net working capital</i>	12	-353	556	558
Net capital expenditure	-1 960	-1 443	-932	-529
Free cash flow Industry	2 588	1 824	699	929
Free cash flow Financial Investments	955	-77	141	208
Taxes and dividends paid	-1 951	-1 173	-586	-204
Sold companies	2 455	121	2 232	-10
Self-financing capacity	3 951	664	2 527	953
Expansion investments and acquisitions, Industry	-5 495	-3 513	-599	-2 483
Net acquisitions/sales portfolio investments	41	657	140	-550
Net cash flow	-1 567	-2 227	2 071	-2 049
Currency translation differences	416	-45	203	0
Change in net interest-bearing liabilities	1 151	2 272	-2 274	2 049



EBIT per quarter for Branded Consumer Goods



- ▶ Effect of Easter Holiday sales was mainly incorporated in Q1 in 2001, which will also be the case for 2002
- ▶ Consolidation of Carlsberg Breweries generates strong increase in earnings
 - Division of summer sales between Q2 and Q3 can vary from year to year



Carlsberg Breweries

Volume development

Million HL	2001	2000***	Change
Beer			
Western Europe	27.2	25.3	+ 8 %
Central and Eastern Europe	29.4	23.0	+ 28 %
Carlsberg Asia	11.3	10.5	+ 7 %
Total	67.9	58.8	+ 15 %
Soft drinks & Water			
Total	20.3	16.5	+ 23 %
<u>Organic growth</u>			
Beer**			+ 9 %
Soft drinks & Water***			+ 5 %

**Excl. Feldschlösschen, Piast and Türk Tuborg

***Excl. Feldschlösschen



CB - Key issues Northern & Western Europe

- ▶ Good development in Nordic countries (except Sweden) and Italy
- ▶ Feldschlösschen making considerable progress
 - Turnaround ahead of schedule
 - New and more efficient organisational structure implemented in 2001
 - Successful launch of the Carlsberg brand
- ▶ Positive trends in the UK
 - Healthy branded products growth and increased market share for Carlsberg-Tetley
 - Operations and performance gradually improved
 - Market restructured with solid base for Carlsberg-Tetley
- ▶ Disappointing results in Sweden
 - Divestment of brands requested by regulators had larger negative impact than anticipated
 - Weak overall market trend and private imports still very high
 - Synergy potential expected to be realised from Q2-2002, with full effect from 2003
 - The Carlsberg brand gained market share and achieved satisfactory growth
- ▶ Germany still weak



CB - Key issues Central & Eastern Europe

- ▶ **BBH acquisitions**
 - Vena and Svyturys will be consolidated into BBH from 2002, both breweries performed favourably in 2001
 - Market share in Russia 32% after acquisition of Voronezh (2002)
- ▶ **Poland affected somewhat by weak market conditions**
 - Integration process to yield significant cost synergies and improved market position
- ▶ **Türk Tuborg increased its market share, but results were negatively affected by weak economy and currency fluctuations**
 - Improvement plan has been developed and will be implemented in the next few years
- ▶ **Other markets in line with expectations**



BBH - Baltic Beverages Holding (50% owned by CB)

in DKK million	1 Jan - 31 Dec			1 Oct - 31 Dec		
	2001	2000	Change	2001	2000	Change
Net sales (50%)	3 659	2 382	+54 %	832	624	+33 %
EBITA (50%)	989	620	+59 %	241	118	+104 %
EBITA-margin	27.0 %	26.0 %	1.0 %	29.0 %	18.9 %	10.0 %
Average RUR/USD exchange rate	29.2	28.1	-3.8%	29.8	27.9	-6.3%

- ▶ Strong volume growth for beer in 2001 (30%), and particularly in Q4 (34%)
- ▶ Capacity increased in several breweries
- ▶ Still achieving high margins
- ▶ Acquisition of Voronezh in January 2002



