



ORKLA

Robust operations

1st quarter results 2008

6 May 2008



Agenda

- The Orkla Group
 - Highlights and financial performance
- Business Area Review
 - Orkla Brands
 - Orkla Aluminium Solutions
 - Borregaard
 - Orkla Associates
 - Orkla Financial Investments
- Elkem
- Q & A

Roar Engeland

EVP Orkla Financial Investments

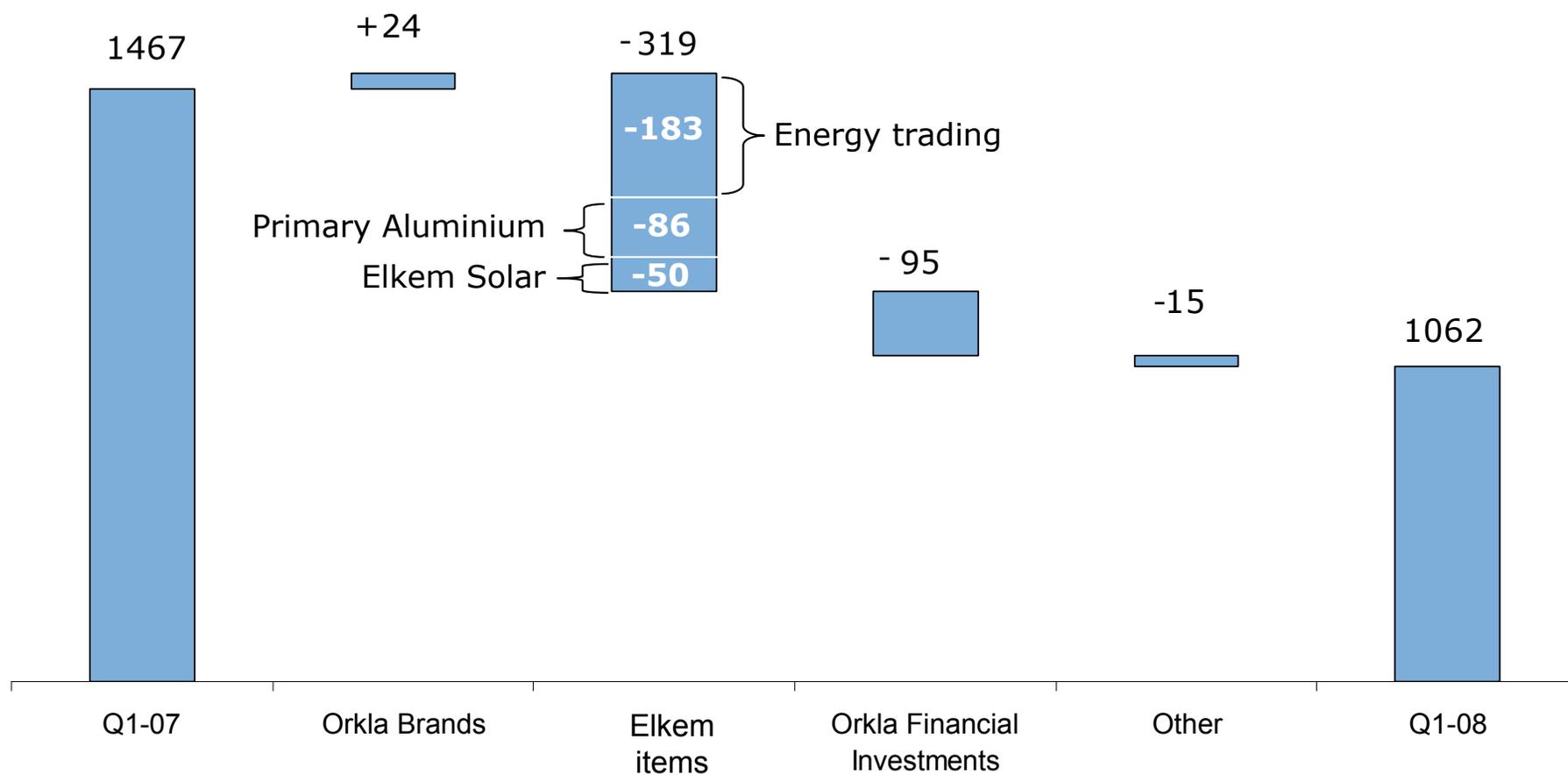
Helge Holen

CEO Elkem

Robust operations – Profit affected by special items in Elkem

- Profit growth for Orkla Brands
 - Positive impact from action plan
- Satisfactory performance from Sapa in challenging markets
- Elkem Solar's silicon quality confirmed
- Elkem negatively impacted by loss on energy trading and aluminium hedges
- Share Portfolio -7.2 %, compared to MSNI -13.3 %
- Financial arrangement between Orkla and Q-Cells terminated

Change in EBITA from Q1-07 to Q1-08



All figures in NOK million



Group income statement Q1-08

Key figures *in NOK million*

1 Jan - 31 Mar	2008	2007	Change
Operating revenues	16 944	13 888	22 %
EBITA	1 062	1 467	-28 %
Amortisation intangibles	-57	-58	
Restructuring and significant impairment	0	0	
EBIT	1 005	1 409	
Associates	179	352	
Dividends	88	240	
Gains and losses/write-downs Share Portfolio	- 295	881	
Net financial items	- 96	623	
Profit before tax	881	3 505	-75 %
Taxes	-194	-666	
Profit for the period	687	2 839	
Minority interests' share of profit for the year	52	35	
Profit attributable to equity holders	635	2 804	
Earnings per share diluted (NOK)*	0.7	2.7	

* Excluding amortisation, restructuring and significant impairment and discontinued operations

Financial items – special issues

in NOK million

1 Jan - 31 Mar	Change vs Q1-07
Realised gains/Write-downs, Share Portfolio	-1 176
One-off gains in Q1-07	- 842
Termination of put options in REC	61

