Fredrik and Ferdinand - part of the Orkla family

Report of the Board of Directors

In 2016 the Board of Directors continued its efforts to further develop Orkla as a leading branded consumer goods group, with the Nordic and Baltic regions as its main markets, while also targeting growth in and strengthening selected geographies. To further secure its future competitiveness, the Group maintained its focus on rationalising and improving its supply chain. A solid foundation has thus been laid for exploiting economies of scale over time, while preserving Orkla's local ties, thereby increasing the potential for future value creation in the Branded Consumer Goods business.

Since 2013, significant structural changes have been made to define Orkla as a branded consumer goods group. In the course of 2016, Orkla further consolidated its position as a branded consumer goods company through agreements to acquire a number of companies. These transactions are described under the section "Further description of structural changes". The Group's exposure outside the Branded Consumer Goods business has been reduced through the sale of its entire remaining shareholding in Gränges and the continued sell-off of assets in the real estate and share portfolio. In 2016, capital totalling around NOK 1.8 billion was freed up from businesses and ownership interests outside the Group's core business.

Orkla has also continued its efforts to develop an optimised business model, where Orkla seeks to balance the local model with higher realisation of synergies and economies of scale across companies and business areas. This includes optimising its factory footprint and is essential to ensuring both a competitive supply chain and efficient use of capital to invest in new innovations, thereby laying the groundwork for future growth. Structural measures were initiated within the Group's existing factory footprint and in the companies acquired and integrated in 2016. During the year, Orkla also prepared new improvement projects to be able to maintain momentum in 2017 and continue developing its supply chain structure. In addition, greater focus on collaboration has given rise to more innovation projects and launches across companies and countries.

In sum, market growth in Orkla's categories was positive in 2016. Orkla's performance varied from one category and market to another, but overall growth for Branded Consumer Goods is estimated to have been slightly lower than market growth.

Orkla increased its turnover in 2016 by 14% through contributions from acquisitions, organic[3] growth and positive currency translation effects related to the weaker Norwegian krone. Branded Consumer Goods delivered organic[3] turnover growth of 1.8%, with a combination of volume/mix and price increases. All business areas, except for Orkla Food Ingredients, posted organic[3] growth.

Innovations based on strong local brands in both new and established categories have generated good category growth for both Orkla and Orkla's customers. Among the numerous strong innovations, the Grandiosa Vår Take Away pizza and the new potato chip brand Totenflak were examples of brave launches in well-known categories, where extensive focus on taste and product quality have helped to increase consumer loyalty and repeat purchases. Another example is the Dr Greve brand, which in just a short time was expanded into a strong, broad-based skin care brand sold by Norwegian grocery retailers, and put Orkla in the number one-position in the skin care segment. This shows the potential in Orkla's strategy of continuing to build on strong local brands in more categories. Moreover the launch of waffle-cut chips under the Taffel, Ádazu, OLW and KiMs brands are examples of major innovations that have been rolled out in several countries, with the same concept and recipe but under more of Orkla's big local brands. In 2016, the new business unit Wound Care was established following the acquisition of Cederroth, boosting growth with launches of the next generation of First Aid Kits and the launch of Salvequick in Norway.

The year 2016 has also seen a large number of innovations under the headings Health & Nutrition, Organic and Vegetarian. Examples of Health & Nutrition launches were Taffel Wholegrain crisps, Paulúns Glutenfri Supermüsli and Vitana Farmers` Soup. All these launches show that Orkla is far out in front in offering consumers increasingly healthy, better tasting products. Numerous organic products were developed in 2016, with launches such as FELIX Ekologisk Mustig Soppa organic soup, RisiFrutti Ekologisk organic rice-and-fruit pudding, Beauvais Økologisk Agurker organic gherkins, Brago Original EKO biscuits, Idun and Beauvais Økologisk Tomatketchup organic ketchup and Göteborgs Utvalda selection of biscuits with KRAV organic certification. Orkla has responded to increased consumer demand for vegetarian products with a multitude of new products under the Anamma and Naturli' brands, as well as FELIX Veggie and MTR. This shows that Orkla is a clear forerunner in offering consumers good organic alternatives in major, well-known categories, and in seizing the opportunities inherent in growing consumer demand for vegetarian and vegan products.

EBIT (adj.)[1] for Branded Consumer Goods increased in 2016. The growth in profit was largely driven by organic[3] improvement in sales, comprehensive cost improvement programmes, the realisation of synergies from acquisitions and positive currency translation effects. The EBIT (adj.)[1] margin was negatively affected by the dilutive effects of the inclusion of acquired companies with lower margins, substantially higher purchasing costs due to the weaker Norwegian krone, and slightly higher raw material and packaging costs. The EBIT (adj.)[1] margin was 11.8%, equivalent to a decline of 0.2 percentage points.

At the end of 2016, the Group's financial position was sound, ensuring financial flexibility to support the Group's strategy. Net interest-bearing liabilities totalled NOK 8.1 billion as at 31 December 2016, while the equity ratio was 60.9%.

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 2.60 per share for the 2016 financial year.

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

Further description of structural changes

Throughout 2016, Orkla continued its work to transform the Group in accordance with its business strategy. To further secure its future competitiveness, Orkla has made several structural changes in the course of the year to rationalise its factory footprint and exploit economies of scale. In addition to ongoing efficiency optimisation measures, Orkla carried out new acquisitions.

In December 2015, Orkla entered into an agreement to purchase Hamé, a leading Central European branded food company based in the Czech Republic. Hamé holds strong positions in countries such as the Czech Republic, Slovakia and Romania in a range of categories that are a good fit with Orkla's current portfolio. With the acquisition of Hamé, Orkla has doubled its turnover in Central Europe. The agreement was approved by the relevant competition authorities, and the company was consolidated into the financial statements as from 1 April 2016. In connection with the integration of Hamé, Orkla Foods established a new organisation in Central Europe, Orkla Foods Central Europe, consisting of Felix Austria, Vitana and Hamé.

In January 2016, Orkla Foods Danmark signed an agreement with Kavli Holding AS to purchase O. Kavli A/S, a major supplier to Danish grocery retailers. The purchase includes well-known brands such as FUN, Grønnegården, Scoop and Blomberg's Glögg. Orkla already owned the FUN brand in the other Nordic countries, and through this agreement acquired full ownership of FUN in the Nordic region. The company was consolidated into Orkla's financial statements as from 1 March 2016.

In March 2016, Orkla Food Ingredients (OFI) purchased The Waverley Bakery Limited through its wholly-owned subsidiary Idun Industri. Waverley Bakery is a leading supplier of ice cream cones and wafers, ingredients and accessories in the UK, with deliveries to wholesalers, ice cream parlours and small-scale ice cream manufacturers. The company was consolidated into Orkla's financial statements as from 1 March 2016. Furthermore, in September 2016, through its wholly-owned subsidiary Sonneveld Group B.V., OFI signed and completed an agreement to purchase 70% of the shares in Broer Bakkerijgrondstoffen B.V., a leading manufacturer of almond paste, bakery ingredients and ice cream powder in the Netherlands. The company was consolidated into the financial statements as from 1 September 2016.

