Fourth quarter results 2011

Oslo, 9 February 2012
Bjørn M. Wiggen, CEO

Agenda

- Highlights 2011
  Bjørn M. Wiggen, President and CEO
- Financial performance Q4-11
  Terje Andersen, CFO
- Sapa
  Svein Tore Holsether, CEO Sapa
- Orkla Brands
  Torkild Nordberg, CEO Orkla Brands

2011 - Delivering on strategy

- Significant capital release through the sale of Elkem and reduction of financial assets (NOK 18 billion)

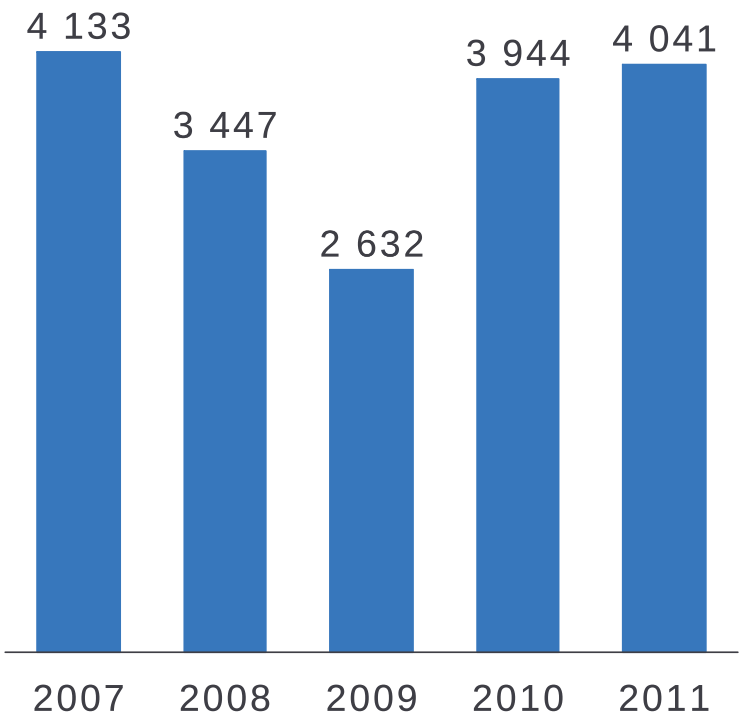
- Large allocation of capital to our shareholders (NOK 7.5 billion)
  - Extraordinary dividend of NOK 5 per share
  - Ordinary dividend of NOK 2.5 per share

- Substantial reduction of debt (NOK 9 billion)

- Pursuing growth opportunities within Branded Goods

2011 – Overall satisfactory response to challenging markets

- Orkla Brands
  - Price increases to compensate for high raw material prices
  - Strong turnaround for the Russian operations in H2-11
- Sapa
  - Profiles North America on track to reach 6% margin target
  - Significant restructuring programmes initiated for Profiles Europe
  - Weak performance for Heat Transfer in H2-11; action taken
- Borregaard
  - Favourable markets and strong operating result



Figures in NOK million, after sale of Elkem Silicon-related and Hydro Power assets

Pursuing growth opportunities within Branded Goods

- Potential targets identified
- Focus on companies within existing categories and geographies
    - Largest synergies in combination with our existing operations
- Focus on value creation

Status of divestments of industrial and financial assets

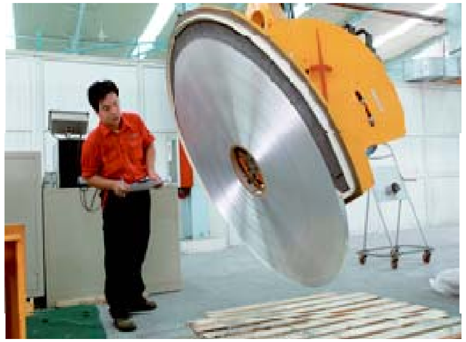
Borregaard	Share Portfolio	REC
	 	
Internal restructuring of assets to separate the hydro power assets and the industrial activities Borregaard Hydro Power will be kept in Orkla as a financial asset	Sale of assets for a total of NOK 4.5 billion in 2011 Largest holding in portfolio, Tomra, sold Plan established for divestment of the rest of the portfolio	Orkla will support REC in their work on operational improvements and structural solutions Weak solar markets reduce exit opportunities in the short-term

Developing people – creating value

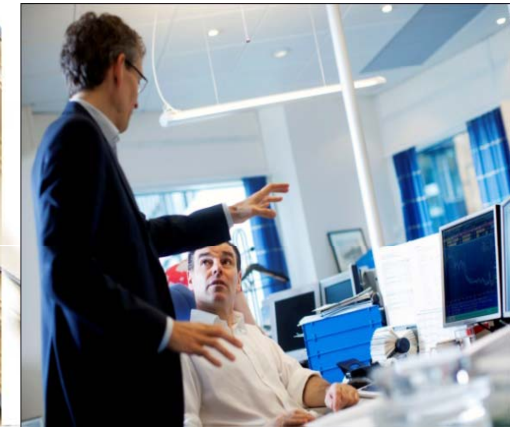
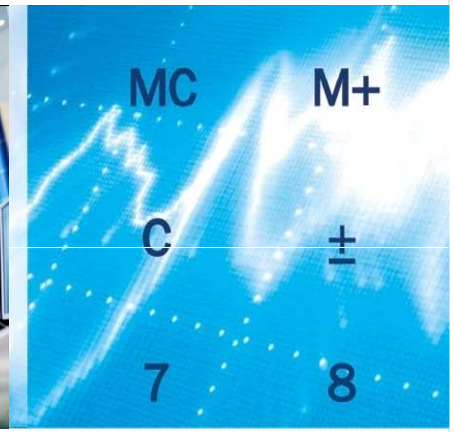
ORKLA

Sapa business plan

- Orkla will exit Sapa within 2-3 years – financial goals remain firm
- Significant potential for operational improvements
  - Strengthening of organisation
- Restructuring programmes implemented in Profiles
- Focus on regaining margin levels in Heat Transfer
- Focus on integration and ramp-up of the Asian operations



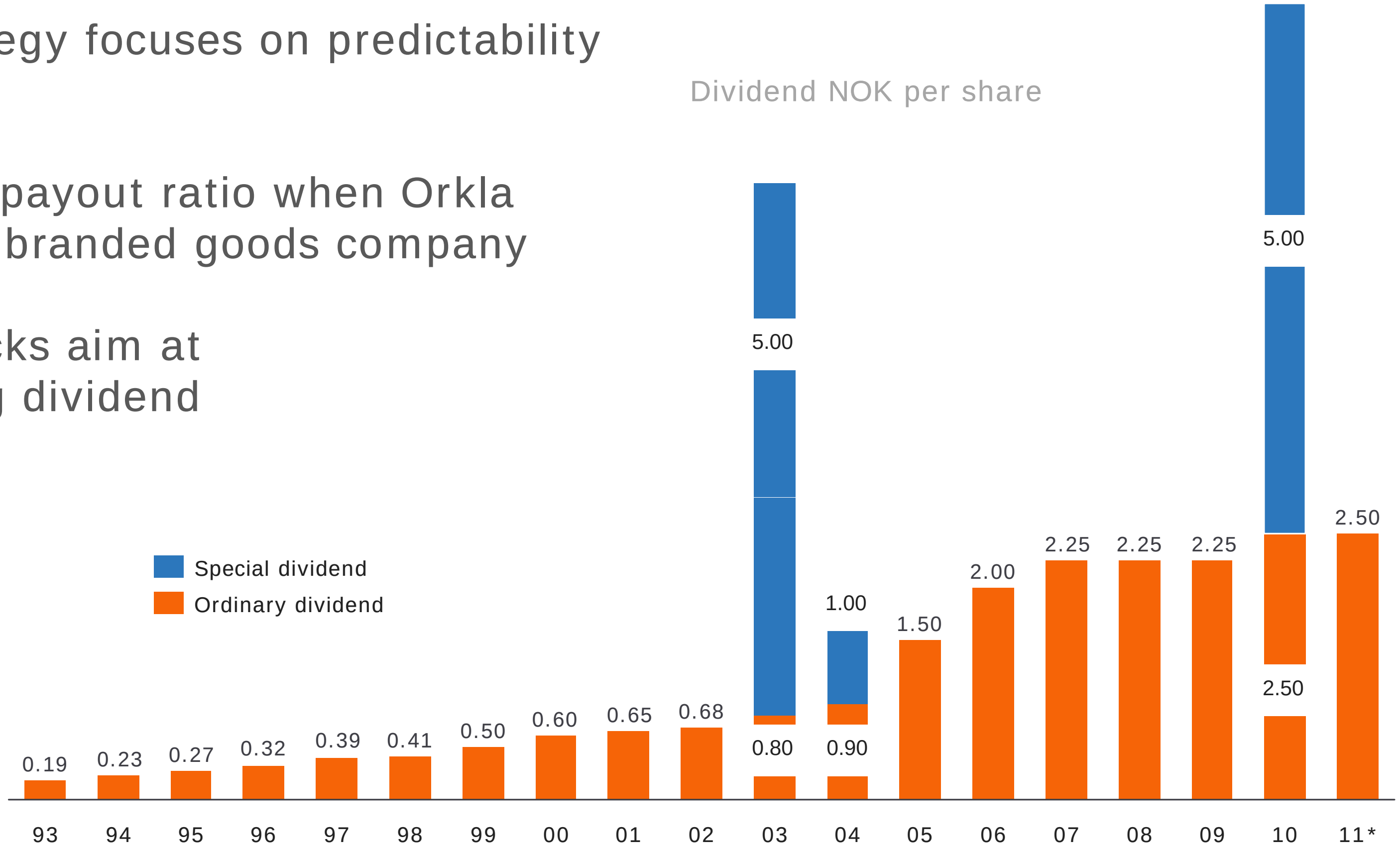


DIVIDEND

A dividend of NOK 2.5 per share is proposed by the Board of Directors

- Dividend strategy focuses on predictability and stability
- Considering a payout ratio when Orkla has become a branded goods company
- Share buy-backs aim at supplementing dividend



