



Fourth quarter 2017



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

Photo: Ole Walter Jacobsen

Orkla employees, their children and friends are models in the photos taken by Ole Walter Jacobsen

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The fourth quarter in brief

- Group EBIT (adj.)¹ totalled NOK 1,443 million in the fourth quarter, an increase of 10% compared with 2016.
- Branded Consumer Goods posted turnover growth of 9% and organic³ turnover growth of 2.8% in the fourth quarter.
- Branded Consumer Goods achieved EBIT (adj.)¹ growth of 15% (NOK 190 million). EBIT (adj.)¹ margin was 13.6%, a rise of 0.8 percentage points from 2016. Good contributions from cost improvements were offset somewhat by the dilutive effects of acquisitions.
- Weak performance by Jotun, largely due to higher raw material prices.
- Earnings per share from continuing operations amounted to NOK 0.96 in the fourth quarter, up 5.5% from the fourth quarter of 2016.

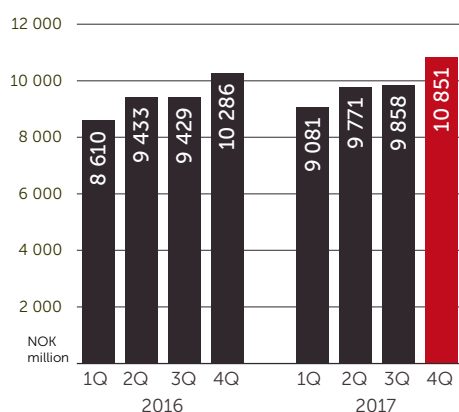
Key figures for the Orkla Group

Amounts in NOK million	Note	1.1.–31.12.		1.10.–31.12.	
		2017	2016	2017	2016
Operating revenues	2	39 561	37 758	10 851	10 286
Operating revenues Branded Consumer Goods	2	38 510	36 422	10 587	9 734
Organic revenue growth Branded Consumer Goods (%) ³		1.6	1.8	2.8	0.1
EBIT (adj.) ¹	2	4 635	4 298	1 443	1 307
EBIT (adj.) ¹ Branded Consumer Goods	2	4 643	4 300	1 439	1 249
Profit/loss from associates*		313	488	(78)	(29)
Profit/loss before taxes from continued operations		4 571	4 292	1 309	1 154
Profis/loss from discontinued operations*	11	5 066	890	42	190
Earnings from continued operations per share, diluted (NOK)		3.46	3.34	0.96	0.91
Cash flow from operations**	14	4 405	3 368	1 629	1 411
Net interest-bearing liabilities	6	14	8 056		
Equity ratio (%)		65.2	60.9		
Net gearing ⁴		0.00	0.24		

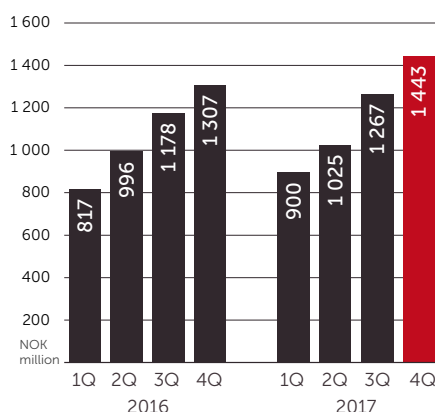
*Historical income statement figures have been restated as Sapa is presented as discontinued operations.

**Excluding Financial Investments.

Operating revenues



EBIT (adj.)¹



10,851

OPERATING REVENUES

Group operating revenues for the fourth quarter 2017 totalled NOK 10,851 million

1,443

EBIT (ADJ.)¹

Group EBIT (adj.)¹ for the fourth quarter 2017 totalled NOK 1,443 million

All the footnotes in the quarterly report are presented together on page 8.

Branded Consumer Goods delivered turnover growth of 9%, around half of which was positive currency translation differences. Organic³ growth was 2.8%. The growth was driven by a combination of volume/mix and price increases, substantially boosted by high campaign intensity, especially in Orkla Care. Orkla posted solid growth in the fourth quarter, although performance varied between categories and markets. Overall, organic³ turnover growth for Branded Consumer Goods for 2017 is estimated to be in line with market growth. Orkla Confectionery & Snacks and Orkla Care are taking market shares.

All the business areas benefited from positive currency translation effects as a result of the weaker NOK. Conversely, this resulted in higher costs, a factor that is and will be a challenge going forward. Higher raw material prices continued to impact negatively on results in the fourth quarter, but at a slightly slower rate of increase than earlier in 2017. Orkla has raised prices during the year to compensate for higher sourcing costs.

A strong improvement in EBIT (adj.)¹ of 15% for Branded Consumer Goods was driven by both top-line growth and cost improvements, coupled with positive currency translation effects. Fourth-quarter results also reflected a decline in advertising spend in Orkla Foods and Orkla Care that was partly attributable to Orkla Care's particularly high spend in the fourth quarter of 2016. The EBIT (adj.)¹ margin was 13.6%, equivalent to a rise of 0.8 percentage points. Good margin performance, driven by cost improvements, was somewhat offset by the dilutive effects of acquisitions.

Orkla continues to deliver on its supply chain improvement plan, and announced the closure of another two factories in the quarter. Restructuring projects and synergies from the integration of new companies also had positive effects.

Among the other companies, Hydro Power delivered a good quarter, driven by increased volume, while Jotun's performance was weaker than last year's, mainly due to higher raw material prices.

Financial matters

Group operating revenues totalled NOK 10,851 million (NOK 10,286 million)² in the fourth quarter, an increase of 5.5%. The improvement was chiefly related to organic³ and structural growth in Branded Consumer Goods. Currency translation effects arising from consolidation had a positive effect of NOK 447 million on Branded Consumer Goods' fourth-quarter operating revenues.

Group EBIT (adj.)¹ amounted to NOK 1,443 million (NOK 1,307 million)² in the fourth quarter, a rise of 10%. The improvement was driven by organic³ top-line growth and cost savings in Branded Consumer Goods, structural

growth and positive currency translation effects. The development in Orkla Investments was negative in the quarter. Strong growth in Hydro Power, driven by higher volume, was offset by lower profit development from Orkla Eiendom due to the positive effect of the sale of industrial property in 2016. For Branded Consumer Goods, fourth-quarter EBIT (adj.)¹ amounted to NOK 1,439 million (NOK 1,249 million)², an increase of 15%. Currency translation effects arising from consolidation had a positive effect of NOK 53 million on Branded Consumer Goods' EBIT (adj.)¹.

