



HYDRO

Preliminary results 2006

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Highlights 2006

- Strategic decision to merge oil and gas activities with Statoil
- Record 2006 results
- Q4 hit by US Gulf of Mexico write-downs and unrealized effects
- Strong results in Aluminium
- Significant restructuring and repositioning of Aluminium
- Continued strong market conditions

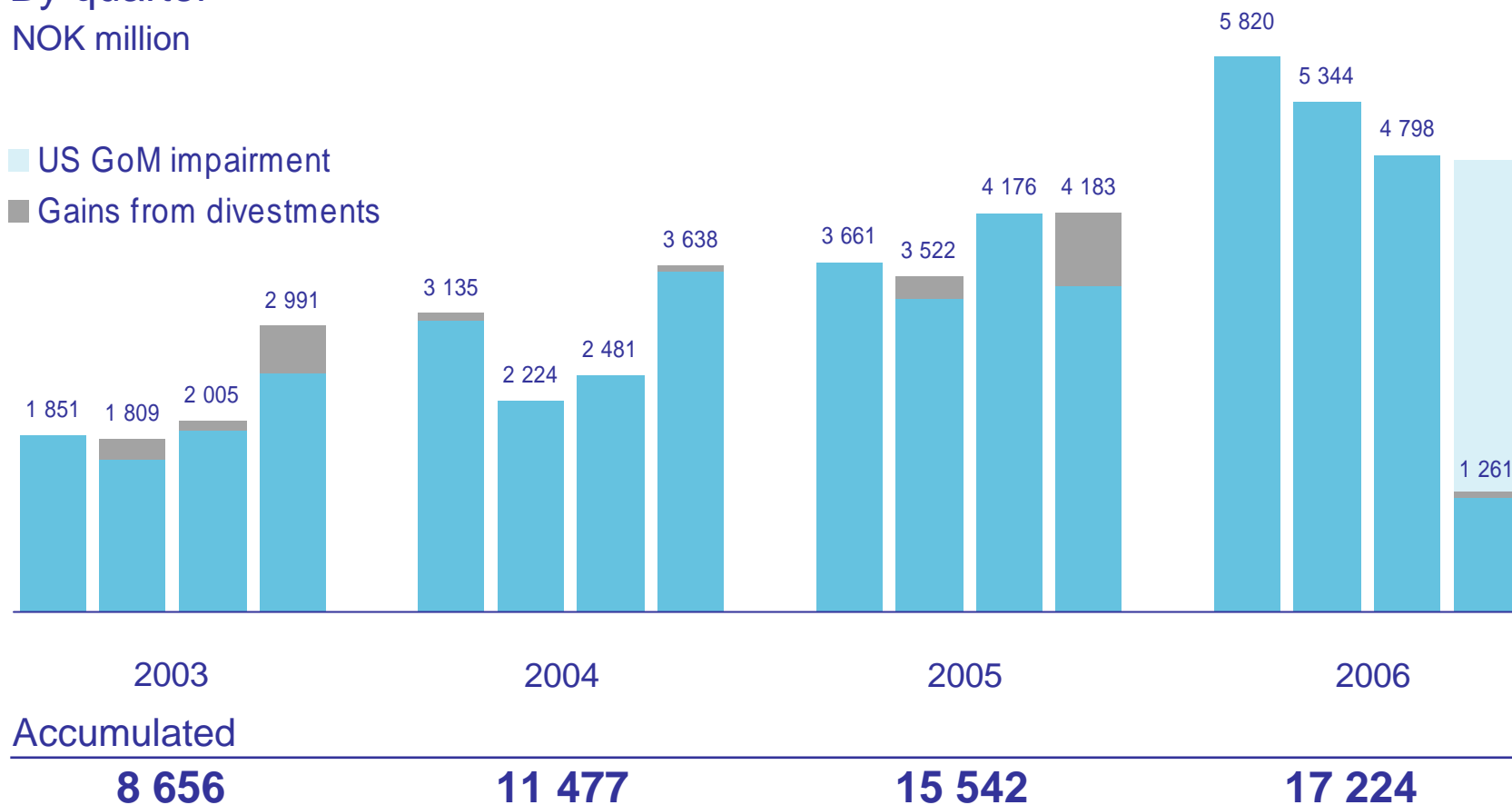
Income from continuing operations

By quarter*

NOK million

■ US GoM impairment

■ Gains from divestments



* Automotive Casting only reported as discontinued operations in 2005 and 2006

Consolidated income statements

NOK million	2006	2005
Operating revenues	200 719	171 231
Operating income	52 224	46 237
Non-consolidated investees	962	593
Financial income (expense), net	1 785	(1 889)
Other income, net	53	990
Income from continuing operations before tax and minority interest	55 024	45 932
Income tax expense	(37 598)	(30 271)
Minority interest	(202)	(118)
Income from continuing operations	17 224	15 542
Income from discontinued operations	167	174
Net income	17 391	15 638
Earnings per share from continuing operations – NOK	13.90	12.40
Earnings per share – NOK	14.00	12.50

For calculation of EPS, 2006: 1 240 804 344 shares, 2005: 1 254 036 520 shares

Previously reported earnings per share and total number of outstanding shares have been adjusted to reflect the 5-for-1 stock split effective 10 May 2006.

Consolidated income statements

NOK million	Q4 2006	Q3 2006	Q4 2005
Operating revenues	45 715	50 090	44 509
Operating income	4 573	15 278	10 360
Non-consolidated investees	54	231	(79)
Financial income (expense), net	847	(741)	(579)
Other income (loss), net	53	-	758
Income continuing operations before tax and minority interest	5 527	14 769	10 460
Income tax expense	(4 287)	(9 786)	(6 411)
Minority interest	22	(185)	133
Income from continuing operations	1 261	4 798	4 183
Income from discontinued operations	62	6	81
Net income	1 323	4 804	4 186
Earnings per share from continuing operations - NOK	1.00	3.90	3.30
Earnings per share – NOK	1.10	3.90	3.40

For calculation of EPS, Q4 2006: 1 229 232 363, Q3 2006: 1 236 376 070, Q4 2005: 1 252 336 895 shares.

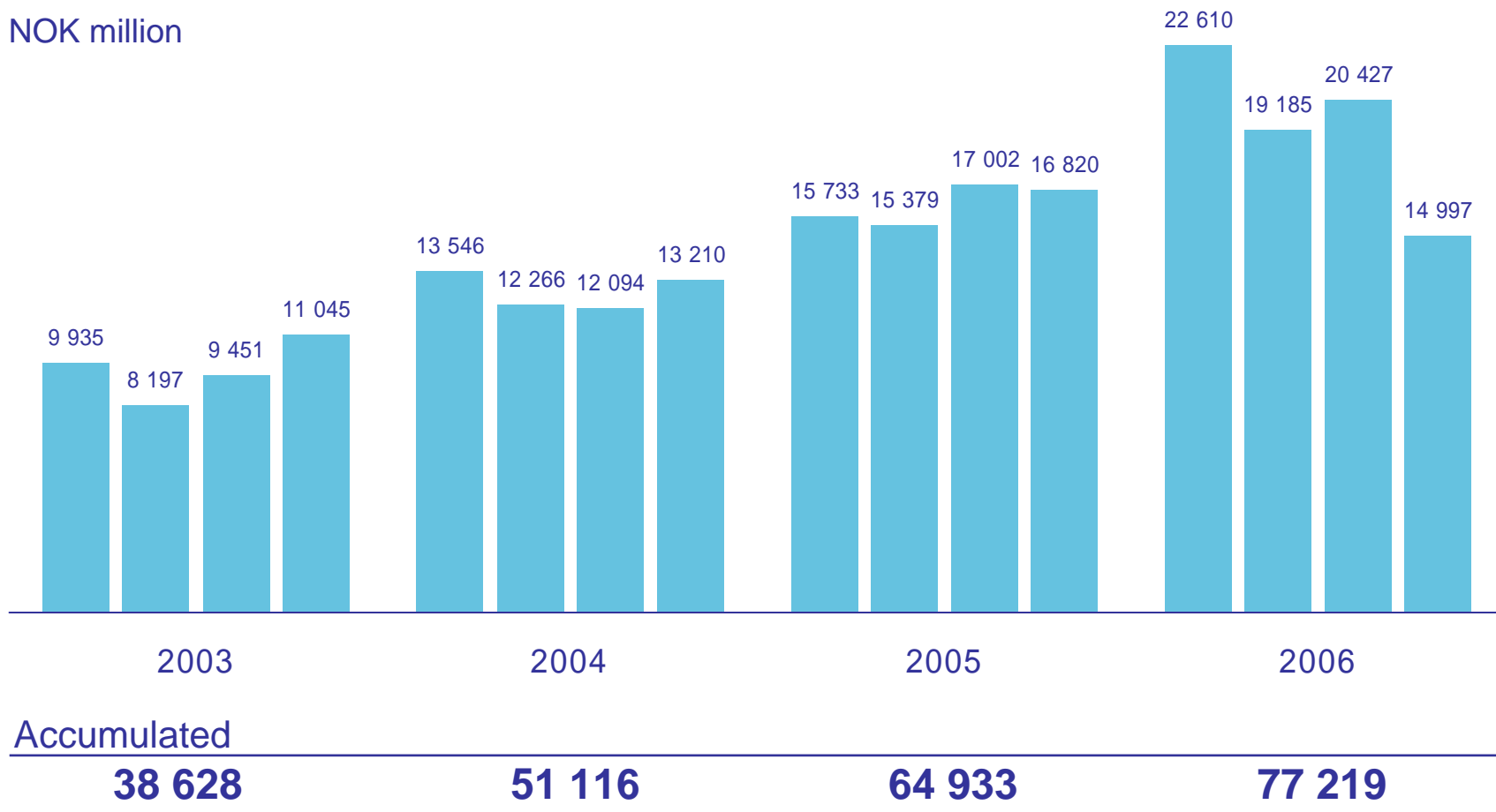
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Operating income

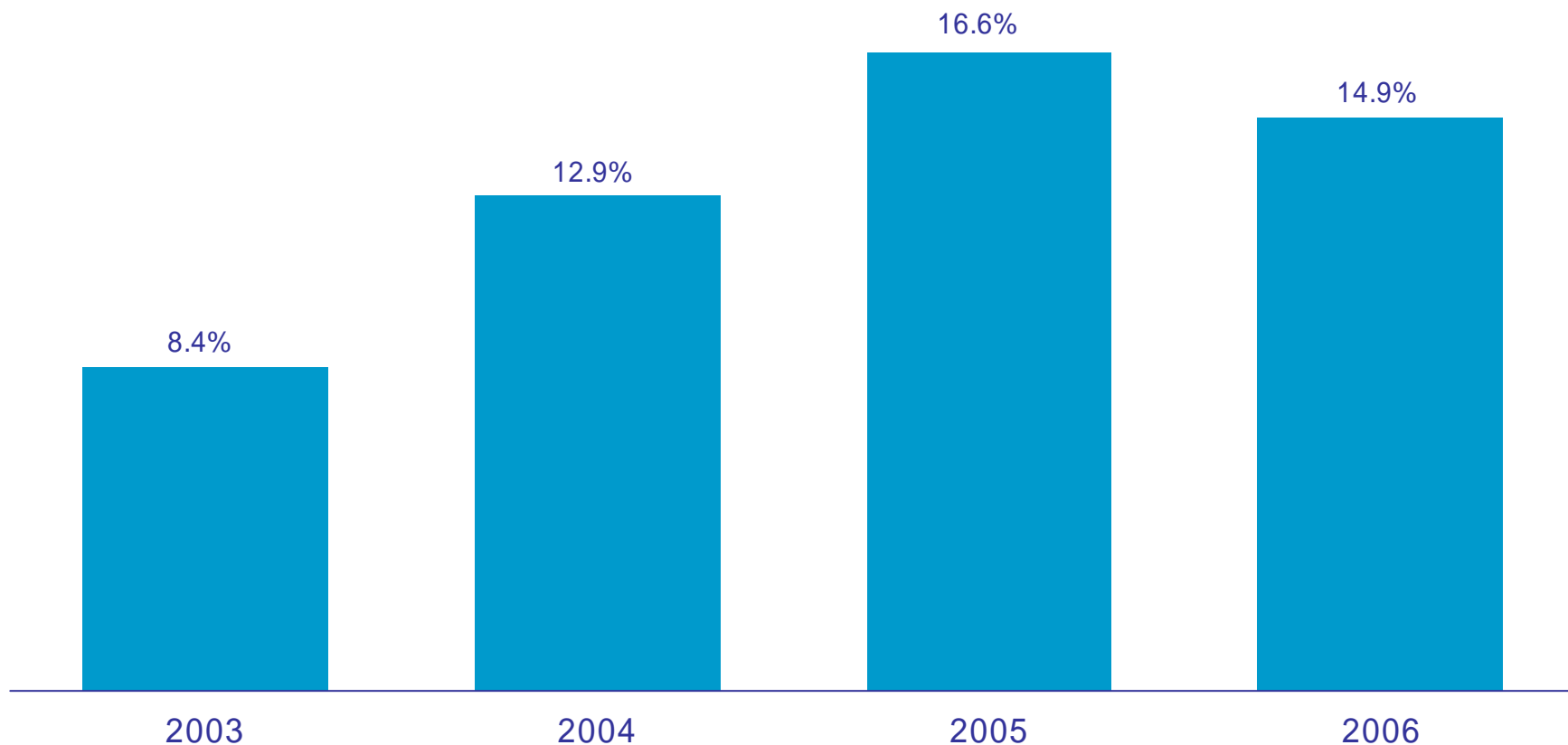
NOK million	Q4 2006	Q3 2006	Q4 2005
Exploration and Production	4 517	12 078	10 690
Energy and Oil Marketing	590	851	1 403
Eliminations	540	382	(556)
Oil & Energy	5 647	13 311	11 537
Aluminium Metal	849	1 854	12
Aluminium Products	(499)	(202)	(1 124)
Other Activities	707	235	(98)
Corporate and Eliminations	(2 130)	80	34
Total	4 573	15 278	10 360

