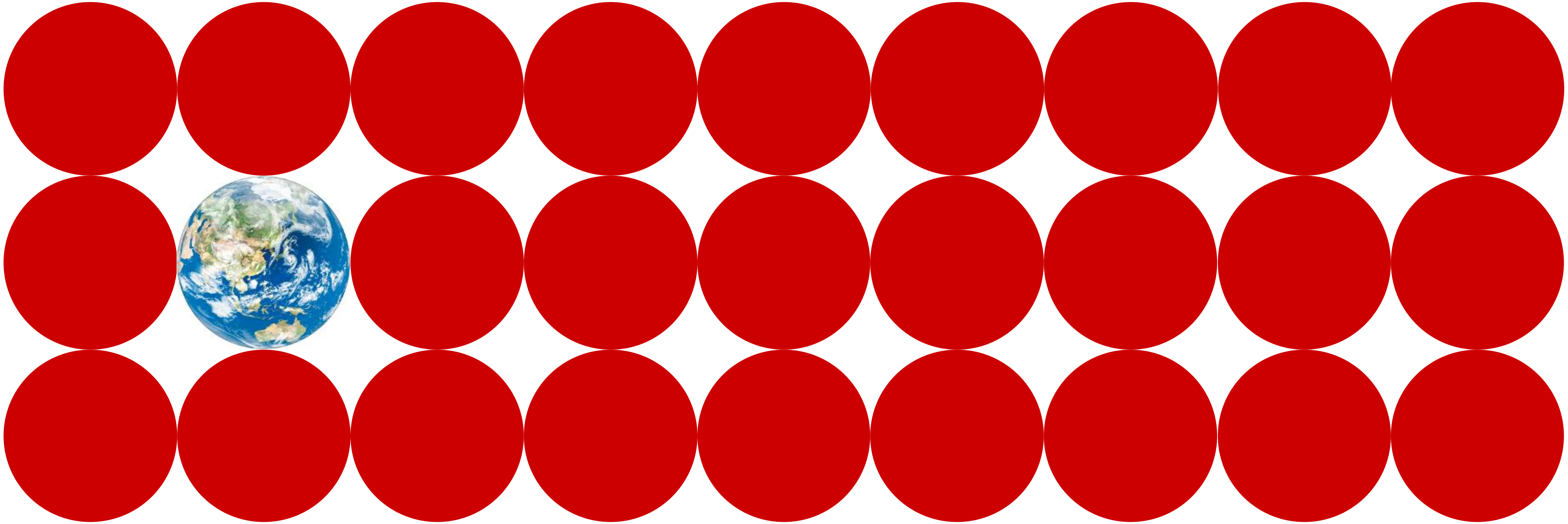
Capital Markets Day: Performance frontrunner



Svein Richard Brandtzæg, President and CEO
December 1, 2011

Hydro's value proposition

- Capturing full potential of attractive long bauxite and alumina position
- Continuing unparalleled USD 300 improvement program
- Strengthening portfolio robustness with world-class Qatalum smelter
- Securing solid financials through high-value hydropower assets
- Adding value through high-end products based on technology leadership and innovation

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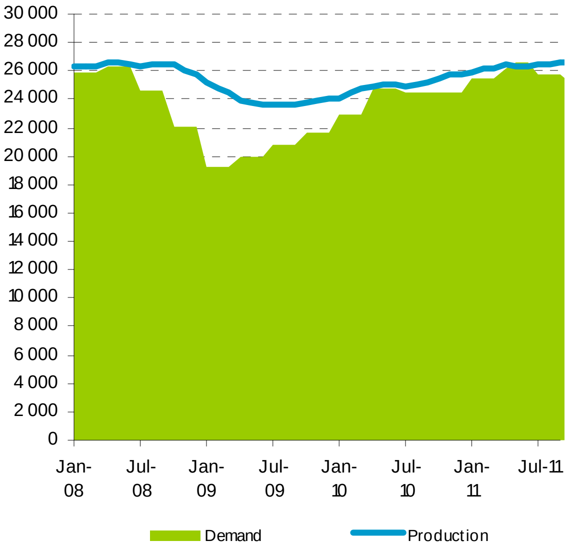
Improving markets in 2011

World outside China – supply/demand

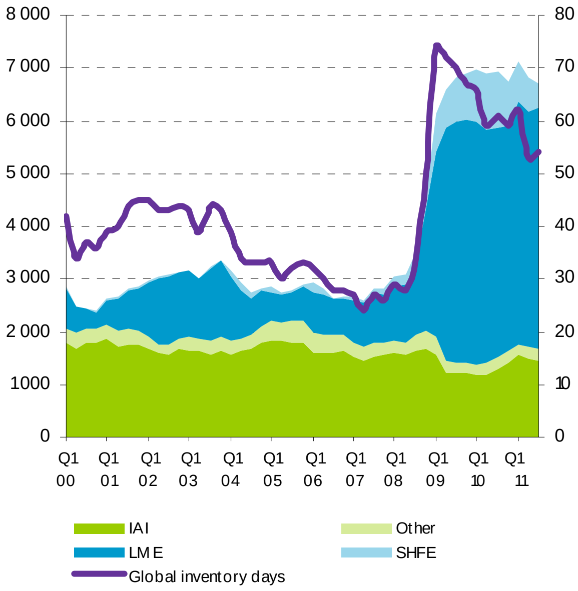
1 000 mt



Source: CRU, Metal Bulletin, Platts

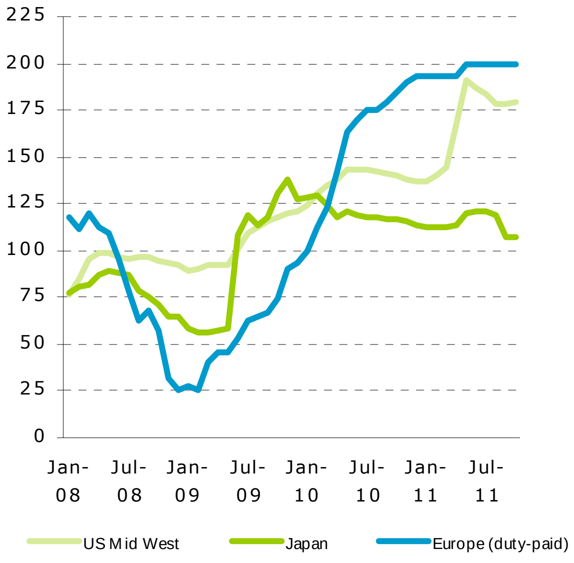
World reported primary aluminium inventories