*Proposed by the Board of Directors

Outlook 2012

- Orkla Brands well positioned to counter challenging market conditions
- Flat markets expected for Sapa – restructuring will contribute positively
- Continued strong performance for Borregaard
- Full commitment to deliver on strategic direction

FINANCIAL PERFORMANCE

TERJE ANDERSEN, CFO

Highlights Q4-11

- Mixed results for Orkla Brands
  - Weak December sales for some companies in the Nordics
  - Profit growth for the Russian operations

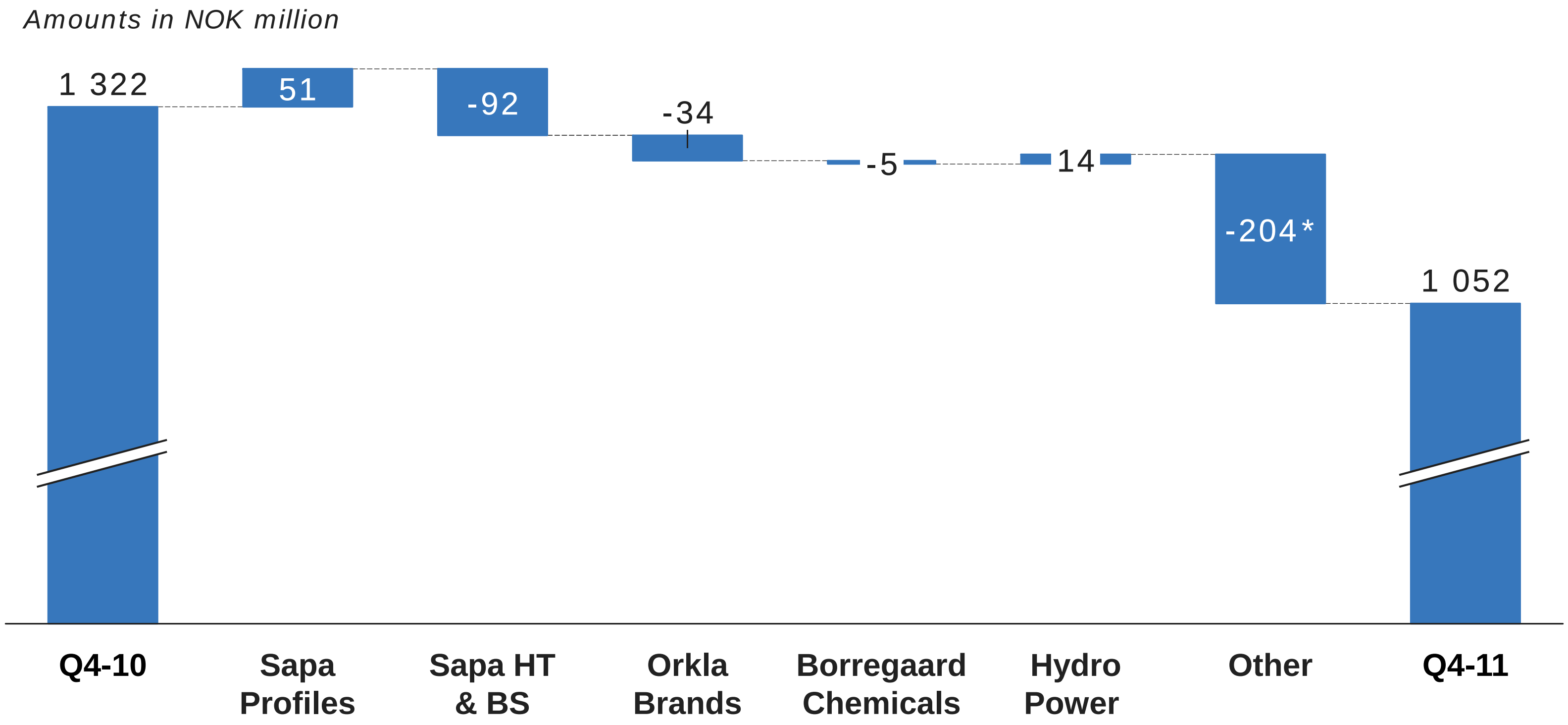
- As expected, a demanding quarter for Sapa
  - Weak performance by Sapa Heat Transfer Sweden

- Continued strong market conditions and results for Borregaard
  - Extended maintenance halt affects quarterly results

- Net sale of shares NOK 2 billion in the quarter
  - Market value of the Share Portfolio at NOK 5.5 billion at 31 Dec 2011

- Write-down of Orkla's investment in REC to share price at 31 Dec 2011 (NOK 0.8 billion)

