First quarter 2019

The first quarter in brief

- The Group posted 4.8% growth in operating revenues in the first quarter.
- Orkla's Branded Consumer Goods business including HQ showed strong EBIT (adj.) growth of 10% and good margin improvement.
- Broad-based top-line growth for Orkla Foods and Orkla Confectionery & Snacks.
- Orkla Food Ingredients delivered solid first-quarter results, driven by a good start to the ice cream season.
- Orkla Care reported EBIT (adj.) on a par with last year, but top-line development remained weak.
- Strong improvement in the first quarter for Jotun with a 44% increase in operating profit.
- Adjusted earnings per share amounted to NOK 0.85, an improvement of 21% from the first quarter last year.
- Peter A. Ruzicka resigns from his position on 7 May, and Terje Andersen will serve as interim President and CEO until a permanent successor is in place. The process to find Mr. Ruzicka's successor is well underway.

Key figures for the Orkla Group as at 31 March

All Alternative Performance Measures (APMs) and relevant comparative figures, are presented on the last page of this report.

	1.1.–31.3.		1.1.–31.12.
Amounts in NOK million	2019	2018	2018
Branded Consumer Goods			
Operating revenues	9 687	9 497	39 592
- Organic revenue growth	*0.9%*	*0.1%*	*-0.2%*
Branded Consumer Goods incl. headquarters (HQ)			
EBIT (adj.)	925	843	4 387
EBIT (adj.) margin	9.5%	8.9%	11.1%
Group			
Operating revenues	10 176	9 711	40 837
EBIT (adj.)	1 020	897	4 777
Profit/loss from associates and joint ventures	165	86	264
Profit/loss before taxes	990	886	4 358
Earnings per share (NOK)	0.74	0.68	3.24
Earnings per share (adj.) (NOK)	0.85	0.70	3.62

President and CEO Peter A. Ruzicka comments:
Orkla's Branded Consumer Goods business has seen a good start to 2019 with organic growth and good improvement in operating profit in the first quarter. We have now commenced our new strategy period, where an important element is to improve operating margin. It is therefore gratifying to see that we are delivering margin improvement and growth in operating profit, despite moderate top-line growth.

First-quarter top-line growth was driven by broad-based improvement for Orkla Foods and Orkla Confectionery & Snacks. Orkla Foods achieved growth in most of its markets except Denmark, where it has exited low-profitability categories. Orkla Confectionery & Snacks was helped by the reversal of the sugar tax and normalisation of inventory levels among our customers in Norway. Orkla Food Ingredients saw a good start to the ice cream season, which boosted growth in sales and operating profit. Orkla Food Ingredients also benefited from the ongoing efforts to focus on more profitable growth. Top-line development for Orkla Care was disappointing, partly because the grocery retail trade in Norway is losing shares to e-commerce and more specialised channels. We are working continuously to increase our presence outside the grocery trade, but this process will take time.

Acquisitions will continue to be an important part of Orkla's growth strategy going forward. In the first quarter we made several acquisitions to strengthen Orkla's positions in selected categories and geographies. Among other things, we acquired Kotipizza Group, which gives us a solid position in the pizza segment in Finland. We also invested in the Captain Kombucha brand, a fermented tea-based health drink sold all over Europe with growing popularity. We further expanded our vegan/vegetarian portfolio in Sweden by acquiring Lecora. In addition, we expanded our geographical presence through the acquisition of Kanakis, a Greek sales and distribution company in the confectionery, bakery and ice cream ingredients segment in Greece.

Peter A. Ruzicka
President and CEO

Market growth

In most of the markets in which Orkla's Branded Consumer Goods business operates, growth is stable, but moderate. There is higher growth in the Baltics and Central Europe than in the Nordic markets, as well as in channels outside the grocery retail sector.

The global FAO Food Price index rose in the first quarter of 2019, after a slight decline in the second half of 2018, but price trends for raw materials in the index vary. Currency trends continued to generate headwinds for purchasing prices compared with the same period of 2018. In particular, the performance of the Swedish krone against the euro and the Norwegian krone against dollar had a negative impact on purchasing prices. Energy prices rose throughout 2018 and into the first quarter of 2019 and are now at a high level, resulting in higher production costs for Branded Consumer Goods.

Branded Consumer Goods' performance

Sales revenues changes %	FX	Structure	Organic growth	Total
1.1.–31.3.2019	-0.4	1.6	0.9	2.0

Figures may not add up due to rounding.

Turnover growth for Branded Consumer Goods in the first quarter was driven by acquisitions and organic growth, but was negatively impacted by currency translation effects. Organic growth in turnover was 0.9% due to growth in all business areas except Orkla Care, which saw weak top-line development. Orkla Foods delivered improvement in most markets, while Orkla Confectionery & Snacks achieved good organic growth driven by improvement in Norway, Finland and Denmark. Growth in Norway was particularly boosted by the normalisation of inventory levels in the grocery retail trade due to the reversal of the sugar tax. Organic growth for Orkla Food Ingredients was driven by a good start to the ice cream season.

EBIT (adj.) changes %	FX	Structure	Underlying growth	Total
1.1.–31.3.2019	-0.5	0.8	9.3	9.7

Figures may not add up due to rounding.

Branded Consumer Goods including headquarters (HQ) posted positive EBIT (adj.) growth of 9.7%, in the first quarter, chiefly due to good underlying EBIT (adj.) growth of 9.3%. Underlying growth was driven by top-line growth and increased contribution ratio.

		Underlying			
EBIT (adj.) margin growth changes percentage points	FX/ Structure	Variable cost	Other	Total	EBIT (adj.) margin 2019 (%)
R12M	-0.2	0.3	0.2	0.2	11.2

Figures may not add up due to rounding.

Margin performance on a rolling 12-month basis as at 31 March 2019 showed an improvement of 0.2 percentage points, negatively affected by the dilutive effects of acquired companies. The underlying margin improvement of 0.4 percentage points was driven by the positive effects of price increases, a shift towards more profitable categories and good cost control. This was offset by higher purchasing costs due to factors including negative currency effects and higher energy prices.

Orkla will continue its efforts to realise synergies and improve value chain efficiency. In the short term, priority will be given to increasing margin by means of an improved mix, reduced complexity and price management.

Structural measures (M&A)

Orkla's acquisition of Kotipizza Group was completed in the first quarter, and the company became part of Orkla's operations as of 1 February 2019. The acquisition of Kotipizza is an important element of Orkla's strategy for the pizza category and increased exposure to the out-of-home channel.

