# The Orkla Group

## First quarter 2003

8 May 2003

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MED ENGELSKE KOMMENTARER

# Agenda

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



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# Highlights Q1-2003

- Weak results for Carlsberg Breweries in off-season period
  - Weak demand in most markets, exacerbated 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

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Orkla’s first quarter profit was disappointing. This was primarily due to weak results from Carlsberg Breweries. The first quarter is generally a low season for Beverages, but most markets have experienced relatively lower demand and weaker growth than expected. Furthermore, the fact that Easter sales will largely be reported in the second rather than the first quarter this year had a negative impact on first quarter profit compared with last year.

The rest of the Industry division reported profit which, all in all, was on a par with last year. However, if Easter effects and structural changes in the Chemicals area are taken into account, there was underlying improvement. Orkla Brands in particular had a very good quarter.

Orkla’s remaining stake of 22.5 % in Enskilda Securities was sold in the first quarter at a gain of NOK 513 million. This gain has been reported as a contribution to profit from associates.

The continued decline on the financial markets resulted in a negative return on the investment portfolio of -6.3 % in the first quarter, compared with -9.7 % for the Oslo Stock Exchange Benchmark Index. As a result, the market value of the portfolio as of 31 March 2003 was NOK 668 million lower than the book value, and in accordance with Orkla’s accounting practice, this difference has been posted as a loss on portfolio shares in the first quarter. However, the markets turned around in April and by the end of the month the entire loss had been reversed.

## Key figures Q1-2003

| NOK million | 1 Jan - 31 Mar 2003 | 1 Jan - 31 Mar 2002 | Change Acc. | Change 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

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Operating revenues were somewhat lower than last year, but both currency effects and the fact that Easter sales will largely be recognised in the second quarter of 2003 had a negative impact on first quarter results. Taking account of this, underlying growth was on a par with last year.

Operating profit before goodwill amortisation declined by 26 %. As explained, this difference is mainly ascribable to Beverages, which reported a NOK 150 million decline in operating profit compared with last year. The later Easter sales have primarily had a negative effect on results for Beverages and Orkla Foods. This Easter effect is estimated to total approximately NOK 50 million for the Group as a whole.

As mentioned earlier, the gain on the sale of Orkla’s shares in Enskilda is entered on the line for associates, while NOK 668 million is posted as a loss on portfolio shares to reflect the difference between the market value and the book value of the portfolio.

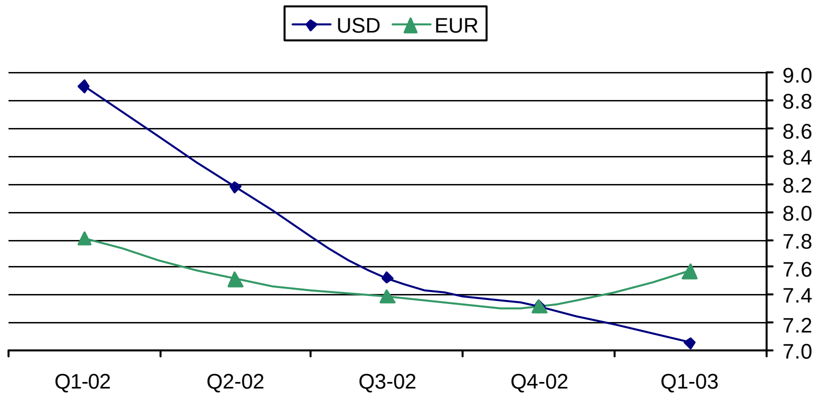
The generally lower interest rate level has led to lower financial expenses, even though this reduction was partly counteracted by negative effects on CB’s foreign currency loans in Turkey and BBH.

In sum, this leads to zero profit before tax, which we are naturally dissatisfied with, even though the first quarter is the quarter that has the least impact for Orkla.

## 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

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The stronger NOK led to significant negative currency translation effects in the course of 2002.

In the first quarter the NOK weakened against the EUR, but is still stronger than in the first quarter of 2002. Furthermore, a weaker USD led to a correspondingly weaker RUR, which in turn resulted in negative currency translation effects for BBH in CB’s accounts. All in all, therefore, the translation effects were still negative in the first quarter of 2003, but the impact is less significant than in 2002.

