

Capital Markets Day

Hydro Agri

Executive Vice President Thorleif Enger
Norsk Hydro ASA
Oslo, 8 January 2002



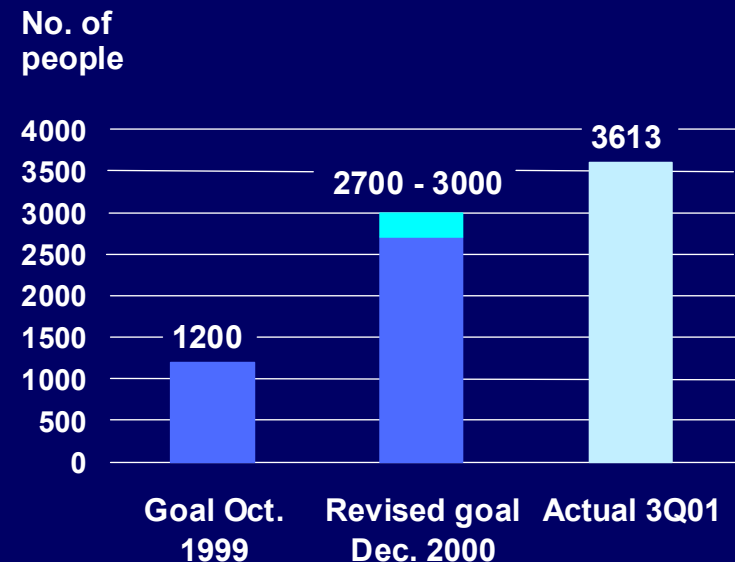


Agri Turnaround goals exceeded

Cost reductions



Demanning



* Total fixed cost reductions 2,226 MNOK compared with 1998 level

Agri Turnaround goals exceeded

Since 1999, our agri business has been through one of the toughest turnarounds in our company's history, with a manning reduction of about 35% and a corresponding reduction in fixed costs.

We announced in October 1999 our strategy for a turnaround program to be completed in 2001. The first targets for manning and cost reductions are shown on this slide. A year later, we announced a further increase in performance improvements. Even though the goals have been increased several times, we have outperformed even the high end of our most ambitious targets.

Many closures and divestments of non-core businesses since 1999



● Plants

- Immingham fertilizer production
- Landskrona fertilizer production
- Montoir nitrate production
- Hurel Arc
- Socadour
- Socofer La Pallice
- Oberhausen
- Barletta
- Porsgrunn potassium nitrate production
- Glomfjord REO production
- Vlaardingen (to JV)

● Hydro Oleochemicals

● Hydelfko

● Danish propane business

● Swedish non-CO₂ gas business

● Hydroship Services

● Hydro Shipping Agency Group

● Fertilizer marketing organizations

- Hungary
- Ukraine
- Bulgaria
- Slovakia
- Rumania
- Slovenia
- Croatia
- Latvia (51%)

● Czech non-fertilizer distributors

● Polish non-fertilizer distributors

● Agtec

● Chafer Machinery

● Noru Priroda mill

● Burlington River Terminal (to JV)

● Hydro Hagebruk (to JV)

● Various ships

Many closures and divestments of non-core businesses since 1999

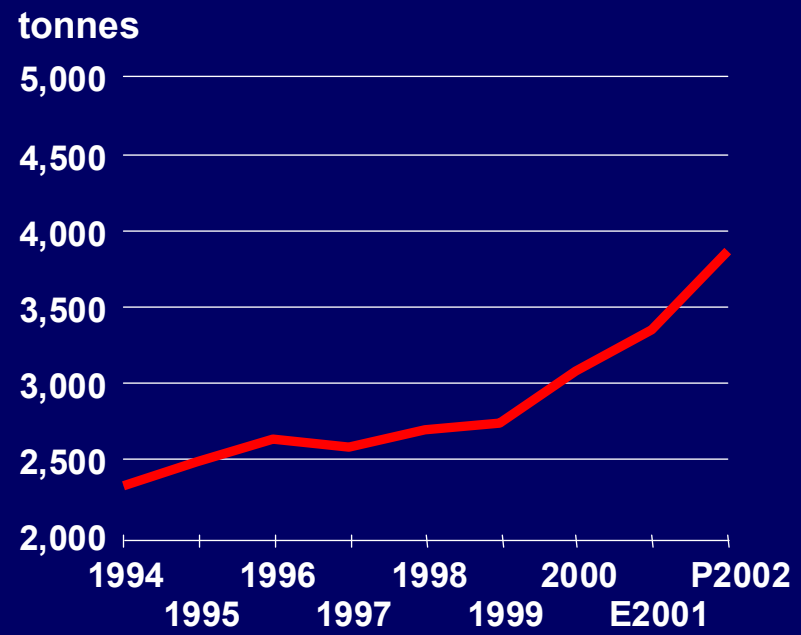
There was a large over-capacity of nitrate fertilizers in Europe. Hydro initiated an industry restructuring by closing down 1 million tonnes of product. So far the total capacity reduction is around 3 million tonnes of product. Restructuring is also taking place in the NPK business where Hydro has closed half a million tonnes of capacity. Hydro has also closed or divested non-core activities and activities below critical size. Our philosophy of active portfolio management is illustrated by our exit list which includes more than 30 businesses and plants since 1999.



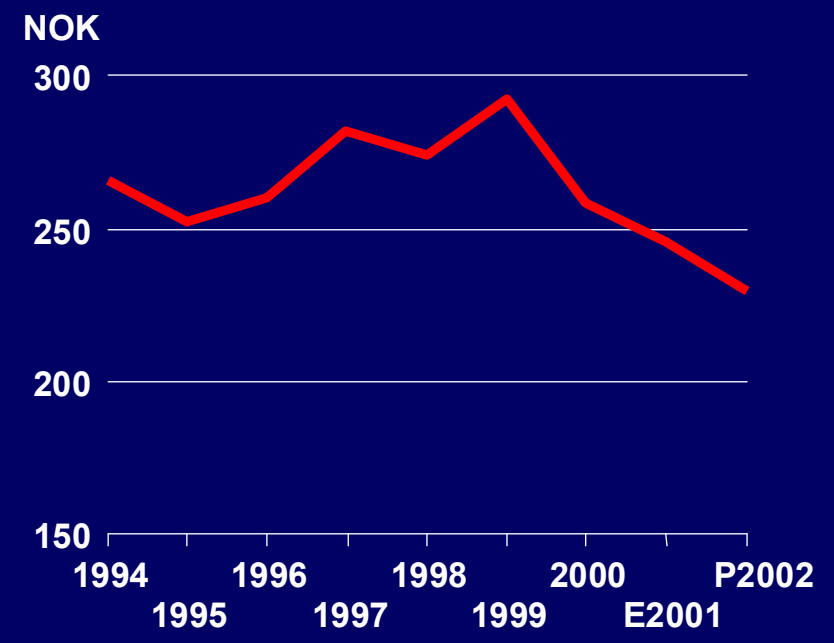
Large productivity improvements

European plants

Production per employee



Fixed costs per tonne*



* Excluding non-recurring items

Large productivity improvements

A steady rise in production per employee in Europe was further accelerated by the Turnaround program. Fixed costs per tonne fertilizer have fallen significantly since 1999. Our competitiveness has improved dramatically and further improvements are planned for 2002. The improved structure and quality of our production assets in Europe are now providing large contributions to our improvement in overall profitability.

Seizing business opportunities at the bottom of the business cycle



Ownership share in parentheses

- **Trevo, Brazil (91%)**
- **Kynoch, South Africa (100%)**
- **Philphos marketing agreement, Philippines (0%)**
- **SQM marketing agreement, Chile (0%)**
- **Qafco IV expansion and marketing agreement (25%)**

**An asset light strategy with
Marketing share > Ownership share**

Seizing business opportunities at the bottom of the business cycle

At the bottom part of the business cycle, when businesses can be acquired at favourable prices, we have also seized the opportunity for asset light growth focused on high potential emerging markets. Whenever possible, we attempt to get a higher marketing share than our share of asset ownership, creating opportunities for a stable cash flow with minimal cyclical swings. One example is our 25% ownership in the world's largest and most cost-effective ammonia and urea facility, where we have a marketing agreement for approximately 50% (twice our ownership share).

Strong leadership and focus on main value drivers



- **Productivity**
 - Productivity improvements will be our trademark
- **Portfolio**
 - We own assets by design, not by default
- **Growth**
 - Asset light strategy with focus on supply/demand balance

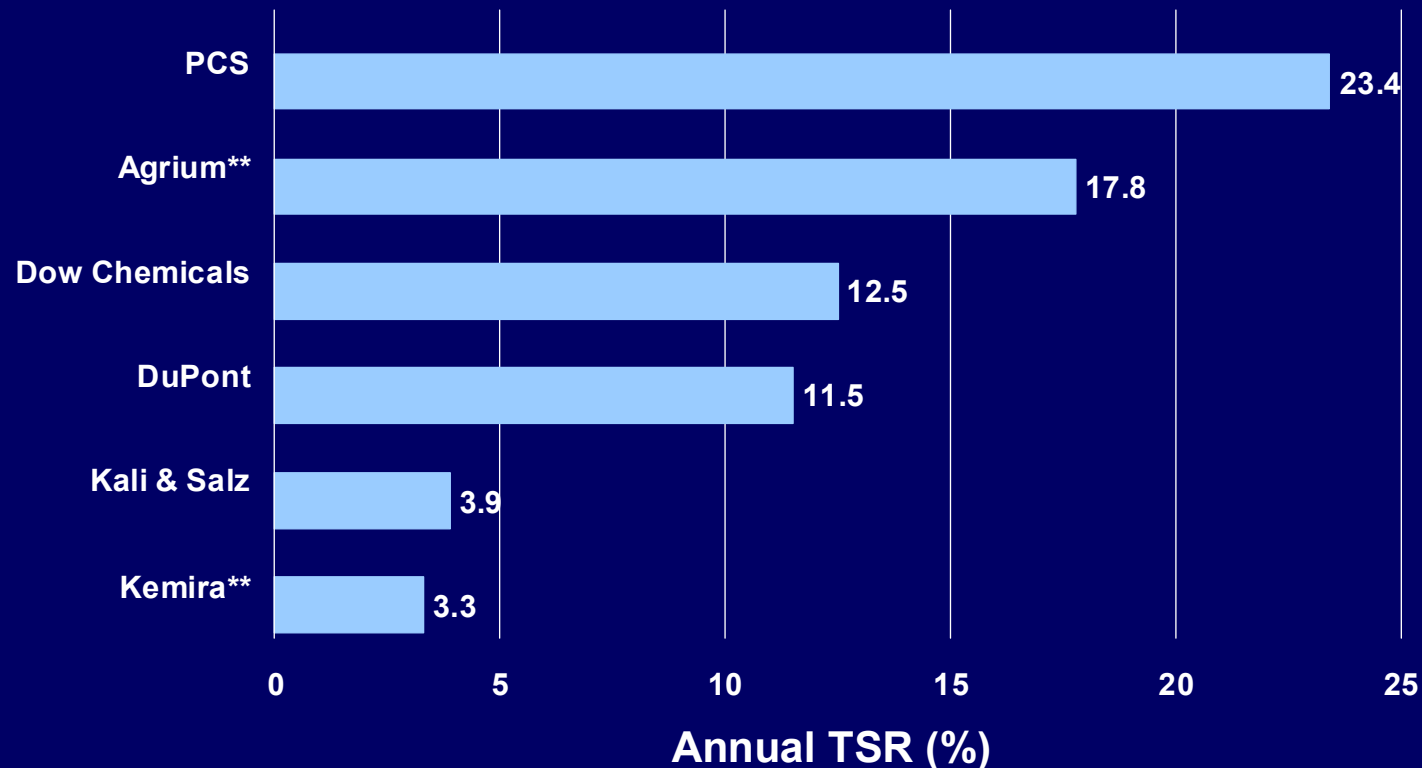
Strong leadership and focus on main value drivers

As already illustrated, Hydro Agri creates value by focusing on three main value drivers: Continuous productivity improvement, active portfolio management and asset light growth. We have ambitious growth targets but focus on asset light opportunities when we are able to acquire less than 100% of an asset and still achieve our cash flow targets.

Shareholder value - the best fertilizer performers have done well



Average annual Total Shareholder Return* across the business cycle (1991-2000)



* TSR = Share price appreciation + dividends to shareholders

** Agrium from merger in 1993 to 2000, Kemira from IPO in 1994 to 2000

Source: BCG database

Shareholder value - the best fertilizer performers...

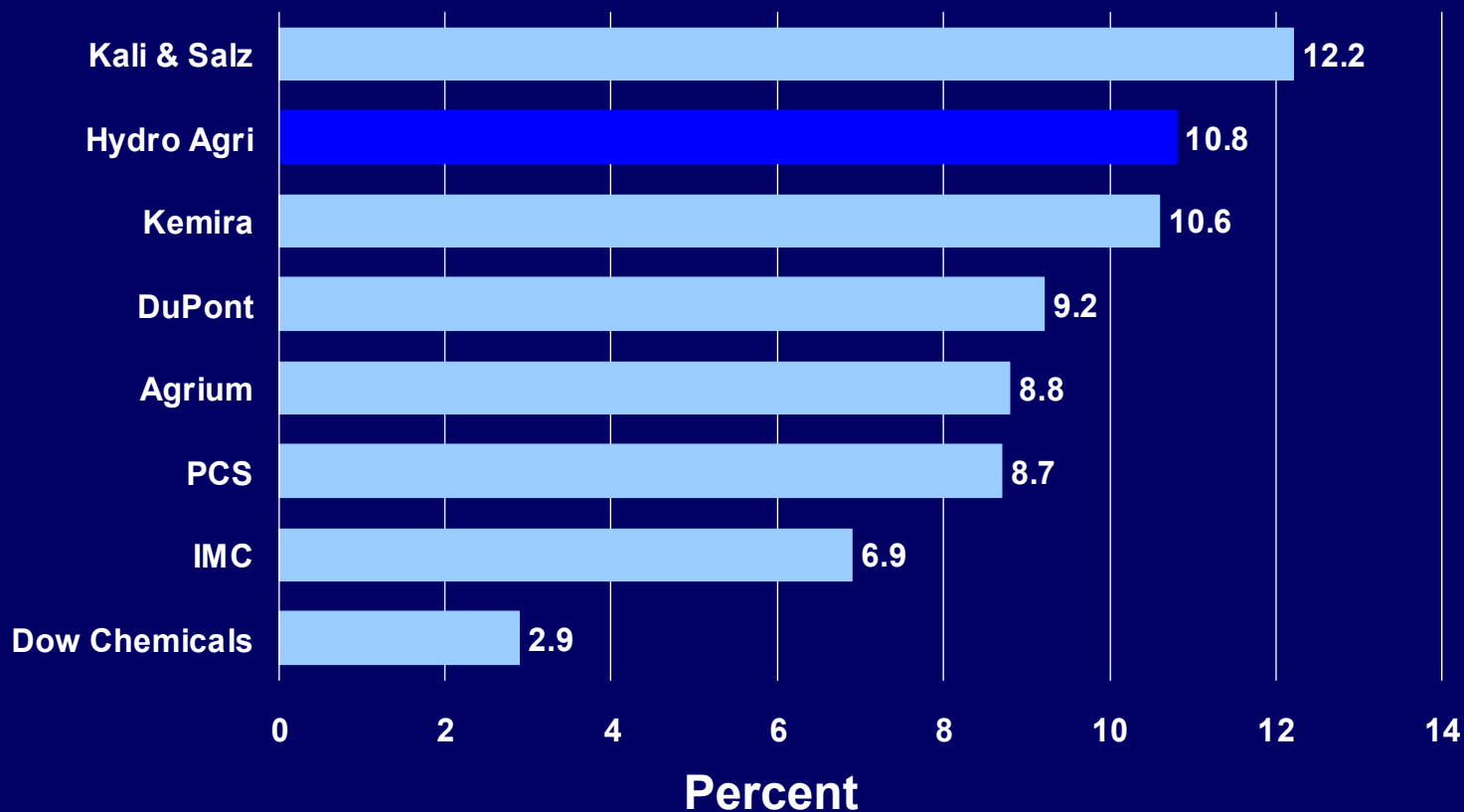
The best fertilizer companies have delivered competitive shareholder returns over time, well above some of the major chemical companies.

Excellent performance over time is rewarded by the stock market. The market's current poor perception of the fertilizer industry in Europe is to a large extent created by the past problems of the industry. The restructuring now taking place will very much improve this situation. For Hydro Agri, our European business is currently showing attractive returns.



Top quartile Hydro Agri performance in 2001

Gross return on assets* Jan. - Sep. 2001



* Gross return on assets is similar to CROGI and defined as EBITDA divided by Total assets

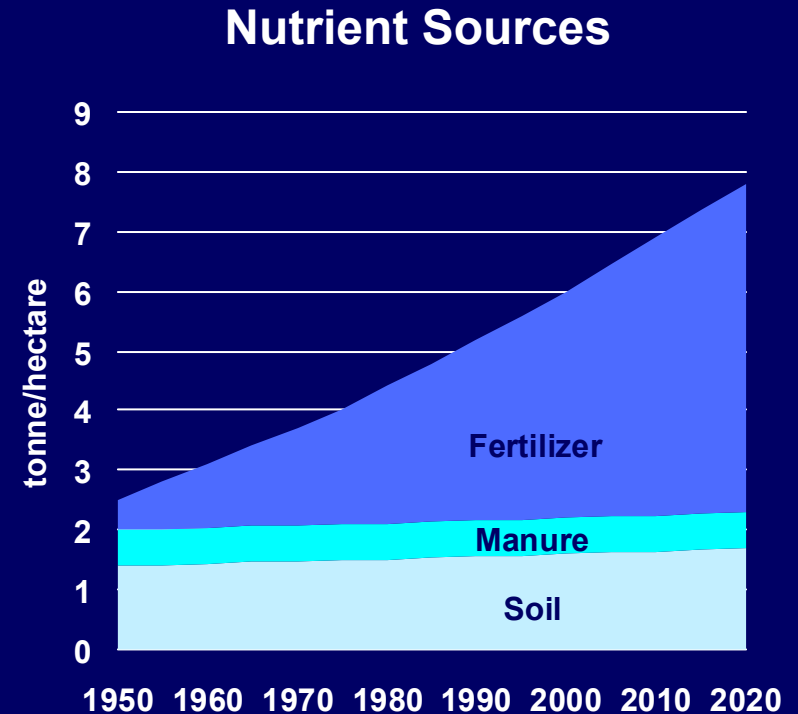
Source: Company quarterly reports

Top quartile Hydro Agri performance in 2001

In a very competitive industry, Hydro Agri has steadily been strengthening its results since our Turnaround program started in 1999. In the first three quarters of 2001, we find ourselves in the top quartile of our peer group and we have steady momentum towards even higher levels of performance.

Fundamental forces drive growth

- World population growing
- Land availability limited
- Mineral fertilizer only sustainable major source of nutrient



Expected growth 2-3% per year

Source: IFA, Worldmarkets.com, PCS, Hydro

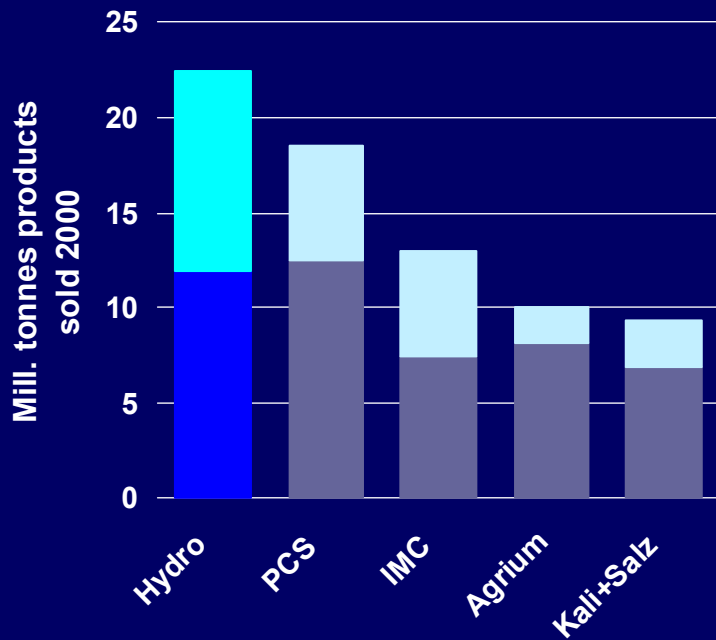
Fundamental forces drive growth

Although the annual industry growth is not very high, it has been remarkably stable over several decades. A rising world population, combined with a declining amount of arable land per person requires more food production from a limited land base. Increased use of fertilizers, particularly in developing nations which face the largest population growth, will be critical to produce the necessary amount of food.

Our agri business is a unique combination of size and global presence

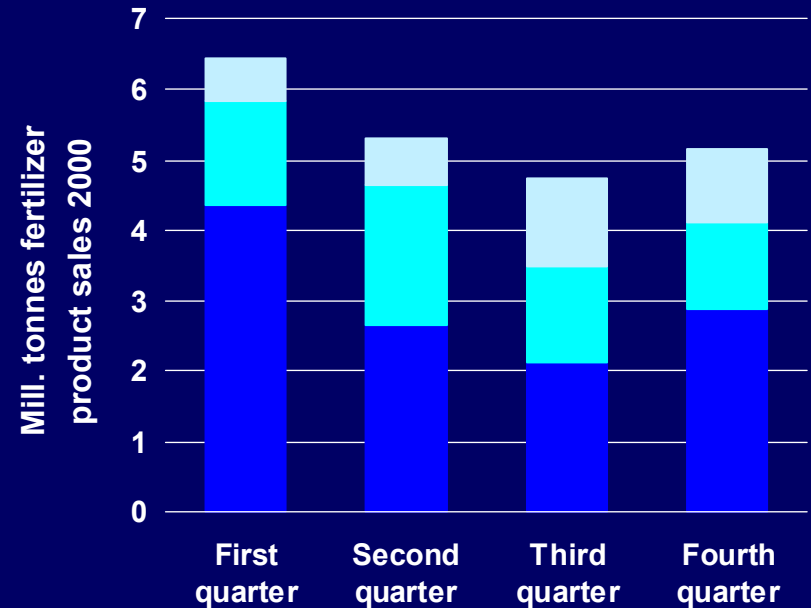


All fertilizer products



- Hydro Overseas
- Hydro Europe
- Overseas
- Home market

Hydro Agri Non-European sales reduce seasonality



- Europe
- Other Northern hemisphere
- Southern hemisphere

Source: Annual reports

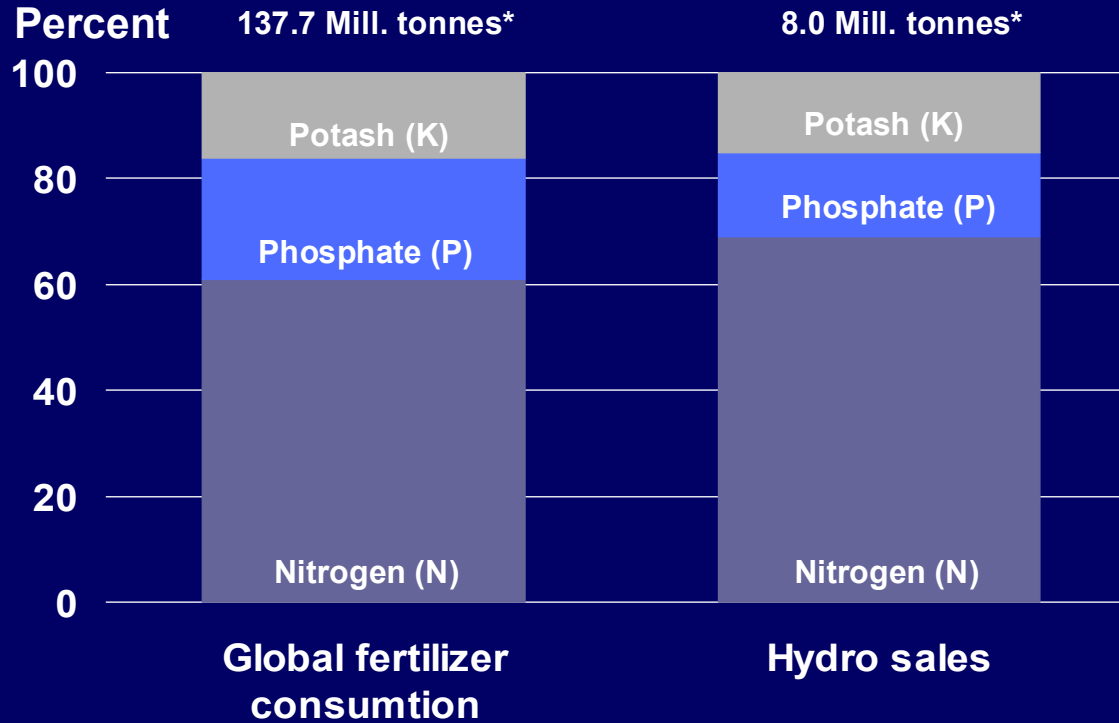
Our agri business is a unique combination of size and global presence

Hydro is number one in fertilizer sales compared with other fertilizer companies. Almost half of our sales take place outside of our home market Europe. This puts Hydro in a unique position in the industry and make our profits less exposed to seasonality and problems in one specific geographical region. This becomes even more pronounced as Europe's importance gradually diminishes.

Hydro Agri sales are well balanced among the three important nutrients



2000 sales



Average global Hydro market share ~6%

* Nutrient tonnes

Source: IFA, Hydro

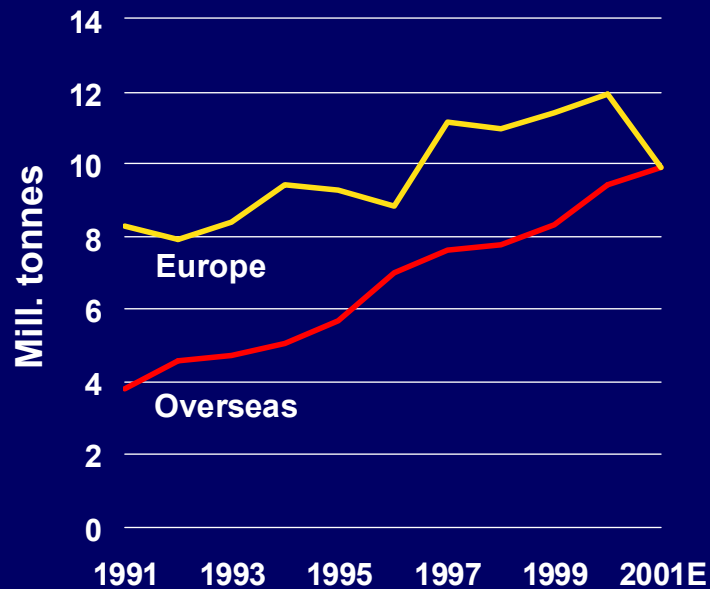
Hydro Agri sales are well balanced among the three important nutrients

Compared with the global fertilizer consumption, Hydro's sales are well balanced between the three primary nutrients. As nitrogen is the most important and hence the largest plant nutrient in terms of consumption, our sales also have a higher share of nitrogen than the other nutrients. Our comprehensive product portfolio enable us to fully satisfy the needs of farmers and distributors.

