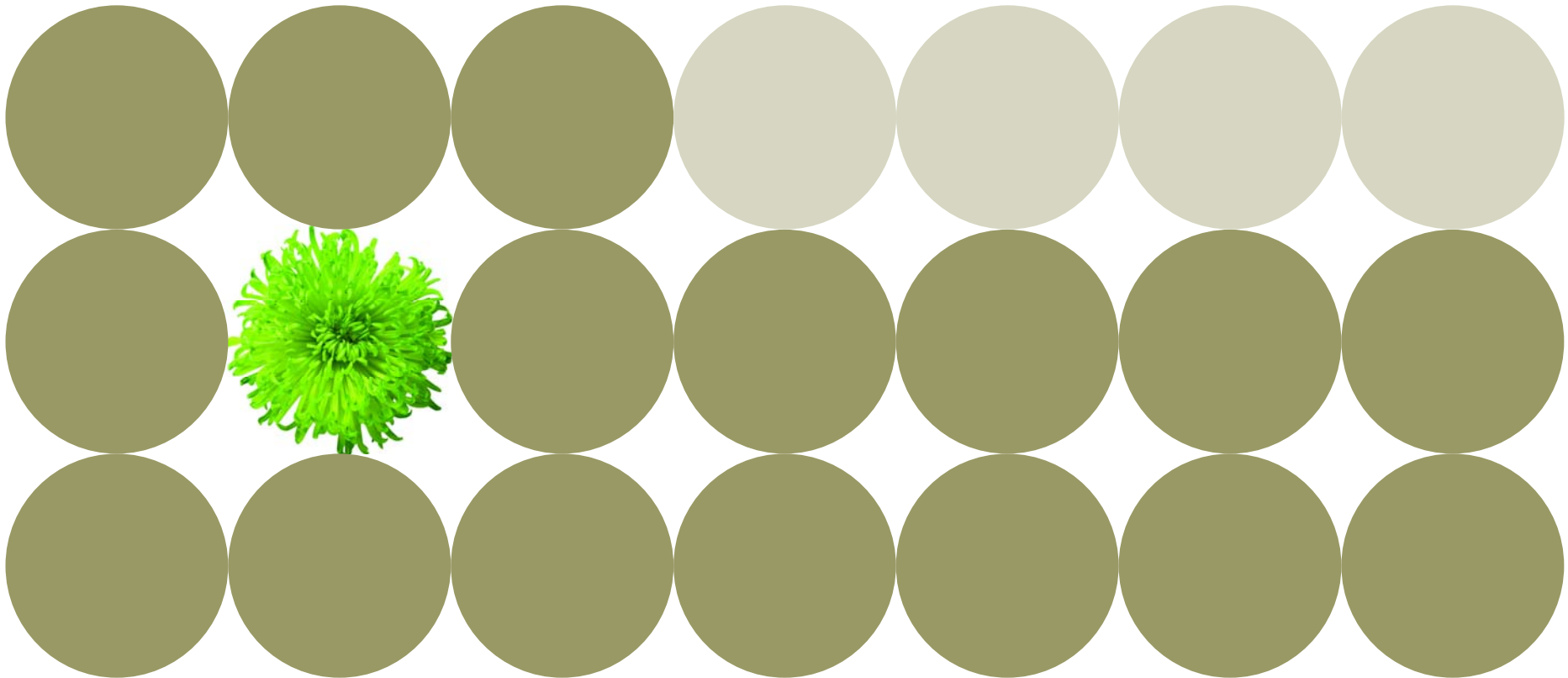


Resource rich and fully integrated



Vice President and Head of Investor Relations Stefan Solberg
Nomura Aluminium Seminar, June 2, 2011

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.

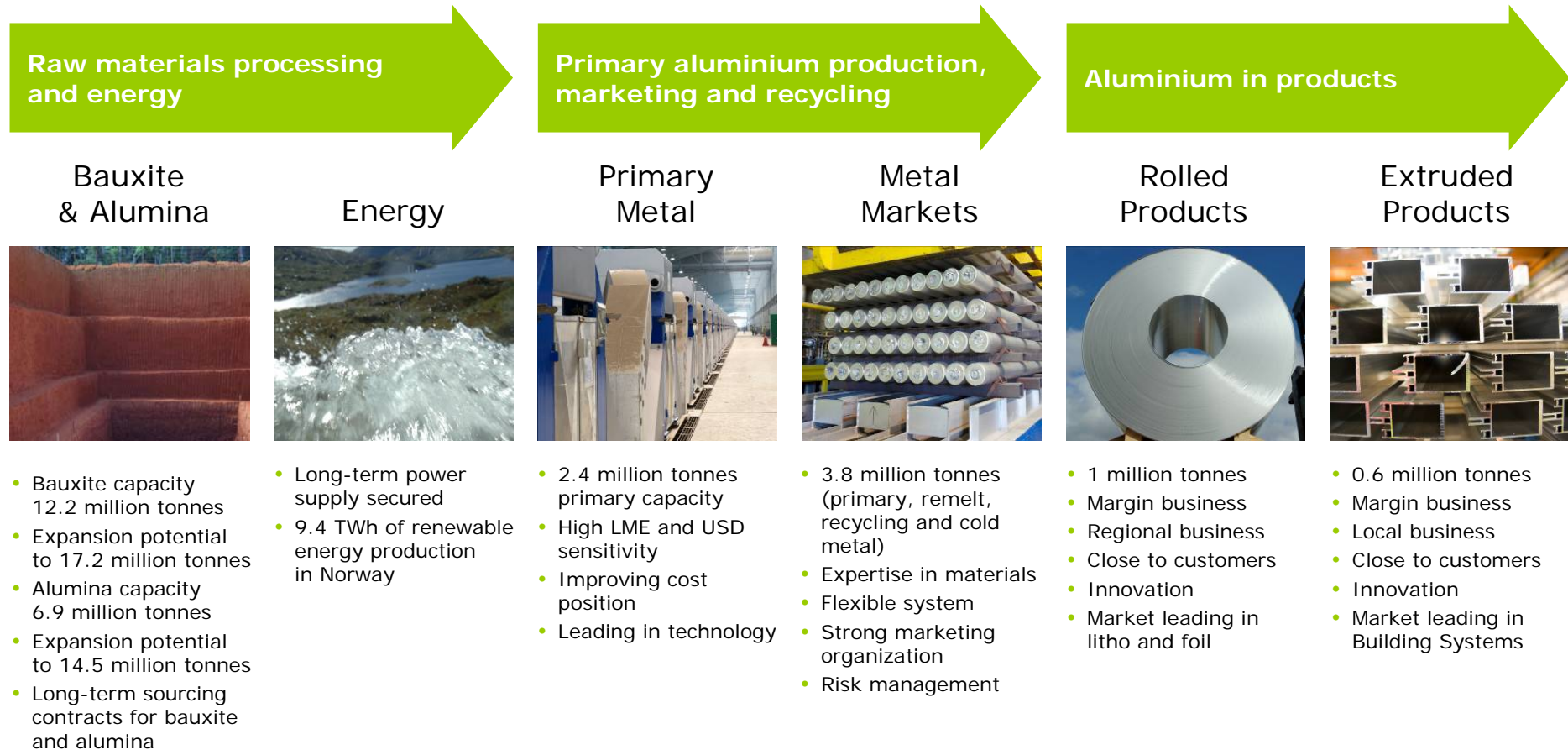
No assurance can be given that such expectations will prove to have been correct. Hydro disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Historic Vale transaction completed

- 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
 - Weak production performance in Q1
- Promising growth prospects
- Vale has become key shareholder in Hydro with 22% ownership