The Group's other income and expenses were practically nil, amounting to NOK -1 million (NOK -122 million)². Costs related to acquisitions, integration and restructuring were offset by the gain on the sale of K-Salat in Foods Denmark.

Profit from associates amounted to NOK -78 million (NOK -29 million)². The weak result was largely ascribable to Jotun, due to higher raw material prices and continued weak demand for the construction of new vessels and offshore installations affecting sales in Jotun's marine and protective coating segments.

Net interest expense in the fourth quarter amounted to NOK -26 million (NOK -40 million)². The lower expense was due to a reduction of NOK 4.5 billion in gross debt compared with 2016. At quarter end, the Group's net interest-bearing liabilities totalled NOK 14 million, compared with NOK 8.1 billion as at 31 December 2016. The reduction in liabilities was largely related to the sale of Orkla's equity interest in Sapa and cash flow from operations.

Group profit before taxes totalled NOK 1,309 million (NOK 1,154 million)², and fourth-quarter taxes were estimated to be NOK 320 million (NOK 237 million)². The higher tax charge was largely due to the increase in pre-tax profit, as well as to positive one-off effects in 2016. Orkla's diluted earnings per share for continuing operations were NOK 0.96 (NOK 0.91 kroner)² in the period.

As a consequence of the sale of Orkla's interest in Sapa to Norsk Hydro, profit from Sapa has been presented on the line for discontinued operations. Fourth-quarter profit from Sapa amounted to NOK 42 million, and was related to the final settlement of the transaction.

Structural measures

In the fourth quarter, Orkla further strengthened its position in digital marketing and sales through Orkla Care's agreement to purchase Health and Sport Nutrition Group (HSNG), a company that runs the Gymgrossisten and Bodystore e-commerce portals. Health is a priority area for Orkla Care, and this acquisition will offer good opportunities for collaboration with the business area's

existing operations, for example in the form of increased distribution through traditional sales channels and increased consumer insight. Furthermore, on 22 January 2018, Orkla Care signed an agreement to increase its equity interest in the joint venture company, Anza Verimex NV, to 50%. At the same time, Orkla Care is taking over 50% of the painting tool operations in PGZ International B.V.

On 30 September, Orkla Foods completed its purchase of Agrimex, a Czech producer of frozen vegetables, and on 1 February signed and closed an agreement to purchase the Danish bakery Struer Brød A/S. On 1 December Orkla Food Ingredients completed its purchase of the Norwegian ingredients supplier, Arne B. Corneliussen.

In the fourth quarter, Orkla continued its efforts to optimise its product portfolio, among other things through Orkla Foods Danmark's sale of K-Salat to Stryhns A/S. The sale was completed on 1 December. Foods Danmark also sold its Scoop and Pastella brands internally to Food Ingredients in the quarter, with effect from January 2018.

In addition to buying and selling companies, Orkla focuses continuously on improvement processes, and with a view to further securing its competitiveness made several structural changes to rationalise its factory footprint and exploit economies of scale. In the fourth quarter, a decision was made to close down two small factories.

For information on the acquisition and sale of companies, see Note 5.

Cash flow and financial position

The comments below are based on the cash flow statement as presented in Orkla's internal format and refer to the period 1 January to 31 December 2017. Reference is made to Note 14 in this report.

Cash flow from operations (excluding Financial Investments) amounted to NOK 4,405 million (NOK 3,368 million)². There was a seasonal freeing-up of working capital in the fourth quarter. For the year as a whole, working capital was in line with last year.

Net replacement investments totalled NOK 1,050 million (NOK 1,327 million)². The change was mainly related to the higher level of investment in Orkla Foods in 2016 as a result of ongoing factory improvement and restructuring programmes. Cash flow from operations for Financial Investments was NOK -290 million (NOK 45 million)².

An ordinary dividend of NOK 2.60 kroner per share was paid out for the 2016 financial year, in addition to an extraordinary dividend of NOK 5.00 per share in connection with the divestment of Sapa in 2017. Dividends paid out totalled NOK 7,790 million (NOK 2,599 million)².

To fulfil remaining option programmes and the employee share purchase programme, treasury shares were net sold in 2017 with a cash flow effect of NOK 50 million (NOK -77 million)². Expansion investments totalled NOK 206 million (NOK 163 million)² in 2017.

Dividends received totalled NOK 1,727 million (NOK 283 million)², while companies were sold for a total of NOK 12,520 million (NOK 415 million)². The increase in these items was chiefly attributable to both dividends and the sale of Sapa; in total, Orkla received NOK 13.4 billion from Sapa in 2017. Companies were purchased for a total of NOK 901 million and consisted of acquisitions in Branded Consumer Goods, where Riemann was the largest acquisition in 2017. The net sale of shares and financial assets in 2017 totalled NOK 43 million, related to the sale of Orkla's remaining shareholding in Solsten Nordic Equities Fund and acquisitions in Orkla Venture.

Taxes paid in 2017 amounted to NOK 934 million (NOK 506 million)². The reason for the increase in taxes paid was fluctuations in tax-related currency gains and losses between 2015 and 2016 in Orkla ASA, and the positive one-off effect in 2016 related to ground rent tax in Hydro Power.

Net cash flow for the Group amounted to NOK 8,471 million (NOK -956 million)² in 2017. The improvement from the previous year was mainly due to the sale of Orkla's interest in Sapa. Exchange rate fluctuations resulted in negative translation effects of NOK 429 million on net interest-bearing liabilities, which totalled NOK 14 million.

At the end of 2017, the equity ratio was 65.2%, compared with 60.9% as at 31 December 2016, equivalent to a net gearing⁴ of 0.00, compared with 0.24 as at 31 December 2016. The average remaining life of long-term liabilities and unutilised credit lines is 4.3 years. Orkla's financial position is robust, with substantial cash reserves and credit lines, and no major loans that fall due in the next three years.

