



Extraordinary General Meeting

3 November 2011



Strategic direction

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President and CEO Orkla ASA



Agenda

- Key messages from Orkla Investor Day
- Proposed dividend by the Board of Directors

Orkla Investor Day

- Key strategic messages

- Growth by allocating capital within branded goods
- Orkla will divest its Share Portfolio
- Sapa – focusing on value enhancement through operational improvements
- A special dividend of NOK 5 per share is proposed by the Board of Directors

Branded goods share of revenues significantly decreased since 2004

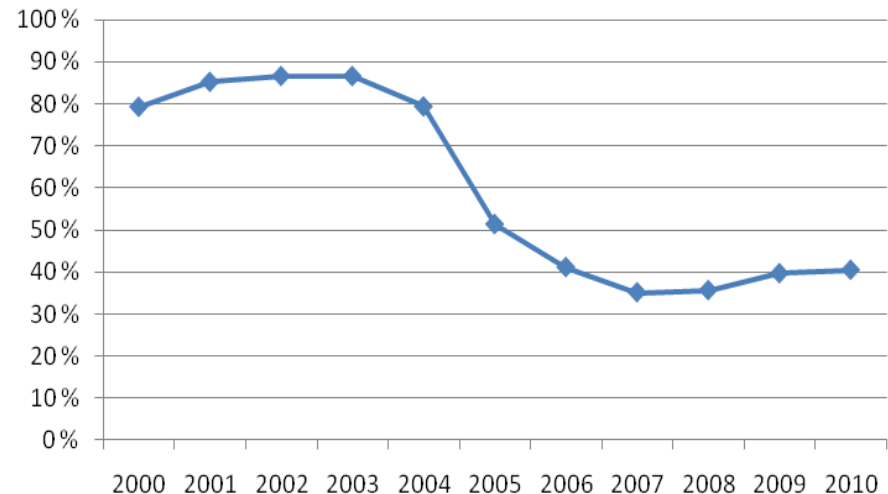
1986-2003: A strong branded goods-oriented profile

- 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



Non-core assets divested in last 12 months

- Successful divestment of Elkem Silicon-related
NOK 13 billion
- Net divestments in the Share portfolio
NOK 4 billion
- Sale of Borregaard forests at favourable valuation
NOK 1.7 billion