Orkla Foods entered into an agreement in the first quarter to purchase Lecora, a Swedish manufacturer of frozen and chilled vegan and vegetarian dishes that serves the out-of-home channel as its largest customer group. The acquisition of Lecora strengthens Orkla Foods' position in the Swedish out-of-home sector, and expands its portfolio of organic, vegan and vegetarian food products. Orkla Foods also completed an agreement to purchase 43.5% of the shares in the Portuguese company Asteriscos e Reticências, S.A. The company produces fermented tea-based health drinks sold all over Europe under the Captain Kombucha brand. Orkla Foods' investment in the Captain Kombucha brand is a stake in a new product that is growing in popularity.

In the first quarter, Orkla Food Ingredients entered into an agreement to purchase a majority shareholding in a Greek company, Stelios Kanakis Industrial and Commercial S.A. ("Kanakis"). Kanakis is market leader for the sale and distribution of confectionery, bakery and ice cream ingredients in Greece. Kanakis holds a leading position in Orkla Food Ingredients' core categories, and has a broad network of customers and suppliers with which Orkla is well acquainted. The company is well positioned in a high-growth region. In April, Orkla Food Ingredients also signed an agreement to purchase Zeelandia Sweden AB, which supplies margarine, vegetable oils and bakery ingredients to the Swedish market. The acquisition of this company is strategically attractive for strengthening Orkla's position in the Nordic markets in categories that are well-known to Orkla Food Ingredients.

The sale of Chaka, a Russian nut company, was completed in the first quarter.

See notes 5 and 12 for more information on acquired and sold companies.

Outlook

Orkla continues to face strong competition from international brands and the retail trade's private labels. However, we are also seeing a shift in consumer preferences, where local players are gaining ground at the expense of major global brands. With over 300 local brands and a strong local focus on innovations, Orkla is well positioned to respond to this shift. Furthermore, a channel shift is taking place with consumers moving away from traditional grocery retailers in many product categories. This change is most evident in Orkla Care's categories. Orkla is addressing this change in a variety of ways, including increased focus on presence in new channels outside the traditional grocery retail sector and on making strategic acquisitions that offer access to other channels.

The strategy of being a leading branded consumer goods company remains unchanged. Orkla targets long-term organic growth at least in line with market growth. For the period 2019-2021, Orkla targets growth in EBIT (adj.) margin of a minimum of 1.5 percentage points adjusted for acquisitions, disposals and currency effects.

Strategically relevant acquisitions will remain a key element of Orkla's growth strategy and value creation model. At the same time, the Group will focus more on reducing its complexity through more active portfolio management.

The UK's exit from the EU on 29 March 2019 was postponed until 31 October, but with the possibility of earlier withdrawal. Orkla has production operations in the UK, as well as substantial exports and imports from the UK to the EU and Norway, and consequently may be affected by the final outcome. Orkla is tracking the situation closely and is considering possible action on an ongoing basis.

Financial matters - Group

Main figures profit/loss

Amounts in NOK million	1.1.–31.3. 2019	1.1.–31.3. 2018	1.1.–31.12. 2018
Operating revenues	10 176	9 711	40 837
EBIT (adj.)	1 020	897	4 777
Other income and expenses	(119)	(27)	(482)
Operating profit	901	870	4 295
Profit/loss from associates and joint ventures	165	86	264
Interest and financial items, net	(76)	(70)	(201)
Profit/loss before taxes	990	886	4 358
Taxes	(230)	(176)	(1 004)
Profit/loss for the period	760	710	3 354
Earnings per share (NOK)	0.74	0.68	3.24
Earnings per share (adj.) (NOK)	0.85	0.70	3.62

Group operating revenues rose 4.8% in the first quarter, chiefly driven by structural and organic growth for Branded Consumer Goods and improvement for Hydro Power. Currency translation effects related to consolidation had a negative impact of NOK 41 million on Branded Consumer Goods' operating revenues.

In the same period, the Group achieved EBIT (adj.) growth of 13.7%, driven by both Branded Consumer Goods and growth for Orkla Investments. The improvements for Orkla Investments were partly related to profit growth for Hydro Power as a result of higher power prices in the period, and the inclusion of Kotipizza Group as of 1 February 2019. Currency translation effects arising from consolidation had a slight negative impact for Branded Consumer Goods.

The Group's other income and expenses totalled NOK -119 million in the first quarter. The largest items consisted of transaction costs related to the acquisition of Kotipizza Group, accounting effects related to the completion of the sale of Chaka and costs related to the move to Orkla's new head office.

First-quarter profit from associates improved by NOK 79 million due to the good performance delivered by Jotun compared with the same period last year.

Net financial costs in the first quarter were slightly higher than last year. At quarter end, net interest-bearing liabilities totalled NOK 4.0 billion, excluding lease liabilities under IFRS 16 (NOK 1.6 billion). The borrowing rate averaged 3.1% in the period, compared with 3.5% in 2018. See Note 1 for more information on IFRS 16.

Taxes were higher in the first quarter, mainly due to the increase in ground rent tax resulting from the higher contribution to profit from Orkla's energy operations in Norway, in addition to higher, non-deductible transaction costs.

Earnings per share amounted to NOK 0.74 in the first quarter, up 9% from last year. Adjusted earnings per share amounted to NOK 0.85, equating to growth of 21%.

Cash flow – Group

The comments below are based on the cash flow statement as presented in Orkla's internal format and refer to the period 1 January to 31 March 2019. Reference is made to page 12 for the consolidated statement of cash flow – IFRS and reconciliation of cash flows.

Orkla-format

Amounts in NOK million	1.1.–31.3. 2019	1.1.–31.3. 2018	1.1.–.31.12. 2018
Cash flow from Branded Consumer Goods incl. HQ			
EBIT (adj.)	925	843	4 387
Amortisation, depreciation and impairment charges	367	286	1 154
Changes in net working capital	183	(562)	(190)
Net replacement expenditures	(348)	(381)	(1 393)
Cash flow from operations (adj.)	1 127	186	3 958
Cash flow effect from "Other income and expenses" and pensions	(110)	(117)	(496)
Cash flow from operations, Branded Consumer Goods incl. HQ	1 017	69	3 462
Cash flow from operations, Orkla Investments	(45)	113	26
Taxes paid	(453)	(476)	(904)
Dividends received, financial items and other payments	23	35	(1)
Cash flow before capital transactions	542	(259)	2 583
Dividends paid and purchase/sale of treasury shares	(4)	(4)	(4 063)
Cash flow before expansion	538	(263)	(1 480)
Expansion investments	(139)	(35)	(531)
Sale of companies (enterprise value)	10	-	47
Purchase of companies (enterprise value)	(1 691)	(480)	(1 080)
Net cash flow	(1 282)	(778)	(3 044)
Currency effects of net interest-bearing liabilities	158	150	21
Change in net interest-bearing liabilities	1 124	628	3 023
Interest-bearing liabilities implementation IFRS 16, 1 January 2019	1 447	-	-
Net interest-bearing liabilities	5 608	642	3 037
Net interest-bearing liabilities / EBITDA (R12M)	0.9	0.1	0.5

At Group level, the bottom line of the Orkla-format cash flow statement is the change in net interest-bearing liabilities, an important management parameter for the Group (see Note 6). Cash flow from operations is used in business area management.