Change in EBITA Q4-10 to Q4-11



* Sale of Orkla HQ in Q4-10, gain NOK 196 million

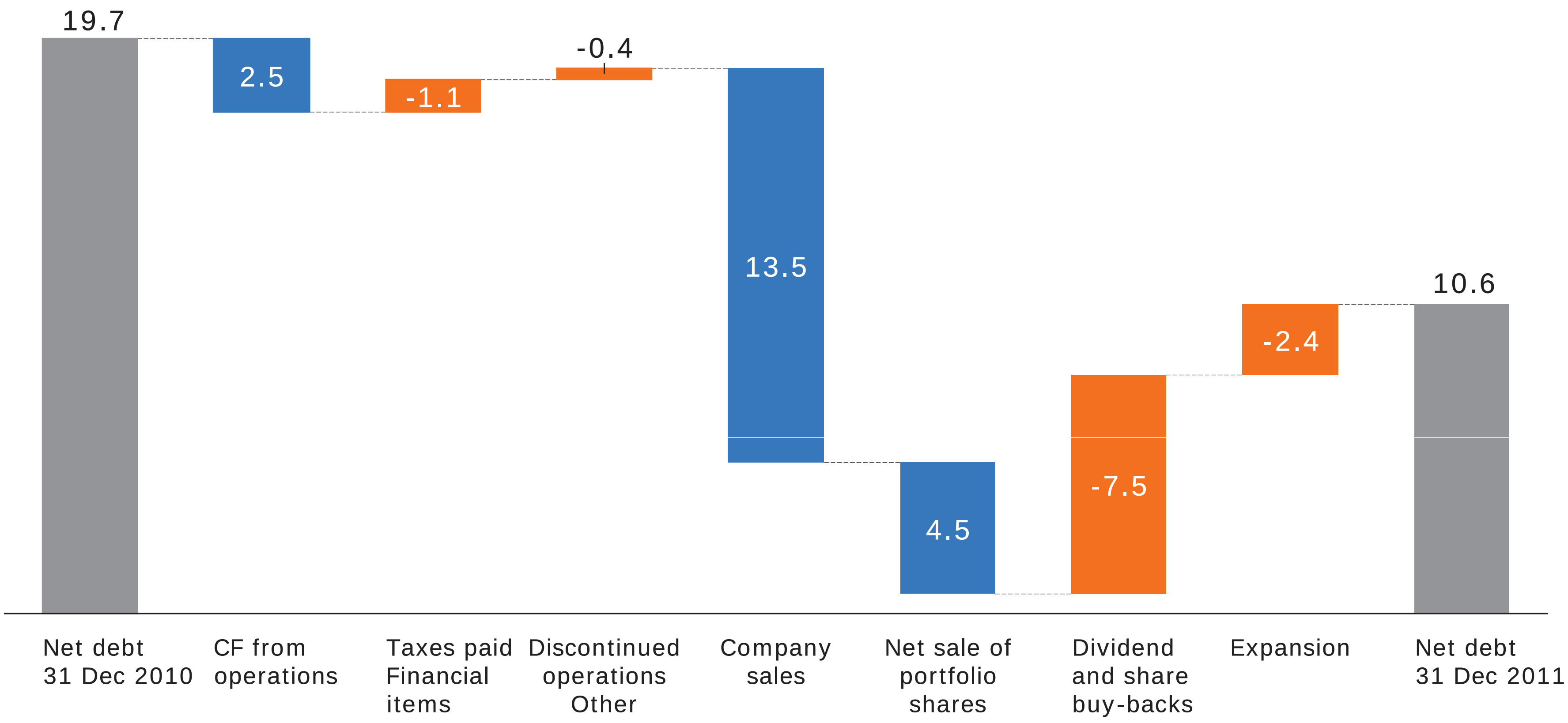
Group income statement

Amounts in NOK million

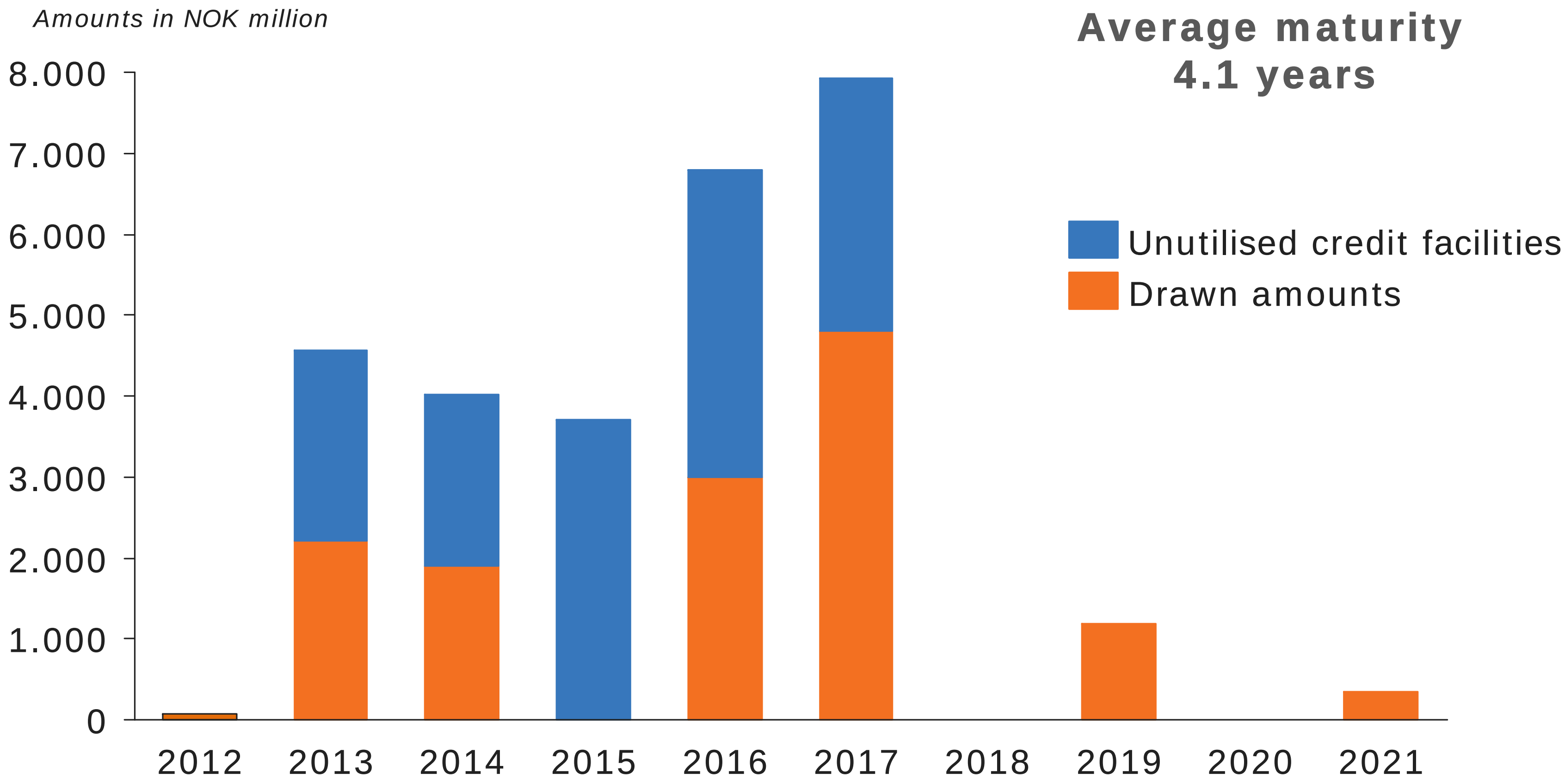
Q4-11	Q4-10	Change		2011	2010	Change
15 216	**15 884**	-4%	**Operating revenues**	**61 009**	**57 338**	6%
1 052	**1 322**	-20%	**EBITA**	**4 041**	**3 944**	2%
-32	-15		Amortisation intangibles	-55	-52	
-428	506		Other revenues and expenses	-1041	330	
592	**1 813**		**EBIT**	**2 945**	**4 222**	
- 761	- 866		Profit/loss from associates	-5 505	-6 169	
97	73		Dividends received	440	522	
729	867		Gains, losses and write-downs Share Portfolio	1 643	1 772	
- 124	- 76		Financial items, net	- 446	- 327	
533	**1 811**		**Profit/loss before taxes**	**- 923**	**20**	
-279	-98		Taxes	-1018	-844	
254	**1 713**		**Profit for the period continuing operations**	**-1 941**	**- 824**	
0	- 50		Gains/profit discontinued operations	1 213	- 40	
254	**1 663**		**Profit/loss for the period**	**- 728**	**- 864**	
25	15		Profit/loss attributable to non-controlling interests	48	53	
229	1 648		Profit/loss attributable to owners of the parent	- 776	- 917	
0.2	1.6		Earnings per share diluted (NOK)	-0.8	-0.9	

Financial flexibility strengthened - net debt reduced by NOK 9 billion

Amounts in NOK billion

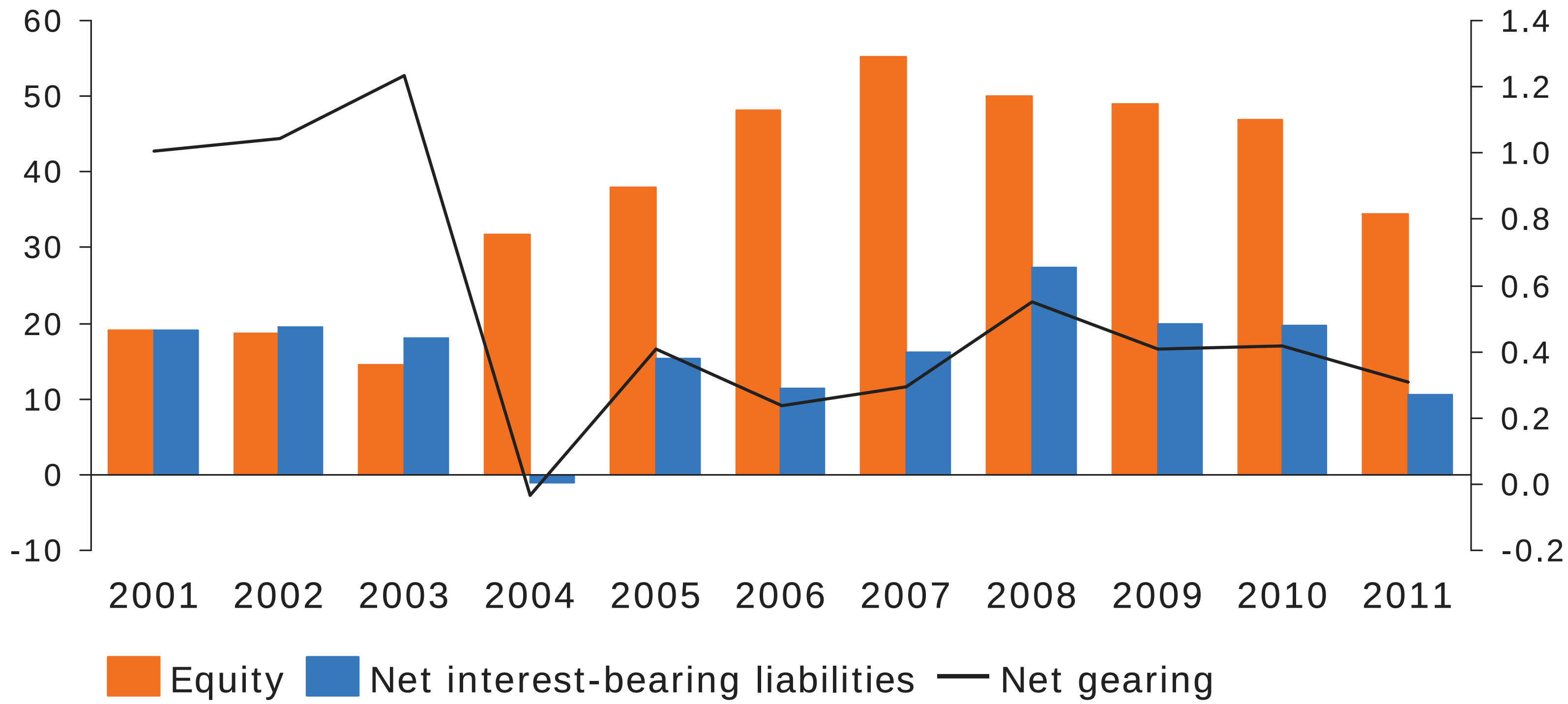


Significant credit facilities available



Net gearing 0.31 as of Q4-11

Amounts in NOK billion



BORREGAARD – HYDRO POWER - JOTUN

A strong year for Borregaard

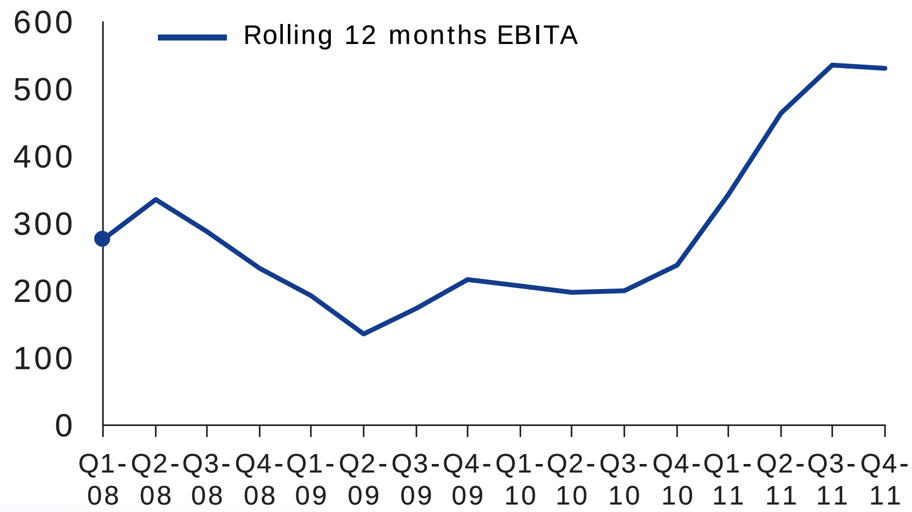
- Q4 results hit by one-off costs and production loss due to planned maintenance halt
- Strong performance for speciality cellulose, also in Q4
- Continued favourable market conditions for Chemcell and stable markets for Lignin

Amounts in NOK million

Operating revenues	Q4-11	Q4-10	Change
Borregaard Chemicals	971	967	0%

EBITA	Q4-11	Q4-10	Change
Borregaard Chemicals	80	85	-6%
EBITA-margin %	8.2	8.8	

Amounts in NOK million



Hydro Power
High production – low prices

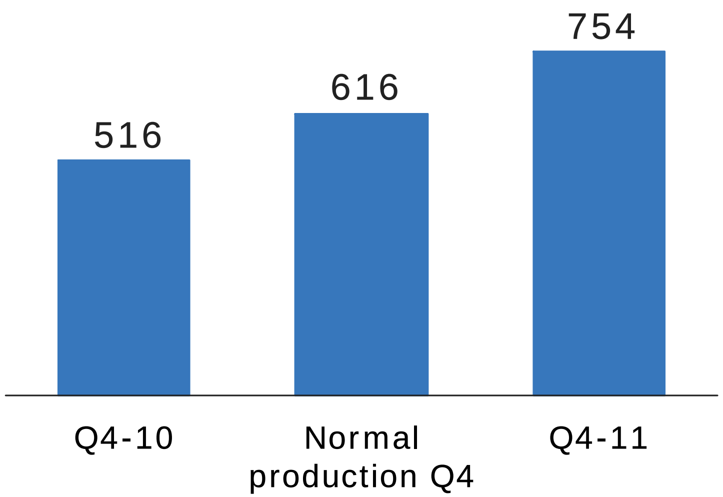
- Significant increase in production compared with Q4-10
- EBITA improvement, however lower prices reduce contribution
- Higher snow- and water reservoir levels than normal at the end of the quarter

