



Investor presentation

The Orkla group

April 2011



Agenda

- Key facts and Orkla's growth story
- Value creation model
- Strategic direction
- Financial performance 2010
- Orkla Brands
- Sapa
- Investments
 - Hydro Power
 - Orkla Financial Investments
 - Borregaard
 - Jotun
 - REC

Key facts 2010

Established: 1654

Business Areas

- Orkla Brands
- Sapa



Operating Revenues: NOK 57.3 billion

- Norway: 19%
- Other Nordics: 22%
- Central & Eastern Europe: 10%
- Rest of Europe 30%
- Asia 8%
- America/Rest of World: 11%

Shareholders: 47,000

EBITA: NOK 3.9 billion

Employees: 30,000

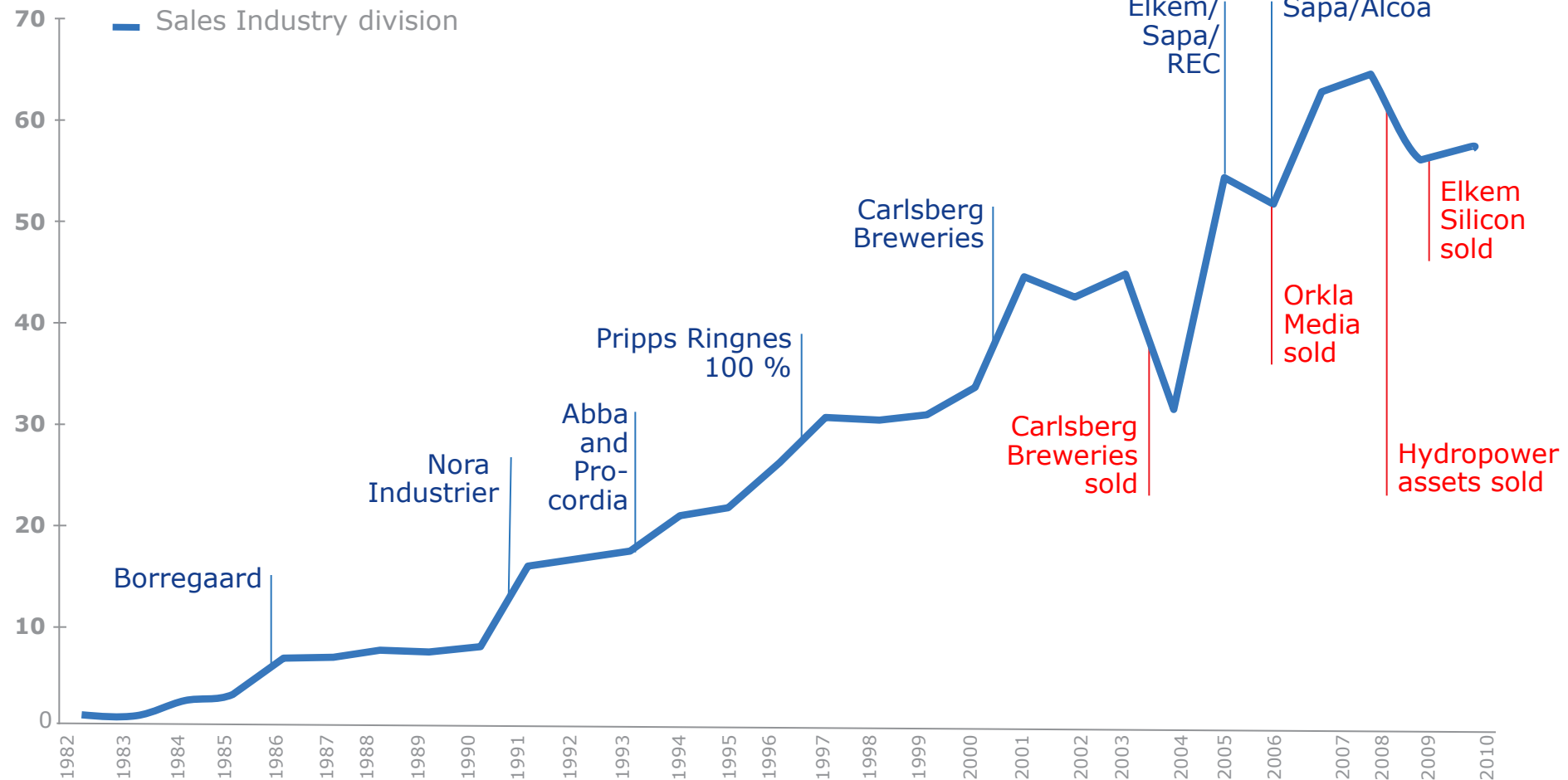
Market Value: NOK 58 billion *

* 31 December 2010

Orkla's growth story

Combined competence create value

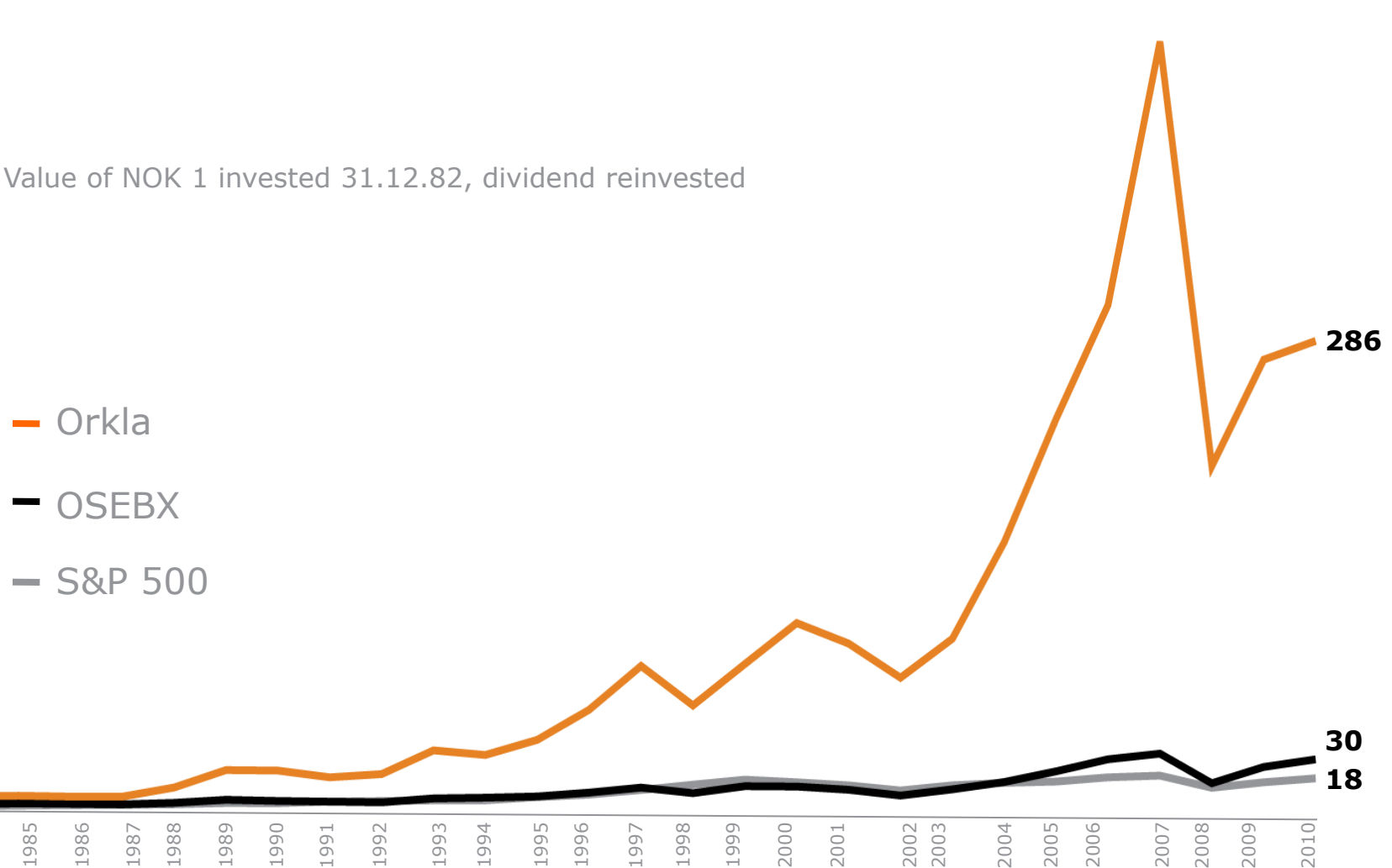
BNOK



Orkla's growth story

Orkla has created substantial value

Value of NOK 1 invested 31.12.82, dividend reinvested





The value creation model

The Orkla value creation model



Core characteristics:

Portfolio of companies and investments

Developing people

Financial flexibility

Combining industrial and financial competence

Industrial competence

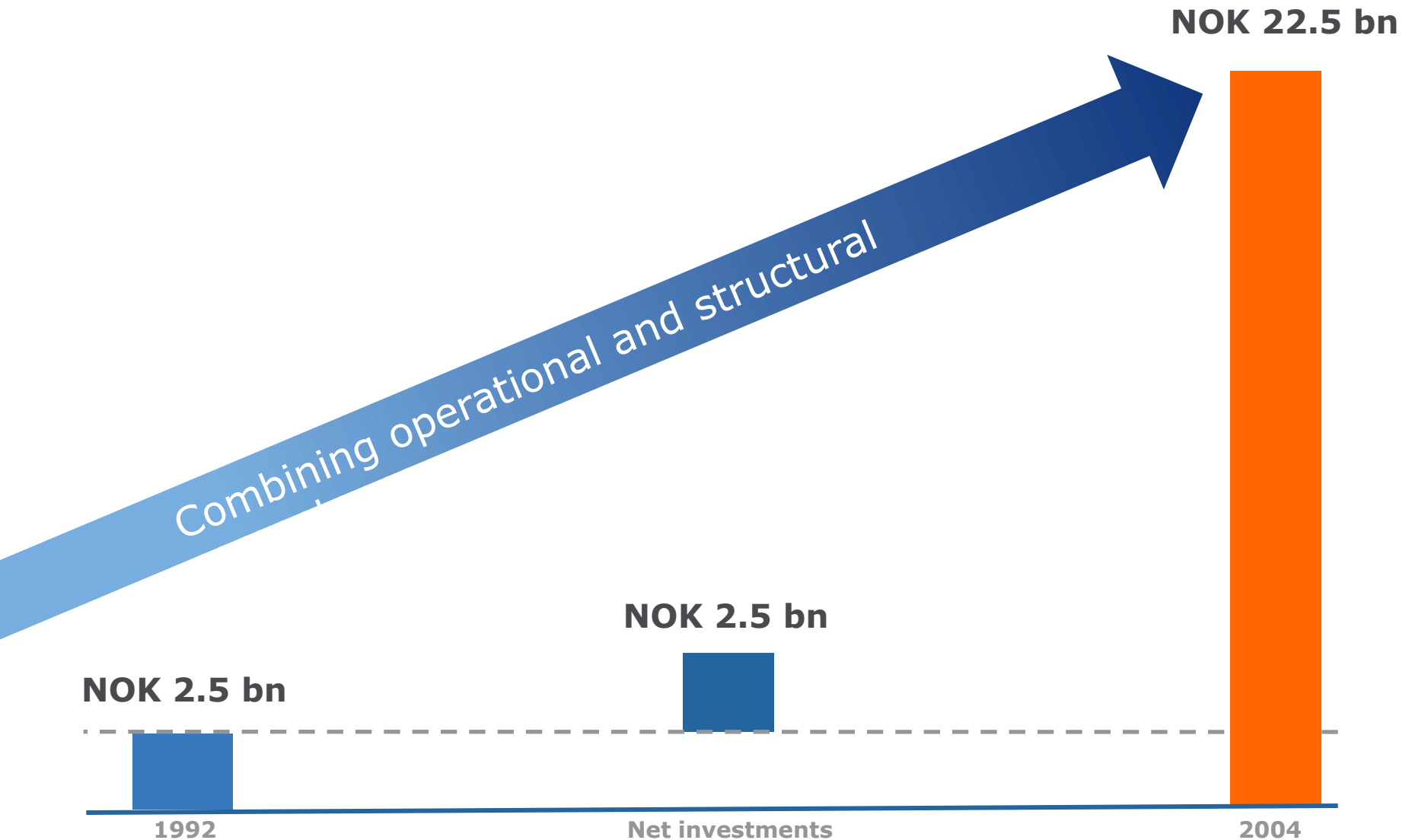
Operational excellence
Business restructuring
Brand building



Financial competence

Strong M&A competence
Active ownership
Comprehensive Nordic network

The Orkla Brewery value story



The Orkla Brewery value story

Combined operational and structural competence

Merger with Nora
including 100%
ownership in Ringnes

Restructuring the
Norwegian market

Creating one
company

Production and
logistics optimisation

Restructuring the Nordic
market, establishing
Pripps Ringnes (45%)

