



Third quarter results 2010

Bjørn M. Wiggen, CEO
Oslo, 28 October 2010





Agenda

- Strategic direction
- Highlights Q3-10
- Operational and financial performance
 - Orkla Brands
 - Orkla Aluminium Solutions
 - Orkla Materials
 - Orkla Financial Investments
- Outlook

Orkla will remain a diversified portfolio company

- Concentrate the portfolio on a smaller number of areas
- Continue to deliver on both industrial and financial value creation
- Reduce exposure to solar over time
- Reallocate capital to maximise long-term shareholder value
- Structural and operational improvements will continue to be key to Orkla's value-creation model

Prioritise value creation through operational improvements and growth in Orkla Brands and Sapa

- Orkla Brands
 - Strong local market positions
 - Stable cash generator
 - Value-creating add-on acquisitions
- Sapa
 - Global leader
 - Few large competitors
 - Multi-local model
 - Growth potential in Asia



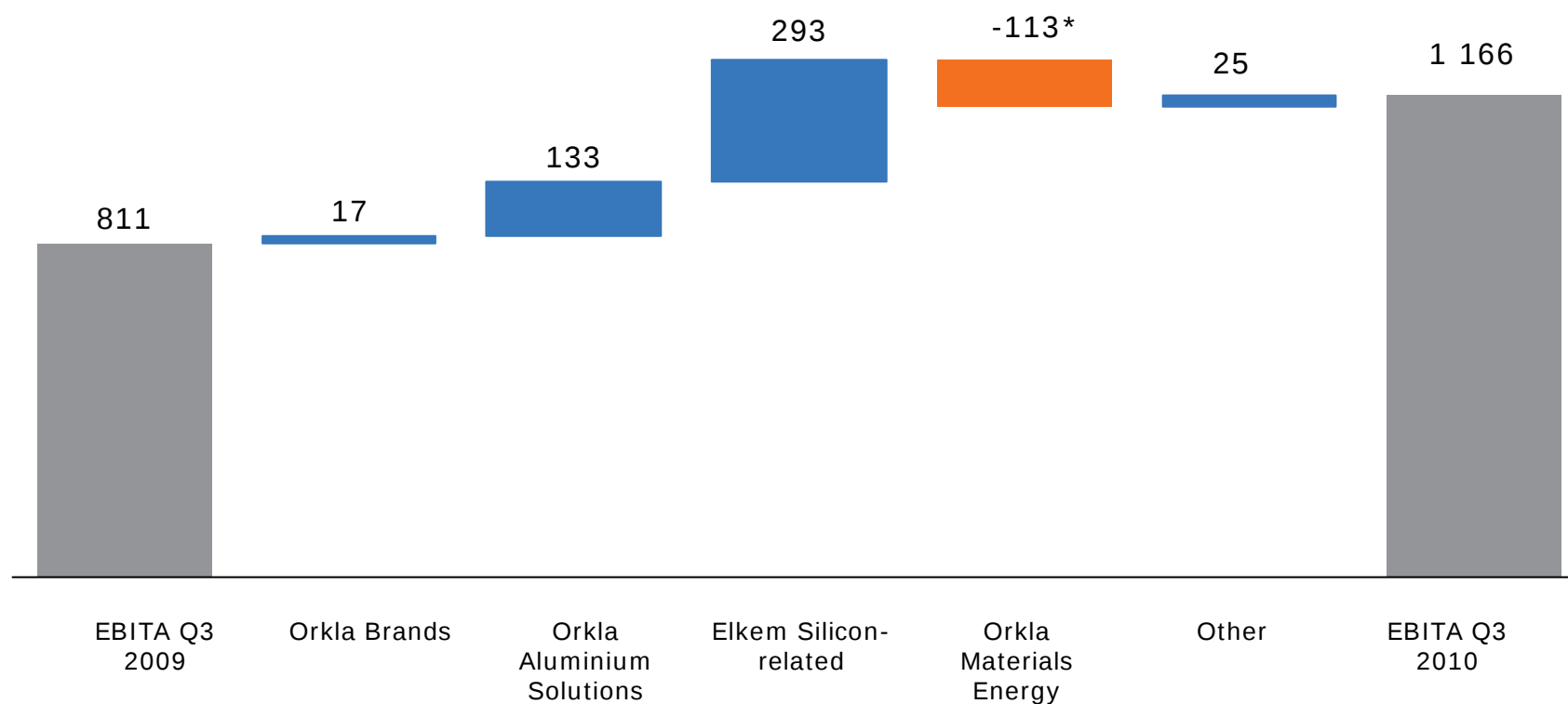
Highlights third quarter 2010

Top-line and profit growth for the group

- EBITA growth for all business areas
- Continued profit growth for Orkla Brands
- Seasonally weak quarter for Sapa
 - Flattening markets
- Strong profit growth for Elkem Silicon-related
 - Strong markets and improving prices
- Return on Share Portfolio well above benchmark + 21.3% as of Q3 vs. MS Nordic Index + 16%
- Increase in REC share price in Q3
 - Revaluation: P/L impact + NOK 2.0 billion

Strong EBITA improvement for the group

EBITA performance from Q3-09 to Q3-10
(figures in NOK million)



