

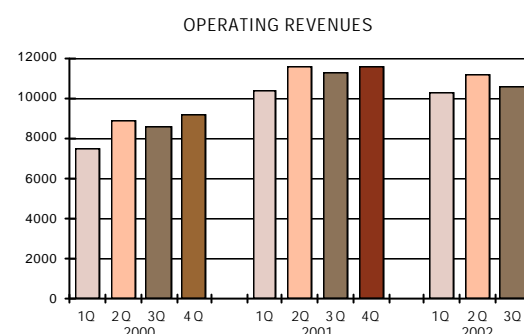
Group Income statement

Amounts in NOK million	1.1.-30.9.		1.1.-31.12.	1.7.-30.9.	
	2002	2001	2001	2002	2001
Operating revenues	31,996	33,222	44,799	10,545	11,283
Operating expenses	(27,572)	(28,852)	(38,965)	(8,928)	(9,706)
Ord. depreciation and write-downs	(1,658)	(1,601)	(2,148)	(546)	(533)
Operating profit before goodwill and other revenues and expenses	2,766	2,769	3,686	1,071	1,044
Goodwill amortisation and write-downs	(365)	(332)	(454)	(121)	(111)
Other revenues and expenses ¹⁾	(20)	19	28	12	0
Operating profit	2,381	2,456	3,260	962	933
Profit from associates	257	235	1,510	85	75
Dividends	353	541	545	33	56
Portfolio gains	153	172	(760)	(26)	(335)
Financial items, net	(862)	(952)	(1,302)	(275)	(359)
Profit before tax	2,282	2,452	3,253	779	370
Taxes	(616)	(662)	(773)	(210)	(100)
Profit after tax	1,666	1,790	2,480	569	270
Of this minority interests	159	162	211	65	72
Profit before tax, Industry area	1,764	1,675	3,363	769	649
Profit before tax, Financial Investments	518	777	(110)	10	(279)
Earnings per share fully diluted (NOK)	7.2	7.7	10.7	2.4	0.9
Earnings per share fully diluted, adjusted (NOK) ²⁾	9.0	9.3	13.3	2.9	1.5

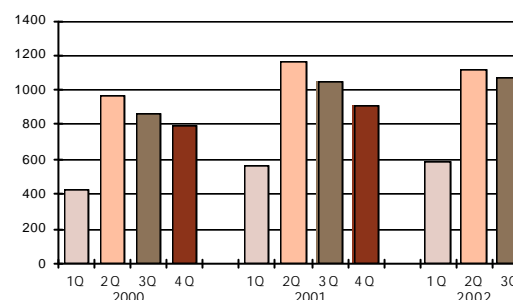
1) Other revenues and expenses totalled NOK -20 million in third quarter 2002: Gains from sale of Kemetyl (NOK 25 million), restructuring Orkla Foods (NOK -49 million), Orkla Beverages (NOK 4 million). In third quarter 2001 NOK 19 million: Gains from sale of Fredrikstad Blikk- og Metallvarefabrikk (NOK 46 million), as well as provisions for future demolition costs (NOK -27 million), both in Chemicals.

2) Excluding goodwill amortisation and non-recurring items.

Operating revenues and Operating profit before goodwill amortisation in NOK million quarterly



OPERATING PROFIT BEFORE GOODWILL AMORTISATION



The Orkla Group

Main trends in the third quarter

- Group profit before tax totalled NOK 779 million in the third quarter of 2002, compared with NOK 370 million in the corresponding period of 2001. At the end of the third quarter, earnings per share were NOK 7.2, compared with NOK 7.7 after the first nine months of last year. The Industry division reported profit growth, while realised losses on the investment portfolio were significantly lower than in the same period last year.
- Orkla Brands continued to show good profit growth. Orkla Media also reported profit growth, while the performance of the other business areas was more mixed in the third quarter. The strong NOK and the weaker USD reduced operating profit before goodwill amortisation by NOK 96 million for the quarter. The impact was strongest for beverages and the chemicals business.
- On a very weak financial market, Orkla's share portfolio did considerably less badly than the stock exchange indices with which it is relevant to compare Orkla's performance. The total return on the portfolio at the end of the third quarter was -14.2 %, compared with -33.8 % for the Oslo Stock Exchange Benchmark Index. As of 30 September 2002, unrealised gains on the share portfolio amounted to NOK 74 million.
- In September, the Chemicals area entered into an agreement to buy the Swiss company Atisholz, which manufactures speciality cellulose and wood-based chemicals. At the same time, agreements were signed for the sale of several small power plants. Also in September, Orkla Foods acquired the Danish company Credin, a leading manufacturer of ingredients for bakeries in Denmark, Poland and Portugal.

