



Third quarter results 2009

30 October 2009





Agenda

- Highlights and financial performance
CEO Dag J. Opedal
- Orkla Brands
EVP Torkild Nordberg
- Orkla Aluminium Solutions /
Orkla Materials
EVP Bjørn Wiggen

Orkla -

Comprehensive actions – improved financials

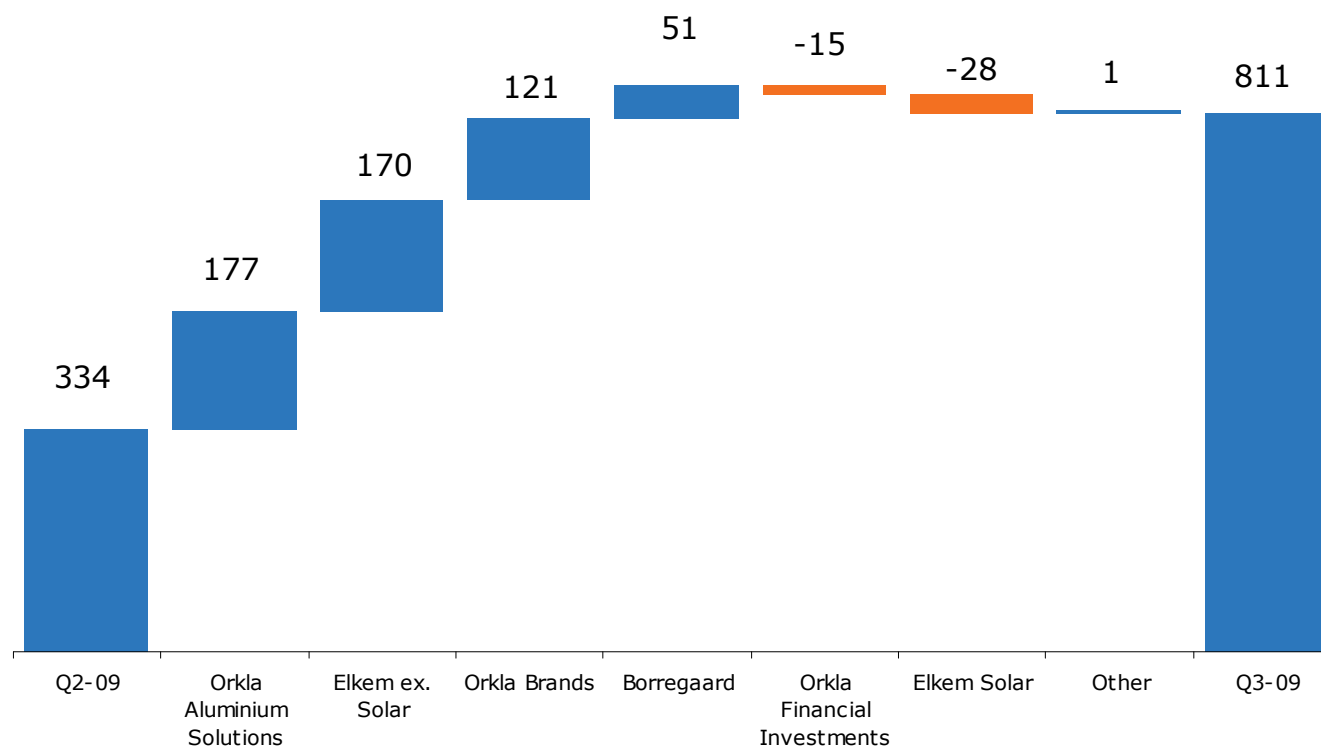
- Continued contribution from extensive action plans
 - Cash flow from operations NOK 3.1 billion as of Q3
 - Improved cost position compared with Q2
- Important structural actions
 - Acquisition of Indalex
 - Sale of energy assets
- Uncertain market outlook
 - Clear signs of stabilisation over second and third quarter
 - Somewhat more positive underlying momentum
 - Low visibility in economic trends

Highlights Q3

- Continued profit growth for Orkla Brands
- Positive EBITA for Orkla Aluminium Solutions in Q3
 - Comprehensive structural and cost-cutting measures
 - Successful integration of Indalex
- General weak market conditions for Orkla Materials
 - Capacity utilisation of 57 % in Q3 for Elkem silicon-related
 - Improved profit in Borregaard Chemicals due to favourable raw material prices and currency effects
- Challenging solar markets
 - REC; EBITDA at NOK 429 million in Q3
 - Elkem Solar; hot commissioning started mid October
- Return on Share Portfolio + 26.2 %

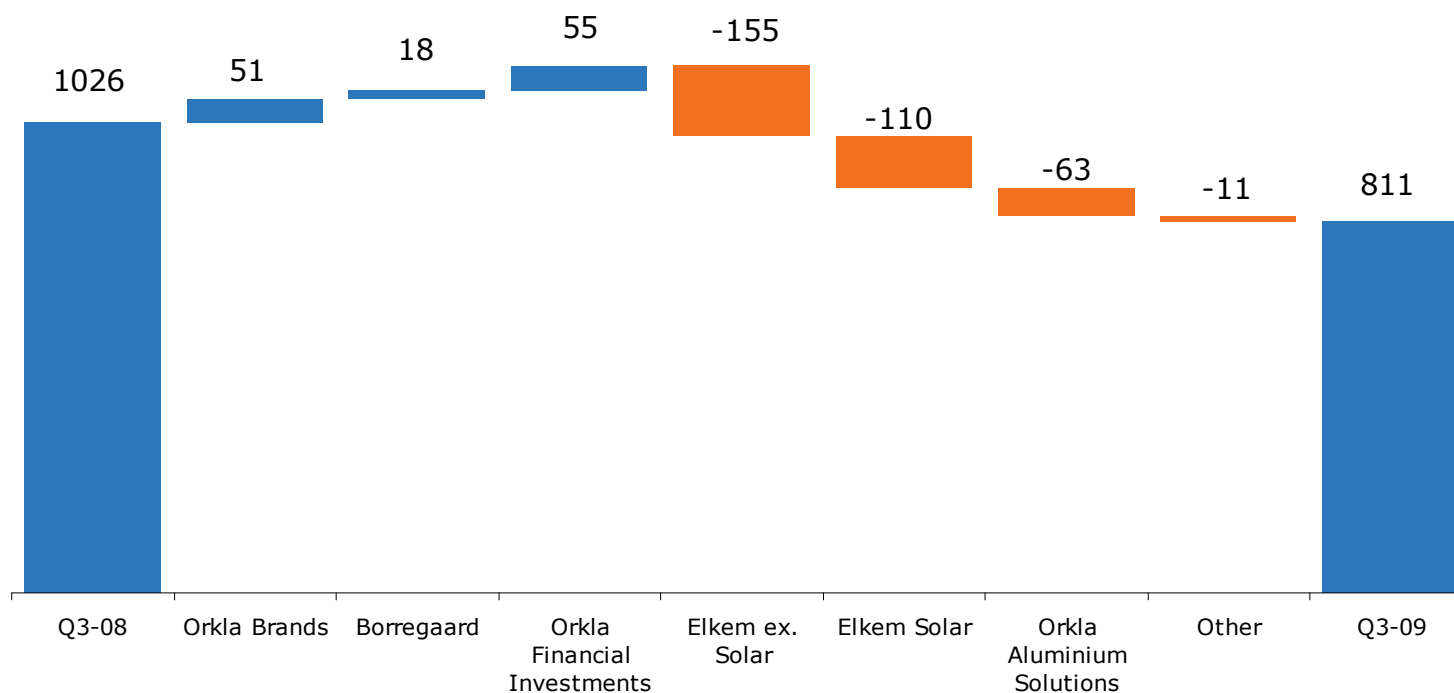
Improved profit vs. last quarter....

