The Nordic Consumer Goods Champion

Investor presentation March 2013

Agenda

- Introduction to Orkla
- Strategic direction
- Branded Consumer Goods
  - The Nordic Consumer Goods Champion
  - Market situation
  - Business areas
- Jotun
- Non-Core
- Financial performance 2012

ORKLA

Corporate structure

Business areas

Orkla Foods	Orkla Confectionery & Snacks	Orkla Home & Personal	Orkla International	Orkla Food Ingredients
				
EBITDA 2012: NOK 1,356 m	EBITDA 2012: NOK 941 m	EBITDA 2012: NOK 762 m	EBITDA 2012: NOK 69 m	EBITDA 2012: NOK 343 m

Associated company

Jotun (42.5%)

EBITDA 2011: NOK 1,203 m (100%)

Non-core

Sapa
Extruded aluminum products (part of future JV)
EBITDA 2012: NOK 939 m

Heat Transfer
Rolled aluminum products
EBITDA 2012: NOK 443 m

Hydro Power
EBITDA 2012: NOK 268m

Shares and financial assets
Value: NOK 3.6 b

Real estate
Book value NOK 1.8 b

Corporate centre and support functions

Orkla's strategic direction

- Orkla is a branded consumer goods company
- Orkla will strengthen its leading position and exploit economy of scale in local Nordic markets
- Orkla will create value through operational improvements, organic and structural growth
- Orkla will divest its non core assets

Orkla's transformation to a Branded Consumer Goods company

2011

New strategic direction to grow within Branded Consumer Goods

2012

Major actions executed to implement strategy

Jordan
Rieber & Søn
sapa:
REC
Borregaard

2013

Organise and act as a Branded Consumer Goods company

Priority going forward: Execution

- **Transactions: Plan, integrate and extract synergies**
  - Integration of Rieber & Søn and Jordan
  - Complete the JV with Hydro and the sale of Heat Transfer
- **Top-line growth of 3-5%**
  - Focus on organic growth and "real" innovations
- **Add-on acquisitions, NOK 1 billion annually (average)**
- **Operational excellence**
  - Operational synergies and scale across the Group
  - Increased profitability from mix and cost savings
  - Cash conversion of 100% over time

Allocation of capital and dividend policy

- Grow Branded Consumer Goods
- Remain an Investment Grade company (NIBD below 2.5-3*EBITDA)
- Long term dividend capacity depends on future profit and size of the Branded Consumer Goods area
- In the transformation period the Board intends to keep dividend at NOK 2.50 supported by profit and cash flow from non-core assets

BRANDED CONSUMER GOODS

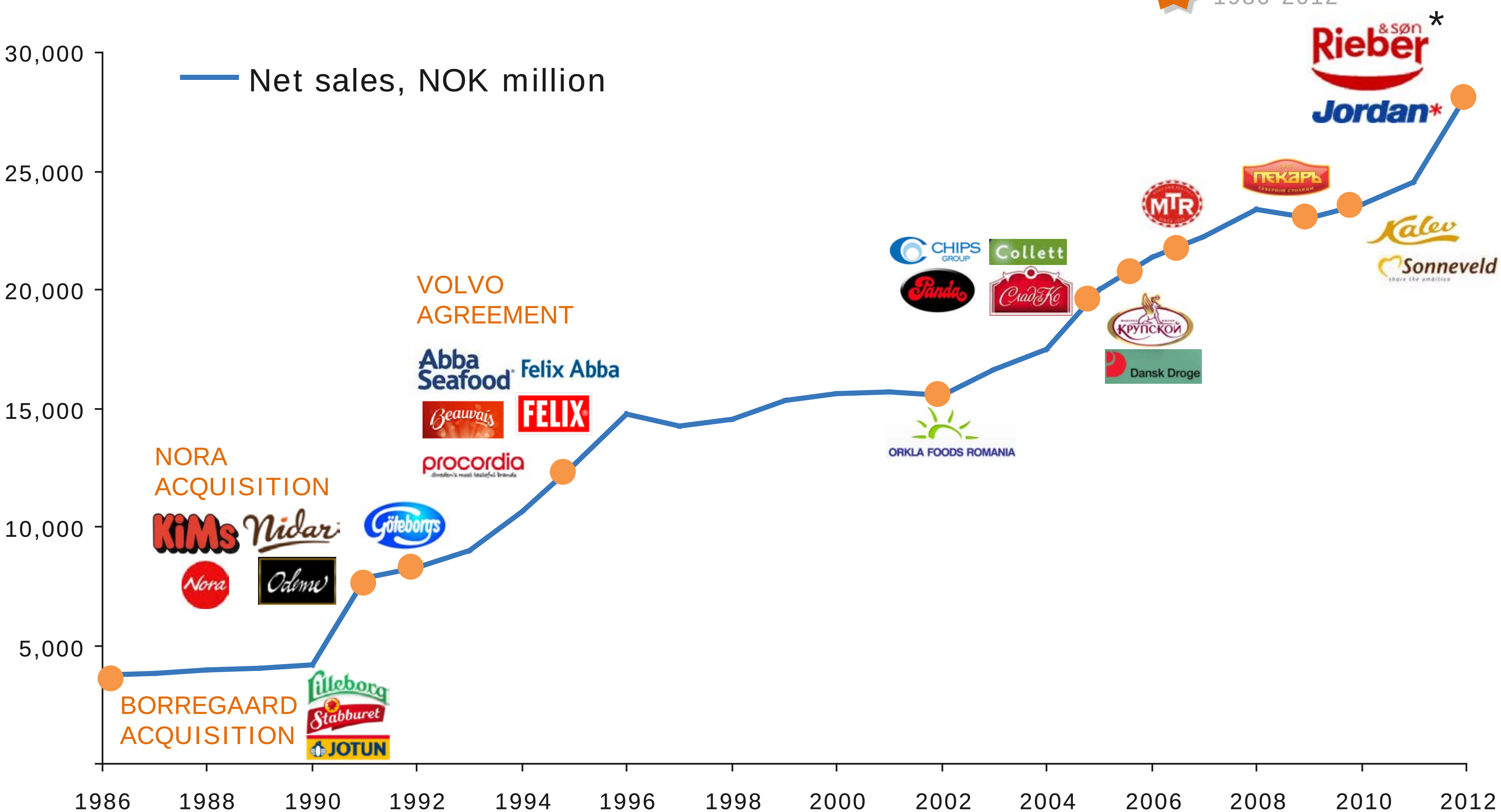
ORKLA

Branded consumer goods
27 Years of Steady Growth

Turnover 7%

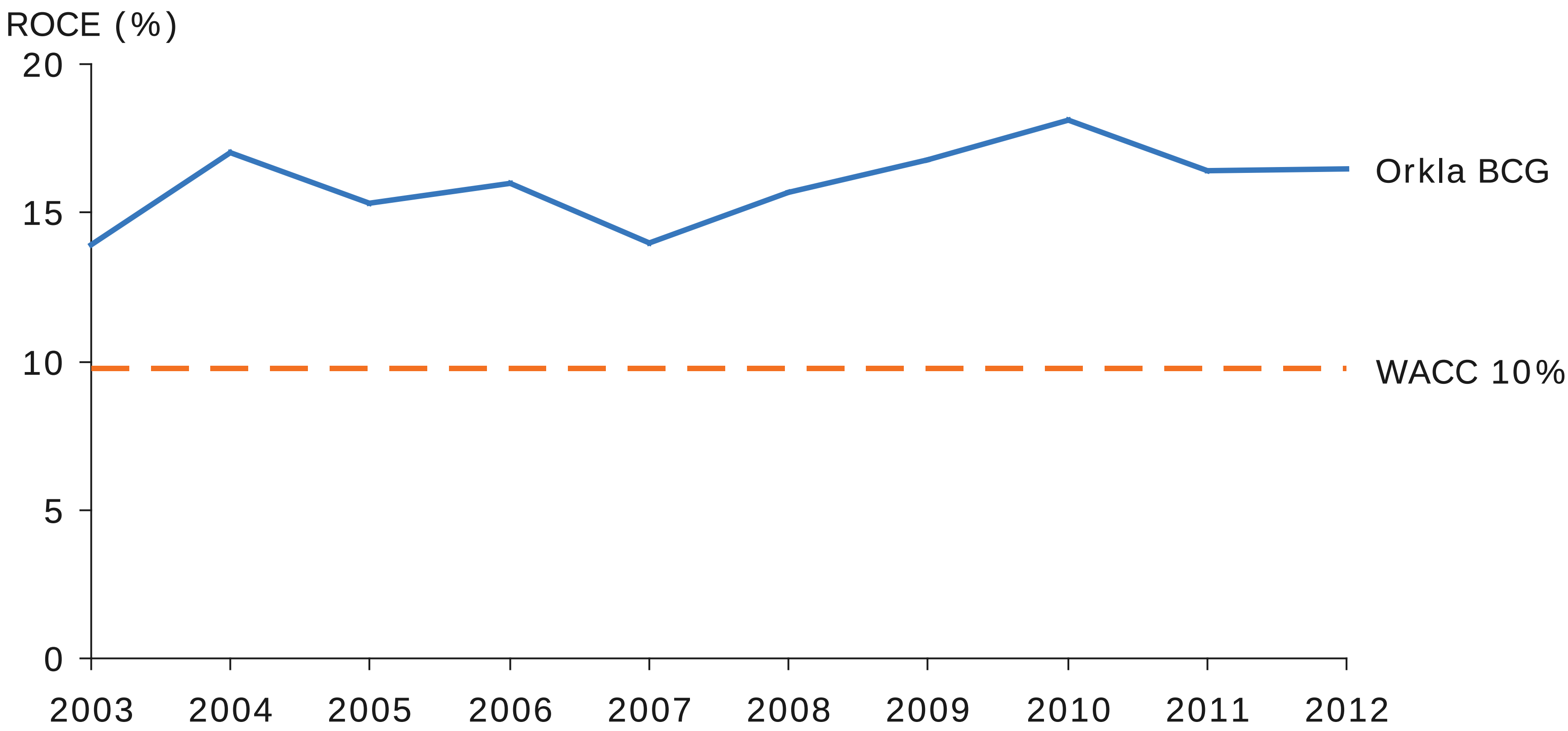
EBITA 11%

CAGR 1986-2012



*The acquisition of Rieber is subject to approval from the Norwegian Competition Authority. The graph includes Rieber in 2012.

Increasing shareholder value over time



Proven track record in building strong local market positions

Confectionery	31%			
Snacks	31%	39%	44%	51%
Dietary Supplements	75%	45%	28%	42%
Frozen Pizza	80%	38%		#1
Biscuits	56%	39%		12%
Home Care	66%			
Jam and marmalade	53%	52%	47%	
Textiles	86%	27%		
Personal care	39%			
Preserved vegetables	81%	69%	60%	
Ketchup	78%	54%	33%	#1
Cod roe spread (caviar)		78%		#1
Dressings	48%	43%	8%	#2

Source: ACNielsen

Leading local brands in Norway compete well with Global brands

Market shares

Stabburet

80%

Dr. Oetker

14%

Lilleborg

78%

P&G

6%

Source: ACNielsen

Leading local brands in Sweden

Market shares

Procordia

55%

Heinz

33%

Göteborgs Kex

12%

Kraft

1%

Source: ACNielsen

Leading local brands in Denmark & Estonia

Market shares

Denmark

KiMs

47%

Frito-Lay

9%

Estonia

Kalev

35%

Mars

6-7%

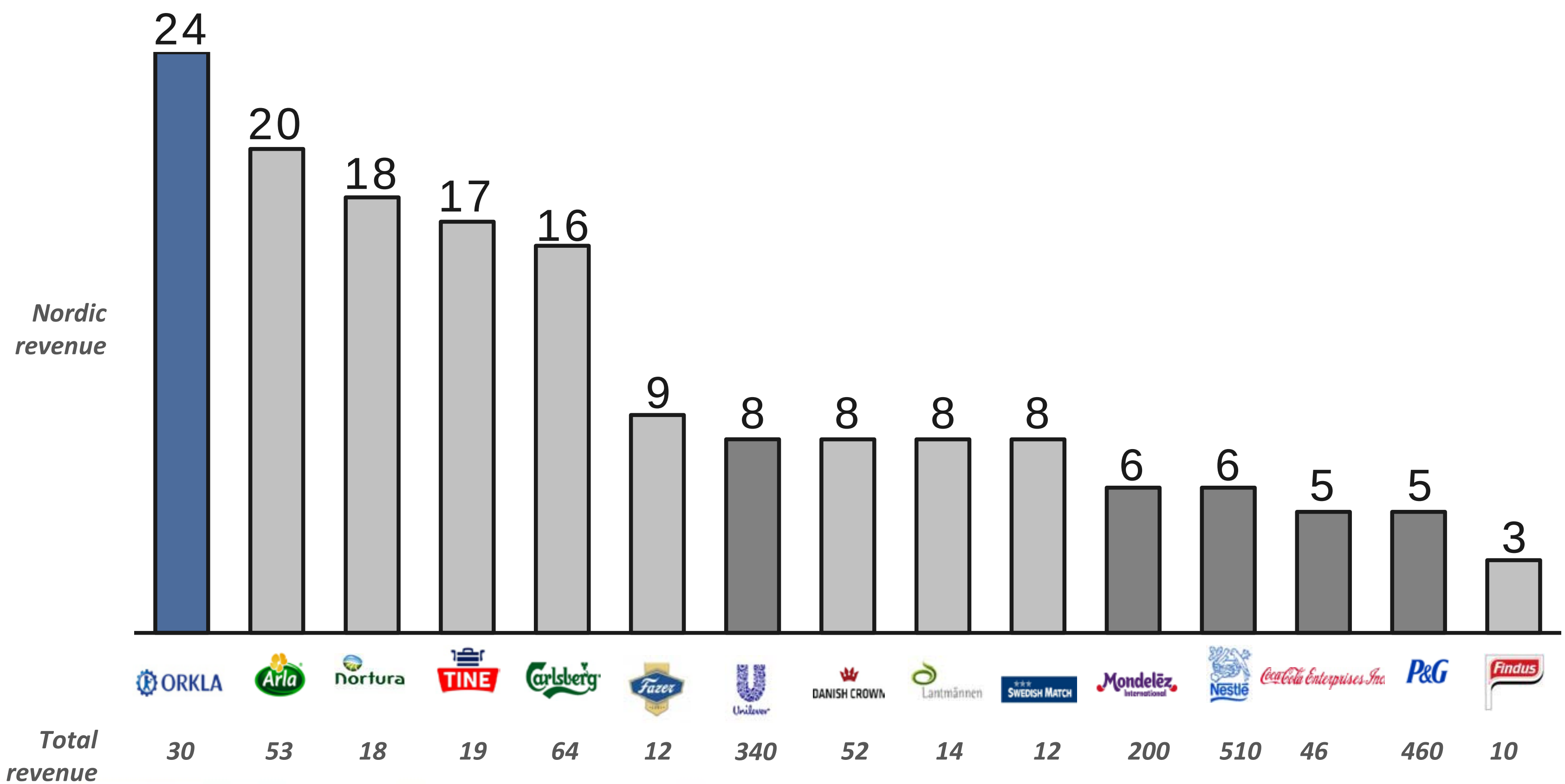
Kraft

3-4%

Source: ACNielsen

Orkla is the largest consumer goods company in the Nordics

- Estimated revenues 2011 (NOK billion)

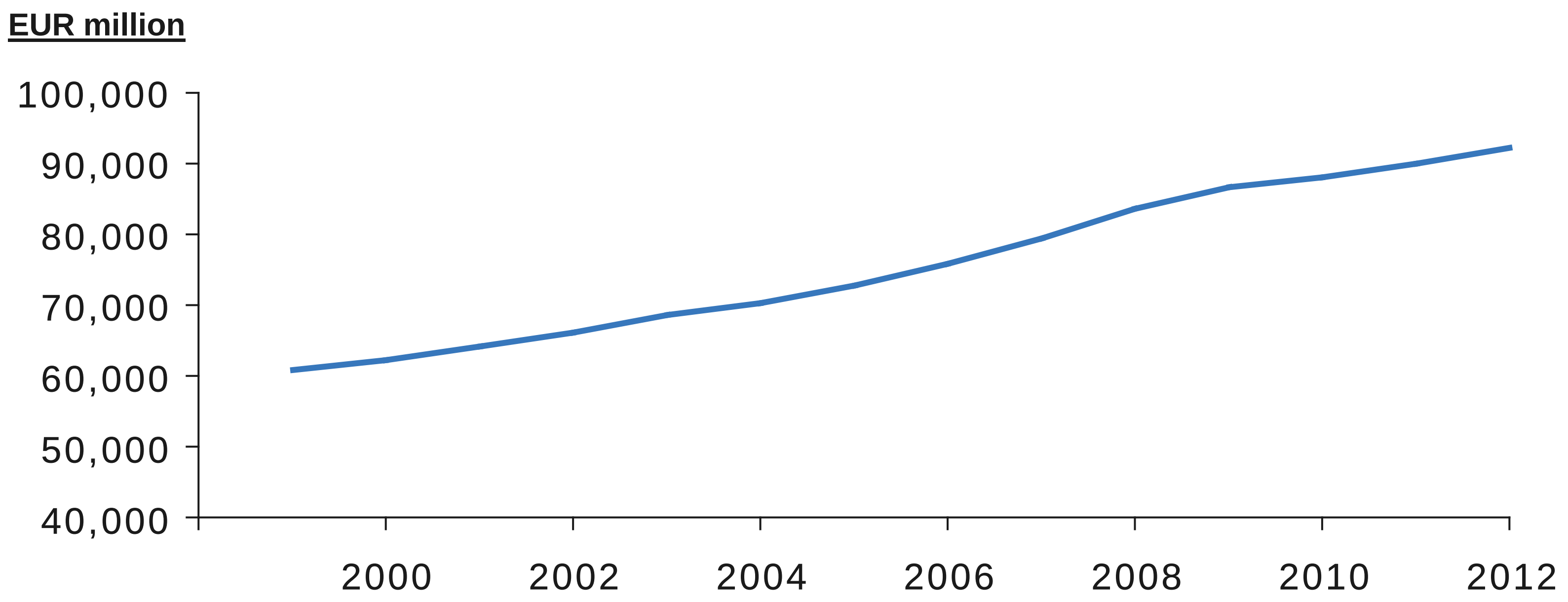


Local scale is the core of our strategy

- A small player globally, but a large player locally
- Large supplier to the grocery channel in the Nordics
- Substantial media buyer in the Nordics
- Indebt knowledge of the Nordic consumers and more resources for innovations
- Orkla has the largest synergies when acquiring Nordic BCG companies

