

Sale of Elkem

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Oslo, 11 January 2011



Sale of Elkem to China National Bluestar

- The transaction includes the following divisions: Silicon Materials, Foundry Products, Carbon and Elkem Solar
 - Does not include Elkem Energy or the 85% stake in AS Saudefaldene
- Sales price: USD 2 billion*
 - All cash deal
 - Represents an estimated enterprise value for Orkla of NOK 12.5 billion
- Expected closing in H1 2011
- Conditional upon approvals from the competition authorities as well as the Ministry of Commerce (MOFCOM) and State Administration of Foreign Exchange (SAFE) of the People's Republic of China

* Before closing- and capital structure adjustments

Elkem -a world-leading metals and materials group

Elkem
Silicon Materials



- 3 plants
- Silicon, Microsilica

Elkem
Carbon



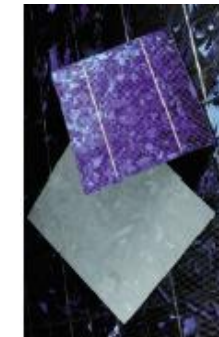
- 5 plants
- Carbon products

Elkem
Foundry Products



- 5 plants
- Ferrosilicon alloys

Elkem
Solar



- 1 plant
- Solar grade Silicon

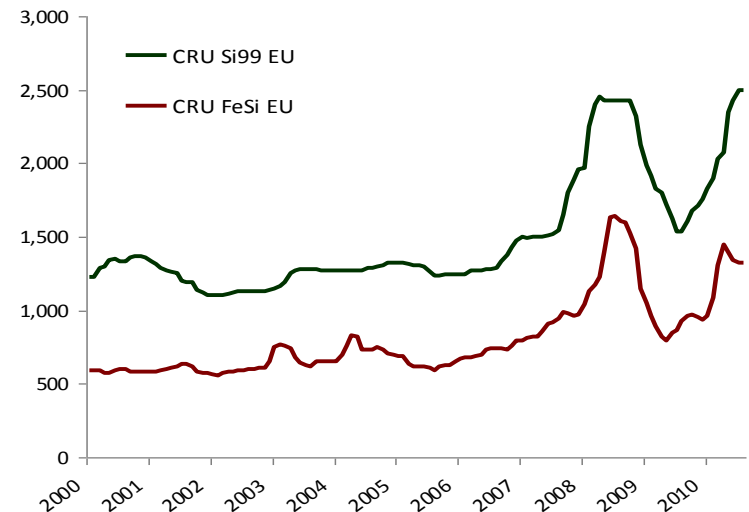
★ Headquarter

● Plant

● Sales Office

Rationale for the transaction

- In line with communicated strategy
 - Concentrate the portfolio on a smaller number of areas
 - Reduce exposure to solar over time
- Strong underlying markets and increased interest in silicon assets
- Attractive solution for Elkem
 - Part of a strong industrial structure with ambitions for growth and access to growth markets
 - Elkem will form the core of Bluestar's Silicon business
 - Elkem's head office and R&D department will remain in Norway

