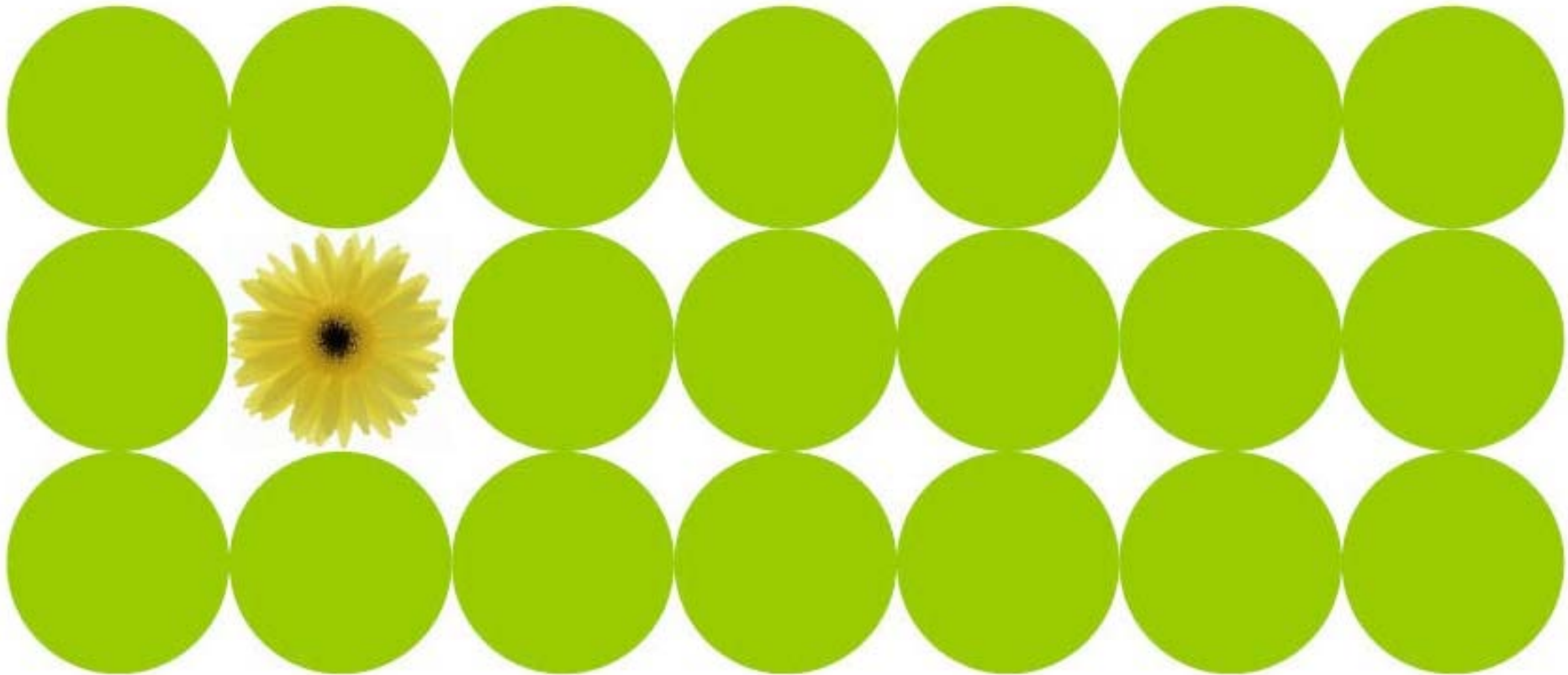
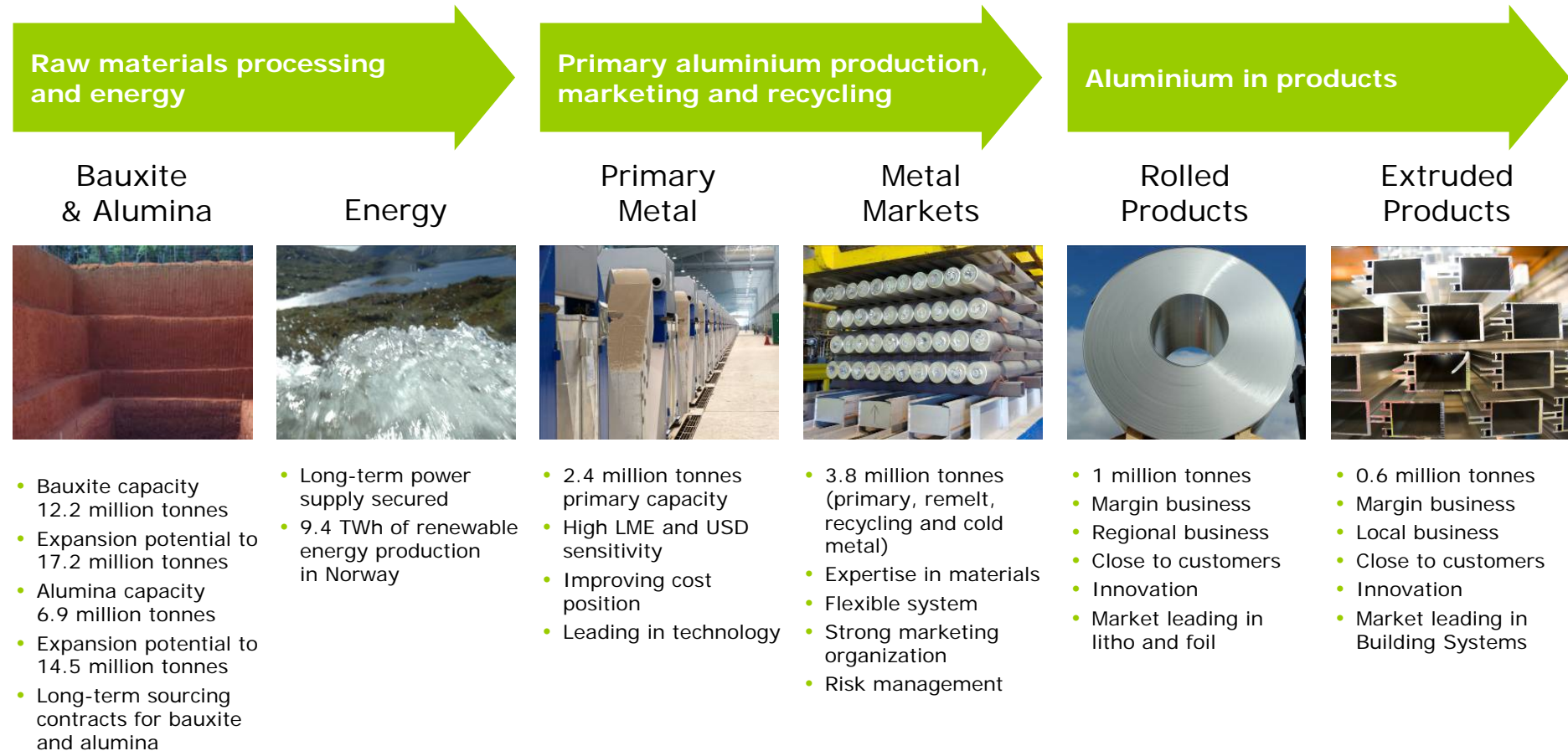