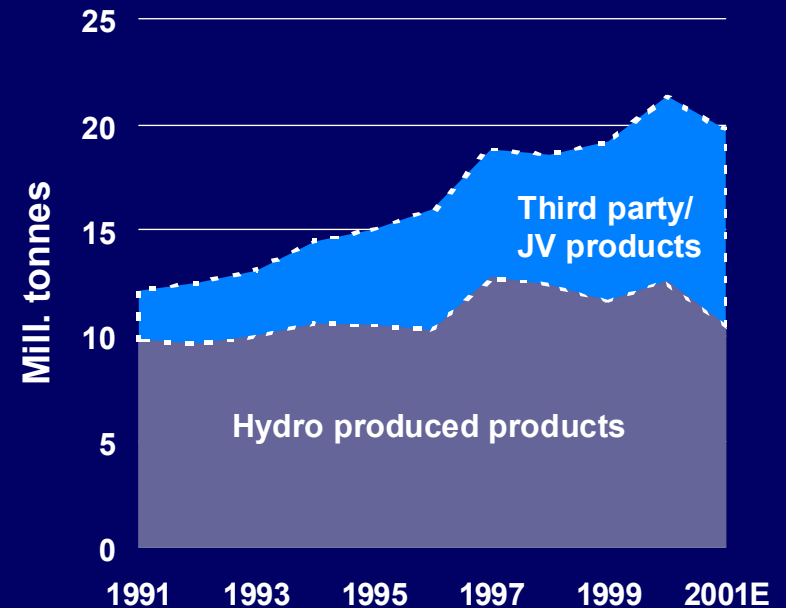


Sourcing strategy for overseas growth

Overseas volume increasing,
Europe stagnating



Third party sourcing increasing



Sourcing strategy for overseas growth

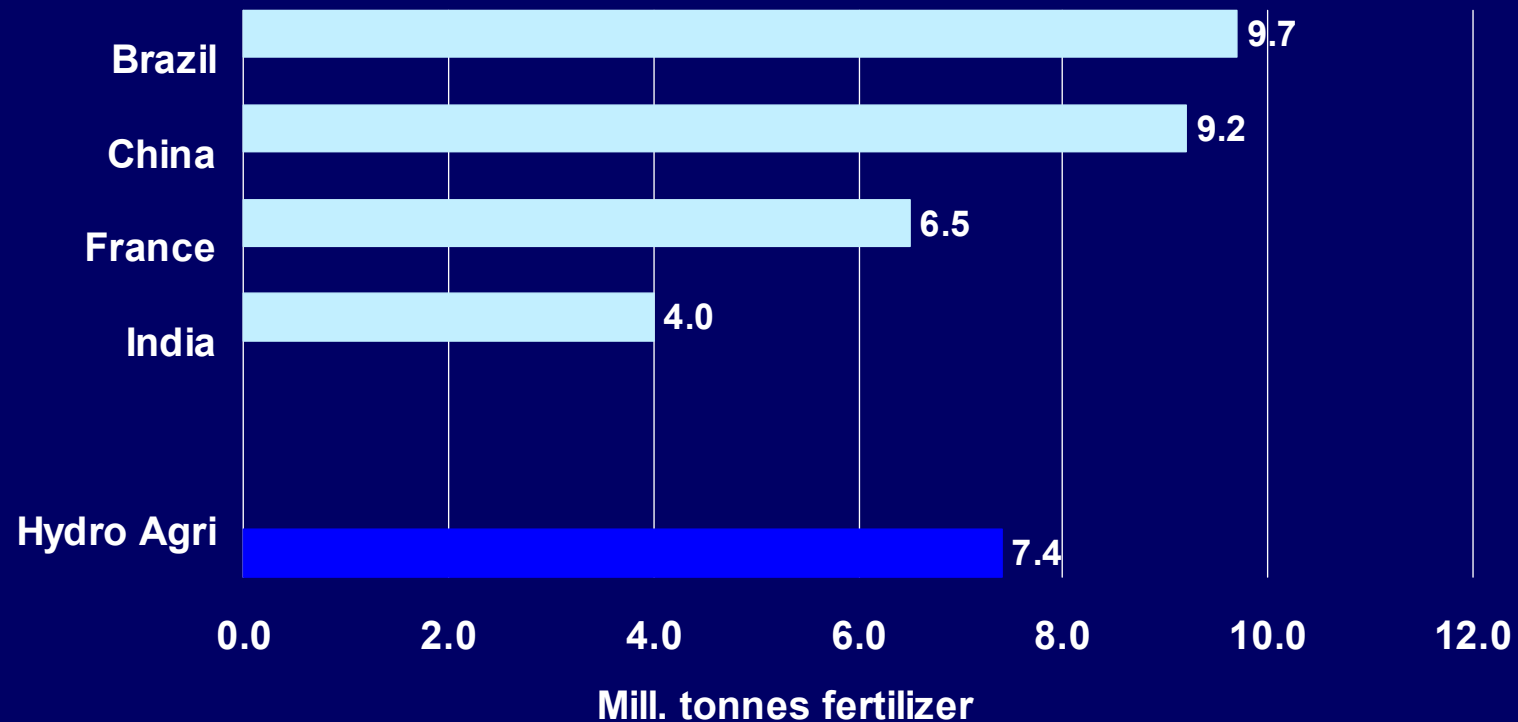
While fertilizer consumption in Europe is stagnating, many overseas markets continue their strong growth. This is reflected in our sales profile (left graph). In 2001, our sales in Europe were affected by a significant reduction in fertilizer consumptions caused by exceptionally bad weather in spring.

Hydro's increasing share of third party products and products from production and marketing joint ventures give us increased sales and cash flows without the exposure created from owning large fixed assets.



Strong leverage based on purchasing power

Hydro Agri's fertilizer purchasing is similar to the entire imports of large countries



* Products included are Urea, AN, CAN, AS, DAP, MAP, TSP, MOP, SOP

Source: IFA

Strong leverage based on purchasing power

Our extensive sourcing from other producers gives us a purchasing power which ensures that Hydro gets the best fertilizer prices. This makes it less important whether we produce basic fertilizer products ourselves or source them from others. Many of our fertilizer suppliers also provide raw materials for our own fertilizer production. This adds to our procurement leverage and economies of scale.



Hydro Agri, the global leader in

- **Ammonia - the basis for all nitrogen fertilizer**
- **Nitrates - the most important fertilizer in Europe**
- **Balanced fertilization (NPK) - serving value-added segments**
- **Speciality fertilizers - serving high margin cash crop markets**
- **Industrial applications - mainly in Europe**
- **Global marketing network - local activities in more than 60 countries on all continents**

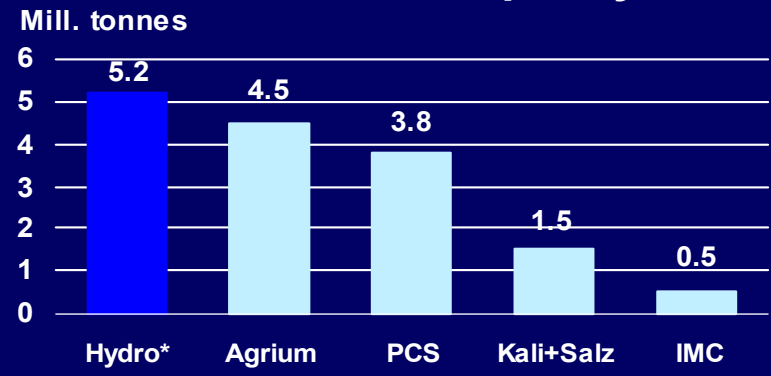
Hydro Agri, the global leader in

- * Hydro has the highest market share in traded (non-captive) ammonia which is used to make nitrogen fertilizers.
- * Hydro has the highest market share in nitrates, the most important type of fertilizer in Europe.
- * Hydro's cash costs in NPK production are lower than for other producers using a different production process. NPK is the fastest growing volume fertilizer product category.
- * Hydro has the world's largest sales of speciality fertilizers. While own produced Calcium Nitrate (CN) form the basis, the alliance with Chilean SQM, the leading player in Potassium Nitrate (PN), has created a unique business concept which is hard to copy by any other fertilizer company.
- * In the European CO₂ market, Hydro is the leading supplier with a market share of around 30%, approximately twice that of the nearest competitor. Hydro also has dominant positions in other industrial gases and technical ammonium nitrate in Europe.
- * Hydro has a global market share of about 6% which is twice the size of the next largest companies, PCS, IMC and Agrium.

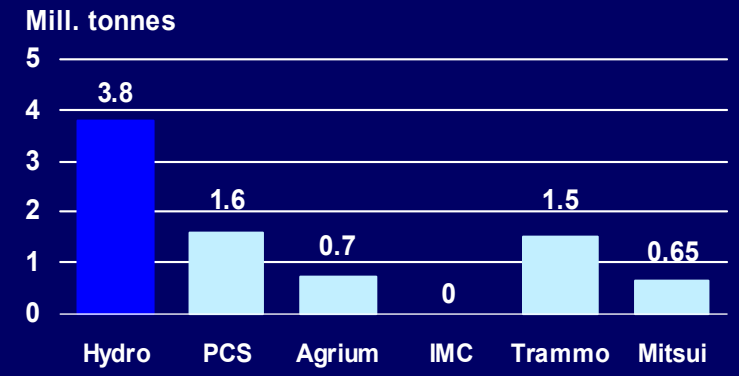


Hydro is the leading ammonia player

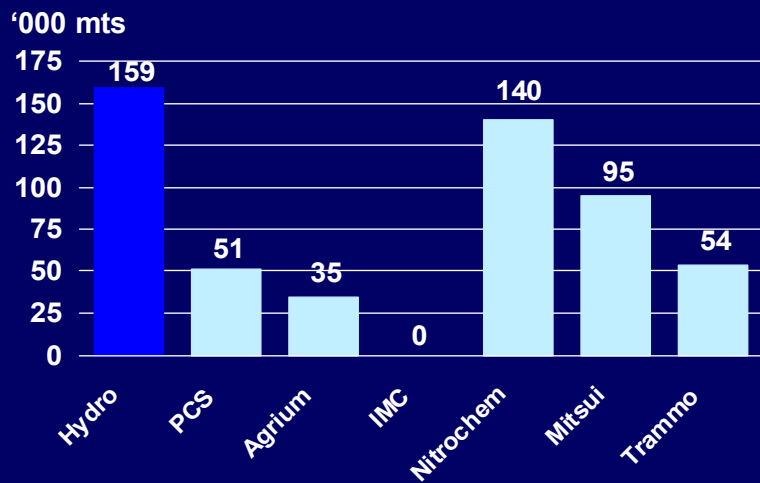
Production capacity



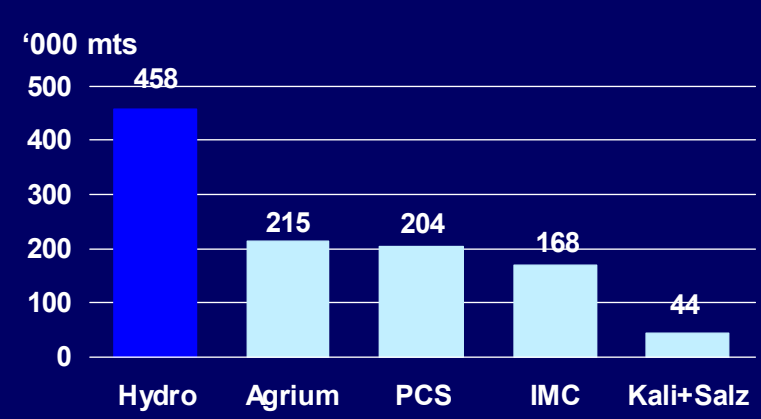
Trade



Shipping capacity



Maritime storage capacity



* Incl. Hydro share of JVs

Source: Company info, Blue-Johnson, British Sulphur, Hydro,

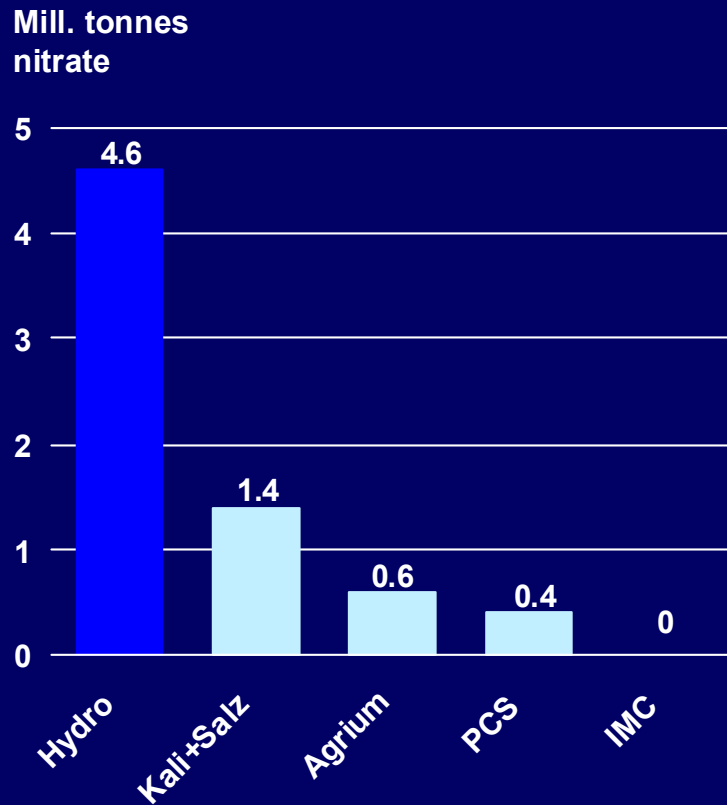
Hydro is the leading ammonia player

On all relevant parameters, Hydro is the largest ammonia player, including when looking beyond the traditional fertilizer industry. This is important due to ammonia's critical role as raw material for fertilizer production. Furthermore, having extensive production, shipping and logistical networks enable Hydro to compete for contracts few others are able to compete for.

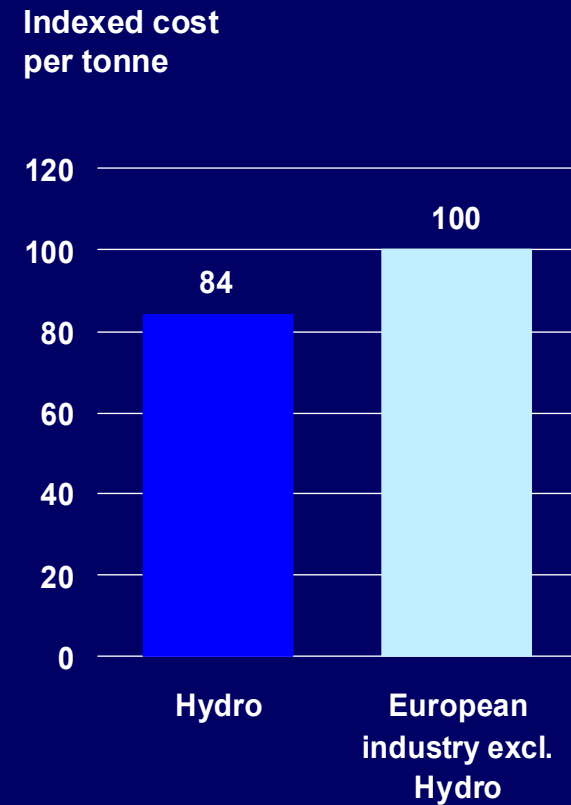


Hydro is the leader in nitrate production

Total production capacity 2000



Average production cost 2000



Source: Nitrex-Complex, EFMA

Hydro is the leader in nitrate production

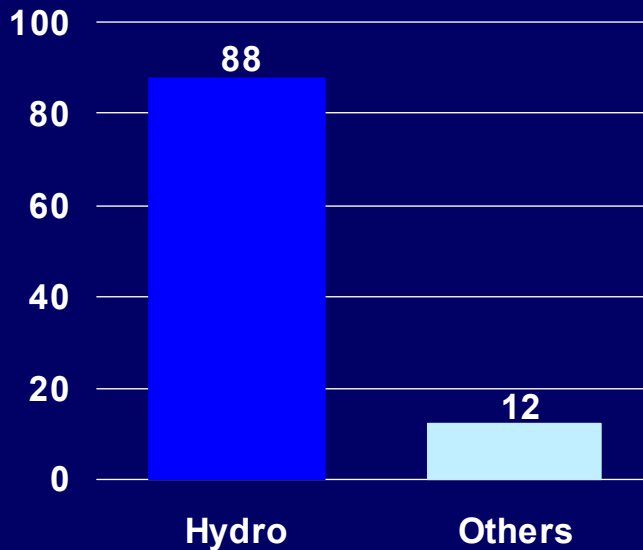
In nitrates, the most important fertilizer in Europe, Hydro is the largest and most cost effective producer. While the European nitrate industry suffered under structural over capacity until 1999/2000, industry closures of 3 million tonnes, to which Hydro contributed 1 million tonnes, have created a better supply/demand balance. Capacity utilization is now approaching attractive levels.

Leading market position in speciality fertilizers



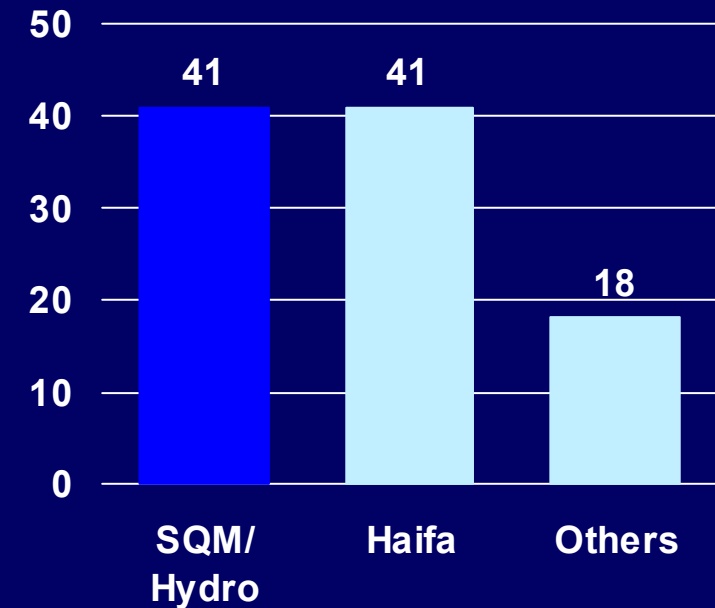
Calcium Nitrate (CN)

Market share (%)



Potassium Nitrate (PN)

Market share (%)



Calcium Nitrate and Potassium Nitrate constitute approximately 65% of total speciality fertilizer market

Leading market position in speciality fertilizers

There is high potential for value creation in speciality products for high value cash crops. Hydro has strong market positions in the two main fertilizers, Calcium Nitrate and Potassium Nitrate, which together constitute the bulk of the speciality fertilizer market. Hydro's unique nitrophosphate production technology has given us a superior position for Calcium Nitrate, and our recent global marketing agreement with the Chilean fertilizer company SQM has also given us a strong position in the other main product, Potassium Nitrate. In total, this enables Hydro to supply our customers with an attractive product mix at favourable prices.

Strong position in selected industrial applications



- **Leading supplier of CO₂ in Europe**
- **Strong position in the high growth segment for environmental products**
- **Leading supplier of technical ammonium nitrate to the civil explosives industry**
- **Strong financial performance over time**

Strong position in selected industrial applications

Hydro Agri's Gas and Chemicals business is a successful niche player and has enjoyed stable and good profitability and healthy growth over a number of years. In addition to being the leading supplier of CO₂ and technical nitrate products in Europe, Hydro also has a market share of around 20% in industrial gases in Scandinavia and is seeing interesting growth for nitrogen chemicals in environmental markets.



KFK:

Step change in creating shareholder value

- **KFK in an aggressive turnaround mode**
 - Large improvements being implemented in existing feed and grain business
 - New farm management strategy being rolled out, shifting focus to higher margin segments

- **Hydro's ownership position**
 - Strong support of new management and value creation efforts
 - Hydro's strategic link to KFK diminished
 - Ownership will be reduced

KFK

KFK has launched an ambitious turnaround program for their core activities. In addition, a new farm management strategy has been designed to provide step change in value creation and total shareholder returns. As KFK is no longer a core business to Hydro, ownership will be reduced. Both for Hydro and KFK, it will be important to find new owners which can strongly support new opportunities for KFK.



Hydro Agri's global leadership strategies

Ammonia

- Grow business by playing on strengths

Nitrates

- Maintain market share in Europe

Balanced fertilization
(NPK)

- Growth in cash crop market

Speciality fertilizers

- Develop alliance with SQM

Selected industrial
applications

- Develop new products and markets

Marketing network

- Reach critical size in all chosen markets

Hydro Agri's global leadership strategies

We will continue to develop each of our areas of strength and get full leverage of our size wherever we are present. Still, we have a pragmatic attitude to our portfolio and we will continue to apply an up-or-out policy to assets which do not perform. We will also continue to search for new high potential business opportunities. Our size and reach make Hydro Agri attractive to players who want to exit the business or enter into alliances. This is becoming an important competitive advantage in light of the ongoing industry consolidation.



Ambitious financial targets

- **Have an average profitability across the cycle which is**
 - higher than Hydro's general requirement of 10% CROGI
 - in the best quartile of chemical industry peers
 - leading among agri companies
- **Pursue an asset light growth strategy**
- **Make good profits at bottom of business cycle**

- ➔ **Targeted annual EBITDA growth in 2002 and 2003: 10-15%**
- ➔ **Minimum EBITDA at bottom of business cycle: 3 BNOK**

Ambitious financial targets

During the past three years, Hydro Agri has demonstrated its ability to execute a challenging turnaround with an impressive financial recovery, leading to top quartile industry performance. Going forward, Hydro Agri will strengthen its leading position and continue to grow its cash flow. This will be done through a combination of asset light growth, continued productivity improvements and active portfolio management.



Hydro Agri: Key messages

- **Agri Turnaround targets exceeded**
- **Unique business model based on global strengths**
- **Strong platform for future value creation**
- **Good industry performers deliver competitive shareholder returns**

Hydro Agri: Key messages

We have met our Turnaround targets and compare favourably with our peers in 2001 and we believe that we now have a strong platform for the future.

We continue to have a strong belief in the fertilizer industry and believe that Hydro Agri will create considerable value for our shareholders. Our leadership team and the competence and skills in our organisation are second to none in our industry and we have confidence in our ability to create value in the years ahead.

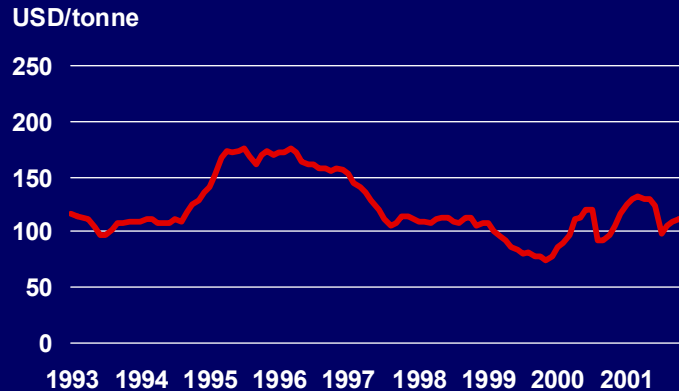


APPENDIX

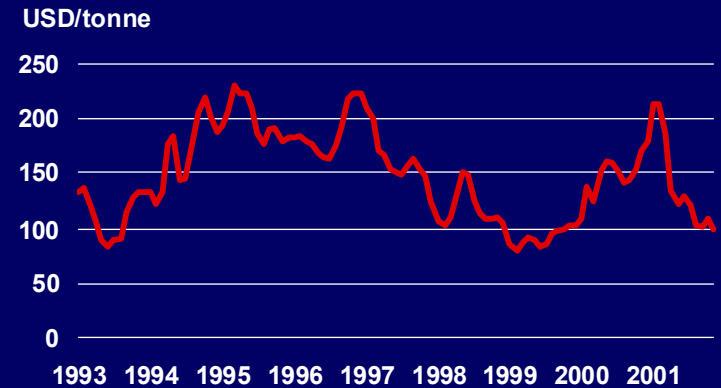


Fertilizer prices

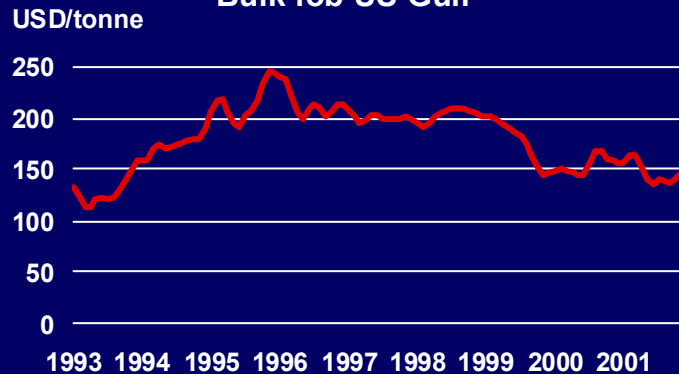
CAN Germany
Bulk delivered warehouse



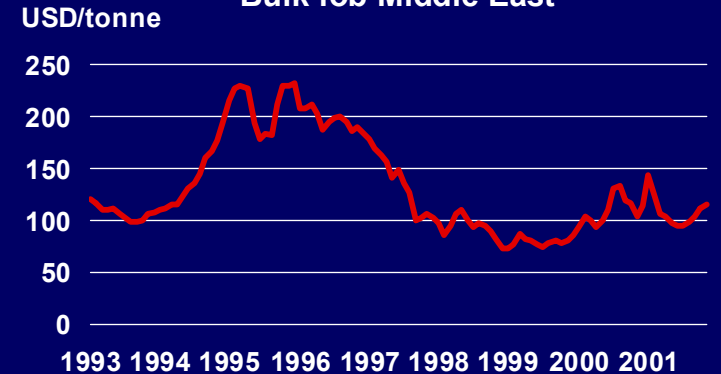
Ammonia
Fob Caribbean



DAP
Bulk fob US Gulf



Urea
Bulk fob Middle East



Source: International publications

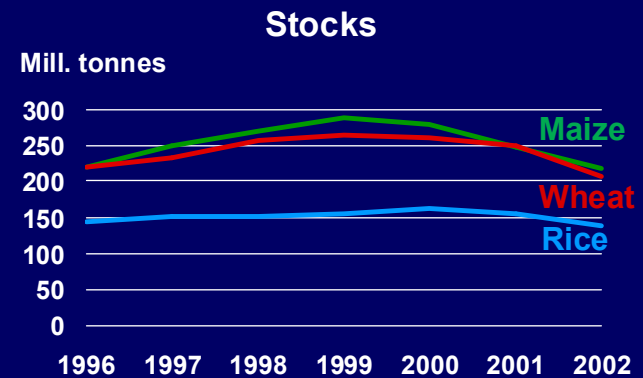
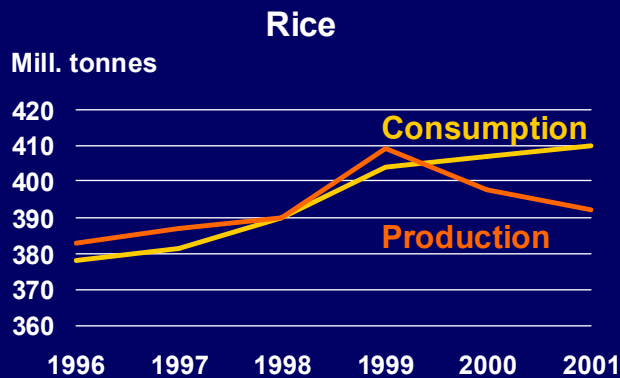
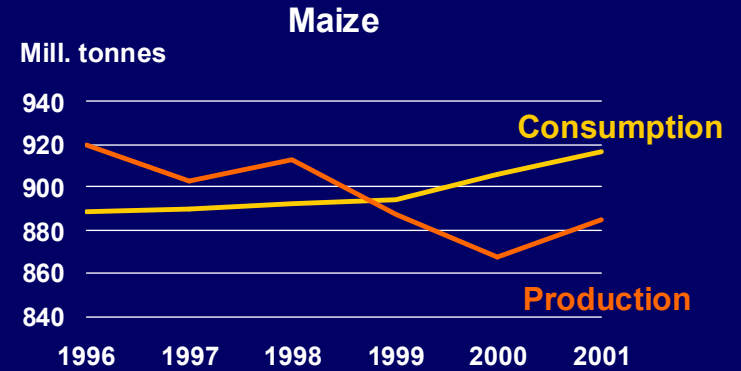
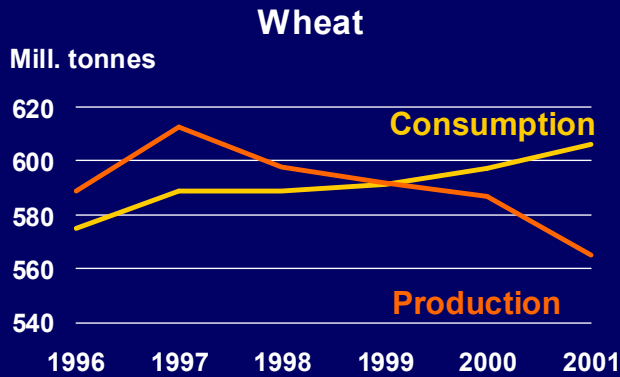
There are positive short term market trends



