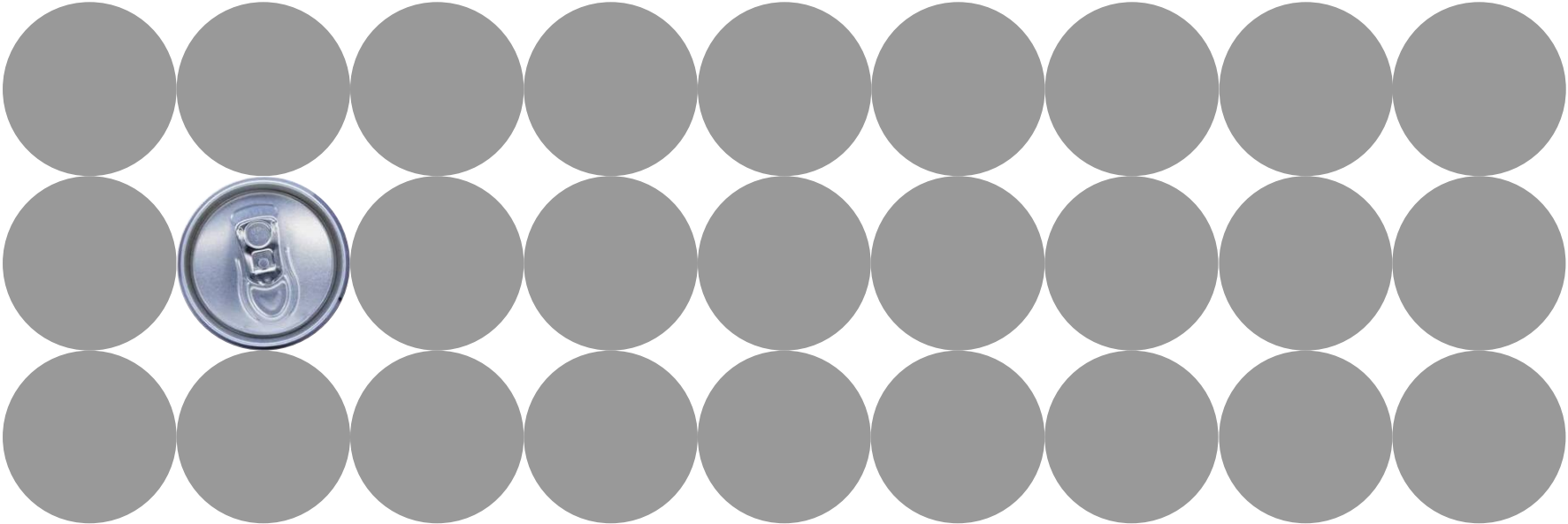


Capital Markets Day 2008



Eivind Reiten, President and CEO
September 25, 2008

Hydro's value proposition

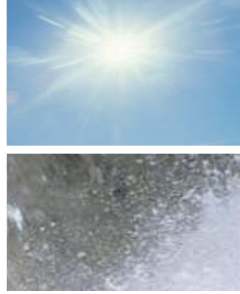
- Solid long-term fundamentals for aluminium
- Industry-leading captive power position
- World-class upstream growth projects
- Leading positions in attractive extrusion segments
- Competence in metallurgy and project execution – basis for solar growth
- Strong operational performance and cost focus



