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3rd quarter 2004 – Presentation

Highlights third quarter

- Another strong quarter for Hydro
- High oil price, improved aluminium markets
- Higher volumes and good cost control
- Financial strength further improved

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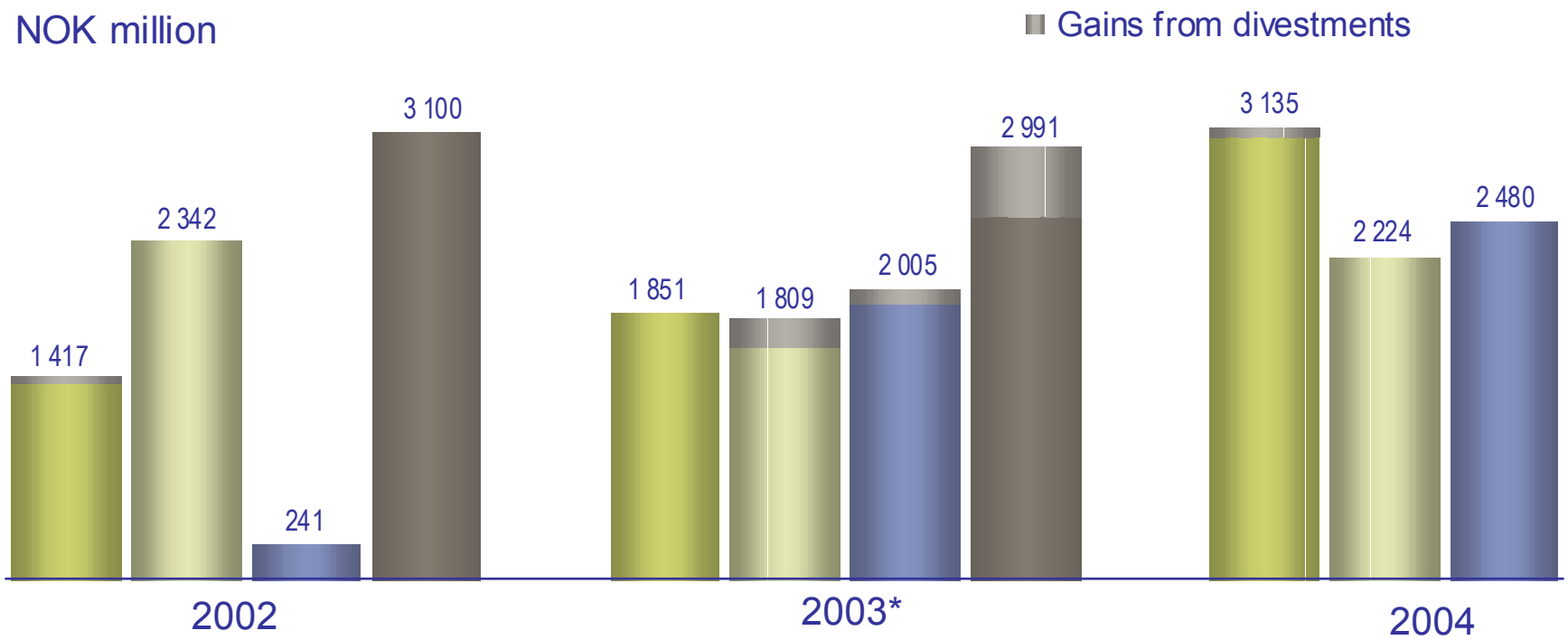
Income from continuing operations*

Per quarter



Accumulated		
7 100	8 656	7 839

* Including the effect of change in accounting principles for 1st quarter 2003 amounting to a positive effect of NOK 281 million

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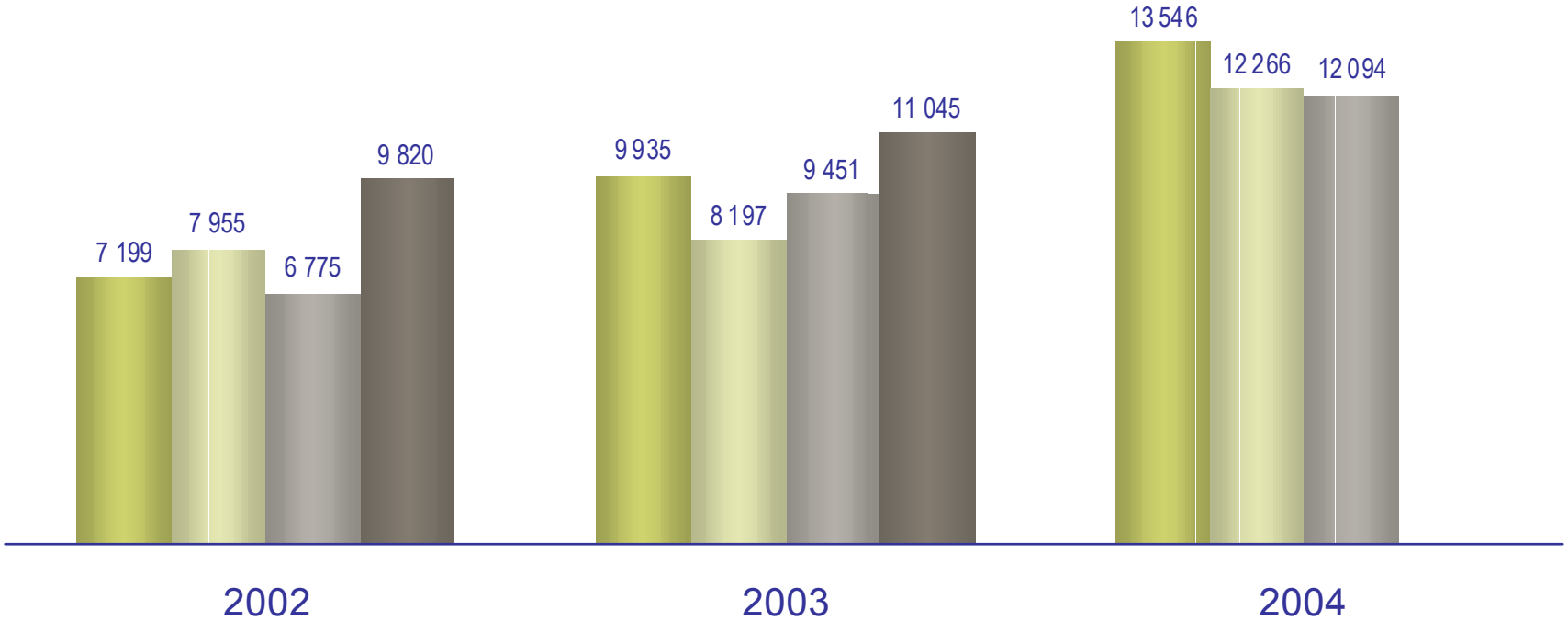
Earnings before interest, tax, depreciation and amortization (adjusted EBITDA)

Per quarter

NOK million



Accumulated		
31 749	38 628	37 906

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Consolidated income statements

NOK million	3rd quarter 2004	3rd quarter 2003
Operating revenues	38 528	32 439
Operating income	8 047	5 288
Equity in net income of non-consolidated investees Financial income (expense), net Other income, net	287 307 -	54 295 139
Income from continuing operations before tax and minority interest Income tax expense Minority interest	8 641 (6 083) (78)	5 776 (3 848) 77
Income from continuing operations Income from discontinued operations	2 480 -	2 005 392
Income before cumulative effect of change in accounting principle Cumulative effect of change in accounting principle	2 480 -	2 397 -
Net income	2 480	2 397
Earnings per share from continuing operations - NOK Earnings per share from discontinued operations - NOK Earnings per share - NOK	9.80 - 9.80	7.80 1.50 9.30

For calculation of EPS, 3rd quarter 2004: 254 138 918 shares, 3rd quarter 2003: 257 269 550 shares

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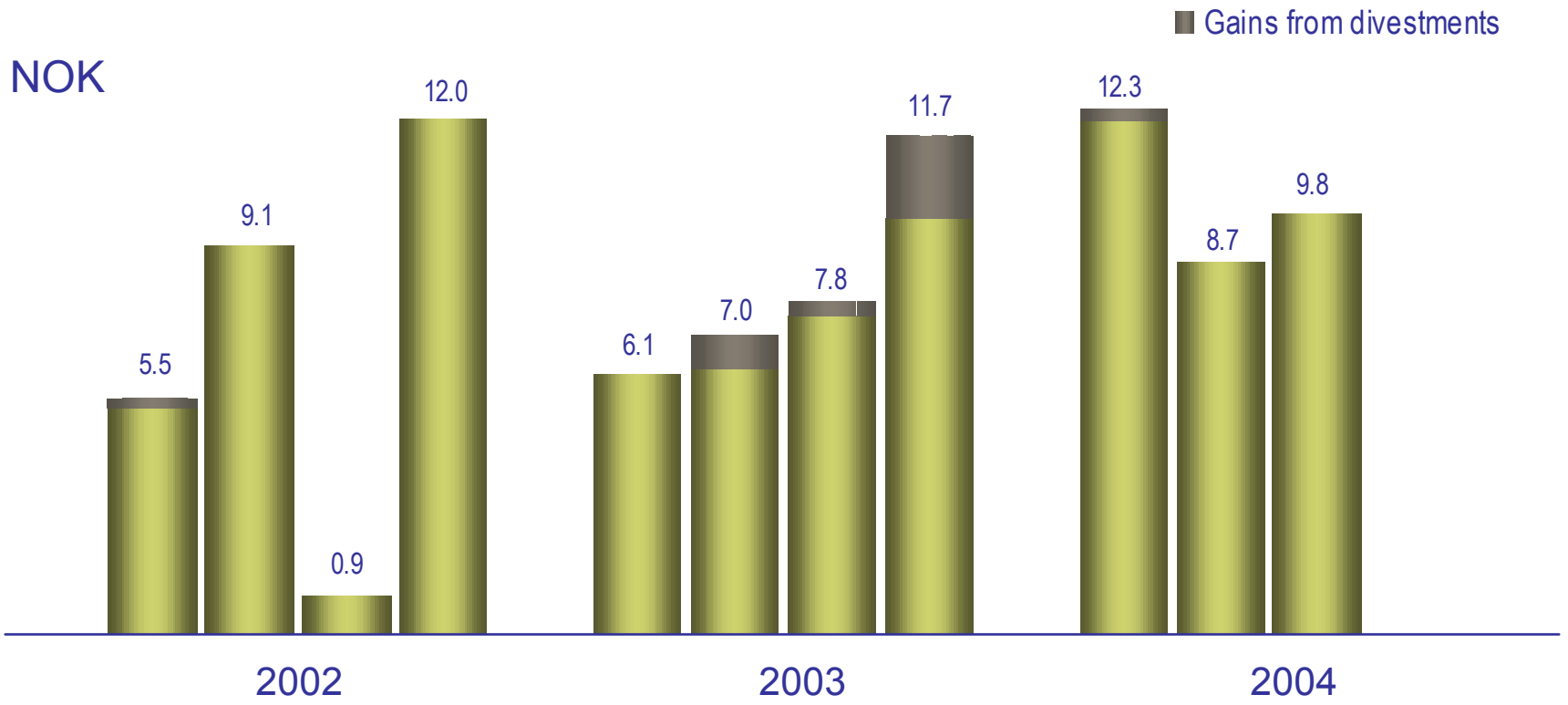
Earnings per share from continuing operations*



