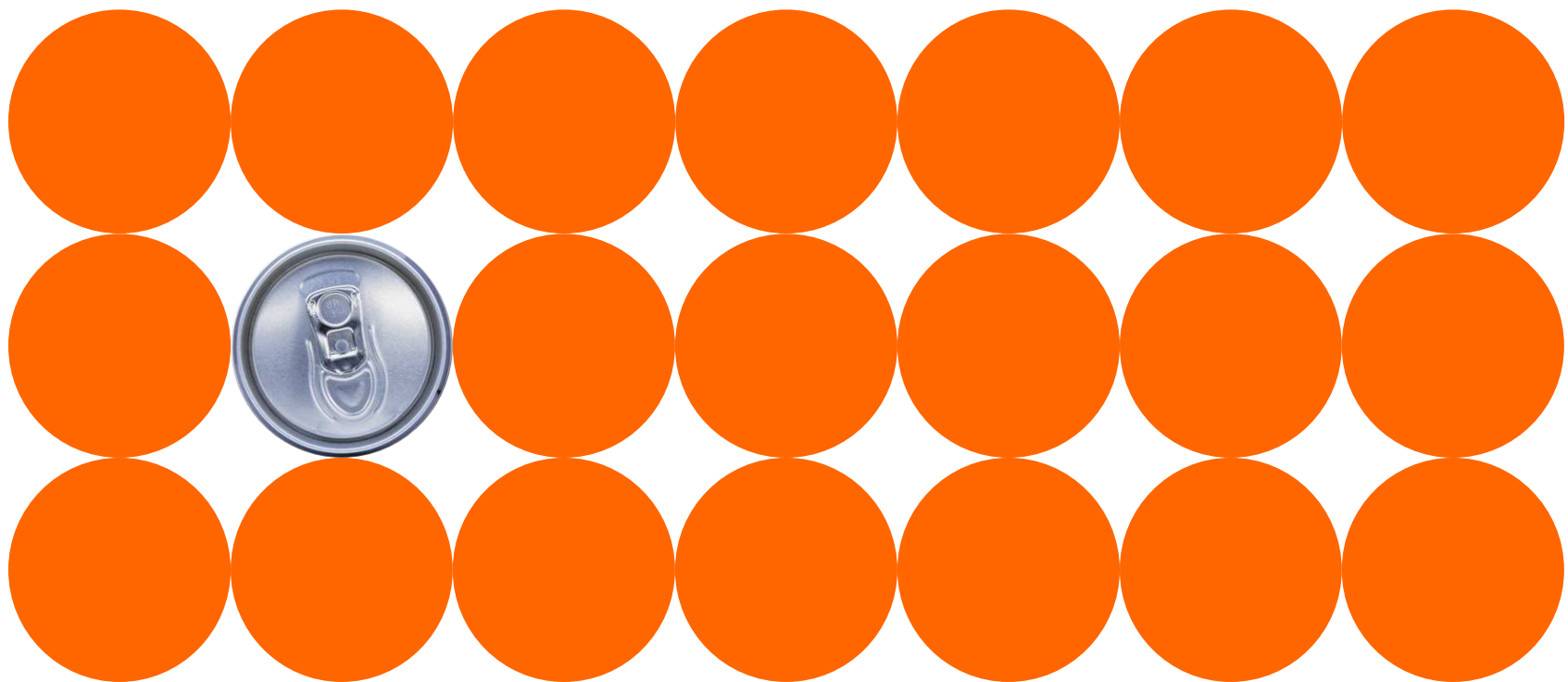


Norsk Hydro: Resource rich and fully integrated



Svein Richard Brandtzæg, President & CEO

16 May, 2012

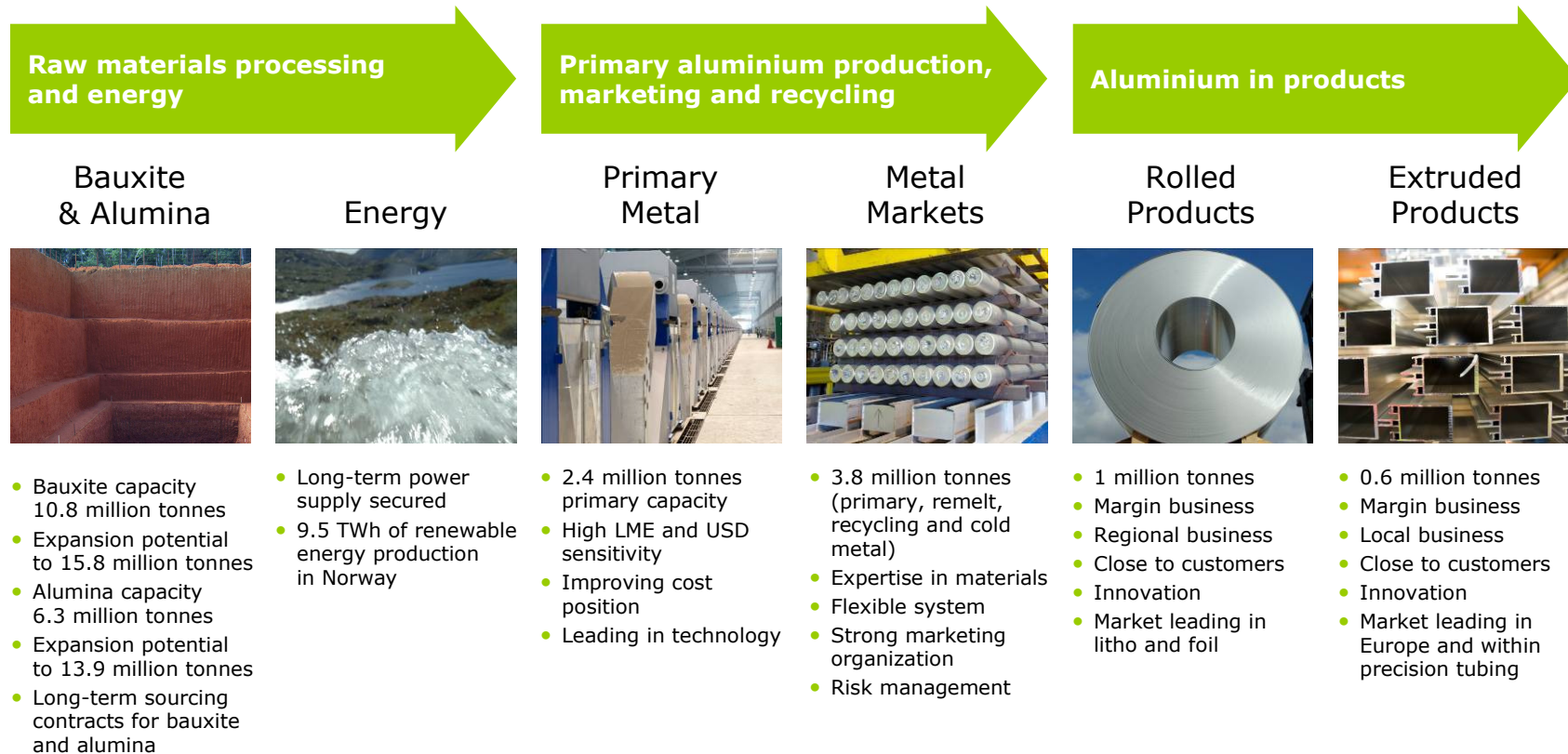
Cautionary note

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.

Strong positions across aluminium value chain

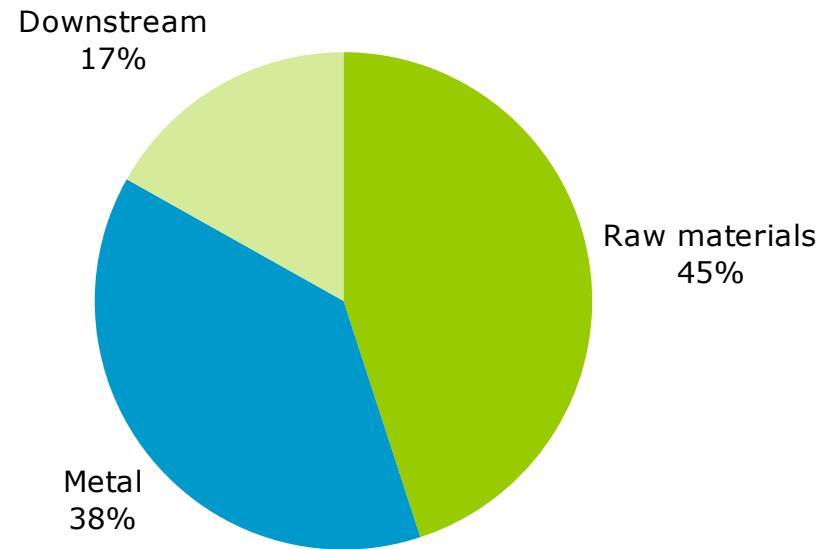


100% of volumes for assets that are fully consolidated and pro rata volumes for other assets.