Strong position in aluminium value chain



Bauxite/
alumina



Energy



Primary
aluminium



Casthouse
products



Fabricated
products



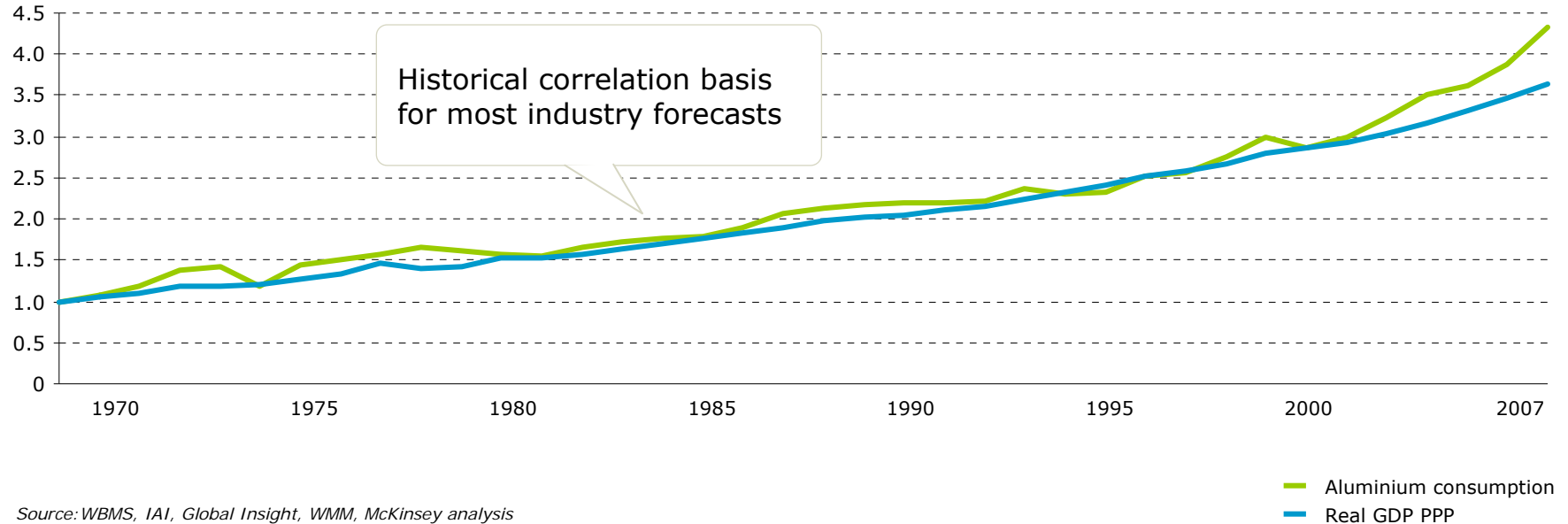
Remelt

1

**Solid long-term
fundamentals
for aluminium**

Aluminum demand outpaces GDP growth

World total aluminum consumption and GDP, 1970–2007 (1970=1)



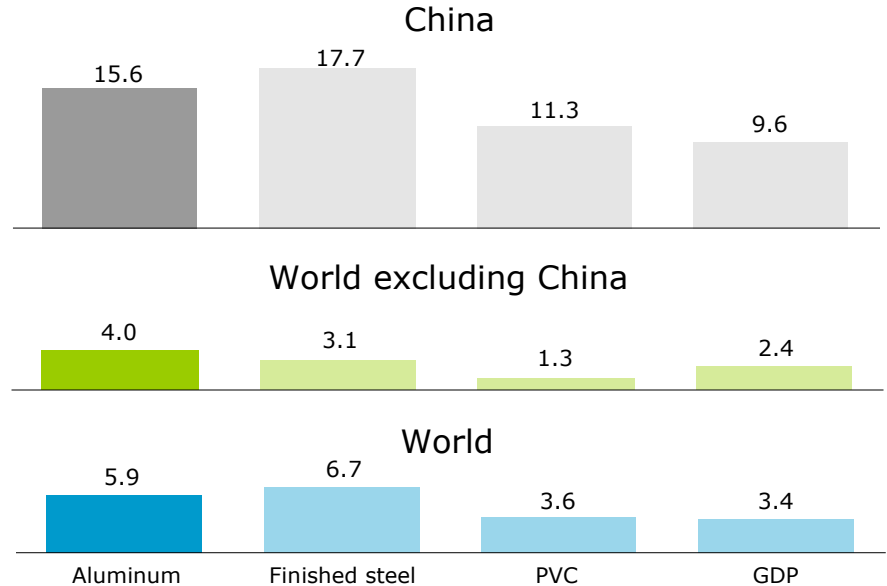
Source: WBMS, IAI, Global Insight, WMM, McKinsey analysis