Acquiring the remaining
→ 100% owner

Financial investment in
Carlsberg

Strengthening brand
competence

Organic growth → no. 1
in Russia

Purchasing synergies
across borders

**NO. 1 POSITION IN
RUSSIA, NORWAY AND
SWEDEN**

Merger with Carlsberg -
40% ownership

Organic growth in Russia,
Ukraine and Baltics →
33% market share

Selling 40% stake to
Carlsberg

Leadership

Purchasing cooperation
CB/Orkla

**SALES PRICE FOR
ORKLA 22.5 BNOK**

1992

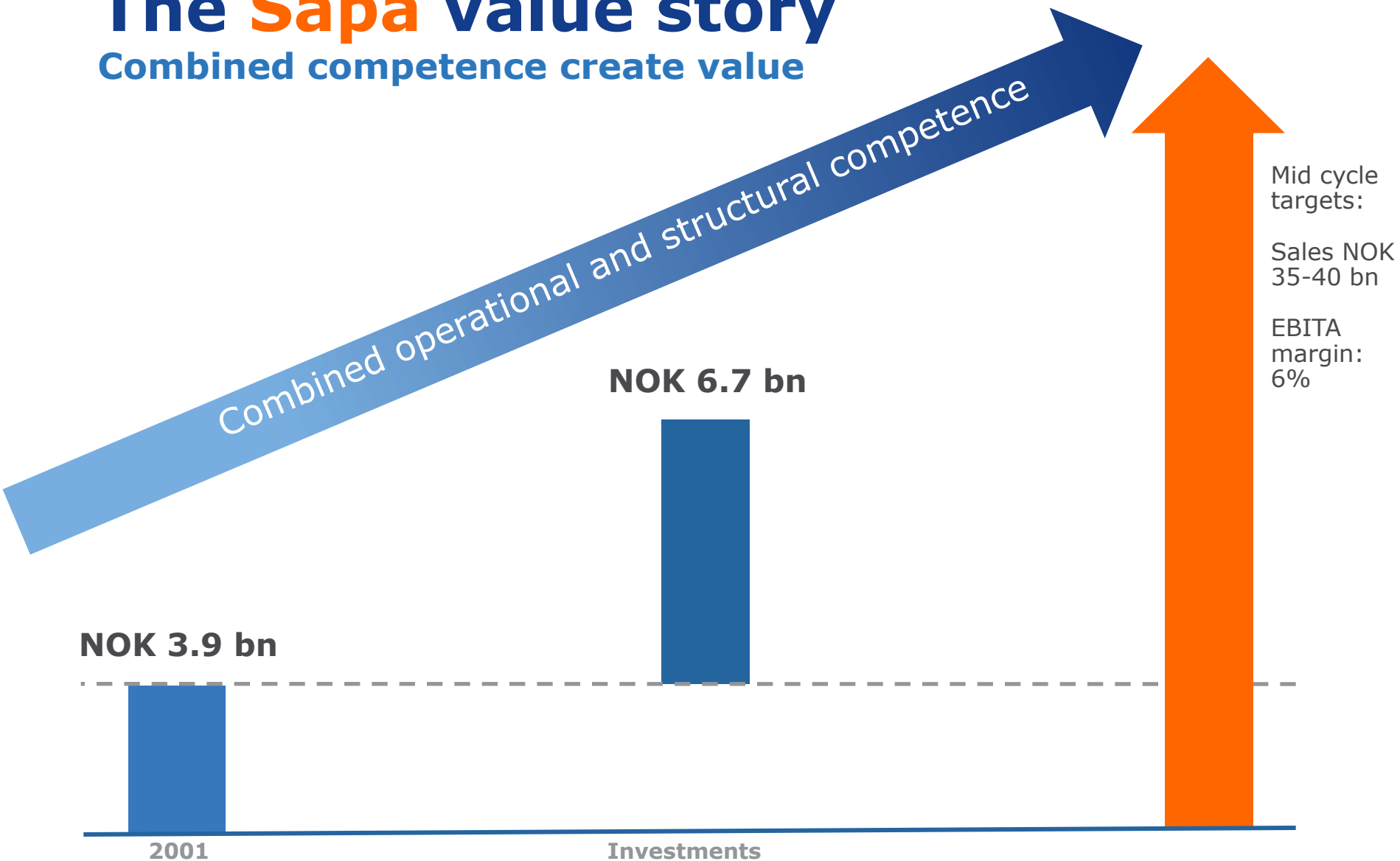
1995-97

2000

2004

The Sapa value story

Combined competence create value



The Sapa value story

Combined operational and structural competence

Through board membership in Elkem, active backing management to invest in Sapa

36% ownership in 2001

Increased to 72% in 2002

Acquiring the remaining shares in Sapa -> 100% owner

Developing LEAN system based on Elkem competence

Leadership

IMPROVE OPERATING MARGIN FROM 3.6% TO 5.1%

Establishing J/V with Alcoa -> global no. 1 (55% ownership)

Exchanging assets with Alcoa -> 100% owner of Sapa

Acquiring Indalex (no. 2 in North America)

Expansion and growth strategy in Asia

Delivering on financial targets: World Class Operations, Purchasing and Towards solutions

GLOBAL #1 PLAYER SALES 30-35 BNOK

2001

2005

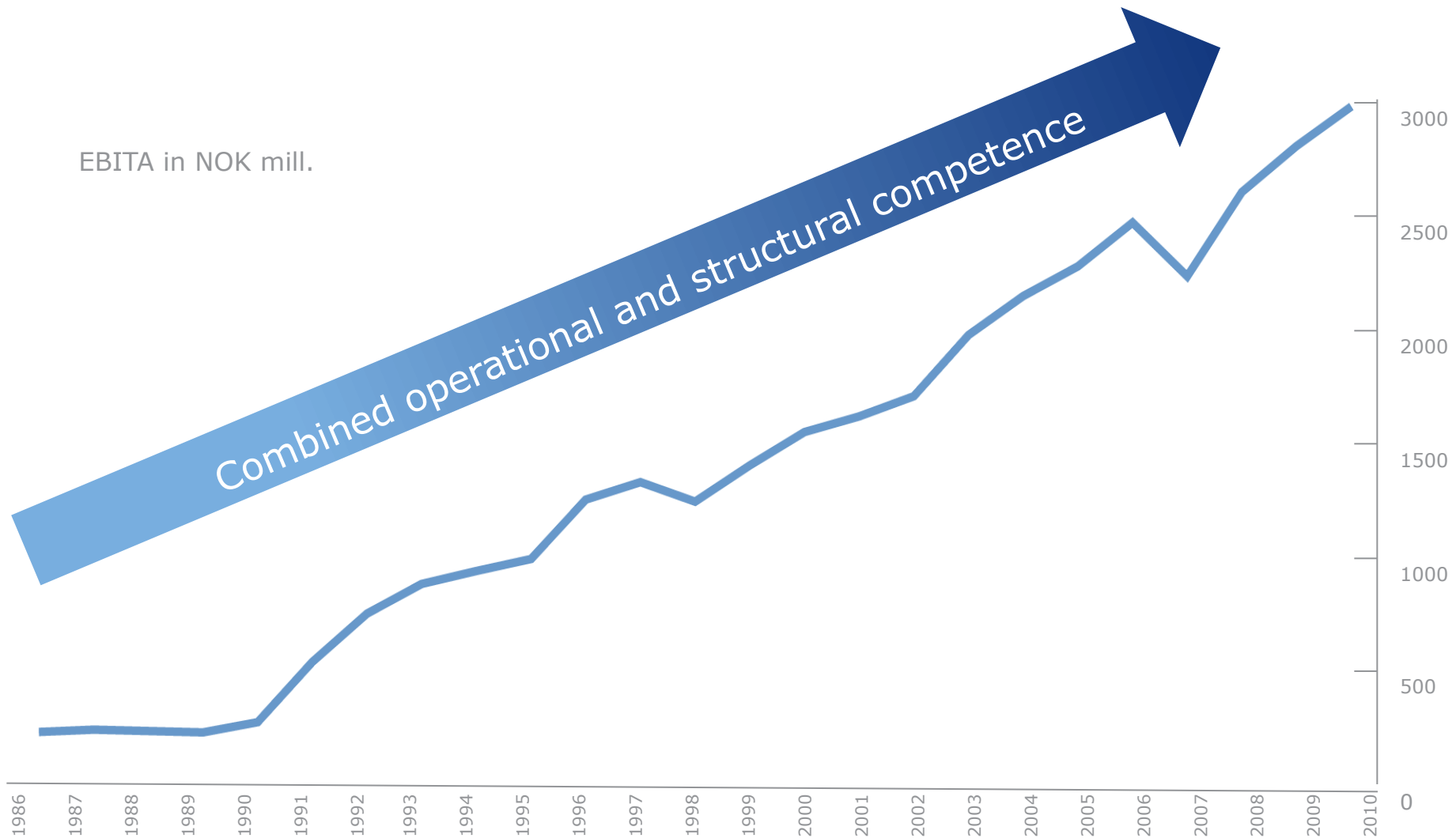
2007

2011

The Orkla Brands value story

EBITA in NOK mill.

Combined operational and structural competence



The Orkla Brands value story

Combined operational and structural competence

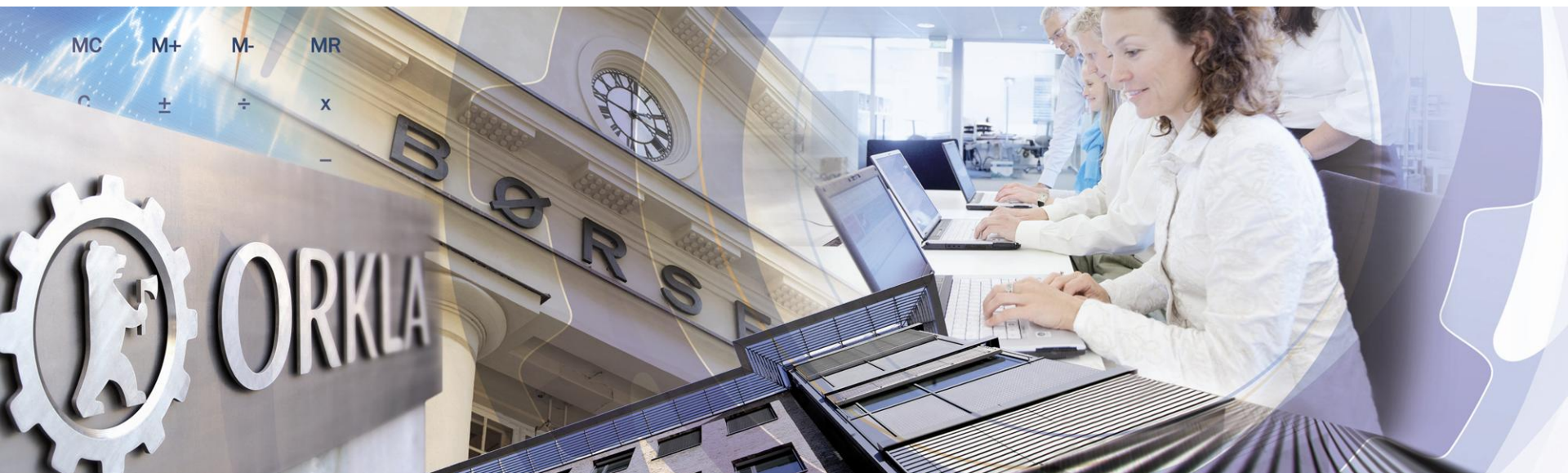
Value creation

- Combined focus on growth through existing business and acquisition
- Continuous focus on cost effectiveness throughout the value chain

The Multi-local model

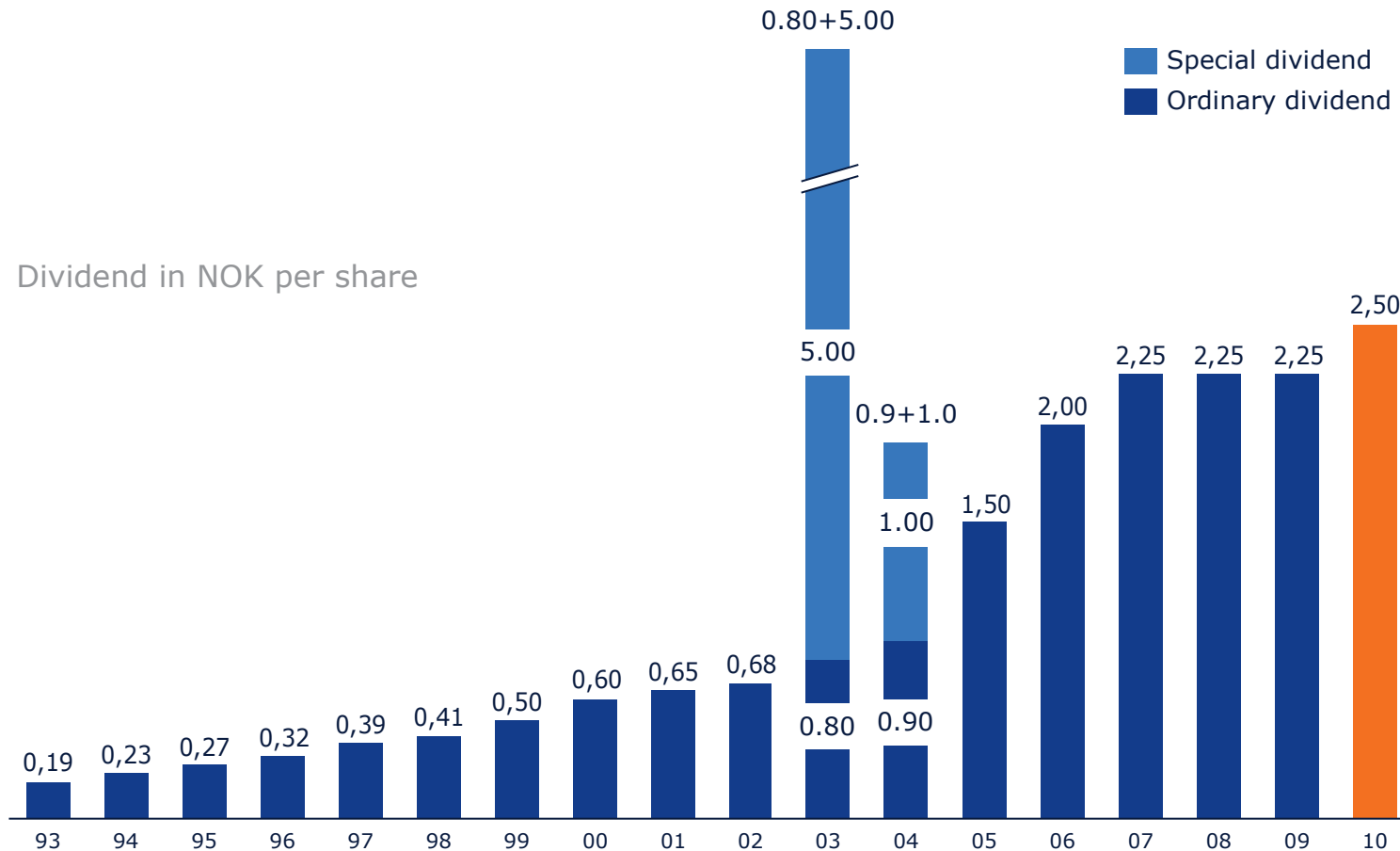
- Responsibility for value creation lies within each company
- Innovations based on deep consumer insight, which is leveraged to build strong brands
- Inter-company synergies by sharing best practices and common support functions





