Orkla

FIRST FOUR MONTHS 1996

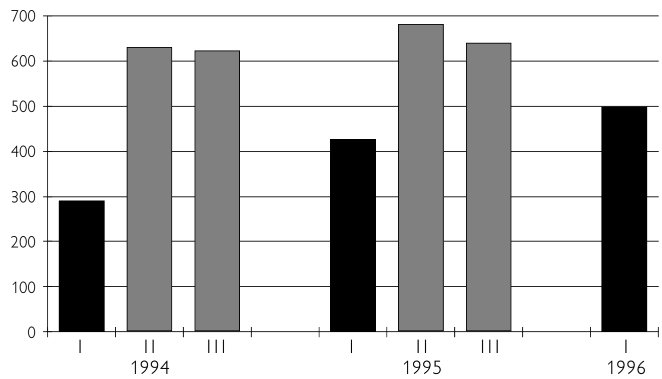
GROUP PROFIT AND LOSS ACCOUNT - *Pro forma*

NOK million	1.1.-30.4. 1996	1.1.-30.4. 1995	1.1.-31.12. 1995
Operating revenues	**8,155**	6,331	21,529
Operating expenses	**(7,252)**	(5,634)	(18,831)
Ordinary depreciation	**(426)**	(348)	(1,080)
Other revenues and costs	**20**	76	127
Operating profit	**497**	425	1,745
Financial items, net	**(227)**	(173)	(448)
Profit from associated companies, etc.	**65**	48	148
Portfolio gains	**371**	295	481
Profit before tax	**706**	595	1,926
Taxes and minority interests	**(223)**	(152)	(494)
Net profit	**483**	443	1,432
Profit before tax, Industry	**316**	341	1,428
Profit before tax, Investment area	**390**	254	498
Earnings per share (NOK) *)	**10.1**	9.2	29.8

*) It is applied a taxrate of 24.4 % in 1995 and 30 % in 1996.

OPERATING PROFIT**) 4 MONTH PERIODS

NOK million



**) Inclusive of "Other revenues and costs".

Orkla Group

MAIN ASPECTS

The Orkla Group showed a positive profit development in the first four months of 1996. The Group's profit before tax amounted to NOK 706 million, an increase of NOK 111 million (19 %). Operating profit was NOK 497 million. Adjusted for other revenues and costs, this represents a rise of NOK 128 million (37 %). In the Branded Consumer Goods area, particular contributions derived from Pripps Ringnes, the acquisition of the Swedish foods companies and progress in the Norwegian foods businesses. The Investment area also increased its profit, both from a rise in realised portfolio gains and from higher dividend received. Unrealised gains in the investment portfolio rose by NOK 735 million in the first four months, reaching a total of NOK 3,754 million at 30 April 1996.

The Group's operating revenues rose by NOK 1,824 million to NOK 8,155 million. In terms of continuing business the growth in operating revenues was 7 %.

Developments in the most important markets for the Group's branded goods businesses have largely been positive. Volume in the Swedish groceries market rose by around 1% in the first four months, after declining throughout 1995. The main reason is presumably the VAT-reduction on food items. Volume growth in the Norwegian groceries market was somewhat higher for the same period. In Chemicals, market developments were more mixed, mainly due to less favourable economic conditions.

The Group's net profit was NOK 483 million, an increase of 9 %. Significant gains on the disposal of businesses in 1995, higher depreciation of goodwill and increased activities outside Norway mainly explain the increase in taxes. It is assumed that a tax rate of 28-30 % represents a normal level in the future.

ORKLA FOODS

Operating revenues of NOK 3,434 million in the first four months are nearly double the figure for the corresponding period last year, mainly due to the fact that Procordia Food and Abba Seafood, which were acquired from Volvo in 1995, were not consolidated into the accounts for the first nine months of previous year. The acquired Swedish companies had sales of NOK 1.6 billion over the period. Orkla Foods' operating profit in the first four months amounted to NOK 134 million, an advance of NOK 56 million compared with the first four months last year. Profits for the period were offset by a total of NOK 34 million in goodwill depreciation associated with the acquisition of Procordia Food and Abba Seafood.

There was a satisfactory increase in profits in the Norwegian companies. In Sweden the measures implemented at BOB in the autumn of 1995 have reflected positively on profits.

