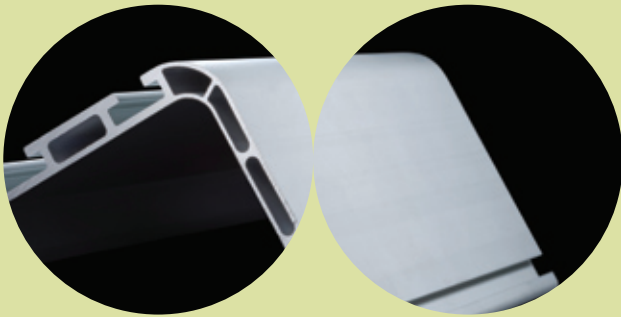


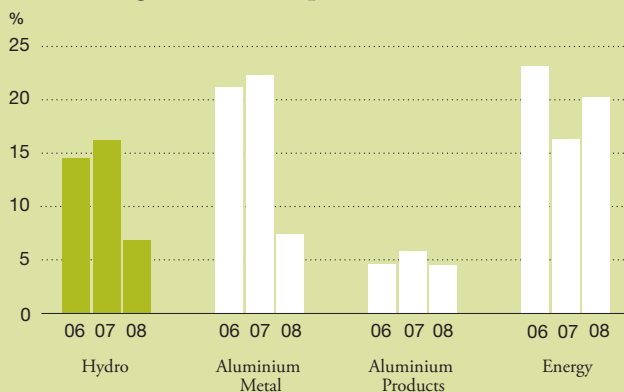
03:
*Financial and
 operating performance*



Underlying EBIT

| NOK million | 2008 | 2007 |
|----------------------------|--------------|---------------|
| Aluminium Metal | 3,575 | 8,265 |
| Aluminium Products | 988 | 1,353 |
| Energy | 1,736 | 1,184 |
| Corporate and Eliminations | (290) | (647) |
| Total | 6,009 | 10,153 |

Underlying return on capital



FINANCIAL AND OPERATING REVIEW P.36

SUMMARY OF FINANCIAL AND OPERATING RESULTS P.36
 ALUMINIUM METAL P.38
 ALUMINIUM PRODUCTS P.43
 ENERGY P.47
 CORPORATE, OTHER AND ELIMINATIONS P.49
 ITEMS EXCLUDED FROM UNDERLYING EBIT AND
 INCOME FROM CONTINUING OPERATIONS P.49
 FINANCIAL INCOME (EXPENSE) NET P.52
 INCOME TAX EXPENSE P.53
 DISCONTINUED OPERATIONS P.53
 NET INCOME AND DIVIDEND P.53

LIQUIDITY AND CAPITAL RESOURCES P.54

ADDITIONAL INFORMATION P.57

QUICK OVERVIEW

Underlying EBIT declined to NOK 6,009 million, down from the solid result achieved in 2007 of NOK 10,153 million. Higher raw material costs affecting the entire industry had a substantial impact on Hydro's underlying results in addition to the substantial downturn in the fourth quarter. Underlying results were also impacted by inventory write-downs of about NOK 700 million due to the sharp drop in aluminium prices.

We delivered a total of 2.9 million mt of casthouse products to internal and external customers from casthouses which are integrated with our primary aluminium plants and specialized remelt facilities close to our customers in Europe and the US.

In 2008, we shipped approximately one million mt of rolled products from our seven European plants and our Malaysian plant. Our network of extrusion plants delivered 488,000 mt of extruded products while our automotive business sold around 105,000 mt during 2008.

Our Energy business produced nearly 11.4 TWh of renewable hydroelectric power – the highest recorded production in our history.

FINANCIAL AND OPERATING REVIEW

Summary of financial and operating results

To provide a better understanding of Hydro's underlying performance, the following discussion of operating performance excludes certain items from EBIT (earnings before financial items and tax) and income from continuing operations, such

as unrealized gains and losses on derivatives, impairment and rationalization charges, effects of disposals of businesses and operating assets, as well as other items that are of a special nature or are not expected to be incurred on an ongoing basis. See section later in this report "Items excluded from underlying EBIT and income from operations" for more information on these items.

Key financial information

| NOK million, except per share data | 2008 | 2007 | % change prior year |
|--|----------|--------|---------------------|
| Revenue | 88,643 | 94,316 | (6)% |
| Earnings before financial items and tax (EBIT) | 1,194 | 9,025 | (87)% |
| Items excluded from underlying EBIT ¹⁾ | 4,815 | 1,128 | |
| Underlying earnings before financial items and tax (EBIT) | 6,009 | 10,153 | (41)% |
| Underlying earnings before financial items and tax (EBIT) : | | | |
| Aluminium Metal | 3,575 | 8,265 | (57)% |
| Aluminium Products | 988 | 1,352 | (27)% |
| Energy | 1,736 | 1,184 | 47% |
| Corporate, other and eliminations | (290) | (647) | 55% |
| Underlying earnings before financial items and tax (EBIT) | 6,009 | 10,153 | (41)% |
| Income (loss) from continuing operations | (3,267) | 9,158 | >(100)% |
| Underlying income (loss) from continuing operations | 3,579 | 8,057 | (56)% |
| Earnings per share from continuing operations ²⁾ | (3.04) | 7.17 | >(100)% |
| Underlying earnings per share from continuing operations ²⁾ | 2.62 | 6.26 | (58)% |
| Financial data: | | | |
| Investments | 9,012 | 5,206 | 73% |
| Adjusted net interest-bearing debt ³⁾ | (15,440) | (842) | >(100)% |

1) See section later in this report "Items excluded from underlying EBIT and income from continuing operations" for more information on these items.

2) Earnings per share from continuing operations" and "Underlying earnings per share from continuing operations" are calculated using Income from continuing operations and Underlying income from continuing operations less Net income attributable to minority interests, and using the weighted average number of ordinary shares outstanding. There were no diluting elements.

3) Calculation is based on amounts as of the end of the periods presented. See note 35 Capital Management in Hydro's Financial statements.

Underlying EBIT declined to NOK 6,009 million, down from the solid result achieved in 2007 of NOK 10,153 million. Higher raw material costs affecting the entire industry had a substantial impact on Hydro's underlying results in addition to the substantial downturn in the fourth quarter. Underlying results were also impacted by inventory write-downs of about NOK 700 million due to the sharp drop in aluminium prices.

Reported EBIT and Income from continuing operations

Reported EBIT for Hydro amounted to NOK 1,194 million for the year, compared with NOK 9,025 million in 2007. Reported EBIT included charges of roughly NOK 2.5 billion, comprised of impairment losses of NOK 2,150 million due to the deteriorating market conditions and write-downs of roughly NOK 300

million relating to our minority interests in solar businesses reflecting lower market values for solar companies. Reported EBIT also included about NOK 2,200 million and NOK 920 million for 2008 and 2007 respectively, from unrealized derivative effects relating to LME, power contracts and currency contracts. The magnitude of these recurring effects depends on changes in market values which can be significant. The remainder of items excluded from underlying EBIT is comprised mainly of gains/losses on divestments and other cost and charges that are typically non-recurring for individual plants or opera-

tions. These items amounted to a net charge NOK 148 million and NOK 62 million for 2008 and 2007 respectively.

Reported Income from continuing operations amounted to a loss of NOK 3,267 million for the year including net foreign exchange losses of NOK 5.5 billion. Approximately 60 percent of the losses related to US dollars and mainly to Hydro's US dollar hedging program. The remainder related primarily to losses on intercompany balances denominated in Euro. The Euro losses have no cash effect and are offset in equity by translation of the corresponding subsidiaries during consolidation.

Financial and operating statistics ¹⁾

| | 2008 | 2007 | % change prior year |
|--|--------|--------|------------------------|
| Realized aluminium price LME (USD/mt) ²⁾ | 2,638 | 2,561 | 3% |
| Realized aluminium price LME (NOK/mt) ²⁾ | 14,724 | 15,521 | (5)% |
| Primary aluminium production (kmt) | 1,750 | 1,742 | - |
| Total metal products sales excluding ingot trading (kmt) ³⁾ | 2,923 | 3,203 | (9)% |
| Rolled Products sales volumes to external market (kmt) | 965 | 1,030 | (6)% |
| Extrusion sales volumes to external market (kmt) | 488 | 508 | (4)% |
| Automotive sales volumes to external market (kmt) ⁴⁾ | 105 | 117 | (10)% |
| Power production (GWh) | 11,361 | 11,018 | 3% |

1) Operating statistics includes proportionate share of production and prices in equity accounted investments.

2) Including the effect of strategic hedges (hedge accounting applied). In the fourth quarter of 2008, Hydro changed its definition of realized prices to be determined when products are shipped and invoiced to customers. Previously, realized prices were determined as liquid metal is transferred from electrolysis to casthouses for further processing. This price mainly reflected the prevailing three month forward LME aluminium price three months prior to production. The casting process results in about an additional three week time lag before metal is finally shipped and invoiced to customers. Prior periods in this report have been restated to reflect the change in definition.

3) Excluding Svalco sales to local market in 2007.

4) Excluding divested businesses Castings, Magnesium and Worchester.

Aluminium Metal

In 2008, Aluminium Metal generated NOK 55 billion in operating revenues by around 5,300 employees located in 19 countries. Production of primary metal amounted to 1.75 million mt during the year at plants located in Australia, Canada, Germany, Norway and Slovakia. We delivered a total of 2.9 million mt of casthouse products to internal and external customers from casthouses which are integrated with our primary aluminium plants and specialized remelt facilities close to our customers in Europe and the US. Deliveries included about 1.7 million mt of extrusion ingot, 0.6 million mt of sheet ingot and 0.4 million mt of wire rod and foundry alloys. We also sold about 0.2 million mt of standard ingots. Our total deliveries of casthouse products included 0.9 million mt of remelted and recycled metal and 0.2 million mt of third party metal. Our sourcing and trading operations generated a transaction volume of about 1.0 million mt of standard ingots for the year and roughly 4 million mt of alumina.

