



Operational focus to reach financial targets

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CEO Sapa



Key strategic 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

Sapa in 2005

– a mid-sized European company



Sites: 18
Sales: 12 500 MNOK
FTE: 8 000

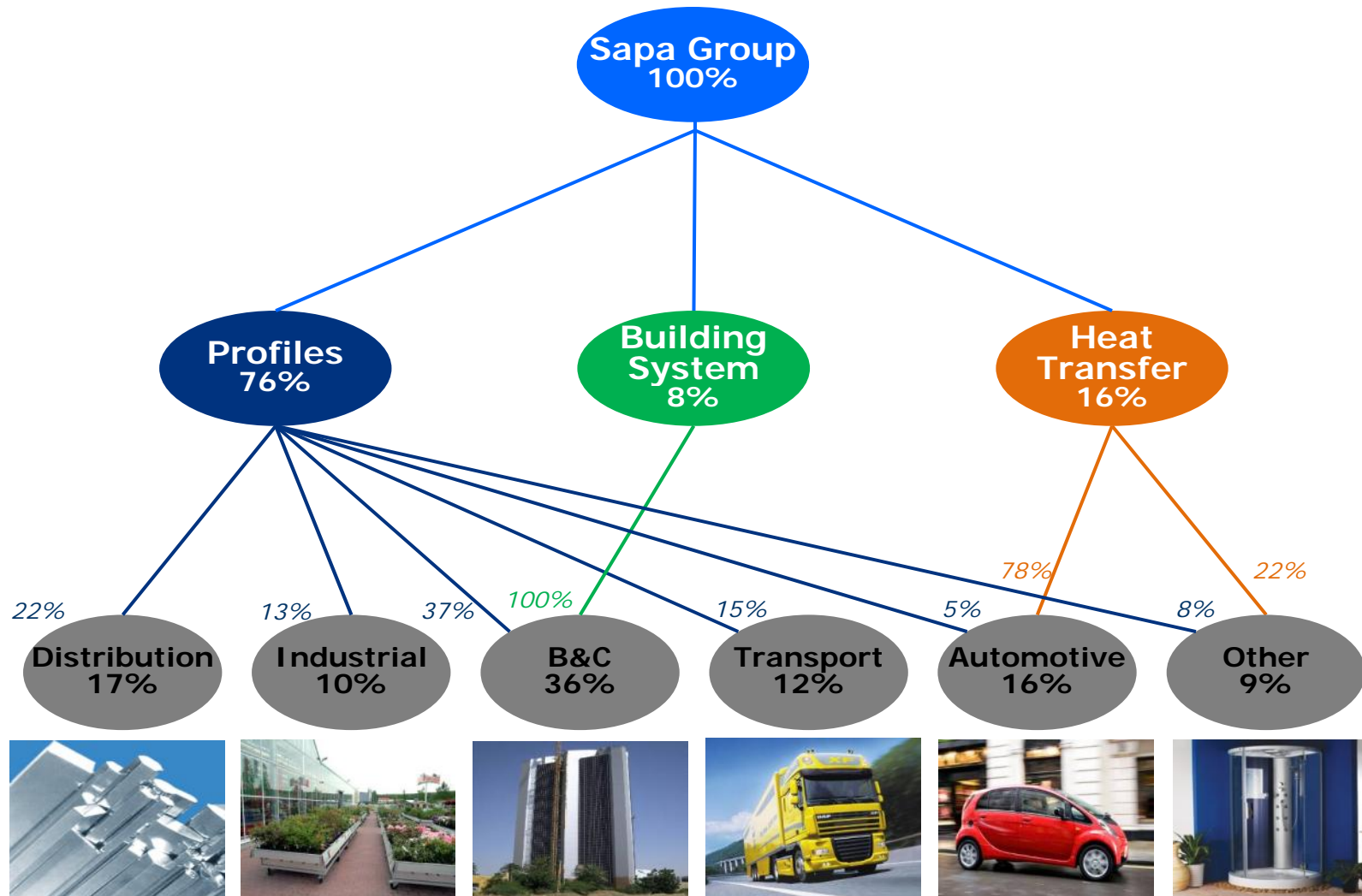
Sapa today – a global company



Sites: 65
Sales: 27 700 MNOK