BBH - Market trends beer 2001

	Market growth 00-01	Market size 2001 mill. HL	Litres per capita Year 2001	Baltic Beverages Holding Volume growth 00-01	Market share 2001	Change from 2000
Russia*	18 %	61.5	41	33 %	30 %	+3%-p
Ukraine	16 %	12.0	25	29 %	18 %	+1%-p
Baltic States**	5 %	4.2	57	8 %	45 %	+3%-p

- Consumption per capita and BBH's market shares are steadily increasing

*) Excl. Vena in both volumes and market share calculations

***) Market share for Lithuania based on full year volumes for Stenos and Saviours.

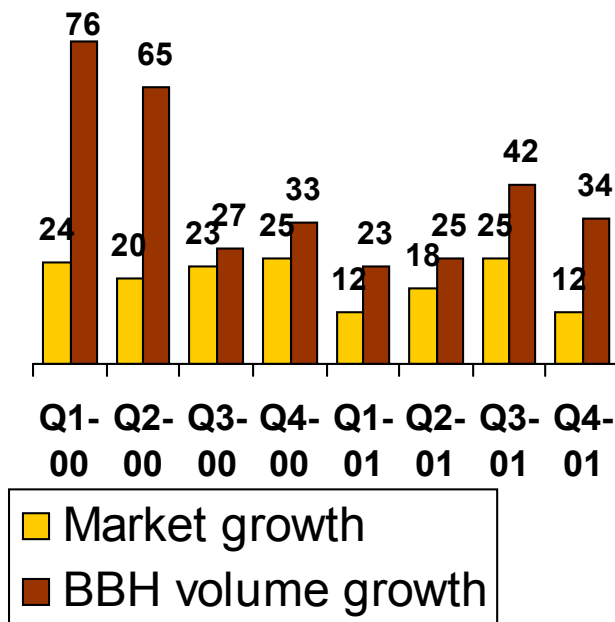
Volume growth has been calculated by using Kalnapilis brewery volumes until it was sold, and Svyturys volumes after the merger between Svyturys and Utenos.



Beer market in Russia

Market shares in Russia

Market growth and
BBH volume growth (%)



Brewery	1 Jan - 31 Dec	
	2001	2000
BBH*	29.8 %	26.7 %
Sun Interbrew	12.7 %	14.7 %
Ochakova	8.1 %	7.4 %
Krasny Vostok	6.8 %	4.9 %
Bravo	3.8 %	2.7 %
St. Razin	2.7 %	2.9 %
Efes	2.4 %	2.4 %
SAB	1.8 %	1.8 %
Vena*	1.6 %	1.0 %
Others	30.3 %	35.5 %
Total	100.0 %	100.0 %

2000 figures are corrected



CB - Key issues Asia

- ▶ New operational set-up is running
 - Consolidated from January 2002
 - Still waiting for final approval in Malaysia

- ▶ Increased ownership in Hite, South Korea
 - 25% ownership stake, to be accounted for as an associated company from 1 January 2002