Aluminium Products

Our Aluminium Products business generated operating revenues of approximately NOK 48 billion from the sale of alu-

minium products during 2008, employing around 16,000 employees in 33 countries. In 2008, we shipped approximately one million mt of rolled products from our seven European plants and our Malaysian plant. Our network of extrusion plants (including Building Systems) delivered 488,000 mt of extruded products while our automotive business sold around 105,000 mt during 2008. About 70 percent of our total extrusion revenues in 2008 came from our general extrusion businesses and 30 percent came from our building systems operations.

Energy

In 2008, our Energy business generated about NOK 7.9 billion in revenues, employing around 230 people, mainly in Norway. In 2008, we produced nearly 11.4 TWh of renewable hydroelectric power – the highest recorded production in our history.

During the first half of 2008 prices increased significantly in a volatile market from USD 2,410 per mt at the beginning of the year reaching the peak at USD 3,341 per mt in July. Prices were partly driven by a tight supply/demand balance due to a fragile energy situation in important producing regions and also from trading activities by financial investors.

Aluminium Metal

Earnings before financial items and tax (EBIT)

| | 2008 | 2007 | % change prior year |
|-------------------------------------|--------|--------|------------------------|
| Operating revenues | 54,697 | 61,592 | (11)% |
| Aluminium Metal EBIT | 2,151 | 8,365 | (74)% |
| Items excluded from underlying EBIT | 1,424 | (100) | |
| Aluminium Metal underlying EBIT | 3,575 | 8,265 | (57)% |
| Bauxite and Alumina | 334 | 681 | (51)% |
| Primary Aluminium | 2,666 | 6,552 | (59)% |
| Commercial | 435 | 946 | (54)% |
| Other and eliminations | 140 | 84 | 66% |
| Aluminium Metal underlying EBIT | 3,575 | 8,265 | (57)% |
| Underlying RoaCE | 7.4% | 22.3% | na |
| Number of employees | 5,311 | 4,961 | na |

Operating and financial statistics

| | 2008 | 2007 | % change prior year |
|--|-------|-------|------------------------|
| Realized premium above LME (USD/mt) ^{1) 2)} | 339 | 343 | (1)% |
| Realized premium above LME (NOK/mt) ^{1) 2)} | 1,912 | 2,037 | (6)% |

1) Includes proportionate share of premiums in equity accounted investments.

2) Average realized margin above LME for total metal products sold from Primary Aluminium and Commercial, excluding ingot trading volumes.

Market conditions

Market statistics³⁾

| | 2008 | 2007 | % change prior year |
|---|--------|--------|------------------------|
| LME three month average (USD/mt) | 2,620 | 2,662 | (2)% |
| LME three month average (NOK/mt) | 14,446 | 15,638 | (8)% |
| Global production of primary aluminium (kmt) | 39,823 | 38,112 | 5% |
| Global consumption of primary aluminium (kmt) | 37,665 | 37,838 | - |
| Reported primary aluminium inventories (kmt) | 4,564 | 2,804 | 63% |

3) Industry statistics have been derived from analyst reports, trade associations and other public sources unless otherwise indicated. Amounts presented in prior reports may have been restated based on updated information.

The severe downturn in the global economy that started in the second half of 2008 led to a sharp decline in demand and prices for aluminium. The decline from the high LME price levels experienced in the beginning of the third quarter of 2008 was of a magnitude which is unprecedented in the history of the aluminium industry with the LME three month price reaching a low of USD 1,464 per mt in December before closing the year at USD 1,497 per mt.

By year-end prices reached a level that was lower than the cash-cost for a majority of the aluminium industry's smelter capacity. In response, announced smelter curtailments excluding China reached a global level of around 1.5 million mt per year as of the end of 2008. As conditions deteriorated in early 2009, announced capacity curtailments increased to 3.2 million mt annually on a global basis excluding China. Estimates of Chinese curtailments are in the magnitude of 3.5 million mt per year.

Chinese aluminium production has experienced a relatively sharper slowdown than the rest of the world partly due to the higher operating cost levels for Chinese producers. Production in China amounted to about 950,000 mt in December or roughly 11.1 million mt on an annualized basis. This was substantially lower than annualized production of 14.3 million mt reached earlier in 2008. As a result of the relatively high supply curtailment in China and the purchases of aluminium by the Chinese authorities, prices declined less severely on the Shanghai futures exchange (SHFE) and aluminium on the SHFE traded at a premium to the LME price toward the end of 2008. For 2008, demand for primary aluminium in China increased 4 percent compared with 2007. Consumption in the fourth quarter declined 17 percent compared with the fourth quarter of 2007. The Chinese authorities have discouraged the export of energy in the form of primary aluminium through the imposition of export duties. Fiscal measures make China a self-contained market for primary metal. As a result, the market balance for primary aluminium in China is not expected to have a significant impact on primary metal markets outside of China.

The market for metal products (extrusion ingot, sheet ingot, foundry alloys and wire rod) in Europe and North America weakened dramatically toward the end of 2008. The automotive markets collapsed leading to a sharp decrease in demand for automotive components and aluminium foundry alloys. In addition, building and construction markets in the US and Europe deteriorated significantly, leading to reduced demand.

Outlook

Since the end of the year, prices have reached the lowest level in more than seven years of USD 1,289 per mt. Aluminium prices are expected to remain low in the medium-term, but there is limited forward visibility and significant uncertainty regarding developments.

The economic downturn has resulted in declining demand for raw materials and smelter input costs are falling. The cost of alumina is normally linked to aluminium prices and therefore price adjustments are relatively quick. Prices for other important raw materials are also declining. Contractual arrangements and time lags in production and logistic processes for some raw materials will result in continued high costs in the early part of 2009 having a negative effect on Hydro's operating results. There are indications that energy prices in Europe and the US, although trending downwards, will remain elevated.

Demand within main aluminium market segments is expected to remain depressed, a situation that could continue throughout the entire year. There is substantial uncertainty regarding the timing of a recovery.

Global primary aluminium consumption excluding China could potentially decline by up to 10 to 15 percent in 2009 from a consumption level of 25 million mt in 2008. Chinese consumption of primary aluminium may fall slightly from the 2008 level of 12.5 million mt.

Major projects and business development

The construction of the Qatalum primary aluminium plant in Qatar was about 60 percent complete by the end of the year. All site preparation work, building foundations, etc. was complete and the main ongoing activity consists of the construction of buildings, storage silos and harbor facilities. Equipment and machinery is in process of being installed in several facilities. By the end of December, there were about 16,300 people working at the site, up from 12,800 at the end of the previous quarter, and expected to increase further in the first quarter of 2009. Activities relating to establishing the operating organization accelerated during the quarter. Total investment costs for the 50/50 joint venture between Qatar Petroleum and Hydro are estimated at USD 5.6 billion of which Hydro's fifty percent share amounts to USD 2.8 billion.

The third expansion of Alunorte was successfully started up in third quarter 2008 and achieved stable production at designed capacity in the fourth quarter. The expansion has increased total annual production capacity to 6.3 million mt (100 percent). The project has been completed slightly ahead of schedule and within budget.

Following a Memorandum of Understanding (MoU) with the Brazilian mining group Vale (formerly CVRD) signed in 2007, Hydro entered into a joint venture agreement to build a new alumina refinery close to the existing Alunorte refinery in Brazil in 2008. The new refinery is planned to be developed in four phases, each with an annual production capacity of 1.85 million mt of alumina. Hydro has a 20 percent interest in the joint venture company.

Revenue and underlying EBIT – sub-segments

BAUXITE AND ALUMINA

Operating and financial statistics – Bauxite and Alumina

| NOK million | 2008 | 2007 | % change prior year |
|---|-------|-------|---------------------|
| Operating revenues | 4,411 | 4,176 | 6% |
| Underlying earnings before financial items and tax (EBIT) | 334 | 681 | (51)% |
| Underlying results – Alunorte ¹⁾ | 446 | 524 | (15)% |
| Underlying results – Alpart ¹⁾ | (102) | 150 | >(100)% |
| Number of employees | 10 | 21 | na |
| Alumina production (kmt) ²⁾ | 2,289 | 2,007 | 14% |

1) Underlying results for Alunorte and Alpart represent Hydro's share of the underlying profit (loss) for these equity accounted investments.

2) Includes proportionate share of production in equity accounted investments.

OPERATING REVENUES

Operating revenues increased in 2008 for our Bauxite and Alumina business mainly due to higher production volumes from Alunorte following the successful start-up of the third expansion of the plant in third quarter of 2008.

UNDERLYING EBIT

Underlying results for Alunorte declined for the year. Positive effects from the higher volumes and higher LME linked alumina prices ³⁾ were more than offset by significantly higher energy prices, local currency effects and higher LME linked

bauxite prices. ⁴⁾ During 2008 Alunorte completed a restructuring of the plants' power facilities with the implementation of additional co-generation of electricity following the start-up of new coal-fired boiler toward the end of 2007. The improved energy mix, together with a sharp drop in oil prices, reduced the plant's energy cost in the final quarter of the year.

Alpart delivered an underlying loss for the year impacted by very high oil prices for much of the year. Energy costs for Alpart declined sharply towards the end of the year but the positive effects were more than offset by lower realized alumina prices due to the falling LME.

3) Alumina prices for Alunorte are adjusted monthly based on the monthly average LME three-month prices, applied with one month delay.

4) Bauxite prices for Alunorte are linked to average LME prices for the past three quarters with an additional one-quarter delay.