1 000 mt Days



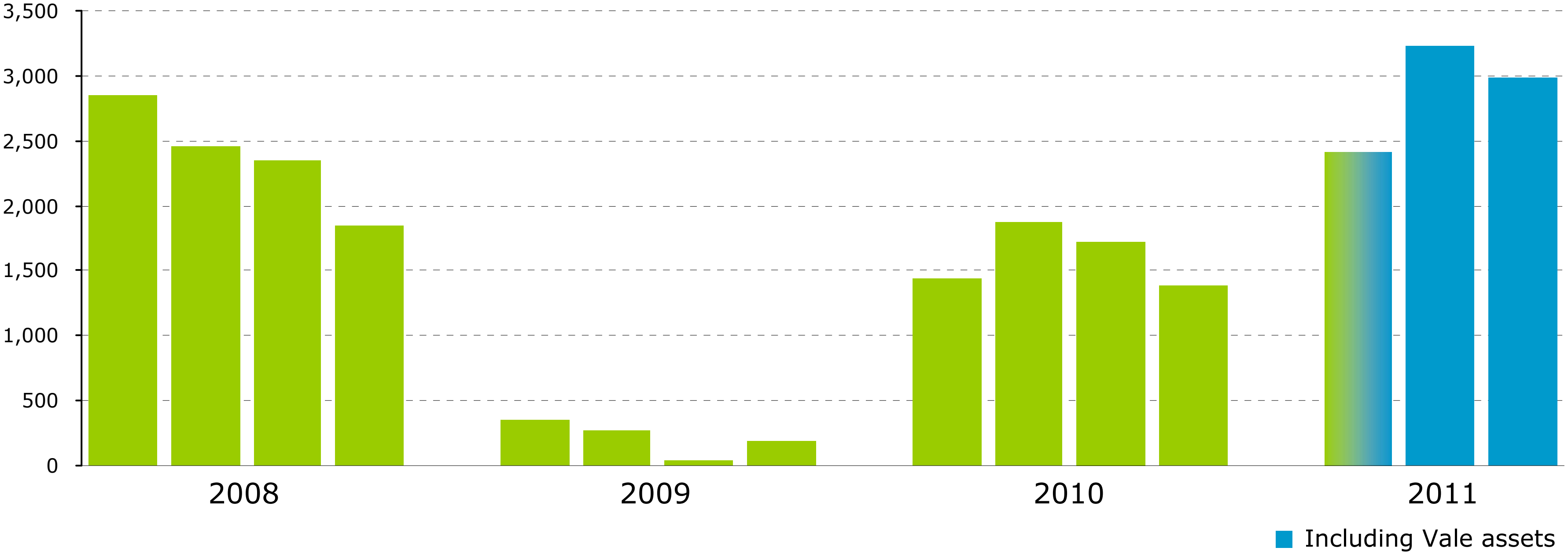
Regional ingot premium

USD per mt



Results recover from financial crisis

Hydro underlying EBITDA quarterly, NOK million



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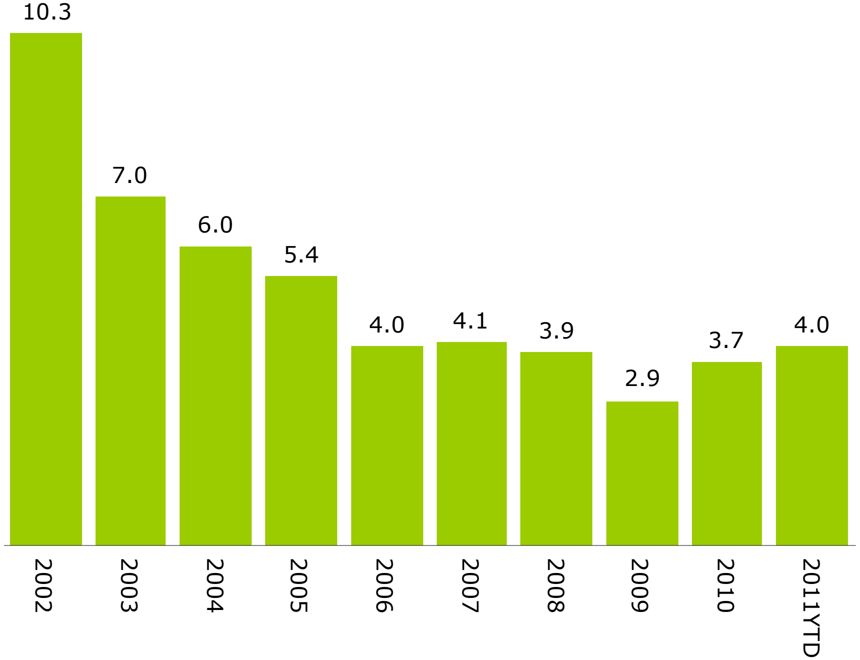
Safe operations is a top priority

TRI rate



Renewed CSR focus with entry into mining

- Hydro's ambition remains to strive for excellence in CSR related matters
- Hydro reports on CSR according to Global Reporting Initiative (GRI)
- Hydro is a member of International Council on Mining and Metals (ICMM)

FTSE4Good

Dow Jones Sustainability Indexes
Member 2011/12

CSR strategy pillars

1. Integrity & Anti-Corruption
2. Community & stakeholder engagement
3. Human Rights
4. Supply chain and Product Stewardship