Stable markets with wealthy consumers

- 3% annual growth in sales value from grocery retailers in the Nordics



2011 Figures	Norway	Sweden	Denmark	Finland	Western Europe
Consum per capita (1000 Euro)	27.1	19.2	20.7	18.7	15.3
Unemployment	3.3%	7.5%	7.6%	7.8%	9.5%

Source: Euromonitor October 2012

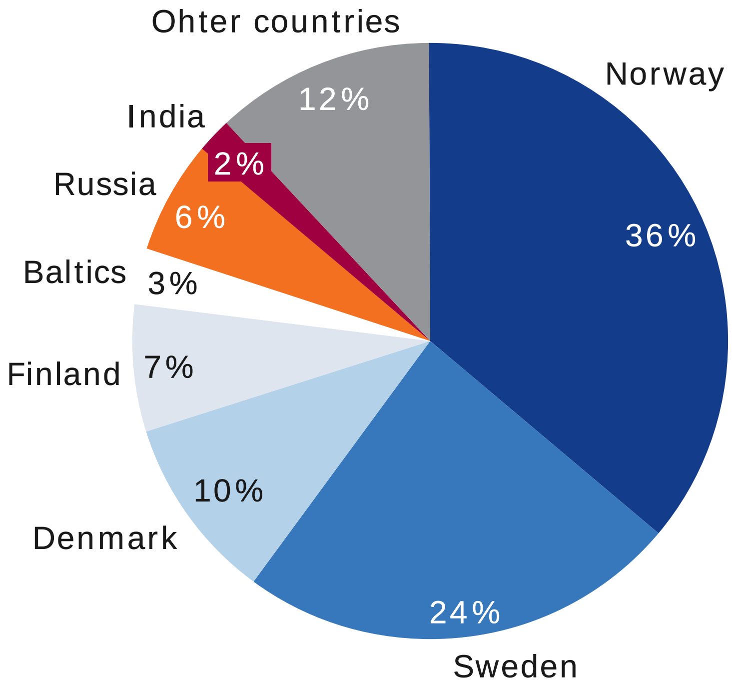
The Nordic Consumer Goods Champion

- Proven track record
- Strong positions
- Stable markets with wealthy consumers
- Local scale is the core of our strategy

ORKLA

Overview of Branded Consumer Goods

Net sales by geographical area (2012):



Business unit	Revenues 2012	EBITA margin
Foods	7,927	14.0%
Confectionary & Snacks	4,794	16.3%
Home & Personal	4,025	17.4%
International	2,133	-0.2%
Food Ingredients	5,435	4.2%
Branded Consumer Goods	24,105	11.7%

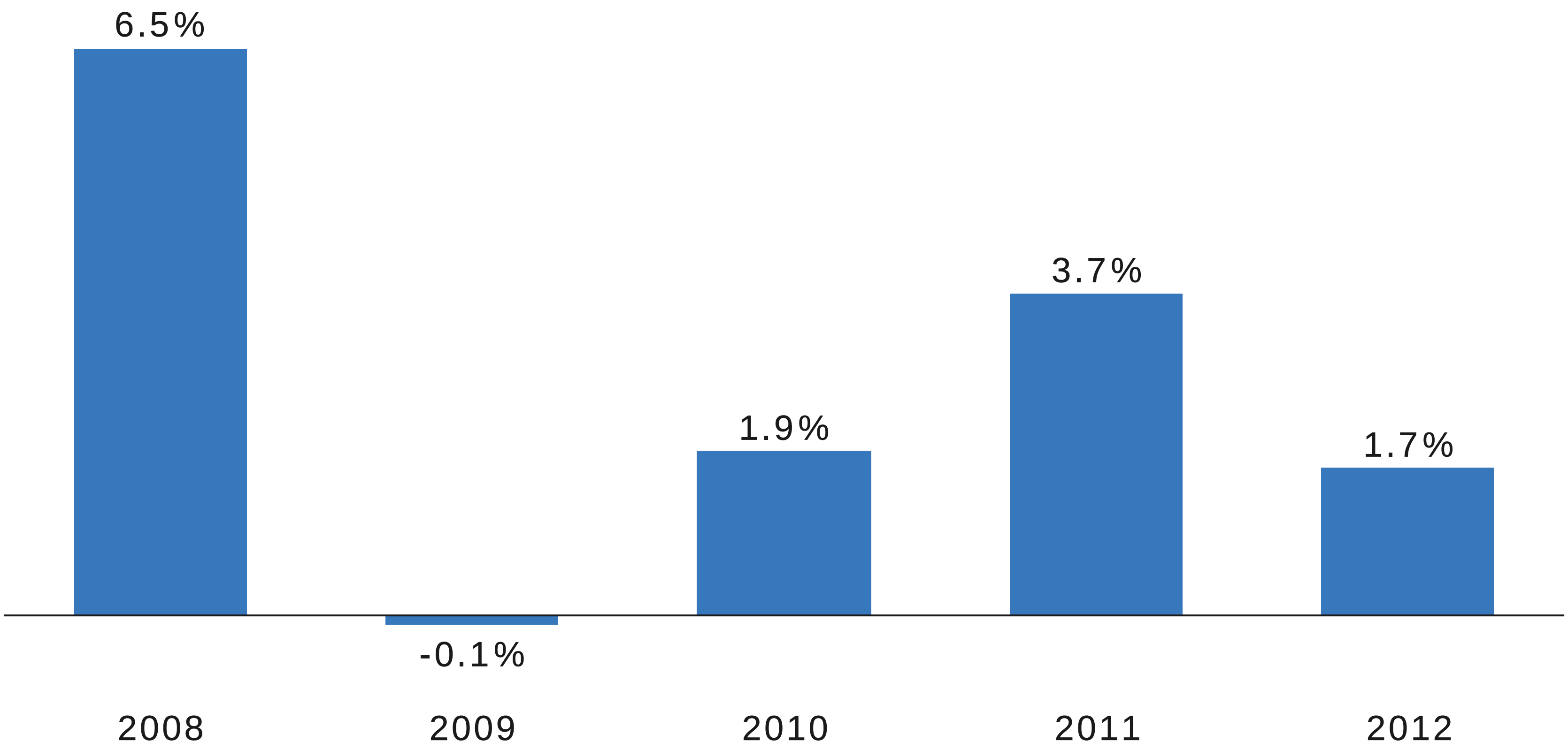
Rieber & Søn[1]	4,164	6%
Jordan (2011)[2]	900	10%

[1] Agreement to acquire Rieber & Søn, expected completed during H1 2013

[2] Consolidated in Home & Personal from 1 September 2012

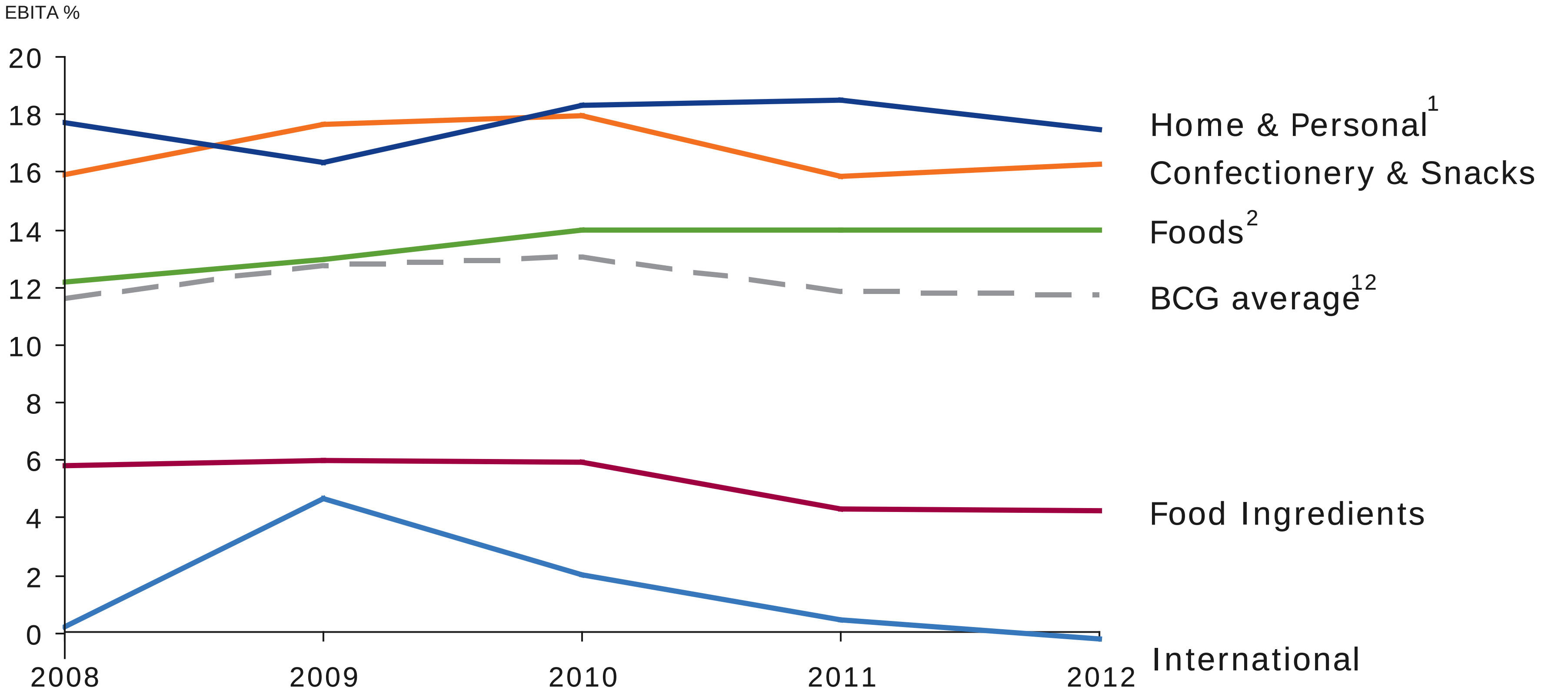
Average organic revenue growth of 3% the last 5 years, driven by price

- Focus on organic volume/mix growth going forward



Adjusted for acquired, sold and divested companies, currency translation effects and contract production to the process chemicstry industry.

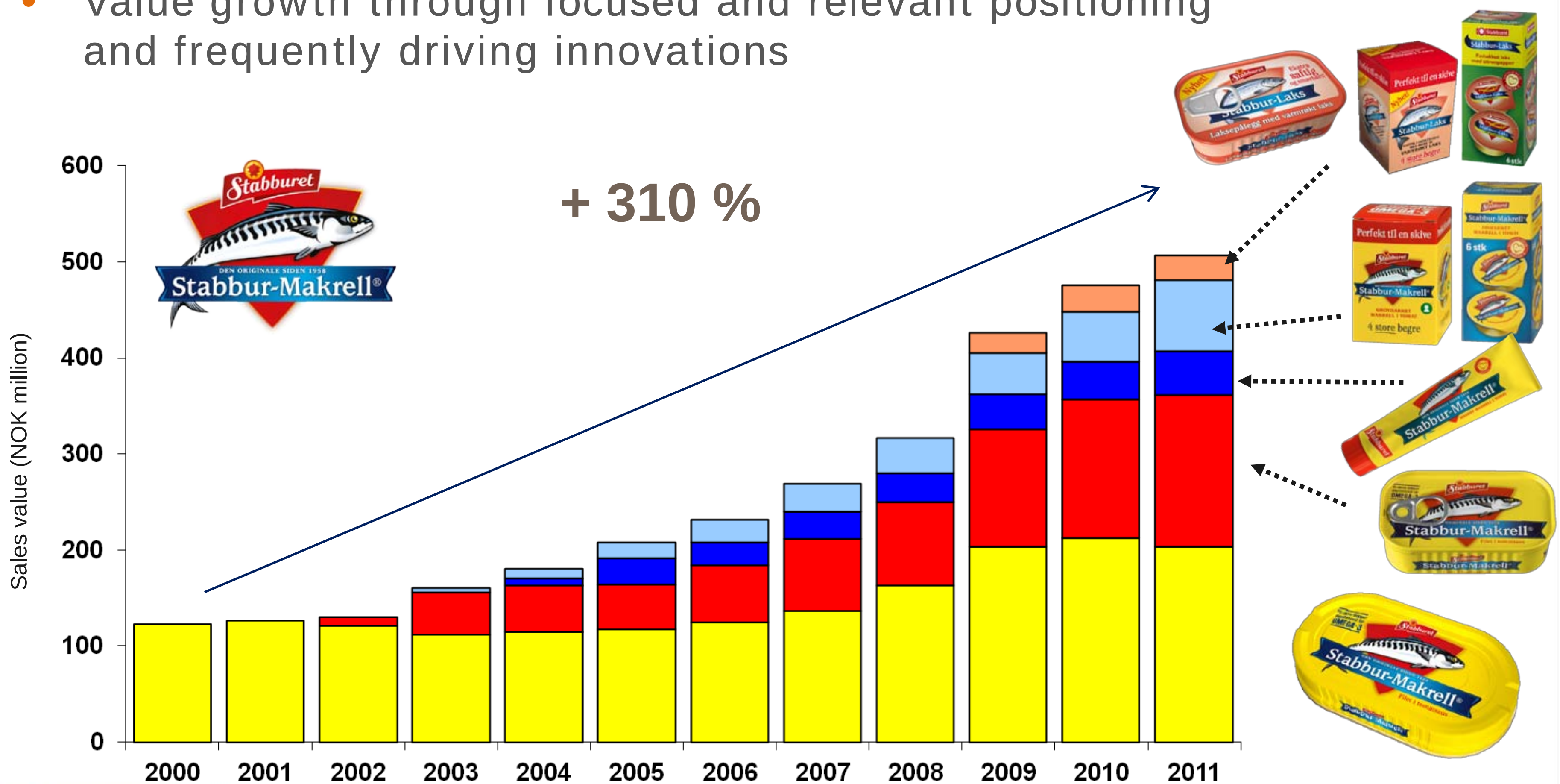
Strong local brand positions, high margin level in the Nordics



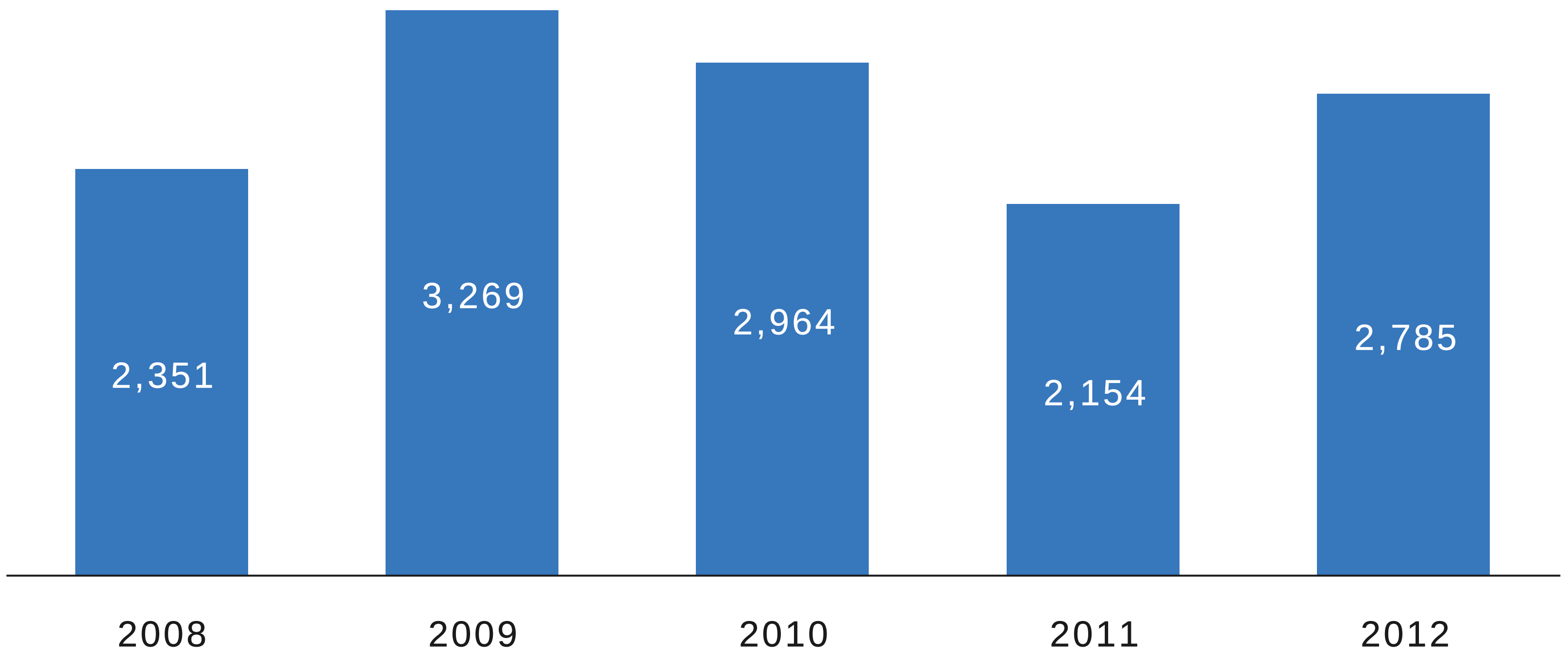
[1]Presented ex. contract production to the process chemicstry industry.
[2]Presented without Bakers (divested in January 2012).