Branded Consumer Goods

Amounts in NOK million	1.1.-31.12.		1.10.-31.12.	
	2017	2016	2017	2016
Operating revenues	38 510	36 422	10 587	9 734
Organic revenue growth (%) ³	1.6	1.8	2.8	0.1
EBIT (adj.) ¹	4 643	4 300	1 439	1 249
EBIT (adj.) ¹ margin (%)	12.1	11.8	13.6	12.8
Cash flow from operations before net replacement expenditures	5 383	4 669	1 878	1 731
Net replacement expenditures	(997)	(1 254)	(293)	(265)
Cash flow from operations	4 386	3 415	1 585	1 466
Expansion investments	(206)	(163)	(81)	(31)

Sales revenues changes %	FX	Structure ⁵	Organic ³ growth	Total
1.1.-31.12.2017	0.4	3.7	1.6	5.7
1.10.-31.12.2017	4.6	1.4	2.8	8.8

Orkla Foods

Amounts in NOK million	1.1.-31.12.		1.10.-31.12.	
	2017	2016	2017	2016
Operating revenues	16 126	15 476	4 384	4 186
Organic revenue growth (%) ³	1,4	2,3	1,3	(0,6)
EBIT (adj.) ¹	2 055	1 968	689	616
EBIT (adj.) ¹ margin (%)	12.7	12.7	15.7	14.7
Cash flow from operations before net replacement expenditures	2 711	1 912	845	637
Net replacement expenditures	(381)	(717)	(103)	(130)
Cash flow from operations	2 330	1 195	742	507
Expansion investments	(132)	(145)	(53)	(27)

- Improvement in sales mainly driven by price increases that compensated for higher purchasing costs
- Higher profitability due to sales growth, cost-cutting measures and fewer advertising activities

Orkla Foods reported a 4.7% increase in sales in the fourth quarter. Organic³ growth in sales was 1.3%, and was primarily attributable to price increases.

Several innovations launched during the year boosted sales growth in the fourth quarter. The biggest innovations were launches under the Grandiosa brand in both Norway and Sweden. Launches of breakfast mixes in India and vegetarian products in Sweden also contributed positively.

Fourth-quarter EBIT (adj.)¹ increased by 12%. The improvement in profit was primarily driven by sales growth, combined with slightly lower advertising spend than in 2016, and by the fact that the fourth quarter of 2016 was negatively affected by delivery challenges in the Nordic region. Currency consolidation effects also contributed to EBIT (adj.)¹ growth in the fourth quarter. The EBIT (adj.)¹ margin was 15.7% (14.7%)².

Orkla Confectionery & Snacks

Amounts in NOK million	1.1.-31.12.		1.10.-31.12.	
	2017	2016	2017	2016
Operating revenues	6 439	6 230	1 943	1 796
Organic revenue growth (%) ³	3,1	4,9	3,9	2,9
EBIT (adj.) ¹	1 045	937	395	341
EBIT (adj.) ¹ margin (%)	16.2	15.0	20.3	19.0
Cash flow from operations before net replacement expenditures	1 249	1 283	620	569
Net replacement expenditures	(233)	(205)	(90)	(47)
Cash flow from operations	1 016	1 078	530	522
Expansion investments	(6)	(4)	(6)	(2)

- Organic³ sales growth of 3.9%, driven by volume growth
- Increased market share in confectionery and biscuits, weaker position for snacks
- Successful cost improvement projects in supply chain
- Solid profit improvement, especially in Finland and Sweden

Orkla Confectionery & Snacks posted 8.2% growth in sales in the fourth quarter. Organic³ growth was 3.9%, and must be seen in the context of a somewhat weaker third quarter. Growth was driven by a good sales performance in Finland, Sweden and Estonia. In Sweden, the entry into the chocolate category through the launch of the Smash! brand made a positive contribution.

Sales growth in the fourth quarter was boosted by successful launches in both 2017 and 2016. The confectionery category posted particularly good growth, but the biscuits category also delivered improved sales. Growth for the snacks category was weaker, especially in Norway, due to changes in listing in the grocery channel. Sales growth was particularly strong in Finland, helped by the country's celebration of its 100th anniversary and increased distribution of the Christmas assortment. Market share fell slightly in the snacks category, while the confectionery and biscuits categories showed a weak improvement in market share.

Fourth-quarter EBIT (adj.)¹ for Orkla Confectionery & Snacks grew by 16%. The improvement in profit was especially attributable to the Finnish and Swedish operations. The EBIT (adj.)¹ margin was 20.3% in the quarter, equivalent to an increase of 1.3 percentage points compared with 2016. Reductions in supply chain costs had a positive effect on margin.

Orkla Care

Amounts in NOK million	1.1.-31.12.		1.10.-31.12.	
	2017	2016	2017	2016
Operating revenues	7 479	6 740	1 930	1 730
Organic revenue growth (%) ³	2,9	0,6	6,3	2,3
EBIT (adj.) ¹	1 074	956	227	186
EBIT (adj.) ¹ margin (%)	14.4	14.2	11.8	10.8
Cash flow from operations before net replacement expenditures	959	873	347	306
Net replacement expenditures	(182)	(146)	(46)	(47)
Cash flow from operations	777	727	301	259
Expansion investments	-	-	-	-

- Broad-based turnover growth driven by positive organic³ growth and acquisitions
- All the businesses, except for Orkla House Care, delivered growth in EBIT (adj.)¹

Orkla Care achieved 11.6% growth in sales in the fourth quarter. Organic³ sales grew 6.3%, partly driven by high campaign activity. All of the businesses except for Orkla Wound Care posted organic growth in the quarter.

In the fourth quarter, Orkla Home & Personal Care achieved solid growth in all markets and took market share. Some of the growth was attributable to high campaign intensity, as well as strong price competition in

the Norwegian grocery sector which had positive effects on volume in the short term. Orkla Health continued to deliver satisfactory organic³ growth in most of its markets, achieving particularly good international growth in Omega 3 in the quarter. Despite a negative performance in the UK, House Care posted organic³ growth in the quarter. Pierre Robert Group (PRG) reported positive fourth-quarter organic³ growth, after a challenging start to the year. Growth in PRG was driven by increased distribution and campaign intensity in Norway, and new product launches in Finland. Wound Care saw negative organic³ growth in the quarter, the decline being partly explained by the timing of campaigns.

The acquisition of Harris entails major changes in the House Care operations in the UK. From January 2017, the existing UK operations were integrated into Harris. In addition to the ongoing changes, the company has lost distribution to a large customer, resulting in a significant decline in profit for the entire UK business. A number of measures have been initiated in the past half-year to improve operations, but it will take some time for results to improve.

Fourth-quarter EBIT (adj.)¹ grew 22%. The improvement in profit was volume driven turnover growth, along with some cost reductions. The EBIT (adj.)¹ margin was 11.8% (10.8%)² in the fourth quarter. The acquired company Riemann has delivered as planned, but due to seasonally low sales in the fourth quarter the company had a dilutive effect on margin. Purchasing costs also rose on account of the weaker NOK. Nonetheless, Care delivered margin improvement in the quarter, mainly due to improved operations in existing businesses.

