



Q4 and full-year results 2009

11 February 2010



Agenda

- Highlights and outlook
Dag J. Opedal, CEO
- Financial performance
Terje Andersen, CFO
- Orkla Aluminium Solutions and
Orkla Materials
Bjørn Wiggen, EVP
- Orkla Brands
Torkild Nordberg, EVP

2009 in brief

ACHIEVEMENTS

- Operational
 - All time high EBITA Orkla Brands and Jotun (42.5%)
 - Lower break even levels for Orkla Alum. Solutions and Materials
 - Share Portfolio return > benchmark
- Structural
 - Asset swap with Alcoa
 - Sale of hydropower assets
 - Acquisition of Indalex
- Financial
 - Cash Flow from operations NOK 5.8 billion (vs. NOK 2.5 billion in 2008)
 - Net gearing 0.41 (vs. 0.55 in 2008)

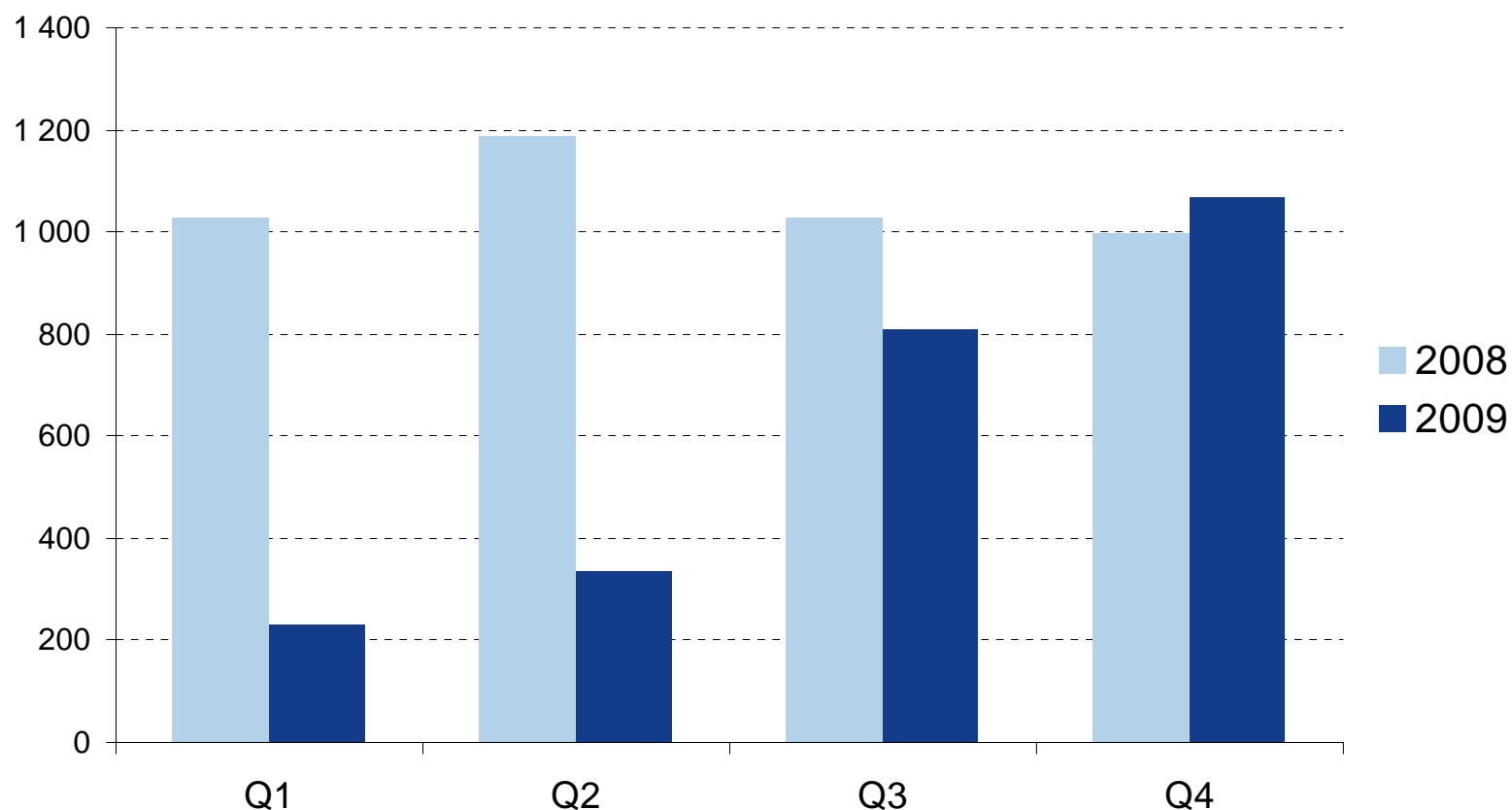
CHALLENGES

- Revenues
 - Drop of 14 %
- EBITA / ROCE
 - Weak 1st half of 2009
- Solar
 - Both REC (39.7 %) and Elkem Solar faced challenges related to significant expansion projects and market imbalances

Comprehensive actions

– EBITA improved through 2009

EBITA in NOK million



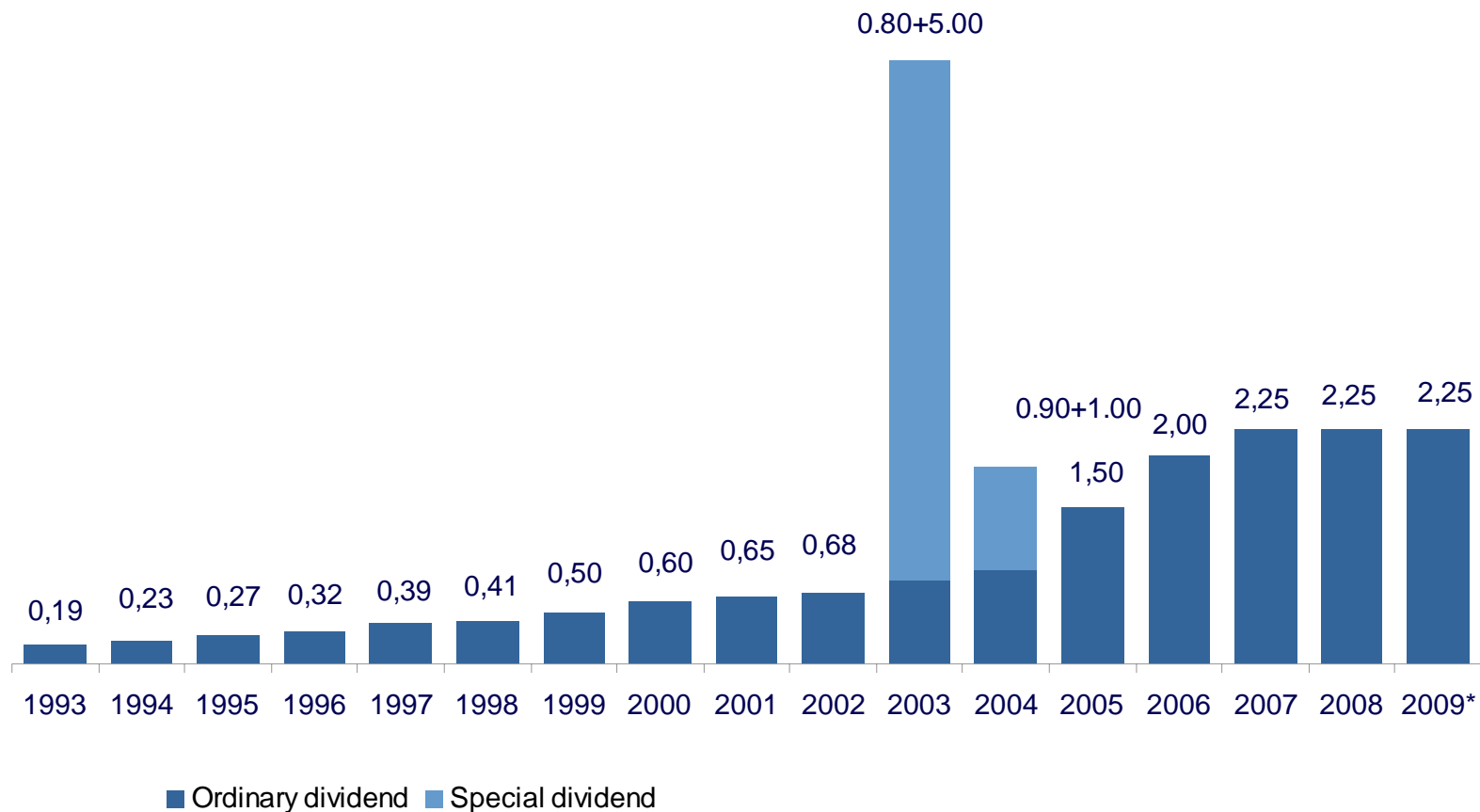
Comprehensive actions aimed to strengthen REC's (39.7%) and ES's positions in 2010/11

