Hydro

A focused aluminium and energy company

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Cautionary statement

Certain statements included within this announcement 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.

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.

Hydro in the aluminium value chain

Primary aluminium production

Aluminium in products, recycling

Bauxite/ alumina	Energy	Primary aluminium	Metal products	Semi fabrication	Remelt
					
65% equity in alumina	Solid long-term coverage of power towards 2020 100% hydro-power in Norway Solar energy	1.75 mill. mt/year 10 metal plants in 5 countries on 3 continents 5 100 employees (2 700 in Norway)	2.9 mill. mt/year (primary+remelt +cold metal) Special alloys	1.6 mill. mt/year Operations in more than 30 countries 14 800 employees (1 800 in Norway)	502 000 ton remelt/year 11 remelters in 5 countries on 2 continents
•Equity	•Long-term power supply	•Cost position •Technology	• Expertise in materials •Technology	•Close to customers •Innovation	•Expertise in materials

2008 production figures

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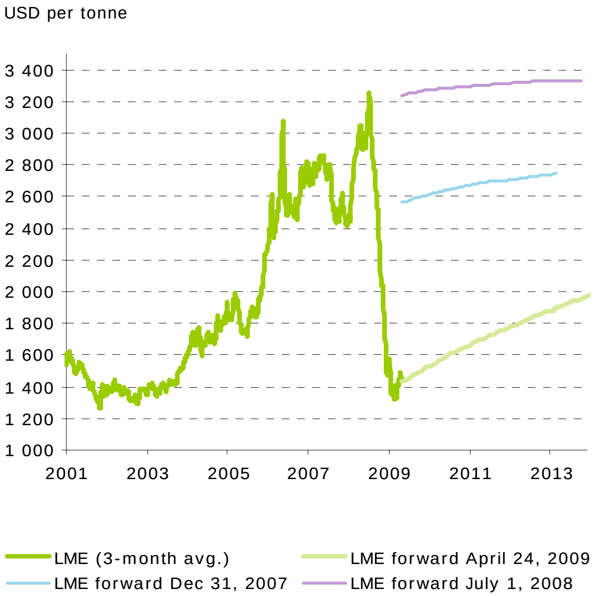
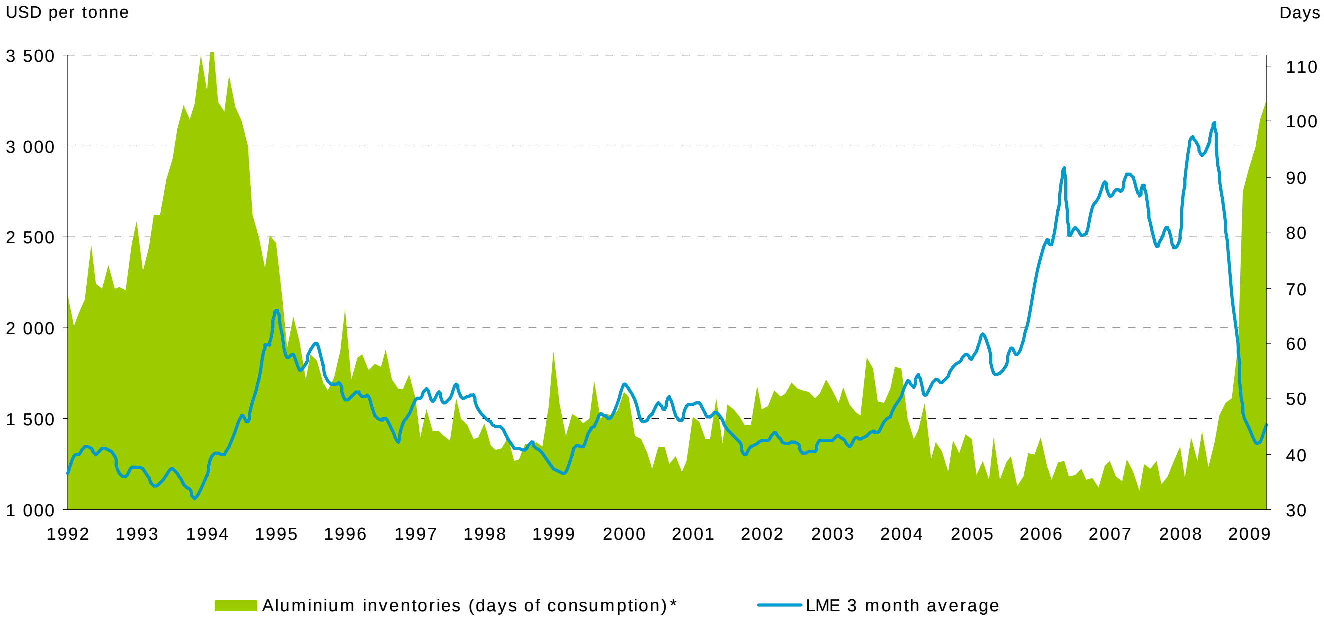
Unprecedented fall in aluminium price