Group operating revenues in the third quarter totalled NOK 10,545 million, compared with NOK 11,283 million last year. Adjusted for currency effects, growth for Branded Consumer Goods was around 2 %. In addition to negative currency effects, the Chemicals business reported lower sales of fish oil to the fish feed industry.

Group operating profit before goodwill amortisation was NOK 1,071 million, compared with NOK 1,044 million in the third quarter of last year. Adjusted for currency effects, this is equivalent to profit growth of around 13 %.

At **Orkla Foods** (NOK 239 v 244 million)¹⁾ Procordia Food in Sweden achieved profit growth while the weak performance of Abba Seafood, particularly in Poland, had a negative impact on profit. The performance of the other business areas was on a par with or slightly better than in the corresponding period of last year.

Orkla Beverages (NOK 533 v 549 million)¹⁾ reported profit growth in the Nordic region, while its performance in Southern and Eastern Europe was somewhat weaker than anticipated. At the end of the third quarter, Beverages posted a 19 % rise in profit, adjusted for currency effects, compared with last year.

Orkla Brands (NOK 198 v 150 million)¹⁾ had another strong quarter, with profit growth in almost all business areas. The biscuits business achieved the strongest relative growth.

Although **Orkla Media** (NOK 32 v 15 million)¹⁾ was negatively affected by the continued weakness of advertising markets, profit was somewhat higher than in the corresponding period of last year. Magazines achieved significant growth, and the performance of Newspapers Norway was relatively stable. Comprehensive measures to reduce costs in the newspaper businesses partially compensated for declining advertising revenues in Denmark and Poland, but profit is still weak, particularly in Denmark.

Chemicals (NOK 95 v 111 million)¹⁾ continued to be negatively affected by the strong Norwegian krone in the third quarter. Somewhat lower sales in several areas combined with a weak demand for fish oils also reduced third quarter profit.

Other revenues and expenses totalling NOK 12 million for the quarter are ascribable to Carlsberg Breweries, which has sold brands linked to other operations in Switzerland. At the same time, further provisions were made for the ongoing restructuring process.

The contribution to profit from associates amounted to NOK 85 million for the quarter. Jotun continued to achieve profit growth, while Orkla's interest in the Hite brewery in South Korea contributed NOK 24 million to profit at the end of the third quarter.

The Financial Investments division realised certain items in the third quarter of this year at a loss of NOK 26 million, while book losses on the portfolio last year totalled NOK 335 million.

In the third quarter, net financial items were NOK 84 million lower than last year. A reduction in liabilities and slightly lower interest rates contributed towards reducing net interest expenses during the quarter.

Work is in progress to free up capital in all parts of the Group, and at the end of the third quarter free cash flow from the Industry division was NOK 2.5 billion, compared with NOK 1.9 billion last year. Net interest-bearing liabilities were reduced by NOK 0.7 billion in the third quarter.

The equity ratio rose 2.3 percentage points during the quarter, to 37.7 %. Translation effects in connection with the consolidation of foreign subsidiaries reduced equity capital by NOK 0.5 billion. Including unrealised gains on the investment portfolio, the equity ratio was 37.8 %.

Orkla Foods

- Profit growth for Procordia Food in Sweden
- Weak volume and profit growth for Abba Seafood, particularly in Poland
- Currency effects had a negative impact on both sales and profit
- In September, Orkla Food Ingredients acquired Credin, a leading manufacturer of ingredients for bakeries in Denmark, Poland and Portugal.