Growth and infrastructure drive demand

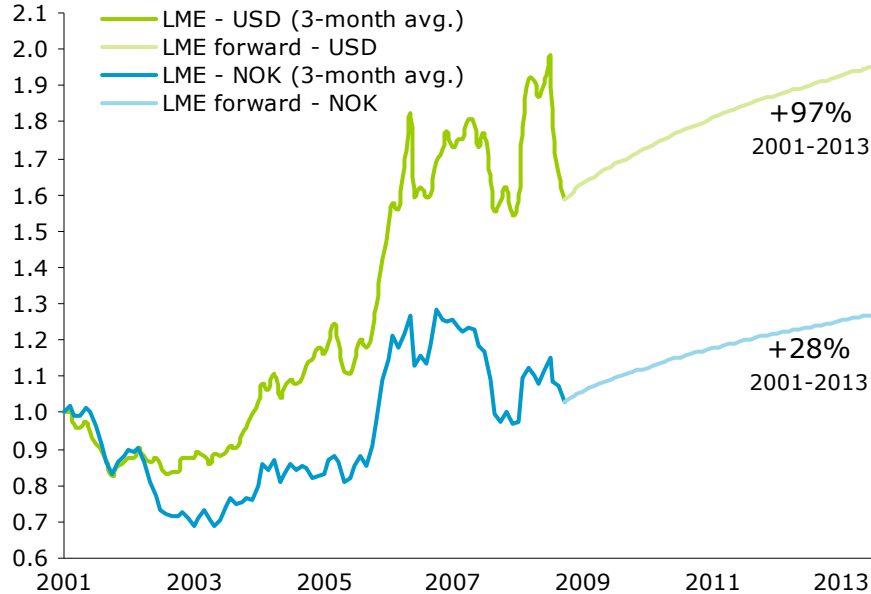
- Accelerating Chinese urbanization and industrialization 2001-2007
- Aluminium replacing other materials as preferred metal
- Aluminium part of solution to global climate challenge

Annual growth rates 2001-2007

Percent growth per capita



Support for high aluminium price



- High energy and raw material prices
- Healthy supply/demand balance
- Negative correlation between US dollar and LME price
- Short-term uncertainty due to financial markets distress

Source: Reuters Ecowin / Bloomberg, forward curve as of September 19, 2008

Responding to global climate challenge



- Hydro recognized for sustainability work
 - No 1 aluminium company on DJSI
 - FTSE4Good

- Renewable energy focus
 - 66% hydropower as source for Hydro's primary aluminium production
 - Solar expansion
- Primary aluminium
 - New technology, less kwh/kg
 - Potential for increased heat recovery
 - Prepared for future CO2 capturing
- Life-cycle perspective
 - Advantage in "everything that moves"
 - Developing energy-neutral buildings
- Aluminium recycling focus

