Investor presentation
The Orkla Group

June 2012

Agenda

- Strategic direction
- Financial performance 2011 – The Orkla Group
- Results and general update on the Orkla Brands' operations
- Other businesses:
  - Sapa
  - Borregaard
  - Hydro Power
  - Share Portfolio
  - Jotun
  - REC

Taking Orkla to a Branded Goods company

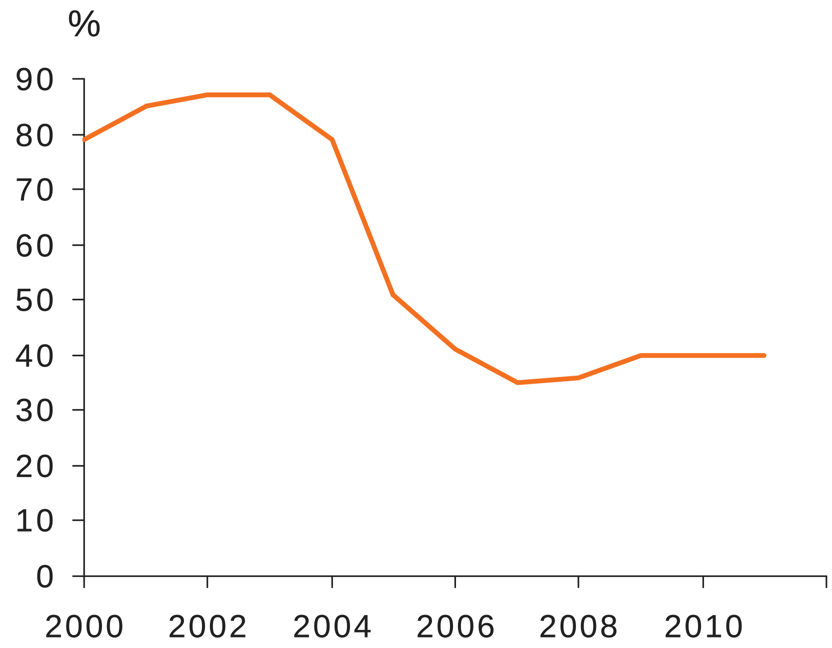
Orkla’s strategic direction

- Orkla will be a Branded Goods company
- The focus as a branded goods company is on operational improvements, organic growth and structural growth through value-adding acquisitions
- Orkla will divest its Share Portfolio, Borregaard and holding in REC
- Focus on operational improvements for Sapa
  – then within 2-3 years find a structural solution

Orkla strategy - back to basic

- Over the past few years, Orkla has been too broad-based to be able to fully support the development of all business areas
- New strategy taking Orkla back to the strong branded goods oriented profile from 1986-2004
  - Branded Goods at the heart of Orkla's historic value creation
- Strong market positions in an attractive Nordic market - delivering steady EBITA and cash flow growth

Share of Orkla revenues from Branded Goods



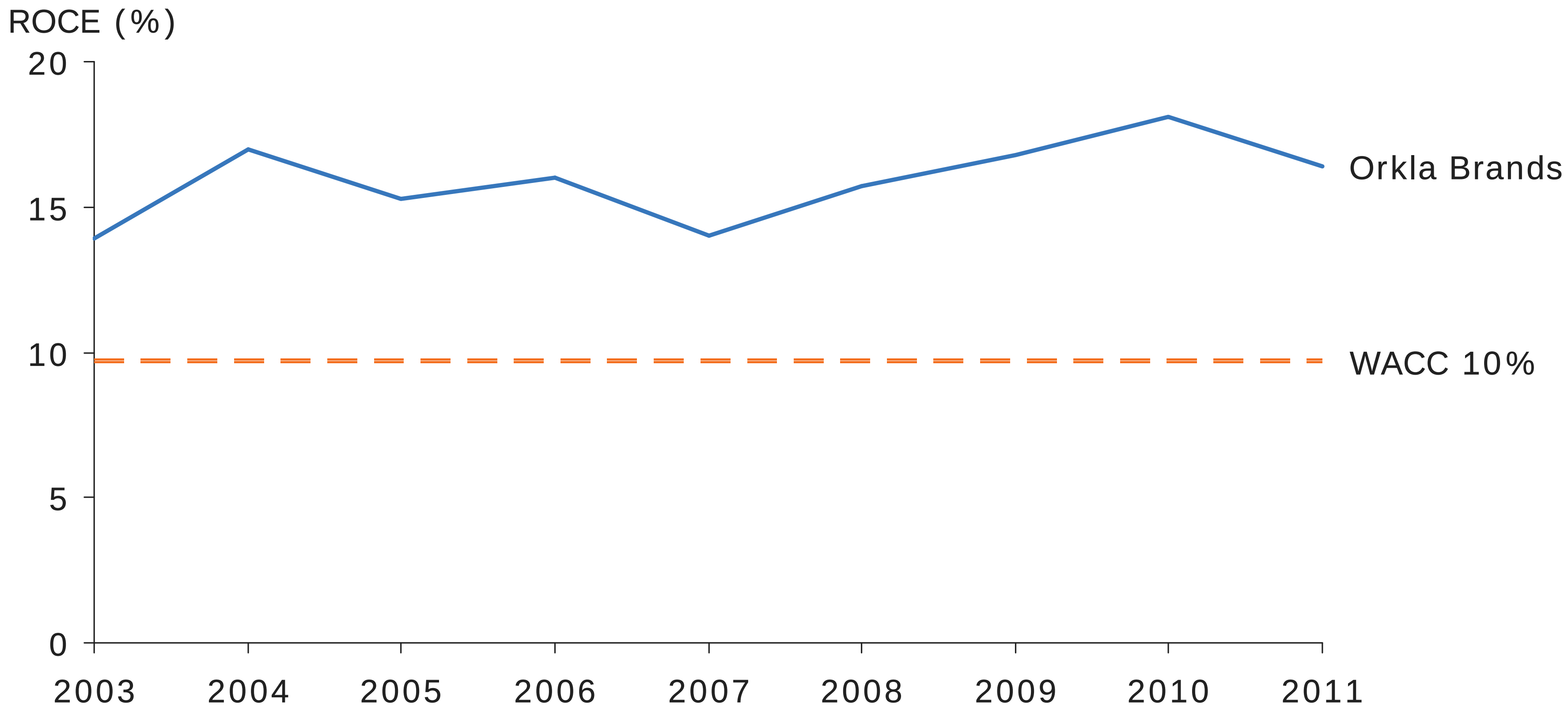
Orkla has a proven track record in building strong market positions …

Detergents	1	○	○	○
Personal Care	1	○	○	○
Biscuits	1	1	○	2
Confectionery	1	○	○	●
Dietary Supplements	1	2	1	1
Textiles	1	2	○	○
Snacks	2	1	1	1
Frozen pizza	1	1	○	1
Ketchup	1	1	2	1
Dressings	1	1	●	2
Preserved vegetables	1	1	1	1
Jam/Marmalade	1	1	1	○
Caviar (cod roe spread)	○	1	○	1

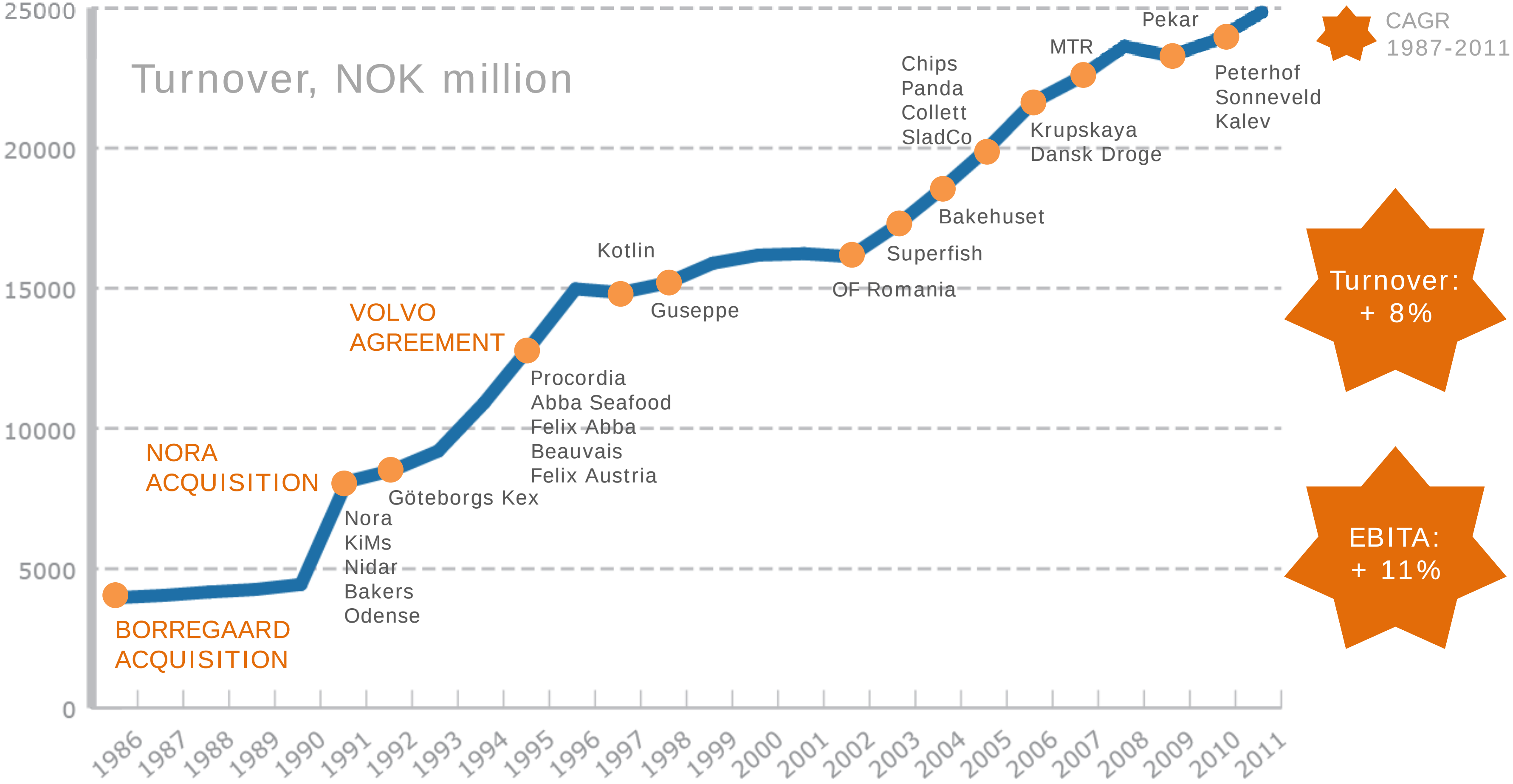
● Present in market

○ Not present in market

… and increasing shareholder value



Orkla Branded Goods
- 25 years of 8 % revenue growth



CAGR: Compound Annual Growth Rate

80% of turnover from leading market positions

- Broad-based portfolio
  - ~70% of turnover (retail) is from the 10 largest categories
  - Large scale-effects through being a large total player in local markets
- Strong local brands
  - No global brands

Leading local brands in Norway

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%

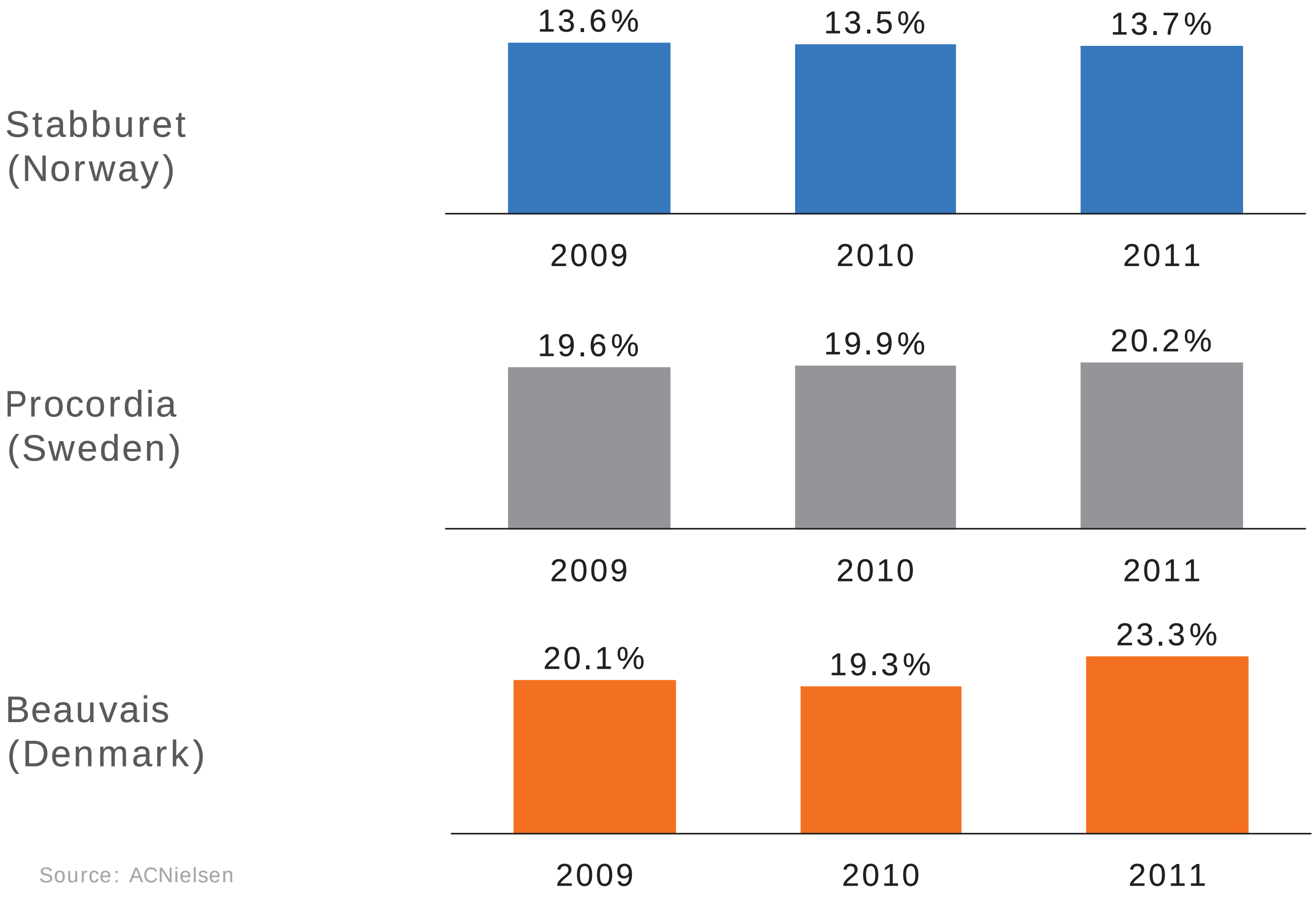
Developing people – creating value

Source: ACNielsen

ORKLA

Private Label share relatively moderate and stable in the Nordics

12 month PL share (value) in relevant categories



Source: ACNielsen

Growth and capital allocation based on our core expertise within Branded Goods

Brand building

- Customer insight
- Brand development
- Sales management

M&A skills and expertise

- Deal orientation
- Deal structure
- Post deal integration

Our Multi-local model

- Value creation and local management
- Insight and innovation
- Utilize synergies and best practises across relevant areas
- Development of key competences

The model is uniquely positioned to:

- Create competition barriers by satisfying local customer preferences
- Create more value through innovation and synergy extraction than local firms can achieve alone

The local CEO runs the business...