Hydro - a resource rich and fully integrated aluminium company



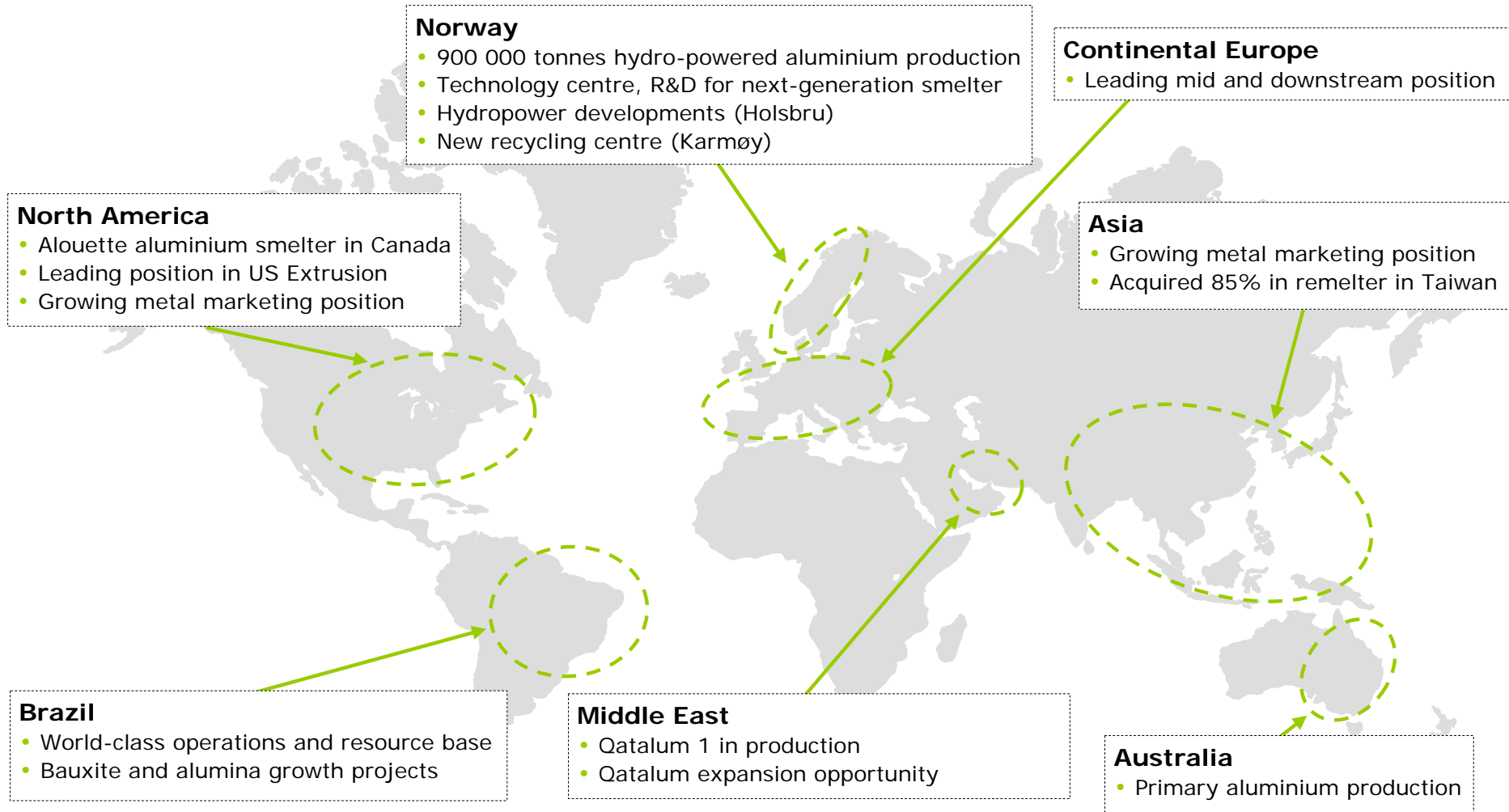
Jørgen C. Arentz Rostrup, Executive Vice President and CFO
Arctic Aluminium Seminar, September 28, 2011

Strong positions across aluminium value chain



Pro forma capacity for end-2010 after Vale transaction. 100% of volumes for assets that are fully consolidated and pro rata volumes for other assets.

Attractively positioned, global reach



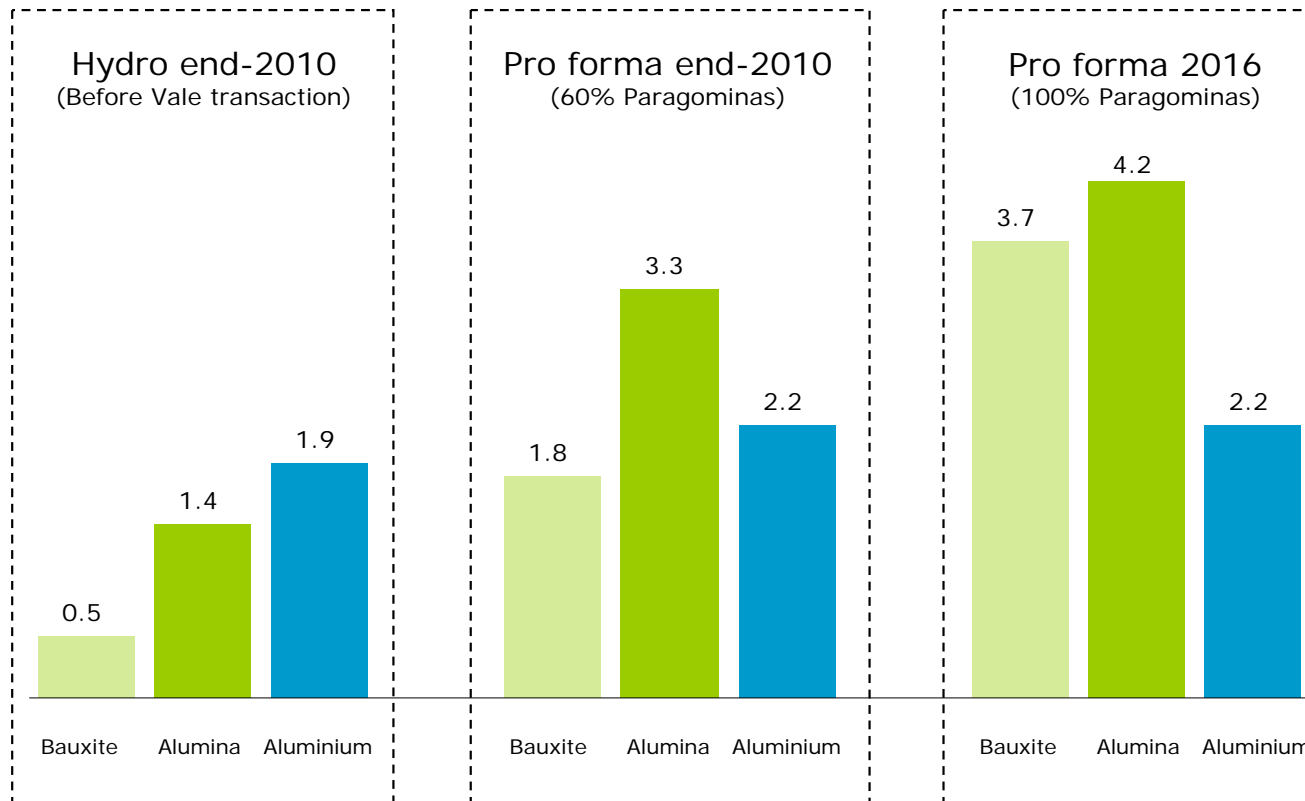
Vale transaction completed February 28, 2011