Primary aluminium LME	USD/tonne	NOK/tonne
Q1 2009 average	1 397	9 593
Q1 2009 end	**1 405**	**9 555**
Q4 2008 average	1 882	12 690
Q4 2008 end	**1 497**	**10 397**
Average 2008	2 620	14 446
Average 2007	2 662	15 638
Average 2006	2 594	16 616

Source: Reuters Ecowin / Bloomberg April 24, 2009

Rapidly increasing inventories



*IAI and LME reported stocks. Annualized Western World consumption. CIS and China not included.

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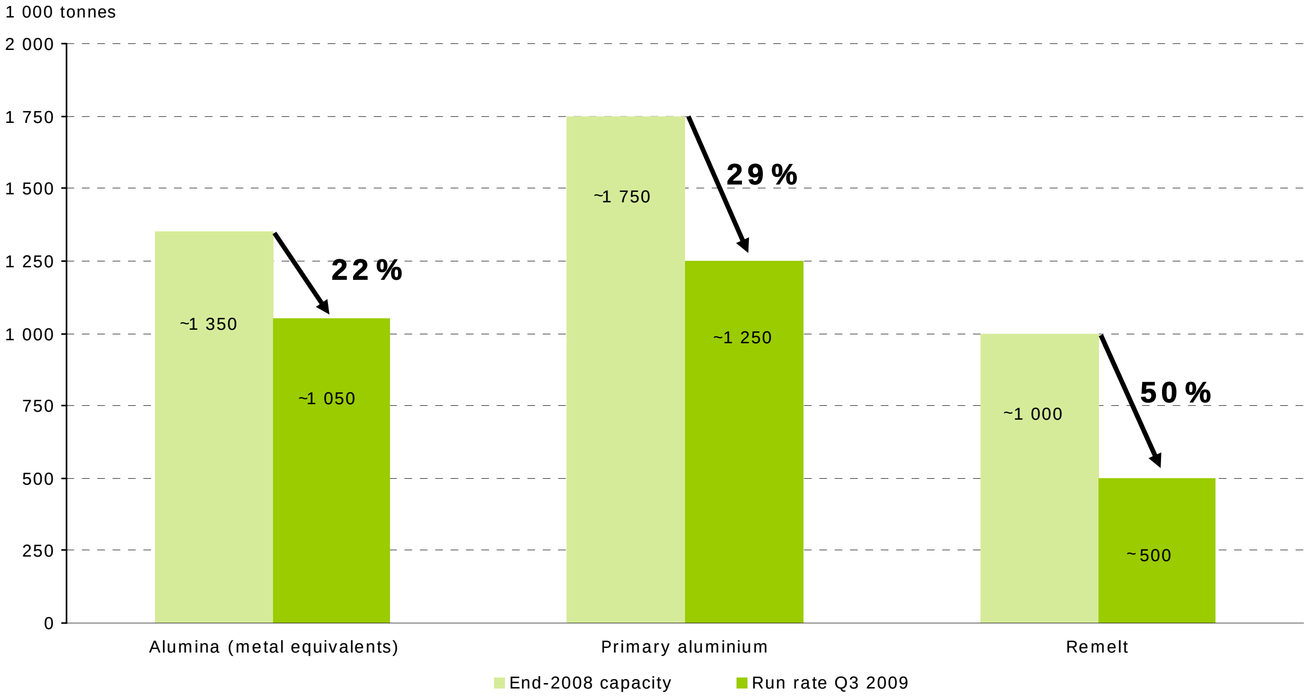
Upstream production curtailments