Dividend

Over time, we have pursued a dividend strategy that focuses on predictability and stability





Strategic direction

Strategic direction

- Portfolio concentrated on a smaller number of areas
- Allocate capital to Orkla Brands and Sapa
- Continued strong focus on operational improvements
- Active ownership

Previous structure



Orkla Brands



Foods Nordic
Brands Nordic
Brands International
Food Ingredients

Orkla Aluminium
Solutions



Sapa Profiles
Heat Transfer
Building System

Orkla Materials



**Orkla Materials
Energy**

Orkla Associates*



Orkla Financial
Investments



Share Portfolio
Real Estate
Forests
 **Orkla Finans**

A more focused Orkla



Foods Nordic

Brands Nordic

Brands International

Food Ingredients



Sapa Profiles

Heat Transfer

Building System

Investments

Investment Portfolio

Hydro Power



Actions taken to focus strategy

Concentrate the portfolio on a smaller number of areas

2010

- Divestment of the Borregaard forests
NOK 1.7 billion
- Net divestments in the share portfolio
NOK 2.1 billion

2011

- Divestment of Elkem Silicon-related
~ NOK 12.5 billion

Reallocate capital to Orkla Brands and Sapa

2010 Orkla Brands NOK 1 billion

- Investments in Sonneveld
- Investments in Kalev
- Investments in Peterhof
- Investments in 8 smaller add-ons

2010 Sapa Asia NOK 0.5 billion

- Heat Transfer Shanghai expansion
- New factory in India
- Vijalco in Vietnam
- Acquisition from Alufit in India
- j/v with Chalco

Well positioned going forward

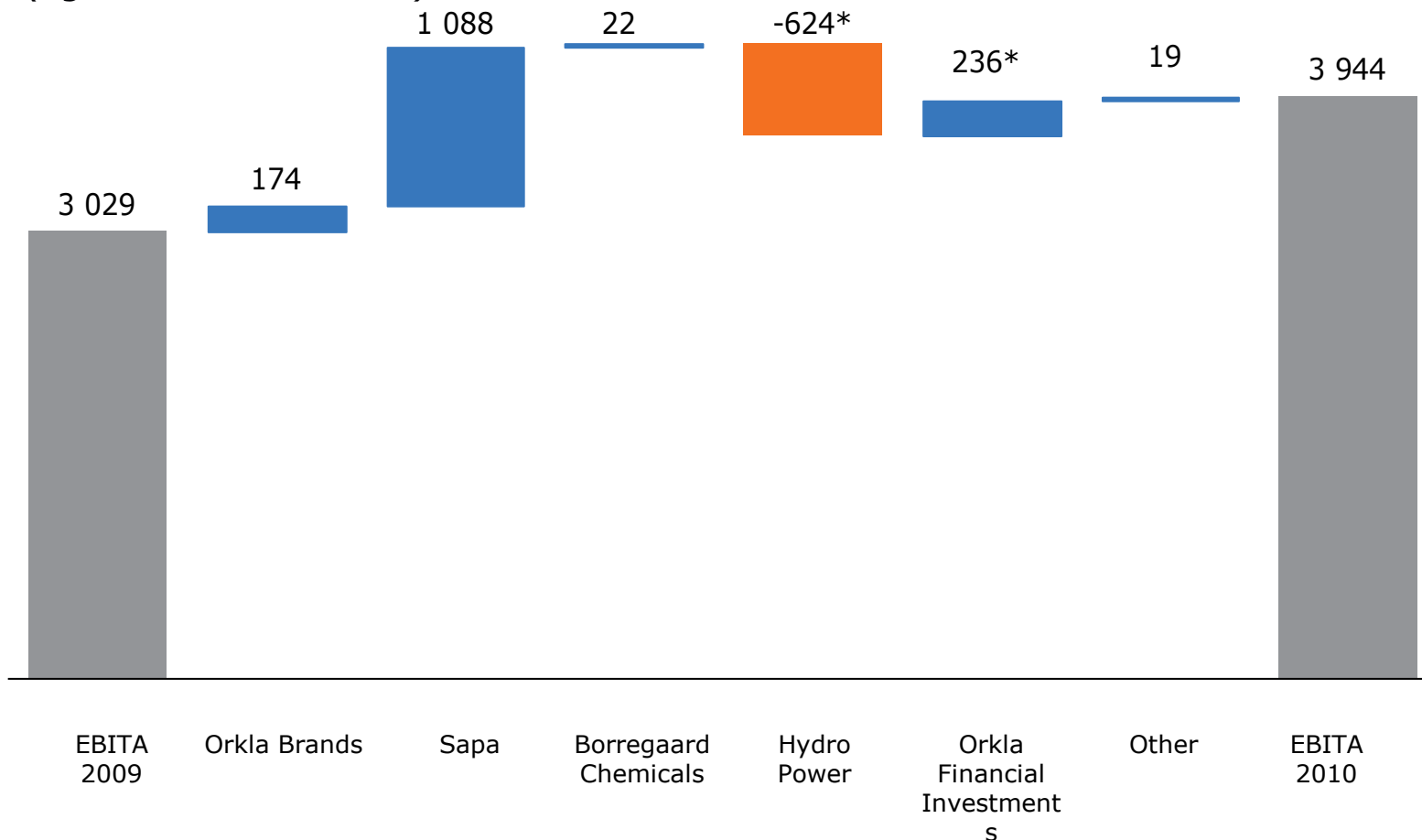
- Strong market positions for Orkla Brands in profitable Nordic consumer goods markets
- Sapa well positioned for economic recovery and with increased exposure to growth markets in Asia
- Jotun: Strong positions in Nordic and growth markets in Asia and Middle East
- Borregaard: Favourable market conditions in niche markets
- Investment portfolio – a strong competence base
 - A more active investment approach towards fewer and larger holdings



Financial Performance 2010

EBITA improvement for the group in 2010

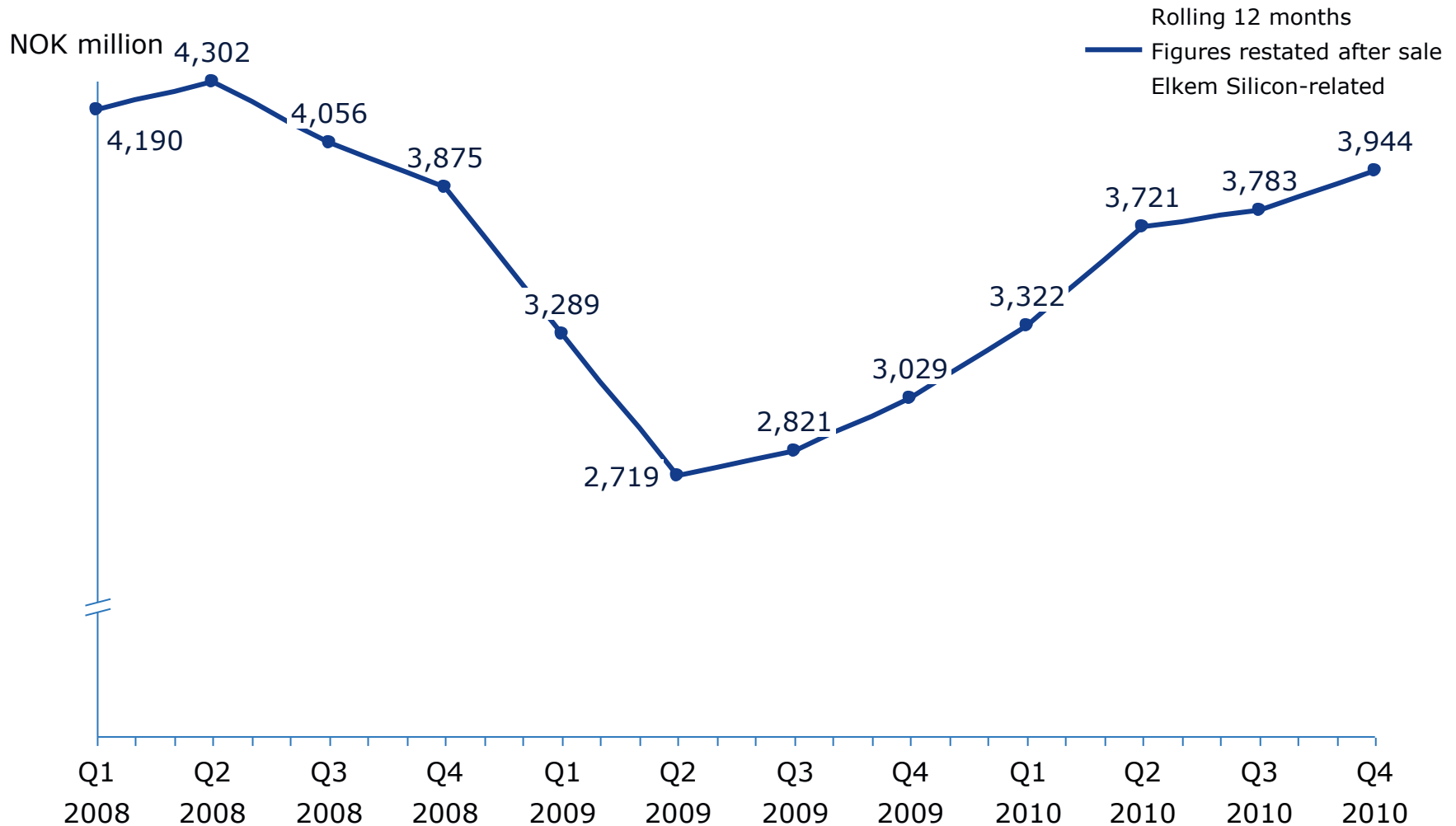
EBITA performance from 2009 to 2010
(figures in NOK million)



Highlights 2010

- Improved markets and demand throughout the year, in particular for Sapa and Borregaard
- Stable markets for Orkla Brands, however continued growth in profit and margin
 - EBITA-margin +0.5%p to 12.6% for 2010
- Strong results for the Share Portfolio with a return of 31.8%
- Negative development for Orkla's investment in REC
 - Write-down of NOK 6.4 billion in 2010
- Important structural changes throughout 2010