- Platform for further growth as fully integrated resource-rich aluminium company
- Positions Hydro as a leading global bauxite and alumina player
- Integration process well under way
- Key priority: increase production towards nameplate capacity
 - improved production performance in Q2
- Promising growth prospects
- Vale has become key shareholder in Hydro with 22% ownership



Hydro becomes long in bauxite and alumina

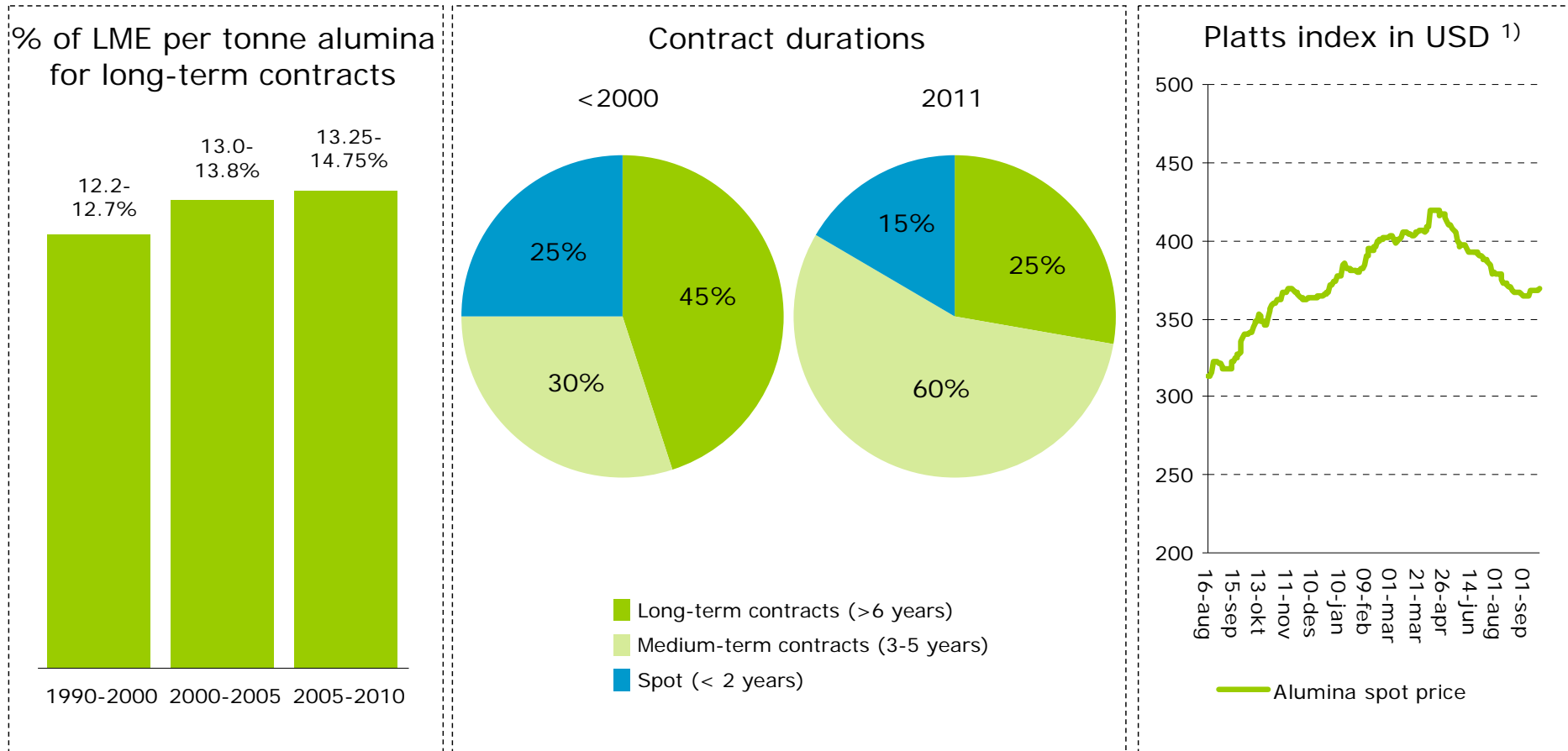
Aluminium equivalent equity capacity, million tonnes



- Hydro's position transformed from large share of long-term contract sourcing to full resource ownership
- Excess alumina sold on standard industry contracts until 2015
- Portfolio of bauxite and alumina sourcing contracts strengthens equity position
 - Hydro will annually purchase 6.8 million tonnes of bauxite on an evergreen contract from MRN
 - Hydro's current alumina sourcing contracts will remain in portfolio

Includes idled capacity. Assumed assets included on a pro rata basis. 2016 includes Paragominas at 15 million tonnes and CAP first phase.

Shift towards shorter contract durations

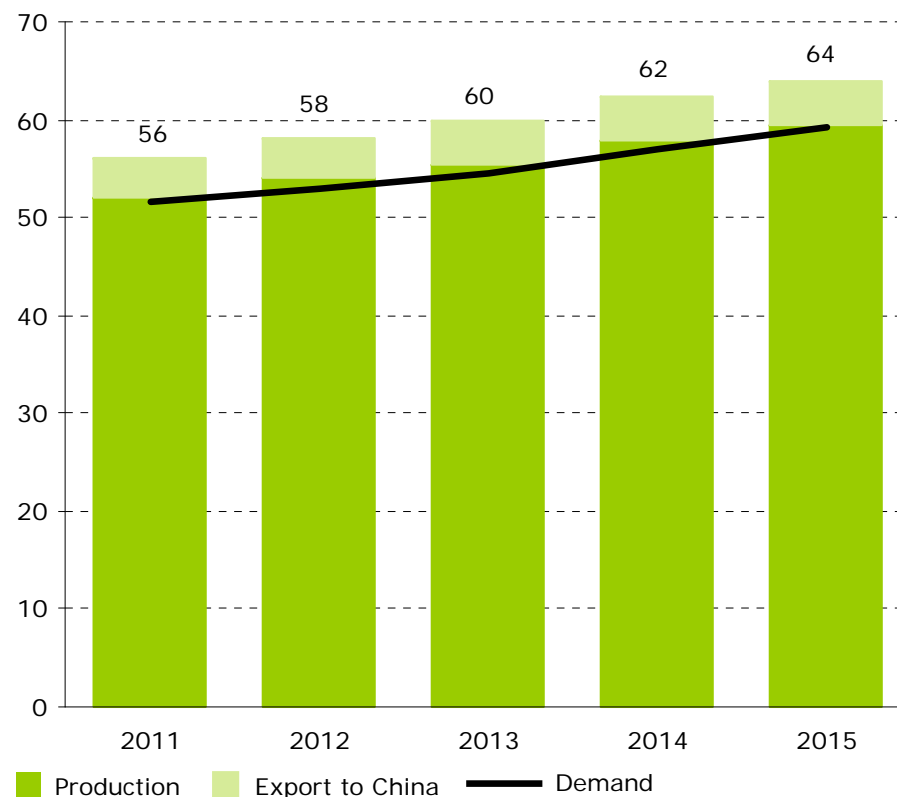


Source: Platts and Hydro estimates 1) Platts, started spot notifications in August 2010

