Annual Report
2014

Contents

The Nordic region's leading branded consumer goods company

Orkla is a leading supplier of branded consumer goods and concept solutions to the grocery sector, out-of-home sector and bakeries with its main markets in the Nordics and the Baltics. The Group also holds good positions in selected product categories in Central Europe and India.

The Branded Consumer Goods business comprises four business areas: Orkla Foods, Orkla Confectionery & Snacks, Orkla Home & Personal and Orkla Food Ingredients. Orkla also has operations organised under the Orkla Investments business area, which consists of Hydro Power, real estate and financial assets, in addition to the Group's investments in Sapa (JV) (50% interest), Jotun (42.5% interest) and Gränges (31% interest).

Orkla ASA is listed on the Oslo Stock Exchange and is headquartered in Oslo. As of 31 December 2014, Orkla had approximately 13,000 employees. The Group's turnover in 2014 totalled NOK 30 billion.

FINANCIAL CALENDAR FOR ORKLA ASA

Date	Event
16.04.2015	Annual General Meeting 2015
17.04.2015	Share traded ex. dividend[1]
28.04.2015	Dividend payment[1]
07.05.2015	1st quarter 2015
17.07.2015	2nd quarter 2015
30.10.2015	3rd quarter 2015
11.02.2016	4th quarter 2015

[1]Subject to the approval of the proposed dividend at the General Meeting.

Key figures

	2014	2013	2012	2011	2010
Operating revenues (NOK million)	**29,599**	33,045	30,001	61,009	57,338
Operating revenues Branded Consumer Goods (NOK million)	**28,584**	27,731	24,105	24,621	23,627
EBIT (adj.)[1] (NOK million)	**3,214**	3,142	3,279	3,986	3,892
EBIT (adj.)[1] Branded Consumer Goods (NOK million)	**3,378**	2,961	2,803	2,769	2,956
EBIT (adj.)[1]-margin (%)	**10.9**	9.5	10.9	6.5	6.8
EBIT (adj.)[1]-margin Branded Consumer Goods (%)	**11.8**	10.7	11.6	11.2	12.5
Ordinary profit before tax (NOK million)	**2,872**	2,664	3,873	-923	20
Earnings per share, diluted (NOK)	**1.63**	0.68	1.56	-0.76	-0.90
Return on capital employed Branded Consumer Goods[2] (%)	**14.4**	13.3	16.8	16.6	18.1
Total dividends per share (NOK)	**2.50[3]**	2.50	2.50	2.50	7.50
Equity ratio (%)	**62.5**	59.1	53.9	51.8	53.6

Figures as reported (2010-2013).
[1]Operating profit before other income and expenses.
[2]See definition page 112.
[3]Proposed dividend.

SHARE PRICE

2014 in brief

- Sales growth and profit improvement for Branded Consumer Goods with organic growth, stronger innovations and operational improvement
- Completed sale of Orkla Brands Russia and Rieber Foods Polska ("Delecta")
- Agreements entered into to purchase the branded consumer goods company NP Foods and the sales and distribution company Condite, as well as Cederroth (in January 2015)
- Successful stock exchange listing of Gränges on Nasdaq Stockholm
- Restructuring programme in Sapa ahead of plan
- 13.4% return on the Orkla share (including reinvested dividend), and the Board proposes to maintain a dividend of NOK 2.50 per share

ORKLA'S STRATEGY

Orkla's strategy is to strengthen its position as a leading branded consumer goods company, serving the Nordic and Baltic regions as its main markets.

Based on its core brand-building competency and the Group's local presence, Orkla aims to be the Nordic region's leading branded consumer goods company. The foremost driver of long-term value creation is organic growth in the branded consumer goods sector, with the Nordics and Baltics as Orkla's main markets.

In line with this strategy, priority is given to activities that drive organic growth and promote improved profitability. Successful innovations are Orkla's primary means of achieving organic growth. Orkla intends to enhance and leverage the Group's local presence, skills and customer and consumer insight.

Orkla's mission

"Improving everyday life with healthier and more enjoyable local brands"

0.7%

ORGANIC GROWTH

Operating revenues for Branded Consumer Goods totalled NOK 28,584 million.

10.9%

EBIT (ADJ.) MARGIN

EBIT (adj.) for the Group totalled NOK 3,214 million.

1.63

EARNINGS PER SHARE

Earnings per share were NOK 1.63.

Stronger as One Orkla

Orkla has made several structural changes and adjustments in the course of the year to strengthen its position as a leading branded consumer goods company with a local presence. We still have a way to go to see the effect of these measures in the form of satisfactory results. Our efforts to achieve improved organic growth and profitability therefore continue with undiminished vigour.

Orkla's core competency in brand building and our local presence are the cornerstones of our long-term strategy of strengthening our position as a leading branded consumer goods company serving the Nordic and Baltic regions as our main markets. Our strategy of divesting Orkla's other investments in the longer term remains unchanged, but we have made it clear that realising the full value of these assets is more important than speed.

In the course of the year, Orkla has carried out a number of structural measures in line with the Group's strategic direction. The Polish company Delecta and Orkla Brands Russia were divested, and Orkla reduced its ownership interest in the aluminium company Gränges in a successful stock exchange listing. Through the acquisition of branded consumer goods companies NP Foods and Cederroth (in January 2015) and the sales and distribution company Condite, Orkla has significantly reinforced its presence in the Baltics, Sweden and Finland. During the year, Orkla decided to retain Vitana and Felix Austria as long-term investments, and the companies have delivered a positive performance.

After the many organisational changes in the past few years, it is important that we succeed in building one Orkla. We must aim to bring out the best in one another by facilitating collaboration, exchanges of ideas and transfers of expertise across companies, countries and business areas. Orkla's local presence, skills, and consumer and customer insight are some of the Group's most crucial competitive advantages. To ensure profitable operations in the long term, we are focusing on optimising our business model. To an even greater degree, we must capitalise on our proximity to consumers. At the same time, we must leverage the economies of scale inherent in being a large group. We must extract synergies from the processes that we have initiated, at both top-line and bottom-line level.

We are aware of Orkla's role as a major industrial player, and our view is that a sustainable value chain is the only acceptable model for future growth. In 2014, Orkla has assumed a prominent role in the public debate on health and nutrition. We will contribute to improving public health by developing healthier local brands. We have set ambitious goals for sustainable purchasing of palm oil and reducing salt in our products.

Our primary driver of organic growth is strong, profitable innovations that delight and engage people. By developing successful innovations, combined with local customer insight and an attractive product portfolio, we aim to become the retail sector's most important partner for creating profitable growth. We continuously improve our well-established brands and utilise our know-how and creativity to develop new products that are more enjoyable and make healthy choices easier. Our basic approach is to use sustainable, efficient production methods to transform high-quality raw materials into Orkla's well-known local branded consumer goods that are widely appreciated by consumers at large.

Orkla is well prepared to position itself even more clearly as a leading branded consumer goods company, so that we as one Orkla can do our part to make every day better.

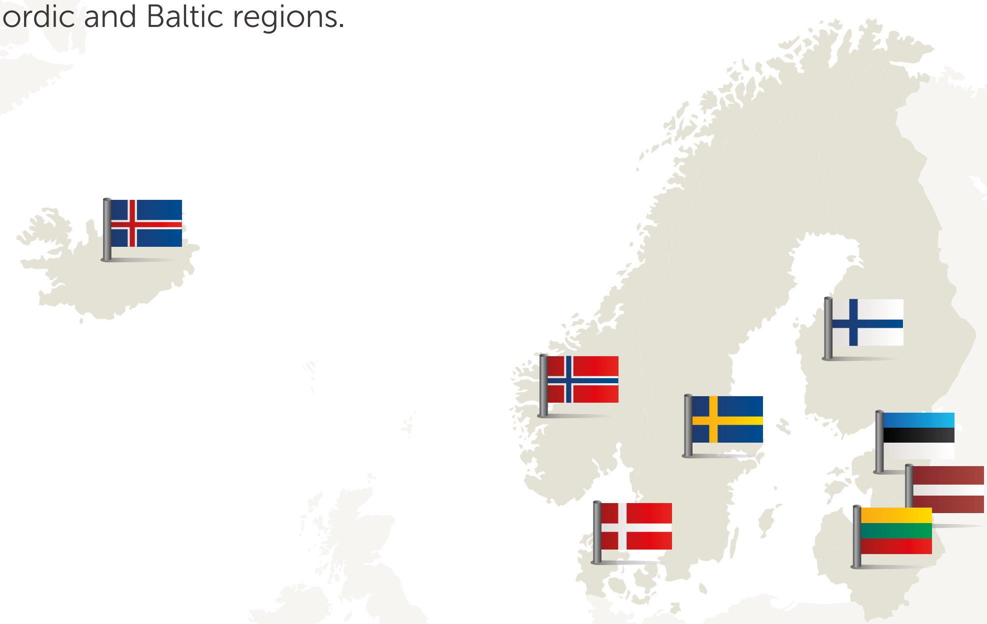
" In 2014, Orkla has assumed a prominent role in the public debate on health and nutrition. We will contribute to improving public health by developing healthier local brands.

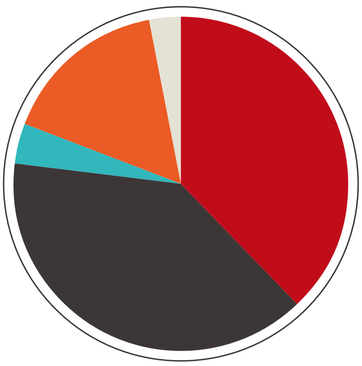
Peter A. Ruzicka
President and CEO

Peter – part of the Orkla family

Branded Consumer Goods

Branded Consumer Goods consists of four business areas: Orkla Foods, Orkla Confectionery & Snacks, Orkla Home & Personal and Orkla Food Ingredients. Orkla's main markets are the Nordic and Baltic regions.





GEOGRAPHICAL SPREAD OF SALES REVENUES[1]

Norway	11,160	38%
Nordics ex. Norway	11,469	39%
Baltics	1,053	4%
Europe other	4,533	16%
World other	987	3%
Total: NOK million	29,202	100%

[1]Excluding internal sales and other operating revenues.

Business areas

ORKLA FOODS	ORKLA CONFECTIONERY & SNACKS	ORKLA HOME & PERSONAL	ORKLA FOOD INGREDIENTS
Operating revenues (NOK million): ***12,232***	Operating revenues (NOK million): ***4,987***	Operating revenues (NOK million): ***4,960***	Operating revenues (NOK million): ***6,534***
Organic growth (%): ***-1.1***	Organic growth (%): ***-0.4***	Organic growth (%): ***2.5***	Organic growth (%): ***3.7***
EBIT (adj.)[1] (NOK million): ***1,488***	EBIT (adj.)[1] (NOK million): ***693***	EBIT (adj.)[1] (NOK million): ***852***	EBIT (adj.)[1] (NOK million): ***345***
Number of employees: ***5,977***	Number of employees: ***2,359***	Number of employees: ***1,775***	Number of employees: ***2,438***

ORKLA INVESTMENTS

Sapa (JV)[2] (50%)	Jotun[2] (42.5%)	Gränges[2] (31%)	Hydro Power	Orkla Eiendom	Shares and financial assets
Underlying EBITDA (NOK billion): ***1.9***	EBIT (NOK billion): ***1.3***	EBIT (adj.)[1] (NOK million): ***463***	EBIT (adj.)[1] (NOK million): ***216***	Book value (NOK billion): ***1.9***	Book value (NOK billion): ***0.7***

Corporate centre and support functions

[1]Operating profit before other income and expenses.
[2]The figures from associates and joint ventures are on a 100% basis.

Orkla Foods

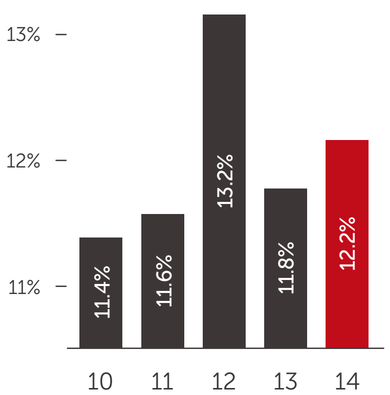
Orkla Foods comprises Orkla's ten food businesses in the Nordics, Baltics, Austria, the Czech Republic and India. The companies in this business area are Orkla Foods Norge, Orkla Foods Sverige, Orkla Foods Danmark, Orkla Foods Finland, Põltsamaa Felix in Estonia, Spilva in Latvia, Suslavicius-Felix in Lithuania, Felix in Austria, Vitana Group in the Czech Republic and MTR Foods in India.

Cost synergies in connection with the integration of Rieber & Søn were realised as planned in 2014. Major redesign projects were also initiated to reduce the complexity of the manufacturing structure. To optimise and increase the efficiency of the sales function and make Orkla an even better partner for the retail trade, several companies reorganised their external sales force.

Operating revenues for Orkla Foods in 2014 totalled NOK 12,232 million, and the business area achieved EBIT (adj.) of NOK 1,488 million. As of 31 December 2014, Orkla Foods had 5,977 employees.

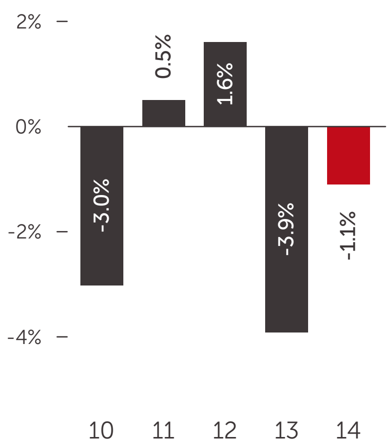
EBIT (ADJ.)[1] MARGIN
ORKLA FOODS

[1]Operating profit before other income and expenses.



ORGANIC GROWTH[2]
ORKLA FOODS

[2]Change in operating revenues adjusted for acquired and sold companies, and currency translation effects.



OPERATING REVENUES
12,232 *NOK million*

EBIT (ADJ.)[1]
1,488 *NOK million*

Read more about Orkla Foods under "Report of the Board of Directors" on page 21.

Martin – part of the Orkla family

Orkla Confectionery & Snacks

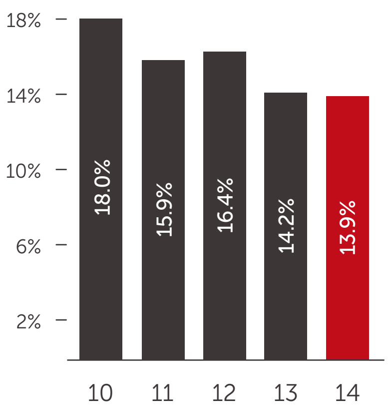
Orkla Confectionery & Snacks comprises seven branded consumer goods businesses in the Nordic and Baltic regions, and Russia. The companies in Orkla Confectionery & Snacks are Orkla Confectionery & Snacks Norge (snacks, biscuits and confectionery), Orkla Confectionery & Snacks Sverige (snacks and biscuits), Orkla Confectionery & Snacks Finland (snacks, biscuits and confectionery), KiMs in Denmark (snacks), Latfood in the Baltics (snacks), Kalev in Estonia (biscuits and confectionery) and Chaka in Russia (nuts).

In August, Orkla announced its agreement to purchase NP Foods from Nordic Partner Foods Limited. With this agreement, Orkla is significantly strengthening its foothold in the region in segments such as chocolate, biscuits and cakes. The agreement has been approved by the competition authorities and is expected to be completed in March 2015.

Operating revenues for Orkla Confectionery & Snacks in 2014 totalled NOK 4,987 million, and the business area achieved EBIT (adj.) of NOK 693 million. As of 31 December 2014, Orkla Confectionery & Snacks had 2,359 employees.

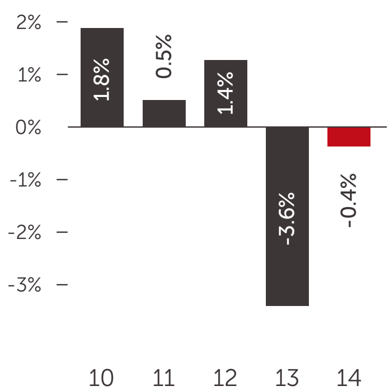
EBIT (ADJ.)[1] MARGIN
ORKLA CONFECTIONERY & SNACKS

[1]Operating profit before other income and expenses.



ORGANIC GROWTH[2]
ORKLA CONFECTIONERY & SNACKS

[2]Change in operating revenues adjusted for acquired and sold companies, and currency translation effects.



OPERATING REVENUES
4,987 NOK million

EBIT (ADJ.)[1]
693 NOK million

Read more about Orkla Confectionery & Snacks under "Report of the Board of Directors" on page 21.

Isabella and Per Ottar – part of the Orkla family

Orkla Home & Personal

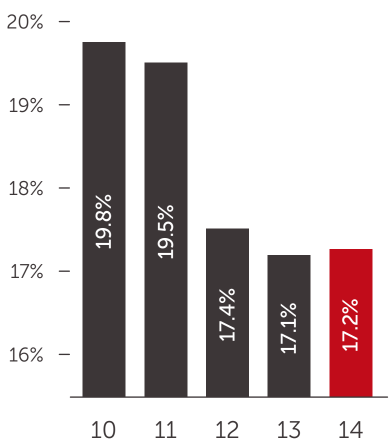
Orkla Home & Personal comprises five branded consumer goods businesses, which primarily serve the Nordic region. The companies in Orkla Home & Personal are Lilleborg (detergents and personal care products), Lilleborg Profesjonell (full-range supplier of hygiene and cleaning solutions), Orkla Health (dietary supplements and health products), Pierre Robert Group (basic textiles for men, women and children) and Orkla House Care (painting tools and cleaning products).

In January 2015, Orkla Home & Personal announced its agreement to purchase Cederroth. The acquisition of Cederroth will make Orkla one of the Nordic region's leading suppliers of personal care, health, wound care and household cleaning products. The agreement is subject to the approval of the competition authorities. In February 2015, Orkla Health completed the purchase of the Danish company W. Ratje Frøskaller (WRF), which manufactures and markets fibre products.

Operating revenues for Orkla Home & Personal in 2014 totalled NOK 4,960 million, and the business area achieved EBIT (adj.) of NOK 852 million. As of 31 December 2014, Orkla Home & Personal had 1,775 employees.

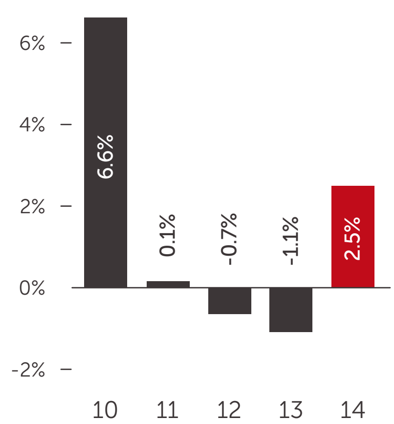
EBIT (ADJ.)[1] MARGIN
ORKLA HOME & PERSONAL

[1]*Operating profit before other income and expenses.*



ORGANIC GROWTH[2]
ORKLA HOME & PERSONAL

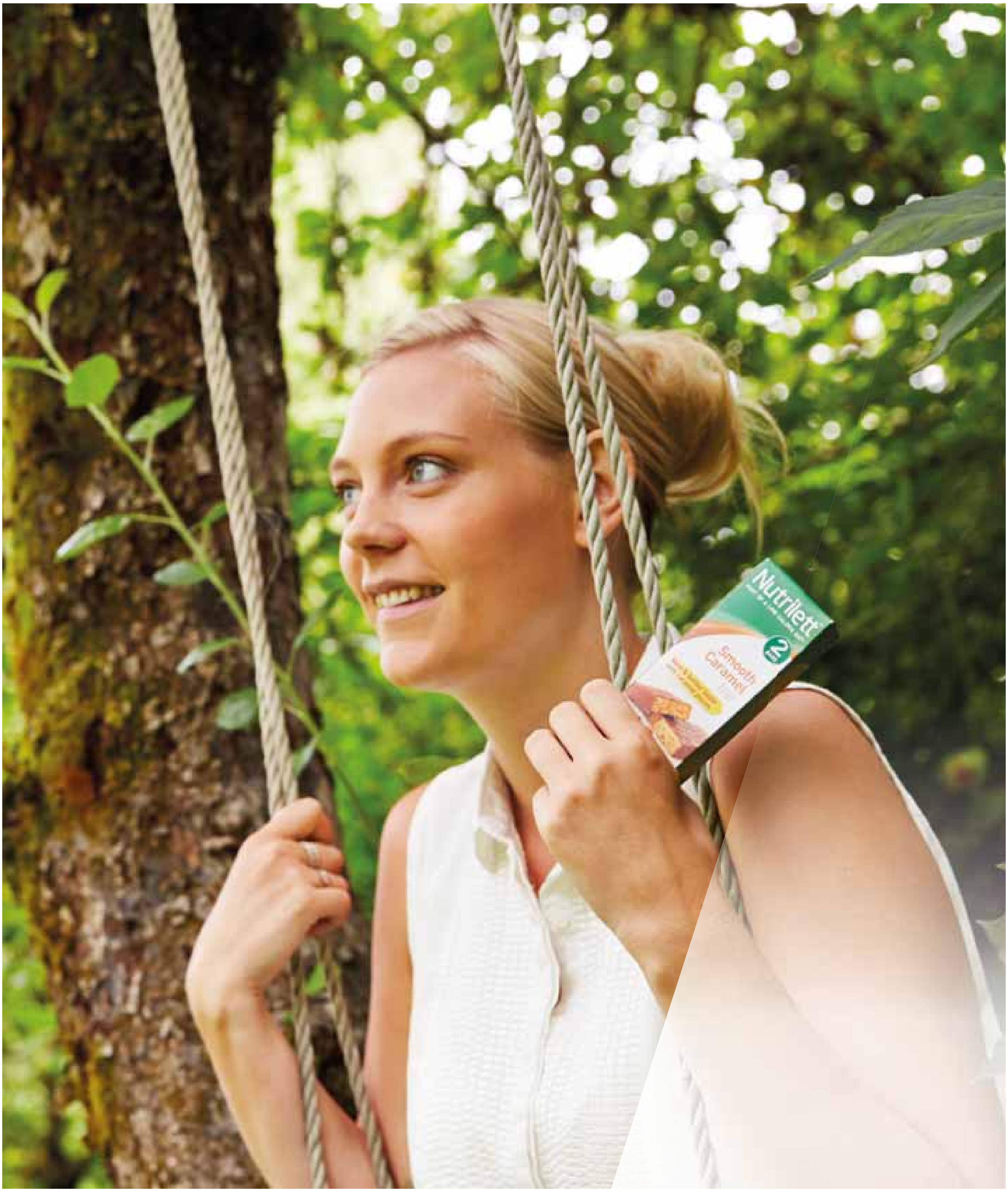
[2]*Change in operating revenues adjusted for acquired and sold companies, and currency translation effects.*



OPERATING REVENUES
4,960 *NOK million*

EBIT (ADJ.)[1]
852 *NOK million*

Read more about Orkla Home & Personal under "Report of the Board of Directors" on page 21.



Lisen – part of the Orkla family

Orkla Food Ingredients

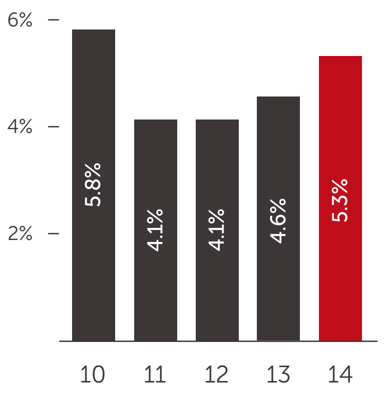
Orkla Food Ingredients is the leading bakery ingredients player in the Nordic region, in addition to holding growing market positions in selected countries in Europe. The business area ensures proximity to its customers through sales and distribution companies in a total of 19 countries. Its biggest product groups are margarine and butter blends, bread and cake improvers and mixes, marzipan and yeast.

In December, Orkla Food Ingredients entered into an agreement to purchase 67% of the Finnish company Condite Oy. This is Finland's second largest sales and distribution company for bakery ingredients. The agreement has been approved by the Finnish competition authorities and was completed in the first quarter of 2015.

Operating revenues for Orkla Food Ingredients in 2014 totalled NOK 6,534 million, and the business area achieved EBIT (adj.) of NOK 345 million. As of 31 December 2014, Orkla Food Ingredients had 2,438 employees.

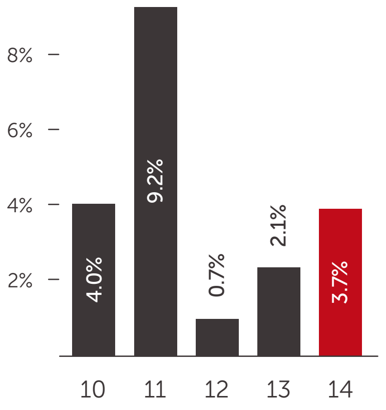
EBIT ADJ.[1] MARGIN
ORKLA FOOD INGREDIENTS

[1]Operating profit before other income and expenses.



ORGANIC GROWTH[2]
ORKLA FOOD INGREDIENTS

[2]Change in operating revenues adjusted for acquired and sold companies, and currency translation effects.



OPERATING REVENUES
6,534 NOK million

EBIT (ADJ.)[1]
345 NOK million

Read more about Orkla Food Ingredients under "Report of the Board of Directors" on page 21.

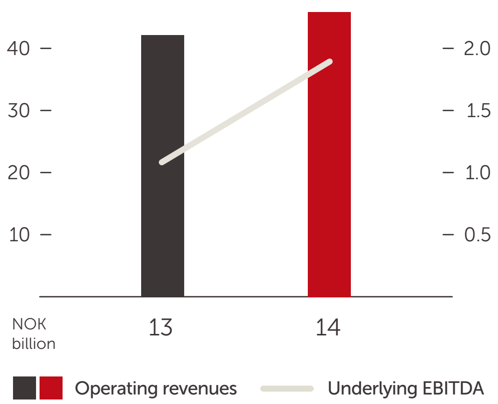
Per Olav and Sebastian – part of the Orkla family

Orkla Investments

Orkla also has investments outside the Branded Consumer Goods area, which are organised under Orkla Investments. This business area consists of the associates and joint ventures Sapa (JV) (50% interest), Jotun (42.5% interest) and Gränges (31% interest), in addition to the Group's investments in Hydro Power, real estate and financial assets.

Associates and joint ventures are accounted for by the Group under the equity method and hence presented on a separate line in the Group's consolidated financial statements.

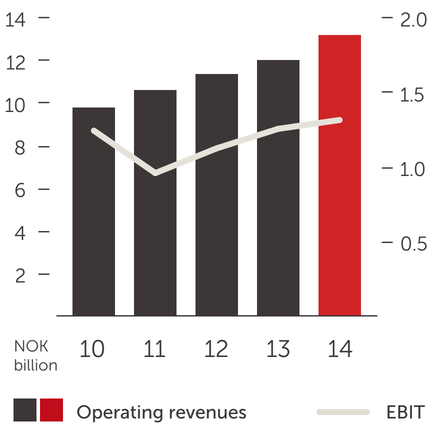
SAPA:
Sapa is the world's leading supplier of extrusion-based aluminium solutions in key segments such as Automotive, Transportation and Building and Construction. Its market share at the end of 2014 was 25% in Europe and 30% in North America. Sapa operates within the areas extruded profiles, building systems and precision tubing. With more than 100 production sites and 23,000 employees across more than 40 countries, Sapa delivers aluminium solutions to global, regional and local customers.



OWNERSHIP
50%

EMPLOYEES
23,000

JOTUN:
Jotun is one of the world's leading manufacturers of paint and powder coatings, with a global footprint of 58 subsidiaries, three joint ventures and seven associates. Jotun has 33 production plants. Its activities consist of the development, manufacture, marketing and sale of various paint systems and are organised into four segments; Decorative Paints, Marine Coatings, Protective Coatings and Powder Coatings.

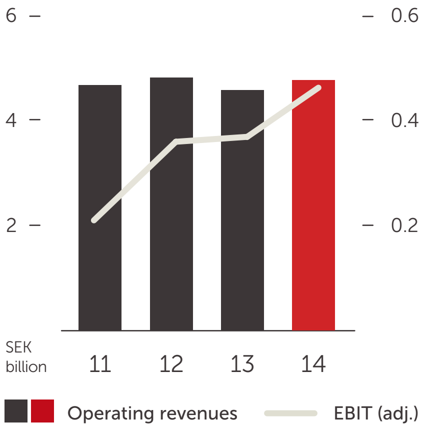


OWNERSHIP
42.5%

EMPLOYEES
9,700

Read more about Orkla Investments under "Report of the Board of Directors" on page 21.

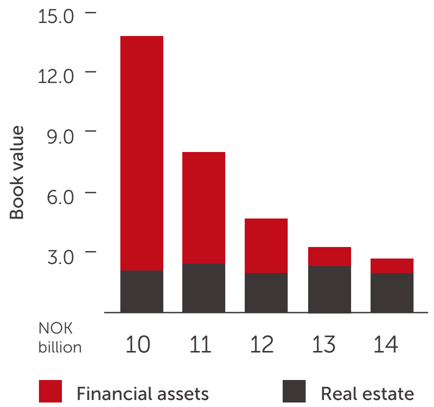
GRÄNGES:
Gränges is a leading global supplier of rolled products for brazed aluminium heat exchangers mainly to the automotive market. Gränges has its headquarters in Stockholm, Sweden, and operates in three geographical regions: Europe, Asia and the Americas. The company has production, research and development facilities in Finspång, Sweden, and Shanghai, China. The company was listed on Nasdaq Stockholm on 10 October, after which Orkla's ownership share was reduced to 31%.



OWNERSHIP
31%

EMPLOYEES
1,000

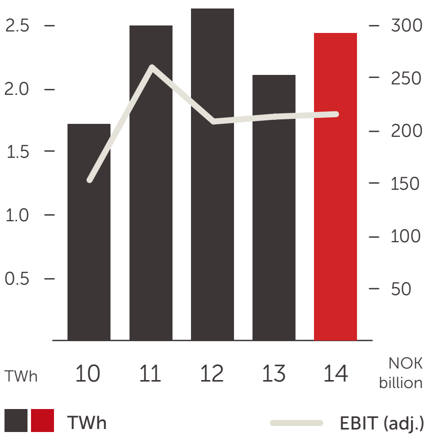
REAL ESTATE AND FINANCIAL ASSETS:
Orkla Eiendom meets the Group's needs for specialised expertise and assistance in the real estate sector, and is responsible for the administration, development and sale of properties that are not utilised in Orkla's industrial operations. At 31 December 2014, Orkla's real estate investments had a book value of NOK 1.9 billion. Financial assets consist of Orkla's share portfolio. At 31 December 2014 the market value of the share portfolio was NOK 0.7 billion.



BOOK VALUE
REAL ESTATE
1.9 NOK BILLION

BOOK VALUE
FINANCIAL
ASSETS
0.7 NOK BILLION

HYDRO POWER:
Hydro Power consists of power plants in Sarpsfoss and Orkla's 85% equity interest in AS Saudefaldene. The energy business produces and supplies power to the Nordic power market, and has a normal annual production of 2.4 TWh. The Sauda hydropower operations are leased from Statkraft until 31 December 2030.



SARPSFOSS
NORMAL
ANNUAL
PRODUCTION
0.6 TWh

SAUDEFALDENE
NORMAL
ANNUAL
PRODUCTION
1.8 TWh

Nikita – part of the Orkla family

Report of the Board of Directors

In the course of 2014, the Board of Directors continued the process of transforming Orkla into a focused branded consumer goods company with a clearly defined emphasis on operations. Through acquisitions and sales of companies, further capital has been allocated to the branded consumer goods business. In parallel, the group and management structure has been adjusted, and comprehensive restructuring and cost reduction measures have been implemented to strengthen the Group's core business. These actions have together laid the foundation for future value creation within the Branded Consumer Goods area.

In the past few years, substantial structural changes have been made to define Orkla as a focused branded consumer goods group. The Group's exposure outside Branded Consumer Goods has been reduced through the stock exchange listing of Gränges and the continued sell-off of the share portfolio. In 2014, capital totalling around NOK 3 billion was freed up from businesses and ownership interests outside Branded Consumer Goods. Furthermore, the companies Orkla Brands Russia and Rieber Foods Polska S.A. ("Delecta") were divested. At the same time, Orkla strengthened its position as the leading branded consumer goods company in the Nordics and Baltics through agreements to purchase the companies NP Foods and Condite Oy in 2014 and Cederroth in January 2015.

In 2014, the Board of Directors appointed Peter A. Ruzicka as new President and CEO of Orkla, and he took up his position on 10 February 2014. Mr Ruzicka has over 24 years of experience in the retail sector in Norway and other countries, and was a member of Orkla's Board of Directors from 2003 to 2005 and from 2008 to 2014.

The Nordic branded consumer goods market was relatively stable in 2014. All in all, growth was moderate for Orkla's categories, varying significantly from one market and category to another. Orkla holds strong brand positions and has high market shares in the Nordic region, but the overall underlying[3] performance of Orkla's market shares was not satisfactory in 2014.

Orkla increased turnover in 2014, through both contributions from acquired businesses and organic growth. Branded Consumer Goods delivered underlying[3] turnover growth of 0.7%, driven by Orkla Food Ingredients and Orkla Home & Personal. Orkla Foods saw a decline in underlying[3] sales, but ended the year on a somewhat stronger note. Orkla Confectionery & Snacks had a challenging start to the year, but after carrying out major internal change processes the business area delivered growth in both underlying[3] sales and profit in the second half of the year.

Innovations and launches contributed significantly to turnover growth in 2014. Grandiosa Helmax pizza, for example, was the biggest launch in the Norwegian grocery sector in 2014, and Paulúns Superlunch won an award as the healthiest option in its category in Sweden. The chocolate innovations Polly Melkesjokolade and Smørbukk Sjokolade illustrate how well-established brands can successfully be introduced in new categories. In 2014, to further increase the focus on innovation and product development, Orkla established a central Innovation Board and a new academy for product development and innovation.

Operating profit and margin increased in 2014. Profit growth was largely driven by underlying[3] sales improvement, but was also boosted by acquisitions and currency exchange effects. Solid contributions from synergies and large-scale internal cost reduction projects were the main drivers behind the margin improvement. Synergy gains from acquisitions were realised as planned. Orkla Foods and Orkla Food Ingredients, in particular, delivered margin improvement, to some extent through the realisation of cost savings. Orkla Confectionery & Snacks' margin performance improved in the course of the year, due to the effects of the internal restructuring processes. Orkla Home & Personal's margin performance was flat for the year, negatively impacted by higher purchasing costs due to currency effects.

[1]Operating profit before other income and expenses.
[2]Figures in brackets relate to the corresponding period of the previous year.
[3]Adjusted for acquired and sold companies and currency translation effects.
[4](Net interest-bearing liabilities)/Equity.

Several important structural changes and cost reduction measures were also implemented with a view to strengthening competitiveness. In connection with the sale of Orkla Brands Russia, the Orkla International business area was largely consolidated into Orkla Foods in order to simplify the Group's structure and increase the focus on core segments. Major redesign projects were also initiated to reduce the complexity of the manufacturing structure. To optimise and increase the efficiency of the sales function and make Orkla an even better partner for the retail trade, several companies reorganised their external sales force. Furthermore, in 2014 and at the start of 2015, the Group announced a number of measures aimed at further optimising Orkla's structure. The effect of these measures will be seen in the course of 2015 and 2016.

At the end of 2014, the Group's financial position was robust, ensuring financial flexibility to underpin the Group's strategy. Net interest-bearing liabilities totalled NOK 5.7 billion at year end, while the equity ratio was 62.5%.

Based on both underlying[3] operations and the capital freed up by the sale of businesses, the Board of Directors proposes to pay an ordinary dividend of NOK 2.50 per share for the 2014 financial year.

The annual financial statements have been prepared and presented in accordance with the International Financial Reporting Standards (IFRS), which are approved by the EU. The Board of Directors confirms that the going-concern assumption applies.

FURTHER DESCRIPTION OF STRUCTURAL CHANGES

Since the autumn of 2011, the Group has worked to transform Orkla into a focused branded consumer goods company. As part of this process, comprehensive restructuring and improvement projects continued in 2014. This work has been challenging, but represents substantial potential cost savings and increased efficiency, which will help to strengthen the Group's competitive edge.

Orkla sold the chocolate and biscuits company OJSC Orkla Brands Russia to Slavyanka-Lyuks JSC, which is part of the Russian chocolate group Slavyanka. The agreement has been approved by the Russian competition authorities, and the sale has been completed. Furthermore, the Polish company Rieber Foods Polska S.A. ("Delecta") was sold to an investment fund managed by Innova Capital. The agreement has been approved by the Polish competition authorities and the sale was completed in August 2014.

On 10 October 2014, the aluminium company Gränges was listed on Nasdaq Stockholm. The IPO was successful, and the shares were priced at SEK 42.50 per share. The overallotment option was fully exercised, and Orkla has retained an ownership interest of 31%.

In August 2014, Orkla announced its agreement to purchase NP Foods from Nordic Partner Foods Limited in Latvia. The agreement is subject to the approval of the competition authorities. This acquisition will close to double the scope of Orkla's Baltic operations, making Orkla one of the biggest suppliers of branded consumer goods to the grocery sector in this region.

Moreover, Orkla Food Ingredients, through its wholly-owned subsidiary KåKå AB, has signed an agreement to purchase 67% of the Finnish company Condite Oy. Condite is Finland's second largest sales and distribution company in the bakery ingredients segment. The agreement has been approved by the Finnish competition authorities, and the purchase was completed on 30 January 2015.

On 15 January 2015, Orkla announced its agreement to purchase Cederroth, whereby Orkla Home & Personal will acquire 100% of the shares in the Swedish branded consumer goods company. Through the acquisition of Cederroth, Orkla will become one of the Nordic region's leading suppliers of personal care, health, wound care and household cleaning products. The agreement is subject to the approval of the competition authorities. The transaction is expected to be completed by the end of the third quarter of 2015.

On 2 February 2015, Orkla Health announced the agreement to purchase the Danish company W. Ratje Frøskaller (WRF). The company has an annual turnover of around NOK 45 million. Through this acquisition, Orkla Health is strengthening its position in the gut health segment and the pharmacy market.

In connection with the sale of Orkla Brands Russia, and in order to focus on core segments, most of the Orkla International business area was placed under Orkla Foods. The companies in the new Orkla Foods International unit are MTR Foods (India), Vitana (Czech Republic) and Felix Austria (Austria). The nut company Chaka (Russia) is now part of the Orkla Confectionery & Snacks business area. Orkla will continue to seek structural solutions for Chaka.

Shares and financial assets were reduced by disposals totalling NOK 350 million in 2014, generating a return of NOK 74 million. The market value of the remaining share portfolio, including funds, was NOK 734 million at year end.

FURTHER COMMENTS ON THE GROUP'S RESULTS

Orkla's operating revenues in 2014 totalled NOK 29,599 million (NOK 28,015 million)[2]. The increase of 5.7% was driven by underlying[3] sales growth in Branded Consumer Goods, coupled with currency translation effects and contributions from acquisitions. Branded Consumer Goods saw underlying[3] growth in operating revenues of 0.7 % in 2014.

Group EBIT (adj.)[1] amounted to NOK 3,214 million (NOK 2,937 million)[2], equivalent to an increase of 9%. Growth was primarily driven by improved profit for Orkla Foods and Orkla Food Ingredients and reduced costs at Group level. Branded Consumer Goods achieved 9% growth in EBIT (adj.)[1]. In Orkla Foods, profit improvement was primarily ascribable to cost savings and synergies, as well as to contributions from acquisitions. Orkla Food Ingredients delivered solid results due to significantly improved operations, Orkla Home & Personal and Orkla Confectionery & Snacks reported results that were slightly better than in 2013, largely driven by higher sales revenues. Hydro Power delivered profit on a par with 2013, while Financial Investments reported weaker results than in 2013. Furthermore, Group costs were lower in 2014, driven by a reduction in project and consultancy costs.

Overall, international raw material prices have decreased somewhat recently, but the prices of key raw materials are still high. Moreover, purchasing costs for several of Orkla's companies have increased, partly due to the weakening of the NOK and SEK against key purchasing currencies, and this trend is expected to persist in 2015. The results of foreign entities are translated into NOK on the basis of average monthly exchange rates. In 2014, due to currency market fluctuations, the Group benefited from positive currency translation effects of NOK 788 million on operating revenues and NOK 51 million on EBIT (adj.)[1].

The extensive restructuring process continued in 2014, and the Group's other income and expenses totalled NOK -100 million (NOK -493 million)[2]. These were mainly related to the continuation of major structural changes, such as the merger of external sales forces, and closures and changes in the manufacturing structure. Costs were incurred in connection with changes in the sales force after NorgesGruppen decided to take full responsibility for in-store merchandising. M&A costs were also incurred during the year. Other income and expenses also included a one-off contractual termination fee from Unilever (NOK 279 million).

After other income and expenses, the Group's operating profit amounted to NOK 3,114 million in 2014, up from NOK 2,444 million in 2013. Associates and joint ventures totalled NOK 121 million (NOK -3 million)[2], and consist mainly of Orkla's 42.5% ownership interest in Jotun, 50% ownership interest in Sapa (JV) and 31% ownership interest in Gränges. Investments are presented according to the equity method on the line for "Associates and joint ventures". Sapa (JV) reported an operating result of NOK -313 million (NOK -347 million)[2], largely due to a substantial write-down in China.

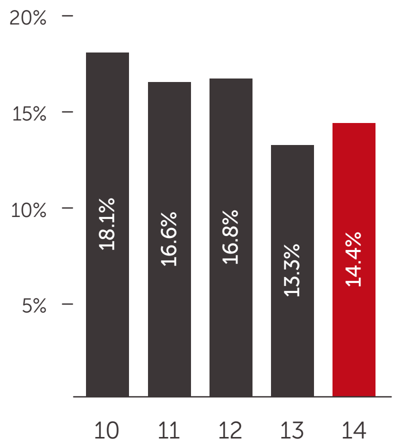
Dividends received by the Group totalled NOK 37 million (NOK 250 million)[2]. Net financial items amounted to NOK -456 million (NOK -456 million)[2]. Pre-tax profit amounted to NOK 2,872 million (NOK 2,858 million)[2].

Orkla's industrial activities are subject to ordinary company tax

OPERATING REVENUES BY BUSINESS AREA

Orkla Foods		12,232	41%
Orkla Confectionery & Snacks		4,987	17%
Orkla Home & Personal		4,960	17%
Orkla Food Ingredients		6,534	22%
Orkla Investments		972	3%
Total:	NOK million	**29,599**	100%

RETURN ON CAPITAL EMPLOYED BRANDED CONSUMER GOODS[1,2]



[1]Figures as reported from 2010-2013.
[2]See definition on page 112.

in the countries in which the Group operates. The accounting tax charge amounted to NOK 688 million (NOK 564 million)[2] in 2014. However, realised capital gains and dividends from companies resident in the EEA are largely tax-exempted. The tax charge for the 2014 financial year was 24% (20%)[2].

The line "Discontinued operations" presents the results from the divested company Orkla Brands Russia and from Gränges prior to its stock exchange listing. The result in 2014 was NOK -485 million (NOK -1,547 million)[2]. This was largely ascribable to a loss in connection with the divestment and negative operating result of Orkla Brands Russia, and to historical negative currency translation effects previously recognised in equity.

Profit for the year amounted to NOK 1,699 million (NOK 747 million)[2], and earnings per share diluted were NOK 1.63 (NOK 0.68)[2].

FINANCIAL SITUATION AND CAPITAL STRUCTURE

Cash flow (see Note 40)

The Group's cash flow from operations related to industrial activities amounted to NOK 2,782 million, compared with NOK 2,775 million in 2013. For the full year, working capital increased by NOK 491 million, largely due to the receivable for the one-off contractual termination fee from Unilever of close to NOK 300 million. Cash flow from operations related to the real estate business and financial assets amounted to NOK -59 million (NOK 384 million)[2].

Expansion investments totalled NOK 102 million in 2014, and were chiefly related to capacity expansion. In 2014, the Group acquired companies and parts of companies for a total of NOK 87 million. Net sales of shares and financial assets totalled NOK 350 million in 2014 (NOK 3,090 million)[2].

An ordinary dividend of NOK 2.50 per share was paid out for the 2013 financial year. Orkla sold and bought treasury shares to fulfil the remaining option programme and employee share purchase programme. All in all, the Group paid dividends and sold treasury shares for a net of NOK 2.5 billion in 2014.

Sales of companies totalled NOK 2,883 million (NOK 1,713 million)[2] and consisted primarily of the IPO of Gränges, the sale of Rieber Foods Polska S.A. ("Delecta") and the reduction in Capto Eiendom.

For the full year, the Group had average interest-bearing liabilities totalling NOK 8.0 billion with an average borrowing rate of 3.4%. These liabilities are mainly denominated in NOK, SEK, EUR, and DKK. At year end, interest-bearing liabilities totalled NOK 5.7 billion.

Foreign currency

Negative currency effects resulted in higher purchasing costs, particularly for the Norwegian and Swedish businesses. In 2014, 62% of Orkla's sales revenues were generated outside Norway. The weaker Norwegian krone had a positive consolidation effect for the Group. The Group's liabilities are denominated in different currencies depending on its net investments in countries other than Norway, and liabilities will therefore fluctuate in step with currency rate changes.

Contracts and financial hedge instruments

Orkla generally has few long-term purchasing and sale contracts. In Hydro Power, AS Saudefaldene has certain long-term power contracts. Further details of contracts and financial instruments may be found in Note 22 and 32 to the annual financial statements.

Capital structure

In the course of 2014, the consolidated statement of financial position was reduced by NOK 2.0 billion, totalling NOK 50.1 billion at year end. The reduction was largely a result of the IPO of Gränges and the sale of Orkla Brands Russia. Net interest-bearing liabilities were reduced by NOK 2.8 billion, also due to the stock exchange listing of Gränges. The weakening of the Norwegian krone resulted in translation effects of NOK 227 million for net interest-bearing liabilities at the end of 2014. Net gearing[4] was 0.18 (0.28)[2].

After the dividend payment in 2014, Group equity totalled NOK 31.3 billion at year end, with an equity ratio of 62.5% (59.1%)[2]. At the start of 2015, the Group has a robust capital structure and the financial flexibility to pursue its business priorities.

Pensions

Orkla's businesses in Norway mainly have defined contribution pension plans. This also applies to most of the pension plans outside Norway. An estimated two thirds of the Group's pension costs are related to defined contribution plans, which means that the Group's exposure to future pension liabilities does not represent particularly high uncertainty or risk. Pension costs in 2014 were slightly higher than in 2013, chiefly as a result of a one-off compensation payment recognised under "Other income and expenses" and a lower discount rate.

> "The Branded Consumer Goods area comprises four business areas: Orkla Foods, Orkla Confectionery & Snacks, Orkla Home & Personal and Orkla Food Ingredients.

The Orkla share

As of 31 December 2014, there were 1,017,098,067 shares outstanding, and Orkla owned 1,832,903 treasury shares. The number of shareholders decreased from 41,307 to 39,542, and the proportion of shares held by foreign investors rose by 2 percentage points to 54% at year end 2014.

The price of the Orkla share was NOK 47.32 at the start of the year. At year end, the share price was NOK 51.15. Taking into account the dividend, the return on the Orkla share was 13.4% in 2014, while the return on the Oslo Stock Exchange Benchmark Index (OSEBX) was 5.0%. The value of Orkla shares traded on the Oslo Stock Exchange amounted to NOK 18 billion. Further information on shares and shareholders may be found on page 113.

RISK MANAGEMENT

The Board of Directors is committed to ensuring that risk is managed purposefully and systematically in all parts of the Group, and considers this a prerequisite for long-term value creation for shareholders, employees and society at large. Growth opportunities must always be assessed against the associated risk picture. In the course of 2014, Orkla strengthened its position as a focused branded consumer goods company. Orkla's Branded Consumer Goods area has a diversified company and product portfolio, thereby reducing risk.

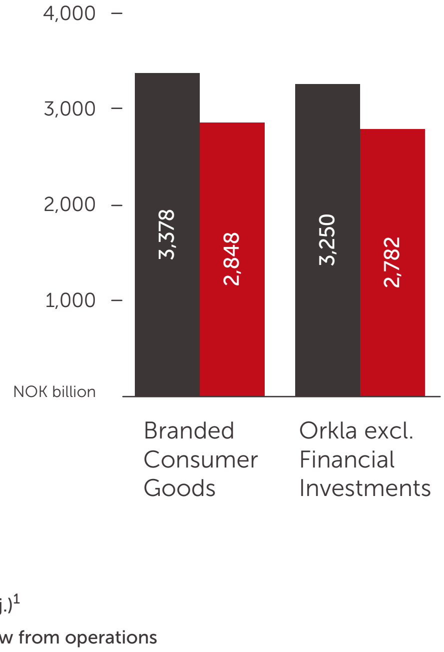
Orkla has adopted a structured approach to identifying risk factors and implementing risk-mitigating measures. According to the Group's Risk Management Instructions, risk assessments must be carried out routinely in all units, including major projects, and thereafter be reported to the next organisational level. The risk pictures of the different units are presented to and discussed by the various internal boards of directors as part of the budget process. When important decisions are to be made on matters such as acquisitions, disposals or major investments, the same formal requirement applies to risk analysis as to routine risk management.

Orkla's consolidated risk picture is reviewed with the Group Executive Board. If unacceptable factors are identified, risk-reducing measures are implemented. The Group's overall risk picture is also presented to the Board of Directors and reviewed at each meeting of the Board's Audit Committee.

COMMENTS ON THE INDIVIDUAL BUSINESS AREAS

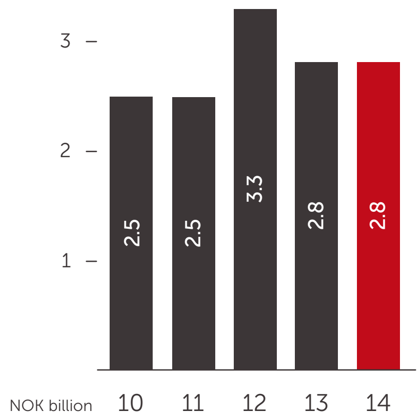
Orkla is one of the leading Nordic branded consumer goods companies, and supplies branded consumer goods and concept solutions primarily to the grocery and out-of-home sectors in the Nordic and Baltic regions. The Branded Consumer Goods area comprises four business areas: Orkla Foods, Orkla Confectionery & Snacks, Orkla Home & Personal and Orkla Food Ingredients. The Orkla Investments business area consists of the Hydro Power and Financial Investments segments. Associates and joint ventures consist of Jotun (42.5%

CONVERSION OF PROFIT TO CASH FLOW



[1]Operating profit before other income and expenses.

CASH FLOW FROM OPERATIONS[1,2]



[1]Cash flow from operations (excl. Financial Investments).
[2]Figures as reported from 2010-2013.

ownership interest), Sapa (JV) (50% ownership interest) and Gränges (31% ownership interest).

BRANDED CONSUMER GOODS

Orkla Foods

Orkla Foods comprises Orkla's food businesses serving home markets in the Nordics, Baltics, Austria, the Czech Republic and India. The companies in the business area are Orkla Foods Norge, Orkla Foods Sverige, Orkla Foods Danmark, Orkla Foods Finland, Põltsamaa Felix in Estonia, Spilva in Latvia, Suslavicius-Felix in Lithuania, Felix Austria in Austria, Vitana Group in the Czech Republic and MTR Foods in India. Orkla Foods' operations are concentrated on its own strong brands, which largely hold number one positions in their home markets.

Operating revenues for Orkla Foods in 2014 totalled NOK 12,232 million, equivalent to an underlying[3] drop of 1.1%. The decline was largely related to the Nordic companies, where an underlying[3] fall in sales was driven by lower contributions from new product launches and campaigns during the year. The businesses in the Baltic region, Austria and India delivered underlying[3] sales improvement due to growth in the grocery channel. Orkla Foods had EBIT (adj.)[1] of NOK 1,488 million (NOK 1,311 million)[2]. Profit improvement was ascribable to cost synergies from the consolidation of Rieber & Søn and other cost reduction programmes. Overall market shares weakened slightly in 2014.

Orkla Confectionery & Snacks

Orkla Confectionery & Snacks comprises the product categories confectionery, snacks and biscuits, and consists of seven branded consumer goods businesses serving home markets in the Nordics, Baltics and Russia. The companies in the business area are Orkla Confectionery & Snacks Norge (confectionery, snacks and biscuits), Orkla Confectionery & Snacks Sverige (snacks and biscuits), Orkla Confectionery & Snacks Finland (confectionery, snacks and biscuits), KiMs Danmark (snacks), Kalev (confectionery and biscuits), Latfood (snacks) and Chaka (nuts).

Operating revenues for Orkla Confectionery & Snacks totalled NOK 4,987 million in 2014, equivalent to an underlying[3] weak decline from the previous year. EBIT (adj.)[1] amounted to NOK 693 million, compared with NOK 690 million in 2013. Orkla Confectionery & Snacks delivered a positive performance in the second half year, after a weak start to the year, mainly driven by Norway. The businesses in Denmark and the Baltics achieved good improvement in profit. The Swedish company reported a weak performance due to difficult market conditions and major internal change processes. Market shares were on a par with levels in 2013 in Norway, but declined slightly in Sweden and Denmark.

Orkla Home & Personal

Orkla Home & Personal comprises five branded consumer goods businesses which primarily serve home markets in the Nordic region. The companies in Orkla Home & Personal are Lilleborg (home care and personal care products), Lilleborg Profesjonell (full-range supplier of hygiene and cleaning solutions to the professional market), Orkla Health Group (dietary supplements and health products), Pierre Robert Group (basic textiles sold through the grocery channel) and Orkla House Care (painting tools and cleaning products).

Operating revenues for Orkla Home & Personal in 2014 totalled NOK 4,960 million (NOK 4,770 million)[2], an underlying[3] rise of 2.5%. The improvement in sales was driven by all the companies except for Lilleborg, where the good performance delivered by the international operations did not fully compensate for the decline in Norway. EBIT (adj.)[1] amounted to NOK 852 million (NOK 818 million)[2], an improvement ascribable in part to good sales growth in Orkla House Care and Pierre Robert Group. Product profitability in several of the companies was negatively impacted by the weak exchange rate of the NOK and an unfavourable mix performance. Market shares increased for all companies except Lilleborg in Norway.

Orkla Food Ingredients

Orkla Food Ingredients is the leading player in the Nordic bakery ingredients sector, in addition to holding growing market positions in selected countries in Europe. The business area ensures proximity to customers through sales and distribution companies in a total of 19 countries. The biggest product categories are margarine and butter blends, bread and cake improvers and mixes, marzipan and yeast.

Operating revenues for Orkla Food Ingredients in 2014 totalled NOK 6,534 million, an underlying[3] increase of 3.7%. EBIT (adj.)[1] amounted to NOK 345 million (NOK 273 million)[2]. The increase was ascribable to broad-based improvement. The positive performance was generally driven by a better product mix, organic growth and internal improvement projects. The improvement was also underpinned by relatively stable raw material prices and minor changes in the competitive situation.