- Attractive solar PV market provided clear competitive advantage
 - Robust long term drivers
 - Growth for cost/quality/technology leaders
 - Market imbalances short term
- REC and Elkem Solar (ES) expected to complete major ramp-up phase 2009-2011
 - Dominant part of facilities under ramp-up (Moses Lake/Singapore/Herøya/Glomfjord) and (Kristiansand)
 - Significant internal improvement potential in transition from ramp-up to full operation/production
 - Revenue potentials will thus gradually increase
 - Short term challenges and risks

Short-term outlook

- Market outlook slightly firmer
 - Clear signs of stabilisation at a low level from mid-2009
 - Somewhat more positive underlying momentum in second half of 2009
 - No major trend-shifts expected in Q1 2010
 - Economic trends still uncertain

Dividend strategy- predictability and stability



* Proposed by the Board of Directors



Financial performance

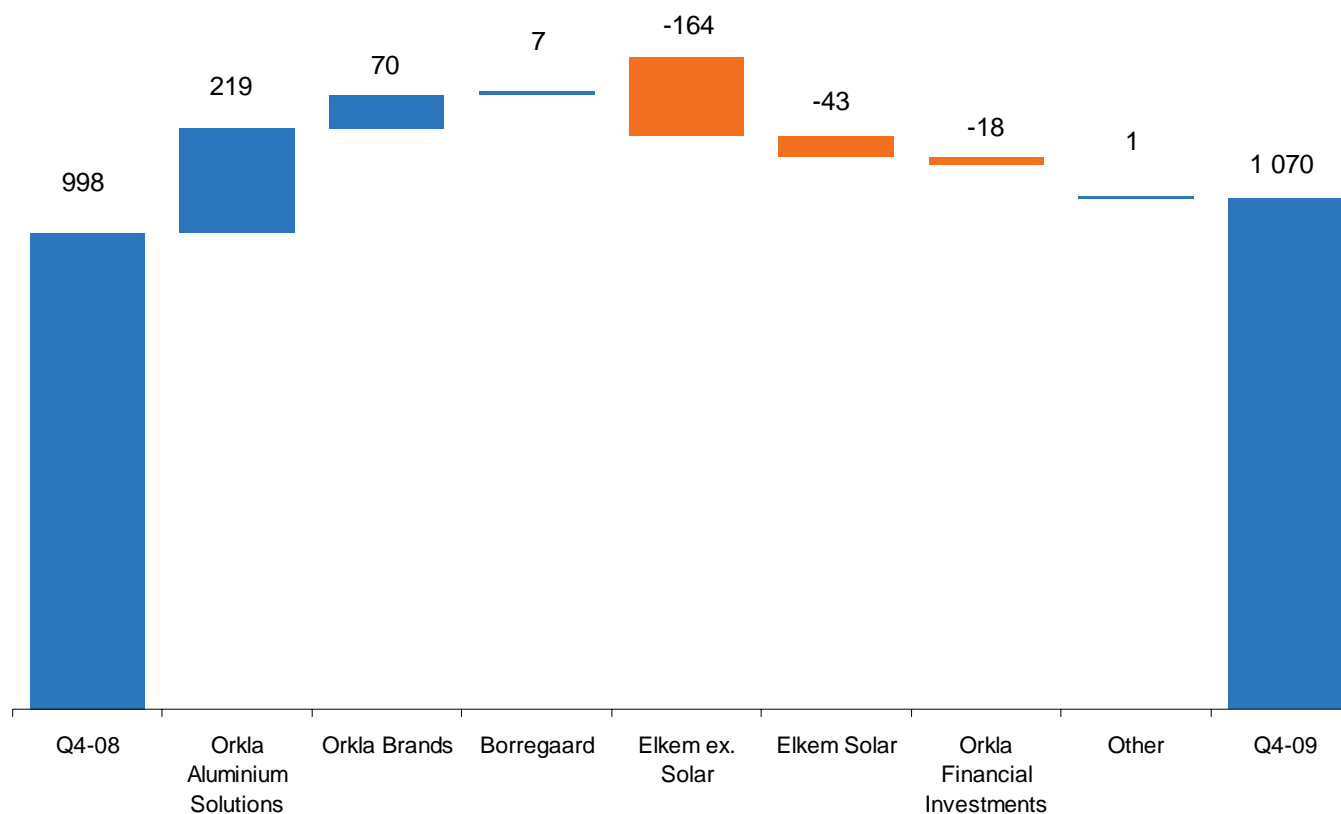
Terje Andersen, CFO

Financial highlights Q4-09

- Improved cost base increased profit in Q4
- EBITA NOK 1.1 billion vs NOK 1.0 billion in 2008, + 7 %
 - Strong quarter for Orkla Brands with profit growth of 9 %
- Markets still weak
 - Operating revenues -9 %
- Gain on sale of energy assets: NOK 4.2 billion (NOK 3.1 billion included in PBT)
- REC write-down NOK 3.1 billion

Brands and Sapa drive improvement vs. Q4-08

EBITA performance from Q4-08 to Q4-09
(figures in NOK million)