EBITA performance from Q2-09 to Q3-09
(figures in NOK million)



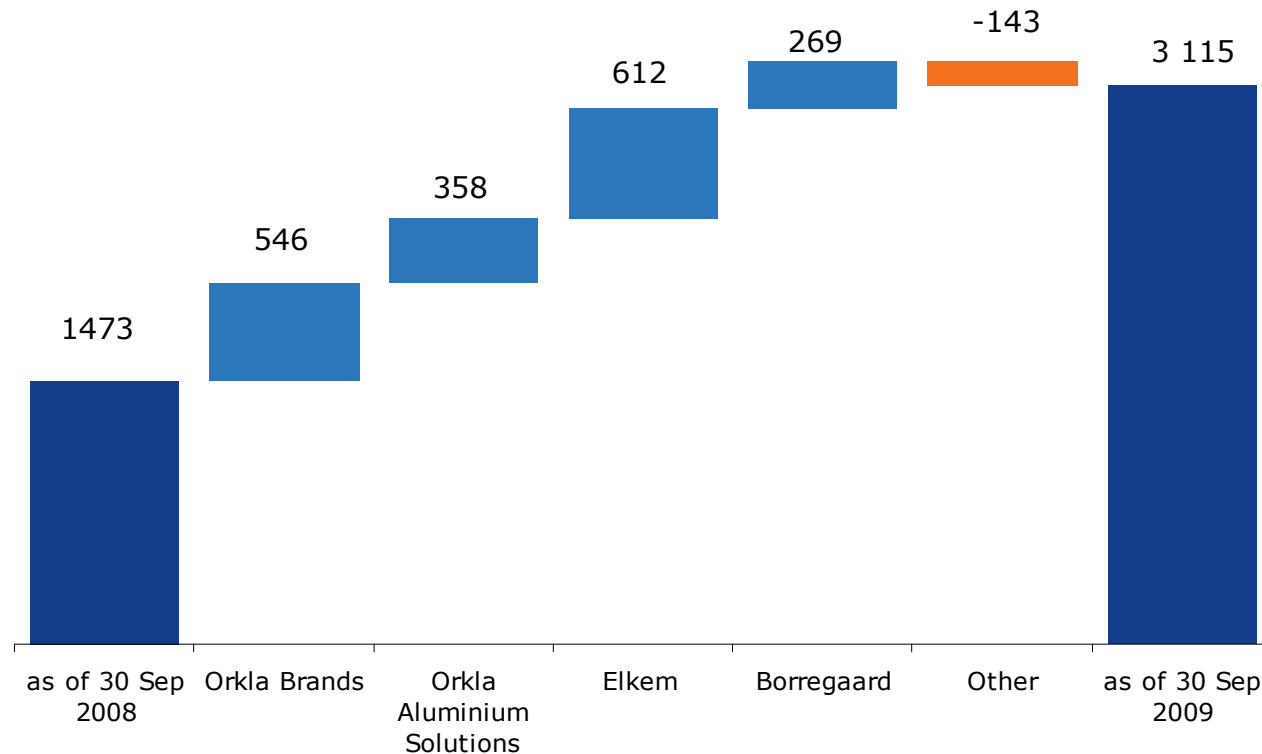
....however, still somewhat behind last year

EBITA performance from Q3-08 to Q3-09
(figures in NOK million)



All figures in NOK million

Strong cash flow from operations



All figures in NOK million

Key figures for the Orkla Group

Amounts in NOK million

	Q3 2009	Q3 2008	30.9 2009	30.9 2008
Operating revenues	14 088	15 904	41 188	49 087
EBITA*	811	1 026	1 378	3 242
Profit/loss before tax	494	-939	461	2 360
Net profit	481	-1215	1 362	1 454
Cash flow from industrial operations	1 663	365	3 115	1 473
Net cash flow	- 955	-2 269	-2 547	-8 924
			30.9 2009	31.12 2008
Net interest-bearing liabilities			28 226	27 424
Equity ratio			50.3 %	47.7 %
Net gearing			0.59	0.55

Energy assets sold for NOK 6 billion

- Hydropower plants, with total annual power production of 1.7 TWh, sold for NOK 6 billion
- Gain on sale approx. NOK 3.5 billion
- Transaction to be closed in H1-2010
- Elkem's power plants in Sauda and Borregaard's power plants in Sarpsborg will be retained



Part of Elkem's hydropower assets sold

Assets sold:

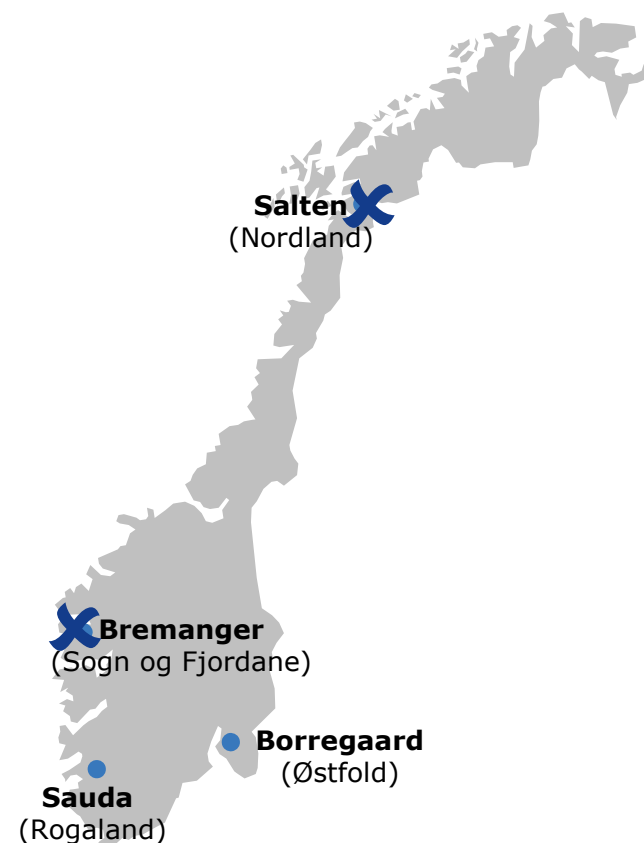
Plant	Capacity	Price
Salten	1.1 TWh	NOK 4,300 million
Bremanger	0.5 TWh owned 0.2 TWh leased	NOK 1,709 million -

Assets owned:

Plant	Capacity
Sauda ¹	2 TWh
Borregaard ²	0.6 TWh

1) Leased from Statkraft until 2030

2) Not part of reversion/lease regime



The Indalex acquisition

- Sapa to merge No 1 and No 2 players in North America through the acquisition of Indalex
- Market share in North America increased to approx. 30 %
- Strong synergy-driven case
 - Production, logistics and shared services
- Successful integration process



Orkla Associates and Orkla Financial Investments



Orkla Associates



Amounts in NOK million

REC	Q3 2009	Q3 2008	Change
Revenues	2 160	1 919	13 %
EBITDA	429	711	-40 %
EBIT	-665	537	
Profit/loss before tax	-1 143	1 761	

