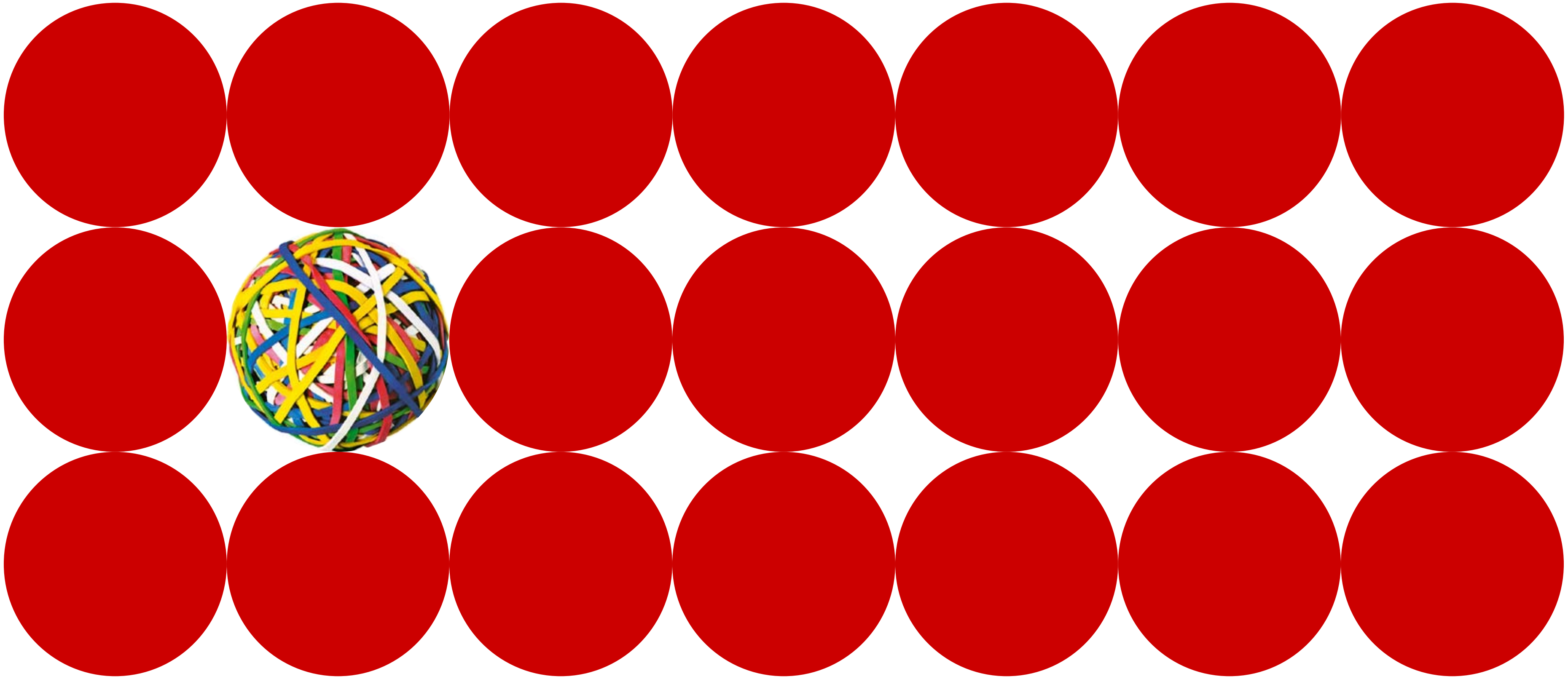
Hydro - a resource rich and fully integrated aluminium company



Jørgen C. Arentz Rostrup, Executive Vice President and CFO

March 9, 2011

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Cautionary note in relation to certain forward-looking statements

Certain statements contained in this announcement constitute “forward-looking information” within the meaning of Section 27A of the US Securities Act of 1933, as amended, and Section 21E of the US Securities Exchange Act of 1934, as amended. In order to utilize the “safe harbors” within these provisions, we are providing the following cautionary statement.

Certain statements included within this announcement contain (and oral communications made by us or on our behalf may contain) forward-looking information, including, without limitation, those relating to (a) forecasts, projections and estimates, (b) statements of management’s plans, objectives and strategies for Hydro, such as planned expansions, investments or other projects, (c) targeted production volumes and costs, capacities or rates, start-up costs, cost reductions and profit objectives, (d) various expectations about future developments in Hydro’s markets, particularly prices, supply and demand and competition, (e) results of operations, (f) margins, (g) growth rates, (h) risk management, as well as (i) statements preceded by “expected”, “scheduled”, “targeted”, “planned”, “proposed”, “intended” or similar statements.

Although we believe that the expectations reflected in such forward-looking statements are reasonable, these forward-looking statements are based on a number of assumptions and forecasts that, by their nature, involve risk and uncertainty. Various factors could cause our actual results to differ materially from those projected in a forward-looking statement or affect the extent to which a particular projection is realized. Factors that could cause these differences include, but are not limited to: our continued ability to reposition and restructure our upstream and downstream Aluminium business; changes in availability and cost of energy and raw materials; global supply and demand for aluminium and aluminium products; world economic growth, including rates of inflation and industrial production; changes in the relative value of currencies and the value of commodity contracts; trends in Hydro’s key markets and competition; and legislative, regulatory and political factors. For a detailed description of factors that could cause our results to differ materially from those expressed or implied by such statements, please refer to the risk factors specified under “Risk review – Risk factors” on page 134 of our Annual Report 2006 (including Form 20-F) and subsequent filings on Form 6-K with the US Securities and Exchange Commission.

No assurance can be given that such expectations will prove to have been correct. Hydro disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Takeover of Vale's aluminium business finalized

- Global Bauxite & Alumina organization
  - Headquarter in Rio de Janeiro
  - 4 200 employees in Brazil
  - Ready to take leadership at operations
  - Strong management team in place
- Increased output main challenge from 2010 production level
  - Alunorte alumina refinery
    - 5.8 million tonnes vs capacity 6.3 million tonnes
  - Paragominas bauxite mine
    - 7.5 million tonnes vs capacity 9.9 million tonnes
- 448 million shares issued to Vale at closing, 22% of Hydro

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Strong positions across aluminium value chain

Raw materials processing and energy

Bauxite & Alumina

- Bauxite capacity 12.2 million tonnes
- Expansion potential to 17.2 million tonnes
- Alumina capacity 6.9 million tonnes
- Expansion potential to 14.5 million tonnes
- Long-term sourcing contracts for bauxite and alumina

Energy

- Long-term power supply secured
- 9.4 TWh of renewable energy production in Norway

Primary aluminium production, marketing and recycling

Primary Metal

- 2.4 million tonnes primary capacity
- High LME and USD sensitivity
- Improving cost position
- Leading in technology

Metal Markets

- 3.8 million tonnes (primary, remelt, recycling and cold metal)
- Expertise in materials
- Flexible system
- Strong marketing organization
- Risk management

Aluminium in products

Rolled Products

- 1 million tonnes
- Margin business
- Regional business
- Close to customers
- Innovation
- Market leading in litho and foil

Extruded Products

- 0.6 million tonnes
- Margin business
- Local business
- Close to customers
- Innovation
- Market leading in Building Systems

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.