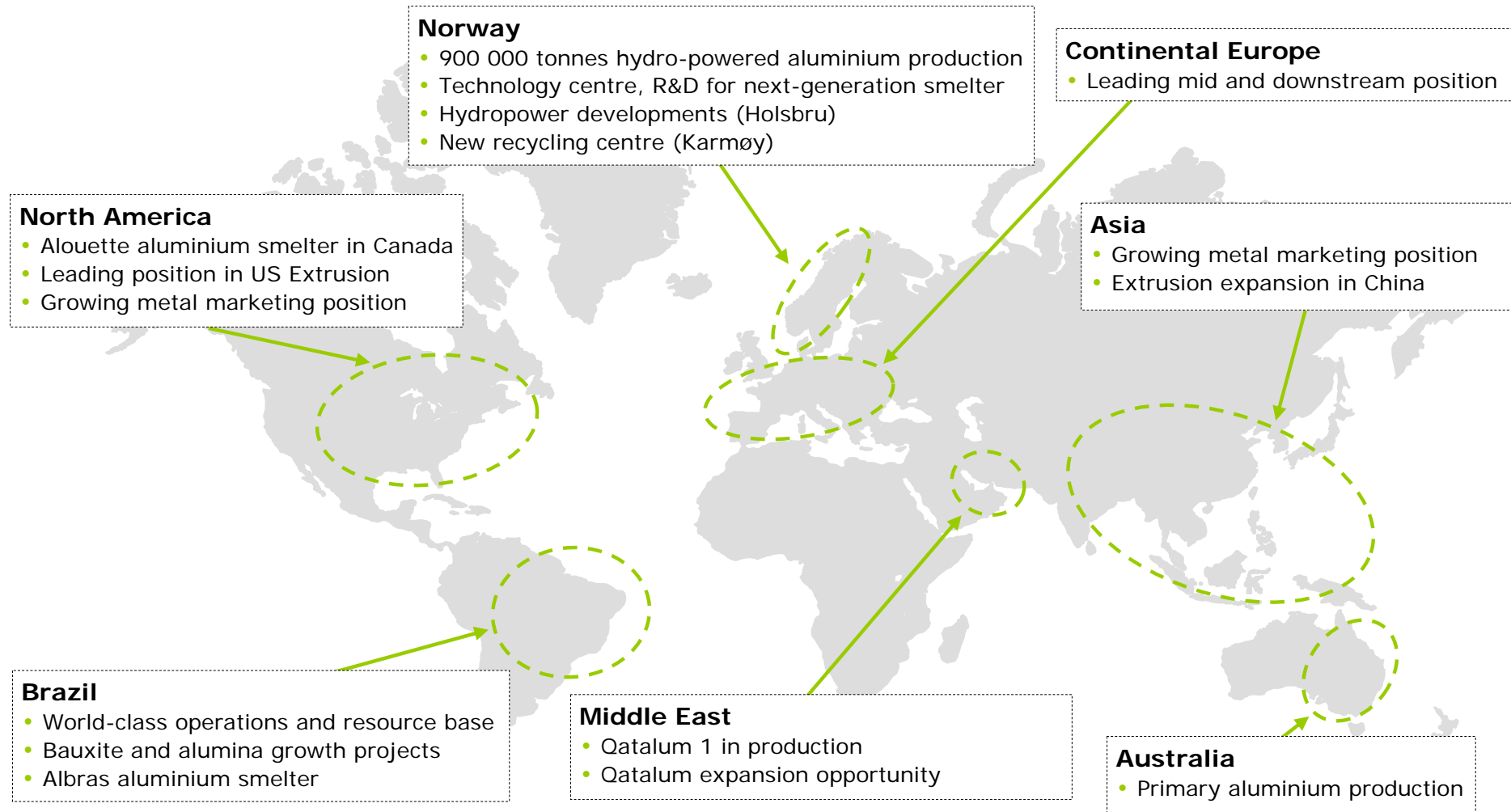


Strong positions across aluminium value chain



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.

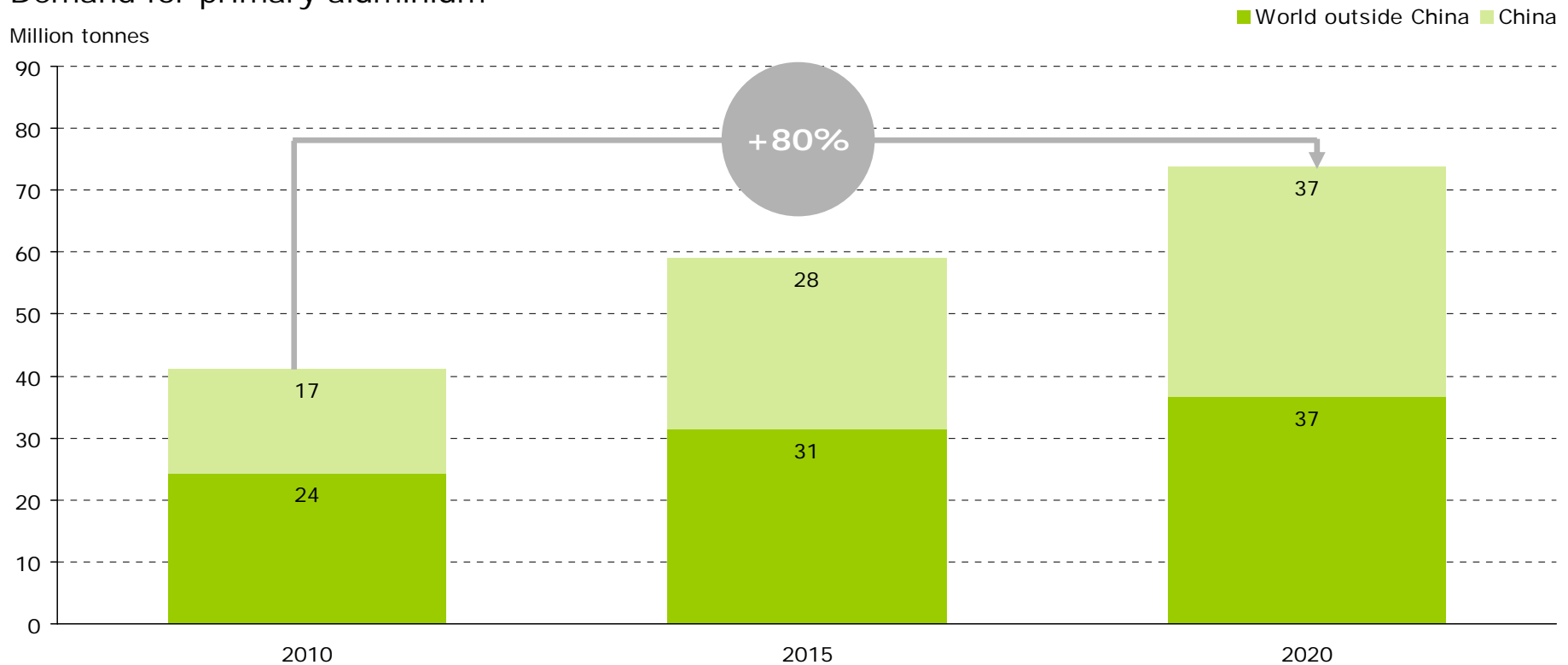
Attractively positioned, global reach



Significant aluminium demand growth expected

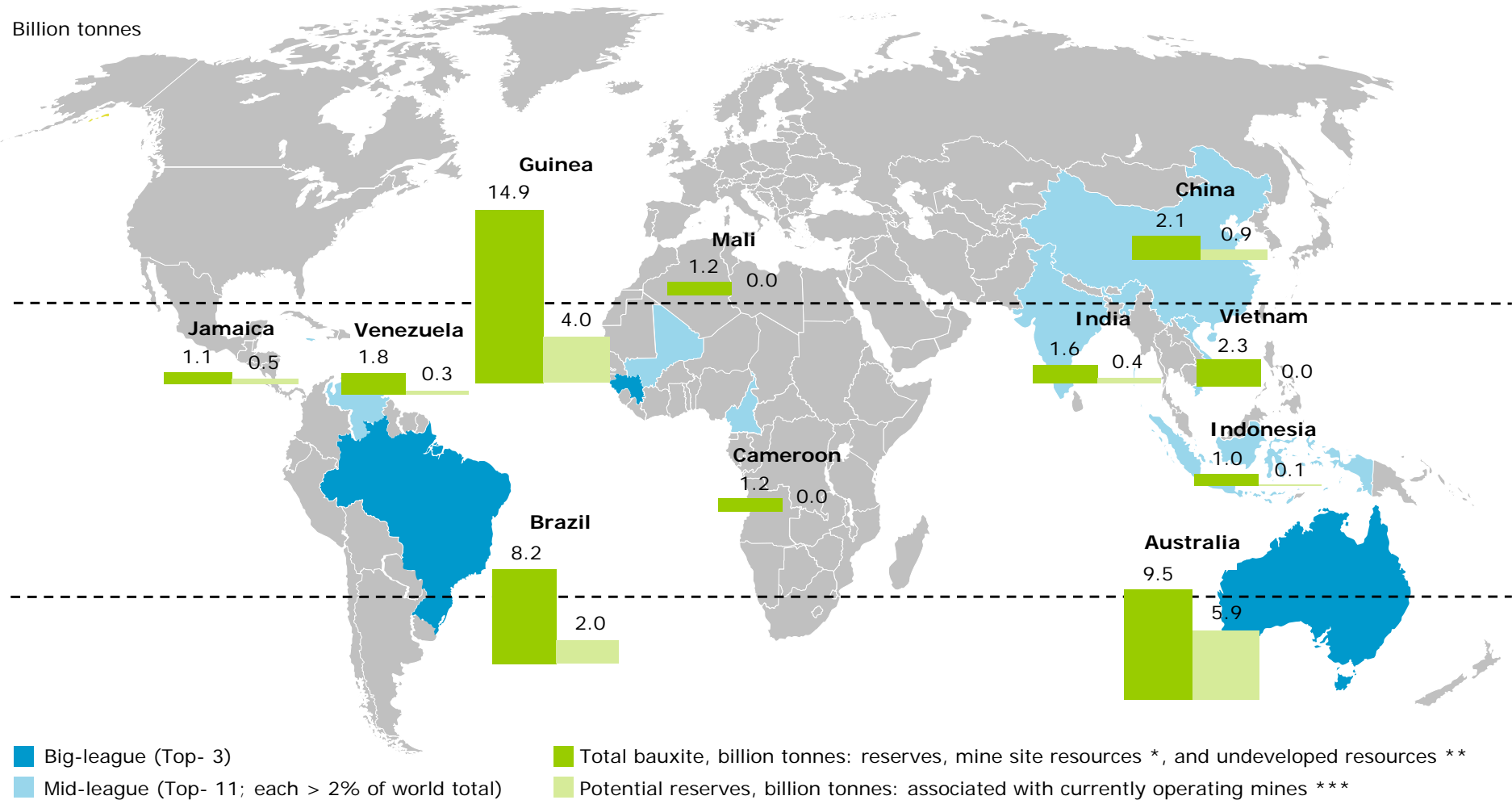
Demand for primary aluminium

Million tonnes



Fight for raw materials to continue
Resource-constrained world

66% of bauxite reserves in 3 countries



*) Mine site resources are known bauxite resources that do not currently qualify as reserves for various reasons