ORKLA INVESTMENTS

Hydro Power

Hydro Power consists primarily of the power operations at Sarpsfoss that are not subject to reversion, and Orkla's 85% ownership interest in AS Saudefaldene. The energy business produces and supplies power to the Nordic power market, and has a total normal production volume of 2.4 TWh. The Sauda hydropower operations are leased from Statkraft until 31 December 2030, after which the power plants will be returned subject to an agreed financial compensation. Approximately 1 TWh of AS Saudefaldene's production is subject to special contract conditions.

Operating revenues amounted to NOK 741 million and EBIT (adj.)[1] to NOK 216 million, compared with NOK 734 million and NOK 213 million, respectively, in 2013. Low power prices during the year were offset by higher production volume. At the end of 2014, reservoir levels were normal.

Financial Investments
Shares and financial assets consist of Orkla's remaining share portfolio, which had a market value of NOK 734 million at the end of 2014. Capitalised unrealised gains totalled NOK 281 million at year end. Assets consisted mainly of the investment in the Solsten Nordic Equities Fund (NOK 601 million). Net sales totalled NOK 350 million in 2014. Net gains and dividends from shares and financial assets amounted to NOK 93 million in 2014 (NOK 873 million)[2].

Orkla Eiendom Group
Orkla Eiendom Group meets the Group's need for specialised real estate expertise and assistance, and is responsible for the administration, development and sale of properties that are not utilised in Orkla's industrial operations. Orkla also has a historical portfolio of real estate-related investments, which are being realised in accordance with the Group's current strategy.

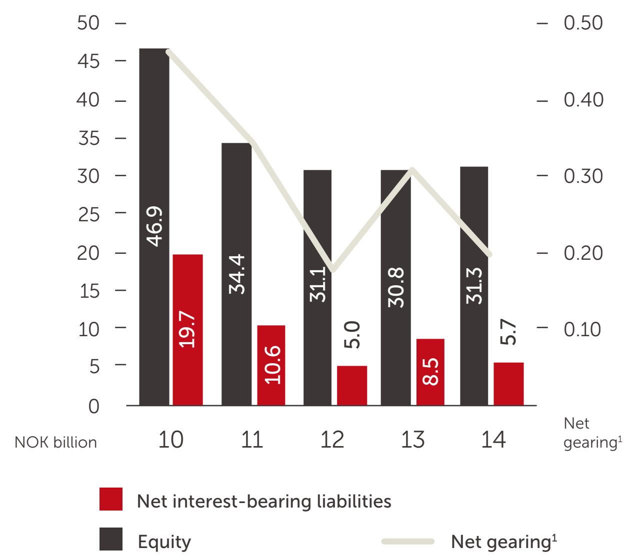
The most important development projects in the portfolio are the plans to build of a new headquarters for Orkla at Skøyen, and two housing projects in Orkla Brands' former headquarters and warehouse in Oslo. As of 31 December 2014, Orkla's real estate investments had a book value of NOK 1.9 billion, of which around NOK 0.8 billion was related to the three largest development projects.

EBIT (adj.)[1] for Orkla Eiendom Group amounted to NOK -36 million in 2014 (NOK -3 million)[2]. Profit from associates in Orkla Eiendom Group totalled NOK 22 million (NOK 38 million)[2]. While substantial gains were realised in 2012, results in 2013 and 2014 have been affected by restructuring processes and the sell-off of the historical real estate portfolio, as well as by work on development projects.

The focus going forward will be on realising the potential value of development properties and securing values and freeing up capital through the sale of properties and projects that are not to be further developed. Existing development projects require investments during the construction period, while gains are primarily expected to be realised in the period 2016–2018.

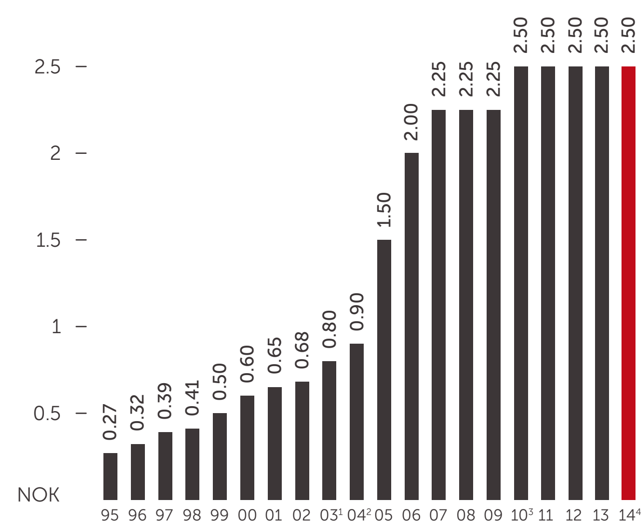
Sapa (JV) (50% ownership interest)
Sapa is the world's leading supplier of extrusion-based aluminium solutions. Market share at the end of 2014 was 25% in Europe and 30% in North America. Sapa also has a solid foothold in emerging markets, with extrusion capacity in South America and in Asia. Sapa's extrusion operations serve a diverse customer base within the automotive, transportation, building & construction, electrical and engineering market sectors. Sapa operates in value-added aluminium solutions, within the areas extruded profiles, building systems and precision tubing.

EQUITY, LIABILITIES AND NET GEARING[1,2]



[1](Net interest-bearing liabilities)/Equity.
[2]Figures as reported from 2010-2013.

ORDINARY DIVIDEND PER SHARE



[1]Additional dividend NOK 5.00 per share.
[2]Additional dividend NOK 1.00 per share.
[3]Additional dividend NOK 5.00 per share.
[4]Proposed dividend.

The majority of the Building Systems' operations are located throughout Europe, while Precision Tubing is a global business.

Underlying EBITDA totalled NOK 1,916 million in 2014, compared with NOK 1,091 million in 2013. Volumes in 2014 totalled 1,399,000 tonnes (1,366,000 tonnes)[2]. The European extrusion markets improved somewhat in 2014 after a weak 2013, enabling Extrusion Europe to benefit significantly from the major restructuring undertaken to optimise capacity and reduce its cost base. Sales volumes for Extrusion Americas increased compared to 2013, supported by strong markets. In addition, operational improvements have increased profitability in the past three years.

Market conditions for Sapa Building Systems continued to weaken in 2014, in Europe in general and in the key market of France in particular. Improvement programmes, price increases and restructuring measures offset the negative market trend. Results and volumes for Precision Tubing strengthened in 2014, compared with 2013. The improvement was driven by restructuring, increased demand and internal cost and productivity programmes.

The restructuring programme initiated by the company in 2013, targeting annual synergies of around NOK 1 billion by the end of 2016, is ahead of plan, with about half of the target reflected in the underlying results for the full year 2014. Restructuring costs have affected reported earnings for the year. Sapa's underlying earnings exclude such non-recurring effects.

In addition to items related to the improvement and restructuring agenda, reported EBIT includes approximately NOK 0.5 billion in impairment of fixed assets in China.

Jotun (42.5% ownership interest)
Jotun is one of the leading global manufacturers of paint and powder coatings, with 58 subsidiaries, three joint ventures and seven associates. Jotun has 33 production plants distributed across all of the world's continents. Its activities consist of the development, manufacture, marketing and sale of various paint systems for the residential, shipping and industrial sectors. Jotun's operations are organised into four segments: Decorative Paints, Marine Coatings, Protective Coatings and Powder Coatings.

Operating revenues for Jotun in 2014 totalled NOK 13,171 million (NOK 12,034 million)[2]. EBIT was NOK 1,314 million (NOK 1,258 million)[2]. After a weak start to the year, 2014 ended positively with growth in all four segments. The Marine Coatings segment experienced a weak newbuildings market, but benefited from increased activity in China. Jotun maintained the position as market leader, delivering positive results in the maintenance market. Decorative Paints saw strong growth in the last four months of 2014 due to increased activity in the Middle East. The contribution margin was stable for all segments, and Jotun achieved record-high results in 2014.

Gränges (31% ownership interest)
Gränges is a leading global supplier of rolled products for the brazed aluminium heat exchanger industry, mainly to the automotive market. Gränges has its headquarters in Stockholm, Sweden, and operates in three geographical regions: Europe, Asia and the Americas. The company has production, research and development facilities in Finspång, Sweden, and Shanghai, China.

Gränges was previously a business area within Sapa but was separated as part of the joint venture (50/50) between Norsk Hydro and Orkla. The company was listed on Nasdaq Stockholm in October 2014 after which Orkla retained a 31% shareholding.

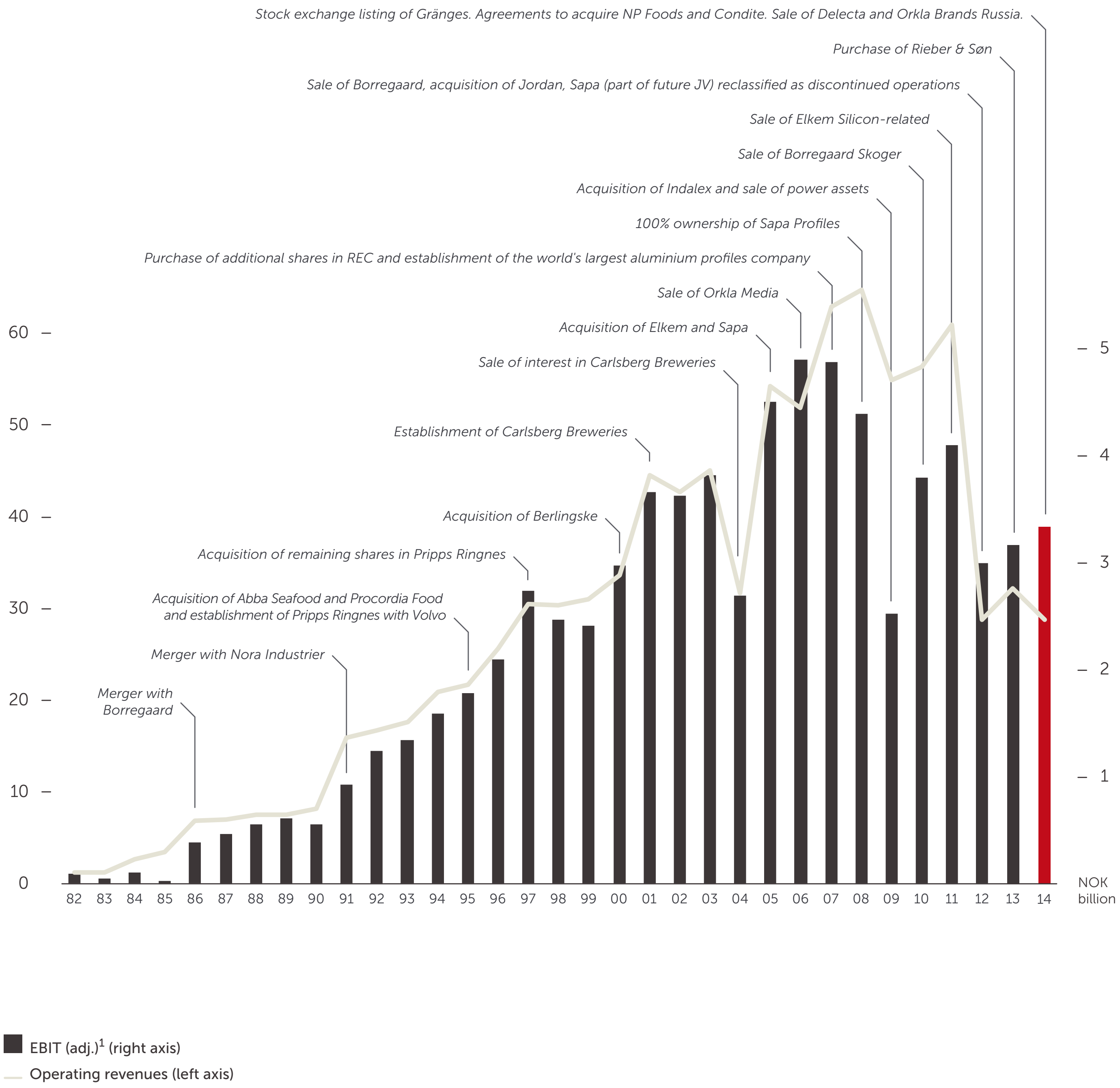
Gränges continued to enjoy a stable development during 2014 with a sales volume slightly higher than the previous year and improved earnings. For the full year 2014, Gränges' sales volume reached 160 ktonnes (159 ktonnes)[2]. Gränges' global market share has remained stable at 20%. Adjusted operating profit for the full year 2014 amounted to SEK 463 million (SEK 371 million)[2]. The increase was mainly driven by efficiency improvements in addition to foreign exchange rate effects. Profit for the period was SEK 319 million and earnings per share SEK 4.27 (SEK 4.14)[2].

RESEARCH AND DEVELOPMENT (INNOVATION)

Innovation is Orkla's primary tool for creating growth, and is therefore a key part of Orkla's day-to-day operations. Orkla's innovation activities are based on an interdisciplinary focus that spans from idea to launch. Consumer, customer and market insight is combined with technological expertise and investments to develop products and solutions that delight

> "Innovation is Orkla's primary tool for creating growth, and is therefore a key part of Orkla's day-to-day operations. Consumer, customer and market insight is combined with technological expertise and investments to develop products and solutions that delight consumers and meet their needs in an even better way.

DEVELOPMENT IN OPERATING REVENUES AND EBIT (ADJ.)[1,2]



[1]Operating profit before other income and expenses.
[2]Excl. Financial Investments. Figures as reported from 1982-2013. 2004-2014 are stated under IFRS, while figures for 1982-2003 are stated under NRS.

consumers and meet their needs in an even better way.

Orkla has two main sources of growth through innovation: innovation in the form of new products in new or associated categories, or innovation in categories in which Orkla already holds strong positions. Creating new growth platforms, i.e. in areas additional to Orkla's current activities, will also be a key priority going forward. In 2014, a central Innovation Council was established for this purpose, consisting of representatives from Orkla's Group Executive Board. The Innovation Council will focus on identifying innovation opportunities and solutions that do not naturally lie within the scope of the present business areas or organisational structure, and opportunities that are relevant for several companies at the same time across countries and categories. Research as a driver of innovation is an example of one of the areas on which the Innovation Council will concentrate.

At the core of all innovation work lies the user experience, ranging from taste and function to how intuitively and easily a product is to use. Health and environmental aspects are another important driver of innovation. Priority areas for innovation at Orkla therefore include "Taste and Sensory Experience", "Health and Nutrition", "Sustainability and Environment" and "Packaging Innovation". Good examples of innovation in 2014 are Polly Melkesjokolade, a new environmentally-friendly bottle from Felix and Beauvais Ketchup and OMO Aktiv & Sport laundry detergent. Other examples are Paulúns Superlunch soups, which have won a Swedish award for the healthiest ready meal alternative and Grandiosa Helmax pizza, which was the biggest launch in the Norwegian grocery sector in 2014.

Orkla pursues a broad-based approach to identifying innovation opportunities, which includes the establishment of a special Pre-Stage Gate interdisciplinary process and a framework for technology-driven innovation, the Technology Innovation Platform, and by collaborating with external innovation and research centres.

High-level expertise and the exploitation of synergies across categories and companies are among Orkla's most important competitive advantages. The Orkla Brand Academy is an example of cross-cutting skills-building and has for many years been a driving force in Orkla's branded consumer goods work. Based on the same rationale, Orkla's Academy for Product Development & Innovation has been established as a new arena for sharing and developing tools, know-how and methodologies for innovation across Orkla. The Academy's key focus areas include technological and culinary expertise, health, environment and packaging.

In the coming years, innovation will be Orkla's first priority, and all employees will work continuously to ensure that Orkla's local brands are consumers' first choice by making them a better, simpler and healthier part of everyday life.

CORPORATE RESPONSIBILITY

Orkla is committed to promoting sustainable development by supplying healthy, more environmentally friendly products, making effective use of resources, driving improvements in the supply chain and, in general, operating responsibly. Orkla's directive on corporate responsibility describes the overarching principles defining the way in which Group companies are to address the issues of human and workers' rights, environment, health and safety (EHS), anti-corruption and other important areas of responsibility. The directive is based on the Universal Declaration of Human Rights, the ILO Core Conventions and the OECD Guidelines for Multinational Enterprises. It has been adopted by Orkla's Board of Directors, and applies to the entire Group, including wholly-owned subsidiaries. Orkla has been a signatory to the UN Global Compact since 2005 and is a member of Transparency Norge. Orkla is subject to corporate responsibility reporting requirements under section 3-3c of the Norwegian Accounting Act. This includes a requirement to give an account of "the enterprise's efforts to integrate consideration for human rights, workers' rights and social conditions, the external environment and efforts to combat corruption into its business strategies, its day-to-day operations and its relationship with its stakeholders". An account of the Group's efforts in relation to these issues is provided on page 45 of this Annual Report.

PERSONNEL AND ADMINISTRATION

As of 31 December 2014, the Group had 12,921 employees (16,756)[2]. Of these, 3,508 (3,835)[2] worked in Norway, 4,623 (5,121)[2] in another Nordic country and 4,790 (7,800)[2] in countries outside the Nordic region.

Collaboration between management and the employees' organisations through the established cooperative and representational systems functions well, and makes a valuable contribution to finding constructive solutions to the challenges faced by the Group and the individual companies.

When Peter A. Ruzicka was appointed President and CEO of Orkla on 10 February 2014, he simultaneously stepped down from the Board of Directors. At Orkla's Annual General Meeting in April 2014, Stein Erik Hagen, Grace Reksten Skaugen, Jo Lunder, Ingrid Jonasson Blank and Lisbeth Valther Pallesen were re-elected as shareholder-elected members of Orkla's Board of Directors. In addition, Lars Dahlgren and Nils K. Selte were elected to the Board. Stein Erik Hagen was re-elected as Chairman of the Board. All of the shareholder-elected members of the Board were elected for a term of one year, i.e. until the 2015 Annual General Meeting. All of the members were elected in accordance with the recommendations of the Nomination Committee.

Three out of a total of seven shareholder-elected members of Orkla's Board of Directors are women, while one out of a total of four employee-elected Board members is a woman.

Orkla ASA therefore fulfils the requirement under section 6-11a of the Public Limited Liability Companies Act regarding representation of both genders on the Board of Directors.

Jens Bjørn Staff was appointed Executive Vice President and Chief Financial Officer of Orkla ASA, effective 1 June 2014. Mr Staff came to Orkla from Statkraft, where he had been Executive Vice President and CFO with responsibility for finance, corporate audit and procurement since 2011.

In April, Orkla's Group Executive Board was reorganised to optimise coordination of the Group's shared functions. The key corporate functions Business Development, HR, Operations, Corporate Communications and Corporate Affairs, and Legal Affairs were thus placed under one leadership. The adjustments entailed no other changes in the responsibilities and tasks of the individual Group directors.

As a result of the sale of the Group's main operations in Russia, the business area structure in Branded Consumer Goods was also changed as from 1 December 2014. This restructuring entailed incorporating most of the businesses in Orkla International into Orkla Foods. After these changes, Orkla's Group Executive Board consists of President and CEO Peter A. Ruzicka and the following Executive Vice Presidents: Jens Bjørn Staff, Chief Financial Officer, Karl Otto Tveter, Chief of Group Functions, Atle Vidar Nagel-Johansen, CEO Orkla Foods, Christer Åberg, CEO Orkla Confectionery & Snacks, Stig Ebert Nilssen, CEO Orkla Home & Personal, Pål Eikeland, CEO Orkla Food Ingredients and Terje Andersen, CEO Orkla Investments.

The Board of Directors wishes to thank all employees for their efforts and for the results achieved in 2014.

COMPETENCE

Continuously developing the Group's capabilities is essential to strengthening its competitive edge. This means building leadership and specialist skills, and creating a workday environment in which all employees can apply their expertise to optimal benefit. Several measures were initiated in the course of the year to enhance the Group's overall expertise and competitiveness.

Orkla conducted an employee opinion survey in early February of 2014. The survey is an important component of Orkla's efforts to identify and initiate activities that reinforce its competitiveness, efficiency and reputation as an employer. A total of 89% of the employees took part in the survey. This is a marked improvement from 2010, when the participation rate was 74%. The responses to the survey constitute employee feedback on important topics such as motivation, engagement, training and development, and leadership. The overall results of the survey show that Orkla employees are highly engaged, adaptable and willing to change. The survey also shows that the employees take a positive view of collaboration, have good influence on their own work, and are prepared to go the extra mile to ensure that Orkla achieves its goals. The findings have been discussed and interpreted in dialogue with the employees. The process of developing action plans at all levels of the organisation has been completed, and improvement measures are currently being implemented in priority areas.

Orkla also carries out a systematic, annual evaluation of leadership and organisation. The objective is to ensure the effective development of leadership and organisation in line with the Group's business strategy, and to optimise development of the leadership behaviour, skills and performance that are crucial to achieving growth targets. The evaluation is also intended to serve as a tool in establishing a strong, sustainable succession plan to fill critical senior executive and other key positions. In 2014, this process was harmonised across the Group to ensure a high standard of quality and transparency. Priorities for 2014 were to carry out a more detailed analysis of the business goals' impact on leadership, expertise and organisation, individual assessment of management performance and potential, and succession to business-critical positions. Furthermore, organisational reviews were conducted of selected top-line functions that deal with special business challenges.

The skills of individual employees are primarily developed in day-to-day, on-the-job training. An important factor for individual performance, skill and career development is the career development interview between manager and employee. In 2014, Orkla began work on harmonising this process. The objective is to increase the quality of individual performance assessments, set goals for employees' contributions to value creation, and define and follow up on skills and career development activities.

In 2014, meetings were held at national level to systematically review candidates for senior management and key positions in Norway, Sweden, Finland and Denmark. Orkla wishes to promote internal recruitment to a greater degree, and will actively facilitate a better flow of talent across the different companies and business areas in the Group.

Orkla also offers a range of training programmes run by the Orkla Academies that are designed to provide the Group companies with crucial expertise in important specialist fields. In addition to enhancing the participants' technical and professional skills, these programmes provide an arena for fostering shared attitudes, working methods and a corporate culture that transcends inter-company borders. Through its Academies, Orkla has developed employee skills over many years. In 2015, a comprehensive evaluation of the training programmes will be carried out to ensure that they are effective and relevant and clearly underpin the Group's strategy and objectives.

CORPORATE GOVERNANCE (STATEMENT OF POLICY ON CORPORATE GOVERNANCE)

Orkla's governance systems are based on principles set out in the Norwegian Code of Conduct for Corporate Governance, and largely conform to applicable international guidelines on good corporate governance. An overall report on corporate governance at Orkla may be found on page 35 of this Annual Report. The report will be an item of business for discussion at the 2015 Annual General Meeting.

PAY AND OTHER REMUNERATION OF SENIOR EXECUTIVES

The Board of Directors has established a separate Compensation Committee, which deals with all material matters related to pay and other remuneration of senior executives before such matters are formally discussed and decided by the Board of Directors. In accordance with Norwegian company legislation, the Board of Directors has also prepared a separate statement of guidelines on the pay and other remuneration of senior executives, included in Note 5 to the financial statements for Orkla ASA, which will be presented and discussed at the 2015 Annual General Meeting. The note also provides details of remuneration and contractual arrangements.

ACCOUNTING PRINCIPLES

The consolidated financial statements for 2014 have been prepared and presented in accordance with the International Financial Reporting Standards (IFRS), which have been approved by the EU. The financial statements for the parent company have been prepared in accordance with section 3-9 of the Norwegian Accounting Act (simplified IFRS). The explanation of accounting principles in Notes 1-5 describes important matters relating to accounting treatment under IFRS.

ALLOCATION OF PROFIT/LOSS FOR THE YEAR

In 2014, Orkla ASA posted a total profit of NOK 7,762 million. The Board of Directors proposes the following allocation:

Transferred to equity	NOK 5,219 million
Proposed dividend	NOK 2,543 million

As of 31 December 2014, Orkla ASA had total equity of NOK 29.2 billion. The Board of Directors has determined that Orkla ASA had adequate equity and liquidity at the end of 2014.

The Board of Directors proposes to pay an ordinary dividend of NOK 2.50 per share for the 2014 financial year.

OUTLOOK

The upswing in the global economy is still moderate, and uncertainty as to future developments is high, particularly in the euro area. Growth in the Norwegian economy in 2014 has been moderate, and the growth rate is expected to weaken slightly in 2015. In Sweden and Denmark, a somewhat higher growth rate is anticipated. The trend in the Nordic grocery market, where Orkla has its main presence, is expected to remain relatively stable also in 2015. Orkla's broad-based product portfolio will dampen the impact of any major changes in individual categories.

The different business areas are exposed to currency risk to varying degrees, and in 2014 the weakening of the Norwegian and Swedish krone resulted in higher purchasing costs. The Norwegian krone is expected to remain weak in 2015. While international raw material prices have fallen slightly overall in the recent past, they are still at record high levels overall. The situation varies substantially from one commodity group to another and there is generally considerable uncertainty about future raw material price trends.

Orkla holds good positions with strong brands on its home markets, and its financial position is robust, with cash reserves and credit lines that will cover known capital expenditures for 2015.

Oslo, 4 February 2015
The Board of Directors of Orkla ASA

Stein Erik Hagen Chairman	Grace Reksten Skaugen Deputy Chair	Jo Lunder	Nils K. Selte
Lars Dahlgren	Ingrid Jonasson Blank	Lisbeth Valther Pallesen	Terje Utstrand
Sverre Josvanger	Janne Halvorsen	Åke Ligardh	Peter A. Ruzicka President and CEO

Pierre Robert

Julie - part of the Orkla family

Corporate governance

(Statement of policy on corporate governance)

Orkla's principles for good corporate governance aim to lay the foundation for long-term value creation, for the benefit of shareholders, employees and society at large. These principles cannot replace efforts to foster a sound corporate business culture, but must be viewed in conjunction with them. Openness, transparency, accountability and equal treatment underpin confidence in the Orkla Group, both internally and externally.

1. STATEMENT OF POLICY ON CORPORATE GOVERNANCE

Orkla is subject to corporate governance reporting requirements under section 3-3b of the Norwegian Accounting Act and the Norwegian Code of Practice for Corporate Governance, cf. section 7 on the continuing obligations of stock exchange listed companies. The Accounting Act may be found (in Norwegian) at www.lovdata.no. The Norwegian Code of Practice for Corporate Governance, which was last revised on 30 October 2014, may be found at www.nues.no.

This statement of policy will be an item of business at Orkla's Annual General Meeting on 16 April 2015. The company's auditor has assessed whether the information provided in this statement with regard to section 3-3b of the Accounting Act is consistent with the information provided in the annual financial statements. The auditor's statement may be found on page 111.

The Board of Directors at Orkla actively adheres to good corporate governance standards and will at all times ensure that Orkla complies with the requirements of section 3-3b of the Accounting Act and the Norwegian Code of Practice for Corporate Governance. This is done by ensuring that the topic of good governance is an integral part of the decision-making process in matters dealt with by the Board. Moreover, Orkla's corporate governance principles are subject to annual assessment and discussion by the Board, which has also considered this statement at a Board meeting.

The following statement of policy is structured in the same way as the Code of Practice, covers each point of the Code and describes Orkla's compliance efforts. Orkla is committed to promoting sustainable social development by operating in compliance with responsible business principles, systematically improving its operations in relation to the external environment, climate and energy resources and investing in profitable business projects that can generate positive ripple effects for society. The Group's attitudes towards corporate responsibility have been defined in the Orkla Code of Conduct and the Group directive on corporate responsibility. The documents may be found on Orkla's website under "Sustainability", and are described in further detail in a separate statement on Orkla's Corporate Responsibility (see section 3-3c of the Accounting Act), and in Orkla's Sustainability Report. The statement and the Sustainability Report also give an account of the Group's efforts to address important corporate responsibility issues in 2014.

2. ACTIVITIES

Orkla's objectives, as defined in its Articles of Association, are as follows: "The objectives of the company are to engage in activities comprising industry, commerce, forestry, transport, finance, the acquisition and sale of securities and other investments, the purchase, sale, development and management of real estate, the publication of newspapers, magazines and other media, services and any other activity connected with the aforementioned objectives. The activities are conducted by the company itself or by its subsidiaries in Norway and abroad."

In accordance with its mission statement, Orkla operates in several areas. The Group's core business is branded consumer goods, but the Group still operates in the aluminium, energy, real estate and financial investments sectors. In 2011, Orkla announced that the Group will in future focus on and allocate its resources to its branded consumer goods operations. This means that businesses that lie outside the Group's core business area will gradually be phased out when market conditions are favourable.

Orkla's mission is: "Improving everyday life with healthier and more enjoyable local brands". Orkla aims to outperform and create greater value than its competitors and others with whom it is natural to compare the Group. Orkla will achieve this objective through targeted efforts within five strategic pillars of activity: (1) Consumers, (2) Customers, (3) People, (4) Operations and (5) Society.

3. EQUITY AND DIVIDENDS

As of 31 December 2014, Group equity totalled NOK 31.3 billion. An ordinary dividend of NOK 2.50 per share was paid out for the 2013 accounting year. Orkla has pursued a consistent shareholder and dividend policy for many years.

Over time, Orkla shareholders shall receive a competitive return on their investment through a combination of dividends and an increase in the share price. The Board of Directors has proposed that a dividend of NOK 2.50 per share be paid for the 2014 financial year. The dividend will be paid out on 28 April 2015 to shareholders of record on the date of the Annual General Meeting.

The authorisations empowering the Board of Directors to undertake share buybacks are limited to specific purposes and are granted for a period no longer than until the next general meeting. The General Meeting is given the opportunity to vote on every purpose covered by the authorisation.

At the Annual General Meeting in 2014, the Board of Directors was granted authorisation to buy back up to 100,000,000 Orkla shares so that the company can acquire and hold up to 10% of its share capital. The authorisation is limited to specific purposes, and applies until the Annual General Meeting in 2015. Shares acquired under this authorisation are to be cancelled or used in connection with employee incentive programmes, including the Group's employee share purchase programme. Each purpose was discussed as a separate item of business at the Annual General Meeting.

A similar authorisation has been granted each year since 1998. Orkla has acquired 3,000,000 of its own shares under the current authorisation, for the purpose of fulfilling obligations under earlier option programmes and implementing the Group's employee share purchase programme. As of 31 December 2014, Orkla held 1,832,903 treasury shares.

Up until the Annual General Meeting in 2011, authorisation was regularly granted to the Board of Directors to increase share capital through the subscription of new shares. The purpose has been to simplify procedures if it should prove desirable to further develop the Group's core businesses by acquiring companies in return for consideration in the form of the subscription of new shares or otherwise increasing share capital by means of private placements. The Board of Directors does not wish to propose to the General Meeting that this authorisation be reintroduced in 2015. Questions concerning increases in share capital must be submitted to the General Meeting for decision.

The company's transactions in its own shares are effected on the market at market price, in accordance with good stock exchange practice in Norway. There are otherwise no provisions in Orkla's Articles of Association that regulate the buyback or issue of shares.

4. EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH RELATED PARTIES

Orkla has one class of share, and each share entitles the holder to one vote. Each share has a nominal value of NOK 1.25. Further information on voting rights at general meetings is provided under point 6, General Meetings.

The company's policy is not to dilute the shareholdings of existing shareholders. In accordance with this policy, there have been no real share capital increases in the company in recent years. Should the Board of Directors wish to propose to the General Meeting that a departure be made from the pre-emptive right of existing shareholders in the event of a capital increase, such a proposal will be justified by the common interests of the company and the shareholders, and the grounds for the proposal will be presented in the notice of the general meeting.

To avoid any detriment to the Group's reputation, the Board considers it important to pursue a policy of transparency and caution in connection with investments that could be perceived as an unfortunately close involvement, or close relationship, between the company and a member of the Board, executive management or parties related thereto. Procedural rules for such transactions have therefore been drawn up in the Rules of Procedure for the Board of Directors, which may be found on Orkla's website, under "Investor Relations". According to the Rules of Procedure the Board Chair must be informed of such transactions and must decide how the matter should be dealt with. If the matter concerns the Board Chair, this duty is incumbent upon the Deputy Chair of the Board. Further information on transactions between related parties is provided in Note 37 to the consolidated financial statements. In the event of non-immaterial transactions between the company and shareholders, a shareholder's parent company, Board members, executive management or parties related thereto, the Board of Directors will ensure that a valuation is carried out by an independent third party. The Board will similarly arrange for a valuation by an independent third party in the event of non-immaterial transactions between companies within the Group where there are minority shareholders.

The Rules of Procedure further establish that a Board member must not take part in the consideration of or a decision on an issue that is of such importance to himself or herself or to any related party that the member must be considered to have an obvious personal or financial interest in the matter. It is incumbent upon each Board member to consider on an ongoing basis whether there are matters which, from an objective point of view, are liable to undermine the general confidence in that Board member's independence and impartiality, or which could give rise to conflicts of interest in connection with the Board of Directors' consideration of the matter. Such matters must be taken up with the Board Chair. According to the Orkla Code of Conduct, employees must on their own initiative inform their superior if they should recuse themselves from dealing with or if they have a conflict of interest in connection with a matter, and consequently should not take part in considering such matters.

5. FREELY NEGOTIABLE SHARES

All Orkla shares carry equal rights and are freely negotiable. No special limitations on transactions have been laid down in Orkla's Articles of Association. Article 3, second paragraph, of the Articles of Association states that "The Board of Directors may entirely or partly refuse to approve the transfer of shares if the company pursuant to statute or to regulations laid down pursuant to statute is given the discretionary right to refuse such approval or to apply other restrictions on sales". In this connection, it should be noted that the provisions of the Industrial Licensing Act requiring Board consent for acquisitions of shares representing more than 20% of all shares in the company are applicable, due to Orkla's ownership interests in waterfalls. Transactions in the Orkla share are described in further detail on Orkla's website, under "Investor Relations".

6. GENERAL MEETINGS

Orkla seeks to ensure that as many shareholders as possible are able to exercise their rights by participating in general meetings, and that the general meeting is an effective meeting place for shareholders and the Board of Directors. The Annual General Meeting is held every year before the end of May. Notices of general meetings and related documents are made available on Orkla's website at the latest 21 days prior to the date of the meeting. The final date for giving notice of attendance is three working days prior to the general meeting. Shareholders are given the opportunity to vote on the election of every single candidate to an office in the Nomination Committee and on the Board of Directors. The auditor, Board of Directors and Nomination Committee are present at general meetings.

The Corporate Assembly of Orkla ASA was discontinued in 2013. Under the provisions of the Norwegian Public Limited Liability Companies Act, the general meeting is opened by the Board Chair. The General Meeting then elects the meeting chair.

The voting right for a transferred share may be exercised when the transfer has been recorded by the Norwegian Central Securities Depository (VPS) within the time limit for giving notice of attendance at the general meeting, or if the share acquisition has been notified to the VPS and proof of the acquisition is presented at the general meeting. Under Norwegian law, only shares that are registered in the name of the shareholder may be voted. Shares that are registered in a nominee account must be reregistered in the VPS in order for the shareholder to be able to vote the shares. Further information may be found in the notice of the general meeting and on Orkla's website.

Shareholders who are unable to attend the general meeting may vote by proxy. Orkla will appoint the Board Chair or meeting chair to vote for shareholders. The proxy form is designed in such a way that voting instructions may be given for each item of business that is to be considered. Shareholders who were unable to attend the Annual General Meeting in 2014 could, in addition to voting by proxy, cast a direct advance vote on the company's website or through VPS Investor Services. The Board of Directors has decided that shareholders may cast such direct advance votes again in 2015. Further information regarding use of proxies, advance voting and shareholders' right to submit items of business for consideration at general meetings is provided in the notice of the general meeting and on Orkla's website.

Under Article 12, second paragraph, of the Articles of Association, the Board of Directors may decide that documents concerning items of business to be considered at the general meeting are not to be sent to shareholders when the documents are made available on the company's website. This also applies to documents which by law must be included in or attached to the notice of the general meeting. A shareholder may nonetheless request that documents pertaining to items of business to be considered at the general meeting be sent to him or her. The provision in the Articles of Association departs from the general rule laid down in Chapter 5 of the Public Limited Liability Companies Act which prescribes that the annual financial statements, the report of the Board of Directors, the auditor's report and the Board of Directors' statement of guidelines for the remuneration of the executive management pursuant to section 6-16a must be sent to all shareholders no later than one week before the general meeting.

As authorised by the Public Limited Liability Companies Act, a resolution was adopted at the 2014 Annual General Meeting to the effect that the Board of Directors may decide to send notice of an extraordinary general meeting at least two weeks prior to the date of the meeting if the Board, in accordance with section 5-8a of the Public Limited Liability Companies Act, has decided that votes at the general meeting may be cast electronically. The decision applies until the Annual General Meeting in 2015. For the time being, there is no satisfactory system for electronic voting at the general meeting, and the Board of Directors therefore does not intend to propose a similar resolution at the 2015 Annual General Meeting.

Members of the Board of Directors are present at general meetings, but normally not the entire Board has attended. No items of business at general meetings have made this necessary to date. The Board Chair, the general manager and the heads of the various business areas are always present in order to reply to any questions that may be raised.

7. THE NOMINATION COMMITTEE

Under the Articles of Association, Orkla has a Nomination Committee that is elected by the General Meeting. The Rules of Procedure for the Nomination Committee may be found on Orkla's website, under "Investor Relations". The Nomination Committee consists of two to five members, who are elected for a term of up to two years. The General Meeting elects the Chair and members of the Nomination Committee and determines its remuneration. The Committee is tasked with submitting the following reasoned recommendations:

Recommendation to the General Meeting:

- Election of shareholder-elected members and deputy members to the company's Board of Directors.
- Election of members and the Chair of the Nomination Committee.
- Remuneration of the Board of Directors and the Nomination Committee.

Recommendation to the body that elects the Chair of the Board of Directors:

- Election of the Chair and Deputy Chair of the Board of Directors. (For this purpose, the Nomination Committee is then supplemented by a representative appointed by the employee-elected members of the Board of Directors.)

The Rules of Procedure for the Nomination Committee contain further guidelines for the preparation and implementation of elections to the Nomination Committee and the Board of Directors, as well as criteria for eligibility, general requirements regarding recommendations, the number of members in the Committee and their term of service, and detailed procedural rules for the work of the Nomination Committee. Information regarding the composition of the Nomination Committee, which members are up for election and how input and proposals may be submitted to the Committee, is posted on Orkla's website, under "Investor Relations".

The composition of the Nomination Committee is intended to ensure that the interests of all the shareholders are served, and meets the requirement of the Norwegian Code of Practice for Corporate Governance as regards independence of the company's management and Board of Directors. None of the members of the Nomination Committee are a member of the Board of Directors of Orkla ASA. Neither the general manager nor other senior executives are members of the Nomination Committee. Information regarding the composition of the Nomination Committee and the number of Orkla ASA shares owned by each Committee member as at 31 December 2014 may be found on page 126.

8. THE CORPORATE ASSEMBLY AND THE BOARD OF DIRECTORS, COMPOSITION AND INDEPENDENCE

Orkla's Corporate Assembly was discontinued in 2013 in accordance with the agreement entered into with the employee unions. Consequently, the General Meeting elects shareholder-elected members to the Board directly. The Board Chair is elected by the General Meeting.

The composition of the Board of Directors is intended to serve the interests of all the shareholders and meet the company's need for competence, capacity and diversity. The Board's composition meets the requirements of the Norwegian Code of Practice for Corporate Governance as regards Board members' independence of the company's executive management, main shareholders and material business relationships. Two of the Board members are defined as non-independent of the company's main shareholders. All the Board members are defined as independent of the company's executive management or material business relationships. There are few instances in which Board members are disqualified from considering Board matters. Representatives of the executive management are not members of the company's Board of Directors.

Under Article 4 of Orkla's Articles of Association, the Chair, the Deputy Chair and the other shareholder-elected members of the Board may be elected for a term of up to two years. Since 2007, however, a term of one year for shareholder-elected members and deputy members has been adopted, on the grounds that an annual assessment of the overall composition of the Board will ensure greater flexibility. There are no other provisions in the Articles of Association governing the appointment and replacement of Board members.

Further pursuant to Article 4 of Orkla's Articles of Association, the shareholder-elected members of the Board of Directors are required to own shares in the company with a view to strengthening the shared financial interests of shareholders and Board members. A more detailed description of the number of Orkla shares owned by each member of the Board, the members' background, qualifications, term of service and independence, how long they have been an Orkla Board member and any material functions in other companies and organisations is provided on page 120-121, as well as information regarding each Board member's attendance at Board meetings.

Under Norwegian law and in accordance with Orkla's current system of corporate democracy, Group employees have the right to elect four members of the Board of Directors of Orkla ASA, and one observer. The composition of the company's governing bodies is described on page 126.

9. THE WORK OF THE BOARD OF DIRECTORS

Tasks of the Board of Directors

The tasks of the Board of Directors are laid down in the Rules of Procedure for the Board of Directors, which govern the Board's responsibilities and duties and the administrative procedures of the Board, including which matters are subject to Board consideration and rules for convening and holding meetings. The Board's Rules of Procedures also contain rules regarding the general manager's duty to inform the Board about important matters, and to ensure that Board decisions are implemented. There are also provisions intended to ensure that company employees and other parties involved are adequately informed of Board decisions, and see to it that the guidelines for preparing matters for Board consideration are followed. Other instructions to the Board and clarification of its duties, authorisations and responsibilities to the general management are provided through routine communication.

The Board of Directors adopts an annual meeting and activity plan that covers strategic planning, business issues and oversight activities. In 2014, eight meetings were held in accordance with the Board's activity plan, including a two-day meeting to address strategic issues. In addition, the Board has dealt with four items in writing. The Board dealt with a total of 98 items of business. The content of the Board's work is discussed in further detail in the Report of the Board of Directors..

Board matters are prepared by the general manager and the Corporate Secretariat in consultation with the Board Chair. The Rules of Procedure for the Board of Directors contain provisions regarding procedural rules in connection with disqualification, joint investments and parallel investments. This is described in further detail under point 4 "Equal treatment of shareholders and transactions with related parties". The Board of Directors has established two permanent Board Committees, which are described in further detail below. These committees do not make decisions, but supervise the work of the company management on behalf of the Board and prepare matters for Board consideration within their specialised areas. In this preparatory process, the committees have the opportunity to draw on company resources, and to seek advice and recommendations from sources outside the company.

The Compensation Committee

The Compensation Committee is chaired by the Deputy Chair of the Board of Directors, Grace Reksten Skaugen, and its other members are Stein Erik Hagen and Terje Utstrand. The Group Director HR is the committee secretary. The composition of the committee meets the requirements of the Norwegian Code of Practice for Corporate Governance as regards independence, and all the committee members are considered to be independent of executive management. The mandate of the committee is set out in the Rules of Procedure for the Board of Directors and in brief is as follows:

- prepare for consideration matters relating to the salary and terms of employment of the President and CEO to enable the entire Board, once a year, to participate in an evaluation of the President and CEO and in decisions concerning the latter's terms of employment.

- prepare for consideration matters of principle relating to levels of pay, bonus systems, pension terms, employment contracts and the like for senior Orkla executives.

The committee will otherwise deal with special questions relating to compensation for Group employees insofar as the committee finds that these questions concern matters of particular importance for the Group's competitive position, corporate identity, recruitment ability, etc.

The Audit Committee

The Audit Committee is chaired by Nils K. Selte, and the other members are Ingrid Jonasson Blank and Sverre Josvanger. The Chief Internal Auditor is the secretary of the Audit Committee. The composition of the committee meets the requirements of the Norwegian Code of Practice for Corporate Governance as regards independence and competence. The Nomination Committee's recommendation of candidates for election to the Board also contains information as to which Board members satisfy the requirements as regards independence and competence to sit on the Audit Committee. The committee's mandate is set out in the Board's Rules of Procedure and in brief is as follows:

- ascertain that internal and external accounting reporting processes are organised appropriately and carried out efficiently, and are of high professional quality.
- keep under review the effectiveness and relevance of the work of the internal audit staff and of the company's risk management systems.
- monitor and assess the quality of the statutory audit of Group companies and the Group's financial statements.
- help to ensure the independence of the external auditor, and ensure compliance with applicable rules and guidelines regarding the provision of additional services by the auditor to the Group or Group companies.
- initiate investigations, if necessary, and propose measures relating to the above-mentioned points.
- annually review and, if necessary, update its mandate, and submit its recommendations concerning its mandate to the Board of Directors.

The Board of Directors' self-evaluation

Each year, the Board of Directors carries out an evaluation of its own activities and competence, and discusses improvements in the organisation and implementation of its work, both at individual level and as a group, in relation to the goals that were set for its work. The results are made available to the Nomination Committee. An external person is engaged at regular intervals to facilitate the Board's self-evaluation.

10. RISK MANAGEMENT AND INTERNAL CONTROL

A prerequisite for Orkla's system of decentralised responsibility is that the activities in every part of the Group meet general financial and non-financial requirements, and are carried out in accordance with the Group's common norms and values. The executive management of each company is responsible for risk management and internal control in the company with a view to ensuring:

- exploitation of business opportunities
- goal-oriented, safe, high-quality and cost-effective operations
- reliable financial reporting
- compliance with applicable legislation and regulations
- operations in accordance with Orkla's governing documents, including ethical and corporate responsibility standards.

Orkla's risk management system is fundamental to the achievement of these goals. To ensure ongoing risk monitoring in individual companies, all boards of operational subsidiaries are required to carry out a thorough analysis of the company's risk picture and internal control function at least once a year, in addition to the risk analysis that is an integral part of the company's decision-making processes.

Great importance is attached in Orkla's governing documents to defining the standards that apply to Orkla's businesses, and who is responsible for monitoring compliance with the various standards. Emphasis is also placed on ensuring that the documents are user-friendly and easily accessible. All the governing documents may be found on the web portal The Orkla Way. All employees can access The Orkla Way through the Group intranet, as well as by logging in on the Internet.

Risk management at Orkla

The Group's risk management is carried out by the financial staffs and is designed to ensure that all risk that is significant for Orkla's goals is identified, analysed, effectively dealt with and exploited across business areas and professional disciplines. This entails, among other things:

- continuously monitoring important risk indicators in order to reassess the Group's level of risk, if necessary.
- identifying, communicating and monitoring risk factors critical to the Group in order to ensure that adequate risk mitigation measures are in place.
- maintaining instructions and guidelines for risk management, contingency preparedness and continuous operations.
- assisting in the implementation of coherent risk management in routine operations and in connection with projects and major decisions.
- presenting Orkla's consolidated risk profile to the Group Executive Board, the Board of Directors and the Board's Audit Committee.
- facilitating the transfer of best risk management practices throughout the Group.
- ensuring that formal risk assessments are uniformly carried out, presented, discussed and agreed on by the Boards of the respective Group companies.
- carrying out detailed risk analyses in particularly exposed areas.
- ensuring that Orkla's risk management is in accordance with relevant regulatory requirements and the wishes of Orkla's stakeholders.
- being responsible for selected measures to mitigate risk at Group level.

The Group's risk management programme is reviewed on a regular basis.

EHS

Risk identification is also an important tool in preventive environment, health and safety (EHS) efforts, and the Senior Vice President EHS ensures the systematic, continuous follow-up of this work. All companies and businesses report their ten main EHS risk factors and associated risk-mitigating measures as part of the annual reporting process.

The internal audit function

As part of the Group's internal control system, Orkla has an Internal Audit Department. The responsibilities of the Group's Internal Audit Department are as follows:

- Verify that internal control procedures for reducing risk have actually been established and are functioning as intended.
- Assist the Board of Directors, the Group Executive Board and the business areas by providing auditing competence and capacity, which includes monitoring and control of selected companies in the Group.
- Be the recipient of and follow up on reports submitted under the Group's whistle-blowing system on possible breaches of the Group's Code of Conduct. Information on this system may be found on posters and notices at all Orkla businesses, on the Orkla intranet and on Orkla's website under "Sustainability".
- Coordinate the choice of and monitor external auditors in the Group companies in accordance with the instructions of the Audit Committee.
- Act as secretary to the Audit Committee. The Chief Auditor reports to the Board's Audit Committee and is thus independent of line management.

Line, Joachim, Kristin and Felix – part of the Orkla family

Business ethics and corporate responsibility
There is systematic focus on business ethics and corporate responsibility at Orkla. Reference is made to a separate statement on Corporate Responsibility at Orkla, and to Orkla's Sustainability Report for 2014.

The financial reporting process
The Orkla Group prepares and presents its financial statements in accordance with current IAS/IFRS rules.

The Group's governing documents are collected in The Orkla Way, and contain requirements and procedures for the preparation and presentation of interim reports and year-end reports. A set of Orkla Accounting Standards has also been drawn up, in which Orkla's ten main principles for financial reporting are set out. Financial information is reported through the Group's common reporting system, Hyperion Financial Management (HFM). Every month, each company reports figures in HFM, based on output from its own Enterprise Resource Planning (ERP) systems. HFM has a general chart of accounts and built-in control systems in the form of data check accounts and check reports designed to ensure that the information is consistent. The reporting is expanded in the year-end reporting process to meet various requirements for supplementary information. The process of consolidating and checking financial data takes place at several levels in the business areas.

Training and further development of accounting expertise within the Group is provided at the central level through the Orkla Finance Seminar, the Orkla Finance Academy, Year-End Reporting Day, HFM courses and the Orkla Accounting Committee. This training is offered in addition to the training provided by the various business areas.

11. REMUNERATION OF THE BOARD OF DIRECTORS
All remuneration of the Board of Directors is disclosed in Note 5 to Orkla ASA's financial statements. The note shows that remuneration of the Board of Directors is not linked to the Group's performance and that no options have been issued to Board members.

12. REMUNERATION OF THE EXECUTIVE MANAGEMENT
The Board's Compensation Committee presents a recommendation concerning the terms and conditions for the President and CEO to the Board of Directors and monitors the general terms and conditions for other senior executives in the Group. The Board assesses the President and CEO and his terms and conditions once a year. A description of the

remuneration of the executive management and the Group's compensation and benefits policy, including the scope and design of bonus and share-price-related programmes, is given in the Board of Directors' statement of guidelines for the remuneration of executive management; see Note 5 to Orkla ASA's financial statements. A ceiling has been set for performance-related remuneration. The Board of Directors' statement of guidelines is made available to shareholders in a separate document pertaining to this item of business, together with the notice of the Annual General Meeting.

13. INFORMATION AND COMMUNICATIONS

Orkla seeks to ensure that its accounting and financial reporting inspires investor confidence. Orkla's accounting procedures are highly transparent, and since 2005 Orkla has prepared and presented its financial statements in accordance with the International Financial Reporting Standards (IFRS). The Board of Directors' Audit Committee monitors company reporting on behalf of the Board.

Orkla strives to communicate actively and openly with the market. The company's annual and quarterly reports contain extensive information on the various aspects of the company's activities. The company's quarterly presentations are webcast directly and may be found on Orkla's website, along with the quarterly and annual reports, under "Investor Relations". In 2014, the company's Annual General Meeting was webcast and simultaneously interpreted to English. Orkla normally holds a Capital Markets Day every other year, on which occasion the market is given an in-depth review of the Group's strategic direction and operational development. The Capital Markets Day presentations are webcast directly on the company's website.

All shareholders and other financial market players are treated equally as regards access to financial information. The Group's Investor Relations Department maintains regular contact with company shareholders, potential investors, analysts and other financial market stakeholders. The Board is regularly informed of the company's investor relations activities. The financial calendar for 2015 may be found on Orkla's website under "Investor Relations".

14. TAKEOVERS

The Board of Directors will not seek to hinder or obstruct any takeover bid for the company's operations or shares. In the event of such a bid as discussed in section 14 of the Norwegian Code of Practice for Corporate Governance, the Board of Directors will, in addition to complying with relevant legislation and regulations, seek to comply with the recommendations in the Code of Practice. This includes obtaining a valuation from an independent expert. On this basis, the Board will make a recommendation as to whether or not the shareholders should accept the bid. There are no other written guidelines for procedures to be followed in the event of a takeover bid.

The Group has not found it appropriate to draw up any explicit basic principles for Orkla's conduct in the event of a takeover bid, other than the actions described above. The Board of Directors otherwise concurs with what is stated in the Code of Practice regarding this issue.

15. AUDITOR

The Board of Directors has determined the procedure for the external auditor's regular reporting to the Board. Each autumn, the external auditor presents to the Board his assessment of risk, internal control and the quality of financial reporting at Orkla, at the same time presenting his audit plan for the following year. The external auditor also takes part in the Board's discussions on the annual financial statements. On both occasions, the Board of Directors ensures that it is able to discuss relevant matters with the auditor without the presence of the management.

The external auditor and the President and CEO attend all meetings of the Board's Audit Committee. For information regarding the work of the internal auditor, reference is made to the section above on risk management and internal control.

Orkla has established guidelines for the right of the general management to use the external auditor for services other than auditing. Responsibility for monitoring such use in detail has been delegated to the secretary of the Audit Committee, who is the Chief Internal Auditor. The secretary of the Audit Committee approves all material assignments in advance and receives an annual summary from the external auditor of services other than auditing that have been provided to Orkla. His annual report to the Audit Committee and the Board of Directors includes special comments on these services. Details of the company's use and remuneration of the external auditor are disclosed in Note 5 to the financial statements of Orkla ASA.

The General Meeting is informed about the Group's overall remuneration of the auditor, broken down in accordance with statutory requirements into remuneration for statutory auditing and remuneration for other services. In connection with the auditor's participation in the Audit Committee and the Board of Directors' consideration of the annual financial statements, the auditor also confirms his independence.

Elin –part of the Orkla family

Ella Mathea and Reena – part of the Orkla family

Corporate responsibility at Orkla

Orkla wishes to use its position as a leading branded consumer goods company to create sustainable growth. The Group's efforts to protect people and the environment generate positive ripple effects in every part of its value chain.

Orkla is committed to promoting sustainable development, above all in the food value chain, where more efficient resource utilisation in every part of the chain could result in substantial environmental and welfare gains. The global challenges related to consumer health, climate change and resource scarcity entail commercial risk for the Group, but also offer opportunities for innovation and increased efficiency. The Group contributes to sustainable food production and consumption by maintaining high food safety standards, developing healthier foods, making conscious choices in its use of resources and promoting improvement in its supply chain.

Orkla's corporate responsibility work also includes targeted efforts in the fields of human resource development, corporate culture and occupational health and safety. The choice of issues on which the Group focuses is based on a general assessment of the responsibility of Orkla companies to their stakeholders and of which sustainability challenges are of greatest commercial significance for the Group.

The information on corporate responsibility in this chapter is designed to meet the reporting requirements set out in section 3-3c[1] of the Norwegian Accounting Act, and places particular emphasis on describing Orkla's work to safeguard human and workers' rights, promote improved social conditions, protect the external environment and combat corruption. Orkla also prepares a sustainability report that describes its efforts to address important sustainability issues related to the Group's external value chain.

Orkla's auditor has assessed whether the information provided in this report relating to section 3-3c of the Accounting Act is consistent with information provided in the annual financial statements. The auditor's statement may be found on page 111.

Orkla's Board of Directors takes an active approach to the Group's corporate responsibility, and will at all times see to it that Orkla complies with the requirements in section 3-3c of the Accounting Act. This is accomplished by means of an annual assessment of the progress made in the Group's corporate responsibility work, a quarterly review of changes in key EHS indicators and the ongoing discussion of individual matters considered to be of material importance for Orkla's operations.

