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Capital Markets Day 2006

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Cautionary note in relation to certain forward-looking statements

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

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

Although Hydro believes that the expectations reflected in such forward-looking statements are reasonable, these forward-looking statements are based on a number of assumptions and forecasts that, by their nature, involve risk and uncertainty. Various factors could cause Hydro’s actual results to differ materially from those projected in a forward-looking statement or affect the extent to which a particular projection is realized. Factors that could cause these differences include, but are not limited to, world economic growth and other economic indicators, including rates of inflation and industrial production, trends in Hydro’s key markets, and global oil and gas and aluminium supply and demand conditions. For a detailed description of factors that could cause Hydro’s results to differ materially from those expressed or implied by such statements, please refer to the risk factors specified under “Risk, Regulation and Other Information – Risk Factors” on page 92 of Hydro’s Annual Report and Form 20-F 2005 and subsequent filings on Form 6-K with the US Securities and Exchange Commission.

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

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Use of non-GAAP financial measures/ Cautionary note in relation to oil and gas reserves

With respect to each non-GAAP financial measure Hydro uses in connection with its financial reporting and other public communications, Hydro provides a presentation of what Hydro believes to be the most directly comparable GAAP financial measure and a reconciliation between the non-GAAP and GAAP measures. This information can be found in Hydro's earnings press releases, quarterly reports and other written communications, all of which have been posted to Hydro's website (www.hydro.com).

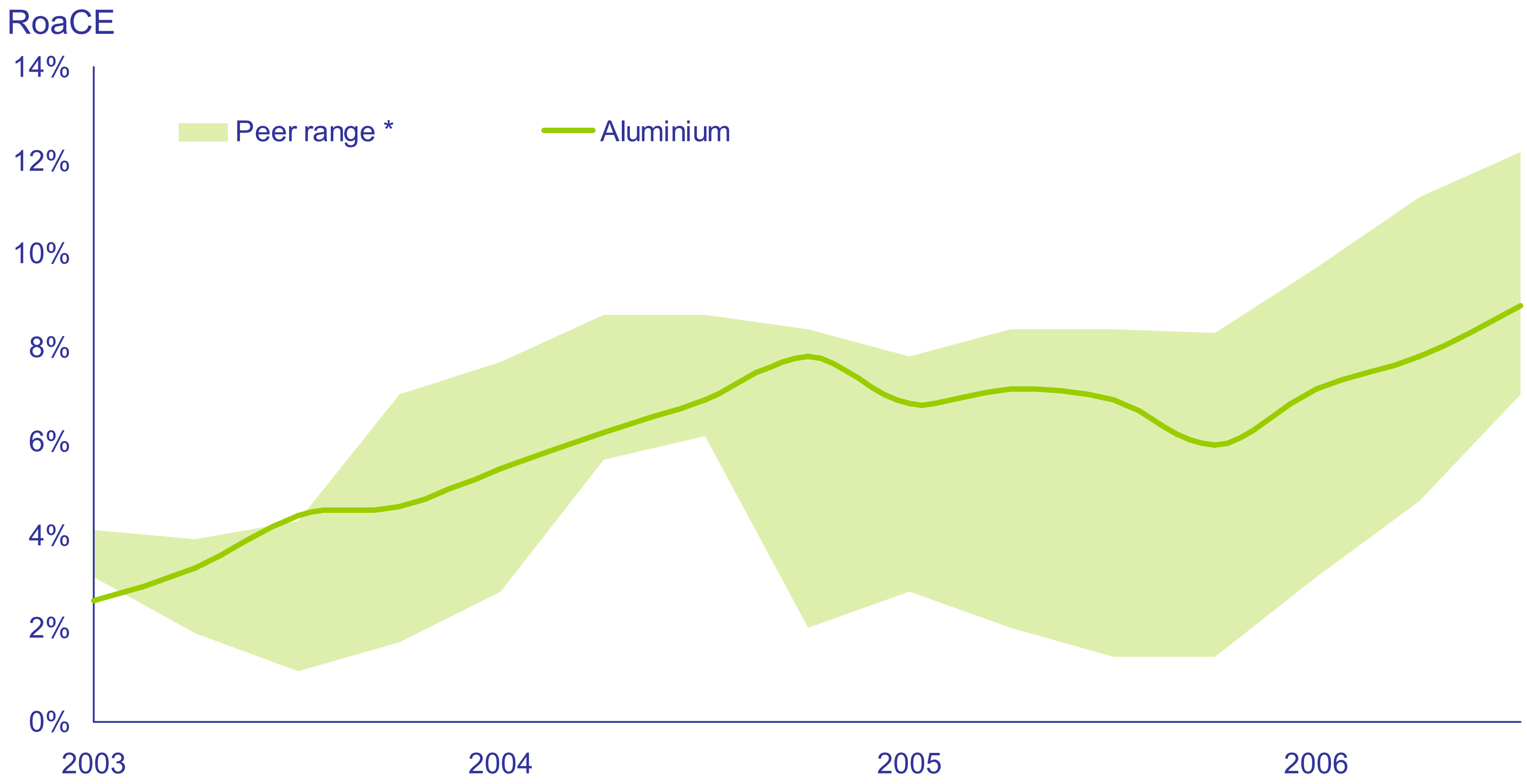
The United States Securities and Exchange Commission permits oil and gas companies, in their filings with the SEC, to disclose only proved reserves that a company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. We use certain terms in this presentation material, such as expected recoverable resources, that the SEC's guidelines strictly prohibit us from including in filings with the SEC. Investors are urged to consider closely the disclosure in our Form 20-F, SEC File No. 1-9159, available from us at our Corporate Headquarter: Norsk Hydro, N-0240 Oslo, Norway. You can also obtain this form from the SEC by calling 1-800-SEC-0330.

