

The Orkla Group

January 2006

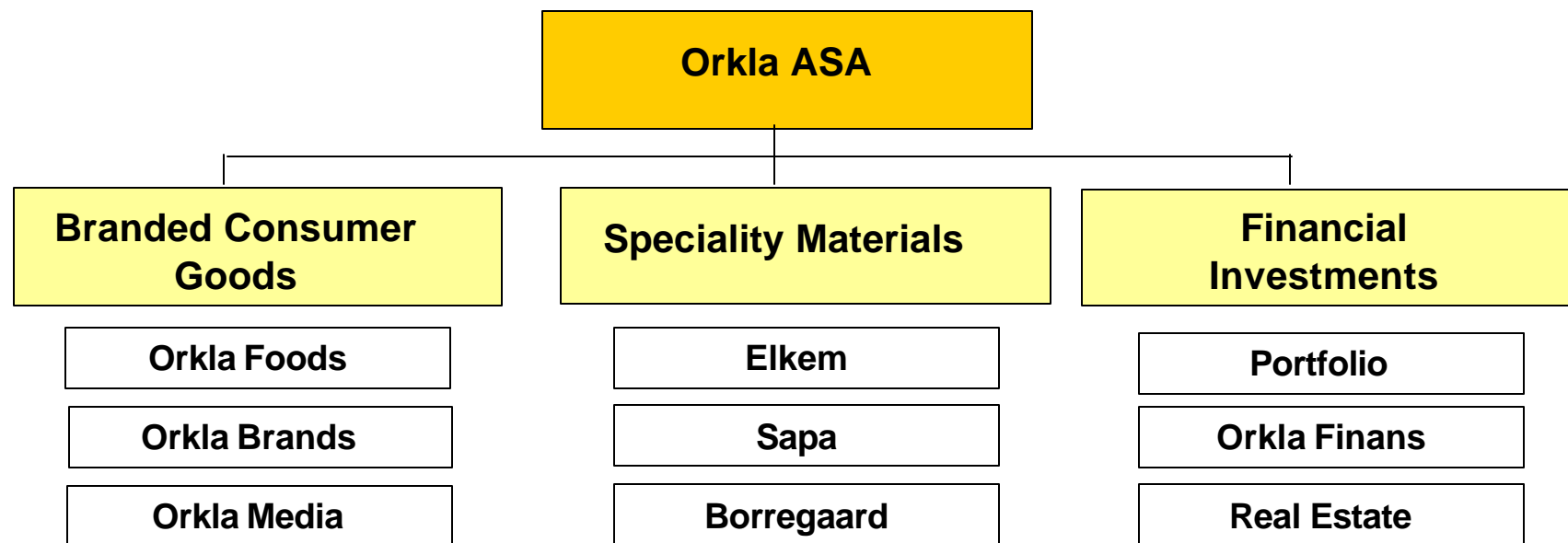


Agenda

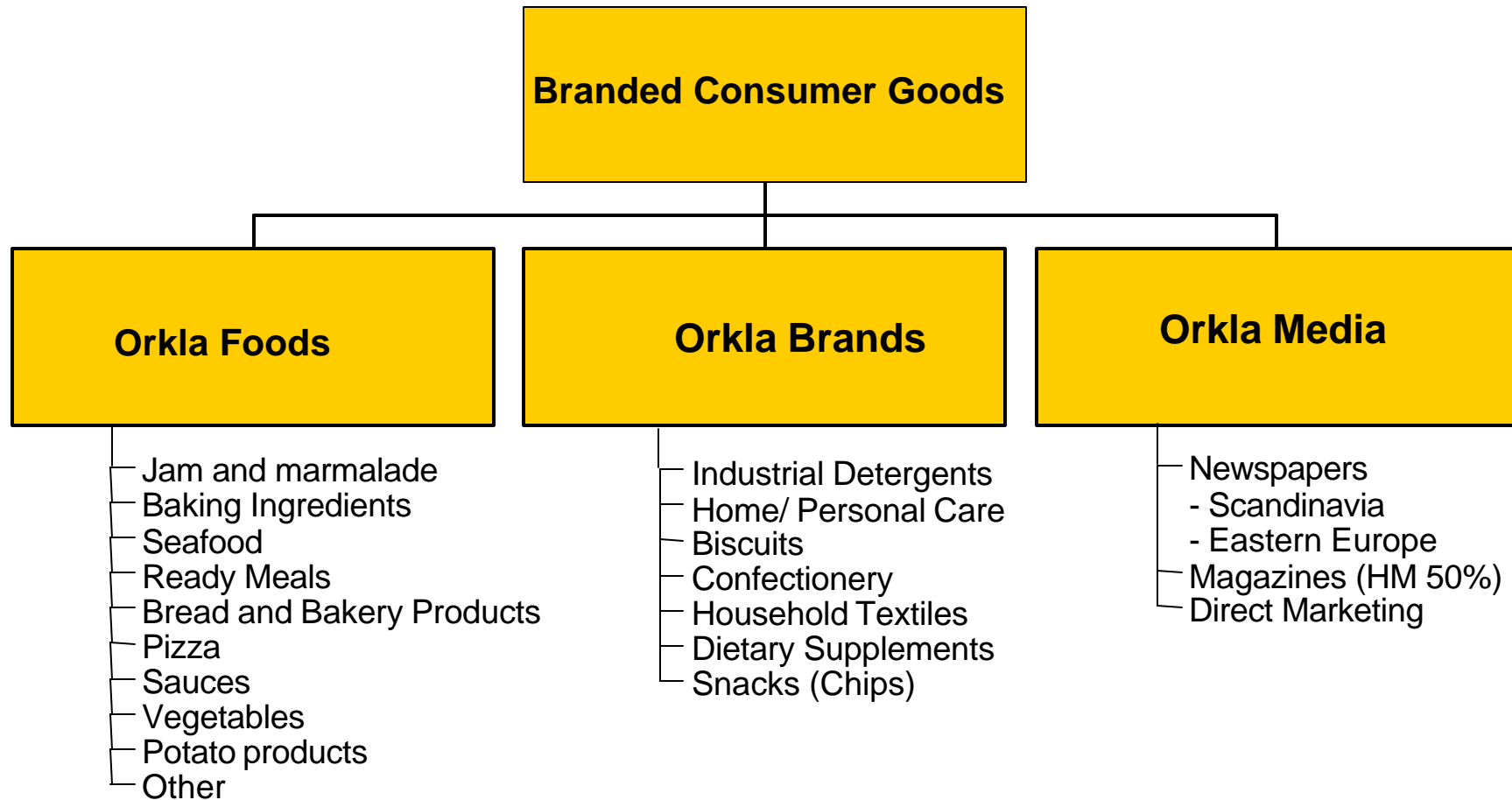
Orkla Group

Performance and
strategic direction

Operational excellence



Branded Consumer Goods - Organisation



Nordic exposure

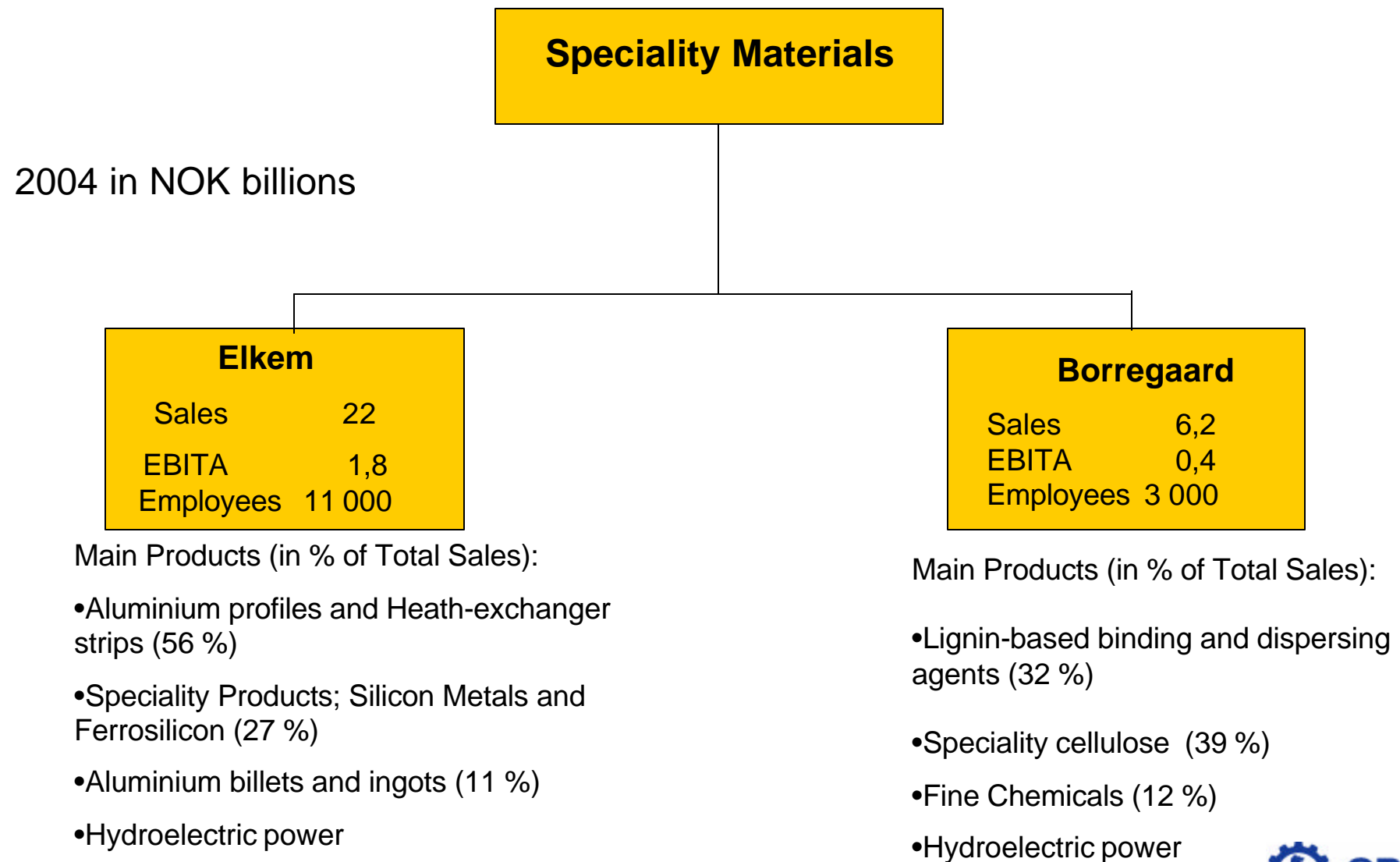
- ◆ Orkla regards the Nordic region as its domestic market
- ◆ Leading supplier of grocery products to Nordic households
- ◆ Foods and Brands: 80% of turnover from number 1 positions
- ◆ Leading national, regional and local newspapers

International exposure

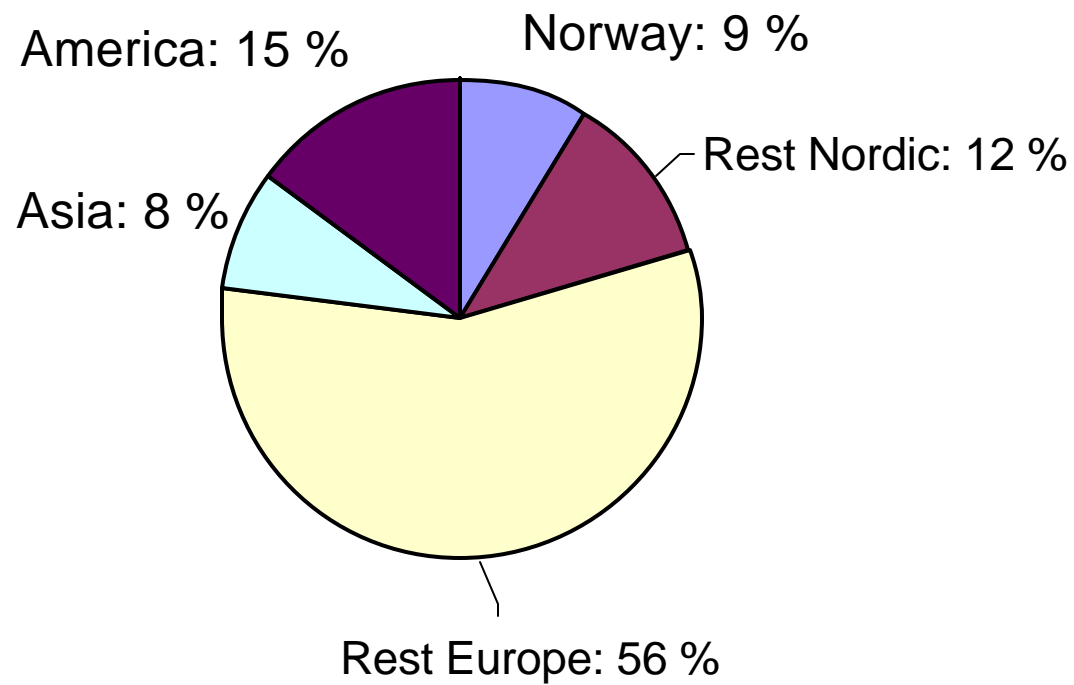
- ◆ Orkla Foods:
 - Supplier of leading local brands to the Eastern European market
 - Local management
 - Building economy of scale