- Reference is made to www.recgroup.com



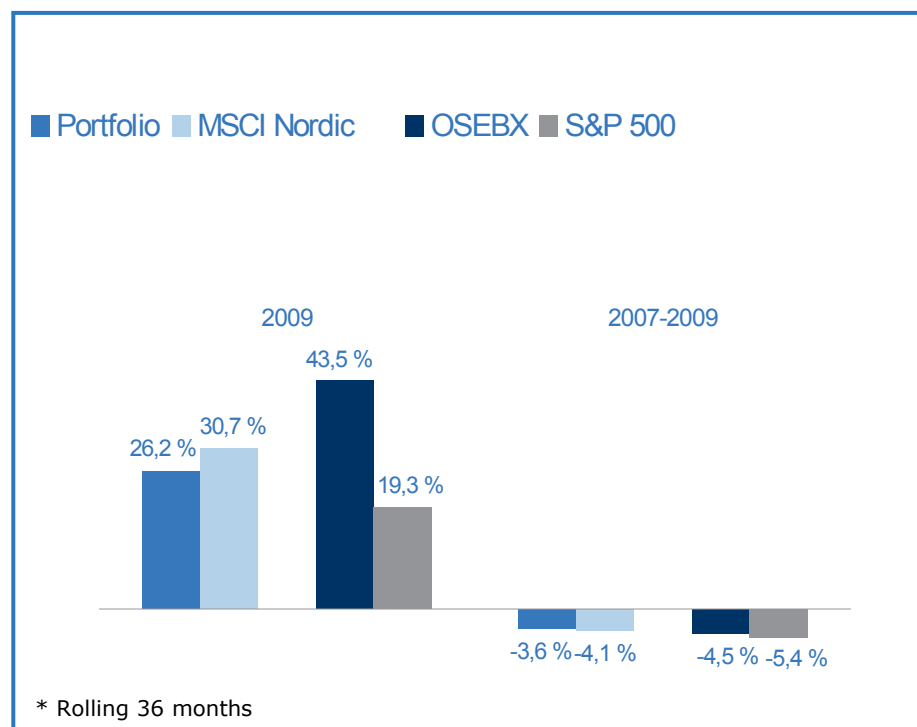
Amounts in NOK million

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 %

- Top line growth mainly due to currency effects
 - Volume decline of 1 %
- Satisfactory group profit
- Substantial market-related variations
 - Strengthened NOK and late-cyclical markets influencing negatively going forward

Orkla Financial Investments Share Portfolio

- Market value of Share Portfolio
NOK 10.3 billion
- Return on Share Portfolio +26.2 %
- Increased net asset value
– YTD NOK 2.4 billion *





Orkla Brands

EVP Torkild Nordberg



Continued EBITA improvement

- Flat topline performance
 - Market shares stabilising
- Continued focus on cost improvements
 - Synergies in purchasing
 - Production efficiency
- Higher input costs, but mixed trends
 - Sugar and cocoa beans
 - Flour and meat (Norway)
- Acquisition of the Russian biscuit operation Pekar

Amounts in NOK million

	Q3 2009	Q3 2008	Change
Operating revenues			
Orkla Brands	5 661	5 646	0 %
Orkla Foods Nordic	2 377	2 392	-1 %
Orkla Brands Nordic	1 890	1 869	1 %
Orkla Brands International	459	565	-19 %
Orkla Food Ingredients	1 018	902	13 %
Eliminations Orkla Brands	- 83	- 82	

Operating profit - EBITA

Orkla Brands	759	708	7 %
Orkla Foods Nordic	297	287	3 %
Orkla Brands Nordic	367	360	2 %
Orkla Brands International	31	9	
Orkla Food Ingredients	64	52	23 %
EBITA margin (%)	13.4	12.5	

80 % of turnover from No. 1 positions

Orkla Brands

Foods Nordic



Brands Nordic



Brands International



Food Ingredients



Private Label share relatively low in the Nordics, but increasing

<u>Country/Company</u>	<u>PL share of relevant categories</u>	<u>Change in PL-share</u>	
		<u>3-month trend</u>	<u>12-month trend</u>
Norway/Stabburet	13 %	unchanged	unchanged
Sweden/Procordia	18 %	+0.4 %-points	+1.0 %-points
Denmark/Beauvais	20 %	+1.9 %-points	+1.6 %-points

Source: ACNielsen

- Impact of recession
 - Nordic grocery market
 - Channel shift
 - Affordability
- PL share in the Nordics
 - Small market
 - Smaller assortments
 - Consumer preferences

Orkla Brands development planned in 2 stages:

- **2008-09:** **Back on track**
- **2010→:** **Focus on growth**

Getting back on track was the priority in 2008-09

- Restoring margins
- Organisational and modus operandi improvements
- Less focus on structural growth
- Restructuring outside the Nordic area



2010→: Focusing on growth

- Defining clear growth directions in all business units
- Focus both on organic and structural growth
- Innovation most important lever
- Enhanced synergy capture in Orkla Brands



Important new launches in Q3-09



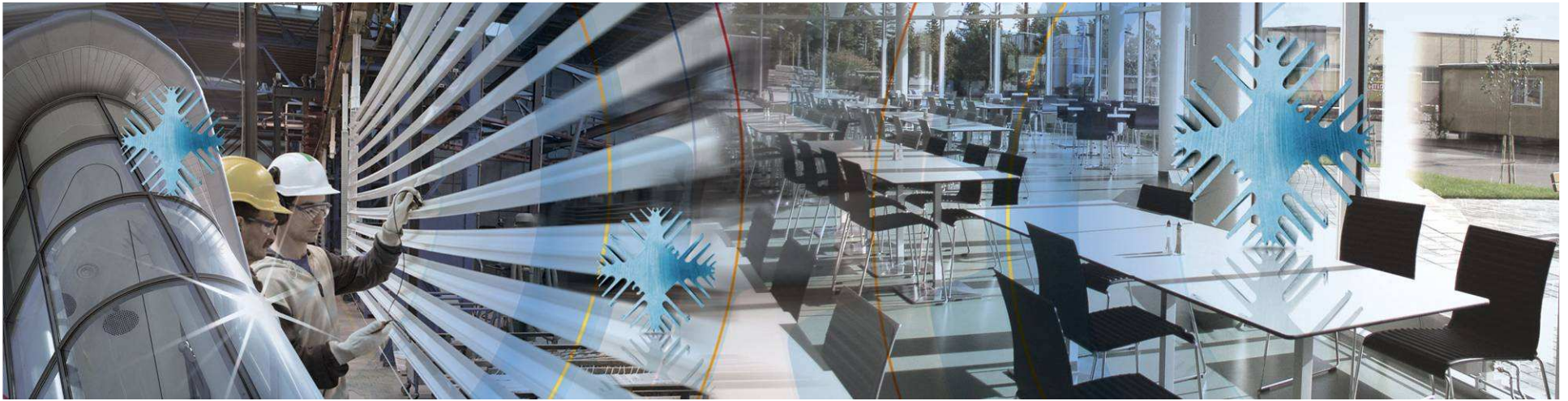
- New launch of old brand from Nidar
- Entering the important milk chocolate segment



- Relaunch of Big One Pizza
- New production equipment improves product quality



- New product launch from Pierre Robert
- Wool collection for children



Orkla Aluminium Solutions

EVP Bjørn Wiggen

Sapa – market stabilisation

- Restructuring of cost-base and efficiency programmes have reduced break-even levels
 - Positive cash flow performance
- Strong demand for Heat Transfer in China
- Reduced order back-log for Building Systems
- Continued weak markets in Europe, some improvements in the US
- Seasonally lower Q4