- Local, entrepreneurial freedom and profit responsibility
- Local: products, innovation, customer handling, value chain, etc.
- No central / global brands
- Few mandatories and “mechanical” requirements
- Group role is to convince and challenge – not to make decisions

SANJAY SHARMA RUNS MTR IN BENGALURU

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
- Possibilities being identified within adjacent categories and/or geographies
- Focus on value creation

Developing people – creating value

ORKLA

Jotun
– within our Branded Goods scope

- 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



Other businesses

Sapa business plan - operational improvements first, structural next

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

ORKLA

Divestment of Borregaard
- a dual process

- Separating the hydro power assets and the industrial activities
- Preparations for IPO at full speed
- Evaluating potential industrial buyers

Share Portfolio

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

Market value NOK 5.5 billion as of 31 Dec 2011

REC

Orkla will support REC in their work on operational improvements and structural solutions

Weak solar markets reduce exit opportunities in the short-term


Jordbærlakris
Nidar
MTR
Puliogare
Powder
Idun
Klassisk
Smash!
MINIS
KiMs
Fredags
miks
Smash!
Désirée
Espresso
flavoured

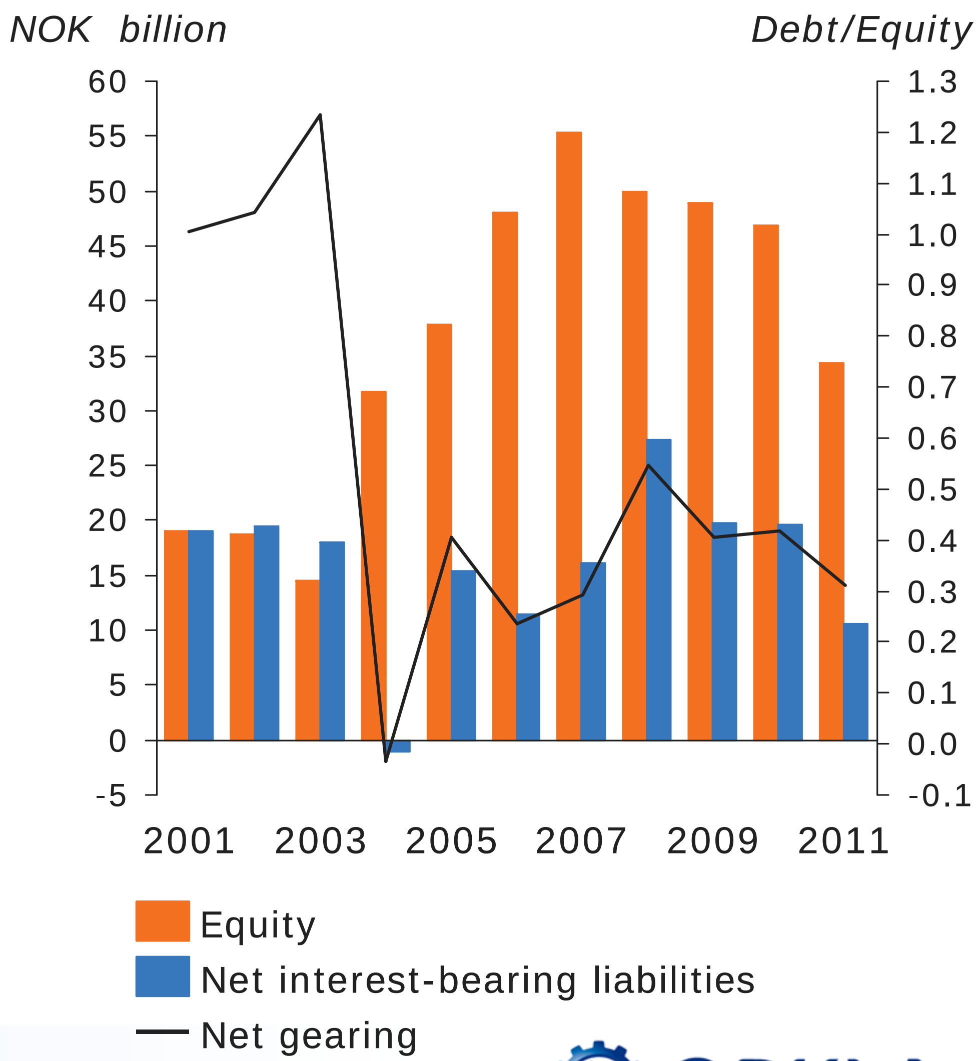
Summing up

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

Financial flexibility supports group strategy

- Strong financial flexibility and expansion capacity
    - Current debt capacity NOK 20 – 25 billion
    - Unutilised credit lines NOK 15 billion
- Bilateral bank relations – no loan syndicates
- No financial covenants



ORKLA

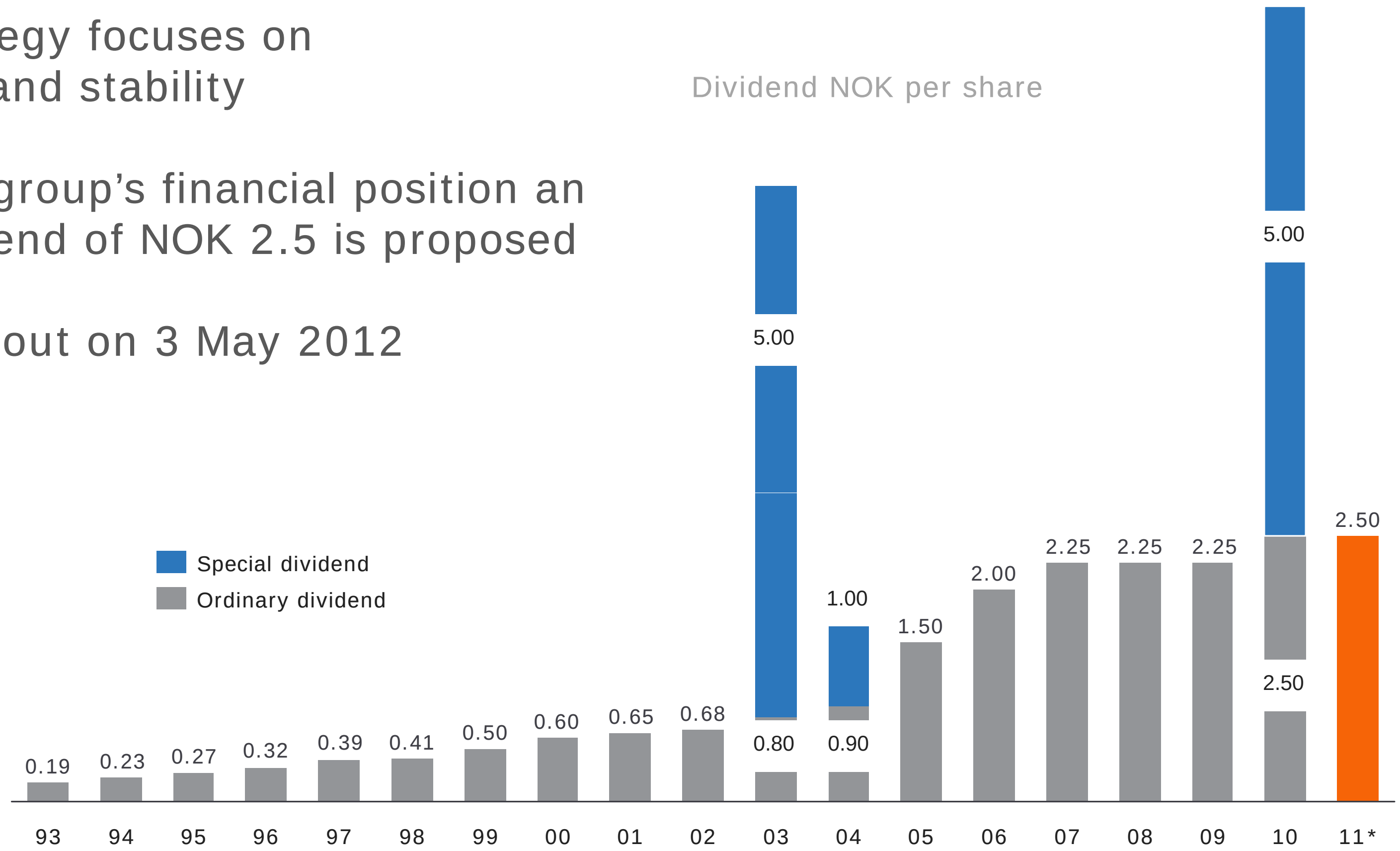
Taking Orkla to a Branded Goods company

- Orkla will build on the platform as the Nordic Region's leading branded goods company
  - Largest potential for value creation

Dividend

A dividend of NOK 2.5 per share for 2011

- Dividend strategy focuses on predictability and stability
- Based on the group's financial position an ordinary dividend of NOK 2.5 is proposed
- Dividend paid out on 3 May 2012

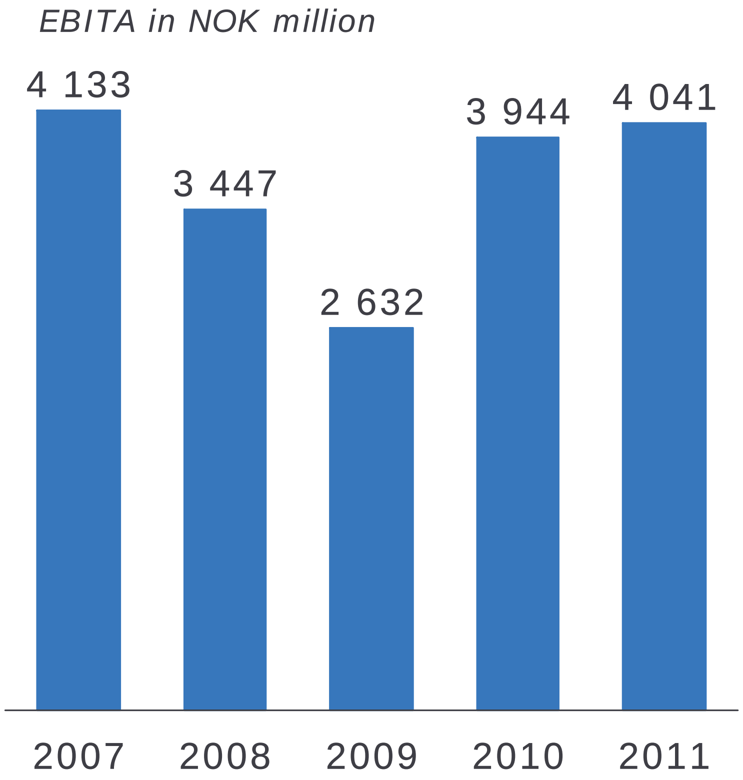


*Proposed by the Board of Directors

Results 2011
The Orkla Group

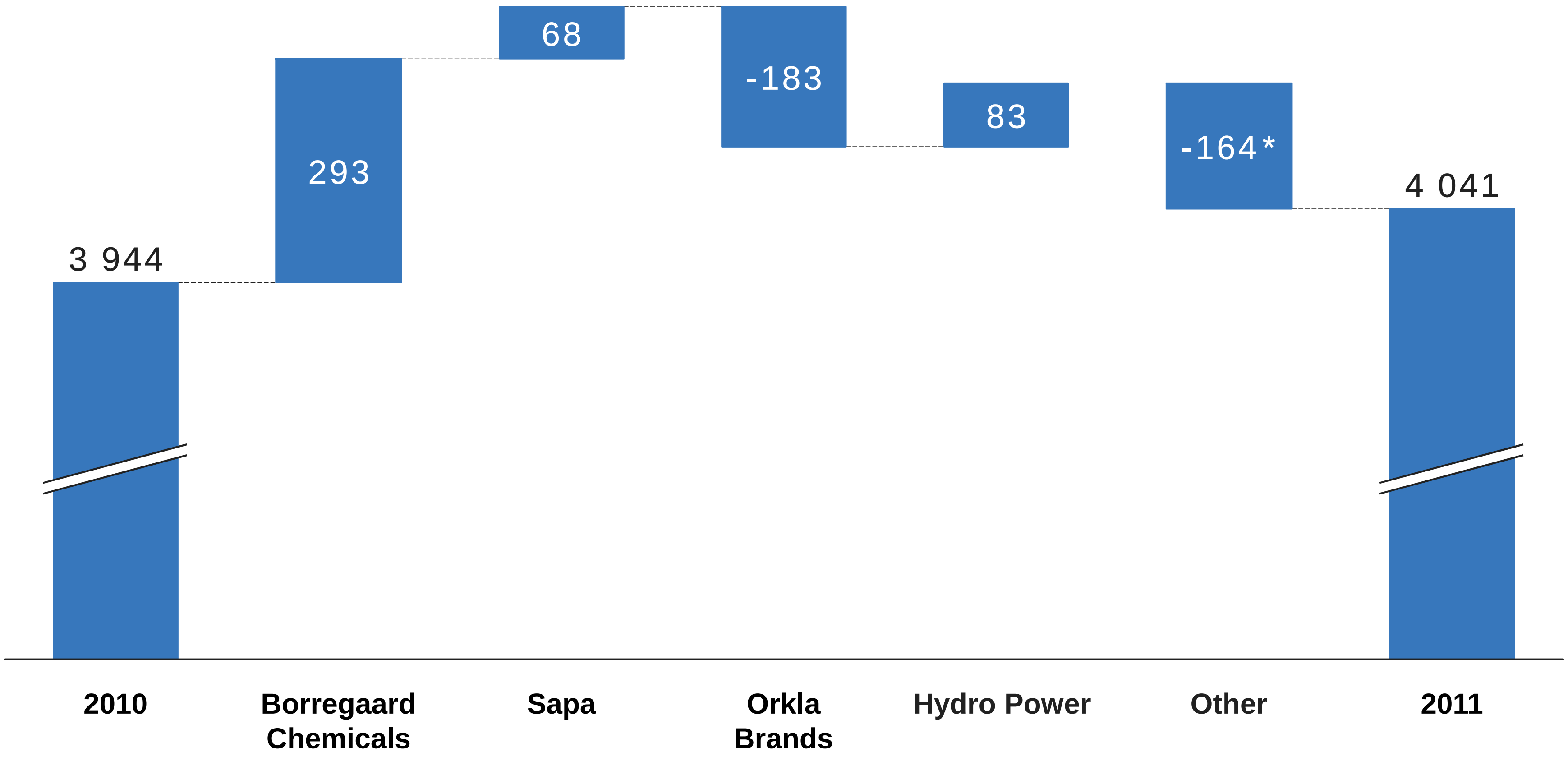
2011 – Overall satisfactory response to challenging markets

- Orkla Brands
  - Price increases to compensate for high raw material prices
- Sapa
  - Volume growth and profit improvement for Profiles NA, still challenging for Profiles Europe
- Borregaard
  - Favourable markets and strong operating result



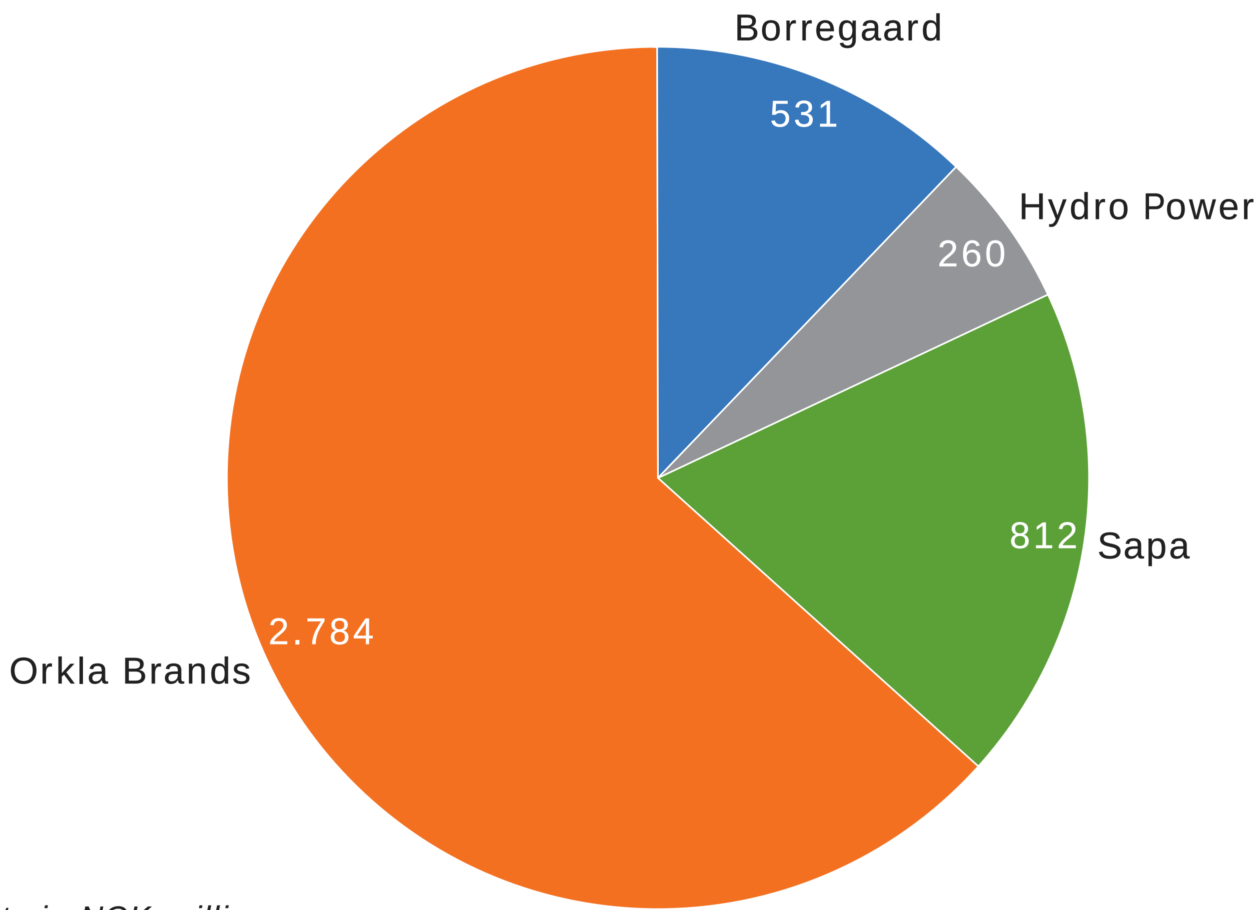
* After sale of Elkem Silicon-related and Hydro Power assets