All figures in NOK million

Group income statement 2009

Amounts in NOK million

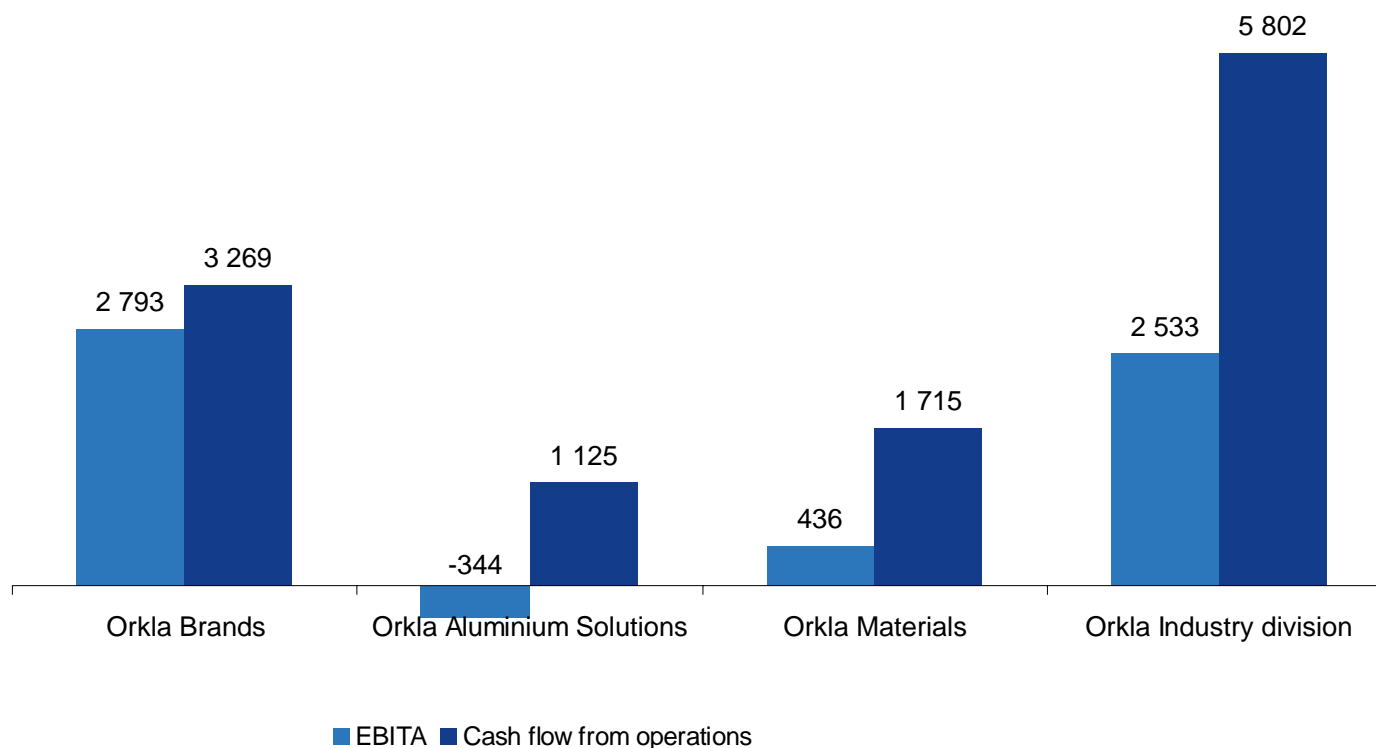
	2009	2008	Change
Operating revenues	56 228	65 579	-14 %
EBIT A	2 448	4 240	-42 %
Amortisation intangibles	-213	-228	
Gain on sale of power assets*	3 066	-372	
Restructuring and significant impairment	-195	-1 282	
EBIT	5 106	2 358	
Associates	-3 919	2 189	
Dividends	252	473	
Gains and losses/write-downs Share Portfolio	584	-6 043	
Net financial items	- 952	- 992	
Profit before tax	1 071	-2 015	
Tax expenses	496	-895	
Profit for the period continuing operations	1 567	-2 910	
Discontinued operations	993	- 55	
Profit for the period	2 560	-2 965	
Minority interests' share of the profit/loss for the period	- 31	- 137	
Majority interests' share of the profit/loss for the period	2 591	-2 828	
Earnings per share diluted (NOK)	2,5	-2.8	

* Write-down inventories Sapa Profiles 2008

Strengthened financial position

- Improved cash flow from operations
- Capital contribution from sale of assets
- Managed the debt portfolio

Cash flow from operations exceeded EBITA for all business areas in 2009

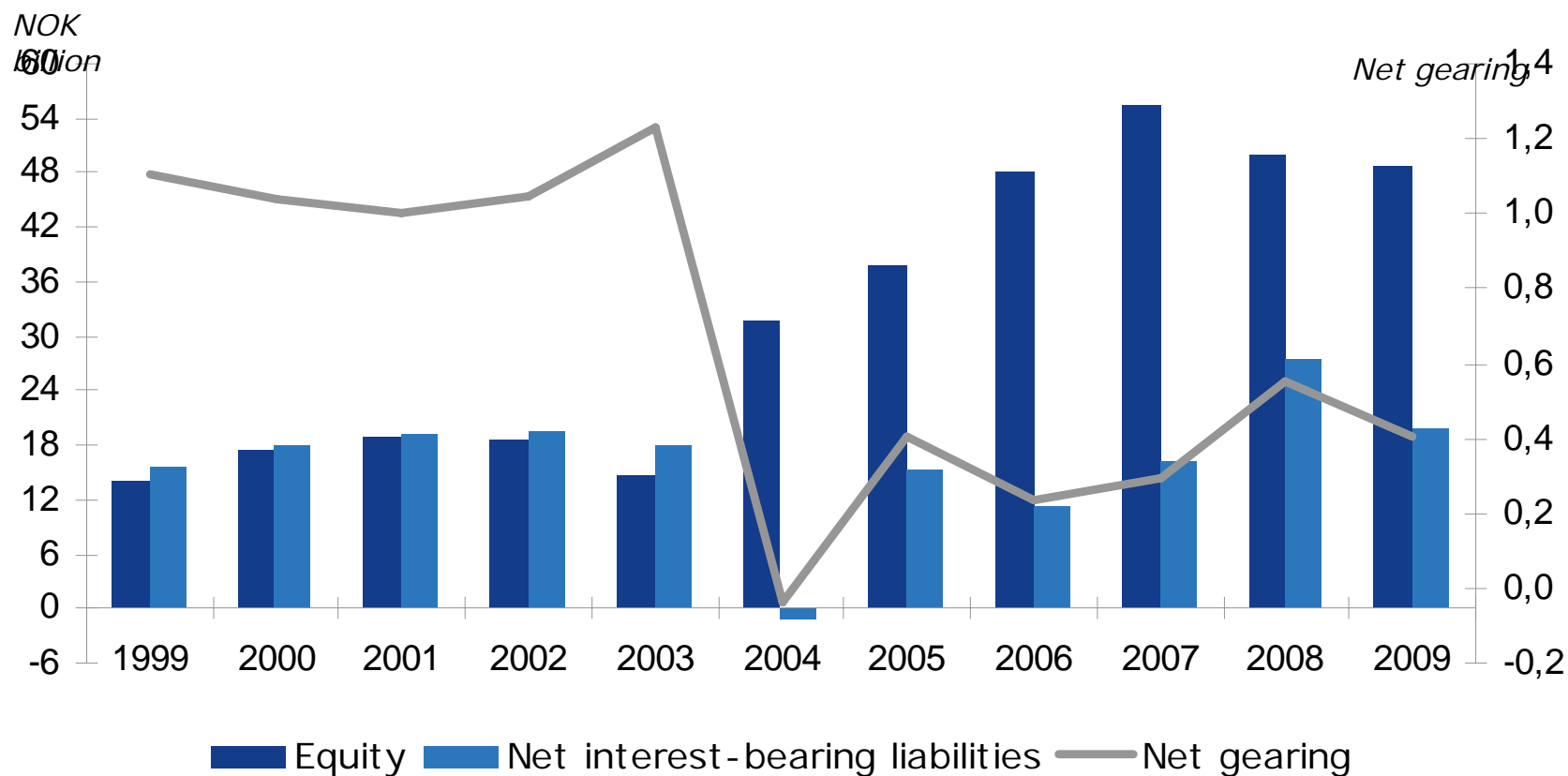


Cash flow as of 31 Dec 2009

Amounts in NOK million

	31.12.2009	31.12.2008
Industry division:		
Operating profit	5 191	2 509
Amortisations, depreciations and write-downs	2 653	3 026
Gain on sale of power plants	-3 066	0
Changes in net working capital	2 197	- 721
Net replacement expenditure	-1 173	-2 271
Cash flow from operations	5 802	2 543
Financial items, net	-1 261	-1 611
Cash flow from Industry division	4 541	932
Cash flow from Financial Investments	1 003	- 697
Taxes paid	-1 402	-1 327
Other payments	25	143
Cash flow before capital transactions	4 167	- 949
Paid dividends	-2 354	-2 348
Net purchases of Orkla shares	94	- 561
Cash flow before expansion	1 907	-3 858
Expansion investment in Industry division	-1 765	-4 142
Sale of companies/shares of companies	5 914	1 317
Purchase of companies/share of companies	-3 282	-1 059
Net purchases/sale of portfolio investments	2 866	-1 829
Net cash flow	5 640	-9 571
Currency effects of net interest-bearing liabilities	1 936	-1 675
Change in net interest-bearing liabilities	-7 576	11 246
Net interest-bearing liabilities	19 848	27 424