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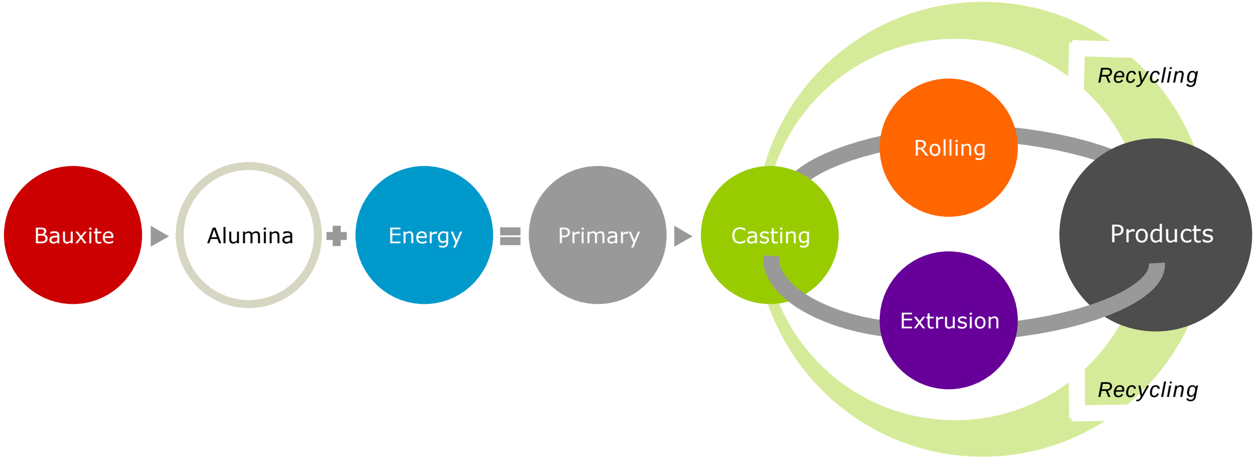
Fully integrated throughout the value chain



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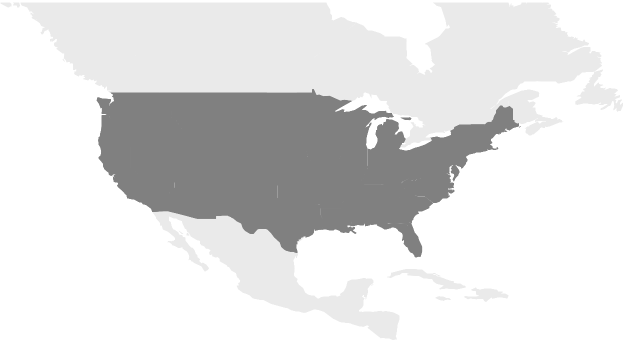
Macro economic situation – global uncertainty

Europe

Sovereign debt concern

United States

Demand issue



China

Reduced growth

Proactive corrective measures

- Sovereign debt crisis
- Confidence indicators pointing downwards
- Financial market unrest
- Softening growth in emerging markets

Robust financial position

Weaker markets

- Capacity adjustment measures
  - Flexibility in remelt system
  - Active margin management
- Strengthened focus on improvement programs
- Financial discipline

Capturing potential in Bauxite & Alumina

Vale transaction creates a stronger Hydro

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

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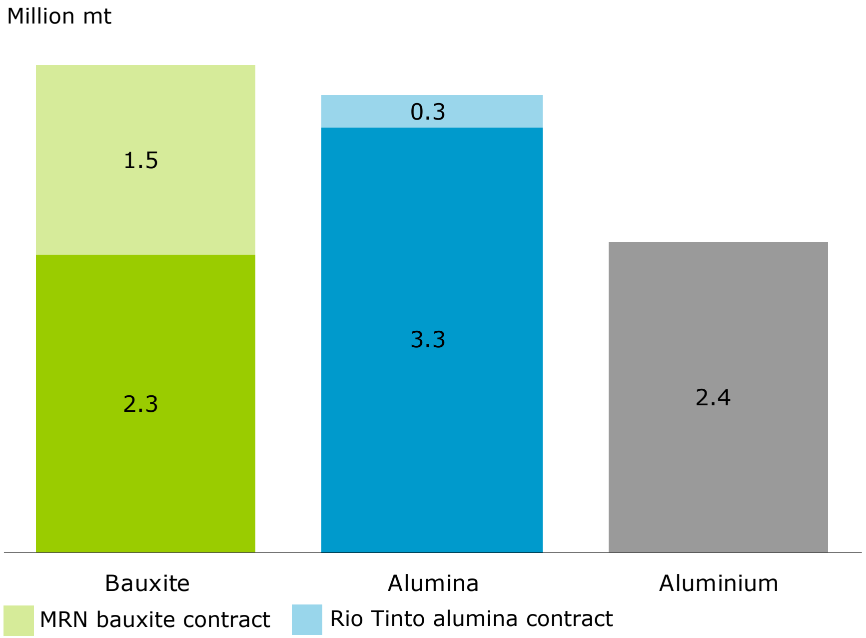
Long alumina position gives strategic flexibility