Change in EBITA 2010 to 2011



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

EBITA contribution by segments in 2011



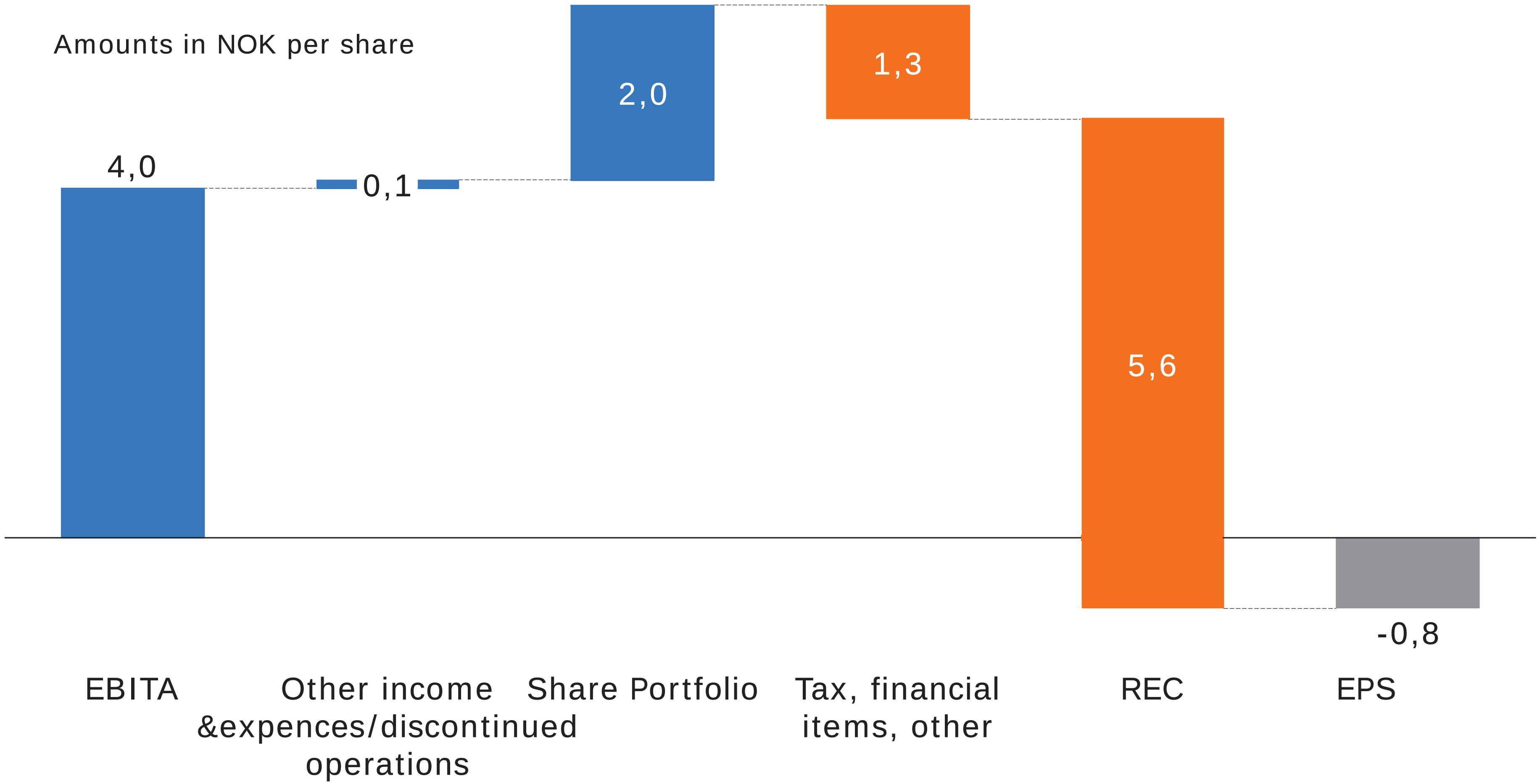
Amounts in NOK million

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	

EPS, negative influenced by REC



ORKLA

Cash flow as of 31 Dec 2011

Amounts in NOK million

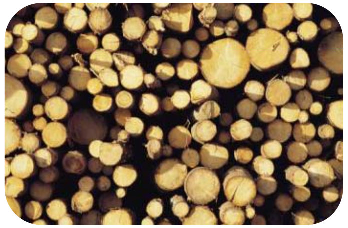
	2011	2010
Cash flow Industial Activities:		
Operating profit	3 023	2 940
Amortisation, depreciations and impairment char	2 088	2 503
Changes in net working capital, etc.	-1 094	-1 462
Net replacement expenditure	-1 557	-1 512
Cash flow from operations	**2 460**	**2 469**
Financial items, net	- 488	- 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

	31.12.2011	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

Information per business are

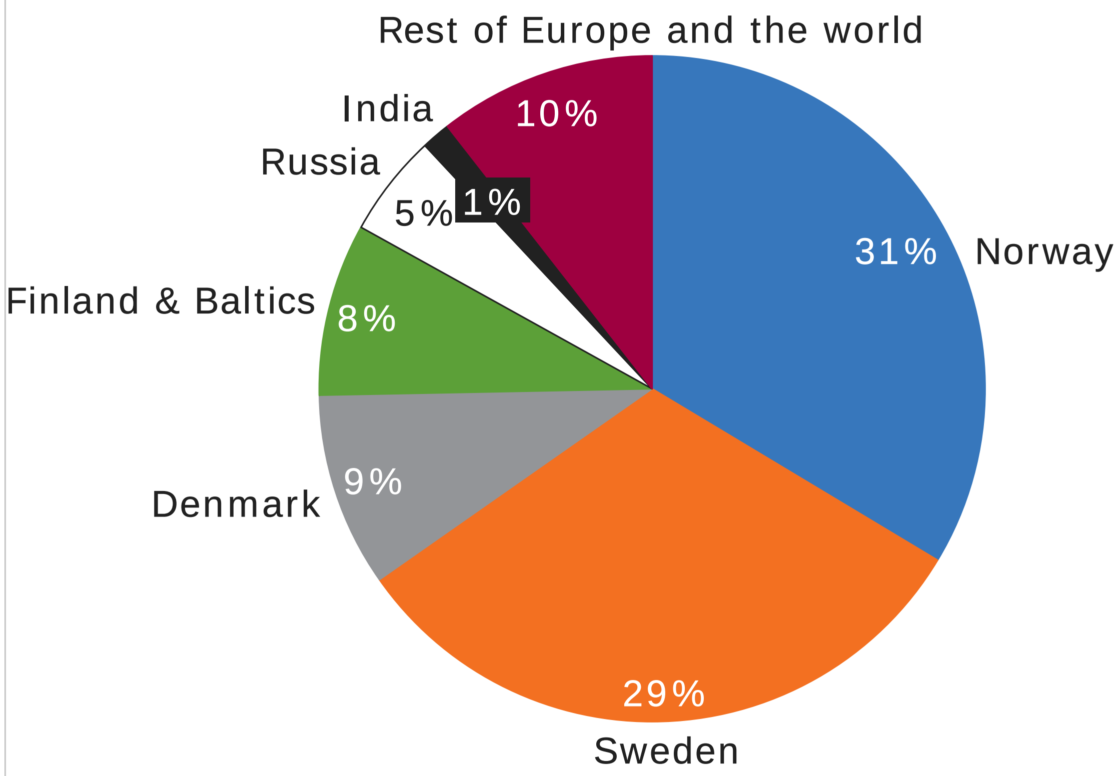


Orkla Brands

The strongest brand builder in the Nordic markets

- **We hold strong market positions** in an attractive Nordic market - delivering steady EBITA and cash flow growth
- **Our Multi-Local Model has proven** its strengths and will continue to form the basis of our strategy
- **Our growth strategy** is a combination of organic and structural (M&A) growth

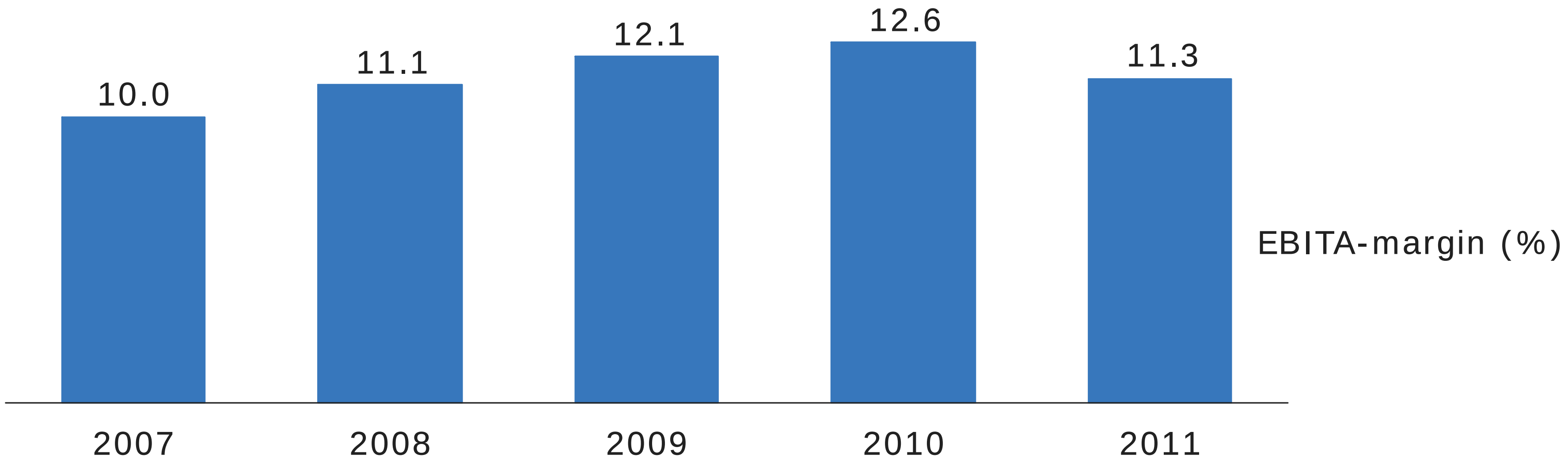
Majority of turnover is derived through B2C in the Nordics



Share of turnover 2011

Key figures	2011
Operating revenues (NOK million)	24 621
EBITA (NOK million)	2 784
Man-years	13 749

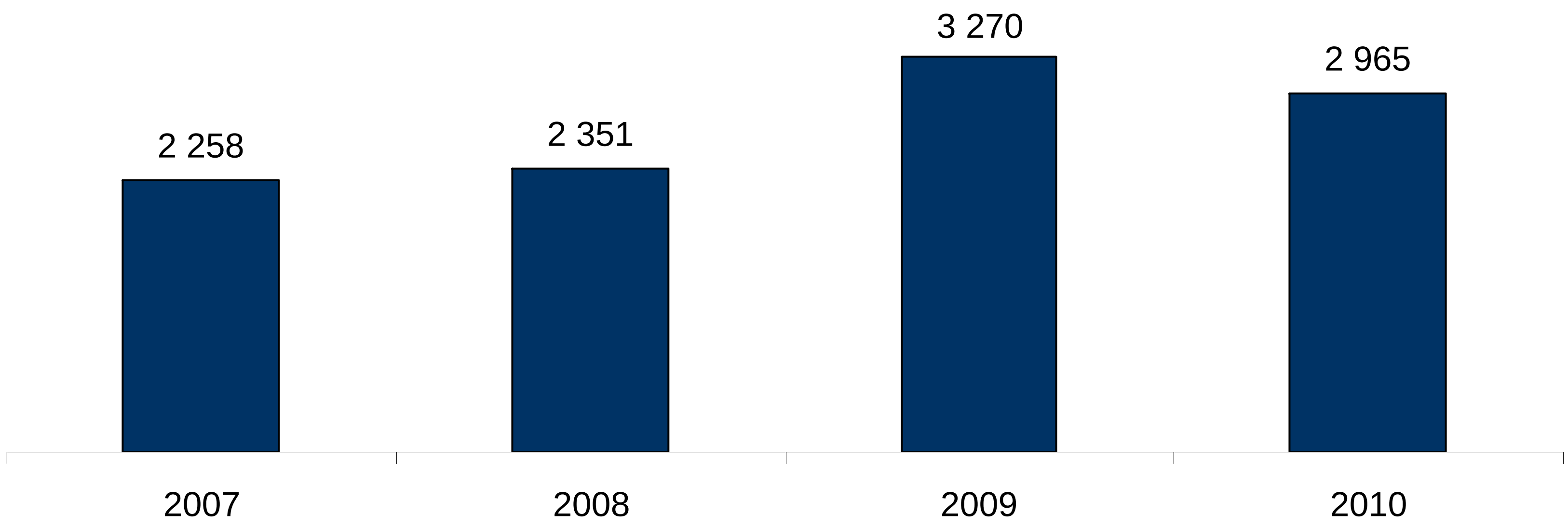
Strong local brand positions – high margin level



EBITA-margin	2011
Orkla Foods Nordic	11.4%
Orkla Brands Nordic	18.5%
Orkla Brands International	0.4%
Orkla Foods Ingredients	4.3%
Orkla Brands	11.3%

Solid cash flow over time

Cash flow, NOK million



Cash conversion	102%	91%	117%	100%

Cash conversion = cash flow from operations before tax / EBITA

THE MULTI-LOCAL MODEL

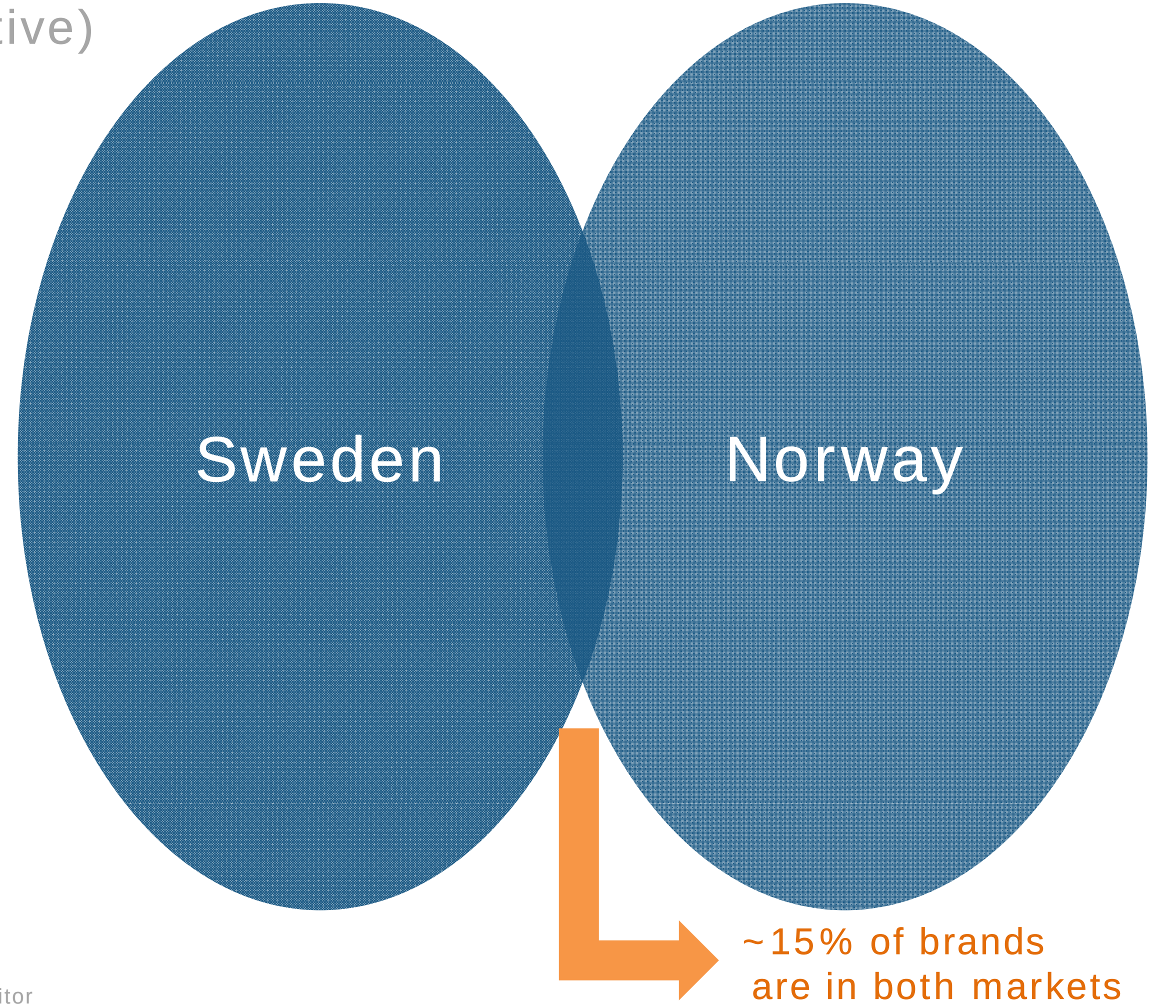
A KEY DIFFERENTIATOR

The Multi-Local Model is uniquely positioned to...