If the NOK remains at its current level against the EUR until the end of the year, currency translation effects will be positive in the second half of 2003.

A weak USD poses a special challenge for the Chemicals area, which invoices a substantial portion of its sales in USD.

## Orkla Foods

| in NOK million | 1 Jan - 31 Mar 2003 | 1 Jan - 31 Mar 2002 | Change Acc. | Change excl. FX transl. | Full year 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

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The later Easter sales had a negative impact on Orkla Foods' first quarter results. Taking this into account, overall underlying profit growth is on a par with last year.

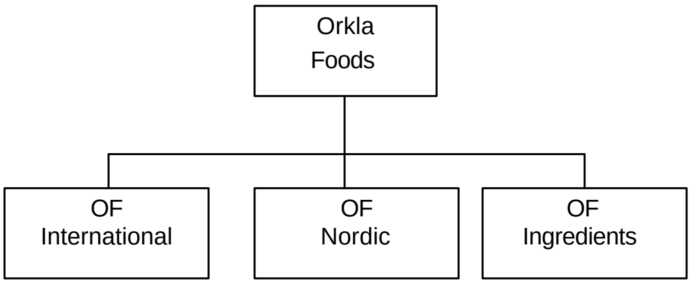
In Norway, Stabburet started the year off satisfactorily, reporting higher sales and profit than last year, while most of the other areas reported underlying growth on a par with 2002.

Seafood had a relatively weak quarter, but is also the area that is most strongly affected by the later Easter sales. Easter is an important season for Abba Seafood, particularly in Sweden.

In Poland the turnaround operation is proceeding as planned, but will not have a positive effect on profit until the end of the year. It should be borne in mind that the challenges in Poland had not yet materialised in the first quarter of last 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

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The challenges faced by Orkla Foods in the Nordic region are different from those in markets outside the Nordic region. Orkla Foods' organisational structure was therefore changed as from March 2003 to ensure that there is adequate strategic and management focus on both areas.

In the Nordic region, work on innovation will be intensified and concentrated around the most important brands. Successful innovation is an important driver to growth in revenues and positive margin development.

At the same time, focus on cost improvement programmes will be intensified. As an example of the last of these, Abba Seafood has just increased the target of its current improvement programme to SEK 100 million. The time frame of the programme will also be shortened, and the programme is to be completed and the full effect realised by 31 December 2004.

Outside the Nordic region, there will be greater focus on establishing and further developing local organisations and business systems that will be competitive and profitable in their markets.

## Orkla Beverages (40% of Carlsberg Breweries)

| in NOK million | 1 Jan - 31 Mar 2003 | 1 Jan - 31 Mar 2002 | Change Acc. | Change excl. FX transl. | Full year 2002 |
|---|---|---|---|---|---|
| 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

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The first quarter is a low season for Beverages, but, as mentioned earlier, the start of this year has been disappointing.

Demand and volume growth have generally been weak on most markets, and compared with last year, profit has also been negatively affected by the later Easter sales in Europe.

The significant weakening of the RUR against the EUR resulted in negative currency translation effects for BBH.

Market growth was also slow in Russia in the first quarter, making it more difficult to increase prices in advance to compensate for inflation and higher beer taxes. There was also a certain amount of pressure on margins in the first quarter.

On the positive side, however, CB increased its market shares on important markets such as Russia and the UK, and the Carlsberg brand continued to strengthen its position, achieving growth of around 5 %.

# 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

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Market growth was generally weak in the first quarter, and the hotel and restaurant sector in particular experienced slow sales growth on several markets. The latter is partly ascribable to the generally difficult economic environment, but also to the uncertainty arising from the war in Iraq and concern about the SARS virus, especially in Asia.

The fact that Easter fell later this year than in 2002 is estimated to reduce first quarter profit by around DKK 75-100 million. Most of this is linked to the Nordic markets.

On the positive side, the UK business reported higher volume, particularly driven by increased sales of the Carlsberg brand. The business in Turkey is also performing better and is implementing the improvement plan that was initiated. The Turkish operations are expected to break even for the year as a whole.