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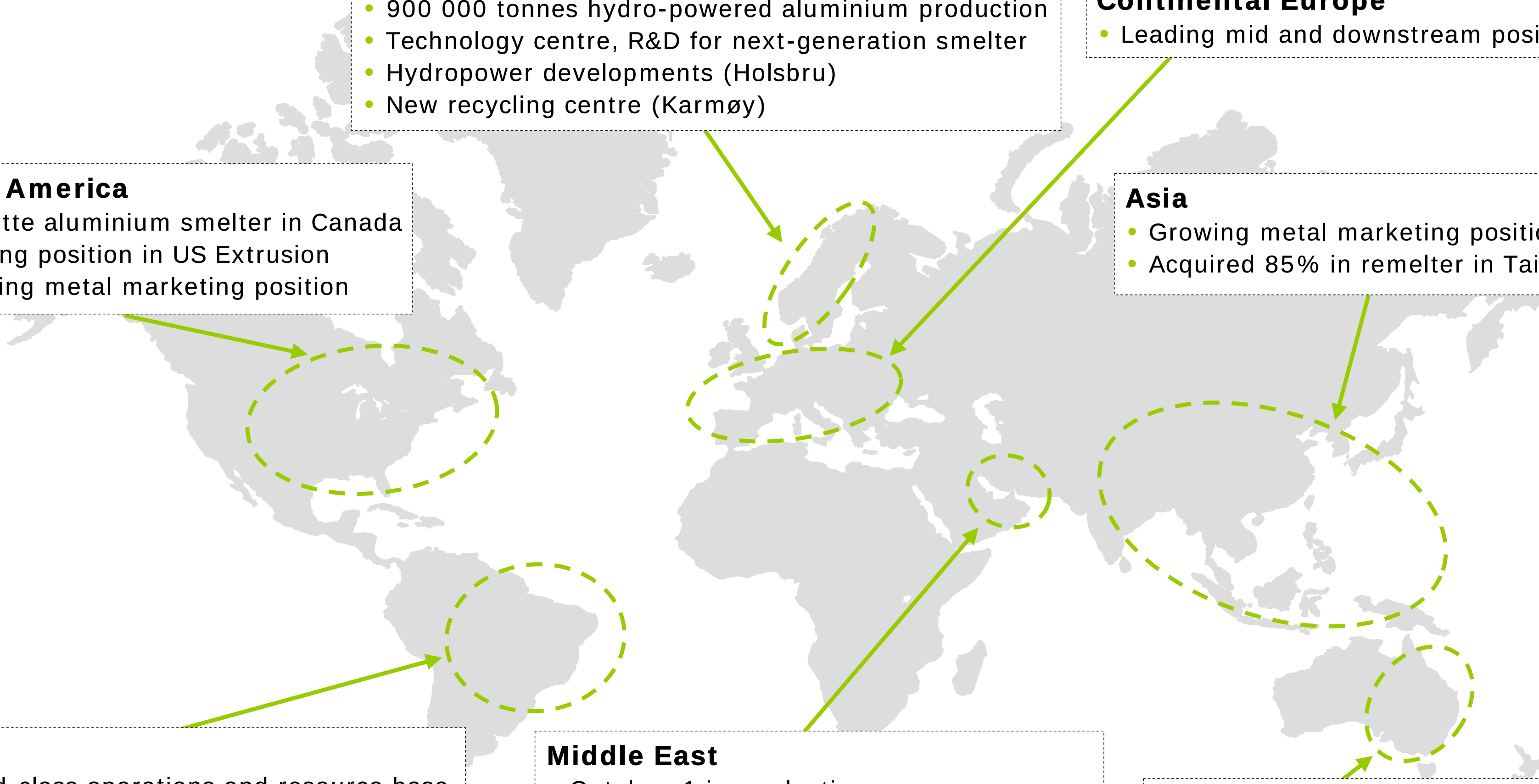
Attractively positioned, global reach



Norway
- 900 000 tonnes hydro-powered aluminium production
- Technology centre, R&D for next-generation smelter
- Hydropower developments (Holsbru)
- New recycling centre (Karmøy)

Continental Europe
- Leading mid and downstream position

North America
- Alouette aluminium smelter in Canada
- Leading position in US Extrusion
- Growing metal marketing position

Asia
- Growing metal marketing position
- Acquired 85% in remelter in Taiwan

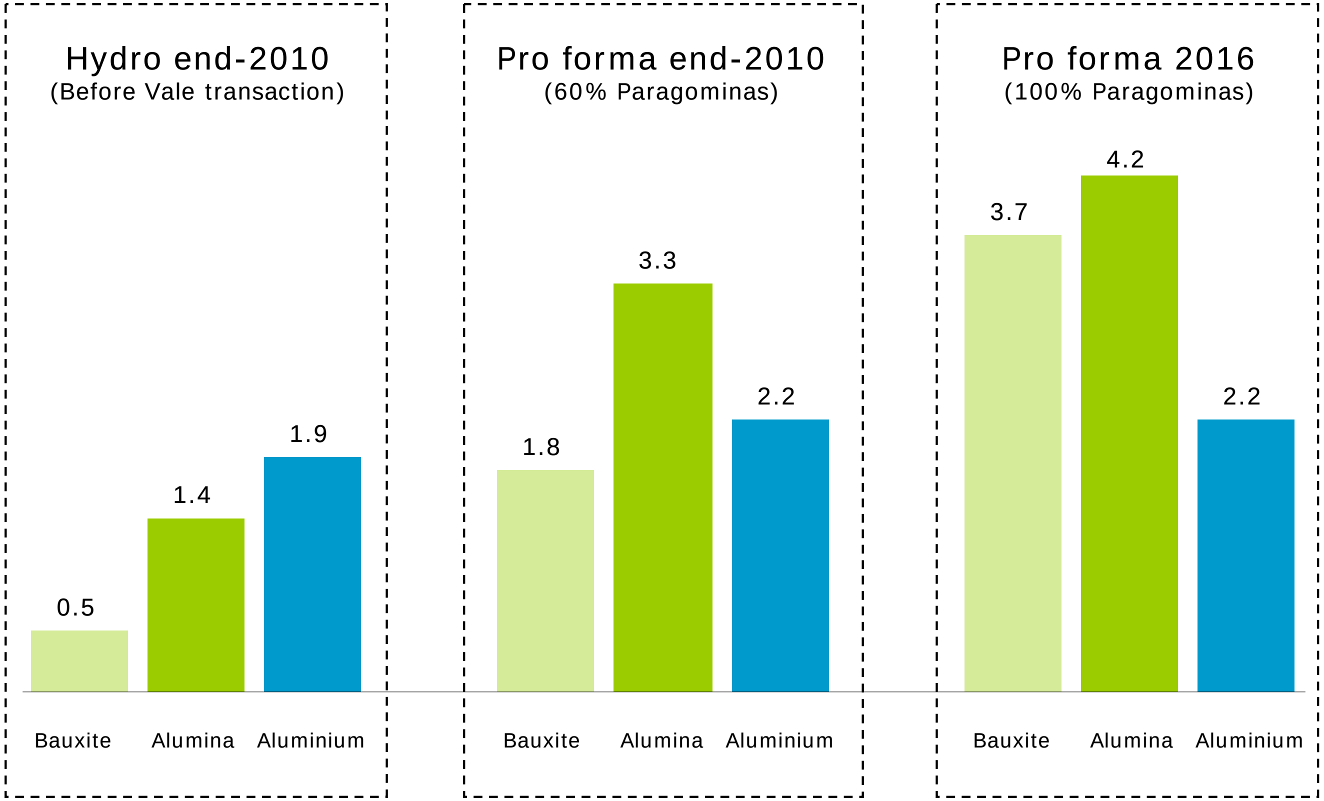
Brazil
- World-class operations and resource base
- Bauxite and alumina growth projects

Middle East
- Qatalum 1 in production
- Qatalum expansion opportunity

Australia
- Primary aluminium production

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.