Amounts in NOK million

	Q3 2009	Q2 2009	Q3 2008	Change Q3-Q3
Operating revenues				
Orkla Aluminium Solutions	5 424	4 904	6 696	-19 %
Sapa Profiles	4 120	3 532	5 247	-21 %
Sapa HT and BS	1 507	1 558	1 671	-10 %
Eliminations	- 203	- 186	- 222	

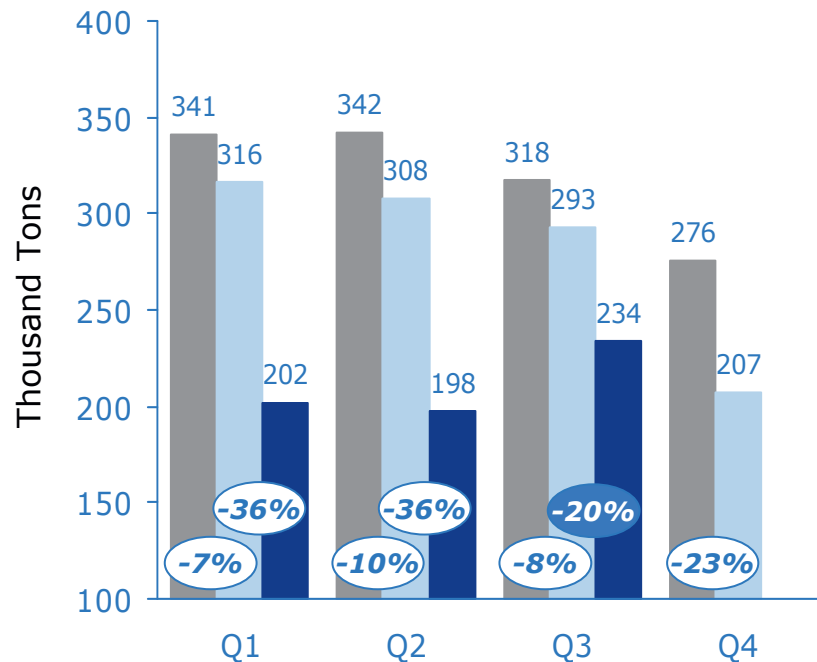
Operating profit - EBITA

Orkla Aluminium Solutions	29	- 148	92
Sapa Profiles	- 68	- 206	- 28
Sapa HT and BS	97	58	120
EBITA margin (%)	0.5	-3.0	1.4