Orkla Foods' operating revenues totalled NOK 2,692 million in the third quarter, compared with NOK 2,682 million in the third quarter of last year. Due to the increased strength of the Norwegian krone, there was a significant decline in revenues and profit from foreign companies translated into NOK. Operating profit before goodwill amortisation amounted to NOK 239 million, compared with NOK 244 million in the third quarter of 2001.

At the end of the first nine months, Orkla Foods' operating revenues amounted to NOK 8,021 million. For continuing business, adjusted for currency effects, this is equivalent to 2 % growth. Operating profit before goodwill amortisation at the end of the third quarter was NOK 591 million, compared with NOK 628 million for the first nine months of last year. For continuing business, adjusted for currency effects, this was equivalent to a 4 % decline.

Procordia Food in Sweden achieved growth in both operating revenues and operating profit. The satisfactory growth of the Snacking product RisiFrutti continued. The "Lyftet" improvement programme is helping to strengthen the competitiveness of this business area. The full effect of the programme on profit is expected to be seen towards the end of 2003.

Abba Seafood's performance was weak throughout the period, both in Sweden and particularly in Poland. Due to a substantial rise in raw material prices, the price of seafood products has risen significantly more than the price of relevant substitutes and the demand for fish-based products has declined. Profit from the Polish company, Superfish, continued to fall and the general economic slowdown in Poland contributed to a further decline in sales volumes. An extensive cost-reduction programme has been initiated at Superfish.

Felix Abba in Finland continued to perform well and achieved profit growth in the third quarter. Profit from Orkla Foods' other businesses was approximately on a par with last year. Most of the main product groups maintained their market positions.

In September, Orkla Food Ingredients acquired the Danish company, Credin, a leading manufacturer of ingredients for bakeries in Denmark, Poland and Portugal. In 2001, the company had operating revenues of DKK 335 million and 179 employees. Subject to the approval of the competition authorities, Credin will be consolidated in the accounts from 1 January 2003. Orkla Foods also acquired a 15 % interest in Chumak, one of Ukraine's leading manufacturer of ketchup, mayonnaise, canned vegetables, sauces and sunflower oil this August. In 2001, Chumak's operating revenues totalled USD 32 million and the company has approximately 1,000 employees.

Bakers increased its operating revenues to NOK 286 million for the quarter, up 7.4 % compared with last year. Bakers is market leader in bakery goods for the grocery sector in Norway. In the third quarter, the company continued to strengthen its position in the Hotel, Restaurant and Catering markets by signing several new contracts.

1) These figures show operating profit before goodwill amortisation for the third quarter of 2002 compared with the third quarter of 2001.

Amounts in NOK million	Operating revenues					Operating profit before goodwill amortisation				
	1.1.-30.9.		1.1.-31.12.	1.7.-30.9.		1.1.-30.9.		1.1.-31.12.	1.7.-30.9.	
	2002	2001	2001	2002	2001	2002	2001	2001	2002	2001
Orkla Foods	8,021	8,079	11,133	2,692	2,682	591	628	952	239	244
Orkla Beverages	11,045	11,227	14,924	3,775	4,144	1,199	1,090	1,311	533	549
Orkla Brands	3,278	3,328	4,527	1,076	1,080	565	477	648	198	150
Orkla Media	5,291	5,517	7,453	1,671	1,744	79	192	294	32	15
Eliminations	(109)	(105)	(153)	(41)	(36)	0	0	0	0	0
Branded Consumer Goods	27,526	28,046	37,884	9,173	9,614	2,434	2,387	3,205	1,002	958
Chemicals	4,345	4,923	6,581	1,328	1,641	406	437	569	95	111
H.O./Unallocated/Eliminations	(53)	102	79	(22)	(18)	(88)	(78)	(117)	(30)	(27)
Industry area	31,818	33,071	44,544	10,479	11,237	2,752	2,746	3,657	1,067	1,042
Financial Investments	178	151	255	66	46	14	23	29	4	2
Group	31,996	33,222	44,799	10,545	11,283	2,766	2,769	3,686	1,071	1,044