In March 2016, Pierre Robert Group signed an agreement with the Finnish branded goods supplier Nanso Group for the purchase of four socks, tights and underwear brands. The agreement concerns the purchase of the Norlyn, Amar, Black Horse and Finnwear brands, which hold strong positions in the Finnish grocery trade. The company was consolidated into the financial statements as from 1 May 2016.

In May 2016, through its wholly-owned subsidiary Orkla House Care Norge, Orkla entered into an agreement to purchase L.G. Harris & Co. Limited (Harris), a leading UK supplier of "do-it-yourself" painting tools. With this acquisition Orkla House Care doubled the size of its operations. The agreement was approved by the UK competition authorities, and Harris was incorporated into the Orkla Care business area with accounting effect as from 1 September 2016.

By means of an asset transaction in October 2016, Orkla signed and completed an agreement through its wholly-owned subsidiary Orkla Health Poland to purchase the Colon-C brand. With this acquisition Orkla has strengthened its foothold in the rapidly growing gut health category. Colon-C is a leading brand in the constipation category and a market leader in the fibre segment in Poland. The brand was consolidated into Orkla's financial statements as from 1 October 2016.

In the first half of 2016, Orkla Investments sold its remaining 16% shareholding in Gränges and effected several sales in the share portfolio in 2016, including the sale of Enterfondet and the sell-off of shares in Solsten Nordic Equities Fund. Other shares and financial assets totalling NOK 1,194 million were sold off in 2016. The market value of the remaining share portfolio including funds was NOK 107 million at year end.

In 2016 Orkla Eiendom sold its subsidiary Mortensrud Næring, its interest in Raufoss Næringspark and Åsane Utvikling and lots from a former industrial property (Attisholz) in Switzerland.

For more information on the purchase and sale of companies, see Notes 5 and 24.

Further comments on the Group's results

Orkla's operating revenues in 2016 totalled NOK 37,758 million (NOK 33,198 million)[2]. The 14% increase was driven by organic[3] growth in sales in Branded Consumer Goods, in addition to positive currency translation effects and contributions from acquired companies. Branded Consumer Goods reported organic[3] sales growth of 1.8% in 2016.

Group EBIT (adj.)[1] amounted to NOK 4,298 million (NOK 3,609 million)[2], equivalent to growth of 19%. Growth was primarily driven by acquisitions, broad-based improvement in profit for Branded Consumer Goods, improved results for Financial Investments and lower Group costs. Branded Consumer Goods posted 12% growth in EBIT (adj.)[1].

Orkla Foods delivered improved profit related to turnover growth, the positive effects of cost improvements and contributions from acquired companies. The improvement in Orkla Confectionery & Snacks was chiefly driven by broad-based improvement in sales. Profit growth in Orkla Care was mainly driven by contributions from Cederroth and Harris, and realised synergies from acquisitions. The loss of the distribution agreement with Unilever had a negative impact on profit. Orkla Food Ingredients delivered profit improvement, driven by structural growth.

In terms of profit, Hydro Power had a stronger year in 2016 than in 2015, chiefly due to higher power prices that were only partly offset by lower production. Financial Investments saw a rise in profit from the sale of properties. Furthermore, Group costs were lower in 2016 due to cost improvement measures at the head office, reduced costs in connection with incentive programmes and slightly lower IT costs.

Overall, the international commodity prices to which Orkla is exposed have increased somewhat in the recent past. Moreover, the weaker Norwegian krone, as an average for the year compared with 2015, brought a significant increase in purchasing costs for the Norwegian companies. The degree to which the different business areas are exposed to currency risk varies. Many of Orkla's Norwegian companies do a substantial share of their purchasing in Norwegian kroner, thereby reducing the overall effect of fluctuations in the exchange rate of the Norwegian krone against other currencies.

The results of foreign entities are translated into Norwegian kroner on the basis of average monthly exchange rates. In 2016, due to currency market fluctuations, the Group benefited from positive currency translation effects of NOK 591 million on operating revenues and NOK 45 million on EBIT (adj.)[1].

Orkla continued its extensive improvement and integration processes in 2016, and the Group's other income and expenses amounted to NOK -382 million (NOK -502 million)[2]. These chiefly consisted of acquisition and integration costs resulting from the numerous structural acquisitions, and a number of improvement processes in the Group, particularly related to closures and changes in the factory footprint.

After other income and expenses, the Group's operating profit amounted to NOK 3,916 million in 2016, compared with NOK 3,107 million in 2015.

Profit from associates and joint ventures totalled NOK 1,378 million (NOK 1,111 million)[2], and are chiefly related to Orkla's 42.5% interest in Jotun and 50% interest in Sapa. The investments are presented using the equity method on the line for "Associates and joint ventures". Jotun achieved good results for 2016, even though turnover and operating profit fell slightly compared to the record results in 2015. Jotun's contribution to profit amounted to NOK 471 million (NOK 569 million)[2]. Sapa delivered a solid contribution to profit of NOK 890 million (NOK 123 million)[2].

As a result of the introduction of an air passenger tax as of 1 June 2016 and Ryanair's decision to close its operations base at Rygge, activity at Moss Airport Rygge was discontinued on 1 November 2016. Consequently, Orkla wrote down the statement of financial position assets related to Moss Airport Rygge by a total of NOK 171 million. The carrying value of Orkla's equity interest has been written down by NOK 71 million and is presented on the line for "Profit/loss from associates and joint ventures". Loans totalling NOK 100 million to the company have been written down on the line for "Other financial items, net". The write-downs were taken in the second quarter of 2016. Net interest costs totalled NOK 177 million (NOK 192 million)[2]. Other financial items amounted to a net NOK 65 million (NOK 64 million)[2], including net profit (dividends included) of NOK 248 million (NOK 135 million)[2] from shares and financial assets. Pre-tax profit amounted to NOK 5,182 million (NOK 4,090 million)[2].

Orkla is subject to ordinary company tax in the countries in which the Group operates. The accounting tax charge amounted to NOK 807 million (NOK 722 million)[2]. However, realised capital gains and dividends from companies resident in the EEA are largely tax-exempt. The tax charge (adjusted for profit from associates and joint ventures) for the 2016 financial year was 21% (24%)[2]. The reduction in the tax charge can largely be explained by tax-free revenues from the sale of real estate, and the fact that a power contract was taxed on the basis of contract price instead of spot price. See Note 16 for further comments.

Profit for the year amounted to NOK 4,375 million (NOK 3,351 million)[2], and diluted earnings per share were NOK 4.22 kroner (NOK 3.24)[2].