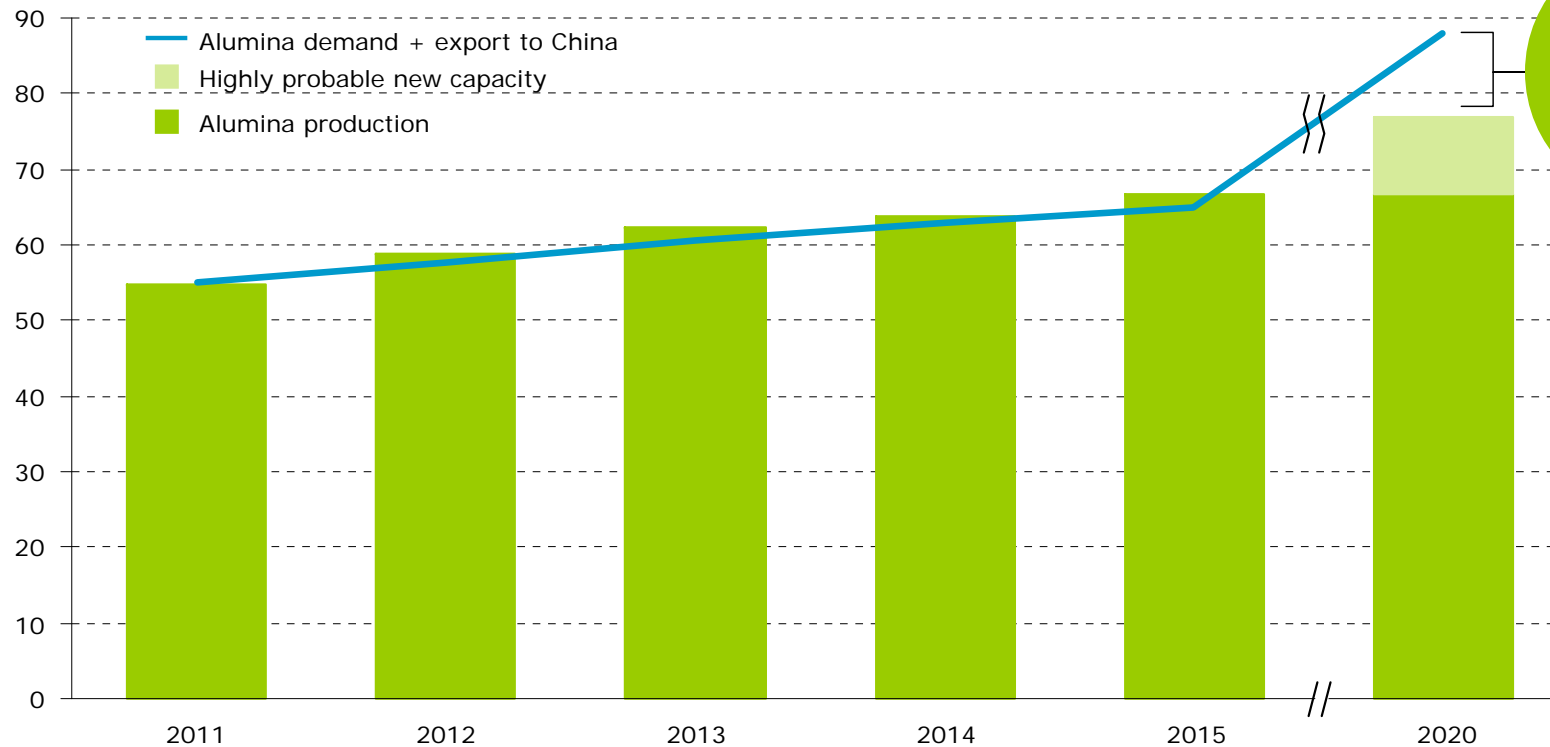
**) Undeveloped resources might or might not become feasible for new mines (quality, size, access, etc)

***) Potential reserves = current reserves (economically extractible) + 70% of mine site resources. Undeveloped resources are excluded.

Source: Roskill and Hydro analysis

Alumina market expected to remain balanced

Alumina balance world outside China, million tonnes



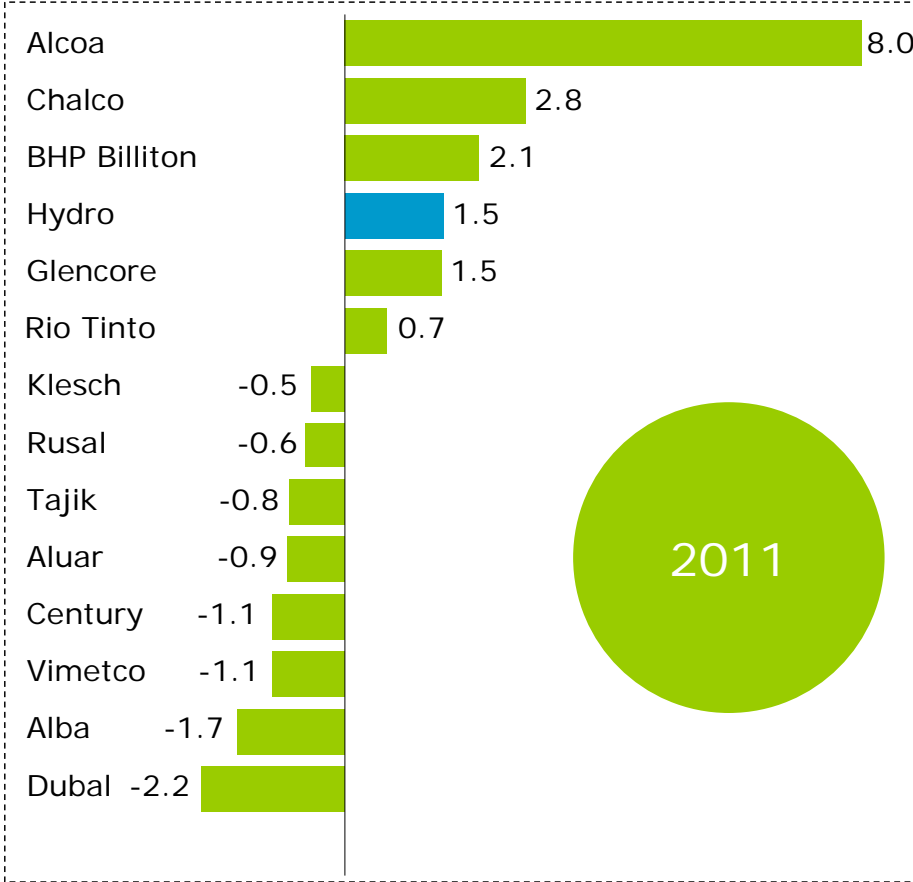
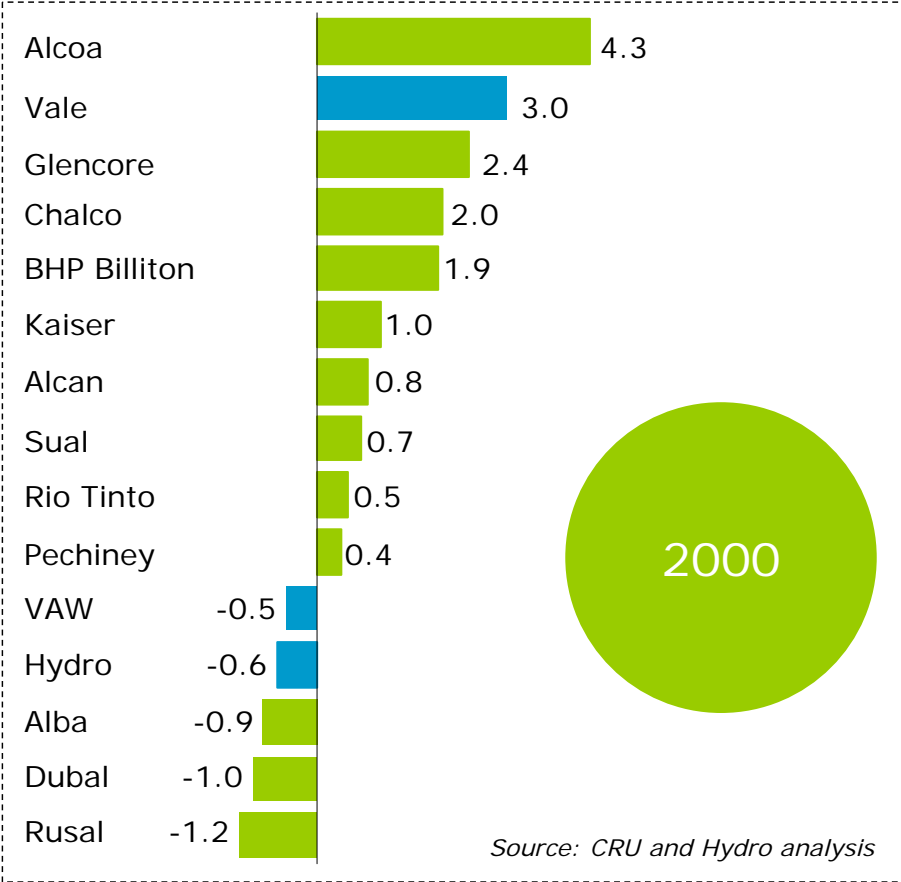
6-10 million tonnes