FTE: 14 800

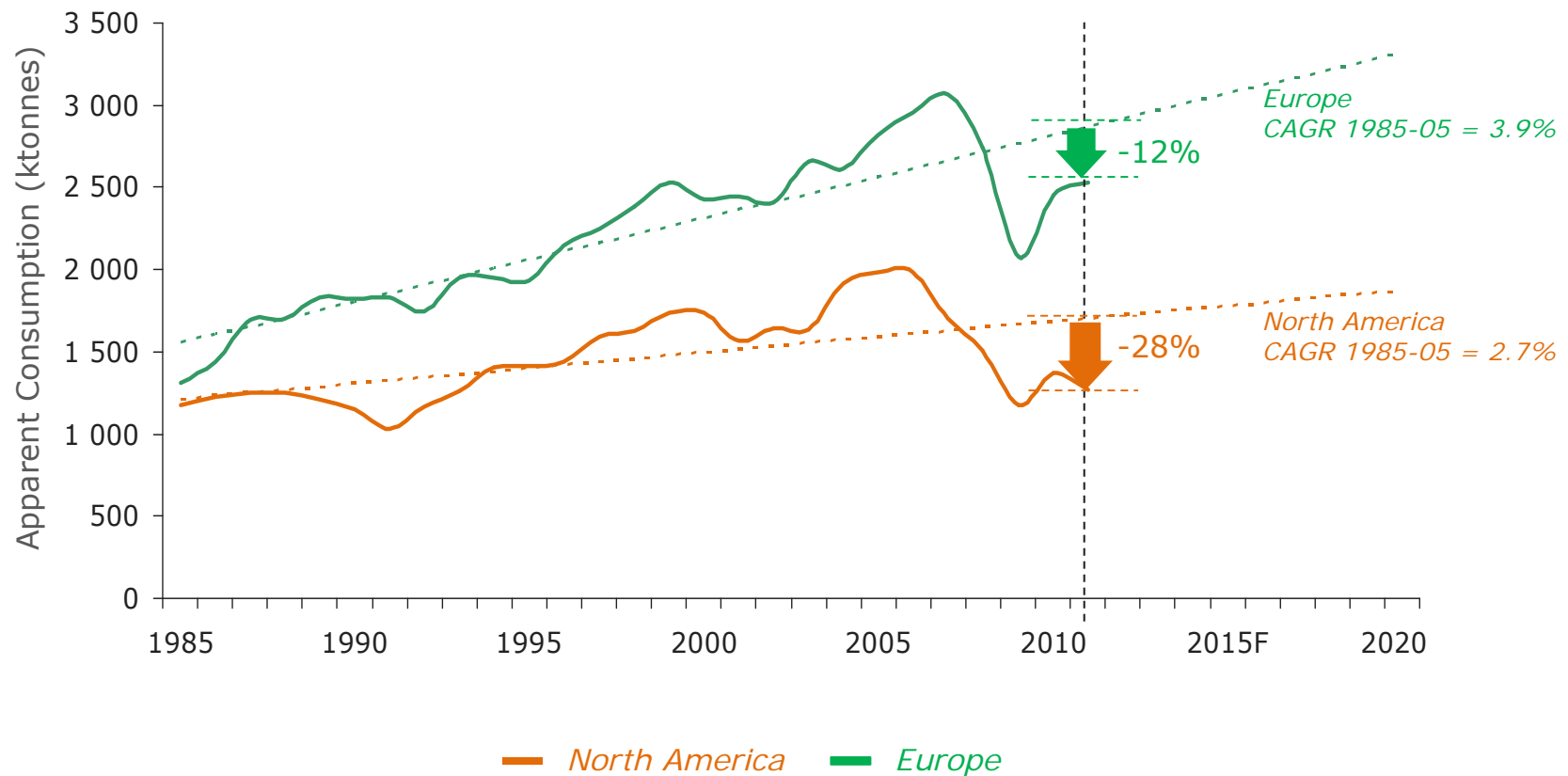
Sapa is exposed to a large number of end-user markets

Sales Split by Business Area & End-Use Market 2010



The extrusion markets are still below mid-cycle levels

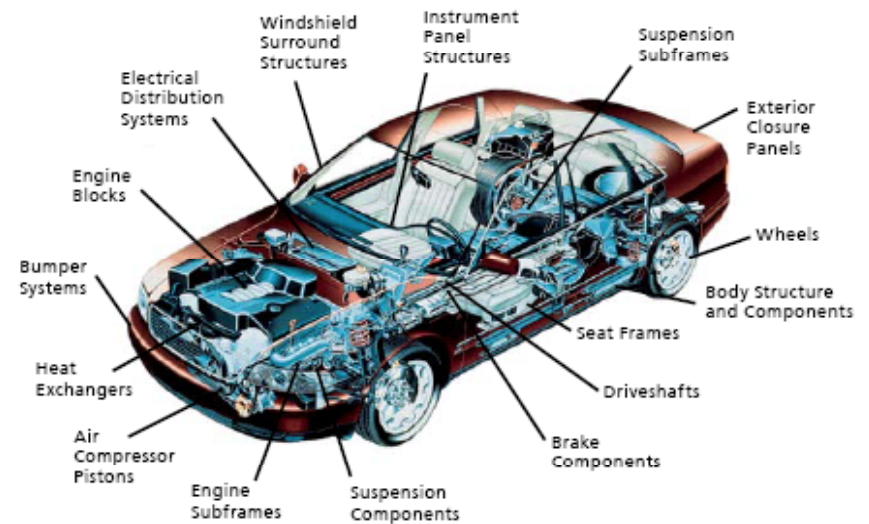
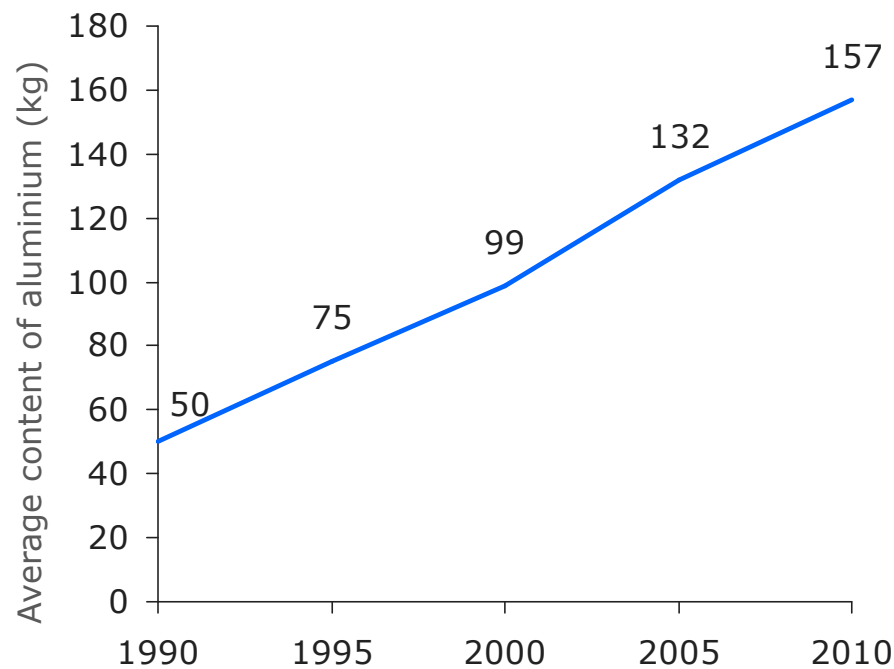
Apparent Aluminium Extrusion Consumption 1985 to 2020F