ORKLAS APPROACH TO CORPORATE RESPONSIBILITY

Orkla defines corporate responsibility as achieving profitability in a way that is consistent with fundamental ethical values and with respect for people, the environment and society. The CEO of each of Orkla's subsidiaries is responsible for implementing the Group's directive on corporate responsibility. This work must be based on the precautionary principle and the principle of continuous improvement, and the companies must target the areas in which the need for improvement and the possibility of exercising influence are greatest. The companies' prioritisation of resource use must be based on an assessment of the needs of both the business and its stakeholders.

Guidelines and principles

Orkla's directive on corporate responsibility describes the overarching principles defining the way in which Group companies are to address the issues of human and workers' rights, environment, health and safety (EHS), anti-corruption and other important areas of responsibility in their day-to-day operations. The directive is based on the Universal Declaration of Human Rights, the ILO Core Conventions and the OECD Guidelines for Multinational Enterprises. It has been adopted by Orkla's Board of Directors, and applies to the entire Group, including wholly-owned subsidiaries. Orkla has been a signatory to the UN Global Compact since 2005.

Orkla's Human Rights Policy provides guidelines for the way the Orkla companies should address the human and workers'

[1] The report covers Orkla ASA and subsidiaries in which Orkla had more than a 50% ownership interest as of 31 December 2014. The agreement on the sale of Orkla Brands Russia had been entered into at that time, and the business has not been included.

rights considered to be most relevant for the companies' day-to-day operations. These include the principles of the right to human dignity, freedom of opinion and expression, the right to life, liberty and security, competence development, privacy, diversity and non-discrimination, consultation and employee involvement, occupational health and safety, prevention of child labour and protection of marginalised population groups.

The Orkla Code of Conduct describes the Group's standards and expectations in respect of individual managers, employees and Board members with regard to important human and labour rights, such as respect and tolerance, gender equality and non-discrimination, and requirements related to the environment and anti-corruption efforts.

The governing documents mentioned above are accessible to all the companies through the Group's web-based governance portal.

In 2014, Orkla drew up a general strategy for the Group's sustainability work up until 2020. The strategy covers the four main topics nutrition and health, food safety, responsible sourcing and environment, and is described in greater detail in Orkla's Sustainability Report for 2014.

Training

To strengthen Orkla's sustainability efforts and ensure that employees are familiar with the Group's directive, internal training is provided by both the Group and the companies. In 2014, courses were held on food safety, environment, health and safety (EHS), responsible sourcing, anti-corruption activities and competition law. A number of internal workshops were also organised in connection with the preparation of the new sustainability strategy. All in all, around 26,600[2] hours of organised training on issues related to corporate responsibility and sustainability were provided for about 6,200 managers and employees. This is equivalent to 48% of the total number of employees. The training carried out in the past few years has created greater awareness and knowledge within the Group of corporate responsibility and sustainability issues and ensured a more uniform approach to efforts in these spheres. Training programmes and guidance services will continue in 2015.

Risk identification and control

In 2012, Orkla developed a method for analysing sustainability-related risk and opportunities in individual companies. The method is designed to identify each company's influence on important stakeholder groups at each level of the value chain. In 2014, analyses of this type were carried out in two companies. In 2015, internal meetings will be held to assist the business areas in implementing Orkla's sustainability strategy. This will include a general assessment of sustainability-related risk and opportunities.

Orkla monitors the companies' corporate responsibility and sustainability efforts by means of annual internal status reporting. These status reports are submitted in connection with business area reviews and with Orkla's external sustainability reporting.

HUMAN RESOURCE DEVELOPMENT AND CORPORATE CULTURE

At the end of 2014, Orkla had 12,921 employees in 30 business units and around 140[3] enterprises[4] in 23 countries. Of these, 55% were blue-collar workers and 45% administrative employees. Almost all of them are permanently employed and on the whole have been recruited from the country in which the enterprise is located. The companies' top management is also recruited locally.

Orkla strives to enable employees at all levels and in all parts of the Group to use their abilities, develop their potential and be a part of a good, inclusive work environment. This is both a responsibility and an important means of developing the Group's competitiveness.

The Group has detailed guidelines for internal corporate democracy arrangements at Orkla and for work relating to recruitment, human resource development, wages and conditions of employment.

Employee opinion survey

In February 2014, an employee opinion survey was carried out among Orkla employees. The survey was conducted in 20 local languages, in 20 countries, in collaboration with the Corporate Executive Board Company (CEB) analysis company. The survey was sent to a total of 11,331 employees, of whom 10,078 (89%) replied. This high rate of response makes the results representative and reliable.

At a general level, the survey results showed that Orkla employees have a high level of engagement, and in a number of areas, Orkla achieved significantly better results than other comparable companies. Among other things, the survey showed that 84% of the respondents are proud to work at Orkla. Moreover, the vast majority think that they are able to influence their own work, would recommend their workplace to others and are willing to make an extra effort for the company. The results of the employee opinion survey provide important information that will form the basis for concrete improvement measures in the individual businesses.

[2] The reporting of training activities for 2014 covers more topics than the corresponding reporting for 2013, and no directly comparable figures are available for 2013.

[3] Businesses in which Orkla owned more than a 50% interest as of 31 December 2014. The agreement on the sale of Orkla Brands Russia had been entered into at that time, and the business has not been included.

[4] Includes production units and administrative units.

Organisational development
In the period 2013-2014, Orkla drew up a new strategy for organisational and leadership development. The strategy is to be used in developing the necessary expertise, leadership capacity and management systems to realise the Group's general strategic ambitions. As part of this process, new leadership principles were formulated in 2014. The Group's central HR function was also strengthened by defining staff roles and responsibilities in clearer terms. To increase Orkla's talent base for senior management positions, a harmonised process for leadership and organisational development was introduced in the course of the year. These organisational development efforts will continue in 2015, based on the new leadership principles. Important measures will include re-vamping Orkla's skills development programme and a review of the Group's compensation and benefits policy.

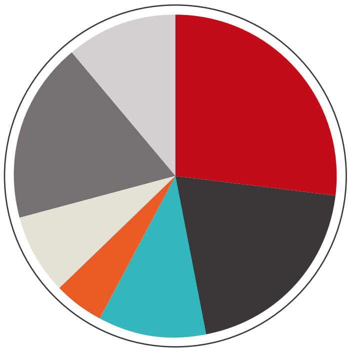
The process of defining Orkla as a focused branded consumer goods company continued in 2014. Gränges AB was listed on the stock exchange in October, and the Orkla International business area was incorporated into Orkla Foods during the year. Restructuring activities were also carried out in the other business areas. Among other things, several of Orkla's business units have taken steps to increase the efficiency of their production structure. This has entailed the closure of certain production units and a reduction in the number of employees. The purpose of these changes is to improve the Group's competitiveness by rationalising its organisational structure, increasing expertise in key business processes and developing strong companies with a sound corporate culture. The change processes were conducted in close collaboration with the employee organisations, and provisions were made for various types of adjustment measures for those who were made redundant.

Gender equality and diversity
Diversity and a corporate culture founded on respect and equality are important if Orkla is to compete successfully for labour, and to ensure that employees' full potential is utilised in the best interests of the Group and the individual employees. Orkla's commitment to diversity, equality and non-discrimination is described in the Group's directive on corporate responsibility and its human rights policy, and the requirements that apply to Board members, management and employees are set out in the Orkla Code of Conduct. In 2014, Orkla had no cases related to gender equality or discrimination.[5]

Orkla seeks to ensure that the wages of all its employees are consistent with the pay and collective wage targets defined by employer organisations and similar groups in the respective countries. When determining an employee's wage,

[5]Based on annual internal reporting from Group companies of disputes, litigation, supervisory cases and similar matters.

EMPLOYEES BY GEOGRAPHICAL AREA



Norway	3,508	27%
Sweden	2,631	20%
Denmark	1,343	11%
Finland and Iceland	649	5%
Baltics	1,050	8%
Europe other	2,339	18%
World other	1,401	11%
Total number of employees	12,921	100%

EMPLOYEES BY BUSINESS AREA

Orkla Foods	5,977	46%
Orkla Confectionery & Snacks	2,359	18%
Orkla Home & Personal	1,775	14%
Orkla Food Ingredients	2,438	19%
Other	372	3%
Total number of employees	12,921	100%

Orkla attaches importance to the expertise required for and complexity of the position, the employee's work performance and competitiveness on the market, regardless of gender, background or functional ability. In 2014, Orkla began work on harmonising key matters related to the Group's compensation arrangements. This work will continue in 2015.

Orkla aims to maintain a good gender balance at every level of its organisation, and attaches importance to this aspect when recruiting and training employees. Measures that make it easier to combine a career and family life are considered to be an important factor in the Group's gender equality efforts. The Group requires that at least one woman candidate be nominated in connection with recruitment to management team positions at company or business area level, and women are given priority when it comes to participation in Orkla's leadership development programmes.

Ensuring equality and promoting diversity are a management responsibility, and part of the routine activities of management staff. In 2014, training and awareness-raising activities related to these issues were carried out in MTR Foods, Spilva and Suslavicius-Felix. Diversity and equality are also topics covered in training on the Orkla Code of Conduct.

As of 31 December 2014, Orkla had 5,786 female employees, equivalent to 44.8% of all employees. The corresponding proportion for 2013 was 46.5%. A total of 41.5% of blue-collar workers were women, compared with 42.1% in 2013, while 48.8% of administrative employees were women, compared with 53.9% the year before. The change in the percentage of women is ascribable to the structural changes and reorganisation measures carried out in 2014.

The percentage of women in management positions has been relatively stable in the past few years. At the end of 2014, 27.3% of management team members at Group, business area and company level were women, compared with 27.1% in 2013. The proportion of women in management positions at all levels in the Group businesses was 35.6%, compared with 36.3% in 2013.

In 2013, Orkla carried out a research project on the topic of gender balance in management in collaboration with five other Norwegian companies and the Administrative Research Institute (AFF) at the Norwegian School of Economics. The results of this study showed that management staff at Orkla have equal opportunities in terms of skills and career development, irrespective of gender. The study has provided insights regarding many factors that are important for promoting good leadership development, regardless of gender. This knowledge will be used to identify measures that can help to achieve desired improvements.

Consultation and employee involvement
Good internal communication and management-employee collaboration are crucial to Orkla's possibilities of success, and for employees' job satisfaction and working environment. All of the Orkla companies have established corporate working environment committees or other formal arrangements for regular dialogue and collaboration between management and employee representatives. The employees are also represented on Orkla's Board of Directors and in other governing bodies. Moreover, liaison committees have been established in all business areas.

Organisational changes that may affect employees' conditions of employment are discussed with employee representatives, and the procedures for discussing such changes are laid down in the collective cooperation agreements entered into between management and trade unions in the individual companies. Following the conclusion of discussions with employee representatives, employees must normally be notified of changes at least two weeks before the changes are carried out.

The main topic of dialogue between Orkla's management and employee representatives in 2014 was again the restructuring of the Group. Management at Group and company level has involved the employee representatives in implementing the organisational changes through regular discussion meetings. The Group has provided support for measures to assist redundant employees find new jobs.

Orkla aims to ensure that all employees receive regular feedback on their job performance, and that individual work targets are linked to general business goals. In 2014, in order to achieve these objectives, the Group harmonised the performance management process across its businesses, and introduced a system to support the process. The new system will be implemented in a selected group of businesses in the course of 2015.

Competence development
To further hone Orkla's competitive edge and successfully realise the Group's strategy, it is important that each employee and manager have the right expertise. This applies at all levels of the organisation.

The development of individual skills primarily takes place in the on-the-job training that each employee receives in his or her day-to-day work. In addition, the companies provide training on topics relevant to their operations, such as quality, food safety and production systems, environment, health and safety, project management and sales-related functions. Several of the companies also offer vocational training programmes, which they run themselves or in cooperation with public education institutions. Orkla arranges competency programmes in management and key areas of specialised expertise at central level. A total of 318 employees participated in Orkla's central training programmes in 2014, compared with 393 the year before. In 2014, the content of several of the programmes was reviewed in order to increase the learning effect of the courses.

Ingvild - part of the Orkla family

Anti-corruption and competition law

Value creation in Orkla must take place in conformity with the Group's Code of Conduct and applicable legislation. Orkla has zero tolerance for corruption, price-fixing agreements, market sharing or any other measures that limit free competition. Orkla's overarching goal in its efforts to combat corruption and promote compliance with competition law is to develop a corporate culture characterised by good judgement and the ability to deal with difficult situations so as to avoid breaching rules and regulations and to promote sound business practices. The Group's internal requirements and guidelines in this area are described in Orkla's anti-corruption manual, competition law manual and Code of Conduct. All Orkla employees are required to adhere to the principles set out in these documents, which may be found on The Orkla Way portal. The management of each company is responsible for communicating the Group's Code of Conduct to all employees and for ensuring that all employees who may be exposed to risk are familiar with the requirements of the anti-corruption and competition law manuals.

To prevent breaches of anti-corruption and competition law rules, the Group provides training for management and employees in positions where they may be exposed to risk in this respect. Anti-corruption is a regular topic in all Orkla's leadership training programmes and in the Group's general training in corporate responsibility. Competition law is a regular topic in Orkla's training programme for sales and purchasing. In addition, Orkla's Legal Affairs Department holds special courses on competition law for managers and key personnel.

In November 2014, Orkla launched the implementation of two e-learning programmes on anti-corruption and competition law that were developed for a broad internal target group. The programmes were presented to the senior management of Orkla's business units at a top management conference in the autumn of 2014. The members of Orkla's Board of Directors and Group Executive Board reviewed the training programmes in 2014, together with the management and employees of selected companies. Anti-corruption training was provided for a total of 808 managers and employees, equivalent to 13.9% of administrative employees. Training in competition law was provided for a total of 325 managers and employees. The two e-learning programmes will continue to be rolled out in 2015.

Under Orkla's Supplier Code of Conduct, all the Group's suppliers are required to have zero tolerance for corruption.

Suppliers are monitored on the basis of a risk assessment, and Orkla's long-term goal is to ensure that all Orkla suppliers sign the Group's Supplier Code of Conduct.

As part of the Group's due diligence procedures in connection with acquisitions and major investments, Orkla assesses the risk of becoming involved in breaches of anti-corruption and competition law. Orkla companies must take necessary risk-mitigating action to prevent independent business partners, including customers and joint venture partners, from participating in corruption or other illegal or unethical activities in connection with its business dealings with Orkla.

In 2014, Orkla was not involved in any cases related to breaches of anti-corruption or competition law rules.[6]

OCCUPATIONAL HEALTH AND SAFETY[7]

A safe working environment for all employees, contract personnel and suppliers is essential to creating sustainable value. Orkla's ambition is to conduct its operations with zero injuries. We will achieve this goal by managing risk effectively, working systematically to prevent injuries and work-related diseases, and actively involving all employees.

In line with Orkla's decentralised management structure, each company has an independent responsibility for its own EHS work. The general requirements with which Orkla companies must comply are set out in Orkla's EHS policy. In 2014, Orkla drew up a common EHS standard and guidelines that apply to every business area and business. The guidelines are designed to ensure compliance and continuous improvement over time. Each business must prepare EHS targets and activity plans, establish systems and control procedures, implement measures and report on its EHS activities. The new standard is to be implemented in 2015.

All our management staff are expected to be strongly committed to optimising our EHS performance, and all employees are expected to be involved in EHS activities at their workplace. Training for all employees is a key factor in the implementation of the new standard, and in 2014 training materials covering all relevant EHS topics were prepared. Orkla has an internal network of EHS experts. Collaboration and the transfer of best practices are an important aspect of improvement work, and the network will assist in implementing the new Group-wide principles for EHS work. In 2014, about 3,300 employees received around 25,000 hours of organised EHS training. This was supplemented by training that takes place as part of their day-to-day work.

Orkla is in the process of establishing a standard system for monitoring businesses' EHS performance by means of regular EHS audits at all Orkla factories, while also further developing existing reporting procedures. Orkla's Board of Directors is kept informed of EHS activities through quarterly status reports.

It is a fundamental principle that EHS efforts must be preventive. Risk assessments are therefore a key element of EHS activities, and all units in Orkla must carry out such assessments. The risk analysis serves as the basis for determining which measures to carry out, and helps businesses to enhance improvement efforts by prioritising the most important measures and establishing effective action plans.

Safety

In 2014, few work accidents resulting in very serious injury occurred in Orkla's operations. At Orkla Foods Norge's factory at Arna, a dust explosion took place in connection with the handling of raw materials, injuring one person. In addition, production equipment was damaged. Orkla conducted an internal investigation and several improvement measures were carried out at the factory. Moreover, lessons learned from the investigation were communicated to all Orkla factories. The Group has also initiated a project to develop training materials on explosion risk to reduce the risk of similar incidents in the future.

Recording and following up on all types of injuries and undesirable incidents are an important part of the Group's improvement work, creating a better understanding and raising awareness of risk throughout the organisation. In 2014, near misses were reported which show that full focus on efforts to prevent injuries must be maintained in every part of the organisation.

Orkla achieved a Lost Work Day Rate (number of injuries leading to absence per million hours worked) of 7.2 in 2014, compared with 5.4 in 2013.[8] The Total Recordable Rate (number of injuries leading to absence, need for medical treatment or restricted work per million hours) was 13.7 in 2014, compared with 11.3 in 2013.[8]

Although the number of occupational accidents at Orkla is not satisfactory, many companies saw a positive trend in 2014. Several companies recorded no injuries leading to absence during the year. These results show that improvements can be achieved by applying key EHS principles, such as good order and cleanliness, engagement, skills upgrading and a willingness to learn from others. We will therefore continue to focus on and emphasise the application of these important principles throughout the organisation, while also introducing new measures to ensure that further progress is made towards our target of zero injuries.

[6] Based on annual internal reporting by the companies.

[7] Key figures for occupational health and safety comprise all businesses in which Orkla owned more than a 50% interest in 2014.

[8,9] Figures for 2013 have been adjusted in accordance with changes in Orkla's corporate structure.

[10] Compared with the level in 2014.

Occupational health
The sickness absence rate for Orkla globally was 4.4% in 2014, compared with 4.0% in 2013.[9] There have been minor changes in sickness absence in Orkla in the past few years, with the same variations during the year. The absence rate is highest in the winter months and lowest in the third quarter. However, sickness absence varies significantly from country to country and from company to company.

The sickness absence rate for the businesses in Norway was 5.7% in 2014. Compared with 2013, when the sickness absence rate was 5.4%, there was an increase.

The rules for recording sickness absence and following up persons on sick leave vary from one country to another, but the sickness absence rate, especially in some of the Norwegian companies, is clearly too high. There is continuous focus on improvement measures. In Norway, the principles of an inclusive workplace are applied, entailing active follow-up of persons on sick leave and collaboration with the company health service. In practice, this means that individual businesses must put in place good processes in which management and employees are actively involved in establishing measures adapted to their workplace.

In 2014, the health professionals in Orkla's Norwegian businesses were organised in a shared company health service. This change enables Orkla to make better use of the expertise of its health staff, while also ensuring that the company health service is tailored as far as possible to the needs of the individual companies.

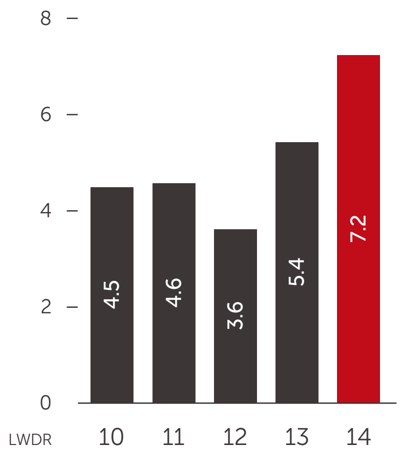
Orkla seeks to ensure that the principles underpinning health-promoting workplaces are applied to the Group's operations throughout the world. A health-promoting workplace is important for every employee. Healthy employees have an influence on their working environment and are essential to achieving good financial results. Orkla's systematic improvement efforts focus primarily on preventive measures and rehabilitation.

ENVIRONMENT

Orkla is committed to operating in accordance with sustainable development principles and to reducing the environmental footprint of its products and processes. In 2014, Orkla drew up a general strategy for its long-term environmental efforts, and set the following improvement targets for the Group's own production activities up to 2020[10]:

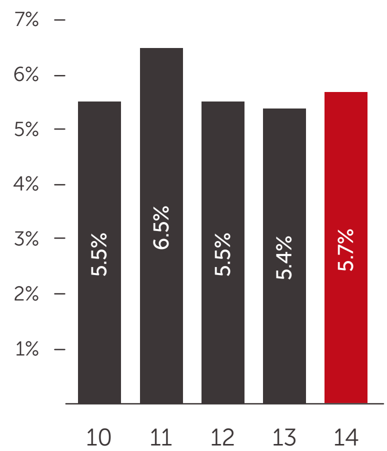
- Reduce greenhouse gas emissions by 20%
- Reduce energy consumption by 20%
- Reduce water consumption by 20%
- 30% less waste
- Zero production waste to landfills
- More effective transport solutions

LOST WORK DAY RATE (LWDR[1]) AT ORKLA[2]



[1]Number of injuries leading to absence per million hours worked.
[2]Figures as reported 2010-2013.

SICKNESS ABSENCE RATE FOR ORKLA IN NORWAY[1]



[1]Figures as reported 2010-2013.

Orkla will also intensify its efforts to develop more environmentally friendly packaging and reduce the environmental footprint of its products.

Any emissions or discharges that may be generated by Orkla's businesses are recorded and dealt with in compliance with national and local requirements. In 2014, Orkla had one emissions incident, which was caused by an error at the water treatment plant at Lilleborg's detergents factory at Ski and entailed a fine of around NOK 30,000. Otherwise, four minor regulatory breaches were recorded which did not result in a fine. Action was taken to remedy all of these issues.

Orkla's impact on the environment consists primarily of emissions generated in connection with energy use and transport. Use of materials and scarce natural resources, including water, are also important focus areas that must be considered in relation to the entire value chain and products' life cycle. At the local level, factories' waste management and noise abatement measures are key areas of activity.

Several Orkla businesses work systematically to map their energy consumption and explore possibilities for rationalising energy use. Efficiency-improvement and investment projects are carried out each year to reduce energy consumption and increase energy recovery.

Energy consumption in 2014 totalled 850 GWh, compared with 832 GWh in 2013.[9] Around 400 GWh of this was purchased energy. The change in energy consumption was 2.2%. A total of 2.571 GWh was produced by Orkla's own hydropower plants in Norway.

For several years, Orkla has prepared energy and climate accounts based on the international Greenhouse Gas Protocol Initiative. These accounts are also reported to the Carbon Disclosure Project (CDP), an independent organisation that provides investors worldwide with a basis for assessing how the world's largest companies are responding to climate challenges.

In 2014, greenhouse gas emissions from Orkla's own global operations totalled 102,000 tonnes of CO_2-equivalents, compared with corresponding emissions in 2013 of 100,000 tonnes. These emissions are primarily generated by the production of thermal energy (from fossil fuels) at factories. If emissions from purchased energy are included, total emissions for 2014 amount to approx. 165,000 tonnes of CO_2-equivalents, compared with 168,000 tonnes in 2013.[9]

RESPONSIBLE SOURCING

Responsible purchasing procedures play a significant role in achieving the desired product quality and ensuring that production in all parts of the value chain is carried out in accordance with international norms for human rights, working conditions and environmental and anti-corruption standards. Orkla companies buy a large quantity of raw materials, materials and services from a total of around 21,000 suppliers.[11] Some 2,000 of these are important suppliers.[12] A large part of the Orkla companies' purchasing takes place locally in the country in which the business is located. Around 60% of the Group's purchases come from suppliers in the Nordic and the Baltic regions, which are Orkla's main markets.[11]

In 2009, Orkla drew up a policy for responsible sourcing that must be adhered to by all the Group companies. Work is to be based on three main principles: (1) communication of Orkla's ethical standards to suppliers, (2) identification of the risk of breaches of these standards, and (3) follow up of risky suppliers through dialogue, audits and guidance. A total of 23 companies have implemented, or are implementing, the procedures for risk identification and supplier monitoring. These companies account for a total of around 85% of Orkla's sourcing.[11] The status of Orkla companies' efforts to promote responsible sourcing is reviewed annually by the Group Executive Board through business area reviews.

Orkla's Supplier Code of Conduct

Orkla's Supplier Code of Conduct describes the requirements set for suppliers by the Group with regard to human rights, workers' rights and social conditions, environmental management and anti-corruption efforts. These requirements are based on relevant UN and ILO conventions. They were revised in 2012 in collaboration with the Ethical Trading Initiative Norway (IEH), and are in conformity with IEH ethical trade guidelines. The Supplier Code of Conduct is appended to Orkla's standard supplier agreement.

Risk identification

The large number of Orkla suppliers makes it important to give priority to monitoring the suppliers and raw material chains considered to be the most risky. To identify risky suppliers, Orkla companies carry out a rough risk assessment of their supplier portfolio. The assessment is based on known risk factors related to countries, industries and production processes. All suppliers of raw materials and packaging and other important suppliers have been subjected to this type of general risk assessment. New suppliers are also routinely subjected to a general risk assessment, and are required to accept Orkla's Supplier Code of Conduct.

In the case of potentially risky suppliers, a more detailed risk assessment must be carried out. The suppliers are asked to conduct a self-evaluation based on a standardised method

[11] Concerns Orkla's Branded Consumer Goods area.

[12] Important suppliers are suppliers with multiple deliveries and a purchasing value in 2014 in excess of NOK 500,000.

developed by the Sedex organisation. At the end of 2014, a total of 228 Orkla suppliers were registered in Sedex, which constitutes around 80% of the suppliers classified as risky (i.e. there is a high risk that the supplier will not adhere to Orkla's Supplier Code of Conduct).

Orkla companies monitor potentially risky suppliers by engaging in dialogue, carrying out audits and providing guidance. An ethical audit is conducted in cases where the company perceives a need for a more detailed, independent examination of the supplier's procedures and practices with regard to working conditions, health and workplace safety, protection of the external environment and anti-corruption efforts. All audits are summed up in a non-conformity report and improvement plan, and the supplier must undertake to remedy the identified non-conformities within an agreed period of time. A total of 48 ethical supplier audits of Orkla suppliers were carried out in the period 2013-2014.

The process of auditing risky suppliers has taken longer than anticipated, and will continue in 2015. The aim is to complete audits of all risky suppliers by the end of 2015.

Improvement work

In the period 2013–2014, 222 non-conformities were detected in supplier audits. The most common non-conformities are the lack of adequate personal protective equipment, inadequate fire safety, first aid and noise protection procedures, excessive use of overtime, and non-conformities related to wages and overtime compensation. A total of 206 non-conformities were corrected, and the remainder will be addressed in 2015.

Orkla is a member of the Ethical Trading Initiative Norway and AIM-PROGRESS, the European branded goods platform for responsible sourcing. Both these organisations hold courses for suppliers in risky countries and industries, and Orkla companies offer their suppliers the opportunity to participate in these courses.

Orkla companies are involved in certain raw material supply chains that present complex challenges. The most important chains in terms of purchasing volumes are cocoa, palm oil, fish and seafood, vegetables, fruit and berries, and nuts and seeds. The production of these raw materials can give rise to serious challenges in terms of poverty, child labour, breaches of labour standards, unsustainable cultivation and fishing methods, reduction of species diversity, greenhouse gas emissions and conflicts over land ownership rights. Several of the companies are engaged in improvement projects related to cocoa, palm oil, fish and seafood, vegetables, and fruit and berries. These projects include use of certification systems, participation in industry initiatives and collaborative projects in which the companies, public authorities and expert organisations are involved. In 2014, Orkla drew up goals and main measures for work with these raw material categories up to 2020.

Moreover, Orkla defined general goals and main measures for future work with the Group's contract producers, and began the process of identifying challenges and necessary actions in the packaging supply chain. The overarching goal for responsible sourcing in the next five-year period is to ensure that the production of important agricultural products, marine raw materials and packaging is carried out in accordance with Orkla's sustainability principles.

Training

In 2010, Orkla established an internal network for responsible sourcing, which includes members of the companies' sourcing staffs. The network is headed by Orkla's central sourcing, department, and is used for training and experience- sharing purposes. Responsible sourcing is also a topic addressed in Orkla's leadership development programme and in the Group's training programme for sourcing, marketing and sales. In 2014, a total of 894 hours of training were provided for 98 managers and employees. The corresponding figures for the previous year were 845 hours of training for 82 employees. Training programmes and exchanges of experience will continue in 2015 with emphasis on providing in-depth knowledge of Orkla's responsible sourcing strategy up to 2020.

Axel and Zaida – part of the Orkla family

Annual Financial Statements 2014

INCOME STATEMENT, EARNINGS PER SHARE AND STATEMENT OF COMPREHENSIVE INCOME

The Income Statement *presents revenues and expenses for the companies consolidated in the Group and measures the results for the accounting period in accordance with current IFRS standards. All internal matters have been eliminated. The income statement distinguishes between what is deemed to be the Group's operations and what is deemed to be of a more financial nature. Special matters under operating activities are presented on a separate line as "Other income and expenses" because they only to a limited degree serve as reliable indicators of the Group's current earnings. The result of investments in associates and joint ventures is presented on a single line separate from operating activities. Reported results from shares and financial assets chiefly relate to items that have been sold or written down, while ongoing changes in value are presented in the statement of comprehensive income. Finance income and finance costs reflect the way the Group is financed and, to some extent, its foreign exchange position, and may include non-recurring items in the form of gains and losses on financial engagements. The notes explain the content of the various accounting lines.*

Earnings per Share *are calculated on the basis of profit/loss for the year attributable to owners of the parent.* ***The Statement of Comprehensive Income*** *is presented as a separate table in connection with the income statement. The table shows the result of all income and expenses that are not included in the "profit/loss for the year" and that are not transactions with owners. This applies to actuarial gains and losses, changes in the value of or reversals related to the sale of shares and financial assets (unrealised gains), changes in the value of or reversals related to the sale of hedging instruments (hedging reserve) and exchange differences in connection with the translation of the financial statements of foreign subsidiaries, associates and joint ventures.*

The figures for 2013 and 2012 have been restated in relation to the figures presented in the 2013 Annual Report, due to the presentation of Gränges' and Orkla Brands Russia's operations separately as "Discontinued operations". The profit or loss from these businesses is presented as an aggregate on the line for "Gains/losses/profit from discontinued operations" (see Note 38).

INCOME STATEMENT

Amounts in NOK million	Note	2014	2013	2012
Sales revenues	8	**29 202**	27 200	23 277
Other operating revenues	8	**397**	815	1 318
Operating revenues		**29 599**	28 015	24 595
Cost of materials	8	**(14 406)**	(13 803)	(11 941)
Payroll expenses	8, 10, 11	**(5 779)**	(5 293)	(4 488)
Other operating expenses	8, 12	**(5 242)**	(5 077)	(4 382)
Depreciations and write-downs property, plant and equipment	8, 18, 19	**(935)**	(884)	(731)
Amortisations intangible assets	8, 18	**(23)**	(21)	(16)
Other income and expenses	8, 13	**(100)**	(493)	(180)
Operating profit		**3 114**	2 444	2 857
Profit/loss from associates and joint ventures	7, 8	**121**	(3)	416
Dividends received	23	**37**	250	211
Gains, losses and write-downs shares and financial assets	23	**56**	623	857
Finance income	14	**52**	81	194
Finance costs	14	**(508)**	(537)	(639)
Profit/loss before taxes		**2 872**	2 858	3 896
Taxes	15	**(688)**	(564)	(681)
Profit/loss after taxes from continuing operations		**2 184**	2 294	3 215
Gains/loss/profit discontinued operations	38	**(485)**	(1 547)	(1 581)
Profit/loss for the year		**1 699**	747	1 634
Profit/loss attributable to non-controlling interests	8, 34	**40**	57	0
Profit/loss attributable to owners of the parent		**1 659**	690	1 634
EBIT (adj.)[1]	8	**3 214**	2 937	3 037
EBITDA (adj.)[2]		**4 172**	3 842	3 784

[1]Operating profit before other income and expenses.
[2]Operating profit before depreciation, amortisation and other income and expenses.

EARNINGS PER SHARE

Earnings per share (NOK)	16	**1.63**	0.68	1.61
Earnings per share diluted (NOK)	16	**1.63**	0.68	1.61
Earnings per share for continuing operations diluted (NOK)	16	**2.11**	2.21	3.18

STATEMENT OF COMPREHENSIVE INCOME

Profit/loss for the year		**1 699**	747	1 634
Items not to be reclassified to profit/loss in subsequent periods				
Actuarial gains and losses pensions	11, 15	**(148)**	37	(37)
Items to be reclassified to profit/loss in subsequent periods				
Change in unrealised gains on shares after tax	15, 23	**(21)**	(79)	(753)
Change in hedging reserve after tax	15, 31	**(150)**	46	(5)
Items charged to equity in associates and joint ventures	7	**906**	81	(325)
Translation effects		**713**	2 015	(848)
Comprehensive income		**2 999**	2 847	(334)
Comprehensive income attributable to non-controlling interests		**54**	75	(8)
Comprehensive income attributable to owners of the parent		**2 945**	2 772	(326)
Change in hedging reserve and translation effects from discontinued operations	38	**(3)**	741	(763)

STATEMENT OF FINANCIAL POSITION

The Statement of Financial Position presents the Group's total assets and shows how they have been financed, broken down into equity and liabilities. All internal matters between companies in the Group have been eliminated. According to the system of classification applied to the statement of financial position, current assets and liabilities belong to a normal operating cycle, are cash and cash equivalents or have a useful life/repayment time of less than one year. Other assets and liabilities are classified as non-current. IFRS financial statements are oriented towards the statement of financial position and only items that satisfy the criteria for definition as assets and liabilities may be recognised in the statement of financial position. Equity is a residual.

The different standards determine how the items are to be treated. The valuation of items in the statement of financial position (examples in brackets) is therefore a combination of fair value (shares and financial assets), amortised cost (trade receivables), cost (inventories), cost minus depreciation (property, plant and equipment) and recoverable amount (certain written down property, plant and equipment and certain intangible assets and goodwill). The statement of financial position items are explained in the notes to the financial statements.

Amounts in NOK million	Note	2014	2013
ASSETS			
Property, plant and equipment	8, 19	**9 484**	11 651
Intangible assets	8, 17, 18	**14 499**	15 368
Deferred tax assets	15	**99**	34
Investments in associates and joint ventures	7, 8	**12 054**	10 377
Other assets	26	**972**	665
Total non-current assets		**37 108**	38 095
Assets held for sale	38	**22**	-
Inventories	8, 20	**4 073**	4 836
Receivables	24	**5 560**	6 328
Shares and financial assets	23	**734**	1 051
Cash and cash equivalents	25	**2 615**	1 805
Total current assets		**13 004**	14 020
Total assets		**50 112**	52 115
EQUITY AND LIABILITIES			
Paid-in equity	33	**1 993**	1 989
Retained earnings		**29 066**	28 490
Non-controlling interests	34	**245**	301
Total equity		**31 304**	30 780
Deferred tax	15	**1 161**	1 210
Provisions and other liabilities	21	**2 538**	2 159
Interest-bearing liabilities	22, 29	**8 510**	8 041
Total non-current liabilities		**12 209**	11 410
Interest-bearing liabilities	22, 29	**598**	2 837
Income tax payable	15	**384**	402
Other liabilities	27	**5 617**	6 686
Total current liabilities		**6 599**	9 925
Total equity and liabilities		**50 112**	52 115

Oslo, 4 February 2015
The Board of Directors of Orkla ASA

Stein Erik Hagen
Chairman

Grace Reksten Skaugen
Deputy Chair

Jo Lunder

Nils K. Selte

Lars Dahlgren

Ingrid Jonasson Blank

Lisbeth Valther Pallesen

Terje Utstrand

Sverre Josvanger

Janne Halvorsen

Åke Ligardh

Peter A. Ruzicka
President and CEO

STATEMENT OF CASH FLOWS

The Statement of Cash Flows *in accordance with IFRS shows how the Group's cash flows are broken down into cash flow from operating, investing and financing activities, according to the indirect method. The cash flow statement explains the general changes in the Group's liquidity since the previous accounting period. Orkla also prepares a separate cash flow statement that is used for internal management purposes and on which the comments in the Report of the Board of Directors are based (see Note 40).*

Amounts in NOK million	Note	2014	2013
Profit before taxes		2 872	2 858
Profit before tax discontinued operations		-	(194)
Amortisations, depreciations and write-downs		974	1 544
Changes in net working capital, etc.		(519)	(136)
Adjustment for profit from associates and joint ventures		(121)	(2)
Adjustment for gains, losses and write-downs shares and financial assets		(56)	(623)
Dividends received from associates		234	231
Adjustment against payable financial items, net	14	130	42
Taxes paid		(492)	(766)
CASH FLOW FROM OPERATING ACTIVITIES		3 022	2 954
Sale of property, plant and equipment	8	62	514
Investments property, plant and equipment and intangible assets	8	(1 010)	(1 225)
Sold companies		2 266	1 711
Acquired companies	6, 8	(59)	(6 021)
Sale of shares and financial assets	23	350	3 090
Discontinued operations	38	360	(346)
Other capital transactions		(58)	(25)
CASH FLOW FROM INVESTING ACTIVITIES		1 911	(2 302)
Dividends paid		(2 565)	(2 579)
Sale of treasury shares		264	133
Buy-back of treasury shares		(159)	0
Net paid to shareholders	33	(2 460)	(2 446)
Change in interest-bearing liabilities		(1 439)	(4 292)
Change in interest-bearing receivables		(257)	258
Change in net interest-bearing liabilities	29	(1 696)	(4 034)
CASH FLOW FROM FINANCING ACTIVITIES		(4 156)	(6 480)
Currency effect of cash and cash equivalents		33	437
Change in cash and cash equivalents		810	(5 391)
Cash and cash equivalents 1 January		1 805	7 196
Cash and cash equivalents 31 December	25, 29	2 615	1 805
Change in cash and cash equivalents		810	(5 391)

The change in net interest-bearing liabilities is presented as a net figure in accordance with the way in which financing activities are managed (Note 29). Thus, a presentation of the gross increase in and repayment of loans is not a reliable indicator as such cash flows take place frequently within the bilateral borrowing facilities. In practice, day-to-day changes in cash flow in the Group create increases in/repayments of loans under the long-term facilities, which would result in correspondingly high gross figures.

STATEMENT OF CHANGES IN EQUITY

Equity *changes from one period to the next in accordance with the Group's profit or loss. Furthermore, transactions with owners will be presented as separate items. This applies to matters such as dividends to shareholders, share issues, the Group's purchase and sale of treasury shares and costs relating to options. Under IFRS, some elements are recognised in comprehensive income, and these items are presented in a separate table in connection with the income statement and presented in the statement of changes in equity. This applies, e.g., to changes in the unrealised gains on shares and financial assets and changes in the hedging reserve which by definition come under hedge accounting. Fluctuations in foreign exchange rates will also affect equity in the form of translation differences which are included in the statement of comprehensive income. The various elements of changes in equity are shown below. Equity cannot be distributed to shareholders in its entirety, and the equity in Orkla ASA constitutes the basis of calculation for and the limitation on the dividend to be paid out by the Group.*

Amounts in NOK million	Share capital	Treasury shares	Premium fund	Total paid-in equity	Unrealised gains shares[1]	Hedging reserve[2]	Items charged to equity in associates and JV[3]	Translation effects	Other retained equity	Total Group	Non-controlling interests	Total equity
Equity 31 December 2012	1 274	(10)	721	1 985	381	(276)	21	(2 271)	30 341	30 181	258	30 439
Profit/loss for the year	-	-	-	-	-	-	-	-	690	690	57	747
Items in comprehensive income	-	-	-	-	(79)	46	81	1 997	37	2 082	18	2 100
Group comprehensive income	-	-	-	-	(79)	46	81	1 997	727	2 772	75	2 847
Dividends from 2012	-	-	-	-	-	-	-	-	(2 528)	(2 528)	(51)	(2 579)
Net sale of treasury shares	-	4	-	4	-	-	-	-	129	133	-	133
Change in non-controlling interests (see Note 34)	-	-	-	-	-	-	-	-	(101)	(101)	19	(82)
Option costs	-	-	-	-	-	-	-	-	22	22	-	22
Equity 31 December 2013	1 274	(6)	721	1 989	302	(230)	102	(274)	28 590	30 479	301	30 780
Profit/loss for the year	-	-	-	-	-	-	-	-	1 659	1 659	40	1 699
Items in comprehensive income	-	-	-	-	(21)	(150)	906	699	(148)	1 286	14	1 300
Group comprehensive income	-	-	-	-	(21)	(150)	906	699	1 511	2 945	54	2 999
Dividends from 2013	-	-	-	-	-	-	-	-	(2 540)	(2 540)	(25)	(2 565)
Net sale of treasury shares	-	4	-	4	-	-	-	-	101	105	-	105
Change in non-controlling interests (see Note 34)	-	-	-	-	-	-	-	-	65	65	(85)	(20)
Option costs	-	-	-	-	-	-	-	-	5	5	-	5
Equity 31 December 2014	1 274	(2)	721	1 993	281	(380)	1 008[4]	425	27 732	31 059	245	31 304

[1]See Note 23 for unrealised gains before tax.
[2]See Note 31 for the hedging reserve before tax.
[3]Items charged to equity in associates and joint ventures (JV).
[4]Including NOK -129 million in actuarial gains and losses relating to pensions .

NOTES GROUP

ACCOUNTING PRINCIPLES

CHANGES IN THE GROUP AND DEVELOPMENTS RELATING TO PARTLY OWNED COMPANIES

SEGMENT INFORMATION

INFORMATION ON INCOME STATEMENT ITEMS

INFORMATION ON STATEMENT OF FINANCIAL POSITION ITEMS

FINANCIAL INSTRUMENTS

EQUITY INFORMATION

OTHER MATTERS

A complete set of financial statements consists of an income statement, a statement of financial position, a statement of cash flows, a statement of changes in equity and notes. The notes are intended to provide supplementary information on items in the four aforementioned statements and background information on the way the financial statements have been prepared. Such information includes, for instance, the segments for which the financial statements have been prepared and presented, any circumstances which may have a particular effect on the financial statements, the general principles on which the financial statements are based and any sources of estimate uncertainty that may apply to the statements. The notes also disclose any accounting matters that will affect the Group in the future, especially in the form of new framework conditions issued by the International Accounting Standard Board.

NOTE 1 GENERAL INFORMATION

This note provides an overview of the financial statements presented, specifying who has approved them and where the company is listed. Any changes in accounting principles are described, in addition to events that have had a special impact on this year's financial statements, also in relation to previous financial statements.

The consolidated financial statements for Orkla ASA, including notes, for the year 2014 were approved by the Board of Directors of Orkla ASA on 4 February 2015. Orkla ASA is a public limited company and its offices are located in Nedre Skøyen vei 26, Oslo in Norway. The company's shares are traded on the Oslo Stock Exchange. The Orkla Group operates primarily in the branded consumer goods and renewable energy sectors, as well as in aluminium solutions through its ownership interests in Sapa (JV) (50%) and Gränges (31%). The business areas are described in Note 4 and in segment information for the various business areas which is disclosed in Note 8.

The financial statements for 2014 have been prepared and presented in full compliance with the International Financial Reporting Standards (IFRS), as adopted by the EU. The valuation and recognition of the items in the financial statements have been carried out in accordance with applicable IFRS standards. The most important principles are described below.

In the 2014 financial year, the IASB made no changes that have had a material effect on Orkla's financial statements. In 2013, Orkla took the opportunity to early adopt a number of standards that became mandatory from 1 January 2014. The standards in question were IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities. In addition, IFRS 13 Fair Value Measurement and amendments to IAS 19 Employee Benefits were adopted as from 1 January 2013. The introduction of the new standards also entailed changes in IAS 27 Revised, Separate Financial Statements, and IAS 28 Revised, Investments in Associates and Joint Ventures. A minor change has also been made in IAS 32 Amendment, Offsetting Financial Assets and Financial Liabilities. The effects of the changes with regard to pensions (IAS 19) and joint ventures (IFRS 11) are described in the corresponding note for 2013. Orkla also took the opportunity to early adopt IFRS 13, which required disclosures regarding value-in-use per cash-generating unit in impairment calculations. This requirement was removed through the Amendment to IAS 36.

The other standards have no material effect on Orkla's consolidated financial statements.

Gränges underwent an IPO process and the company was listed on the stock exchange on 10 October 2014. Gränges is therefore presented as "Discontinued operations". The comparative figures in the income statement have been restated. Historical figures for the statement of financial position and the cash flow statement have not been restated. The sale of Gränges was reported as a 100% sale even though Orkla sold only 69% of the company. As contra entry, the remaining 31% will be reported as an investment in an associate and recognised using the equity method from the fourth quarter of 2014. The value of the shareholding is based on the market value on 10 October 2014 (see Note 7).

It was decided to wind up the Orkla International segment and the operations in Vitana (Czech Republic), Felix (Austria) and MTR (India) have been moved to the Orkla Foods segment. The Delecta business was sold in the third quarter of 2014. Figures reported until the sale took place are included in Orkla Foods. Chaka have been moved to Orkla Confectionery & Snacks. Orkla will continue to seek structural solutions for Chaka. Orkla Brands Russia (OBR) has been sold and all approvals from the Russian competition authorities have been received. This means that the Group has in fact exited the geographical area Russia and the operations in OBR thereby qualify for classification as "Discontinued operations". OBR is thus presented on a single line as "Discontinued operations" and comparative figures in the income statement have been restated in the same way as for Gränges. Historical figures for the statement of financial position and cash flow statement have not been restated.

The Group has not otherwise changed the presentation or accounting principles or applied new standards that significantly affect its financial reporting or the comparison with previous periods. The most important principles are described in Note 4.

Rieber & Søn

The purchase price allocation carried out after the acquisition of Rieber & Søn has been finalised. Some adjustments were made in the valuation of the Rieber companies in Eastern Europe in relation to the preliminary purchase price allocation. The valuation of Delecta in Poland has been confirmed through a sale process, while the assumptions for the two other companies (Vitana and Chaka) have been changed. The goodwill allocated to the latter companies has been reallocated to Orkla Foods. The value of the property in Arna (the Toro factory) has increased somewhat since the preliminary purchase price allocation. All in all, therefore, the total level of goodwill has been reduced slightly and the allocation has been changed marginally.

New acquisitions

Orkla Confectionery & Snacks has entered into an agreement with Nordic Partners Food Limited to purchase NP Foods Group. This acquisition will close to double the scope of Orkla's Baltic operations, making Orkla one of the largest suppliers of branded consumer goods to the Baltic grocery sector (see Note 39).

Orkla Home & Personal has signed an agreement to purchase the branded consumer goods company Cederroth. The acquisition of Cederroth will make Orkla Home & Personal one of the Nordic region's leading suppliers of personal care, health, wound care and household cleaning products (see Note 39).

The two acquisitions have not yet been approved by the competition authorities.

For other smaller acquisitions that have been completed or purchase agreements entered into, see Note 6 and Note 39.

Other income and expenses (OIE)

"Other income and expenses" are presented after Group profit/loss (EBIT adj.), broken down by segment, and include items of a special nature. M&A costs are costs relating to the acquisition of companies which cannot be capitalised together with the shares. This applies to both completed and uncompleted acquisitions. Accrued expenses arising from the sale of companies are also presented on this line, until the sale is finally completed. At that time, the selling costs will be included in the profit/loss calculation and will be presented together with the latter. Special IFRS effects include such items as the recognition in the income statement of fair value ascribed to inventories in acquired companies and any impacts on value of the acquisition of additional shares in partly-owned companies.

In addition to the description in Note 13, the following matters require comment:

The one-off contractual termination fee of NOK 279 million related to the Unilever agreement has been taken to income. The previous agreement with Unilever, which dated back to 1958 and was last revised in 2009, expired on 30 June 2014. A new agreement has been signed with effect from 1 July 2014, and will run for a period of five years. The agreement provides for a licence for research and development and for deliveries of finished products from Unilever. The parties have also agreed that Lilleborg's licence for the brands owned by Unilever in Norway is to terminate as from January 2016, after which Unilever itself will distribute the brands. This is expected to result in a reduction in annual turnover for Lilleborg of around NOK 100 million, which represents around 2% of Orkla Home & Personal's total turnover. As compensation for the termination of the licences, Orkla will receive a contractual one-off termination fee. This will be paid towards the end of the second quarter of 2015.

Costs related to the further integration and coordination of the Rieber operations, totalling NOK 118 million as at 31 December 2014, have been expensed. The costs are related to the closure of the Lierne plant, coordination of the external sales function and the redesign of the TORO factory at Arna outside Bergen, as well as to a project related to the factory at Elverum. Furthermore, production of herring was moved from Boyfood in Finland to Kungshamn in Sweden, entailing one-off expenses in the form of equipment write-downs and the award of severance packages. Additional costs were incurred in connection with the integration and coordination of operations in Orkla Foods. In total, Orkla Foods has expensed NOK 146 million related to these matters under "Other income and expenses" as at 31 December 2014.

Costs totalling NOK 39 million as at 31 December 2014 were incurred in connection with the further coordination and restructuring of operations in Confectionery & Snacks, including factory operations at Kungälv and Filipstad in Sweden. The costs are related to both severance packages and consultancy fees. M&A costs totalling NOK 12 million were also incurred.

Orkla Home & Personal incurred restructuring costs and costs related to the downsizing of the external sales force, totalling NOK 39 million. M&A costs of NOK 5 million were also incurred.

The remaining "Other income and expenses" consist of costs related to M&A, integration, severance packages and an ongoing brand dispute.

Other matters

Orkla is still exposed to the weak markets in Southern Europe through the activities of its joint venture Sapa (JV). Although Sapa's performance does not affect the Group's ordinary operations, the effect is seen on the line for "Profit/loss from associates and joint ventures".

Orkla has largely switched to defined contribution pension plans, and it is primarily the businesses in Sweden that still have defined benefit plans. The contractual early retirement scheme is accounted for as a defined contribution plan.

Orkla has no loan agreements containing financial covenants.

Impairment tests that have been carried out confirm that the capitalised value as at 31 December 2014 of the Group's most exposed assets is intact (see Note 17).

NOTE 2 BASIS FOR PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

To understand the financial statements, it is essential that the basic principles for both financial recognition and consolidation of the Group are described. Similarly, the use of parantheses and the currency in which the financial statements are presented will be significant.

The financial statements are primarily based on the historical cost principle. However, this does not apply to the treatment of financial assets, which are mainly reported at fair value as available for sale or with changes in value reported in profit or loss. The effect of these principles will be less and less significant for the Group as the share portfolio is sold off. Cash flow hedges that satisfy the criteria for hedge accounting are also reported at fair value in the statement of financial position and changes in value are recognised in comprehensive income. Assets that no longer justify their value are written down to the recoverable amount, which is the higher of value in use and fair value minus selling costs.

The accrual accounting principle and the going concern assumption are underlying assumptions for preparing the financial statements.

An asset or liability is classified as current when it is part of a normal operating cycle, when it is held primarily for trading purposes, when it falls due within 12 months or when it consists of cash or cash equivalents on the statement of financial position date. Other items are non-current. A dividend does not become a liability until it has been formally approved by the General Meeting. "Discontinued operations" and assets held for sale are presented on separate lines as current items (see separate description). Financial instruments held to maturity are included in financial non-current assets, unless the redemption date is within 12 months after the statement of financial position date.

The amortisation of intangible assets and the above-mentioned "Other income and expenses" are presented on separate lines. The amortisation of intangible assets will essentially consist of the cost accrual over useful life of intangible assets related to acquired companies in Orkla Food Ingredients.

All amounts are in NOK million unless otherwise stated. Figures in parantheses are expenses or disbursements (cash flow). The functional currency of the parent company (Orkla ASA) is NOK and the Group's reporting currency is NOK.

The information in italics preceding the income statement, statement of financial position, statement of cash flows and notes is provided to give a more detailed explanation of the various presentations.

Consolidation principles

The consolidated financial statements show the overall financial results and the overall financial position when the parent company Orkla ASA and its controlling interests in other companies are presented as a single economic entity. All the companies have applied consistent principles and all intercompany matters have been eliminated.

Interests in companies in which the Group alone has controlling interest (subsidiaries) have been fully consolidated, line by line, in the consolidated financial statements from the date the Group has control and are consolidated until the date that such control ends. The determining factor for whether an enterprise is to be consolidated is whether the Group is deemed to have control. The Group will have control if it has the power to govern the financial and operating policies of the subsidiary, has exposure or rights to variable returns from the subsidiary and has the ability to use its power over the subsidiary to affect the amount of its returns. If the Group has control, but owns less than 100% of the subsidiaries, the non-controlling interests' share of profit or loss after tax and their share of equity are presented on separate lines. As at 31 December 2014, no companies were consolidated in the Group based on the rules regarding "De facto control".

Interests in companies in which the Group together with others has controlling interest (joint ventures, Note 7) are valued using the equity method. The main company in this category is Sapa (JV), in which Orkla owns 50%, while the remaining 50% is owned by Norsk Hydro (see Note 7). Orkla has another joint venture, Moss Airport Rygge (40%).

Interests in companies over which the Group has significant influence (associates,Note 7) are also valued using the equity method. This applies to companies in which the Group owns an interest of between 20% and 50%. Orkla's most important associates are Jotun, in which the Group has a 42.5% interest, and Gränges, in which it has a 31% interest.

Shares and financial assets are dealt with in a separate section below. A decision has been made to divest the share portfolio and the value of the remaining portfolio was NOK 734 million as at 31 December 2014. Other smaller financial investments have been treated as available for sale and recognised in the statement of financial position at fair value with changes in value taken to comprehensive income.

NOTE 3 NEW ACCOUNTING STANDARDS

Accounting is constantly evolving and changes in rules can result in significant differences in accounting practices. It is therefore important to provide an adequate overview of the standards that are currently being developed and the impact that they may have on the future preparation and presentation of financial statements.

New and amended IASB accounting standards that have been approved by the EU can affect the preparation and presentation of financial statements to varying degrees. No new standards issued by IASB were implemented in 2014 that have had any material impact on the Orkla Group's financial statements; see the information in Note 1.

Future changes in standards

The consolidated financial statements will be affected by IFRS amendments in the future. The IASB is working on several projects, the most important of which are Recognition of Income, Leasing, Financial Instruments and Insurance Contracts. These projects will not be implemented for some time. IFRS 15 Recognition of Income was published in May 2014 and will come into force on 1 January 2017, while IFRS 9 Financial Instruments was published in June 2014 and will come into force on 1 January 2018. According to Orkla's understanding of the application of the new standards, they will not have a material impact on the Group. A final analysis of the consequences of IFRS 15 has not yet been completed. IFRS 9 may entail that more financial hedging relationships must be reflected in the financial statements for the Orkla Group. IFRS 9 may also affect profit/loss for and the classification of certain share investments which are currently recognised as available for sale. Due to the sell-off of the share portfolio, these changes are expected to be immaterial at the time they enter into force.

Orkla expects to implement the standards when they enter into force, provided they have been approved by the EU.