Amounts in NOK million

EBITA	Q4-11	Q4-10	Change
Hydro Power	87	73	19%

EBITA	2011	2010	Change
Hydro Power	260	177	47%

Production for Hydro Power in GWh



Jotun (42.5%)
- Volume growth in 2011

- 11% volume growth in 2011
- Negative margin performance due to challenging market conditions and high raw material costs

Amounts in NOK million

Jotun	as of 30 Aug 2011	as of 30 Aug 2010	Change
Revenues	8 784	8 044	9%
EBIT	814	1 041	-22%
Profit/loss before tax	814	1 032	-21%


SAPA

SVEIN TORE HOLSETHER, CEO SAPA

Q4: Strengthened position in soft markets

- North American Profiles market overall flat
  - Market share gain
- European Profiles and Heat Transfer markets down in Q4 vs. last year
- European Building & Construction market still at low levels

Sapa Q4 results hit by weak performance in Heat Transfer

- Volume growth and improved results for Profiles North America
- Weaker market for Profiles Europe offset by operational improvements
- Heat Transfer Sweden affected by weak operations and strong SEK
- Export margins for Heat Transfer China negatively impacted by increase in Chinese metal prices

Amounts in NOK million

Operating Revenues	Q4-11	Q4-10	Change
Sapa	**7 034**	**7 289**	**-3%**
Profiles	5 578	5 519	1%
Heat Transfer and Building System	1 672	1 980	-16%
Eliminations	- 216	- 210	

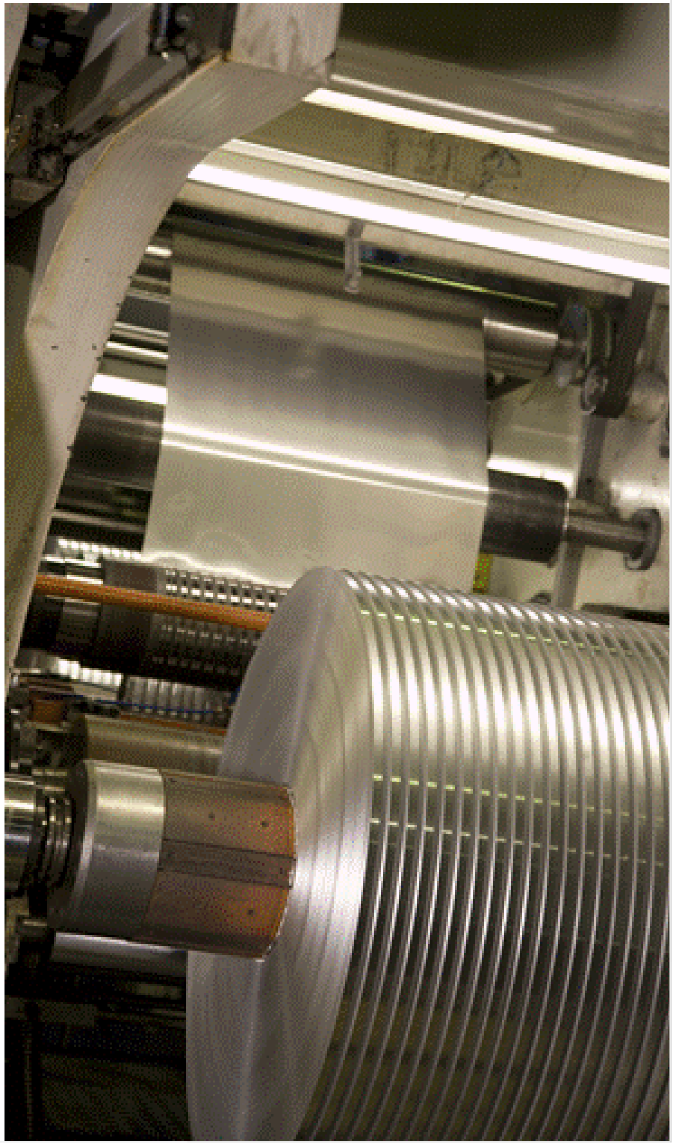
EBITA	Q4-11	Q4-10	Change
Sapa	**114**	**155**	-26%
Profiles	81	30	170%
Heat Transfer and Building System	33	125	-74%
EBITA margin (%)	1.6	2.1	

Actions to improve Heat Transfer defined and under implementation

- Price increases implemented
  - Impact on results as from Q1-12

- Volume transfer from Sweden to China to leverage lower cost position

- Operational improvements
  - Completion of cast house and cold rolling mills to increase productivity in Sweden

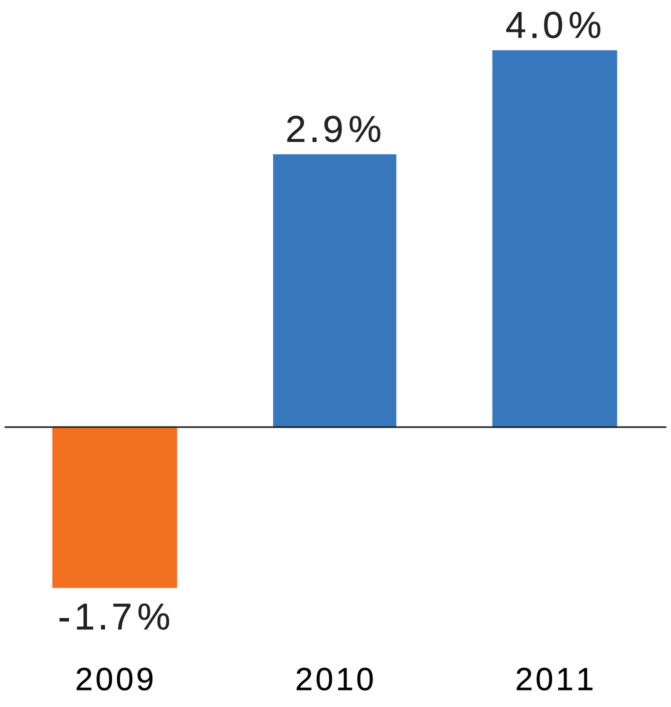


Profiles North America continues to strengthen its position

- Continued market share gain
  - Volume up 11 000 tonnes compared with Q4 last year (+13%)

- Footprint optimization and productivity improvement

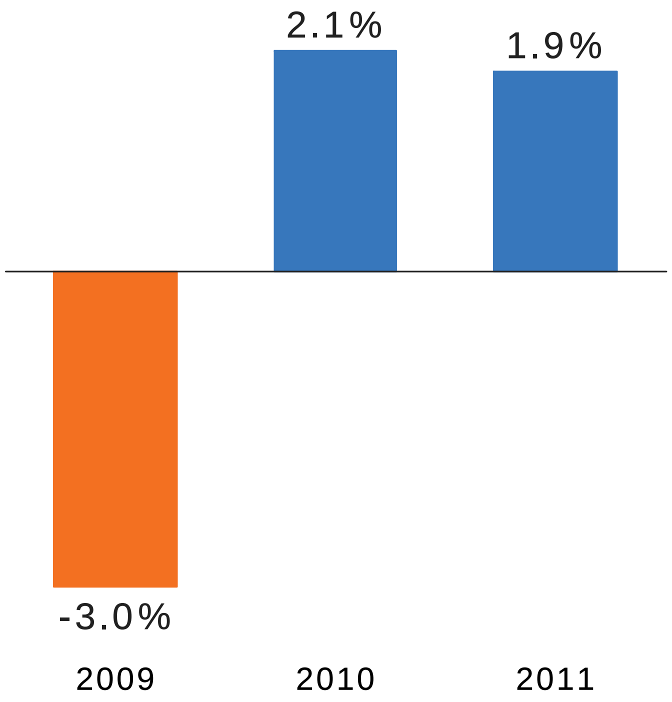
Sapa Profiles North America EBITA margin performance



Unsatisfactory profitability in Profiles Europe

- Market driven volume reduction
  - Down 9% to 96 000 tonnes compared with Q4-10
- Strengthened European organisation
  - Transfer of learning and experience from the NA operations to the European operations
- Major restructuring and improvement programmes in progress within Profiles
  - Reduction of ~900 employees effectuated
  - NOK 250-300 million EBITA effect; full effect end of 2012

Sapa Profiles Europe
EBITA margin performance



Moderate growth expectations for NA, weak trend continues in Europe

Expected Development by Geographic Region & End-Use Market 2012 vs. 2011






	Distribution	Industrial	Com. B&C	Res. B&C	Transport	Automotive
North America	0% to 5%	0% to 5%	0% to -5%	0% to 5%	5% to 10%	5% to 10%
Europe	0% to 5%	0% to 5%	0% to -5%	0% to 5%	-5%to -10%	0% to -5%
China	N/A	5% to 10%	5% to 10%	N/A	0% to 5%	0% to 5%

Source: US Census Bureau, Scotia Capital , JD Power, EuroConstruct, Forecast, Global Insight, Alcoa

