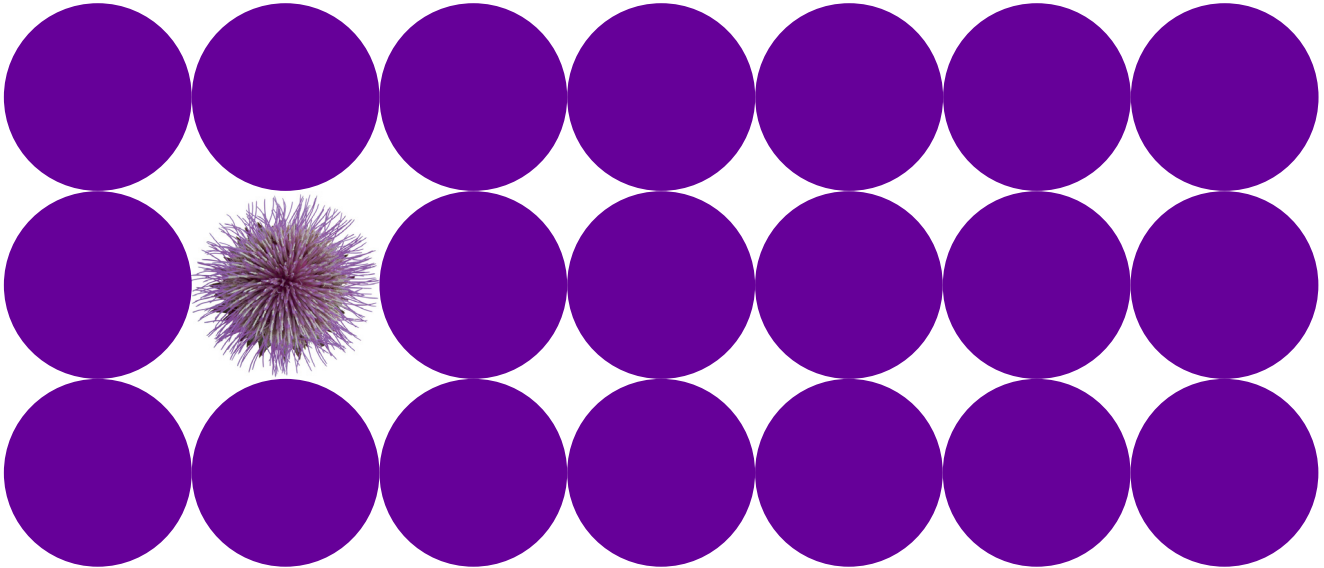


Financial policy and performance



John O. Ottestad, Executive Vice President and Chief Financial Officer
September 6, 2007

Key messages

- Strong earnings outlook
- Solid financial position
- Shareholder return is a key priority
- Rigorous focus on return on capital

1

Earnings

Carve-out income statement

NOK million	IFRS First half 2007 "new" Hydro	IFRS First half 2007 Hydro
Revenue	51 278	93 394
Share of the profit in equity accounted investments	575	633
Other income, net	911	1 377
Total revenue and income	52 764	95 404
Depreciation, amortization and impairment	(1 894)	(9 245)
Other expenses	(43 826)	(57 317)
Earnings before financial items and tax (EBIT)	7 045	28 842
Financial income (expense), net	1 132	1 562
Income from continuing operations before tax	8 177	30 404
Income tax expense	(2 343)	(19 044)
Tax rate	29%	63%
Income from continuing operations	5 834	11 360
Income from discontinued operations	294	294
Net income	6 128	11 654
Net income attributable to minority interests	211	211
Net income attributable to parent	5 917	11 443
Earnings per share attributable to parent – NOK	4.80	9.30

Segment earnings first half 2007

EBIT, IFRS	Reported	Adjusted¹⁾
Aluminium Metal	4 999	4 644
Aluminium Products	1 670	990
Energy	743	694
Corporate and other	(367)	(335)
Total²⁾	7 045	5 993

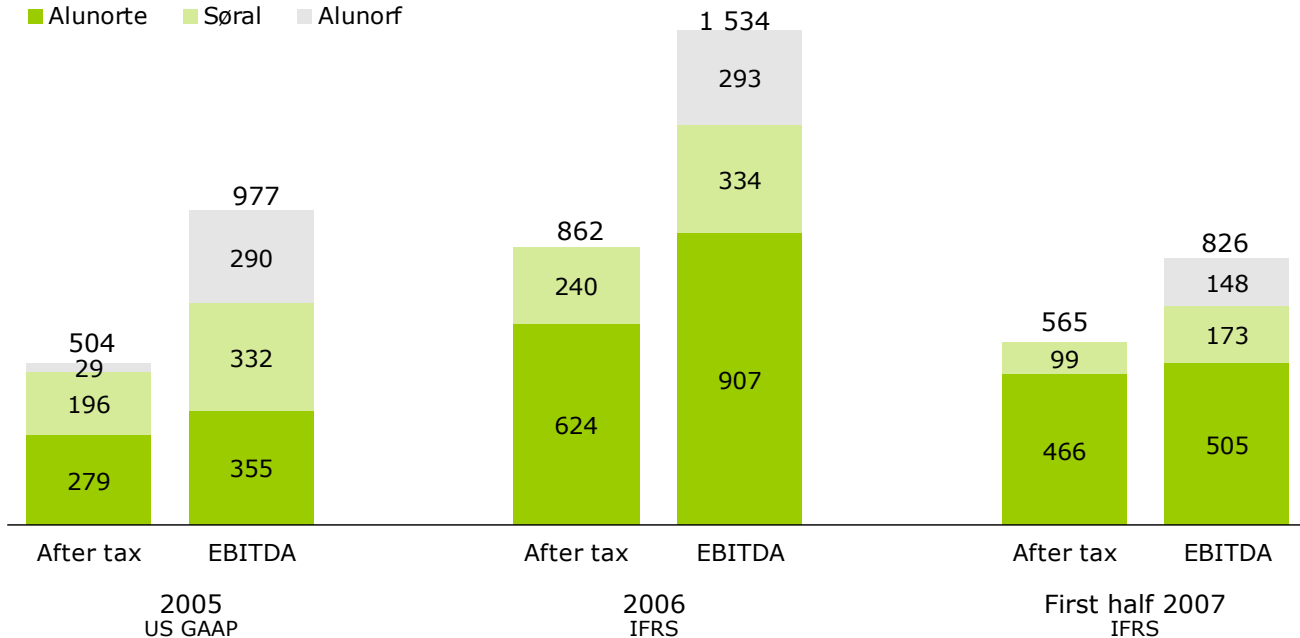
EBITDA, IFRS	Reported	Adjusted¹⁾
Aluminium Metal	6 197	5 698
Aluminium Products	2 333	1 653
Energy	794	745
Corporate and other	(335)	(303)
Total²⁾	8 989	7 793

1)Adjusted figures exclude unrealized derivative effects, metal effect on inventory, impairment write-downs, rationalization costs and divestment gains/losses

2) In addition NOK 200 million of overhead costs are expected going forward, but not reflected in carve-out figures

Equity accounted investments

Strong underlying earnings contribution



Hedging policy

Hydro to remain exposed to LME prices

- Partly natural hedge through alumina contracts and power contracts

Operational LME hedging three months forward

- Managing customers' pricing
- Marked-to-market valuations of positions result in unrealized gain/losses

Currency exposure, mainly USD

- Policy of maintaining long-term debt in USD
- Use of currency forwards and swaps

Limited strategic aluminium hedge programs

- Second half 2007: 168 000 tonnes
- 2008: 227 000 tonnes
- No plan to hedge Qatalum

Price and currency sensitivities

NOK million	Income before tax	Net income	Change
Aluminium price per tonne	710	510	100 USD
Aluminium price per tonne excl. strategic hedges	880	630	100 USD

NOK million	Income before tax	Net income	Change
USD before financial items	3 210	2 280	1 NOK
USD financial items	(2 790)	(1 980)	1 NOK
USD Net income	420	300	1 NOK

- Based on realized prices first half 2007 and expected business volumes for 2008:
 - Aluminium 2 748 USD/tonne
 - NOK/USD 6.16
- LME sensitivity includes the effect of strategic hedges, but excludes and unrealized effects related to operational hedging
- USD sensitivity includes both USD revenues and USD costs
- Total USD sensitivity for financial items is based on actual financial positions 30 June 2007

2

Capital structure and shareholder policy

Carve-out balance sheet 30 June 2007

Assets

NOK billion	IFRS "New" Hydro	IFRS Hydro
Cash and cash equivalents ¹⁾	20.7	20.9
Short-term investments ¹⁾	6.6	6.3
Accounts receivable	18.2	35.6
Inventories	13.6	15.6
Other current assets	3.4	6.5
Asset held for sale	7.2	7.2
Equity-accounted investments	7.7	9.9
Property, plant and equipment	27.4	113.4
Financial assets	3.8	4.6
Prepaid pension	1.1	0.2
Other non-current assets	3.2	11.1
Total assets	112.9	231.2