Cash flow from operations (excluding Orkla Investments) was significantly higher at the end of the first quarter, year over year, chiefly due to the reduced level of working capital compared with an increase in 2018. The improvement in working capital was an effect of accruals accounting.

Cash flow from Orkla Investments in the first quarter was impacted by lease effects for Hydro Power as a result of new capitalisation under IFRS 16, as well as by investments for Orkla Eiendom.

The decrease in tax paid was mainly attributable to timing differences in Norway and Denmark.

In the first quarter of 2019, expansion investments rose compared with the same period in 2018. The increase was primarily due to higher investments by Orkla Foods, including the ongoing investment programme for pizza production at Stranda, Norway.

The Russian nut company, Chaka, was sold in the first quarter. Acquisitions of companies totalled NOK 1,691 million, Kotipizza Group being the largest transaction.

Net cash flow for the Group amounted to NOK -1,282 million. Positive currency translation effects totalling NOK 158 million arising from exchange rate fluctuations reduced net interest-bearing liabilities correspondingly. At quarter end, net interest-bearing liabilities excluding leases totalled NOK 3,964 million. Including lease effects under IFRS 16, net interest-bearing liabilities amounted to NOK 5,608 million. See Note 1 for further information on IFRS 16.

At the end of the first quarter of 2019, the equity ratio was 62.5%, compared with 63.1% as at 1 January 2019, adjusted for IFRS 16 effects. The average remaining life of liabilities and unutilised credit lines is 3.9 years. Orkla's financial position is robust, with cash reserves and credit lines that exceed known future capital expenditures, and no large loans that fall due in the next two years.

Business areas

Branded Consumer Goods

Orkla Foods

	1.1.–31.3.		1.1.–31.12.
Amounts in NOK million	2019	2018	2018
Operating revenues	3 889	3 852	16 000
- Organic revenue growth	*1.7%*	*1.6%*	*1.5%*
EBIT (adj.)	430	400	2 048
EBIT (adj.) margin	11.1%	10.4%	12.8%

- Orkla Foods reported 1.0% growth in operating revenues in the first quarter
- Good and broad-based organic sales growth of 1.7%
- Profit growth due to higher sales and cost improvements
- Price increases compensated for the continued negative impact of a weak Swedish krone and higher raw material prices

Orkla Foods reported a 1.0% rise in sales in the first quarter. Organic growth was 1.7% due to good growth in the majority of its markets. Sales declined in Denmark, partly due to the loss of low-margin sales. After a challenging 2018, the Norwegian business saw improvement in the first quarter. The pizza category had the biggest new launches and made the highest contribution to growth in the quarter, and sales of vegetarian products continued to rise. The businesses in Central Europe and India showed good improvement in sales and profit.

Profit growth was largely driven by increased sales, but also by cost improvements. In 2018, profit was substantially lowered by a weak Swedish krone and higher raw material costs, and these effects continued into 2019. Price increases have compensated for these factors and contributed to higher profitability. The EBIT (adj.) margin improved in most markets, and amounted to 11.1%, up 0.7 percentage points year over year.

Orkla Confectionery & Snacks

	1.1.–31.3.		1.1.–31.12.
Amounts in NOK million	2019	2018	2018
Operating revenues	1 502	1 453	6 246
- Organic revenue growth	*3.6%*	*-2.8%*	*-3.4%*
EBIT (adj.)	211	187	1 006
EBIT (adj.) margin	14.0%	12.9%	16.1%

- Growth in operating revenues of 3.4% in the first quarter of 2019
- Organic turnover growth of 3.6%
- High growth at start of quarter must be seen in connection with restocking after the change in the sugar tax in Norway
- Cost improvement programmes continued to have good effect

Orkla Confectionery & Snacks reported growth of 3.4% in first-quarter operating revenues. Organic sales grew by 3.6%, with Norway, Finland and Denmark making a particularly positive contribution. In Norway, sales growth was good at the start of the quarter, due to the normalisation of inventory levels in the retail trade following the reversal of the 2018 increase in sugar tax to the 2017 level. In Finland and Denmark, sales growth was generated by good market growth. The confectionery category in the Baltics saw somewhat weaker market growth in the quarter.

EBIT (adj.) for Orkla Confectionery & Snacks rose by 13% in the first quarter. Turnover growth combined with cost improvement projects continued to produce good results. This was offset to some extent in the quarter by higher costs due to the weaker Swedish krone against the euro, and higher energy prices. The EBIT (adj.) margin was 14.0% in the quarter, an increase of 1.1 percentage points compared with a weak 2018.

Orkla Care

Amounts in NOK million	1.1.–31.3. 2019	1.1.–31.3. 2018	1.1.–31.12. 2018
Operating revenues	2 071	2 076	8 075
- Organic revenue growth	*-3.0%*	*-0.4%*	*-1.8%*
EBIT (adj.)	299	298	1 084
EBIT (adj.) margin	14.4%	14.4%	13.4%

- Slight decline in first-quarter operating revenues
- Organic sales decline of 3.0%
- EBIT (adj.) positively impacted by cost improvements

Orkla Care posted a 0.2% fall in sales in the first quarter, and a decline of 3.0% in organic sales. The decline was largely driven by challenging market trends on several home markets, partly due to the shift in channels away from the grocery retail market in Norway. The actions taken to improve operations in Poland are on track, but have had limited effect on profit so far this year.

Orkla House Care reported improved sales in the Nordics, and the decline in sales for the British business continued, as expected, albeit with higher profitability. The previously announced restructuring of House Care UK will bring a gradual improvement in results in 2019. Lilleborg and Orkla Wound Care delivered solid organic growth, driven by continued good market growth.

The EBIT (adj.) margin was 14.4% (14.4%)[1] in the first quarter. Improvement resulting partly from cost reductions was offset by the dilutive effects of the inclusion of acquired companies.

