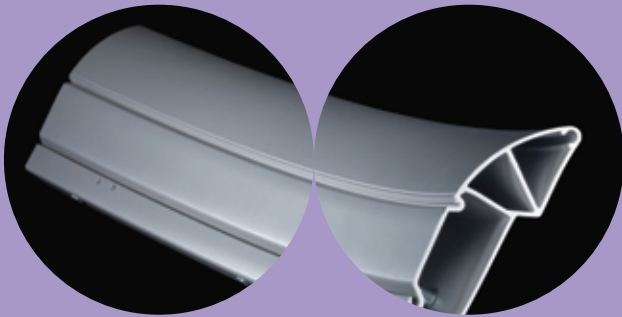
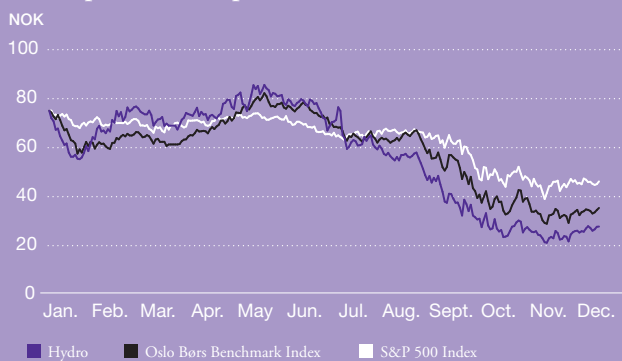


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Shareholder information



Share price development in 2008



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QUICK OVERVIEW

Hydro's share price closed at NOK 27.80 at the end of 2008. Taking into consideration the dividend of NOK 5.00 per share paid in 2008 the total return for 2008 was negative with NOK 44.80 or 58 percent.

By the end of 2008 there were 1,206,325,863 outstanding shares. Hydro had 49,148 registered shareholders as per the Norwegian Central Securities Depository. The Ministry of Trade and Industry of Norway was the largest of these with a shareholding of 43.8 percent of the total number of ordinary shares authorized and issued.

Hydro's shares are also listed in London, Paris, Frankfurt, Düsseldorf and Hamburg. Our American Depositary Shares (ADSs) trade on PinkSheets in the U.S. The share will be delisted from the stock exchanges in Germany on April 30, 2009 and in France on March 25, 2009.

Introduction

Hydro's share price closed at NOK 27.80 at the end of 2008. Taking into consideration the dividend of NOK 5.00 per share paid in 2008 the total return for 2008 was negative with NOK 44.80 or 58 percent. 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 other funding requirements. During 2008 we repurchased 4,408,000 shares for NOK 149 million.

By the end of 2008 there were 1,206,325,863 outstanding shares. A total of 2.3 billion Hydro shares were traded on the Oslo Stock Exchange during 2008, representing 5.4 percent of the total turnover on the exchange in terms of share value. Hydro's shares are also listed in London, Paris, Frankfurt, Düsseldorf and Hamburg. Our American Depositary Shares (ADSs) trade on PinkSheets in the U.S. The share will be delisted from the stock exchanges in Germany on April 30, 2009 and in France on March 25, 2009.

Dividend policy

Long-term returns to shareholders should reflect the value created by Hydro. Shareholders' returns consist of dividends and share price development. Over time, value creation should be reflected to a greater extent by share price development than through dividends. Our policy is to pay out on average 30 percent of net income as ordinary dividend over time to our shareholders. In setting the dividend for a specific year we will take into consideration future earnings, future investment opportunities, the outlook for world commodity markets and our financial position. Share buybacks or extraordinary dividends will supplement ordinary dividends during periods of strong financials, due consideration being given to the commodity cycle and capital requirements for future growth. The total payout should reflect Hydro's aim to give its shareholders competitive returns benchmarked against alternative investments in comparable companies.

Hydro's Board of Directors normally propose a dividend per share in connection with the publication of our fourth quarter results. The Annual General Meeting then considers this proposal in May each year, and the approved dividend is subsequently paid to shareholders in May or June. We pay dividends once each year. For non-Norwegian shareholders, Norwegian tax will be deducted at source in accordance with the current regulations.

Buyback of shares

In periods when earnings are high, Hydro may consider to buy back shares in addition to ordinary or extraordinary dividend payments. This consideration will be made in the light of alternative investment opportunities and our financial situation. In circumstances when buying back shares are relevant, our Board of Directors proposes buyback authorizations to be considered and approved by the Annual General Meeting. Authorizations

are granted for a specific time period and for a specific share price interval for which share buybacks can be made.