Accumulated		
27.5	32.5	30.8

* Before effect of change in accounting principles

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Operating income

Individual operating segment

NOK million	3rd quarter 2004	2nd quarter 2004	3rd quarter 2003
Exploration and Production	7 559	6 606	4 579
Energy and Oil Marketing	272	573	739
Eliminations	(310)	5	4
Hydro Oil & Energy	7 521	7 184	5 322
Metals	1 003	855	571
Rolled Products	167	278	18
Extrusion and Automotive	6	166	(4)
Other and eliminations	(318)	(30)	(55)
Hydro Aluminium	858	1 269	530
Other activities	263	47	(313)
Corporate and eliminations	(595)	(210)	(251)
Total	8 047	8 290	5 288

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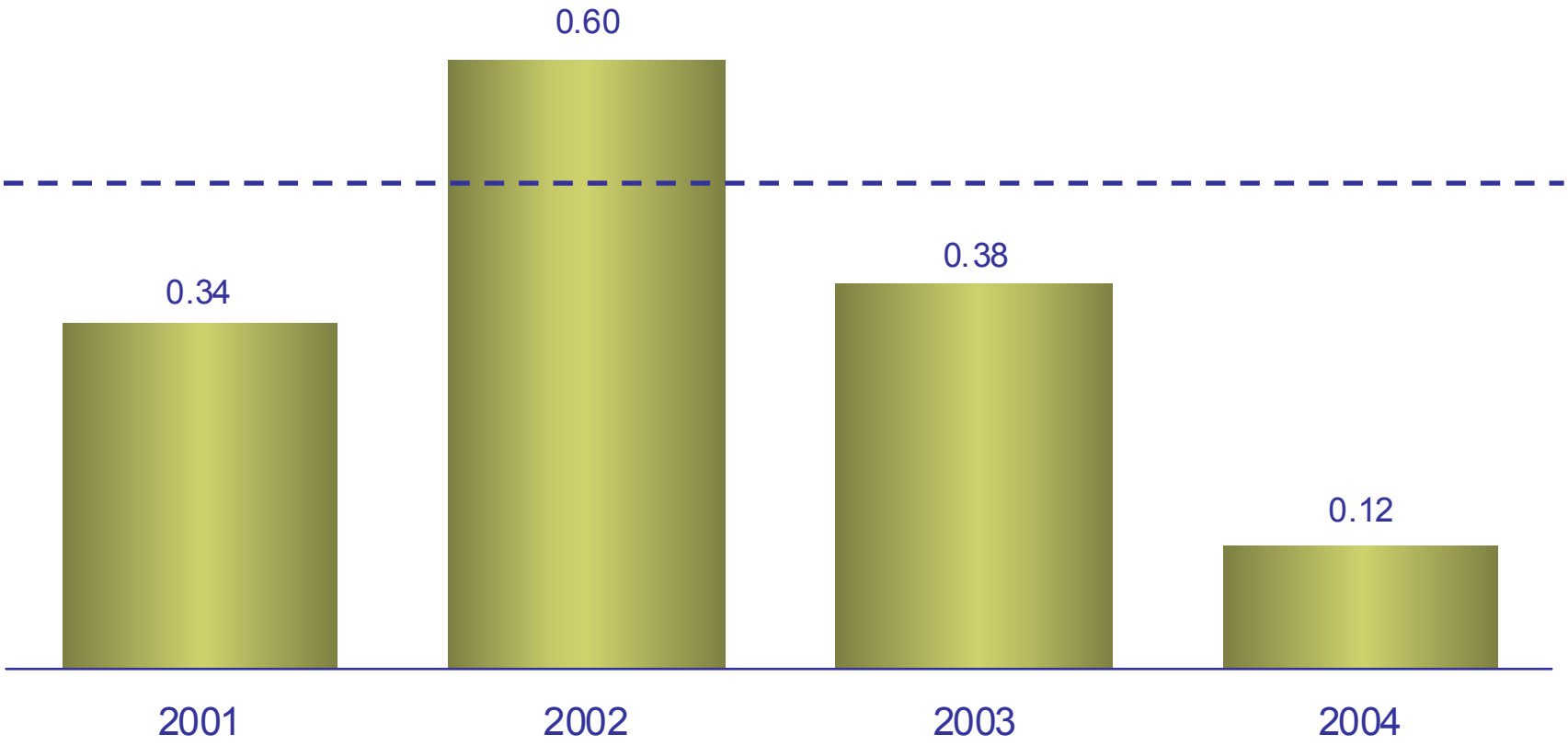
Financial solidity



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

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Oil & Energy – highlights

- Realized oil price USD 41.7/barrel, in NOK up 39% from Q3 2003
  - Realized gas price NOK 1.07/Sm³, up 6%
- Production 514 000 boe/day, up 5% from Q3 2003
- Good cost control
- Weak result for downstream gas activities
- 4 exploration wells completed – 2 discoveries (Libya and Angola)
- Projects
  - Ormen Lange on track – main development contracts awarded
  - Tyin hydropower plant upgrade finalized on schedule and below budget
  - Hydro and Statkraft to build gas-fired power plant at Kårstø

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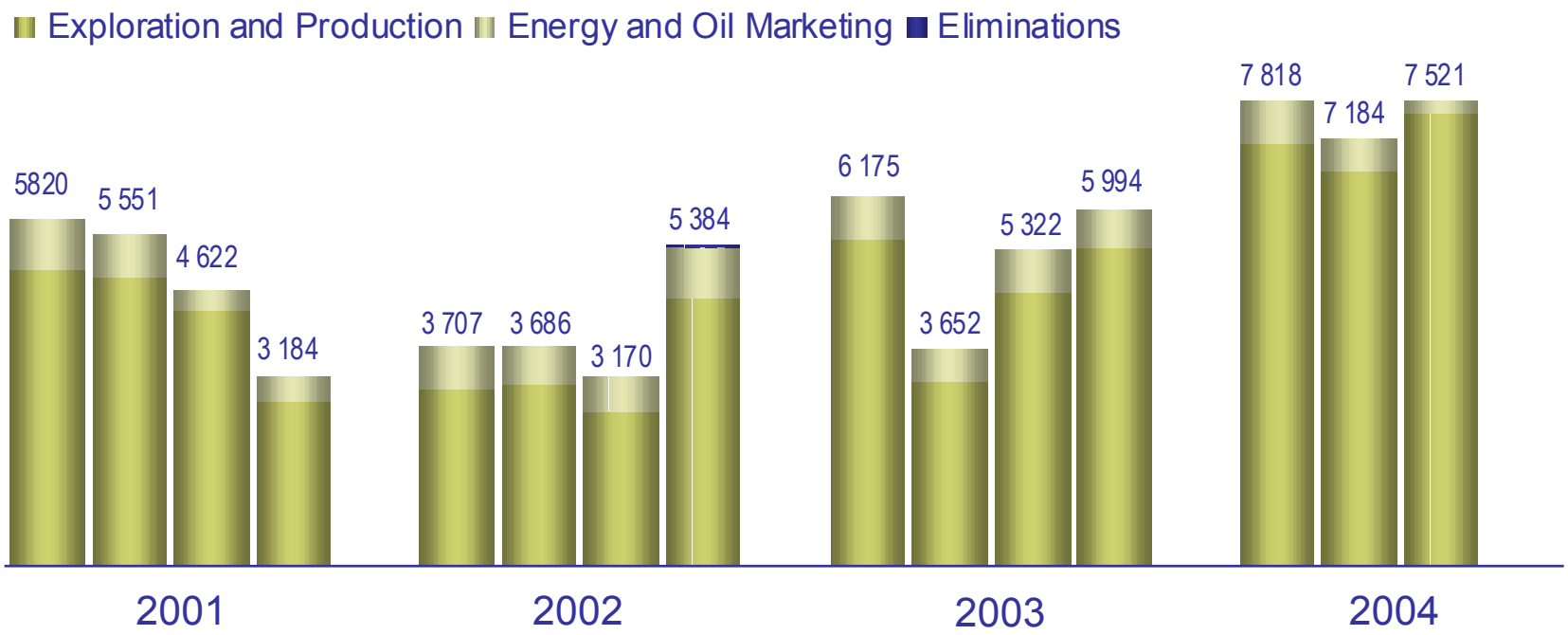
Oil & Energy – operating income

NOK million



Accumulated

2001	2002	2003	2004
19 177	15 947	21 143	22 523

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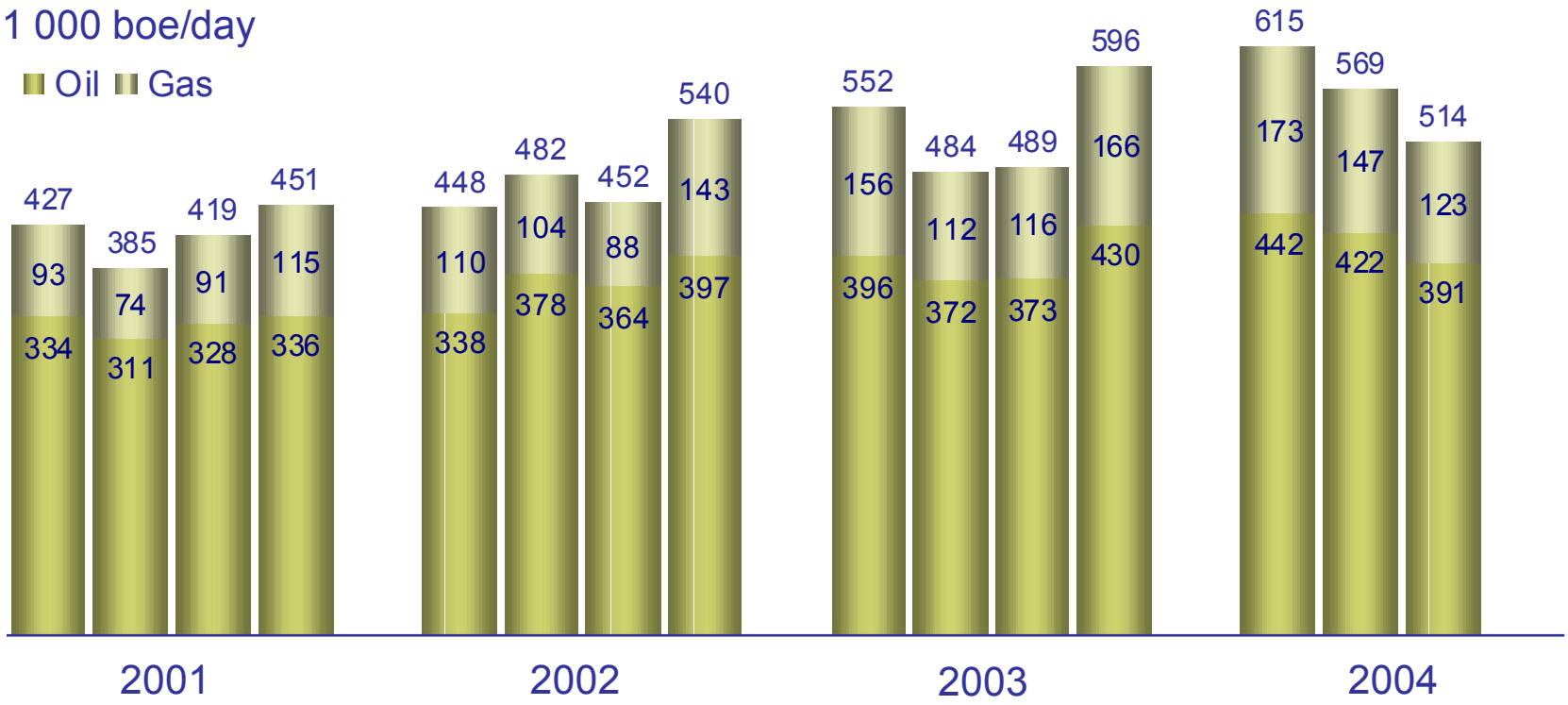
Petroleum production per quarter