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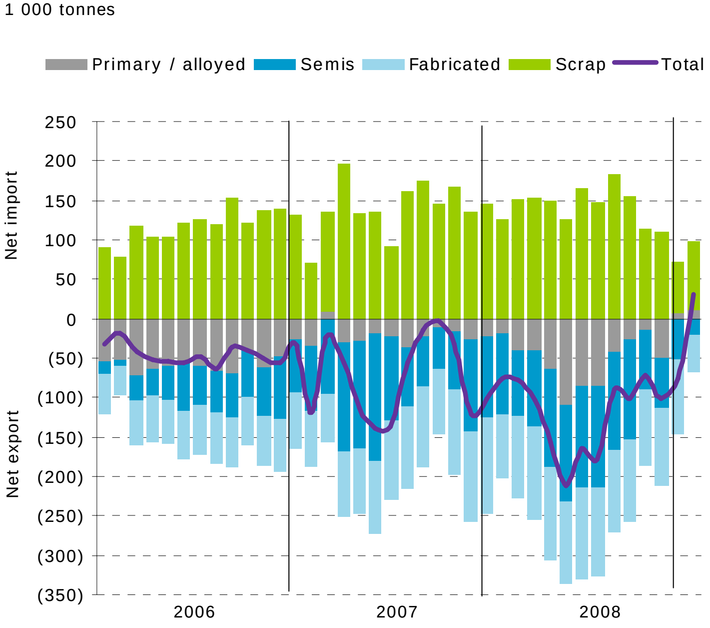
China remains balanced



Source: Hydro / Antaike April 2, 2009

- Swift response to drop in demand
  - Production curtailments
  - Strategic government purchases
- Shanghai price currently significantly higher than LME
  - Encourages primary aluminium imports
  - Exports of semis reduced
- China expected to be balanced in primary aluminium in the long term

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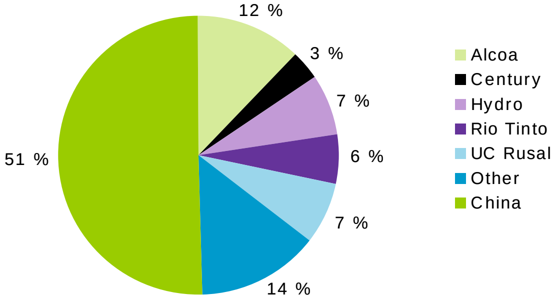
Announced capacity curtailments



China	~3.5 million tonnes*
Rest of world	~3.4 million tonnes
Total	~6.9 million tonnes

World production and consumption (excl. China), annualized

Source: CRU / company reports / Hydro estimates. *Not adjusted for reports of restarts in China

2009 outlook

- Aluminium prices to remain low
  - Limited forward visibility
  - Indication of slowing LME inventory build-up
- No substantial pick-up in demand
  - Primary aluminium consumption excluding China could decline up to 15-20% from 2008
  - Chinese consumption in line with 2008
- Industry input costs will come further down

