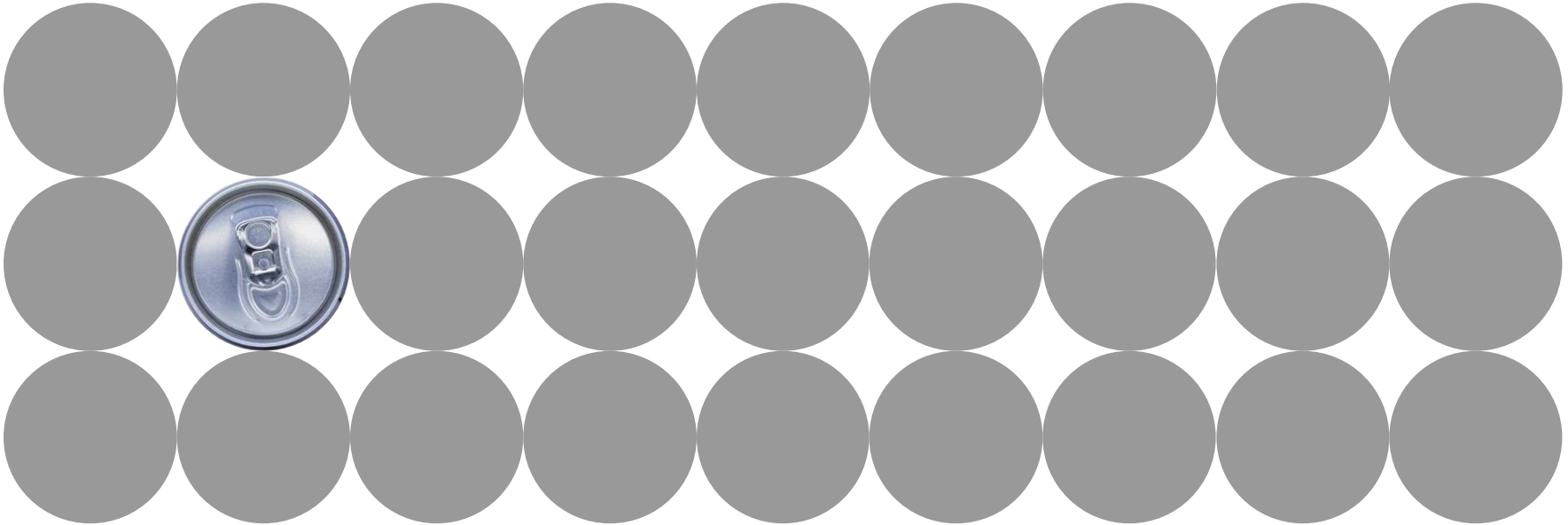
Capital Markets Day 2008



Eivind Reiten, President and CEO
September 25, 2008

HYDRO

Hydro’s value proposition

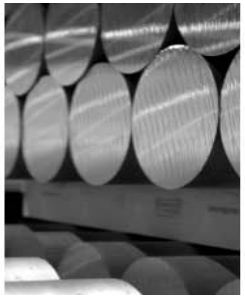
- Solid long-term fundamentals for aluminium
- Industry-leading captive power position
- World-class upstream growth projects
- Leading positions in attractive extrusion segments
- Competence in metallurgy and project execution – basis for solar growth
- Strong operational performance and cost focus

Strong position in aluminium value chain

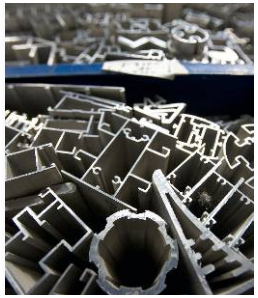
Bauxite/ alumina

Energy

Primary aluminium



Casthouse products



Fabricated products

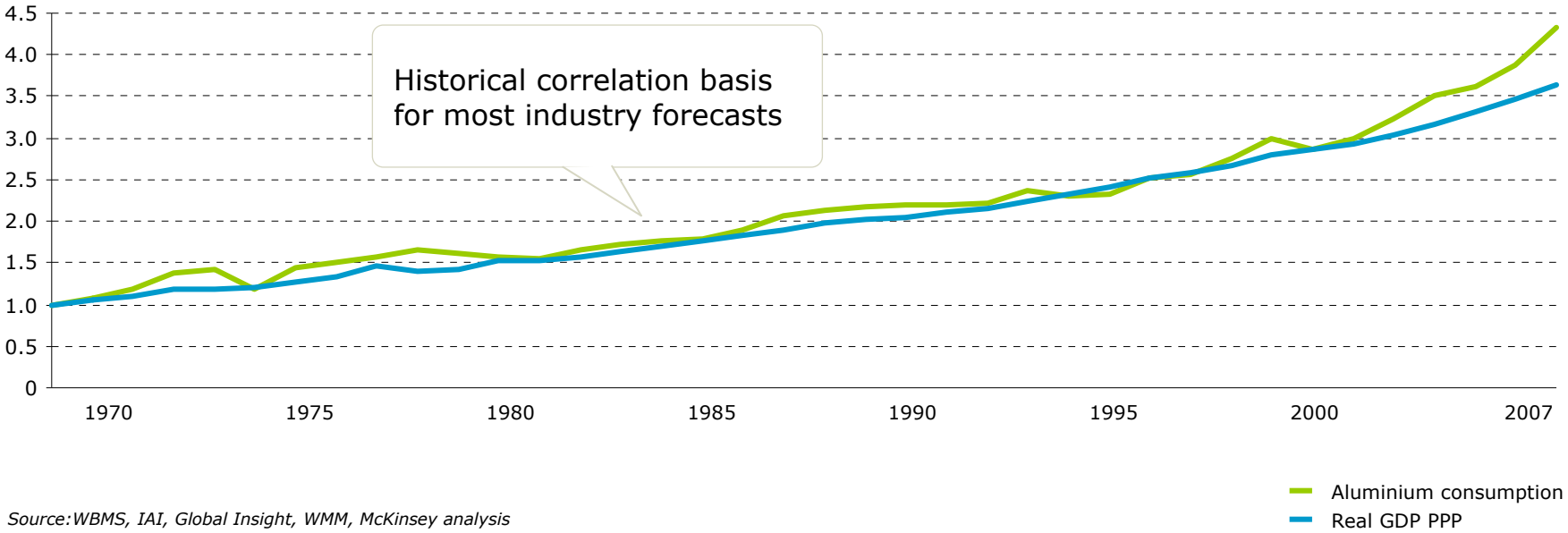
Remelt

1

Solid long-term fundamentals for aluminium

Aluminum demand outpaces GDP growth

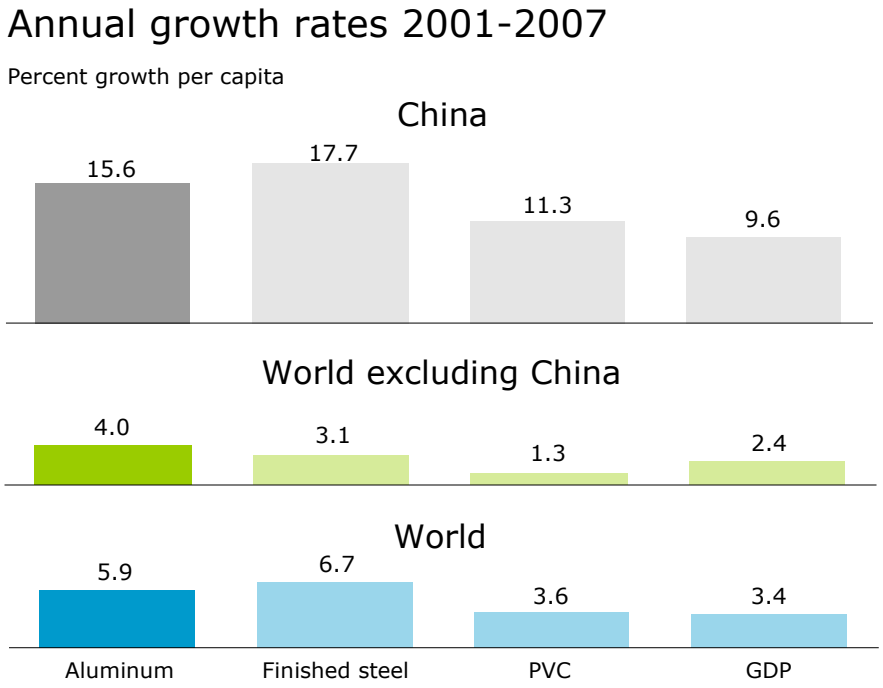
World total aluminum consumption and GDP, 1970–2007 (1970=1)



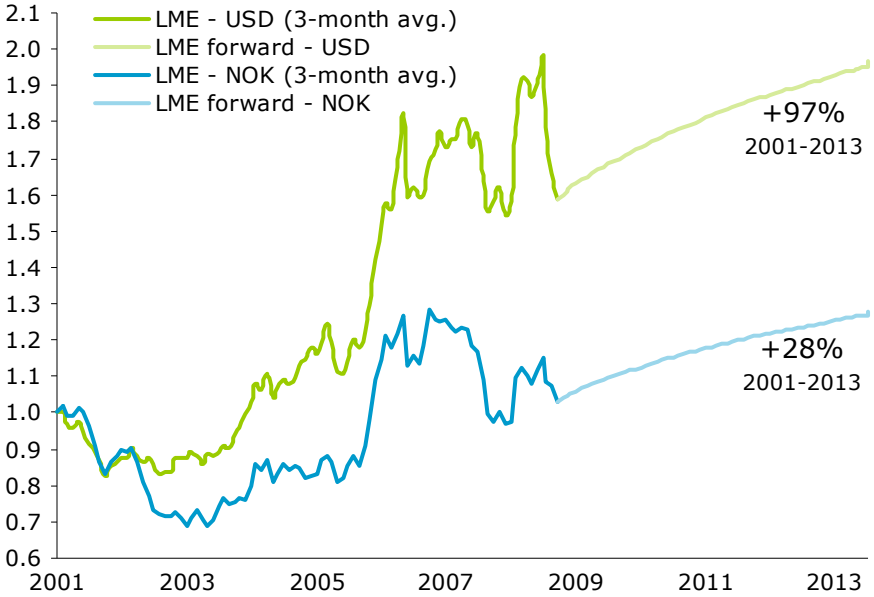
Source:WBMS, IAI, Global Insight, WMM, McKinsey analysis

Growth and infrastructure drive demand

- Accelerating Chinese urbanization and industrialization 2001-2007
- Aluminium replacing other materials as preferred metal
- Aluminium part of solution to global climate challenge



Support for high aluminium price



- High energy and raw material prices
- Healthy supply/demand balance
- Negative correlation between US dollar and LME price
- Short-term uncertainty due to financial markets distress

Source: Reuters Ecowin / Bloomberg, forward curve as of September 19, 2008

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Responding to global climate challenge

- Hydro recognized for sustainability work
  - No 1 aluminium company on DJSI
  - FTSE4Good

- Renewable energy focus
  - 66% hydropower as source for Hydro's primary aluminium production
  - Solar expansion
- Primary aluminium
  - New technology, less kwh/kg
  - Potential for increased heat recovery
  - Prepared for future CO2 capturing
- Life-cycle perspective
  - Advantage in "everything that moves"
  - Developing energy-neutral buildings
- Aluminium recycling focus

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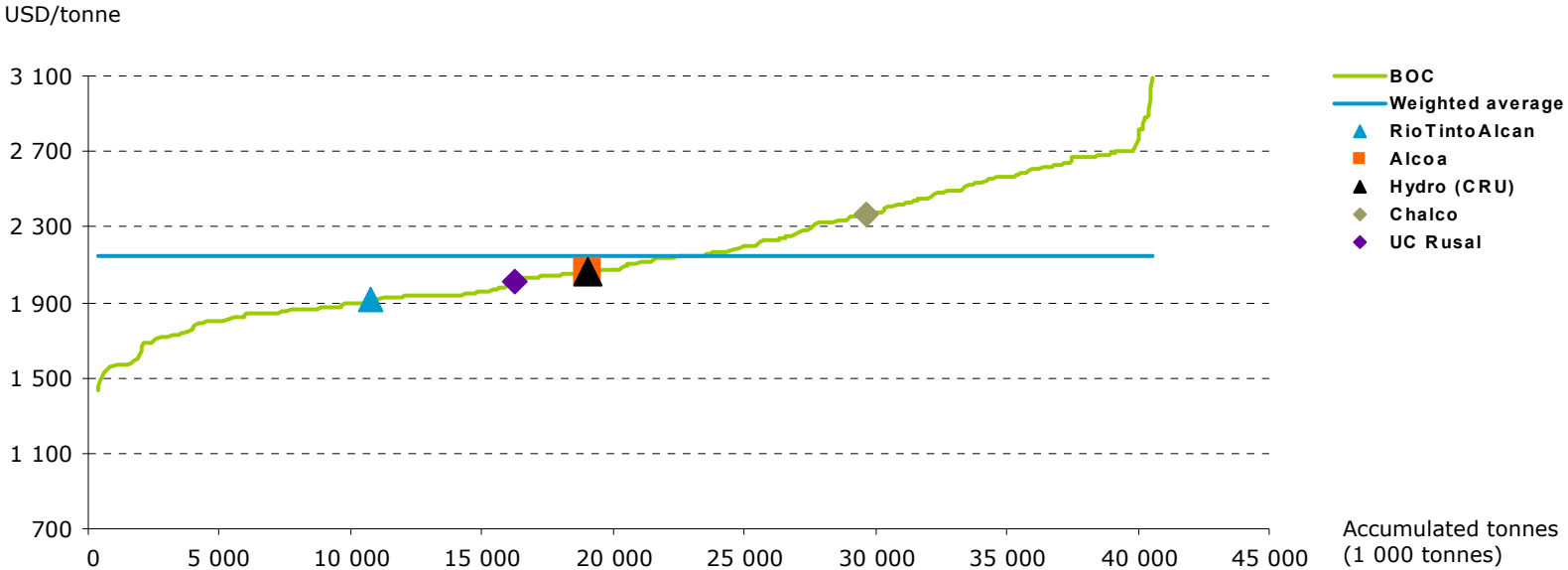
2 Strategy

Aluminium Metal

- Strong focus on operational performance and improvements
- Maintain competitive cost position
- Leverage strong market and customer position for metal products
- Mature and realize growth projects in metal and alumina
- Leading in technology – HAL4e development

Competitive cost position



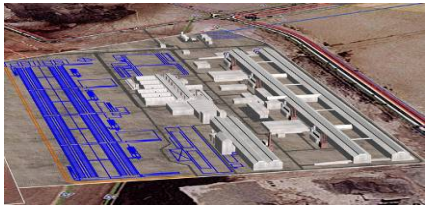
Source: CRU, 2008. Business operating cost definition. Assumptions 3 month LME 2 943 USD/tonne and 3 month LME lagged 1Q 2 833 USD/tonne. Alumina spot 352 USD/tonne. NOK/USD 5.16

Qatalum on target

- 36% complete by end-August
- All main contractors on site
- 12 000 workers
- Challenges
  - Cost pressure
  - Performance of sub-contractors
- Investment
  - Estimate (100%) ~USD 5.6 billion

Growth options beyond Qatalum

1.5 million tonnes of possible new metal capacity



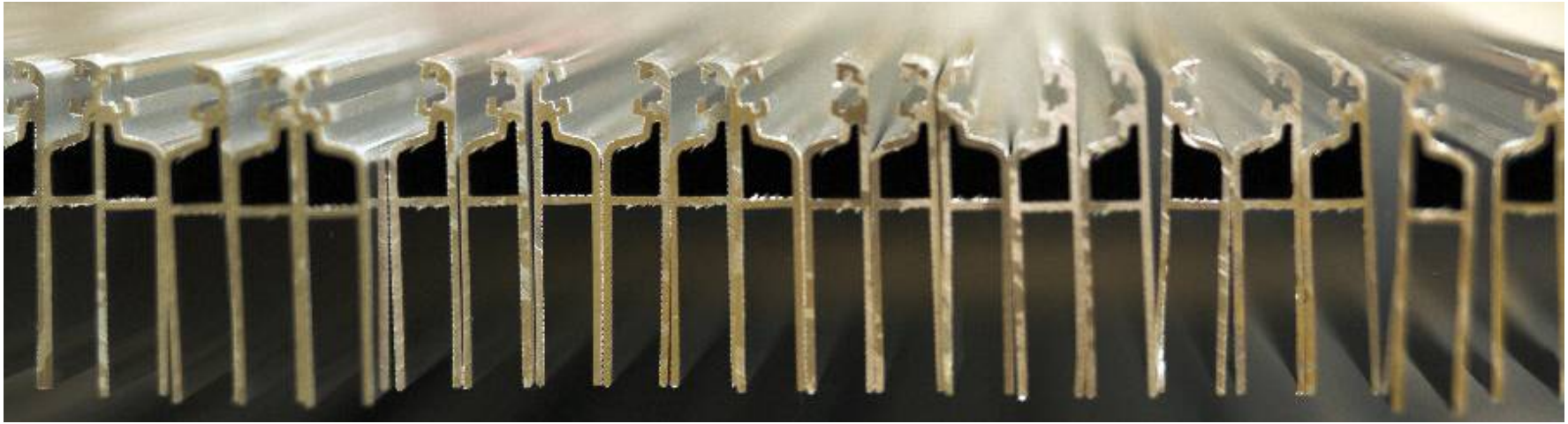
Qatalum 2, Qatar
Metal

Kurri Kurri, Australia
Metal

East Canada
Metal

CAP, Brazil
Alumina

Kimberley, Australia
Bauxite and alumina



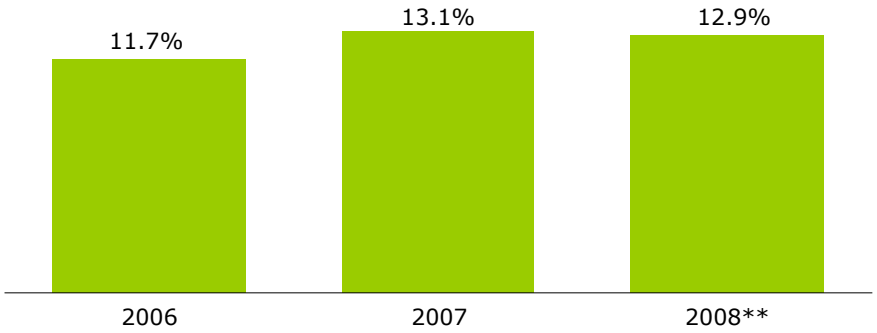
Aluminium Products

- Extrusion and Building Systems – build on proven business concept, selective growth in Europe, Middle-East and Asia
- Rolled Products – focus on margin management and cash generation

Selective growth in high-return segments

- 2008 acquisitions
  - Alumafel (Spain), Building Systems
  - Expral (Spain), Extrusion Eurasia
- Successful and speedy integration
  - Accretive to earnings
- Market leader in Spain

Underlying RoaCE – Extrusion*



* Extrusion Eurasia, Building Systems and Extrusion Americas
** Last 12 months, June 2007-June 2008

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Energy

- Expand solid captive power position
- Long-term power sourcing at predictable costs
- Solar growth based on competence in metallurgy and project execution

Results of new Norwegian reversion law

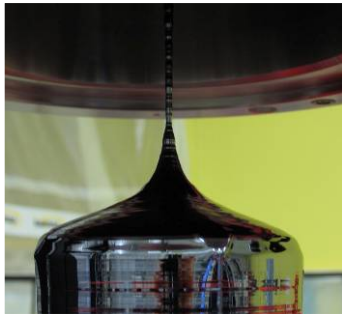
Hydro's production volume and year for reversion

Attractive starting position in solar

HyCore

Polysilicon

NorSun

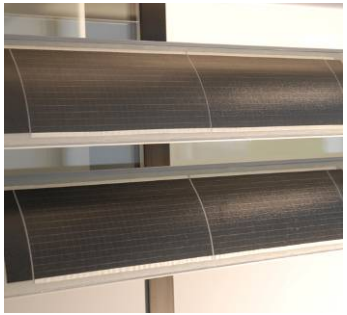


Ingots and wafers

Ascent Solar

Thin-film

Building Systems



Energy-efficient buildings

- Fundamental drivers support strong solar market growth
- Solar industry in transition from entrepreneurial to industrial scale
- Excellent fit with key Hydro competencies
  - Operational, technical, commercial and project execution

Technological leadership

HAL4e smelter technology

- Six cells in operation in Årdal
- Improved energy efficiency
- Top environmental performance
- Prepared for CO_2 capturing

Casthouse and downstream

- World-leading casthouse system
- Integrated R&D and alloy development
- Proprietary concept for extrusion
- High-end and niche rolled products

HYDRO


Recruiting and retaining talent

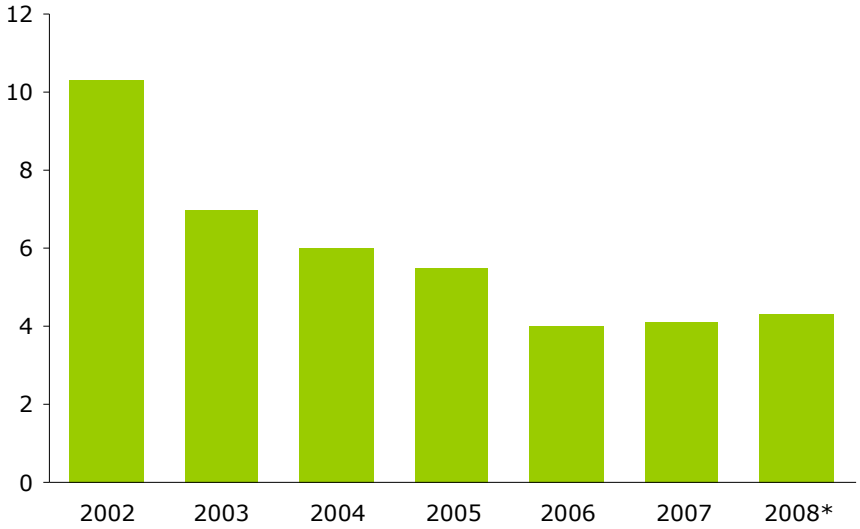
- Targeting science and finance students
- Organization and leadership development