Strong global positions

- Bauxite & Alumina
 - Alumina priced globally
 - Brazilian production portfolio
- Primary Metal
 - Aluminium is a global commodity (LME)
 - Regional premiums
 - Global production portfolio
- Downstream
 - Majority of sales to Europe
 - Increasing global reach
- Energy
 - Net long position in liquid Nordic power market

Capital employed, as per March 31, 2011



Graph excludes NOK 7.9 billion in negative capital employed in Other and eliminations

1

Global trends – future of aluminium

The great challenges of our time

Growth must be sustainable

Millions climb out of poverty



Increasing energy demand



Climate change



Aluminium – part of the solution



We reduce energy consumption and emissions in our own processes



We develop products and solutions that help our customers reduce energy consumption and emissions



We recycle aluminium using only 5% of the initial energy consumption

“Worth its weight in aluminium”



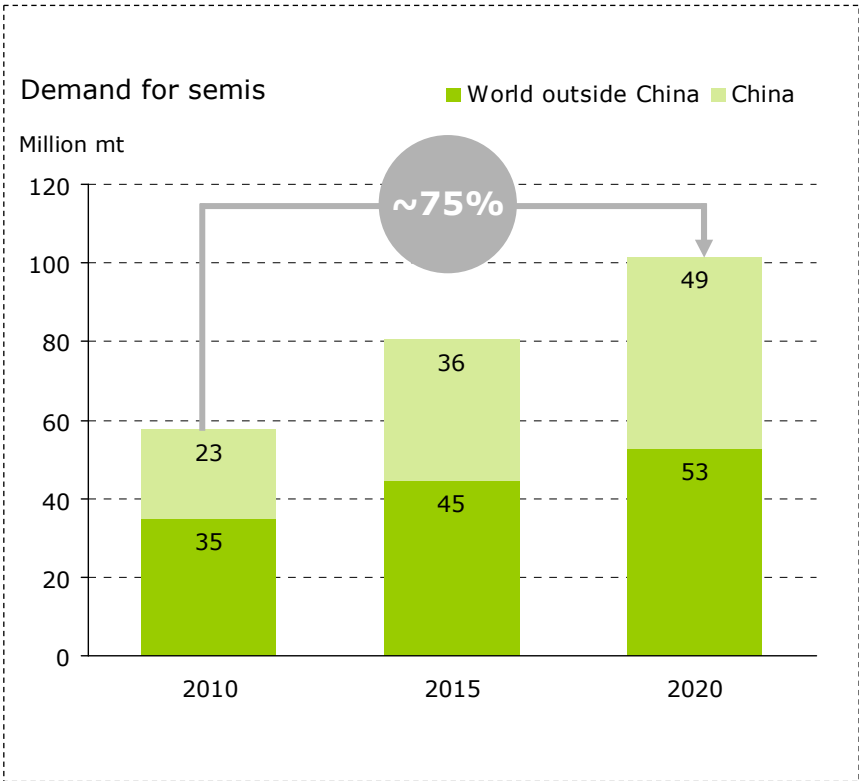
Nye Audi A6 Avant – verdt sin vekt i aluminium

Audi A6 Avant har aldri vært lettere. Audi ultra lettvektsteknologi med avansert aluminiumhybridkonstruksjon gir deg en effektiv bil med fantastiske kjøreegenskaper. Karosseriet består av 20 % aluminium og veier 30 kilo mindre enn forrige generasjon. Totalvekten er redusert med opptil 70 kilo. 3.0 TDI-motoren er slanket med 25 kilo i forhold til forgjengeren. Førermiljøet er fullpakket med Audi connect-teknikk som MMI Touch med Bluetooth, trådløs internettilgang og Google Earth 3D-navigasjon. Legg til satellittstyrte, adaptive lys, og opplev en bil for businessungvekterne. Velg mellom flere effektive motoralternativer. Drivstofforbruk 0,50 – 0,82 l/mil ved blandet kjøring. CO₂-utslipp 132 – 190 g/km.

Audi Forspranget ligger i teknikken 

Solid demand growth expected, driven by aluminium properties

- Lightweight
- Recyclability
- Corrosion resistant
- Formability
- Excellent conductivity
- Alloying technology

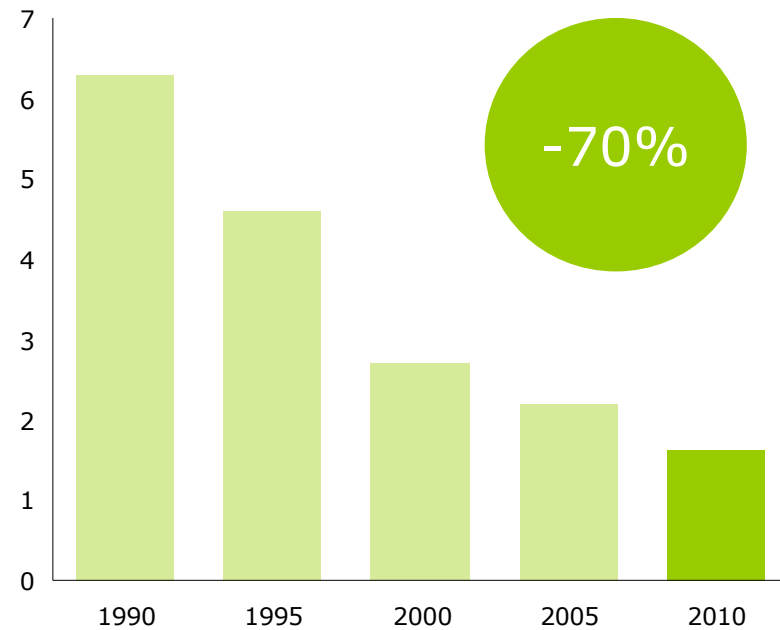


Addressing the climate challenge

Significant reductions in CO₂ emissions and energy consumption

Lower emissions from Hydro plants

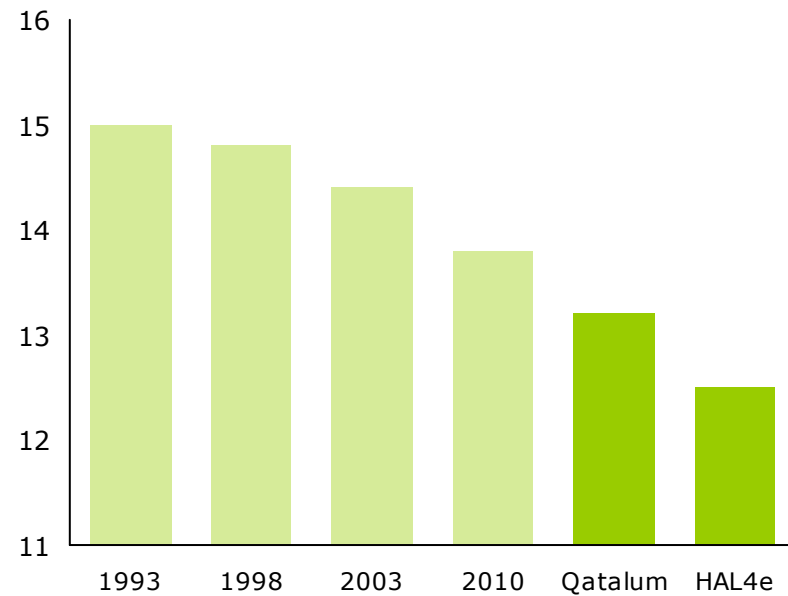
Kg CO₂e / Kg aluminium



Average specific emissions from Hydro's Norwegian smelters

Lower specific energy use at Hydro plants

KWh / Kg Aluminium



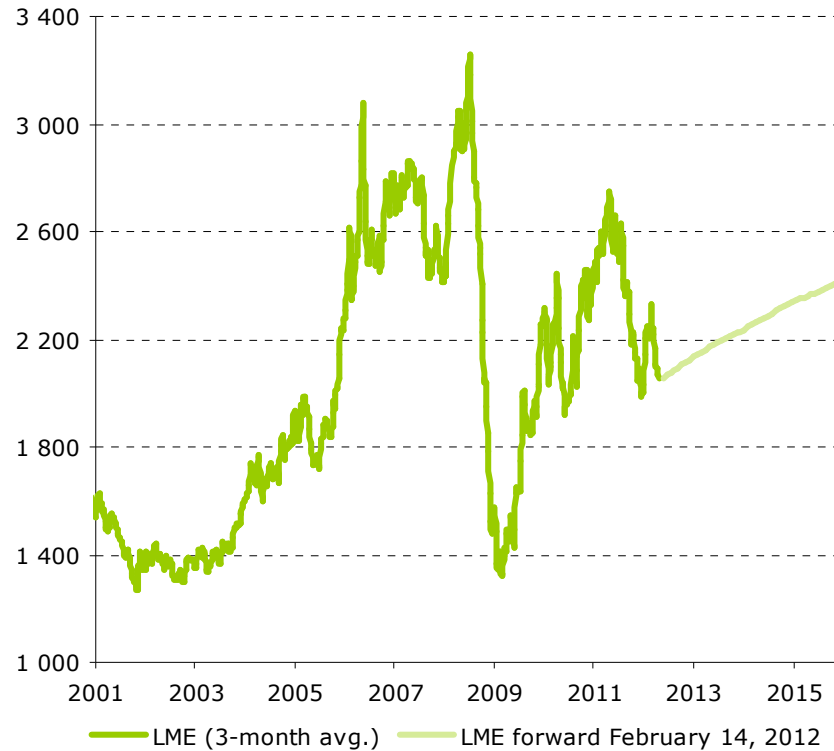
Average specific energy consumption from 100%-owned Norwegian smelters