Financial situation and capital structure

Cash flow (see Note 40)

The comments below are based on the cash flow statement as presented in Orkla's internal format.

Operating revenues by business area

Orkla Foods	15,476	41%
Orkla Confectionery & Snacks	6,230	16%
Orkla Care	6,740	18%
Orkla Food Ingredients	8,161	22%
Orkla Investments	1,302	3%
Total operating revenues (NOK billion)	37,758	100%

Cash flow from operations (excluding Financial Investments) amounted to NOK 3,368 million (NOK 3,641 million)². There was a seasonal freeing-up of NOK 364 million in working capital in the fourth quarter. For the full year, there was a temporary build-up of working capital of NOK 228 million, strongly driven by restructuring projects at Orkla Foods factories, combined with an inventory build-up of PepsiCo products. Compared with 2015, the decrease in working capital in 2016 was mainly due to the receipt of payment of a claim for a one-off contractual termination fee from the renegotiation of the Unilever agreement.

Net replacement investments totalled NOK 1,327 million (NOK 930 million)². The increase was chiefly related to higher investment in Orkla Foods as a result of ongoing factory improvement and restructuring programmes. Cash flow from operations from Financial Investments amounted to NOK 45 million (NOK 94 million)².

An ordinary dividend of NOK 2.50 was paid out for the 2015 financial year. Dividends paid totalled NOK 2,599 million.

To fulfil the remaining option programme, net purchases of Orkla shares were made with a cash flow effect of NOK -77 million (NOK -31 million)². Expansion investments totalled NOK 163 million (NOK 388 million)² in 2016.

Sold businesses amounted to NOK 415 million in 2016 and consisted mainly of real estate portfolio sales and the sale of the Asan brand. Acquisitions totalled NOK 2,651 million and consisted of acquisitions in Branded Consumer Goods, where Hamé and Harris accounted for the majority of the amount. In 2016, net sales of shares and financial assets, including the disposal of Gränges shares, totalled NOK 1,194 million.

Net cash flow for the Group amounted to NOK -956 million (NOK -1,561 million)² in 2016. The Group's interest-bearing liabilities had an average borrowing rate of 1.8%, mainly denominated in SEK, EUR and DKK. Positive translation effects of NOK 705 million as a result of exchange rate fluctuations helped to reduce net interest-bearing liabilities, which totalled NOK 8,056 million. 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.

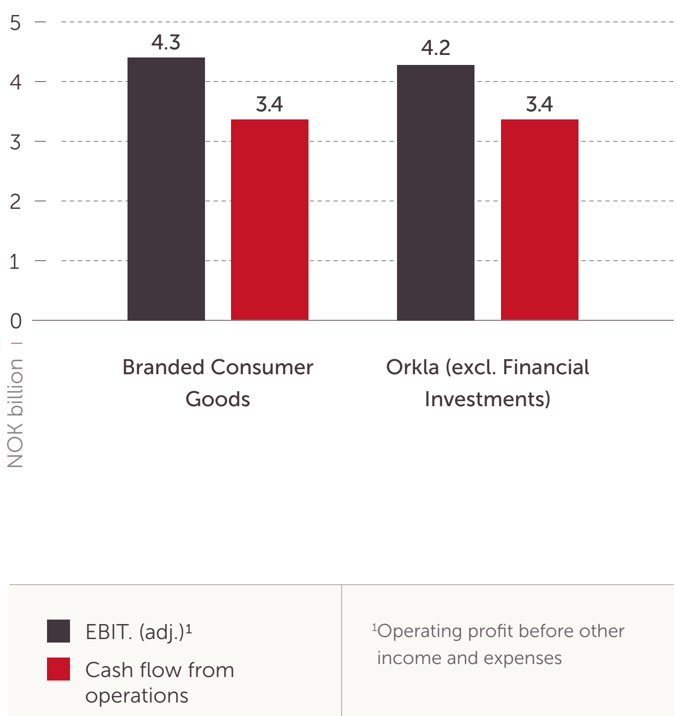
Contracts and financial hedge instruments

Orkla generally has few long-term purchasing and sale contracts. In Hydro Power, AS Saudefaldene has certain long-term power contracts. Further details regarding power contracts may be found in Note 35.

Capital structure

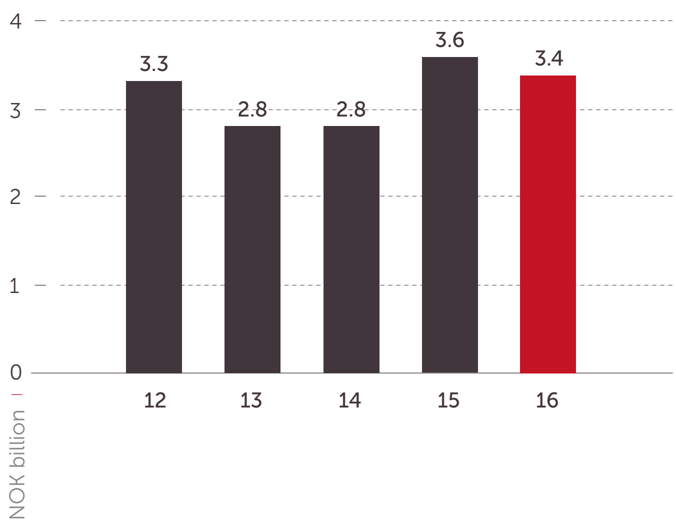
In 2016, the consolidated statement of financial position increased by NOK 1.4 billion to NOK 55.6 billion at year end. This was largely a result of the acquisitions of Harris and Hamé. Net interest-bearing liabilities increased by NOK 0.3 billion, also due to the acquisition of companies. The strengthening of the Norwegian krone in 2016 resulted in positive

Conversion of profit to cash flow



¹Operating profit before other income and expenses

Cash flow from operations¹



¹Cash flow from operations (excl. Financial Investments).

translation effects of NOK 705 million on net interest-bearing liabilities at the end of 2016. Net gearing[4] was 0.24 (0.23)[2]. Orkla's financial position is robust, with cash reserves and credit lines that exceed known capital expenditures in the coming year. The average remaining life of liabilities and unutilised credit lines is 3.3 years (3.2)[2].

After the dividend payment in 2016, Group equity totalled NOK 34 billion at year end, with an equity ratio of 60.9% (62.2%)[2]. At the start of 2017, the Group has solid financial resources and the flexibility to support its business priorities.

The Orkla share

As of 31 December 2016, there were 1,017,717,835 shares outstanding, and Orkla owned 1,213,135 treasury shares. The number of shareholders decreased from 38,853 to 38,796, and the proportion of shares held by foreign investors decreased by 3 percentage points to 52% at the end of 2016.

