



Leveraging our core strenghts

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Agenda

- Existing business portfolio and Orkla's growth story
- Strategic direction
- Orkla Brands
- Growth through allocating capital within branded goods
- Financial capability and dividend

Existing business portfolio



The leading Nordic
FMCG company
– 80% of revenues from
leading brands

Revenues NOK 23.6 billion
EBITA NOK 3.0 billion



World leader in the
aluminium solutions
industry

Revenues NOK 27.7 billion
EBITA NOK 0.7 billion

Share Portfolio

NOK 7.4 billion as of Q3-11

Hydro Power

2.5 TWh



Leading specialised chemical company
Revenues: NOK 3.8 billion



42.5%
Fastest growing paint company
Revenues: NOK 12 billion

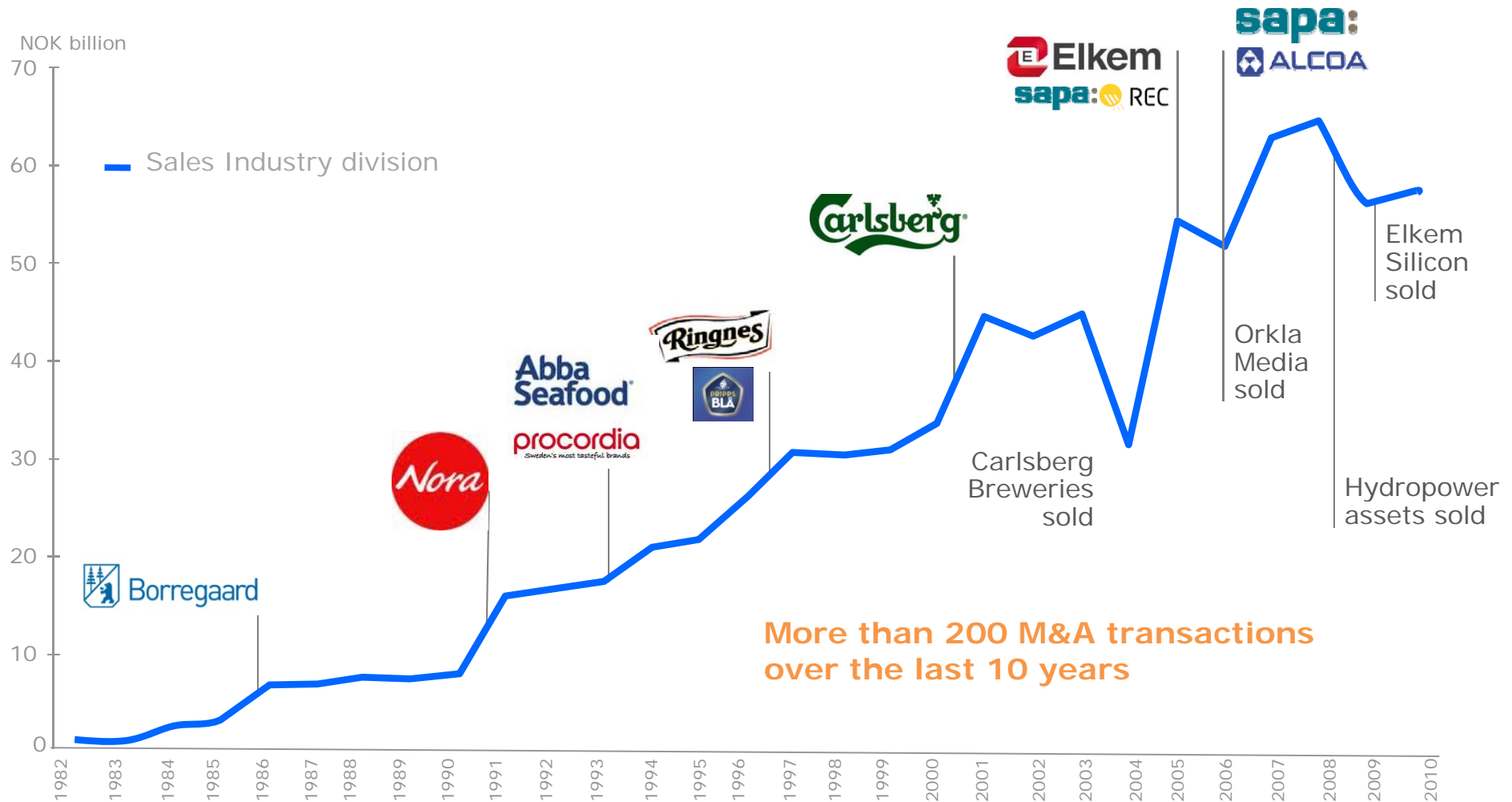


39.7%
Renewable Energy Corporation
Leading solar company
Revenues: NOK 13.8 billion

All figures except Share Portfolio as of 31 Dec 2010

Orkla's growth story

Combining operational and structural expertise



Branded goods share of revenues significantly decreased since 2004

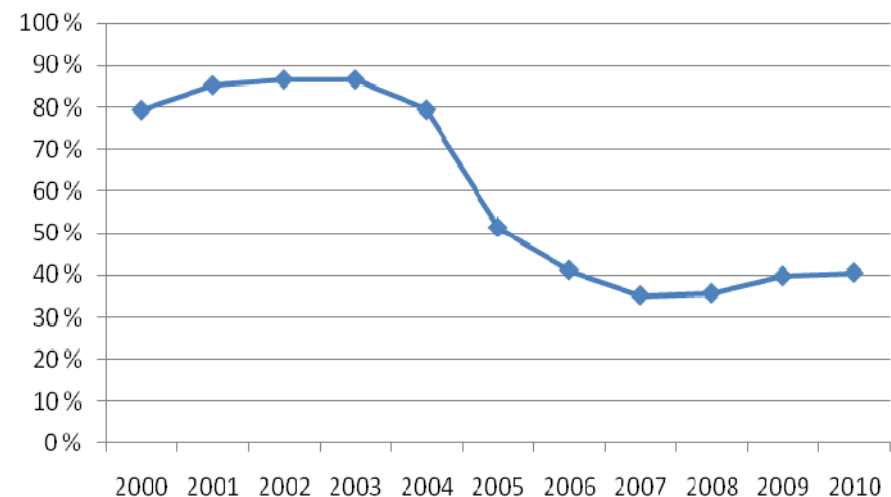
1986-2003: A strong branded goods-oriented profile