- **World cereal consumption is now higher than production, leading to reduced stocks**
- **Cereal and international fertilizer prices are below historic averages but increasing**
- **This should lead to increased demand and higher prices for fertilizers**

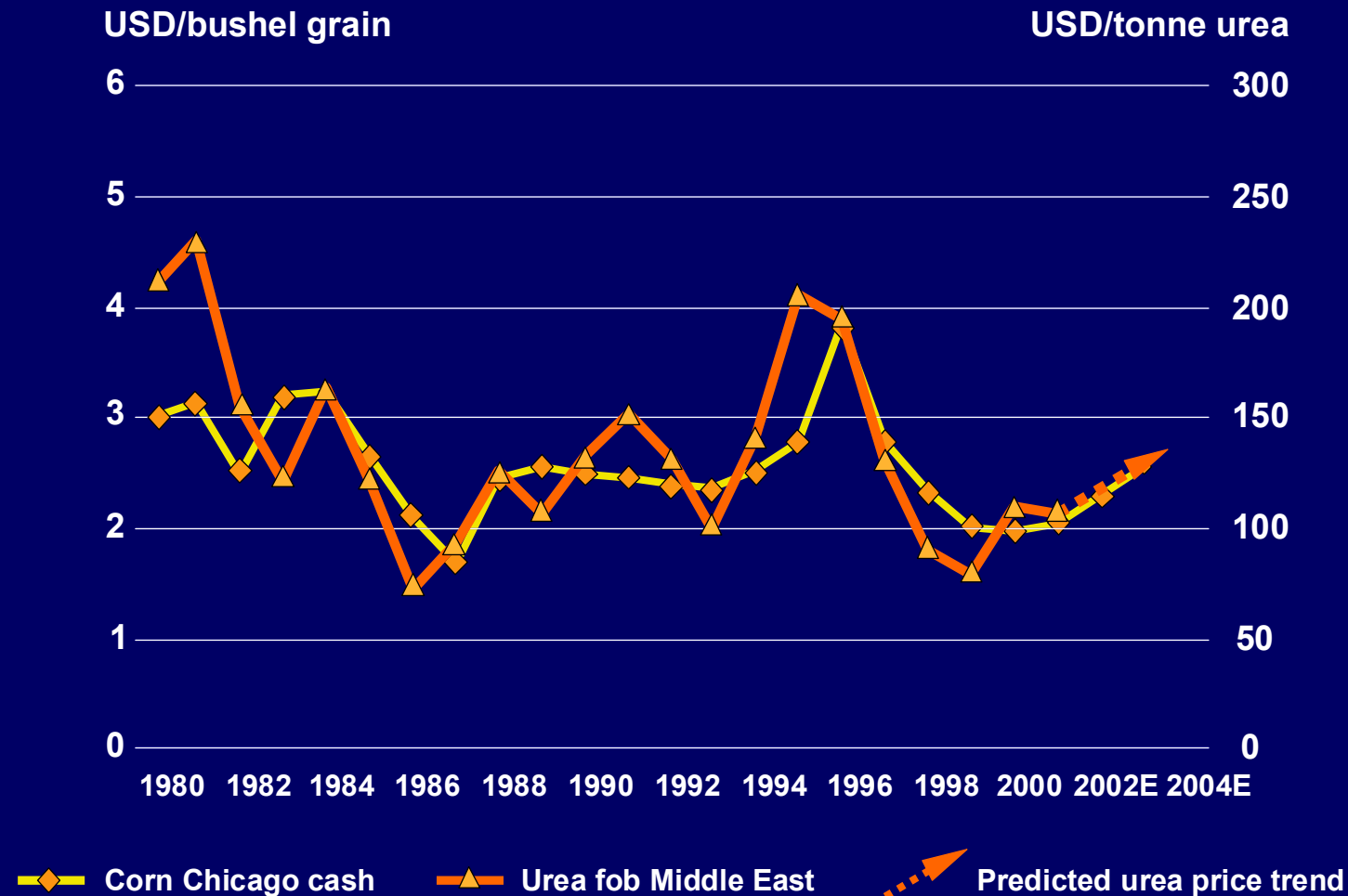


Cereal consumption now higher than production, calling for increased fertilizer demand



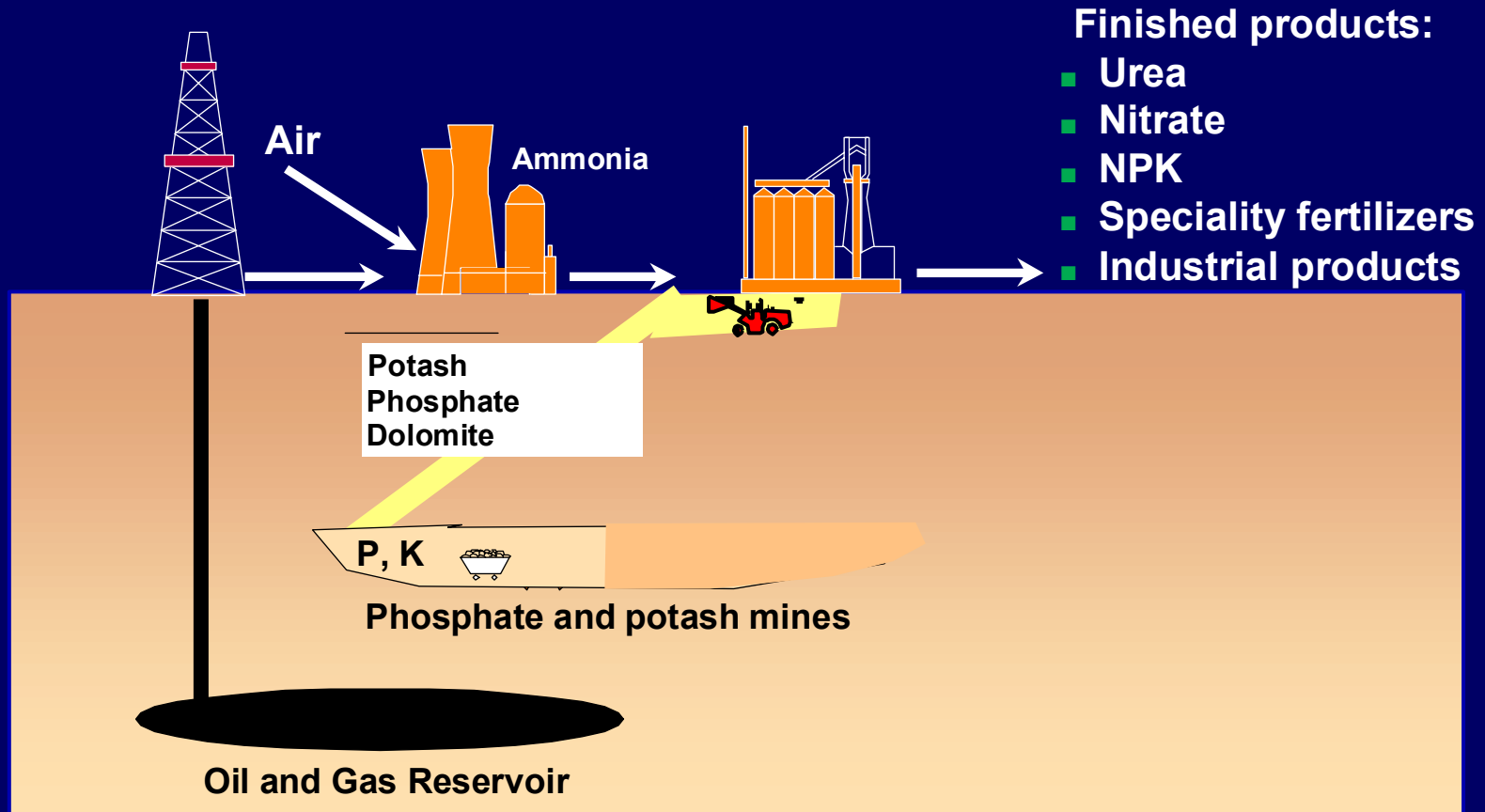
Source: FAO

Grain prices correlate with fertilizer prices and indicate price increase in next years



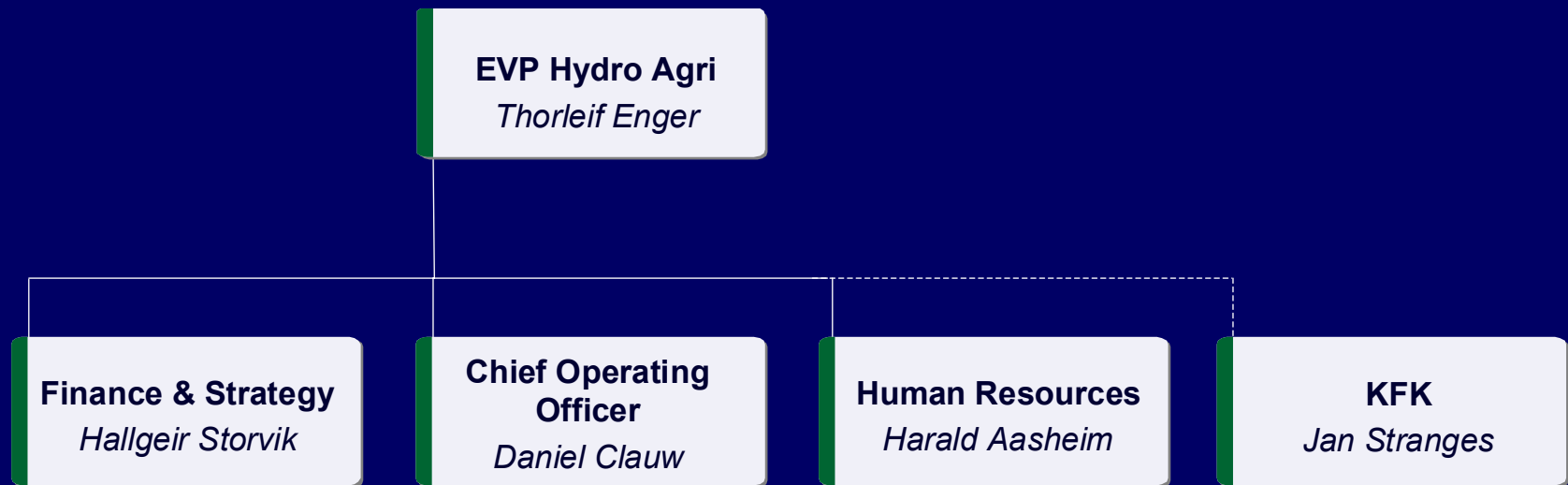
Source: Blue-Johnson, CBT

Energy and ammonia are the basis for mineral fertilizer





Hydro Agri structure





Safe harbour statement

In order to utilize the "Safe Harbor" provisions of the United States Private Securities Litigation Reform Act of 1995, Hydro is providing the following cautionary statement: This presentation contains certain forward-looking statements with respect to the financial condition, results of operations and business of the Company and certain of the plans and objectives of the Company with respect to these items. By the nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. The actual results and developments may differ materially from those expressed or implied in the forward-looking statements due to any number of different factors. These factors include, but are not limited to, changes in costs and prices, changes in economic conditions, and changes in demand for the Company's products. Additional information, including information on factors which may affect Hydro's business, is contained in the Company's 2000 Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission.

Capital Markets Day Hydro Oil & Energy

Executive Vice President Tore Torvund
Norsk Hydro ASA
Oslo, January 8, 2002



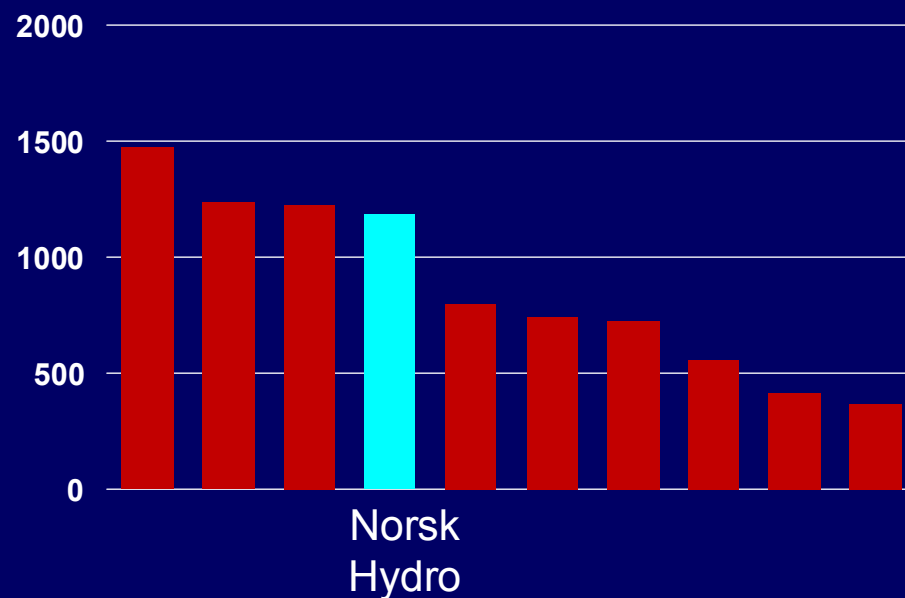


Hydro Oil and Energy

Competitive edge:

- Large operator
- Strong and innovative technology
- Commercial track record

Offshore Operator production mill. barrels/day



Source: Oil & Gas Journal McKinsey



Oil and Energy 2001 delivery

Objectives CMD December 2000

Actions taken

Production growth



- Snorre B, Girassol and Terra Nova
- 2001 production in line with revised forecast
- 5-6% CAGR* 2001 - 2005

International build up



- 30% awarded in Angolan block 34
- Farm-in Gulf of Mexico and Angolan block 25

Positioning for liberalised
European gas market



- Implementation of company based sales from NCS
- Continued build up of commercial activities

Reduced F&D cost



- New projects confirm direction

SDFI positioning



- Application deadline 10. January

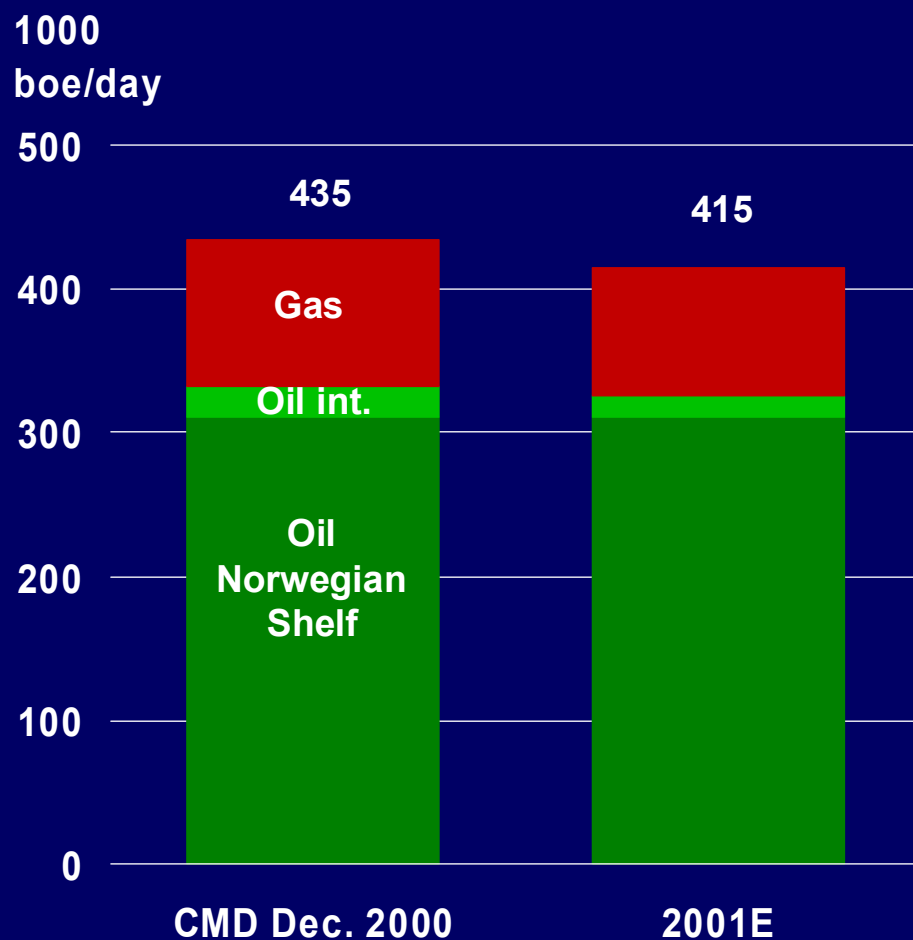
* CAGR: Compound annual growth rate

Improving performance in 2001

- **Maintain positive safety trend**
- **Maintain operating performance in first quartile**
- **Delivering projects on cost and schedule**
- **High-grading of global exploration portfolio**
- **Divestment of non-core licences**
- **Capital discipline**



Production 2001



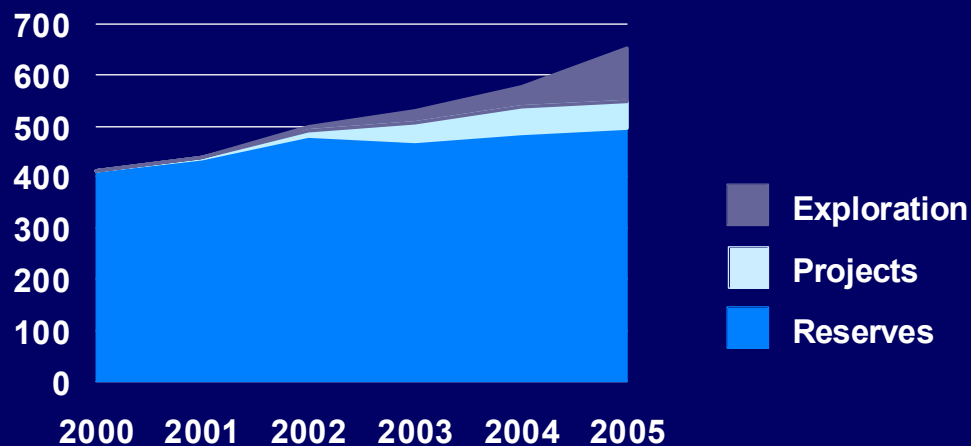
- NCS oil production in line with expectations
- Lower customer gas off-take
- Lower international oil production due to delayed start up new fields



Growth within existing portfolio

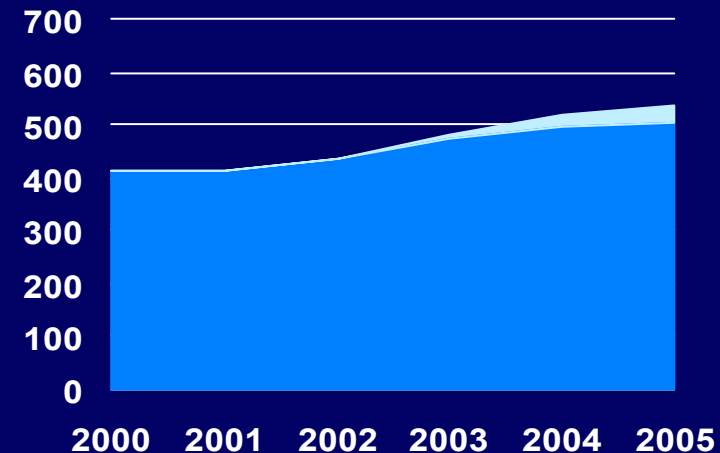
Capital Markets Day December 2000

Production 1,000 boe/day



Production Forecast January 2002

Production 1,000 boe/day





New fields on stream 2002 - 2005

International activity

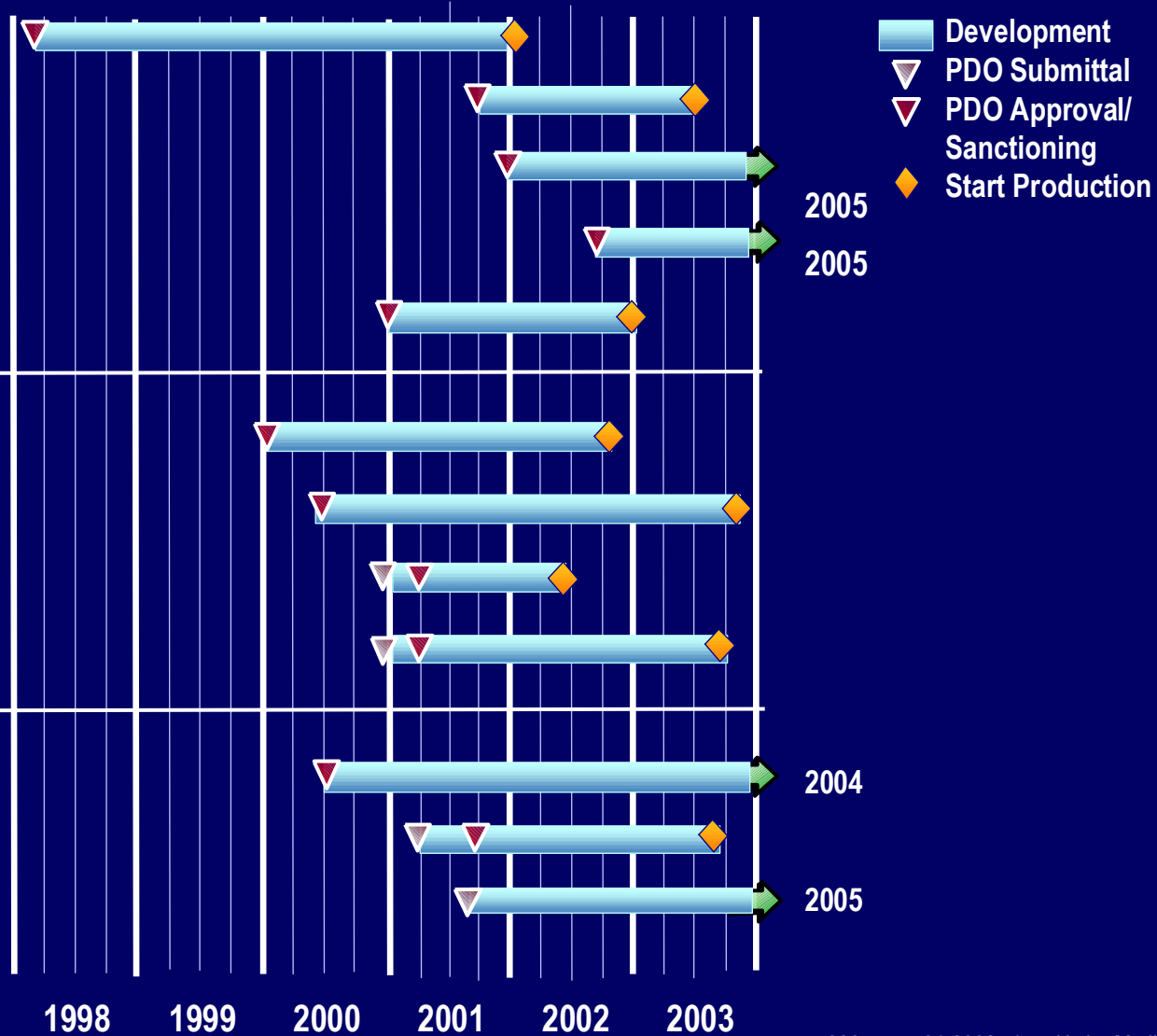
Terra Nova	20,000 boe/day
Jasmin	5,000
Dalia	20,000
Rosa/Lirio	8,000
Kharyaga 2	9,000 (phase 1-2)

NCS Operator

Tune	22,000
Grane	50,000
Vale	6,000
Fram Vest	15,000

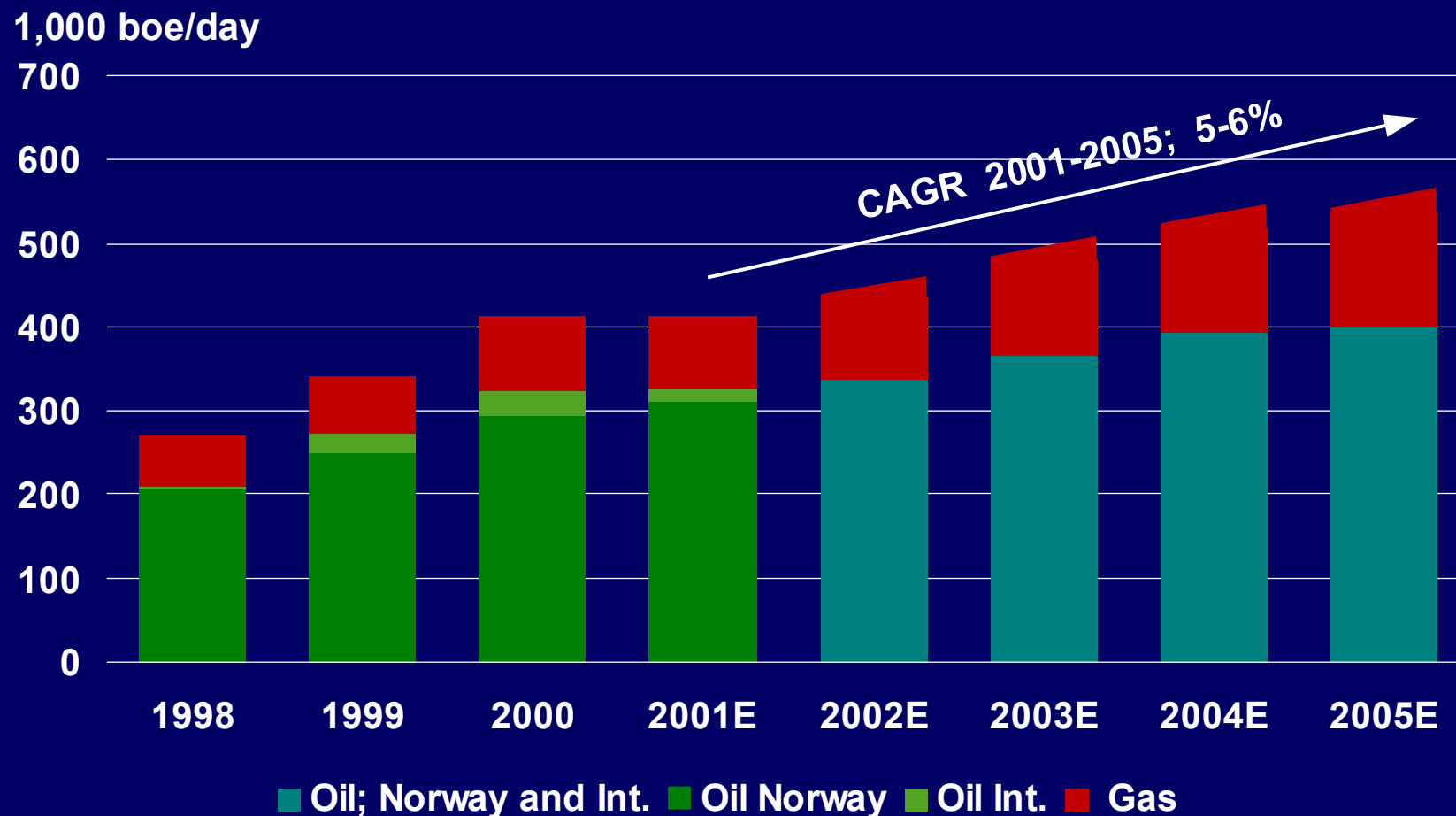
NCS non operator

Kvitebjørn	25,000
Mikkel	5,000
Kristin	27,000





Strong production growth

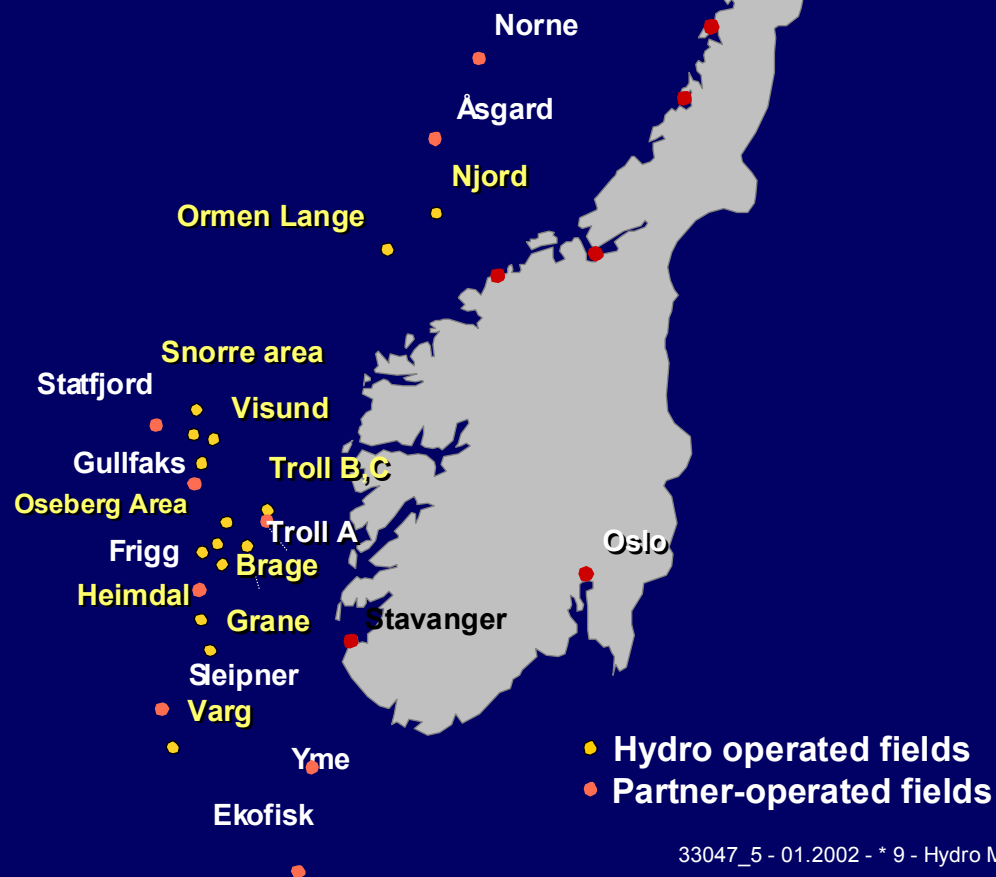


NCS production cut first half 2002 included

Norsk Hydro — main events on NCS 2001



- Snorre B and Gullfaks satellites in production
- Vesterled gas pipeline in operation
- Snøhvit, Kristin and Mikkel development plans submitted
- Satellite discoveries around Oseberg and Snorre
- Non core acreage sold
- SDFI: Hydro priority to strengthen key operated fields