3

Strong operational performance

Continued focus on HSE

TRI rate Hydro employees



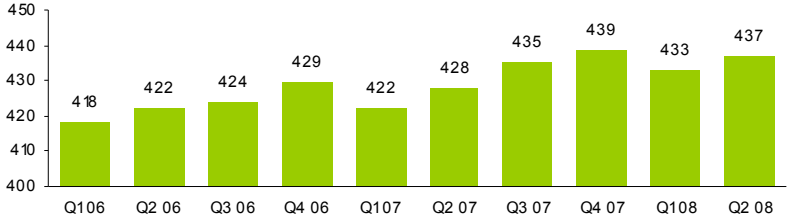
* 12-month rolling August 2007-August 2008

- Weaker safety results
  - Three fatalities in 2008
- New HSE strategy
  - Focus on commitment and accountability

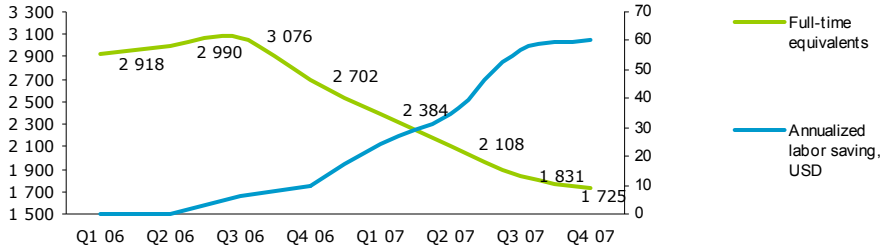
Continued productivity improvements

Annual creep 1.5-2.0% in primary aluminium

1 000 mt, excluding closed capacity

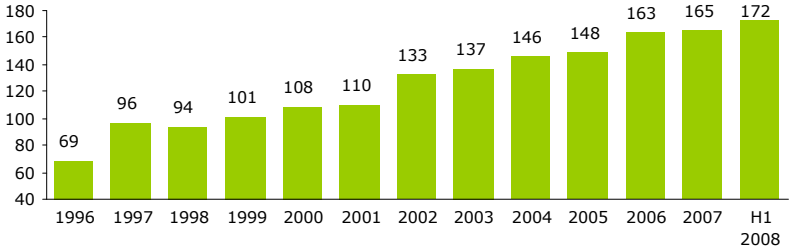


Strong improvements in U.S. extrusion



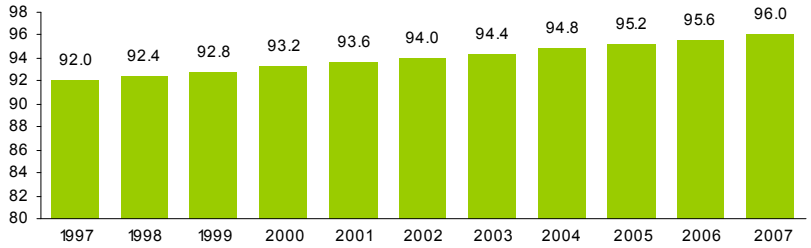
Higher volume per employee in Extrusion Eurasia

Tonnes per employee



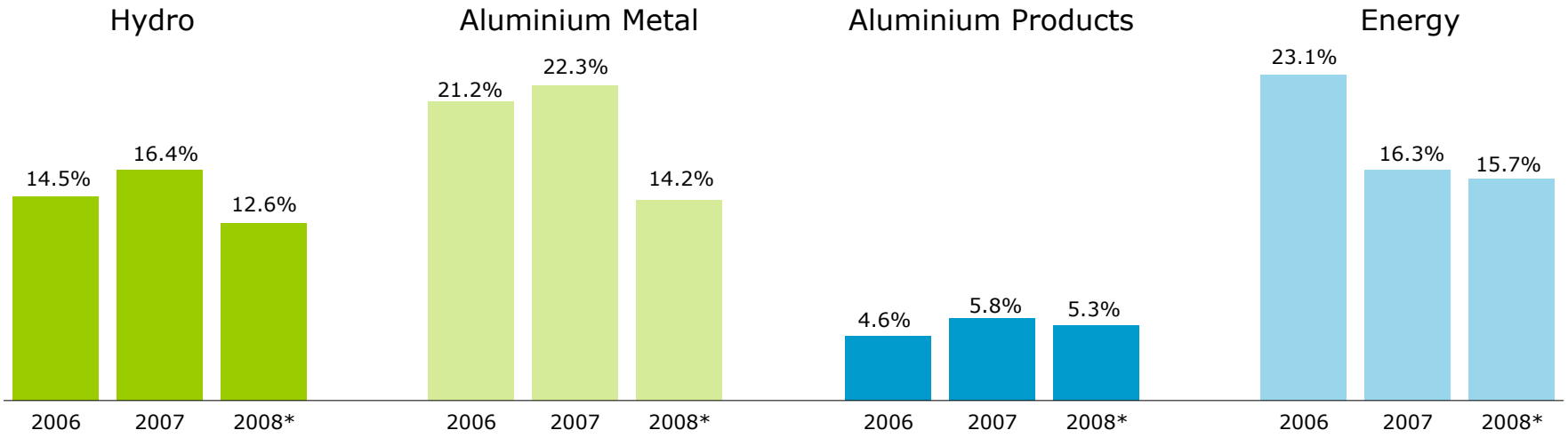
Increased availability of power production capacity

Percent



Return on capital

Underlying RoaCE



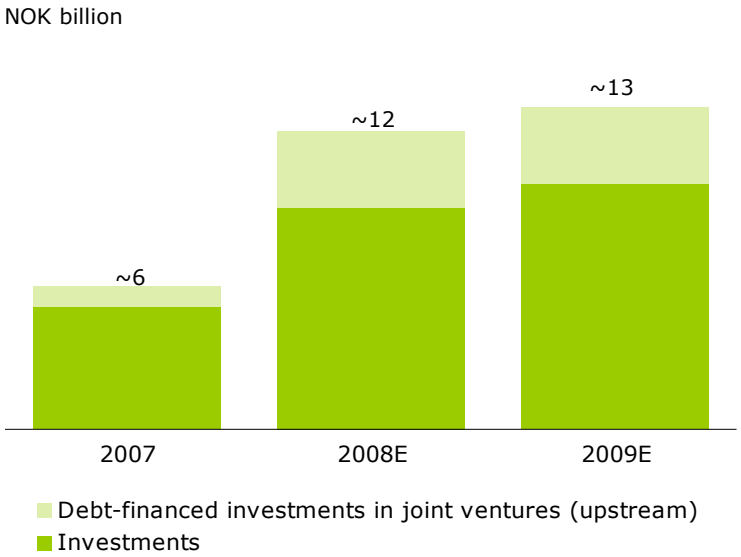
Capital employed – June 30, 2008 (NOK billion)			
41.5	30.2	17.0	4.0

* Last 12 months, July 2007-June 2008

4

Capital allocation

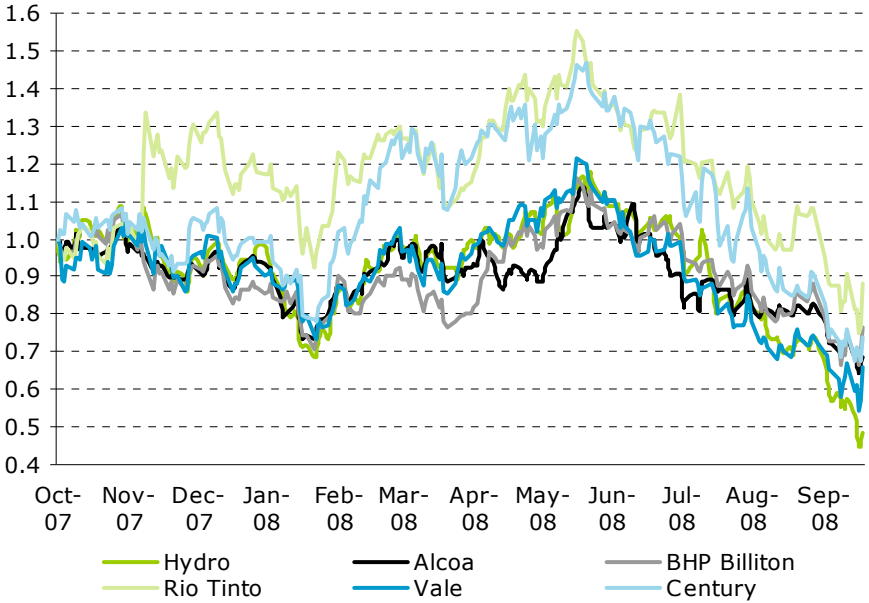
World-class investment projects



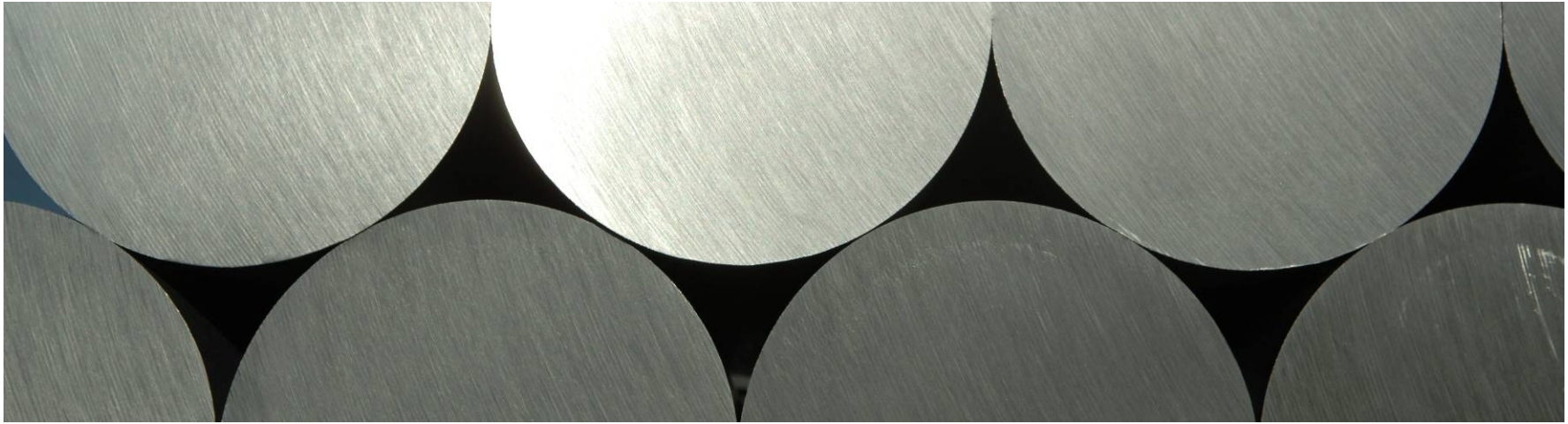
- ~75% of 2008-2009 investments upstream
- Aluminium Metal
  - Qatalum: USD 2.8 billion
  - Agreement with Vale for new alumina refinery
- Aluminium Products
  - Selective growth in Extrusion and Building Systems
- Energy
  - Solar growth
- Sustaining capex NOK 3 billion annually

Shareholder return

Relative development in USD
October 1, 2007 – September 19, 2008



- Maintained dividend policy
  - 30% of net income over time
- Payout 2007
  - 21% ordinary dividend
  - 49% extraordinary dividend
- Share buyback and extraordinary dividends as supplement in periods with strong financials
- Current share buyback authorization of NOK 4 billion valid until May 2009

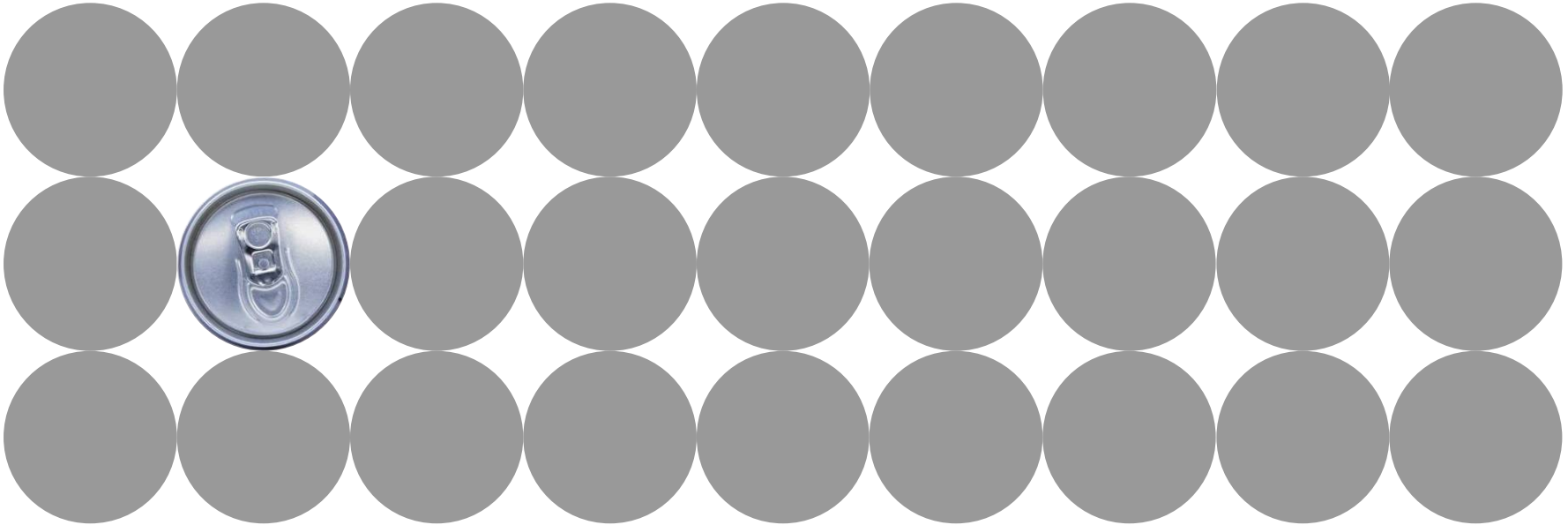


Hydro’s competitive strengths

- Strong energy coverage
- Solid operational performance
- Technological leadership
- Close to markets and customers
- Reputable partner in joint ventures
- Project management excellence
- Financial solidity
- Open culture, agile and flexible organization

www.hydro.com

Market outlook



Arvid Moss, Executive Vice President and Head of Strategy and Business Development

September 25, 2008

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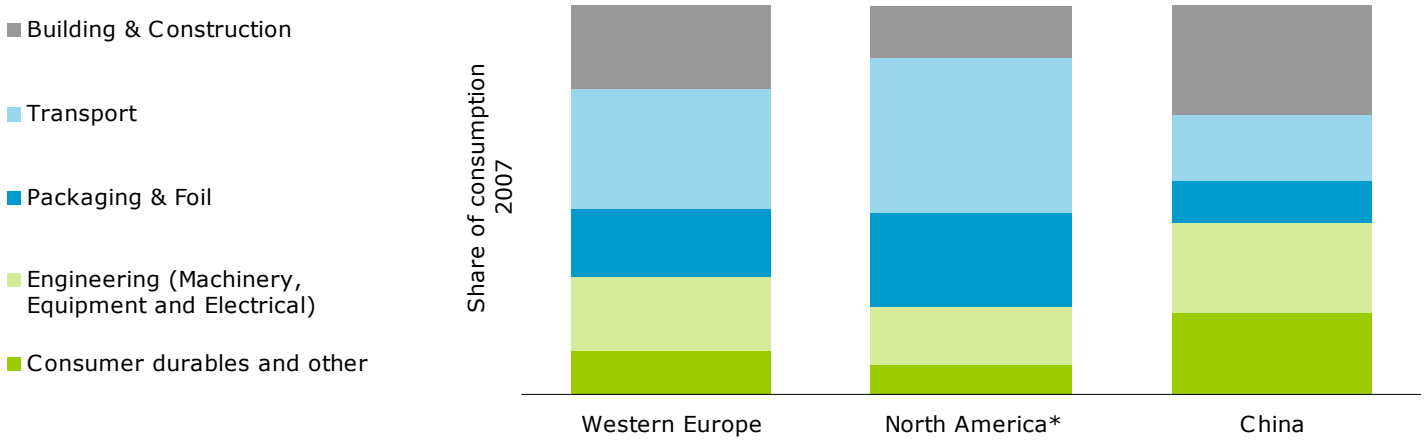
1

Short-term outlook

Solid growth in aluminium semis consumption 2008



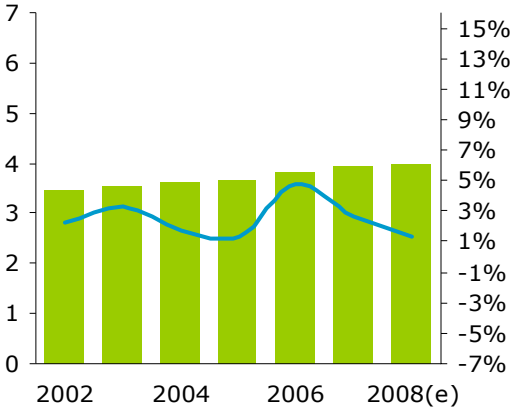
	Western Europe	North America*	China
	~10 mt (2007)	~ 11 mt (2007)	~ 15 mt (2007)
Expected development 2007-08	Flat development	2-5% decrease	14-17% growth

Source: CRU / Hydro
* Including Mexico

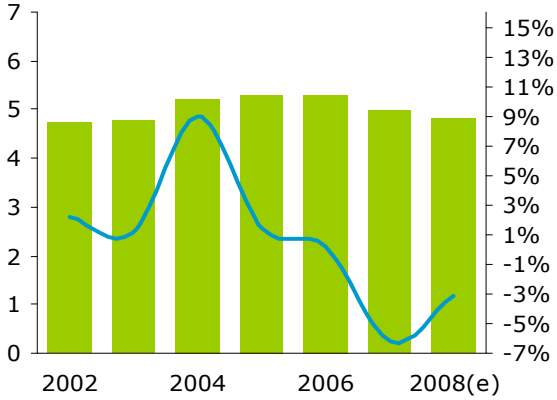
Rolled products consumption

Moderate, but positive growth rates in Europe

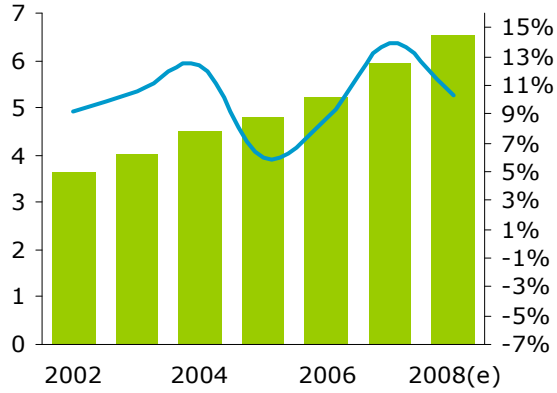
Western Europe
Million tonnes



North America
Million tonnes



Asia Pacific
Million tonnes



Million tonnes % growth (RHS)

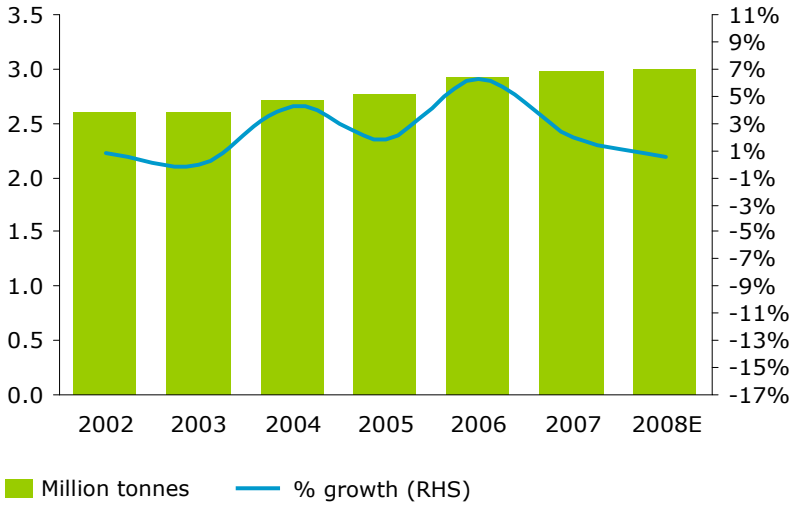
Source: CRU August 2008. North America includes Mexico