- ◆ Orkla Media:
 - Leading regional and local newspapers in Poland,
 - Total 23% market share

Speciality Materials – strong positions in global niches



Geographical exposure



Orkla Group

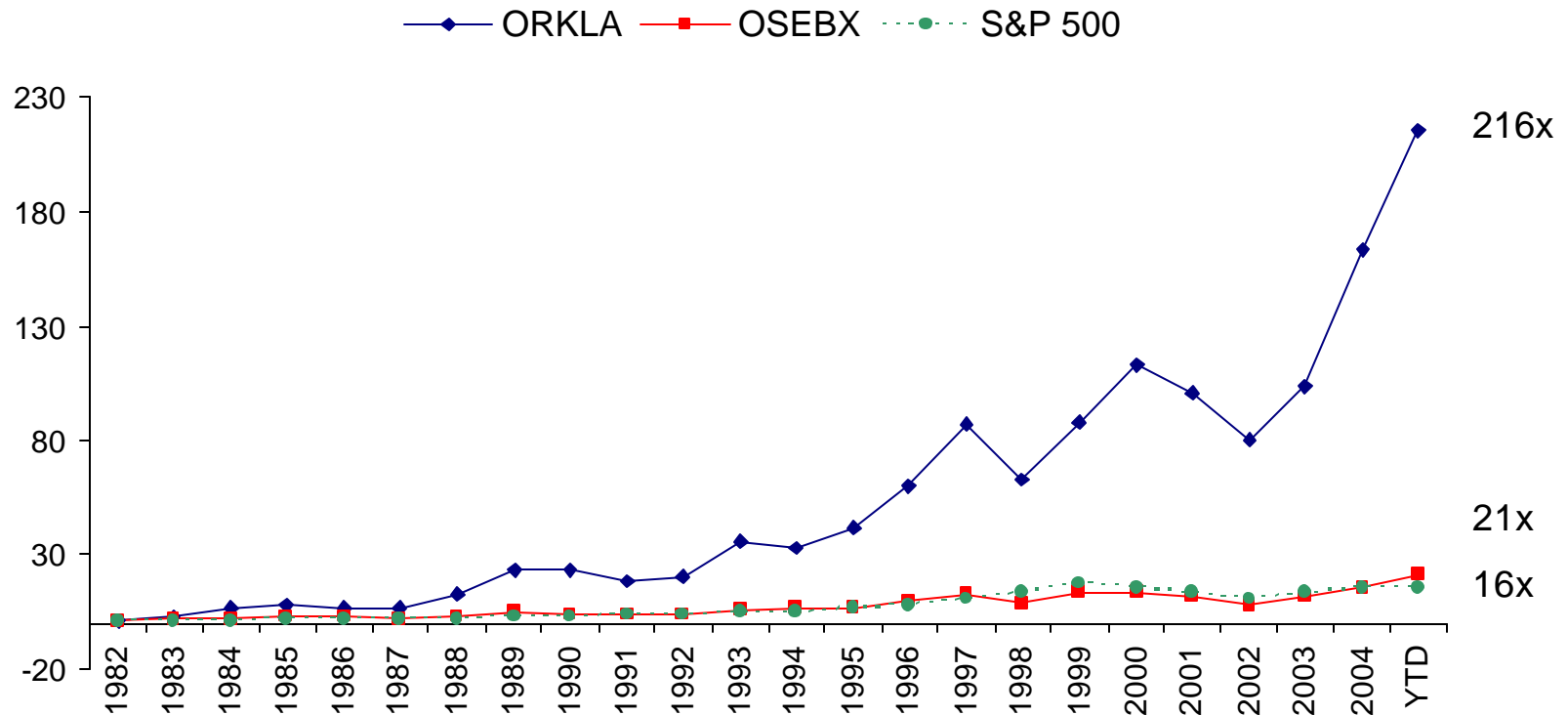
Performance and
strategic direction

Operational excellence

- ◆ Performance (share, industry, portfolio)
- ◆ Shareholder issues
- ◆ Position for future value creation

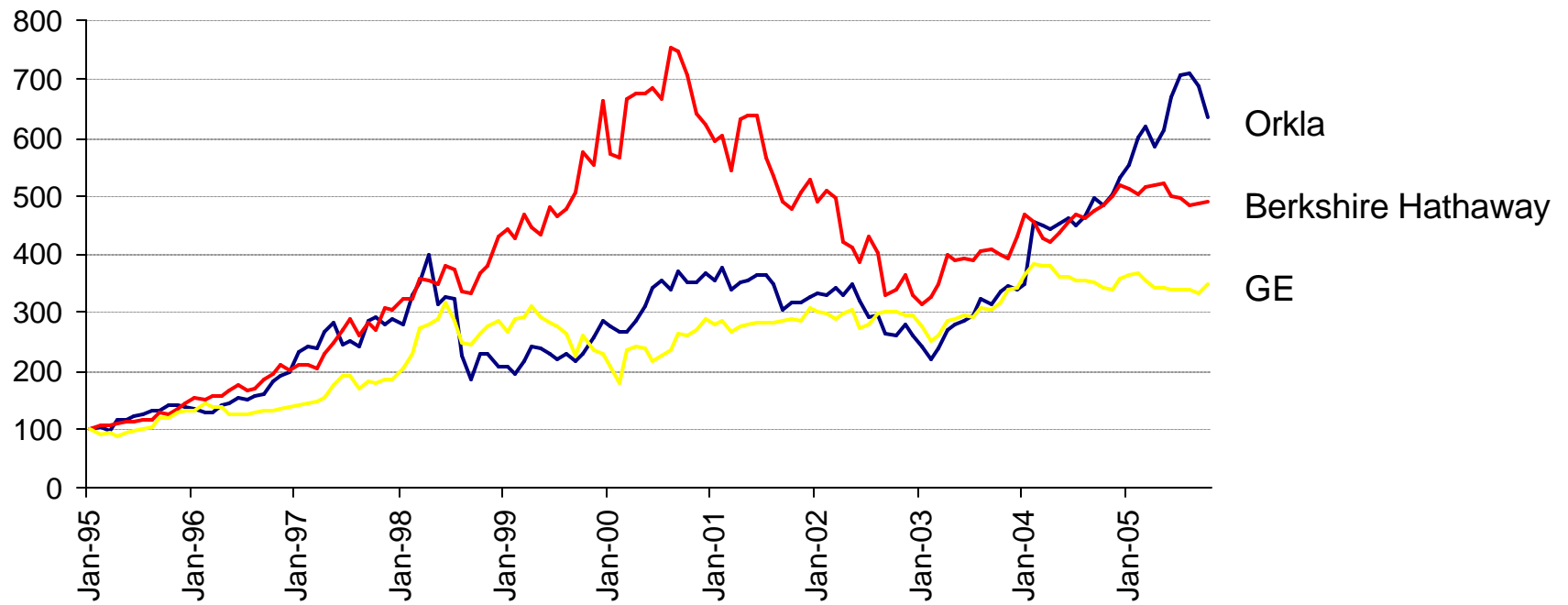
Substantial shareholder value created

Value of NOK 1 invested 31.12.82, dividend reinvested



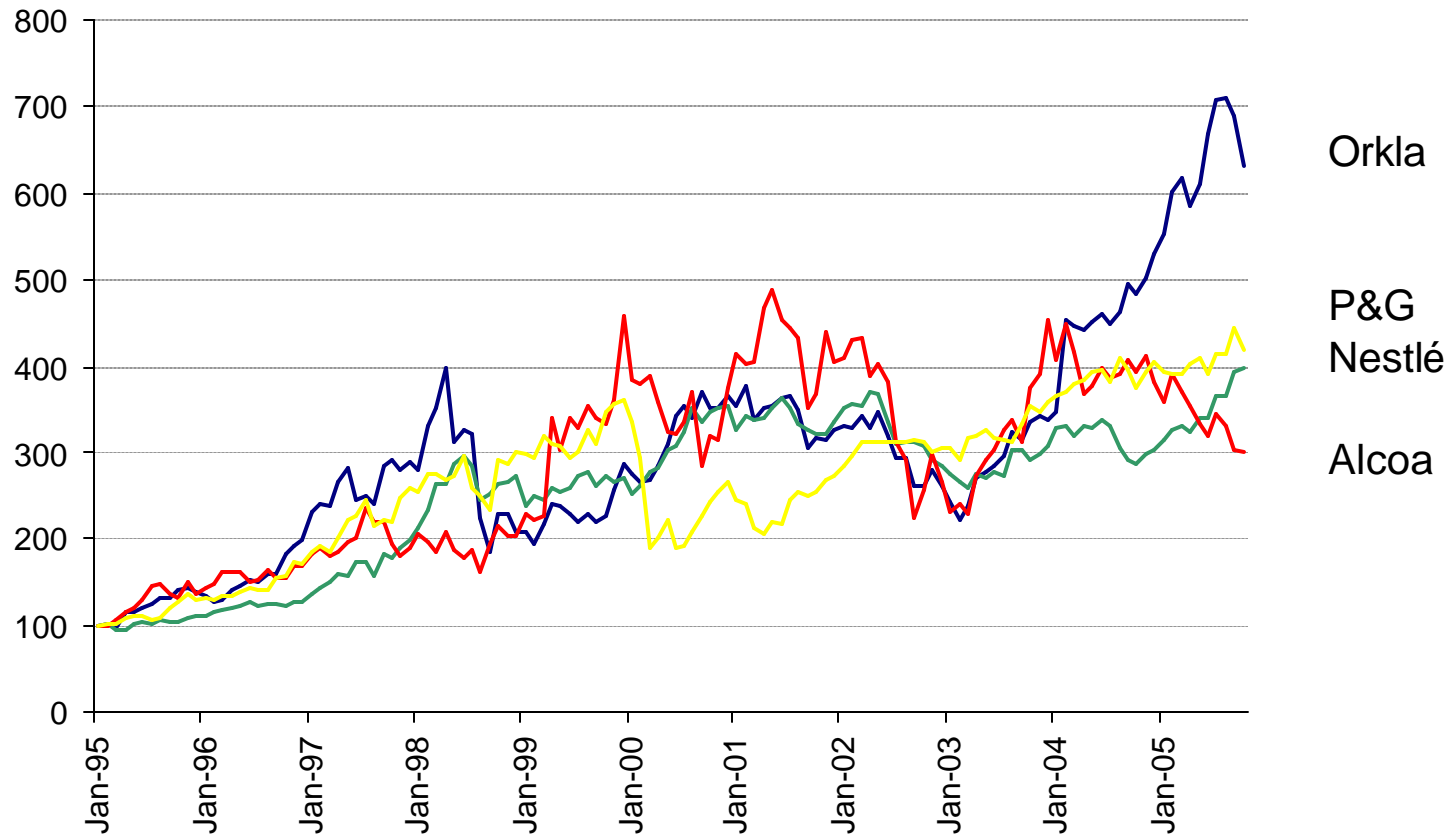
YTD: 25 November 2005

Orkla share performance (I)