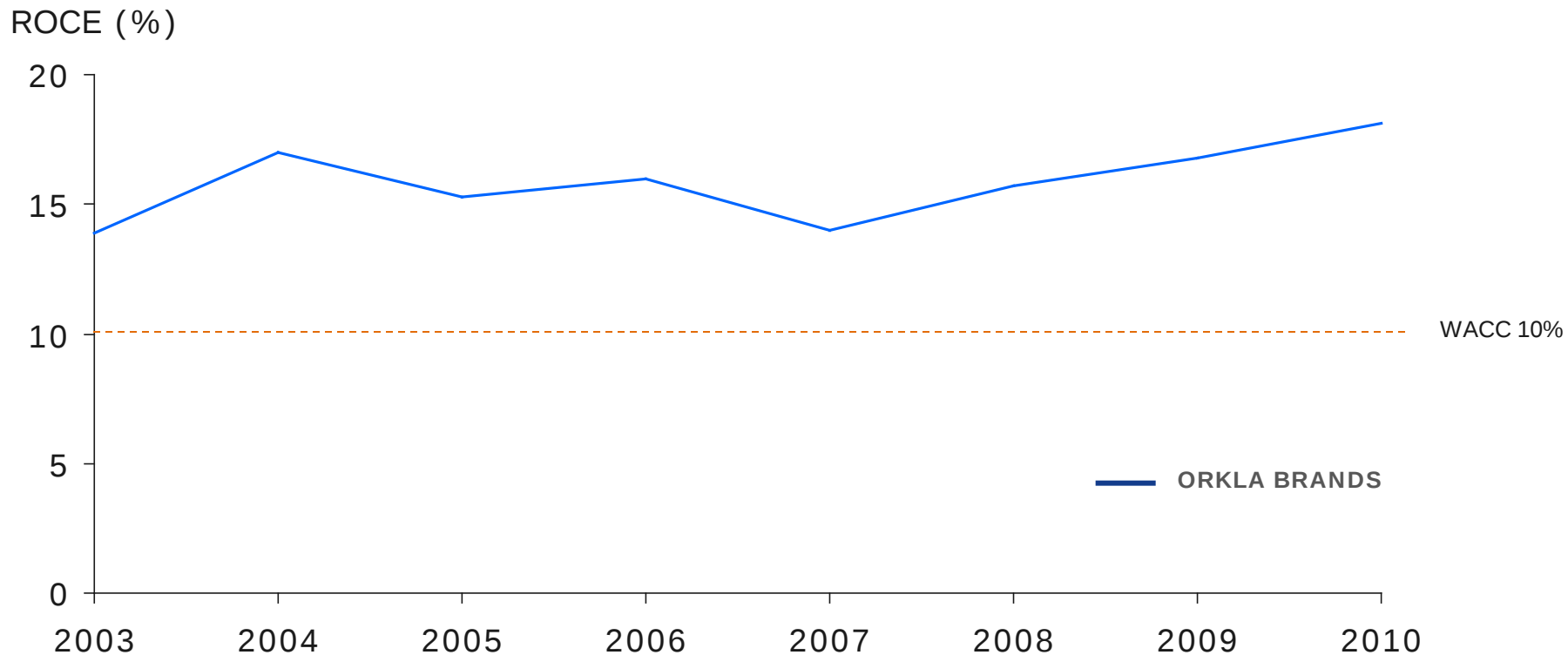




STRATEGIC DIRECTION

GROWTH BY ALLOCATING CAPITAL WITHIN BRANDED GOODS

Orkla's track record within Branded Goods



Growth and capital allocation based on our core expertise within branded goods

Brand building

- Customer insight
- Brand development
- Sales management

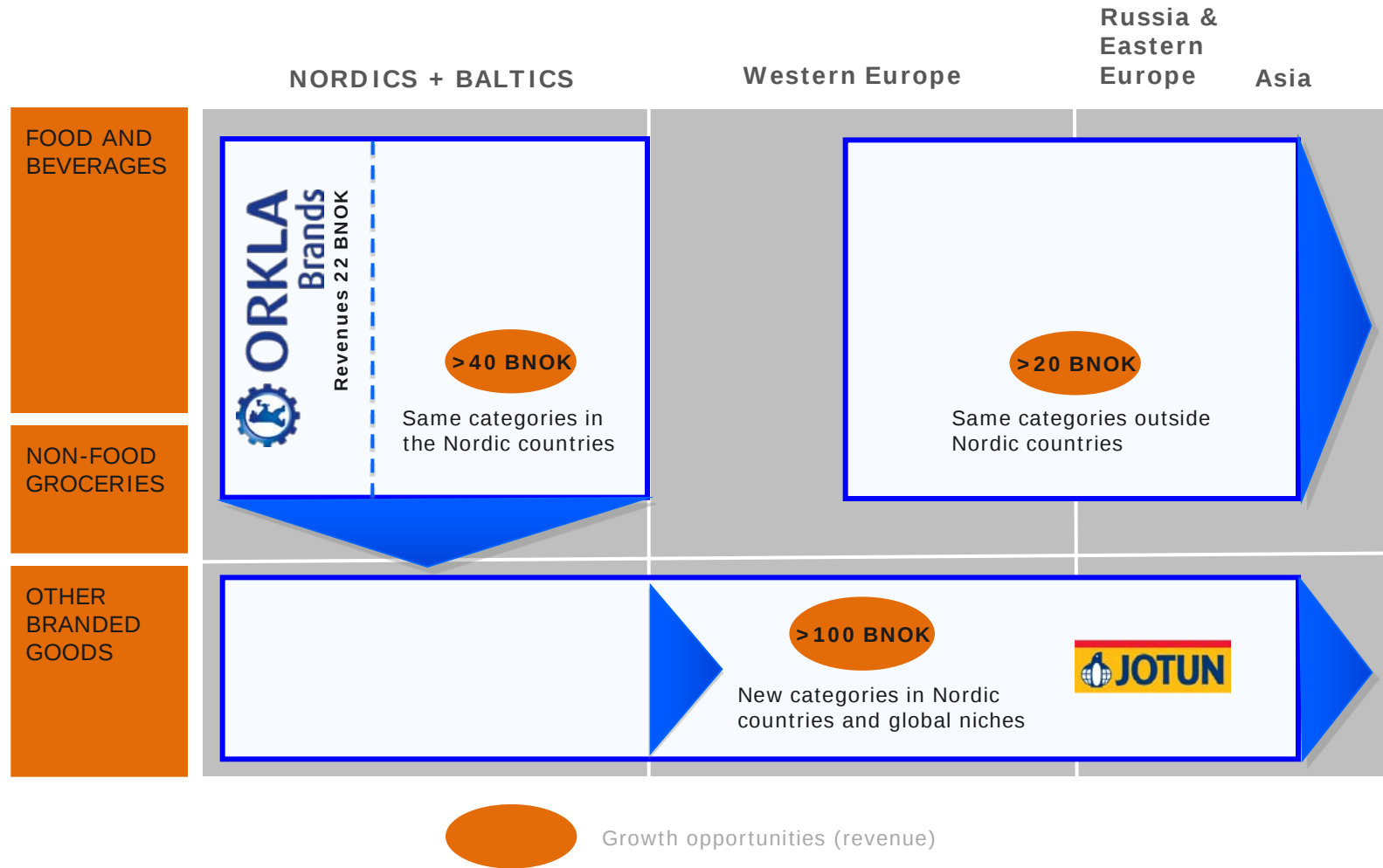


M&A skills and expertise

- Deal orientation
- Deal structure
- Post deal integration



Clear growth opportunities in branded goods



Assets outside our future growth scope



Orkla Share Portfolio

- Share Portfolio will be divested
- Different exit-routes to be considered
- Market value as of 30 Sep 2011 NOK 7.4 billion

77 % Listed





Borregaard

- Advanced Biorefinery and a global niche player
- Leading market positions in biochemicals like Lignin, Specialty Cellulose and Vanillin
- Strong markets and significant operational improvement in 2011
- Internal restructuring of assets underway to facilitate a structural solution





- 39.7% share in REC defined as a financial holding to Orkla
- Value potential in a world leading producer of polysilicon
- Orkla will support REC in their work on operational improvements and structural solutions



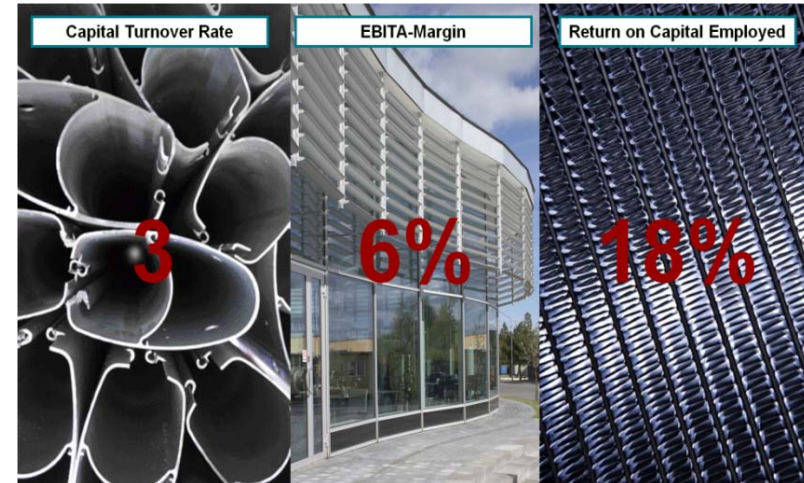
Sapa – focusing on value enhancement through operational improvements

Strategic priorities