Aluminium – performance and perspectives

Aluminium highlights

- Strong results in Aluminium Metal, restructuring on plan and cost
- Low returns in Aluminium Products, solid net cash flow
- Finalize restructuring of Aluminium Products' portfolio – selective growth in areas with leading edge
- Pursue metal and alumina opportunities in attractive regions

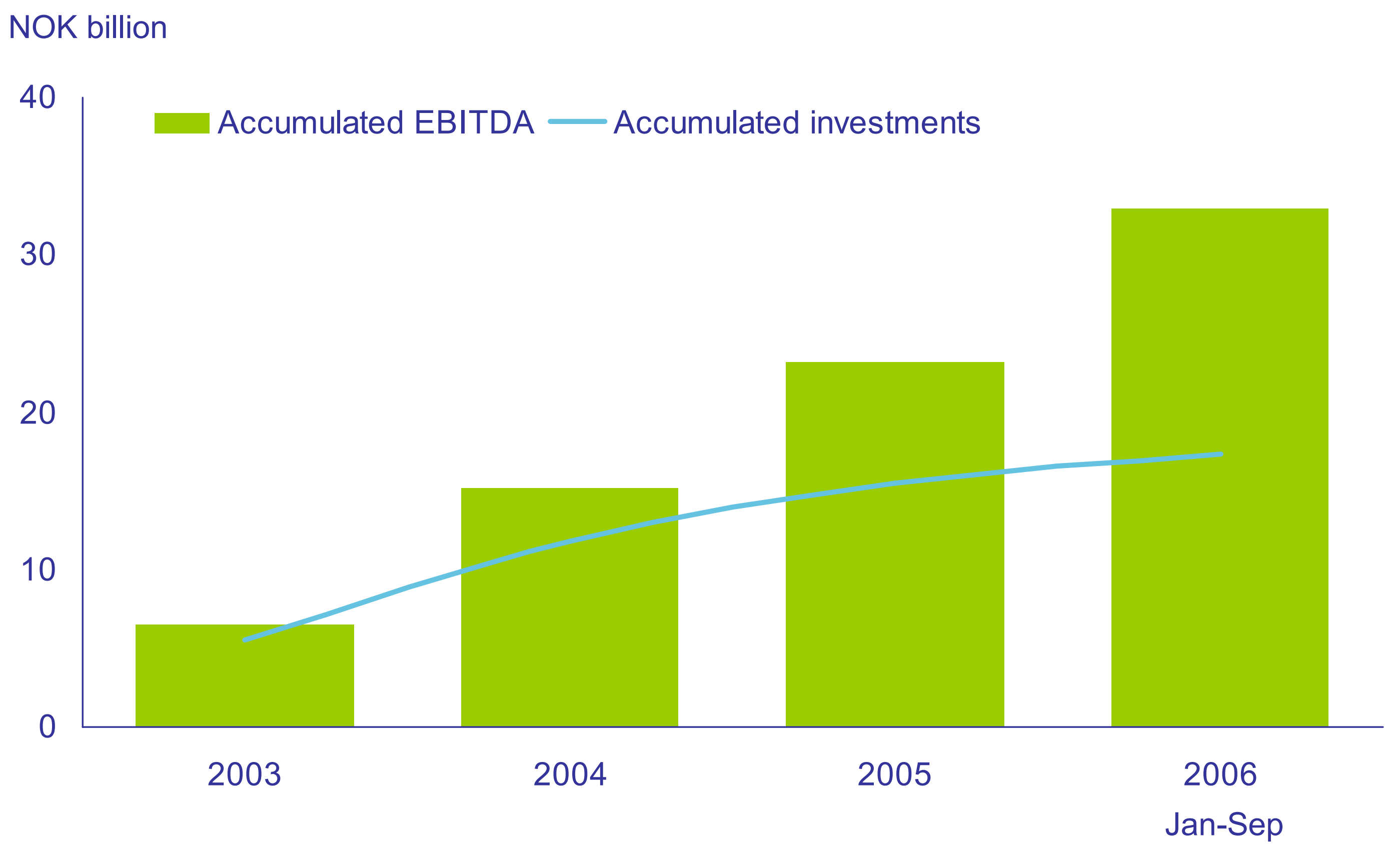
Return on capital in line with peers



* Alcoa and Alcan

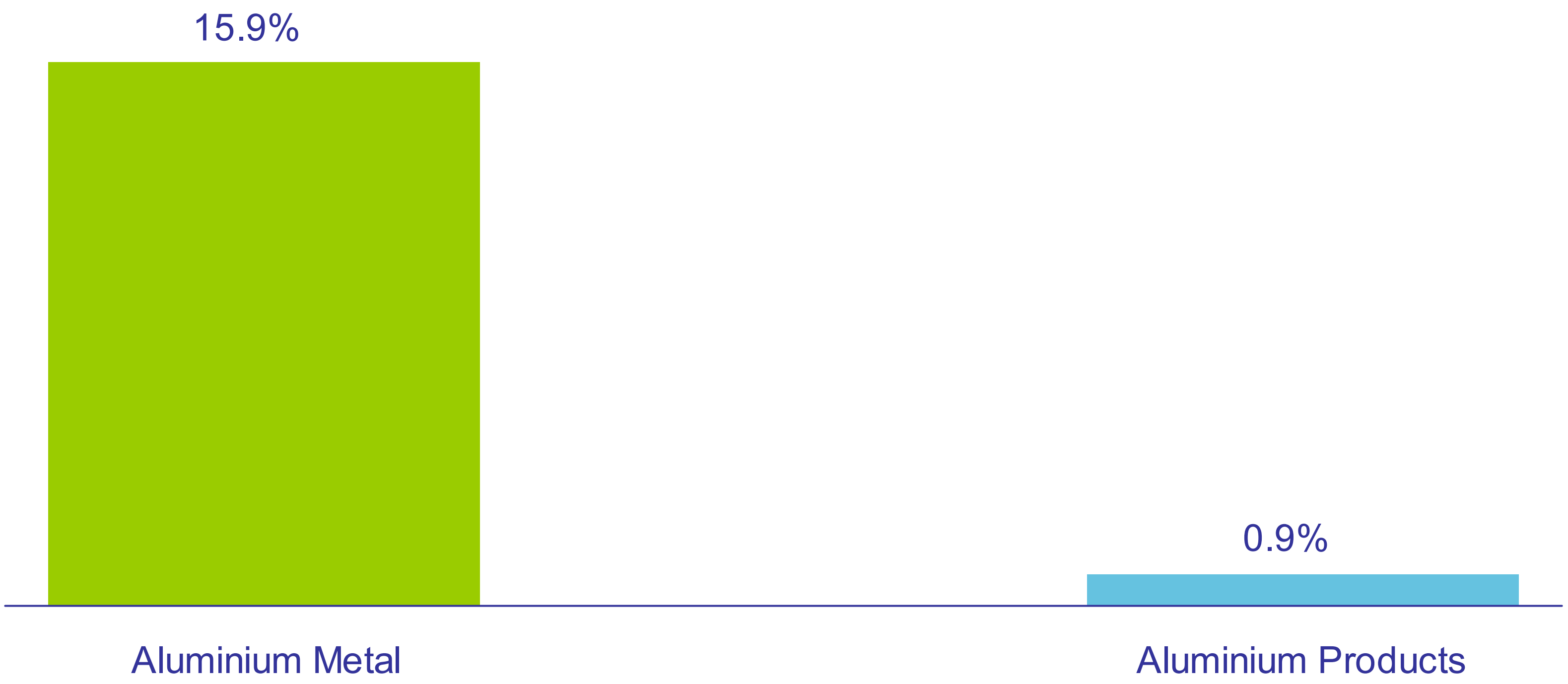
Source: Bloomberg return on capital methodology. 12 month rolling Q1 2002-Q3 2006. Hydro figures are approximations to Bloomberg methodology.