Export to China	3.5	3.5	4.0	4.5	4.5	5.0
Idled capacity	5.1	4.2	4.2	3.5	3.5	3.5

Source: Hydro analysis / CRU

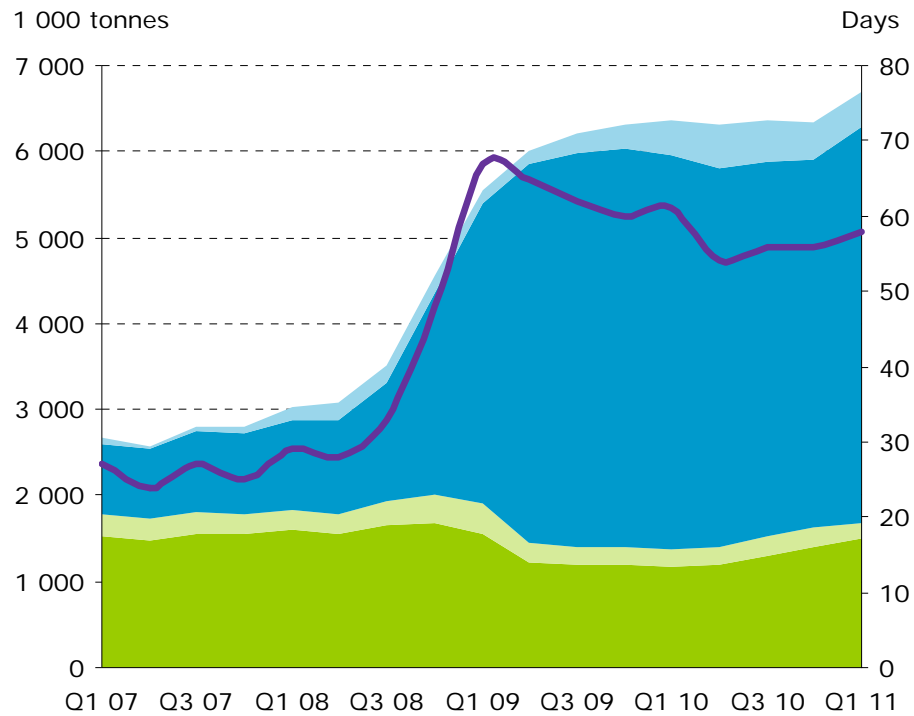
Alumina market is consolidating

Net long alumina position, million tonnes



Global inventory days trending down

World reported primary aluminium inventories

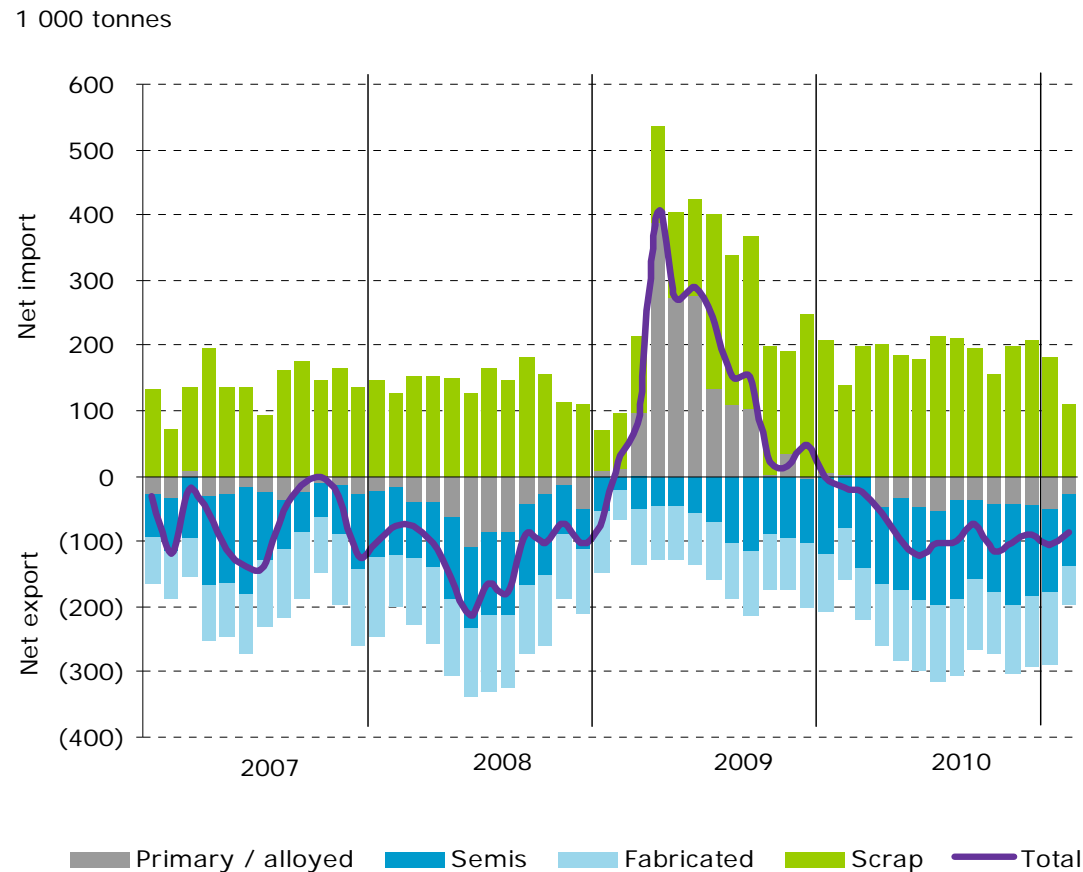


■ IAI ■ Other
■ LME ■ SHFE
— Global inventory days

Source: CRU

- Inventory days reduction driven by increased consumption
- Q1 LME stocks increase believed to partly reflect unreported metal moved into reported warehouses
- 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 3-6 month horizon

China balanced in primary aluminium

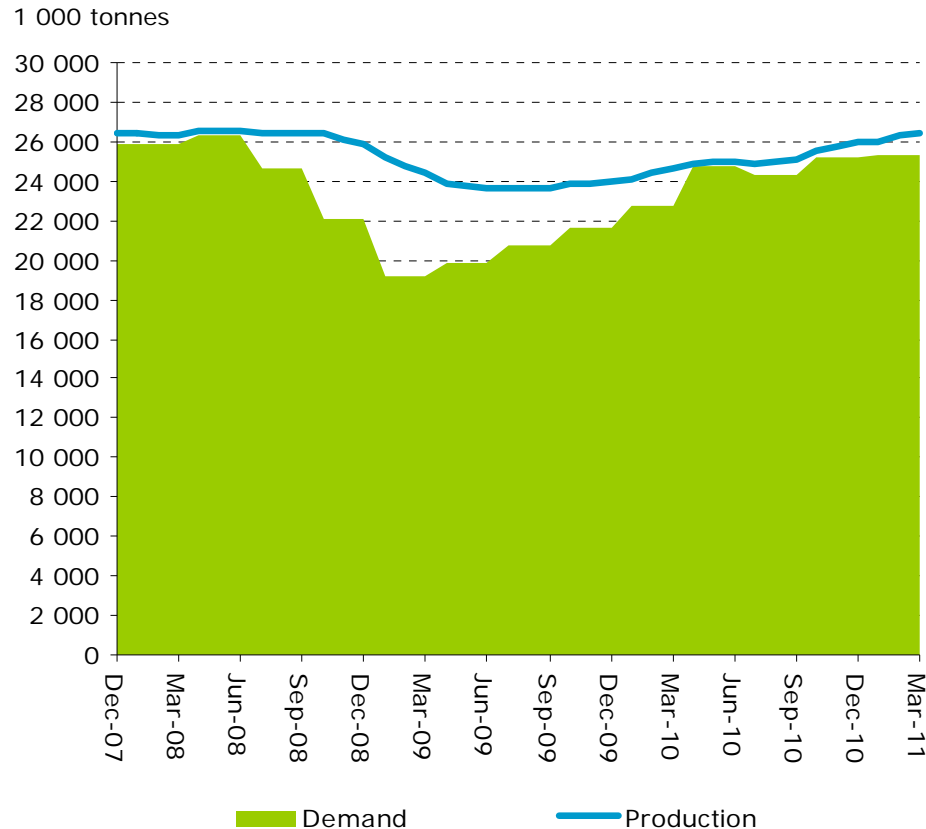


- Reduced production due to Chinese New Year celebration in February
- Production resumed after Chinese New Year
 - China expected to be broadly balanced in 2011
- New capacity to be built in north and west China
 - Partly replacing high-cost production in south and east

