Creating a global leader

Svein Richard Brandtzæg

Barcelona, May 2013

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.

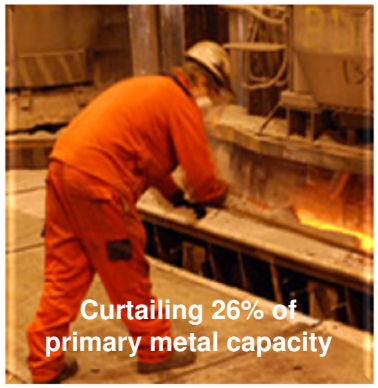
Although we believe that the expectations reflected in such forward-looking statements are reasonable, these forward-looking statements are based on a number of assumptions and forecasts that, by their nature, involve risk and uncertainty. Various factors could cause our actual results to differ materially 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.

A resource rich global aluminium company

01

We are strengthening our asset base



2009

2010

2011

2012

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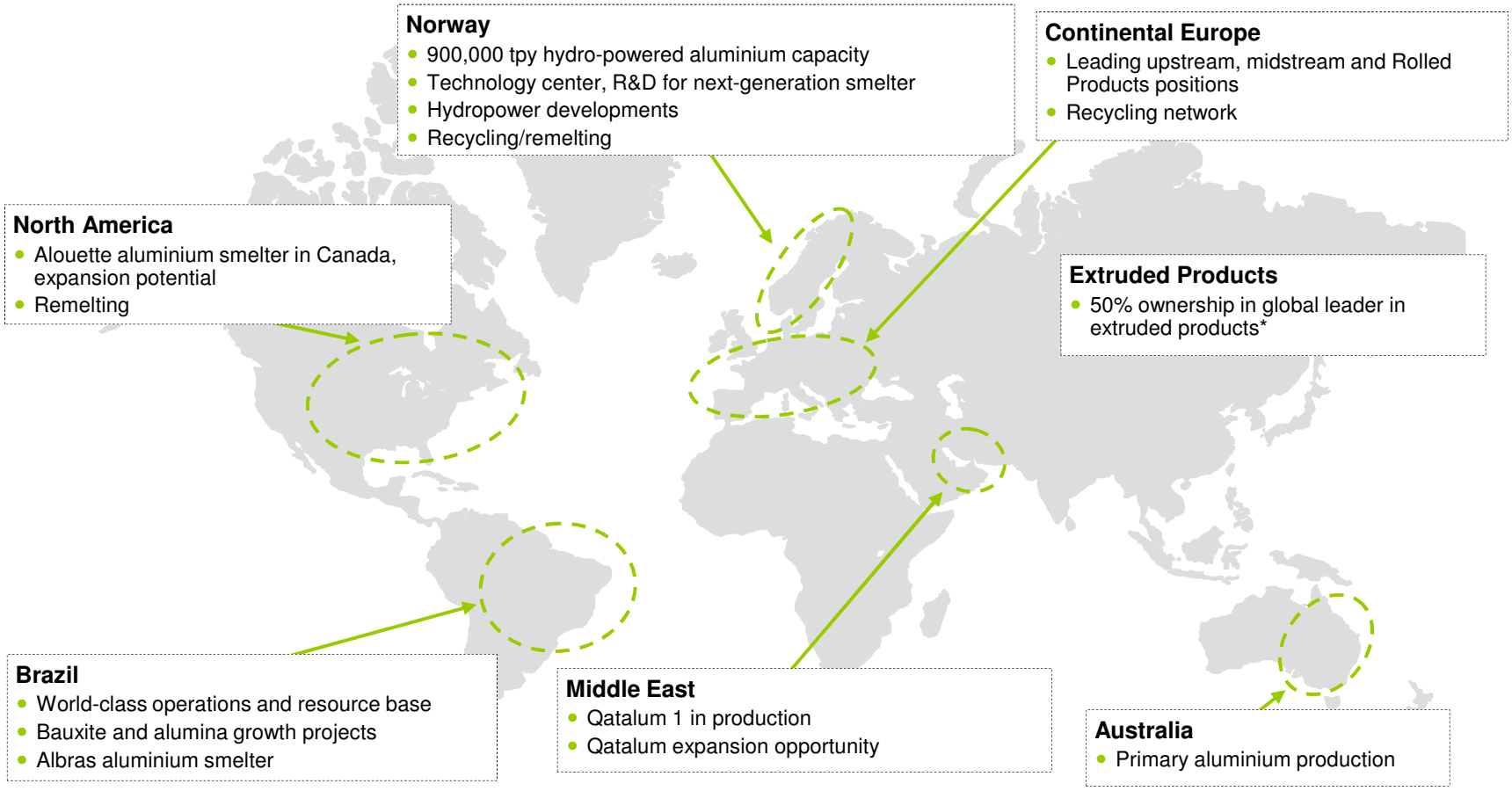
Attractively positioned, global reach



* Pending regulatory approval

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Strong foundation in our resource and asset base

Bauxite & Alumina

Energy

Primary Metal

Rolled

Strong resource base

Improving production capabilities across

Commercial focus, customer proximity across

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Aluminium - Metal of the future

02

Aluminium - Metal of the future

- **Lightweight**
  - 1/3 density of steel
- **Recyclability**
  - 5% of original energy consumption
  - 75% of all aluminium produced still in use
- **Corrosion resistant**
  - Oxide layer
- **Formability**
  - Extrusion, rolling, casting
  - Low melting point vs. steel
- **Excellent conductivity**
  - Thermal – electrical
- **Alloying technology**
  - Gives wide range of physical properties

Properties lead to increased market share

- Aluminium intensive urbanization and infrastructure
- Climate challenge – aluminium as part of the solution
- Recyclability more important with high energy prices

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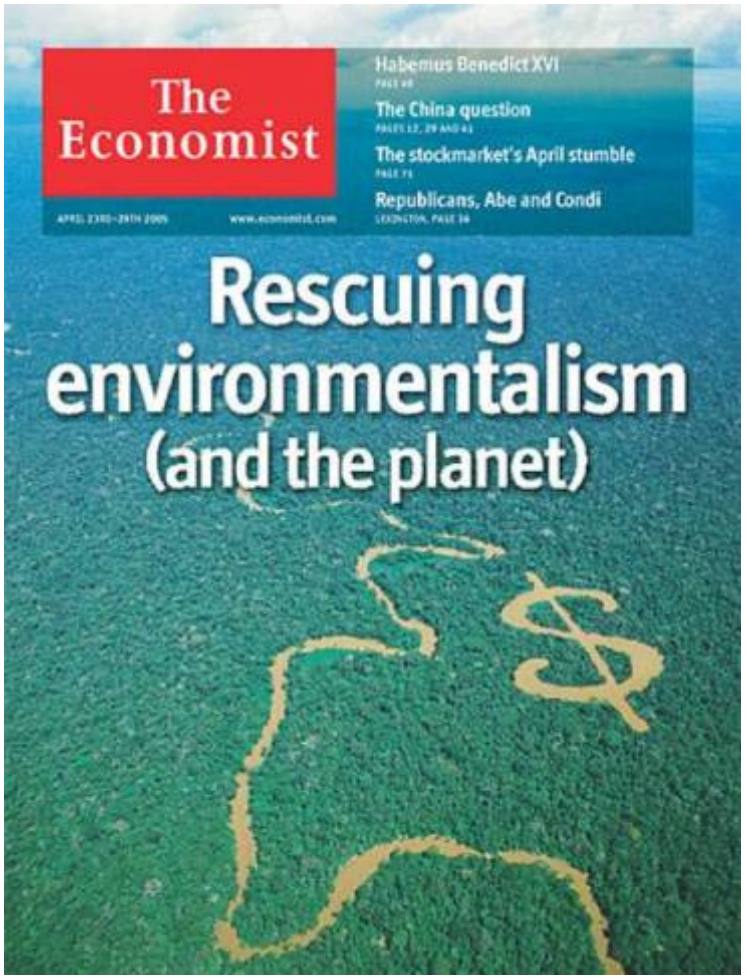
Climate Change – the Biggest Challenge