- ▶ Acquisition in Laos
 - Beer Lao

- ▶ Growth potential and initiatives in other Asian markets



Financial items

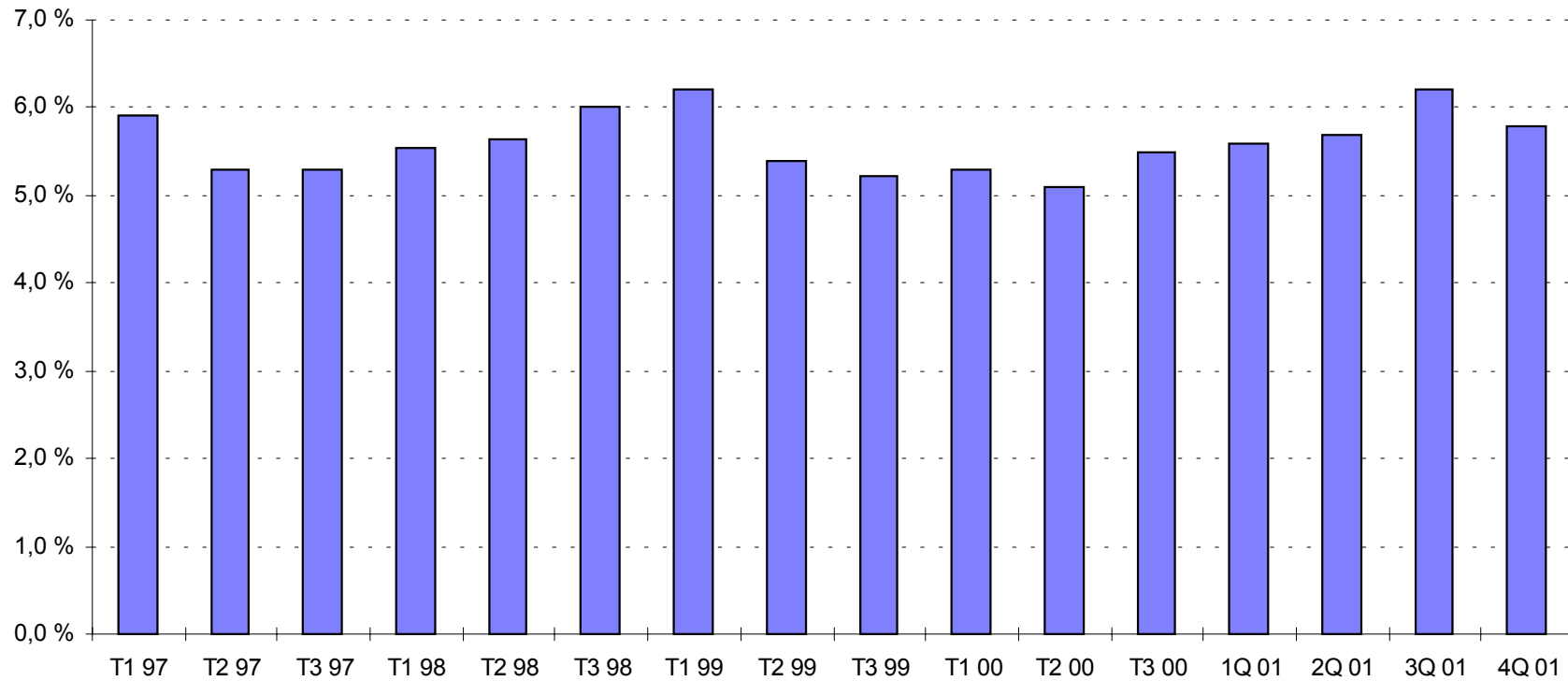


Financial items

In NOK mill.	Year 2001	Year 2000
Net interest expenses	-1 204	-870
Currency gain/loss	-7	-33
Other financial items, net	-91	-57
Net financial items	-1 302	-960
Avg. net interest bearing liabilities	20 741	17 306
Average interest rate	6.0 %	5.3 %

