



Third quarter results 2011

Oslo, 27 October 2011
Bjørn M. Wiggen, CEO





Agenda

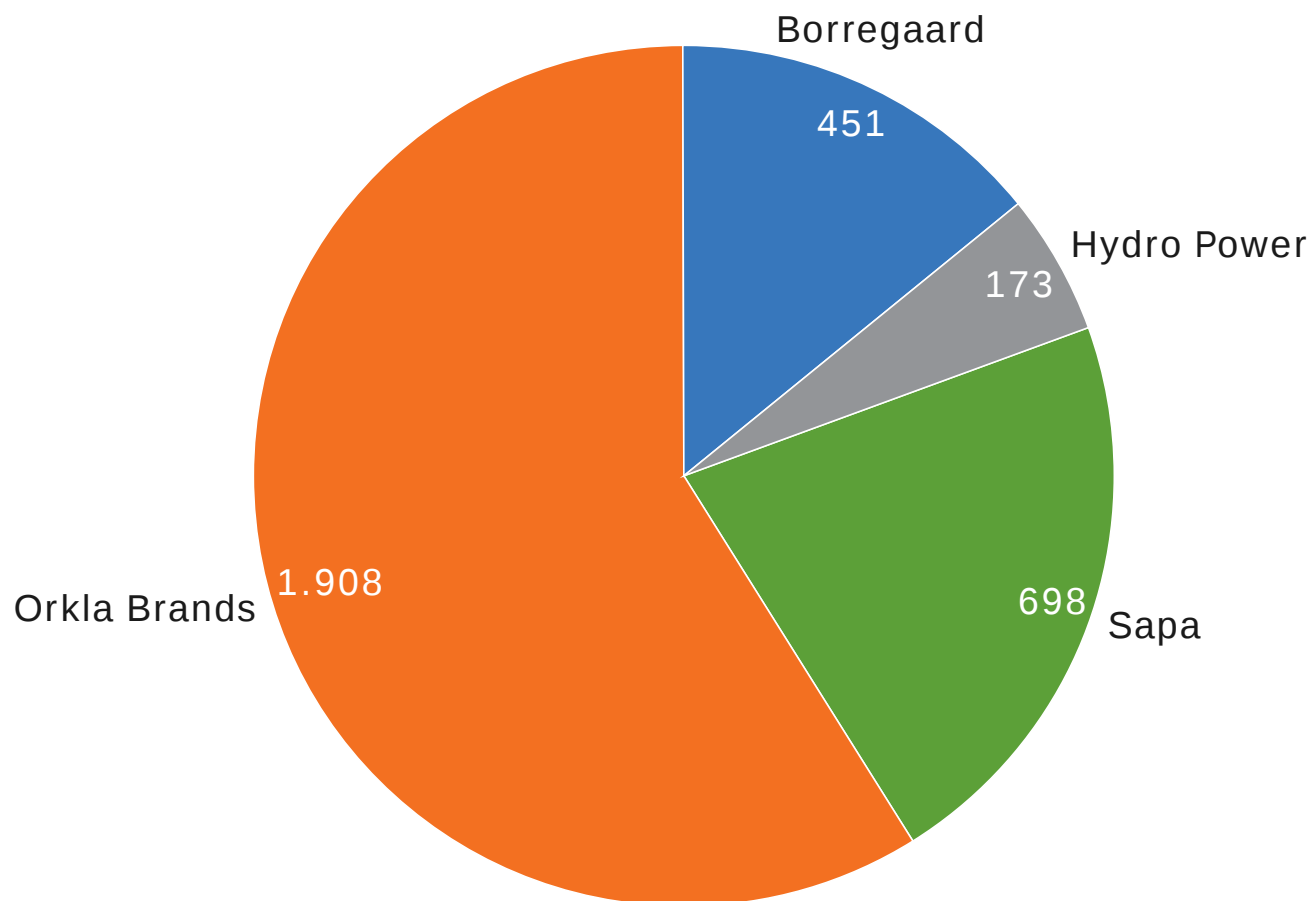
- Key strategic messages from Orkla Investor Day
- Highlights Q3-11
- Borregaard and Hydro Power
- Short-term outlook
- Sapa
- Orkla Brands

Strategic messages from Orkla Investor Day

- Orkla will grow by allocating capital within branded goods
- Orkla will divest its Share Portfolio, Borregaard and holding in REC
- Focus on operational improvements for Sapa
 - then within 2-3 years find a structural solution
- Hydro Power assets defined as financial assets
- A special dividend of NOK 5 per share is proposed by the Board of Directors