Orkla Food Ingredients

Amounts in NOK million	1.1.–31.3. 2019	1.1.–31.3. 2018	1.1.–31.12. 2018
Operating revenues	2 291	2 182	9 562
- Organic revenue growth	*1.3%*	*1.7%*	*1.2%*
EBIT (adj.)	77	57	533
EBIT (adj.) margin	3.4%	2.6%	5.6%

- Growth in operating revenues of 5.0% in the first quarter
- Solid profit improvement driven by significant growth for ice cream ingredients
- Increased focus on sales of higher-value products has increased margin in several markets

Orkla Food Ingredients reported an increase of 5.0% in operating revenues, driven by both acquisitions and organic sales growth. Ice cream ingredients posted growth in all markets driven by an earlier start to the ice cream season compared to last year. This growth was offset to some extent by the ongoing efforts to phase out less profitable businesses.

EBIT (adj.) rose by 35% in the first quarter. Profit growth was impacted particularly positively by the improvement in ice cream ingredient sales. The prices of raw materials and commodities were stable in the quarter. The good competitive position of Orkla Food Ingredients' companies and a strategy focused on improving product mix had a positive effect on margin and profit. The EBIT (adj.) margin was 3.4%, an improvement of 0.8% percentage points, driven by the above-mentioned factors.

[1]Figures in parentheses are for the corresponding period of the previous year.

Orkla Investments

Hydro Power

	1.1.–31.3.		1.1.–31.12.
	2019	2018	2018
Volume (GWh)	476	482	2 320
Price* (øre/kWh)	45.7	37.2	42.2
EBIT (adj.) (mill. NOK)	73	59	390

*Source: Nord Pool Spot, Monthly System Price.

EBIT (adj.) for Hydro Power increased by 24% in the first quarter, compared with 2018. The increase was chiefly due to higher power prices, year over year, while production was slightly lower. First-quarter operating costs were somewhat higher than in the same quarter of 2018. At quarter end, the reservoir level in Sauda was somewhat higher than normal, while snowpack levels were substantially lower than normal. The reservoir level in Glomma was higher than normal, while snowpack levels were slightly lower than normal.

Financial Investments

EBIT (adj.) for Orkla Financial Investments totalled NOK 22 million (NOK -5 million)[1] in the first quarter. Profit for the quarter was primarily related to Kotipizza and Orkla Eiendom's delivery of housing units at Sofienlunden in Oslo. Otherwise, the main real estate activity in the quarter was the completion of and move to Orkla's new head office.

Kotipizza Group was consolidated into Orkla Financial Investments as of 1 February 2019. Kotipizza Group had operating revenues of NOK 159 million in the period 01.02.–31.03.19, compared with NOK 140 million for the corresponding period of 2018. EBIT (adj.) amounted to NOK 13 million in the period, on a par with 2018. Comparable chain sales in the Kotipizza chain rose by 7% on a rolling 12-month basis, the increase was primarily driven by a higher number of customers. In the course of the year, marketing costs account for a fixed per cent of chain sales, which vary according to the timing of campaigns. First-quarter marketing costs were higher, year over year, and impacted negatively on EBIT (adj.) performance.

Jotun (42.6% interest)

Jotun's operating profit rose by 44% in the first quarter, driven by solid sales growth, improved gross margins and effective cost control.

The increase in operating revenues was driven by strong growth in Protective Coatings and a good performance by Decorative Paints. Sales in Marine Coatings are still affected by the cyclical downturn in the shipping industry, but have begun to improve. Top-line growth has been boosted by higher selling prices, implemented in 2018 to compensate for the sharp rise in raw material costs in the past two years.

After a long period of falling gross margins due to higher raw material costs, the decline levelled off in the fourth quarter of 2018, and operating margin increased during the first quarter of 2019. Jotun expects that a higher level of activity in both the Marine newbuildings market and in the Offshore sector will impact favourably on sales going forward.

Other matters

At the Annual General Meeting on 25 April 2019, Orkla's Board of Directors was re-elected for one year, with Stein Erik Hagen as Board Chairman and Grace Reksten Skaugen as Deputy Chair. The General Meeting approved a dividend of NOK 2.60 per share for the 2018 financial year, which will be paid out on 7 May. Orkla shares were listed exclusive of dividend as from 26 April.

In March, Peter A. Ruzicka announced that he wished to resign from his position as President and CEO of Orkla. He will remain in the position until Orkla has presented its results for the first quarter of 2019, on 7 May. Work has begun on the process of finding Mr Ruzicka's successor as President and CEO. Terje Andersen will serve as interim President and CEO as from 7 May until a new President and CEO is in place.

Oslo, 6 May 2019

The Board of Directors of Orkla ASA

(This translation from Norwegian of Orkla's first quarter report of 2019 has been made for information purposes only.)

Condensed income statement

Amounts in NOK million	Note	1.1.–31.3. 2019	1.1.–31.3. 2018	1.1.–31.12. 2018
Operating revenues	2	10 176	9 711	40 837
Operating expenses		(8 734)	(8 516)	(34 846)
Depreciation, amortisation and write-downs		(422)	(298)	(1 214)
EBIT (adj.)	2	1 020	897	4 777
Other income and expenses	3	(119)	(27)	(482)
Operating profit		901	870	4 295
Profit/loss from associates and joint ventures		165	86	264
Interest, net	7	(50)	(50)	(159)
Other financial items, net	7	(26)	(20)	(42)
Profit/loss before taxes		990	886	4 358
Taxes		(230)	(176)	(1 004)
Profit/loss for the period		760	710	3 354
Profit/loss attributable to non-controlling interests		19	22	82
Profit/loss attributable to owners of the parent		741	688	3 272

Condensed statement of comprehensive income

Amounts in NOK million	Note	1.1.–31.3. 2019	1.1.–31.3. 2018	1.1.–31.12. 2018
Profit/loss for the period		760	710	3 354
Items after tax not to be reclassified to profit/loss in subsequent periods				
Actuarial gains and losses pensions		-	-	(66)
Changes in fair value shares		-	-	(4)
Items after tax to be reclassified to profit/loss in subsequent periods				
Change in hedging reserve	4	(5)	26	70
Carried against equity in associates and discontinued operations	4	13	(185)	10
Translation effects	4	(539)	(560)	(40)
The Group's comprehensive income		229	(9)	3 324
Comprehensive income attributable to non-controlling interest		11	19	82
Comprehensive income attributable to owners of the parent		218	(28)	3 242

Earnings per share

Amounts in NOK	1.1.–31.3. 2019	1.1.–31.3. 2018	1.1.–31.12. 2018
Earnings per share	0.74	0.68	3.24
Earnings per share (adj.)	0.85	0.70	3.62

Condensed statement of financial position

Assets

Amounts in NOK million	Note	31.3. 2019	1.1.[1] 2019	31.12. 2018
Intangible assets		21 753	20 610	20 610
Property, plant and equipment		14 121	14 043	12 760
Associates, joint ventures and other financial assets	6	4 354	4 337	4 337
Non-current assets		40 228	38 990	37 707
Inventories		5 999	5 875	5 875
Inventory of development property		99	132	132
Trade receivables		6 030	5 990	5 990
Other receivables	6	989	814	814
Shares and financial assets		5	13	13
Cash and cash equivalents	6	1 260	1 978	1 978
Current assets		14 382	14 802	14 802
Total assets		54 610	53 792	52 509

[1]Including effects of implementing IFRS 16 Leases.

