



ORKLA

**The Annual
General Meeting
14 April 2011**





**The Orkla Group
- value creation model
and strategic direction**

Bjørn M. Wiggen, CEO



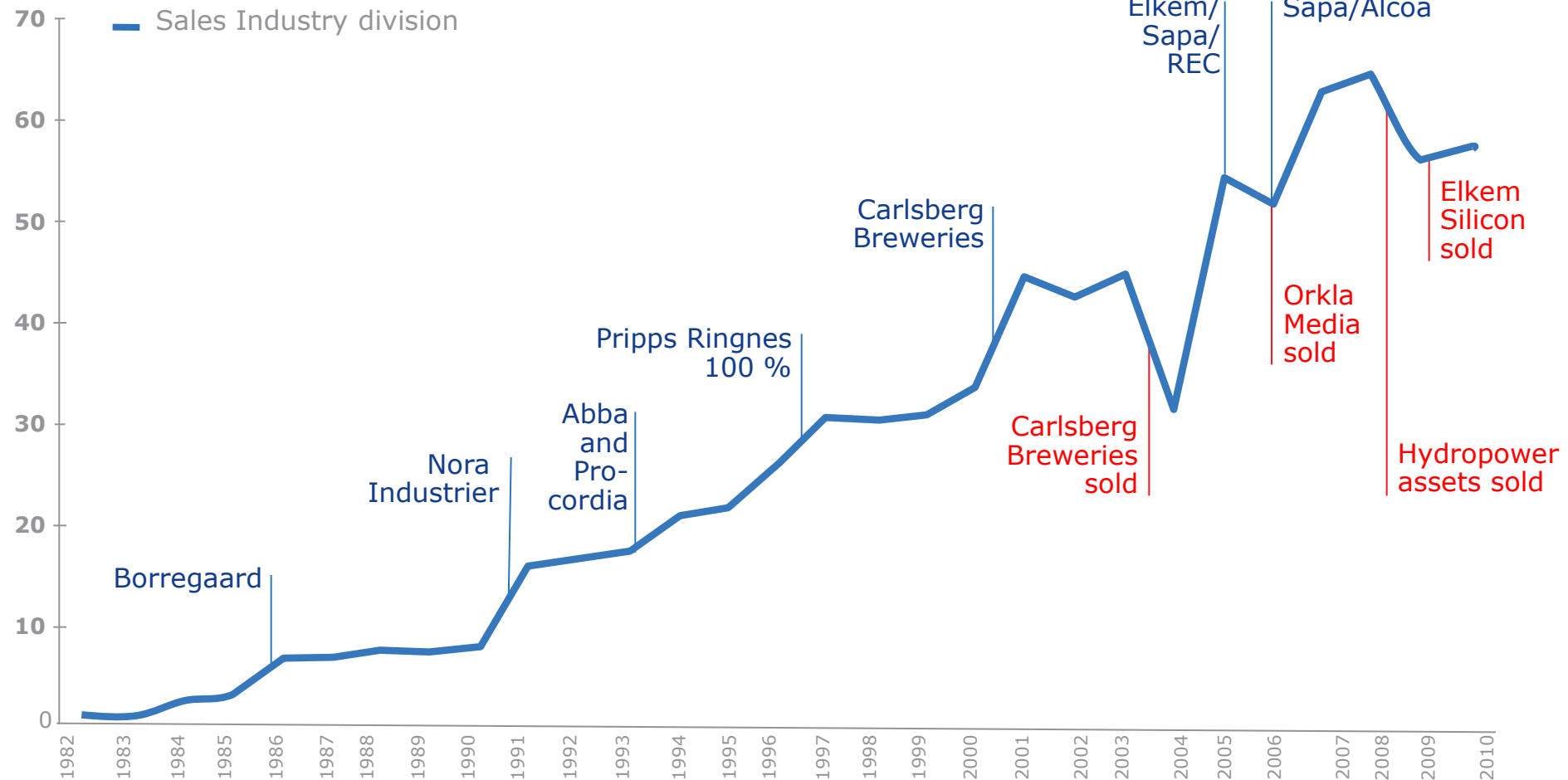
Agenda

- Orkla's growth and value story
- The Orkla value creation model
- Examples of value stories
- Strategic direction
- Positioned going forward

Orkla's growth story

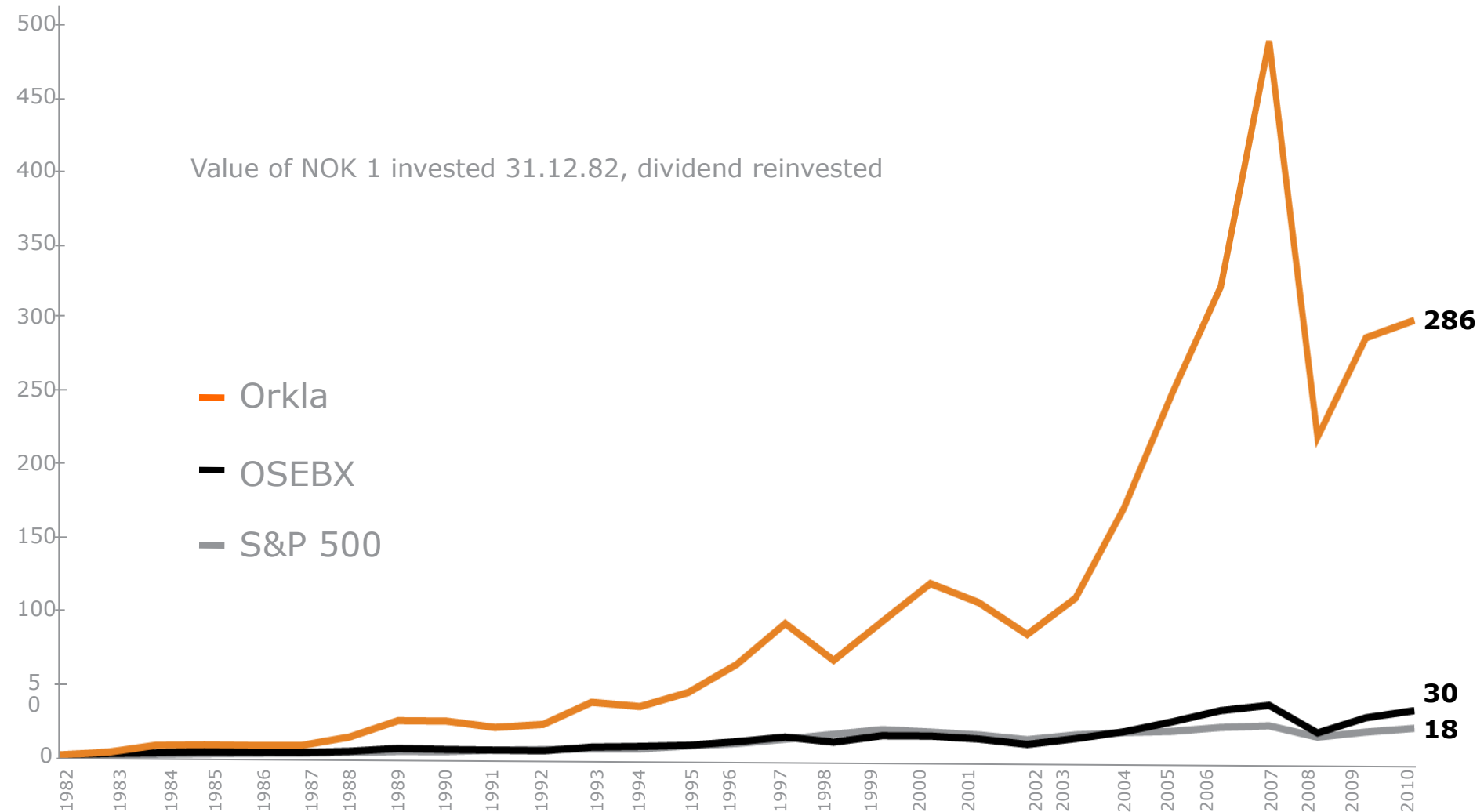
Combined competence create value

BNOK



Orkla's growth story

Orkla has created substantial value



The Orkla value creation model



Core characteristics:

Portfolio of companies and investments

Developing people

Financial flexibility

Combining industrial and financial competence

Industrial competence

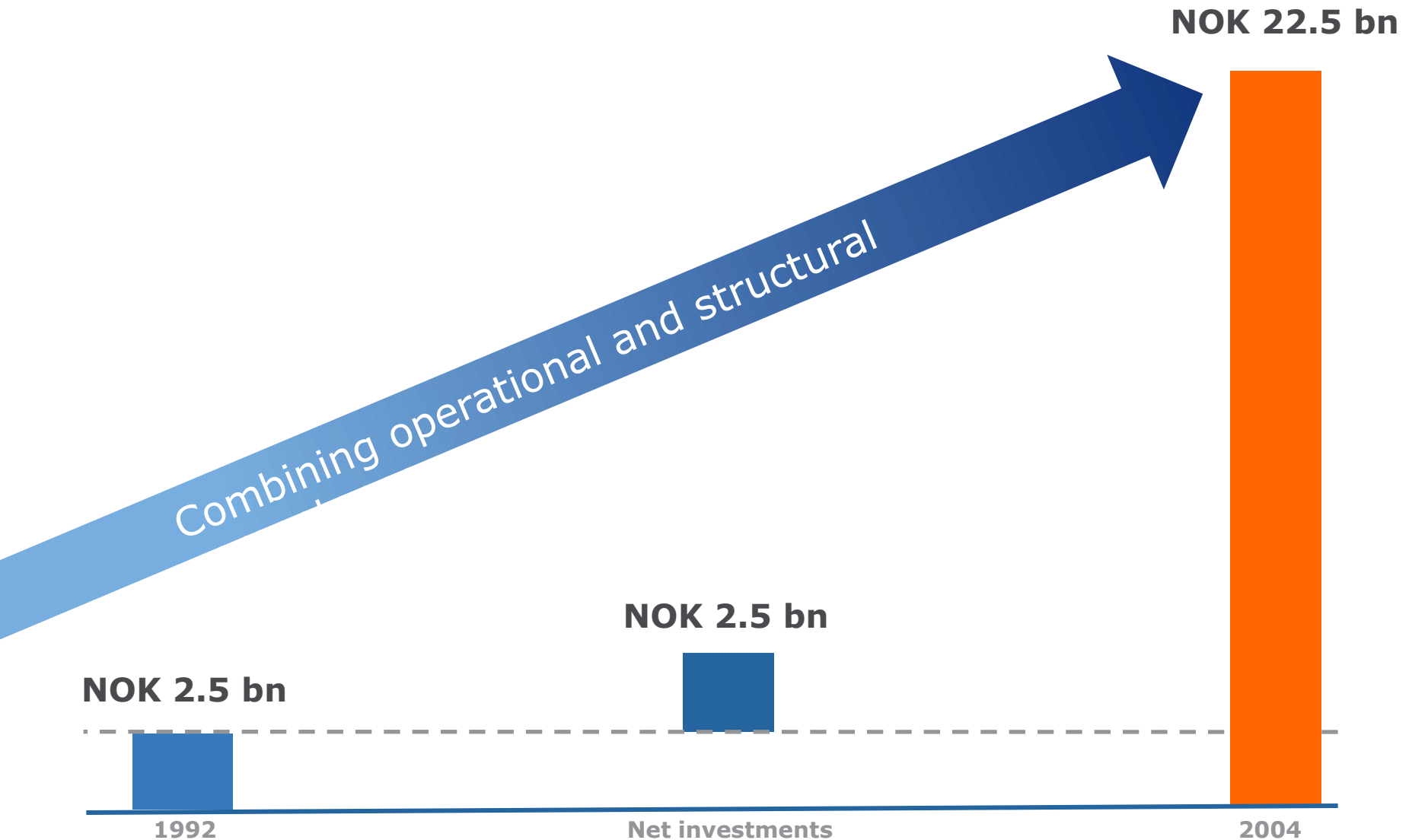
Operational excellence
Business restructuring
Brand building