EBITA contribution by segments

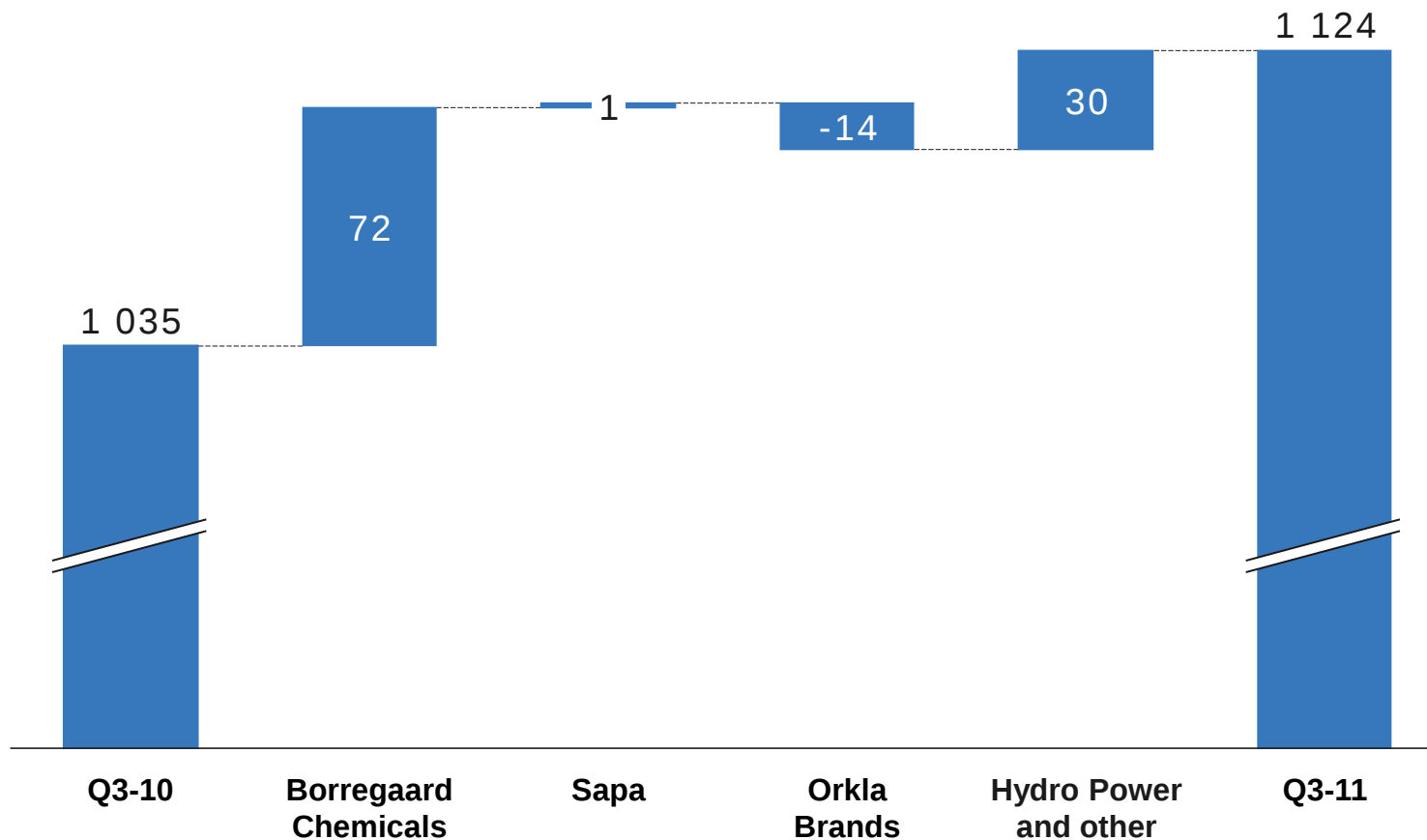


Amounts in NOK million at Q3-11

Highlights Q3-11

- EBITA growth for the 9th consecutive quarter
 - +9% compared with Q3-10
- Satisfactory performance for Orkla Brands
 - High raw material prices compensated for in the quarter
- Softer markets for Sapa
 - Satisfactory for Profiles North America, weak margins in Europe
 - Softer markets and weaker performance for Heat Transfer Sweden
- Strong results for Borregaard
- Share Portfolio net sales of NOK 2.5 billion YTD
 - Market value at NOK 7.4 billion at 30 Sep 2011
- Write-down of Orkla's investment in REC to share price at 30 Sep 2011 (NOK 1.8 billion)

Change in EBITA Q3-10 to Q3-11



Group income statement

Amounts in mill. NOK

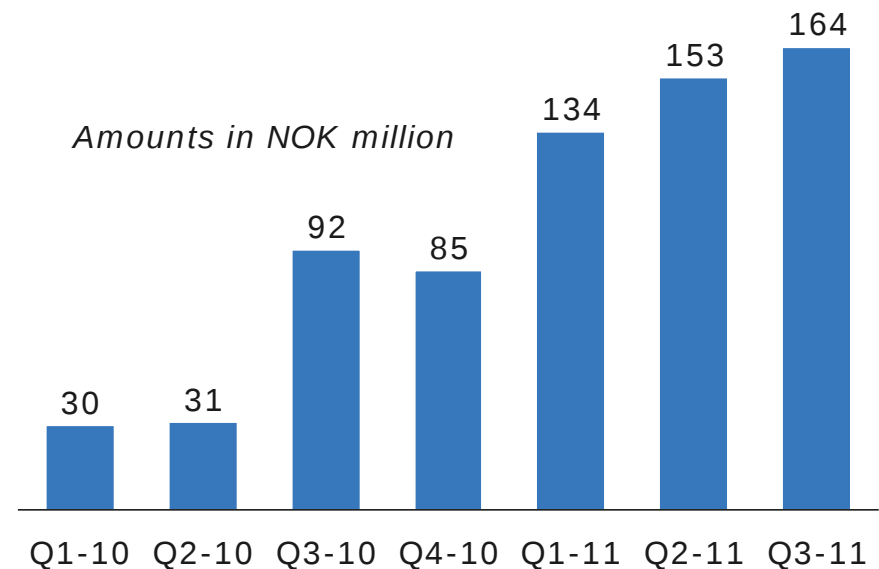
	Q3 2011	Q3 2010	Change
Operating revenues	14 896	14 198	5 %
EBITA	1 124	1 035	9 %
Amortisation intangible assets	-9	-12	
Other income and expenses	-178	-15	
EBIT	937	1 008	
Profit/loss associates	-1 787	2 089	
Dividends received, gains, losses and write-downs Share Portfolio	- 82	378	
Financial items, net	- 97	- 100	
Profit/loss before taxes	-1 029	3 375	
Taxes	-269	-305	
Profit/loss for the period for continued operations	-1 298	3 070	
Gains/profit discontinued operations	0	42	
Profit/loss for the period	-1 298	3 112	
Earnings per share diluted (NOK)	-1.3	3.1	
Cash flow from operations	1 183	844	
Net interest-bearing liabilities at 30 Sep	8 060	23 983	

Continued strong results for Borregaard

- Continued favourable market conditions in key segments
- Significant improvement in results for speciality cellulose
- Stable volumes and satisfactory performance for lignin
- Strong innovation programme

Amounts in NOK million			
Operating revenues	Q3-11	Q3-10	Change
Borregaard Chemicals	985	933	6%

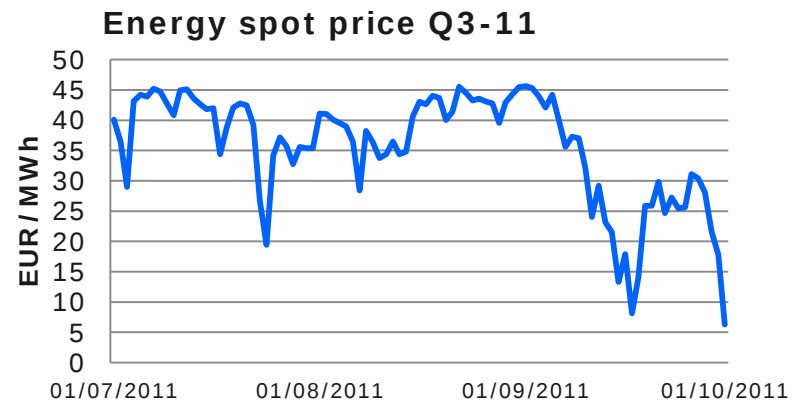
EBITA	Q3-11	Q3-10	Change
Borregaard Chemicals	164	92	78%
EBITA-margin %	16.6	9.9	



Hydro Power: High volumes, lower prices

- A significant drop in prices during September hampers profit in a quarter with strong production
- High precipitation and inflow gave profit increase for Sauda
 - Reservoir level of 93% at end of Q3-11
- Modest decline in results for Borregaard's energy operations compared with last year

EBITA	Amounts in NOK million		
	Q3-11	Q3-10	Change
Hydro Power	93	98	-5%



Short-term outlook

- Stable markets in the Nordic region for Orkla Brands
 - Volatile raw material prices
 - The Russian operations are improving
- Softening markets for Sapa
- Favourable market conditions for Borregaard also in Q4-11