Adjusted EBITDA

NOK million

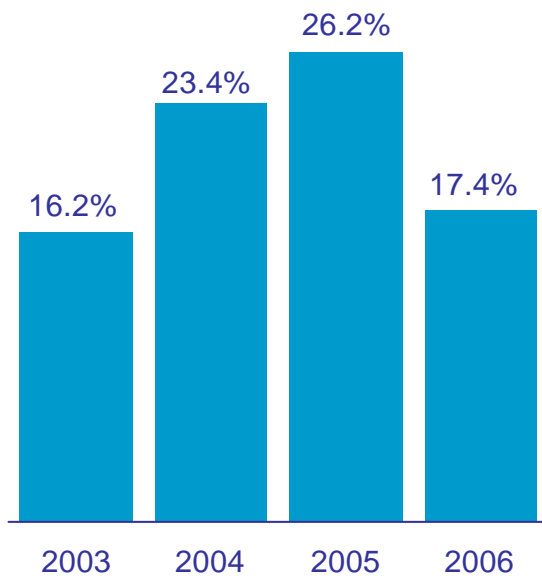


Return on capital employed – RoaCE

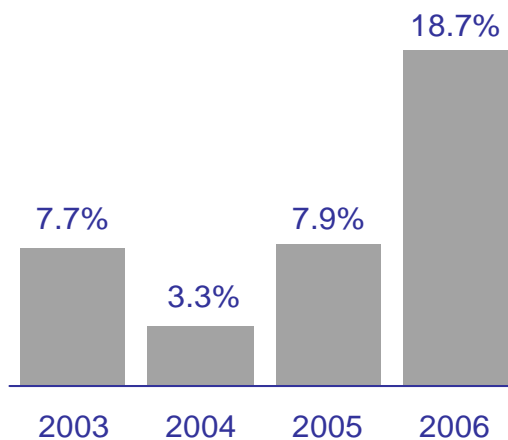


RoaCE by business area

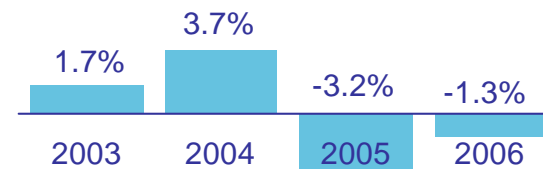
Oil & Energy



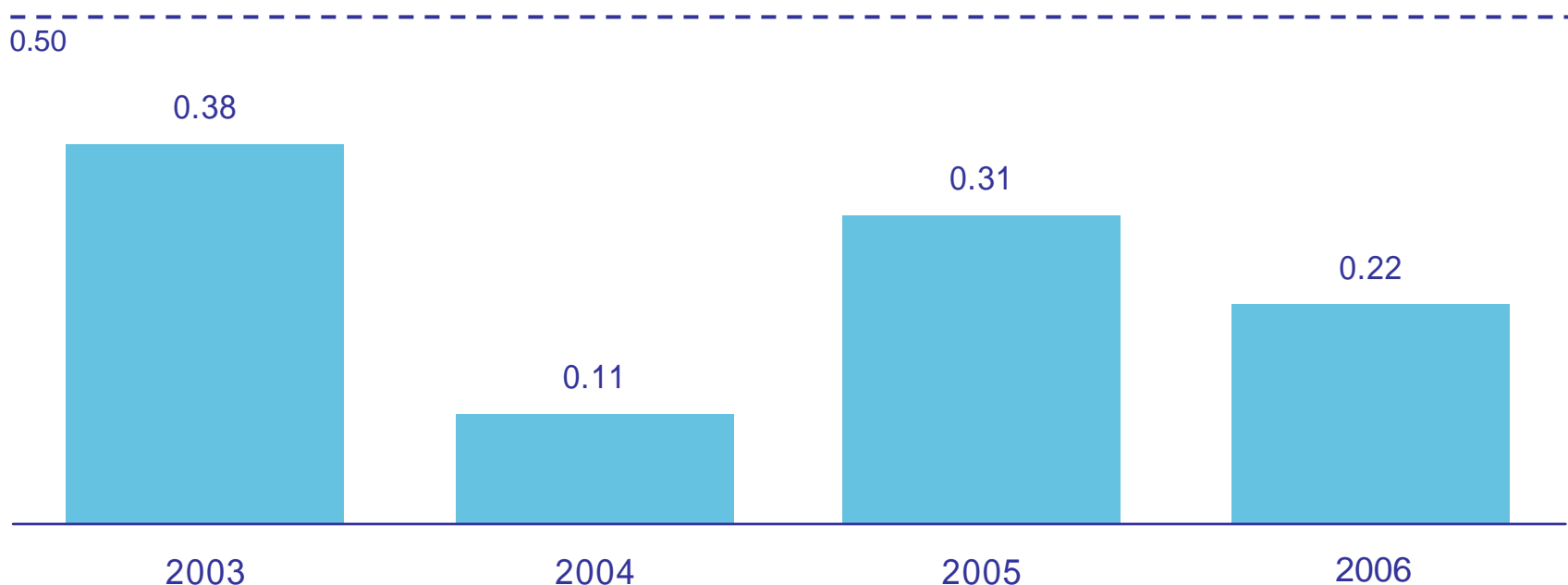
Aluminium Metal



Aluminium Products



Adjusted net debt/equity ratio



Interest-bearing debt + net pension liability (tax adjusted) + operating lease commitments (discounted) – cash and cash equivalents – other liquid assets divided by shareholders' equity + minority interest

Pensions

NOK million	2006	2005
Defined benefit plans:		
Benefits earned during year, net of participants' contributions	1 118	830
Interest cost on prior period benefit obligation	1 289	1 292
Expected return on plan assets	(1 080)	(1 003)
Recognized net loss ¹⁾	439	283
Amortization of prior service cost ¹⁾	112	107
Curtailment loss	-	1
Net periodic pension cost	1 878	1 510
Defined contribution plans	23	45
Multiemployer plans	19	26
Termination benefits and other	317	604
Total net periodic pension cost	2 237	2 185
Total net unfunded pension obligation ²⁾	(11 750)	(13 529)
Unfunded pension obligation not recognized on balance sheet ³⁾	-	(8 249)
Weighted-average assumptions at end of year:		
Discount rate	4.5%	4.1%
Expected return on plan assets	5.9%	5.6%
Rate of compensation increase	3.5%	3.1%

1. Significantly reduced amortizations in IFRS in 2007

2. New US GAAP accounting rules as of end 2006 Total net unfunded pension obligation reflected on balance sheet

3. Updated estimate for split of net unfunded pension obligation: approx. NOK 7.5 billion to remain with "new" Hydro (pre-tax)



Oil & Energy – highlights

- Realized oil price: USD 57.8 per bbl in Q4
- Oil and gas production: 595 000 boe in Q4, 573 000 boe in 2006
- 5 new discoveries in Q4
- Ormen Lange/Langeled on track – 91 percent complete end of 2006
- US Gulf of Mexico impairment of NOK 3.4 billion after tax

Oil & Energy – key figures

Operational data	2006	Q4 2006	Q4 2005
Oil and gas production (1 000 boe/day)	573	595	589
Realized oil price, USD/boe	63.10	57.80	55.60
Realized oil price, NOK/boe	404.00	369.20	368.80
Realized gas price, NOK/Sm ³	1.93	1.97	1.85
Exploration expense, NOK million	4 986	2 093	1 092

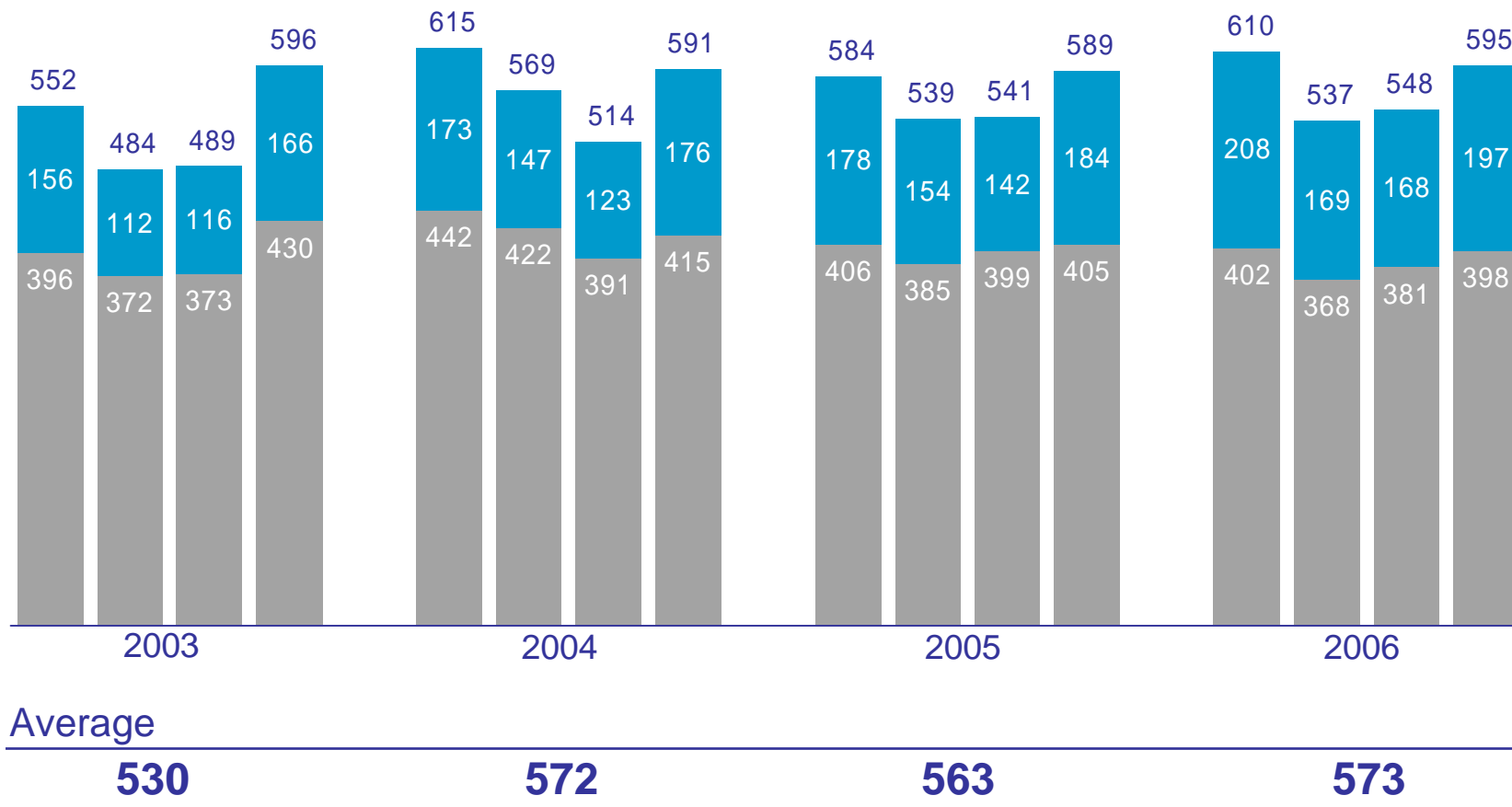
Operating income, NOK million	2006	Q4 2006	Q4 2005
Exploration and Production	41 352	4 517	10 690
Energy and Oil Marketing	3 578	590	1 403
Eliminations	1 323	540	(556)
Oil & Energy	46 253	5 647	11 537

Oil and gas production per quarter

1 000 boe/day

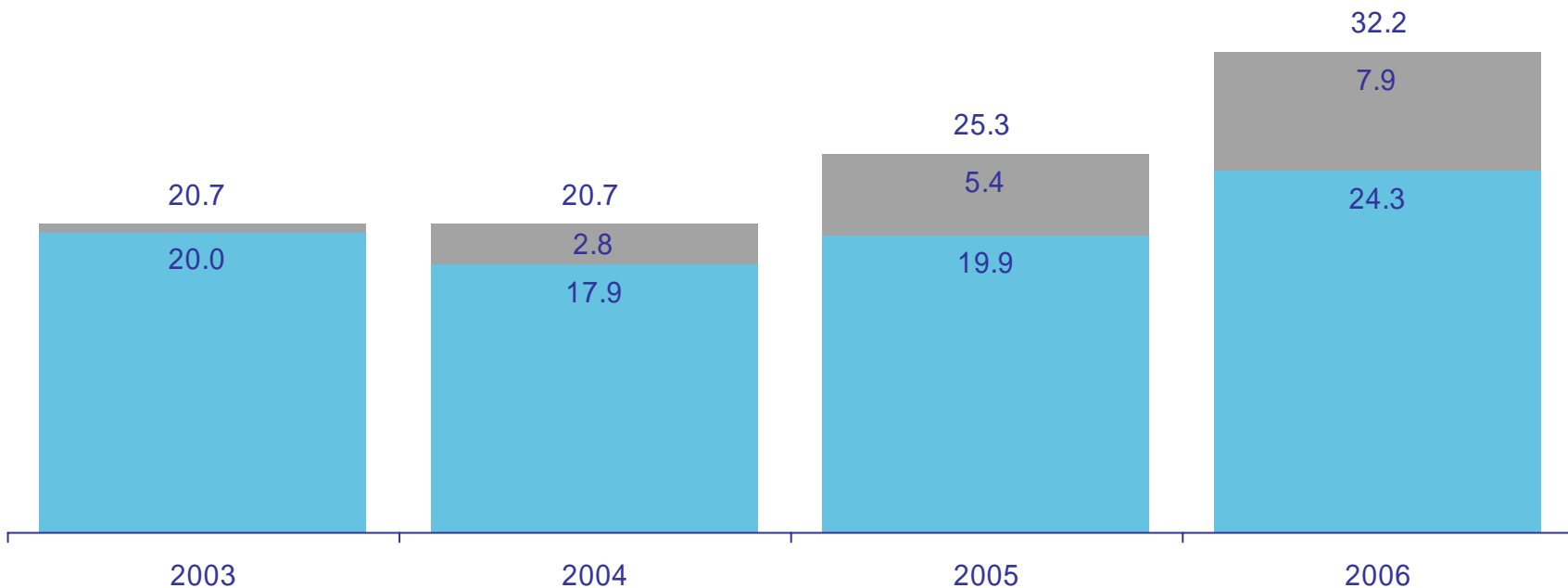
■ Oil

■ Gas



Production costs per barrel

NOK/boe



Production in million boe

194

209

206

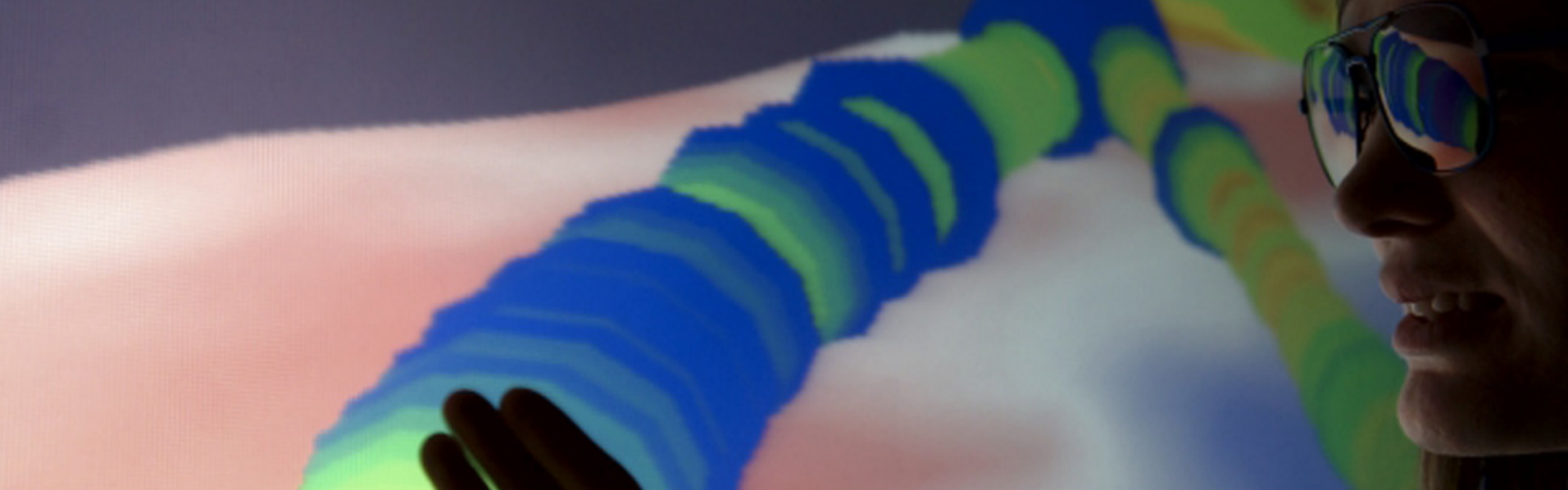
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Proved reserves of oil and gas