- ...create competition barriers by satisfying local customer preferences
- ...create more value through innovation and synergy extraction than local firms can achieve alone

Most markets are local, example: Chocolate in Norway & Sweden

(Illustrative)



Source: Euromonitor

Characteristics for defining a relevant geographical market

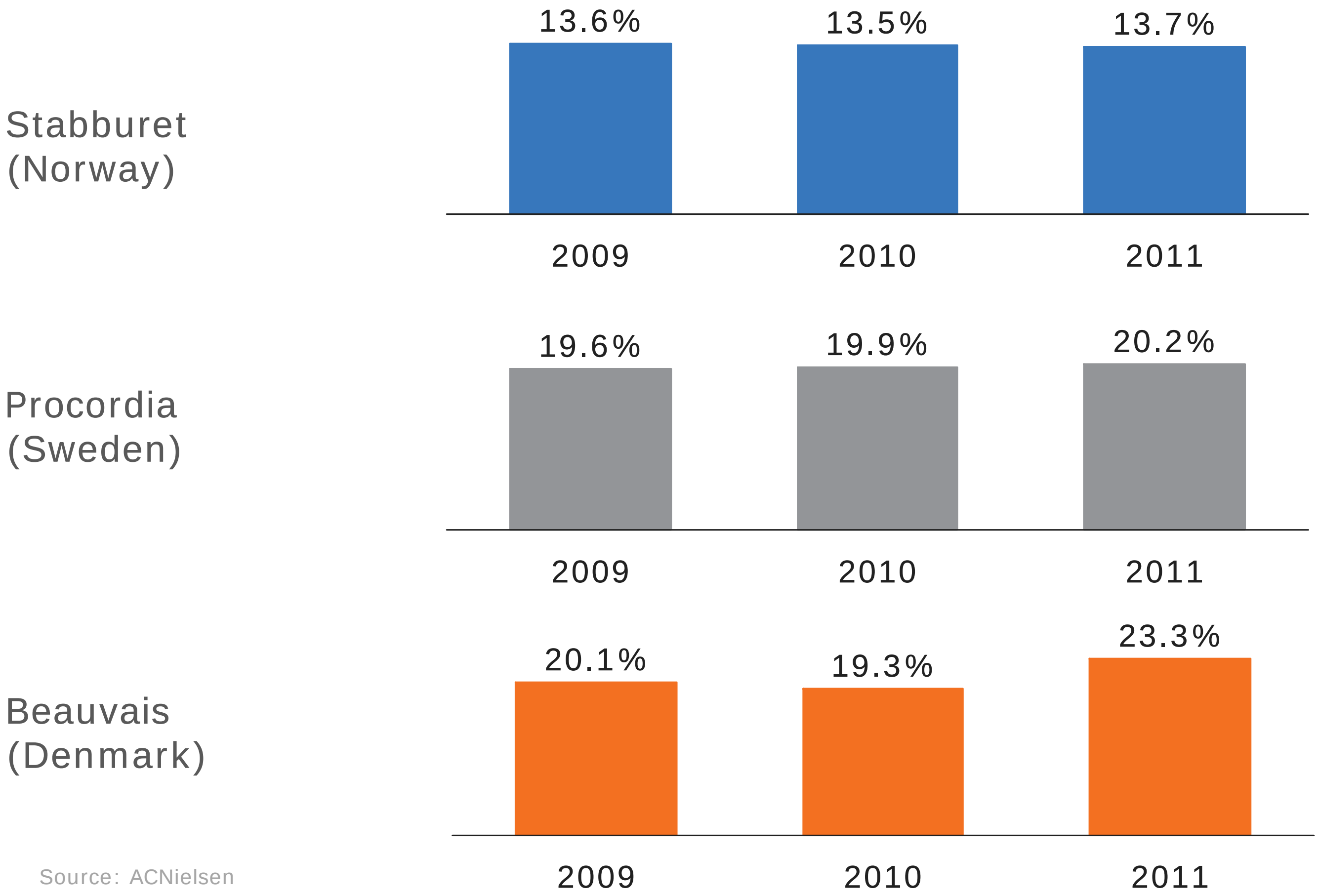
- Local tastes and preferences
- Predominantly local assortments
- Locally based mass media
- Leadership network
- Could be national, regional or even purely local

General characteristics of competitors

- International or global in scope
- Far bigger than our own operations
- Focus on global power brands
- Pursuing a “race for scale” (primarily upstream)
- Centrally led, with local “go to market” organizations

Private Label share relatively moderate and stable in the Nordics

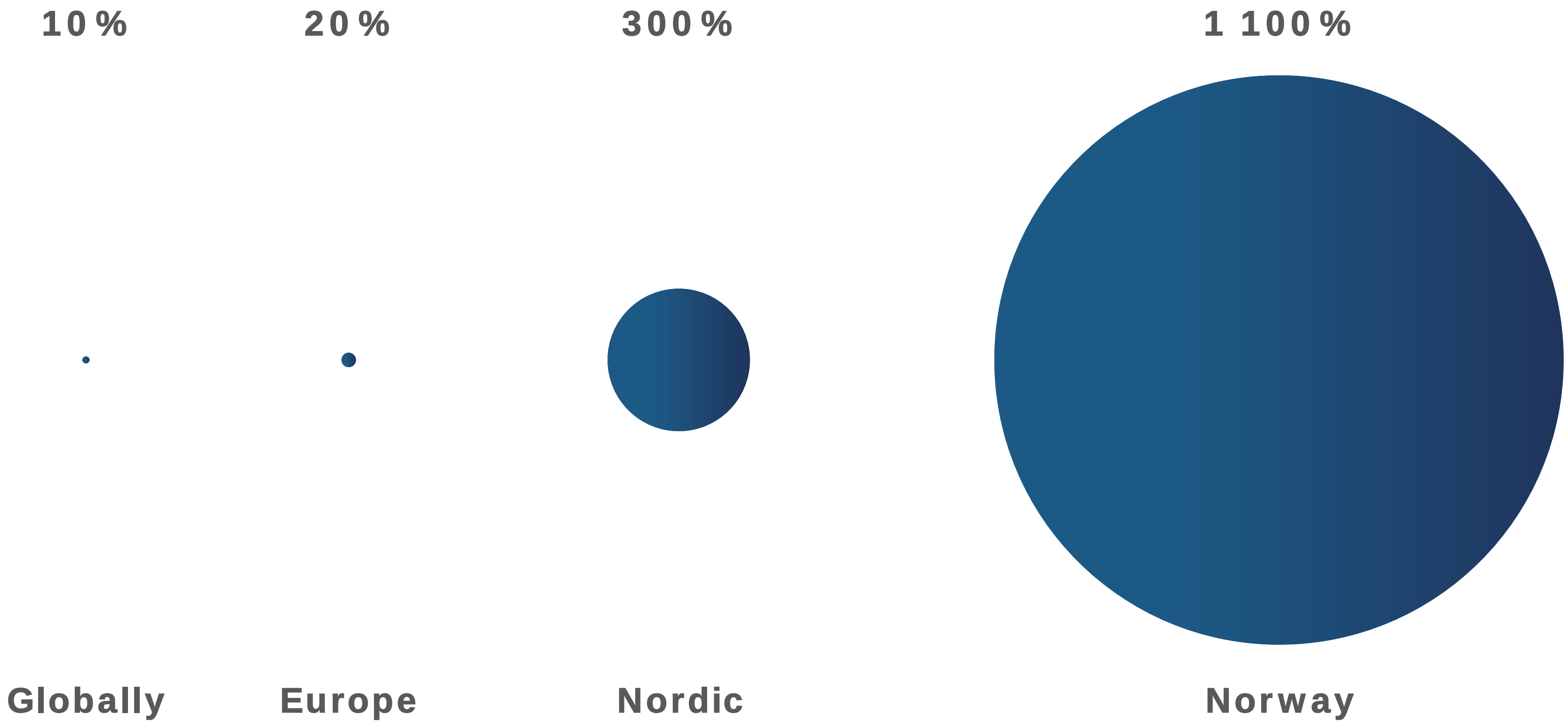
12 month PL share (value) in relevant categories



Source: ACNielsen

Orkla Brands is a small player globally, but a large player locally

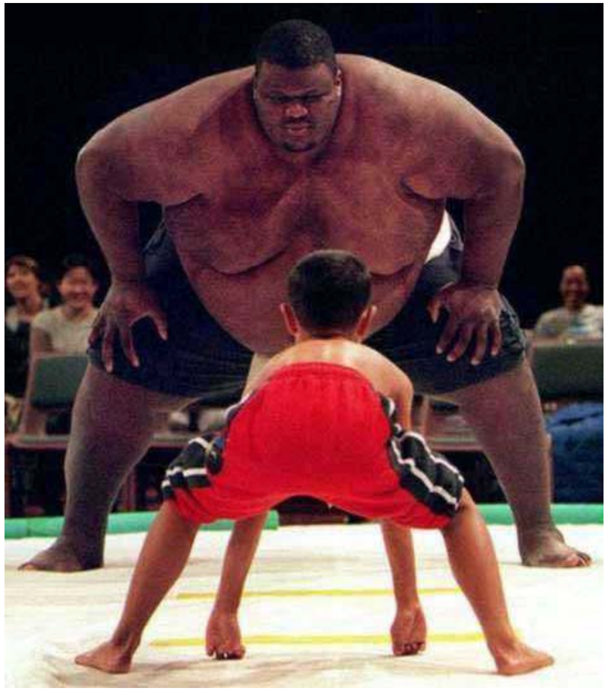
Orkla Brands' size vs global players (Illustrative)



Source: Euromonitor 2009 (Retail value RSP for Nestlé, Kraft, P&G, Unilever, L'Oréal)

Orkla Brands' competitive advantages

- Strong consumer loyalty to our local brands
- We always operate in home markets (Multi-Local Model)
- Attract and develop the best leaders through broad value chain exposure and career
- Complete local value chains
- Superior local consumer insight as a base for stronger innovation track record
- Strong position in trade
- Attractive buyer of locally based businesses



GROWTH STRATEGY

COMBINATION OF ORGANIC AND STRUCTURAL GROWTH

Orkla Brands – strategic direction

Goals

- Achieve high and durable value creation by delivering products that consumers and retailers "can't do without"
- Achieve growth through existing businesses and through acquisitions, primarily in markets in which Orkla Brands is already present
- Focus continuously on cost-effectiveness throughout the value chain

Strategy

- Orkla Brands operates on the basis of a multi-local model where responsibility for value creation lies within each individual company. High and durable value will be created by innovations based on deep consumer insight, which can be leveraged to build strong brands. Inter-company synergies are achieved by sharing best practices and common support functions.

Innovation is our key tool for creating organic growth

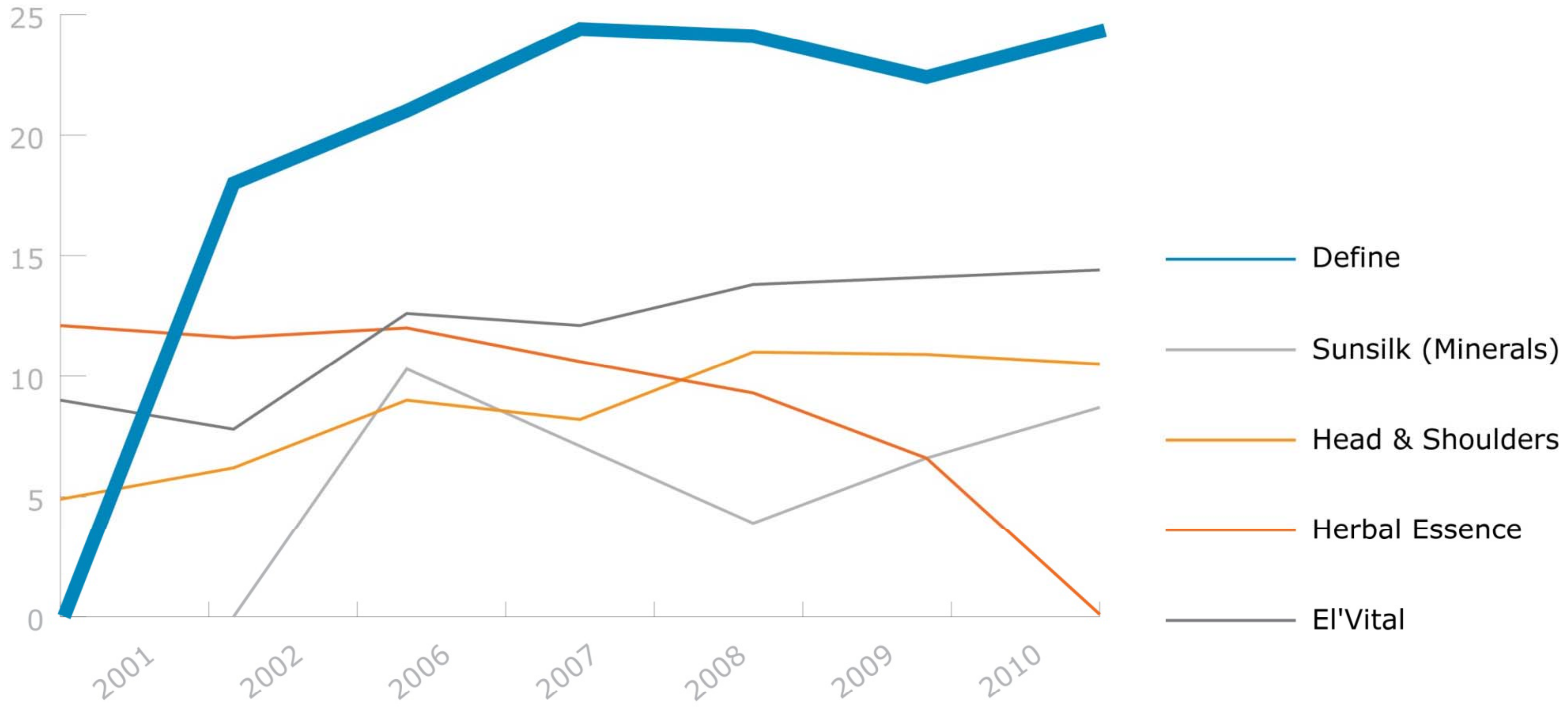
"Innovation is activities that offer the consumer better value, making the consumer willing to spend more and thereby increasing the value for the trade and ourselves"

$$\text{Value for consumer} = \frac{\text{Benefits (Functional + Emotional + Sensory)}}{\text{Price}}$$

How we became market leader in the most competitive market globally

Define - market leader for 10 consecutive years

Market share, percent



Source: ACNielsen

Strategic and financial targets

- Annual **EBITA growth of 10%** through a balanced split between organic and structural growth
- Profitable **structural growth** through increased scale in existing geographies
- Create **category growth & achieve volume growth** that exceeds market growth
- Underlying **improvement in operating margin**
- Cash flow **in line with EBITA** (over time)

Acquisitions > NOK 100 million, 2004-2010

Enterprise value, NOK million

• Chips	3 060
• Dansk Droge	928
• Sladco	713
• Collett Pharma	535
• Panda	494
• MTR	482
• Krupskaya	339
• Peterhof	263
• Kalev	257
• Bakehuset	257
• Sonneveld	217
• Brinkers Romania	153
• Pekar	122
• Ardealul Romania	112
• Saarionen (vegetables)	112
• Nutrilett (brand)	110
SUM	**8 154**

Geographical priorities for acquisitions

Increase scale in existing geographies

a) Norway, Sweden, Denmark and Finland

b) Estonia, Latvia and Lithuania

c) South-India and regions in Russia

Product category search criteria

- **Localness**
  - Are there locally distinguishable preferences?
- **Size and growth dynamics**
  - Is the category sufficiently large/too large?
  - Is the category supported by key trends?
- **Synergy potential**
  - How can we add value to the category?
  - What synergies can we realize?
- **Competition**
  - What is the market structure like (international players)?