- Write-downs brought a net loss of NOK 295 million on the Share Portfolio
 - Gain of NOK 881 million in Q1-07
- Several substantial gains boosted last year's financial results
 - Mecom NOK +311 million
 - Fornebu NOK +261 million
 - Share of gain on Q-Cells' sale of REC shares NOK +270 million
- Agreement signed with Q-Cells to cancel REC options
 - Net value as of 31.12.2007 was NOK 67 million – recognised as income in Q1-08
 - Recognition of imputed income was NOK 6 million in Q1-07

Q1 - Solid balance sheet

- Equity ratio 55.4 %
- Net gearing 0.3

- Market value Share Portfolio 17,141 MNOK
- Net interest-bearing debt 18,628 MNOK



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Business Area Review



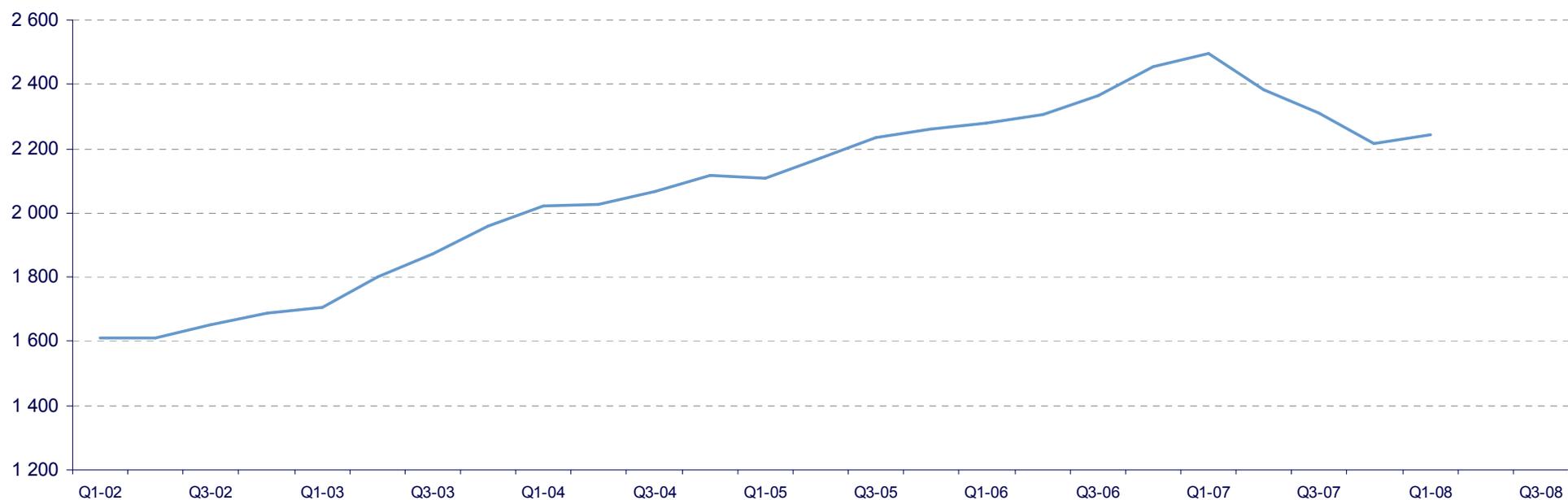


Orkla Brands



Positive impact from action plan (EBITA 12 month rolling)

NOK million



Orkla Brands – Profit growth

- Underlying top line growth +5 %
- Profit growth mainly due to action plan
 - Structural changes
 - Price increases
 - Q1 last year was negatively impacted by NOK 20 million in one-off costs
- Improved performance from continued business
- Challenging market conditions in Russia for Orkla Brands International

Orkla Brands

in NOK million

1 Jan - 31 Mar	2008	2007	Change
Revenues			
Orkla Brands	5 361	5 285	1 %
Orkla Foods Nordic	2 293	2 207	4 %
Orkla Brands Nordic	1 859	1 990	-7 %
Orkla Brands International	526	484	9 %
Orkla Food Ingredients	780	701	11 %
Eliminations	- 97	- 97	
EBITA			
Orkla Brands	492	468	5 %
Orkla Foods Nordic	160	152	5 %
Orkla Brands Nordic	327	309	6 %
Orkla Brands International	- 27	- 22	-23 %
Orkla Food Ingredients	32	29	10 %
EBITA margin	9.2 %	8.9 %	

Action plan proceeding as planned

1) Price increases in line with Q1 raw material cost increases

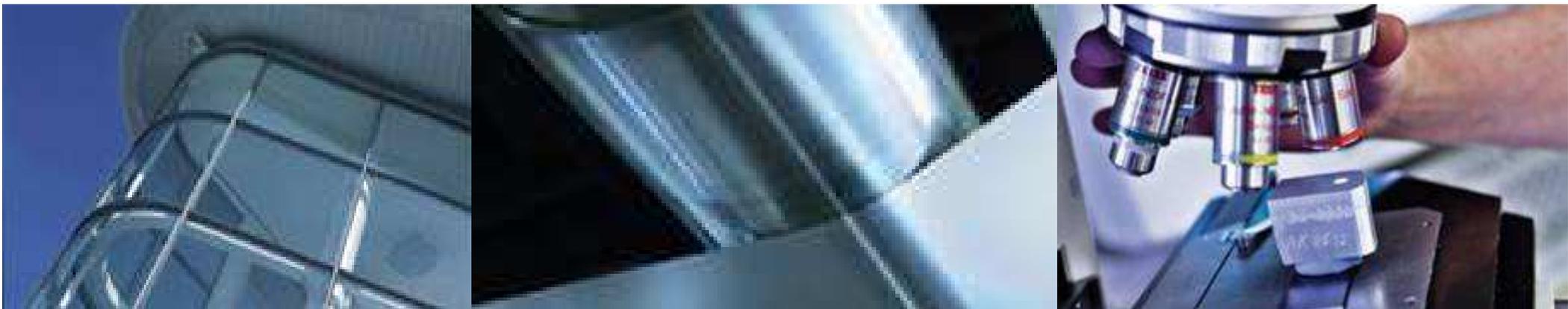
- Further price increases will be implemented due to continued hike in raw material prices and labour cost