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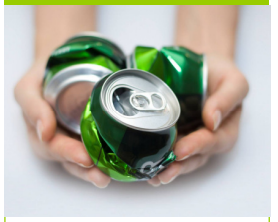
Transforming the way we use energy

Energy efficient, low-emission electrolysis	Lighter vehicles	Zero emission/ Energy surplus buildings	Enhance solar energy growth	Packaging that reduces food waste	Recycling and reusing aluminium
					
Reduce energy consumption, improve cell efficiency, CO2 capture ready cells	Reduce fossil fuel consumption and GHG emissions from cars by making them lighter with use of aluminium	Reduce energy consumption and GHG emissions from buildings	Reduce emissions from fossil fuels by contributing to make solar energy solutions lighter, simpler and cheaper with use of aluminium	Reduce GHG emissions related to food production by conserving and protecting food better in storing and transport, thus reducing food waste	Reduce waste in a world of limited resources by recycling aluminium endlessly

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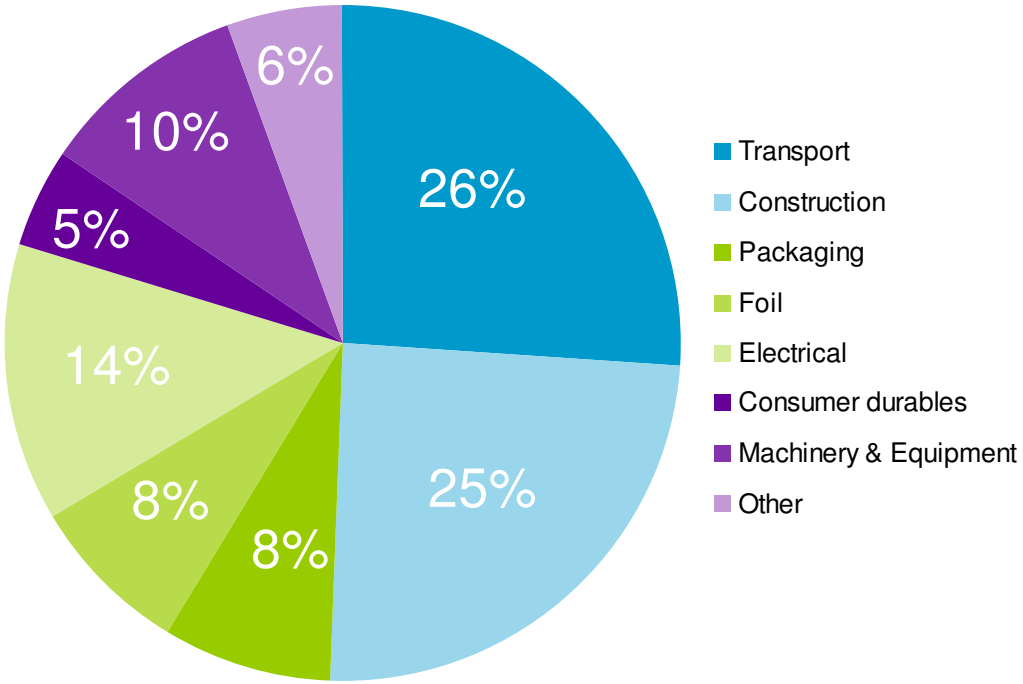
Highly versatile metal, broad range of applications



Source: CRU. Global demand per segment demand, 2012.

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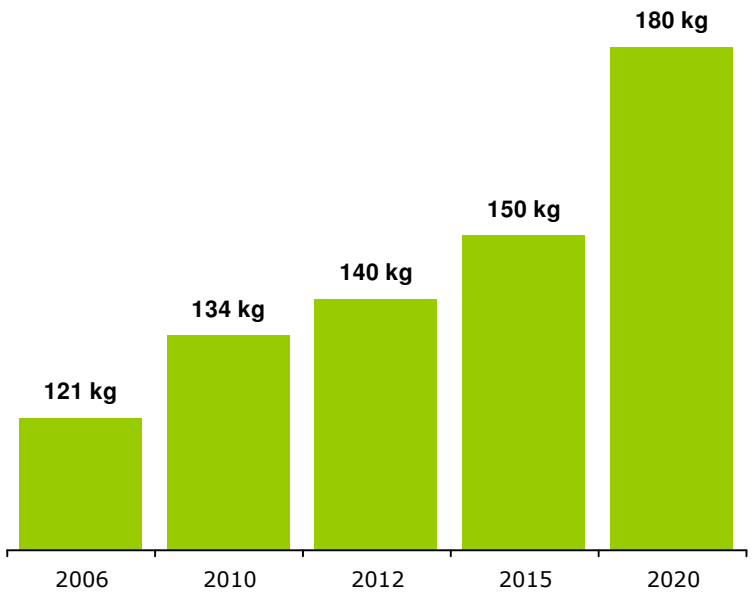
Aluminium Demand in Future

Increasing demand from light-weighting of cars

Al-content per car (EU27)



Source: Ducker 2012

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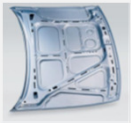
Increasing use of aluminium in automotive

Hydro's body-in-white applications

Applications		Why aluminium
Hoods		Weight reduction in front, pedestrian safety & driving dynamics
Doors		Weight reduction, easy handling
Roofs		Weight reduction in top, lower centre of gravity, easy car handling
Wings		Weight reduction and pedestrian safety
Trunk lids		Weight reduction and pedestrian safety

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Reducing weight through copper substitution