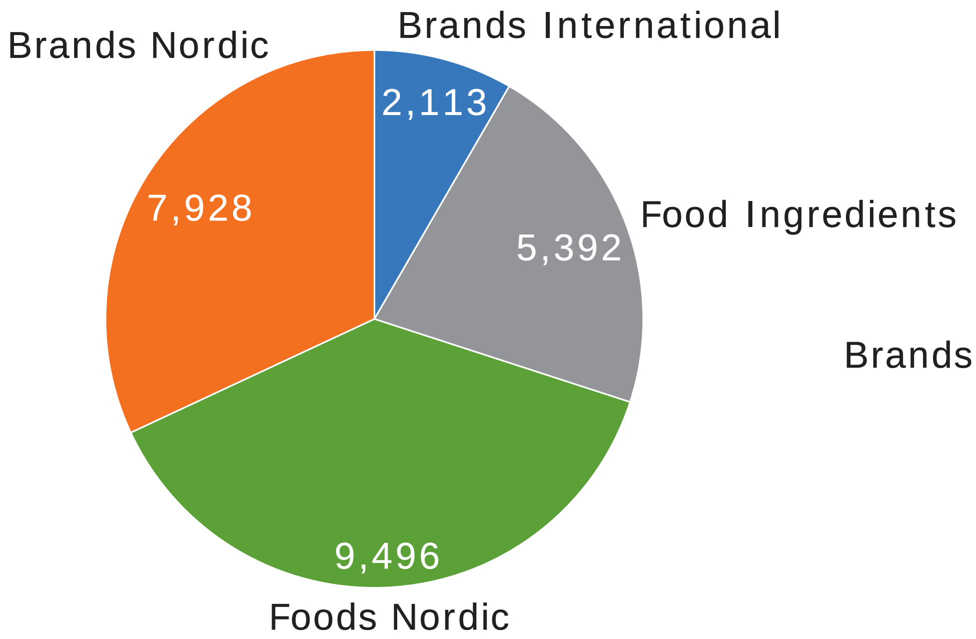
Company search criteria

- It is easier to turn a “good” company into a “great” company than to transform a “weak” company into a “good” company
- We have few general preferences with regards to specific product category criteria - they must be assessed for each relevant geography

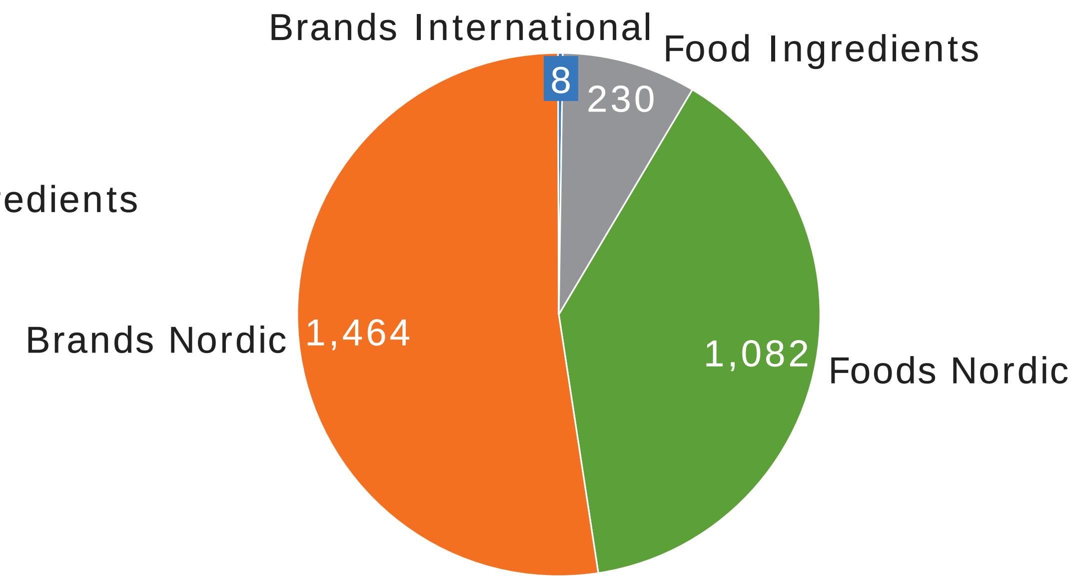
Financial performance for Orkla Brands in 2011

Operating revenues and EBITA 2011

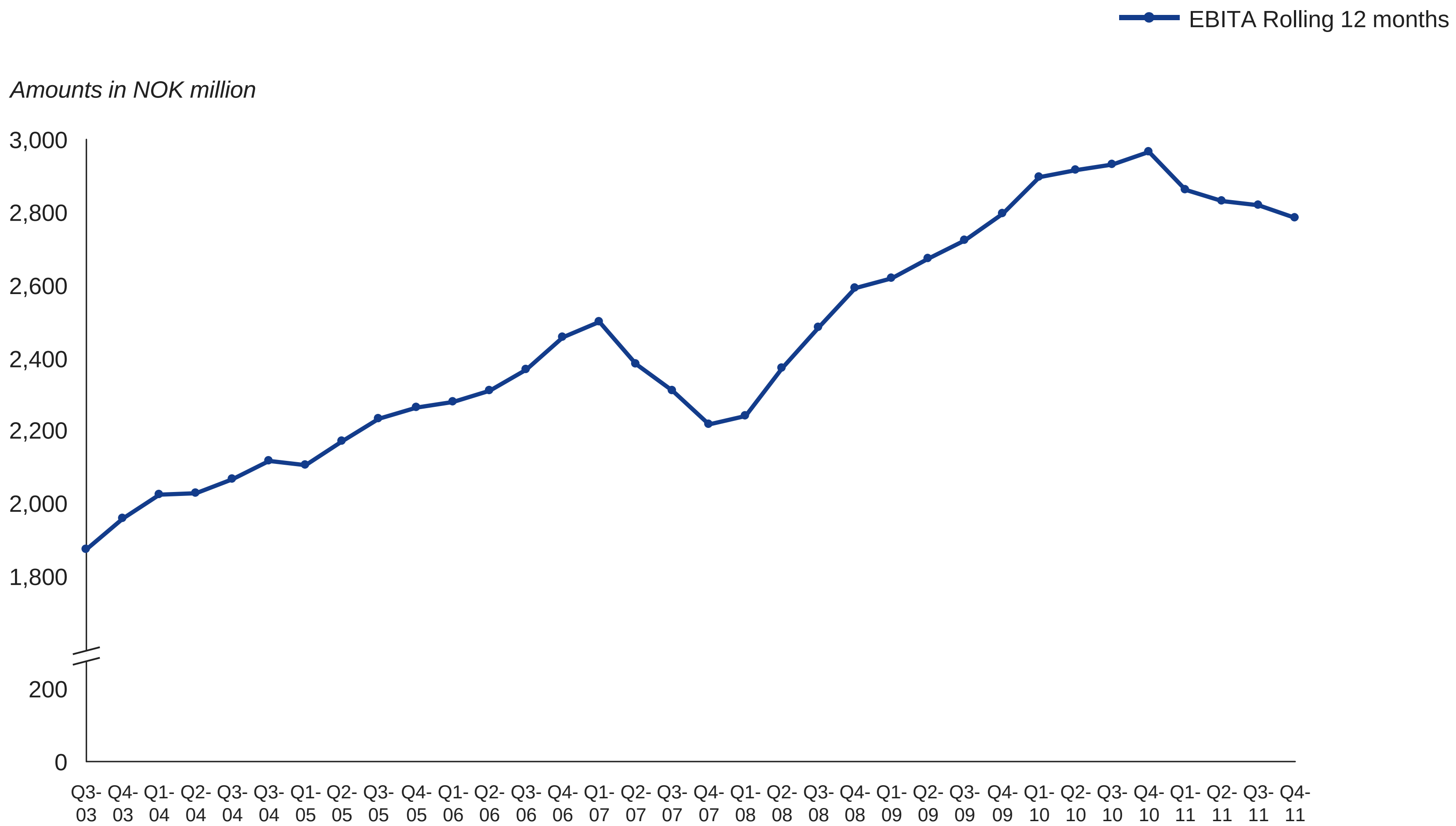
Operating revenues per area



EBITA per area



Increased raw material prices offset - weak volumes at the end of the year



Satisfactory results in challenging markets

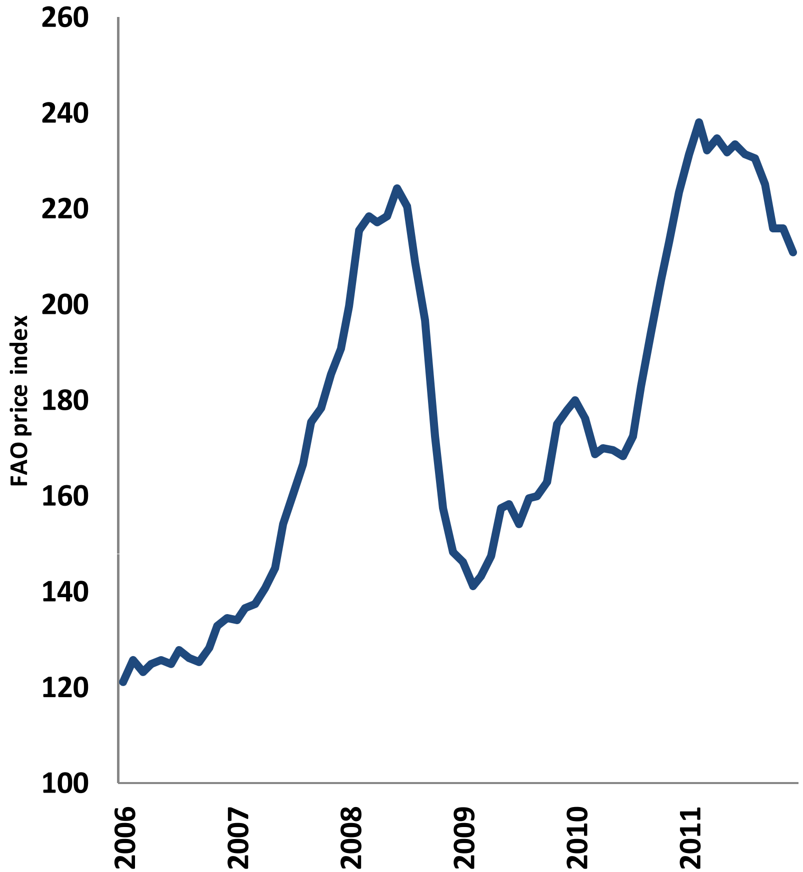
- Significant increase in raw material prices also in 2011
  - Offset by the end of the year
- Merger of the Russian operations - Profit improvement in H2-11
- Overall stable market shares
- Sale of Bakers

Amounts in NOK million

Operating revenues	2011	2010	Change
Orkla Brands	**24 621**	**23 627**	4%
Orkla Foods Nordic	9 496	9 438	1%
Orkla Brands Nordic	7 928	7 896	0%
Orkla Brands International	2 113	2 009	5%
Orkla Food Ingredients	5 392	4 560	18%
Eliminations Orkla Brands	- 308	- 276	

Operating profit - EBITA	2011	2010	Change
Orkla Brands	**2 784**	**2 967**	-6%
Orkla Foods Nordic	1 082	1 115	-3%
Orkla Brands Nordic	1 464	1 544	-5%
Orkla Brands International	8	40	-80%
Orkla Food Ingredients	230	268	-14%
EBITA margin (%)	**11.3**	**12.6**	

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' 10 largest raw material groups

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




Sapa

The world leader in the attractive aluminium solutions industry

Sapa Profiles

The world's leading producer of extruded profiles – including extensive value-added operations

Sales 2011: 24.5 bn NOK

No of Employees: 11 900

Market Share: 14%* in Europe and 29% in North America

Sapa Building System

One of the three largest suppliers of profile-based building systems in Europe

Sales 2011: 2.3 bn NOK

No of Employees: 1 100

Market Share: Up to 40% for specific markets in Europe, 7% for total Europe

Sapa Heat Transfer

The world's leading producer of strip for heat exchanger strip to the automotive industry

Sales 2011: 4.9 bn NOK

No of Employees: 1 400

Market Share: 21% globally

"EAA market size calculation changed from Apparent Total Consumption to Shipments in September 2010. Which has led to market volume discrepancies between 2011 and historical figures in some European countries".

The Sapa growth story

Sapa sales 1999
10.5 bn. NOK

Sapa sales 2011
30.8 bn. NOK

2001–2004
- Elkem acquires 74% of Sapa for 4.0 bn NOK

2005
- Orkla acquires remaining 26% for 1.6 bn NOK

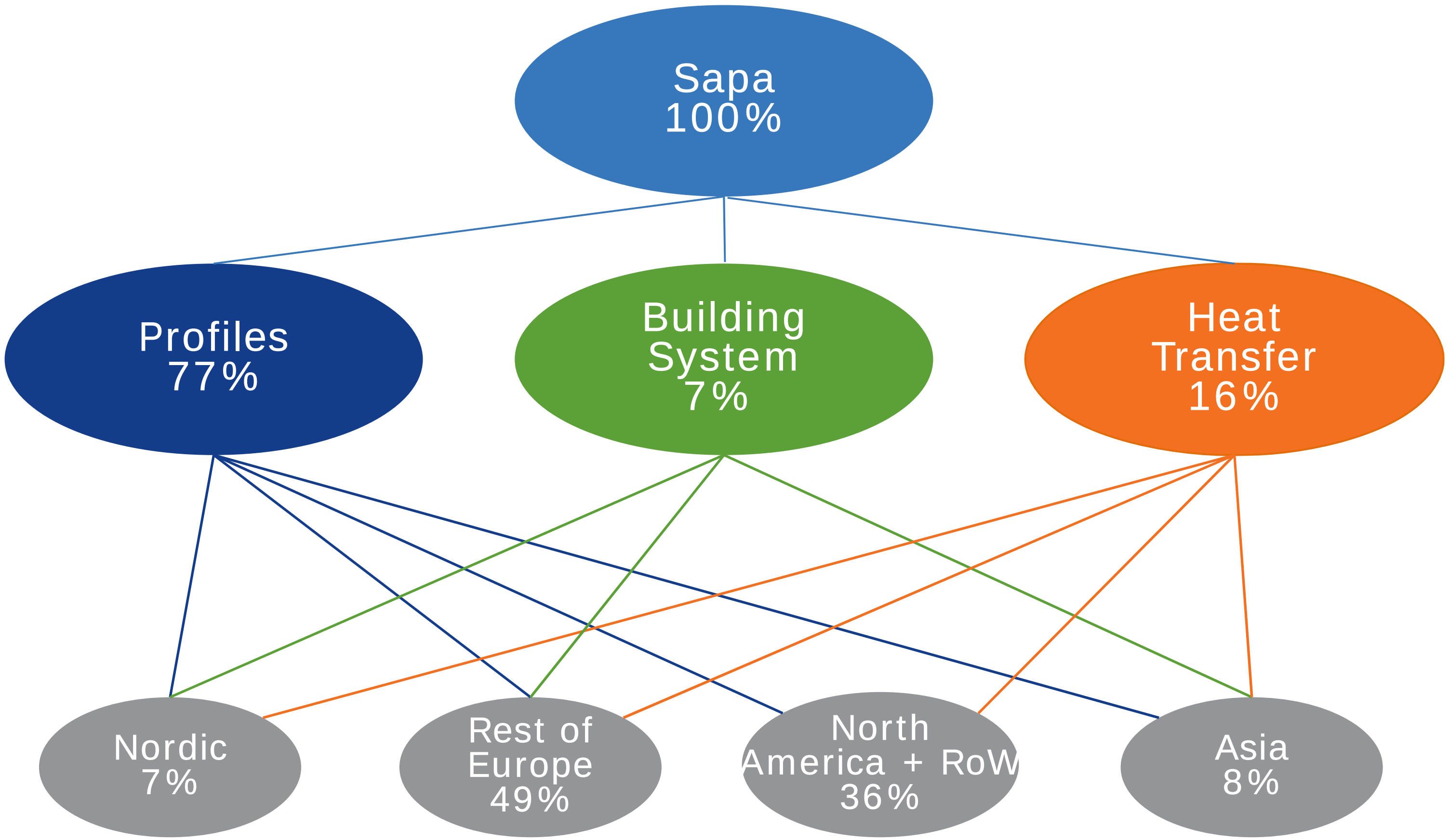
2007
- Merger of Sapa Profiles and Alcoa Extrusions
- Orkla has 55% interest in JV

