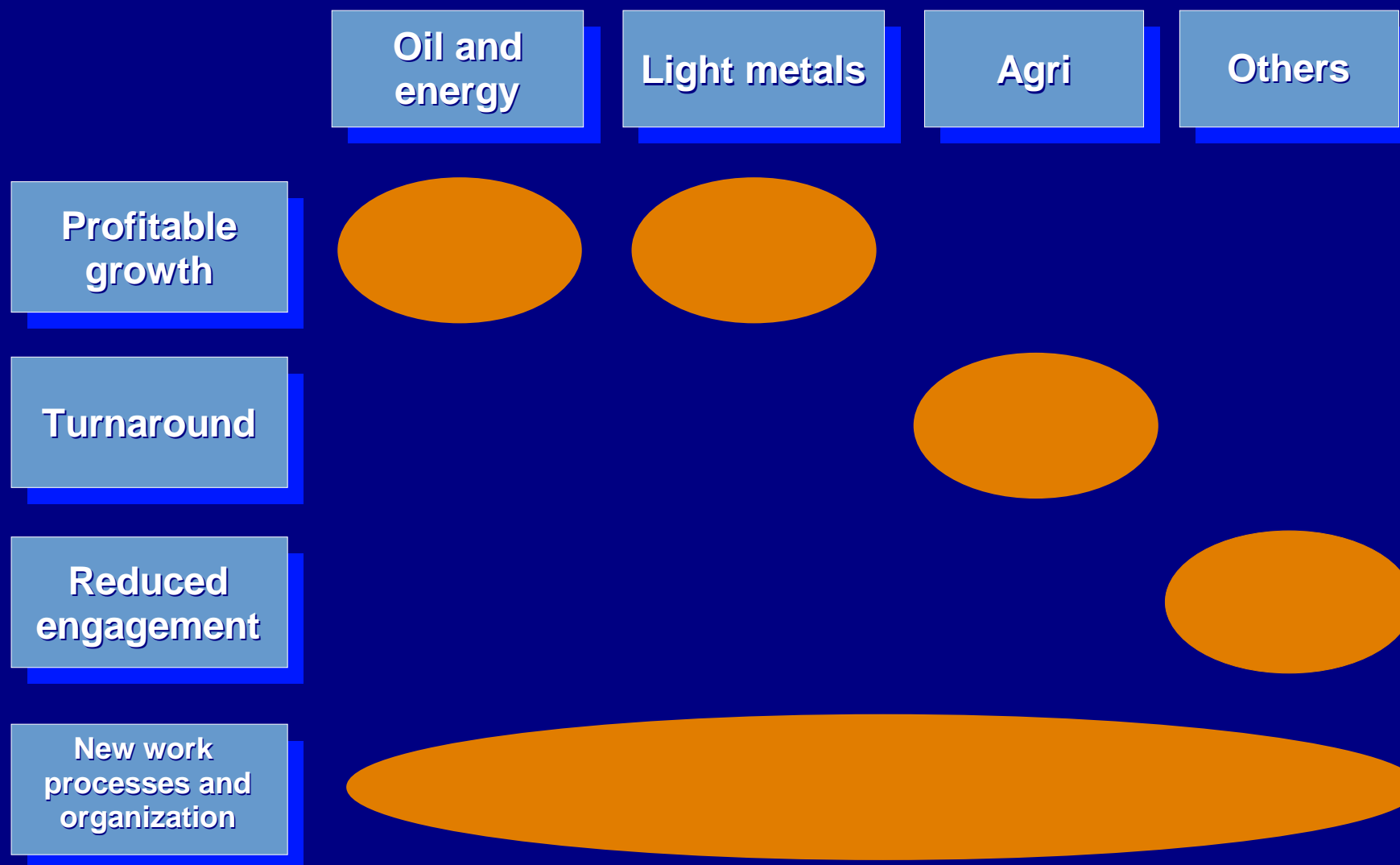


Capital Markets Day



President and CEO Egil Myklebust
December 14, 2000

Focused strategy for value creation



Growth areas:

Attractive acquisitions and organic growth

- ✓ **Saga Petroleum - successful merger**
 - ▶ Strong volume-increase in period of high oil prices
 - ▶ Significant synergies realized

- ✓ **Aluminium - securing positions for new growth**
 - ▶ Improved alumina position - Alunorte
 - ▶ Extrusion expansion in North America

- ✓ **Growth through profitable new projects**
 - ▶ Oil and gas projects in Norway
 - ▶ International oil and gas projects - Angola, Canada, Iran, Russia
 - ▶ Aluminium expansion - Sunndal, Alunorte, remelt, automotive



Agri turnaround creates significant value

- ✓ Capacity cuts improve market balance in Europe
- ✓ Fixed costs reduced by NOK 1.4 billion from 1998-level
- ✓ Turnaround process helped by being part of Hydro
 - Financial strength gave market strategy credibility
 - Ability to draw on Hydro management resources and general competence
- ✓ Turnaround mode also in 2001 with ambitious future targets



Well timed divestments

- ✓ Total divestments of NOK 14 billion in 1999 and 2000
- ✓ Main transactions:
 - ▶ Pronova Biopolymers
 - ▶ Shareholding in Dyno
 - ▶ UK oil and gas assets
 - ▶ Hydro Seafood
- ✓ Petrochemical - process towards new ownership structure continues
- ✓ Additional divestments under evaluation

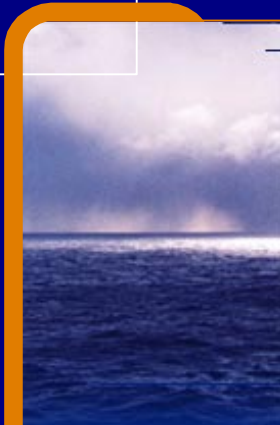


Adding value through new tools and processes

- ✓ **Value Based Management concept implemented**
 - Improved planning processes and target setting
 - More active portfolio management
 - Improved performance management

- ✓ **New organizational measures to improve returns**
 - Hydro Business Partner - improved shared services
 - Hydro Supply Network - more cost effective procurement