Current annual consolidated capacity in metal equivalents

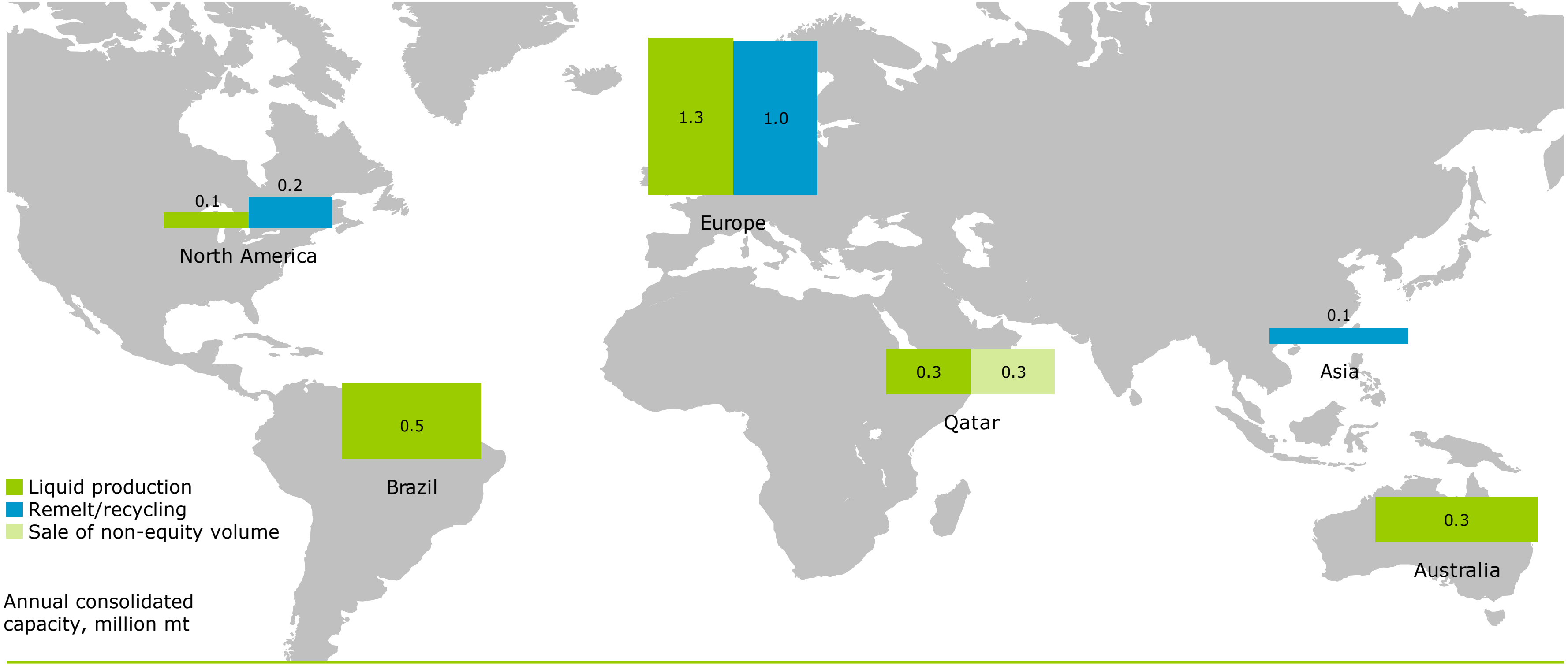
- Industry consolidation
- Long position creates flexibility
  - Growing smelter portfolio
  - Capturing commercial opportunities
- CAP and Paragominas projects will further strengthen alumina position

World-class bauxite and alumina assets

- Integrated through pipeline
- Technological frontrunner
- Competitive cost position
- Top quality alumina
- Successful integration
- Solid production improvement

Repositioning Primary Metal

Leading global portfolio of metal products



Preferred partner in casthouse products

Casthouse production
Primary production
Remelting & recycling
Commercial agreements

Extrusion ingot
1.6 million mt

Foundry alloys
0.6 million mt

Sheet ingot
0.5 million mt

- Capitalizing on value-added casthouse products portfolio
- Enhancing value of market system through margin management
- Growing market positions in US and Asia with Qatalum volumes
- Utilizing production flexibility to meet demand
- Taking advantage of strong market position through sourcing and trading strategies

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Qatalum is designed for value creation

2x1.2 km of electrolysis cells

World's largest value added casthouse

Qatalum streamlining in 2012

- All cells in production
- 1350 MW power plant at full capacity
- Focus on production optimization
- Target annual production of 600 000 mt

Aluminium industry facing cost pressure

- Increasing cost of input factors
- Fixed cost pressure from inflation
- Strong raw-material driven currencies

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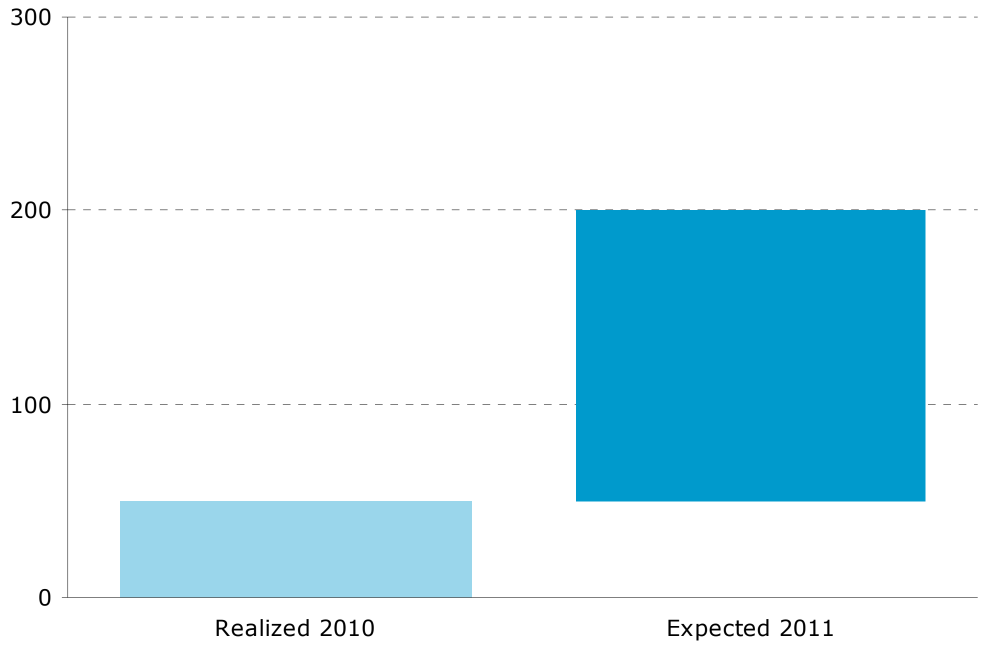
USD 300 cost improvement program on track

Operational improvements

Fixed cost reductions
and lean operations

Above plant level initiatives

Casthouse product margin



USD 300 per mt real term target for fully owned smelters excluding Neuss with 2009 as baseline. Realized in nominal terms ~USD 180 per mt.
Effect of exchange rates and raw materials cost changes are neutralized

Solid power coverage

- Long-term solid power coverage, majority based on hydropower
- Long-term power contract signed for Tomago
- MoU signed for power to Alouette expansion
- CO_2 emission framework essential

