

The Orkla Group

First quarter 2003

8 May 2003



Agenda

- ◆ Highlights and key figures
- ◆ Currency translation effects
- ◆ Results by business area
- ◆ Cash flow statement and balance sheet



Highlights Q1-2003

- ◆ Weak results in Carlsberg Breweries in off-season period
 - Weak demand in most markets, enhanced by later Easter
- ◆ Other business areas in line with last year
 - Underlying improvement when adjusted for later Easter holiday and structural changes (Chemicals)
- ◆ NOK 513 million gain on sale of stake in Enskilda Securities
- ◆ Portfolio performance -6.3% vs. OSEBX -9.7%
 - Write-down of portfolio book value by NOK 668 million, reversed by April 30



Key figures Q1-2003

NOK million	1 Jan - 31 Mar		Change	
	2003	2002	Acc.	excl. FX transl.
Operating revenues	9 870	10 278	-4 %	0 %
EBITA *	433	582	-26 %	-23 %
Goodwill amortisation	-130	-117		
Other revenues and expenses	-1	0		
EBIT	302	465		
Associated companies	571	87		
Portfolio gains	-640	138		
Dividends and net financial items	-242	-265		
Profit before tax	-9	425		
Earnings per share (NOK)	-0.1	1.3		
Free cash flow Industry	-20	124		

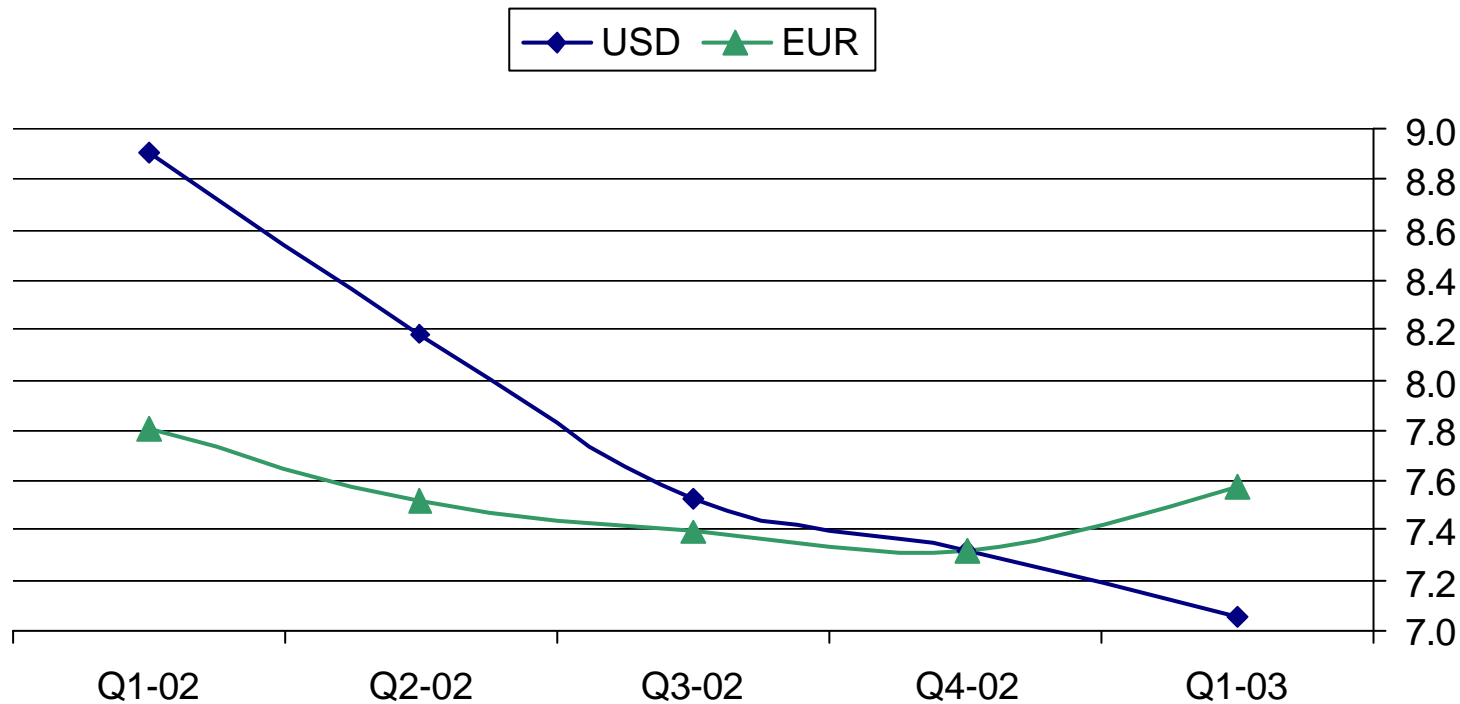
* Excl. other revenues and expenses



Currency translation effects

- ◆ The currency translation* effects are still negative, but less noteworthy
 - Impact on revenues is NOK -440 million, impact on EBITA is insignificant

Performance of NOK versus USD and EUR



*) Primarily Branded Consumer Goods



Orkla Foods

in NOK million	1 Jan - 31 Mar		Change		Full year
	2003	2002	Acc.	excl. FX transl.	2002
Operating revenues	2 663	2 688	-1 %	2 %	11 062
EBITA*	144	167	-14 %	-13 %	902
Goodwill amortisation	-43	-40			-168
Operating profit*	101	127	-20 %		734
EBITA-margin*	5.4 %	6.2 %			8.2 %