Orkla Beverages (40 % of Carlsberg Breweries)²⁾

- Strong profit growth in the Nordic region
- Lower growth rate on the Russian beer market, but BBH continued to achieve positive volume growth
- Beer volume was up 15 % in the third quarter compared with last year
- Relatively weaker results in Southern Europe

In the third quarter, Orkla's 40 % stake in Carlsberg Breweries accounted for operating revenues of NOK 3,775 million. The 9 % drop in operating revenues was largely due to lower sales in Southern Europe, ascribable to poor weather and to the fact that the consolidation of the new structure in Asia currently generates lower revenues than the old structure.

Operating profit before goodwill amortisation was NOK 533 million in the third quarter, compared with NOK 549 million in the corresponding period of last year. Adjusted for currency effects, this was equivalent to 8 % growth. At the end of the first nine months, operating profit before goodwill totalled NOK 1,199 million which, adjusted for currency effects, was equivalent to 19 % growth. This profit growth was generated in the Nordic region and by BBH.

Carlsberg Breweries' beer sales volume was 22.6 million hectolitres in the third quarter, equivalent to a rise of 15 % compared with the corresponding period of last year. This volume growth can mainly be ascribed to Hite (South Korea), continued volume growth for BBH and volume growth in Poland due to acquisitions. For other beverages, volume sales totalled 5.8 million hectolitres, 7 % lower than in the corresponding period of last year. The decline was due to a rise in private imports to Denmark and a conscious focus on more profitable packaging sizes and brands in Sweden.

Operating revenues for the Northern and Western Europe market region totalled NOK 2,835 million in the third quarter. Adjusted for currency effects, this is equivalent to 2 % growth compared with the corresponding period of last year. Operating profit before goodwill amortisation totalled NOK 364 million which, adjusted for currency effects, is equivalent to a rise of 12 %. At the end of the first nine months, operating profit before goodwill amortisation totalled NOK 764 million, compared with NOK 713 million for the corresponding period of last year.

All the Nordic countries reported satisfactory profit growth in the third quarter, particularly Norway and Finland, where the improvement

was ascribable to good volume growth and an improved product mix. In Southern Europe, poor weather had a negative impact on operations in the third quarter. There are also clear indications that the general economic situation in this region is weaker, which has led to lower sales, particularly to restaurants and bars.

Operating revenues in the Central and Eastern Europe market region totalled NOK 882 million. Operating profit before goodwill amortisation was NOK 192 million which, adjusted for currency effects, is equivalent to a decline of 2 %. In Turkey, the general economic climate is extremely difficult, with high inflation, a weak currency and high interest rates. This led to very poor results for Türk Tuborg and this business has reported negative profit so far this year, despite volume growth and a larger market share. Work is in progress on a new business plan. The fall in profit was also due to the sale of the formerly wholly-owned Vena and Svyturys breweries to BBH in order to coordinate Carlsberg Breweries' activities in Russia and Lithuania, which led to a reduction in the total stake in these two breweries. At the end of the first nine months, operating profit before goodwill amortisation for the Central and Eastern Europe market region totalled NOK 456 million, up NOK 34 million compared with last year.

Market growth for beer in Russia was lower in the third quarter than in the first six months of this year. At the end of the first nine months, market growth for beer was 11 % in Russia, 14 % in Ukraine and 18 % in the Baltic States. BBH continued to achieve volume growth and at the end of the first nine months, BBH's volume growth on the above markets was 28 %, 27 % and 20 % respectively. On the Russian market, BBH had increased its market share to 33 % at the end of the first nine months of 2002.

Due to the new structure in Poland, there was a rise in sales in the third quarter and the launch of the Carlsberg brand in half-litre bottles was successful.

Operating revenues for Carlsberg Asia (50 %) in the third quarter amounted to NOK 96 million and operating profit before goodwill amortisation was NOK 65 million. The posting of profit in Thailand continues to be in accordance with the previously-reported profit guarantee from Carlsberg Breweries' partner in Carlsberg Asia. The company's performance in Malaysia and Singapore was satisfactory.