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High-value power assets

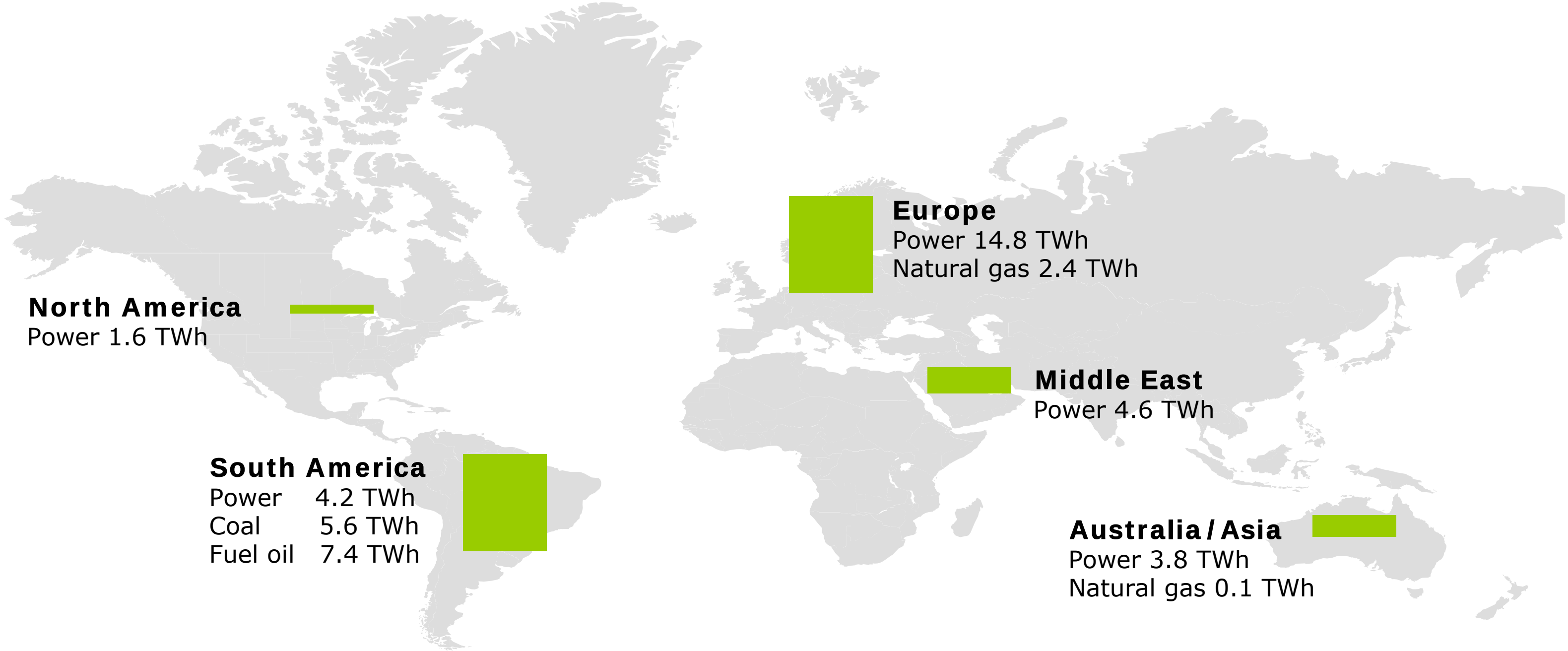
Aiming to lift power production to 10 TWh

Power production capacity (TWh) per region and reversion year

- Power producing assets and ongoing projects
  - Maintain cost control in operations and projects
  - Holsbru and Vasstøl capacity into production 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

Hydro is a global energy player

Energy consumption in alumina refineries, smelters and rolling mills



2011 estimate for Hydro's equity production including Vale assets acquisition. Sunndal 3 line, Neuss and Søral at current production level.

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Hydro's energy agenda

- Developing Norwegian assets and maximizing value creation
- Securing competitive energy globally
- Considering equity position where relevant
- Optimizing 3-4 TWh long position in Norway

High-end portfolio of products

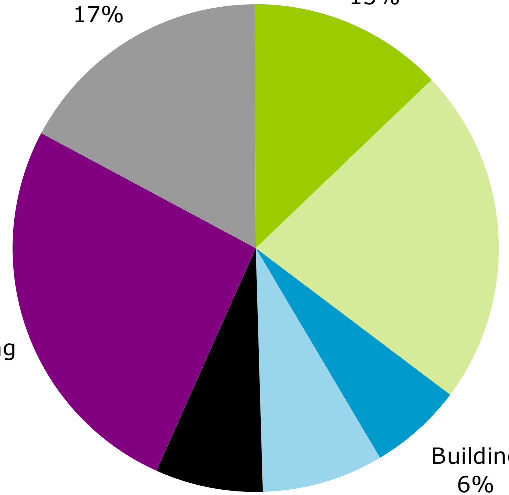
Aluminium is part of the solution

5-7 % annual growth in demand

Source: CRU

No. 1 flat rolled products producer in Europe

External sales in tonnages

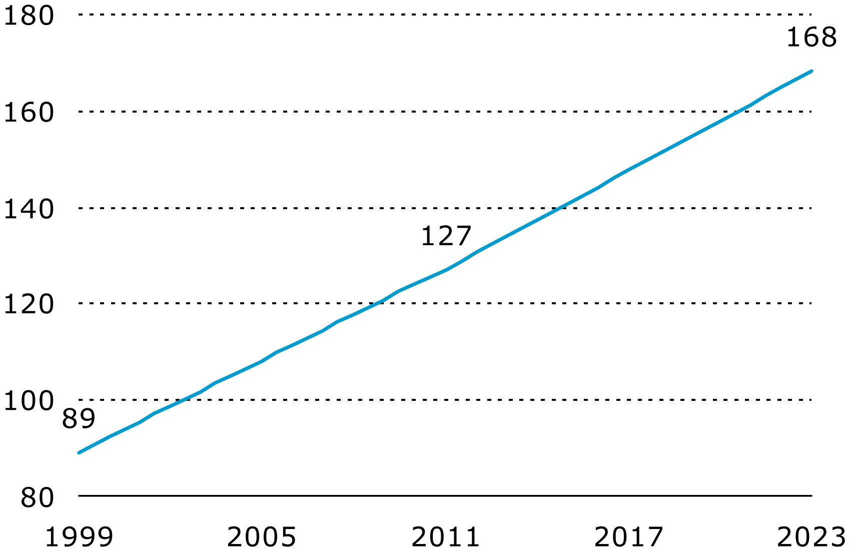


- World leader in high-end products foil and litho
- External sales of 945 000 mt in 2010
- Strategy of high-grading product portfolio
  - Margin management and cash generation
  - Focus production system on core assets