2

Aluminium market – trends and expectations

Volatile prices, currently at unsustainable levels

Aluminium price USD per tonne



Source: Reuters Ecowin

Platts index USD per tonne / % of LME

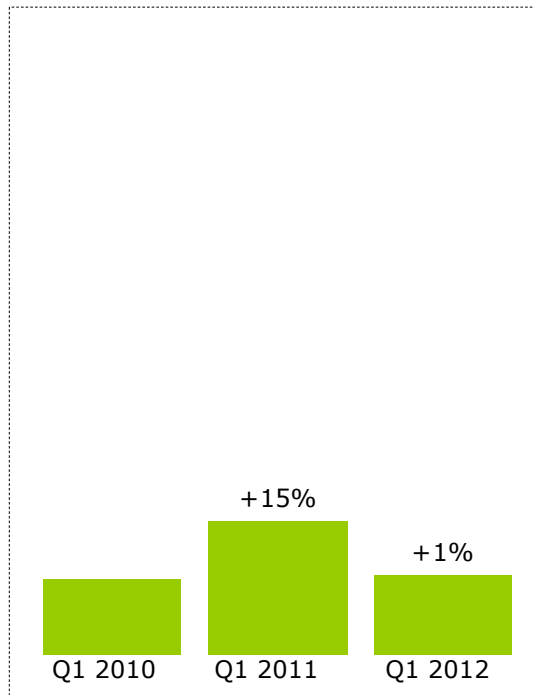


Source: Platts

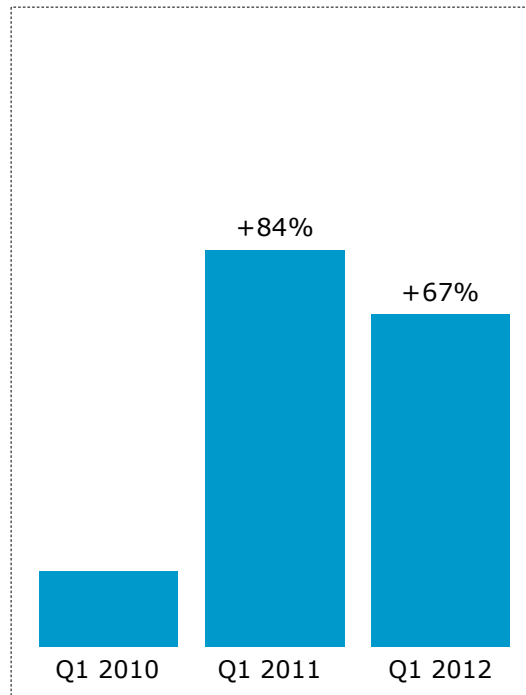
Raw material cost challenge

Aluminium price lags important raw material prices

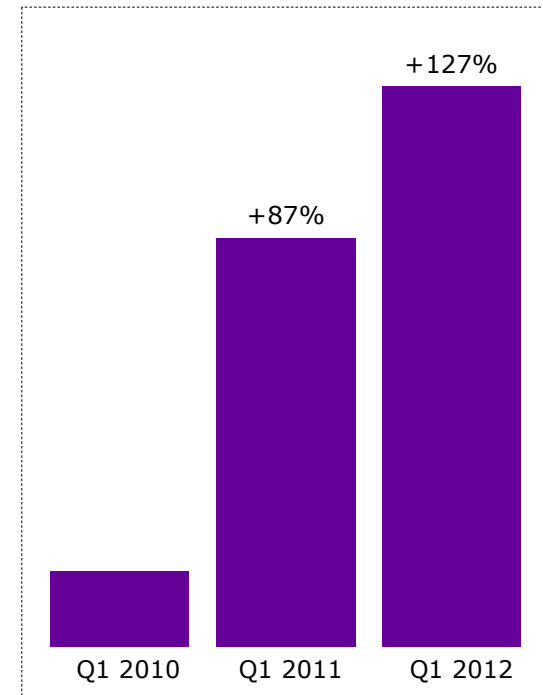
LME 3 month, indexed (Q1 2010=100)



Pet coke price, indexed (Q1 2010=100)



Caustic price, indexed (Q1 2010=100)

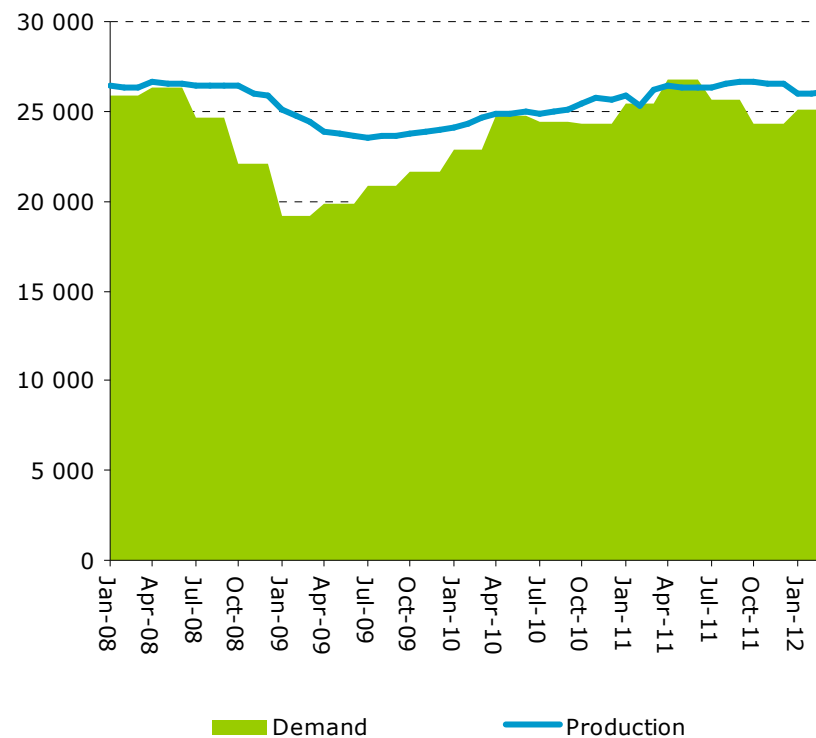


Source: EcoWin (LME), PACE (Pet coke), CMAI/Harriman (Caustic soda)

Trending towards a balanced market

World outside China (quarterly annualized)

1 000 mt

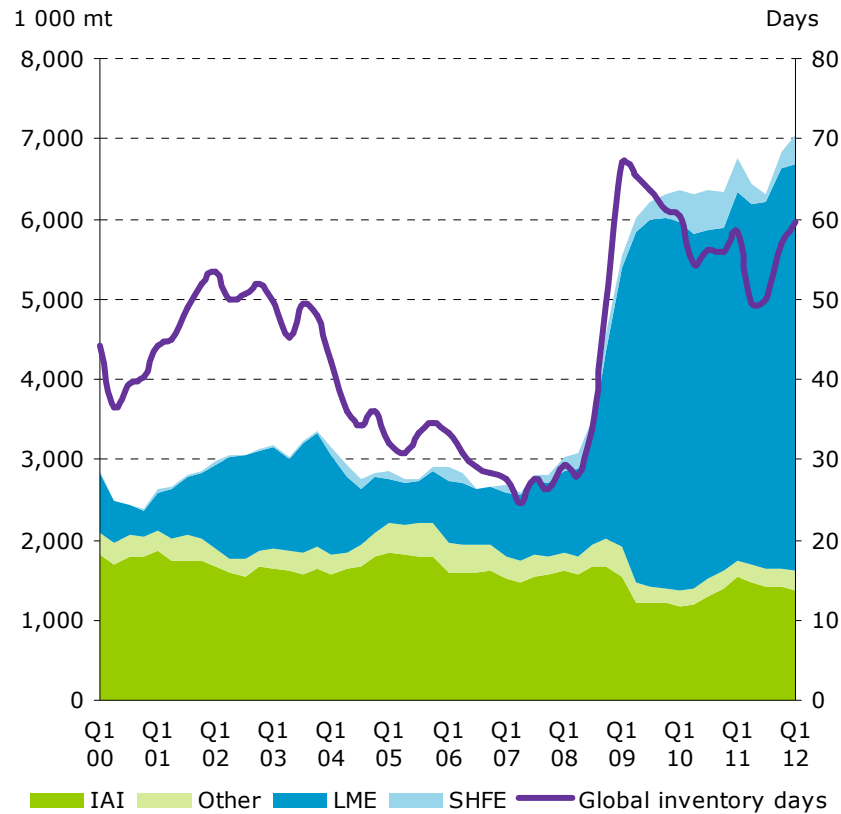


- Seasonal increase in demand, while production declined from curtailments
- Improved supply-demand balance expected in 2012
 - ~1 million mtpy announced curtailments