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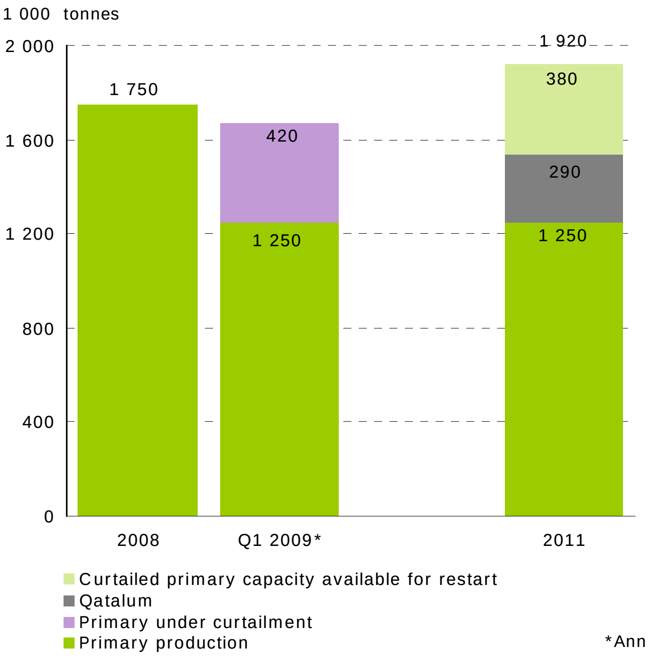
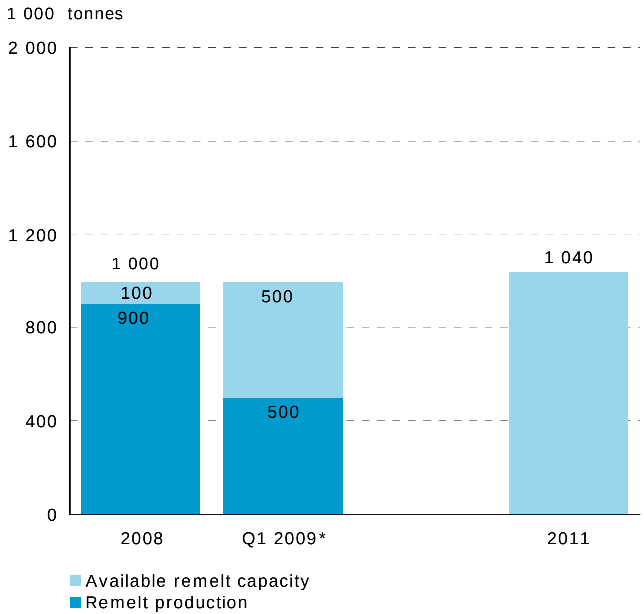
Flexible production system