- 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

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

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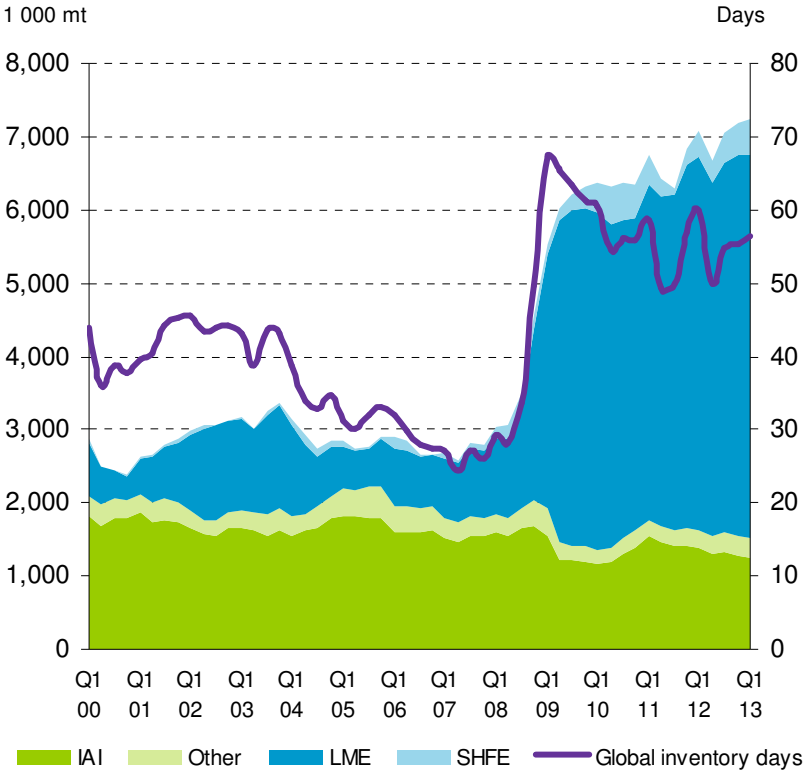
Market

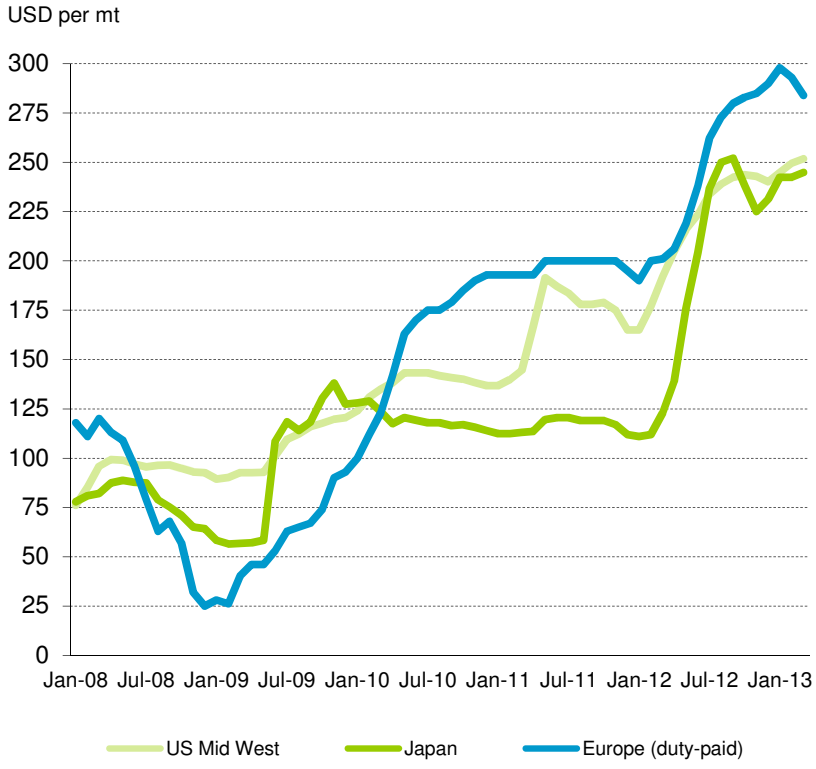
Ingot premiums stable at high levels

World reported primary aluminium inventories



Source: CRU/Hydro

Regional ingot premiums



Source: Metal Bulletin, MW/MJP: Platts

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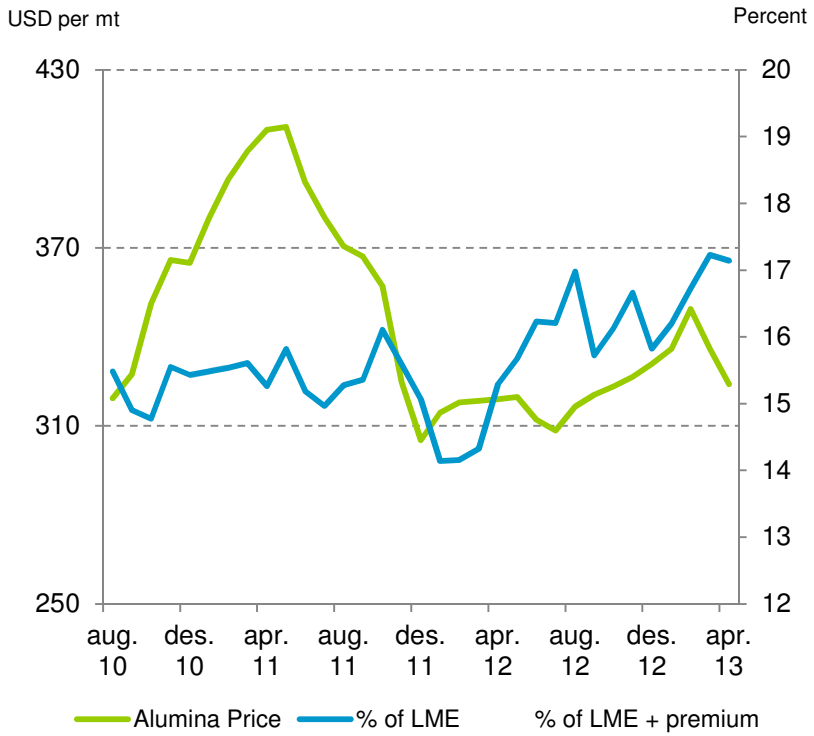
Alumina price retracting, holding up relative to LME

Platts index*



- Average Platts alumina index rose to USD 340 per mt in Q1 2013 from USD 327 per mt in Q4 2012
- Alumina price dropped towards end of quarter, on the back of macro uncertainty and easing supply concern
- Alumina index price as percentage of LME around 17%