- Orkla/Borregaard merger
- Orkla/Nora merger
- Procordia acquisitions
- Orkla Breweries
- Orkla Media

2004-2010: Less focus on branded goods

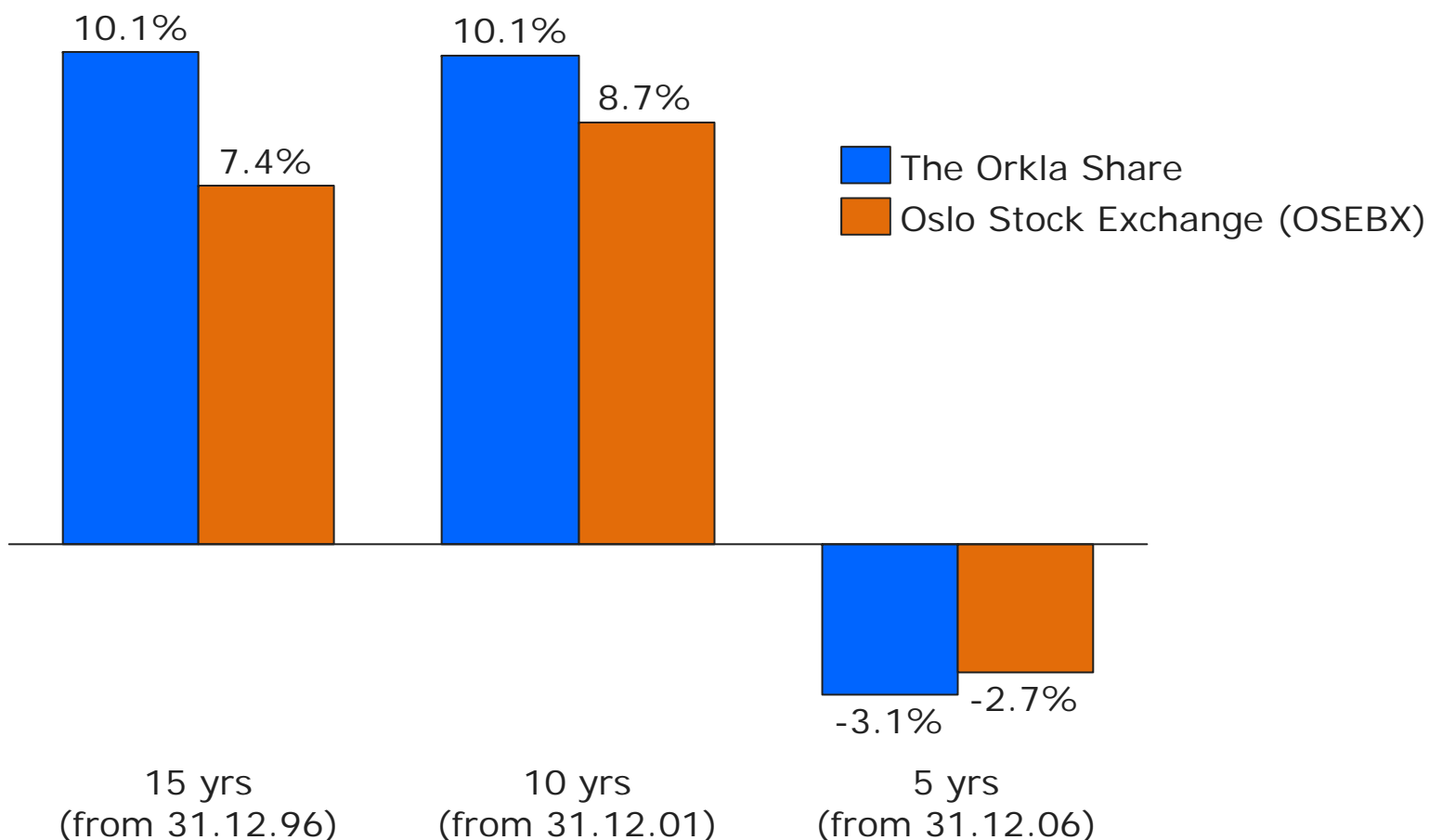
- Sale of stake in Carlsberg Breweries
- Sale of Orkla Media
- Acquisitions of Elkem, REC and Sapa

SHARE OF ORKLA REVENUES FROM BRANDED GOODS



Orkla has created substantial value

- 4%-points better than OSEBX in 2011



* Based on share price year-end 2011, dividend reinvested



Strategic direction

Strategic direction

- Orkla will grow by allocating capital within branded goods
- 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
- Hydro Power assets defined as financial assets