2) International operations

- Divestments/restructuring of unprofitable companies
- Further structural measures in Central- and Eastern Europe in progress
- Challenging market conditions in Russia for Orkla Brands International

3) Bread and bakery operations in Norway

- Challenge is ongoing. Strengthened cost reduction scheme run parallel with business re-modelling



Orkla Aluminium Solutions

Restructuring on track in difficult markets

- Lower margins due to
 - Dilution effect from consolidation of Alcoa figures
 - Weaker markets in North America and Europe
 - Sapa Profiles start-up cost NOK 40 million in Q1
- Q1 affected by positive one-offs compared to Q4-07:
 - Positive seasonal effects (NOK 50 million)
 - Lower one-off costs (NOK 20 million)
 - Volume carryover from Q4-07
 - Positive EBITA swing effect NOK 60 million
- Continued strong performance for Sapa Heat Transfer and Building System

Orkla Aluminium Solutions *in NOK million*

1 Jan - 31 Mar

Revenues

	2008	2007	Change
Orkla Aluminium Solutions	7 432	4 653	60 %
Sapa Profiles	5 961	3 205	86 %
Sapa HT and BS	1 754	1 778	-1 %
Eliminations	- 283	- 330	

EBITA

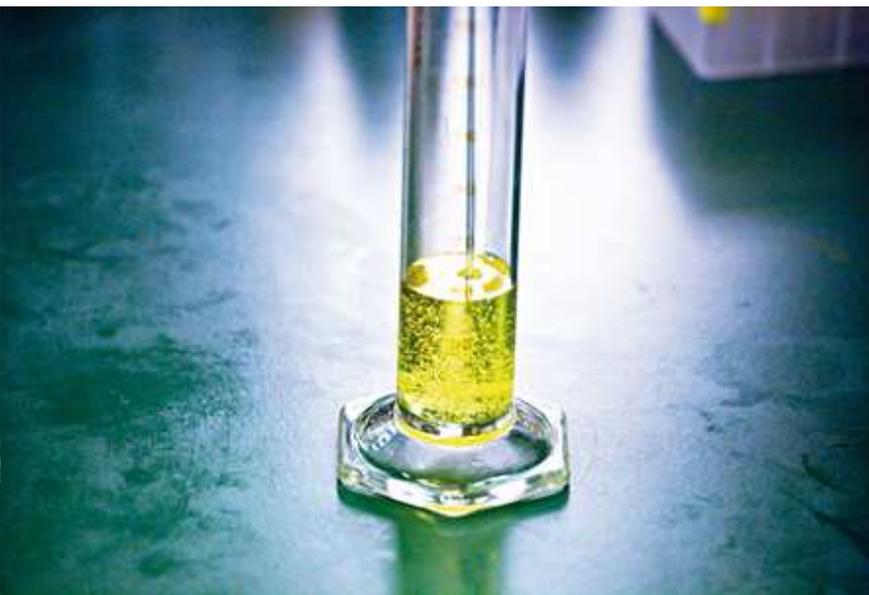
Orkla Aluminium Solutions	343	350	-2 %
Sapa Profiles	200	222	-10 %
Sapa HT and BS	143	128	12 %

EBITA margin **4.6 %** **7.5 %**

Q2 expected to be affected by:

- Weaker profile markets compared with Q1-08 and Q2-07 expected, both for U.S. and Europe
 - US market expected to drop 10 % in 2008
- Continued strong demand for Heat Transfer
- Start-up/integration costs for Sapa Profiles
 - NOK 40-50 million per quarter in 2008





Borregaard

Borregaard – Improved profitability

- Specialty Cellulose benefits from favourable market conditions for textile cellulose
- Weaker USD and higher costs for wood, chemicals and energy hamper profitability in Chemicals
- Stable result from energy operations

Borregaard

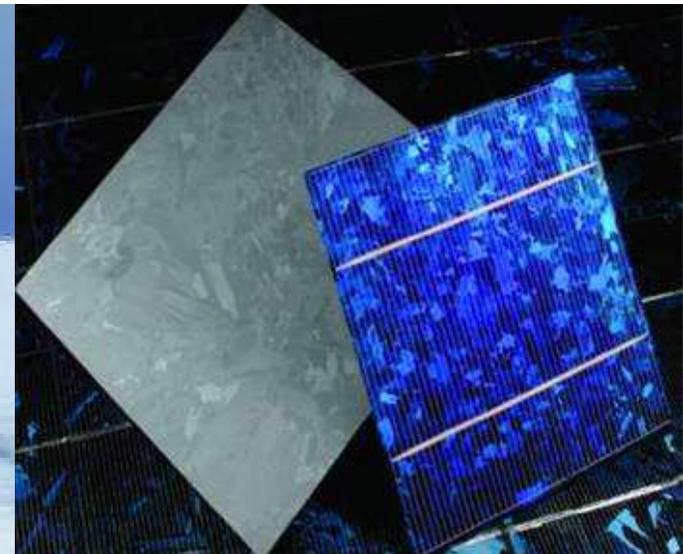
in NOK million

1 Jan - 31 Mar

Revenues	2008	2007	Change
Borregaard	1 216	1 145	6 %
Energy	62	47	32 %
Chemicals	1 207	1 142	6 %
Eliminations	- 53	- 44	

EBITA

Borregaard	102	91	12 %
Energy	25	29	-14 %
Chemicals	77	62	24 %
EBITA margin	8.4 %	7.9 %	



Orkla Associates

Orkla Associates



REC

in NOK million

1 Jan - 31 Mar	2008	2007	Change
Revenues	1 771	1 616	10 %
EBITDA	742	869	-15 %
EBIT	579	737	-21 %
Profit before tax*	327	634	-48 %

- Revenue growth of 10 per cent.
- EBITDA declined by 15 per cent, mainly due to higher expansion cost and currency translation effects
- NOK 2 billion wafer contract signed with existing wafer customer in April.