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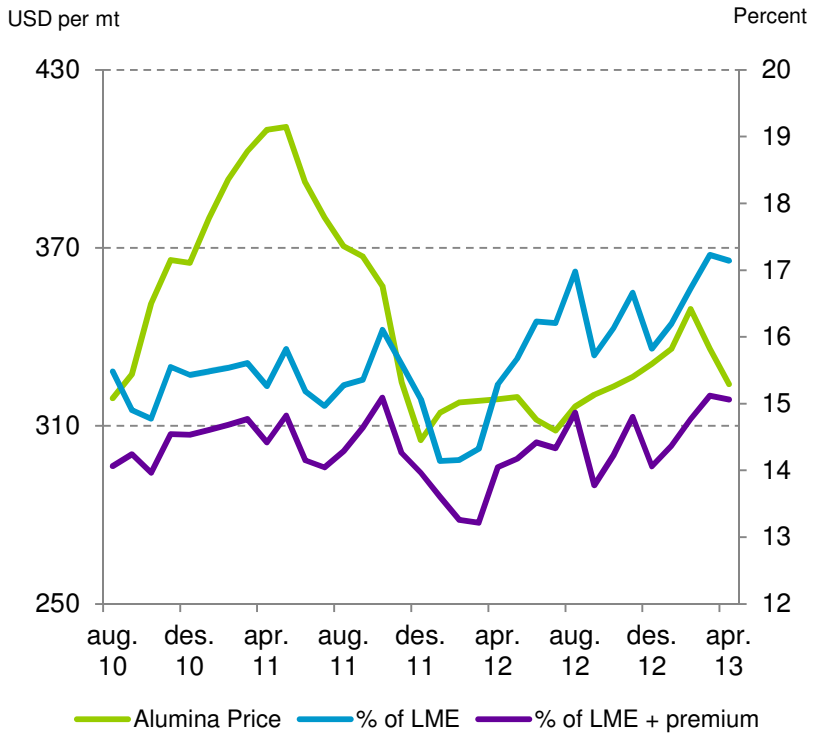

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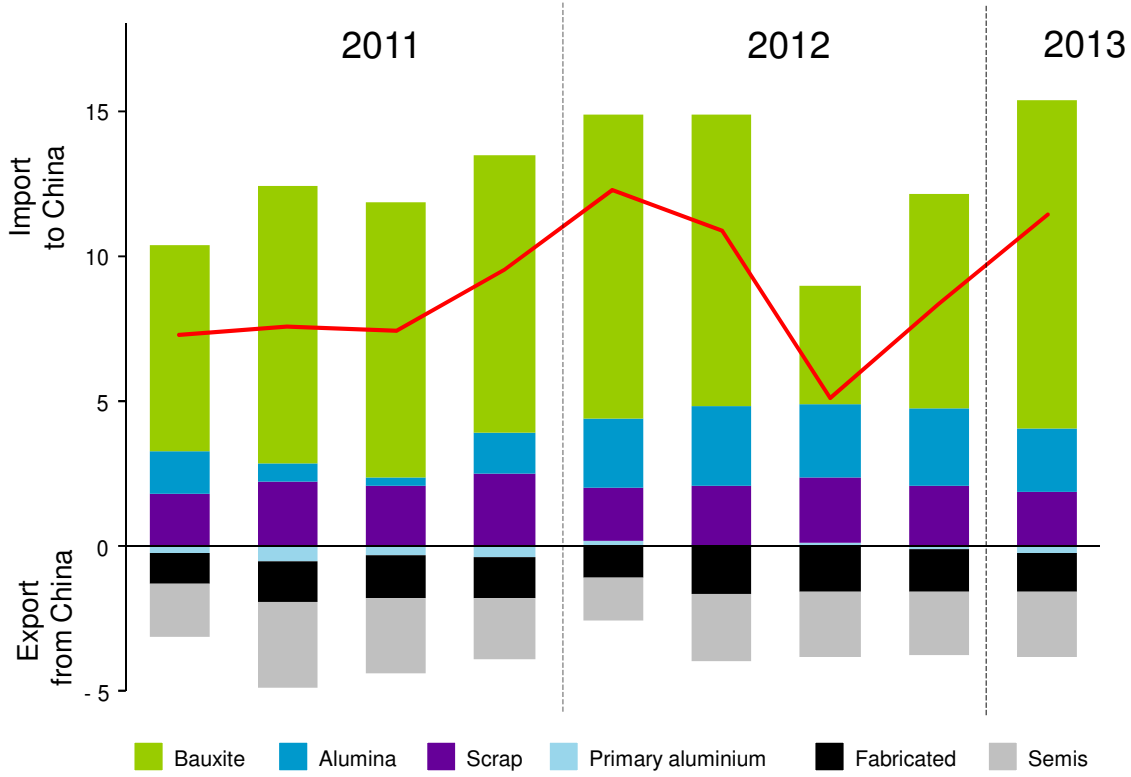
Increased bauxite imports into China

Annualized aluminium equivalents*, million mt



- Bauxite and alumina
  - Significant increased imports of bauxite after removal of temporary export restrictions from Indonesia
  - Slight drop in alumina imports
- Primary aluminium
  - No significant import or export expected in 2013
- Semis and fabricated
  - Stable export of semis and fabricated products

Source: CRU/Antaike/Hydro

* Bauxite/alumina to aluminium conversion factor: 5.0/1.925

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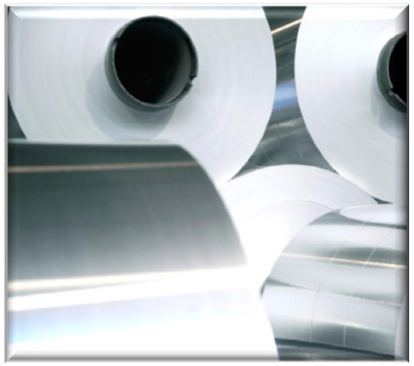
04

Ambitious improvement efforts across the company

Ambitious improvement efforts throughout the value chain



Bauxite & Alumina

‘From B to A’

Primary Metal

‘USD 300 program’

Rolled Products

‘Climb 10’

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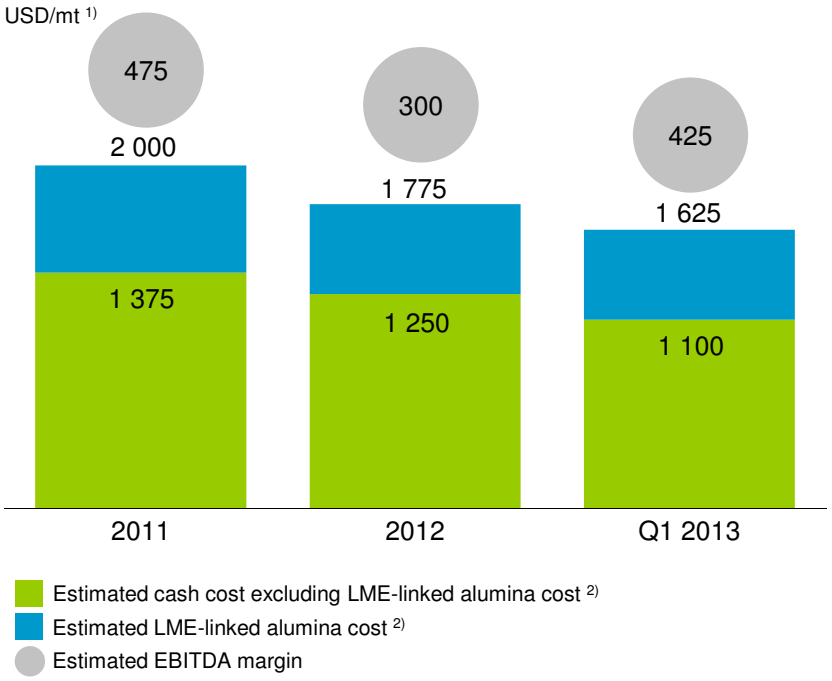
Operational focus in Bauxite & Alumina