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

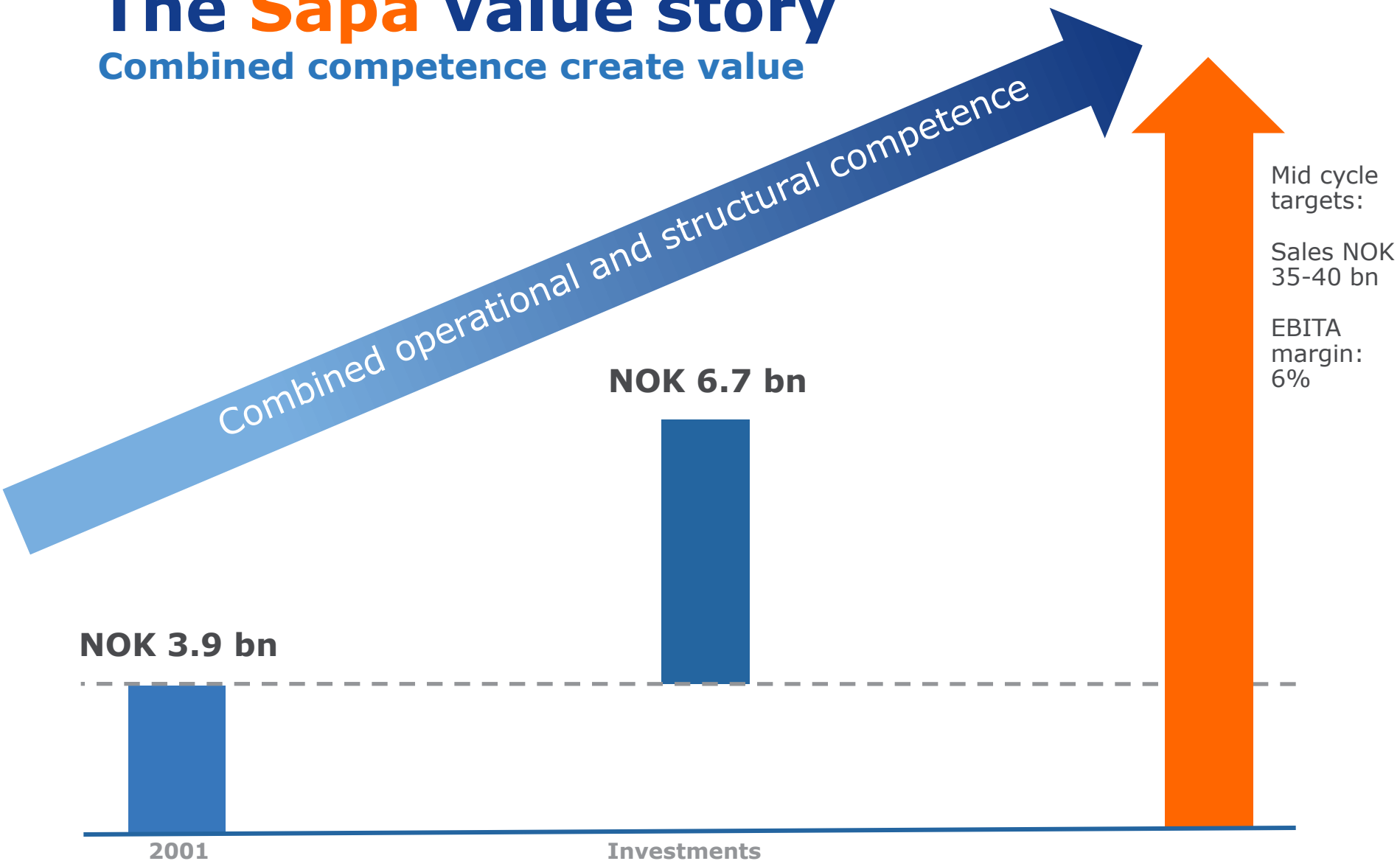
2000

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

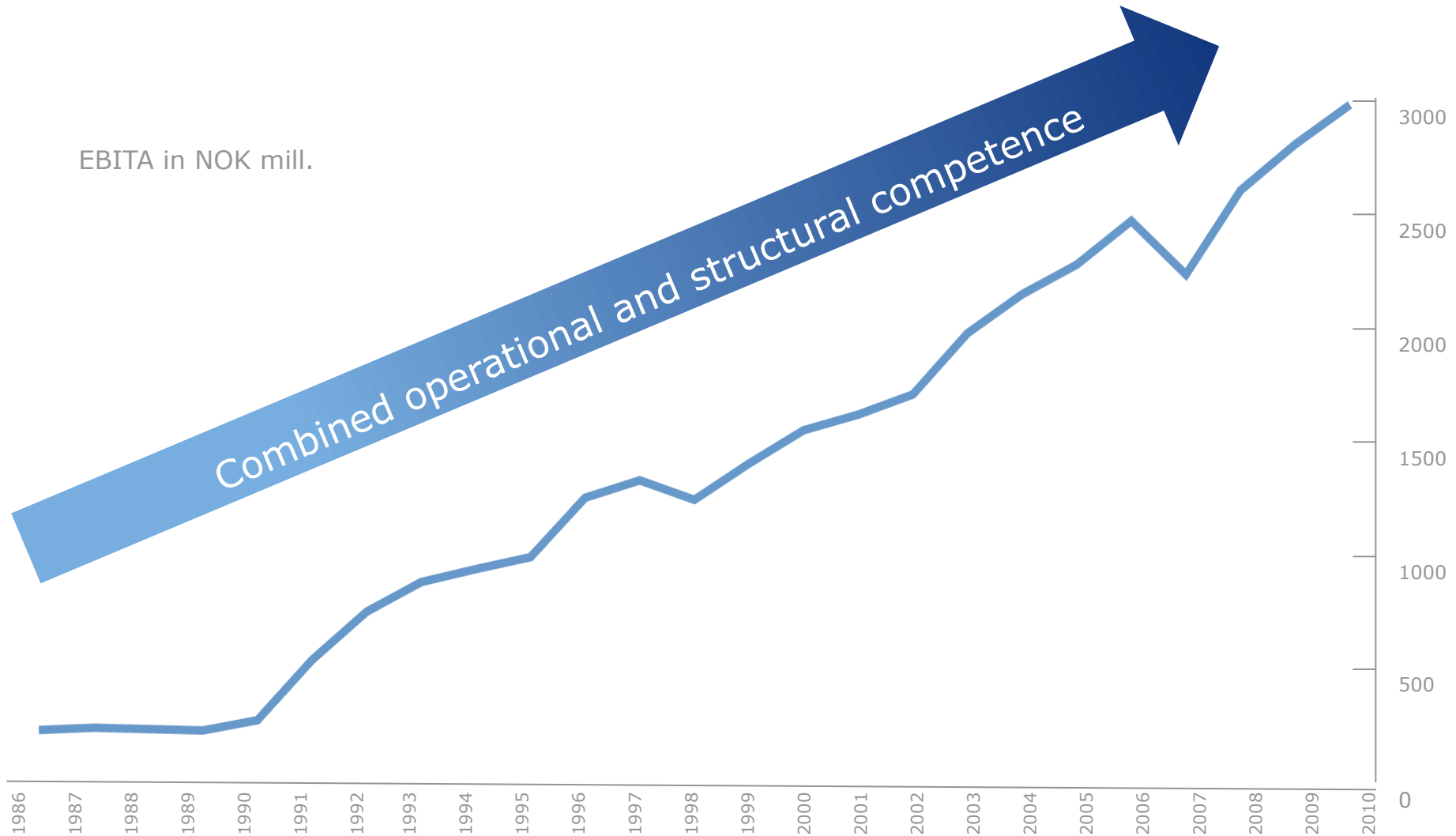
2007

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





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





Full year results 2010

Terje Andersen, CFO

Highlights 2010

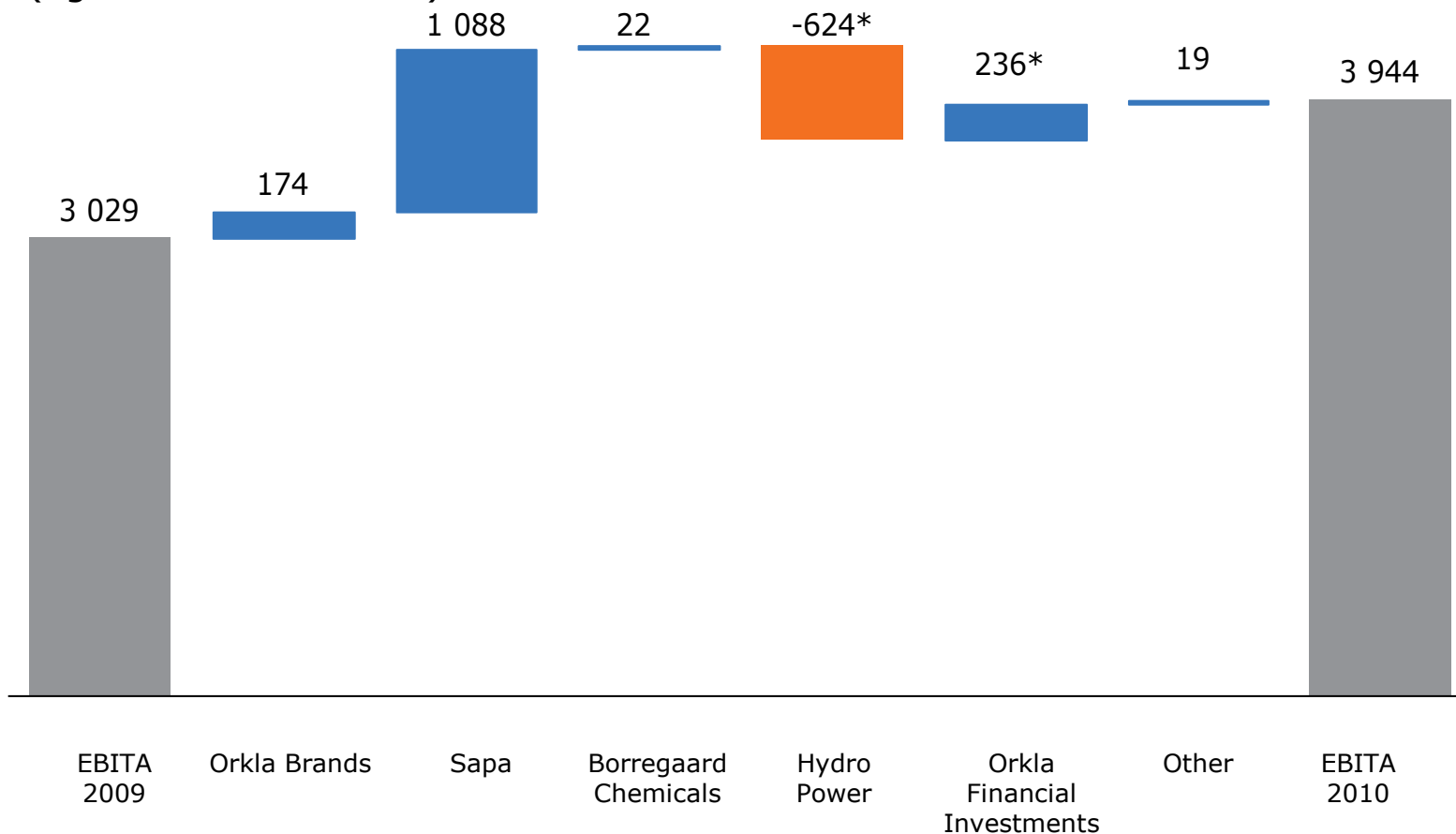
- Improved markets and demand throughout the year, in particular for Sapa and Borregaard
- Stable markets for Orkla Brands, however continued growth in profit and margin
 - EBITA-margin +0.5%p to 12.6% for 2010
- Strong results for the Share Portfolio with a return of 31.8%
- Negative development for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