Strong improvement in EBITA after the financial crisis

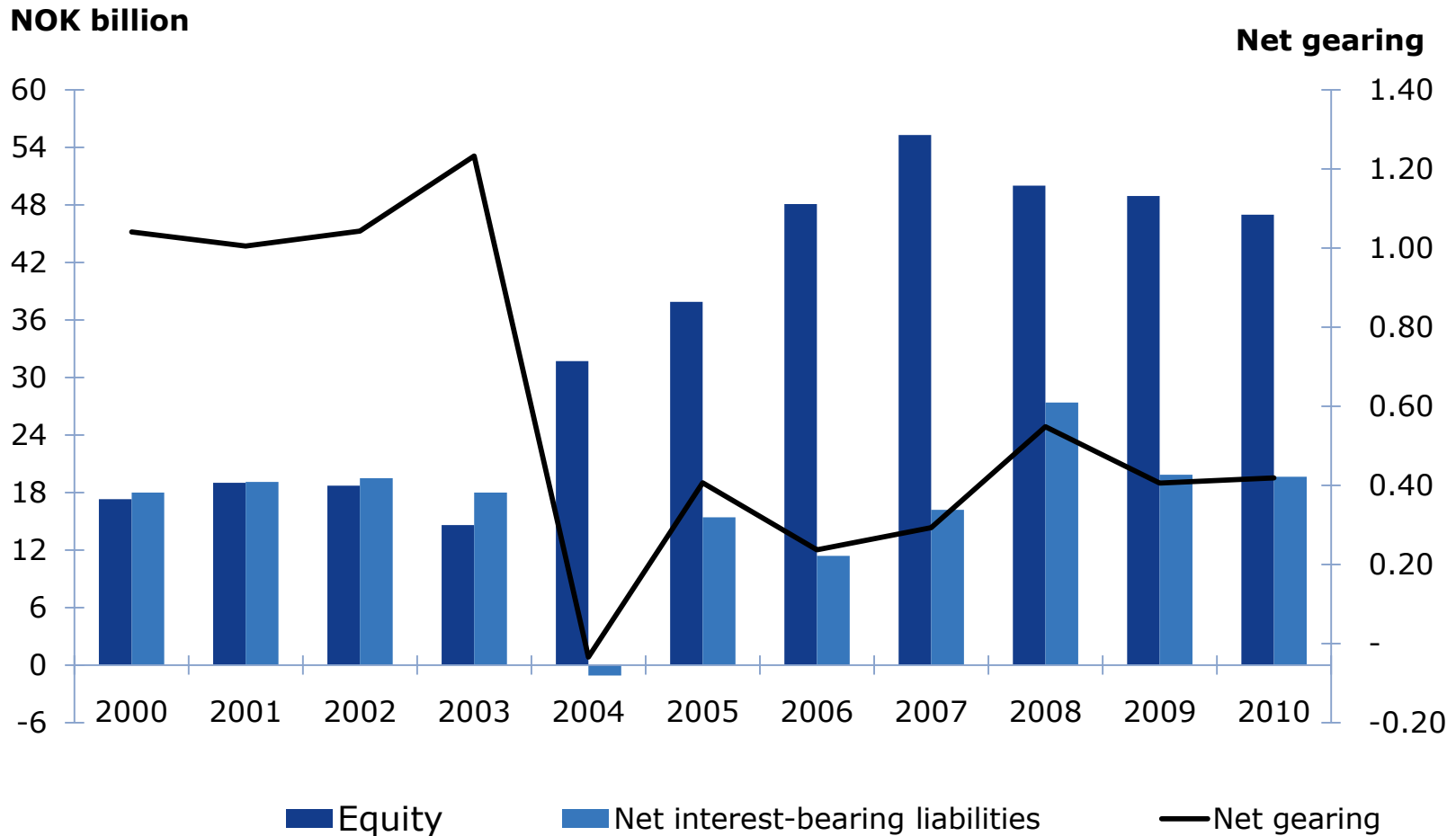


Group income statement

Amounts in NOK million

Q4-10 Q4-09 Change				2010	2009	Change
15 884	13 497	18 %	Operating revenues	57 338	50 233	14 %
1 322	1 161	14 %	EBITA	3 944	3 029	30 %
-15	-60		Amortisation intangibles	-52	-213	
506	2 975		Other revenues and expenses	330	2871	
1 813	4 076		EBIT	4 222	5 687	
- 866	-3 516		Associates	-6 169	-3 919	
73	13		Dividends	522	252	
867	337		Gains and losses/write-downs Share Portfolio	1 772	584	
- 76	- 196		Net financial items	- 327	- 749	
1 811	714		Profit before tax	20	1 855	
-98	558		Tax expenses	-844	276	
1 713	1 272		Profit for the period continuing operations	- 824	2 131	
- 50	- 74		Discontinued operations	- 40	429	
1 663	1 198		Profit for the period	- 864	2 560	
15	28		Minority interests' share of the profit/loss for the period	53	- 31	
1 648	1 170		Majority interests' share of the profit/loss for the period	- 917	2 591	
1.6	1.1		Earnings per share diluted (NOK)	-0.9	2.5	

Net gearing 0.42 – Equity ratio 53.6%



Cash flow as of 31 Dec 2010

31.12.2010

31.12.2009

Industry division:		
Operating profit	2 940	5 191
Amortisations, depreciations and write-downs	2 503	2 653
Gain, sale of hydro power assets/sold companies		-3 066
Changes in net working capital	-1 462	2 197
Net replacement expenditure	-1 512	-1 173
Cash flow from operations	2 469	5 802
Financial items, net	- 544	-1 261
Cash flow from Industry division	1 925	4 541
Cash flow from Financial Investments	1 236	1 003
Taxes paid	- 686	-1 402
Discontinued operations and other payments	- 620	25
Cash flow before capital transactions	1 855	4 167
Paid dividends	-2 360	-2 354
Net purchases of Orkla shares	138	94
Cash flow before expansion	- 367	1 907
Expansion investment in Industry division	- 509	-1 765
Sale of companies/shares of companies	1 854	5 914
Purchase of companies/share of companies	-2 878	-3 282
Net purchases/sale of portfolio investments	2 130	2 866
Net cash flow	230	5 640
Currency effects of net interest-bearing liabilities	- 34	1 936
Change in net interest-bearing liabilities	- 196	-7 576
Net interest-bearing liabilities	19 652	19 848

Balance sheet as of 31 Dec 2010

Amounts in NOK million

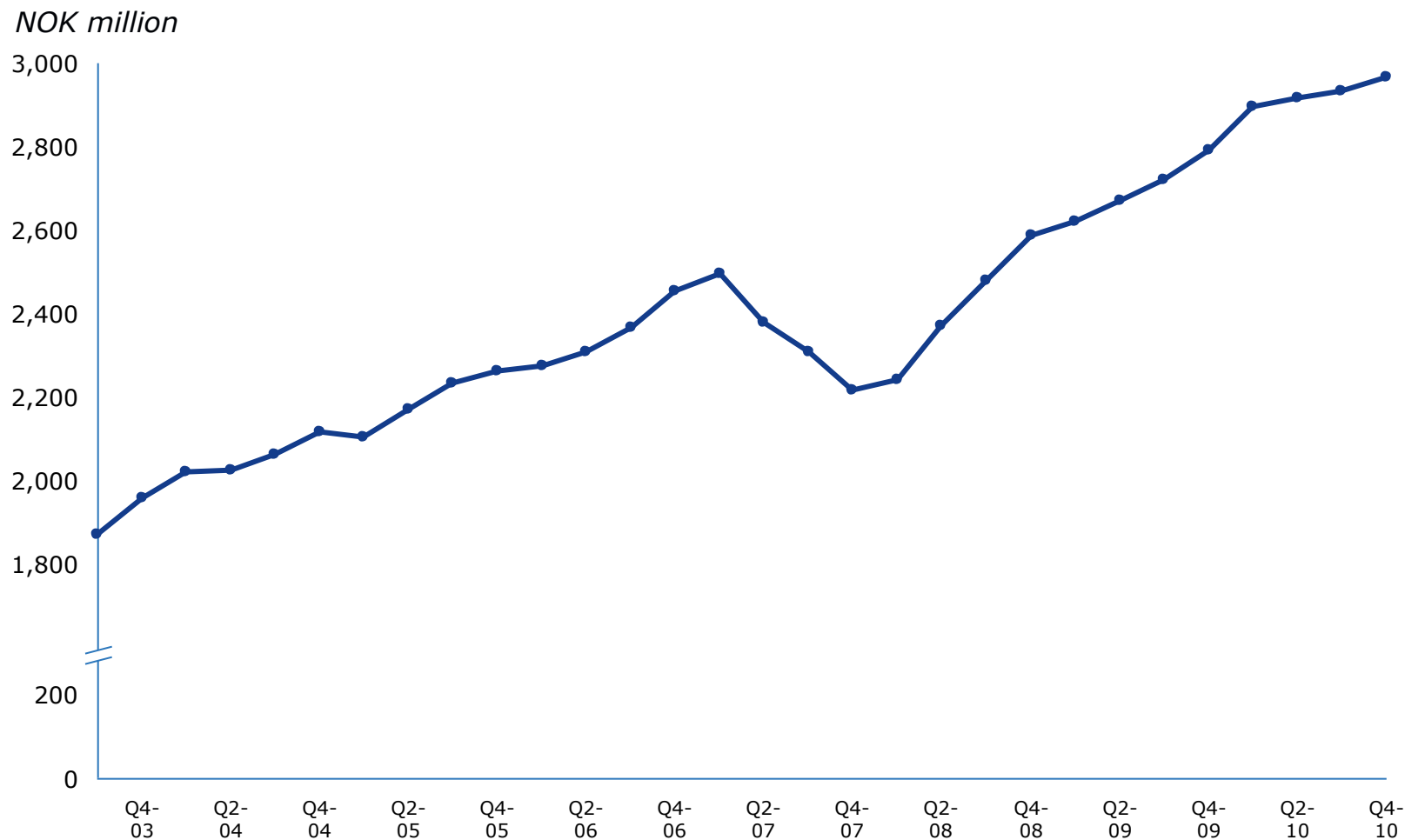
	31.12.2010	31.12.2009
Intangible assets	12 960	14 731
Property, plant and equipment	17 730	24 694
Financial assets	10 985	15 922
Non-Current assets	41 675	55 347
Assets in discontinued operations	13 891	
Inventories	7 102	7 531
Receivables	10 380	16 568
Share Portfolio etc.	11 674	11 087
Cash and cash equivalents	2 819	4 153
Current assets	31 975	39 339
Total assets	87 541	94 686
Paid-in equity	1 999	1 995
Earned equity	44 567	46 560
Minority interests	365	370
Equity	46 931	48 925
Provisions	4 081	4 339
Non-current interest-bearing liabilities	21 820	29 042
Current interest-bearing liabilities	1 380	1 746
Liabilities in discontinued operations	2 544	
Other current liabilities	10 785	10 634
Equity and liabilities	87 541	94 686
Equity to total assets ratio	53.6%	51.7%



Orkla Brands

Steady, strong growth in EBITA over time

EBITA - Rolling 12 months



80% of turnover from No. 1 positions



Orkla Brands

- Growth strategy; a combination of organic growth through existing businesses and acquisitions, primarily in markets in which Orkla Brands is already present
- Continue to operate on the basis of The Multi-Local Model where responsibility for value creation lies within each individual company
- Achieve high and durable value creation by delivering products that consumers and retailers "can't do without"
- Focus continuously on cost-effectiveness throughout the value chain

Orkla Brand's success criteria: A multi-local model

Orkla Brands bases its activities on a multi-local model:

- ✓ Value creation and local management
 - ✓ Proof point: Indian Food company, MTR Food

- ✓ Insight and innovation
 - ✓ Powerful innovation is possible do to deep insight into local consumer and customer needs
 - ✓ Develop its leading positions locally in constant, direct competition with international brands
 - ✓ Proof point: Grandiosa pizza

- ✓ Synergies and the spread of best practises
 - ✓ Established cost-effective support function:
 - Corporate Development Marketing & Sales
 - Orkla Brands Purchasing
 - Food safety

Competitors

Characteristics of main competitors

- International or global
- Centrally led operations
- Selling the same products (brands) across the globe
- Pursuing a “race for scale” across the value chain
- Far bigger than our own operations
- Very professional
- Locally: “Go to market” organisations and capabilities

→ Local **recipients** of central development and sourcing



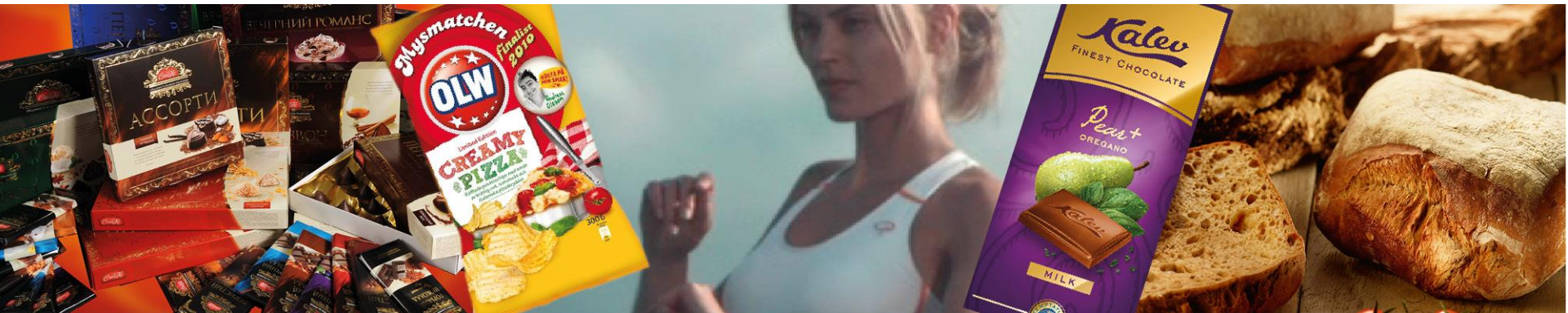
Examples of main competitors

Categories

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

Competitors

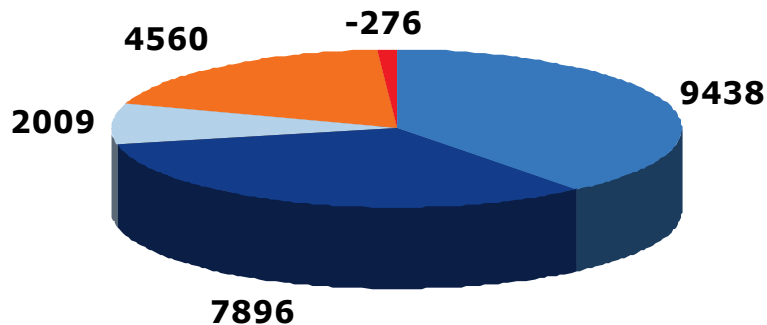
P&G, Reckitt Benckiser, Colgate-Palmolive, Sara Lee
P&G, Colgate-Palmolive, L'Oréal
Kraft Foods
Kraft Foods
Midelfart Sonesson, Cederroth
H&M, Lindex
Maarud/Estrella
Dr. Oetker, Wagner
Heinz
Mills, Heinz, Unilever, Kraft Foods
Mainly local
Mainly local
Mills, Kavli, Private Label



Financial results

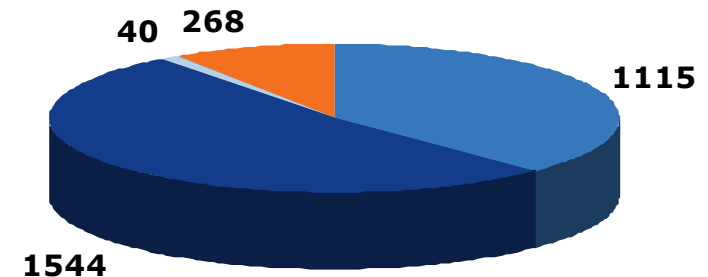
Operating revenues and EBITA 2010

Operating revenues per area



■ Foods Nordic ■ Brands Nordic
■ Brands International ■ Food Ingredients
■ Eliminations