SEC definition

Reserves 31 December 2005 – million boe	2 046
Reserve revisions	45
New reserves	34
Production 2006	(209)
Reserves 31 December 2006 – million boe	1 916

Reserve replacement ratio and reserve life	
Reserve replacement ratio 2006	38%
Reserve replacement ratio 3-year average	40%
Reserve life	9 years
Oil	5 years
Gas	17 years



High exploration activity in 2006

- 51 wells completed
- 26 discoveries
 - Norway: 6, US GoM: 8, Libya: 7, Other:5
- 5 wells drilling by end of year
- Activity of NOK 5.9 billion

Oil & Energy – prospects

- 2007 production target of 605 000 boed
- Ormen Lange start-up
- Peregrino plan for development and operation first half 2007
- High exploration activity
- Proposed merger of Hydro's oil and gas activities with Statoil

Aluminium activities – key figures

Operational data	2006	Q4 2006	Q4 2005
Realized aluminium price, USD/ton	2 352	2 430	1 851
Realized aluminium price, NOK/ton	15 371	15 793	12 145
Primary aluminium production, 1 000 tons	1 799	450	464

Operating income, NOK million	2006	Q4 2006	Q4 2005
Aluminium Metal	6 362	849	12
Aluminium Products	(83)	(499)	(1 124)
Eliminations	(98)	64	13
Aluminium	6 181	413	(1 099)
Special items	1 296	1 250	2 153
Adjusted operating income	7 477	1 663	1 054

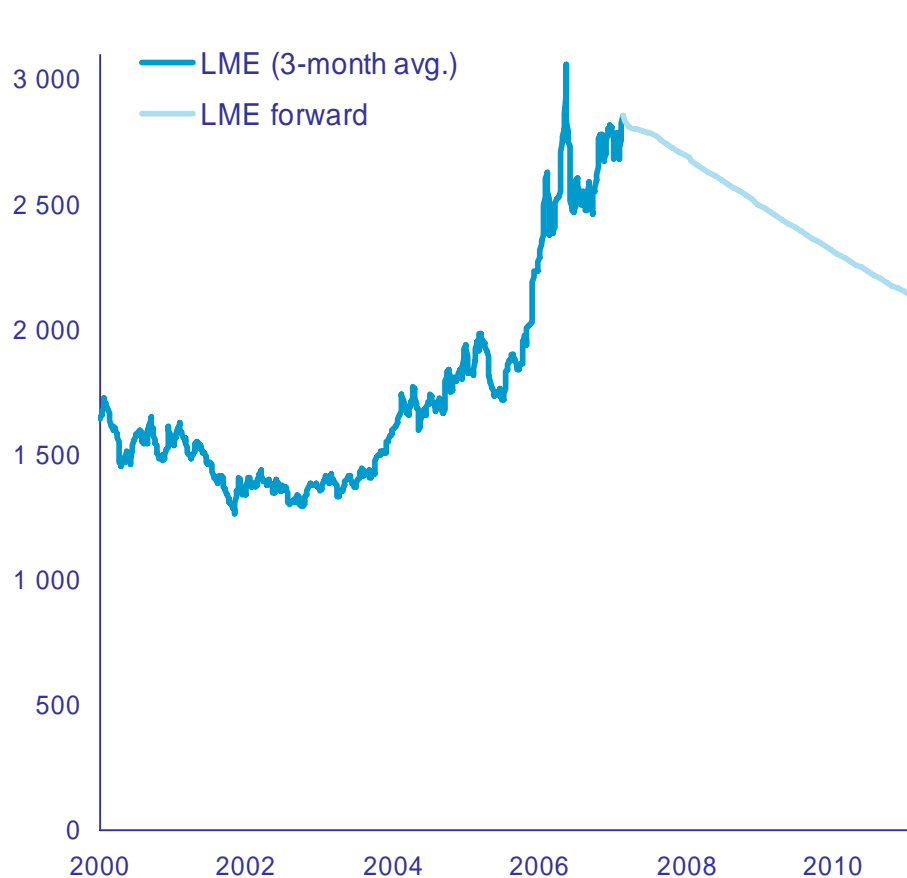


Aluminium Metal – highlights

- Financial performance at record level in 2006
 - EBITDA NOK 9.1 billion
 - Operating income NOK 6.4 billion
 - RoaCE 18.7 percent
- Increased raw material and energy costs
- Realized aluminium price USD 2 430 per ton in Q4
- Q4 negatively impacted by unrealized effects on LME and power contracts

Aluminium price remains historically high

USD per ton



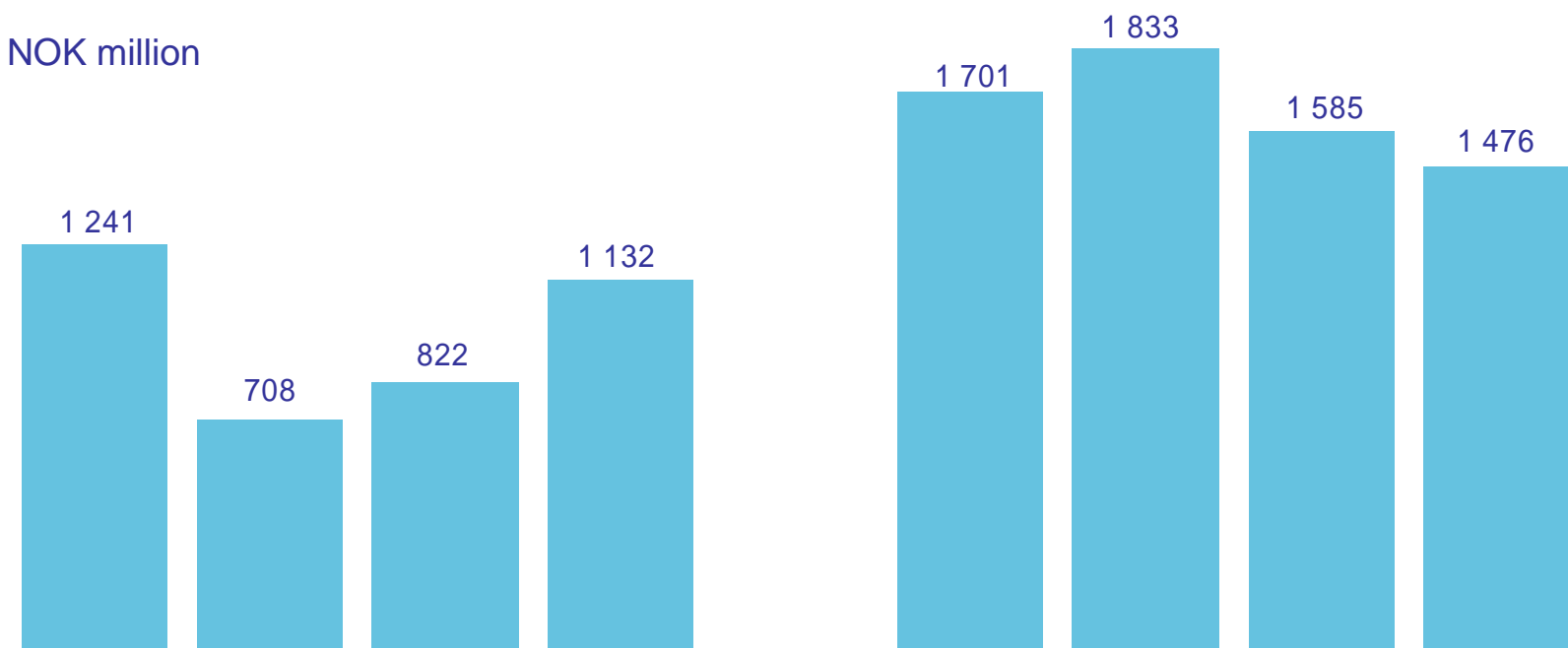
Per 16 February 2007, weekly average

Primary aluminium LME	USD/ton
Q4 2006 average	2 725
Q4 2006 end	2 803
Q3 2006 average	2 528
Q3 2006 end	2 584
Q2 2006 average	2 682
Q2 2006 end	2 630
Q1 2006 average	2 444
Q1 2006 end	2 471
Average 2006	2 594
Average 2005	1 900

Aluminium Metal – operating income

Adjusted for special items

NOK million



2005

2006

Adjusted operating income

3 903

6 595

Reported operating income

2 694

6 362

Aluminium Metal – prospects

- Continued high aluminum prices
- 80 percent of expected Q1 production sold at 2 540 USD/ton
 - Including full effect of strategic hedges
- Qatalum progressing toward investment decision mid-2007



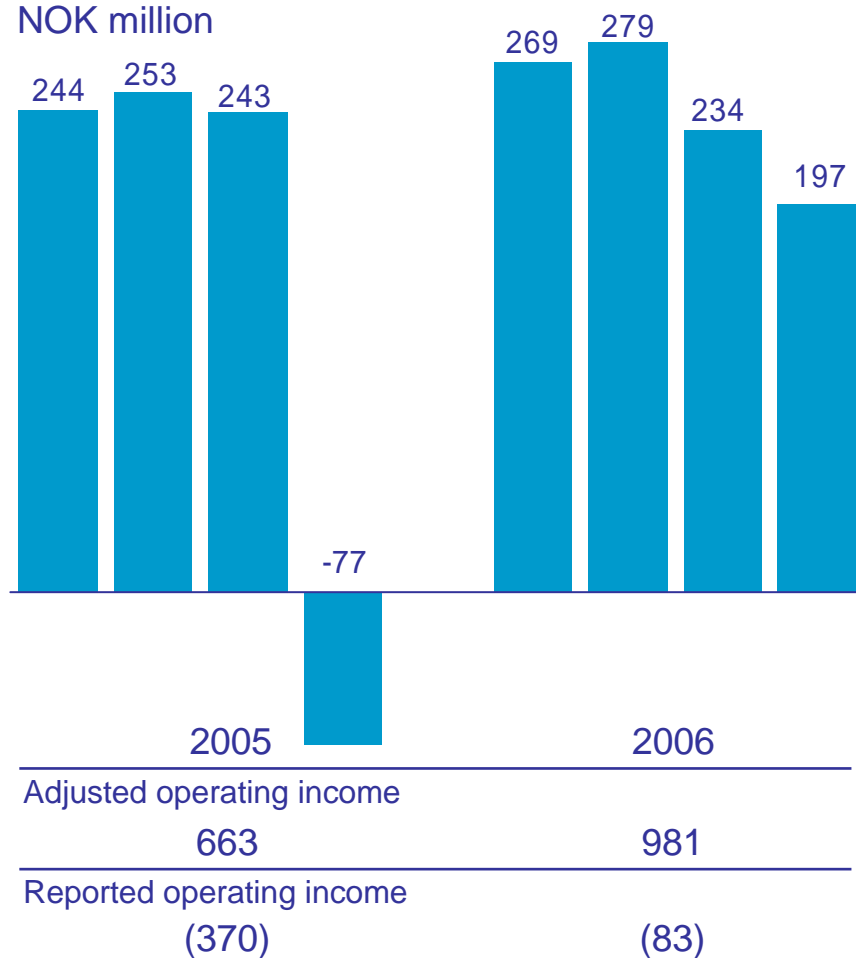
Aluminium Products – highlights

- Weak results, restructuring continues
- Exit of automotive business ongoing
 - Divestment of Castings and Meridian signed
 - Structures sales process continues
 - Magnesium closure costs NOK 384 million in Q4
- Improved volumes and margins in Rolled Products and Extrusion

Aluminium Products – operating income

Adjusted for special items

NOK million



- Rolled Products
 - Volumes improving, seasonal reduction in Q4 compared to Q3
 - Slight increase in margins
- Extrusion
 - Margin and volume improvement
- Automotive
 - Continued weak margins and volumes
 - Excluding Castings (discontinued operations)
- Focus on cash generation in 2006
 - EBITDA NOK 1 715 million
 - Investments NOK 1 250 million

Aluminium Products – prospects

- Portfolio restructuring to be completed in 2007
- Strong margins in Extrusion continues
- Improved margins in Rolled Products
- European market for Rolled Products, Extrusion and Building Systems to remain strong

Strong results for “new” Hydro businesses in 2006

NOK billion	Operating revenues	Adjusted EBITDA	Depreciation	Operating income	Investments
Aluminium Metal	68.4	9.1	(1.7)	6.4	2.0
Aluminium Products	49.8	1.7	(1.7)	(0.1)	1.3
Power	10.8	1.3	(0.1)	1.2	0.04
Polymers	6.9	1.5	(0.4)	1.0	0.5



Hydro – priorities

- Execute proposed demerger of oil and gas activities and ensure successful integration planning with Statoil
- Launch “new” Hydro
- Strong return on capital
- Operational excellence
- Qatalum investment decision mid-2007
- Solid financial position

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.

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.

A blurred high-speed train, likely a Shinkansen, is stopped at a station platform. The train is white with blue and green accents. A bright yellow safety line runs along the platform edge. A person is walking away from the camera on the platform. The scene is captured with a motion blur effect, suggesting the train is moving quickly. An orange semi-transparent banner is overlaid across the middle of the image.

Additional information

Adjusted income Q4 2006

NOK million	Reported income	Adjustments	Adjusted income
Exploration and Production	4 517	5 411	9 928
Energy and Oil Marketing	590	165	755
Eliminations	540	(540)	-
Oil & Energy	5 647	5 036	10 683
Aluminium Metal	849	627	1 476
Aluminium Products	(499)	697	198
Other activities	707	(591)	116
Corporate and eliminations	(2 130)	1 939	(191)
Total operating income	4 573	7 708	12 281
Non-consolidated investees	54	320	374
Financial income (expense), net	847	(714)	133
Other income (loss), net	53	(53)	-
Income continuing operations before tax and minority interest	5 527	7 261	12 788
Income tax expense	(4 287)	*(3 720)	(8 007)
Minority interest	22	-	22
Income from continuing operations	1 261	3 542	4 803

* Estimated tax effect on income statement adjustments using a marginal tax rate of 51.2 %. For the year as a whole an estimated actual marginal tax rate of 36.4% has been used. Q4 includes an adjustment from the marginal tax rate in prior quarters to the estimated actual marginal tax rate for the year.