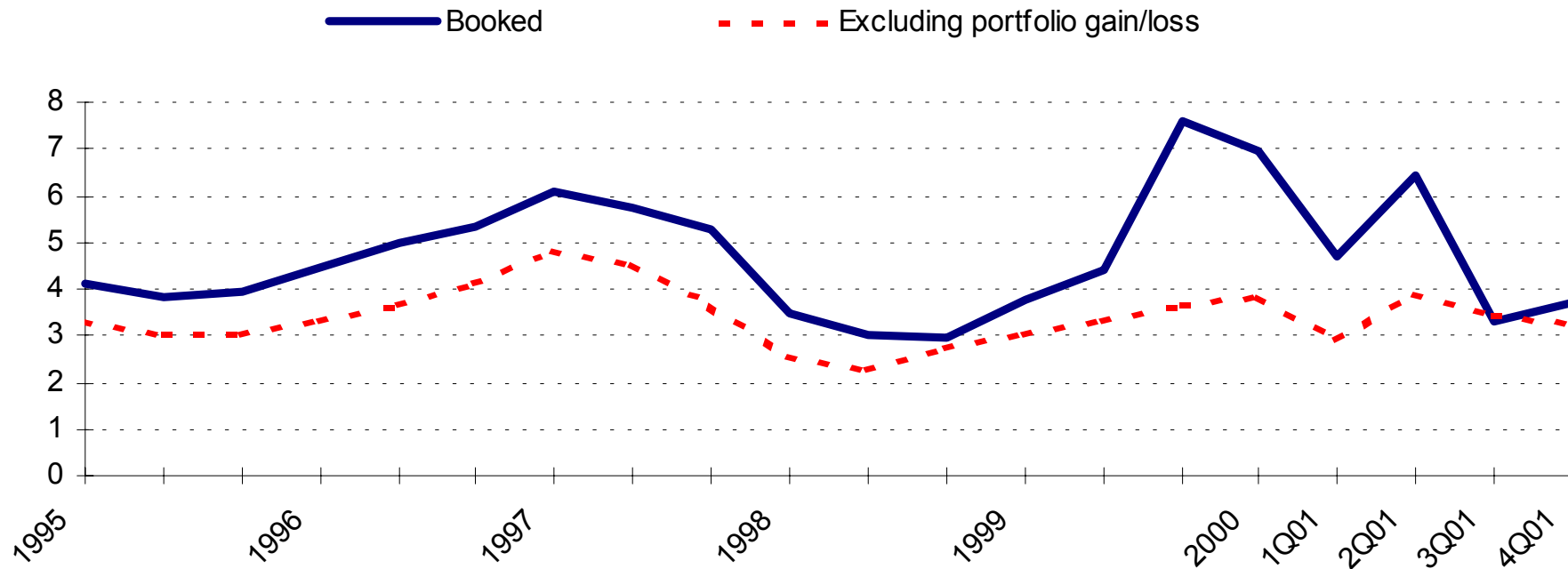


Average interest rate



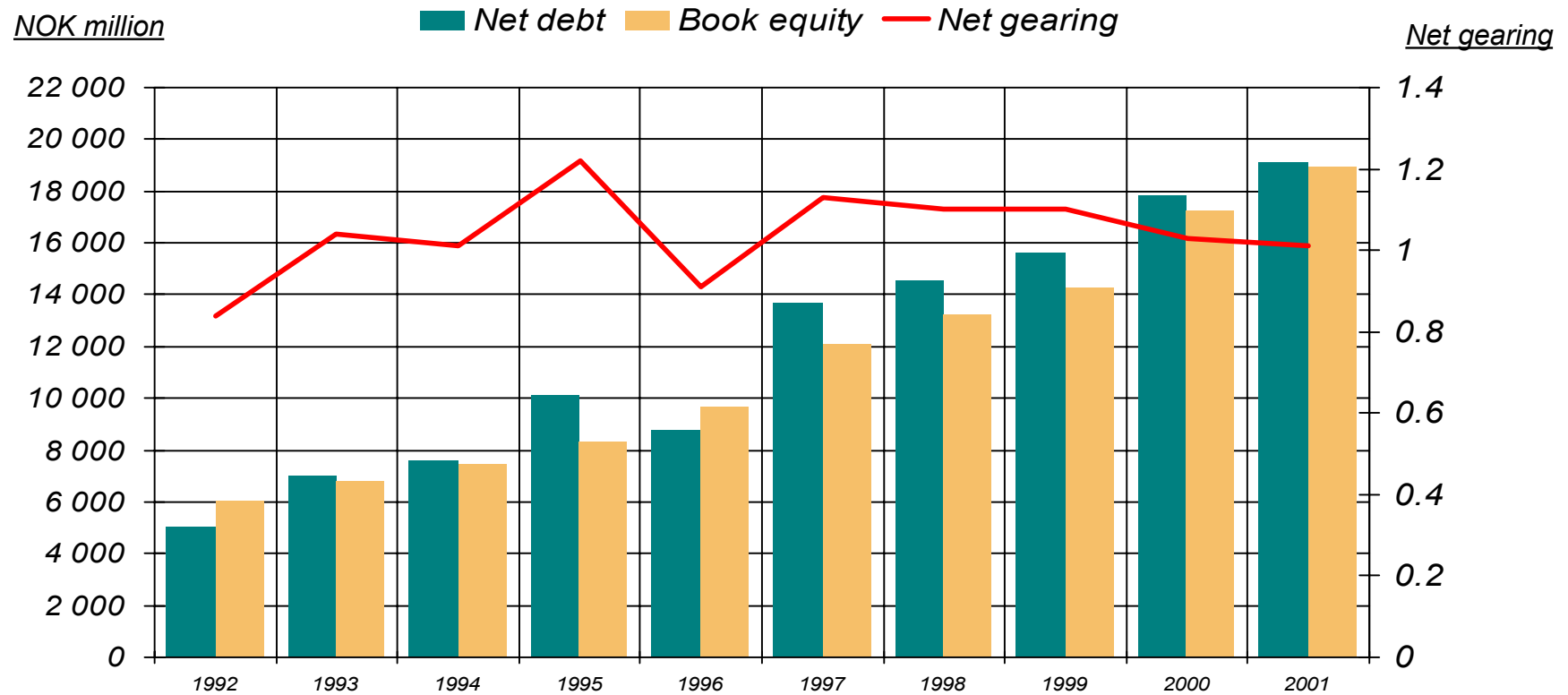
Interest cover

12 month rolling average