- Strong focus on operational execution to reach financial targets
- Integrating our Asian operations
- Strengthening our organization

Sapa is outside Orkla's long-term growth scope

- Limited capital allocation





Orkla's financial flexibility - proposed extraordinary dividend

Cash flow as of 30 September 2011

	30.09.2011	30.09.2010
Industrial activities:		
Operating profit	2 399	2 555
Amortisations, depreciations and write-downs	1 582	1 369
Changes in net working capital	-2 159	-1 989
Net replacement expenditure	- 956	-1 014
Cash flow from operations	866	921
Financial items, net	- 308	- 398
Cash flow from Industrial activities	558	523
Cash flow from Financial Investments	506	697
Taxes paid	- 523	- 494
Discontinued operations and other payments	- 501	-1 069
Cash flow before capital transactions	40	- 343
Paid dividends	-2 561	-2 319
Net purchases/sale of Orkla shares	- 171	22
Cash flow before expansion	-2 692	-2 640
Expansion investment in Industrial activities	- 728	- 353
Sale of companies/shares of companies	13 503	224
Purchase of companies/share of companies	-1 038	-2 619
Net purchases/sale of portfolio investments	2 475	1 178
Net cash flow	11 520	-4 210
Currency effects of net interest-bearing liabilities	72	75
Change in net interest-bearing liabilities	-11 592	4 135
Net interest-bearing liabilities	8 060	23 983