Special items impacting income statement Q4 2006

		NOK million
Unrealized (gains)/losses on oil and gas derivatives, Spinnaker	Exploration & Production	5
Impairment loss Gulf of Mexico	Exploration & Production	5,240
Unrealized (gains)/losses on gas contracts	Exploration & Production	166
Unrealized (gains)/losses on gas contracts	Energy and Oil Marketing	36
Unrealized (gains)/losses on power contracts	Energy and Oil Marketing	129
Unrealized (gains)/losses on gas and power contracts	Eliminations Oil & Energy	(540)
Closure costs	Aluminium Metal	36
Unrealized (gains)/losses on LME contracts	Aluminium Metal	288
Unrealized (gains)/losses on power contracts	Aluminium Metal	303
Inventory (gains)/losses	Rolled Products	164
Rationalization costs UK and US	Extrusion	81
Closure costs Magnesium	Automotive	384
Impairment losses	Automotive	86
Rationalization costs	Automotive	29
Unrealized (gains)/losses on LME contracts	Other and Eliminations	(47)
Unrealized (gains)/losses on power contracts in Polymers	Other Activities	(380)
Reversal of insurance loss provision	Other Activities	(211)
Unrealized (gains)/losses on power and NGL contracts	Corporate and Eliminations	1 939
Net impact operating income	Hydro	7 708

Special items impacting income statement Q4 2006

		NOK million
Net impact operating income	Hydro	7 708
Non-cons. investees - unrealized currency (gains)/losses Alunorte	Aluminium Metal	(15)
Non-cons. investees - unrealized (gains)/losses on LME contracts Alunorte	Aluminium Metal	137
Non-cons. investees - unrealized (gains)/losses power contracts	Aluminium Metal	155
Non-cons investees - write-down Cires	Other Activities	43
Other income - gains on divestments	Other Activities	(53)
Net foreign exchange (gains)/losses	Hydro	(714)
Net impact on income continuing operations before tax and minority interest	Hydro	7 261
Marginal tax rate	Hydro	51.2%
Calculated tax	Hydro	*(3 720)
Total effect income from continuing operations	Hydro	3 542

* Estimated tax effect on income statement adjustments using a marginal tax rate of 51.2 %. For the year as a whole an estimated actual marginal tax rate of 36.4 % has been used. Q4 includes an adjustment from the marginal tax rate in prior quarters to the estimated actual marginal tax rate for the year.

Adjusted income Q4 2005

NOK million	Reported income	Adjustments	Adjusted income
Exploration and Production	10 690	591	11 281
Energy and Oil Marketing	1 403	(377)	1 026
Eliminations	(556)	556	-
Oil & Energy	11 537	770	12 307
Aluminium Metal	12	1 120	1 132
Aluminium Products	(1 124)	1 057	(67)
Other activities	(98)	74	(24)
Corporate and eliminations	34	(318)	(284)
Total operating income	10 360	2 703	13 063
Non-consolidated investees	(79)	88	9
Financial income (expense), net	(579)	601	22
Other income (loss), net	758	(758)	-
Income continuing operations before tax and minority interest	10 460	2 634	13 094
Income tax expense	(6 411)	*(478)	(6 889)
Minority interest	133	-	133
Income from continuing operations	4 183	2 156	6 339

* Estimated tax effect on income statement adjustments using a marginal tax rate of 18.1 %. For the year as a whole an estimated actual marginal tax rate of 31.0 % has been used. Q4 includes an adjustment from the marginal tax rate in prior quarters to the estimated actual marginal tax rate for the year.

Special items impacting income statement Q4 2005

		NOK million
Unrealized (gains)/losses on oil and gas derivatives, Spinnaker	Exploration & Production	440
Unrealized (gains)/losses on gas contracts	Exploration & Production	151
Unrealized (gains)/losses on gas contracts	Energy and Oil Marketing	(377)
Unrealized (gains)/losses on gas and power contracts	Eliminations Oil & Energy	556
Unrealized (gains)/losses on LME contracts	Aluminium Metal	1 120
Inventory (gains)/losses	Rolled Products	(90)
Write-down Spanish rolled products plant	Rolled Products	154
Rationalization and demanning Leeds	Automotive	21
Impairment loss magnesium operation	Automotive	1 084
Unrealized (gains)/losses on LME contracts	Other and Eliminations	(112)
Insurance loss provision	Other Activities	74
Unrealized (gains)/losses on power contracts	Corporate and Eliminations	(318)
Net impact operating income	Hydro	2 703
Non-cons. investees - unrealized currency (gains)/losses Alunorte	Aluminium Metal	32
Non-cons. investees - unrealized (gains)/losses on LME contracts Alunorte	Aluminium Metal	56
Other income - gains on divestments	Energy and Oil Marketing	(65)
Other income - gains on divestments	Other Activities	(693)
Net foreign exchange (gains)/losses	Hydro	601
Net impact on income continuing operations before tax and minority interest	Hydro	2 634
Marginal tax rate	Hydro	18.1%
Calculated tax	Hydro	*(478)
Total effect income from continuing operations	Hydro	2 156

* Estimated tax effect on income statement adjustments using a marginal tax rate of 18.1 %. For the year as a whole an estimated actual marginal tax rate of 31.0 % has been used. Q4 includes an adjustment from the marginal tax rate in prior quarters to the estimated actual marginal tax rate for the year.

Adjusted income 2006

NOK million	Reported income	Adjustments	Adjusted income
Exploration and Production	41 352	4 993	46 345
Energy and Oil Marketing	3 578	50	3 628
Eliminations	1 323	(1 323)	-
Oil & Energy	46 253	3 720	49 973
Aluminium Metal	6 362	232	6 594
Aluminium Products	(83)	1 064	981
Other activities	1 277	(591)	686
Corporate and eliminations	(1 584)	236	(1 348)
Total operating income	52 224	4 661	56 885
Non-consolidated investees	962	355	1 317
Financial income (expense), net	1 785	(1 057)	728
Other income (loss), net	53	(53)	-
Income continuing operations before tax and minority interest	55 024	3 906	58 930
Income tax expense	(37 598)	*(1 422)	(39 020)
Minority interest	(202)	-	(202)
Income from continuing operations	17 224	2 485	19 710

* Estimated actual tax effect on income statement adjustments using a tax rate of 36.4 %

Special items impacting income statement 2006

		NOK million
Unrealized (gains)/losses on oil and gas derivatives, Spinnaker	Exploration & Production	(222)
Impairment loss Gulf of Mexico	Exploration & Production	5 240
Unrealized (gains)/losses on gas contracts	Exploration & Production	(25)
Unrealized (gains)/losses on gas contracts	Energy and Oil Marketing	(137)
Unrealized (gains)/losses on power contracts	Energy and Oil Marketing	257
Business combination acquisition cost adjustment	Energy and Oil Marketing	(70)
Unrealized (gains)/losses on gas and power contracts	Eliminations Oil & Energy	(1 323)
Closure costs	Aluminium Metal	559
Unrealized (gains)/losses on LME contracts	Aluminium Metal	(597)
Unrealized (gains)/losses on power contracts	Aluminium Metal	270
Inventory (gains)/losses	Rolled Products	(261)
UK defined pension plan	Rolled Products	15
Impairment loss Extrusion Ellenville operations	Extrusion	116
UK defined pension plan	Extrusion	340
Rationalization costs UK and US	Extrusion	103
Closure costs Magnesium	Automotive	462
UK defined pension plan	Automotive	25
Impairment losses	Automotive	133
Rationalization costs	Automotive	29
Unrealized (gains)/losses on LME contracts	Other and Eliminations	102
Unrealized (gains)/losses on power contracts in Polymers	Other Activities	(380)
Reversal of insurance loss provision	Other Activities	(211)
Unrealized (gains)/losses on power and NGL contracts	Corporate and Eliminations	681
Elimination of demanning costs Magnesium operations Porsgrunn	Corporate and Eliminations	(65)
Elimination of UK defined pension plan	Corporate and Eliminations	(380)
Net impact operating income	Hydro	4 661

Special items impacting income statement 2006

		NOK million
Net impact operating income	Hydro	4 661
Non-cons. investees - unrealized currency (gains)/losses Alunorte	Aluminium Metal	(94)
Non-cons. investees - unrealized (gains)/losses on LME contracts Alunorte	Aluminium Metal	143
Non-cons. investees - unrealized (gains)/losses power contracts	Aluminium Metal	24
Non-cons investees - write-down Meridian Technologies Inc	Automotive	239
Non-cons investees - write-down Cires	Other Activities	43
Other income - gains on divestments	Other Activities	(53)
Net foreign exchange (gains)/losses	Hydro	(1 057)
Net impact on income continuing operations before tax and minority interest	Hydro	3 906
Marginal tax rate	Hydro	36.4%
Calculated tax	Hydro	*(1 422)
Total effect income from continuing operations	Hydro	2 485

* Estimated actual tax effect on income statement adjustments using a tax rate of 36.4 %

Adjusted income 2005

NOK million	Reported income	Adjustments	Adjusted income
Exploration and Production	40 594	627	41 221
Energy and Oil Marketing	3 575	41	3 616
Eliminations	(719)	719	-
Oil & Energy	43 451	1 387	44 838
Aluminium Metal	2 694	1 210	3 904
Aluminium Products	(370)	1 043	673
Other activities	(2)	242	240
Corporate and eliminations	464	(1 545)	(1 081)
Total operating income	46 237	2 337	48 574
Non-consolidated investees	593	52	645
Financial income (expense), net	(1 889)	2 159	270
Other income (loss), net	990	(990)	-
Income continuing operations before tax and minority interest	45 932	3 557	49 489
Income tax expense	(30 271)	(1 101)	(31 372)
Minority interest	(118)	-	(118)
Income from continuing operations	15 542	2 456	17 999

* Estimated actual tax effect on income statement adjustments using a tax rate of 31.0 %

Special items impacting income statement 2005

		NOK million
Unrealized (gains)/losses on oil and gas derivatives, Spinnaker	Exploration & Production	440
Unrealized (gains)/losses on gas contracts	Exploration & Production	187
Unrealized (gains)/losses on gas contracts	Energy and Oil Marketing	41
Unrealized (gains)/losses on gas and power contracts	Eliminations Oil & Energy	719
Rationalization and demanning costs	Aluminium Metal	6
Unrealized (gains)/losses on LME contracts	Aluminium Metal	1 204
Inventory (gains)/losses	Rolled Products	(138)
Reversal inventory provision	Rolled Products	(116)
Settlement Malaysia	Rolled Products	(40)
Write-down Spanish rolled products plant	Rolled Products	154
Rationalization and demanning Leeds	Automotive	68
Pension charge Leeds	Automotive	154
Rationalization cost	Extrusion	50
Impairment loss magnesium operation	Automotive	1 084
Unrealized (gains)/losses on LME contracts	Other and Eliminations	(173)
Insurance loss provision	Other Activities	242
Unrealized (gains)/losses on power contracts	Corporate and Eliminations	(1 391)
Elimination of pension charge Leeds	Corporate and Eliminations	(154)
Net impact operating income	Hydro	2 337

Special items impacting income statement 2005

		NOK million
Net impact operating income	Hydro	2 337
Non-cons. investees - unrealized currency (gains)/losses Alunorte	Aluminium Metal	(106)
Non-cons. investees - unrealized (gains)/losses on LME contracts Alunorte	Aluminium Metal	9
Non-cons. investees - closure costs	Aluminium Metal	149
Other income - gains on divestments	Energy and Oil Marketing	(65)
Other income - gains on divestments	Other Activities	(926)
Net foreign exchange (gains)/losses	Hydro	2 159
Net impact on income continuing operations before tax and minority interest	Hydro	3 557
Marginal tax rate	Hydro	31.0%
Calculated tax	Hydro	*(1 101)
Total effect income from continuing operations	Hydro	2 456

* Estimated actual tax effect on income statement adjustments using a tax rate of 31.0 %

Adjusted EBITDA

Operating income – Adjusted EBIT – Adjusted EBITDA – Fourth quarter 2006

NOK million	Operating income	Non-cons. investees	Interest income	Selecte d fin. items	Other income	Adjusted EBIT	Depr. and amort.	Adjusted EBITDA
Exploration and Production	4 517	1	2	(6)	-	4 514	8 436	12 950
Energy and Oil Marketing	590	42	15	12	53	712	328	1 040
Eliminations	540	(0)	-	-	-	539	0	540
Oil & Energy	5 647	42	18	6	53	5 766	8 764	14 530
Aluminium Metal	849	(20)	1	5	-	835	517	1 352
Aluminium Products	(499)	12	6	0	-	(482)	483	1
Other activities	707	20	27	48	-	802	197	999
Corporate and eliminations	(2 129)	0	234	9	-	(1 887)	1	(1 885)
Total	4 573	54	286	69	53	5 034	9 962	14 997

Adjusted EBITDA

NOK million	Q4 2006	Q3 2006	Q4 2005
Exploration and Production	12 950	15 222	13 677
Energy and Oil Marketing	1 040	1 098	1 645
Eliminations	540	382	(556)
Oil & Energy	14 530	16 702	14 766
Aluminium Metal	1 352	2 706	396
Aluminium Products	1	220	617
Other Activities	999	423	786
Corporate and eliminations	(1 885)	376	255
Total	14 997	20 427	16 820

Variance analysis Hydro

NOK million	2006	Q4 2006
2006	77 219	14 997
2005	64 933	16 820
Variance adjusted EBITDA	12 286	(1 823)
- Prices and currency, Exploration and Production (E&P)	12 515	490
- Margin incl. currency effects ¹⁾	4 650	(360)
- Volume	1 485	30
- Fixed costs	(1 300)	(795)
- Depreciation	(2 550)	(730)
- Production and exploration costs, E&P	(4 300)	(970)
- Trading and unrealized LME effects, Aluminium	355	405
- Infrequent items	(5 230)	(4 530)
- New / disposed business	(45)	(35)
- Other	410	705
Variance operating income	5 987	(5 787)
- Non-consolidated investees	369	134
- Interest income and other	190	14
- Other income	(937)	(704)
- Depreciation and amortization	6 676	4 521
Variance adjusted EBITDA	12 286	(1 823)

1) Including negative variance for elimination of unrealized gain/loss on electricity contracts of NOK 2 167 million year to date and NOK 2 213 million for the quarter and positive variance for elimination of the gain/loss on gas contracts of NOK 2 074 million year to date and NOK 1 121 million for the quarter.