Debt and equity

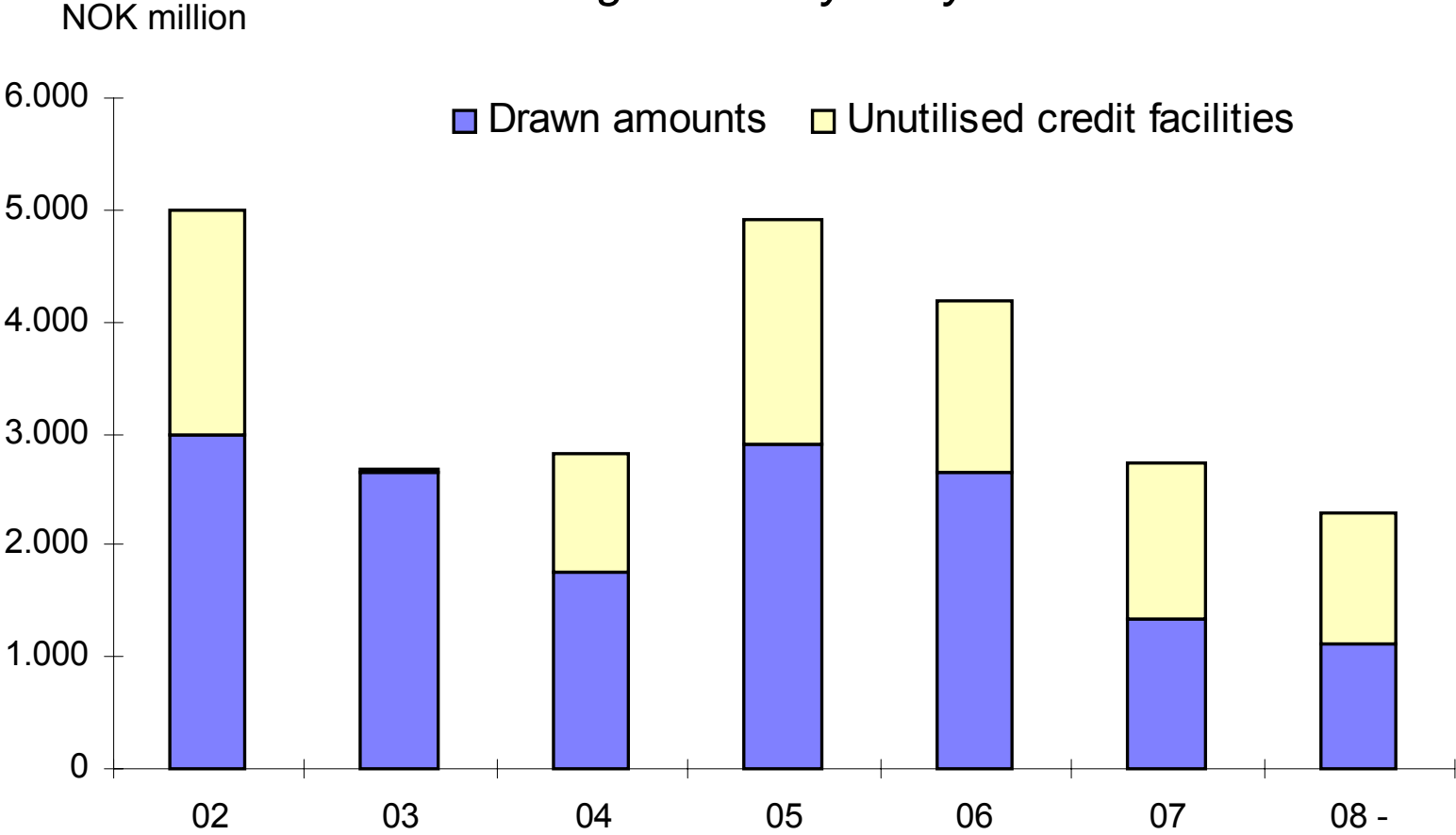
31 December 2001



Debt maturity profile, Orkla ASA

31 December 2001

Average maturity 3.4 years