PRIMARY ALUMINIUM

Operating and financial statistics – Primary Aluminium ¹⁾

| NOK million | 2008 | 2007 | % change prior year |
|---|---------------|--------|---------------------|
| Operating revenues | 34,147 | 37,164 | (8)% |
| Underlying earnings before financial items and tax (EBIT) | 2,666 | 6,552 | (59)% |
| Number of employees | 4,574 | 4,013 | na |
| Primary aluminium production (kmt) | 1,750 | 1,742 | - |
| Total casthouse production (kmt) | 2,166 | 2,164 | - |
| Realized aluminium price LME (USD/mt) ^{2) 4)} | 2,638 | 2,561 | 3% |
| Realized aluminium price LME (NOK/mt) ^{2) 4)} | 14,724 | 15,521 | (5)% |
| Realized NOK/USD exchange rate ³⁾ | 5.58 | 6.06 | (8)% |

1) Operating and financial statistics includes proportionate share of production, prices and exchange rates in equity accounted investments.

2) Including effect of strategic LME hedges (hedge accounting applied).

3) Including effects of strategic currency hedges (hedge accounting applied).

4) In the fourth quarter of 2008, Hydro changed its definition of realized prices to be determined when products are shipped and invoiced to customers.

Previously, realized prices were determined as liquid metal is transferred from electrolysis to casthouses for further processing. This price mainly reflected the prevailing three month forward LME aluminium price three months prior to production. The casting process results in about an additional three week time lag before metal is finally shipped and invoiced to customers. Prior periods in this report have been restated to reflect the change in definition.

Primary aluminium production (mt) ⁵⁾

| Production (kmt) | Location | Primary aluminium | | Casthouse | |
|------------------------------------|-----------|-------------------|-------|--------------|-------|
| | | 2008 | 2007 | 2008 | 2007 |
| Karmøy | Norway | 291 | 289 | 335 | 356 |
| Årdal ⁶⁾ | Norway | 190 | 205 | 292 | 315 |
| Sunndal | Norway | 376 | 367 | 469 | 456 |
| Høyanger | Norway | 59 | 58 | 85 | 85 |
| Søral (Hydro's 49.9% share) | Norway | 85 | 80 | 92 | 80 |
| Slovalco | Slovakia | 163 | 160 | 187 | 186 |
| Neuss | Germany | 234 | 231 | 353 | 332 |
| Kurri Kurri | Australia | 173 | 173 | 174 | 177 |
| Tomago (12.4% share) | Australia | 65 | 64 | 64 | 63 |
| Alouette (20% share) | Canada | 114 | 115 | 115 | 115 |
| Total production Primary Aluminium | | 1,750 | 1,742 | 2,166 | 2,164 |

5) Production volumes for the part owned companies indicated in the table represent our proportion of total production based on our equity interests. For financial reporting purposes, Søral and Qatalum are accounted for as an equity investment while Tomago and Alouette are consolidated on a proportional basis. Slovalco is fully consolidated in terms of financial results and volumes.

6) Shut down of Søderberg production line completed end of June 2007.

Underlying results for the year 2008 declined significantly, impacted by lower realized prices measured in Norwegian kroner and substantial increases in the cost of power, freight, alloying materials and carbon, in addition to the effect of the inventory write-downs of about NOK 540 million. Lower realized prices measured in Norwegian kroner resulted in a negative impact on underlying results of about NOK 1,330 million. In the first half of 2008, a heated commodity market

resulted in increased variable costs of about NOK 1,240 million compared with 2007. Carbon costs rose sharply mainly due to a strong increase in the price of petroleum coke. Power costs rose due to indexation to various commodity prices in different power contracts. Other cost increases also had a negative impact on underlying results for the year.

Production of primary metal was strong and stable during the year and several of our smelters achieved record levels. Vol-

ume from our casthouses declined in the second half of the year due to the substantial fall in market demand.

Underlying results for our partly owned Søral metal plant amounted to NOK 138 million for the year compared with

NOK 229 million in 2007. In addition, underlying results from our share of profit (loss) in equity accounted investments included about NOK 127 million of costs relating to the Qatalum project compared with NOK 45 million in 2007.

COMMERCIAL

Operating and financial statistics – Commercial

| NOK million | 2008 | 2007 | % change prior year |
|--|---------------|--------|---------------------|
| Operating revenues | 58,334 | 64,898 | (10)% |
| Underlying earnings before financial items and tax (EBIT) | 435 | 946 | (54)% |
| Underlying EBIT – Commercial products | 229 | 414 | (45)% |
| Underlying EBIT – Sourcing and Trading | 199 | 633 | (69)% |
| Number of employees | 652 | 892 | na |
| Remelt production (kmt) | 505 | 685 | (26)% |
| Sale of metal products from own production (kmt) ^{1) 2)} | 2,716 | 2,888 | (6)% |
| Sale of third-party metal products (kmt) | 207 | 315 | (34)% |
| Total metal products sales excluding ingot trading (kmt) ¹⁾ | 2,923 | 3,203 | (9)% |
| External sales (kmt) ¹⁾ | 1,744 | 1,858 | (6)% |
| External revenue | 35,244 | 37,952 | (7)% |
| Product sales ³⁾ | 25,505 | 29,090 | (12)% |

1) Excluding Slovalco sales to local market in 2007.

2) Including sales of liquid metal directly to Karmøy Rolling Mill.

3) External sales revenue for our Commercial operations including revenues from our casthouse production, remelters, high purity aluminium business and contracts with external metal sources. Excludes results from our aluminium trading and hedging activities and commercial operations to optimize our physical alumina portfolio on a short and medium term basis.

Remelt production (kmt)

| | Location | 2008 | 2007 |
|------------------------------------|----------------|------------|------|
| Europe | | | |
| Clervaux | Luxembourg | 100 | 111 |
| Deeside | United Kingdom | 49 | 55 |
| Rackwitz | Germany | 62 | 65 |
| Hannover | Germany | 14 | 21 |
| Luce | France | 48 | 50 |
| Azuqueca | Spain | 63 | 66 |
| US | | | |
| Ellenville ⁴⁾ | New York | - | 33 |
| St. Augustine ⁵⁾ | Florida | - | 36 |
| Henderson | Kentucky | 72 | 81 |
| Monett ⁵⁾ | Missourri | - | 53 |
| Commerce | Texas | 95 | 81 |
| Phoenix ⁵⁾ | Arizona | - | 33 |
| Total remelt production Commercial | | 505 | 685 |

4) Shut down of plant completed end of October 2007.

5) Transferred to Aluminium Products 2007.

OPERATING REVENUES

Operating revenues declined during the year following the market decline which began in the third quarter and accelerated in the final quarter of the year.

UNDERLYING EBIT

Our European remelt operations delivered an improved performance for the first nine months of 2008, but reduced production substantially in the fourth quarter in response to deteriorating market conditions. Underlying results for our North American remelters continued to be weak, with underlying losses of NOK 97 million compared to losses of NOK 193 million in the previous year. The operating performance of our North American operations also improved during the year

but results were heavily impacted by the sharp market decline in the final quarter.

Remelt production volumes declined by 26 percent compared with 2007 including the effect of the closure of the Ellenville remelter in the US at end of 2007 and the transfer of three US remelters to our Aluminium Products business area. Excluding these effects, volumes declined by about 5 percent due to the sharp market decline in Europe in fourth quarter and overall low production levels in our remaining North American remelters.

Underlying results for our sourcing and trading activities declined for the year due the market development in second half of the year.

In market situations where forward prices are, or could become, lower than spot prices (backwardation) our operational hedge program and our aluminium trading activities expose us to potential losses as short positions mature and are replaced with new forward contracts. As a result, we have risk mitigation strategies in place that result in unrealized and realized gains and losses due to changes in market prices. Underlying results our Commercial operations included net positive effects from these strategies of NOK 28 million for 2008, compared with net negative effects of NOK 144 million for 2007.

Aluminium Products

Earnings before financial items and tax (EBIT)

| NOK million | 2008 | 2007 | % change prior year |
|-------------------------------------|----------------|--------|---------------------|
| Operating revenues | 48,180 | 51,399 | (6)% |
| Aluminium Products EBIT | (1,450) | 1,098 | >(100)% |
| Items excluded from underlying EBIT | 2,438 | 254 | |
| Aluminium Products underlying EBIT | 988 | 1,352 | (27)% |
| Rolled Products | 652 | 562 | 16% |
| Extrusion | 668 | 852 | (22)% |
| Automotive | (326) | (67) | >(100)% |
| Other and eliminations | (6) | 5 | >(100)% |
| Aluminium Products underlying EBIT | 988 | 1,352 | (27)% |
| Underlying RoaCE | 4.5% | 5.8% | na |
| Number of employees | 15,941 | 15,872 | na |

Market conditions

Market statistics ¹⁾

| Total market consumption (kmt) | 2008 | 2007 | % change prior year |
|----------------------------------|-------|-------|---------------------|
| Rolled products – Europe | 3,957 | 3,943 | - |
| Rolled products – USA & Canada | 4,360 | 4,741 | (8)% |
| Extruded products – Europe | 2,635 | 2,884 | (9)% |
| Extruded products – USA & Canada | 1,489 | 1,699 | (12)% |

1) Industry statistics have been derived from analyst reports, trade associations and other public sources unless otherwise indicated. Amounts presented in prior reports may have been restated based on updated information.

The severe downturn in the global economy had a significant impact on demand in downstream aluminium markets during the last quarter of 2008. Demand for flat rolled products weakened across most market segments in Europe and declined further from already low levels in the US. In particular, the construction and transportation market segments weakened further.

