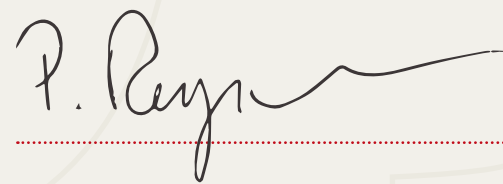


Growth driven by strong local brands

In 2017, we strengthened our position as a leading branded consumer goods company by making a number of strategic acquisitions. Good innovations based on Orkla's strong local brands generated good growth in both new and established categories. Moreover, we introduced several of our most popular brands in new countries.



Peter A. Ruzicka
President and CEO



The year was eventful, with several strategic acquisitions in Branded Consumer Goods. With the purchase of the Swedish company Health and Sports Nutrition Group we strengthened our digital presence and accessed major online platforms in the Nordic region. The purchase of the Danish company Riemann reinforced our position in the pharmacy channel. We also improved our existing positions in selected categories through several other acquisitions. The sale of Orkla's interest in Sapa in 2017 was a strategically important milestone towards becoming a focused branded consumer goods company.

We took a number of steps to optimise our value chain and ensure efficient, competitive production of Orkla's branded consumer goods. The transition to a common ERP system in Orkla will have a positive impact on our ability to work as "One Orkla" in future. We successfully exploited more synergies in our existing operations by launching several innovations across national borders. Good examples are the launch of Smash! chocolate snacks in Sweden, which got off to a fantastic start, and the introduction of Laban jelly men in India. Innovations based on strong local brands in both new and established categories have driven good category growth for both Orkla and our customers. Sales of Grandiosa pizzas set a new record in 2017, and our global branded health product, Möller's Tran, continues its strong growth in both domestic and export markets.

We at Orkla are committed to taking our share of responsibility and helping to solve global health and sustainability challenges. In 2017, we therefore set ambitious new goals for our sustainability work up to 2025. Orkla's goals entail a

gradual transition to renewable energy, increased resource recovery and a focus on products that promote a healthy, sustainable lifestyle. We launched a variety of new products in strong growth categories. The vegan product ranges from the Swedish company Anamma and the successful Danish brand Naturli' were introduced in a growing number of markets. Pierre Robert launched Nordic Swan Ecolabelled wool and organic cotton undergarments for children. Another example is our new brand, Klar, which is a range of sustainable cleaning products that has been well received in the market.

We believe in our strategy of being a leading branded consumer goods company with the Nordics and Baltics as our main markets, in addition to selected geographies where we already have a presence. The results for 2017 show that the actions we have taken are paying off. We will continue to strengthen our core business, adapt to new consumer trends and establish positions in new, growing categories. With over 300 local brands and a strong focus on innovations, we are well positioned to meet the demand for sustainable, enjoyable branded consumer goods.

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