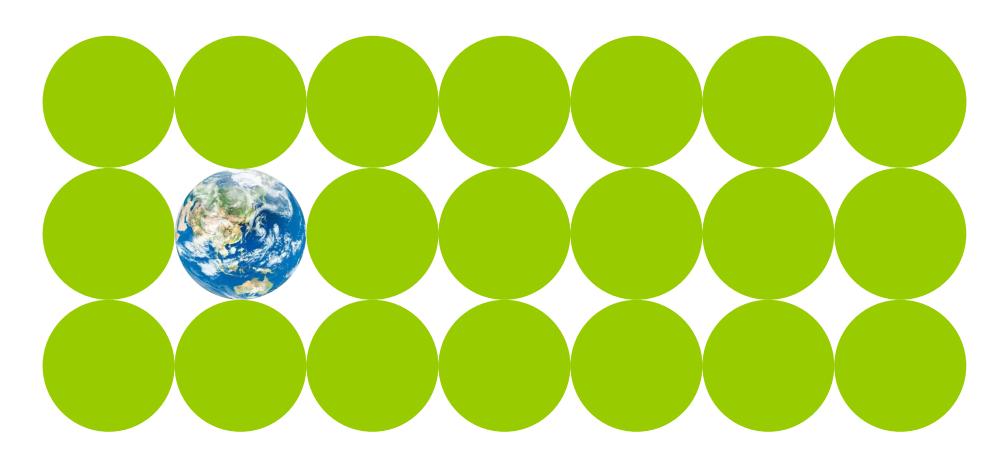
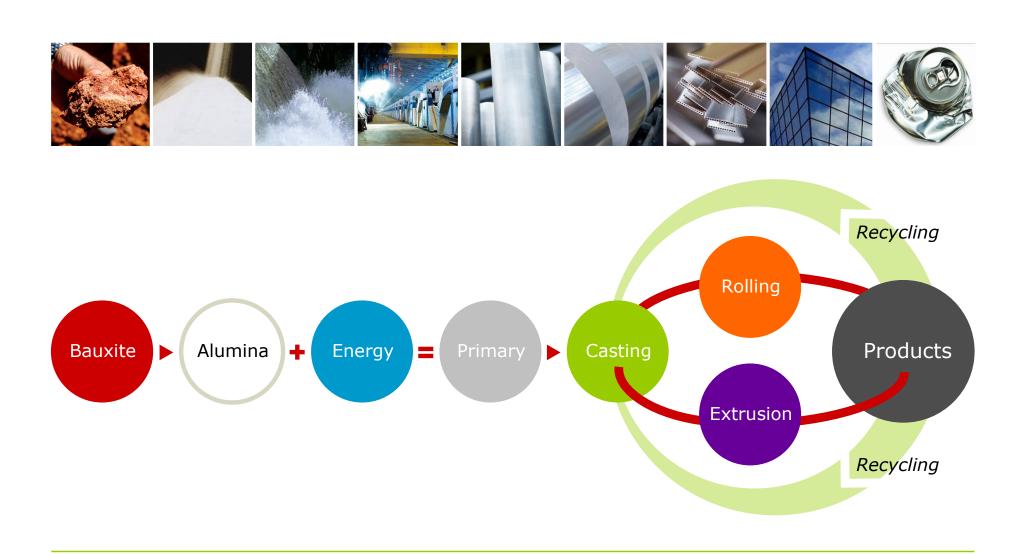
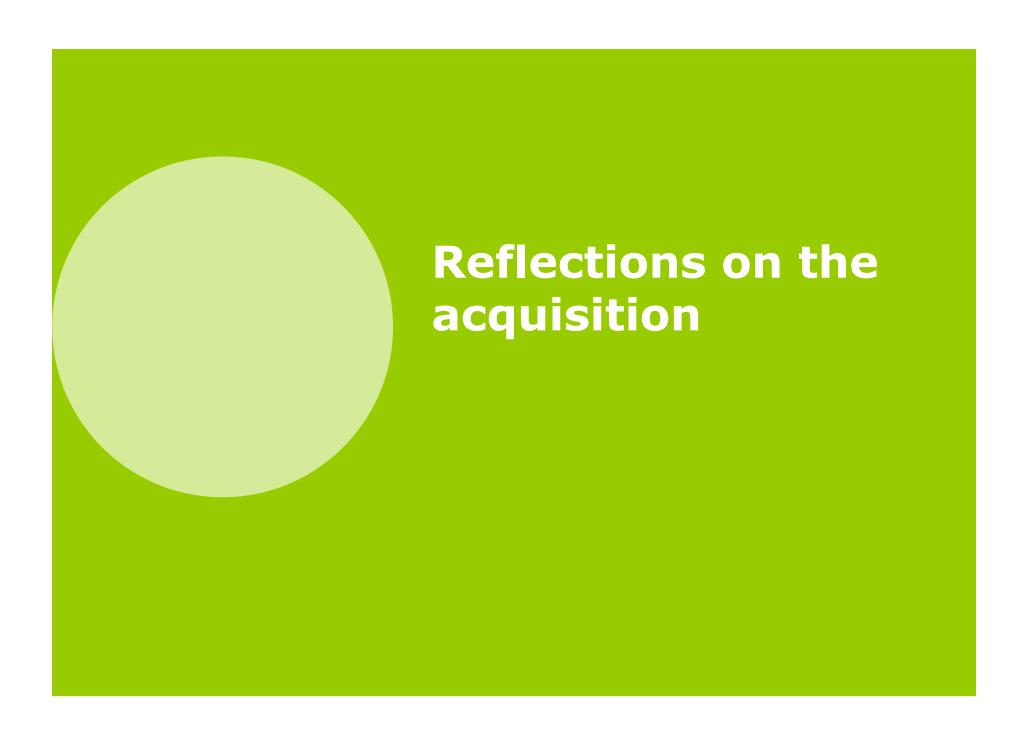
Hydro: Brazil site visit