Equity and liabilities

Amounts in NOK million	Note	31.3. 2019	1.1.[1] 2019	31.12. 2018
Paid in equity		1 971	1 971	1 971
Retained equity		31 760	31 546	31 658
Non-controlling interests		407	436	451
Equity		34 138	33 953	34 080
Provisions and other non-current liabilities		4 539	4 589	4 626
Non-current interest-bearing liabilities	6	5 529	5 916	4 775
Current interest-bearing liabilities	6	1 581	761	455
Trade payables		5 293	4 907	4 907
Other current liabilities		3 530	3 666	3 666
Equity and liabilities		54 610	53 792	52 509
Equity ratio		62.5%	63.1%	64.9%

Condensed statement of changes in equity

	1.1.–31.3.2019			1.1.–31.3.2018		
Amounts in NOK million	Attributed to equity holders of the parent	Non-controlling interest	Total equity	Attributed to equity holders of the parent	Non-controlling interest	Total equity
Equity 1 January	33 629	451	34 080	34 408	430	34 838
The Group's comprehensive income	218	11	229	(28)	19	(9)
Dividends	-	(4)	(4)	-	(4)	(4)
Net purchase/sale of treasury shares	-	-	-	-	-	-
Effect of implementing IFRS 16	(112)	(15)	(127)	-	-	-
Change in non-controlling interests	(4)	(36)	(40)	3	(7)	(4)
Equity at close of period	33 731	407	34 138	34 383	438	34 821

Condensed statement of cash flows IFRS

Amounts in NOK million	Note	1.1.–31.3. 2019	1.1.–31.3. 2018	1.1.–31.12. 2018
Cash flow from operations before capital expenditure		1 503	590	5 251
Received dividends and paid financial items		45	54	41
Taxes paid		(453)	(476)	(904)
Cash flow from operating activities		1 095	168	4 388
Net capital expenditure		(544)	(443)	(2 294)
Net sale (purchase) of companies	5	(1 534)	(472)	(925)
Other payments		(22)	(19)	(42)
Cash flow from investing activities		(2 100)	(934)	(3 261)
Net paid to shareholders		(4)	(4)	(4 063)
Change in interest-bearing liabilities and receivables		334	66	84
Cash flow from financing activities		330	62	(3 979)
Currency effects cash and cash equivalents		(43)	(6)	(4)
Change in cash and cash equivalents		(718)	(710)	(2 856)
Cash and cash equivalents	6	1 260	4 124	1 978

Reconciliation operating activities against Orkla-format (see page 6)

	2019	2018	2018
IFRS cash flow			
Cash flow from operating activities	1 095	168	4 388
Net capital expenditure	(544)	(443)	(2 294)
Other payments	(22)	(19)	(42)
Cash flow from operating activities incl. capital expenditure	529	(294)	2 052
Orkla-format			
Cash flow before capital transactions	542	(259)	2 583
New capitalised leases (included in net replacement expenditures in Orkla-format)	126	-	-
Expansion investments	(139)	(35)	(531)
Comparative cash flow	529	(294)	2 052

Reconciliation cash and cash equivalents against net interest-bearing liabilities in Orkla-format (see page 6)

	2019	2018	2018
Change cash and cash equivalents IFRS cash flow	718	710	2 856
Change net interest-bearing liabilities IFRS cash flow	334	66	84
Net interest-bearing liabilities in purchased/sold companies	147	8	108
Interest-bearing liabilities new leases	126	-	-
Total currency effect net interest-bearing liabilities	(158)	(150)	(21)
Currency effect cash and cash equivalents	(43)	(6)	(4)
Change net interest-bearing liabilities Orkla-format	1 124	628	3 023

NOTES

NOTE 1 GENERAL INFORMATION

Orkla ASA's condensed consolidated financial statements as at 31 March 2019 were approved at the Board of Directors' meeting on 6 May 2019. The figures in the statements have not been audited. Orkla ASA (organisation no. NO 910 747 711) is a public limited liability company and its offices are located at Skøyen in Oslo, Norway. Orkla shares are traded on the Oslo Stock Exchange. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The same accounting principles and methods of calculation have been applied as in the last annual financial statements.

IFRS 16 Leases

The Group has implemented IFRS 16 Leases since 1 January 2019. The standard requires that discounted right-of-use leases with associated payment liabilities be capitalised as an asset. Orkla has chosen to apply the modified retrospective method when implementing IFRS 16, which gives rise to an equity effect upon implementation. The comparative figures have not been restated, but a new balance as at 1 January 2019 is presented in the statement of financial position.

The companies in the Orkla Group own virtually all their own means of production and production facilities. The Group's lease agreements largely concern office and warehouse premises and vehicles such as cars and forklifts. Orkla's lease agreements with Statkraft, whereby AS Saudefaldene has use of all power stations until 2030, are deemed to fall within the scope of IFRS 16. Orkla has a right to terminate the agreement with Statkraft at any time subject to three to four years' notice, and extension of the lease is considered annually. Between three and four years' rent is capitalised at all times. No need to write down any of the leases has been identified in connection with implementation of IFRS 16.

As at 1 January 2019, Orkla had capitalised right-of-use assets totalling NOK 1,283 million and lease liabilities totalling NOK 1,447 million. Leased means of production and vehicles account for approximately 20% of right-of-use assets. The remainder of the capitalised amount is related to leased office and warehouse premises and leases in Sauda. The effect on retained earnings amounts to NOK 112 million after a reduction of NOK 37 million in deferred tax and a reduction of NOK 15 million in non-controlling interests. Most of the effect on retained earnings relates to the Sauda lease. This reduces the equity ratio by 1.8 percentage points.