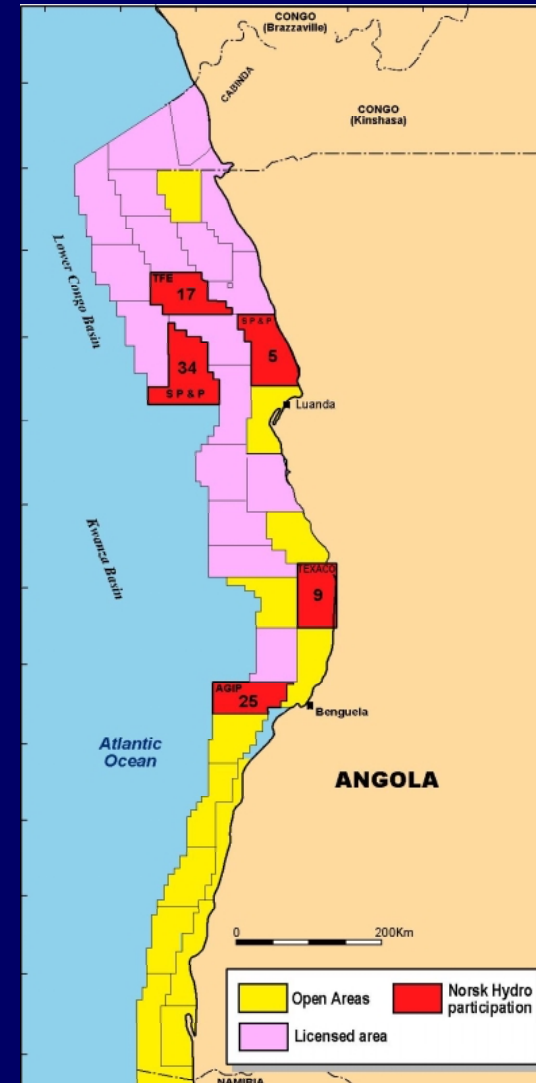
International activities — 2001 main events





Angola — an area of significant growth

- Girassol start up December 2001
- Another two finds in Block 17 declared commercial
- Award of Block 34 - 30% equity
 - Co-operation with Sonangol, Hydro technical assistant
 - Application of NCS experience
- Block 25 farm in - 10% equity



Canada — further developments

- Hibernia - stable production
- Terra Nova - on stream January 2002
- New find in Terra Nova Far East
- Hebron - on schedule for concept selection 2002
- Successful deep water acreage bid - Scotian Shelf



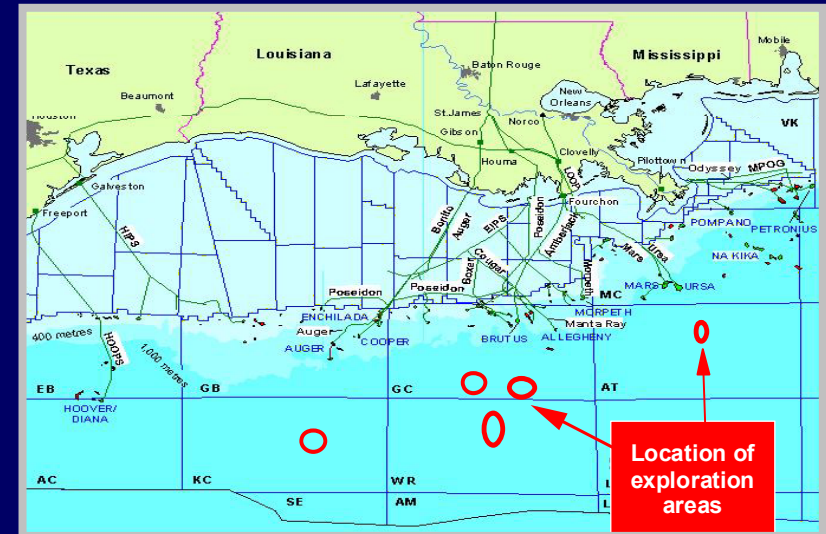
US — Gulf of Mexico

Potential new core area

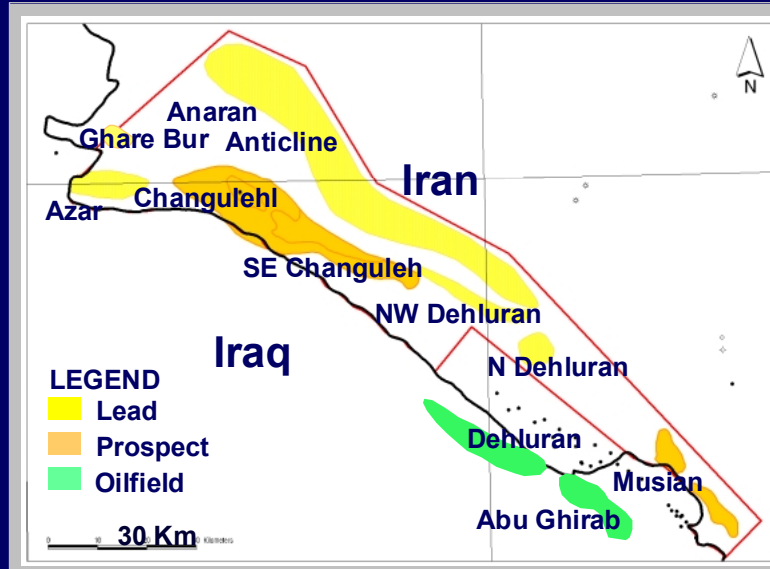


- Comprehensive farm-in deal with Conoco
 - Hydro 25% working interest in 55 leases
 - Option for participation in 178 leases through 2005

- Evaluation of further joint business development activities



Iran — Anaran Exploration Contract



- Exploration area of 3 260 km²
- Mine clearance & seismic acquisition in 2001 and 2002
- First well expected Q3 2002

Exploration contract signed
between NIOC and Hydro
April 9th 2000

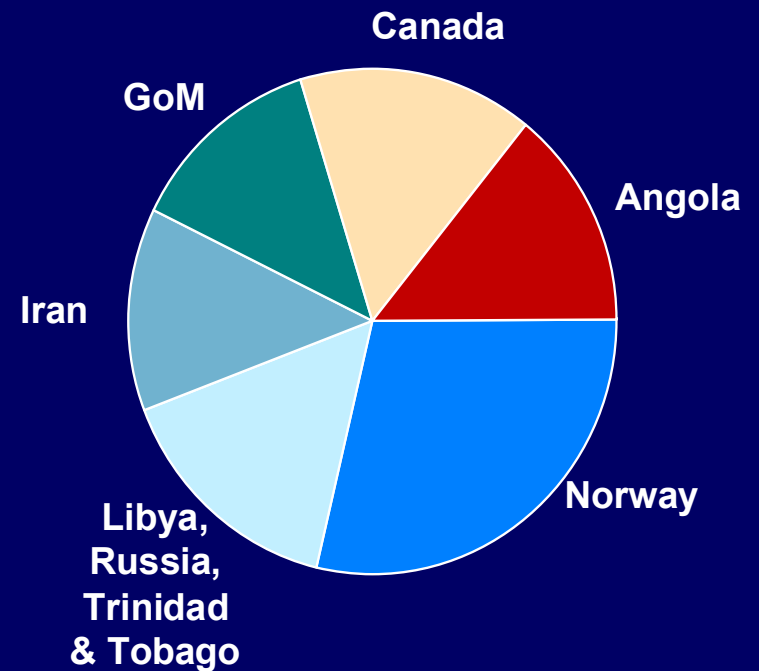




2002 — shift in exploration focus



Exploration - 2002E



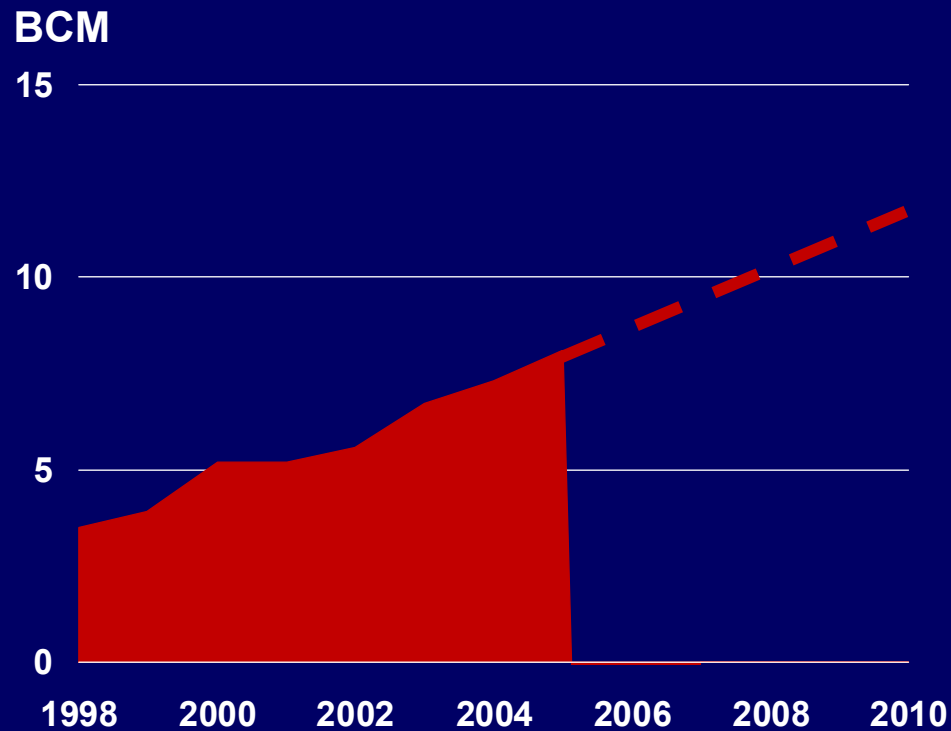
Exploration 2002 — significant wells

Location	Norsk Hydro share	Well expec. finalised
NCS Solsikke	50%	3Q 2002
Canada - Anapolis	25%	1Q 2002
Canada - Flemish pass	30%	3Q 2002
Trinidad Tobago - Catfish	19%	1Q 2002
Angola Block 34	30%	3Q 2002
GoM - 3 wells	25%	2002
Iran - Anaran	100%	3Q 2002



Third largest gas producer on the NCS

Norsk Hydro expected natural gas production

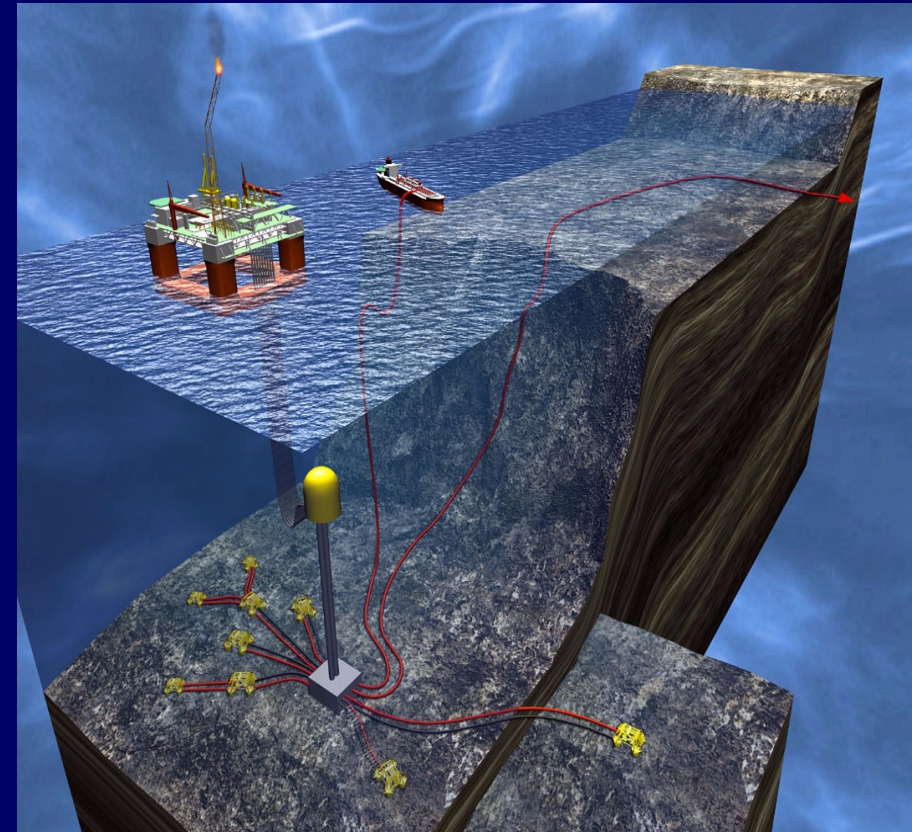


- Total Norwegian gas export 2010 approx. 110 BCM
- Company based sales introduced
- Market development
 - Continental market driven by gas to power needs
 - UK - need for imports
 - New markets; Scandinavia and Poland

Ormen Lange — the most important gas discovery since Troll



- Reserves: 400 bcm
- Hydro operator for the most challenging development on NCS
- Market gas at competitive costs; Target; 2 USD/mill. BTU
- Plan for development 4Q 2003
- Production start 2007

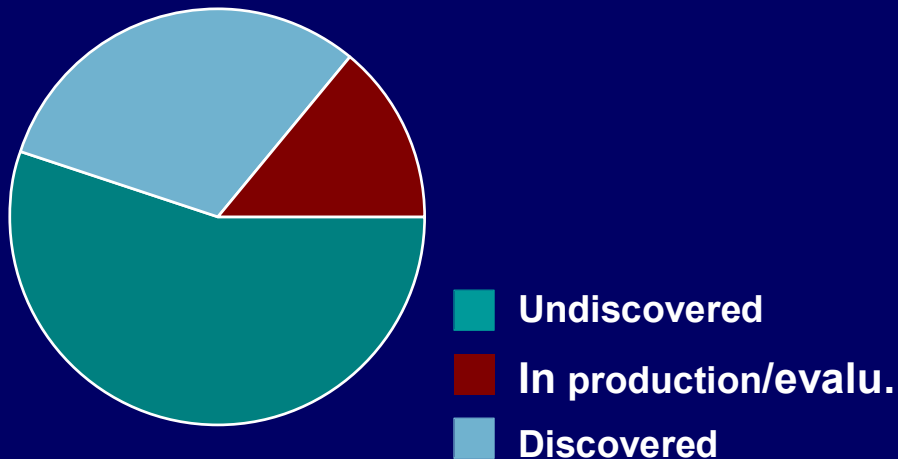


Still large undiscovered gas resources on the Norwegian Shelf



- 17th round application deadline in March
 - Focus on gas offshore mid-Norway

Halten, Møre and Vøring
Total of 2200 bill Sm³ gas

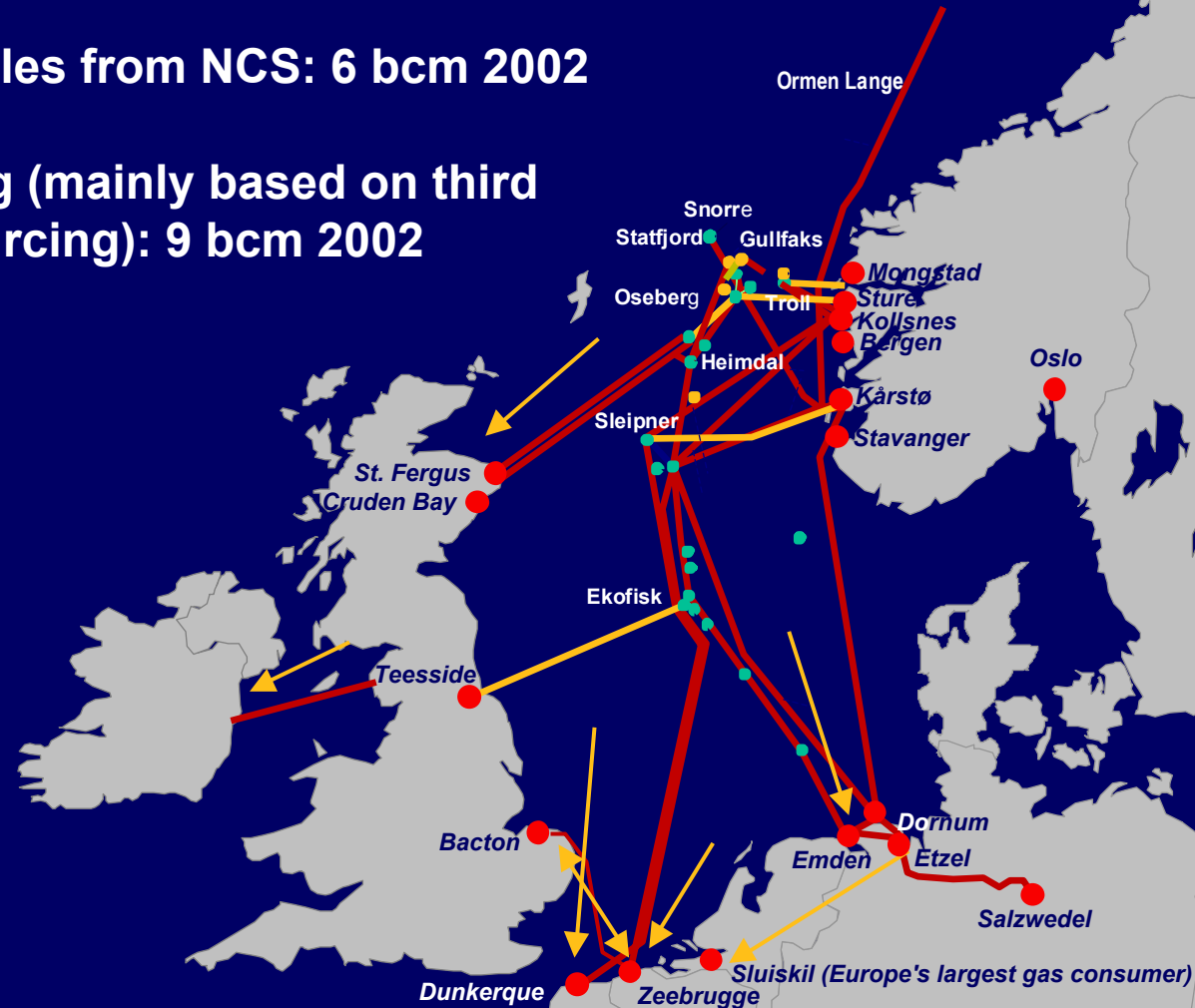


Source: NPD, expected volume



Flexibility gives value creation

- Equity sales from NCS: 6 bcm 2002
- Marketing (mainly based on third party sourcing): 9 bcm 2002



Norsk Hydro has the ability to commercialise gas in a liberalising market



Targeted Dutch end user sales in 2002:

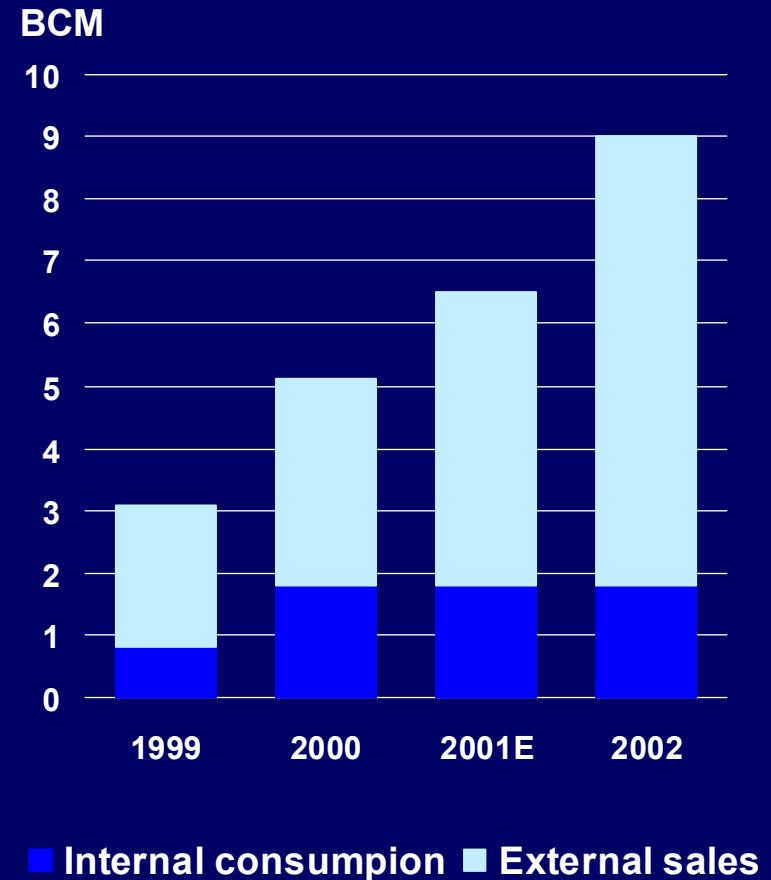
- 300 end-users
- 4.7 bill. sm³ (incl. portfolio management)
- Approx. 20% of Dutch industrial market

Hydro Sluiskil - Europe's largest consumer of natural gas



Commercial innovation

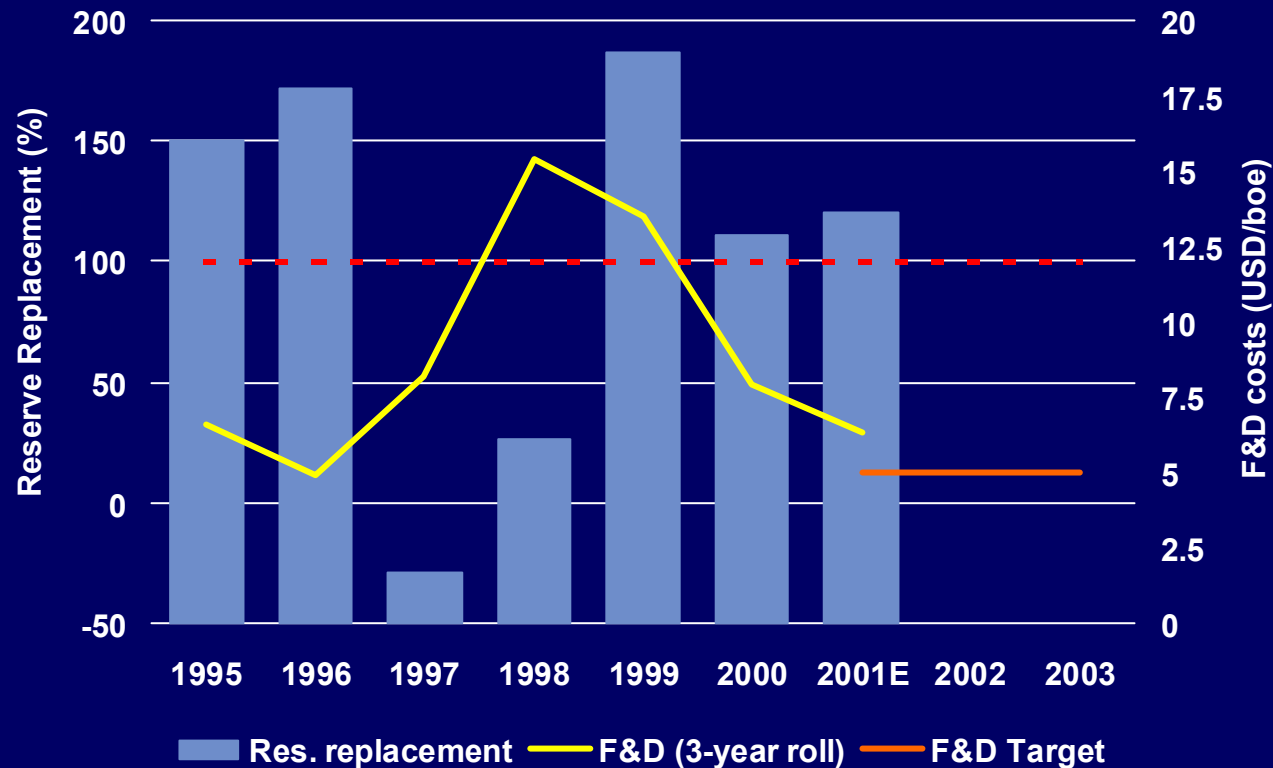
- Norsk Hydro natural gas sales mainly based on third party sourcing
- Low capital requirement
 - Trading
 - Good margins: EBITDA of 100 MNOK 1- 3Q 2001
- Customers
 - Industrial customers
 - Internal consumption
- Operations based in Brussels





F&D costs tracking down towards target

F&D costs excl. sale & purchase



Year	Fields assumed booked
2001	Kristin, Mikkel, Sigyn, Rosa Lirio, Jasmin
2002	Snøhvit, Hebron, Murzuk A, Mabruk East
2003	Ormen Lange, Tyrihans, Kharyaga ph. 3



Key messages

- **Production growth 2001 - 2005 expected to average 5 - 6%**
- **Key exploration prospects to be tested in 2002**
- **Using commercial innovation to add value to Norsk Hydro's upstream gas position**
- **F&D costs on track towards USD 5/bbl**



Safe harbour statement

In order to utilize the "Safe Harbor" provisions of the United States Private Securities Litigation Reform Act of 1995, Hydro is providing the following cautionary statement: This presentation contains certain forward-looking statements with respect to the financial condition, results of operations and business of the Company and certain of the plans and objectives of the Company with respect to these items. By the nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. The actual results and developments may differ materially from those expressed or implied in the forward-looking statements due to any number of different factors. These factors include, but are not limited to, changes in costs and prices, changes in economic conditions, and changes in demand for the Company's products. Additional information, including information on factors which may affect Hydro's business, is contained in the Company's 2000 Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission.

