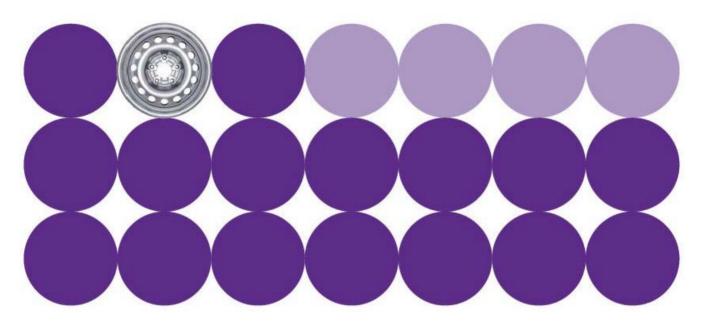
Hydro – a leading integrated aluminium and energy company



Jørgen C. Arentz Rostrup, Executive Vice President and CFO BMO Global Metals & Mining Conference - March 1, 2010



Cautionary note in relation to certain forward-looking statements

Certain statements contained in this announcement constitute "forward-looking information" within the meaning of Section 27A of the US Securities Act of 1933, as amended, and Section 21E of the US Securities Exchange Act of 1934, as amended. In order to utilize the "safe harbors" within these provisions, we are providing the following cautionary statement.

Certain statements included within this announcement contain (and oral communications made by us or on our behalf may contain) forward-looking information, including, without limitation, those relating to (a) forecasts, projections and estimates, (b) statements of management's plans, objectives and strategies for Hydro, such as planned expansions, investments or other projects, (c) targeted production volumes and costs, capacities or rates, start-up costs, cost reductions and profit objectives, (d) various expectations about future developments in Hydro's markets, particularly prices, supply and demand and competition, (e) results of operations, (f) margins, (g) growth rates, (h) risk management, as well as (i) statements preceded by "expected", "scheduled", "targeted", "proposed", "intended" or similar statements.

Although we believe that the expectations reflected in such forward-looking statements are reasonable, these forward-looking statements are based on a number of assumptions and forecasts that, by their nature, involve risk and uncertainty. Various factors could cause our actual results to differ materially from those projected in a forward-looking statement or affect the extent to which a particular projection is realized. Factors that could cause these differences include, but are not limited to: our continued ability to reposition and restructure our upstream and downstream Aluminium business; changes in availability and cost of energy and raw materials; global supply and demand for aluminium and aluminium products; world economic growth, including rates of inflation and industrial production; changes in the relative value of currencies and the value of commodity contracts; trends in Hydro's key markets and competition; and legislative, regulatory and political factors. For a detailed description of factors that could cause our results to differ materially from those expressed or implied by such statements, please refer to the risk factors specified under "Risk review – Risk factors" on page 134 of our Annual Report 2006 (including Form 20-F) and subsequent filings on Form 6-K with the US Securities and Exchange Commission.

No assurance can be given that such expectations will prove to have been correct. Hydro disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



Hydro's value proposition

- Leading integrated aluminium and energy company with global reach and attractive positions across the value chain
- Upstream cost position to be improved by the world-class Oatalum smelter
- Strong operational performance and cost focus
- Financial discipline
- Leading core technology and products
- Long-term prospects for aluminium remain encouraging







Business model

Energy



- Revenue in NOK
- Cost in NOK

Primary Metal



- Revenue in USD.
- Cost in USD alumina. petroleum coke
- · Cost in local currency - energy, labor, maintenance
- High LME and USD sensitivity
- Improving cost
 - Technology

Metal Markets



- FUR and USD business
- Margin business

Rolled **Products**



- Margin business
- Regional business
- Volumes-
- 80% Europe, 5% North-America and 15% other

Extruded Products



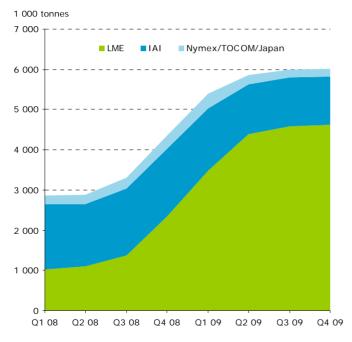
- · Margin business
- Local business
- Volumes: 75% Europe, 20% North America and 5% other

- Long-term power supply
- 9.4 Twh of renewable energy production
- position

- Expertise in materials
- Flexible system
- · Strong marketing organization
- · Close to customers
- Innovation
- · Market leading in litho and foil
- Close to customers
- Innovation
- Market leading in **Building Systems**



Inventories stabilized, at high level



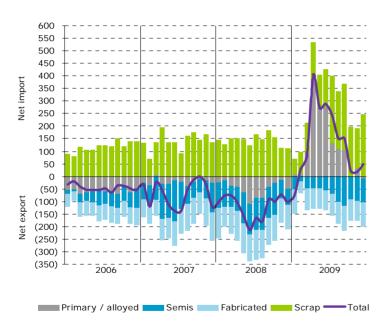
- Reported inventories outside China: ~6 million tonnes
- Large portion of LME inventories held by financial investors
 - Unavailable to market
 - Time horizon depending on interest rates, warehousing costs and LME contango
- Industry analysts indicate increased unreported inventories during Q4