Attractive commercial foundation for alumina

Alumina market appears balanced

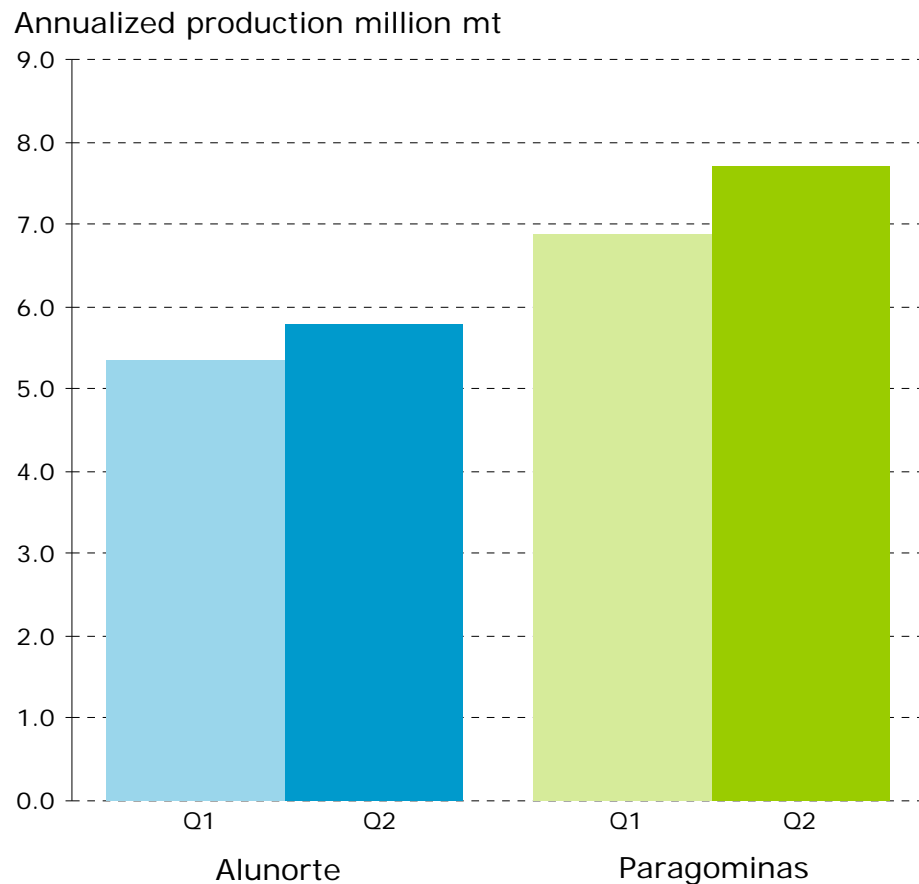
World outside China, million tonnes



Source: CRU and Hydro analysis

- Scarcity of high-quality bauxite
- Large alumina and bauxite deficit in China seems to continue
- Growth expectations for aluminium requires new alumina capacity next decade
- Development and construction costs for new capacity increasing
- Future pricing needs to reflect economic fundamentals of the bauxite and alumina value chain

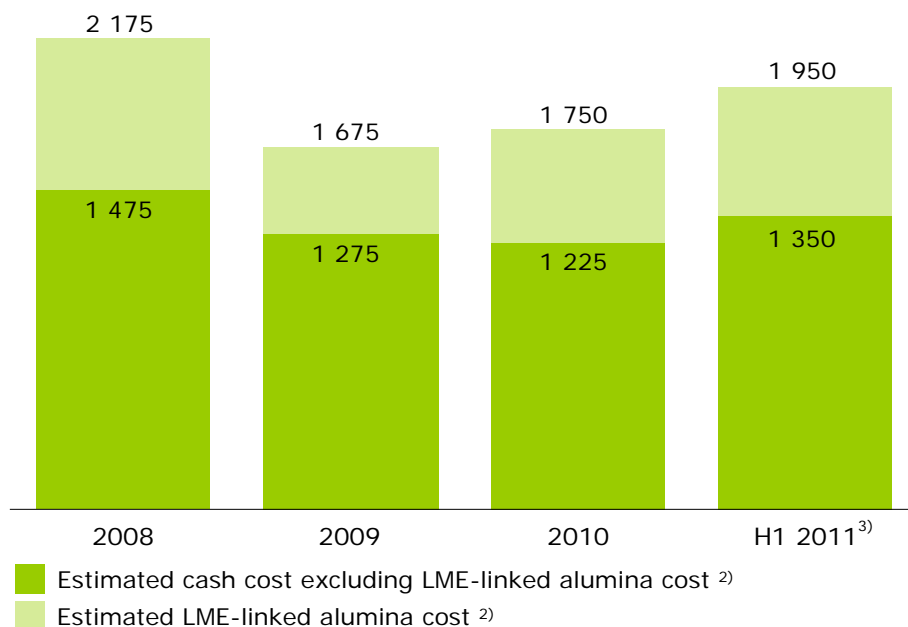
Bauxite and alumina production improvements



- Paragominas production up 12% from Q1
 - Improved performance in beneficiation plant
- Alunorte production up 8% from Q1
 - Improvement in older lines
 - Increased utilization in coal boilers
- Focus on housekeeping and safety
- Preventive maintenance
- Target higher and more stable production

Primary Metal improvement program on target

Estimated primary aluminium cash cost and margin
USD/mt ¹⁾



1) Realized aluminium price minus EBITDA margin per mt primary aluminium. Excludes Qatalum earnings and volumes, but includes net earnings from primary casthouses.

2) 13% of LME 3 month price with 2.5 months delay

3) Albras included from March 1, 2011

- USD 300 per mt cost improvement
 - USD 50 per mt realized in 2010
 - Further USD 125 per mt targeted in 2011
- Cash cost up ~USD 200 from 2010 on raw material cost increases
 - LME-linked alumina prices
 - Energy
 - Petroleum coke
 - Weaker USD
 - Albras included from March 1, 2011
- Raw material cost pressure

Program assumptions: Higher energy and petroleum coke costs may offset some improvements. Improvements may be influenced by fluctuations in raw material prices and currencies. Applies to ~1 million mt annual capacity.

