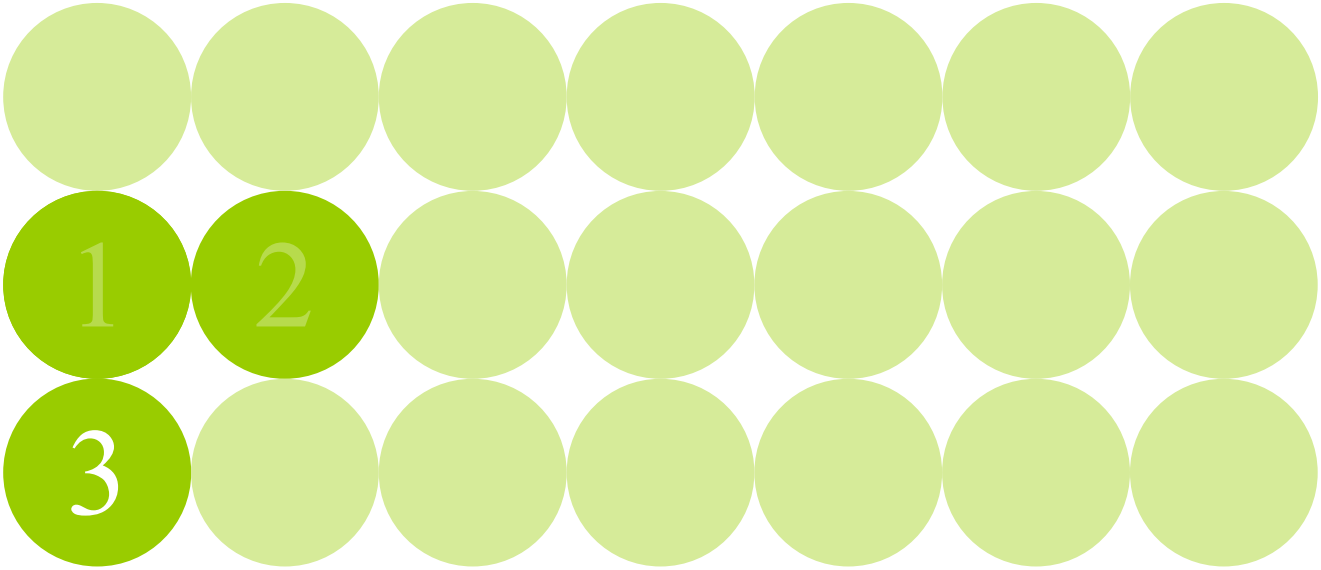
Third quarter 2007



October 30, 2007

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Hydro Q3 2007

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Highlights

- Hydro established as leading aluminium company
- Operational results off from previous strong quarters
  - Lower aluminium prices in NOK
  - Seasonally lower volumes
- Sizeable gains from currency hedges
- Qatalum project faces cost pressures

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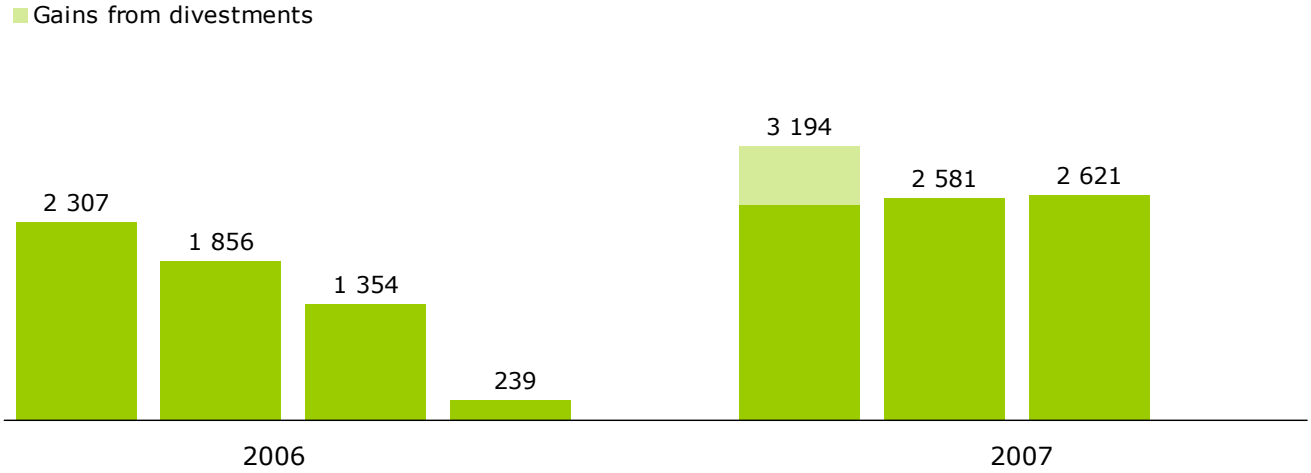
Income from continuing operations
”New” Hydro

NOK million



Accumulated	
5 757	8 396

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”New” Hydro income statements

NOK million	Q3 2007	Q2 2007	Q3 2006
Revenue	22 064	25 314	24 044
Share of the profit in equity accounted investments	265	326	163
Other income, net	8	62	99
Total revenue and income	**22 338**	**25 702**	**24 306**
Depreciation, amortization and impairment	820	988	1 002
Other expenses	19 479	21 555	21 157
Earnings before financial items and tax (EBIT)	**2 039**	**3 159**	**2 147**
Financial income (expense), net	1 282	575	(136)
Income from continuing operations before tax	3 320	3 734	2 010
Income tax expense	(699)	(1 153)	(656)
Tax rate	21%	31%	33%
Income from continuing operations	**2 621**	**2 581**	**1 354**
Earnings per share from continuing operations – NOK [1) 2) 3)]	2.10	2.00	0.90

1) Basic earnings per share are computed using the weighted average number of ordinary shares outstanding. There were no diluting elements.
2) Calculated using Income from continuing operations less net income attributable to minority interests
3) For calculation of EPS Q3 2007 (in millions): 1 223, Q2 2007: 1 227, Q3 2006: 1 236 shares

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Solid financial position

”New” Hydro

NOK billion	September 30 2007
Cash and cash equivalents	33.9
Short-term investments	2.2
Short-term debt	(2.2)
Long-term debt	(0.3)
Demerger debt	(26.2)
Net cash/(debt)	**7.4**
Net pension liability	(7.2)
Expected tax benefit, 30%	2.2
Operating lease commitments[1)]	(0.5)
Net adjusted cash/(debt)	**1.9**

1) December 31, 2006

- Demerger debt settled October 1
- Redemption of State’s shares
  - NOK 2.8 billion in September
- NOK 5.5 billion proceeds from Polymers sale expected Q1 2008
- Measures to adjust capital structure to be announced with Q4 results in February 2008
- Capital expenditures NOK 11-12 billion in 2008
  - ~80% upstream
  - Including debt-financed investments in joint ventures of ~NOK 3 billion

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Aluminium Metal

- Realized aluminium price USD 2 597 per tonne
- Primary production 435 000 tonnes, unchanged from Q2
- Positive unrealized LME and currency effects
- Additional long-term alumina supply from Rio Tinto