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Gives Hydro control of world-class assets

Bauxite licenses

CAP alumina refinery project

MRN bauxite purchase agreement

Competence

Paragominas, bauxite mine

- Capacity: 10 million tonnes
- Ownership: 60%, 100% from 2015

Alunorte, alumina refinery

- Capacity: 6.3 million tonnes
- Ownership: 91%
- First quartile cash cost position including Paragominas bauxite

Albras, aluminium smelter

- Capacity: 460 000 tonnes
- Ownership: 51%
- Upper second quartile cash cost position

New global Bauxite & Alumina business area

MRN bauxite mine

- 5% ownership
- Signed volume off-take agreement for Vale's 40% stake
- Capacity 18 million tonnes

Paragominas bauxite mine

- 60% ownership, 100% by 2015
- One of the world's largest bauxite mines
- 2010 production 7.5 million tonnes
- Target to reach 10 million tonnes
- Possible expansion to 15 million tonnes
- Reserve life of several decades

CAP alumina refinery project

- 81% ownership
- Time schedule
- CAP refinery (Phase I) is planned to be in operation in 2015
- Paragominas expansion to be developed in parallel
- Investment estimates and expansion concepts under evaluation
- Full utilization of the existing bauxite pipeline

Alunorte alumina refinery

- 91% ownership
- World's largest alumina refinery
- 2010 production 5.8 million tonnes
- Target to reach 6.3 million tonnes
- Bauxite supplied from Paragominas and MRN
- First quartile integrated cash cost position

Alpart alumina refinery

- 35% ownership
- Capacity 1.65 million tonnes of alumina
- Fully integrated with bauxite
- 100% curtailed since mid-2009

Bauxite licenses	Refining and mining competencies	External supply contracts	Sales contract portfolio

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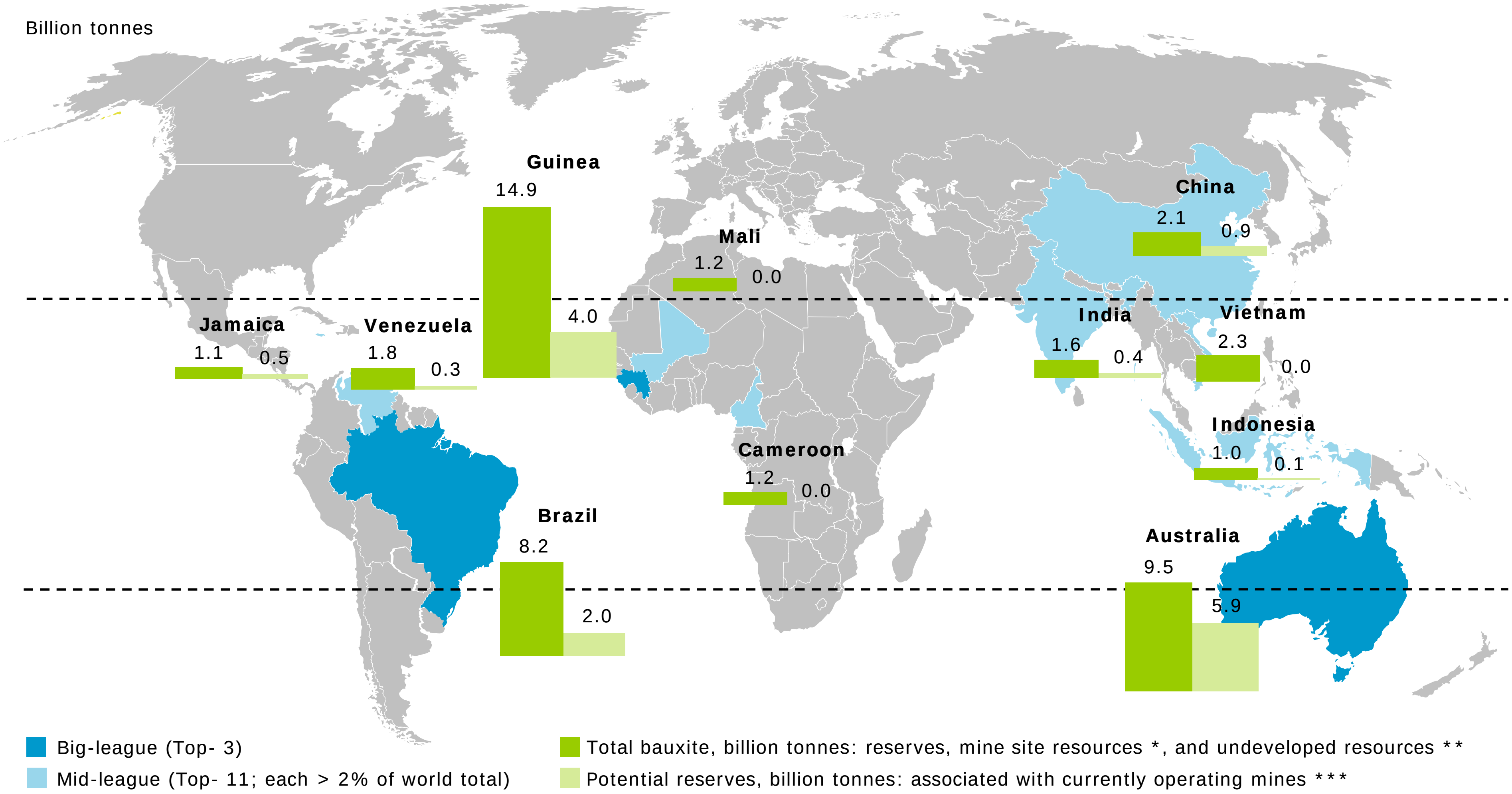
66 % of bauxite availability concentrated in 3 countries



*) Mine site resources are known bauxite resources that do not currently qualify as reserves for various reasons
**) Undeveloped resources might or might not became feasible for new mines (quality, size, access, etc)
***) Potential reserves = current reserves (economically extractible) + 70% of mine site resources. Undeveloped resources are excluded.
Source: Roskill and Hydro analysis