Group income statement

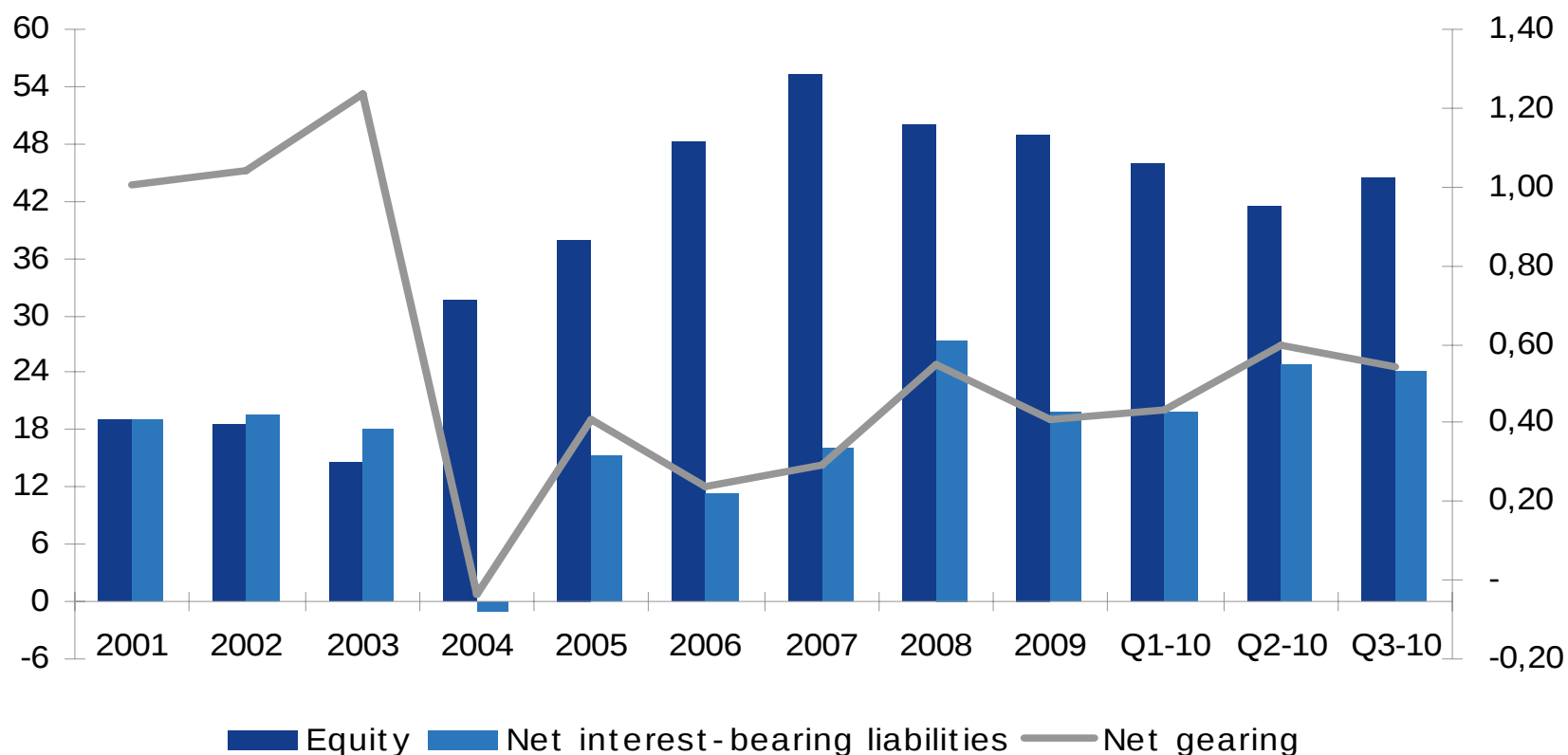
Amounts in NOK million

	Q3-10	Q3-09	Change
Operating revenues	16 263	14 088	15 %
EBITA	1 166	811	44 %
Amortisation intangibles	-12	-53	
Other revenues and income	-15	-94	
EBIT	1 139	664	
Associates	2 089	- 328	
Dividends	60	14	
Gains and losses/write-downs Share Portfolio	318	334	
Net financial items	- 172	- 190	
Profit/loss before tax	3 434	494	
Tax expenses	-322	-13	
Profit/loss for the period	3 112	481	
Earnings per share diluted (NOK)	3.1	0.5	

Strong balance sheet and financial flexibility

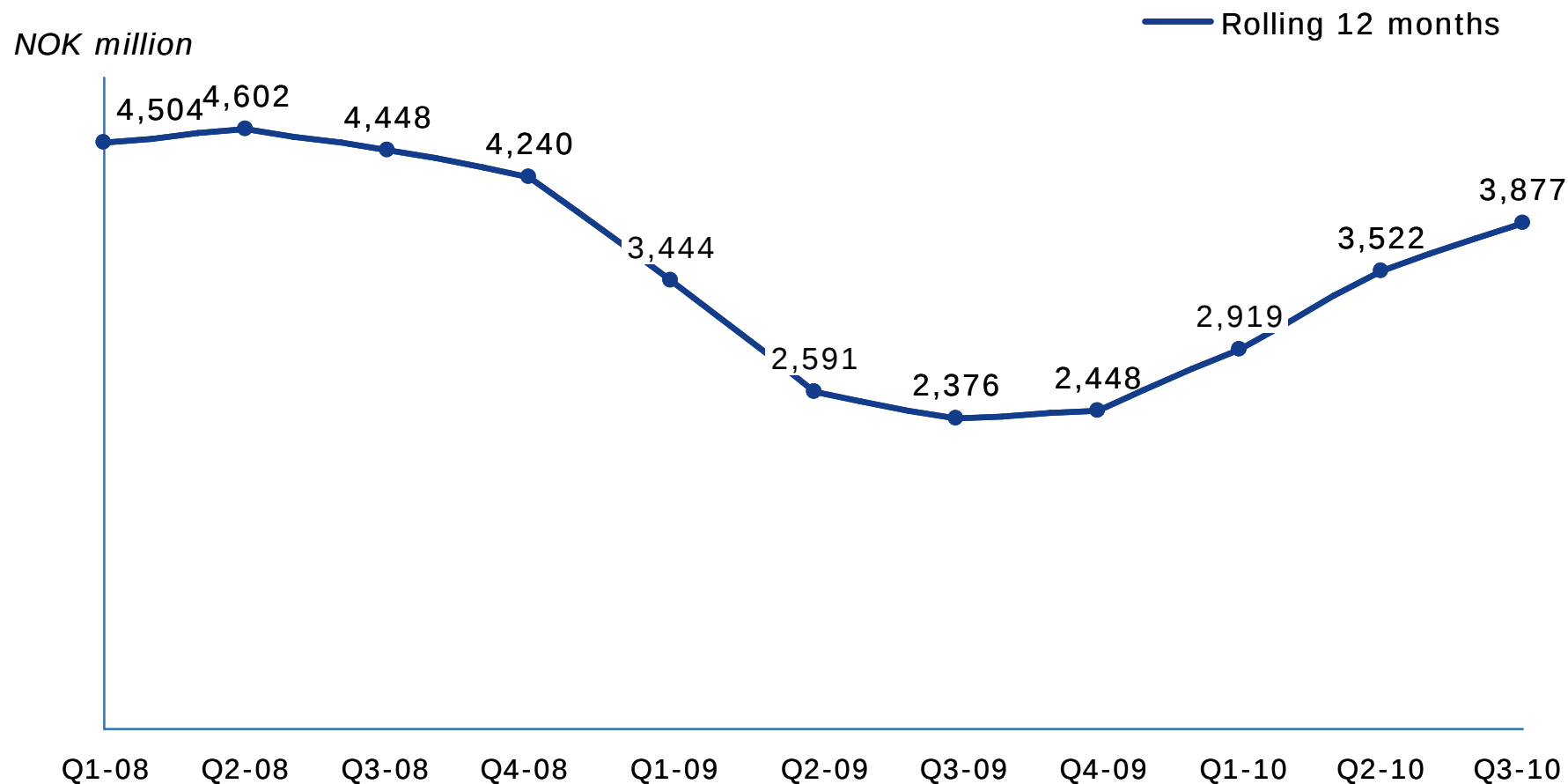
NOK
billion

Net gearing



Equity portfolio of NOK 11.7 billion not included in net interest-bearing debt

Continued EBITA improvement

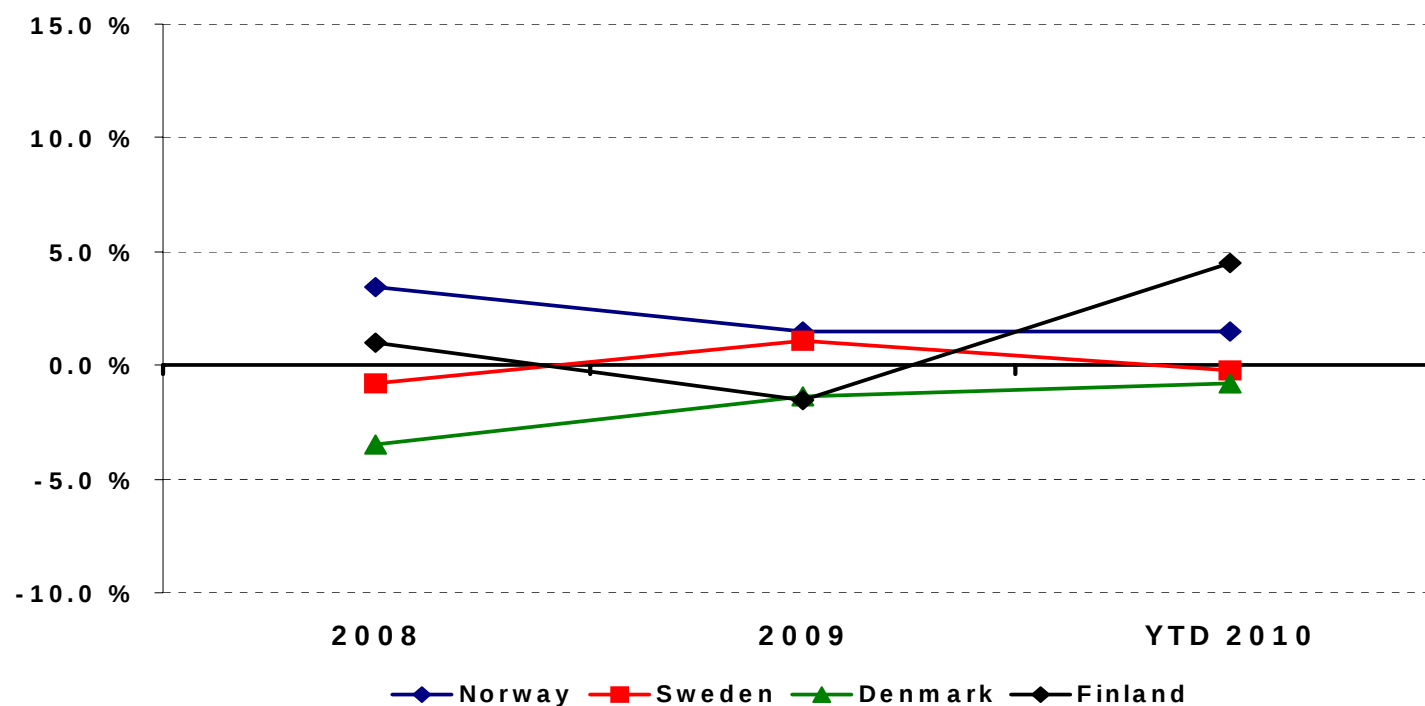




Orkla Brands

Stable Nordic retail markets

Volume growth in the Nordic retail trade



Norge: "Detaljhandel, bredt vareutvalg med hovedvekt på nærings- og nytelsesmidler "
Kilde: HSH/SSB