Growth through product development

- Example with fish spread in Norway
- Value growth through focused and relevant positioning and frequently driving innovations



Solid cash flow over time

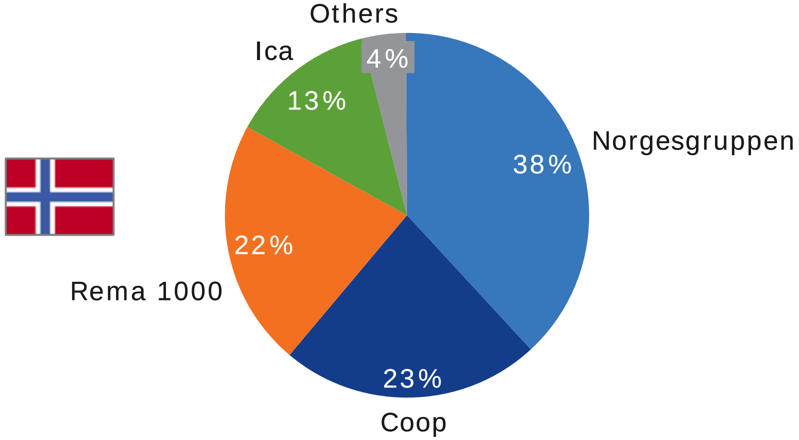


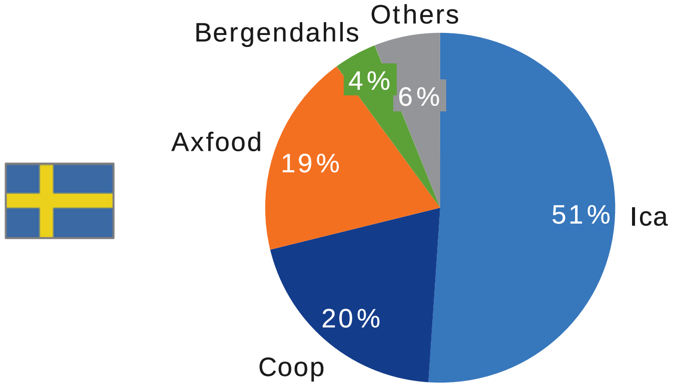
	2008	2009	2010	2011	2012
Cash conversion*	91%	117%	100%	77%	99%

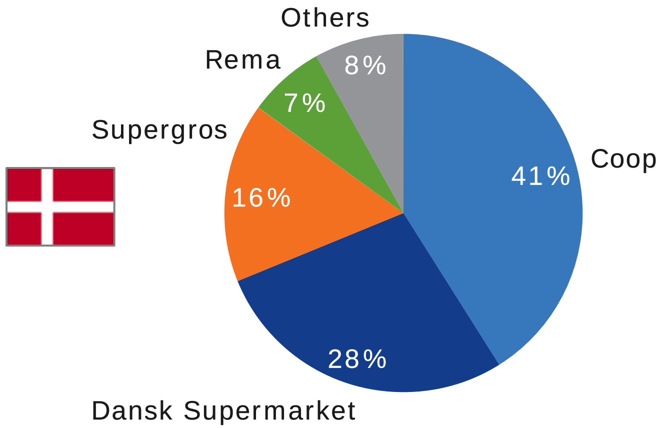
*Cash flow from operations before tax / EBITA

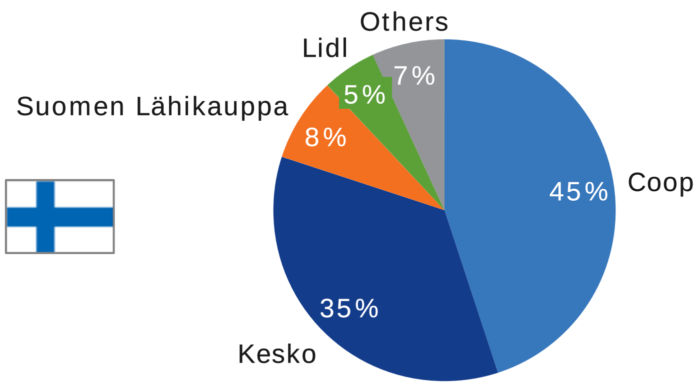
Consolidated Nordic retail markets

- 2-4 dominating players in each market





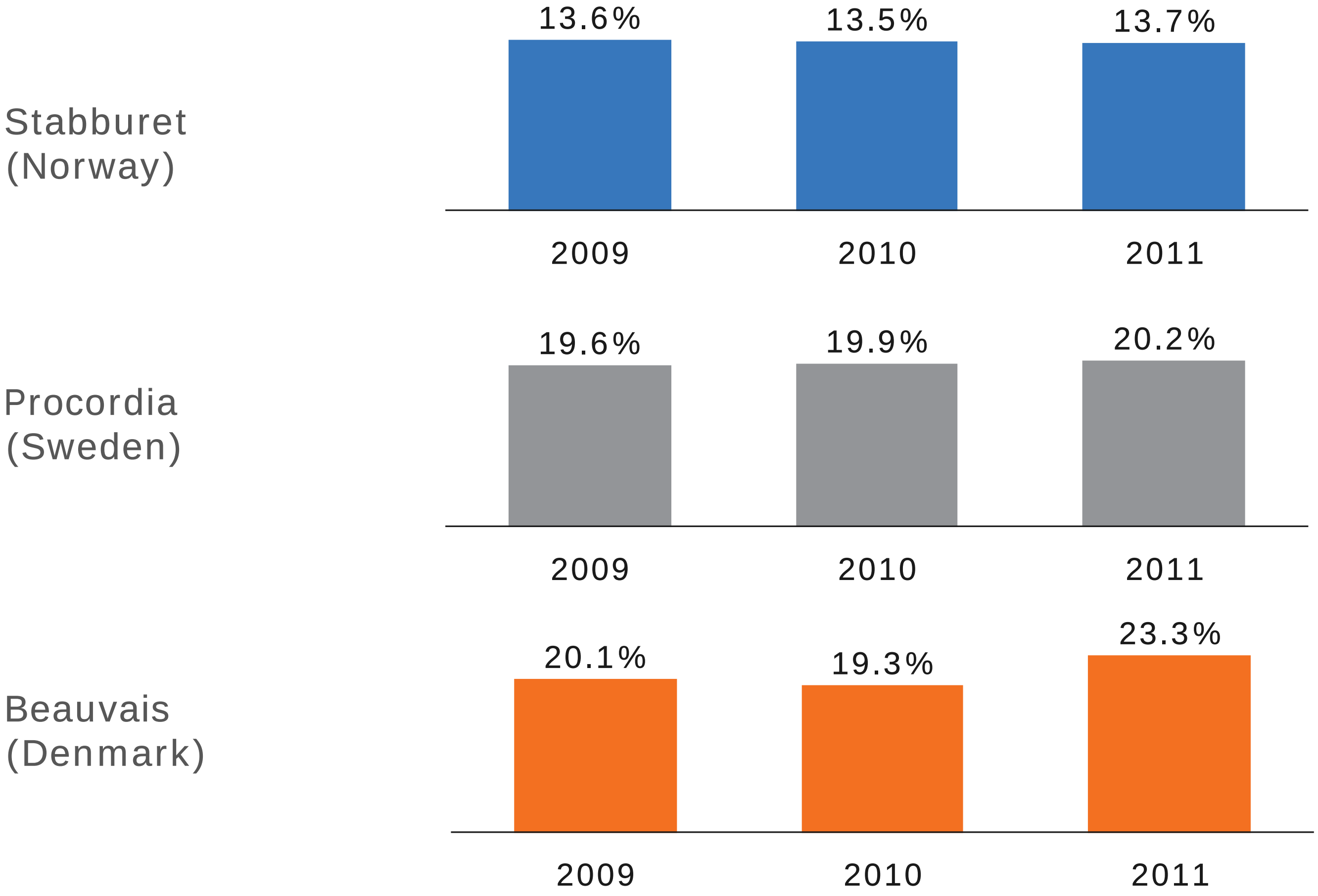




Source: ACNielsen

Private Label share relatively moderate and stable in the Nordics

12 month PL share (value) in relevant categories



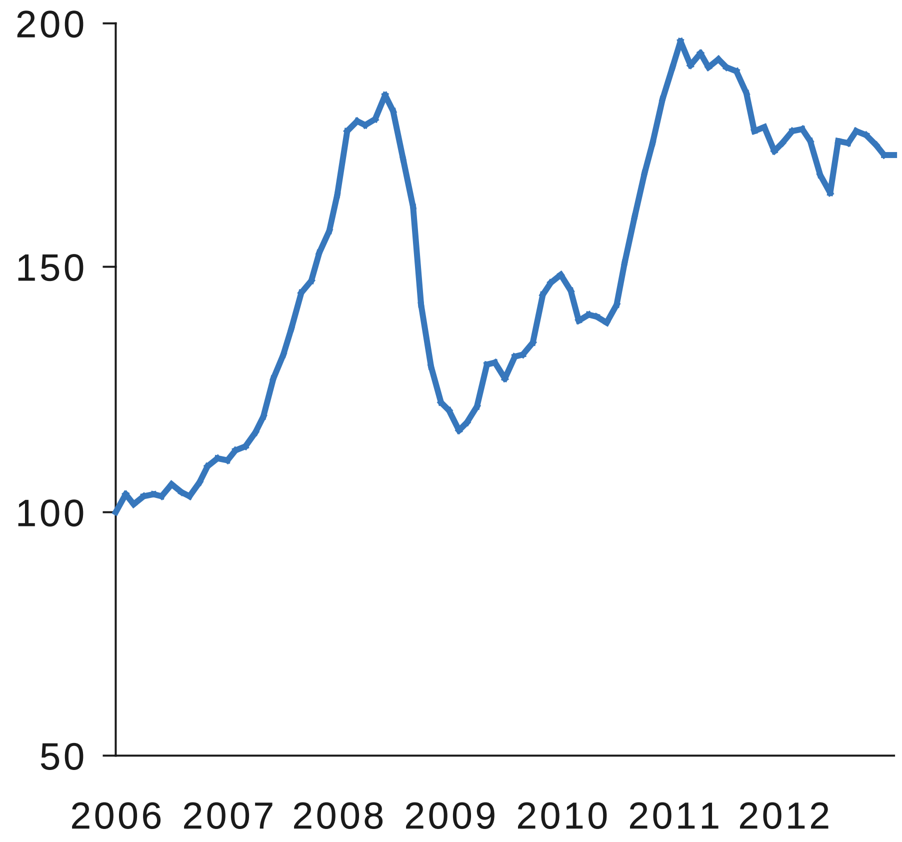
Source: ACNielsen

Diversed exposure to raw materials

10 Largest raw material groups

Vegetable oil
Flour, grain and bakery mix
Sugar
Meat, cut and trimming
Cheese
Cocoa & chocolate
Fruit and berry
Spice, dry herb and extract
Pelagic
Tomato paste

FAO Food price index (January 2013)



ORKLA FOODS

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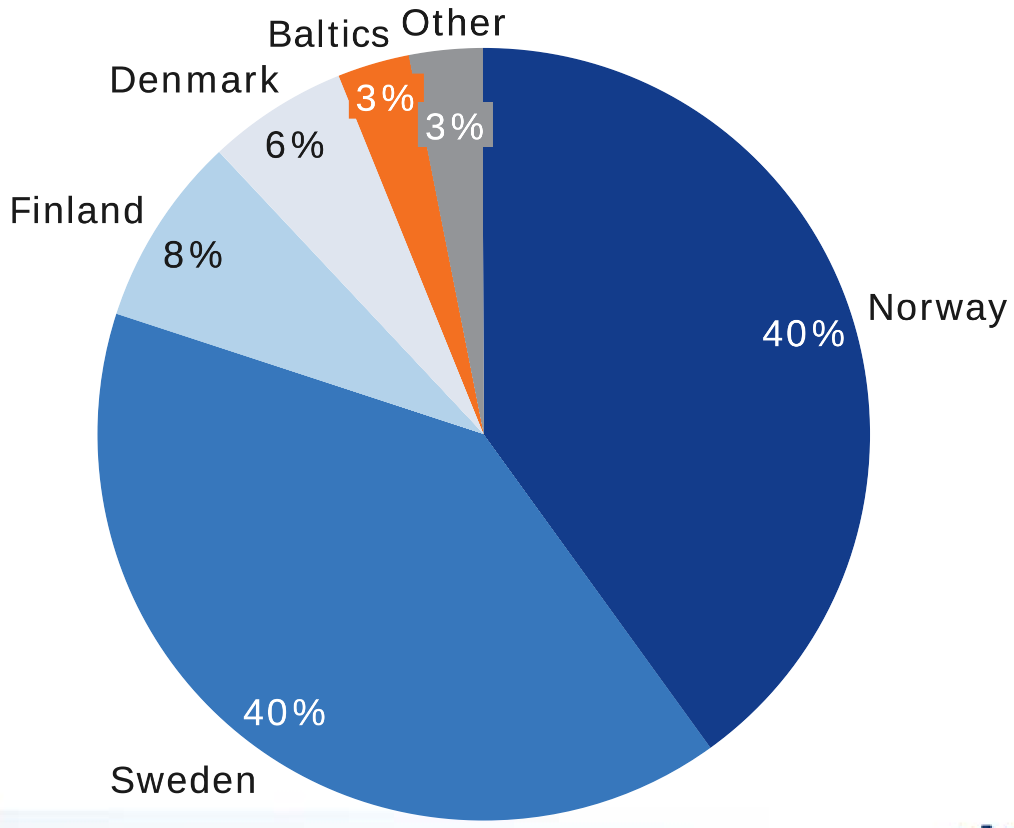
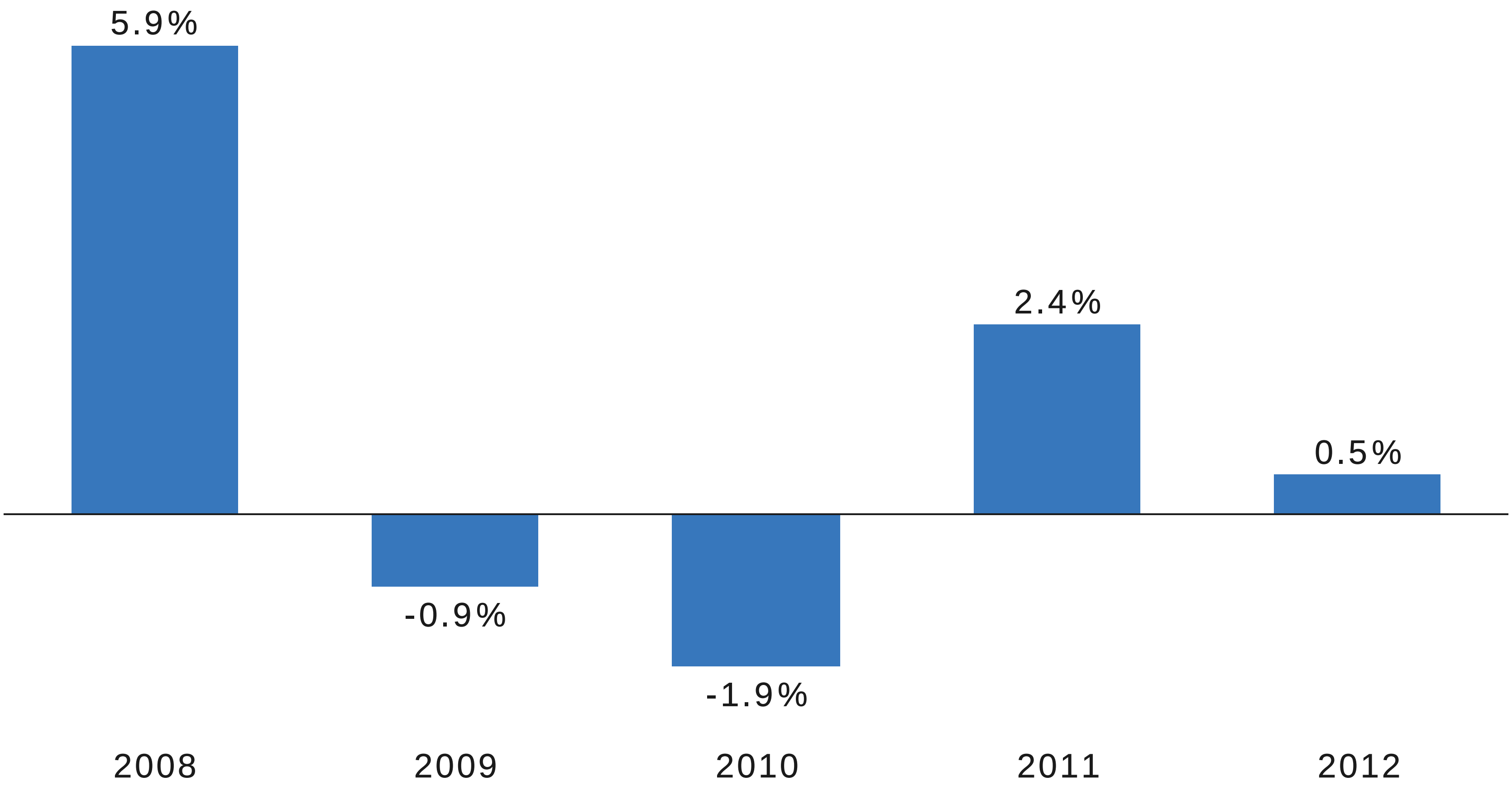
Orkla Foods – Geographical sales split