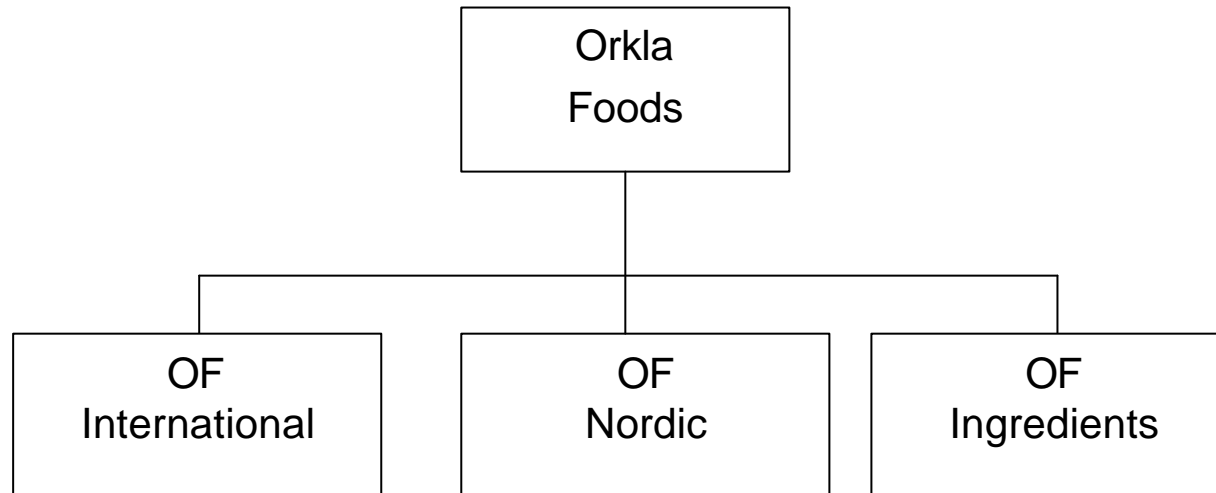
* Excluding other revenues and expenses

- ◆ EBITA on a par with last year when adjusted for Easter effect
- ◆ Progress in Norway (Stabburet)
- ◆ Weak quarter for Seafood operations
 - Lower sales in Sweden (Abba Seafood), partly due to late Easter
 - Turnaround in Poland (Superfish) on schedule, effects will materialise later in the year



Orkla Foods (cont.)

New organisational set-up from March 2003



In order to sharpen strategic focus on

- Innovation
- Brand building
- Cost rationalisation programmes
- Further growth



Orkla Beverages (40% of Carlsberg Breweries)

in NOK million	1 Jan - 31 Mar		Change		Full year 2002
	2003	2002	Acc.	excl. FX transl.	
Operating revenues	2 846	3 195	-11 %	-3 %	14 516
EBITA*	-9	141	-106 %	-107 %	1 364
Goodwill amortisation	-36	-26			-111
Operating profit*	-45	115	-139 %		1 253
EBITA-margin*	-0.3 %	4.4 %			9.4 %
Profit from associates**	10	9			

* Excluding other revenues and expenses

**CB reports associated companies excluding taxes as part of EBITA

- ◆ Disappointing first quarter due to:
 - General market trends reflecting uncertain economic situation
 - Easter effect in Europe
 - Negative effect from exchange rates
 - Weaker margins/pricing in Russia
- ◆ Carlsberg Breweries gained market shares in core regions
- ◆ Carlsberg brand continues to advance (+5%) despite difficult market conditions



Carlsberg Breweries excl. BBH

- ◆ Declining volumes, particularly in ho-re-ca channel
 - Difficult economic environment lowering consumer confidence
 - Business in Hong Kong and Singapore affected by fear of SARS virus
- ◆ Late Easter reduces EBITA by approx. DKK 75-100 million (100%)
 - Mainly in Nordic region
- ◆ Volume growth in the UK, driven by Carlsberg brand
- ◆ Improved profitability in Turkey, in spite of war in Iraq
 - Ambition of break-even at EBITA level for full year 2003



Baltic Beverages Holding (50%)

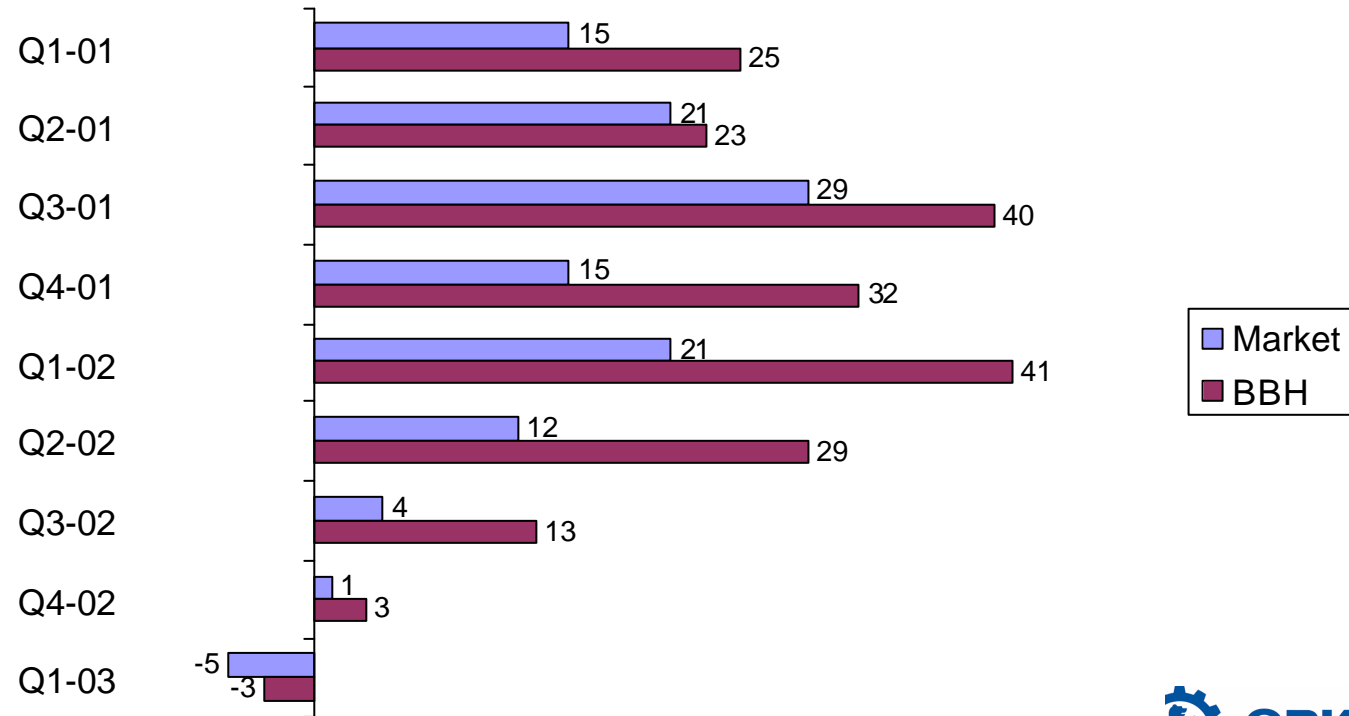
in DKK million	1 Jan - 31 Mar		Change		Full year 2002
	2003	2002	Acc.	excl. FX transl.	
Operating revenues	802	949	-15 %	5 %	4 598
EBITA	111	219	-49 %	-41 %	1 231
EBITA-margin	13.8 %	23.1 %	-9.2 %		26.8 %