1) Will be partly used to settle demerger debt of NOK 17.6 billion

Carve-out balance sheet 30 June 2007

Liabilities

NOK billion	IFRS "New" Hydro	IFRS Hydro
Bank loans and other short-term interest-bearing debt	2.2	3.4
Trade and other payables	14.5	28.2
Taxes payable	2.3	18.6
Other current liabilities	4.5	9.3
Demerger debt	17.6	-
Liabilities in disposal group	2.0	2.0
Long-term interest-bearing debt	0.3	18.5
Pension obligation	8.8	12.4
Other long-term liabilities	3.1	16.2
Deferred tax liabilities	2.8	23.0
Minority interest	0.8	0.8
Equity attr. to equity holders of the parent	53.9	99.0
Total liabilities and equity	112.9	231.2

Pensions

NOK million ¹⁾	31 December 2006
Projected benefit obligation	(23 411)
Fair value of plan assets	16 564
Termination benefits and other	(917)
Net pension liability	(7 764)

All funded plans well funded

Main assumptions net pension liability

- Discount rate 4.5%
- Rate of compensation increase 3.4%

NOK million ¹⁾	Year 2006
Benefits earned	591
Interest cost	922
Expected return on assets	(799)
Amortizations ²⁾	345
Contribution plans	41
Termination benefits and other	268
Net periodic pension cost	1 368

Conversion to IFRS reduces reported pension costs

- Significant reduction in amortizations, effective 2007

Net periodic pension cost included in EBIT

1) All figures based on US GAAP and carve-out combined financial statements for Hydro after Demerger

2) Amortizations significantly reduced in IFRS

Capital structure considerations

Balance sheet will be leveraged to cater for

- Growth opportunities
- Efficient capital structure
- Measures to adjust balance sheet to be announced with Q4 results

Maintain investment grade rating

- Currently: BBB (S&P), Baa1 (Moody's)
- Important for securing financing and other commercial transactions

To be supported by

- Financial policy
- Business strategy and risk profile

Financial ratios over the business cycle

- Funds from operations to net debt > 40%¹⁾
- Net debt to equity < 0.55²⁾

1) Funds from operations (FFO) defined net income plus depreciation and amortization plus deferred tax expense/(income)

2) Net debt defined as net interest bearing debt plus net unfunded pension obligation after tax, net present value of operation leasing obligations and share of net debt in equity accounted investments

Solid financial position

NOK billion	30 June 2007
Cash and cash equivalents	20.7
Short-term investments	6.6
Short-term debt	(2.2)
Long-term debt	(0.3)
Demerger debt	(17.6)
Net cash position	7.2
Net pension liability ¹⁾	(7.7)
Operating lease commitments ¹⁾	(0.5)
Expected tax benefit, 30%	2.5
Net adjusted cash position	1.5

Expected major cash flows

- Redemption of Norwegian State's shares NOK 2.8 billion Q3 2007
- Proceeds from Polymers sale NOK 5.5 billion

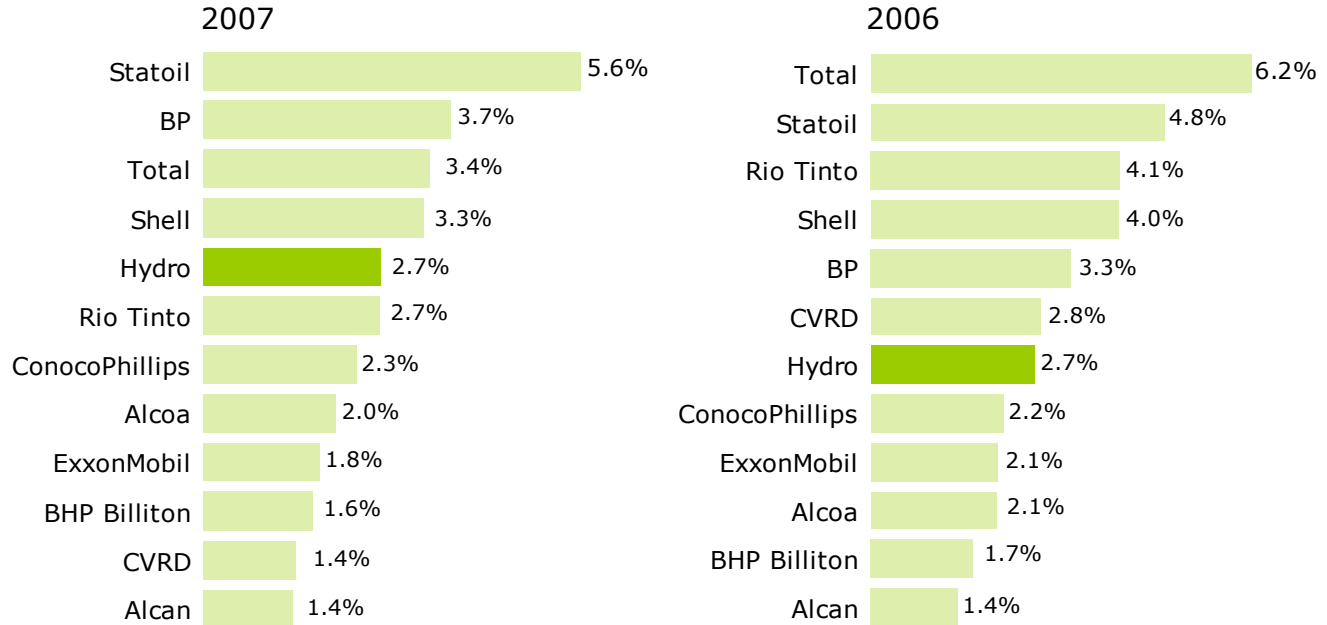
1) 31 December 2006

Shareholder policy

- Hydro aims to give its shareholders competitive returns compared to alternative investments in peers
- Dividend payout ratio¹⁾ will average 30% over the cycle
- Buyback of shares and extraordinary dividends
 - When earnings, liquidity position and capital structure allow

1) Dividend divided by net income attributable to equity holders of the parent

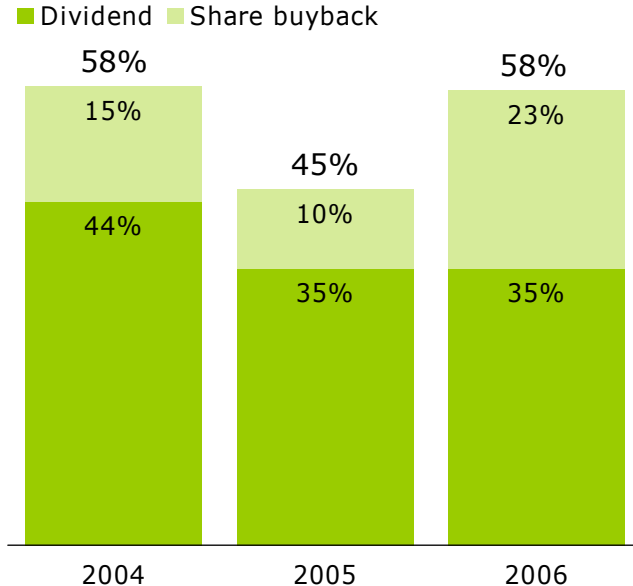
Competitive dividend yield



Dividend payments divided by average share price for periods 10/08/07–10/08/06 and 10/08/06–10/08/05
 Source: Yahoo Finance, NYSE, USD / Company websites

Strong payout to shareholders

Total payout ratio ¹⁾

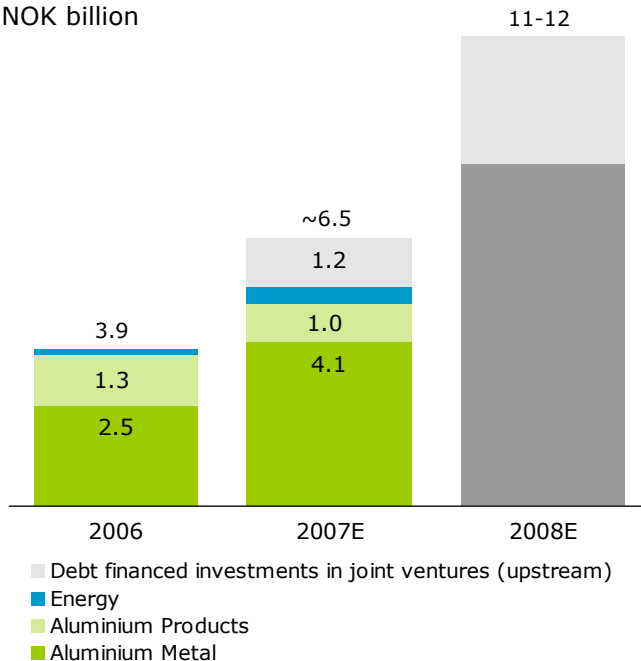


- Current capital structure recognized as inefficient
- Measures to adjust balance sheet to be announced with Q4 results
- Share buyback and dividend payout

1) Dividend allocated to the year for which the dividend was paid. The (actual) payment of the dividend is made the following year. Buyback allocated to the year when the buyback transactions were executed.