Dividend reinvested

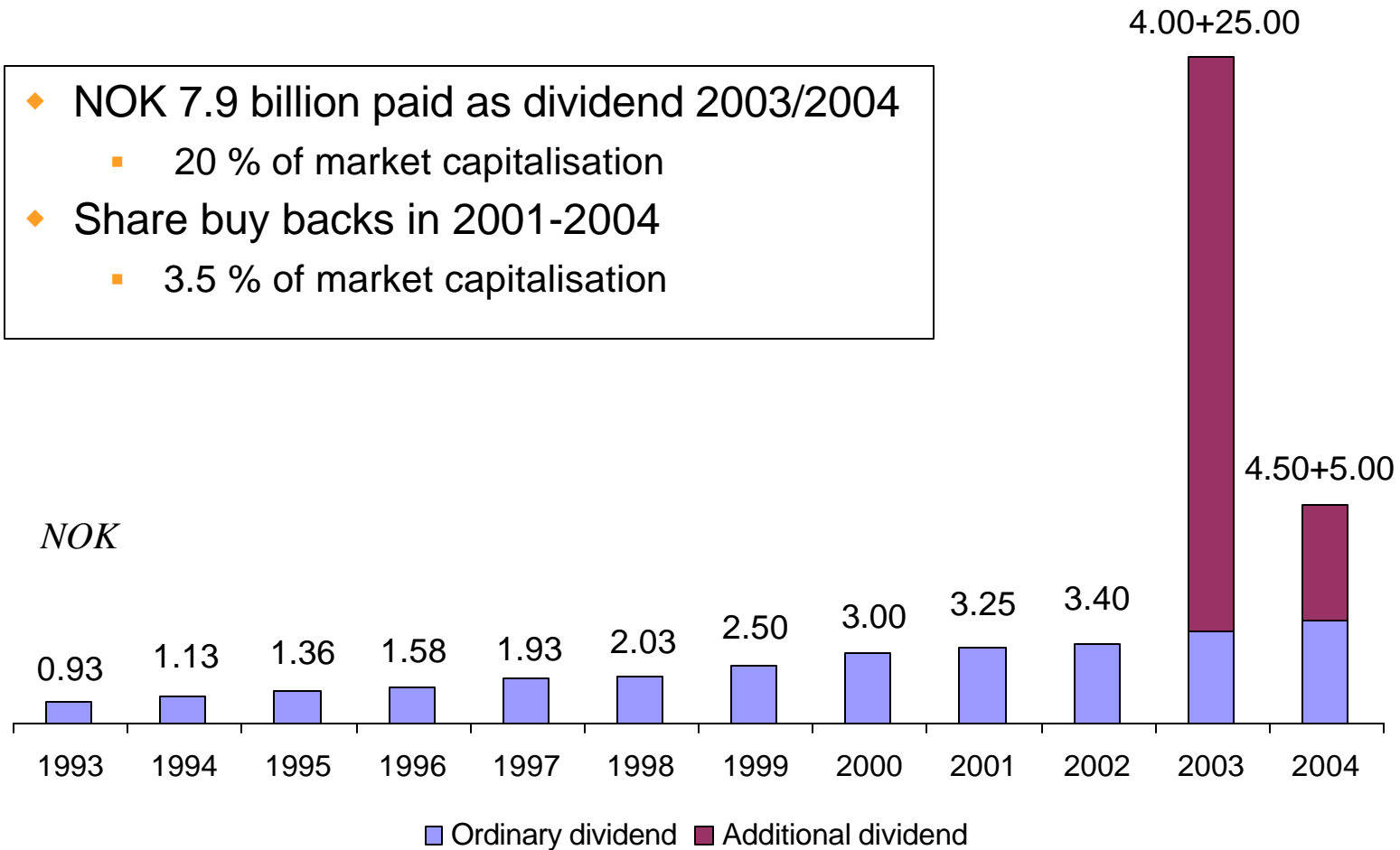
Orkla share performance (II)



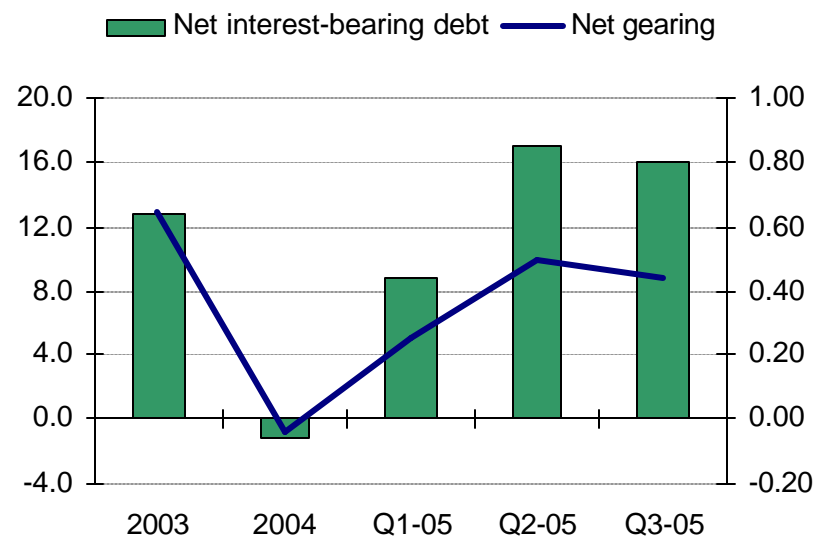
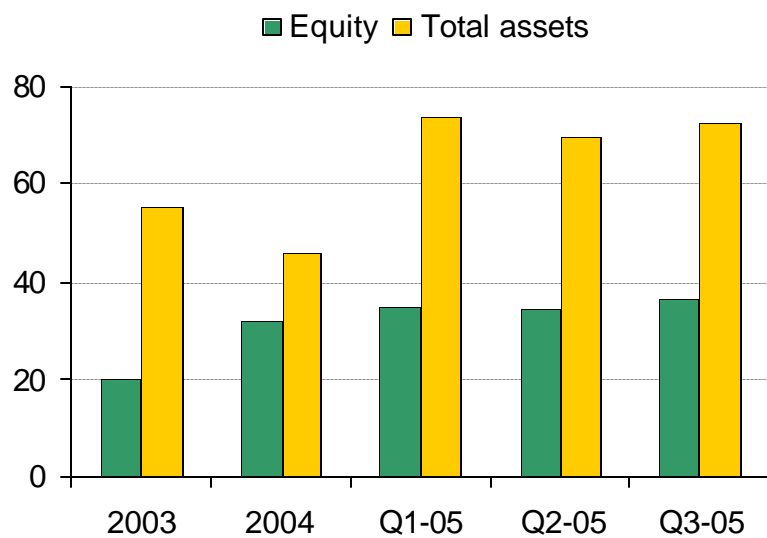
Dividend reinvested

Dividend distribution and share buy backs

- ♦ NOK 7.9 billion paid as dividend 2003/2004
 - 20 % of market capitalisation
- ♦ Share buy backs in 2001-2004
 - 3.5 % of market capitalisation