- ◆ Increase in costs as result of expansion phase
 - Close to finalisation of substantial capacity investment programme
- ◆ FX impact on operating profit DKK -30 million
- ◆ Baltika kept prices stable during distribution restructuring in spite of inflation and beer tax increase
- ◆ Market share growth in all markets



BBH - Market trends beer

Q1	Market growth	Baltic Beverages Holding			Litres per capita 2002
		Volume growth	Market share	Change from Q1-02	
Russia	-5 %	-3 %	34.3 %	0.8 %-pts	48
Ukraine	4 %	12 %	20.4 %	1.5 %-pts	28
Baltic States	0 %	0 %	45.5 %	0.2 %-pts	67



Volume growth compared with corresponding quarter the year before



Carlsberg Breweries – outlook

- ◆ EBITA* in line with last year (revised down from +5-10%)
- ◆ Working capital reduction: Target of DKK 1 billion
- ◆ Carlsberg brand volume to increase by 7%

*) Orkla Beverages must be adjusted for associated companies and currency translation effects



Orkla Brands

in NOK million	1 Jan - 31 Mar		Change		Full year 2002
	2003	2002	Acc.	excl. FX transl.	
Operating revenues	1 173	1 132	4 %	4 %	4 500
EBITA*	213	175	22 %	22 %	787
Goodwill amortisation	-9	-9			-38
Operating profit*	204	166	23 %		749
EBITA-margin*	18.2 %	15.5 %			17.5 %

* Excluding other revenues and expenses

- ◆ Broad increase in both revenues and EBITA
 - Favourable effects from currency and product mix
- ◆ Cost reduction programmes in Biscuits (completed) and Confectionery (ongoing) contribute positively
- ◆ New products launched in Q1 have so far been successful
 - Products launched over the last two years continue to perform well
- ◆ Sales from contract production to Unilever anticipated to decline in second half of 2003



Orkla Media

in NOK million	1 Jan - 31 Mar		Change		Full year 2002
	2003	2002	Acc.	excl. FX transl.	
Operating revenues	1 726	1 738	-1 %	3 %	7 079
EBITA*	16	-9			148
Goodwill amortisation	-39	-38			-163
Operating profit*	-23	-47			-15
EBITA-margin*	0.9 %	-0.5 %			2.1 %