Total consumption of extruded aluminium products in Europe declined for the year due to the significant fall in demand in the final quarter. The market deterioration impacted nearly all market segments, and in particular southern Europe. Demand in northern Europe held up somewhat better with the exception of a very weak transportation market.

The market for extruded aluminium products in North America reflected the continued weak economy impacting most market segments, with the largest declines in the building and construction industry. Demand in the US market has been declining for ten consecutive quarters, and is now back to levels experienced in the early nineties. In South America, demand held up fairly well in Brazil driven by robust building and construction activities and continued strength in the transportation and industrial sectors. However, Argentina experienced lower growth, as the economy weakened.

In the second half of 2008 the automotive industry experienced the most significant contraction in demand since it was formed. The automotive market in Europe declined significantly during the fourth quarter of 2008 where most OEMs prolonged holiday shut-downs to reduce capacity and car production. The North American market was heavily influenced by the weak economy. Demand in Asia and South America continued growing but at a slower pace.

Outlook

Market demand for flat rolled products in Europe is expected to continue declining during the coming months, driven by lower demand from most markets and in particular the automotive and engineering market segments. The stronger US

dollar is expected to reduce pressure on margins from potential US exports to Europe. However, we expect increasing margin pressure as producers are forced to reduce capacity utilization as a result of weakening demand. Cost pressure, mainly driven by energy and raw material prices, is expected to ease due to the negative economic developments and lower oil prices. However, developments are uncertain and volatility in the commodity markets will impact cost levels going forward.

The overall outlook for the European extrusion market is weak with lower demand across most market segments, in particular the automotive and transportation segments. Demand in the Northern regions is stronger than southern Europe. The negative market outlook is expected to result in increased pressure on margins. In the US, extrusion markets are expected to remain severely depressed, with no signs of recovery. South American markets are expected to experience continued growth, but at a lower pace.

Demand in the North American automotive market shows no signs of recovering from the very low levels of previous quarters. Automotive demand in Asia and South America show signs of weakening from the robust levels experienced previously.

The deepening global economic crisis is resulting in significant market uncertainty, in particular the capital intensive transport and building markets. We also expect the ongoing turmoil in the credit markets to continue to heavily impact developments in these markets.

Major projects and business development

In April Hydro acquired Expral s.a, a privately owned extrusion operation located near Madrid. Expral mainly supplies the industrial applications market and the building industry. In July Hydro acquired Alumafel, a privately owned building systems company in Spain with the majority of its assets located in the northern regions. Alumafel provides Hydro with a stronger market presence and opportunities to further develop the Iberian market.

Revenue and underlying EBIT – sub-segments

ROLLED PRODUCTS

Operating and financial statistics – Rolled Products

| NOK million | 2008 | 2007 | % change prior year |
|---|--------|--------|---------------------|
| Operating revenues | 23,865 | 25,327 | (6)% |
| Underlying earnings before financial items and tax (EBIT) | 652 | 562 | 16% |
| Number of employees | 4,132 | 4,159 | na |
| Sales volumes to external market (kmt) | 965 | 1,030 | (6)% |

Rolled Products sales volume

| Tonnes to external market (kmt) | 2008 | 2007 |
|--|------|-------|
| Foil | 142 | 150 |
| Lithography | 170 | 167 |
| Packaging and building | 262 | 269 |
| Automotive, heat-exchanger and general Engineering | 391 | 444 |
| Total | 965 | 1,030 |

Rolled Products production sites

| Sales volume (kmt) | Location | 2008 | 2007 |
|--------------------------------------|----------|------|-------|
| AluNorf/Grevenbroich (50/100% share) | Germany | 576 | 594 |
| Hamburg | Germany | 144 | 152 |
| Slim | Italy | 64 | 86 |
| Inasa | Spain | 21 | 24 |
| AISB (81% share) | Malaysia | 17 | 17 |
| Karmøy | Norway | 62 | 70 |
| Holmestrand | Norway | 82 | 89 |
| Total, excluding internal sales | | 966 | 1,030 |

OPERATING REVENUES

Operating revenues for our Rolled products business decreased in 2008, compared to 2007 due to lower volumes and LME prices. Overall shipments decreased by about 6 percent compared to 2007 mainly driven by the weaker markets toward the end of the year, in particular with the automotive, heat-exchanger and general engineering market segment.

UNDERLYING EBIT

Underlying result for our Rolled products business improved for the year due to increased margins more than offsetting the decline in volumes. Currency effects due to a stronger Euro versus the US dollar had a negative impact on margins achieved for our US dollar sales of around NOK 100 million. Approximately 20 percent of our total sales volume is sold in dollar denominated markets.

EXTRUSION

Operating and financial statistics – Extrusion

| NOK million | 2008 | 2007 | % change prior year |
|---|--------|--------|---------------------|
| Operating revenues | 20,379 | 20,421 | - |
| Underlying earnings before financial items and tax (EBIT) | 668 | 852 | (22)% |
| Number of employees | 8,915 | 8,705 | na |
| Sales volumes to external market (kmt) | 488 | 508 | (4)% |

Extrusion sales volume per market segment 2008

| Tonnes to external market (kmt) | Extrusion Eurasia | Extrusion Americas | Building Systems |
|---------------------------------|-------------------|--------------------|------------------|
| Domestic & office equipment | 29 | 15 | - |
| Building & construction | 136 | 36 | 85 |
| General Engineering | 38 | 9 | - |
| Electrical | 28 | 11 | - |
| Transport | 40 | 20 | - |
| Other | 30 | 11 | - |
| Total | 301 | 102 | 85 |

Extrusion sales volume 2008

| Tonnes to external market (kmt) | 2008 | 2007 |
|---------------------------------|------|------|
| Extrusion Eurasia | 301 | 308 |
| Extrusion Americas | 102 | 118 |
| Building Systems | 85 | 82 |
| Total | 488 | 508 |

OPERATING REVENUES

Operating revenues for our Extrusion business were stable in 2008 compared to 2007. Operating revenues relating to our acquisitions in Spain offset declines due to lower LME prices and lower volumes. Volumes declined by 4 percent for the year mainly due to a substantial decline for our US operations of 14 percent.

UNDERLYING EBIT

Underlying results declined for our Extrusion business for 2008 compared to the previous year. Our European extruders outperformed a general market decline with continued high margins

and stable volumes compared to the first nine months of 2008, but the volume decline from the weaker market in the final quarter more than offset the positive developments. Volumes for our Building systems business were down, but higher margins partly offset the negative effects. Underlying results for our US operations also improved from 2007 during the first nine months, driven by significant cost reductions from efforts to align our overall cost structure with the sharp decline experienced during the last two years in the US market. But the market turbulence in the final quarter of 2008 more than offset the positive developments. Underlying results for our South American operations improved for the year when compared to 2007.

AUTOMOTIVE

Operating and financial statistics – Automotive

| NOK million | 2008 | 2007 | % change prior year |
|---|--------------|-------|---------------------|
| Operating revenues | 4,728 | 6,506 | (27)% |
| Underlying earnings before financial items and tax (EBIT) | (326) | (67) | >(100)% |
| Number of employees | 2,640 | 2,860 | na |
| Sales volumes to external market (kmt): ¹⁾ | | | |
| Precision Tubing | 68 | 73 | (7)% |
| Structures | 37 | 44 | (16)% |
| Automotive | 105 | 117 | (10)% |

1) Excluding divested businesses Castings, Magnesium and Worcester.

OPERATING REVENUES

Operating revenues for our Automotive business declined in 2008 due to significantly lower volumes and declining margins. 2007 operating revenues included about NOK 1,300 million relating to divested businesses.

related to start-up activities for new product lines in our automotive structures business as well as costs for reducing capacity to align our operations to current market conditions. Underlying results for 2007 included profits from divested activities of around NOK 40 million.

UNDERLYING EBIT

Significantly lower volumes also impacted underlying results for 2008 compared to the previous year in addition to costs

Energy

Earnings before financial items and tax (EBIT)

| NOK million | 2008 | 2007 | % change prior year |
|-------------------------------------|--------------|-------|---------------------|
| Operating revenues | 7,915 | 6,468 | 22% |
| Energy EBIT | 1,471 | 1,303 | 13% |
| Items excluded from underlying EBIT | 265 | (119) | |
| Energy underlying EBIT | 1,736 | 1,184 | 47% |
| Underlying RoaCE | 20.2% | 16.3% | na |
| Number of employees | 217 | 221 | na |

Operating and financial statistics

| | 2008 | 2007 | % change prior year |
|---|--------|--------|------------------------|
| Direct production costs (NOK million) ¹⁾ | 462 | 490 | (6)% |
| Power production (GWh) | 11,361 | 11,018 | 3% |
| External sourcing (GWh) ²⁾ | 8,831 | 8,760 | 1% |
| Internal contract sales (GWh) ³⁾ | 13,765 | 14,109 | (2)% |
| External contract sales (GWh) ⁴⁾ | 1,764 | 1,042 | 69% |
| Net spot sales (GWh) ⁵⁾ | 4,663 | 4,629 | 1% |

1) Includes maintenance and operational costs, transmission costs, property taxes and concession fees.

2) Includes long-term sourcing contracts and industrial sourcing in Germany.

3) Internal contract sales in Norway and Germany, including sales from own production and resale of externally sourced volumes.

4) External contract sales, mainly concession power deliveries and volumes to former Hydro businesses.

5) Spot sales volumes net of spot purchases.

