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Preliminary results 2005

www.hydro.com

Highlights 2005

- Record-high earnings
- High energy prices and good cost control
- Successful exploration year
- Acquisition of Spinnaker
- Strategic shift in Aluminium
- Strong financial position

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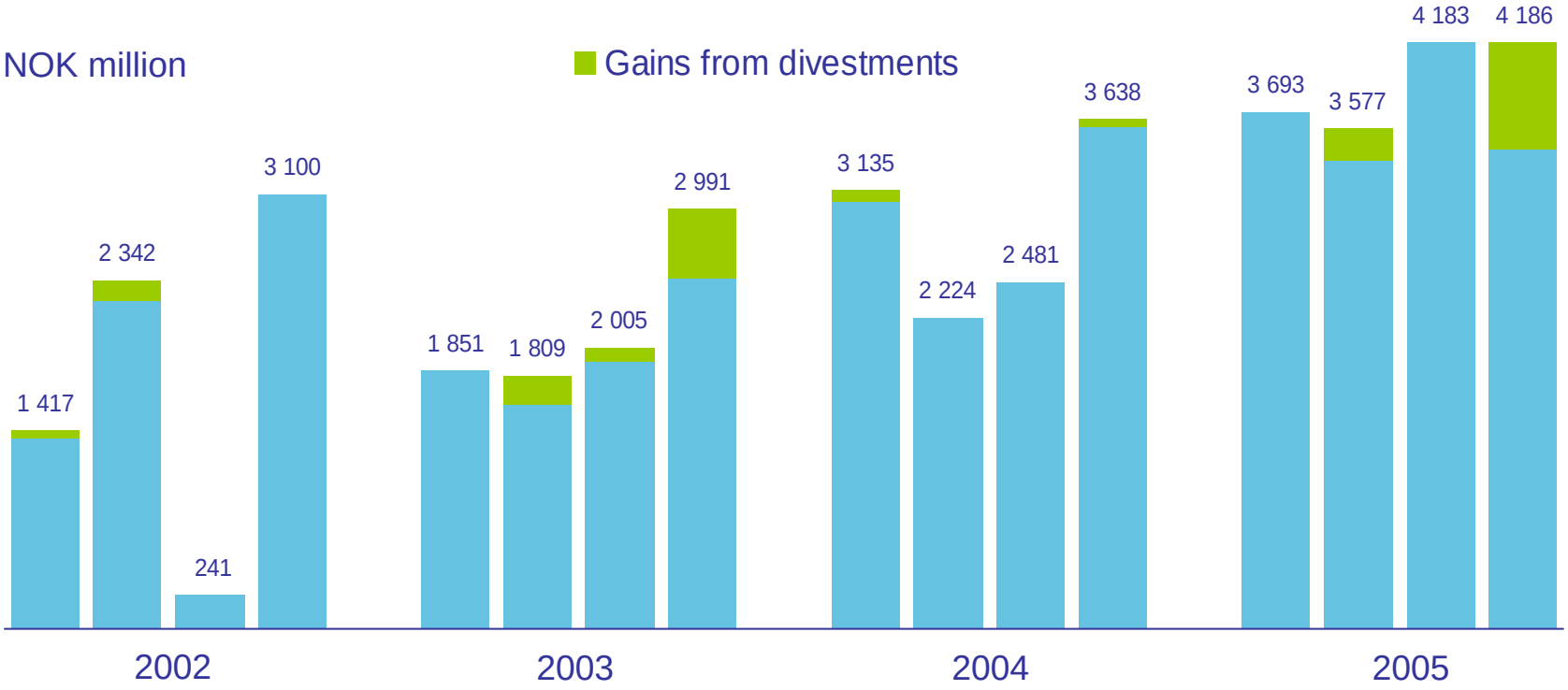
Income from continuing operations*

By quarter



Accumulated

2002	2003	2004	2005
7 100	**8 656**	**11 477**	**15 638**

* Changes in accounting principles for 4th quarter 2005 resulted in a negative amount of NOK 78 million, while the effect in 1st quarter 2003 was a positive amount of NOK 281 million

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Consolidated income statements

NOK million	4th quarter 2005	4th quarter 2004
Operating revenues	45 318	38 769
Operating income	10 450	6 234
Non-consolidated investees Financial income (expense), net Other income, net	(76) (579) 758	90 900 59
Income from continuing operations before tax and minority interest Income tax expense Minority interest	10 553 (6 422) 133	7 283 (3 723) 78
Income from continuing operations	4 264	3 638
Net income	4 186	3 638
Earnings per share from continuing operations – NOK Earnings per share – NOK	17.10 17.10	14.30 14.30

For calculation of EPS, 4th quarter 2005: 250 467 379 shares, 4th quarter 2004: 252 292 084 shares

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Consolidated income statements

NOK million	2005	2004
Operating revenues	174 201	153 891
Operating income	46 432	31 847
Non-consolidated investees Financial income (expense), net Other income, net	619 (1 890) 990	629 137 169
Income from continuing operations before tax and minority interest Income tax expense Minority interest	46 152 (30 317) (118)	32 781 (21 197) (106)
Income from continuing operations	15 716	11 477
Net income	15 638	12 560
Earnings per share from continuing operations – NOK Earnings per share – NOK	62.70 62.70	45.10 49.40

For calculation of EPS, 2005: 250 807 304 shares, 2004: 254 411 433 shares

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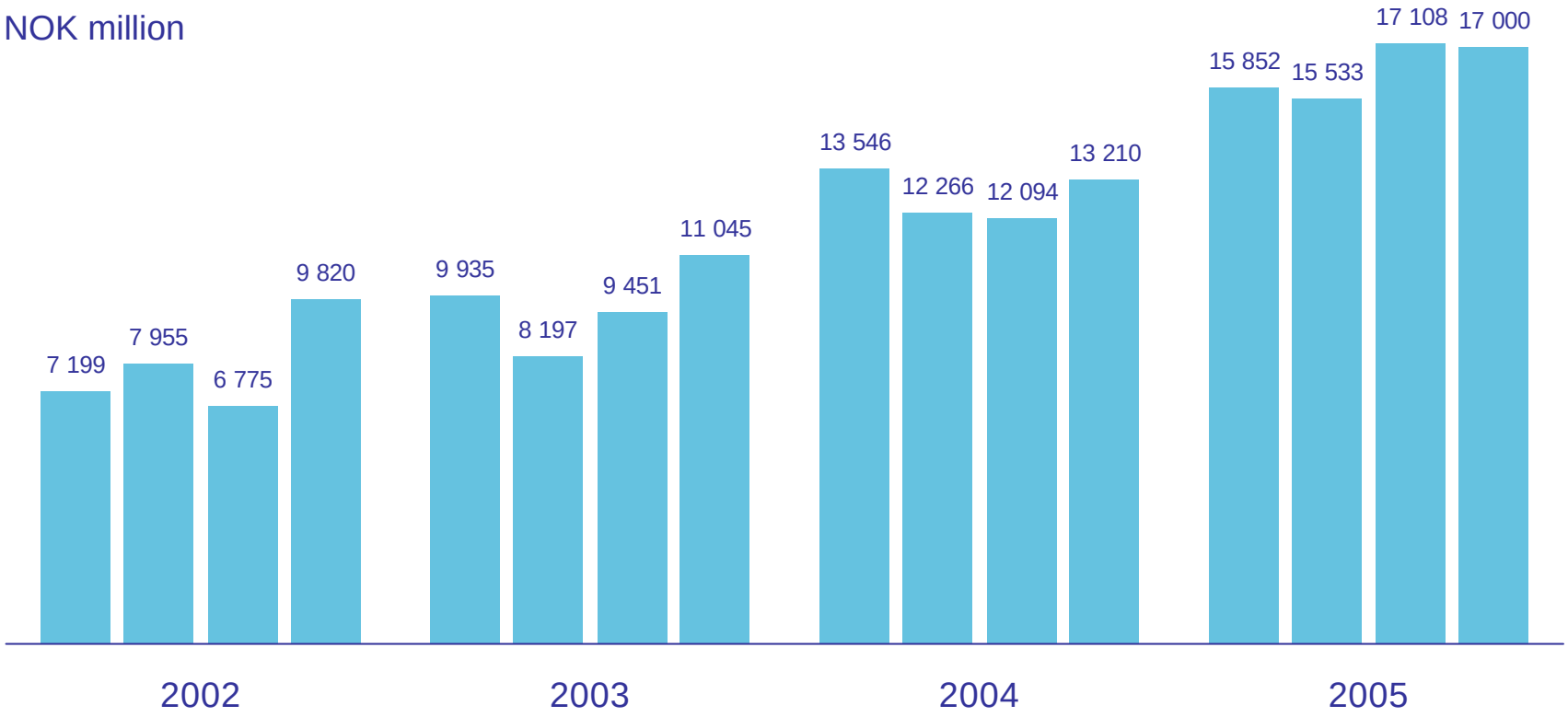
Adjusted EBITDA



Accumulated			
31 749	**38 628**	**51 116**	**65 493**

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Oil & Energy – operating income

Operational data	4th quarter 2005	3rd quarter 2005	4th quarter 2004
Oil and gas production (1 000 boe/day)	589	541	591
Realized oil price, USD/boe	55.60	60.40	41.80
Realized oil price, NOK/boe	368.80	390.60	263.80
Realized gas price, NOK/Sm³	1.85	1.36	1.20
Exploration expense, NOK million	1 092	199	518

Operating income, NOK million	4th quarter 2005	3rd quarter 2005	4th quarter 2004
Exploration and Production	10 690	11 799	7 116
Energy and Oil Marketing	1 403	466	1 072
Eliminations	(556)	360	433
Oil & Energy	11 537	12 625	8 621

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Aluminium – operating income

Operational data	4th quarter 2005	3rd quarter 2005	4th quarter 2004
Realized aluminium price, USD/tonne	1 851	1 770	1 678
Realized aluminium price, NOK/tonne	12 383	11 550	11 175
Primary aluminium production, 1 000 tonnes	464	461	446

Operating income, NOK million	4th quarter 2005	3rd quarter 2005	4th quarter 2004
Metals	1 132	823	(1 949)
Rolled Products	35	182	33
Extrusion and Automotive	(1 181)	47	(123)
Other and eliminations	(994)	(210)	88
Aluminium	(1 009)	842	(1 952)

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Operating income

Individual operating segment

NOK million	4th quarter 2005	3rd quarter 2005	4th quarter 2004
Exploration and Production	10 690	11 799	7 116
Energy and Oil Marketing	1 403	466	1 072
Eliminations	(556)	360	433
Oil & Energy	11 537	12 625	8 621
Metals	1 132	823	(1 949)
Rolled Products	35	182	33
Extrusion and Automotive	(1 181)	47	(123)
Other and eliminations	(994)	(210)	88
Aluminium	(1 009)	842	(1 952)
Other activities	(98)	(188)	(91)
Corporate and eliminations	20	(306)	(344)
Total	10 450	12 973	6 234

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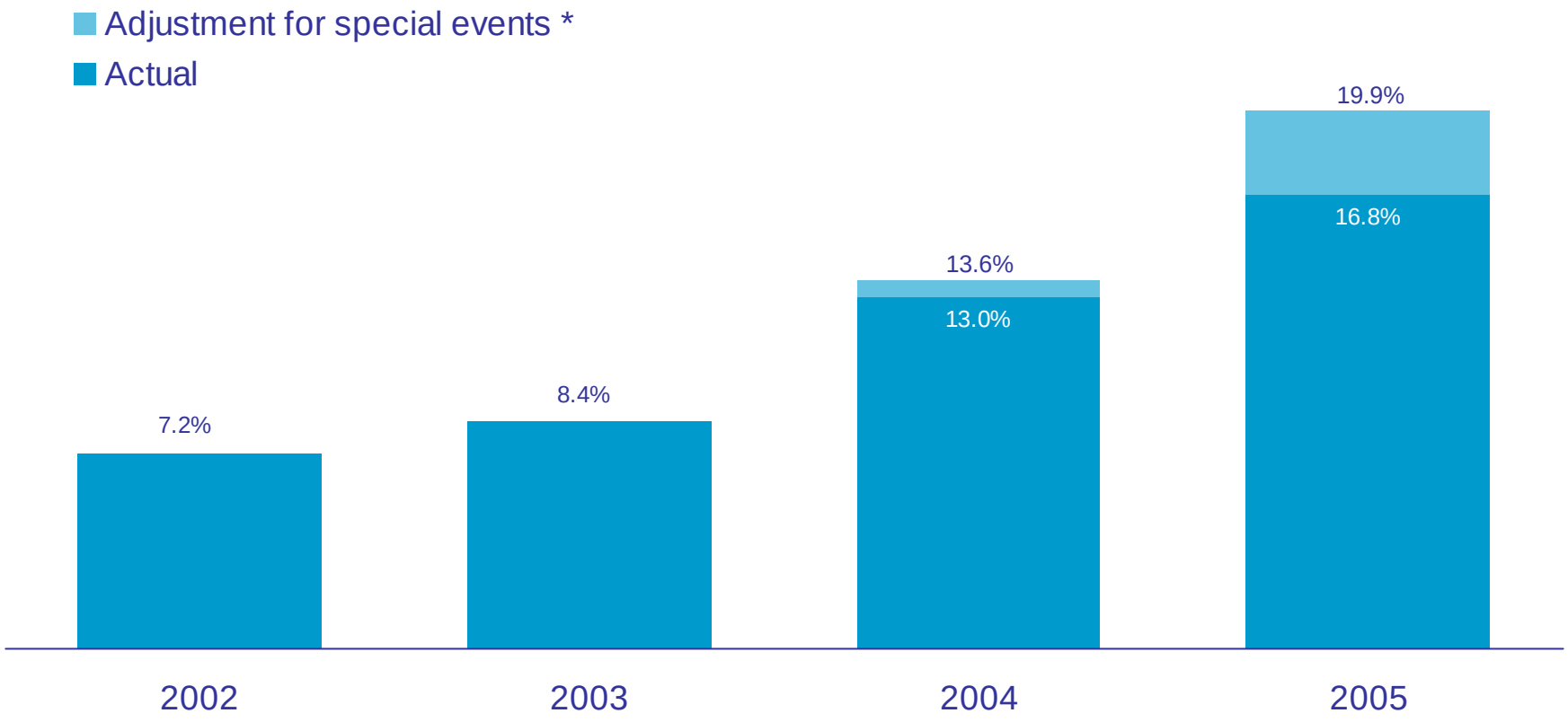
Return on capital significantly improved

Return on average Capital Employed – RoaCE



* Special events include, 2004: write-downs in Aluminium and changes in tax regulation, 2005: write-downs in Aluminium and Spinnaker acquisition

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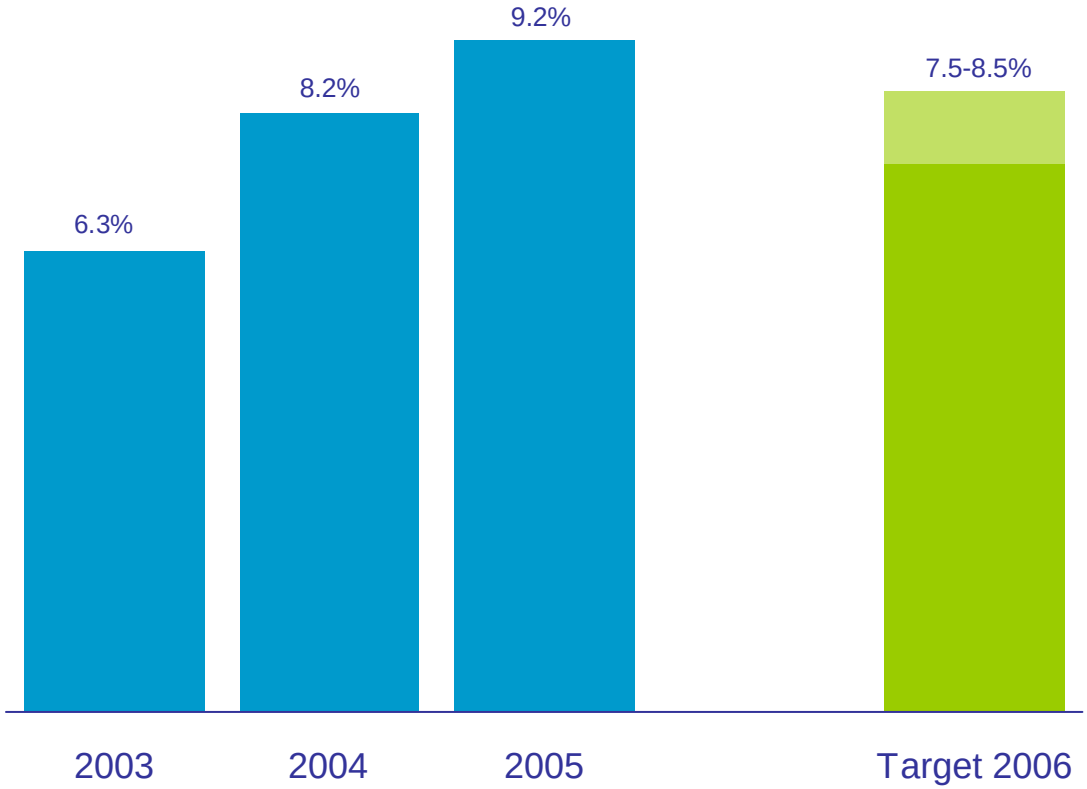
Improved capital efficiency at constant prices

Normalized RoaCE*



- Assumptions:
  - Oil price USD 25/boe
  - Aluminium price USD 1 500/tonne
  - NOK/USD 7.0
  - NOK/EUR 8.0
  - Unrealized gain/loss on derivatives, gain/loss on divestments and restructuring charges are eliminated from normalized figures
  - Volumes and margins are not normalized

* Normalized RoaCE excludes special events.