NOTE 4 KEY ACCOUNTING PRINCIPLES

This note elaborates on the basic principles applied and describes the way that individual items in the financial statements are treated. All the principles are consistent with current IFRS, but choices, interpretations and adaptations must nonetheless be made which affect the preparation and presentation of financial statements to varying degrees.

Business combinations

Business combinations are accounted for using the acquisition method. When a subsidiary is acquired, a purchase price allocation is carried out. Assets and liabilities are valued at their fair value at the time of acquisition. The residual value in the acquisition will be goodwill. The acquisition is reported in the financial statements from the date the Group has control. The date of control is normally the date on which the acquisition agreement takes effect and has been approved by all the relevant authorities, and will normally be after the contract date. If there are non-controlling interests in the acquired company, these will receive their share of allocated assets and liabilities. Transactions with the non-controlling interests will be recognised in equity. In companies where the Group already owned interests prior to the business combination, any change in the value of earlier interests will be recognised in the income statement. The Group's equity will therefore be affected by the fact that the assets are repriced as if the entire acquisition had been made at this time. The same procedure will in principle be carried out in connection with the establishment of a joint venture and with the acquisition of an associate. However, these are not considered to be business combinations because the Group does not obtain control.

Sale of companies

When a business is divested, the gain is measured as the difference between the selling price and book equity, minus any remaining excess value related to the business. Any sales expenses incurred will also reduce the gain/increase the loss. Accumulated translation differences related to the divested business will be recognised in profit or loss as part of the gain, with a corresponding contra entry in comprehensive income, and any hedging reserves are recognised in profit or loss. Sales expenses incurred will be reported as "Other income and expenses" (M&A) in the period prior to the agreement date and will be recognised as a part of the gain upon completion of the agreement. The gain will be reported before tax and the business's associated tax will be recognised on the tax line of the income statement. The real gain is reflected in the sum total of the gain and the tax. If the sold business qualifies for recognition as "Discontinued operations", all the effects associated with the gain will be reported on the line for "Discontinued operations" in the income statement.

Discontinued operations/held for sale

If a material part of the Group's operations is divested, an agreement is made to divest it, or if the Group loses its controlling interest/significant influence, these operations are presented as "Discontinued operations" on a separate line in the income statement and the statement of financial position. A material part is defined as a separate segment, a separate geographical area or a significant asset. Consequently, all other figures are presented exclusive of the "Discontinued operations". The comparative figures in the income statement are restated and presented with the "Discontinued operations" on one line. The comparative figures for the statement of financial position and the statement of cash flows are not restated correspondingly. If an agreement is entered into to sell operations or assets that constitute less than a segment, assets and liabilities are reported on separate lines of the statement of financial position as "Held for sale". The income statement and the statement of cash flows are not restated.

Equity method

Investments in associates are investments in companies in which the Orkla Group has significant influence by virtue of its ownership interest. These are usually companies in which Orkla owns a 20-50% stake. Joint ventures are investments in companies where the Group, together with others, has controlling interest. This applies to companies where the Group has entered into an agreement with another party to operate and develop a joint company in which neither of the parties alone has control. Both these types of investment are accounted for under the equity method by the Group presenting its share of the companies' results after tax and non-controlling interests on a separate line in the income statement and accumulating the results reported for the share on a single line in the statement of financial position. Any excess value that is to be amortised is deducted from profit according to the same principles as for consolidated companies. Goodwill is not amortised. Dividends received from associates and joint ventures are reported against the ownership interest in the statement of financial position and are regarded as repayment of capital. The value of associates and joint ventures presented in the statement of financial position thus represents the original cost price plus profit/loss accumulated up to the present date, minus any amortisation of excess value and accumulated dividends received. Account is also taken of the share of any translation differences and the like in the associate or joint venture. Any write-downs of the value of the ownership interest are presented on the same line. Joint ventures were previously reported using the proportionate consolidation method. The Group accounted for its involvement in the joint venture by including its proportionate share of revenues, expenses, assets, liabilities and cash flows in its consolidated financial statements. Since implementation of the new IFRS 11 in 2013, the proportionate consolidation method is no longer permitted and joint ventures must be accounted for using the equity method. Comparative figures have been restated accordingly.

Profit/loss

Revenue is recognised when it is probable that transactions will generate future economic benefit that will flow to the company and the amount of the revenue can be measured with reliability. Sales revenues are presented after deducting discounts, value added tax and other government charges and taxes. The Orkla Group sells goods and services on many different markets, and revenues from the sale of goods or services are recognised in the income statement when the goods have been delivered or the service has been provided. Generally speaking, the Group's operating revenues and the point in time at which they are recognised in income will be clear in most cases.

Sales of goods produced by the Group and merchandise for resale by the branded consumer goods area are recognised in income when the goods have been delivered and the risk has passed to the buyer. Sales revenues largely consist of sales of consumer goods to wholesalers. Reductions in sales revenues include various bonus plans, discounts and assistance related to joint marketing to customers, in addition to special taxes applicable to food production and other public charges.

External sales of electric power are recognised in income on the basis of the price agreed with the customer upon delivery. Electric power is mainly sold by the Saudefaldene and Sarpsfoss plants.

In Orkla Investments (real estate), rental revenues are recognised in income when they are earned. Remuneration related to sales assignments for which the company has profit and loss responsibility is recognised in income upon delivery. This means that a long period of time may elapse between the start of a building project and the recognition of revenues. In the intervening period, incurred project expenses are reported as inventories.

Interest revenues are recognised when they are earned, while dividends are taken to income on the date they are approved by the company paying out the dividend.

Gains (losses) on shares and interests that have been reported as available for sale are presented on a separate line after operating profit/loss. Gains (losses) on shares and interests that have been reported as available for sale are calculated as the difference between the cost price of the share or, if appropriate, the value of the share or interest written down for accounting purposes, and the sales value. Any excess value or shortfall in market value that has temporarily been taken to comprehensive income is reversed at the same time. The effect of portfolio gains/losses will be significantly reduced as the share portfolio is sold off.

Statement of comprehensive income

The statement of comprehensive income presents items that are recognised in equity, but are not included in ordinary profit or loss for the period. The items in the statement are actuarial gains and losses on pensions, changes in hedging reserves in hedging transactions, changes in unrealised gains or losses on investments in shares, and currency translation effects. Actuarial gains and losses on pensions are recognised in equity with permanent effect, while the other items are recognised in equity temporarily and reversed when the related assets/items are sold or settled. Corresponding items in associates and joint ventures are reported in the same way.

Assets

Property, plant and equipment are tangible items intended for production, delivery of goods or administrative purposes and have a lasting useful life. They are recognised in the statement of financial position at cost minus any accumulated depreciation and write-downs. Direct maintenance of assets is expensed under operating expenses as and when the maintenance is carried out, while major periodical maintenance and expenditure on replacements or improvements are added to the cost price of the assets. Property, plant and equipment with an indefinite useful life (property, etc.) are not depreciated, while other property, plant and equipment are depreciated on a straight line basis over their useful life. Residual value is taken into account and the depreciation plan is reviewed annually. If there is any indication that an asset may be impaired, the asset will be written down to the recoverable amount if the recoverable amount is lower than the carrying value.

When carrying out a purchase price allocation in connection with an acquisition, excess or deficit values are allocated to the assets concerned, so that these are recognised in the statement of financial position at the Group's acquisition cost. Financing expenses related to the production of the Group's own property, plant and equipment are recognised in the statement of financial position (see Note 14).

Intangible assets. Research and development (R&D) expenditure is the expenses incurred by the Group in conducting research and development, studies of existing or new products, production processes, etc. in order to secure future earnings. Expenditure on research will always be expensed directly, while expenditure on development will be recognised in the statement of financial position if the underlying economic factors are identifiable and represent probable future economic benefits of which the Group has control. The Group has a large number of projects under consideration at all times, but for the time being no projects that end in capitalisation, apart from the IT development described below. This is due to the considerable uncertainty throughout the decision-making process and the fact that only a small percentage of all projects culminate in commercial products. Furthermore, the expenses that qualify for recognition in the statement of financial position are relatively small, as it is only from the time the decision to develop the product is made that development expenses can be capitalised, and that decision-making point comes at a late stage of the process (see Note 18).

Capitalised expenditure on internally generated or customised computer programmes is presented as intangible assets. The reinvestment need of customised computer programmes, etc. is similar to that of other tangible assets, and the amortisation of this type of intangible asset is presented together with the Group's other depreciation.

Expenditure related to internally generated trademarks, etc. (marketing) is expensed directly since the future economic benefits to the company cannot be identified and shown to be probable with any degree of certainty at the time the trademark is launched. Intangible assets taken over by the company through acquisitions are capitalised. Orkla has drawn up special guidelines for valuing trademarks taken over through acquisitions. Trademarks that have existed for a long period of time and have a sound development at the time of acquisition have an indefinite useful life and are not amortised. An indefinite useful life means that it is impossible on the statement of financial position date to estimate the period during which assets will be available for use. Other identified trademarks will be amortised over their anticipated useful life, which is normally 5–10 years. Other intangible assets will be amortised over their useful life.

Intangible assets with an indefinite useful life must be tested annually for impairment to assess whether the values are recoverable. The Orkla Group carries out this test prior to preparing and presenting its financial statements for the third quarter. If there are indications of impairment, the assets are tested immediately. A new impairment test is carried out in the fourth quarter when necessary, for instance if the underlying assumptions have changed. Such impairment tests are described in Note 17.

Intangible assets arising from new acquisitions are disclosed in Note 6 and Note 18.

Goodwill is the residual value consisting of the difference between the purchase price and the capitalised value of an acquired company after a purchase price allocation has been carried out. The concept of goodwill comprises payment for expectations of synergy gains, assets related to employees, other intangible assets that do not qualify for capitalisation as a separate item, future superprofit and the fact that deferred tax may not be discounted. Capitalised goodwill derives solely from acquisitions. Goodwill is not amortised, but is tested at least once a year for impairment prior to preparing and presenting the financial statements for the third quarter and if there is any indication of a decline in value. New goodwill is disclosed in Note 6 and Note 18.

Inventories are valued at the lower of cost and net realisable value for the entire Orkla Group. Purchased goods are valued at cost according to the FIFO principle, while internally manufactured finished goods and work in progress are valued at production cost. Deductions are made for obsolescence. Net realisable value is the estimated selling price minus selling costs. Inventories also include ongoing real estate projects.

Accounts receivable are recognised and presented at the original invoice amount and written down if events causing a loss have occurred that can be measured reliably and that will affect payment of the receivable. Trade receivables are thus valued at amortised cost using the effective interest rate method. The interest rate element is disregarded if it is immaterial, which is the case for the vast majority of the Group's trade receivables.

Shares and financial assets. The remaining shares and financial assets are investments of a financial nature and are presented at fair value as a current asset. Shareholdings defined as available for sale which have a value lower than carrying value are written down in the income statement if the impairment in value is prolonged or significant. Any further value impairment will result in an immediate write-down. The write-down cannot be reversed in the income statement until the value is realised. Dividends received are recognised in the income statement at the time they are adopted by the company paying out the dividend, which usually coincides with the time of payment. Purchases and sales of shares are recognised at trade date (see Note 23).

Cash and cash equivalents are held for the purpose of meeting short-term fluctuations in liquidity rather than for investment purposes. Cash and cash equivalents consist of cash, bank deposits and current deposits (which satisfy the criteria for cash equivalents). For Orkla, the level of the Group's "net interest-bearing liabilities" is a more important management parameter than the level of cash and cash equivalents.

Equity, debt and liabilities

Treasury shares are reported in equity at the cost price to the Group.

Pensions. The Group mainly has defined contribution pension plans, but also has some defined benefit pension plans, primarily in Sweden and Norway.

In the defined contribution pension plans, the company is responsible for making an agreed contribution to the employee's pension assets. The future pension will be determined by the amount of the contributions and the return on the pension savings. Once the contributions have been paid, there are no further payment obligations attached to the defined contribution pension, i.e. there is no liability to record in the statement of financial position. The pension costs related to defined contribution plans will be equal to the contributions to employees' pension savings in the reporting period.

Defined benefit pension plans are based on a promise by the company to the employees that they will receive a certain level of pension upon retirement, normally defined as a percentage of final pay. The company is responsible for the amount of the future pension benefit and the financial value of this obligation must be reported in the income statement and statement of financial position.

The accrued liability is calculated on a straight-line accruals basis, and is measured as the present value of the estimated future pension payments that are vested on the statement of financial position date. The capitalised net liability is the sum of the accrued pension liability minus the fair value of associated pension fund assets.

Changes in the liability for defined benefit plans due to changes in pension plans are reported in their entirety in the income statement in the case of changes that give rise to an immediate paid-up policy entitlement.

Orkla's pension plan for employees in Norway for employees who earn more than twelve times the Norwegian National Insurance Scheme's basic amount (12G) is a contribution-based plan. Since the sum of the accrued contributions and the return on the plan assets is reported as a pension liability in the company's statement of financial position, this pension plan is presented as a defined benefit plan.

Since 2013, the revised IAS 19 standard has been applied for the Group's pension plans. Actuarial gains and losses are recognised in equity through the statement of comprehensive income in the period in which they arise. The financial part of net pension expense is presented as a financial item rather than as part of the net pension expense in EBIT (adj.). This means that "Interest on pension obligations" and "Expected return on pension plan assets" are reported as financial items.

Contingent liabilities and contingent assets. A contingent liability or asset is a possible obligation or a possible asset whose existence is uncertain and will be confirmed by the occurrence or non-occurrence of a future special event, such as the outcome of legal proceedings or the final settlement of an insurance claim. Contingent liabilities are recognised in the financial statements based on estimated outcome, if there is a more than 50% probability that the liability has arisen. If the probability is lower, the matter is disclosed in notes to the financial statements unless the probability of disbursement is very small. An asset will only be recognised in the statement of financial position if it is highly probable (95%) that the Group will receive the asset. The disclosure requirement applies to other contingent assets.

Income tax. Current tax liabilities (assets) for the current and previous periods are measured at the amount that is expected to be paid to (recovered from) the tax authorities. Tax rates and tax laws used to calculate the amounts are those that are enacted or substantively enacted at the reporting date in the countries in which the Group operates and generates taxable income.

Current income tax relating to items recognised through the statement of comprehensive income is recognised through the statement of comprehensive income and not in the income statement.

Deferred tax liabilities (assets) are computed by using the liability method for all temporary differences between the tax basis and the carrying amount of an asset or liability at the reporting date, including tax losses carried forward.

Deferred tax liabilities (assets) are not recognised for temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax liabilities (assets) are not recognised for the initial recognition of goodwill either.

Deferred tax liabilities are recognised on retained profits in associates, joint ventures and foreign subsidiaries to the extent it is expected that a dividend will be paid in the foreseeable future.

Deferred tax assets are recognised to the extent it is probable that there will be available taxable income against which the deductible temporary differences and unused tax losses can be applied.

Deferred tax that concerns items recognised through the statement of comprehensive income is recognised through the statement of comprehensive income and not in the income statement.

Deferred assets and liabilities are measured at the nominal tax rates expected to apply to the period when the asset is realised or the liability is settled. The assessment is thereby based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax liabilities and deferred tax assets are only reported net to the extent that netting is permitted under the tax rules, and the Group is capable of and intends to settle its assets and liabilities related to current tax using group contributions.

Financial matters

Foreign currency. Transactions in foreign currencies are recognised at the exchange rate on the date of the transaction. Financial receivables and liabilities in foreign currencies are presented at the exchange rate on the statement of financial position date, and any gain/loss is reported in the income statement as financial items. Other monetary items (e.g. accounts receivable and accounts payable) in a foreign currency are presented at the exchange rate on the statement of financial position date, and any gain/loss is reported in the income statement as operating items. Revenues and expenses in subsidiaries with a different functional currency from that of the parent company are translated monthly at the average exchange rate for the month and accumulated. Statement of financial position items in subsidiaries with a different functional currency are translated at the exchange rate on the statement of financial position date. Translation differences are reported in comprehensive income. Translation differences arising from borrowing and lending in another functional currency, identified as net investment, are also reported in comprehensive income.

Derivatives are valued at fair value on the statement of financial position date and reported as receivables or liabilities. Gains and losses due to realisation or changes in fair value are reported in the income statement in cases where the derivative is not part of a hedge relationship that satisfies the criteria for hedge accounting. Embedded derivatives in contracts are identified and valued separately. Orkla currently has no embedded derivatives. Purchases and sales of derivatives are recognised at trade date. Gains and losses on forward currency contracts that hedge exchange rate risk in the share portfolio are reported in "Gains, losses and write-downs shares and financial assets".

Loans/receivables and interest rate derivatives. Loans and receivables are carried at amortised cost. Thus changes in value resulting from changes in interest rate during the interest rate period are not reported in the income statement. Interest rate derivatives that are identified as hedges for future interest expenses (floating to fixed rate contracts) are treated as cash flow hedges. Interest rate derivatives that are identified as hedges of fixed interest rate loans (fixed to floating rate contracts) are treated as fair value hedges.

Hedging. The Group uses the following criteria for classifying a derivative or another financial instrument as a hedging instrument: (1) the hedging instrument is expected to be highly effective in offsetting changes in fair value or cash flows to an identified object – the hedging effectiveness is expected to be between 80-125%, (2) the hedging effectiveness can be measured reliably, (3) satisfactory documentation is established before entering into the hedging instrument, showing among other things that the hedging relationship is effective, (4) in the case of cash flow hedges, that the future transaction is considered to be probable, and (5) the hedging relationship is evaluated regularly and has proved to be effective.

Fair value hedging. Changes in the fair value of derivatives designated as hedging instruments are immediately recognised in income. Changes in the fair value of the hedged item are recognised in income in the same way. Hedge accounting is discontinued if: (a) the hedging instrument has matured, or is terminated, exercised or sold, (b) the hedge no longer satisfies the above mentioned criteria for hedging, or (c) the Group for other reasons decides not to continue the fair value hedge. In the case of a discontinued hedge relationship, the changes in the fair value of the hedged item recognised in the statement of financial position will be amortised over the remaining life of the item, using the effective interest rate method, in the same way as for the hedging instrument.

Cash flow hedges. The efficient part of changes in the fair value of a hedging instrument is recognised in comprehensive income and reclassified to the income statement when the hedged transaction is carried out, and presented on the same line as the hedged transaction. The inefficient part of the hedging instrument is immediately recognised in the income statement. When a hedging instrument has matured, or is sold, terminated or exercised, or the Group discontinues the hedging relationship, even though the hedged transaction is still expected to occur, the accumulated gains or losses at this point will remain in the Group's hedging reserve, and will be recognised in the income statement when the transaction occurs. If the hedged transaction is no longer expected to occur, the accumulated unrealised gains or losses on the hedging instrument will be recognised in the income statement immediately.

Hedges of net investments in foreign subsidiaries. Currency gains or losses on hedging instruments affecting the efficient part of the hedging relationship are reported in comprehensive income, while currency gains or losses in the inefficient part of the hedge are reported in the income statement.

Measurement of financial instruments. The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments (see Note 23):

Level 1: Quoted, unadjusted prices in active markets for identical assets and liabilities

Level 2: Other techniques for which all inputs which have significant effect on the recorded fair value, are observable, either directly or indirectly

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Level 3: Other techniques which use inputs that have significant effect on the recorded fair value that are not based on observable market data.

Listed shares are considered to be in level 1 as the shares are quoted on stock exchanges and are freely traded and measured at the latest stock market price. Shares in the Solsten fund are considered to be in level 2, as the value of the shares is mainly determined on the basis of securities traded in an active market. Unlisted shares are considered to be in level 3.

Derivatives are considered to be in level 2. The foreign exchange element in currency forward contracts is measured at observable market prices using the foreign exchange rate set by Norges Bank. Different maturity dates add an interest-rate element resulting in an estimated fair value of the currency forward contracts.

Segments

Orkla has business areas as operating segments. The operating segments correspond to the way in which the business areas report figures to the Group Executive Board (chief operating decision maker), but are limited to an expedient number.

Sales revenues are broken down by geographical market based on the customer's location. The accounting principles on which segment reporting is based are the same as for the rest of the consolidated financial statements.

The arm's length principle is applied to pricing of inter-segment transactions. Orkla ASA provides services to the companies in the Orkla Group and charges them for these services.

Figures for the geographical distribution of capital employed, investments in property, plant and equipment and the number of man-years are also presented (see Note 9).

Further comments on the individual business areas:

Orkla is one of the leading Nordic branded consumer goods companies, and supplies branded consumer goods and concept solutions primarily to the grocery and out-of-home sectors in the Nordic and Baltic regions. The Branded Consumer Goods area comprises four business areas: Orkla Foods, Orkla Confectionery & Snacks, Orkla Home & Personal and Orkla Food Ingredients. In November 2014, Orkla announced that the Orkla International business area had been organised under Orkla Foods. The new sub-segment Orkla Foods International consists of MTR Foods (India), Vitana (Czech Republic) and Felix Austria (Austria). Furthermore, the Russian nut company Chaka has been placed under the Orkla Confectionery & Snacks business area for the time being. The company Orkla Brands Russia was sold to the Russian chocolate group Slavyanka-Lyuks JSC. The Orkla Investments business area consists of the Hydro Power and Financial Investments segments. Associates and joint ventures consist of Jotun (42.5% ownership interest), Sapa (JV) (50% ownership interest) and Gränges (31% ownership interest).

Branded Consumer Goods

Orkla Foods comprises Orkla's ten food businesses which serve home markets in the Nordics, Baltics, Austria, the Czech Republic and India. The companies in this business area are Orkla Foods Norge, Orkla Foods Sverige, Orkla Foods Danmark, Orkla Foods Finland, Põltsamaa Felix in Estonia, Spilva in Latvia, Suslavicius-Felix in Lithuania, Felix in Austria, Vitana Group in the Czech Republic and MTR Foods in India. Orkla Foods' operations are concentrated on its own strong brands, which largely hold number one positions in their home markets (see Note 18).

Orkla Confectionery & Snacks comprises the product categories confectionery, snacks and biscuits and consists of seven branded consumer goods companies serving home markets in the Nordic and Baltic regions and Russia. The companies in this business area are Orkla Confectionery & Snacks Norge (confectionery, snacks and biscuits), Orkla Confectionery & Snacks Sverige (snacks and biscuits), Orkla Confectionery & Snacks Finland (confectionery, snacks and biscuits), KiMs Danmark (snacks), Kalev (chocolate), Latfood (snacks) and Chaka (nuts) (see Note 18).

Orkla Home & Personal comprises five branded consumer goods companies which primarily serve the Nordic region as their home market. The companies in Orkla Home & Personal are Lilleborg (detergents, toothbrushes and personal care products), Lilleborg Profesjonell (full-range supplier of hygiene and cleaning solutions to the professional market), Orkla Health Group (dietary supplements and health products), Pierre Robert Group (basic textiles sold through the grocery channel) and Orkla House Care (painting tools and cleaning products) (see Note 18).

Orkla Food Ingredients is the leading supplier of bakery ingredients in the Nordic region, in addition to holding growing market positions in selected countries in Europe. Sales and distribution companies ensure proximity to the customer market in a total of 19 countries. The largest product groups are margarine and butter blend products, bread and cake improvers and mixes, marzipan and yeast. These product groups are primarily internally manufactured and account for around 60% of turnover.

Orkla Investments

Hydro Power consists primarily of the power operations at Sarpsfoss that are not subject to reversion and Orkla's 85% ownership interest in AS Saudefaldene. The energy business produces and supplies power to the Nordic power market, and has a total normal production volume of 2.4 TWh. The Sauda hydropower operations are leased from Statkraft until 31 December 2030, after which the power plants will be returned in return for an agreed financial compensation. Approximately 1 TWh of AS Saudefaldene's production is subject to special contract conditions (see Note 32).

Financial Investments consists of the remainder of the share portfolio, Orkla Eiendom. Sapa (JV), Jotun and Gränges.

Shares and financial assets consist of Orkla's remaining share portfolio. The market value as at 31 December 2014 was NOK 734 million. Assets consisted mainly of the investment in the Solsten Nordic Equities Fund.

Orkla Eiendom meets the Group's need for specialised real estate expertise and assistance, and is responsible for the administration, development and sale of properties that are not utilised in Orkla's industrial operations. Orkla also has a historical portfolio of real estate-related investments, which are being realised in accordance with the Group's current strategy.

Sapa (50% ownership interest) is the leading global manufacturer of extruded aluminium profiles. At the end of 2014, it held market shares of 25% in Europe and 30% in North America, and operates in both South America and Asia. Sapa's extrusion operations serve customers in diverse markets, such as the automotive, transport, electronics, building and construction industries.

Jotun (42.5% ownership interest) is one of the leading global manufacturers of paint and powder coatings, with 58 subsidiaries, three joint ventures and seven associates. Jotun has 33 production plants distributed across all of the world's continents. Its activities consist of the development, manufacture, marketing and sale of various paint systems for the residential, shipping and industrial sectors. Jotun's operations are organised into four segments (Decorative Paints, Marine Coatings, Protective Coatings and Powder Coatings) and seven regions.

Gränges (31% ownership interest) is a leading global supplier of rolled products for aluminium heat exchangers, which are primarily used in the automotive industry. Gränges was listed on OMX Stockholm on 10 October 2014. After the stock exchange listing, Orkla has retained a ownership interest of 31%.

Companies reported under the equity method are presented and discussed in Note 7.

HQ/Other business

HQ/Other business is presented as a separate segment.

Other matters

Cash flow. The cash flow statement has been prepared using the indirect method and shows cash flows from operating, investing and financing activities and explains changes in "Cash and cash equivalents" in the reporting period.

Orkla also presents an Orkla-format cash flow statement. The bottom line of the statement, which is presented in Note 40, shows the change in net interest-bearing liabilities. Segment information and information provided in the Report of the Board of Directors refer extensively to this statement, as the Group's cash flows are reported and managed in this way. Cash flow from operating activities is an important management parameter at Orkla (see Note 8).

Leasing. Leases are classified according to the extent to which the risks and rewards associated with ownership of a leased asset lie with the lessor or the lessee. A lease is classified as a finance lease if it substantially transfers all risks and rewards incidental to ownership of an asset. Finance leases are capitalised and depreciated over the lease period. Other leases are operating leases. Expenses related to such leases are reported as current operating expenses (see Note 35).

Share-based remuneration. The Group has share savings programmes, long-term incentive agreements and share options. The sale of shares to employees at a price lower than the market value is accounted for by recognising the difference between the market value of the shares and the purchase price as a payroll expense. The discount offered in connection with the sale of shares to employees remained unchanged in 2014, at 30%. The option programme for executive management was replaced in 2012 by a long-term incentive (LTI) agreement. An amount equivalent to what was paid out in annual bonuses is deposited in a bonus bank for bonus recipients. The amounts are adjusted in accordance with the price performance of the Orkla share and fall due for payment in two equal halves, two and three years, respectively, after the bonus is awarded. In order to be eligible for the bonus, the recipient must be employed at the time the bonus is paid out. No new options have been awarded since 2012. The former option programme for executive management was valued on the basis of the fair value of the option at the time the option programme was adopted (the award date), using the Black-Scholes model. The cost of the option was accrued over the period during which the employee earned the right to receive it (the vesting period). The option costs are recognised as payroll expenses and offset in equity. Provisions are made for the employer's social security contributions in connection with share option programmes, which are related to the difference between the issue price and the market price of the share at year end. Option costs are broken down by operating segment based on the fair value of the options at the date of issue including employer's national insurance contribution and accrued over the vesting period (see Note 5 in the financial statements for Orkla ASA).

Government grants are recognised in the financial statements when it is highly probable that they will be received. The grants are presented either as revenue or as a reduction in costs and, in the latter case, matched with the costs for which they are intended to compensate. Government grants that relate to assets are recognised as a reduction in the acquisition cost of the asset. The grant reduces the depreciation of the asset (see Note 39).

NOTE 5 USE OF ESTIMATES IN PREPARING THE CONSOLIDATED FINANCIAL STATEMENTS

The preparation of financial statements entails that the executive management must make decisions on the closing date on the basis of the information and discretionary assessments available on the date in question. This may apply to estimates and assumptions relating to financial statement items or other matters that may also have a material influence on the valuation of the company. It is important that the financial statement user is aware of these different items and the valuation techniques used to determine the values in the financial statements. Any material change in value up until the time the Board of Directors presents its report must be reflected in either the financial statements or in the notes.

The management has made use of estimates and assumptions in preparing the consolidated financial statements. This applies to assets, liabilities, revenues, expenses and supplementary information related to contingent liabilities.

Fair value assessments are affected by estimates of required rates of return. The required rate of return is determined by using the capital asset pricing model and is affected by estimates of risk-free interest and risk premium.

Areas where estimates will have greatest significance in Orkla are:

Amounts in NOK million

Accounting item	Note	Estimate/assumptions	Carrying value
Goodwill	17, 18	Net present value future cash flows/NSV[1]	10 291
Trademarks with indefinite life	17, 18	Net present value future cash flows/NSV[1]	3 825
Joint ventures	7	Net present value future cash flows/NSV[1]	7 827

[1]NSV: Net sales value

The areas where there is the greatest risk of material changes are capitalised goodwill and trademarks with an indefinite useful life. This is because the amounts involved are substantial and the value of the asset is based on recognition principles from purchase price allocations. Valuations relating to these long-term assets are described extensively in Note 17.

The value of joint ventures essentially consists of the Group's 50% ownership interest in Sapa. The valuation is based on the contribution in kind at the time the subsidiary became a joint venture in 2013 (see Note 7). Other estimates and assumptions are disclosed in various notes and any information that is not logically included in other notes is presented in Note 39 "Other matters".

The Branded Consumer Goods area has provisions related to customer bonuses, discounts and joint marketing. These are recognised as reductions in revenues. The revenue reductions are largely mathematical in the form of an invoice discount and joint marketing agreements. To a large degree, this also applies to annual bonuses.

Other reductions in revenue must be estimated due to the fact that externally-sourced data are not available until after the financial statements have been presented. This entails an inherent risk of estimate variances. In the past few years there have been no material variances.

Future events and changes in operating parameters may make it necessary to change estimates and assumptions. New interpretations of standards may result in changes in the choice of principles and presentation. Such changes will be recognised in the financial statements when new estimates are prepared and whenever new requirements regarding presentation are introduced. These matters are discussed in both the section on principles and other notes.

Exercise of judgement

The financial statements may also be affected by the choice of accounting principles and the judgement exercised in applying them. This applies, for instance, to the assessment of whether a "Discontinued operation" is to be presented on a separate line and the date on which this is to be done. Material non-recurring items and items substantially relating to other periods will be presented as "Other income and expenses" on a separate line of the income statement. These are included in the Group's operating profit, but not in EBIT (adj.) broken down by segment. Orkla has also chosen to present profit or loss from associates and joint ventures after operating profit.

It is important to note that use of a different set of assumptions for the presentation of the financial statements would have resulted in significant changes in the income statement presented.

NOTE 6 BUSINESS COMBINATIONS

Acquisitions affect the comparison with last year's figures, and the changes in the various notes must be seen in the light of this. Acquired companies are presented in the financial statements from the date on which control transfers to the Group, and for most of the acquisitions figures are indicated for profit or loss before and after the date of acquisition. The date of control is normally the date on which the contract takes effect and all official approvals have been obtained. The date of control will normally be after the contract date.

Amounts in NOK million	Date of purchase	Interest acquired (%)	Acquisition cost	Excess/deficit value[1]	Trademarks	Other intangible assets	Property, plant and equipment	Other	Deferred tax	Goodwill	Operating revenues after acquisition date	Operating profit after acquisition date	Operating revenues before acquisition date	Operating profit before acquisition date
2014														
Minor acquisitions of assets in Branded Consumer Goods			49	-	-	-	-	-	-	-	na	na	na	na
Real estate Sofienlund - Financial Investments	August	100	38	20	-	-	20	-	-	-	-	-	1	-
Acquisitions at enterprise value			**87**	**20**	**-**	**-**	**20**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Investments in associates			-											
Acquisitions in segments, enterprise value (see Note 40)			**87**											
Interest-bearing liabilities acquisitions			(28)											
Cash flow effect acquisitions[3,4]			**59**											
2013														
Rieber & Søn[2], Branded Consumer Goods	April	100	6 122	4 276	1 216	(53)	(341)	45	(244)	3 653	2 419	187	1 235	35
Marcantonio Foods, Orkla Food Ingredients	January	77	81	28	-	-	-	-	-	28	74	7	-	-
Minor companies in Branded Consumer Goods			82	53	-	-	-	-	(3)	56	198	1	57	6
Drammensveien 149/151 (buildings), Financial Investments	March	100	688	305	-	-	305	-	-	-	na	na	na	na
Acquisitions at enterprise value			**6 973**	**4 662**	**1 216**	**(53)**	**(36)**	**45**	**(247)**	**3 737**	**-**	**-**	**-**	**-**
Investments in associates			13											
Acquisitions in segments, enterprise value (see Note 40)			**6 986**											
Interest-bearing liabilities acquisitions			(965)											
Cash flow effect acquisitions[3,4]			**6 021**											
2012														
Jordan, Orkla Home & Personal	August	100	1 128	730	237	-	(5)	(10)	(62)	570	274	6	695	101
Pharma Vinci, Orkla Home & Personal	January	100	101	78	26	-	-	(2)	(7)	61	53	11	-	-
Boyfood, Orkla Foods	July	100	66	4	1	-	-	1	(1)	3	54	(6)	61	(7)
Gevita, Orkla Home & Personal	October	100	38	32	6	-	-	2	(2)	26	5	0	22	2
Minor acquisitions in Orkla Food Ingredients			60	27	-	14	-	(6)	(3)	22	140	3	102	3
Acquisitions at enterprise value			**1 393**	**871**	**270**	**14**	**(5)**	**(15)**	**(75)**	**682**	**-**	**-**	**-**	**-**
Investments in associates			224											
Acquisitions in segments, enterprise value (see Note 40)			**1 617**											
Interest-bearing liabilities acquisitions			(252)											
Cash flow effect acquisitions[3,4]			**1 365**											

[1]Excess/deficit value is the difference between the purchase price of the shares and the Group's share of equity in the acquired company.
[2]Operating revenues and operating profit before and after the date of acquisition of Rieber & Søn have been estimated and due to the application of different accounting principles the figures are not comparable.
[3]This includes cash and cash equivalents of NOK 0 million in 2014, NOK 112 million in 2013 and NOK 114 million in 2012.
[4]Equivalent to compensation for equity.

Branded Consumer Goods
Orkla Food Ingredients purchased a small agency in Finland in March 2014.
On 1 October, Orkla Foods Sweden took over the Krögarklass brand, which has a range of premium mincemeat products designed particularly for the out-of-home market. These two acquisitions represent a total enterprise value of NOK 49 million.

See Note 39 for information on other acquisition agreements.

Financial Investments
Orkla has acquired the Sofienlund property in Skøyen. The property has been purchased in connection with Orkla's plans for a new office building for its operations on the neighbouring property at Drammensveien 149/151.

Other matters relating to purchase price allocations
There are no material contingent considerations or contingent liabilities related to the acquisitions.

The fair value of the non-controlling ownership interests was estimated on the basis of market value.

No acquisition costs were expensed in connection with acquisitions completed in 2014. A total of NOK 23 million was expensed in acquisition costs related to other projects.

Acquired companies statement of financial position

Amounts in NOK million	Total 2014 Fair value	Total 2013 Fair value
Property, plant and equipment	40	1 636
Intangible assets	44	1 242
Deferred tax assets	-	24
Inventories	4	514
Receivables	-	661
Shares in other companies	-	23
Assets	88	4 100
Provisions	-	323
Non-current liabilities, non interest-bearing	-	9
Current liabilities, non interest-bearing	1	559
Non-controlling interests	-	(27)
Net assets	87	3 236
Goodwill	-	3 737
Acquisition cost at enterprise value	87	6 973

NOTES GROUP / CHANGES IN THE GROUP AND DEVELOPMENTS RELATING TO PARTLY OWNED COMPANIES

NOTE 7 INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD

Investments in associates are investments in companies in which the Orkla Group has significant influence by virtue of its ownership interest. These are usually companies in which Orkla owns a 20-50% stake. Joint ventures are investments in companies where the Group, together with others, has controlling interest. This type of collaboration is based on a specific agreement. Both of these types of investment are consolidated on a single line and accounted for under the equity method by the Group presenting its share of the companies' profit on a separate line in the income statement and accumulating the profit reported for the share on a single line in the statement of financial position.

Orkla's 50% ownership interest in Sapa AS is based on an agreement with Norsk Hydro and is considered to be a joint venture, Sapa (JV). Sapa (JV) is presented using the equity method. The Group also has a 40% ownership interest in Moss Airport Rygge, which is also a joint venture.

Orkla's 42.5% ownership interest in Jotun is presented as an associate using the equity method. After the IPO and sale of shares in Gränges, Orkla has retained a 31% ownership interest. This interest is also presented as an associate using the equity method. In addition, Orkla has some smaller associates which derive from the acquisition of Jordan, and some associates owned through Capto Eiendom.

No significant capital contributions are required in joint ventures in which Orkla is a participant. Figures for associates and joint ventures which do not report in accordance with IFRS are restated prior to inclusion in the consolidated financial statements. Orkla has no contingent liabilities either on its own or jointly with other investors in associates.

Associates included in "Shares and financial assets" are presented in Note 23.

Material associates and joint ventures:

Amounts in NOK million	Sapa (JV)	Jotun	Gränges	Others	Total
Book value 1 January 2012	-	2 182	-	696	**2 878**
Additions/disposals	-	-	-	(44)	**(44)**
Share of profit/loss	-	318	-	21	**339**
Profit from associates in discontinued operations	-	-	-	2	**2**
Gain Fornebu Utvikling	-	-	-	77	**77**
Dividends	-	(218)	-	(27)	**(245)**
Items charged to equity	-	(12)	-	(124)	**(136)**
Book value 31 December 2012	-	2 270	-	524	**2 794**
Additions/disposals	7 745	-	-	(14)	**7 731**
Share of profit/loss	(347)	335	-	9	**(3)**
Profit from associates in discontinued operations	-	-	-	5	**5**
Dividends	-	(218)	-	(13)	**(231)**
Items charged to equity	243	(166)	-	4	**81**
Book value 31 December 2013	7 641	2 221	-	515	**10 377**
Additions/disposals	-	-	923	(24)	**899**
Share of profit/loss	(313)	384	26[2]	24	**121**
Final settlement/dividends	(36)	(218)	-	(16)	**(270)**
Items charged to equity	468	414	45[3]	-	**927**
Book value 31 December 2014	**7 760**	**2 801**	**994**	**499**	**12 054**
Cost price 31 December 2014	7 745	175	923	-	-
Ownership interest	50%	42.5%[1]	31%	-	-

[1]The Group has 38.3% of the voting rights in Jotun.
[2]The figure represents Orkla's share of profit/loss in Gränges for the fourth quarter of 2014.
[3]Including NOK 21 million related to the translation of the booked share from SEK to NOK in Orkla's consolidated financial statements.

Sapa

Sapa became part of the Orkla Group through the acquisition of Elkem in 2005 and was reported as a subsidiary until the agreement with Norsk Hydro was entered into in 2012. At that time, the operations in Sapa Profiles, Sapa Building System and parts of Heat Transfer (Precision Tubing) were identified as a separate item as Sapa (part of future JV) and presented on one line as "Discontinued operations". Historical figures were restated. The agreement with Norsk Hydro became effective from September 2013, from which time Orkla's 50% ownership interest in Sapa (JV) was presented using the equity method. The Heat Transfer business was separated from the future joint venture between Norsk Hydro and Orkla and retained in Orkla. The company changed its name to Gränges in 2013, and was listed on Nasdaq Stockholm in October 2014. Orkla has retained a 31% ownership interest.

Sapa is the leading global manufacturer of extruded aluminium profiles. At the end of 2014, it held market shares of 25% in Europe and 30% in North America, and operates in both South America and Asia. Sapa's extrusion operations serve customers in diverse markets, such as the automotive, transport, electronics, building and construction industries.

The following tables show 100% figures for Sapa.

Income statement	Sapa	
Amounts in NOK million	1.1.–31.12. 2014	1.1.–31.12. 2013
Operating revenues	**46 384**	42 270
Operating expenses	**(44 470)**	-
Depreciation	**(1 263)**	(1 183)
Other expenses	**(968)**	(3 928)
Operating profit	**(317)**	(4 015)
Financial items	**(266)**	-
Profit/loss before tax	**(583)**	(4 417)
Taxes	**(38)**	-
Profit/loss after tax	**(621)**	(4 222)
Discontinued operations/non-controlling interests	**(5)**	
Net profit/loss (100%)	**(626)**	
Of this Orkla's share (50%)	**(313)**	
Items recognised in other comprehensive income (100%)	**937**	
Other comprehensive income (100%-basis)	**311**	

The parent company Sapa AS is a Norwegian limited company and its registered office is in Oslo, Norway. The company is a holding company with interests in a number of Norwegian and foreign companies. The Orkla Group's 50% ownership interest in Sapa AS is owned through Industriinvesteringer AS. Hydro Aluminium AS, a subsidiary of Norsk Hydro ASA, owns the remaining 50% of the shares in Sapa AS. Orkla and Norsk Hydro have entered into a shareholder agreement which, supplemented by Norwegian company legislation, regulates the parties' rights and obligations in this connection. The agreement contains provisions whereby both parties may initiate a process for stock exchange listing after around three years from the date of completion of the agreement (1 September 2013), and whereby both parties may decide to retain a 34% ownership interest.

The tables show 100% figures for the full years 2013 and 2014. The presentation of 2013 is based on Sapa's and Norsk Hydro's financial statements, presented using the continuity method. This means that carrying values in the two financial statements are maintained and presented together for 2013.

The value of assets in Sapa was tested for impairment in December 2014. This was done both by means of discounted cash flow, a multiple approach and a sum of the parts valuation. The value is deemed to have been maintained.

Statement of financial position Amounts in NOK million	31.12. 2014	31.12. 2013
Cash and cash equivalents	1 882	1 697
Current assets	13 532	11 401
Non-current assets	12 215	11 133
Total assets	27 629	24 231
Current liabilities non interest-bearing	9 621	7 835
Current liabilities interest-bearing	1 067	1 094
Non-current liabilities	5 403	4 077
Total liabilities	16 091	13 006

Reconcilation of equity Sapa (JV) against Orkla's share		
Equity in Sapa (JV)	11 538	11 225
Non-controlling interests	38	37
Owners of the parent's equity	11 500	11 188
Orkla's share of equity (50%)	5 750	5 595
Goodwill at Orkla level	2 010	2 046
Booked share	7 760	7 641

Jotun

Jotun (42.5%) is one of the world's leading manufacturers of paints and powder coatings, with 58 subsidiaries, three joint ventures and seven associates. Jotun has 33 production plants distributed across all of the world's continents. Jotun's activities consist of the development, manufacture, marketing and sale of paint systems for the residential, shipping and industrial sectors. The Jotun Group is divided into four segments: decorative paints, marine coatings, protective coatings and powder coatings.

Orkla's 42.5% ownership interest in Jotun is presented as an associate and Orkla has been an active minority shareholder in Jotun for approximately 40 years. The cost price for Jotun is NOK 175 million, while the carrying value using the equity method is NOK 2,801 million. Orkla's 42.5% ownership interest in Jotun serves as the basis for recognition using the equity method, while Orkla has 38.3% of the voting rights. Orkla owns 42,008 A shares and 103,446 B shares in the company. An A-share carries 10 times as many votes as a B-share.

The following tables show 100% figures for Jotun.

Items in the income statement and statement of financial position Amounts in NOK million	Jotun 2014	 2013
Operating revenues	13 171	12 034
Operating profit	1 314	1 258
Profit/loss after tax and non-controlling interests	895	798
Other comprehensive income after non-controlling interests	1 696	1 002
Current assets	7 427	6 146
Non-current assets	5 873	4 653
Total assets	13 300	10 799
Current liabilities	3 891	3 641
Non-current liabilities	2 670	1 643
Total liabilities	6 561	5 284

Reconcilation of equity Jotun against Orkla's share	
Equity in Jotun	6 739
Non-controlling interests	151
Owners of the parent's equity	6 588
Orkla's share of equity (42.5%)	2 801
Booked share	2 801

Gränges

Gränges is a leading global supplier of rolled products for aluminium heat exchangers, primarily for use in the automotive industry.

Gränges was formerly part of the Sapa Group, but was split off as a separate business when Norsk Hydro and Orkla established the 50/50 joint venture Sapa (JV). The company was listed on Nasdaq Stockholm in October 2014, and Orkla retained a 31% ownership interest. Gränges is headquartered in Stockholm, Sweden, and operates in three geographical regions, Europe, Asia and America. The company has production and R&D facilities in Finspång, Sweden and Shanghai, China. Gränges has a global market share of 20%.

As at 31 December 2014, the market value of Orkla's 31% interest in Gränges was NOK 1,180 million.

The following tables show 100% figures for Gränges.

Items in the income statement and statement of financial position Amounts in SEK million	Gränges 2014	 2013
Operating revenues	4 748	4 642
Operating profit	422	456
Profit/loss after tax	319	309
Other comprehensive income	563	327
Current assets	2 631	2 867
Non-current assets	1 829	1 759
Total assets	4 460	4 626
Current liabilities	1 253	1 128
Non-current liabilities	1 071	400
Total liabilities	2 324	1 528

Reconcilation of equity Gränges against Orkla's share	
Equity in Gränges	2 137
Orkla's share of equity (31%)	662
Goodwill at Orkla level	374
Total liabilities SEK million	1 036
Total liabilities NOK million	994
Booked share	994

NOTE 8 SEGMENTS

Orkla reports business areas as its operating segments. The business areas are described in Note 4. In the segment information, sales revenues, profit and loss, cash flows and capital employed, together with operating margin and the number of man-years, are broken down between the different business areas, thereby giving those using the financial statements a better basis for understanding the Group's underlying operations. See also Note 9 where capital employed, investments and number of man-years are broken down by geographical market.

SEGMENTS 2014

Amounts in NOK million	Orkla Foods	Orkla Confec-tionery & Snacks	Orkla Home & Personal	Orkla Food Ingre-dients	Elimin-ations	Branded Consumer Goods	Hydro Power	Financial Invest-ments	HQ/ Other Business	Elimin-ations	Orkla Group
REVENUES/PROFIT/LOSS											
Norway	4 581	1 887	3 084	924	-	**10 476**	682	-	2	-	**11 160**
Sweden	3 731	1 036	449	1 186	-	**6 402**	-	1	-	-	**6 403**
Denmark	857	490	409	1 351	-	**3 107**	-	-	-	-	**3 107**
Finland and Iceland	765	748	218	228	-	**1 959**	-	-	-	-	**1 959**
The Baltics	339	433	63	218	-	**1 053**	-	-	-	-	**1 053**
Nordic region and the Baltics	10 273	4 594	4 223	3 907	-	**22 997**	682	1	2	-	**23 682**
Rest of Europe	1 281	333	421	2 498	-	**4 533**	-	-	-	-	**4 533**
Rest of the world	616	32	273	57	-	**978**	-	-	9	-	**987**
Sales revenues	12 170	4 959	4 917	6 462	-	**28 508**	682	1	11	-	**29 202**
Other operating revenues	6	13	32	14	-	**65**	59	230	43	-	**397**
Intercompany sales	56	15	11	58	(129)	**11**	-	-	434	(445)	**-**
Operating revenues	12 232	4 987	4 960	6 534	(129)	**28 584**	741	231	488	(445)	**29 599**
Cost of materials	(5 837)	(2 044)	(2 031)	(4 261)	126	**(14 047)**	(286)	(73)	(2)	2	**(14 406)**
Payroll expenses	(2 379)	(1 061)	(910)	(922)	-	**(5 272)**	(42)	(31)	(434)	-	**(5 779)**
Other operating expenses	(2 140)	(1 004)	(1 084)	(866)	3	**(5 091)**	(136)	(119)	(339)	443	**(5 242)**
Depreciations and write-downs	(381)	(185)	(81)	(126)	-	**(773)**	(61)	(44)	(57)	-	**(935)**
Amortisations intangible assets	(7)	-	(2)	(14)	-	**(23)**	-	-	-	-	**(23)**
EBIT (adj.)[1]	1 488	693	852	345	-	**3 378**	216	(36)	(344)	-	**3 214**
Other income and expenses	(176)	(59)	228	(4)	-	**(11)**	-	(31)	(58)	-	**(100)**
Operating profit/loss	1 312	634	1 080	341	-	**3 367**	216	(67)	(402)	-	**3 114**
Profit/loss from associates and joint ventures	-	-	2	-	-	**2**	-	119	-	-	**121**
Non-controlling interests' share of profit/loss	-	-	-	(40)	-	**(40)**	7	(7)	-	-	**(40)**
CASH FLOW (SEE NOTE 40)											
Cash flow from operations before net replacement expenditures	1 772	840	709	332	-	**3 653**	263	(51)	(296)	-	**3 569**
Net replacement expenditures	(432)	(219)	(51)	(103)	-	**(805)**	(7)	(8)	(26)	-	**(846)**
Cash flow from operations	1 340	621	658	229	-	**2 848**	256	(59)	(322)	-	**2 723**
Expansion investments	(52)	(27)	-	(23)	-	**(102)**	-	-	-	-	**(102)**
Acquired companies (enterprise value)	(34)	-	-	(15)	-	**(49)**	-	(38)	-	-	**(87)**
CAPITAL EMPLOYED											
Segment assets											
Accounts receivable	1 546	831	792	970	(20)	**4 119**	26	30	192	(143)	**4 224**
Other current receivables	202	61	346	76	-	**685**	60	12	413	-	**1 170**
Inventories	1 849	519	783	722	-	**3 873**	-	200	-	-	**4 073**
Pension plan assets	25	-	4	6	-	**35**	-	7	-	-	**42**
Investments in associates and joint ventures	-	-	24	2	-	**26**	-	12 028	-	-	**12 054**
Intangible assets	7 046	4 135	2 356	967	-	**14 504**	20	-	(25)	-	**14 499**
Property, plant and equipment	2 826	1 510	534	935	-	**5 805**	2 147	1 259	273	-	**9 484**
Total segment assets	13 494	7 056	4 839	3 678	(20)	**29 047**	2 253	13 536	853	(143)	**45 546**
Segment liabilities											
Accounts payable	(810)	(353)	(304)	(508)	20	**(1 955)**	(20)	(21)	(121)	143	**(1 974)**
Value added tax, employee taxes	(249)	(122)	(132)	(75)	-	**(578)**	(20)	(9)	(28)	-	**(635)**
Other current liabilities	(1 001)	(545)	(471)	(256)	-	**(2 273)**	(9)	(90)	(422)	-	**(2 794)**
Pension liabilities	(739)	(163)	(34)	(166)	-	**(1 102)**	(21)	(5)	(428)	-	**(1 556)**
Deferred tax, excess values	(394)	(360)	(130)	(13)	-	**(897)**	-	(1)	-	-	**(898)**
Total segment liabilities	(3 193)	(1 543)	(1 071)	(1 018)	20	**(6 805)**	(70)	(126)	(999)	143	**(7 857)**
Capital employed[2]	10 301	5 513	3 768	2 660	-	**22 242**	2 183	13 410	(146)	-	**37 689**
KEY FIGURES											
Operating margin EBIT (adj.) (%)	12.2	13.9	17.2	5.3	-	**11.8**	29.1	na	na	-	**10.9**
Total man-years	5 974	2 254	1 685	2 414	-	**12 327**	46	31	310	-	**12 714**

[1]Operating profit before other income and expenses.

[2]Most of the lines under "Segment assets" and "Segment liabilities" can be matched directly with the notes and the statement of financial position. The difference between "Other current receivables" in Note 24 and "Other current liabilities" in Note 27 is ascribable to the fact that other current receivables and liabilities also comprise items that are not included in capital employed, such as accrued interest, while some of the derivatives are included in capital employed. Deferred tax related to excess value is included in deferred tax. See the reconciliation of segment assets with total assets on page 74.

The Group applies the same principles for the presentation of segment information as for the rest of its annual financial statements, and the operating profit/loss in the segment information is identical to the information presented in the income statement for the Group. There is therefore no need for further reconciliation of these income statement items. The segment information also contains a breakdown of profit/loss from companies reported using the equity method. The Orkla Group has a central finance function and the financing of the various segments does not necessarily reflect the real financial strength of the individual segments. Financial items are therefore presented only for the Group as a whole. The same applies to tax expense. Cash flow figures were taken from the Orkla-format cash flow statement (see Note 40).

The segment information tables show sales broken down by market for each business area, based on the customers' location. The different business areas are defined and described in Note 4. This table shows the revenues generated by various products and services for each segment. "Orkla HQ/Other business" primarily covers activities at the Group's head office. The figures have been restated in relation to the figures presented in the annual report for 2013 (see Note 1).