During 2008 we spent NOK 149 million on repurchasing 4,408,000 shares in the market at an average price of NOK 33.90 per share as part of a buyback authorization approved by the Annual General Meeting on May 6, 2008 allowing for buy-back of shares for up to NOK 4 billion. The Norwegian state will participate with a proportional number of shares in order to keep its ownership interest unchanged. We therefore expect to redeem 3,438,738 shares from the state during 2009. The price to be paid to the state will be equal to the volume-weighted average of the prices we paid for shares bought in the market during 2008 less any dividend paid in 2009, plus an interest rate of NIBOR plus one percent to compensate for the later settlement.

Funding and credit rating

Maintaining a strong financial position and an investment grade credit rating are viewed as important risk mitigating factors, supporting Hydro's possibilities for strategic development of its businesses. Access to external financial resources is required in order to maximize value creation over time, balanced with an acceptable risk exposure. To secure access to debt capital on attractive terms we aim at maintaining an investment grade credit rating from the leading rating agencies, Standard & Poor's and Moody's.

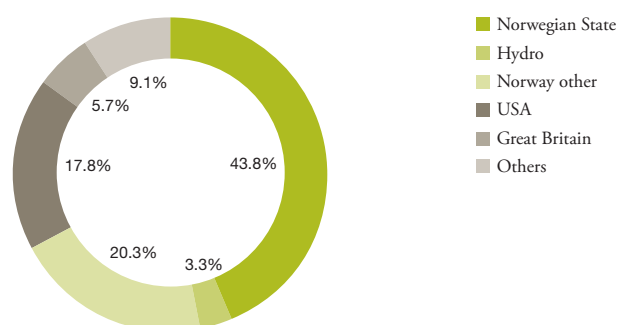
Contributing to retaining this credit rating, we intend to keep our funds from operations of at least 40 percent of net adjusted interest-bearing debt in addition to net adjusted interest-bearing debt at a ratio of 0.55 to equity capital over time. In calculating this ratio, we include off balance sheet pension obligations, operating lease commitments, share of net interest-bearing debt in joint ventures and certain other debt like items. For a discussion of these adjustments see Note 35 – Capital Management in the Financial Statements section of this report.

Major shareholders and voting rights

As of December 31, 2008, Hydro had 49,148 registered shareholders as per the Norwegian Central Securities Depository. The Ministry of Trade and Industry of Norway was the largest of these with a shareholding of 43.8 percent of the total number of ordinary shares authorized and issued and 45.3 percent of the total shares outstanding. As of the same date The Government Pension Fund – Norway, (Folketrygdfondet), owned 5.2 percent of the total number of ordinary shares issued and 5.4 percent of the total shares outstanding. In total the Norwegian state owns 49.1 percent of the total number of ordinary shares issued and 50.8 percent of the total shares outstanding. There are no different voting rights associated with the ordinary shares held by the state.

The state acquired most of its interest in Hydro in 1945, and increased it to 51 percent in 1971. Ordinary shares issued in connection with the acquisition of Saga Petroleum ASA in July 1999 increased the total number of shares issued and outstanding with a corresponding decrease in the state's ownership interest to 43.8 percent. Since 1945, the state has not

Geographical ownership distribution of shares



disposed of any of the ordinary shares owned by it, except when participating in the share buyback programs. The state, represented by the Ministry of Trade and Industry, has in a white paper stated its intention to maintain its shareholding in Hydro. The Norwegian Ministry of Trade and Industry represents the Norwegian government in exercising the state's voting rights. The state has never taken an active role in the day-to-day management of Hydro.

As of December 31, 2008, JPMorgan Chase & Co, as depository of the ADSs, through its nominee company, Morgan

Guaranty Trust Company, held interests in 56,586,918 ordinary shares, or 4.7 percent of the issued and outstanding ordinary shares as of such date, on behalf of approximately 500 registered and an estimated 11,000 beneficial holders of ADSs.

All shares basically carry one vote. It is, however, a requirement of Norwegian legislation that a shareholder can only vote for shares registered in their name. Shares registered with a nominee account must be re-registered in the Norwegian Central Securities Depository before the Annual General Meeting in order to obtain voting rights. This requirement also applies to our U.S. traded ADSs.

Information from Hydro

Hydro gives a high priority to communicating with the stock market, and aims to maintain an open dialogue with market participants. Our objective is to provide sufficient information on a timely basis to all market participants to ensure a fair valuation of our shares. Information that is considered price sensitive is communicated by news releases and stock exchange announcements. We host regular meetings for investors in Europe and the U.S. The major brokers in Oslo and London publish equity research reports on Hydro. All information about Hydro is published on our website: www.hydro.com

Our annual and quarterly reports are available on www.hydro.com, and our latest annual reports can also be ordered in printed versions from the website.

