





Cautionary note

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Statements in this announcement refer to the Joint Venture, but a combination of said businesses is pending inter alia regulatory approval and completion of the transactions set out in the agreement between the parties.

Certain statements included within this Presentation contain forward-looking information, including, without limitation, those relating to (a) forecasts, projections and estimates, (b) statements of Orkla's and Hydro's objectives and strategies for the Joint Venture (c) targeted production volumes, capacities or rates, start-up costs, cost reductions and profit objectives, (d) various expectations about future developments in relevant markets, supply and demand, (e) results of operations, , (f) growth rates, (h) risk management, as well as (h) statements preceded by "expected", "scheduled", "targeted", "planned", "proposed", "intended" or similar expressions.

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This Presentation speaks as of October 15, 2012.





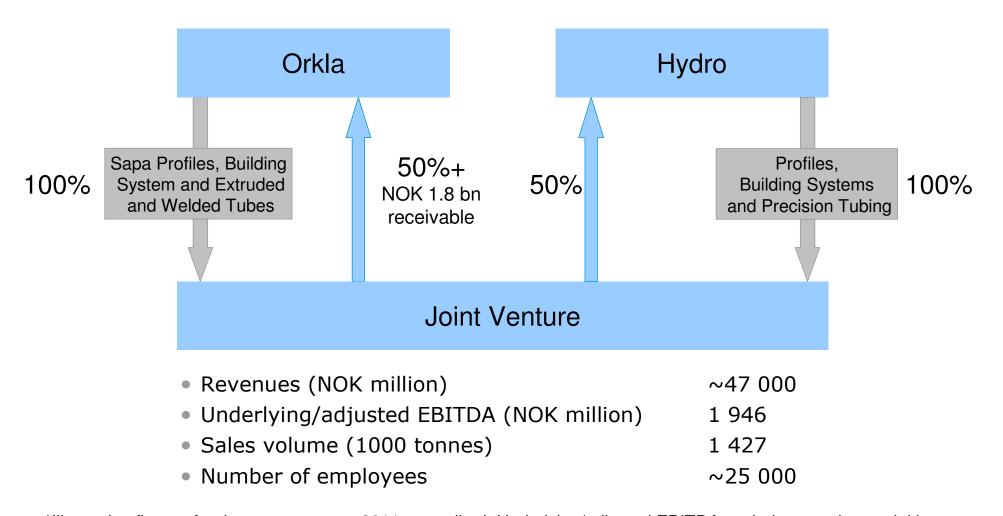


Åge Korsvold, President and CEO Orkla





Orkla and Hydro combine extruded aluminium assets

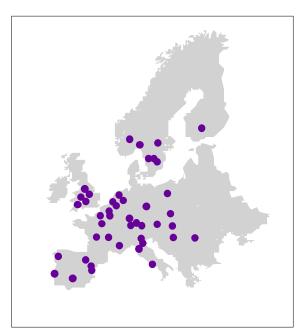


^{*}Illustrative figures for the new company 2011, unaudited. Underlying/adjusted EBITDA excludes certain special items.





Creating a stronger company better positioned for value creation







- No. 1 position in North America and Europe
- Broader competence base and more experienced management team
- Positioned for restructuring and value creation
- Strong foothold in emerging markets, including China, India and Brazil
- Positioned to capitalize on expected strong demand growth in aluminium products