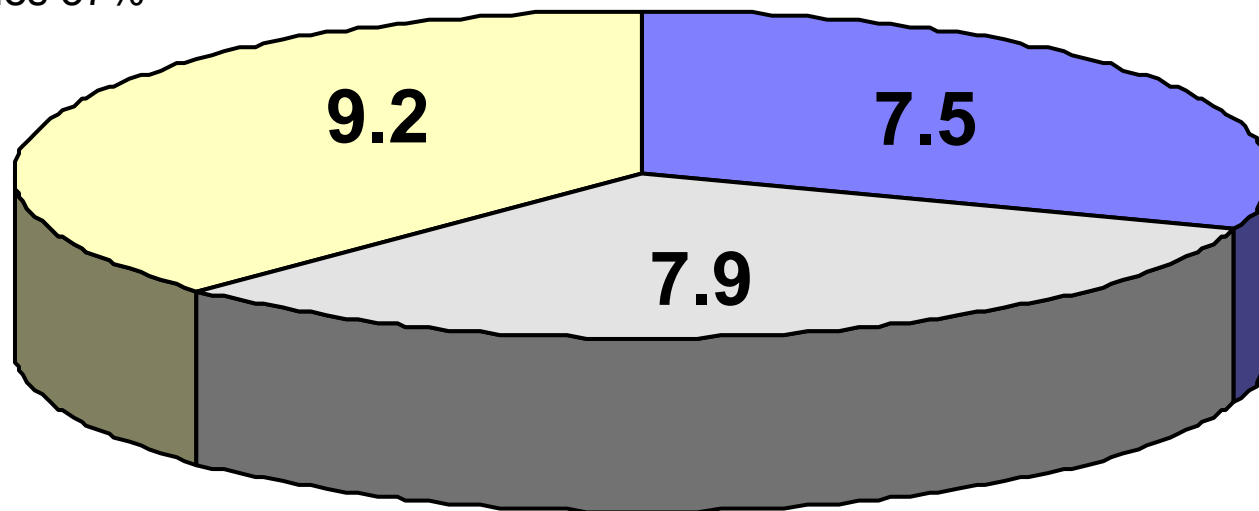
Funding Sources, Orkla ASA

31 December 2001

NOK billion

Unutilised credit facilities 37%

Banks 31%



Bonds and CPs 32%