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

Aluminium extrusion content in light vehicles is increasing by some 5% per year

Evolution of aluminium content in European cars



Source: EAA, Knibb Gormezano & Partners, Sapa analysis

Sapa Heat Transfer is developing new market opportunities

Residential A/C



Commercial A/C & Refrigeration

- Rapid growth through technology and material conversion – Copper to Aluminium
- Conversion driven by global OEM technology leaders
- All-Aluminium penetration rate < 5% globally, with global CAGR 24.5%

Sapa's global network a competitive advantage



Local customers

sapa:

Towards solutions



Health & Safety



World Class Operations



World Class Purchasing





Significant progress for the NA operations – now focusing on Europe

Sapa's financial goals remain firm

Capital Turnover Rate

3

EBITA-Margin

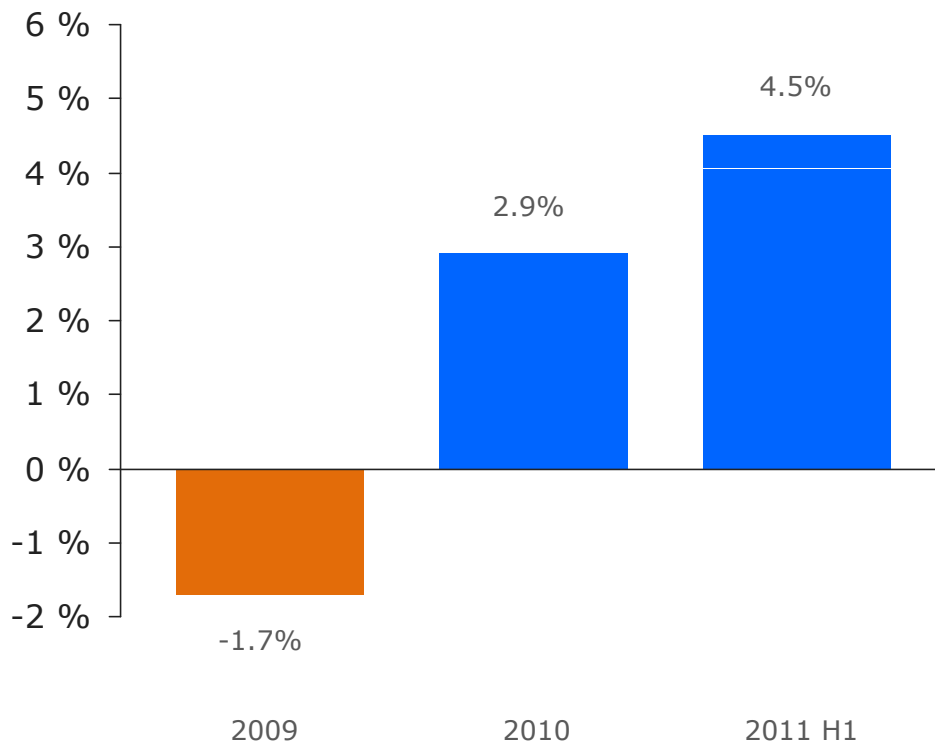
6%

Return on Capital Employed

18%

Significant progress towards 6% target in North America

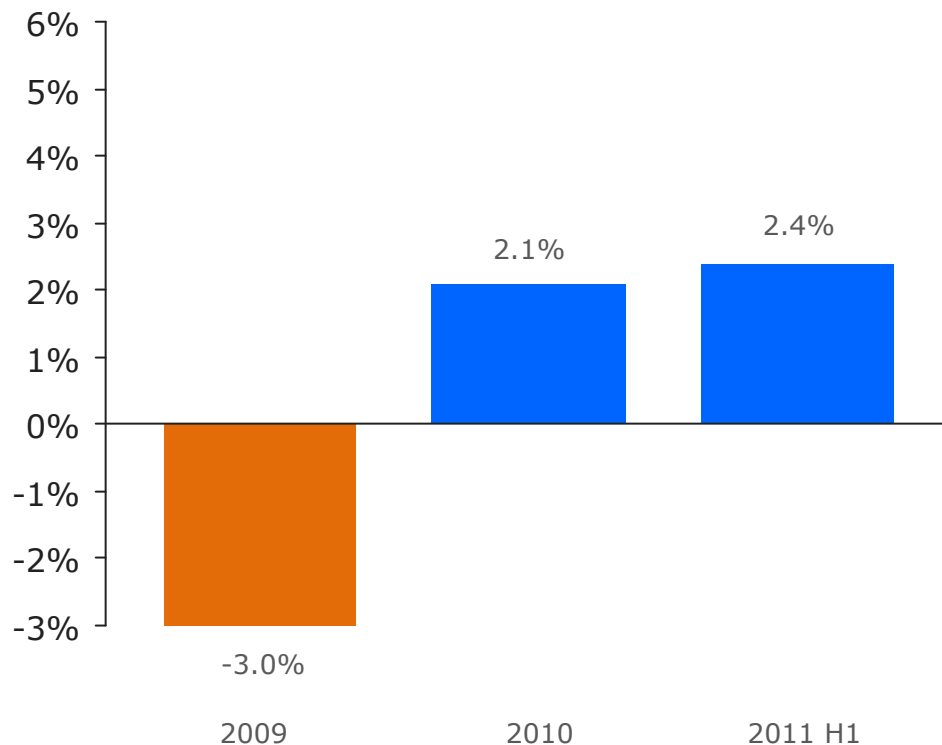
Sapa Profiles North America
EBITA-margin development



- Significant progress towards 6% target, despite weak markets
- More than 80% of profit growth from internal improvement
- Synergies and strategic initiatives continue to drive margin growth

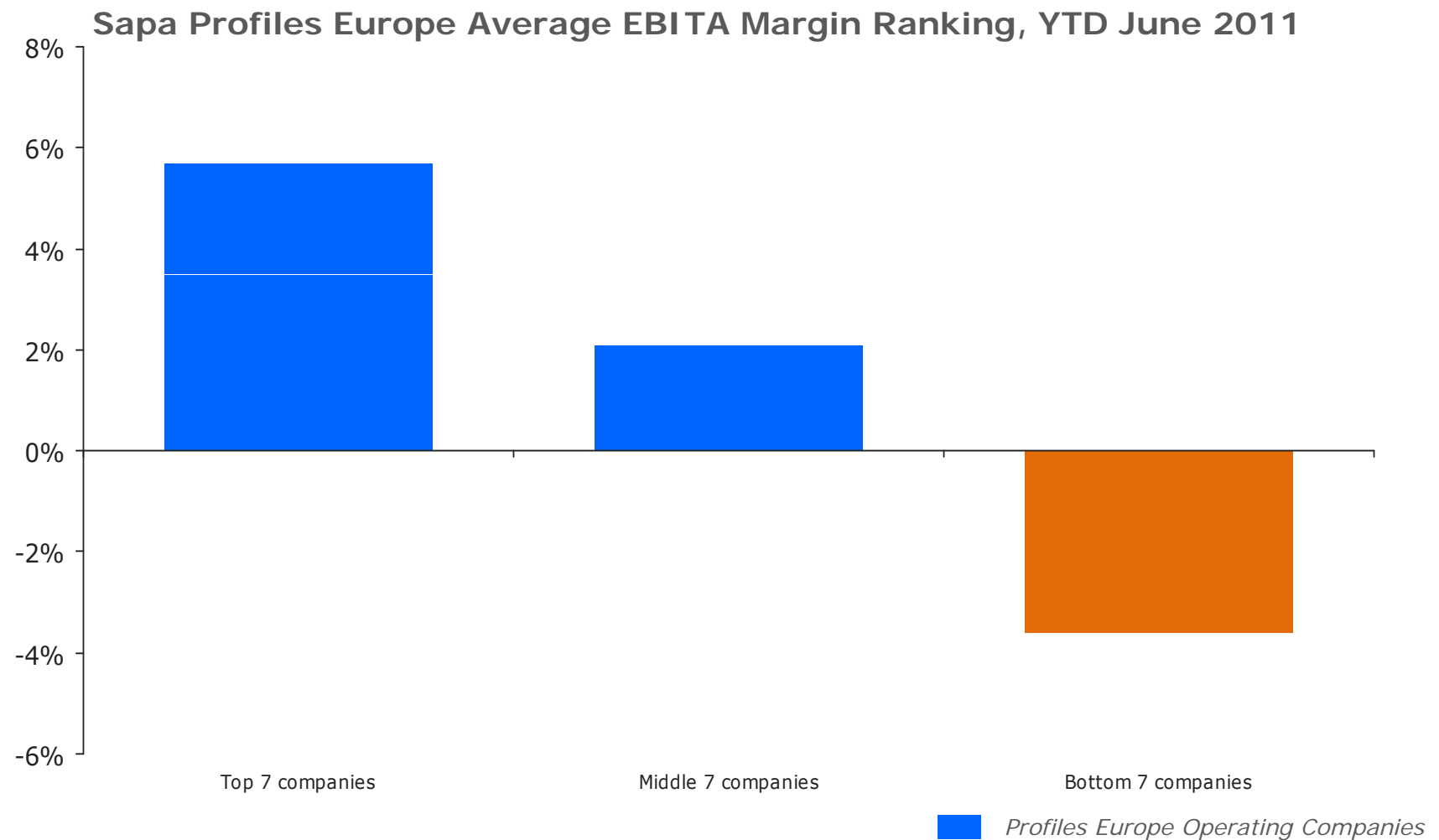
Several actions initiated to improve the European operations