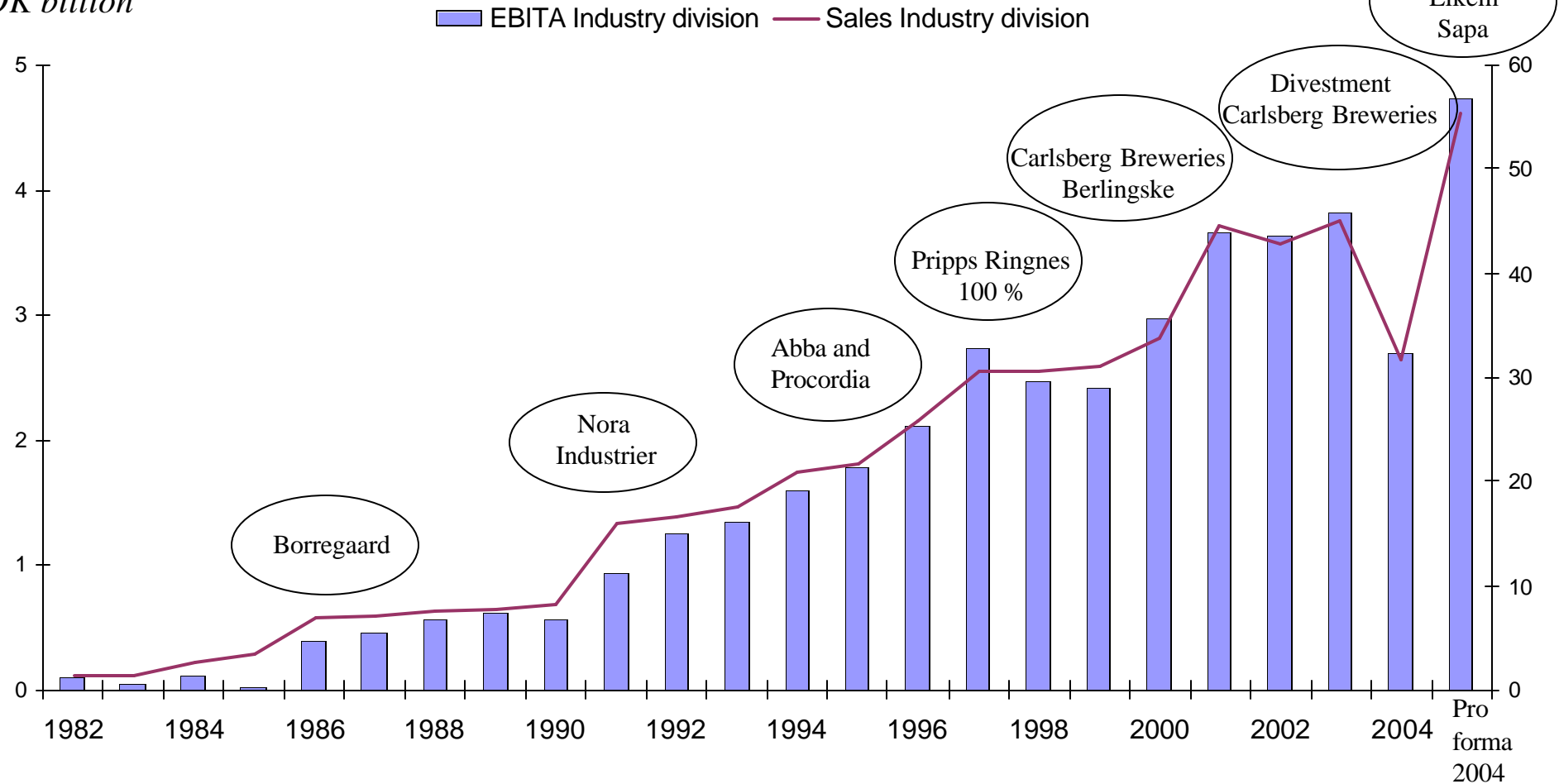


Strong balance sheet



Value creation through M&A

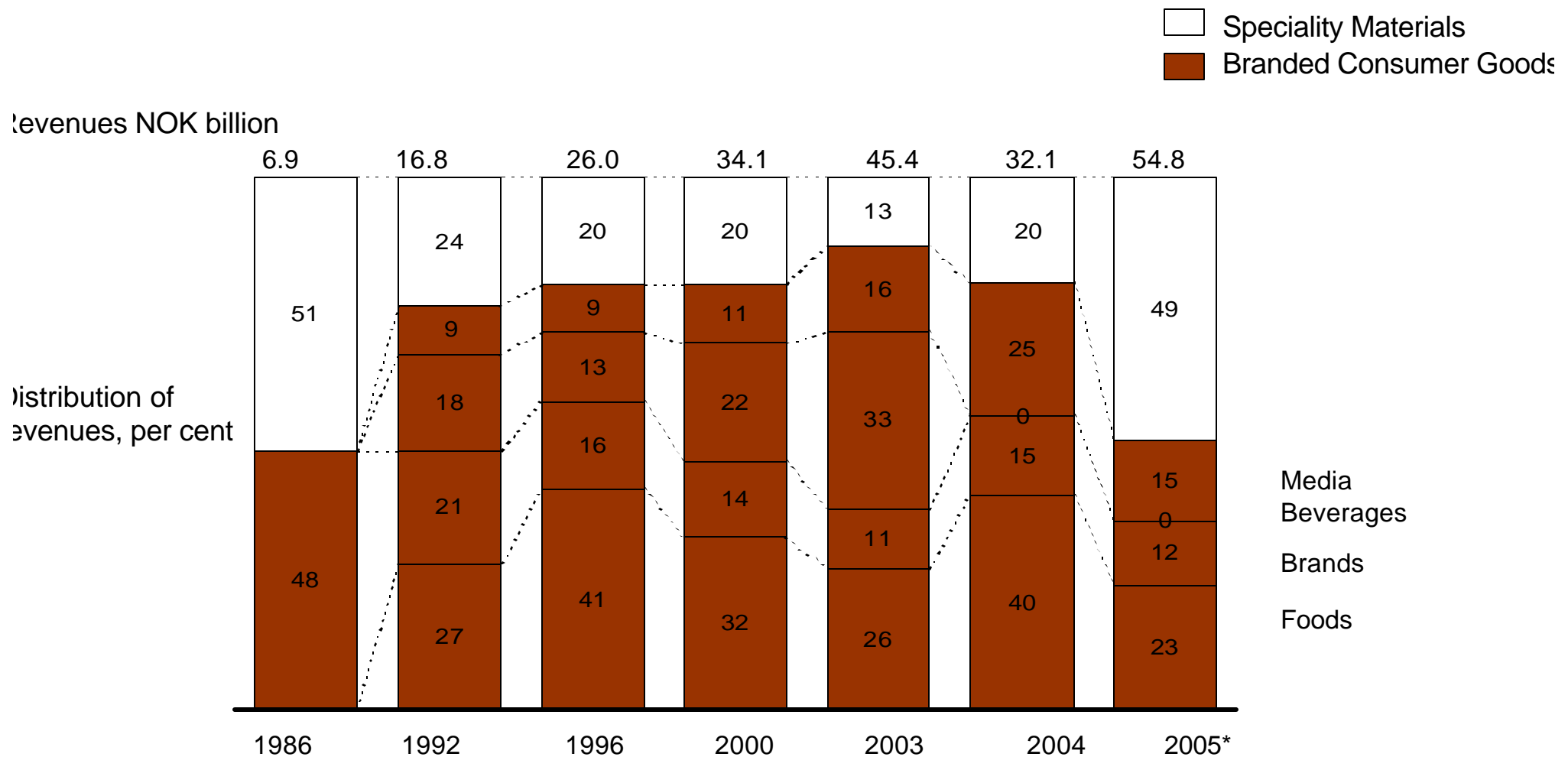
NOK billion



Value creation through divestments

<u>Year</u>	<u>Company/Business unit</u>	<u>Industry</u>
1991	Orkla real estate	Real estate
1995	Norgro	Animal feed
1995	Helly Hansen (50 %)	Clothing
1996	Abba in Denmark and in Germany	Seafood
1996	Frionor (51 %)	Frozen products
1996	Hansa	Beverages
1997	Ringstads Ferskvare	Fresh meat products
1999	Regal Mølle AS	Food ingredients/flour
1999	Viking Fottøy	Footwear
2000	Orkla Finans (Fondsmegling)	Investment bank
2001	Oyj Hartwall Abp (20 %)	Beverages
2003	Enskilda Securities (22.5 %)	Investment bank/broker
2004	Carlsberg Breweries (40 %)	Beverages
2004	Borregaard Hellefoss/Vafos	Book paper, mechanical pulp
2005	Denofa's extraction plant (X-Works)	Soya products for the feed industries

Value creation through portfolio development



* Pro forma RTM per Q3-05

Well positioned business – Solid recent results

(NOK billion)	2002	2003	2004*	2005**
Revenues	43.0	45.4	32.1	54.8
EBITDA	5.9	6.2	3.9	6.7
EBITA	3.7	3.8	2.7	4.5
Net profit (after min.int)	1.6	1.9	3.0	5.3
Market Cap	24.6	30.7	41.0	51.2
P/E	15.3	16.2	13.6	9.7
P/E Industry adjusted***	8.6	7.6	12.4	13.2
	NGAAP	NGAAP	IFRS	IFRS

*) 2004 excluding gain from sale of stake in CB

**) Pro forma RTM per Q3-05

***) Adjusted P/E calculated without financial portfolio and before other revenues and expenses

Strategic direction (I)

Foods & Brands

Continue to grow profitably through innovation and acquisitions in existing and new categories in

• Nordic • CEE • CIS

Media

Based on strong national positions;

Decide next moves that will further enhance competitive strength

Financial Investments

A cash generator and a flexible resource to support Orkla's industrial development

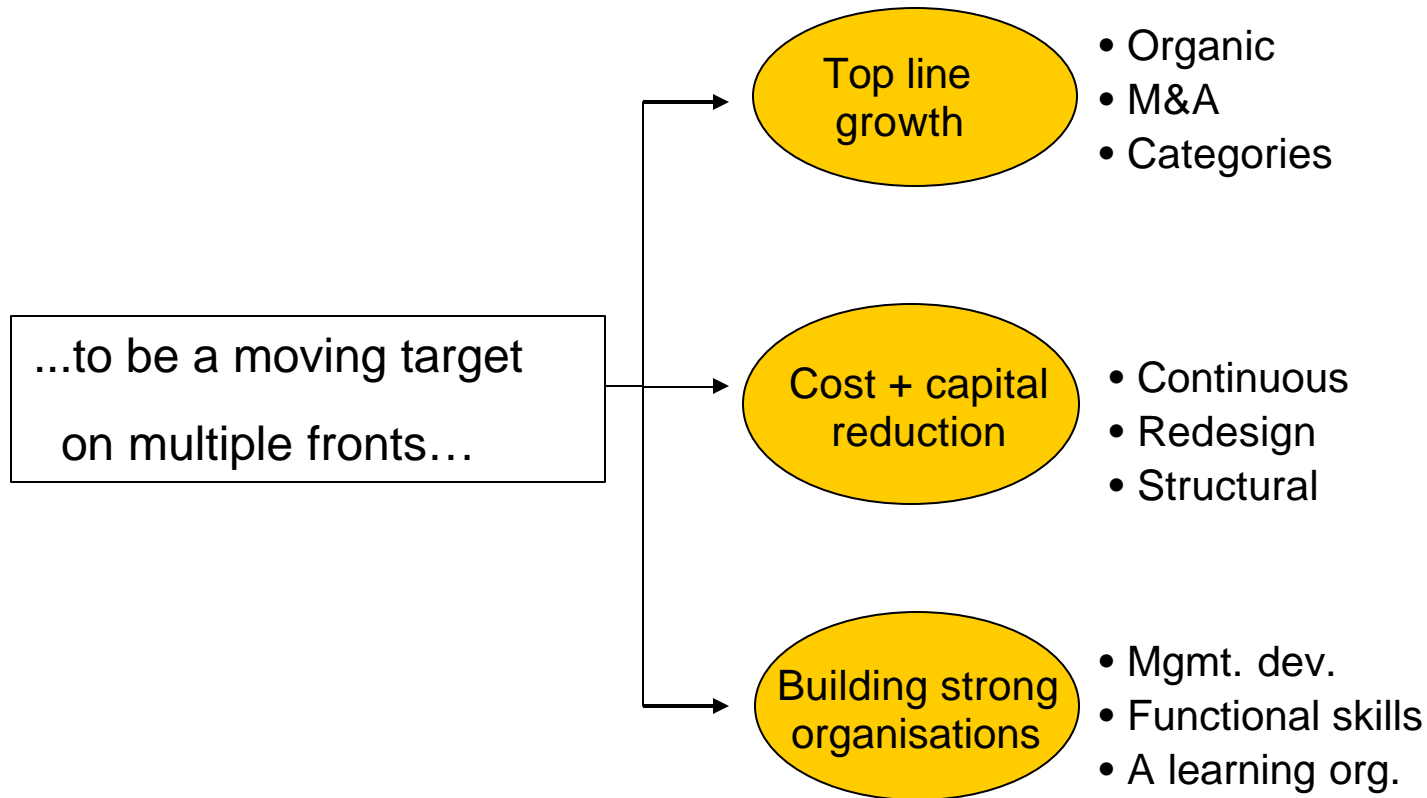
Strategic direction (II)

Elkem	Growth/invest: Hydro power and solar Stable cash flow: Primary Aluminium Consolidation/restructuring: Silicon related
Sapa	<ul style="list-style-type: none">- Operational improvement in Profiles and Building Systems- Growth in Heat Transfer
Borregaard	Regain profitability in industrial operations in an environment of unfavourable currencies and oil related costs

Strategy for value creation

- ◆ Orkla creates profitable growth within
 - Branded Consumer Goods
 - Speciality Materials
 - Financial Investments
- ◆ Orkla pursues growth and long-term value creation through
 - Innovation
 - Operational improvements
 - Structural development
- ◆ Financial Investments complement and support the industrial value creation

Orkla's value creation formula is.....



Skills and capabilities

Enabling skills and capabilities

- Strategy/M&A
- Governance
- Performance culture
- Financial competence/capacity