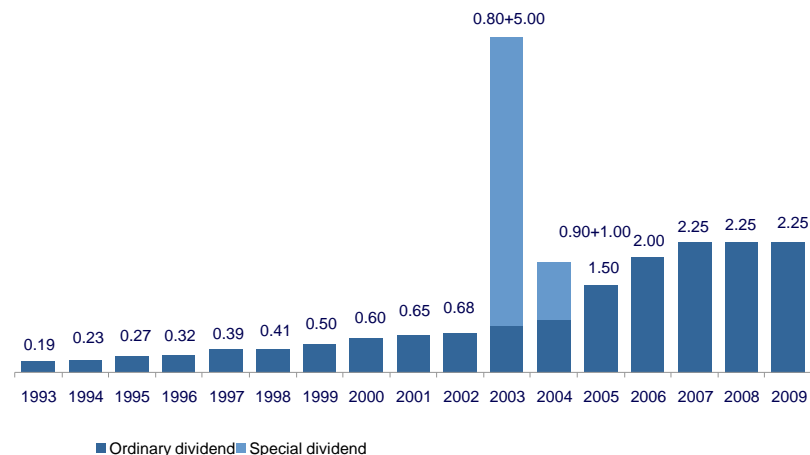
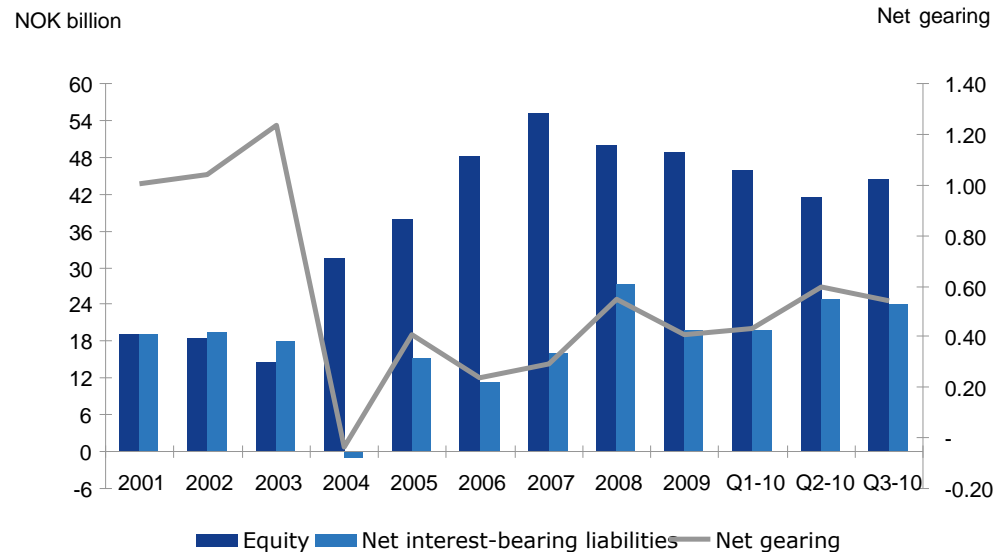


Conditional upon the following approvals

- Conditional upon buyer approval from the relevant competition authorities
- Conditional upon buyer approval from
 - Ministry of Commerce (MOFCOM) and
 - State Administration of Foreign Exchange (SAFE) in China
- Approval already received from the Chinese National Development and Reform Commission (NDRC)

Allocation of proceeds

- Reduction in interest-bearing debt
 - Increased financial flexibility
- Investments in potentially value-creating growth in Brands and Sapa
- Secure long-term dividend policy – predictability and stability



China National Bluestar

– a strong industrial company

- 80% of China National Bluestar is owned by the state-owned ChemChina Corporation and 20% by the US investment company Blackstone
- Bluestar has annual revenues of more than RMB 40 billion (USD 6 billion) and total assets of roughly RMB 60 billion (USD 9 billion)
 - ChemChina's assets are worth a net total of RMB158.6 billion (USD 24 billion) and the Group has total revenues of approximately RMB 130 billion (USD 20 billion)
 - ChemChina ranks 19th among the world's Top 100 Chemical corporations and places 28th on the list of China's Top 500 enterprises

Elkem and China National Bluestar – a strong combination

- Financial capacity
 - Enables further development
- Renewable focus
 - Positioned to support and increase the use of Elkem's leading technology
- Access to growth markets
 - Asia and, in particular, China
 - Facilitates expansion
- Bluestar secures supply of silicon for silicones business

Elkem's future with Bluestar

- Leading role in upgrading and further developing Bluestar's silicon-related operations, especially in China
 - Implementing the Elkem Business System
- Market access in Asia
 - Key success factor for all Elkem's business units
- Expertise and resources will be kept together
 - Will be reinforced as part of BlueStar
- Elkem will form the core of Bluestar's silicon business, while continuing to be managed from Norway
 - Elkem head office and R&D departments to remain in Norway
- Existing units well positioned
 - Restructured over the past 5 years
 - Elkem Solar factory in Kristiansand