Normalized RoaCE for 2004 including special events: 7.6% (write-downs in Aluminium and changes in tax regulation)

Normalized RoaCE for 2005 including special events: 7.0% (write-downs in Aluminium and Spinnaker acquisition)

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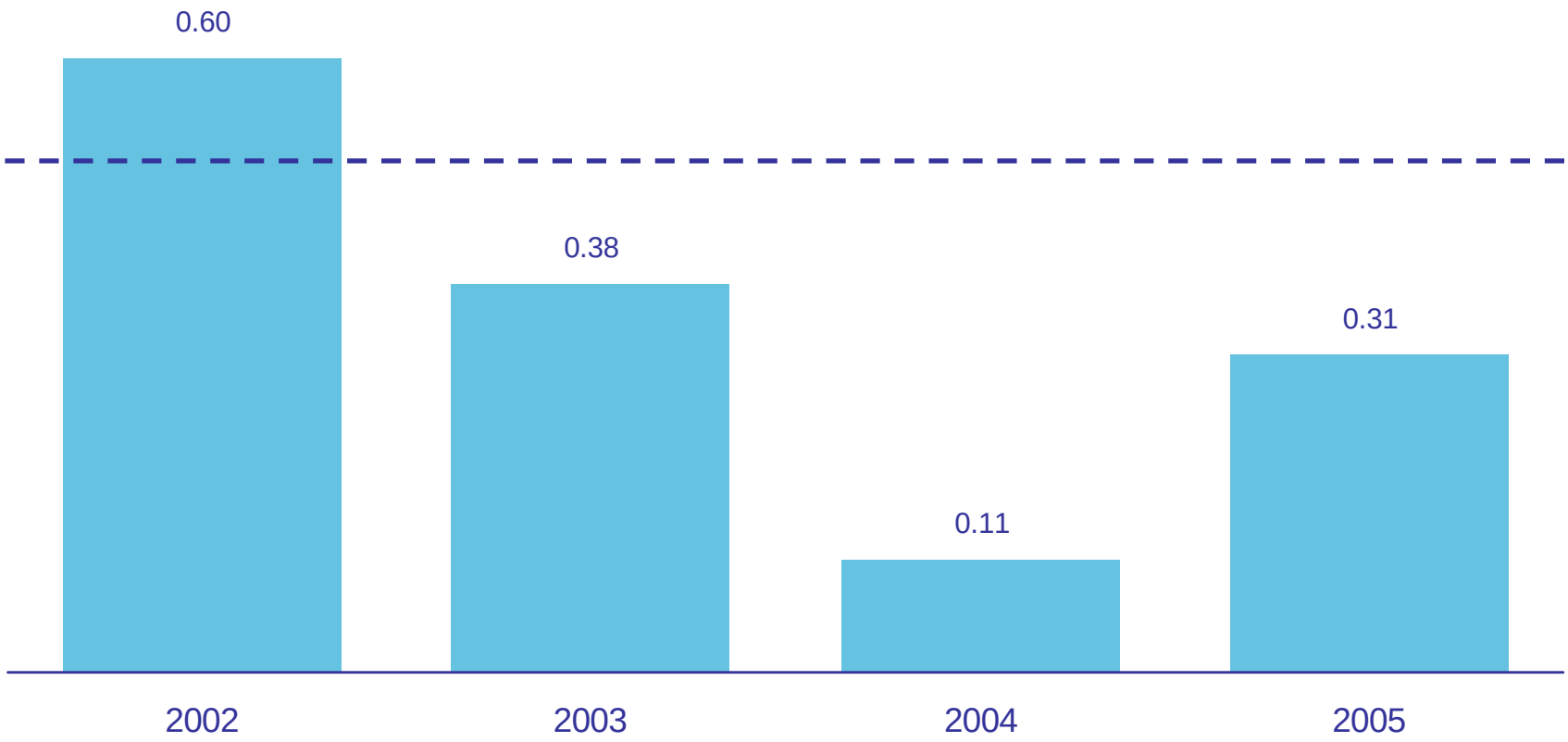
Adjusted net debt/equity ratio



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

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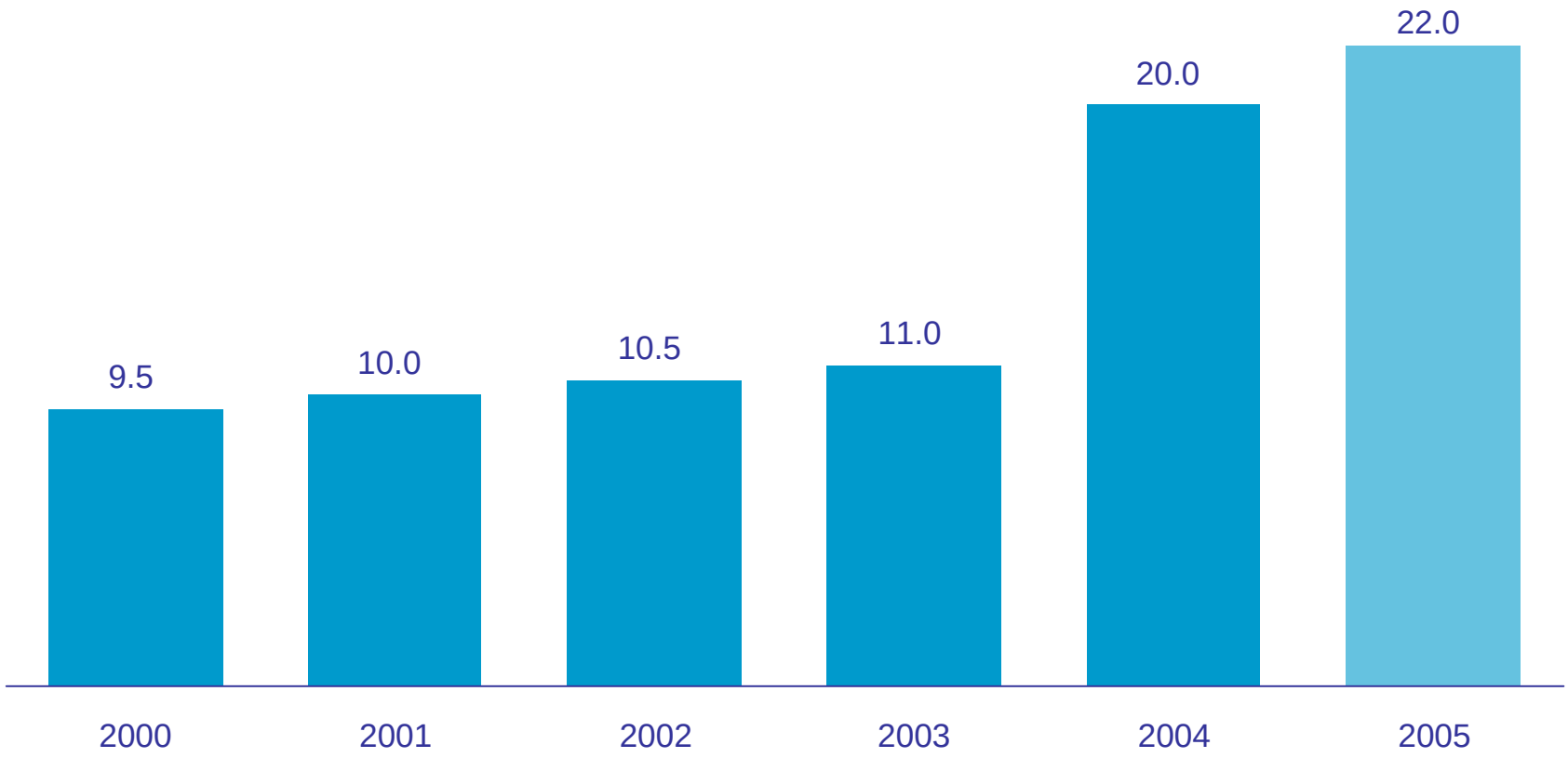
Proposed 2005 dividend

NOK per share



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Oil & Energy – highlights

- High energy prices and good cost control
- Production – 589 000 boed in fourth quarter
- Reserve replacement ratio 2005: 85 percent
- Successful exploration year – 14 discoveries in 2005
- Ormen Lange/Langeled on track – 60 percent complete at end of 2005
- Acquisition of Spinnaker – Strengthened US Gulf of Mexico position
- Agreement to acquire 50 percent of Chinook field in Brazil

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Proved reserves of oil and gas

SEC definition

Reserves 31.12.2004 – million boe	2 076
Reserve revisions	64
New reserves	59
Sales, purchases and swaps	52
Production 2005	(206)
Reserves 31.12.2005 – million boe	2 046

Reserve replacement ratio and reserve life	
Reserve replacement ratio 2005	85%
Reserve replacement ratio 3-year average	70%
Reserve life	10 years
Oil	6 years
Gas	20 years

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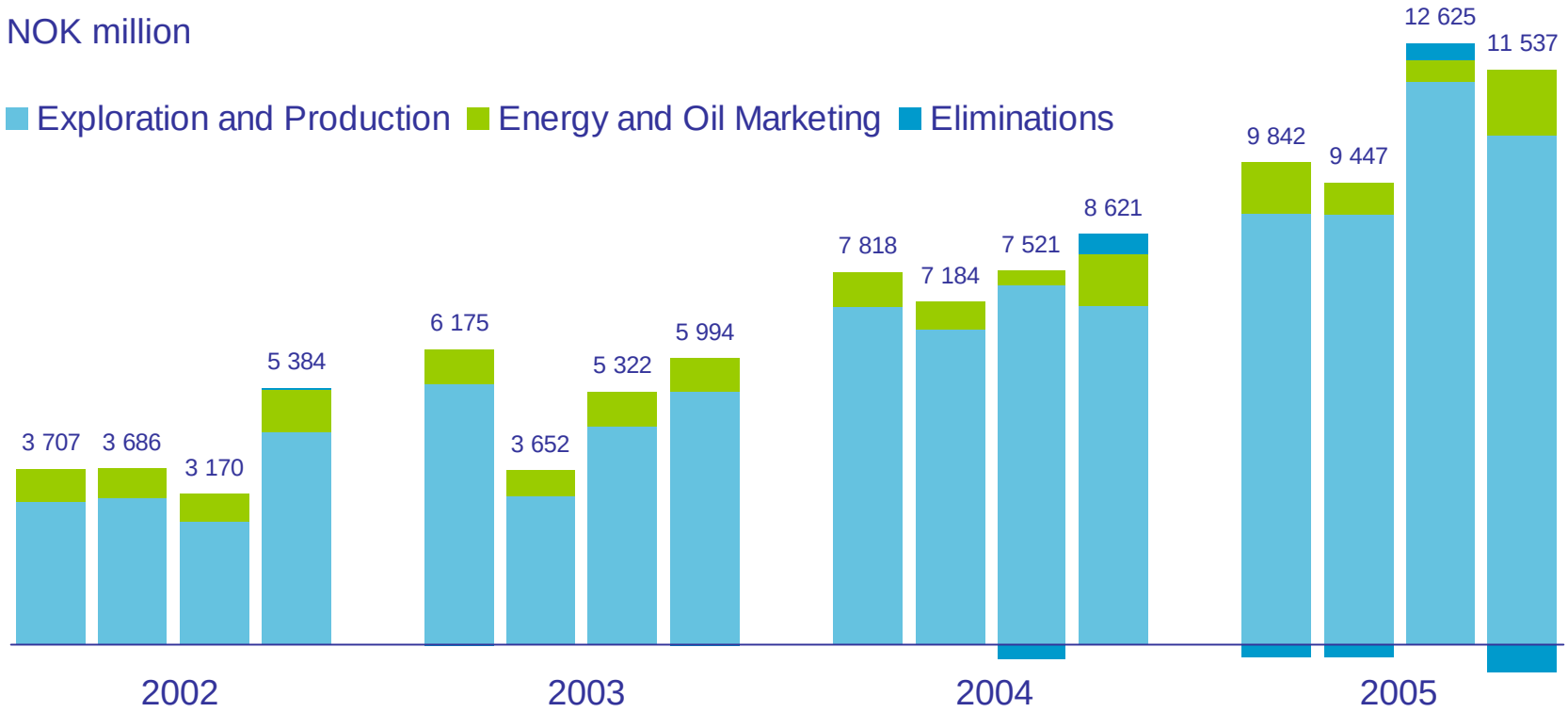
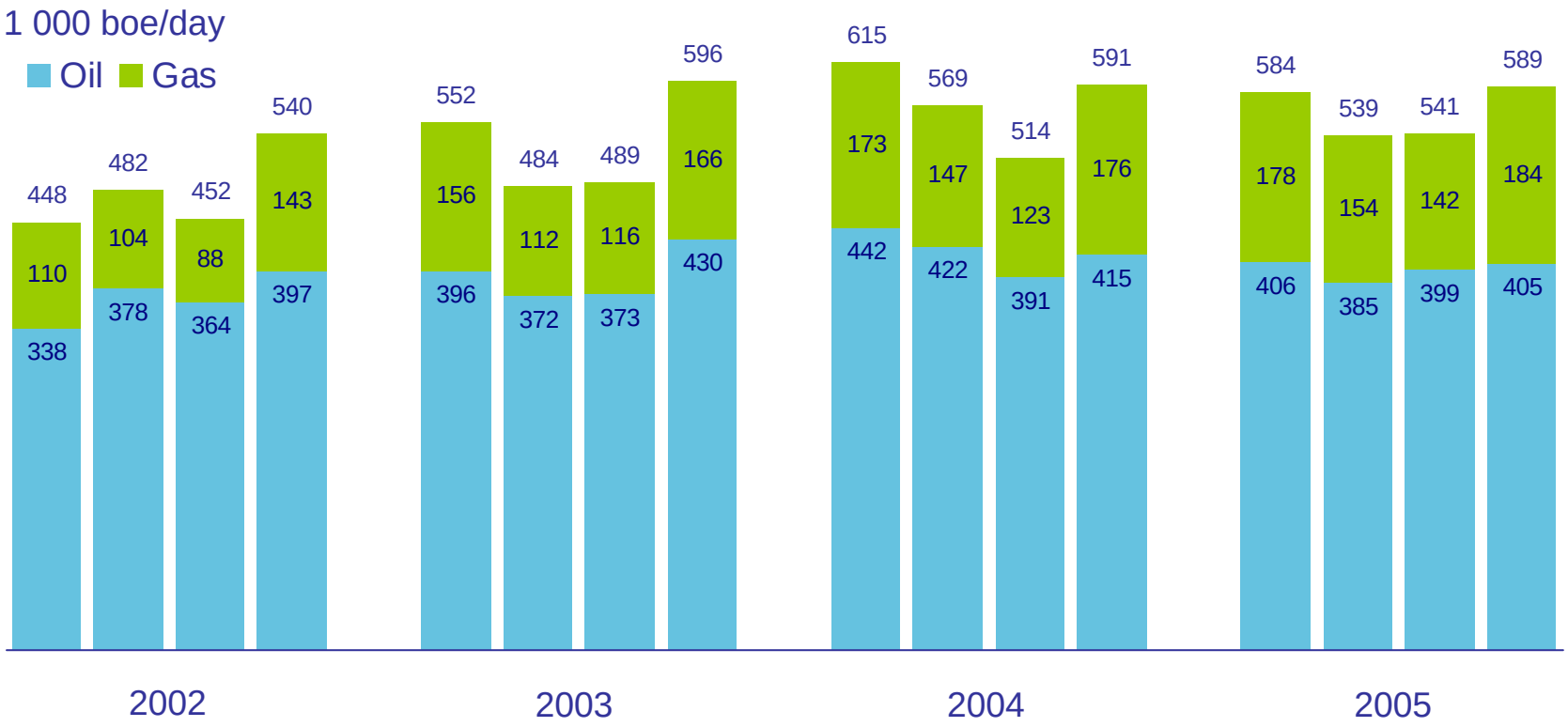
Oil & Energy – operating income



Accumulated

15 947	**21 143**	**31 144**	**43 451**

Petroleum production per quarter

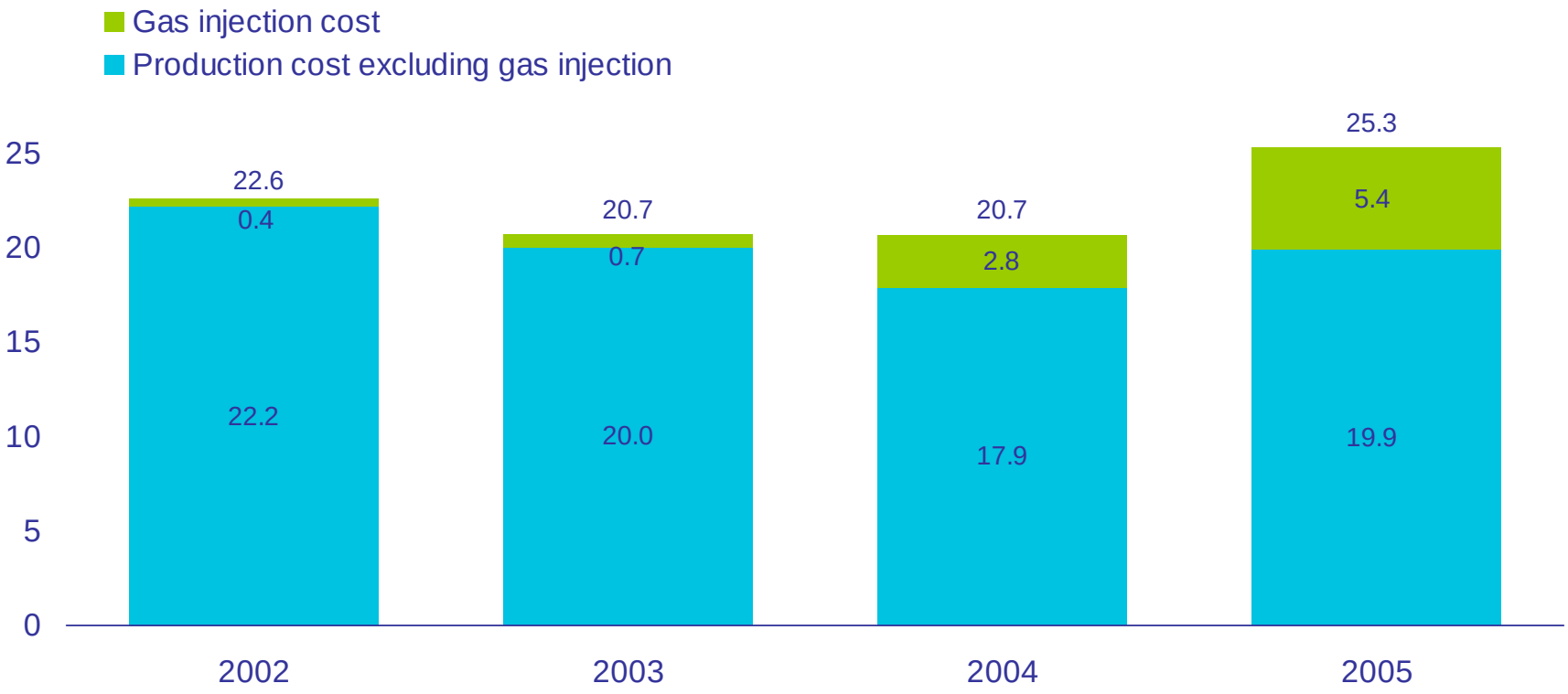


Average

480	530	572	563

Production costs per barrel 2005

NOK/boe



Production in million boe

175	**194**	**209**	**206**

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Strong exploration performance

14 discoveries in 2005* - 2 in fourth quarter

7 Spinnaker Exploration discoveries in 2005

* Excluding Spinnaker Exploration discoveries

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Capturing US Gulf of Mexico potential

- Production estimate 2006 – 30 000 boed
- 443 leases – 64% deepwater
- High exploration activity – around 20 wells to be spudded in 2006
- Deepwater field developments – Lorien and Eastern Gulf

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Field development in US Gulf of Mexico