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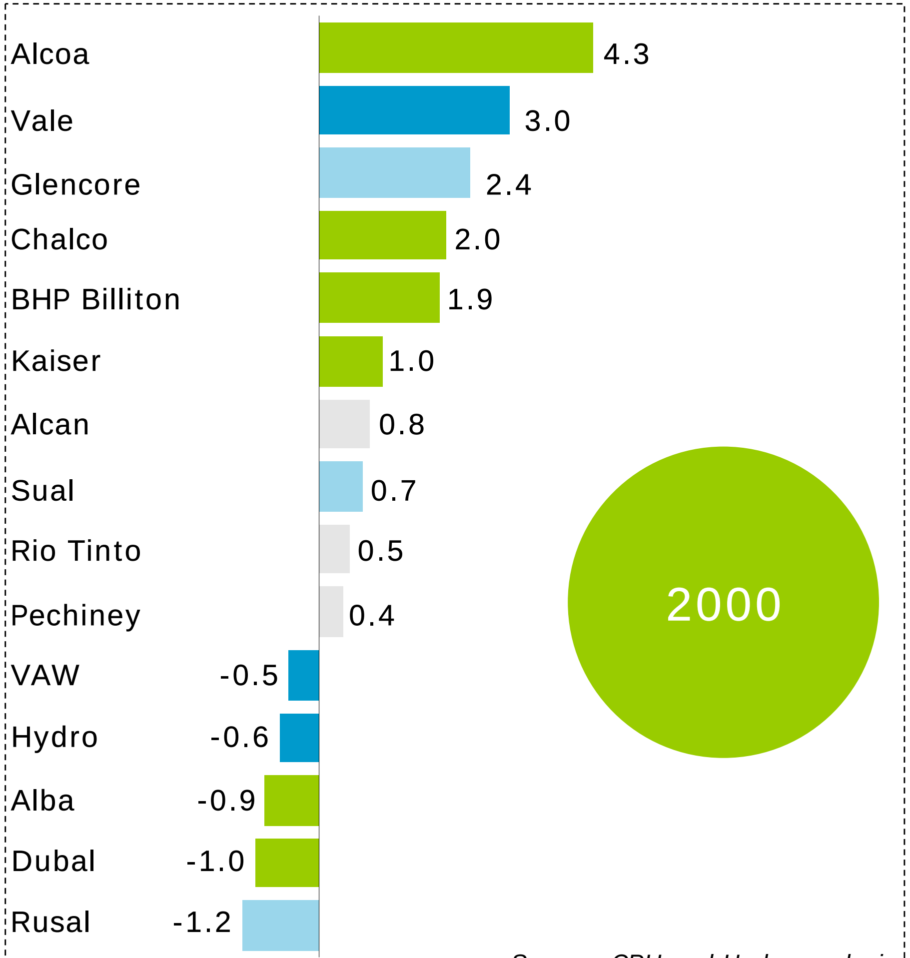
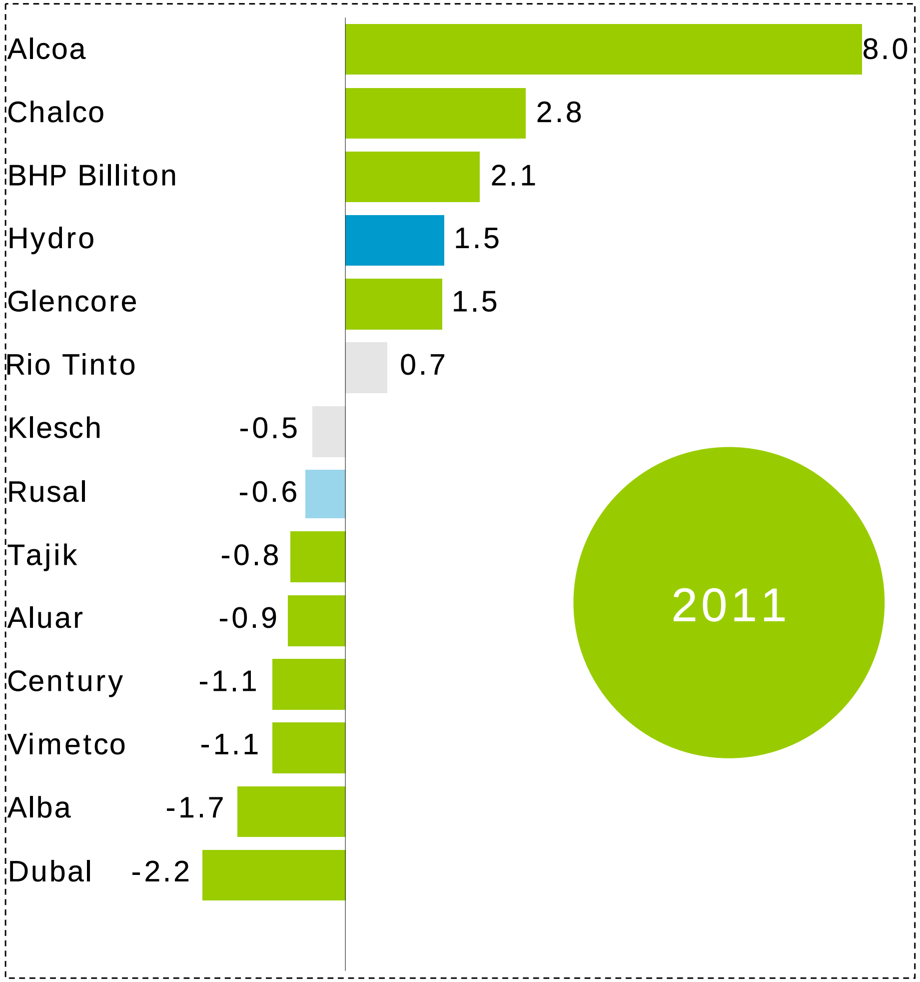
Alumina market is consolidating

Equity alumina production less equity alumina requirement, million tonnes



Source: CRU and Hydro analysis



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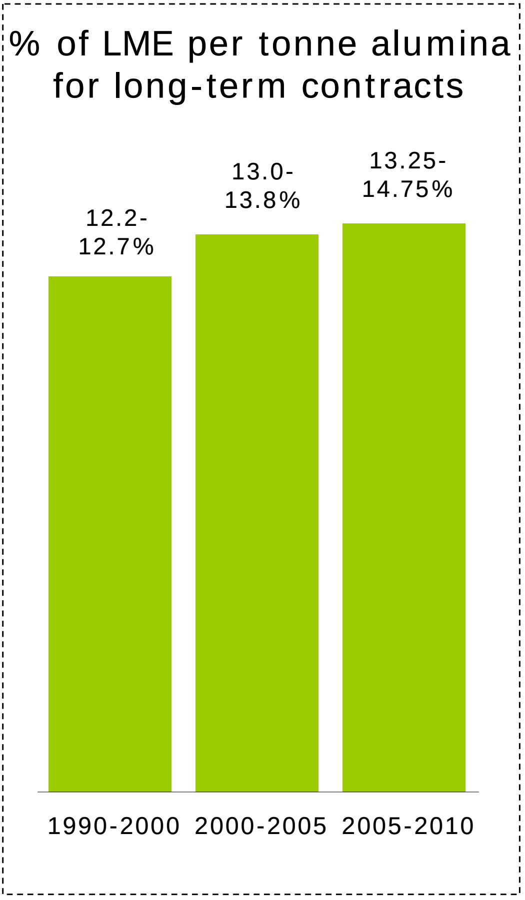
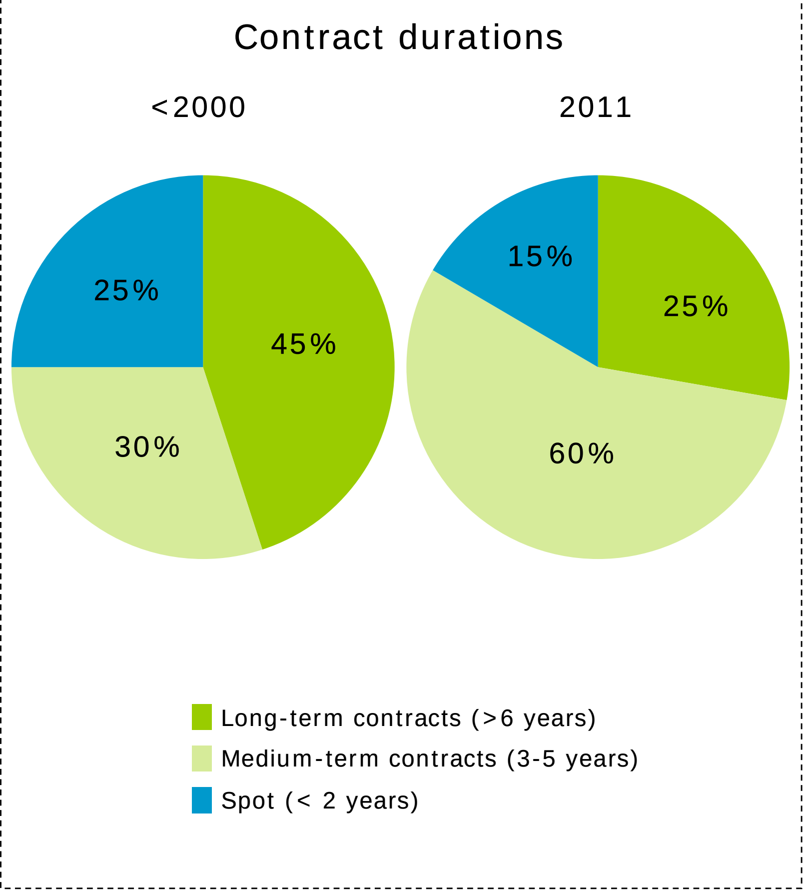
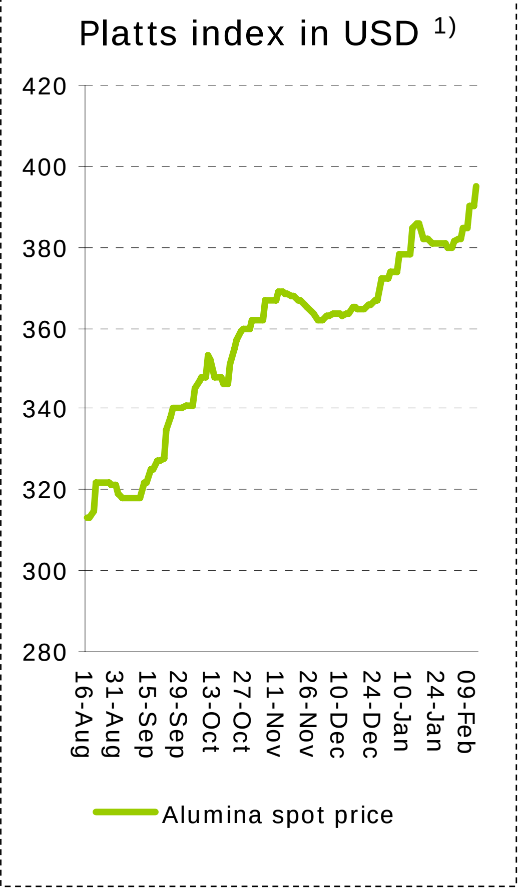
Shift towards shorter contract durations