Accumulated

421	480	530	566

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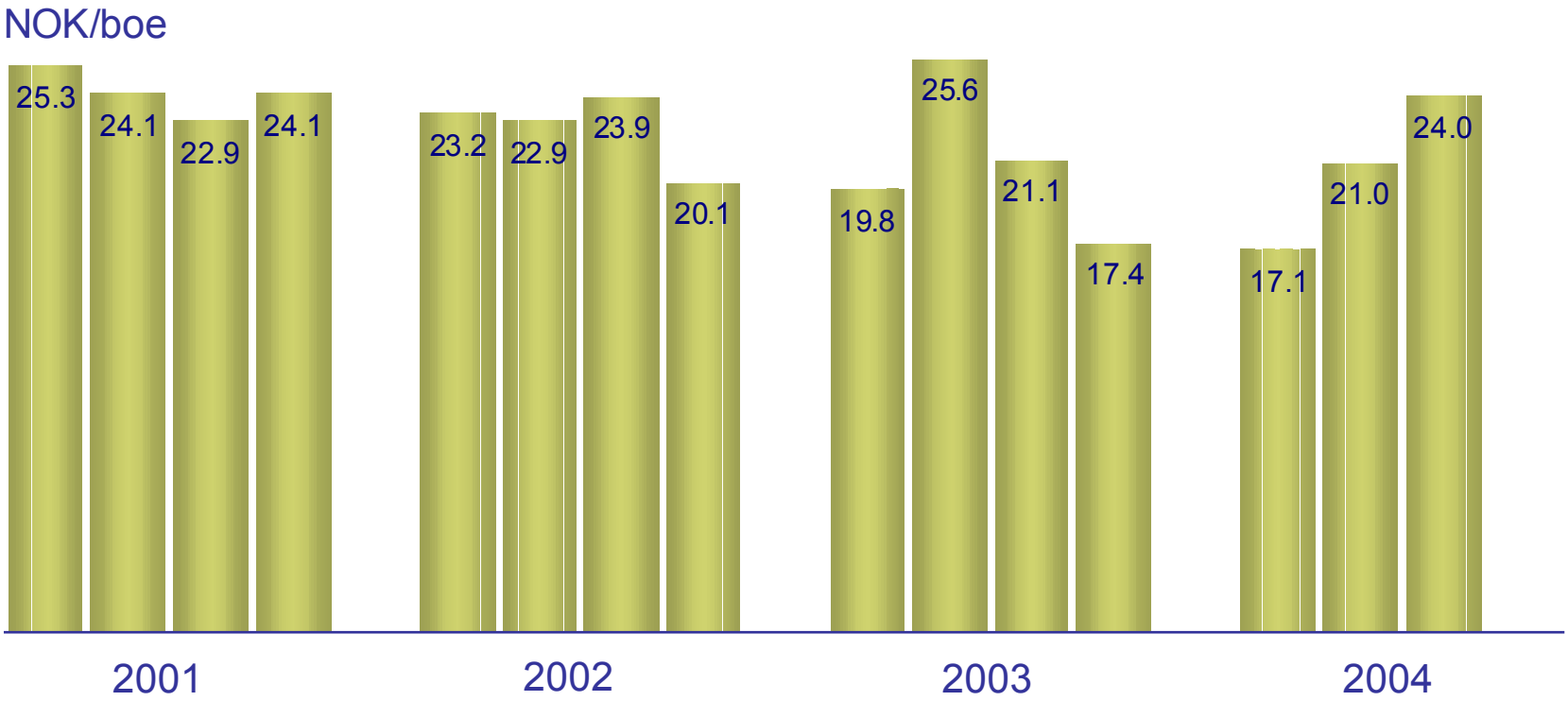
Production costs per barrel



Accumulated			
24.1	22.6	20.7	20.0

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Oil & Energy – prospects

- Tight oil market – continued high prices
- 2004 production target increased to 575 000 boe/day
  - Rig strike will impact 2005 production, limited effect in 2004
- Higher exploration activity planned in Q4
- Weak results for downstream gas activities
- Closing of Snøhvit sale expected in Q4

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Aluminium – highlights

- High metal prices and increased production
- Higher volumes downstream, continued pressure on margins
- Aluimprover improvement programs on track
- Unrealized loss on LME positions

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Aluminium – operating income

NOK million

Accumulated			
185	1 698	2 456	3 756

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Aluminium – segment comments

- Metals
  - Higher aluminium price, partly offset by weaker USD
  - Volume increases made significant contribution
  - Strong margins for extrusion ingot
- Rolled Products
  - Margin pressure
  - Increased volumes and cost reductions
- Extrusion and Automotive
  - Extrusion volumes up
  - Automotive results negatively impacted by one-offs and seasonality
  - Higher volumes and improved order intake in North America

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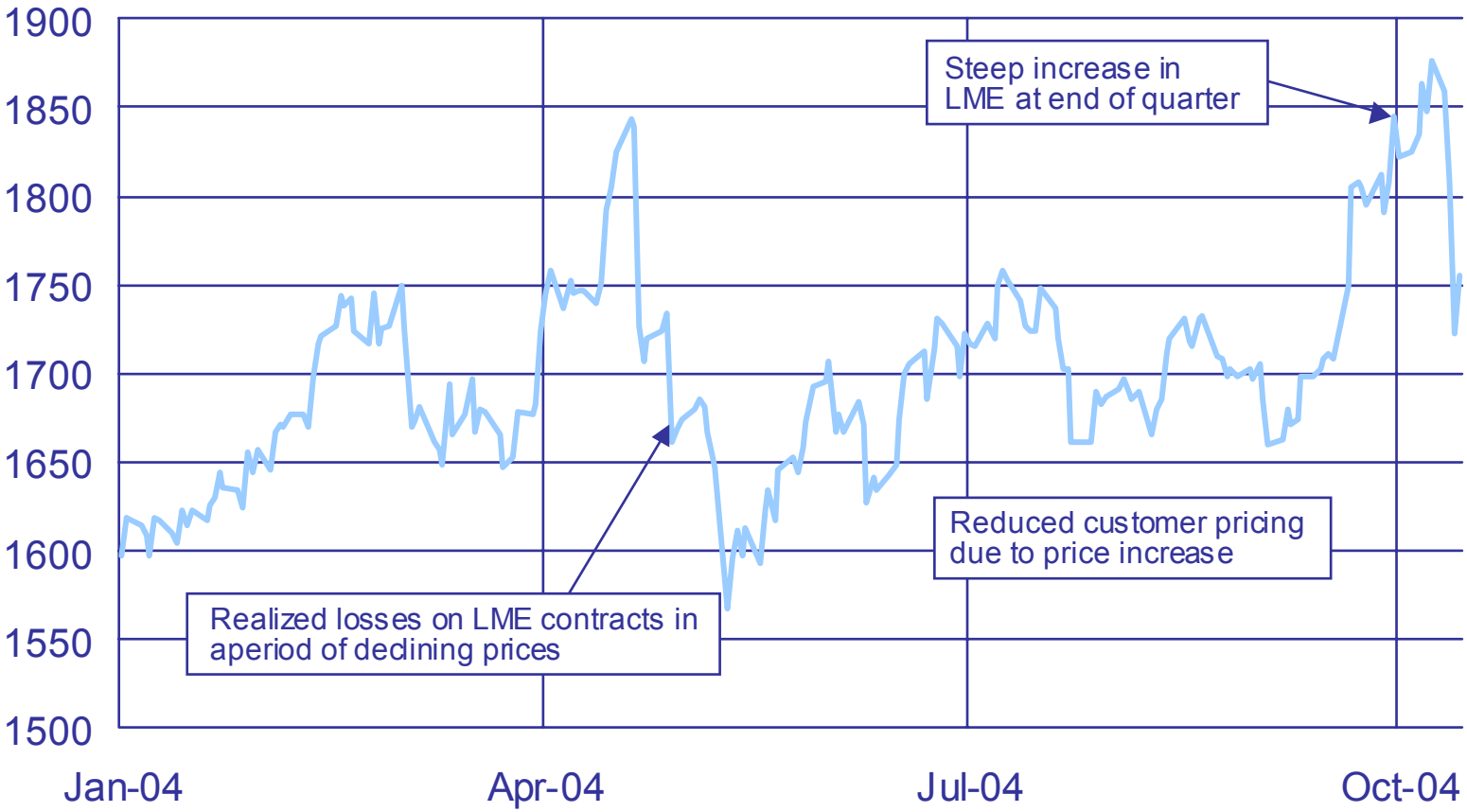
Aluminium price development 2004

3 months LME price



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Aluminium – prospects

- Metal demand growth expected to continue into 2005
- Rolled Products – volumes seasonally lower in Q4
- Extrusion and Automotive
  - Growth in European extrusion shipments expected to slow down
  - Automotive volumes still increasing
  - Positive indicators for US downstream markets for Q4
- Remaining charges for improvement program expected in Q4 and next year

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Hydro – priorities

- Continue improving operational performance
- Strengthen competitive position
- Deliver first class projects
- Ensure profitable growth

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Additional information

Adjusted income third quarter 2004

NOK million	3rd quarter 2004	Adjustments	Adj. operating income
Exploration and Production	7 559	-	7 559
Energy and Oil Marketing	272	(46)	226
Eliminations	(310)	300	(10)
Hydro Oil & Energy	7 521	254	7 775
Metals	1 003	19	1 022
Rolled Products	167	(11)	156
Extrusion and Automotive	6	116	122
Other and eliminations	(318)	286	(32)
Hydro Aluminium	858	410	1 268
Other activities	263	-	263
Corporate and eliminations	(595)	278	(317)
Total operating income	8 047	942	8 989
Non-consolidated investees	287	(66)	221
Financial income (expense), net	307	(424)	(117)
Other income (loss), net	-	-	-
Income from continuing operations before tax and minority interest	8 641	452	9 093
Income tax expense	(6 083)	(171)	(6 254)
Minority interest	(78)	(43)	(121)
Income from continuing operations	2 480	238	2 718

* Estimated tax effect on income statement adjustments, simplified tax rate 33%

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Infrequent and other special items impacting income statement third quarter 2004

Item		NOK million
Inventory gains	Energy and Oil Marketing	(46)
Eliminations of unrealized gain on internal gas contract	Oil & Energy eliminations	300
Rationalization cost due to Aluimprover	Metals	19
Inventory gains	Rolled Products	(11)
Rationalization costs due to closure of plant	Extrusion and Automotive	73
Impairment loss	Extrusion and Automotive	43
Unrealized loss on LME contracts	Other and Elimination	286
Elimination of unrealized gain on internal power contracts	Corporate and Eliminations	278
Net impact on operating income		942
Non-consolidated investees – currency loss for Alunorte	Metals	(66)
Financial income (expense) net – net currency gain	Hydro Group	(424)
Net impact on operating income from continuing operations before tax and minority interest		452

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Adjusted income third quarter 2003

NOK million	3rd quarter 2003	Adjustments	Adj. operating income
Exploration and Production	4 579	-	4 579
Energy and Oil Marketing	739	(30)	709
Eliminations	4	-	4
Hydro Oil & Energy	5 322	(30)	5 292
Metals	571	-	571
Rolled Products	18	91	109
Extrusion and Automotive	(4)	37	33
Other and eliminations	(55)	49	(6)
Hydro Aluminium	530	177	707
Other activities	(313)	310	(3)
Corporate and eliminations	(251)	(12)	(263)
Total operating income	5 288	445	5 733
Non-consolidated investees	54	18	72
Financial income (expense), net	295	(475)	(180)
Other income (loss), net	139	(139)	-
Income from continuing operations before tax and minority interest	5 776	(151)	5 625
Income tax expense	(3 848)	(83)	(3 931)
Minority interest	77	-	77
Income from continuing operations	2 005	(234)	1 771