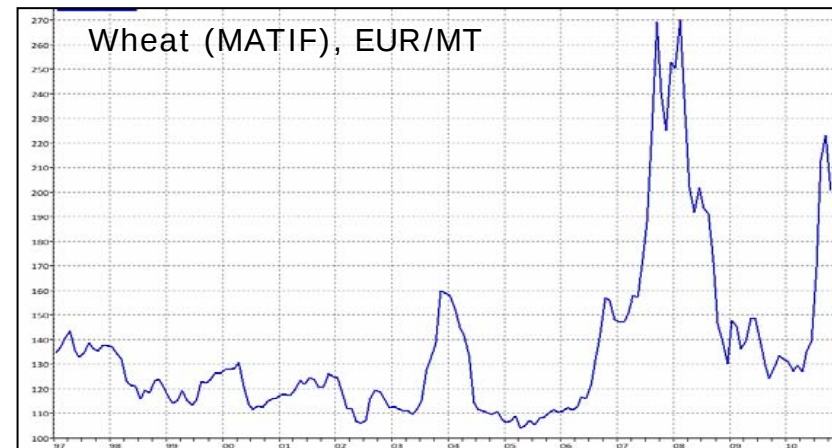
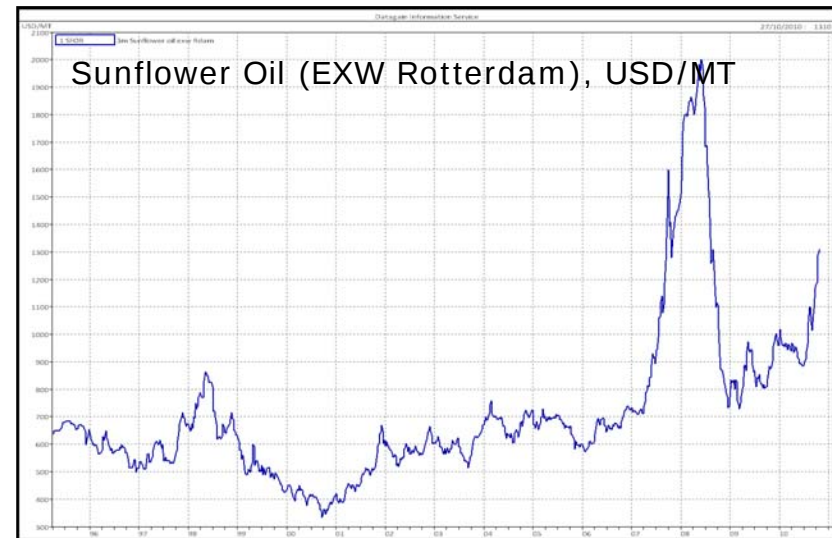
Sverige: "Utveckling i svensk livsmedelshandel (exkl. Systembolaget, men inkl. icke-matvaror som säljs i livsmedelsbutikerna
Källa: Fri Köpenskap

Danmark: "Fødevarer og andre daglivarer".
Kilde: Dansk Statistik

Finland: "Detaljhandel med brett sortiment, mest livsmedel, drycker och tobak".
Källa: Statistikcentralen.

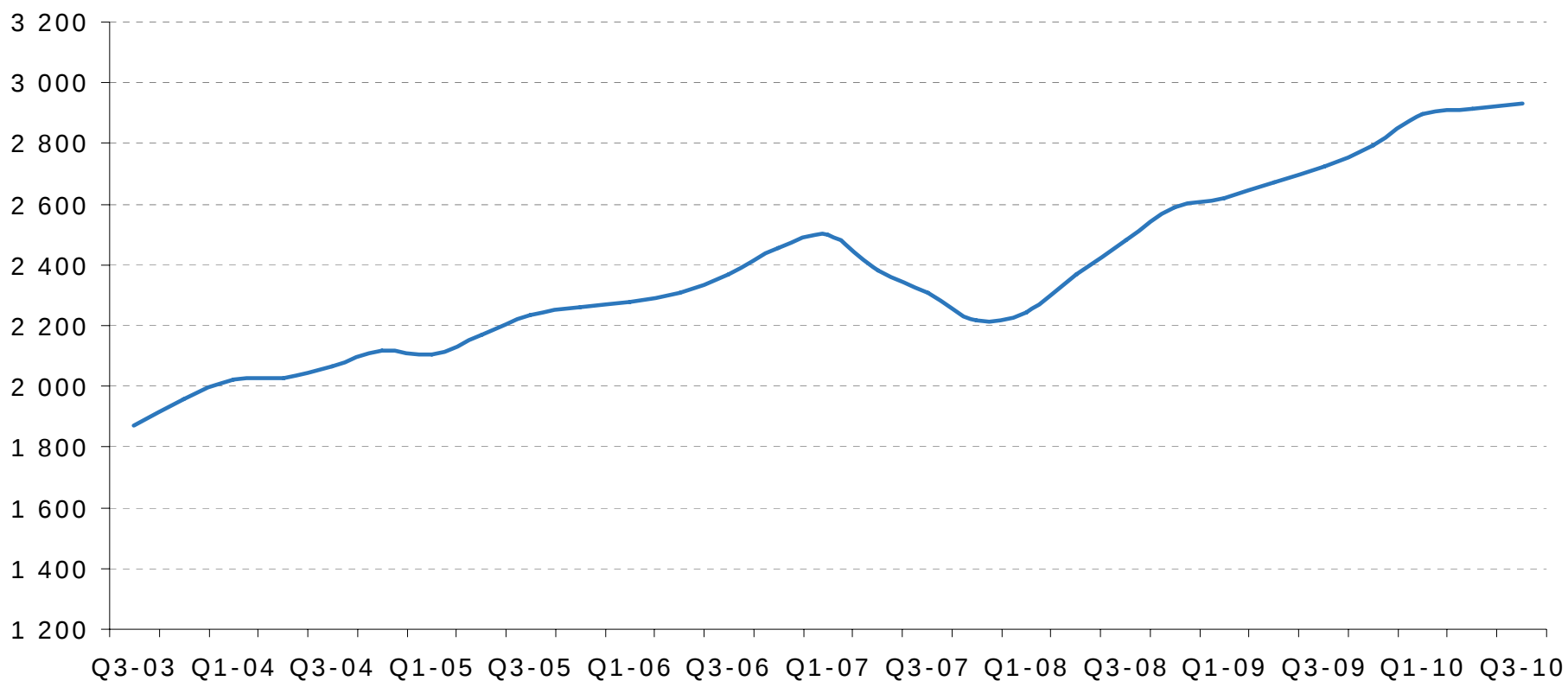
Increasing raw material prices and higher volatility