2008
- Orkla swaps Elkem Aluminium for Alcoa's 45% interest in JV

2009
- Orkla acquires Indalex for approx. 0.6 bn. NOK
- Total cost of Sapa for Orkla is 6.2 bn. NOK plus value of the swap

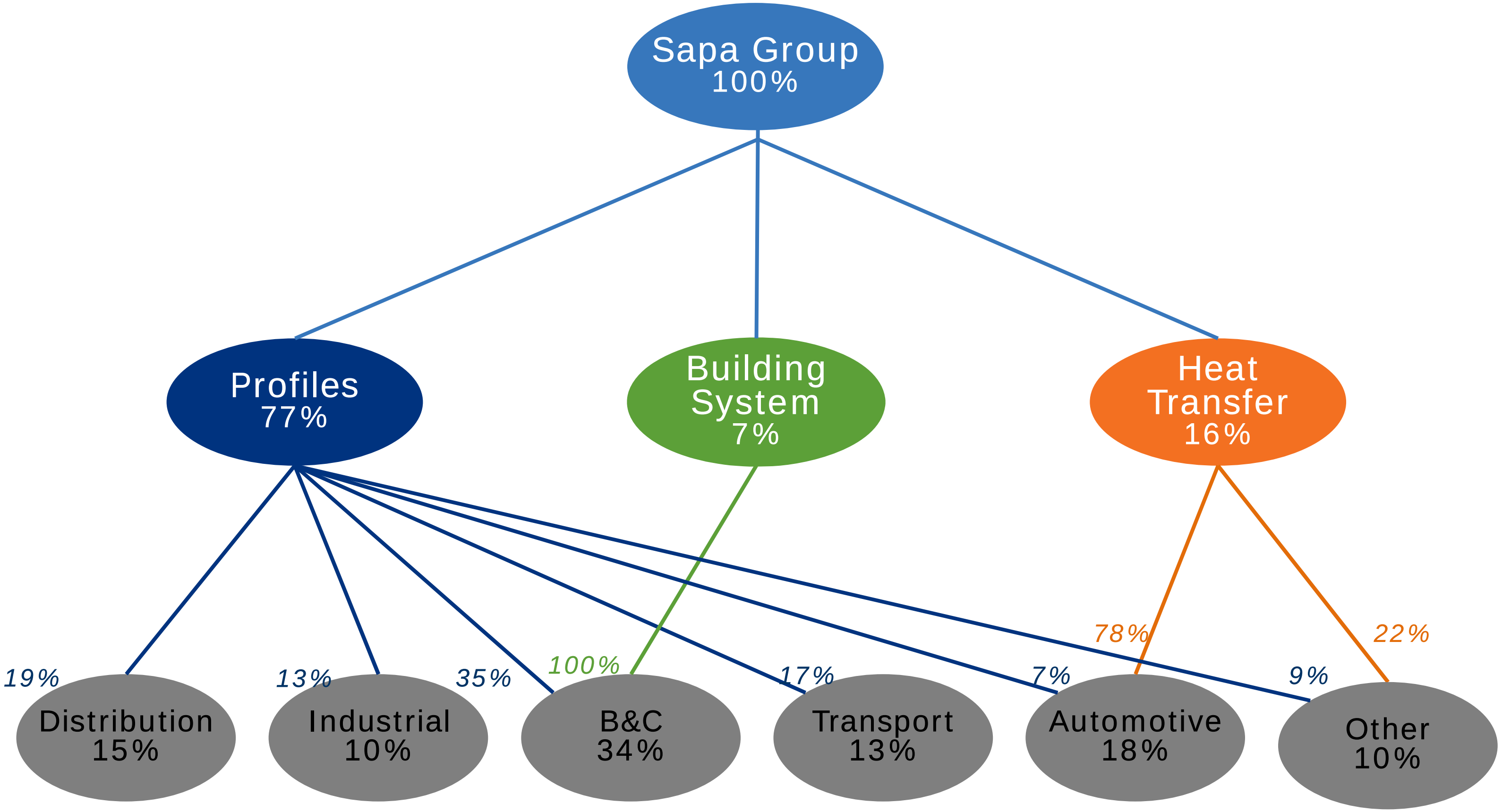
2010-11
- Expansion in Asia through;
- JV with Chalco
- Acquisition of Profiles facilities in Vietnam, India and China
- Increased capacity of Heat Transfer Shanghai

Sapa delivers to several markets



Sapa is exposed to a large number of end-user markets

Sales Split by Business Area & End-Use Market 2011







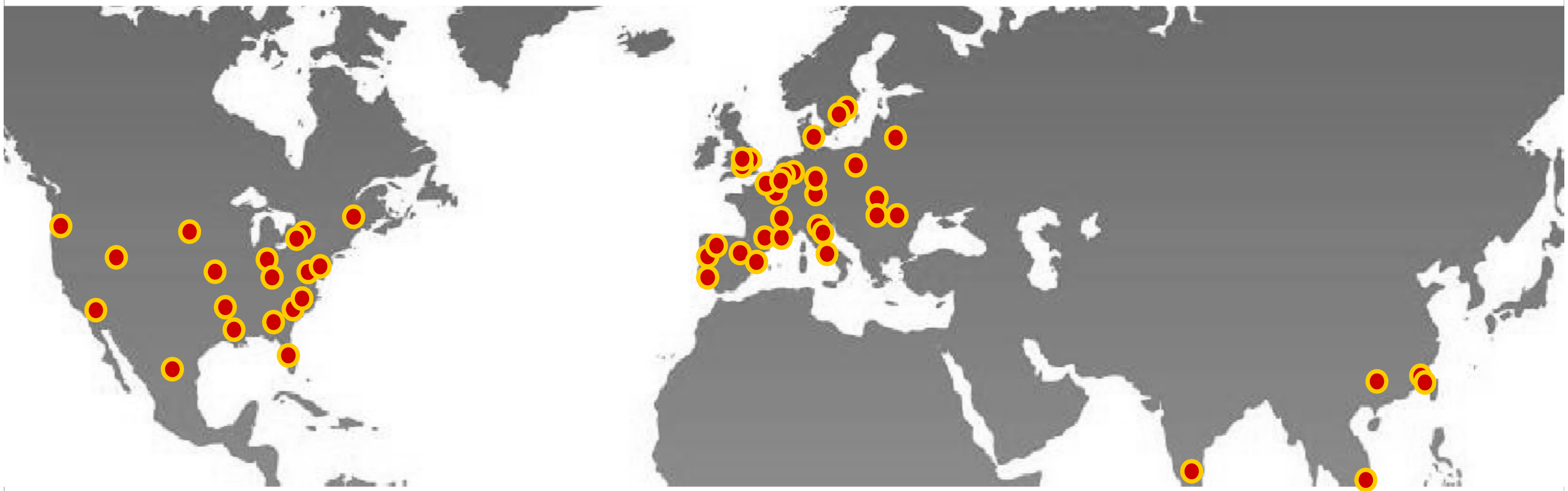

Sapa in 2005 – a mid-sized European company

Sites: 18

Sales: 12 500 MNOK

FTE: 8 000

Sapa today
– a global company



Sites:	64
Sales:	30 800 MNOK
FTE:	14 400

Sapa's global network a competitive advantage

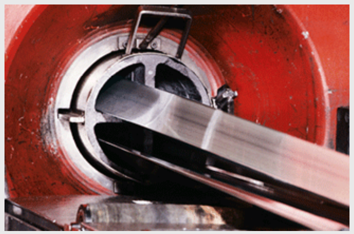
Local customers

Towards solutions

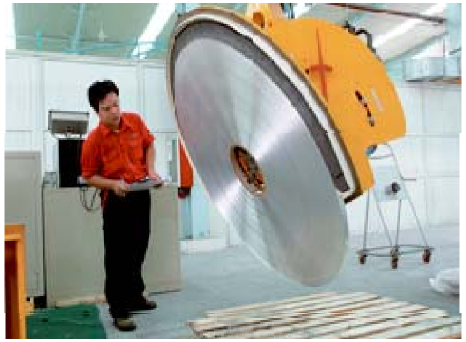
Health & Safety

World Class Operations

World Class Purchasing



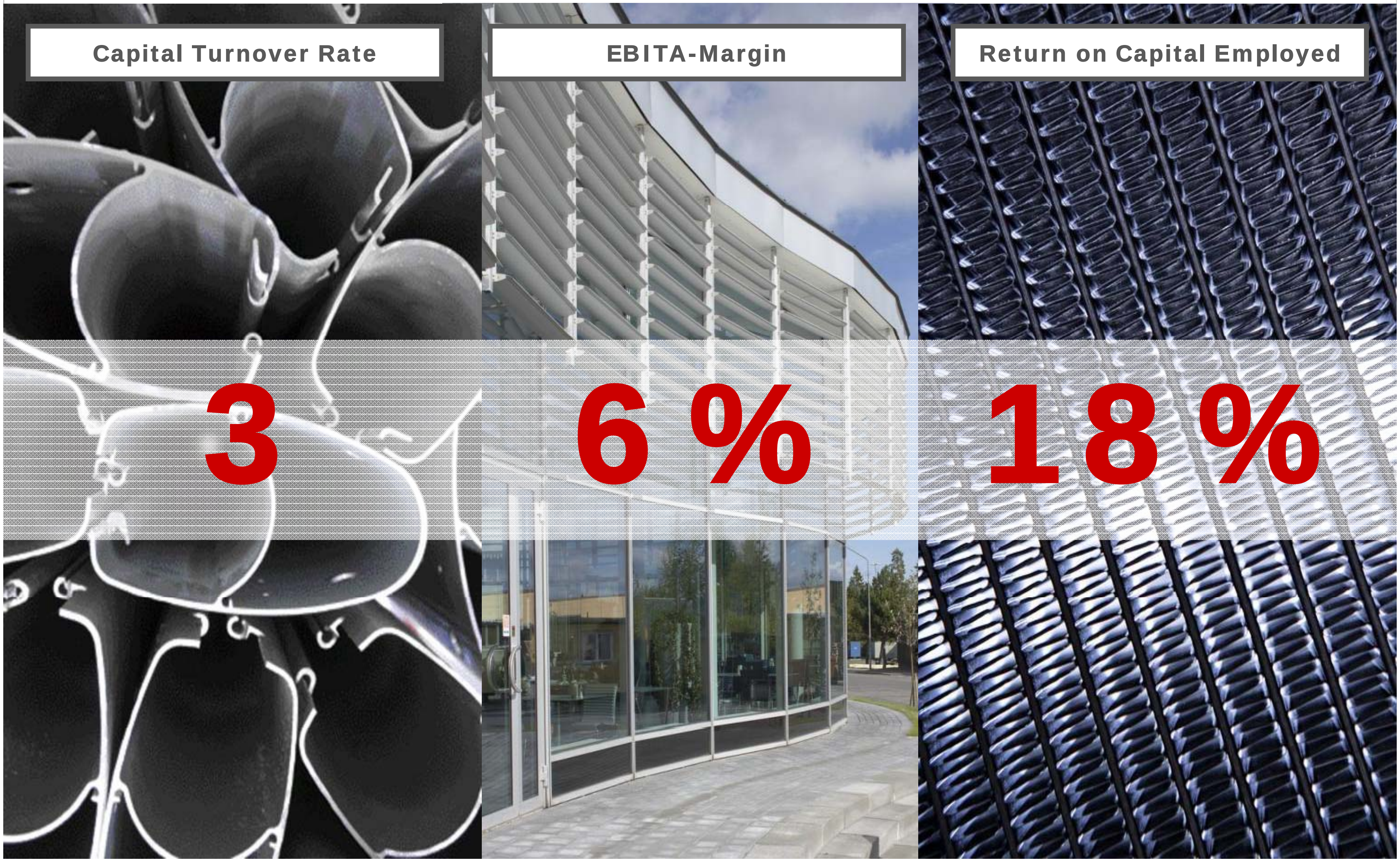
Strategic direction: Focusing on value enhancement through operational improvements



- 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

Financial performance for Sapa in 2011

Sapa’s financial goals



2011: Increased volumes and results, however continued soft markets

- Profiles North-America with operational improvement and market share gain
- Weak markets for Profiles Europe
- Weak H2-11 for Heat Transfer in Sweden
  - Negative affected by weak operations and strong SEK
- Restructuring programmes implemented, Effect of NOK 250-300 million by the end of 2012

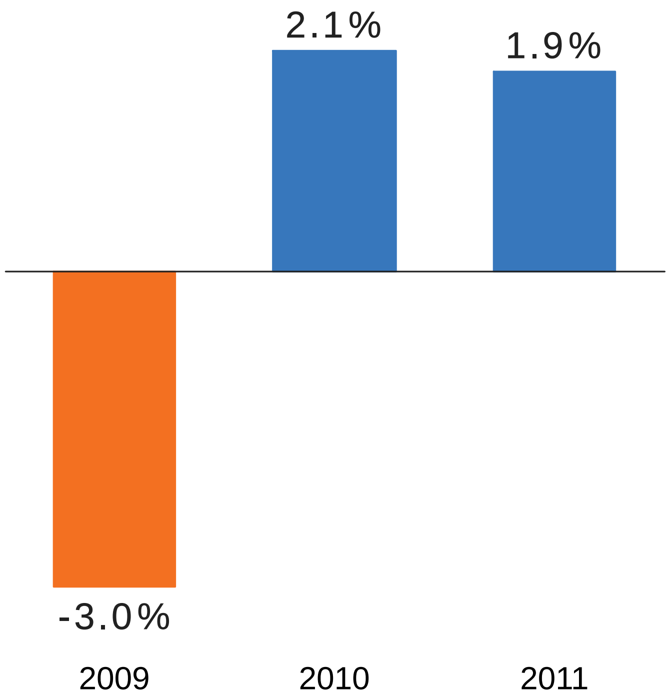
Amounts in NOK million

Operating Revenues	2011	2010	Change
Sapa	**30 844**	**27 684**	**11%**
Profiles	24 479	21 671	13%
Heat Transfer and Building Syst	7 280	6 814	7%
Eliminations	- 915	- 801	

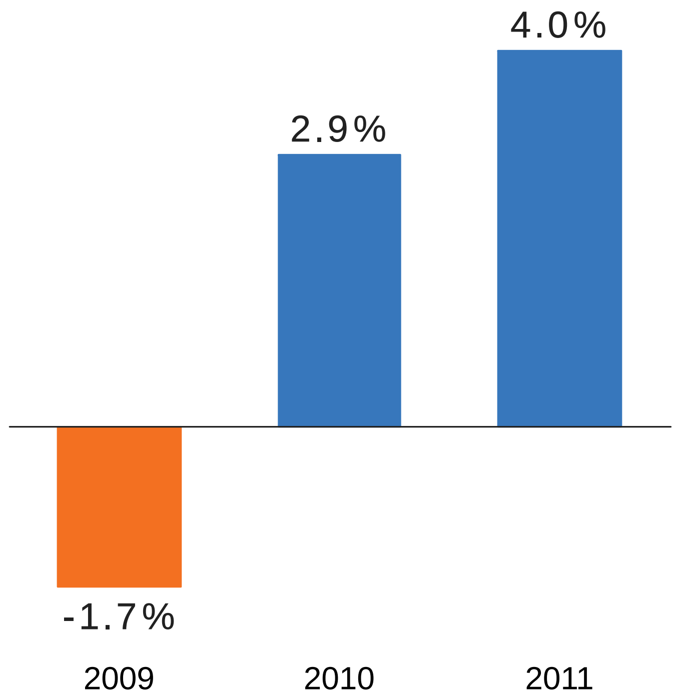
EBITA	2011	2010	Change
Sapa	**812**	**744**	9%
Profiles	534	373	43%
Heat Transfer and Building Syst	278	371	-25%
EBITA margin (%)	2.6	2.7	