Sapa Profiles Europe
EBITA-margin development



- Volumes improved, however weak results
- Restructuring programme with annual effect during 2012
- Transfer of the learning and experience from the NA operations to the Europe operations

Significant potential for improvement



Ensuring long-term competitive position through restructuring

- Announced restructuring:
 - Portugal and Denmark implemented
 - A proposal of closure of all extrusion activities in Ghlin, Belgium
- Approximately 450 employees affected
- Expected annualized benefit of around NOK 150-175 million, limited impact in 2011
- Sapa remains committed to serving the customers in these regions
- Continuous review to reduce capital employed
- New regional organization implemented to drive synergies



Sapa is already leveraging its capabilities in Germany - the most important market

- Market leader with a 16% market share
- 20 of Sapa's European extrusion plants deliver to the German market
- Strong customer insight
- A clear mapping of Sapa's capabilities has leveraged



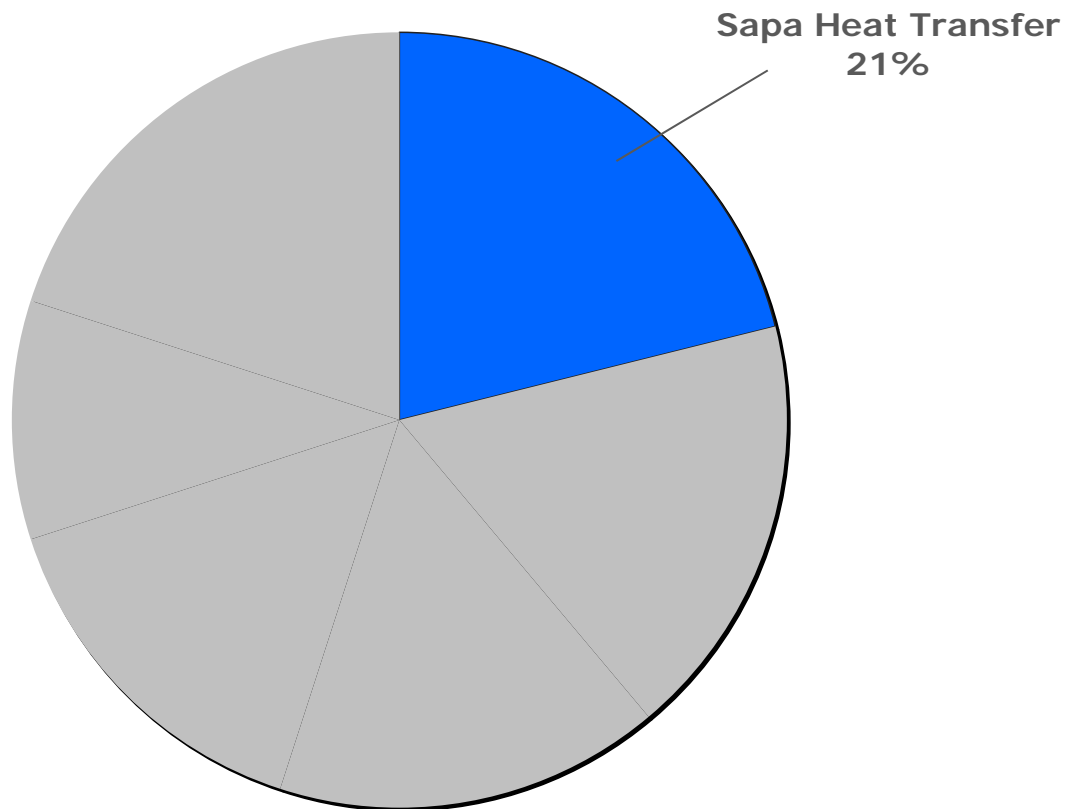


Sapa Heat Transfer Shanghai

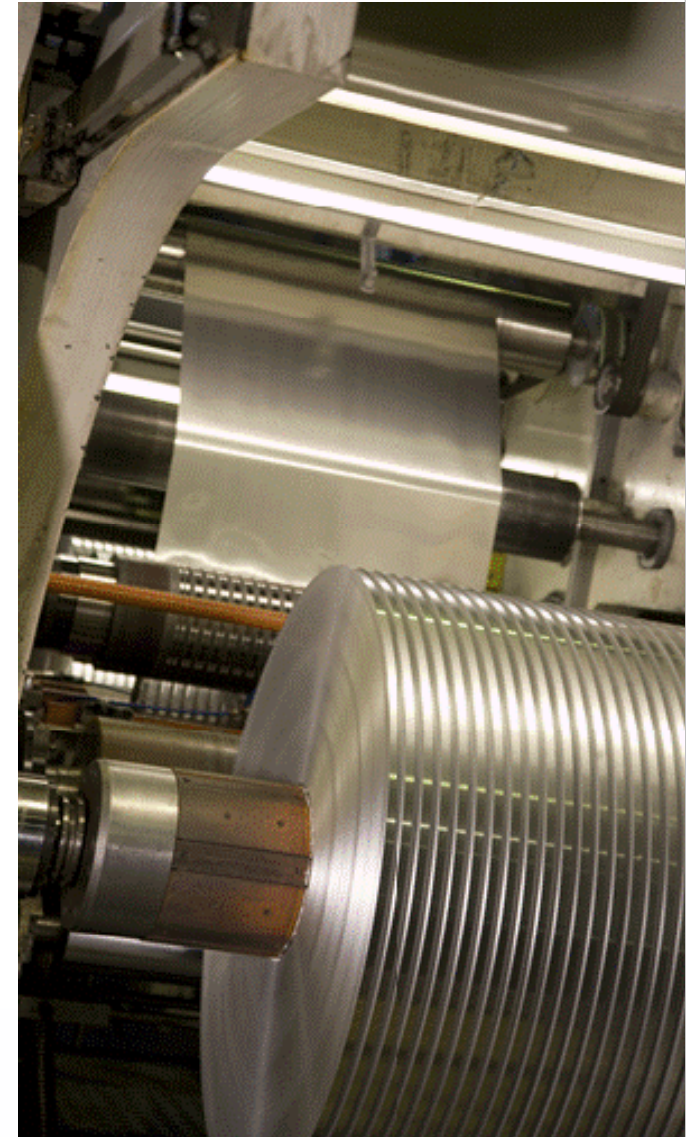
Sapa Heat Transfer - market and technology leader

Sapa Heat Transfer is global market leader in its niche

Sapa Heat Transfer Niche in Rolled Products Global Market



Source: JD Powers, CRU, and Sapa analysis



Heat Transfer has had a strong growth

Net Sales and EBITA Development

(MNOK)	2009	2010	H1- 2011
Net Sales	2 976	4 452	2 658
EBITA	163	365	199
EBITA%	5.5%	8.2%	7.5%

- Strong value proposition to customers
- Sapa drives technology development
- Successful ramp-up in Shanghai



