

Notification to the Oslo Stock Exchange



www.orkla.no

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Stock exchange notification: Orkla sells Elkem to China National Bluestar

Orkla ASA has entered into an agreement to sell Elkem to the China National Bluestar Group Co. Ltd. (BlueStar). The sales price is USD 2 billion¹. The agreement covers the Elkem Silicon Materials, Elkem Foundry Products, Elkem Carbon and Elkem Solar divisions. Orkla will retain its shares in Elkem Energi AS, including the 85% interest in AS Saudefaldene. The purchase price for the shares will be paid in cash, and represents an enterprise value to Orkla of approximately NOK 12.5 billion.

“This transaction is in line with Orkla’s strategy of a more focused portfolio towards branded consumer goods and aluminium solutions, and a reduction of the Group’s exposure to the solar industry. In Bluestar, Elkem will have an owner that represents a strong industrial culture with capital and market access to further develop Elkem’s businesses, including Elkem Solar’s energy-efficient process for manufacturing solar cell silicon,” says Orkla President and CEO Bjørn M. Wiggen.

Elkem is one of the world’s leading companies in environment-friendly production of metals and materials. Its main products are silicon, high-purity silicon for the solar industry, special ferrosilicon alloys for the foundry industry, carbon and microsilica.

Bluestar is a leading China-based international chemicals and new materials company, with 2010 sales in excess of USD 6 billion and Head Office in Beijing. The company is 80%-owned by the Chinese state-owned company ChemChina, with the remaining 20% owned by the US private equity firm Blackstone Group. Since 2006 Bluestar has performed a number of international acquisitions, including Adisseo and Rhodia’s silicone business in France, and the Australian company Qenos.

Completion of the agreement is subject to, among other things, the buyer obtaining the necessary approvals from the relevant competition authorities and from the Ministry of Commerce and the State Administration of Foreign Exchange in China, without conditions that will be unreasonably onerous for the businesses or for the buyer. The purchase has already been approved by the National Development and Reform Commission of China. The

¹ Before closing- and capital structure adjustments

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 AS and AS Saudefaldene in order to fulfil conditions imposed by the Norwegian Parliament (the Storting) relating to the use of power volumes in Elkem's industrial operations.

The transaction is expected to be completed in the first half of 2011.

A press conference will be held at Orkla's head office at Skøyen in Oslo, today at 10.00 CET. The press conference will be webcasted at www.orkla.com.

Orkla ASA
Oslo, 11 January 2011

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Further information regarding Elkem:

Elkem is one of the world's leading companies in environment-friendly production of metals and materials. Its main products are silicon, high-purity silicon for the solar industry, special ferrosilicon alloys for the foundry industry, carbon and microsilica. The company has production plants in Europe, North America, South America, South Africa and Asia, and an extensive network of sales offices and agents in the most important markets. As of 31 December 2009, the Elkem group had around 2,500 employees in Europe, North America, South America, Asia and Africa.

The Board of Directors of Elkem consists of eight persons, six of whom are elected by shareholders and two by the employees. Furthermore, the employee-elected members have two deputies.

The Board members are:

Bjørn M. Wiggen (Chair), President and CEO, Orkla ASA

Terje Andersen, CFO, Orkla ASA

Kjell Sundsli, President, Orkla Asia Pacific

Pål Erik Jaren, Chief Risk Officer, Orkla ASA

Tuva Barnholt, SVP Sourcing and Purchasing, Borregaard

Tor Gule, CFO, Sapa

Tor Sortevik, employee representative

Einar Støfringshaug, employee representative and chief trade union representative

Terje André Hanssen and Per Tronvoll are Board observers. The deputy members of the Board consist of Marianne Færøyvik, Sissel Irene Mjøen, Knut Sande, Merete Olaug Smestad Blom, Åke Ansgar Olsen and Heidi Feldborg.

Elkem's executive management consists of:

Helge Aasen, CEO Elkem and Elkem Solar

Morten Viga, CFO

Katja Lehland, SVP Human Resources

Inge Grubben-Strømnes, SVP Strategy and Business Development

Håvard I. Moe, SVP Technology and Projects

Kjell Ramsdal, SVP Elkem Silicon Materials

Jean Villeneuve, SVP Elkem Foundry Products

Asbjørn Søvnik, SVP Elkem Carbon.

An incentive programme has been introduced in connection with the sale process. In total, bonuses paid to the management team may amount to NOK 13 million.

Key figures from Elkem's income statement and balance sheet:

Elkem Silicon-related – key income statement and balance	2007	2008	2009	pr 3Q 2009	pr 3Q 2010	3Q 2009	3Q 2010
Operating revenues Elkem Silicon-related	7 009	8 025	6 332	4 484	6 125	1 441	2 211
EBITA Elkem Silicon-related ¹⁾	403	364	-581	-490	185	-162	131
Segment assets Elkem Silicon-related	8 270	13 351	11 795	-	12 955	-	-

¹⁾ Operating profit/loss before amortisation and other income and expenses