- Orkla Brands is exposed to a broad range of raw materials
 - Veg. oils, flour, sugar, meat, cheese, cocoa, fruit and berries, spice, pelagic, tomato, potato
 - > 20 % is Norwegian raw materials with less volatility
- Higher raw material prices expected, but not as significant as in 2007
 - Higher volatility
- Higher raw material costs will be compensated by increased prices and continuous cost improvements



Strong brand positions bases for stable long-term profit trend

12 months rolling EBITA



Continued profit growth

- **EBITA +2 % compared with Q3-09**
 - Underlying +5 %
- **Underlying top line on par with Q3-09**
 - Market shares maintained
- **Nordic**
 - Stable market conditions
 - Strong performance for many companies
 - Demanding volume development for Bakers
- **International**
 - Summer heat wave exacerbated amplified demanding market conditions for the Russian confectionery business
 - Strong top-line growth in India
- **Cost improvement programmes on track**

Operating revenues	Q3-10	Q3-09	Change
Orkla Brands	5 804	5 661	3 %
Orkla Foods Nordic	2 267	2 377	-5 %
Orkla Brands Nordic	1 939	1 890	3 %
Orkla Brands International	464	459	1 %
Orkla Food Ingredients	1 201	1 018	18 %
Eliminations Orkla Brands	- 67	- 83	

Operating profit - EBITA	Q3-10	Q3-09	Change
Orkla Brands	776	759	2 %
Orkla Foods Nordic	290	297	-2 %
Orkla Brands Nordic	418	367	14 %
Orkla Brands International	0	31	-100 %
Orkla Food Ingredients	68	64	6 %
EBITA margin (%)	13,4	13,4	

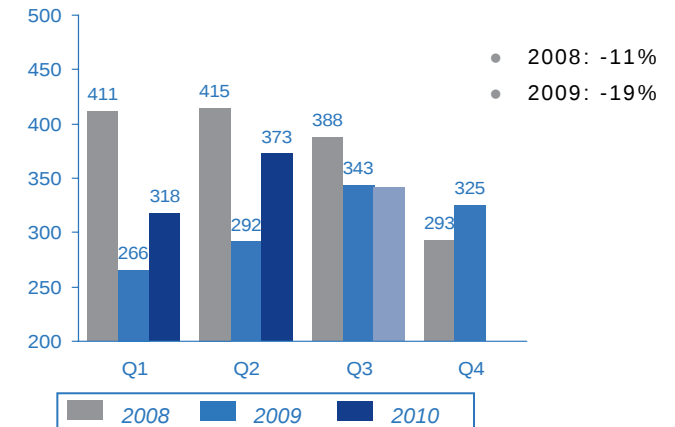


Orkla Aluminium Solutions

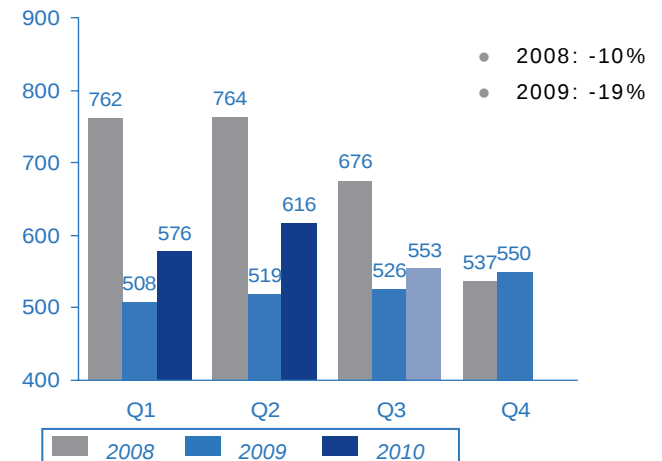
Aluminium extrusion – Flattening markets

- Market for profiles flattening out in the US
 - Q3-10 on par with Q3-09
 - Cautious positive short-term outlook for all segments except commercial and residential B&C
- Increased uncertainty in the European market
 - Q3-10 + 5% compare with Q3-09
 - Mixed short-term outlook. Weak for commercial B&C and automotive

North America Extrusion Apparent Consumption



European Extrusion Apparent Consumption



Continued profit improvement

- Negative impact on results in Q3 due to holiday season
- Markets in line with last year
- Start-up after the fire at Heat Transfer Finspång in end August

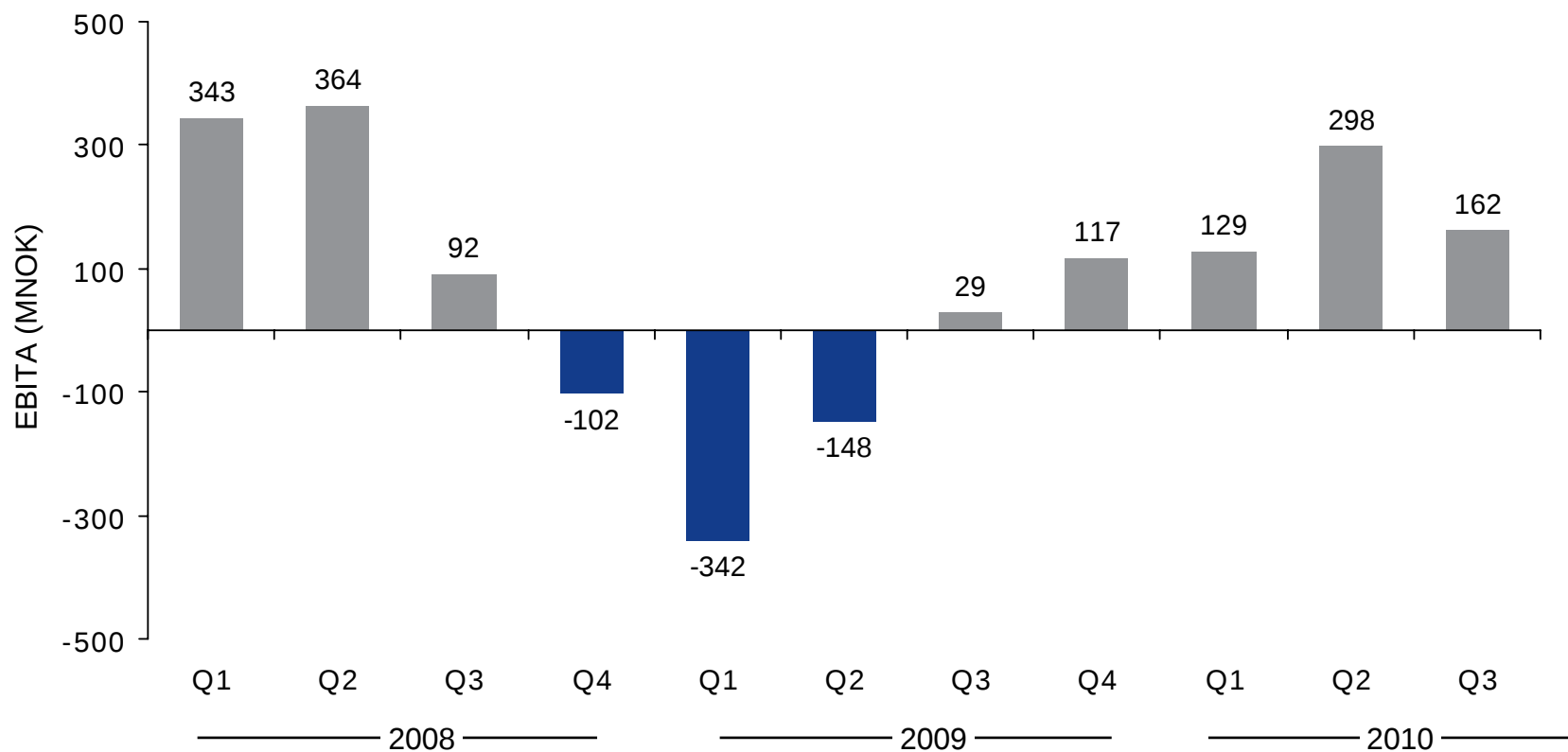
Amounts in NOK million

Operating Revenues	Q3-10	Q3-09	Change
Orkla Aluminium Solutions	7 024	5 424	29 %
Sapa Profiles	5 577	4 120	35 %
Sapa HT and BS	1 648	1 507	9 %
Eliminations	- 201	- 203	