**Footprint established in Asia,
focus on ramp-up and integration**

Sapa has delivered on strategy for Asian expansion – footprint established



- Haihong, Jiangyin plant (China), 15 presses, cast-house, surface treatment, and fabrication, inaugurated 2009
- Vijalco (Vietnam) is a small extruder with a 7" press and anodizing line located outside Ho Chi Minh City
- 50/50 JV with Chalco (China) on rolling stock segment, Sapa will be managing partner
- Alufit (India) is a brand new plant, inaugurated less than two years ago
- Fabrication unit set up in central Bangalore (India) based on experience from Sapa Profiles Shanghai

Sapa acquires its first extrusion plant in China to strengthen position



- 15 presses (from small 600 tonnes to a 3 600 tonnes UBE Press). In addition, a 6 800 tonnes UBE press from North America will be re-located to Haihong
- Re-melting, anodizing, powder-coating ,and fabrication
- 585 employees
- Total capacity will be approx 95 000 tonnes per year, 2010 sales at 20 000 tonnes
- The transaction is subject to government approval, which the parties expect to receive during Q4 2011

Sapa and Chalco combine qualities and strengths

- A JV was established this year to serve the rapidly growing rolling stock market in China
- Chalco also has solid cooperation with the two state-owned train manufacturers in China
- Sapa has extensive competence in terms of the industry, R&D solutions, extrusion processes and fabrication such as Friction Stir Welding
- The JV will build a state-of-the-art aluminium extrusion and fabrication facility, ready for production in 2013



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sapa:

Shaping the future

APPENDIX

Sapa operates with three focused business models



Sapa Profiles

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

Sales 2010: 21.7 bn NOK

No of Employees: 12,100

Market Share: 14% in Europe and 26% in North America



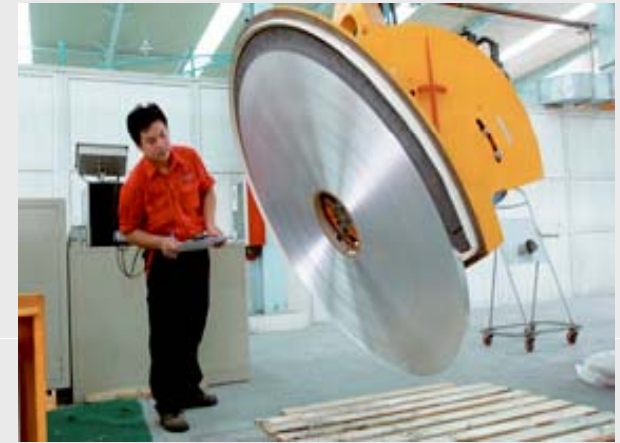
Sapa Building System

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

Sales 2010: 2.3 bn NOK

No of Employees: 1,100

Market Share: Up to 40% for specific markets in Europe, 6% for total Europe



Sapa Heat Transfer

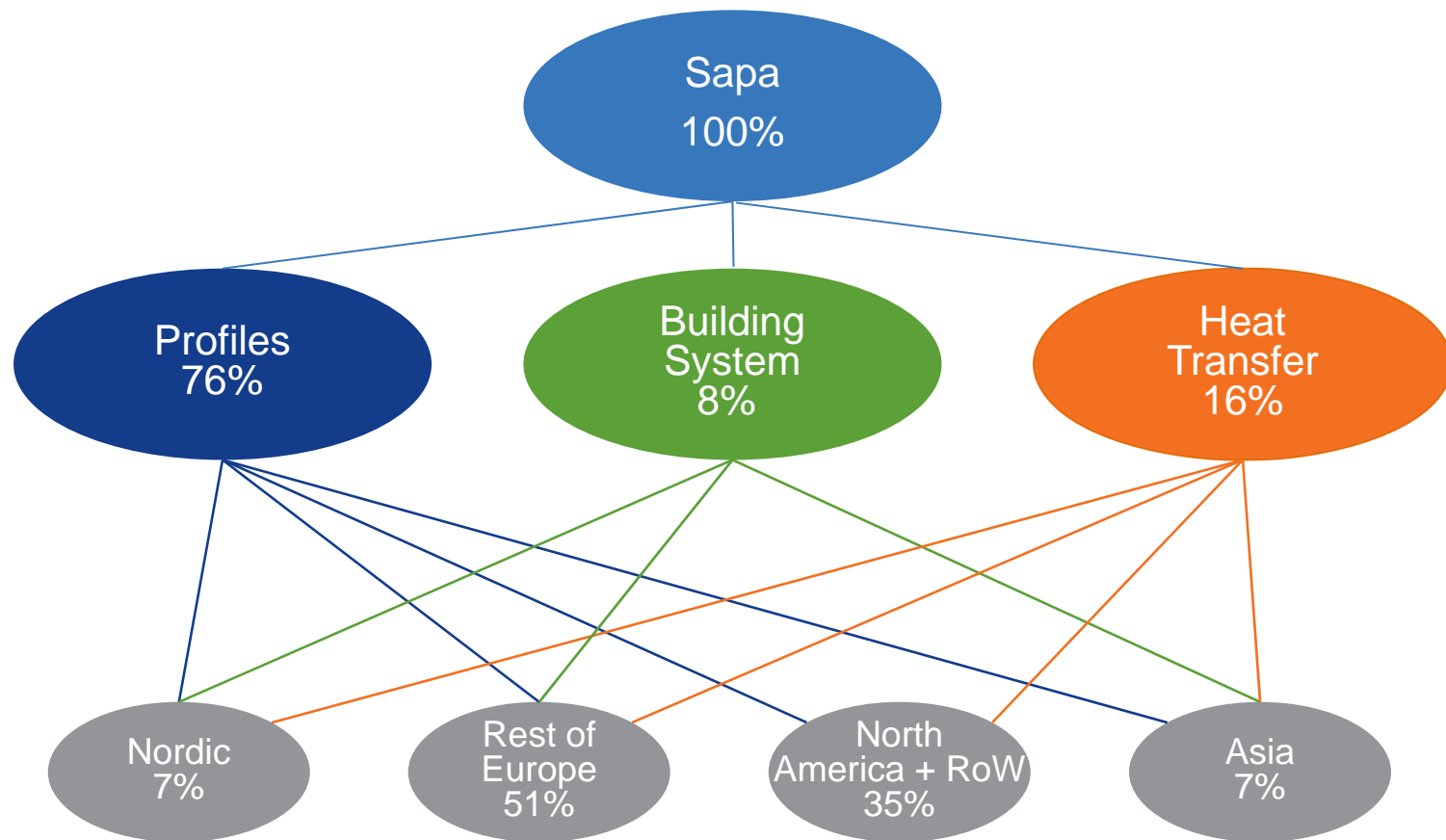
The world's leading producer of strip for heat exchanger strip to the automotive industry

Sales 2010: 4.5 bn NOK

No of Employees: 1,400

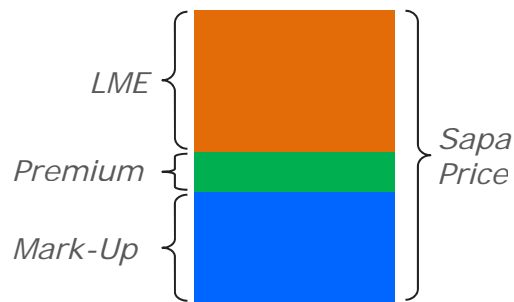
Market Share: 20% globally

Sapa delivers to several markets



Sapa is insulated from aluminium price volatility on 90% of the sales

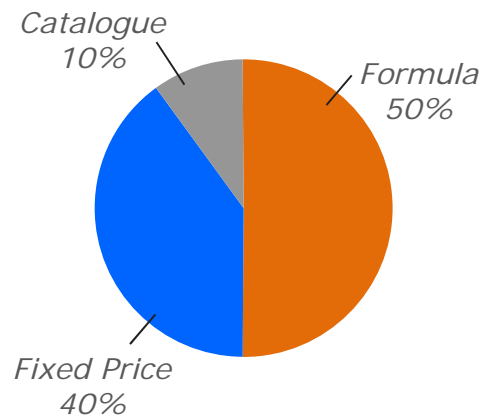
Pricing Components



Description

- **London Metal Exchange (LME):** Prior month simple average of LME aluminium published cost
- **Premium:** Published prior month simple average of cost representing shipping and warehousing
- **Mark-Up:** Sapa negotiated cost representing extrusion, surface treatment, fabrication, engineering services, and profit margin