Strong Aluminium cash flow



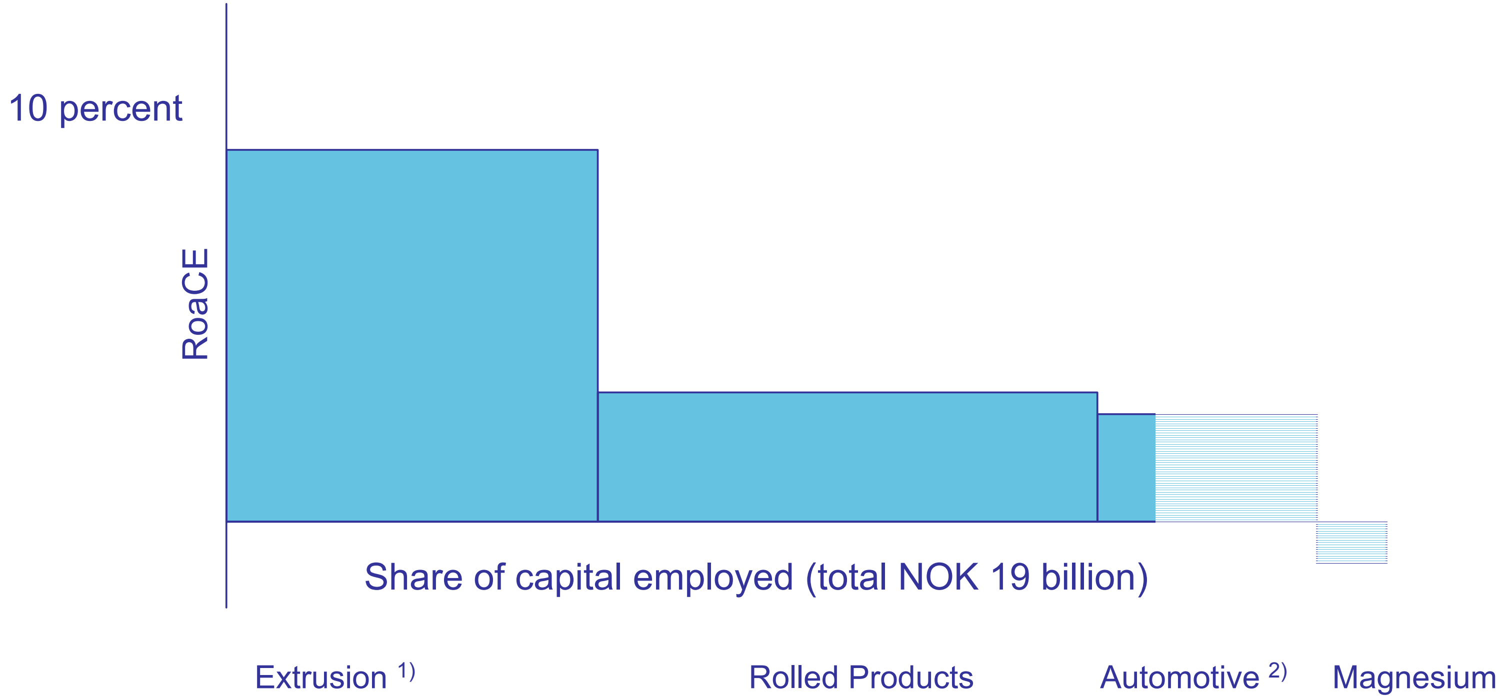
Strategic shift to ensure upstream repositioning and growth

RoaCE first nine months 2006



Figures are not annualized

Adjusted profitability 2006 and capital employed in Aluminium Products



1) Including Extrusion Europe, Extrusion Overseas, Building Systems and Precision Tubing

2) Including Automotive Castings, Automotive Structures and Meridian

Executing Aluminium Products strategy

- Solid net cash generation – NOK 1.1 billion first nine months 2006
- Operational improvements in most areas, but overall profitability remains too low
- Solid fundament for good returns in Extrusion
- Rolled Products improving, market still challenging

Net cash flow defined as adjusted EBITDA minus capital expenditures

Reduced engagement in Aluminium Products

- Closures
  - Magnesium Porsgrunn, Magnesium Canada, extrusion capacity UK
- Divestments
  - Aluminium Castings, enterprise value NOK 3.7 billion
  - Meridian magnesium casting, enterprise value NOK 0.6 billion
- Divestments in process
  - Automotive Structures, Magnesium remelters and smaller businesses