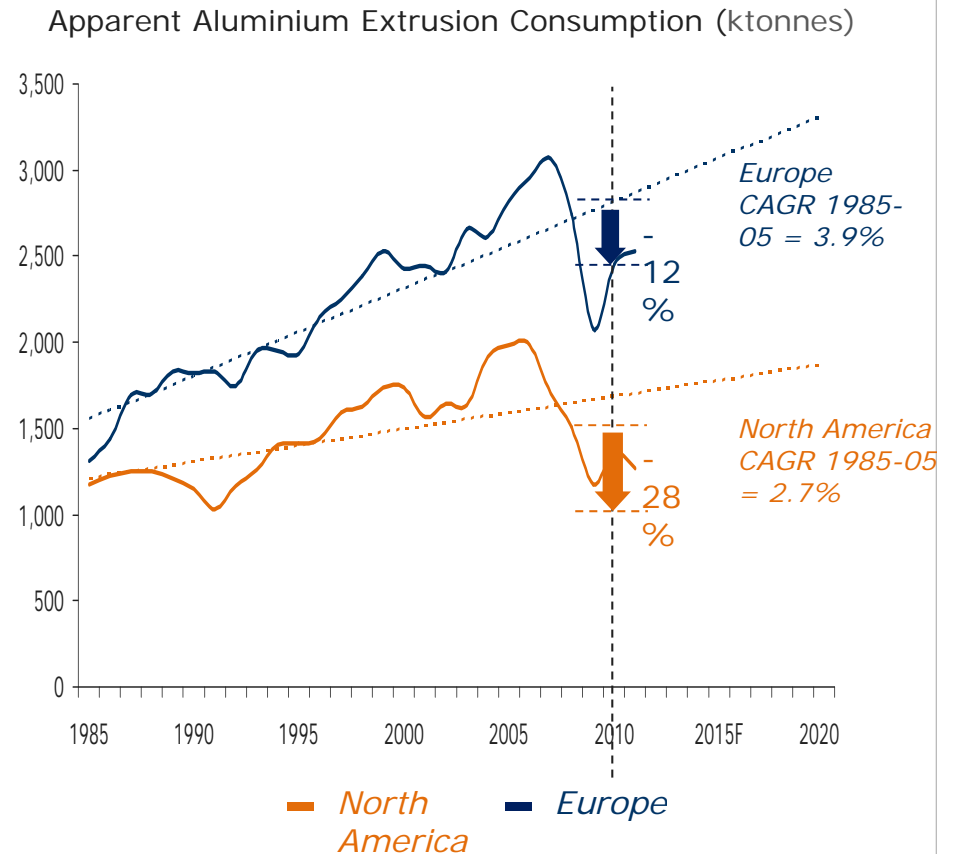


Divestments of financial and industrial assets



Focus on operational improvements for Sapa next 2-3 years

- **Sapa's financial goals remain firm**
 - EBITA-margin: 6%
 - Capital turnover rate: 3
 - ROCE: 18%
- **Satisfactory performance by Profiles North America, weak margins in Europe**
- **Strengthening restructuring programmes**
- **Extrusion consumption still well below mid-cycle levels**
- **Aim to find an industrial buyer or a possible IPO within 2-3 years**



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

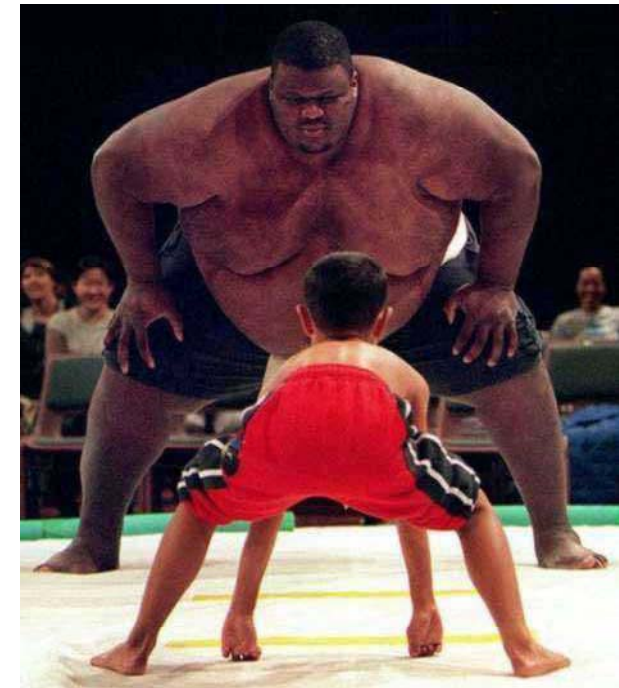


Orkla Brands


















-The strongest Brand Builder in the Nordic markets

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

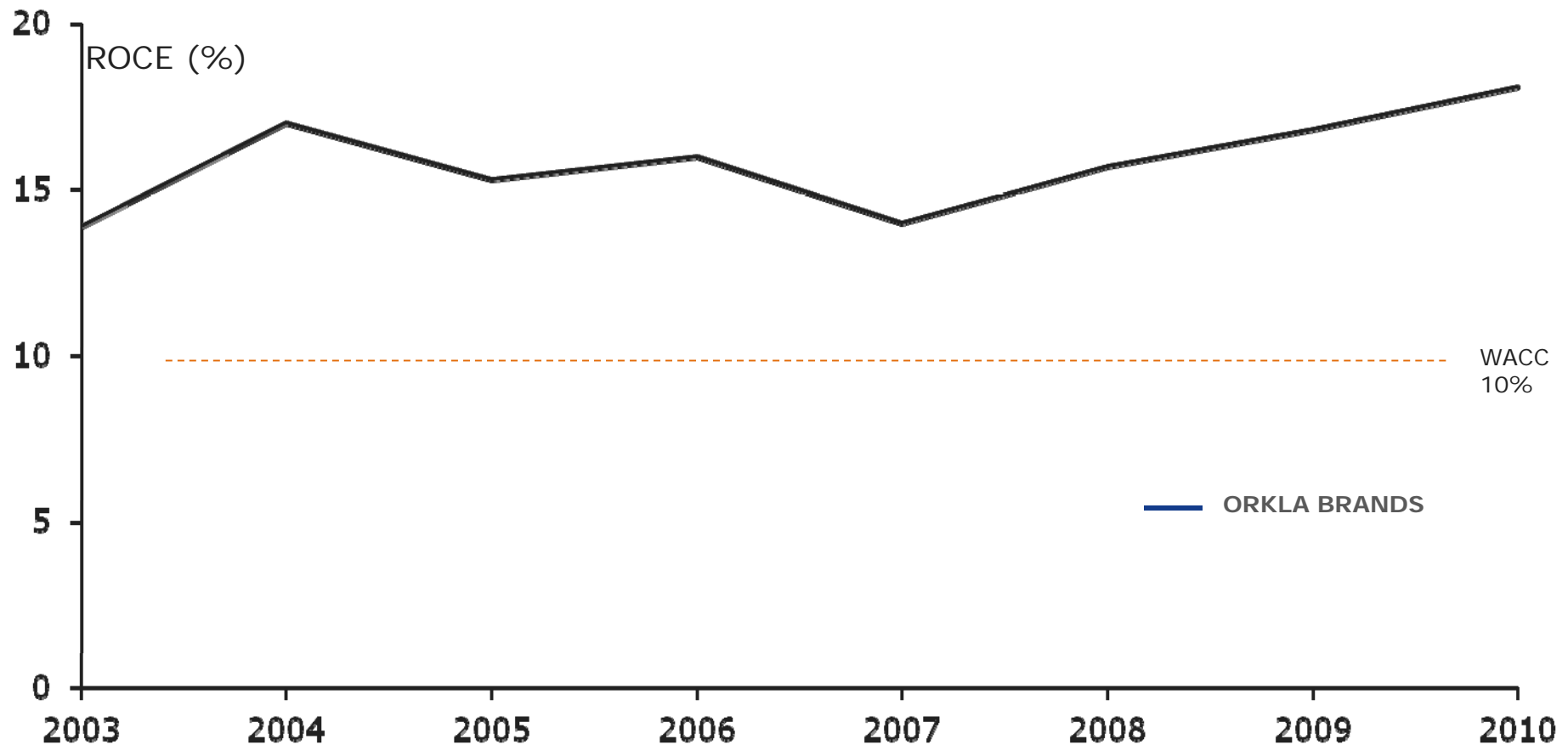


Orkla Brands has proven track record in building strong market positions ...