Synergy projects, organized as a number of subprojects, are following agreed upon plans. Important ongoing projects are the integration of Procordia Food and BOB with joint management at Eslöv, integration of Procordia Food Norge into Orkla Foods Norway, new production structure for fruit and berry products and renegotiated purchasing terms.

The Norwegian foods product businesses enjoyed higher profits, especially branded foods and bakery products. The measures taken in Fresh Products also had a favourable effect, but pressure on prices continues. Market positions in Norway have been consolidated for important product groups.

In the first four months, Procordia Food achieved operating revenues of SEK 1.5 billion. The sector's growth in profit is mainly explained by the measures taken at BOB. Beyond this the area was negatively affected by price increases not carried through until the latter part of the four month period. The catering market has weakened in relation to the groceries market as it is not covered by the VAT reduction from 1 January 1996.

Taking into account foreign exchange effects, Abba Seafood sales are at the same level as last year. Operating profit was weak, and in line with previous year. In markets outside the Nordic region and in the least value-added product lines, sales were not progressing satisfactorily, Germany proving especially disappointing. In the future Abba Seafood will concentrate on the Nordic market, where both sales and profits are developing positively.

Restructuring and measures to concentrate on fewer products and markets are being implemented. Restructuring will have no effect on profits until 1997. As from 1 September 1996, Abba Seafood will reduce its interest in the Danish mussel producer Nykøbing to 20 %. Agreement has been reached over the sale of the closed factories in Emden in Germany and Nøresund in Denmark. Further restructuring will continue, and the provision of NOK 160 million for this purpose made in the 1995 accounts is considered to be sufficient.

It is decided to increase pizza capacity by building a new factory, requiring investment in the range of NOK 150-200 million.

ORKLA BEVERAGES

Pripps Ringnes merged on 1 January 1995. In addition, Orkla's Polish beverages business was divested on 31 August 1995. The latter had a turnover of NOK 91 million and made a loss of NOK 26 million in the first four months of 1995. Operating profit for Orkla Beverages (45 % financial share of Pripps Ringnes) in the first four months of 1996 was NOK 45 million, an increase of NOK 67 million over the same period last year.

Pripps Ringnes's operating revenues (100 % basis) were SEK 2,212 million, as against 2,164 million for the corresponding period last year. Operating profit for continuing business rose by SEK 95 million to SEK 110 million. The businesses in Sweden, Norway and the Baltic markets improved profits, with the strongest growth apparent in Norway. Sales volumes increased by 2.6 % to 353 million litres. Profits for the period were favoured by integration gains related to purchasing.

Turnover in the Swedish business increased by 1.6 % to SEK 1,115 million. A reduction in volume of 1% was neutralized by a positive product mix. Operating profit for the period showed positive development compared with the same period last year. Product mix and lower costs for raw materials, production and sales explain the progress. The drop in raw materials costs is mainly due to the stronger Swedish Krona.

The Swedish beverage market in the first four months of 1996 remained at the same level as in the corresponding period last year. The beer consumption has increased, however, the sales of beer in Sweden has been reduced by approximately 10 % primarily due to the increased cross-border trading and trade hoarding in December to take advantage of the VAT reduction. Carbonated soft drinks and mineral waters increased by 6 and 11 % respectively over the period. The market share for beer is somewhat higher, while those for carbonated soft drinks and mineral waters are somewhat lower than in the corresponding period last year.

Sales by the Norwegian business rose by 4.1 % to NOK 923 million. An increase in volume of 2 % and higher sales of premium beer explain the rise. Profits in Norway improved satisfactory due to increased revenues combined with lower distribution and production costs.

The Norwegian beer market showed a growth of 6 % in the first four months of 1996, while the market for carbonated soft drinks and mineral waters increased by 3 %. The market shares for beer and soft drinks were somewhat lower than for the corresponding period last year, as a result of increased competition.

Operating revenues in Baltic Beverages Holding - BBH (50 % basis) rose by 127 % to SEK 131 million. The profit development continues to be satisfactory. Increased sales volumes and higher price levels for beer in Russia all had a positive effect. In Estonia and Latvia, BBH's breweries have increased turnover and market share in a stagnating market. In Lithuania, the launch of a new product family has more than doubled sales and further strengthened the market position.

BBH has acquired a 50 % shareholding in the Russian brewery Yaroslavl. This brewery, situated approx. 200 km northeast of Moscow, is the market leader in its region and has a good position in the Moscow area. Its annual volume is 65 million litres. BBH is investing a total of USD 10 million, partly to pay for the shares, but mainly for investment in a bottling line and process plant.