EBITA per area



■ Foods Nordic ■ Brands Nordic
■ Brands International ■ Food Ingredients

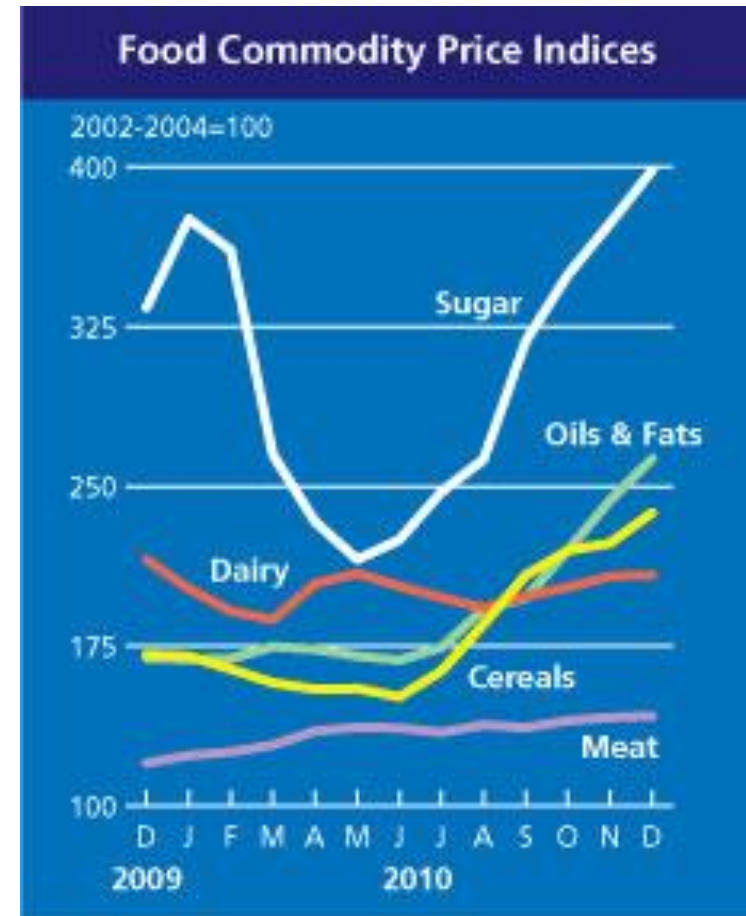
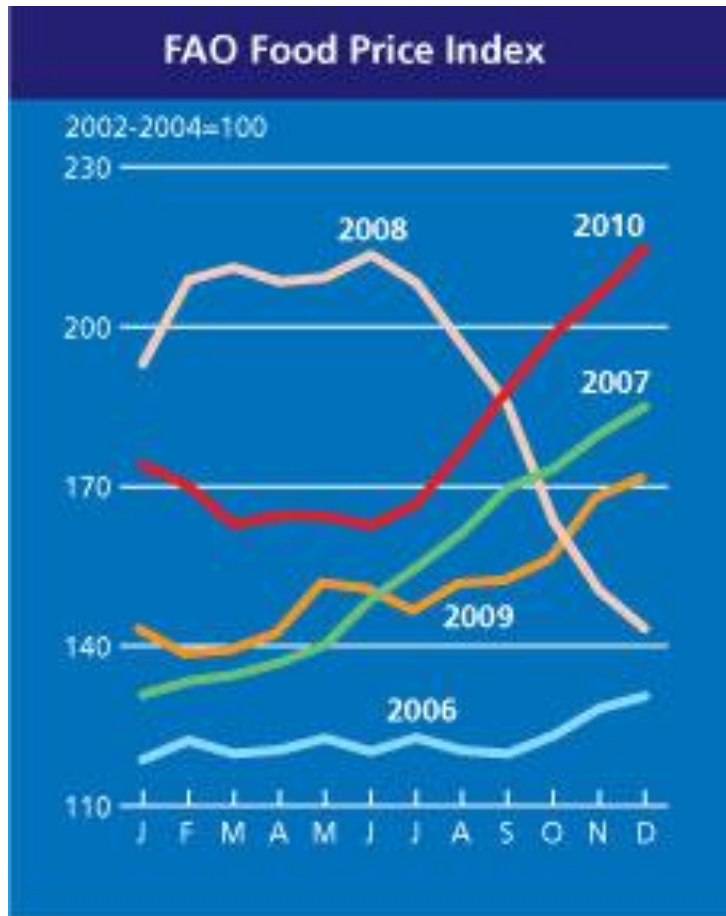
Brands - Highlights 2010

- Underlying EBITA growth of 7%
- EBITA-margin 12.6%
 - Increase in raw material prices
- Improved quality of earnings versus 2009
 - Volume growth, increased marketing investments and improved market shares
- Challenging markets outside the Nordics and within out-of-home in the Nordics
- Strong contribution from cost improvement programmes
- Several important add-on acquisitions

Operating revenues	2010	2009	Change
Orkla Brands	23 627	23 046	3 %
Orkla Foods Nordic	9 438	9 754	-3 %
Orkla Brands Nordic	7 896	7 722	2 %
Orkla Brands International	2 009	1 939	4 %
Orkla Food Ingredients	4 560	3 966	15 %
Eliminations Orkla Brands	- 276	- 335	-18 %

Operating profit - EBITA	2010	2009	Change
Orkla Brands	2 967	2 793	6 %
Orkla Foods Nordic	1 115	1 088	2 %
Orkla Brands Nordic	1 544	1 380	12 %
Orkla Brands International	40	89	-55 %
Orkla Food Ingredients	268	236	14 %
EBITA margin (%)	12,6	12,1	

Increasing raw material prices



Orkla Brands' 10 biggest raw material groups

	Groups
1	Vegetable oil
2	Flour, grain and bakery mix
3	Sugar
4	Meat, cut and trimming
5	Cheese
6	Cocoa & chocolate
7	Fruit and berry
8	Spice, dry herb and extract
9	Pelagic
10	Tomato paste



Example of innovations launched in 2010



Outlook 2011

- Overall stable retail markets
- Demanding increases in raw material prices
- Bakers is in a sales process
 - Expected to be sold in first half of 2011

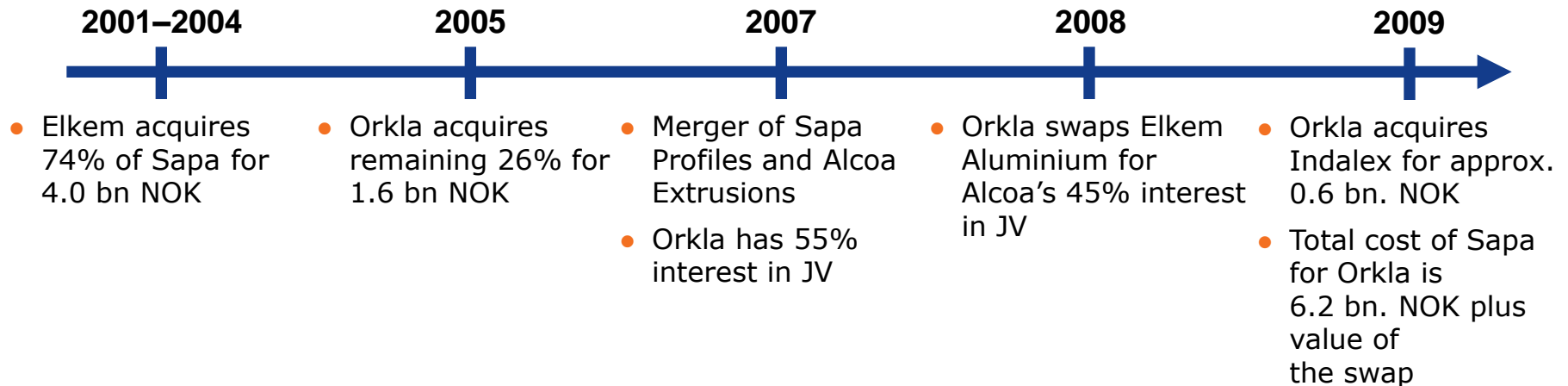


Sapa

The Sapa growth story

Sapa sales 1999
10.5 bn. NOK

Sapa sales 2010
27.7bn. NOK



Sapa has three core operations



Sapa Profiles

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

Sales 2010: 21.7 bn. NOK

No of Employees: 11,000

Market Share: 16% in Europe and 26% in North America



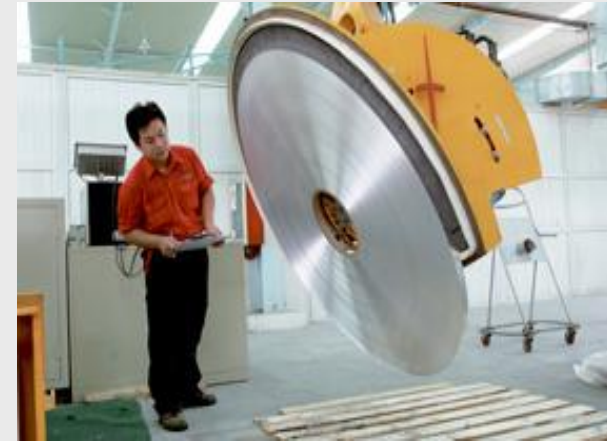
Sapa Building System

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

Sales 2010: 2.3 bn. SEK

No of Employees: 1,100

Market Share: Up to 40% for specific markets in Europe, 5% for total Europe



Sapa Heat Transfer

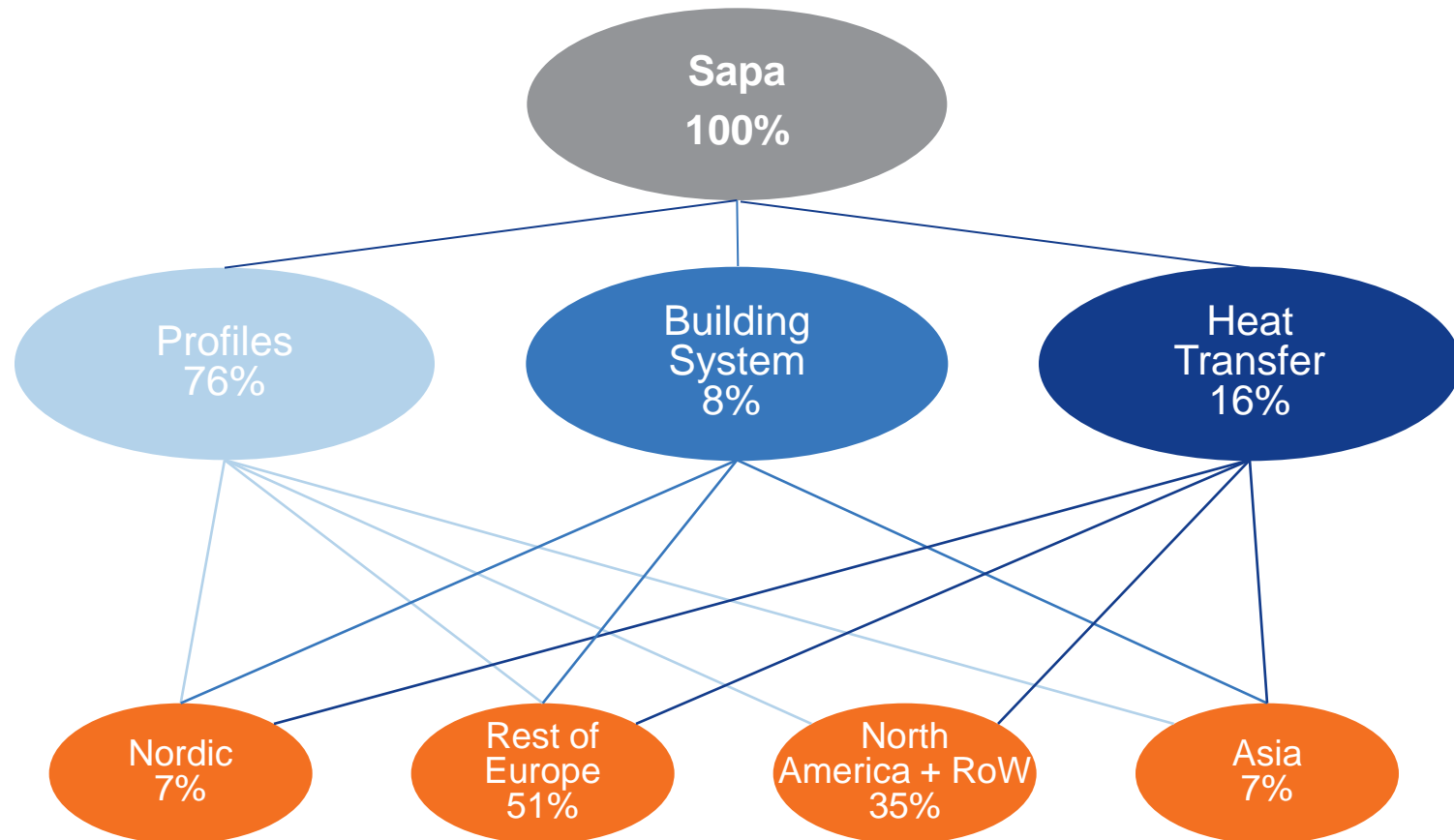
The world's leading producer of strip for heat exchanger strip to the automotive industry