- Stable production volume in Paragominas at 9 million tonnes yearly run rate
- Weak Alunorte production
  - Continued production effects from power outage end 2012
  - Operational issues with coal boilers
- «From B to A» program target to reach NOK 1 billion improvements by end-2015 compared to 2011

USD 300 program to reach target by end-2013

Estimated primary aluminium cash cost and margin



- Improvement program progressing according to plan
- Downward trend in cash cost
  - Improved casthouse margins
  - Increased contribution from Qatalum

1) Realized aluminium price minus EBITDA margin per mt primary aluminium. Includes net earnings from primary casthouses, Qatalum included from 2012.
2) ~13.5% of LME 3 month price with 2.5 months delay

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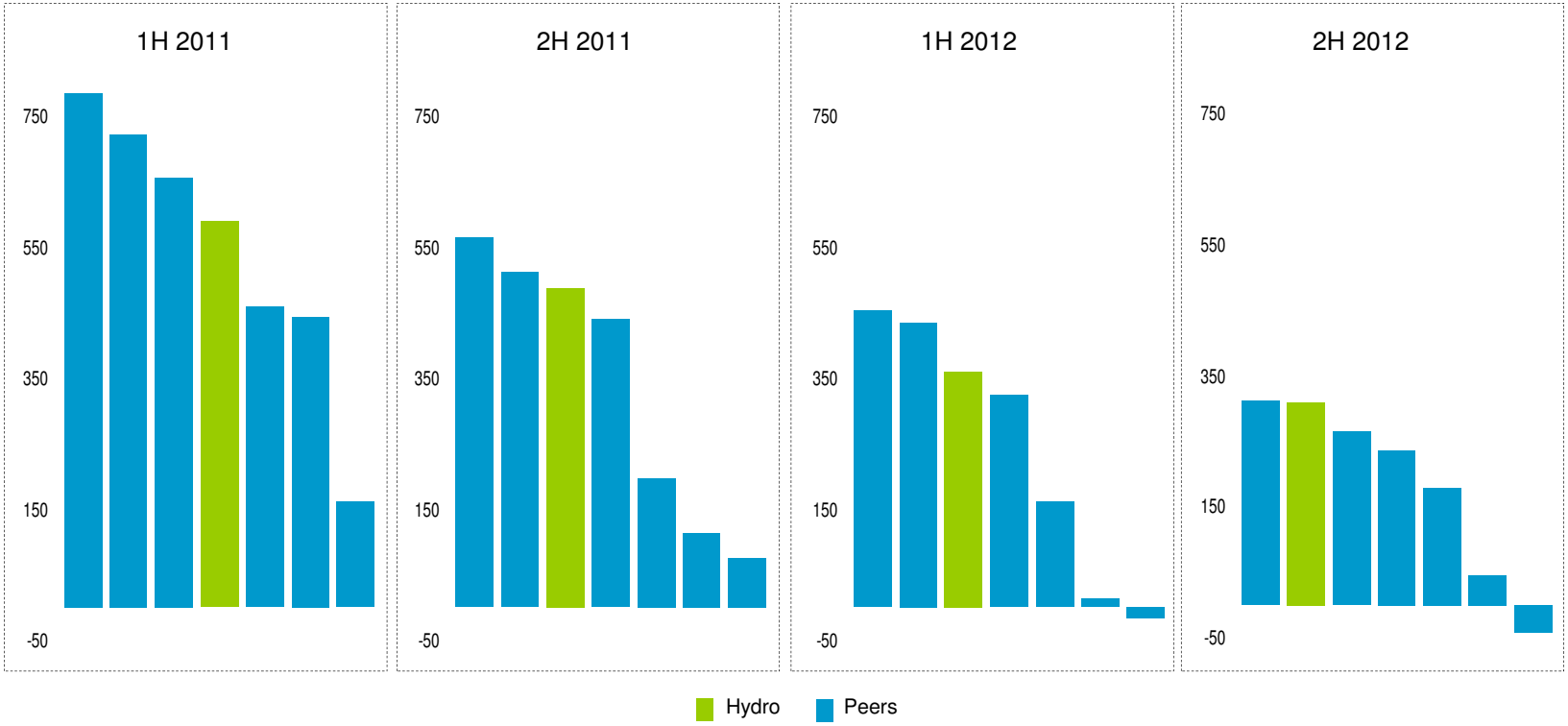
Ambitious Primary Metal improvement programs delivering results

Underlying EBITDA per mt in USD for respective primary metal divisions



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Creating the world leader in aluminium solutions

Demonstrating our capability to shape the industry through transactions

- 50/50 Joint Venture with two strong owners – new company to be named Sapa
  - Pending regulatory approvals
- No. 1 position in North America and Europe, solid foothold in emerging markets
- Strong leadership and organization
- Significant synergies
  - NOK 1 bn annually
- Key figures*
  - Sales NOK ~47 bn
  - EBITDA NOK ~2 bn
  - Employees ~25,000

* Illustrative figures for the new company 2011, unaudited

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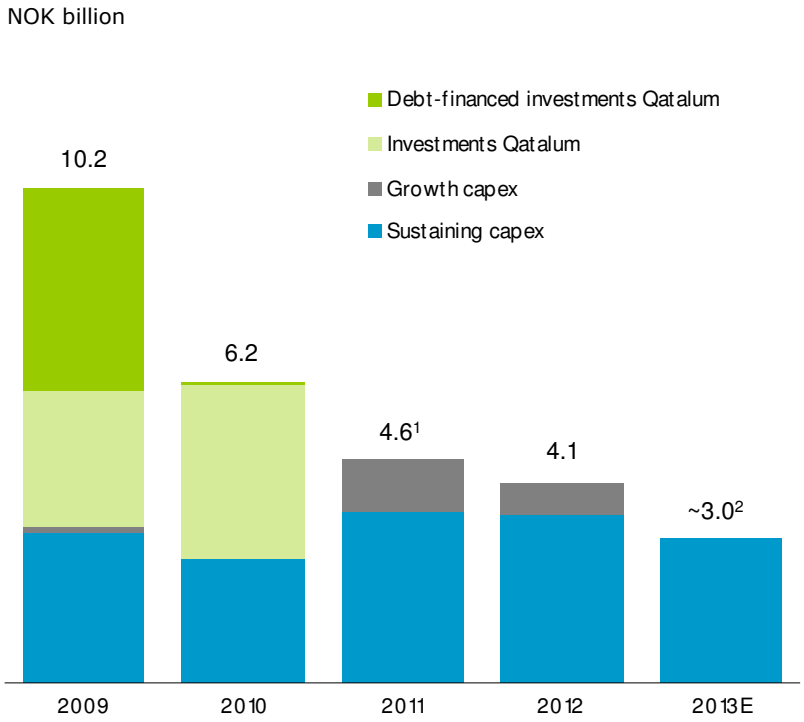
Capital allocation mainly upstream