Capital allocation – upstream focus

NOK billion



~80 percent of 2008 investments are upstream

Qatalum: USD 2.4 billion

- ~55 percent project financed
- Completion Q4 2009

Alunorte 3: USD 300 million

- Completion Q4 2008

New alumina project: USD 300 million

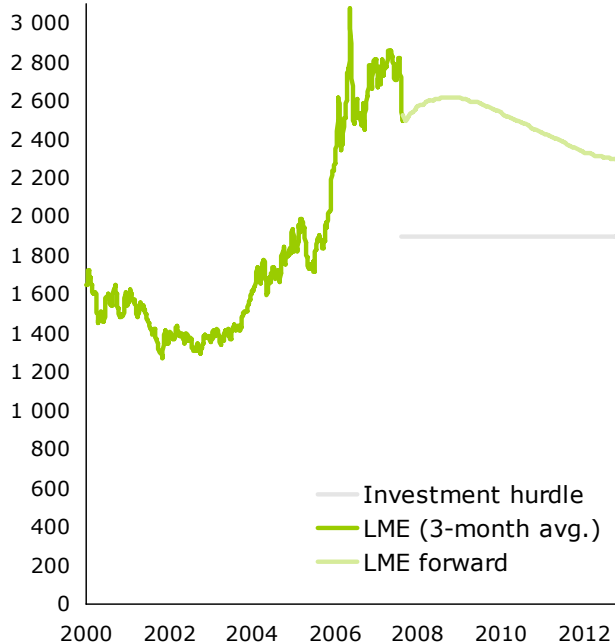
- Assumed completion first phase first half 2011

Aluminium Products – selective growth initiatives in Extrusion and Building Systems

Sustaining capex

- ~NOK 3 billion annually
- Share of debt in joint ventures will impact Hydro's total debt capacity

Investment hurdles



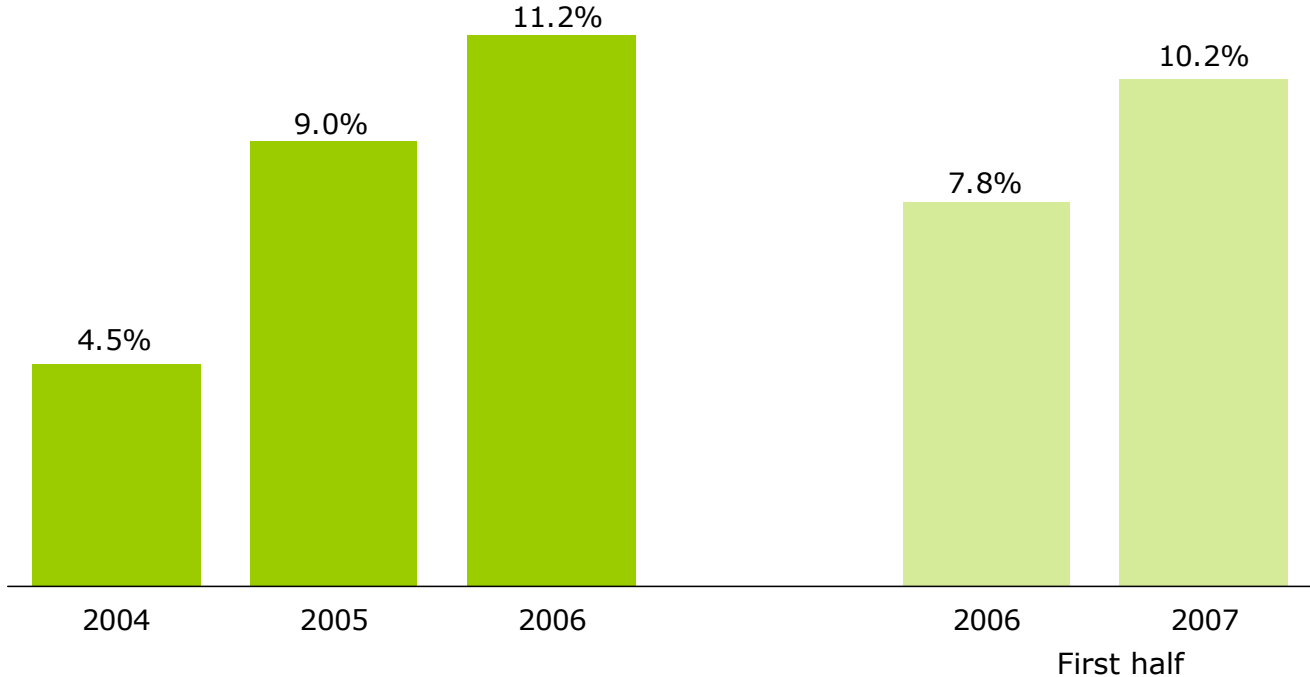
- LME 1 900 USD/tonne
- NOK/USD 6.5
- NOK/EUR 8.0
- 8-10% IRR real after tax
 - IRR after tax above Hydro's cost of capital when risk is accounted for in cash flows

Source: Reuters Ecowin / Bloomberg, weekly average, forward curve as of 31 August 2007,

3

Financial performance

Return on capital employed – RoaCE



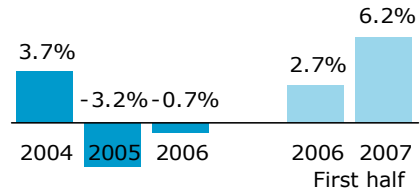
Jan-Jun figures are not annualized. 2004-2005 figures are US GAAP. IFRS from 2006

RoaCE by business area

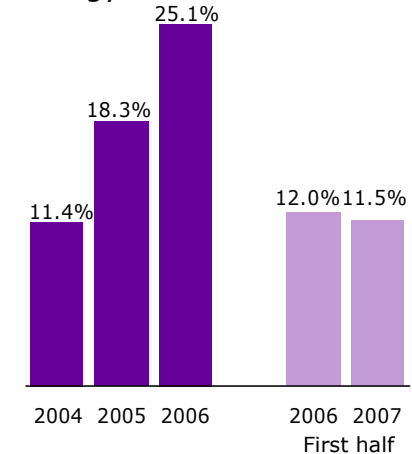
Aluminium Metal



Aluminium Products



Energy



Capital employed 30 June 2007

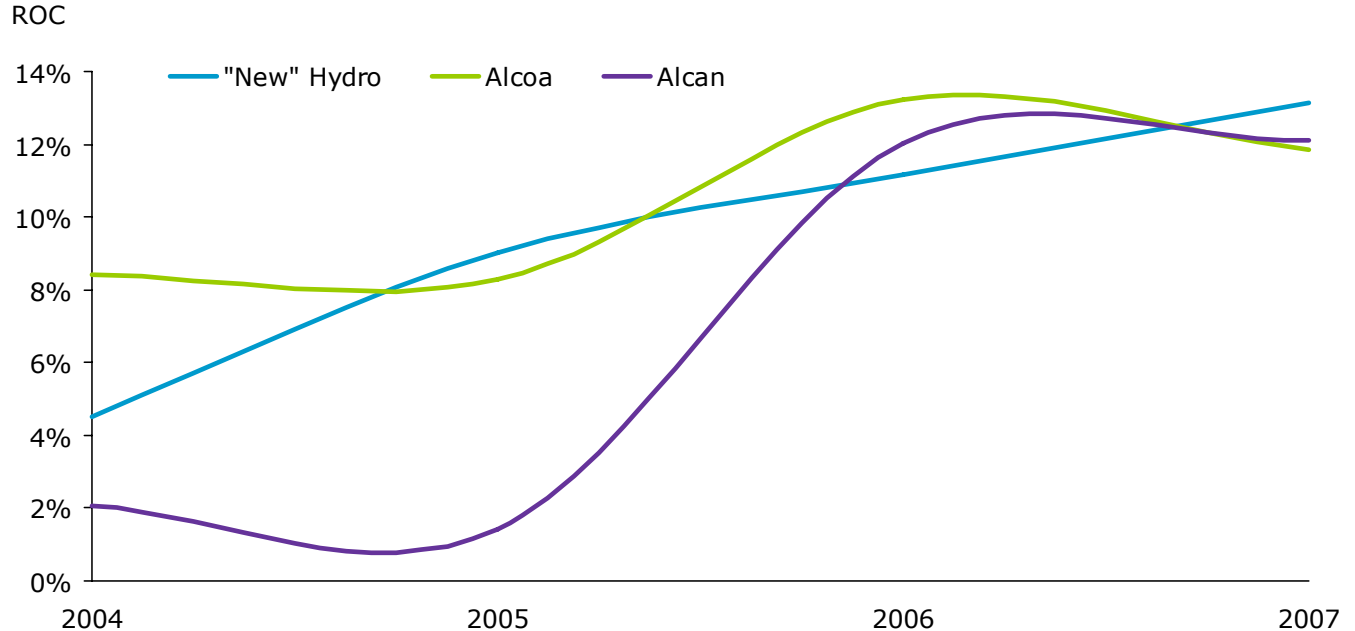
NOK 28.9 billion

NOK 16.7 billion

NOK 4.2 billion

First half figures are not annualized. 2004-2005 figures are US GAAP. IFRS from 2006