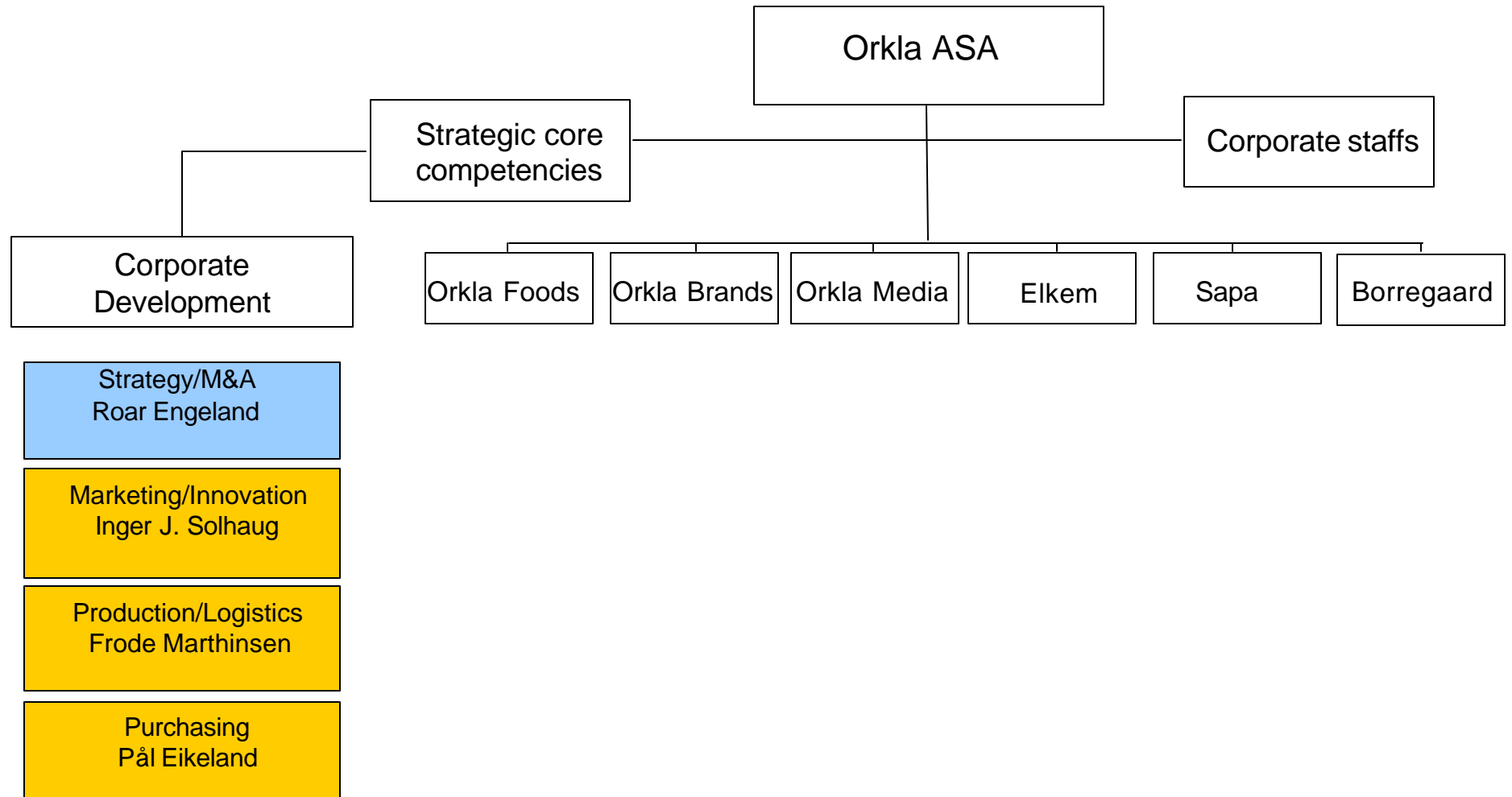
Functional skills

- Marketing & innovation
- Sales
- Lean manufacturing/logistics
- Technology

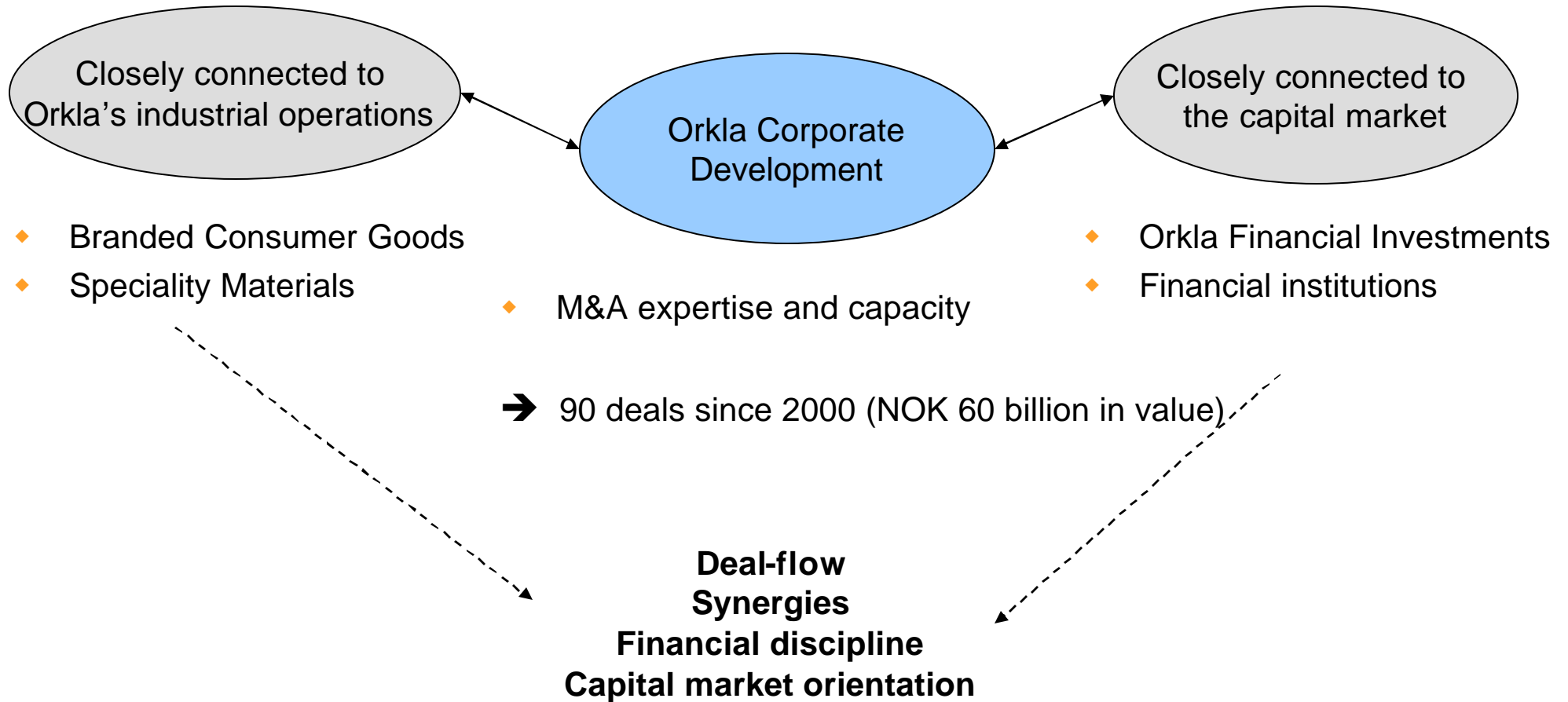
A lean, “activist” corporate centre

- ◆ Jointly define strategic direction for each unit
- ◆ Actively interact with the investment community
- ◆ Engage management in improvement processes
- ◆ Ensures an improvement-oriented culture and a value driven incentive system (EVA)
- ◆ Strong competence in M&A and restructuring
- ◆ Financial resources

Strategic core competencies



Strategy / M&A / Restructuring



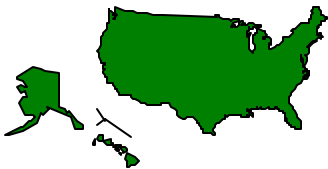
Important innovation sources



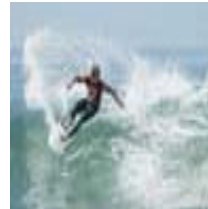
Consumer needs



Raw materials / Ingredients



Leading markets



Trends



Key players and brands



Production process



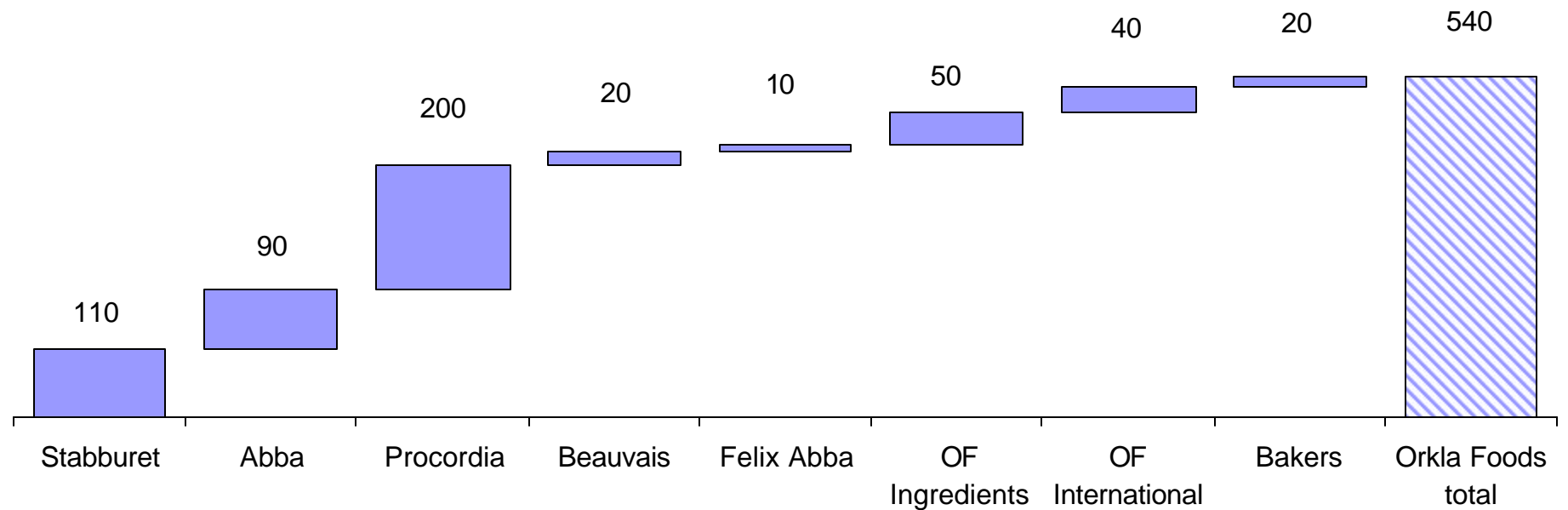
Restaurant/take away



Packaging

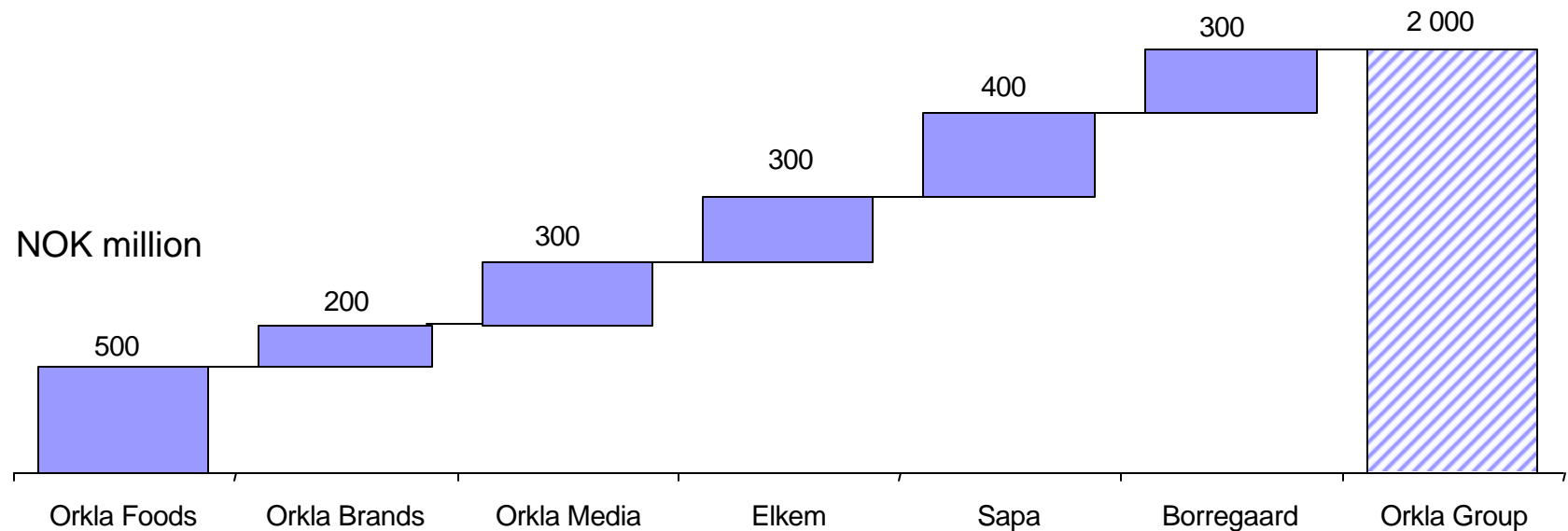
Production and logistics: Orkla Foods example

Cost improvements 2002-2005 in NOK million



Orkla and Elkem's experience deployed across the total group

Ambition: Cost base reduction NOK 2 billion 2006-2008



Agenda

Orkla Group

Performance and
strategic direction

Operational excellence

- ◆ Organisational development
- ◆ Market positions

Branded Consumer Goods

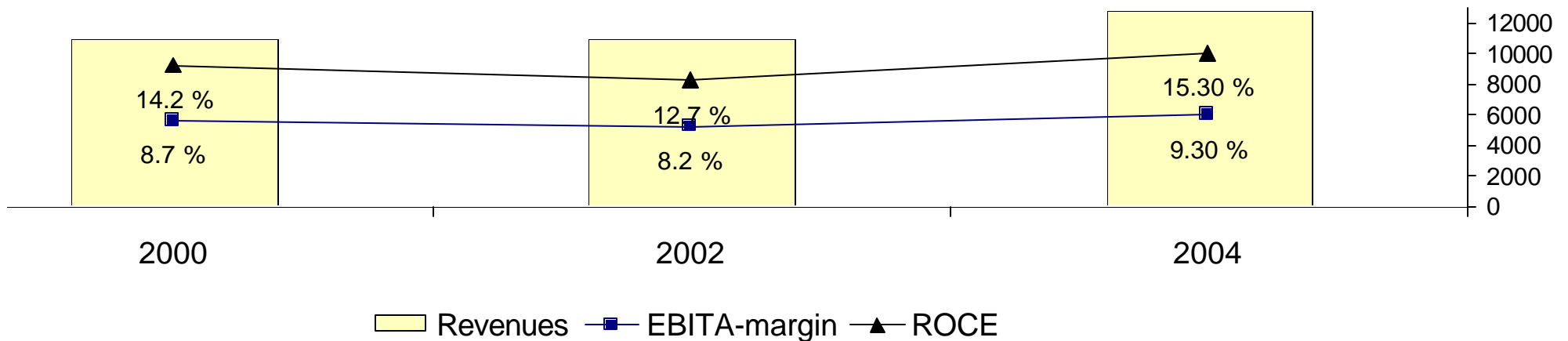


Orkla Foods

- ◆ Leading supplier of grocery products to Nordic households
 - 85 % of the revenues from the Nordic market
 - 80 % of sales from number 1 positions

- ◆ Supplier of leading local brands to the Eastern European market

Revenues
(NOKm)



Positions - examples



- Frozen pizza
- Ketchup
- Dressings
- Pickled vegetables
- Jam/Marmalade
- Kaviar (fish roe spread)
- Marzipan

Norway Sweden Denmark Finland

1	1	-	1
1	1	1	1
1	1	-	2
1	1	1	1
1	1	1	-
3	1	1	1
1	1	1	1

Competitive advantages

- ◆ Strong market positions
 - Strong consumer loyalty to our brands
 - Predominantly no. 1 positions (80 % of sales)
 - Strong, preferred position in the retail trade
- ◆ Strong local knowledge
 - Consumer insights and closeness to markets
 - Local innovation capability
 - Local value chains
- ◆ Continuous improvement culture