# Baltic Beverages Holding (50%)

| in DKK million | 1 Jan - 31 Mar 2003 | 1 Jan - 31 Mar 2002 | Change Acc. | Change excl. FX transl. | Full year 2002 |
|---|---|---|---|---|---|
| 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

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In Russia, BBH has for several years been in an intensive expansion phase which is now reaching completion. Compared with 2002, however, capacity and thus the cost base is higher in 2003. In a low season like the first quarter, where market growth was also weak, this exacerbated the decline in profit.

Furthermore, the RUR weakened substantially against the EUR, and the negative translation effect for CB's share amounted to around DKK 30 million in the first quarter.

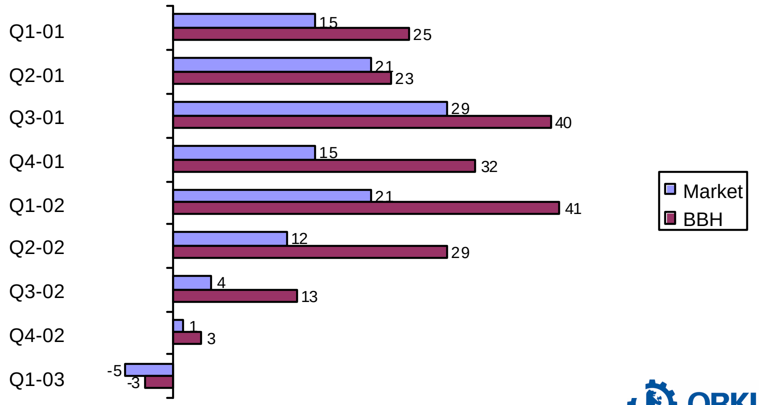
Baltika is in the process of reorganising its distribution system and has been reluctant to raise prices in the first quarter, despite inflation and higher taxes.

However, BBH increased its shares on all markets.

# BBH - Market trends beer

| Q1 | Market growth | Baltic Beverages Holding Volume growth | Market share | Change from Q1-02 | Litres per capita 2002 |
|---|---|---|---|---|---|
| **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

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Market growth declined by about 5 % in the first quarter in Russia, but BBH continues to gain market shares on all markets.

Although market growth in Russia has been relatively weaker in the last few quarters, there is still underlying growth in the Russian economy. We have seen before that there can be considerable fluctuations in market growth per quarter, and for the year as a whole CB still estimates 6-7 % growth in Russia, somewhat lower than estimated after the fourth quarter of 2002.

# 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

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After a weak first quarter, CB adjusted its estimate for the year downwards, from a 5-10 % increase in operating profit before goodwill amortisation to a result on a par with last year.

The process of freeing up working capital is still in progress, and CB aims to achieve a reduction of DKK 1 billion in 2003.

There is continued focus on growth for the Carlsberg brand, and the goal is to achieve 7 % growth this year.

## Orkla Brands

| in NOK million | 1 Jan - 31 Mar 2003 | 1 Jan - 31 Mar 2002 | Change Acc. | Change excl. FX transl. | Full year 2002 |
|---|---|---|---|---|---|
| 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

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Orkla Brands had a very good quarter, achieving both sales and profit growth in most business areas.

This improvement is partly attributable to good sales of new products and a favourable sales mix, but the positive performance was also partly explained by cost improvement programmes in the Biscuits and Confectionery businesses.

Several minor new products were launched in the first quarter which have generally been well received on the market, in addition to which a majority of the new products launched in the past two years are making a positive contribution to profit growth.

First quarter export production for Lilleborg Home and Personal Care was on a par with last year, but the volume of orders for the rest of the year is slightly lower than at the same time last year.

# Orkla Media

| in NOK million | 1 Jan - 31 Mar 2003 | 1 Jan - 31 Mar 2002 | Change Acc. | Change excl. FX transl. | Full year 2002 |
|---|---|---|---|---|---|
| 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

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All of Orkla Media’s businesses achieved profit growth except for Berlingske in Denmark. The Magazines business continued to improve its performance and reported satisfactory results.