Source: Hydro / Antaike, April 2011

Positive 2011 market outlook maintained

World outside China (quarterly annualized)

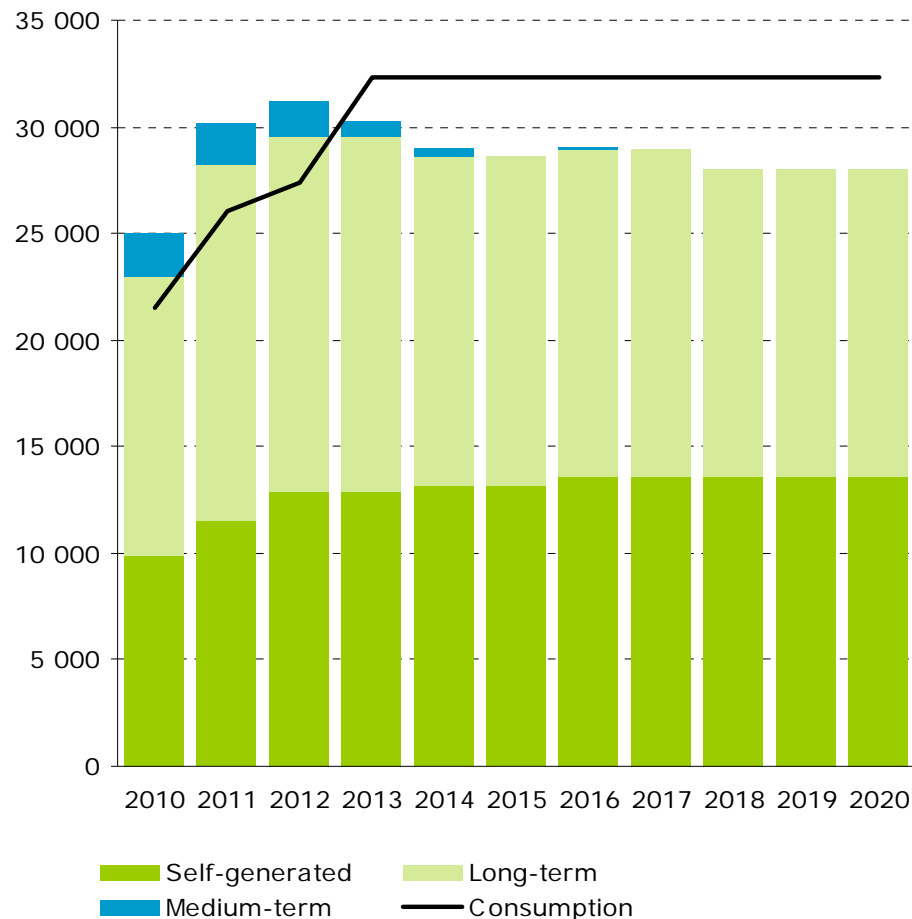


Source: CRU

- World outside China
 - Annualized demand at 25.3 million tonnes in Q1
 - Up 1% vs Q4 2010
 - 7% demand growth expected in 2011
 - Capacity development
 - 1.2 million tonnes curtailed capacity restarted or in process of being restarted
 - 1.2 million tonnes curtailed capacity may restart if current market conditions continue

- China
 - Annualized demand at 16.7 million tonnes in Q1
 - Down 3% vs Q4 2010
 - 10% demand growth expected in 2011
 - Broadly balanced in primary aluminium

Solid long-term power coverage for Primary Metal



- 90% of power needs secured until 2020
- High share of renewable energy
 - More than 2/3 of power needs from renewable sources
- Albras smelter in Brazil has hydropower based contracts through 2024
- High share of general inflation linked and fixed price contracts
 - Limited commodity price exposure
- Securing acceptable power sourcing in Europe requires CO₂ compensation

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 TWh
 - 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
 - Vasstøl project to add 26 GWh from 2012
 - Rjukan system and Herva upgrades
 - Represents NOK 1.2 billion in investments during 2011-2015
 - Optimization of power value in market, and in cooperation with smelters



* Including Sunndal 3 line currently curtailed

High-quality Bauxite & Alumina portfolio



MRN bauxite mine

- 5% ownership
- 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
- Nameplate capacity of 9.9 million tonnes
- Possible expansion to 15 million tonnes
- Long-life resource

Alunorte alumina refinery

- 91% ownership
- World's largest alumina refinery
- 2010 production 5.8 million tonnes
- Nameplate capacity of 6.3 million tonnes
- Bauxite supplied from Paragominas and MRN
- World-class conversion cost position

CAP alumina refinery project

- 81% ownership
- 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

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

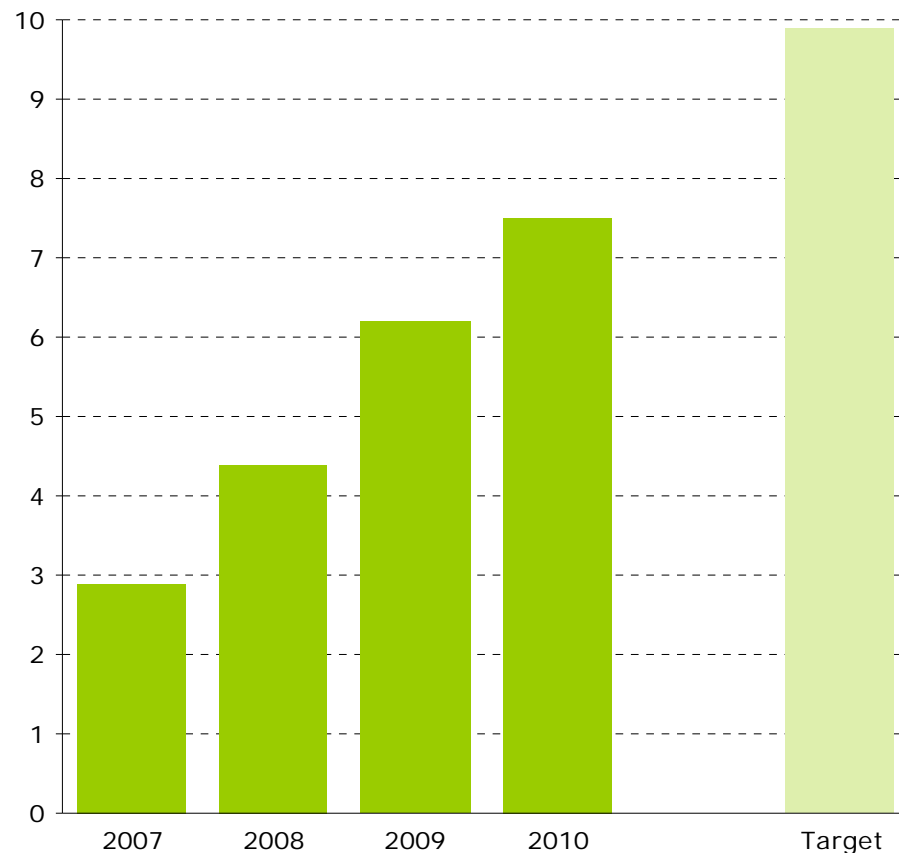
Paragominas

One of the world's largest bauxite mines

- 2010 production: 7.5 million tonnes
- Targeting significant production increase
- Possible expansion: up to 15 million tonnes
- Current reserve life: 30 years
 - ~300 million tonnes
 - Long-life resource

Paragominas priorities

Bauxite production, million tonnes



- Operational improvements
 - Housekeeping and safety
 - Improve performance stability
 - Beneficiation plant
 - Dewatering filters in Alunorte
 - Stripping ratio
 - Recovery rate
 - Improved production system
- Target significant production increase
 - Nameplate capacity of 9.9 million tonnes