2

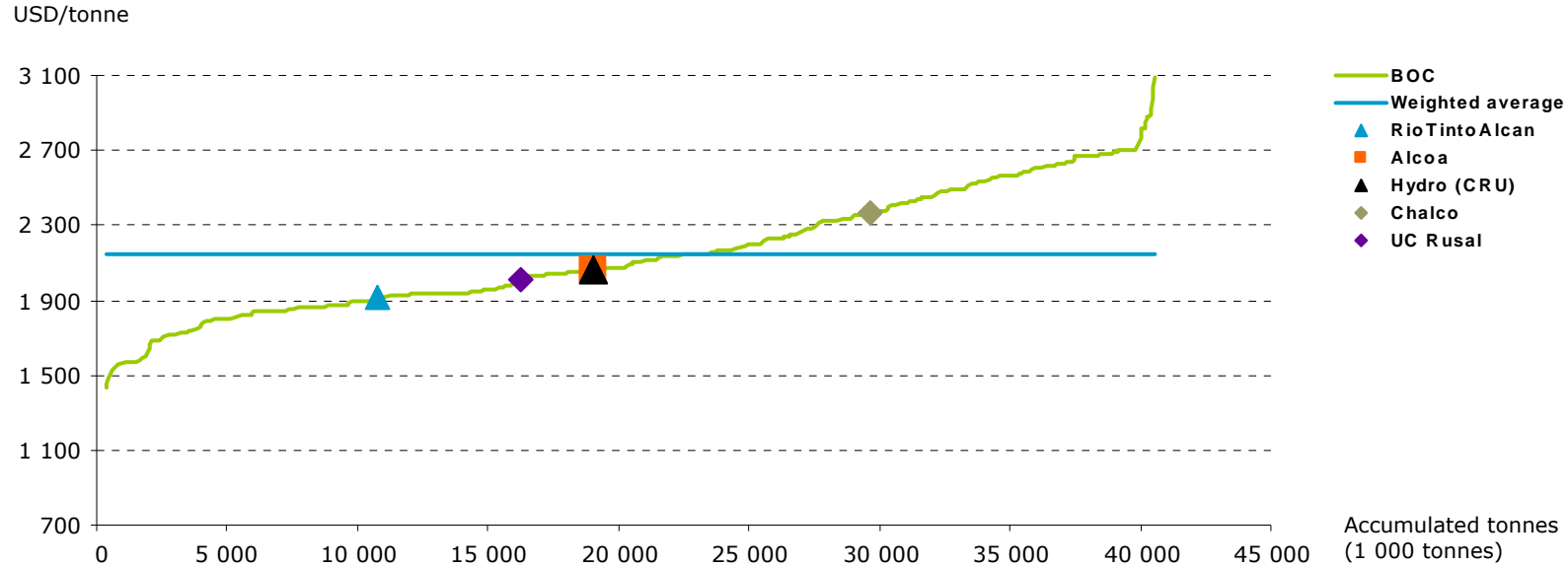
Strategy



Aluminium Metal

- Strong focus on operational performance and improvements
- Maintain competitive cost position
- Leverage strong market and customer position for metal products
- Mature and realize growth projects in metal and alumina
- Leading in technology – HAL4e development

Competitive cost position



Source: CRU, 2008. Business operating cost definition. Assumptions 3 month LME 2 943 USD/tonne and 3 month LME lagged 1Q 2 833 USD/tonne. Alumina spot 352 USD/tonne. NOK/USD 5.16

Qatalum on target



- 36% complete by end-August
- All main contractors on site
- 12 000 workers
- Challenges
 - Cost pressure
 - Performance of sub-contractors
- Investment
 - Estimate (100%) ~USD 5.6 billion