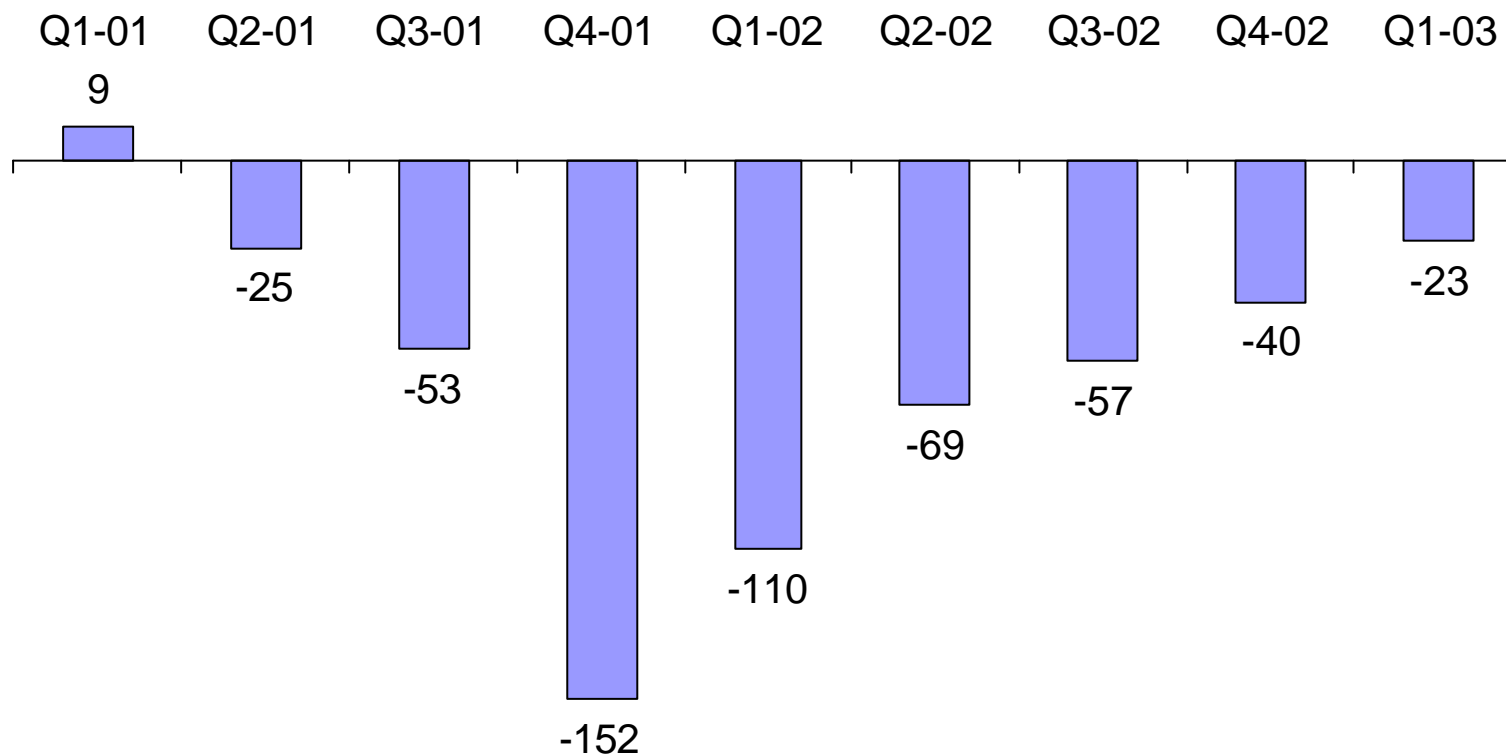
* Excluding other revenues and expenses

- ◆ EBITA-improvement in all areas except for Denmark (Berlingske)
 - Continued strong performance by Magazines
- ◆ Advertising market levelling out in Poland, Denmark still in decline
- ◆ Leadership position in Copenhagen free-sheet market strengthened
 - Strong growth in revenues and improved readership figures
 - Operating loss reduced



Orkla Media – change in advertising revenues

Change in advertising revenues, compared with corresponding quarter the year before
(NOK million)



Chemicals

in NOK million	1 Jan - 31 Mar		Change		Full year 2002
	2003	2002	Acc.	excl. FX transl.	
Operating revenues	1 462	1 527	-4 %	-2 %	5 726
EBITA*	103	140	-26 %	-26 %	537
Goodwill amortisation	-1	-3			-12
Operating profit*	102	137	-26 %		525
EBITA-margin*	7.0 %	9.2 %			9.4 %

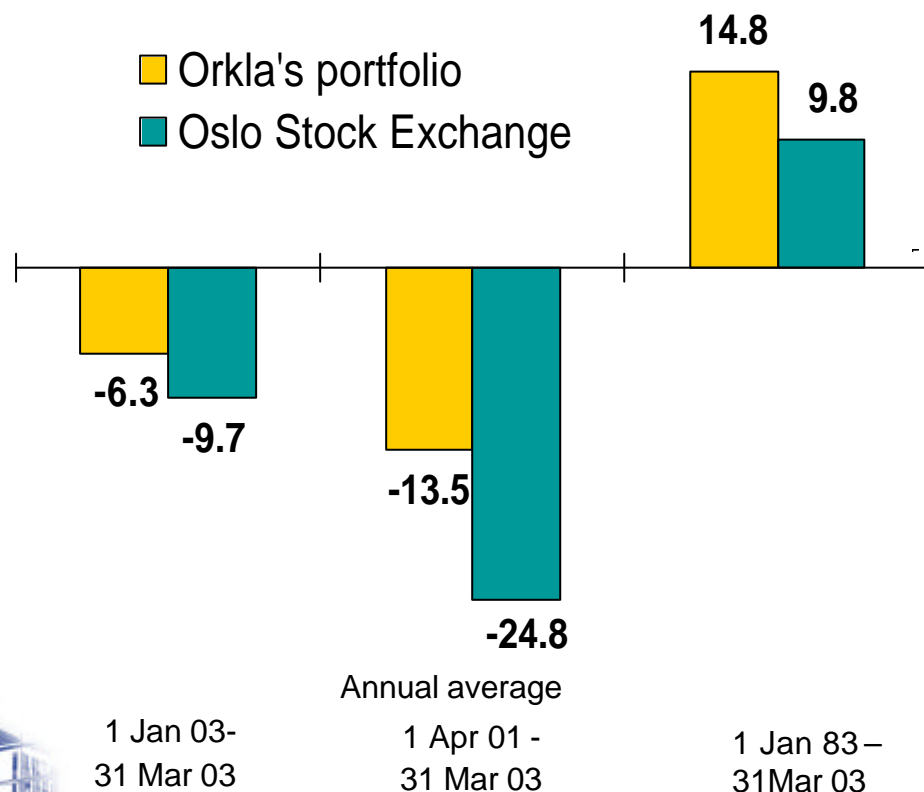
* Excluding other revenues and expenses

- ◆ EBITA decline largely explained by structural changes
 - Full year effect expected to be positive
- ◆ Borregaard Switzerland improvement programme on schedule
 - Price increases for cellulose implemented, effective from Q2
- ◆ Strong results in lignin and energy businesses
- ◆ Lower prices in NOK reduce profit, impact softened by currency hedging and improvement programmes



Financial Investments - portfolio performance

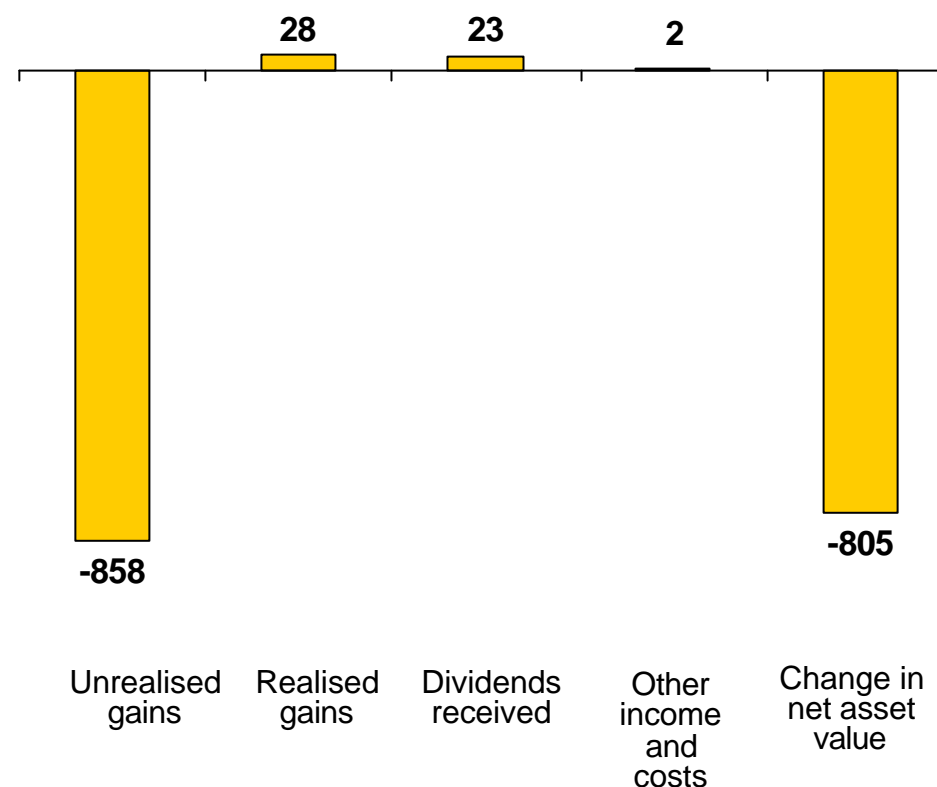
Return (%)