Customers are marketing our product

Aluminium in cars on a long and steady climb

Aluminium content in light vehicles, average global car (kg)



Source: Ducker Worldwide

- Continuous drive to reduce energy consumption in automotive sector
- Tailored alloys tuned for super strength
- Body-in-white market expected to grow by 13% per year over the next decade
- Ramp-up of automotive production centre in Grevenbroich

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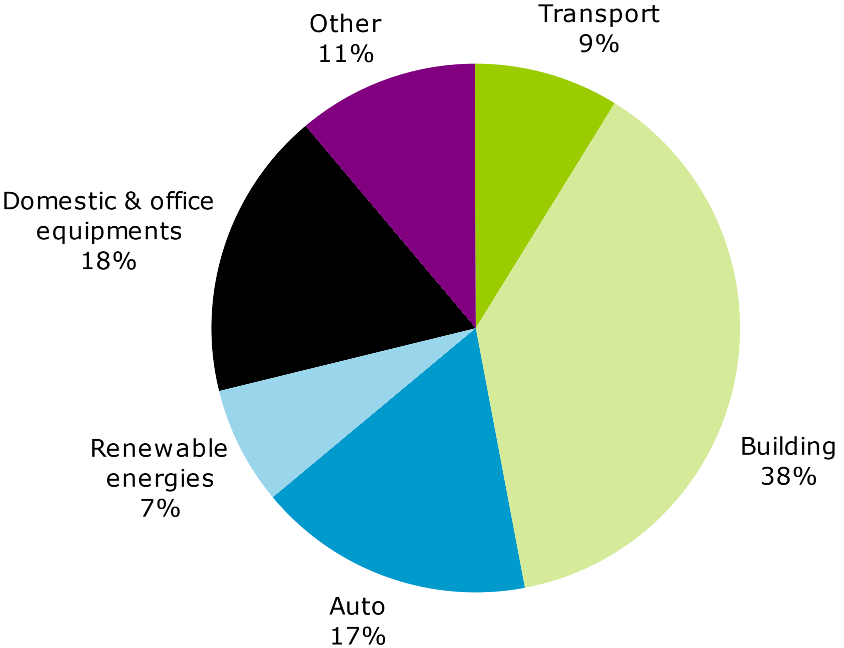
European extrusion leader with global presence

- Leading position in Europe
- Strong position in US and Brazil
- Global leader in precision tubing
- External sales of 529 000 mt in 2010
- Strategy of solidifying leading positions
  - Reinforce European extrusion base
  - Specialist in energy-neutral building solutions, including solar
  - Emerging markets expansion

External sales in tonnages



New products, solutions and applications

Making heat-exchanger technology leap from automotive…

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

…into broad range of non-automotive products and applications

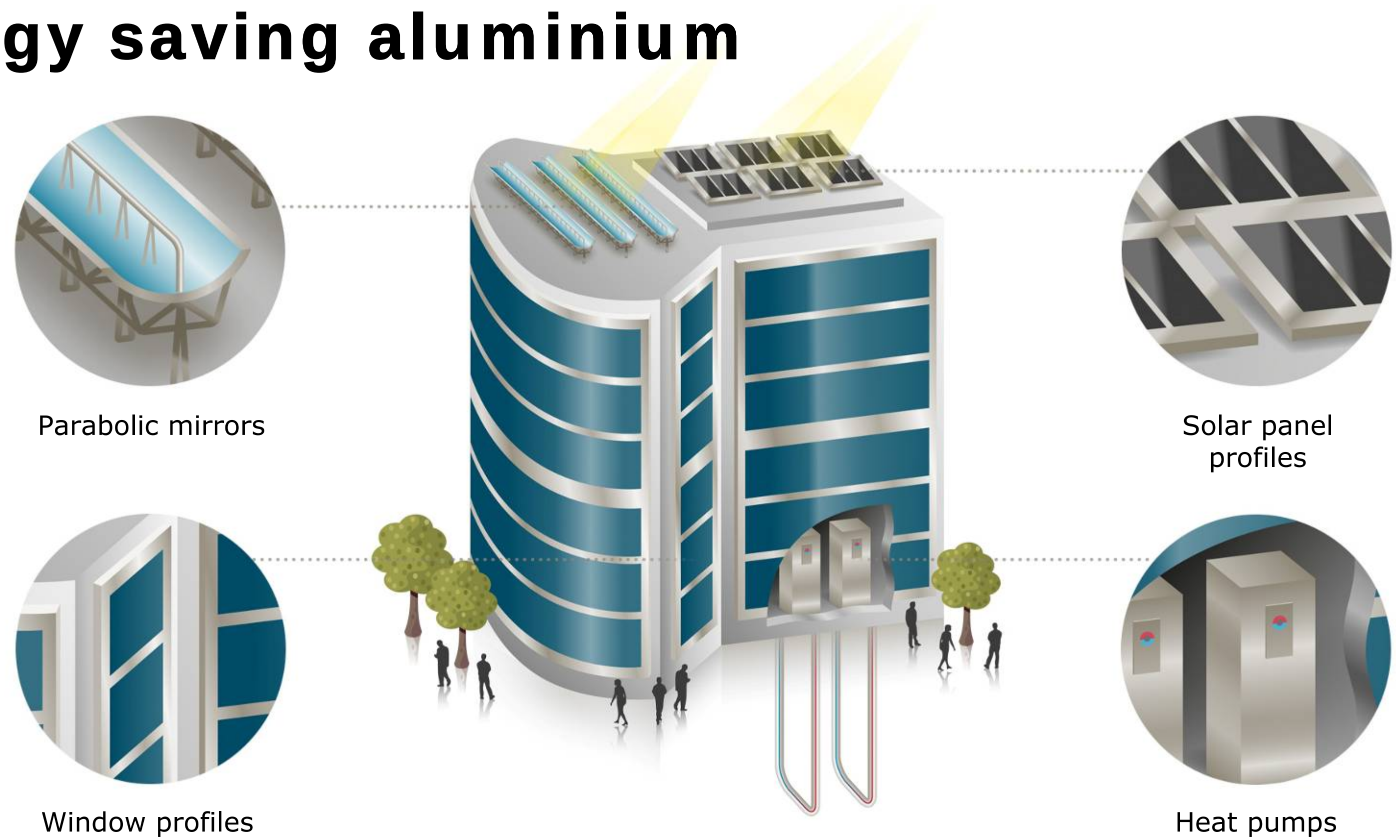
The leading position of copper in buildings has remained unchallenged … until now