Equity to total assets ratio: 55.0 %
 Net gearing: 0.20

Strong financial flexibility and expansion capacity

Current debt capacity NOK 20 – 25 billion

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

No financial covenants

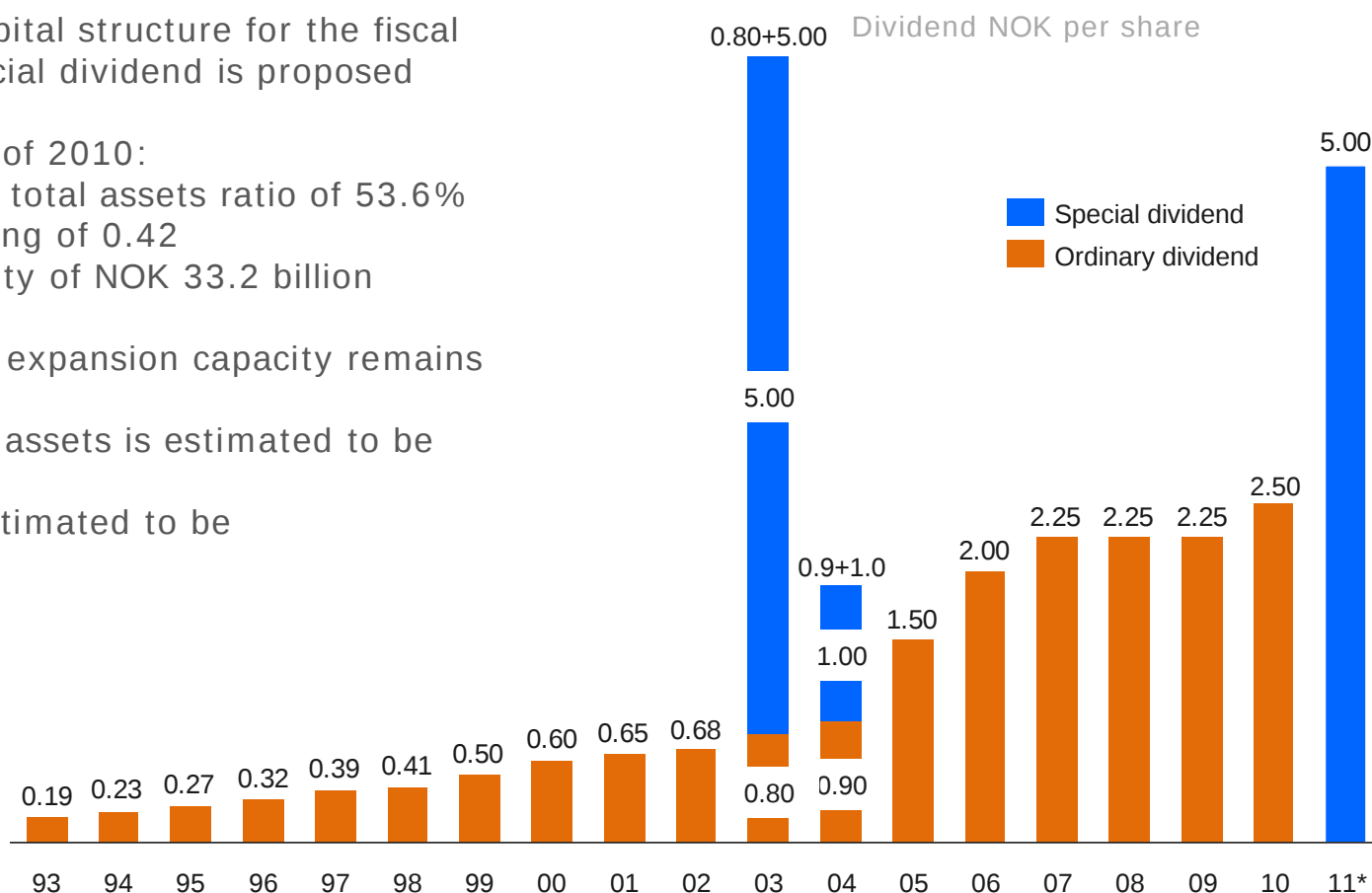
Flexibility from re-allocation of assets

Return of capital to shareholders

- Dividend strategy focuses on predictability and stability with steady year-on-year dividend increase
- Share buy-backs aim at supplementing dividend
- Special dividend based on capital structure

Orkla's Board of Directors proposes a special dividend of NOK 5 per share

- Based on Orkla's capital structure for the fiscal year of 2010, a special dividend is proposed
- Capital structure as of 2010:
 - Equity to total assets ratio of 53.6%
 - Net gearing of 0.42
 - Free equity of NOK 33.2 billion
- If approved, Orkla's expansion capacity remains strong
 - Equity to total assets is estimated to be around 51.6%
 - Net gearing estimated to be around 0.38



* Proposed special dividend



Statement by the Corporate Assembly

”Orkla ASA’s Corporate Assembly has considered the proposal to pay an extraordinary dividend of NOK 5 per share, except for shares owned by the Group, and recommends the proposal to the General Meeting.”

Proposed resolution

”The General Meeting resolves distribution of an extraordinary dividend of NOK 5 per share, except for shares owned by the Group.”

