



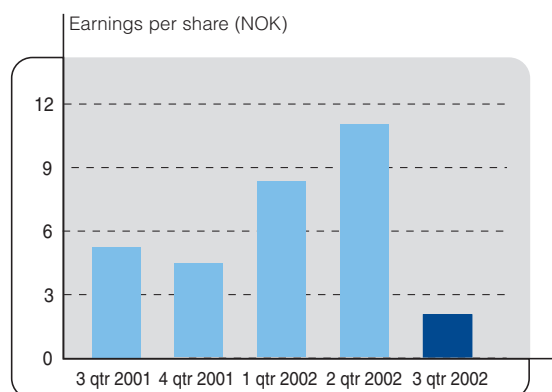
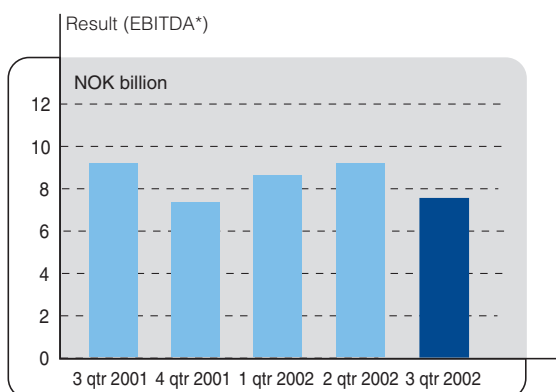
Quarterly Report 3rd quarter 2002 – Norsk Hydro

CONSOLIDATED RESULTS (US GAAP) (UNAUDITED)

	Third quarter			01.01.-30.09.			Year
	2002	2002	2001	2002	2002	2001	2001
Million, except per share data	NOK	EURO ¹⁾	NOK	NOK	EURO ¹⁾	NOK	NOK
Operating revenues	40,560	5,521	36,086	123,301	16,783	118,165	152,835
Operating income	3,945	537	4,741	13,845	1,884	18,251	21,083
Non-consolidated investees	(356)	(48)	17	(451)	(61)	301	566
Interest income and other financial income	210	29	655	1,084	148	2,059	2,847
Other income, net	-	-	418	219	30	597	578
Earnings before interest expense and taxes (EBIT)	3,799	517	5,831	14,697	2,001	21,208	25,074
Interest expense and foreign exchange gain/(loss)	(628)	(85)	(250)	294	40	(2,573)	(3,609)
Income before taxes and minority interest	3,171	432	5,581	14,991	2,040	18,635	21,465
Income tax expense	(2,701)	(368)	(4,213)	(9,549)	(1,300)	(12,047)	(13,750)
Minority interest	43	6	(35)	43	6	160	177
Net income	513	70	1,333	5,485	746	6,748	7,892
Earnings per share (in NOK and Euro)	2.00	0.30	5.20	21.30	2.90	26.10	30.50
Financial data							
EBITDA – million	7,490	1,019	9,131	25,203	3,430	30,460	37,757
Investments – million	3,712	505	3,820	39,767	5,413	10,044	16,328
Net interest-bearing debt/equity ²⁾	0.43	0.43	0.24	0.43	0.43	0.24	0.28
Cash flow from operations – million	10,020	1,364	9,508	19,784	2,693	22,880	26,172

1) Presentation in EURO is a convenience translation based on the exchange rate at September 30, 2002, which was 7.3469.

2) Net interest-bearing debt divided by shareholders' equity plus minority interest.



* Earnings before Interest, Tax, Depreciation and Amortization

Norsk Hydro's net income in the third quarter of 2002 was NOK 513 million (NOK 2.00 per share), compared to NOK 1,333 million (NOK 5.20 per share) in the third quarter of 2001. Operating income in the third quarter of 2002 was NOK 3,945 million compared to NOK 4,741 million for the corresponding period of the prior year.

The decline in net income was principally due to higher expensing of exploration costs. In the third quarter of 2002 exploration costs amounted to approximately NOK 1.3 billion (NOK 295 million) of which a little over NOK 1.1 billion is connected to activities outside of Norway. Earnings in all of Hydro's business areas were negatively impacted by the strengthening of the Norwegian kroner and weakening of the US dollar. Earnings were positively affected by higher oil prices and increased oil and gas production. However, the positive factors were largely offset by currency translation effects of oil and gas prices when measured in Norwegian kroner. Hydro Agri maintained good earnings in spite of the continued lower fertilizer prices. Hydro Aluminium's results were negatively influenced by difficult market conditions.

Hydro's net income for the first three quarters of 2002 was NOK 5,485 million (21.30 per share), compared to NOK 6,748 million (26.10 per share) for the corresponding period of previous year.