²⁾ Due to the introduction of new Danish accounting legislation, Carlsberg Breweries has made changes in its accounting practice with effect from 2002. Since these changes, seen as a whole, do not have any material effect on Orkla ASA's accounts, the Group will not amend its accounts or issue pro forma figures for 2001. The comparison with 2001 for Orkla Beverages as a whole and for the main market areas is therefore made against the figures reported last year.

Orkla Brands

- General profit growth driven by new launches and the positive effects of internal efficiency projects
- Sales growth for Biscuits and Snacks
- Improvement project for Biscuits proceeding according to plan

Orkla Brands' operating revenues amounted to NOK 1,076 million in the third quarter 2002. Adjusted for currency effects, this is 1 % higher than last year and on a par with growth in the second quarter. However, revenues continue to be affected by the weaker distribution situation for Household Textiles. A high level of exports from Lilleborg Home and Personal Care, high sales of this year's new launches and good sales performance by Biscuits and Snacks all had a positive impact. At the end of the first nine months, operating revenues totalled NOK 3,278 million which, adjusted for currency effects, is on a par with the corresponding period of last year.

Operating profit before goodwill amortisation was NOK 198 million in the third quarter, compared with NOK 150 million last year. With the exception of Household Textiles, all business areas reported higher profit than last year. This positive performance is ascribable to a substantial rise in sales for this year's new launches, the positive results of the improvement programme for Biscuits and the high level of exports from Lilleborg Home and Personal Care. At the end of the first nine months, operating profit before goodwill amortisation totalled NOK 565 million, up 18 % from last year.

Orkla Brands' products have generally maintained their market shares, with the exception of Household Textiles. The most important launch so far this year has been Define (a hair care range from Lilleborg Home and Personal Care), while the most important launches in the third quarter were Café Cookies and Brownie Cookies (Biscuits) and Bocca (Confectionery).

The improvement project for the Biscuits business, which was initiated in the fourth quarter of 2001, is in its final stages and proceeding according to plan. The workforce reductions have now been completed. The net effect on profit was positive in the third quarter, while the net effect on profit for the year as a whole is expected to be neutral as a result of non-recurring expenses.

Orkla Media

- Decline on the Danish and Polish advertising markets continues
- Profit growth for Magazines
- Newspapers Norway little affected by weak advertising markets

Orkla Media's operating revenues in the third quarter totalled NOK 1,671 million. For continuing business, adjusted for currency effects, this is equivalent to a decline of 2 %, which is ascribable to falling advertising revenues in Denmark and Poland. Operating profit before goodwill amortisation was NOK 32 million in the third quarter. For continuing business, adjusted for currency effects, profit was up NOK 20 million compared with the corresponding period of last year. Magazines and Newspapers Norway showed positive profit development from last year, while Berlingske in Denmark and Newspapers Eastern Europe reported a drop in profit. The advertising markets for Orkla Media's newspaper operations in Denmark and Poland are expected to remain weak.

Berlingske in Denmark continued to report a decline in advertising revenues compared with the corresponding period of last year. The

classified situations vacant market continued to fall. Cost-reduction measures and lower paper prices compensated for much of the loss of advertising revenues. Advertising volume trends for Berlingske were on a par with the total Danish market. Trends in circulation figures for Berlingske's newspapers were better than the total market, despite the fact that they were lower than last year. Berlingske's third quarter profit was also negatively affected by strikes.

Newspapers Norway reported higher profit in the third quarter than in the corresponding period of last year. This was mainly due to the effects of cost-reduction programmes and a rise in revenues. Advertising trends for the Group's Norwegian newspapers were on a par with last year, while circulation declined slightly compared with 2001.

Newspapers Eastern Europe reported lower profit in the third quarter than in 2001, mainly due to the significant decline on the Polish advertising market. Continued cost-reduction measures offset some of the negative effects of the loss of advertising revenues. Although circulation figures continued to fall, the Group's newspapers are still market leader in Poland in terms of circulation.