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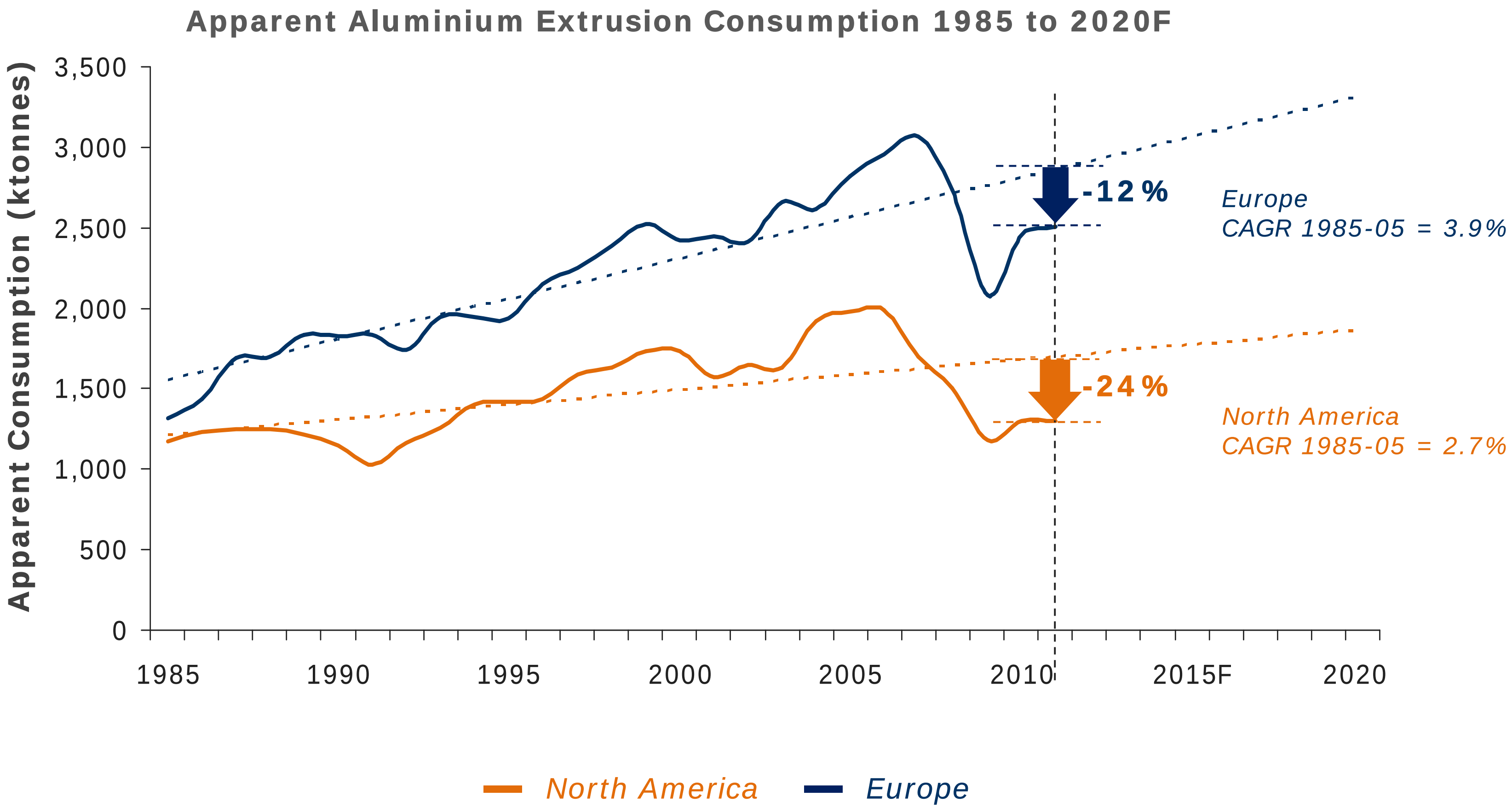
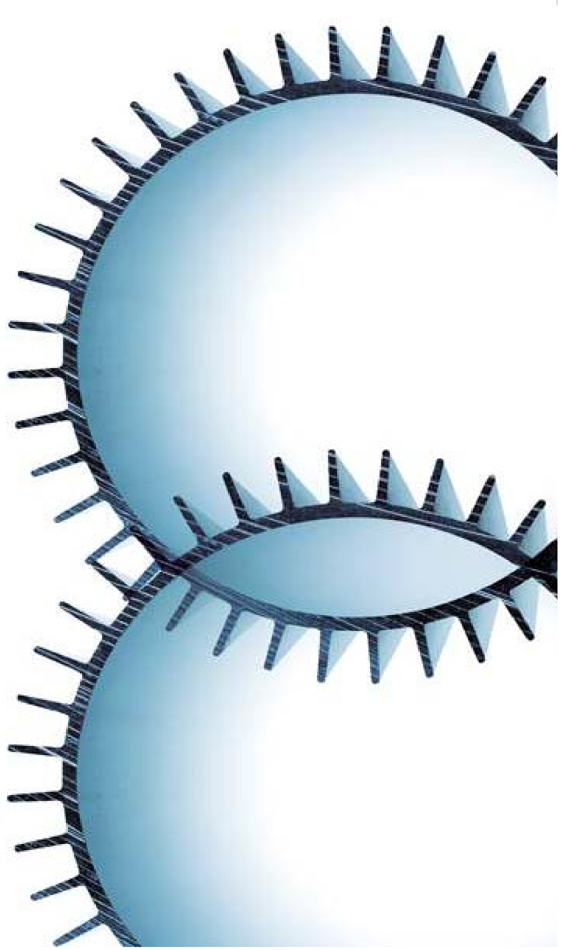
Extrusion levels still below long-term trend



Source: European Aluminium Association, Aluminum Association, and Sapa Analysis

Short-term outlook

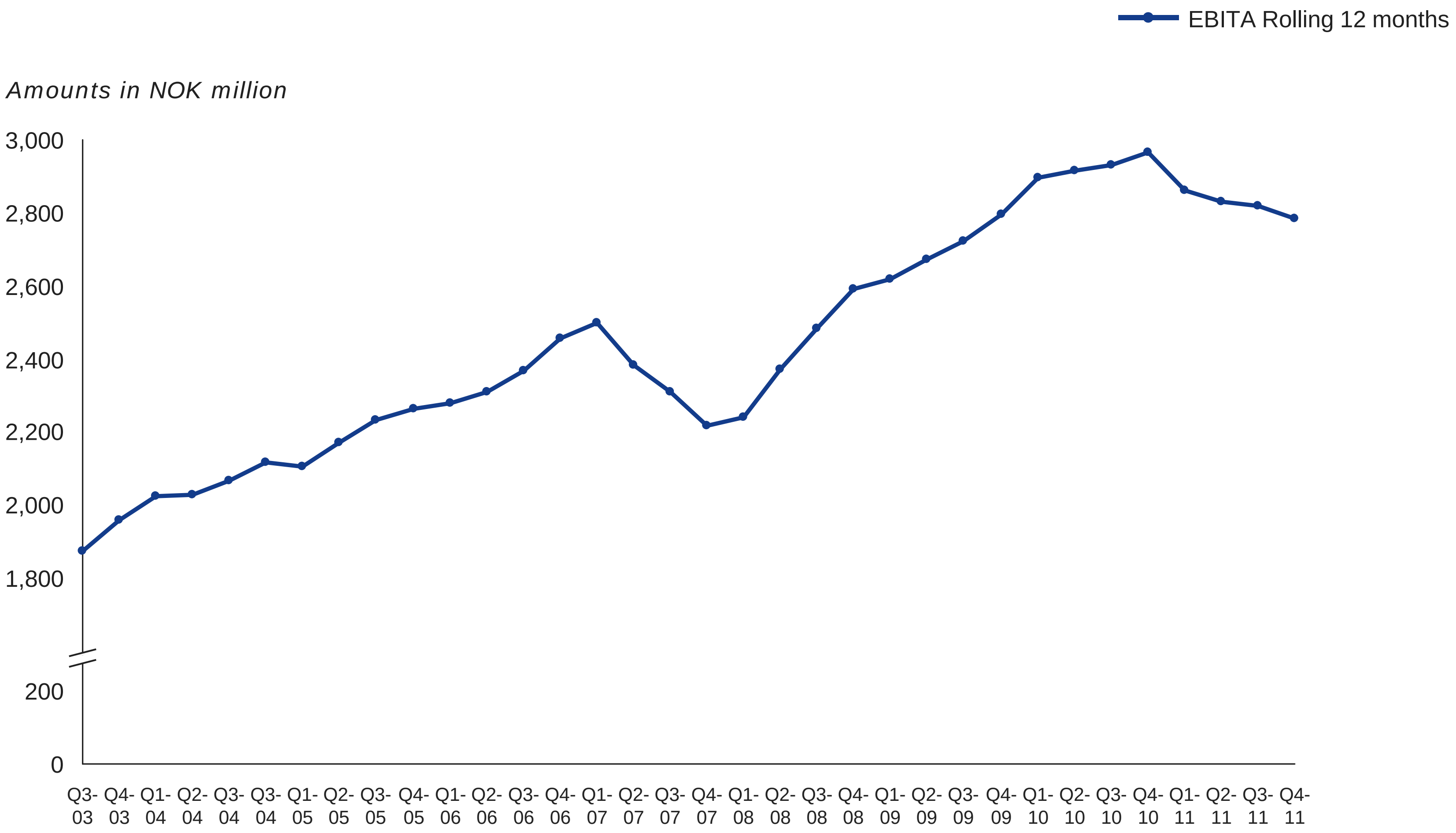
- Moderate market growth for Profiles North America, while the weak market trend in Europe is expected to continue
- Q1 seasonally stronger than Q4
- Positive contribution from renegotiated contracts, however somewhat weaker demand for Heat Transfer
- Improved cost base will gradually generate a positive profit contribution in 2012