- Revenues 2012: NOK 7,972 million

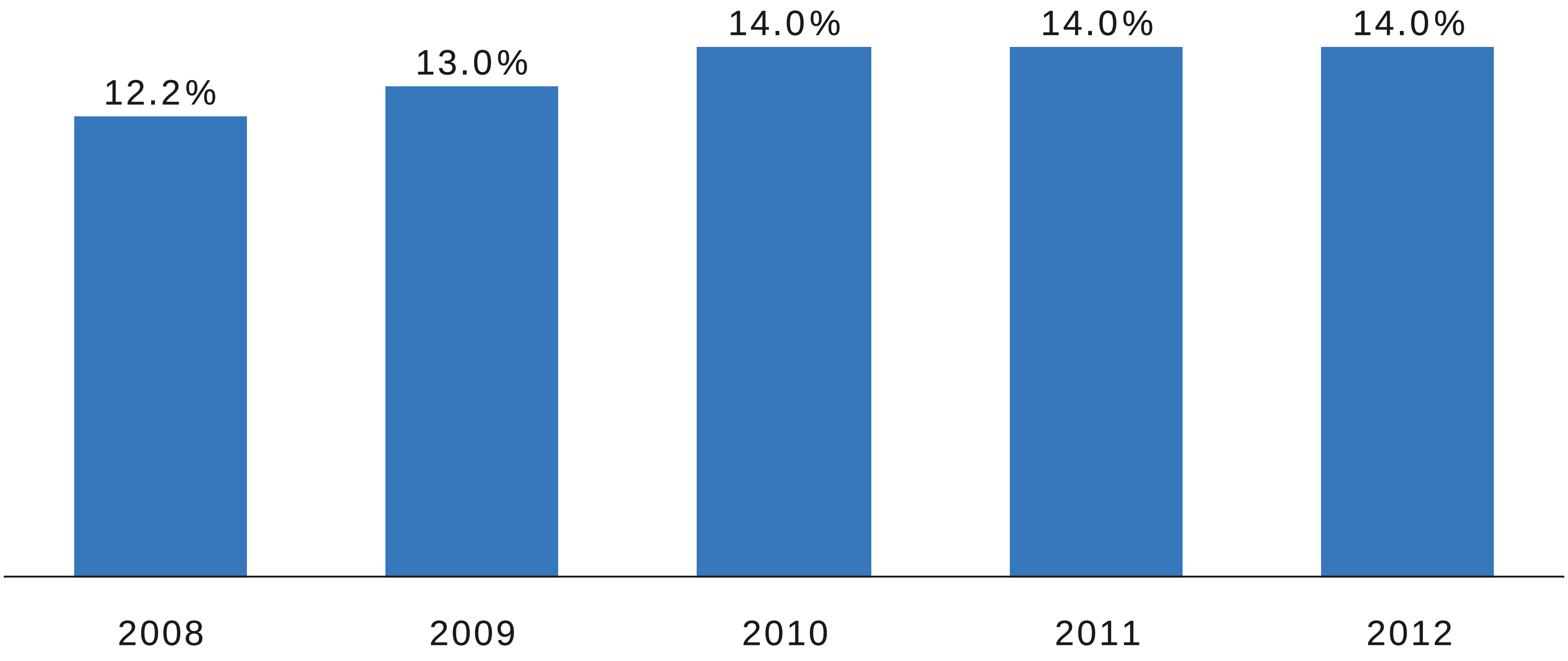


Orkla Foods - Organic sales growth



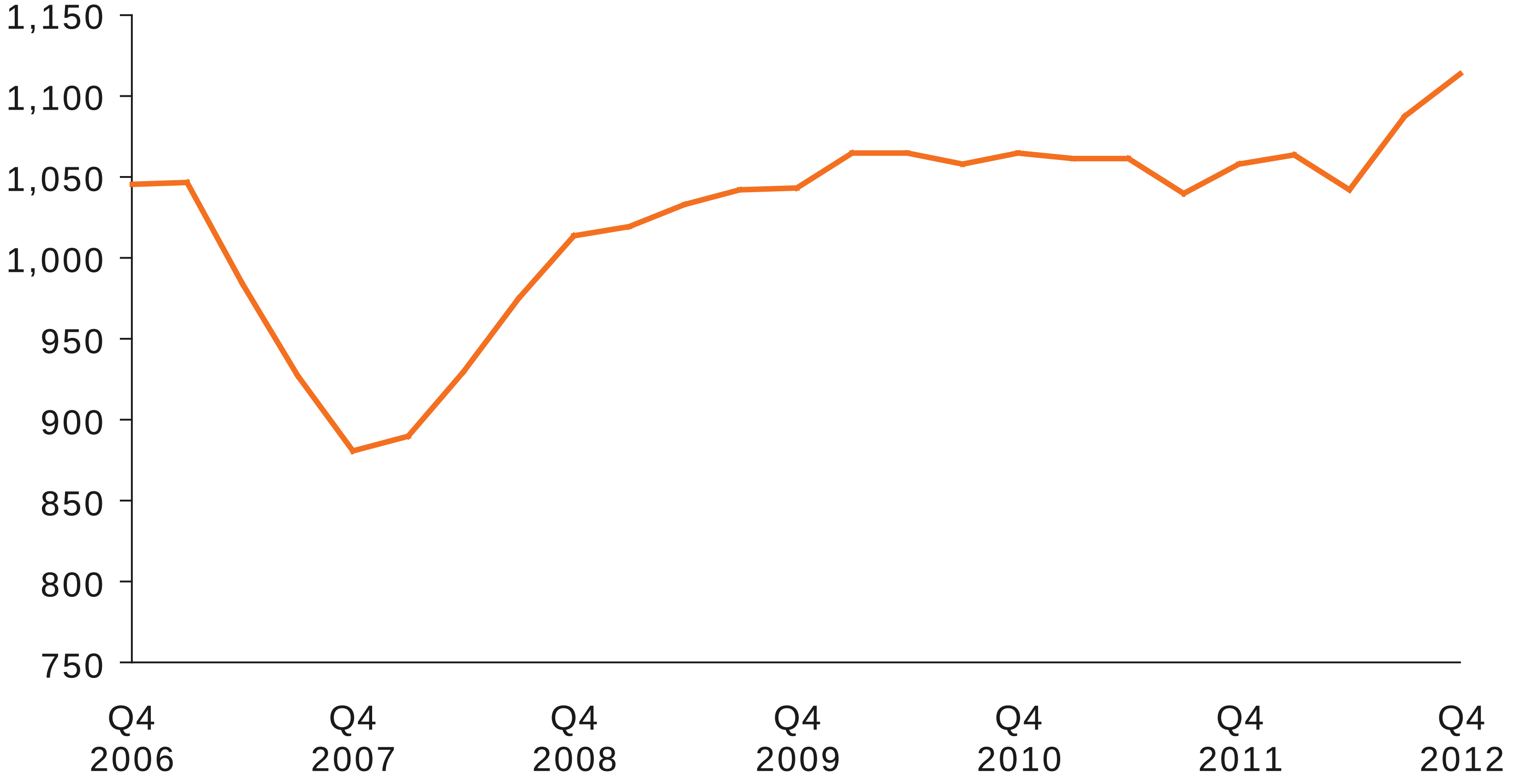
Adjusted for acquired, sold and divested companies and currency translation effects.

Orkla Foods - EBITA margin*



* Ex. Bakers (Divested)

Orkla Foods
- Rolling 12 months reported EBITA



ORKLA CONFECTIONARY & SNACKS

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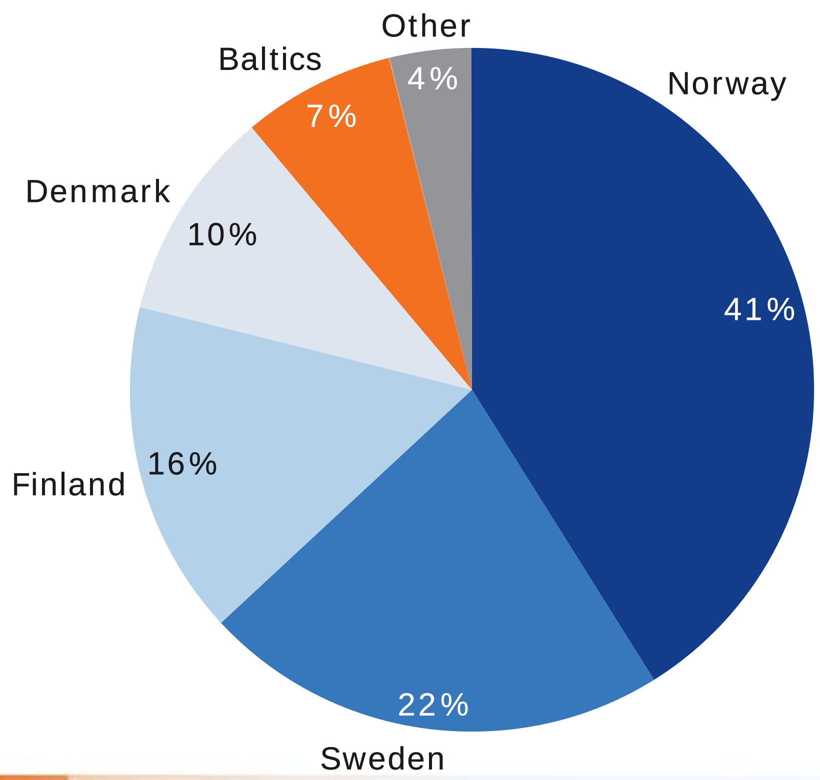
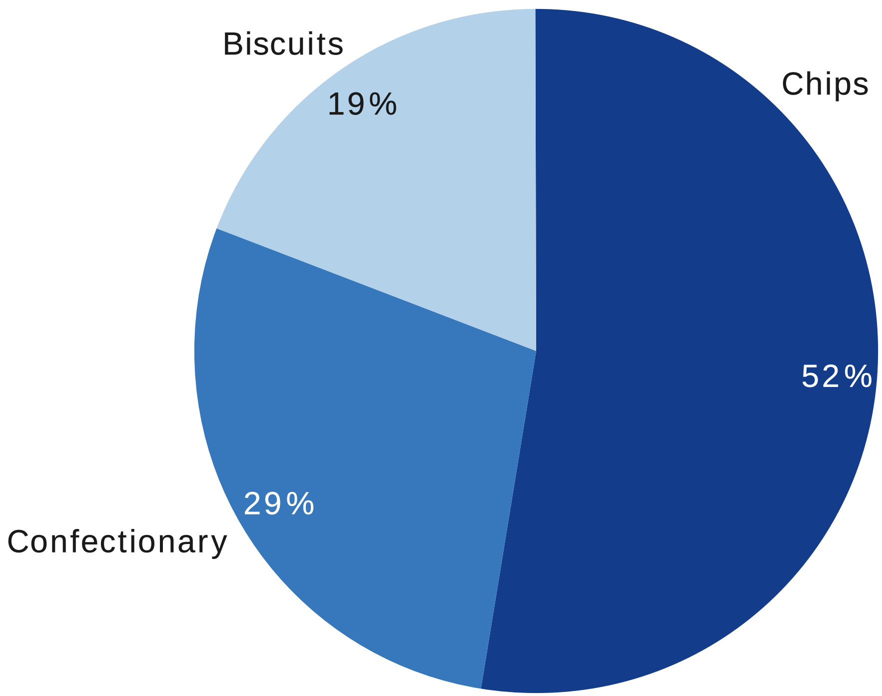
Orkla Confectionary & Snacks

- Revenues 2012: NOK 4,794 million

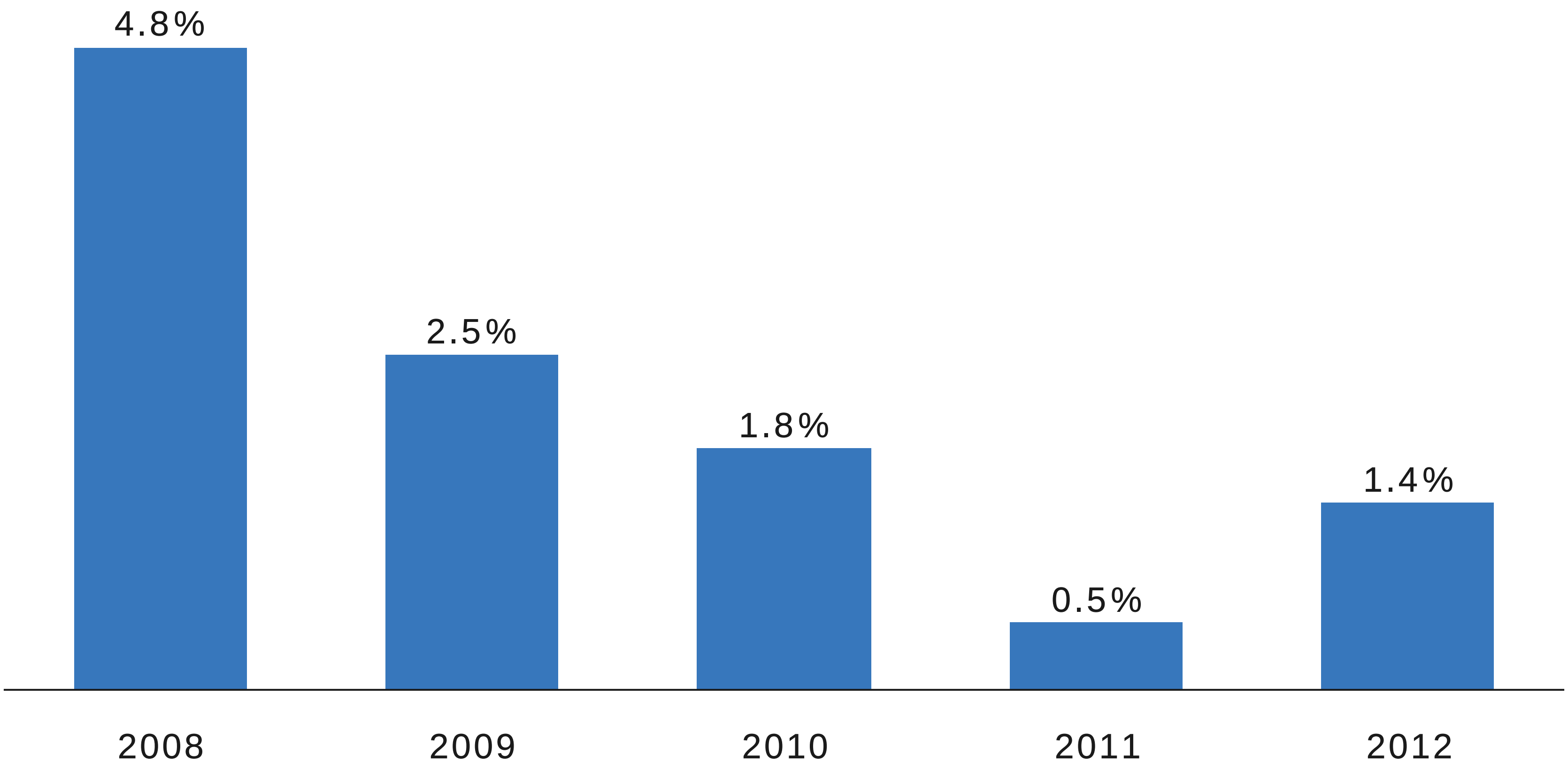
Geographical sales split:



Category sales split:

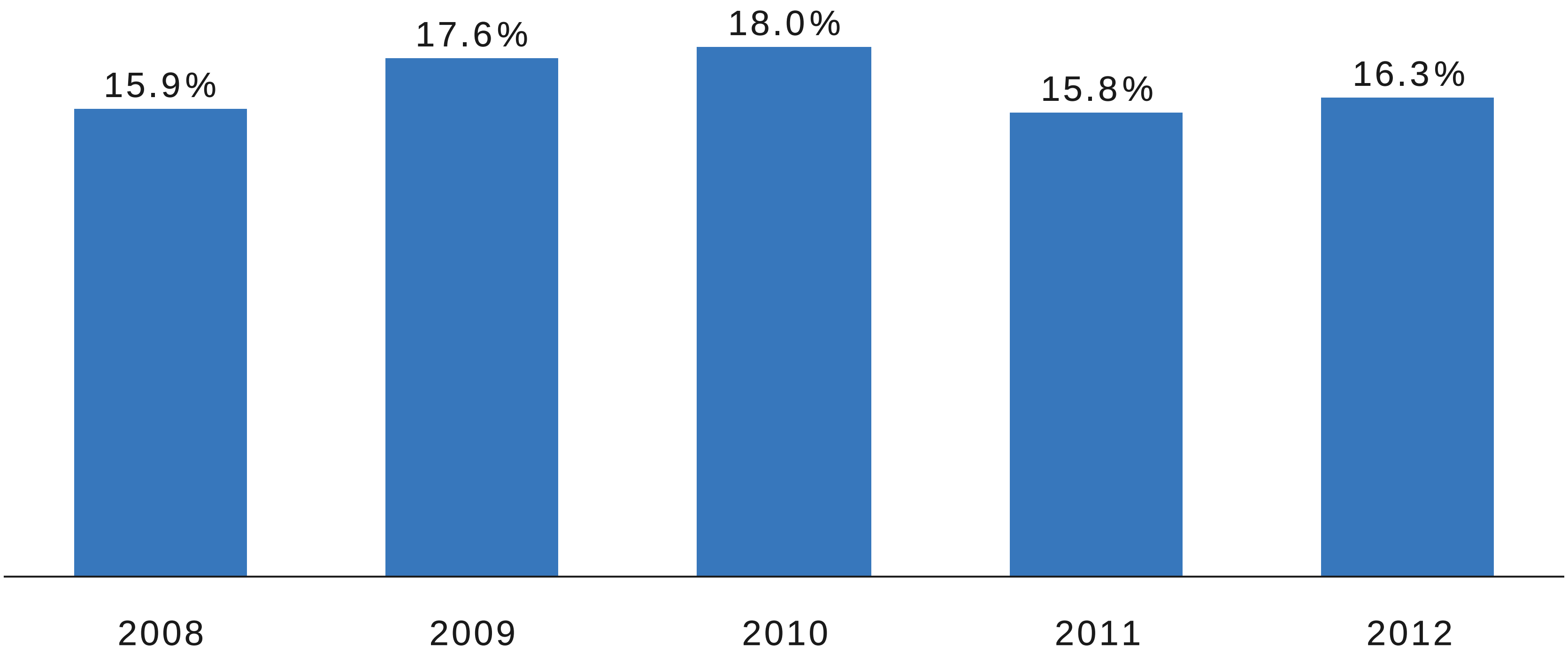


Orkla Confectionery & Snacks - Organic sales growth

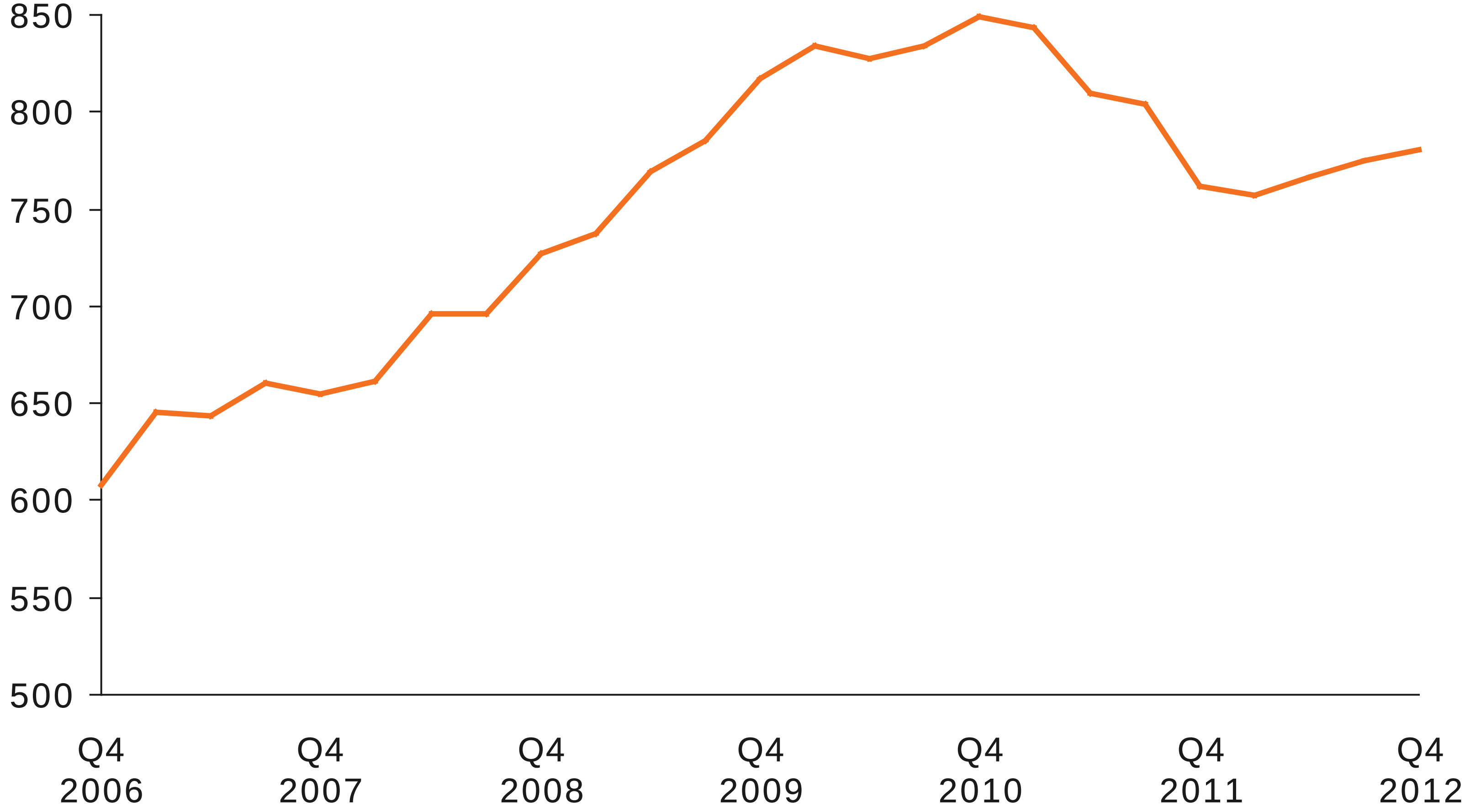


Adjusted for acquired, sold and divested companies and currency translation effects.