Qatalum in full production



- 704 of 704 cells producing from Sep 21
 - 100 000 mt produced in Q2 (100%)
- Annual capacity: 585 000 mt
 - 50/50 joint venture between Qatar Petroleum and Hydro
- Fully integrated with casthouse, carbon plant, port, storage facilities and captive power plant
- World-class cost position
 - Cash costs estimated around USD 1 400-1 500 per mt at 2010 market conditions when in full production

Strategy for further value creation

Bauxite & Alumina



- Integrate
- Expand
- Commercialize

Primary Metal



- Reposition
- Keep solid cash flow in current assets
- Expand in high-class assets

Energy



- Increase value of business and competence
- Focus on operation and commercialization of current assets
- Implement global approach to power sourcing

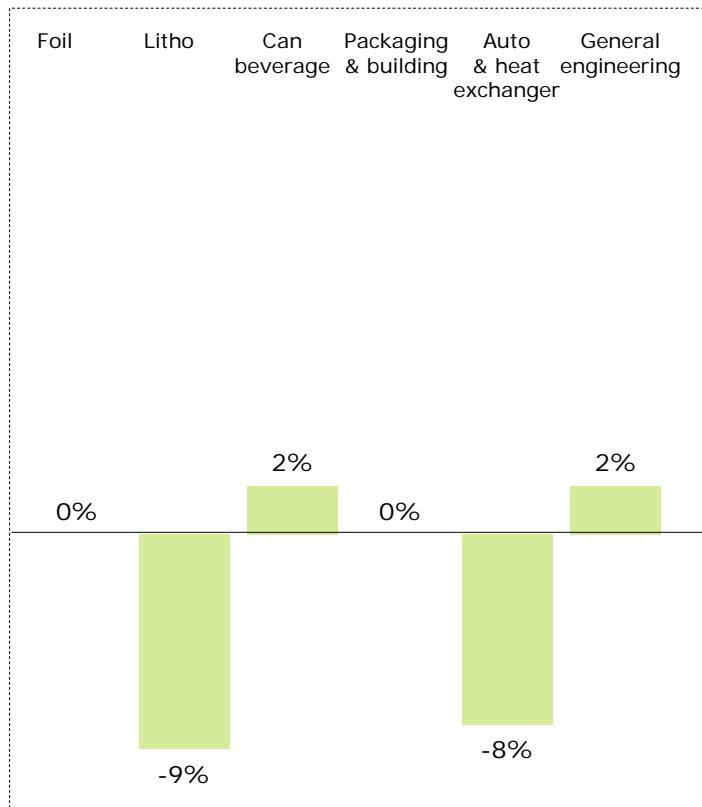
Mid- and downstream



- Continue proven high-end product strategy
- Pursue profitable life-cycle investments: recycling, energy-efficient building systems, aluminum in transport
- Expand selectively in emerging markets