Discussions with The Coca-Cola Company regarding the consequences of their termination of the Pripps contract are continuing.

A condition, by the EU competition authority, of approval of the merger between Pripps and Ringnes, was that Orkla and Volvo should divest the beer operation of Hansa in Norway. The companies are still working on this issue.

ORKLA BRANDS

At the turn of the year the Edible Oils business was transferred to the Chemicals area. This business has therefore been omitted from the figures last year. On an annual basis this represents a turnover of NOK 1.5 billion and operating profit of NOK 140 million.

Operating revenues increased by 4 % in respect of the continuing business. With low inflation and moderate underlying volume growth in central product areas, this growth largely reflects increased market shares.

Operating profit was NOK 15 million higher than in the first four months last year. Advertising investments in the same period increased by 10 %.

Growth in sales was strongest for Detergents and Biscuits, and may be ascribed to several successful product launches. The Detergent launches reflect efforts to improve environmental performance with less packaging and environmentally friendlier formulas. The Biscuits market has increased both in Norway and Sweden and the sector has strengthed its position in both markets.

After the sale of Needlers in Great Britain at the beginning of the year, Nidar has taken a further step towards focusing on its Nordic strategy by the sale of Wiversales in the Netherlands/ Belgium on 1 May. Confectionery is investing heavily in product development and has increased advertising support for its products. Market shares increased slightly in the Norwegian market.

In the Snacks business, the integration of Party Food and Kims in Denmark and the grouping of production on one site in Norway are proceeding as planned. In Personal Products higher exports are contributing to positive profit development.

Efforts to increase competitiveness continues through numerous product improvements and product launches, increased exports and activity in the Nordic region and continuous productivity improvements in all areas of the business.

NOK million	OPERATING REVENUES 1.1.-30.4. 1996	1.1.-30.4. 1995	1.1.-31.12. 1995	OPERATING PROFIT*) 1.1.-30.4. 1996	1.1.-30.4. 1995	1.1.-31.12. 1995
Orkla Foods	**3,434**	1,776	7,003	**134**	78	368
Orkla Beverages	**951**	953	3,328	**45**	(22)	245
Orkla Brands	**1,380**	1,364	4,229	**105**	90	360
Orkla Media	**658**	568	1,791	**59**	46	161
Elimination	**(213)**	(206)	(597)	**(17)**	(4)	(39)
Branded Consumer Goods	**6,210**	4,455	15,754	**326**	188	1,095
Chemicals	**1,677**	1,616	5,033	**153**	160	543
H.O./Unallocated/Elimination	**179**	223	570	**(23)**	9	(40)
Other revenues and costs	**0**	0	0	**20**	76	127
Industry	**8,066**	6,294	21,357	**476**	433	1,725
Investment area	**89**	37	172	**21**	(8)	20
Group	**8,155**	6,331	21,529	**497**	425	1,745

*) The business areas' operating profit is shown exclusive of "Other revenues and costs". These are split between NOK 20 million in Orkla Foods in the first four months of 1996 and NOK 76 million in H.O./Unallocated in four months of 1995. In 1995 they are split between NOK -162 million in Orkla Foods, NOK 175 million in Orkla Beverages and NOK 114 million in H.O./Unallocated.

ORKLA MEDIA

Operating revenues in the first four months increased by 16 % to NOK 658 million, mainly due to new businesses, higher advertising revenues in the Newspapers sector and consolidation of Orkla Media's majority-owned Polish publishing sector

Operating profit for the period rose by 28 % to NOK 59 million. This increase is mainly due to higher advertising revenues, primarily in Magazines. Paper prices rose in comparison to last year (+27.6 %), decreasing the period's profits. The operating margin increased by 0.9 percentage points to 9.0 %.

Advertising volume developed positively over the four months. Orkla Media's newspapers achieved a growth in advertising volume of 5.8 % over the first four months of 1995. The total advertising volume in the Norwegian magazine market remained at the same level as last year. The advertising volume in the magazines declined by 5.8 %, but the higher average prices attained, increased advertising revenues by 17.3 %.

Orkla Media's newspapers had marginal circulation growth in the first four months, while magazine circulation decreased by 5.4 %, which is somewhat weaker than the general market downturn.