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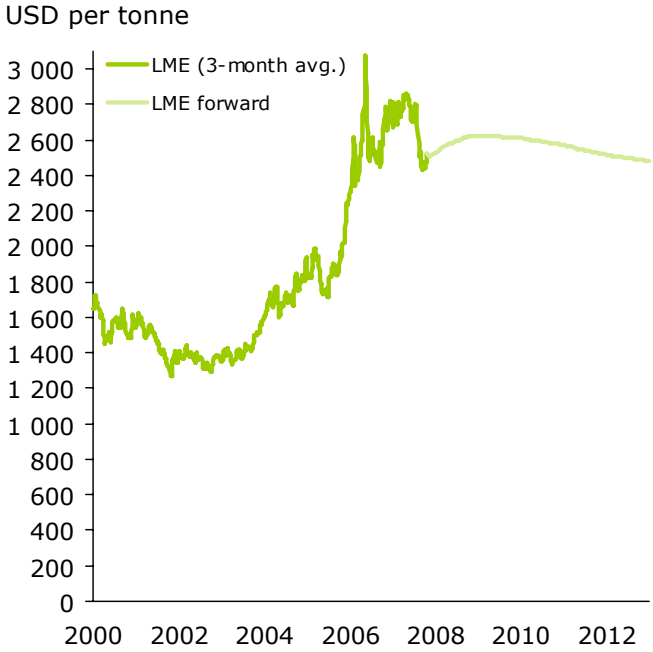
Strong aluminium price



Primary aluminium LME	USD/tonne
Q3 2007 average	2 605
Q3 2007 end	**2 520**
Q2 2007 average	2 799
Q2 2007 end	**2 725**
Average 2007 (first nine months)	2 717
Average 2006 (year)	2 594

Source: Reuters Ecowin / Bloomberg, weekly average, forward curve as of October 26 2007

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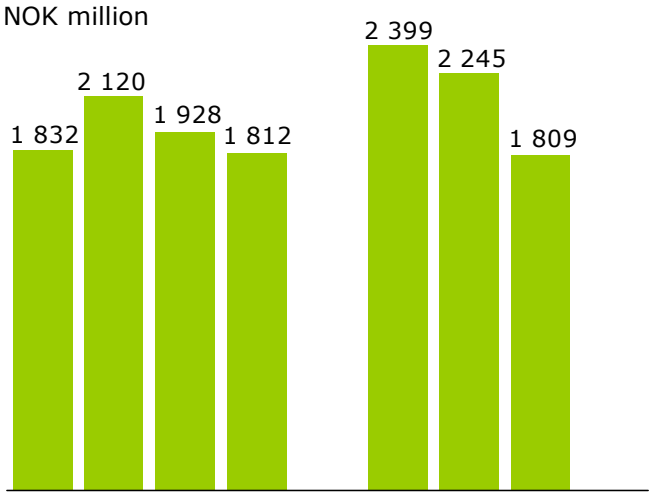
Aluminium Metal EBIT

Adjusted for special items



2006	2007
Adjusted EBIT	
7 691	6 453
Reported EBIT	
7 302	7 170

- Main changes from Q2
  - Lower price in NOK reduces EBIT by NOK 285 million
  - Lower contribution from Alunorte and Søral of NOK 135 million
- Realized aluminium price
  - USD 2 597 per tonne
    - Flat vs Q2 2007, +5% vs Q3 2006
  - NOK 15 512 per tonne
    - -4% vs Q2 2007, -1% vs Q3 2006
- Weak results in U.S.
- Strong product premiums in Europe

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Qatalum faces cost pressures

- Investment estimate (100%) ~USD 5.6 billion
  - Cost pressure for sub-contractors
  - Weakened USD
- Satisfactory project economics at LME 1 900 USD/tonne

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Aluminium Products

- Strong European market
- Seasonally lower volumes
- Results hit by unrealized LME and metal effects
- Automotive and U.S. Extrusion results still weak

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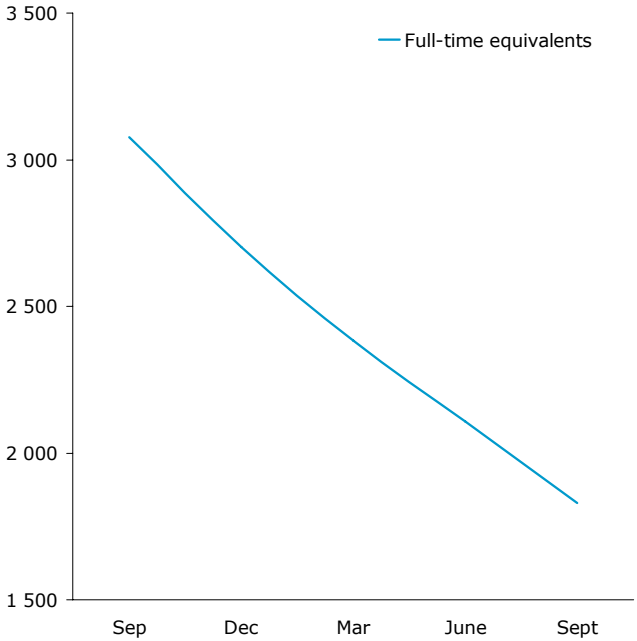
U.S. Extrusion manning reductions



- Significant manning reductions last 12 months
  - Full-time equivalents: 1 245
    - Including 280 from Ellenville Extrusion closure
- Other fixed costs have been reduced
- Additional operational improvement measures

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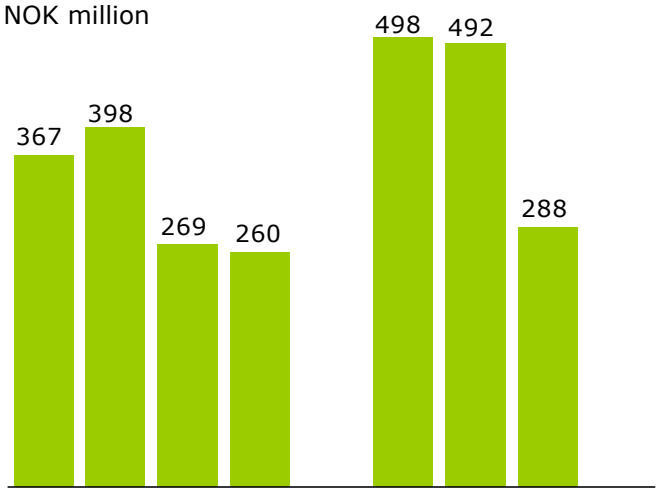
Aluminium Products EBIT

Adjusted for special items



	2006	2007
Adjusted EBIT	1 294	1 278
Reported EBIT	(104)	1 423

- Rolled Products
  - Adjusted EBIT NOK 136 million
  - Seasonally low volumes
- Extrusion
  - Adjusted EBIT NOK 201 million
  - Volumes at satisfactory levels
- Automotive
  - Adjusted EBIT NOK (45 million)
  - Weak results

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Energy

- Results negatively affected by weak spot prices
  - Partly offset by high production
- Solar business under development
  - Ascent Solar pilot plant construction start-up in October
  - HyCore and NorSun investments on track

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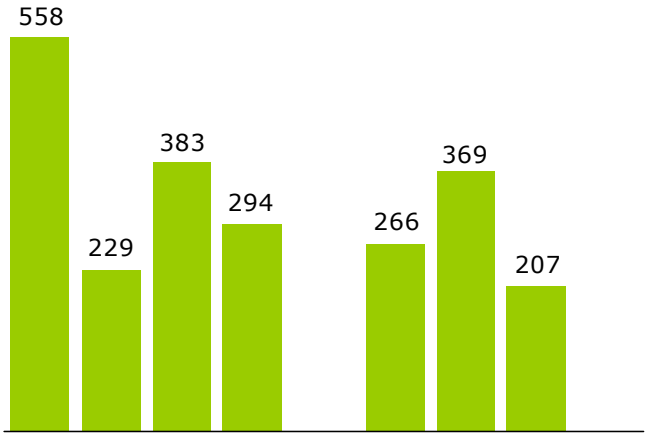
Energy EBIT
Adjusted for special items