For Magazines, the third quarter was highly satisfactory. The rise in profit compared with last year was largely due to increased circulation for Her og Nå, the positive performance of the Swedish magazine publisher, Medströms, in terms of revenues and expenses, and general cost reductions.

Direct Marketing reported profit for continuing business on a par with the third quarter of last year.

Chemicals

- Profit affected by the stronger NOK and weaker USD
- Markets for lignin and speciality cellulose remain stable
- Agreement to buy the Swiss company Atisholz

Borregaard's operating revenues amounted to NOK 1,328 million in the third quarter of 2002. For continuing business, adjusted for currency effects, revenues were 13 % lower than last year. The difference was ascribable to lower demand for fish oil for the fish feed industry for Denofa and somewhat lower sales in several areas.

Operating profit before goodwill amortisation totalled NOK 95 million, compared with NOK 111 million in the third quarter of 2001. The drop in quarterly profit was due to the stronger Norwegian krone, the decline on the fish oil market, a weak market for certain basic chemicals and high energy costs. For continuing business, adjusted for currency effects, this was equivalent to a 19 % growth.

Borregaard LignoTech's profit for the third quarter was on a par with last year. Although the currency situation had a negative impact, it was offset by the ongoing improvement programmes. The expansion of the factory in South Africa is proceeding according to plan and is expected to be completed in the first half of 2003.

Borregaard ChemCell reported significantly lower profit than in the third quarter of last year due to low caustic soda and sulphuric acid prices. Despite the generally weak cellulose market and the strong Norwegian krone, prices for speciality cellulose were stable, but production and sales volumes were somewhat lower than anticipated.

Borregaard Synthesis achieved far higher profit in the third quarter than in the corresponding period of last year due to an improved product mix, good production and lower prices for certain factor inputs. There is still substantial over-capacity and pressure on prices for pharmaceutical

Group balance sheet

Amounts in NOK million	30.9.	30.9.	31.12
	2002	2001	2001
Assets:			
Long-term assets	26,663	28,914	28,434
Portfolio investments etc.	12,064	12,689	11,599
Short-term assets	13,325	14,727	14,612
Total assets	52,052	56,330	54,645
Equity and Liabilities:			
Equity and minority interests	19,607	18,939	18,957
Interest-bearing liabilities	20,947	24,681	22,712
Interest-free liabilities and provisions	11,498	12,710	12,976
Total equity and liabilities	52,052	56,330	54,645
Equity to total assets ratio (%):			
Book	37.7	33.6	34.7
Including unrealised gains before tax	37.8	34.8	37.8
Changes in equity			
Amounts in NOK million	1.1.-30.9.		31.12
	2002	2001	2001
Equity at 1 January	17,969	16,447	16,447
Profit for the year after minority	1,507	1,628	2,269
Dividend	0	0	(685)
Repurchase of own shares	(315)	(67)	(64)
Translation difference etc.	(501)	(103)	2
Total	18,660	17,905	17,969

Cash flow

Amounts in NOK million	1.1.-30.9.		1.1.-31.12.	1.7.-30.9.	
	2002	2001	2001	2002	2001
Industry area:					
Operating profit	2,367	2,433	3,231	958	931
Depreciation and write-downs	2,026	1,919	2,606	663	639
Change in net working capital	(102)	(544)	12	(141)	87
Cash flow from operating activities	4,291	3,808	5,849	1,480	1,657
Net replacement expenditure	(1,056)	(1,028)	(1,960)	(388)	(232)
Free cash flow operating activities	3,235	2,780	3,889	1,092	1,425
Financial items, net	(774)	(891)	(1,301)	(229)	(298)
Free cash flow from Industry area	2,461	1,889	2,588	863	1,127
Free cash flow from					
Financial investments	675	814	955	217	116
Taxes and dividends paid	(1,690)	(1,365)	(1,951)	(109)	(91)
Sold companies	74	223	2,455	0	122
Miscellaneous capital transactions	(147)	(137)	(96)	(81)	(225)
Group's self-financing capacity	1,373	1,424	3,951	890	1,049
Expansion investments (Industry area)	(493)	(444)	(726)	(129)	(245)
Acquisitions	(937)	(4,452)	(4,769)	(109)	(443)
Net purchases/sales portfolio investments	(543)	(99)	41	45	74
Share buy back	(315)	(67)	(64)	(129)	(67)
Net cash flow	(915)	(3,638)	(1,567)	568	368
Currency translations net interest-bearing debt	992	213	416	155	(114)
Change in net interest-bearing debt	(77)	3,425	1,151	(723)	(254)
Net interest-bearing debt	19,055	21,406	19,132		