ORKLA BRANDS

TORKILD NORDBERG, CEO ORKLA BRANDS

Increased raw material prices offset - weak December volumes



Soft markets in Q4

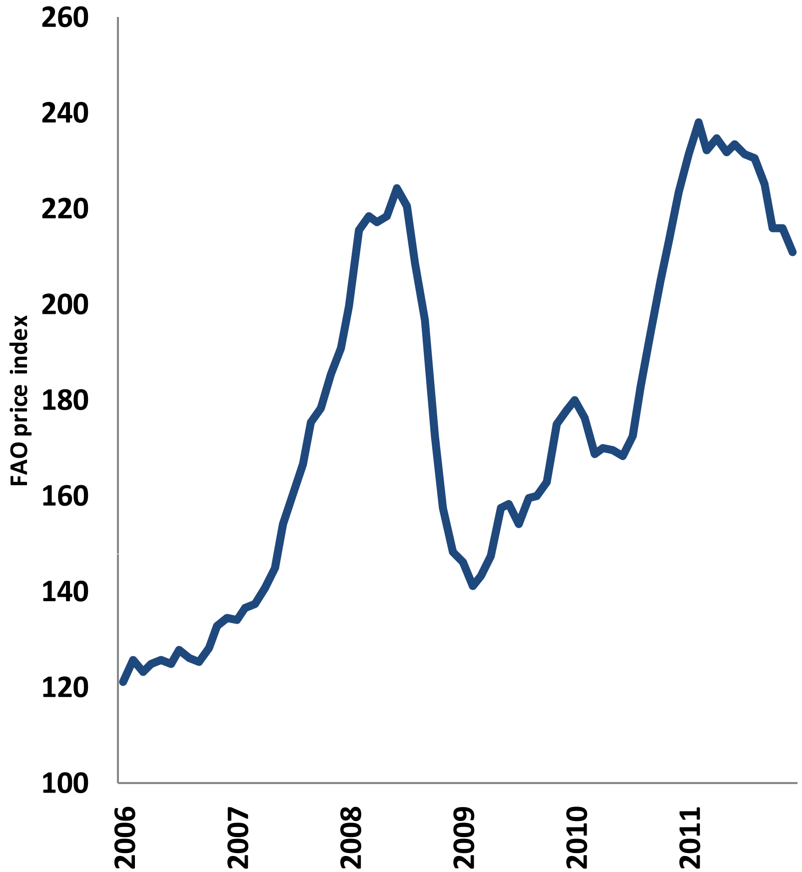
- Underlying top-line growth of 1%, related to price increases
  - Weak December sales in the Nordics
- Strong performance for Stabburet, Axellus, Chips Group and in Russia
- Overall stable market shares
- Sale of bakery operations (Bakers)

Amounts in NOK million

Operating revenues	Q4-11	Q4-10	Change
Orkla Brands	**6 869**	**6 980**	-2%
Orkla Foods Nordic	2 650	2 719	-3%
Orkla Brands Nordic	2 133	2 176	-2%
Orkla Brands International	722	705	2%
Orkla Food Ingredients	1 457	1 463	0%
Eliminations Orkla Brands	- 93	- 83	

Operating profit - EBITA	Q4-11	Q4-10	Change
Orkla Brands	**876**	**910**	-4%
Orkla Foods Nordic	357	353	1%
Orkla Brands Nordic	361	411	-12%
Orkla Brands International	87	55	58%
Orkla Food Ingredients	71	91	-22%
EBITA margin (%)	**12.8**	**13.0**	

High raw material level in 2011 – handled well



Source: FAO

- International price levels (FAO) have come down slightly from record levels in Q1 2011, but…
- …significant increase in raw material prices in 2011 compared with 2010
- Some important raw materials for Orkla Brands will have significant higher price levels in 2012

Orkla Brands Russia improving

Q4

- Best quarter since the acquisition
- Sales growth of 6%
    - 11% growth in national retail chains
- EBITA growth of 38%

2011

- Successful merger of SladCo and Krupskaya
- Continuing portfolio upgrade
- Market shares and distribution improved
    - 1/3 of sales in national retail chains (up from 1/5 in 2008)
- Synergy realisation as planned
- Positive contribution from price

Growth in India

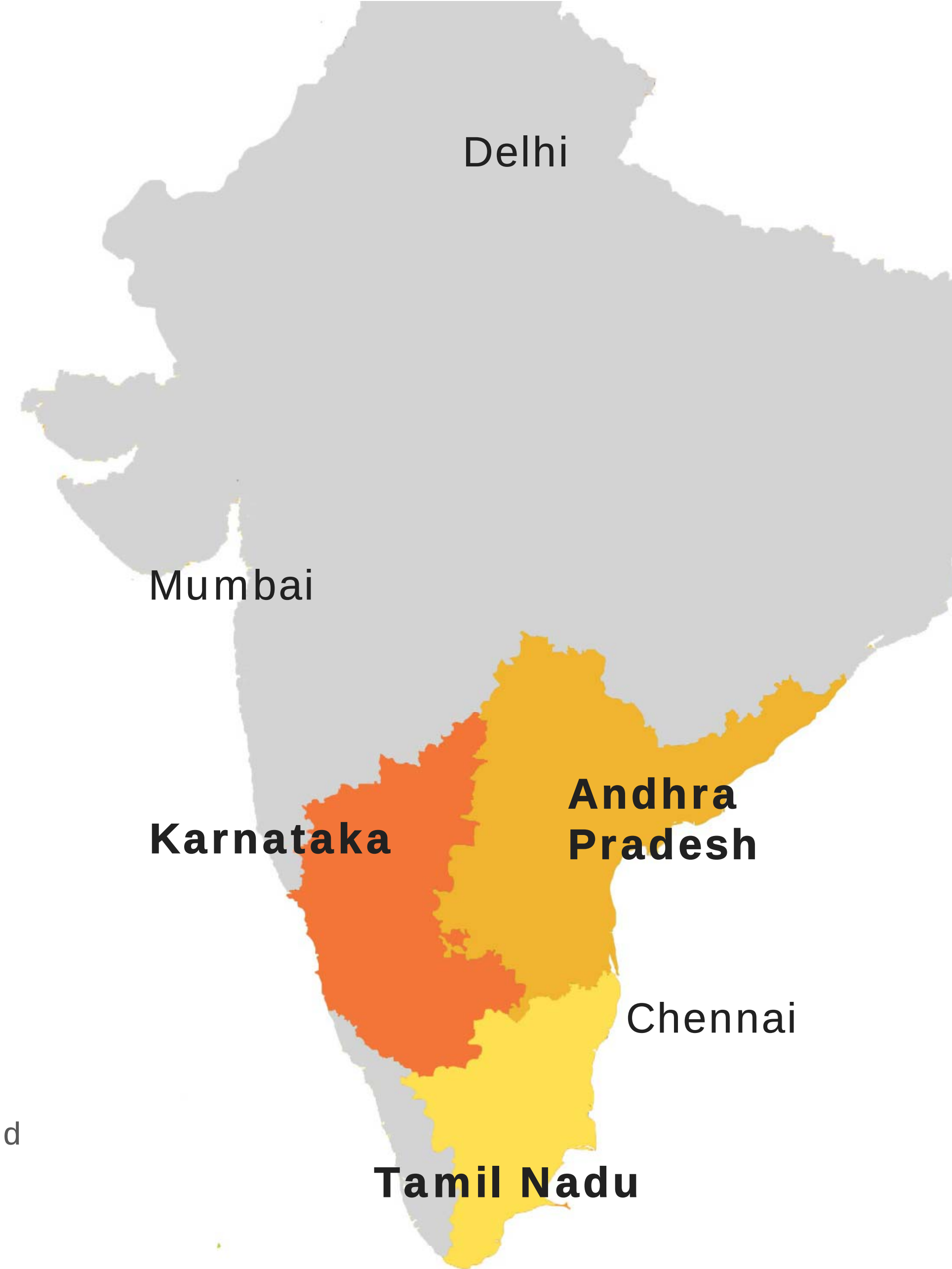
Growth

- Add-ons / acquisitions
- Organic
- Greenfield

- Plan to expand MTR into neighbouring states Andhra Pradesh and Tamil Nadu
- Reinvest MTR profit in advertising & promotion

MTR

- Acquired in 2007
- Annual top line growth of ~20%
- Regional market leader in blended spices
- National market leader in instant mixes and ready-to-eat
- Located in Karnataka



Examples of innovations in 2011

Developing people – creating value

ORKLA

Examples of innovations in Q1 2012

Short-term outlook

- Market conditions still challenging
- Volatile raw material prices going forward
  - Overall modest cost increase expected
- Contract production at lower levels than in 2011

Key enablers

- Our strong positions in a resilient Nordic market offer more stability
- Our Multi-Local Model is working well in challenging markets
- Our growth strategy is based on a combination of organic and structural growth

Q&A

- Bjørn M. Wiggen, CEO
- Terje Andersen, CFO
- Torkild Nordberg, CEO Orkla Brands
- Svein Tore Holsether, CEO Sapa

APPENDIX

EBITA per segment

Amounts in NOK million

Operating profit - EBITA	2011	2010	Q4-11	Q4-10
Orkla Group	**4041**	**3944**	**1 052**	**1 322**
Orkla Brands	**2784**	**2967**	**876**	**910**
Orkla Foods Nordic	1082	1115	357	353
Orkla Brands Nordic	1464	1544	361	411
Orkla Brands International	8	40	87	55
Orkla Food Ingredients	230	268	71	91
Sapa	**812**	**744**	**114**	**155**
Sapa Profiles	534	373	81	30
Sapa Heat Transfer & Building System	278	371	33	125
Borregaard Chemicals	531	238	80	85
Hydro Power	260	177	87	73
Orkla Financial Ivestments	-58	151	- 18	192
HQ/Other business	**-288**	**-333**	**- 87**	**- 93**

Income statement

Amounts in NOK million

	Q4 2011	Q4 2010		1.1.-31.12 2011	1.1.-31.12 2010
Operating revenues	**15 216**	**15 884**		**61 009**	**57 338**
Operating expenses	-13 706	-14 094		-55 107	-51 582
Depreciation and write-down property, plant and equipment	- 458	- 468		-1 861	-1 812
Amortisation intangibles	-32	-15		-55	-52
Other revenues and expenses	-428	506		-1041	330
EBIT	**592**	**1 813**		**2 945**	**4 222**
Profit/loss from associates	- 761	- 866		-5 505	-6 169
Dividends received	97	73		440	522
Gains, losses and write-downs Share Portfolio	729	867		1 643	1 772
Financial items, net	- 124	- 76		- 446	- 327
Profit/loss before taxes	**533**	**1 811**		**- 923**	**20**
Taxes	-279	-98		-1018	-844
Profit/loss for the period continued operations	**254**	**1 713**		**-1 941**	**- 824**
Gains/profit discontinued operations	0	- 50		1 213	- 40
Profit/loss for the period	**254**	**1 663**		**- 728**	**- 864**
Profit/loss attributable to non-controlling interests	25	15		48	53
Profit/loss attributable to owners of the parent	229	1 648		- 776	- 917
Profit/loss before taxes, Industrial Activities	- 282	- 566		-3 020	-3 732
Profit/loss before taxes, Orkla Financial Investments	815	2 377		2 097	3 752
Earnings per share diluted (NOK)	0.2	1.6		-0.8	-0.9