Orkla Food Ingredients

Amounts in NOK million	1.1.-31.12.		1.10.-31.12.	
	2017	2016	2017	2016
Operating revenues	8 703	8 161	2 410	2 072
Organic revenue growth (%) ³	0,5	(0,5)	3,4	(3,2)
EBIT (adj.) ¹	469	439	128	106
EBIT (adj.) ¹ margin (%)	5.4	5.4	5.3	5.1
Cash flow from operations before net replacement expenditures	464	601	66	219
Net replacement expenditures	(201)	(186)	(54)	(41)
Cash flow from operations	263	415	12	178
Expansion investments	(68)	(14)	(22)	(1)

- Structural and broad-based organic³ sales growth
- Profit improvement due to the positive effects of improvement projects and sales growth

In the fourth quarter, Orkla Food Ingredients delivered 16% growth in sales. There was 3.4% organic³ sales growth, boosted in particular by higher sales of bread and cake improvers and mixes in several European markets. Good growth was also posted in sales of vegetarian products

from Naturli' in Denmark and increased sales of ice cream ingredients.

Good top-line growth, internal improvement effects and positive currency translation effects resulted in 21% growth in EBIT (adj.)¹. The EBIT (adj.)¹ margin was 5.3% (5.1%)², chiefly due to a better contribution margin.

Orkla Investments

Hydro Power

EBIT (adj.)¹ for Hydro Power amounted to NOK 103 million (NOK 31 million)² in the fourth quarter of 2017. The increase was essentially due to a significantly higher production volume than in the same quarter of 2016. Fourth-quarter production totalled 735 GWh (451 GWh)². The area price in Sauda in the period was 28.7 øre/kWh, compared with 29.6 øre/kWh in the fourth quarter of 2016. The price trend for Sarpsfoss was similar, but area prices were a little higher than in the same period of 2016. Fourth-quarter operating costs were at the same level as in 2016. Overall, snowpack and reservoir levels were slightly higher than normal at quarter end.

Financial Investments

Fourth-quarter EBIT (adj.)¹ for Orkla Financial Investments amounted to NOK -6 million (NOK 115 million)². There were no transactions in the quarter, whereas in 2016 an industrial property in Switzerland was sold at a gain (NOK 117 million).

Jotun (42.6% interest)

Jotun delivered growth in both volume and sales revenues. The Decorative Paints segment continued to achieve growth and delivered good results, while turnover and profit in Performance Coating were affected by low activity in the shipbuilding and offshore markets. Increased competition in some markets, and a sharp rise in raw material prices had a negative effect on profitability in 2017. Raw material prices have continued to increase into 2018. Measures have been implemented to improve profitability and counteract the impact of higher raw material costs and will continue, including price increases and focus on cost control.

Jotun continues to pursue its organic³ growth strategy and maintain focus on operational efficiency by investing in production capacity in both existing and new markets, and by further developing systems and employee capabilities. The largest investments this year were chiefly related to the construction of new factories in Malaysia, Myanmar and the Philippines, supporting Jotun's strong footprint in the growing South East Asian markets. Jotun is also investing in a new research and development centre and corporate head quarter in Sandefjord, Norway.

Other matters

Orkla held an Extraordinary General Meeting on 25 October 2017, at which an additional dividend of NOK 5.00 per share was approved. The dividend was paid out on 3 November, and the shares were listed ex-dividend as of 26 October.

On 12 December, the Storting (Norwegian parliament) passed a resolution to increase the indirect tax on chocolate and sugar products by around 83%. In Orkla's view, the tax is a distortion of competition and a breach of the EEA Agreement. NHO Mat og Drikke has appealed the decision to increase the tax to the EFTA Surveillance Authority (ESA). ESA did not suspend the tax, but will assess the substantial increase. Orkla, for its part, has raised prices to compensate for the higher tax.

Outlook

In the markets in which Orkla has a presence, growth is still expected to remain moderate in the coming years, with some variation from one market to another.

Orkla continues to face strong competition from imported international brands and retailers' private labels. However, a change can be seen in consumer behaviour, whereby local players are gaining strength at the expense of large global suppliers. With over 300 local brands and a strong focus on innovations, Orkla is well positioned for this change. At the same time, operational and portfolio optimisation will still be important to ensure that Orkla remains competitive. Efforts to optimise and rationalise the supply chain to exploit economies of scale and reduce costs will continue.

Mars Norge has terminated its distribution agreement with Orkla Confectionery & Snacks Norge, effective 1 January 2018, in connection with the distribution primarily of chewing gum under the Extra brand. This will have a negative impact on growth for Orkla Confectionery & Snacks in 2018.

In 2017, the global raw material prices to which Orkla is exposed have been somewhat higher, overall, than last year. However, prices vary substantially from one commodity group to another, and the uncertainty attached to future commodity price trends is generally high.

The different business areas are exposed to varying degrees to currency risk, primarily related to purchasing in a foreign currency. Many of Orkla's companies do a significant share of their purchasing their local currency, thereby reducing the overall impact of fluctuations against other currencies. Orkla also has currency translation exposure in connection with the consolidation of foreign businesses. There will always be uncertainty as to future exchange rate trends.

The strategy of being a leading branded consumer goods company with the Nordic and Baltic regions as main markets, in addition to selected geographies where Orkla already has a presence, remains unchanged. Orkla aims to deliver organic³ growth that at least matches market growth and growth in annual EBIT (adj.)^{1, 6} of 6–9% in Branded Consumer Goods in the period 2016–2018.

Oslo, 7 February 2018

The Board of Directors of Orkla ASA

Footnotes related to the quarterly report:

¹Operating profit before other income and expenses.

²Figures in parentheses are for the corresponding period of the previous year.

³Reported growth in operating revenues adjusted for currency translation effects and purchased and sold companies. The figures for purchased/sold companies have been adjusted for a period of 12 months. The main reason for this alternative performance measure (APM) is to show the like-for-like development of turnover in the existing business.

⁴Net interest-bearing liabilities/equity

⁵Structural growth includes adjustments for the purchase of the companies Hamé, Kavli, Argimex, brands in PRG Finland, Harris, Colon C, Riemann, Broer, Laan, Orchard Valley, SR Food and various minor acquisitions in Orkla Food Ingredients, as well as an adjustment for the closure of Natural Food and sale of K-Salat.

⁶Including minor acquisitions and divestments, adjusted for currency effects and large acquisitions.