Source: CRU/Hydro



China returns to balance in primary aluminium



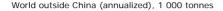


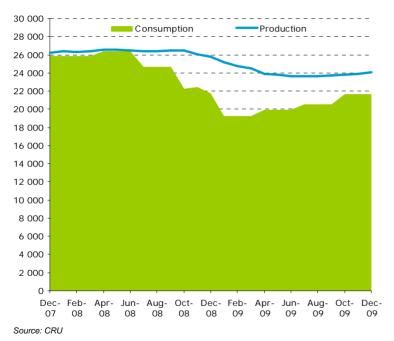
Source: Hydro / Antaike February 2010

- Swift response to drop in demand
 - Production curtailments
 - Strategic government purchases
 - Demand incentives
- Production up in 2009
 - · Restart of curtailed capacity
 - · New capacity coming on stream
 - Run-rate production of ~16.5 million tonnes in December
- Increased scrap imports
- Primary aluminium supply/demand balance expected to remain



Market imbalance continues outside China





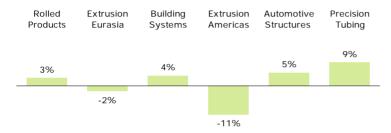
- Demand down 18% in 2009 against 2008
- Annualized imbalance of 2.3 million tonnes end-2009
- Imbalance expected to continue in 2010, but at a lower level
- New capacity coming on stream in Middle East and India
- Additional curtailments expected



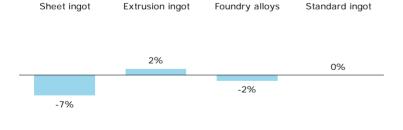
Stable volumes

Seasonal decline offset by restocking in Q4 2009

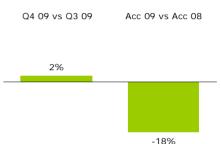
Hydro's downstream sales Q4 2009 vs Q3 2009



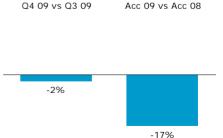
Hydro's upstream sales Q4 2009 vs Q3 2009