Change in Net Asset Value

1 Jan - 31 Mar 03

NOK million



Portfolio as of 31 Mar 2003

Principal holdings	Industry	Market value (NOK million)	Share of portfolio (%)	Share of equity (%)
Elkem	Metals	2 624	23.4	39.4
Storebrand	Insurance	669	6.0	10.0
Norway Seafoods Holding ¹	Industrial	557	5.0	N/A
Industri Kapital 2000 ²	Investment	455	4.1	3.6
DnB Holding	Bank	419	3.7	1.9
Rieber & Søn	Food	402	3.6	9.9
Industri Kapital 97 ²	Investment	369	3.3	8.0
Bergesen	Shipping	338	3.0	4.3
Norsk Hydro	Energy and materials	334	3.0	0.5
Nordstjernen Holding ³	Investment	287	2.6	35.0
Total principal holdings		6 454	57.5	
Market value of entire portfolio		11 224		

- 1) Not listed, convertible bond
- 2) Not listed
- 3) Not listed, but invest only in listed shares



Financial Investments - portfolio key figures

in NOK million	31 Mar 03	31 Dec 02	Change 03
Market value	11 224	12 060	-836
Net asset value	9 435	10 240	-805
Unrealised gains before tax	-668*	190	-858
Share of portfolio invested outside Norway	30 %	30 %	0 %-p
in listed companies	74 %	77 %	-3 %-p

*) Reversed by 30 April 2003



Cash Flow Statement - key figures

in NOK million	1 Jan - 31 Mar		Full year
	2003	2002	2002
Cash flow from operations	623	723	6 071
- change in net working capital	-384	-404	195
Net capital expenditure	-390	-410	-1 843
Free cash flow Industry	-20	124	3 085
Free cash flow Financial Investments	-156	46	715
Taxes paid and miscellaneous	-211	-677	-1 180
Cash flow before capital transactions	-387	-507	2 620
Dividends paid and share buy-back	-174	-67	-1 132
Cash flow before expansion	-561	-574	1 488
Expansion investments, Industry	-50	-209	-740
Companies sold	185	0	210
Acquisitions	-66	-241	-1 920
Net purchases/sales portfolio investments	242	-562	-920
Net cash flow	-250	-1 586	-1 882
Currency translation differences	-671	297	1 498
Change in net interest-bearing liabilities	921	1 289	384
Net interest-bearing liabilities	20 437	20 421	19 516



Balance Sheet - some key figures

in NOK million	31 Mar 03	31 Dec 02
Long-term assets	27 519	26 786
Portfolio investments etc.	11 297	11 998
Short-term assets	14 886	14 338
Total assets	53 702	53 122
Equity to total assets ratio		
- Book	35.0 %	35.2 %
- Incl. unrealised capital gains before tax	35.0 %	35.4 %
Net interest-bearing liabilities	20 437	19 516
Net gearing	1.09	1.04