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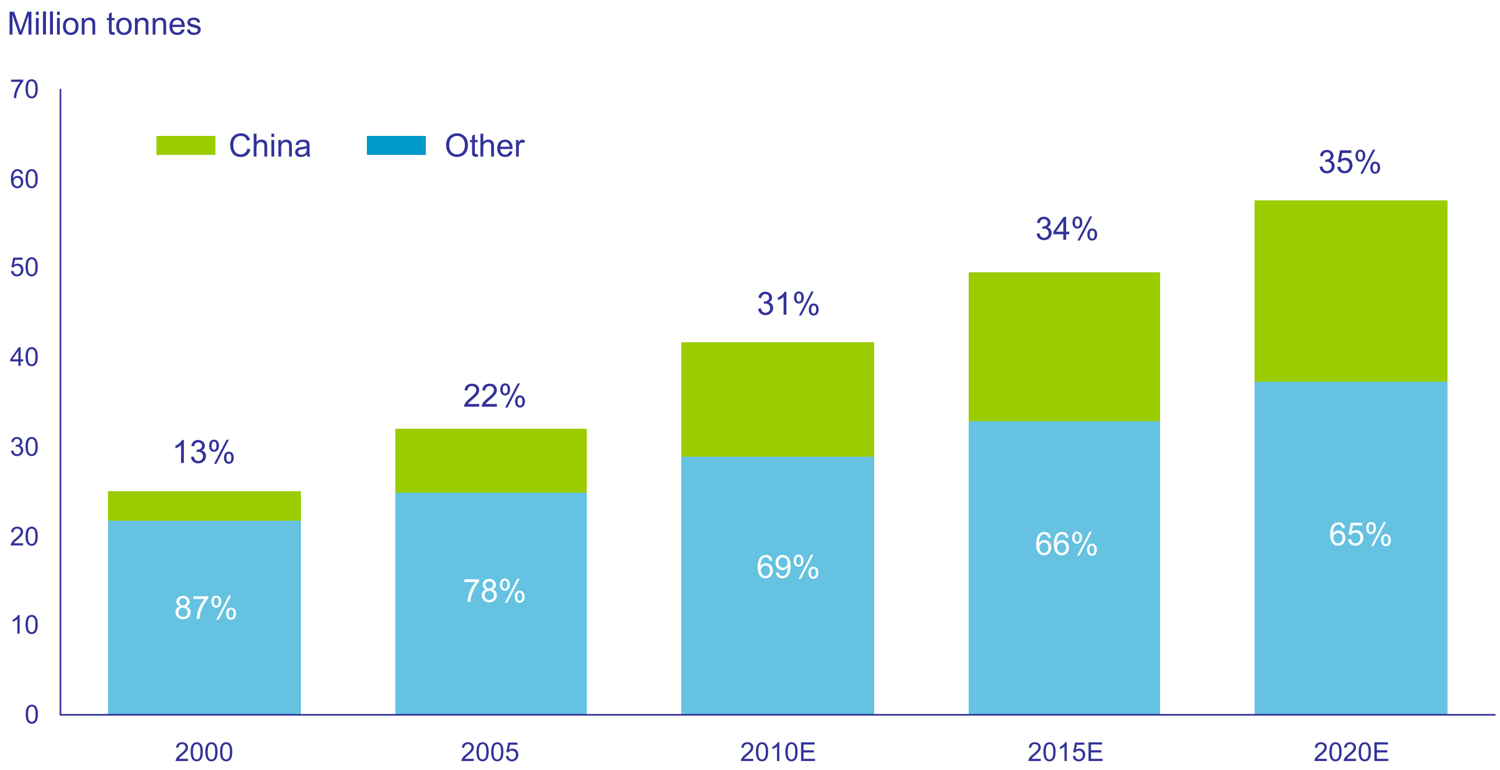
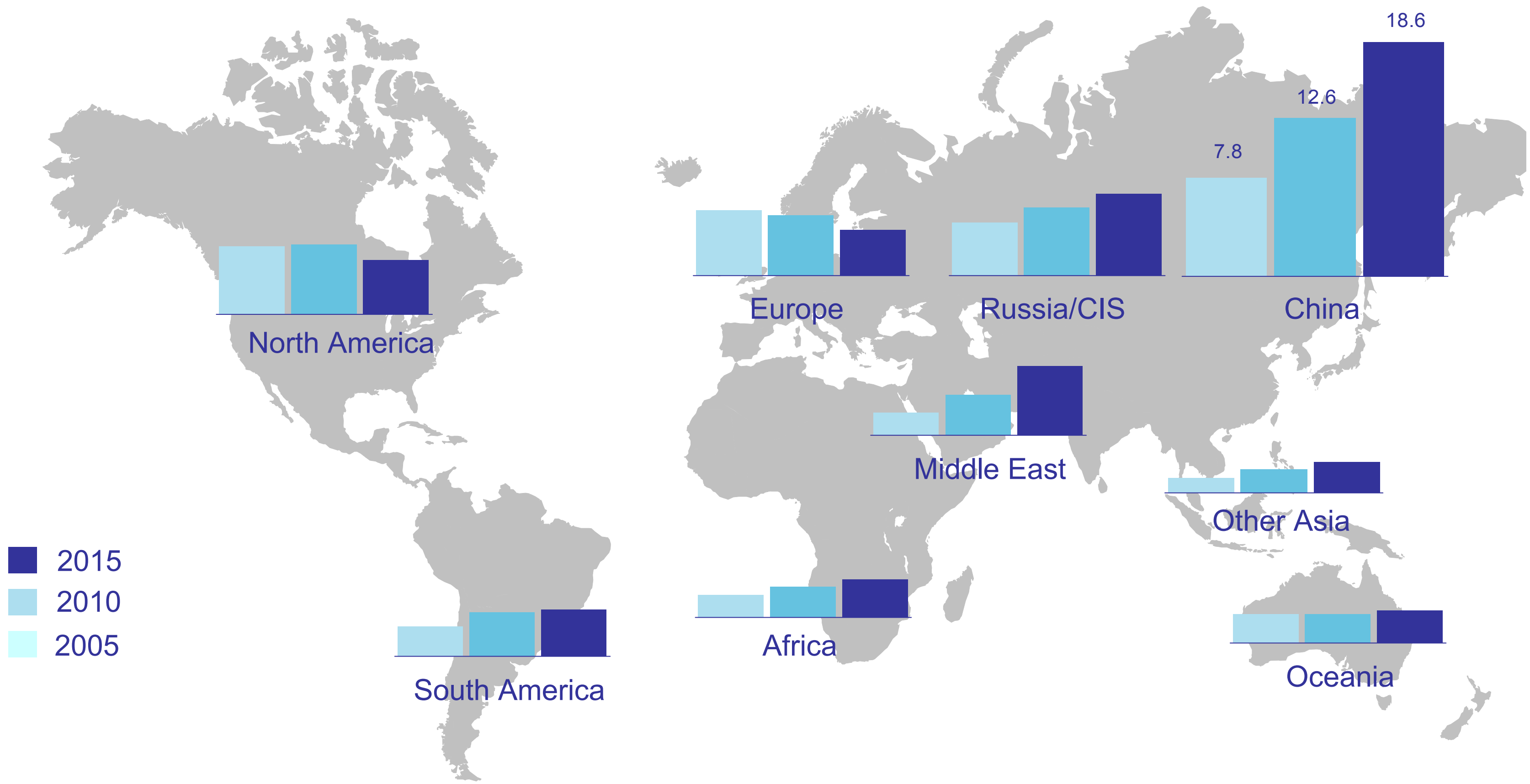
China driving the demand for primary aluminium