					
	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)	2	1	2	1

● Present in market
○ Not present in market

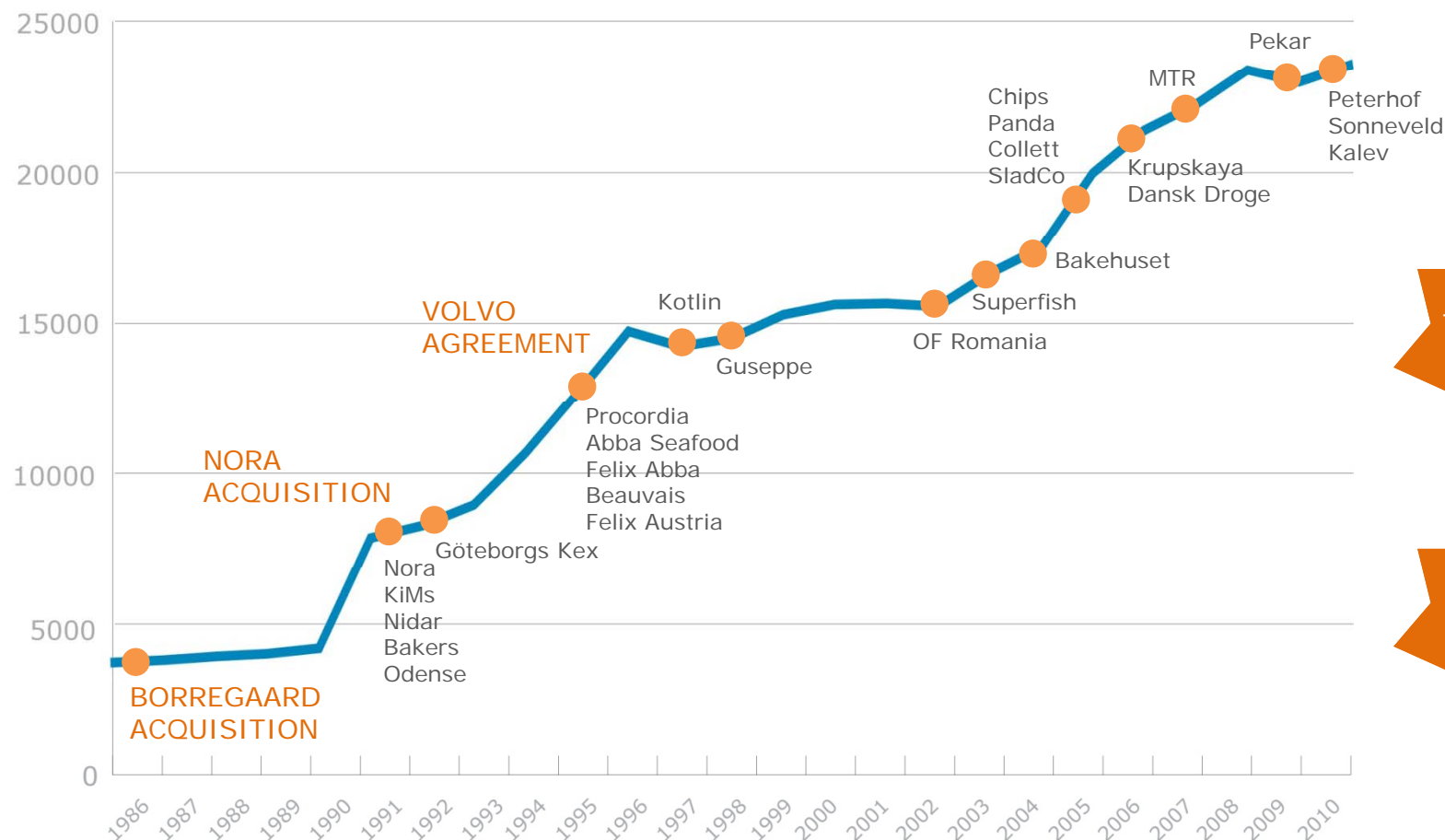
...and increasing shareholder value



25 years of 8% revenue growth

Turnover, NOK million

 CAGR
1986-2010

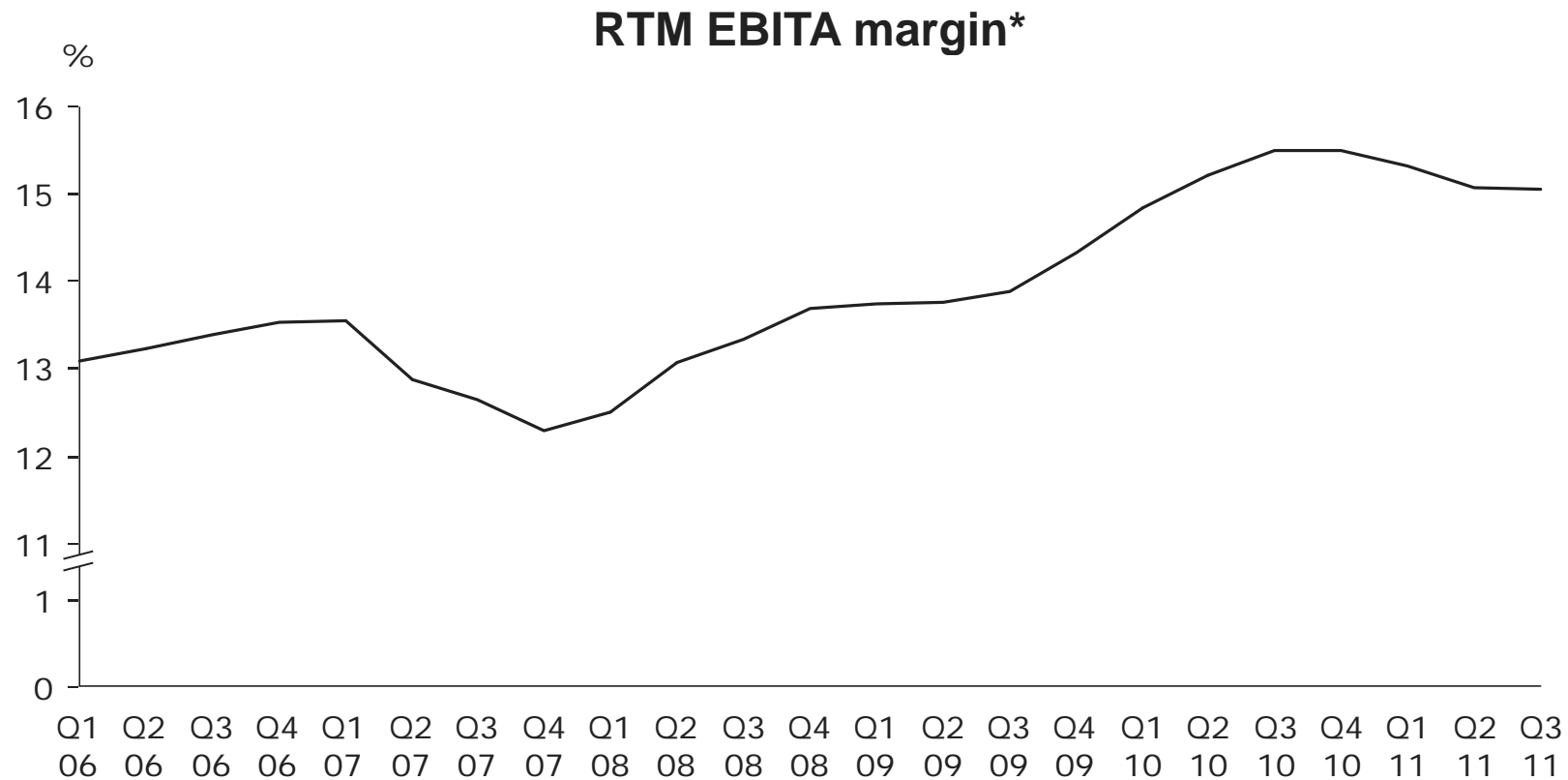


Turnover:
+ 8%

EBITA:
+ 12%

CAGR: Compound Annual Growth Rate

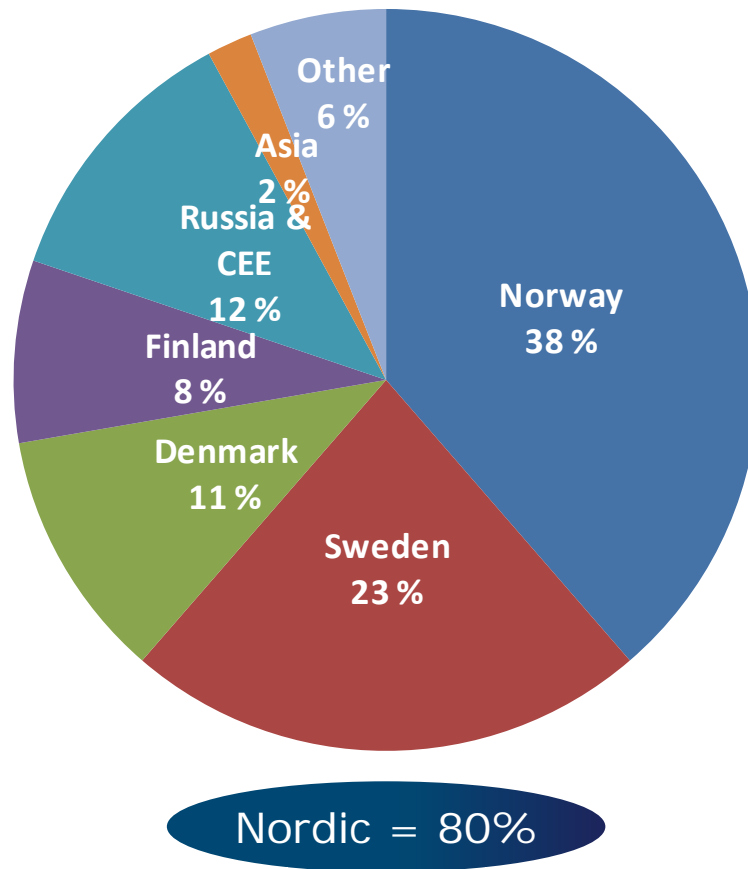
Margins stabilised at a higher level in the Nordic FMCG companies



* Orkla Brands Nordic and Orkla Foods Nordic

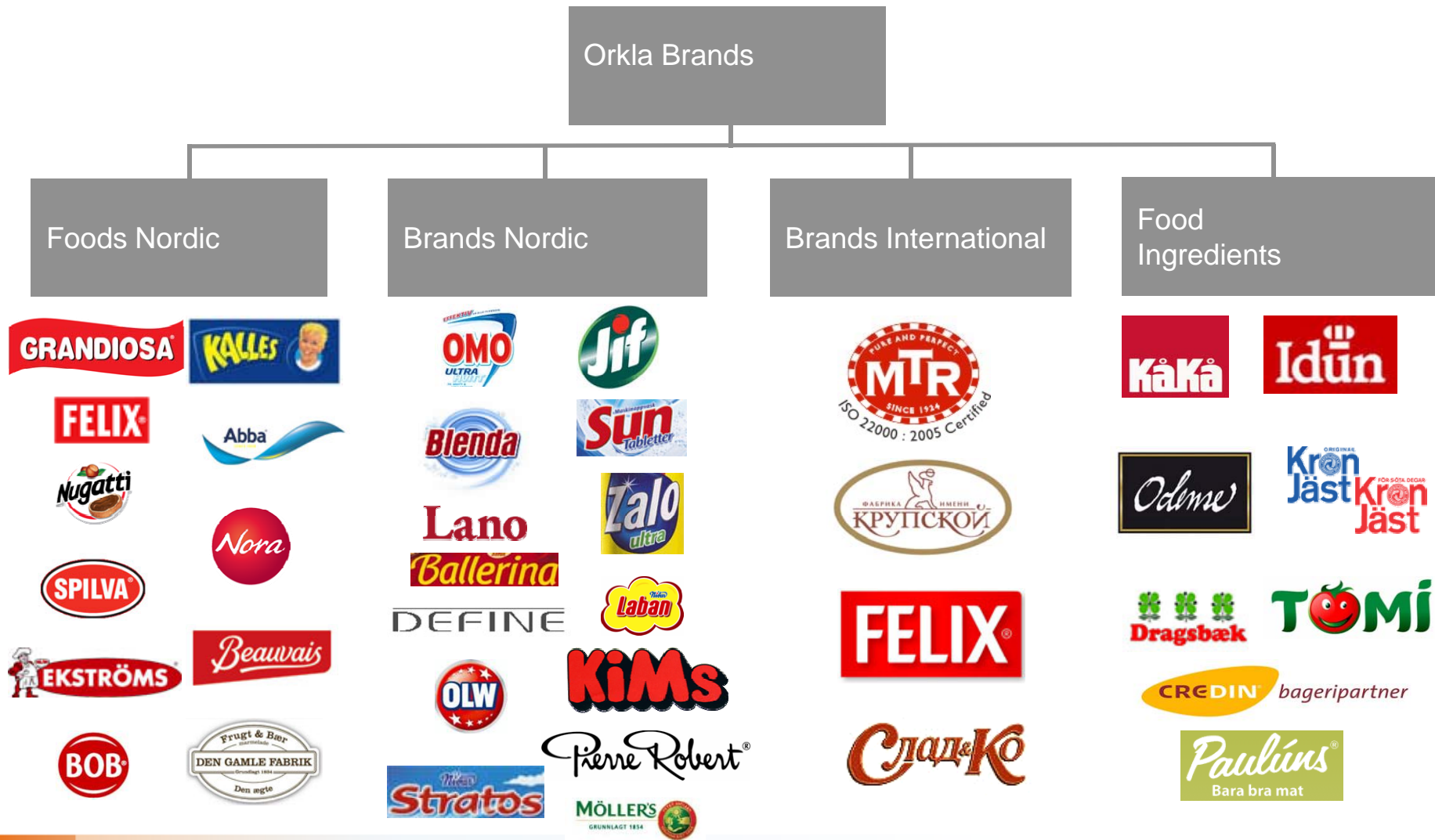
Majority of turnover is derived through B2C in the Nordics