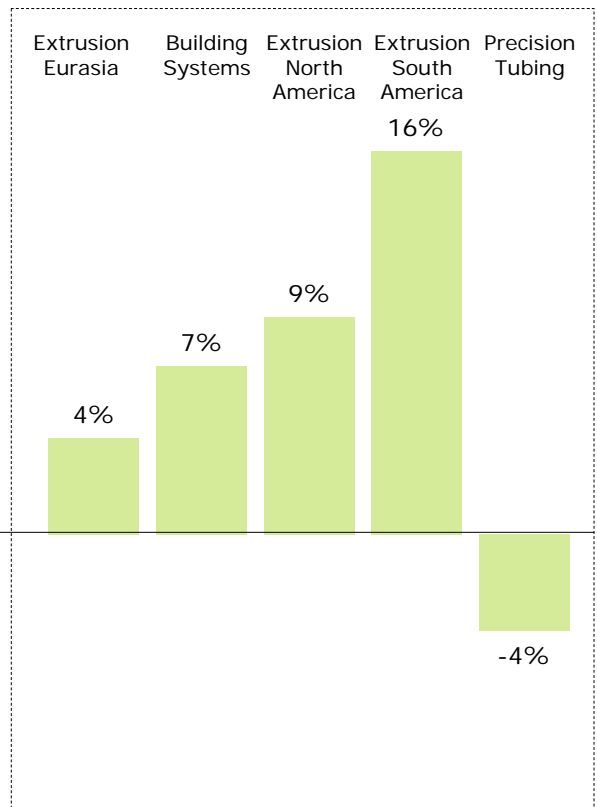
Fabricated products sales stable

Hydro's fabricated products sales Q2 2011 vs Q1 2011

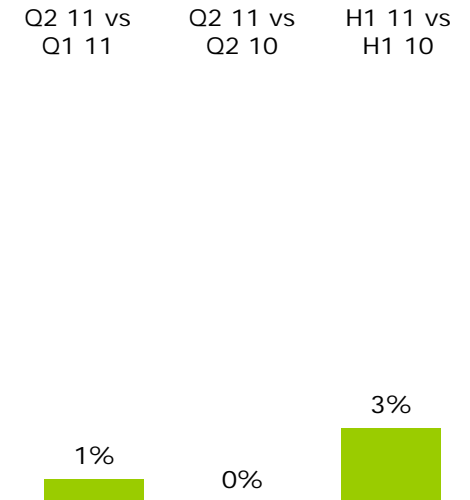


Rolled Products: -1%

Total fabricated products sales

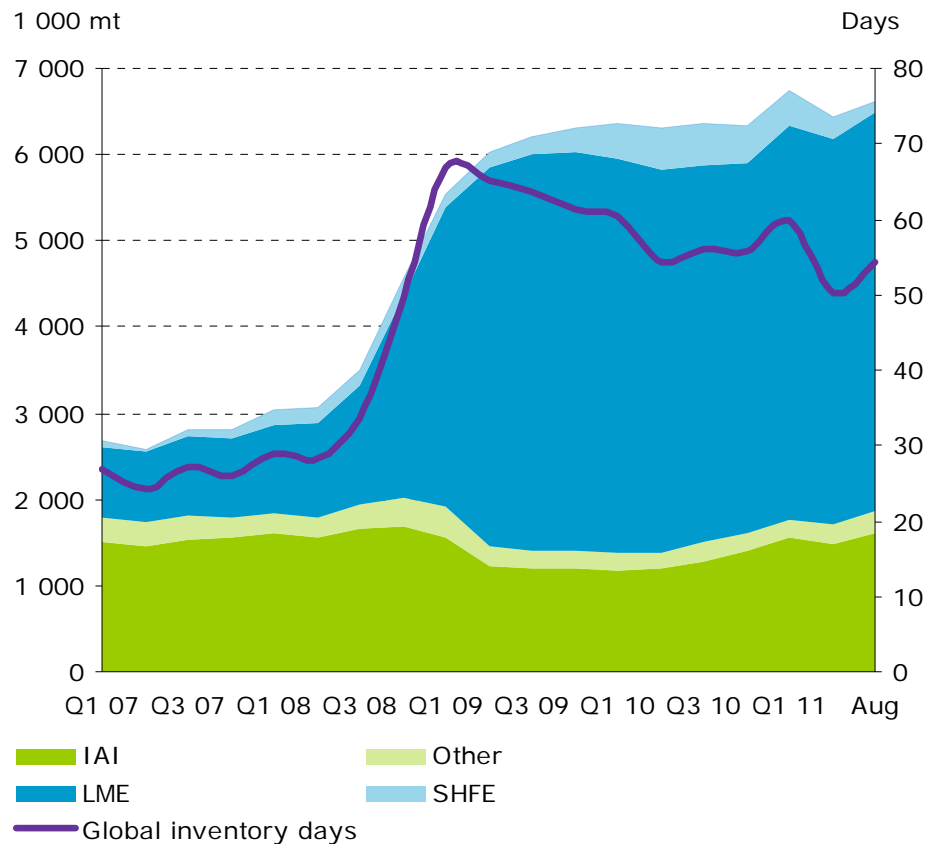


Extruded Products: +5%



Global inventory days trending down

World reported primary aluminium inventories

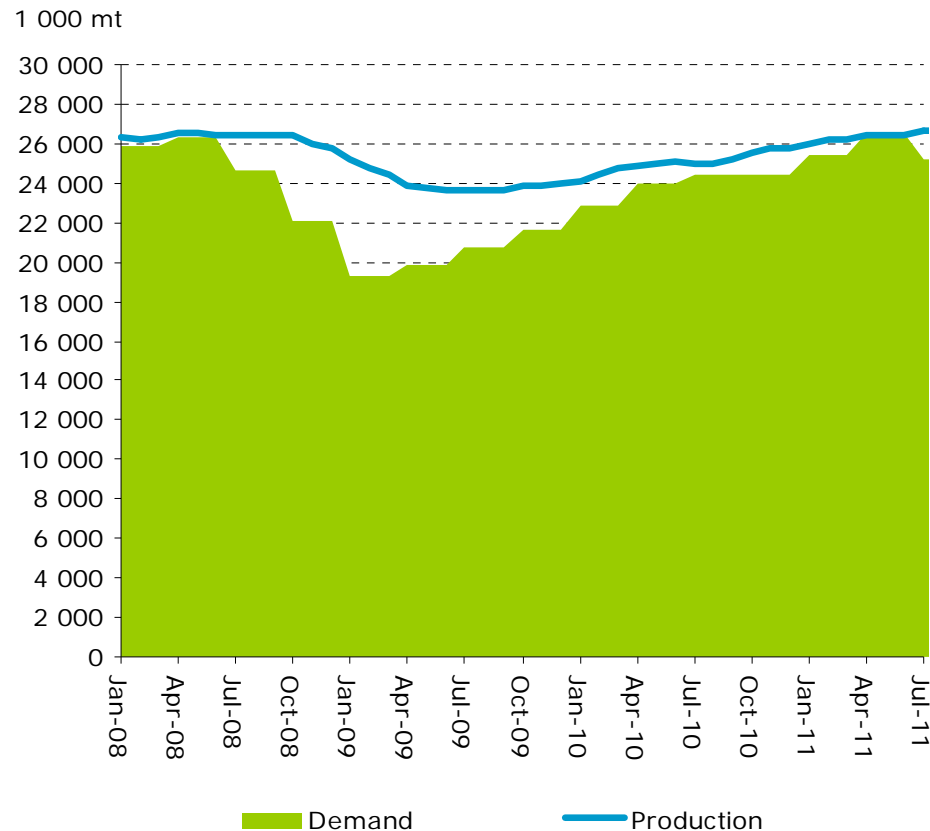


Source: CRU

- Inventory days reduction driven by increased consumption
- High inventories well known in market
 - Different views on unreported inventories
- Estimated total reported and unreported inventories ~11 million tonnes
 - Represents ~3 months of consumption
- Financial deals locking up metal
 - Profitable on a short-term duration

2011 market outlook unchanged

World outside China (quarterly annualized)



- Annualized demand at 25.1 million mt in July/August
- ~7% demand growth estimated for 2011
- Capacity development
 - 1.2 million mt curtailed capacity restarted or in process of being restarted
 - 1.3 million mt curtailed capacity may restart if current market conditions continue
- Increased uncertainty due to more volatile macro environment and sovereign debt issues

Source: CRU

Situation in China



Primary aluminium

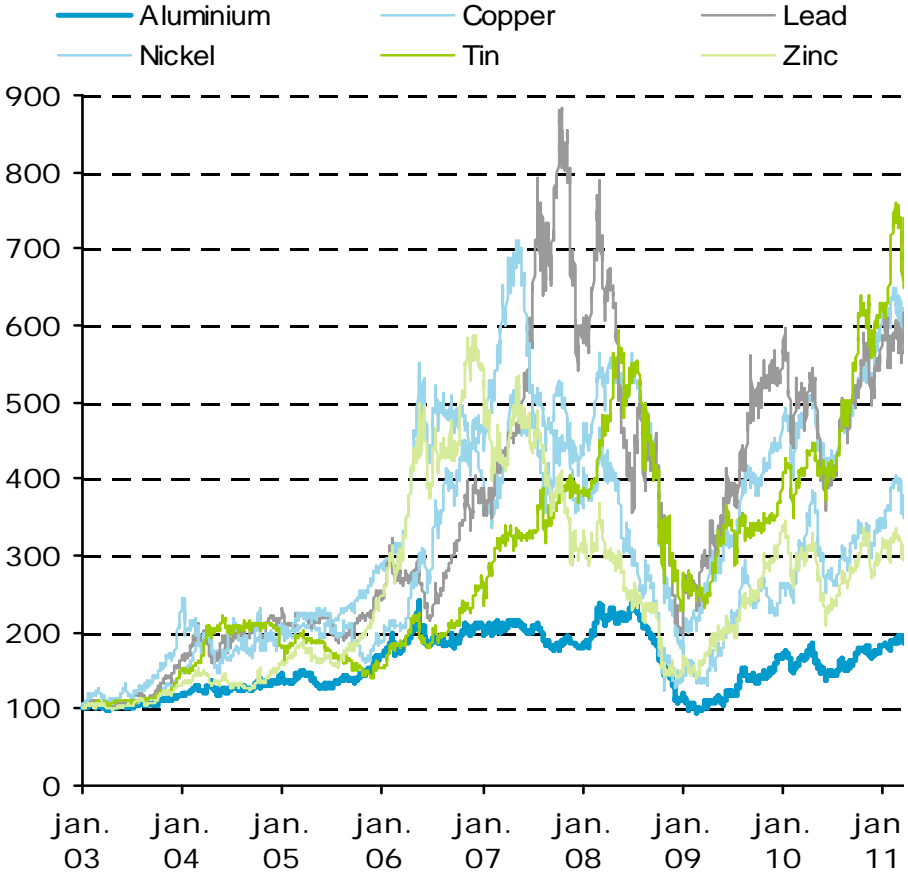
- Annualized demand at 20.2 million mt in Q2
 - Up 20% vs Q1 2011
 - Corresponding higher production
- ~10% demand growth estimated for 2011
- China expected to be balanced in primary aluminium in short to medium term

Bauxite and alumina

- Quality of domestic bauxite resources deteriorating
- China dependent on bauxite imports, mainly from Indonesia
- China to be relatively balanced in alumina
 - Minor imports