The Orkla share price was NOK 70.10 on the last trading day of 2015. At year end 2016, the share price was NOK 78.20. Taking into account the dividend, the return on the Orkla share was 15.6% in 2016, while the return on the Oslo Stock Exchange Benchmark Index (OSEBX) was 12.1%. Orkla shares were traded on the Oslo Stock Exchange for a total of NOK 33.5 billion. Further information on shares and shareholders may be found on page 152.

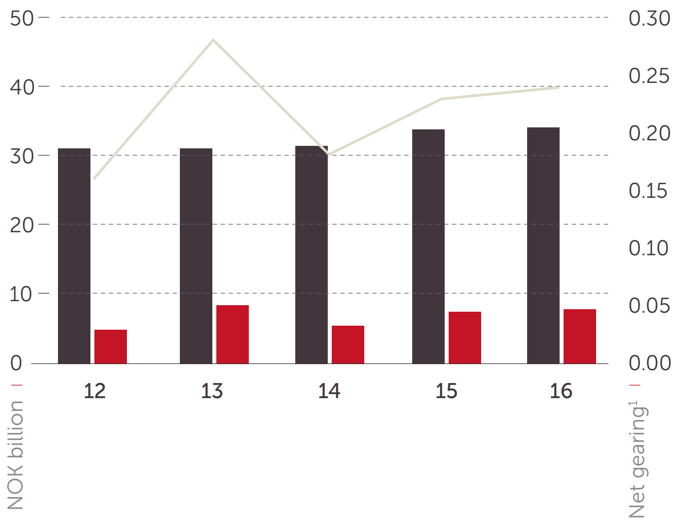
Risk management

The Board of Directors attaches importance to ensuring that risk is managed systematically in all parts of the Group, and considers this a prerequisite for long-term value creation for shareholders, employees and society at large. Orkla's Branded Consumer Goods business has a diversified company and product portfolio, which reduces risk. In the course of 2016, Orkla further strengthened its position as leading branded consumer goods group, through both organic[3] growth and the acquisition of businesses. According to the Group's guidelines, a special risk assessment must be carried out as part of the assessment of all growth opportunities.

Orkla has adopted a structured approach to identifying risk factors and implementing risk-mitigating measures in its operations. 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 requirement applies to risk analysis as to routine risk management.

Orkla's consolidated risk picture and an assessment of more long-term, systematic risk are 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.

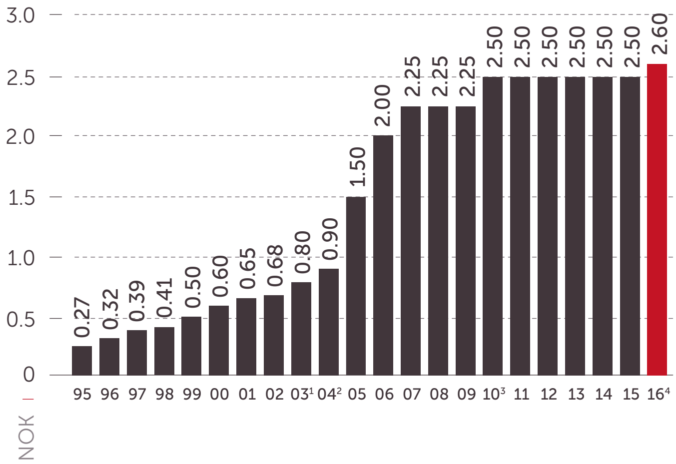
Equity, liabilities and net gearing[1]



Equity
Net interest-bearing liabilities
Net gearing[1]

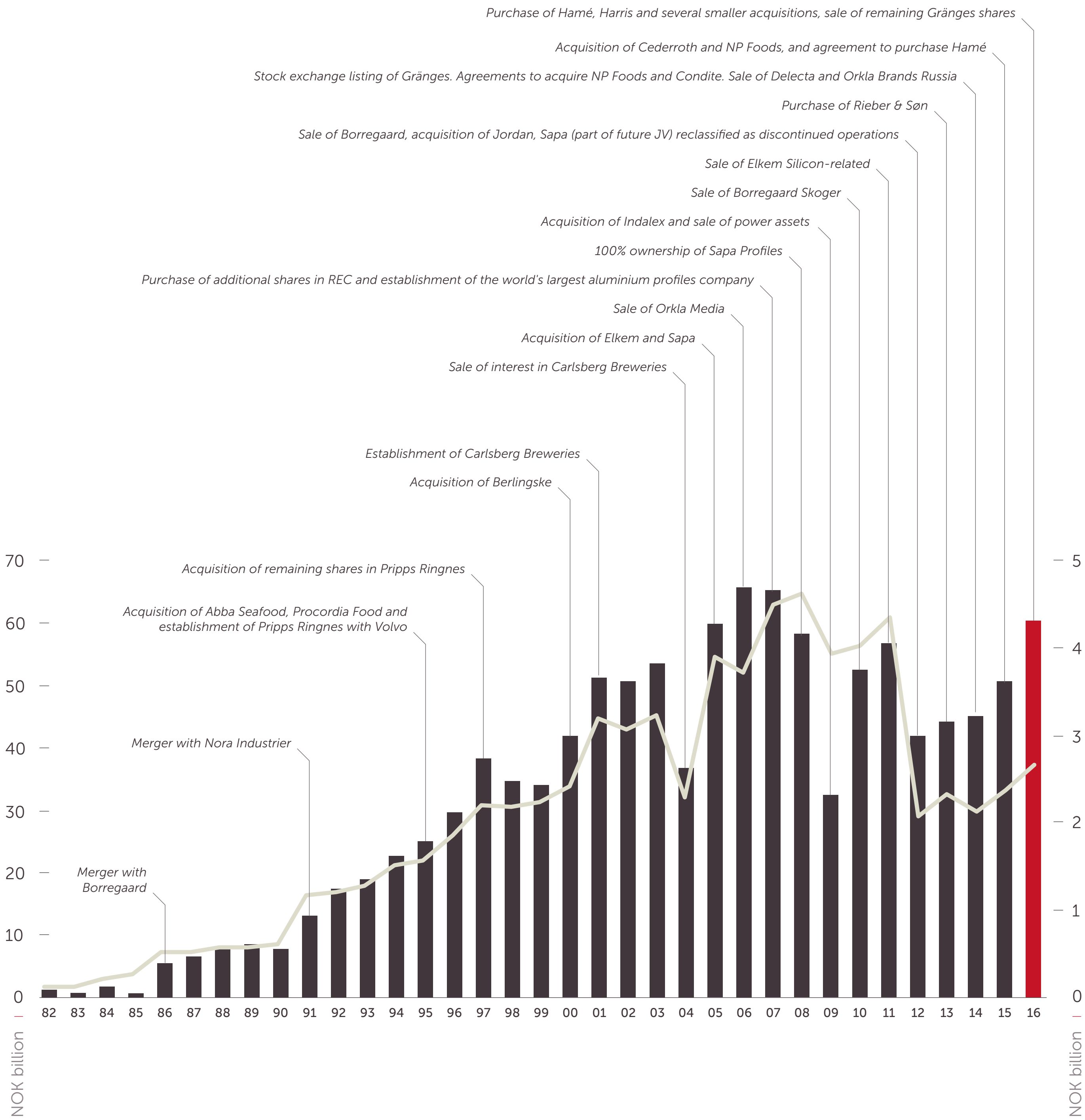
[1](Net interest-bearing liabilities)/Equity.