Consolidated balance sheets

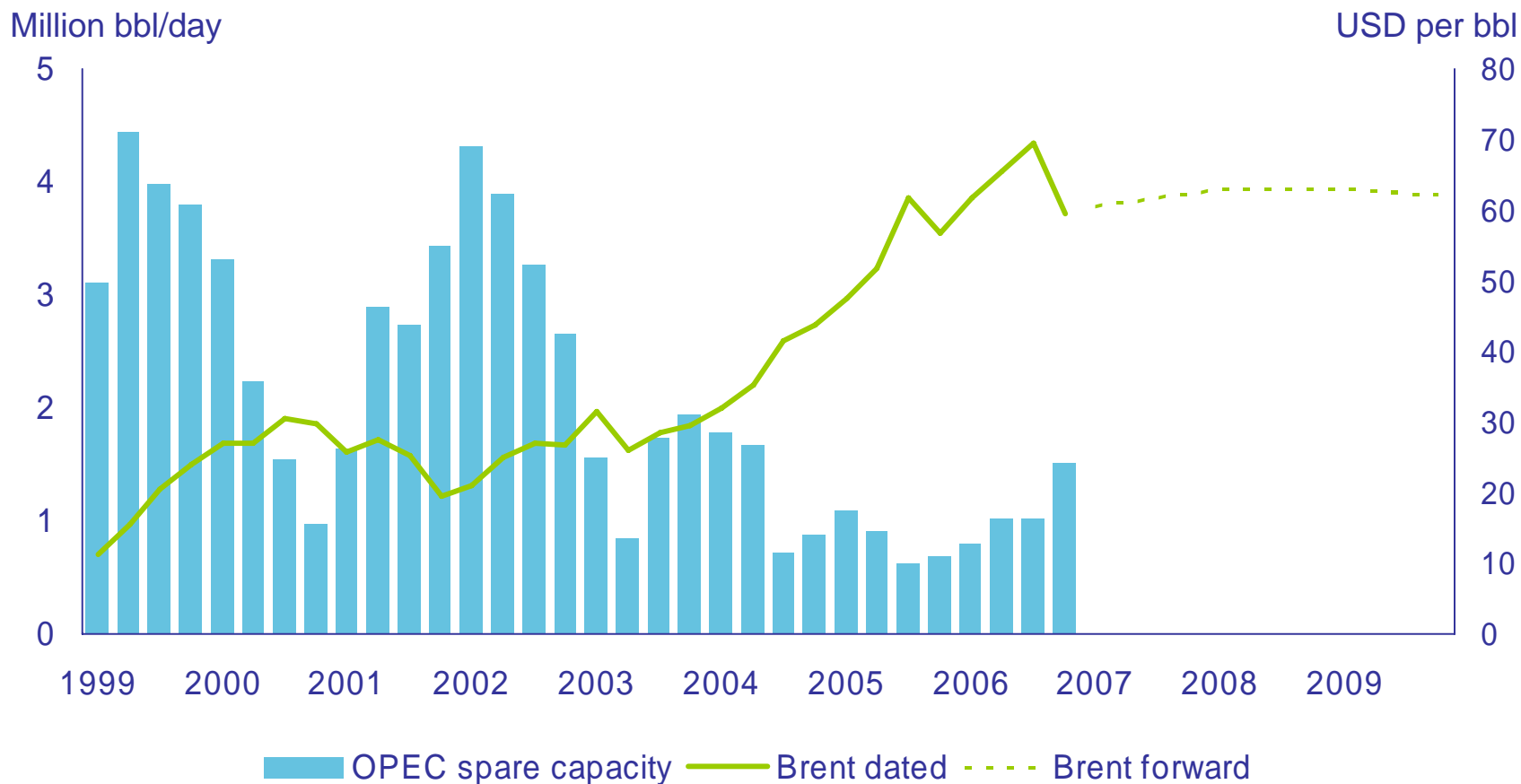
NOK million	31 December 2006	30 September 2006	31 December 2005
Cash and cash equivalents	6 760	16 490	10 463
Short-term investments	15 020	12 699	3 865
Receivables and other current assets	42 731	46 490	41 411
Inventories	16 497	16 310	14 553
Current assets held for sale	1 122	-	-
Non-current assets	151 862	160 840	156 902
Total assets	233 993	252 830	227 195
Short-term interest-bearing debt	3 213	3 103	4 658
Current portion of long-term debt	441	243	379
Other current liabilities	56 684	68 452	48 219
Current liabilities in disposal group	738	-	-
Long-term interest-bearing debt	19 619	20 653	21 387
Other long-term liabilities	28 517	22 607	22 363
Deferred tax liabilities	27 307	33 853	33 713
Long-term liabilities in disposal group	273	-	-
Minority interest	707	754	981
Shareholders' equity	96 496	103 165	95 495
Total liabilities and shareholders' equity	233 993	252 830	227 195

Statement of cash flows

NOK million	2006	2005
Operating activities:		
Net income	17 391	15 638
Depreciation, depletion and amortization	22 164	15 752
Other adjustments	(828)	(4 382)
Net cash provided by operating activities	38 727	27 008
Investing activities:		
Purchases of property, plant and equipment	(18 580)	(17 270)
Purchases of other long-term investments	(4 060)	(17 259)
Purchases of short-term investments	(22 650)	(15 162)
Proceeds from sales of property, plant and equipment	481	1 322
Proceeds from sales of other long-term investments	1 532	1 862
Proceeds from sales of short-term investments	11 550	22 445
Net cash used in investing activities	(31 727)	(24 062)
Financing activities:		
Loan proceeds	85	1 844
Principal repayments	(1 841)	(2 102)
Ordinary shares purchased	(3 949)	(1 589)
Ordinary shares issued	59	71
Dividend paid	(5 506)	(5 021)
Net cash used in financing activities	(11 152)	(6 797)
Foreign currency effect on cash	315	(172)
Net cash provided by discontinued operations	181	120
Net increase (decrease) in cash and cash equivalents	(3 656)	(3 903)
Cash and cash equivalents reclassified to assets held for sale	(47)	-
Cash and cash equivalents at beginning of period	10 463	14 366
Cash and cash equivalents at end of period	6 760	10 463