SEGMENTS 2013

Amounts in NOK million	Orkla Foods	Orkla Confec-tionery & Snacks	Orkla Home & Personal	Orkla Food Ingre-dients	Elimin-ations	Branded Consumer Goods	Hydro Power	Financial Invest-ments	HQ/ Other Business	Elimin-ations	Discon-tinued oper-ations	Orkla Group
REVENUES/PROFIT/LOSS												
Norway	4 175	1 841	3 130	873	-	**10 019**	637	-	-	-	-	**10 656**
Sweden	3 596	1 077	437	1 157	-	**6 267**	2	-	-	-	-	**6 269**
Denmark	738	462	356	1 249	-	**2 805**	-	-	-	-	-	**2 805**
Finland and Iceland	699	749	215	207	-	**1 870**	-	-	-	-	-	**1 870**
The Baltics	282	365	52	178	-	**877**	-	-	-	-	-	**877**
Nordic region and the Baltics	9 490	4 494	4 190	3 664	-	**21 838**	639	-	-	-	-	**22 477**
Rest of Europe	1 034	311	368	2 217	-	**3 930**	-	-	-	-	-	**3 930**
Rest of the world	509	34	185	58	-	**786**	-	-	7	-	-	**793**
Sales revenues	11 033	4 839	4 743	5 939	-	**26 554**	639	-	7	-	-	**27 200**
Other operating revenues	7	10	12	9	-	**38**	95	629	53	-	-	**815**
Intercompany sales	70	19	15	50	(144)	**10**	-	1	312	(323)	-	**-**
Operating revenues	11 110	4 868	4 770	5 998	(144)	**26 602**	734	630	372	(323)	-	**28 015**
Cost of materials	(5 414)	(1 974)	(1 909)	(3 997)	134	**(13 160)**	(282)	(361)	-	-	-	**(13 803)**
Payroll expenses	(2 095)	(1 043)	(878)	(808)	-	**(4 824)**	(40)	(47)	(382)	-	-	**(5 293)**
Other operating expenses	(1 939)	(984)	(1 078)	(788)	10	**(4 779)**	(139)	(184)	(298)	323	-	**(5 077)**
Depreciations and write-downs	(350)	(177)	(82)	(117)	-	**(726)**	(60)	(41)	(57)	-	-	**(884)**
Amortisations intangible assets	(1)	-	(5)	(15)	-	**(21)**	-	-	-	-	-	**(21)**
EBIT (adj.)[1]	1 311	690	818	273	-	**3 092**	213	(3)	(365)	-	-	**2 937**
Other income and expenses	(263)	(74)	(18)	(7)	-	**(362)**	-	(22)	(109)	-	-	**(493)**
Operating profit/loss	1 048	616	800	266	-	**2 730**	213	(25)	(474)	-	-	**2 444**
Profit/loss from associates and joint ventures	-	-	2	-	-	**2**	-	25	(30)	-	-	**(3)**
Non-controlling interests' share of profit/loss	-	-	-	(31)	-	**(31)**	(5)	(21)	-	-	-	**(57)**
CASH FLOW (SEE NOTE 40)												
Cash flow from operations before net replacement expenditures	1 495	819	869	379	-	**3 562**	223	35	(385)	-	255	**3 690**
Net replacement expenditures	(356)	(184)	(69)	(97)	-	**(706)**	9	349	(106)	-	(77)	**(531)**
Cash flow from operations	1 139	635	800	282	-	**2 856**	232	384	(491)	-	178	**3 159**
Expansion investments	(49)	-	-	(11)	-	**(60)**	-	-	-	-	(120)	**(180)**
Acquired companies (enterprise value)	(6 102)	(75)	(6)	(110)	-	**(6 293)**	-	(688)	-	-	(5)	**(6 986)**
CAPITAL EMPLOYED												
Segment assets												
Accounts receivable	1 520	840	710	843	(19)	**3 894**	24	38	156	(198)	1 072	**4 986**
Other current receivables	211	62	42	61	-	**376**	57	185	97	-	507	**1 222**
Inventories	1 821	502	719	606	-	**3 648**	-	308	-	-	880	**4 836**
Pension plan assets	31	-	4	6	-	**41**	-	-	-	-	-	**41**
Investments in associates and joint ventures	-	-	22	3	-	**25**	-	10 328	-	-	24	**10 377**
Intangible assets	6 992	3 954	2 287	902	-	**14 135**	20	-	(31)	-	1 244	**15 368**
Property, plant and equipment	2 713	1 392	529	880	-	**5 514**	2 199	1 520	319	-	2 099	**11 651**
Total segment assets	13 288	6 750	4 313	3 301	(19)	**27 633**	2 300	12 379	541	(198)	5 826	**48 481**
Segment liabilities												
Accounts payable	(889)	(335)	(380)	(455)	19	**(2 040)**	(15)	(32)	(135)	198	(824)	**(2 848)**
Value added tax, employee taxes	(240)	(168)	(80)	(132)	-	**(620)**	(16)	(54)	(50)	-	(60)	**(800)**
Other current liabilities	(824)	(472)	(468)	(192)	-	**(1 956)**	(33)	(113)	(317)	-	(217)	**(2 636)**
Pension liabilities	(660)	(131)	(35)	(133)	-	**(959)**	(27)	(7)	(331)	-	(113)	**(1 437)**
Deferred tax, excess values	(377)	(392)	(126)	(13)	-	**(908)**	-	(10)	-	-	-	**(918)**
Total segment liabilities	(2 990)	(1 498)	(1 089)	(925)	19	**(6 483)**	(91)	(216)	(833)	198	(1 214)	**(8 639)**
Capital employed[2]	10 298	5 252	3 224	2 376	-	**21 150**	2 209	12 163	(292)	-	4 612	**39 842**
KEY FIGURES												
Operating margin EBIT (adj.) (%)	11.8	14.2	17.1	4.6	-	**11.6**	29.0	na	na	-	na	**10.5**
Total man-years	6 383	2 382	1 738	2 366	-	**12 869**	47	52	276	-	3 493	**16 737**

NOTES GROUP / SEGMENT INFORMATION

SEGMENTS 2012

Amounts in NOK million	Orkla Foods	Orkla Confec-tionery & Snacks	Orkla Home & Personal	Orkla Food Ingre-dients	Elimin-ations	Branded Con-sumer Goods	Hydro Power	Financial Invest-ments	HQ/ Other Business	Elimin-ations	Discon-tinued oper-ations	Orkla Group
REVENUES/PROFIT/LOSS												
Norway	3 143	1 938	2 815	790	-	**8 686**	533	-	20	-	-	**9 239**
Sweden	3 146	1 069	326	1 135	-	**5 676**	-	-	3	-	-	**5 679**
Denmark	460	456	292	1 219	-	**2 427**	-	-	-	-	-	**2 427**
Finland and Iceland	643	751	170	183	-	**1 747**	-	-	-	-	-	**1 747**
The Baltics	260	311	39	167	-	**777**	-	-	-	-	-	**777**
Nordic region and the Baltics	7 652	4 525	3 642	3 494	-	**19 313**	533	-	23	-	-	**19 869**
Rest of Europe	408	202	257	1 830	-	**2 697**	-	-	10	-	-	**2 707**
Rest of the world	487	33	87	54	-	**661**	-	-	40	-	-	**701**
Sales revenues	8 547	4 760	3 986	5 378	-	**22 671**	533	-	73	-	-	**23 277**
Other operating revenues	16	10	8	8	-	**42**	62	1 122	92	-	-	**1 318**
Intercompany sales	118	24	31	49	(211)	**11**	217	2	191	(421)	-	**-**
Operating revenues	8 681	4 794	4 025	5 435	(211)	**22 724**	812	1 124	356	(421)	-	**24 595**
Cost of materials	(4 180)	(1 945)	(1 606)	(3 617)	122	**(11 226)**	(314)	(590)	(32)	221	-	**(11 941)**
Payroll expenses	(1 576)	(994)	(728)	(729)	-	**(4 027)**	(43)	(54)	(364)	-	-	**(4 488)**
Other operating expenses	(1 515)	(907)	(927)	(741)	89	**(4 001)**	(186)	(160)	(235)	200	-	**(4 382)**
Depreciations and write-downs	(263)	(161)	(60)	(115)	-	**(599)**	(60)	(26)	(46)	-	-	**(731)**
Amortisations intangible assets	(2)	-	(2)	(12)	-	**(16)**	-	-	-	-	-	**(16)**
EBIT (adj.)[1]	1 145	787	702	221	-	**2 855**	209	294	(321)	-	-	**3 037**
Other income and expenses	(95)	-	(55)	(4)	-	**(154)**	(19)	(19)	12	-	-	**(180)**
Operating profit/loss	1 050	787	647	217	-	**2 701**	190	275	(309)	-	-	**2 857**
Profit/loss from associates and joint ventures	-	-	-	-	-	**-**	-	419	(3)	-	-	**416**
Non-controlling interests' share of profit/loss	-	-	-	(20)	-	**(20)**	65	(45)	-	-	-	**-**
CASH FLOW (SEE NOTE 40)												
Cash flow from operations before net replacement expenditures	1 249	996	879	331	-	**3 455**	250	872	(274)	-	**604**	**4 907**
Net replacement expenditures	(254)	(211)	(58)	(99)	-	**(622)**	(17)	(95)	(26)	-	**(36)**	**(796)**
Cash flow from operations	995	785	821	232	-	**2 833**	233	777	(300)	-	**568**	**4 111**
Expansion investments	(51)	-	(6)	(57)	-	**(114)**	(5)	-	-	-	**(228)**	**(347)**
Acquired companies (enterprise value)	(66)	-	(1 267)	(60)	-	**(1 393)**	-	(22)	(202)	-	**-**	**(1 617)**
CAPITAL EMPLOYED												
Segment assets												
Accounts receivable	890	735	672	725	(38)	**2 984**	34	68	178	(158)	**1 087**	**4 193**
Other current receivables	165	72	48	69	-	**354**	122	147	38	-	**350**	**1 011**
Inventories	1 391	455	618	543	-	**3 007**	-	359	-	-	**877**	**4 243**
Pension plan assets	23	-	-	5	-	**28**	-	-	-		**-**	**28**
Investments in associates and joint ventures	-	-	15	5	-	**20**	-	2 728	23	-	**23**	**2 794**
Intangible assets	1 946	3 579	2 177	779	-	**8 481**	20	-	(32)	-	**1 479**	**9 948**
Property, plant and equipment	1 603	1 249	555	768	-	**4 175**	2 251	1 209	244	-	**1 722**	**9 601**
Total segment assets	6 018	6 090	4 085	2 894	(38)	**19 049**	2 427	4 511	451	(158)	**5 538**	**31 818**
Segment liabilities												
Accounts payable	(669)	(322)	(278)	(437)	38	**(1 668)**	(46)	(42)	(57)	158	**(909)**	**(2 564)**
Value added tax, employee taxes	(168)	(154)	(108)	(94)	-	**(524)**	(15)	(44)	(58)	-	**(65)**	**(706)**
Other current liabilities	(609)	(451)	(474)	(158)	-	**(1 692)**	(94)	(241)	(437)	-	**(244)**	**(2 708)**
Pension liabilities	(623)	(131)	(40)	(129)	-	**(923)**	(25)	10	(322)	-	**(84)**	**(1 344)**
Deferred tax, excess values	(48)	(372)	(125)	(13)	-	**(558)**	-	(11)	-	-	**(6)**	**(575)**
Total segment liabilities	(2 117)	(1 430)	(1 025)	(831)	38	**(5 365)**	(180)	(328)	(874)	158	**(1 308)**	**(7 897)**
Capital employed[2]	3 901	4 660	3 060	2 063	-	**13 684**	2 247	4 183	(423)	-	**4 230**	**23 921**
KEY FIGURES												
Operating margin EBIT (adj.) (%)	13.2	16.4	17.4	4.1	-	**12.6**	25.7	na	na	-	**na**	**12.3**
Total man-years	4 336	2 231	1 787	2 224	-	**10 578**	50	64	265	-	**4 085**	**15 042**

[1]Operating profit before other income and expenses.

[2]Most of the lines under "Segment assets" and "Segment liabilities" can be matched directly with the notes and the statement of financial position. The difference between "Other current receivables" in Note 24 and "Other current liabilities" in Note 27 is ascribable to the fact that other current receivables and liabilities also comprise items that are not included in capital employed, such as accrued interest, while some of the derivatives are included in capital employed. Deferred tax related to excess value is included in deferred tax.

Reconciliation segment assets vs. total assets

	2014	2013
Segment assets	45 376	48 481
Assets in discontinued operations	22	0
Shares and financial assets	734	1 051
Cash and cash equivalents	2 615	1 805
Financial assets	930	624
Deferred tax assets	99	34
Interest-bearing receivables etc.	166	120
Total assets	49 942	52 115

Reconciliation segment liabilities vs. total liabilities

	2014	2013
Segment liabilities	7 857	8 639
Non-current interest-bearing liabilities	8 510	8 041
Current Interest-bearing liabilities	598	2 837
Deferred tax assets, not related to excess values	263	292
Income tax payable	384	402
Non-current derivatives	599	313
Other non-current provisions	383	409
Other current liabilities	214	402
Total liabilities	18 808	21 335

NOTE 9 GEOGRAPHICAL BREAKDOWN OF CAPITAL EMPLOYED, INVESTMENTS AND NUMBER OF MAN-YEARS

Capital employed, investments and number of man-years are broken down by geographical markets based on the location of the companies. Capital employed is a measure of the enterprise's net capitalised "working capital" and is defined in the segment note as the net of segment assets and liabilities. Investments are the total of replacement expenditures and expansion investments. The number of man-years is the number of employees adjusted for fractional posts in the current reporting period. See Note 8 for segment information.

	Capital employed			Investments			Number of man-years[1]		
Amounts in NOK million	2014	2013	2012	2014	2013	2012	2014	2013	2012
Norway	23 243	22 555	9 620	483	509	426	3 423	3 703	3 049
Sweden	5 489	6 819	5 318	274	286	377	2 559	2 554	2 370
Denmark	3 818	3 415	3 055	87	86	99	1 357	1 305	1 241
Finland and Iceland	2 051	1 954	1 693	46	37	74	644	648	657
The Baltics	839	742	629	47	55	35	967	962	909
Nordic region and the Baltics	35 440	35 485	20 315	937	973	1 011	8 950	9 172	8 226
Rest of Europe	1 687	2 606	2 101	74	161	107	2 363	2 710	1 354
Rest of the world	562	1 751	1 505	16	82	159	1 401	1 362	1 377
Total	37 689	39 842	23 921	1 027	1 216	1 277	12 714	13 244	10 957
Link between segments and "Investments":									
Net replacement expenditures, from segments (see Note 8)				846	531	796			
Sale of property, plant and equipment (see cash flow statement)				62	514	144			
Expansion investments (see Note 8)				102	180	347			
Changes in accounts payable investments				17	(9)	(10)			
Total				1 027	1 216	1 277			

[1]For continuing operations.

NOTE 10 PAYROLL EXPENSES

Payroll expenses are the total disbursements relating to remuneration of personnel employed by the Group and of Group officers. These expenses comprise direct salaries and holiday pay, fees to Group officers, any bonuses paid, the accounting effects of employees' share and option programmes, pension costs and public taxes relating to the employment of personnel. Any benefits in kind such as a company car, telephone or the like are reported as wages, but are presented as operating expenses according to the nature of the expense.

Amounts in NOK million	2014	2013	2012
Wages	(4 677)	(4 338)	(3 642)
Employer's national insurance contributions	(737)	(654)	(569)
Pension costs[1]	(292)	(281)	(240)
Other remuneration etc.	(73)	(20)	(37)
Payroll expenses	(5 779)	(5 293)	(4 488)
Average number of man-years (continuing operations)	12 936	12 532	10 432

[1]Pension costs are described in further detail in Note 11.

Bonus systems

Orkla has a system of annual bonuses that rewards improvement (operational excellence).

Under this system, a "good performance", which is specifically defined for the various elements, can result in an annual bonus of approximately 30% of an employee's fixed pay, while the maximum bonus is 100% of the employee's annual pay. This bonus system applied to approximately 160 senior executives in 2014.

Remuneration of the executive management

			2014			2013			2012
Amounts in 1 000 NOK	Salary	Benefits in kind	Pension costs	Salary	Benefits in kind	Pension costs	Salary	Benefits in kind	Pension costs
Remuneration to CEO	9 960	224	1 752	10 989	15	57	8 999	60	500
Remuneration to other members of the Group Executive Board	40 099	3 559	6 612	34 980	2 936	6 922	22 719	1 381	4 812
Number of options to CEO 31 December	0			0			0		
Number of options to other members of the Group Executive Board 31 December	380 000			1 376 000			1 686 000		

For other matters relating to the remuneration of the executive management and members of the Board of Directors, reference is made to Note 5 to the financial statements for Orkla ASA.

Share-related programmes

In 2012, to replace its former option programme, the Group introduced a cash-based long-term incentive programme (LTI). An amount based on the result of the annual bonus programme will be deposited in a bonus bank. The balance will be adjusted in accordance with the price performance of the Orkla share until it is paid out. 50% of the vested amount is paid out after two years, and the remainder after three years provided the employee has not resigned at the time of payment. The annual payment from the LTI must not exceed one year's salary at the time of payment. Any excess amount is deposited in the bank to be paid out the following year. See also the description in Note 5 to the financial statements for Orkla ASA.

The Group also has a programme for the sale of shares to employees at a discount (see Note 5 to the financial statements for Orkla ASA).

Overview of changes in awarded outstanding options:

	2014 No.	2014 WAEP[1]	2013 No.	2013 WAEP[1]
Outstanding at the beginning of the year	15 157 000	47.74	17 602 000	51.55
Granted during the year	-	-	-	-
Exercised during the year	(5 229 000)	41.03	(2 060 000)	42.21
Forfeited during the year	(2 760 000)	68.86	(385 000)	88.13
Outstanding at year end[2]	7 168 000	41.79	15 157 000	47.74
Exercisable options at year end	7 168 000	41.79	10 520 000	47.87

[1]Weighted average exercise price. Amounts in NOK.
[2]As a result of a dividend, all exercise prices were reduced by NOK 2.50 on 11 April 2014.

Weighted average exercise price for outstanding options at year end:

Expiry date	2014 No.	2014 WAEP[1,2]	2013 No.	2013 WAEP[1]
08.05.2014	-	-	2 120 000	71.40
14.08.2014	-	-	25 000	68.10
22.05.2015	1 485 000	39.86	4 015 000	42.36
10.05.2016	2 485 000	38.88	4 360 000	41.38
09.05.2017	3 128 000	45.03	4 567 000	47.53
01.11.2017	70 000	40.91	70 000	43.41
Total	7 168 000		15 157 000	

[1]Weighted average exercise price. Amounts in NOK.
[2]As a result of a dividend, all exercise prices were reduced by NOK 2.50 on 11 April 2014.

Orkla has used the Black-Scholes model to estimate the value of the options. The volatility is calculated on the basis of the past performance of the Orkla share price during the same period as the maturity of the options. No new options have been issued since 2011.

Effects of the option programme on the financial statements:

Amounts in NOK million	2014	2013
Option costs in the vesting period	(5)	(22)
Change in provision for national insurance contributions	(6)	(1)
Net option costs	(11)	(23)
Liabilities[1]	15	9

[1]Relates only to employer's national insurance contributions.

NOTE 11 PENSIONS

The Group has both defined contribution and defined benefit pension plans. In the defined contribution pension plans, the company pays an agreed annual contribution to the employee's pension plan, but any risk related to the return is borne by the employee. The future pension will be determined by the amount of the regular contributions and the return on the pension savings. In a defined benefit plan, the company is responsible for paying an agreed pension to the employee based on his or her final pay. The cost for the accounting period shows the employees' pension entitlement of the agreed future pension in the financial year. The majority of Orkla's pension plans are defined contribution plans.

Defined contribution plans

Defined contribution plans comprise arrangements whereby the company makes annual contributions to the employees' pension plans, and where the future pension is determined by the amount of the contributions and the return on the pension plan assets. Contribution plans also comprise pension plans that are common to several companies and where the pension premium is determined independently of the demographic profile in the individual companies (multi-employer plans). Employees in the Orkla Group are mainly covered by pension plans classified as contribution plans.

Orkla has adjusted the contribution rates for the companies in Norway considering the new limits laid down in regulations for contribution rates for private company pension plans, with effect from 1 September 2014. See Note 5 to the financial statements for Orkla ASA.

Defined benefit plans

The Group has defined benefit pension plans that are classified as funded and unfunded. A large part of the Group's defined benefit plans are in Sweden and Norway. These countries account for around 57% and 36%, respectively, of the Group's net carried pension liabilities.

Sweden

The pension plans in Sweden are "net plans" that do not link the Group's liabilities to changes in Swedish social security. The plans are largely determined by collective agreements. They are not funded, but provisions are made in the companies' statement of financial position. To secure accrued pension rights, companies must take out a credit insurance in the PRI Pensionsgaranti insurance company. PRI Pensionsgaranti records and calculates the companies' pension liabilities. According to the collective agreements, all employees born in 1979 or later must be covered by a defined contribution plan, which means that the number of defined benefit plans will gradually be reduced.

The Group also has some pension plans, primarily related to senior executives, financed through endowment insurances. The gross amount of these plans is reported in the financial statements.

Account has been taken of payroll tax on the pension liabilities in Sweden.

Norway

Net pension liabilities in Norway mainly consist of unfunded pension plans for former key personnel, early retirement schemes for the Group Executive Board, and book liabilities related to contribution-based plans for employees who earn more than twelve times the Norwegian National Insurance Scheme's basic amount (12G).

The pension plan for employees in Norway who earn more than 12G is a contribution-based plan, but is treated as a defined benefit plan in accordance with IFRS. The sum of the accrued "contributions" and the return on the plan assets are thus presented as a defined benefit plan with pension liabilities in the company's statement of financial position.

A small part of the pension liability also consists of provisions made to cover the underfunding in the old contractual early retirement (AFP) scheme, as recommended under the Norwegian Accounting Standards.

The new AFP scheme is a multi-employer defined benefit plan, but is recognised as a defined contribution plan. This is in line with the Ministry of Finance's conclusion regarding the new AFP, which was published in connection with the presentation of the government budget on 14 October 2013. Companies that participate in the AFP scheme are jointly responsible for two-thirds of the payable pension. All of the companies in the Orkla Group in Norway participate in the AFP scheme. The premium for the new AFP scheme will increase from 2.2% in 2014 to 2.4% in 2015 of total payments of wages between 1 and 7.1 times the average basic amount. This change in premium is in line with the announced change whereby the premium for the new AFP scheme for the years 2011-2015 is gradually to be increased as the premiums and employer's contributions for the old AFP scheme are phased out.

Assumptions relating to defined benefit plans

As from the 2012 financial year, the discount rate in Norway is fixed on the basis of Norwegian covered bonds (OMF). The Norwegian Accounting Standards Board considers the OMF market to be a sufficiently deep market to be used for computing the discount rate. Orkla has chosen a discount rate based on the average life of the pensions in each company and in each pension plan. In cases where the life exceeds 15 years, the OMF yield curve has been extrapolated on the basis of the swap rate.

The discount rate has been reduced in every country, due to the generally lower interest rate level. In Norway, the discount rate varies between 1.4% and 2.3%, depending on the life of the pension.

The discount rate in Sweden is based on Swedish covered bonds and was reduced to 3.0% for 2014, from 4.0% in 2013.

Parameters such as wage growth, increase in the basic amount (G) and inflation are set in accordance with recommendations in the various countries, and the level of these parameters was also reduced somewhat due to the generally lower interest rate level.

The mortality estimate is based on updated mortality tables for the various countries (K2013 in Norway and updated mortality tables as at 30 June 2011 in Sweden).

The actuarial gains and losses are recognised in comprehensive income (OCI) and are essentially related to changes in economic assumptions.

A reasonable expected change in key assumptions will have no material impact on the figures for the Group.

Pension plan assets

Virtually all the Group's pension plans with pension plan assets are in the Netherlands, Switzerland and the UK. Pension plan assets are mainly invested in bonds and shares. The estimated return will vary depending on the composition of the various classes of assets. A breakdown of pension plan assets is presented below. Contributions of pension plan assets in 2015 are expected to total NOK 13 million.

	Norway		Sweden	
	2014	2013	2014	2013
Discount rate	1.4%-2.3%	2.5-4%	3.00%	4.00%
Future salary adjustment	2.50%	3.50%	2.75%	3.00%
G-multiplier[1]	2.50%	3.50%	2.75%	3.00%
Adjustment of benefits	0%	0.6%	1.75%	2.00%
Turnover	0-5%	0-5%	3.00%	3.00%
Expected average remaining vesting period (year)	7.2	6.3	14.7	15.5

[1]As at 31 December 2014, 1G was NOK 88,370.

Breakdown of net pension costs

Amounts in NOK million	2014	2013	2012
Contribution plans	(229)	(223)	(212)
Current service cost (incl. national insurance contributions)	(63)	(60)	(36)
Curtailments and settlements pension plans	(30)[1]	2	8
Pension cost defined as operating cost	(322)	(281)	(240)
Interest on pension obligations	(57)	(64)	(50)
Expected return on pension plan assets	8	16	10
Pension cost defined as finance cost	(49)	(48)	(40)
Net pension costs	(371)	(329)	(280)

[1]Is presented as "Other income and expenses" in the income statement.

Breakdown of net pension liabilities as of 31 December

Amounts in NOK million	2014	2013
Present value of funded pension obligations	(328)	(333)
Pension plan assets (fair value)	333	291
Net funded pension liabilities	5	(42)
Present value of unfunded pension obligations	(1 519)	(1 354)
Capitalised net pension liabilities	(1 514)	(1 396)
Capitalised pension liabilities	(1 556)	(1 437)
Capitalised plan assets	42	41

Changes in the present value of pension obligations during the year

Amounts in NOK million	2014	2013
Pension obligations 1 January	(1 687)	(1 605)
Current service cost (incl. national insurance contributions)	(63)	(60)
Interest on pension obligations	(57)	(64)
Pension cost related to discontinued operations	-	(8)
Actuarial gains and losses reported in statement of comprehensive income	(199)	42
Acquisition/sale of companies	-	(610)
Curtailments and settlements pension plans	(33)	539
Benefits paid during the year	120	193
Currency translations	(43)	(114)
Changes related to discontinued operations	115	-
Pension obligations 31 December	(1 847)	(1 687)

Changes in pension plan assets during the year

Amounts in NOK million	2014	2013
Pension plan assets (fair value) 1 January	291	289
Expected return on pension plan assets	8	16
Actuarial gains and losses reported in statement of comprehensive income	12	10
Acquisition/sale of companies	-	506
Curtailments and settlements pension plans	(5)	(531)
Contributions and benefits paid during the year	1	(4)
Currency translations	33	36
Effect of asset ceiling	(7)	(31)
Changes related to discontinued operations	-	-
Pension plan assets (fair value) 31 December	333	291

Breakdown of pension plan assets (fair value) as of 31 December

	2014	2013
Cash, cash equivalents and money market investments	9%	11%
Bonds	57%	46%
Loans	1%	2%
Shares	30%	30%
Property	3%	11%
Total pension plan assets	100%	100%

Summary of net pension liabilities and adjustments in past four years

Amounts in NOK million	2014	2013	2012	2011
Pension obligations	(1 847)	(1 687)	(1 605)	(3 919)
Pension plan assets	333	291	289	1 682
Net pension liabilities	(1 514)	(1 396)	(1 316)	(2 237)
Actuarial gains and losses in pension obligations reported in statement of comprehensive income	(199)	42	(48)	(229)
Actuarial gains and losses in pension plan assets reported in statement of comprehensive income	12	10	45	(30)

NOTES GROUP / INCOME STATEMENT ITEMS

NOTE 12 OTHER OPERATING EXPENSES

The Orkla Group has chosen to present its income statement based on the nature of the item of income or expense. Operating expenses have been broken down into the following main items: "Cost of materials", "Payroll expenses", "Depreciations/Amortisations" and "Other operating expenses". Thus "Other operating expenses" comprises all operating expenses that are not related to cost of materials, employee payrolls and capital costs in the form of depreciation. The most important items have been grouped into the main items below.

Amounts in NOK million	2014	2013	2012
External freight costs	**(562)**	(509)	(430)
Energy costs (production and heating)	**(459)**	(446)	(422)
Advertising	**(1 344)**	(1 310)	(1 100)
Repair and maintenance costs	**(410)**	(398)	(339)
Consultants, legal advisors, temporary staff etc.	**(416)**	(377)	(534)
Operating expenses vehicles	**(120)**	(121)	(118)
Rental/leasing	**(351)**	(323)	(237)
Operating expenses, office equipment etc.	**(85)**	(70)	(55)
Other	**(1 495)**	(1 523)	(1 147)
Total other operating expenses	**(5 242)**	(5 077)	(4 382)

NOTE 13 OTHER INCOME AND EXPENSES

Other income and expenses will largely consist of material positive and negative non-recurring items, restructuring costs and any substantial write-downs of both tangible and intangible assets. The main purpose of this line is to present material non-recurring items and items substantially relating to other periods separately to ensure that the changes in and comparability of the lines presented in EBIT (adj.) are more relevant to the company. M&A costs relating to acquired businesses and special IFRS effects are expensed here as and when they arise.

The most important items are disclosed in Note 1.

Amounts in NOK million		2014
One-off contractual termination fee related to the Unilever agreement		**279**
M&A costs and integration costs		**(156)**
Severance settlements of employment contracts		**(186)**
Expenses and write-downs fixed assets relocation Boyfood		**(13)**
Dispute regarding use of trademark		**(15)**
Costs and write-downs regarding closure of operations in Leknes, Norway		**(14)**
Reversal environment provision Kotlin, Poland		**5**
Total		**(100)**
Of this:	Write-down property, plant and equipment	**(16)**
	Write-down intangible assets	**-**

Amounts in NOK million		2013
M&A costs and integration costs		(191)
Special IFRS effects		(46)
Severance settlements of employment contracts		(147)
Write-down trademark and goodwill in Orkla Foods Danmark (Pastella)		(48)
Restructuring Orkla Foods Sverige and Orkla Foods Danmark		(20)
Outsourcing IT management Orkla Shared Services		(41)
Total		(493)
Of this:	Write-down property, plant and equipment	-
	Write-down intangible assets	(48)

Amounts in NOK million		2012
M&A costs		(79)
Special IFRS effects		(22)
Gain on disposal of Salvesen & Thams		44
Restructuring Orkla Foods Sverige and Orkla Foods Danmark		(55)
Property tax in AS Saudefaldene for previous periods		(19)
Final settlements Group and Financial Investments		(43)
Write-down property, plant and equipment in Denomega (continued from 2011)		(6)
Total		(180)
Of this:	Write-down property, plant and equipment	(22)
	Write-down intangible assets	-

Further information on provisions is provided in Note 21.

NOTE 14 FINANCE INCOME AND FINANCE COSTS

Finance income and finance costs mainly consist of interest income and interest expense relating to the Group's total financing. The net unhedged exchange rate effects of the Group's receivables and liabilities in foreign currencies will also be reported as net foreign currency gains/losses. Gains or losses on hedging may result from the fact that hedges are not 100% effective. Any gains or losses on securities not reported under the item "Shares and financial assets" will be included in "Finance income and finance costs". Borrowing costs for internally generated tangible assets are capitalised together with the asset.

Amounts in NOK million	2014	2013	2012
Interest income	**38**	75	176
Other finance income	**14**	6	18
Total finance income	**52**	81	194
Interest costs	**(330)**	(417)	(535)
Capitalised interest costs	**2**	-	5
Change in fair value recognised as finance costs	**(73)**	-	-
Net foreign currency loss	**-**	(1)	(12)
Interest pensions	**(49)**	(48)	(40)
Other finance costs	**(58)**	(71)	(57)
Total finance costs	**(508)**	(537)	(639)
Net finance costs (A)	**(456)**	(456)	(445)
Reconciliation against cash flow:			
Change in accrued interest etc.	**(11)**	18	(12)
Interest pensions not cash flow effect	**49**	48	40
Interest pensions in discontinued operations not cash flow effect	**-**	4	3
Change in fair value recognised as finance costs	**73**	-	-
Book value of sold shares	**20**	-	-
Foreign currency gain/loss share portfolio	**(1)**	(28)	86
Total, see cash flow statement (B)	**130**	42	117
Paid financial items (A+B)	**(326)**	(414)	(328)
Paid financial items in discontinued operations	**-**	(37)	(44)
Paid financial items in cash flow (see Note 40)	**(326)**	(451)	(372)

NOTE 15 TAXES

Taxes refer to the authorities' taxation of the profit of the different companies in the Group. Value added tax, social security contributions and similar indirect taxes are thus not included in "taxes". The total tax expense is computed on the basis of accounting profit/loss and is broken down into current taxes and change in deferred tax liability. Deferred tax liability is the result of temporary differences between financial accounting and tax accounting.

Amounts in NOK million	2014	2013	2012
Profit/loss before tax	2 872	2 858	3 896
Current tax expense	(585)	(505)	(690)[1]
Deferred tax expense	(103)	(59)	9
Total tax expense	(688)	(564)	(681)
Tax as % of "Profit/loss before taxes" from continuing operations	24%	20%	17%

[1]Current tax expense includes a reduction in current taxes related to previous years, amounting to NOK 71 million related to a settled tax case.

Reconciliation of the Group's tax rate

In the following table, reported taxes are reconciled with the tax expense based on the Norwegian tax rate of 27% (28% in 2013 and 2012). The main tax components are specified.

Amounts in NOK million	2014	2013	2012
Norwegian tax rate on profit before taxes	(775)	(800)	(1 091)
Foreign operations with tax rates other than Norwegian tax rate	117	88	68
Changes in tax laws	2	20	65
Associates and joint ventures	32	1	116
Derecognition deferred tax divested subsidiaries	-	-	15
Write-down of shares within the TEM[1, 2]	(7)	(27)	(181)
Dividends within the TEM[1, 2]	10	73	60
Gains/losses on shares within the TEM[1, 2]	40	153	324
Other nondeductible expenses	(29)	(38)	(90)
Asymmetry tax on interest on loan to Orkla Brands Russia	(29)	-	-
Other taxes payable	(50)	(29)	(24)
Recognised deferred tax assets this year, prev. unrecognised	15	8	-
Write-down of previously recognised deferred tax assets	-	(7)	-
Unrecognised deferred tax assets, this year	(14)	(6)	(13)
Correction previous years' taxes	-	-	70
The Group's total tax expense	(688)	(564)	(681)

[1]TEM = Tax Exemption Method
[2]Includes the share portfolio NOK 39 million in 2014 (NOK 148 million in 2013 and NOK 314 million in 2012).

Orkla's tax base in Norway, Sweden and Denmark is substantial. The ordinary tax rate for companies domiciled in Norway was reduced from 28% to 27%, effective from 2014. The Norwegian company tax rate has been stable at 28% throughout the period 1992-2013. Limitations were imposed on the deduction for intra-Group interest expenses in Norway as from 2014. In the course of 2014, Orkla adapted its capital structure and will obtain a full deduction for internal interest expenses in 2014. Company tax rates in Finland and Denmark were also reduced, from 24.5% and 25% to 20% and 24.5%, respectively, in 2014. The effects of the reduced tax rates on the temporary differences at the start of the year were recognised already in 2013. At that time, net tax liabilities in Norway, Finland and Denmark were reduced by a total of NOK 20 million (primarily Norwegian tax).

Orkla's operations in countries with tax rates other than 27% make a net contribution towards reducing tax expense. In 2014, the effect of this contribution was a reduction of NOK 117 million in tax expense, of which the Swedish subsidiaries account for just under NOK 50 million.

Profit from associates and joint ventures are recognised on an after-tax basis and thus do not impact the Group's tax expense, but thereby have a positive effect on the effective tax rate.

The Group has gains, losses and dividends covered by the tax exemption method which are not subject to normal taxation or deduction, but for which 3% of net profit or loss is recognised in the income statement. This applies, in particular, to shares and financial assets. Shares and financial assets contribute to reducing the effective tax rate.

Unrecognised deferred tax assets in 2014 mainly relate to tax deficits in Orkla Food Ingredients in Italy and a former Borregaard company in Switzerland where operations have been closed down, but where the associated properties are being sold off. The recognition of deferred tax assets unrecognised in previous years mainly relate to Orkla Food Ingredients' company in Romania and not 100%-owned companies in the Dragsbæk Group in Denmark.

The Group operates in certain industries that are subject to special tax regimes in Norway (hydropower tax regime).

Deferred tax liabilities

Deferred tax liabilities consists of the Group's tax liabilities that are payable in the future. The table below lists deferred tax assets and liabilities relating to the temporary differences between the carrying amount of an asset or liability and its tax base.

The table shows the composition of the Group's deferred tax, and indicates as such when deferred taxes are payable.

Amounts in NOK million	2014	2013
Deferred tax on temporary differences		
Hedging reserve in equity	(138)	(86)
Intangible assets	907	912
Property, plant and equipment	196	249
Net pension liabilities	(201)	(162)
Gain and loss tax deferral	322	312
Other non-current items	222	167
Total non-current items	1 308	1 392
Accumulated write-downs of shares outside the TEM[1]	(3)	(3)
Current receivables	(8)	(79)
Inventories	6	14
Provisions	(172)	(116)
Other current items	(40)	(6)
Total current items	(217)	(190)
Tax losses carried forward	(237)	(309)
Net deferred tax asset/deferred tax liabilities	854	893
Deferred tax hydro power tax regime[2]	(23)	(22)
Deferred tax assets, not recognised	231	305
Net deferred tax liabilities	1 062	1 176
Change in deferred tax	114	(245)
Deduction of change in deferred tax discontinued operations	(8)	21
Change in deferred tax continuing operations	106	(224)
Change in deferred tax unrealised gains taken to comprehensive income	(1)	(29)
Change in deferred tax hedging reserve taken to comprehensive income	(52)	28
Change in deferred tax actuarial gains and losses pensions taken to comprehensive income	(39)	11
Acquisitions/sale of companies etc.	32	330
Translation effects	(149)	(175)
Change in deferred tax income statement	(103)	(59)

[1]TEM = Tax Exemption Method
[2]Deferred tax liabilities and deferred tax assets related to hydro power taxes have been recognised gross for each power plant.

Net deferred tax presented in statement of financial position

Amounts in NOK million	2014	2013
Deferred tax liabilities	1 161	1 210
Deferred tax assets	99	34
Net deferred tax	1 062	1 176

Losses carried forward by expiry date

Amounts in NOK million	2014	2013
2014	-	137
2015	576	601
2016	71	38
2017	36	33
2018	9	20
2019	22	2
2020	5	5
2020 or later	65	299
Without expiry date	240	247
Total tax losses carried forward	1 024	1 382

Tax losses carried forward totalling NOK 1,024 million constitute a deferred tax asset of NOK 237 million, of which only NOK 10 million has been recognised. Unrecognised tax losses carried forward amount to NOK 984 million. A total of NOK 210 million of these have no expiry date, NOK 54 million expire from 2021 onwards, NOK 36 million expire in the period 2018-2020 and NOK 683 million expire in the period 2015-2017.

Deductible temporary differences with corresponding deferred tax assets

Amounts in NOK million	Deductible temporary differences	Recognised deferred tax assets	Un-recognised deferred tax assets	Total deferred tax assets
Tax losses carried forward by country				
Switzerland	633	-	158	158
Other Southern Europe	81	-	22	22
Ireland	70	-	9	9
Denmark	61	3	12	15
Other Eastern Europe	45	-	9	9
The Baltics	39	-	5	5
Romania	31	-	5	5
UK	20	2	2	4
Sweden[1]	13	2	1	3
Others	31	3	4	7
Total	**1 024**	**10**	**227**	**237**
Other deductible temporary differences	1 802	483	4	487
Total deductible temporary differences	**2 826**	**493**	**231**	**724**
Netted deferred tax	(1 550)	(394)	-	(394)
Net deductible temporary differences	**1 276**	**99**	**231**	**330**

[1]Concerns tax losses carried forward blocked for utilisation in the Swedish tax group until 2019.

A provision of NOK 24 million has been made for tax liability on retained profit in Estonia, and a provision has been made for withholding tax on retained profit in associates.

Deferred tax assets are only capitalised to the extent that it is probable that there will be sufficient future taxable profit for the tax asset to be used, either because the unit recently reported a profit or because assets with excess value have been identified. If there are not likely to be future profits sufficient to absorb the deductible temporary differences, deferred tax assets are not recognised. Borregaard's former production companies in Switzerland (which are now part of Orkla Eiendom) have substantial deductible temporary differences that have not been recognised.

The Norwegian, Swedish and Finnish tax groups have utilised all available tax losses carried forward and were liable to tax in 2014.

Tax ownership of power plant

In 2011, in appeal proceedings instituted by Statkraft, it was claimed that Aktieselskapet Saudefaldene was the owner for tax purposes of the Sønnå Høy power plant, which Saudefaldene built in the Saudavassdraget river system, and which it utilises along with other plants and installations in accordance with the lease agreement with Statkraft. Orkla owns 85% of Saudefaldene. Saudefaldene submitted a writ of summons against the Norwegian government, claiming that the decision handed down in December 2011 must be ruled invalid. This legal action has been suspended pending a final decision on the amendment of Saudefaldene's tax assessment. In 2014, a decision was made on Saudafaldene's appeal with the conclusion that the company is deemed to be the owner of Sønnå Høy for tax purposes. A writ of summons has also been submitted against this appeal decision, and the case is expected to come before the District Court in the summer of 2015. No decision has yet been made on the amendment of Saudefaldene's tax assessment with regard to property tax in this case. As part of the same case, a writ of summons has also been submitted against Sauda municipality with the argument that Saudefaldene cannot be required to pay property tax for Sønnå Høy. Odda municipality has similarly filed a writ of summons against Saudefaldene, arguing that the company is liable for property tax for Sønnå Høy. In addition, similar appeal proceedings are currently in progress in Odda municipality. This because Sønnå Høy consists of installations in three municipalities. So far, a total of around NOK 55 million in property tax has been paid for Sønnå Høy for the period 2010-2014.

NOTE 16 EARNINGS PER SHARE

Earnings per share are one of several indicators that can be used in financial analyses to assess a company's performance. This key figure shows how much the profit or loss for the period amounts to per share and is calculated by dividing the profit or loss for the period after non-controlling interests by the average number of shares outstanding.

Earnings per share are calculated on the basis of profit for the year after non-controlling interests. As a result of the Orkla Group's option programme (see Note 10), outstanding shares may be diluted when options are exercised. In order to take into account this future increase in the number of shares outstanding, diluted earnings per share are calculated in addition to basic earnings per share. In this calculation, the average number of shares outstanding is adjusted to take into account the estimated diluting effect of the option programme.

Amounts in NOK million	2014	2013	2012
Profit/loss for the year after non-controlling interests for continuing operations	2 144	2 237	3 215
Profit/loss/gains discontinued operations	(485)	(1 547)	(1 581)
Profit/loss for the year after non-controlling interests	1 659	690	1 634
Weighted average of number of shares outstanding	1 016 375 397	1 012 284 074	1 011 722 749
Estimated dilution effect option programme	1 419 517	1 027 629	47 713
Weighted average of number of shares outstanding diluted	1 017 794 914	1 013 311 703	1 011 770 462

Amounts in NOK	2014	2013	2012
Earnings per share	1.63	0.68	1.61
Earnings per share diluted	1.63	0.68	1.61
Earnings per share diluted for discontinued operations	(0.48)	(1.53)	(1.57)
Earnings per share diluted for continuing operations	2.11	2.21	3.18

NOTE 17 IMPAIRMENT ASSESSMENTS

The value of long-term capitalised assets will largely be based on discretionary assessment and estimates. It is important that the financial statement users are familiar with the assumptions that apply to the valuation of these assets and the way the Group assesses future earnings. There will be particular focus on assets that are not initially depreciated or amortised. In the Orkla Group's financial statements, this will largely concern goodwill and trademarks with an indefinite useful life.

Routine monitoring of non-current assets

The Orkla Group has material non-current assets in the form of both tangible (property, plant and equipment) and intangible assets. An explanation of the details of and changes in these assets is presented in Note 18 and Note 19. The Group also has other non-current assets that mainly consist of investments in companies recognised using the equity method. These are disclosed in Note 7 and are not covered in the description below.

Estimate uncertainty, in some cases considerable, attaches to property, plant and equipment and intangible assets. Both valuation and estimated useful life are based on future information that is always subject to a certain degree of uncertainty.

Tangible assets (property, plant and equipment) are initially capitalised at acquisition cost and, if they have a limited useful life, will be systematically depreciated over that period. Account is taken of residual value. Useful life and residual value are based on estimates of future development.

The uncertainty is perhaps greatest where intangible assets are concerned. These assets have no direct "cost price", and their value is primarily derived from the Group's own valuations and has generally been capitalised in connection with the Group's acquisition of a new business. Goodwill is to be regarded as a residual in the same acquisition. Consequently, the total of all excess value, including goodwill related to the acquisitions is basically to be regarded as the market value (fair value) of the total net assets, and the breakdown by various types of assets (liabilities) is based on this total.

The Orkla Group routinely monitors assets and if there are indications that the value of an asset is no longer recoverable, an impairment test will immediately be carried out to determine whether the asset can still justify its carrying value. If new estimates conclude that the value is no longer recoverable, the asset is written down to the recoverable amount, i.e. the greater of the net sales value and the value in use (discounted cash flow).

Due to continued low power prices and the current tax case (see Note 15), the valuation of the Sauda power plants has also been updated. The valuation is based on future estimates of power prices and contract-based production in the lease period, as well as on the value at the time the plants are returned to Statkraft. The WACC applied reflects lower risk than for other Group companies. The assessment carried out justifies the Group's investment in Saudefaldene.

Apart from the loss on the divestment of the Russian business, no impairments in value were found in the Group in 2014.

Assets with an indefinite useful life

Goodwill and intangible assets with an indefinite useful life are not amortised on a regular basis. These assets are therefore tested at least annually for impairment. At Orkla, impairment testing is carried out in the third quarter. If there are special indications of a reduction in value, impairment testing is carried out more frequently (see above). Cash flows relating to the assets are identified and discounted. Future cash flow is based on specified assumptions (see separate table in this note) and the plans adopted by the unit. If the discounted value of future cash flows is lower than the capitalised value of the unit's capital employed, the assets are written down to the recoverable amount. If the discounted value is higher than the capital employed, this means that the value of the intangible asset or goodwill is recoverable. In cases where the discounted value exceeds the capital employed by less than 20%, a further sensitivity analysis is carried out to check the calculation. Where relevant, assumptions and estimates are reviewed and the robustness of the investment is measured in relation thereto. Alternatively, the sales value of the asset will be calculated to determine whether it justifies maintaining the carrying value.

Trademarks with an indefinite useful life are tested for impairment by discounting estimates of the future sales value of the trademark and measuring them against the trademark's carrying value. This process is based on a model whereby the trademark's discounted value is calculated on the basis of a percentage rate that indicates the strength of the trademark. This strength was assumed at the time of acquisition and is basically maintained in the impairment testing.

The table below shows the most important goodwill and trademarks. Capitalised items in foreign currencies mainly increased from 2013 to 2014 due to the weakening of the Norwegian krone against the respective currencies (see Note 18).

	Goodwill		Trademarks	
Amounts in NOK million	2014	2013	2014	2013
Orkla Foods Norge	3 344	3 369	1 260	1 260
Orkla Foods Sverige	1 389	1 364	-	-
Orkla Confectionery & Snacks Norge	510	510	201	201
Orkla Confectionery & Snacks Sverige	831	821	378	373
KiMs, Denmark	533	492	369	342
Orkla Confectionery & Snacks Finland	535	495	660	612
Orkla Health	1 005	948	482	436
Lilleborg	337	337	170	170
Orkla House Care	233	233	90	90
MTR Foods	288	241	109	91
Gränges	-	1 236	-	-
Others	1 286	1 314	106	100
Total	10 291	11 360	3 825	3 675

Cash-generating units

A cash-generating unit (CGU) is the lowest level at which independent cash flows can be measured. The highest level of a CGU will in any event be a reported segment. None of the reported segments as at 31 December 2014 constituted a separate CGU. Some of the operations in Orkla Foods are in companies that have been part of the Group for a very long time. No capitalised intangible assets are associated with these companies, as was the case for the former Stabburet in Orkla Foods Norge. Since the acquisition of Rieber & Søn, the situation has changed. Rieber & Søn Norge has been fully integrated into Orkla Foods Norge, and excess value associated with the acquisition must be justified by the unit as an aggregate. The same situation applies to the Rieber & Søn businesses that were taken over in Sweden (Frødinge integrated into Orkla Foods Sverige) and Denmark (Rieber & Søn Danmark integrated into Orkla Foods Danmark). Here, too, the excess value must be justified by the aggregate units. Orkla Foods Sverige (formerly Procordia and Abba Seafood) was acquired in 1995, and goodwill associated with these operations was amortised by 1/20 per year in the period from the acquisition to 1 January 2004 when the Group switched to reporting under IFRS. This means that the original goodwill from these acquisitions has been approximately halved in relation to the acquisition cost.

The business structure of Orkla Confectionery & Snacks has been organised as one company per country. This means that the impairment of goodwill will be tested at this level. The new test level is higher than under the former structure.

In Orkla Home & Personal, Lilleborg has been in the Group for a long time. Since the acquisition of Jordan, the situation has changed, and Jordan (excl. House Care) has been fully integrated into Lilleborg. The excess value associated with the acquisition must be justified by the new unit as an aggregate.

The same situation applied to acquisitions made in Orkla Health in 2005 and 2006 (Collett Pharma and Dansk Droge). It was impossible to identify the different cash flows because the new units were extensively integrated into the existing operations. The units in Orkla Health are therefore tested for impairment on an aggregate basis, and integration with the units that were already part of Orkla prior to the acquisition generate an aggregate return well above the required rate. Orkla Health is part of Orkla Home & Personal.

Orkla Food Ingredients consists of many different units, which are mainly separate CGUs and are tested individually. Around 20 CGUs are tested.

Orkla Eiendom has in the past acquired and sold real estate companies. The remaining portfolio mainly consists of Capto Eiendom (formerly FG Eiendom). Most of the excess value arising from this acquisition has been allocated to property, plant and equipment and associates.

Trademarks

In the case of trademarks, a new organisational structure will normally not change the possibility of measuring the strength of the various trademarks. The trademarks continue to exist in the new organisation and, in most cases, it will be possible to identify them in future. The value of a trademark will be dynamic and new products launched under the trademark in question will help to maintain the value of the trademark.

Budget assumptions

The branded consumer goods business is basically relatively stable in terms of market fluctuations. Future cash flows are estimated on the basis of a number of assumptions. This applies both to factors such as assumptions concerning economic trends and factors such as the estimated useful life of important trademarks. Cash flow estimates are sensitive to changes in raw material prices and thereby other purchase prices and the associated ability to maintain margin assumptions and market shares. Future cash flows are estimated on the basis of the budget for next year and the following two forecast years. As from year four a terminal value is calculated. The largest cash-generating units (CGUs) are shown in a separate table, by segment. The main companies in each segment are presented and the main factors on which the impairment tests are based are summed up. The CGUs operate in different markets, and the table is intended to provide an overview of the primary drivers. See also the separate brand table in Note 18 for an overall picture of trademarks that have been capitalised, capitalised through goodwill and not capitalised.

Discount rate

The discount rate applied is based on the Group's cost of capital, which is estimated to be 8.7% before tax, based on a weighted average of required rates of return for the Group's equity and debt (WACC). The required rate of return on the Group's equity is estimated by using the capital asset pricing model (CAPM). The required rate of return on debt is estimated on the basis of a long-term risk-free interest rate to which is added a credit margin derived from Orkla's marginal long-term borrowing rate. The discount rate is adjusted for country risk, the level of inflation and operational risk, depending on the particular value being calculated.

Sensitivity

The largest trademarks and goodwill items are related to businesses that are developing well. Since the reorganisation in 2013, especially in Orkla Confectionery & Snacks, trademarks and goodwill will be tested at a higher level in several cases. Trademarks will be tested for impairment regardless of the reorganisation.

The Panda brand was recognised at EUR 44 million in Orkla Confectionery & Snacks. The brand has delivered a slightly negative performance in the past year, and several measures have been taken to strengthen the value of the brand. The impairment test that was carried out justifies the brand's value based on current assumptions about the future.

No trademarks or goodwill items were written down in 2014.

Key assumptions for estimating future performance

	Orkla Foods			Orkla Confectionery & Snacks (OC&S)		
Amounts in NOK million	Units	Goodwill	Trademarks	Units	Goodwill	Trademarks
Units in segment	Orkla Foods Norge	3 344	1 260	OC&S Norge	510	201
	Orkla Foods Sverige	1 389	-	OC&S Sverige	831	378
	Orkla Foods Danmark	90	-	KiMs, Danmark	533	369
	Orkla Foods Finland	92	2	OC&S Finland	535	660
	Orkla Foods International	288	109	Baltics	-	56
	Orkla Foods Others	228	40			
	Total	5 431	1 411	Total	2 409	1 664
Total capital employed	As at 31 December 2014	10 301		As at 31 December 2014	5 513	
EBIT (adj.)	Full year 2014	1 488		Full year 2014	693	
Factors that affect the discount rate	Operate largely in the Nordic and Baltic markets, low industry risk and budget in NOK, SEK, DKK, EUR. Orkla Foods has also operations in Austria, Czech Republic and India.			Operate largely in the Nordic and Baltic markets, low industry risk and budget in NOK, SEK, DKK, EUR.		
Raw material prices are estimated on the basis of the market situation at the time of calculation	Key raw materials: sugar & salt (incl. sweeteners, etc.), meat and eggs, dairy products, fruit and berries, glass and metal packaging, marine raw materials			Key raw materials: sugar, salt, potatoes, nuts, cocoa, flour, vegetable oil		
Production site	Production is carried out in the Nordics, Baltics, Austria, Czech Republic and India.			Production is largely carried out in the Nordics and Baltics. Goods manufactured under licence are imported.		
Contribution margin is based on past performance, adjusted for future expectations	Contribution margin is affected by retail chain price negotiations and raw material prices that on the whole are expected to remain stable.			Contribution margin is affected by retail chain price negotiations and raw material prices that on the whole are expected to remain stable.		
Customisation and ability to develop products in collaboration with customers	Orkla Foods follows consumer trends and has a high innovation rate – growth is expected in existing segments.			OC&S follows consumer trends and has a high innovation rate – growth is expected in existing segments.		
Market shares	Budgets assume stable market shares in the short and long term.			Budgets assume stable market shares in the short and long term.		
Economic conditions	Markets and sales are expected to remain normal – Orkla Foods is generally little affected by the economic situation.			Markets and sales are expected to remain normal – OC&S is generally little affected by the economic situation.		
Terminal value	Growth rate equal to inflation in the countries in which the businesses operate (range 1.5–3%).					

	Orkla Home & Personal			Orkla Food Ingredients (OFI)		
Amounts in NOK million	Units	Goodwill	Trademarks	Units	Goodwill	Trademarks
Units in segment	Lilleborg	337	170	KåKå	143	-
	Orkla Health	1 005	482	Idun	195	-
	Pierre Robert Group	-	5	Credin	217	-
	Lilleborg Profesjonell	18	-	Odense	139	-
	Orkla House Care	233	90	Others	229	3
	Total	1 593	747	Total	923	3
Total capital employed	As at 31 December 2014	3 768		As at 31 December 2014	2 660	
EBIT (adj.)	Full year 2014	852		Full year 2014	345	
Factors that affect the discount rate	Operate largely in the Nordic markets and the Baltics and Poland, low industry risk and budget in NOK, SEK, DKK, EUR.			Operate in several countries. Budget in local currency. Moderate industry risk.		
Raw material prices are estimated on the basis of the market situation at the time of calculation	Key raw materials: plastic packaging, polyester, crude oil, fish oil, soybeans, cotton and wool			Key raw materials: vegetable oil, butter, molasses, sugar and flour		
Production site	Own production mainly in Norway and the Nordics, as well as China for Orkla House Care and Malaysia for the part of Jordan included in Lilleborg. Pierre Robert largely purchases its production from Italy and China.			Own production mainly in Scandinavia. Other production in the Netherlands and at certain production units in Central and Eastern Europe.		
Contribution margin is based on past performance, adjusted for future expectations	Contribution margin is affected by innovations, productivity, retain chain price negotiations and raw material prices that on the whole are expected to remain stable or rise slightly.			Contribution margin is affected by companies' competitive strength in delivery of products and services. This strength is supported by ability to develop good "cost in use" products. OFI seeks to offset raw material cost changes in customer markets.		
Customisation and ability to develop products in collaboration with customers	Orkla Home & Personal follows consumer trends and has a high innovation rate – growth is expected in existing segments.			OFI follows consumer trends and collaborates closely with its customers who are manufacturers and suppliers. This collaboration will be further strengthened.		
Market shares	Budgets assume stable market shares in the short and long term.			Budgets assume gently rising market shares going forward.		
Economic conditions	Markets and sales are expected to remain normal – Orkla Home & Personal is generally little affected by the economic situation.			Markets and sales are expected to remain normal in Scandinavia. However, OFI's markets in Central and Eastern Europe are more affected by the economic downturn.		
Terminal value	Growth rate equal to inflation in the countries in which the businesses operate (range 1.5–3%).					