Estimated tax effect on income statement adjustments NOK 56 million (simplified tax rate 33%)
Positive one-time effect due to tax ruling NOK (139) million

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Infrequent and other special items impacting income statement third quarter 2003

Item		Reporting line	NOK million
Inventory gains	Oil & Energy	Operating income	(30)
Impairment charges Other infrequent items, net Inventory loss (Rolled products) Unrealized losses on LME contracts	Aluminium	Operating income	63 3 62 49
Provision for bad debt and impairment charges in Biomar A.S.	Other activities	Operating income	310
Elimination of unrealized loss on internal power contracts	Corporate and Eliminations	Operating income	(12)
Net impact on operating income			**445**
Unrealized currency gain relating to revaluation of Alunorte USD debt	Aluminium	Non-consolidated investees	18
Net currency gains	Hydro Group	Financial income/expense, net	(475)
Gain on sale of Pronova BioPolymer	Other Activities	Other income (loss), net	(139)
Net impact on income from continuing operations before tax and minority interest			**(151)**
Positive one-time effect on income tax due to tax ruling	Hydro Group	Income tax expense	(139)

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Consolidated income statements

NOK million	Year to date 2004	Year to date 2003
Operating revenues	116 376	99 556
Operating income	25 613	15 259
Equity in net income of non-consolidated investees Financial income (expense), net Other income, net	539 (764) 110	487 (204) (1 742)
Income from continuing operations before tax and minority interest Income tax expense Minority interest	25 498 (17 474) (185)	13 800 (8 559) 143
Income from continuing operations Income from discontinued operations	7 839 1 083	5 384 1 538
Income before cumulative effect of change in accounting principle Cumulative effect of change in accounting priciple	8 922 -	6 922 281
Net income	8 922	7 203
Earnings per share from continuing operations - NOK Earnings per share from discontinued operations - NOK Earnings per share - NOK	30.80 4.20 35.00	20.90 5.90 27.90

For calculation of EPS, year to date 2004: 255 123 039 shares, year to date 2003: 257 803 672 shares

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Adjusted EBITDA

Individual operating segment

NOK million	3rd quarter 2004	3rd quarter 2003
Exploration and Production	9 760	6 814
Energy and Oil Marketing	477	927
Eliminations	(309)	4
Hydro Oil & Energy	9 928	7 745
Metals	1 666	991
Rolled Products	353	184
Extrusion and Automotive	395	377
Other and eliminations	(318)	(54)
Hydro Aluminium	2 096	1 498
Other activities	495	259
Corporate and eliminations	(425)	(51)
Total	12 094	9 451

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Depreciation, depletion and amortization

Individual operating segment

NOK million	3rd quarter 2004	3rd quarter 2003
Exploration and Production	2 208	2 217
Energy and Oil Marketing	159	148
Hydro Oil & Energy	2 367	2 365
Metals	474	388
Rolled Products	171	154
Extrusion and Automotive	358	359
Hydro Aluminium	1 003	901
Other activities	127	357
Corporate and eliminations	3	3
Total	3 500	3 626

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Operating income

Individual operating segment

NOK million	Year to date 2004	Year to date 2003
Exploration and Production	21 247	13 168
Energy and Oil Marketing	1 578	2 001
Eliminations	(302)	(20)
Hydro Oil & Energy	22 523	15 149
Metals	2 847	1 685
Rolled Products	593	71
Extrusion and Automotive	333	38
Other and eliminations	(17)	(47)
Hydro Aluminium	3 756	1 747
Other activities	403	(412)
Corporate and eliminations	(1 069)	(1 225)
Total	25 613	15 259

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Net financial income (expense)

NOK million	3rd quarter 2004	3rd quarter 2003
Interest income Dividends and net gain (loss) on securities	189 38	220 40
Interest income and other financial income	227	260
Interest expense Capitalized interest Net foreign exchange gain (loss) Other	(538) 222 424 (28)	(616) 207 475 (31)
Interest expense and foreign exchange gain (loss)	80	35
Net financial income (expense)	307	295

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Equity in net income of non-consolidated investees

Individual operating segment

NOK million	3rd quarter 2004	3rd quarter 2003
Exploration and Production	1	7
Energy and Oil Marketing	43	(10)
Eliminations	(1)	-
Hydro Oil & Energy	43	(3)
Metals	158	15
Rolled Products	(2)	(1)
Extrusion and Automotive	28	18
Hydro Aluminium	184	32
Other activities	60	25
Corporate and eliminations	-	-
Total	287	54

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Variance analysis Hydro group

NOK million	Year to date	3rd quarter
2004 2003	37 906 27 583	12 094 9 451
Variance adjusted EBITDA	10 323	2 643
- Prices and currency, Exploration and Production (E&P) - Margin incl. currency effects [1)] - Volume - Fixed costs - Depreciation - Production and exploration costs, E&P - Infrequent items - Trading and unrealized LME effects, Aluminium - New/disposed business - Other	5 460 690 5 465 (590) (685) (565) 435 (200) 180 165	2 970 (405) 885 75 (35) (350) 205 (390) 130 (325)
Variance operating income	10 354	2 759
- Non-consolidated investees - Interest income and other - Other income - Depreciation and amortization	51 (231) (355) 504	231 (33) (139) (175)
Variance adjusted EBITDA	10 323	2 643

1)Including negative variances for elimination of unrealized gain\loss on electricity contracts of NOK 203 million and gas contracts of NOK 300 million for the first three quarters of 2004, and for the third quarter negative variances for elimination of unrealized gain\loss on electricity contracts of NOK 290 million and gas contracts of NOK 300 million

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Investments

Individual operating segment

NOK million	3rd quarter 2004	3rd quarter 2003
Exploration and Production	2 571	2 307
Energy and Oil Marketing	400	290
Hydro Oil & Energy	2 971	2 597
Metals	818	984
Rolled Products	68	89
Extrusion and Automotive	284	387
Hydro Aluminium	1 170	1 460
Other activities	236	113
Corporate and eliminations	64	50
Total	4 441	4 220

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Investments

Individual operating segment

NOK million	Year to date 2004	Year to date 2003 [2]
Exploration and Production	6 585	8 033
Energy and Oil Marketing	996	735
Hydro Oil & Energy	7 581	8 768
Metals	[1] 3 593	2 523
Rolled Products	246	203
Extrusion and Automotive	859	920
Hydro Aluminium	4 698	3 646
Other activities	728	433
Corporate and eliminations	135	65
Total	13 142	12 912

1) Includes effect of change in accounting principle (FIN 46R) in Q1, amounting to NOK 1 275 million, with no cash effect
2) Includes effect of change in accounting principles (FAS 143). Non-cash increase in investment of NOK 1 932 million

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Consolidated balance sheet

NOK million	30.09.2004	30.09.2003	31.12.2003
Cash and cash equivalents	30 246	16 165	14 873
Other liquid assets	1 632	1 581	1 553
Receivables and other current assets	37 251	33 023	33 444
Inventories	12 458	11 760	12 024
Current assets discontinued operations	-	13 849	13 789
Non-current assets	132 770	132 601	131 169
Non-current assets discontinued operations	-	11 244	11 777
Total assets	214 357	220 223	218 629
Short-term interest-bearing debt	3 326	5 277	5 273
Current portion of long-term debt	549	1 164	1 212
Other current liabilities	46 962	41 383	37 725
Current liabilities discontinued operations	-	6 025	6 129
Long-term interest-bearing debt	26 718	29 248	28 403
Other long-term liabilities	16 962	15 004	15 287
Deferred tax liabilities	33 248	34 046	32 796
Long-term liabilities discontinued operations	-	2 757	3 064
Minority interest	1 792	555	564
Minority interest discontinued operations	-	114	96
Shareholders' equity	84 800	84 650	88 080
Total liabilities and shareholders' equity	214 357	220 223	218 629
Shareholders' equity per share, NOK	335.10	329.70	343.10

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Statement of cash flow

NOK million	Nine months ended 30 September 2004	Nine months ended 30 September 2003
Operating activities:		
Net income	8 922	7 203
Depreciation, depletion and amortization	10 788	10 242
Other adjustments	4 664	4 775
Net cash provided by operating activities	24 374	22 220
Investing activities:		
Purchases of property, plant and equipment	(11 243)	(10 406)
Purchases of other long-term investments	(554)	(508)
Net sales of short-term investments	1	1 086
Proceeds from sales of property, plant and equipment	475	510
Proceeds from sales of other long-term investments	1 143	4 262
Net cash used in investing activities	(10 178)	(5 056)
Financing activities:		
Loan proceeds	101	112
Principal repayments	(4 028)	(4 789)
Ordinary shares purchased	(1 684)	(555)
Ordinary shares issued	29	64
Dividends paid	(2 811)	(2 711)
Net cash used in financing activities	(8 393)	(7 879)
Foreign currency effect on cash flows	(4)	551
Net cash provided by discontinued operations	9 574	782
Net increase in cash and cash equivalents	15 373	10 618
Cash and cash equivalents at beginning of period	14 873	5 547
Cash and cash equivalents at end of period	30 246	16 165

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Operating income – Adjusted EBIT – Adjusted EBITDA

Third quarter 2004

NOK million	Operating income	Non-cons investees	Interest income	Selected fin. items	Other income	Adj. EBIT	Depr. and amort.	Adj. EBITDA
Exploration and Production	7 559	1	(8)	-	-	7 552	2 208	9 760
Energy and Oil Marketing	272	43	13	(12)	-	316	161	477
Eliminations	(310)	(1)	-	1	-	(310)	1	(309)
Hydro Oil & Energy	7 521	43	5	(11)	-	7 558	2 370	9 928
Metals	1 003	158	(2)	18	-	1 177	489	1 666
Rolled Products	167	(2)	2	-	-	167	186	353
Extrusion and Automotive	6	28	3	(1)	-	36	359	395
Other and eliminations	(318)	-	-	1	-	(317)	(1)	(318)
Hydro Aluminium	858	184	3	18	-	1 063	1 033	2 096
Other activities	263	60	18	26	-	367	128	495
Corporate and eliminations	(595)	-	163	5	-	(427)	2	(425)
Total	8 047	287	189	38	-	8 561	3 533	12 094

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Financial solidity – calculation