Source: CRU/Hydro

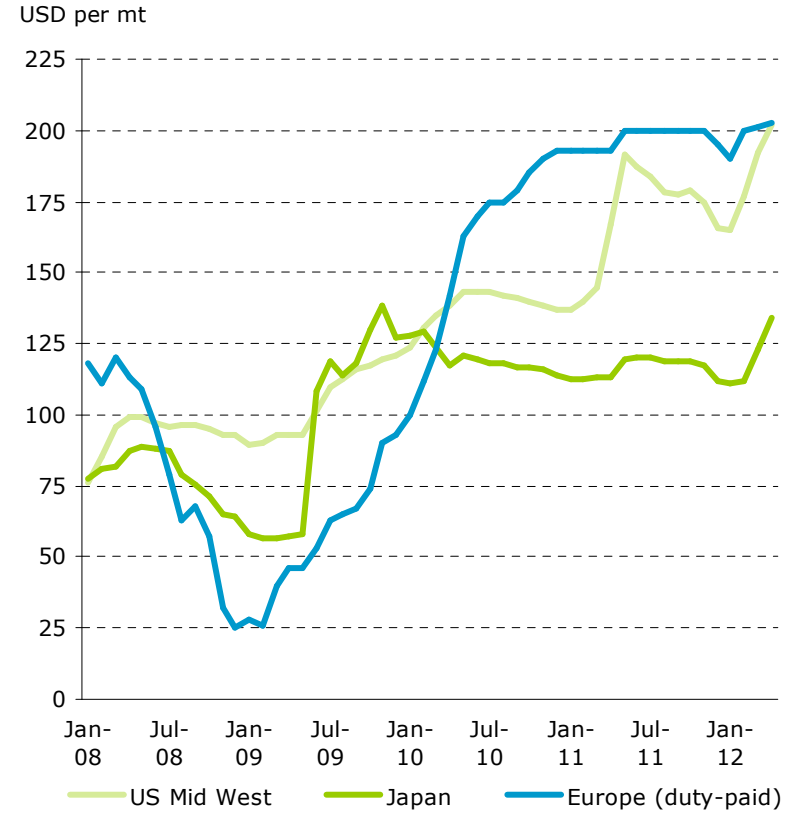
Physical tightness and increasing premiums despite high inventories

World reported primary aluminium inventories



Source: CRU/Hydro

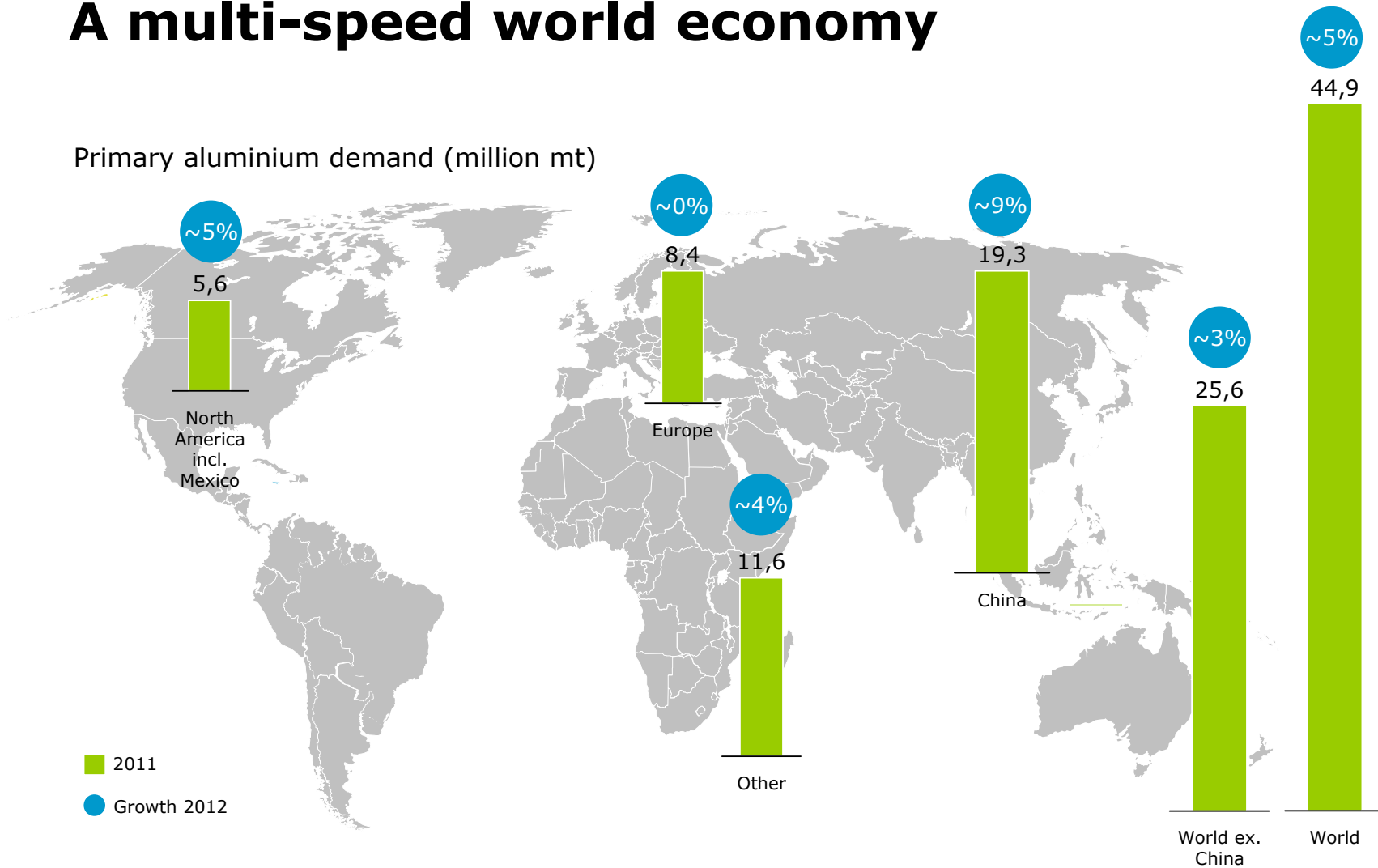
Regional ingot premiums



Source: Metal Bulletin, MW/MJP: Platts

A multi-speed world economy

Primary aluminium demand (million mt)