Two weeks before the announcement of quarterly results

Hydro's 20 largest shareholders, December 31, 2008

Shareholder	Number of shares	Ownership interest
Ministry of Trade and Industry	546,902,099	43.82%
Folketrygdfondet	65,370,435	5.24%
State Street Bank and Trust (nominee)	57,986,576	4.65%
Morgan Guaranty Trust (ADR)	56,586,918	4.53%
State Street Bank & Trust (nominee)	46,522,565	3.73%
Hydro	41,631,086	3.34%
Clearstream Banking (nominee)	15,589,153	1.25%
JPMorgan Chase Bank (nominee)	14,414,323	1.16%
Bank of New York Mellon (nominee)	12,262,535	0.98%
Euroclear Bank (nominee)	11,854,378	0.95%
Caceis Bank	8,234,730	0.66%
Skandinaviska Enskilda Banken (nominee)	7,421,713	0.59%
DnB NOR Bank	7,180,966	0.58%
Nordea Bank Norge	7,125,482	0.57%
Rasmussengruppen	6,305,000	0.51%
Investors Bank & Trust Company (nominee)	6,022,114	0.48%
State Street Bank and Trust (nominee)	5,939,247	0.48%
The Northern Trust Co. (nominee)	5,837,493	0.47%
DnB NOR Norge (IV)	5,577,017	0.45%
JPMorgan Chase Bank (nominee)	5,422,086	0.43%

Source: Norwegian Central Securities Depository (VPS)

Key figures for the Hydro share

	2008	2007	2006	2005	2004
Share price high, Oslo (NOK) ¹⁾	85.60	80.13	64.68	48.56	33.83
Share price low, Oslo (NOK)	21.20	68.00	43.79	30.01	23.45
Share price average, Oslo (NOK)	57.32	70.32	53.22	38.65	28.80
Share price year-end, Oslo (NOK)	27.80	77.60	62.77	44.96	30.95
Earnings per share (EPS) (NOK)	(3.25)	14.90	14.00	12.50	9.90
EPS from continuing operations (NOK) ²⁾	(3.04)	7.20	13.90	12.40	9.00
Dividend per share (NOK)	0.00	5.00	5.00	4.40	4.00
Pay-out ratio ³⁾	-	69%	36%	35%	44%
Dividend growth	(100)%	0%	14%	10%	82%
Pay-out ratio five year average ⁴⁾	38%	34%	35%	34%	29%
Adjusted debt/equity ratio ⁵⁾	0.30	0.01	0.22	0.31	0.11
Credit rating, Standard & Poor's	BBB	BBB	A-	A	A
Credit rating, Moody's	Baa2	Baa1	A2	A1	A2
Non-Norwegian ownership, year-end	33%	42%	38%	40%	37%
Outstanding shares, average	1,209,143,809	1,221,195,650	1,240,804,344	1,254,036,520	1,272,057,165
Outstanding shares, year-end	1,206,325,863	1,209,304,379	1,226,175,885	1,250,692,320	1,254,196,150

- 1) An adjustment factor of 0.324396 has been used for share prices prior to the demerger of the oil and gas activities on October 1, 2007. In addition an adjustment factor of 0.881699 has been used for share prices prior to the demerger of Yara International on March 25, 2004. The adjustments are according to Oslo Stock Exchange's calculation methods.
- 2) Oil and gas activities only included as discontinued for 2007.
- 3) Dividend per share divided by earnings per share. EPS from continuing operations from 2004.
- 4) Total dividend divided by net income for last five years.
- 5) See Note 35 to the Consolidated Financial Statements. Years 2004-2006 not adjusted for revised definition introduced in 2008.

Hydro practices a "closed period" meaning that contact with external analysts, investors and journalists is minimized. This is done to minimize the risk of information leaks and potentially unequal information in the marketplace.

Annual General Meeting

The Annual General Meeting will be held at the Company's headquarters at Drammensveien 260, Oslo, Norway, on Tuesday May 5, 2009, at 17:00 CET. Shareholders who wish to attend are asked to inform the registrar by 12:00 CET on Monday, May 4:

DnB NOR Bank ASA,
Verdipapirservice
0021 Oslo, Norway
Fax: + 47 22 48 11 71

You may also register electronically on our website www.hydro.com/register or via VPS Investor Services. Any shareholder may appoint a proxy with written authority to attend the meeting and vote on his or her behalf. Voting rights are discussed under "Major shareholders and voting rights".

Change of address

Shareholders registered in the Norwegian Central Securities Depository should send information on changes of address to their registrar and not directly to Hydro.

Financial calendar 2009

April 29	First quarter results
May 5	Annual General Meeting
July 22	Second quarter results
September 24	Capital Markets Day
October 27	Third quarter results