Primary aluminium

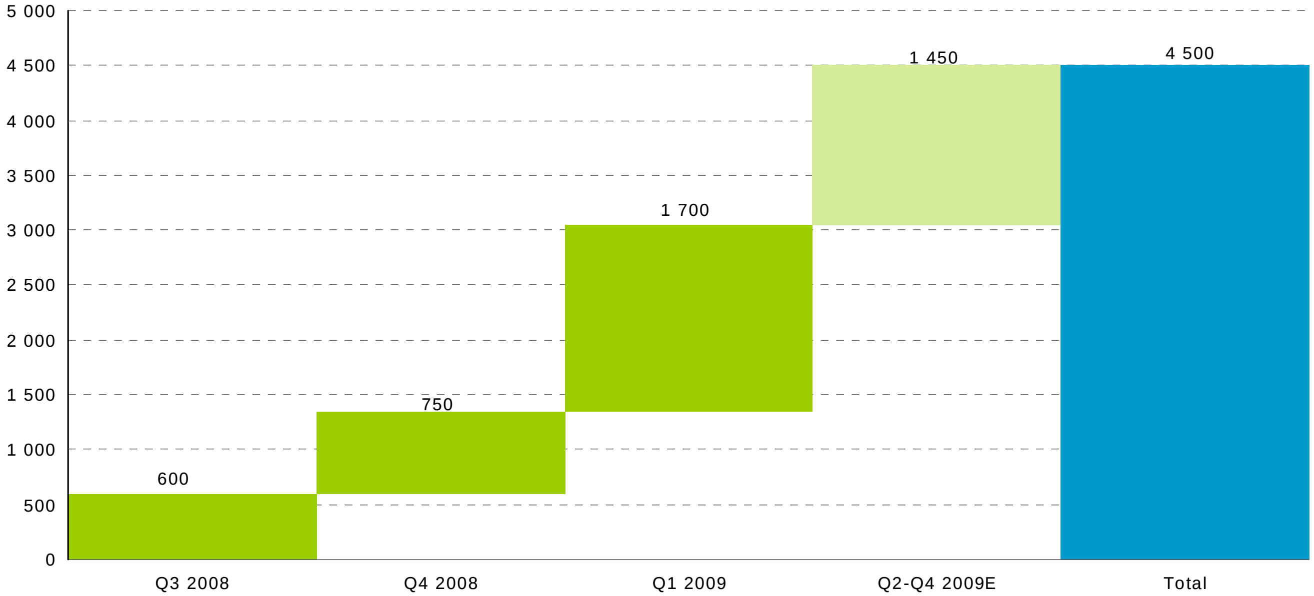


Remelt



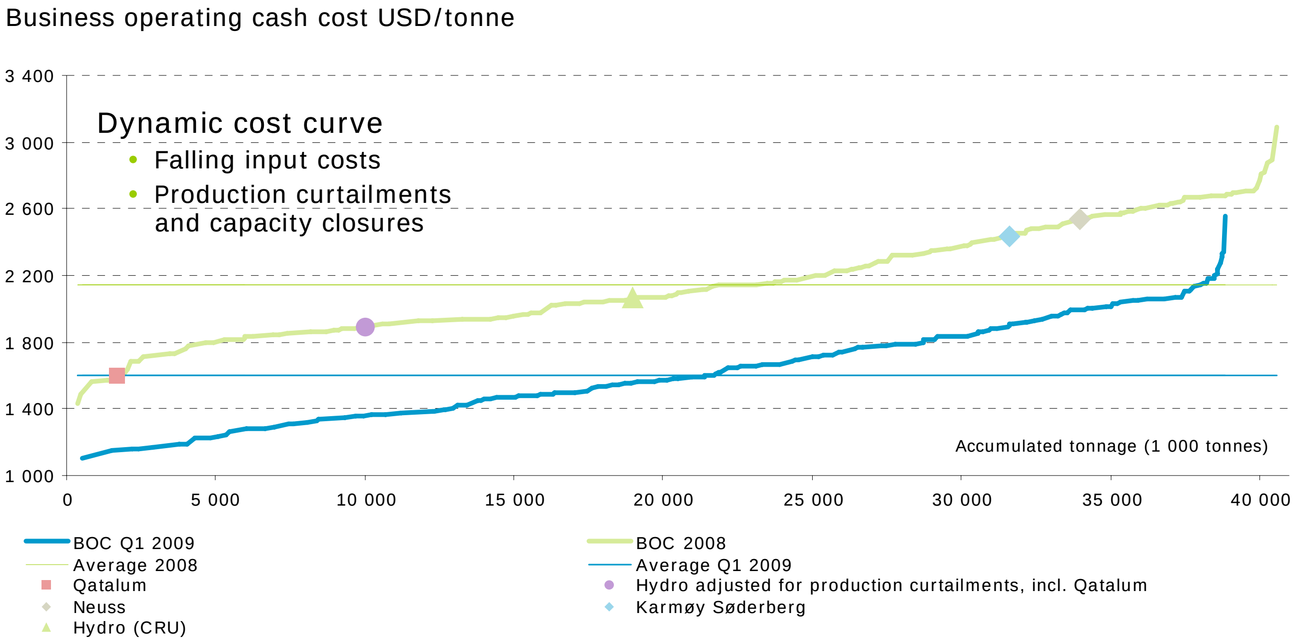
*Annualized

Significant manning reductions



Reduction in number of permanent and temporary employees and contractors

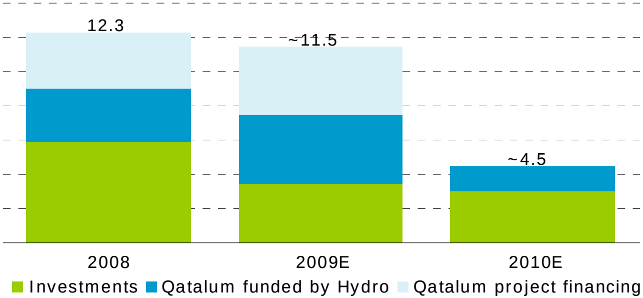
Hydro improves cost position



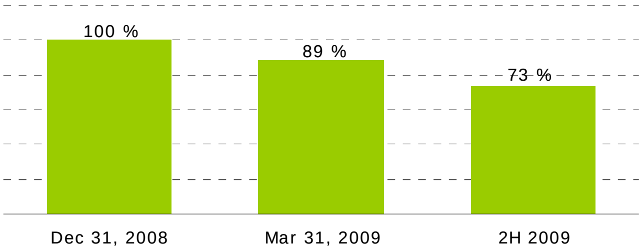
* *Source: CRU, Business Operating Cost, assumptions 2008: LME 2 833 USD/tonne, NOK/USD 5.16, Q1 2009: LME 1 600 USD/tonne, NOK/USD 6.42. Qatalum estimated by Hydro*