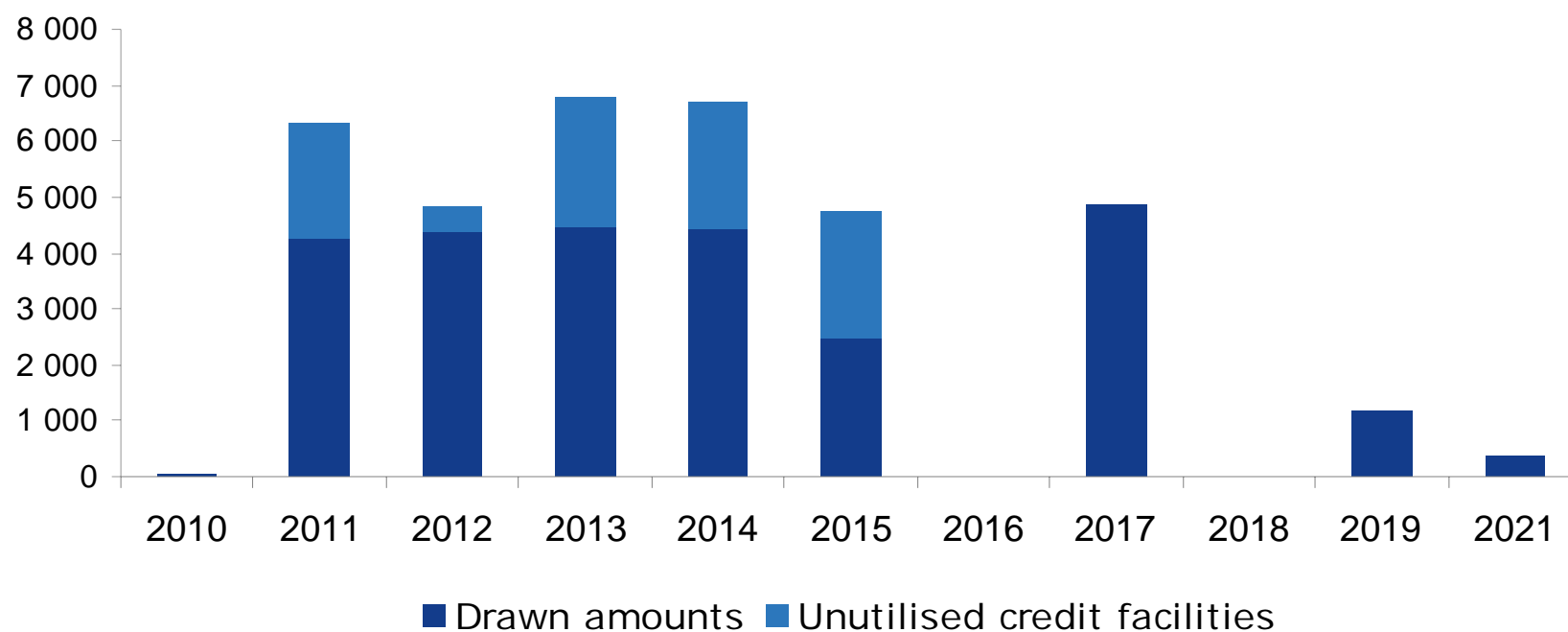
Equity ratio 51.7 % Net gearing 0.41



Managed the debt portfolio

NOK million

Average maturity
4.2 years



Orkla Associates and Orkla Financial Investments



Orkla Associates



Amounts in NOK million

REC	Q4 2009	Q4 2008	Change
Revenues	2 676	2 380	12 %
EBITDA	567	936	-39 %
EBIT*	-1364	696	
Profit/loss before tax	-1 218	1 581	

* Including impairments of NOK 1 485 million

- Reference is made to www.recgroup.com



Amounts in NOK million

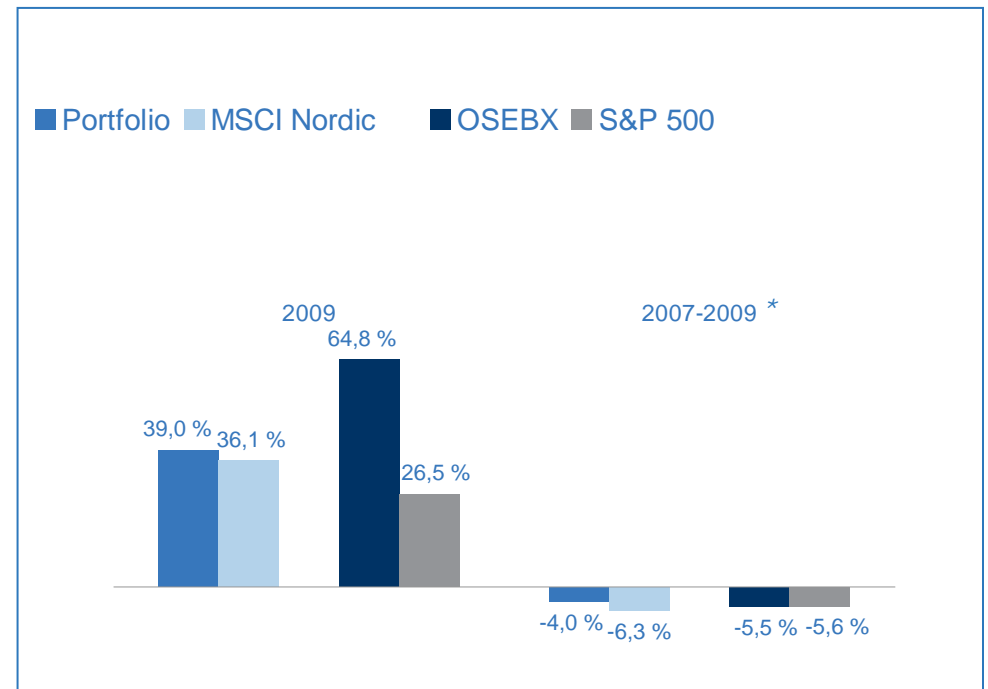
Jotun	1.1-31.8. 2009	1.1-31.8. 2008	Change
Revenues	7 811	6 739	16 %
EBIT	858	807	6 %
Profit before tax	782	792	-1 %

- Satisfactory performance in Q4
- Good markets in the Middle East, but weaker in Europe
 - Stronger NOK and late-cyclical markets
Impacting negatively going forward

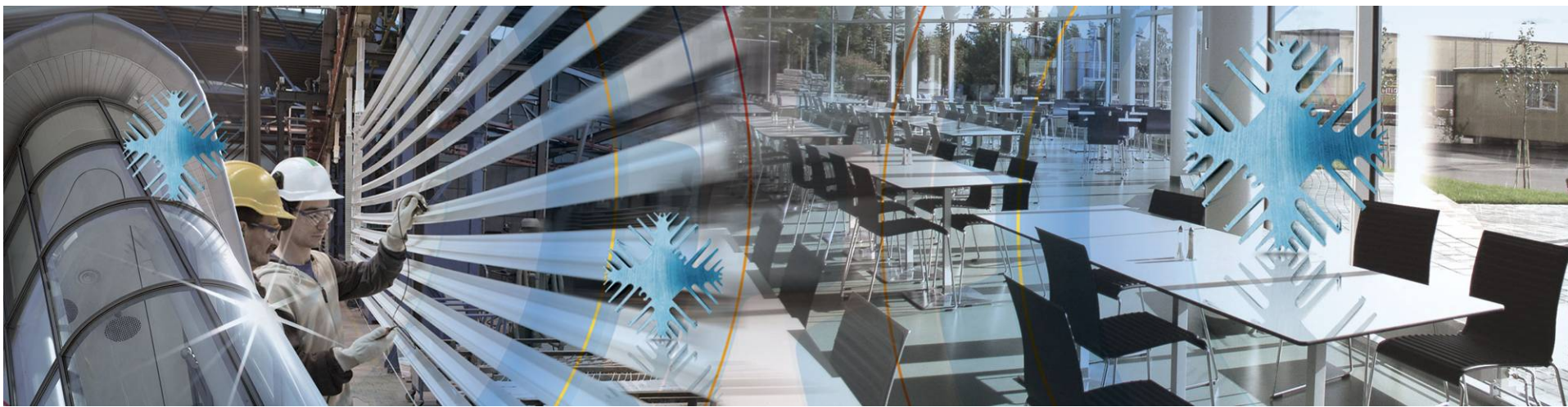
Orkla Financial Investments

Share Portfolio

- Market value of Share Portfolio
NOK 11 billion
- Return on Share Portfolio in 2009
+39 %
- Increased net asset value *
 - + NOK 0.7 billion in Q4
 - + NOK 2.7 billion in 2009
- Orkla will as part of its portfolio management consider divesting its forest properties