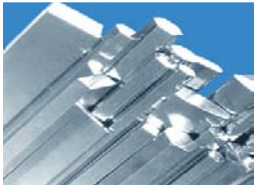


SAPA

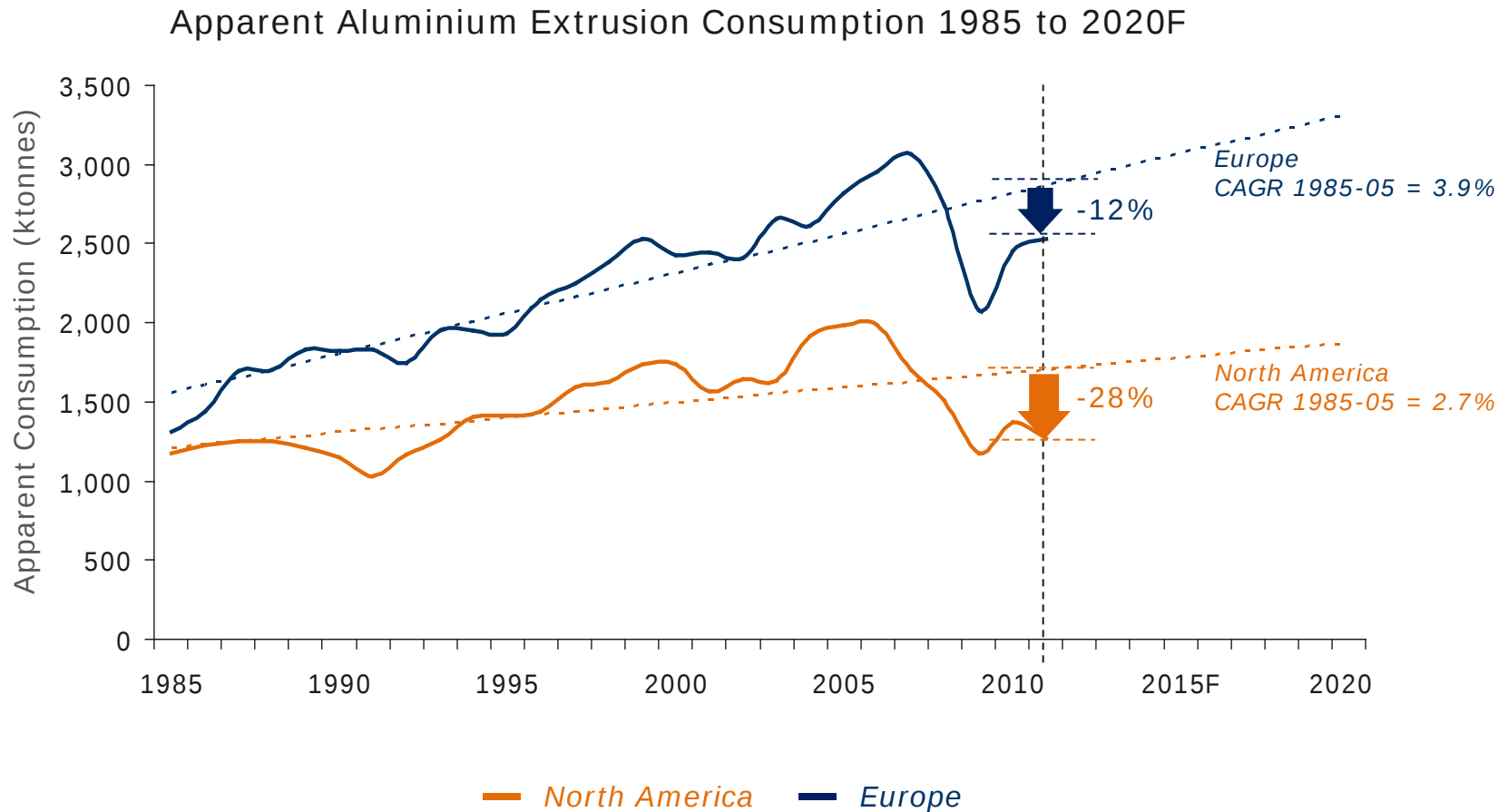
SVEIN TORE HOLSETH, CEO SAPA

Expectations of the underlying market growth for full year 2011 have decreased during Q3

Expected Development by Geographic Region & End-Use Market 2011 vs. 2010

						
	Distribution	Industrial	Com. B&C	Res. B&C	Transport	Automotive
North America	 0% to 5%	 0% to 5%	 5% to -10%	 5% to -10%	 10% to 15%	 0% to 5%
Europe	 0% to 5%	 0% to 5%	 0% to -5%	 0% to -10%	 0% to 5%	 0% to 5%
China	N/A	 10% to 15%	 10% to 15%	N/A	 5% to 10%	 5% to 10%

Extrusion consumption still well below mid-cycle levels



Source: European Aluminium Association, Aluminum Association, and Sapa Analysis

Softening markets

- Satisfactory performance for the North American operations
- Continued weak development and margins for Profiles Europe
- Softening markets for Heat Transfer and weaker operational performance in Sweden
- Footprint established in Asia, focus on integration

Amounts in NOK million

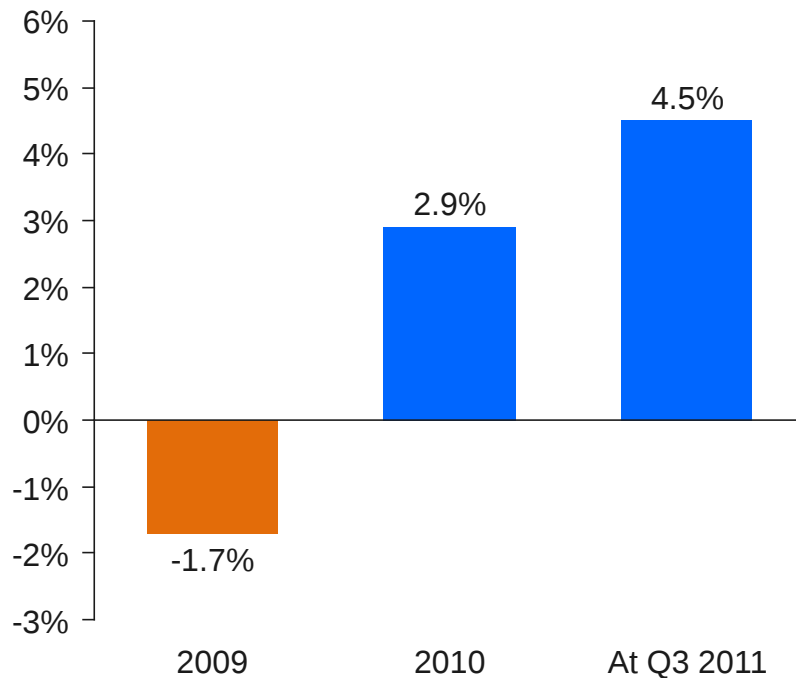
Operating Revenues	Q3-11	Q3-10	Change
Sapa	7 621	7 024	8 %
Profiles	6 077	5 577	9%
Heat Transfer and Building System	1 762	1 648	7%
Eliminations	- 218	- 201	

EBITA	Q3-11	Q3-10	Change
Sapa	163	162	1%
Profiles	119	99	20%
Heat Transfer and Building System	44	63	-30%
EBITA margin (%)	2.1	2.3	