NOK million

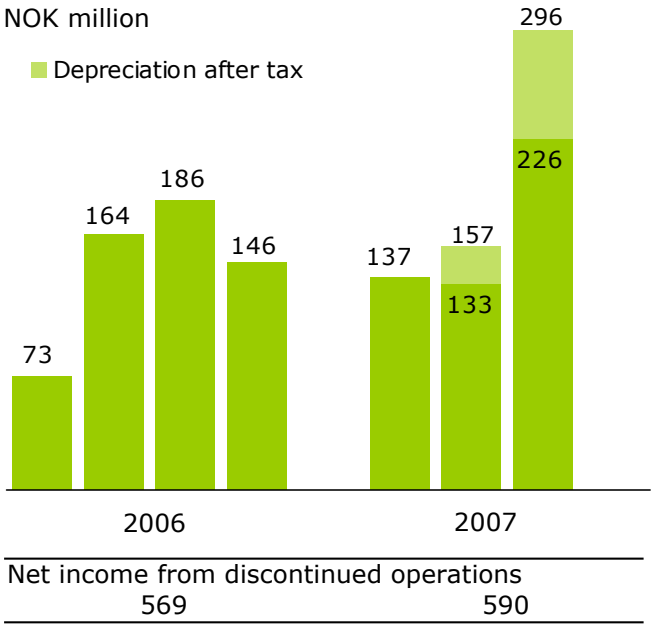


	2006	2007
Adjusted EBIT	1 464	842
Reported EBIT	1 457	926

- Low spot prices
  - Q3 average 156.1 NOK/MWh
  - Depressed prices in Southern Norway (NO1)
- High production: 3.3 TWh
- Net spot volumes: ~60% production
- High reservoir levels

HYDRO

Solid Polymers net income



- Sales volumes stable
- Strong S-PVC and P-PVC prices
- No recorded depreciation from June 2007 as Polymers is classified as held for sale
- Net earnings until closing remain with Hydro according to sales agreement
- Expected closing in Q1 2008 with gain of ~NOK 200 million

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Outlook

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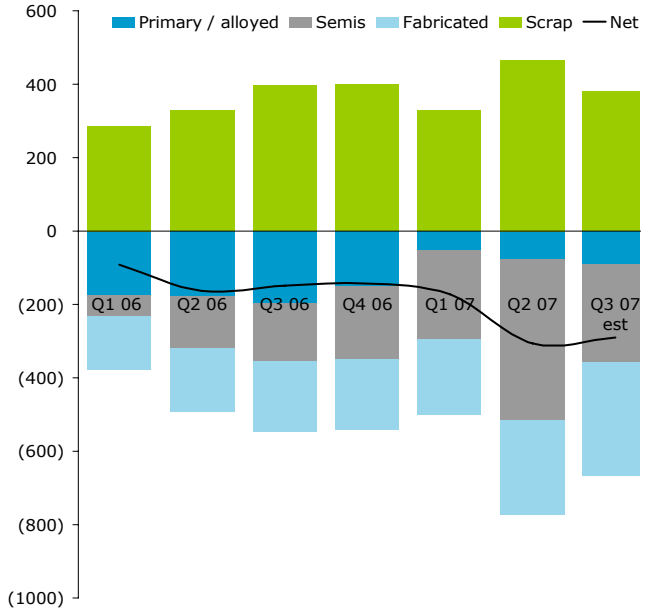
China striving for balance



- No current subsidies on export of metal and low value-added products
- Majority of export to Asian markets
- China expected to be balanced, medium to long-term

Source: Hydro 2007 / Antaike

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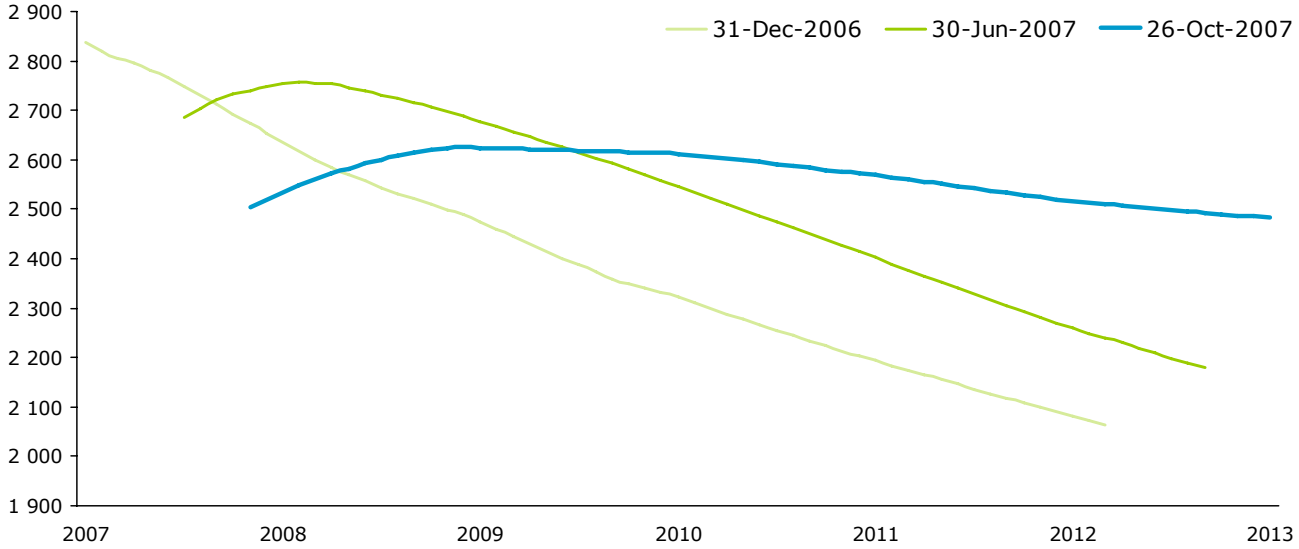
Significant change in forward curve

LME forward price, USD/tonne



Source: Bloomberg, October 26 2007

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Outlook

Weak USD, strong NOK will have negative impact

Aluminium Metal

- Continued strong primary metal market
- 83% of Q4 production sold at 2 447 USD/tonne end-Q3
  - Including full effect of strategic hedges

Aluminium Products

- Strong but softening European rolled products and extrusion markets
- U.S. market remains weak

Energy

- High forward power prices for winter season
- Production volumes expected to vary by quarter

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Priorities

- Operational excellence in all businesses
- Upstream growth opportunities to be matured
- Build on leading downstream market positions
  - Further improvement initiatives in the U.S. and Automotive
- Qatalum – execute world-leading smelter project

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3

Hydro before demerger

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Consolidated income statements

Hydro before demerger

NOK million	Q3 2007	Q2 2007	Q3 2006
Revenue	44 420	46 529	48 565
Share of the profit in equity accounted investments	272	350	213
Other income, net	217	301	298
Total revenue and income	**44 909**	**47 180**	**49 076**
Depreciation, amortization and impairment	4 632	4 651	5 959
Other expenses	27 694	28 331	29 189
Earnings before financial items and tax (EBIT)	**12 584**	**14 198**	**13 928**
Financial income (expense), net	2 264	820	(834)
Income from continuing operations before tax	14 847	15 018	13 094
Income tax expense	(8 722)	(9 115)	(9 422)
Tax rate	59%	61%	72%
Income from continuing operations	**6 125**	**5 903**	**3 672**
Income from discontinued operations	296	157	186
Net income	**6 421**	**6 060**	**3 858**
Net income attributable to minority interests	106	108	238
Net income attributable to parent	6 315	5 952	3 619
Earnings per share attributable to parent – NOK[1)]	5.20	4.90	2.90

1) For calculation of EPS Q3 2007 (in millions): 1 223, Q2 2007: 1 227, Q3 2006: 1 236 shares

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Oil & Energy

- Oil and gas production 540 000 boed
- Ormen Lange production start-up September 13
- Impairment write-down US Gulf of Mexico NOK 460 million
- First gas from Independence Hub in US Gulf of Mexico in September

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Oil & Energy key figures

Operational data	Q3 2007	Q2 2007	Q3 2006
Oil and gas production (1 000 boe/day)	540	558	548
Realized oil price, USD/boe	73.8	67.2	66.6
Realized oil price, NOK/boe	423.9	403.3	420.6
Realized gas price, NOK/Sm³	1.64	1.62	1.73
Exploration expense, NOK million	1 229	653	868

EBIT, NOK million	Q3 2007	Q2 2007	Q3 2006
Exploration and Production	10 240	10 857	10 860
Energy and Oil Marketing	1 023	987	944
Eliminations	(222)	(389)	381
Oil & Energy	**11 041**	**11 455**	**12 186**

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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, we are providing the following cautionary statement.