Under the new rules, the capitalised leases will have to be depreciated over the lease period and presented together with the Group's other depreciations. The interest effect of the discounting will be presented as a financial item. This results in a limited annual increase in the Group's operating profit of approx. NOK 20 million for leases held by the Group as at 1 January 2019. Leases as at 1 January 2019 increase annual depreciations by approx. NOK 390 million and reduce other operating costs by approx. NOK 410 million. The effect on interest will amount to approx. NOK 25 million per year. Actual effects on profit will be impacted by new lease agreements entered into in 2019. Orkla has acquired Kotipizza Group Oyj in 2019; see Note 5. Kotipizza leases premises, among other things, in connection with its restaurant operations and will thus affect profit and statement of financial position figures related to leases in 2019.

Other matters

No changes have otherwise been made in presentation or accounting principles nor have any other standards been adopted that materially affect the Group's financial reporting or comparisons with previous periods.

The Group has purchased new businesses. The acquisitions are presented in Note 5 and 12.

NOTE 2 SEGMENTS

Amounts in NOK million	Operating revenues 1.1.–31.3. 2019	Operating revenues 1.1.–31.3. 2018	Operating revenues 1.1.–31.12. 2018	EBIT (adj.) 1.1.–31.3. 2019	EBIT (adj.) 1.1.–31.3. 2018	EBIT (adj.) 1.1.–31.12. 2018
Orkla Foods	3 889	3 852	16 000	430	400	2 048
Orkla Confectionery & Snacks	1 502	1 453	6 246	211	187	1 006
Orkla Care	2 071	2 076	8 075	299	298	1 084
Orkla Food Ingredients	2 291	2 182	9 562	77	57	533
Eliminations Branded Consumer Goods	(66)	(66)	(291)	-	-	-
Branded Consumer Goods	9 687	9 497	39 592	1 017	942	4 671
HQ/Eliminations	10	11	34	(92)	(99)	(284)
Branded Consumer Goods incl. HQ	9 697	9 508	39 626	925	843	4 387
Hydro Power	230	193	1 025	73	59	390
Financial Investments	261	15	200	22	(5)	0
Orkla Investments	491	208	1 225	95	54	390
Eliminations	(12)	(5)	(14)	-	-	-
Orkla	10 176	9 711	40 837	1 020	897	4 777

NOTE 3 OTHER INCOME AND EXPENSES

Amounts in NOK million	1.1.–31.3. 2019	1.1.–31.3. 2018	1.1.–31.12. 2018
M&A and integration costs	(55)	(5)	(129)
Final settlement employment relationships etc.	(24)	(2)	(114)
Gain/write-downs relating to coordination projects	(4)	-	(1)
Restructuring costs and other items	(36)	(20)	(238)
Total other income and expenses	(119)	(27)	(482)

The Group is developing and is carrying out a number of restructuring and coordination projects. The biggest projects with impact in the quarter are the merger of out-of-home and grocery retail activities in Orkla Foods Norge, the integration of and organisational changes in HSNG and the restructuring of Orkla Care Polen. Expenses have also been incurred in connection with the move to Orkla's new headquarters at Skøyen. In addition, a gain was recognised in connection with the sale of a former industrial property in Kristiansund.

In the first quarter, Orkla completed its acquisition of Kotipizza (see Note 5) and sold the nut company Chaka in Russia. Transaction costs were incurred in connection with these transactions, and accumulated negative translation differences were expensed in connection with the disposal of Chaka.

NOTE 4 STATEMENT OF COMPREHENSIVE INCOME

The statement of comprehensive income shows changes in the value of hedging instruments (hedging reserve) after tax. The tax effect as at 31 March 2019 related to the hedging reserve amounts to NOK 2 million (NOK 7 million in 2018).

The hedging reserve included in equity as at 31 March 2019 (after tax) totalled NOK -163 million. Accumulated translation differences correspondingly amounted to NOK 985 million, while accumulated items recognised in equity in associates and joint ventures amounted to NOK 237 million as at 31 March 2019.

NOTE 5 ACQUISITION AND SALE OF COMPANIES

Acquisitions in the first quarter

On 22 November 2018, Orkla made a tender offer to purchase all the shares in Kotipizza Group Oyj ("Kotipizza"). Kotipizza was listed on Nasdaq Helsinki. As at 31 December 2018, Orkla owned 11% of the shares, and has in the first quarter completed its share purchase offer in accordance with its conditions. Orkla intends to acquire 100% ownership of Kotipizza, and its shareholding as at 31 March 2019 was 99.45%. Kotipizza is a leading player in the growing Finnish restaurant market, and Finland is one of Orkla's home markets. The restaurants are mainly franchise-operated. Kotipizza has 95 employees. The offer price was EUR 23 per share (approx. NOK 224 per share), which values Kotipizza's equity at around EUR 146.1 million (approx. NOK 1.4 billion). Kotipizza had a total net turnover of EUR 84.1 million (approx. NOK 789 million) in the 2017 financial year and EBIT of EUR 6.4 million (approx. NOK 60 million). Kotipizza was consolidated into the Group's financial statements as from 1 February 2019.

Orkla Foods has acquired Lecora, a Swedish manufacturer of frozen and chilled vegan and vegetarian dishes. A large portion of the company's product assortment is organic. Lecora has 35 employees and the company had a turnover of SEK 95.9 million (approx. NOK 88.2 million) in 2018, and EBIT of SEK 5.9 million (approx. NOK 5.4 million). The company was consolidated into Orkla's statement of financial position as at 31 March 2019 and will be consolidated into the income statement as from 1 April 2019.

Orkla Foods has signed and completed an agreement to purchase 43.5% of the shares in the Portuguese company Asteriscos e Reticências, S.A. The company produces fermented tea-based health drinks sold all over Europe under the Captain Kombucha brand. The company's turnover increased from EUR 0.9 milllion (approx. NOK 9 million) in the start-up year 2017 to EUR 3.1 million (approx. NOK 30 million) in 2018. Orkla's equity interest will be recognised using the equity method and was consolidated into Orkla's statement of financial position as at 31 March 2019. The company will be consolidated into the income statement as from 1 April 2019.

Other matters

As at 31 March 2019, Orkla had purchased companies for a total of NOK 1,691 million at enterprise value. See also Note 12 for agreements entered into on the purchase of companies.

With regard to the companies acquired in 2018, the purchase price allocations for HSNG (Orkla Care) and Struer Brød (Orkla Foods) were finalised as at 31 March 2019. No material changes were made in relation to the preliminary purchase price allocations.