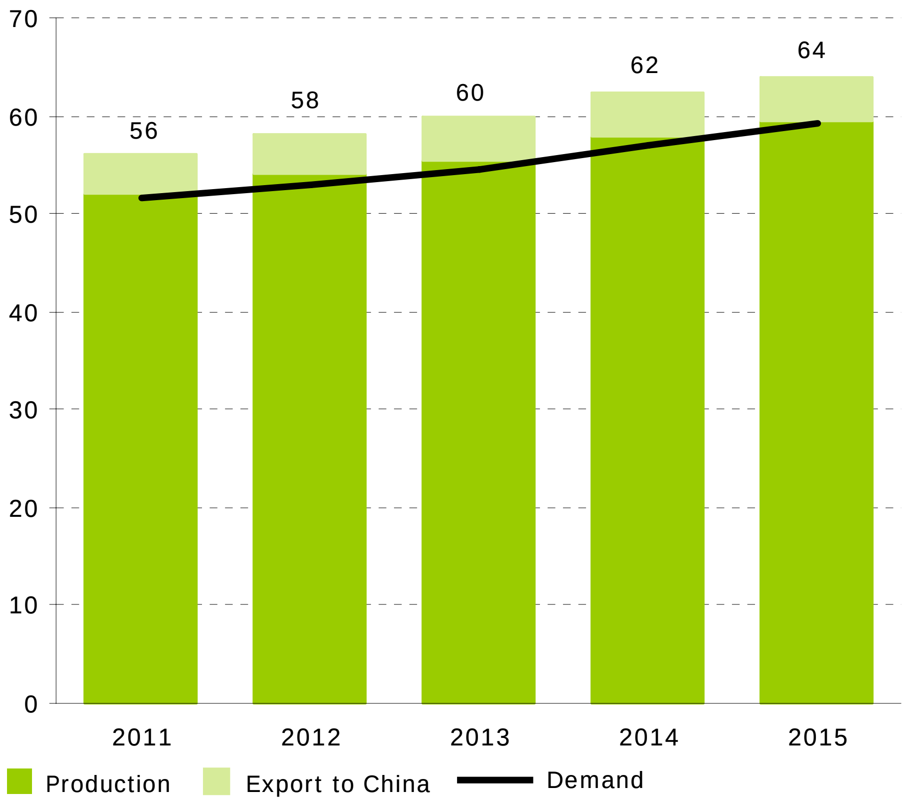


Source: Platts and Hydro estimates 1) Platts, started spot notifications in August 2010

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

Improvement program on track

Operational improvements
- Improved current efficiency
- Reduced power consumption
- Reduced anode consumption