High oil price driven by supply concerns

OPEC spare capacity at low levels, but increasing



Sources: Pira, Reuters, Platts

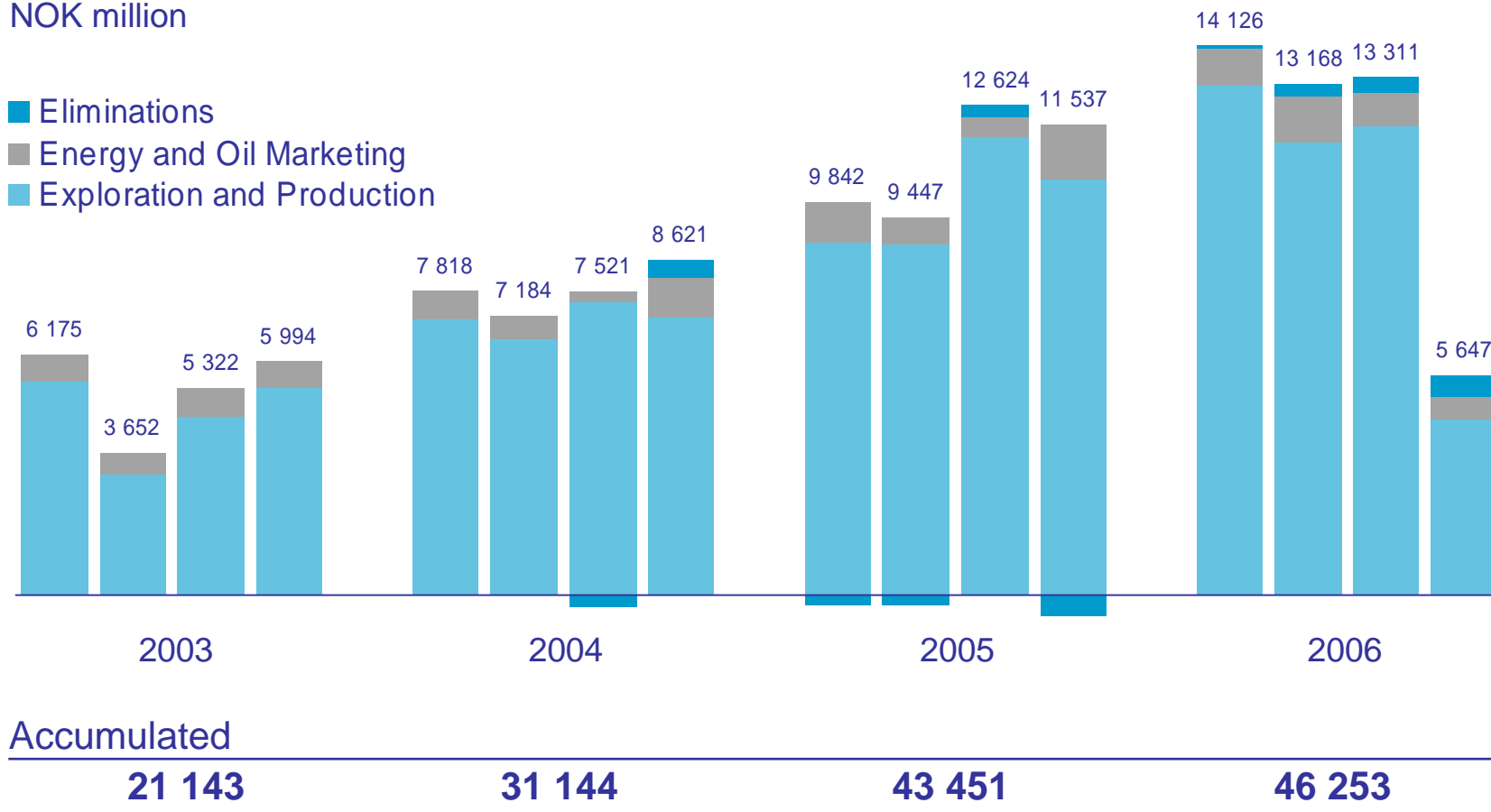
Oil & Energy – operating income

NOK million

■ Eliminations

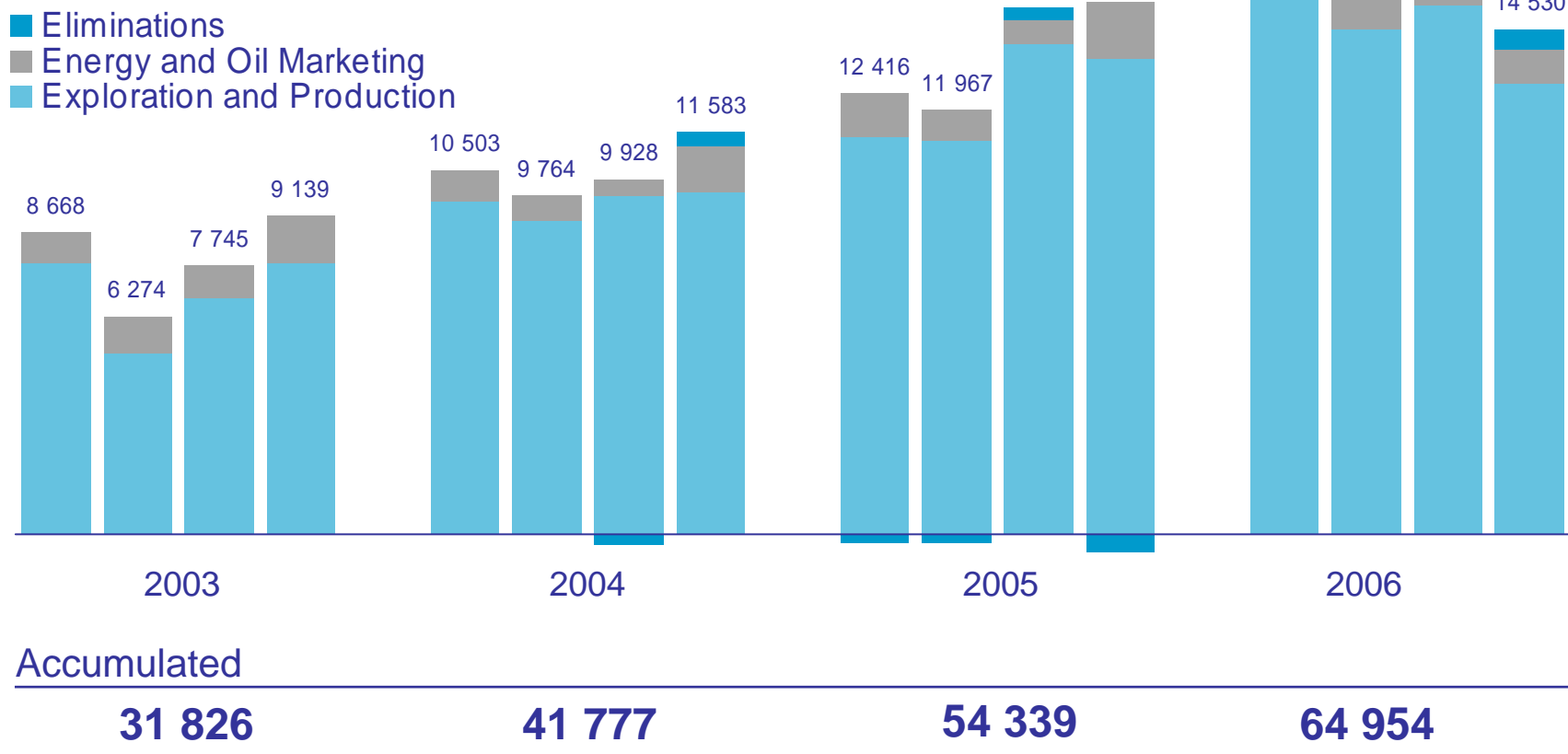
■ Energy and Oil Marketing

■ Exploration and Production



Oil & Energy – adjusted EBITDA

NOK million



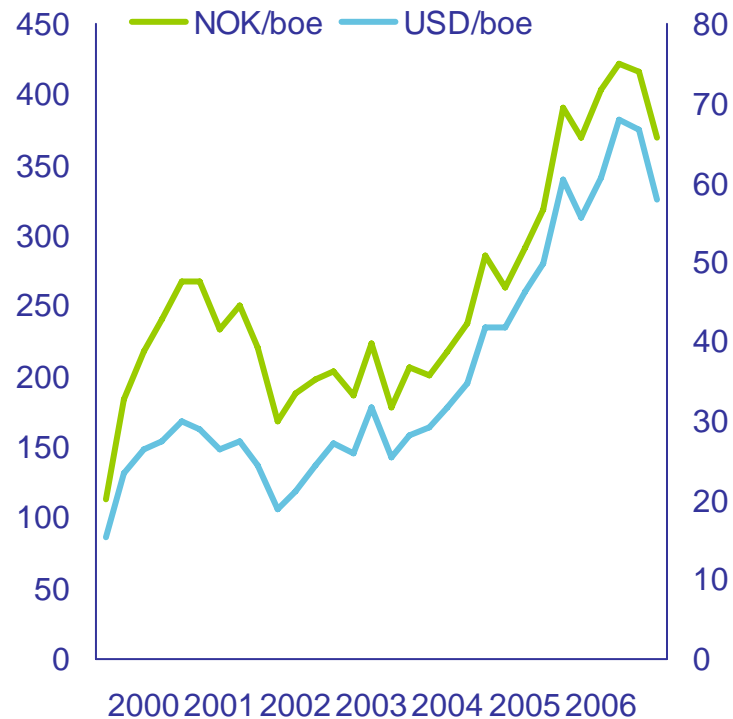
Average realized gas prices

NOK/Sm³

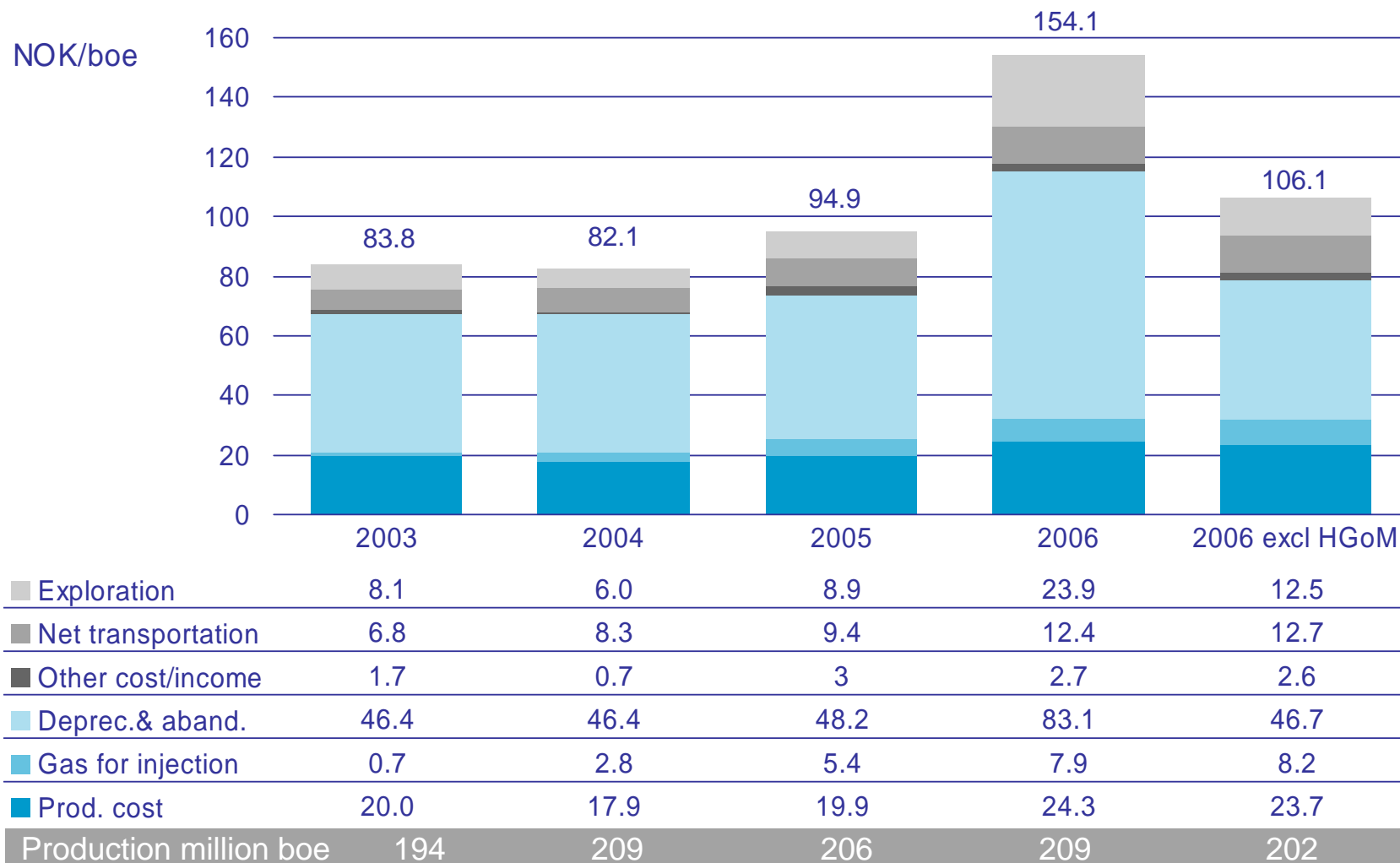


Average prices and exchange rates

	Oil USD/boe	Oil NOK/boe	NOK/USD	Gas NOK/Sm ³
Q1 2005	46.4	291.7	6.29	1.47
Q2 2005	49.8	317.9	6.39	1.31
Q3 2005	60.4	390.6	6.47	1.36
Q4 2005	55.6	368.8	6.63	1.85
Ave. 2005	53.1	342.2	6.44	1.52
Q1 2006	60.6	403.5	6.67	2.16
Q2 2006	67.9	422.2	6.22	1.79
Q3 2006	66.6	420.6	6.32	1.73
Q4 2006	57.8	369,2	6,39	1.97
Ave. 2006	63.1	404.0	6.40	1.93



Operating costs per boe



Oil production per field – Q4

Boed oil and NGL/condensate	Share	Q4 2005	Q4 2006
Grane	38.00 %	76	82
Oseberg incl C	34.00 %	49	44
Snorre	17.77 %	28	29
Ekofisk	5.81-6.65 %	23	23
Oseberg South	34.00 %	26	23
Troll	9.78 %	23	19
Åsgard	9.61 %	18	18
Gullfaks inclu. Sat	9.00 %	20	15
Kristin	14.00 %	4	14
Kvitebjørn	15.00 %	11	12
Girassol/Jasmim	10.00 %	18	11
Fram	25.00 %	6	10
Hibernia	5.00 %	10	9
Vigdis	13.28 %	10	9
US Gulf of Mexico	-	1	9
Visund	20.30 %	6	8
Terra Nova	15.00 %	15	8
Sleipner Area	8.85-10.00 %	7	7
Kharyaga	40.00 %	7	6
Urd	13.50 %	0	5
Norne	8.10 %	7	5
Njord	20.00 %	6	4
Brage	20.00 %	6	4
Other fields	-	28	24
Total oil		405	398
Gas		184	197
Total oil and gas		589	595

Gas production per field – Q4

Boed	Share	Q4 2005	Q4 2006
Troll	9.78 %	54	60
Sleipner Area	8.85-10.00 %	23	21
Oseberg incl C	34.00 %	26	18
Tune	40.00 %	21	16
Åsgard	9.61 %	16	16
US Gulf of Mexico	-	2	13
Kvitebjørn	15.00 %	11	13
Kristin	14.00 %	2	9
Visund	20.30 %	5	6
Gullfaks inclu. Sat	9.00 %	8	6
Oseberg South	34.00 %	5	4
Ekofisk	5.81-6.65 %	4	4
Mikkel	10.00 %	3	3
Other	-	4	8
Total gas		184	197
Oil		405	398
Total oil and gas		589	595

Oil production per field – 2006

Boed oil and NGL/condensate	Share	2005	2006
Grane	38.00 %	67	83
Oseberg incl C	34.00 %	50	44
Snorre	17.77 %	28	26
Oseberg South	34.00 %	24	23
Ekofisk	5.81-6.65 %	24	23
Troll	9.78 %	24	21
Åsgard	9.61 %	19	17
Gullfaks inclu. Sat	9.00 %	21	16
Girassol/Jasmim	10.00 %	20	11
Kristin	14.00 %	1	10
Kvitebjørn	15.00 %	7	9
Vigdis	13.28 %	9	9
Hibernia	5.00 %	10	9
US Gulf of Mexico	-	0	9
Fram	25.00 %	8	7
Norne	8.10 %	8	7
Sleipner Area	8.85-10.00 %	8	7
Terra Nova	15.00 %	15	6
Kharyaga	40.00 %	6	5
Visund	20.30 %	4	5
Urd	13.50 %	0	5
Njord	20.00 %	6	5
Tordis	13.28 %	7	4
Other fields	-	32	26
Total oil		398	387
Gas		165	186
Total oil and gas		563	573

Gas production per field – 2006

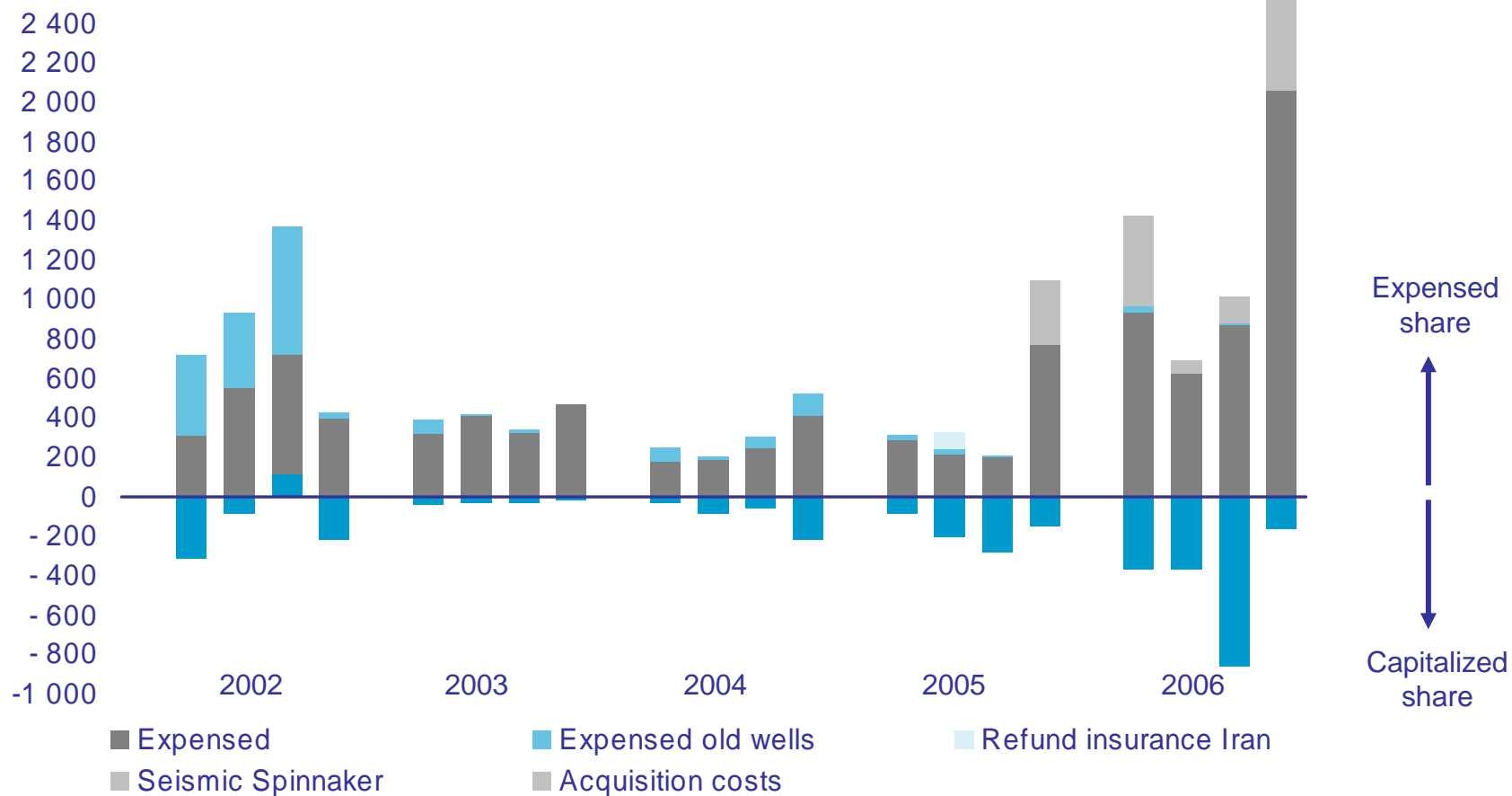
Boed	Share	2005	2006
Troll	9.78 %	46	50
Sleipner Area	8.85-10.00 %	23	22
Oseberg incl C	34.00 %	17	19
Tune	40.00 %	21	17
Åsgard	9.61 %	17	16
Kvitebjørn	15.00 %	11	15
US Gulf of Mexico	-	1	11
Gullfaks inclu. Sat	9.00 %	6	6
Kristin	14.00 %	0	6
Oseberg South	34.00 %	4	4
Ekofisk	5.81-6.65 %	4	4
Visund	20.30 %	1	3
Mikkel	10.00 %	3	3
Other	-	11	10
Total gas		165	186
Oil		398	387
Total oil and gas		563	573

New fields on stream 2007 - 2010

Start year	Field name	Hydro share at peak rate	Country	Type	Operator
2007	Ormen Lange	70,000	Norway	Gas/Cond	Hydro
	Rosa	14,000	Angola	Oil	Total
	Independence Hub Area	12,500	US GoM	Gas	Hydro, Dominion, Anadarko
	Vilje	10,000	Norway	Oil	Hydro
	Njord Gas	7,800	Norway	Gas	Hydro
	Volve	6,000	Norway	Oil/Gas	Statoil
	Rimfaks/Skinfaks	3,000	Norway	Oil/Gas	Statoil
	Murzuk NC-186: B & H field	TBD	Libya	Oil	Repsol
2008	Oseberg Delta	13,200	Norway	Oil/Gas	Hydro
	Gimboa	5,500	Angola	Oil	Sonangol/Hydro technical
	Oseberg East Drilling	5,600	Norway	Oil	Hydro
	Tune South	4,500	Norway	Oil/Gas	Hydro
	Alve	3,000	Norway	Gas/Cond	Statoil
	Tyrihans	14,000	Norway	Oil	Statoil
2009	Thunder Hawk	9,400	US GoM	Oil	Murphy
	Vega	18,000	Norway	Gas/Oil	Hydro