intermediates.

Denofa reported significantly lower profit in the third quarter than in the corresponding period of last year. A decline in the fish oil market and less feeding due to high water temperatures led to a slowdown in deliveries to the fish feed industry. Exports of marine fat declined due to high raw material prices. A lower industrial crushing margin led to lower margins for soya oil and soya meal.

A low level of own production and lower electricity prices resulted in a decline in profit for Borregaard Energy during the quarter compared with the third quarter of last year. Profit for Borregaard Vafos and Borregaard Hellefos was lower due to the strong NOK and slightly lower production.

In September, Borregaard entered into an agreement to buy the Swiss company, Atisholz, which manufactures speciality cellulose and wood-based chemicals. This acquisition is in accordance with Borregaard's strategy to concentrate its activities in global niche areas. The acquisition will be financed over time by divestment of other businesses. Atisholz is expected to be consolidated this autumn.

So far this year, Borregaard has entered into agreements to sell nine small power plants. Borregaard is awaiting official approval and the anticipated gain may be taken to income in the fourth quarter.

Financial Investments

After falling 11.2 % in the first six months, the Oslo Stock Exchange Benchmark Index dropped a further 25.5 % in the third quarter of 2002. The Index was therefore 33.8 % lower than at the beginning of the year. The other Nordic markets also experienced a decline in the third quarter,

the largest being on the Swedish Stock Exchange, which dropped 26.6 %. The FT World Index fell 18.5 % in the third quarter.

The decline on Orkla's investment portfolio was significantly less in the third quarter than on the stock markets in general. At the end of the third quarter the return was -14.2 %. The investment in Elkem made a positive contribution to the return on the portfolio, while the investments in Storebrand and Nera had the strongest negative impact.

Profit before tax for the Financial Investments division totalled NOK 518 million, compared with NOK 777 million in the corresponding period of last year. Realised losses for the quarter amounted to NOK 26 million, compared with a loss of NOK 335 million last year. So far this year, realised gains total NOK 153 million, compared with NOK 172 million last year. Dividends received amounted to NOK 24 million for the quarter, compared with NOK 55 million in the corresponding period of last year. So far this year, dividends received total NOK 339 million, compared with NOK 539 million last year. The Orkla Finans group reported a decline in profit due to reduced activity at Enskilda Securities (22.5 % interest).

Net purchases of shares totalled approximately NOK 95 million in the third quarter. The largest transactions were capital reduction in Telia Overseas for NOK 321 million and a net purchase of Norsk Hydro shares amounting to NOK 115 million. After the end of the third quarter, Orkla's stake in Norway Seafoods Holding was sold for NOK 361 million. NOK 191 million was repaid on the convertible loan, which now stands at approximately NOK 560 million and falls due on 30 September 2003.

The net asset value of the share portfolio has been reduced by NOK

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Shareholder service
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NO-0213 Oslo, Norway

In the event of a change of address, shareholders are requested to contact their account manager (bank etc.)

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

2,200 million so far this year to NOK 10,323 million, of which the reduction in the third quarter amounted to NOK 1,997 million. The market value of the portfolio at the end of the quarter was NOK 11,966 million and foreign investments accounted for 27.2 % of the total portfolio. Unrealised gains totalled NOK 74 million.