Condensed income statement

Amounts in NOK million	Note	1.1.-31.12.		1.10.-31.12.	
		2017	2016	2017	2016
Operating revenues	2	39 561	37 758	10 851	10 286
Operating expenses		(33 742)	(32 314)	(9 106)	(8 687)
Depreciation, amortisation and write-downs		(1 184)	(1 146)	(302)	(292)
Operating profit before other income and expenses (EBIT adj.)	2	4 635	4 298	1 443	1 307
Other income and expenses	3	(201)	(382)	(1)	(122)
Operating profit		4 434	3 916	1 442	1 185
Profit/loss from associates*		313	488	(78)	(29)
Interest, net		(149)	(177)	(26)	(40)
Other financial items, net	7	(27)	65	(29)	38
Profit/loss before taxes		4 571	4 292	1 309	1 154
Taxes		(980)	(807)	(320)	(237)
Profit/loss continuing operations		3 591	3 485	989	917
Discontinued operations*	11	5 066	890	42	190
Profit/loss for the period		8 657	4 375	1 031	1 107
Profit/loss attributable to non-controlling interests		75	82	8	(5)
Profit/loss attributable to owners of the parent		8 582	4 293	1 023	1 112

*Historical income statement figures have been restated as Sapa is presented as discontinued operations.

Earnings per share

Amounts in NOK	1.1.-31.12.		1.10.-31.12.	
	2017	2016	2017	2016
Earnings per share	8.43	4.22	1.00	1.09
Earnings per share (diluted)	8.43	4.22	1.00	1.09
Earnings per share for continuing operations, (diluted)	3.46	3.34	0.96	0.91

Condensed statement of comprehensive income

Amounts in NOK million	Note	1.1.-31.12.		1.10.-31.12.	
		2017	2016	2017	2016
Profit/loss for the period		8 657	4 375	1 031	1 107
<i>Items after tax not to be reclassified to profit/loss in subsequent periods</i>					
Actuarial gains and losses pensions		(30)	(53)	(30)	(53)
<i>Items after tax to be reclassified to profit/loss in subsequent periods</i>					
Change in unrealised gains on shares	4	(53)	(234)	0	(46)
Change in hedging reserve	4	75	46	7	80
Carried against the equity in associates and discontinued operations	4	(1 026)	(611)	96	260
Translation effects		1 088	(648)	724	19
The Group's comprehensive income		8 711	2 875	1 828	1 367
Comprehensive income attributable to non-controlling interests		90	76		
Comprehensive income attributable to owners of the parent		8 621	2 799		

Condensed statement of financial position

Amounts in NOK million	Note	31.12. 2017	31.12. 2016
Intangible assets		19 921	18 343
Property, plant and equipment		11 683	11 038
Investments in associates and joint ventures and other financial assets	6	4 108	13 148
Non-current assets		35 712	42 529
Inventories		5 684	5 195
Inventory of development property		113	70
Trade receivables		6 165	5 597
Other receivables	6	883	902
Shares and financial assets		17	107
Cash and cash equivalents	6	4 834	1 204
Current assets		17 696	13 075
Total assets		53 408	55 604
Paid in equity		1 995	1 994
Earned equity		32 413	31 480
Non-controlling interests		430	402
Equity		34 838	33 876
Provisions and other non-current liabilities		4 734	4 146
Non-current interest-bearing liabilities	6	4 820	7 172
Current interest-bearing liabilities	6	359	2 496
Trade payables		4 940	4 329
Other current liabilities		3 717	3 585
Equity and liabilities		53 408	55 604
Equity ratio (%)		65.2	60.9

Condensed statement of changes in equity

Amounts in NOK million	1.1.–31.12.2017			1.1.–31.12.2016		
	Attributed to equity holders of the parent	Non- controlling interest	Total equity	Attributed to equity holders of the parent	Non- controlling interest	Total equity
Equity 1 January	33 474	402	33 876	33 329	417	33 746
The Group's comprehensive income	8 621	90	8 711	2 799	76	2 875
Dividends	(7 738)	(52)	(7 790)	(2 545)	(54)	(2 599)
Net purchase/sale of treasury shares	50	-	50	(77)	-	(77)
Change in non-controlling interests	1	(10)	(9)	(32)	(37)	(69)
Equity at the close of the period	34 408	430	34 838	33 474	402	33 876

Condensed statement of cash flows IFRS

Amounts in NOK million	Note	1.1.-31.12.		1.10.-31.12.	
		2017	2016	2017	2016
Cash flow from operations before net capital expenditure		5 496	4 617	1 882	1 725
Received dividends and financial items		1 505	7	(55)	(25)
Taxes paid		(934)	(506)	(477)	(70)
Cash flow from operating activities		6 067	4 118	1 350	1 630
Net capital expenditure		(1 587)	(1 367)	(475)	(171)
Net sale (purchase) of companies	5	11 544	(1 887)	12 047	(35)
Net sale shares and financial assets		43	1 194	(3)	75
Other payments		69	11	48	7
Cash flow from investing activities		10 069	(2 049)	11 617	(124)
Net paid to shareholders		(7 740)	(2 676)	(4 974)	4
Change in interest-bearing liabilities and interest-bearing receivables*		(4 783)	1 100	(4 709)	(1 218)
Cash flow from financing activities		(12 523)	(1 576)	(9 683)	(1 214)
Currency effects cash and cash equivalents		17	(10)	9	8
Change in cash and cash equivalents		3 630	483	3 293	300
Cash and cash equivalents	6	4 834	1 204		

*Does not include interest-bearing liabilities and receivables related to acquired and sold companies.

See also Note 14 for cash flow Orkla-format.

NOTES

NOTE 1 GENERAL INFORMATION

Orkla ASA's condensed consolidated financial statements for the fourth quarter of 2017 were approved at the meeting of the Board of Directors on 7 February 2018. The figures in the statements have not been audited. Orkla ASA (organisation no. NO 910 747 711) is a public limited liability company and its offices are located at Skøyen in Oslo, Norway.

Orkla shares are traded on the Oslo Stock Exchange. The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The same accounting principles and methods of calculation have been applied as in the last annual financial statements.

The Group sold its 50% interest in Sapa at the end of September in accordance with the agreement entered into on 10 July 2017. Sapa's results have been presented on a separate line as "Discontinued operations" (see Note 11). Historical profit and loss figures have been restated accordingly. No other changes have been made in presentation or accounting principles nor have any new standards been adopted that materially affect the Group's financial reporting or comparisons with previous periods.