	Amounts in NOK million	31 December 1999	31 December 2000	31 December 2001	31 December 2002	31 December 2003	30 September 2004
[A]	Cash and cash equivalents	7 435	21 766	27 148	5 965	15 249	30 246
[B]	Other liquid assets	2 535	2 490	2 421	2 647	1 581	1 632
[C]	Bank loans and other interest-bearing short-term debt	(7 361)	(9 088)	(8 458)	(7 306)	(5 569)	(3 326)
[D]	Current portion of long-term debt	(907)	(2 209)	(1 966)	(1 958)	(1 242)	(549)
[E]	Long-term debt	(42 228)	(40 174)	(37 853)	(30 902)	(28 568)	(26 718)
[F]=[A]+[B]+[C]+[D]+[E]	Net interest-bearing debt	(40 526)	(27 215)	(18 708)	(31 554)	(18 549)	1 286
[G]	Net pension liabilities at fair value	4 772	2 561	(2 133)	(10 107)	(11 973)	(10 907)
[H]	Expected income tax benefit 30%	(1 432)	(768)	640	3 032	3 592	3 272
[I]=[G]+[H]	Net pension liabilities tax adjusted	3 341	1 793	(1 493)	(7 075)	(8 381)	(7 635)
[J]	Operating lease commitments discounted at 10%	(4 728)	(6 469)	(5 072)	(4 924)	(4 916)	(3 617)
[K]=[F]+[I]+[J]	Adjusted net interest-bearing debt	(41 914)	(31 891)	(25 272)	(43 552)	(31 846)	(9 966)
[L]	Net pension liabilities not recognized without equity effect	2 736	610	(2 767)	(6 994)	(7 862)	(6 940)
[M]	Expected income tax benefit 30%	(821)	(183)	830	2 098	2 358	2 082
[N]=[L]+[M]	Equity adjustment off-balance sheet pension liabilities	1 915	427	(1 937)	(4 896)	(5 504)	(4 858)
[O]	Minority interest	1 323	1 419	1 051	1 143	660	1 792
[P]	Shareholders' equity	59 497	71 226	74 793	75 867	88 080	84 800
[Q]=[N]+ [O]+[P]	Adjusted shareholders' equity and minority	62 735	73 072	73 907	72 114	83 236	81 734
[R]=[K]/[Q]	Adjusted debt / equity ratio	0.67	0.44	0.34	0.60	0.38	0.12

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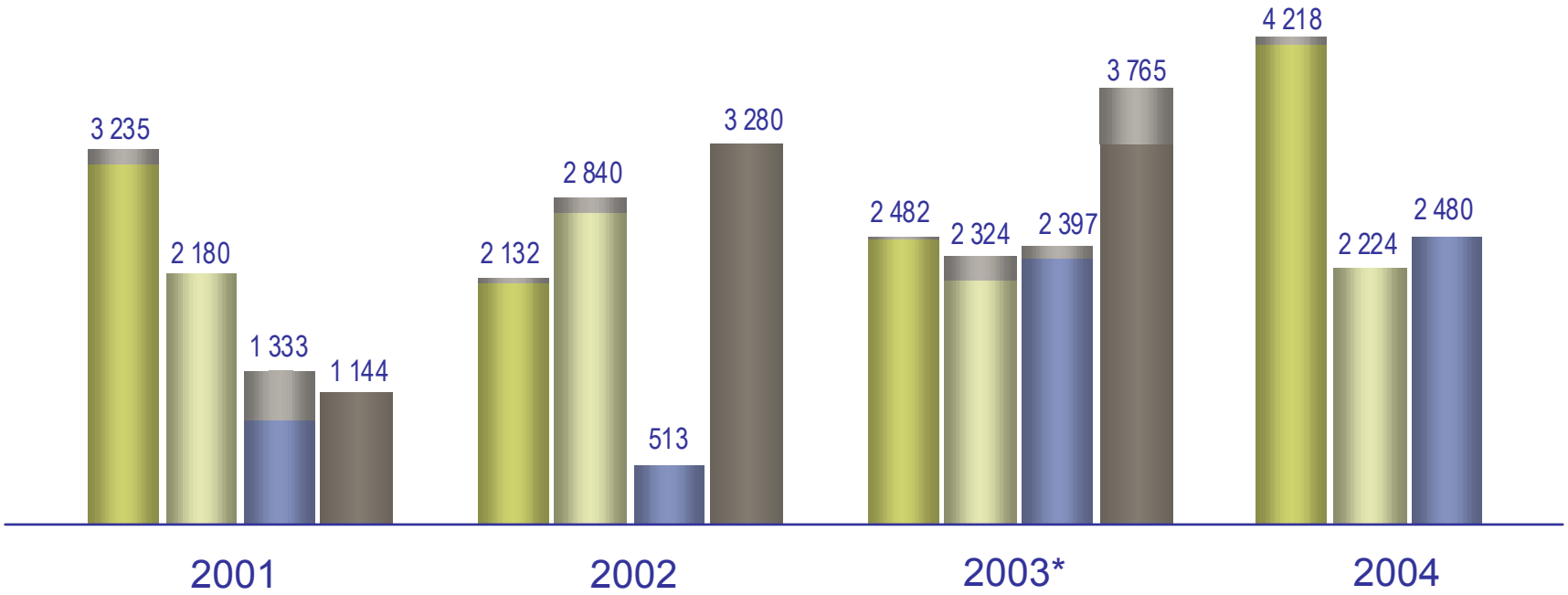
Net income*

Per quarter

NOK million



Accumulated			
7 892	8 765	10 968	8 922

* Including the effect of change in accounting principles for 1st quarter 2003 amounting to a positive effect of NOK 281 millio

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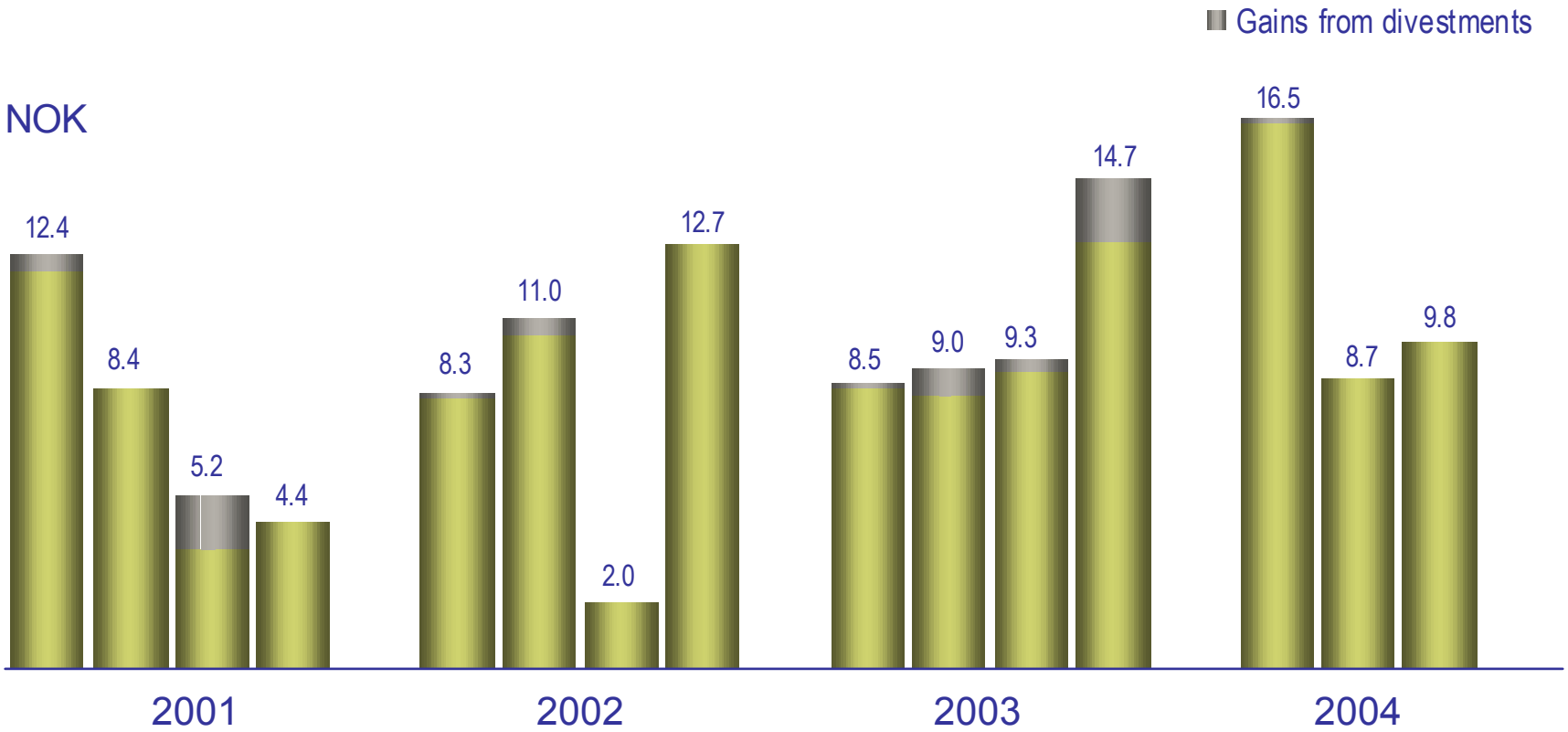
Earnings per share*



Accumulated			
30.5	34.0	41.5	35.0

* Before effect of change in accounting principles

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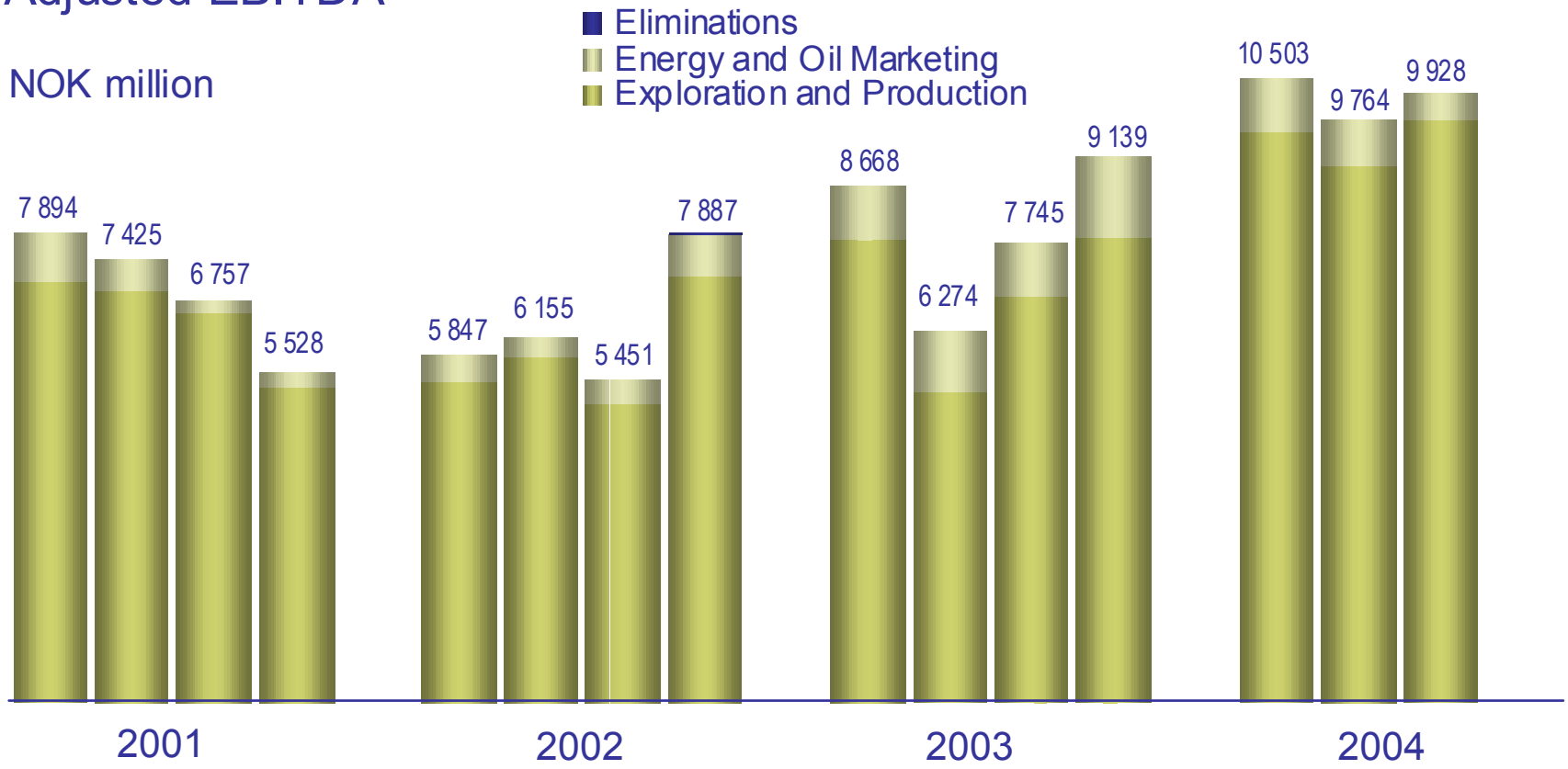
Oil & Energy