Fixed cost reductions and lean operations

Further operational improvements

Technology costs/spin-offs

Investments

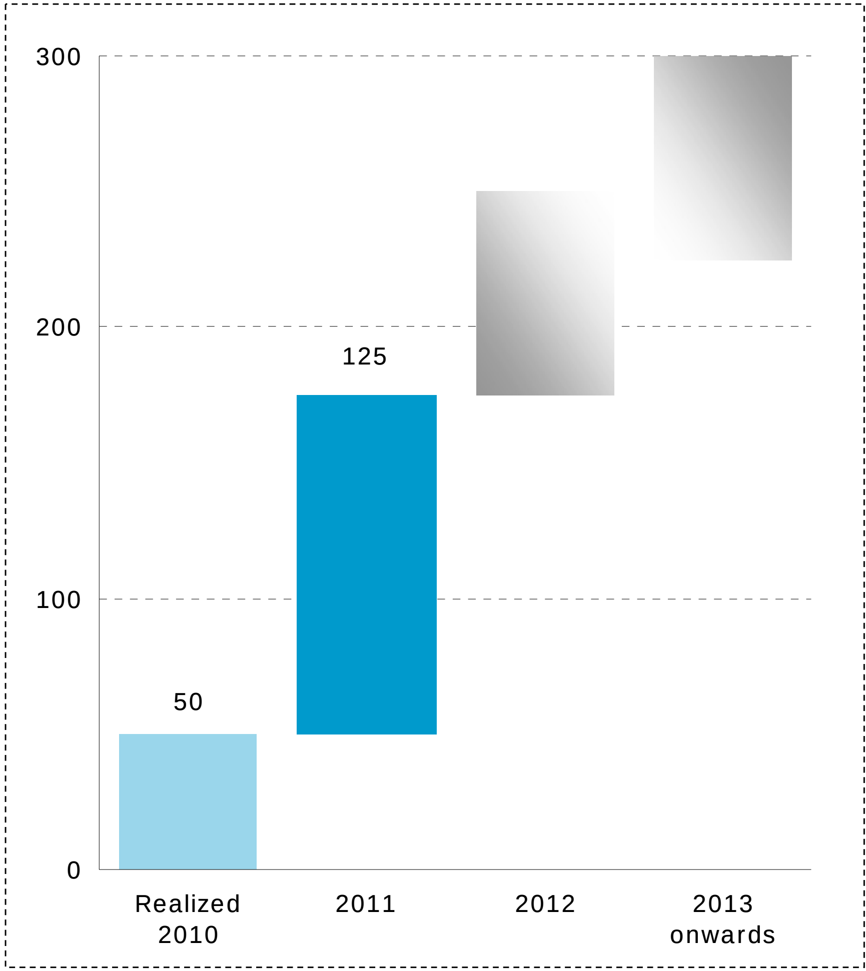
Maintenance and relining

Procurement

Logistics

Organization and manning

Casthouse product margin



USD 300/tonne

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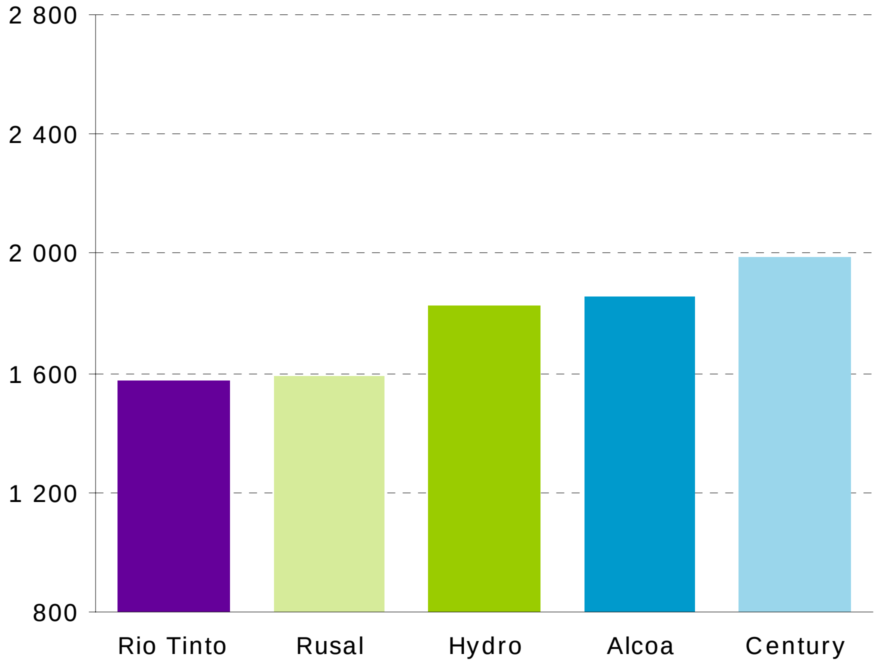
Strong focus to further improve cost position

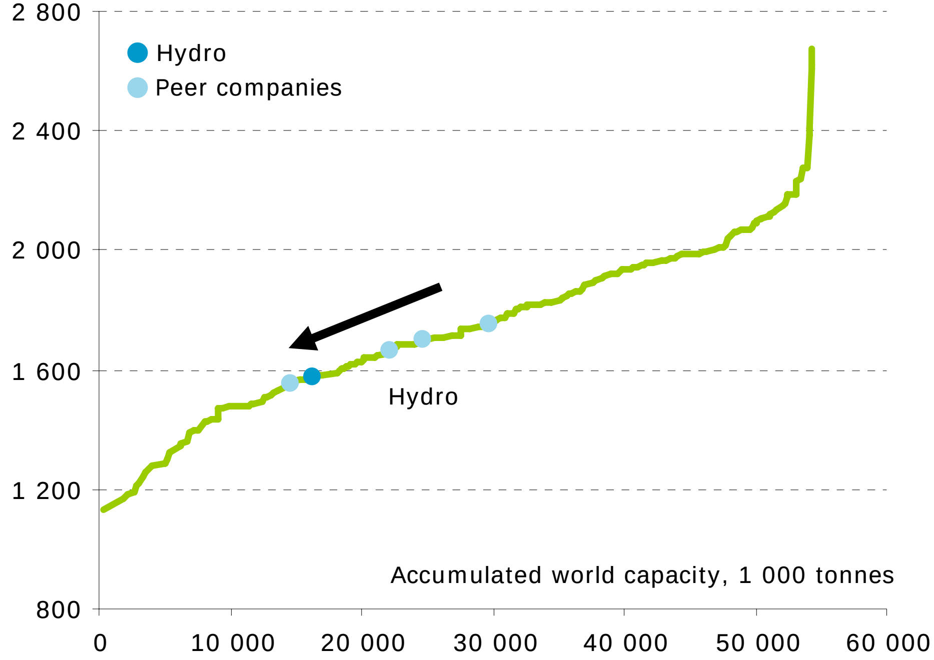
Estimated primary aluminium production cash costs

First half 2010, USD/tonne



Estimated business operating cost 2014 by CRU

USD/tonne



Estimated primary aluminium production cash costs including casthouse margin based on company reports. Assumptions: Hydro cash costs increased by USD 50/tonne for relining cost in order to compare with Alcoa. Pricing: Century 1 month LME cash lag, Hydro 3 months and 20 days LME forward lag, Alcoa, Rio Tinto and Rusal 15 days LME cash lag.

Source: CRU, BOC
2014: LME 2 145 USD/tonne (real 2010)

Qatalum in full production from June 2011

- Restart after power outage commenced on September 15, 2010 with ambition to finish ramp-up by end-Q1 2011
- Ramp-up is currently being hampered by technical challenges related to the cooling water system for the steam turbines
  - Power plant built by General Electric/Doosan through turn-key contract
  - These challenges are unrelated to August outage
- Possible delay of 8 weeks with full production from June 2011
- Expected 2011 production: ~500 000 tonnes
- World class smelter
  - Cash costs estimated around 1 400-1 500 USD per tonne at 2010 market conditions when in full production

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Substantial values in long-term assets in Norway

- Stable and solid cash generation
  - Indicative annual EBITDA NOK 1.6 – 1.8 billion

- Hydro's power balance, normal year

• Normal production	~9.4 TW
• Sourcing on long-term contracts	~7.0 TWh
• Consumption in Primary Metal*	~12.5 TWh
• Contract sales and concession power	~1.0 TWh
• Spot sales	~3.0 TWh

- Value enhancement potential
  - Growth opportunities in Norway
  - Holsbru project to add 84 GWh from 2012
  - Optimization of power value in market, and in cooperation with smelters

Power production capacity (TWh) per region and reversion year

* Including Sunndal 3 line currently curtailed

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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