Share of turnover 2010



Key figures (NOK million)	2010
Turnover	23 627
EBITA	2 967
Man-years	13 918

80% of turnover from leading market positions



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

KiMs

47%

Denmark



Frito-Lay

9%



Kalev

35%

Estonia



Mars

6-7%



Kraft

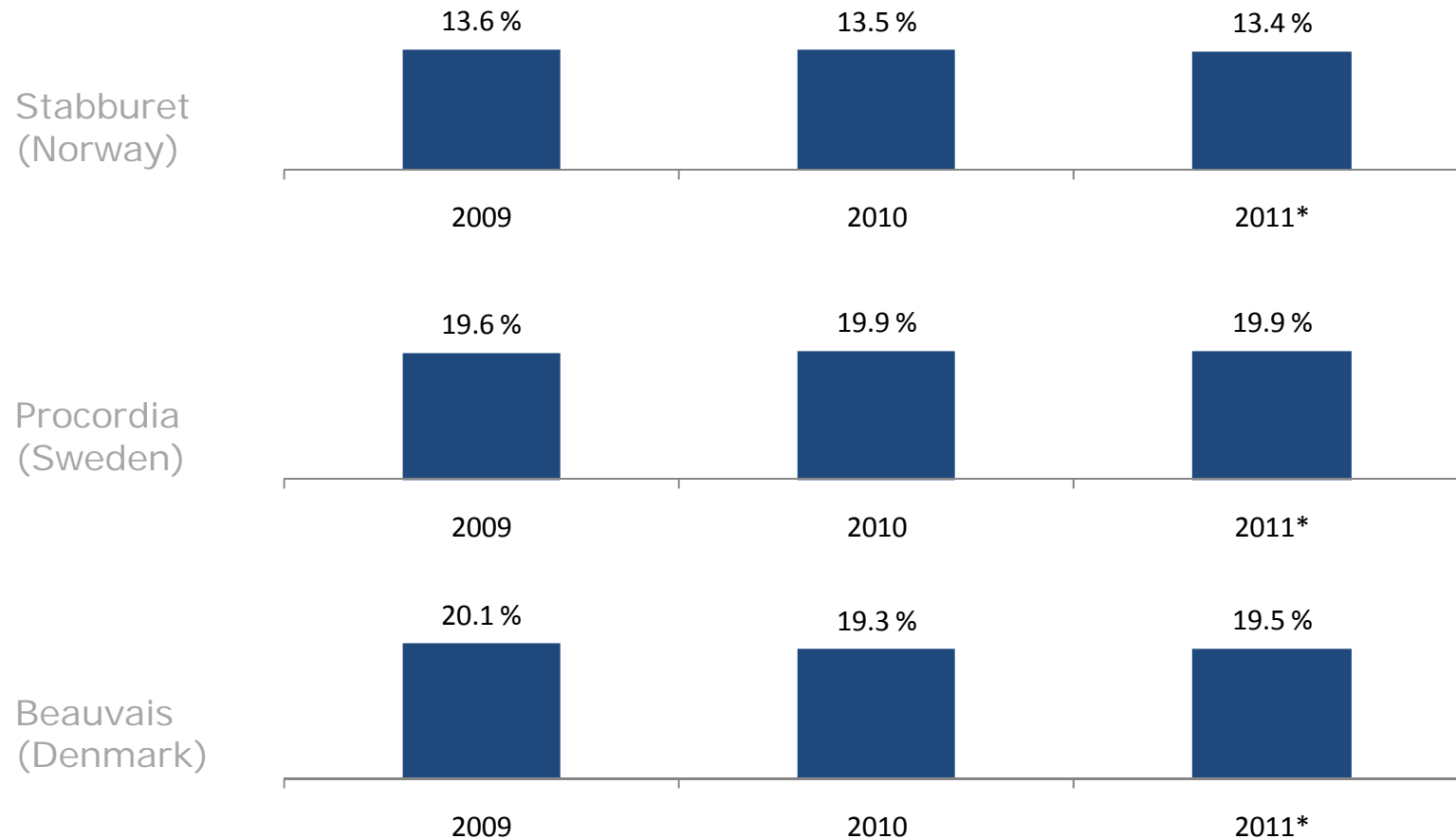
3-4%



Source: ACNielsen

Private Label share relatively moderate and stable in the Nordics

12 month PL share (value) in relevant categories



* Rolling 12 months per week 28
Source: ACNielsen

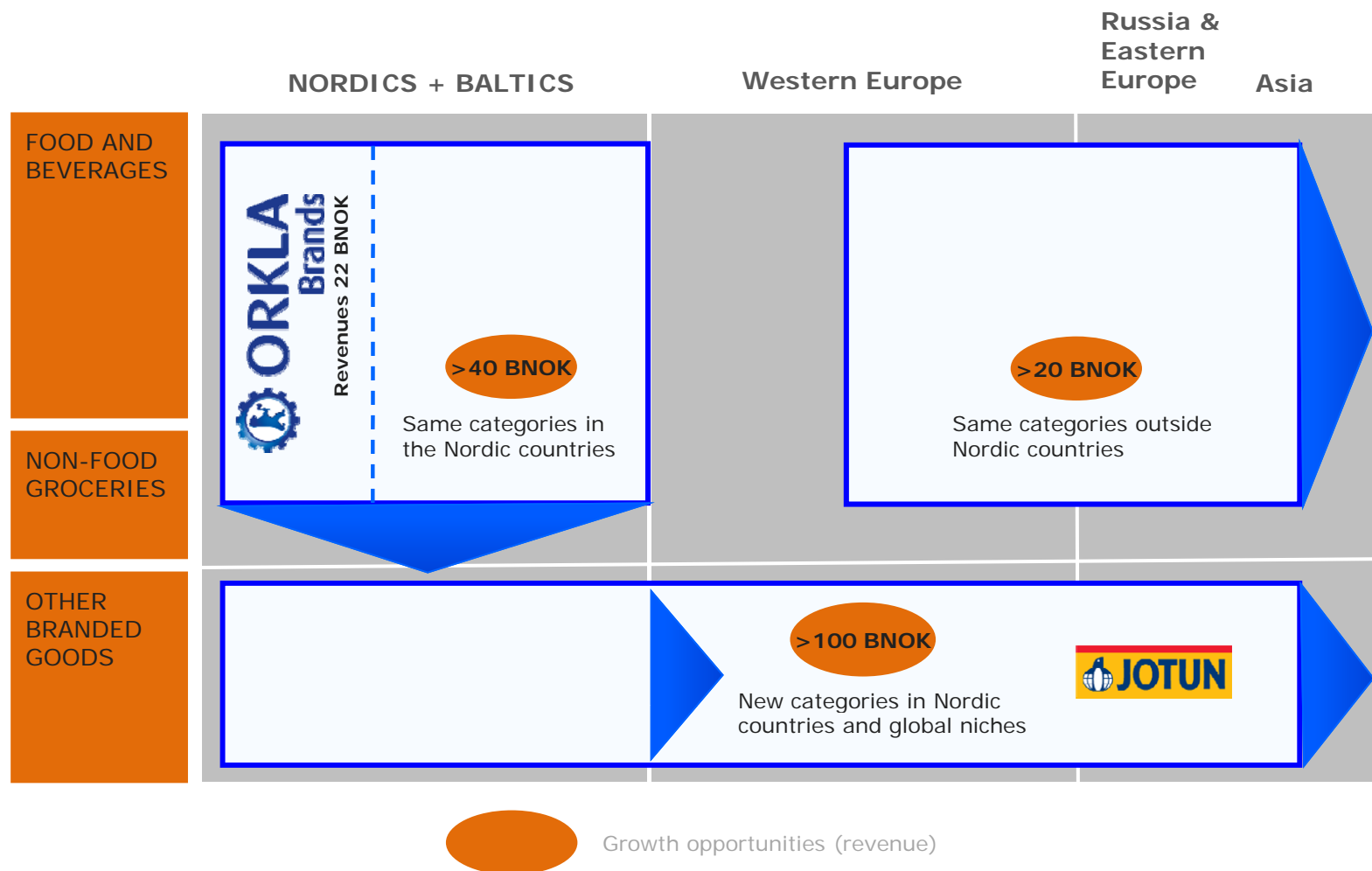


Growth through allocating capital within branded goods

Increasing structural growth opportunities

- Focus at companies within existing categories and geographies
 - This is where we will find the most synergies in combination with our existing operations
- An increasing number of potential targets identified within relevant categories and geographies

Clear growth opportunities in branded goods



Our capital allocation criteria

- **Competitive edge and leading market positions** in clearly defined product categories and relevant markets
- **Customer insight**, sustainably unique and differentiated market offerings – as a base for customer loyalty and preference
- **Synergy potential**
- **Scalability and opportunities to replicate** for future organic and structural growth
- **Stable cash flow** through the cycle
- **Expected return** above WACC of 10% (before tax)