Market conditions

Market statistics

| NOK | 2008 | 2007 | % change prior year |
|----------------------------------|------|------|------------------------|
| Southern Norway spot price (NO1) | 324 | 206 | 57% |
| Nordic system spot price | 369 | 224 | 65% |

Nordic electricity prices increased significantly in 2008 compared with 2007. The Nordic system price was 65 percent higher than in 2007, primarily due to higher power prices on the European Continent, higher thermal generation fuel costs and higher CO₂ emission costs, following the implementation of the second phase of the EU greenhouse gas emission allowance trading scheme (ETS) from January 1, 2008. Total power consumption in the Nordic region was 391 TWh in 2008, declining by around 1 percent from 2007.

In Norway, 2008 was characterized by periods with wet hydrological conditions and high reservoir inflows. Total power production amounted to 142 TWh in 2008, up 3 percent from 2007 which was also a year with unusually high hydropower production. Total power consumption in Norway was 129 TWh in 2008, resulting in a net export of nearly 14 TWh. High inflows from snow melting, combined with outages in the major import/export transmission lines, put significant pressure on local spot prices in Southern-Norway during the second and third quarter of 2008. The NO1 spot price in Southern-Norway, where Hydro's main power plants are located, was substantially lower than adjacent price areas, and averaged 23 percent lower than the Mid-Norway price (NO2) and 12 percent lower than the Nordic system price.

Outlook

Nordic power prices have declined during the first weeks of 2009, both in the spot market and for forward contracts traded at the Nord Pool power exchange. High winter consumption of power and lower than normal water reservoir levels in Norway and Sweden are, however, expected to support prices at a fairly high level during the first 3-4 months of 2009. While power prices in the Nordic region will continue to be impacted by local market conditions, including hydrological conditions, price levels going forward are expected to be negatively impacted by the general economic downturn and lower power prices on the European Continent.

Water reservoir levels in Norway were about 65 percent of full capacity in early January 2009, which is 5 percent points lower than normal and 9 percent points lower than the same period in 2008.

The planned recovery of the reduced import/export transmission capacity from Southern Norway has been significantly delayed. The Norwegian system operator, Statnett, does not expect all transmission lines to be fully operational before May 2009. The restrictions in import/export capacities may cause variations between local area prices.

Hydro's power production is expected to remain at a sea-

sonally high level in the first quarter of 2009, but production for the full year 2009 is expected to be significantly lower than in 2008 and 2007. With the current reservoir balance and assuming normal inflows, we expect somewhat lower production volumes in 2009 than the normal production of 9.4 TWh.

Key development activities

Through the investments in partnership companies, Hydro strengthened its platform for industrial development and growth in the solar photovoltaic industry in 2008. In 2008, we invested NOK 612 million in our solar business around NOK 900 million on an accumulated basis.

In February, we participated in a capital expansion of NorSun AS in Norway, increasing our ownership interest to 18.4 percent for NOK 250 million. NorSun AS is engaged in different technologies and parts of the solar value chain, with primary focus on monocrystalline silicon wafers for solar cells. During 2008, construction of the 155 MW ingot and wafering plant in Årdal, Norway was completed and commenced production.

During the year Hydro made a further investment of NOK 237 million in Ascent Solar Technologies Inc. increasing its ownership interest. Hydro now holds 35 percent of the company's outstanding common shares and outstanding class B warrants. Ascent Solar, which is listed on NASDAQ Stock Exchange, is developing flexible thin film photovoltaic modules with plans for larger scale production within the next 1-2 years.

Underlying results of operations

OPERATING REVENUES

Operating revenues for Energy increased compared with 2007 due to higher realized spot prices in Norway and somewhat higher power production.¹⁾

UNDERLYING EBIT

Underlying EBIT for Energy improved by 47 percent compared with 2007. The improvement was mainly caused by significantly higher spot prices, higher power production and somewhat lower operating costs.

Hydro's power production in Norway amounted to nearly 11.4 TWh in 2008, which is the highest recorded volume historically. Due to high reservoir precipitation in 2007 and 2008, power production has been significantly higher than

normal in both years. Net spot sales, which represent net volumes sold and purchased, have been significantly higher than normal due to high reservoir inflows and power production.²⁾

Direct power production costs, which include operations and maintenance, transmission costs, property taxes and concession fees, decreased slightly from 2007. The decrease primarily reflects lower transmission grid tariffs.

Underlying results from our Solar business, including our share of profit/loss in equity accounted investments, amounted to a loss of NOK 130 million compared to a loss of NOK 82 million in 2007. The loss reflects that our partnership companies are in a developing and build-up phase, with only limited production from NorSun AS which commenced production around mid-year.

Corporate, other and eliminations

Underlying EBIT for Corporate, other and eliminations amounted to a negative NOK 290 million in 2008 compared with a negative NOK 647 million in 2007. Underlying EBIT included an elimination of unrealized profits on inventories purchased from group companies amounting to a credit of NOK 375 million in 2008 compared to a charge of NOK 48 million in 2007. 2008 also included charges of NOK 150 million relating to a change in the allocation of corporate overhead costs which was offset by positive adjustments included in underlying EBIT for the business areas, mainly Aluminium Metal (NOK 89 million) and Aluminium Products (NOK 76 million). Net pension and social security costs included in Corporate and eliminations amounted to NOK 222 million for 2008 compared with NOK 326 million in 2007.

Items excluded from underlying EBIT and income from continuing operations

To provide a better understanding of Hydro's underlying performance, the items in the table below have been excluded from EBIT (earnings before financial items and tax) and income from continuing operations.

Items excluded from underlying EBIT are comprised mainly of unrealized gains and losses on certain derivatives, impairment and rationalization charges, effects of disposals of businesses and operating assets, as well as other items that are of a special nature or are not expected to be incurred on an ongoing basis.

1) Operating revenues for Energy is largely a function of hydropower production volumes, electricity market prices for volumes sold in the spot market as well as volumes and prices for internal and external contract sales. In addition, revenues are influenced by unrealised gains/losses for derivative and embedded derivative contracts accounted for mark-to-market. As a result, operating revenues for Energy can vary significantly from quarter to quarter and year to year.

2) Mainly due to variations in hydrology, Hydro manages surplus and shortages in its Norwegian power portfolio in the traded electricity market. The balance of our power portfolio varies both within different periods of the year and from year to year, driven by hydrological conditions and industrial consumption as well as contractual commitments and market developments.

Items excluded from underlying income from continuing operations ¹⁾

| NOK million | 2008 | 2007 |
|--|---------|---------|
| Unrealized derivative effects on LME related contracts ²⁾ | 1,120 | 131 |
| Unrealized derivative effects on power contracts ³⁾ | 768 | 928 |
| Unrealized derivative effects on currency contracts ⁴⁾ | 314 | (137) |
| Metal effect, Rolled Products ⁵⁾ | 235 | 235 |
| Significant rationalization charges and closure costs ⁶⁾ | 109 | 224 |
| Impairment charges (PP&E and equity accounted investments) ⁷⁾ | 2,464 | 144 |
| Loss provisions (power contracts) ⁸⁾ | 257 | - |
| (Gains)/losses on divestments ⁹⁾ | (453) | (641) |
| Correction of elimination of profit in inventory ¹⁰⁾ | - | 291 |
| Germany, change in tax rate | - | (47) |
| Items excluded from underlying EBIT | 4,815 | 1,128 |
| Net foreign exchange (gain)/loss ¹¹⁾ | 5,491 | (2,254) |
| Calculated income tax effect ¹²⁾ | (3,460) | 325 |
| Germany, change in tax rate | - | (300) |
| Items excluded from underlying income from continuing operations | 6,846 | (1,101) |

1) Negative figures indicate a gain and positive figures indicate a loss.

- 2) Unrealized derivative effects on LME contracts include unrealized gains and losses on contracts measured at market value, which are used for operational hedging purposes related to fixed price customer and supplier contracts, but where hedge accounting is not applied. The amounts include net unrealized gains and losses on derivative contracts relating to our Aluminium Metal operations, including Alunorte and our downstream Aluminium Products operations. Unrealized gains and losses on derivative contracts relating to trading activities are not excluded from underlying EBIT, as these are considered to be a normal part of the trading business performance.
- 3) Unrealized derivative effects on power contracts include unrealized gains and losses on embedded derivatives in power contracts for own use and related financial power contracts. Hydro's Energy operations supplies electricity for Hydro's own consumption, and has entered into long-term purchase contracts with external power suppliers. Energy accounts for embedded derivatives in certain sourcing contracts and corresponding internal supply contracts at fair value. For those contracts, the related internal purchase contracts are regarded as normal purchase agreements by the consuming unit and the embedded derivative is not recognized at market value. Embedded derivatives include exposures to various periods' aluminium prices, coal prices and inflation adjustments. Valuation effects are eliminated as part of Corporate, other and eliminations, and excluded from underlying results. The magnitude of the reported effects depends on changes in forward prices for those elements as well as changes in the contract portfolio. In addition, certain financial power pricing contracts used for hedging power prices are accounted for at market value, while the related price exposure is not, covering unrealized effects relating to our Aluminium Metal operations, including Søral. The power purchase contracts have a long duration and can result in significant unrealized gains and losses, impacting the reported results in future periods.
- 4) Unrealized derivative effects on currency contracts relate to currency effects in equity accounted investments. The amounts include unrealized effects on long-term US dollar denominated loans for Alunorte and effects related to currency contracts for Qatalum.
- 5) Metal effect – Rolled Products' sales prices are based on a margin over the metal price. The pricing, production and logistic process of Rolled Products lasts four to five months. As a result, margins are impacted by timing differences resulting from the FIFO (first in, first out) inventory valuation method, due to changing aluminium prices during the process. The effect of inventory write-downs is included. Decreasing aluminium prices in Euro results in a negative metal effect, while increasing prices have a positive effect on margins.
- 6) Rationalization charges and closure costs includes costs that are typically non-recurring for individual plants or operations. Such costs involve termination benefits, dismantling of installations and buildings, clean-up activities that exceed legal liabilities, etc.
- 7) Impairment charges – Impairment losses occur in the period when an asset or a group of assets is identified to have lost its value, causing a write-down to the recoverable amount. In most of our impairment situations, there is no single event directly causing the write-down. The loss is therefore not necessarily closely linked to performance in a single period.
- 8) Provision on onerous power contracts reflects the expected losses on power contracts as a result of cash losses on the related operation, in addition to decreasing forward prices for power.
- 9) (Gains)/losses on divestments includes net gain or loss on divested businesses and individual major assets.
- 10) Correction of elimination of profit in inventory – Inventory includes a certain element of unrealized internal profit from sales within Hydro. During the fourth quarter of 2007 we identified errors in the elimination. These errors were corrected, effecting eliminations relating to Aluminium Metal and Corporate, other and eliminations. No corrections were made to prior periods since the amounts were deemed insignificant.
- 11) Realized and unrealized gains and losses on foreign currency denominated accounts receivable and payables, funding and deposits, and forward currency contracts selling currencies that hedge net future cash flows from operations, sales contracts and working capital. These amounts mainly relate to Hydro's US dollar hedging program and losses on intercompany balances denominated in Euro.
- 12) In order to present underlying income from continuing operations on a basis comparable with our underlying operating performance, we have calculated the income tax effect of currency gains/losses with 28%, while the income tax effect of items excluded from underlying EBIT is calculated using Hydro's effective tax rate adjusted for the tax effect of financial items. In the 2007 Annual Report, this calculation was based on Hydro's overall effective tax rate, but comparable figures are restated in the 2008 Annual Report.