- Sustaining capex NOK 3 billion annually
- No major growth projects planned for 2013
- ~85% of capital to be allocated upstream in 2013
- Depreciation significantly higher than sustaining capex

1) Excluding Vale assets acquisition
2) Excluding Extruded Products

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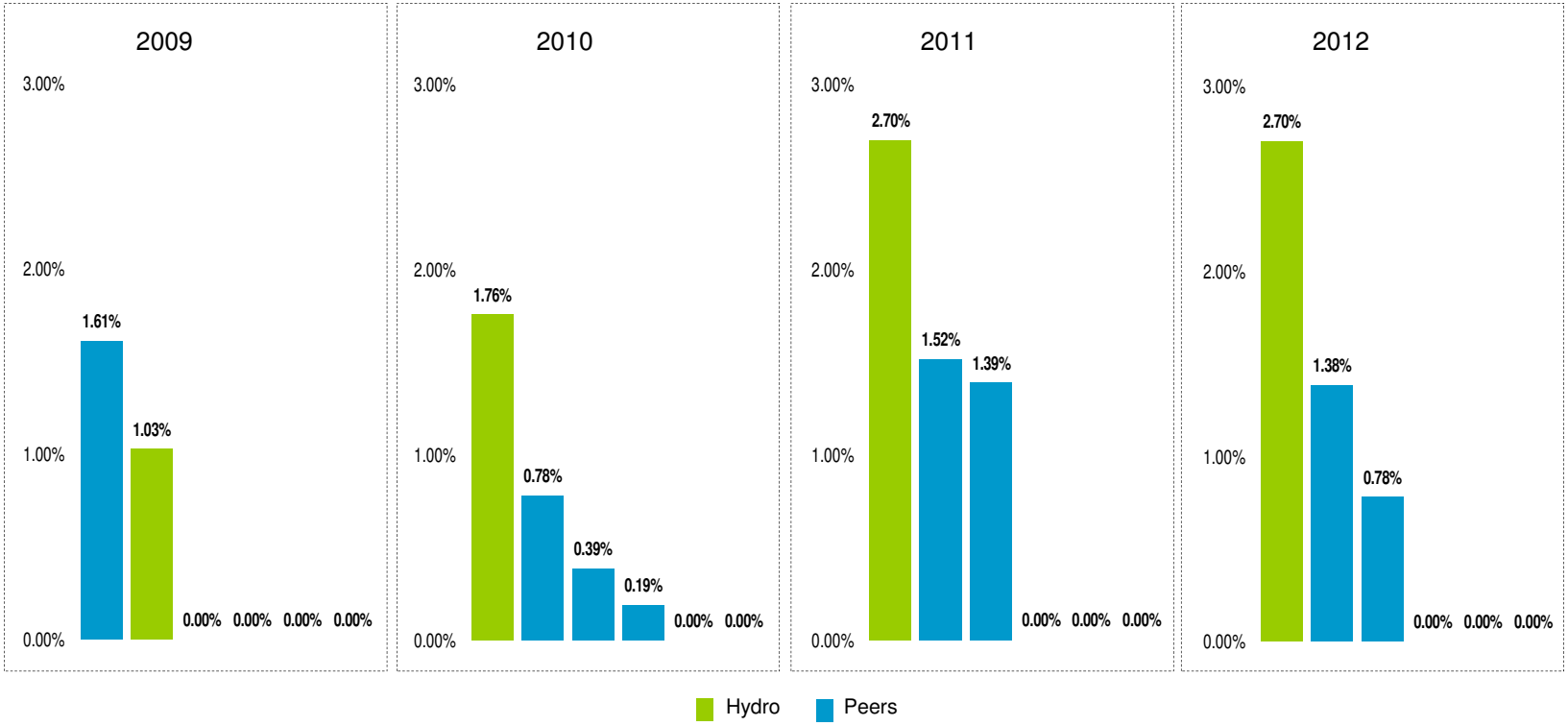
Competitive yield through tough times

Hydro compared to its aluminium peers

Dividend yield in percentage, based on year-end share-prices



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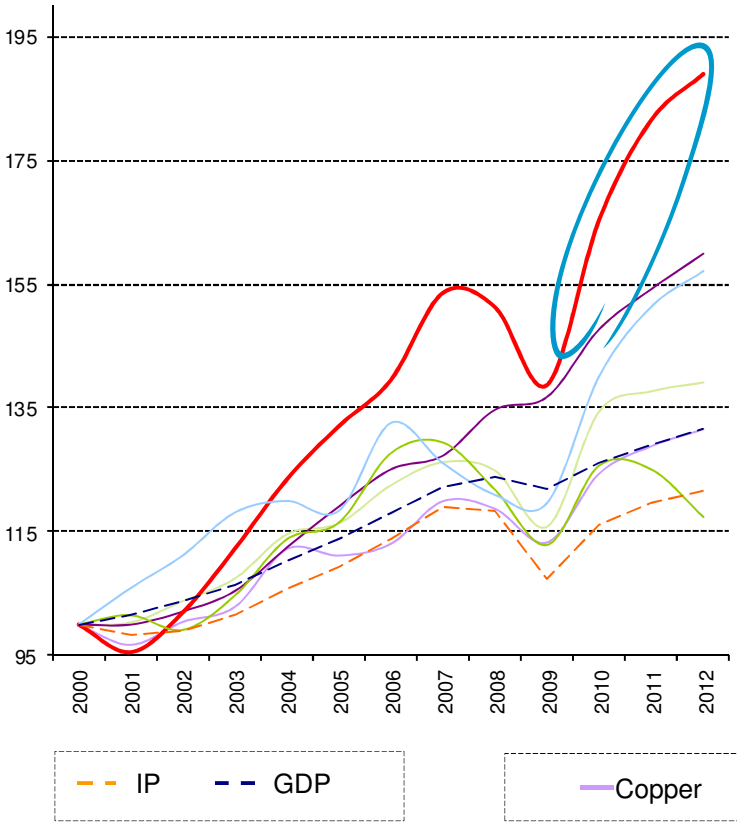
Profitability – The industry challenge