Certain statements included within this announcement contain (and oral communications made by us or on our behalf 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 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 we believe 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 our 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: our continued ability to reposition and restructure our upstream and downstream Aluminium business; changes in availability and cost of energy and raw materials; global supply and demand for aluminium and aluminium products; world economic growth, including rates of inflation and industrial production; changes in the relative value of currencies and the value of commodity contracts; trends in Hydro's key markets and competition; and legislative, regulatory and political factors. For a detailed description of factors that could cause our results to differ materially from those expressed or implied by such statements, please refer to the risk factors specified under "Risk review – Risk factors" on page 134 of our Annual Report 2006 (including Form 20-F) 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.

4

Additional information

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Adjusted income
Q3 2007

NOK million	Reported income	Adjustments	Adjusted income
Aluminium Metal	2 172	(363)	1 809
Aluminium Products	(247)	535	288
Energy	242	(35)	207
Corporate and other	(128)	221	93
Total EBIT	2 039	358	2 397
Financial income (expense), net	1 282	(1 199)	83
Income continuing operations before tax	3 320	(841)	2 479
Income tax expense [1)]	(699)	248	(451)
Change in tax rate Germany	-	(250)	(250)
Income from continuing operations	2 621	(843)	1 778

1) Estimated tax effect on income statement adjustments using the year-to-date tax rate

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Adjusted income
Q3 2006

NOK million	Reported income	Adjustments	Adjusted income
Aluminium Metal	2 365	(437)	1 928
Aluminium Products	(435)	704	269
Energy	324	59	383
Corporate and other	(107)	(18)	(125)
Total EBIT	2 147	308	2 455
Financial income (expense), net	(136)	257	121
Income continuing operations before tax	2 010	565	2 575
Income tax expense [1)]	(656)	(179)	(835)
Income from continuing operations	1 354	386	1 740

1) Estimated tax effect on income statement adjustments using the year-to-date tax rate

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Special items 2007

NOK million		Q1 2007	Q2 2007	Q3 2007	9 months 2007
Closure costs	Aluminium Metal	17	66	20	103
Impairment Ellenville [1)]	Aluminium Metal	-	144	-	144
Unrealized (gains)/losses on LME contracts	Aluminium Metal	(272)	(193)	(312)	(777)
Unrealized (gains)/losses on power contracts	Aluminium Metal	127	(175)	80	32
Associates/JVs - unrealized currency (gains)/losses Alunorte	Aluminium Metal	(41)	(77)	(42)	(160)
Associates/JVs - unrealized (gains)/losses on LME contracts Alunorte	Aluminium Metal	(13)	40	(108)	(81)
Associates/JVs - unrealized (gains)/losses power contracts Søral	Aluminium Metal	47	(25)	(1)	21
Total impact	**Aluminium Metal**	**(135)**	**(220)**	**(363)**	**(718)**
Inventory (gains)/losses	Rolled Products	(149)	28	55	(66)
Rationalization costs US and UK	Extrusion	-	63	-	63
Net gain on disposed business	Automotive	(691)	15	40	(636)
Unrealized (gains)/losses on LME contracts	Other and Elim.	23	31	440	494
Total impact	**Aluminium Products**	**(817)**	**137**	**535**	**(145)**
Unrealized (gains)/losses on power contracts	**Energy**	**(22)**	**(27)**	**(35)**	**(84)**
Unrealized (gains)/losses on power contracts	**Corporate and other**	**207**	**(135)**	**221**	**293**
Total EBIT	**Hydro**	**(767)**	**(245)**	**358**	**(654)**
Net foreign exchange (gain)/loss	Hydro	(464)	(517)	(1 199)	(2 180)
Income from continuing operations before tax	**Hydro**	**(1 231)**	**(762)**	**(841)**	**(2 834)**
Estimated income tax effect Germany, change in tax rate	Hydro Hydro	334	233	248 (250)	816 (250)
Income from continuing operations	**Hydro**	**(897)**	**(529)**	**(843)**	**(2 268)**

1) Not included in EBITDA

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Special items 2006

NOK million		Q1 2006	Q2 2006	Q3 2006	Q4 2006	9 months 2006	Year 2006
Closure costs	Aluminium Metal	499	11	14	48	524	572
Impairment Ellenville [1]	Aluminium Metal	-	-	-	67	-	67
Unrealized (gains)/losses on LME contracts	Aluminium Metal	(422)	(217)	(208)	341	(847)	(506)
Unrealized (gains)/losses on power contracts	Aluminium Metal	191	(25)	(163)	180	3	183
Associates/JVs - unrealized currency (gains)/losses Alunorte	Aluminium Metal	(82)	10	(7)	(15)	(79)	(94)
Associates/JVs - unrealized (gains)/losses on LME contracts Alunorte	Aluminium Metal	24	3	(21)	137	6	143
Associates/JVs - unrealized (gains)/losses power contracts Søral	Aluminium Metal	(84)	5	(52)	155	(131)	24
Total impact	**Aluminium Metal**	**126**	**(213)**	**(437)**	**913**	**(524)**	**389**
Inventory (gains)/losses	Rolled Products	(349)	(149)	73	164	(425)	(261)
UK defined pension plan	Rolled Products	15	-	-	-	15	15
Impairment Malaysia [1]	Rolled Products	-	-	-	150	-	150
Impairment loss Extrusion Ellenville operations [1]	Extrusion	-	116	-	-	116	116
UK defined pension plan	Extrusion	340	-	-	-	340	340
Rationalization costs US and UK	Extrusion	-	-	50	53	50	103
Closure costs Magnesium	Automotive	-	69	9	306	78	384
UK defined pension plan	Automotive	25	-	-	-	25	25
Impairment losses [1]	Automotive	-	23	47	86	70	156
Rationalization costs	Automotive	-	-	-	29	-	29
Associates/JVs - write-down Meridian Technologies Inc [1]	Automotive	-	-	239	-	239	239
Unrealized (gains)/losses on LME contracts	Other and Elim.	(150)	13	286	(47)	149	102
Total impact	**Aluminium Products**	**(119)**	**72**	**704**	**741**	**657**	**1 398**
Unrealized (gains)/losses on power contracts	**Energy**	**118**	**(49)**	**59**	**(121)**	**128**	**7**
Reversal of insurance loss provision	Corporate and other	-	-	-	(211)	-	(211)
Unrealized (gains)/losses on power contracts	Corporate and other	(400)	175	(18)	1 996	(243)	1 753
Elimination of demanning costs Magnesium operations Porsgrunn	Corporate and other	-	(65)	-	-	(65)	(65)
Elimination of UK defined pension plan	Corporate and other	(380)	-	-	-	(380)	(380)
Total impact	**Corporate and other**	**(780)**	**110**	**(18)**	**1 785**	**(688)**	**1 097**
Total EBIT	**Hydro**	**(655)**	**(80)**	**308**	**3 318**	**(427)**	**2 891**
Net foreign exchange (gain)/loss	**Hydro**	4	(20)	257	(93)	241	148
Income from continuing operations before tax	**Hydro**	**(651)**	**(100)**	**565**	**3 225**	**(186)**	**3 039**
Estimated income tax effect	**Hydro**	209	30	(179)	(805)	59	(745)
Income from continuing operations	**Hydro**	**(442)**	**(70)**	**386**	**2 420**	**(126)**	**2 294**