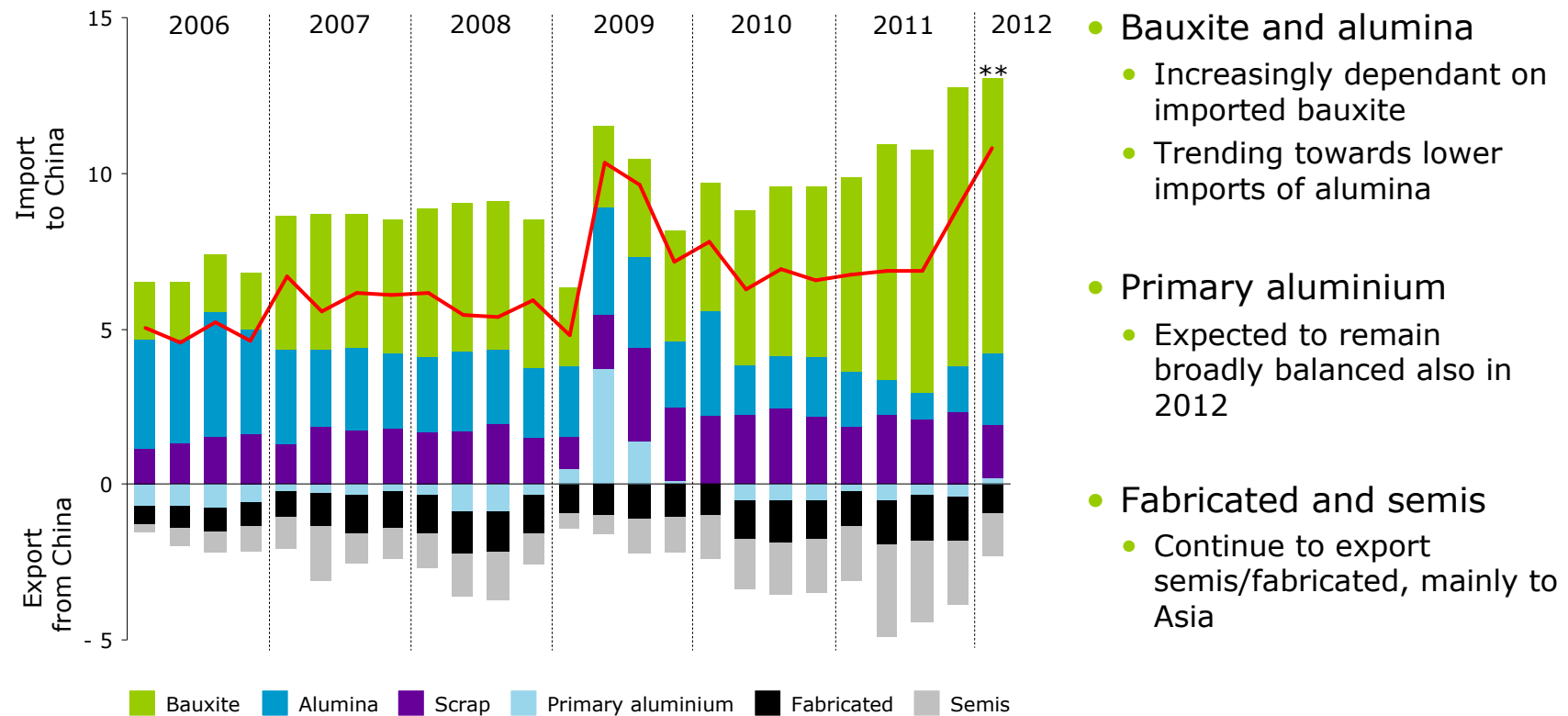


Source: CRU, Hydro analysis

China increased net imports

In terms of aluminium equivalents across the total value chain

Annualized aluminium equivalents*, million mt

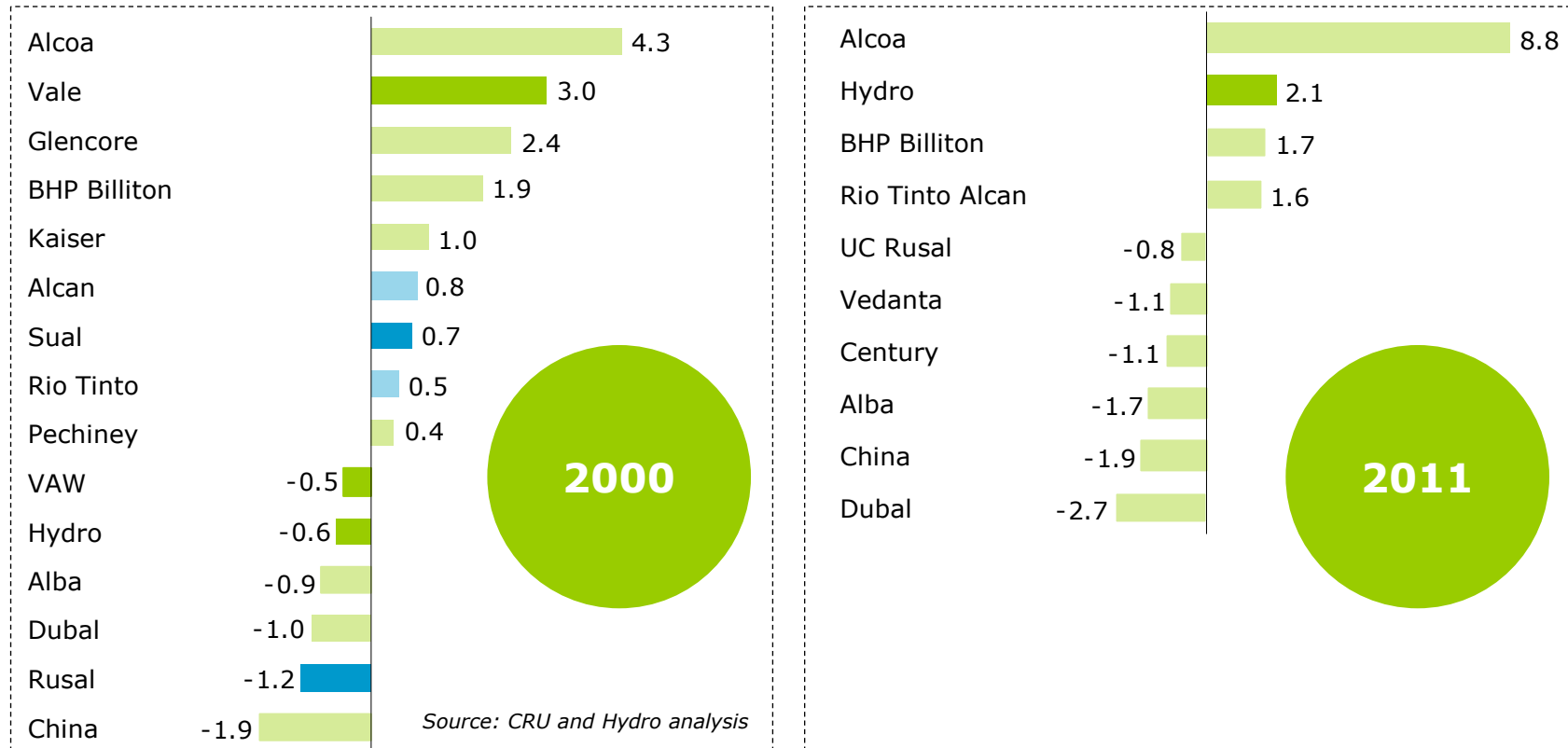


Source: CRU/Antaike/Hydro

* Bauxite/alumina to aluminium conversion factor: 5.4/1.925 ** Annualized January and February