Adjusted EBITDA

NOK million



Accumulated

2001	2002	2003	2004
27 604	25 340	31 826	30 195

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Variance analysis Oil & Energy

NOK million	Year to date		3rd quarter	
2004 2003		30 195 22 687		9 928 7 745
Variance adjusted EBITDA		7 508		2 183
- Prices and currency				
- Oil	5 920		3 295	
- Gas	315		120	
- Currency	(775)		(445)	
		5 460		2 970
- Margin		(765)		(580)
- Volume		3 505		260
- Fixed costs		-		20
- Depreciation		(475)		-
- Production costs		(925)		(350)
- Exploration costs		360		-
- New/disposed business		(155)		5
- Other		370		(125)
Variance operating income		7 374		2 199
- Non-consolidated investees		8		46
- Interest income and other		21		(11)
- Other income		(326)		-
- Depreciation and amortization		431		(51)
Variance adjusted EBITDA		7 508		2 183

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Variance analysis Exploration and Production

NOK million	Year to date	3rd quarter
2004 2003	28 343 19 812	9 760 6 814
Variance adjusted EBITDA	8 531	2 946
Prices and currency		
- Oil	5 920	3 295
- Gas	315	120
- Currency	(775)	(445)
	5 460	2 970
- Volume	3 285	480
- Depreciation	(455)	10
- Production costs	(925)	(350)
- Exploration costs	360	-
- Other	355	(130)
Variance operating income	8 079	2 980
- Non-consolidated investees	(14)	(7)
- Interest income and other	16	(16)
- Depreciation and amortization	450	(11)
Variance adjusted EBITDA	8 531	2 946

HYDRO

Variance analysis Energy and Oil Marketing

NOK million	Year to date	3rd quarter
2004 2003	2 153 2 895	477 927
Variance adjusted EBITDA	(742)	(450)
- Margin - Volume - Fixed costs - Depreciation - New/disposed business - Other	(485) 220 - (20) (155) 15	(270) (220) 20 (10) 5 5
Variance operating income	(423)	(467)
- Non-consolidated investees - Interest income and other - Other income - Depreciation and amortization	21 6 (326) (20)	50 6 - (39)
Variance adjusted EBITDA	(742)	(450)

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Production per field

Boe/day (oil including NGL and condensate)	Q3 2003	Q3 2004	Hydro share percent	Hydro production
Oseberg	168 000	163 000	34.00	55 451
Grane	0	115 000	38.00	43 836
Snorre	241 000	191 000	17.65	33 709
Oseberg South	88 000	83 000	34.00	28 210
Gullfaks inclu. Sat	237 000	240 000	9.00	21 601
Ekofisk	349 000	311 000	6.65	20 667
Åsgard	230 000	185 000	9.60	17 717
Troll C	196 000	165 000	9.78	16 165
Troll B	193 000	133 000	9.78	12 961
Fram	0	46 000	25.00	11 608
Oseberg East	32 000	32 000	34.00	10 822
Tordis	65 000	67 000	13.28	8 955
Norne	139 000	105 000	8.10	8 496
Vigdis	44 000	57 000	13.28	7 565
Tune	14 000	17 000	40.00	6 865
Sleipner Area	97 000	54 000	8.85/9.4/10	5 170
Girassol	201 000	186 000	10.00	18 568
Terra Nova	117 000	89 000	15.00	13 367
Hibernia	208 000	207 000	5.00	10 325
Kharyaga	16 000	16 000	40.00	6 237
Other				32 694
Total oil production				**390 989**
Gas production				**122 746**
Total petroleum production				**513 735**

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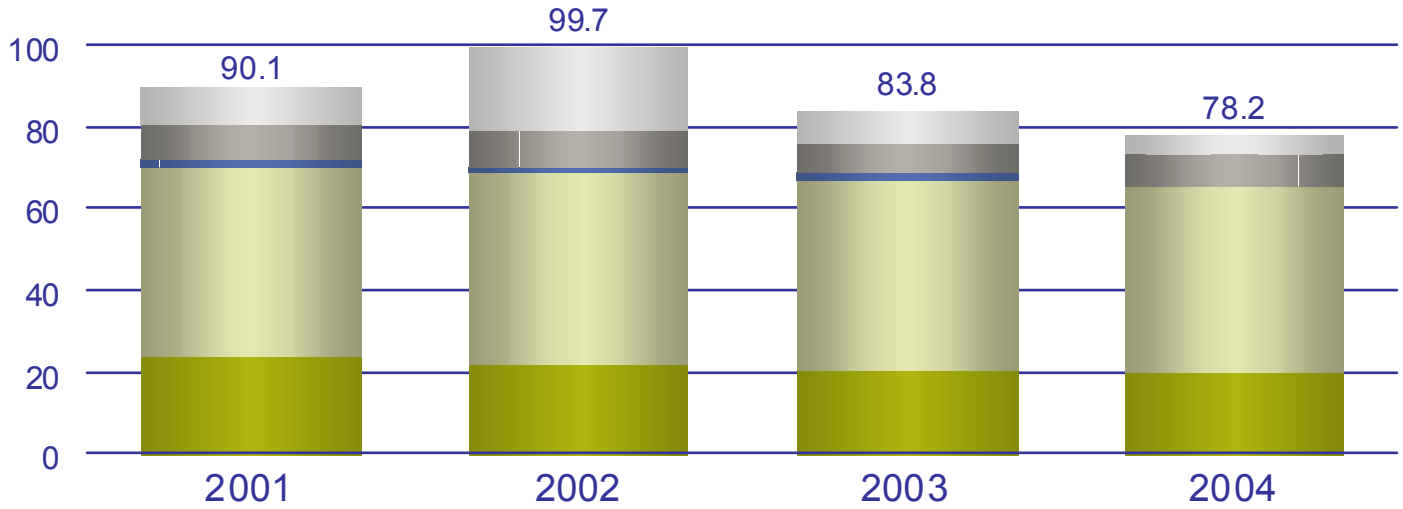
Operating costs per barrel

NOK/boe



	2001	2002	2003	2004
Exploration	9.1	20.3	8.1	4.8
Net transportation *	8.5	9.0	6.8	8.2
Other cost/income	2.0	1.4	1.8	-0.3
Deprec. & aband.	46.4	46.4	46.4	45.5
Production cost	24.1	22.6	20.7	20
Total	90.1	99.7	83.8	78.2
Mill boe produced	154	175	194	155

* Hydro's net cost as owner and user of transportation and processing

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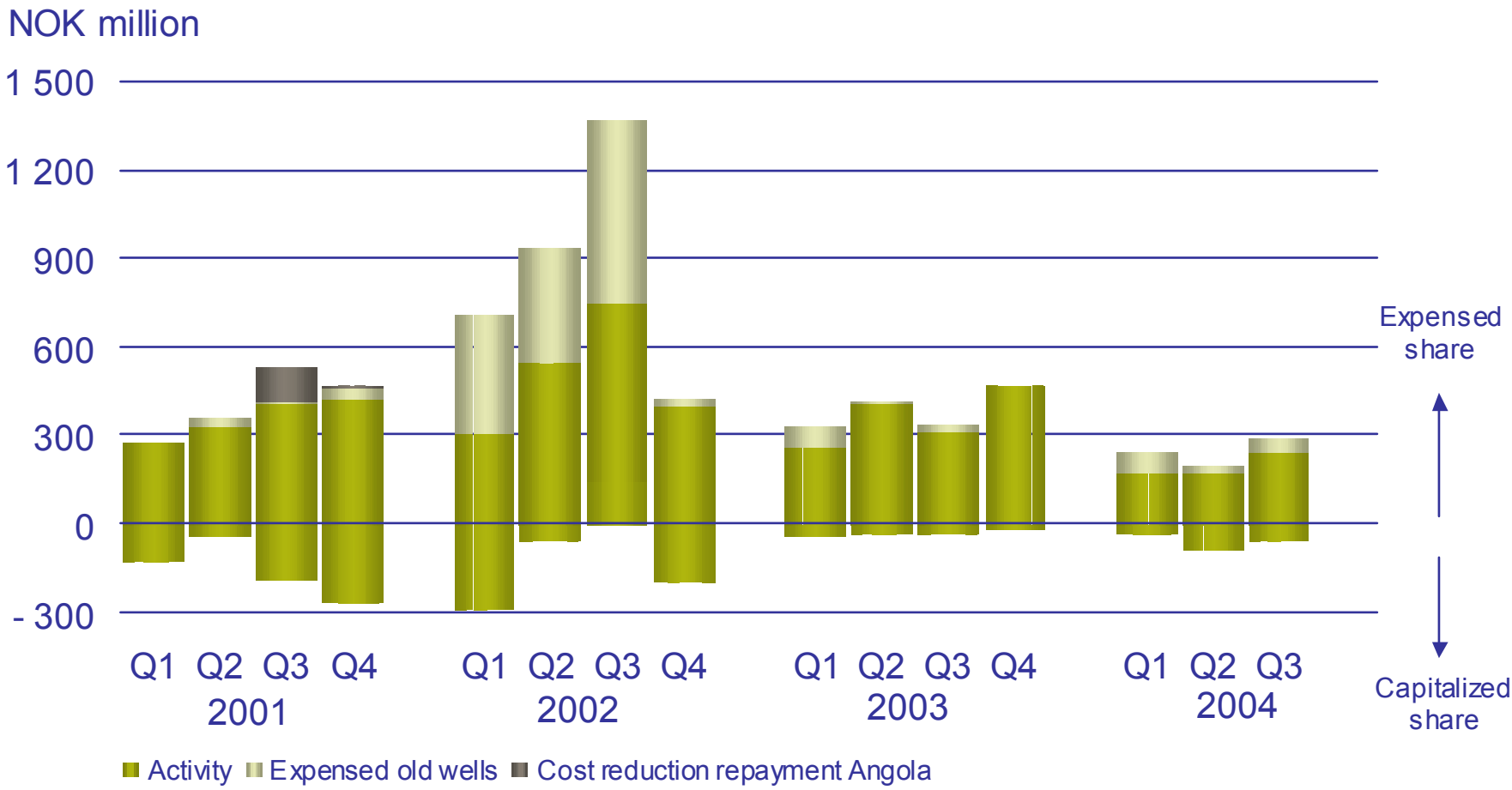
Exploration activity and costs