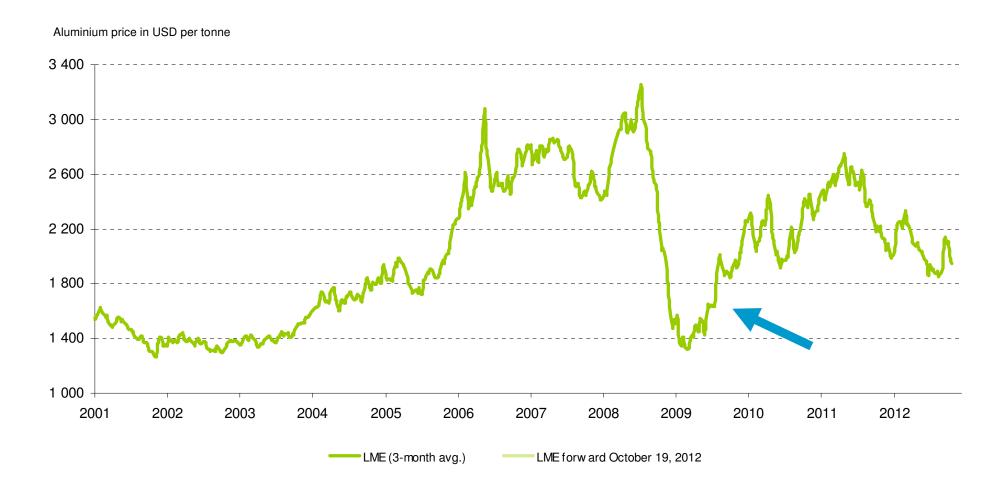
Jørgen C. Arentz Rostrup, Executive Vice President and CFO November 5, 2012

Strong positions across aluminium value chain





Challenging markets



Discussions on financial solidity and rating

- Challenging rating situation in 2009
 - Challenging markets
 - BBB- with negative outlook from S&P, difficult to meet financial ratios
- Rights issue discussed in industry
 - Market open for "defensive" rights issues
 - (Originally) no link to Vale deal
- More comfortable financial position than competitors
 - Available credit facilities ~NOK 20 billion
 - Entered into credit facility during 2009 at competitive terms