Growth options beyond Qatalum

1.5 million tonnes of possible new metal capacity



Qatalum 2, Qatar

Metal



Kurri Kurri,
Australia

Metal



East Canada

Metal



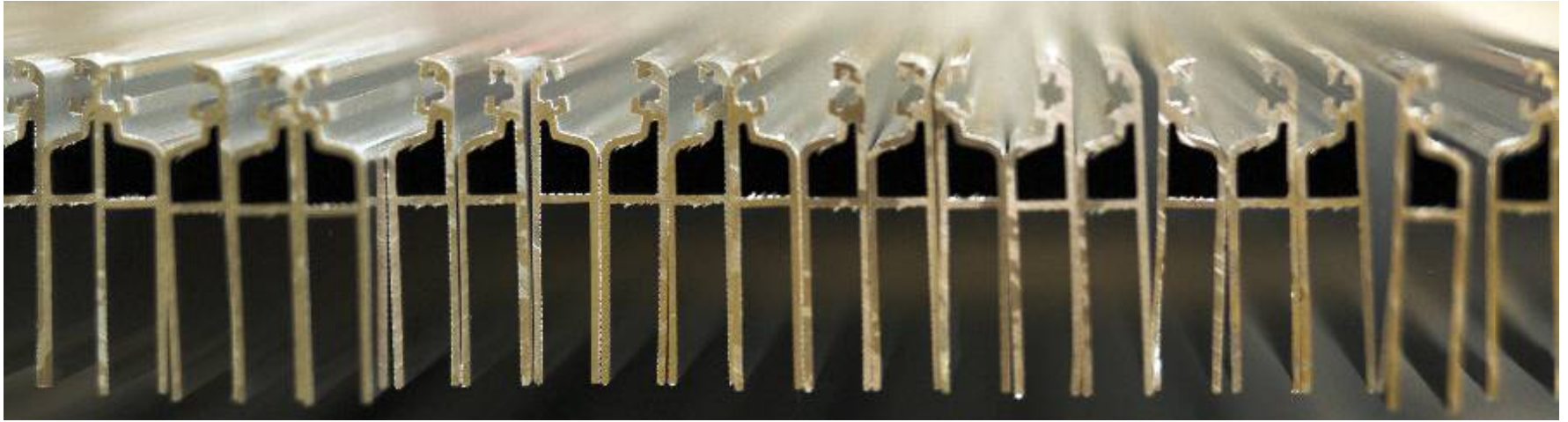
CAP, Brazil

Alumina



Kimberley,
Australia

Bauxite and alumina



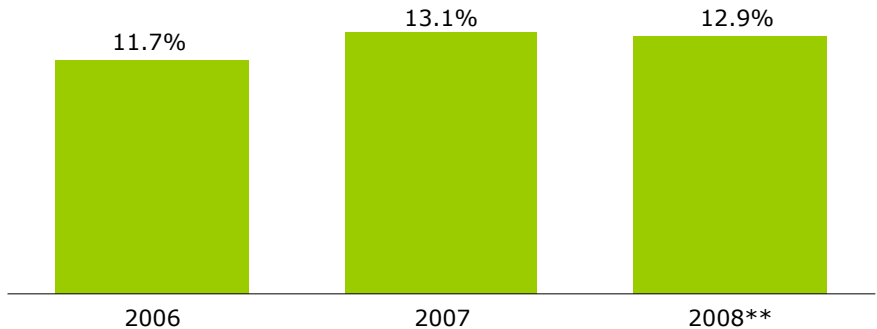
Aluminium Products

- Extrusion and Building Systems – build on proven business concept, selective growth in Europe, Middle-East and Asia
- Rolled Products – focus on margin management and cash generation

Selective growth in high-return segments

- 2008 acquisitions
 - Alumafel (Spain), Building Systems
 - Expral (Spain), Extrusion Eurasia
- Successful and speedy integration
 - Accretive to earnings
- Market leader in Spain

Underlying RoaCE – Extrusion*



* Extrusion Eurasia, Building Systems and Extrusion Americas

** Last 12 months, June 2007-June 2008



Energy

- Expand solid captive power position
- Long-term power sourcing at predictable costs
- Solar growth based on competence in metallurgy and project execution

Results of new Norwegian reversion law



Hydro's production volume and year for reversion



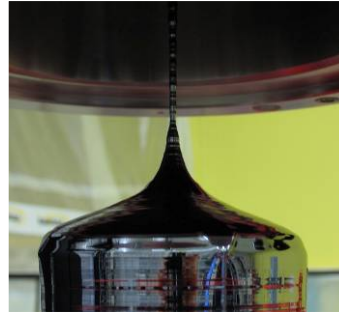
Attractive starting position in solar

HyCore



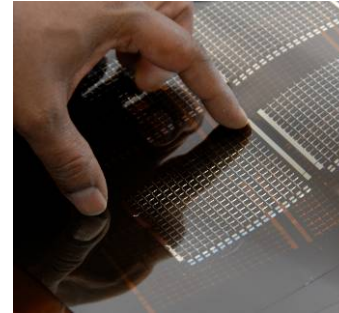
Polysilicon

NorSun



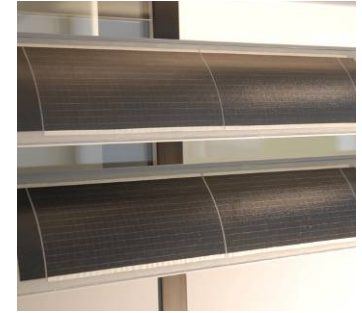
Ingots and wafers

Ascent Solar



Thin-film

Building Systems



Energy-efficient buildings

- Fundamental drivers support strong solar market growth
- Solar industry in transition from entrepreneurial to industrial scale
- Excellent fit with key Hydro competencies
 - Operational, technical, commercial and project execution

Technological leadership

HAL4e smelter technology

- Six cells in operation in Årdal
- Improved energy efficiency
- Top environmental performance
- Prepared for CO₂ capturing

Casthouse and downstream

- World-leading casthouse system
- Integrated R&D and alloy development
- Proprietary concept for extrusion
- High-end and niche rolled products





Recruiting and retaining talent

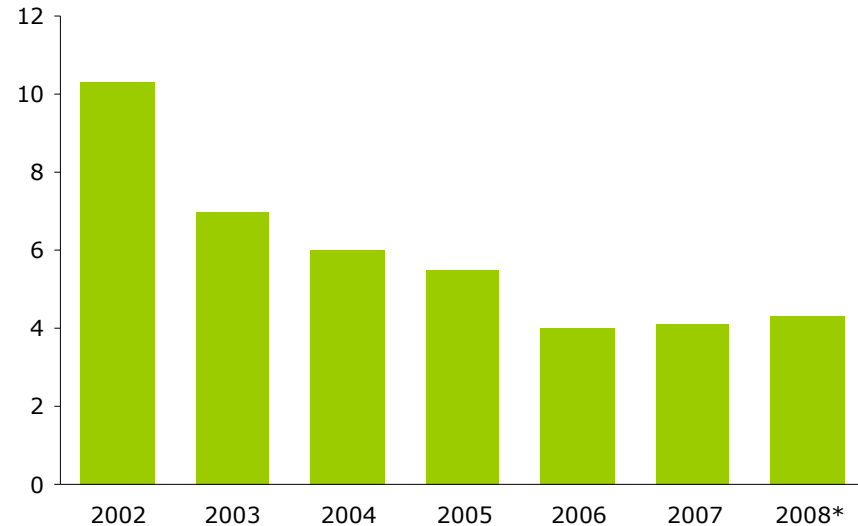
- Targeting science and finance students
- Organization and leadership development