Capital Markets Day

Hydro Aluminium

Executive Vice President Jon-Harald Nilsen
Norsk Hydro ASA
Oslo, January 8, 2002





What we said and what we have done

<i>Objectives in Dec. 00</i>	<i>Actions taken in 2001</i>
<ul style="list-style-type: none">● Participate in industry restructuring	<ul style="list-style-type: none">● VAW -acquisition● Technal Building Systems● Magnesium restructuring
<ul style="list-style-type: none">● Continue to leverage our strengths● Continue top and bottom line growth	<ul style="list-style-type: none">● Sunndal-expansion● Expansion Søral, Slovalco, Alunorte● Remelters in Spain & Texas● Cost-reduction programmes initiated



Hydro's stated ambition in Aluminium

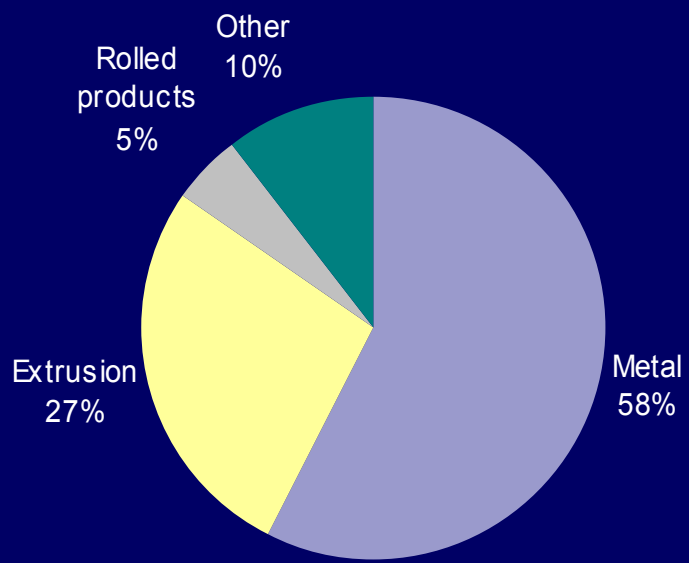
*A profitable position
among the world's
top three integrated
aluminium
companies*



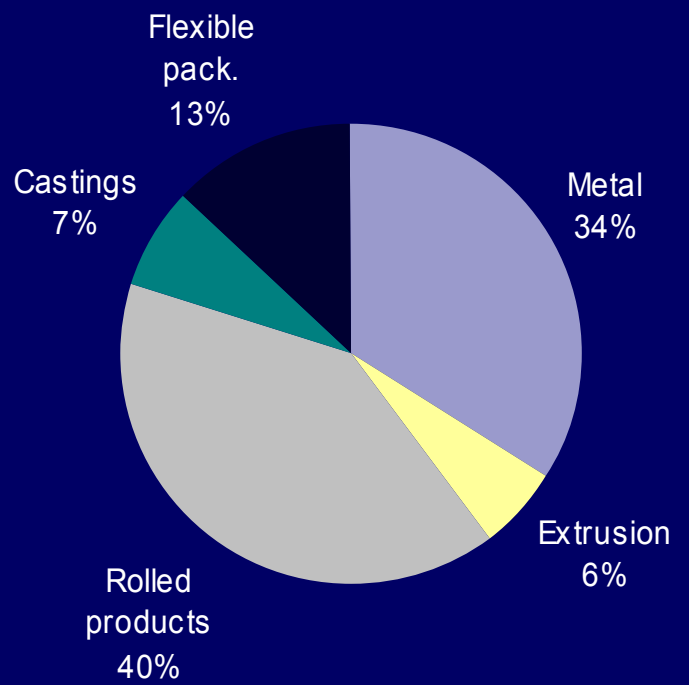
Hydro Light Metals and VAW (2000 - figures)

Gross revenues
EBITDA

Hydro Light Metals
 6,400 mill Euro
 680 mill Euro



VAW
 3,700 mill Euro
 450 mill Euro



Employees total
 - in Germany
 - in Norway

Hydro Light Metals
 17,000
 1,000
 6,300

VAW
 16,000
 7,600
 0

Euro/NOK: 8.00

The new entity: Hydro Aluminium Pro Forma 2000 combined

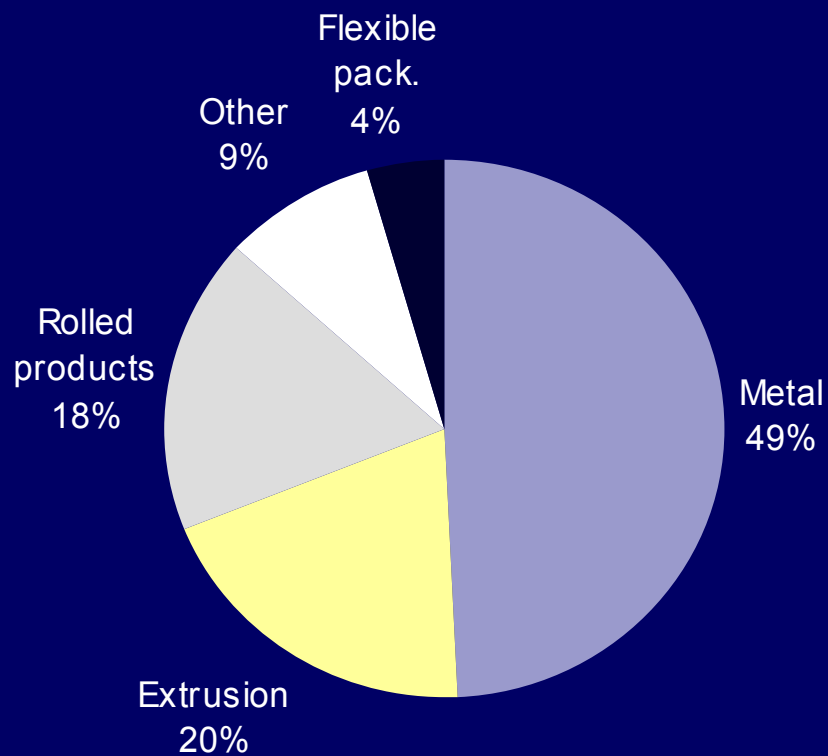


Gross revenues
EBITDA

HAL (Pro Forma)

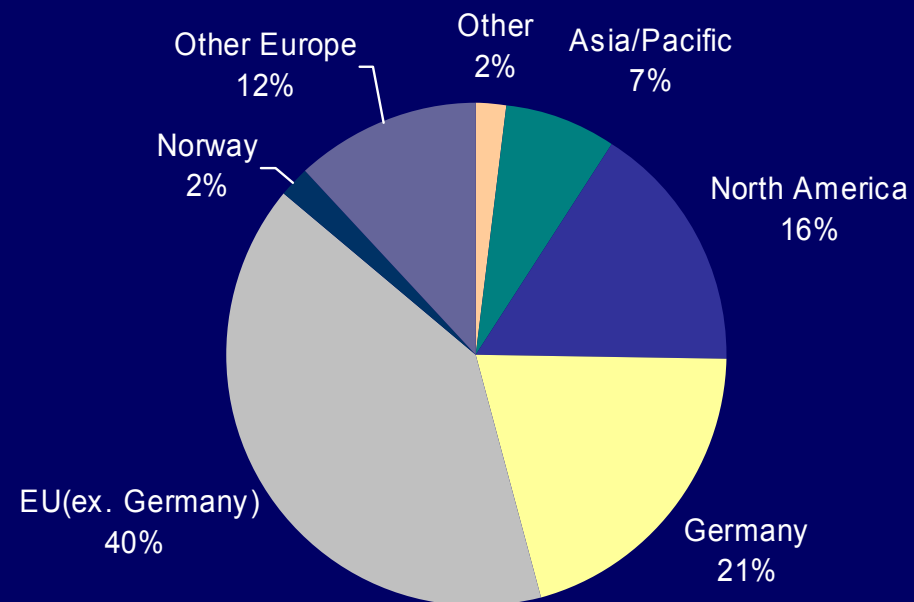
9,700 mill Euro

1,130 mill Euro



Sum sector gross revenues

Combined sales Hydro Aluminium



Sum Business Area's external sales



Hydro — VAW: An attractive combination

Attractive financials

Innovative global force

More value for customers

Significant synergies and value creation

Rapid integration



Transaction highlights

- ✓ **Norsk Hydro acquires all shares in VAW AG from E.ON**
- ✓ **Total consideration is 2 645 mill Euro (21.2 bn NOK)¹⁾ including net interest bearing debt of 757 mill Euro (6.1 bn NOK)**
- ✓ **In addition Norsk Hydro takes over 450 mill. Euro (3.6 bn NOK) unfunded pension obligations**
- ✓ **Expected closing by 1st Quarter 2002**
- ✓ **Acquisition financed through cash and absorption of debt**
- ✓ **Approved by Boards of Norsk Hydro and E.ON. Subject to regulatory approvals and approval by Norsk Hydro Corporate Assembly**

1) All figures are estimates as per 1.1.2002 except where noted. Assumed exchange rate of 8.00 NOK/Euro



Financial impact for Hydro Aluminium

- ✓ **Pro Forma first nine months 2001:**
 - **EBITDA: + 100%**

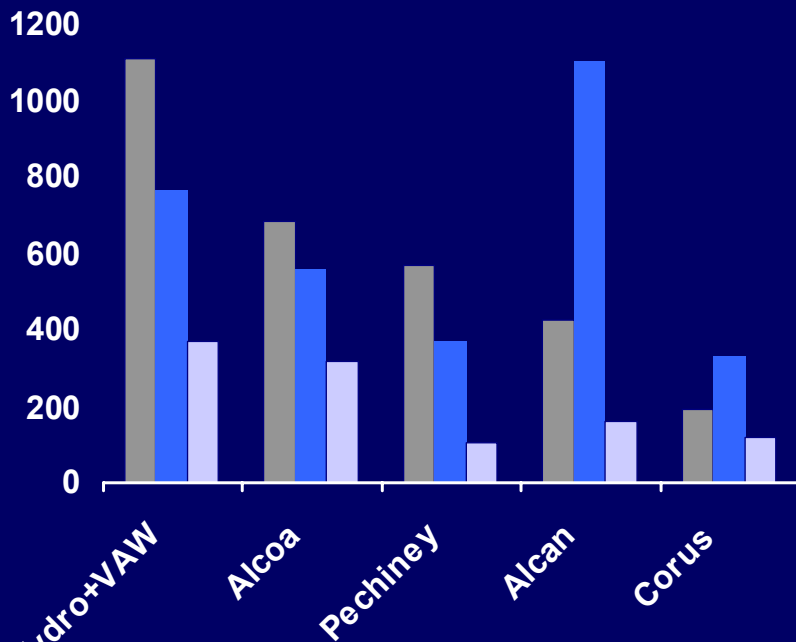
- ✓ **Synergies plus Hydro Aluminium overhead cost improvement project will reduce annual cost by 200 mill Euro (1.6 bn NOK) in 2004**



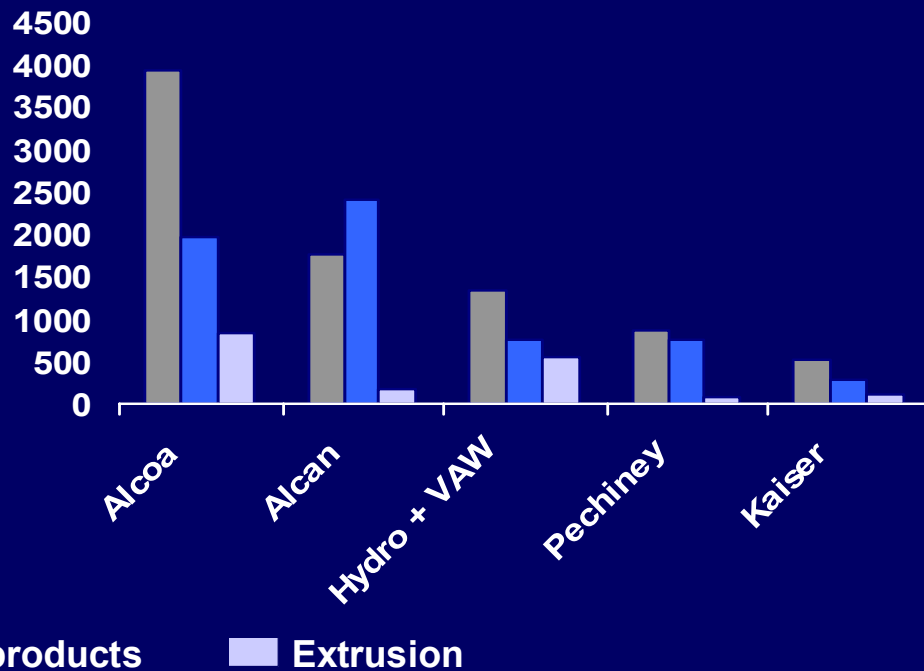
Creating a “top-tier” company

Total production, thousand tonnes, 2000

Europe



Global: World Integrated Aluminium Companies

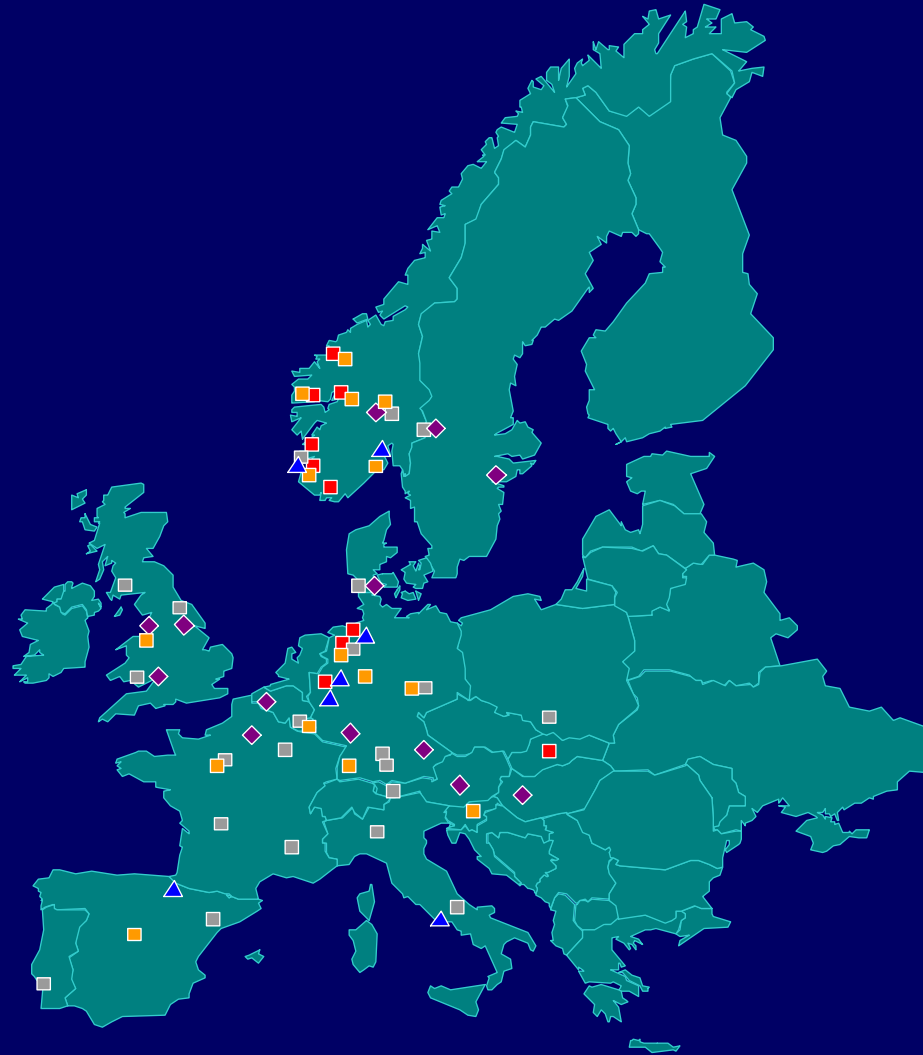


Note: VAW's Kurri Kurri-smelter in Australia and HAL's Wells extrusion system in the US included full-year Alcoa includes Reynolds, Alcan includes Alusuisse



The leading company in Europe

- Europe
- PRIMARY METAL
 - EXTRUSION
 - ◆ AUTOMOTIVE
 - METAL PRODUCTS
 - ▲ ROLLED PRODUCTS



Significant value creation opportunities in North America



- High quality smelter capacity (Alouette)
 - High quality extrusion assets
 - #3 in Extrusion
- ▼
- Roll-out of asset-light metal supply concept
 - Leverage Latin-American metal supply sources
 - Transfer European extrusion business system



Stronger position in Asia/Pacific's growing markets

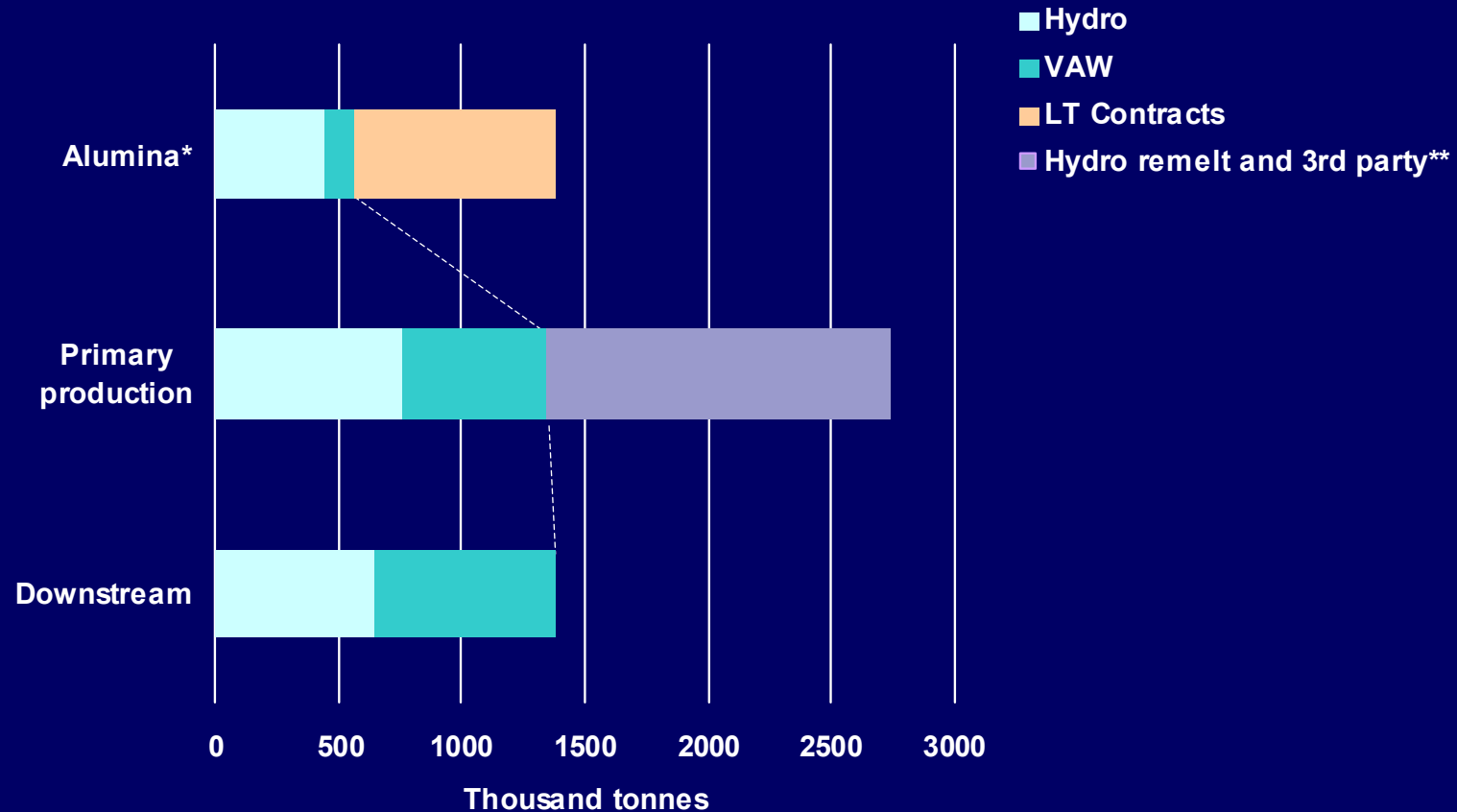


- Low-cost smelter capacity
 - Foothold in rolling (Malaysia)
 - Foothold in extrusion (China)
- ▼
- Low-cost brownfield potential
 - Opportunities for metal swaps
 - Roll-out of asset-light metal supply concept



A full range aluminium company

Global Volumes 2000



* Aluminium equivalent. VAW metallurgical alumina only

** Remelt + Hydro non-equity primary: Contracts to sell metal from Slovalco, Talum, Pianmecca, Aluvale. Goldendale tolling agreement. Trading.

Leadership in global market segments

Foil



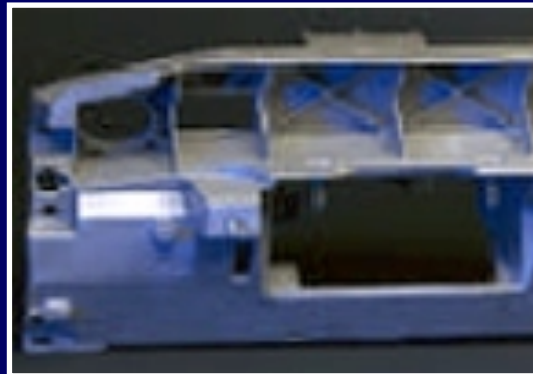
Litho



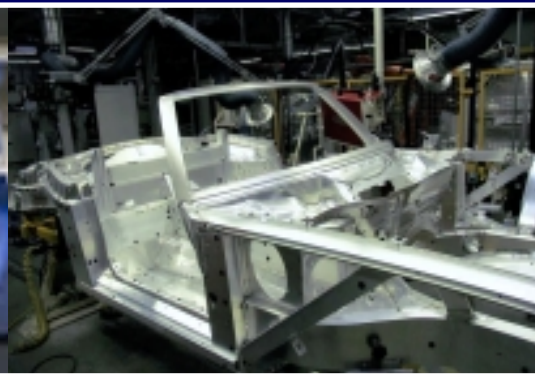
Building systems



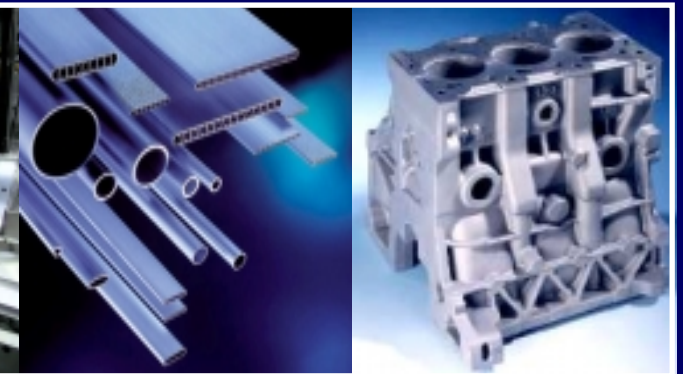
Magnesium alloys



Structures



Heat Transfer Engine castings



Leverage innovative industrial and commercial concepts



- Metal supply concept - recycling

- ✓ Casthouse network increases
 - ✓ Streamlining production
 - ✓ Possible to expand capacity in VAW's casthouses
 - ✓ Logistics improvements
- ✓ Access to broader and bigger scrap base
 - ✓ Increased use of scrap in new products
 - ✓ Optimise scrap use between plants/products

Improved margins



A major step forward — Rolled Products

Lithographic
sheet



Beverage
canstock

Food can sheet

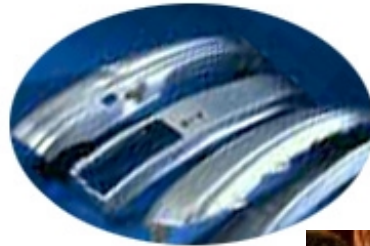
Others



Broader products offering — Automotive

Approx. sales from Hydro + VAW

Structures 300 mill Euro



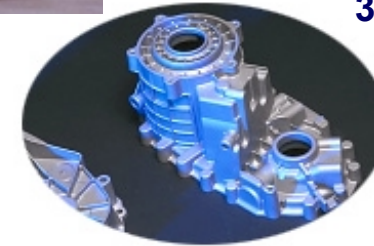
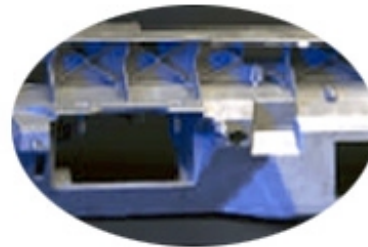
Heat Transfer 300 mill Euro



**Casting
300 mill Euro**



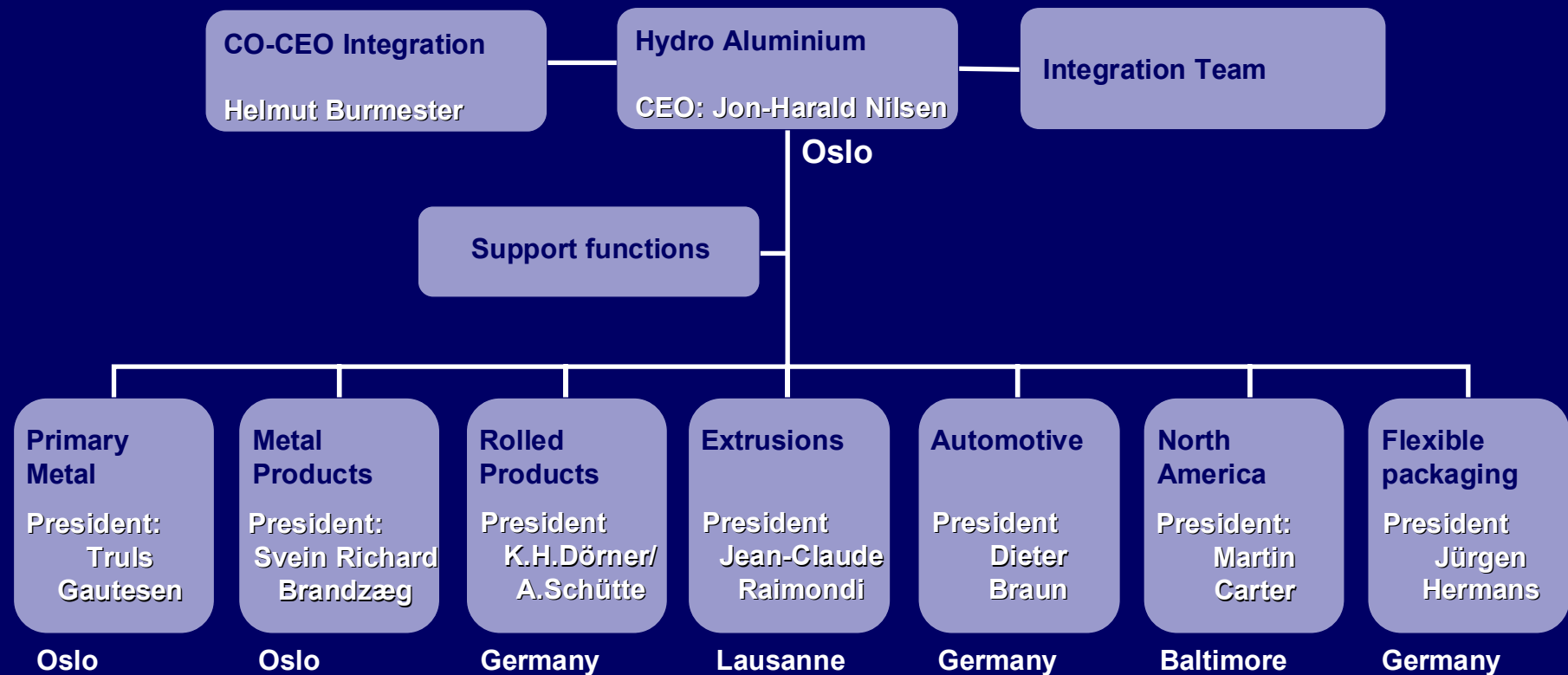
**Alloys: Aluminium & Magn.
Sheet & Sheet Products**