Competitive return on capital

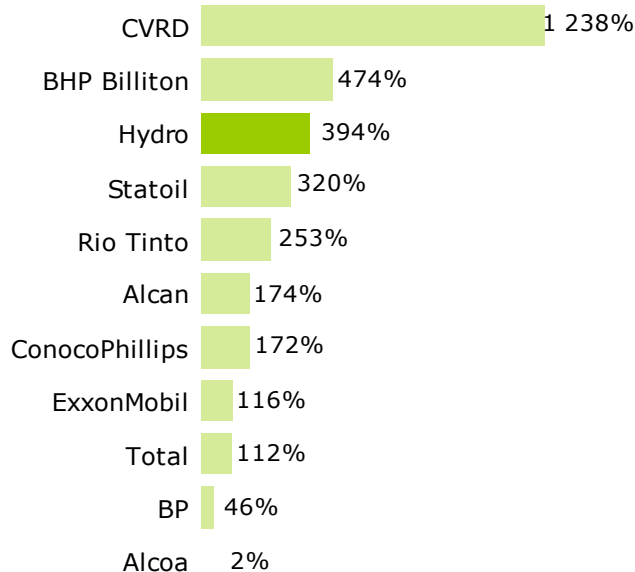


Source: Bloomberg return on capital methodology. 2007 figures are Q3 2006-Q2 2007. "New" Hydro figures are approximations to Bloomberg methodology.

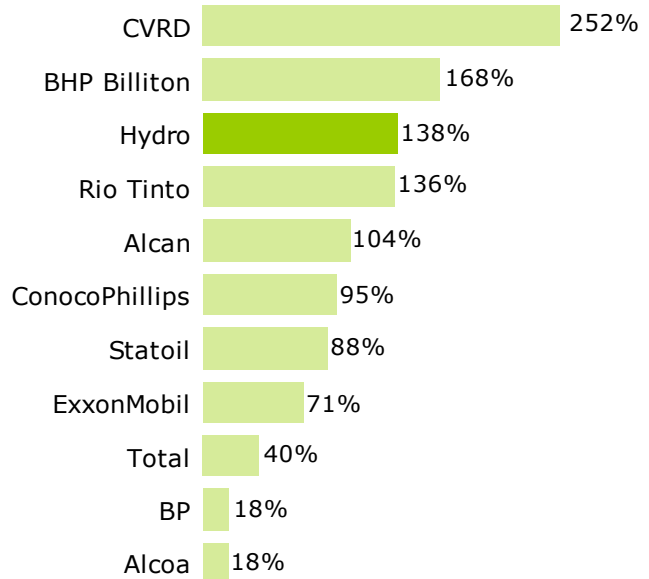
Competitive share price development

New York Stock Exchange

1 January 2002 to 31 August 2007



1 January 2005 to 31 August 2007

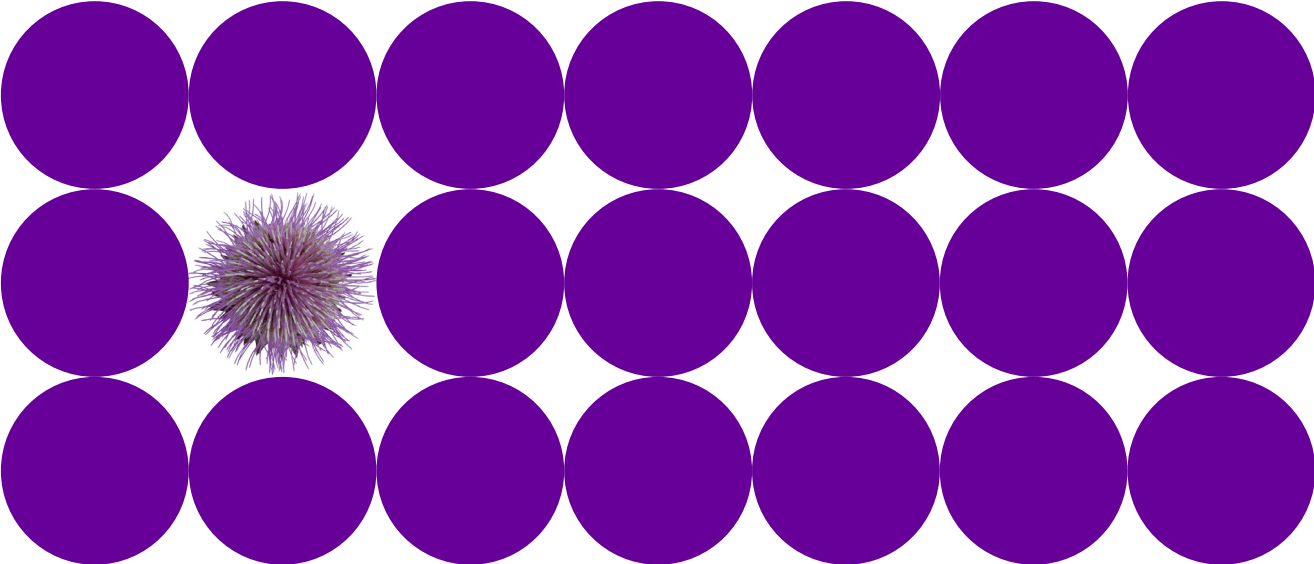


Source: Yahoo Finance, NYSE, USD

Performance culture

- Operational excellence – safety culture
- Fixed cost improvements
- Capacity creep
- Benchmarking between business units
- Firmly address underperforming units
- Adequate incentive systems

Additional information



Carve-out principles

The financial information for "New Hydro" is based on a carve-out methodology similar to the methodology described in "Hydro Information Memorandum – In connection with the demerger of Norsk Hydro ASA and the merger of Norsk Hydro ASA's petroleum activities with Statoil ASA", item 6.5. The document was issued in May 2007 and is available at www.hydro.com.

The split of Hydro is based on the provisions in the merger agreement. This information is not pro forma information taking into accounts other planned or expected effects of the demerger had it been completed at an earlier date. The carve-out information presented may not reflect what the results of operations and financial position would have been had the demerger been completed prior to the periods presented, and may not be indicative of future performance.

Specifically, certain general and overhead costs and expenses are allocated according to the merger agreement. However, such costs will continue to be incurred by Hydro, and the cost level is expected to exceed the allocated level in 2007. In addition, the carve-out information include a payable to StatoilHydro established at the financial effective date carrying market based interest corresponding to one month's NIBOR, and Hydro's future funding cost is expected to be different.

Carve-out income statement

NOK million	IFRS First half 2007 "New" Hydro	IFRS Year 2006 "New" Hydro	US GAAP Year 2005 "New" Hydro
Revenue	51 278	99 172	92 100
Share of the profit in equity accounted investments	575	736	491
Other income, net	911	558	924
Total revenue and income	52 764	100 465	93 515
Depreciation, amortization and impairment	(1 894)	(4 516)	(5 234)
Other expenses	(43 826)	(88 402)	(82 443)
Earnings before financial items and tax (EBIT)	7 045	7 533	5 838
Financial income (expense), net	1 132	80	533
Income from continuing operations before tax	8 177	7 628	6 372
Income tax expense	(2 343)	(1 871)	(1 397)
Tax rate	29%	25%	22%
Income from continuing operations	5 834	6 326	4 975
Income from discontinued operations ¹⁾	294	569	174
Cumulative effect of change in accounting principles		-	(78)
Net income	6 128	6 312	5 071
Net income attributable to minority interests	211	273	118
Net income attributable to parent	5 917	6 053	4 953
Earnings per share attributable to parent – NOK	4.80	4.90	4.00

1) Polymers reported as discontinued operations in 2007 and 2006, but not in 2005. Automotive Castings reported as discontinued operations in 2005, but not in 2006 and 2007.