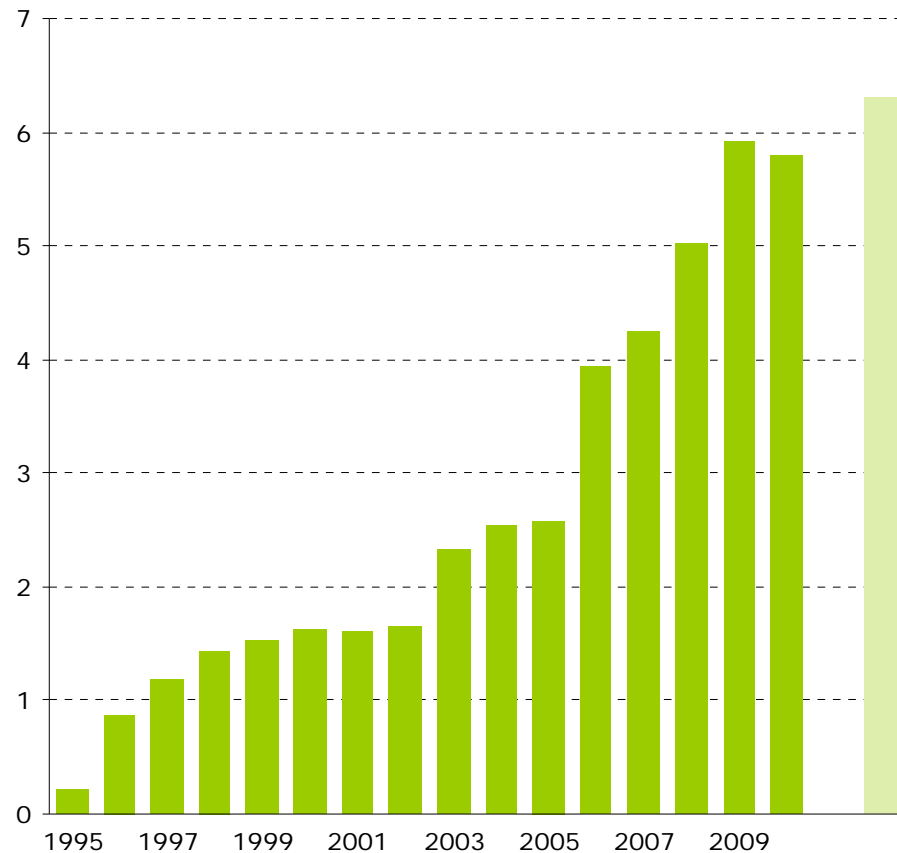
Alunorte

World's largest alumina refinery

- 2010 production: 5.8 million tonnes
- Targeting stable production above 6 million tonnes
- World-class conversion cost position
- Modern technology
- Bauxite supplied from Paragominas and MRN

Alunorte priorities

Alumina production, million tonnes

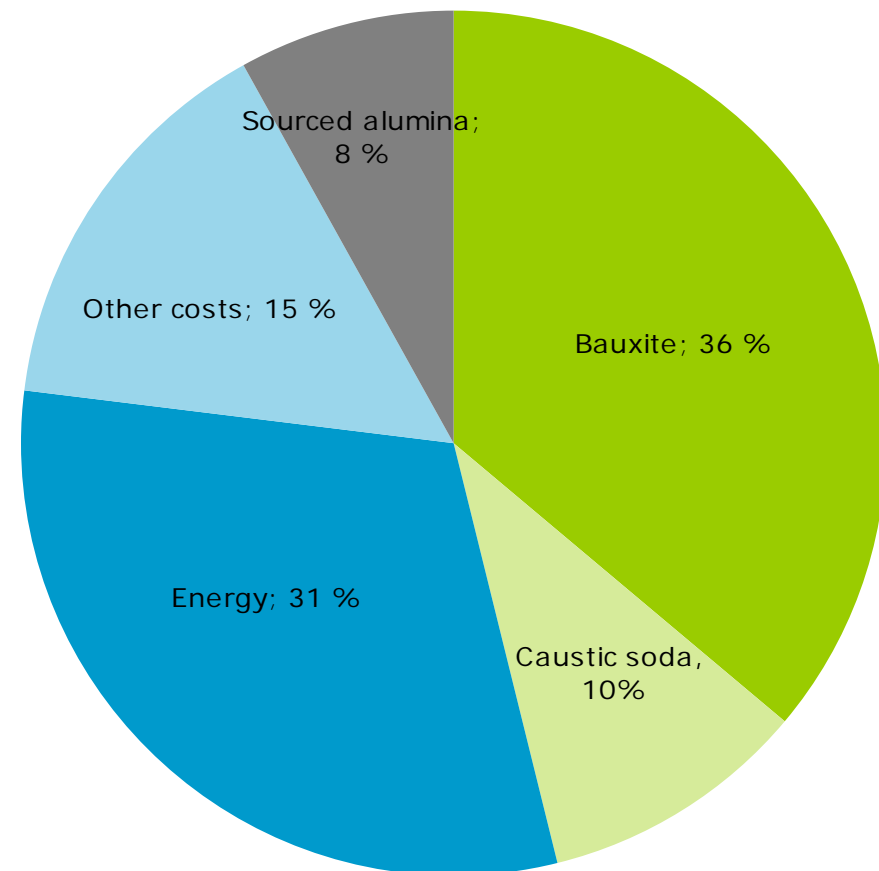


- Operational improvements
 - Housekeeping and safety
 - Improve plant efficiency
 - Performance in older lines
 - Availability of coal boilers
 - Dewatering filters
 - Port costs
 - Improved production system
- Targeting stable production above 6 million tonnes
 - Nameplate capacity of 6.3 million tonnes

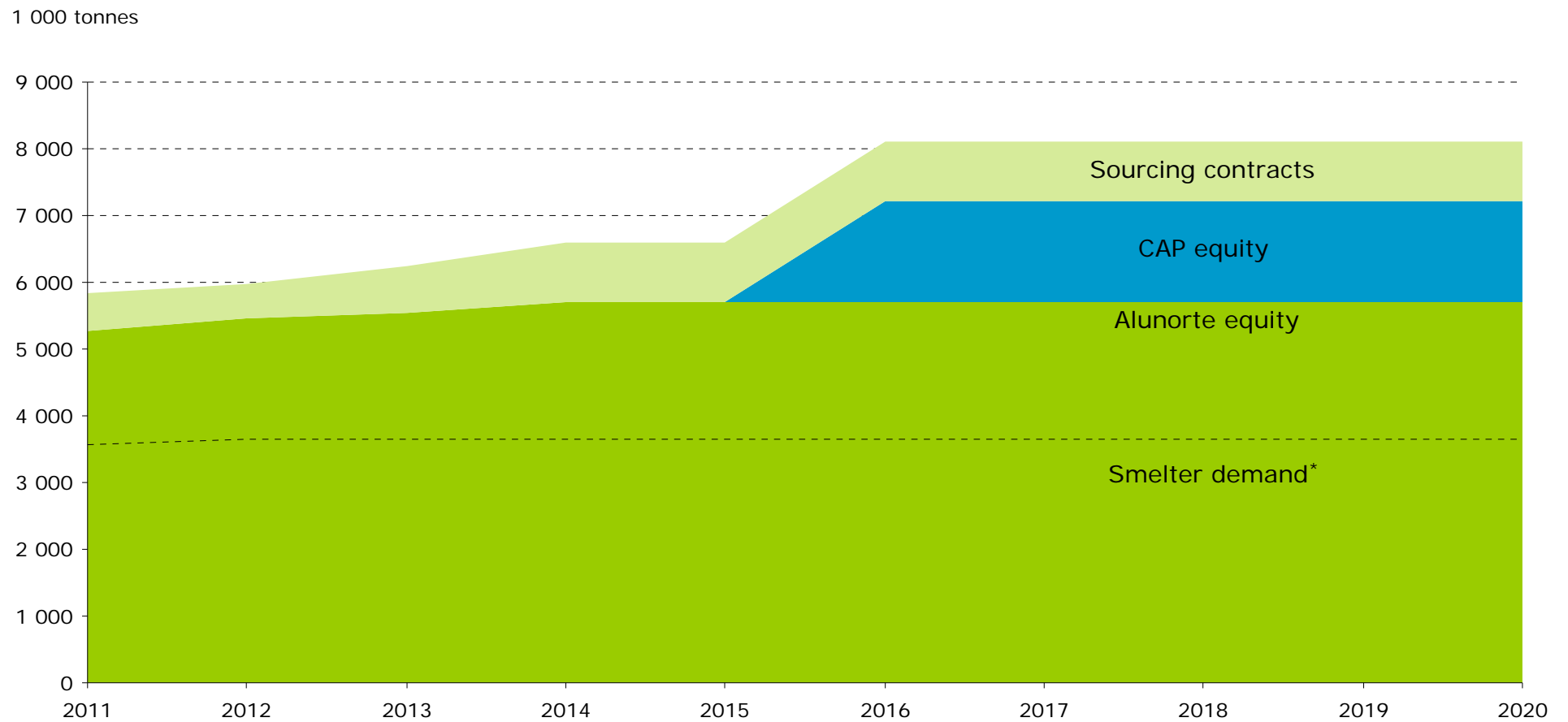
Favorable integrated alumina cash cost position

- Integrated alumina cash cost position 2010
 - USD 238 per tonne
 - Alunorte, Paragominas and sourced alumina
- Bauxite
 - Cash cost to be improved as Paragominas increase production and pipeline is fully utilized
- Energy
 - First-quartile energy consumption – 8 MJ/t
 - Energy mix of heavy fuel oil and coal
- Caustic soda
 - Competitive caustic soda consumption due to bauxite with low level of reactive silica
- Other costs
 - Maintenance, labor and other
- Sourced alumina
 - Alumina purchased for resale