1) Not included in EBITDA

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Operating segment information

"New" Hydro

NOK million, IFRS	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Q1 2007	Q2 2007	Q3 2007	Year 2006	9 months 2006	9 months 2007
EBIT adjusted for special items										
Aluminium Metal	1 832	2 120	1 928	1 812	2 399	2 245	1 809	7 691	5 880	6 453
Aluminium Products	367	398	269	260	498	492	288	1 294	1 034	1 278
Energy	558	229	383	294	266	369	207	1 464	1 170	842
Corporate and other	(181)	(63)	(125)	358	(103)	(192)	93	(12)	(369)	(202)
Total	**2 576**	**2 684**	**2 455**	**2 724**	**3 060**	**2 914**	**2 397**	**10 438**	**7 715**	**8 371**
EBITDA adjusted for special items										
Aluminium Metal	2 349	2 628	2 431	2 449	2 939	2 760	2 316	9 857	7 408	8 015
Aluminium Products	819	825	699	747	844	808	585	3 090	2 343	2 237
Energy	594	265	419	311	294	392	236	1 589	1 278	922
Corporate and other	(168)	(61)	(115)	363	(87)	(176)	108	19	(344)	(155)
Total	**3 594**	**3 657**	**3 434**	**3 870**	**3 990**	**3 784**	**3 245**	**14 555**	**10 685**	**11 019**

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Operating segment information

"New" Hydro

NOK million	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Q1 2007	Q2 2007	Q3 2007	Year 2006	9 months 2006	9 months 2007
Reported EBIT										
Aluminium Metal	1 706	2 333	2 365	899	2 534	2 465	2 172	7 302	6 404	7 170
Aluminium Products	486	326	(435)	(481)	1 315	355	(247)	(104)	377	1 423
Energy	440	278	324	415	288	396	242	1 457	1 042	926
Corporate and other	599	(173)	(107)	(1 427)	(310)	(57)	(128)	(1 109)	319	(496)
Total	**3 232**	**2 763**	**2 147**	**(594)**	**3 827**	**3 159**	**2 039**	**7 547**	**8 141**	**9 024**
Reported EBITDA										
Aluminium Metal	2 223	2 841	2 868	1 603	3 074	3 124	2 679	9 536	7 933	8 876
Aluminium Products	938	892	281	242	1 661	671	50	2 353	2 111	2 382
Energy	476	314	360	432	316	419	271	1 582	1 150	1 006
Corporate and other	611	(171)	(97)	(1 423)	(294)	(41)	(113)	(1 080)	343	(449)
Total	**4 249**	**3 876**	**3 412**	**855**	**4 757**	**4 173**	**2 886**	**12 392**	**11 537**	**11 816**

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Operating segment information

"New" Hydro

NOK million	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Q1 2007	Q2 2007	Q3 2007	Year 2006	9 months 2006	9 months 2007
Total revenue										
Aluminium Metal	17 933	17 906	16 182	16 239	17 284	15 983	14 226	68 259	52 021	47 493
Aluminium Products	12 967	13 538	13 263	13 819	14 246	13 685	11 991	53 588	39 768	39 922
Energy	2 006	1 181	1 961	2 161	1 421	1 370	2 059	7 309	5 148	4 850
Corporate and other	(6 860)	(7 135)	(7 363)	(8 626)	(7 046)	(5 724)	(6 212)	(29 984)	(21 358)	(18 982)
Total	**26 046**	**25 489**	**24 044**	**23 593**	**25 905**	**25 314**	**22 064**	**99 172**	**75 579**	**73 283**
External revenue										
Aluminium Metal	11 602	11 606	9 912	10 482	11 294	10 614	9 665	43 603	33 121	31 573
Aluminium Products	12 910	13 476	13 205	13 740	14 190	13 612	11 946	53 331	39 591	39 748
Energy	1 119	(27)	737	(823)	(83)	562	125	1 007	1 830	604
Corporate and other	417	371	188	(165)	256	253	230	811	976	739
Total	**26 048**	**25 427**	**24 043**	**23 234**	**25 657**	**25 042**	**21 966**	**98 752**	**75 518**	**72 665**
Internal revenue										
Aluminium Metal	6 331	6 299	6 270	5 757	5 990	5 369	4 561	24 657	18 900	15 920
Aluminium Products	58	62	58	80	57	73	45	257	177	174
Energy	887	1 208	1 224	2 983	1 504	808	1 934	6 302	3 318	4 246
Corporate and other	(7 277)	(7 507)	(7 551)	(8 461)	(7 302)	(5 978)	(6 442)	(30 795)	(22 335)	(19 722)
Total	**(2)**	**62**	**1**	**359**	**249**	**272**	**97**	**420**	**61**	**619**

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Operating segment information

"New" Hydro

NOK million	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Q1 2007	Q2 2007	Q3 2007	Year 2006	9 months 2006	9 months 2007
Share of profit in equity accounted investments										
Aluminium Metal	233	249	385	(12)	236	323	275	854	867	834
Aluminium Products	18	30	(224)	9	14	(8)	(3)	(168)	(176)	3
Energy	5	2	(1)	16	-	10	(8)	22	6	2
Corporate and other	5	5	3	15	(1)	1	2	27	13	2
Total	**260**	**285**	**163**	**27**	**248**	**326**	**265**	**736**	**709**	**840**
Depreciation										
Aluminium Metal	507	497	494	694	530	649	498	2 192	1 498	1 677
Aluminium Products	437	552	462	709	332	302	283	2 159	1 451	917
Energy	35	35	34	16	28	20	24	120	104	72
Corporate and other	12	8	13	12	16	16	15	45	33	47
Total	**991**	**1 092**	**1 002**	**1 431**	**906**	**988**	**820**	**4 516**	**3 085**	**2 713**

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Combined income statements
”New” Hydro 2007

NOK million	Q1 2007	Q2 2007	Q3 2007	9 months 2007
Revenue	25 905	25 314	22 064	73 283
Share of the profit in equity accounted investments	248	326	265	840
Other income, net	849	62	8	919
Total revenue and income	**27 003**	**25 702**	**22 338**	**75 043**
Depreciation, amortization and impairment	906	988	820	2 713
Other expenses	22 271	21 555	19 479	63 305
Earnings before financial items and tax (EBIT)	**3 827**	**3 159**	**2 039**	**9 024**
Financial income (expense), net	557	575	1 282	2 414
Income from continuing operations before tax	4 385	3 734	3 320	11 438
Income tax expense	(1 191)	(1 153)	(699)	(3 042)
Tax rate	27%	31%	21%	27%
Income from continuing operations	**3 194**	**2 581**	**2 621**	**8 396**
Earnings per share from continuing operations – NOK [1) 2) 3)]	2.50	2.00	2.10	6.60

1) Basic earnings per share are computed using the weighted average number of ordinary shares outstanding. There were no diluting elements.
2) Calculated using Income from continuing operations less net income attributable to minority interests.
3) For calculation of EPS Q3 2007 (in millions): 1 223, Q2 2007: 1 227, Q3 2006: 1 236 shares