Advertising markets in Norway have been satisfactory, with growth in advertising revenues for both Newspapers and Magazines.

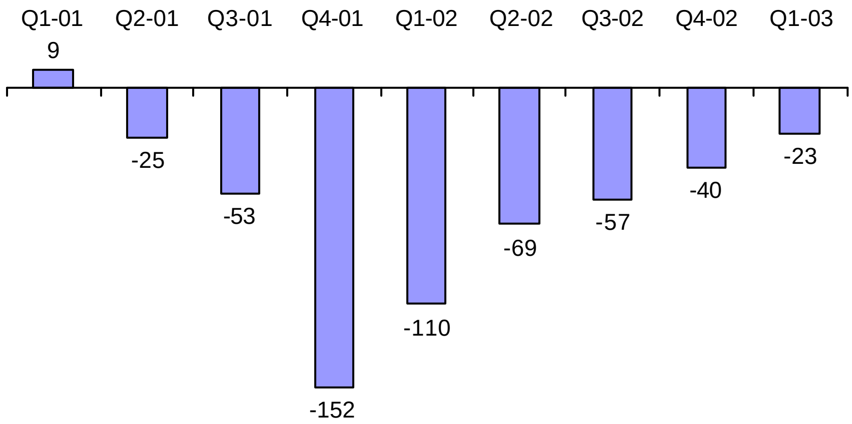
In Poland the decline on the advertising markets appears to have levelled out, and growth in the quarter was relatively flat. In Denmark, on the other hand, there was no improvement and advertising revenues continued to fall, dropping around 11 % in the first quarter. This loss of revenues counteracts the effect of cost reduction programmes and results are still unsatisfactory.

Urban has consolidated its position as market leader in the free-sheet segment in Copenhagen, reporting strong growth in both advertising revenues and readership.

Losses have been reduced correspondingly.

# Orkla Media – change in advertising revenues

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

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As you can see, advertising revenues were again lower in this quarter than in the corresponding period of 2002, although they declined somewhat less than in earlier quarters. Taking into account the fall in revenues in both 2002 and 2003, however, advertising revenues are currently at a substantially lower level than in 2001.

It is primarily in Denmark that growth is still negative, while it appears to have levelled out in Poland.

In Norway the trend has been considerably less negative in the past two years, and given the growth in the first quarter of 2003, the market here must be described as relatively satisfactory.

## Chemicals

| in NOK million | 1 Jan - 31 Mar 2003 | 1 Jan - 31 Mar 2002 | Change Acc. | Change excl. FX transl. | Full year 2002 |
|---|---|---|---|---|---|
| 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