EBITA	Q3-10	Q3-09	Change
Orkla Aluminium Solutions	162	29	
Sapa Profiles	99	- 68	
Sapa HT and BS	63	97	-35 %
EBITA margin (%)	2,3	0,5	

Sapa turnaround

Sapa Group EBITA Development by Quarter



Long-term financial goals

Capital Turnover Rate

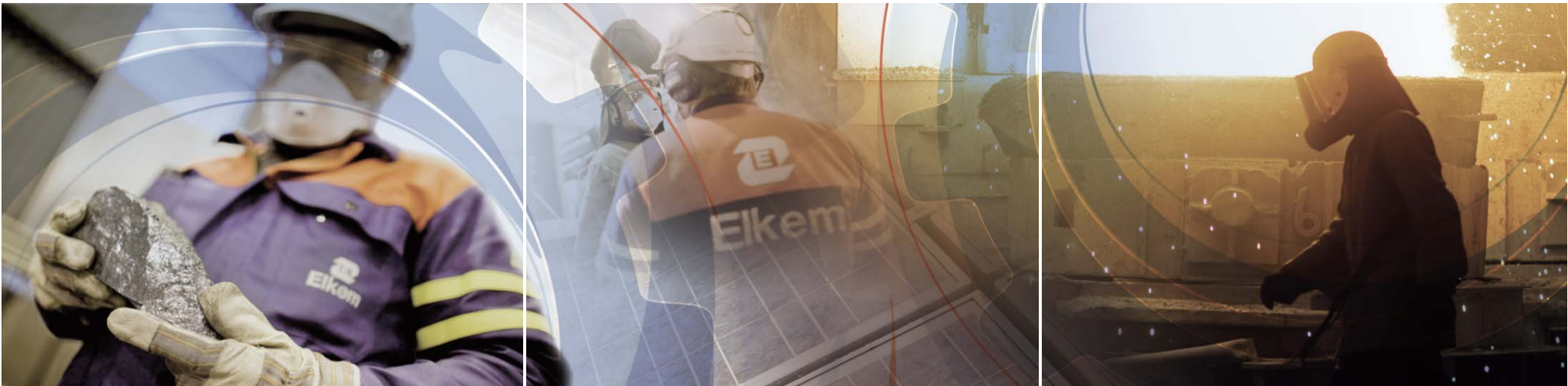
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EBITA Margin

6%

Return on Capital Employed

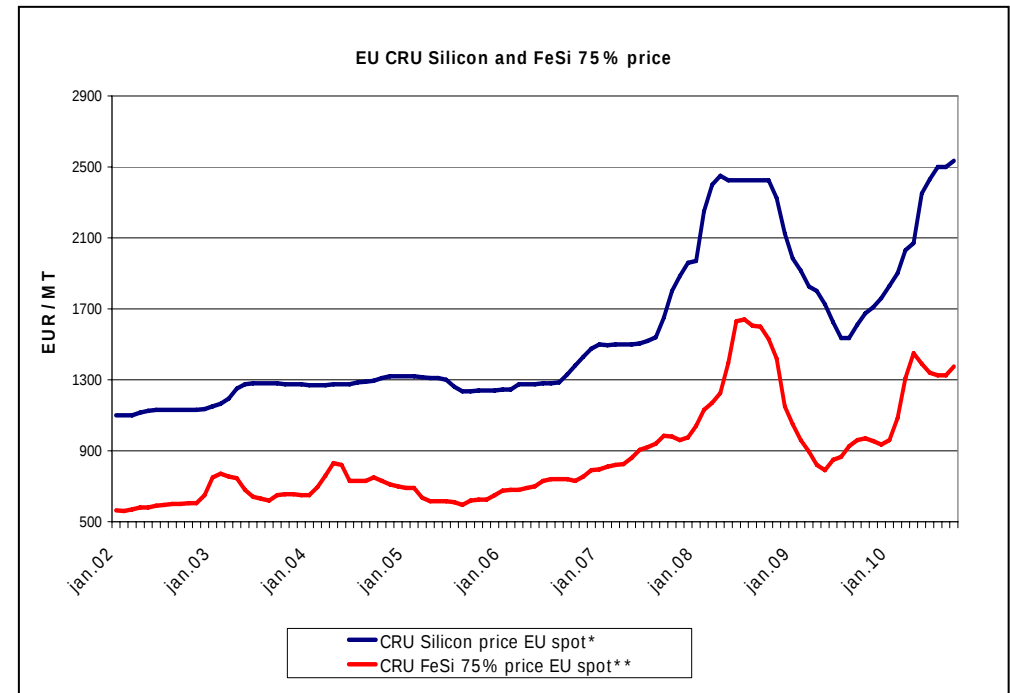
18%



Orkla Materials

Strong markets for Silicon metals and Ferro silicon

- Significant increase in Silicon and Ferrosilicon Metals
 - Tight supply
 - Reduced export from China
 - Slowdown in EU steel production in seasonally weak Q3



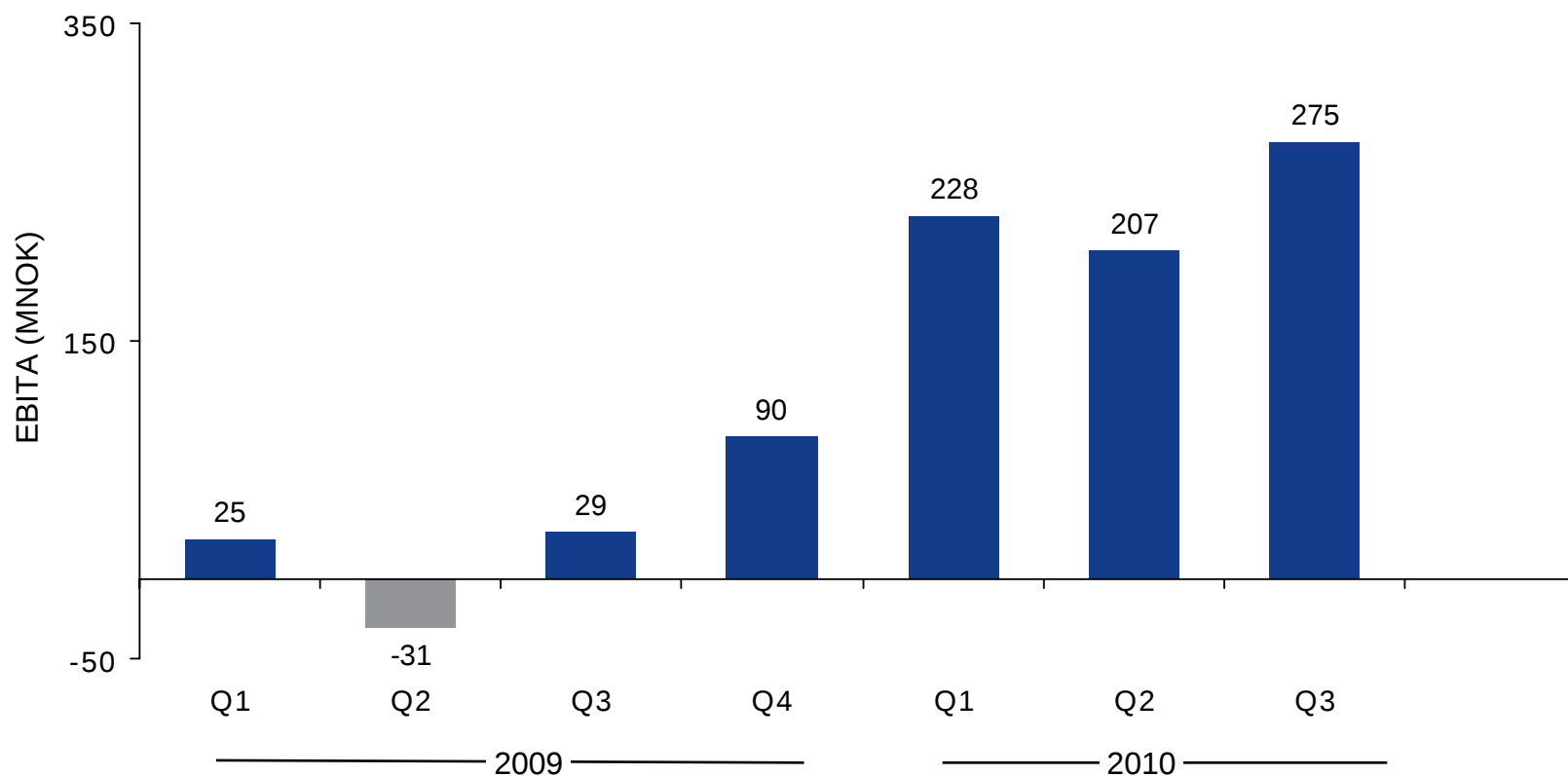
** Delivered, CRU estimate of average price for spot transactions to major consumers in Europe