Total downstream sales

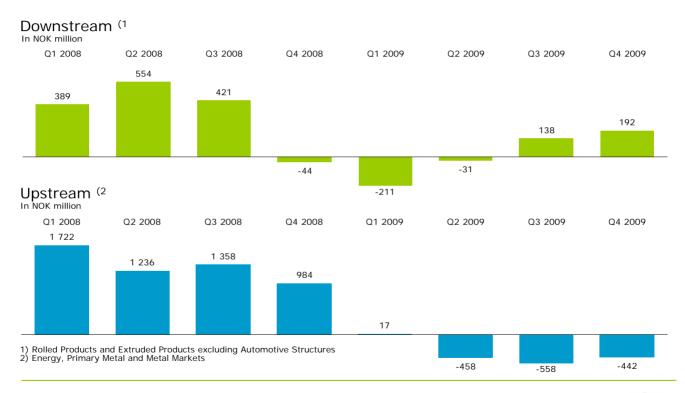


Total upstream sales



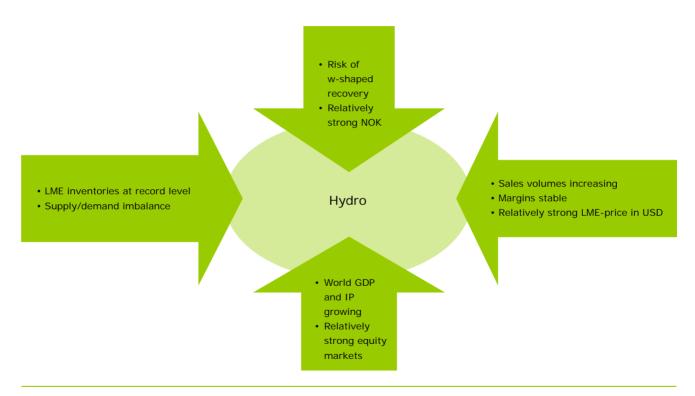


Positive trend in underlying EBIT





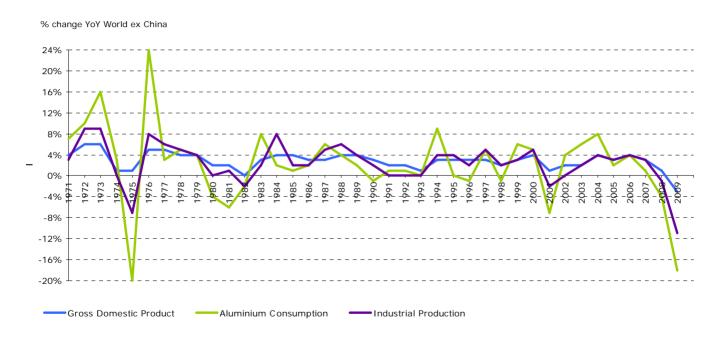
Mixed signals in markets and economy





Historic downturn in 2009

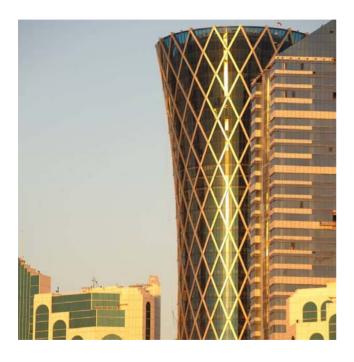
World outside China



Source: Global Insight / CRU / Hydro



2010 market outlook



- World outside China
 - Demand growth likely, but level uncertain
 - Supply/demand imbalance expected to continue
 - Curtailed capacity unlikely to restart
- China
 - · Balanced in primary aluminium
 - Increasing scrap imports
- Limited new capacity
 - Partly offset by new curtailments



Solid measures executed in 2009

Hydro

- Operating capital reduced by NOK 5.8 billion
- Capital expenditure plans cut by 50%
- Manning reduced by 4 500
- Redesigned and reduced staff and support functions

Primary Metal

- Cash costs reduced significantly
- Primary aluminium production curtailed by 26%
- Alumina production curtailed by 22%

Metal Markets

Utilized flexible remelt system to quickly respond to demand changes

Rolled Products

- Significant cost savings and manning reductions
- · Inasa rolling mill divested

Extruded Products

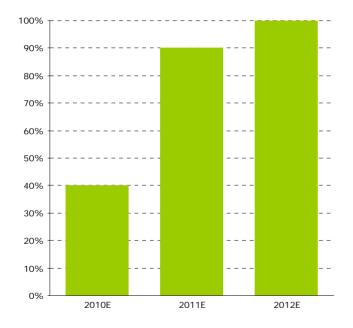
- · Significant cost savings and manning reductions
- Automotive Structures divested
- · Decision to close Adrian precision tubing plant





Further upstream improvements necessary

Ambitious plan to cut cost by 100 USD/tonne



- Accelerate operational performance in Primary Metal production system
 - · Improved current efficiency
 - Reduced power consumption
 - · Reduced anode consumption
- Reduce fixed cost
- Lean operations

Calculation based on stable assumptions for LME, currencies, raw material prices etc. Includes only fully consolidated smelters.



Qatalum - a world class smelter

Start-up on time, strong cash cost position





Qatalum – a complex project

Contract structure





Qatalum - a complex project

Contract structure - Safety





Qatalum – a complex project

Contract structure - Safety - Size





Qatalum – a complex project

Contract structure - Safety - Size - Closing / hand-over of project





Qatalum on schedule for full output by Q4 2010



- Production started December 20
- Investment (100%) ~USD 5.7 billion
- Strong cash cost position when in full production
- Leading smelter technology
- Favorable location



Attractive upstream growth pipeline

Qatalum 2 – aluminium smelter, Qatar



 Potential for expanding Qatalum up to 1.2 million mt

 Utilize next-generation smelting technology, HAL4e

CAP – alumina refinery, Brazil



- Joint venture agreement between Vale (61%), Hydro (20%) and Dubal (19%)
- First stage 1.9 million mt of alumina, potential for expansions up to 7.4 million mt

Hydro power developments, Norway



- Development potential
 0.5 1 TWh
- Utilizing existing concession areas and infrastructure



Aiming for the next leap in primary technology







HAL 300

- 13.3 kWh/kg
- 1.6 tonne CO2/tonne aluminium
- · Low diffuse emissions

HAL4e

- 12.8 kWh/kg
- 1.5 tonne CO2/tonne aluminium
- Benchmark GHG
- Prepared for CO2 concentration

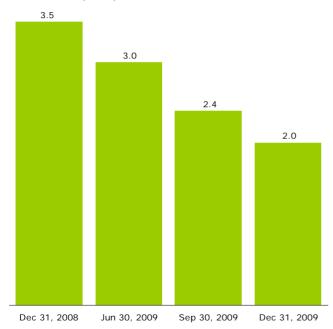
Future technology vision

- Significantly lower kWh/kg
- 0 tonne CO2/tonne aluminium
- Simpler CO2 capture
- New materials and cell design



Financial position

Net cash / (debt) in NOK billion



- Net cash of NOK 2.0 billion end-2009
- Net pension liability after tax included in adjusted debt reduced by NOK 4.0 billion due to updated actuarial assumptions

NOK billion	Dec 31, 2008	Jun 30, 2009	Sep 30, 2009	Dec 31, 2009
Net cash / (debt)	3.5	3.0	2.4	2.0
Net intbearing debt in equity accounted invest.	(4.9)	(8.4)	(7.8)	(8.0)
Other adjustments*	(14.0)	(13.8)	(13.6)	(9.5)
Adj. net interest- bearing debt	(15.4)	(19.2)	(19.0)	(15.5)

^{*} Net pension liability, operating lease commitments and other