05

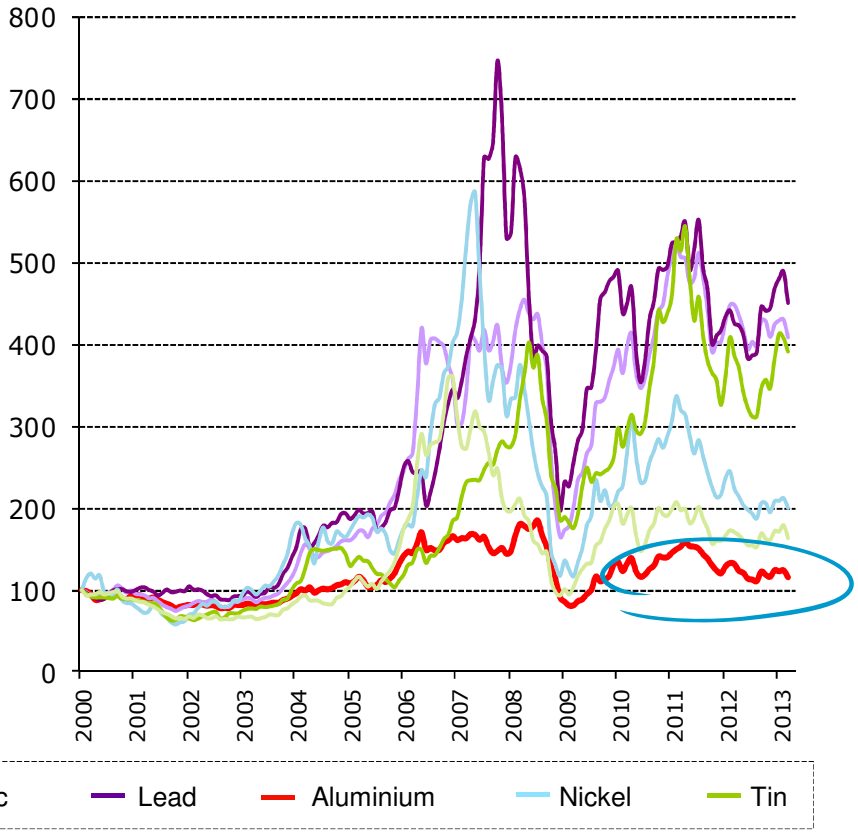
The big dilemma of our industry

A demand-side winner, yet a looser in the market place

Yearly consumption (Index 2000=100), global



3-month LME price (Index 2000=100)



Source: CRU/Global Insight.

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Overproduction playing a part in price movements

Source: CRU.
**BoC=Business Operating Costs*
***Calculated on the basis of total stocks (registered and unregistered). Unregistered stocks included from 1999*

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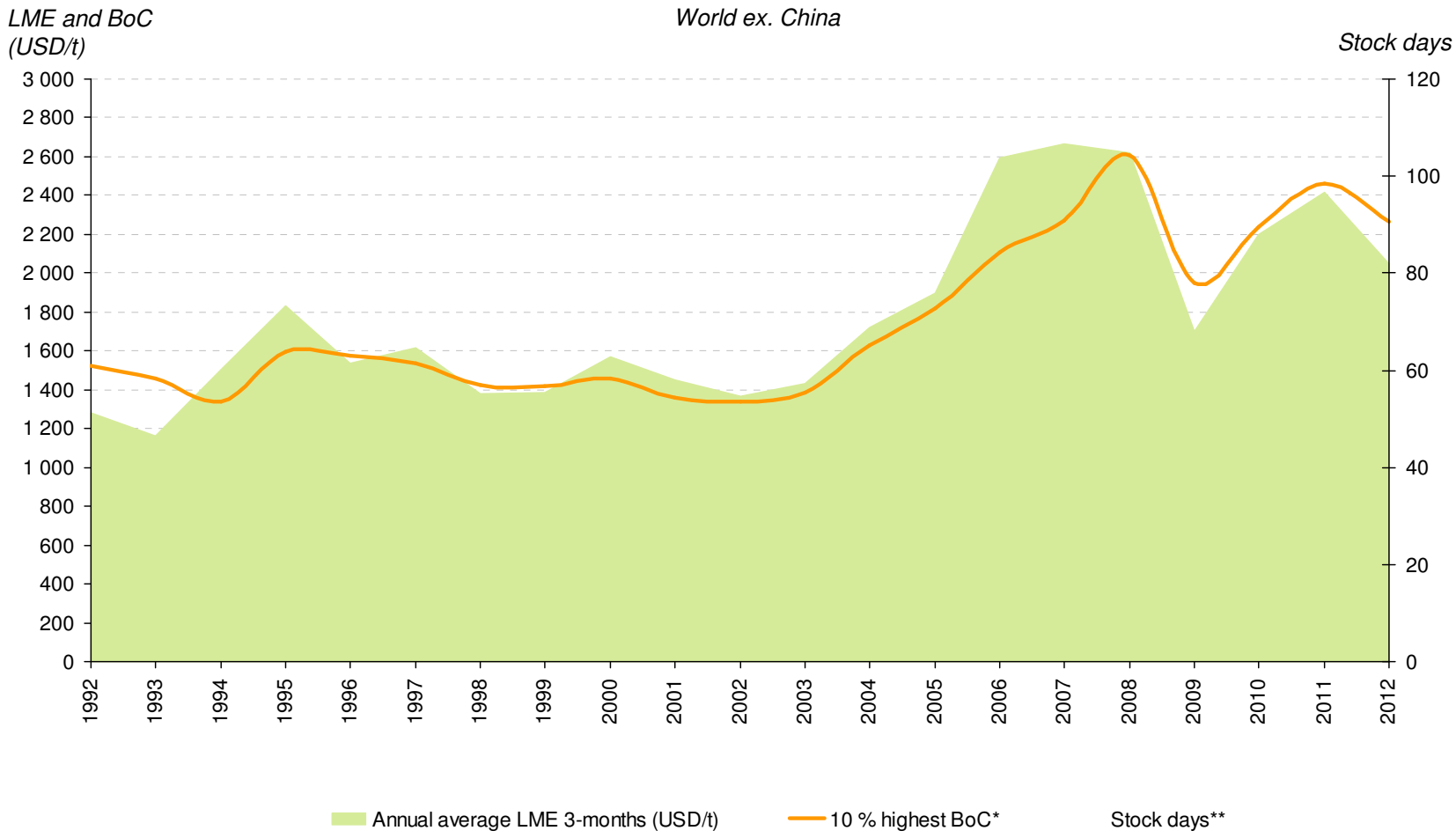