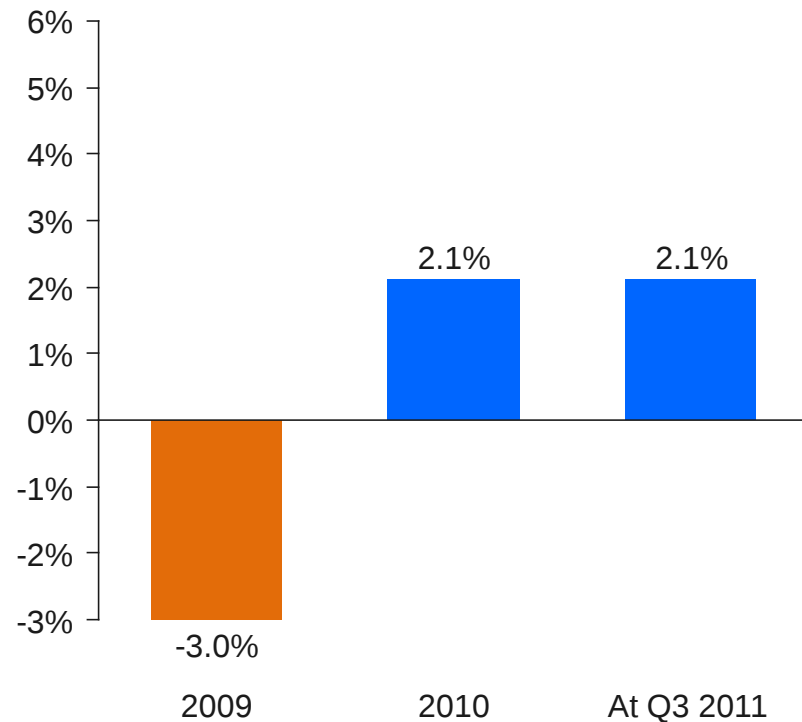
Satisfactory performance by Profiles

North America, weak margins in Europe

Sapa Profiles North America
EBITA margin development

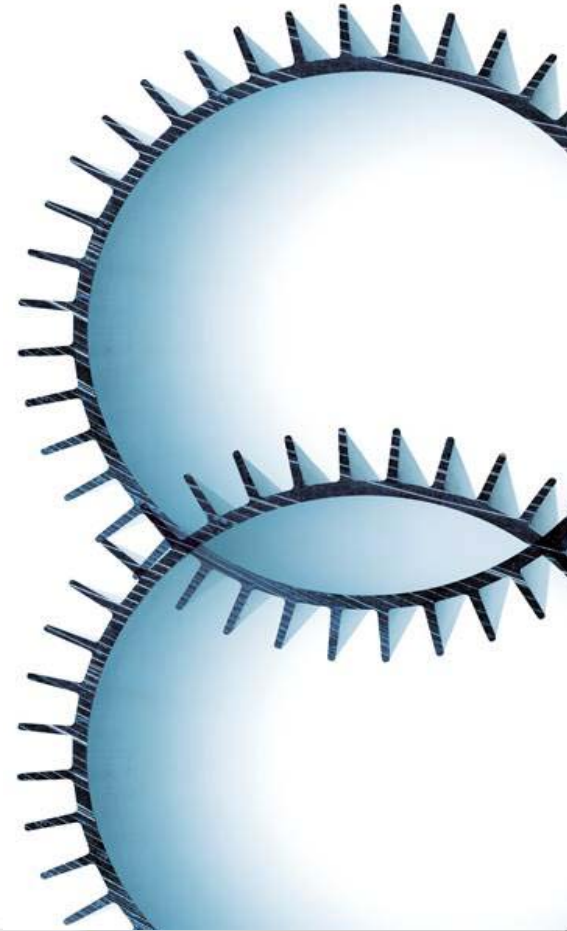


Sapa Profiles Europe
EBITA margin development



Strengthening restructuring programmes

- Restructuring programmes in Europe according to plan
 - Portugal and Denmark implemented
 - Proposal of closure of extrusion activities in Ghlin, Belgium have been accepted - social plan to be formally signed 27 October
- Additional actions taken in Q3 as well as further measures planned for Q4
- Estimated annualised cost improvement increased to NOK 250-300 million, with effect in 2012



Sapa - outlook Q4-11

- Softer extrusion markets expected in Q4
- Order intake flattening out for Heat Transfer compared with previous quarters
- Results in Q4-11 expected to be weaker than Q3-11