Group income statement

	2010	2009	Change
Operating revenues	57 338	50 233	14 %
EBITA	3 944	3 029	30 %

EBITA improvement for the group in 2010

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



Group income statement

	2010	2009	Change
Operating revenues	57 338	50 233	14 %
EBITA	3 944	3 029	30 %
Amortisation intangibles	-52	-213	
Other revenues and expenses	330	2871	
EBIT	4 222	5 687	
Associates	-6 169	-3 919	
Dividends	522	252	
Gains and losses/write-downs Share Portfolio	1 772	584	
Net financial items	- 327	- 749	
Profit before tax	20	1 855	
Tax expenses	-844	276	
Discontinued operations	- 40	429	
Profit for the period	- 864	2 560	

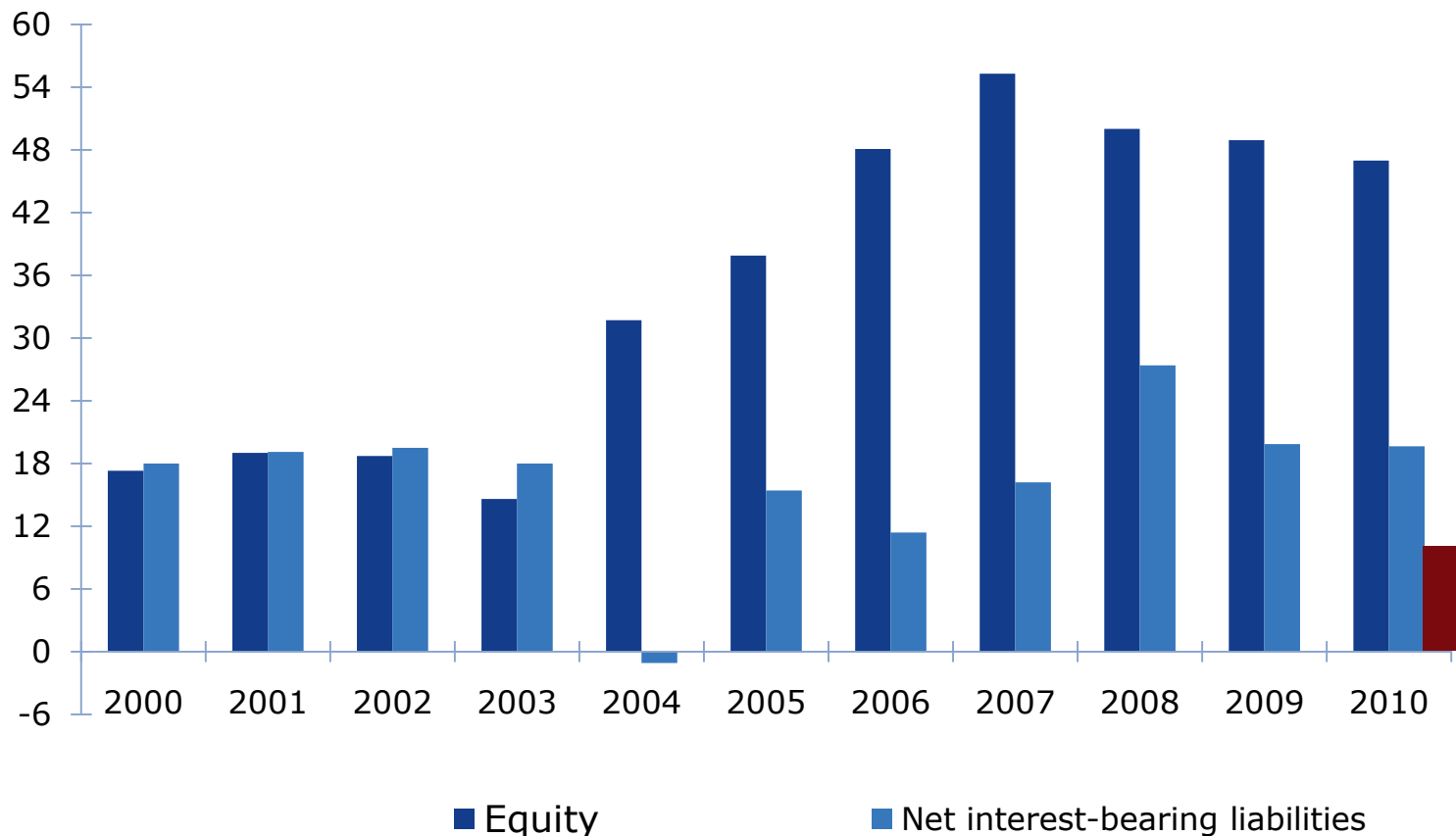
Cash flow as of end 2010

	31.12.2010	31.12.2009
Industry division:		
Operating profit	2 940	2 125
Amortisations, depreciations and write-downs	2 503	2 653
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 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 / net purchases of Orkla shares	-2 222	-2 260
Acquisition and expansion investments	-3 387	-5 047
Divestments	1 854	5 914
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