Carve-out balance sheet

NOK million	IFRS 30 June 2007	IFRS 31 December 2006	IFRS 31 December 2005
Cash and cash equivalents	20 735	6 609	10 266
Short-term investments	6 628	15 220	4 638
Accounts receivable	18 207	17 786	16 599
Inventories	13 611	14 220	12 952
Other current assets	3 363	3 662	4 025
Asset held for sale	7 167	3 691	-
Equity-accounted investments	7 742	8 929	8 562
Property, plant and equipment	27 352	32 151	35 823
Financial assets	3 845	3 961	4 579
Prepaid pension	1 092	1 085	834
Other non-current assets	3 183	3 345	3 709
Total assets	112 925	110 657	101 988
Bank-loans and other short-term interest-bearing debt	2 227	2 509	2 863
Trade and other payables	14 482	14 521	13 153
Taxes payable	2 314	2 065	1 109
Other current liabilities	4 543	5 641	4 630
Demerger debt	17 629	19 227	20 293
Liabilities in disposal group	1 956	1 011	-
Long-term interest-bearing debt	313	367	722
Pension obligation	8 837	9 264	9 621
Other long-term liabilities	3 117	3 122	3 318
Deferred tax liabilities	2 754	2 803	3 712
Minority interest	825	771	979
Equity attr. to equity holders of the parent	53 928	49 358	41 589
Total liabilities and equity	112 925	110 657	101 988

Other income and financial expense

NOK million	IFRS First half 2007
Revenues unrelated to sale of products and services	229
Gains/(losses) on sale of fixed assets	(16)
Gains/(losses) on divestments of businesses	658
Other income, net	871

NOK million	IFRS First half 2007
Interest income	651
Interest expense	(600)
Capitalized interest	2
Gains/(losses) on financial investments and trading securities	29
Dividends from financial investments	85
Currency gains/(losses)	980
Other	(15)
Financial income/(expense)	1 132

Reporting and segment information

Reporting segments	Additional information	Business activities included
Aluminium Metal		<ul style="list-style-type: none"> Alumina production Primary metal production Casthouse products (smelter and remelter based) Sourcing and Trading
Aluminium Products	Rolled Products	<ul style="list-style-type: none"> Packaging and Building Automotive and General Engineering Litho Foil
	Extrusion	<ul style="list-style-type: none"> Extrusion Eurasia Extrusion Americas Building Systems
	Automotive	<ul style="list-style-type: none"> Precision Tubing Automotive Structures
Energy		<ul style="list-style-type: none"> Hydropower in Norway Solar activities
Corporate and other		<ul style="list-style-type: none"> Projects Corporate costs Other

- Key earnings metrics
 - EBIT
 - EBITDA
 - Both reported and adjusted for special items
- Realized prices
- Operating costs
- Margins
- Return on capital employed

Strategic LME hedge programs

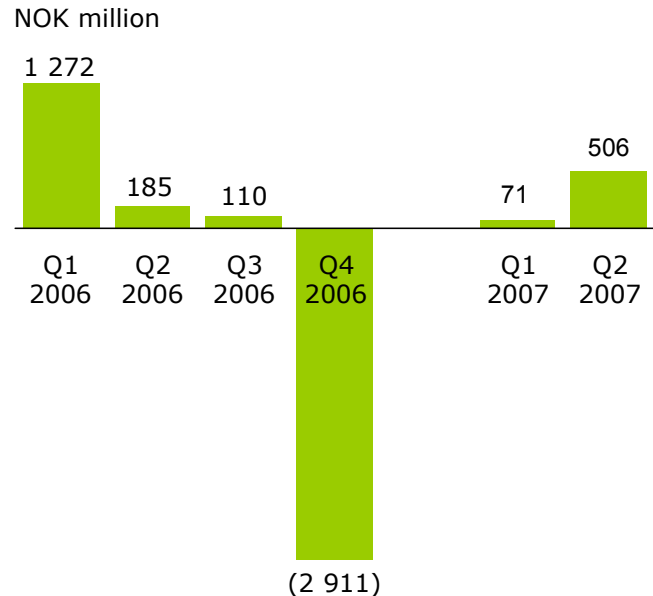
	Second half 2007	2008	2009	2010
Volume tonnes	168 000	227 000	34 000	10 000
LME price USD/tonne	1 980	2 125	2 010	2 300

- Second half 2007 includes a NOK/USD hedge with USD 72 000 sold at 9.6 NOK/USD
- Hedges in 2007 relate to Sunndal, Germany and Slovalco
- Hedges in 2008 relate to Germany and Slovalco
- Hedges in 2009-2010 relate to Slovalco
- The majority of the hedges are designated as cash flow hedges of forecasted sales of primary metal production. Realized gains and losses on these hedges are recognized in earnings when the actual sales are made. The unrealized gains and losses on these hedges are booked directly to shareholders' equity

Unrealized effects impact results

- Derivatives
 - LME contracts – LME traded and physical contracts
 - Power contracts – some indexation to power prices, LME prices and other commodities
 - Currency contracts
- Non-derivatives
 - Metal effect – valuation of inventory in Rolled Products according to LME price
 - Debt – non-NOK denominated debt
- Hydro will continue to also report earnings adjusted for special items

Unrealized derivative effects per quarter ¹⁾



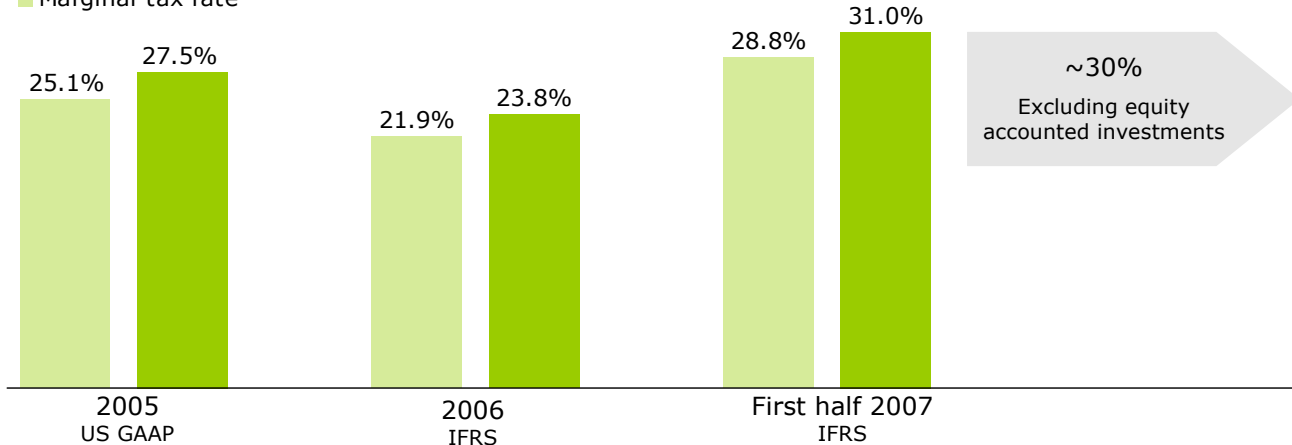
1) Excluding effects related to currency contracts and debt

Equity accounted investments

NOK million	IFRS First half 2007	IFRS Year 2006	US GAAP Year 2005
Alunorte – alumina refinery owned 34%	466	624	279
Sør-Norge Aluminium – smelter owned 49.9%	99	240	196
Alunorf – hot rolling mill owned 50%	-	(2)	29
Other	10	55	(52)
Divested and discontinued activities	-	(181)	39
Total share of profits after tax	575	736	491

Tax

- Marginal tax rate excluding equity-accounted investments
- Marginal tax rate



- Share of profits in equity accounted investments is included after tax and no tax is paid by Hydro
- Marginal tax rate in 2007 positively influenced by tax-free gain on divestments and effect of reduced corporate tax rate in Germany

Aluminium Metal financials

NOK million	IFRS First half 2007	IFRS 2006	US GAAP 2005	US GAAP 2004
Revenue	33 267	68 259	54 579	51 957
Share of the profit in equity-accounted investments	559	854	272	281
Other income, net	52	154	-	-
Depreciation	1 179	2 192	1 687	3 798
EBIT ²⁾	4 999	7 302	2 966	1 066
EBITDA	6 197	9 536	4 821	5 297
Investments ²⁾	1 218	2 516	1 792	4 244
Aluminium prices				
Realized aluminium price LME (USD/tonne)	2 597	2 352	1 812	1 629
LME 3 month average (USD/tonne)	2 772	2 594	1 900	1 721
Realized aluminium price LME (NOK/tonne)	16 327	15 371	11 813	11 403
LME 3 month average (NOK/tonne)	16 965	16 628	12 236	-