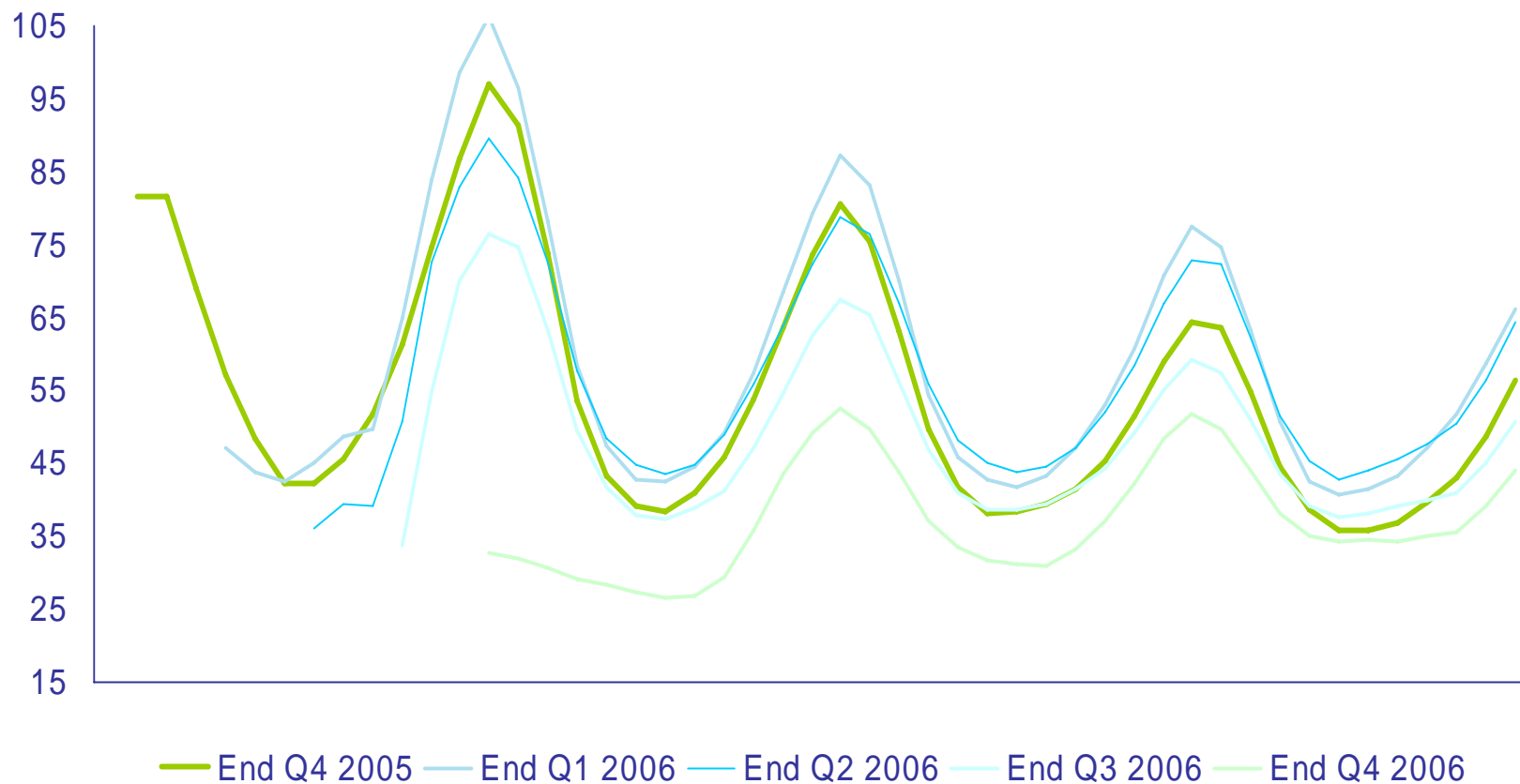
Exploration activity and cost

NOK million



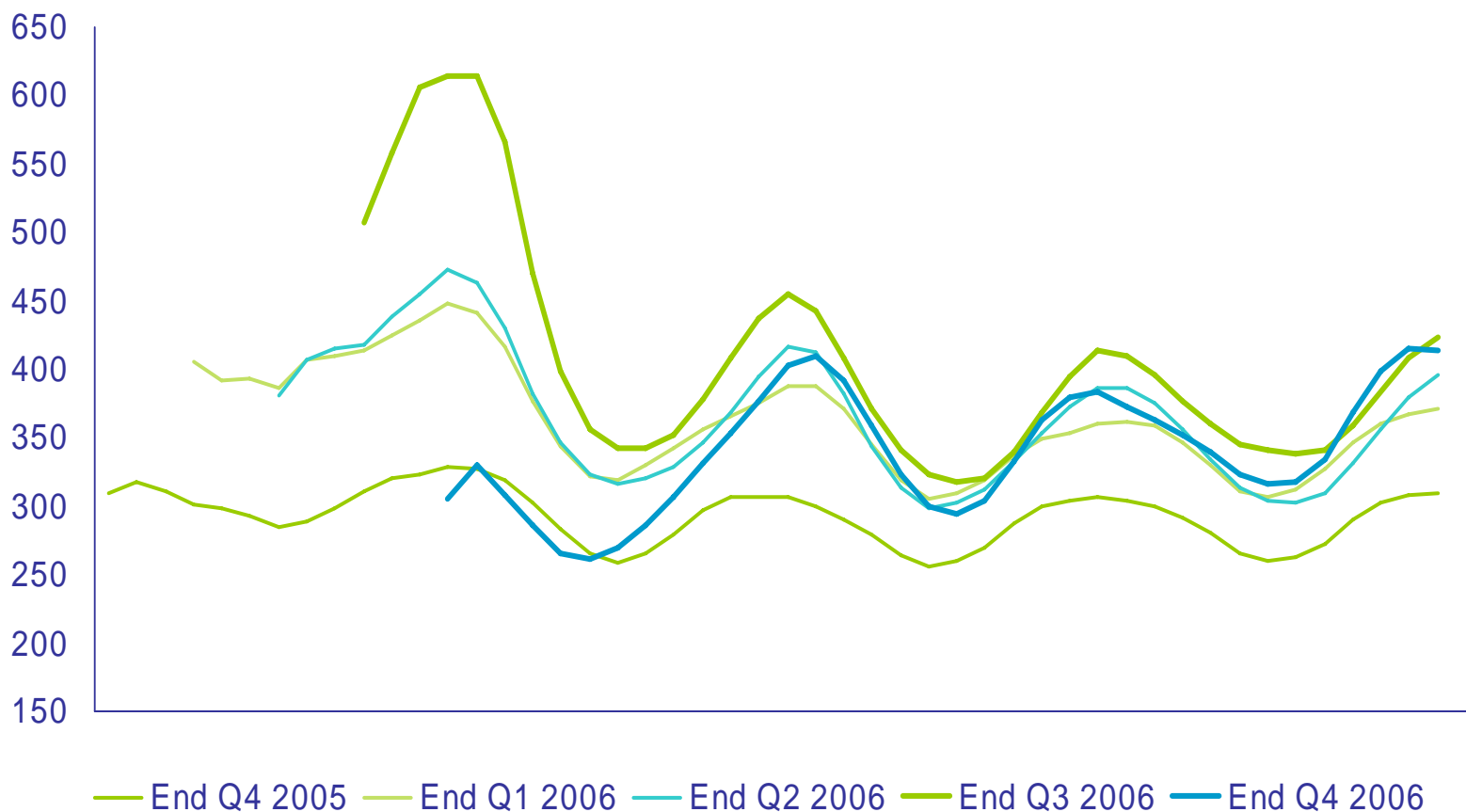
UK gas prices – NBP forward curves

Pence/th



Nordic power market – forward curves

NOK/MWh



Variance analysis Oil & Energy

NOK million	2006	Q4 2006
2006	64 954	14 530
2005	54 339	14 766
Variance adjusted EBITDA	10 615	(236)
Prices and currency	12 515	490
- Oil	8 560	365
- Gas	3 480	180
- Currency	(415)	(475)
- Options	890	420
- Margin	3 135	820
- Volume	(375)	(540)
- Fixed costs	(335)	(110)
- Depreciation	(2 780)	(760)
- Production costs	(1 515)	(330)
- Exploration costs	(2 785)	(640)
- Infrequent items	(5 240)	(5 240)
- Other	180	415
Variance operating income	2 802	(5 890)
- Non-consolidated investees	111	54
- Interest income and other	51	(16)
- Other income	(12)	(12)
- Depreciation and amortization	7 663	5 628
Variance adjusted EBITDA	10 615	(236)

Variance analysis Exploration and Production

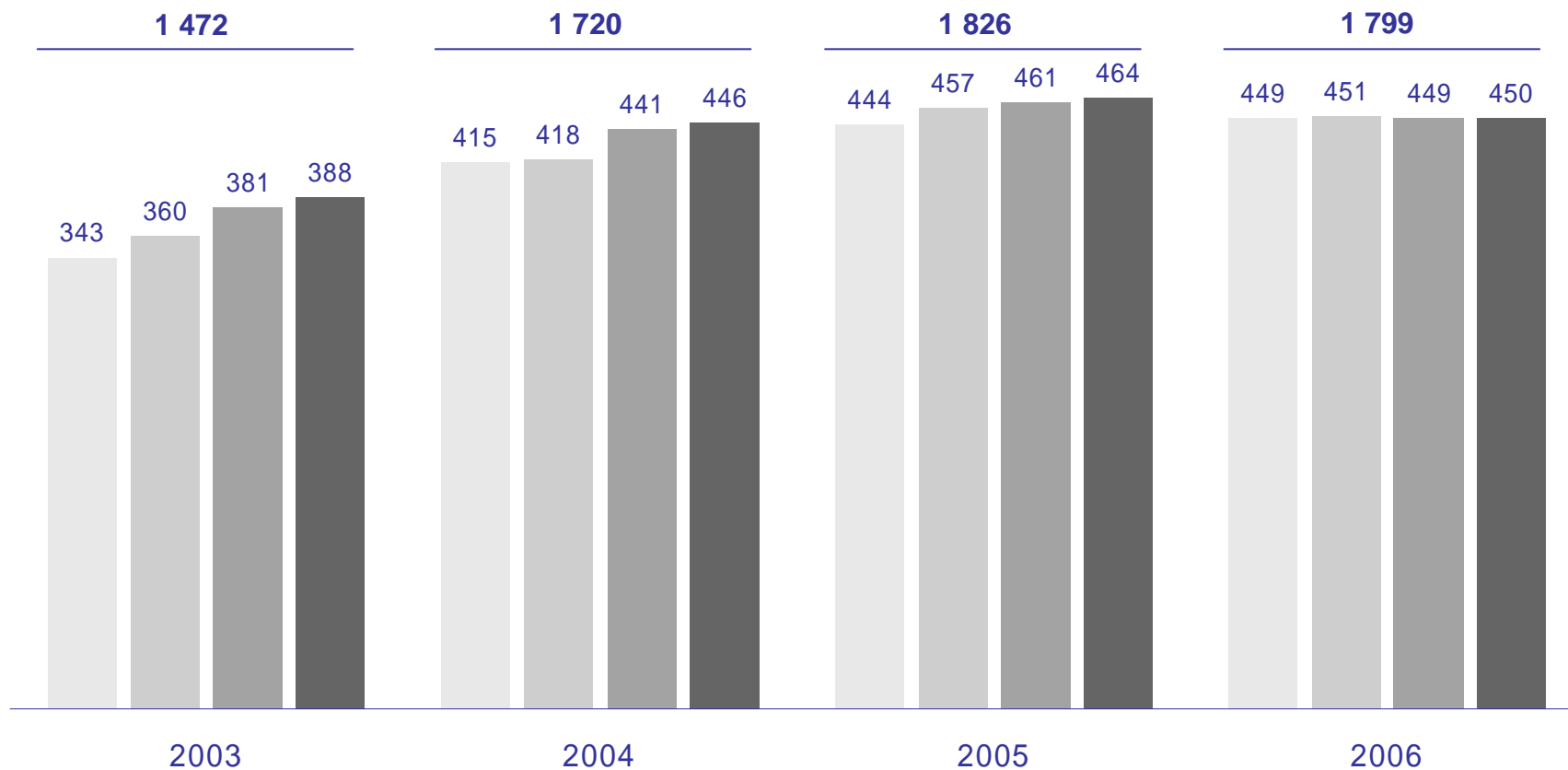
NOK million	2006	Q4 2006
2006	58 804	12 950
2005	50 601	13 677
Variance adjusted EBITDA	8 203	(727)
Prices and currency	12 515	490
- Oil	8 560	365
- Gas	3 480	180
- Currency	(415)	(475)
- Options	890	420
- Volume	190	(270)
- Depreciation	(2 575)	(600)
- Production costs	(1 515)	(330)
- Exploration costs	(2 785)	(640)
- Infrequent items	(5 240)	(5 240)
- Other	170	420
Variance operating income	757	(6 172)
- Non-consolidated investees	-	(4)
- Interest income and other	(11)	(31)
- Depreciation and amortization	7 455	5 479
Variance adjusted EBITDA	8 203	(726)

Variance analysis Energy and Oil Marketing

NOK million	2006	Q4 2006
2006	4 827	1 040
2005	4 456	1 645
Variance adjusted EBITDA	371	(605)
- Margin	1 095	(275)
- Volume	(565)	(270)
- Fixed costs	(335)	(110)
- Depreciation	(200)	(155)
- Other	10	-
Variance operating income	3	(814)
- Non-consolidated investees	110	57
- Interest income and other	62	16
- Other income	(12)	(12)
- Depreciation and amortization	207	146
Variance adjusted EBITDA	371	(605)

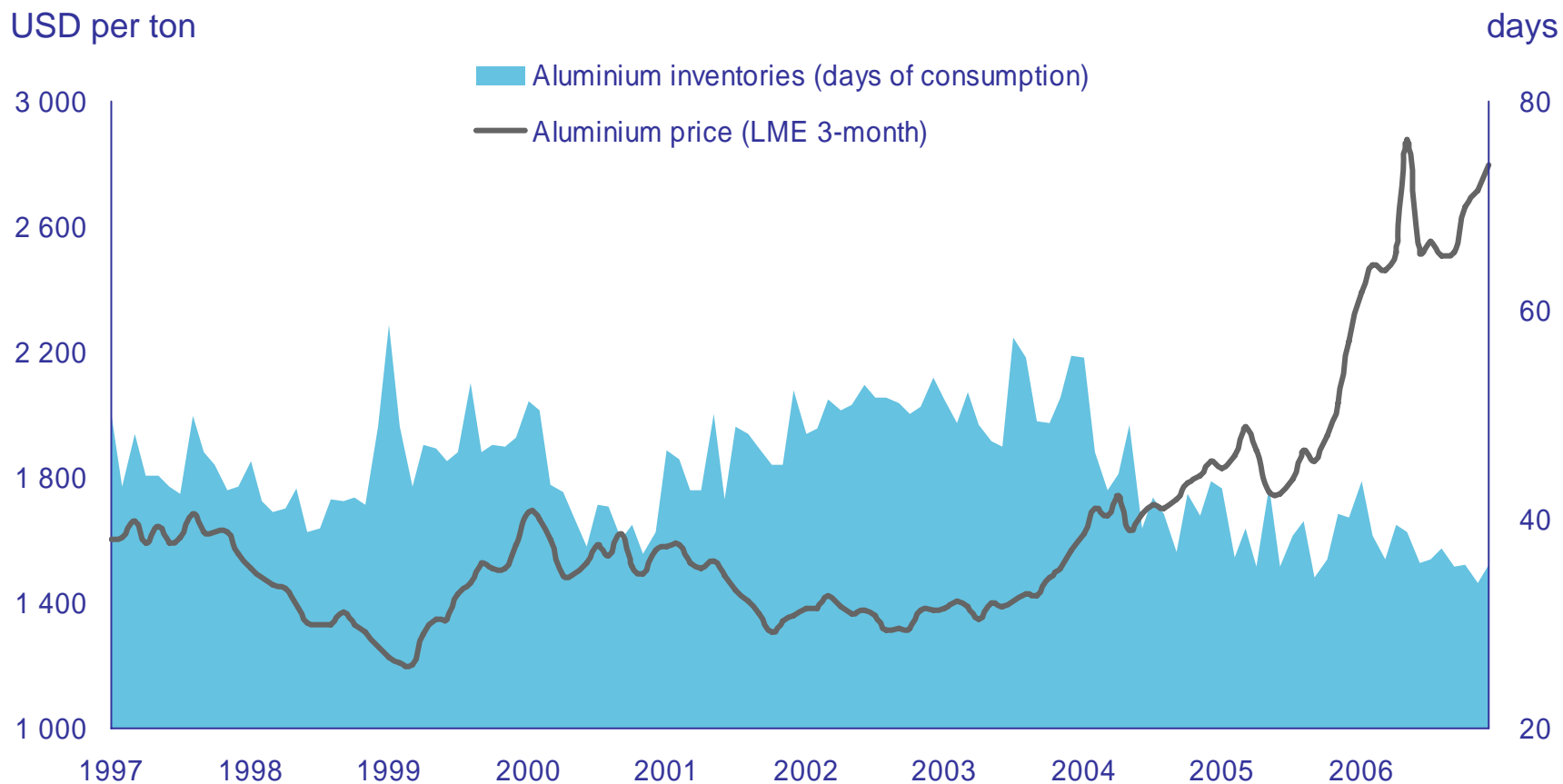
Primary aluminium production per quarter

1 000 tons



Slovalco consolidated from Q1 2004

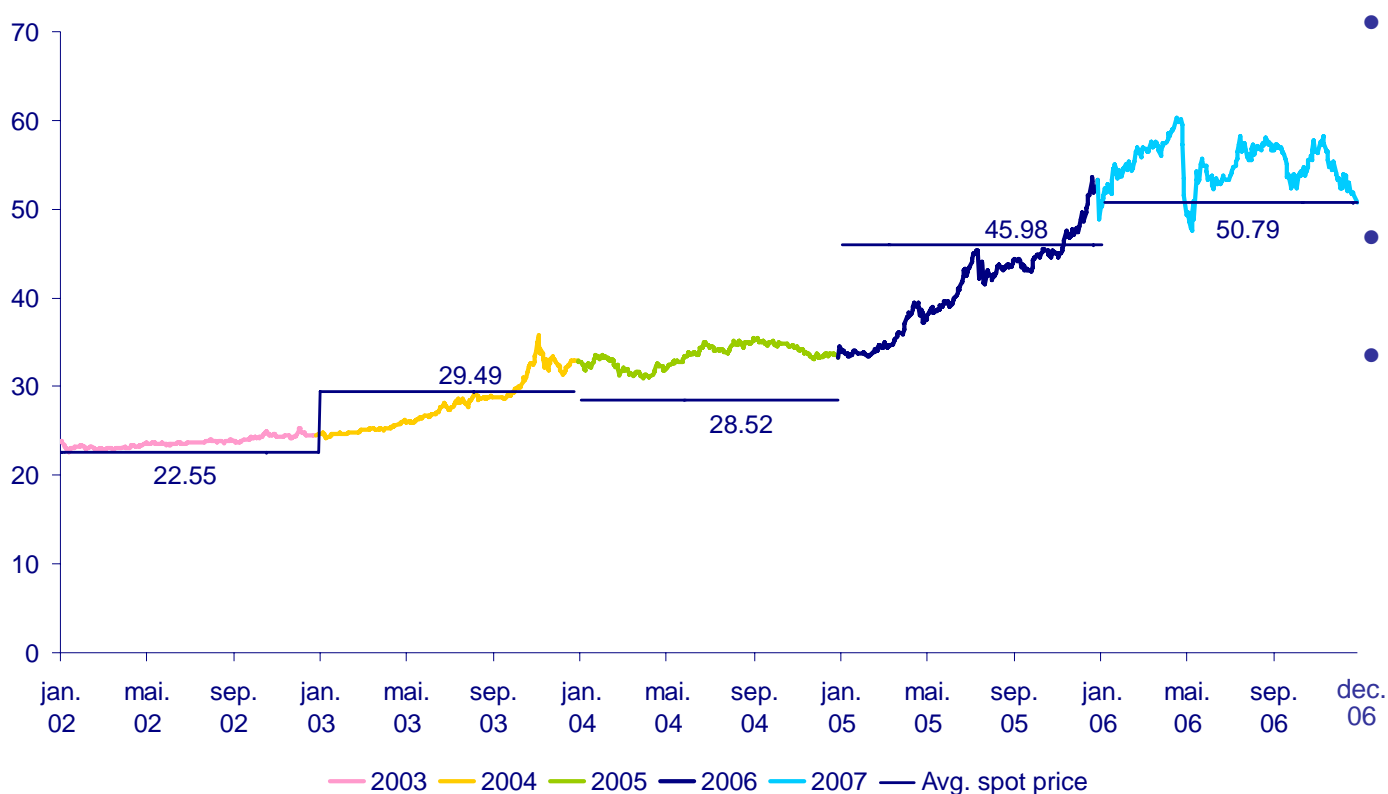
Primary aluminium market



Current position German power market

EEX Power market development. Baseload contract one year ahead. Avg. spot prices for the year.