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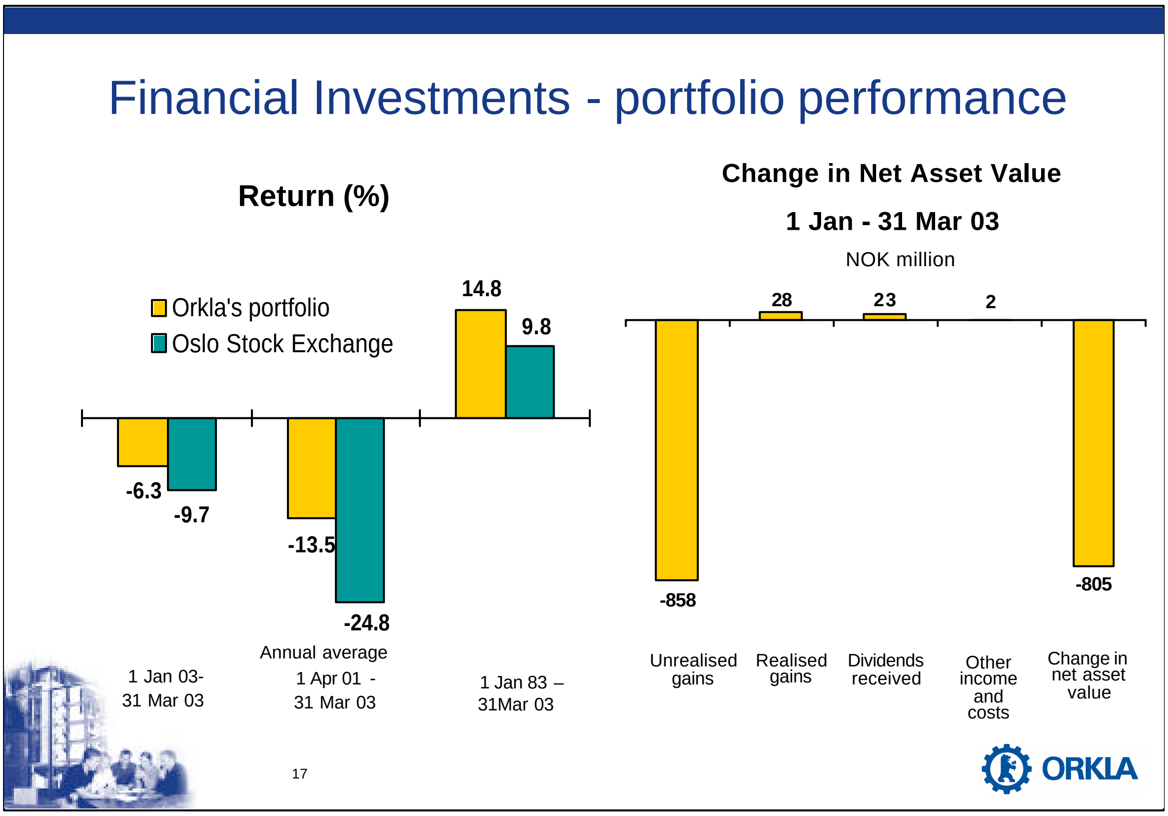
The slight fall in operating revenues for the Chemicals area is primarily ascribable to Denofa and a decline in sales of fish oil to the fish feed industry.

EBITA declined by 26 %, but this is largely ascribable to the structural changes that took place last year. The Swedish company Kemetyl and power plants that were sold last year boosted profit in the first quarter of 2002, while Atisholz, as expected, had a negative effect on profit in the first quarter of 2003. For the year as a whole, however, Atisholz is expected to make a positive contribution to profit that more than offsets the loss of profit from divested businesses.

The integration and restructuring of Atisholz are proceeding as planned. The market for cellulose products is also improving and contracts have been signed at higher prices in the second quarter.

For the Chemicals area, a weaker USD means lower prices when translated into NOK, although this effect is softened by currency hedges. Currency hedging contracts have been entered into at favourable levels for 2003, 2004 and part of 2005, and at the end of the quarter the unrealised gain related to these contracts amounted to about NOK 389 million.

The lignin and energy businesses reported satisfactory profit growth in the first quarter.



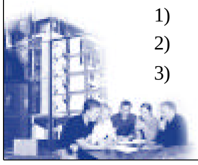

The financial markets continued to fall in the first quarter, and the return on the Oslo Stock Exchange Benchmark Index was down 9.7 % as of 31 March 2003. The return on Orkla’s portfolio was relatively better, down 6.3 %.

As a result of the latter decline, the market value of the portfolio was less than the book value, and the difference of NOK 668 million was posted as a loss on portfolio shares in the quarter. There has been an upswing on the markets in April, and the entire loss was reversed by the end of the month.

# 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



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There were no significant changes in the largest portfolio holdings, and net sales of portfolio shares totalled NOK 218 million in the first quarter.

Since 31 March 2003, however, an agreement has been signed to sell all of Orkla's shares in Hafslund, and a bid has been received for the Group's shares in Bergesen. These two holdings constitute a potential proceed of approximately NOK 800 million.

In addition, we will receive in the second quarter dividends of approximately NOK 300 million and settlement for the sale of the stake in Enskilda Securities of approximately NOK 700 million.

# 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

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As of 31 March 2003 the market value of the portfolio was NOK 11.2 billion, and the share of the portfolio invested outside Norway was stable at around 30 %.

## Cash Flow Statement - key figures

| in NOK million | 1 Jan - 31 Mar 2003 | 1 Jan - 31 Mar 2002 | Full year 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** |

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The first quarter is traditionally the quarter with the weakest cash flow from operations.