The last quarters have been stable

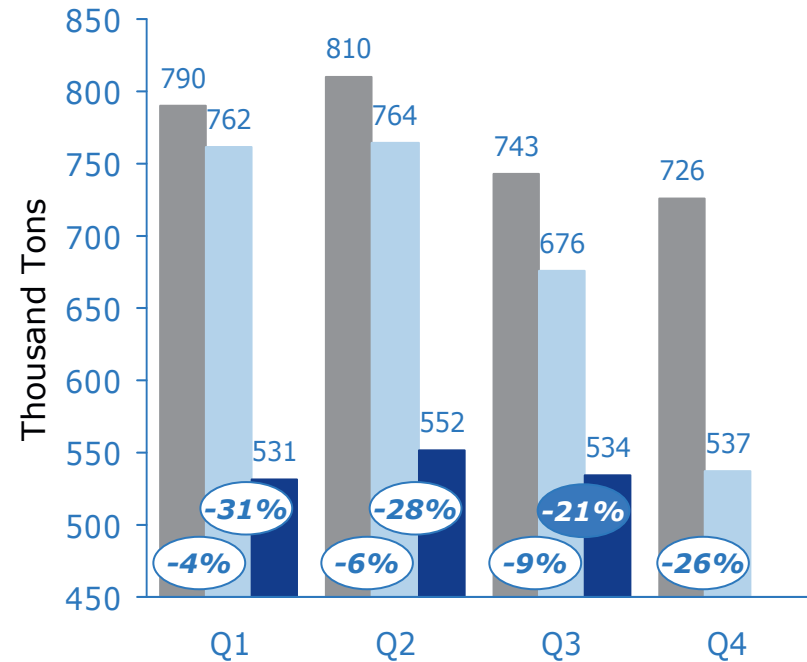
- still at very low levels

US Extrusion Apparent Consumption



- 2007 full year consumption -14%
- 2008 full year consumption -13%

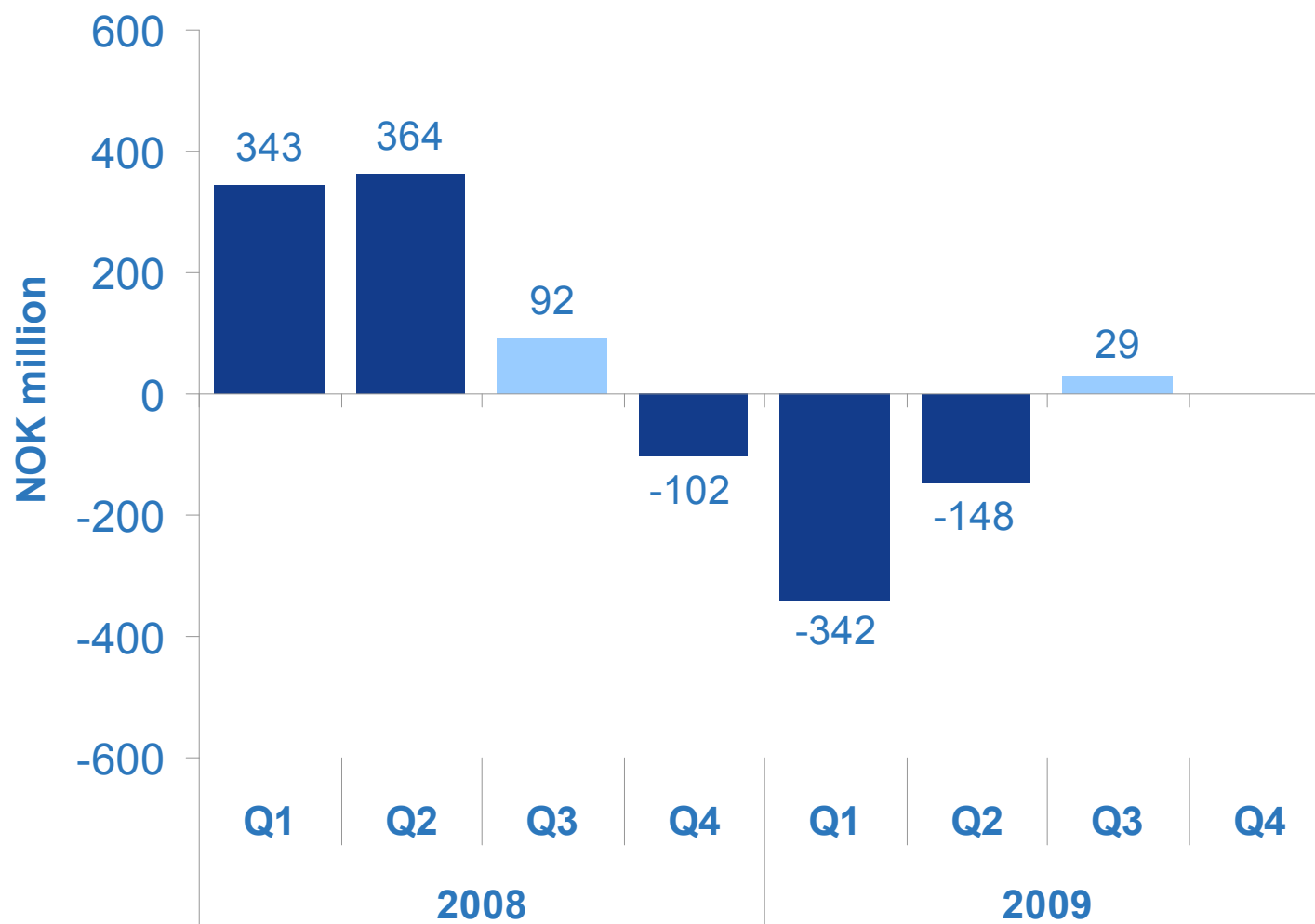
European Extrusion Apparent Consumption



- 2007 full year consumption +3%
- 2008 full year consumption -12%



Sapa shows improvement over second and third quarters



The dramatic decline seems to be over

- recovery is expected to be slow

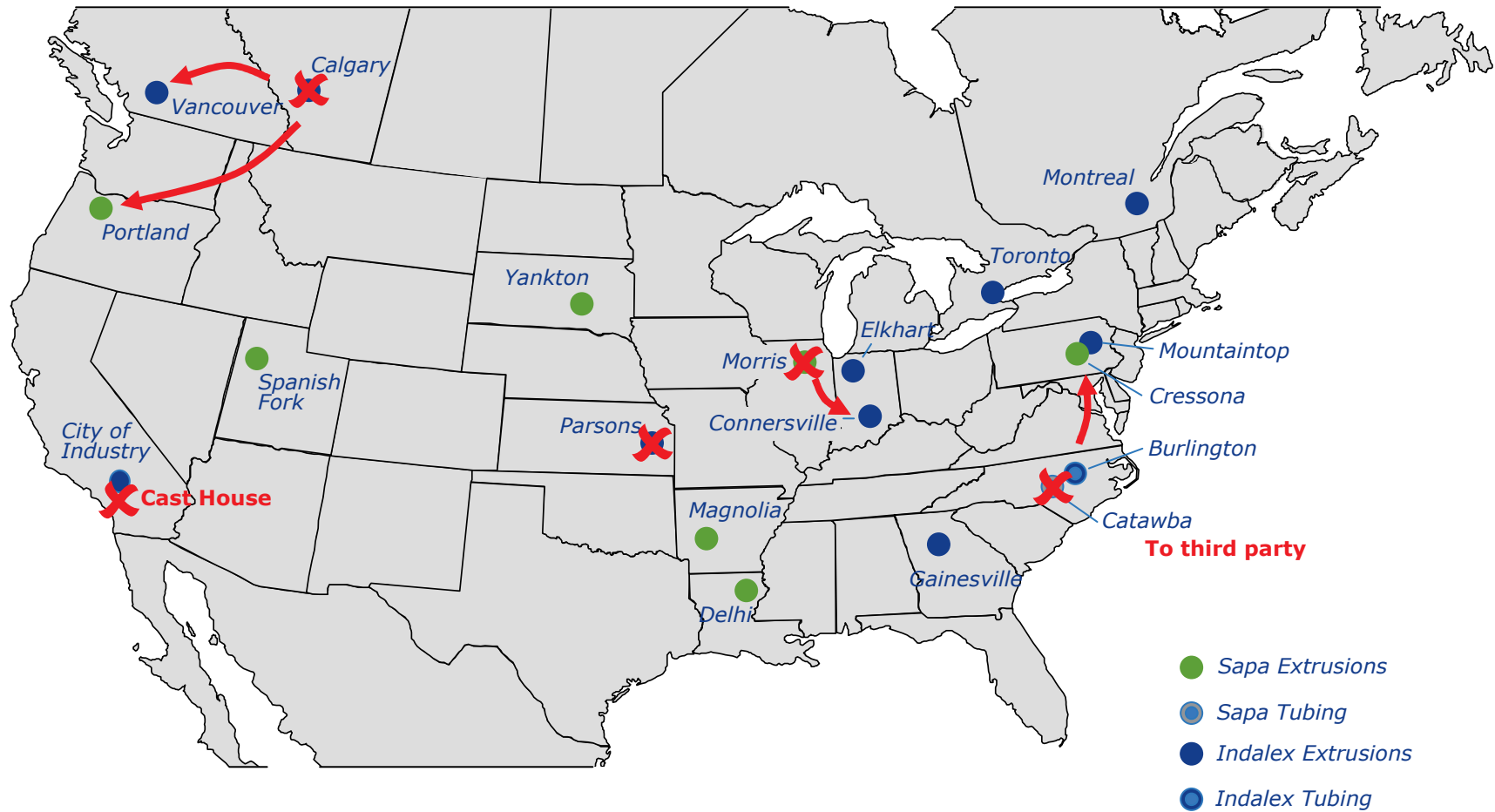
- Stimulus packages and the end of stock depletion are starting to bring economies out of recession
- However, no return to pre-crisis levels expected until 2011 at the earliest as labour markets continue to worsen
- GDP is expected to return to positive growth in North America and Europe in Q4 2009 although full-year growth is still negative
- All OECD countries are expected to remain below historical GDP growth trend in the coming years, but still show positive growth in 2010
- Positive Cash Flow from operations in 2009

Indalex acquisition still in early days, but the start is encouraging

- New Sapa North America organisation established
- Closing conditions cleared – Catawba operations have been sold with no significant impact on volume or profit
- Synergy potential confirmed, already in execution phase
 - Metal
 - Sourcing
 - Overhead reductions
 - Knowledge transfer

The restructuring of the North American operation is progressing according to plan

Restructuring of Sapa North American Operation





Orkla Materials

Continued weak market conditions for Elkem Silicon-related

- Capacity utilisation at 57 % in Q3
- Price level stabilising
- Significant cost reduction and improved break-even levels
- Improved results for Elkem Energy, EBITA +43 %
 - High production countered lower energy prices compared with Q3-08
- Satisfactory cash flow

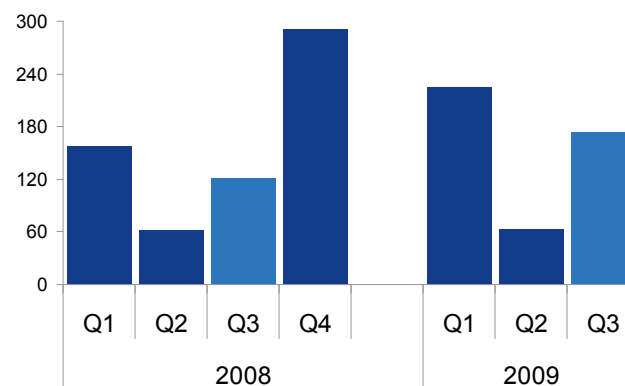
Amounts in NOK million

	Q3 2009	Q3 2008	Change
Operating revenues			
Elkem	1 703	2 235	-24 %
Energy	268	230	17 %
Silicon-related	1 441	2 014	-28 %
Eliminations	- 6	- 9	
Operating profit - EBITA			
Elkem	11	276	
Energy	173	121	43 %
Silicon-related ex. Elkem Solar	29	236	
Elkem Solar	- 191	- 81	
EBITA margin	0,6 %	12,3 %	

Elkem Energy

- The plants in Salten and Bremanger will be included in Elkem's results in Q3 and Q4 2009
- From 1.1.2010, only Sauda plant included in the Elkem Energy figures
- Gain on sale (approx. NOK 3.5 billion) to be reported in 2010
- The trading result from the Energy-operations to be reported in Orkla Financial Investments as of Q3 2009
 - Elkem Energy results in 2008 and 2009 restated accordingly