Sales 2010: 4.5 bn. SEK

No of Employees: 1,400

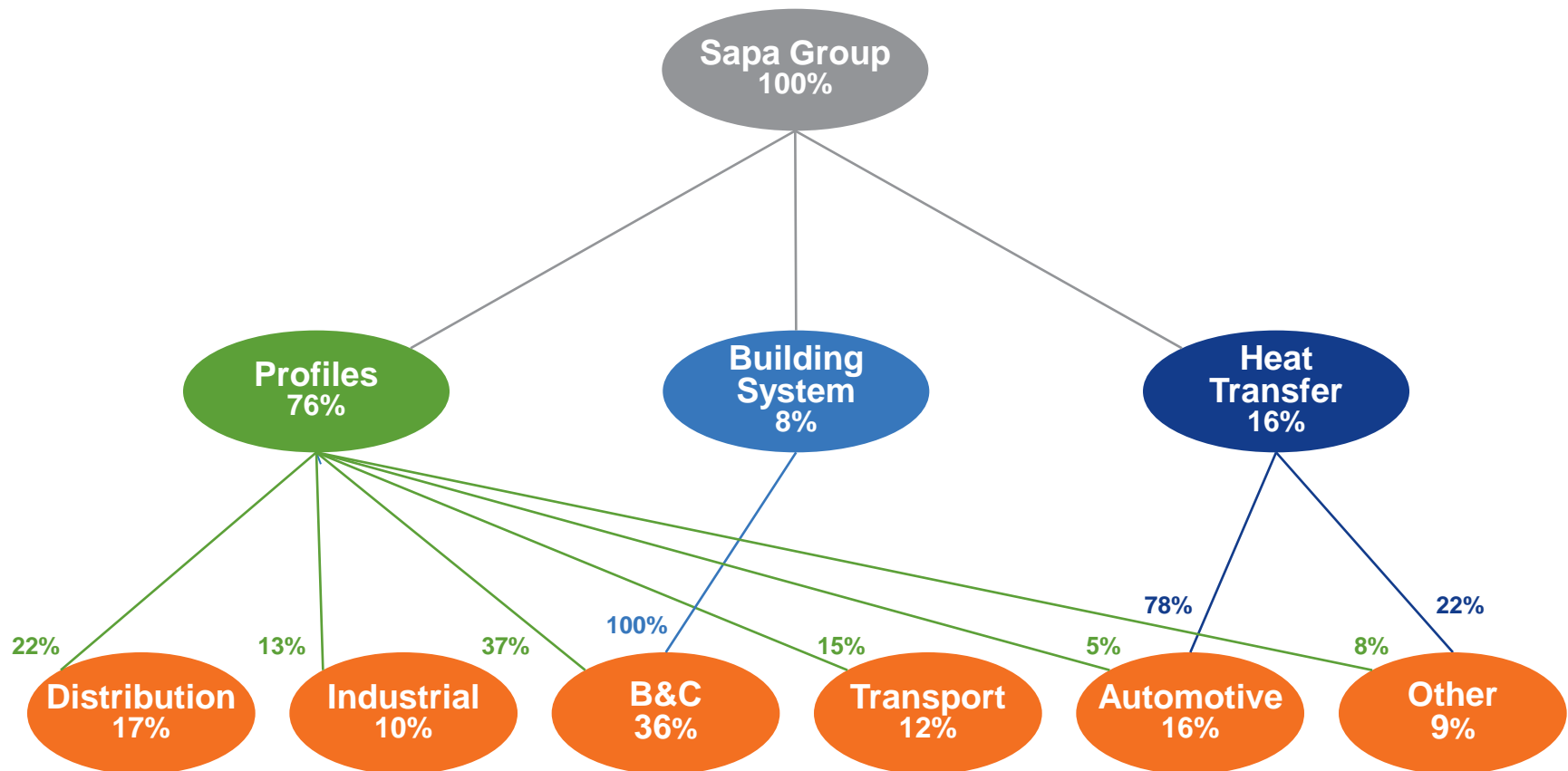
Market Share: 20% globally

Sapa delivers to several markets



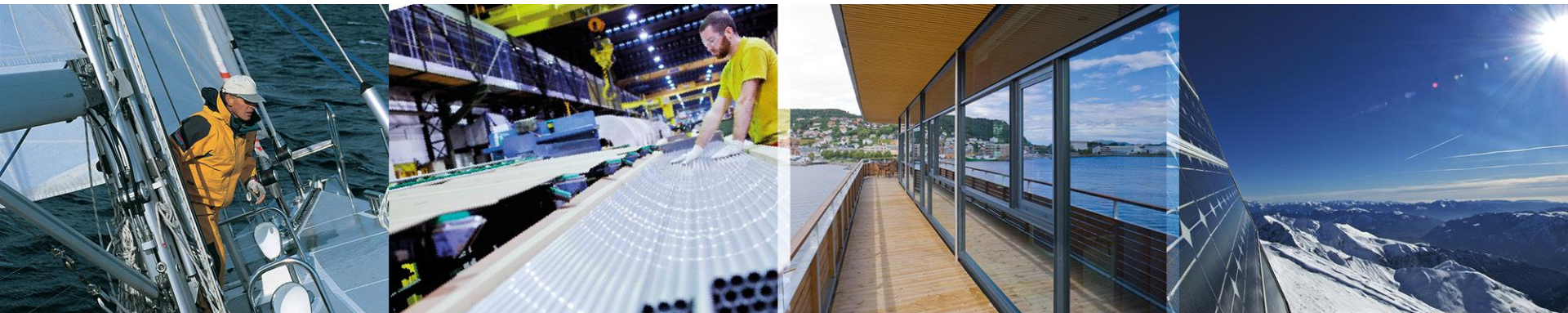
Sapa is exposed to a large number of end-use markets

Sales Split per Business Area & End-Use Market 2010



Sapa

- Group target to reach a 6% EBITA-margin over a cycle through three initiatives:
 - Toward Solutions
 - World Class Operations
 - World Class Purchasing
- Continue growth in Asia to broaden Sapa's global footprint
- Achieve profitable market share growth across all markets



Long-term financial goals

Capital Turnover Rate

3

EBITA Margin

6%

Return on Capital Employed

18%

One Sapa

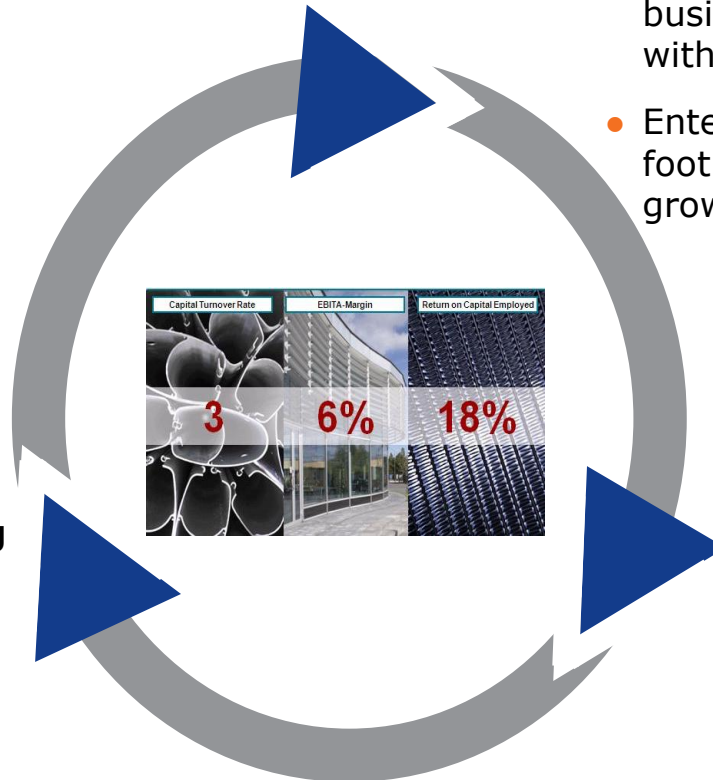
– the roadmap to 6% EBITA

Toward Solutions

- Entrepreneurial, local businesses with national / global overlay
- Enter new markets to enhance footprint and capitalise on growing markets

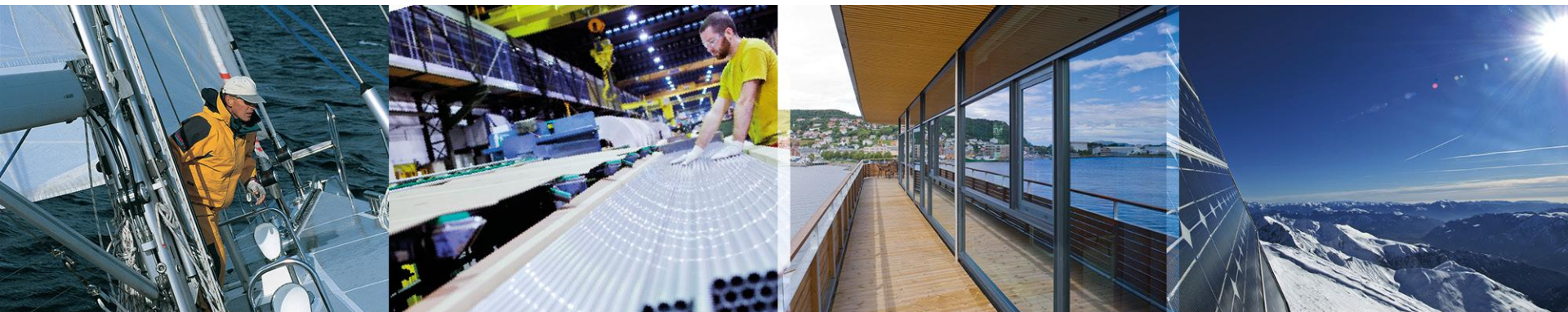
World Class Purchasing

- Leverage synergies in sourcing



World Class Operations

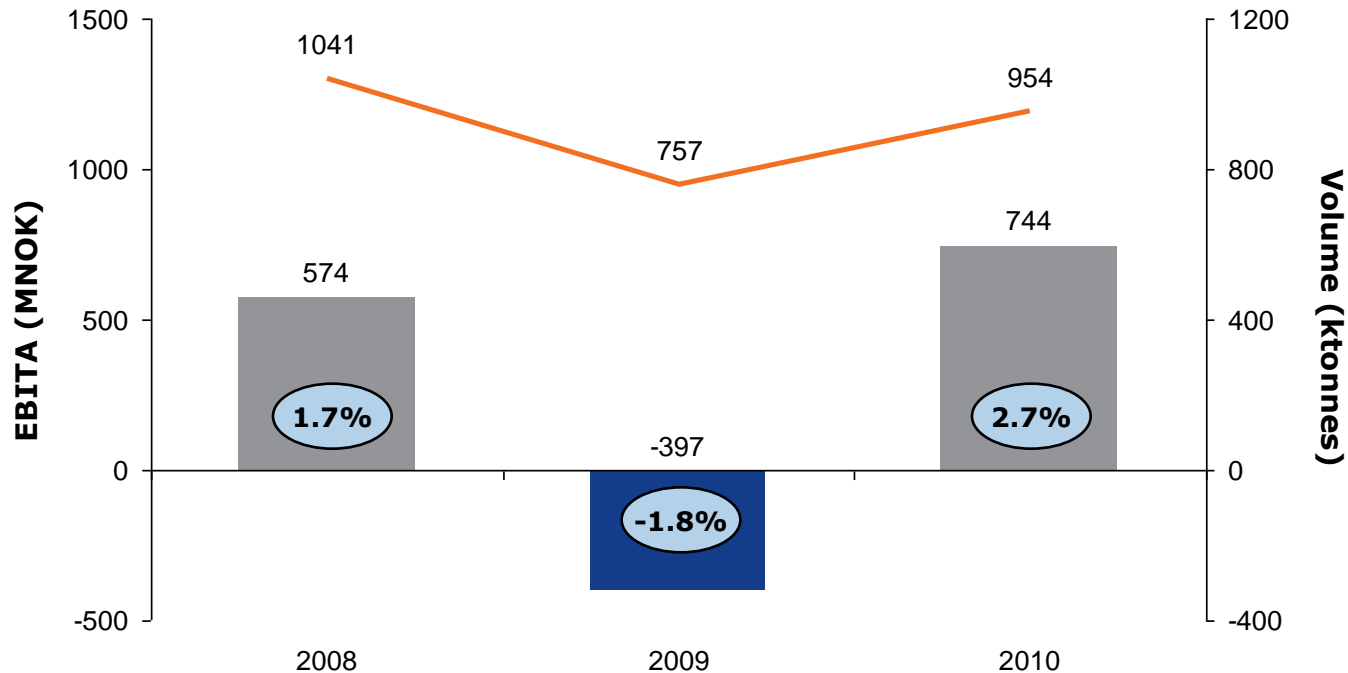
- Stability and continuous improvements
- Maximise network utilisation
- Optimise above-plant costs