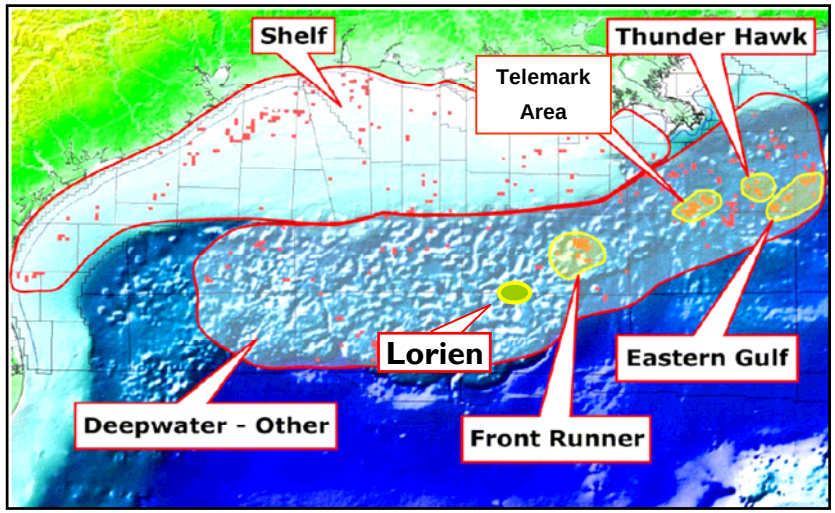
Shelf

- Several gas fields
- Short lead times

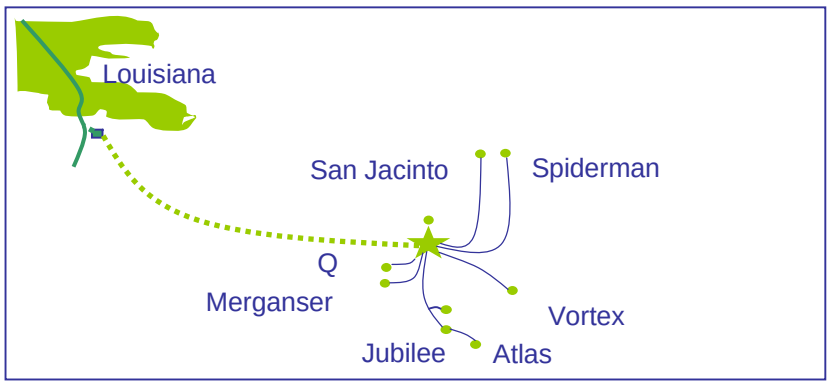
Deepwater

- **Lorien**
  - 30% interest
  - Start production - April 2006
  - Production in 2006: 7 000 boed

- **Eastern Gulf**
  - Spiderman 18.33%
  - San Jacinto 26.67%
  - Q 50%
  - Start production 2007
  - Annual peak production in 2008
    - 12 500 boed



Eastern Gulf



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Oil & Energy – prospects

- Continued high energy prices
- 2006 production target up 9 percent to 615 000 boed
- High exploration and business development activity
  - 60 exploration wells to be spudded in 2006 including extensions
- Strong focus on realizing US Gulf of Mexico potential
- Capture value through development of the Chinook field offshore Brazil

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Aluminium – highlights

- Primary aluminium production up 4 percent from fourth quarter 2004
- Realized aluminium price USD 1 851 per tonne in fourth quarter 2005
- Non-cash charges in fourth quarter
  - Impairment losses of NOK 1 238 million
  - Unrealized loss on LME derivatives NOK 997 million
- Unsatisfactory results downstream
- Alunorte 3 expansion approved

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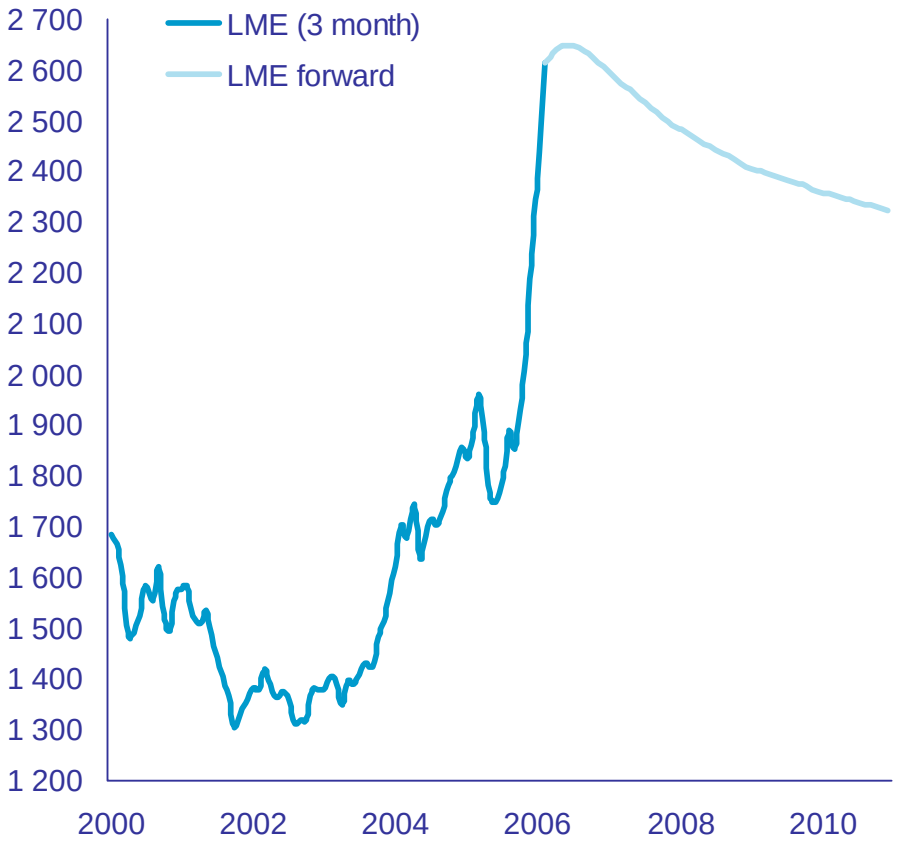
Increasing aluminium price

USD per tonne



Per February 10 2006

	USD per tonne
Q3 2005 average	1 846
Q3 2005 end	1 851
Q4 2005 average	2 069
Q4 2005 end	2 277
Average 2005	**1 900**
Average 2004	**1 721**

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Cost reductions to strengthen competitive position

2005 manning reductions

Restructuring	
Smelters*	**600**
Hamburg, Germany	
Aluimprover in Norway	
Other	**430**
Raufoss, Norway	
Holland, USA	
Leeds, UK	
Toulouse, France	
Restructuring	**1 030**
Rationalization initiatives – all sectors	670
Total	**1 700**

* Closing of Stade smelter and Søderberg lines in Norway excluded (2006)

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Unsatisfactory results downstream

- Rolled Products – Operating income fourth quarter: NOK 35 million
  - Standard products - continued margin pressure
  - Foil – increased sales
  - Litho – record-high sales volumes
  - Metal effect - positive impact of NOK 90 million
  - Inasa impairment loss of NOK 154 million

- Extrusion and Automotive – Operating loss fourth quarter: NOK 1 181 million
  - Margin pressure
  - Low demand in Europe
  - Underperforming units
  - Building systems – sales volume and margins maintained
  - Magnesium impairment loss of NOK 1 084 million

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Aluminium – prospects

- Aluminium Metal
  - High aluminium price
  - Increased energy and raw material costs
  - Continued repositioning and smelter restructuring

- Aluminium Products
  - New business area – focus on downstream restructuring
  - Limited investments, focus on cash generation
  - Extensive portfolio review
  - Turn around, sell or close underperforming units

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Hydro – priorities

- Operational improvements
- Capture value from strengthened position in US Gulf of Mexico
- First-class project execution
- Roadmap to profitability target in Aluminium
- Further strengthening of oil and gas resource base

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

In order to utilize the “safe harbour” 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 2004 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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Cautionary note

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.

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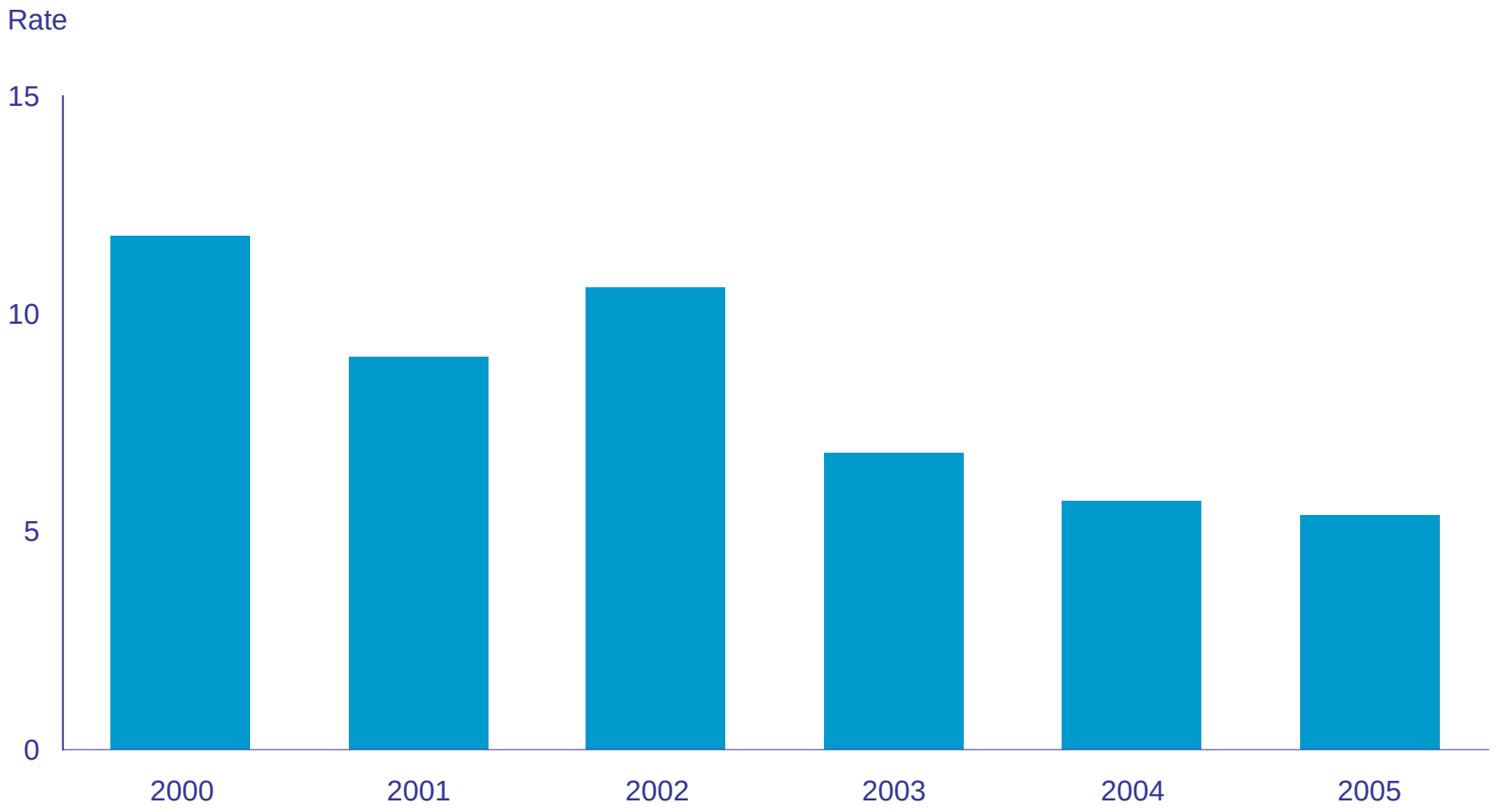
Additional information

Safety

Total reported injuries per million working hours (TRI)



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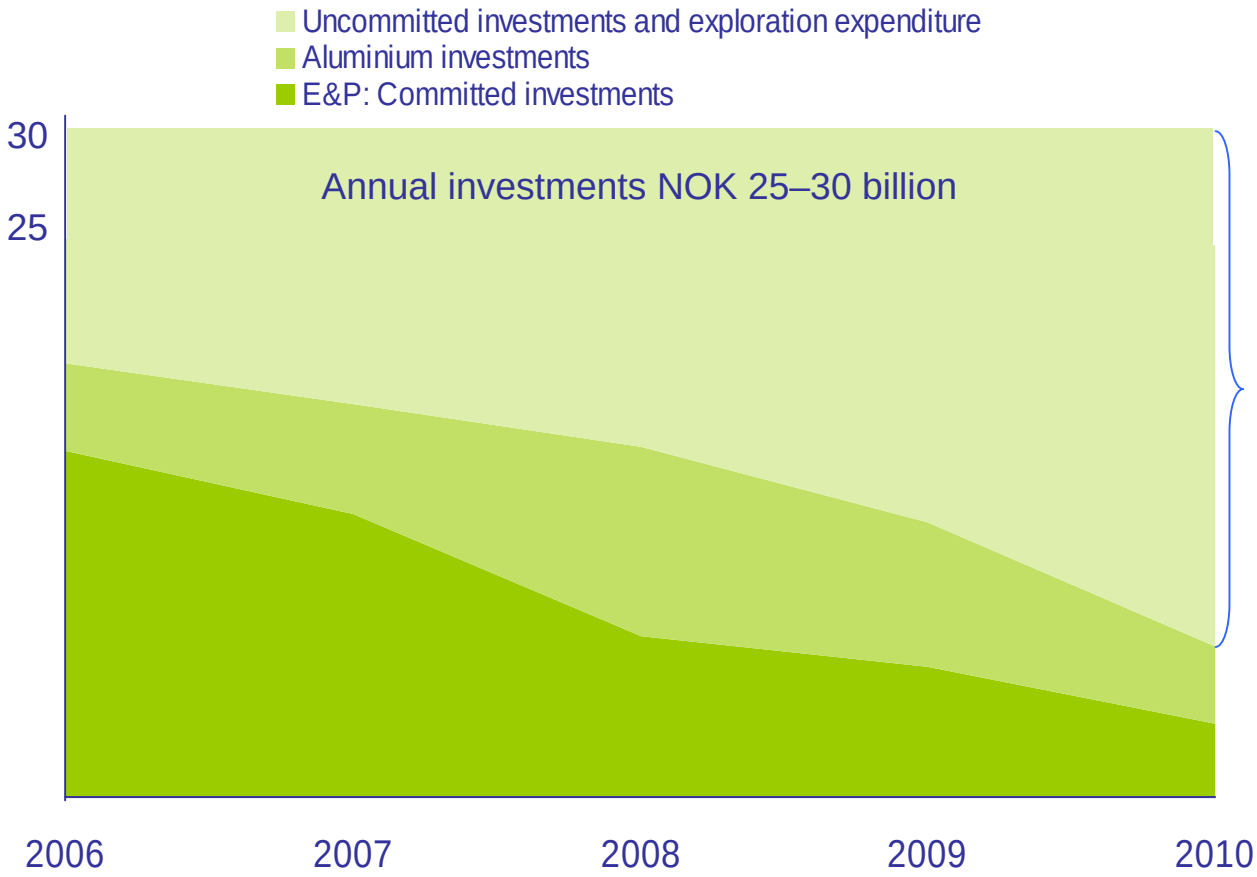
Capital allocation 2006 - 2010



Uncommitted investments and exploration expenditure:
NOK 55-80 billion

Aluminium:
NOK 25 billion

Committed E&P:
NOK 45 billion

** 2006 – 2010*

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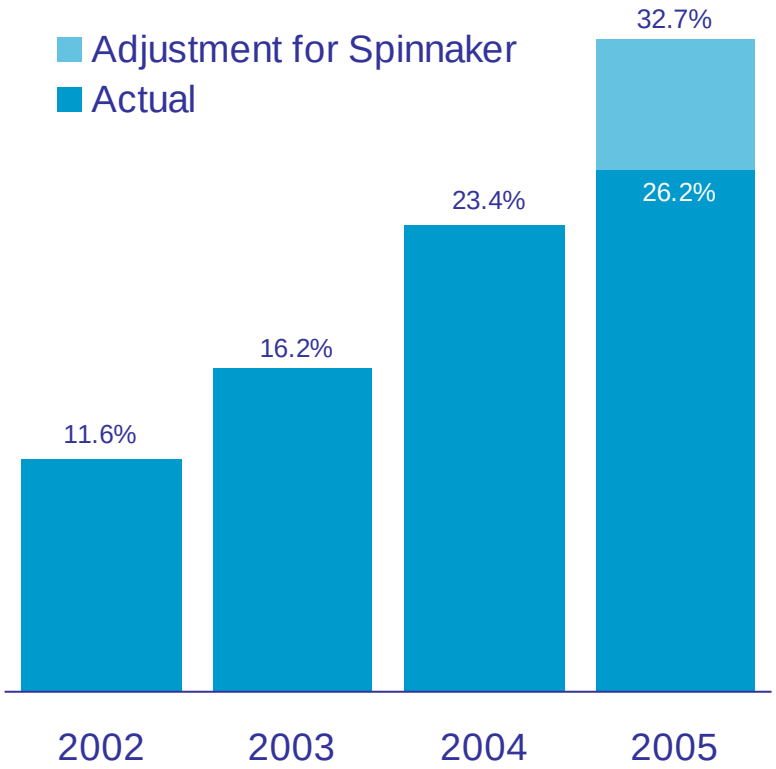
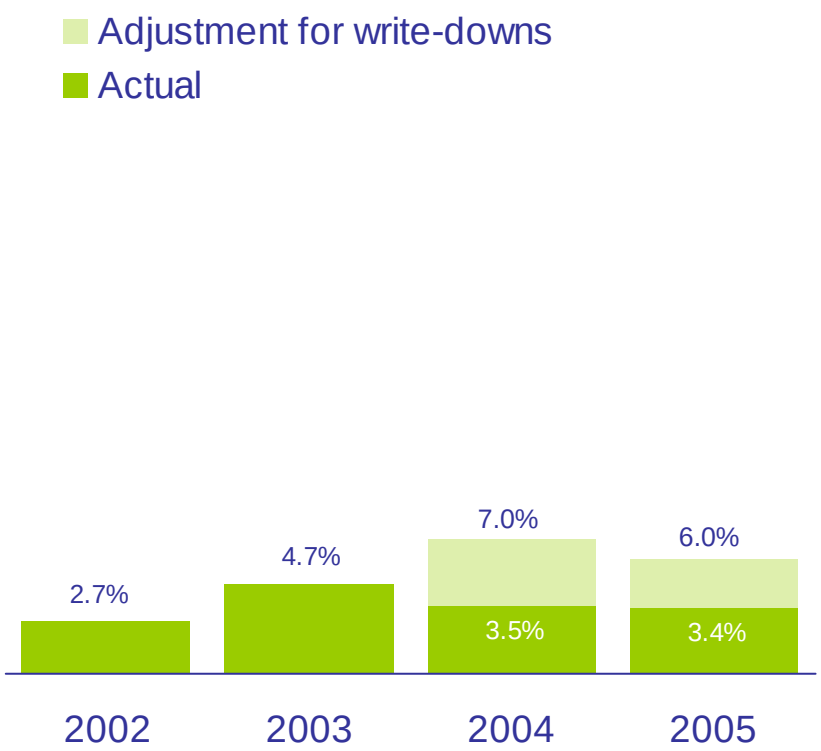
Return on capital by business area