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Enclosures

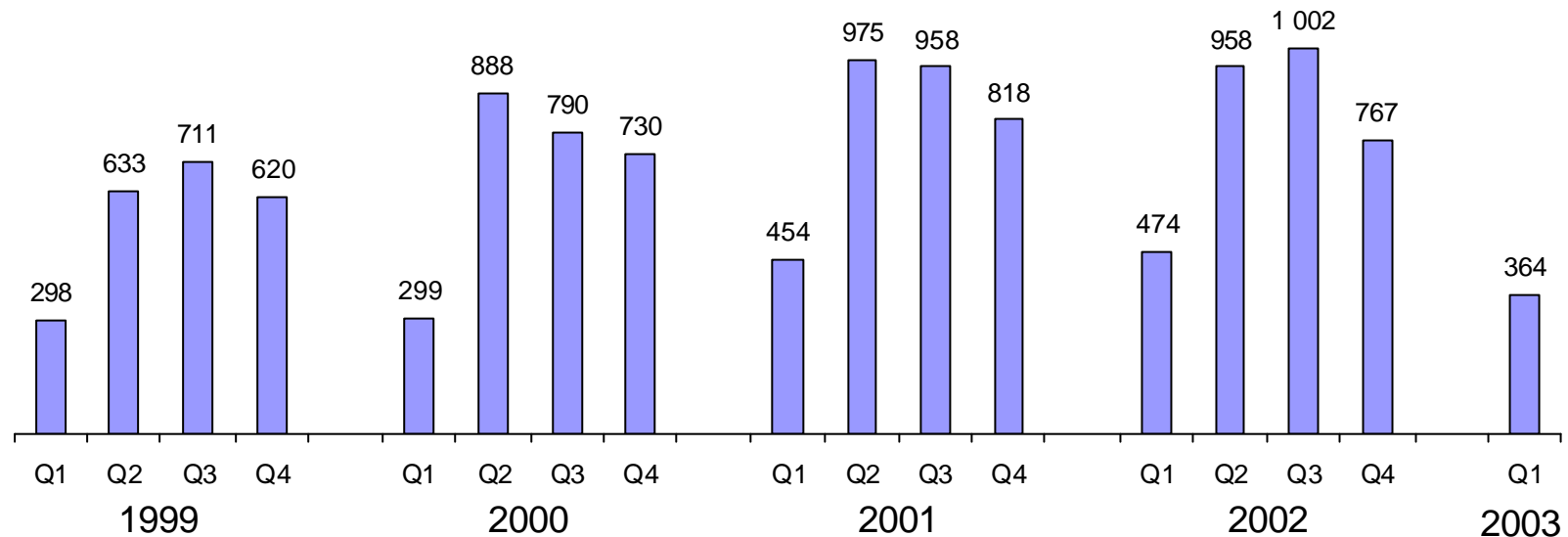


Income Statement

NOK million	1 Jan - 31 Mar			Full year
	2003	2002	Change	2002
Operating revenues	9 870	10 278	-4 %	42 979
EBITA	433	582	-26 %	3 663
Goodwill amortisation	-130	-117	11 %	-499
Other revenues and expenses	-1	0		-143
Operating profit	302	465	-35 %	3 021
Associated companies	571	87		305
Dividends received	26	13		369
Portfolio gains	-640	138		-95
Financial items, net	-268	-278	-4 %	-1 193
Profit before tax	-9	425	-102 %	2 407
Profit after tax	-6	310	-102 %	1 777
- Minority interests	16	40		166



EBITA per quarter for Branded Consumer Goods



- ◆ Division of effect of Easter holiday sales between Q1 and Q2 can vary from year to year
- ◆ Division of summer sales for Carlsberg Breweries between Q2 and Q3 can vary from year to year



Currency translation effects in Q1-2003

NOK million	Revenues	EBITA
Foods	-74	-1
Beverages	-260	-15
Brands	-7	0
Media	-60	1
Chemicals	-39	-1
Total	-440	-16

The above figures show translation effects only
(Figures for Beverages include RUR depreciation vs. DKK)



Currency effects – Chemicals

- ◆ Excluding hedging effects, a change of NOK 1 in the USD/NOK rate will affect EBITA by approx. NOK 40 million per quarter
- ◆ Volume of USD hedging:
 - 2002/2003: USD 22 million per quarter
 - 2004: USD 18 million per quarter
 - Effective hedging rate (against NOK) exceeds 9 for all three years
- ◆ Assuming a USD/NOK rate on the 7.10 level, the impact on EBITA in Q2 will be slightly negative. For Q3 and Q4 the effect will be neutral (q/q)



Financial items

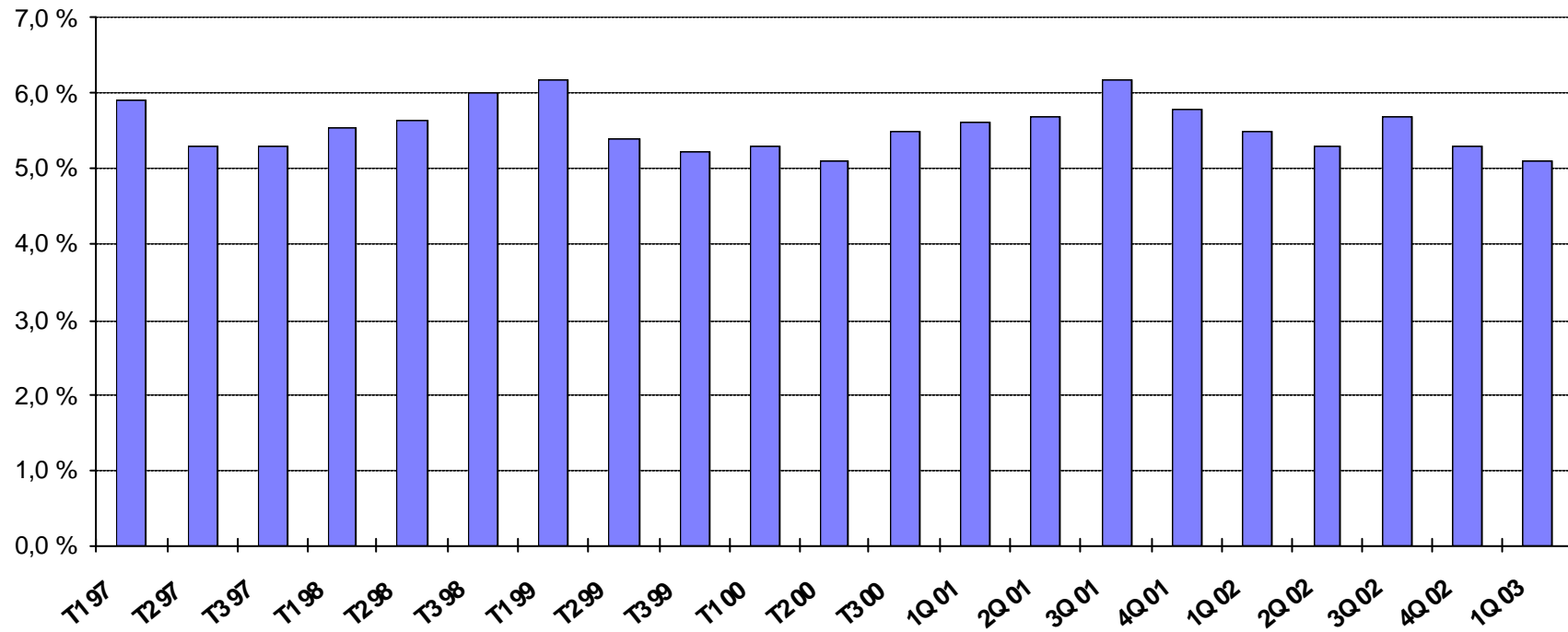


Financial items, Orkla Group

In NOK million	1 Jan - 31 March		Year
	2003	2002	2002
Net interest expenses	-234	-274	-997
Currency gain/loss	-15	6	-85
Other financial items, net	-19	-10	-111
Net financial items	-268	-278	-1 193
Avg. net interest-bearing liabilities	19 912	19 649	19 455
Average interest rate	5.1 %	5.5 %	5.4 %