Copper substitution represents major potential

Total wire harness
in modern vehicle

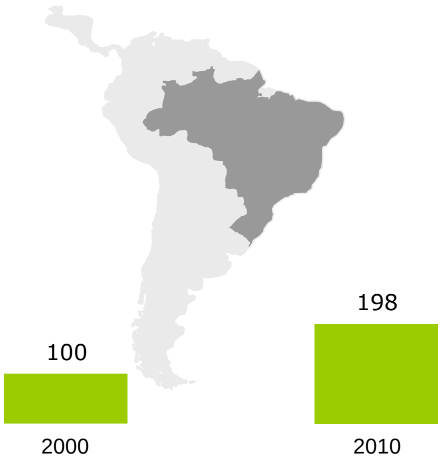
- Substitution to aluminium: 12.5 kg/car
- Weight reduction: about 50% vs. copper
- Worldwide potential: about 875 000 mt annually

Energy saving aluminium



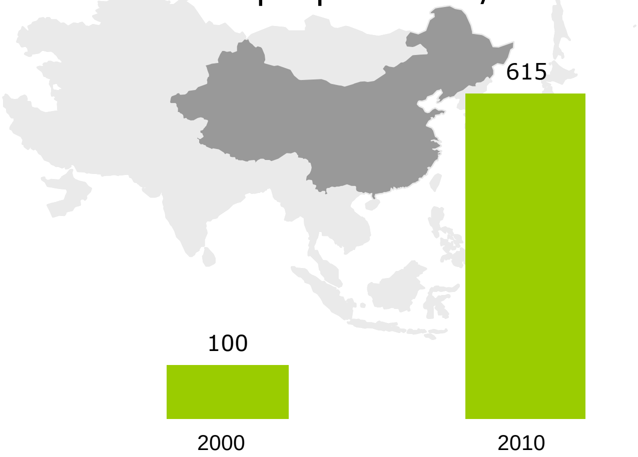
Extrusion growth in emerging markets

- New extrusion capacity in Itú
- Investment: NOK ~300 million
- Production from 2013



Demand for semis, indexed - Brazil

- New extrusion and precision tubing capacity in Suzhou
- Investment: NOK ~300 million
- Production ramp-up in 2012/2013

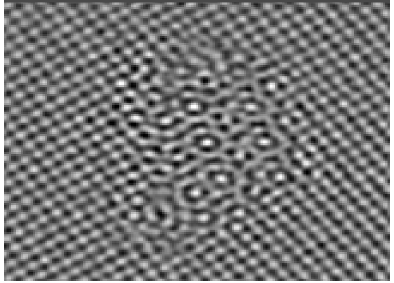


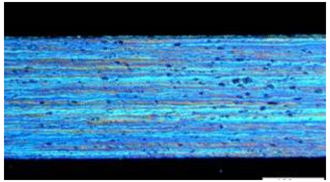
Demand for semis, indexed - China

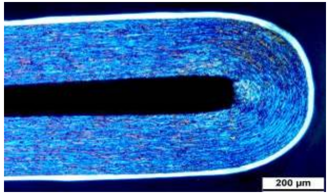
New products from Hydro’s alloying expertise

High Speed Alloys

Mg-Si prec.







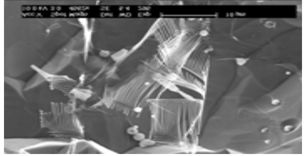
Microstructure

Bending behaviour

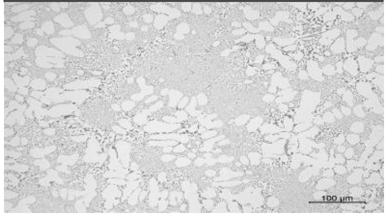
Long Life Alloys

Dispersoids

Fe-rich particles



Eutectic morphology



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Hydro innovation drives product demand

Lithographic plates

Beverage cans

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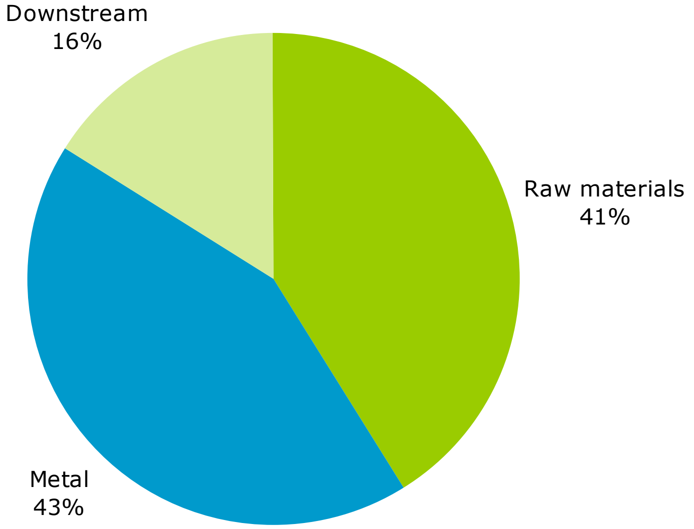
Shaping the future

Truly a global company

- 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
  - Long position in liquid Nordic power market

Capital employed, as per September 31, 2011



Graph excludes NOK 7.0 billion in negative capital employed in Other and eliminations