Timeline

- Fall 2009: Initial meetings
- January/February 2010: Due diligence
- February/April: Negotiations
- 2 May: Announcement
- May: Roadshow
- 28 February 2011: Closing



Transaction highlights

- Structure unique and needed approvals from several stakeholders including the Norwegian, Brazilian and Japanese Governments
- Financing same net financial position after transaction with a significant larger asset base
- Successful rights issue
- Transforming transaction impacting the aluminium industry
- Competence within Hydro



Strong positions across aluminium value chain

Before acquisition

Raw materials processing and energy

Primary aluminium production, marketing and recycling

Aluminium in products

Bauxite & Alumina



- Net short position
- 25% equity coverage for bauxite
- 65% equity coverage for alumina
- Long-term sourcing contracts for bauxite and alumina

Energy



- Long-term power supply secured
- 9.5 TWh of renewable
 High LME and USD energy production in Norway





Metal

- 2.0 million tonnes primary capacity
- sensitivity
- Improving cost position
- Leading in technology

Metal Markets



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

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 Europe and within Precision Tubing

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

Strong positions across aluminium value chain

After acquisition

Raw materials processing and energy

Primary aluminium production, marketing and recycling

Aluminium in products

Bauxite & Alumina



- **Net long position**
- **Bauxite capacity** 10.8 million tonnes
- **Alumina capacity** 6.3 million tonnes
- **Significant** expansion potential
- Long-term sourcing contracts for bauxite and alumina

<u>:</u>

Energy



- Long-term power supply secured
- 9.5 TWh of renewable High LME and USD energy production in Norway

Primary Metal



- 2.4 million tonnes primary capacity
- 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

Rolled **Products**



- 1 million tonnes
- Margin business
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Pro forma capacity figures for end-2010 inc Vale assets. 100% of volumes for assets that are fully consolidated and pro rata share of volumes for other assets.

World-class assets in resource-rich Brazil



CAP alumina refinery project
Increasing stake from 20% to 81%



MRN bauxite mine
Current stake 5%
Signed volume off-take
agreement for Vale's
40% stake in mine

Paragominas bauxite mine
Taking over 60%, increasing
to 100% by 2016



Albras aluminium smelter Taking over 51%

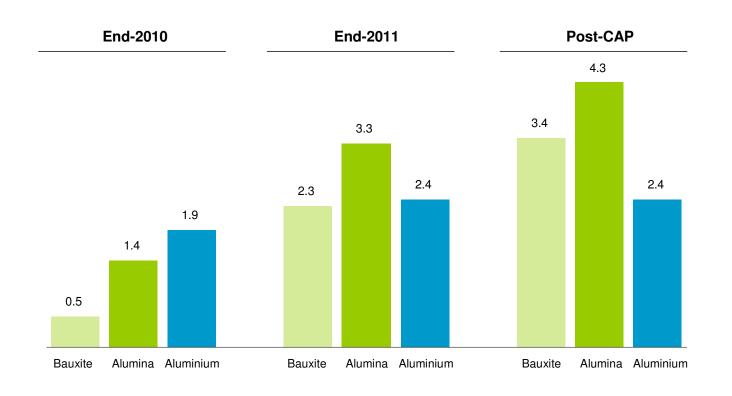


alumina refinery
Increasing stake from 34% to 91%

- Bauxite licenses
- Sales contract portfolio
- Competence

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.

Bauxite & Alumina: Strategically robust, challenging markets

- Strategic rationale verified
 - Tougher competition for resources
 - Commercialization of bauxite and alumina markets
 - Higher cost to build new capacity
- Significantly increased production in Paragominas
- Macro and raw material pressure
 - LME lagging raw material cost
 - Higher than expected inflation
 - Weak macro-economic outlook