1) US GAAP EBIT is US GAAP Operating income plus US GAAP Other income plus US GAAP Equity in net income of non-consolidated investees

2) Includes non-cash element of NOK 186 million in 2005 and NOK 1 275 million in 2004 related to change in accounting principles (FIN47 and FIN46R)

Aluminium Products financials

NOK million	IFRS First half 2007	IFRS 2006	US GAAP 2005	US GAAP 2004
Revenue	27 931	53 588	42 477	43 533
Share of the profit in equity-accounted investments	6	(168)	47	68
Other income, net	750	175	-	-
Depreciation	634	2 159	2 913	1 848
EBIT ¹⁾	1 670	(104)	(323)	1 142
EBITDA	2 333	2 353	2 670	3 058
Investments ²⁾	166	1 252	1 970	1 951
Rolled Products sales volumes, 1 000 tonnes	530	1 000	950	945
Extrusion sales volumes, 1 000 tonnes	270	530	490	500
Automotive sales volumes, 1 000 tonnes ²⁾	60	105	110	135

1) US GAAP EBIT is US GAAP Operating income plus US GAAP Other income plus US GAAP Equity in net income of non-consolidated investees

2) Precision Tubing and Automotive Structures sales volumes

Aluminium Products financials

Rolled Products, Extrusion and Automotive

NOK million, IFRS	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Q1 2007	Q2 2007	2006	First half 2007
Revenue								
Rolled Products	5 535	5 669	5 875	6 053	6 630	6 835	23 132	13 465
Extrusion	5 095	5 377	5 207	4 722	5 497	5 470	20 402	10 967
Automotive	2 566	2 686	2 382	2 683	2 328	1 605	10 317	3 933
Other and eliminations	(228)	(194)	(202)	361	(209)	(226)	(263)	(435)
Total	12 967	13 538	13 263	13 819	14 246	13 685	53 588	27 931
Depreciation								
Rolled Products	129	120	125	277	131	117	651	248
Extrusion	133	243	123	131	121	118	630	238
Automotive	175	188	213	301	80	68	878	148
Total	437	552	462	709	332	302	2 159	634
EBIT								
Rolled Products	469	231	71	(156)	343	234	616	577
Extrusion	(156)	156	147	112	245	164	259	409
Automotive	20	(49)	(367)	(487)	748	(15)	(884)	733
Other and eliminations	153	(12)	(286)	50	(21)	(28)	(94)	(49)
Total	486	326	(435)	(481)	1 315	355	(104)	1 670

Aluminium Products financials

Rolled Products, Extrusion and Automotive

NOK million, IFRS	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Q1 2007	Q2 2007	2006	First half 2007
EBITDA								
Rolled Products	612	365	210	136	488	365	1 323	853
Extrusion	(23)	399	270	243	366	281	889	647
Automotive	196	140	86	(187)	828	53	235	881
Other and eliminations	153	(12)	(286)	50	(21)	(28)	(94)	(49)
Total	938	892	281	242	1 661	671	2 353	2 333
EBIT adjusted for special items								
Rolled Products	135	82	144	158	194	262	520	456
Extrusion	184	272	197	165	245	227	818	472
Automotive	45	43	(72)	(66)	57	0	(51)	57
Other and eliminations	3	1	0	3	2	3	8	5
Total	367	398	269	260	498	492	1 294	990
EBITDA adjusted for special items								
Rolled Products	278	216	283	300	339	393	1 077	732
Extrusion	317	399	320	296	366	344	1 332	710
Automotive	221	209	95	148	137	68	673	205
Other and eliminations	3	1	0	3	2	3	8	5
Total	819	825	699	747	844	808	3 090	1 653

Energy financials

NOK million	IFRS First half 2007	IFRS 2006	US GAAP 2005	US GAAP 2004
Revenue ¹⁾	2 850	7 309	6 614	4 108
Share of the profit in equity accounted investments	10	22	10	2
Other income, net	8	12		
Depreciation	48	120	142	121
EBIT ²⁾	743	1 457	1 133	743
EBITDA	794	1 582	1 283	875
Investments ³⁾	80	140	98	241
Power production, Norway, TWh	5.4	8.3	10.8	8.1
Nordic spot electricity price, NOK/Mwh	200.0	391.4	234.8	242.0

1) Revenue are influenced by trading volumes and amount of power sourced on behalf of aluminium business

2) US GAAP EBIT is US GAAP Operating income plus US GAAP Other income plus US GAAP Equity in net income of non-consolidated investees

3) Higher investments in 2003 and 2004 related to Tyin development

Corporate and other financials

NOK million	IFRS First half 2007	IFRS 2006
Revenue	(12 770)	(29 984)
Share of the profit in equity-accounted investments	-	27
Other income	101	217
Depreciation	32	45
EBIT	(367)	(1 109)
EBITDA	(335)	(1 080)

Hydro - reported earnings

NOK million, IFRS	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Q1 2007	Q2 2007	2006	First half 2007
Depreciation								
Aluminium Metal	507	497	494	694	530	649	2 192	1 179
Aluminium Products	437	552	462	709	332	302	2 159	634
Energy	35	35	34	16	28	20	120	48
Corporate and other	12	8	13	12	16	16	45	32
Total	991	1 092	1 002	1 431	906	988	4 516	1 894
Reported EBIT								
Aluminium Metal	1 706	2 333	2 365	899	2 534	2 465	7 302	4 999
Aluminium Products	486	326	(435)	(481)	1 315	355	(104)	1 670
Energy	440	278	324	415	347	396	1 457	743
Corporate and other	597	(175)	(109)	(1 435)	(321)	(83)	(1 123)	(404)
Total	3 229	2 761	2 145	(602)	3 876	3 133	7 533	7 008
Reported EBITDA								
Aluminium Metal	2 223	2 841	2 868	1 603	3 074	3 124	9 536	6 197
Aluminium Products	938	892	281	242	1 661	671	2 353	2 333
Energy	476	314	360	432	375	419	1 582	794
Corporate and other	609	(173)	(99)	(1 431)	(305)	(67)	(1 094)	(372)
Total	4 246	3 873	3 410	847	4 805	4 147	12 377	8 952

Hydro - adjusted earnings

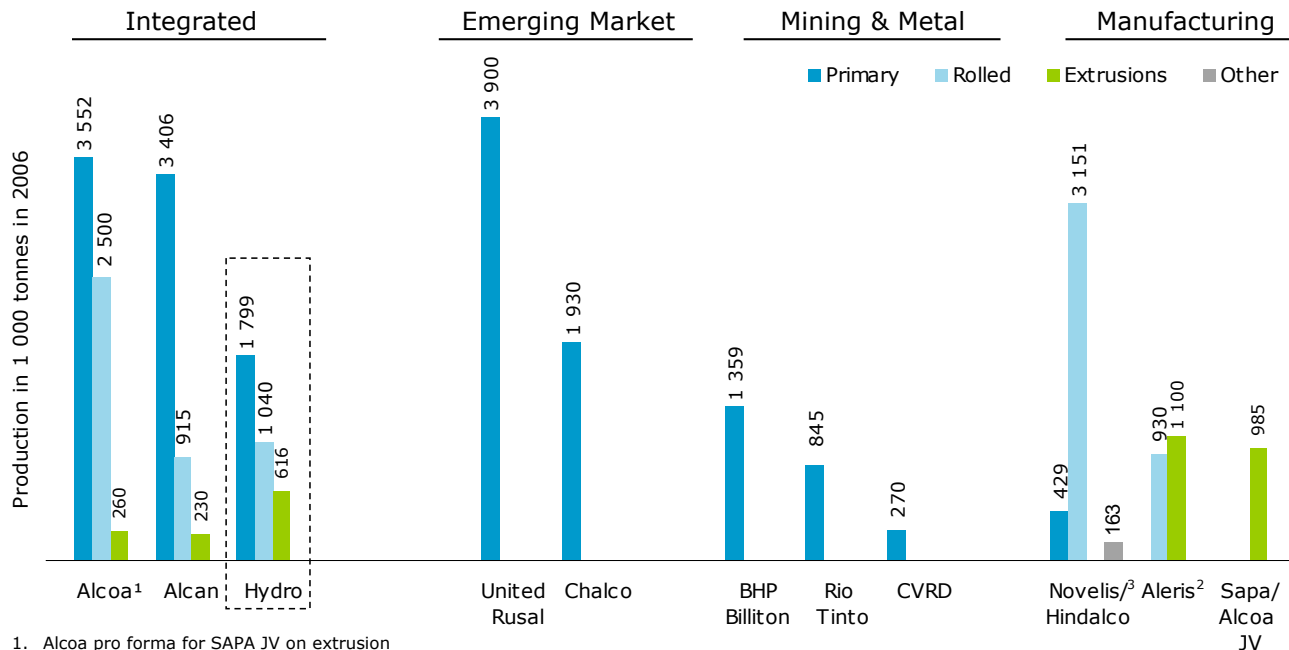
NOK million, IFRS	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Q1 2007	Q2 2007	2006	First half 2007
EBIT adjusted for special items								
Aluminium Metal	1 832	2 120	1 928	1 812	2 399	2 245	7 691	4 644
Aluminium Products	367	398	269	260	498	492	1 294	990
Energy	558	229	383	294	325	369	1 464	694
Corporate and other	(183)	(65)	(127)	349	(114)	(218)	(26)	(332)
Total	2 574	2 681	2 453	2 716	3 109	2 888	10 424	5 996
EBITDA adjusted for special items								
Aluminium Metal	2 349	2 628	2 431	2 449	2 939	2 760	9 858	5 698
Aluminium Products	819	825	699	747	844	808	3 090	1 653
Energy	594	265	419	311	353	392	1 589	745
Corporate and other	(171)	(63)	(116)	354	(98)	(202)	3	(300)
Total	3 591	3 654	3 433	3 861	4 038	3 758	14 540	7 796