* Rolling 36 months



Orkla Aluminium Solutions

Bjørn Wiggen, EVP

A challenging year, but good cash flow performance

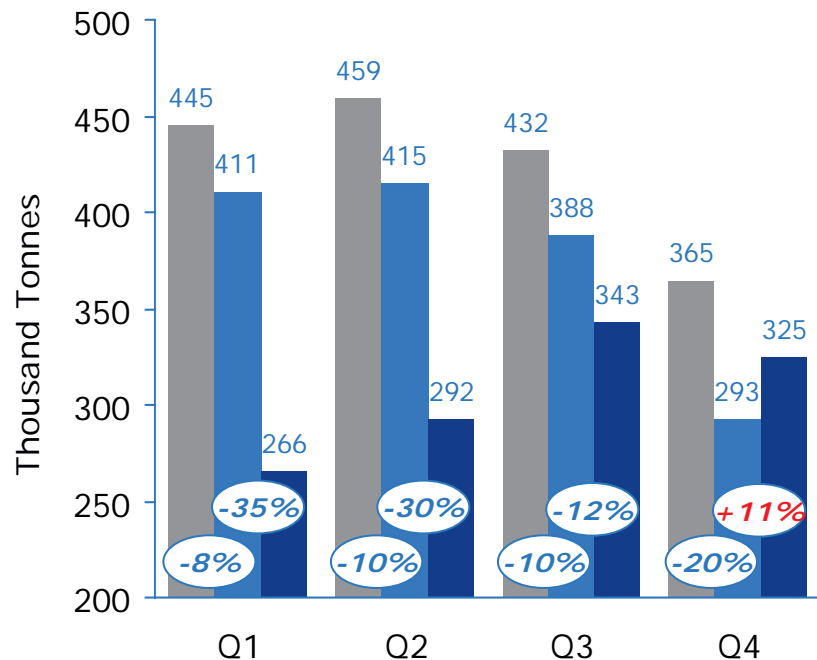
- Negative growth in the European and North American market of -23% and -19%* respectively
- Improved structure and operational performance despite declining markets
- Total Sapa Group pro-forma FTE reduction 3 760 from June 2008 to December 2009 (22%)
- Break-even levels significantly reduced
- Cash flow from operations + NOK 1.1 billion



The last four quarters have been stable

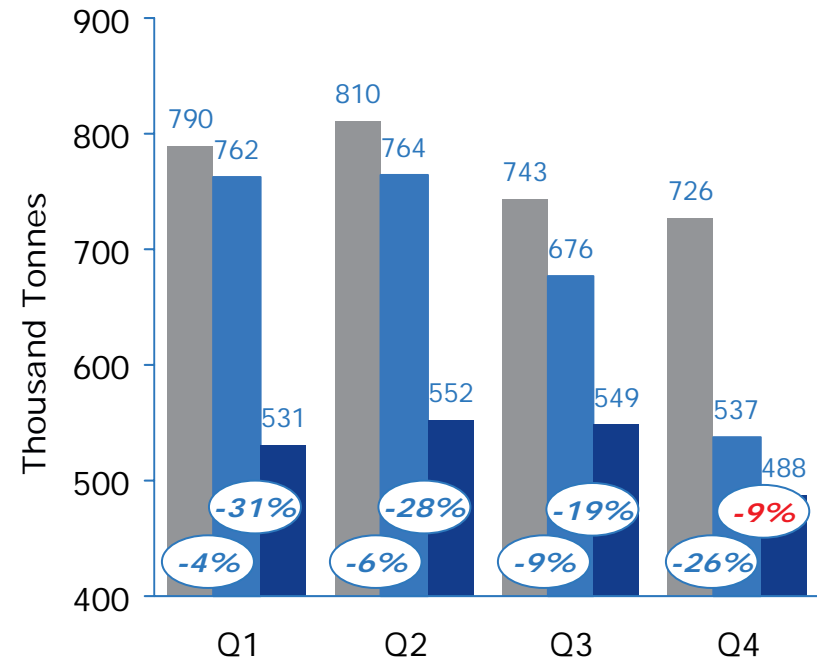
- Year on year the market continues to decline

North America Extrusion Apparent Consumption



- 2007 full year consumption -14%
- 2008 full year consumption -11%
- 2009 full year consumption -19% (estimate)

European Extrusion Apparent Consumption



- 2007 full year consumption +4%
- 2008 full year consumption -11%
- 2009 full year consumption -23% (estimate)



Comprehensive actions improved cost position

Fixed costs reduction 12 month run-rate NOK 500 million

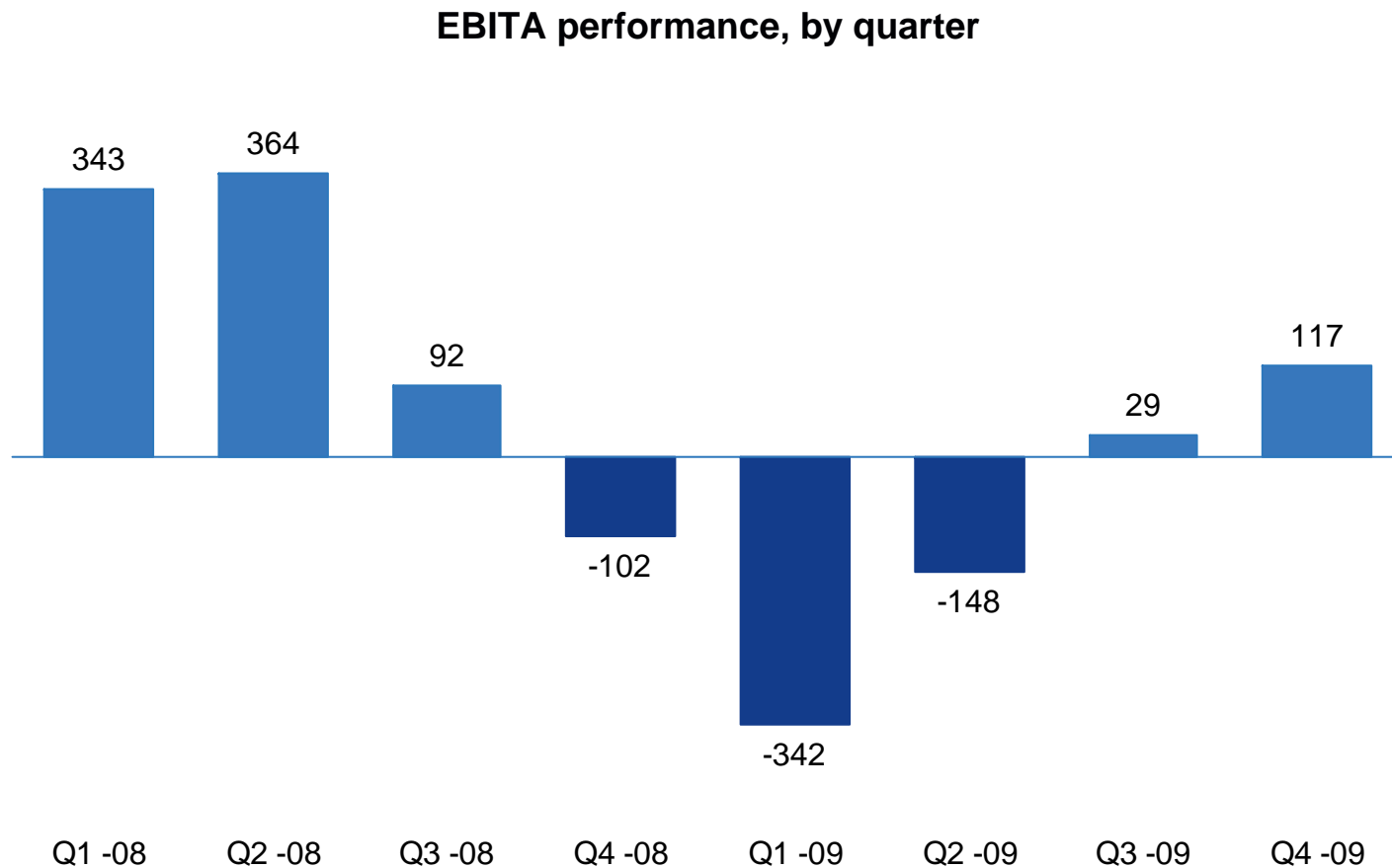
Plants closed:

- Banbury
- Calgary
- Keystone Heights
- Louisville
- Morris
- Noblejas
- Parsons

Other structural actions:

- Catawba: Divested
- City of Industry: Cast house closed
- Harderwijk: Press line to be closed
- Industriservice: Divested
- Magnolia: Press line closed
- Vancouver: Paint line closed

Sapa has undergone a successful turn-around



Solid cost management continues to improve profitability

- Significant contribution from cost efficiency programmes brought positive results in Q4
- Negative growth in Europe, positive in North America
- Continued strong markets for Heat Transfer, while Building Systems negatively impacted by poorer market conditions

Amounts in NOK million

	Q4 2009	Q3 2009	Q4 2008	Change Q4-Q4
Operating revenues				
Orkla Aluminium Solutions	5 592	5 424	6 139	-9 %
Sapa Profiles	4 189	4 120	4 774	-12 %
Sapa HT and BS	1 501	1 507	1 601	-6 %
Eliminations	- 98	- 203	- 236	

Operating profit - EBITA

Orkla Aluminium Solutions	117	29	- 102	
Sapa Profiles	13	- 68	- 271	
Sapa HT and BS	104	97	169	-38 %
EBITA margin (%)	2,1	0,5	-1,7	

Outlook 2010

- Stabilising market demand for Profiles
- Initially negative trend for Building System
 - Time-lag in market demand reduces order intake
 - Cold weather in Europe postpones projects
- High focus on
 - Sustaining cost savings
 - Driving commercial excellence
 - Growth in Asia





Elkem

Improved break-even levels for Elkem

- Strong improvement in cash flow from operations (NOK 1.1 billion)
- Capacity utilisation at 69 % in Q4 for Silicon-related
- Silicon metal and carbon report positive profit growth, however weak growth for Foundry
- Lower prices and lower volumes for Elkem Energy, EBITA -25 %
- Ramp-up according to revised plan for Elkem Solar
 - EBITA - NOK 181 million in Q4

Amounts in NOK million

	Q4 2009	Q4 2008	Change
Operating revenues			
Elkem	2 187	2 497	-12 %
Energy	340	408	-17 %
Silicon-related	1 848	2 103	-12 %
Eliminations	- 1	- 14	
Operating profit - EBITA			
Elkem	127	334	-62 %
Energy	218	290	-25 %
Silicon-related ex. Elkem Solar	90	182	-51 %
Elkem Solar	- 181	- 138	
EBITA margin	5,8	13,4	

Hydropower going forward

- Part of the hydropower assets divested, the remaining assets have a production of 2.6 TWh* per year
- Expected EBITA for Saudefaldene, NOK 200-250 million per year
- Water and snow reservoir levels at Saudefaldene lower than normal at the end of Q4
- From 1.1.2010, Elkem Energy and Borregaard Energy will be reported as Orkla Materials Energy

** Including 0.6 TWh in Borregaard*



Elkem Solar

Ramp-up according to revised plan

- Production in January 114 MT
- 2010 a ramp-up year
 - Ambition: Full capacity utilisation by end of 2010
- Main focus: Stabilising production and increasing capacity utilisation



2010 - a particularly difficult year

- **Overcapacity of solar grade silicon and overcommitted customers**
 - Broadening our customer base - One new contract signed
 - Ongoing dialogue with existing customers regarding 2010 deliveries
- **Project in relatively high-costs phase**
 - The cost base is dimensioned for full production
 - Depreciation costs slightly above NOK 300 million per year
- **Above plant costs total approx. NOK 150 million**
 - Mainly related to R&D
 - Important to keep up technological development in this phase

Well positioned longer term

- Ambitions of taking leading cost position
 - Mid USD 20 per kg*
- Quality approved by new customer



Elkem Solar plant, Kristiansand-Norway

*USD/NOK 6,50



Borregaard

Borregaard:

Progress for Chemicals in Q4

- Stronger results for lignin and speciality cellulose
 - Reduced cost level
 - Currency hedging off-sets stronger NOK
 - Price level largely maintained
- Lower profitability for the energy operations
 - Declining market prices and lower sales volume vs Q4-08
- Indications of more stable markets in 2010; however, stronger NOK will have negative impact on results

Amounts in NOK million

	Q4 2009	Q3 2009	Q4 2008	Change Q4-Q4
Operating revenues				
Borregaard	984	963	1 104	-11 %
Energy	65	68	71	-8 %
Chemicals	960	937	1 090	-12 %
Eliminations	- 41	- 42	- 57	

Operating profit - EBITA

Borregaard	86	128	79	9 %
Energy	40	38	75	-47 %
Chemicals	46	90	4	
EBITA margin	8,7	13,3	7,2	