*Delivered basis, CRU estimate of spot price transaction quotes for secondary Aluminium grade material

Source: CRU Monitor Bulk FerroAlloys

Profit shift for the silicon business

Quarterly EBITA Elkem Silicon-related excl. Elkem Solar



Improving markets for Orkla Materials

Borregaard:

- Improved markets for speciality cellulose
- Lignin volume + 11% compared with Q3-09
- Improved production at Sarpsborg plant

Elkem Solar:

- Increased demand from solar-grade silicon
- In ramp-up phase with production of 598 MT in Q3

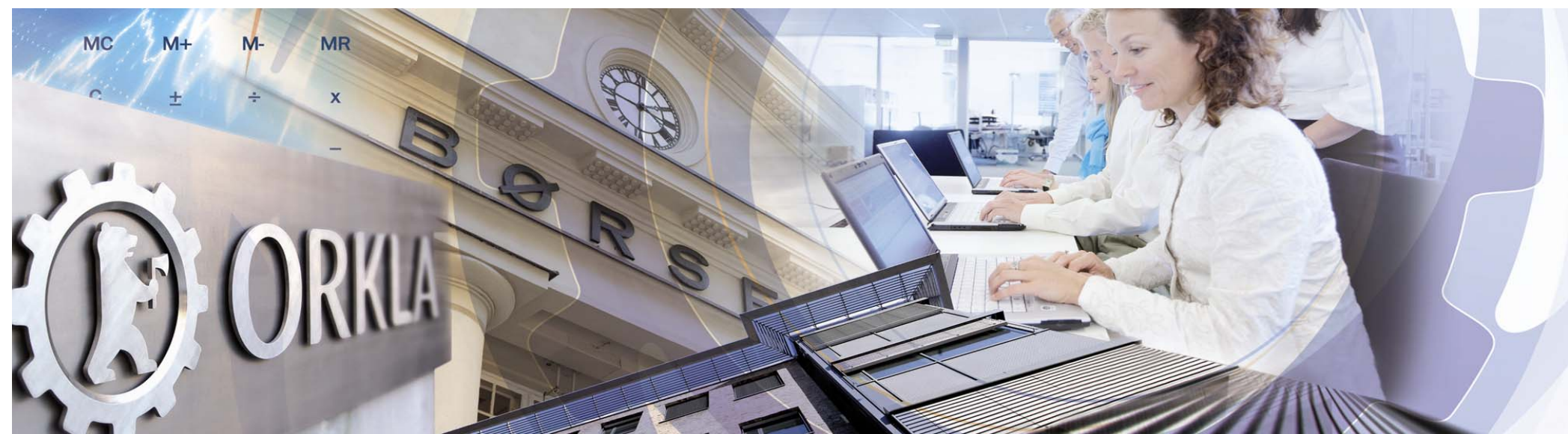
Energy:

- High prices generate strong results for Borregaard Energy
- Production still lower than normal for Sauda (319 Gwh in Q3)

Operating revenues	Q3-10	Q3-09	Change
Orkla Materials	3 402	2 664	28 %
Elkem Siliconrelated	2 211	1 441	53 %
Borregaard Chemicals	933	937	0 %
Orkla Materials Energy	493	336	47 %
Elimination Orkla Materials	- 235	- 50	

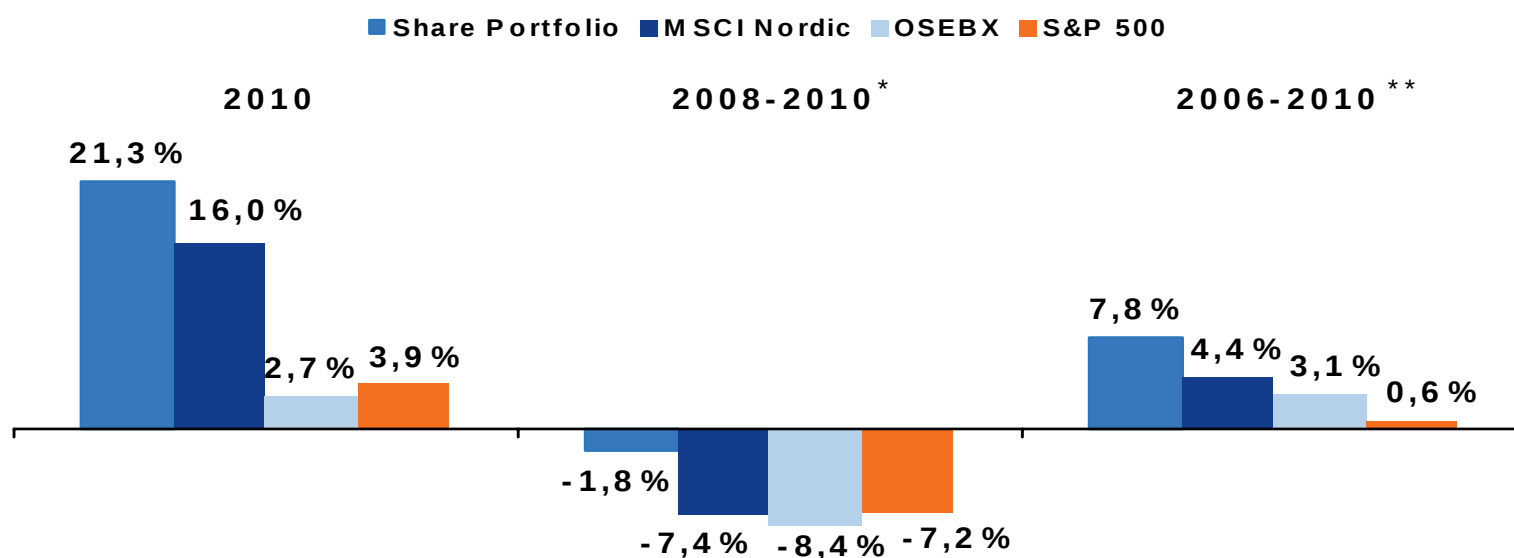
EBITA	Q3-10	Q3-09	Change
Orkla Materials	321	139	131 %
Elkem Silicon-related excl. Solar	275	29	
Elkem Solar	- 144	- 191	25 %
Borregaard Chemicals	92	90	2 %
Orkla Materials Energy*	98	211	-54 %

* NOK 81 million in Q3-09 from divested power assets



Orkla Financial Investments

Orkla Financial Investments



- Return on Share Portfolio year to date + 21.3%, market value of NOK 11.7 billion
- Sale of Orkla's forest properties for NOK 1 725 million
- Agreement to sell Orkla Finans

* 30.09.2007-30.09.2010

** 30.09.2005-30.09.2010



Outlook

Outlook

- Overall stable Nordic retail markets for Brands
 - Demanding market conditions in Russia, Baltics, Out-of-Home channels and export
 - Rising raw material prices
- Low visibility for Sapa in Q4
- Markets for the silicon and the speciality cellulose business remain strong
 - Positive effects on prices going into 2011