Orkla Media has signed an agreement to acquire the shareholding of the French media group Hersant in the newspaper company Presspublica (51 %), which publishes the daily paper Rzeczpospolita, and in the newspaper's printer Warszawa-Print (50.8 %) in Warsaw. The takeover requires that the minority shareholder waives his pre-emption rights. The share price is FRF 235 million (NOK 298 million). Rzeczpospolita, one of Poland's leading newspapers, has a circulation of about 233,000 copies, and the acquisition will substantially increase Orkla Media's involvement in the Polish publishing sector. The newspaper company and its subsidiaries have no debts and in 1995 achieved operating revenues of NOK 341 million and an operating profit of NOK 68 million.

CHEMICALS

Borregaard's operating revenues rose by NOK 61 million to NOK 1,677 million compared with the first four months of last year, including the Edible Oils business, which was transferred from Orkla Brands. The operating profit was NOK 153 million compared to NOK 160 million in the same period last year.

Specialty Chemicals and Specialty Pulp recorded a profit improvement over the first four months of last year. This was offset by lower margins for Ingredients (edible oils) and weaker results in Energy.

The increased profit in Specialty Chemicals can be ascribed mainly to volume growth in most areas. Development was particularly encouraging in the Asian market. During 1996 Borregaard will start production of lignin-based products (60 % ownership) in north-east China.

Fine Chemicals had profit in line with the corresponding period last year. Fine Chemicals for the pharmaceutical industry had a positive development. The development in profit in the vanillin business continues to be unsatisfactory due to production problems.

Specialty Pulp achieved satisfactory prices for its products in the first four months. Prices were higher than the same time last year and the sector therefore improved profits.

Ingredients (edible oils) experienced a significant downturn compared to the first four months of last year, which was characterised by high demand for soya oil due to low supplies of other vegetable oils. This resulted in high oil prices, which, combined with moderate raw materials prices, lead to particullarly strong results for the first six months period of 1995. The current market conditions are normalized.

Other areas experienced a fall in profits in relation to the first four months last year. The areas' own energy production fell due to low water levels at the Borregaard power station. This necessitated buying high-priced energy in the spot market.

Borregaard has during the first four months made an agreement with Tinfos on the purchase of substantional long-term power supplies on commercial terms.

FINANCIAL INVESTMENTS

Most international stockmarkets developed positively in the first four months. The development at the Oslo Stock Exchange was strong and the All Share Index rose by 13.4 %. High oil prices, a stronger dollar and high takeover activity contributed to this development. Orkla Finans consolidated the strong position in its market and improved results.

Orkla's portfolio achieved a return of 13.3 % in the first four months. The profit before tax was NOK 390 million compared to NOK 254 million the same period last year. Realised gains amounted to NOK 371 million against NOK 295 million last year, with the largest gains from the sales of shares in Smedvig, Hafslund Nycomed and NetCom. In the period dividends of NOK 54 million were received, against NOK 21 million last year.

Net sales of shares in the first four months amounted to NOK 139 million, but there have been no substantial changes in the portfolio. NetCom is, following the listing at the stock exchange in April, the sixth largest investment by market value in the sector .

Net asset value rose by NOK 1,098 million in the first four months to NOK 7,223 million. The market value of the portfolio was NOK 9,839 million at the close of the four month period and unrealised gains were NOK 3,754 million, representing an increase of NOK 735 million since the year end.

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When changing address, shareholders are requested to contact their account operator.

Financial information about Orkla can be found at
the internet address: http://www.hugin.no

GROUP BALANCE SHEET - *Pro forma*

NOK million	**30.4. 1996**	30.4. 1995	31.12. 1995
Assets:			
Current assets	**13,889**	13,598	14,051
Long-term assets	**12,779**	9,314	12,489
Total assets	**26,668**	22,912	26,540
Liabilities and equity:			
Interest-free liabilities	**6,444**	4,939	6,655
Interest-bearing liabilities	**11,513**	10,383	11,558
Minority interests	**157**	199	131
Equity	**8,554**	7,391	8,196
Liabilities and equity	**26,668**	22,912	26,540
Equity ratio (%):			
Book	**32.7**	33.1	31.4
Incl. unrealised gains before tax	**41.0**	39.4	38.4