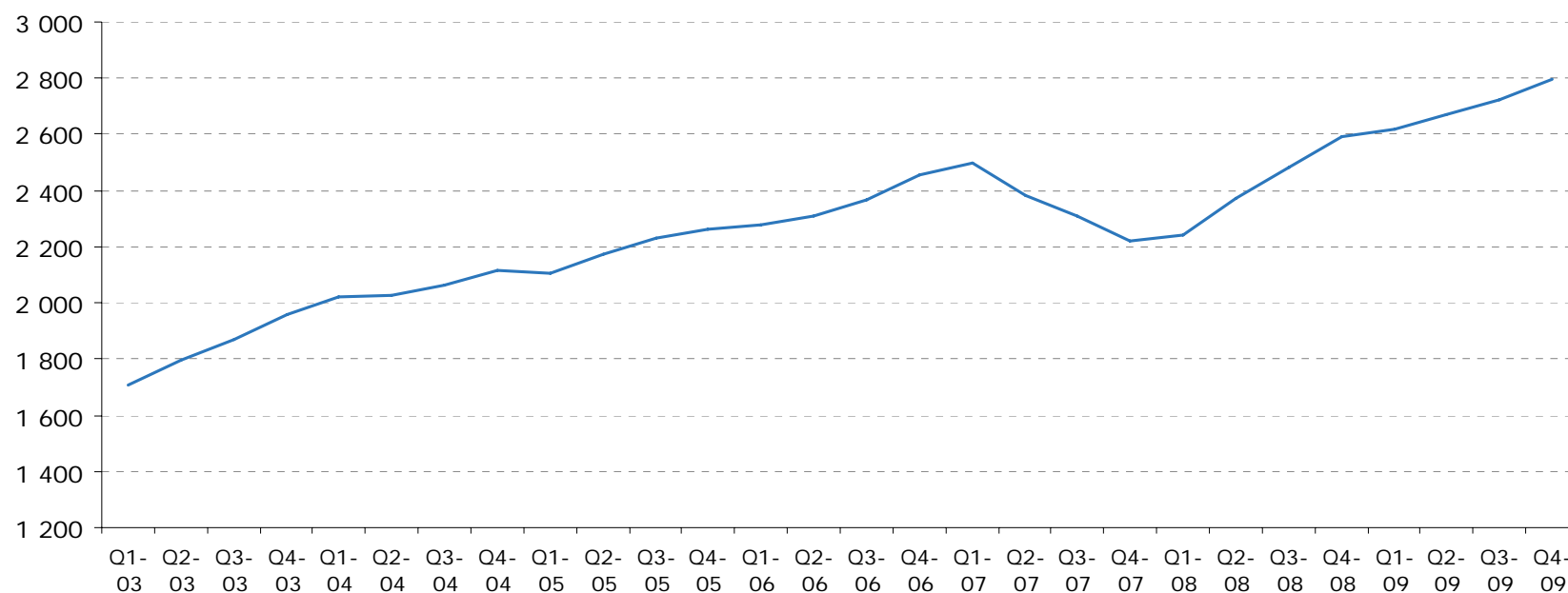
Orkla Brands

Torkild Nordberg, EVP



Stable long term profit trend

12 months rolling EBITA



Strong results and underlying improvements in 2009

- Achieved a good EBITA result, NOK 2.8 billion
 - + 8 % compared with 2008
 - +1.0%-p EBITA margin
- Broad-based improvement despite difficult markets
 - Cost improvement programmes contribute in addition to price adjustments
- Strong cash flow from operations, NOK 3.3 billion vs. NOK 2.4 billion in 2008
- Important contribution from sales promotion (Fredagsmys) and new product launches in 2009; Smash!, Bergene Melk, new pizzas and Pierre Robert Young Collection Wool
 - Continued pressure on market shares
- Minor acquisitions and add-ons in limited M&A markets
- Positive early signs of growth focus and initiatives

Improved quality of earnings in Q4

- EBITA + 9 % in Q4
- Improved volume trend
 - Reduced price contribution
 - Improved volume/mix performance
 - Market shares stabilising
- Mixed trend in input costs vs. last year
- Cost improvement projects have delivered as planned

Amounts in NOK million

	Q4 2009	Q4 2008	Change
Operating revenues			
Orkla Brands	6 324	6 741	-6 %
Orkla Foods Nordic	2 658	2 792	-5 %
Orkla Brands Nordic	2 085	2 111	-1 %
Orkla Brands International	590	824	-28 %
Orkla Food Ingredients	1 078	1 108	-3 %
Eliminations Orkla Brands	- 87	- 94	

Operating profit - EBITA

Orkla Brands	874	804	9 %
Orkla Foods Nordic	341	341	0 %
Orkla Brands Nordic	391	333	17 %
Orkla Brands International	57	53	8 %
Orkla Food Ingredients	85	77	10 %
EBITA margin (%)	13,8	11,9	

Outlook 2010

- Overall stable retail markets, soft volumes
- Demanding market conditions in Russia, Baltics, Out-of-Home channels and export
- Raw material prices expected in total to be neutral in EU, but increasing further in Russia, India and Norway

Important new launches in Q1 2010





Q&A

Dag J. Opedal, CEO

Torkild Nordberg, EVP

Bjørn Wiggen, EVP

Terje Andersen, CFO



Appendix

Financial calendar

25 March 2010	- Release of Annual Report 2009
22 April 2010	- Annual General Meeting
23 April 2010	- Share quoted ex. dividend
4 May 2010	- Dividend payment
5 May 2010	- First quarter 2010
21 July 2010	- Second quarter 2010
28 October 2010	- Third quarter 2010



Balance sheet as of 31 Dec 2009

Amounts in NOK million

	31.12.2009	31.12.2008
Intangible assets	14 731	17 301
Property, plant and equipment	24 694	26 368
Financial assets	15 922	18 331
Non-Current assets	55 347	62 000
Assets in discontinued operations		3 148
Inventories	7 531	9 564
Receivables	16 568	14 331
Share Portfolio etc.	11 087	11 445
Cash and cash equivalents	4 153	4 438
Current assets	39 339	39 778
Total assets	94 686	104 926
Paid-in equity	1 995	1 993
Earned equity	46 560	45 390
Minority interests	370	2 686
Equity	48 925	50 069
Provisions	4 339	5 233
Non-current interest-bearing liabilities	29 042	29 598
Current interest-bearing liabilities	1 746	3 654
Liabilities in discontinued operations		665
Other current liabilities	10 634	15 707
Equity and liabilities	94 686	104 926
Equity to total assets ratio	51,7 %	47,7 %
Net gearing	0,41	0,55

Group income statement Q4-09

Amounts in NOK million

	Q4 2009	Q4 2008	Change
Operating revenues	15 040	16 492	-9 %
EBITA	1 070	998	7 %
Amortisation intangibles	-60	-70	
Gain on sale of power assets*	3066	-372	
Restructuring and significant impairment	-91	-1248	
EBIT	3 985	- 692	
Associates	-3 516	284	
Dividends	13	16	
Gains and losses/write-downs Share Portfolio	337	-3 537	
Net financial items	- 209	- 446	
Profit before tax	610	-4 375	
Tax expenses	588	57	
Profit for the period continuing operations	1 198	-4 318	
Discontinued operations	0	- 101	
Profit for the period	1 198	-4 419	
Minority interests' share of the profit/loss for the period	28	- 268	
Majority interests' share of the profit/loss for the period	1 170	-4 151	
Earnings per share diluted (NOK)	1,1	-4,1	

* Write-down inventories Sapa Profiles 2008

Currency translation effects

Amounts in NOK million

Revenues	Q4-09	per Q4-09
Orkla Brands	-384	-207
Orkla Aluminium Solutions	-371	802
Elkem	-158	30
Borregaard	-20	97
Total	-933	722

EBITA	Q4-09	per Q4-09
Orkla Brands	-48	-34
Orkla Aluminium Solutions	-12	-82
Elkem	-3	11
Borregaard	-1	3
Total	-64	-102

Largest holdings in the Share Portfolio

Market value *in NOK million*

per 31 Dec 2009

Principal holdings	Industry *	Market value	Share of portfolio (%)	Share of equity (%)
Tomra Systems	Industrials	637	6 %	15,3 %
Rieber & Søn	Food & Beverage	503	4 %	16,0 %
Amer Sports	Consumer Discretionary	397	4 %	5,7 %
Elekta B	Health Care Equipment	358	3 %	2,8 %
Telenor ASA	Telecom operators	294	3 %	0,2 %
Enter Select	Mutual Fund	270	2 %	0,0 %
Kongsberg Gruppen	Aerospace & Defence	265	2 %	2,5 %
Schibsted	Consumer Discretionary	253	2 %	1,8 %
Network Norway AS	Telecom operators	246	2 %	26,2 %
AstraZeneca SEK	Pharmaceuticals	244	2 %	0,1 %
Total principal holdings		3 468	30,9 %	
Market value of entire portfolio		11 037		