Financial results

In 2010 EBITA improved by NOK 1.1 billion

Sapa Group Volume & EBITA Development by Year

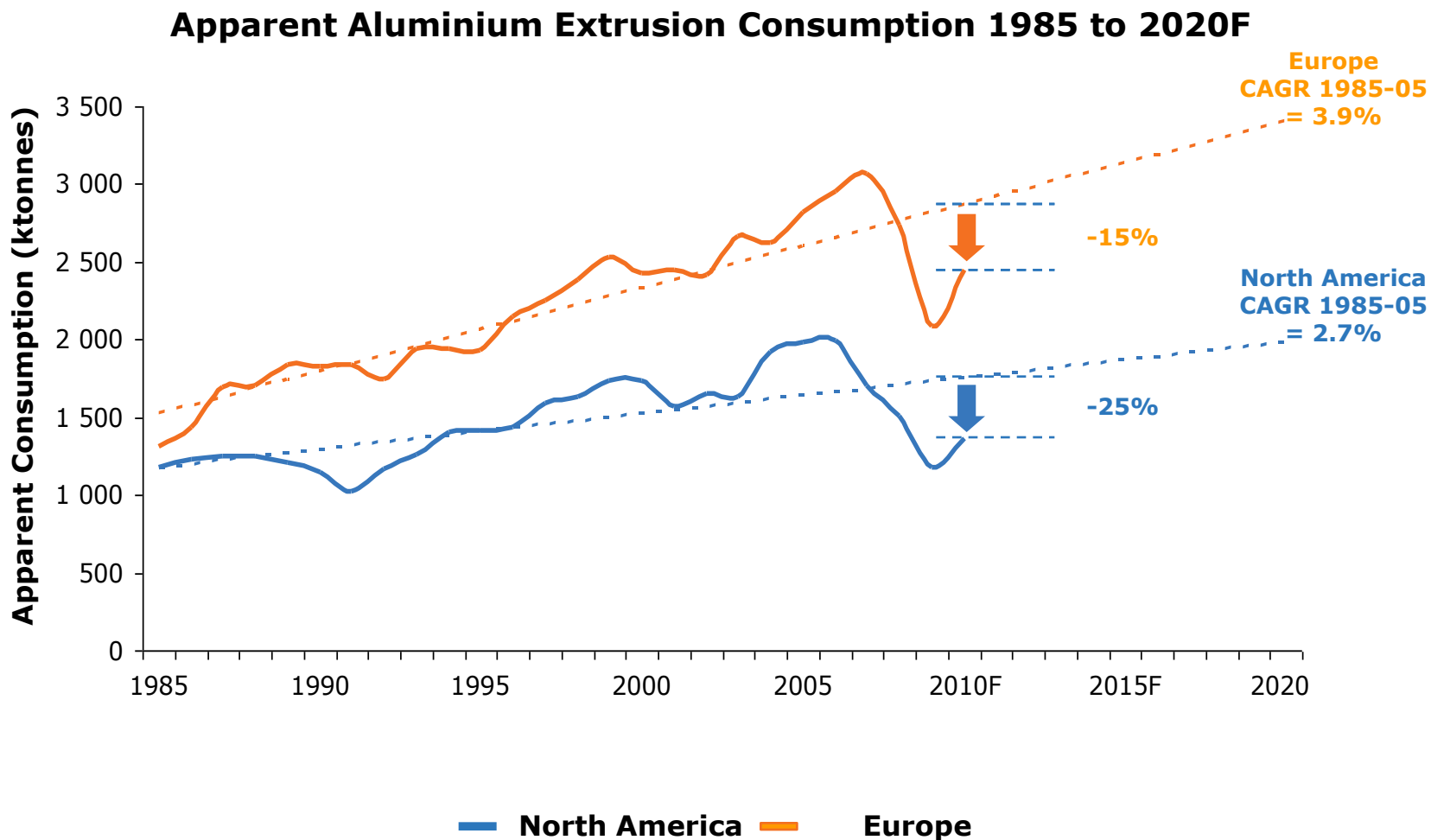


Market recovering from historic lows

Work on strategic initiatives delivering results

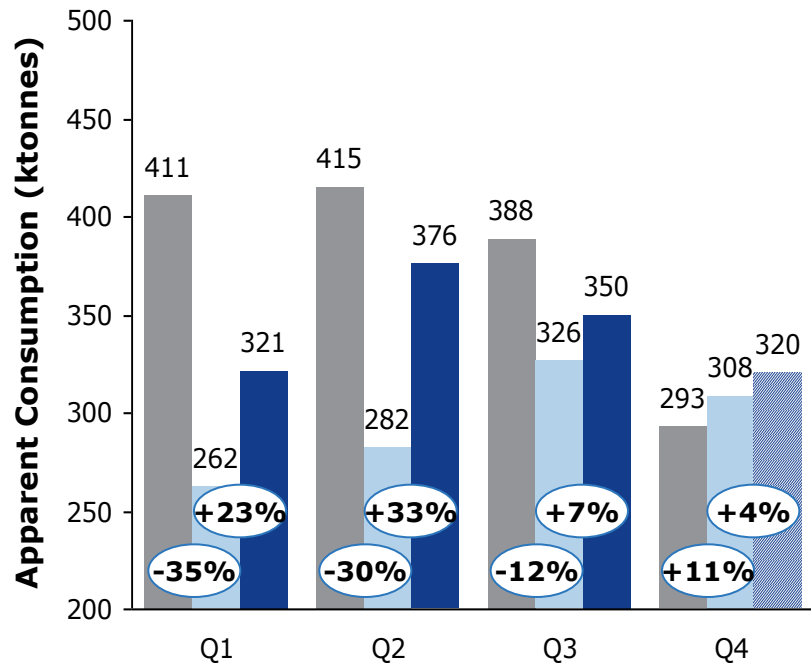
Note: Pro forma EBITA and volume adjusted for impact of the Indalex acquisition in 2008 and 2009

Even though markets are recovering volumes are still significantly below mid-cycle levels



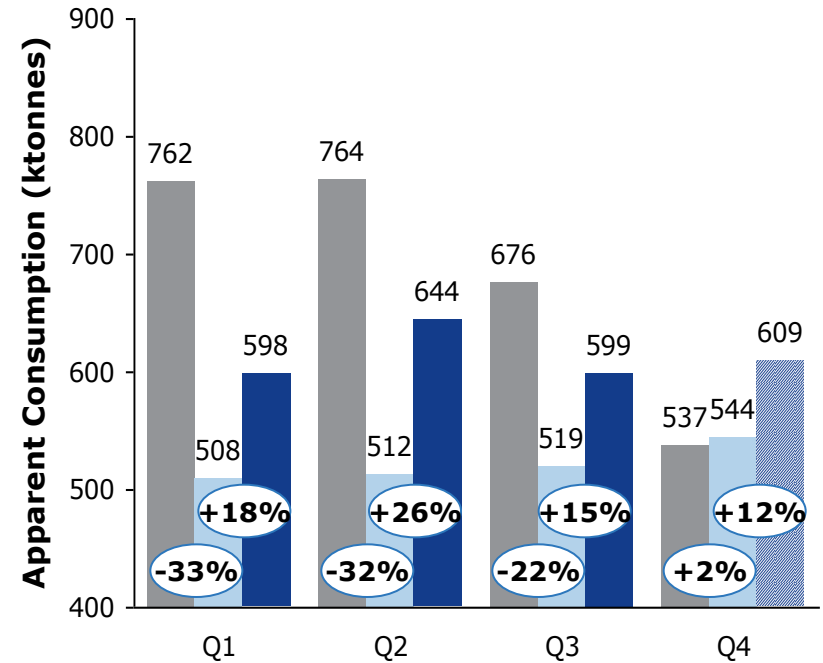
Market for Sapa Profiles North America down from Q3-10 to Q4-10

North American Extrusion Consumption



- 2008 full year consumption -11%
- 2009 full year consumption -22%
- 2010 full year consumption +16%

European Extrusion Consumption



- 2008 full year consumption -11%
- 2009 full year consumption -24%
- 2010 full year consumption +18%

2008 2009 2010

Improved markets for Sapa in 2010

- Market improvement give turnaround in EBITA for Profiles (+ 0.9 bn)
- Contribution from internal efficiency programmes
- Strong progress for Heat Transfer in China
 - Expansion of Shanghai plant
- Challenging market conditions for Building System in 2010

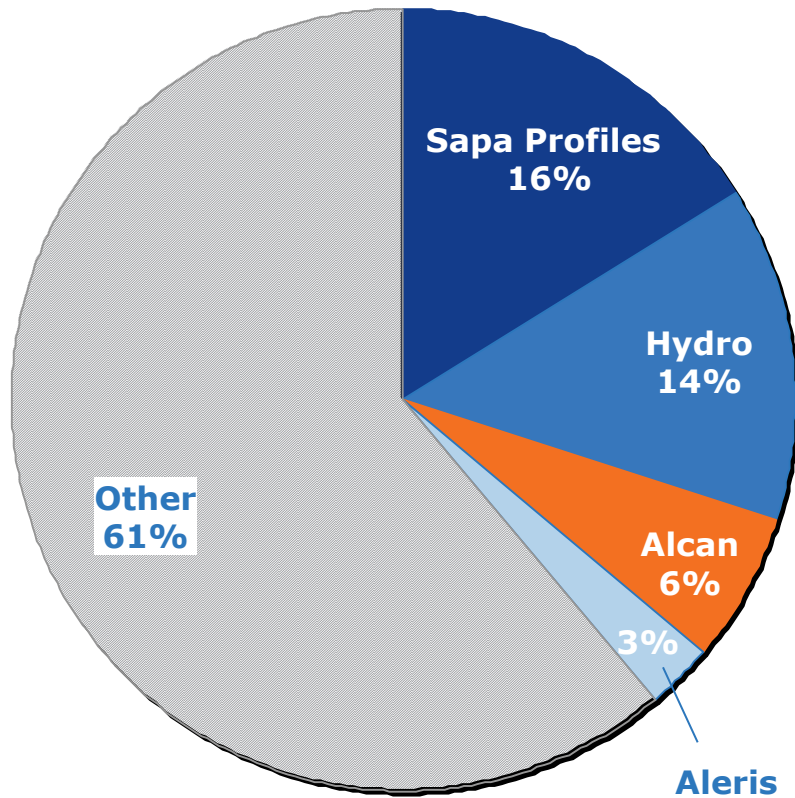
Operating Revenues	2010	2009	Change
Sapa	27 684	20 803	33 %
Profiles	21 671	15 621	39 %
Heat Transfer and Building System	6 814	5 856	16 %
Eliminations	- 801	- 674	

EBITA	2010	2009	Change
Sapa	744	- 344	
Profiles	373	- 574	
Heat Transfer and Building System	371	230	61 %
EBITA margin (%)	2,7	-1,7	