4 percent annual growth rate 2005-2020



Source: CRU 2006

Production to grow outside the US and Europe



Source: CRU / Hydro. Million tonnes

Torstein Dale Sjøtveit

Executive Vice President, Aluminium Metal

Highlights Aluminium Metal

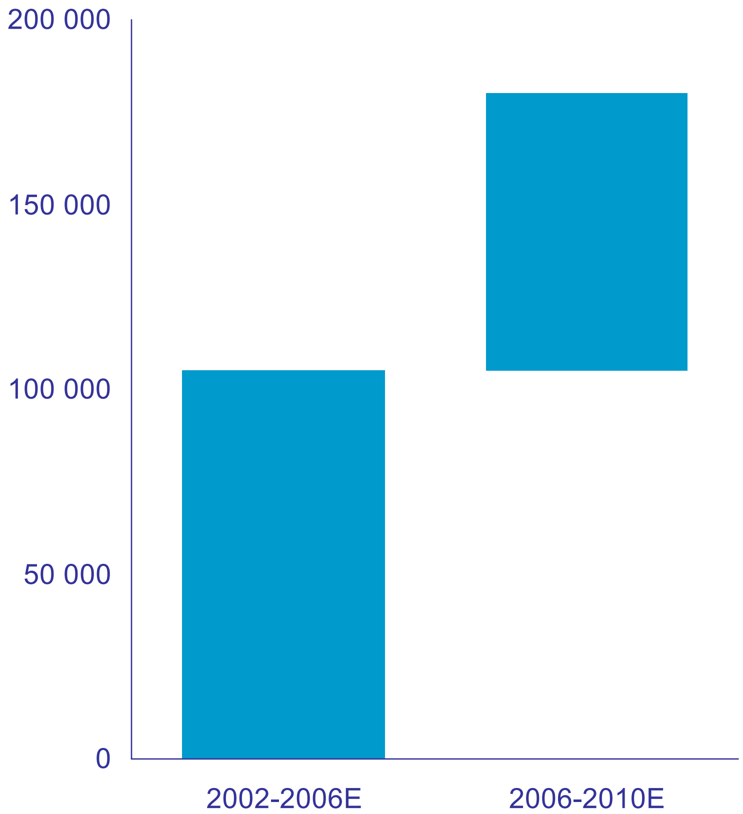
- Strong focus on return on capital
- Restructuring on track
- Operational excellence and production creep
- Long-term profitable growth

Restructuring executed – improved cost position

- Restructuring on track – closing 180 000 tonnes
- Restructuring costs below NOK 1 billion
- Improving average cash cost 40-50 USD/tonne

Further production creep in existing plants

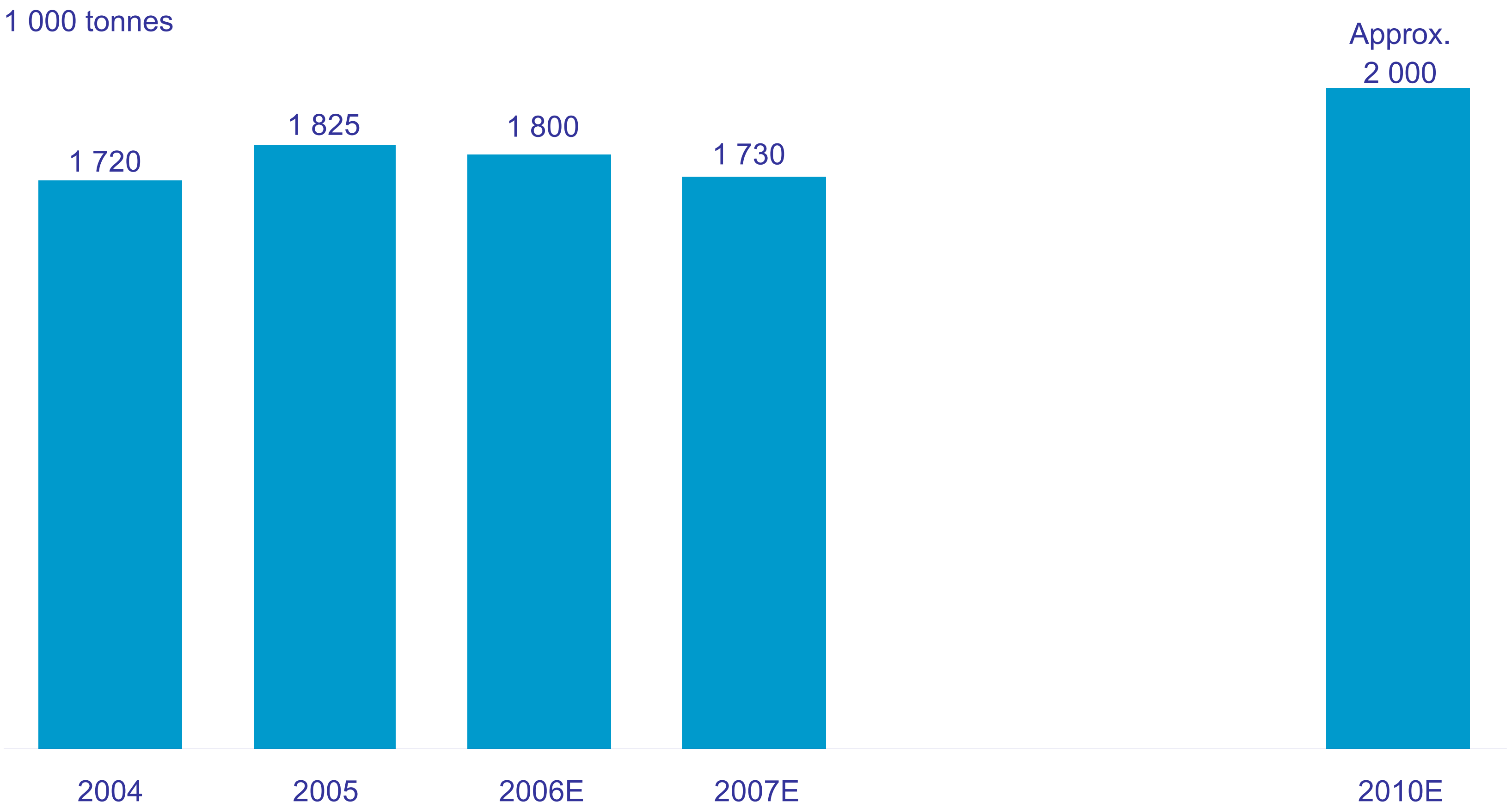
Increased primary production in tonnes per year*



* All prebake lines excl. Stade

- Low capital expenditures per tonne
- Strong profitability
- EBITDA contribution in 2006
  - NOK 500 million

Production volumes 2004-2010*



* Including closed or to-be-closed capacity of Hamburg, Stade and Søderberg at Årdal, Høyanger. Qatalum in full production from mid-2010.