Strong financial position

- Net gearing 0.42 – Equity ratio 53.6%

NOK billion

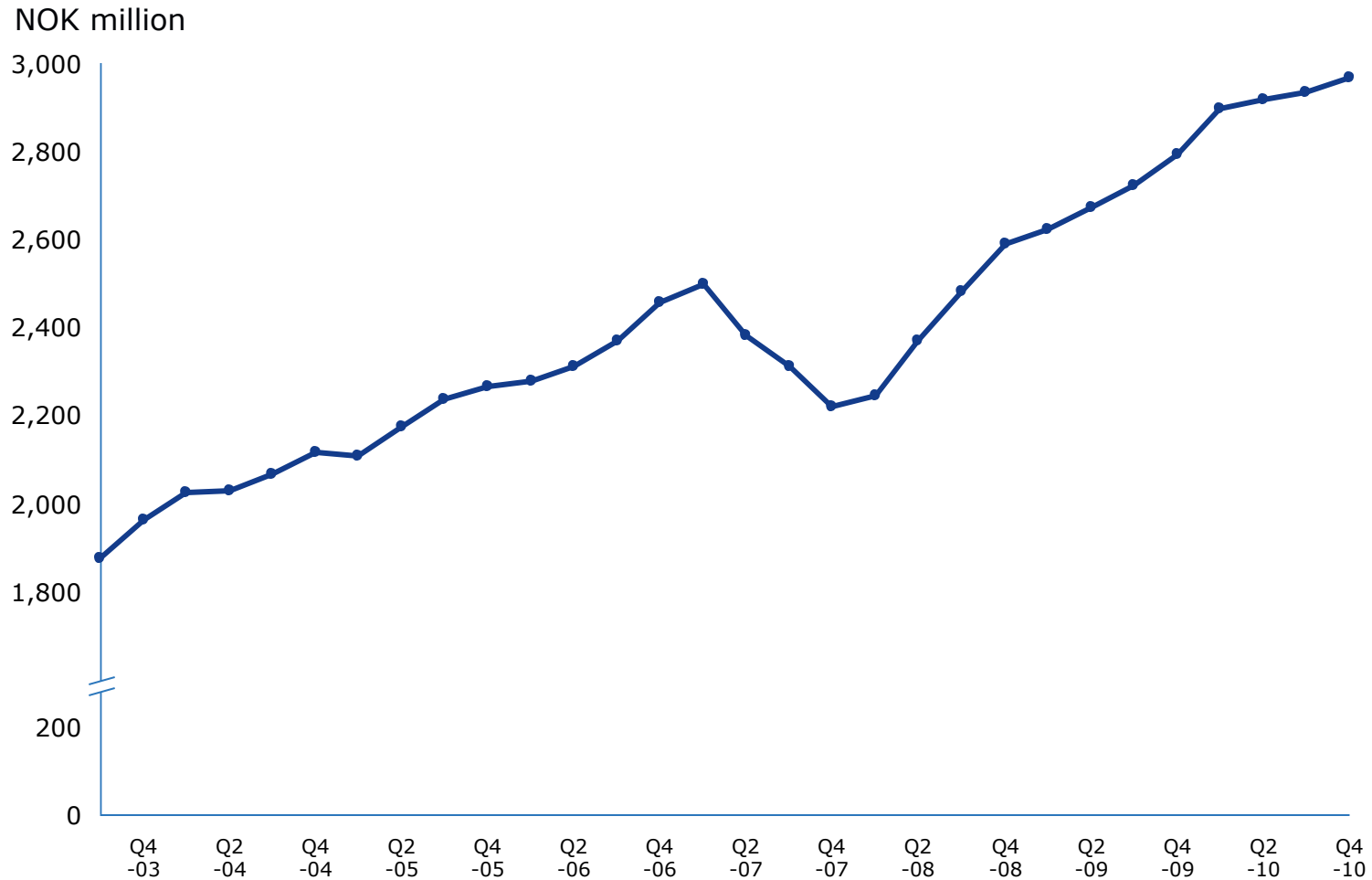




ORKLA BRANDS

Steady, strong growth in EBITA over time

EBITA - Rolling 12 months



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 %

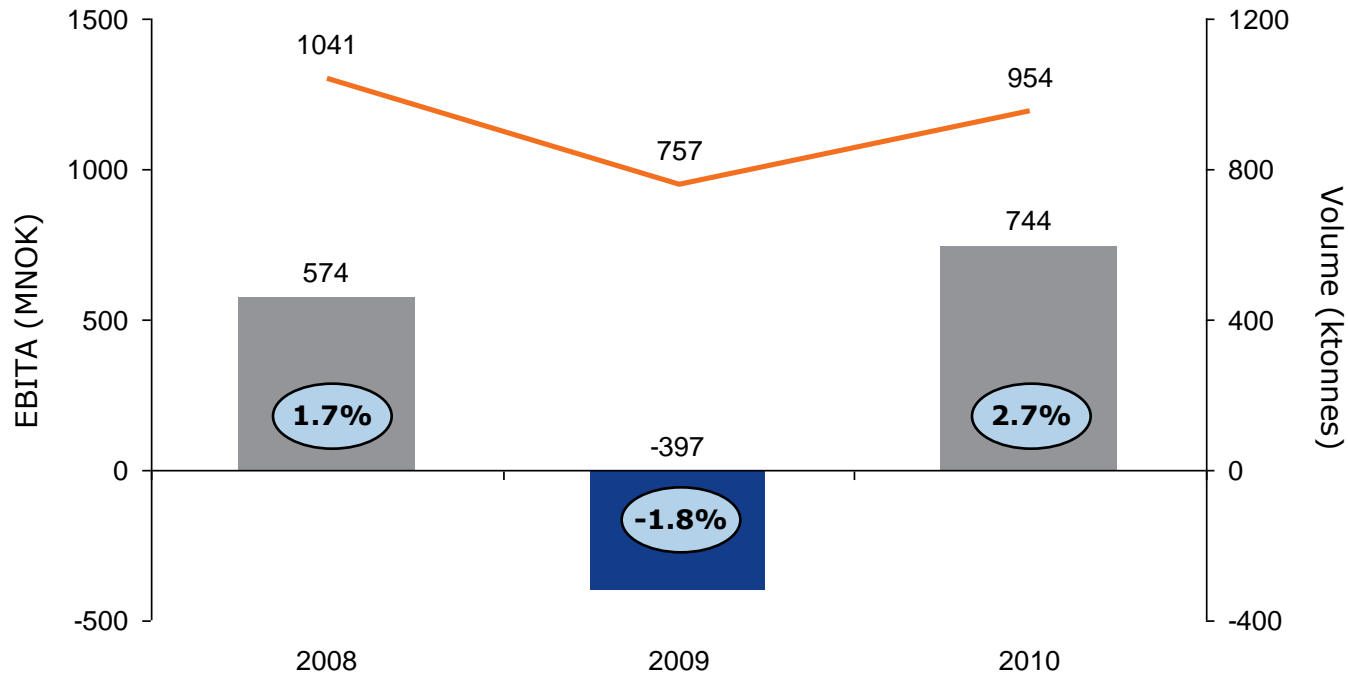
Operating profit - EBITA	2010	2009	Change
Orkla Brands	2 967	2 793	6 %
Orkla Foods Nordic	1 115	1 088	2 %
Orkla Brands Nordic	1 544	1 380	12 %
Orkla Brands International	40	89	-55 %
Orkla Food Ingredients	268	236	14 %
EBITA margin (%)	12,6	12,1	