The industry

The European extrusion market is highly fragmented

European Extrusion Market Shares

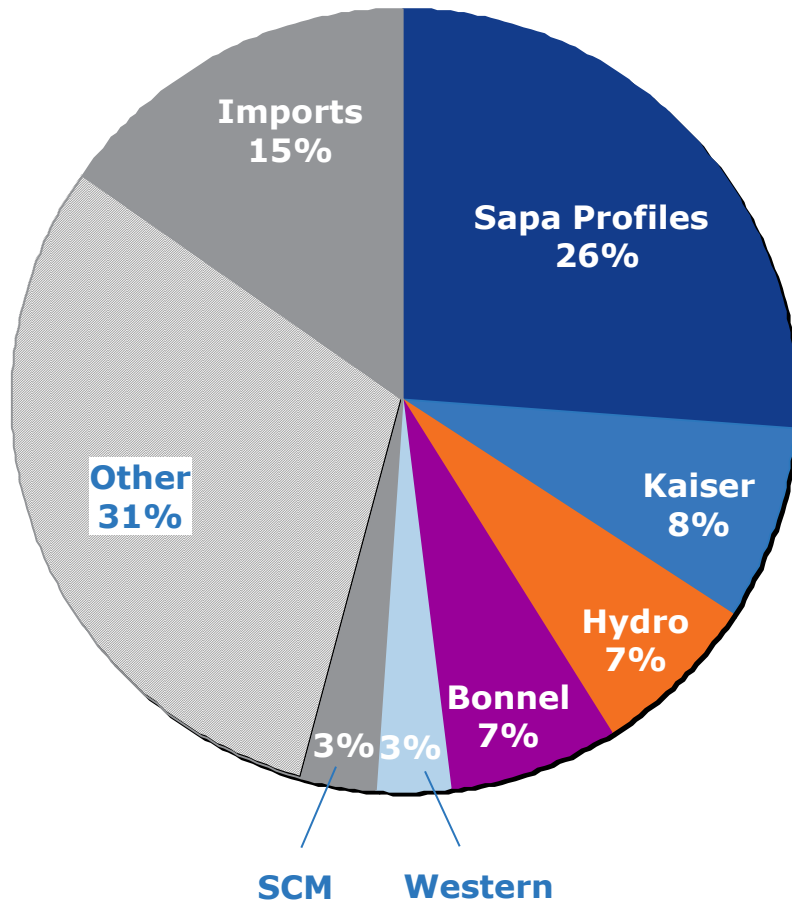


Sapa European Production Sites

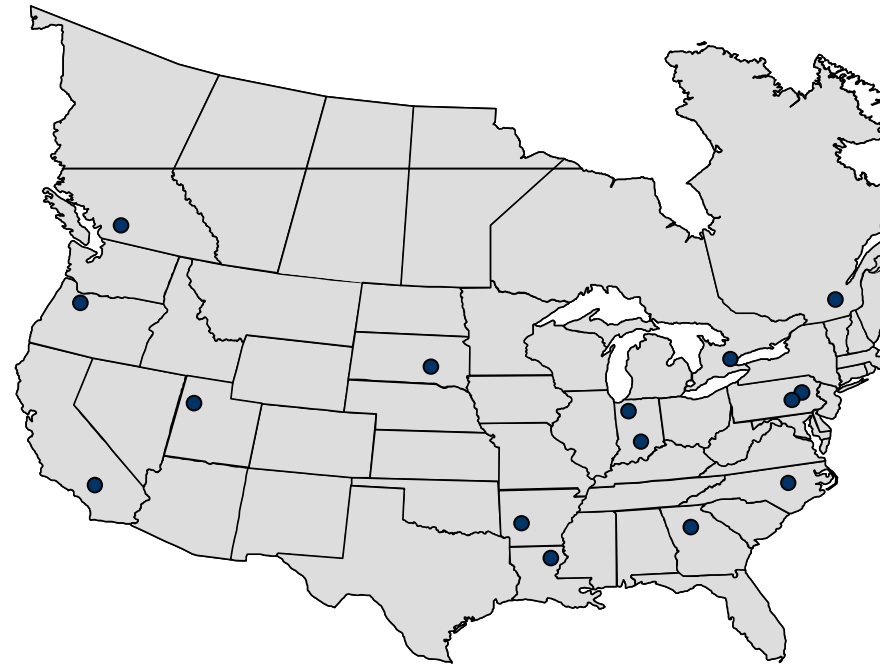


Sapa is a strong leader on the North American extrusion market

North American Extrusion Market Shares

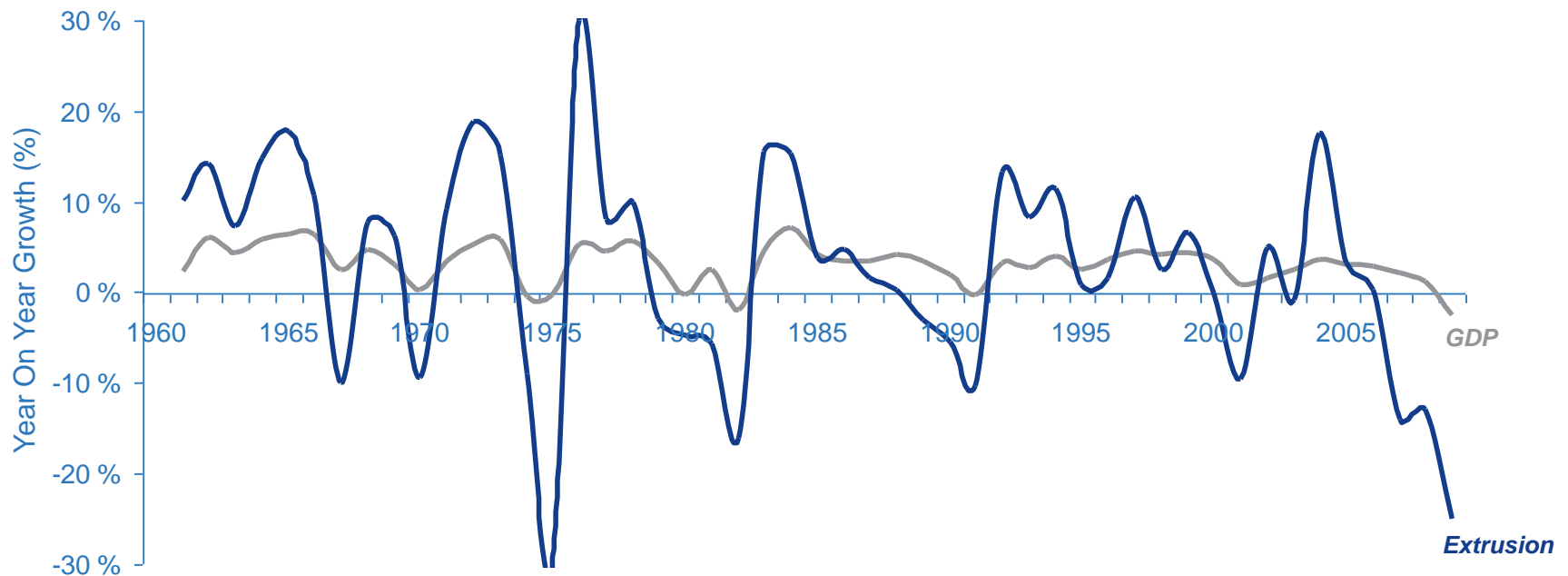


Sapa North American Production Sites



The extrusion industry strongly correlated to GDP

Correlation Between YoY US Extrusion Market Growth and US GDP Growth



Source: Aluminum Association, Global Insight (March 2009)



Investments

Hydro Power

- Lower EBITA compared with last year
 - 2009 figures include NOK 397 million from sold power plants
- Satisfactory profit in line with last year for Borregaard Energy
- Low production due low presepitation for Saudefaldene, leads to weak results in 2010
 - Production in 2010: 1 132 GWh (1 537 GWh in 2009)

Amounts in NOK million

Operating revenues	2010	2009	Change
Hydro Power	1 321	1 353	-2 %

EBITA	2010	2009	Change
Hydro Power	177	801	-78 %

EBITA-margin %	2010	2009	
	13,4	59,2	



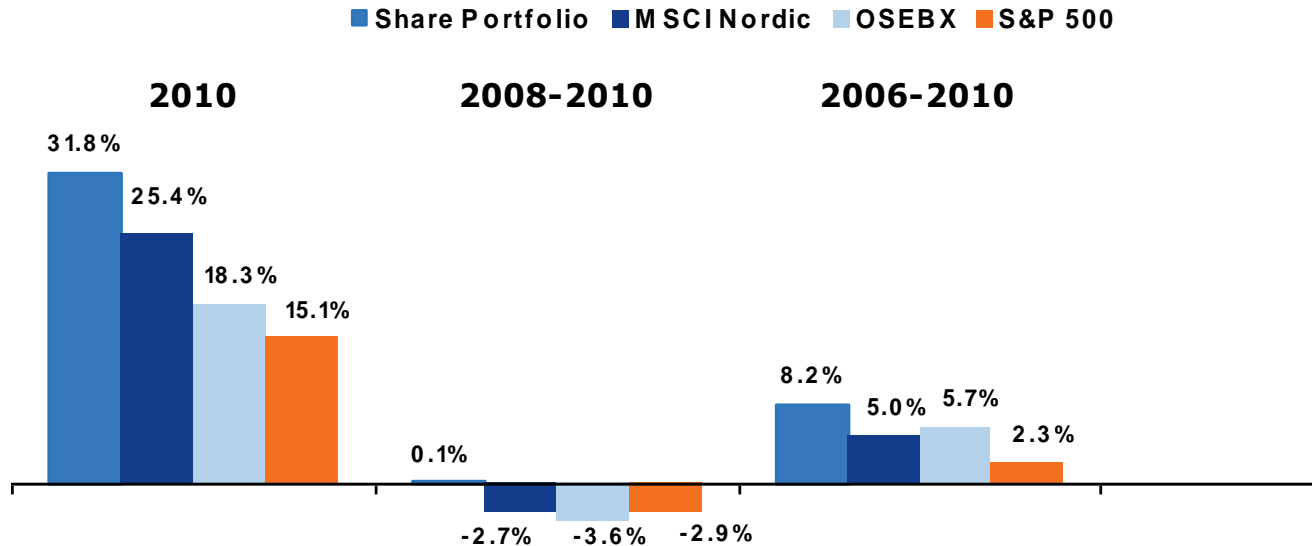


Investment Portfolio

Orkla Financial Investments 2010: NOK 4.7 billion increase in net asset value

- Return on Investment Portfolio in 2010 + 31.8%
- Gain on asset sale (forestry and real estate) NOK 1.5 billion
- Cash contribution from Financial Investments in 2010: NOK 5 billion
- Return above benchmark every year for the last 5 years

Investment Portfolio 6.4%-points above of market



- Market value of the Share Portfolio NOK 11.7 billion

Largest holdings in the Investment Portfolio as of 31 December 2010

Amounts in NOK million

Principal holdings	Industry *	Market value	Share of portfolio (%)	Share of equity (%)
Tomra Systems	Industrials	888	7%	15.3 %
Amer Sports	Consumer Discretionary	538	4%	5.2 %
Enter Select **	Fund	374	3%	0.0 %
Kongsberg Gruppen	Aerospace & Defence	358	3%	2.3 %
Ekornes	Consumer Discretionary	337	3%	5.8 %
Schibsted	Consumer Discretionary	326	3%	1.8 %
Elekta B	Health Care Equipment	315	3%	1.5 %
DnB NOR ASA	Financials	299	3%	0.2 %
East Cap. Power Utilities F.	Utilities	269	2%	27.0 %
Telenor ASA	Telecommunications Services	261	2%	0.2 %
Total principal holdings		3 966	33%	
Market value of entire portfolio		11 661		

* Based on Gics Level 1

** Orkla owns 50% of the shares in the management company Enter Asset Management AB

Strategic direction

Investment Portfolio

- A more focused investment portfolio with active ownership
- Develop industrial options over time
- Value of the Investment Portfolio in the range of NOK 8-10 billion





Borregaard

Borregaard

- 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
- Production and supply of hydropower (0.6 TWh)

Improved markets for Borregaard Chemicals

- Improvements for all main segments
- Tight supply and higher prices lead to satisfactory progress for speciality cellulose
- Continued strong performance for lignin
- Weak results in Fine Chemicals and Denomega due to challenging market conditions

Amounts in NOK million

Operating revenues	2010	2009	Change
Borregaard Chemicals	3 750	3 815	-2 %

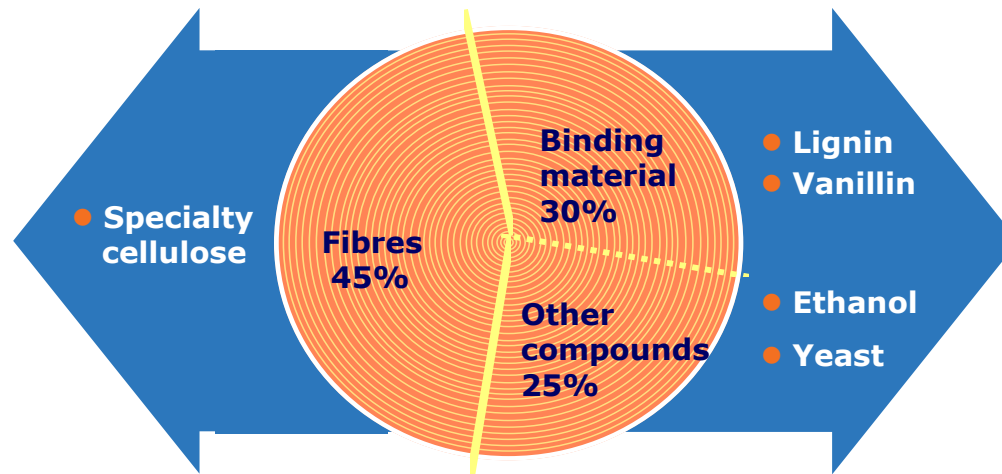
EBITA	2010	2009	Change
Borregaard Chemicals	238	216	10 %

EBITA-margin %	6,3	5,7	
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Bio refinery – Business model

*Borregaard is the global leader in wood based chemicals.
Strong innovation efforts increase the value added to our customers.*



Green chemistry

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



Associates



Associated Company:

Jotun - long term value creation

- Orkla's ownership: 42.5%
 - Reported as an associated company
- One of the world's leading manufacturers of paints and coatings
 - Decorative paints (14%), Marine coatings (52%), Protective coatings (20%), Powder Coatings (8%)
- Represented on all continents via subsidiaries and JV
- Revenues 2010: NOK 12,003 million
- EBIT 2010: NOK 1,343 million

For more information see www.jotun.com

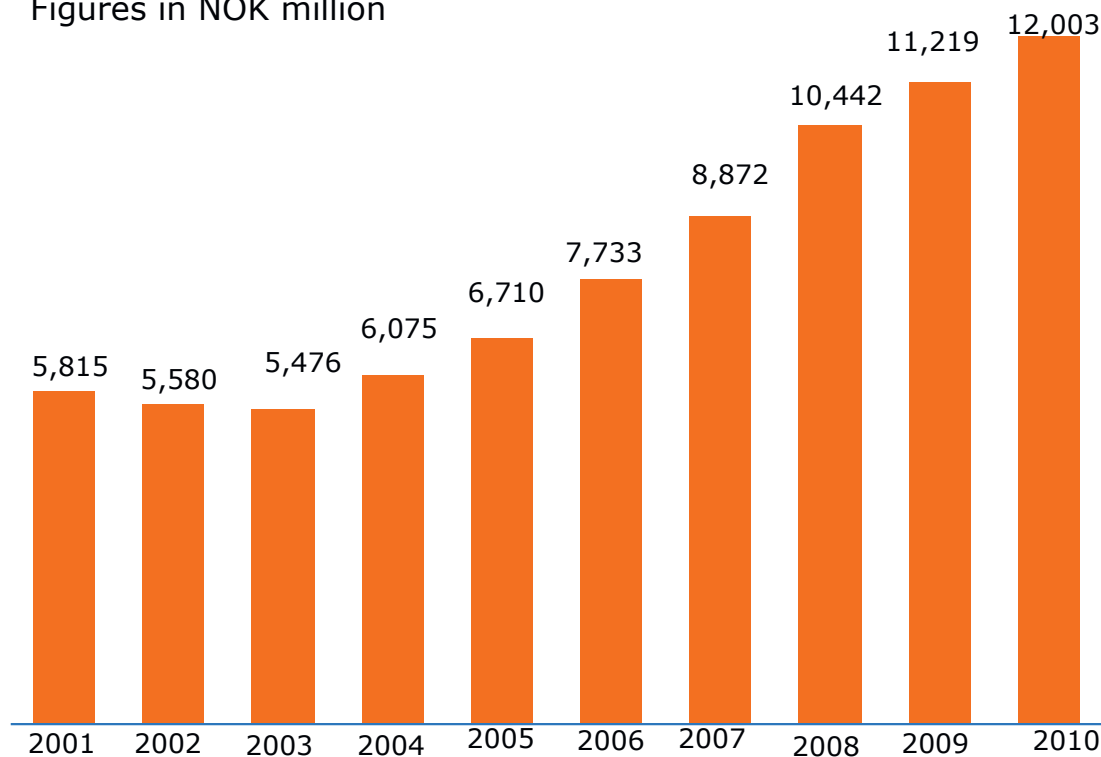


Jotun (42.5%) – Sales development



Sales (including shares in joint ventures)

Figures in NOK million



Renewable Energy Corporation

– Key figures

- Orkla's ownership: 39.7%
 - Reported as an associated company
- REC is among the world's largest producers of polysilicon and wafers for solar applications
- Revenues 2010: NOK 13,766 million
- EBITDA 2010: NOK 3,535 million
- Market cap: NOK 29.7 billion*



*31 December 2010

For more information see www.recgroup.com



Amounts in NOK million

Jotun	2010	2009	Change
Revenues	12 003	11 219	7 %
EBIT	1 343	1 157	16 %
Profit/loss before tax	1 304	1 096	19 %



Amounts in NOK million

REC	2010	2009	Change
Revenues	13 776	8 831	56 %
EBITDA	3 532	1 803	96 %
EBIT	1 018	-829	
Profit/loss before tax	1 818	-1 301	





Financial calendar

29 April 2011

5 May 2011

20 July 2011

27 October 2011

- Dividend payment

- First quarter results 2011

- Second quarter results 2011

- Third quarter results 2011