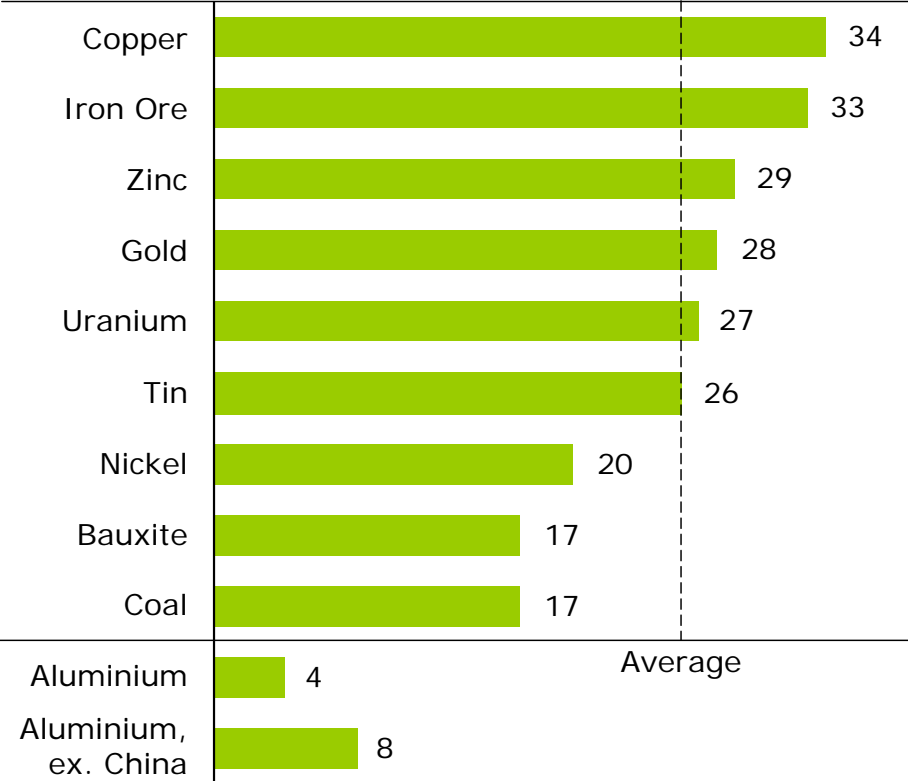
Aluminium weakest performer among base metals

Commodity prices, indexed



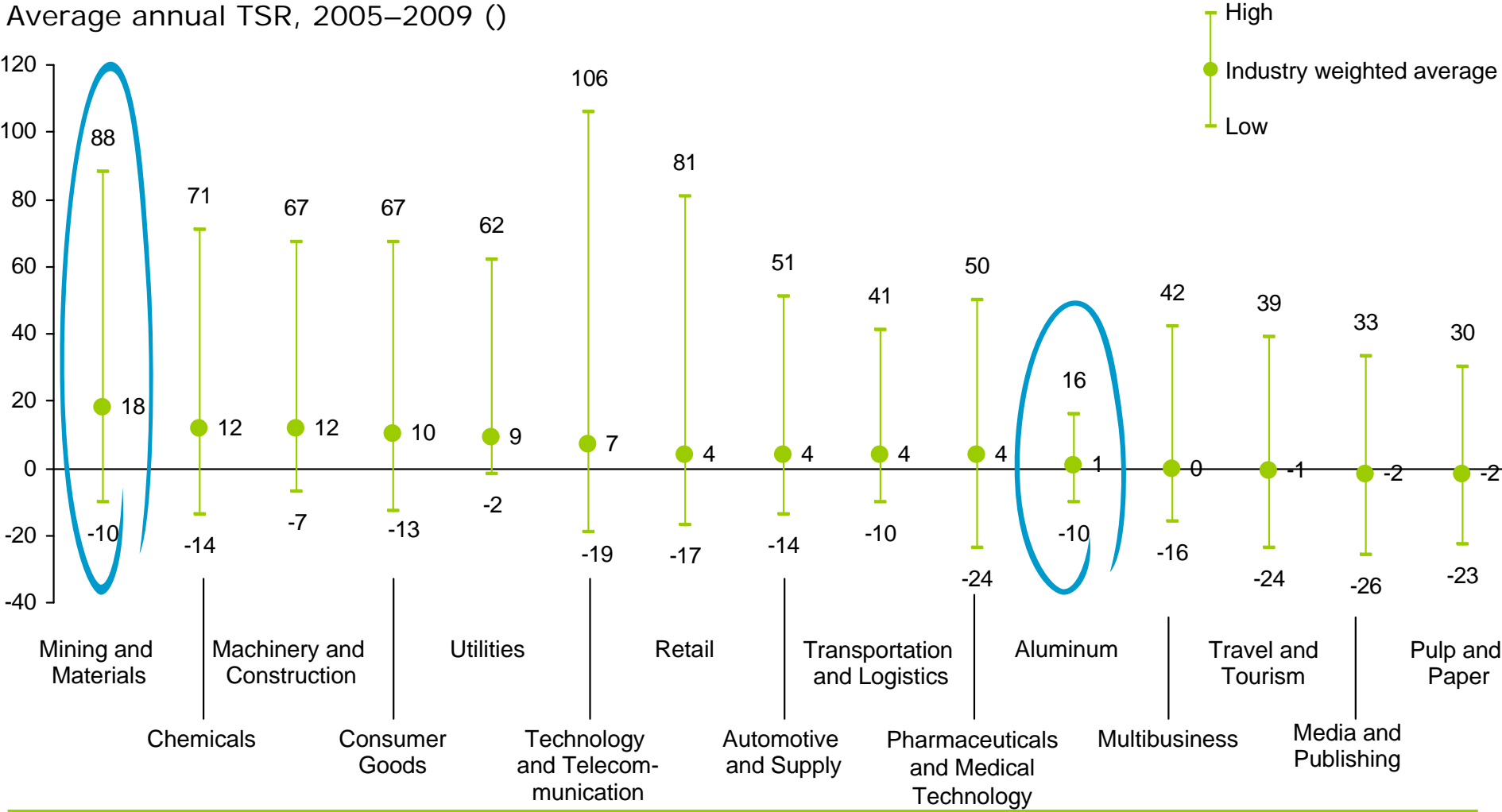
Source: McKinsey, CRU, Reuters

Premium above 90th percentile cash cost (1990-2005), percentage



Total shareholder returns for aluminium companies low compared to other industries

Average annual TSR, 2005–2009 ()