Sapa

In 2010 EBITA improved by NOK 1.1 billion

Sapa Group Volume & EBITA Development by Year

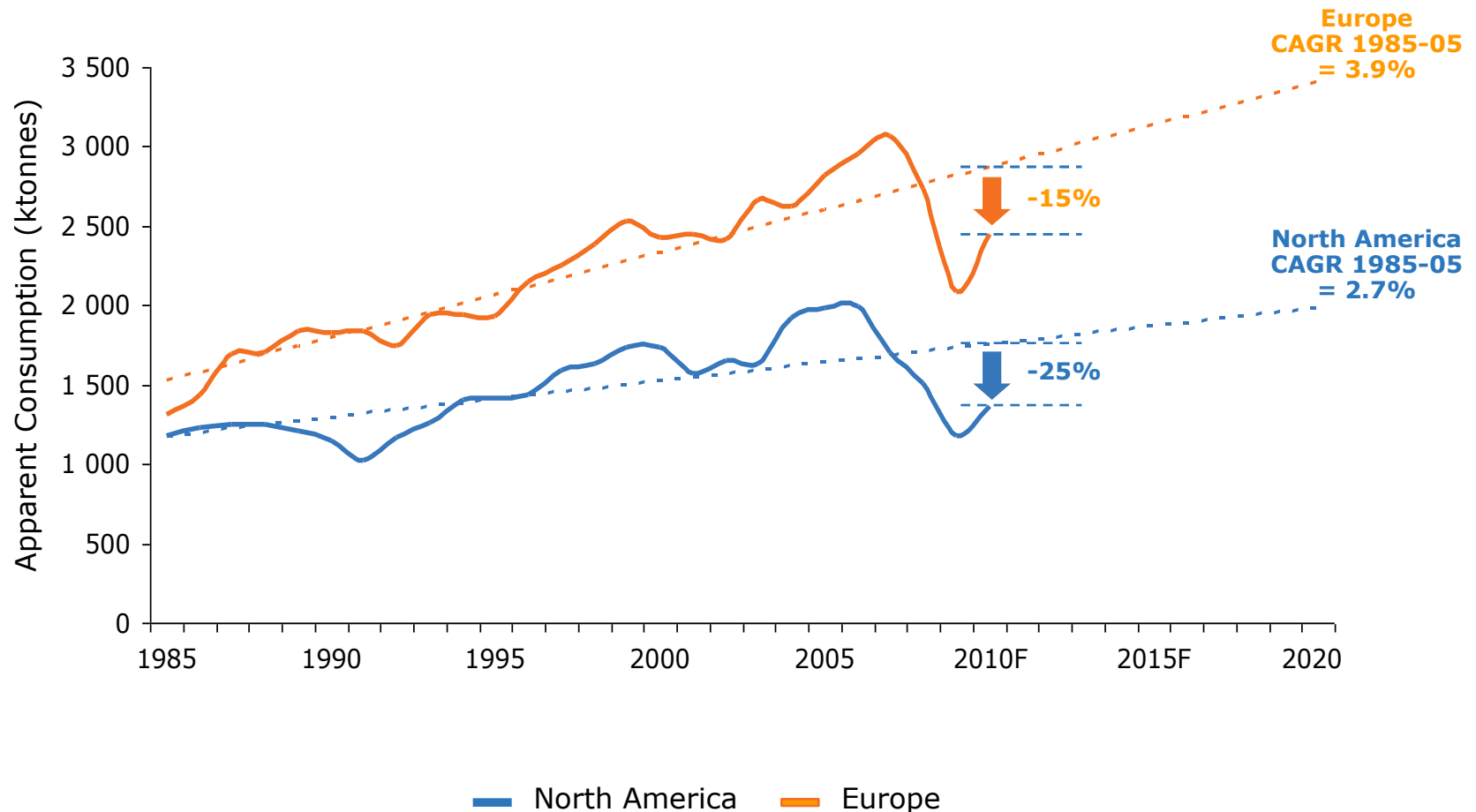


- Market recovering from historic lows
- Work on strategic initiatives delivering results

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

Apparent Aluminium Extrusion Consumption 1985 to 2020F



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	



INVESTMENTS

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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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

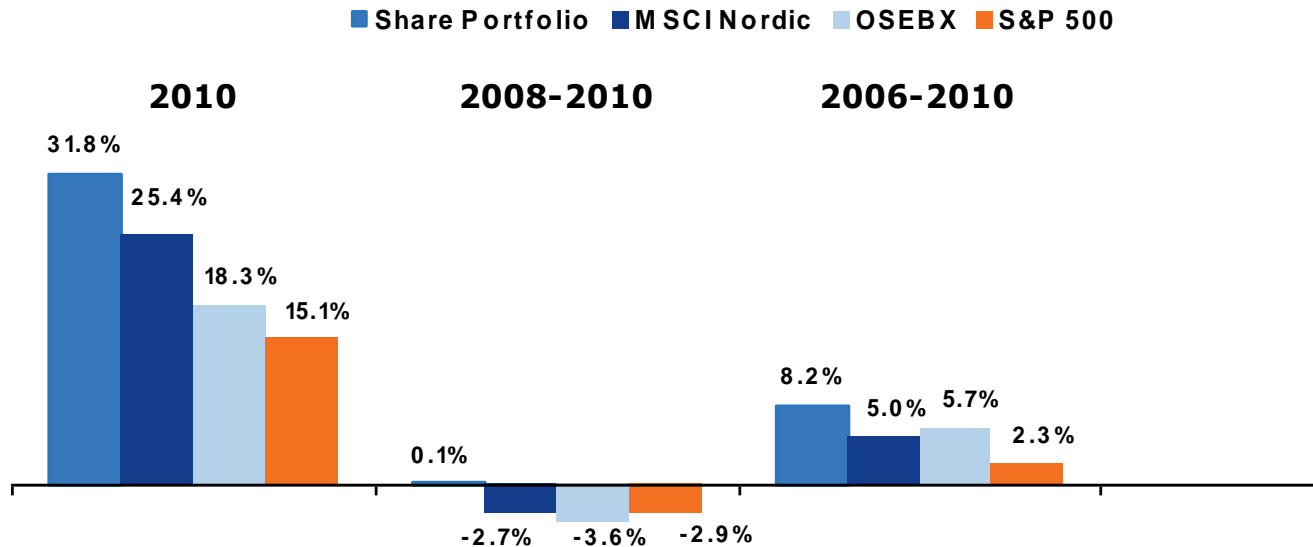
Operating revenues	2010	2009	Change
Hydro Power	1 321	1 353	-2 %