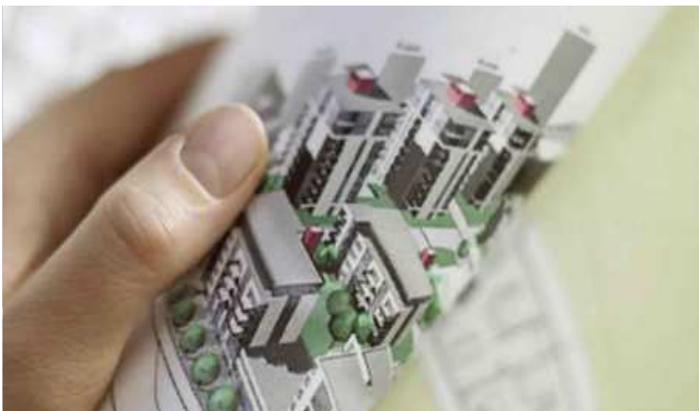
Jotun

in NOK million

1 Jan - 31 Mar	2008	2007	Change
Revenues	2 259	2 072	9 %

- Growth in both operating revenues and operating profit
- Continued high activity within ship construction and oil-/gas-related projects
- Strong construction sector in the Middle East

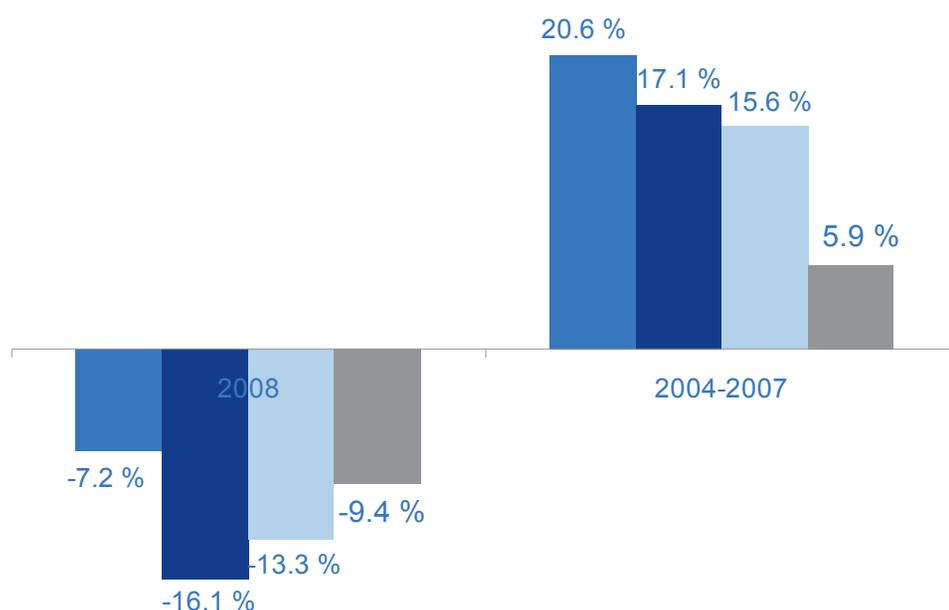
* Adjusted for change in accounting principles for financial items



Orkla Financial Investments

Orkla Financial Investments

■ Portfolio ■ OSEBX ■ MSCI Nordic ■ S&P 500



Gains and dividends *in NOK million*

2008	1 Jan - 31 Mar
Unrealised gains	-1 078
Net gains and losses	- 274
Change in fair value of associates	- 21
Dividend received	87
Tax and interest	83
Change in net asset value	-1 203
Market value Share Portfolio	17 141
Unrealised gains before tax	2 732



Elkem

Helge Holen
CEO Elkem

Elkem – Weak result compared to last year, but positive development in main markets

- Primary Aluminium result hampered by weakened USD, higher costs and aluminium hedges
- EBITA from Elkem Energy trading down NOK 183 million
- Increased capacity utilisation following strong market growth for silicon-related operations
- Elkem Solar proceeding according to plan

Elkem in NOK million

1 Jan - 31 Mar Revenues

	2008	2007	Change
Elkem	2 708	2 433	11 %
Energy	442	320	38 %
Primary Aluminium	643	704	-9 %
Silicon-related	1 866	1 551	20 %
Eliminations	- 243	- 142	

EBITA

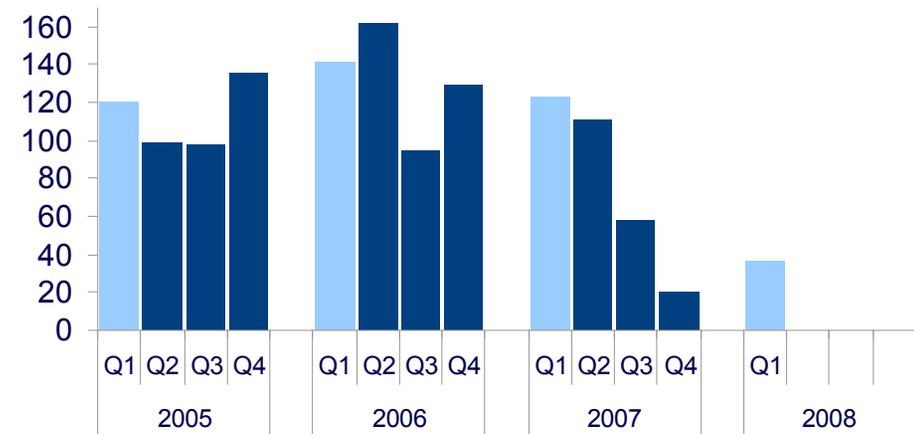
Elkem	217	531	-59 %
Energy	104	244	-57 %
Primary Aluminium	37	123	-70 %
Silicon-related excl. solar	153	191	-20 %
Elkem Solar	- 77	- 27	