Return on average Capital Employed – RoaCE

Oil & Energy

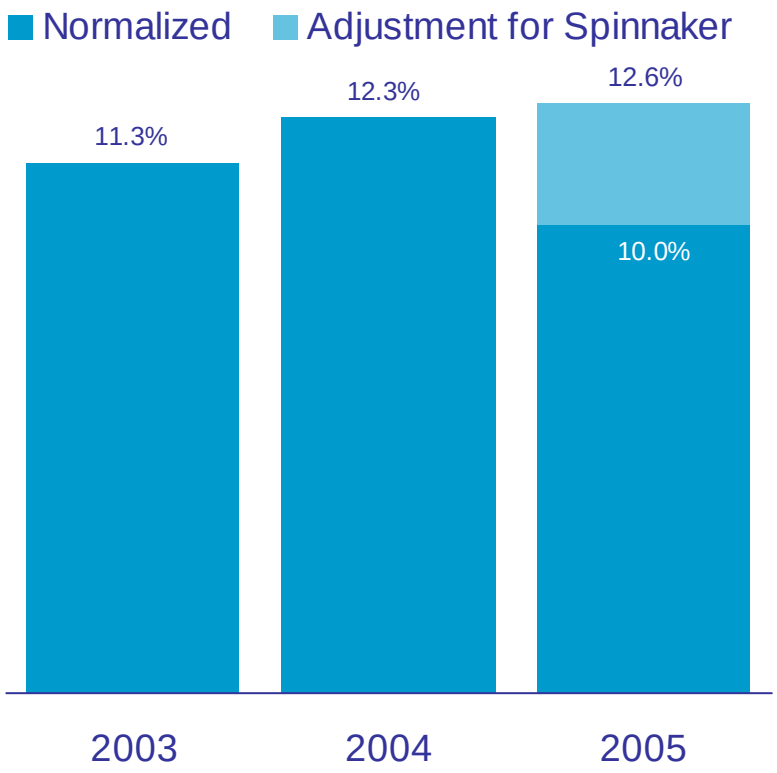


Aluminium

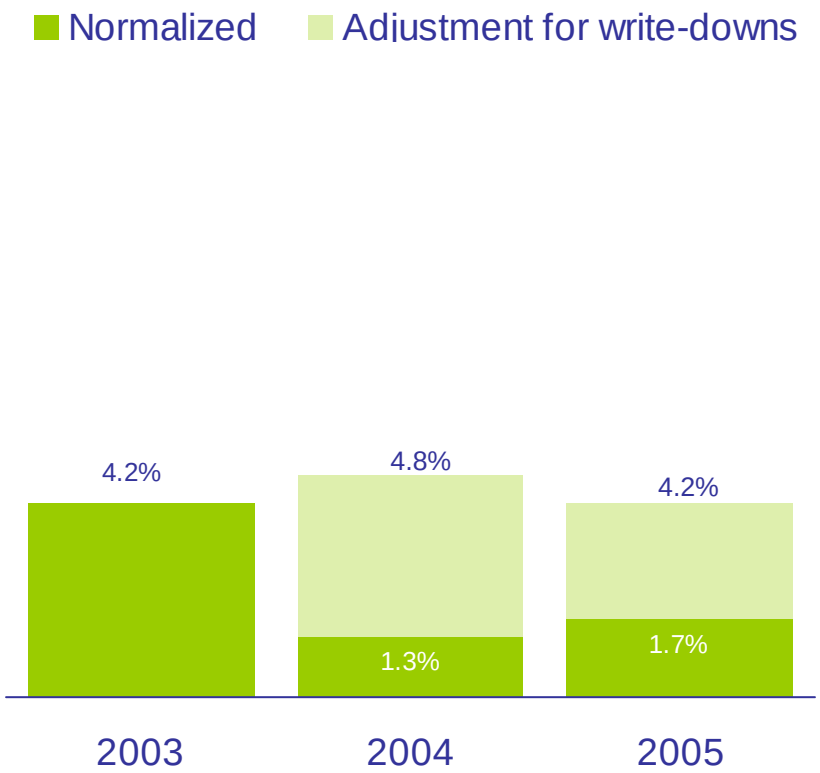


Normalized RoaCE by business area

Oil & Energy



Aluminium



Adjusted income fourth quarter 2005

NOK million	Reported income	Adjustments	Adjusted income
Exploration and Production	10 690	591	11 281
Energy and Oil Marketing	1 403	(383)	1 020
Eliminations	(556)	558	2
Oil & Energy	11 537	766	12 303
Metals	1 132	-	1 132
Rolled Products	35	64	99
Extrusion and Automotive	(1 181)	1 105	(76)
Other and eliminations	(994)	997	3
Aluminium	(1 009)	2 166	1 157
Other activities	(98)	74	(24)
Corporate and eliminations	20	(318)	(298)
Total operating income	10 450	2 688	13 138
Non-consolidated investees	(76)	42	(34)
Financial income (expense), net	(579)	601	22
Other income (loss), net	758	(758)	-
Income from continuing operations before tax and minority interest	10 553	2 573	13 126
Income tax expense	(6 422)	* (1 085)	(7 507)
Minority interest	133	-	133
Income from continuing operations	4 264	1 488	5 752

* Estimated tax effect on income statement adjustments

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Infrequent and other special items impacting income statement fourth quarter 2005

		NOK million
Unrealized losses oil and gas derivatives, Spinnaker	Exploration and Production	440
Unrealized gains/losses gas contracts	Exploration and Production	151
Unrealized gains/losses gas contracts	Energy and Oil marketing	(383)
Unrealized losses on gas contracts	Oil & Energy eliminations	558
Metal effect from FIFO valuation	Rolled Products	(90)
Write-down Spanish rolling mill (Inasa)	Rolled Products	154
Rationalization costs	Extrusion and Automotive	21
Impairment loss magnesium business	Extrusion and Automotive	1 084
Unrealized losses on LME contracts	Aluminium Other and eliminations	997
Insurance loss provision	Other activities	74
Unrealized gains on power contracts	Corporate and eliminations	(318)
Net impact on operating income		**2 688**
Non-consolidated investees – currency gain for Alunorte	Metals	42
Other income – gain on sale		(758)
Financial income (expense) net – net currency loss	Hydro	601
Net impact on income from continuing operations before tax and minority interest		**2 573**

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Adjusted income – 2005

NOK million	Reported income	Adjustments	Adjusted income
Exploration and Production	40 594	625	41 219
Energy and Oil Marketing	3 575	39	3 614
Eliminations	(719)	740	21
Oil & Energy	43 451	1 404	44 854
Metals	3 898	6	3 904
Rolled Products	754	(123)	631
Extrusion and Automotive	(1 100)	1 356	256
Other and eliminations	(1 041)	1 020	(21)
Aluminium	2 511	2 259	4 770
Other activities	(2)	242	240
Corporate and eliminations	472	(1 545)	(1 073)
Total operating income	46 432	2 360	48 791
Non-consolidated investees	619	8	627
Financial income (expense), net	(1 890)	2 159	269
Other income (loss), net	990	(990)	-
Income from continuing operations before tax and minority interest	46 152	3 537	49 689
Income tax expense	(30 317)	* (1 483)	(31 800)
Minority interest	(118)	-	(118)
Income from continuing operations	15 716	2 054	17 771

* Estimated tax effect on income statement adjustments

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Infrequent and other special items impacting income statement – 2005

		NOK million
Unrealized losses oil and gas derivatives, Spinnaker	Exploration and Production	440
Unrealized gains/losses gas contracts	Exploration and Production	185
Unrealized gains/losses gas contracts	Energy and Oil marketing	39
Unrealized losses on gas contract	Oil & Energy eliminations	740
Rationalization cost due to Aluimprover	Metals	6
Metal effect from FIFO valuation	Rolled Products	(137)
Reversal contract provisions	Rolled Products	(100)
Settlement Malaysia	Rolled products	(40)
Write-down Spanish rolling mill (Inasa)	Rolled Products	154
Rationalization costs	Extrusion and Automotive	272
Impairment loss magnesium business	Extrusion and Automotive	1 084
Unrealized losses on LME contracts	Aluminium Other and eliminations	1 020
Insurance loss provision	Other activities	242
Unrealized gains on power contracts	Corporate and eliminations	(1 391)
Demanning cost	Corporate and eliminations	(154)
Net impact on operating income		**2 360**
Non-consolidated investees – currency gain for Alunorte	Metals	(141)
Non-consolidated investees – closure cost	Metals	149
Other income – gain on sale		(990)
Financial income (expense) net – net currency loss	Hydro	2 159
Net impact on income from continuing operations before tax and minority interest		**3 537**

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Adjusted income fourth quarter 2004

NOK million	Reported income	Adjustments	Adjusted income
Exploration and Production	7 116	(100)	7 016
Energy and Oil Marketing	1 072	(169)	903
Eliminations	433	(444)	(11)
Oil & Energy	8 621	(713)	7 908
Metals	(1 949)	2 542	593
Rolled Products	33	(6)	27
Extrusion and Automotive	(123)	90	(33)
Other and eliminations	88	(93)	(5)
Aluminium	(1 952)	2 533	581
Other activities	(91)	230	139
Corporate and eliminations	(344)	214	(130)
Total operating income	6 234	2 264	8 498
Non-consolidated investees	90	198	288
Financial income (expense), net	900	(745)	155
Other income (loss), net	59	(59)	-
Income from continuing operations before tax and minority interest	7 283	1 658	8 941
Income tax expense	(3 723)	(1 434)	(5 157)
Minority interest	78	-	78
Income from continuing operations	3 638	224	3 862

Estimated tax effect on income statement adjustments NOK 534 million (simplified tax rate 33%)
Positive effect due to tax law NOK 900 million

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Infrequent and other special items impacting income statement fourth quarter 2004

		NOK million
Gain sale Snøhvit	Exploration and Production	(100)
Inventory gains	Energy and Oil Marketing	18
Unrealized gains/losses gas contracts	Energy and Oil marketing	(187)
Elimination of unrealized gain on internal gas contract	Oil & Energy eliminations	(444)
Write-down German smelters	Metals	2 042
Rationalization cost due to Aluimprover	Metals	412
Demanning cost other	Metals	88
Inventory gains	Rolled Products	(6)
Rationalization costs due to closure of plant	Extrusion and Automotive	27
Impairment loss	Extrusion and Automotive	63
Unrealized loss on LME contracts	Aluminium Other and eliminations	(93)
Insurance loss provision	Other activities	230
Elimination of unrealized gain on internal power contracts	Corporate and eliminations	309
Elimination of demanning cost	Corporate and eliminations	(95)
Net impact on operating income		**2 264**
Non-consolidated investees – currency gain for Alunorte	Metals	(70)
Write-down German smelters	Metals	268
Financial income (expense) net – net currency gain	Hydro	(1 606)
Financial income (expense) net – loss on bond buy-back	Hydro	861
Adjustment gain on sale of Scanraff	Energy and Oil Marketing	(59)
Net impact on operating income from continuing operations before tax and minority interest		**1 658**
Effect of change in Norwegian tax legislation	**Hydro**	**(900)**

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Adjusted income 2004

NOK million	Reported income	Adjustments	Adjusted income
Exploration and Production	28 363	(385)	27 978
Energy and Oil Marketing	2 650	(441)	2 209
Eliminations	131	(144)	(13)
Oil & Energy	31 144	(970)	30 174
Metals	860	2 561	3 391
Rolled Products	626	(154)	472
Extrusion and Automotive	277	252	529
Other and eliminations	72	(175)	(103)
Aluminium	1 805	2 484	4 289
Other activities	312	230	542
Corporate and eliminations	(1 414)	140	(1 274)
Total operating income	31 847	1 884	33 731
Non-consolidated investees	628	205	833
Financial income (expense), net	136	(943)	(807)
Other income (loss), net	169	(169)	-
Income from continuing operations before tax and minority interest	32 780	977	33 757
Income tax expense	(21 197)	(1 338)	(22 535)
Minority interest	(106)	-	(106)
Income from continuing operations	11 477	(361)	11 116

Estimated tax effect on income statement adjustments NOK 438 million (simplified tax rate 33%)

Positive effect due to tax law NOK 900 million

HYDRO

Infrequent and other special items impacting income statement 2004

		NOK million
Gain on asset sales (Gjøa, Snøhvit)	Exploration and Production	(385)
Inventory gains	Energy and Oil Marketing	(59)
Unrealized gains/losses gas contracts	Energy and Oil Marketing	(382)
Elimination of unrealized gain on internal gas contract	Oil & Energy eliminations	(144)
Write-down German smelters	Metals	2 042
Rationalization and demanning cost	Metals	519
Inventory gains	Rolled Products	(154)
Rationalization and demanning cost	Extrusion and Automotive	146
Write-down of assets	Extrusion and Automotive	106
Unrealized gain on LME contracts	Aluminium Other and eliminations	(175)
Insurance loss provision	Other activities	230
Elimination of unrealized gain on internal power contracts	Corporate and eliminations	235
Elimination of demanning cost	Corporate and eliminations	(95)
Net impact on operating income		**1 884**
Non-consolidated investees – currency gain for Alunorte	Metals	(63)
Write-down German smelters	Metals	268
Financial income (expense) net – net currency gain	Hydro	(1 804)
Financial income (expense) net – loss on bond buy-back	Hydro	861
Other income – gain on asset sales	Energy and Oil Marketing	(169)
Net impact on operating income from continuing operations before tax and minority interest		**977**
Effect of change in Norwegian tax legislation	**Hydro**	**(900)**

HYDRO

Operating income – Adjusted EBIT – Adjusted EBITDA

Fourth quarter 2005

NOK million	Operating income	Non-cons. investees	Interest income	Selected fin. items	Other income	Adjusted EBIT	Depr. and amort.	Adjusted EBITDA
Exploration and Production	10 690	4	4	23	-	10 721	2 955	13 677
Energy and Oil Marketing	1 403	(16)	9	2	65	1 464	181	1 645
Eliminations	(556)	-	-	-	-	(556)	-	(556)
Oil & Energy	11 537	(12)	13	26	65	11 629	3 137	14 766
Metals	1 132	(111)	1	37	-	1 058	458	1 516
Rolled Products	35	(10)	1	-	-	26	337	363
Extrusion and Automotive	(1 181)	35	7	4	-	(1 136)	1 459	323
Other and eliminations	(994)	-	-	-	-	(994)	-	(994)
Aluminium	(1 009)	(87)	9	40	-	(1 047)	2 254	1 207
Other activities	(98)	23	31	4	693	652	134	786
Corporate and eliminations	20	-	212	5	-	238	4	241
Total	10 450	(76)	266	74	758	11 472	5 527	17 000

HYDRO

Adjusted EBITDA

Individual operating segment

NOK million	4th quarter 2005	4th quarter 2004
Exploration and Production	13 677	9 825
Energy and Oil Marketing	1 645	1 325
Eliminations	(556)	433
Oil & Energy	14 766	11 583
Metals	1 516	903
Rolled Products	363	217
Extrusion and Automotive	323	308
Other and eliminations	(994)	88
Aluminium	1 207	1 516
Other activities	786	164
Corporate and eliminations	241	(53)
Total	17 000	13 210

HYDRO

Variance analysis Hydro

NOK million	Year to date	4th quarter
2005 2004	65 493 51 116	17 000 13 210
Variance adjusted EBITDA	14 377	3 790
- Prices and currency, Exploration and Production (E&P) - Margin incl. currency effects [1)] - Volume - Fixed costs - Depreciation - Production and exploration costs, E&P - Trading and unrealized LME effects, Aluminium - Restructuring costs - Infrequent items - Other	15 555 250 85 860 10 (1 430) (1 025) (20) 1 470 (1 170)	4 510 95 620 (85) (175) (820) (810) (20) 1 310 (410)
Variance operating income	14 585	4 216
- Non-consolidated investees - Interest income and other - Other income - Depreciation and amortization	(9) 71 822 (1 092)	(166) (74) 699 (886)
Variance adjusted EBITDA	14 377	3 790

1) Including positive variance for elimination of unrealized gain/loss on electricity contracts (NOK 1 626 million for the year and 628 million for the quarter) and negative variance for elimination of the gain/loss on gas contracts (NOK 883 million for the year and NOK 1 002 for the quarter)

HYDRO

Depreciation, depletion and amortization

Individual operating segment

NOK million	4th quarter 2005	4th quarter 2004
Exploration and Production	2 955	2 700
Energy and Oil Marketing	166	180
Oil & Energy	3 121	2 880
Metals	448	2 499
Rolled Products	323	178
Extrusion and Automotive	1 458	403
Aluminium	2 229	3 081
Other activities	133	146
Corporate and eliminations	4	2
Total	5 488	6 110

HYDRO

Depreciation, depletion and amortization

Individual operating segment

NOK million	2005	2004
Exploration and Production	9 961	9 752
Energy and Oil Marketing	651	640
Oil & Energy	10 612	10 391
Metals	1 687	3 798
Rolled Products	773	687
Extrusion and Automotive	2 473	1 477
Aluminium	4 934	5 962
Other activities	517	532
Corporate and eliminations	22	12
Total	16 086	16 898

HYDRO

Equity in net income of non-consolidated investees

Individual operating segment

NOK million	4th quarter 2005	4th quarter 2004
Exploration and Production	4	2
Energy and Oil Marketing	(16)	(11)
Oil & Energy	(12)	(10)
Metals	(111)	42
Rolled Products	(10)	(9)
Extrusion and Automotive	35	21
Aluminium	(87)	54
Other activities	23	43
Corporate and eliminations	-	2
Total	(76)	90

HYDRO

Equity in net income of non-consolidated investees

Individual operating segment

NOK million	2005	2004
Exploration and Production	6	4
Energy and Oil Marketing	108	73
Eliminations	(2)	(2)
Oil & Energy	112	75
Metals	272	281
Rolled Products	(27)	(13)
Extrusion and Automotive	100	113
Aluminium	345	381
Other activities	164	170
Corporate and eliminations	(1)	3
Total	619	629

HYDRO

Net financial income (expense)

NOK million	4th quarter 2005	4th quarter 2004
Interest income	266	399
Dividends and net gain (loss) on securities	74	13
Interest income and other financial income	340	412
Interest expense	(555)	(374)
Capitalized interest	252	144
Net foreign exchange gain (loss)	(601)	1 606
Other	(16)	(887)
Interest expense and foreign exchange gain (loss)	(919)	488
Net financial income (expense)	(579)	900

HYDRO

Net financial income (expense)