Ideally positioned for future growth

Holsbru
Vasstøl
Hydro power

Paragominas
Bauxite

CAP
Alumina

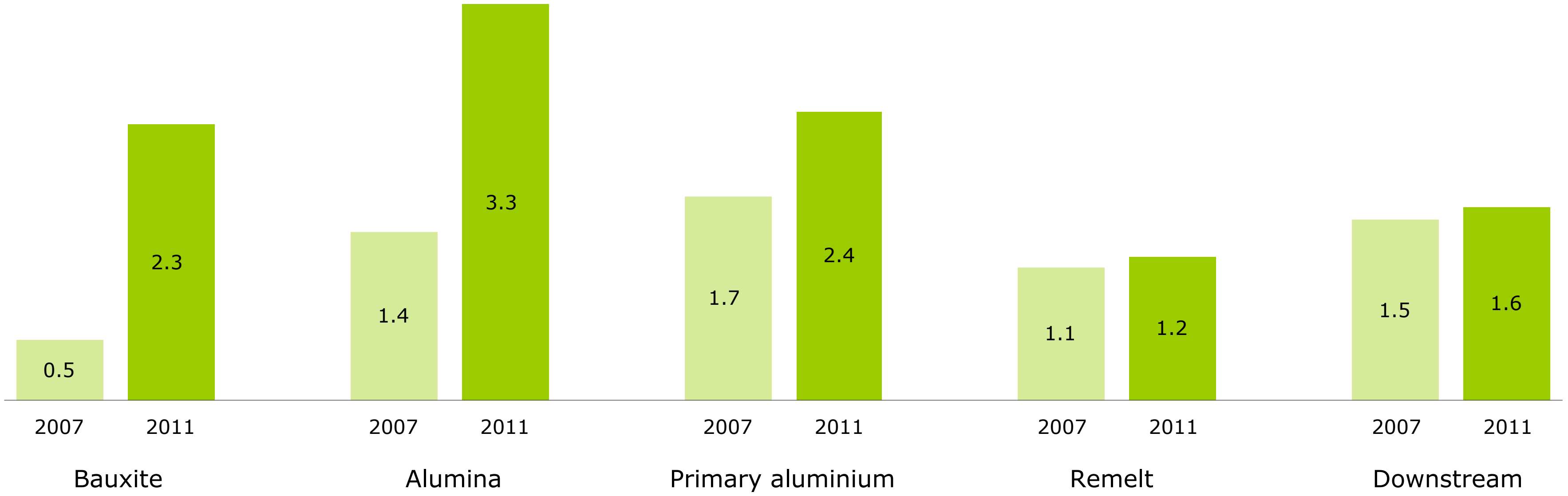
Alouette
Metal

Qatalum 2
Metal

Acro
Suzhou
Extrusion

Significant capacity growth

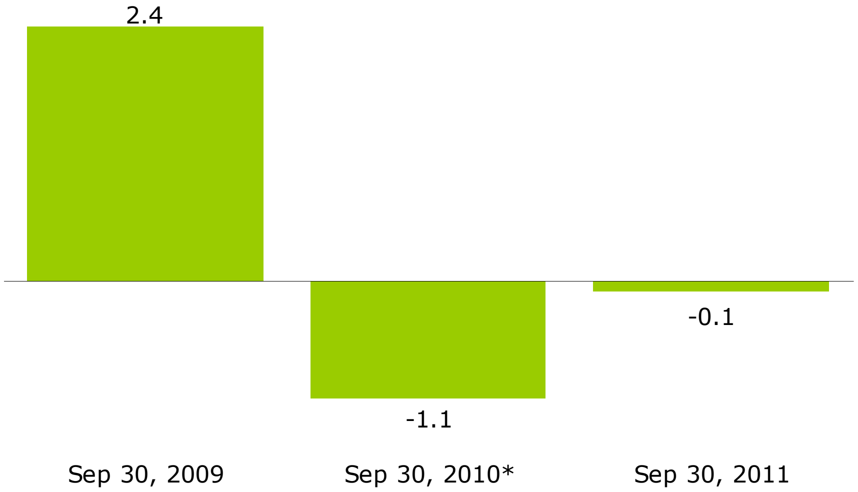
Annual consolidated capacity in metal equivalents, million mt



Solid financial situation

- Strong balance sheet creates financial robustness in volatile markets
- Cash generation provides capital flexibility
- Liquidity remains a top priority
- Ability to execute investments and acquisitions also in periods of uncertainty

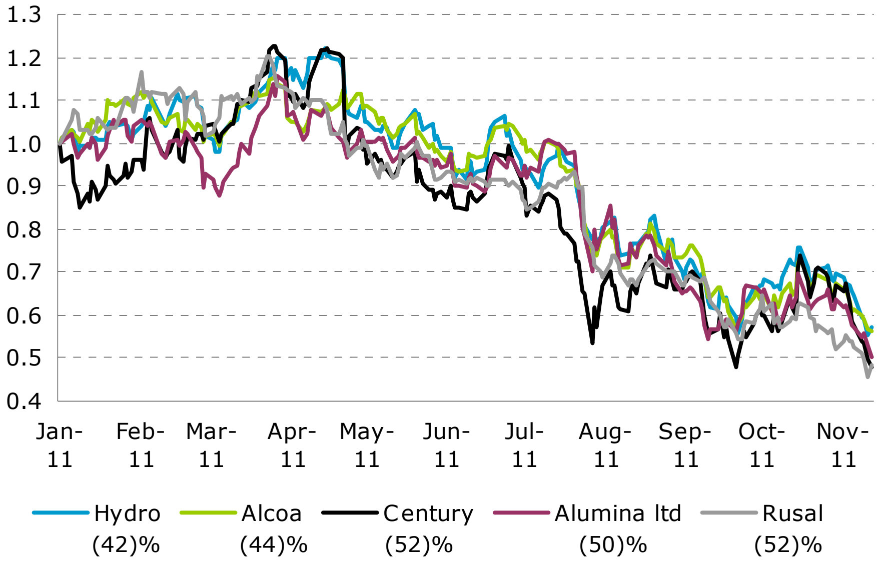
Net cash/(debt), NOK billion



*Sep 30, 2010 adjusted for 10 billion NOK rights issue

Competitive shareholder returns prioritized

Relative share price development in USD
Capital Markets Day Jan 13, 2011 – Nov 25, 2011



- Aiming for competitive shareholder returns compared to industry peers
- Hydro dividend policy
  - Ordinary dividend: 30% of net income over cycle
  - Share buybacks and extraordinary dividends a supplement in periods with strong financials

Strategy for further value creation

Bauxite & Alumina

- Excellence in operations
- Expand capacity
- Commercialize

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

- Continue proven high-end product strategy
- Expand selectively in emerging markets

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Future value creation

- Improve relative position
- Focus on operational excellence
- Develop commercial opportunities
- Manage portfolio actively

www.hydro.com