Meridian (49%) 150 mill Euro

Organisational structure and first level management identified

(effective from after closing)





Overall integration philosophy and approach

Transform and develop Hydro Aluminium into an integrated and global entity built on best practice and strength from both companies

Business concepts

- Leverage best from both

Governance

- Align with Hydro corporate and Business Area model

Organization

- Use the Hydro re-organization project as starting point
- Leverage best from both

People

- Equal opportunities
- Leverage the competencies in both organizations



Hydro — VAW: An attractive combination

Attractive financials

Innovative global force

More value for customers

Significant synergies and value creation

Rapid integration

Present situation & Going Forward



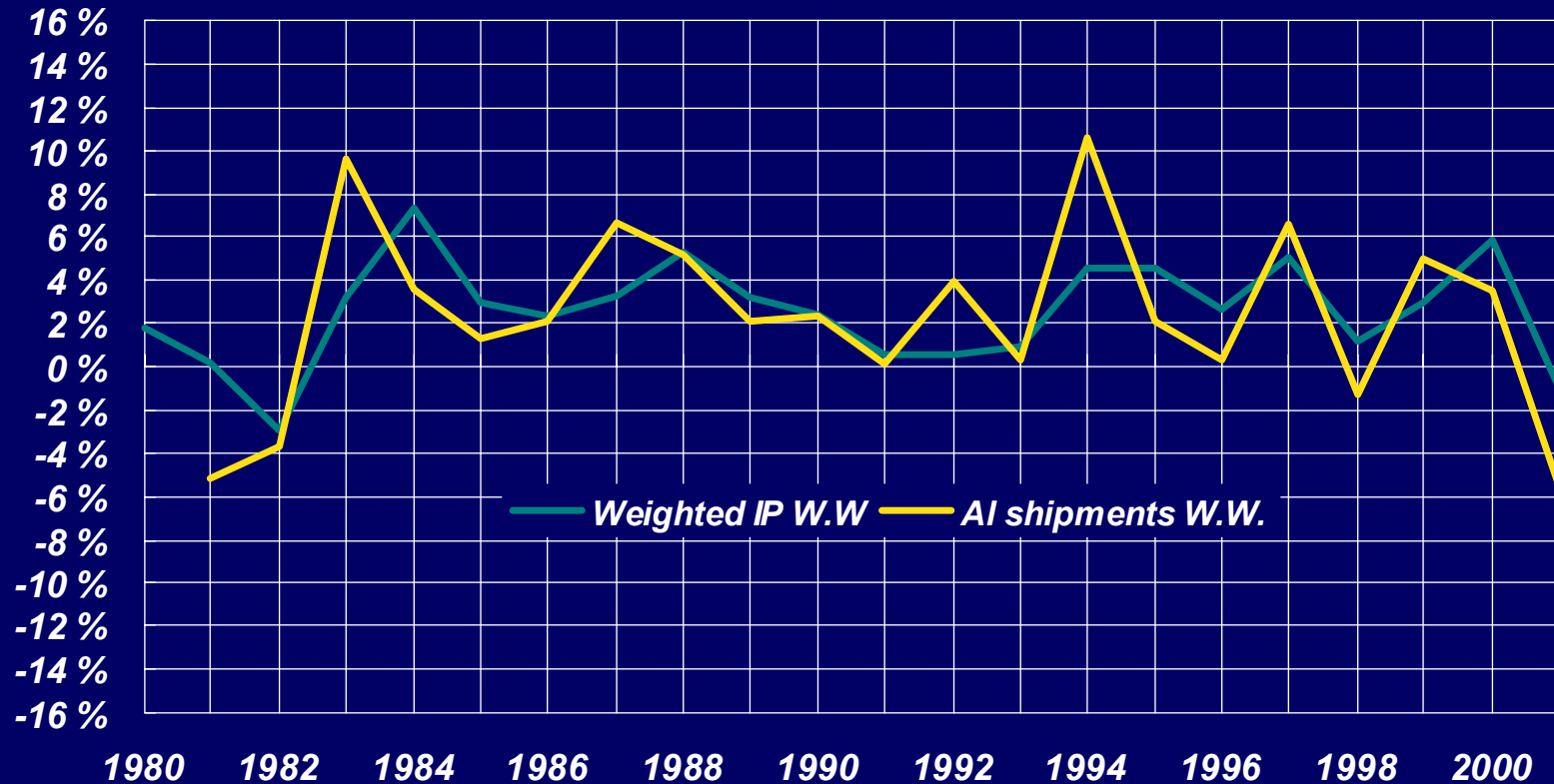


The economic downturn in 2001 has led to substantial drop in shipments

Fall in aluminium shipment largest drop in 20 years

change over
previous year

Primary Al. apparent consumption and IP Western World



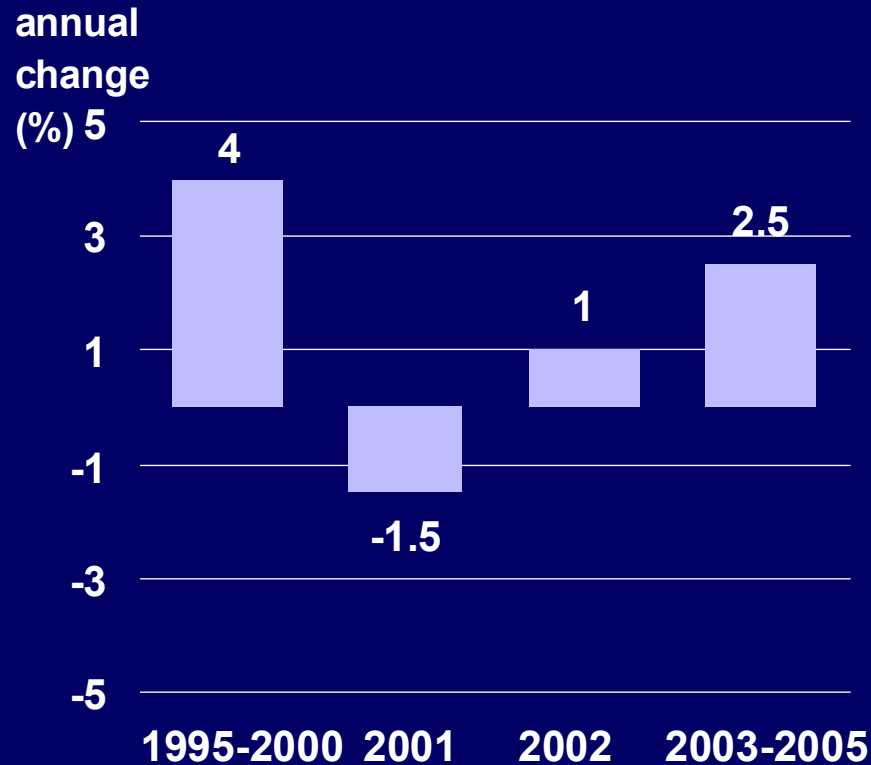
Updated: December '01

Source: CRU, WBMS, HAMP

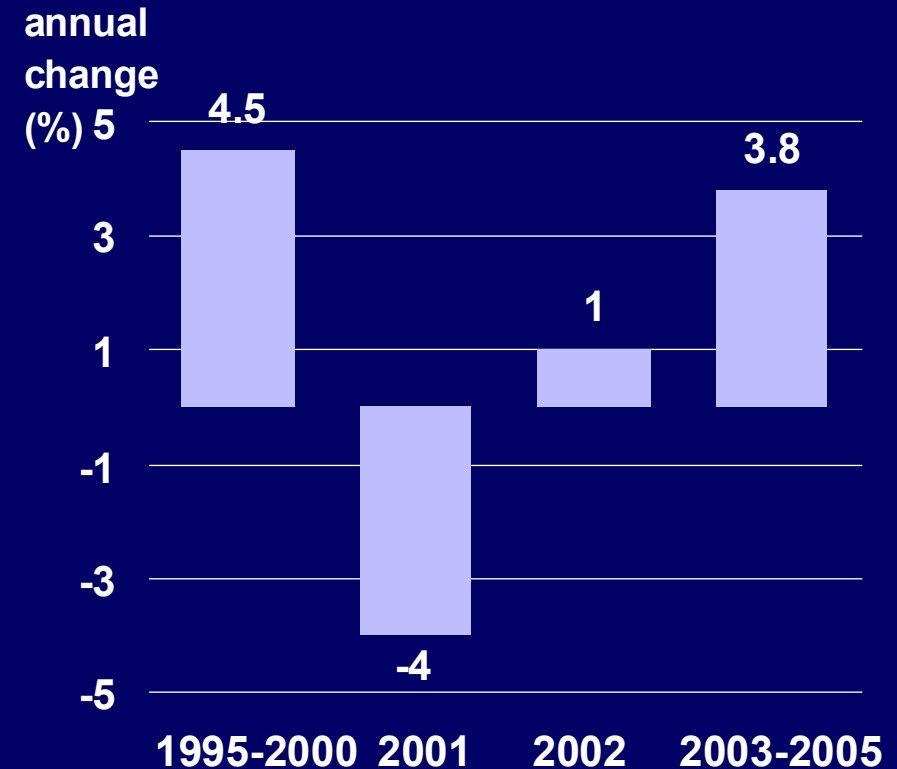
Recovery in downstream shipments in Europe is expected



Est. European rolled products shipments



Est. European extrusion shipments



Source: EAA, CRU

Longer term outlook positive

Light weight of cars
(CO₂)



Construction
material



Packaging



Recyclability up to 90%
Only 5% energy use in recycling



2.5-3%
growth
going
forward



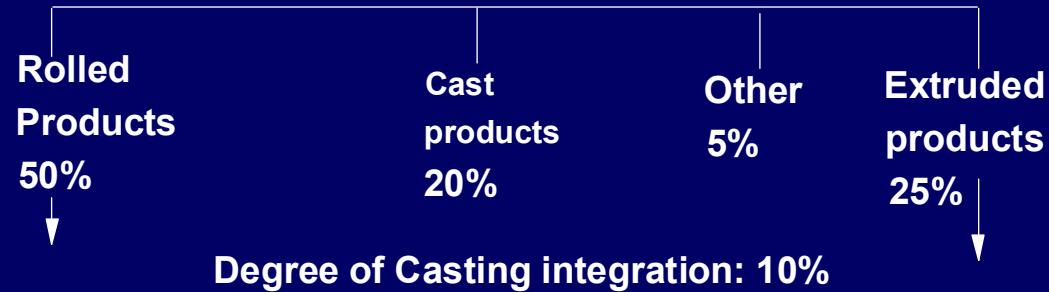
The industry attractiveness has improved

- ✓ **Healthy growth in demand**
- ✓ **Industry consolidation will continue**
- ✓ **High entry barriers**
- ✓ **Better up- and mid-stream supply and demand balance expected**

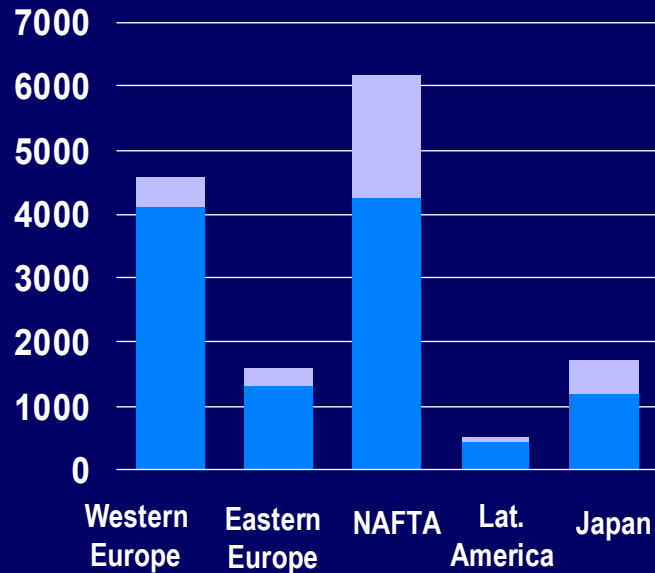


The industry structure

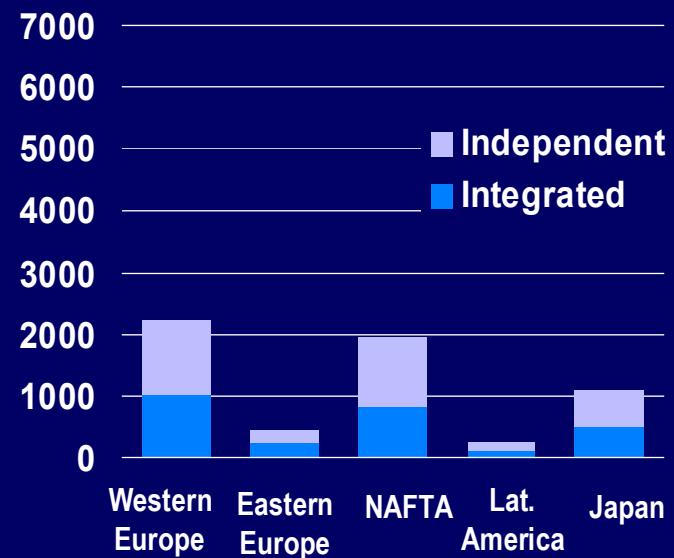
Total consumption of aluminium, Western World



1000 mt Degree of Rolling integration, 80%



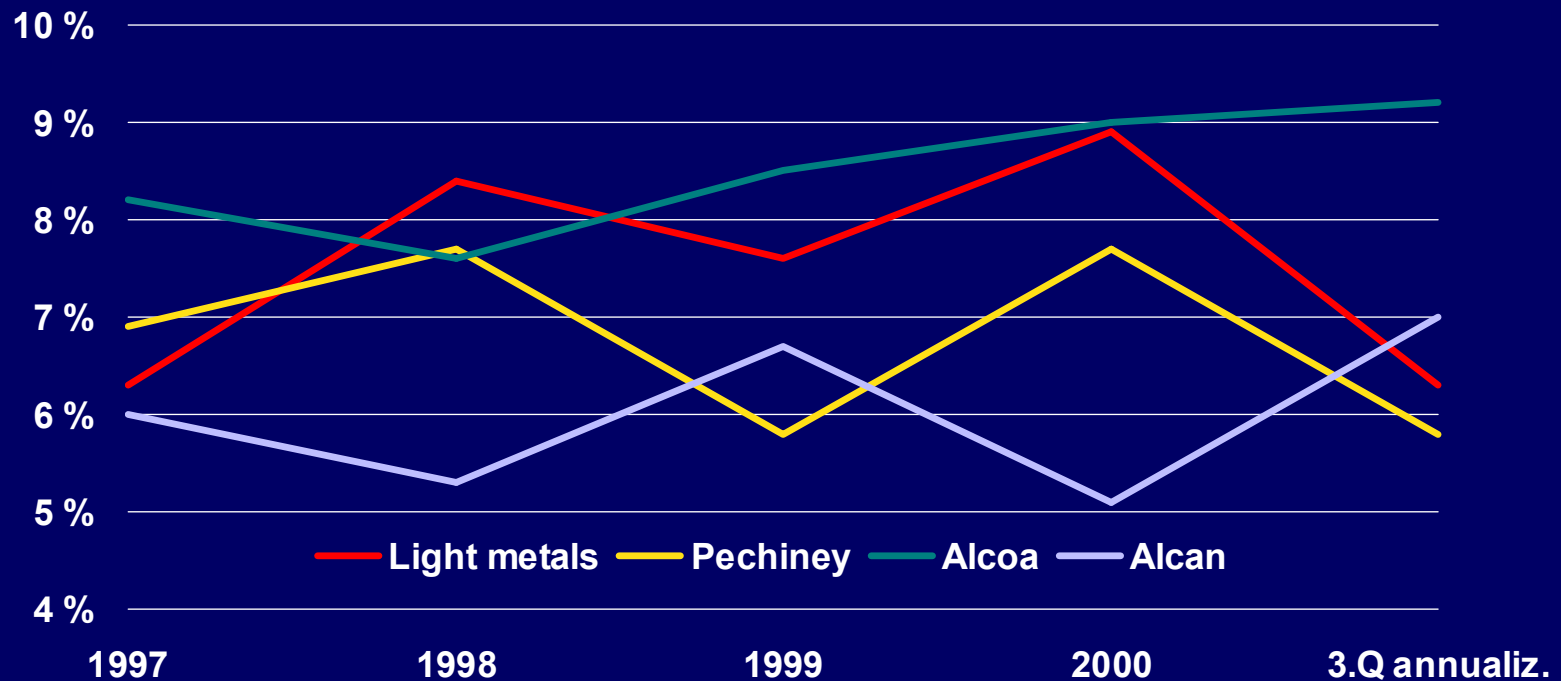
1000 mt Degree of Extrusion integration, 50%



Clearly weaker financial performance for Light Metals in 2001



CROGI proxy % = EBITDA less tax*/Gross investment



Assumed standard tax rate of 30 percent for all companies

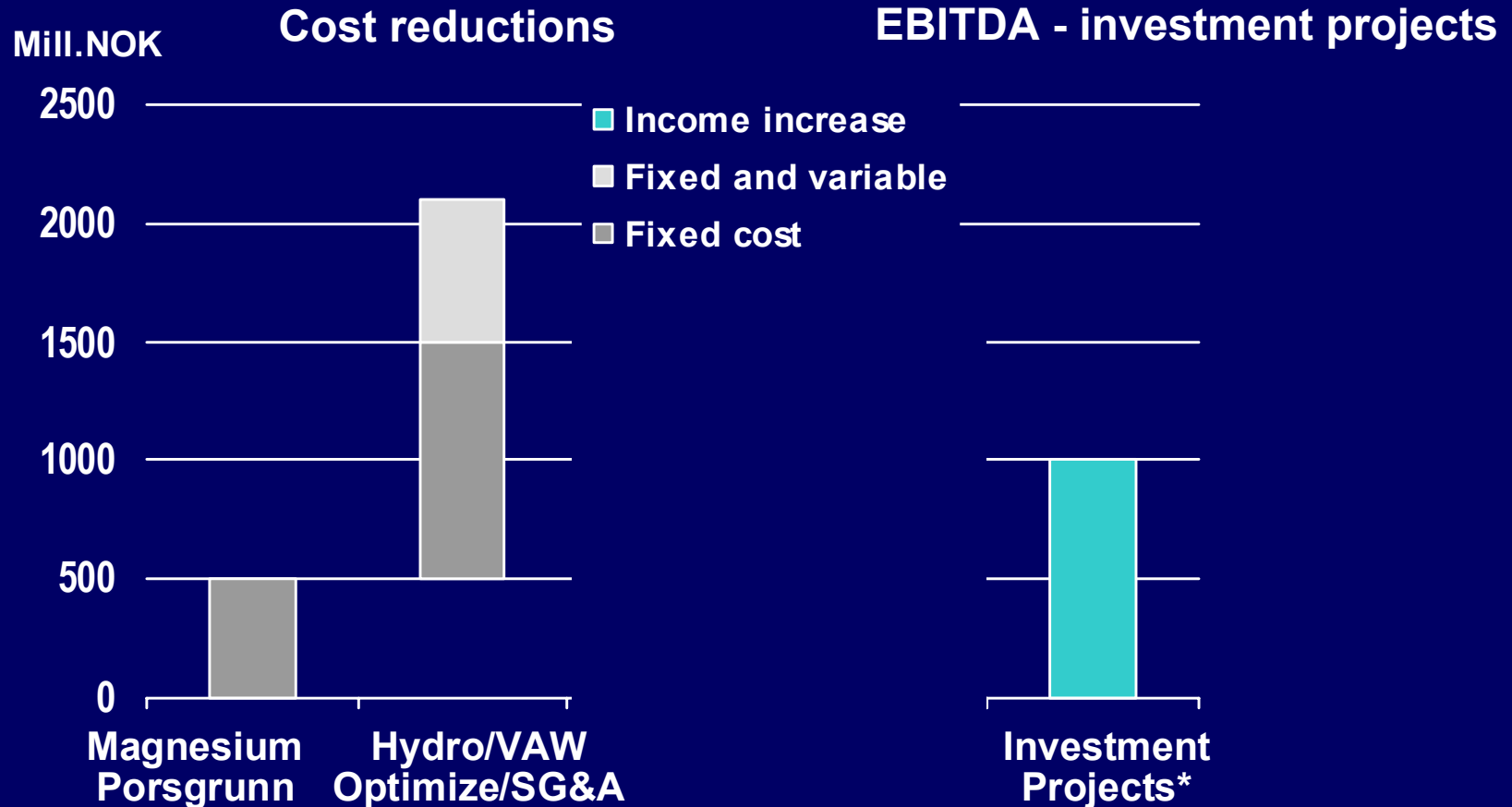
Source: Hydro



Actions taken to improve performance

- ✓ **Decision to close Porsgrunn magnesium production**
- ✓ **Significant cost reduction programmes in SG&A**
- ✓ **Initiatives taken to compensate for lower volumes and margins**
 - **Demanning of 350 employees in Extrusion. Capacity reduction of 10%**
 - **Capacity reduction of 90.000 t remelt in Metal Products**
- ✓ **Further improvement programmes within Primary Metal and Metal Products initiated**

Substantial financial effects of main programmes 2002-2003 (full effect 2004)

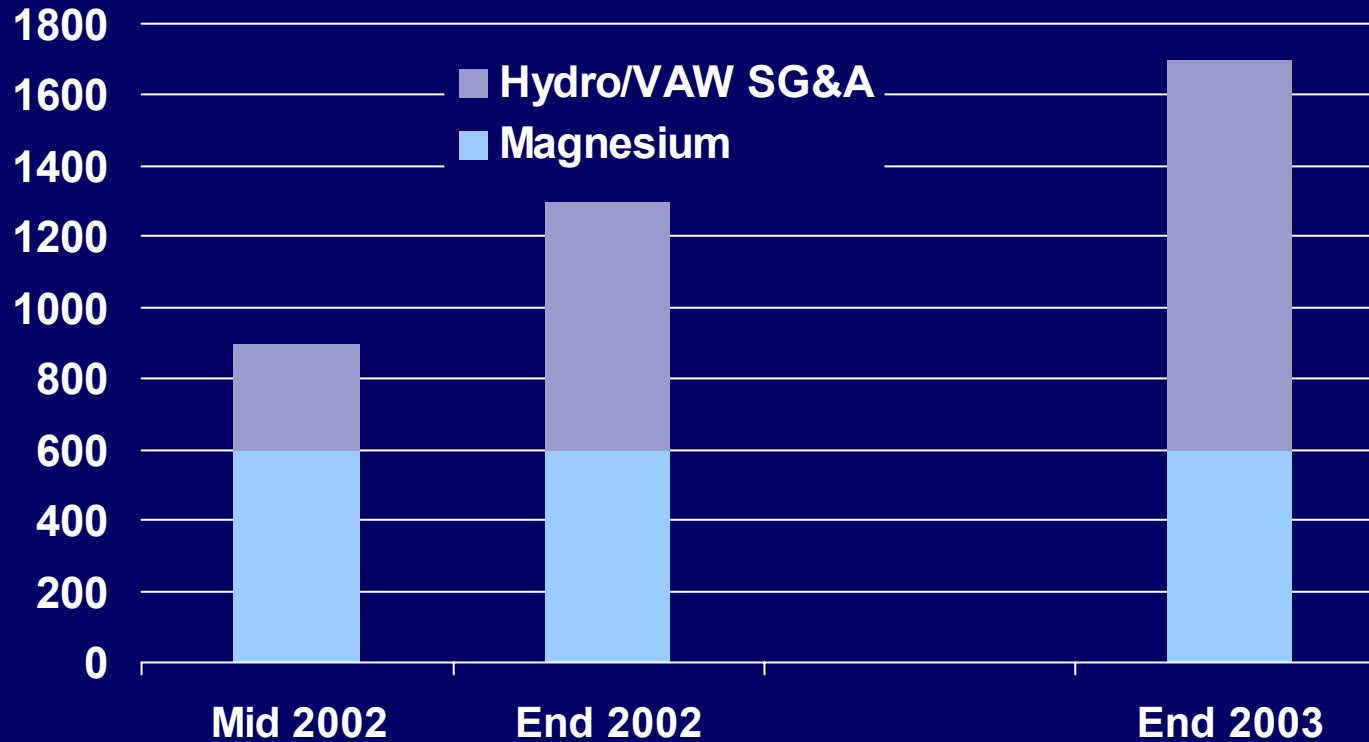


* Projects : Including approved projects like SU 4, Alunorte, Slovalco, Søral, Remelters & Aluchemie



Substantial reduction in manning

Manning

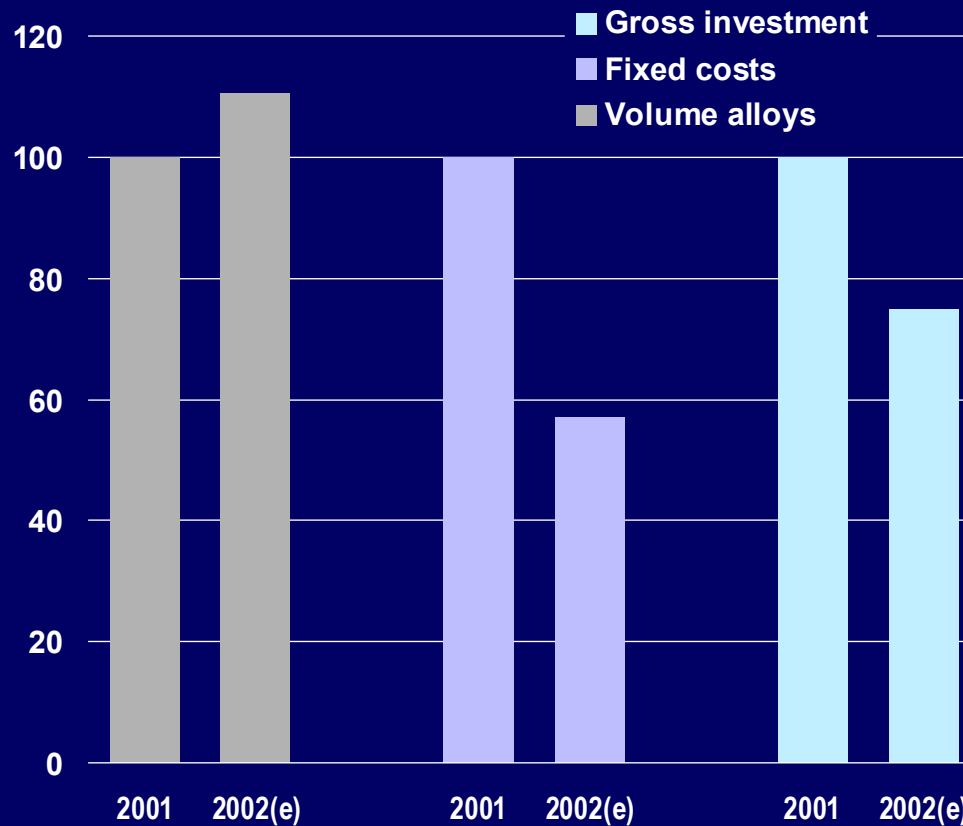


Expected effect approx. 1.2 - 1.4 bn NOK

Net financial effect in 2002 will be negative due to upfront restructuring costs



Magnesium restructuring



- ✓ Focusing on higher margin alloys
- ✓ Long term contracts - automotive
- ✓ Asset-light metal supply concept



The way forward

- ✓ **Forceful integration of VAW and Technal**
- ✓ **Realise significant short term improvement potentials**
- ✓ **Successful restructuring of magnesium**
- ✓ **Execution of large projects**