Items excluded from underlying EBIT – Sub segments

The following includes a summary table of items excluded from underlying EBIT for each of the sub-segments in the business areas, and for Corporate, other and eliminations, with a brief discussion of the major factors affecting the development of these items in 2008.

Items excluded from underlying EBIT ¹⁾

| NOK million | | 2008 | 2007 |
|---|-----------------------------------|-------|-------|
| Unrealized derivative effects on currency contracts (Alunorte) | Bauxite and Alumina | 352 | (167) |
| Unrealized derivative effects on LME related contracts (Alunorte) | Bauxite and Alumina | (96) | (163) |
| Impairment charges (Alpart) | Bauxite and Alumina | 512 | - |
| Rationalization charges and closure costs (Søderberg, Karmøy) | Primary Aluminium | 79 | 114 |
| Unrealized derivative effects on power contracts | Primary Aluminium | (426) | 108 |
| Unrealized derivative effects on power contracts (Søral) | Primary Aluminium | 129 | 19 |
| Unrealized derivative effects on currency contracts (Qatalum) | Primary Aluminium | (37) | 30 |
| Impairment charges | Primary Aluminium | 845 | - |
| Loss provision (power contracts) | Primary Aluminium | 257 | - |
| Impairment charges | Commercial | 35 | 144 |
| Unrealized derivative effects on LME related contracts | Other and eliminations | (225) | (303) |
| Correction of elimination of profit in inventory | Other and eliminations | - | 118 |
| Total | Aluminium Metal | 1,424 | (100) |
| Metal effect | Rolled Products | 235 | 235 |
| Rationalization charges and closure costs (Inasa) | Rolled Products | - | 29 |
| Impairment charges | Rolled Products | 129 | - |
| Germany, change in tax rate (Alunorf) | Rolled Products | - | (47) |
| Rationalization charges and closure costs | Extrusion | - | 63 |
| Impairment charges | Extrusion | 253 | - |
| (Gains)/losses on divestments | Extrusion | - | (17) |
| Impairment charges | Automotive | 370 | - |
| (Gains)/losses on divestments | Automotive | - | (624) |
| Rationalization charges and closure costs | Automotive | 30 | 18 |
| Unrealized derivative effects on LME related contracts | Other and eliminations | 1,421 | 597 |
| Total | Aluminium Products | 2,438 | 254 |
| Unrealized derivative effects on power contracts | Energy | (22) | (119) |
| Impairment charges | Energy | 321 | - |
| (Gains)/losses on divestments | Energy | (34) | - |
| Total | Energy | 265 | (119) |
| Unrealized derivative effects on power contracts | Corporate, other and eliminations | 1,088 | 920 |
| Unrealized derivative effects on LME related contracts | Corporate, other and eliminations | 19 | - |
| Correction of elimination of profit in inventory | Corporate, other and eliminations | - | 173 |
| (Gains)/losses on divestments | Corporate, other and eliminations | (419) | - |
| Total | Corporate, other and eliminations | 688 | 1,093 |
| Items excluded from underlying EBIT | Hydro | 4,815 | 1,128 |

1) Negative figures indicate a gain and positive figures indicate a loss.

ALUMINIUM METAL

A strengthened US dollar against the Brazilian real in the second half of 2008 compensated the US dollar weakening in the first half of 2008, resulting in a net effect of unrealized losses on long-term US dollar denominated loans for Alunorte. Impairment charges primarily relate to the write-down of our

investment in the Alpart alumina operations and fixed assets in the Neuss smelter due to the weak aluminium prices in combination with high energy and other raw material costs. Rationalization charges and closure costs relate to a provision for closure costs in the Søderberg line at Karmøy which is planned to be finalized by the end of the first quarter of 2009. Unreal-

ized derivative effects on power contracts were mainly influenced by the downward shift in LME forward prices, resulting in unrealized gains on embedded derivatives. Decreased forward prices on power resulted in unrealized losses on financial contracts in Søral. Unrealized gains on currency contracts for Qatalum were an effect of the strengthened US dollar. Provision for expected losses on power contracts relates to our Neuss smelter as a result of the operational cash losses in addition to decreasing forward prices for power. Unrealized derivative effects on LME related contracts that are part of our operational hedge program were mainly influenced by the significant downward shift in the LME forward price curve, especially in the fourth quarter 2008, resulting in an unrealized loss on the respective hedge positions for the full year.

ALUMINIUM PRODUCTS

The negative metal effect for the year 2008 reflected the decline in aluminium prices measured in Euro for the period from July 2008 towards the end of the year. Impairment charges relate to certain fixed assets and goodwill including one rolling mill, several plants within the US extrusion operations, our European automotive structures and US precision tubing activities. Rationalization charges and closure costs relate to a provision for early retirement and termination benefit. Unrealized derivative effects on LME related contracts that are part of our operational hedge program were mainly influenced by the significant downward shift in the LME forward price curve particularly towards the end of the year.

ENERGY

Unrealized derivative effects on financial power contracts result from the decreasing forward prices for power. Impairment charges relate to the write-down in value of our three minority investments in solar businesses due to declines in the share values. Gains on divestments relate to a reduction of the ownership share in Ascent Solar Technologies Inc. from 34.7 percent to 26.5 percent, caused by a public offering in May in which Hydro did not participate. As the new shares were issued at a higher price than the value per share in Hydro's books, the transaction resulted in a dilution gain of NOK 34 million.

CORPORATE, OTHER AND ELIMINATIONS

Unrealized derivative effects on power contracts result from changes in the fair value of certain internal power contracts, or embedded derivatives within the contracts, related to the delivery of power from Hydro's Energy segment to consuming units. Valuation effects are eliminated as part of Corporate, other and eliminations, and excluded from underlying results. In addition to the drop in power forward prices during 2008 affecting internal power contracts, the embedded price links were affected by the significant strengthened US dollar, partly off-set by the downward shift in forward LME prices. Gains on divestments relate to the sale of Production Partner and Production Services.

Financial income (expense) net

Financial income (expense), net

| NOK million | 2008 | 2007 | % change prior year |
|--|---------|-------|---------------------|
| Interest income | 769 | 1,228 | (37)% |
| Dividends received and net gain (loss) on securities | 27 | 174 | (85)% |
| Financial income | 795 | 1,403 | (43)% |
| Interest expense | (221) | (415) | 47% |
| Capitalized interest | - | 5 | (100)% |
| Net foreign exchange gain (loss) | (5,491) | 2,254 | >(100)% |
| Other | (109) | (39) | >(100)% |
| Financial expense | (5,821) | 1,805 | >(100)% |
| Financial income (expense), net | (5,026) | 3,208 | >(100)% |
| Exchange rates | | | |
| NOK/USD Average exchange rate | 5.64 | 5.86 | (4)% |
| NOK/USD Balance sheet date exchange rate | 7.00 | 5.41 | 29% |
| NOK/EUR Average exchange rate | 8.22 | 8.02 | 2% |
| NOK/EUR Balance sheet date exchange rate | 9.87 | 7.96 | 24% |

Source: Norges Bank

Net financial expense for the year amounted to NOK 5,026 million, including a net foreign currency loss of NOK 5,491 million. Approximately 60 percent of the losses related to US dollars and mainly to Hydro's US dollar hedging program. The remainder related primarily to losses on intercompany balances denominated in Euro. The Euro losses have no cash effect and are offset in equity by translation of the corresponding subsidiaries during consolidation.¹⁾

Interest income declined to NOK 769 million compared to NOK 1,228 million in 2007. Earnings in 2007 reflected high amounts of cash and short term investments during the first nine months of the year prior to the payment of demerger debt to StatoilHydro 1 October 2007.

Income tax expense

Income taxes amounted to a positive amount of NOK 565 million in 2008 compared with a charge of NOK 3,075 million for 2007, which was approximately 15 percent and 25 percent of income (loss) from continuing operations before tax, respectively. Positive Income taxes for 2008 result from the operating losses incurred in this period. Income taxes for 2008 were also influenced by tax charges related to power surtaxes amounting to roughly NOK 500 million. Income taxes for 2007 included positive effects from a reduction of statutory tax rates in Germany amounting to about NOK 300 million.