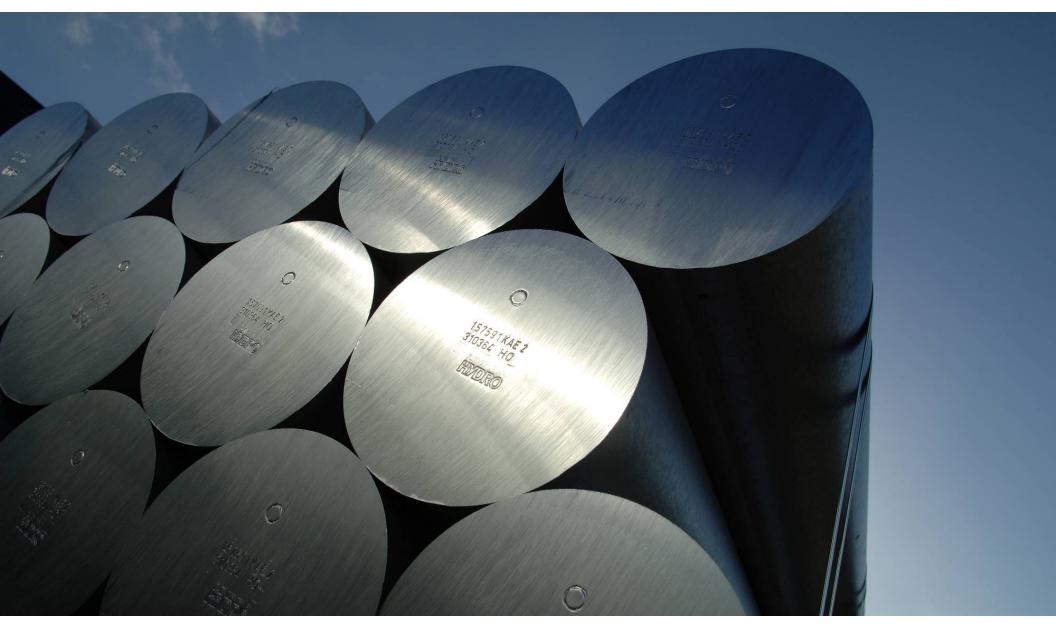
Transaction facts

- 50/50 joint venture between Orkla and Hydro
 - 2 Board of Directors representatives each from Orkla and Hydro
 - Svein Richard Brandtzæg to be chairman of the Board of Directors (no casting vote)
 - Svein Tore Holsether, current President and CEO of Sapa AB, to be President and CEO of new company
- To compensate for the relative valuation, Orkla will, in addition to 50 percent of the new company, receive NOK 1.8 billion to be paid by the new company*
- Hydro has agreed to supply the new company with extrusion billets on a corresponding level as today ~400 ktpy at market prices
- Either party may initiate an IPO after approx. 3 years from closing, and where each party can decide to retain 34 percent
- Subject to approvals from competition authorities
- Expected to be completed within first half 2013

^{*}Expected to be paid within 6 months of completion







Svein Richard Brandtzæg, President and CEO Hydro





New company with flexibility and capability to meet challenging market conditions

Challenging markets

- Continued European sovereign debt crisis
- Slow recovery from low levels in United States
- Somewhat weaker economic growth in emerging markets

Measures and capabilities

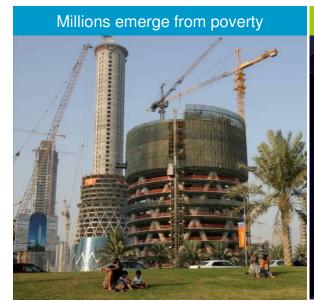
- Improvement efforts and realization of annual synergies of NOK 1 billion
- Rightsizing portfolio
- Technological and commercial competence, strong management team
- Improved customer solutions utilizing combined capabilities