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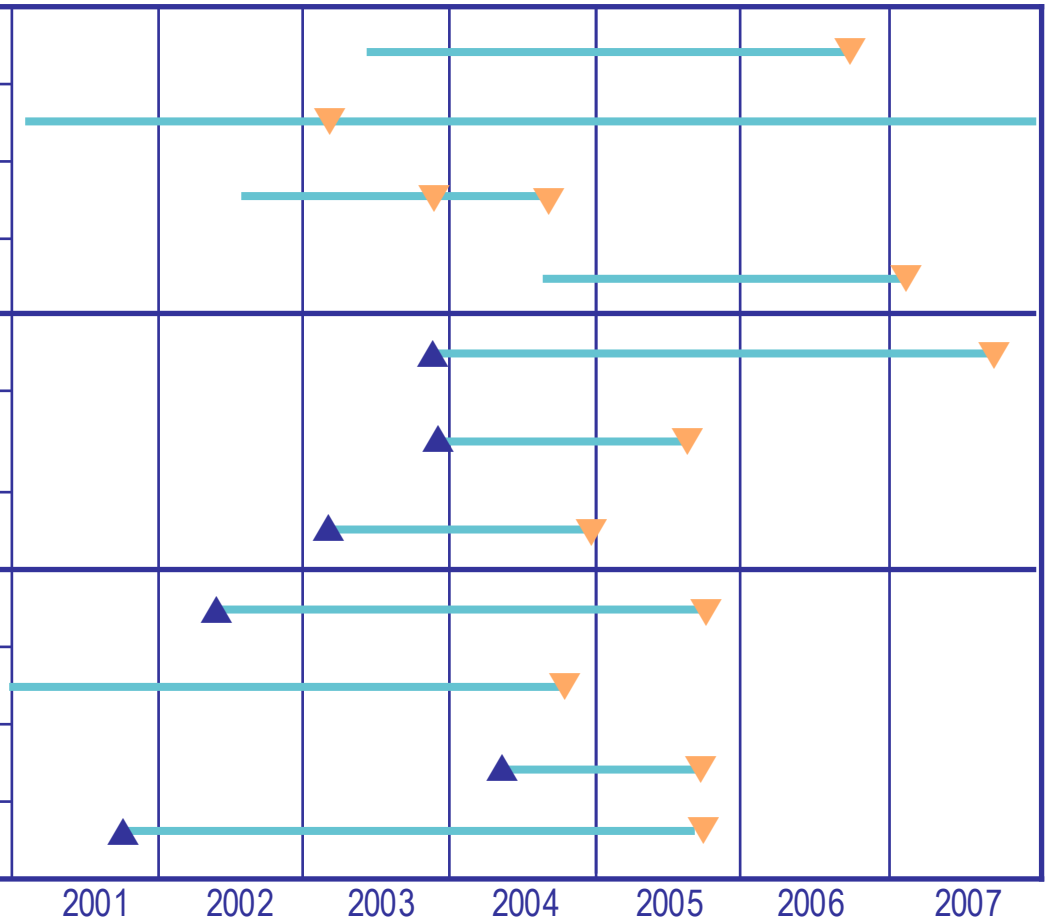
New fields on stream 2004 – 2007

		Hydro share	boe/day
International	Dalia		22 000
	Kharyaga		15 000
	Murzuq		8 000 (A+ D fields)
	Rosa		13 000
NCS operator	Ormen Lange		70 000
	Oseberg Vestflanken		14 000
	Oseberg South J		7 000
NCS non-operator	Visund gas phase		18 000
	Kvitebjørn		25 000
	Norne satellites		7 000
	Kristin		28 000



Development ▲ PDO submittal ▼ Start production

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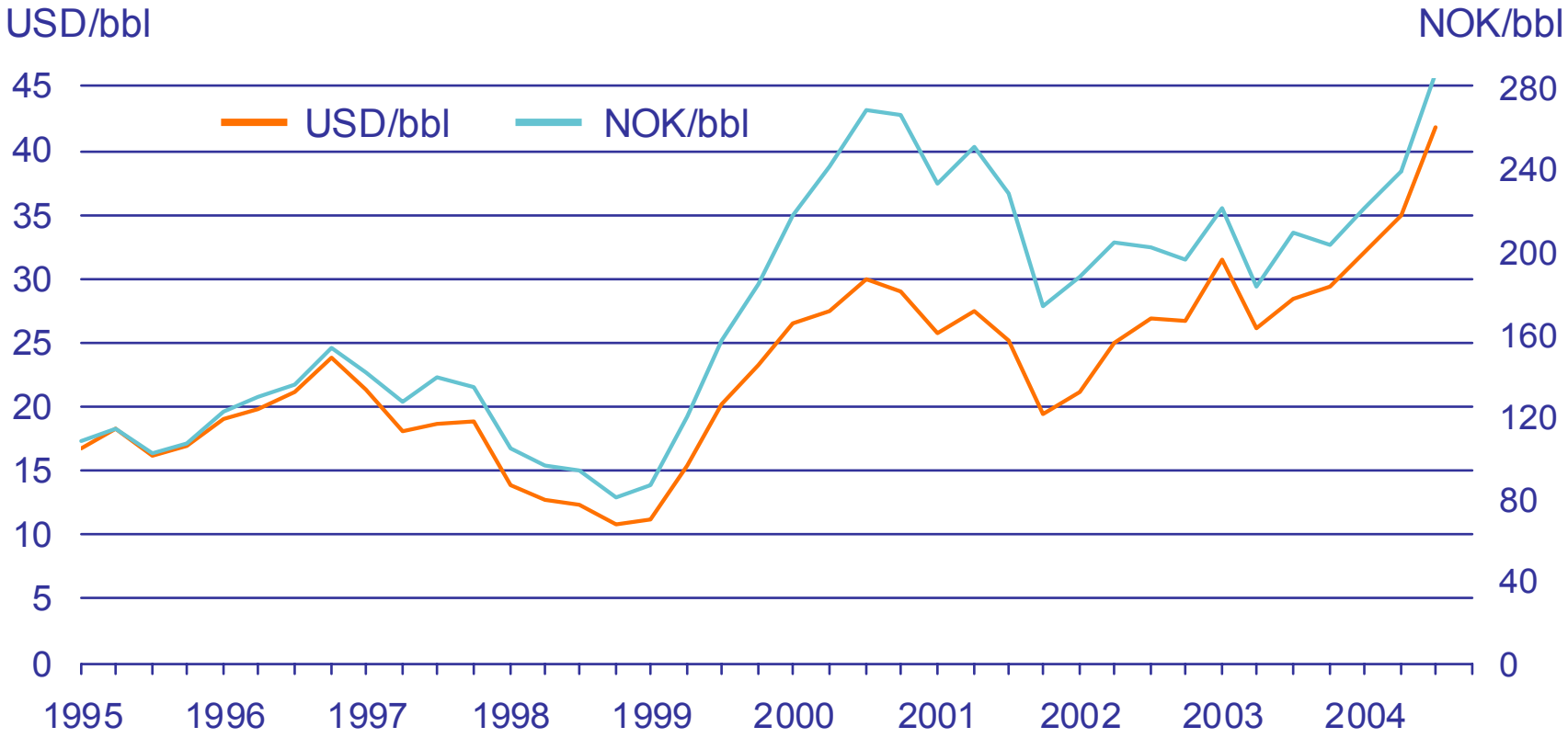
Price development – crude oil

Average Brent blend dated per quarter



3rd quarter 2004: NOK 286 / USD 41.7 per barrel

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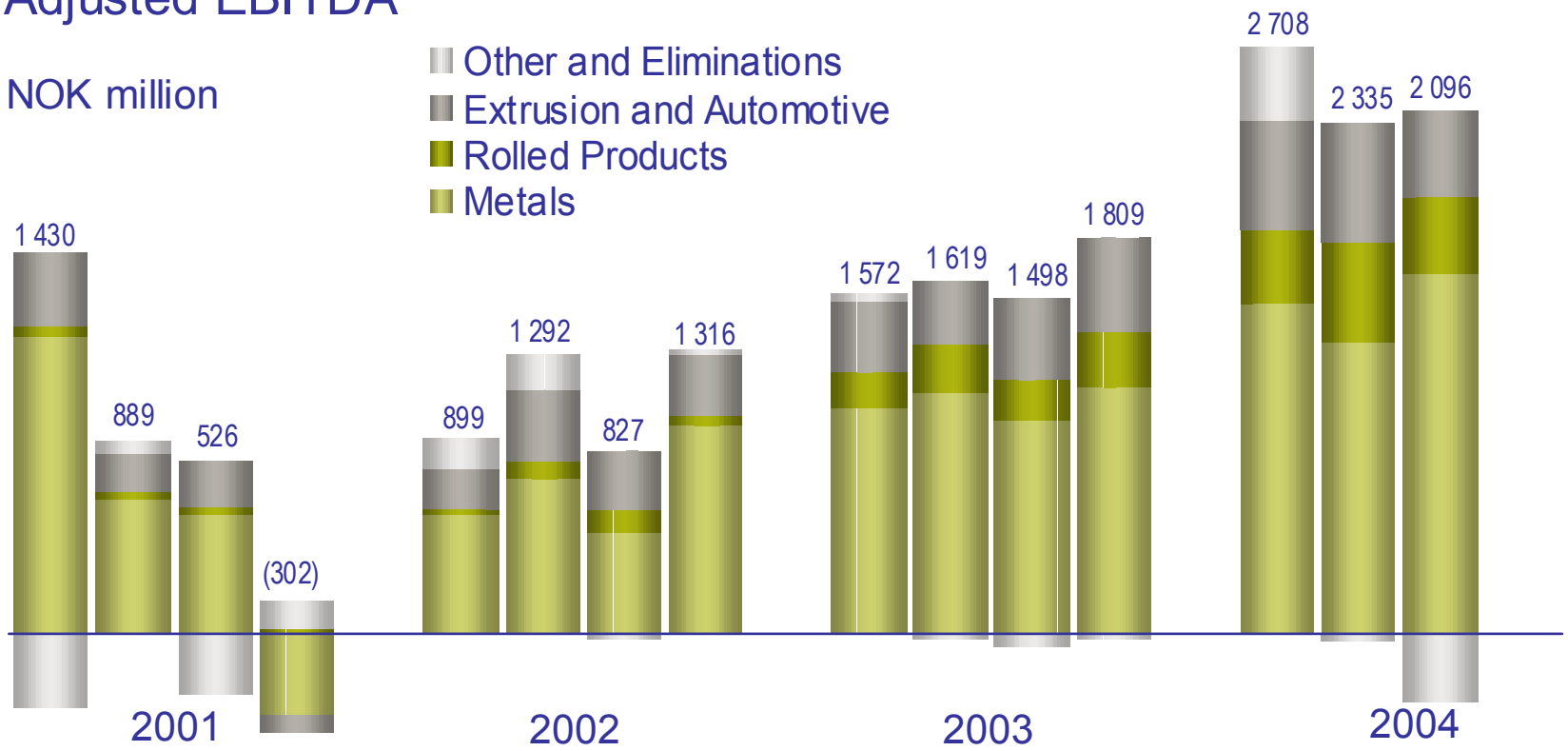
Aluminium

Adjusted EBITDA

NOK million



Accumulated

2001	2002	2003	2004
2 543	4 334	6 498	7 139

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Variance analysis Aluminium

NOK million	Year to date	3rd quarter
2004 2003	7 139 4 689	2 096 1 498
Variance adjusted EBITDA	2 450	598
- Margin - Volume - Fixed costs - Depreciation - Infrequent items - Trading and hedging - Unrealized LME effects - New/disposed business - Other	1 080 1 810 (545) (280) (50) (280) 80 285 (90)	315 455 50 (55) (105) (150) (240) 90 (30)
Variance operating income	2 009	328
- Non-consolidated investees - Interest income and other - Depreciation and amortization	(32) 47 426	152 14 104
Variance adjusted EBITDA	2 450	598