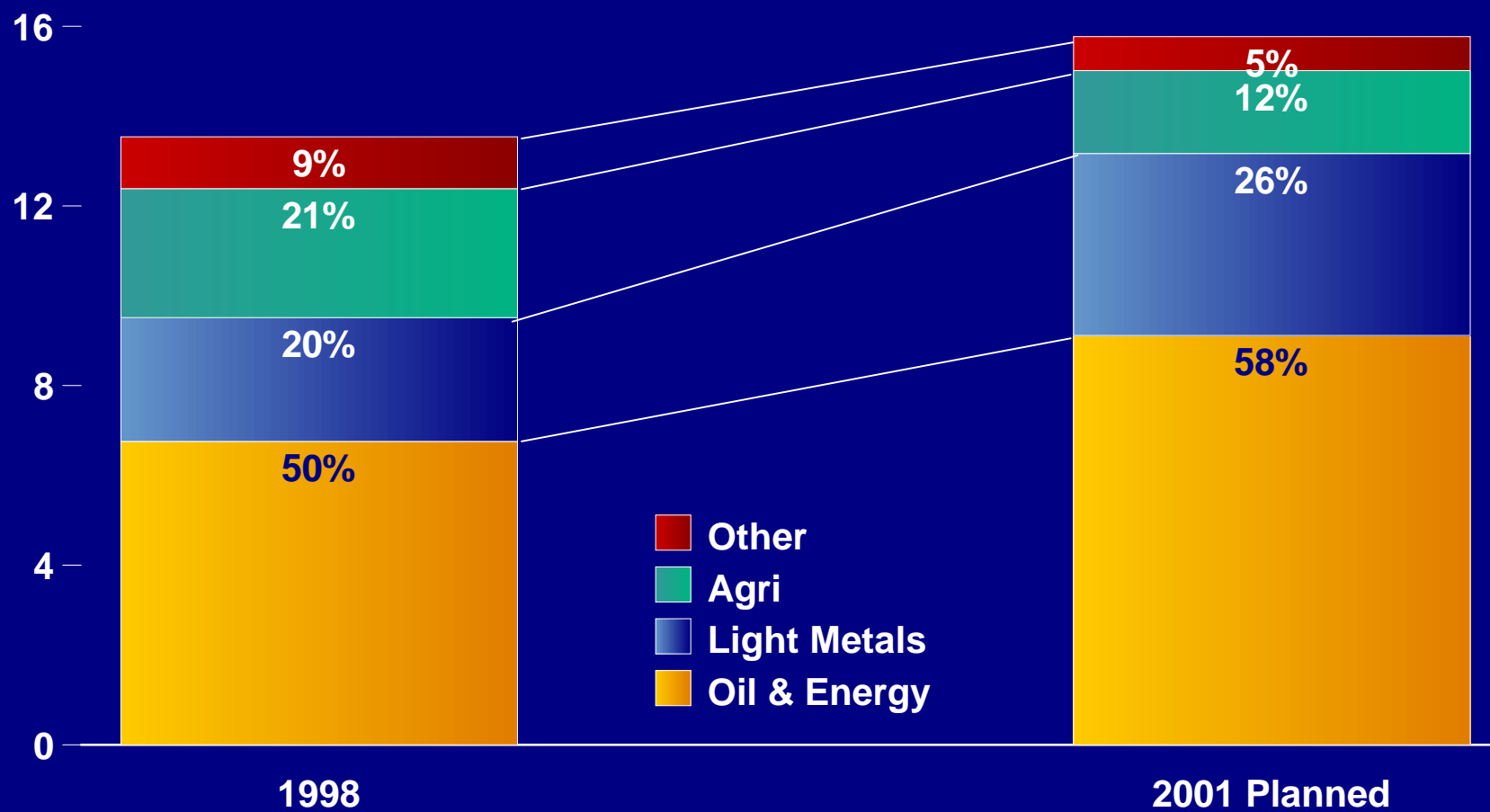
- ✓ **Improved management development programs**



Capital allocated to growth areas

Capital expenditures by business area

BNOK



Financial results up to a new level

Cash flow per share

NOK

80,0 –

70,0 –

60,0 –

50,0 –

40,0 –

30,0 –

20,0 –

10,0 –

0,0

1995

1996

1997

1998

1999

YTD Q3
1999

YTD Q3
2000

61,5

57,4

54,4

49,3

58,3

40,0

72,4



Sustainable business development



"Sustainability companies not only manage the standard economic factors affecting their businesses but the environmental and social factors as well.

There is mounting evidence that their financial performance is superior to that of companies that do not adequately, correctly and optimally manage these important factors"

*The Dow Jones'
Sustainability
Group Index*



Main conclusions

- ✓ 1999 strategy remains firm
- ✓ Established goals must be achieved at all levels, including corporate CROGI targets
- ✓ All business units must meet performance demands in order to secure a future as part of Hydro's business portfolio



Safe harbour statement

Certain statements in this presentation are or may constitute “forward-looking” statements within the meaning of the Private Securities Litigation Reform Act of 1995. Statements that are not in the nature of historical facts may be deemed to be forward-looking statements and may contain identifying words such as “believes,” “anticipates,” “plans,” “expects” and similar expressions. These forward looking statements are based on Hydro’s current expectations, assumptions, estimates and projections about the company and the industries in which it engages in business. All forward-looking statements involve risks and uncertainties. For a detailed description of factors that could cause Hydro’s actual results to differ materially from those expressed in or implied by such statements, please refer to its annual report on Form 20-F for the year-ended December 31, 1999 and subsequent filings on Form 6-K with the U.S. Securities and Exchange Commission.