Eur/Mwh



- Current prices slightly lower due to mild weather, low consumption and falling fuel prices.
- Price might increase if consumption picks up.
- Increase in CO2 price from 2007 to 2008 (the first Kyoto period starting in 2008). This will influence the forward power prices.

* Grid cost & taxes come in addition: Smelters: +2-3 €/Mwh

Aluminium Metal hedge programs ¹⁾

	2006	2007	2008	2009
2006-2008 program – volume ton ²⁾	130 000	163 800	167 100	-
2006-2008 program – LME price USD/ton	2 152	2 300	2 200	-
2003-2007 program (Sunndal) – volume ton ³⁾	96 900	108 900		
2003-2007 program (Sunndal) – LME price USD/ton	1 505	1 500	-	-
2003-2007 program (Sunndal) – LME price NOK/ton	14 530	14 220	-	-
Hedged volume in percent of primary aluminium production volume	13 %	16 %	n.a	-

- 1) All hedges are designated as cash flow hedges of forecasted sales of primary metal production. Realized gains and losses on the hedges are recognized in earnings when the actual sales are made. All unrealized gains and losses on the hedges are booked directly to shareholders' equity.
- 2) Volumes are spread evenly throughout the year, except for 2006 when the volumes are spread from second to fourth quarter. The hedge program is aimed at mitigating the effects of higher power prices.
- 3) Volumes are spread evenly throughout the year. The Sunndal hedge program was implemented in connection with the Sunndal metal plant expansion which was completed in 2004. 2007 amount is 45 000 tons in each of the three first quarters, down to 28 000 tons in the fourth quarter.

Aluminium – operational data

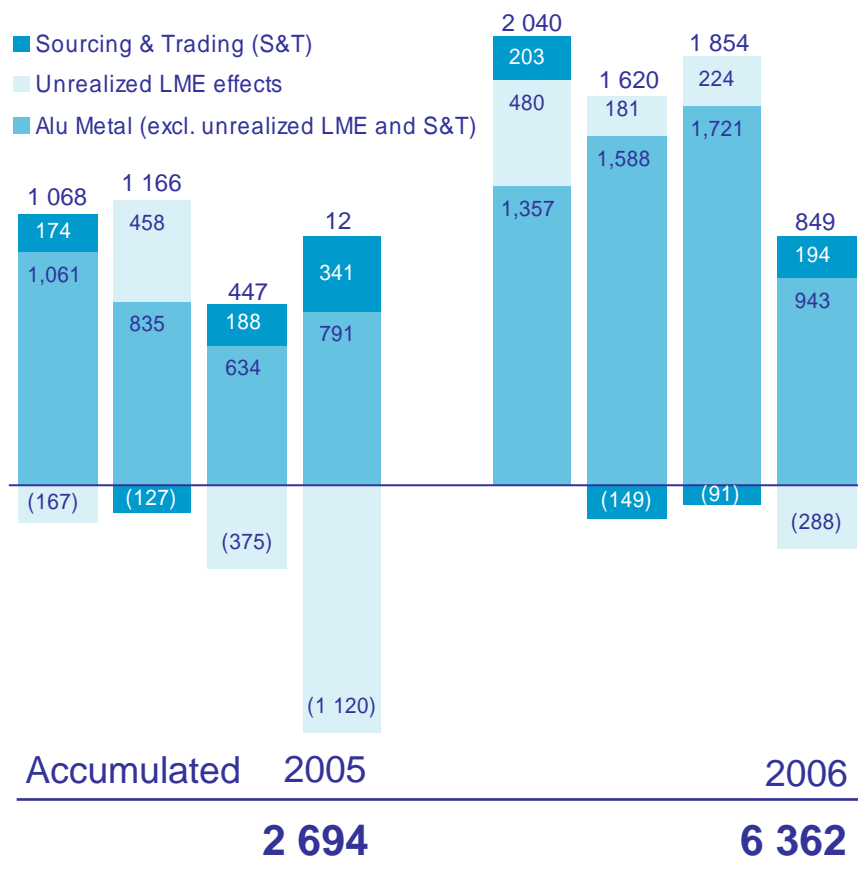
Volumes and prices *	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q4 2005	Q3 2005	Q2 2005	Q1 2005
Primary production (1 000 tons)	450	449	451	449	464	461	457	444
LME 3 month average	2 726	2 528	2 682	2 444	2 069	1 846	1 796	1 893
LME realized (USD/ton) including hedges	2 430	2 462	2 368	2 146	1 851	1 770	1 842	1 783
NOK/USD realized including hedges **	6.50	6.36	6.47	6.85	6.56	6.47	6.51	6.54
LME realized (NOK/ton) including hedges	15 793	15 662	15 331	14 697	12 145	11 453	11 992	11 664
LME realized (USD/ton) excluding hedges	2 560	2 614	2 476	2 192	1 883	1 796	1 886	1 812
NOK/USD realized excluding hedges **	6.46	6.33	6.32	6.66	6.51	6.39	6.29	6.31
LME realized (NOK/ton) excluding hedges	16 536	16 537	15 638	14 591	12 257	11 468	11 865	11 435
Total metal products sales excluding trading (1 000 tons)	775	783	856	869	736	741	835	802
Rolled Products external shipment (1 000 tons)	247	251	252	254	227	244	243	239
Extrusion order intake (indexed, 1996=100)	201	216	256	244	203	194	223	210

* Certain historical figures have been adjusted to be consistent with the Q3 2006 figures

** Difference between realized exchange rate and spot rate at the transaction date is reported as currency gain/loss and not included in EBITDA (except currency hedges where hedge accounting is applied)

Aluminium Metal – operating income

NOK million

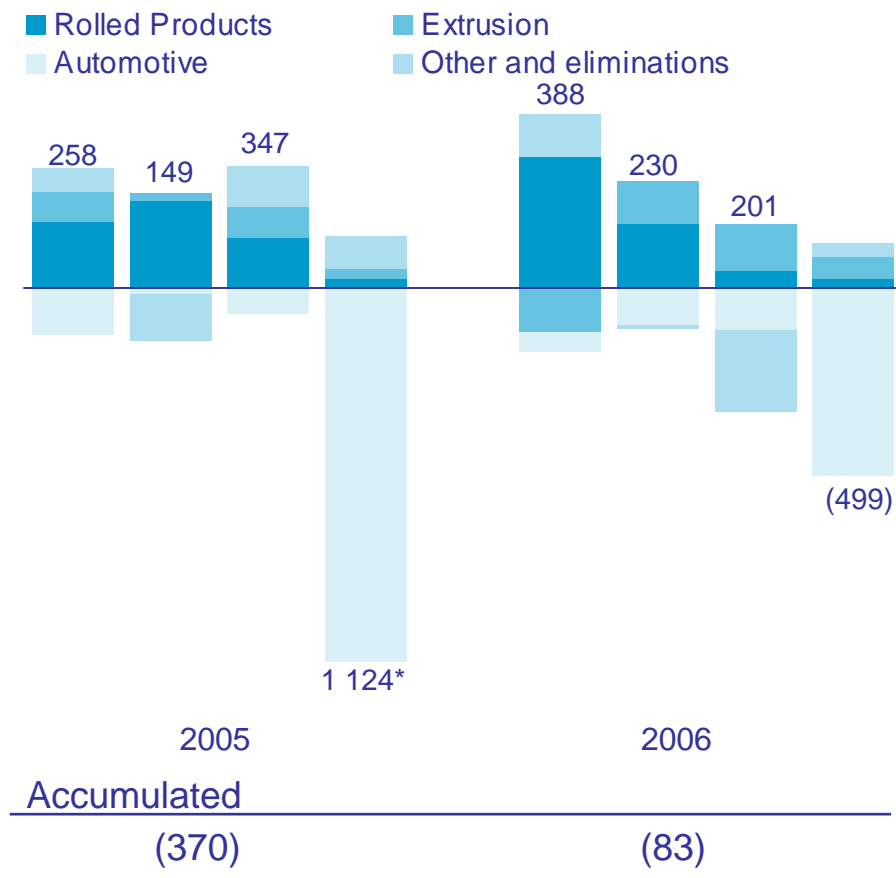


Q4 comments:

- Primary production 450 000 tons
- High aluminium prices
- Increased raw material and energy costs
- Rationalization charges related to plant closures
 - NOK 36 million in Q4
 - NOK 14 million in Q3
 - NOK 309 million in Q2
 - NOK 200 million in Q1
- Unrealized effects on power contracts:
 - NOK 303 million negative in Q4
 - NOK 60 million positive in Q3
 - NOK 91 million negative in Q2
 - NOK 60 million positive in Q1
- Negative unrealized effect on LME contracts of NOK 288 million in Q4

Aluminium Products – operating income

NOK million



* Impairment of assets of NOK 1 084 million

Q4 comments:

- Rolled Products NOK 36 million
 - Volumes improving, seasonal reduction in Q4 compared to Q3
 - Somewhat increased margins
 - Negative metal effect NOK 164 million in Q4
- Extrusion NOK 71 million
 - Margin and volume improvement
 - Rationalization costs in UK and US NOK 81 million
- Automotive NOK (661 million)
 - Continued weak margin and volumes
 - Closure costs Magnesium NOK 384 million
 - Impairment losses NOK 86 million
- Unrealized LME gains NOK 47 million
- Focus on cash generation 2006
 - EBITDA NOK 1 715 million
 - Investments NOK 1 250 million

Variance analysis Aluminium

NOK million	2006	Q4 2006
2006	10 751	1 417
2005	7 483	1 027
Variance adjusted EBITDA	3 268	390
- Margin	3 445	640
- Volume	925	255
- Fixed costs	(900)	(640)
- Depreciation	275	75
- Trading and hedging ¹⁾	(1 175)	(365)
- Unrealized LME effects	1 530	770
- Infrequent items	(285)	710
- Other	50	65
Variance operating income	3 865	1 512
- Non-consolidated investees	340	82
- Interest income and other	28	(36)
- Depreciation and amortization	(966)	(1 167)
Variance adjusted EBITDA	3 268	390

1) Includes realized effects from the strategic hedge programs

Variance analysis Aluminium Metal

NOK million	2006	Q4 2006
2006	9 134	1 353
2005	4 821	396
Variance adjusted EBITDA	4 313	957
- Margin	3 665	720
- Volume	80	-
- Fixed costs	(270)	(360)
- Depreciation	(40)	(60)
- Trading & price hedging ¹⁾	(1 175)	(365)
- Unrealized LME effects	1 800	830
- Infrequent items	(495)	-
- Other	105	75
Variance operating income	3 668	837
- Non-consolidated investees	566	92
- Interest income and other	36	(31)
- Depreciation and amortization	43	59
Variance adjusted EBITDA	4 313	957

1) Includes realized effects from the strategic hedge programs

Variance analysis Aluminium Products

NOK million	2006	Q4 2006
2006	1 715	1
2005	2 670	617
Variance adjusted EBITDA	(955)	(616)
- Margin	(130)	(130)
- Volume	845	255
- Fixed costs	(630)	(280)
- Depreciation	315	140
- Unrealized LME effects	(270)	(60)
- Infrequent items	210	710
- Other	(55)	(10)
Variance operating income	287	625
- Non-consolidated investees	(225)	(10)
- Interest income and other	(8)	(5)
- Depreciation and amortization	(1 007)	(1 226)
Variance adjusted EBITDA	(955)	(616)

Variance analysis Rolled Products

NOK million	2006	Q4 2006
2006	1 354	178
2005	1 565	363
Variance adjusted EBITDA	(211)	(185)
- Margin	190	(120)
- Volume	270	105
- Fixed costs	(630)	(180)
- Depreciation	95	40
- Infrequent items	100	155
Variance operating income	27	1
- Non-consolidated investees	23	8
- Interest income and other	(4)	-
- Depreciation and amortization	(258)	(195)
Variance adjusted EBITDA	(211)	(185)

Variance analysis Extrusion

NOK million	2006	Q4 2006
2006	887	211
2005	867	208
Variance adjusted EBITDA	20	3
- Margin	195	165
- Volume	455	85
- Fixed costs	(195)	(190)
- Depreciation	70	45
- Infrequent items	(535)	(60)
- Other	(35)	(10)
Variance operating income	(44)	36
- Non-consolidated investees	1	(4)
- Interest income and other	(4)	(5)
- Depreciation and amortization	67	(24)
Variance adjusted EBITDA	20	3





Variance analysis Automotive

NOK million	2006	Q4 2006
2006 2005	(436) 67	(442) (66)
Variance adjusted EBITDA	(503)	(376)
- Margin	(520)	(180)
- Volume	120	65
- Fixed costs	190	90
- Depreciation	160	60
- Infrequent items	635	605
- Other	(10)	10
Variance operating income	573	650
- Non-consolidated investees	(250)	(15)
- Interest income and other	(1)	(1)
- Depreciation and amortization	(825)	(1 012)
Variance adjusted EBITDA	(503)	(376)

Variance analysis Hydro Polymers

NOK million	2006	Q4 2006
2006 2005	1 542 564	748 1
Variance adjusted EBITDA	978	747
- Margin	145	440
- Volume	935	315
- Fixed costs	(65)	(45)
- Depreciation	(60)	(45)
- Other	5	5
Variance operating income	960	669
- Non-consolidated investees	(84)	(8)
- Interest income and other	2	2
- Depreciation and amortization	101	85
Variance adjusted EBITDA	978	747

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