Financial target of 6% EBITA-margin

Sapa Profiles Europe
EBITA margin performance



Sapa Profiles North America
EBITA margin performance



2012:
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

Key messages

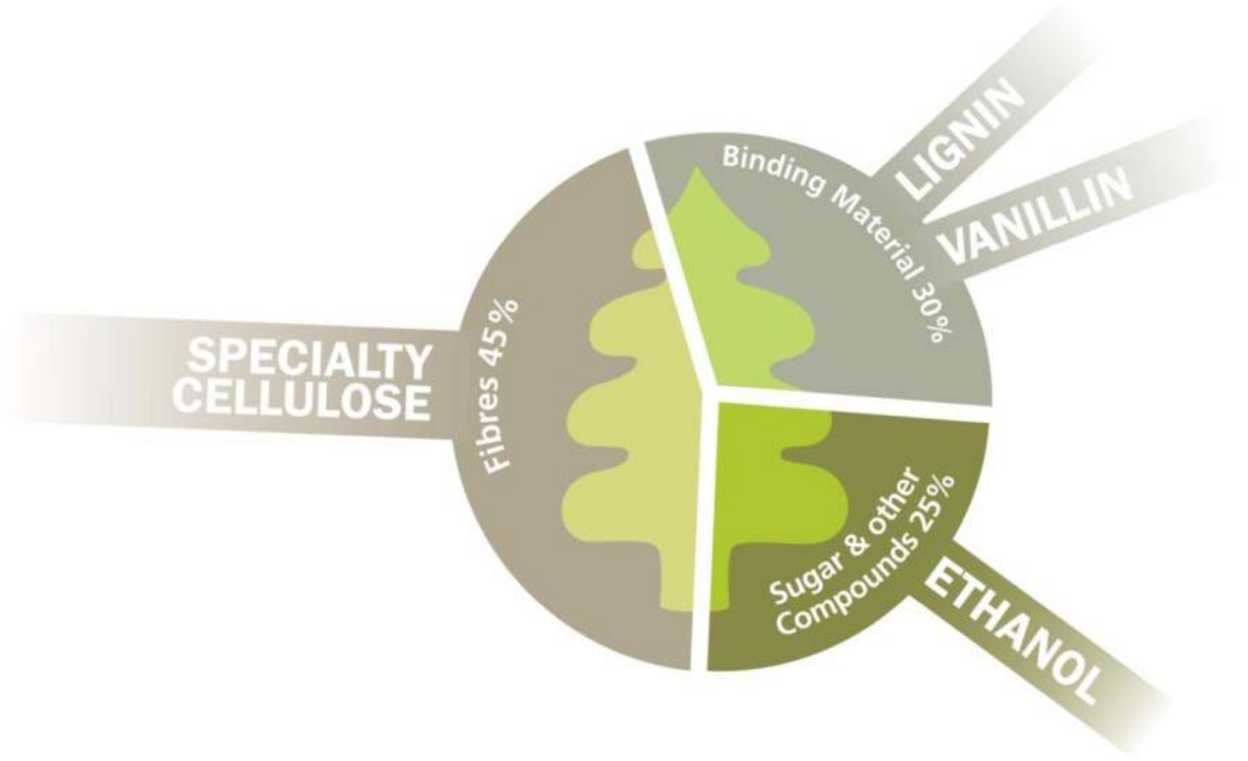
- Sapa - the world leader in the attractive aluminium solutions industry
- Increased confidence about reaching our 6% margin targets due to proven results for the North American operations
- Footprint established in Asia – now focusing on ramp-up and integration

Other businesses

Borregaard - Hydro Power - Jotun - REC

Borregaard

Borregaard is the global leader in biobased chemicals



Borregaard's biochemicals are sustainable and environmentally friendly substitutes to petrochemicals

Global presence – Proximity to customers

Borregaard 2011
Turnover: NOK 4 bn
1 200 employees in
19 countries

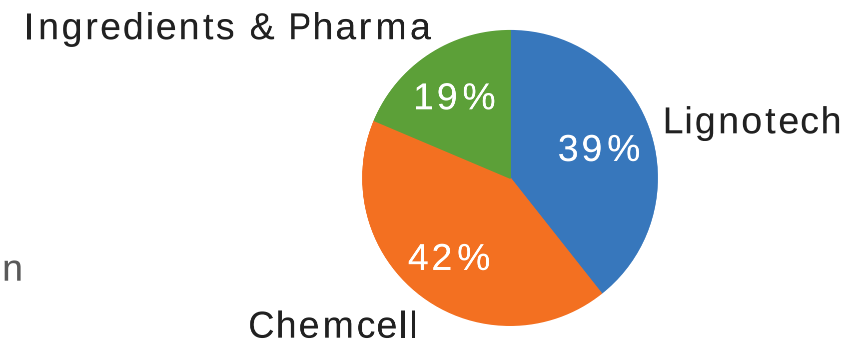
Developing people – creating value

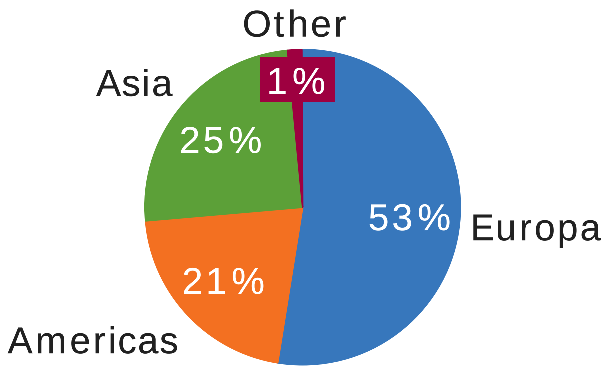
ORKLA

Business areas

- Borregaard Lignotech is the world's leading supplier of lignin binding and dispersing agents, with production in eight countries
- Borregaard Chemcell is a major European supplier of speciality cellulose for chemical applications. The production facilities are located in Norway.
- Borregaard's ingredients and pharmaceuticals businesses supply advanced products that meet high quality and hygiene standards. Consists of Borregaard Ingredients and Borregaard Synthesis.
- Borregaard Energy (0.6 TWh) is a part of, and reported together with, Orkla Hydro Power

Sales distribution Industry 2011





Borregaard LignoTech

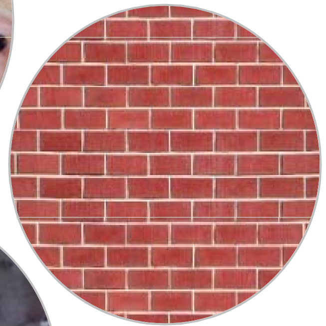
World leader in lignin based products

Production
Norway, England, Germany, Spain, Czech Republic, USA, South Africa, Brazil

Products
A broad range of dispersing and binding agents and other performance chemicals

Applications
- Construction
- Agro chemicals
- Animal feed
- Bricks & tiles
- Lead batteries
- Soil conditioner
- Mining
- Gypsum board

Market position
- Clear no 1 and only global supplier
- Unique technical and application expertise



Borregaard ChemCell

High quality specialty cellulose

<u>Production:</u>
Sarpsborg, Norway - Capacity: 160 000 mt

<u>Products</u>
High quality and tailor made specialty cellulose

<u>Applications:</u>

- Ether
  - Construction/building industry
  - Food
  - Cosmetics
- Acetate
  - Filters
  - Plastics
  - LCD screens
- NC/Other
  - Pharmaceutical industry
  - Printing ink
  - Explosives

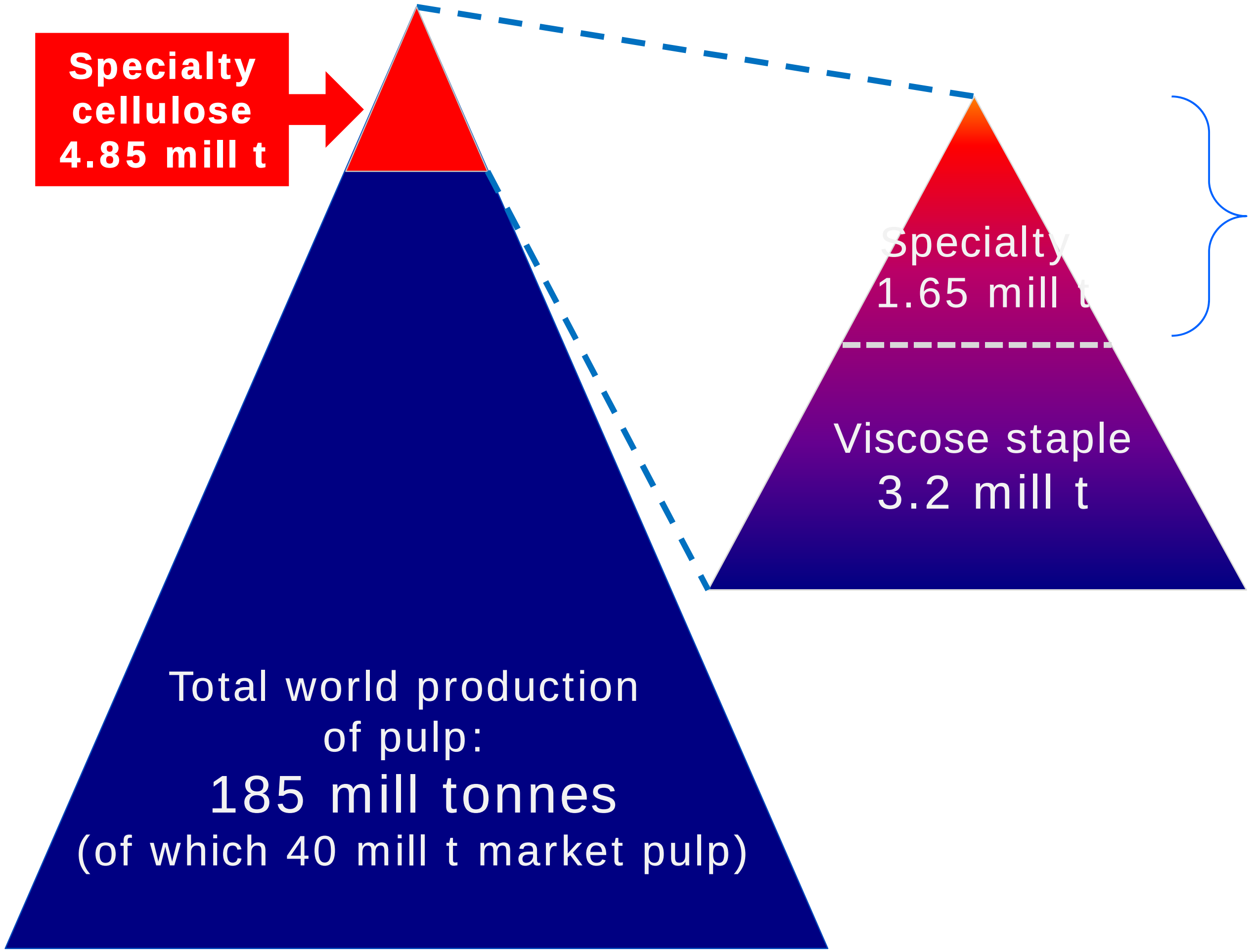





<u>Market position</u>
Strong positions in Europe and globally within selected applications

Borregaard ChemCell

Focus on high end applications



"True" specialities
- High barriers to entry
- Tailor made specifications
- Ethers, Acetate, NC
- Fewer players

"Semi" specialities
- More standardised products for textile industry
- More cyclical
- Several (new) players

Est. 2010 figures

Borregaard Ingredients & Pharma

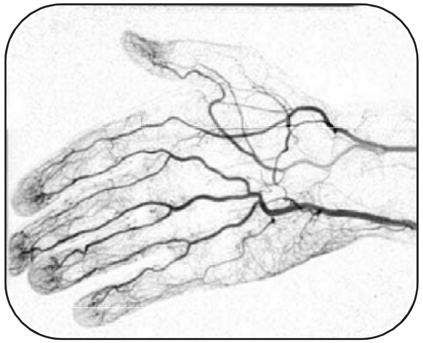
Pharmaceutical intermediates and food ingredients

Pharma Production
Norway

Products
- Aminoalcohols
- Intermediates for the pharmaceutical industry

Applications
- Pharmaceuticals
- X-ray contrast media

Market position
- Leading supplier of x-ray contrast media intermediates



Ingredients Production
Norway

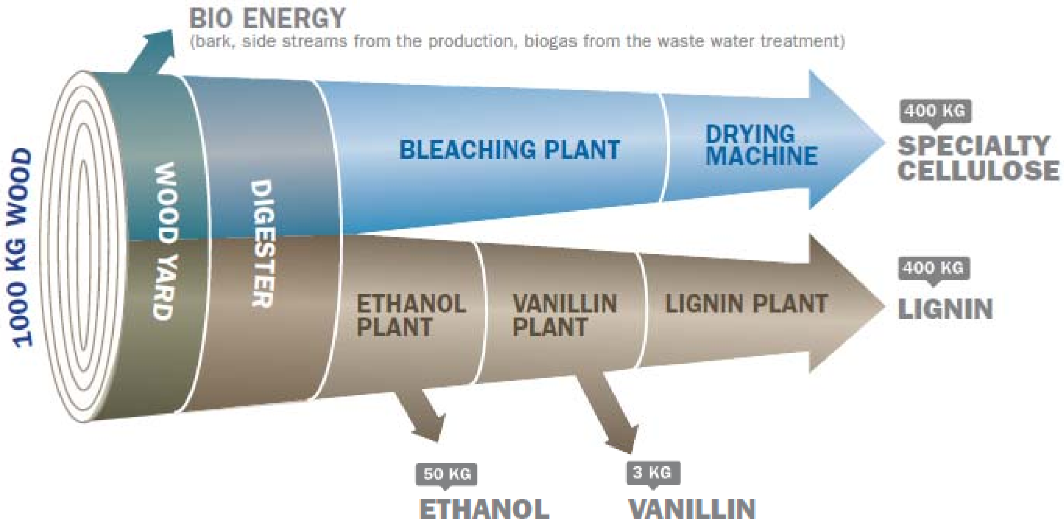
Products
- Vanillin
- Ethyl vanillin
- Omega-3 oil

Applications
- Snacks
- Bakery products
- Confectionary
- Perfume
- Nutrition
- Dairy products

Market position
- Leading supplier of vanilla flavour
- The only supplier of wood based vanillin
- Unique Omega-3 nutritional oils

Borregaard is the world's most advanced biorefinery

High raw materials utilisation and products with a wide range of applications



Cellulose	Lignin	Vanillin	Ethanol
Construction materials	Concrete additives	Food	Pharmaceutical industry
Cosmetics	Animal feed	Perfumes	Bio Fuel
Food	Mining	Pharmaceuticals	Paint/ varnish
Tablets	Batteries		Car care
Paint / varnish	Briquetting		
Filters	Soil Conditioner		
Textiles			

Strategic direction Borregaard

- Borregaard is outside Orkla's future growth scope
  - 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

Goals

- Further develop its biorefinery concept
- Generate new growth through increased specialisation and new products based on the company's platform of expertise
- Improve its cost position

Strategy

- Based on existing competence, Borregaard aims to create new growth in the biochemicals, biomaterials and biofuel segments. By commercialising and renewing its innovation portfolio, it will further increase its specialisation, strengthen its market position and lower its costs. The company will also achieve growth through new, higher added-value products and by further developing its unique biorefinery concept. Borregaard will further increase its competitiveness through continuous growth in productivity, with particular focus on the Sarpsborg plant.

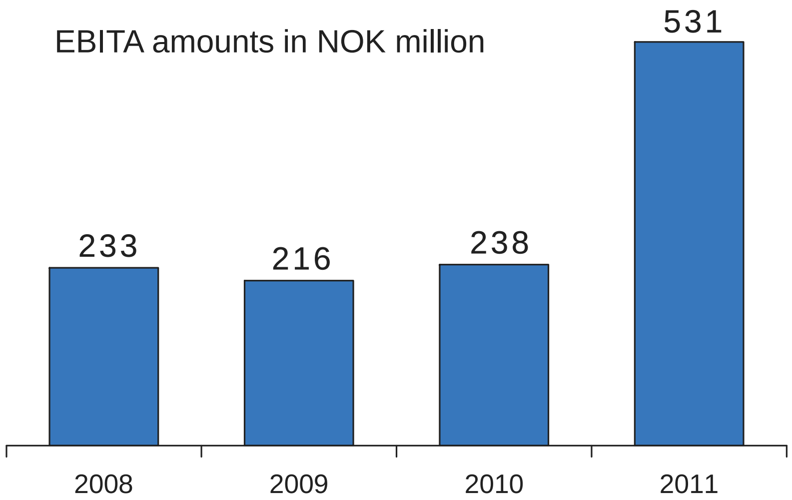
2011: A strong year for Borregaard

- Strong performance for speciality cellulose with high prices and favourable market conditions
- Lignotech's results affected by weak building and construction markets
- High energy- and raw material prices in addition to and a weaker currency situation affects results
- A strong and balanced innovation portfolio

Amounts in NOK million

Operating revenues	2011	2010	Change
Borregaard Chemicals	4 004	3 750	7%

EBITA	2011	2010	Change
Borregaard Chemicals	531	238	123%
EBITA-margin %	13.3	6.3	



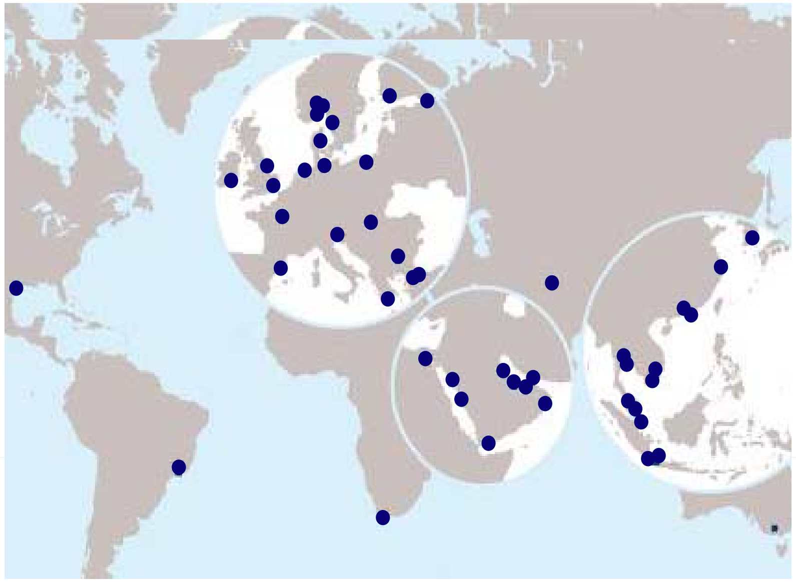
Jotun

(42.5% ownership)

Jotun – a global company….