EBITA per quarter - Elkem Energy
Figures restated (excl. Energy trading)



Elkem Solar: Ramp-up the main focus in 2010

- Damaged equipment due to fire in Elkem Solar plant repaired
 - Hot commissioning started mid October
- Restart of ramp-up from the end of November
 - Less volume in 2009 than previously anticipated
- 2010 a ramp-up year
 - Full capacity by end 2010
- Significant uncertainty in the solar market
 - Dialogue with current and potential customers regarding 2010 deliveries

Borregaard:

Satisfactory profit despite weak markets

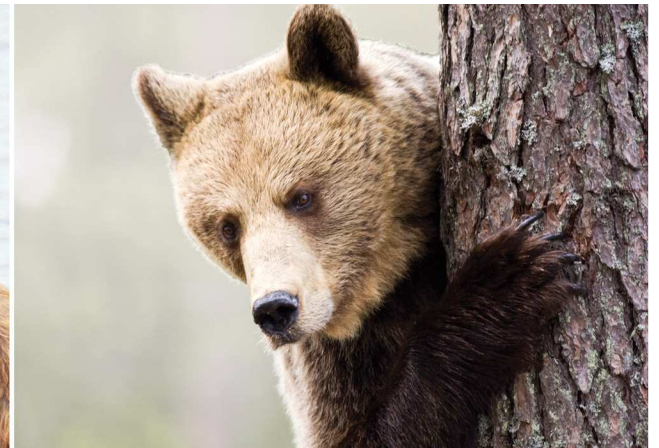
- Volume decline for core products
 - Closure of Swiss plant in 2008 contributed to good capacity utilisation
- Satisfactory results for Chemicals
 - Lower raw material prices and favourable currency effects in Q3
- Declining market prices hamper profits for the energy-operations
- Strengthened NOK and seasonal effects will have negative impact in Q4

Amounts in NOK million

	Q3 2009	Q2 2009	Q3 2008	Change Q3-Q3
Operating revenues				
Borregaard	963	958	1 104	-13 %
Energy	68	57	64	6 %
Chemicals	937	931	1 086	-14 %
Eliminations	- 42	- 30	- 46	
Operating profit - EBITA				
Borregaard	128	77	110	16 %
Energy	38	35	58	-34 %
Chemicals	90	42	52	73 %
EBITA margin	13,3 %	8,0 %	10,0 %	

Financial calendar

10 December 2009	- Extraordinary General Meeting
11 February 2010	- Fourth quarter 2009
22 April 2010	- Annual General Meeting
5 May 2010	- First quarter 2010
21 July 2010	- Second quarter 2010
28 October 2010	- Third quarter 2010





Q&A

CEO Dag J. Opedal

EVP Torkild Nordberg

EVP Bjørn Wigger

CFO Terje Andersen



ORKLA

Appendix

Group income statement

Amounts in NOK million

	Q3 2009	Q3 2008	Change
Operating revenues	14 088	15 904	-11 %
EBITA*	811	1 026	-21 %
Amortisation intangibles	-53	-53	
Restructuring and significant impairment	-94	0	
EBIT	664	973	
Associates	- 328	573	
Dividends	14	58	
Gains and losses/write-downs Share Portfolio	334	-2 323	
Net financial items	- 190	- 220	
Profit before tax	494	- 939	
Tax expenses	-13	-265	
Profit for the period continuing operations	481	-1 204	
Discontinued operations	0	- 11	
Profit for the period	481	-1 215	
Minority interests' share of the profit/loss for the period	23	1	
Majority interests' share of the profit/loss for the period	458	-1 216	
Earnings per share diluted, adjusted (NOK)**	0.5	-1.2	

* Operating profit before amortisation, restructuring and significant impairment charges

** Excluding amortisation, restructuring and significant impairment and discontinued operations

Cash flow as of 30 Sep 2009

Amounts in NOK million

	30.9.2009	30.9.2008
Industry division:		
Operating profit	1 191	3 204
Amortisations, depreciations and write-downs	1 933	1 594
Changes in net working capital	821	-1 826
Net replacement expenditure	- 830	-1 499
Cash flow from operations	3 115	1 473
Financial items, net	-1 022	- 967
Cash flow from Industry division	2 093	506
Cash flow from Financial Investments	1 075	298
Taxes paid	-1 686	-1 273
Other payments	22	29
Cash flow before capital transactions	1 504	- 440
Paid dividends	-2 328	-2 331
Net purchases of Orkla shares	3	- 653
Cash flow before expansion	- 821	-3 424
Expansion investment in Industry division	-1 464	-3 051
Sale of companies/shares of companies	77	168
Purchase of companies/share of companies	-2 955	-1 050
Net purchases/sale of portfolio investments	2 616	-1 567
Net cash flow	-2 547	-8 924
Currency effects of net interest-bearing liabilities	1 745	- 261
Change in net interest-bearing liabilities	802	9 185
Net interest-bearing liabilities	28 226	25 363

Balance sheet as of 30 Sep 2009

Amounts in NOK million

	30.9.2009	31.12.2008
Intangible assets	17 290	17 301
Property, plant and equipment	25 748	26 368
Financial assets	18 769	18 331
Non-Current assets	61 807	62 000
Assets in discontinued operations	-	3 148
Inventories	7 580	9 564
Receivables	10 938	14 331
Share Portfolio etc.	10 332	11 445
Cash and cash equivalents	3 865	4 438
Current assets	32 715	39 778
Total assets	94 522	104 926
Paid-in equity	1 993	1 993
Earned equity	45 196	45 390
Minority interests	373	2 686
Equity	47 562	50 069
Provisions	4 788	5 233
Non-current interest-bearing liabilities	28 755	29 598
Current interest-bearing liabilities	3 499	3 654
Liabilities in discontinued operations	0	665
Other current liabilities	9 918	15 707
Equity and liabilities	94 522	104 926
Equity to total assets ratio	50.3 %	47.7%
Net gearing	0.59	0.55

Currency translation effects

Amounts in NOK million

Revenues	Q3-09	per Q3-09
Orkla Brands	37	177
Orkla Aluminium Solutions	307	1173
Elkem	43	188
Borregaard	25	117
Total	412	1 655

EBITA	Q3-09	per Q3-09
Orkla Brands	3	14
Orkla Aluminium Solutions	-27	-70
Elkem	5	14
Borregaard	1	4
Total	-18	-38