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Combined income statements

”New” Hydro 2006

NOK million	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Year 2006	9 months 2006
Revenue	26 046	25 489	24 044	23 593	99 172	75 579
Share of the profit in equity accounted investments	260	285	163	27	736	709
Other income, net	104	102	99	253	558	305
Total revenue and income	**26 410**	**25 877**	**24 306**	**23 873**	**100 465**	**76 592**
Depreciation, amortization and impairment	991	1 092	1 002	1 431	4 516	3 085
Other expenses	22 187	22 022	21 157	23 037	88 402	65 366
Earnings before financial items and tax (EBIT)	**3 232**	**2 763**	**2 147**	**(594)**	**7 547**	**8 141**
Financial income (expense), net	164	(56)	(136)	109	80	(28)
Income from continuing operations before tax	3 396	2 707	2 010	(485)	7 628	8 113
Income tax expense	(1 089)	(851)	(656)	725	(1 871)	(2 596)
Tax rate	32%	31%	33%	150%	25%	32%
Income from continuing operations	**2 307**	**1 856**	**1 354**	**239**	**5 757**	**5 517**
Earnings per share from continuing operations – NOK	1.90	1.40	0.90	0.20	4.40	4.20

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Variance analysis “new” Hydro

NOK million	9 months	Q3
2007	9 024	2 039
2006	8 141	2 147
Variance EBIT	883	(108)
•LME price	2 215	(420)
•Margin	(2 227)	(80)
•Volume	516	(101)
•Strategic hedges	(242)	128
•Derivatives	(423)	(231)
•Associates and JCE	139	83
•Other operational costs, net	293	436
•Depreciation incl. impairment	115	98
•Portfolio	497	(20)
Variance EBIT	883	(108)

HYDRO

Combined balance sheets

"New" Hydro

NOK million	September 30 2007	December 31 2006	September 30 2006
Cash and cash equivalents	33 948	6 609	16 340
Short-term investments	2 197	15 020	12 698
Accounts receivable	16 746	17 786	20 567
Inventories	12 579	14 220	14 641
Other current assets	4 118	3 862	5 729
Assets held for sale	7 159	3 691	-
Equity-accounted investments	7 935	8 929	9 351
Property, plant and equipment	26 513	32 151	34 627
Financial assets	3 544	3 961	4 158
Prepaid pension	1 085	1 085	1 238
Other non-current assets	3 440	3 345	2 971
Total assets	**119 263**	**110 657**	**122 322**
Bank-loans and other short-term interest-bearing debt	2 153	2 509	2 294
Trade and other payables	13 316	14 521	14 725
Taxes payable	3 726	2 065	1 785
Other current liabilities	4 392	6 179	6 563
Demerger debt	26 163	18 688	20 215
Liabilities in disposal group	1 838	1 011	-
Long-term interest-bearing debt	270	367	665
Pension obligation	8 774	9 264	9 608
Other long-term liabilities	2 768	3 122	3 436
Deferred tax liabilities	2 630	2 803	3 716
Minority interest	871	771	792
Equity attr. to equity holders of the parent	52 363	49 358	58 523
Total liabilities and equity	**119 263**	**110 657**	**122 322**

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Condensed combined balance sheet

"New" Hydro

NOK million	Sep 30 2007	Jun 30 2007	Mar 31 2007	Dec 31 2006
Cash and cash equivalents	33 948	20 735	21 780	6 609
Short-term investments	2 197	6 273	14 981	15 020
Receivables and other current assets	20 864	21 862	23 209	21 648
Inventories	12 579	13 611	14 380	14 220
Assets held for sale	7 159	7 167	-	3 691
Property, plant and equipment	26 513	27 352	31 345	32 151
Other non-current assets	16 004	15 840	17 056	17 320
Total assets	**119 263**	**112 842**	**122 751**	**110 657**
Bank-loans and other short-term interest-bearing debt	2 153	2 227	2 502	2 509
Other current liabilities	21 434	21 569	22 389	22 765
Demerger debt	26 163	17 399	29 090	18 688
Liabilities in disposal group	1 838	1 956	-	1 011
Long-term interest-bearing debt	270	313	335	367
Other long-term liabilities	11 542	11 955	12 581	12 385
Deferred tax liabilities	2 630	2 754	3 375	2 803
Minority interest	871	825	848	771
Equity attr. to equity holders of the parent	52 363	53 845	51 631	49 358
Total liabilities and equity	**119 263**	**112 842**	**122 751**	**110 657**

HYDRO

Condensed combined balance sheet

"New" Hydro

NOK million	Dec 31 2006	Sep 30 2006	Jun 30 2006	Mar 31 2006	Jan 1 2006
Cash and cash equivalents	6 609	16 340	7 367	20 484	10 266
Short-term investments	15 020	12 698	12 669	3 850	3 859
Receivables and other current assets	21 648	26 297	25 739	25 842	21 403
Inventories	14 220	14 641	14 427	13 706	12 952
Assets held for sale	3 691	-	-	-	-
Property, plant and equipment	32 151	34 627	34 125	35 080	35 823
Other non-current assets	17 320	17 719	17 396	17 489	17 684
Total assets	**110 657**	**122 322**	**111 723**	**116 451**	**101 988**
Bank-loans and other short-term interest-bearing debt	2 509	2 294	2 725	2 930	2 863
Other current liabilities	22 765	23 073	22 927	19 482	19 395
Demerger debt	18 688	20 215	19 231	18 484	19 790
Liabilities in disposal group	1 011	-	-	-	-
Long-term interest-bearing debt	367	665	720	695	722
Other long-term liabilities	12 385	13 044	13 056	13 190	12 939
Deferred tax liabilities	2 803	3 716	2 746	3 451	3 712
Minority interest	771	792	700	870	979
Equity attr. to equity holders of the parent	49 358	58 523	49 618	57 348	41 589
Total liabilities and equity	**110 657**	**122 322**	**111 723**	**116 451**	**101 988**

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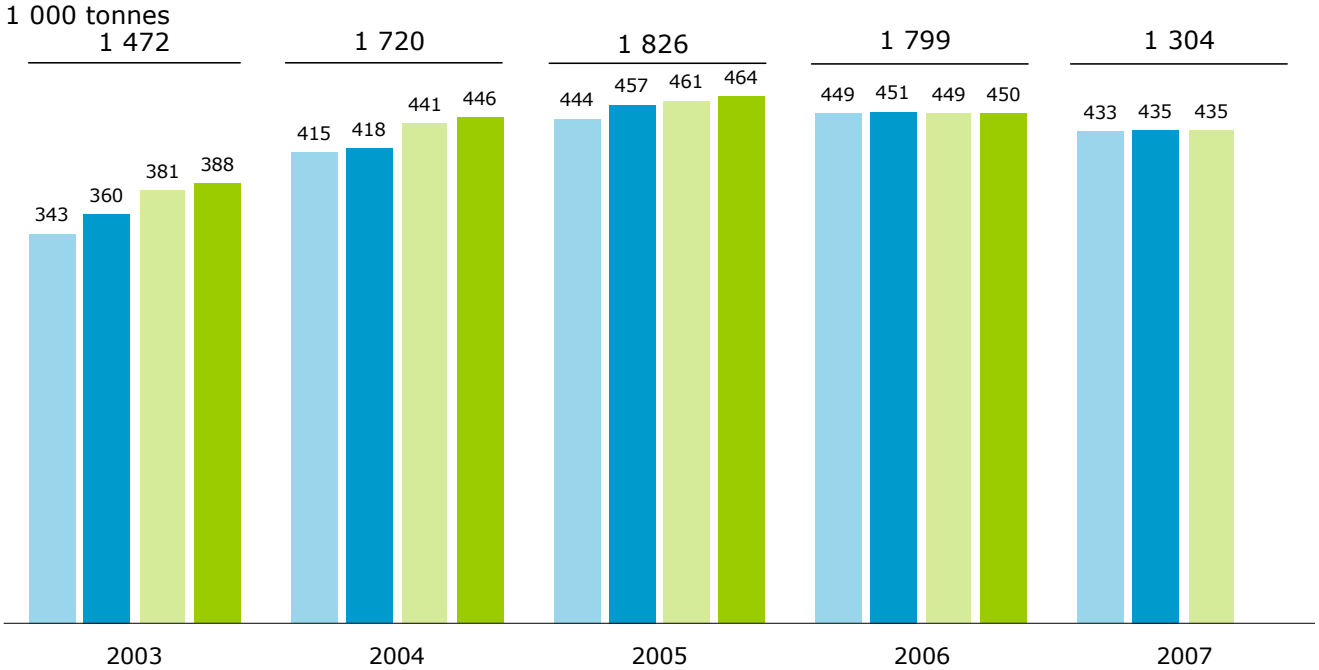
Primary aluminium production