Extruded products consumption

Soft landing in Europe, but large fall in American demand

Europe

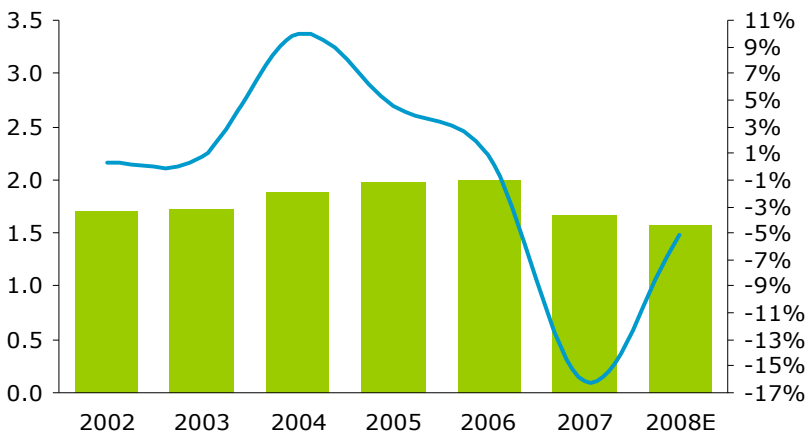
Million tonnes



Source : CRU 2008/Hydro

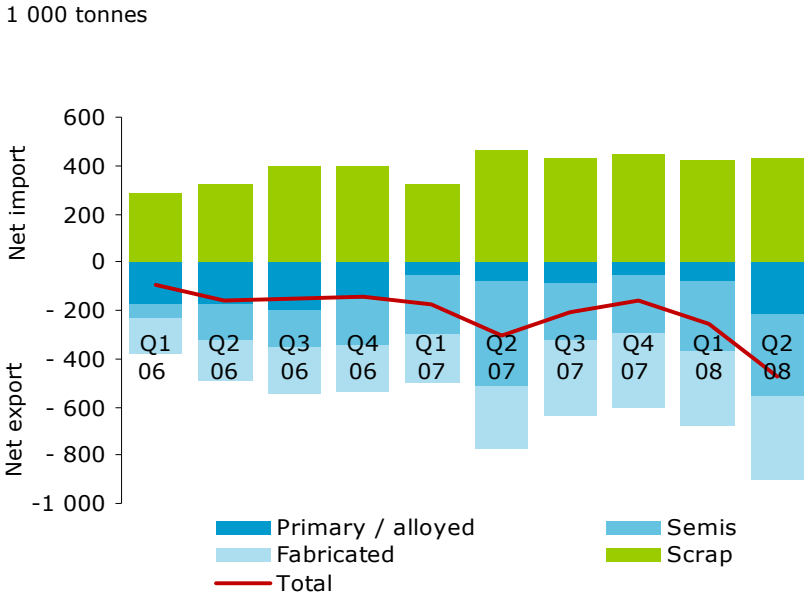
North America

Million tonnes



Source: CRU August 2008/AA / Hydro

China – new export loop-hole closed

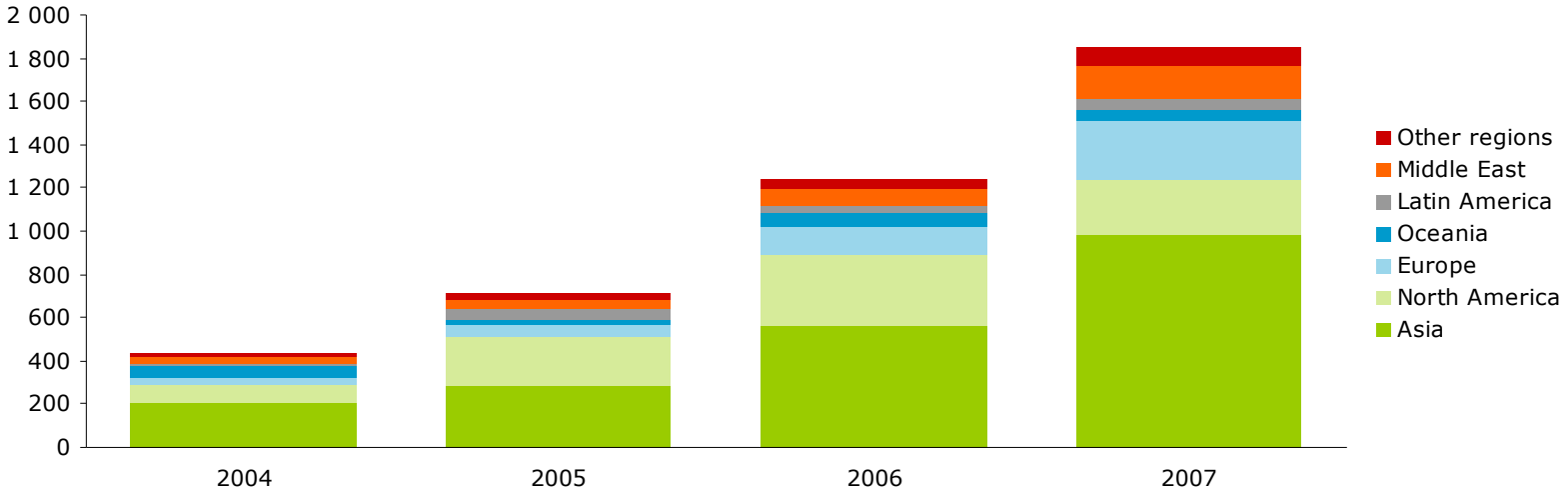


- 15% export tax on non-alloyed primary metal and extruded products from mid 2007
- From August 20, 2008: 15% export tax also on alloyed primary metal
- Power prices to grid has increased twice in 2008, up ~100 USD/tonne aluminium
  - From August 20, 2008: new 10% export tax on coal

Source: Hydro / Antaike, September 2008

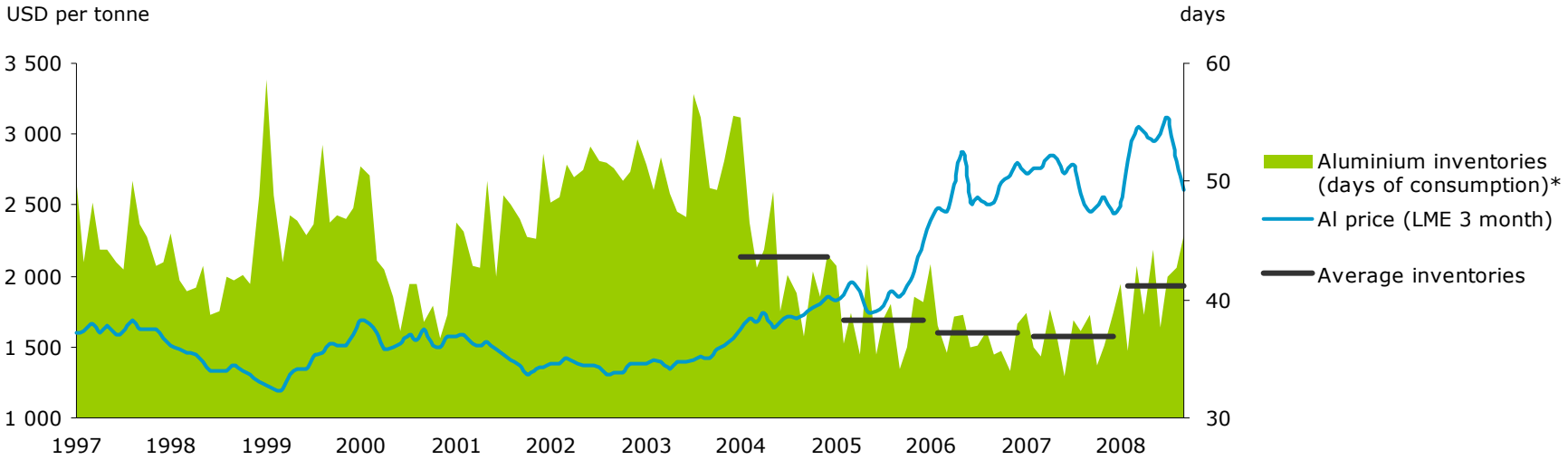
Most export of semis and fabricated from China ends up in Asia

1 000 tonnes



Source: Antaike February 2008

Slight increase in inventories year to date



*IAI and LME reported stocks, annualized Western World consumption. CIS and China not included.

2008/2009 outlook

- Primary aluminium consumption seen up ~7% in 2008, lower growth expected in 2009
  - Driven still by China
  - US still weak, Europe is weakening
- Consumption effects from latest financial unrest
- European semis consumption expected at a somewhat lower level in 2009 than in 2008
  - European semis has enjoyed a stable market until August, lower level expected in the second half of 2008
- Aluminium price dependant on development in
  - Aluminium supply/demand
  - Energy price and US dollar impacting the cost support level

2

Long-term outlook

Healthy demand for aluminium

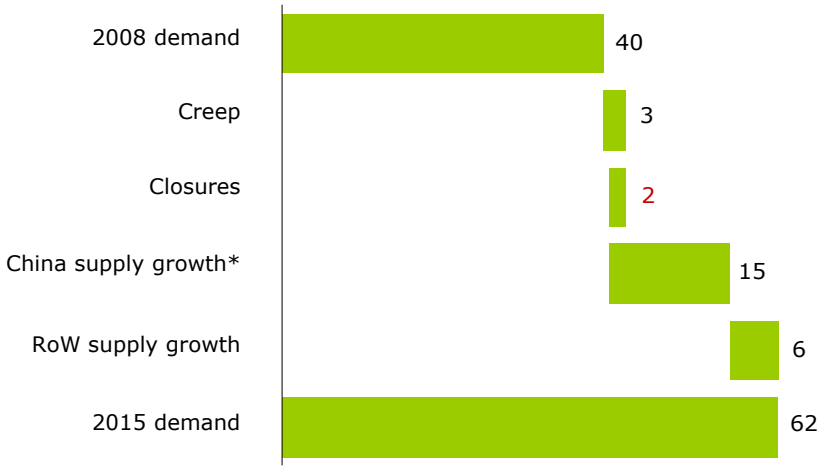
- Properties lead to increased market share
  - Aluminium intensive urbanisation and infrastructure
  - Climate challenge – aluminium as part of the solution
  - Recyclability more important with high energy price
- Expected annual demand growth 5-6% coming 10 years
- China represents almost 2/3 of expected growth

Source CRU LT: 2007-2017

Considerable new smelter capacity needed

Estimated capacity changes 2008-15

Million tonnes



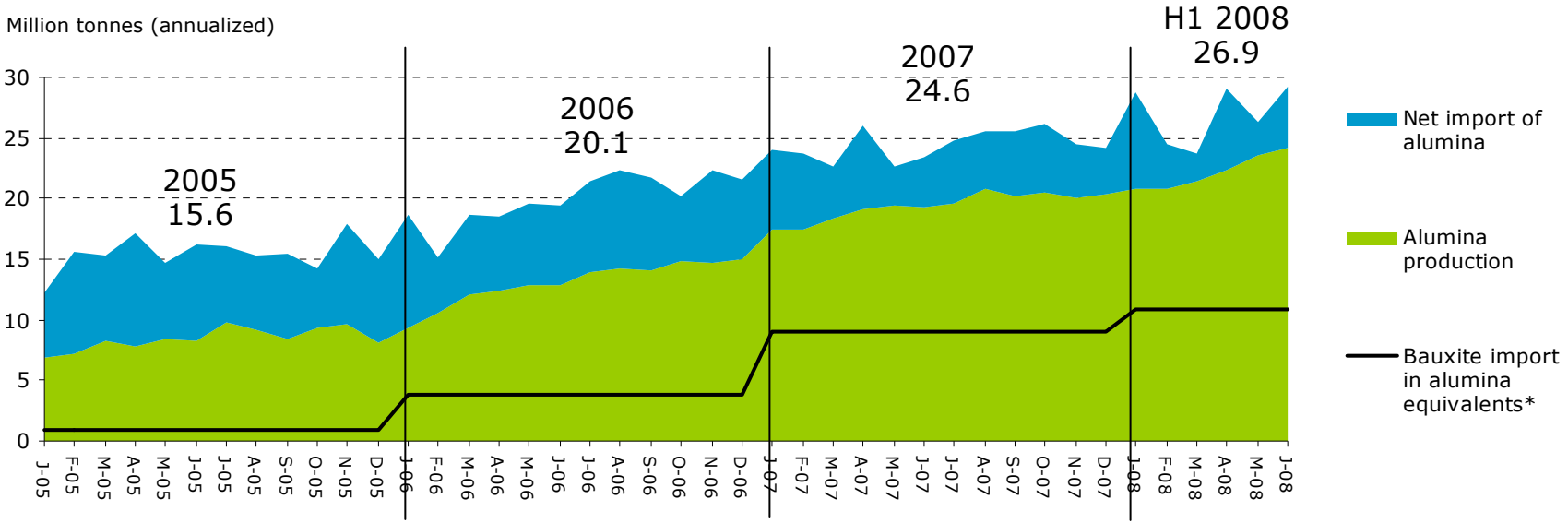
Implies > USD 100 billion in total investments over next 7 years

Represents ~6 new smelters annually with 500 000 tonnes per year capacity

Sources: CRU/Hydro

* ~2 million tonnes estimated current excess capacity not included

China: increasingly dependant on import of bauxite/alumina



Source: Hydro, Antaike,
** Assume 2.5 tonnes bauxite to produce 1 tonne alumina*

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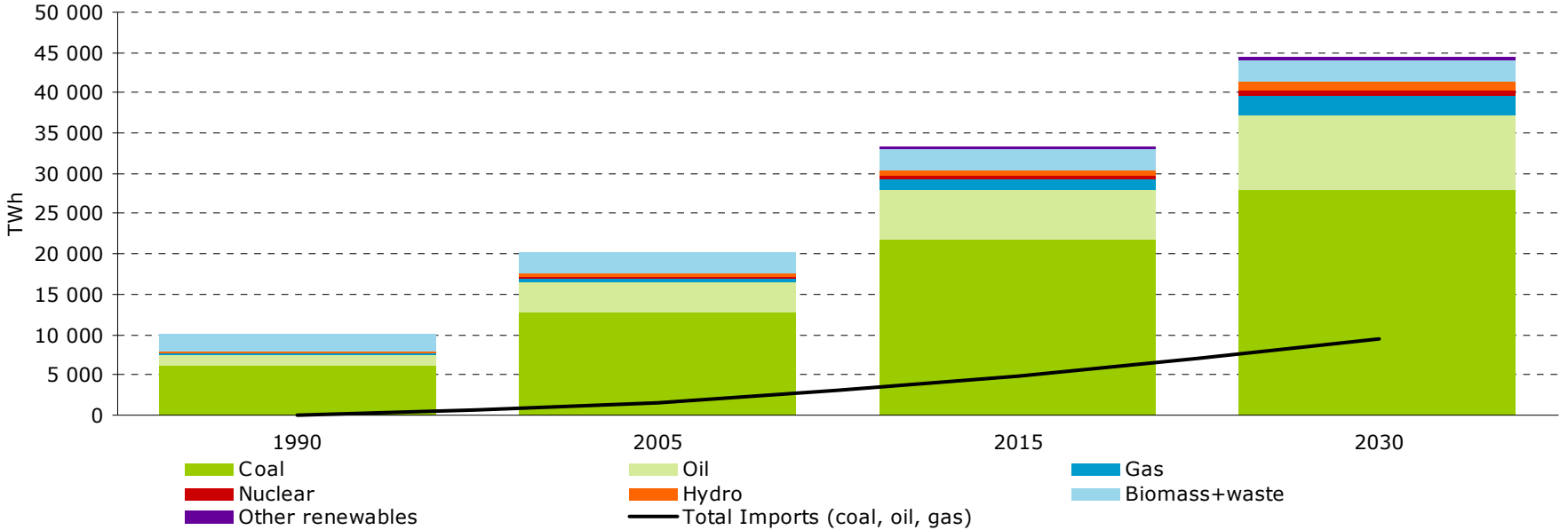
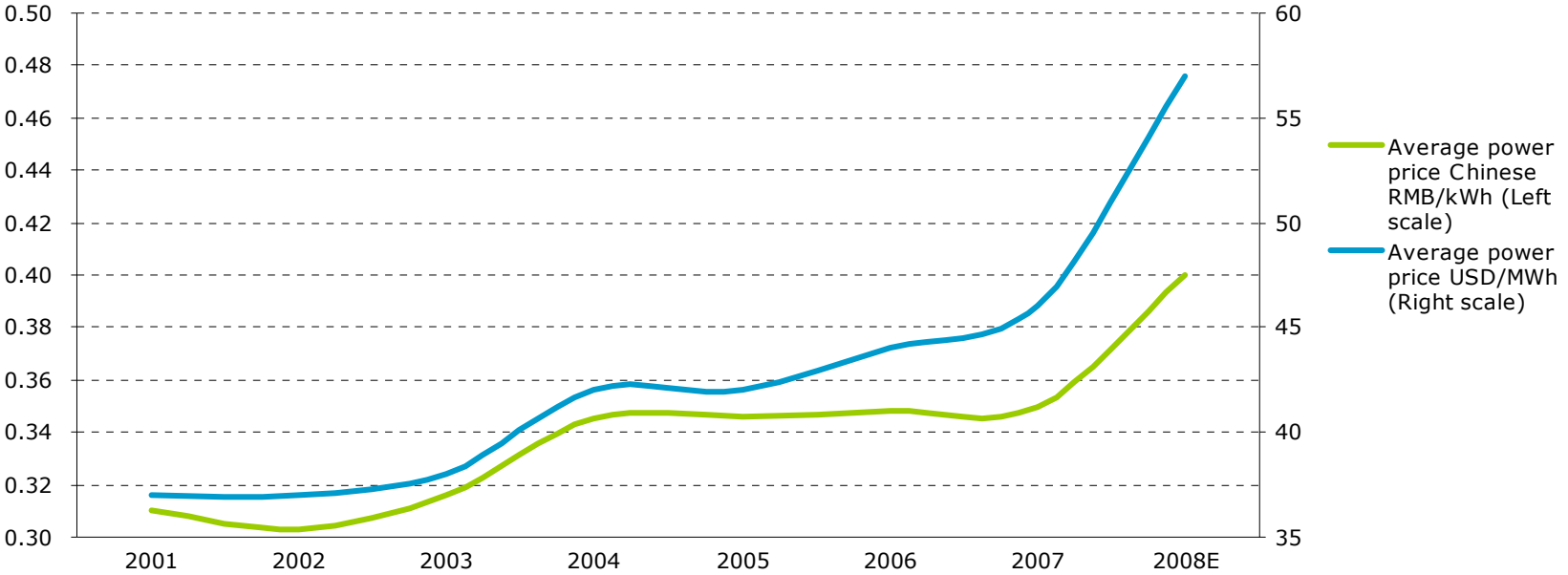
China: increasingly dependant on import of energy



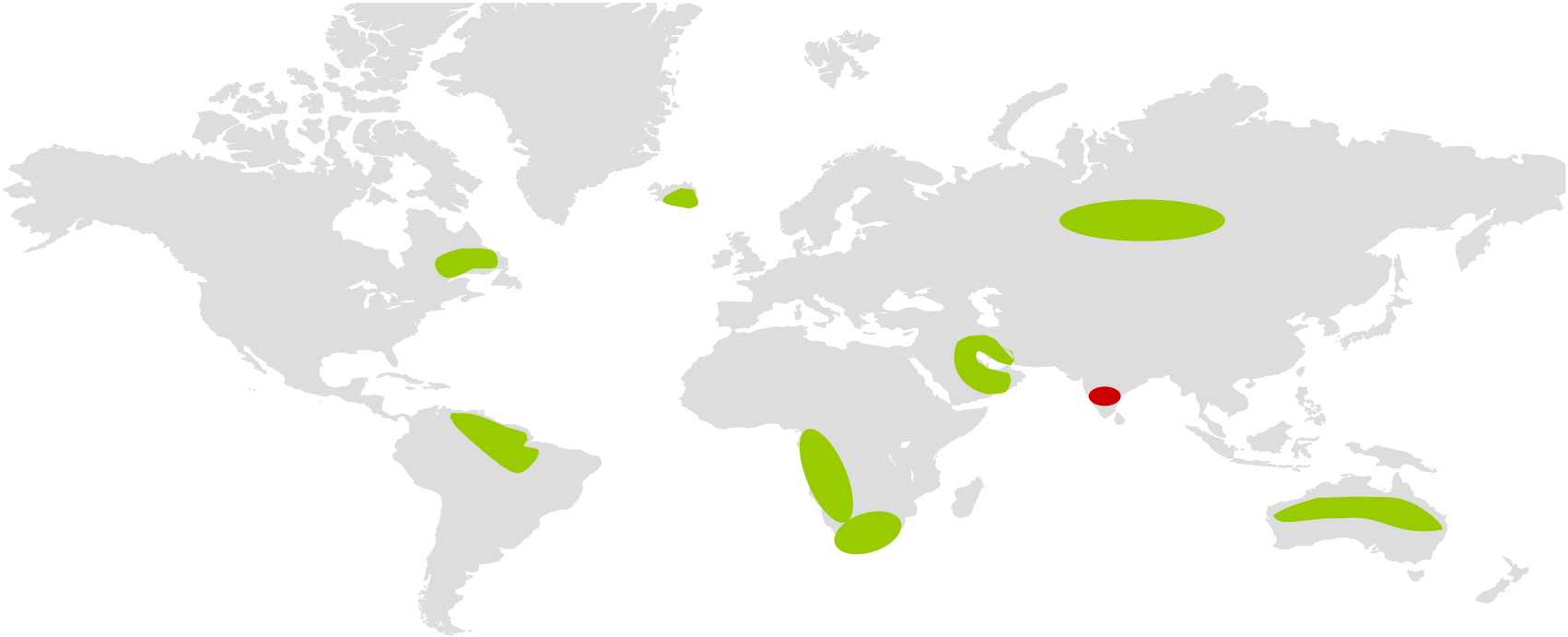
Source: IEA-World Energy Outlook 2007 Refererence Case

Strong increase in power price to the aluminium industry in China since 2002



Source: Antaike 2008

Regions with available and competitive energy resources getting fewer



New investments: complex and expensive

Very long lead times for projects outside China

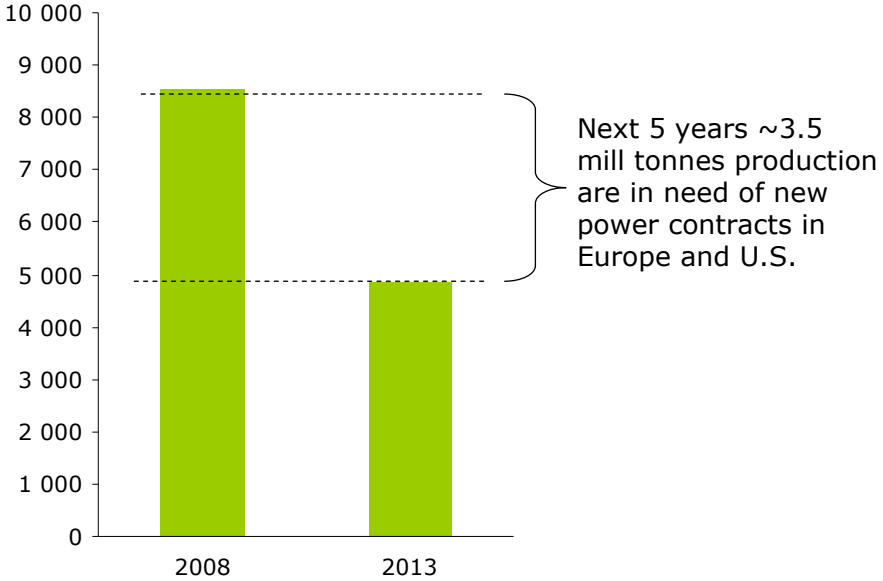
- Minimum 5-7 years for greenfield aluminium projects, more for alumina projects

Increase in construction cost > 50 % over last 4 – 5 years

- Smelters, alumina plants, power plants

Power contracts in U.S. and Europe expire

Production in Europe/U.S. (1 000 tonnes) covered by existing power contracts



Source CRU / Hydro: Contracts expiring in USA and Europe.