Largest holdings in the Share Portfolio

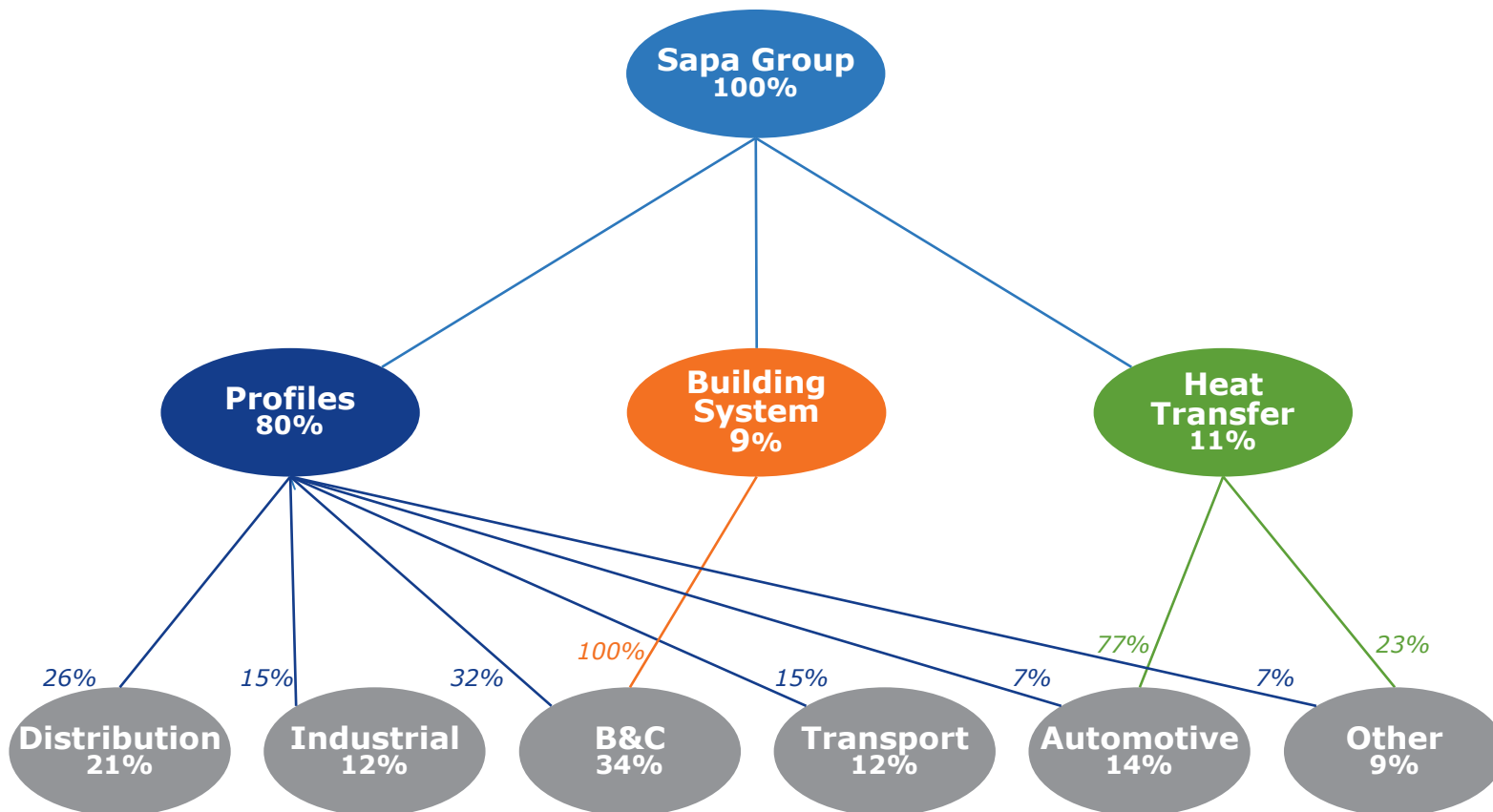
Market value *in NOK million*

per 30 Sep 2009

Principal holdings	Industry	Market value	Share of portfolio (%)	Share of equity (%)
Tomra Systems	Industrials	621	6 %	15,3 %
Rieber & Søn	Food & Beverage	497	5 %	15,6 %
Elekta B	Health Care Equipment	313	3 %	3,0 %
Tandberg	Technology	290	3 %	1,8 %
Enter Select	Mutual Fund	277	3 %	0,0 %
Nokia A	Technology	255	2 %	0,1 %
Network Norway AS	Telecom operators	246	2 %	26,2 %
Telenor ASA	Telecom operators	236	2 %	0,2 %
AstraZeneca SEK	Pharmaceuticals	235	2 %	0,1 %
Hennes & Mauritz AB-B SHS	Retail	234	2 %	0,1 %
Total principal holdings		3 203	30,5 %	
Market value of entire portfolio		10 316		

Sapa is serving a set of different end-use markets

Breakdown of sales by Business Area & End-Use Market 2008 Pro Forma Incl. Indalex



Financial items

Net financial items

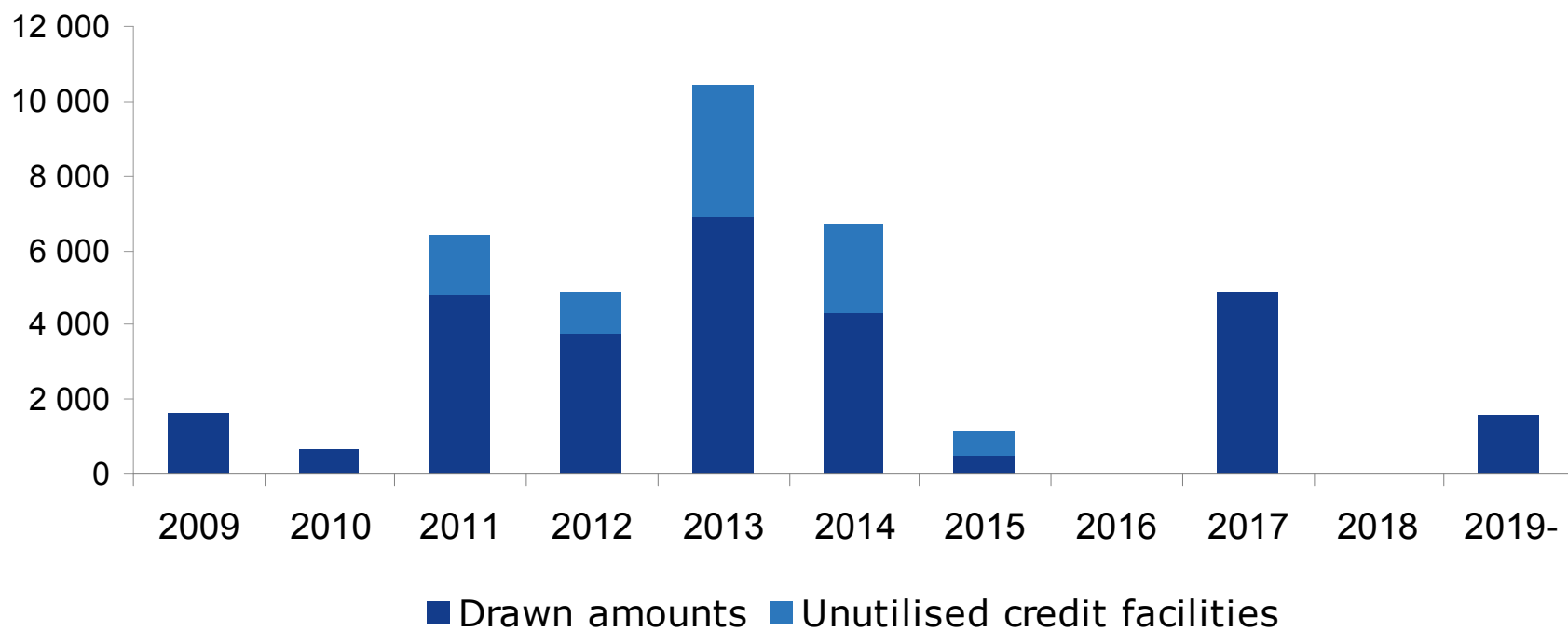
Amounts in NOK million

	Full year		
	Q3-2009	Q3-2008	2008
Net interest expenses	-193	-235	-977
Currency gain/loss	12	24	-49
Other financial items, net*	-9	- 9	34
Net financial items	-190	-220	-992