CASHFLOW - *Pro forma*

NOK million	1.1.-30.4. **1996**	1.1.-30.4. 1995	1.1.-31.12. 1995
Cashflow - Industry:			
Operating profit	**476**	433	1,725
Ordinary depreciation and write-downs	**422**	344	1,259
Changes in net working capital	**(81)**	197	(592)
Cashflow from operations	**817**	974	2,392
Net replacement expenditure	**(259)**	(59)	(256)
Free cashflow from operations	**558**	915	2,136
Financial items, net	**(261)**	(194)	(440)
Free cashflow - Industry	**297**	721	1,696
Cashflow from Investment area before net purchases/sales	**16**	22	(33)
Taxes and dividends paid	**(245)**	(162)	(616)
Misc. capital transactions, foreign exch.diff.	**(3)**	(224)	(311)
Group's self-financing capacity	**65**	357	736
Expansion investments Industry	**(118)**	(137)	(3,755)
Net purchases/sales portfolio inv.	**139**	165	361
Net cashflow	**86**	385	(2,658)
Change in net interest-bearing debt	**(86)**	(385)	2,658
Net interest-bearing debt	**10,198**	7,241	10,284

CASHFLOW, INVESTMENTS AND FINANCIAL SITUATION

The Group's net cashflow was NOK 86 million, which is NOK 299 million lower compared with the corresponding period last year. This is mainly due to the fact that last year's cashflow was favourably influenced by sales gains on Helly-Hansen and Norgro.

Net interest-bearing debt on 30 April 1996 amounted to NOK 10,198 million. The Group's average interest rate is somewhat higher than in 1995, as a result of a higher proportion of debt in Swedish Kronor. On 30 April 1996, the Group's book equity ratio was 32.7 %. This is an increase of 1.3 percentage points from the year end 1995.

FUTURE PROSPECTS

No major changes are expected in the operating parameters for the Group's branded consumer goods businesses in the near future. Future volumes in the Swedish groceries market are, however, uncertain, due to the lack of growth in the Swedish economy. Integrating the Group's food businesses has a high priority. Expected synergy effects will mainly influence the results for 1997 and 1998. The results for Abba Seafood are expected low in 1996.

The fall in prices for standard pulp after its peak in 1995 has affected the prices of our specialty grades, even if to a lesser extent. There is still uncertainty surrounding future prices and this will probably have a negative effect on specialty pulp through 1996. With respect to Ingrediens (edible oils), it is expected that prices and margins will be weaker than last year.

The effect of this year's wage settlements is increasing uncertainty over the development of the Norwegian economy. In the short term no great changes are expected, but in the longer term pressures on inflation and interest rates may increase. This may have negative consequences for the competitiveness of Norwegian businesses and for the stockmarket.

ORKLA GROUP - *Formal*)*

PROFIT AND LOSS ACCOUNT

NOK million	1.1.-30.4. **1996**	1.1.-30.4. 1995	1.1.-31.12. 1995
Operating revenues	**7,204**	5,469	18,458
Operating expenses	**(6,415)**	(4,846)	(16,217)
Ordinary depreciation	**(357)**	(277)	(897)
Other revenues and costs	**20**	76	171
Operating profit	**452**	422	1,515
Financial items, net	**(217)**	(171)	(425)
Profit from associated companies, etc.	**98**	48	344
Gains/losses on sale of shares, etc.	**371**	295	481
Profit before tax	**704**	594	1,915
Taxes and minority interests	**(221)**	(151)	(483)
Profit after tax	**483**	443	1,432

BALANCE SHEET

NOK million	**30.4. 1996**	30.4. 1995	31.12. 1995
Assets:			
Current assets	**13,062**	12,342	13,063
Long-term assets	**11,912**	9,426	11,575
Total assets	**24,974**	21,768	24,638
Liabilities and equity:			
Interest-free liabilities	**5,384**	3,922	5,517
Interest-bearing liabilities	**10,914**	10,298	10,824
Minority interests	**122**	157	101
Equity	**8,554**	7,391	8,196
Liabilities and equity	**24,974**	21,768	24,638

*) In Orkla's opinion the Group's financial interest in Pripps Ringnes (45 %), and thus its investment in beverages, should be valued and consolidated using the gross method. This is in line with the proposed new Accounting Act. All comments on the business development are based on this accounting principle. In order to satisfy current account legislation Orkla has also prepared formal accounts in which Pripps Ringnes is valued and included as an associated company using the equity method. The profit and earnings per share are not affected by this.

Lysaker, 6 June 1996
The Board of Directors of Orkla ASA