- Current avg. power price (CRU) for this capacity is ~50 USD/MWh in 2008
- The corresponding est. avg. market price H1 2008 was ~90 USD/MWh
- Example of potential effects: Facing the market power prices would increase the avg. cash operating cost with 500-600 USD/tonne for the ~3.5 mill tonnes capacity
- Positive support for LME

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Climate policies – effects on aluminium

Demand-effect

- Changed semi's and end-product prices
  - Aluminium vs. steel and plastics when CO_2 emissions get a price tag
- Regulatory measures

Supply – effects on production cost and long-term prices

- Cost per tonne CO_2 increases over time
  - Direct carbon emissions in electrolysis process
  - Power cost (indirect effects)
  - Regional differences
- Effect on location of new capacity

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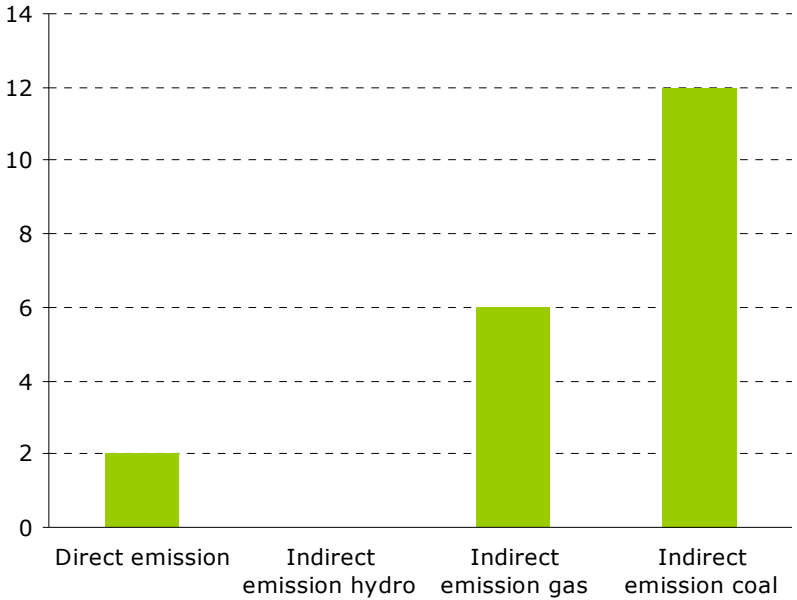
Potential CO_2 effects on demand

*Trucks, trains, planes, ships, motorcycle, bicycles. **Including metallurgical products
Source:McKinsey/Hydro

- Total effect limited
- Automotive: potential for weight reduction – but not the only measure for CO_2 reduction
- Construction: potential to create energy efficient building solutions – but competes with alternative materials
- Packaging: currently difficult to collect and recycle
- Recycling: Properties and low energy consumption creates comparative advantages

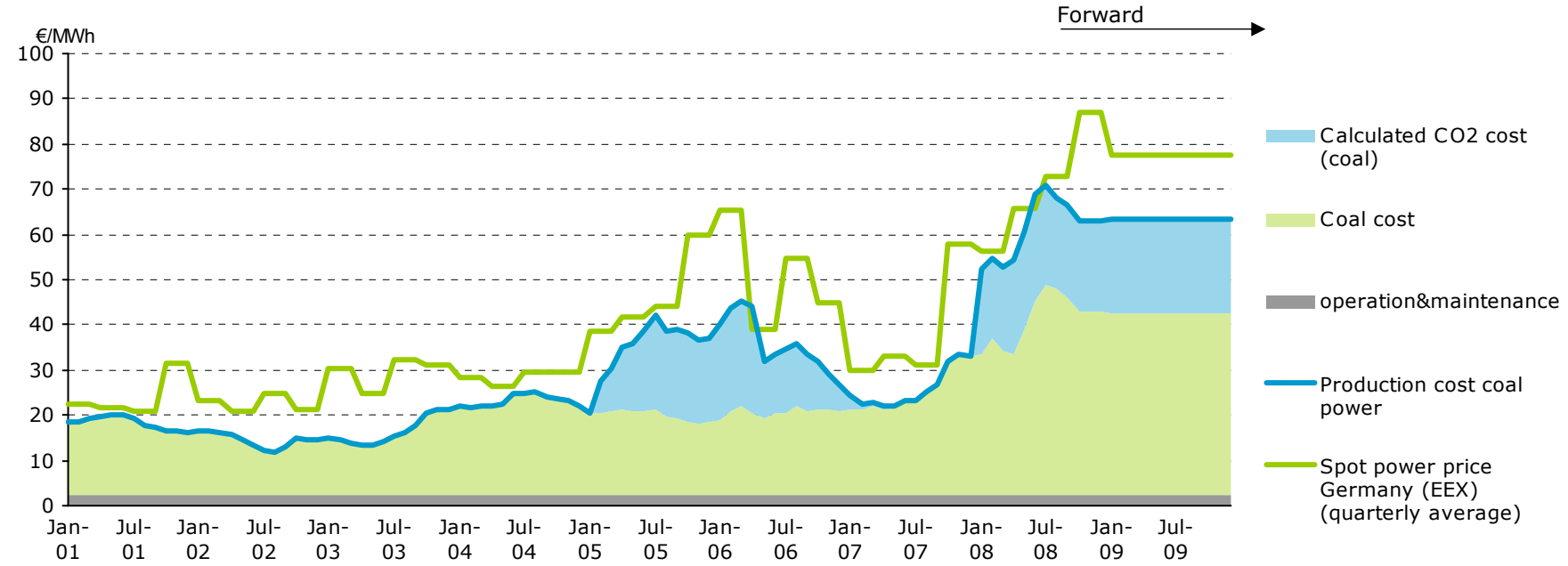
CO_2 emission trading systems impact the production cost for primary aluminium

Tonne CO_2 per tonne aluminium produced



- Direct emissions from the smelting process
- Indirect emissions from power generation needed to produce aluminium
- Future price for CO_2 emissions at a ~40 USD/tonne level
  - 80 USD/tonne direct emission cost
  - 0-500 USD/tonne indirect emission cost, dependent on power source and power market

The indirect effect from CO2-cost has been substantial in Europe



Coal power plant 40% efficiency. Coal cost based on CIF ARA coal price and CO2 cost based on EUA-price (0.85 ton CO2/MWh).

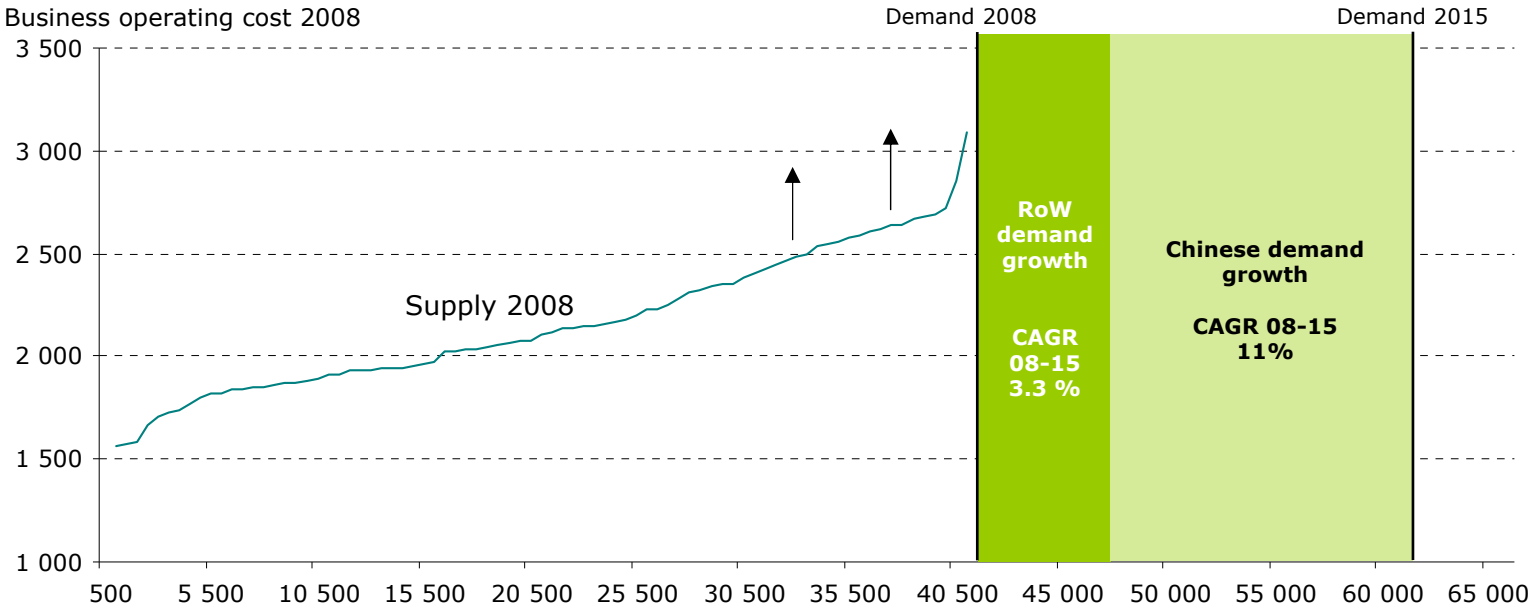
Global introduction of CO_2 emission trading systems under development

<table>
<tr><th>Region</th><th></th><th>2008 - 2012</th><th>2013 - 2020</th><th>2020 - 2030</th><th>2030 - 2050</th></tr>
<tr><td rowspan="2">EU, EEA</td><td>Direct</td><td>Outside scope</td><td>Compensation</td><td colspan="2" rowspan="6">Compensation gradually reduced?</td></tr>
<tr><td>Indirect</td><td>No compensation</td><td>Compensation?</td></tr>
<tr><td>Australia/NZ</td><td>Direct</td><td rowspan="2"></td><td rowspan="2">Compensation</td></tr>
<tr><td>Indirect</td></tr>
<tr><td rowspan="2">US, Canada</td><td>Direct</td><td></td><td>Compensation?</td></tr>
<tr><td>Indirect</td><td></td><td>Compensation?</td></tr>
</table>

Russia, Middle East, China expected to introduce CO_2 measures in the 2020-30 period

HYDRO

Summing up



Source: CRU/Hydro

Summing up

Considerable new smelter capacity needed

- Takes more time - high energy and construction costs drive full costs for new capacity
- Cost for new bauxite-, alumina- and power capacity also increasing

Most of existing capacity will need to be in production to meet demand

- Higher delivered cost at expiry of power contracts, also due to CO_2-cost

Demand growth and cost development support strong metal prices

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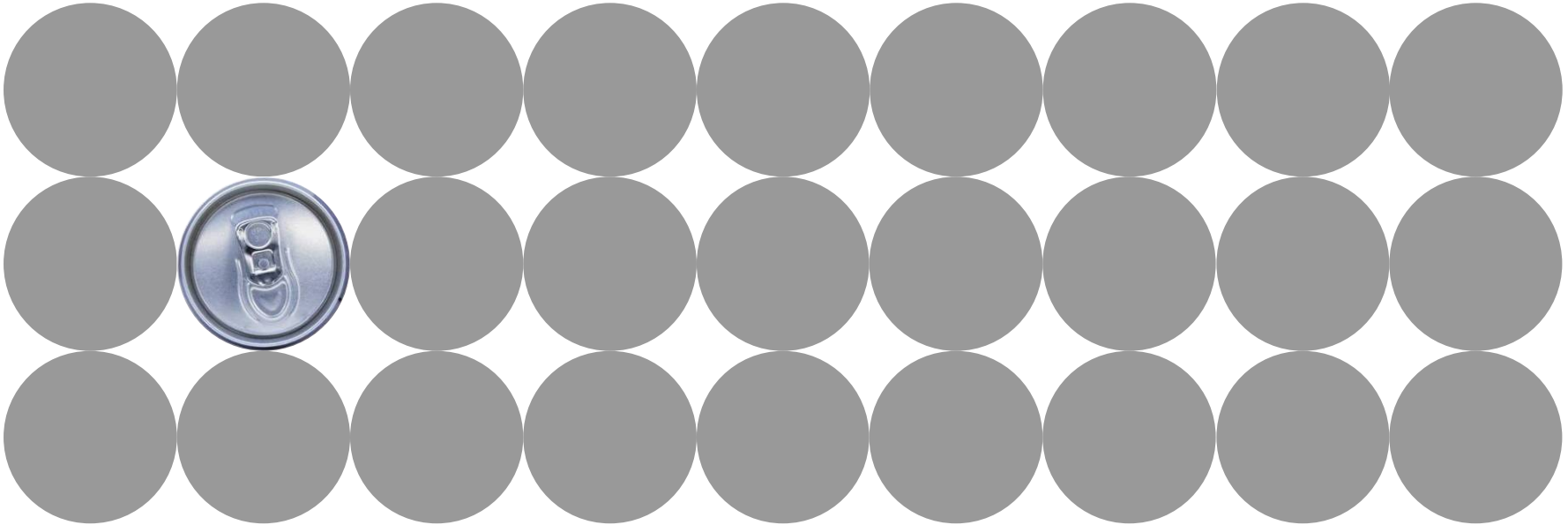
Energy



Jørgen C. Arentz Rostrup, Executive Vice President and Head of Energy
September 25, 2008

HYDRO

Key messages

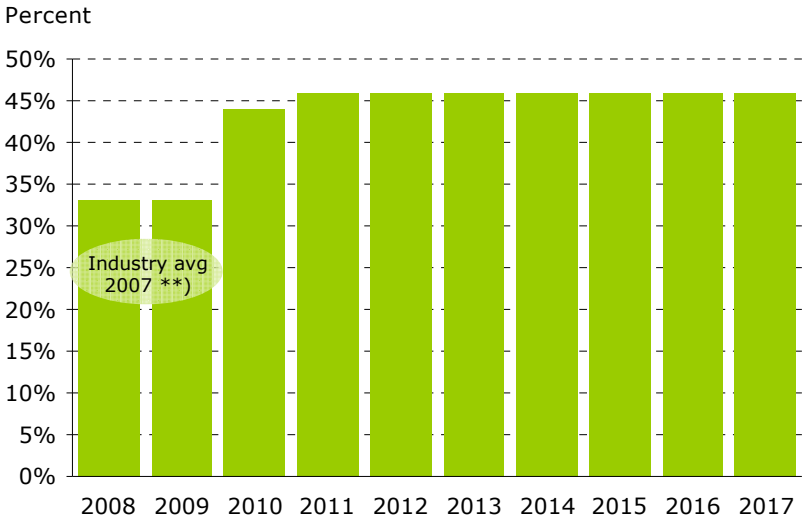
- Solid coverage for Aluminium energy consumption
- Strong captive power position
- Industrial ambitions within Solar

1

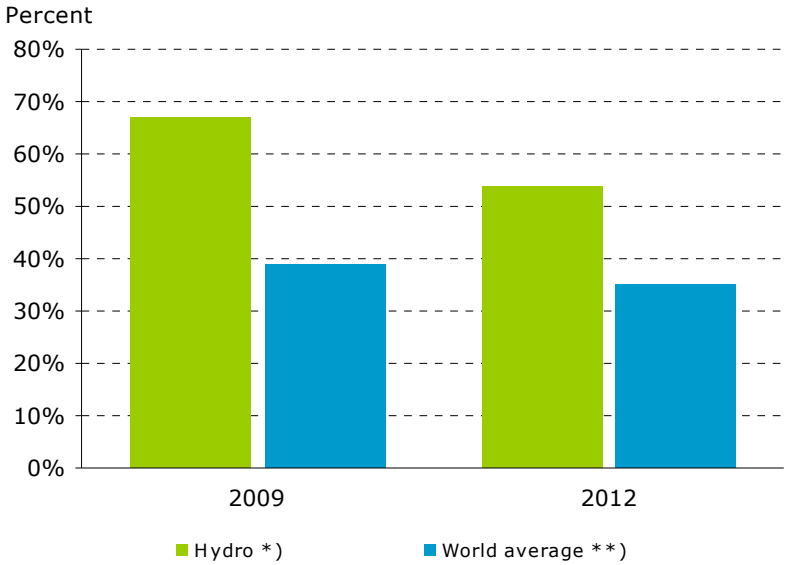
Power

Strong power position
– self-generated and renewable energy sources

Share of self-generated power *)



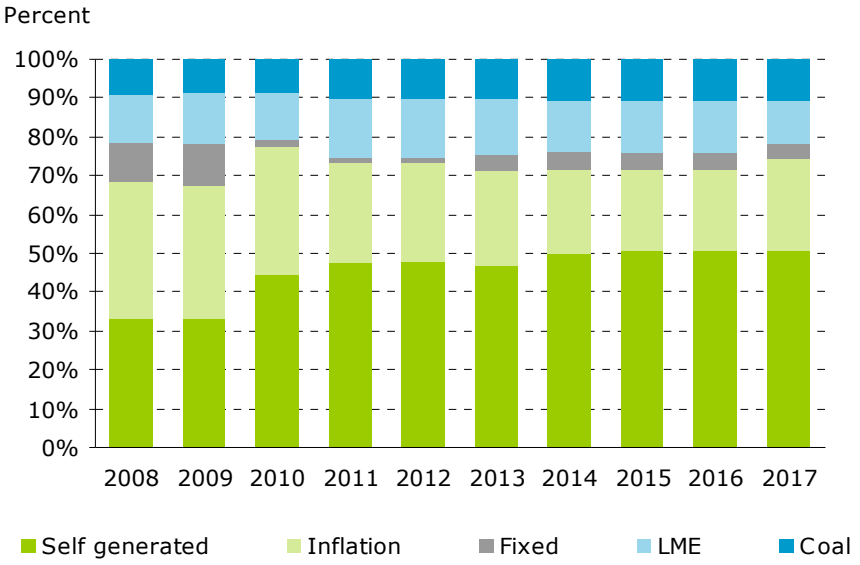
Share of renewable energy origin



*) Including normal production equity power less concession power sales
**) Source: CRU

Long-term power sourcing at competitive prices

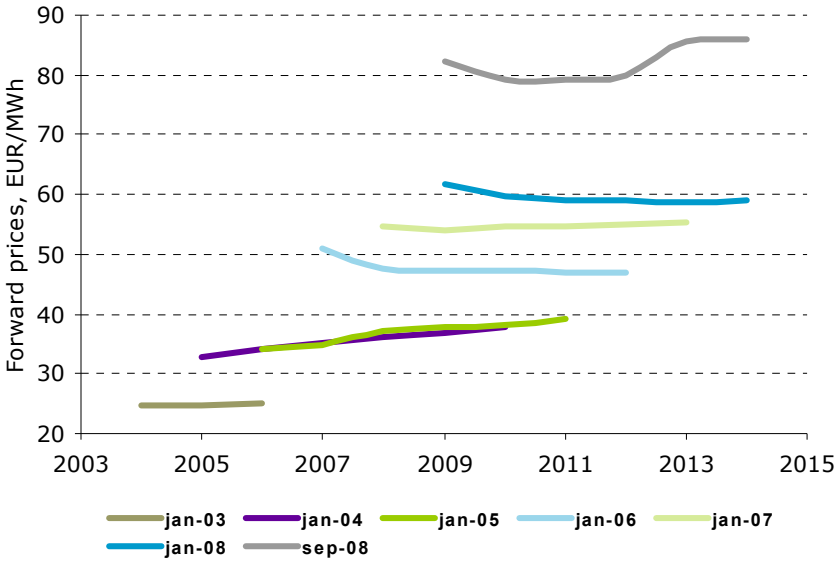
Indexation of power supplies



- Power consumption ~26 TWh in Metal in 2008
- Self-generation and long-term contracts ensures predictability
- Limited commodity exposure
  - Indexation to LME and coal with time-lag
- NOK and USD the dominant currency exposure

Increased power prices over time

German forward price development



- German and Nordic forward prices more than doubled since 2003
  - Increasing fuel cost – coal price up from 90 to 170 USD/ton last year
  - Cost of CO2 introduced
  - Tighter demand/supply balance
- Outlook for continued high global energy prices
  - Supporting high aluminum price levels

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New power secured

- Vattenfall contract signed September 10
  - 18 TWh power contract with Vattenfall AB
  - Deliveries 2013-2020
  - Secures coverage for power consumption in Norway to 2020, incl. Søral
- Germany
  - Neuss on cash-plus basis
  - 2009: 80% covered with market contracts
  - Exploring alternatives for medium-/long-term coverage

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Reversion

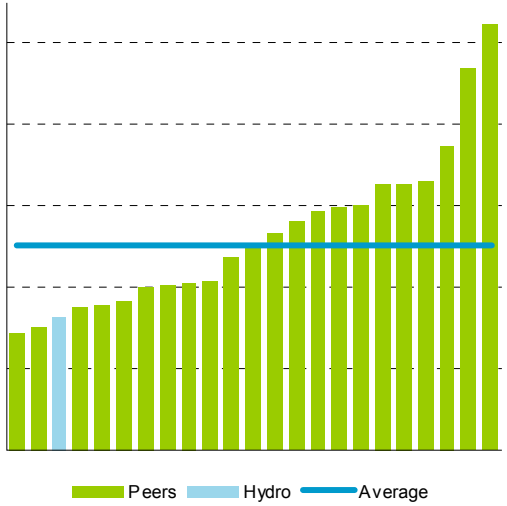
- Effects for private companies
  - No renewal or new concessions
  - Can own up to 1/3 of publicly owned plants
  - Everlasting concessions if sold to public companies
- Implications for Hydro
  - First large system to revert in 2022
  - Financial impact muted by:
    - Public everlasting concession possibility
    - Hydro can maintain 1/3 indefinitely
  - Goal is to ensure predictable long-term power supply at competitive prices

Note: public ownership implies ownership by the state or municipalities

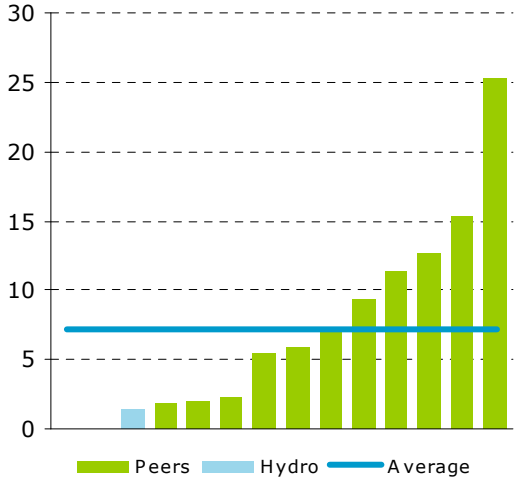
Solid operational performance

Production cost 2005-2007 *)