EBITA	2010	2009	Change
Hydro Power	177	801	-78 %

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



Share Portfolio 6.4%-points above of market



- Market value of the Share Portfolio NOK 11.7 billion



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 %

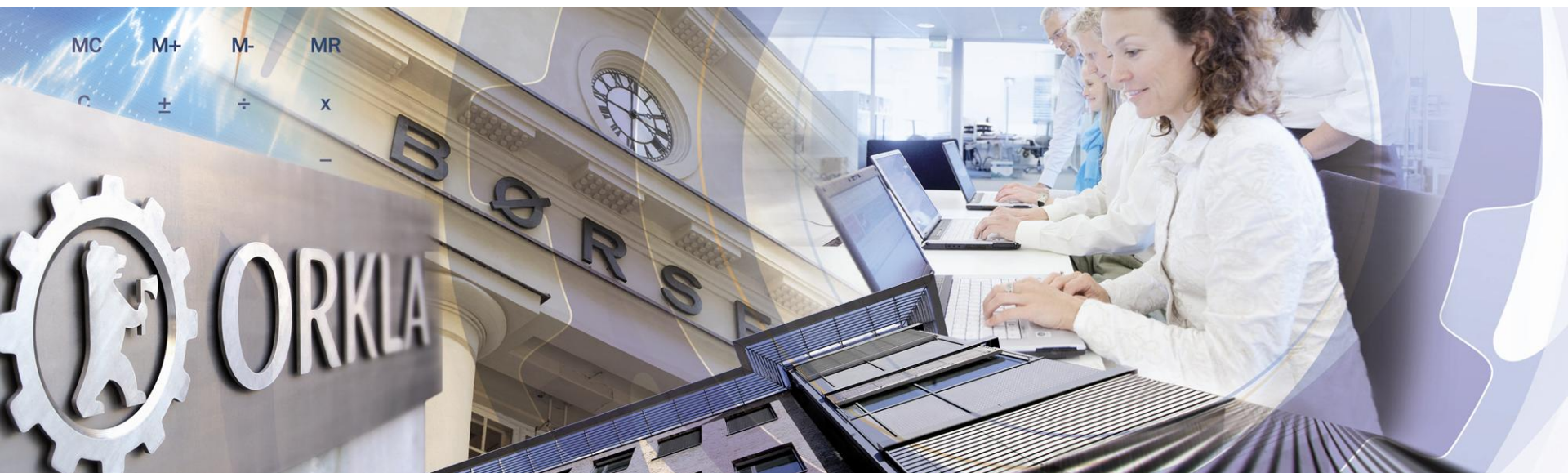


Amounts in NOK million

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	

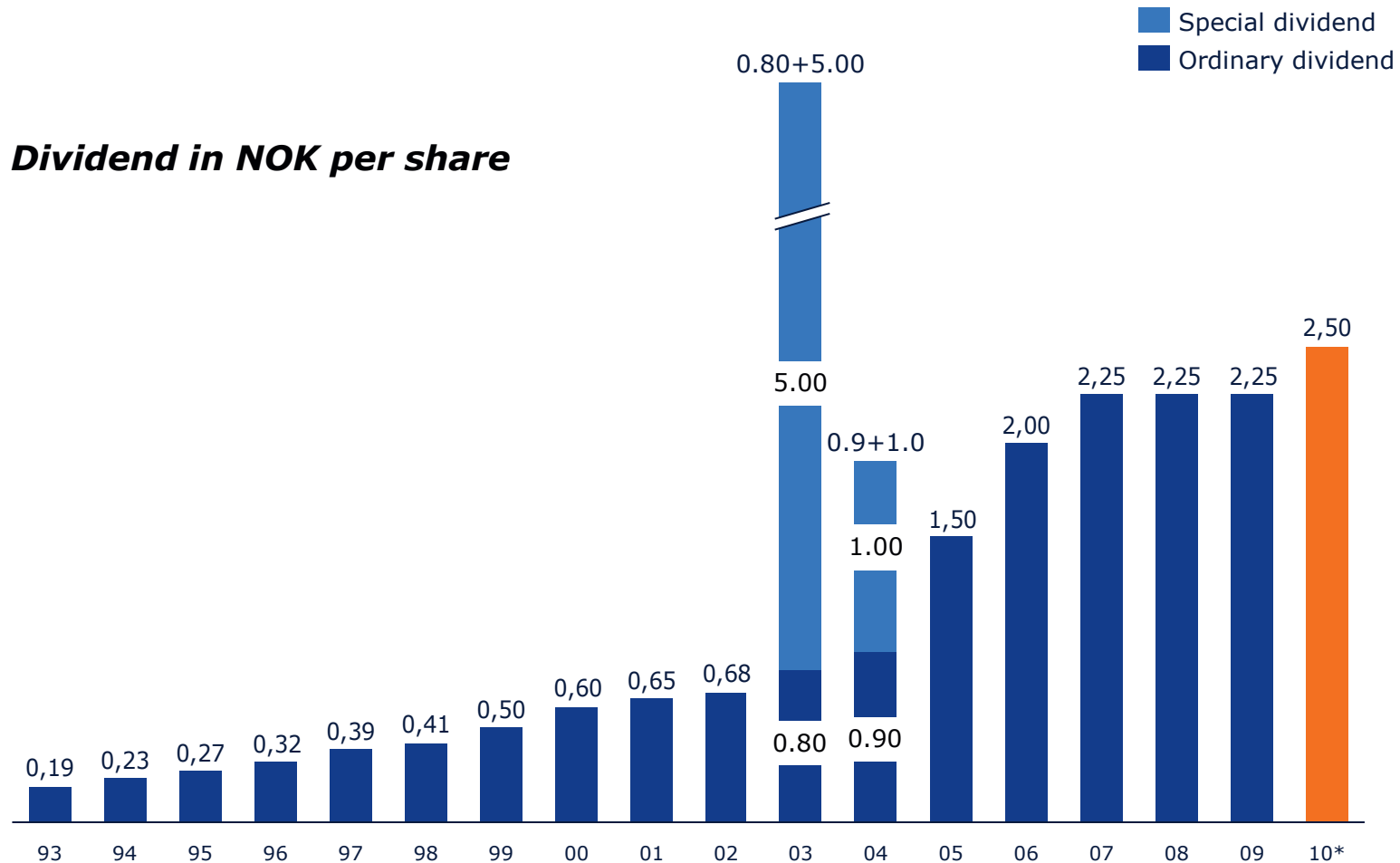






DIVIDEND

Over time, Orkla has pursued a dividend strategy that focuses on predictability and stability



* Proposed by the Board of Directors



Auditors' report for 2010

Opinion on the financial statements of the Parent Company

In our opinion, the financial statements of Orkla ASA have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as of 31 December 2010 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Opinion on the financial statements of the Group

In our opinion, the financial statements of Orkla ASA have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Group as of 31 December 2010 and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards on Accounting as adopted by the EU.

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Directors' report concerning the financial statements, the going concern assumption and the proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the international standard on assurance engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that the Board of Directors and Chief Executive Officer have fulfilled their duty to properly record and document the Company's accounting information as required by law and generally accepted bookkeeping practice in Norway.



Statement from the Corporate Assembly

To the general meeting of Orkla ASA

The Corporate Assembly of Orkla ASA has received the Board of Directors' proposed annual report and financial statements for 2010 for Orkla ASA and the Group and recommends that the General Meeting approve the financial statements and the proposal of the Board of Directors for the allocation of profit for 2010.



Item 2 on the agenda

Amendment to the Articles of Association

It is proposed to amend Article 16, third paragraph, of the Articles of Association, as follows:

"The Board of Directors may decide that shareholders may cast written votes in advance on items of business that are to be considered at the company's general meetings. Such votes may also be cast through electronic communication. The possibility of voting in advance is contingent upon the existence of a satisfactory method for verifying the identity of the voter. The Board of Directors may establish more detailed guidelines for written advance votes. It shall be evident from the notice of the general meeting whether voting in writing in advance of the general meeting is allowed, and which guidelines, if any, have been established for such voting."





Item 3 on the agenda

The Board of Directors' statement of guidelines for the remuneration of the executive management

Points

1. Tasks of the Board, the General Meeting and the Corporate Assembly

Idar Kreutzer

2. Compensation Policy

Stein Erik Hagen

3. Voting

Idar Kreutzer

The Board of Directors

Statement of the Board of Directors

Pursuant to section 6-16a of the Public Limited Companies Act, the Board of Directors must draw up a special statement of guidelines for the pay and other remuneration of senior executives.

The statement is included in the annual report for Orkla ASA, note number 6 to the financial statement, which is made available to all share holders (ref section 5-11a of the Public Limited Companies Act).

General meeting and the Corporate Assembly

Section 5-6 (3) of the Public Limited Companies Act prescribes that an advisory vote must be held at the General Meeting on the Board of Directors' guidelines for the remuneration of the executive management for the coming financial year.

In as far as the guidelines concern share-related incentive arrangements, these must also be approved by the General Meeting.

The Corporate Assembly are entitled to give a statement about the above.

Points

1. Tasks of the Board, the General Meeting
and the Corporate Assembly

Idar Kreutzer

2. Compensation Policy

Stein Erik Hagen

3. Voting

Idar Kreutzer

2.1 Policy and status Orkla's remuneration

The remuneration policy in Orkla is aligned with the market median as far as base salary and pension is concerned, whereas the variable part related to achievements and development of the share price should be better than the market median.

2.2

(i) Pay and other remuneration of the executive management

Information regarding pay and other remuneration of the executive management in the previous financial year has been provided in the financial statement for Orkla ASA – note # 6

(ii) Guidelines for payment and other remuneration of the executive management

- a) With regard to guidelines for pay and other remuneration of the executive management in the coming financial year, the Board of Directors will present the following guidelines to the General Meeting in 2011 for an advisory vote:

Fixed elements:

- Base salary and pension should be aligned with the market median
- Variable Elements
- variable part related to achievements and development of the share price should be better than the market median

(iii) Special comments on share-based incentive arrangements

b)

- The Board proposes to continue the programme of employee options for executive management and key personnel
- The Board of Directors recommends to the General Meeting that the employee share purchase programme be continued on the same conditions as in 2010 (maximum amount before the discount was NOK 40,000 at a discount of 30%).

The Board proposes to continue the programme of employee options

- Maximum 6 million options to be issued
- Strike = market price at time of issue + 10%
- Profit ceiling is equiv 1/1.5 times base salary

Discounted shares for employees

For several years the Group has had a programme that gives employees the opportunity to buy a limited number of shares (in 2010 the maximum amount before the discount was NOK 40,000) at a discount of 30% in relation to the market price of the share. In 2010 this programme covered employees in 27 countries and approximately 30,000 employees. The Board of Directors recommends to the General Meeting that the employee share purchase programme be continued on the same conditions as in 2010.

(iv) Senior executive salary policy in previous accounting years

The guidelines for the pay and remuneration of senior executives described in (ii) also served as guidelines for the determination of senior executive remuneration in 2010.