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.

Development in operating revenues and EBIT (adj.)[1,2]



[1]Operating profit before other income and expenses.

[2]Excl. Financial Investments. 2004-2016 are stated under IFRS, while figures from 1982-2003 are stated under NGAAP

Comments on the individual business areas

Orkla is a leading supplier of branded consumer goods and concept solutions to the grocery, out-of-home and bakery sectors, with the Nordic and Baltic regions as its main markets. The Group also holds good positions in selected product categories in Central Europe and India. The Branded Consumer Goods business consists of four business areas: Orkla Foods, Orkla Confectionery & Snacks, Orkla Care and Orkla Food Ingredients. The Orkla Investments business area consists of the Hydro Power and Financial Investments segments. Associates and joint ventures consist primarily of Jotun (42.5% interest) and Sapa (50% interest).

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. Activities at head office include the Group's executive management and the corporate and shared functions Communications, Legal Affairs, Sales & Business Development, Marketing & Innovation, Operations, Mergers & Acquisitions, Human Resources, Accounting/Finance, Risk Management, Compliance and Internal Audits. In addition to governance-related tasks, the departments largely carry out assignments and provide support for the Group's other companies and charge them for these services.

Branded Consumer Goods

Orkla Foods

Orkla Foods comprises Orkla's food businesses which serve home markets in the Nordics, Baltics, Czech Republic, Slovakia, Austria and India. The companies in the business area are Orkla Foods Norge, Orkla Foods Sverige, Orkla Foods Danmark and Orkla Foods Finland in the Nordics, Põltsamaa Felix, Orkla Foods Latvija and Orkla Foods Lietuva in the Baltics, Felix Austria, Vitana Group and Hamé in Central Europe, and MTR Foods in India. Orkla Foods' operations are concentrated on strong brands that largely hold number one positions in their home markets.

Operating revenues for Orkla Foods in 2016 totalled NOK 15,476 million (NOK 13,250 million)[2], equivalent to 17% growth in sales. The substantial increase in sales is chiefly attributable to the acquisition of the Czech company Hamé with accounting effect from the second quarter. Organic[3] growth was 2.3%. The distribution agreement with PepsiCo, which was entered into in 2015 and expanded in 2016, made a significant contribution to organic[3] growth. EBIT (adj.)[1] in 2016 amounted to NOK 1,968 million (NOK 1,701 million)[2]. The increase is largely due to the growth in turnover, but also to the positive effects of cost improvements. However, results were somewhat negatively affected by higher purchasing costs, a negative product mix and delivery challenges in the Nordics, the last factor partly a result of ongoing changes in production structure. The EBIT (adj.)[1] margin was 12.7% (12.8%)[2]. Both the acquisition of Hamé and the distribution agreement with PepsiCo had a dilutive effect on margin.

Orkla Confectionery & Snacks

Orkla Confectionery & Snacks comprises the product categories confectionery, snacks and biscuits, and consists of six branded consumer goods businesses which serve their home markets in the Nordics and Baltics. 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), Orkla Confectionery & Snacks Danmark (snacks and confectionery), Kalev in Estonia (confectionery, snacks and biscuits) and Orkla Confectionery & Snacks Latvija (confectionery, snacks, biscuits, cakes and ready meals).

Operating revenues for Orkla Confectionery & Snacks totalled NOK 6,230 million in 2016 (NOK 5,813 million)[2], equivalent to 7% growth in sales. Organic[3] turnover growth was 4.9%. The improvement in sales was broad-based and was boosted by a strong programme of launches, the good performance of the core portfolio, an agreement to sell pick-and-mix sweets to Coop in Norway and the distribution agreement with PepsiCo on the sale of Lay's snack products in Norway, Sweden and Finland.

Orkla Confectionery & Snacks delivered broad-based profit improvement, largely driven by the growth in sales. EBIT (adj.)[1] amounted to NOK 937 million (NOK 843 million)[2]. The EBIT (adj.)[1] margin was 15.0% (14.5%)[2].

Orkla Care

Orkla Care comprises six branded consumer goods businesses which serve their home markets in the Nordics, Baltics, UK, Poland and Spain. From the start of 2016, Cederroth's businesses were integrated with Orkla's own companies in all the Nordic countries. The integration has been successful, with extensive realisation of synergies and solid turnover growth. After the integration, Orkla Care comprises the businesses Orkla Home & Personal Care (household detergents, toothbrushes and personal hygiene products), Lilleborg* (full-range supplier of hygiene and cleaning solutions to the professional market), Orkla Health (dietary supplements and health products), Pierre Robert Group (basic textiles sold through the grocery channel), Orkla House Care (painting tools and cleaning products) and Orkla Wound Care (wound care products).

Significant structural changes were made in 2016 with the acquisition of Harris, the agreement with Nanso Group on the purchase of four Finnish textile brands and the purchase of the Colon-C brand.

Operating revenues for Orkla Care totalled NOK 6,740 million (NOK 5,534 million)[2], equivalent to reported sales growth of 22%. Organic[3] growth was 0.6%. Growth in sales in Lilleborg*, Orkla House Care and Orkla Wound Care was offset to some extent by a decline for Orkla Home & Personal Care and Pierre Robert Group. Lilleborg* achieved broad-based

*Lilleborg Profesjonell changed its company name to Lilleborg on 11 January 2017.

growth, while Orkla House Care saw good growth in the Scandinavian markets. For Orkla Home & Personal Care, the decline was chiefly driven by lower sales in Norway, partly offset by growth in most of the international markets. Pierre Robert Group experienced a volume-driven decline in both Norway and Sweden, partly as a result of fewer campaign programmes in both countries.

EBIT (adj.)[1] was NOK 956 million (NOK 881 million)[2]. Profit growth was driven by contributions from Cederroth and Harris, combined with the realisation of synergies from the integration of Cederroth into Orkla Health and Orkla Home & Personal Care. The loss of the distribution agreement for five Unilever brands had a negative impact on profit. The EBIT (adj.)[1] margin was 14.2% (15,9%)[2]. Much of the decline in profit is due to the dilutive effect of the inclusion of Cederroth and Harris. Moreover, the weak exchange rate of the Norwegian krone had a significant negative effect on product profitability in the businesses.

Orkla Food Ingredients

Orkla Food Ingredients is the leading player in the bakery and ice cream ingredients sectors in the Nordics and Baltics, in addition to holding growing market positions in selected countries in Europe. The business area maintains proximity to its customer market through sales and distribution companies in 22 countries. Its biggest product categories are margarine and butter blends, yeast, bread and cake improvers and mixes, marzipan and ice cream ingredients.