Special items 2006-2007

NOK million, IFRS		Q1 2006	Q2 2006	Q3 2006	Q4 2006	Q1 2007	Q2 2007
Closure costs	Aluminium Metal	499	11	14	48	17	66
Impairment Ellenville ¹⁾	Aluminium Metal	-	-	-	67	-	144
Unrealized (gains)/losses on LME contracts	Aluminium Metal	(422)	(217)	(208)	341	(272)	(193)
Unrealized (gains)/losses on power contracts	Aluminium Metal	191	(25)	(163)	180	127	(175)
Associates/JVs - unrealized currency (gains)/losses Alunorte	Aluminium Metal	(82)	10	(7)	(15)	(41)	(77)
Associates/JVs - unrealized (gains)/losses on LME contracts Alunorte	Aluminium Metal	24	3	(21)	137	(13)	40
Associates/JVs - unrealized (gains)/losses power contracts Sørø	Aluminium Metal	(84)	5	(52)	155	47	(25)
Total impact	Aluminium Metal	126	(213)	(437)	913	(135)	(220)
Inventory (gains)/losses	Rolled Products	(349)	(149)	73	164	(149)	28
UK defined pension plan	Rolled Products	15	-	-	-	-	-
Impairment Malaysia ¹⁾	Rolled Products	-	-	-	150	-	-
Impairment loss Extrusion Ellenville operations ¹⁾	Extrusion	-	116	-	-	-	-
UK defined pension plan	Extrusion	340	-	-	-	-	-
Rationalization costs US and UK	Extrusion	-	-	50	53	-	63
Closure costs Magnesium	Automotive	-	69	9	306	-	-
UK defined pension plan	Automotive	25	-	-	-	-	-
Impairment losses ¹⁾	Automotive	-	23	47	86	-	-
Rationalization costs	Automotive	-	-	-	29	-	-
Associates/JVs - write-down Meridian Technologies Inc ¹⁾	Automotive	-	-	239	-	-	-
Net gain on disposed business	Automotive	-	-	-	-	(691)	15
Unrealized (gains)/losses on LME contracts	Other and Elim.	(150)	13	286	(47)	23	31
Total impact	Aluminium Products	(119)	72	704	741	(817)	137
Unrealized (gains)/losses on power contracts	Energy	118	(49)	59	(121)	(22)	(27)
Reversal of insurance loss provision	Corporate and other	-	-	-	(211)	-	-
Unrealized (gains)/losses on power contracts	Corporate and other	(400)	175	(18)	1 996	207	(135)
Elimination of demanning costs Magnesium operations Porsgrunn	Corporate and other	-	(65)	-	-	-	-
Elimination of UK defined pension plan	Corporate and other	(380)	-	-	-	-	-
Total impact	Corporate and other	(780)	110	(18)	1 785	207	(135)
Total	Hydro	(655)	(80)	308	3 318	(767)	(245)

1) Not included in EBITDA

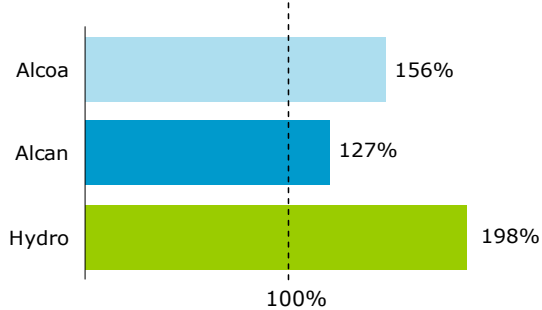
Strong aluminium industry position



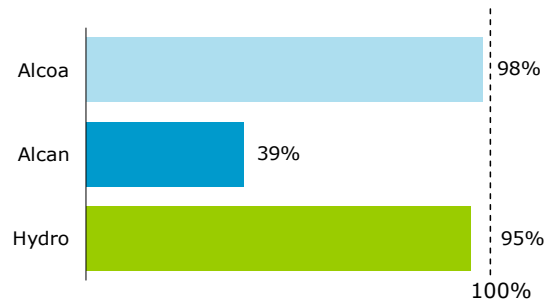
1. Alcoa pro forma for SAPA JV on extrusion
2. Pro forma figures for acquisition of Corus Aluminium's rolled and extrusions businesses
3. Pro forma figures for acquisition of Novelis rolled businesses

Peer comparison 2006

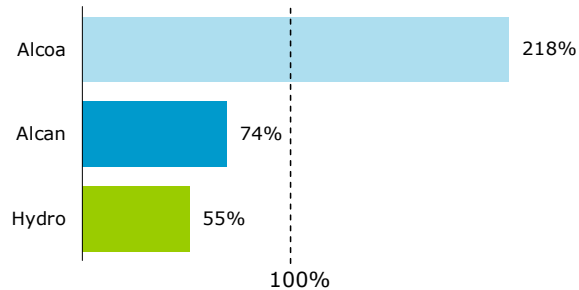
Metal sales vs primary production (tonnes)