(v) Changes to agreements

On 2 July 2010, Dag J. Opedal informed the Board of Directors that he wished to step down as President and CEO in the course of the year. He will receive pay and contractual benefits for 12 months after his six-month period of notice. 50% of any income from other employment will be deducted. Mr Opedal stepped down from the position on 8 September 2010, and his earned pension entitlement will be paid out in 2011. Under his employment agreement, he will retain his options. Bjørn M. Wiggen took up the position of President and CEO on 8 September 2010 at an annual salary of NOK 5,650,000. On the same date, Timothy R. J. Stubbs was appointed CEO of Sapa AB. No other changes have been made in agreements with senior executives.

Points

1. Tasks of the Board, the General Meeting
and the Corporate Assembly

Idar Kreutzer

2. Compensation Policy

Stein Erik Hagen

3. Voting

Idar Kreutzer

Advisory vote

The General Meeting concur with The Board of Executives proposal for remuneration policy as described in note 6 (ii) of Orkla ASA's financial Statement

Approval by the General Meeting:

The General Meeting approve The Board of Executives proposal for share option programme and discounted shares for employees as described in note 6 (iii) of Orkla ASA's financial Statement



Item 4 on the agenda

Authorisation for the acquisition of treasury shares

The Board of Directors proposes the following resolutions:

"(i) The General Meeting of Orkla ASA hereby authorises the Board of Directors to permit the company to acquire shares in Orkla ASA with a nominal value of up to NOK 125,000,000, divided between a maximum of 100,000,000 shares, provided that the company's holding of treasury shares does not exceed 10% of shares outstanding at any given time. The amount that may be paid per share shall be no less than NOK 20 and no more than 120. The Board of Directors shall have a free hand with respect to methods of acquisition and disposal of treasury shares. This authorisation shall apply from 15 April 2011 until the date of the Annual General Meeting in 2012.

(ii) The authorisation may be utilised to fulfil existing employee incentive arrangements, and employee incentive arrangements adopted by the General Meeting in accordance with item 3.3 on the agenda.

(iii) The authorisation may be utilised to acquire shares for cancellation"



Item 5 on the agenda

Authorisation for the Board of Directors to increase share capital through new share subscription

The Board of Directors proposes the following resolutions:

"The Board of Directors is authorised to increase share capital through the subscription of new shares with an aggregate nominal value of up to NOK 90,000,000, divided between a maximum of 72,000,000 shares, each with a nominal value of NOK 1.25. The authorisation may be utilised to further develop the Group's core businesses by acquiring companies in return for consideration in the form of the subscription of new shares, or otherwise increasing share capital. This authorisation may be utilised for one or more share issues.

The Board of Directors may decide to deviate from the pre-emptive right of shareholders to subscribe for shares pursuant to section 10-4 of the Public Limited Liability Companies Act.

The Board of Directors may decide that payment for the shares shall be effected in assets other than cash, or the right to subject the company to special obligations pursuant to section 10-2 of the Public Limited Liability Companies Act. If payment is made in assets other than cash, the Board may decide that such assets shall be transferred to a subsidiary in return for a corresponding settlement between the subsidiary and Orkla ASA.

The authorisation also applies to decisions to merge pursuant to section 13-5 of the Public Limited Liability Companies Act.

This authorisation shall apply from 15 April 2011 until the date of the Annual General Meeting in 2012."



Briefing on the work of the Nomination Committee

Composition of the Nomination Committee

cf. The Norwegian Code of Practice for Corporate Governance, point 7

Composition

Idar Kreutzer (Chair)

Nils-Henrik Pettersson

Leiv Askvig

Olaug Svarva

Åsmund Dybedahl
(supplements the Nomination Committee in electing the Chair and Deputy Chair of the Board, and has the right to be heard regarding the stipulation of compensation)



The members of the Nomination Committee should be selected to take into account the interests of shareholders in general.



The majority of the Nomination Committee should be independent of the Board of Directors and other key management personnel.



At least one member of the Nomination Committee should not be a member of the Corporate Assembly, the Supervisory Board or the Board of Directors.



The CEO or other key management personnel should not be a member of the Committee.



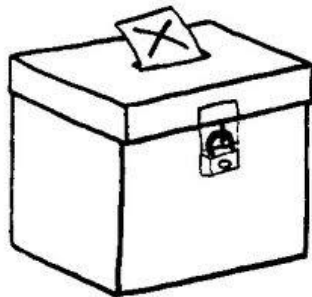
The General Meeting (AGM) should stipulate more specific guidelines for the Nomination Committee (adopted at the General Meeting held on 22 April 2010 – available on www.orkla.no/investor)

Working methods are organised to take into account the responsibilities of the Nomination Committee

Frequency of meetings – election 2011

Five meetings held in 2010

Five meetings held thus far in 2011



Examples of activities that have been carried out

Meeting with the Chair of the Board and the CEO

Been presented with and reviewed the Board's self-evaluation

Dialogue with the 20 largest shareholders in Orkla, encouraging them to nominate candidates

Information on possibilities to make suggestions and nominate candidates for the Chair of the Nomination Committee has been posted on www.orkla.no/Investor

Hired external help to identify candidates

Recommendations to the General Meeting, 14 April 2011, and the Corporate Assembly, 26 May 2011

General Meeting

Election of shareholder-elected members and deputy members to the Corporate Assembly

Election of members to the Nomination Committee

Stipulate compensation for the Corporate Assembly and the Nomination Committee

Corporate Assembly

Election of a chair and deputy chair of the Corporate Assembly

Election of a chair and deputy chair of the Board (The Nomination Committee is supplemented by one representative appointed by the employee-elected members of the Corporate Assembly)

Stipulate the Board of directors' fees

Election of members to the Board of Directors

Item 6 on the agenda

Election of members and deputy members to the Corporate Assembly

Members

(for a term of one year):

Re-elected:

Johan H. Andresen jr.

Rune Bjerke

Marianne Blystad

Ann Kristin Brautaset

Claus R. Flinder

Kjetil Houg

Idar Kreutzer

Dag Mejdell

Nils-Henrik Pettersson

Nils Selte

Olaug Svarva

Terje Venold

Lars Windfeldt

Gunn Wærsted

Deputy members

(for a term of one year):

Re-elected:

Odd Gleditsch d.y. (1)

Scilla Treschow Hokholt (3)

Benedikte Bjørn (4)

Andreas Enger (5)

Mimi K. Berdal (6)

New member:

Gunnar Rydning (2)

(The number in brackets indicates the order in which they are to be summoned)

Attachment relating to point 2.2 of the recommendation - Gunnar Rydning

- Mr Rydning has been proposed by Pareto Forvaltning, which represents approximately 13.8 million shares in Orkla ASA. Mr Rydning owns 50 000 shares in Orkla ASA.
- **Education:** Norwegian School of Economics and Business Administration 1974-1978 (*siviløkonom*), U.C. Berkeley, 1979-1980, MBA
- **Career:** Verdane Capital (formerly Four Seasons Venture) 1986 – the present www.verdanecapital.com, Kreditkassen (now Nordea) 1980-1985.
- **Elected offices:**
 - Eastern Bulk Carriers AS, Oslo; member of the Board of Directors
 - Dalen AB, Gothenburg: member of the Board of Directors
 - Netconnect AS, Oslo (listed on Oslo Axess); member of the Board of Directors
 - Colibria AS, Oslo: member of the Board of Directors
 - Arvani AS, Oslo; member of the Board of Directors and part-owner
 - Hectronic AB, Uppsala: member of the Board of Directors
 - Miami AS; member of the Board of Directors
- **Offices and assignments for Orkla:** None



Item 7 on the agenda

Election of member to the Nomination Committee

The Nomination Committee
in Orkla

Re-elected:

Idar Kreutzer (Committee Chair)

Olaug Svarva

Nils-Henrik Pettersson

Leiv Askvig

(for a term of two years)

The following member of the
Nomination Committee is up
for election:

Nils-Henrik Pettersson

(for a term of two years)