EBITA margin	8.0 %	21.8 %
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Primary Aluminium – Good foundation for future profitability

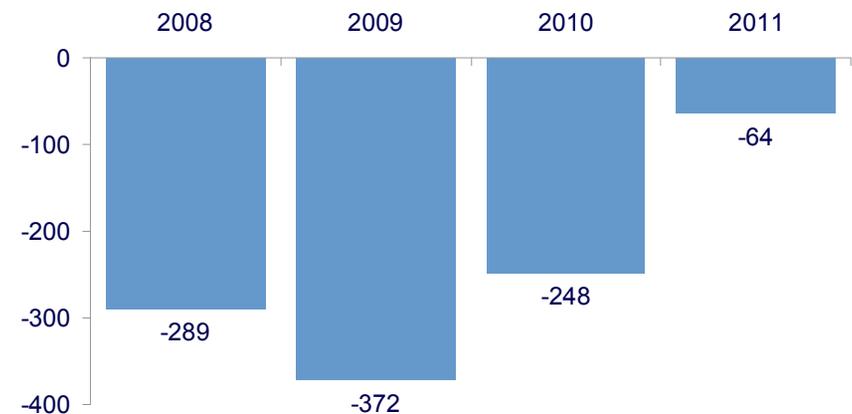
- Metal hedges hamper profit temporarily
 - Loss on metal hedges NOK 61 million in Q1
 - Unrealised hedge loss of NOK 973 million, mainly in 2008-2010
- Negative EBITA effect of NOK 37 million vs. last year due to weakened NOK/USD
- New power contract gives negative effect on EBITA of NOK 35 million
- Foundation for future profitability
 - Favorable power contract with Vattenfall through 2019
 - New alumina contracts from 2007 secured through 2019

EBITA per quarter - Primary Aluminium



Unrealised losses on metal hedge [MNOK]

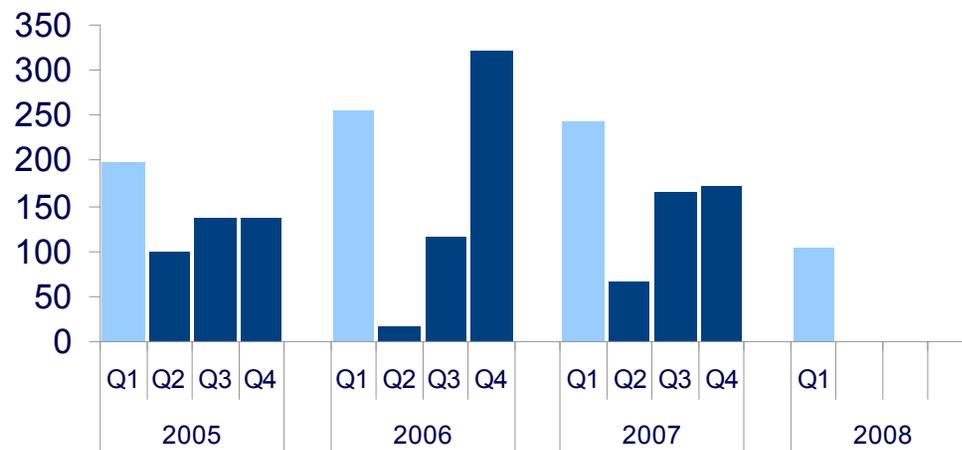
■ As per 1.4.08: LME 3M: 2 990, NOK/USD: 5,13



Elkem Energy – Lower result due to weak trading

- EBITA at NOK 104 million vs. NOK 244 million last year
- EBITA from Energy trading at NOK -54 million versus NOK 129 million last year
- 600 GWh/year from Sauda hydro power expansion to start up on schedule in Q3-08
- Statkraft court case decision reduces Sauda expansion investment costs by NOK 210 million

EBITA per quarter - Energy

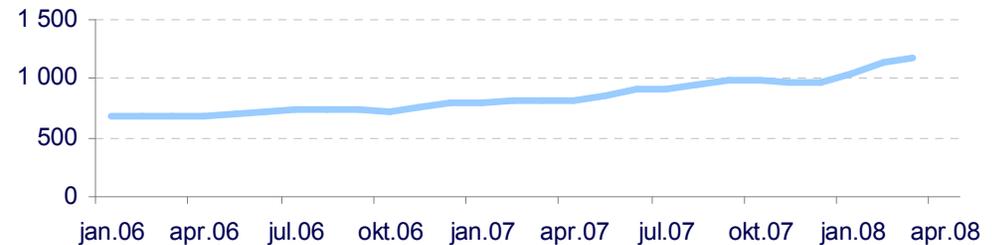


Silicon-related

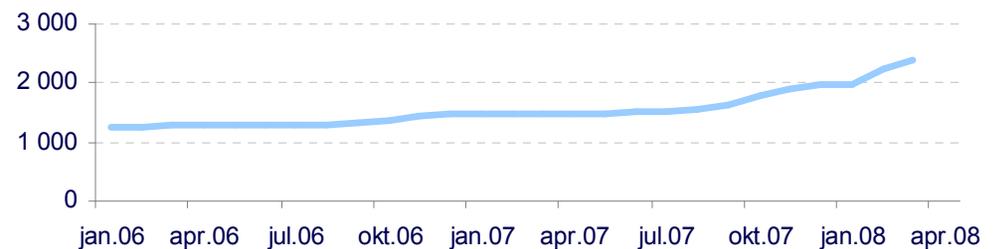
Good price growth in main markets

- Most silicon metal contracts are long-term with market price adjustments
- Strong production base on Iceland gives very competitive cost position in ferrosilicon and foundry products
 - FSM production at Bjølvefossen is being moved to Iceland
- Elkem has the number one position in the global foundry product market
 - Prices expected to increase
- Ramp-up of additional Salten furnace in May increases annual capacity by 20.000 MT/year

**Ferrosilicon price - CRU Europe
[EUR/Mt]**



**Silicon price - CRU Europe
[EUR/Mt]**



Elkem Solar - A break-through Solar Grade Silicon production process...