Discontinued operations

Income (loss) from discontinued operations amounted to a loss of NOK 247 million compared with income of NOK 9,447 million in 2007. The total amount of the loss for 2008 and NOK 593 million of the income amount for 2007 relates to the sale of Hydro's Polymers business. The remainder of the income amount for 2007 relates to the merger of Hydro's petroleum activities with Statoil. See Footnote 7 included in the Financial statement section later in this report for more information on these transactions.

Net income and dividend

Norsk Hydro ASA (the parent company) had a profit before tax of NOK 10,644 million in 2008 compared to profits of NOK 9,410 million in 2007.

Due to demanding markets and low forward visibility in both the aluminium and financial markets, Hydro's Board of Directors proposes to forgo a dividend payment for 2008. The Board regards it as prudent to conserve the company's financial resources for organic investments into the Qatalum project and to minimize funding requirements.

According to Section 3-3 of the Norwegian Accounting Act, the Board of Directors confirms that the financial statements have been prepared on the assumption of a going concern.

1) The Euro losses arise from group positions that create accounting losses recognized in the income statement of the parent company when the Euro appreciates against the Norwegian kroner. No corresponding gains are recognized in the income statement of the subsidiaries that use Euro as functional currency. This has no cash effect for the group. When the subsidiaries Euro financial statements are translated into NOK for consolidation, currency effects on the Euro intercompany deposits are included directly in consolidated equity in the balance sheet, offsetting the currency loss recognized through the income statement.

LIQUIDITY AND CAPITAL RESOURCES

The table below includes information on Hydro's liquidity, debt, investments and financial position and performance for the years indicated. See note 35 to the Consolidated Financial statements for more information on Hydro's Capital manage-

ment practices including borrowing facilities, share buybacks and definitions and amounts relating to adjusted interest bearing debt, adjusted equity and funds from operations. See Shareholder information section of this report for more information on Hydro's dividend policy, share buybacks and funding and credit rating.

Liquidity and financial position

| NOK million, except ratios and RoaCE | 2008 | 2007 |
|---|----------|---------|
| Net cash provided by operating activities | 2,921 | 14,273 |
| Cash and cash equivalents | 3,333 | 9,330 |
| Short-term investments ¹⁾ | 1,648 | 2,742 |
| Liquid assets | 4,981 | 12,072 |
| Bank Loans and other interest-bearing short-term debt | (1,169) | (1,045) |
| Long-term debt | (279) | (263) |
| Net interest bearing (debt) assets | 3,534 | 10,764 |
| Adjusted net interest-bearing (debt) assets ²⁾ | (15,440) | (842) |
| Adjusted net interest-bearing debt to adjusted equity ratio ²⁾ | 0.30 | 0.01 |
| Investments ³⁾ | 9,012 | 5,206 |
| Capital Employed | 50,607 | 44,244 |
| Underlying return on average capital employed (RoaCE) | 6.8% | 16.2% |
| Adjusted funds from operations/Adjusted net interest-bearing debt | 0.43 | na |

- 1) Hydro's policy is that the maximum maturity for cash deposits is twelve months. Cash flows relating to bank time deposits with original maturities beyond three months are classified as investing activities and included in short-term investments on the balance sheet. See note 18 to the Consolidated Financial statements for more information on short-term investments.
- 2) Mainly comprised of net unfunded pension obligations after tax, the present value of operating lease obligations and interest-bearing debt held by equity accounted investees. See note 35 to the Consolidated Financial statements for more information on adjusted net interest bearing debt and adjusted equity.
- 3) Additions to property, plant and equipment (capital expenditures) plus long-term securities, intangible assets, long-term advances and investments in equity accounted investments.

Cash flow and liquidity

Hydro manages its liquidity at the corporate level, ensuring sufficient liquidity to cover group operational requirements.

Net cash provided from operations declined significantly compared to the previous year and net cash outflows amounted to NOK 6.1 billion for the year. As a result, Hydro's liquid assets declined by NOK 7.1 billion to NOK 5 billion. The most significant uses of cash in 2008 included substantial investments in property plant and equipment and other long-term investments together totaling NOK 9.0 billion, and dividend payments of NOK 6.4 billion. Included in these amounts were NOK 3.1 billion of investments relating to Qatalum and NOK 4.5 billion of extraordinary dividends. The main sources of cash included NOK 2.9 billion from continuing operating activities and NOK 5.2 billion relating to the sale of Hydro's Polymers activities.

Net cash provided by operations in 2009 will be negatively impacted by very challenging market conditions and continued low expected aluminium prices. At the same time, Hydro will continue to invest substantial amounts in Qatalum, Hydro's 50 percent-owned green-field smelter in Qatar. In

order to reduce cash outflow and funding requirement in the currently challenging markets, Hydro has initiated a wide range of corrective actions across all business areas and staff functions. These include reductions of capital expenditures, production cuts at Hydro's primary aluminium, re-melting and alumina operations, and the introduction of or extension of already existing manning and cost reduction programs. See section Year in review, Key developments earlier in this report for more information on these matters.

Volatility in market prices of aluminium, raw materials and exchange rates as well as working capital developments represent factors which add uncertainty to the development of our cash position. Furthermore, due to the uncertain economic conditions, future production and sales volumes as well as the extent and effects of the ongoing rationalization projects are difficult to predict and thereby add additional uncertainty. See section on Risk review including Risk factors and Market and commercial risk in this report for additional information on risk including sensitivities to aluminium price and currency rate fluctuations.

Long term borrowing and funding requirements

Norsk Hydro ASA has a USD 1.7 billion revolving multi-currency credit facility with a syndicate of international banks, maturing in July 2014. There was no borrowing under this facility as of 31 December 2008. See note 30 Long-term debt for additional information. In addition, on 6 March Hydro signed a new EUR 750 million revolving credit facility with a syndicate of international banks.

Planned capital expenditures and other potential financing requirements will in 2009 to a large degree be covered by external funding. Hydro has the ambition to access the national and international bond markets as its primary source for external funding of long-term capital requirements. The existing revolving facilities will continue to serve as a back-up for unforeseen funding requirements and primarily be maintained as a reserve.

Contractual and other obligations, commitments and off balance sheet arrangements

A summary of Hydro's total contractual obligations and commercial commitments to make future payments is presented below. For further information see notes 15 (Operating leases), 30 (Long-term debt), 39 (Contractual commitments and other commitments for future investments) and 31 (Provisions) to Hydro's consolidated financial statements.

In addition, Hydro is contingently liable for certain guarantees amounting to NOK 10.8 billion mainly in respect of jointly controlled entities and in connection with the sale of companies. This amount is excluded from the table below and none of these amounts are recorded in the consolidated balance sheet as of the end of 2008. See note 37 – Guarantees to Hydro's consolidated financial statements for a description of such guarantees.

Contractual and non-contractual obligations

| NOK million | Total | Payments due by period | | | |
|--|---------------|------------------------|---------------|--------------|---------------|
| | | Less than 1 year | 1-3 years | 3-5 years | Thereafter |
| Long-term debt including interest | 398 | 105 | 278 | 12 | 3 |
| Operating lease obligations | 3,338 | 400 | 640 | 528 | 1,770 |
| Unconditional purchase obligations | 45,590 | 4,766 | 6,227 | 5,857 | 28,740 |
| Contractual commitments for: | | | | | |
| - PP&E | 1,066 | 741 | 302 | 24 | - |
| - Other future investments | 6,948 | 4,648 | 2,299 | - | - |
| Short-term and long-term provisions ¹⁾ | 4,175 | 2,060 | 485 | 378 | 1,252 |
| Total contractual and non-contractual obligations | 61,515 | 12,720 | 10,231 | 6,799 | 31,765 |

1) Short-term and long-term provisions includes certain accruals and provisions which are non-contractual but relate to liabilities or obligations that are measurable and expected to occur in future periods.

Employee retirement plans

Hydro's employee retirement plans consist primarily of defined benefit pension plans. As of 31 December 2008, the projected benefit obligation (PBO) associated with Hydro's defined benefit plans was NOK 23.4 billion. The fair value of pension plan assets was NOK 12.4 billion, resulting in a net unfunded obligation relating to the plans of NOK 11.1 billion. In addition, termination benefit obligations and other pension obligations amounted to NOK 0.8 billion, resulting in a total net unfunded pension obligation of NOK 11.8 billion. Hydro's net pension cost for 2008 amounted to NOK 0.8 billion. Cash outflows from operating activities in 2008 regarding pensions amounted to approximately NOK 0.7 billion. See note 32 Employee retirement plans in the Notes to the consolidated financial statements for more information on Hydro's employee retirement plans.

Minority interest and shareholders equity

Minority interest was NOK 1,333 million as of 31 December 2008, compared with NOK 959 million at the end of 2007. Total Shareholders' equity was NOK 54,141 million at the end of 2008, compared with NOK 55,008 million at the end of 2007. The main items impacting shareholders' equity in 2008 included net income, dividends and currency translation adjustments.

See the Consolidated statements of changes in equity and note 34 Shareholders' equity to Hydro's consolidated financial statements for a detailed reconciliation of shareholders' equity.

Investments

Investments in 2008 amounted to NOK 9,012 million, compared with NOK 5,206 million in 2007.

The major investments for Hydro's Aluminium Metal busi-

Investments

Investments ¹⁾

| NOK million | 2008 | 2007 |
|---|-------|-------|
| Aluminium Metal | 6,086 | 3,541 |
| Aluminium Products | 1,980 | 866 |
| Energy | 719 | 233 |
| Corporate, other and eliminations ²⁾ | 227 | 566 |
| Total | 9,012 | 5,206 |

1) Additions to property, plant and equipment (capital expenditures) plus long-term securities, intangible assets, long-term advances and investments in non-consolidated investees.