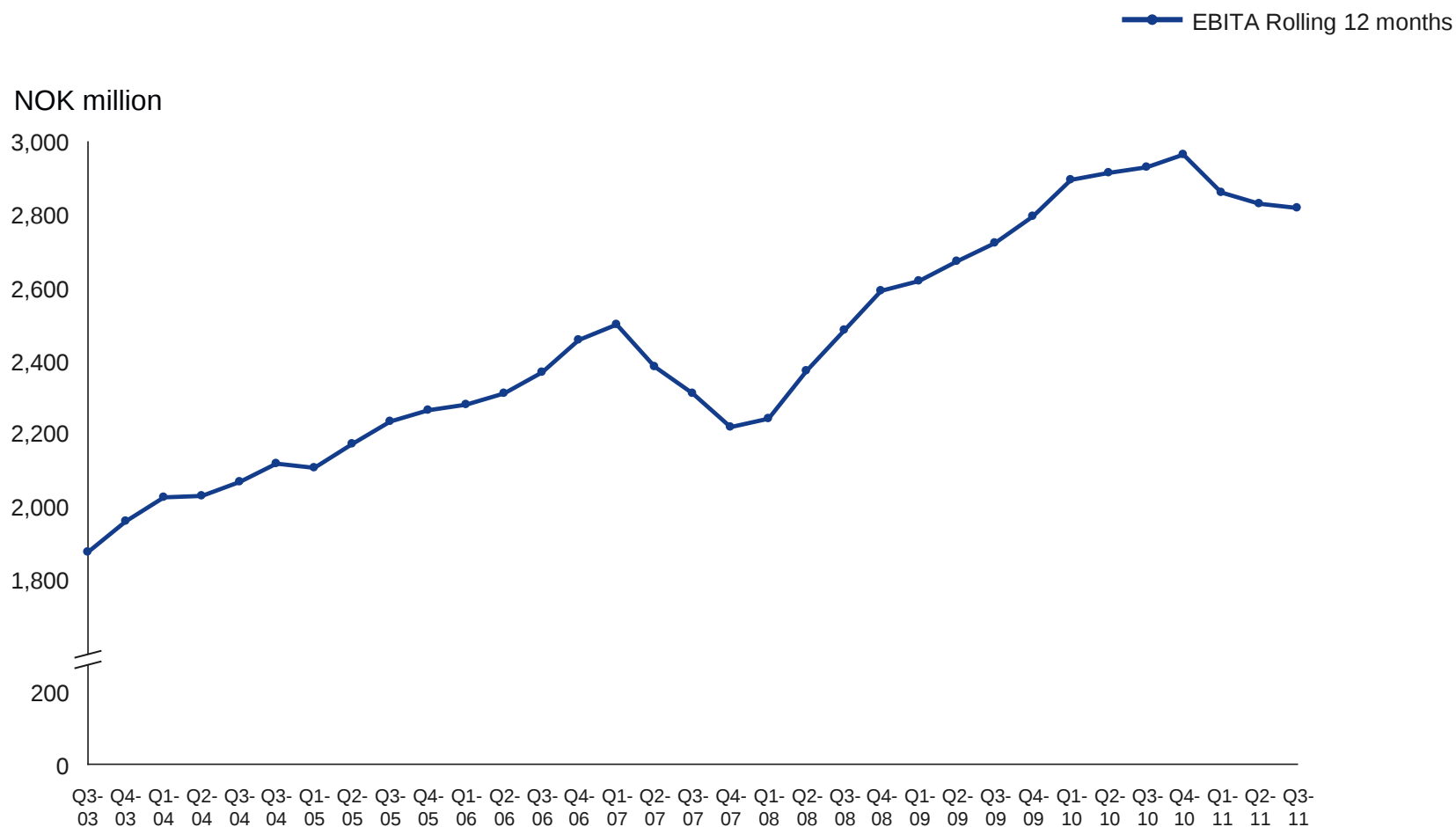




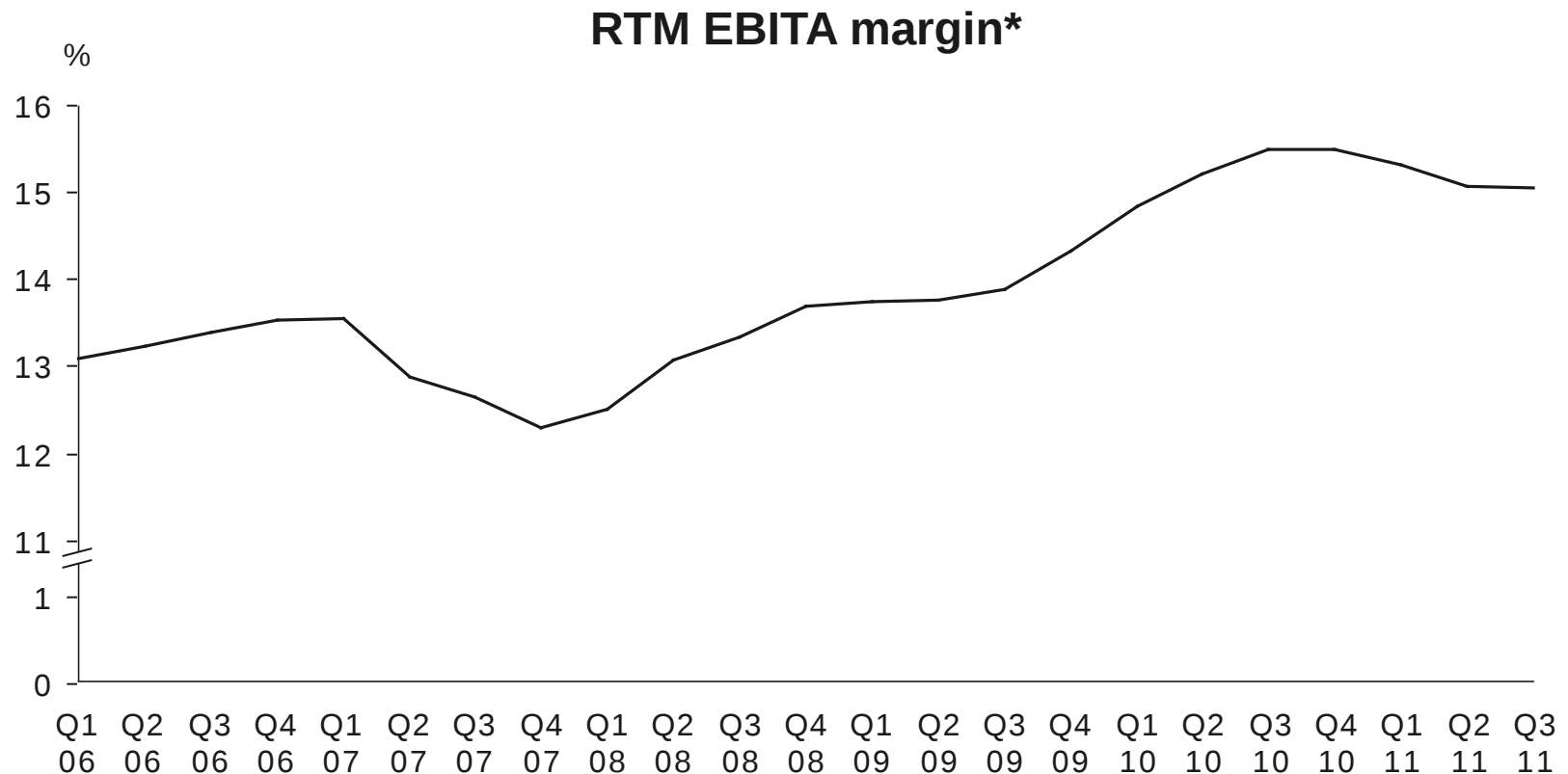
ORKLA BRANDS

TORKILD NORDBERG, CEO ORKLA BRANDS

Consistent long-term performance



Margins stabilised at a higher level in the Nordic FMCG companies



* Orkla Brands Nordic and Orkla Foods Nordic

Profit in line with last year, in spite of weak markets and higher raw material prices

- Top line growth of 4%* related to price increases – to offset higher raw material prices
- Margins stabilised
- Russian business improving – integration proceeding as planned
- Challenging market conditions, especially for Food Ingredients

Operating revenues	Q3-11	Q3-10	Change
Orkla Brands	6 030	5 804	4%
Orkla Foods Nordic	2 242	2 267	-1%
Orkla Brands Nordic	1 947	1 939	0%
Orkla Brands International	498	464	7%
Orkla Food Ingredients	1 418	1 201	18%
Eliminations Orkla Brands	- 75	- 67	

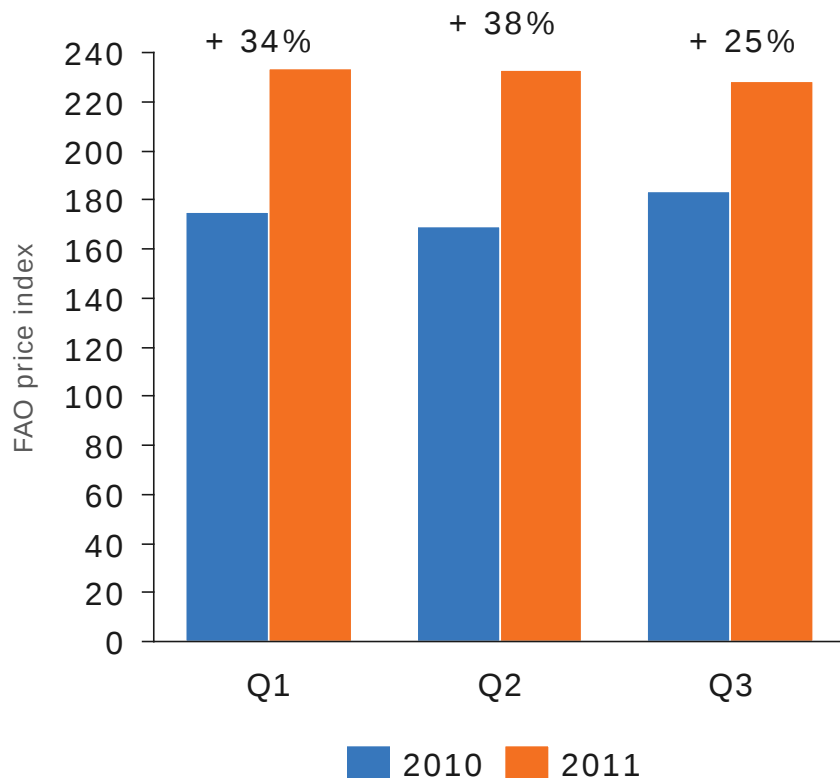
Operating profit - EBITA	Q3-11	Q3-10	Change
Orkla Brands	762	776	-2%
Orkla Foods Nordic	262	290	-10%
Orkla Brands Nordic	428	418	2%
Orkla Brands International	10	0	
Orkla Food Ingredients	62	68	-9%

EBITA margin (%)	12.6	13.4	
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* Underlying growth