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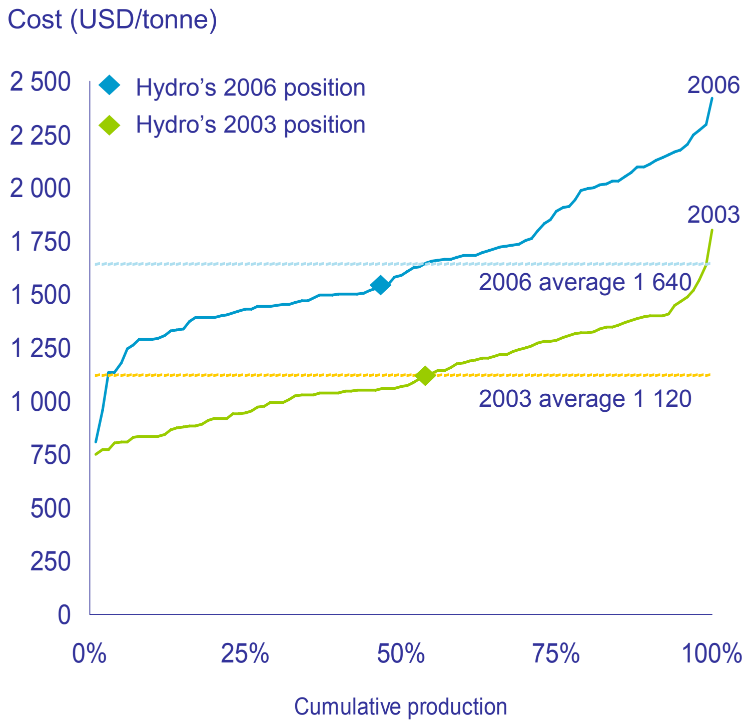
Industry costs rising – Hydro's position improved

Significant shift in industry cost curve*



- **Alumina**
  - Two thirds of cost increase
  - Coming down from peak
- **Energy**
  - Oil and gas prices
  - Coal prices
  - CO_2 emission trading
  - Supply/demand for electricity
- **Other raw materials**
- **Freight**

** Source: CRU (Corporate operating cost definition)*

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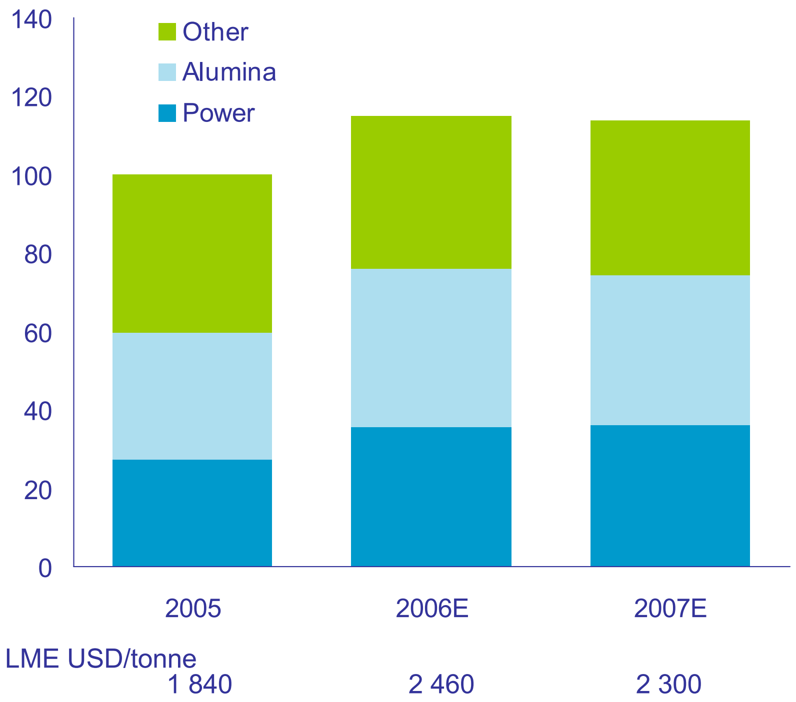
Increase in smelting cost

Cost per tonne for Hydro's smelter capacity, 2005=100*



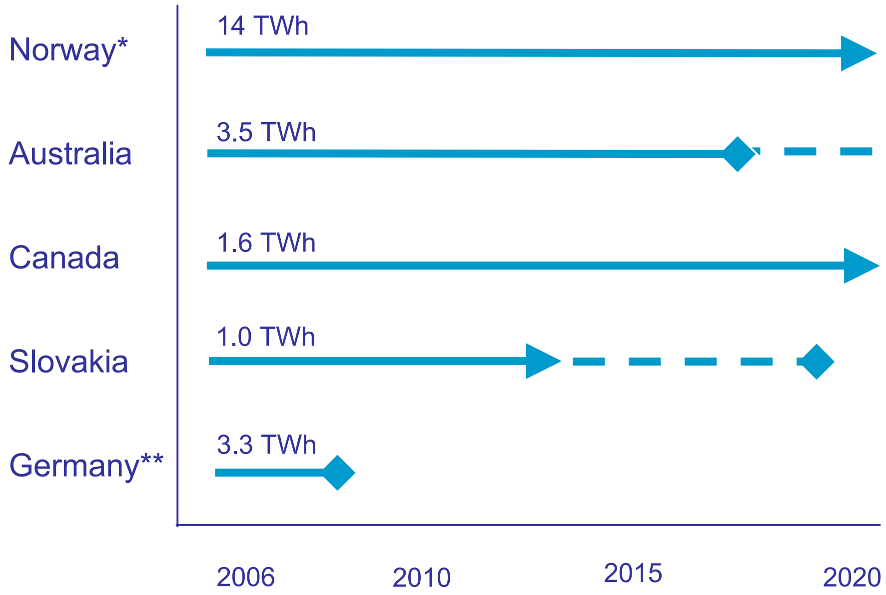
- Cost development 2005-2006
  - NOK 1.2 billion total power cost increase**
    - New contracts and increased grid cost Norway and Germany
  - Alumina cost increase
    - 60 percent equity position
    - 40 percent contracts linked to LME
- Outlook 2006-2007
  - Power cost expected to increase approx. NOK 0.3 billion in Germany and Norway**
  - Stable alumina cost
- Longer term
  - Improved alumina equity position
  - Satisfactory power position