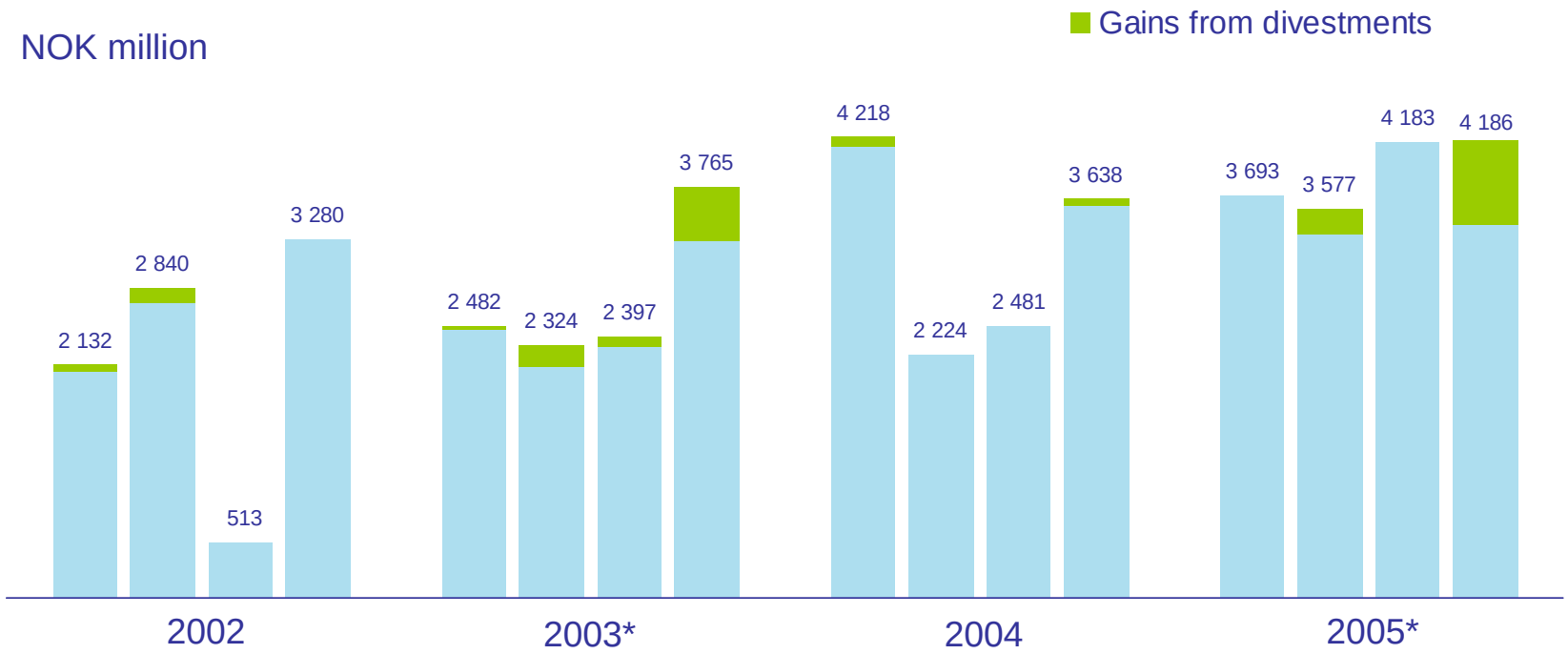
NOK million	2005	2004
Interest income Dividends and net gain (loss) on securities	897 338	973 190
Interest income and other financial income	1 235	1 163
Interest expense Capitalized interest Net foreign exchange gain (loss) Other	(1 745) 867 (2 159) (89)	(2 077) 664 1 350 (964)
Interest expense and foreign exchange gain (loss)	(3 125)	(1 027)
Net financial income (expense)	(1 890)	137

HYDRO

Net income*

By quarter

NOK million



Accumulated

8 765	**10 968**	**12 560**	**15 638**

* Changes in accounting principles for 4th quarter 2005 resulted in a negative amount of NOK 78 million, while the effect in 1st quarter 2003 was a positive amount of NOK 281 million

HYDRO

Investments [1)]

Individual operating segment

NOK million	4th quarter 2005	4th quarter 2004
Exploration and Production [2)] Energy and Oil Marketing	25 979 677	4 021 464
Oil & Energy	26 656	4 485
Metals Rolled Products Extrusion and Automotive	804 302 726	600 307 589
Aluminium	1 832	1 496
Other activities Corporate and eliminations	400 14	330 11
Total	28 902	6 322

1) Additions to property, plant and equipment (capital expenditures) plus long-term securities, intangible, long-term advances and investments in non-consolidated investees

2) Including acquisition of Spinnaker NOK 21.9 billion, including non-cash element of NOK 5.5 billion

HYDRO

Investments [1)]

Individual operating segment

NOK million	2005	2004
Exploration and Production [2)] Energy and Oil Marketing	33 846 2 333	10 606 1 460
Oil & Energy	36 179	12 067
Metals Rolled Products Extrusion and Automotive	1 792 545 1 425	4 244 553 1 398
Aluminium	3 762	6 194
Other activities Corporate and eliminations	1 097 72	1 058 145
Total	41 110	19 464

1) Additions to property, plant and equipment (capital expenditures) plus long-term securities, intangibles, long-term advances and investments in non-consolidated investees

2) Including acquisition of Spinnaker NOK 21.9 billion, including non-cash element of NOK 5.5 billion.

HYDRO

Consolidated balance sheet

NOK million	31.12.2005	31.12.2004
Cash and cash equivalents	10 463	14 366
Short-term investments	3 865	10 970
Receivables and other current assets	41 411	32 220
Inventories	14 553	12 851
Non-current assets	156 902	129 836
Total assets	227 195	200 243
Short-term interest-bearing debt	4 658	3 785
Current portion of long-term debt	379	568
Other current liabilities	48 219	41 724
Long-term interest-bearing debt	21 387	19 487
Other long-term liabilities	22 363	17 703
Deferred tax liabilities	33 713	29 515
Minority interest	981	1 571
Shareholders' equity	95 495	85 890
Total liabilities and shareholders' equity	227 195	200 243
Shareholders' equity per share, NOK	381.80	342.40

HYDRO

Statement of cash flow

NOK million	2005	2004
Operating activities:		
Net income	15 638	12 560
Depreciation, depletion and amortization	16 086	16 898
Other adjustments	(4 339)	(1 734)
Net cash provided by operating activities	27 385	27 724
Investing activities:		
Purchases of property, plant and equipment	(17 562)	(16 187)
Purchases of other long-term investments	(17 263)	(858)
Purchases of short-term investments	(15 162)	(9 166)
Proceeds from sales of property, plant and equipment	1 362	837
Proceeds from sales of other long-term investments	1 862	1 400
Proceeds from sales of short-term investments	22 445	12
Net cash used in investing activities	(24 318)	(23 962)
Financing activities:		
Loan proceeds	1 844	143
Principal repayments	(2 102)	(9 271)
Ordinary shares purchased	(1 589)	(1 684)
Ordinary shares issued	71	44
Dividend paid	(5 021)	(2 811)
Net cash used in financing activities	(6 797)	(13 579)
Foreign currency effect on cash	(173)	(264)
Net cash provided by discontinued operations	-	9 574
Net increase (decrease) in cash and cash equivalents	(3 903)	(507)
Cash and cash equivalents at beginning of period	14 366	14 873
Cash and cash equivalents at end of period	10 463	14 366

HYDRO

Financial solidity – calculation

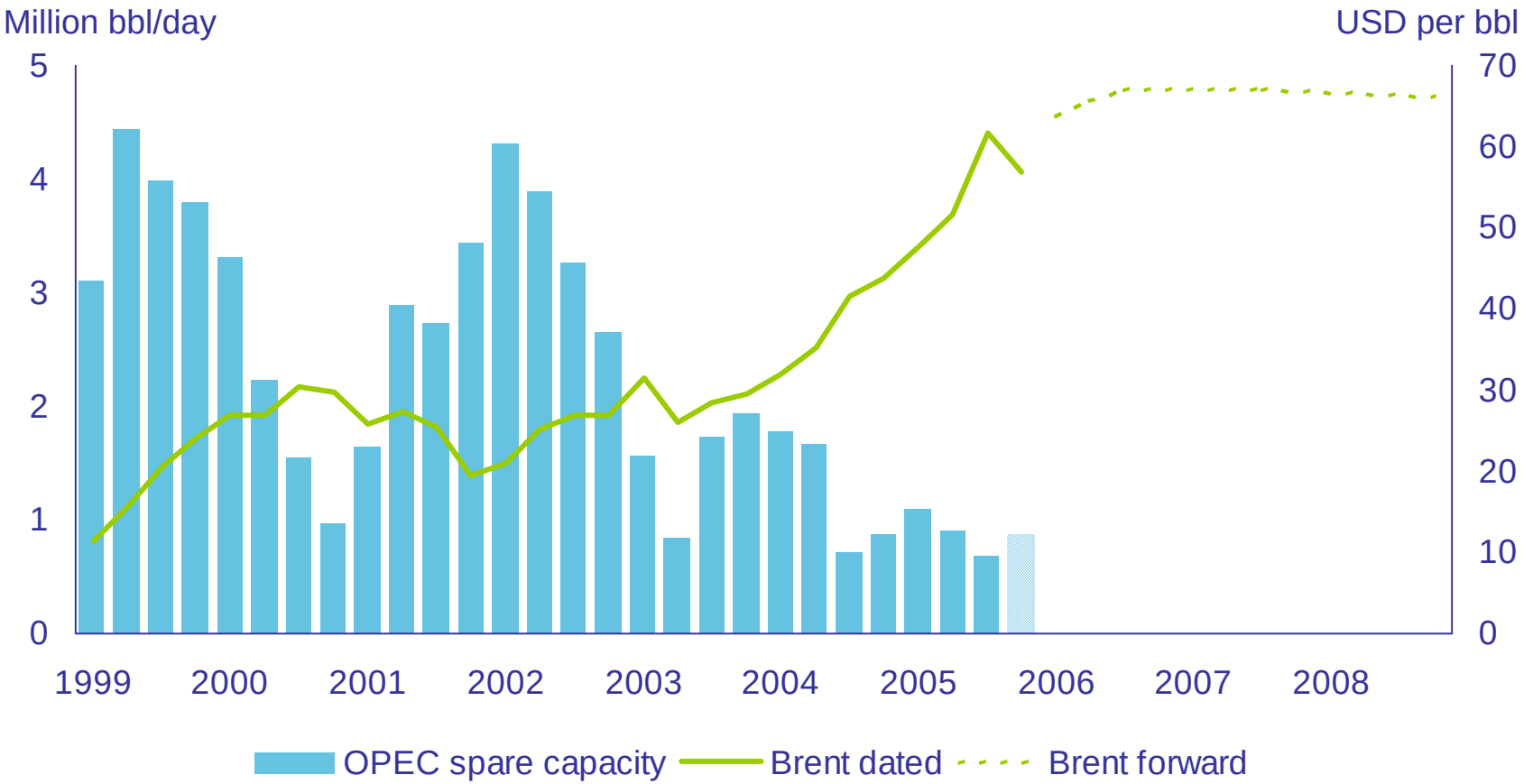
Amounts in NOK million		31 December 2001	31 December 2002	31 December 2003	31 December 2004	31 December 2005
[A]	Cash and cash equivalents	27 148	5 965	15 249	14 366	10 463
[B]	Short-term investments	2 421	2 647	1 581	10 970	3 865
[C]	Bank loans and other interest-bearing short-term debt	(8 458)	(7 306)	(5 569)	(3 785)	(4 658)
[D]	Current portion of long-term debt	(1 966)	(1 958)	(1 242)	(568)	(379)
[E]	Long-term debt	(37 853)	(30 902)	(28 568)	(19 487)	(21 387)
[F]=[A]+[B] +[C]+[D]+[E]	Net interest-bearing debt	(18 708)	(31 554)	(18 549)	1 496	(12 095)
[G]	Net pension liabilities at fair value	(2 133)	(10 107)	(11 973)	(10 056)	(13 529)
[H]	Expected income tax benefit 30%	640	3 032	3 592	3 017	4 059
[I]=[G]+[H]	Net pension liabilities tax adjusted	(1 493)	(7 075)	(8 381)	(7 039)	(9 470)
[J]	Operating lease commitments discounted at 6.9% (2004: 10%)	(5 072)	(4 924)	(4 916)	(3 500)	(6 287)
[K]=[F]+[I]+[J]	Adjusted net interest-bearing debt	(25 272)	(43 552)	(31 846)	(9 043)	(27 853)
[L]	Net pension liabilities not recognized without equity effect	(2 767)	(6 994)	(7 862)	(6 341)	(8 474)
[M]	Expected income tax benefit 30%	830	2 098	2 358	1 902	2 542
[N]=[L]+[M]	Equity adjustment off-balance sheet pension liabilities	(1 937)	(4 896)	(5 504)	(4 439)	(5 932)
[O]	Minority interest	1 051	1 143	660	1 571	981
[P]	Shareholders' equity	74 793	75 867	88 080	85 890	95 495
[Q]=[N]+[O]+[P]	Adjusted shareholders' equity and minority	73 907	72 114	83 236	83 022	90 544
[R]=[K] / [Q]	Adjusted debt / equity ratio	0.34	0.60	0.38	0.11	0.31

HYDRO

Additional information – Oil & Energy

High oil price driven by supply concerns

OPEC spare capacity at low levels

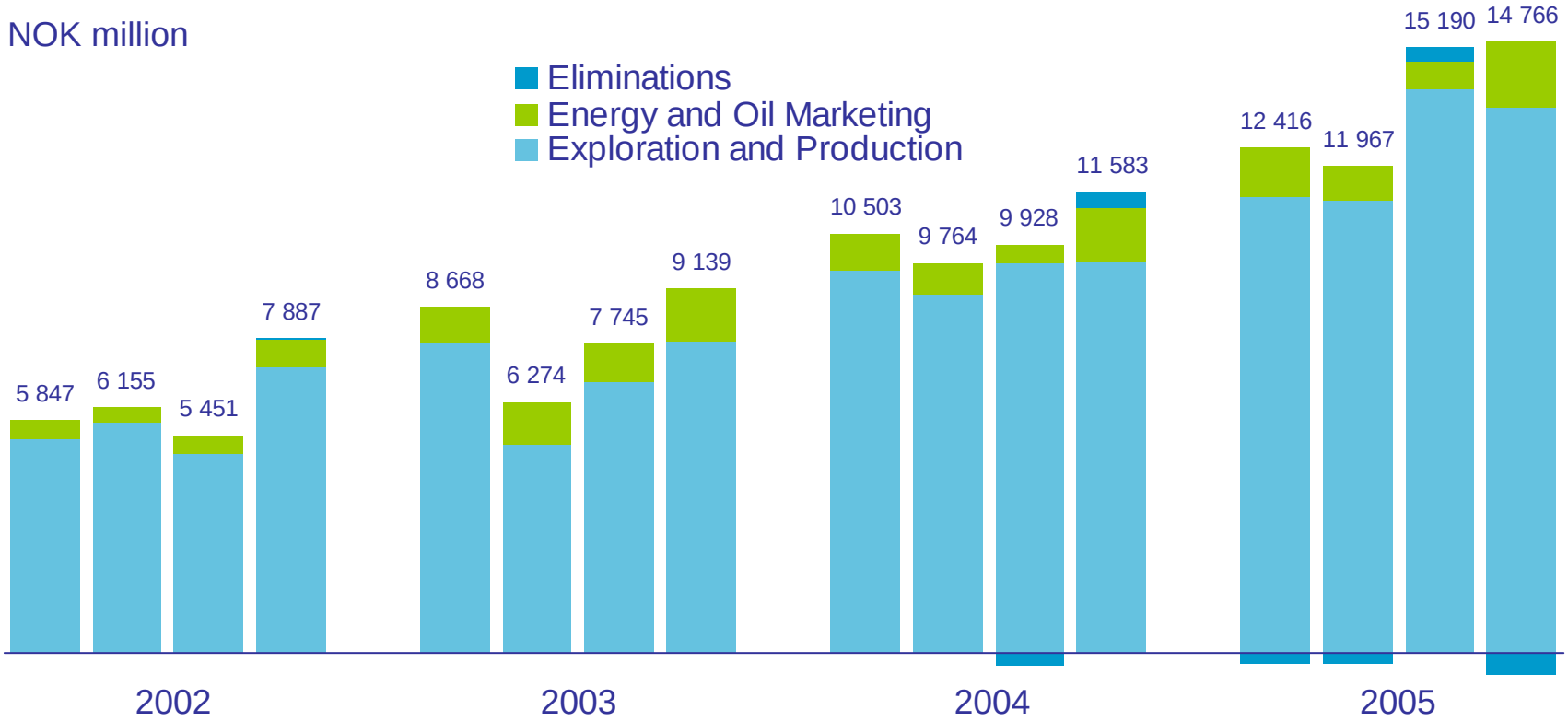


Sources: Pira, Reuters, Platts

Oil & Energy

Adjusted EBITDA

NOK million

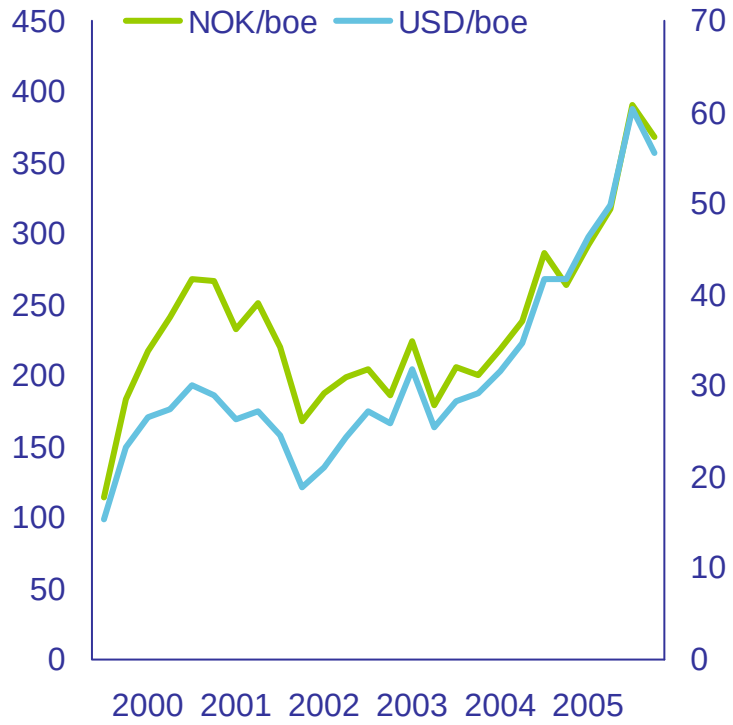


Accumulated

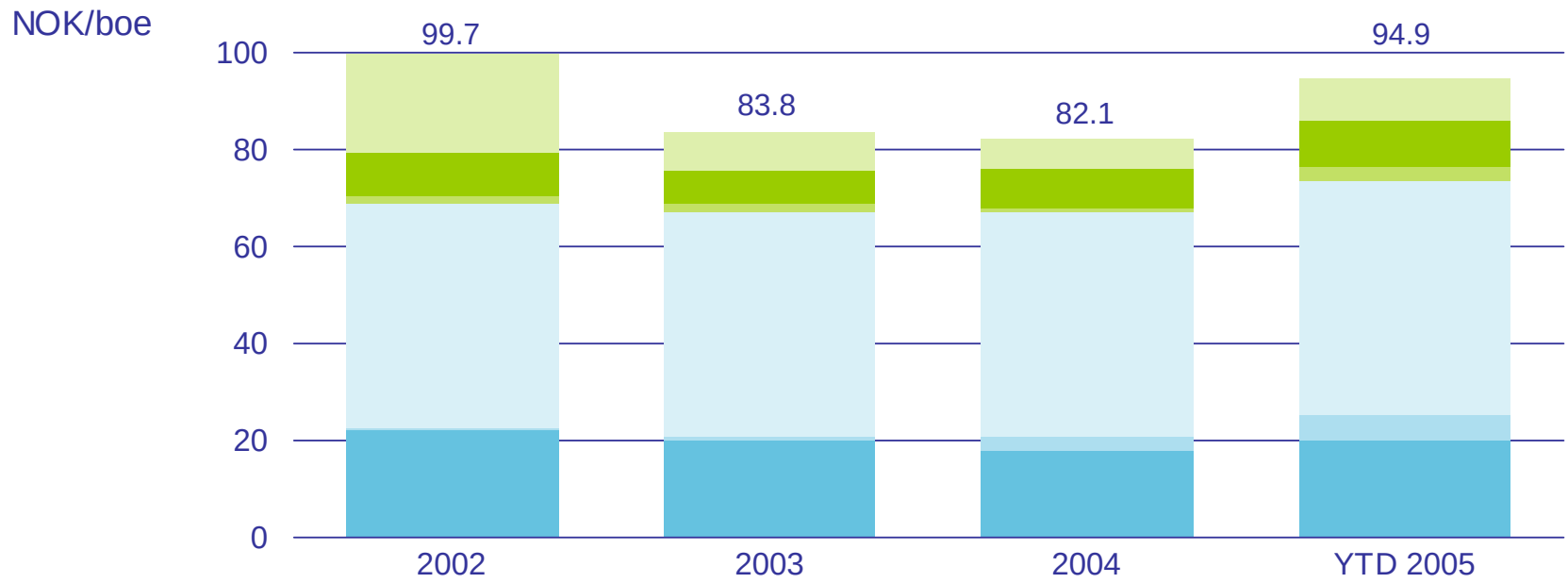
2002	2003	2004	2005
25 340	**31 826**	**41 777**	**54 339**