Integrated alumina cash cost position 2010



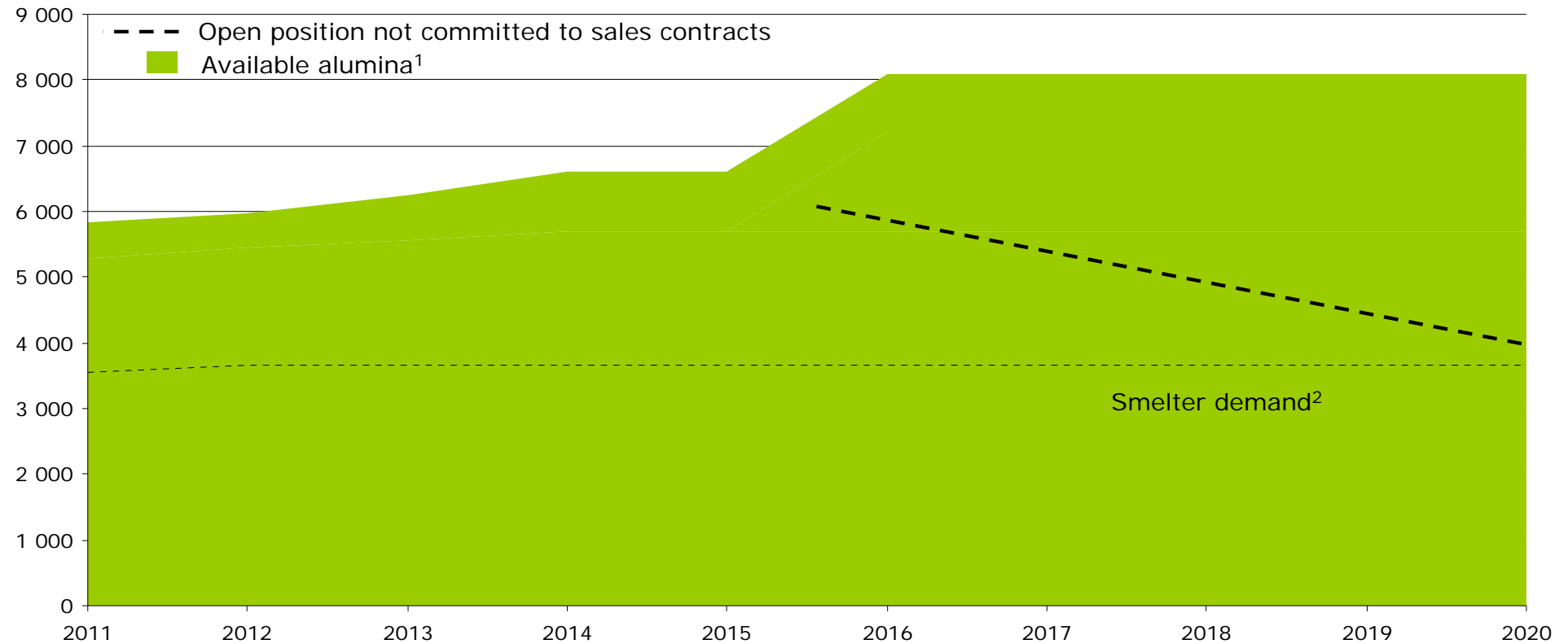
Attractive alumina position



*Sunndal 3 line assumed back in operation, Neuss and Sørval at 2010 production level

Attractive alumina position

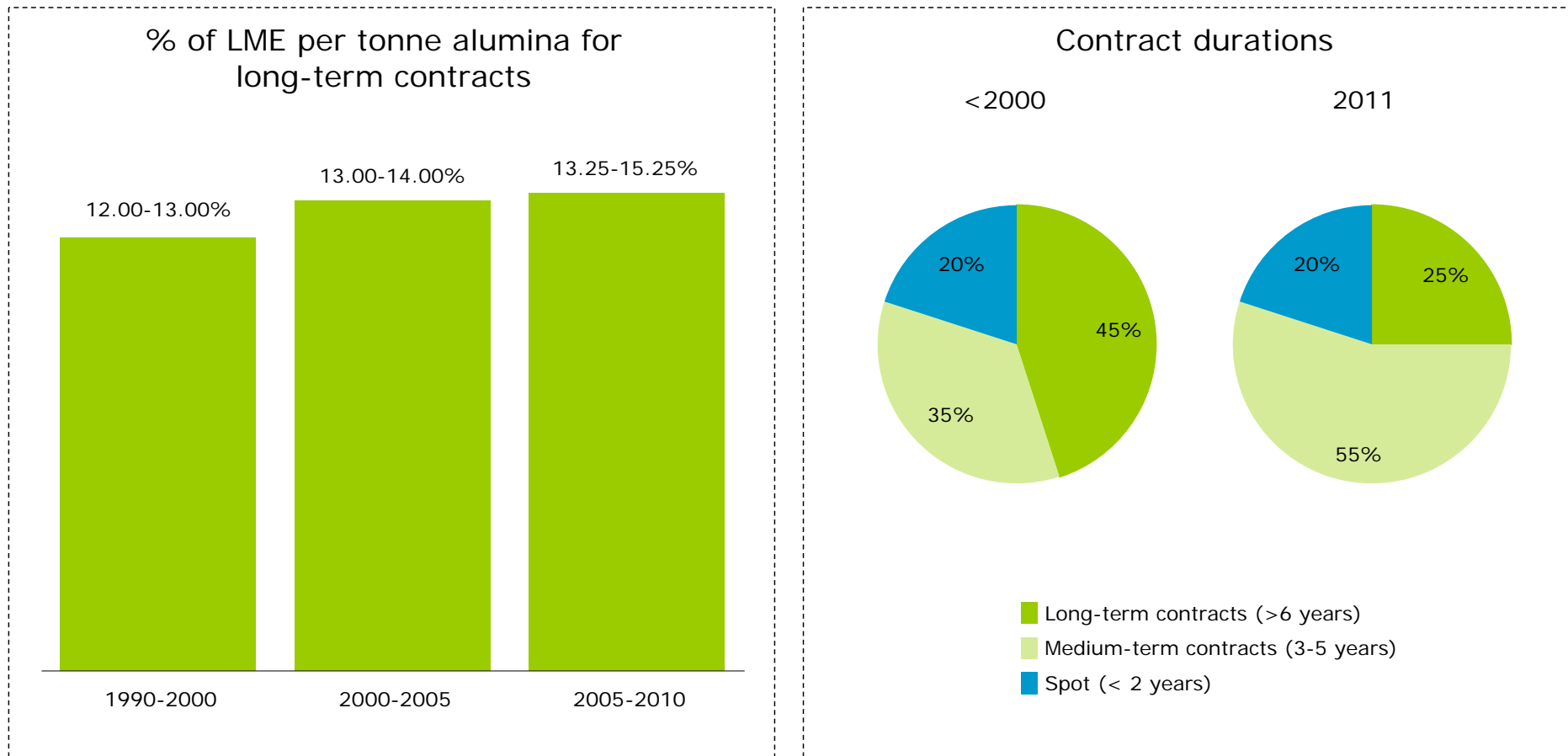
1 000 tonnes



1) Alunorte, CAP 1st phase from 2015 and sourcing contracts

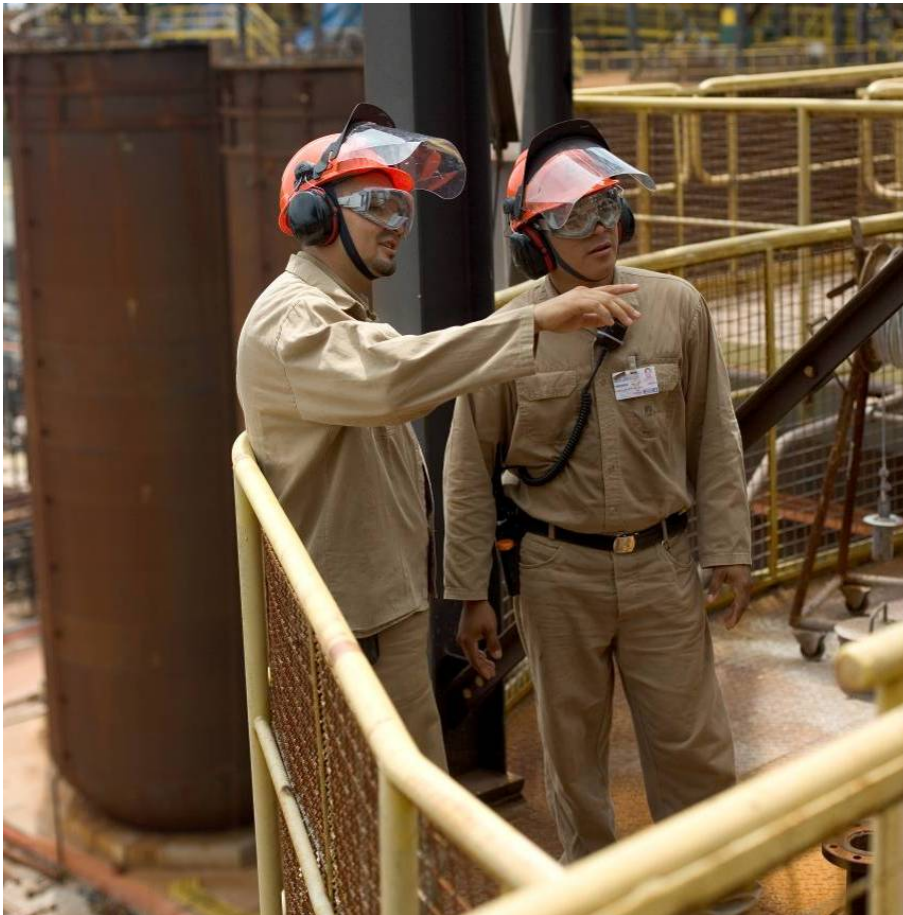
2) Sunndal 3 line assumed back in operation, Neuss and Sørådal at 2010 production level