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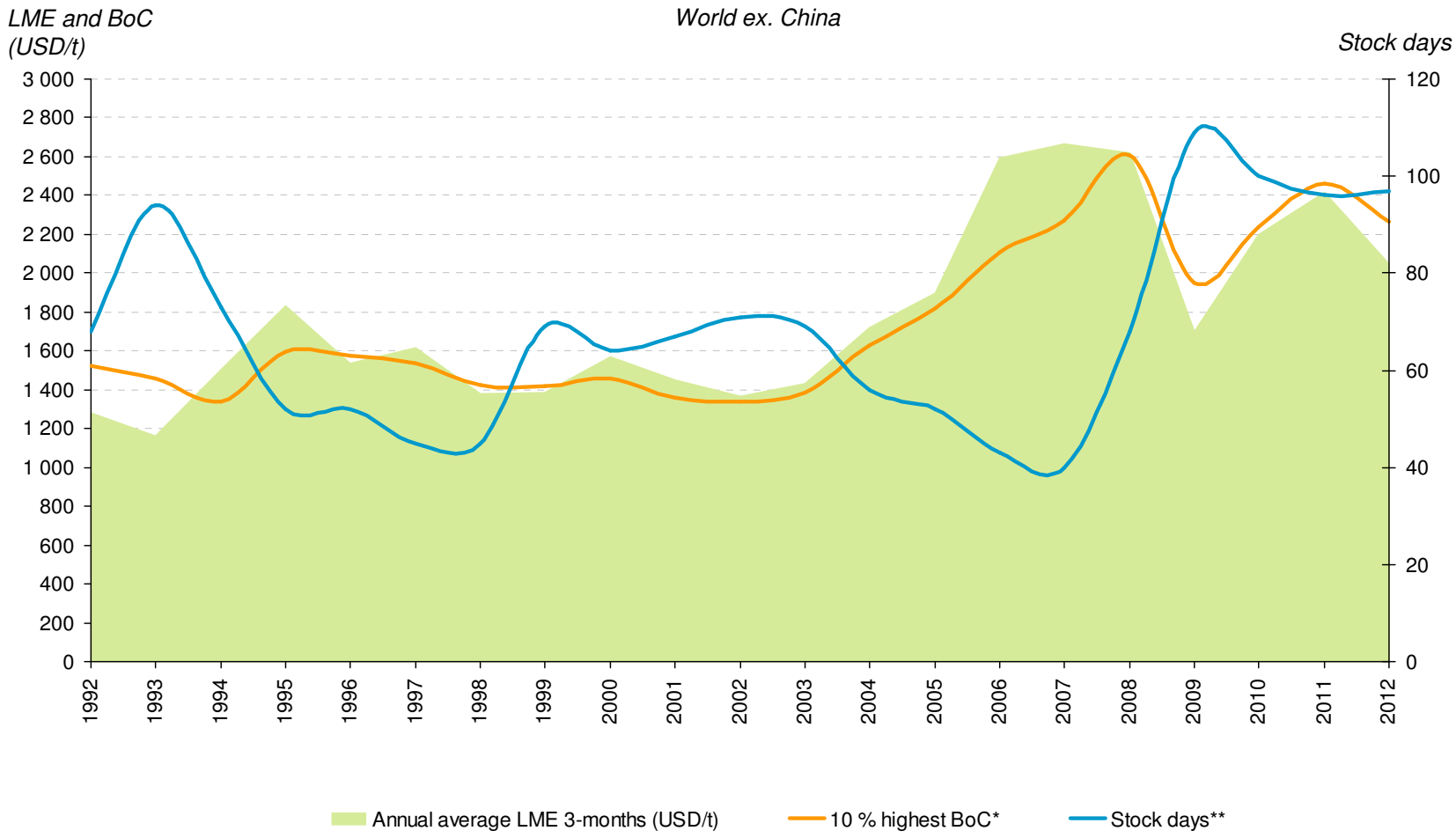

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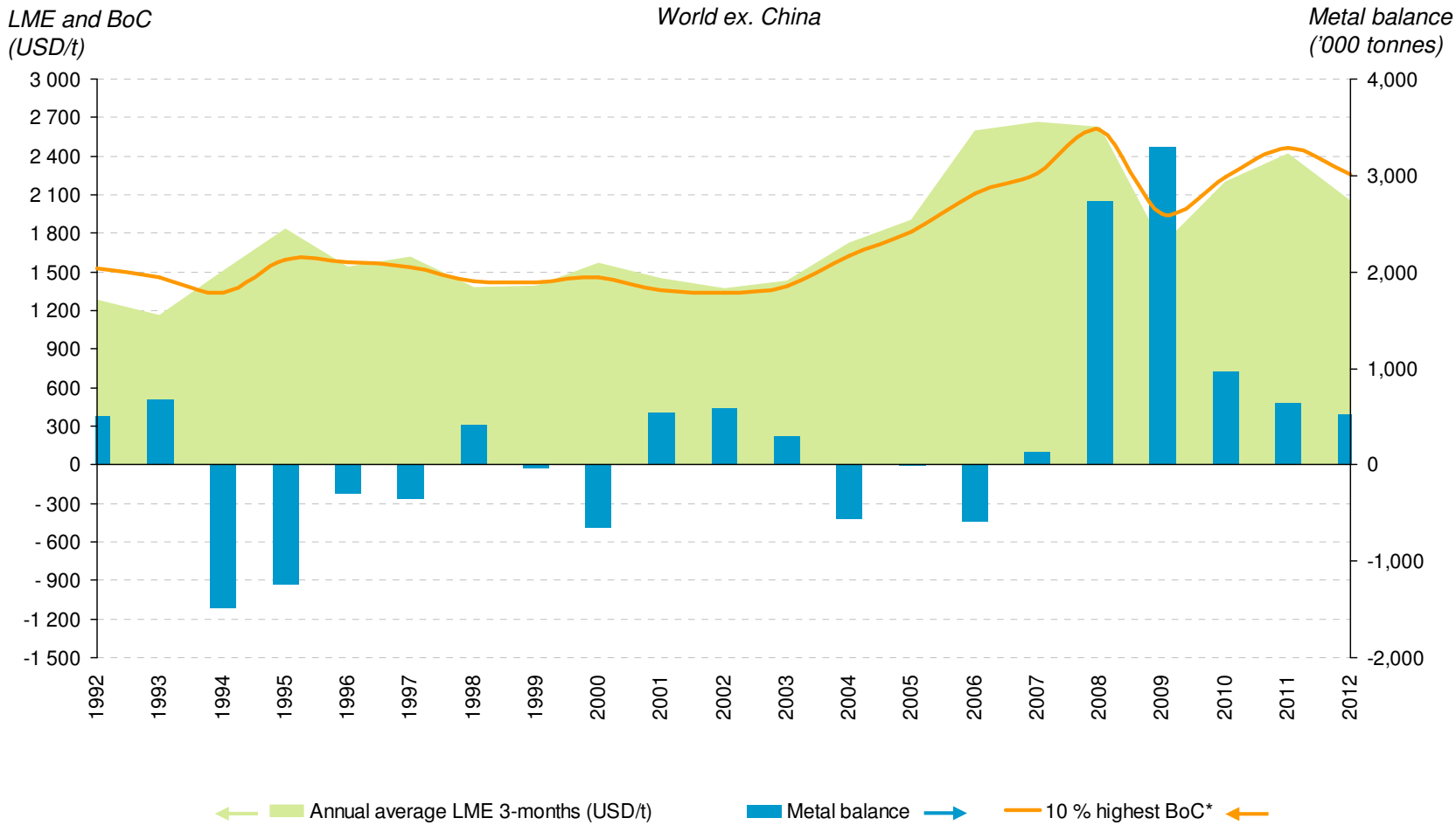

Source: CRU.
**BoC=Business Operating Costs*

Hydro's strategy

06

Strategy for further value creation from strong resource and asset base

Bauxite & Alumina

- Improvement efforts and cost reduction
- Commercialize
- Attractive growth projects

Energy

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

Primary Metal

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

Rolled

- Adjust capacity and cost base to market
- Continue proven high-end product strategy

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Hydro's value proposition

- Improve relative industry position
- Capitalize on raw material positions
- Maintain financial strength and flexibility
- Ensure competitive shareholder return

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