NOK/MWh

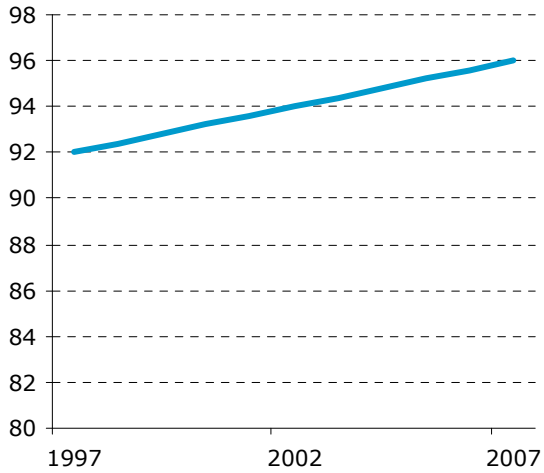


Average LTI 2005-2007 *)



Availability

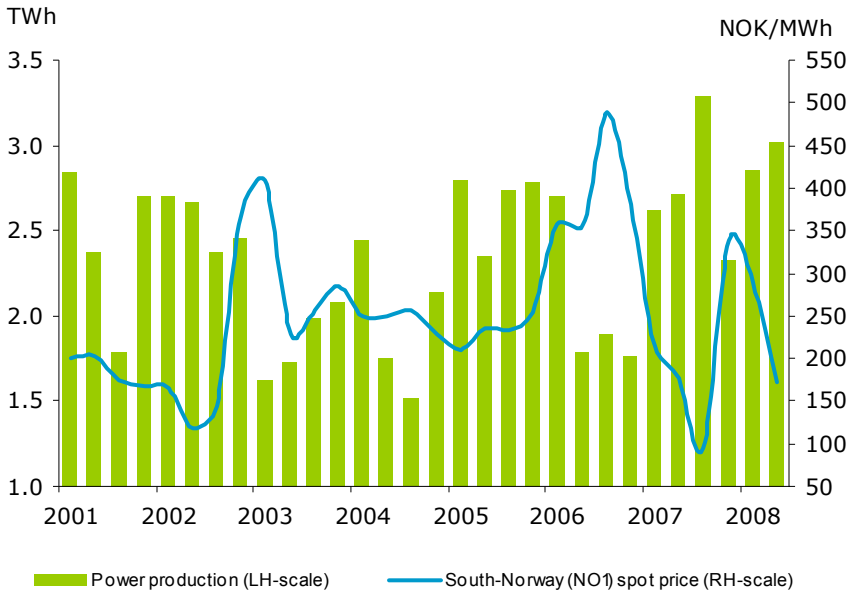
Percent



*) Source: PA Consulting Group Benchmark Study 2007

Power portfolio management
– significant volatility in price and volume

Quarterly production and spot price



- Norwegian power portfolio optimized versus market
- Production and market prices strongly impacted by hydrological conditions
  - ”Dry” versus ”wet” years
- Historical inverse relationship between volume and price
- Seasonal variations in demand/supply
- Occasional delinkage between area prices

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Developing Norwegian hydropower assets

- New normal production 9.4 TWh
- Development potential 0.5 – 1 TWh
  - Utilizing existing concession areas and infrastructure
  - Investments NOK 1.2 – 2.5 billion from 2011 onwards

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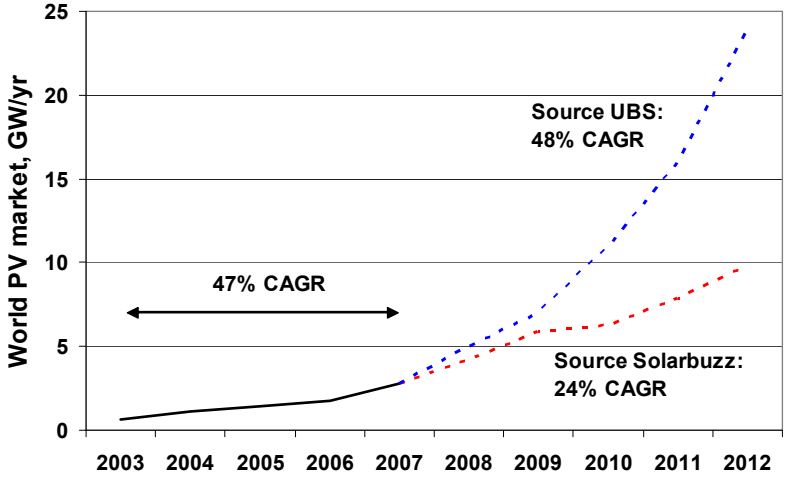
Growth ambitions

- Ambition to increase share of captive power
- Develop energy positions for smelter growth
- Capitalize on energy market and project management skills

2 Solar

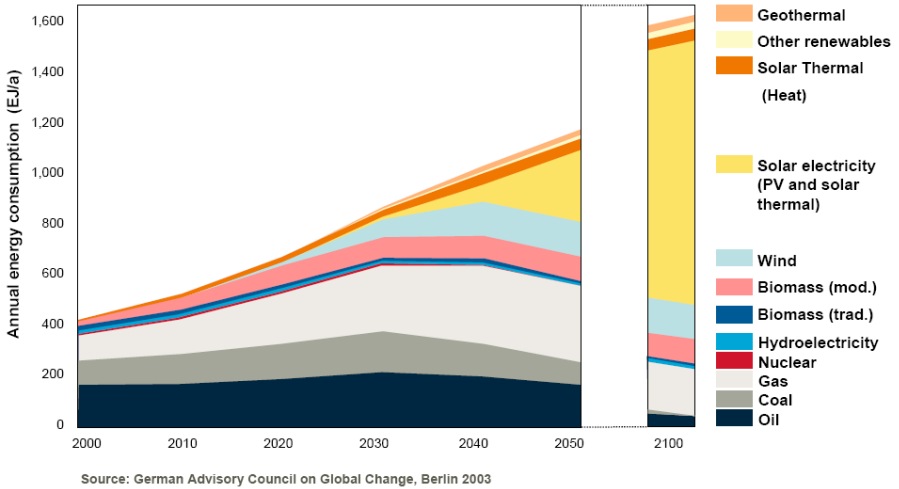
Opportunities for growth in the solar market

Short term: Uncertainty on future growth rate



*) CAGR = Compounded Annual Growth Rate

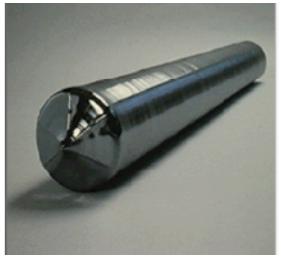
Long term: High growth potential



Source: German Advisory Council on Global Change, Berlin 2003

Hydro has secured opportunities across the value chain – investments around 800 MNOK

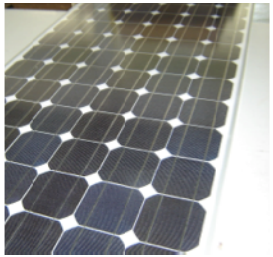
Polysilicon



Ingot

Wafer

Cell



Module

System/ Installation

HyCore

NorSun

Ascent

Hydro Building Systems

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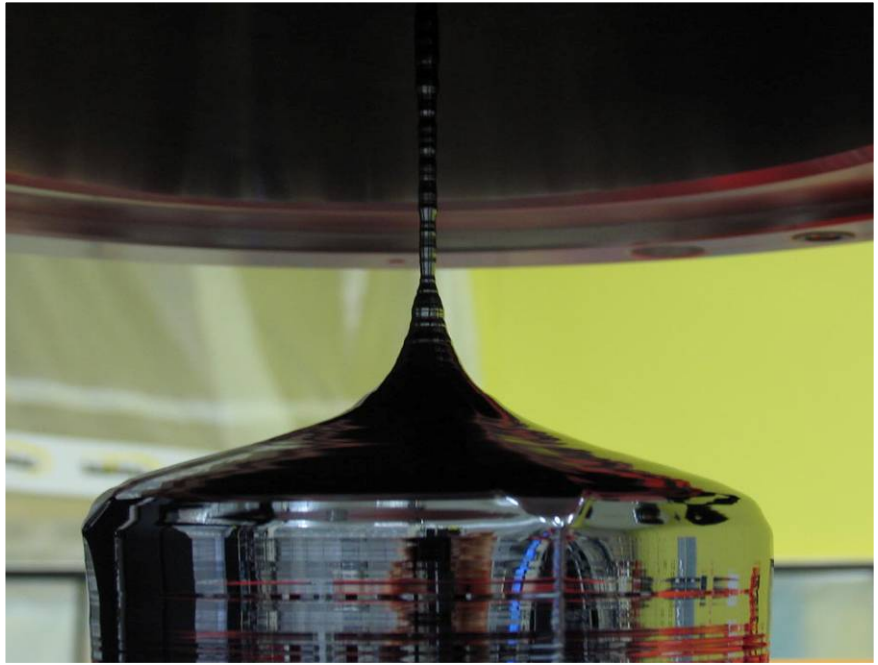
NorSun: Årdal plant in operation

- Hydro largest industrial owner with 18% ownership
- Production of monocrystalline silicon ingots and wafers
- 155 MW production in Årdal, Norway. Started 2008
- Planning production of silicon wafers in Singapore (350 MW)
- Investment in polysilicon production
- 29% ownership in SunFilm AG



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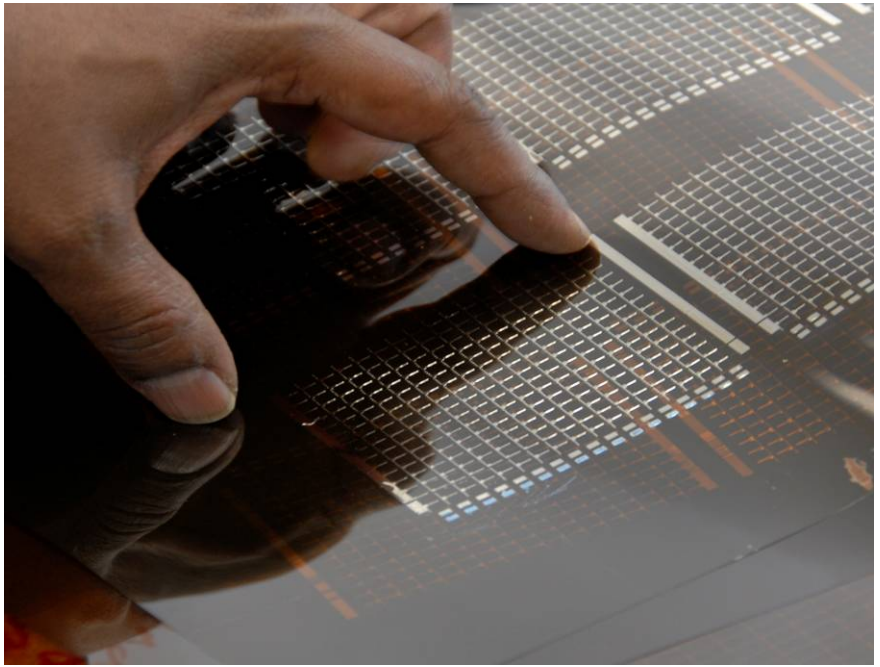
Ascent: Promising pilot performance

- Hydro largest owner with 26.5%
- Produces thin-film solar cells for integration into buildings
- Pilot plant in operation since Q2 2008
- Commercial scale plant operational 2010
- Aggressive ramp-up feasible



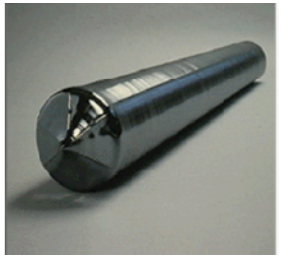
NASDAQ: ASTI

Ascent + Hydro Building Systems
= a promising partnership

- Joint development team
- Prototype window shades with solar cells
- Energy-efficient facades that capture solar energy and produce electricity

Hydro positioned across the solar value chain

Polysilicon



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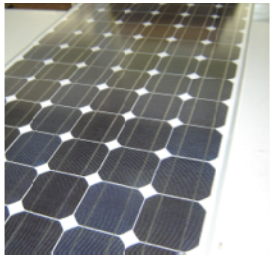
Wafer

Cell



Module

System/ Installation

Metallurgy

Industrialization

Internal synergies / building systems

HYDRO

Key messages

- Solid coverage for Aluminium energy consumption
- Strong captive power position
- Industrial ambitions within Solar

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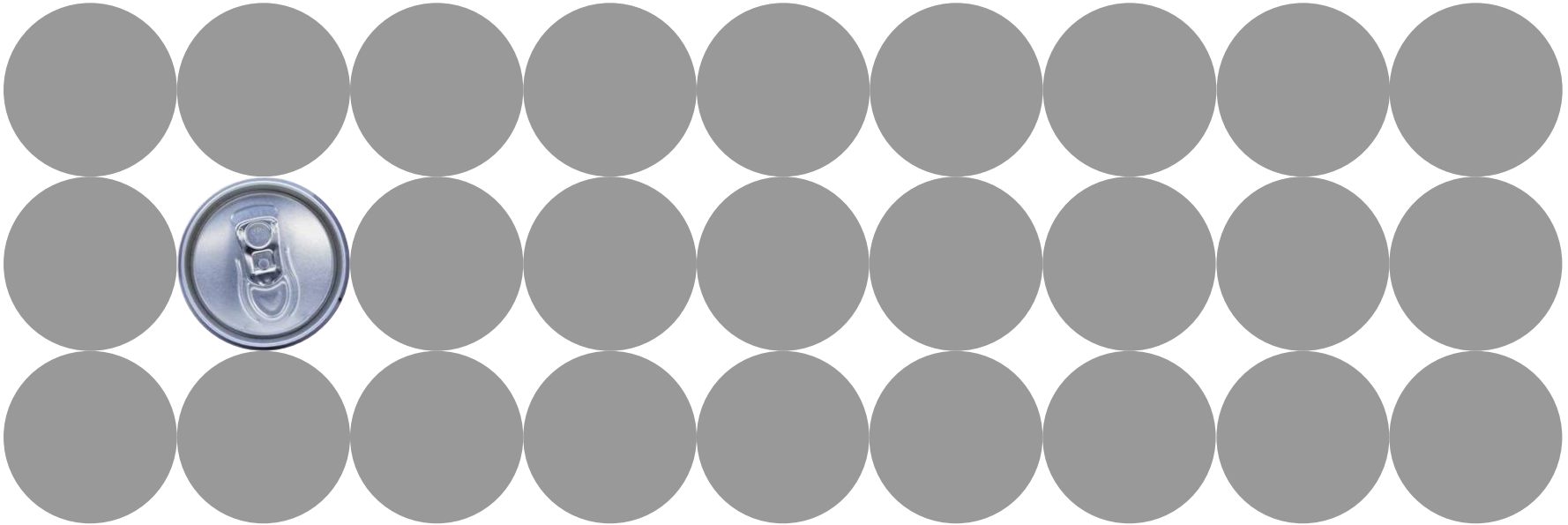
Aluminium Metal



Jan Arve Haugan, Senior Vice President and Acting Head of Aluminium Metal
September 25, 2008

HYDRO

Key messages

We focus on a strong performance culture

- Leading health, safety and environmental performance
- Increasing output from existing facilities
- Aluminium Metal Production System ensures continuous improvements
- Facing the industry-wide cost pressure

We develop our business

- Alunorte expansion 3 completed before time and on budget
- New alumina refinery with Vale – CAP
- Qatalum progressing according to plan
- Next generation smelter technology in test phase – key for further growth in aluminium

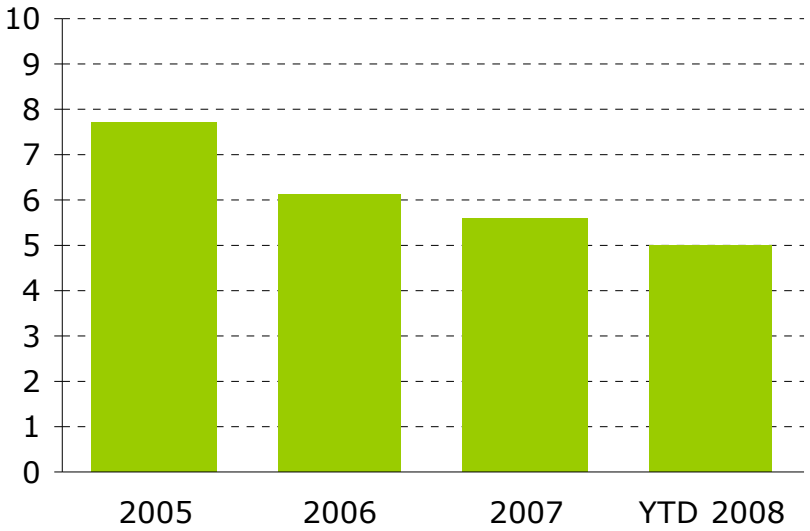
1

We focus on a strong performance culture

Strong performance culture

Continuous safety improvement

TRI per million hours work

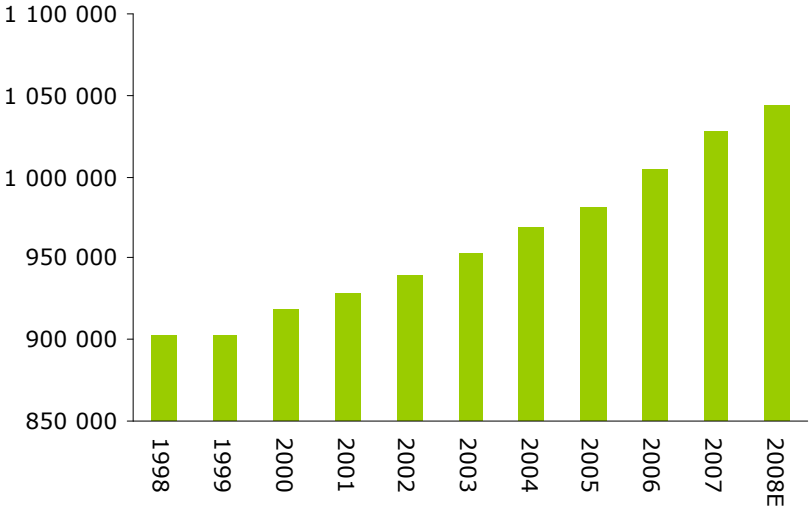


- Well below average in Europe
- Drive improvement in work environment and environment
- Leading Safety Program at each plant
- Increased focus on proactive response – better risk awareness
- Report routines and accountability standardized

Strong performance culture

Increased production

Electrolysis output in tonnes*



* Volume development for fully owned lines in operation from 1998 to 2007, excluding closing and start up of new lines during this period.

- Amperage increase in all lines
- A major contributor to improvement in productivity
- By continued technological and operational improvements
  - Low cost creep – low capital expenditures and operating costs

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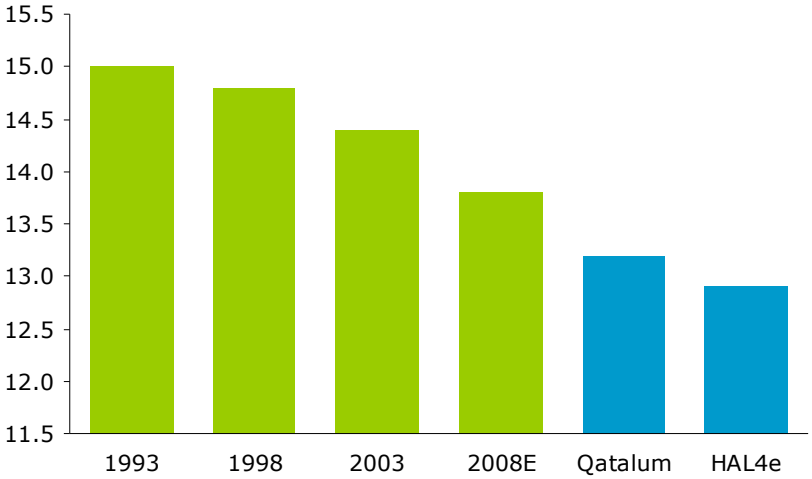
Strong performance culture

Reduced specific energy consumption

kwh / Kg aluminium*



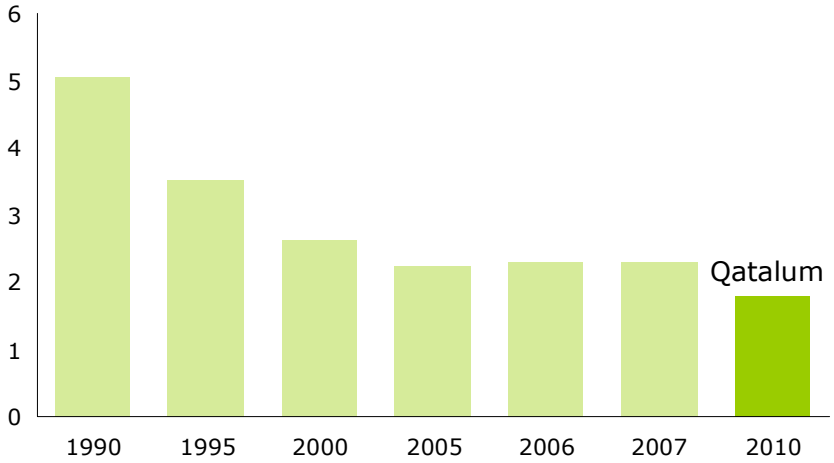
- Specific energy consumption per kilo aluminium significantly reduced
- Further reduction in energy targeted
  - New cell technology
  - Optimized process control
  - Improved operational stability

* Average specific energy consumption from 100%-owned Norwegian smelters

Strong performance culture

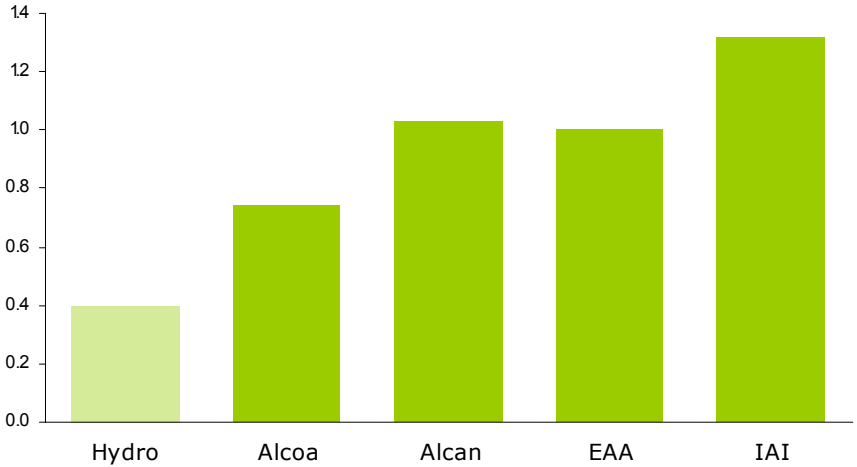
Reduced specific emissions

Kg CO_2e / kg aluminium*



* Average specific emissions from 100%-owned Norwegian smelters

Specific emissions kg fluorine / tonne aluminium**



** Hydro majority-owned smelters

Source: Hydro (2007), Alcan Sustainability Report 2007 (2006), Alcoa Sustainability Report 2007 (2006), IAI 2008 (2007), EAA 2008 (2005)

Aluminium Metal Production System

AMPS is not a project – it's a way of operating!