Buy-backs of Orkla shares totalled NOK 156 million in the first quarter, while investments in expansion and acquisitions were lower than last year. The lower expansion investments were primarily linked to BBH in Russia.

The NOK has weakened since 31 December 2002, resulting in a negative currency translation effect on foreign currency liabilities. This effect amounted to NOK 671 million and contributed to the over NOK 900 million rise in net interest-bearing liabilities, which are on a par with last year.

Settlement for the sale of Orkla's stake in Enskilda Securities and certain large shareholdings will not affect cash flow until the second quarter.

# 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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The underlying balance sheet figures are relatively stable, but the fall in the value of the NOK since 31 December 2002 generates negative currency translation effects for businesses outside Norway.

Due to the low profit, equity is at approximately the same level as at year-end 2002.

# Enclosures

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# Income Statement

| NOK million | 1 Jan - 31 Mar 2003 | 1 Jan - 31 Mar 2002 | Change | Full year 2002 |
|---|---|---|---|---|
| Operating revenues | 9 870 | 10 278 | -4 % | 42 979 |
| **E B I T A** | **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 |

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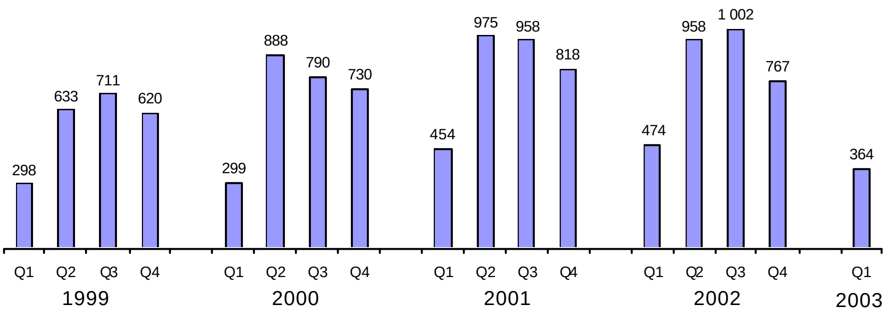
# EBITA per quarter for Branded Consumer Goods




- 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



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# 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)



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# 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)



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# Financial items

# Financial items, Orkla Group

| In NOK million | 1 Jan - 31 March 2003 | 1 Jan - 31 March 2002 | Year 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 % |



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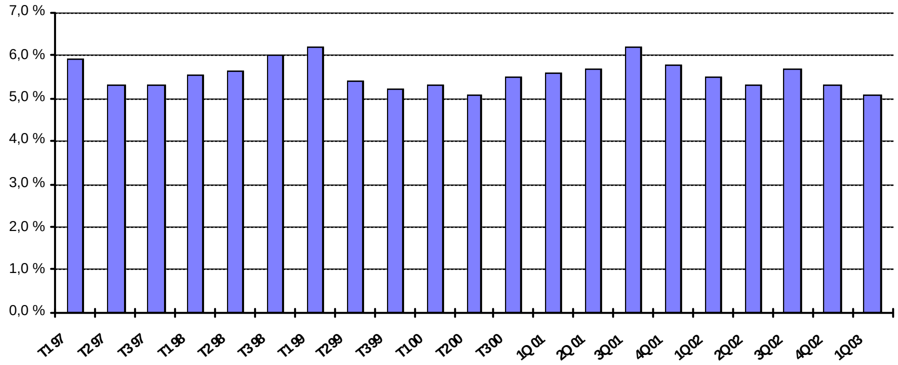
# Average interest rate, Orkla Group