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

NOTE 2 SEGMENTS

Operating revenues

Amounts in NOK million	1.1.-31.12.		1.10.-31.12.	
	2017	2016	2017	2016
Orkla	39 561	37 758	10 851	10 286
Branded Consumer Goods	38 510	36 422	10 587	9 734
Orkla Foods	16 126	15 476	4 384	4 186
Orkla Confectionery & Snacks	6 439	6 230	1 943	1 796
Orkla Care	7 479	6 740	1 930	1 730
Orkla Food Ingredients	8 703	8 161	2 410	2 072
Eliminations Branded Consumer Goods	(237)	(185)	(80)	(50)
Orkla Investments	1 027	1 302	268	543
Hydro Power	866	721	247	166
Financial Investments	161	581	21	377
HQ/Other Business/Eliminations	24	34	(4)	9

Operating profit - EBIT (adj.)¹

Amounts in NOK million	1.1.-31.12.		1.10.-31.12.	
	2017	2016	2017	2016
Orkla	4 635	4 298	1 443	1 307
Branded Consumer Goods	4 643	4 300	1 439	1 249
Orkla Foods	2 055	1 968	689	616
Orkla Confectionery & Snacks	1 045	937	395	341
Orkla Care	1 074	956	227	186
Orkla Food Ingredients	469	439	128	106
Orkla Investments	324	323	97	146
Hydro Power	316	192	103	31
Financial Investments	8	131	(6)	115
HQ/Other Business	(332)	(325)	(93)	(88)

¹Operating profit before other income and expenses.

NOTE 3 OTHER INCOME AND EXPENSES

Amounts in NOK million	1.1.-31.12.		1.10.-31.12.	
	2017	2016	2017	2016
M&A and integration costs	(149)	(245)	(56)	(96)
Final settlement employment relationships etc.	(89)	(59)	(33)	(12)
Gain/write-downs relating to coordination projects	192	24	190	(1)
Write-down Orkla Food Ingredients	-	(56)	-	-
Other restructuring costs and special IFRS effects	(155)	(46)	(102)	(13)
Total other income and expenses	(201)	(382)	(1)	(122)

K-Salat in Denmark was divested in the fourth quarter. The Denja brand was also divested in the same period. The total gain on these sales was NOK 238 million. At the same time, the Pastella operations in Denmark were written down by NOK 94 million and work on restructuring the remaining operations has commenced. Earlier in 2017, two real estate properties owned by Gimsøy and Natural Food, respectively, were divested at a total gain of NOK 50 million. The Gimsøy operations were moved to Kumla, Sweden, while Natural Food's operations were closed down earlier this year.

Orkla Foods has decided to discontinue its production of mayonnaise-based salads in Elverum, Norway. A total of NOK 50 million has been expensed for costs incurred and the write-down of property, plant and equipment as at 31 December 2017.

The Group continuously carries out integration and restructuring projects. Projects related to the integration of acquired companies and merging of factories require extensive resources and give rise to substantial costs. An improvement programme has been implemented in Orkla Home & Personal Care. As at 31 December 2017, a provision totalling NOK 40 million had been made for workforce reductions. Orkla Foods and Orkla Confectionery & Snacks in Finland were merged to form Orkla Suomi and

integration costs are being incurred. Furthermore, Orkla Confectionery & Snacks has begun work on coordinating chocolate production in Latvia. Costs related to this project, the majority of which appear likely to arise in the first quarter of 2018, will be incurred over a long period of time.

Based on the recommendations resulting from a pre-project, a decision has been made to carry out a main project to establish a common ERP platform for the Group. Preparations for the main project began immediately, the first stage of which has been to establish a project organisation and select an implementation partner. The roll-out of the new platform will begin in 2018 and run for several years. Orkla's Board of Directors made a final decision in the autumn of 2017. Expenses incurred during the initial stages of the project have been reported as "Other income and expenses" (OIE) totalling NOK 41 million, while expenses relating to the establishment of a template and the project roll-out will be recognised in the statement of financial position as intangible assets. Parts of existing ERP systems are expected to become superfluous once the new template has been rolled out, and will be written down if necessary as OIE. This will take place over time.

M&A costs have been incurred in connection with several small projects.

NOTE 4 STATEMENT OF COMPREHENSIVE INCOME

The statement of comprehensive income shows changes in the value of shares and financial assets (unrealised gains) and hedging instruments (hedging reserve). These figures are presented after tax. The tax effect as at 31 December 2017 related to changes in unrealised gains is NOK 0 million (NOK 0 million in 2016), and the tax effect related to changes in the hedging reserve amounts to NOK 27 million (NOK 21 million in 2016).

Unrealised gains/losses on shares and the hedging reserve included in equity as at 31 December 2017 (after tax) totalled NOK 0 million and NOK -228 million, respectively. Accumulated translation differences correspondingly amounted to NOK 1,517 million, and accumulated items recognised in equity in associates amounted to NOK 261 million as at 31 December 2017.

NOTE 5 ACQUISITION AND SALE OF COMPANIES

Acquisition of companies in the fourth quarter

Orkla Foods purchased 100% of Agrimex, a leading producer of frozen vegetables in the Czech Republic. Through the acquisition of Agrimex, Hamé has strengthened its position in the processed vegetables category. Agrimex has a modern, automated production plant north of Prague. The raw materials are supplied by local Czech farmers from farms in the vicinity of the factory. The products are sold under the Dione, Dione Premium and Agrimex Foodservice brands. Agrimex had 32 employees. The company had a turnover of CZK 260 million (approx. NOK 96 million) in 2016. The company was consolidated into Orkla's financial statements as from 1 December 2017.

Orkla Food Ingredients purchased 100% of the shares in Arne B. Corneliussen AS, a leading manufacturer and supplier to the Norwegian food industry. Its product portfolio consists of spices, marinades, flavourings, starter cultures and other functional ingredients, in addition to packaging solutions. Its customer market is Norwegian food manufacturers, with the Norwegian meat industry as its main segment. The company had 32 employees. The business that has been acquired had a turnover of NOK 188 million in 2016. The company was consolidated into Orkla's financial statements as from 1 December 2017.

Other acquisitions of companies

Orkla Care purchased 100% of the shares in the Danish company Riemann Holding A/S ("Riemann"). The company holds good positions in the sun protection and antiperspirant markets, and with the acquisition of Riemann Orkla Care has strengthened its presence in the pharmacy

channel. The product portfolio is marketed under the P20 and Perspirex brands. Riemann is based in Denmark, but around 90% of its turnover is generated by exports to other European markets. Riemann had 47 employees. The company's head office and production facilities are located in Hillerød, Denmark. In 2016, Riemann had a reported turnover of DKK 133.5 million (approx. NOK 168 million) and EBITDA of DKK 26.4 million (approx. NOK 33 million). The company was consolidated into Orkla's financial statements as of 1 June 2017.