Average prices and exchange rates

	Oil USD/boe	Oil NOK/boe	NOK/USD	Gas NOK/Sm^3
Q1 2004	31.6	218.3	6.91	1.10
Q2 2004	34.7	238.0	6.85	0.98
Q3 2004	41.7	286.3	6.87	1.07
Q4 2004	41.8	263.8	6.32	1.20
Ave. 2004	37.3	251.3	6.74	1.09
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**



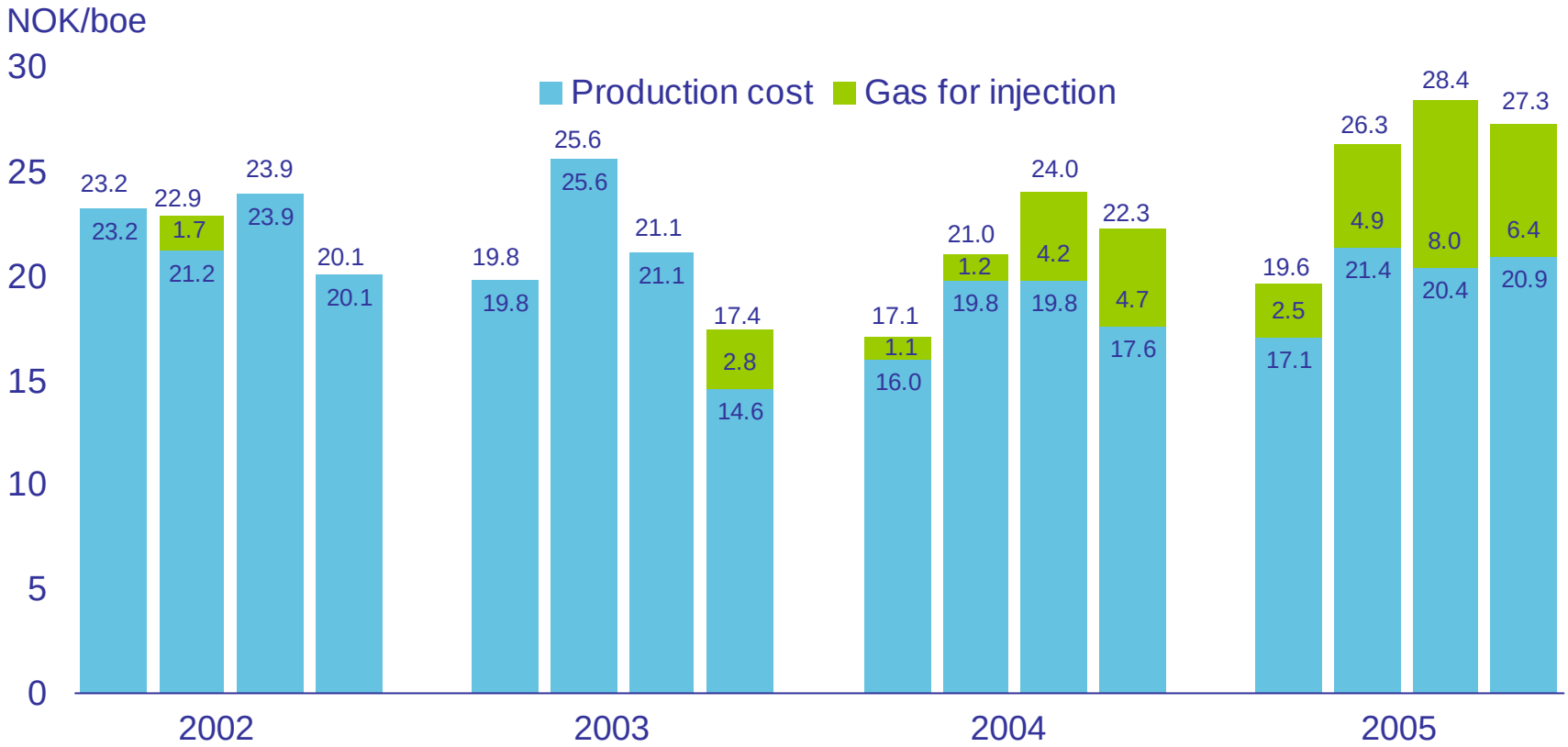
Operating costs per boe



	2002	2003	2004	YTD 2005
Exploration	20.3	8.1	6.0	8.9
Net transportation	9.0	6.8	8.3	9.4
Other cost/income	1.4	1.7	0.7	3
Deprec.& aband.	46.4	46.4	46.4	48.2
Gas for injection	0.4	0.7	2.8	5.4
Prod. cost	22.2	20.0	17.9	19.9
Production million boe	175	194	209	206

HYDRO

Production costs per barrel



	2002	2003	2004	2005
Weighted average	**22.6**	**20.7**	**20.7**	**25.3**
Excl. gas injections	**22.2**	**20.0**	**17.9**	**19.9**

HYDRO

Oil production per field – Q4 2005

Boe/day Oil and NGL/Condensate	Share	Q4 2004	Hydro Q4 2004	Q4 2005	Hydro Q4 2005
Grane	38.00%	141	53	200	76
Oseberg incl C	34.00%	167	57	144	49
Snorre	17.65%	177	31	160	28
Oseberg South	34.00%	74	25	75	26
Troll B&C	9.78%	288	28	238	23
Ekofisk	6.65%	385	26	343	23
Gullfaks inclu. Sat	9.00%	254	23	219	20
Girasol/Jasmin	10.00%	223	22	183	18
Åsgard	9.60%	221	21	190	18
Terra Nova	15.00%	84	13	98	15
Kvitebjørn	15.00%	21	3	71	11
Hibernia	5.00%	200	10	204	10
Vigdis	13.28%	47	6	73	10
Tordis	13.28%	55	7	57	8
Sleipner Area	9.42%	87	8	77	7
Norne	8.10%	123	10	88	7
Kharyaga	40.00%	15	6	18	7
Njord	20.00%	24	5	32	6
Fram	25.00%	40	10	25	6
Visund	20.30%	29	6	30	6
Oseberg East	34.00%	29	10	18	6
Brage	20.00%	28	6	28	6
Other fields					19
Total oil					**405**
Gas					**184**
Total oil and gas					**589**

HYDRO

Gas production per field – Q4 2005

Boe/day	Share	Q4 2004	Hydro Q4 2004	Q4 2005	Hydro Q4 2005
Troll A	9.78%	541	53	556	54
Oseberg incl C	34.00%	76	26	78	26
Sleipner Area	9.42%	241	23	242	23
Tune	40.00%	59	24	52	21
Åsgard	9.60%	192	18	166	16
Kvitebjørn	15.00%	40	6	71	11
Gullfaks inclu. Sat	9.00%	78	7	84	8
Visund	20.30%	0	0	26	5
Oseberg South	34.00%	16	5	14	5
Ekofisk	6.65%	73	5	57	4
Mikkel	10.00%	32	3	27	3
Other	5.00%	200	10	204	9
Total gas					184
Oil					405
Total oil and gas					589

HYDRO

Oil production per field – 2005

Boe/day Oil and NGL/Condensate	Share	2004	Hydro 2004	2005	Hydro 2005
Grane	38.00%	118	45	178	67
Oseberg incl C	34.00%	170	58	149	51
Snorre	17.65%	201	36	157	28
Troll B&C	9.78%	312	30	245	24
Oseberg South	34.00%	80	27	71	24
Ekofisk	6.65%	363	24	354	24
Gullfaks inclu. Sat	9.00%	254	23	228	21
Girasol/Jasmin	10.00%	218	22	200	20
Åsgard	9.60%	223	21	198	19
Terra Nova	15.00%	110	17	99	15
Hibernia	5.00%	204	10	199	10
Vigdis	13.28%	66	9	67	9
Norne	8.10%	124	10	100	8
Fram	25.00%	50	12	31	8
Sleipner Area	9.42%	81	8	81	8
Tordis	13.28%	66	9	55	7
Kvitebjørn	15.00%	5	1	49	7
Kharyaga	40.00%	16	6	16	6
Njord	20.00%	29	6	32	6
Oseberg East	34.00%	31	11	18	6
Brage	20.00%	28	6	27	5
Visund	20.30%	32	6	26	5
Other fields					20
Total oil					398
Gas					165
Total oil and gas					563

HYDRO

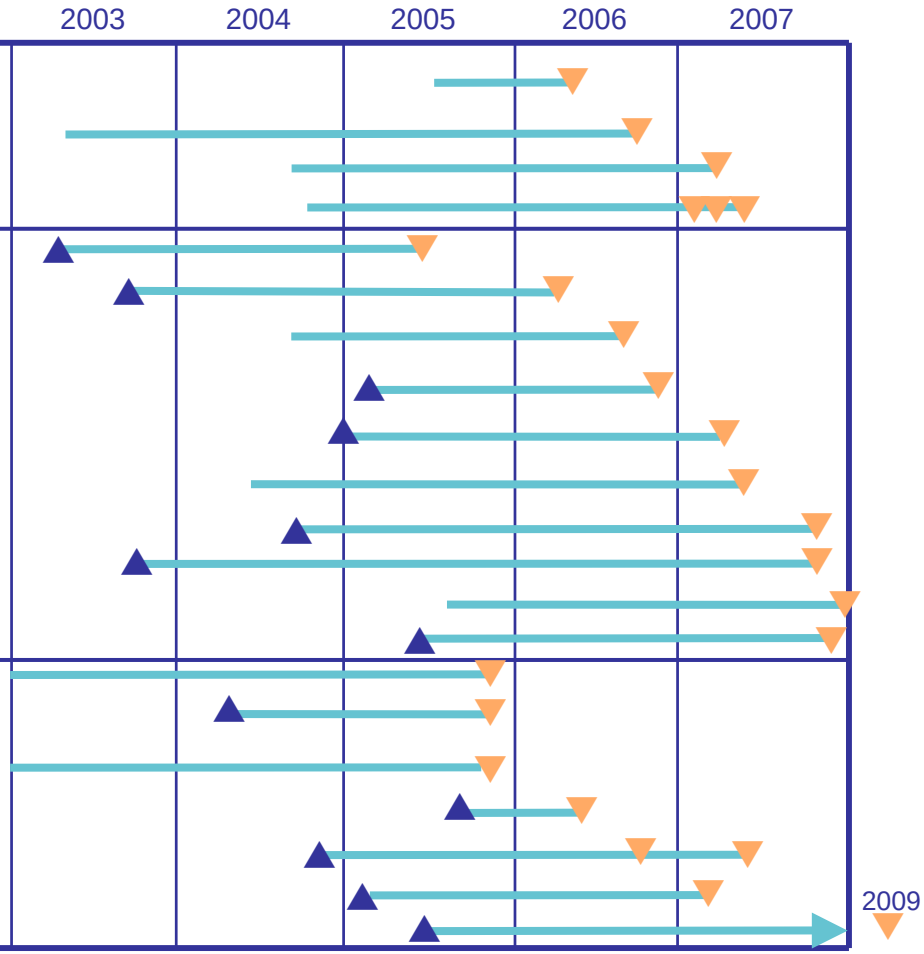
Gas production per field – 2005

Boe/day	Share	2004	Hydro 2004	2005	Hydro 2005
Troll A	9.78%	444	43	469	46
Sleipner Area	9.42%	225	21	248	23
Tune	40.00%	68	27	54	21
Oseberg incl C	34.00%	44	15	51	17
Åsgard	9.60%	173	17	176	17
Kvitebjørn	15.00%	10	2	73	11
Gullfaks inclu. Sat	9.00%	62	6	72	6
Ekofisk	6.65%	67	4	65	4
Oseberg South	34.00%	17	6	12	4
Mikkel	10.00%	29	3	31	3
Visund	20.30%	0	0	7	1
Other	5.00%	200	10	204	10
Total gas					165
Oil					398
Total oil and gas					563

HYDRO

New fields on stream 2005 - 2007

	Field	Hydro peak production (boe/day)	Peak year
International	Lorien	7 000	2006
	Dalia	24 000	2007
	Rosa	13 000	2008
	Eastern Gulf development*	12 500	2008
Operator NCS	Oseberg Sør J	3 500	2006
	Oseberg Vestflanken	12 000	2007
	Oseberg Sør J Sentral	2 000	2009
	Fram East	13 000	2008
	Vilje	8 500	2008
	Oseberg East Drilling solution	6 500	2008
	Njord gas phase	9 000	2008
	Ormen Lange	70 000	2009
	Tune Sør	4 000	2009
	Oseberg Delta	12 500	2009
Non-operator NCS	Visund gas phase	18 000	2015
	Urd (Norne satellites)	7 000	2006
	Kristin	31 500	2007
	Ringhorne East	2 500	2007
	Rimfaks/Skinfaks IOR	3 000	2011
	Volve	6 000	2008
	Tyrihans	14 000	2016

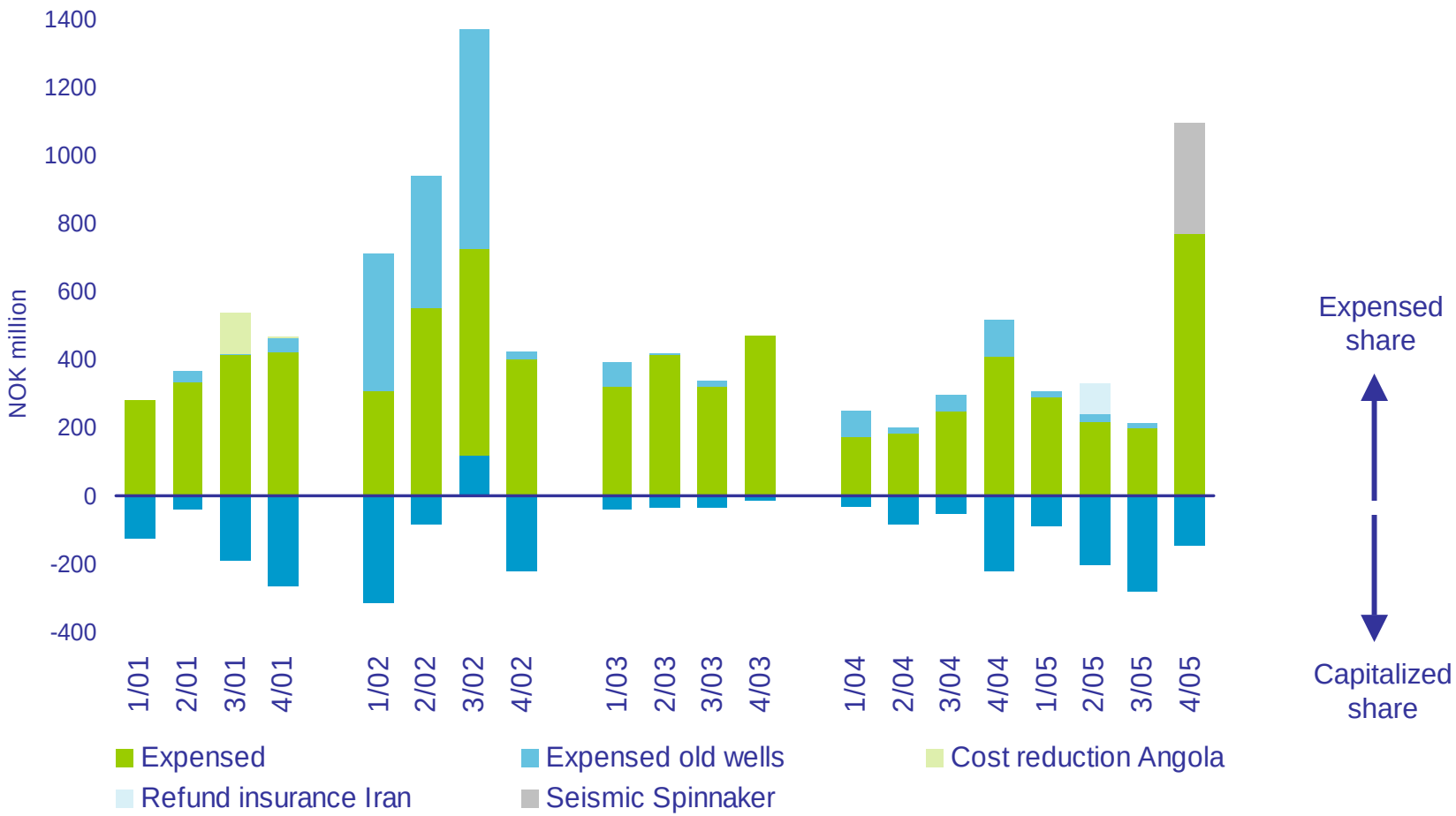


*Consists of the Spiderman, Q, and San Jacinto gas fields

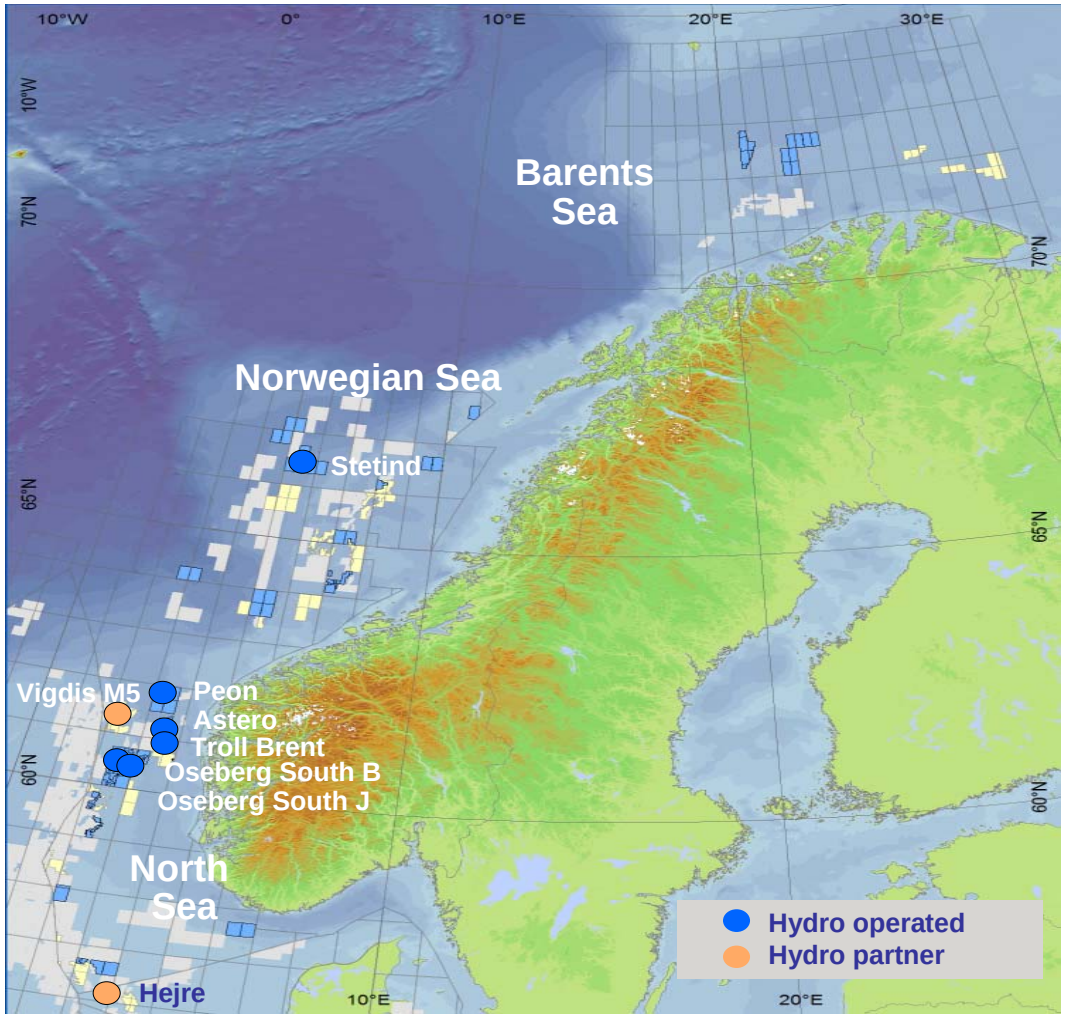
Development ▲ PDO submittal ▼ Start production