NOTE 18 INTANGIBLE ASSETS

Intangible assets and goodwill are non-physical assets that have largely been capitalised in connection with the acquisition of a company. Intangible assets classified as non-amortisable have an indefinite useful life and it is impossible on the balance sheet date to foresee when the asset will cease to have value. Goodwill is not regularly amortised either. Other intangible assets are amortised over their useful life. Amortisation is reported on a separate line in the income statement. Expenses relating to product development are expensed as and when they are incurred. IT consists of customised software and will differ from other intangible assets in terms of the need for reinvestment. Amortisation of IT is therefore included in "Depreciation property, plant and equipment" in the income statement. Intangible assets with an indefinite useful life and goodwill are tested for impairment at least once a year. If there is any indication of a reduction in value in the course of the year for all types of immaterial assets and goodwill, the recoverable amount is calculated and the asset will, if relevant, be written down to its value in use. Intangible assets and goodwill will be subject to considerable estimation uncertainty.

Amortisable intangible assets are amortised on a straight line basis at the following rates: trademarks 10–20% and IT 16–33%. Intangible assets are broken down by segments in Note 8 and significant goodwill items and trademarks are presented in Note 17.

Amounts in NOK million	Trademarks, not amortisable	Trademarks, amortisable	Other intangible assets	IT	Goodwill	Total
Book value 1 January 2013	2 368	30	143	138	7 269	**9 948**
Investments	3	1	1	26	-	**31**
Reclassifications[1]	-	-	-	5	-	**5**
Companies acquired[2]	1 216	-	-	26	3 737	**4 979**
Disposals/Discontinued operations	(1)	-	-	-	(1)	**(2)**
Amortisations	-	(6)	(15)	(48)	-	**(69)**
Write-downs	(107)	-	-	-	(306)	**(413)**
Translation differences	196	1	20	11	661	**889**
Book value 31 December 2013	3 675	26	149	158	11 360	**15 368**
Investments	-	-	-	111	1	**112**
Reclassifications[1]	(2)	-	(4)	7	(24)	**(23)**
Companies acquired[2]	31	-	13	-	-	**44**
Disposals/Discontinued operations	-	-	-	(8)	(1 336)	**(1 344)**
Amortisations	(1)	(5)	(17)	(54)	-	**(77)**
Write-downs	-	-	-	-	-	**-**
Translation differences	122	2	2	3	290	**419**
Book value 31 December 2014	3 825	23	143	217	10 291	**14 499**
Initial cost 1 January 2014	3 805	71	1 120	487	14 230	**19 713**
Accumulated amortisations and write-downs	(130)	(45)	(971)	(329)	(2 870)	**(4 345)**
Book value 1 January 2014	3 675	26	149	158	11 360	**15 368**
Initial cost 31 December 2014	3 893	76	1 108	615	12 314	**18 006**
Accumulated amortisations and write-downs	(68)	(53)	(965)	(398)	(2 023)	**(3 507)**
Book value 31 December 2014	3 825	23	143	217	10 291	**14 499**

[1]Net reclassifications relate to figures transferred from Note 19.
[2]See Note 6 for information about acquisitions of companies.

In addition, the Orkla Group expensed NOK 256 million in 2014 in research and development costs (NOK 128 million in 2013).

MARKET POSITIONS IN THE NORDIC GROCERY MARKET FOR BRANDED CONSUMER GOODS

In addition to the items presented in the table for intangible assets, the Group owns several trademarks that have not been capitalised. These are proprietary trademarks which, under accounting rules, may not be capitalised. These trademarks are presented in the table as "A". When the transition was made to IFRS in 2005, goodwill that had already been capitalised could be maintained and part of the goodwill indirectly represents trademarks. These trademarks are presented as "B" in the table. Capitalised trademarks are trademarks that are either directly acquired, or indirectly acquired through purchase price allocations in the acquisition analysis. They are presented as "C" in the table. The classification in the note is based on management's discretionary judgement.

As at 31 December 2014, the Group also had trademark positions in India (MTR Foods), Russia (Chaka), Czech Republic (Vitana), Austria (Felix Austria) and Estonia (Kalev).

Overview of Branded Consumer Goods' market positions in the Nordic region

	NORWAY			SWEDEN			DENMARK			FINLAND		
PRODUCTS	Major brands	P	R	Major brands	P	R	Major brands	P	R	Major brands	P	R
Frozen pizza	Grandiosa, Big One, Originale	●	A	Grandiosa	●	B		○		Grandiosa	◑	B
Ketchup	Idun	●	A	Felix	●	B	Beauvais	◑	B	Felix	●	B
Jam and marmalade	Noras hjemmelagede, Noras rørte, Nora	●	A	Felix, Ônos, BOB	●	B	Den Gamle Fabrik	●	B	Ekströms	◔	B
Preserved vegetables	Nora	●	A	Ônos, Felix	●	B	Beauvais	●	B	Felix	●	B
Dressings	Idun	●	A	Felix	●	B	Beauvais	◑	B	Felix	●	B
Herring		○		Abba	●	B	Glyngøre	◔	B	Boy, Ahti, Abba	●	B, C
Cod roe spread		○		Kalles Kaviar	●	B		○		Kalles Kaviar	●	B
Cordials/soft drinks (non-carbonated)	Fun Light, Nora, Gøy	◑	A	Fun Light, Ekströms, BOB	●	B, C		○		Fun Light, Ekströms	◔	B
Fresh pasta		○		Felix	◔	A	Pastella	●	A	Pastella	◔	A
Dry and wet goods (casserole, sauce and soup)	Toro	●	C	Abba	●	A	Nemfisk og Bähncke	◑	A		○	
Snacks	KiMs, Polly, Cheez Doodles	◑	C	OLW, Cheez Doodles	●	C	KiMs	●	C	Taffel	●	C
Biscuits	Café Bakeriet, Bixit, Safari, Ballerina	●	A	Ballerina, Brago, Singoalla	●	B		○		Ballerina	◔	B
Confectionery	Stratos, Smash, Nidar Favoritter	◑	A		○			○		Panda	◔	C
Detergents	JiF, Omo, Sun, Zalo	●	A		○			○			○	
Personal care products	Define, Lano, Jordan, Dr. Greve	●	A, C	Jordan	◔	C	Jordan	◔	C	Jordan	◔	C
Dietary supplements	Möller's, Nutrilett, Collett	●	A, C	Nutrilett, Pikasol, Litomove	●	C	Gerimax, Livol, Futura, Pikasol	●	C	Möller's, Nutrilett, SanaSol	◑	A,C
Textiles	Pierre Robert, LaMote	●	C, A	Pierre Robert, LaMote	◑	C, A		○			○	
House Care[1]	Jordan	●	C	Anza	●	A	Spekter	●	A	Anza	◑	A
Yeast	Idun Gjær	●	A	Kronjäst	●	B		○			○	
Marzipan	Odense	●	B	Odense	◑	B	Odense	●	B		○	
Margarine		○			○		AMA Margarine, Dragsbæk Oliemargarine	◔	B		○	

[1]Painting tools for specialised retailers.

P = Position: ● STRONG no. 1, clearly stronger than no. 2, ◑ GOOD no. 1 or no. 2 equivalent in size to no. 1, ◔ PRESENT no. 2 or weaker, clearly weaker than no. 1, ○ NOT PRESENT in the market

R = Accounting treatment: A - Not capitalised, B - Capitalised through goodwill, C - Capitalised

NOTES GROUP / STATEMENT OF FINANCIAL POSITION ITEMS

NOTE 19 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are various types of assets that are necessary for the Group's operating activities. Unless there are significant changes in operating parameters, these assets will largely necessitate corresponding reinvestment over time. They comprise such items as land, buildings, plants, machinery, fixtures and fittings, IT equipment and vehicles. Assets that have an indefinite useful life (such as property) are not depreciated, while other assets are depreciated over their remaining useful life, taking into account their residual value. If there are indications of a decline in the value of a specific asset, the recoverable value is calculated and if it is lower than the asset's sales value or value in use, the asset is written down. Annual ordinary depreciation is an indication of the extent of the need for corresponding reinvestment.

Property, plant and equipment are depreciated on a straight line basis at the following rates: buildings 2–4%, machinery, fixtures and fittings 5–15%, vehicles 15–25% and IT equipment 16–33%. The period of depreciation is reviewed each year and if there are changes in useful life, depreciation is adjusted. The residual value is also calculated and if it is higher than the carrying value, depreciation is stopped. This applies in particular to buildings. The table below covers both directly acquired assets and assets acquired through the allocation of excess value in connection with the purchase of a business. Property, plant and equipment are broken down by segments in Note 8.

Amounts in NOK million	Land, buildings and other property	Machinery and plants	Assets under construction	Fixtures, fittings, vehicles, IT etc.	Total
Book value 1 January 2013	4 666	3 853	652	430	**9 601**
Investments	156	407	445	177	**1 185**
Disposals/scrapping	(369)	(16)	(111)	(5)	**(501)**
Reclassifications[1]	(23)	(21)	49	(19)	**(14)**
Companies acquired	1 205	382	9	40	**1 636**
Sold companies/Discontinued operations[2]	221	15	(20)	12	**228**
Transferred assets under construction	88	338	(501)	75	**0**
Write-downs	(23)	(3)	-	(1)	**(27)**
Depreciations	(204)	(665)	-	(167)	**(1 036)**
Translation differences	229	298	28	24	**579**
Book value 31 December 2013	5 946	4 588	551	566	**11 651**
Investments	102	421	319	73	**915**
Disposals/scrapping	(30)	(17)	-	(2)	**(49)**
Reclassifications[1]	(21)	(3)	-	(1)	**(25)**
Companies acquired	38	2	-	-	**40**
Sold companies/Discontinued operations[3]	(809)	(1 217)	(95)	(66)	**(2 187)**
Transferred assets under construction	52	129	(210)	29	**-**
Write-downs	(26)	(14)	-	-	**(40)**
Depreciations	(187)	(525)	-	(145)	**(857)**
Translation differences	61	3	(21)	(7)	**36**
Book value 31 December 2014	5 126	3 367	544	447	**9 484**
Initial cost 1 January 2014	8 006	11 307	551	2 485	**22 349**
Accumulated depreciation and write-downs	(2 060)	(6 719)	-	(1 919)	**(10 698)**
Book value 1 January 2014	5 946	4 588	551	566	**11 651**
Initial cost 31 December 2014	7 085	10 374	544	1 816	**19 819**
Accumulated depreciation and write-downs	(1 959)	(7 007)	-	(1 369)	**(10 335)**
Book value 31 December 2014	5 126	3 367	544	447	**9 484**

[1]Net reclassifications relate to figures transferred to Note 18 (NOK 23 million) and Note 20 (NOK -48 million).
[2]Mainly concerns the transfer of the property, plant and equipment between Sapa (JV) and Gränges.
[3]Mainly concerns Gränges and Orkla Brands Russia.

See Note 36 for disclosures of security and mortgages related to the Group's property, plant and equipment.

NOTE 20 INVENTORIES

The Group's inventories are specified in terms of type of goods, and the break-down by business area is shown in the segment reporting. Inventories comprise the Group's stocks of raw materials, work in progress, internally manufactured finished goods and merchandise, valued at cost price or manufacturing cost. Any profit from internal sales has been eliminated. Inventories presented here should, as for cost of material, be goods that are, or will be, part of the finished product, including all packaging. Any redundant stock has been written down to net realisable value (estimated future selling price). During the period in which buildings built by the Group (Orkla Eiendom) for sale purposes are under development, the value of the projects will be reflected on the line for inventories until the buildings are realised.

Amounts in NOK million	2014	2013
Raw materials	1 417	1 646
Work in progress	385	680
Finished goods and merchandise	2 271	2 510
Total	4 073	4 836

Inventories are valued at the lower of acquisition cost and net realisable value after deducting selling costs. This has resulted in a total write-down of inventories at 31 December 2014 of NOK 66 million (NOK 88 million in 2013). Inventories valued at net realisable value total NOK 782 million (NOK 807 million in 2013).

Inventories include development property recognised at NOK 200 million in 2014 (NOK 308 million in 2013).

NOTE 21 PROVISIONS AND OTHER NON-CURRENT LIABILITIES

Provisions have been made for pension and other liabilities. Pension liabilities are disclosed in Note 11. A distinction may be made between provisions and other liabilities such as accounts payable because there is uncertainty regarding the settlement date or the amount of the future expenses. An enterprise has a liability when it is obliged to transfer financial resources to another party at a future date. This obligation may be self-imposed if the enterprise through its decisions and actions has created expectations of its assuming a financial liability in the future, e.g. in the form of the restructuring of parts of its operations. In such case, agreed severance pay for employees would be a natural part of the restructuring provision. The liability will be reduced over time as the disbursements are made. A contingent liability is a possible obligation that will be confirmed by the future occurrence or non-occurrence of one or more uncertain events. A contingent liability will only be recognised if it is likely (>50%) to arise and if the amount of the obligation can be measured reliably.

Amounts in NOK million	2014	2013
Pension liabilities	1 556	1 437
Derivatives	599	313
Other non-current liabilities	1	5
Other provisions	382	404
Total	2 538	2 159

Break-down of provisions:

Amounts in NOK million	Branded Consumer Goods	Other provisions	Total
Provisions 1 January 2013	224	296	**520**
New provisions	77	67	**144**
Utilised	(55)	(25)	**(80)**
Provisions 31 December 2013	246	338	**584**
Of this current provisions	(180)	-	**(180)**
Non-current provisions 31 December 2013	66	338	**404**
New provisions	-	17	**17**
Utilised	(26)	(13)	**(39)**
Provisions 31 December 2014	40	342	**382**
Of this current provisions	-	-	**-**
Non-current provisions 31 December 2014	40	342	**382**
	Main matters: Small personnel-related provisions and commitments to acquisitions of additional shares in companies	Main matters: Compensation to property owners and demolition costs related to Saudefaldene, residual settlements Brazil, Italy and Switzerland, and insurance provisions in the Group's captive (insurance). Orkla self-insures for losses up to NOK 15 million	Conclusion: The provisions cover known matters and there are no indications of any change in estimated expenses

NOTE 22 OVERVIEW OF FINANCIAL INSTRUMENTS

This note gives an overview of the carried and fair value of the Group's financial instruments and the accounting treatment of these instruments. The table is the basis for all further information regarding the Group's financial risk and refers to the following notes on this subject. The table also shows the level of objectivity in the measurement hierarchy of each method of measuring the fair value of the Group's financial instruments.

2014

Amounts in NOK million	Note	Measurement level	Financial assets available for sale	Financial instruments at fair value through profit and loss	Financial instruments at fair value through comprehensive income	Financial liabilities measured at amortised cost	Receivables	Total	Of this interest-bearing	Fair value
Non-current assets										
Share investments	26	3	42	-	-	-	-	42	-	42
Non-current financial receivables	26	3	-	-	-	-	392	392	228	392
Non-current derivatives	26, 31	2	-	496	-	-	-	496	496	496
Total								930	724	930
Current assets										
Unlisted investments	23	2	601	-	-	-	-	601	-	601
Unlisted investments	23	3	97	36	-	-	-	133	-	133
Accounts receivable	24	3	-	-	-	-	4 224	4 224	-	4 224
Other current receivables	24	3	-	-	-	-	814	814	9	814
Current derivatives	24, 31	2	-	100	6	-	-	106	99	106
Cash and cash equivalents	25	3	-	-	-	-	2 615	2 615	2 615	2 615
Total								8 493	2 723	8 493
Non-current liabilities										
Non-current financial liabilities	29	3	-	-	-	8 510	-	8 510	8 510	8 538
Non-current derivatives	21, 31	2	-	-	599	-	-	599	-	599
Total								9 109	8 510	9 137
Current liabilities										
Current financial liabilities	29	3	-	-	-	588	-	588	588	588
Accounts payable	27	3	-	-	-	1 974	-	1 974	-	1 974
Other current liabilities	27, 29	3	-	-	-	96	-	96	10	96
Current derivatives	27, 31	2	-	31	-	-	-	31	-	31
Total								2 689	598	2 689
Total financial instruments			740	601	(593)	(11 168)	8 045	(2 375)	(5 661)	(2 403)

Total measurement level 1 Quoted, unadjusted prices in active markets for identical assets and liabilities	-
Total measurement level 2 Other techniques for which all inputs which have significant effect on the recorded fair value are observable, directly or indirectly	573
Total measurement level 3 Techniques which use inputs which have significant effect on the recorded fair value that are not based on observable market data	(2 948)

2013

Amounts in NOK million	Note	Measurement level	Financial assets available for sale	Financial instruments at fair value through profit and loss	Financial instruments at fair value through comprehensive income	Financial liabilities measured at amortised cost	Receivables	Total	Of this interest-bearing	Fair value
Non-current assets										
Share investments	26	3	50	-	-	-	-	50	-	50
Non-current financial receivables	26	3	-	-	-	-	146	146	112	146
Non-current derivatives	26, 31	2	-	428	-	-	-	428	428	428
Total								624	540	624
Current assets										
Listed investments	23	1	83	-	-	-	-	83	-	83
Unlisted investments	23	3	924	44	-	-	-	968	-	968
Accounts receivable	24	3	-	-	-	-	4 986	4 986	-	4 986
Other current receivables	24	3	-	-	-	-	506	506	37	506
Current derivatives	24, 31	2	-	18	7	-	-	25	-	25
Cash and cash equivalents	25	3	-	-	-	-	1 805	1 805	1 805	1 805
Total								8 373	1 842	8 373
Non-current liabilities										
Non-current financial liabilities	29	3	-	-	-	8 041	-	8 041	8 041	8 021
Non-current derivatives	21, 31	2	-	-	313	-	-	313	-	313
Total								8 354	8 041	8 334
Current liabilities										
Current financial liabilities	29	3	-	-	-	2 770	-	2 770	2 770	2 782
Accounts payable	27	3	-	-	-	2 848	-	2 848	-	2 848
Other current liabilities	27, 29	3	-	-	-	106	-	106	13	106
Current derivatives	27, 31	2	-	102	13	-	-	115	54	115
Total								5 839	2 837	5 851
Total financial instruments			1 057	388	(319)	(13 765)	7 443	(5 196)	(8 496)	(5 188)

Total measurement level 1 Quoted, unadjusted prices in active markets for identical assets and liabilities	83
Total measurement level 2 Other techniques for which all inputs which have significant effect on the recorded fair value are observable, directly or indirectly	25
Total measurement level 3 Techniques which use inputs which have significant effect on the recorded fair value that are not based on observable market data	(5 304)

Orkla's shareholding in the Solsten fund was transferred from level 2 to level 3 in 2014. The Group defines measurement of the listed shares as level 1, while the measurement of unlisted shares is defined as level 3. Information regarding the measurement of the fair value of the share portfolio's unlisted shares may be found in Note 23. The measurement of the Group's derivatives is defined as level 2. A description of how the derivatives are measured is provided in Note 31. The measurement of financial receivables and liabilities is defined as level 3.

NOTE 23 SHARES AND FINANCIAL ASSETS

A strategic decision was made in 2011 to sell off the share portfolio. As at 31 December 2014, the market value of shares and financial assets was NOK 734 million (NOK 1,051 million in 2013). Unrealised gains totalled NOK 281 million (NOK 302 million) at year end.

Amounts in NOK million	Fair value 31 December 2014	Unrealised gains 2014	Fair value 31 December 2013	Unrealised gains 2013
Securities available for sale				
Listed securities Norway	-	-	83	21
Shareholding in Solsten fund	601	268	711	243
Unlisted securities	97	13	213	38
Total	698	281	1 007	302
Securities, with change in fair value through profit and loss	36	-	44	-
Total shares and financial assets	734	281	1 051	302
Of this owned by Orkla ASA	698	279	1 003	300

Unlisted securities and unlisted funds

The value of unlisted securities is measured on the basis of the International Private Equity and Venture Capital Valuation Guidelines.

Several valuation methodologies are used to measure the fair value of unlisted investments. Where there has been a recent arm's length transaction in the security in question, the value is based on the transaction price. If there has been no recent arm's length transaction, the value of the company is deduced from a relative valuation of comparable listed companies, adjusted for individual characteristics such as differences in size and selection between comparable companies.

Valuation methodologies other than those described above are also used in cases where they better reflect the fair value of an unlisted investment.

The fair value of unlisted fund shares (Solsten) is measured as the share of the fund's assets as reported by the fund management.

Listed securities

The fair value of listed securities is based on the latest bid price. At the time of acquisition, the shares are recognised at their value on the transaction date including transaction costs.

Prolonged or significant decline in value

A prolonged decline in the value of a security classified as available for sale is defined as having occurred if the market value of a share is lower than the acquisition cost for more than two successive quarters (six months) or if the market value is more than 25% lower than the cost price. Once an investment has been written down, further value impairment will result in an immediate further write-down.

Unrealised gains

The difference between the fair value and acquisition cost of the security is included in the unrealised gain until the security is either sold or written down. When the security is sold or written down, the unrealised gain is recognised in the income statement and offset in comprehensive income. When the security is written down, a new "acquisition price" is established and subsequent increases in fair value are recognised in comprehensive income as "changes in unrealised gains".

Market risk relating to the share portfolio

The greatest risk factor is a general stock market decline or a major drop in the price of shares in an individual company in which the share portfolio is highly exposed. Risk management is handled through clearly defined authorisations and mandates and other quality assurance procedures.

Change in fair value

Amounts in NOK million	Shares and financial assets 2014	2013
Opening balance fair value shares and financial assets	1 051	3 601
Change in unrealised gains	(21)	(107)
Net sale of shares	(350)	(3 090)
Gains, losses and write-downs	56	623
Net foreign exchange gains/losses and eliminations	(2)	24
Closing balance fair value shares and financial assets	734	1 051

Change in unrealised gains shares

Amounts in NOK million	2014	2013
Opening balance unrealised gains before tax	302	410
Change in unrealised gains before tax	(21)	(107)
Change in deferred tax unrealised gains	-	28
Change in unrealised gains taken to comprehensive income	(21)	(79)
Closing balance unrealised gains before tax	281	303
Deferred tax unrealised gains	0	(1)
Closing balance unrealised gains after tax	281	302

Profit and loss shares and financial assets

Amounts in NOK million	Securities available for sale 2014	2013	Securities with change in fair value through profit and loss 2014	2013	Total shares and financial assets 2014	2013
Realised gains/losses	85	273	-	282	85	555
Foreign exchange gain/loss currency hedge	(1)	(28)	-	-	(1)	(28)
Write-downs	(20)	(51)	-	-	(20)	(51)
Change in fair value	-	-	(8)	(119)	(8)	(119)
Gains (losses) REC and Borregaard shares	-	266	-	-	-	266
Gains, losses and write-downs shares and financial assets	64	460	(8)	163	56	623
Received dividends	37	250	-	-	37	250
Recognised in income statement	101	710	(8)	163	93	873

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NOTE 24 RECEIVABLES (CURRENT)

Receivables (current) are both operating receivables and interest-bearing receivables. Operating receivables are broken down into trade receivables, accrued advance payments to suppliers and other current receivables. Trade receivables are continuously reviewed and are written down if there are objective criteria that indicate that an event causing a loss has occurred, and the amount of the loss can be reliably measured and will affect payment of the receivable.

Amounts in NOK million	2014	2013
Accounts receivable	4 224	4 986
Non interest-bearing derivatives	7	25
Interest-bearing derivatives	99	-
Interest-bearing receivables	9	37
Other current receivables	805	469
Total financial receivables	5 144	5 517
Advance payment to suppliers/earned income	389	760
Tax receivables	27	51
Total current receivables	5 560	6 328

Change in provisions for bad debts:

Amounts in NOK million	2014	2013
Provisions for bad debts 1 January	116	62
Bad debts recognised as expense	24	49
Provisions in acquired companies	-	3
Provisions in sold companies/discontinued operations	(80)	(1)
Bad debts	(5)	(6)
Translation effects	8	9
Provisions for bad debts 31 December	63	116

Accounts receivable have the following due dates:

Amounts in NOK million	2014	2013
Accounts receivable not due	3 756	4 183
Overdue receivables 1–30 days	362	575
Overdue receivables 31–60 days	68	113
Overdue receivables 61–90 days	24	55
Overdue receivables over 90 days	77	176
Accounts receivable carrying amount 31 December	4 287	5 102

NOTE 25 CASH AND CASH EQUIVALENTS

The Group's cash and cash equivalents consist of liquid assets necessary for transactions and some current placements. Orkla ASA also has unutilised, long-term, committed credit facilities that may be drawn upon at short notice; see Note 29. Changes in liquid assets in the cash flow statement do not necessarily provide an accurate picture of the Group's financial position as excess liquidity is also used to repay interest-bearing debt.

Amounts in NOK million	2014	2013
Cash at bank and in hand[1]	2 366	1 556
Current deposits	148	134
Restricted deposits	101	115
Total cash and cash equivalents	2 615	1 805

[1]Of "Cash at bank or in hand" a total of NOK 75 million is in partly owned companies and in Orkla Insurance Company (NOK 109 million in 2013). This liquidity is only to a limited extent available to the rest of the Group.

NOTE 26 OTHER ASSETS (NON-CURRENT)

Other assets (non-current) consist of financial investments of a long-term nature. The shares are presented at fair value with changes in value taken to comprehensive income. If the shares have decreased in value and the decline in value is significant or prolonged, the shares are written down in the income statement. This item also includes net pension plan assets in companies that have greater pension plan assets than pension liabilities. Other items are derivatives and receivables due in more than one year's time.

Amounts in NOK million	2014	2013
Share investments	42	50
Interest-bearing derivatives	496	428
Receivables interest-bearing	228	112
Receivables non interest-bearing	164	34
Total financial assets	930	624
Pension plan assets	42	41
Total other assets (non-current)	972	665

NOTE 27 OTHER LIABILITIES (CURRENT)

Other liabilities (current) are operating liabilities (trade accounts payable, unpaid public taxes, prepaid revenues, other accruals, etc.) and financial liabilities (payable interest). All these items are interest-free borrowings. Dividends do not become liabilities until they have been approved by the General Meeting.

Amounts in NOK million	2014	2013
Accounts payable	1 974	2 848
Non interest-bearing derivatives	31	61
Non interest-bearing current liabilities	86	93
Total financial liabilities non interest-bearing	2 091	3 002
Value added tax, employee taxes	635	800
Current provisions	2 891	2 884
Total other liabilities (current)	5 617	6 686

NOTE 28 CAPITAL MANAGEMENT

The level of a company's capital and the way it is managed are important factors in evaluating the company's risk profile and its capacity to withstand unexpected events. It is therefore important to provide information that enables users of the financial statements to understand the company's goals, policy and management of the company's capital base.

Orkla's capital management is designed to ensure that the Group has sufficient financial flexibility, short-term and long-term. One main objective is to maintain a financial structure that, through solidity and cash flow, secures the Group's strong, long-term creditworthiness, as well as a good return for the shareholders. Orkla's dividend policy is described in "Corporate Governance" section 3.

In allocating capital for acquisitions and other investments, the weighted average cost of capital (WACC) adjusted for project specific risk is applied.

Available liquidity should at all times at least cover loan instalments that fall due over the next 12 months, known capital needs, and a reserve in addition to the aforementioned. Orkla's liquidity reserve, beyond cash and cash equivalents, primarily consists of unutilised, long-term, credit lines under bilateral bank facilities. The Group uses several sources of long-term loan capital, whereof banks and bond markets are the most important. External borrowing is centralised at parent level, and capital needs in subsidiaries are mainly covered by internal loans, or equity. Capital structure in subsidiaries is adapted to commercial, as well as legal and tax considerations. The short term liquidity of Group companies is managed at Group level through cash pools. For funding of partly owned subsidiaries, Orkla normally either provides loans according to its share of capital jointly with other shareholders, or external funding is established.

Orkla's management of funding is further described in Note 29. Orkla has no official credit rating, but actively monitors quantitative and qualitative measures which affect the creditworthiness of the Group.

The Group's capital consists of net interest-bearing liabilities and equity:

Amounts in NOK million	2014	2013
Total interest-bearing liabilities	9 108	10 878
Total interest-bearing receivables	3 447	2 382
Net interest-bearing liabilities	5 661	8 496
Group equity[1]	31 304	30 780
Net gearing (net interest-bearing liabilities/equity)	0.18	0.28
Unutilised long-term credit facilities	7 423	8 045

[1]The Group's equity also includes the value of cash flow hedges taken to comprehensive income, and unrealised gains on shares available for sale are taken to comprehensive income.

Orkla's net interest-bearing liabilities were reduced by NOK 2.8 billion through 2014, largely affected by the listing and sales of shares in Gränges for NOK 2.3 billion. There were no changes in Orkla's approach and goals regarding financial management in 2014.

As an industrial Group, Orkla is not subject to any external capital requirements. The subsidiary Orkla Insurance Company Ltd. (Ireland) is subject to capital adequacy and solvency requirements under current regulations in Ireland. These requirements were met in 2014.

NOTE 29 FUNDING AND INTEREST-BEARING LIABILITIES

Interest-bearing liabilities, together with unutilised credit facilities, available liquid assets and equity, constitute the capital available to the Group. The composition and the level of gross interest-bearing liabilities plus unutilised credit facilities are managed as part of the Group's funding activity. Changes in net interest-bearing liabilities result from the cash flow of the Group.

Funding

The primary goal of Orkla's financial policy is to ensure that the Group has sufficient financial flexibility in the short and long term to achieve its strategic and operational objectives.

Orkla's policy is to have unutilised, long-term, committed credit facilities which together with liquid deposits are sufficient to cover loans that fall due and known capital needs over the next 12 months, as well as a strategic reserve. This means that Orkla's credit facilities are normally refinanced one year before maturity and that short-term interest-bearing debt is at all times covered by unutilised long-term credit facilities. Commercial paper and money markets are used as a source of liquidity when conditions in these markets are competitive as an alternative to drawing on unutilised committed long-term credit facilities. As of 31 December 2014 there were no drawings on these credit facilities.

Orkla's main sources of financing are bilateral loans from Orkla's relationship banks and loans in the Norwegian bond market. Funds have also been raised in the US Private Placement market and historically in the German Schuldschein market. The Group Treasury also continuously assesses other funding sources. The term to maturity for new loans and credit facilities is normally 5–10 years.

In 2014 Orkla repaid loans and cancelled credit facilities totalling NOK 4.4 billion. New bilateral loan agreements totalling NOK 1.5 billion were entered into, and an existing bond was increased by NOK 0.1 billion.

Orkla has no loan agreements with financial covenants for the Group or for Orkla ASA. The loan agreements include some limitations on disposals of businesses, creation of security interest on assets, borrowing at subsidiary level, and cross default clauses. Bonds issued in the Norwegian bond market are listed on the Oslo Stock Exchange.

	Book value		Fair value[1]			Notional in		
Amounts in NOK million	31.12.2014	31.12.2013	31.12.2014	31.12.2013	Currency	ccy million[2]	Coupon[3]	Term
Non-current interest-bearing liabilities								
Bonds								
ELK18 (10219223)		343		343				
ORK78 (10502909)		1 052		1 061				
ORK79 (10502917)		393		396				
FRN RIE04 (10610991)		200		200				
ORK10 (10364920)	1 203	1 315	1 205	1 304	NOK	1 200	Fixed 5.70%	2007/2017
ORK09 (10364912)	1 299	1 299	1 305	1 283	NOK	1 300	Nibor +0.42%	2007/2017
ORK11 (10694680)	668	489	688	496	NOK	1 000	Fixed 4.35%	2013/2024
US Private Placement	2 423	2 057	2 423	2 057	USD/GBP	220/40	Fixed 6.09–6.27%	2007/2017–2019
Total bonds	5 593	7 148	5 621	7 140				
Of this current liabilities		(1 988)		(2 000)				
Bank loans	2 718	2 827	2 718	2 827				
Other loans	199	54	199	54				
Total non-current interest-bearing liabilities	8 510	8 041	8 538	8 021				
Current interest-bearing liabilities								
Bonds, maturity < 1 year	-	1 988	-	2 000				
Bank loans, overdraft	447	512	447	512				
Other loans	151	283	151	283				
Interest-bearing derivatives	-	54	-	54				
Total current interest-bearing liabilities	598	2 837	598	2 849				
Total interest-bearing liabilities	9 108	10 878	9 136	10 870				
Interest-bearing assets								
Non-current interest-bearing receivables	724	540	724	540				
Current interest-bearing receivables	108	37	108	37				
Cash and cash equivalents	2 615	1 805	2 615	1 805				
Net interest-bearing liabilities	5 661	8 496	5 689	8 488				

[1]The fair value of exchange-traded bonds is calculated on the basis of official tax values, whereas book values are used for other loans and receivables. The book values of US Private Placement loans take into consideration observed interest rates as of 31 December 2014 as these loans are hedging-objects in fair value hedges, but not credit margin, as there is no observation of this available.

[2]Of the notional amount the Group holds some of its own bonds. These reduce recognised liabilities.

[3]The nominal interest rate is not an expression of the Group's actual interest cost, since various interest rate swaps have been agreed on. Note 30 discloses further details of interest rate levels, interest rate risk and a break down of the liabilities portfolio by currency.

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The maturity profiles of the Group's interest-bearing liabilities and unutilised committed credit facilities are shown to the right in the table below. The Group also has cash pools and bank accounts with short-term credit lines. Unutilised credit lines on these accounts are not included in the table. As of 31 December 2014 the average time to maturity on the Group's combined non-current interest-bearing liabilities and unutilised credit facilities was 3.7 years, compared with 3.6 years as of 31 December 2013.

Maturity profile interest-bearing liabilities and unutilised credit facilities

	Gross interest-bearing liabilities		Unutilised credit facilities	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Maturity <1 year	598	2 837	-	-
Maturity 1–3 years	5 540	204	1 393	2 113
Maturity 3–5 years	1 774	5 247	6 030	5 932
Maturity 5–7 years	411	1 455	-	-
Maturity >7 years	785	1 135	-	-
	9 108	10 878	7 423	8 045

The Group's unutilised credit facilities are multi-currency loan agreements with limits denominated in NOK, EUR and SEK.

NOTE 30 FINANCIAL RISK

This note describes the Group's financial risks within each of the business areas, and the management of these risks. Market risk connected to financial instruments (currency risk, interest rate risk, and price risk for input factors and sold products), liquidity risk and credit risk are described specifically. In addition to loans and receivables, the financial instruments consist of derivatives used for hedging market risk. Derivatives and hedging relationships are described in more detail in Note 31.

(I) ORGANISATION OF FINANCIAL RISK MANAGEMENT

Orkla operates internationally and is exposed to financial risks like currency risk, interest rate risk, commodity price risk, liquidity risk and credit risk. Orkla uses derivatives and other financial instruments to reduce these risks in accordance with the Group's financial policy.

The responsibility for managing financial risk in Orkla is divided between business areas, which manage risk related to business processes, and Group level, which manages risk related to centralised activities like funding, interest-rate management and currency risk management.

Centralised risk management

Orkla has a central Group Treasury. Its most important tasks are to ensure the Group's financial flexibility in the short and long term, and to monitor and manage financial risk in cooperation with individual operational entities. The guidelines for the Group Treasury are set out in the Group's finance policy. The Group Executive Board monitors financial risk by means of regular reporting and meetings of the Orkla Treasury Committee. The Group Treasury acts as the internal bank for the Group and is responsible for, and executes, all major external funding and hedging transactions relating to currency and interest rate hedging. Each year the Board of Directors grants authorisation for establishing loans and entering into master agreements for financial instruments. Debt and treasury positions are managed in a non-speculative manner, such that all transactions in financial instruments are matched to an underlying business requirement.

Financial risks within each business area

This section describes the most important risk factors within each business area of the Group and the management of these. In this context, financial risk is defined as risk related to financial instruments. These may either be hedging instruments for underlying risk, or viewed as a source of risk themselves. Market risk not hedged with financial instruments is also discussed in this section.

Branded Consumer Goods

Entities within this area are primarily located in the Nordic countries, and Central/Eastern Europe. Production and sales mainly take place in local markets. A significant part of the input factors are imported, as well as some finished goods.

The two primary sources of financial risk within this business area are price risk on agricultural products and ingredients in food production, and currency risk on imported goods. Price risk on raw materials is normally dealt with in commercial contracts. The most significant currency risk results from import in EUR by Norwegian and Swedish entities. Currency risk related to expected, non-contractual cash flows is normally not hedged, but to a large extent reflected in the prices of sold products. Contracts and committed transactions are hedged with currency forward contracts against its own functional currency.

Hydro Power

Hydro Power is a significant producer of hydroelectric power (see Note 32). A substantial part of the production is sold under long-term contracts, whereas the remainder is sold in the spot market. Where contractual commitments exceed available power from own production, this is covered through purchases in the power market.

Shares and financial assets

Shares and financial assets include listed and unlisted shares and investments (described in Note 23). The shares and investments are exposed to price movements.

(II) CATEGORIES OF FINANCIAL RISK FOR THE GROUP

Currency risk

As NOK is the presentation currency for the Group, Orkla is exposed to currency translation risk on net investments in foreign operations. Orkla maintains, as far as possible, a distribution of its net interest bearing liabilities across currencies which corresponds to the relative enterprise value distribution across the foreign subsidiaries' home currencies. This ensures the same hedging level in all currencies, where net interest-bearing liabilities hedge the currency risk in enterprise value.

In the balance sheet, translation risk on net investments in foreign subsidiaries is reduced by the net interest-bearing liabilities in the same currency. These consist of hedges of internal loans from Orkla ASA to subsidiaries in their home currency, plus hedges of net investments according to IAS 39. Orkla primarily uses loans and forward currency contracts to hedge internal loans and net investments in foreign subsidiaries.

At the operational level, transaction risk is hedged against each entity's functional currency as described in (I) "Organisation of financial risk management". Orkla applies hedge accounting for most hedges of future transactions, mainly cash flow hedges. The different types of hedges are described in Note 31.

The Group's aggregated outstanding currency hedges of future transactions as of 31 December 2014 are shown in Table 1.

TABLE 1

Foreign exchange contracts[1] linked to hedging of future revenues and costs

Amounts in million

Purchase currency	Amount	Purchase currency	Amount	Maturity
USD	10	DKK	61	2015
USD	7	EUR	6	2015
EUR	3	NOK	29	2015

[1]In currency pairs where the net total of hedges is more than NOK 20 million.

Interest rate risk

Orkla's interest rate risk is mainly related to the Group's debt portfolio. This risk is managed at Group level. The Group's policy is that interest costs should mainly follow the general trend in money market rates. Further, steps are taken to mitigate the effects of short-term fluctuations in money market rates. Material decisions regarding interest hedging are made by the Orkla Treasury Committee.

The interest risk profile of the debt portfolio is determined by selection of interest periods on the Group's loans and the use of currency and interest rate derivatives.

As of 31 December 2014, 43% (46% in 2013) of the Group's gross interest-bearing liabilities was at fixed interest rates for periods exceeding one year.

The interest rate exposure on interest-bearing liabilities broken down by currency and financial instrument is shown in Table 2a and 2b.

TABLE 2a

Interest-bearing liabilities by instrument and interest risk profile

Amounts in NOK million	31.12.2014	Next interest rate adjustment 0–3 months	3–6 months	6–12 months	1–3 years	3–5 years	5–10 years
Bonds	**5 593**	232	1 299	-	2 318	1 077	667
Bank loans	**2 935**	1 993	940	2	-	-	-
Overdraft	**230**	230	-	-	-	-	-
Other loans	**350**	65	278	7	-	-	-
Interest rate swap (fair value hedge)	**-**	1 970	1 828	-	(2 215)	(983)	(600)
Interest rate swap (cash flow hedge)	**-**	(1 667)	(597)	-	41	795	1 428
Interest rate derivatives (others)	**-**	(500)	(650)	-	50	537	563
Currency forwards/currency swaps	**-**	(34)	33	1	-	-	-
Gross interest-bearing liabilities	**9 108**	2 289	3 131	10	194	1 426	2 058
	31.12.2013						
Bonds	7 148	935	2 352	-	-	2 379	1 482
Bank loans	3 169	2 485	654	7	-	-	23
Overdraft	170	170	-	-	-	-	-
Other loans	337	55	281	1	-	-	-
Interest rate swap (fair value hedge)	0	1 703	1 727	-	-	(2 113)	(1 317)
Interest rate swap (cash flow hedge)	0	(2 670)	(1 460)	-	-	1 008	3 122
Interest rate derivatives (others)	0	189	(650)	-	102	209	150
Currency forwards/currency swaps	54	52	2	-	-	-	-
Gross interest-bearing liabilities	10 878	2 919	2 906	8	102	1 483	3 460

TABLE 2b

Interest-bearing liabilities by instrument and currency

Amounts in NOK million	31.12.2014	NOK	SEK	EUR	USD	DKK	Others
Bonds	**5 593**	3 170	-	-	1 867	-	556
Bank loans	**2 935**	387	-	2 495	-	12	41
Overdraft	**230**	15	1	78	-	97	39
Other loans	**350**	300	-	4	-	29	17
Currency forwards/currency swaps	**-**	(795)	2 226	(1 221)	(1 657)	846	601
Gross interest-bearing liabilities	**9 108**	3 077	2 227	1 356	210	984	1 254
Average interest fixing period	**2.9 years**	2.2 years	4.0 years	7.0 years	0.6 years	0.2 years	0.6 years
Interest level borrowing rate	**3.0%**	3.3%	3.1%	3.1%	1.2%	0.7%	4.2%
	31.12.2013						
Bonds	7 148	5 091	-	-	1 578	-	479
Bank loans	3 169	639	-	2 317	-	50	163
Overdraft	170	40	-	66	-	46	18
Other loans	337	314	-	10	-	-	13
Currency forwards/currency swaps	54	(3 590)	2 450	(562)	(1 153)	888	2 021
Gross interest-bearing liabilities	10 878	2 494	2 450	1 831	425	984	2 694
Average interest fixing period	2.8 years	2.9 years	4.1 years	5.7 years	2.7 years	0.2 years	0.4 years
Interest level borrowing rate	3.5%	3.1%	3.7%	3.6%	1.4%	1.0%	4.8%

For currency forwards the asset and liability components are shown separately per currency, including those that are recognised with a positive fair value (receivables).
The fair value of interest rate derivatives is not included in interest-bearing liabilities.

NOTES GROUP / FINANCIAL INSTRUMENTS

Liquidity risk

Liquidity risk is the risk that Orkla is not able to meet its payment obligations. The management of liquidity risk has high priority as a means of meeting the objective of financial flexibility.

Orkla's policy for funding activities, described in Note 29, implies that short-term interest-bearing liabilities and known capital expenditures are funded by long-term loans or credit facilities at least one year prior to maturity.

The cash flow from operations, which among other factors is affected by changes in working capital, is managed operationally by the business areas, and is largely stable with the largest net inflow during the fourth quarter. Group Treasury monitors liquidity flows, short- and long-term, through reporting. Interest-bearing liabilities are managed together with interest-bearing assets at Group level.

Due to the above-mentioned measures, the Group has limited liquidity risk. In order to further reduce refinancing risk, Orkla seeks to ensure that the maturities of loans and credit facilities are evenly distributed.

The table shows the maturity profile for the Group's contractual financial liabilities, including liabilities which are not recognised in the financial position. The amounts represent undiscounted future cash flows, and may therefore deviate from recognised figures. Derivatives are presented as split between those with gross settlement (currency), and those with net settlement (interest, and for 2013 aluminium). The table also includes derivatives recognised as assets on the balance sheet date, as derivatives may include both positive and negative cash flows, and the fair value fluctuates over time. Forward interest rate curves are applied to estimate future interest payments. Similarly, forward prices are used to determine the future settlement amounts for currency and aluminium derivatives.

TABLE 3

Maturity profile financial liabilities

31 December 2014

Amounts in NOK million	Book value	Contractual cash flow	<1 year	1–3 years	3–5 years	5–7 years	>7 years
Interest-bearing liabilities	9 108	8 613	598	5 303	1 583	412	717
Interest payable	86	1 232	314	550	219	67	82
Accounts payable	1 974	1 974	1 974	-	-	-	-
Subscribed, uncalled partnership capital	-	4	4	-	-	-	-
Net settled derivatives[1]	137	-	-	-	-	-	-
Inflow	-	(1 180)	(270)	(488)	(228)	(89)	(105)
Outflow	-	1 274	236	424	332	144	138
Gross settled derivatives[1]	(110)	-	-	-	-	-	-
Inflow	-	(6 988)	(6 988)	-	-	-	-
Outflow	-	6 883	6 883	-	-	-	-
Total	11 195	11 812	2 751	5 789	1 906	534	832

31 December 2013

Amounts in NOK million	Book value	Contractual cash flow	<1 year	1–3 years	3–5 years	5–7 years	>7 years
Interest-bearing liabilities	10 824	10 358	2 737	204	4 982	1 290	1 145
Interest payable	87	1 706	388	593	398	160	167
Accounts payable	2 848	2 848	2 848	-	-	-	-
Subscribed, uncalled partnership capital	-	51	51	-	-	-	-
Net settled derivatives[1]	(84)	-	-	-	-	-	-
Inflow	-	(1 478)	(301)	(524)	(402)	(150)	(101)
Outflow	-	1 349	250	461	349	202	87
Gross settled derivatives[1]	60	-	-	-	-	-	-
Inflow	-	(10 664)	(10 555)	(109)	-	-	-
Outflow	-	10 707	10 601	106	-	-	-
Total	13 735	14 877	6 019	731	5 327	1 502	1 298

[1]Including derivatives recognised as assets (with negative sign).

The financial liabilities are serviced by cash flows from operations, liquid and interest-bearing assets, and, when necessary, drawings on unutilised credit facilities. Unutilised committed credit facilities, the maturity profile of which is shown in Note 29, totalled NOK 7.4 billion at 31 December 2014.

Credit risk

The management of credit risk related to accounts receivable and other operating receivables is handled as part of the business risk, and is continuously monitored by the operating entities. The Nordic markets for grocery trade are characterised by relatively few, but large, participants, which results in a certain concentration of the credit risk exposure towards individual counterparts. When selling in countries with high political risk, trade finance products are used to a certain extent to reduce the credit risk. The current credit risk level is considered acceptable. Provisions have been made for losses on accounts receivable, and the recognised amount represents the fair value as of the balance sheet date. The provisions and the age distribution of accounts receivable are shown in Note 24.

Orkla`s credit risk related to financial instruments is managed by Group Treasury. Risk arises from financial hedging transactions, money market deposits, and bank accounts. Firstly, Orkla seeks to minimise the liquid assets deposited outside the Group. Secondly, relationship banks that provide long-term funding are the targeted counterparties for bank accounts and financial hedge transactions according to policy. Further, limits and requirements related to the banks' credit ratings apply for deposits of liquidity. The risk is continuously monitored by Group Treasury, and is considered to be low.

Orkla ASA has International Swap Dealers Association (ISDA) agreements with its counterparts for derivative interest-rate and currency transactions, which provide for netting of settlement risk.

Maximum credit risk

The maximum credit exposure for the Group related to financial instruments corresponds to total gross receivables. In the hypothetical, unlikely event that no receivables are recovered, this amounts to:

Amounts in NOK million	2014	2013
Cash and cash equivalents	2 615	1 805
Accounts receivable	4 224	4 986
Other current receivables	814	506
Non-current receivables	392	145
Derivatives	602	453
Total	8 647	7 895

Commodity price risk

The Group is exposed to price risks in respect of a number of raw materials, in particular agricultural products. However, the prices of sold products are also affected by raw material prices, and it is generally Orkla's policy to reduce the price risk through commercial contracts. Commodity price risk is described for the individual business areas in section (I) "Organisation of financial risk management".

Sensitivity analysis

The financial instruments of the Group are exposed to different types of market risk which can affect the profit or loss or equity. Financial instruments, in particular derivatives, are applied as a means of hedging both financial and operational exposure.

In Table 4, Orkla presents a partial analysis of the sensitivity of financial instruments, where the isolated effect of each type of risk on the profit or loss and on equity is estimated. This is done on the basis of a selected hypothetical change in market prices/rates on the statement of financial position as of 31 December 2014. According to IFRS, the analysis covers only financial instruments and is not meant to give a complete overview of the Group's market risk, for instance:

- For currency hedges of contracts entered into, changes in the fair value of the hedging instrument will affect the profit or loss, while changes in the fair value of the underlying hedged contract offset by the hedging instrument will not be shown as it is not a financial instrument.

- If one of the parameters changes, the analysis will not take account of any correlation with other parameters.

- Financial instruments denominated in the entities' functional currencies do not constitute any currency risk and are therefore not included in this analysis. Nor is the currency exposure on translation of such financial instruments to the presentation currency of the Group included.

Generally, the effect on the profit or loss and equity of financial instruments in Table 4 is expected to offset the effects of the hedged items where financial instruments are part of a hedging relationship.

TABLE 4

Sensitivity financial instruments

31 December 2014	Accounting effect on income statement of:		comprehensive income of:	
Amounts in NOK million	increase	decrease	increase	decrease
Financial instruments in hedging relationships				
Interest rate risk: 100 basis points parallel shift in interest curves all currencies	53	(56)	166	(172)
Currency risk: 10% change in FX-rate USD/NOK	4	(4)	10	(10)
Currency risk: 10% change in FX-rate EUR/NOK	3	(3)	(95)	95
Currency risk: 10% change in FX-rate SEK/NOK	(6)	6	(1 142)	1 142
Financial instruments not in hedging relationships				
Sensitivity of share investments: 10% change in share price	4	(9)	70	(65)

31 December 2013	Accounting effect on income statement of:		comprehensive income of:	
Amounts in NOK million	increase	decrease	increase	decrease
Financial instruments in hedging relationships				
Interest rate risk: 100 basis points parallel shift in interest curves all currencies	(7)	6	227	(243)
Currency risk: 10% change in FX-rate USD/NOK	5	(5)	(26)	26
Currency risk: 10% change in FX-rate EUR/NOK	(8)	8	(435)	435
Currency risk: 10% change in FX-rate SEK/NOK	(6)	6	29	(29)
Price risk: 20% change in LME-prices	(59)	59	9	(9)
Financial instruments not in hedging relationships				
Sensitivity of share investments: 10% change in share price	4	(6)	102	(100)

Accounting effects of changes in market risk are classified to profit or loss and comprehensive income according to where the effect of the changes in fair value is recognised initially.
Effects recognised in the profit or loss will also affect equity beyond the figures presented in the table.

NOTE 31 DERIVATIVES AND HEDGING

Derivatives are used in risk management to hedge against the foreign exchange and interest rates risk exposure. The value of the derivatives fluctuates in accordance with the prices of the underlying assets, and the note shows the fair value of open derivative contracts as of year-end. The derivatives in the table are classified by type of accounting hedge, and the purpose of the derivatives is described below. The derivatives in the table are presented as assets or liabilities according to how they are classified in the statement of financial position.

The Group seeks as far as possible to apply the IFRS rules for hedge accounting. The table below shows the fair value of all outstanding derivative financial instruments grouped according to treatment in the financial statements:

Amounts in NOK million	31.12.2014 Assets	31.12.2014 Liabilities	31.12.2013 Assets	31.12.2013 Liabilities
a) Cash flow hedges				
Interest rate swaps	-	(524)	-	(313)
Currency forwards, currency swaps	6	-	7	(11)
Aluminium futures	-	-	-	(2)
Total	6	(524)	7	(326)
b) Net investment hedges of foreign entities				
Currency forwards, currency swaps	-	(39)	-	(50)
Total	-	(39)	-	(50)
c) Fair value hedges				
Interest rate swaps	496	-	428	(4)
Currency forwards, currency swaps	-	-	4	(3)
Aluminium futures	-	-	11	(4)
Total	496	-	443	(11)
d) Other hedges – fair value changes recognised in income statement				
Currency forwards, currency swaps	139	-	-	(1)
Interest rate and currency swaps, interest rate derivatives	-	(106)	-	(32)
Other derivatives	-	-	3	(8)
Total	139	(106)	3	(41)
Total derivatives	641	(669)	453	(428)

Calculation of fair value:

- Currency forwards and currency swaps are measured at fair value using the observed forward exchange rate for contracts with a corresponding term to maturity at the statement of financial position date.

- Interest rate swaps are measured at fair value using the present value of future cash flows calculated from observed market interest rates and exchange rates at the balance sheet date including accrued interest.

These derivative financial instruments are designated in hedge relationships as follows:

a) Cash flow hedges

- Orkla maintains interest rate swaps for hedging of future interest payments on liabilities that qualify for hedge accounting. These are swaps where Orkla pays a fixed interest rate and receives a floating rate.

- In hedges of currency risk on highly probable future cash flows, currency forward contracts are designated as hedging instruments.

- Gränges' purchases of aluminium futures on the LME (2013) are designated as hedging instruments in cash flow hedges.

All derivatives designated as hedging instruments in cash flow hedges are carried at fair value in the statement of financial position. Changes in fair value are provisionally recognised in the equity hedging reserve, and recycled to the income statement as the cash flows being hedged are recognised in the income statement.

During 2014 NOK 75 million was recorded as a loss in the income statement as a result of hedging instruments (interest rate swaps) that no longer qualify for hedge accounting (NOK 0 million in 2013). All expected cash flows which have been hedged during 2014 still qualify for hedge accounting.

Changes in the equity hedging reserve

Amounts in NOK million	2014	2013
Opening balance hedging reserve before tax	(316)	(391)
Hedging reserve discontinued operations	4	(25)
Reclassified to profit/loss – operating revenues	(1)	(1)
Reclassified to profit/loss – operating costs	1	4
Reclassified to profit/loss – net financial income	186	101
Fair value change during the year	(392)	(4)
Closing balance hedging reserve before tax	(518)	(316)
Deferred tax hedging reserve	138	86
Closing balance hedging reserve after tax	(380)	(230)

A negative hedging reserve means a negative recognition in the income statement in the future. Accumulated hedging gains/losses from cash flow hedges recognised in the equity hedging reserve as of 31 December 2014 are expected to be recycled to the income statement as follows (before tax):

2015:	NOK -105 million
After 2015:	NOK -413 million

b) Hedges of net investments in foreign entities

Currency risk on foreign net investments is hedged with loans or currency derivatives.

During 2014, NOK 2 million has been recorded as income in the income statement relating to net investment hedges of divested investments were recycled to the income statement (NOK 72 million in 2013).

c) Fair value hedges

- Some of Orkla's loans in the bond market carry fixed interest coupons. The fair value risk is hedged with interest rate swaps in fair value hedges where Orkla receives the fixed rate and pays a floating rate. During 2014 NOK 68 million was recognised as income in the income statement related to fair value changes in the interest rate swaps, and NOK 68 million was recognised as costs related to fair value changes in the hedged loans.

- Gränges' sale of aluminium futures contracts in order to hedge the value of inventory in fair value hedges (2013).

d) Derivatives not included in IFRS hedging relationships

There are also derivatives not included in hedging relationships according to IFRS for the following reasons:

- Derivatives are not designated in formal hedging relationships when changes in the fair value of hedging instruments and hedging objects are naturally offset in the income statement, for example currency risk on loans and other monetary items.

- Meeting strict IFRS hedge accounting criteria is not always possible or practical. Some of the currency hedges, forward rate agreements (FRAs) and interest rate swaps where hedge-accounting has been discontinued are in this category.

Changes in the fair value of derivative instruments which are not part of a hedging relationship are immediately recognised in the income statement.

NOTE 32 POWER AND POWER CONTRACTS

The Group both owns and leases power plants. The table below shows the power plant, annual production, ownership status and key financial terms and conditions.