3

**Strong operational
performance**

Continued focus on HSE

TRI rate Hydro employees



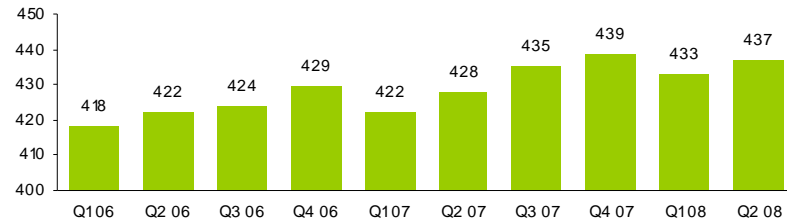
* 12-month rolling August 2007-August 2008

- Weaker safety results
 - Three fatalities in 2008
- New HSE strategy
 - Focus on commitment and accountability

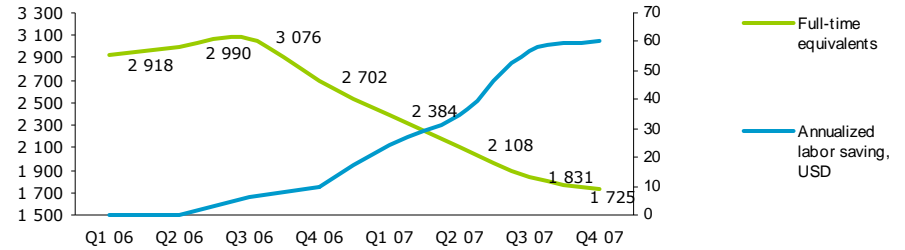
Continued productivity improvements

Annual creep 1.5-2.0% in primary aluminium

1 000 mt, excluding closed capacity

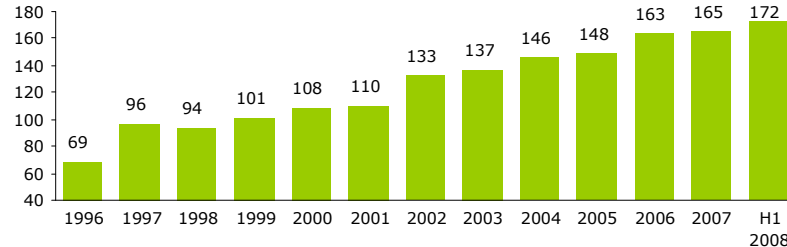


Strong improvements in U.S. extrusion



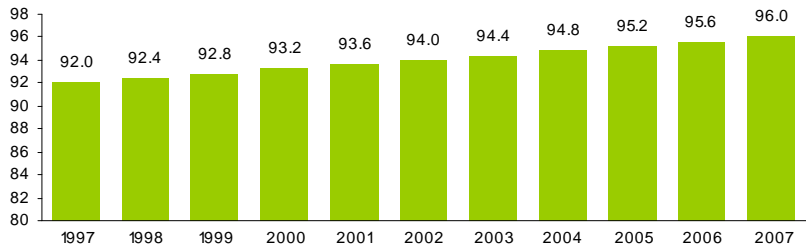
Higher volume per employee in Extrusion Eurasia