HYDRO

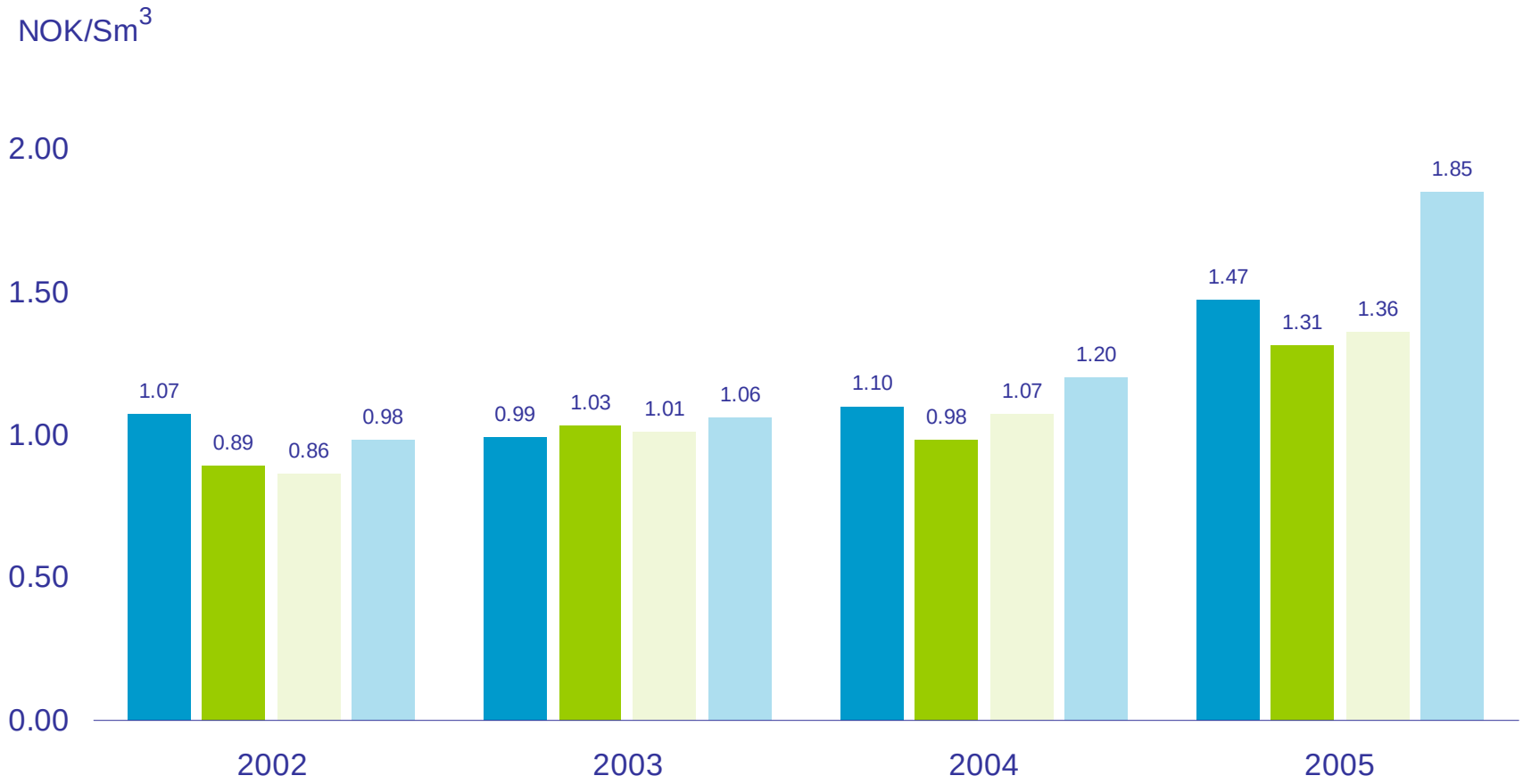
Exploration activity/cost



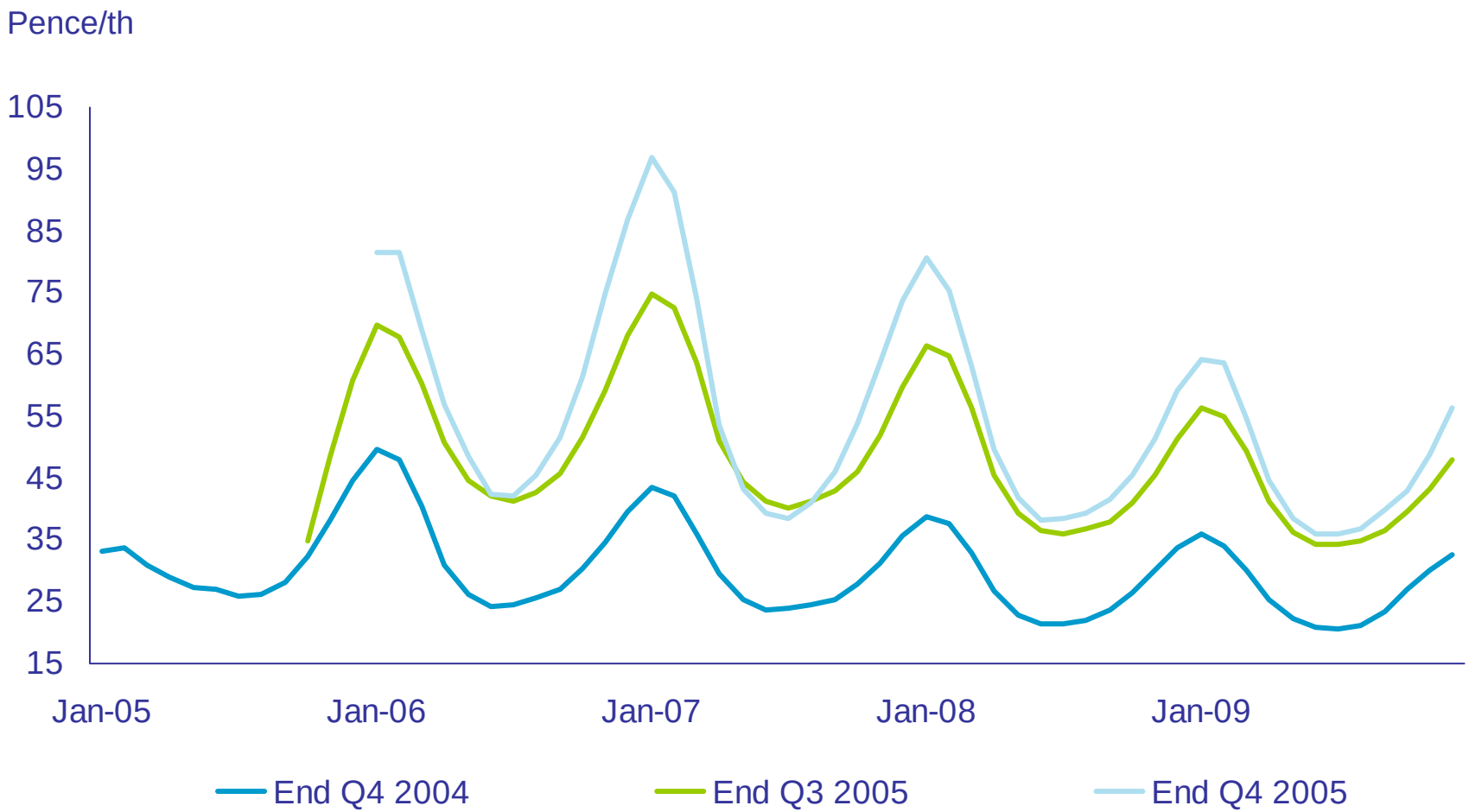
Exploration effort paying off



Average realized gas prices



UK gas prices – NBP forward curves



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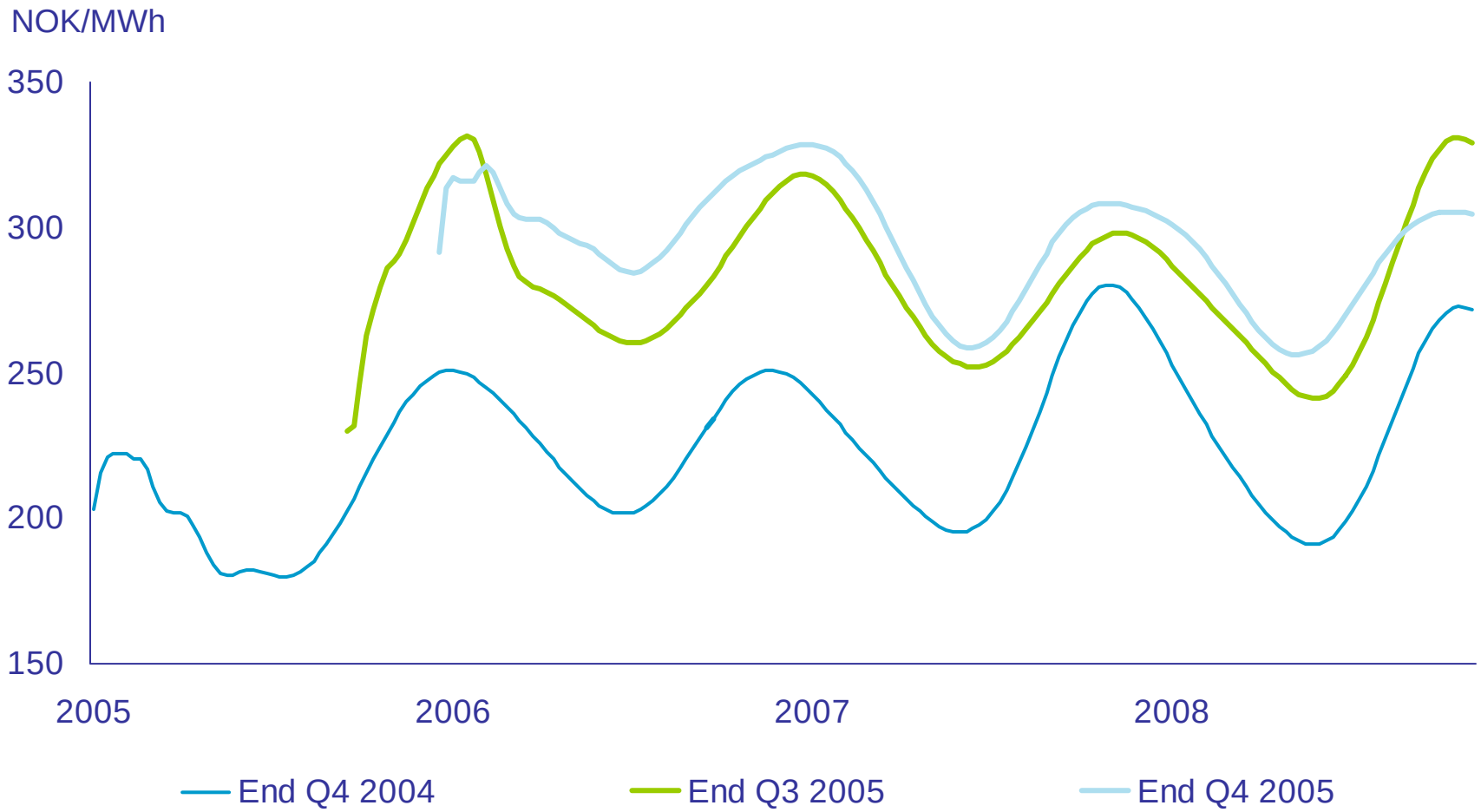
Nordic power market – forward curves



Variance analysis Oil & Energy

NOK million	Year to date	4th quarter
2005	54 339	14 766
2004	41 777	11 583
Variance adjusted EBITDA	12 562	3 183
- Prices and currency		
- Oil	13 260	2 750
- Gas	4 320	1 915
- Currency	(1 400)	470
- Options	(625)	(625)
	15 555	4 510
- Margin	(720)	(790)
- Volume	325	555
- Fixed costs	(105)	(120)
- Depreciation	(220)	(240)
- Production costs	(855)	(245)
- Exploration costs	(575)	(575)
- Other	(1 100)	(180)
Variance operating income	12 307	2 916
- Non-consolidated investees	37	(2)
- Interest income and other	(7)	17
- Other income	6	6
- Depreciation and amortization	218	246
Variance adjusted EBITDA	12 562	3 183

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Variance analysis Exploration and Production

NOK million	Year to date	4th quarter
2005 2004	50 601 38 168	13 677 9 825
Variance adjusted EBITDA	12 433	3 852
Prices and currency - Oil - Gas - Currency - Options	13 260 4 320 (1 400) (625) 15 555	2 750 1 915 470 (625) 4 510
- Volume - Depreciation - Production costs - Exploration costs - Other	(600) (210) (855) (575) (1 085)	320 (255) (245) (575) (180)
Variance operating income	12 231	3 574
- Non-consolidated investees - Interest income and other - Depreciation and amortization	3 (10) 210	3 22 255
Variance adjusted EBITDA	12 433	3 852

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Variance analysis Energy and Oil Marketing

NOK million	Year to date	4th quarter
2005 2004	4 456 3 478	1 645 1 325
Variance adjusted EBITDA	978	320
- Margin - Volume - Fixed costs - Depreciation - Other	130 925 (105) (10) (15)	200 240 (125) 15 -
Variance operating income	925	331
- Non-consolidated investees - Interest income and other - Other income - Depreciation and amortization	35 4 6 8	(5) (3) 6 (9)
Variance adjusted EBITDA	978	320

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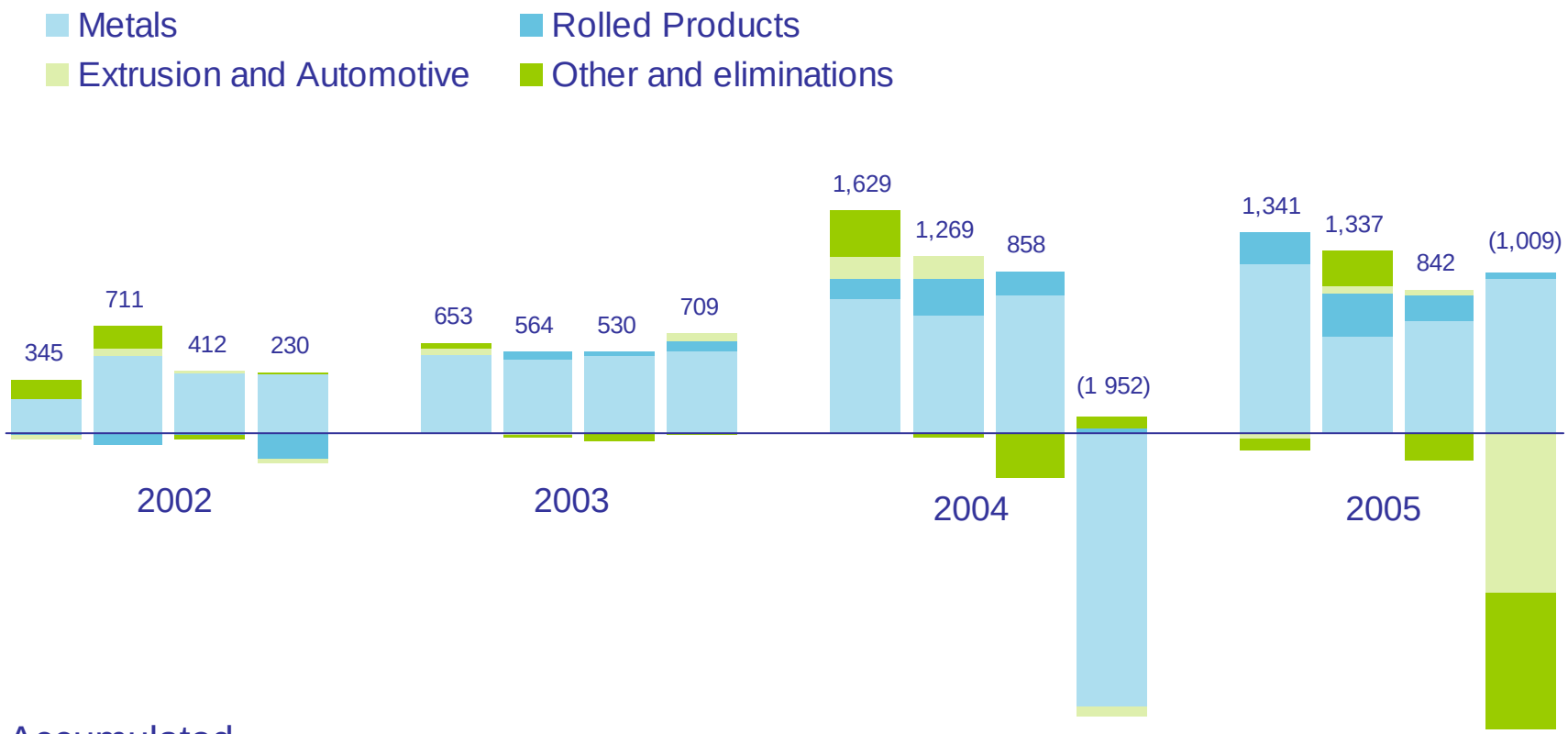
Additional information - Aluminium