NOTE 6 NET INTEREST-BEARING LIABILITIES

The various elements of net interest-bearing liabilities are presented in the following table:

Amounts in NOK million	31.3. 2019	1.1. 2019	31.12. 2018
Non-current liabilities excl. leases	(4 242)	(4 775)	(4 775)
Current liabilities excl. leases	(1 224)	(455)	(455)
Non-current receivables (in "Financial Assets")	236	209	209
Current receivables (in "Other receivables")	6	6	6
Cash and cash equivalents	1 260	1 978	1 978
Net interest-bearing liabilities excl. lease liabilities	(3 964)	(3 037)	(3 037)
Non-current lease liabilities	(1 287)	(1 141)	-
Current lease liabilities	(357)	(306)	-
Total net interest-bearing liabilities	(5 608)	(4 484)	(3 037)

NOTE 7 INTEREST AND OTHER FINANCIAL ITEMS

The various elements of net interest and net other financial items are presented in the following tables:

Amounts in NOK million	1.1.–31.3. 2019	1.1.–31.3. 2018	1.1.–31.12. 2018
Net interest costs excl. leases	(43)	(50)	(159)
Interest costs leases	(7)	-	-
Interest, net	(50)	(50)	(159)

Amounts in NOK million	1.1.–31.3. 2019	1.1.–31.3. 2018	1.1.–31.12. 2018
Dividends	8	-	3
Net foreign currency gain/loss	0	2	(3)
Interest on pensions	(36)	(12)	(17)
Other financial items	2	(10)	(25)
Other financial items, net	(26)	(20)	(42)

NOTE 8 RELATED PARTIES

The Canica system, controlled by Orkla Board Chairman Stein Erik Hagen (largest shareholder, with 24.5% of issued shares), and Orkla both have equity interests in one real estate investment. Canica AS has signed an agreement with Orkla ASA to lease office premises at Karenslyst allé 6. In addition, the Orkla Group makes sales to companies in the Canica system.

There were no special transactions between the Group and related parties as at 31 March 2019.

The Group has intercompany balances totalling NOK 27 million with associates within Orkla's real estate investments.

NOTE 9 TREASURY SHARES

The Group holds 19,410,259 treasury shares. There were no changes in its holding of treasury shares in the first quarter of 2019. See also Note 12.

NOTE 10 ASSESSMENTS RELATING TO IMPAIRMENT

As at 31 March 2019, there were no indications of any impairment in the value of the Group's assets.

NOTE 11 SHARES AND FINANCIAL ASSETS

Shares and financial assets recognised at fair value:

Amounts in NOK million	Measurement level Level 1	Level 2	Level 3	Total
31 March 2019:				
Assets				
Investments	-	-	85	85
Derivatives	-	75	-	75
Liabilities				
Derivatives	-	212	-	212
31 December 2018:				
Assets				
Investments	157	-	94	251
Derivatives	-	102	-	102
Liabilities				
Derivatives	-	361	-	361

See also Note 6 for an overview of interest-bearing assets and liabilities.

NOTE 12 OTHER MATTERS

After the sale of its stake in Sapa in 2017, Orkla retained certain liabilities arising from its former ownership. These are primarily related to guarantees and specific indemnities given to Norsk Hydro. Since the balance sheet date, Orkla has learned that an agreement has been reached between subsidiaries of Norsk Hydro and the US Department of Justice (DOJ), Civil and Criminal Divisions, related to the case referred to in Note 6 of Orkla's Annual Financial Statements for 2016. According to the agreement, a subsidiary of Norsk Hydro shall pay approximately NOK 400 million (USD 46.9 million) to US authorities. Orkla is to indemnify Norsk Hydro for 50% of this amount, i.e. approximately NOK 200 million. The amount is covered in its entirety by previous provisions. See also the description in the Annual Financial Statements for 2018.

Orkla Food Ingredients AS has entered into an agreement to purchase the majority of the shares in the Greek company Stelios Kanakis Industrial and Commercial S.A. ("Kanakis"). Kanakis is market leader for the sale and distribution of confectionery, bakery and ice cream ingredients in Greece. Kanakis is listed on the Athens stock exchange, and the founder and his family own approximately 86% of the shares. As at 5 April, Orkla had acquired approx. 66% of the shares from the Kanakis family, in addition to purchasing approx. 8.5% of the shares in the market. If the squeeze-out process is successful, Orkla will own 80% and the Kanakis family 20% of the company after the implementation of planned transactions. Kanakis has 73 employees and had a turnover of EUR 20.2 million (approx. NOK 197 million) in 2018, and EBIT of EUR 3.0 million (approx. NOK 29 million). The company is expected to be consolidated into Orkla's financial statements in the second quarter of 2019.

Orkla Food Ingredients has entered into an agreement to purchase Zeelandia Sweden AB, a supplier of margarine, vegetable oils and bakery ingredients to the Swedish market. The company has most of its sales in Sweden, and exports to Finland, the Baltics and Norway. The company has around 60 employees and its turnover totalled EUR 22.9 million (approx. NOK 222.5 million) in 2018. The company is expected to be consolidated into Orkla's financial statements in the second quarter of 2019. The acquisition is subject to the approval of the Swedish competition authorities.

In December 2018, Orkla entered into an agreement to purchase 90% of the shares in Easyfood A/S, a Danish manufacturer of bake-off bakery goods for the out-of-home channel. Easyfood has established itself as a solid supplier to the out-of-home market in Denmark and has a growing customer base. Easyfood currently has 144 employees. At the end of October 2018, the company had a turnover of DKK 316.1 million (approx. NOK 415 million) for the last 12 months, and normalised EBITDA of DKK 33.7 million (approx. NOK 44 million) in the same period. The parties have agreed on a purchase price that values the company at DKK 330 million (approx. NOK 433 million). The acquisition has been approved by the relevant competition authorities, and the company will be consolidated into the Group's financial statements as of 1 May 2019.

Orkla is engaged in litigation with the agricultural authorities concerning historical classification of goods in the price rebate and export duty refund schemes.

On 25 April 2019, the General Meeting of Orkla ASA adopted a resolution to pay out the proposed dividend of NOK 2.60 per share. The dividend will be paid to shareholders on 7 May 2019, and totals approx. NOK 2.6 billion. The dividend has not been recognised as a liability in the statement of financial position as at 31 March 2019. A decision was made at the Annual General Meeting to cancel 17,500,000 treasury shares.

There have been no other material events after the statement of financial position date that would have had an impact on the financial statements or the assessments carried out.

Alternative performance measures (APM)

Organic growth

Organic growth shows like-for-like turnover growth for the Group's business portfolio and is defined as the Group's reported change in operating revenues adjusted for effects of the purchase and sale of companies and currency effects. In the calculation of organic growth, acquired companies will be excluded 12 months after the transaction date. Sold companies will be excluded pro forma 12 months prior to the transaction date. Currency effects are neutralised by translating this year's turnover at last year's exchange rates.