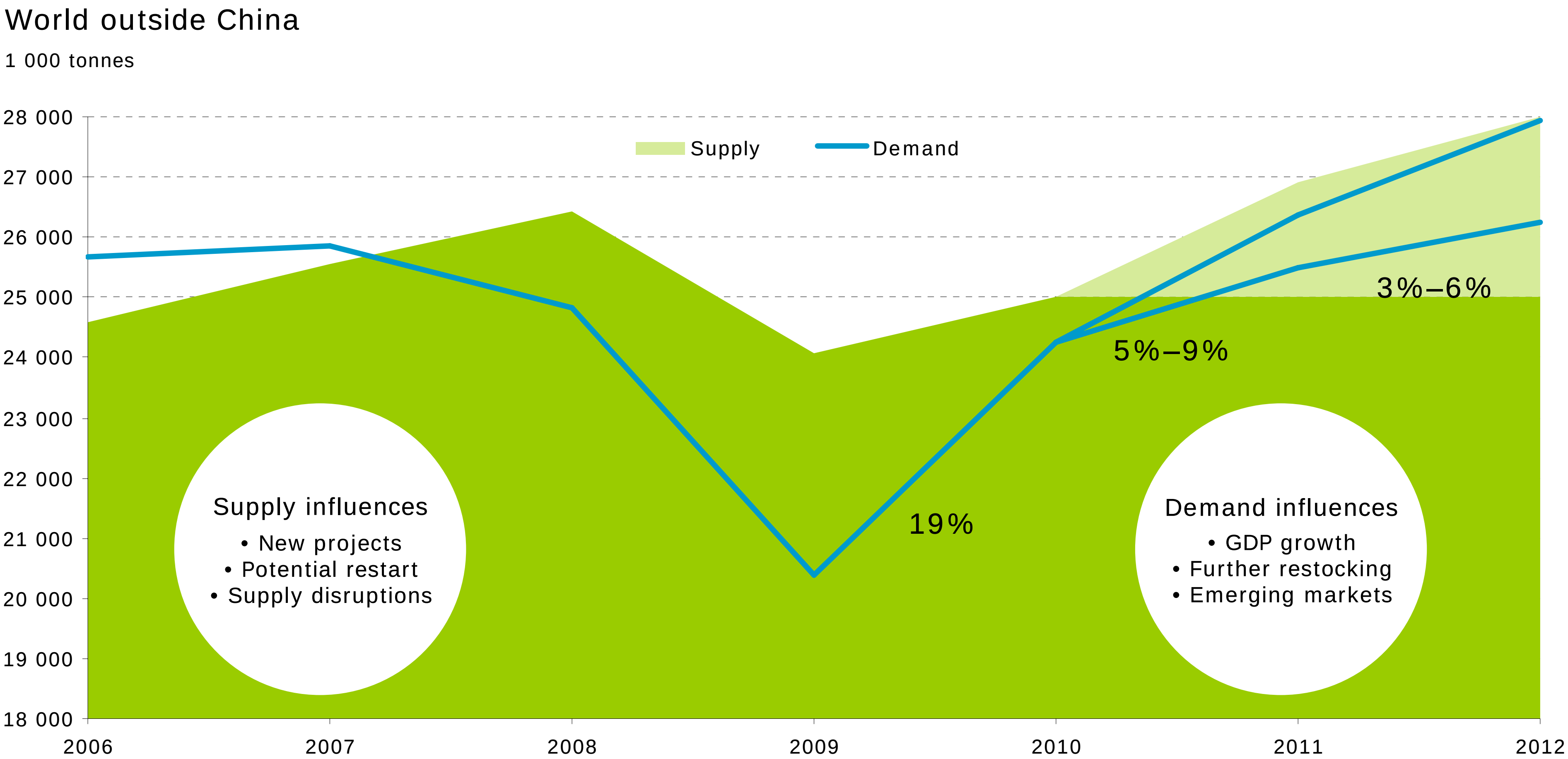
Energy

- 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

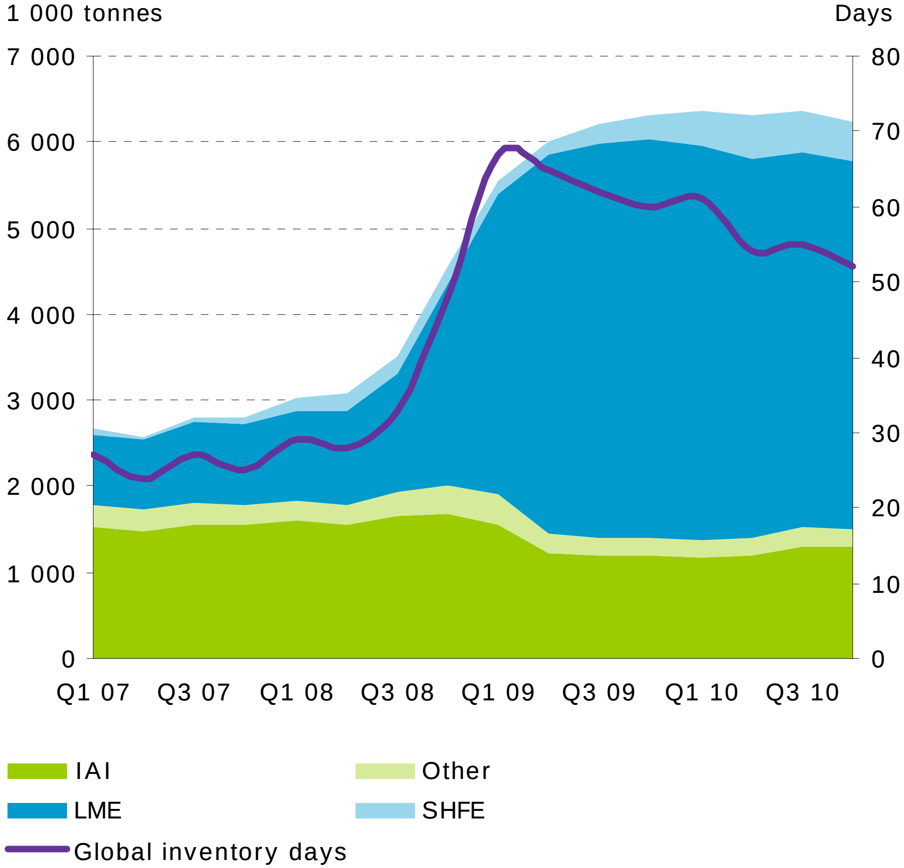
Mid-term development scenario thinking



Source: CRU/Hydro

Global inventory days falling

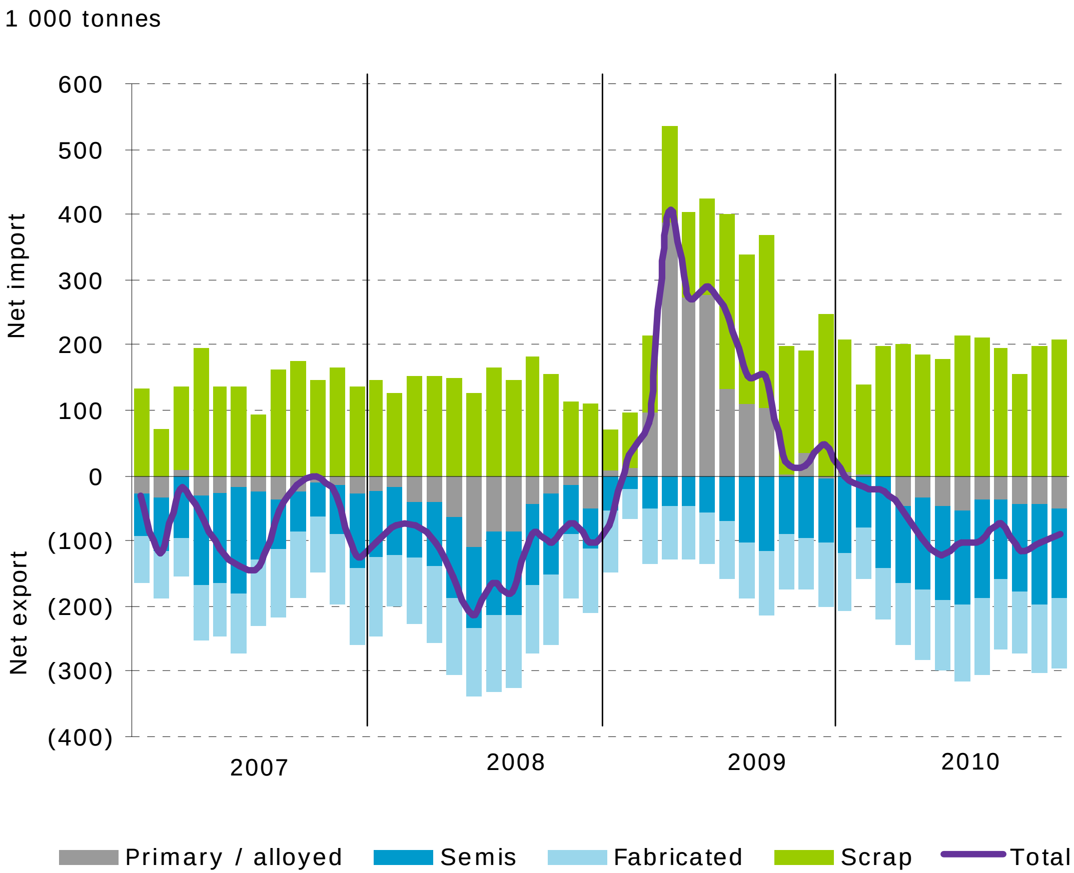
World reported primary aluminium inventories