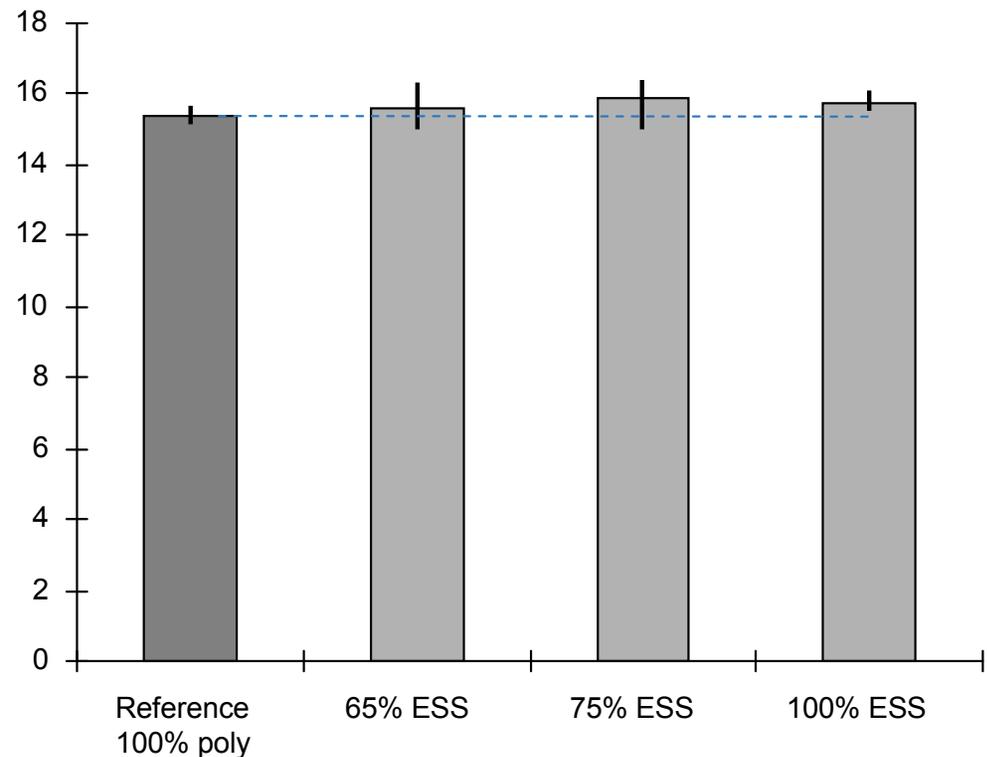


- In-house production only
 - Based on Elkem's core competences
 - Three sequential purification steps designed to reduce the level of impurities for critical elements
 - Largely based on Elkem's core competences in high temperature processes, process and equipment design
 - Ingots cleaned and sawed into bricks of ~10 kg
 - Quality control
- Low power consumption enables total cost below USD 20/kg
 - Technology uncertainty reduced through systematic verification program

Cell efficiency on par with polysilicon

- Efficiency from Elkem Solar Silicon at Q-Cells is on par with polysilicon
- Promising results from high efficiency cells – aiming for above 18% efficiency
- Typical impurity levels produced at our industrial demo plant:
 - P: 1,5 ppmw
 - B: 0,4 ppmw
 - Total metallics: < 30 ppmw

Cell efficiency (%) of cells made of Elkem Solar Silicon (ESS) vs polysilicon at UKON*



* University of Konstanz

Construction project on schedule



Coming events

7 May 2008	Dividend payment
13 August 2008	Second quarter 2008 results
31 October 2008	Third quarter 2008 results



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Appendix

Balance sheet 31 Mar 2008

Key figures in NOK million

	31.03.2008	31.12.2007
Intangible assets	16 468	16 626
Property, plant and equipment	22 656	21 481
Financial non-current assets	15 198	14 999
Non-Current assets	54 322	53 106
Inventories	8 686	8 533
Receivables	12 489	12 628
Share Portfolio etc.	17 191	17 559
Cash and cash equivalents	3 784	2 966
Current assets	42 150	41 686
Total assets	96 472	94 792
Paid-in equity	1 990	2 002
Earned equity	48 825	50 661
Minority interests	2 638	2 601
Equity	53 453	55 264
Provisions	5 914	6 142
Non-current interest-bearing liabilities	18 336	16 093
Current interest-bearing liabilities	4 186	3 188
Other current liabilities	14 583	14 105
Equity and liabilities	96 472	94 792
Equity to total assets ratio	55.4 %	58.3%
Net gearing	0.3	0.3

Cash flow 31 Mar 2008

Key figures *in NOK million*

1 Jan - 31 Mar	2008	2007
Industry division:		
Operating profit	1 021	1 330
Amortisations, depreciations and write-downs	576	521
Changes in net working capital	- 387	- 445
Net replacement expenditure	- 384	- 309
Cash flow from operations	826	1 097
Financial items, net	- 275	105
Cash flow from Industry division	551	1 202
Cash flow from Financial Investments	473	358
Taxes paid and miscellaneous	- 444	- 559
Cash flow before capital transactions	580	1 001
Dividends paid and share buybacks	- 681	- 8
Cash flow before expansion	- 101	993
Net expansion	-1 124	-5 406
Net purchases/sales portfolio investments	-1 055	- 460
Net cash flow	-2 280	-4 873
Currency translation net interest-bearing debt	- 170	231
Change in net interest-bearing debt	2 450	4 642
Net interest-bearing debt	18 628	16 062