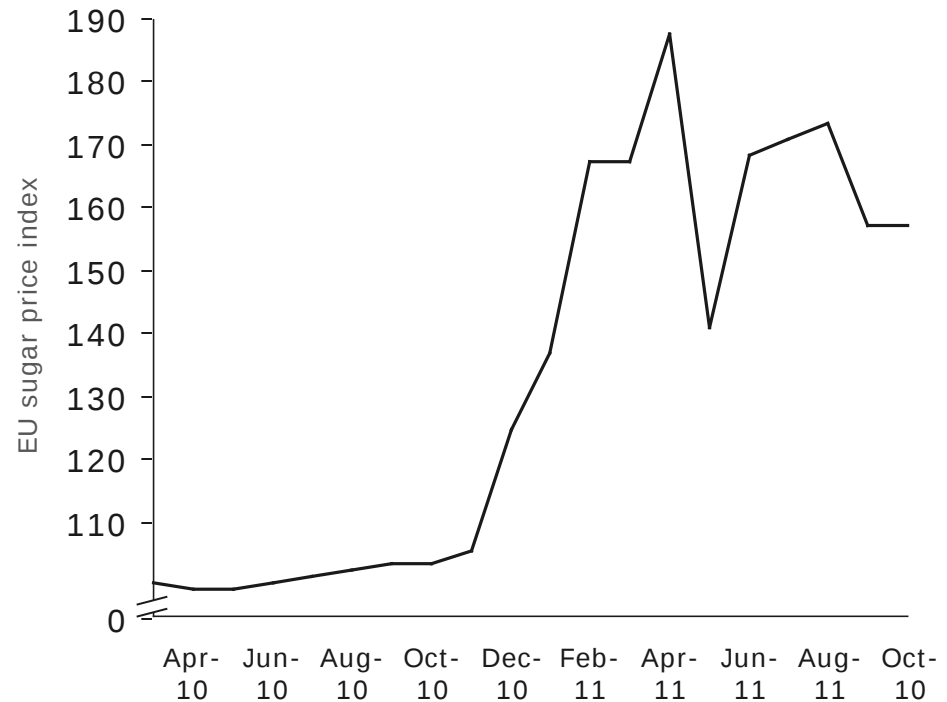
Higher raw material prices in 2011 than in 2010

FAO price index: higher price levels each quarter in 2011 than in 2010



Source: FAO

EU sugar: 50% higher prices than last year



Source: Kingsman

Examples of innovations



"Grandiosa - Our Homemade"



- Launched February 2011
- More than 2 million units sold
- Significant contributor to category growth
 - ~ 50% of sales growth





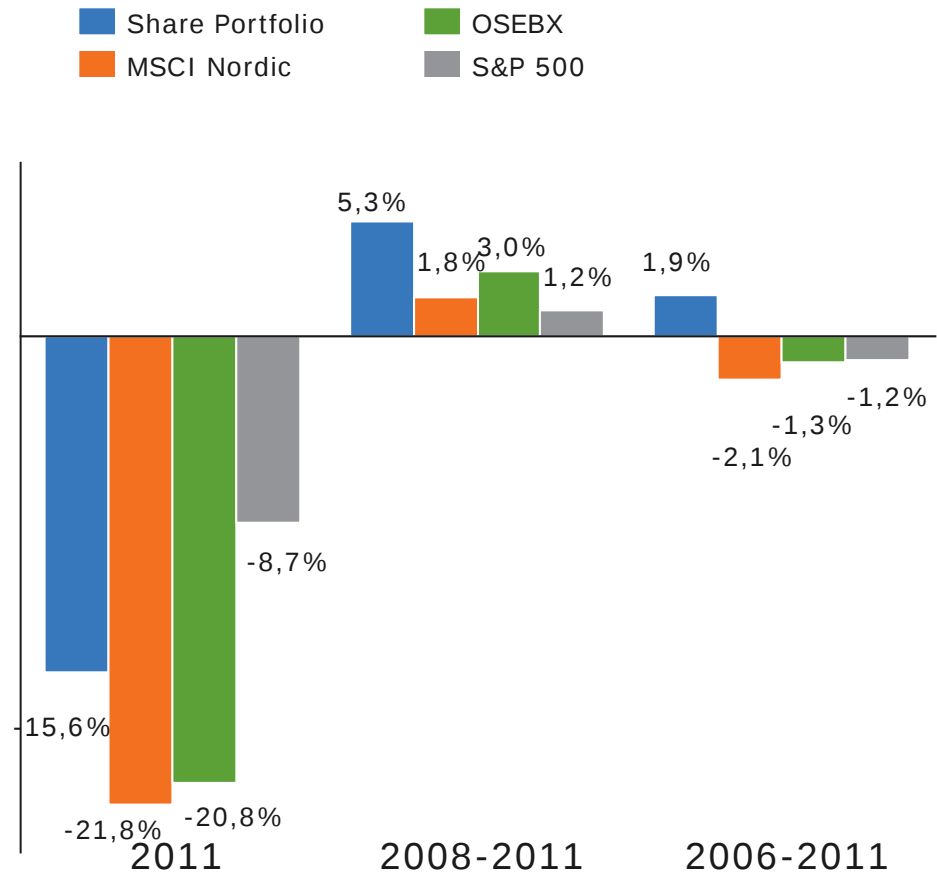
Q&A

- Bjørn M. Wiggen, CEO
- Terje Andersen, CFO
- Torkild Nordberg, CEO Orkla Brands
- Svein Tore Holsether, CEO Sapa

Appendix

Share Portfolio

- Market value of the Share Portfolio NOK 7.4 billion
 - Net sales NOK 2.5 billion at 30 Sep 2011
- Return on the Share Portfolio in first half 2011 -15.6%
- 91% of the portfolio is invested in the Nordic region





Amounts in NOK million

Jotun	T2-11	T2-10	Change
Revenues	4 660	4 404	6 %
EBIT	439	595	-26 %
Profit/loss before tax	428	584	-27 %



For more information: www.jotun.com



Amounts in NOK million

REC	Q3-11	Q3-10	Change
Revenues	3 001	3 783	-21 %
EBITDA	370	827	-55 %
EBIT*	-1 282	155	
Profit/loss before tax	- 445	-1 003	

* Includes impairment charges of NOK -1.184 bn in Q3-11



For more information: www.recgroup.com

Income statement

Amounts in mill. NOK

	Q3 2011	Q3 2010	1.1.-30.9 2011	1.1.-30.9 2010
Operating revenues	14 896	14 198	45 793	41 454
Operating expenses	-13 310	-12 701	-41 401	-37 488
Depreciation and write-down property, plant and equipment	- 462	- 462	-1 403	-1 344
Amortisation intangibles	-9	-12	-23	-37
Other revenues and expenses	-178	-15	-613	-176
EBIT	937	1 008	2 353	2 409
Profit/loss from associates	-1 787	2 089	-4 744	-5 303
Dividends received	23	60	343	449
Gains, losses and write-downs Share Portfolio	- 105	318	914	905
Financial items, net	- 97	- 100	- 322	- 251
Profit/loss before taxes	-1 029	3 375	-1 456	-1 791
Taxes	-269	-305	-739	-746
Profit/loss for the period continued operations	-1 298	3 070	-2 195	-2 537
Gains/profit discontinued operations	0	42	1 213	10
Profit/loss for the period	-1 298	3 112	- 982	-2 527
Profit/loss attributable to non-controlling interests	7	- 1	23	38
Profit/loss attributable to owners of the parent	-1 305	3 113	-1 005	-2 565
Profit/loss before taxes, Industrial Activities	- 936	2 936	-2 738	-3 166
Profit/loss before taxes, Orkla Financial Investments	- 93	439	1 282	1 375
Earnings per share diluted (NOK)	-1.3	3.1	-1.0	-2.5

Cash flow third quarter

Amounts in NOK million

	Q3-11	Q3-10
Cash flow Industrial Activities:		
Operating profit	942	1 006
Amortisation, depreciations and impairment charges	531	464
Changes in net working capital, etc.	1	- 261
Net replacement expenditure	- 291	- 365
Cash flow from operations	1 183	844
Financial items, net	- 79	- 237
Cash flow Industrial Activities	1 104	607
Cash flow from Orkla Financial Investments	610	105
Taxes paid	- 154	- 102
Discontinued operations and other payments	57	- 830
Cash flow before capital transactions	1 617	- 220
Paid dividends	0	- 128
Net sale/purchase of Orkla shares	0	5
Cash flow before expansion	1 617	- 343
Expansion Industrial Activities	- 288	- 134
Sale of companies/share of companies	0	224
Purchase of companies/share of companies	- 448	- 56
Net sale/purchase of portfolio investments	424	674
Net cash flow	1 305	365
Currency effects of net interest-bearing liabilities	- 147	438
Change in net interest-bearing liabilities	-1 158	- 803
Net interest-bearing liabilities	8 060	23 983