Operating revenues for Orkla Food Ingredients totalled NOK 8,161 million (NOK 7,598 million)[2] in 2016, equivalent to reported growth of 7%. Orkla Food Ingredients saw an organic[3] decline of 0.5%. The decline was mainly due to a fall in the prices of butter blends and almonds, and the loss of parts of an industrial contract in Norway.

EBIT (adj.)[1] amounted to NOK 439 million (NOK 414 million)[2]. Profit growth was driven by structural growth from a number of small acquisitions in the ice cream ingredient and bakery ingredients sectors in the Netherlands, the UK and Iceland. Positive currency translation effects resulting from the weaker Norwegian krone also contributed. On the other hand, the improvement in profit was negatively affected, mainly by the substantially lower profitability of butter blends from Dragsbæk due to increased competition. Butter blend prices have fallen significantly following the elimination of milk quotas in the EU, which has resulted in a milk surplus. The EBIT (adj.)[1] margin was 5.4% (5.4%)[2].

Orkla Investments

Hydro Power

Hydro Power consists of the power plant at Sarpsfoss 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.

Operating revenues totalled NOK 721 million (NOK 690 million)[2] and EBIT (adj.)[1] amounted to NOK 192 million (NOK 154 million)[2]. The increase was mainly due to higher power prices which were only partly offset by lower production volume. Production in 2016 totalled 2,396 GWh, compared with the record-high 2,849 GWh in 2015, primarily due to lower precipitation and inflow. At year end, the reservoir level in Sauda was higher than normal, while the reservoir level in Glomma was slightly lower than normal.

Financial Investments

Financial Investments consist of shares and financial assets and Orkla Eiendom. EBIT (adj.)[1] for Financial Investments amounted to NOK 131 million in 2016 (NOK 57 million)[2] and was largely related to the sale of lots from a former industrial property (Attisholz) in Switzerland.

Shares and financial assets consist of Orkla's remaining share portfolio, and the Russian nut company Chaka. The share portfolio had a market value of NOK 107 million at the end of 2016, with capitalised unrealised gains totalling NOK 53 million. Assets consisted mainly of the investment in the Solsten Nordic Equities Fund (NOK 87 million). Net sales totalled NOK 1,194 million in 2016. Orkla sold its remaining interest in Gränges in the course of the year. Net gains and dividends from shares and financial assets amounted to NOK 248 million in 2016 (NOK 135 million)[2].

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. The most important development projects in the portfolio are the construction of a new headquarters for Orkla at Skøyen, and two housing projects at Torshov in Oslo. As of 31 December 2016, Orkla's real estate investments had a carrying value of NOK 1.3 billion, of which around NOK 860 million was related to the three largest development projects. The focus in future will be on realising the potential value of the development projects, and on securing assets and freeing up capital through the sale of properties and projects that are not to be further developed. Current development projects require investments during the construction period, while gains are primarily expected to be realised in the period 2018–2020.

Sapa (50% interest)

Sapa is the world's leading supplier of extrusion-based aluminium solutions. Market shares at the end of 2016 were 22.2% (22.0%)[2] in Europe and 24.0% (24.9%)[2] in North America. Sapa is also present in emerging markets, with production in South America and in Asia. Sapa supplies aluminium profiles to a diverse customer base within the automotive, transportation, building & construction, electrical and engineering markets. As supplier of extrusion-based aluminium solutions, Sapa operates within the areas extruded profiles, building systems and precision tubing. The majority of the Building Systems' operations are located in Europe, while Precision Tubing is a global business.

Underlying EBIT* totalled NOK 2,197 million in 2016, compared with NOK 1,407 million in 2015. The improvement was broad-based across Extrusion Europe, Building Systems and Precision Tubing. Operating result from Extrusion North America was flat compared to the previous year. Sapa's improvement was driven mainly by internal factors. Sapa has improved its commercial offering and increased its focus on providing higher-value aluminium solutions, leading to better margins. Sapa has also improved its cost position and optimisation across units and business areas.

Volumes in 2016 totalled 1,365,000 tonnes (1,363,000 tonnes)[2]. Market demand for aluminium extrusions was marginally positive in Sapa's key North American and European markets. Demand from the Automotive and Building & Construction segments was generally strong in North America, whereas the transportation segment weakened. European demand was also driven by strong Automotive activity and a stabilising Building & Construction market. An ongoing substitution to aluminium from other materials had a positive impact on overall demand.

Extrusion Europe increased sales of higher value-added business to automotive and transportation customers, which contributed positively. Extrusion North America benefited from continued strong automotive markets, but a softening of the transportation segment and operational issues weighed on results. Building System delivered strong improvements driven by a combination of advances in operational efficiency and a stronger commercial offering. Precision Tubing showed a continued strong performance, with positive contributions from the automotive market in North America in addition to the turnaround of the general extrusion business in Asia and South America.

The restructuring programme initiated in 2013, targeting annual synergies of around NOK one billion by the end of 2016, reached its target already in 2015. Sapa initiated a simplification project in 2016 with an aim to strengthen collaboration and improve administrative efficiency by reducing complexity throughout the organisation. The initiative did not require any material restructuring impacting reported earnings in 2016.

The underlying EBIT* growth, combined with positive working capital development, contributed to an improvement in pre-tax ROCE** to 15.3% in 2016 compared with 9.5% in 2015. Net interest-bearing liabilities decreased to NOK 0.1 billion at the end of 2016 (NOK 1.8 billion)[2] driven by strong cash flow generation during the year.

Jotun (42.5% interest)

Jotun is one of the leading global manufacturers of paint and powder coatings, with 53 subsidiaries, three joint ventures and six associates. Jotun has 37 production plants, located across all the continents. Its activities consist of the development, manufacture, marketing and sale of paint systems for the home, shipping and industrial sectors. Jotun is organised in four segments: Decorative Paints, Marine Coatings, Protective Coatings and Powder Coatings.

Jotun's operating revenues totalled NOK 15,785 million in 2016 (NOK 16,282 million)[2]. EBIT amounted to NOK 1,763 million (NOK 2,064 million)[2]. Jotun achieved good results for 2016, even though turnover and operating profit declined compared to the record results in 2015. Lower activity in the shipping and offshore industry resulted in a slight decline in overall turnover, but sales of decorative paints and powder coatings continued to rise. Good margins and active cost control helped to maintain good profitability, but slightly lower turnover, combined with an increase in unforeseen costs related to claims, currency losses in Egypt and losses on receivables, resulted in somewhat lower profit for 2016.

Research and development (innovation)

Innovation is Orkla's primary tool for creating organic growth, and is therefore pivotal to Orkla's day-to-day operations. Orkla's innovation activities are based on an inter-professional 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 consumers and meet their needs even more effectively.