Tonnes per employee



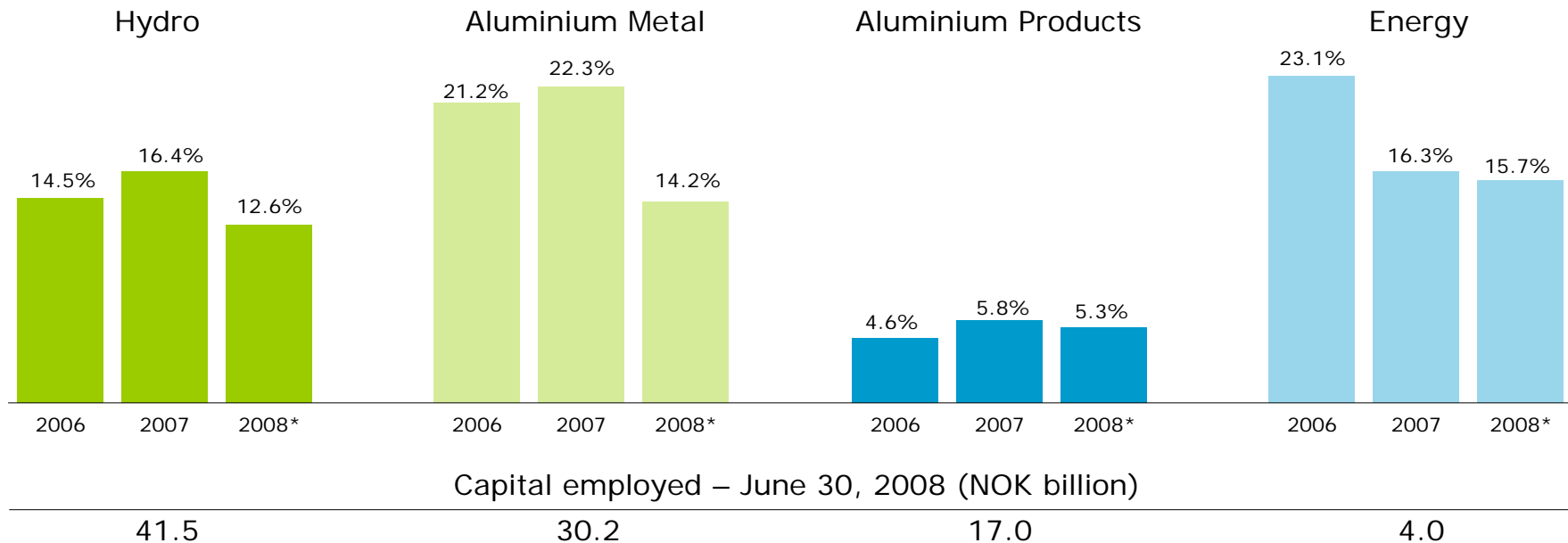
Increased availability of power production capacity