Alumina market is consolidating

Net long alumina position, million tonnes

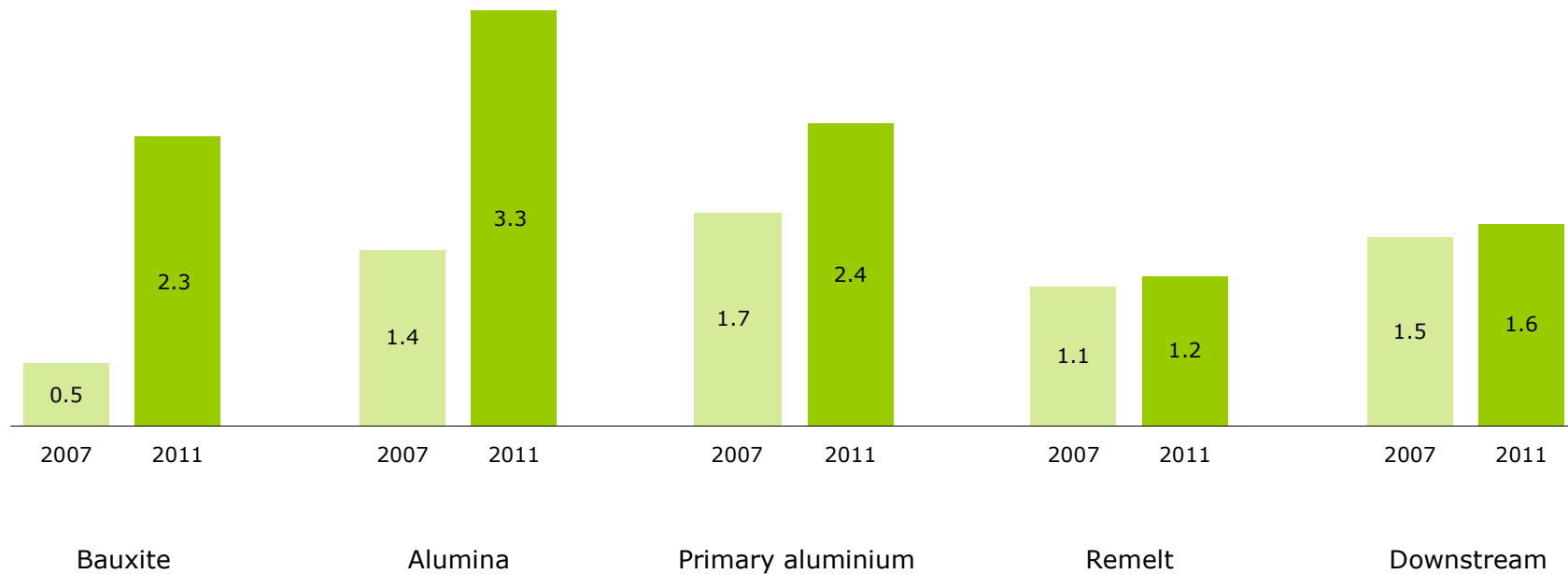


3

Hydro's position in the aluminium industry

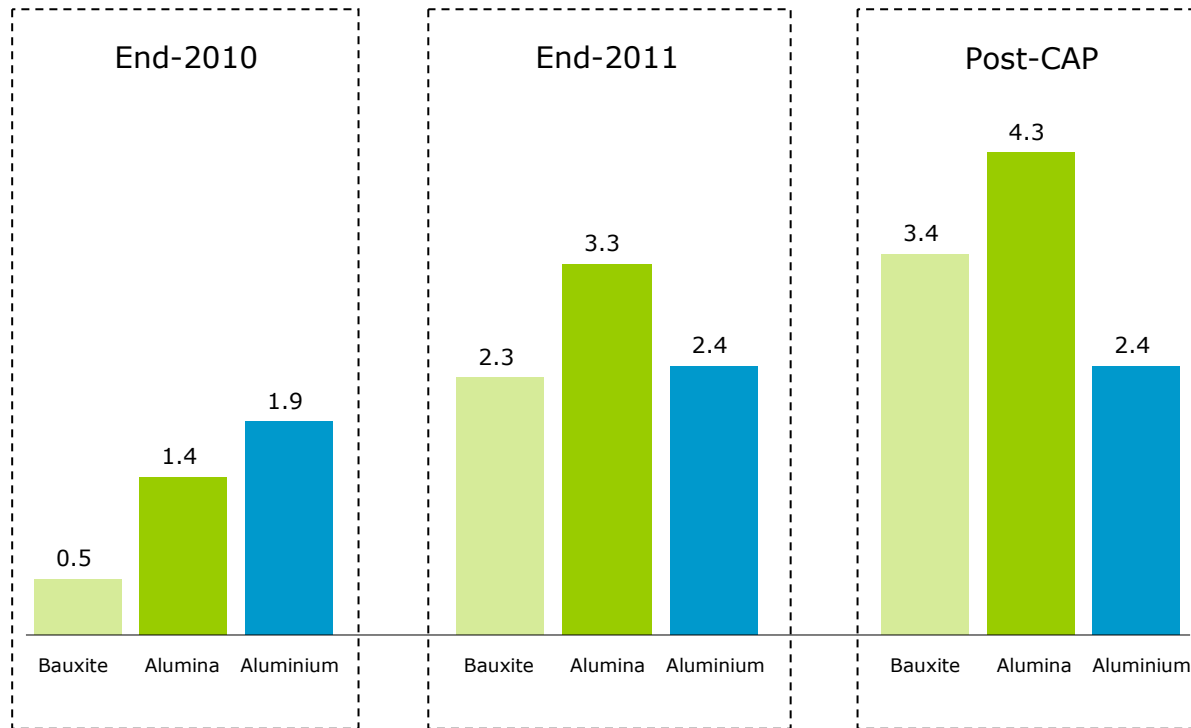
Significant capacity growth – mainly upstream

Annual consolidated capacity in metal equivalents, in million mt



Raw material is key to our aluminium future

Aluminium equivalent consolidated capacity, million tonnes

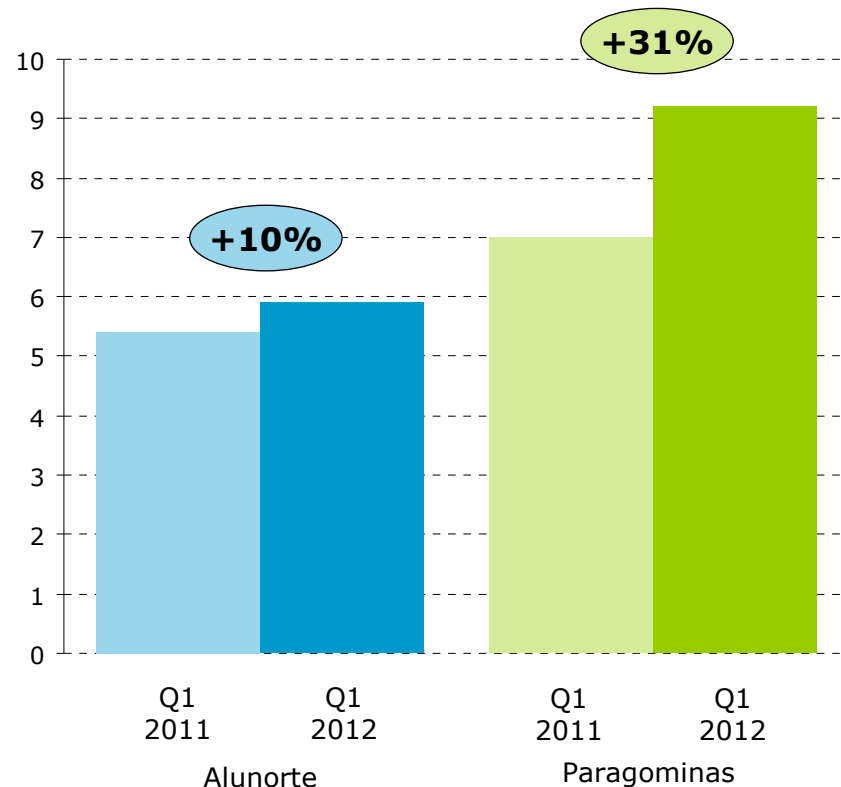


- Long position in bauxite and alumina creates flexibility
- Strategically attractive assets
- New business opportunities
- Resource constrained world

Includes idled capacity. "Post-CAP" includes Paragominas at 15 million tonnes and CAP first phase.

Attractive bauxite and alumina position

Annualized production, million mt*



*Pro-forma

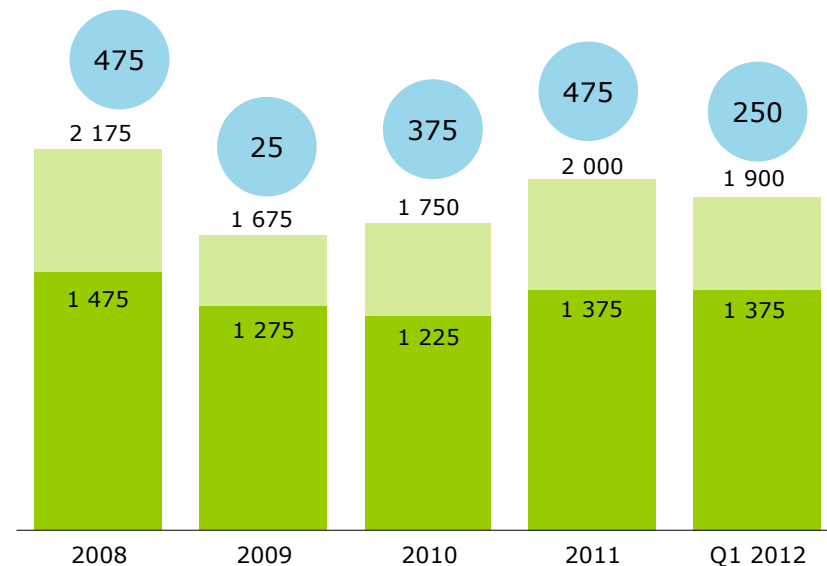
- Integration progressing according to plan
- First priority to improve and stabilize production
- Focus on improving cost position
- High-quality alumina – preferred by customers
- CAP project postponed
 - Highly attractive project but uncertain short- and medium term supply/demand balance and uncertain development in the world economy

Primary Metal improvement program on track

USD 235 per mt by end-2012

Estimated primary aluminium cash cost and margin

USD/mt ¹⁾



■ Estimated cash cost excluding LME-linked alumina cost ²⁾

■ Estimated LME-linked alumina cost ²⁾

● Estimated EBITDA margin

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

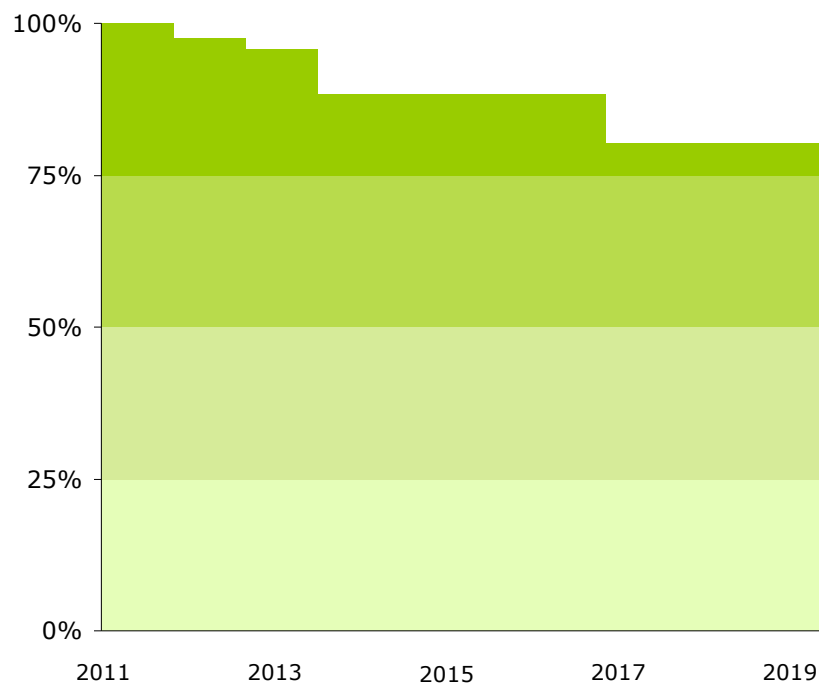
2) ~13% of LME 3 month price with 2.5 months delay

- Additional USD 35 per mt expected realized in 2012, remaining USD 65 in 2013
 - Progressing according to plan
- Cash cost down ~USD 100 per mt from 2011 on lower alumina cost
 - Effects from improvement program offset by increased raw material costs
- Qatalum with stable production above nameplate capacity – 600 000 mt annually

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 fully owned capacity, ~1 million mt annual capacity.