Q&A

- Bjørn M. Wiggen, CEO
- Terje Andersen, CFO
- Roar Engeland, EVP
- Torkild Nordberg, EVP

Appendix

Financial calendar

10 February 2011

14 April 2011

15 April 2011

5 May 2011

20 July 2011

27 October 2011

- Fourth quarter results 2010
- Annual General Meeting 2011
- Share quoted ex. dividend
- First quarter results 2011
- Second quarter results 2011
- Third quarter results 2011



Cash flow as of 30 Sep 2010

Amounts in NOK million

	30.9.2010	30.9.2009
Industry division:		
Operating profit	2 740	1 191
Amortisations, depreciations and write-downs	1 911	1 933
Changes in net working capital	-2 811	821
Net replacement expenditure	-1 152	- 830
Cash flow from operations	688	3 115
Financial items, net	- 570	-1 022
Cash flow from Industry division	118	2 093
Cash flow from Financial Investments	697	1 075
Taxes paid	- 579	-1 686
Other payments	333	22
Cash flow before capital transactions	569	1 504
Paid dividends	-2 344	-2 328
Net purchases of Orkla shares	22	3
Cash flow before expansion	-1 753	- 821
Expansion investment in Industry division	-1 240	-1 464
Sale of companies/shares of companies	224	77
Purchase of companies/share of companies	-2 619	-2 955
Net purchases/sale of portfolio investments	1 178	2 616
Net cash flow	-4 210	-2 547
Currency effects of net interest-bearing liabilities	75	1 745
Change in net interest-bearing liabilities	4 135	802
Net interest-bearing liabilities	23 983	28 226

Balance sheet as of 30 Sep 2010

Balance	30.9.2010	31.12.2009
Intangible assets	15 787	14 731
Property, plant and equipment	24 670	24 694
Financial assets	11 270	15 922
Non-Current assets	51 727	55 347
Assets held for sale	382	
Inventories	8 541	7 531
Receivables	14 418	16 568
Share Portfolio etc.	11 750	11 087
Cash and cash equivalents	3 337	4 153
Current assets	38 046	39 339
Total assets	90 155	94 686
Paid-in equity	1 995	1 995
Earned equity	42 195	46 560
Non-controlling interests	333	370
Equity	44 523	48 925
Provisions	4 177	4 339
Non-current interest-bearing liabilities	26 354	29 042
Current interest-bearing liabilities	2 880	1 746
Debt held for sale	95	
Other current liabilities	12 126	10 634
Equity and liabilities	90 155	94 686
Equity to total assets ratio	49.4%	51.7%

Largest holdings in the Share Portfolio as of 30 Sep 2010

Amounts in NOK million

Principal holdings	Industry *	Market value	Share of portfolio (%)	Share of equity (%)
Tomra Systems	Industrials	805	7 %	15,3 %
Amer Sports	Consumer Discretionary	495	4 %	5,4 %
XXL Holding AS	Retail	446	4 %	15,5 %
Elekta B	Health Care Equipment	388	3 %	2,0 %
Enter Select	Mutual Fund	342	3 %	0,0 %
Kongsberg Gruppen	Aerospace & Defence	321	3 %	2,3 %
Telenor ASA	Telecom Operators	313	3 %	0,2 %
Ekornes	Consumer Discretionary	310	3 %	5,8 %
DnB NOR ASA	Financials	299	2 %	0,2 %
Schibsted	Consumer Discretionary	279	2 %	1,8 %
Total principal holdings		3 998	33 %	
Market value of entire portfolio		11 721		

* Based on Gics Level 1

Currency translation effects

Amounts in NOK million

Revenues	Q3-10	YTD Q3-10
Orkla Brands	-142	-460
Orkla Aluminium Solutions	-234	-1 318
Elkem	20	-16
Borregaard	-5	-41
Total	-361	-1 835

EBITA	Q3-10	YTD Q3-10
Orkla Brands	-14	-37
Orkla Aluminium Solutions	-2	-41
Elkem	4	6
Borregaard	0	2
Total	-12	-70



Amounts in NOK million

Jotun	T2-10	T2-09	Change
Revenues	4 404	4 075	8 %
EBIT	595	519	15 %
Profit/loss before tax	584	476	23 %



REC	Q3-10	Q3-09	Change
Revenues	3 783	2 071	83 %
EBITDA	827	449	84 %
EBIT	155	46	
Profit/loss before tax	-1 003	-398	



Appendix: Financial items

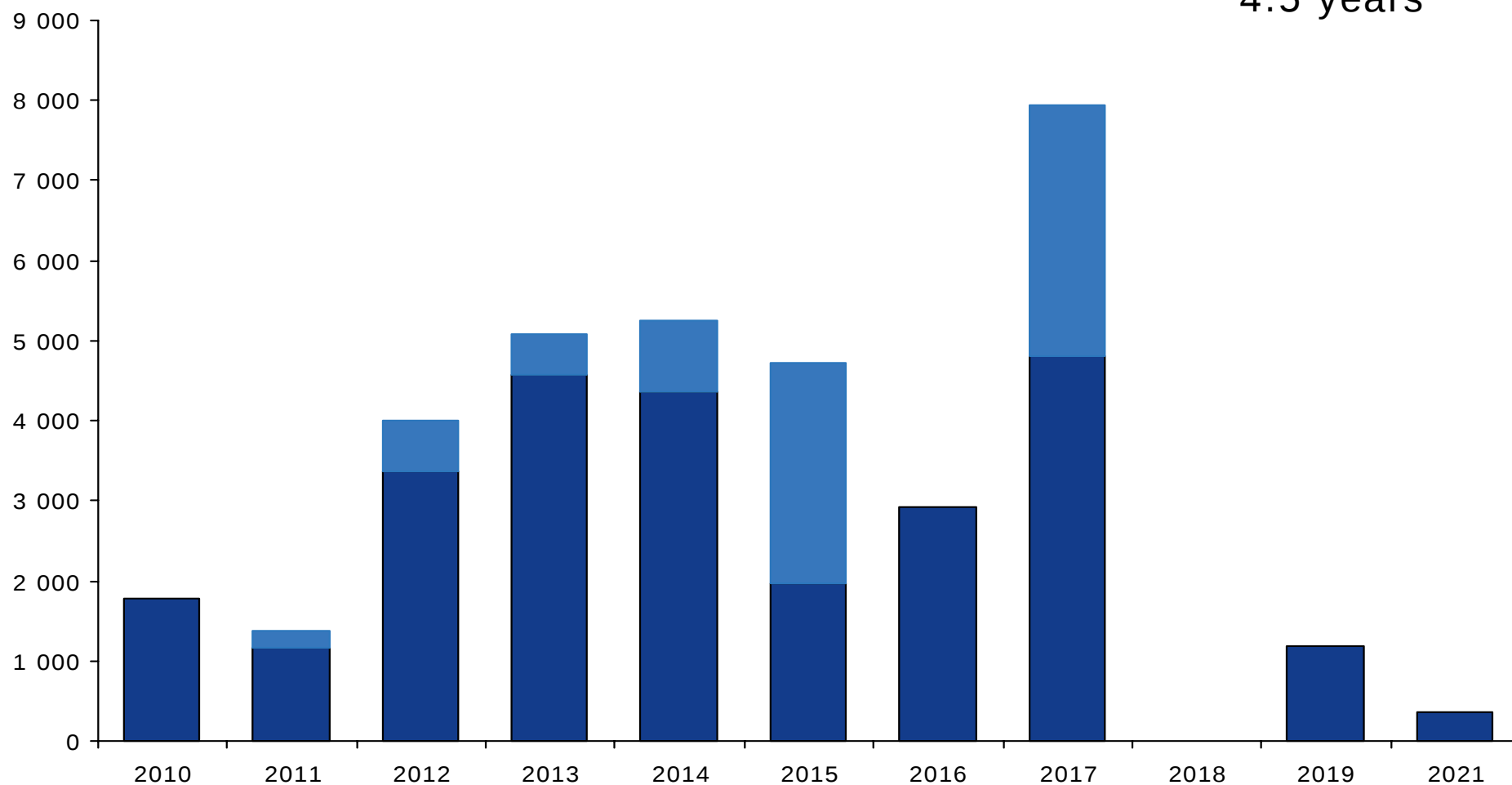
Net financial items

	Amounts in NOK million		
	Q3-10	Q3-09	Full year 2009
Net interest expenses	-152	-193	-883
Currency gain/loss	-15	12	15
Other financial items, net	-5	- 9	- 84
Net financial items	-172	-190	-952