Orkla Confectionery & Snacks - EBITA margin



Orkla Confectionery & Snacks
- Rolling 12 months reported EBITA



ORKLA HOME & PERSONAL

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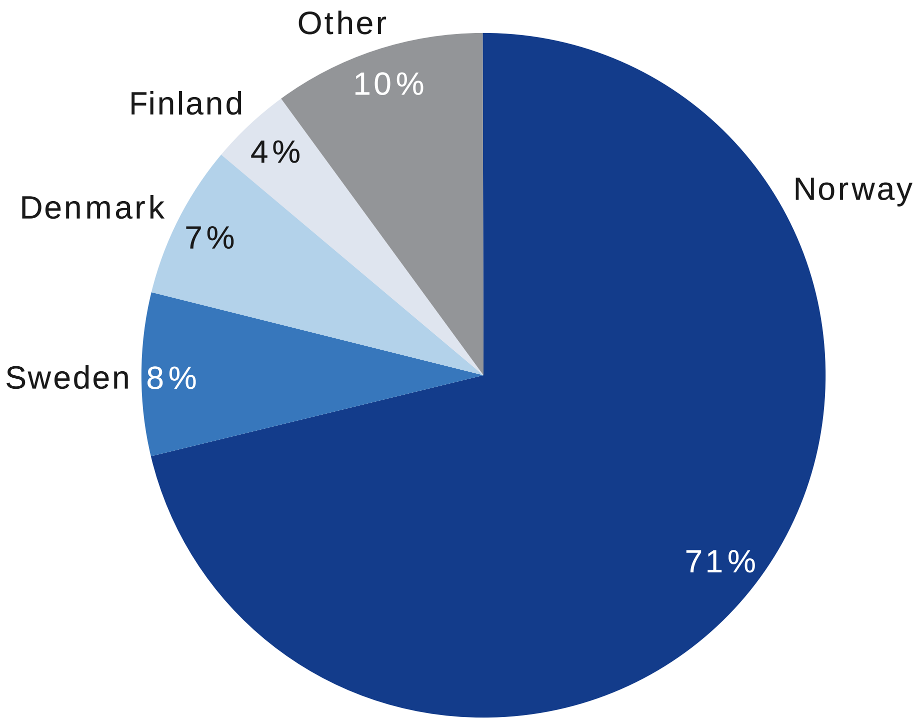
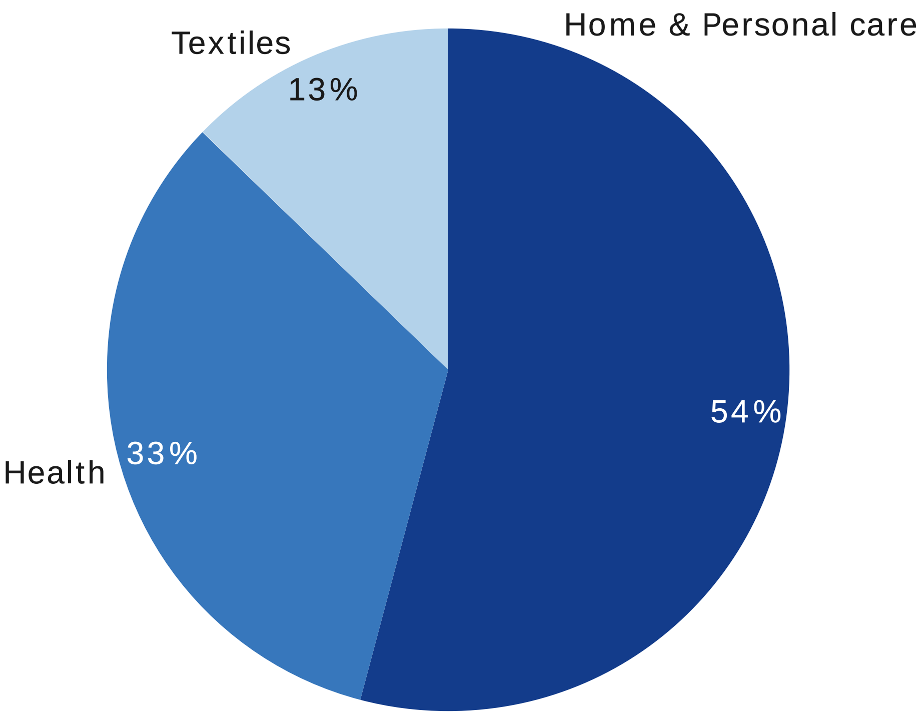
Orkla Home & Personal

- Revenues 2012: NOK 4,025 million

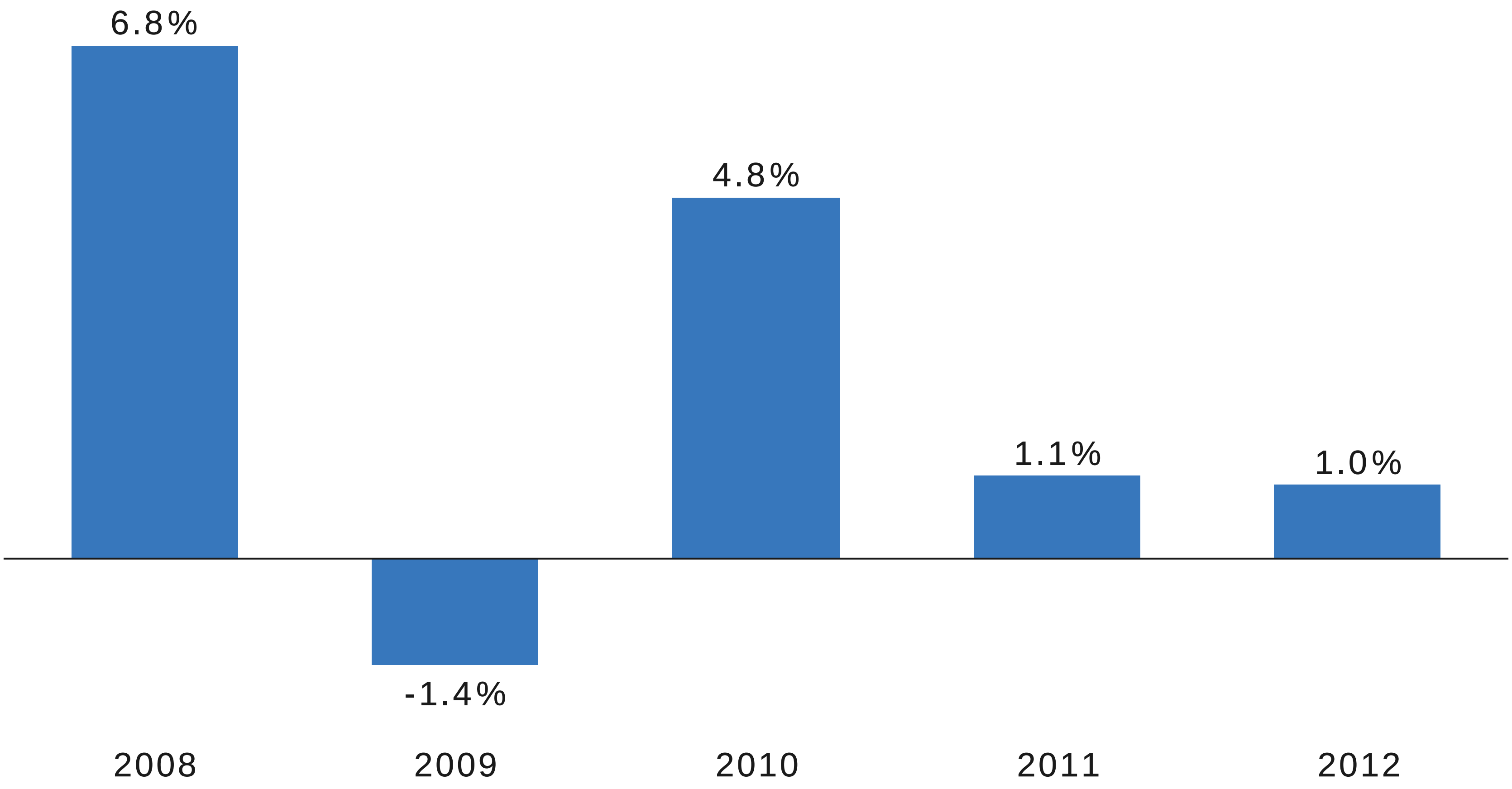
Geographical sales split:



Category sales split:



Orkla Home & Personal
- Organic sales growth



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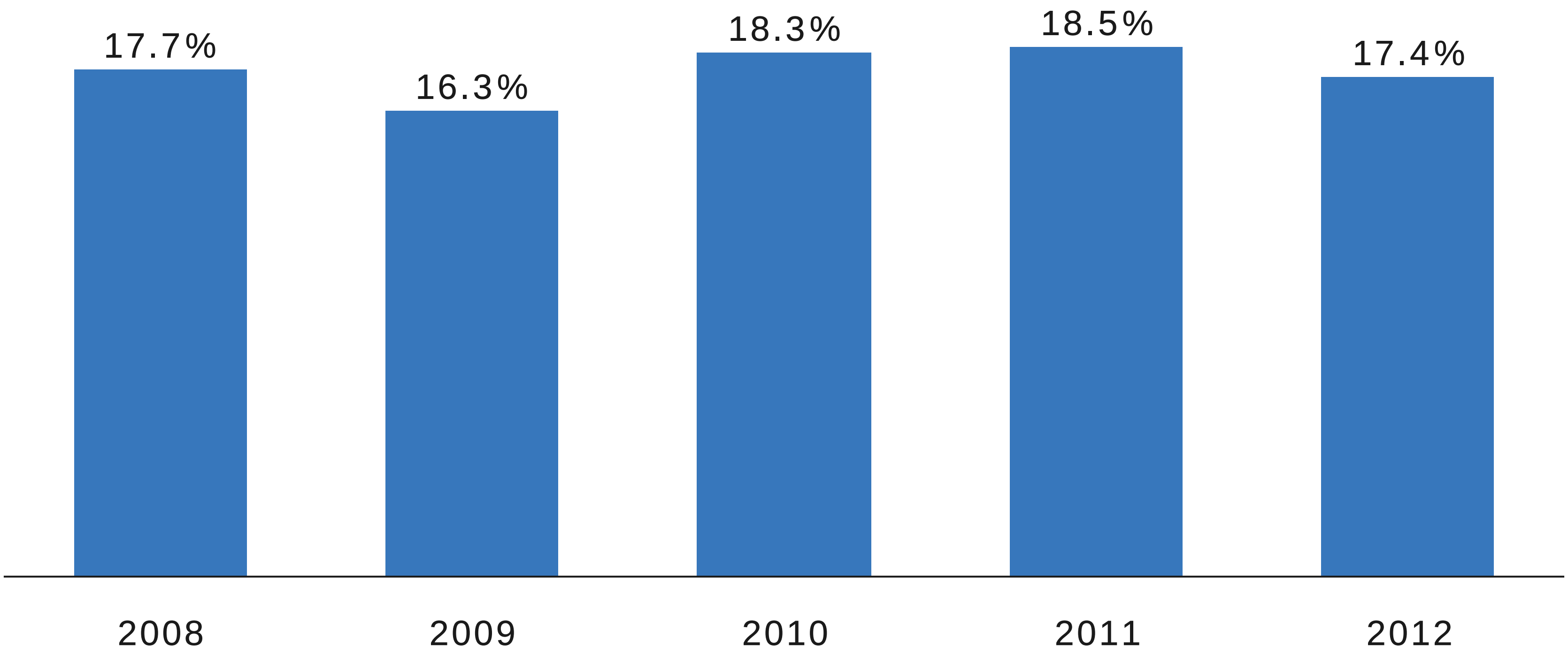
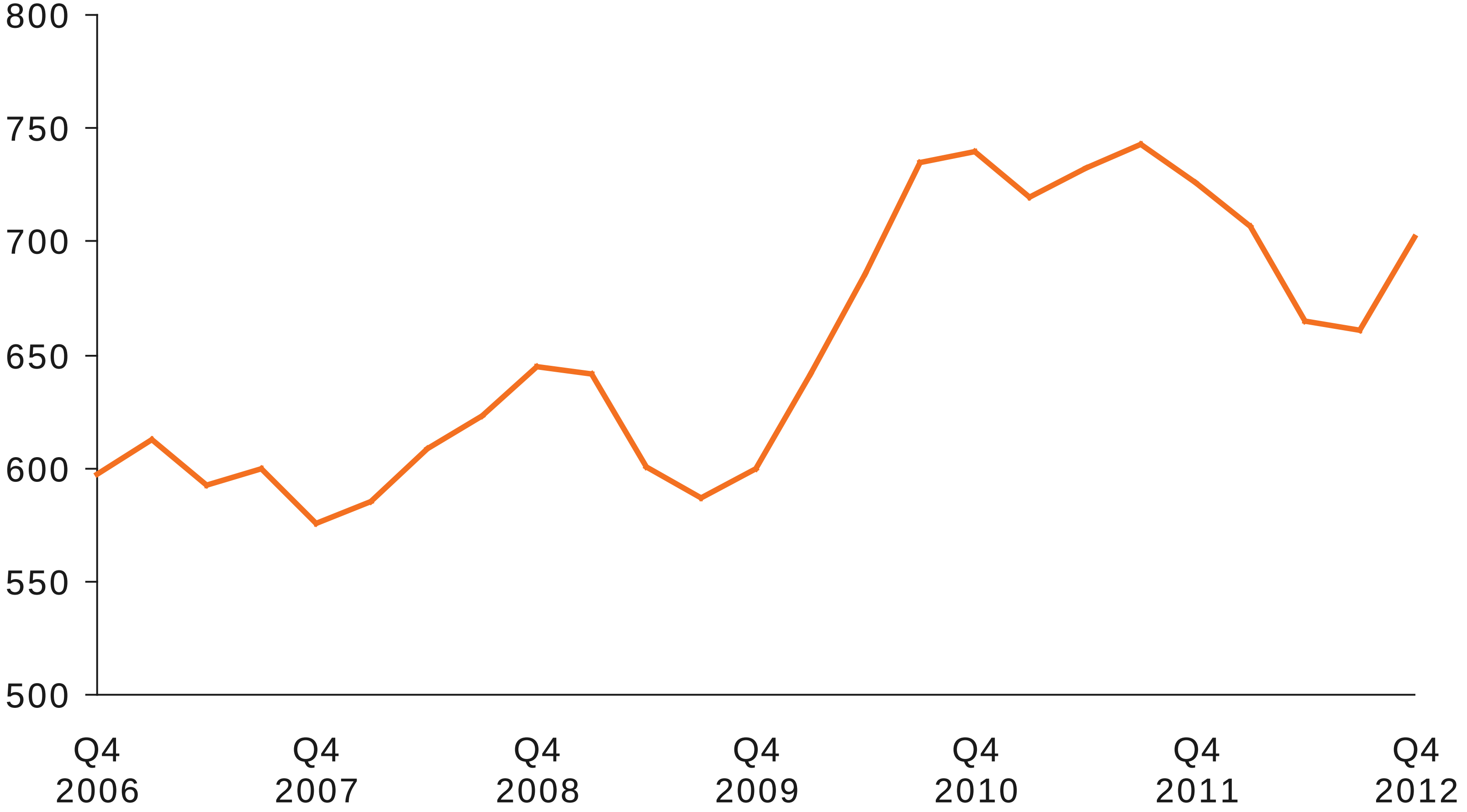
Orkla Home & Personal - EBITA margin*



*Ex. contract production to the process chemicstry industry.