Robust power coverage

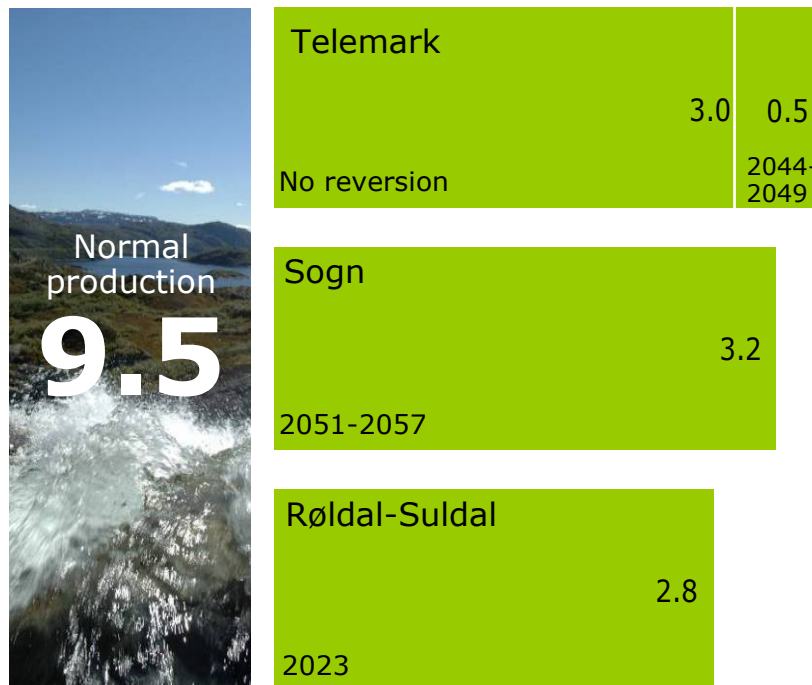
Power coverage (%), based on consolidated production in 2011



- 80% of current production has power coverage until 2020 or beyond
- ~2/3 based on hydro-power
- Renewal of power contracts
 - Tomago – contract signed
 - Alouette – MoU signed for expansion and prolongation of contract
- Shorter term sourcing needs
 - Neuss, Sørø and Slovalco

Aiming to lift power production to 10 TWh

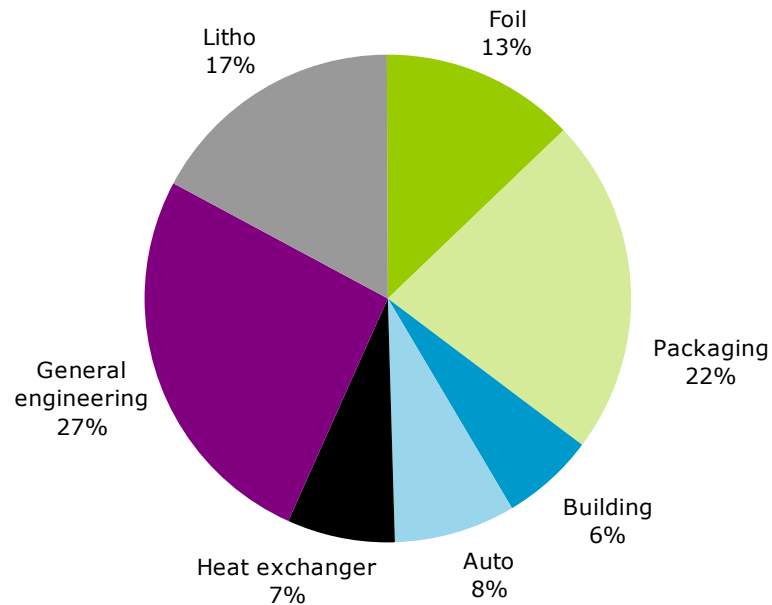
Power production capacity (TWh),
per region and reversion year



- Power producing assets and ongoing projects
 - Maintain cost control in operations and projects
 - Holsbru project concluded, production start April 1
 - Vasstøl and Rjukan upgrade during 2012
- New growth projects
 - Mature new equity growth options
 - Growth potential in excess of 0.5 TWh
- Framework conditions
 - Reversion regime secures full value of energy assets
 - El-certificates support investments in new capacity
- Portfolio restructuring through sale of non-strategic SKS share
 - SKS priced at NOK 3.4 billion per TWh

No. 1 flat rolled products producer in Europe

External sales in tonnages

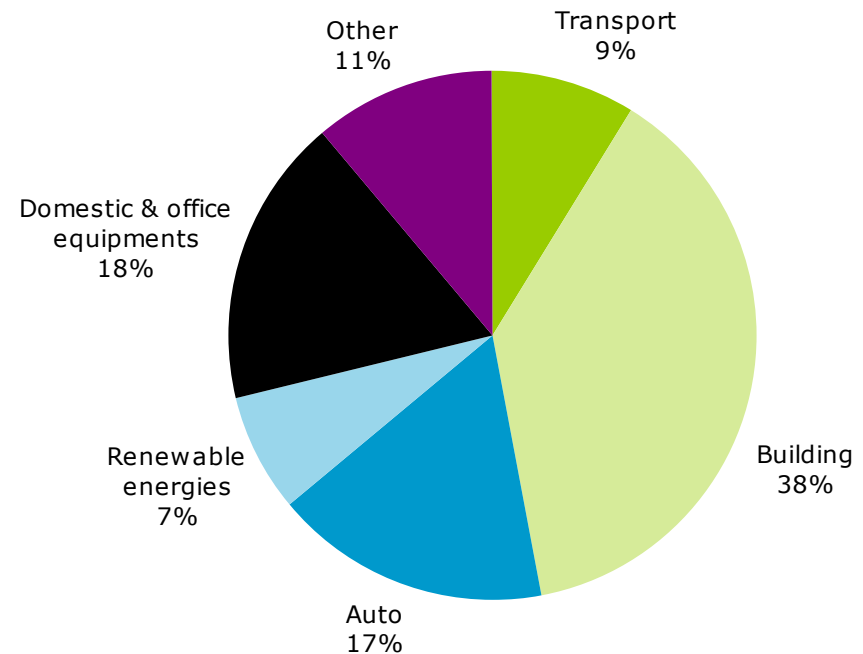


- World leader in high-end products foil and litho
- Strategy of high-grading product portfolio
 - Margin management and cash generation
 - Focus production system on core assets
 - Alunorf (JV 50%) - world's largest rolling mill
 - Grevenbroich plant - world's largest finishing mill
- External sales of 929 000 mt in 2011
 - 75% of shipments in Europe
 - 7% of business in North America
 - 18% of business in Asia/rest of the world

European extrusion leader with global presence

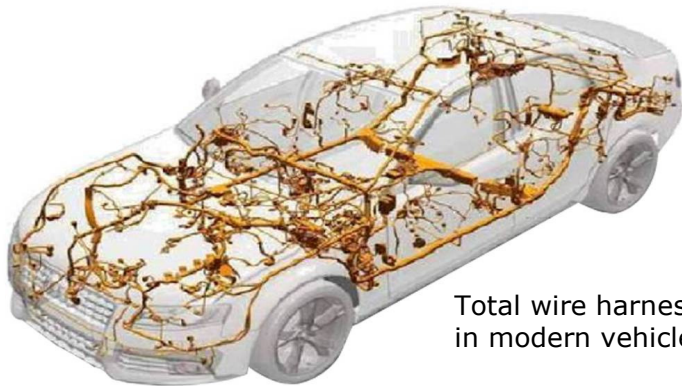
- Leading position in Europe
 - 17% market share
- Strong position in US and Brazil
- Global leader in precision tubing
- Strategy of solidifying leading positions
 - Reinforce European extrusion base
 - Specialist in energy-neutral building solutions, including solar
 - Emerging markets expansion
- External sales of 536 000 mt in 2011
 - 74% of shipments in Europe
 - 14% of business in North America
 - 12% of business in Asia/rest of the world

External sales in tonnages



Copper substitution represents major potential

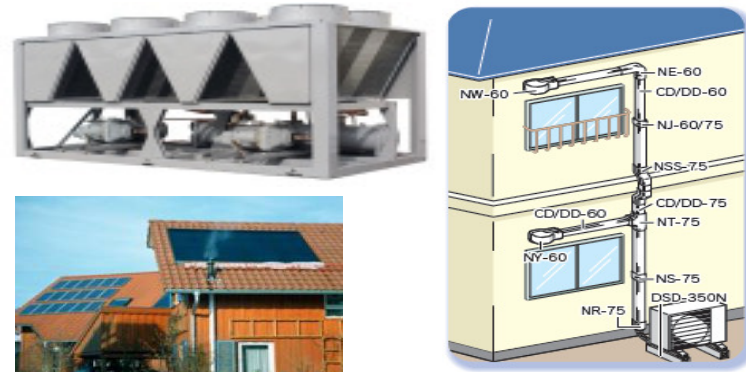
- Substitution to aluminium in cars: 12.5 kg/car
- Weight reduction: about 50% vs. copper
- Worldwide potential: about 875 000 mt annually



Total wire harness in modern vehicle

Making heat-exchanger technology leap from automotive...