Organic growth is included in segment information and used to identify and analyse the turnover growth in the existing business portfolio. Organic growth provides an important picture of the Group's ability to carry out innovation, product development, correct pricing and brand-building.

Reconciliation of organic growth is shown in a separate table on the next page.

EBIT (adj.)

EBIT (adj.) shows the Group's current operating profit before items that require special explanation, and is defined as reported operating profit or loss before "Other income and expenses" (OIE). Items included in OIE are disclosed in Note 3. These include M&A costs, restructuring or integration expenses, any major gains and write-downs on both tangible and intangible assets, and other items that only to a limited degree are reliable measures of the Group's current profitability. EBIT (adj.) margin and growth are derived figures calculated in relation to operating revenues.

EBIT (adj.) is the Group's key financial figure, internally and externally. The figure is used to identify and analyse the Group's profitability from normal operations and operating activities. Adjustment for items in OIE which to a limited degree are reliable measures of the Group's current operating profit or loss increases the comparability of profitability over time, and EBIT (adj.) is used as a basis for and indicator of the Group's future profitability.

EBIT (adj.) is presented on a separate line in the Group's income statement and in segment reporting (Note 2).

Change in underlying EBIT (adj.)

Change in underlying EBIT (adj.) shows like-for-like EBIT (adj.) growth for the Group's business portfolio and is defined as the Group's reported change in EBIT (adj.) adjusted for effects of the purchase and sale of companies and currency effects. In calculating the change in underlying EBIT (adj.), acquired companies will be included pro forma 12 months before the transaction date. Sold companies will be excluded pro forma 12 months prior to the transaction date. Currency effects are neutralised by calculating this year's turnover at last year's currency exchange rates. Comparative figures are not restated when implementing IFRS 16, but the effects of the new accounting standard are neutralised in the calculation. Underlying EBIT (adj.) margin and change therein are derived figures calculated in relation to operating revenues.

Underlying EBIT (adj.) growth is used for internal management purposes, including for identifying and analysing underlying profitability growth in the existing business portfolio, and provides a picture of the Group's ability to develop growth and improve profitability in the existing business. The measure is important because it shows the change in profitability on a comparable structure over time. Underlying EBIT (adj.) growth is a heavily weighted factor in determining executive remuneration.

The reconciliation of change in underlying EBIT (adj.) for Branded Consumer Goods incl. HQ is shown directly in the text. Comparative figures are shown on the next page.

Earnings per share (adj.)

Earnings per share (adj.) show earnings per share adjusted for other income and expenses (OIE) after estimated tax. Items included in OIE are specified in Note 3. If other items of a special nature occur under the company's operating profit or loss, adjustments will also be made for these items. There were no such items in the first quarter of 2019 or in 2018.

Net replacement and expansion investments

When making decisions regarding investments, the Group distinguishes between replacement and expansion investments. Expansion investments are the part of overall reported investments considered to be investments in either new geographical markets or new categories, or which represent significant increases in capacity.

Net replacement investments include new leases and are reduced by the value of sold fixed assets to sales value.

The purpose of this distinction is to show how large a part of the investments (replacement) mainly concern maintenance of existing operations and how large a part of the investments (expansion) are investments which must be expected to generate increased contributions to profit in future, exceeding expectations of normal operations.

Net replacement and expansion investments are presented in the statement of cash flows on page 6.

Net interest-bearing liabilities

Net interest-bearing liabilities, together with equity, constitute the Group's capital. Net interest-bearing liabilities are the sum of the Group's interest-bearing liabilities and interest-bearing receivables. Interest-bearing liabilities include bonded loans, bank loans, other loans, lease liabilities and interest-bearing derivatives. Interest-bearing receivables include liquid assets, interest-bearing derivatives and other interest-bearing receivables.

Net interest-bearing liabilities are the Group's primary management parameter for financing and capital allocation, and is used actively in the Group's financial risk management strategy. The statement of cash flows (Orkla format) therefore shows the change in net interest-bearing liabilities at Group level; see page 6.

Net interest-bearing liabilities are reconciled in Note 6.

Structure (acquired and sold companies)

Structural growth includes adjustments for the acquisition of the businesses Struer, HSNG, Werners, County's and Igos, and for the sale of Mrs. Cheng's.

Organic growth by business area

Sales revenues changes %	1.1.–31.3.2019 FX	Structure	Organic growth	Total
Orkla Foods	-0.7	0.0	1.7	1.0
Orkla Confectionery & Snacks	-0.2	-	3.6	3.4
Orkla Care	-0.3	3.1	-3.0	-0.2
Orkla Food Ingredients	-0.2	3.9	1.3	5.0
Branded Consumer Goods	-0.4	1.6	0.9	2.0

	1.1.–31.3.2018				1.1.–31.12.2018			
Sales revenues changes %	FX	Structure	Organic growth	Total	FX	Structure	Organic growth	Total
Orkla Foods	3.3	-2.3	1.6	2.5	-0.3	-1.9	1.5	-0.8
Orkla Confectionery & Snacks	3.5	-	-2.8	0.6	0.4	-	-3.4	-3.0
Orkla Care	2.5	9.6	-0.4	11.7	0.2	9.5	-1.8	8.0
Orkla Food Ingredients	5.4	13.2	1.7	20.4	1.1	7.6	1.2	9.9
Branded Consumer Goods	3.6	3.8	0.1	7.5	0.2	2.8	-0.2	2.8

Comparative figures for underlying EBIT (adj.) changes for Branded Consumer Goods incl. HQ

EBIT (adj.) changes %	FX	Structure	Underlying growth	Total
1.1.–31.3.2018	2.7	3.4	-5.5	0.5

EBIT (adj.) changes %	FX	Structure	Underlying growth	Total
1.1.–31.12.2018	-0.2	1.2	0.8	1.8

		Underlying			
EBIT (adj.) margin growth changes percentage points	FX/ Structure	Variable cost	Other	Total	EBIT (adj.) margin 2018 (%)
R12M pr. 31.3.2018	-0.1	-0.3	0.5	0.1	11.0

		Underlying			
EBIT (adj.) margin growth changes percentage points	FX/ Structure	Variable cost	Other	Total	EBIT (adj.) margin 2018 (%)
1.1.–31.12.2018	-0.2	0.0	0.1	-0.1	11.1

Figures may not add up due to rounding.

More information about Orkla may be found at www.orkla.com/investor-relations

Photo: Ole Walter Jacobsen
Orkla employees, their children and friends are models in the photos.