Focus on preserving cash

Capital expenditures, NOK billion



Tonnes of metal in inventory being reduced



*Excluding Qatalum

Capital expenditures reductions*

- 2008-2009: 40%
- 2009-2010: 15%

CAP alumina project postponed, production start-up in 2012 subject to market conditions

Operating capital reductions

- Cash generation in Q1: ~NOK 1.3 billion
- Further reductions targeted
- Proactive follow-up of counterparty risk

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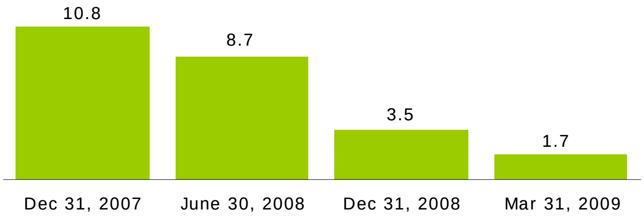
Financial position

Net cash / (debt) in NOK billion



NOK billion	Dec 31, 2007	Jun 30, 2008	Dec 31, 2008	Mar 31, 2009
Net cash / (debt)	10.8	8.7	3.5	1.7
Net int.-bearing debt in equity accounted invest.	(3.2)	(3.0)	(4.9)	(6.8)
Other adjustments*	(8.4)	(7.8)	(14.0)	(13.7)
Adj. net interest-bearing debt	**(0.8)**	**(2.1)**	**(15.4)**	**(18.8)**

* Net pension liability, operating lease commitments and other

Secured financing: ~NOK 20 billion

- New EUR 750 million in 3-year bank facility
- New NOK 1 billion in commercial paper
- USD 1.7 billion in a multi-currency revolving facility maturing in 2014
- NOK 1.3 billion short-term
- Currently NOK 18.2 billion undrawn

Qatalum financing: USD 5.6 billion (100%)

- USD 2.6 billion project financed
  - USD 0.6 billion outstanding end-Q1
- USD 3.0 billion in equity from owners
  - USD 1.6 billion remaining end-Q1

Qatalum on target

- 50/50 joint venture between Hydro and Qatar Petroleum
- Investment USD 5.6 billion (100%)
- 73% complete by end-Q1
- On target for scheduled start-up 2009/2010
- First decile position on cash cost curve

- First-stage capacity
  - Smelter: 585 000 tonnes per year
  - Hydro technology
  - Anode plant and cast houses
  - 1 250 MW power plant
  - Possible expansion to 1 200 000 tonnes

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Global megatrends intact?

Millions climbing out of poverty

Increasing need for energy

Climate challenge

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Healthy long-term demand for aluminium

- Properties lead to increased market share
  - Aluminium intensive urbanisation and infrastructure
  - Climate challenge – aluminium as part of the solution
  - Recyclability more important with high energy price

- Beyond current downturn
  - Return to trend growth of 4-5% annually

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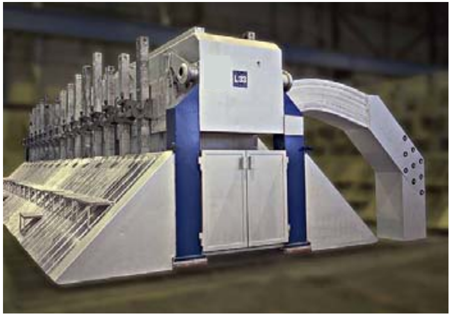
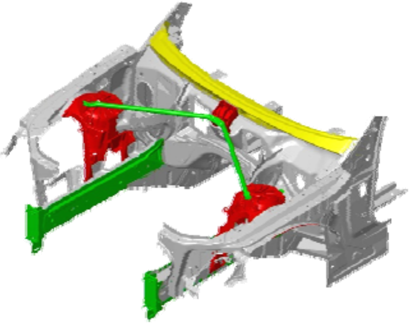
Technology-based value creation





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Priorities in 2009

- Proactive corrective measures
  - Cost reductions and margin management
  - Working capital and counterparty risk
  - Production curtailments
- Cash focus – maintain financial flexibility
- Operational excellence
- Qatalum execution

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