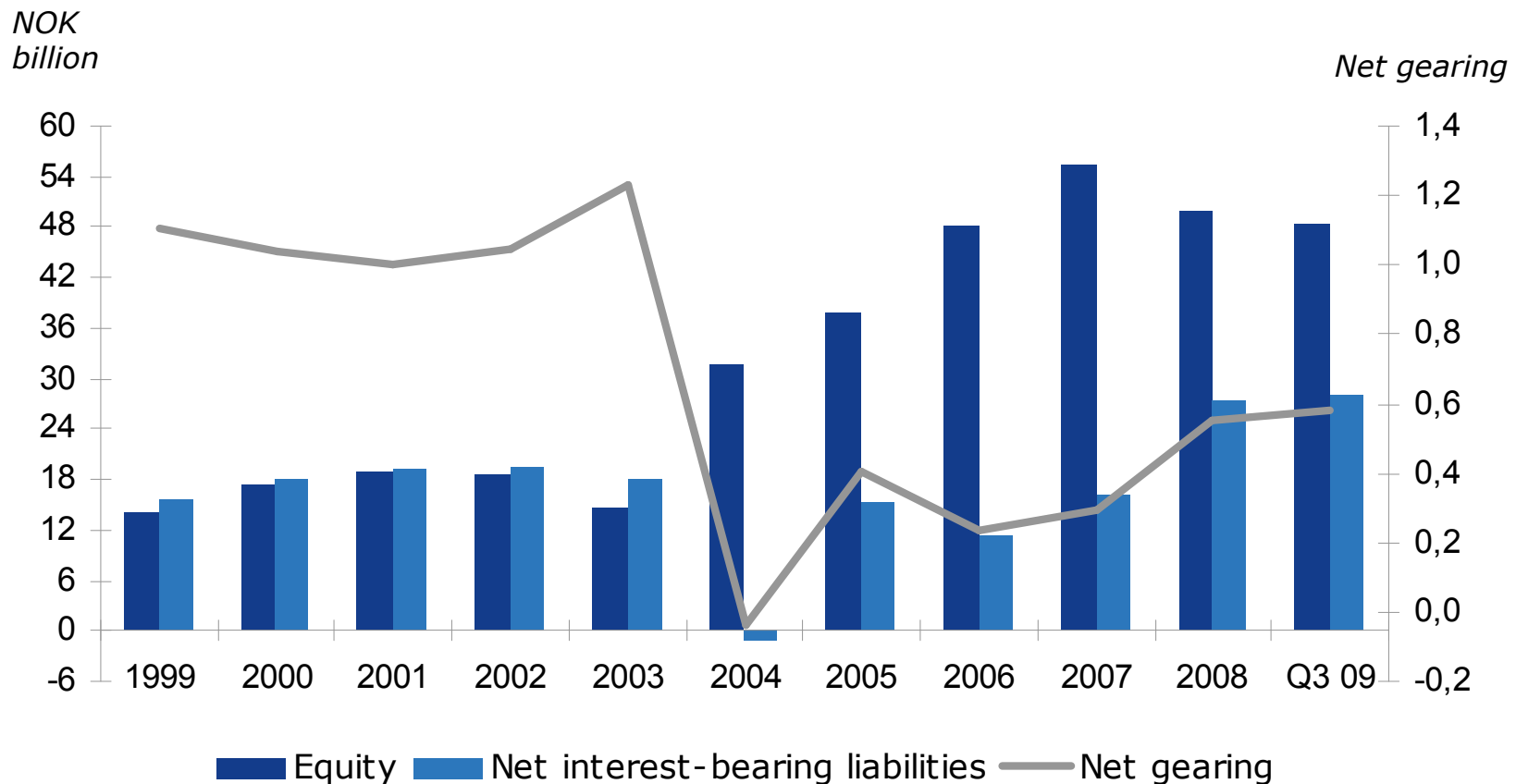
Debt maturity profile

NOK million

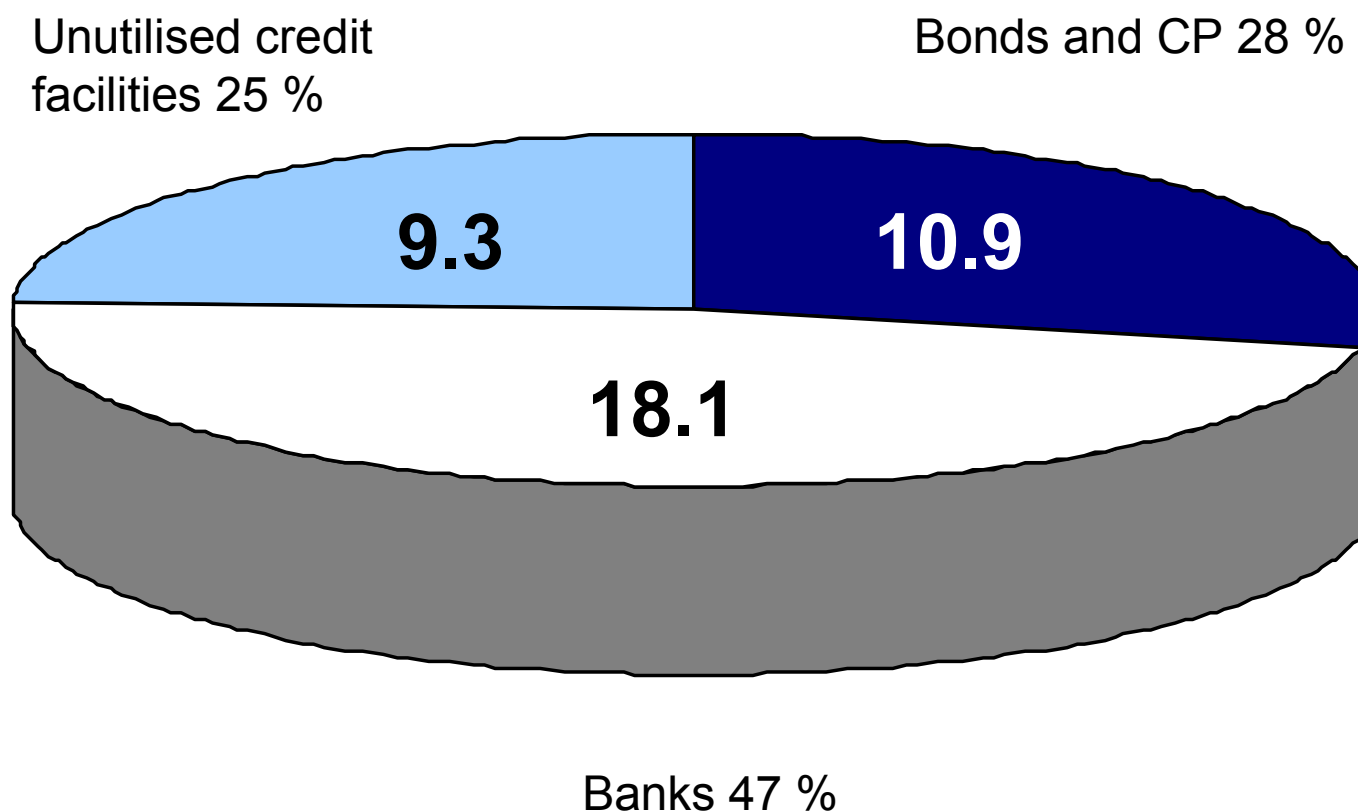
Average maturity
4.3 years



Net gearing 0.59 per Q3-09



Funding Sources



Figures in NOK billion



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