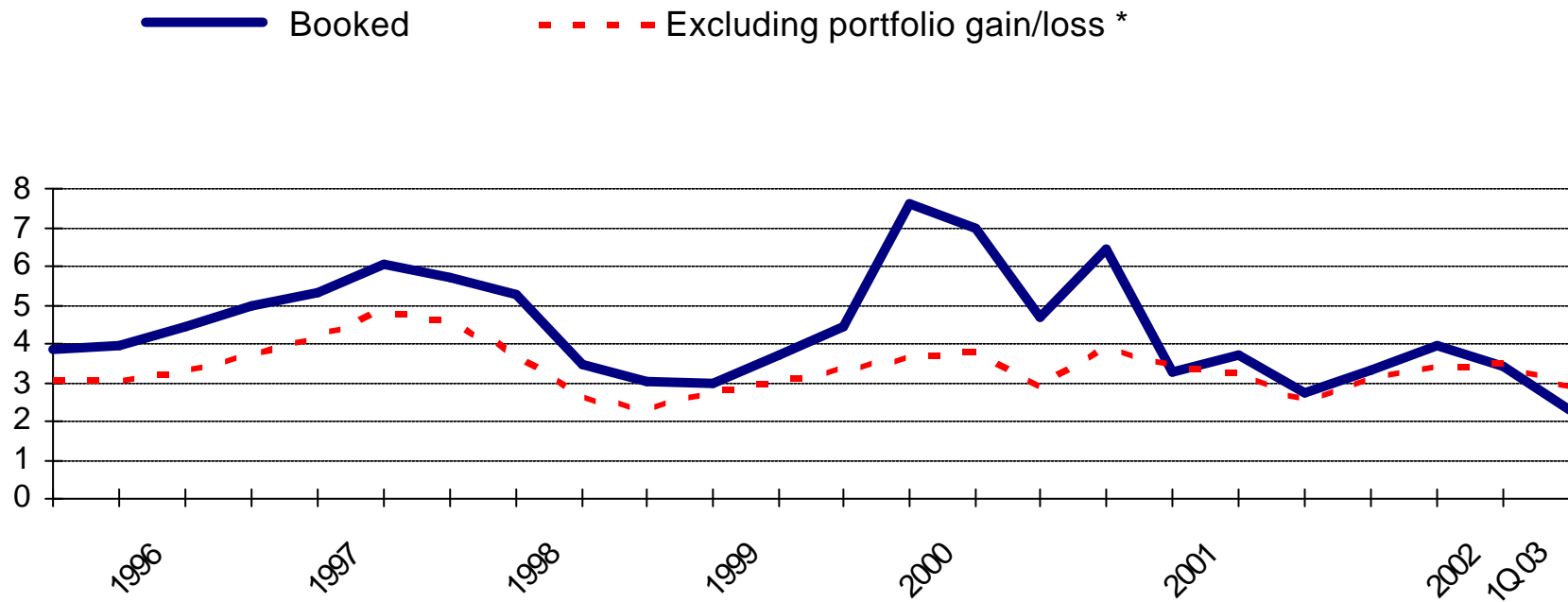


Average interest rate, Orkla Group



Interest cover, Orkla Group

12 month rolling average



* The figures also take into account the gain on the sale of Hartwall in Q4 – 01 (associated company)