Plant, type, location/contract	Annual saleable normal production/ contract volume	Ownership, status and remaining utilisation period/contract duration	Key financial terms and conditions
POWER PLANTS			
Saudefaldene Storlivatn power plant Svartkulp power plant Dalvatn power plant Sønnå Høy power plant Sønnå Lav power plant Storli mini power plant Kleiva small power plant Hydropower reservoir Rogaland	1 810 GWh	Operation started 1970 Operation started November 2001 Operation started December 2006 Operation started August 2008 Operation started October 2008 Operation started February 2009 Operation started November 2009 Pursuant to lease agreements with Statkraft , AS Saudefaldene[1] has the use of all plants until 2030. See Note 15 for further description of the dispute related to tax ownership.	AS Saudefaldene[1] has an annual concession power commitment of 134 GWh. Annual delivery commitment of 436 GWh which, following the termination of the contract with Eramet, is to be sold to Statkraft on the same terms. An agreement has been entered into with Elkem AS for the delivery of 501 GWh/year until 31 December 2030 to satisfy the condition regarding use of power in Elkem's industrial operations. The terms are equivalent to the terms in the leasing agreement with Statkraft. On hand-over to Statkraft the plants must be in good working condition. Statkraft SF shall pay AS Saudefaldene[1] the residual value for tax as at 1 January 2031 of the expansions carried out by AS Saudefaldene[1].
Borregaard power plant[2] Hydropower run-of-river, Sarpsfossen in Glomma, Sarpsborg	244 GWh	100% ownership, infinite licence period.	
Sarp power plant[2] Hydropower run-of-river, Sarpsfossen in Glomma, Sarpsborg	265 GWh	50% ownership, infinite licence period. The other ownership interest owned by Hafslund Produksjon.	Hafslund Produksjon has the operational responsibility.
Trælandsfos power plant[2] Hydropower run-of-river, Kvinesdal, Vest-Agder	30 GWh	100% ownership, infinite licence period.	
Mossefossen power plant[2] Hydropower run-of-river, Moss, Østfold	14 GWh	100% ownership, partly infinite licence period.	
POWER CONTRACTS			
SiraKvina replacement power, Rogaland	35 GWh	Infinite	Replacement for lost production in Trælandsfos.

[1]Orkla owns 85% of AS Saudefaldene.
[2]Saleable normal production given average inflow adjusted for loss of water, leakages in the power grid and own consumption.

NOTE 33 SHARE CAPITAL

A company's share capital and the distribution of the number of shares outstanding determines who controls a company and the way formal ownership is held by shareholder groups. In a Norwegian group context, it is the share capital of the parent company that is relevant and it is Orkla ASA's equity capital that serves as the basis of calculation and the limit for distribution of dividends from the Group.

Changes in share capital

Date/year	Number of shares	Nominal value (NOK)	Type of change	Amounts (NOK million)	Ratio	Share capital (NOK million)
31 December 2006	208 286 194	6.25				1 301.8
2007	1 041 430 970	1.25	split		5:1	1 301.8
2007	1 036 430 970	1.25	amortisation	(6.3)		1 295.5
31 December 2007	1 036 430 970	1.25				1 295.5
2008	1 028 930 970	1.25	amortisation	(9.4)		1 286.2
31 December 2008	1 028 930 970	1.25				1 286.2
31 December 2009	1 028 930 970	1.25				1 286.2
31 December 2010	1 028 930 970	1.25				1 286.2
31 December 2011	1 028 930 970	1.25				1 286.2
2012	1 018 930 970	1.25	amortisation	(12.5)		1 273.7
31 December 2012	1 018 930 970	1.25				1 273.7
31 December 2013	1 018 930 970	1.25				1 273.7
31 December 2014	1 018 930 970	1.25				1 273.7

The 20 largest shareholders as of 31 December 2014[1]

	Shareholders		Number of shares	% of capital[2]
1	CANICA AS		193 292 000	18.97%
2	CLEARSTREAM BANKING S.A.	Nominee	65 361 953	6.41%
3	FOLKETRYGDFONDET		64 610 630	6.34%
4	TVIST 5 AS		50 050 000	4.91%
5	STATE STREET BANK & TRUST COMPANY	Nominee	49 590 735	4.87%
6	BANK OF NEW YORK MELLON	Nominee	35 878 027	3.52%
7	STATE STREET BANK AND TRUST CO.	Nominee	25 577 006	2.51%
8	THE BANK OF NEW YORK MELLON SA/NV	Nominee	23 501 169	2.31%
9	THE BANK OF NEW YORK MELLON	Nominee	17 335 768	1.70%
10	STATE STREET BANK AND TRUST CO.	Nominee	15 397 889	1.51%
11	THE NORTHERN TRUST CO.	Nominee	14 465 574	1.42%
12	GOLDMAN SACHS & CO EQUITY SEGREGAT	Nominee	14 053 227	1.38%
13	STATE STREET BANK AND TRUST CO.	Nominee	13 880 440	1.36%
14	STATE STREET BANK & TRUST COMPANY	Nominee	13 842 674	1.36%
15	STATE STREET BANK & TRUST CO.	Nominee	9 491 053	0.93%
16	THE BANK OF NEW YORK MELLON SA/NV	Nominee	8 426 622	0.83%
17	THE BANK OF NEW YORK MELLON SA/NVT	Nominee	8 395 887	0.82%
18	THE BANK OF NEW YORK MELLON	Nominee	8 332 893	0.82%
19	THE NORTHERN TRUST CO.	Nominee	7 511 300	0.74%
20	KLP AKSJE NORGE INDEKS VPF		7 458 349	0.73%
	Total shares		**646 453 196**	**63.4%**

[1]The list of shareholders is based on the Norwegian Central Securities Depository's (VPS) register of members at year end. For a list of grouped shareholders and nominee shareholders, see "Shareholder information" on page 113.
[2]Of total shares issued.

Treasury shares as at 31 December 2014

	Nominal value (NOK)	Number of shares	Fair value (NOK million)
Shares owned by Orkla ASA	2 291 129	1 832 903	94

Treasury shares have been deducted from Group equity at cost.

Changes in the number of treasury shares

	2014	2013
Total as at 1 January	**4 972 106**	7 987 114
External purchases of treasury shares	**3 000 000**	-
Redemption of options in treasury shares	**(5 139 000)**	(2 040 000)
Orkla employee share purchase programme	**(1 000 203)**	(975 008)
Total as at 31 December	**1 832 903**	4 972 106

As at 31 December 2014, there were 7,168,000 options outstanding (see Note 10).

See the "Corporate governance" section on page 35 regarding the authorisations granted by the General Meeting concerning share capital.

Dividend

The Board of Directors proposes that an ordinary dividend of NOK 2.50 per share be paid out, totalling NOK 2,543 million for the 2014 financial year.

Under Norwegian law, the equity capital in Orkla ASA will, where relevant, constitute a legal limitation on the distribution of dividends by the Orkla Group. Dividends may be distributed insofar as the company has adequate equity and liquidity.

NOTE 34 NON-CONTROLLING INTERESTS

Non-controlling interests consist of external ownership interests in subsidiaries and their subsidiaries. As shown by the figures, most of the Group's businesses are wholly-owned.

Amounts in NOK million	2014	2013	2012
Non-controlling interests' share of:			
Depreciations and write-downs	18	19	26
Operating profit	67	64	98
Profit/loss before taxes	65	70	88
Taxes	(25)	(13)	(16)

Changes in non-controlling interests:		
Non-controlling interests 1 January	301	258
Non-controlling interests' share of profit/loss	40	57
Increase due to acquisitions of companies with non-controlling interests	-	10
Increase due to sale to non-controlling interests	-	68
Decrease due to further acquisitions of non-controlling interests	-	(10)
Decrease due to sale of companies with non-controlling interests	(85)	(15)
Dividends to non-controlling interests	(25)	(51)
Translation differences	14	18
Discontinued operations	0	(34)
Non-controlling interests 31 December	245	301

Non-controlling interests relating to:		
Orkla Food Ingredients	152	125
Orkla Confectionery & Snacks	1	1
Hydro Power	48	55
Financial Investments	44	120
Total non-controlling interests	245	301

NOTE 35 LEASING

Leasing shows the Group's current and non-current commitments arising from leasing contracts for property, plant and equipment. Most leases are regarded as operating leases, and the lease amounts are presented only as operating expenses in the Group's income statement. Finance leases are capitalised.

Reported costs related to operating leases reflect the minimum leasing cost during the period of notice.

Lessee
Operating leases

Rented/leased property, plant and equipment	Machinery/ plant		Land, building, property		Fixtures, vehicles etc.		Other assets		Total	
Amounts in NOK million	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Cost current year	22	17	194	174	116	114	19	18	351	323
Cost next year	18	15	180	161	88	96	17	29	303	301
Total costs 2–5 years	23	21	473	375	152	163	13	15	661	574
Total costs after 5 years	4	-	192	243	-	2	4	-	200	245
Total future leasing costs	45	36	845	779	240	261	34	44	1 164	1 120

Lessee
Finance leases

Rented/leased property, plant and equipment	Machinery/ plant		Land, building, property		Fixtures, vehicles etc.		Other assets		Total	
Amounts in NOK million	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Cost current year	11	11	1	1	5	4	-	-	17	16
Cost next year	8	10	2	1	5	4	-	-	15	15
Total costs 2–5 years	10	14	1	1	11	8	-	-	22	23
Total costs after 5 years	-	2	-	-	-	-	-	-	-	2
Total future leasing costs	18	26	3	2	16	12	-	-	37	40
Discounted effect	(1)	(1)	-	-	-	-	-	-	(1)	(1)
Net present value leasing costs	17	25	3	2	16	12	-	-	36	39

The Group also leases out real estate under operating leases. Leasing revenues in 2014 totalled NOK 87 million. Total future leasing revenues amount to NOK 130 million and may be broken down as follows: NOK 63 million in 2015 and NOK 67 million in 2–5 years.

NOTE 36 PLEDGES AND GUARANTEES

Pledges and guarantees show the book value of Group assets which are accessible for pledgees in the event of a bankruptcy or a winding-up. Claims that have priority by law (taxes and charges, wages etc.) must also be taken into account. The table shows that the book value of pledged assets is considerably higher than outstanding liabilities secured by pledges. Moreover, the Group's most important loan agreements are based on a negative pledge and therefore the Group can only to a limited extent pledge its assets to secure its liabilities.

Amounts in NOK million	2014	2013
Liabilities secured by pledges	296	593
Pledged assets		
Buildings and plants	274	392
Inventory	100	303
Accounts receivables	1	19
Other assets	126	126
Total book value	501	840

"Liabilities secured by pledges" and "Pledged assets" are mainly property development projects in companies in Orkla's real estate group, Orkla Eiendom.

Guarantee commitments are undertaken as part of the Group's day-to-day operations and in connection with participation in general and limited partnerships. Guarantee commitments cover a variety of guarantees such as surety, rent guarantees and guarantees for other payments, but do not cover product or service liability in connection with ordinary sales.

Guarantees

Amounts in NOK million	2014	2013
Subscribed, uncalled limited partnership capital	4	51
Other guarantee commitments	56	131
Total guarantee commitments	60	182

NOTE 37 RELATED PARTIES

Two parties are deemed to be related if one party can influence the decisions of the other. Related party relationships are a normal feature of commerce and business. However, related parties are in a position to enter into transactions with the company that would not be undertaken between unrelated parties. A company's profit or loss and financial position could in principle be affected by a related party relationship even if no transactions with related parties have actually taken place. The mere existence of the relationship may be sufficient to affect the way the company's other transactions are perceived. To ensure full access to all information of this nature, the following related party relationships are disclosed below:

Orkla ASA is a parent company and has direct and indirect control of around 200 different companies in various parts of the world. Directly-owned subsidiaries are presented in Note 9 to Orkla ASA's financial statements, while other important companies are presented in the Group Directory. Orkla ASA's internal relationship with these companies is shown on separate lines in the company's financial statements (see the financial statements for Orkla ASA). Activity within the Group is reported in the segment information disclosed in Note 8.

Orkla has ownership interests in associates and joint ventures, which are presented using the equity method. Orkla has outstanding balances totalling NOK 151 million with associates within Orkla Eiendom. There have been no other special material transactions between associates and joint ventures and the Group.

Internal trading within the Group is carried out in accordance with special arm's length agreements, and joint expenses in Orkla ASA are distributed among the Group companies in accordance with distribution formulas, depending on the various types of expense. For further information on intra-Group transactions (see Note 8).

Chairman of the Board of Directors Stein Erik Hagen and related parties own 249,142,000 shares in Orkla, which is equivalent to 24.5% of shares issued. No loan relationship has been established. The Canica system and Orkla both have equity interests in certain investments.

The process related to the sale of a small portion of the real estate portfolio to the management of Capto Eiendom (formerly FG Eiendom) was completed in the second quarter and resulted in a small book gain on the sale. The agreement was carried out at arm's-length distance. Orkla has granted the management of Capto Eiendom a seller's credit.

There were no other transactions with related parties. Information regarding the executive management is disclosed in Note 10 to the consolidated financial statements and Note 5 to the financial statements for Orkla ASA.

NOTE 38 DISCONTINUED AND SOLD OPERATIONS

In a Group as large as Orkla, the corporate structure will change over time as companies are sold and purchased. In connection with major acquisitions, pro forma figures will normally be prepared for the new business combination, while major divestments will be presented as "Discontinued operations", extracted from both the figures for the period and comparative figures, and presented on one line in the income statement. This is done in order to make the figures comparable over time and to focus on continuing operations. Where Orkla's businesses are concerned, it will not be relevant to present discontinued operations until an entire segment, geographical area or material assets are divested.

Discontinued operations

Gränges

Gränges was listed on the stock exchange on 10 October 2014 and, as a result of this decision, was presented as "Discontinued operations" as from the third quarter of 2014. The loss on the disposal is presented on the same line. The Group's remaining ownership interest (31%) in Gränges was recognised as an associate as from the fourth quarter of 2014. The proceeds represent an enterprise value of NOK 2.3 billion.

Orkla Brands Russia

The business in Russia (OBR) was sold and is presented as "Discontinued operations". Profit/loss for 2014 has been recognised on a full-year basis. A total of NOK -522 million has been expensed on the line for "Discontinued operations" for OBR. This figure consists of a loss on the disposal of NOK -191 million, recognition of historical translation differences of NOK -156 million and profit after tax for OBR amounting to NOK -175 million. A property in St. Petersburg is presented in the statement of financial position as "Held for sale" as at 31 December 2014. This property is expected to be sold in the very near future.

Sapa (JV)

Sapa (JV), which is the part of Sapa Profiles, Sapa Building Systems and parts of Heat Transfer which were to become part of a joint venture with Norsk Hydro, was presented as "Discontinued operations" as at 31 December 2012.

The remaining goodwill related to Sapa (JV) was written down as at 30 June 2013 by NOK 1.2 billion.

Borregaard

Borregaard was listed on the stock exchange in October 2012 and up until 30 September 2012 was reported as "Discontinued operations". The gain on the stock exchange listing and costs related to the process of selling Borregaard were recognised as "Discontinued operations". The gain on Borregaard's listing was NOK 141 million in the fourth quarter of 2012.

The investment in REC

The investment in REC has been significant for the Group, and the transition from "Associate" to "Available for sale" in 2012 entailed a change in the presentation of historically reported figures for REC as associate, and the investment is shown as "Discontinued operations" on a separate line after ordinary profit/loss for the period after tax. In connection with the REC investment's change to "Available for sale", positive currency effects totalling NOK 240 million, accumulated during Orkla's period of ownership, were recognised in the income statement.

Profit & loss for "Discontinued operations":

Amounts in NOK million	2014	2013	2012
Operating revenues	3 767	21 730	33 689
Operating expenses	(3 430)	(20 613)	(31 597)
Depreciation and write-downs property, plant and equipment	(171)	(698)	(1 054)
Amortisation intangible assets	-	(18)	(27)
Other income and expenses	(38)	(1 820)	(2 068)
Operating profit/loss	128	(1 419)	(1 057)
Profit/loss from associates	1	-	(198)
Other financial items	(50)	(74)	(115)
Profit/loss before tax	79	(1 493)	(1 370)
Taxes	(69)	(29)	(377)
Profit/loss after tax[1]	10	(1 522)	(1 747)
Loss/gain on sale after tax	(366)	12	330
M&A costs	(129)	(37)	(164)
Profit/loss for discontinued operations	(485)	(1 547)	(1 581)
[1]Of this non-controlling interests	-	-	-

Comprehensive income related to "Discontinued operations" totals NOK 7 million for 2014 after changes of NOK 1 million in the hedging reserve, and NOK -4 million in translation differences.

EBIT (adj.) by segment:

Amounts in NOK million	2014	2013	2012
Gränges	293	337	313
Orkla Brands Russia	(127)	(132)	(7)
Sapa (JV)	-	196	252
Borregaard Chemicals (nine months in 2012)	-	-	453
Total	166	401	1 011

Cash flow "Discontinued operations":

Amounts in NOK million	2014	2013	2012
Cash flow from operations before net replacement expenditures	547	528	2 126
Net replacement expenditures	(50)	(685)	(1 152)
Expansion investments	(4)	(179)	(384)
Total	493	(336)	590

Sold companies

The sale of Rieber Foods Polska S.A. (Delecta) was completed in the third quarter. Due to the valuation in the acquisition analysis, there was no accounting gain on the sale. Goodwill from the acquisition was reduced by NOK 100 million as a result of the transaction.

In the second quarter of 2014, a small part of the real estate portfolio was sold to the management of Capto Eiendom (formerly FG Eiendom).

In sum, these two sales represent an enterprise value of NOK 379 million.

NOTE 39 OTHER MATTERS

Several factors that are not strictly accounting matters may be crucial to the way in which the financial statements are understood. For instance, there may be matters relating to time-limited agreements that could have an impact on future earnings. There may be unresolved legal disputes that could have significant effects if the judgment passed is not as expected. The information below is intended to shed light on such matters and, in combination with the financial statements and other notes, to provide a correct overall picture of the Group's total earnings and financial position.

New acquisitions

Orkla Confectionery & Snacks has entered into an agreement with Nordic Partners Food Limited to purchase NP Foods Group, which comprises the companies and brands Laima, Staburadze, Gutta, Margiris and Staburadzes Konditoreja. This acquisition will close to double the scope of Orkla's Baltic operations, making Orkla one of the biggest suppliers of branded consumer goods to the Baltic grocery sector.

The iconic chocolate brand Laima has a market share of over 30% in the Latvian chocolate market. Orkla's position will also be strengthened in the Baltics in the biscuit, cake, juice, water and ready meal segments, with local brands such as Selga, Staburadze, Gutta, Everest, Fresh walk and Pedro. Based on consolidated figures for 2013, NP Foods had a turnover of EUR 77.1 million and normalised operating profit (EBITDA) of EUR 7.5 million. The company has four factories in Latvia and one in Lithuania and 1,100 employees.

Under the agreement entered into, Orkla is to purchase 100% of the shares in the companies that make up Nordic Partners Food Limited (AS Gutta, NP Foods SIA, AS Staburadze, AS Laima, UAB Margiris and SIA Détente). This holding company is owned by the Latvian investment company Nordic Partners and the Icelandic fund BIL ehf. The transaction will be completed subject to the approval of the competition authorities in Latvia, Lithuania and Estonia. The parties have agreed not to disclose the purchase price at the present time.

Orkla Home & Personal has entered into an agreement to purchase 100% of the shares in the branded consumer goods company Cederroth. With the acquisition of Cederroth, Orkla Home & Personal will become one of the Nordic region's leading suppliers of personal care, health, wound care and household cleaning products. Cederroth achieved a turnover of SEK 1,984 million in 2013, and EBITDA of SEK 194 million. The company has a total of 850 employees. The product categories that Orkla Home & Personal and Cederroth offer are largely complementary. In addition, wound care will represent an attractive new category for Orkla. Cederroth also holds a well-established position in the Nordic pharmacy market. When the agreement has been finalised, Cederroth's operations will be incorporated into the Orkla Home & Personal business area.

The purchase price is SEK 502 million. The transaction values the entire company (on a debt-free basis) at SEK 2,015 million, based on Cederroth's statement of financial position as at 30 September 2014. The purchase will be financed by means of available drawing facilities. The agreement is subject to the approval of the relevant competition authorities. The transaction is expected to be completed by the end of the third quarter of 2015.

Through its wholly-owned subsidiary KåKå AB, Orkla Food Ingredients (OFI) har signed an agreement to purchase 67% of the Finnish company Condite Oy. Condite is Finland's second largest sales and distribution company in the bakery ingredients segment. Condite achieved a turnover of EUR 31 million (NOK 242 million) in 2013 and has 42 employees. The company is privately owned and two of the present owners wish to remain shareholders and will retain an ownership interest totalling 33%. The agreement has been approved by the Finnish competition authorities and was completed on 30 January 2015.

On 2 February 2015, Orkla Health announced its agreement to purchase the Danish company W. Ratje Frøskaller (WRF). The company has an annual turnover of approximately NOK 45 million. With this acquisition, Orkla Health is strengthening its position in the gut health segment, as well as in the pharmacy market.

Agreement with Unilever. Orkla has a long-term cooperation agreement with Unilever relating to detergents and personal care products sold through Lilleborg AS. This agreement was originally entered into in 1958, and has since been renewed three times. The current agreement was entered into on 1 July 2014, and will run for up to five years, until 30 June 2019. As from 30 June 2016, the agreement can be terminated by either party by giving 12 months' notice, which means that the earliest possible expiry date for the current agreement is 30 June 2017 (see Note 1).

The Non-Annex 1 raw material price compensation agreement (RÅK). Through the EEA Agreement, Norway has regulated trade in processed agricultural products (Non-Annex 1 products). The agreement ensures free movement of goods, but customs duties and a compensation system are used to even out the differences between the raw material prices paid by Norwegian manufacturers who use Norwegian raw materials and the prices paid by foreign manufacturers who use raw materials from the EU. Around 86% of Orkla's sales of food products in Norway are exposed to competition from imports, most of which are non-Annex 1 products.

Contracts. The Group has contracts at all times for the sale and purchase of goods and services in connection with the production of potatoes, vegetables, fish etc. These contracts are regarded as part of the Group's ordinary operating activities and are therefore not specified or indicated in any other way. The contracts are deemed to be strictly sale or purchase contracts with no embedded derivatives.

Government grants. Orkla received only an entirely insignificant amount in government grants in 2014.

NOTE 40 ORKLA-FORMAT STATEMENT OF CASH FLOWS

The Orkla-format cash flow statement is presented as a note to Orkla's quarterly reports and used as a reference in the segment information (Note 8) and in the Report of the Board of Directors. At Group level, the bottom line of the Orkla-format cash flow statement is net interest-bearing liabilities, an important key figure for the Group. The statement is used directly in management of the business areas and is part of the presentation of segment information. For further information, see Note 4. The statement shows the Group's overall financial capacity, generated by operations, to cover the Group's finance items, taxes and items more subject to Group control such as dividends and treasury share transactions. Cash flow from operations is broken down into "Cash flow from operations, industrial activities" and "Cash flow from operations, real estate and financial assets". The last part of the cash flow statement shows the expansion measures that have been carried out in the form of direct expansion investments, acquisition of companies, disposal of companies/parts of companies and changes in the level of investments in shares and financial assets. The cash flow statement is presented on the basis of an average monthly exchange rate, while the change in net interest-bearing liabilities is an absolute figure measured at the closing rate. The difference is explained by the currency translation effect related to net interest-bearing liabilities.

Orkla Eiendom has had and will have significant fluctuations in cash flow from operations. These are related to the development and sale of real estate projects. Cash flow from operations related to real estate and financial assets is therefore presented on a separate line, independently of cash flow from operations related to industrial activities.

Amounts in NOK million	2014	2013	2012
Operating profit	**3 181**	2 307	2 635
Amortisations, depreciations and impairment charges	**930**	1 503	943
Change in net working capital, etc.	**(491)**	(155)	457
Cash flow from operations before net replacement expenditures	**3 620**	3 655	4 035
Net replacement expenditures	**(838)**	(880)	(701)
Cash flow from operations, industrial activities	**2 782**	2 775	3 334
Cash from from operations, real estate and financial assets	**(59)**	384	777
Financial items, net	**(326)**	(451)	(372)
Taxes paid	**(492)**	(766)	(995)
Received dividends	**271**	481	456
Discontinued operations and other payments	**302**	(371)	333
Cash flow before capital transactions	**2 478**	2 052	3 533
Paid dividends	**(2 565)**	(2 579)	(2 778)
Net sale/purchase of Orkla shares	**105**	133	(416)
Cash flow before expansion	**18**	(394)	339
Expansion investment in industrial activities	**(102)**	(180)	(347)
Sale of companies/share of companies	**2 883**	1 713	3 538
Purchase of companies/share of companies	**(87)**	(6 986)	(1 617)
Net purchase/sale shares and financial assets	**350**	3 090	3 350
Net cash flow	**3 062**	(2 757)	5 263
Currency effects of net interest-bearing liabilities	**(227)**	(953)	412
Change in net interest-bearing liabilities	**(2 835)**	3 710	(5 675)
Net interest-bearing liabilities	**5 661**	8 496	4 786

Reconciliation operating profit in the cash flow statement against operating profit

Amounts in NOK million	2014	2013	2012
Operating profit in the Group	**3 114**	2 444	2 857
Operating profit discontinued operations	**-**	(162)	53
- EBIT (adj.) Financial Investments	**(36)**	(3)	294
- Other income and expenses Financial Investments	**(31)**	(22)	(19)
Operating profit industrial activities	**3 181**	2 307	2 635

NOTE 41 EVENTS AFTER THE BALANCE SHEET DATE

Material events after the balance sheet date that occur before the Board of Directors has approved the financial statements may make it necessary to change the annual financial statements or to disclose the matter in the notes to the financial statements. If new information emerges regarding a matter that existed on the balance sheet date, and the matter is material, the financial statements must be changed. If events concern matters that arose after the balance sheet date, the matters may have to be disclosed in a note.

No other events have taken place after the balance sheet date that would have had a material impact on the financial statements or any assessments carried out.

Financial Statements for Orkla ASA

FINANCIAL STATEMENTS FOR ORKLA ASA

INCOME STATEMENT

Amounts in NOK million	Note	2014	2013
Operating revenues		299	4
Other operating revenues Group	1	688	534
Total operating revenues		987	538
Payroll expenses	2	(430)	(305)
Other operating expenses	5	(590)	(583)
Depreciation/write-downs and amortisation	7, 8	(20)	(21)
Operating loss		(53)	(371)
Income from investments in other companies		9	230
Interest income Group		387	734
Dividends and group contributions from Group		12 447	2 926
Other finance income	6	21	40
Finance costs Group		(98)	(158)
Other finance costs	6	(4 266)	(734)
Net foreign exchange gains and losses		(537)	(630)
Gains, losses and write-downs in the share portfolio		69	544
Profit before taxes		7 979	2 581
Taxes	10	(3)	(50)
Profit after tax		7 976	2 531

Comprehensive income

	2014	2013
Profit after tax	7 976	2 531
Change in unrealised gains on shares after tax	(21)	(82)
Change in hedging reserve after tax	(150)	75
Change in actuarial gains and losses pensions	(43)	11
Comprehensive income	7 762	2 535
Proposed dividend (not provided for)	(2 543)	(2 535)

STATEMENT OF CASH FLOWS

Amounts in NOK million	2014	2013
Profit/loss before tax	7 979	2 581
Depreciations and write-downs	20	21
Changes in net working capital etc.	55	129
Received Group contributions and dividend in kind	(10 389)	(2 926)
Portfolio gains	(69)	(544)
Correction against payable finance items	2 246	919
Taxes paid	(145)	(55)
Cash flow from operating activities	(303)	125
Sale of property, plant and equipment	-	1
Replacement expenditures	(35)	(124)
Sale of companies	23	-
Net change in investments in subsidiaries	(10 982)	(1 117)
Investments in other companies	-	(2)
Net purchase/sale share portfolio	350	2 647
Received Group contributions etc.	3 363	2 009
Cash flow from investing activities	(7 281)	3 414
Dividends paid	(2 540)	(2 528)
Net share sold	105	133
Net paid to shareholders	(2 435)	(2 395)
Change in other interest-bearing liabilities	689	(2 732)
Change in interest-bearing receivables	10 770	(3 671)
Change in net interest-bearing liabilities	11 459	(6 403)
Cash flow from financing activities	9 024	(8 798)
Change in cash and cash equivalents	1 440	(5 259)
Cash and cash equivalents 1 January	521	5 780
Cash and cash equivalents 31 December	1 961	521
Change in cash and cash equivalents	1 440	(5 259)

STATEMENT OF FINANCIAL POSITION

Assets

Amounts in NOK million	Note	2014	2013
Intangible assets	8	31	32
Deferred tax asset	10	323	185
Property, plant and equipment	7	262	246
Investments in subsidiaries	9	36 205	19 387
Loans to Group companies		11 303	22 388
Shares in other companies		4	24
Other financial assets		517	459
Non-current assets		48 645	42 721
Accounts receivable external		6	10
Other receivables		356	67
Loans to Group companies		1 275	1 870
Share portfolio investments	See Note 23 Group	698	1 003
Cash and cash equivalents		1 961	521
Current assets		4 296	3 471
Total assets		52 941	46 192

Equity and liabilities

Amounts in NOK million	Note	2014	2013
Paid-in equity		1 993	1 989
Retained earnings		27 225	21 897
Equity		29 218	23 886
Pension liabilities	2	426	320
Non-current liabilities Group		-	84
Other non-current liabilities		8 675	7 779
Non-current liabilities and provisions		9 101	8 183
Tax payable		158	233
Current liabilities to Group companies		14 127	11 415
Accounts payable external		55	33
Other current liabilities		282	2 442
Current liabilities		14 622	14 123
Equity and liabilities		52 941	46 192

STATEMENT OF CHANGES IN EQUITY

Amounts in NOK million	Share capital	Treasury shares	Premium fund	Total paid-in equity	Other equity	Total Orkla ASA
Equity 1 January 2013	1 274	(10)	721	1 985	21 739	23 724
Comprehensive income Orkla ASA	-	-	-	0	2 535	2 535
Dividends from 2012	-	-	-	0	(2 528)	(2 528)
Net sale of treasury shares	-	4	-	4	129	133
Option costs	-	-	-	0	22	22
Equity 31 December 2013	1 274	(6)	721	1 989	21 897[1]	23 886
Comprehensive income Orkla ASA	-	-	-	0	7 762	7 762
Dividends from 2013	-	-	-	0	(2 540)	(2 540)
Net sale of treasury shares	-	4	-	4	101	105
Option costs	-	-	-	0	5	5
Equity 31 December 2014	1 274	(2)	721	1 993	27 225	29 218

[1]Other equity for Orkla ASA as at 31 December 2014 includes a fund for unrealised gains totalling NOK 279 million (NOK 300 million as at 31 December 2013) and other paid-in equity (options) totalling NOK 388 million (NOK 383 million as at 31 December 2013).

NOTES FOR ORKLA ASA

NOTE 1 ACCOUNTING PRINCIPLES

Besides all head office activities, the financial statements of the holding company Orkla ASA cover the remainder of the Group's share portfolio and some real estate activities. The latter are part of the business operations of Orkla Eiendom. The financial statements also cover the administration of the Orkla Foods, Orkla Confectionery & Snacks, Orkla Home & Personal and Orkla Food Ingredients business areas, and the Operations, Purchasing and Marketing & Sales functions and the administration of the Purchasing Academy, Sales Academy and Brands Academy in Orkla ASA.

Activities at head office include the Group's executive management and the corporate functions communications, legal affairs, corporate development, HR, accounting/finance, risk management and internal audit. The corporate function staff largely carry out assignments for the Group's other companies, and charge the companies for these services. Orkla ASA owns certain trademarks that are utilised by various companies in the Orkla Group. Royalty fees are invoiced for the use of these trademarks. The revenues from these activities are presented on the line for "Other operating revenues Group". The Group Treasury acts as an internal bank and is responsible for the Group's external financing, management of the Group's liquid assets and overall management of the Group's currency and interest risks. Interest from the Group's internal bank and dividends and contributions to the Group from investments in subsidiaries are presented as finance items and specified in the income statement.

The financial statements for Orkla ASA have been prepared and presented in accordance with simplified IFRS pursuant to section 3-9 of the Norwegian Accounting Act. Internal dividends and contributions to the Group have been accounted for according to good accounting practice as an exception to IFRS. The explanations of the accounting principles for the Group also apply to Orkla ASA, and the notes to the consolidated financial statements in some cases cover Orkla ASA. Ownership interests in subsidiaries are presented at cost.

The Board of Directors has considered that Orkla ASA, after the proposed dividend of NOK 2.50 per share, has adequate equity and liquidity at the end of 2014.

NOTE 2 PAYROLL AND PENSIONS

Amounts in NOK million	2014	2013
Wages	(269)	(230)
National insurance contributions	(48)	(39)
Remuneration of the Board and other pay-related costs	(46)	(11)
Pension costs	(67)	(25)
Payroll expenses	(430)	(305)
Average number of man-years	178	157

Breakdown of net pension costs

The assumptions on which the calculation of pension costs has been based are disclosed in Note 11 to the consolidated financial statements.

Amounts in NOK million	2014	2013
Current service cost (incl. national insurance contribution)	(26)	(21)
Curtailment and settlements pension plans	(30)	3
Costs contribution plans	(11)	(7)
Pension classified as operating cost	(67)	(25)
Pension classified as financial items	(13)	(13)
Net pension costs	(80)	(38)

Breakdown of net pension liabilities as at 31 December

Amounts in NOK million	2014	2013
Present value of pension obligations	(426)	(320)
Pension plan assets	-	-
Capitalised net pension liabilities	(426)	(320)

The remaining net pension liabilities at 31 December 2014 mainly consist of unfunded pension plans for former key personnel and unfunded early retirement plans, and liabilities related to plans for employees who earn more than twelve times the Norwegian National Insurance Scheme's basic amount (12G). For other employees, the company primarily has defined contribution pension plans.

The company has a pension plan that meets the requirements of the Compulsory Service Pensions Act.

NOTE 3 GUARANTEES AND MORTGAGES

Amounts in NOK million	2014	2013
Subscribed, uncalled limited partnership capital	4	51
Guarantees to subsidiaries	230	284

NOTE 4 LOANS TO EMPLOYEES

Other financial assets include loans to employees.

Amounts in NOK million	2014	2013
Loans to employees	4	5

NOTE 5 REMUNERATION AND CONTRACTUAL ARRANGEMENTS

Remuneration of the Group Executive Board

The Board of Directors decides the terms and conditions of the President and CEO and makes decisions on fundamental issues relating to the Group's compensation and benefits policy and compensation arrangements for other employees. The Board of Directors has a special Compensation Committee that prepares matters relating to compensation for decision by the Board. The Committee consists of three Board members, one of whom is elected by the employees, and was chaired by the Deputy Chair of the Board in 2014. The administration prepares matters for the Compensation Committee and the Board.

On 10 February, Peter A. Ruzicka took over as President and CEO after Åge Korsvold and appointed the following Group Executive Board, effective 1 April: Karl Otto Tveter, Terje Andersen, Jens Bjørn Staff (from 1 June 2014), Atle Vidar Nagel-Johansen, Stig Ebert Nilssen, Pål Eikeland, Paul Jordahl (until 1 December 2014) and Christer Åberg.

The Group Executive Board participated in the Group's annual bonus system in 2014.

Salaries and remuneration to the Group Executive Board, and accrued bonuses (inclusive of the Group's long-term incentive programme), are presented below:

Amounts in NOK 1 000	Ordinary salary	Earned bonus	Benefits in kind	Pension costs
Åge Korsvold[1]	7 833	-	14	24
Peter A. Ruzicka[2]	5 051	3 642	210	1 728
Jens Bjørn Staff	1 604	962	145	1 082
Terje Andersen	3 234	1 392	227	818
Karl Otto Tveter	2 753	1 960	231	644
Atle Vidar Nagel-Johansen	3 314	882	219	804
Pål Eikeland	2 484	2 798	228	533
Stig Ebert Nilssen	2 961	1 894	205	699
Paul Jordahl	2 698	3 486	124	828
Christer Åberg	4 499	3 178	2 180	1 204
Total remuneration	36 431	20 194	3 783	8 364

[1]Includes salary during the period of notice and one month's pay after termination of employment.
[2]At the time of his appointment, the President and CEO's salary was NOK 5,676,000.

The Group Executive Board participates in the Group's general employee share purchase programme. No guarantees have been provided for members of the Group Executive Board.

The Group Executive Board has also participated in the Group's long-term incentive programme. The Group Executive Board's bonus bank balance in NOK 1,000 as at 31 December 2014, and the underlying exposure in number of shares based on the share price (NOK 51.15) at 31 December 2014, are presented below:

Amounts in NOK 1 000	Balance bonus bank	Number of underlying shares	Balance options
Peter A. Ruzicka	1 822	35 621	-
Terje Andersen	2 697	52 727	-
Jens Bjørn Staff	481	9 404	-
Karl Otto Tveter	2 613	51 085	150 000
Atle Vidar Nagel-Johansen	2 887	56 442	130 000
Pål Eikeland	3 642	71 202	-
Paul Jordahl	2 193	42 874	70 000
Stig Ebert Nilssen	2 460	48 094	100 000
Christer Åberg	2 755	53 861	-
Total	21 550	421 310	450 000

The shareholdings of members of the Group Executive Board are presented on page 124. The retirement age of the President and CEO is 62, and the period of notice is six months, with a period of pay of 12 months after termination of employment. From the age of 62 until he reaches the age of 67, he will be paid 60% of his salary upon retirement. The other members of the Group Executive Board have a period of notice of six months, and their retirement age is 65. From the age of 65 until they reach the age of 67, Orkla will pay them 66% of their salary upon retirement, after which their pension will be paid from Orkla's pension plan. Terje Andersen may retire at the age of 62 with the same benefits. Terje Andersen and Karl Otto Tveter have personal loans on which a regulated interest rate is charged. The balance as at 31 December 2014 was NOK 627,042 for Mr Andersen and NOK 129,500 for Mr Tveter. No other members of the Group Executive Board have personal loans.

Options awarded to the Group Executive Board as of 31 December 2014

	Number	Award date (dd/mm/yyyy)	Strike price	1st exercise/ exercise date (dd/mm/yyyy)	Last exercise (dd/mm/yyyy)
Terje Andersen	-40 000	08.05.2008	68.90	08.05.2014	Forfeited during the period
	-90 000	22.05.2009	39.86	12.05.2014	Exercised at 51.35
	-95 000	10.05.2010	38.88	12.05.2014	Exercised at 51.35
	-86 000	09.05.2011	45.03	12.05.2014	Exercised at 51.35
Karl Otto Tveter	50 000	22.05.2009	39.86	22.05.2012	22.05.2015
	50 000	10.05.2010	38.88	10.05.2013	10.05.2016
	50 000	09.05.2011	45.03	09.05.2014	09.05.2017
	-25 000	08.05.2008	68.90	08.05.2014	Forfeited during the period
Atle Vidar Nagel-Johansen	60 000	10.05.2010	38.88	10.05.2013	10.05.2016
	70 000	09.05.2011	45.03	09.05.2014	09.05.2017
	-30 000	08.05.2008	68.90	08.05.2014	Forfeited during the period
	-60 000	22.05.2009	39.86	06.06.2014	Exercised at 54.00
Stig Ebert Nilssen	50 000	10.05.2010	38.88	10.05.2013	10.05.2016
	50 000	09.05.2011	45.03	09.05.2014	09.05.2017
	-25 000	08.05.2008	68.90	08.05.2014	Forfeited during the period
	-50 000	22.05.2009	39.86	18.06.2014	Exercised at 53.50
Pål Eikeland	-30 000	08.05.2008	68.90	08.05.2014	Forfeited during the period
	-70 000	09.05.2011	45.03	17.06.2014	Exercised at 53.15

The Board of Directors' statement of guidelines for the remuneration of the executive management

Pursuant to section 6-16a of the Public Limited Companies Act, the Board of Directors must draw up a special statement of guidelines for the pay and other remuneration of senior executives. Furthermore, under section 5-6 (3) of the same Act, an advisory vote must be held at the General Meeting on the Board of Directors' guidelines for the remuneration of the executive management for the coming financial year (see (ii) below). In so far as the guidelines concern share-related incentive arrangements, these must also be approved by the General Meeting (see (iii) next page).

(i) Pay and other remuneration of the executive management

Information regarding pay and other remuneration of the executive management in 2014 has been provided on page 105.

(ii) Guidelines for pay and other remuneration of the executive management

With regard to guidelines for pay and other remuneration of the executive management in the coming financial year, the Board of Directors will present the following guidelines to the General Meeting in 2015 for an advisory vote:

The purpose of Orkla's terms and conditions policy is to attract personnel with the competence that the Group requires, to further develop and retain employees with key expertise, and to promote a long-term perspective and continuous improvement with a view to achieving Orkla's business goals. The general approach adopted in Orkla's policy has been to pay fixed salaries and pensions based on the market median, while offering a variable element which is linked to results, share price performance etc. (short- and long term incentives) and which should be better than the median. Compensation may consist of the following elements:

a) Fixed elements

Orkla uses internationally recognised job assessment systems to find the "right" level for the job and the fixed salary. Jobs are assessed in relation to their local market (country) and a pay range of the median +/- 20% is applied. The employee's responsibilities, results and performance determine where he or she is placed on the salary scale.

Orkla has a defined contribution pension plan in Norway. In connection with the pension reform, the contribution rates were changed on 1 September 2014 from 4% for salaries between 1G and 6G and 8% for salaries between 6G and 12G to 5% for salaries between 1G and 7.1G, and 23.1% for salaries over 7.1G (as from 1 May 2014 1G is NOK 88,370). For members of the Group Executive Board as at 1 September 2014, the rate for salaries over 12G is 27%. Employees who have entered into an early retirement agreement entitling them to retire before the age of 67 receive a pension (unfunded) that is equivalent to 60 per cent of their annual pay. Other members in the Group Executive Board than the President and CEO have 66%. All rates are subject to a minimum of 30 qualifying years. In addition to the above, the Group provides benefits such as a company car and company telephone and other limited benefits in kind.

(b) Variable elements – annual bonus
Orkla has a system of annual bonuses. Under this system, a "good performance", which is specifically defined for the various elements, can result in an annual bonus of 30% of an employee's fixed pay, while the maximum bonus is 100% of the employee's annual pay. Approximately 160 senior executives in the Branded Consumer Goods area currently participate in this bonus programme. The bonus programme for 2015 will consist of four components, and its primary target will be profit growth. Individual bonuses with a maximum percentage of 20% are also a key element of the programme.

(iii) Special comments on share-based incentive arrangements

Orkla has a cash-based long-term incentive. An amount based on the result of the annual bonus programme will be deposited in a bonus bank. The balance will be adjusted according to the performance of the Orkla share until it is paid out. 50% of the entitlement will be paid out after two years and the rest after three years, provided that the employee has not given notice of resignation at the time of payment. The annual amount paid out from the long-term programme must not exceed one year's pay on the disbursement date. Any excess amount will be added to the bank deposit to be paid out the following year.

(iv) Senior executive pay policy in previous accounting years

The guidelines for the pay and remuneration of senior executives described in (ii), which were considered at the Annual General Meeting in 2014 also served as guidelines for the determination of senior executive remuneration in 2014. After a closer review of bonuses for 2014, the percentage on which personal bonuses are based was increased slightly in relation to the guidelines for 2014.

(v) Changes in contractual arrangements

Paul Jordahl stepped down from the Group Executive Board on 1 December 2014 to take over as CEO of Orkla Foods Norge.

Discounted shares for employees
For several years the Group has had a programme that gives employees the opportunity to buy a limited number of shares at a discount of 30% in relation to the market price of the share. Shares may be purchased for five different amounts: NOK 28,000, 20,000, 12,000, 4,000 and 1,000 (amounts after discount). In 2014 this programme was available to around 12,100 employees in 21 countries. Shares were purchased by 1,662 employees (1,498 in 2013). Costs related to the share purchase programme in 2014 amounted to approximately NOK 18 million (NOK 16 million in 2013).

The Board of Directors recommends to the General Meeting that the employee share purchase programme be continued on the same conditions as in 2014.

Remuneration of the Board of Directors and Board members' shareholdings
As from 10 April 2014, the Board of Directors is remunerated at the following rates:

Board Chair	NOK	660,000	per year
Board Deputy Chair	NOK	515,000	per year
Board member	NOK	390,000	per year
Observer	NOK	148,000	per year
Deputy member	NOK	25,500	per meeting

Compensation Committee

Committee Chair	NOK	127,000	per year
Member	NOK	95,000	per year

Audit Committee

Committee Chair	NOK	159,000	per year
Member	NOK	106,000	per year

In addition, shareholder-elected Board members residing outside Norway receive an additional NOK 16,000 per meeting attended.

Payments actually received by members of the Board of Directors are as follows:

Amounts in NOK	Director's fee incl. committee work	Number of shares[1]
Shareholder-elected Board members		
Stein Erik Hagen	757 000	249 142 000
Jesper Ovesen (to 11 April 2014)	193 000	-
Peter A. Ruzicka (to 10 February 2014)[2]	53 000	-
Grace Reksten Skaugen	603 000	3 000
Jo Lunder	515 000	0
Ingrid Jonasson Blank	585 000	1 750
Lisbeth Valther Pallesen	515 000	3 000
Nils K. Selte (from 11 April 2014)	387 000	18 000
Lars Dahlgren (from 11 April 2014)	362 000	2 000
Employee-elected Board members		
Terje Utstrand	See table below	4 664
Janne Halvorsen	See table below	0
Sverre Josvanger	See table below	17 477
Åke Ligardh	See table below	3 611

[1]Total share ownership including related parties.
[2]For shareholding, see page 124.

Amounts in NOK	Ordinary salary incl. holiday pay	Director's fees	Benefits in kind	Pension costs
Employee-elected Board members				
Terje Utstrand	532 000	481 000	84 000	19 000
Janne Halvorsen	418 000	283 000	14 000	12 000
Sverre Josvanger	493 000	456 000	192 000	17 000
Åke Ligardh	363 000	285 000	-	16 000

No loans have been granted to or guarantees provided for members of the Board of Directors.

Remuneration of the Nomination Committee
The Chair of the Nomination Committee receives remuneration of NOK 7,000 per meeting, while the other members receive NOK 5,000.

Fees to Group external auditor

Amounts in NOK million (excl. VAT)	Continuing operations 2014	2013
Parent company		
Statutory audit	2.8	3.4
Other attest services	0.1	0.0
Tax consultancy services	3.2	2.9
Other non-audit services	2.8	1.8
Group		
Statutory audit	23	26
Other attest services	0	0
Tax consultancy services	6	5
Other non-audit services	4	6
Total fees to EY	33	37
Statutory audit fee to other auditors	2	2

NOTE 6 OTHER FINANCE INCOME AND OTHER FINANCE COSTS

Other finance income

Amounts in NOK million	2014	2013
Interest income	15	40
Other finance income	6	0
Total other finance income	21	40

Other finance costs

Amounts in NOK million	2014	2013
Interest costs	(255)	(307)
Change in fair value interest element	(100)	(23)
Write-down loans subsidiaries[1]	(288)	(335)
Write-down share investments in subsidiaries[2]	(3 583)	-
Other	(40)	(69)
Total other finance costs	(4 266)	(734)

[1]Write-down of loan to Orkla Brands Russia.
[2]Shares in the subsidiaries Orkla Brands and Orkla Confectionery & Snacks Finland are written-down due to payment of dividends from the companies.

NOTE 7 PROPERTY, PLANT AND EQUIPMENT

Amounts in NOK million	Land, buildings and other property	Machinery, fixture and fittings etc.	Assets under con-struction	Total
Book value 1 January 2014	98	116	32	246
Additions	-	4	31	35
Disposals	-	-	-	-
Depreciations	-	(19)	-	(19)
Book value 31 December 2014	98	101	63	262
Initial cost 1 January 2014	116	183	32	331
Accumulated depreciations and write-downs 1 January 2014	(18)	(67)	-	(85)
Book value 1 January 2014	98	116	32	246
Initial cost 31 December 2014	116	187	63	366
Accumulated depreciations and write-downs 31 December 2014	(18)	(86)	-	(104)
Book value 31 December 2014	98	101	63	262

NOTE 8 INTANGIBLE ASSETS

Amounts in NOK million	Trademarks not amortisable	IT	Total
Book value 1 January 2014	26	6	32
Amortisations	-	(1)	(1)
Book value 31 December 2014	26	5	31
Initial cost 1 January 2014	26	56	82
Accumulated amortisations and write-downs 1 January 2014	-	(50)	(50)
Book value 1 January 2014	26	6	32
Initial cost 31 December 2014	26	56	82
Accumulated amortisations and write-downs 31 December 2014	-	(51)	(51)
Book value 31 December 2014	26	5	31

NOTE 9 SHARES IN SUBSIDIARIES, DIRECTLY OWNED

Amounts in NOK million	Book value	Group's share of capital
Orkla Foods Norge AS	9 362	100%
Industriinvesteringer AS	7 948	100%
Orkla Foods Sverige AB	5 469	100%
Orkla Confectionery & Snacks Finland Ab	3 852	100%
Orkla Food Ingredients AS[1]	2 466	100%
Orkla Energi AS	1 765	100%
Orkla Confectionery & Snacks Norge AS	906	100%
Orkla Health AS[2]	590	100%
Orkla Eiendom AS	574	100%
Orkla House Care AS[3]	515	100%
Swebiscuits AB	512	100%
Lilleborg AS	502	100%
Viking Askim AS	433	100%
Sarpsfoss Limited		
Ordinary shares	253	100%
Preference shares	43	99.9%
Attisholz AB	187	100%
Orkla Foods Romania SA	184	100%
Orkla Foods Danmark A/S	175	100%
Orkla Asia Holding AS	166	100%
Orkla Insurance Company Ltd.	65	100%
UAB Suslavicius-Felix	57	100%
Øraveien Industripark AS	55	100%
Orkla Invest AB	38	100%
Trælandsfos Holding AS	36	100%
Orkla Shared Services AS	34	100%
Meraker Eiendom Holding AS	15	100%
Orkla Accounting Centre Estonia	2	100%
Attisholz Infra AG[4]	1	0.4%
Total	36 205	

[1]Formerly Orkla Brands AS.
[2]Formerly Axellus AS.
[3]Formerly Jordan House Care AS.
[4]The rest of the shares are owned by Attisholz AB.

The subsidiaries Orkla Foods Norge and Suslavicius-Felix were transferred from Orkla Brands to Orkla ASA as a dividend in kind in 2014, as a result of which Orkla Brands AS (now Orkla Food Ingredients AS) was written down. The companies Industriinvesteringer and Orkla Brands received capital contribution in 2014. The receivables relating to these companies were reduced correspondingly.

The table above shows only directly owned subsidiaries. The Group also has indirect ownership of around 200 subsidiaries with profit/loss and equity of significance in the evaluation of the above companies. The most important indirectly-owned subsidiaries are shown in the Group Directory at the end of the Annual Report.

NOTE 10 TAXES

Taxes

Amounts in NOK million	2014	2013
Profit before taxes	7 979	2 581
Change in temporary differences	710	415
Correction for change in temporary differences taken to comprehensive income	(266)	17
Total change in temporary differences	444	432
Tax-free dividends, capital gains (losses) and write-downs	(7 992)	(1 721)
Group contributions without tax	-	(800)
Other permanent differences	-	(12)
Total permanent differences	(7992)	(2 533)
Total taxable income	431	480
Calculated current tax expense	(116)	(134)
Withholding tax foreign dividends	(1)	(2)
Correction in provisions for previous years' taxes	48	(34)
Total current tax expense	(69)	(170)
Change in deferred tax liabilities	66	120
Total tax expense	(3)	(50)

Deferred tax liabilities

Amounts in NOK million	2014	2013
Financial derivatives	80	147
Unrealised gains (losses) on shares outside the TEM[1] in equity	2	1
Accumulated write-downs outside the TEM[1]	(11)	(11)
Hedging reserve in equity	(521)	(314)
Property, plant and equipment	(17)	(17)
Pension liabilities	(316)	(205)
Other current liabilities	(412)	(285)
Basis deferred tax	(1 195)	(684)
Deferred tax asset	(323)	(185)
Change in deferred tax	138	112
Change in deferred tax taken to comprehensive income	(72)	8
Change in deferred tax in the income statement	66	120

[1]TEM = Tax Exemption Method

Reconciliation of total tax expense

Amounts in NOK million	2014	2013
27% of profit before taxes (28% in 2013)	(2 154)	(722)
Tax-free dividends, capital gains (losses) and write-downs shares and financial assets	39	54
Dividends from subsidiaries	3 099	394
Write-downs shares in subsidiaries	(967)	-
Options and total return swap	8	53
Group contributions without tax	-	224
Other permanent differences	(21)	(16)
Withholding tax	(1)	(2)
Correction previous years' taxes	(6)	(35)
Total tax expense for Orkla ASA	(3)	(50)

NOTE 11 FINANCIAL RISK

The risk associated with financial instruments in Orkla ASA is related to the following activities:

Shares and financial assets

Changes in share prices are sources of financial risk for shares and financial assets. This risk is quantified in Note 23 to the consolidated financial statements.

The Group's internal bank

The Treasury Department of Orkla ASA manages the interest rate and currency risk for the Group. The Treasury Department acts as Group internal bank and initiates virtually all external borrowing and hedging transactions in interest rate and currency derivatives. The subsidiaries mitigate their currency risk by entering into internal currency hedging contracts with the internal bank, which in turn hedges this risk through external hedging positions. Additionally, the internal bank holds debt in foreign currencies in order to hedge currency risk on internal loans, book equity and goodwill. The internal bank does not actively take on currency risk. Internal loans and receivables are at floating interest rates, and no Group-internal interest hedging contracts are made. Management of interest rate and currency risk for Group-external items is described in more detail in Note 30 to the consolidated financial statements.

Further details of the organisation of risk management and the risk related to financial instruments are disclosed in Note 30 to the consolidated financial statements.

Derivatives and hedge accounting

Currency forward contracts. The internal and external currency forward contracts and cross currency swaps are recognised at fair value in the statement of financial position with changes in fair value recognised through profit and loss. Currency effects on internal and external loans are also accounted for through profit and loss.

Interest rate swaps. External borrowing for the Group is mainly originated in the name of Orkla ASA. Loans originated at fixed interest rates are swapped to floating interest rates through interest rate swaps. These swaps are recognised as fair value hedges with fair value changes recognised through profit and loss. At 31 December 2014, the fair value of such interest rate swaps was NOK 496 million (NOK 428 million in 2013). During the year NOK 68 million was recognised as financial income from fair value changes relating to the interest rate swaps, and NOK 68 million was recognised as financial cost from changes in the fair value of the hedged loans.

When Orkla hedges future interest payments, interest rate swaps, where Orkla receives floating interest rates and pays fixed interest rates, are used. These interest rate swaps are recognised as cash flow hedges with changes in fair value recognised through comprehensive income. At 31 December 2014, the fair value of these swaps amounted to NOK -521 million (NOK -314 million in 2013).

Interest rate swaps that do not qualify for hedge accounting and FRAs are recognised with changes in fair value through profit and loss. The fair value at 31 December 2014 was NOK -75 million (NOK 1 million in 2013).