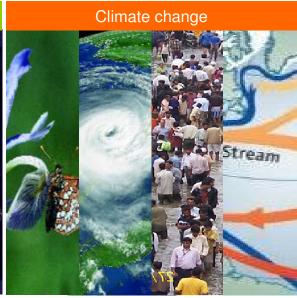


Global megatrends

Preparing for a low-carbon economy



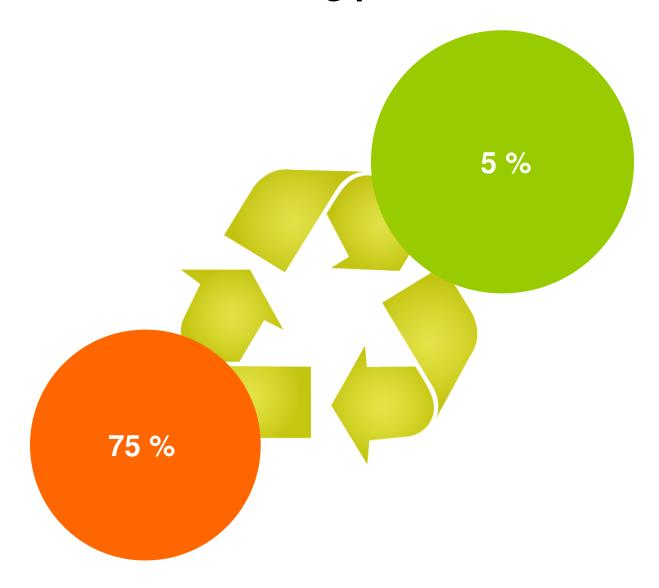








Aluminium – An everlasting product



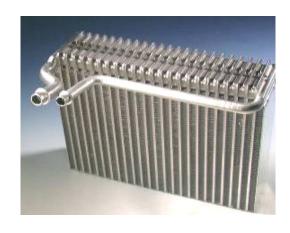




New company combining market-leading innovation









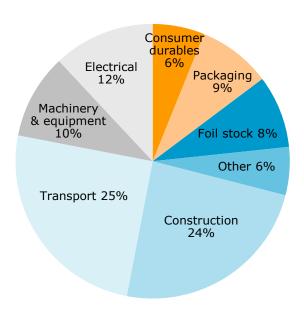






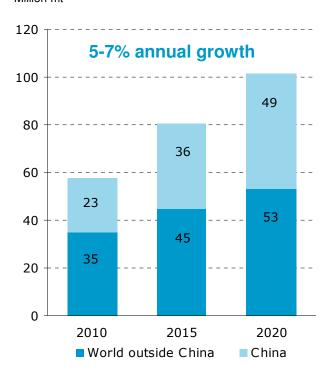
Demand for aluminium products expected to rise sharply

Share of semis consumption 2011 – 62 million mt



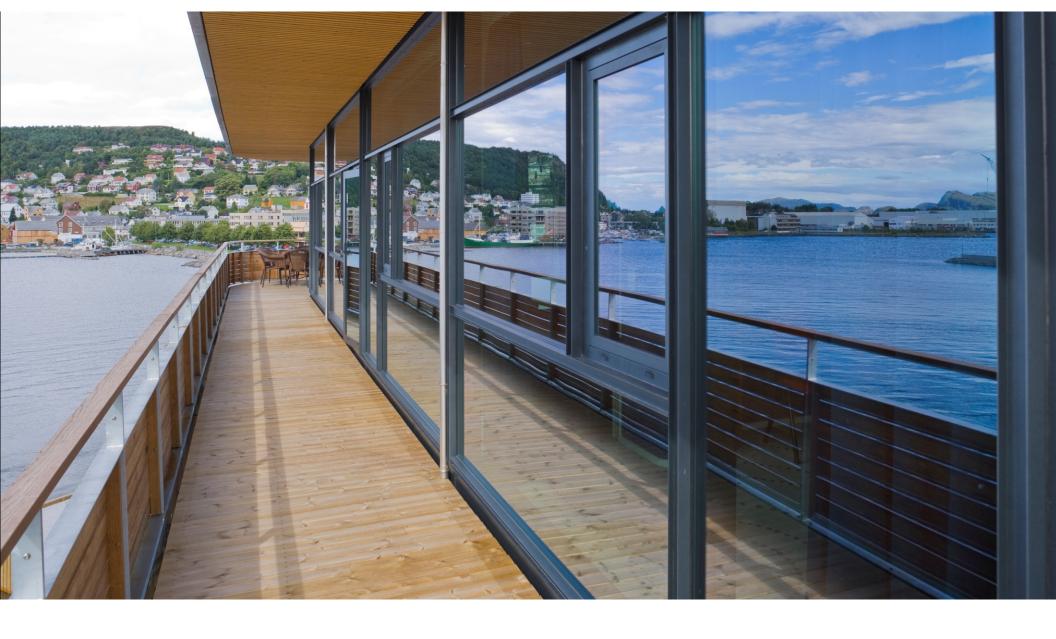
Source: CRU. Semi fabricated products.