Energy-efficient production

- Elkem Solar
 - 75% less energy consumption
- Energy recovery
 - Thamshavn is the only Si furnace in the world that features electricity recovery
 - Several other installations and projects
- China's economic boom
 - Reduced energy intensity important for economic growth
- Global climate targets
 - Reducing energy use is key to reducing CO₂ emissions

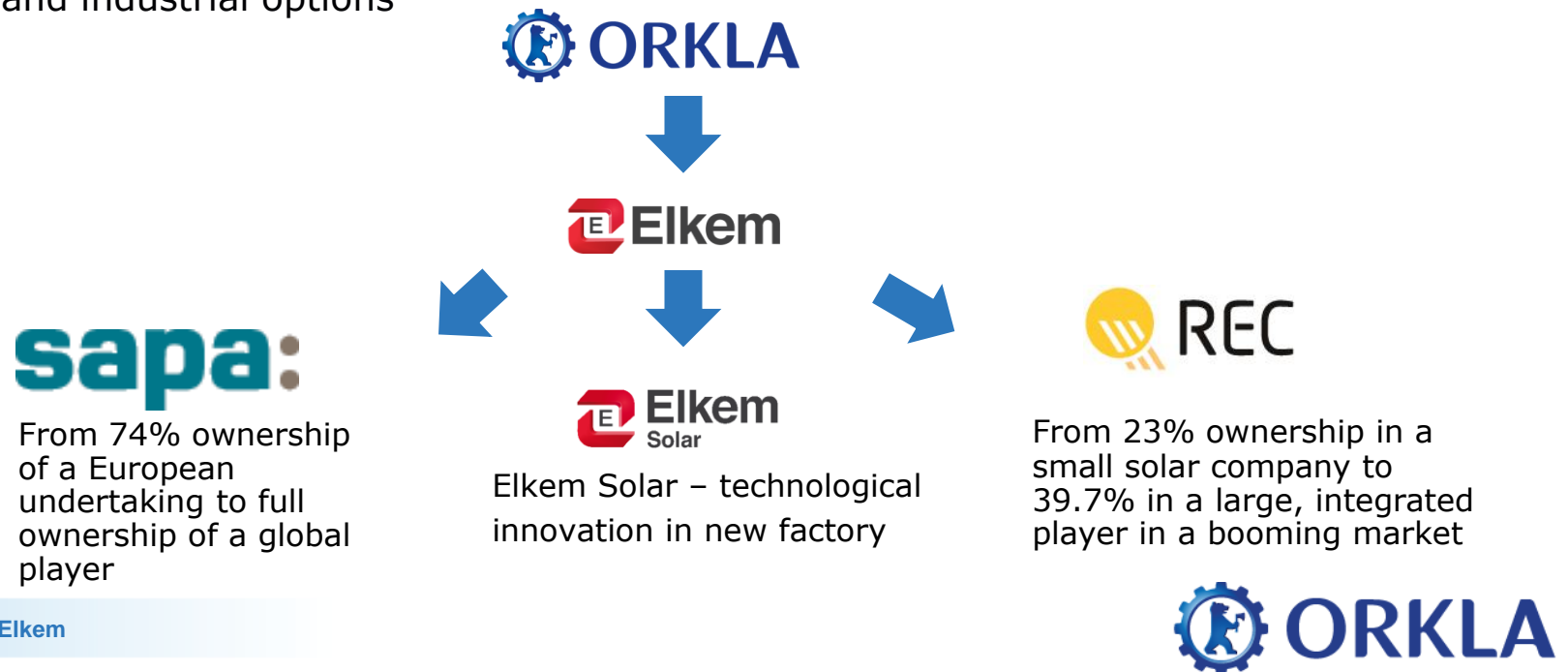
Elkem well-covered by competitive long- term power contracts