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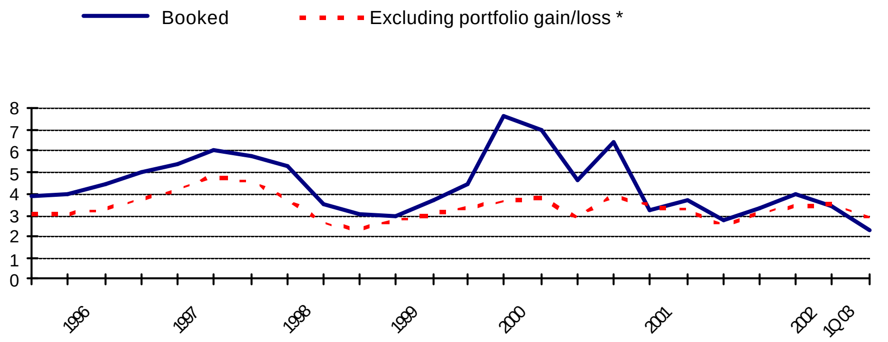
# Interest cover, Orkla Group

**12 month rolling average**




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



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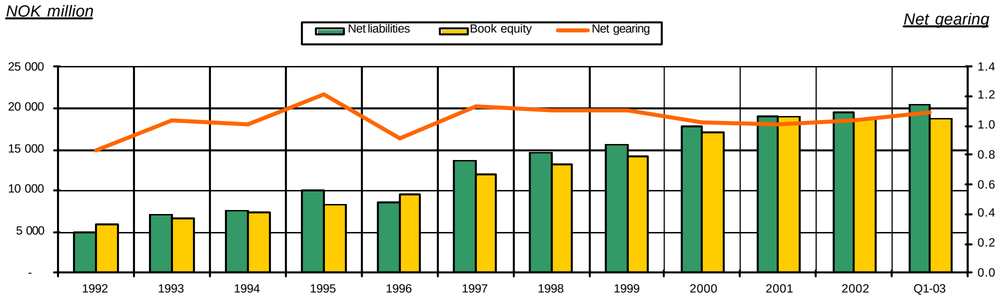
# Equity and liabilities, Orkla Group

**31 March 2003**

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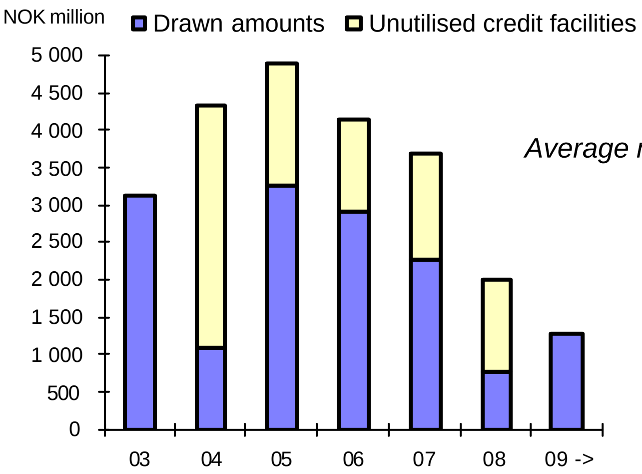
# Debt maturity profile, Orkla ASA*

**31 March 2003**




*Average maturity 3.3 years*

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

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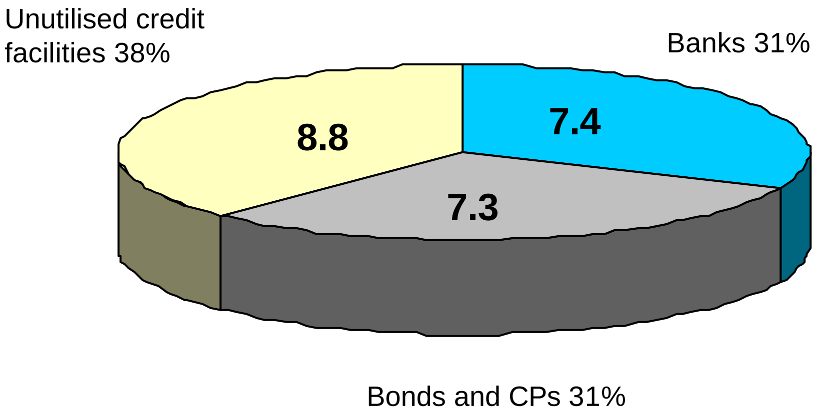
# Funding Sources, Orkla ASA*

*NOK billion*

**31 March 2003**




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

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