Standardized work processes

Defined customer and supplier relationships

Optimized flow

Dedicated teams

Visible leadership

A systemized method for development of operational excellence and continuous improvements

- Product quality
- Cost
- Safety

Positive results

- Process stability in operations
- Product quality towards customers
- Increased output

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AMPS implementation

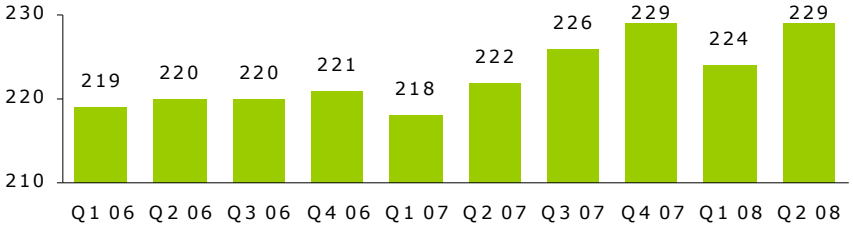
Progress according to plan

- Implementation in Norwegian plants started in 2007
- Implementation outside Norway starts October 2008
- To be implemented in Qatalum

AMPS – continuous improvements

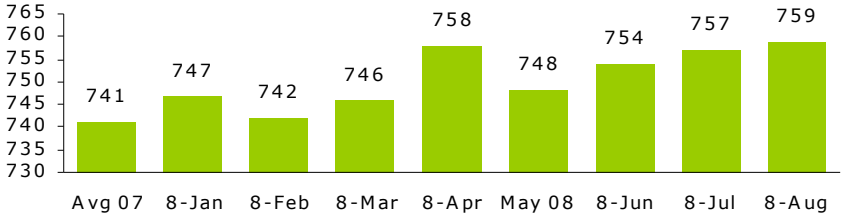
Low-cost creep

1 000 mt, excluding closed capacity, 100%-owned lines in Norway



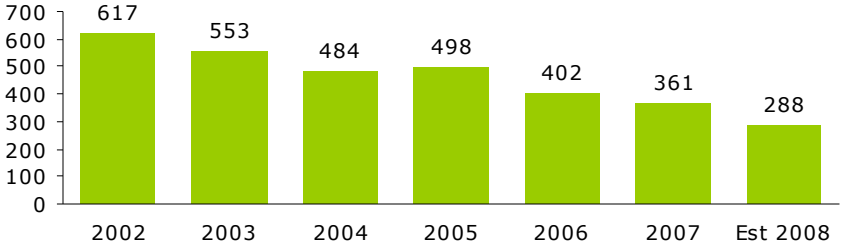
Increased production

Sunndal SU 4 average production mt/day



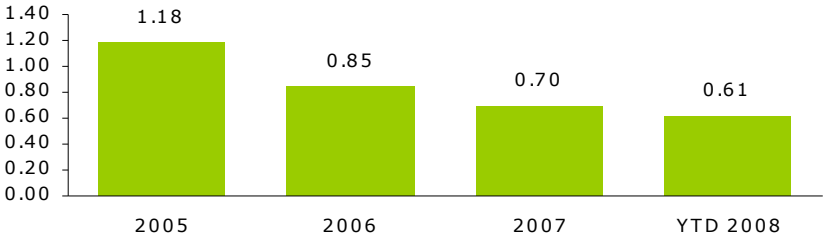
Reduced emissions

1 000 mt, Karmøy Søderberg mt CO2e per year



Improved quality

Claims and complaints per 10 000 mt sold volume, 100%-owned lines

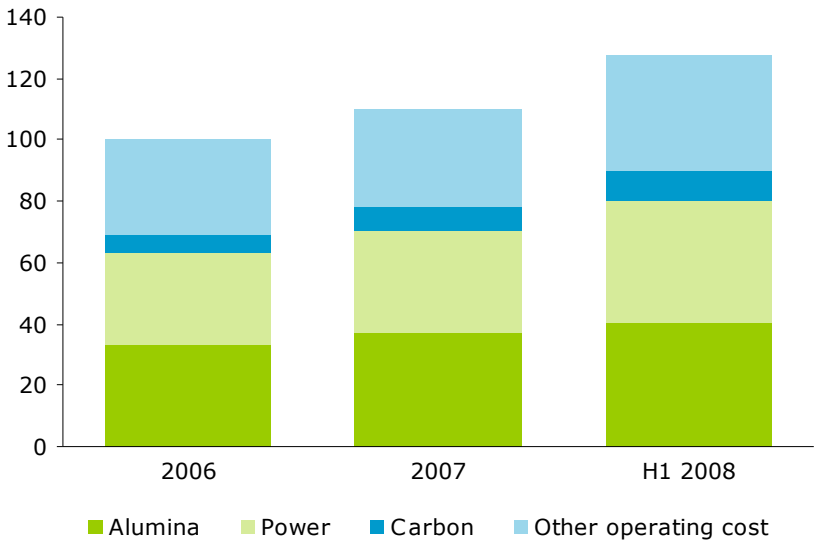


* 100%-owned smelters

Addressing the cost challenge

Smelting production cost

Costs in USD per tonne indexed, 2006=100 *



*100%-owned smelters

Alumina

- Equity and LME-based contracts

Power

- Long-term contract portfolio and equity supply

Carbon

- Stronger focus on procurement
- Change supply portfolio focusing on cost efficiency

Other operating cost

- Continued focus on efficiencies and scale effects

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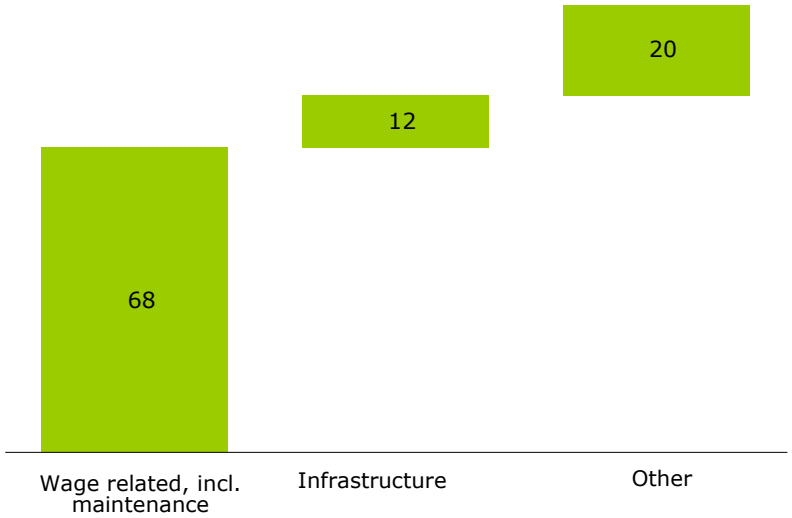
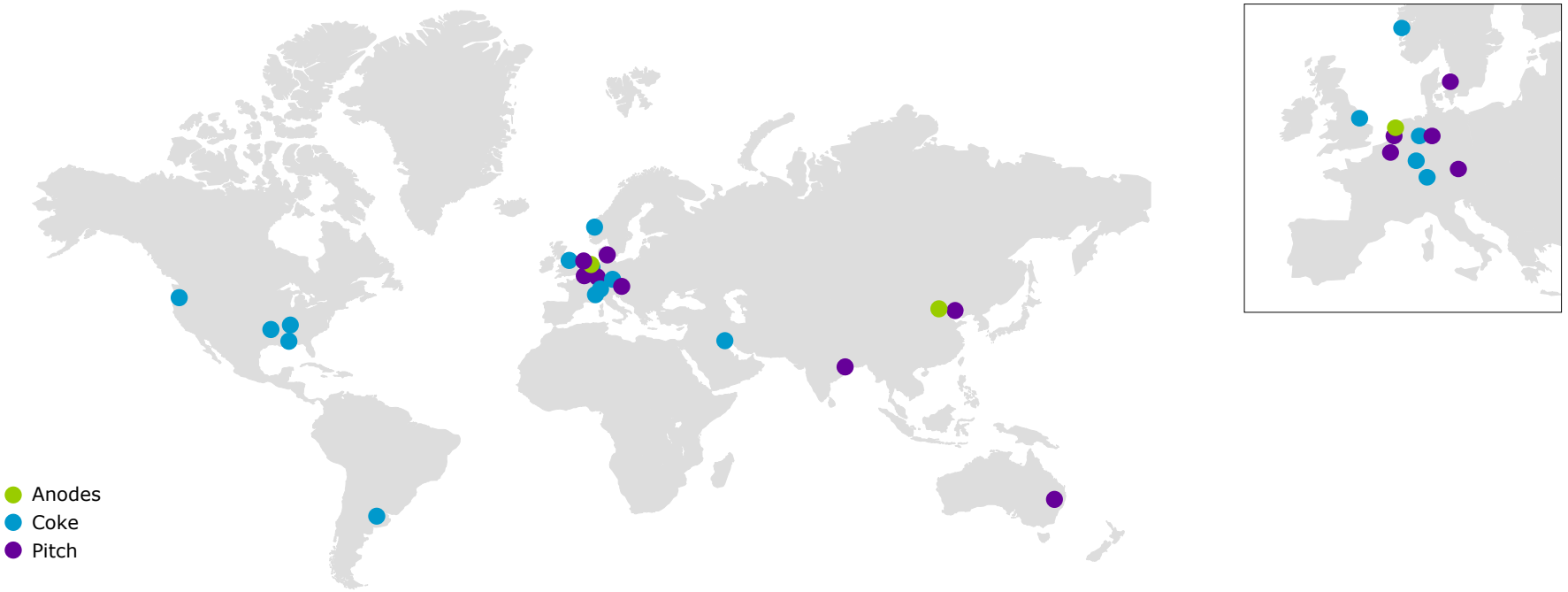
Other operating cost

Continued focus on efficiencies



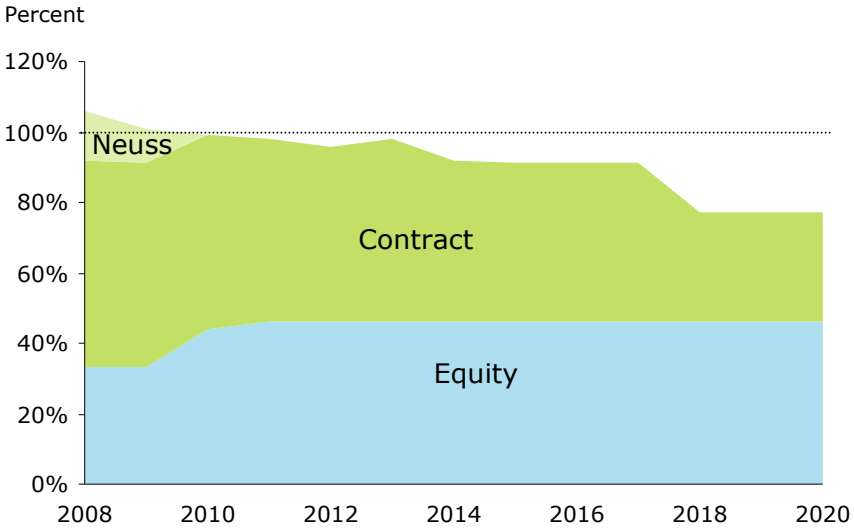
- Productivity – tonnage “creep” without adding capacity cost
- Organisational development – AMPS
- Maintenance planning – preventive maintenance

Global carbon sourcing



Solid power portfolio going forward

Power coverage through 2020



- Long term power coverage
- Equity power and competitive contract prices
- Neuss on cash basis

Based on existing smelter capacity and decided smelter projects/closures
Norwegian equity power production included at normal level (9.4 TWh)

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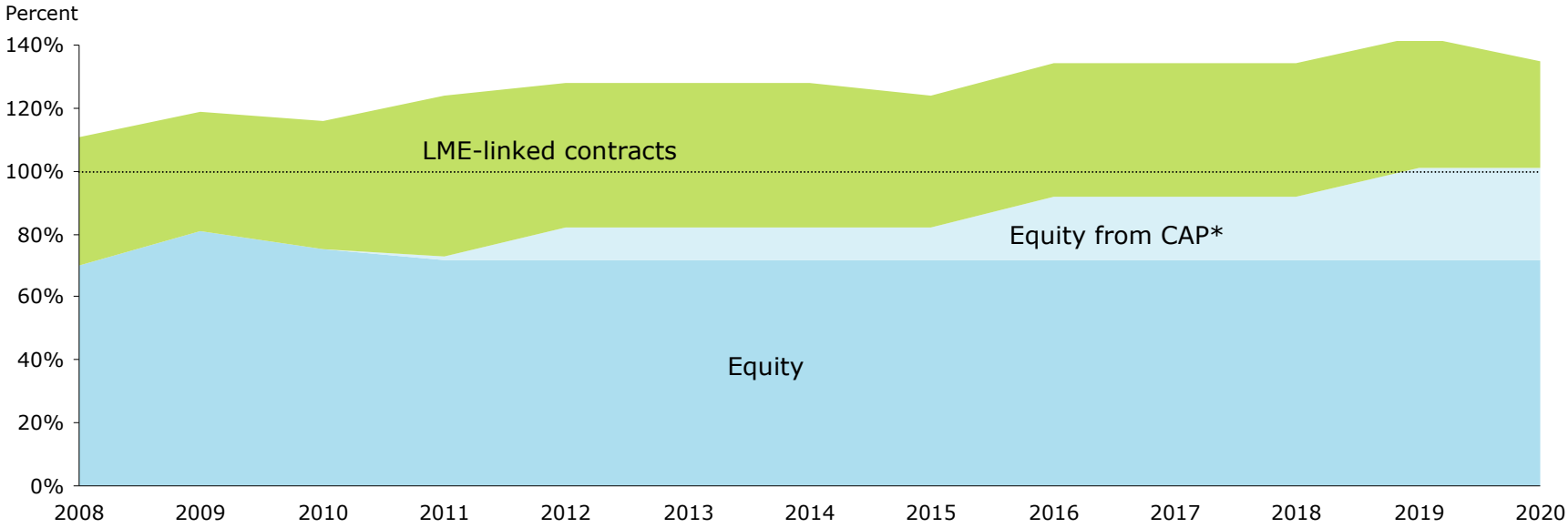
Well covered with alumina

CAP positions Hydro for further growth in metal

Alumina coverage



*CAP is illustrated with the first stage plus two expansions. Only the first stage has been decided.

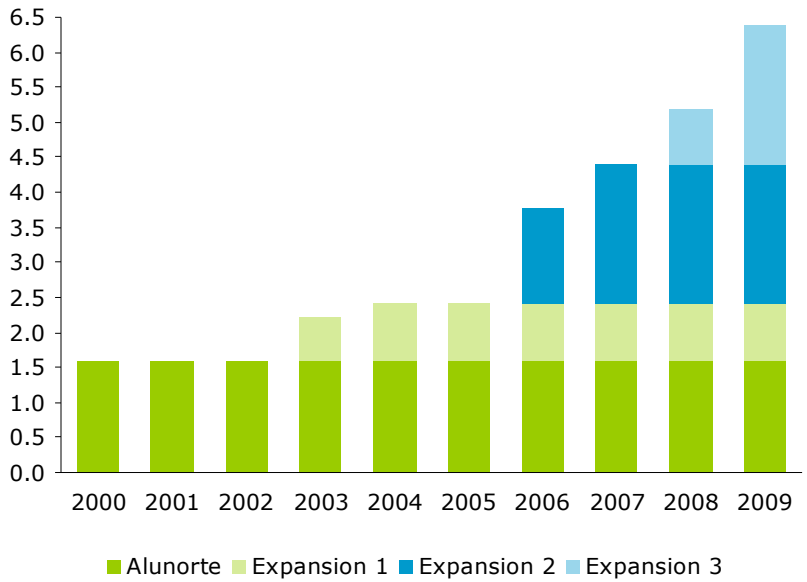
2

We develop our business

Alunorte – world's leading alumina refinery

Highly competitive cash cost

Production development in million tonnes



EXPANSION 3

Expansion 3 from 4.4 million tonnes to 6.3 million tonnes. The world's largest alumina refinery.

Completed before time.
Construction start Q2 2006.
Start up July 2008.

Completed on budget in Reais.

CAP – new world class alumina refinery

- Important step to further expand equity alumina production
- The new plant will have an initial capacity of 1.86 million tonnes per year
  - Significant expansion potential which could bring the final output up to 7.4 million tonnes per year
- Investment estimate first stage USD 2.2 billion (100%)
  - Hydro share 20%
- Production start-up scheduled 2011
  - Construction start in 2008

HYDRO

Qatalum – according to plan

Large-scale organizational build-up

- Multi-national organization
- Recruitment and organization development
- Operational preparedness

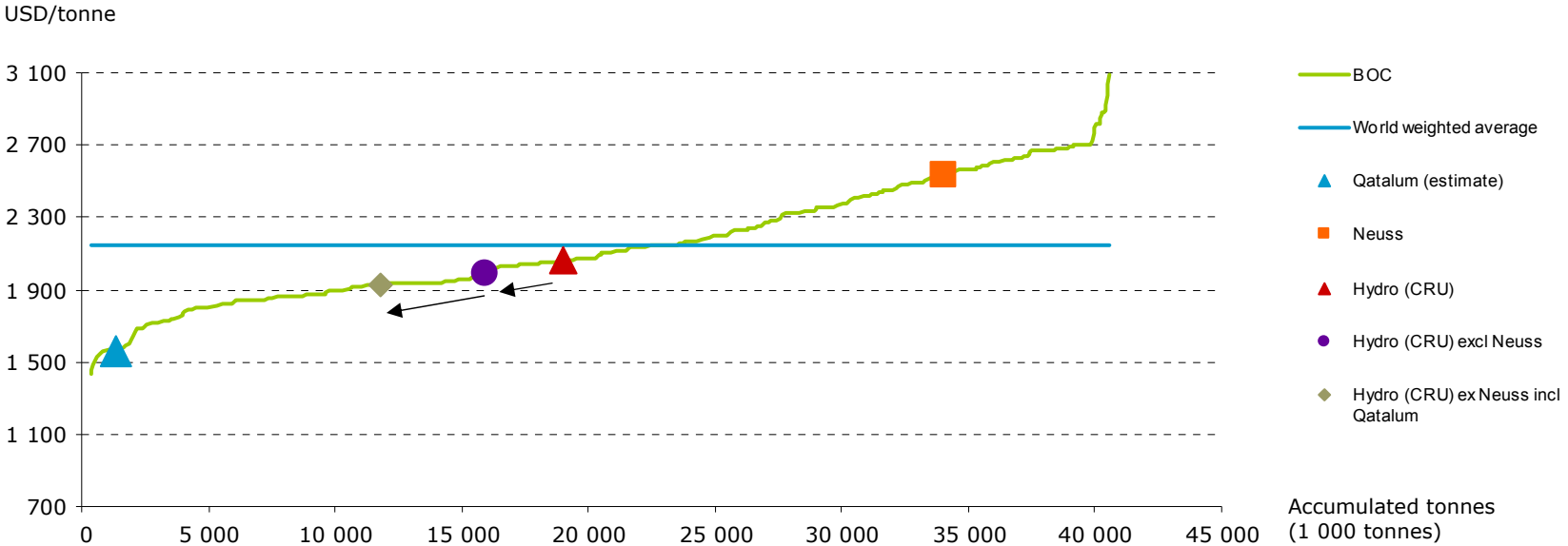
Qatalum: well positioned to serve all major markets

Hydro off-take agreement for 100% of Qatalum products

- First metal by end of 2009
- Building up to a sales volume to ~600 000 tonners per year through 2010
- Targeting markets in Asia, Europe and the U.S.
- Product focus: extrusion ingot, primary foundry alloys and standard ingot

Hydro cost position better than average

Qatalum will improve average position – Neuss runs on cash basis



Source: CRU, 2008. Business operating cost definition. Assumptions 3 month LME 2 943 USD/tonne and 3 month LME lagged 1Q 2 833 USD/tonne. Alumina spot 352 USD/tonne. NOK/USD 5.16

Develop technology to fulfill ambitions

2007

2009

2020

HAL300 technology

- Low diffuse emissions
- Good working environment
- SU4, Qatalum

HAL4e technology

- Improved energy efficiency
- Benchmark GHG
- Prepared for CO_2 concentration

Beyond HAL4e

- Zero PFC concept
- Simpler CO_2 capture
- New materials and cell design
- Smelter layouts