2) Including investments in Polymers activities in 2007, reported as discontinued operations.

ness in 2008 included the development of the Qatalum primary aluminium plant in Qatar and the third expansion of the alumina plant Alunorte in Brazil which was completed in the third quarter. Investments for Aluminium Products in 2008 were mainly related to the acquisitions of Expral and Alumafel in Spain in addition to maintenance activities.

The major investments for Hydro's Aluminium Metal business in 2007 included the development of Qatalum and the ongoing third expansion of the alumina plant Alunorte in Brazil. Investments for Aluminium Products in 2007 were mainly related to developing and maintaining the efficiency of our operations.

The major investments for Hydro's energy business in 2008 and 2007 included, through our ownership interests, the development of a pilot plant for production of flexible thin film materials at Ascent Solar Technologies Inc. and an ingot pulling and wafering plant at Norsun AS.

Capital expenditures excluding Qatalum have been reduced by about 40 percent from the 2008 level and are estimated to be approximately NOK 3.5 billion for 2008.

Return on average capital employed (RoCE)

Underlying RoCE was 6.8 percent for 2008 compared to 16.2 percent for 2007.

Hydro uses RoCE to measure the performance for the group as a whole and within its operating segments, both in

absolute terms and comparatively from period to period. Management views this measure as providing additional understanding of the rate of return on investments over time, in each of its capital intensive businesses, and the operating results of its business segments.

RoCE is defined as "Earnings after tax" divided by average "Capital Employed." "Earnings after tax" is defined as "Earnings before financial items and tax" less "Adjusted income tax expense." Because RoCE represents the return to the capital providers before dividend and interest payments, adjusted income tax expense excludes the effects of items reported as "Financial income (expense), net". "Capital Employed" is defined as "Shareholders' Equity" including minority interest plus long-term and short-term interest-bearing debt less "Cash and cash equivalents" and "Short-term investments." Capital Employed can be derived by deducting "Cash and cash equivalents," "Short-term investments" and "Short-term and long-term interest free liabilities" (including deferred tax liabilities) from "Total assets." The two different approaches yield the same value.

Underlying RoCE is defined as "Underlying earnings after tax" divided by "Capital Employed." "Capital Employed" is not adjusted for balance sheet effects of items excluded from underlying EBIT.

Following are tables including the elements used to calculate underlying and reported RoCE for Hydro and its three main operating segments for the periods presented:

Return on Average Capital employed – Hydro

| NOK million | Underlying | | Reported | |
|---|------------|---------|----------|---------|
| | 2008 | 2007 | 2008 | 2007 |
| EBIT | 6,009 | 10,153 | 1,194 | 9,025 |
| Adjusted Income tax expense ¹⁾ | (2,765) | (2,483) | (842) | (2,177) |
| EBIT after tax | 3,244 | 7,670 | 352 | 6,848 |

| NOK million | 31 December 2008 | 31 December 2007 | 31 December 2006 |
|---|---------------------|---------------------|---------------------|
| Current assets ²⁾ | 35,126 | 35,499 | 38,062 |
| Property, plant and equipment | 29,338 | 26,750 | 32,151 |
| Other assets ³⁾ | 25,711 | 17,724 | 18,639 |
| Other current liabilities | (22,175) | (19,331) | (21,383) |
| Other long-term liabilities ⁴⁾ | (17,394) | (16,398) | (17,066) |
| Capital employed | 50,607 | 44,244 | 50,403 |

| Return on average Capital Employed (RoaCE) | Underlying | | Reported | |
|--|--------------|-------|---------------|-------|
| | 2008 | 2007 | 2008 | 2007 |
| Hydro | 6.8% | 16.2% | 0.7% | 14.5% |
| Aluminium Metal | 7.4% | 22.3% | 4.2% | 22.5% |
| Aluminium Products | 4.5% | 5.8% | (6.7)% | 4.7% |
| Energy | 20.2% | 16.3% | 16.4% | 18.0% |

1) Tax from financial items of NOK (1,407) million and NOK 898 million excluded for 2008 and 2007, respectively.

2) Excluding Cash and cash equivalent and Short-term investments.

3) Including Deferred tax assets.

4) Including provisions for pension and Deferred tax liabilities.

ADDITIONAL INFORMATION

The following tables present additional financial information for Hydro's sub-segments with-in the Aluminium metal and Aluminium products business areas and additional financial information for the Energy business area.

Aluminium Metal

Revenue

| NOK million | 2008 | 2007 |
|------------------------|-----------------|----------|
| Bauxite and Alumina | 4,411 | 4,176 |
| Primary Aluminium | 34,147 | 37,164 |
| Commercial | 58,334 | 64,898 |
| Other and eliminations | (42,195) | (44,646) |
| Total | 54,697 | 61,592 |

External revenue

| NOK million | 2008 | 2007 |
|------------------------|---------------|---------------|
| Bauxite and Alumina | - | 3 |
| Primary Aluminium | 2,090 | 2,551 |
| Commercial | 35,244 | 37,952 |
| Other and eliminations | - | - |
| Total | 37,334 | 40,506 |

Share of profit in equity accounted investments

| | | |
|------------------------|--------------|------------|
| Bauxite and Alumina | (320) | 854 |
| Primary Aluminium | (170) | 121 |
| Commercial | (1) | - |
| Other and eliminations | - | - |
| Total | (491) | 975 |

Depreciation, amortization and impairment

| | | |
|------------------------|----------------|----------------|
| Bauxite and Alumina | - | - |
| Primary Aluminium | (2,711) | (1,899) |
| Commercial | (140) | (287) |
| Other and eliminations | - | - |
| Total | (2,852) | (2,186) |

EBIT

| | | |
|------------------------|--------------|--------------|
| Bauxite and Alumina | (433) | 1,011 |
| Primary Aluminium | 1,820 | 6,281 |
| Commercial | 399 | 802 |
| Other and eliminations | 365 | 269 |
| Total | 2,151 | 8,365 |

EBITDA

| | | |
|------------------------|--------------|---------------|
| Bauxite and Alumina | 96 | 1,029 |
| Primary Aluminium | 4,635 | 8,208 |
| Commercial | 540 | 1,090 |
| Other and eliminations | 365 | 269 |
| Total | 5,636 | 10,597 |

Underlying EBIT

| | | |
|------------------------|--------------|--------------|
| Bauxite and Alumina | 334 | 681 |
| Primary Aluminium | 2,666 | 6,552 |
| Commercial | 435 | 946 |
| Other and eliminations | 140 | 84 |
| Total | 3,575 | 8,265 |

Underlying EBITDA

| NOK million | 2008 | 2007 |
|------------------------|--------------|---------------|
| Bauxite and Alumina | 352 | 699 |
| Primary Aluminium | 4,637 | 8,479 |
| Commercial | 540 | 1,090 |
| Other and eliminations | 140 | 84 |
| Total | 5,668 | 10,353 |

Aluminium Products

Revenue

| NOK million | 2008 | 2007 |
|------------------------|---------------|---------------|
| Rolled Products | 23,865 | 25,327 |
| Extrusion | 20,379 | 20,421 |
| Automotive | 4,728 | 6,506 |
| Other and eliminations | (793) | (855) |
| Total | 48,180 | 51,399 |

External revenue

| | | |
|------------------------|---------------|---------------|
| Rolled Products | 23,527 | 24,853 |
| Extrusion | 19,873 | 19,994 |
| Automotive | 4,618 | 6,375 |
| Other and eliminations | - | (56) |
| Total | 48,018 | 51,166 |

Share of profit in equity accounted investments

| | | |
|------------------------|-------------|-----------|
| Rolled Products | (52) | 36 |
| Extrusion | 19 | 7 |
| Automotive | (2) | 2 |
| Other and eliminations | - | - |
| Total | (35) | 46 |

Depreciation, amortization and impairment

| | | |
|------------------------|----------------|----------------|
| Rolled Products | (604) | (481) |
| Extrusion | (705) | (448) |
| Automotive | (599) | (279) |
| Other and eliminations | - | - |
| Total | (1,908) | (1,207) |

EBIT

| NOK million | 2008 | 2007 |
|------------------------|----------------|-------|
| Rolled Products | 288 | 345 |
| Extrusion | 416 | 806 |
| Automotive | (726) | 539 |
| Other and eliminations | (1,427) | (592) |
| Total | (1,450) | 1,098 |

EBITDA

| | | |
|------------------------|------------|-------|
| Rolled Products | 949 | 882 |
| Extrusion | 1,121 | 1,254 |
| Automotive | (127) | 818 |
| Other and eliminations | (1,427) | (592) |
| Total | 516 | 2,361 |

Underlying EBIT

| | | |
|------------------------|------------|-------|
| Rolled Products | 652 | 562 |
| Extrusion | 668 | 852 |
| Automotive | (326) | (67) |
| Other and eliminations | (6) | 5 |
| Total | 988 | 1,352 |

Underlying EBITDA

| | | |
|------------------------|--------------|-------|
| Rolled Products | 1,184 | 1,099 |
| Extrusion | 1,121 | 1,300 |
| Automotive | (97) | 209 |
| Other and eliminations | (6) | 5 |
| Total | 2,203 | 2,613 |

Energy

Total revenue

| NOK million | 2008 | 2007 |
|---|--------------|-------|
| Revenue | 7,915 | 6,468 |
| External revenue | 2,353 | 1,268 |
| Share of profit in equity accounted investments | (391) | (24) |
| Depreciation, amortization and impairment | (103) | (97) |
| EBIT | 1,471 | 1,303 |
| EBITDA | 1,872 | 1,432 |
| Underlying EBIT | 1,736 | 1,184 |
| Underlying EBITDA | 1,849 | 1,313 |