Orkla Home & Personal
- Rolling 12 months reported EBITA



ORKLA INTERNATIONAL

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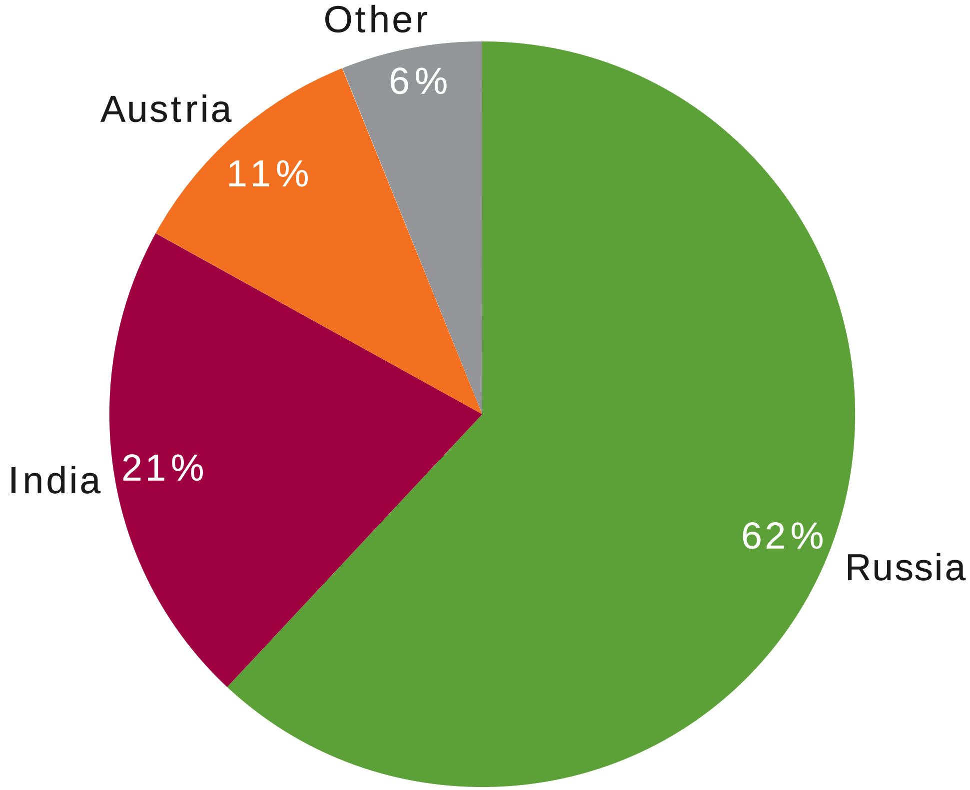
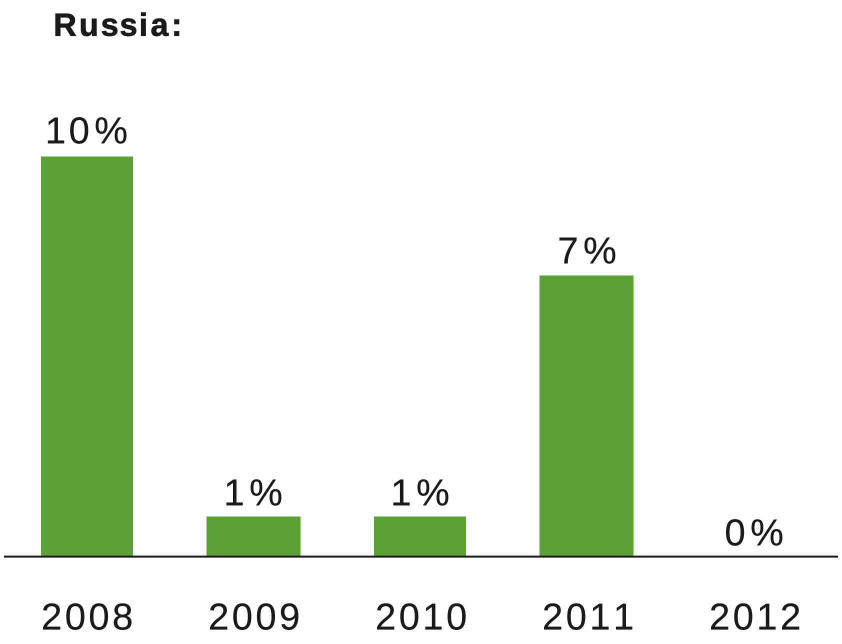
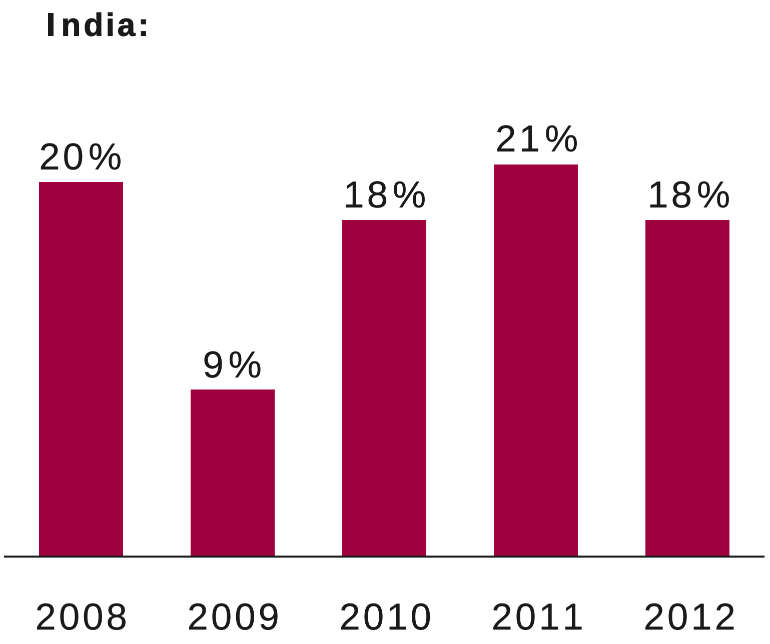
Orkla International
- Geographical sales split:

- Revenues 2012: NOK 2,133 million



Orkla International
- Organic sales growth

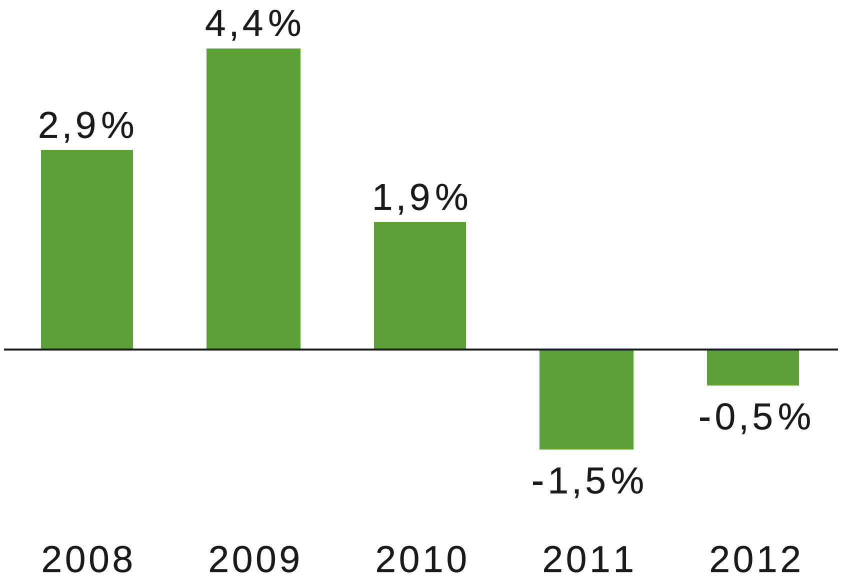




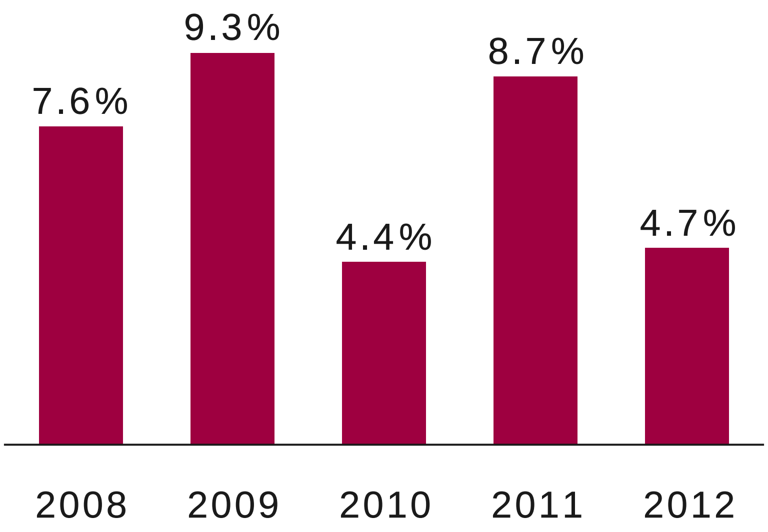
Adjusted for acquired, sold and divested companies and currency translation effects.

Orkla International - EBITA margin

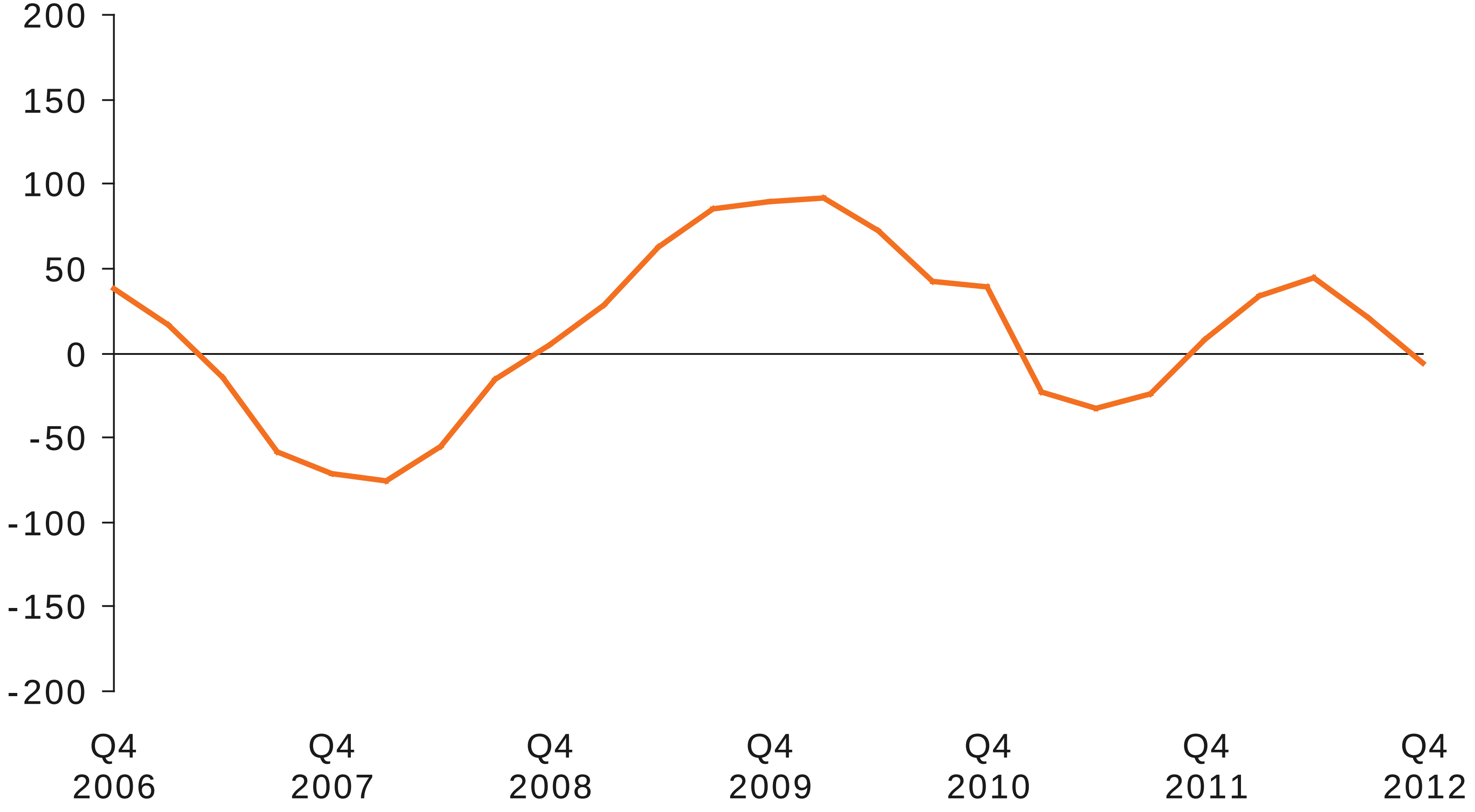
Russia:



India:



Orkla International
- Rolling 12 months reported EBITA



ORKLA FOOD INGREDIENTS

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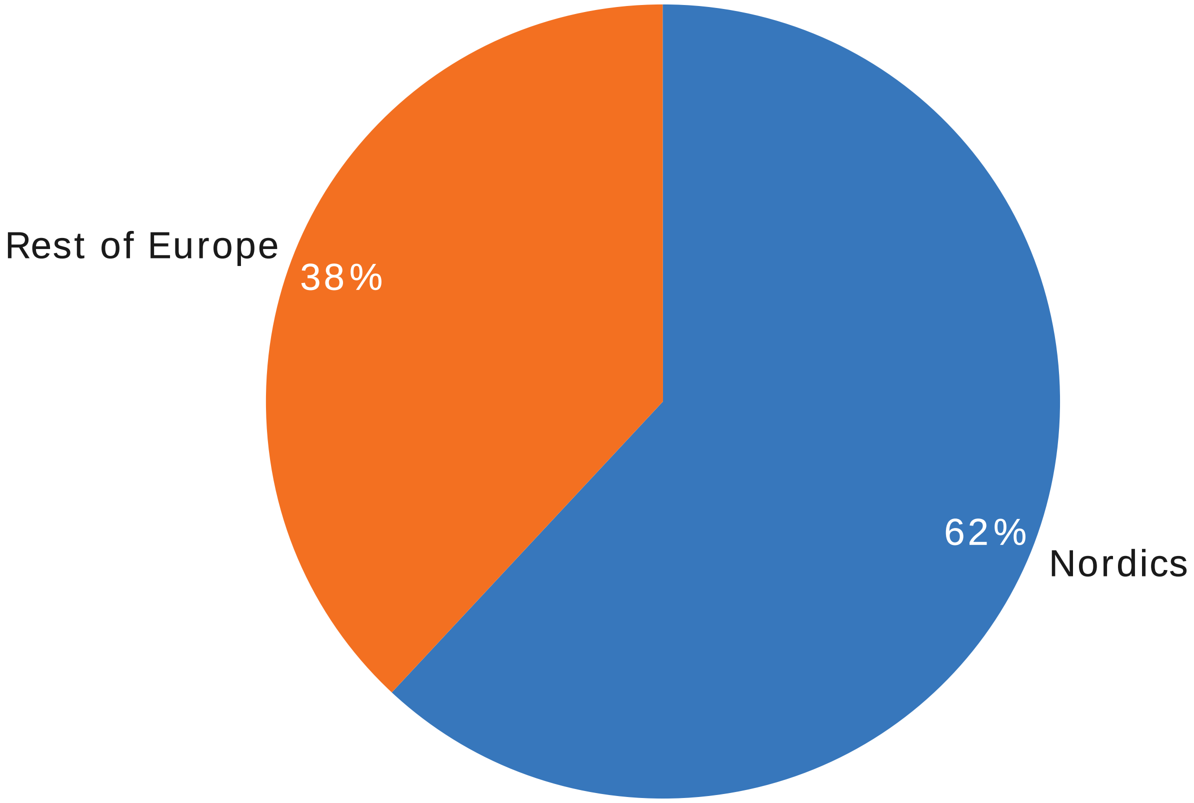
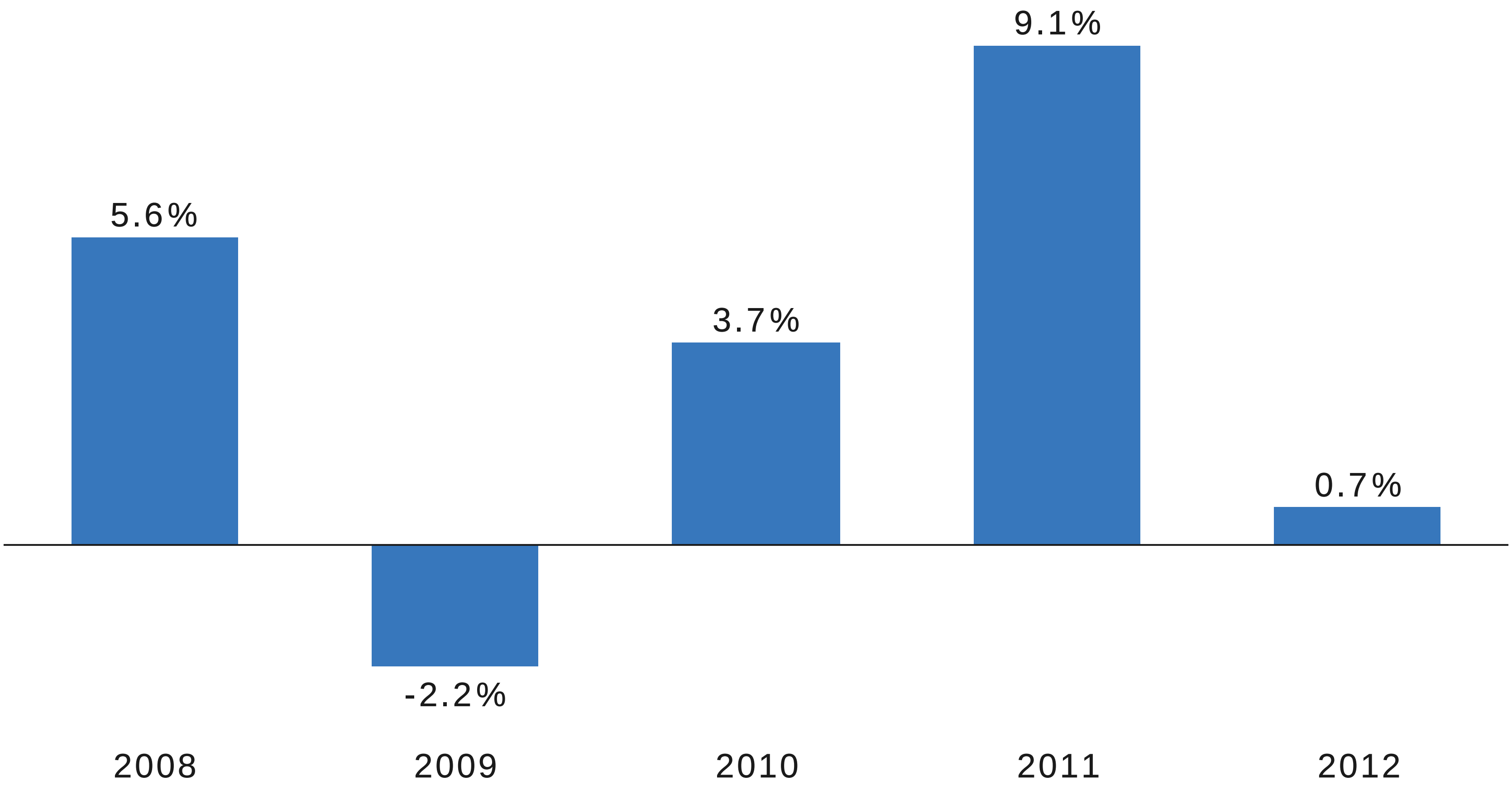
Orkla Food Ingredients – Geographical sales split