* Liquid metal cash cost (CRU definition). Excluding Hamburg. Equity alumina at cash production cost

** For continuing operations

Long-term power contracts ensure predictable cost levels going forward

Contract portfolio



- Power supply and price secured
- Norway: gradual increase in power price until 2010 as new contracts replace old
- Germany: moderately increasing power prices
- Other portfolio: stable real prices

Power figures indicate Hydro ownership share of power consumption
** excl. Søral*
*** excl. Stade*

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Alunorte alumina refinery – key asset in repositioning

- Third expansion of 1.9 million tonnes started June 2006
- Targeting 6.5 million tonnes production by 2009
- Hydro stake 34 percent of world’s largest refinery
- First-quartile investment costs and highly competitive conversion costs
- Pursuing new opportunities in Brazil

Sunndal 4 – project execution and efficiency improvements

- Project completed ahead of plan and below budget
- Production level 17 percent above target
  - From 230 000 tonnes to current level of 268 000 tonnes
- Profitability above plan and well above Hydro hurdle rates

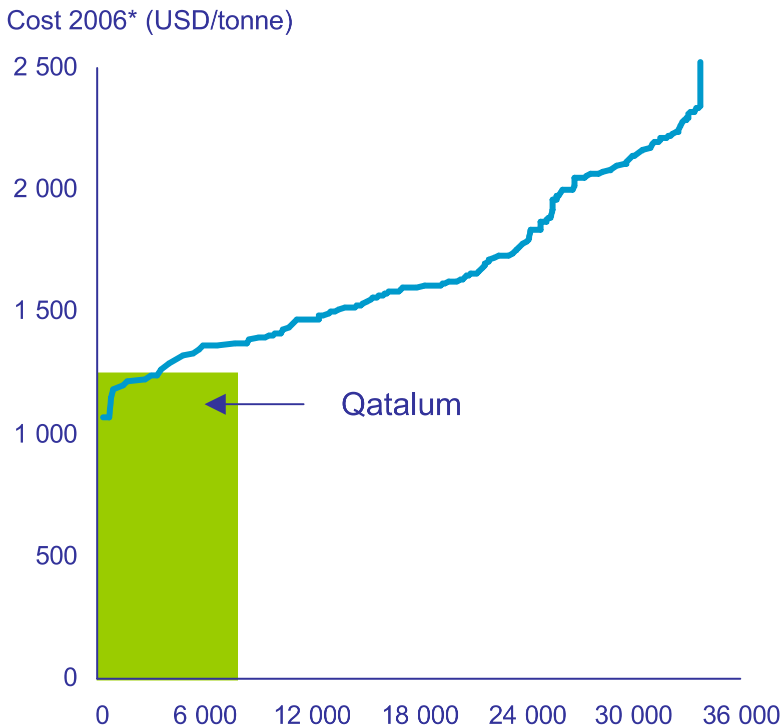
Preparing for Qatalum

- Total investment in the range of USD 4.5 billion (100 percent)
  - General cost increase for key materials and construction
  - Weaker USD/Euro exchange rate
  - Design changes