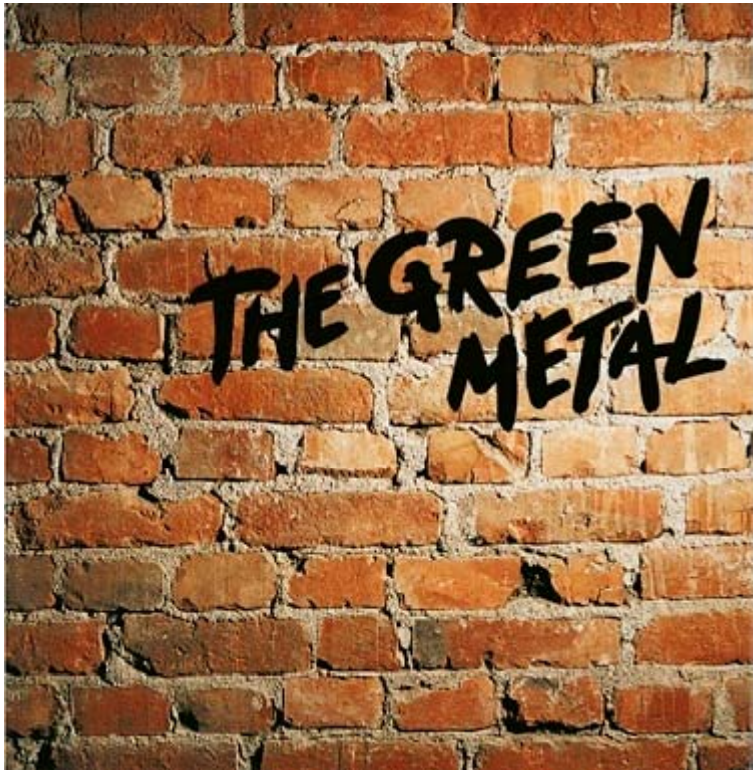
Pricing Methodologies



Description

- **Formula Pricing:** LME and Premium passed to the customer at market price
- **Fixed Price Contract:** LME and Premium are hedged for a certain period and the customer is charged a flat rate for that period
- **Catalogue Pricing:** Set price that will remain in effect until a change is communicated

Aluminium can be reused for the same purposes over and over again

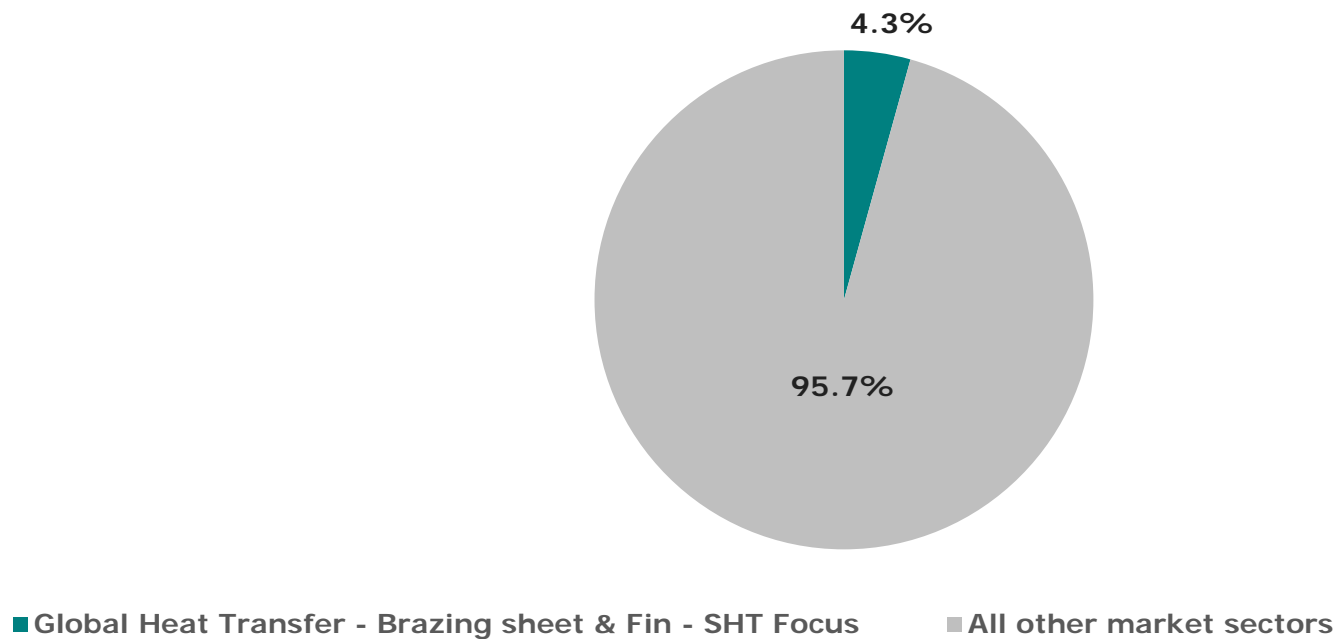


An ordinary brick wall contains 10-20 kilos of aluminium per square metre

- Around 8% of the Earth's crust consists of aluminium in the form of different minerals
- Recycling requires only 5% of the original energy input
- Sapa has re-melting facilities in eleven countries
- Out of our total production, around 50% is based on recycled aluminium

Heat Transfer has selected a niche in the Rolled Products market

Flat Rolled Products market sectors





Shaping the future