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
  - Has been profitable on a 3-6 month horizon

China balanced in primary aluminium



- Reduced production in Q4 to meet energy efficiency targets
  - Demand met by inventory draw down
- Production expected to increase after Chinese new year
  - China expected to be broadly balanced in primary aluminium in 2011
- New capacity to be built in north and west China
  - Partly replacing high-cost production in south and east

Source: Hydro / Antaike, January 2011

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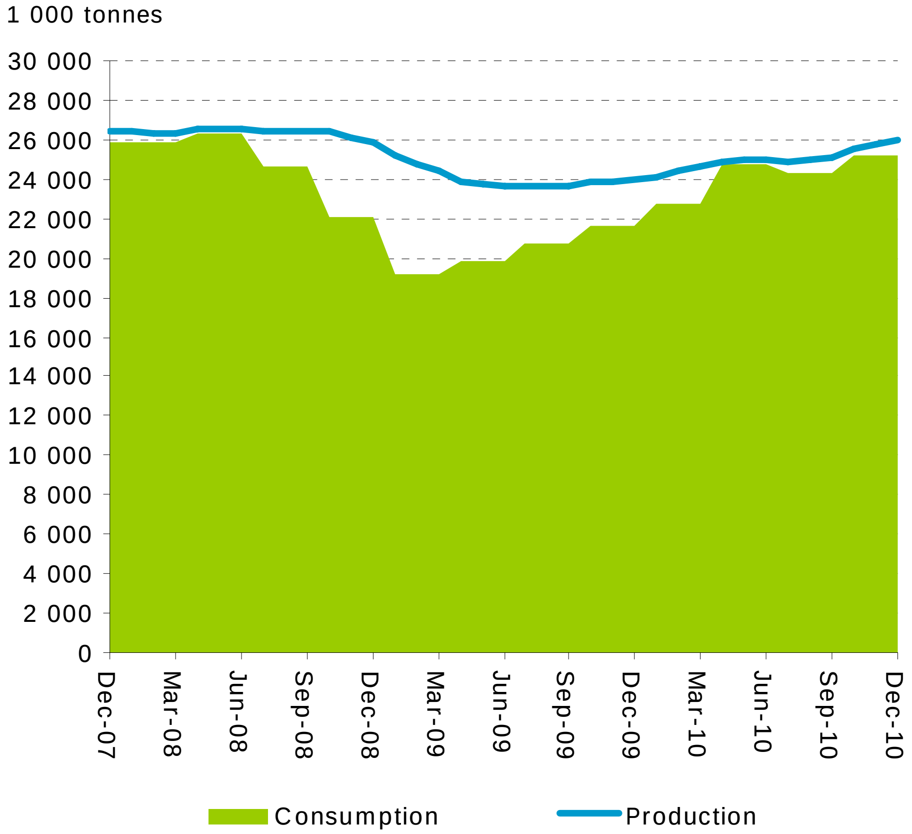
Encouraging 2011 market outlook

World outside China (quarterly demand annualized)



Source: CRU

- World outside China
  - 19% demand growth in 2010
    - Consumption 24.3 million tonnes
  - 7% demand growth expected in 2011
  - Manageable supply/demand balance in 2011
  - Capacity development
    - 1.1 million tonnes curtailed capacity restarted or in process of being restarted
    - 1.3 million tonnes curtailed capacity could restart if current market conditions continue
    - Limited new capacity
- China
  - 21% demand growth in 2010
    - Consumption 16.8 million tonnes
  - 10% demand growth expected in 2011
  - Balanced in primary aluminium

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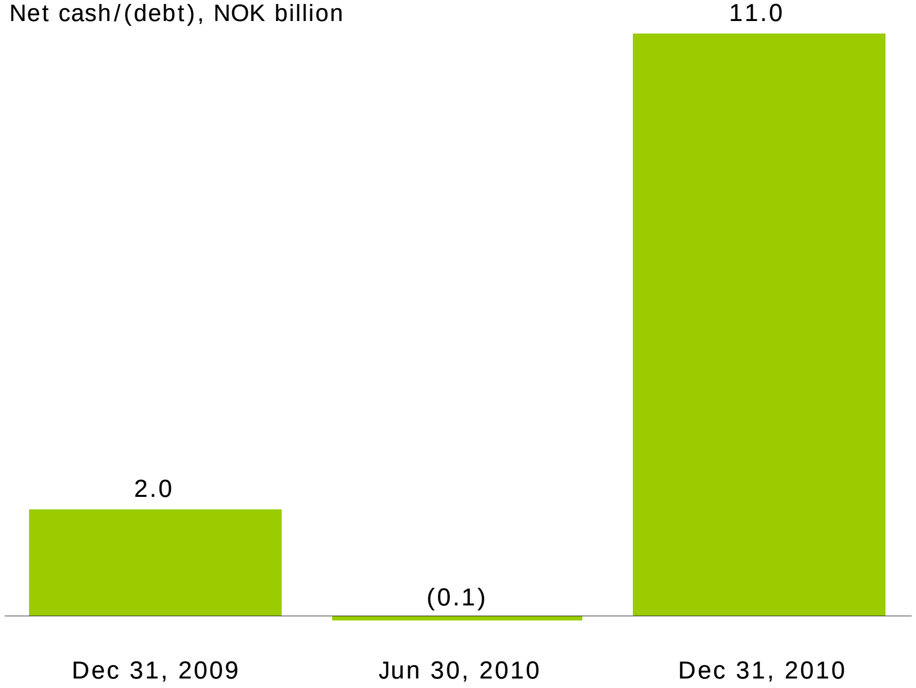
Strong financial position



NOK billion	Dec 31, 2009	Jun 30, 2010	Dec 31, 2010
Cash and cash equivalents	2.6	2.2	10.9
Short-term investments	1.5	1.3	1.3
Short-term debt	(2.0)	(1.5)	(0.9)
Long-term debt	(0.1)	(2.1)	(0.3)
Net cash / (debt)	**2.0**	**(0.1)**	**11.0**
Net int.-bearing debt in equity accounted invest.	(8.0)	(9.1)	(7.8)
Net pension liability at fair value, net of expected tax benefit	(5.6)	(5.2)	(5.6)
Other adjustments*	(4.0)	(3.8)	(4.0)
Adjusted net debt	**(15.6)**	**(18.2)**	**(6.4)**

* Operating lease commitments and other

Proposed 2010 dividend NOK 0.75 per share

- Strong commitment to cash return to shareholders
- Improved earnings and market outlook
- Cash generation capability
- Solid financial position
- Average four year payout ratio is ~55%
  - Dividend policy is 30% payout over the cycle
- Represents payout of ~NOK 1.5 billion

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Priorities 2011

- Successful integration of Vale aluminium organization and assets
- Upstream repositioning through USD 300 program and Qatalum ramp-up
- Solid operations with firm cost control and strong market focus

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