Debt maturity profile

NOK million

Average maturity
4.5 years

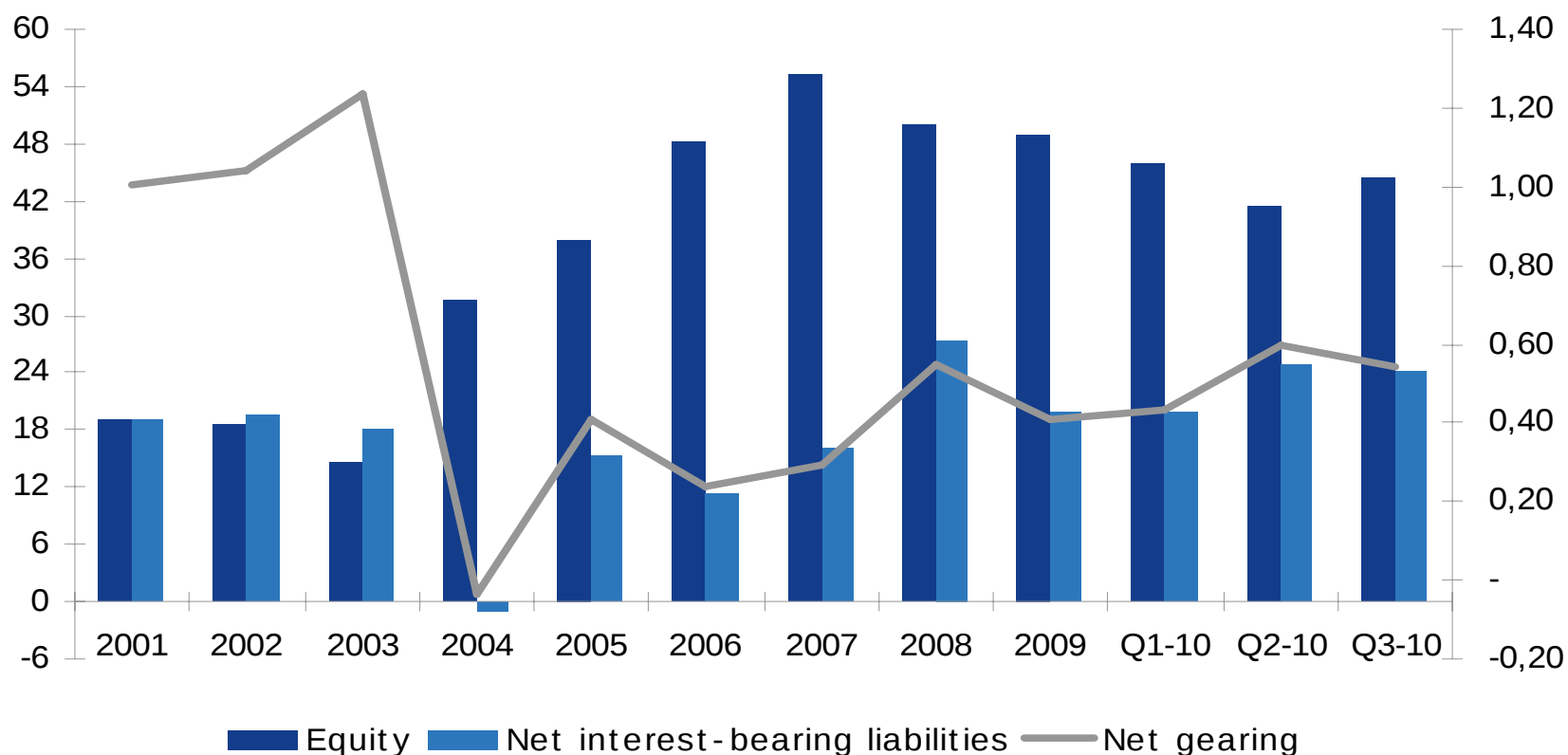


■ Drawn amounts ■ Unutilised credit facilities

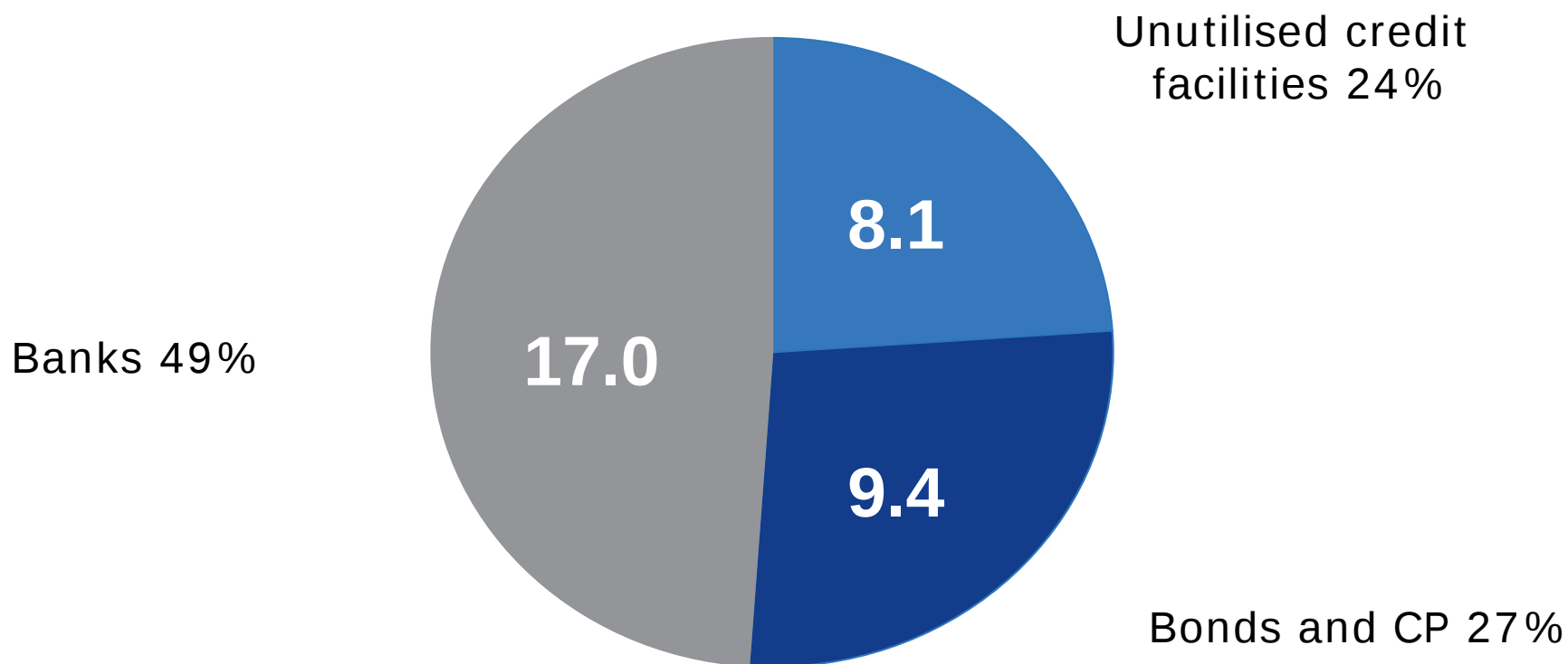
Net gearing 0.54 as of Q3-10

NOK
billion

Net gearing



Funding Sources



Figures in NOK billion