Direction of development



Nordic region

- ◆ Exploit our local strength for growth
- ◆ Growth through innovation

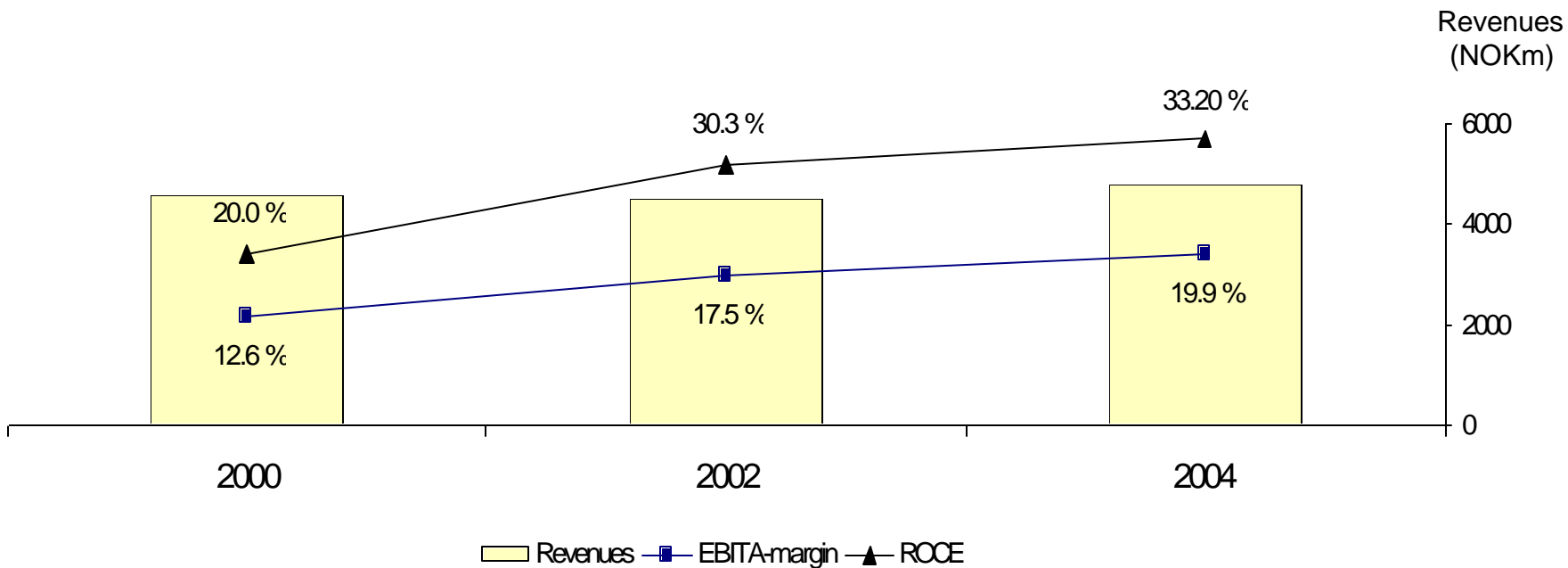
Central and Eastern Europe

- ◆ Continue revenue growth, both organic and by acquisitions
 - Market growth/top line activities
 - Strengthening the local operations
 - Geographic expansion – CEE/CIS
 - Increasing cost competitiveness



Orkla Brands

- ♦ Strong brands and positions
 - 93 % of sales from the Nordic markets
 - More then 80 % of sales from number 1 positions
- ♦ Successful innovation ability





Positions - examples

	<u>Norway</u>	<u>Sweden</u>	<u>Denmark</u>	<u>Finland</u>
■ Detergents	1	-	-	-
■ Personal Care	1	-	-	-
■ Biscuits	1	1	-	3
■ Confectionery	1	-	-	-
■ Cod Liver Oil	1	-	3	1
■ Household Textiles	1	1	-	3
■ Snacks (40%)	2	1	1	-

Direction of development



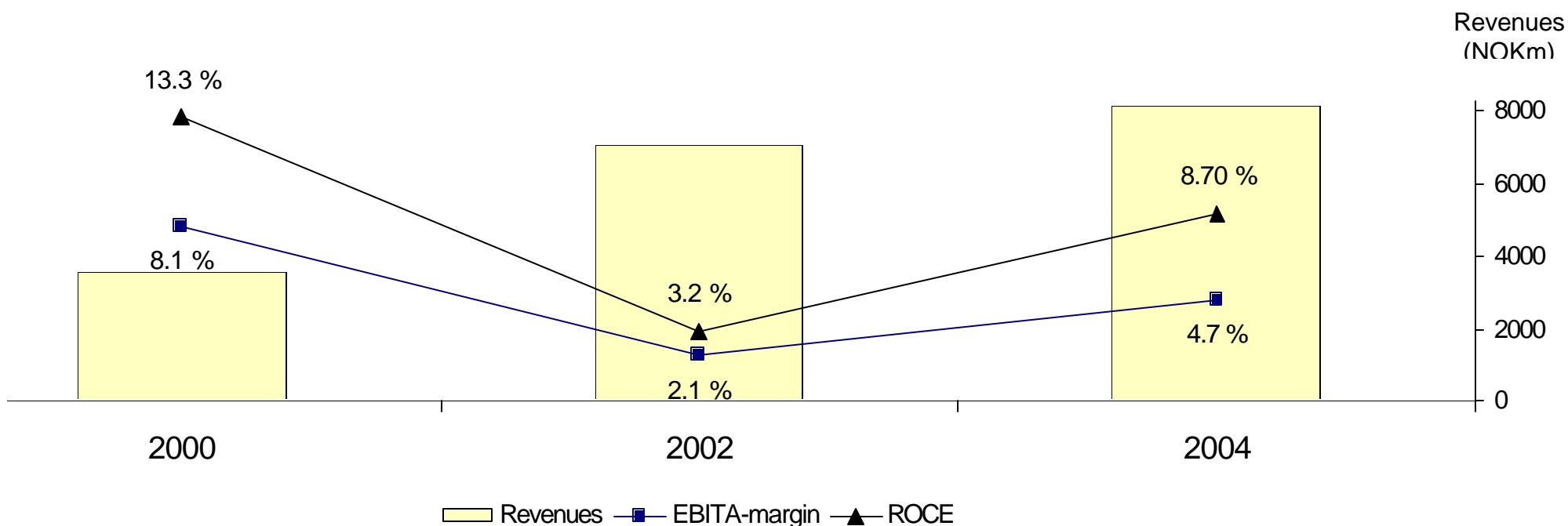
- ◆ Maintain profitability and organic growth through innovation
- ◆ Further develop Nordic platforms



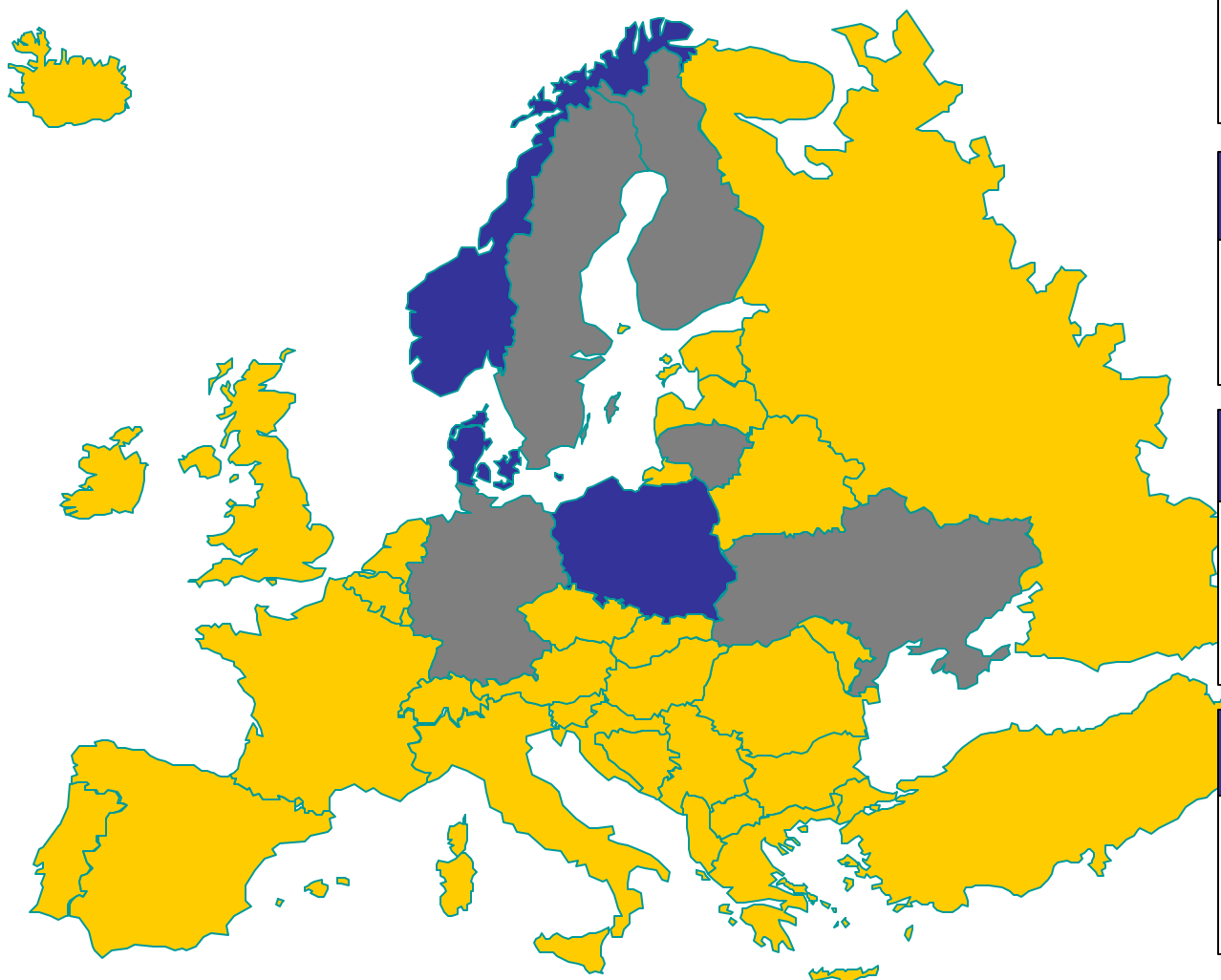
Orkla Media



- ◆ Leading national, regional and local newspapers in Norway, Denmark and Poland
- ◆ Strong market positions
- ◆ Structural initiatives in the media market



Four strong positions



National and Local Newspapers Denmark

The Berlingske Group

-Revenues: NOK 3 790 million

-Market share: 31 %

Local Newspapers Norway

Newspapers Norway

-Revenues: NOK 2 261 million

-Market share: 15 %

National and Local Newspapers Poland

Presspublica (Rzeczpospolita) and Orkla Press Polska

-Revenues: NOK 1 039 million

-Market share: 21 %

Magazines Norway

Hjemmet Mortensen

-Revenues: NOK 636 million

-Market share: 50 %

Direction of development



- ◆ Growth based on existing positions
- ◆ Continued consolidation in print and acquisitions into new media
- ◆ Structural initiatives in the media market



1 Growth based on existing positions

Opportunities in existing positions:

Media houses

Free commuter paper

Local free sheet

Online classifieds

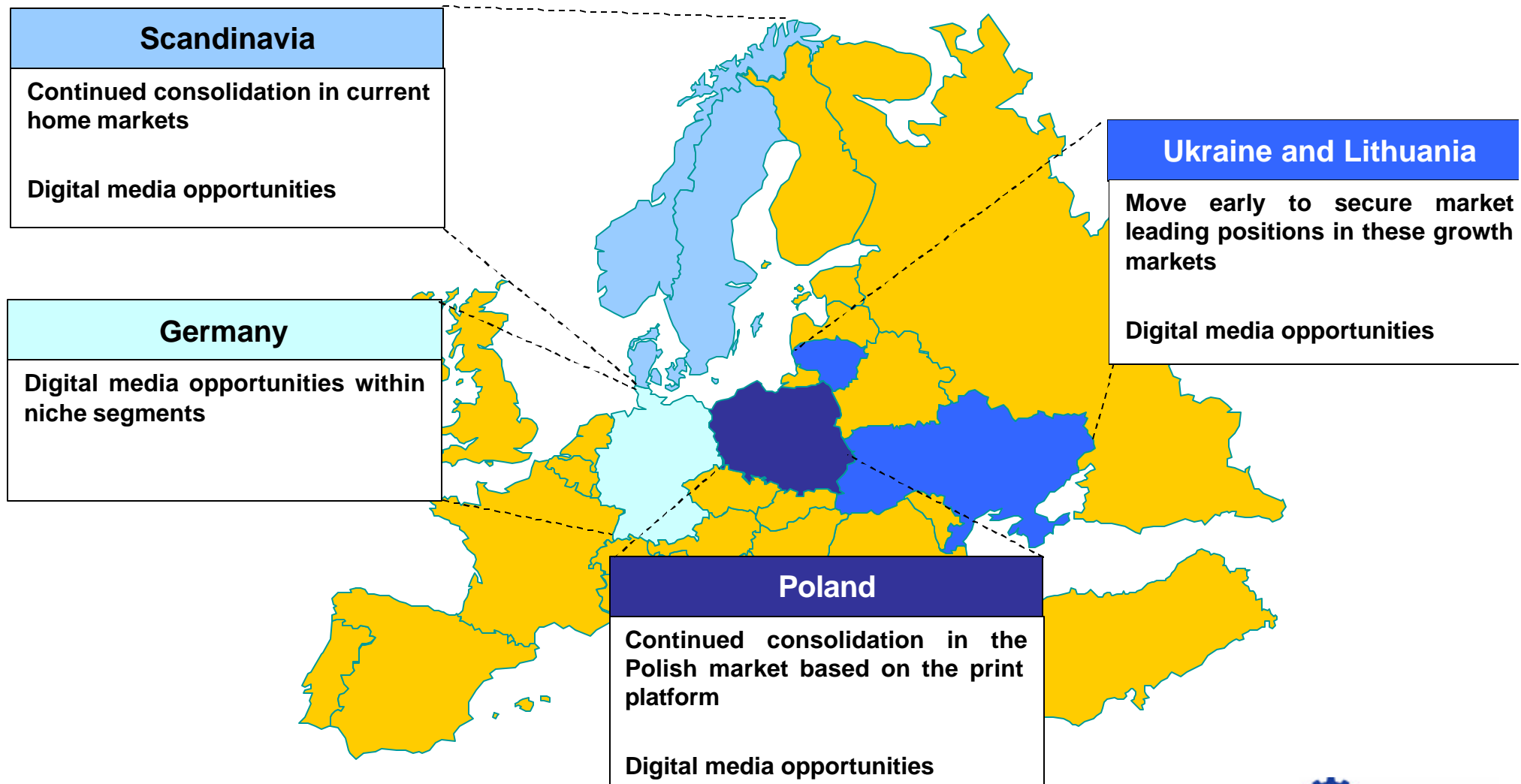
Main focal areas for concept development:

Digital search/
directory

Online national
newspaper

Niche verticals

2 Continued consolidation in print and acquisitions into new media



3 Structural initiatives in the media market

Orkla Media have strong positions in the print segments and are moving into the digital media market.

In seeking growth opportunities and positions in new markets, Orkla might explore potential structural opportunities in order to gain:

- ♦ additional positions in existing markets
- ♦ access to new markets
- ♦ diversification of Orkla Media's portfolio
- ♦ large scale efficiency gains
- ♦ a broader base for action in the European media market

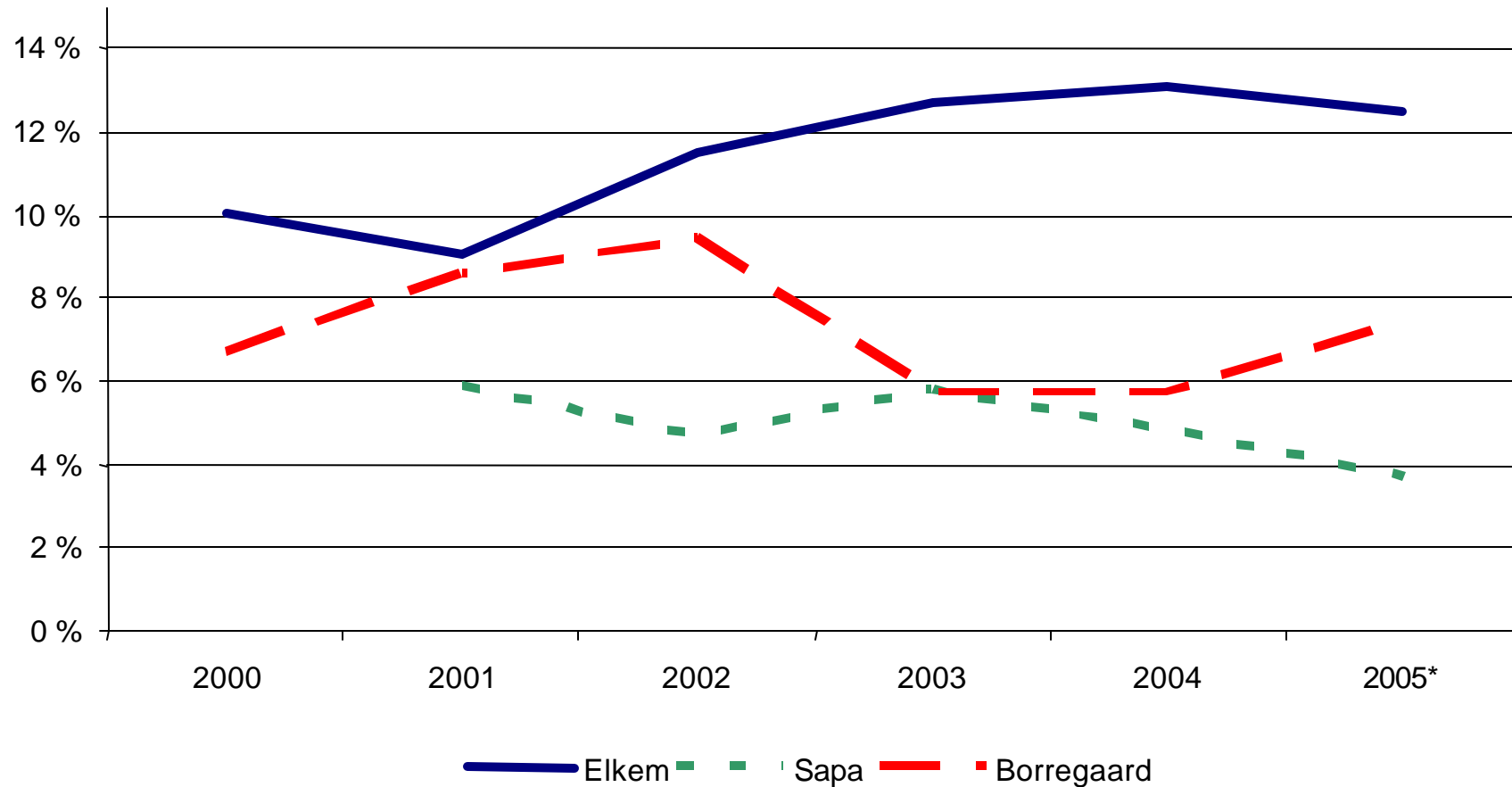
Speciality Materials

Business characteristics

Elkem, Sapa and Borregaard have leading positions in their industries

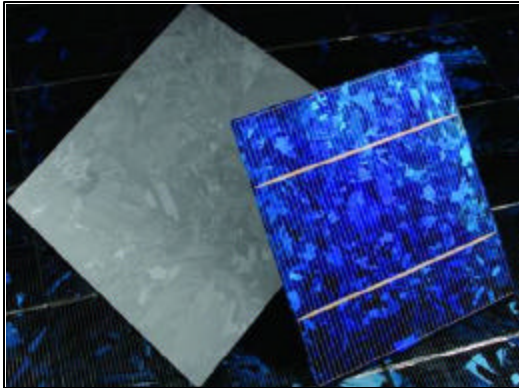
- ◆ A number of interesting growth opportunities
 - Hydro power and Solar
- ◆ Stable cash flow generating businesses
 - Primary aluminium, Sapa Heat Transfer and Borregaard LignoTech
- ◆ Restructuring and improvement potentials
 - Elkem Silicon, Sapa Profiles and Borregaard ChemCell

Speciality Materials - Financial trends

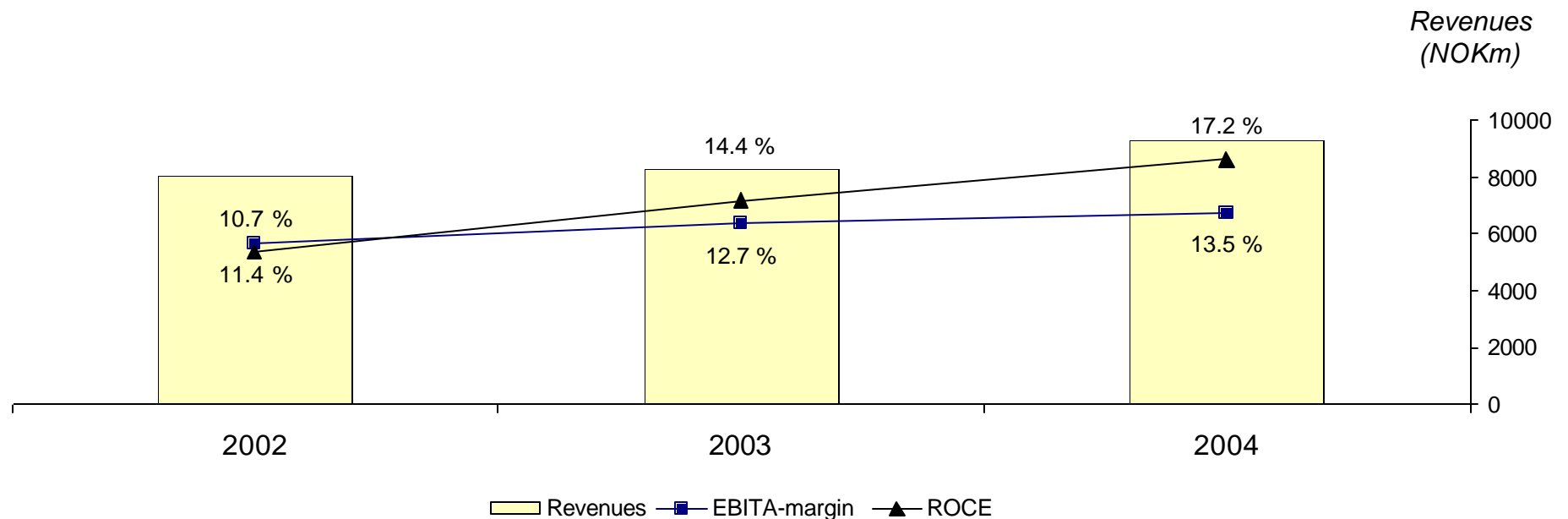


*RTM per Q3-05

Elkem



- ◆ Elkem is one the world's leading suppliers of metals and materials
- ◆ Main products: Aluminium, energy, silicon metal and specialised products such as ferrosilicon to foundries, microsilica and carbon



An overview

Hydro power energy
- Growth potential



Solar
- Growth potential



Silicon related
- Restructuring



Primary aluminium
- Stable cash flow



RTM Q3 2005 *NOK million*

Revenues	1 427 (13 %)	7 517 (66 %) *	2 317 (20 %)
EBITDA	637 (37 %)	494 (29 %)	571 (34 %)
EBITA	589 (51 %)	151 (13 %)	418 (36 %)
ROCE	74 %	3 %	22 %