Equity hedging reserve. Change in equity hedging reserve:

Amounts in NOK million	2014	2013
Opening balance hedging reserve before tax	(314)	(422)
Recognised as finance income/expenses	186	101
Fair value change during the year	(393)	7
Closing balance equity hedging reserve before tax	(521)	(314)
Deferred tax hedging reserve	141	84
Closing balance equity hedging reserve after tax	(380)	(230)

The hedging reserve is expected to be reclassified to the income statement as follows (before tax):

2015:	NOK -109 million
After 2015:	NOK -412 million

NOTE 12 OTHER MATTERS

PAYE tax guarantee and guarantee for pension liabilities
Orkla ASA has a bank guarantee to cover Pay-As-You-Earn (PAYE) tax payable by employees and pension liabilities for employees who earn more than 12G on behalf of its Norwegian subsidiaries. The company has no other restricted assets.

Material leases
In 2013, Orkla ASA moved to new temporary premises in Nedre Skøyen vei 26, Oslo, along with the companies Orkla Health, Lilleborg, Orkla Confectionery & Snacks Norge, Pierre Robert Group, Hydro Power, Orkla Shared Services, Orkla House Care and Orkla Eiendom. The building has been leased from Evry until 2018 pending the construction of new permanent premises at Drammensveien 149 and 151. Annual leasing costs total NOK 34 million, but Orkla ASA subleases premises to the other companies.

Orkla ASA still leases premises at Karenslyst allé 6, Skøyen, in Oslo, from Investorprosjekt 93 AS until the year 2020. Annual leasing costs total NOK 19 million. At present, only one of six floors has been leased out, and a provision of NOK 18 million was therefore made in the financial statements for 2014.

As a result of the acquisition of Rieber & Søn ASA, Orkla ASA took over the lease of Rieber's headquarters in Nøstegaten 58, Bergen in 2013. The contract runs until 2019, and the lessor is AS Inventor Eiendommer. Annual leasing costs total NOK 20 million. The building is subleased, primarily to Orkla Foods Norge, KnowIt and Bergen Municipality.

Matters disclosed in the Notes to the consolidated financial statements
Share-based payment – Note 10.
Events after the balance sheet date – Note 41.

Shareholders in Orkla ASA
A list of the largest shareholders in Orkla ASA is presented in Note 33.

Statement from the Board of Directors of Orkla ASA

We confirm that the financial statements for the period 1 January up to and including 31 December 2014 have, to the best of our knowledge, been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the Group as a whole, and that the Board of Directors' report includes a fair review of the development and performance of the business and the position of the company and the Group as a whole, together with a description of the principal risks and uncertainties that they face.

Oslo, 4 February 2015

The Board of Directors of Orkla ASA

Stein Erik Hagen Chairman	Grace Reksten Skaugen Deputy Chair	Jo Lunder	Nils K. Selte
Lars Dahlgren	Ingrid Jonasson Blank	Lisbeth Valther Pallesen	Terje Utstrand
Sverre Josvanger	Janne Halvorsen	Åke Ligardh	Peter A. Ruzicka President and CEO

Auditor's report

TO THE GENERAL MEETING OF ORKLA ASA

Report on the financial statements

We have audited the accompanying financial statements of Orkla ASA, comprising the financial statements for the Parent Company and the Group. The financial statements of the Parent Company and the Group comprise the statement of financial position as at 31 December 2014, the statements of income, comprehensive income, cash flows and changes in equity for the year then ended as well as a summary of significant accounting policies and other explanatory information.

The Board of Directors' and Chief Executive Officer's responsibility for the financial statements

The Board of Directors and Chief Executive Officer are responsible for the preparation and fair presentation of these financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway for the financial statements of the Parent Company and the International Financial Reporting Standards as adopted by the EU for the financial statements of the Group, and for such internal control as the Board of Directors and Chief Executive Officer determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements for the Parent Company and the Group.

Opinion on the financial statements of the Parent Company

In our opinion, the financial statements of Orkla ASA have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2014 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Opinion on the financial statements of the Group

In our opinion, the financial statements of the Group have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Group as at 31 December 2014 and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the EU.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report and on the statements on corporate governance and corporate social responsibility

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Directors' report and in the statements on corporate governance and corporate social responsibility concerning the financial statements, the going concern assumption and the proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", it is our opinion that the Board of Directors and Chief Executive Officer have fulfilled their duty to ensure that the Company's accounting information is properly recorded and documented as required by law and generally accepted bookkeeping practice in Norway.

Oslo, 6 February 2015

ERNST & YOUNG AS

Jan Wellum Svensen

State Authorised Public Accountant (Norway)

(This translation from Norwegian has been made for information purposes only.)

Historical key figures (as reported 2013–2010)

Historical key figures are presented for each of the last four years (2013-2010), as they were presented in that year's annual report. Subsequent accounting restatements (due to changes in accounting principles, items presented as "Discontinued operations", etc.) are therefore not reflected in the set of figures presented. This is because Orkla wishes to present the Group as reported for the years in question, so as to illustrate the actual level of activity in each year. The key figures presented for this year in the table are identical to the figures reported in 2014, while comparative figures in the actual financial statements have been restated insofar as this is required under IFRS rules.

	Definition		2014	2013	2012	2011	2010
INCOME STATEMENT							
Operating revenues		(NOK million)	**29 599**	33 045	30 001	61 009	57 338
EBIT (adj.)*		(NOK million)	**3 214**	3 142	3 279	3 986	3 892
Other income and expenses		(NOK million)	**(100)**	(860)	(433)	(1 041)	330
Operating profit		(NOK million)	**3 114**	2 282	2 846	2 945	4 222
EBIT (adj.) margin*	1	(%)	**10.9**	9.5	10.9	6.5	6.8
Ordinary profit/loss before taxes		(NOK million)	**2 872**	2 664	3 873	(923)	20
Gains/profit/loss discontinued operations		(NOK million)	**(485)**	(1 225)	(1 583)	1 213	(40)
Profit/loss for the year		(NOK million)	**1 699**	747	1 583	(728)	(864)
CASH FLOW							
Net cash flow		(NOK million)	**3 062**	(2 757)	5 273	8 974	230
RETURN							
Return on capital employed Branded Consumer Goods	2	(%)	**14.4**	13.3	16.8	16.6	18.1
Return on share portfolio investments		(%)	**14.2**	35.8	18.6	(14.1)	31.8
CAPITAL AS OF 31 DECEMBER							
Book value of total assets		(NOK million)	**50 112**	52 115	57 686	66 396	87 541
Market capitalisation	3	(NOK million)	**52 025**	47 981	49 031	45 543	57 947
Equity ratio	4	(%)	**62.5**	59.1	53.9	51.8	53.6
Net interest-bearing liabilities	5	(NOK million)	**5 661**	8 496	4 960	10 645	19 652
Interest coverage ratio	6		**10.8**	8.1	10.6	(1.4)	1.1
Average borrowing rate		(%)	**3.4**	3.4	3.7	2.7	2.2
Share of floating interest-bearing liabilities	7	(%)	**57**	54	63	67	76
Average time to maturity liabilities	8	(years)	**3.7**	3.6	3.1	4.1	4.3
SHARES							
Average number of shares outstanding diluted		(x 1 000)	**1 017 795**	1 013 312	1 011 770	1 020 194	1 019 688
Average number of shares outstanding		(x 1 000)	**1 016 375**	1 012 284	1 011 723	1 020 194	1 019 619
SHARE-RELATED KEY FIGURES							
Share price at 31 December		(NOK)	**51.15**	47.32	48.50	44.65	56.70
Earnings per share diluted	9	(NOK)	**1.63**	0.68	1.56	(0.76)	(0.90)
Ordinary dividend per share (proposed for 2014)		(NOK)	**2.50**	2.50	2.50	2.50	2.50
Payout ratio	10	(%)	**153.4**	357.1	156.3	(312.5)	(277.8)
Price/earnings ratio	11		**31.4**	67.6	30.3	(55.8)	(63.0)
PERSONNEL							
Number of employees			**12 921**	16 756	28 379	29 785	30 233
Number of man-years			**12 714**	16 737	28 350	29 397	29 748

*EBIT (adj.) = Operating result before other income and expenses.

Definition:
1 EBIT (adj.)* / Operating revenues
2 EBIT (adj.)* / (Average net working capital + Average tangible assets + Average intangible assets at cost – Average net pension liabilities – Average deferred tax excess value)
3 Market capitalisation is calculated on the basis of number of shares outstanding x Average share price at year end
4 Book equity / Total assets
5 Total interest-bearing liabilities - Interest-bearing receivables and liquid assets (cash, bank deposits etc.)
6 (Profit before tax + Net interest expenses) / (Net interest expenses)
7 Liabilities with remaining period of fixed interest of less than one year
8 Average time to maturity for long-term interest-bearing liabilites and unutilised committed credit facilities
9 Profit for the year after non-controlling interests / Average number of shares outstanding diluted at year end
10 Ordinary dividend per share / Earnings per share diluted
11 Share price / Earnings per share diluted

Share information

Through efficient business operations, Orkla aims to achieve long-term value growth for its shareholders which exceeds that of relevant, competitive investment alternatives. For shareholders, this is reflected in the combination of the long-term price performance of the Orkla share and the dividend that is paid out.

Return on investment
Over time, Orkla shareholders have enjoyed a good return on their shares. In 2014, the Orkla share gave shareholders a return of 13.4%, including dividend, on their investment. The return on the Oslo Stock Exchange Benchmark Index (OSEBX) was 5.0%. In the past twenty years, the annual return on the Orkla share has averaged 12.6%, slightly higher than the return on the Oslo Stock Exchange (9.2%).

Market capitalisation and turnover
The Orkla share is listed on the Oslo Stock Exchange under the ticker code ORK. All shares have equal rights and are freely transferable. Orkla is one of the largest companies listed on the Oslo Stock Exchange, and accounted for approximately 4.6% of the value of the OSEBX at the end of 2014. The Oslo Stock Exchange's OBX list comprises the 25 most liquid companies on the Oslo Stock Exchange. As of 31 December 2014, Orkla accounted for 5.2% of the value of the OBX list.

At the end of 2014, the Orkla share was listed at NOK 51.15. Orkla's market capitalisation was therefore NOK 52.0 billion, up NOK 4.0 billion from 31 December 2013. Orkla shares were traded on the Oslo Stock Exchange for a total of NOK 18 billion in 2014, equivalent to 1.7% of the Oslo Stock Exchange's total trading volume. The average daily volume of Orkla share trades on the Oslo Stock Exchange was 1.4 million shares.

In 2014, around 70% of Orkla share trades took place through marketplaces other than the Orkla Stock Exchange, such as Boat xoff and BATS Chi-X. The Orkla share may also be traded through Orkla's Level-1 ADR programme in the USA. More information on the ADR programme may be found on Orkla's website, under "Investor Relations".

Dividend policy
Over time, Orkla's shareholders shall receive a competitive return on their investment through a combination of dividends and an increase in the share price. Orkla has achieved a steady, stable increase over time in the dividends paid out. An ordinary dividend of NOK 2.50 per share was paid out for the 2010 - 2013 financial years. Additionally, an extraordinary dividend of NOK 5.00 per share was paid out in November 2011.

The Board of Directors proposes to pay a dividend of NOK 2.50 per share for the 2014 financial year. The dividend will be paid out on 28 April 2015 to shareholders of record on the date of the Annual General Meeting.

Treasury shares
Orkla supplements its dividends with moderate share buybacks. At the 2014 Annual General Meeting, the Board of Directors was granted authorisation to buy back up to 100,000,000 Orkla shares. The authorisation was granted for a limited period of time, and must be implemented at the latest by the 2015 Annual General Meeting. Shares acquired under the authorisation must be cancelled or used in connection with employee incentive programmes, including the Group's employee share purchase programme. A total of 3,000,000 Orkla shares were bought back in 2014, for the latter purpose. As at 31 December 2014, Orkla owned 1,832,903 treasury shares.

The Board of Directors will propose to the General Meeting in 2015 that the authorisation to buy back Orkla shares be renewed.

Shareholders
As at 31 December 2014, Orkla had 39,542 shareholders, compared with 41,307 as at 31 December 2013. At year end, 54% of the shares were owned by foreign investors, compared with 52% at the start of the year. Read more about Orkla's biggest shareholders under "Investor Relations" on Orkla's website.

Voting rights
Orkla has one class of share, and each share carries one vote and has a par value of NOK 1.25. Each shareholder is entitled to vote the number of shares which he or she owns and which are registered in the Norwegian Central Securities Depository (VPS) on the date of the general meeting. If the shareholder has acquired the shares shortly before the general meeting, voting rights for the transferred shares may only be exercised if the acquisition has been registered in the VPS, or if the acquisition has been reported to the VPS and proof of the acquisition is presented at the general meeting.

Read more about Orkla's voting rights and the general meeting on Orkla's website, under "Investor Relations".

SHARE INFORMATION

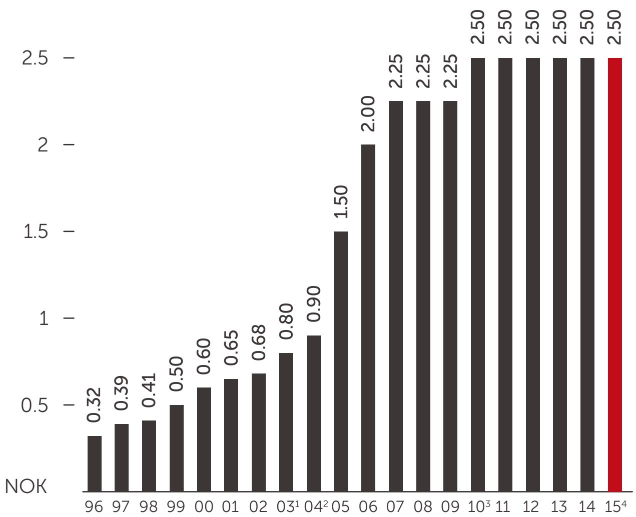
AVERAGE NUMBER OF SHARES OUTSTANDING, DILUTED

	2014	2013	2012	2011	2010
Average no. of shares issued	**1,018,930,970**	1,018,930,970	1,026,308,020	1,028,930,970	1,028,930,970
Average no. of treasury shares	**2,555,573**	6,646,896	14,585,271	8,736,505	9,311,764
Average no. of shares outstanding	**1,016,375,397**	1,012,284,074	1,011,722,749	1,020,194,465	1,019,619,206
Estimated dilution effect	**1,419,517**	1,027,629	47,713	0	68,637
Average no. of shares outstanding, diluted	**1,017,794,914**	1,013,311,703	1,011,770,462	1,020,194,465	1,019,687,843

SHARES BY SIZE OF SHAREHOLDING AS OF 31.12.2014

No. of shares	No. of shareholders	% of capital
1 - 500	16,486	0.3%
501 - 5,000	18,856	3.2%
5,001 - 50,000	3,588	4.4%
50,001 - 500,000	452	6.8%
500,001 - 2,500,000	114	11.7%
Over 2,500,000	46	73.6%

ORDINARY DIVIDEND PER SHARE



[1]Additional dividend NOK 5.00 per share.
[2]Additional dividend NOK 1.00 per share.
[3]Additional dividend NOK 5.00 per share.
[4]Proposed dividend.

SHAREHOLDERS BY GEOGRAPHICAL REGION AS OF 31 DECEMBER 2014

Norway	46%
USA	25%
Great Britain	11%
Other	18%

THE 20 LARGEST SHAREHOLDERS AS OF 31.12.2014[1]

	Shareholder	No. of shares	% of capital
1	Canica AS Group[2]	249,142,000	24.50%
2	Folketrygdfondet	64,610,630	6.35%
3	Artisan Partners Limited Partnership	36,438,670	3.58%
4	Newton Investment Management Ltd.	34,592,550	3.40%
5	First Pacific Advisors, LLC	25,154,678	2.47%
6	SAFE Investment Company Limited	19,922,162	1.96%
7	BlackRock Institutional Trust Company, N.A.	17,700,488	1.74%
8	Epoch Investment Partners, Inc.	16,552,659	1.63%
9	Southeastern Asset Management, Inc.	15,196,437	1.49%
10	First Eagle Investment Management, L.L.C.	14,575,909	1.43%
11	Standard Life Investments Ltd.	13,861,721	1.36%
12	MSDC Management, L.P.	13,324,975	1.31%
13	Schafer Cullen Capital Management, Inc.	12,665,036	1.25%
14	The Vanguard Group, Inc.	11,566,350	1.14%
15	KLP Forsikring	10,192,084	1.00%
16	Barrow, Hanley, Mewhinney & Strauss, LLC	9,939,237	0.98%
17	Acadian Asset Management LLC	9,518,445	0.94%
18	State Street Global Advisors (US)	9,163,961	0.90%
19	Kiltearn Partners LLP	8,349,716	0.82%
20	Storebrand Kapitalforvaltning AS	7,750,488	0.76%

[1]Source: VPS and Nasdaq.
[2]Canica AS Group: Canica AS, Canica Investor AS, Tvist 5 AS, Stein Erik Hagen AS.

KEY FIGURES FOR THE ORKLA SHARE

	2014	2013	2012	2011	2010
Share price, high (NOK)	59.15	52.75	49.27	58.80	58.20
Share price, low (NOK)	45.82	43.28	39.21	39.10	40.00
Share price, closing 31.12 (NOK)	51.15	47.32	48.50	44.65	56.70
Diluted earnings per share (NOK)	1.63	0.68	1.56	-0.76	-0.90
Dividend paid per share (NOK)	2.50[1]	2.50	2.50	2.50	7.50
Percentage of foreign shareholders	53.8%	52.1%	45.9%	40.4%	38.7%
Number of shares issued as of 31.12	1,018,930,970	1,018,930,970	1,018,930,970	1,028,930,970	1,028,930,970
Number of shares outstanding as of 31.12	1,017,098,067	1,013,958,864	1,010,943,856	1,020,010,179	1,021,985,221

[1]Proposed dividend.

ANALYSTS

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Jeanette and Zaida – part of the Orkla family

Additional information for valuation purposes

One possible model for valuing Orkla is based on distinguishing between industrial assets, where the value lies in future earnings from continuing operations, and the Group's negotiable assets, which have identifiable market values and where earnings are not a part of Orkla's operating profit from industrial activities.

HYDRO POWER

The power operations have been fully consolidated into Orkla's income statement and are reported as Hydro Power. The power operations mainly consist of two assets, a reservoir power plant in Sauda (ownership share 85%) and a run-of-the-river plant in Sarpsborg.

The Sauda hydropower operations are regulated by a civil law lease agreement with Statkraft. The lease runs until 31 December 2030, after which the power plants will be returned to Statkraft in return for financial compensation equivalent to the estimated residual value, written down for tax purposes, of the newly built plants (around NOK 1.1 billion). There is an ongoing dispute regarding the tax ownership of one of the Sauda power plants. See Note 15 "Taxes".

The Saudefaldene plant's normal annual production totals 1,810 GWh. Saudefaldene leases approximately 1 TWh per year from Statkraft and has corresponding sales commitments, the net effect of which is zero. The rest of the power is sold on the spot market. Payroll expenses and other operating costs related to these activities amounted to NOK 46 million in 2014. Major maintenance investments are usually recognised in the financial statements under operating expenses. Saudefaldene receives annual compensation from Statkraft for major maintenance investments. The net charge in 2014 was approximately zero, compared with approximately NOK -10 million in 2013. Depreciation totalled NOK 52 million in 2014.

The power operations in Sarpsborg are based on power rights that are not subject to reversion, and normal annual production totals 588 GWh. The power is sold on the spot market. Payroll expenses and other operating costs related to these activities totalled NOK 43 million in 2014. Depreciation amounted to NOK 9 million in 2014.

SHARES AND FINANCIAL ASSETS

The market value of shares and financial assets was NOK 0.7 billion as at 31 December 2014. For more information, see Note 23 "Shares and financial assets".

ORKLA EIENDOM (REAL ESTATE)

Orkla Eiendom meets the Group's needs for specialised expertise and assistance in the real estate sector, and is responsible for the administration, development and sale of properties that are not utilised in Orkla's industrial operations. As at 31 December 2014, the carrying value of Orkla's real estate investments was NOK 1.9 billion. Read more at www.orklaeiendom.com.

JOTUN

Orkla owns 42.5% of Jotun, which is reported as an associate. Jotun is a well-established global manufacturer of paint and powder coatings, and holds strong positions in Asia and the Middle East. The company is steadily expanding and has achieved good organic growth in the past few years. Jotun reported operating revenues of NOK 13,171 million in 2014 and EBIT amounted to NOK 1,314 million. Net interest-bearing liabilities as at 31 December 2014 totalled NOK 1,702 million. Read more at www.jotun.com.

SAPA

In 2013, Orkla and Hydro merged their respective extrusion, building system and tubing operations to create a leading global supplier of aluminium solutions. The merged company, Sapa (JV), is presented on a single line in the income statement (associates and joint ventures) according to the equity method. Sapa's income statement is presented in Note 7 "Investments accounted for under the equity method". In connection with the merger, the company expects to extract cost synergies totalling NOK 1 billion in the period up until 2016. The restructuring programme is ahead of plan, and synergies of about NOK 0.5 billion are reflected in the underlying results for 2014. The shareholders have an agreement whereby the company can be listed on the stock exchange after three years if one of the parties calls for it. Net interest-bearing liabilities as at 31 December 2014 totalled NOK 2.4 billion. Read more at www.sapagroup.com.

GRÄNGES

Orkla listed Gränges on the stock exchange in October 2014. Orkla now owns 31% of the company, which is listed on Nasdaq Stockholm under the ticker symbol GRNG. Orkla is subject to a lock-up period for its remaining ownership interest until April 2015. As long as Orkla's ownership interest exceeds 20%, it will be reported as an associate. Net interest-bearing liabilities as at 31 December 2014 totalled NOK 765 million. Read more at www.granges.com.

The Board of Directors of Orkla ASA

STEIN ERIK HAGEN
Chairman of the Board

GRACE REKSTEN SKAUGEN
Deputy Chair of the Board

LARS DAHLGREN
Board Member

JO LUNDER
Board Member

INGRID JONASSON BLANK
Board Member

NILS K. SELTE
Board Member

LISBETH VALTHER PALLESEN
Board Member

SVERRE JOSVANGER
Employee-elected Board Member

JANNE HALVORSEN
Employee-elected Board Member

TERJE UTSTRAND
Employee-elected Board Member

ÅKE LIGARDH
Employee-elected Board Member

PEER SØRENSEN
Employee-elected Board Observer

The Board of Directors of Orkla ASA

STEIN ERIK HAGEN[1]

Chairman of the Board / (b. 1956)

Degree from the Retail Institute (now the Norwegian School of Retail).

First elected to the Board in 2004 and up for election in 2015. Retailer and founder of RIMI in 1977. Co-founder of ICA AB in 1999. Owner of Canica AS and associated family-owned companies together with three of his children. Chairman and member of the Board of various companies in which the Hagen family has direct or indirect ownership interests. Member of the Board of the Stein Erik Hagen Stiftelse for Klinisk Hjerteforskning (Foundation for Clinical Heart Research) and member of the Committee of Shareholders' Representatives of Stein Erik Hagens Allmennyttige stiftelse (Charitable Foundation). Founder and General Manager of the Prostate Cancer Foundation of Norway. Member of the Board of the Byrd Hoffman Watermill Foundation. Orkla and Canica and/or Stein Erik Hagen have one common business interest*. The Board of Directors of Orkla has been informed of this interest, and has taken due note of the information.

Mr Hagen and related parties own 249,142,000 shares in Orkla ASA[2]. Mr Hagen attended 6 Board meetings in 2014.

**Oslo Business Park (Østre Aker vei 90) is owned by Capto Eiendom AS and Winta Eiendom AS on a 50/50 basis. Canica owns 25% of Winta Eiendom AS.*

[1]Not independent.
[2]Number of shares owned as of 31 December 2014.

GRACE REKSTEN SKAUGEN

Deputy Chair of the Board / (b. 1953)

MBA, BI Norwegian Business School, BSc and PhD in Laser Physics, Imperial College of Science and Technology.

First elected to the Board in 2012 and up for election in 2015. Ms Reksten Skaugen works as an independent consultant. She is Chair of the Board of the Norwegian Institute of Directors. She is also Deputy Chair of the Board of Directors and Chair of the Compensation Committee of Statoil ASA. Ms Reksten Skaugen is also member of the Board, member of the Audit Commmittee and Chair of the Finance & Risk Committee of Investor AB and member of the HSBC European Senior Advisory Council. She was formerly Director, SEB Enskilda Securities, Corporate Finance.

Ms Reksten Skaugen and related parties own 3,000 shares in Orkla ASA[2]. Ms Reksten Skaugen attended 8 Board meetings in 2014.

JO LUNDER

Board Member / (b. 1961)

MBA, Henley Management College

First elected to the Board in 2012 and up for election in 2015. Mr Lunder has been CEO of VimpelCom Ltd. since 2011. He was President of Ferd Capital and Executive VP of Ferd Holding from 2007 to 2011. From 2005 to 2007, Mr Lunder was President & CEO of Atea ASA. From 1999 to 2005 he was Board Chair, CEO, President and COO of VimpelCom. Prior to that, Mr Lunder held numerous senior executive positions at Telenor, Norgeskreditt and 3M Norge. Formerly Chair and member of the Board of several companies, including Tomra, Pronova, Ferd, Aibel, Elopak, Swix and VimpelCom.

Mr Lunder and related parties own no shares in Orkla ASA[2]. Mr Lunder attended 8 Board meetings in 2014.

LARS DAHLGREN

Board Member / (b. 1970)

MSc in Economics and Business Administration from the Stockholm School of Economics

First elected to the Board in April 2014 and up for election in 2015. Mr Dahlgren has been CEO of Swedish Match AB since 2008. From 2004 to 2008, he was Chief Financial Officer of Swedish Match AB, and from 2002 to 2004 held the post of VP Group Finance at Swedish Match AB. From 2000 to 2002, he served as Financial Director and Director of Business Development at Vasatek Ltd. (JV between Swedish Match and Gumtech Inc.). Prior to that, Mr Dahlgren was Financial Director, Treasurer and Director IT at Swedish Match Philippines Inc. from 1998 to 2000. From 1996 to 1998 he worked as Assistant Controller of Swedish Match AB, before which he held the post of Financial Analyst at SBC Warburg from 1995 to 1996. He is member of the Board of Scandinavian Tobacco Group A/S and SMPM International AB.

Mr Dahlgren and related parties own 2,000 shares in Orkla ASA[2]. Mr Dahlgren attended 6 Board meetings in 2014.

INGRID JONASSON BLANK

Board Member / (b. 1962)

BSc in Business Administration and Economics from the University of Gothenburg

First elected to the Board in 2013 and up for election in 2015. Ms Jonasson Blank held various positions at ICA from 1986 to 2010, most recently as EVP Functional Market Responsibility, ICA Sverige. She is member of the Board of Fiskars Ojy, MATAS A/S, Royal Unibrew A/S, Bilia AB, Ambea Vård och Omsorg AB, NORM Research and Consulting AB and Zeta-Display AB.

Ms Jonasson Blank and related parties own 1,750 shares in Orkla ASA[2]. Ms Jonasson Blank attended 8 Board meetings in 2014.

LISBETH VALTHER PALLESEN

Board Member / (b. 1966)

Bachelor in Business Administration and Diploma in Marketing, Handelshøjskolen SYD, Denmark

First elected to the Board in 2013 and up for election in 2015. Ms Valther Pallesen is co-founder of Next Step Citizen A/S and has been CEO of the company since 2012. From 1989 to 2012 she held various positions at LEGO, most recently as EVP Consumer, Education & Direct (2006-2012) in charge of the LEGO Group's direct trade with consumers, digital activities and new business development.

Ms Valther Pallesen and related parties own 3,000 shares in Orkla ASA[2]. Ms Valther Pallesen attended 8 Board meetings in 2014.

NILS K. SELTE[1]

Board Member / (b. 1965)

MBA, BI Norwegian Business School

First elected in April 2014 and up for election in 2015. Since 2014 Mr Selte has been CEO of Canica AS where he has been employed since 2001, first as CEO from 2001 to 2006 and later as Finance Director from 2006 to 2014. Mr Selte was previously SVP Finance/Group Treasurer at ICA Ahold AB from 1999 to 2001, before which he held the posts of SVP Finance/Group Treasurer and Finance Manager at Hakon Gruppen AS from 1998 to 2001. From 1994 to 1996 he was Finance Manager at LIVI Norge AS and consultant at the Office of the Auditor General of Norway from 1991 to 1994. Nils K. Selte is chairman of the Board of Komplett AS, and member of the Board of Centurie AS and several Canica companies.

Mr Selte and related parties own 18,000 shares in Orkla ASA[2]. Mr Selte attended 6 Board meetings in 2014.

TERJE UTSTRAND

Employee-elected Board Member / (b. 1964)

First elected to the Board in 2012 and up for election in 2016. Chief trade union representative (2010-), Chair of the Board for LO union members at Orkla, Chair of Orkla's Committee of Union Representatives and European Works Council. NNN union representative at Nidar AS since 1999 (chief union representative 2002-2010), deputy member of the Board of Nidar AS from 2004 to 2010, member of the Board of Orkla Brands AS from 2008 to 2012. Member of Orkla's Committee of Union Representatives-Working Committee since 2000. Employed at Orkla Confectionery & Snacks Norge.

Mr Utstrand and related parties own 4,664 shares in Orkla ASA[2]. Mr Utstrand attended 8 Board meetings in 2014.

SVERRE JOSVANGER

Employee-elected Board Member / (b. 1963)

First elected to the Board in 2012 and up for election in 2016. Chair of the Executive Committee for Salaried Employees at Orkla and secretary of Orkla's Committee of Union Representatives and the Working Committee of the Executive Committee since 2012. Member of Orkla's Pension and Insurance Council (POFFO) since 2012. In 2010 elected as member of the Liaison Committee. Head of the trade union division at Nidar since 1994 and chief union representative for salaried employees at Nidar since 2010. Deputy member of Nidar's Board of Directors since 2010. Member of the Audit Committee since May 2014. Employed at Orkla Confectionery & Snacks as sales consultant since 1988.

Mr Josvanger and related parties own 17,477 shares in Orkla ASA[2]. Mr Josvanger attended 8 Board meetings in 2014.

JANNE HALVORSEN

Employee-elected Board Member / (b. 1972)

First elected to the Board in 2014 and up for election in 2016. Employed at Orkla Foods Norge and NNN union representative at Orkla Foods Norge. Member of the Board for LO union members in Orkla. Member of Orkla's Committee of Union Representatives, Working Committee of the Executive Committee and European Works Council.

Ms Halvorsen and related parties own no shares in Orkla ASA[2]. Ms Halvorsen attended 6 Board meetings in 2014.

ÅKE LIGARDH

Employee-elected Board Member / (b. 1955)

First elected to the Board in 2014 and up for election in 2016. Employed at Orkla Confectionery & Snacks Sverige. Elected representative of the Swedish Food Workers' Union at Orkla Confectionery & Snacks Sverige. Member of Orkla's Committee of Union Representatives, Working Committee of the Executive Committee and European Works Council.

Mr Ligardh and related parties own 3,611 shares in Orkla ASA[2]. Mr Ligardh attended 7 Board meetings in 2014.

PEER SØRENSEN

Employee-elected Board Observer / (b. 1967)

First elected to the Board in 2008 and up for election in 2016. Joint trade union representative in Odense Marcipan A/S and Second Deputy Chair of Orkla's Committee of Union Representatives-Working Committee.

Mr Sørensen and related parties own 2,400 shares in Orkla ASA[2]. Mr Sørensen attended 8 Board meetings in 2014.

The Expanded Group Executive Board

PETER A. RUZICKA
President and CEO

JENS BJØRN STAFF
Executive Vice President,
Chief Financial Officer

KARL OTTO TVETER
Executive Vice President, Chief of Group Functions and Group Director Legal Affairs

PÅL EIKELAND
Executive Vice President,
CEO Orkla Food Ingredients

TERJE ANDERSEN
CEO and Head of Orkla Investments

CHRISTER ÅBERG
Executive Vice President,
CEO Orkla Confectionery & Snacks

ATLE VIDAR NAGEL-JOHANSEN

Executive Vice President,
CEO Orkla Foods

CHRISTER GRÖNBERG

Group Director, HR

JOHAN CLARIN

Group Director, Operations

STIG EBERT NILSSEN

Executive Vice President,
CEO Orkla Home & Personal

HÅKON MAGELI

Group Director, Corporate Communications
and Corporate Affairs

The Expanded Group Executive Board

PETER A. RUZICKA

President and CEO / (b. 1964)

MBA and degree in Business Economics, Oslo School of Business Administration.

President and CEO since February 2014. Mr Ruzicka has 25 years of experience in the retail sector. He was Managing Director of Hakon Gruppen AS from 1995 to 2000. During the same period, he was in charge of establishing ICA in the Baltics. Deputy CEO of ICA AB from 1998 to 2000. From 2000, he headed Ahold's operations in the Czech Republic and Slovakia. Managing Director of Jernia ASA from 2003 to 2006, and Managing Director of Canica AS from 2006 to 2014. In addition to serving as Chairman of the Board of Jernia ASA from 2007 to 2014, he has been Chairman of the Board of Komplett ASA, member of the Board of REC ASA, and member of the Board of Orkla ASA, first from 2003 to 2005 and then from 2008 to 2014.

Mr Ruzicka and related parties own 682,510 shares in Orkla ASA[1].

PÅL EIKELAND

Executive Vice President, CEO Orkla Food Ingredients / (b. 1959)

MSc in Business (siviløkonom), BI Norwegian Business School.

Member of Orkla's Group Executive Board since June 2012, CEO Orkla Food Ingredients since 2010. Senior Vice President Corporate Development Purchasing, Orkla, 2005-2010, Purchasing Director, Orkla/Orkla Foods, 2001-2005. Director, Lilleborg Profesjonell, 1994-2001. CEO, Phillips Lys A/S, 1992-1994. Various managerial positions in sales and marketing, Lilleborg, 1983-1992.

Mr Eikeland and related parties own 22,260 shares in Orkla ASA[1].

JENS BJØRN STAFF

Executive Vice president, Chief Financial Officer / (b. 1967)

MBA, Norwegian School of Economics (NHH), BA, BI Norwegian Business School, Economics, University of Oslo.

Member of Orkla's Group Executive Board since June 2014. Executive Vice President and CFO at Statkraft AS from 2011 to 2014. In the period 2005–2011 Mr Staff held various positions as Finance Director in the Statoil Group, including Statoil Detaljhandel AS and Energy & Retail Europe. From 2002 to 2005, he was Financial Director at Posten Norge AS. Prior to this he was employed at PWC from 1998 to 2002. Operations Manager at IKEA Slependen AS, 1995-1998.

Mr Staff and related parties own 760 shares in Orkla ASA[1].

TERJE ANDERSEN

CEO and Head of Orkla Investments / (b. 1958)

Degree in Economics and Business Administration (siviløkonom), Norwegian School of Economics (NHH).

Member of Orkla's Group Executive Board since November 2005. Head of Orkla Investments since 2013. Senior Vice President Corporate Finance at Orkla since 2000 and Chief Financial Officer of Orkla ASA since 2003. Prior to that, Finance Director at Orkla Brands and Lilleborg, and managerial positions at Deloitte Consulting and Nevi Finans.

Mr Andersen and related parties own 55,400 shares in Orkla ASA[1].

KARL OTTO TVETER

Chief of Group Functions and Group Director Legal Affairs / (b. 1964)

Degree in Law, University of Oslo.

Member of Orkla's Group Executive Board since February 2012. Mr Tveter has been Senior Vice President Legal Affairs at Orkla since 2000. Before that, he served as deputy counsel/counsel at Orkla from 1992. Mr Tveter also has prior experience from the Ministry of Finance, Tax Law Department.

Mr Tveter and related parties own 37,092 shares and 150,000 options in Orkla ASA[1].

CHRISTER ÅBERG

Executive Vice President, CEO Orkla Confectionery & Snacks / (b. 1966)

IMH Business School, Stockholm.

Member of Orkla's Group Executive Board since August 2013. Executive Vice President, Arla Foods and CEO Arla Foods AB, 2009-2013, Managing Director of Atria Scandinavia, 2006-2009. From 2004 to 2006 Managing Director, HPC Unilever and from 1987 to 2004 various management positions at Unilever and Unilever Nordic.

Mr Åberg and related parties own 14,596 shares in Orkla ASA[1].

ATLE VIDAR NAGEL-JOHANSEN

Executive Vice President,
CEO Orkla Foods / (b. 1963)

Authorised Financial Analyst, Norwegian School of Economics (NHH), MSc in Business (siviløkonom), BI Norwegian Business School.

Member of Orkla's Group Executive Board since June 2012. CEO, Orkla Foods Nordic since 2008. CEO, Orkla Foods, 2005-2008. Marketing Director, Orkla Foods International, 2003-2005. Finance Director, Orkla Foods, 2001-2003. Chief Financial Officer, Tandberg Data ASA, 1999-2000. Finance Director, Sætre AS/Orkla Snacks, 1996-1999. Head of Economic Planning & Analysis, Orkla ASA, 1993-1996. Financial analyst, Carl Kierulf & Co, 1989-1992. Financial analyst, Jøtun Fonds, 1987-1989.

Mr Nagel-Johansen and related parties own 11,905 shares and 130,000 options in Orkla ASA[1].

STIG EBERT NILSSEN

Executive Vice President,
CEO Orkla Home & Personal / (b. 1964)

Major in Finance and International Marketing, Oslo Handelshøyskole.

Member of Orkla's Group Executive Board since April 2013. CEO Axellus AS, 2005-2013. Managing Director Collett Pharma A/S, 2004-2005. Vice President, Nycomed Pharma, Nordic Consumer Health, 2000-2004. Director, Profit Center, Consumer in Norway, Nycomed Pharma A/S, 1999-2000. Marketing Director and Marketing Manager Herman Lepsøe A/S, 1994-1999. Nordic Product Group Manager, SC Johnsen, 1991-1993. Trainee, Product Manager, Marketing Manager, Scandinavian Press (part of IMP Group), 1988-1991.

Mr Nilssen and related parties own 48,470 shares and 100 000 options in Orkla ASA[1].

A member of Orkla's expanded Group Executive Board:

CHRISTER GRÖNBERG

Group Director, HR / (b. 1961)

College degree in Human Resources

Member of Orkla's Group Executive Board since June 2014. From 2010 to 2014, Mr Grönberg was HR Director at Orkla Foods, prior to which he held the position of HR Director at Stabburet from 2008 to 2010. He was employed at Procordia Food from 1998 to 2008, including eight years as HR Director. From 1982 to 1998, Mr Grönberg pursued a career in the Swedish Armed Forces.

Mr Grönberg and related parties own 5,825 shares in Orkla ASA[1].

A member of Orkla's expanded Group Executive Board:

HÅKON MAGELI

Group Director, Corporate Communications and Corporate Affairs / (b. 1964)

MSc in Business (siviløkonom), BI Norwegian Business School, The Executive Programme.

Member of Orkla's Group Executive Board since June 2012. Director Corporate Affairs Orkla Brands, 2008-2012. Prior to that, Mr Mageli was Information Director at Orkla Foods from 1995 to 2008. From 1993 to 1995, he was Director, Public Affairs, Orkla Foods, Brussels, and Company Secretary, Nora Foods from 1991 to 1993. Mr Mageli worked as a journalist at Dagens Næringsliv from 1985 to 1990. He was Chairman of the Confederation of Norwegian Enterprise's Control Committee and Trade Policy Committee, member of the Board of the Federation of Norwegian Food and Drink Industry and member of the Board of the Norwegian Agricultural Economics Research Institute (NILF).

Mr Mageli and related parties own 75,425 shares and 150,000 options in Orkla ASA[1].

A member of Orkla's expanded Group Executive Board:

JOHAN CLARIN

Group Director, Operations / (b. 1971)

Master of Science, Business Administration, University of Gothenburg, Stockholm School of Economics

Member of Orkla's Group Executive Board since September 2013. From 2007 to 2013 Mr Clarin held several senior executive positions at Sony Mobile Communications AB, most recently as Global Head of Manufacturing and Logistics and President & CEO of Beijing Mobile Communications Ltd. He was also member of the Board of Directors of Sony Mobile's Chinese joint venture, 2011-2013. Prior to that, Mr Clarin held the post of Senior Manager at Accenture AB from 1997 to 2006, with focus on supply chain management.

Mr Clarin and related parties own 1,596 shares in Orkla ASA[1].

[1]Number of shares and options owned as of 31 December 2014.

On 13 February 2015, Mr Tveter exercised 50,000 options, of which 47,000 shares were sold. After this transaction, Mr Tveter and related parties own 40,092 shares and 100,000 options in Orkla.

On 6 February 2015, Mr Mageli exercised 50,000 options, of which all shares were sold. After this transaction, Mr Mageli owns 100,000 options in Orkla.

On 25 February 2015, Mr Nagel-Johansen exercised 60,000 options, of which 55,000 shares were sold. After this transaction, Mr Nagel-Johansen and related parties own 16,905 shares and 70,000 options in Orkla.

Governing bodies and elected representatives

NOMINATION COMMITTEE

Nomination Committee elected by the General Meeting (cf. Article 13 of the Articles of Association)

Anders Christian Stray Ryssdal (1,315)[1]
Leiv Askvig (0)
Nils-Henrik Pettersson (42,080)
Karin Bing Orgland (0)

BOARD OF DIRECTORS

Stein Erik Hagen (249,142,000)
Grace Reksten Skaugen (3,000)
Jo Lunder (0)
Ingrid Jonasson Blank (1,750)
Lisbeth Valther Pallesen (3,000)
Lars Dahlgren (2,000)
Nils K. Selte (18,000)

EMPLOYEE-ELECTED BOARD MEMBERS

Terje Utstrand (4,664)
Sverre Josvanger (17,477)
Janne Halvorsen (0)
Åke Ligardh (3,611)

EMPLOYEE-ELECTED BOARD OBSERVER

Peer Sørensen (2,400)

AUDITOR

Ernst & Young AS (0)
Jan Wellum Svensen (0),
State authorised public accountant

Figures in brackets indicate the number of shares owned as at 31 December 2014, including those owned by related parties.

CORPORATE DEMOCRACY AT ORKLA ASA

Active participation by the employees in the governing bodies both at Group level and in the individual Group companies is an important element of decision-making processes at Orkla. An aim has been to evolve representational arrangements that adequately ensure broad-based involvement and genuine influence.

The employees elect four of the eleven members of Orkla's Board of Directors and one observer.

A Committee of Union Representatives has been established for employees of the Norwegian, Swedish and Danish companies in the Orkla Group. This arrangement ensures broad representation for Group employees, based on company, union and country. In Norway, there are also separate committees of representatives for LO union members and for salaried employees. The Committees meet regularly with the Group's executive management to discuss matters relevant to the Group.

An agreement establishing a European Works Council (EWC) has been entered into at Orkla, and liaison committees have been established in the Orkla Foods, Orkla Confectionery & Snacks and Orkla Home & Personal business areas.

In addition to the corporate arrangements described above, the employees are represented on the Board of Directors and works council of the individual companies in the Orkla Group.

The members of the Orkla Committee of Union Representatives were as follows as at 31 December 2014:

ORKLA COMMITTEE OF UNION REPRESENTATIVES

Working Committee

Terje Utstrand, Chair
Åke Ligardh, 1st Deputy Chair
Peer Sørensen, 2nd Deputy Chair
Sverre Josvanger, Secretary
Laila Fast Petrovic, member
Roger Vangen, member
Janne Halvorsen, member
Conny Svensson, extraordinary member up to November 2014

COMMITTEE OF REPRESENTATIVES

(in addition to the Working Committee)

Tore Nielsen
Eldar Johnsen
Ingrid Sofie Nielsen
Perny Emdal
Karin Hansson
Linda Fogde
Christer Florin
Nils-Erik Nilson
Susanne Pedersen

[1]Owned by related parties.

Elise – part of the Orkla family

Group directory

PARENT COMPANY

ORKLA ASA
Nedre Skøyen vei 26, NO-0276 Oslo, Norway
P.O. Box 423 Skøyen, NO-0213 Oslo, Norway
Tel.: +47 22 54 40 00
www.orkla.com

BRANDED CONSUMER GOODS

ORKLA FOODS
P.O. Box 423 Skøyen, NO-0213 Oslo, Norway
Tel.: +47 22 54 40 00

Orkla Foods Norge AS
P.O. Box 711, NO-1411 Kolbotn, Norway
Tel.: +47 66 81 61 00
www.orklafoods.no

Orkla Foods Norge
Branches:
- Denja, Larvik
- Gimsøy Kloster, Skien
- Idun, Rygge
- Lierne Bakeri, Sørli
- Nora, Brumunddal
- Nora, Rygge
- Saritas, Kristiansand
- Stabburet, Fredrikstad
- Stabburet, Sem
- Stabburet, Stranda
- Stabburet, Vigrestad
- Sunda, Oslo
- Toro, Arna
- Toro, Elverum
- Vossafår, Voss

Orkla Foods Sverige AB
Ellingevägen 14, SE-241 81 Eslöv, Sweden
Tel.: +46 413 65 000
www.orklafoods.se

- Orkla Foods Sverige AB, Eslöv, Sweden
- Orkla Foods Sverige AB, Frödinge, Sweden
- Orkla Foods Sverige AB, Fågelmara, Sweden
- Orkla Foods Sverige AB, Kumla, Sweden
- Orkla Foods Sverige AB, Kungshamn, Sweden
- Orkla Foods Sverige AB, Tollarp, Sweden
- Orkla Foods Sverige AB, Uddevalla, Sweden
- Orkla Foods Sverige AB, Vansbro, Sweden
- Orkla Foods Sverige AB, Örebro, Sweden

Orkla Foods Danmark A/S
Hørsvinget 1-3, DK-2630 Taastrup, Denmark
Tel.: +45 43 58 93 00
www.orklafoods.dk

- Orkla Foods Danmark A/S, Ansager, Denmark
- Orkla Foods Danmark A/S, Havnsø, Denmark
- Orkla Foods Danmark A/S, Skælskør, Denmark
- Orkla Foods Danmark A/S, Svinninge, Denmark

Orkla Foods Fenno-Baltic
Orkla Foods Finland Oy
P.O. Box 683, FI-20361 Åbo, Finland
Tel.: +358 20 785 4000
www.orklafoods.fi

- Orkla Foods Finland Oy, Åbo, Finland
- Orkla Foods Finland Lahden tehdas, Lahti, Finland
- AS Põltsamaa Felix, Põltsamaa, Estonia
- SIA Spilva, Riga, Latvia
- UAB Suslavicius-Felix, Kaunas, Lithuania

Orkla Foods International
P.O. Box 423 Skøyen, NO-0213 Oslo, Norway
Tel.: +47 22 54 40 00

Felix Austria GmbH
Felixstrasse 24, AT-7210 Mattersburg, Austria
Tel.: +43 2626 610-0
www.felix.at

VITANA, a.s.
Armády 245, CZ-155 00 Praha 5 – Stodulky, Czech Rep.
Tel.: +420 257 198 111
www.vitana.cz
www.vitanafs.cz

•VITANA, a.s., Bysice, Czech Rep.
•VITANA, a.s., Roudnice nad Labem, Czech Rep.
•VITANA, a.s., Varnsdorf, Czech Rep.
•VITANA Slovensko, s.r.o., Slovakia

MTR Foods Private Limited
No. 1, 2nd & 3rd floor, 100 feet inner ring road
Ejipura, IN-560047 Bangalore, India
Tel.: +91 80 40 81 21 00
www.mtrfoods.com

•Rasoi Magic Foods Pvt. Limited, Pune, India

ORKLA CONFECTIONERY & SNACKS
P.O. Box 423 Skøyen, NO-0213 Oslo, Norway
Tel.: +47 22 54 40 00

Orkla Confectionery & Snacks Norge AS
P.O. Box 423 Skøyen, NO-0213 Oslo, Norway
Tel.: +47 22 54 40 00

Orkla Confectionery & Snacks Norge
Branches:
•Trondheim, Norway
•Skreia, Norway
•Nord-Odal, Sagstua, Norway

Orkla Confectionery & Snacks Sverige AB
Box 1196 SE-171, 41 Solna, Sweden
Tel.: +46 77 111 10 00
www.olw.se
www.göteborgskex.se

Orkla Confectionery & Snacks Sverige
Branches:
•Filipstad, Sweden
•Kungälv, Sweden

KiMs A/S
Sømarksvej 31-35, DK-5471 Søndersø, Denmark
Tel.: +45 63 89 12 12
www.kims.dk

Orkla Confectionery & Snacks Finland AB
Äyritie 22, FI-01510 Vantaa, Finland
Tel.: +358 20 791 8600

Orkla Confectionery & Snacks Finland
Branches:
•Haraldsby, Åland, Finland
•Vaajakoski, Finland

A/S Latfood
Jaunkūlas–2, Ādažu novads, Rīgas rajons,o LV-2164 Latvia
Tel.: +371 67709200
www.cipsi.lv

AS Kalev
Põrguvälja tee 6, Lehmja, Rae vald, EE-Harjumaa 75 306, Estonia
Tel.: +372 6877 710
www.kalev.eu

Rieber & Son Russia Production
41 Rabochaya st., p/box 41 RU-144001 Electrostal,
Moscow region, Russia
Tel.: +7 496 579 50 36
www.rieberson.ru

ORKLA HOME & PERSONAL
P.O. Box 423 Skøyen, NO-0213 Oslo, Norway
Tel.: +47 22 54 40 00

Group directory

Lilleborg AS
P.O. Box 673 Skøyen, NO-0214 Oslo, Norway
Tel.: +47 22 54 40 00
www.lilleborg.no
www.lilleborgprofesjonell.no

•Lilleborg AS, Ski, Norway
•Lilleborg AS, Ello branch , Kristiansund N, Norway
•Lilleborg AS, Flisa branch, Norway
•Lilleborg AS, Jørpeland branch, Norway
•Lilleborg AS, Kronull branch, Frei, Norway
•Jordan Asia Pacific Sdn Bhd, Kuala Lumpur, Malaysia
•Peri-dent LTD, Galashiels, Scotland
•Peri-dent Star Sdn Bhd, Nilai, Malaysia

Orkla House Care

Anza AB
P.O. Box 133, SE-564 23 Bankeryd, Sweden
Tel.: +46 36 37 63 00
www.anza.se

•Orkla House Care Norge AS, Skøyen, Norway
•Orkla House Care Danmark A/S, Slangerup, Denmark
•Hamilton Acorn Ltd, Norfolk, U.K.

Orkla Health AS
P.O. Box 353 Skøyen, NO-0213 Oslo, Norway
Tel.: +47 22 54 40 00
www.orklahealth.no
www.orklahealth.com

•Orkla Health AS, Oslo, Norway
•Orkla Health OY, Vantaa, Finland
•Orkla Health A/S, Ishøj, Denmark
•Orkla Health AB, Solna, Sweden
•Orkla Health Sp z.o.o., Warsaw, Poland
•Orkla Health SIA, Riga, Latvia
•UAB Orkla Health, Vilnius, Lithuania

Pierre Robert Group AS
P.O. Box 3 Skøyen, NO-0212 Oslo, Norway
Tel.: +47 22 54 40 00
www.pierrerobertgroup.no

•Pierre Robert Group AB, Stockholm, Sweden

ORKLA FOOD INGREDIENTS
P.O. Box 423 Skøyen, NO-0213 Oslo, Norway
Tel.: +47 22 54 40 00

Idun Industri AS, Hvam, Norway
•Idun Industri AS, Rakkestad, Norway
•Bako AS, Rolvsøy, Norway
•Iglo Logistikksenter, Jessheim, Norway
•Candeco Confektyr AB, Malmö, Sweden
•Nimatopaal i Dala-Järna AB, Dala-Järna, Sweden
•Frima Vafler, Århus, Denmark
•Call Caterlink Ltd., Cornwall, England
•Marcantonio Foods, Ltd., Essex, England

Odense Marcipan A/S, Odense, Denmark
•Bæchs Conditori A/S, Hobro, Denmark
•Natural Food, Coseano, Italy

Credin Group, Freixeira, Portugal
•Credin Polska, Sobotka, Poland
•Credin Danmark, Juelsminde, Denmark
•Credin Productos Alimenticios, Barcelona, Spain
•Credin Russia, Ulyanovsk, Russia
•Merkur 09 Sp. z.o.o, Warsaw, Poland
•Kobo, Nisko, Poland
•Sebmag, Ciechanów, Poland
•Holpol, Nowe Skalmierzyce, Poland

Credin BageriPartner A/S, Vejle, Denmark

Dragsbæk A/S, Thisted, Denmark
•Kjarnavörur hf, Reykjavik, Iceland
•Innbak hf, Reykjavik, Iceland
•UAB Vilniaus Margarino Gamykla (VMG), Vilnius, Lithuania

- Poznan Onion, Poznan, Poland
- KT Foods, Fårup, Denmark
- Gædabakstur, Reykjavik, Iceland
- Blume Food I/S, Randers, Denmark
- Naturli Foods, Højbjerg, Denmark
- PureOil I/S, Thisted, Denmark
- Grøndansk ApS, Vejen, Denmark

KåKå AB, Lomma, Sweden
- KåKå AB, Sollentuna, Sweden
- KåKå AB, Örebro, Sweden
- KåKå Czech, Prague, Czech Republic
- Belusa Foods, Belusa, Slovakia
- Jästbolaget AB, Sollentuna, Sweden
- MiNordija, Kaunas, Lithuania
- LaNordija, Riga, Latvia
- Vilmix, Tallinn, Estonia
- Ekvia, Nitra, Slovakia

Orkla Foods Romania SA, Bucharest, Romania
- Orkla Foods Romania, Covasna, Romania
- Orkla Foods Romania, Iasi, Romania
- FDS, Bucharest, Romania

Sonneveld Group B.V., Papendrecht, The Netherlands
- Sonneveld Sarc, Cergy Pontoise, France
- Sonneveld NV/SA, Brussels, Belgium
- Sonneveld KfT, Öcsa, Hungary
- Sonneveld Poland, Nowe Skalmierzyce, Poland

OTHER BUSINESSES

Orkla Eiendom AS
P.O. Box 423, Skøyen NO-0213 Oslo, Norway
Tel.: +47 22 54 40 00
www.orklaeiendom.com

Sapa AS
Biskop Gunnerus gate 14A, NO-0185 Oslo, Norway
P.O. Box 81 Sentrum, NO-0101 Oslo, Norway
Tel.: +47 22 41 69 00
www.sapagroup.com

HYDRO POWER

Sarpsfoss Limited
P.O. Box 162, NO-1701 Sarpsborg, Norway
Tel.: +47 69 11 80 00

AS Saudefaldene
Vangsnes, NO-4200 Sauda, Norway
Tel.: +47 52 78 80 00

OTHER GROUP COMPANIES

Orkla Shared Services AS
P.O. Box 353, Skøyen NO-0213 Oslo, Norway
Tel.: +47 22 09 61 00

Orkla Insurance Company Ltd.
Grand Mill Quay
Barrow Street, Dublin 4, Ireland
Tel.: +353 1 407 4986

Orkla Asia Pacific Pte Ltd
111C Telok Ayer Street, 4th Floor Singapore 068580
Tel.: +65 68 80 79 10

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

Photo: Pierre Robert Group (page 33)

Orkla ASA

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