Cash flow as of 31 Dec 2011

Amounts in NOK million

	2011	2010
Cash flow Industial Activities:		
Operating profit	3 023	2 940
Amortisation, depreciations and impairment charg	2 088	2 503
Changes in net working capital, etc.	-1 094	-1 462
Net replacement expenditure	-1 557	-1 512
Cash flow from operations	**2 460**	**2 469**
Financial items, net	- 488	- 544
Cash flow Industial Activities	**1 972**	**1 925**
Cash flow from Orkla Financial Investments	**66**	**1 236**
Taxes paid	- 603	- 686
Discontinued operations and other payments	- 509	- 620
Cash flow before capital transactions	**926**	**1 855**
Paid dividends	-7 436	-2 360
Net sale/purchase of Orkla shares	- 109	138
Cash flow before expansion	**-6 619**	**- 367**
Expansion Industial Activities	- 906	- 509
Sale of companies/share of companies	13 503	1 854
Purchase of companies/share of companies	-1 498	-2 878
Net sale/purchase of portfolio investments	4 494	2 130
Net cash flow	**8 974**	**230**
Currency effects of net interest-bearing liabilities	33	- 34
Change in net interest-bearing liabilities	**-9 007**	**- 196**
Net interest-bearing liabilities	**10 645**	**19 652**

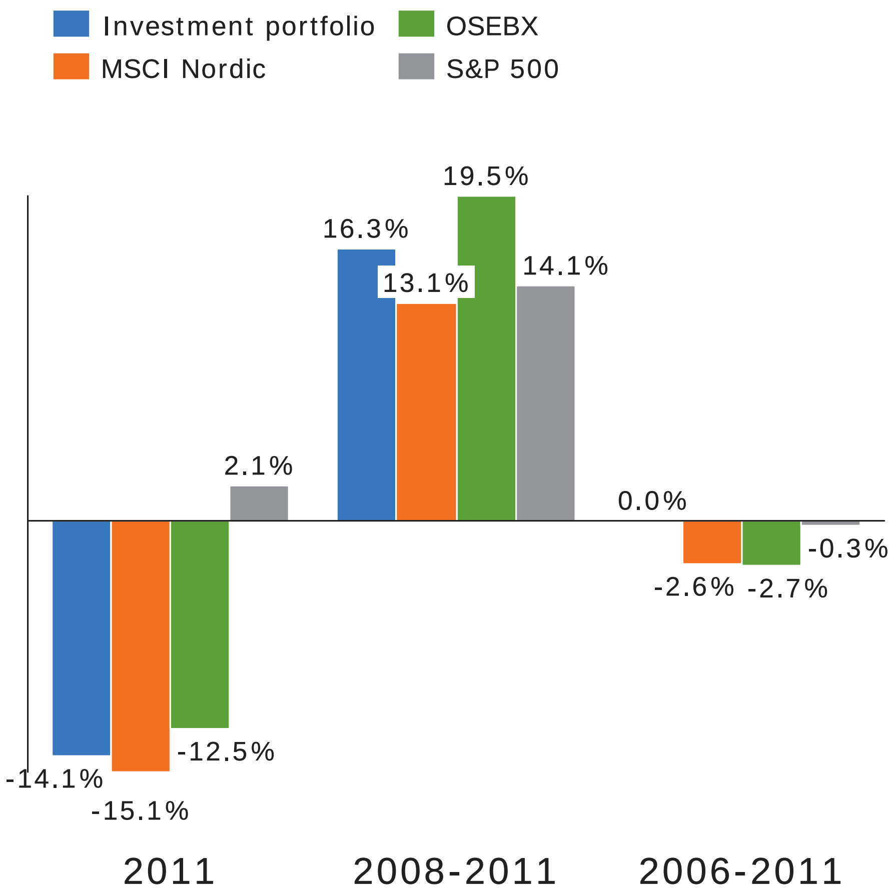
Balance sheet as of 31 Dec 2011

Amounts in NOK million

	31.12.2012	31.12.2010
Intangible assets	12 801	12 960
Property, plant and equipment	18 058	17 730
Financial assets	5 682	10 985
Non-Current assets	**36 541**	**41 675**
Assets held for sale/discontinued operations	391	13 891
Inventories	8 047	7 102
Receivables	10 462	10 380
Share Portfolio etc.	5 502	11 674
Cash and cash equivalents	5 453	2 819
Current assets	**29 855**	**45 866**
Total assets	**66 396**	**87 541**
Paid-in equity	1 997	1 999
Earned equity	32 109	44 567
Non-controlling interests	280	365
Equity	**34 386**	**46 931**
Provisions and other non-current liabilities	3 165	4 081
Non-current interest-bearing liabilities	15 488	21 820
Current interest-bearing liabilities	1 472	1 380
Liabilities held for sale/discontinued operations	177	2 544
Other current liabilities	11 708	10 785
Equity and liabilities	**66 396**	**87 541**
Equity ratio	51.8%	53.6%
Net gearing	0.31	0.42

Significant sales from the Share Portfolio in 2011

- Net sales of NOK 4.5 billion in 2011
- Market value of the Share Portfolio NOK 5.5 billion at year end
- 89% of the portfolio is invested in the Nordic region and 77% in listed companies



Largest holdings in the Share Portfolio as of 31 Dec 2011

Amounts in NOK million

Principal holdings	Industry	Market value	Share of portfolio (%)	Share of equity (%)
Amer Sports	Consumer Goods	447	8%	5.3 %
Tikkurila Oyj	Materials	314	6%	7.2 %
Kongsberg Gruppen	Industry	304	5%	2.2 %
Ekornes	Consumer Goods	223	4%	6.2 %
Saab AB B-aksjer	Aerospace & Defence	215	4%	1.6 %
Nobia AB	Consumer Goods	207	4%	5.5 %
Oslo Børs VPS Holding ASA	Finance	204	4%	8.2 %
Pharmaq Holding AS	Pharmaceuticals	193	3%	36.6 %
Industri Kapital 2007	Investment company	181	3%	1.8 %
Nokian Renkaat Oyj	Auto components	135	2%	0.5 %
Total principal holdings		2 424	44%	
Market value of entire portfolio		**5 497**		

REC – Q4 and 2011 reporting
- Orkla's holding: 39.7 %

Amounts in NOK million

REC	Q4-11	Q4-10	Change
Revenues	2 865	4 874	-41%
EBITDA	178	1 836	
EBIT*	-2 738	1 134	
Profit/loss before tax*	-2 487	1 226	

* Includes impairment charges of NOK -2.45 bn in Q4-11

Amounts in NOK million

REC	2011	2010	Change
Revenues	13 366	13 776	-3%
EBITDA	2 867	3 532	-19%
EBIT*	-9 508	1 018	
Profit/loss before tax*	-9 303	1 818	

* Includes impairment charges of NOK -10.1 bn in 2011

From REC's fourth quarter presentation:

- Net debt reduced by NOK 0.6 billion to NOK 4.7 billion
- Singapore facility written down by NOK 2.5 billion

For more information: www.recgroup.com

Currency translation effects

Amounts in NOK million

Revenues	**Q4-11**	**YTD Q4-11**
Orkla Brands	-172	- 188
Sapa	-244	-1 192
Borregaard	-17	- 57
Total	**-433**	**-1 437**

EBITA	**Q4-11**	**YTD Q4-11**
Orkla Brands	-19	-8
Sapa	-3	-57
Borregaard	-4	-8
Total	**-26**	**-73**

Financial calendar

- 19 April 2012 - Annual General Meeting
- 20 April 2012 - Share quoted ex-dividend*
- 3 May 2012 - Dividend payment*
- 3 May 2012 - First quarter results 2012
- 20 July 2012 - Second quarter results 2012
- 31 October 2012 - Third quarter results 2012

* If the dividend proposal by the Board of Directors is adopted at the Annual General Meeting