* Based on Gics Level 1

Financial items

Net financial items

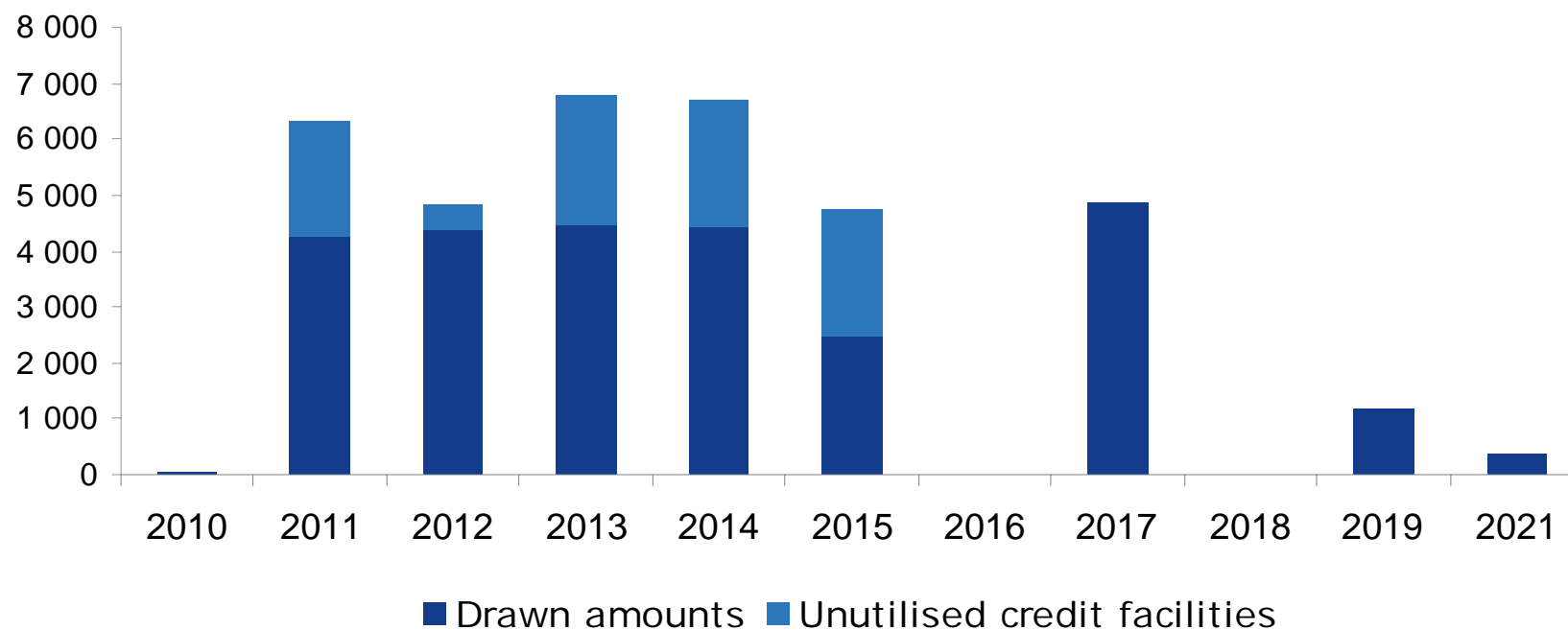
Key figures *in NOK million*

	Q4-09	Q4-08	Full year 2009	Full year 2008
Net interest expenses	-186	-370	-883	-977
Currency gain/loss	14	-49	15	-49
Other financial items, net*	-37	- 27	- 84	34
Net financial items	-209	-446	-952	-992

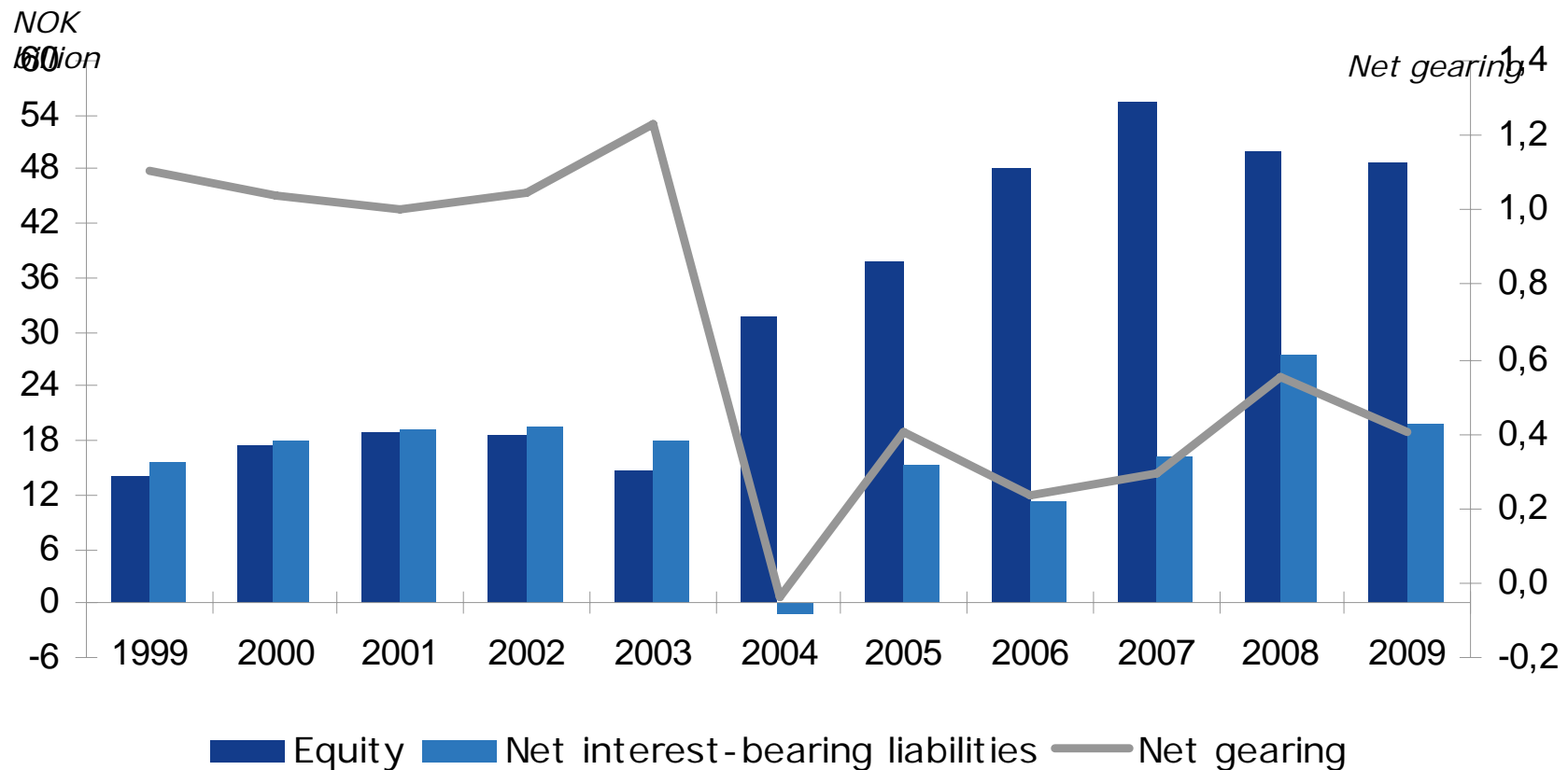
Debt maturity profile

NOK million

Average maturity
4.2 years



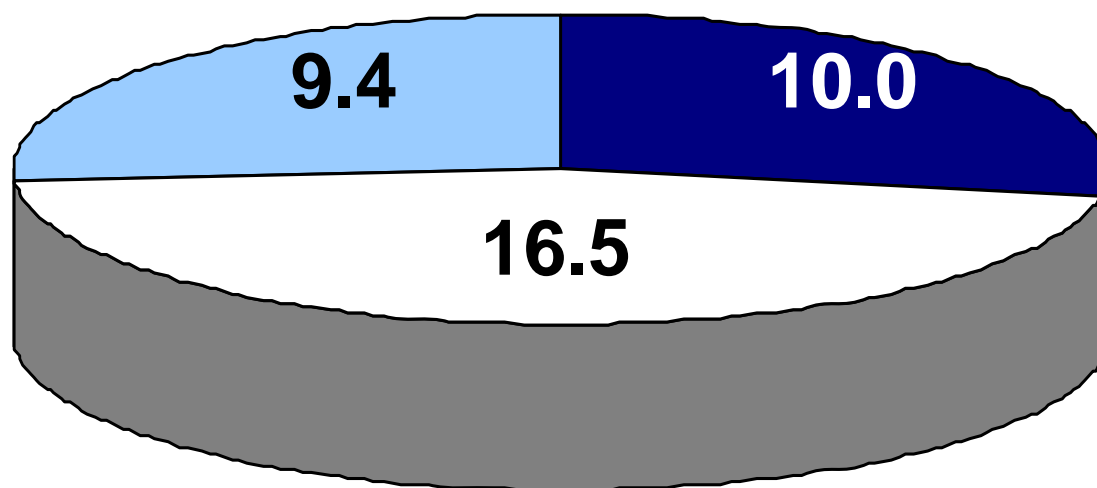
Net gearing 0.41 as of Q4-09



Funding Sources

Unutilised credit
facilities 26 %

Bonds and CP 28 %



Banks 46 %

Figures in NOK billion