- Power contract bought in 2010
 - 1.5 TWh/year up to 2020
 - Competitive power supply
 - Covers half of Elkem's power consumption in Norway
- Power contract Elkem-Saudefaldene
 - Contract for rental volume (501 GWh/year up to 2030) back-to-back with lease from Statkraft
 - Fulfills requirement for use of rental volume in Elkem's industrial activities
- AS Saudefaldene retained as part of Orkla in line with Norwegian policy on hydropower resources
- The Norwegian Ministry of Petroleum and Energy has to give the necessary consents to the transfer of Elkem Energi AS to Orkla ASA, and to the establishment of a new power contract between Elkem and Saudefaldene

Industrial development in Orkla

– the Elkem case

- 2005: Elkem takeover - leveraging an industrial option
 - Active long-term financial investor in Elkem, including refinancing in 1992
 - Avoided large minority stake with little control (Alcoa as a potential majority owner)
 - Industrial options identified
- 2005-2010: Orkla has been an active industrial owner for Elkem
 - The Elkem takeover provided a platform for further developing Elkem's operations and industrial options



Orkla going forward

Orkla will continue to be a diversified portfolio company by:

- Concentrating the portfolio on a smaller number of areas
 - Re-allocating capital to maximise long-term shareholder value
 - Giving priority to value creation by improving operations and promoting growth in Orkla Brands and Sapa
- Continuing to deliver industrial and financial value creation
- Making structural and operational improvements that will be key to Orkla's value creation model

All figures in NOK mill. rolling
12 months as of Q3-2010



Revenues	54.2 billion*
EBITA	3.8 billion*

*Excl. Elkem Silicon-related

Orkla Brands



- Foods Nordic
- Brands Nordic
- Brands International
- Food Ingredients

Revenues	22 971
EBITA	2 931

Orkla Aluminium Solutions



- Sapa AB
- Heat Transfer
- Building System

Revenues	25 987
EBITA	706

Orkla Investments



- Share Portfolio Market value: 11 721 as of Q3-10
- Real Estate



- Orkla owns approximately 40% in REC & Jotun.
Figures are on a 100 % basis.



Actions taken to deliver under the focused strategy

Concentrate the portfolio on a smaller number of areas

- Divestment of Elkem Silicon-related ~ NOK 12.5 bn
- Divestment of hydropower assets NOK 6.0 bn
- Divestment of the Borregaard forests NOK 1.7 bn
- Net divestments in the share portfolio (YTD Q3-10) NOK 1.2 bn

Actions taken to deliver under the focused strategy

Giving priority to growth in Brands and Sapa

Growth in Orkla Brands

- Investments in Sonneveld
- Investments in Kalev
- Investments in Peterhof
- Investments in 10 smaller add-ons

Asian expansion strategy in Sapa

- Heath Transfer Shanghai expansion
- Memorandum of Understanding with Chalco
- New factory in India
- Vijalco in Vietnam

Summary

- attractive transaction for all involved

- In line with Orkla's communicated strategy
 - Concentrate the portfolio on a smaller number of areas
 - Reduce exposure to solar over time
- Elkem with a new industrial owner
 - BlueStar's financial capacity will enable further development
 - Access to growth markets in Asia and China in particular
 - Expertise and resources will be kept together
- BlueStar acquires a company with robust technologies
 - Cutting-edge technology in energy efficient production processes
 - Reduced energy intensity important for China's economic boom and reduced CO₂ emissions
 - Increased profitability by implementing the Elkem Business System

Appendix

Elkem Silicon-related Discontinued Balance sheet

<i>[NOK million]</i>	2009	Q3 10
Working capital (Assets)	2 783	3 485
Long-term assets	9 012	9 470
Segment assets	11 795	12 955
Capital employed	10 492	11 643

Elkem Silicon-related Discontinued Profit & Loss

<i>[NOK million]</i>	2008	2009	9M 10	Q3 10
Revenues	8 025	6 332	6 125	2 211
EBITDA	668	70	727	292
EBITA Silicon-related	364	-581	185	131
EBITA, of which Elkem Solar	-381	-694	-525	-144