Orkla Food Ingredients purchased 85% of the shares in the British sales and distribution company Orchard Valley Foods Limited ("Orchard Valley"). Orchard Valley holds strong positions as a supplier of ingredients and accessories to the UK bakery, chocolate and ice cream market. Most of its turnover is generated in the UK, but the company also has growing export sales to Europe. Orchard Valley had a total of 72 employees. The company's head office and production facilities are located in Tenbury Wells, UK. In the financial year ending on 31 May 2016, Orchard Valley posted a turnover of GBP 23.9 million (approx. NOK 252 million) and normalised EBITDA of GBP 2.0 million (approx. NOK 21 million). The agreement also includes an option to purchase the remaining 15% of the shares. The company was consolidated into Orkla's statement of financial position as of 31 March 2017, and was recognised in the income statement as of 1 April 2017.

Orkla Food Ingredients purchased 80% of the shares in the Danish sales and distribution company SR Food A/S ("SR Food"). Through the acquisition of SR Food, Orkla Food Ingredients aims to further develop its position as a supplier of organic and vegetarian foods. SR Food has a broad range of products, offering items such as fresh doughs, tapas and bread toppings to the Nordic market. SR Food had six employees. The company's headquarters is located in Randers, Denmark. In 2016, SR Food had EBIT of DKK 11.3 million (approx. NOK 14 million). The company was consolidated into the financial statements as of 1 May 2017.

Orkla Food Ingredients also acquired 100% of the shares in the Netherlands sales and distribution company Laan Heiloo B.V. ("Laan"). Laan is a leading supplier of ingredients and accessories to the Netherlands ice cream market. Orkla Food Ingredients has built up a strong position in the ready-to-use, soft-serve ice cream mix and accessories category in the Netherlands, and the businesses are a good fit. Laan had a total of 15 employees. In 2016, the company had a turnover of EUR 5.8 million (approx. NOK 51 million). The company was consolidated into the financial statements as of 1 March 2017.

Orkla Food Ingredients purchased 100% of the shares in the German sales and distribution company Eis Ludwig Gräbner GmbH ("Eis Gräbner"). With the acquisition of Eis Gräbner, Orkla Food Ingredients has strengthened its position as a supplier of ice cream ingredients and accessories. Eis Gräbner had 18 employees. In 2016, Eis Gräbner had a turnover of EUR 6.5 million (approx. NOK 61 million). The company was consolidated into the financial statements as of 1 May 2017.

Orkla Food Ingredients also increased its equity interest in the Swedish company Våffelbagaren from 30% to 51%. The company has a turnover of around SEK 20 million.

As at 31 December 2017, businesses had been acquired for a total of NOK 901 million on a debt-free basis. See also Note 13 on agreements concluded on the purchase of companies.

Other matters

The purchase price allocation (PPA) for Harris was finalised as at 30 September 2017. Certain changes were made in the PPA compared to the provisional one, largely as a result of a new assessment of pensions. The change has resulted in higher goodwill. The PPAs for Hamé, Waverley Bakery and assets in Nanso Group were finalised in the first half of 2017. No material changes were made in the PPAs, except with regard to Hamé where the excess values related to buildings and brands have been adjusted downwards slightly in relation to the figures presented as at 31 December 2016. Goodwill has been increased correspondingly.

Sale of companies

In the fourth quarter, Orkla Foods entered into an agreement with Stryhns A/S on the sale of K-Salat. The agreement concerned the 100% transfer of K-Salat, which comprises salad spreads, mayonnaise, remoulade, dressings and potato salad, in Denmark. The agreement included the take-over of a factory with approx. 100 employees in Havnsø, West Zealand. The transaction was completed on 1 December 2017 at an accounting gain of NOK 213 million (see Note 3).

In the third quarter of 2017, Orkla Eiendom (real estate) sold Fredrikstad Innovasjonspark at a total gain of NOK 20 million. The proceeds of the sale were received in the fourth quarter. In the first quarter of 2017, Orkla Eiendom sold two properties at a total gain of NOK 16 million. The gains are presented in EBIT (adj.). The proceeds of the sale of Åsane Utvikling, which was divested in the fourth quarter of 2016, were received in the first quarter of 2017.

NOTE 6 NET INTEREST-BEARING LIABILITIES

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

Amounts in NOK million	31.12. 2017	31.12. 2016
Non-current interest-bearing liabilities	(4 820)	(7 172)
Current interest-bearing liabilities	(359)	(2 496)
Non-current interest-bearing receivables (in "Financial Assets")	276	390
Current interest-bearing receivables (in "Other receivables")	55	18
Cash and cash equivalents	4 834	1 204
Net interest-bearing liabilities	(14)	(8 056)

NOTE 7 OTHER FINANCIAL ITEMS, NET

The various elements of net other financial items are shown in the following table:

Amounts in NOK million	1.1.–31.12.		1.10.–31.12.	
	2017	2016	2017	2016
Gains, losses and write-downs shares and financial assets	47	187	(1)	18
Dividends	7	61	-	38
Net foreign currency gain/loss	(3)	(4)	(4)	4
Interest on pensions	(58)	(51)	(25)	(16)
Other financial items	(20)	(128)	1	(6)
Total	(27)	65	(29)	38

NOTE 8 RELATED PARTIES

The Canica system, controlled by Orkla Board Chairman Stein Erik Hagen (largest shareholder, with 24.5% of issued shares), and Orkla both have equity interests in one real estate investment. Canica AS has signed an agreement with Orkla ASA to lease office premises at Karenslyst allé 6 from 1 October 2017 to 31 December 2020. In addition, the Orkla Group makes sales to companies in the Canica system.

There were no material transactions between the Group and related parties as at 31 December 2017.

The Group has intercompany balances totalling NOK 29 million with associates within Orkla's real estate investments.

NOTE 9 OPTIONS AND TREASURY SHARES

Changes in outstanding options and treasury shares are shown in the following tables:

Change in number of options:

Outstanding options 1 January 2017	955 000
Exercised during the period	(955 000)
Outstanding options 31 December 2017	0

The option programme was terminated in May 2017.

Change in number of treasury shares:

Treasury shares 1 January 2017	1 213 135
External purchases of treasury shares	1 500 000
Sale of shares to employees	(1 571 202)
Options exercised in treasury shares	(965 000)
Treasury shares 31 December 2017	176 933

NOTE 10 ASSESSMENTS RELATING TO IMPAIRMENT

In line with adopted principles, the Group has carried out impairment tests for all intangible assets with an indefinite useful life and for all goodwill prior to the preparation and presentation of financial statements for the third quarter. This year's tests showed no need to write down any of the Group's assets.