Largest holdings in the Share Portfolio

Market value *in NOK million*

per 31 Mar 2008

Principal holdings	Industry	Market value	Share of portfolio (%)	Share of equity (%)
Fast Search	Systems Software	969	5.7	15.2 %
Tomra	Industry	921	5.4	14.5 %
Hennes & Mauritz	Retailing	704	4.1	0.3 %
DnB NOR	Bank	560	3.3	0.5 %
Rieber & Søn	Food	559	3.3	15.6 %
Vimpelcom	Telecommunication	557	3.2	0.3 %
StatoilHydro	Energy	420	2.4	0.1 %
Amer Group	Consumer Goods	409	2.4	5.5 %
Scandinavian Property Dev.	Real estate	405	2.4	18.1 %
Nokian Renkaat	Automobiles & Components	359	2.1	1.3 %
Total principal holdings		5 862	34.2	
Market value of entire portfolio		17 141		

Share Portfolio key figures

Key figures *in NOK million*

	31 Mar 08	31 Dec 07	Change 08
Market value portfolio	17 141	17 513	- 372
Unrealised gains before tax	2 732	3 810	-1 078
Share of portfolio invested			
- outside Norway	53 %	55 %	-2 % pts
- in listed companies	84 %	85 %	-1 % pts

Currency translation effects

in NOK million

Revenues	Q1-08
Orkla Brands	-117
Orkla Aluminium Solutions	-504
Elkem	-54
Borregaard	-35
Total	-710

EBITA	Q4-07
Orkla Brands	-3
Orkla Aluminium Solutions	-17
Elkem	-8
Borregaard	-5
Total	-33