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 to supplement Orkla's current activities is also a key priority area. Orkla works on a broad front to identify innovation opportunities, across both specialised departments and countries, while also collaborating with suppliers and external innovation and research centres.

Orkla's strength lies in its local connections, which give it in-depth insight into local consumer needs and how this knowledge can be translated into powerful innovations. At the same time, Orkla seeks to leverage its consumer insight, brand understanding and product development capability across the Group. In the time to come, therefore, there will be increased focus on innovation across companies and countries, under the heading "One Orkla". An example is Taffel Wholegrain snacks, which were initially launched in Norway, and then in Finland, and Paulúns, which were first launched in Sweden, followed by Denmark and Finland. The introduction of waffle-cut chips under the Taffel, Ádazu, OLW and

*Sapa underlying EBIT = EBIT adjusted for unrealised derivative results and material impairment charges, restructuring costs and other special effects

**ROCE (pre-tax) = Underlying EBIT / average capital employed last 12 months

KiMs brands is another example of major innovations being rolled out in several countries, but under more of Orkla's big local brands.

Another example of this thinking is the Orkla Marketing & Innovation Forum. This is an arena where management staff in product development and marketing at Orkla can present and discuss growth opportunities and share insights into local successes.

At the core of all innovation work lies the actual user experience, ranging from taste and function to how intuitive and easy a product is to use. Health and environmental aspects are also important drivers of innovation. Priority areas for innovation at Orkla are "Taste & Sensory Experience", "Health & Nutrition", "Sustainability & Environment" and "Packaging Innovation". Good examples of innovation in 2016 are the next generation of First Aid Kits from Cederroth, further development of the Dr Greve range and the launches of Grandiosa Vår Take Away pizza, Paulúns Glutenfri Supermüsli, Vitana Farmers' Soup, FELIX Veggie and TORO Panna Cotta.

High-level expertise and exploitation of synergies across categories and companies are among Orkla's primary competitive advantages. The Orkla Brand Academy is an example of this and has for many years been a driving force in Orkla's brand and innovation work. Orkla's Academy for Product Development & Innovation also plays a key role as an arena for sharing and developing innovation tools, know-how and methodologies across the Group. Examples of the Academy's focus areas are technological and culinary expertise, health, environment and packaging.

In the coming years, continuous efforts will be made 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's sustainability strategy

Orkla is committed to promoting sustainable development by developing healthy, more environmentally friendly products, maintaining high food safety standards, making effective use of resources, carrying out supply chain improvements and generally operating responsibly. Orkla's Sustainability Strategy up to 2020 was launched in 2014, and covers the following main topics: nutrition and health, food safety, responsible sourcing and environment. In the period 2015–2016, each company has drawn up individual plans based on Orkla's strategy, and made extensive efforts to incorporate the strategy.

Directive on corporate responsibility

Orkla's directive on corporate responsibiity describes the overarching principles defining how the Group companies are to address the issues of human and workers' rights, environment, health and safety (EHS), anti-corruption and other important areas of corporate responsibiity. The directive is based on the Universal Declaration of Human Rights, the ILO Core Conventions and the OECD Guidelines for Multinational Enterprises. The directive has been adopted by Orkla's Board of Directors and applies to the entire Group, including wholly-owned subsidiaries.

Orkla' Human Rights Policy provides detailed guidelines for the way the Orkla companies should address the human and workers' rights issues considered 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 workers' rights, such as respect and tolerance, gender equality and non-discrimination, and environmental and anti-corruption standards.

Governance procedures

The CEO of each Orkla company 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 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.

The governing documents mentioned above are accessible to all the companies through the Group's web-based governance portal. To ensure that employees are familiar with Orkla's directive, internal training is provided by both the Group and the companies. In 2016, courses were held on food safety, EHS, anti-corruption efforts and competition law. A total of some 70,000 hours of organised training were provided in topics related to corporate responsibility and sustainability, equivalent to an average of 3.9 hours per employee. Internal meetings have also been held in connection with the implementation of Orkla's sustainability strategy. The training carried out in the past few years has created greater awareness and knowledge of corporate responsibility and sustainability issues in the Group, promoted active engagement and ensured a more uniform approach to efforts.

In 2016, Orkla established a compliance function, tasked with reviewing and improving the Group's procedures for training, risk assessment and control relating to important issues such as anti-corruption, personal data protection and data security. In 2017, a risk analysis will be carried out to identify needs for improvement. Based on this analysis, the Group will draw up a plan of improvement measures.

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

Orkla's Board of Directors monitors the Group's efforts by means of an annual assessment of the progress made in corporate responsibility and EHS work, quarterly reviews of changes in key EHS indicators and ongoing discussion of individual matters considered to be of material importance for Orkla's operations. Orkla's Executive Vice President, Chief of Group Functions and Legal Affairs, has administrative responsibility for Orkla's corporate responsibility work, and determines which matters are to be submitted to the Board of Directors.

Orkla has established a whistle-blowing function to enable employees and other stakeholders to alert the Group's governing bodies to possible breaches of the Orkla Code of Conduct. The whistle-blowing function is administered by Orkla's internal audit staff on behalf of Orkla's Audit Committee, and is independent of Orkla's line management.

Endorsement of external principles

Orkla has been a signatory to the UN Global Compact since 2005, and is a member of Transparency International Norge and the Ethical Trading Initiative Norway (IEH). Since 2008, the Group has reported environmental information to the investor-initiated Carbon Disclosure Project (CDP), which has become the leading global climate and environmental reporting system. Orkla supports the CDP's two initiatives, "Report climate change information in mainstream reports as a fiduciary duty" and "Remove commodity-driven deforestation from all supply chains". Orkla has also signed the UN's New York Declaration on Forests.

Through Orkla's sustainability work, the Group contributes towards achieving several of the global Sustainable Development Goals (SDGs) of the 2030 Agenda for Sustainable Development, launched in 2015 under the auspices of the United Nations. In connection with an event organised in 2016 by the Business for Peace foundation, Orkla President and CEO Peter A. Ruzicka signed the Businessworthy Pledge, a personal commitment to work to achieve the SDGs.

Reporting

Under sections 3-3a and 3-3c of the Norwegian Accounting Act, Orkla is required to report on its corporate responsibility and selected related issues. An account of the Group's efforts to address these issues in 2016 is provided in Orkla's sustainability report, which is included in this Annual Report, under the sections:

- "Orkla's sustainability work", page 37 (corporate responsibility)
- "Responsible sourcing", page 53 (human rights, workers' rights, social conditions and environment in the supply chain)
- "Environment", page 60 (environment)
- "Occupational health and safety", page 65 (working environment, injuries, accidents, sickness absence, workers' rights in own company)
- "Human resource development and corporate culture", page 68 (human rights, equality and non-discrimination, anti-corruption efforts)
- "Orkla and society", page 73 (social conditions)

In its sustainability reporting for 2016, Orkla has attached importance to applying the Oslo Stock Exchange's Guidance on the Reporting of Corporate Responsibility. More information on the principles on which the reporting is based is provided on page 40.