*Includes internal sales

Solar initiative - High growth potential and good strategic positioning

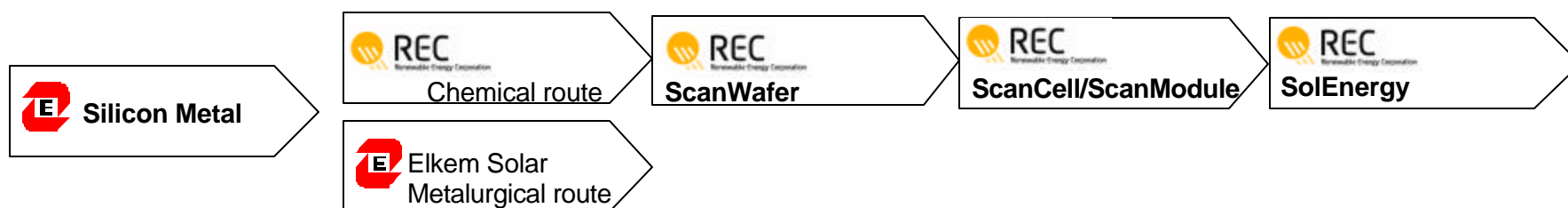
Silicon Metal

Feedstock

Ingot/ Wafer

Cell/ Module

System
integration

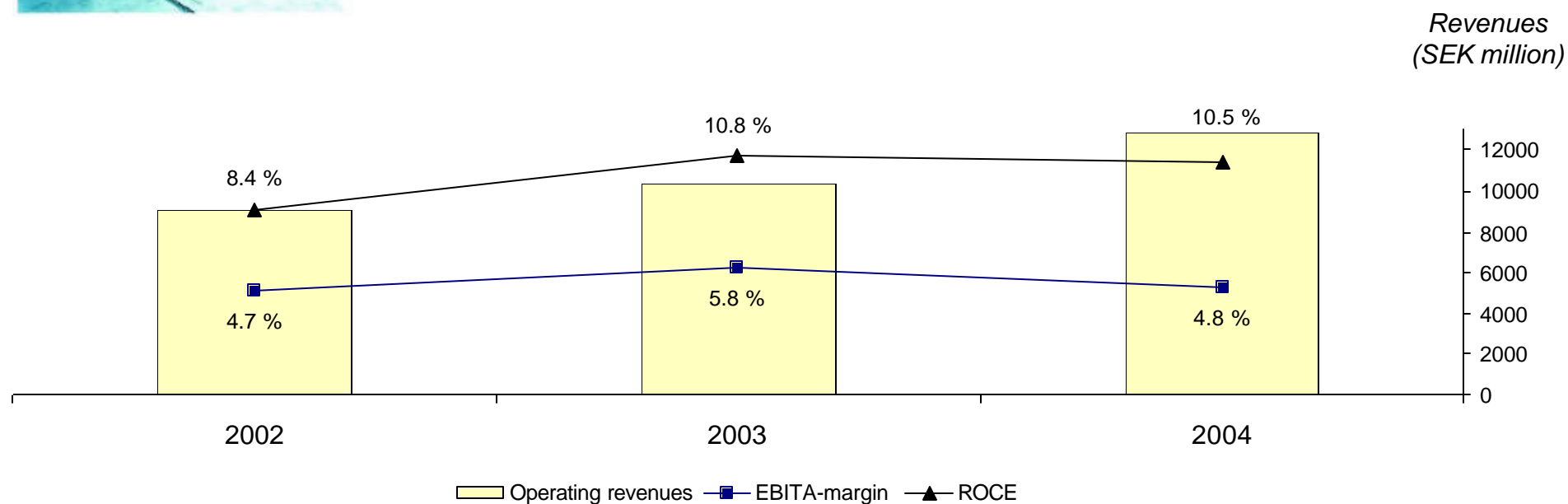


- Continued high industry growth rates dependent on feedstock capacity expansion (+30 % annually)
- 27.5 % fully diluted ownership in REC, an established player with high growth, good profitability and strong market positions
- If successful, Elkem Solar's metallurgical route will reduce end-user costs

Sapa



- ◆ Sapa is one of the world's leading producers of extruded aluminium profiles, and is one of the three largest suppliers of building systems based on aluminium profiles in Europe



Strategic issues and measures

Operational

- ◆ Implementation of significant cost improvement programmes
 - Applying the best methodology from the entire Group

Structural

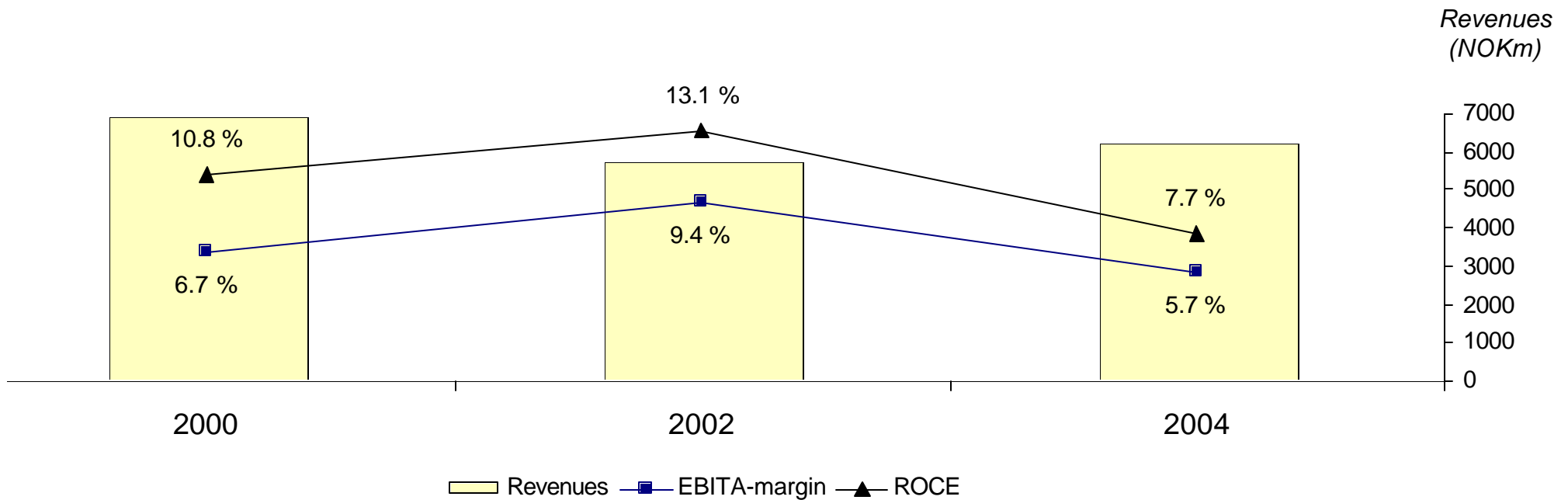
- ◆ Improve balance, Europe, US and Far East
- ◆ Location strategy for profiles in Europe
- ◆ Expanding the building system business in Europe
- ◆ Globalisation of Heat Transfer



Borregaard



- ◆ Leading global positions in specialised wood-based chemical products
- ◆ Strong niche positions in fine chemicals



Sensitivity – External factors

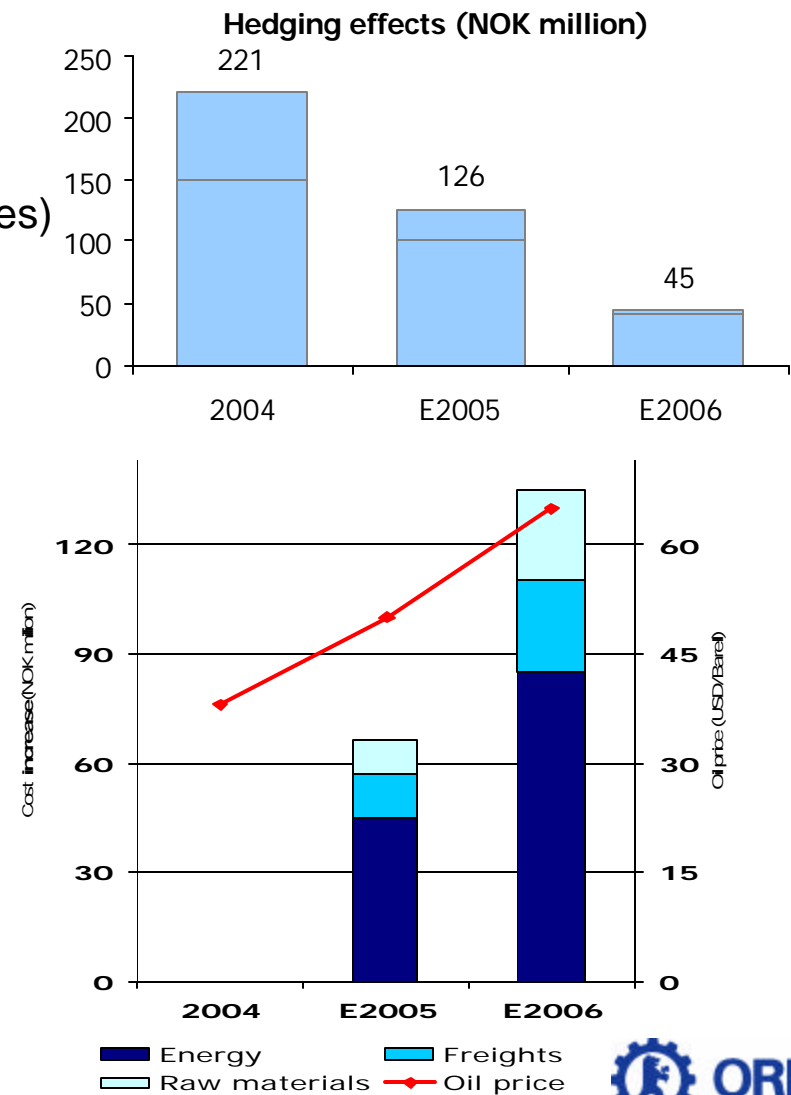
Currency and oil price exposure

♦ Currency exposure

- Sales currencies USD/EUR (45/35 % of revenues)
- Change in NOK/USD rate of NOK 1 will affect EBITA by NOK 180-200 million per year (no change in other parameters)
- Cost currencies NOK/CHF (50/10 % of costs)
- Minor hedging effects as from 2006

♦ Oil related costs

- Thermal energy
- Transportation
- Raw materials
- Energy conservation efforts important



Profit drivers - The way forward

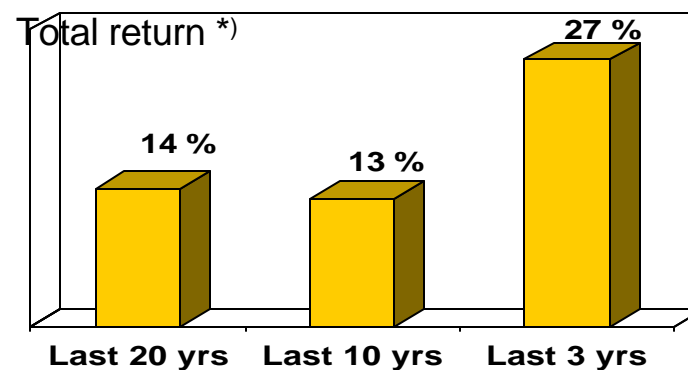


- ◆ Fully specialised cellulose business
- ◆ Innovation activities to maintain market positions and increase value added
- ◆ Improvement programmes to compensate for present currency situation and oil price
- ◆ Add on acquisitions within lignin and vanillin
- ◆ Wood based chemicals position as a growth platform

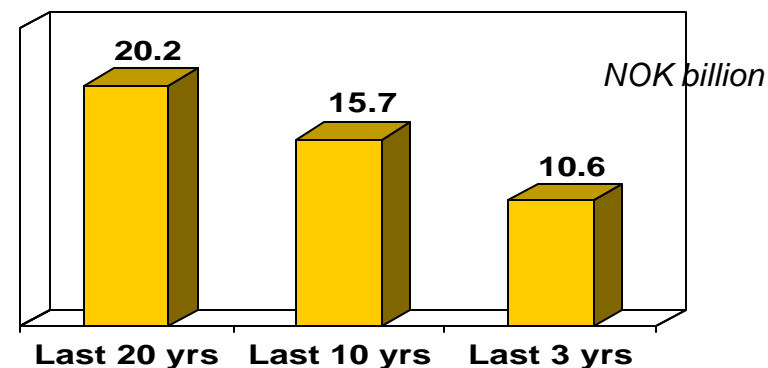
Financial Investments

Financial Investments

- ◆ Substantial value creation
- ◆ Returned some NOK 7 billion to the Group last 3 years
- ◆ Historically played an active role in the industrial development of the group
- ◆ Creates financial flexibility and strength for the group



Change in Net Asset Value **)



*) Profit before interest cost + change in unrealised reserves/ avg. invested capital

***) Inclusive transfer of Elkem

Strategic direction

- ◆ Investment strategy more geared to Orkla's industrial development – fewer unrelated large cap investments
- ◆ More opportunistic and active investment approach
- ◆ Greater focus on larger ownership positions
- ◆ Exploit risk taking ability to a larger extent (“market timing”)
- ◆ More active approach within the unlisted investment universe