Financial flexibility supports group strategy

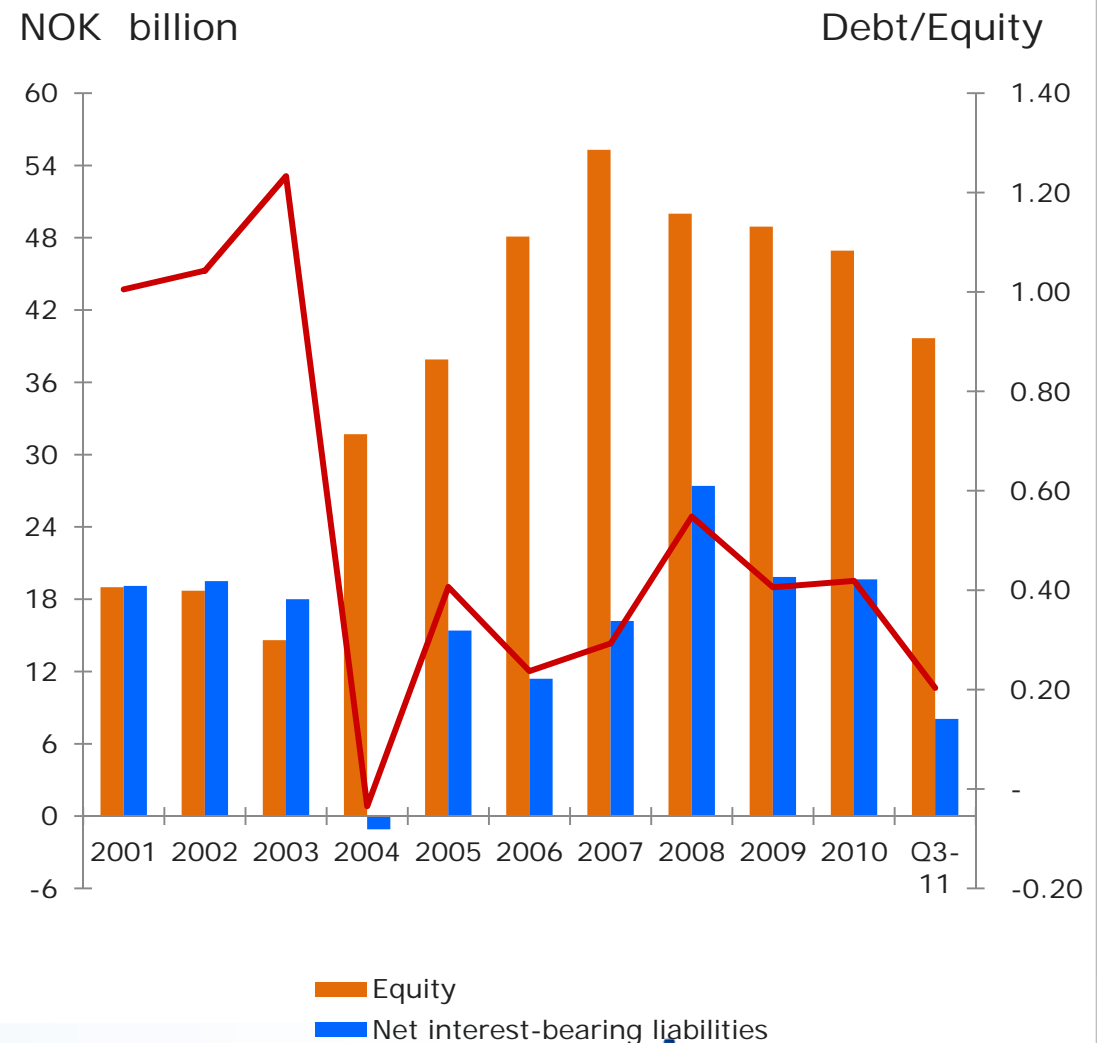
Strong financial flexibility and expansion capacity

Flexibility from re-allocation of assets

Current debt capacity
NOK 20 – 25 billion

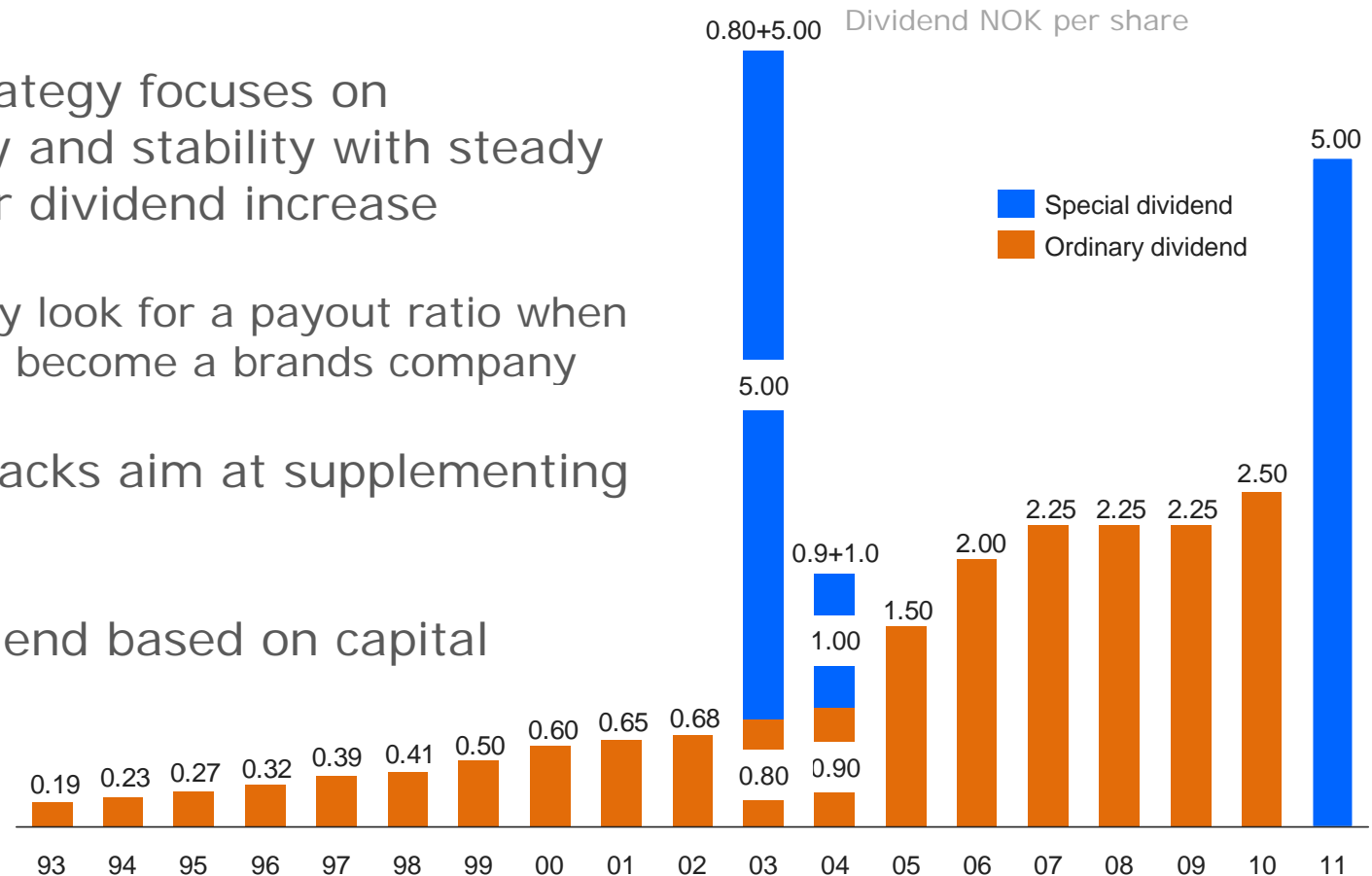
- Unused credit lines NOK 13 billion
- Bilateral bank relations – no loan syndicates

No financial covenants



Dividend policy

- Dividend strategy focuses on predictability and stability with steady year-on-year dividend increase
 - Most likely look for a payout ratio when Orkla has become a brands company
- Share buy-backs aim at supplementing dividend
- Special dividend based on capital structure



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