Slovalco consolidated from Q1 2004

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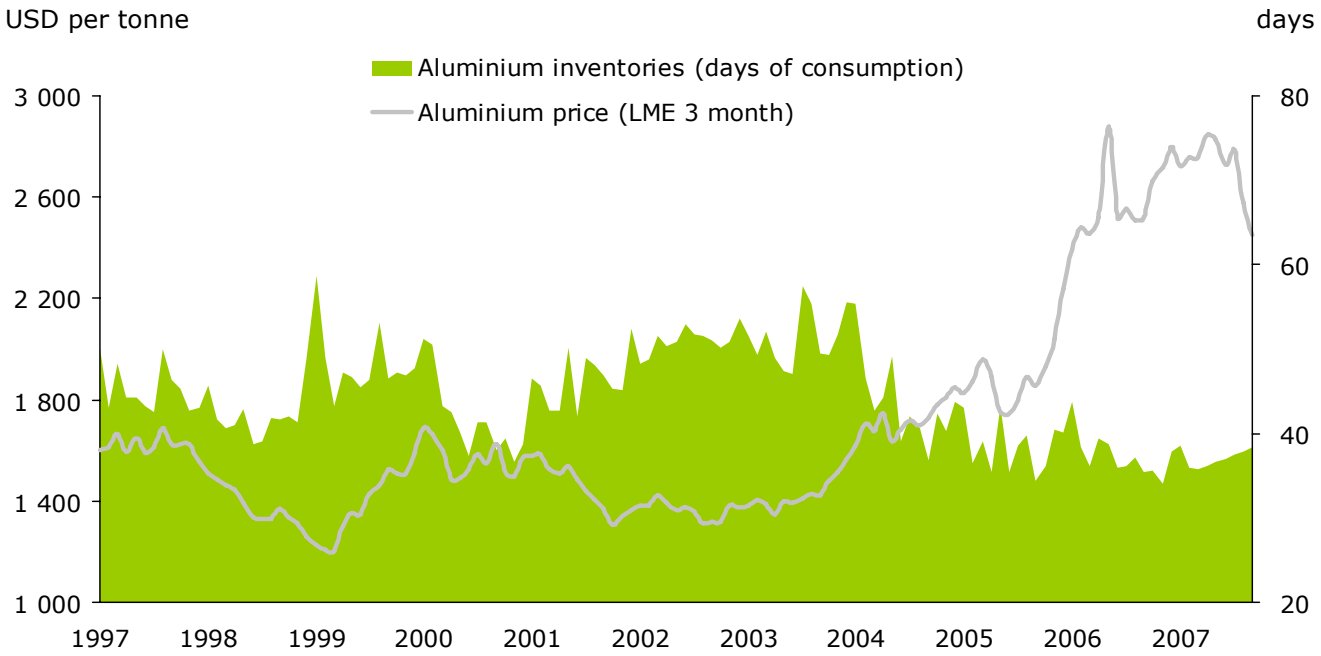
Primary aluminium market



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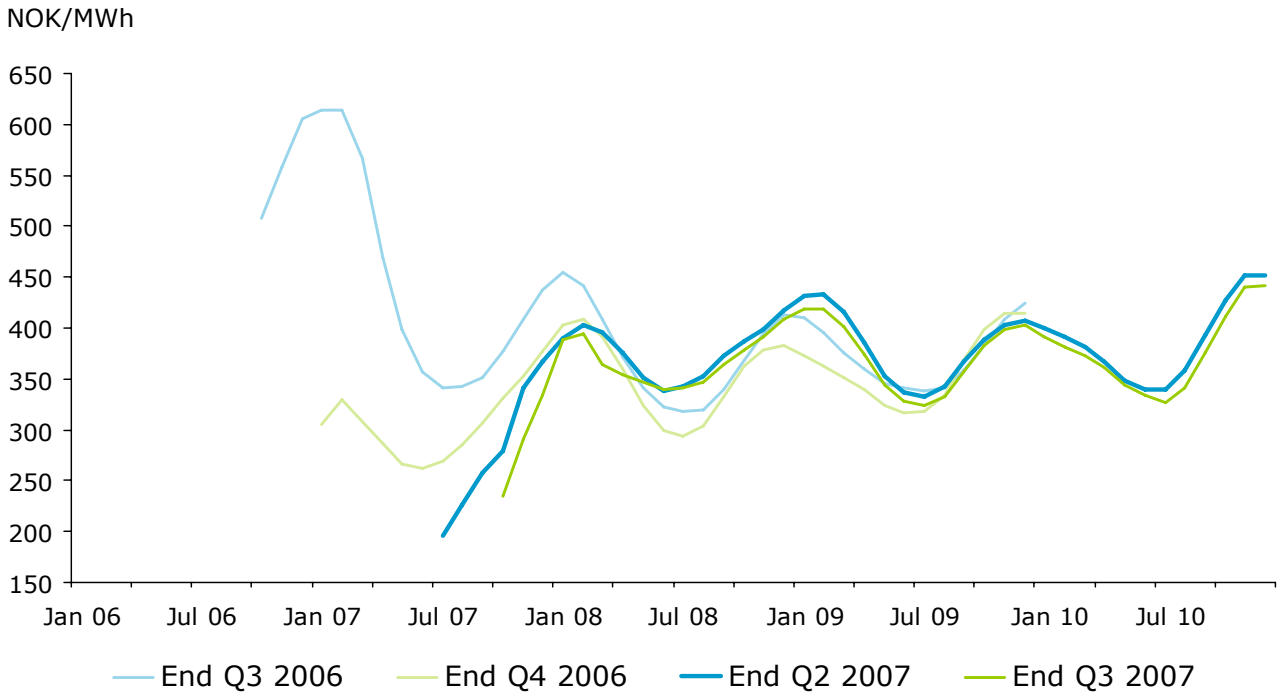
Nordic power market – forward curves



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Strategic LME hedge programs

	Q4 2007	2008	2009	2010
Volume tonnes	74 000	187 000	15 000	10 000
LME price USD/tonne	2 030	2 230	2 400	2 300

- Q4 2007 includes a NOK/USD hedge with USD 27 million sold at 9.5 NOK/USD
- Hedges in 2007 relate to Sunndal, Germany and Slovalco
- Hedges in 2008 relate to Germany and Slovalco
- Hedges in 2009-2010 relate to Slovalco
- The majority of the hedges are designated as cash flow hedges of forecasted sales of primary metal production. Realized gains and losses on these hedges are recognized in earnings when the actual sales are made. The unrealized gains and losses on these hedges are booked directly to shareholders' equity

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Aluminium Metal – operational data

Volumes and prices	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q4 2005	Q3 2005
Primary production (1 000 mt)	435	435	433	450	449	451	449	464	461
LME realized (USD/mt) including hedges	2 597	2 606	2 588	2 430	2 462	2 368	2 146	1 851	1 770
NOK/USD realized including hedges[1)]	5.97	6.21	6.37	6.50	6.36	6.47	6.85	6.56	6.47
LME realized (NOK/mt) including hedges	15 512	16 174	16 480	15 793	15 662	15 331	14 697	12 145	11 453
LME realized (USD/mt) excluding hedges	2 755	2 762	2 734	2 560	2 614	2 476	2 192	1 883	1 796
NOK/USD realized excluding hedges[1)]	5.82	6.07	6.25	6.46	6.33	6.32	6.66	6.51	6.39
LME realized (NOK/mt) excluding hedges	16 038	16 780	17 082	16 536	16 537	15 638	14 591	12 257	11 468
Total metal products sales excluding trading 1 000 mt)	724	767	788	775	783	856	869	736	741