Balance sheet as of 30 Sep 2011

Amounts in NOK million

	30.09.2011	31.12.2010
Intangible assets	13 082	12 960
Property, plant and equipment	17 828	17 730
Financial assets	6 501	10 985
Non-Current assets	37 411	41 675
Assets in discontinued operations	-	13 891
Inventories	8 094	7 102
Receivables	11 019	10 380
Share Portfolio etc.	7 438	11 674
Cash and cash equivalents	8 205	2 819
Current assets	34 756	31 975
Total assets	72 167	87 541
Paid-in equity	1 995	1 999
Earned equity	37 334	44 567
Non-controlling interests	333	365
Equity	39 662	46 931
Provisions and other non-current liabilities	3 511	4 081
Non-current interest-bearing liabilities	16 114	21 820
Current interest-bearing liabilities	1 021	1 380
Liabilities in discontinued operations	-	2 544
Other current liabilities	11 859	10 785
Equity and liabilities	72 167	87 541
Equity ratio	55.0%	53.6%

Currency translation effects

Amounts in NOK million

Revenues	Q3-11	YTD Q3-11
Orkla Brands	-86	-16
Sapa	-464	-948
Borregaard	-20	-40
Total	-570	-1,004

EBITA	Q3-11	YTD Q3-10
Orkla Brands	-7	12
Sapa	-18	-55
Borregaard	-2	-4
Total	-27	-47

Largest holdings in the Share Portfolio as of 30 Sep 2011

Amounts in NOK million

Principal holdings	Industry	Market value	Share of portfolio (%)	Share of equity (%)
Tomra Systems	Industrials	867	11 %	15.5 %
Amer Sports	Consumer Discretionary	479	6 %	5.3 %
Tikkurila Oyj	Materials	317	4 %	7.2 %
Schibsted	Consumer Discretionary	280	4 %	2.1 %
Kongsberg Gruppen	Aerospace & Defence	279	4 %	2.3 %
Elekta B	Health Care	270	4 %	1.3 %
Network Norway AS	Telecommunication Services	258	3 %	30.6 %
Oslo Børs VPS Holding ASA	Financials	242	3 %	8.2 %
Ekornes	Consumer Discretionary	225	3 %	6.2 %
Saab AB B-aksjer	Industrials	201	3 %	1.7 %
Total principal holdings		3 418	45 %	
Market value of entire portfolio		7 433		

Financial calendar

- 3 November 2011 - Extraordinary General Meeting
- 4 November 2011 - Share traded ex-dividend
- 15 November 2011 - Dividend payment
- 9 February 2012 - Fourth quarter results 2011
- 19 April 2012 - Annual General Meeting
- 3 May 2012 - First quarter results 2012
- 20 July 2012 - Second quarter results 2012
- 31 October 2012 - Third quarter results 2012