Percent



Return on capital

Underlying RoaCE



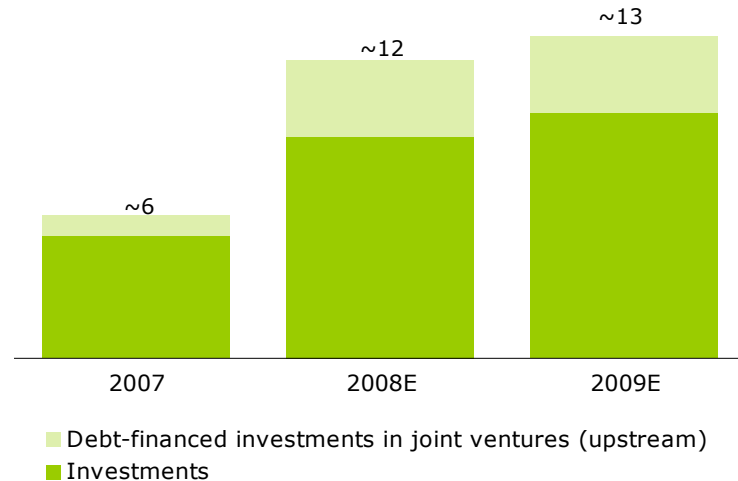
* Last 12 months, July 2007-June 2008

4

Capital allocation

World-class investment projects

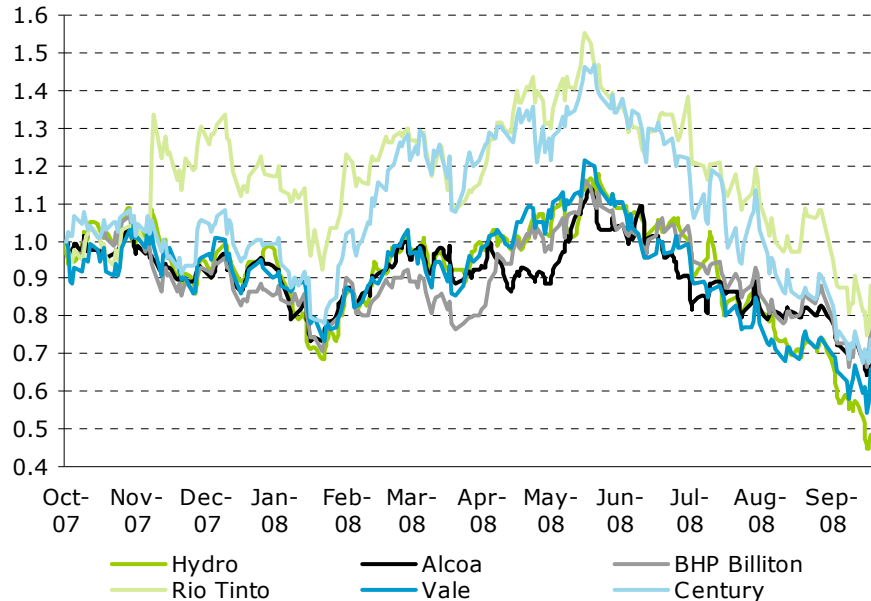
NOK billion



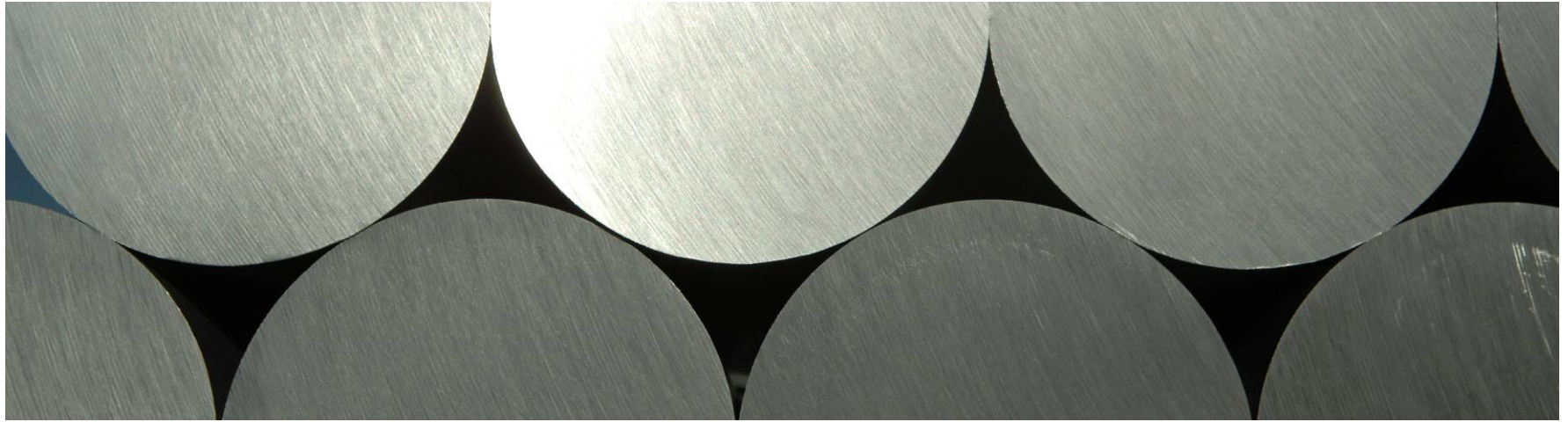
- ~75% of 2008-2009 investments upstream
- Aluminium Metal
 - Qatalum: USD 2.8 billion
 - Agreement with Vale for new alumina refinery
- Aluminium Products
 - Selective growth in Extrusion and Building Systems
- Energy
 - Solar growth
- Sustaining capex NOK 3 billion annually

Shareholder return

Relative development in USD
October 1, 2007 – September 19, 2008



- Maintained dividend policy
 - 30% of net income over time
- Payout 2007
 - 21% ordinary dividend
 - 49% extraordinary dividend
- Share buyback and extraordinary dividends as supplement in periods with strong financials
- Current share buyback authorization of NOK 4 billion valid until May 2009



Hydro's competitive strengths

- Strong energy coverage
- Solid operational performance
- Technological leadership
- Close to markets and customers
- Reputable partner in joint ventures
- Project management excellence
- Financial solidity
- Open culture, agile and flexible organization



www.hydro.com