...into broad range of non-automotive products and applications

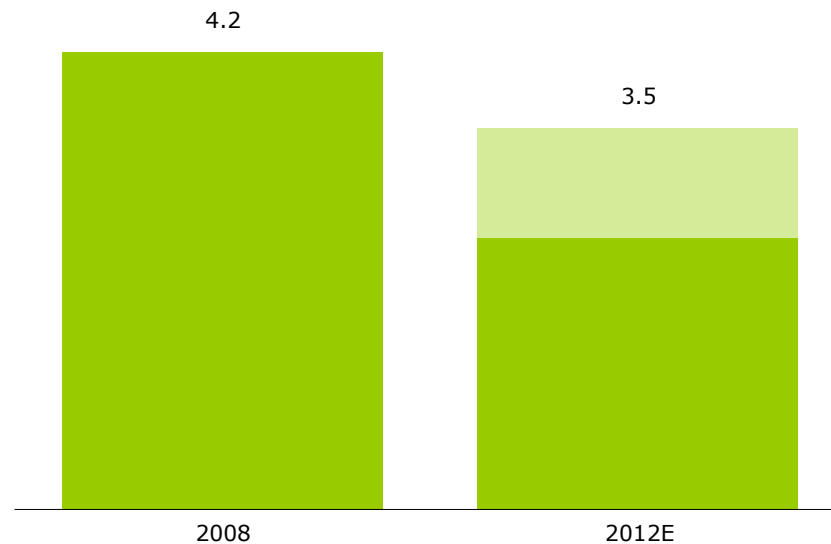


Aluminium has almost replaced copper in automotive precision tubing over last 30 years

The leading position of copper in buildings has remained unchallenged ... until now

Sustaining capital expenditure reduction

Sustaining capital expenditure
In NOK billion

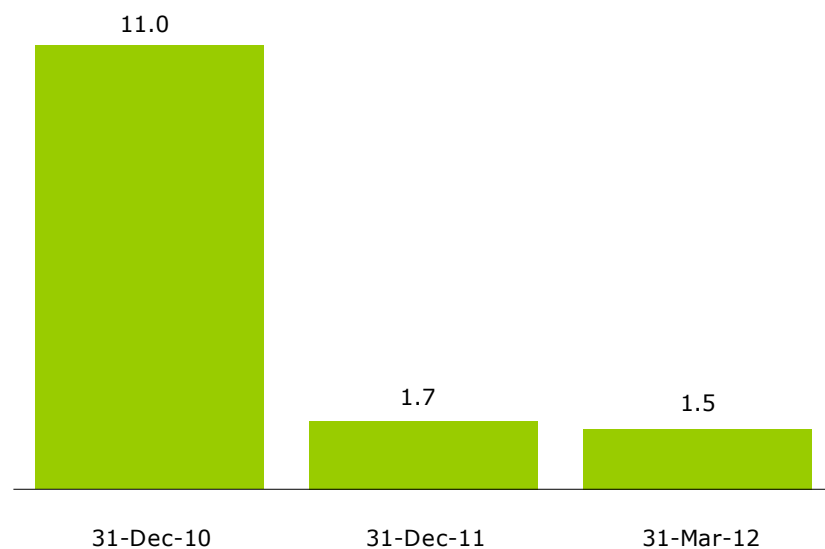


- Sustaining capex significantly down from 2008 levels
- Increase in sustaining capex from Vale acquisition
- Additional NOK ~1-1.5 bn from growth and improvement capex expected in 2012

■ Sustaining capex Vale assets

Robust financial position

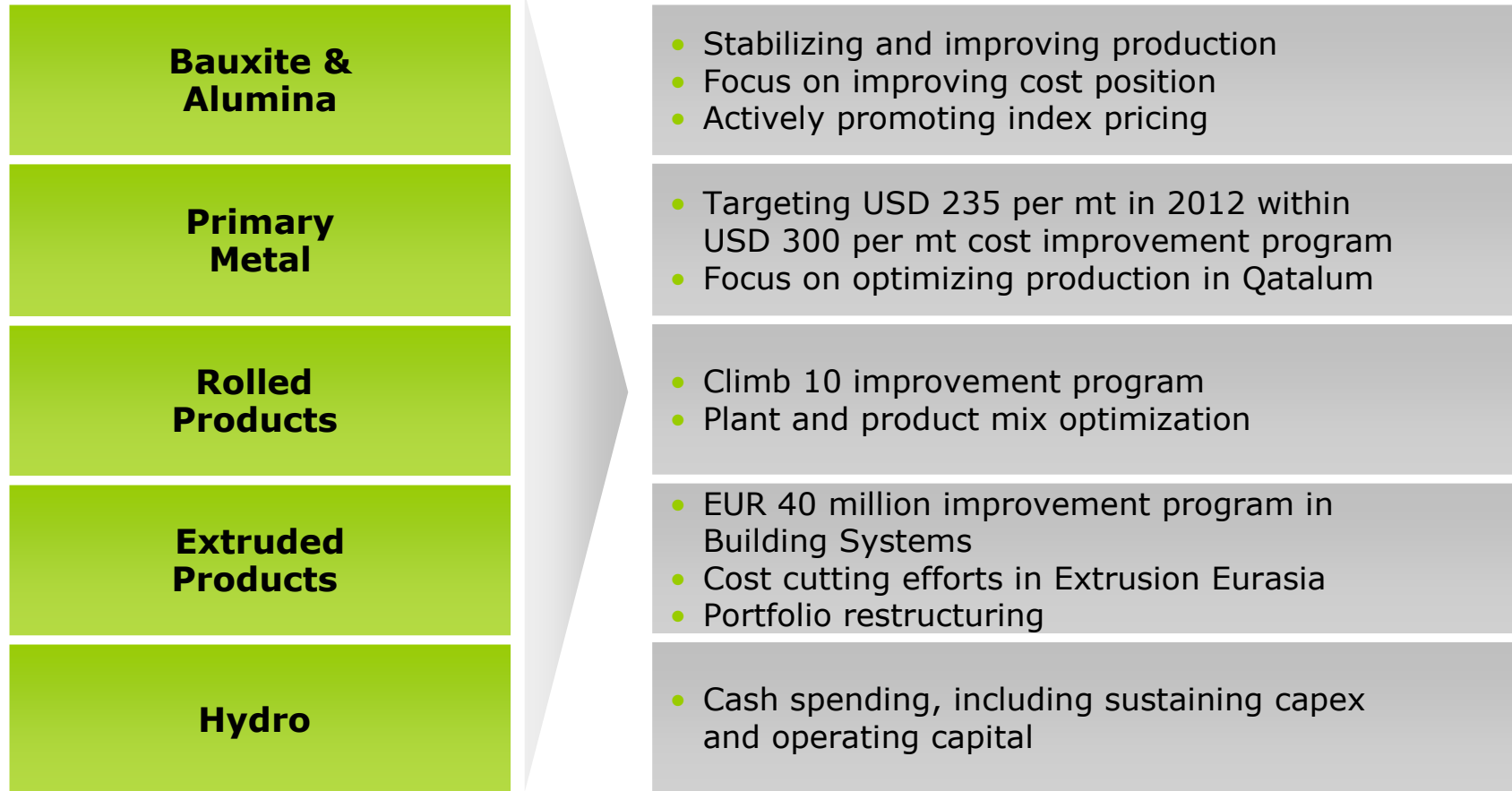
Net cash/(debt), NOK billion



NOK billion	Dec 31, 2010	Dec 31, 2011	Mar 31, 2012
Cash and cash equivalents	10.9	8.4	8.8
Short-term investments	1.3	1.8	1.6
Short-term debt	(0.9)	(4.3)	(5.1)
Long-term debt	(0.3)	(4.2)	(3.7)
Net cash/(debt)	11.0	1.7	1.5
Net int.-bearing debt in equity accounted invest.	(7.8)	(7.4)	(6.8)
Net pension liability at fair value, net of expected tax benefit	(5.5)	(6.9)	(6.7)
Other adjustments*	(4.0)	(7.3)	(7.2)
Adjusted net debt	(6.4)	(19.9)	(19.2)

* Operating lease commitments and other

Adapting to a challenging market environment



Strategy for further value creation

Bauxite & Alumina



- Excellence in operations
- Commercialize
- Expand capacity

Primary Metal



- Reposition
- Keep solid cash flow in current assets
- Expand in first quartile assets

Energy



- Increase value of energy business
- Develop current base
- Global approach to power sourcing

Mid- and downstream



- Adjust capacity and cost base to market
- Continue proven high-end product strategy
- Expand selectively in emerging markets



www.hydro.com