Restructuring and cost rationalisation

The programmes that have been initiated, the most comprehensive of which concern the media business in Denmark, beverages in Sweden, Switzerland and Poland, and Procordia Food in Sweden, are largely proceeding according to plan. However, it is clear that the situation on certain markets is more demanding than previously anticipated and further measures will be introduced. In Denmark, an agreement with Politiken on cooperation between printing plants is expected to be formalised in the fourth quarter. Beverages has put in new management in Turkey and the business plan will be revised in the fourth quarter in the light of the poor market prospects. The Chemicals business also has certain local operations with weak profitability which will be further evaluated.

Although no formal decisions have been made, further provisions are likely to be made for restructuring and workforce reductions in the fourth quarter. They will be partially offset by gains on the sale of power plants. In addition gain on the sale of Orkla's interest in the associated company Team Trafikk will affect profit before taxes positively.

Cash flow, investments and financial situation

Free cash flow from the Industry division at the end of the third quarter was NOK 572 million better than at the same time last year.

The higher taxes paid in 2002 are ascribable to the gain on the sale of Hartwall shares in 2001. Expansion investments and acquisitions, which amounted to NOK 1.4 billion at the end of the third quarter, are due to capacity expansion at BBH and the acquisition of businesses by Beverages and Orkla Foods.

A buy-back of Orkla's own shares amounted to NOK 315 million.

The positive currency effects on net interest-bearing liabilities amounted to approximately NOK 1 billion.

Net interest-bearing liabilities in NOK are on a par with the level as of 31 December 2001.

The average borrowing rate at the end of the third quarter was 5.5 %. The percentage of interest-bearing debt at floating interest rates at the end of the third quarter was approximately 87 %, mainly in NOK, SEK, EUR, USD, DKK and CHF.

Translation differences related to equity capital amounted to the equivalent of -NOK 0.5 billion and the equity ratio at the end of the third quarter was 37.7 %, up 2.3 percentage points for the quarter.

Strategy review

The Board of Directors has reviewed Orkla's main strategy. This topic has been discussed systematically at a number of board meetings and the Board has thoroughly reviewed and evaluated the Group's individual core business areas as well as the overall strategy.

The Board has concluded unanimously that Orkla's goal is to give shareholders a long-term return that is well above the market average. In order to achieve this, a continued ambitious growth strategy is planned for the Group's industrial operations. This entails focus on efficient operations, organic growth and exploiting structural opportunities by acquiring new businesses.

In the Board's view, Orkla has the necessary financial and management resources to implement an industrial growth strategy of this nature.

At the same time, the Group's dual structure will be maintained by continuing its financial investment activities, but no significant new capital will be allocated to the Financial Investments division.

In the Industry division, the Branded Consumer Goods business will be the main priority and will increase its degree of internationalisation over time. The Chemicals business will be specialised and concentrated on core business areas, while in the longer term Orkla will consider alternative structural solutions for all or parts of this business area.

Other matters

The Chairman of the Board, Tom Ruud, was appointed head of Corporate and Institutional Banking at Nordea from 1 October this year. Since this post is incompatible with his position as Chairman of Orkla's Board of Directors, Mr Ruud has informed Harald Arnkværn, Chairman of Orkla's Corporate Assembly, that he wishes to resign. The Election Committee of the Corporate Assembly, chaired by Harald Arnkværn, has recommended the election of Johan Fr. Odfjell as new Chairman of the Board of Orkla ASA. The Election Committee's recommendation will be voted on at a meeting of the Corporate Assembly on 21 November this year.

Outlook

As in the second quarter, the third quarter was affected by the decline on the stock markets and there is still a great deal of uncertainty about future stock market trends. Nor are there any clear signs of an economic recovery in the leading western economies, and the uncertainty about economic prospects seems likely to continue and increase somewhat into 2003.

As we have previously stated, however, the weak economic situation is not expected to have a significant impact on Orkla's results in the short term. The prospects for 2002, as expressed by the Board at the end of the second quarter, remain largely unchanged, although the trend is slightly weaker. However the Group is implementing a number of measures to adjust the cost structure and further improve operations in all parts of the Group.

Oslo, 6 November 2002

The Board of Directors of Orkla ASA