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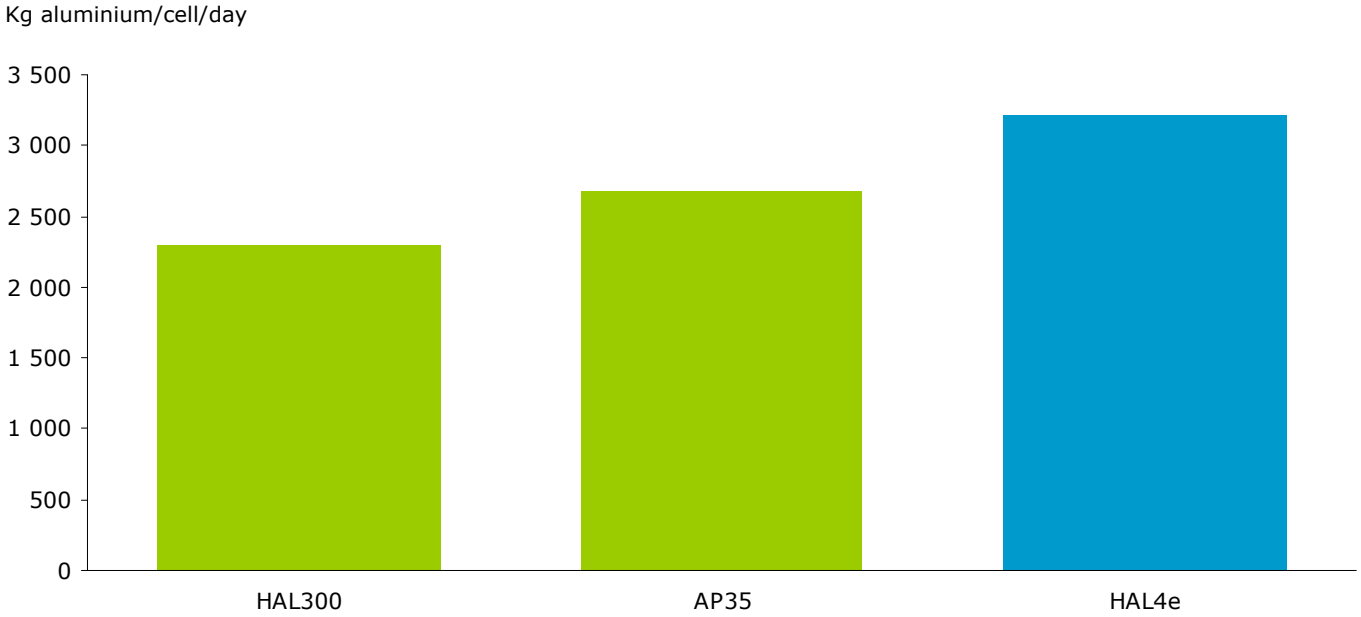
HAL4e technology

HYDRO

Production increase: 40% per cell



Novel smelter concepts

- Concentrate and separate CO_2 from process gas
- Energy recovery
- Next generation process control
- Anode production technologies
- Automation
  - Cranes
  - AGV
  - Material transportation

Technological leadership
– entry to partnership

- Technology as entry-ticket to joint venture partnerships
- …and to supplier relations
- Low specific investment cost
- Leading health, safety and environmental performance
- Technical knowhow and operational excellence

Key messages

We focus on a strong performance culture

- Leading health, safety and environmental performance
- Increasing output from existing facilities
- Aluminium Metal Production System ensures continuous improvements
- Facing the industry wide cost pressure

We develop our business

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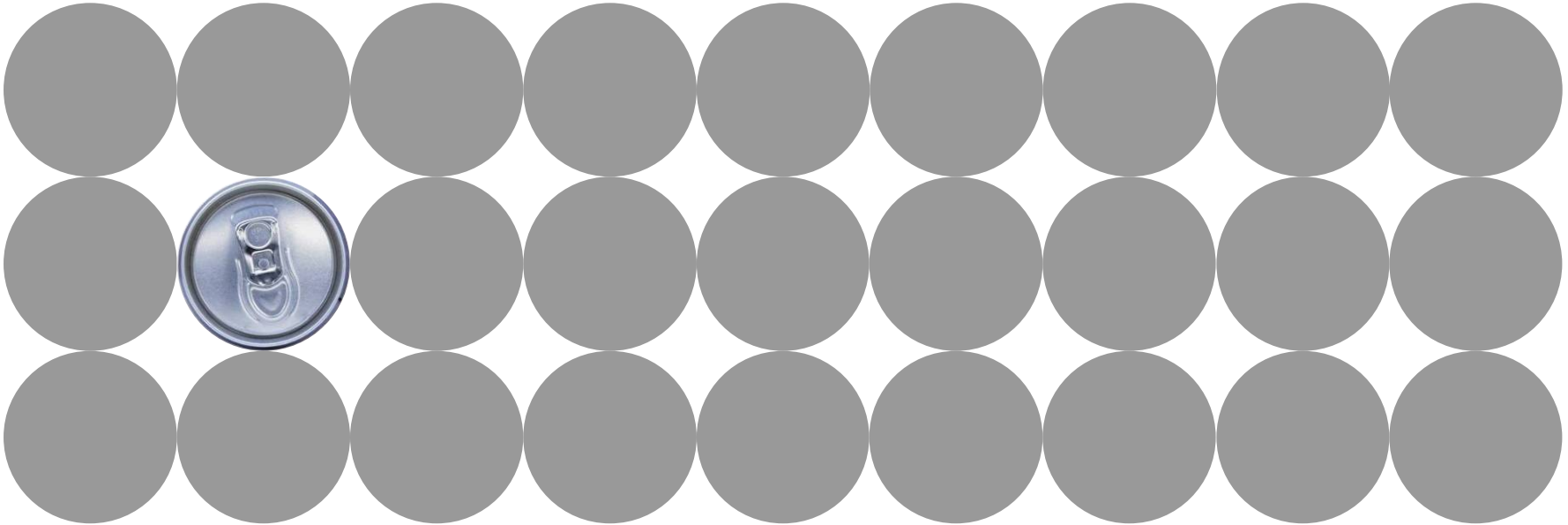
Aluminium Products

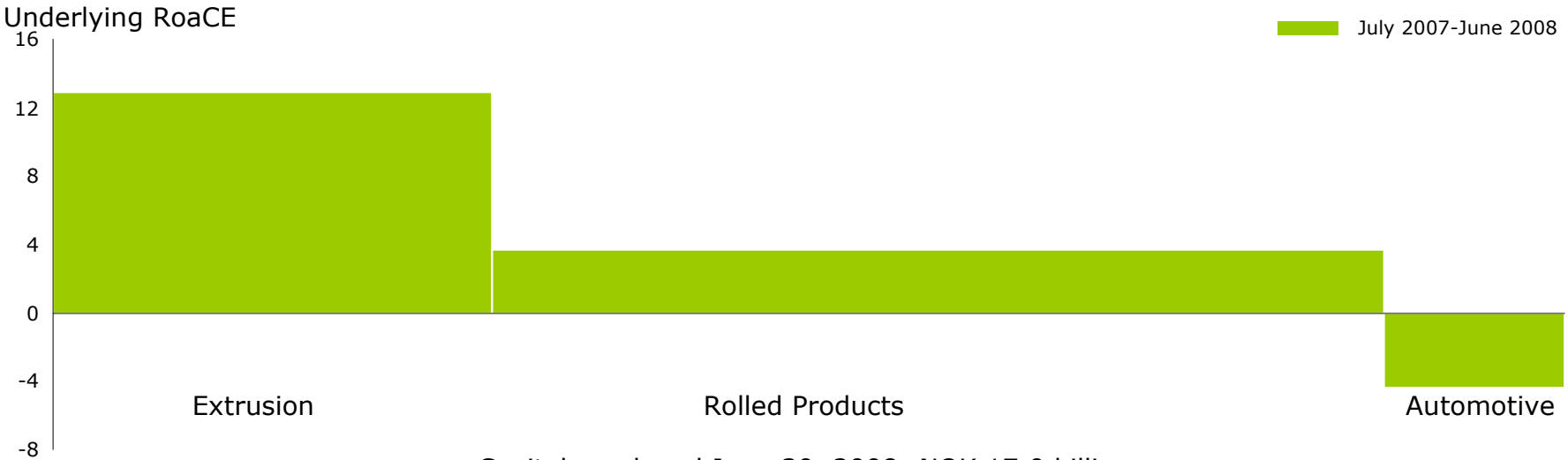


Svein Richard Brandtzæg, Executive Vice President and Head of Aluminium Products
September 25, 2008

Key messages

- Major restructuring completed
- Improvements despite weaker markets
- Growth based on competitive advantage
- Leading through technology

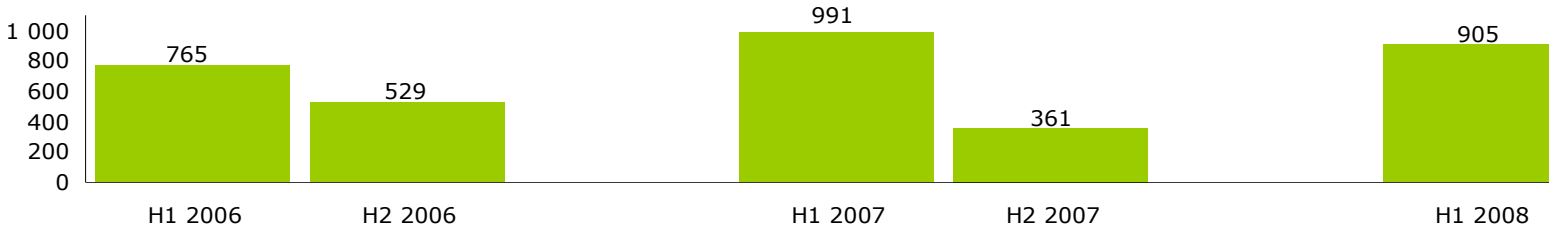
Underlying RoaCE last 12 months 5.3%



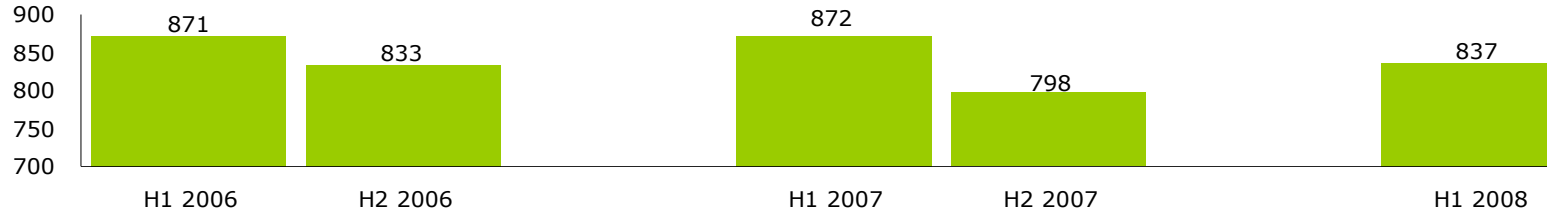
Capital employed June 30, 2008: NOK 17.0 billion

Aluminium Products seasonality

Underlying EBIT (NOK million)*



Volume (1 000 mt)*



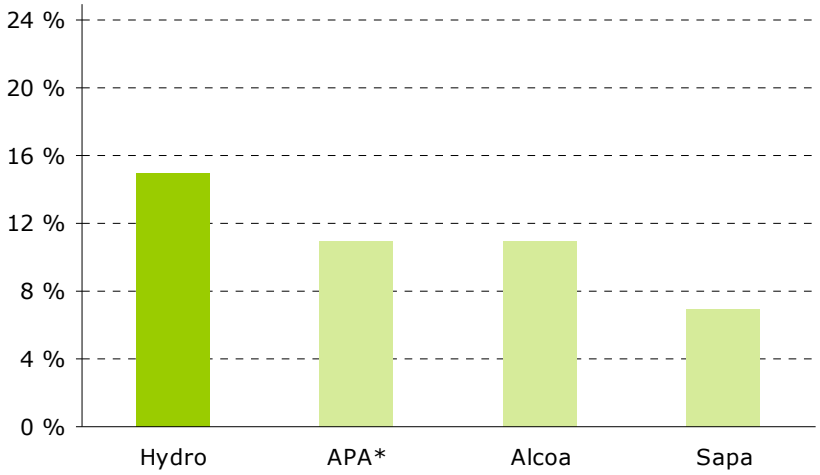
*Including EBIT and volumes from divested activities

1 Extrusion

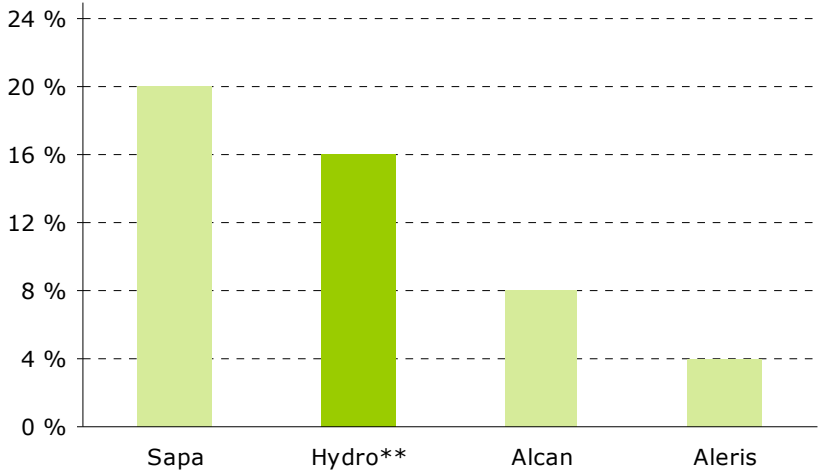
Solid market position in Europe

Market share

1997



2007



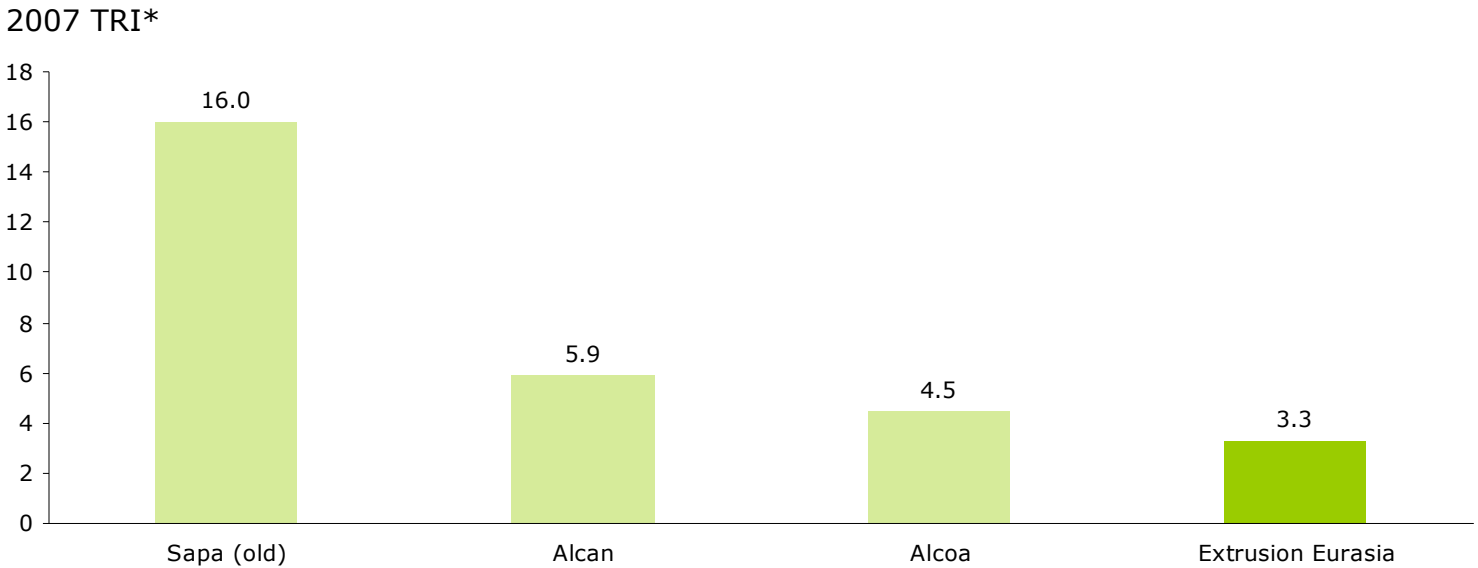
Best estimates shown for competitor market share.

* Alcan/ Pechiney/ Alusuisse

** Market share Hydro ~15% included extruded products from Automotive. Hydro ~13% for EE/HBS

Industry leadership in safety

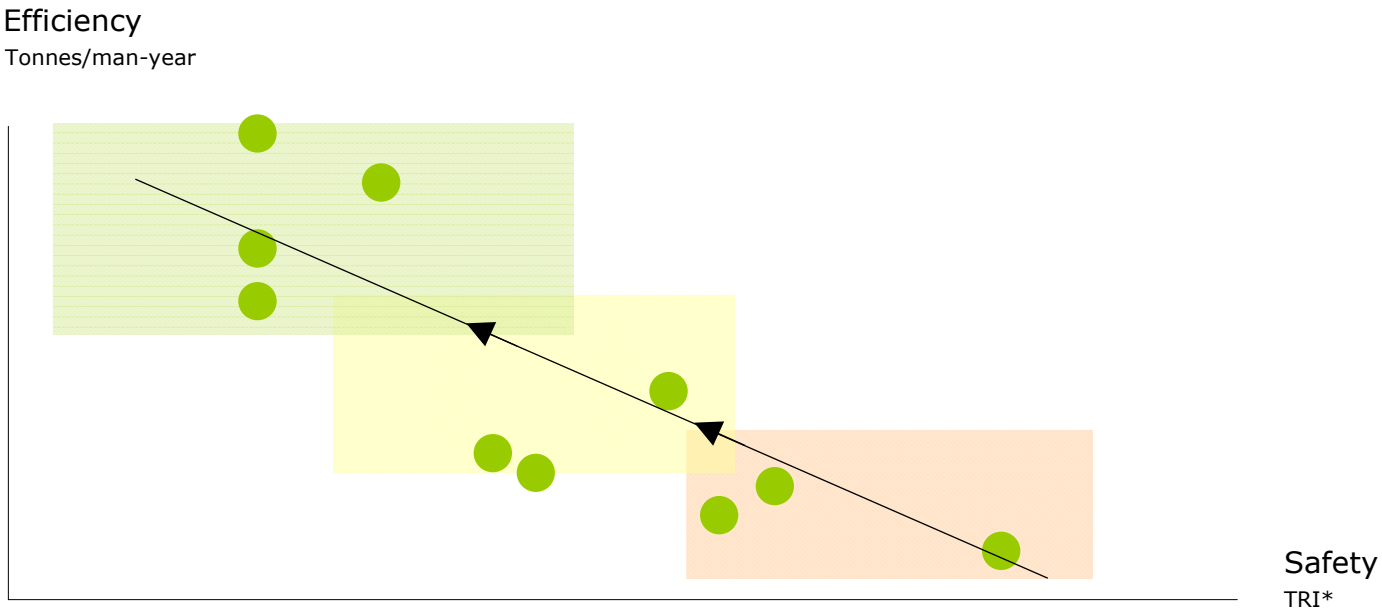
Comparison with Extrusion Alcan, Alcoa and SAPA in 2007



* Total recordable injuries per million hours worked

Safety focus helps operational performance

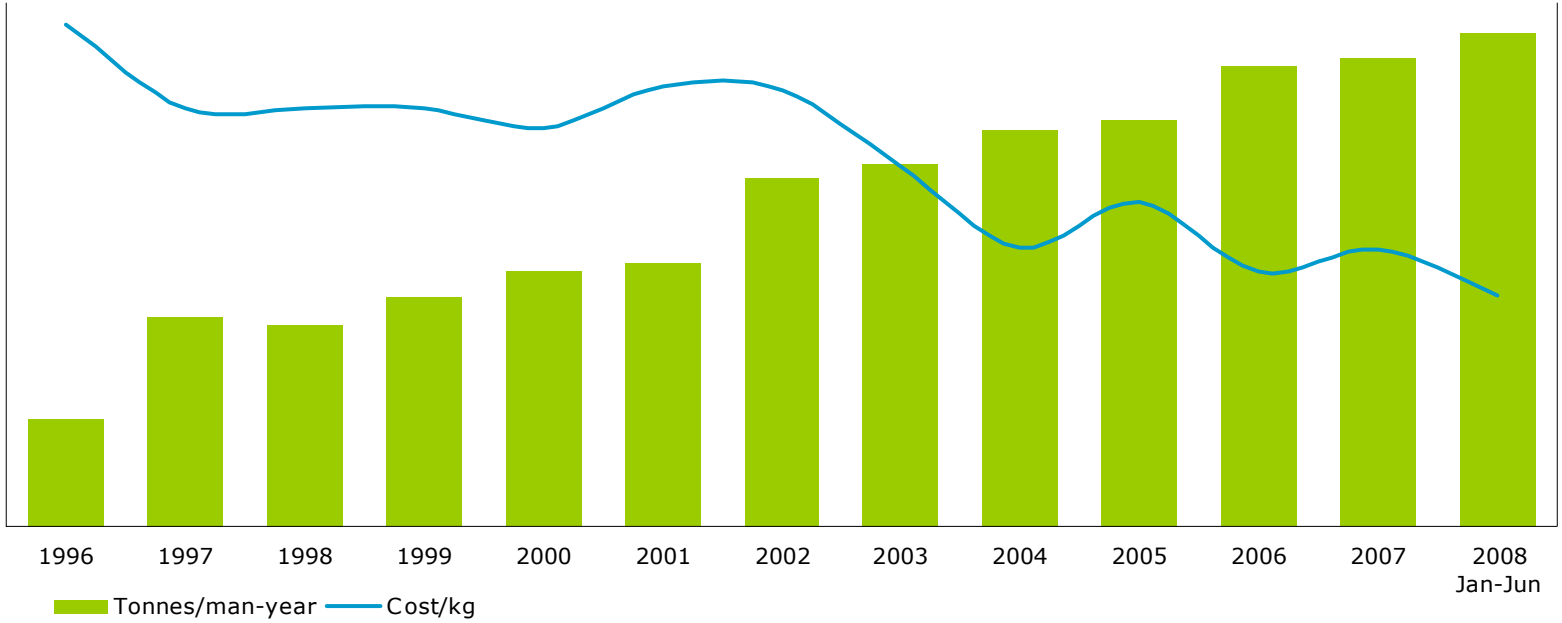
Correlation between HSE and manufacturing performance