FINANCIAL ITEMS

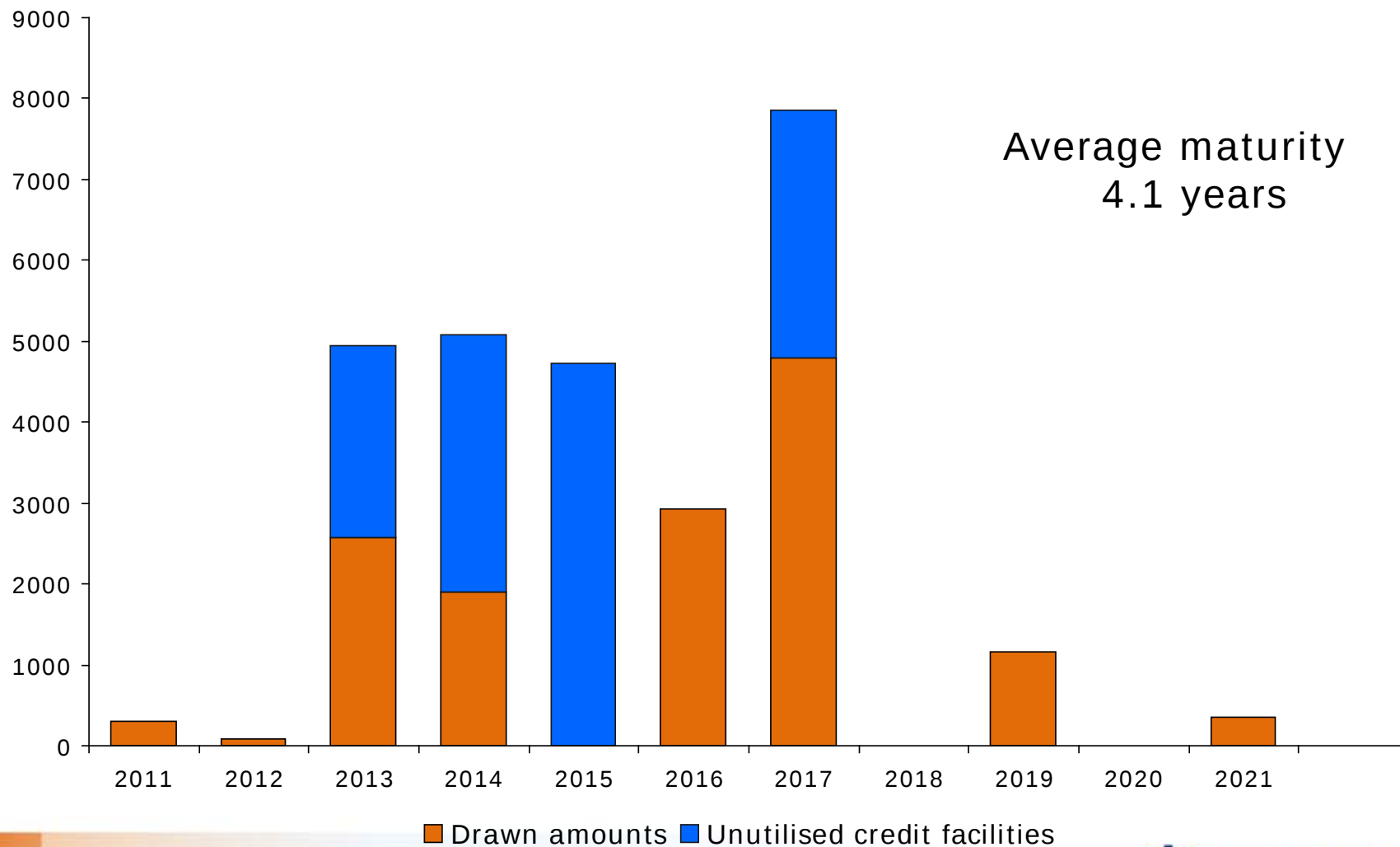
Net financial items

Amounts in NOK million

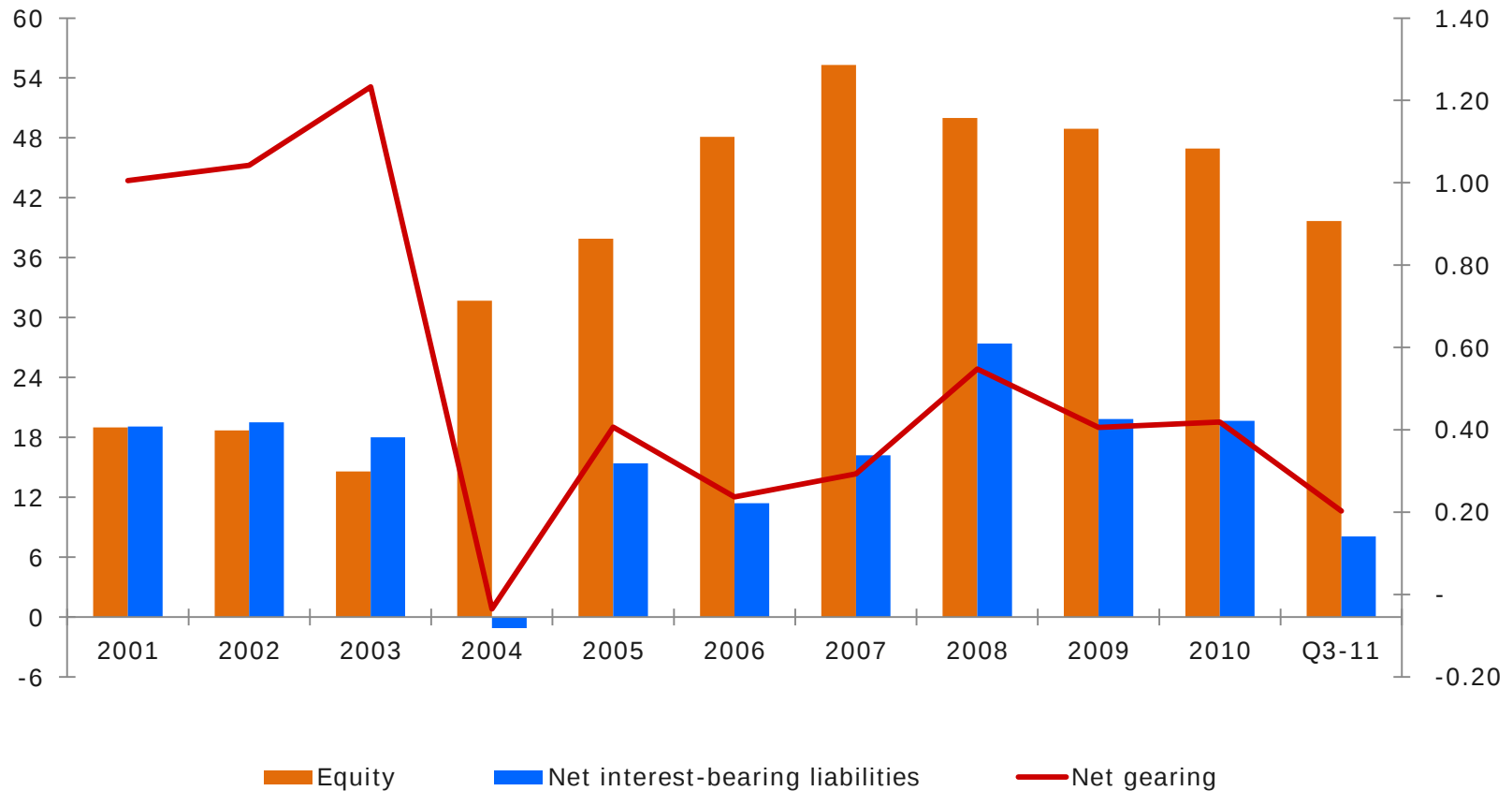
	Q3-11	Q3-10	Full year 2010
Net interest expenses	-93	-99	-242
Currency gain/loss	-22	-3	-12
Other financial items, net	18	2	- 73
Net financial items	-97	-100	-327

Debt maturity profile

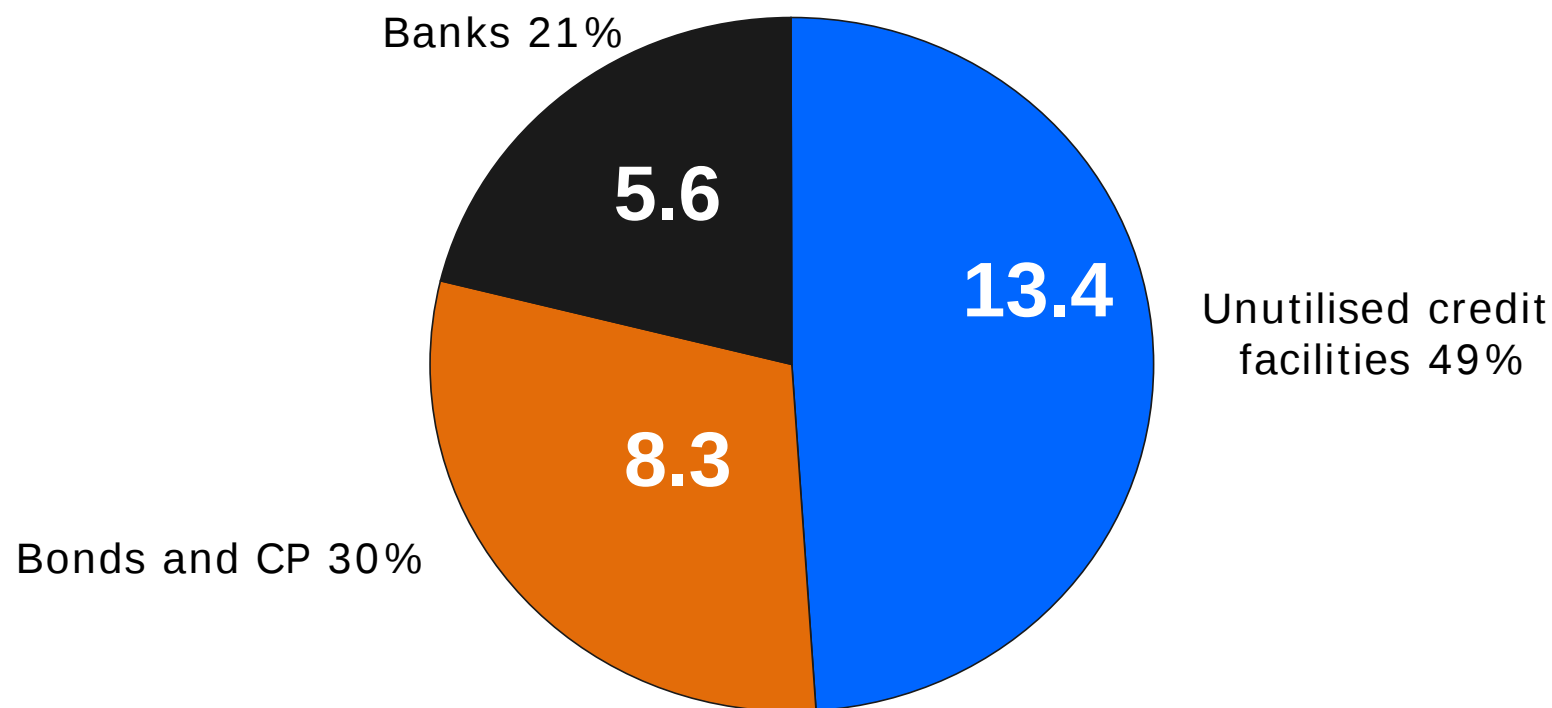
NOK million



Net gearing 0.20 as of Q3-11



Funding sources



Amounts in NOK billion