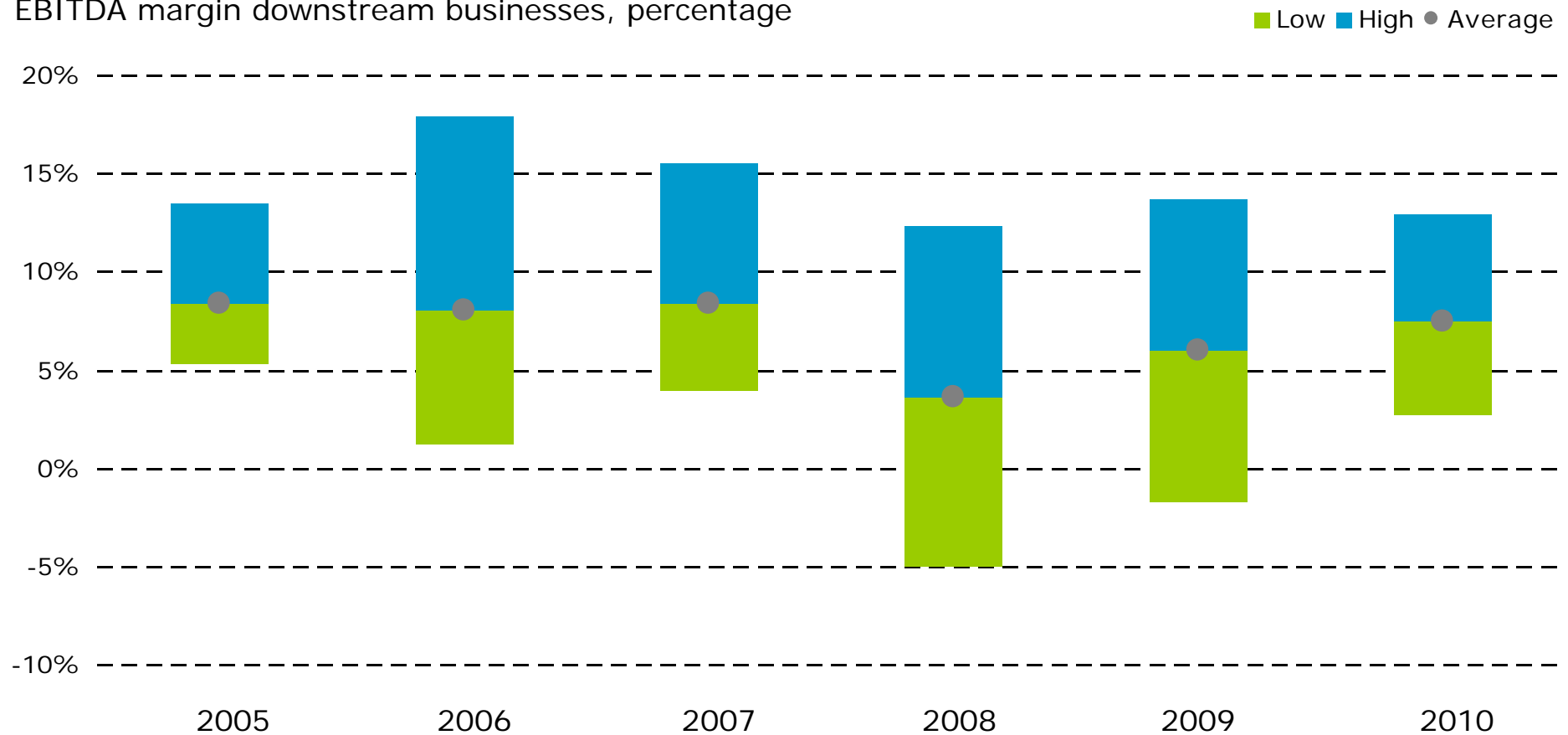


Source: Boston Consulting Group



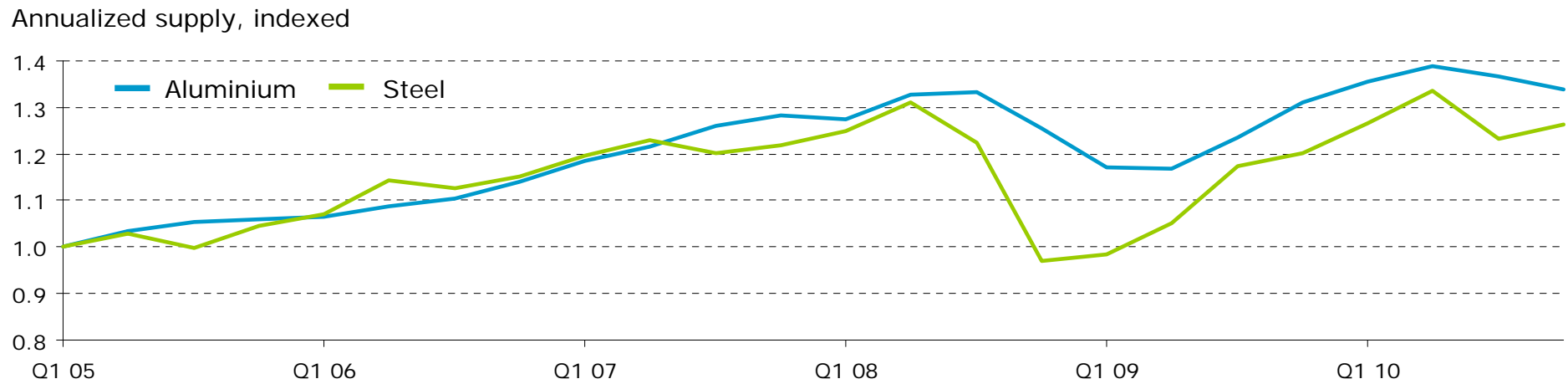
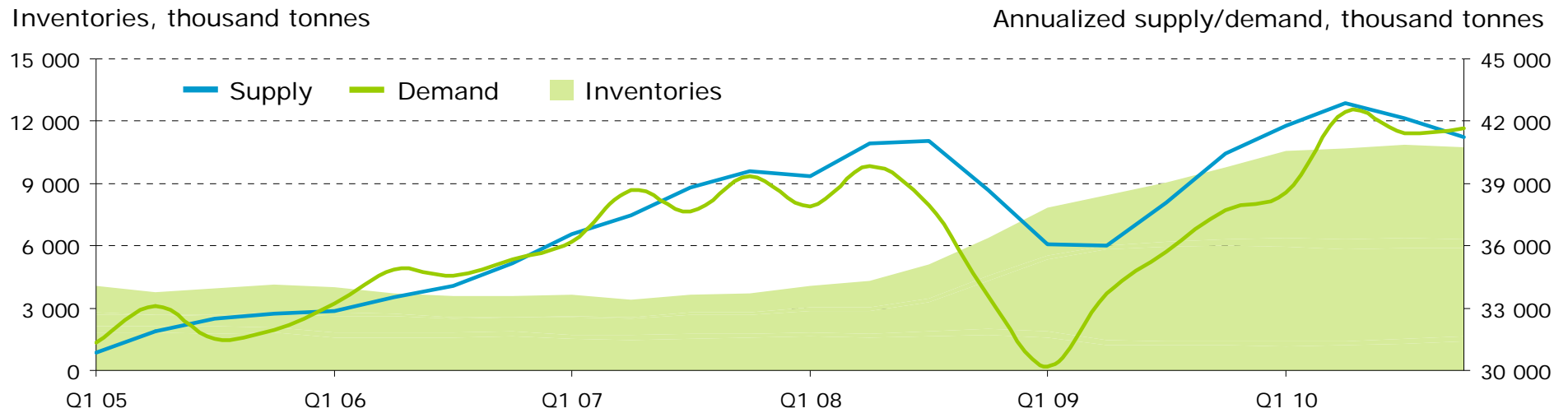
Low returns permeates the whole value chain

EBITDA margin downstream businesses, percentage



Source: Company reports. 8 core companies

Supply and demand development



Source: CRU, World Steel Association

Encouraging developments



- Development of more liquid bauxite and alumina markets
- Bauxite, a fight for cost efficient resources going forward
- Technology and application development
- Continued strong demand in overseas market for advanced technology products



Priorities 2011

- Successful integration and improved performance in Bauxite & Alumina
- Primary Metal repositioning through USD 300 program and Qatalum ramp-up
- Solid operations with firm cost control and strong market focus

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