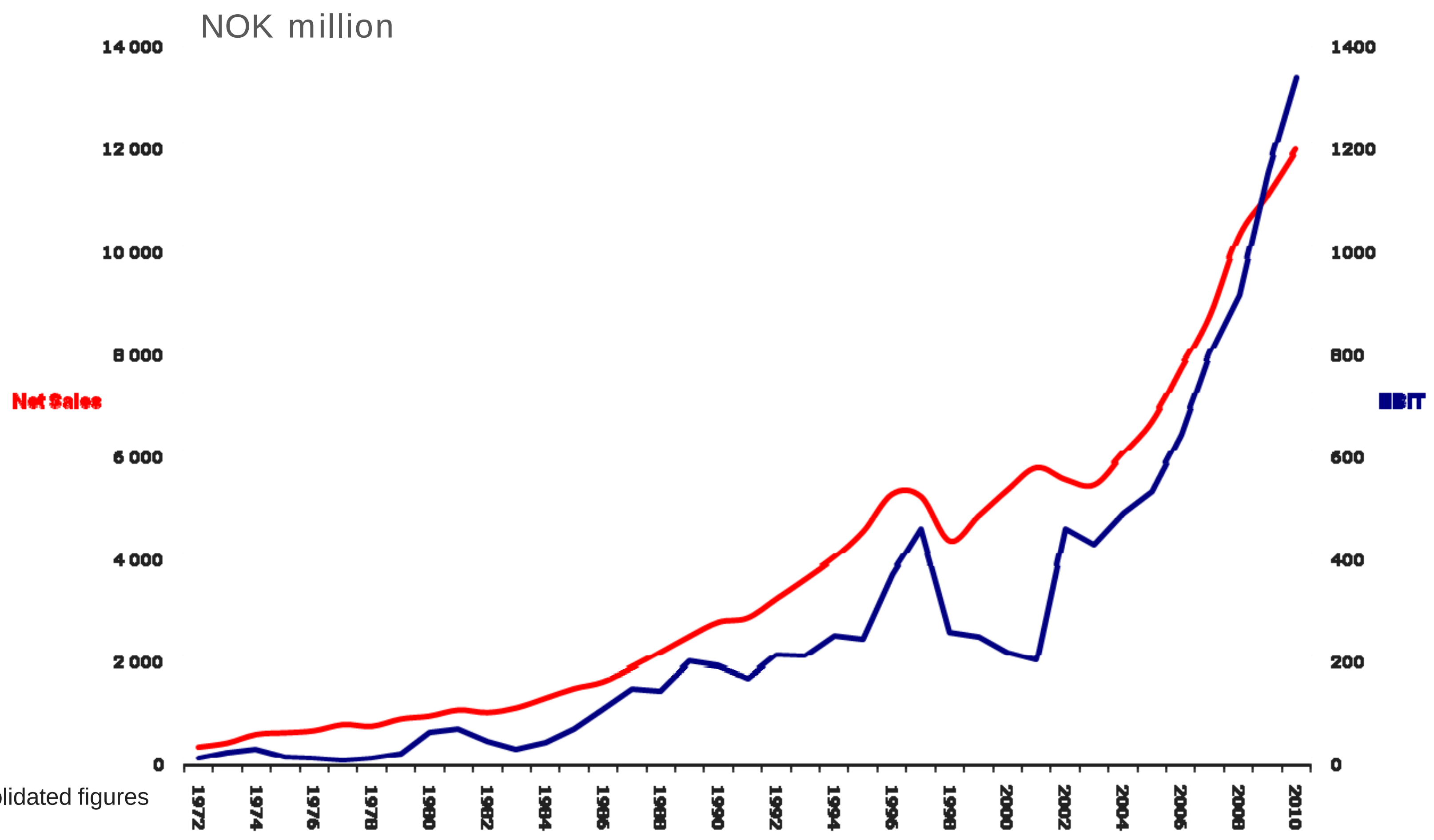
…..with regional strongholds – Middle East, Asia and Scandinavia

- Total sales NOK 10.7 billion*
- EBIT margin 11.2%
- 9th largest paint company in the world
- 41 factories located on all continents
- 70 companies in 40 countries
- 7 800 employees
- Head office in Sandefjord, Norway
  - 2 divisions managed from Dubai



* Consolidated figures

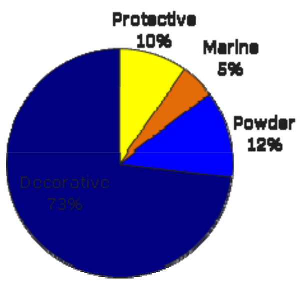
Decades of growth and profitability.....



Consolidated figures

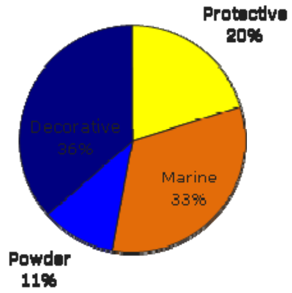
Strong in selected segments and markets

Global market - our segments



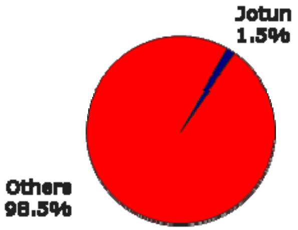
Market size : USD 80 billion

Global market - our sales

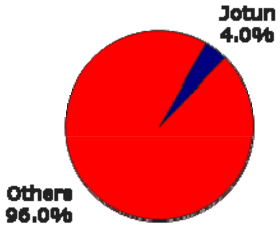


Jotun sales : USD 2.4 billion

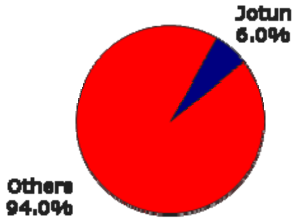
Decorative



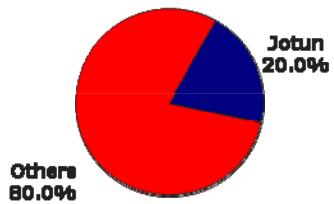
Powder



Protective



Marine

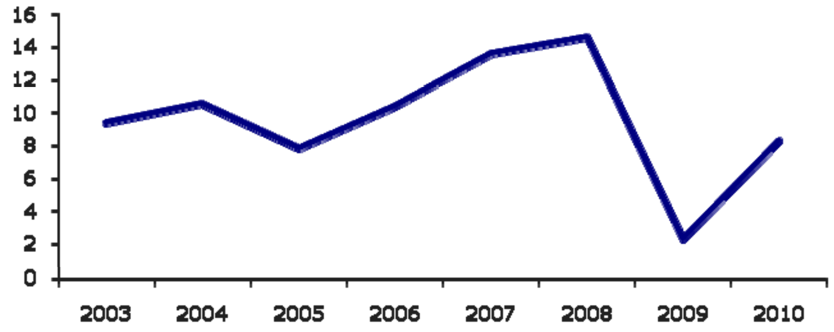


Very strong positions in selected markets

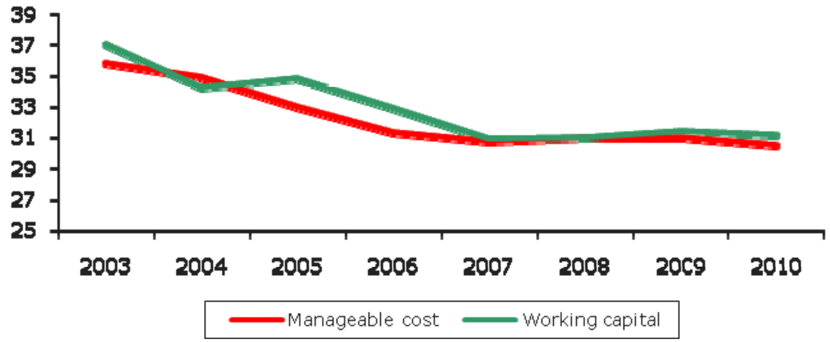
	Decorative		Protective		Marine	
	Share	Position	Share	Position	Share	Position
UAE - Abu Dhabi	42%	1	50%	1	-	-
Saudi Arabia	15%	1	17%	3	17%	3
Egypt	10%	3	48%	1	50 %	1
Yemen	6%	3	55%	1	-	-
Syria	10%	4	-	-	-	-
Jordan	15%	3	-	-	-	-
Oman	52%	1	48%	1	-	-
UAE - Dubai	46%	1	37%	1	38%	2
Bahrain	32%	2	26%	2	40%	1
Kuwait	18%	2	16%	2	26%	3
Qatar	38%	1	9%	2	4%	-

Strong growth and stable profitability

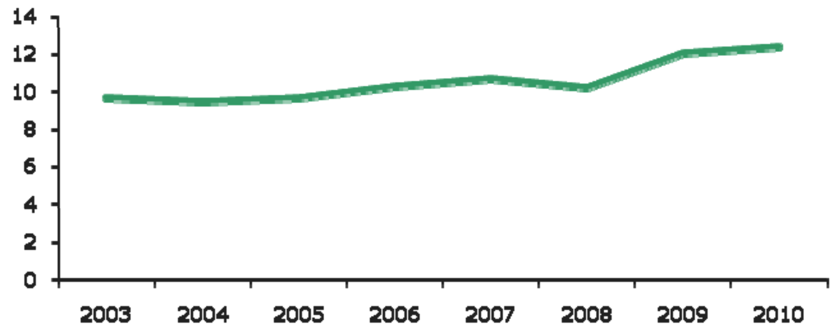
Annual volume growth %



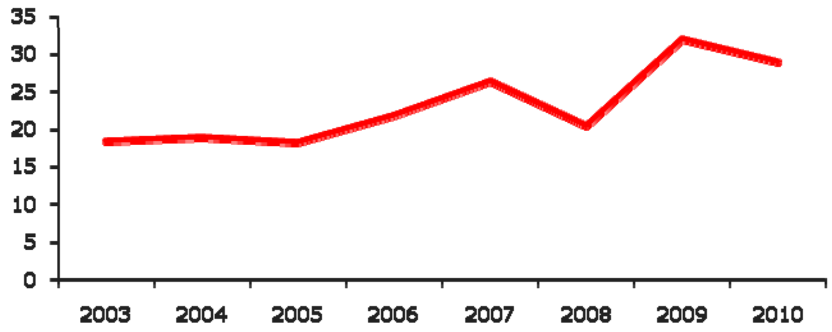
Manageable cost / Working capital %



EBITA %



ROCE %



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	2011	2010	Change
Revenues	10 659	9 767	9%
EBIT	956	1 240	-23%
Profit/loss before tax	893	1 199	-26%


Hydro power

Hydro Power assets in Orkla

- Total capacity of approx. 2.5 TWh

- Borregaard’s energy business – 0.6 TWh
  - Not part of the Norwegian reversion regime

- AS Saudefaldene – 1.9 TWh
  - Orkla owns 85%
  - Power plants leased from Statkraft until 2030
  - The power plants will be returned to Statkraft in return for financial compensation (approx. NOK 1 bn) = estimated residual tax written down value of the newly built plants.
  - Maintenance costs in the next couple of years will be extraordinarily high and EBITDA is therefore expected to be NOK 175-200 million (based on normal precipitation levels)

Hydro Power results in 2011
High production – low prices

- Improved results in 2011 due to high inflows and high production at the Saudefaldene plant
- Reservoir an snowpack levels in Sauda were higher than normal at the start of 2012, but this is counteracted by the fact that prices are lower than normal

Amounts in NOK million

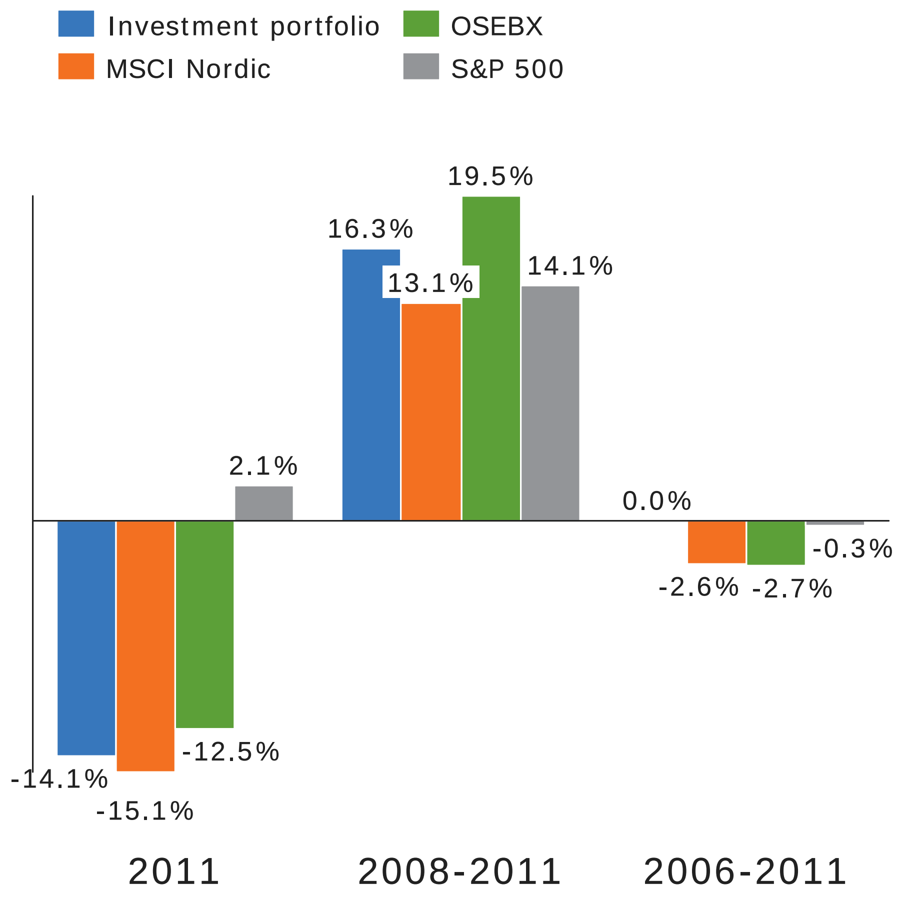
Operating Revenues	**2011**	**2010**	**Change**
Hydro Power	1 691	1 321	28%

EBITA	**2011**	**2010**	**Change**
Hydro Power	260	177	47%

Share Portfolio

According to strategy – Significant sales from the 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
(39.7% ownership)

Renewable Energy Corporation

- REC is a leading vertically integrated player in the solar energy industry
- REC is among the world's largest producers of polysilicon and wafers for solar applications, and a rapidly growing manufacturer of solar cells and modules
- REC is also engaged in project development activities in selected PV segments
- REC is listed on the Oslo Stock Exchange
  - Orkla holds 39.7% in REC

REC – Q4 and 2011 reporting

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

Sum-up – The Orkla group

Key take aways

- Orkla will be a Branded Goods company
- The focus as a branded goods company is on operational improvements, organic growth and structural growth through value-adding acquisitions
- Orkla will divest its Share Portfolio, Borregaard and holding in REC
- Focus on operational improvements for Sapa – then within 2-3 years find a structural solution