Demand for semis







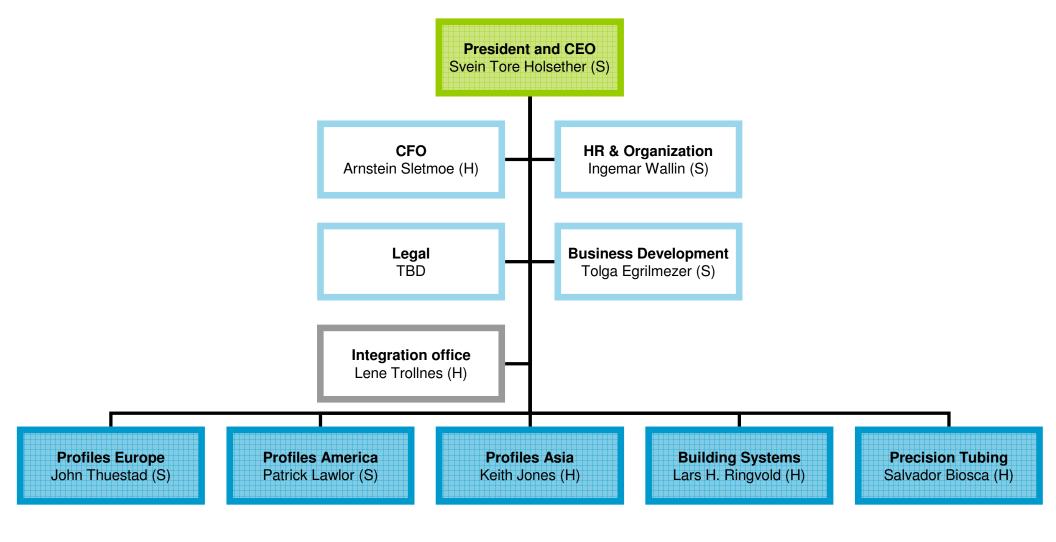


Svein Tore Holsether, President and CEO Sapa





Company to be named Sapa with headquarters in Oslo







Agenda of the new company

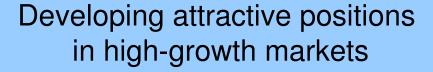
Europe

Building on solid knowledge base, rightsizing portfolio

North America

Integrating and capitalizing on strong positions

Emerging markets













Sapa – Contributed assets

In MNOK	2011	2010	2009	YTD June 2012	YTD June 2011	Q2 2012	Q2 2011
Operating revenue	26 927	24 140	18 558	13 570	14 094	6 857	7 317
EBITDA	1 303	1 053	146	606	726	326	424
EBITA	632	404	-534	262	390	149	255
EBIT	-65	362	-722	232	-38	127	-150
Capital Employed	12 639	11 161	10 203				





Hydro - Extruded Products

In MNOK	2011	2010	2009	YTD June 2012	YTD June 2011	Q2 2012	Q2 2011
Total revenue	20 085	19 405	20 065	9 478	10 402	4 761	5 300
Underlying EBITDA	655	987	585	290	459	165	222
Reported EBITDA	501	997	253	158	435	57	195
Underlying EBIT	151	444	-67	68	201	53	96
Reported EBIT	-240	426	-413	-85	176	-75	68
Capital Employed	5 744	5 587	5 927	5 848	6 113	5 848	6 113