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Variance analysis Metals

NOK million	Year to date	3rd quarter
2004 2003	4 549 3 162	1 666 991
Variance adjusted EBITDA	1 387	675
- Margin - Volume - Fixed costs - Depreciation - Infrequent items - Trading & price hedging - New/disposed business - Other	580 805 (130) (110) (40) (280) 310 30	285 265 (5) (40) (20) (150) 95 5
Variance operating income	1 162	432
- Non-consolidated investees - Interest income and other - Depreciation and amortization	(85) 56 254	142 13 88
Variance adjusted EBITDA	1 387	675

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Variance analysis Rolled Products

NOK million	Year to date	3rd quarter
2004 2003	1 144 567	353 184
Variance adjusted EBITDA	577	169
- Margin - Volume - Fixed costs - Depreciation - Infrequent items - New/disposed business	365 145 80 (65) 20 (25)	20 50 80 (20) 20 (5)
Variance operating income	522	149
- Non-consolidated investees - Interest income and other - Depreciation and amortization	(6) (3) 64	(1) 4 17
Variance adjusted EBITDA	577	169

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Variance analysis Extrusion and Automotive

NOK million	Year to date	3rd quarter
2004 2003	1 463 1 006	395 377
Variance adjusted EBITDA	457	18
- Margin - Volume - Fixed costs - Depreciation - Infrequent items - Other	185 860 (495) (105) (30) (120)	30 140 (25) 5 (105) (35)
Variance operating income	295	10
- Non-consolidated investees - Interest income and other - Depreciation and amortization	60 (6) 108	12 (3) (1)
Variance adjusted EBITDA	457	18

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Aluminium – operational data

Volumes and prices	Q3 2004	Q2 2004	Q1 2004	Q4 2003	Q3 2003
Primary production (1 000 tonnes) *	441	418	415	388	381
Total metal products sales excluding trading (1 000 tonnes)	648	676	688	483	506
LME realized (USD/tonne) including hedges	1677	1657	1528	1488	1445
USD/NOK realized including hedges **	7.04	7.10	7.13	7.10	7.33
LME realized (USD/tonne) excluding hedges	1691	1669	1530	1452	1405
USD/NOK realized excluding hedges **	6.87	6.89	6.90	7.11	7.21
Rolled Products external shipment (1 000 tonnes)	234	235	240	211	225
Extrusion and Automotive external revenues (NOK million)	6 752	7 193	6 969	6 200	5 914
Extrusion order intake (indexed, 1996=100)	153	177	171	148	144

* Full consolidation of Slovalco from 2004

** 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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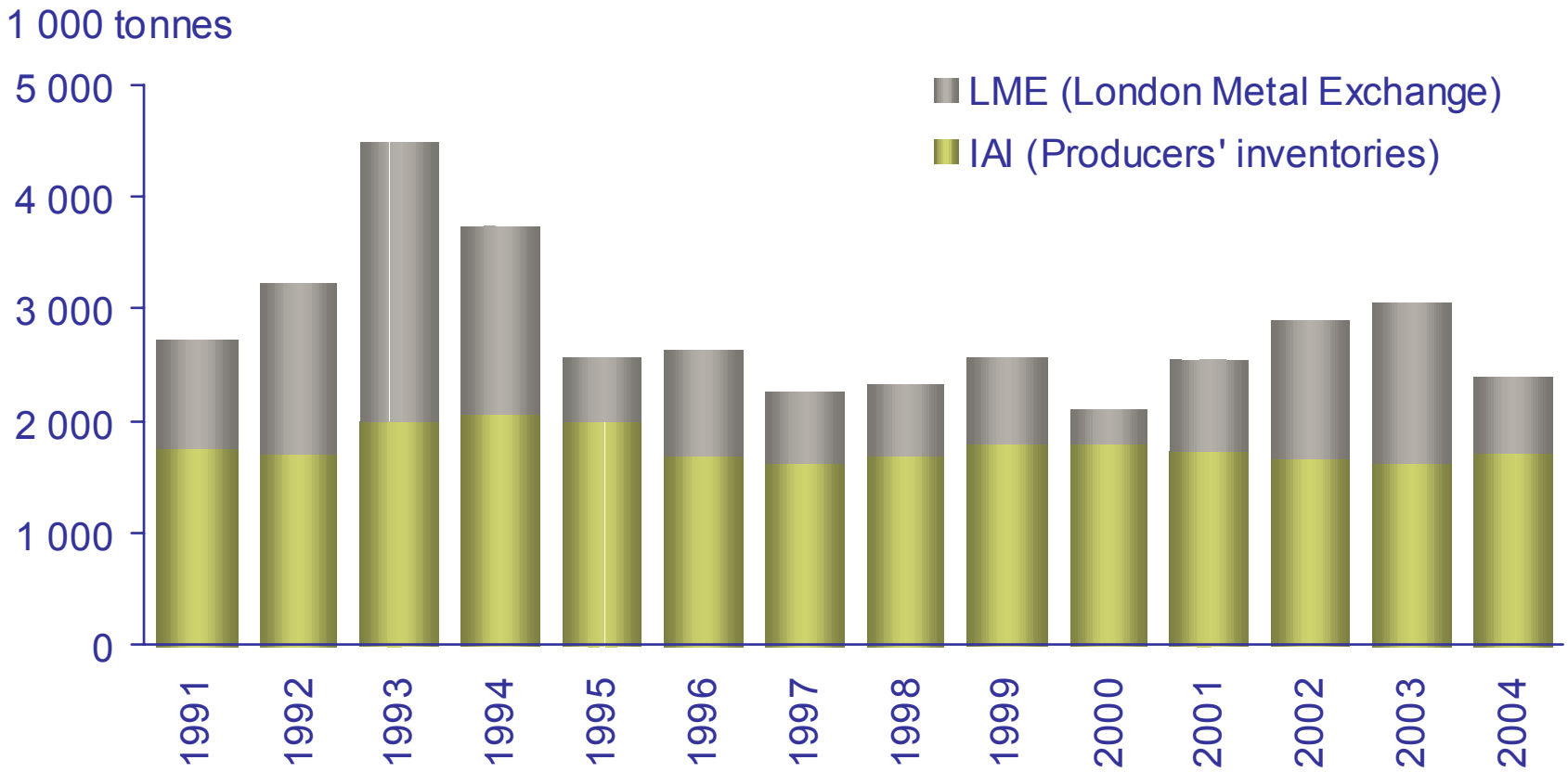
Inventories – primary aluminium



Sources: IAI and LME. 2004: IAI numbers as of August. LME as of September

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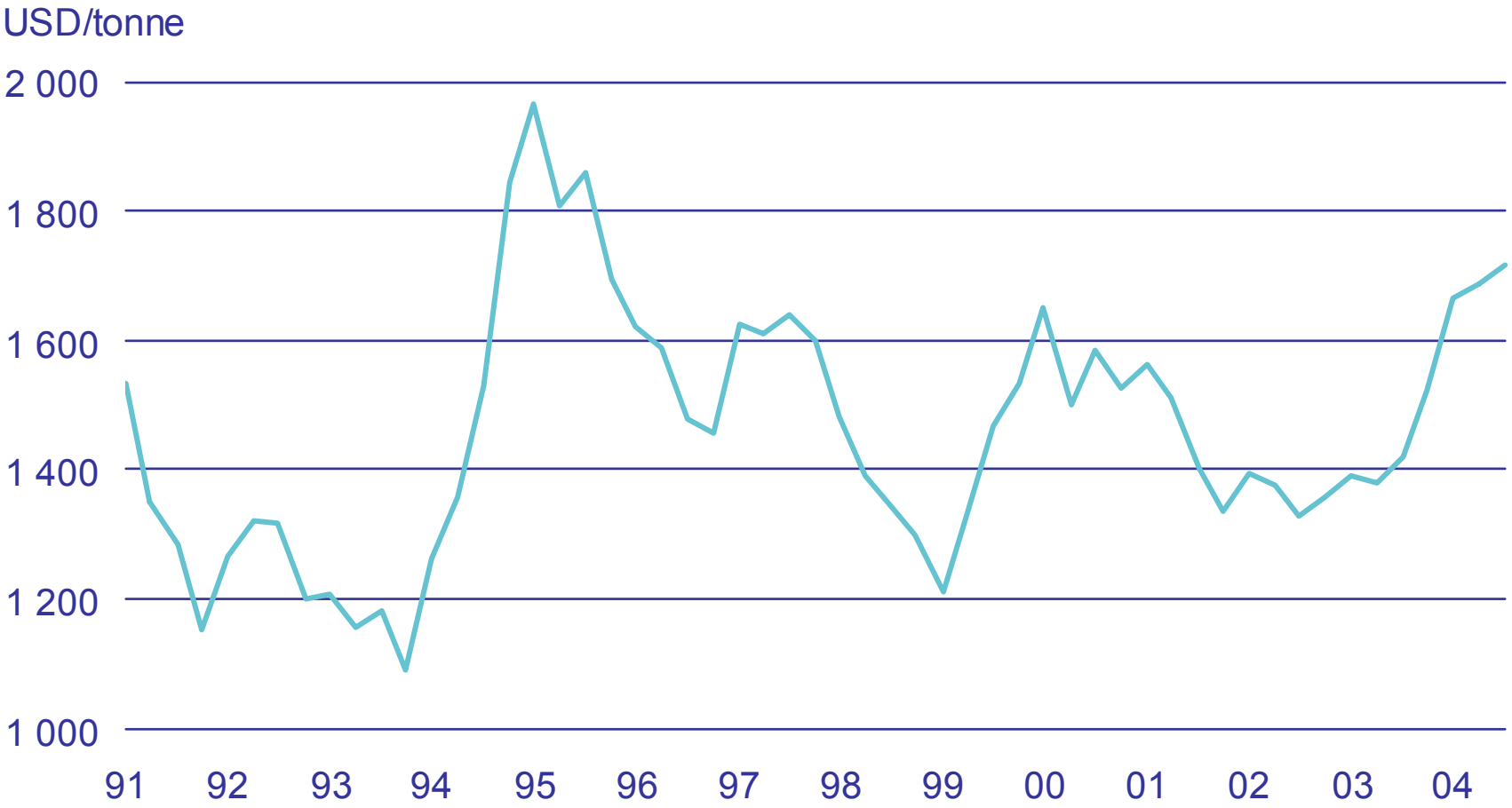
Aluminium price

3 months LME price, average per quarter



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Variance analysis Polymers

NOK million	Year to date	3rd quarter
2004 2003	542 253	244 28
Variance adjusted EBITDA	289	216
- Margin - Volume - Fixed costs - Depreciation - Other	215 60 (70) (5) 15	150 5 20 - 15
Variance operating income	217	190
- Non-consolidated investees - Interest income and other - Depreciation and amortization	47 20 5	13 13 -
Variance adjusted EBITDA	289	216

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Forward-looking statements/ use of non-GAAP financial measures

In order to utilize the “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995, Hydro is providing the following cautionary statement: This presentation contains certain forward-looking statements with respect to the financial condition, results of operations and business of the Company and certain of the plans and objectives of the Company with respect to these items. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. The actual results and developments may differ materially from those expressed or implied in the forward-looking statements due to any number of different factors. These factors include, but are not limited to, changes in costs and prices, changes in economic conditions, and changes in demand for the Company's products. Additional information, including information on factors which may affect Hydro's business, is contained in the Company's 2003 Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission.

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).

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Hydro is a Fortune 500 energy and aluminium supplier with 36,000 employees in more than 40 countries. For almost 100 years, our Norwegian heritage has influenced Hydro's approach to value creation. In our view, business performance and societal needs are inseparable and interdependent. We take pride in creating value by strengthening the viability of the customers and communities we serve.

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Progress of a different nature

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