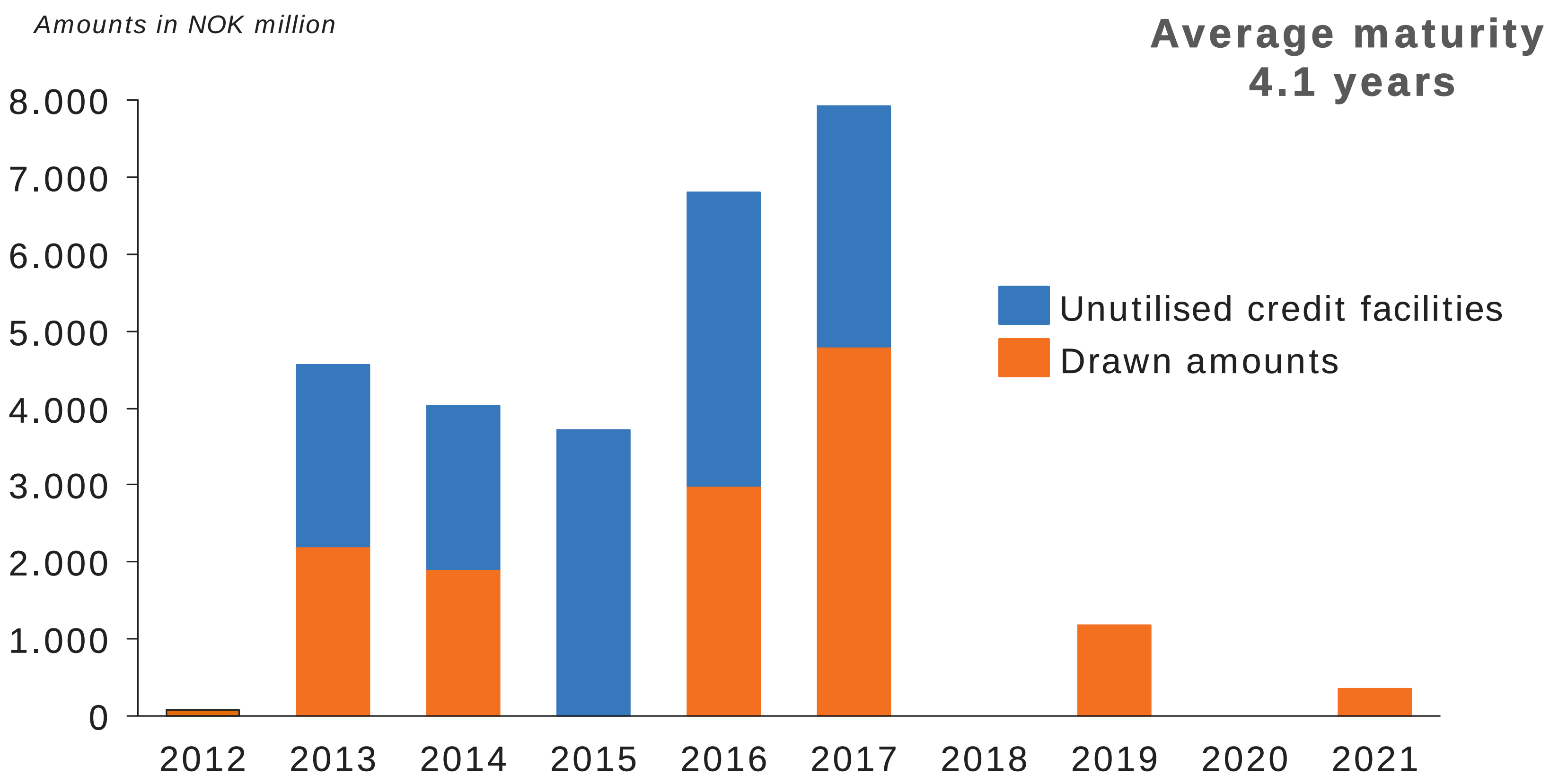
FINANCIAL ITEMS

Net financial items

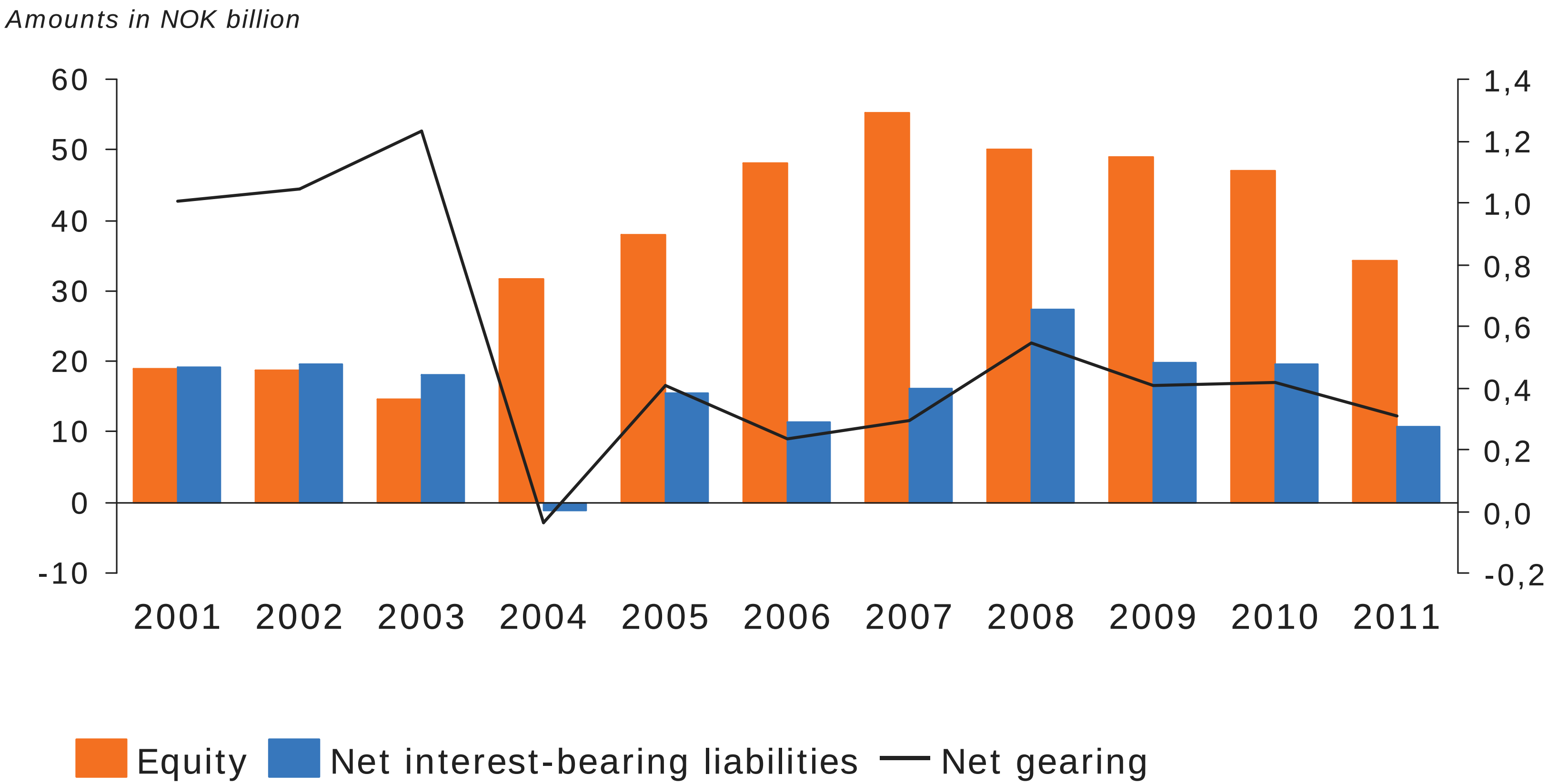
Amounts in NOK million

	Q4-11	Q4-10	Full year 2011
Net interest expenses	-99	-54	-378
Currency gain/loss	-11	2	-34
Other financial items, net	-14	- 24	- 34
Net financial items	**-124**	**-76**	**-446**

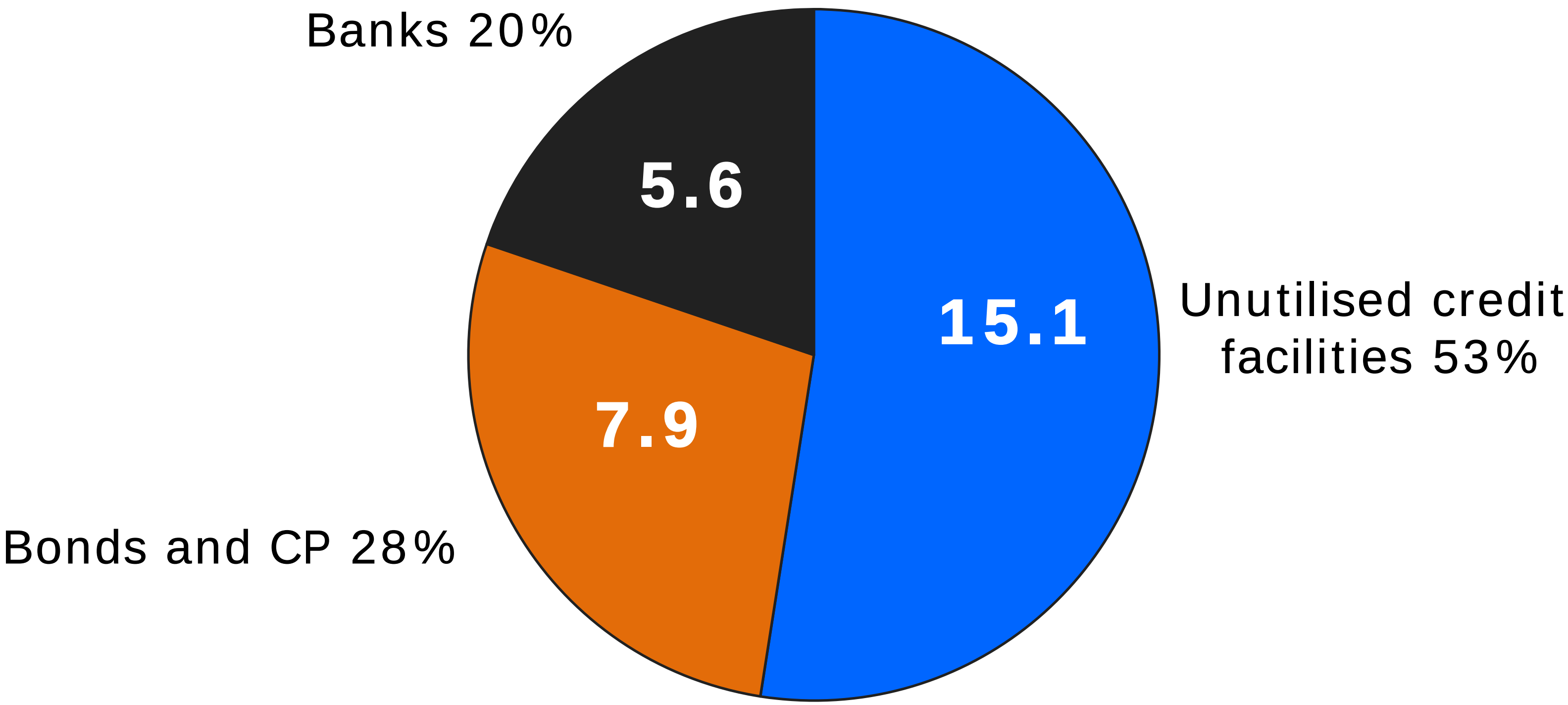
Significant credit facilities available



Net gearing 0.31 as of Q4-11



Funding sources



Amounts in NOK billion

ORKLA