Personnel and administration

As at 31 December 2016, the Group had 18,154 (14,670)[2] employees. Of these, 3,208 (3,345)[2] worked in Norway, 5,293 (5.033)[2] in another Nordic country and 9,653 (6,292)[2] in countries outside the Nordic region.

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

At Orkla's Annual General Meeting in April 2016, Stein Erik Hagen, Grace Reksten Skaugen, Ingrid Jonasson Blank, Lisbeth Valther, Lars Dahlgren and Nils Selte were re-elected as shareholder-elected members of Orkla's Board of Directors. In addition, Caroline Hagen Kjos was elected as personal deputy for the two Board members nominated by Canica: Stein Erik Hagen and Nils Selte. Stein Erik Hagen was re-elected as Chairman of the Board and Grace Reksten Skaugen as Deputy Chair of the Board. All of the shareholder-elected Board members were elected for a term of one year, i.e. until the 2017 Annual General Meeting. All members were elected in accordance with the recommendation of the Nomination Committee.

Of a total of six shareholder-elected members of Orkla's Board of Directors, there are three members of each gender. Among the employee-elected Board members and their deputies, both genders are represented. Orkla ASA therefore fulfils the requirement in section 6-11a of the Public Limited Liability Companies Act regarding representation of both genders on the Board of Directors.

No changes were made in the Group Executive Board in 2016.

The Board of Directors wishes to thank all employees for their efforts and for the results achieved in 2016.

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. An important factor for employee performance and competence and career development is the performance dialogue meetings between manager and employee. The skills of individual employees are primarily developed in day-to-day, on-the-job training. Group-wide training programmes are designed to ensure and underpin learning and training within Orkla's defined core competency. The aim is to develop this core competency in a normative direction, by systematising and coordinating the various activities. Activities are organised in the spheres of corporate culture, leadership and specialised value chain expertise.

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 Orkla'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. Priorities for 2016 were to carry out an analysis of the business goals' impact on leadership, expertise and organisation, conduct individual assessments of management performance and potential, and plan succession to business-critical roles. Reviews of Orkla's Supply Chain organisation were also carried out, with focus on leadership capacity, successors to central positions and the status of key capabilities. Development areas were identified, and steps were taken to fill any gaps.

In the course of the year, a number of measures were introduced to enhance the Group's overall competence and competitiveness. A strategic leadership development programme was carried out. The participants were management teams in the business areas and companies, and selected key personnel from the Corporate Centre. A total of 220 top management staff participated in the programme, which was designed to create a common leadership platform, and covered personal leadership, team leadership and the ability to lead change processes and achieve results. Another initiative is the development of a Group-wide leadership programme for leaders who are new to their role. The programme aims at developing leadership in accordance with Orkla's values and leadership principles, and to provide leaders with tools and methods to apply in their day-to-day work. The leadership programme will be held in the local language by internal HR staff.

A variety of training programmes are run by the Orkla Academies with a view to ensuring 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 corporate culture across companies. Through its Academies, Orkla has developed employee skills for many years. Active use is made of educational methods and technology such as "blended learning" in both a price and quality perspective.

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 are largely aligned with applicable international guidelines on good corporate governance. An overall statement of policy on corporate governance at Orkla may be found on page 29 of this Annual Report. The statement of policy will be an item of business for discussion at the 2017 Annual General Meeting.

Pay and other remuneration of senior executives

The Board of Directors has 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 2017 Annual General Meeting. The note also provides details of remuneration and contractual arrangements.

Accounting principles

The consolidated financial statements for 2016 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 1-4 describes important matters relating to accounting treatment under IFRS.

Orkla ASA

Orkla ASA is the parent company in the Orkla Group and supplies and performs services for the Group's other companies. In 2016, Orkla ASA delivered profit after tax of NOK 4,942 million (NOK 3,699 million)[2], equivalent to an increase of 34%. The rise in profit was driven by dividends from subsidiaries, higher Group contributions and positive currency effects on foreign currency liabilities that serve as equity hedging for the Group. As at 31 December 2016, Orkla ASA had total assets of NOK 50,036 million (NOK 49,381 million)[2], equivalent to growth of 1.3%. The equity ratio was 64.9% (61.3%)[2].

Allocation of comprehensive income

In 2016, Orkla ASA posted comprehensive income of NOK 4,816 million. The Board of Directors proposes the following allocation:

Transferred to equity	NOK 2,170 million
Proposed dividend	NOK 2,646 million

As of 31 December 2016, Orkla ASA had total equity of NOK 32.5 billion. The Board of Directors has determined that Orkla ASA had adequate equity and liquidity at the end of 2016.

The Board of Directors proposes to pay an ordinary dividend of NOK 2.60 per share for the 2016 financial year.

Outlook

In the markets in which Orkla has a presence, growth is expected to remain moderate in the coming years, varying somewhat from one market to another.

Orkla continues to face competition from imported international brands and retailers' private labels. In addition, the competitive picture is affected by changes in trends and consumer needs. Orkla must therefore maintain its focus on innovations and portfolio optimisation and on optimising and streamlining the supply chain in order to exploit economies of scale and reduce costs.

Overall, the global commodity prices to which Orkla is exposed have risen somewhat in the recent past. 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 currency risk to varying degrees, and there is uncertainty as to exchange rate trends going forward. Many of Orkla's Norwegian companies do a substantial share of their purchasing in Norwegian krone, thereby reducing the overall impact of fluctuations in the exchange rate of the Norwegian krone against other currencies.

The strategy of being a leading branded consumer goods company, with the Nordic and Baltic regions as main markets along with selected geographies, remains unchanged. Orkla aims to deliver organic[3] growth in turnover that at least matches market growth and growth in annual adjusted EBIT (adj.)[1] of 6–9% in Branded Consumer Goods in the period 2016-2018.

Orkla is well-positioned with strong brands in its home markets and its financial position is robust, with cash reserves and credit lines sufficient to cover known capital expenditures in 2017.

[1]Operating profit before other income and expenses.
[2]Figures in parentheses are for the corresponding period of the previous year.
[3]Adjusted for currency translation effects and structural changes.

Oslo, 8. February 2017
The Board of Directors of Orkla ASA

Stein Erik Hagen Chairman of the Board	Grace Reksten Skaugen Deputy Chair of the Board	Ingrid Jonasson Blank	Lars Dahlgren
Lisbeth Valther	Nils K. Selte	Terje Utstrand	Sverre Josvanger
Karin Hansson	Roger Vangen	Peter A. Ruzicka President and CEO	

(This translation from Norwegian of the Statement from the Board of Directors of Orkla ASA has been made for information purposes only.)