Aluminium – operating income

NOK million

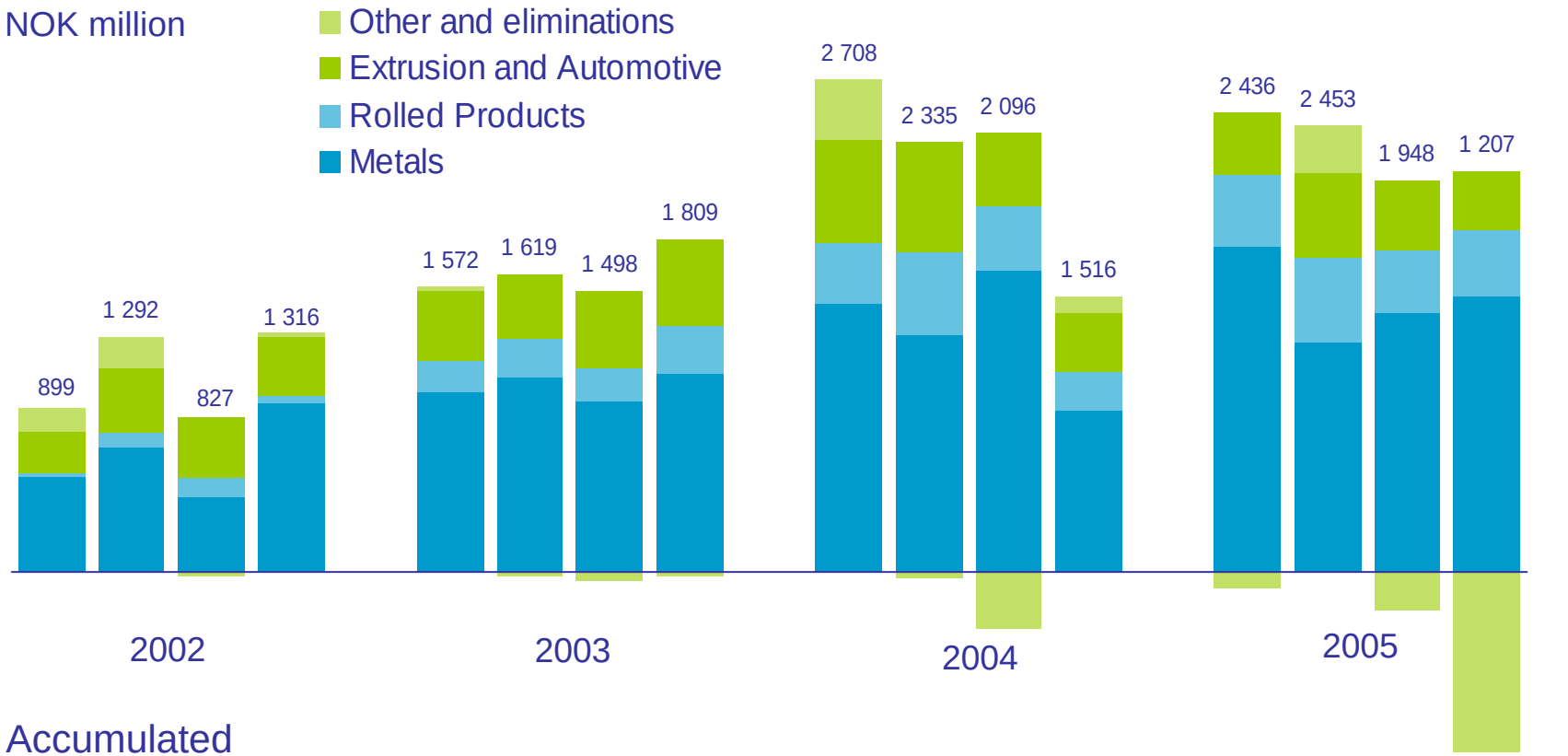


Accumulated

2002	2003	2004	2005
1 698	**2 456**	**1 805**	**2 511**

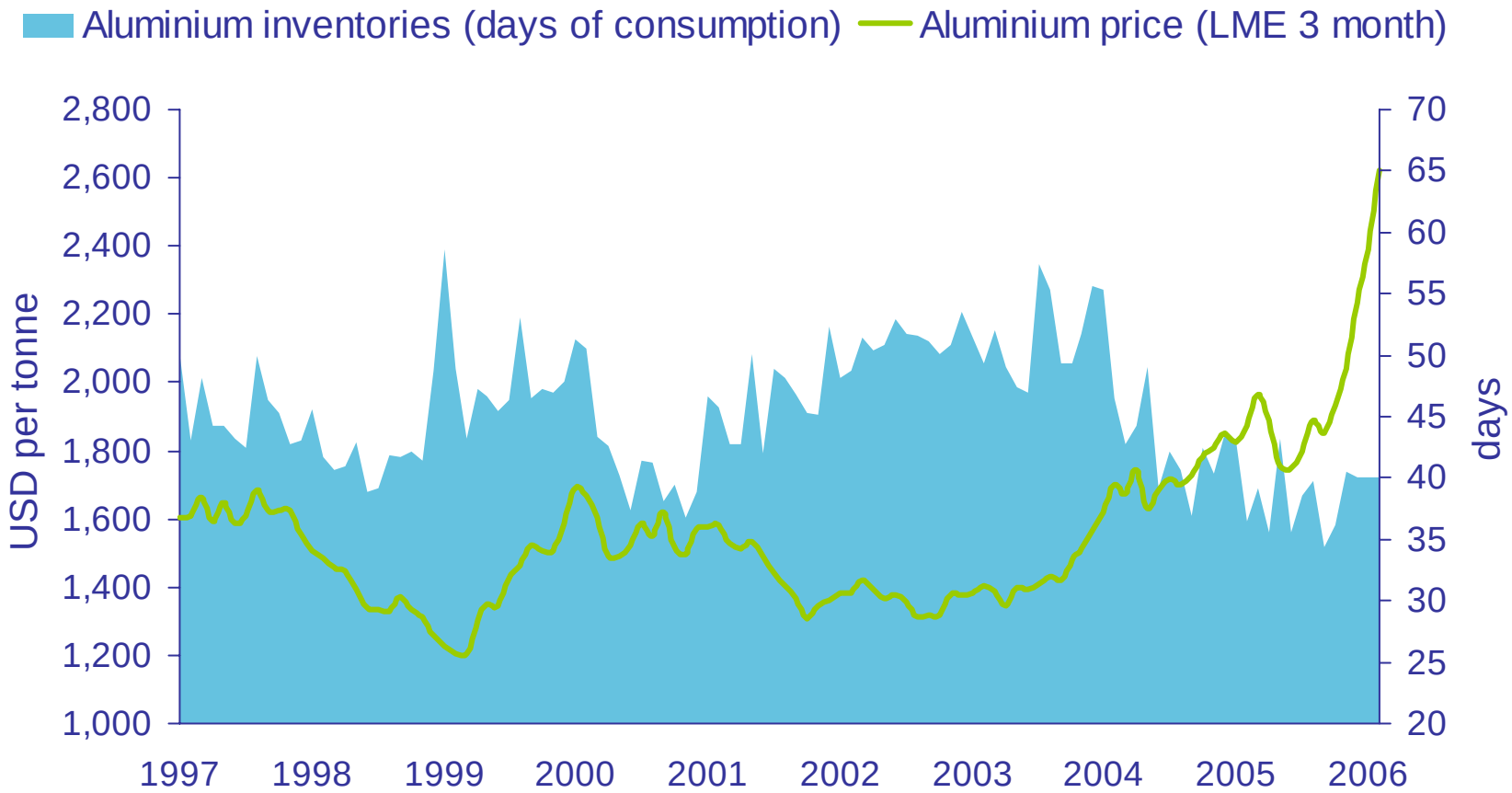
Aluminium

Adjusted EBITDA



Accumulated			
4 334	**6 498**	**8 655**	**8 044**

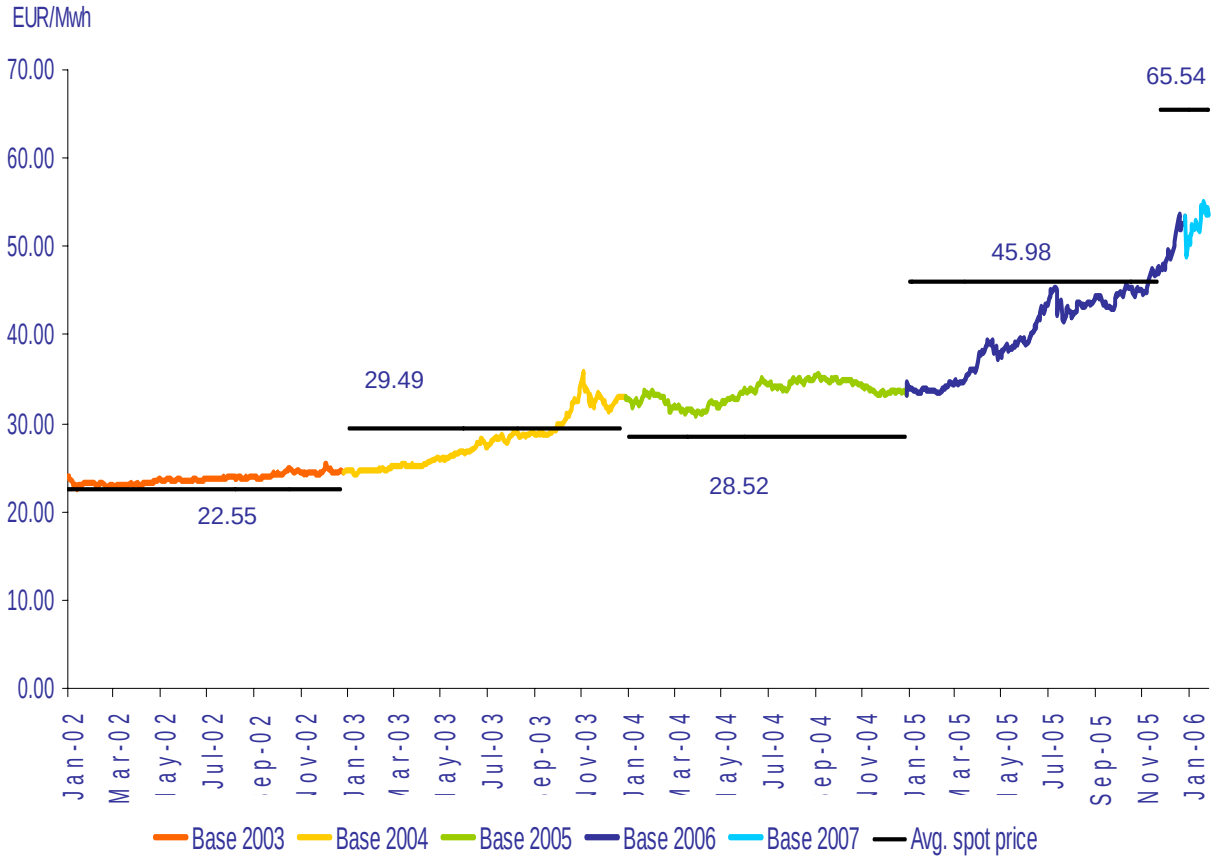
Primary aluminium market



Aluminium price LME 3 month updated up to February 6th 2006

Current Position – Power Market

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



- Forward prices all time high – above 50€/Mwh
- Forward power prices driven by CO_2 and fuel prices
- Inefficient power market dominated by few players
- Grid cost and taxes comes in addition:
  Smelters +4-5 €/Mwh
  Rolling + 10-20€/Mwh

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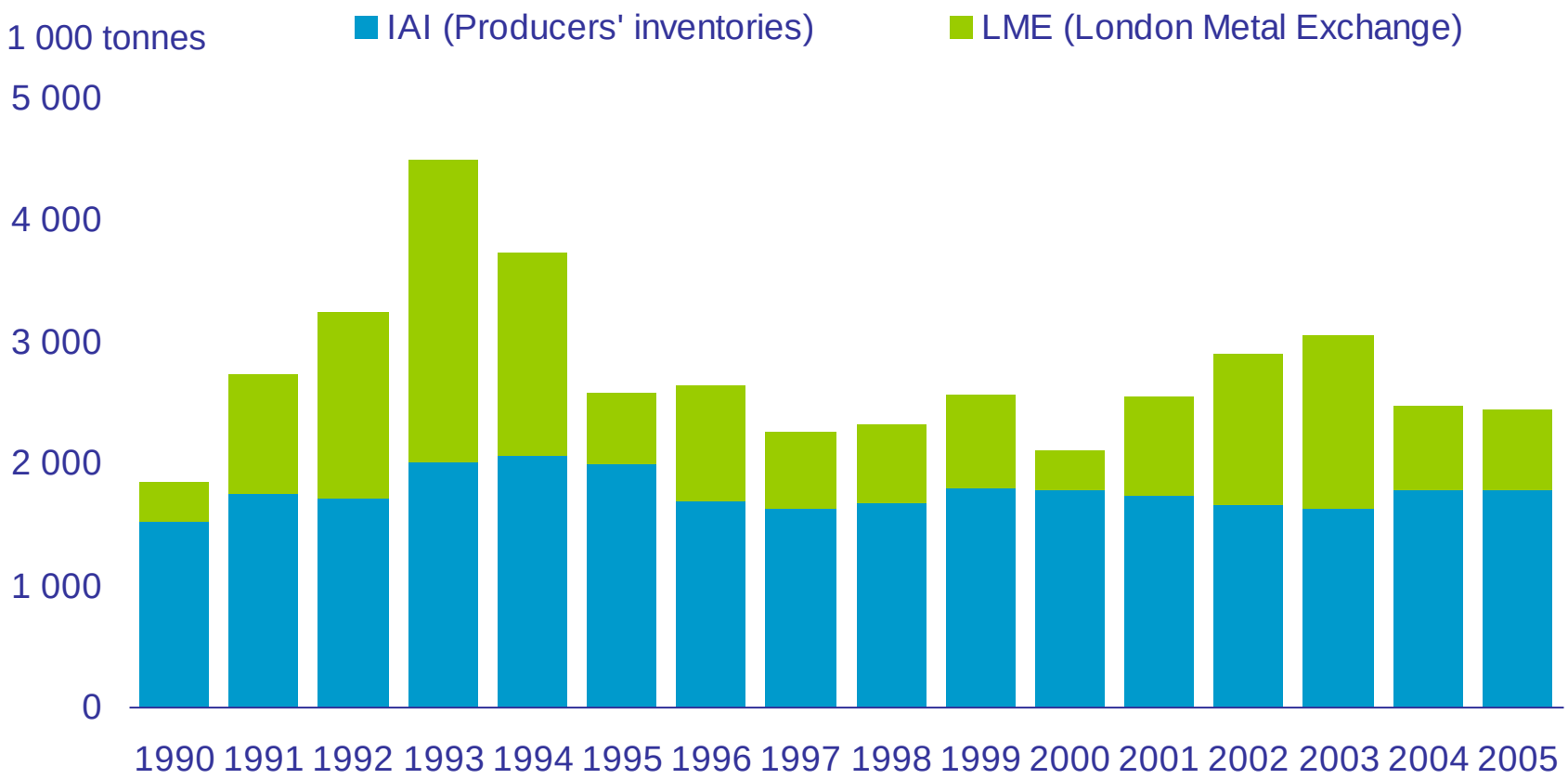
Inventories – primary aluminium



Sources: IAI and LME

Aluminium – operational data

Volumes and prices	Q4 2005	Q3 2005	Q2 2005	Q1 2005	Q4 2004	Q3 2004	Q2 2004	Q1 2004
Primary production (1 000 tonnes) *	464	461	457	444	446	441	418	415
Total metal products sales excluding trading (1 000 tonnes)	736	741	835	802	735	752	776	786
LME realized (USD/tonne) including hedges	1 851	1 770	1 842	1 783	1 678	1 667	1 647	1 525
NOK/USD realized including hedges **	6.69	6.53	6.49	6.58	6.65	7.04	7.10	7.13
LME realized (USD/tonne) excluding hedges	1 883	1 796	1 886	1 812	1 707	1 691	1 669	1 530
NOK/USD realized excluding hedges **	6.64	6.44	6.27	6.35	6.61	6.87	6.89	6.90
Rolled Products external shipment (1 000 tonnes)	227	244	243	239	231	234	235	240
Extrusion and Automotive external revenues (NOK million)	6 475	6 146	6 909	6 511	6 580	6 572	6 476	7 459
Extrusion order intake (indexed, 1996=100)	203	194	223	210	184	205	232	223

* 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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Variance analysis Aluminium

NOK million	Year to date	4th quarter
2005 2004	8 044 8 655	1 207 1 516
Variance adjusted EBITDA	(611)	(309)
- Margin - Volume - Fixed costs - Depreciation - Trading and hedging [1)] - Unrealized LME effects - Restructuring costs - Infrequent items - Other	(565) (105) 945 225 170 (1 195) (20) 1 320 (70)	420 110 (20) 50 280 (1 090) (20) 1 310 (100)
Variance operating income	706	943
- Non-consolidated investees - Interest income and other - Depreciation and amortization	(36) 31 (1 313)	(141) 11 (1 122)
Variance adjusted EBITDA	(611)	(309)

1) Includes realized effects from the Sunndal hedge program

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Variance analysis Metals

NOK million	Year to date	4th quarter
2005 2004	6 025 5 372	1 516 903
Variance adjusted EBITDA	653	613
- Margin - Volume - Fixed costs - Depreciation - Trading & price hedging [1)] - Infrequent items - Other	(155) 600 (5) 70 170 2 465 (105)	390 155 (100) 10 280 2 450 (105)
Variance operating income	3 038	3 081
- Non-consolidated investees - Interest income and other - Depreciation and amortization	(9) 17 (2 393)	(153) 7 (2 322)
Variance adjusted EBITDA	653	613

1) Includes realized effects from the Sunndal hedge program

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Variance analysis Rolled Products

NOK million	Year to date	4th quarter
2005 2004	1 565 1 361	363 217
Variance adjusted EBITDA	204	146
- Margin - Volume - Fixed costs - Depreciation - Infrequent items - Other	(235) 70 320 65 (90) -	60 (25) 105 5 (145) -
Variance operating income	128	2
- Non-consolidated investees - Interest income and other - Depreciation and amortization	(14) 5 83	(2) - 145
Variance adjusted EBITDA	204	146

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Variance analysis Extrusion and Automotive

NOK million	Year to date	4th quarter
2005 2004	1 495 1 850	323 308
Variance adjusted EBITDA	(355)	15
- Margin - Volume - Fixed costs - Depreciation - Restructuring costs - Infrequent items - Other	(255) (775) 630 85 (20) (1 050) 35	(35) (25) (25) 30 (20) (990) 5
Variance operating income	(1 348)	(1 058)
- Non-consolidated investees - Interest income and other - Depreciation and amortization	(13) 9 997	14 4 1 056
Variance adjusted EBITDA	(355)	15

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Additional information – Other Businesses

Variance analysis Polymers

NOK million	Year to date	4th quarter
2005 2004	564 774	1 232
Variance adjusted EBITDA	(210)	(231)
- Margin - Volume - Fixed costs - Depreciation - Other	(45) (150) 55 (20) (25)	(135) (45) 15 (5) (10)
Variance operating income	(185)	(183)
- Non-consolidated investees - Interest income and other - Depreciation and amortization	(42) (2) 19	(56) - 7
Variance adjusted EBITDA	(210)	(231)

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