- Final cost estimate and build decision summer 2007

Qatalum – profitable mega smelter in key region

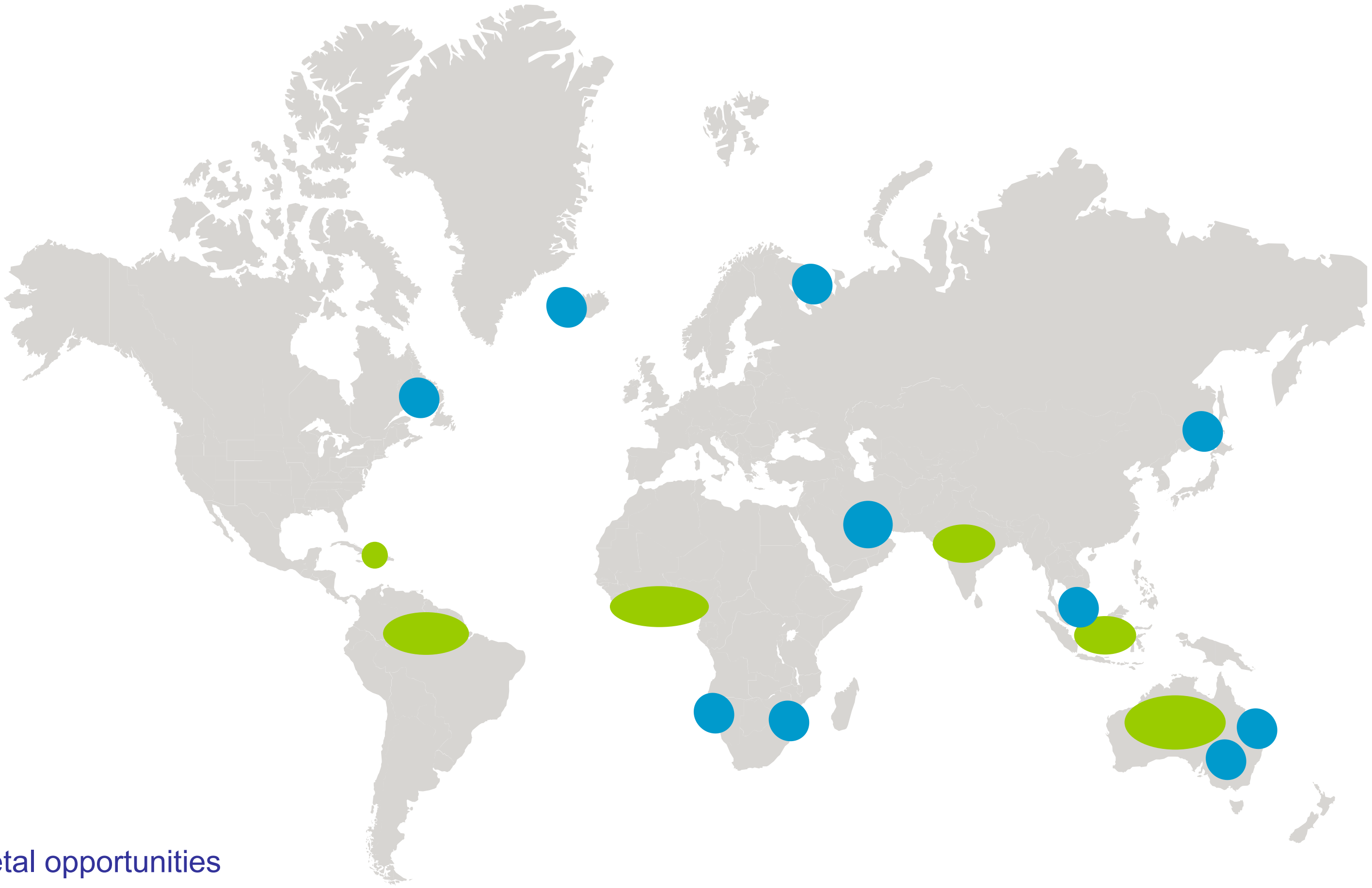
World production 2006, 1 000 tonnes



- 50/50 Hydro/Qatar Petroleum
- 585 000 tonnes per year, expansion potential to 1.2 million tonnes
- Low operating cost – captive power
- High efficiency and creep potential
- Attractive logistics for alumina and products
- Hydro to market the products

** Source: CRU, Liquid metal cost definition, September 2006*

Primary production will grow in new areas



Metal opportunities

Bauxite/alumina opportunities

Competence and technology provide basis for growth

- Distinct project management skills
- Proprietary technology opens doors for new business opportunities
- Next-generation smelter cell technology being developed
- Value-added primary products attractive to partners

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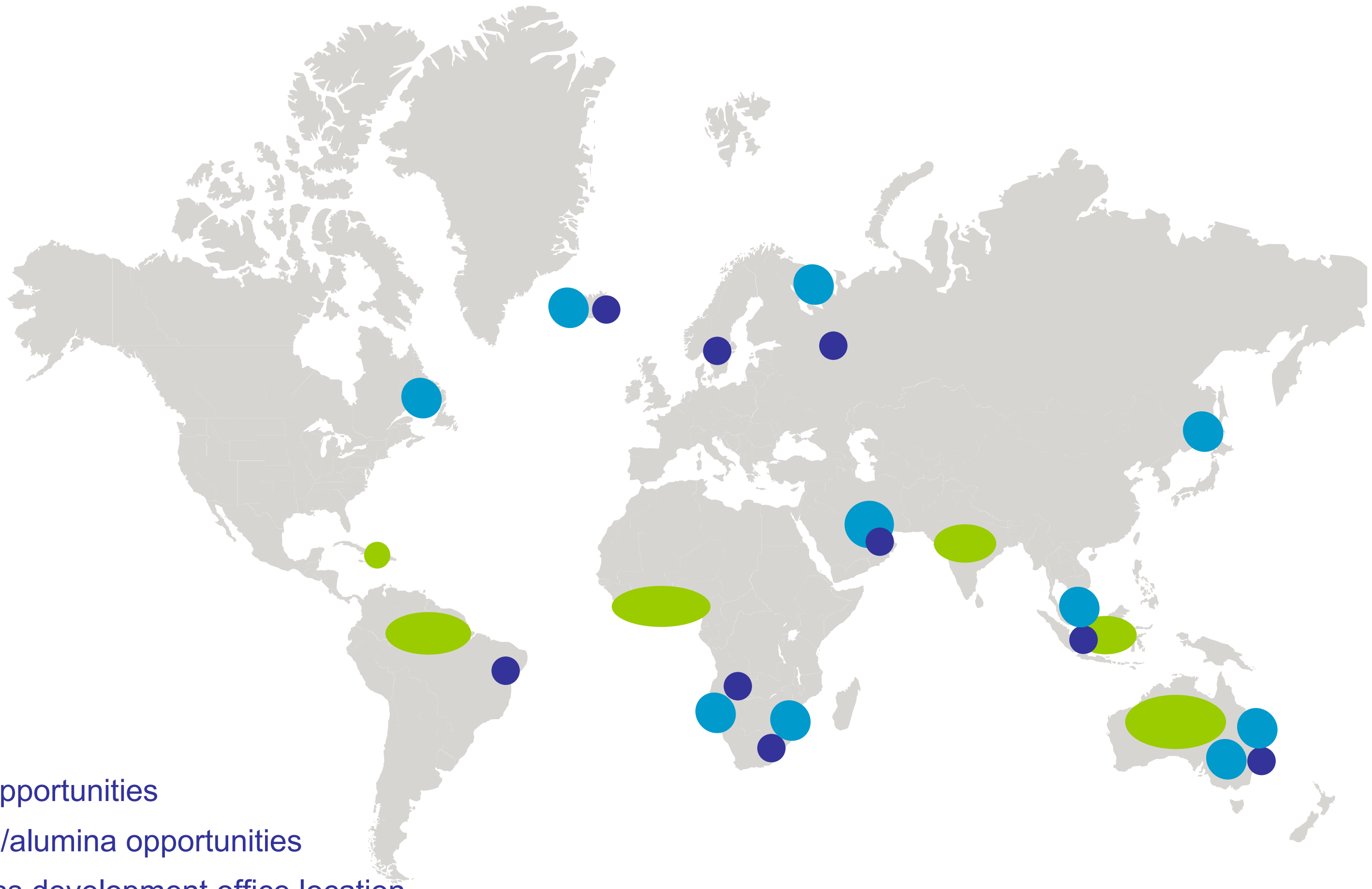
An experienced international project developer



- Metal opportunities
- Bauxite/alumina opportunities
- Business development office location

On track to reposition and grow

- Strong return on capital
- Focus on operational excellence
- Delivering new profitable growth opportunities globally