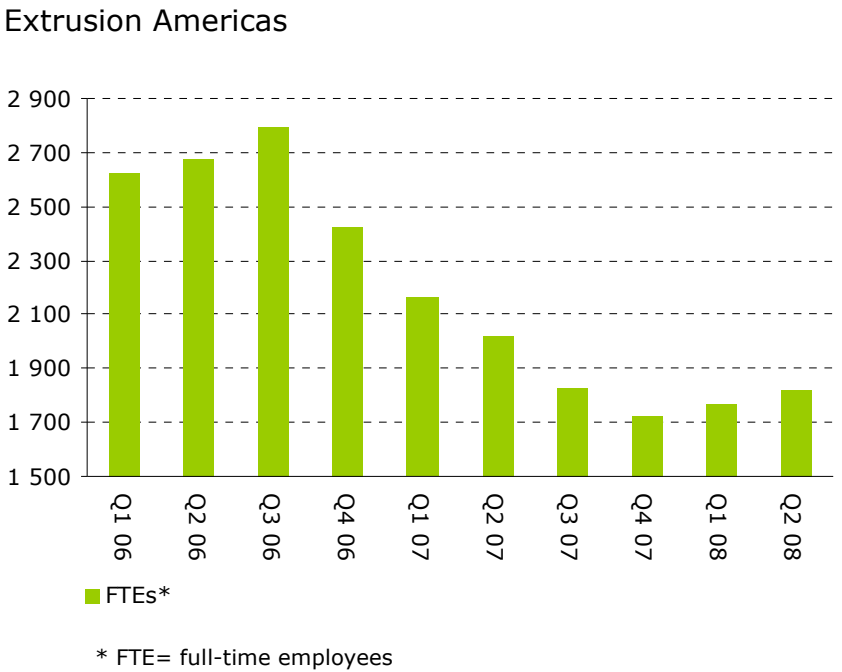
* Total recordable injury - recorded per million hours worked

Excellent productivity development

Extrusion Eurasia



Efficiency improvement



Business development

Expral, Spain

- Spanish market share increased from 6% to 9%*
- Strong growth potential in industrial segment
- Successful integration ongoing

** internal estimates*

Growth opportunities

Building Systems

CHELSEA Customer INTERCOM, NY

CHELSEA Customer INTERCOM, NY

DIQUE IV – Puerto Madero

Larnaka Airport, Cyprus

Foch 94, Beirut

Q-Tower, Manila

HYDRO

Three strong brands

HYDRO

Business development

Alumafel, Spain

- Spanish market share from 7% to 12%*
- Lift to leading position in Spain

Alumetal, Italy

- Efficient logistics and commercial network
- Strengthen Italian market position
- Closer to the customer

** internal estimates*

Encouraging new opportunities

Development in energy efficiency

InventSkin® multiple layer façade concept

- Several energy-efficiency functions
- Reduces primary energy and CO_2 emissions
- **Our next step is …**

Great outlook

2

Rolled Products

Four strong business units

Foil

- Flexible packaging and technical applications

Litho

- Offset plates for the printing industry

Packaging & Building

- Cans, packaging and architecture

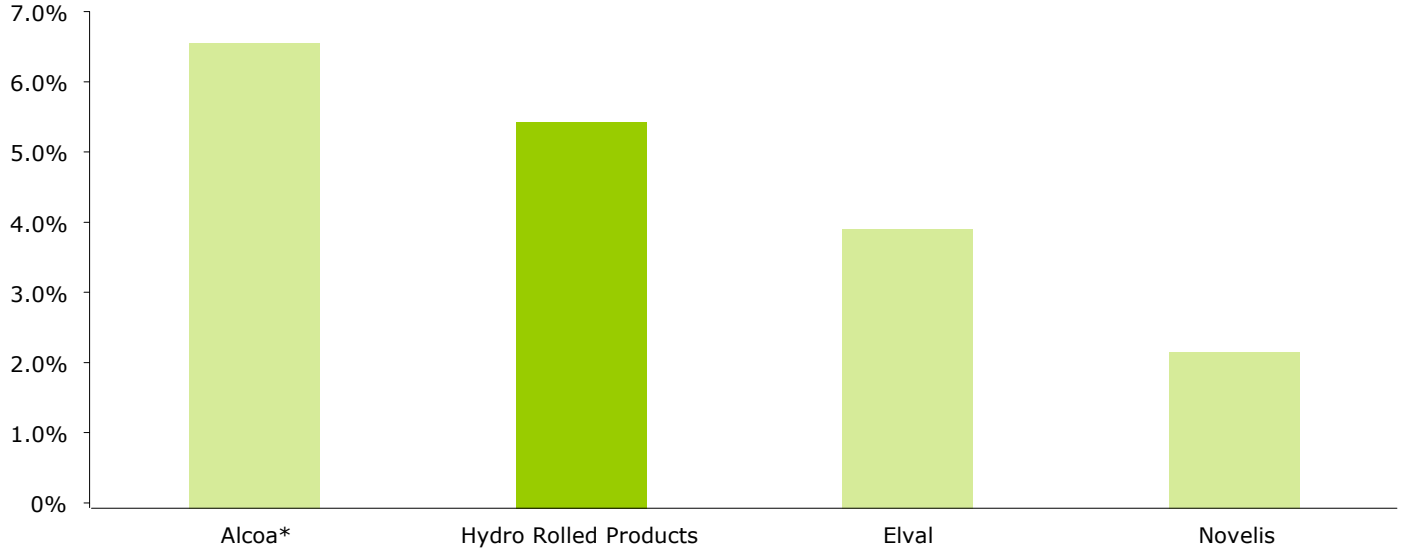
Automotive, Heat Exchanger & General Engineering

- Transport, heat exchangers and special industry

HYDRO

Competitive performance

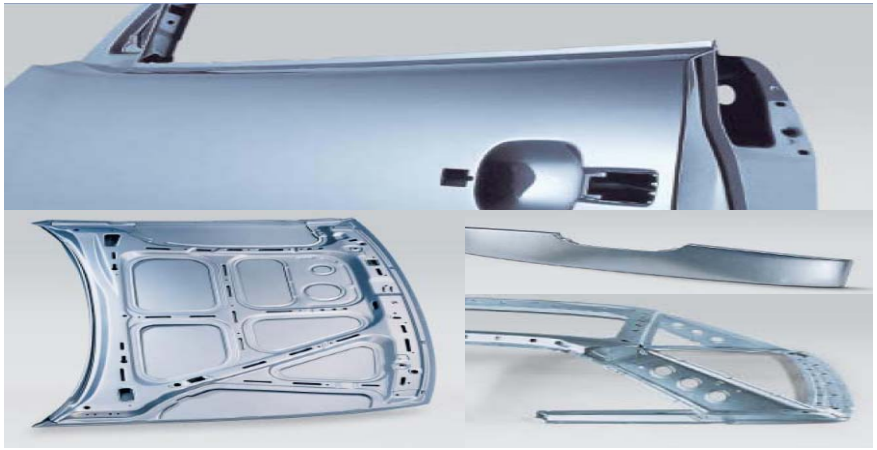
2007 RoaCE*



**Source: Annual Reports and Hydro analysis; Internal calculation for the rolled segments*

Upgrading product portfolio

Continuous annealing line
Start-up: November 2008



3

Automotive

Global player and advanced technology

Precision Tubing

Structures

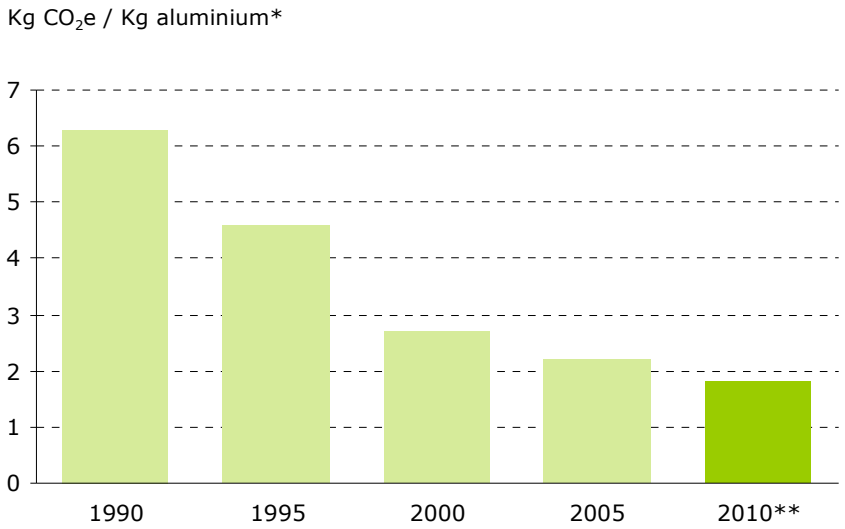
- Global leadership in Precision Tubing
- Structures in a leading position within crash management systems

4

Leading through technology

Meeting the climate challenge

Significant reduction in emissions since 1999



* Average specific emissions from Hydro's Norwegian smelters

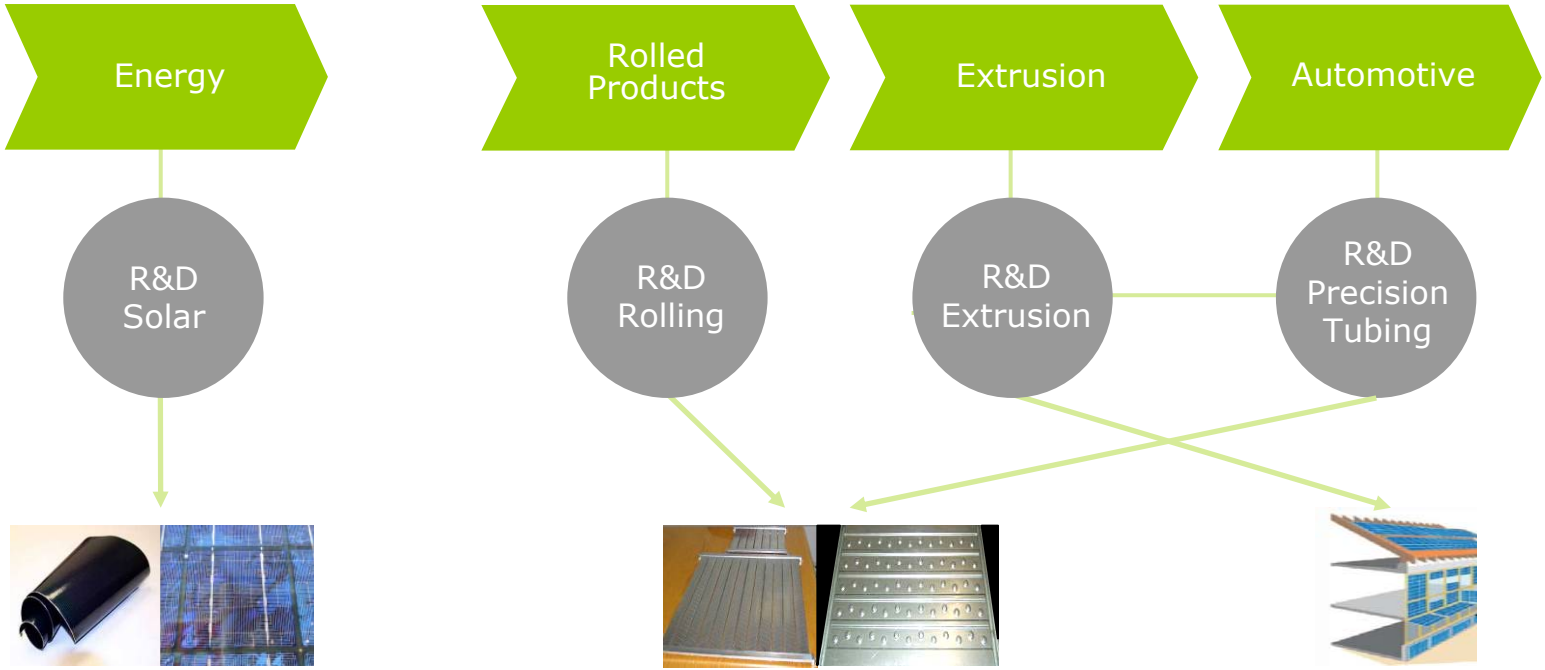
** Qatalum

Increased recycling competence

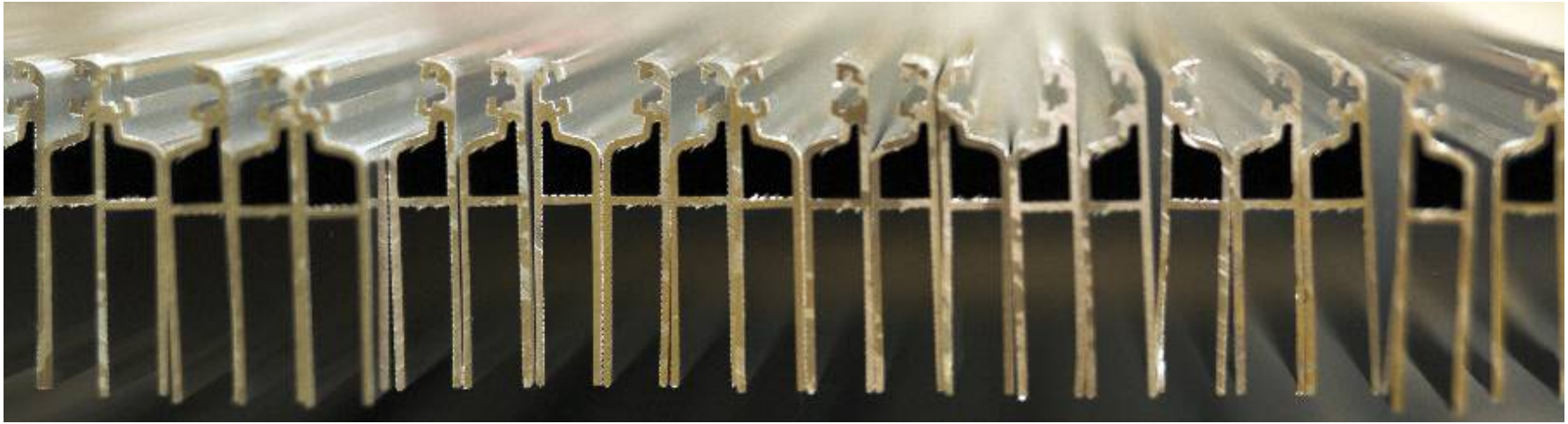
Focus – Nevada Solar 1

- 64 MW solar field
- Now being duplicated at La Risca, Spain

R&D – focus and integration



5 Summing up

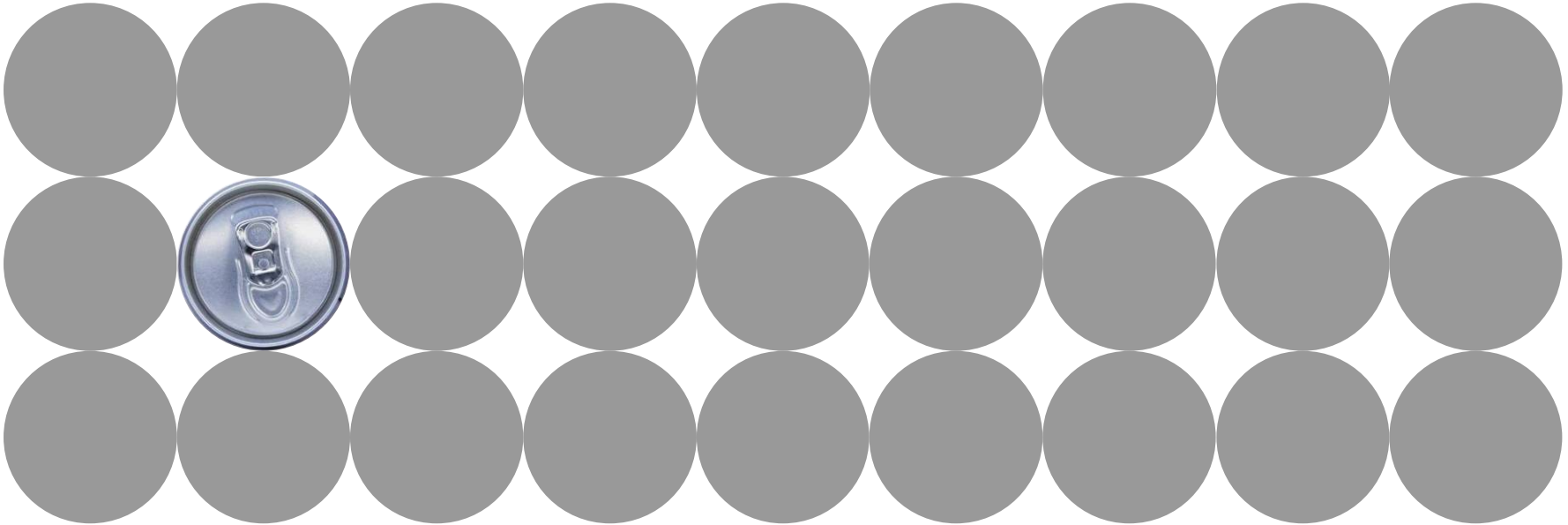


Key messages

- Executing further growth potentials in Extrusion Eurasia and Building Systems
- Achieving margin leadership in European Rolled Product industry
- Taking advantage of fast-growing market for energy-efficient buildings

www.hydro.com

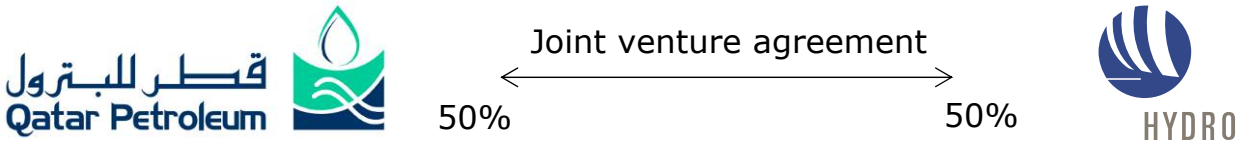
Qatalum



Tom Røtjer, Executive Vice President and Head of Projects
September 25, 2008

HYDRO

Qatalum: Hydro – QP partnership



- Gas supply
- Industrial climate
- Site

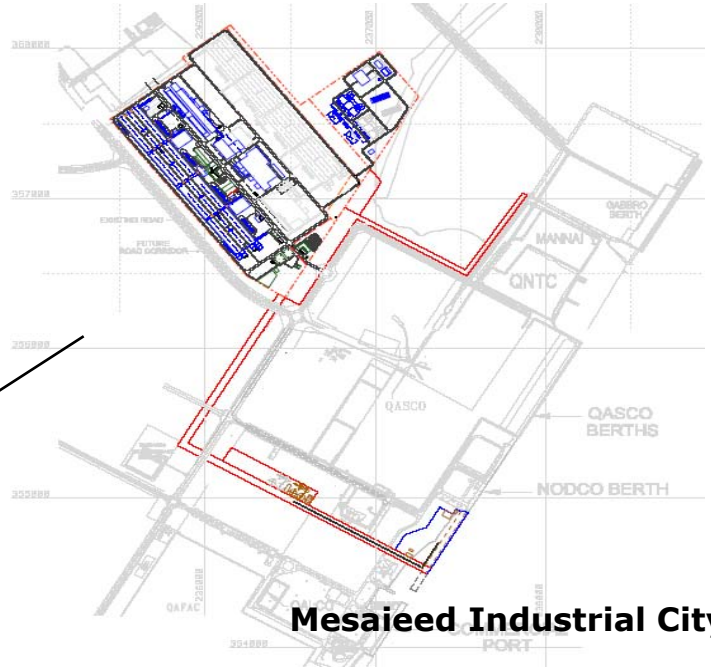
Qatalum

Power plant and smelter

- Technology and competence
- Metal marketing and off-take
- Project management

HYDRO

Qatalum location



Mesaieed Industrial City

Start-up around year-end 2009

Total investment USD 5.6 billion

Qatalum smelter

Largest greenfield capacity built in one step

- First-stage capacity
  - Smelter: 585 000 tonnes per year
  - 704 cells in 2 double-lined potrooms
  - Hydro technology
  - Anode plant and casthouses
  - 1 325 MW power plant
- Possible expansion to 1.2 million tonnes
- Advanced technology
  - Low energy consumption
  - High labor productivity
  - Low emissions

HYDRO

Qatalum project schedule

• Heads of agreement	December 2004
• Joint venture agreement	March 2006
• Investment decision	October 2006
• Final build decision	July 2007
• Production start-up	Around year-end 2009
• Ramp-up	During 2010

Global procurement

”Crunch time” in Gulf construction market

Site preparation

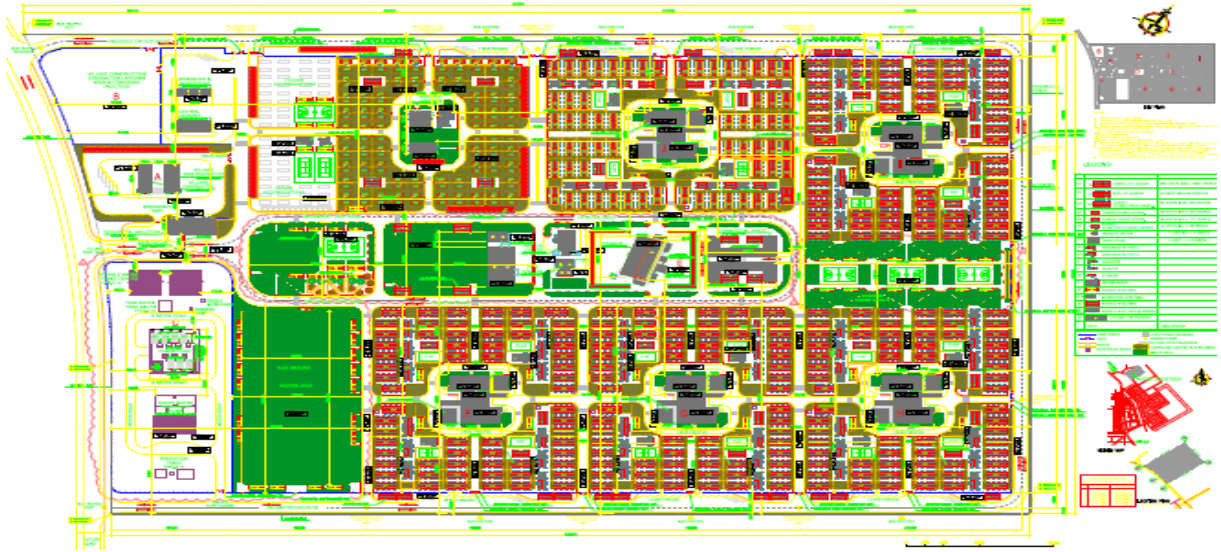
10 million tonnes of landfill = 200 000 truckloads

12 000 people on site

Continuous focus on safety

HYDRO

Construction village for 10 000 people



- Wide range of services and leisure activities

Potroom buildings 1.2 km long

Potroom buildings

Potroom buildings

Pot-tending machine prototype tested in Su4

Anode superstructures by Great Wall, China

Potshells from AMA, Bahrain

Anode baking plant

Piling comes to a completion

Jetty construction

On track in a challenging environment!

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