1) 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)

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Aluminium Products – operational data

	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q4 2005	Q3 2005
Rolled Products external shipments (1 000 tonnes)	253	262	264	246	249	251	253	227	244
Extrusion external shipments (1 000 tonnes)	123	135	134	124	129	138	136	146	146
Automotive external shipments (1 000 tonnes)	29	30	43	43	39	47	45	-	-
Rolled Products – EBIT per tonne, NOK[1)]	538	1 000	735	642	580	327	534	-	-
Extrusion – EBIT per tonne, NOK[1)]	1 633	1 686	1 860	1 335	1 525	1 978	1 354	-	-

1) EBIT adjusted for special items

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Energy – operational data

Volumes and prices	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q4 2005	Q3 2005
Power production, TWh	3.30	2.75	2.65	1.82	1.90	1.83	2.75	2.79	2.73
Nordic spot electricity price, NOK/MWh	156.1	182.2	218.3	370.0	482.8	348.0	364.0	254.6	234.4
South Norway spot electricity price (NO1), NOK/MWh	95.5	176.4	215.4	380.2	489.1	358.7	357.8	253.8	233.6

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Variance analysis Aluminium Metal

NOK million	9 months	Q3
2007	7 170	2 172
2006	6 404	2 365
Variance EBIT	767	(193)
•Price LME	2 215	(420)
•Margin	(1 130)	338
•Volume	(116)	(56)
•Strategic hedges	(242)	128
•Derivatives	14	(164)
•Associates and JCE	(33)	(110)
•Other operational costs, net	264	70
•Depreciation	(215)	(11)
•Portfolio	9	31
Variance EBIT	767	(193)

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Variance analysis Aluminium Products

NOK million	9 months	Q3
2007	1 423	(247)
2006	377	(435)
Variance EBIT	1 046	188
•Margin	(130)	90
•Volume	82	(63)
•Derivatives	(442)	(250)
•Associates and JCE	186	189
•Other operational costs, net	549	173
•Depreciation	314	101
•Portfolio	487	(52)
Variance EBIT	1 046	188

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Variance analysis Rolled Products

NOK million	9 months	Q3
2007	658	81
2006	772	71
Variance EBIT	(114)	10
•Margin	105	184
•Volume	140	19
•Derivatives	-	2
•Associates and JCE	(10)	(13)
•Other operational costs, net	(368)	(166)
•Depreciation	37	12
•Portfolio	(18)	(28)
Variance EBIT	(114)	10

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Variance analysis Extrusion

NOK million	9 months	Q3
2007	610	201
2006	147	147
Variance EBIT	463	54
•Margin	(53)	(75)
•Volume	(180)	(137)
•Associates and JCE	(8)	(1)
•Other operational costs, net	545	248
•Depreciation	158	21
Variance EBIT	463	54

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Variance analysis Automotive

NOK million	9 months	Q3
2007	644	(89)
2006	(397)	(367)
Variance EBIT	1 041	278
•Margin	(231)	(103)
•Volume	122	56
•Derivatives	2	-
•Associates and JCE	203	203
•Other operational costs, net	322	77
•Depreciation	118	68
•Portfolio	505	(23)
Variance EBIT	1 041	278

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Variance analysis Energy

NOK million	9 months	Q3
2007	926	242
2006	1 042	324
Variance EBIT	(115)	(82)
•Margin	(1 082)	(538)
•Volume	550	17
•Derivatives	541	421
•Associates and JCE	(3)	5
•Other operational costs, net	(152)	3
•Depreciation	31	10
Variance EBIT	(115)	(82)

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Liquids production per field – Q3

Boe/day oil and NGL/condensate	Share	Hydro Q3 2006	Hydro Q3 2007
Grane	38.00%	82	78
Oseberg Area	34.00%	68	53
Block 17	10.00%	12	33
Snorre	17.77%	29	22
Terra Nova	15.00%	0	20
Ekofisk	5.81-6.65%	23	20
Troll	9.78%	17	16
Gullfaks	9.00%	15	14
Fram	25.00%	6	11
Åsgard	9.61%	16	10
Kristin	14.00%	8	9
US Gulf of Mexico		11	8
Hibernia	5.00%	8	7
Norne	8.10%	8	7
Visund	20.30%	7	7
Sleipner Area	8.85-10.00%	7	6
Tordis	13.28%	1	6
Vigdis	13.28%	13	4
Brage	20.00%	4	4
Kharyaga	40.00%	5	4
Njord	20.00%	5	3
Ringhorne Øst	11.70%	0	3
Other fields		36	41
Total liquids		**380**	**386**
Gas		**168**	**154**
Total liquids and gas		**548**	**540**

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Gas production per field – Q3

Boe/day	Share	Hydro Q3 2006	Hydro Q3 2007
Troll	9.78%	40	49
Sleipner Area	8.85-10.00%	23	21
Åsgard	9.61%	15	16
Tune	40.00%	16	13
US Gulf of Mexico		12	11
Oseberg Area	34.00%	19	10
Kristin	14.00%	5	8
Visund	20.30%	5	6
Gullfaks	9.00%	6	5
Ekofisk	5.81-6.65%	4	4
Mikkel	10.00%	2	3
Kvitebjørn	15.00%	13	0
Other		8	7
Total gas		**168**	**154**
Liquids		**380**	**386**
Total liquids and gas		**548**	**540**

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Liquids production per field – 9 months

Boe/day oil and NGL/condensate	Share	Hydro 2006	Hydro 2007
Grane	38.00%	83	80
Oseberg area	34.00%	72	60
Block 17	10.00%	11	30
Snorre	17.77%	25	26
Ekofisk	5.81-6.65%	23	19
Troll	9.78%	22	19
Terra Nova	15.00%	5	19
Åsgard	9.61%	17	18
Gullfaks	9.00%	17	16
Kristin	14.00%	8	13
Fram	25.00%	6	11
Visund	20.30%	4	10
US Gulf of Mexico		9	10
Vigdis	13.28%	10	8
Hibernia	5.00%	9	7
Sleipner Area	8.85-10.00%	6	6
Tordis	13.28%	4	6
Norne	8.10%	8	6
Kharyaga	40.00%	5	5
Njord	20.00%	5	4
Brage	20.00%	4	4
Other fields		31	22
Total gas		**384**	**399**
Liquids		**181**	**170**
Total liquids and gas		**565**	**569**

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Gas production per field – 9 months

Boe/day	Share	Hydro 2006	Hydro 2007
Troll	9.78%	47	55
Sleipner Area	8.85-10.00%	22	22
Åsgard	9.61%	16	19
Tune	40.00%	18	13
US Gulf of Mexico		11	12
Oseberg Area	34.00%	23	12
Kristin	14.00%	5	8
Gullfaks	9.00%	7	6
Visund	20.30%	2	6
Kvitebjørn	15.00%	15	4
Ekofisk	5.81-6.65%	4	4
Mikkel	10.00%	3	3
Other		8	6
Total gas		**181**	**170**
Liquids		**384**	**399**
Total liquids and gas		**565**	**569**

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Investor Relations in Hydro

	Stefan Solberg	Head of Investor Relations	t: +47 22 53 92 80 m: +47 917 27 528 e: stefan.solberg@hydro.com
	Irene Raposo	Investor Relations Assistant	t: +47 22 53 92 24 m: +47 414 02 174 e: irene.raposo@hydro.com

For more information see: **www.hydro.com/ir**

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