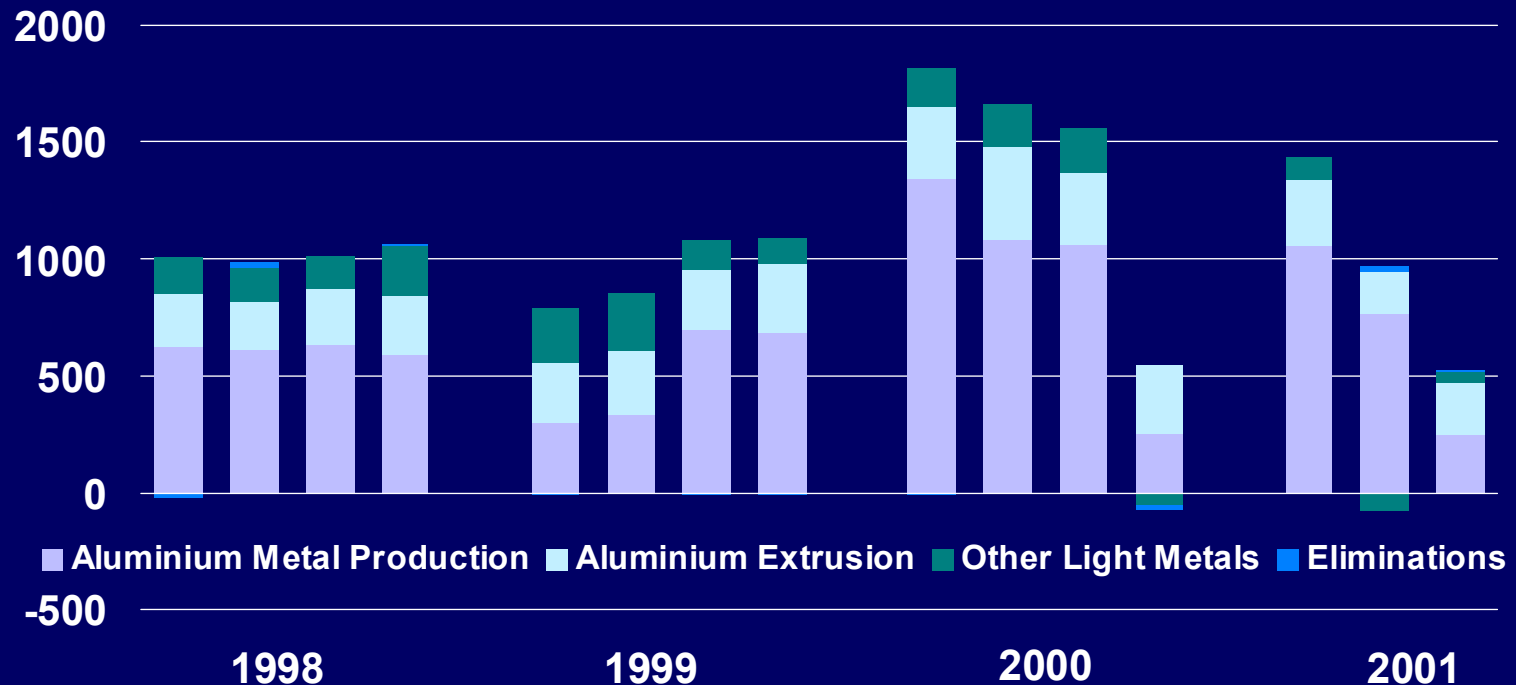


Backup



Hydro Light Metal — quarter by quarter

EBITDA Mill NOK



Accumulated

1998

4060

1999

3760

2000

5501

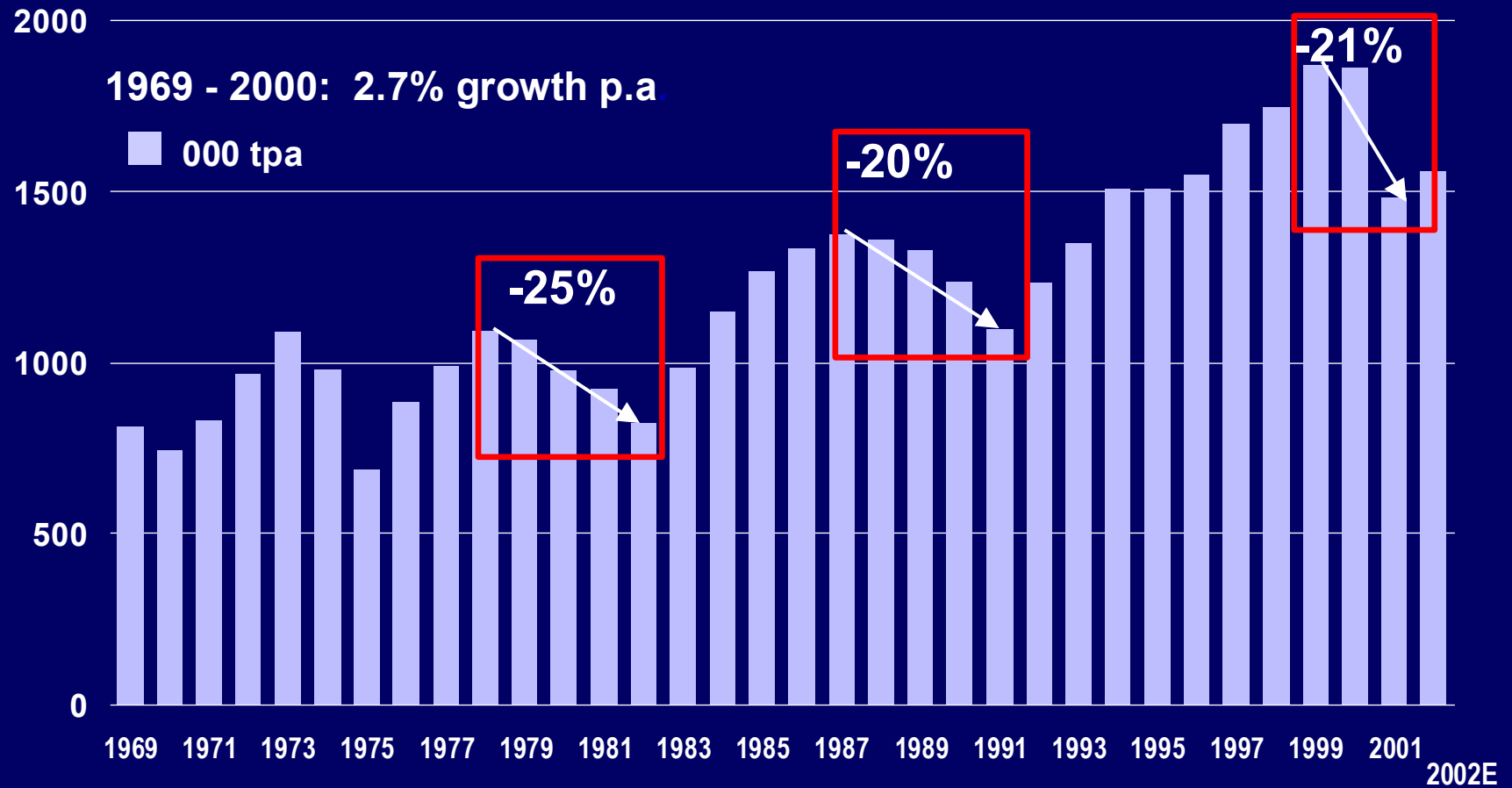
2001

2845

Effect of slowdown in the US has been extreme



Extrusion shipments





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Capital Markets Day

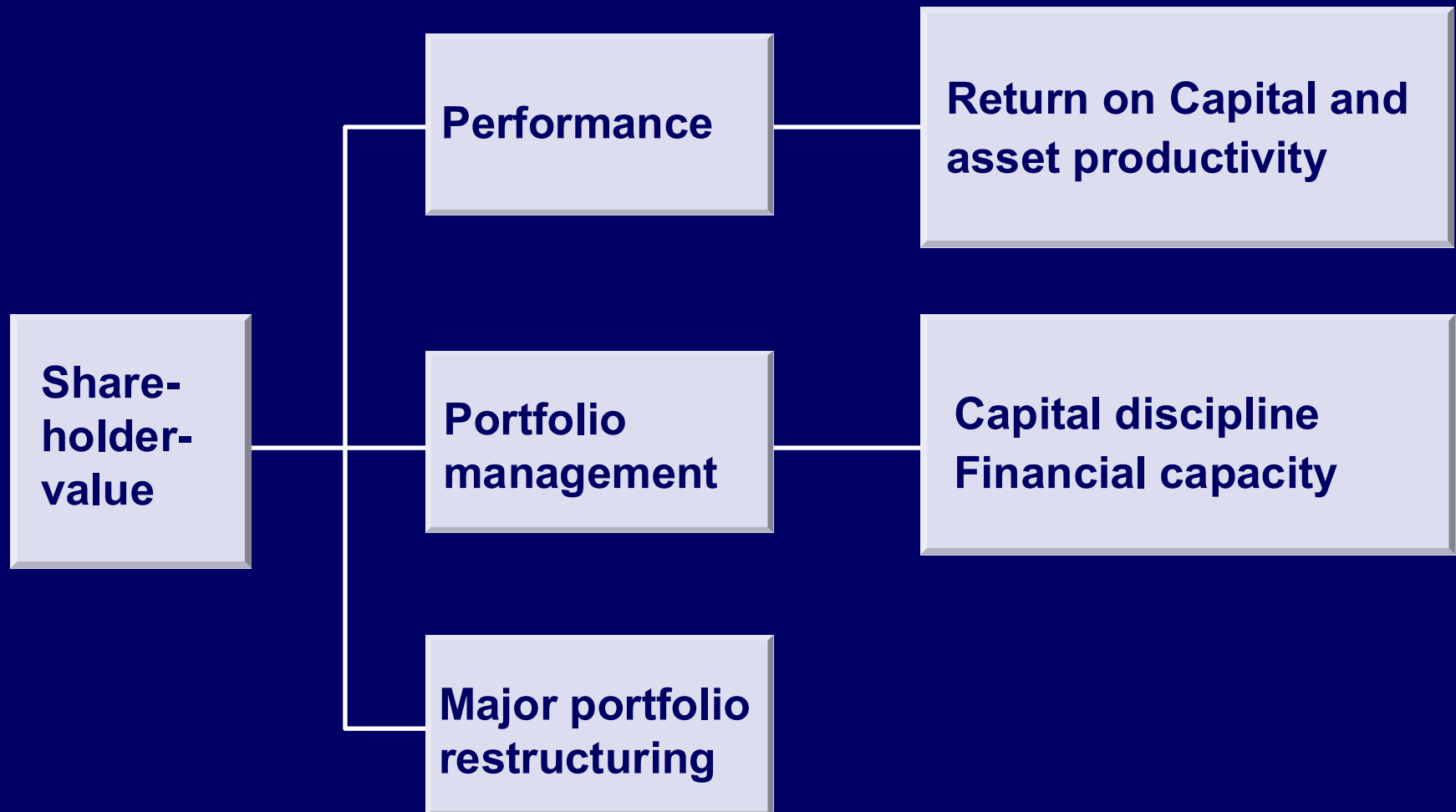
Performance and Financial Strength

**Executive Vice President and CFO Leiv L. Nergaard
Norsk Hydro ASA
Oslo, January 8, 2002**





Creating shareholder value





VAW Transaction

- **Total consideration is 2,645 mill Euro (21.2 Bn NOK* including net interest bearing debt of 757 mill Euro (NOK 6.1 bn)**
- **In addition Norsk Hydro takes over 450 mill. Euro (3.6 bn NOK) unfunded pension obligations**
- **Acquisition financed through cash and debt**
- **Subject to approval by Norsk Hydro Corporate assembly and regulatory approvals**
- **Expected closing by Q1 2002**

** All figures are estimates as per 1.1.2002 except where noted. Assumed exchange rate of 8,00 NOK/Euro*



VAW Financial impact on Norsk Hydro

- Pro forma first 9 months 2001

EBITDA:	+ 7%
EPS:	+ 1.30 NOK/share

- Estimated* debt/equity: 0.7
- Hydro maintains emphasis on keeping A/A2 rating

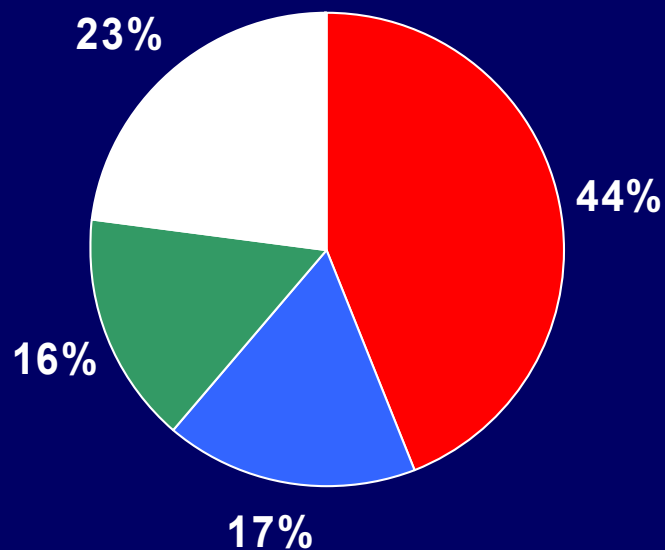
** Estimated after transaction*



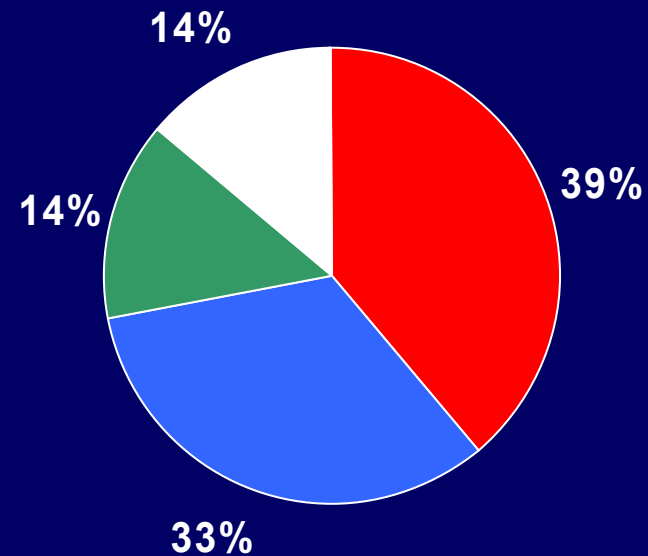
Norsk Hydro and VAW combined

Pro Forma Total assets 30 Sept. 2001

Total assets
Norsk Hydro



Norsk Hydro + VAW



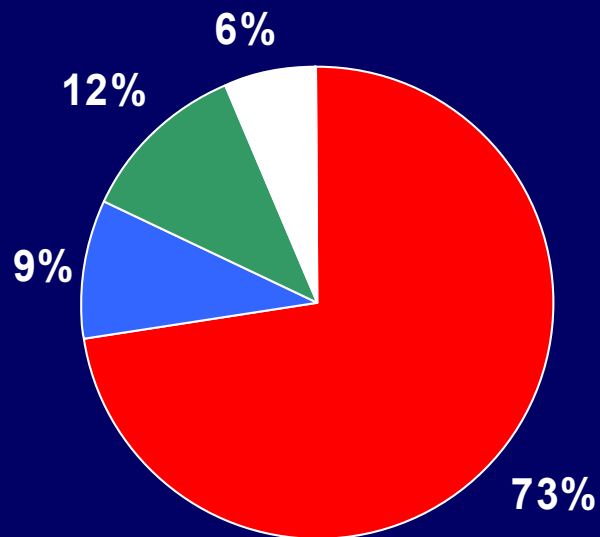
■ Oil and Energy
 ■ Aluminium
 ■ Agri
 ■ Other



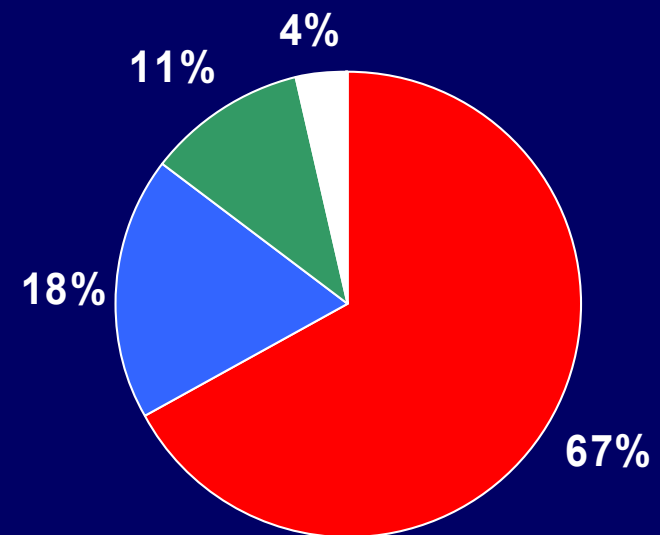
Norsk Hydro and VAW combined

Pro Forma EBITDA first 9 months 2001

Norsk Hydro



Norsk Hydro + VAW

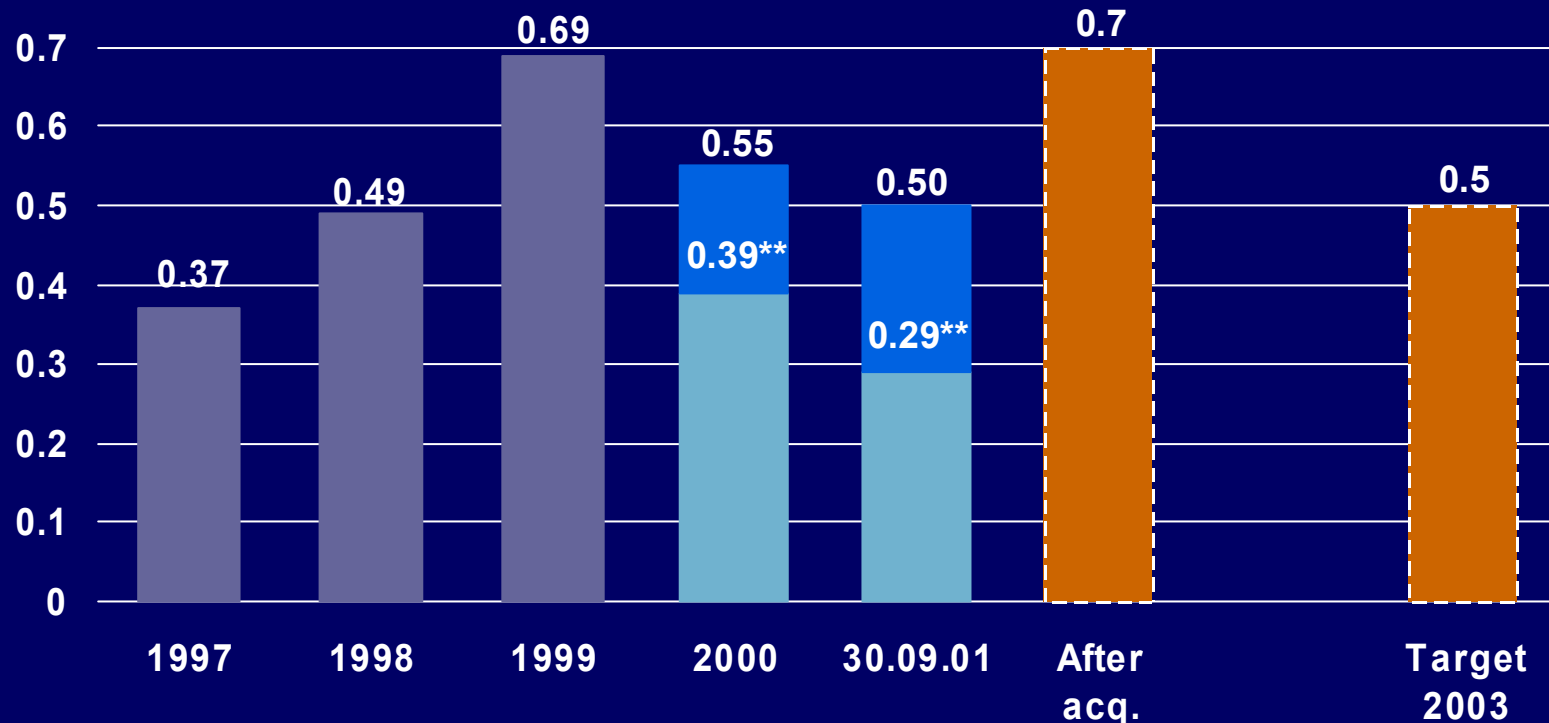


Oil and Energy Aluminium Agri Other



Speedy return to strong financial position

Long-term debt/equity* illustrating expected effect of VAW acquisition



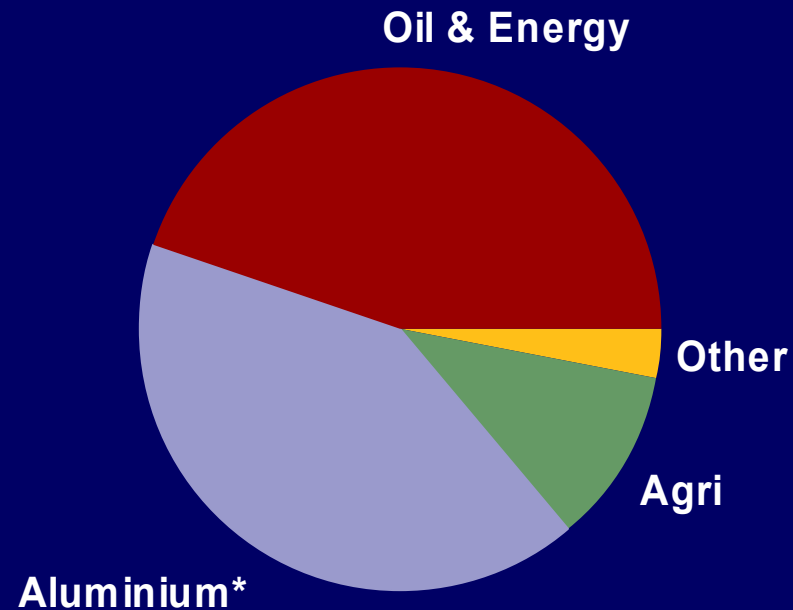
* Long-term debt divided by shareholders' equity plus minority interest

** Adjusted ratio if current cash position had been reduced to NOK 10 for 2000 and 15 billion for 30.09.01



Planned capital allocation 2002

Capital expenditures by business area



Oil and Energy*	8.5 bn. NOK
Aluminium	8.0 bn. NOK
Agri	2.0 bn. NOK
Others	0.5 bn. NOK
Total	19.0 bn. NOK

*Excl. exploration budget of 2.4 bn. NOK

* 2002 VAW investments included. (VAW acquisition cost and potential SDFI acquisition not included)



Active divestment program

- **New divestment target of NOK 10 billion by end 2003**
 - **Larger non-core candidates for divestment include:**
 - Petrochemicals
 - KFK shareholding
 - VAW Flexible Packaging

- **Continued divestments within core areas**
 - **Recent examples:**
 - Pelican, non-core NCS licenses, Oleochemicals business

- **Fix, sell or close underperforming units**



CROGI — our key measure of return

- **CROGI - Cash Return on Gross Investments:**

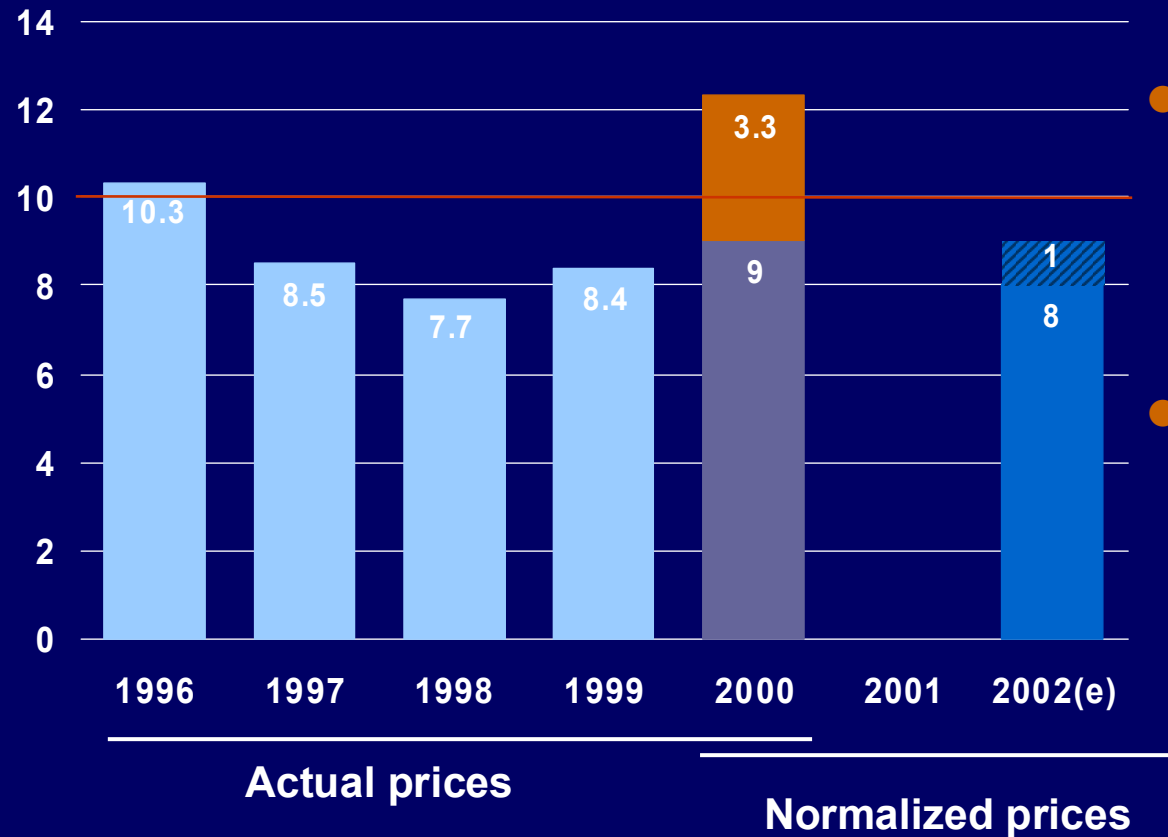
$$\frac{\text{EBITDA less tax}}{\text{Gross invested capital}}$$

- **CROGI at "normalised" prices — good indicator for:**
 - Average over the cycle performance
 - Effects of internal improvement efforts
- **CROGI at actual prices — good profitability indicator for investors**
Should reach 10% as an average over the cycle



CROGI — development

CROGI %

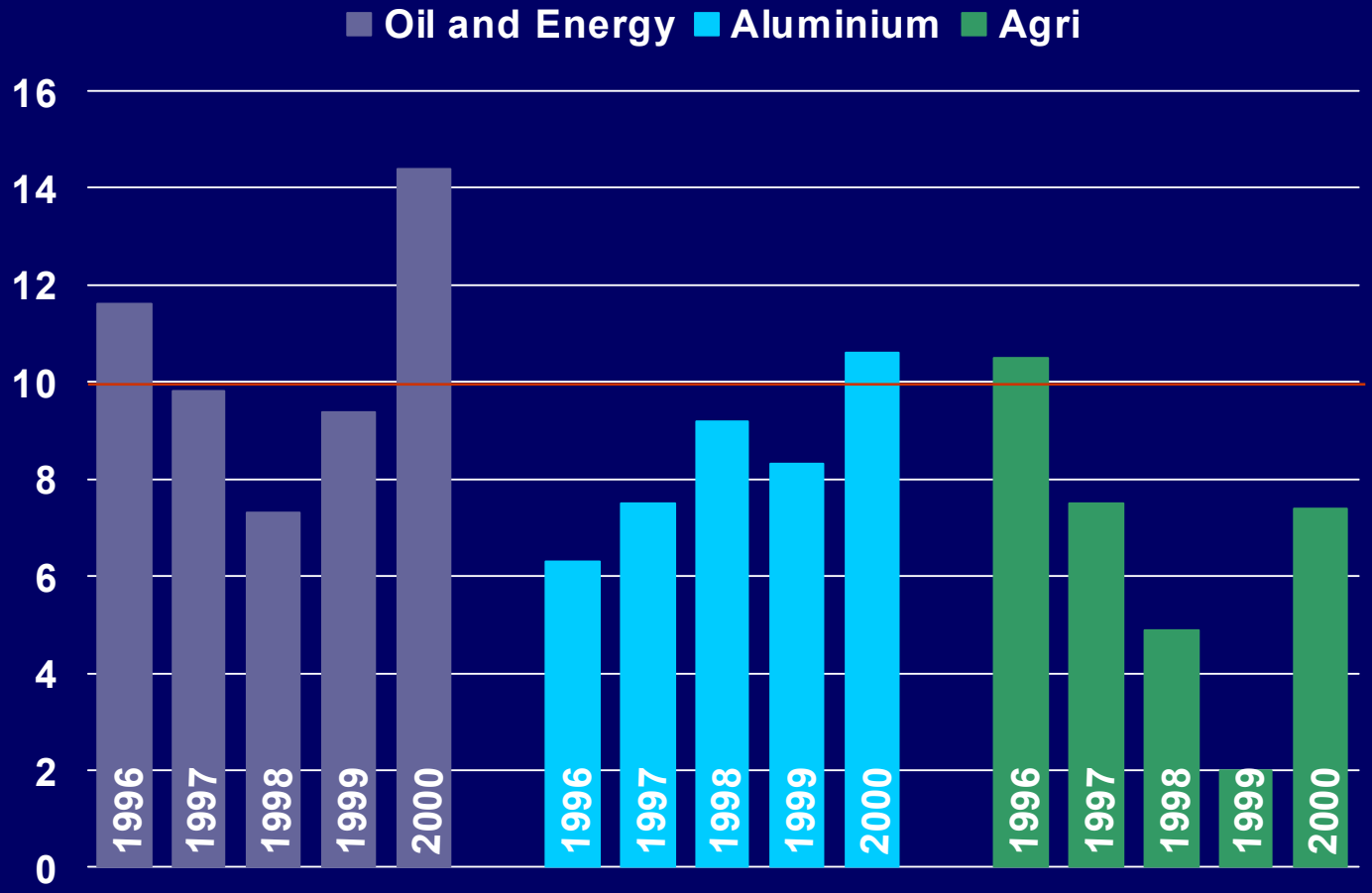


- **Normalized prices:**
 - NOK/USD: 8.00
 - Brent Blend (USD/bbl) 18
 - CAN27 (USD/t) 113
 - LME 3M (USD/t) 1,500
- **Average over the cycle target 10%**



CROGI performance

Actual prices





Medium term CROGI outlook (normalised)

- **Agri — well positioned to show levels above 10% in coming years**
- **Aluminium — programs initiated to bring normalised CROGI to 10% by 2004**
- **Oil and Energy — currently around 9%. Build-up of international production takes time**
- **Asset productivity improvements**
 - **Implement divestment program**
 - **Reduce operating capital**



Norsk Hydro including VAW — indicative sensitivity by unit changes

	EBITDA Mill NOK	Net income Mill NOK	CROGI % points
Oil price + 1 USD/boe	990	215	0.07
LME + 100 USD/t	820	575	0.20
CAN + 10 USD/t	600	420	0.15
Currency + 0.1 NOK/USD	430	105*	0.07

Underlying assumptions :

Oil 18 USD/bbl, LME 1,500 USD/t, CAN 27 113 USD/t, NOK/USD 8.00

Full taxpaying position offshore

- * after currency loss on loans and interest (105 after tax)
These elements are not included in the EBITDA and CROGI figures.