As disclosed in Note 3, property, plant and equipment were written down directly by a total of NOK 146 million as at 31 December 2017 as a result of the decision to close down production of mayonnaise-based salads, and Pastella in Denmark. A small write-down was also made in connection with the closure of Ello in Kristiansund. There were otherwise no indications of any impairment in the value of any of the Group's assets; see, however, Note 3 for assessments regarding the Group's ERP systems.

NOTE 11 DISCONTINUED OPERATIONS

If a material part of the Group's activities is divested or an agreement is made to divest it, or in the event of a loss of control or significant influence, this part is presented as "Discontinued operations" on a separate line in the income statement and statement of financial position. A "material part" is defined as a separate segment, a separate geographical area or a substantial asset.

Orkla's 50% ownership interest in Sapa constituted a "substantial asset". On 10 July 2017, an agreement was signed to sell this asset to Norsk Hydro. The agreement had to be approved by all the relevant competition authorities, and such approval was finally granted on 26 September. Orkla will retain certain liabilities related to its ownership interest in Sapa post closing of the transaction.

As a result of the agreement to sell, profit or loss from Sapa has been presented separately from the line "Profit/loss from associates and joint ventures" and reported on the line "Discontinued operations" with historical effect. The figures presented in the ordinary income statement are therefore comparable. "Earnings per share for continuing operations" will thus present the Group's earnings minus the share of profit or loss from Sapa. Historical statements of financial position have not been restated.

Profit and loss as at 31 December 2017 are as follows:

Amounts in NOK million	1.1.–31.12.	
	2017	2016
Profit from joint venture	800	890
Gain related to sale	4 266	-
Discontinued operations	5 066	890

NOTE 12 SHARES AND FINANCIAL ASSETS

Shares and financial assets recognised at fair value:

Amounts in NOK million	Measurement level			Total
	Level 1	Level 2	Level 3	
31 December 2017:				
Assets				
Investments	-	-	85	85
Derivatives	-	166	-	166
Liabilities				
Derivatives	-	373	-	373
31 December 2016:				
Assets				
Investments	-	87	49	136
Derivatives	-	260	-	260
Liabilities				
Derivatives	-	445	-	445

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

NOTE 13 OTHER MATTERS

In accordance with the decision adopted at an extraordinary general meeting held on 25 October 2017, Orkla paid out an extraordinary dividend of NOK 5.00 per share on 3 November 2017.

Orkla has entered into an agreement to purchase Health & Sport Nutrition Group (HSNG); see further information under "Structural Measures" on page 4. Furthermore, on 22 January 2018, Orkla Care concluded an agreement to increase its interest in the joint venture Anza Verimex NV to 50%. At the same time Orkla Care is taking over 50% of the painting tool operations in PGZ International B.V. Orkla Foods has signed and closed an agreement to purchase the Danish bakery Struer Brød.

No new factors have emerged that change our assessment regarding the situation in Denofa do Brasil (see Note 39 in Orkla's Annual Report for 2016).

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

Saudefaldene AS, of which Orkla owns 85%, operates several power plants in Sauda under a lease agreement with Statskraft that will run until 2030. In the case of one of the plants, Sønnå Høy, the question of whether Saudefaldene or Statskraft was to be deemed the owner for tax purposes and thus liable for property tax and tax on ground rent income had not been settled. Following the Court of Appeal's judgment upholding Saudefaldene's claim that Statskraft must be deemed to be

Sønnå Høy's owner for tax purposes, the Supreme Court has now handed down a judgment that with final effect sets aside the prior judgment and determines that Saudefaldene is to be deemed the owner of Sønnå Høy for tax purposes. This judgment will have no direct accounting consequences for Saudefaldene, as Saudefaldene has expensed property and ground rent income tax in its financial statements as if it were the owner for tax purposes in accordance with the present decision. Future property and ground rent income tax expensed will therefore be the same as in previous years. For further information, reference is made to the information regarding this matter in Note 16 in Orkla's Annual Report for 2016.

Orkla, Thon Holding AS and Østfold Energi have entered into an agreement with the investment company Jotunfjell Partners on the sale of

Rygge Sivile Lufthavn AS (RSL). Under the agreement, the present owners – Orkla ASA (40%), Thon Holding AS (40%) and Østfold Energi (20%) – will sell all their shares in RSL to Jotunfjell Partners. This includes the takeover of the terminal building and other civilian installations at Moss Airport Rygge, which RSL operated until it was wound up on 1 November 2016.

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

NOTE 14 CASH FLOW ORKLA-FORMAT

The Orkla-format cash flow statement shows the change in net interest-bearing liabilities at Group level, which is an important key figure for the Group (see Note 6). This cash flow format is used directly in the management of the business areas, and is included in the tabular presentation of segment information preceding the descriptions of the various businesses in the information on the Group. The statement shows the Group's overall financial capacity, generated by operations, to cover the Group's financial 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" and "Cash flow from operations, Financial Investments".

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. Direct expansion investments are investments either in new geographical markets or new categories or that represent substantial increases in capacity. 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.

Amounts in NOK million	Note	1.1.-31.12.		1.10.-31.12.	
		2017	2016	2017	2016
Operating profit		4 423	3 785	1 448	1 070
Amortisation, depreciation and impairment charges		1 313	1 138	398	264
Changes in net working capital		18	(186)	361	379
Gains from operations moved to capital expenditures and sale of companies		(299)	(42)	(271)	(15)
Cash flow from operations before net replacement expenditures		5 455	4 695	1 936	1 698
Net replacement expenditures		(1 050)	(1 327)	(307)	(287)
Cash flow from operations*		4 405	3 368	1 629	1 411
Cash flow from operations, Financial Investments		(290)	45	(141)	174
Financial items, net paid		(222)	(276)	(55)	(64)
Taxes paid		(934)	(506)	(477)	(70)
Dividends received		1 727	283	0	39
Other payments		69	11	48	7
Cash flow before capital transactions		4 755	2 925	1 004	1 497
Dividends paid		(7 790)	(2 599)	(5 099)	0
Net purchase/sale of treasury shares		50	(77)	125	4
Cash flow before expansion		(2 985)	249	(3 970)	1 501
Expansion investments		(206)	(163)	(81)	(31)
Sale of companies (enterprise value)	5	12 520	415	12 373	16
Purchase of companies (enterprise value)	5	(901)	(2 651)	(164)	(67)
Net purchase/sale shares and financial assets		43	1 194	(3)	75
Net cash flow		8 471	(956)	8 155	1 494
Currency effects of net interest-bearing liabilities		(429)	705	(191)	(76)
Change in net interest-bearing liabilities		(8 042)	251	(7 964)	(1 418)
Net interest-bearing liabilities	6	14	8 056		

*Excluding Financial Investments.