Financial items

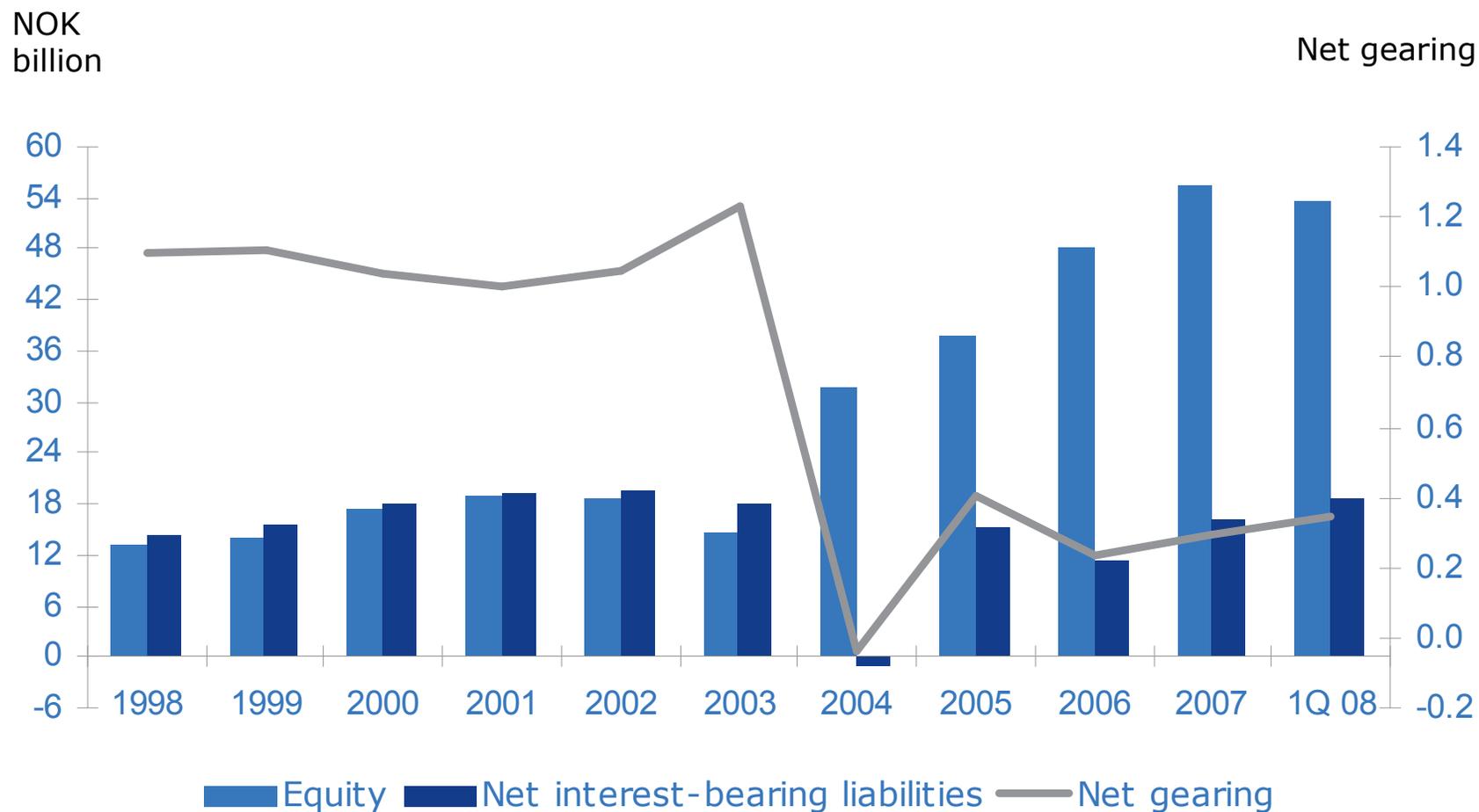
Net financial items

in NOK million

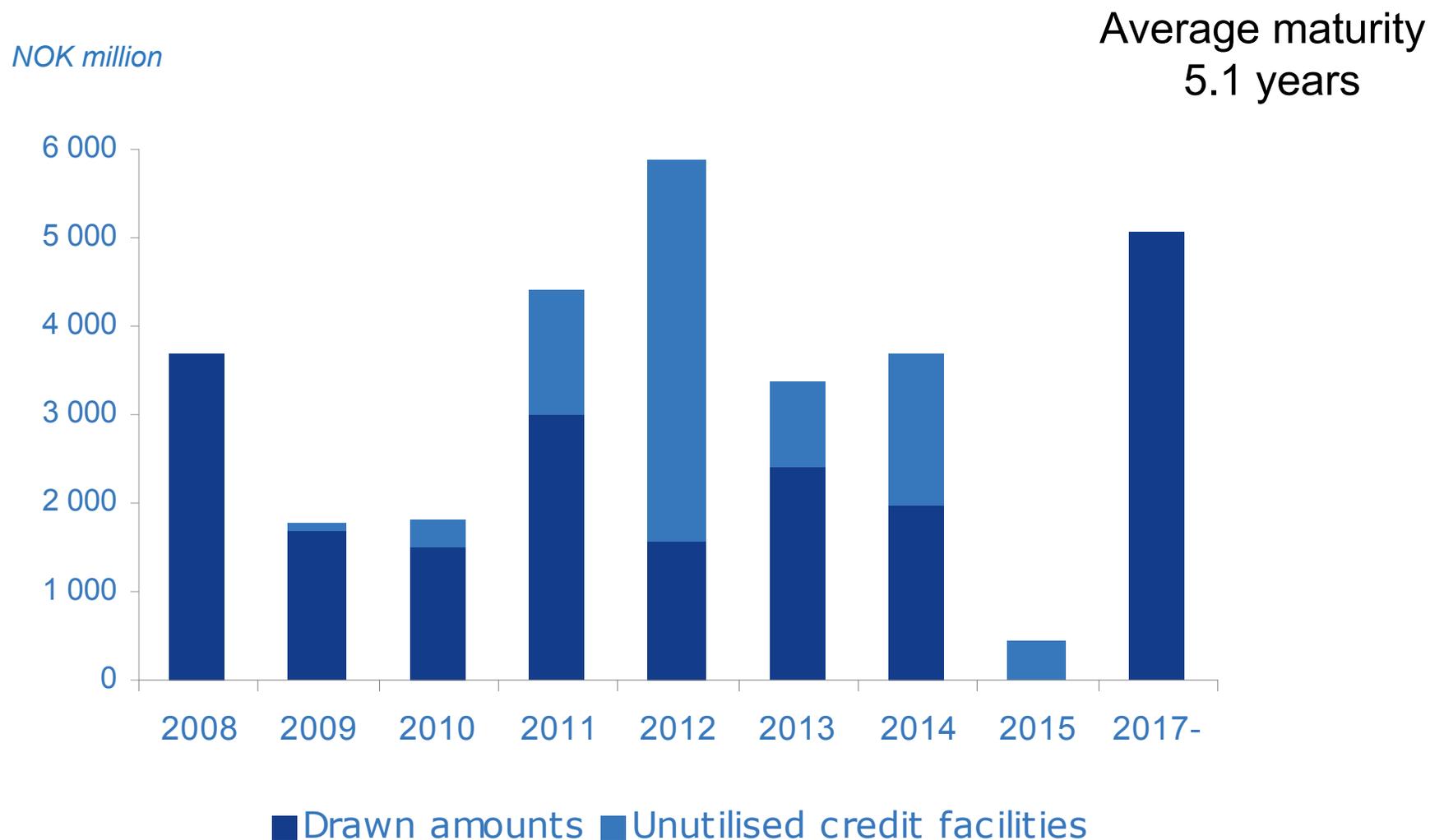
1 Jan - 31 Mar	2008	2007	Full year 2007
Net interest expenses	-177	-146	-704
Currency gain/loss	14	16	32
Other financial items, net*	67	753	1 112
Net financial items	-96	623	440

* Reference is made to slide 6 for further details

Net gearing 0.3 per 31 Mar 2008



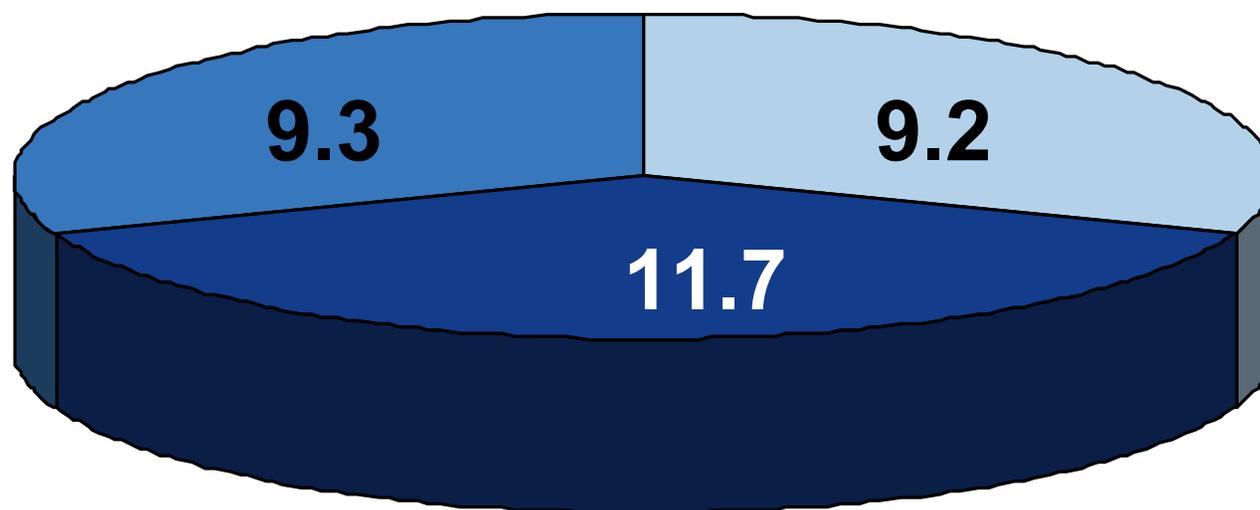
Debt maturity profile 31 Mar 2008



Funding Sources 31 Mar 2008

Unutilised credit facilities 31 %

Bonds and CPs 30 %



Banks 39 %

Figures in NOK billion