Hydro — new reporting format from 2002

<u>NEW</u>	<u>OLD</u>
<ul style="list-style-type: none"> ● Exploration and Production ● Energy & Oil Marketing <p><u>Hydro Oil and Energy</u></p>	<ul style="list-style-type: none"> ● Exploration and Production ● Oil Marketing ● Energy <p><u>Hydro Oil and Energy</u></p>
<ul style="list-style-type: none"> ● Metals 1) ● Rolled products ● Extrusion & Automotive 2) <p><u>Hydro Aluminium</u></p>	<ul style="list-style-type: none"> ● Aluminium Metal Products ● Extrusion ● Other Light Metals <p><u>Hydro Light Metals</u></p>
<p><u>Hydro Agri</u></p>	<ul style="list-style-type: none"> ● Plant Nutrition ● Gases and Chemicals ● KFK <p><u>Hydro Agri</u></p>
Other 3)	Petrochemicals Other
<u>Sum Hydro</u>	<u>Sum Hydro</u>

- 1) Primary Metals + Metal Products incl. Magnesium
- 2) Extrusion + Automotive + the North American Unit
- 3) Petrochemicals + KFK + VAW Flexible packaging + Others



Main financial targets

- **Cash Return on Gross Investment (CROGI*), nominal after tax** **10%**
- **Return on new investments, real rate after tax** **10%**
- **Dividend:**
Share of net income, average over the cycle **30%**
- **Solidity:**
Long term interest-bearing debt/equity **0.5**

* Based on "normalised" price set to reflect average over the cycle performance

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**Additional sensitivity
information**





Norsk Hydro including VAW — indicative sensitivity by % changes

	EBITDA Mill NOK	Net income Mill NOK	CROGI % points
Oil price + 5% USD/boe	890	195	0.07
LME + 5% USD/t	615	430	0.15
CAN + 5% USD/t	340	235	0.08
Currency + 5% NOK/USD	1,720	415*	0.29

Underlying assumptions :

Oil 18 USD/bbl, LME 1,500 USD/t, CAN 27 113 USD/t, NOK/USD 8.00

Full taxpaying position offshore

- * after currency loss on loans and interest (420 after tax)
These elements are not included in the EBITDA and CROGI figures.



Financial results Norsk Hydro

	1999	2000	Acc Q3 '01
EBITDA (Mill NOK)	21,944	46,609	30,460
Cash flow per share	58.3	107.0	62.0
Earnings per share	13.90	53.40	26.10

Comments on effects of new offshore tax regime



Oil & Energy — indicative sensitivities

	EBITDA Mill NOK	CROGI % points
Oil price + 1 USD/boe	1,100	0.22
Currency + 0.1 NOK/USD	215	0.04

**Underlying assumptions: Oil 18 USD/bbl, NOK/USD 8.00
Full tax paying position offshore**



Aluminium — indicative sensitivities

	EBITDA Mill NOK	CROGI % points
LME + 100 USD/t	400	0.64
Currency + 0.1 NOK/USD	105	0.17

Underlying assumptions: LME 1,500 USD/t , NOK/USD 8.00
 Simplified tax rate: 30%



Agri — indicative sensitivities

	EBITDA Mill NOK	CROGI % points
CAN + 10 USD/t	600	0.89
Oil price + 1 USD/boe	-110	-0.16
Currency + 0.1 NOK/USD	60	0.09

Underlying assumptions: Oil 18 USD/bbl, CAN 113 USD/t , NOK/USD 8.00
 Simplified tax rate: 30%



Aluminium — indicative sensitivities by unit changes incl. VAW

	EBITDA Mill NOK	CROGI % points
LME + 100 USD/t	820	0.76
Currency + 0.1 NOK/USD	155	0.14

Underlying assumptions: LME 1,500 USD/t , NOK/USD 8.00
Simplified tax rate: 30%



Norsk Hydro — (excl. VAW) indicative sensitivity by unit changes

	EBITDA Mill NOK	Net income Mill NOK	Indicative CROGI % points
Oil price + 1 USD/boe	990	215	0.08
LME + 100 USD/t	400	280	0.11
CAN + 10 USD/t	600	420	0.17
Currency + 0.1 NOK/USD	375	65*	0.07

Underlying assumptions :

Oil 18 USD/bbl, LME 1,500 USD/t, CAN 27 113 USD/t, NOK/USD 8.00

Full taxpaying position offshore

- * after currency loss on loans and interest (105 after tax)
These elements are not included in the EBITDA and CROGI figures.



Norsk Hydro - (excl. VAW) indicative sensitivity by % changes

	EBITDA Mill NOK	Net income Mill NOK	CROGI % points
Oil price + 5% USD/bbl	890	195	0.08
LME + 5% USD/t	300	210	0.08
CAN + 5% USD/t	340	235	0.09
Currency + 5% NOK/USD	1,500	265*	0.27

Underlying assumptions :

Oil 18 USD/bbl, LME 1,500 USD/t, CAN 27 113 USD/t, NOK/USD 8.00

Full taxpaying position offshore

- * after currency loss on loans and interest (420 after tax)
These elements are not included in the EBITDA and CROGI figures.



Safe harbour statement

In order to utilize the "Safe Harbor" provisions of the United States Private Securities Litigation Reform Act of 1995, Hydro is providing the following cautionary statement: This presentation contains certain forward-looking statements with respect to the financial condition, results of operations and business of the Company and certain of the plans and objectives of the Company with respect to these items. By the nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. The actual results and developments may differ materially from those expressed or implied in the forward-looking statements due to any number of different factors. These factors include, but are not limited to, changes in costs and prices, changes in economic conditions, and changes in demand for the Company's products. Additional information, including information on factors which may affect Hydro's business, is contained in the Company's 2000 Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission.

Capital Markets Day

President & CEO, Eivind Reiten
Norsk Hydro ASA
Oslo, January 8, 2002





Delivering on our strategy

- **Strong financial capacity established**
- **VAW acquisition — a transforming step for Aluminium**
- **Attractive international positions established for Oil and Energy**
- **Agri turnaround successfully completed**
- **Challenging to meet 2002 return target**

Creating a world class aluminium company



The VAW acquisition

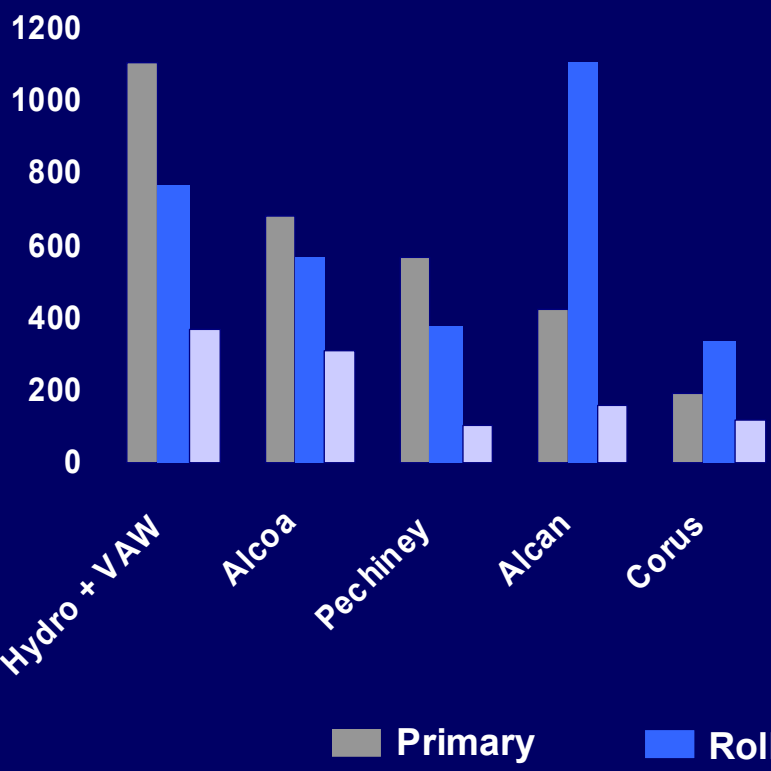
- **Establishing Europe's no. 1 aluminium company**
- **An excellent strategic fit — new company well positioned**
- **Accretive to EPS already in 2002**
- **Successful integration the main short term priority**
- **Ambitious programme to realise synergies and improve Hydro's existing aluminium business**
 - **Improvement target NOK 1.6 billion by end 2003**
 - **Manning to be reduced by 1100 persons**



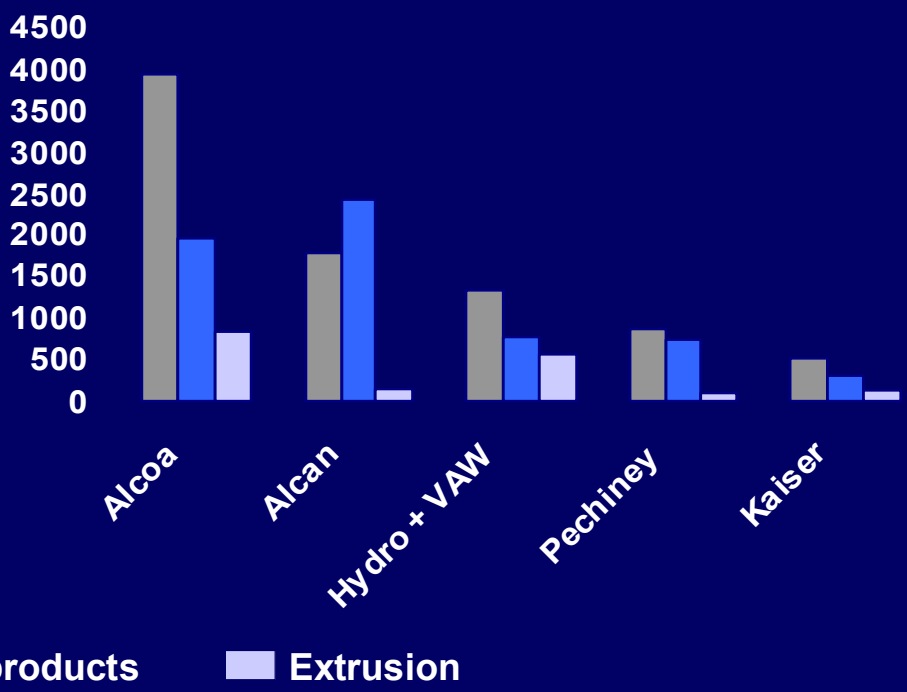
Creating a “top-tier” aluminium company

Total production, thousand tonnes, 2000

Europe



Global: World Integrated Aluminium Companies



Note: VAW’s Kurri Kurri-smelter in Australia and HAL’s Wells extrusion system in the US included full-year

Agri — potential for significant value creation



- **Successful turnaround exceeds original targets:**
 - Greatly improved market balance in Europe
 - Annual fixed costs cut by 30% (NOK 2.3 billion) from 1998-level*
 - Manning reduced by 30% (3,600 persons*) from 1998-level
 - Platform for sustainable competitive earnings
- **Strengthened positions outside of Europe**
- **Strong performance by Gas and Chemicals**

* Based on first nine months 2001 figures

Oil and Energy — positive growth outlook



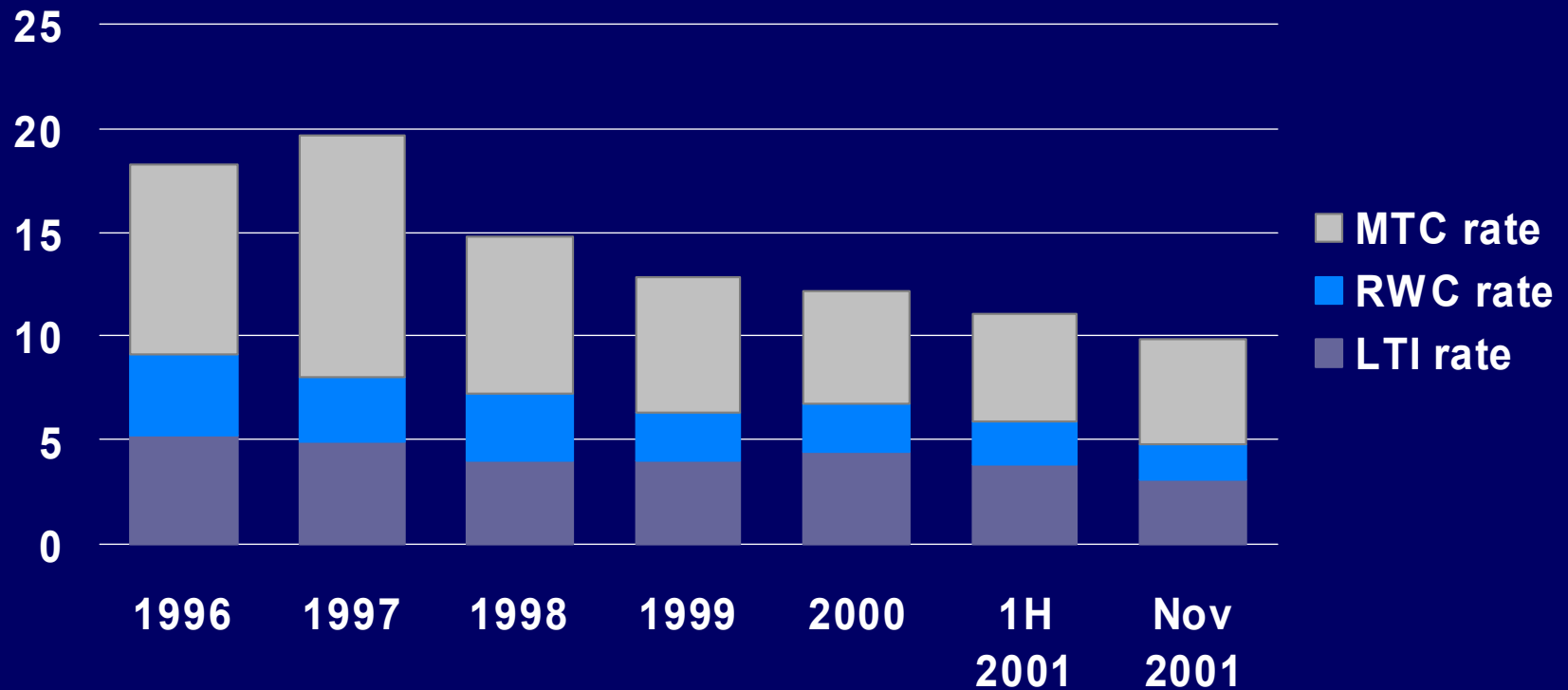
- 2001 production target of 415,000 boe/d. reached, average annual production growth to 2005 of 5 - 6%
- Growing natural gas sales and adding value through commercial activities
- Exciting exploration acreage secured
- Finding and development costs on track to reach \$5 target by 2003



Safety performance

Total Recordable Injury Rate, Employees 12 month rolling average

Total recordable injuries/million hours worked

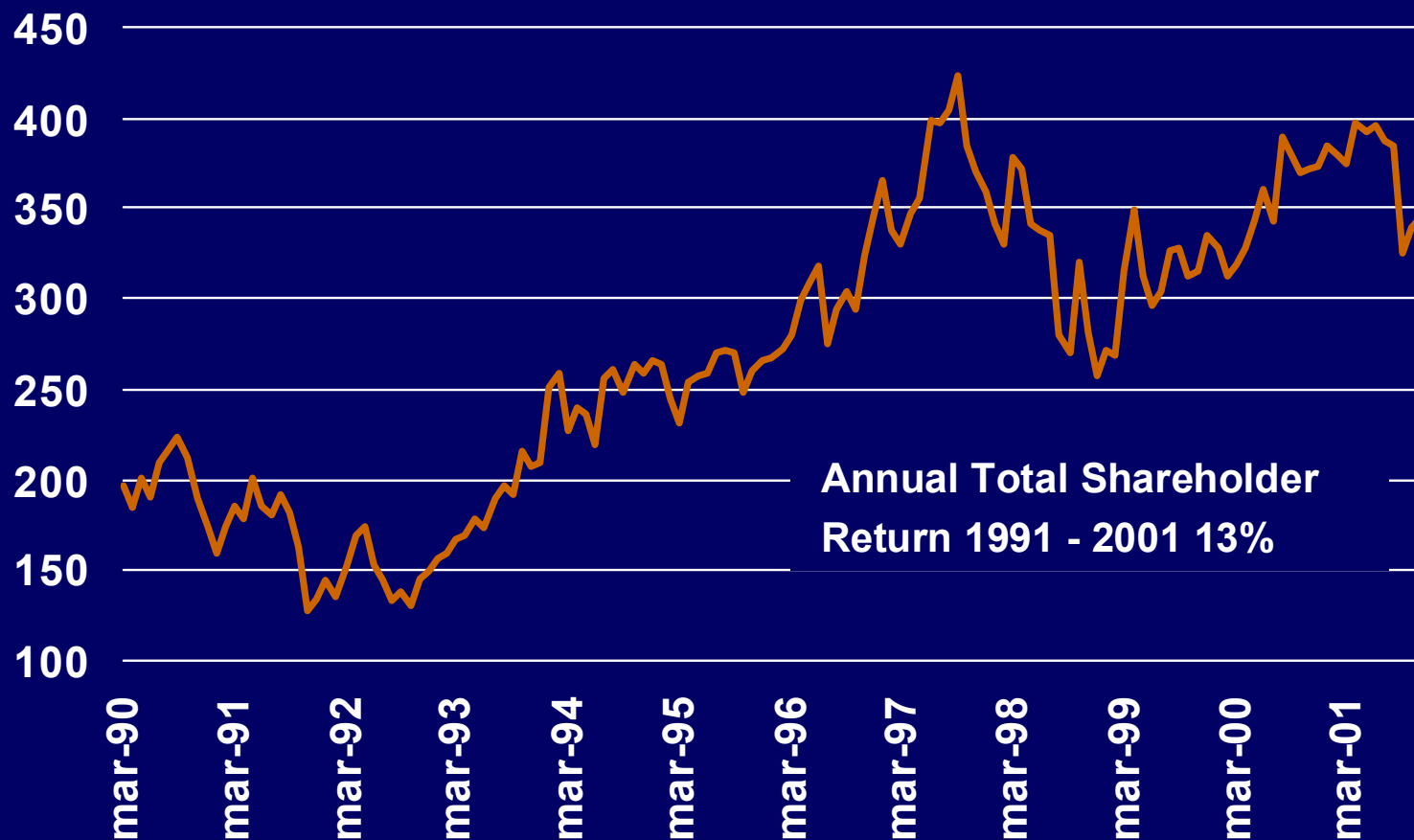


MTC: Medical treatment cases
 RWC: Restricted work cases
 LTI: Lost time injuries



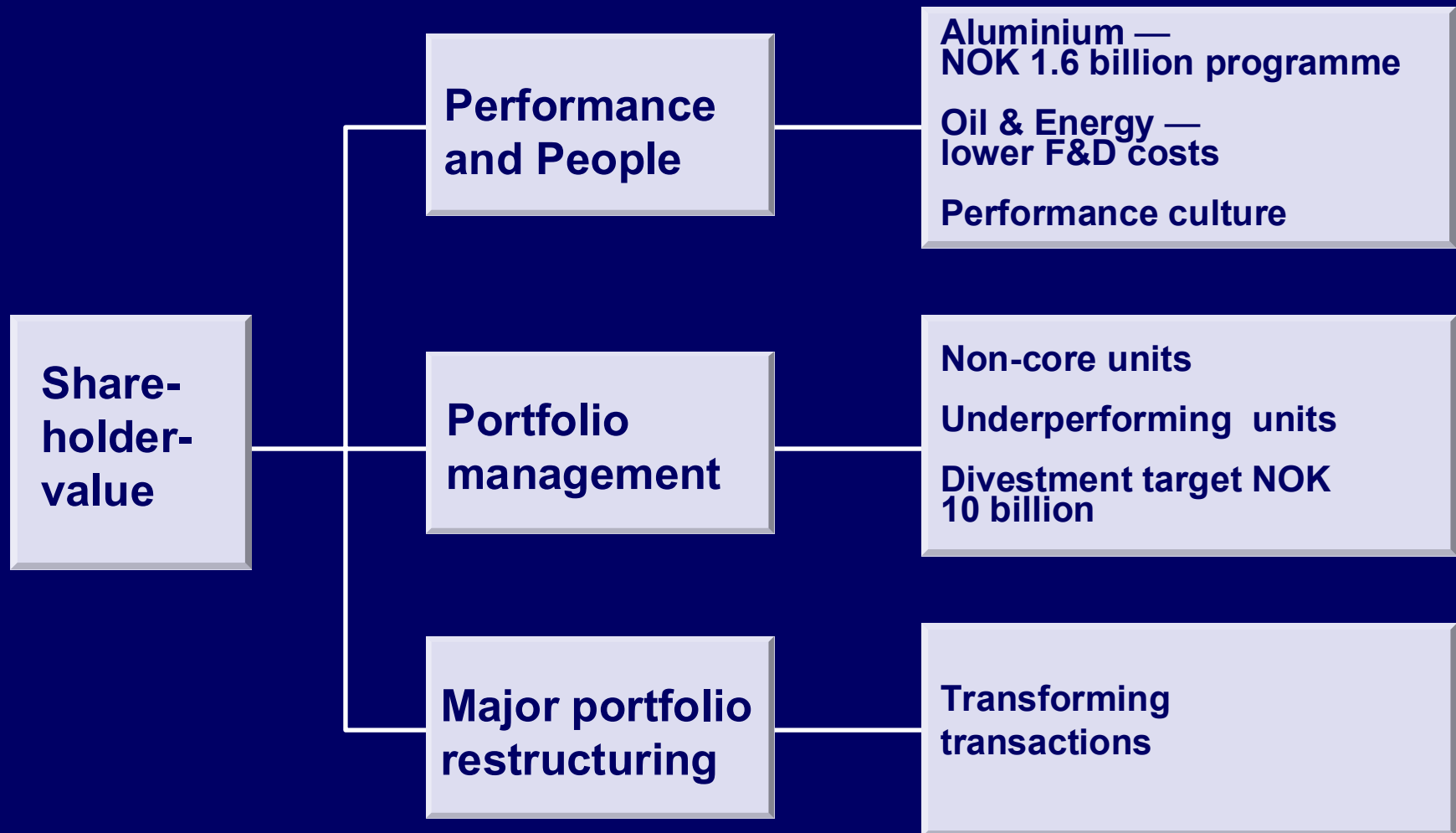
Share price performance — a major challenge

NHY OSE





Creating shareholder value

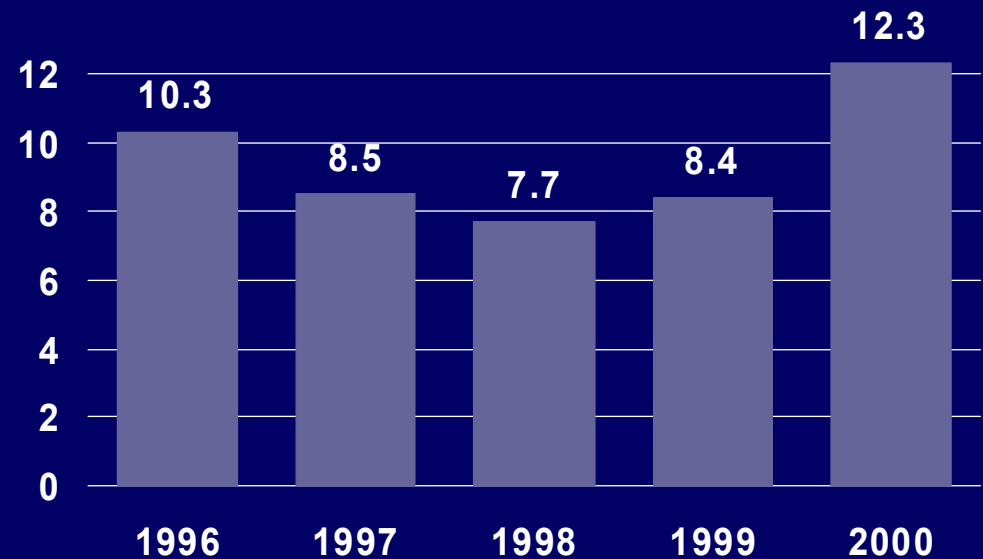




CROGI — our main metric for return on capital

CROGI — Cash Return on Gross Investments

- Average over the cycle
10%
- Level achieved in two of
the last five years;
improved performance
required
- 2001 CROGI affected by:
 - Weak aluminium market
 - Restructuring charges





Challenging to reach 2002 CROGI target

- **Current plans imply an expected normalised CROGI level of between 8 and 9% in 2002**
- **Challenge being met by continued drive for better performance**
 - **Implementing an aggressive restructuring and improvement programme in Aluminium**
 - **Developing an attractive exploration portfolio in Oil and Energy**
 - **New measures to bring further improvements in Agri**
 - **Active portfolio management and divestment of non-core assets**
 - **More efficient shared services**



Strengthen performance culture

- **Speedy actions to correct deviations from plans**
- **New top management incentive systems established**
- **Performance drive in total compensation systems**
- **Improved management development programmes**



Increased strategic flexibility

- **A strong platform providing attractive opportunities**
 - Oil and Energy with exciting exploration potential
 - VAW acquisition a transforming transaction for Aluminium
 - Agri established as a global industry leader
- **Successful Agri turnaround and VAW acquisition create new strategic options for Hydro**
- **Proactive approach towards industrial solutions, including alternatives which may require changes in the existing corporate structure**



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