Shift towards shorter contract durations



Source: Hydro estimates

Hydro's commercial strategy

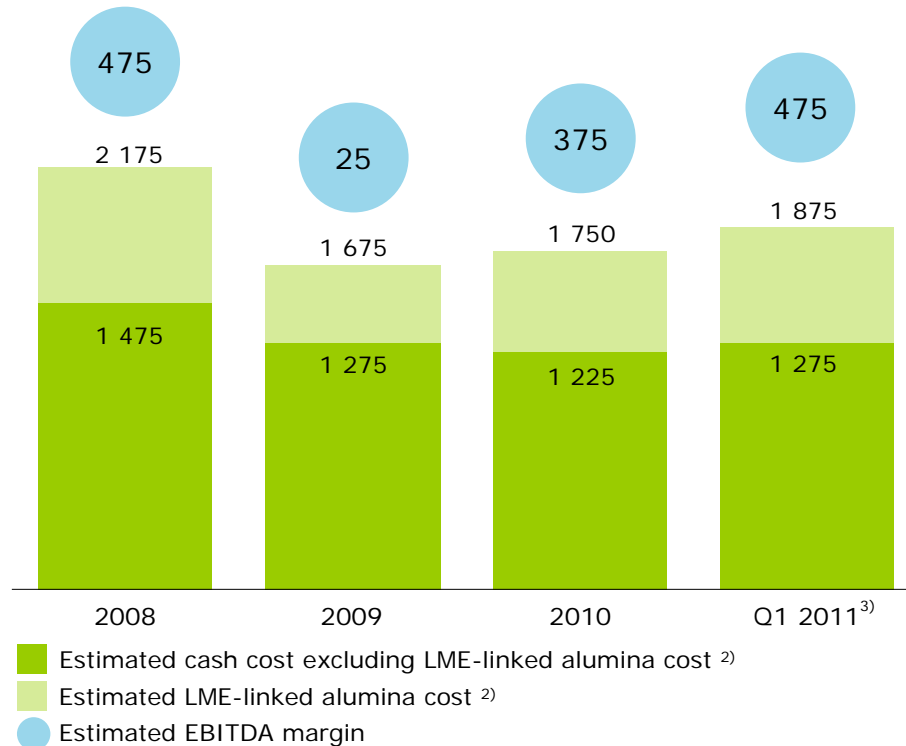


- Move towards index pricing
 - Currently not offering medium/long-term LME linked contracts
 - First contract based on index pricing signed
- Actively promote index pricing
- Focus on contracts with 1-4 year duration
- Focus on selling to end-users
- Hydro's existing combined sales portfolio
 - Average alumina price ~13-14% of LME
 - Similar percentage expected for 2011-2015
 - Minor volumes available for sale before 2016
 - Majority of sales contracts expire in 2016-2018

Ambitious cost improvement program on target

Estimated primary aluminium cash cost and margin

USD/tonne ¹⁾



1) Realized aluminium price minus EBITDA margin per tonne 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 tonne cost improvement
 - USD 50 per tonne realized in 2010
 - Further USD 125 per tonne targeted in 2011
- Cash cost up ~USD 125 from 2010 due to increased raw material costs
 - Energy
 - LME-linked alumina prices
 - Petroleum coke
 - Weaker USD
- 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 ~1 000 000 tonnes annual capacity

Attractive Qatalum fundamentals

Joint venture (50/50) between Qatar Petroleum and Hydro

- Capacity: 585 000 tonnes

World-class smelter

- Cash costs estimated around 1 400-1 500 USD per tonne at 2010 market conditions when in full production

Ideally located to serve all major markets in Asia, US and Europe

2011 focus

- Ramp-up to be completed by June 2011
- Stabilize production and cost optimization

No. 1 flat rolled products producer in Europe

Packaging & building

Revenues:
NOK 11.3 billion



Automotive, heat exchangers & general engineering

Revenues:
NOK 6.8 billion



Litho

Revenues:
NOK 3.7 billion



- World leading positions in high-end products: foil, litho and automotive
- Solid cash generation
- Record results in 2010
- Technology leadership and innovation
- Strategy
 - Margin management and cash generation
 - Focus production system on core assets
 - High-grading product portfolio

Strong extrusion position in Europe, U.S. and Brazil



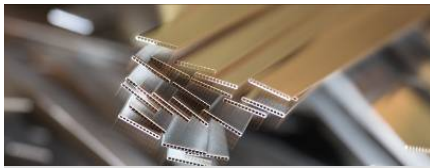
Extrusion Eurasia

Revenues: NOK 8.8 billion



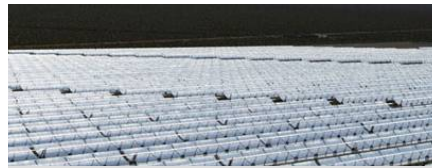
Building Systems

Revenues: NOK 5.6 billion



Precision Tubing

Revenues NOK 2.4 billion



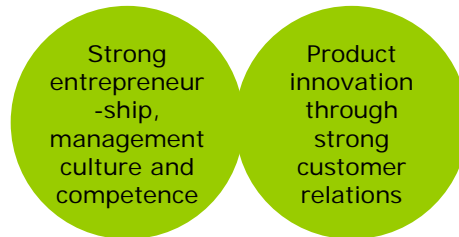
Extrusion North America

Revenues: NOK 2.5 billion



Extrusion South America

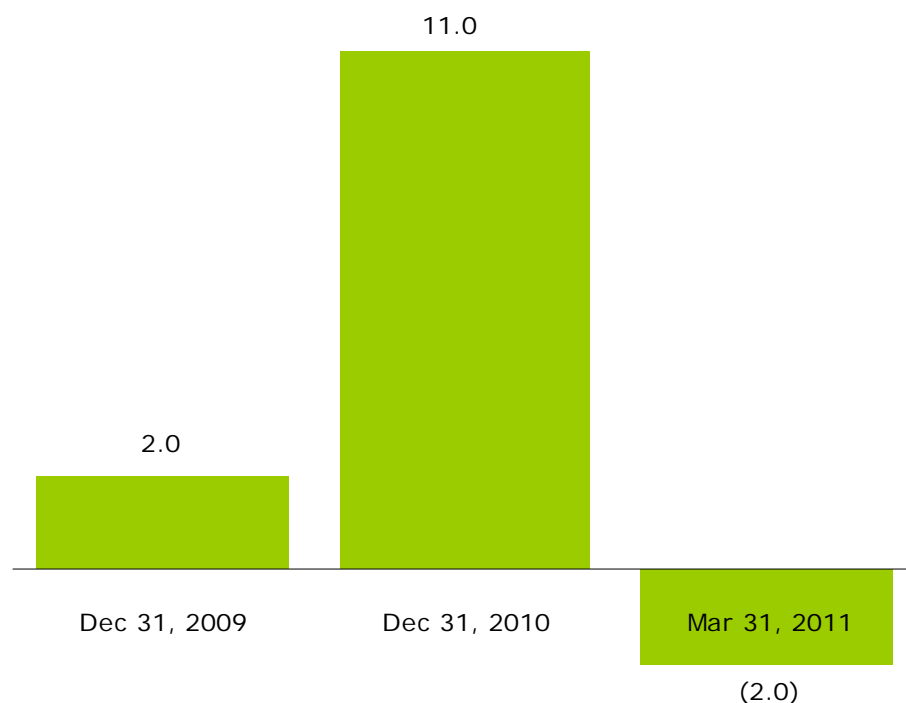
Revenues: NOK 0.8 billion



- Leading position in Europe in Extrusion and Building Systems
- Strong position in the U.S. and Brazil
- Global leader in precision tubing
- Strategy
 - Reinforce European extrusion base
 - Specialist in energy-neutral building solutions, including solar
 - Selective acquisitions
 - Entry into emerging markets
- Operating revenues ~NOK 19.4 billion
- ~9 500 employees

Robust financial position

Net cash/(debt), NOK billion



NOK billion	Dec 31, 2009	Dec 31, 2010	Mar 31, 2011
Cash and cash equivalents	2.6	10.9	3.7
Short-term investments	1.5	1.3	1.3
Short-term debt	(2.0)	(0.9)	(2.5)
Long-term debt	(0.1)	(0.3)	(4.5)
Net cash/(debt)	2.0	11.0	(2.0)
Net int.-bearing debt in equity accounted invest.	(8.0)	(7.8)	(7.3)
Net pension liability at fair value, net of expected tax benefit	(5.6)	(5.6)	(5.5)
Other adjustments*	(4.0)	(4.0)	(5.6)
Adjusted net debt	(15.6)	(6.4)	(20.5)

* Operating lease commitments and other

Strategy for further value creation

Bauxite & Alumina



- Integrate
- Expand
- Commercialize

Primary Metal



- Reposition
- Qatalum ramp-up
- 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

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**

www.hydro.com