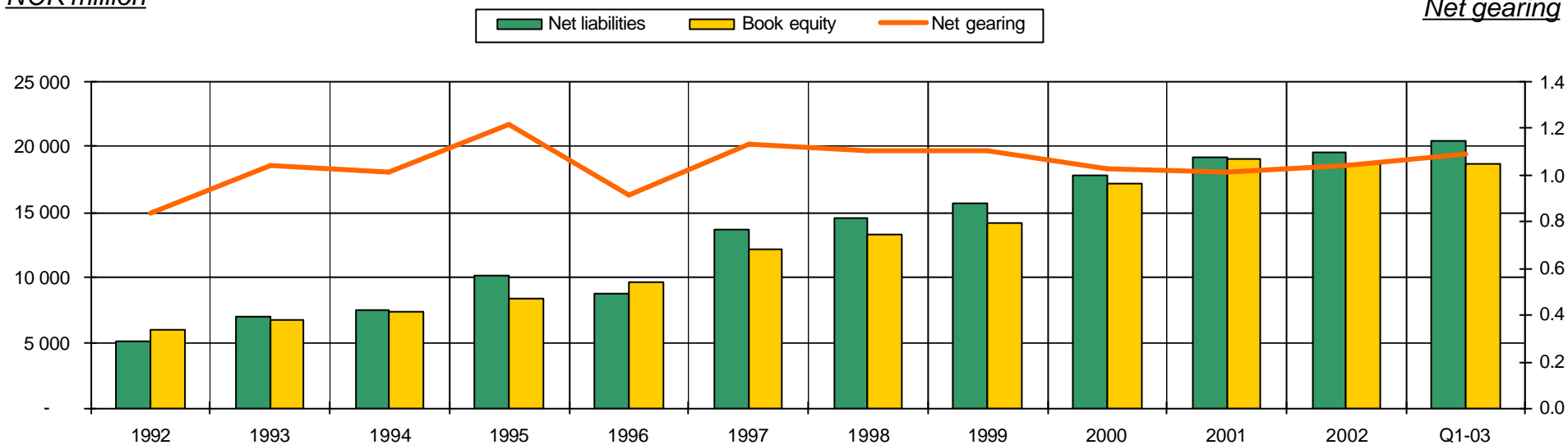


Equity and liabilities, Orkla Group

31 March 2003

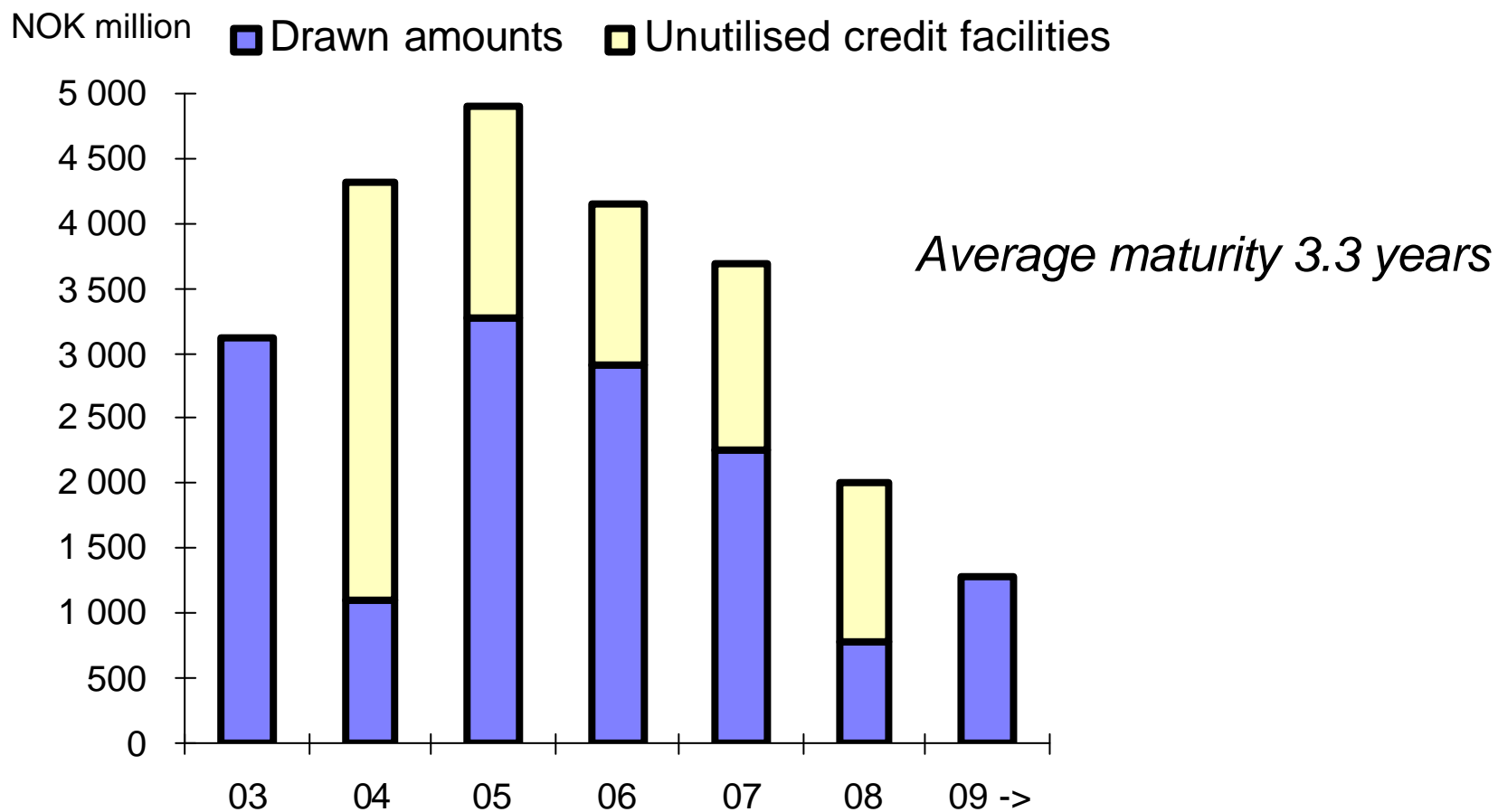
NOK million

Net gearing



Debt maturity profile, Orkla ASA*

31 March 2003



* Figures represent Orkla ASA only, i.e. do not include joint ventures like Carlsberg Breweries



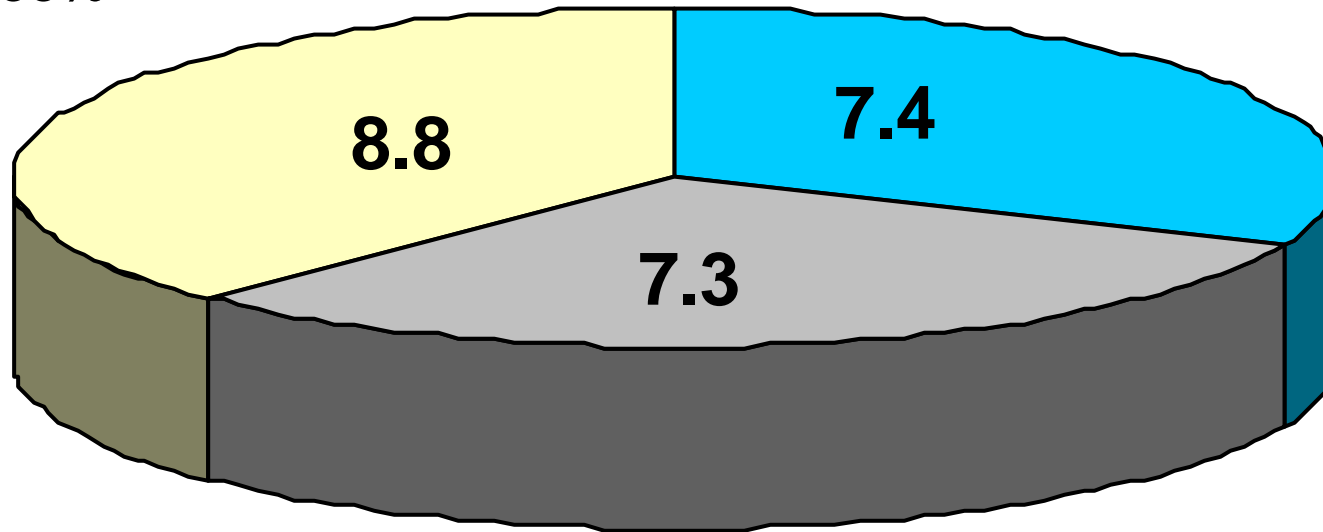
Funding Sources, Orkla ASA*

NOK billion

31 March 2003

Unutilised credit facilities 38%

Banks 31%



Bonds and CPs 31%

* Figures represent Orkla ASA only, i.e. do not include joint ventures like Carlsberg Breweries