- Revenues 2012: NOK 5,435 million



Orkla Food Ingredients - Organic sales growth



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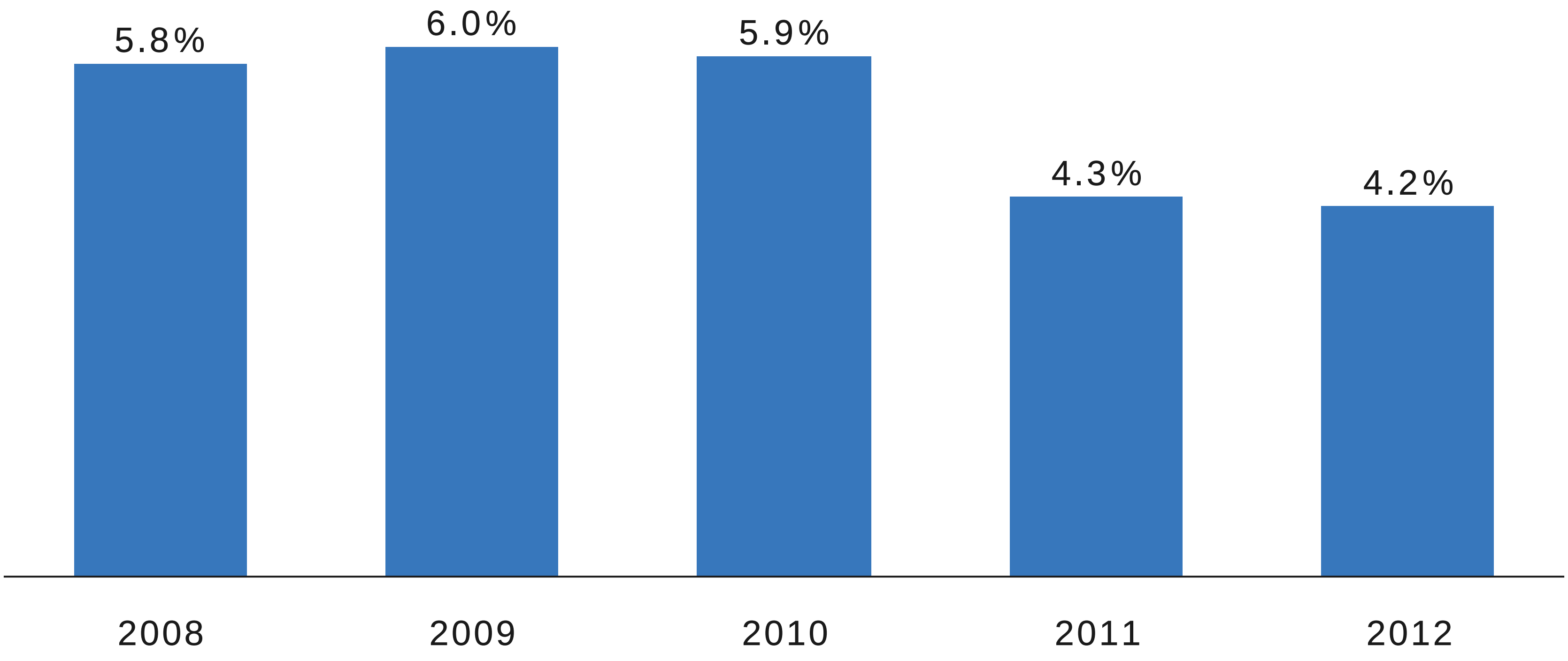
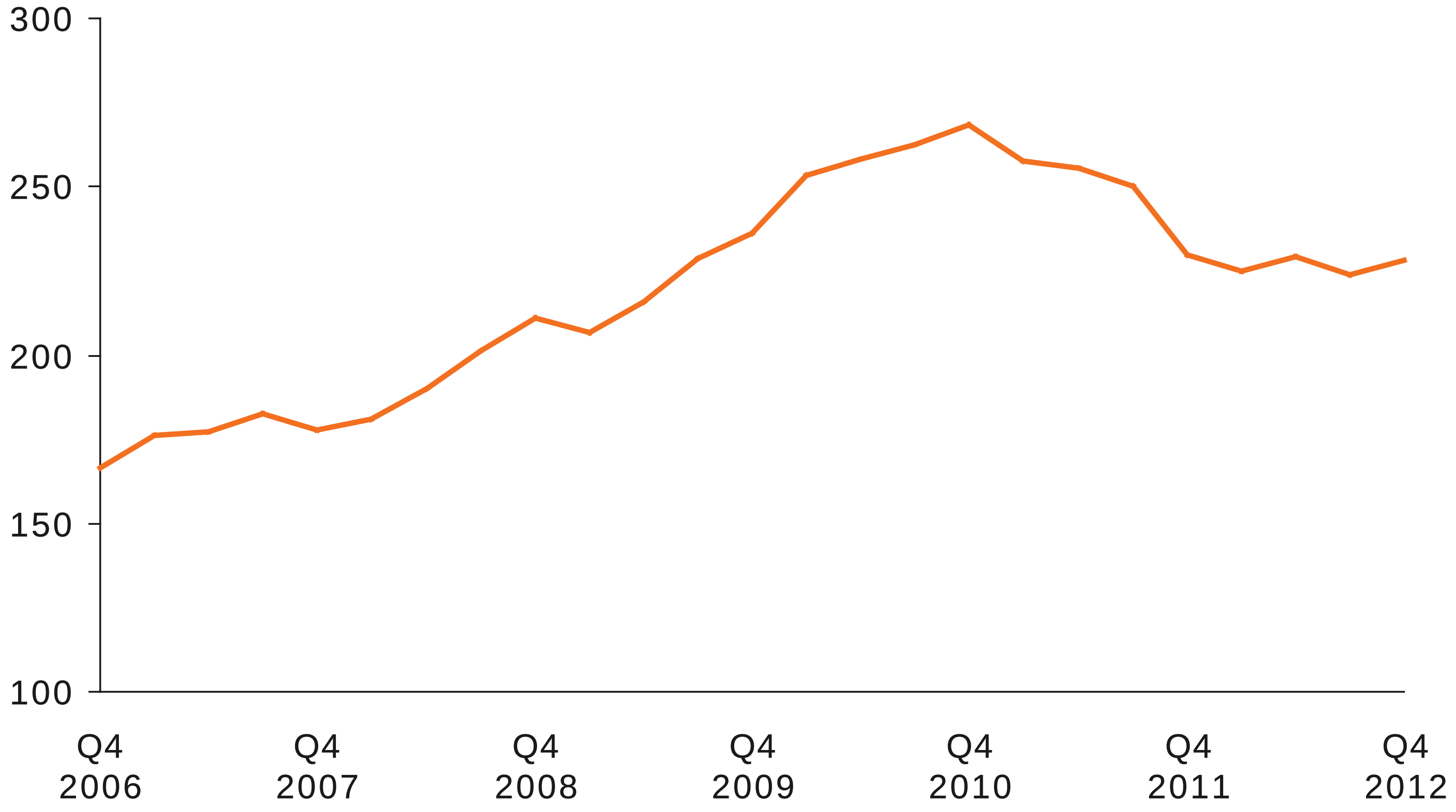
Orkla Food Ingredients
- EBITA margin



Orkla Food Ingredients
- Rolling 12 months reported EBITA



Jotun

(42.5% ownership)

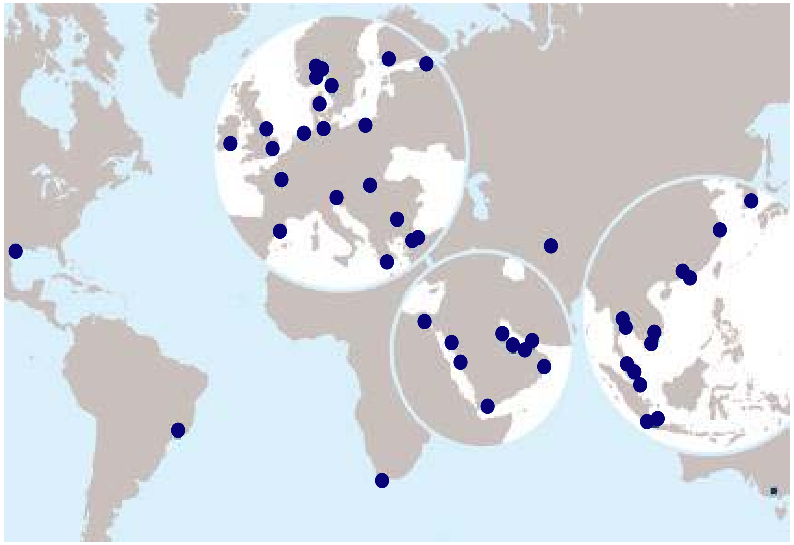
Jotun

- Orkla's ownership: 42.5%
- One of the world's leading/fastest growing manufacturers of paints and coatings
- Represented on all continents via subsidiaries and JVs
- Orkla has confirmed its long-term interest in Jotun

Jotun – a global company….

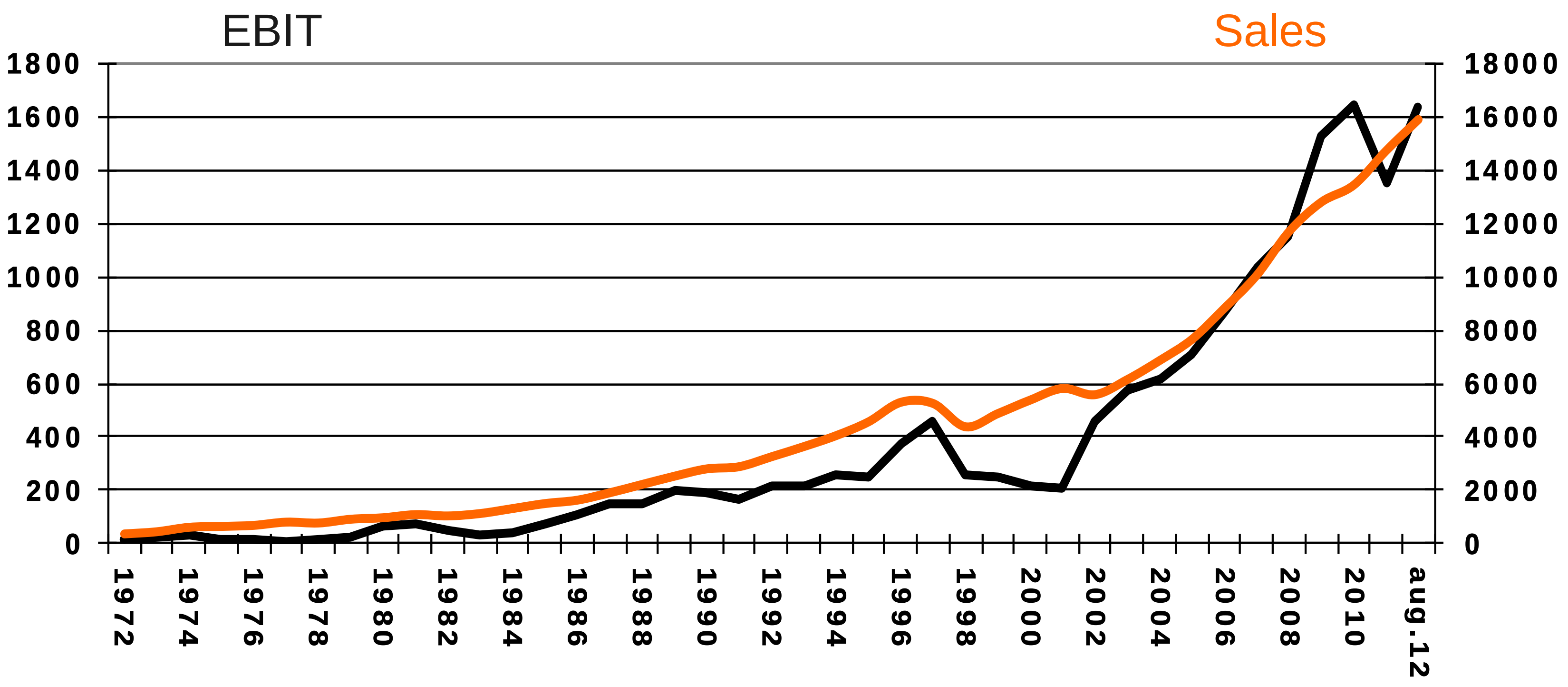
…..with regional strongholds – Middle East, Asia and Scandinavia

- Total sales 16 bill NOK*
- EBITA margin 10,3 %
- 9 largest paint company in the world
- 41 factories located on all continents
- 70 companies in 40 countries
- 9000 employees
- Head office in Sandefjord, Norway



* 100 % figures - 12 months rolling Oct 2012

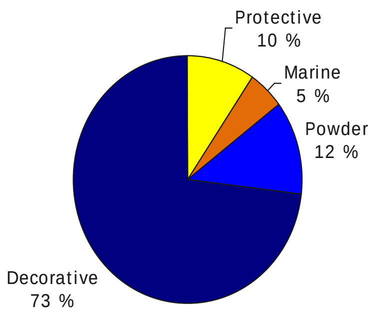
Sales and EBIT development



100 % of JVs and associated companies

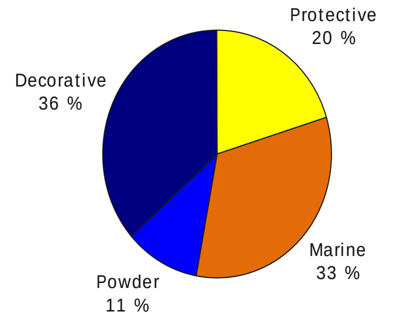
Strong in selected segments and markets

Global market - our segments



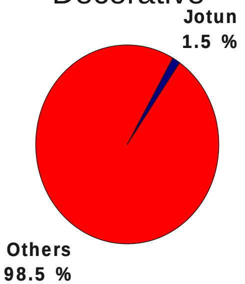
Market size : 80 bill USD

Global market - our sales

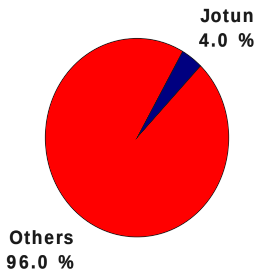


Jotun sales : 2,6 bill USD

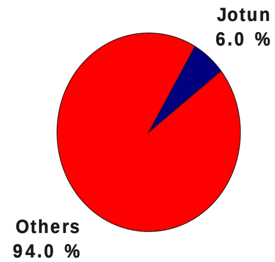
Decorative



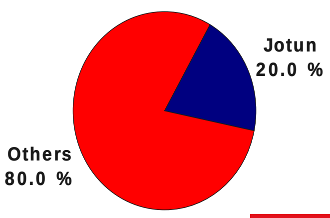
Powder



Protective



Marine



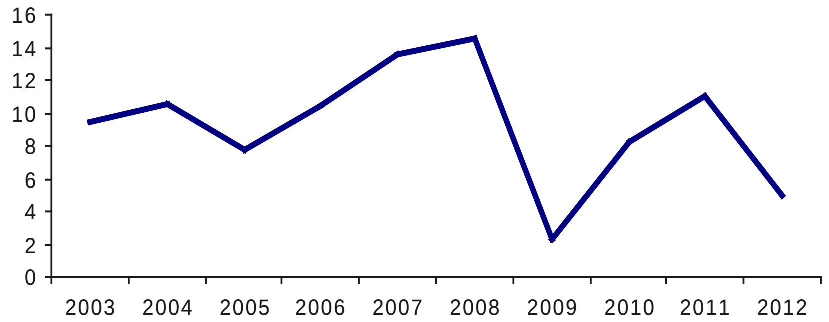
JOTUN

Market Share 2012

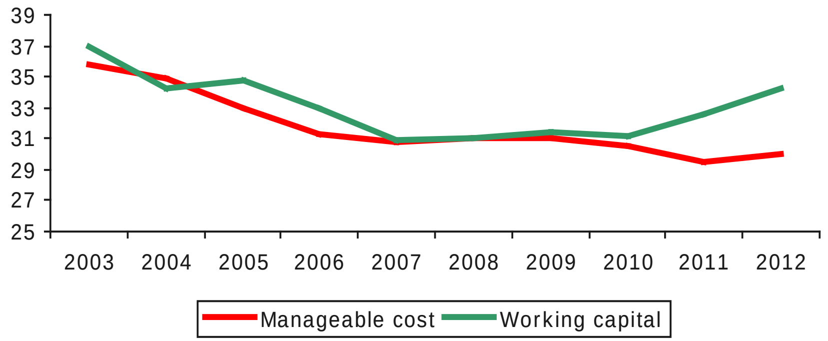
	Decorative		Protective		Marine	
	Share	Position	Share	Position	Share	Position
Abu Dhabi	53 %	1	67 %	1	-	-
Saudi	18 %	1	11 %	4	30 %	2
Egypt	11 %	4	58 %	1	49 %	1
Oman	52 %	1	52 %	1	43 %	2
Dubai	59 %	1	47 %	1	22 %	2
Bahrain	32 %	2	24 %	2	75 %	1
Kuwait	17 %	2	6 %	3	30 %	2
Qatar	50%	1	9 %	4	33 %	2
Pakistan	2%	-	-	-	-	-
Jordan	9 %	4	23 %	2	50 %	-
Libya (2010)	35%	1	38 %	-	14 %	-
Yemen (2010)	7 %	3	36 %	1	20 %	-
Syria (2010)	5 %	3	9 %	-	17 %	3