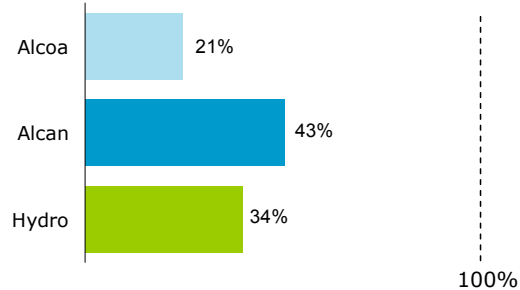
Downstream in % of primary production



Alumina ownership coverage

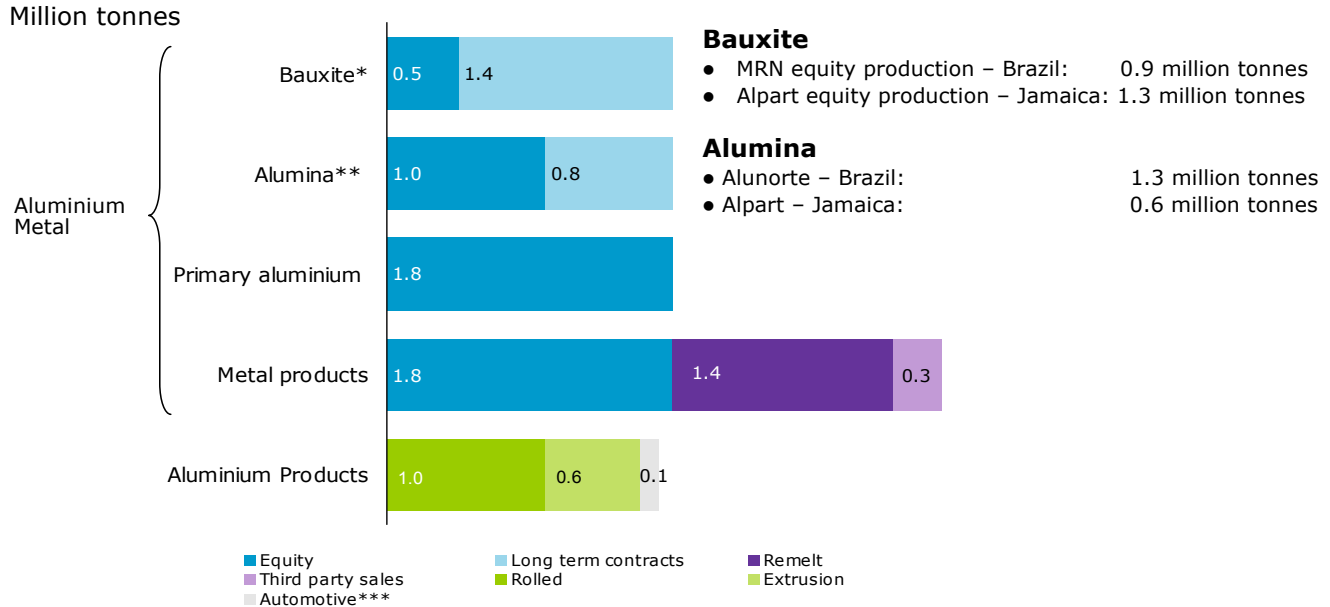


Captive power *



Source: Company figures. CRU 2006 for Alcan and Alcoa

Aluminium value chain 2006



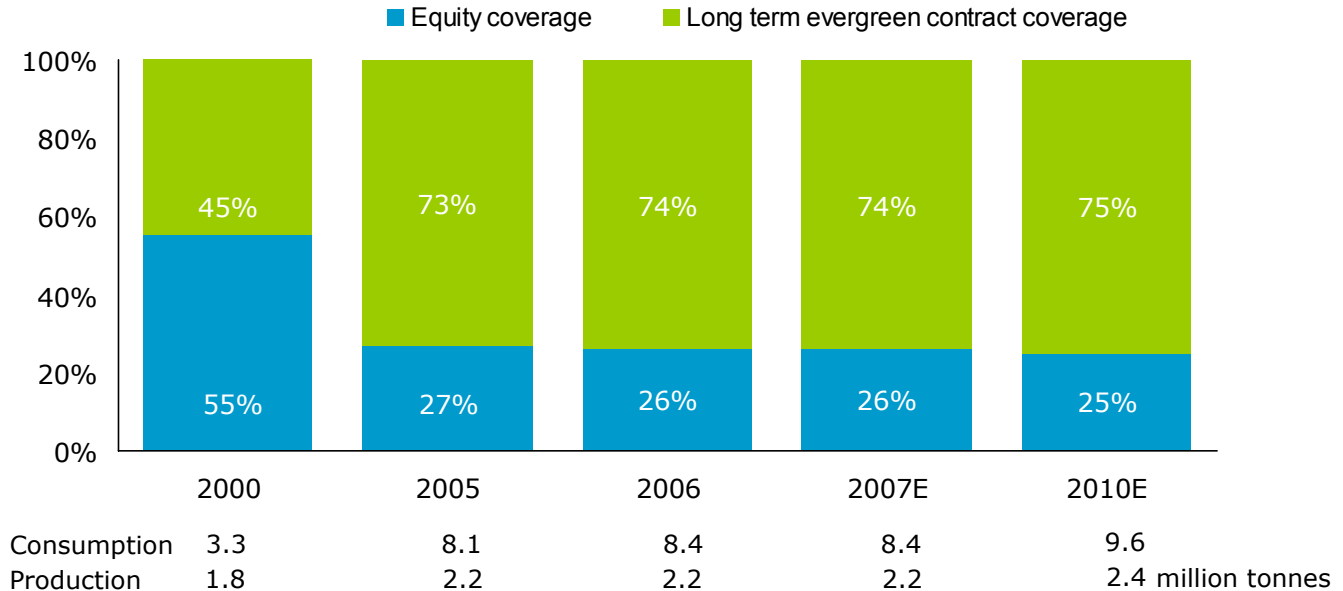
* Bauxite volume relative to equivalent primary aluminium volume: approx. 4.5 tonnes bauxite per tonne primary aluminium

** Alumina volume relative to equivalent primary aluminium volume: approx. 2 tonnes alumina per tonne aluminium

*** Excluding Automotive Castings and Magnesium – divestments

Good bauxite equity coverage for Hydro

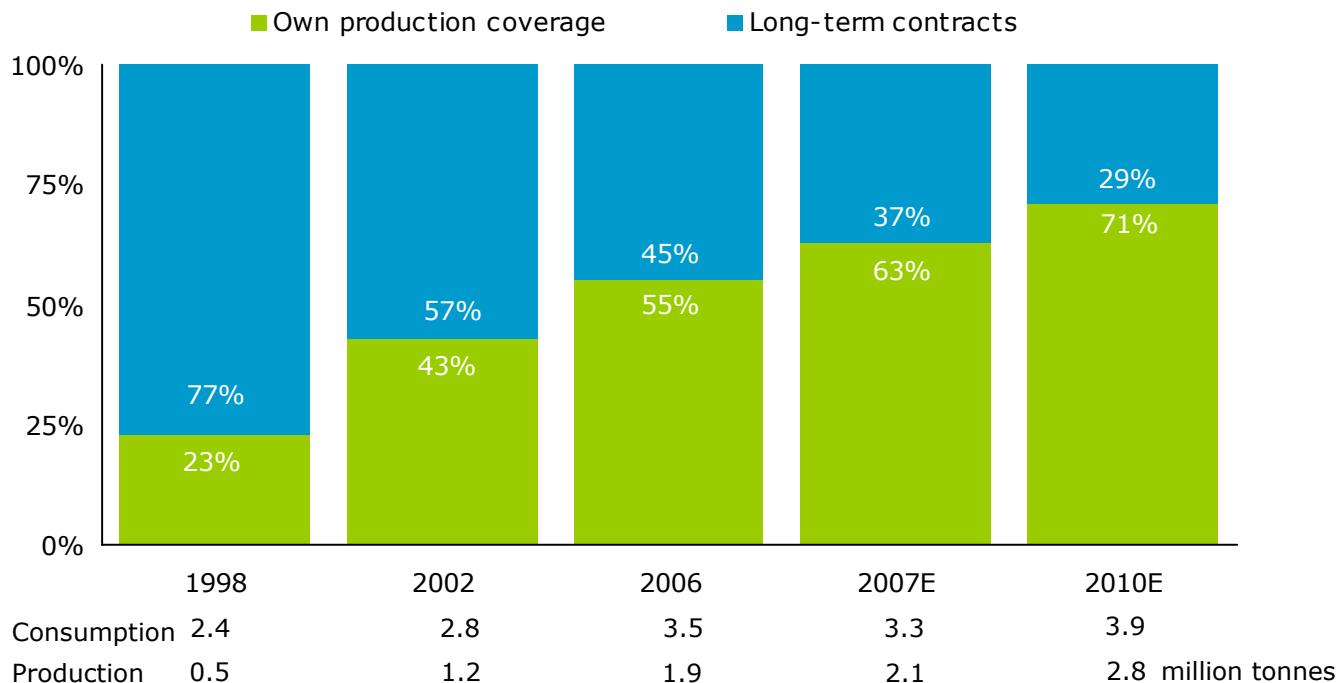
Relative to primary aluminium



* Equity production: (i) Mineracao Rio do Norte (MRN) Brazil 5% share and (ii) Alpart, Jamaica 35% share. Non-equity bauxite from Companhia Vale do Rio Doce (CVRD) evergreen contracts.

Strengthening captive alumina coverage

Relative to primary aluminium



Cautionary note in relation to certain forward-looking statements

Certain statements contained in this announcement constitute "forward-looking information" within the meaning of Section 27A of the US Securities Act of 1933, as amended, and Section 21E of the US Securities Exchange Act of 1934, as amended. In order to utilize the "safe harbors" within these provisions, Hydro is providing the following cautionary statement.

Certain statements included within this announcement contain (and oral communications made by or on behalf of Hydro may 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, drilling activity 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 Hydro believes 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 Hydro's 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, world economic growth and other economic indicators, including rates of inflation and industrial production, trends in Hydro's key markets, and global oil and gas and aluminium supply and demand conditions. For a detailed description of factors that could cause Hydro's results to differ materially from those expressed or implied by such statements, please refer to the risk factors specified under "Risk review – Risk factors" on page 134 of Hydro's Annual Report 2006 (including Form 20-F) and subsequent filings on Form 6-K with the US Securities and Exchange Commission.

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.

Use of non-GAAP financial measures/ Cautionary note in relation to oil and gas reserves

With respect to each non-GAAP financial measure Hydro uses in connection with its financial reporting and other public communications, Hydro provides a presentation of what Hydro believes to be the most directly comparable GAAP financial measure and a reconciliation between the non-GAAP and GAAP measures. This information can be found in Hydro's earnings press releases, quarterly reports and other written communications, all of which have been posted to Hydro's website (www.hydro.com).

The United States Securities and Exchange Commission permits oil and gas companies, in their filings with the SEC, to disclose only proved reserves that a company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. We use certain terms in this presentation material, such as expected recoverable resources, that the SEC's guidelines strictly prohibit us from including in filings with the SEC. Investors are urged to consider closely the disclosure in our Form 20-F, SEC File No. 1-9159, available from us at our Corporate Headquarter: Norsk Hydro, N-0240 Oslo, Norway. You can also obtain this form from the SEC by calling 1-800-SEC-0330.