Strong growth and stable profitability

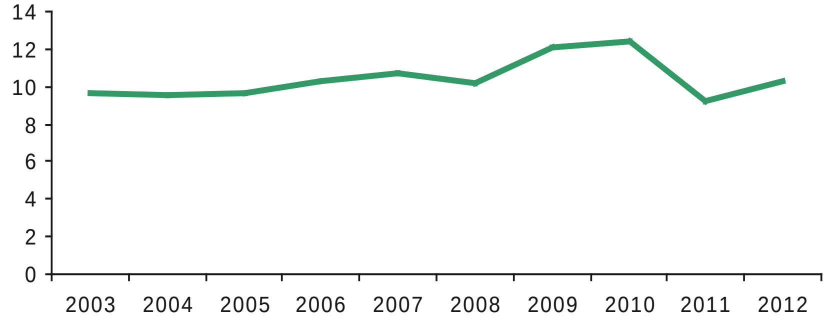
Annual volume growth %



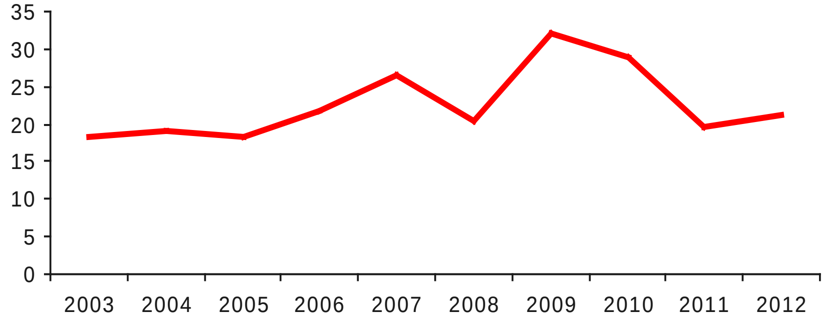
Manageable cost / Working capital %



EBITA %



ROCE %



JOTUN

Developing people – creating value

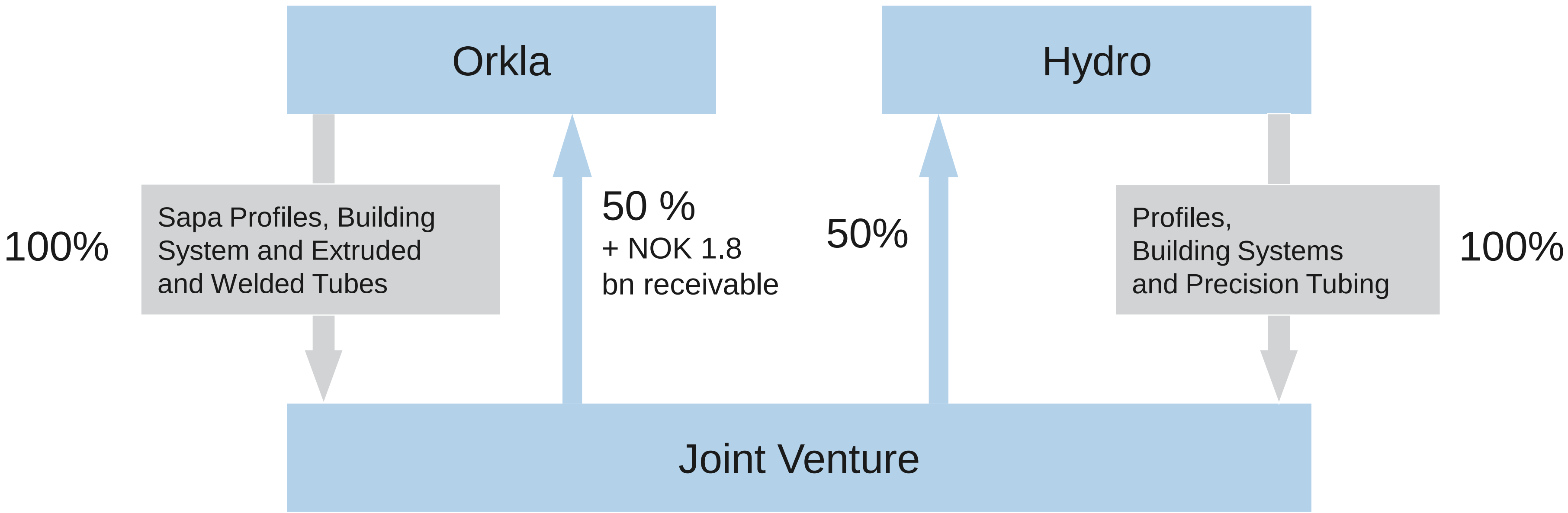
ORKLA




Non core

Sapa and Hydro Power

Orkla and Hydro creating a stronger extruded aluminum company better positioned for a successful exit



- Annual revenue and cost synergies of NOK 1 billion
- Orkla will initiate an IPO after approx. 3 years from closing

Agenda of the new company

Europe	Building on solid knowledge base, rightsizing portfolio
North America	Integrating and capitalizing on strong positions
Emerging markets	Developing attractive positions in high-growth markets

Sapa Profiles and Building System -Part of future joint venture

- Agreement to merge Sapa Profiles and Building System with Hydro's extruded products
- Orkla will own 50% in the Joint Venture
- Sapa Profiles and Building System are presented on the line Discontinued operations, according to the new structure

Sapa Profiles

Solutions using extruded aluminium profiles

Sapa Building System

Building system solutions based on aluminium profiles

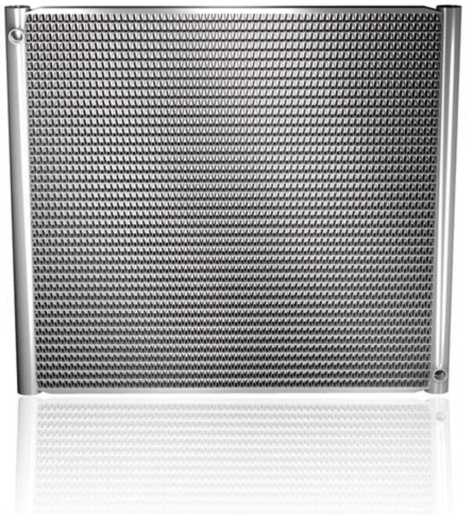
EBITA margin (%)	2011	2012
Profiles North America	4.0 %	4.6 %
Profiles Europe	2.0 %	0.7 %

Amounts in NOK million

Sapa (Part of futere JV)	2011	2012
Operating revenues	27 057	25 372
EBITA	631	233
Other income and exp.	- 664	-1 752

Sapa Heat Transfer

- Heat exchanger solutions based on aluminium strip
- Heat Transfer is reported as an independent segment, according to the new structure
- Structural process initiated for divestment of Sapa Heat Transfer



Amounts in NOK million

Sapa Heat Transfer	2011	2012
Operating revenues	3 908	3 990
EBITA	179	309
EBITA margin	4.6 %	7.7 %

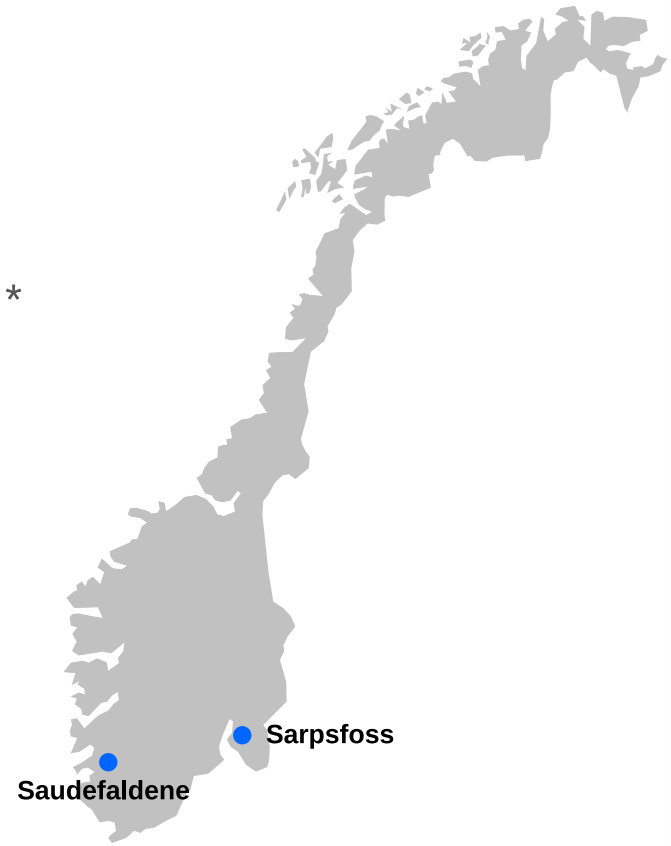
Hydro Power assets in Orkla

AS Saudefaldene (85% ownership) – 1.8 TWh

- Leased from Statkraft
  - Orkla will be compensated with NOK ~1.1 billion when returning the power plants in 2030
- No profit contribution from ~1 TWh per year
- Production above ~1 TWh sold at spot
- Operating expenses: NOK ~70 million in 2012*
  - Includes maintenance investments of NOK ~25 million
- Depreciations: NOK ~50 million in 2012

Sarpsfoss – 0.6 TWh

- Not part of the Norwegian reversion regime
- River plant
- Contracts with spot prices
- Operating expenses: NOK ~50 million in 2012
- Depreciations: NOK ~10 million in 2012



*Net after operating refunds

Financial performance 2012
The Orkla Group

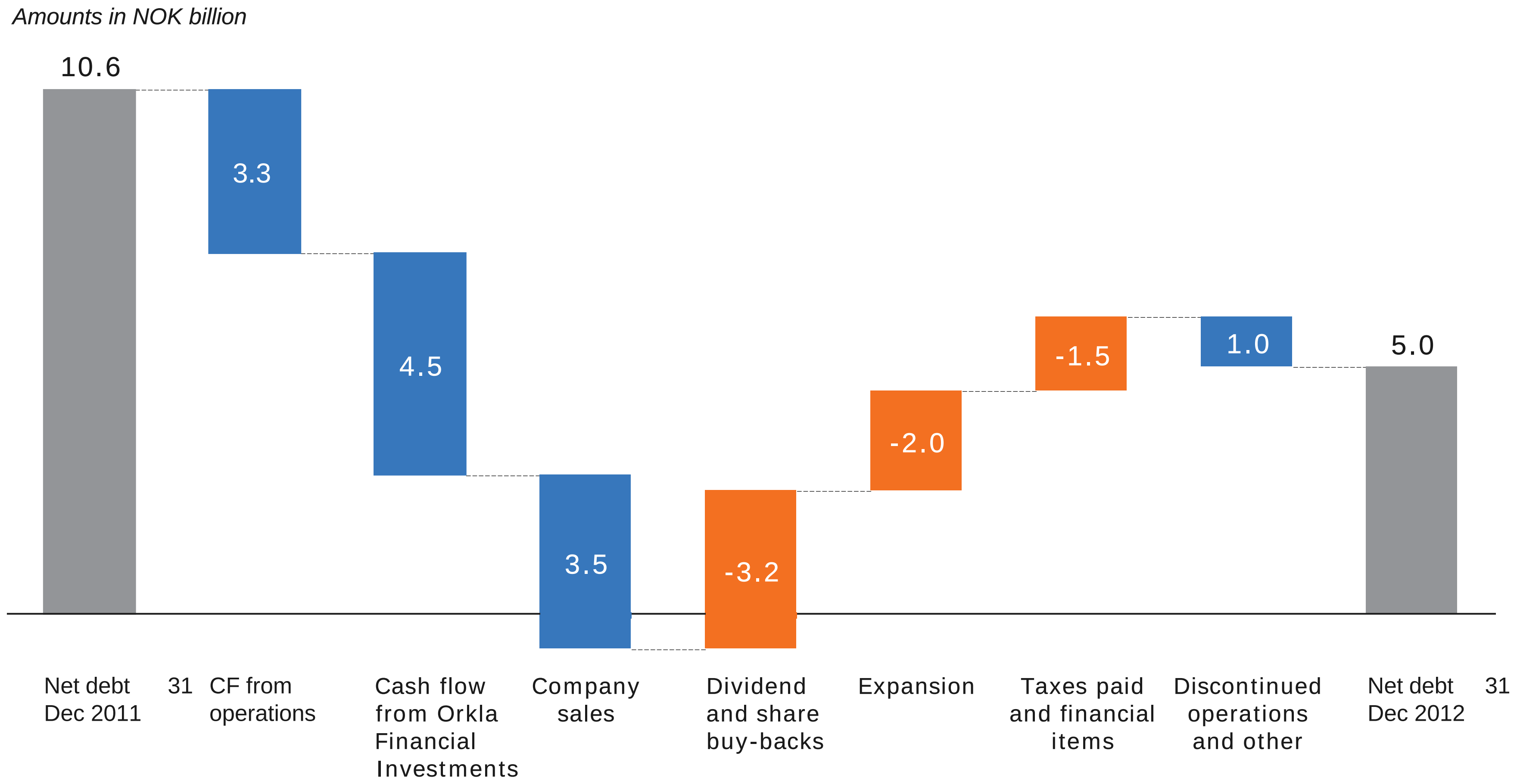
Group income statement

Amounts in NOK million

	2011	2012
Operating revenues	**30 158**	**30 001**
EBITA	**2 872**	**3 295**
Amortisation intangibles	-17	-16
Other income and expenses	-375	-433
EBIT	**2 480**	**2 846**
Profit/loss from associates	263	414
Dividends received	440	211
Gains, losses and write-downs shares and fin. assets	1 643	857
Financial items, net	- 400	- 455
Profit/loss before taxes	**4 426**	**3 873**
Taxes	-651	-707
Profit/loss for the period continuing operations	**3 775**	**3 166**
Profit/ loss from discontinued operations	-4 503	-1 583
Profit/loss for the period	**- 728**	**1 583**
Earnings per share diluted (NOK)	**-0.8**	**1.6**

* As reported in 2011

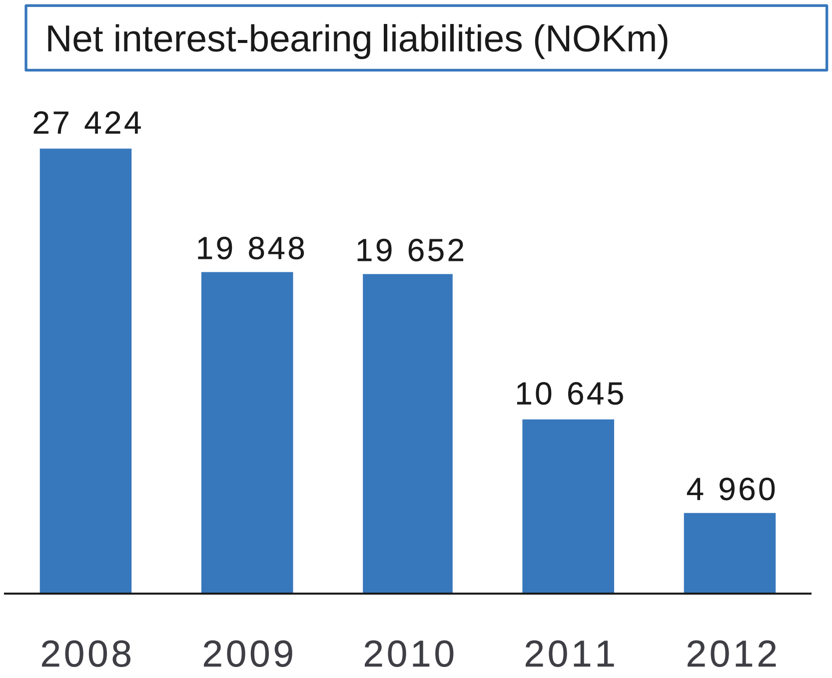
Net debt reduced by NOK 6 billion in 2012

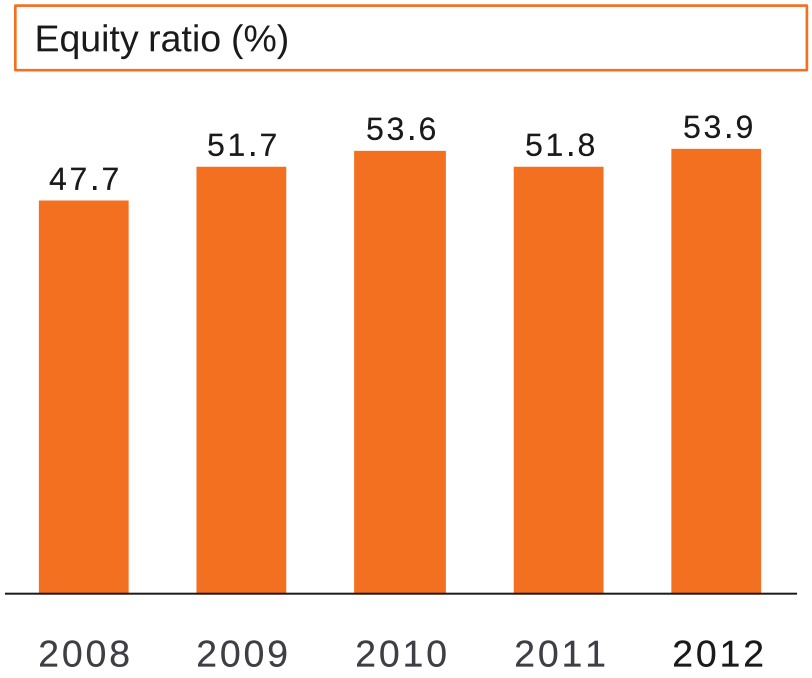


Cash flow as of 31 December

Amounts in NOK million	2011	2012
Cash flow Industial Activities:		
Operating profit	2 558	2 566
Profit/ loss from discontinued operations	465	
Amortisation, depreciations and impairment ch	2 088	943
Changes in net working capital, etc.	-1 094	526
Net replacement expenditure	-1 557	- 700
Cash flow from operations	**2 460**	**3 335**
Financial items, net	- 488	- 469
Cash flow Industial Activities	**1 972**	**2 866**
Cash flow from Orkla Financial Investments	**66**	**1 120**
Taxes paid	- 603	- 995
Discontinued operations and other payments	- 509	552
Cash flow before capital transactions	**926**	**3 543**
Paid dividends	-7 436	-2 778
Net sale/purchase of Orkla shares	- 109	- 416
Cash flow before expansion	**-6 619**	**349**
Expansion Industial Activities	- 906	- 347
Sale of companies/share of companies	13 503	3 538
Purchase of companies/share of companies	-1 498	-1 617
Net sale/purchase of portfolio investments	4 494	3 350
Net cash flow	**8 974**	**5 273**
Currency effects of net interest-bearing liabilities	33	412
Change in net interest-bearing liabilities	**-9 007**	**-5 685**
Net interest-bearing liabilities	**10 645**	**4 960**

Strong balance sheet and financial flexibility





Balance sheet as of 31 December

Amounts in NOK million	**31.12.2011**	**31.12.2012**
Intangible assets	12 801	10 069
Property, plant and equipment	18 058	9 929
Financial assets	5 682	3 630
Non-Current assets	**36 541**	**23 628**
Assets in discontinued operations	391	13 740
Inventories	8 047	4 243
Receivables	10 462	5 273
Shares and financial assets	5 502	3 601
Cash and cash equivalents	5 453	7 201
Current assets	**29 855**	**34 058**
Total assets	**66 396**	**57 686**
Paid-in equity	1 997	1 985
Earned equity	32 109	28 839
Non-controlling interests	280	258
Equity	**34 386**	**31 082**
Provisions and other non-current liabilities	3 165	3 107
Non-current interest-bearing liabilities	15 488	9 531
Current interest-bearing liabilities	1 472	3 460
Liabilities in discontinued operations	177	3 793
Other current liabilities	11 708	6 713
Equity and liabilities	**66 396**	**57 686**
Equity ratio	51.8 %	53.9 %