"As a whole, the earnings we are reporting for the third quarter are not satisfactory.

We can be pleased about the production growth in oil and gas, but the results of our international exploration activities are disappointing. Earnings have been negatively impacted by the weak markets in our aluminium activities. The integration and improvement program in Aluminium is being carried out according to our plans and will be reinforced to help make earnings more robust during difficult market conditions. The positive developments in Hydro Agri continue, especially the growth outside of Europe remained strong in the quarter. I am satisfied that we have restored our strong financial position so soon after our acquisition of VAW and the SDFI assets.

Moving forward we expect that oil and gas production will continue to develop positively. There continues to be great uncertainty related to the market development for our industrial products, especially aluminium." says President and CEO, Eivind Reiten.

Operating income for Oil and Energy was NOK 3,170 million for the third quarter of 2002, compared with NOK 4,622 million in the corresponding period of the prior year. Hydro's production of oil and gas in the third quarter of 2002 averaged 452,000 barrels of oil equivalents per day (boed), an increase of 33,000 boed compared to the third quarter of 2001. Hydro anticipates that its oil and gas production for the fourth quarter of 2002 will be approximately 500,000 boed, and therefore, has revised its 2002 average production target to 470,000 boed.

Operating income for Aluminium for the third quarter of 2002 was NOK 412 million, and has been affected by the weaker markets for processed products and a continued decline of metal prices in the third quarter of 2002.

Operating income for Agri for the third quarter of 2002 was NOK 436 million, compared with NOK 207 million in the third quarter of 2001. The result was negatively influenced by continued low international fertilizer prices. However, further reductions in fixed costs and increased sales volumes outside Europe made a positive contribution.

The provision for current and deferred taxes for the third quarter of 2002 amounted to NOK 2,701 million, approximately 85 percent of income before tax. The unusually high rate of taxation for the quarter is due primarily to a combination of high exploration costs outside of Norway, and the high marginal tax rate on earnings from oil and gas operations on the Norwegian Continental Shelf, which accounted for a considerable portion of Hydro's income before tax.

Third quarter 2002

NOK million	Operating income (loss)	Non-cons. inv., Interest & selected fin.items	Other income	Depreciation and amortization	EBITDA
Hydro Oil and Energy	3,170	71	-	2,210	5,451
Hydro Aluminium	412	(372)	-	787	827
Hydro Agri	436	(6)	-	289	719
Other Activities	19	(58)	-	404	365
Corporate and Eliminations	(92)	219	-	1	128
Total 1)	3,945	(146)	-	3,691	7,490

01.01.-30.09.2002

NOK million	Operating income (loss)	Non-cons. inv., Interest & selected fin.items	Other income	Depreciation and amortization	EBITDA
Hydro Oil and Energy	10,563	172	77	6,641	17,453
Hydro Aluminium	1,468	(475)	-	2,025	3,018
Hydro Agri	1,998	170	166	966	3,300
Other Activities	(7)	(147)	-	865	711
Corporate and Eliminations	(177)	913	(24)	9	721
Total 1)	13,845	633	219	10,506	25,203

1) See specification on page 21.

EBITDA for the third quarter of 2002 was NOK 7,490 million (NOK 9,131 million). EBITDA for the first three quarters of 2002 was NOK 25,203 million (NOK 30,460 million). Earnings from all business areas were negatively impacted by the strengthening of the Norwegian kroner compared to the US dollar.

The reduction in EBITDA for the Oil and Energy area of NOK 1,306 million was largely attributed to high exploration costs outside of Norway and a lower exchange rate for the US dollar against the Norwegian kroner. The weaker result was partly offset by higher oil and gas production, primarily due to the purchase of former SDFI (State Direct Financial Interest) assets on Norwegian fields. Exploration costs amounting to NOK 1,342 million (NOK 295 million) were charged to income in the third quarter of 2002. Exploration costs in the first three quarters of 2002 have amounted to NOK 2,992 million (NOK 940 million). The majority of these costs were associated with international exploration activity.

EBITDA for Aluminium increased by NOK 301 million in the third quarter of 2002 mainly due to the acquisition of VAW and Technal in the first quarter of 2002. The integration and improvement program is being carried out according to plan and is beginning to show results. The market conditions for the aluminium industry continue to be difficult, in addition to lower prevailing aluminium prices. The overall results for the aluminium operation were not satisfactory.

Hydro Agri reported improved results despite weaker prevailing fertilizer prices, particularly when expressed in Norwegian kroner. Hydro Agri's market share of the European fertilizer markets increased compared to the third quarter of 2001. Sales volumes in the markets outside of Europe showed a very positive trend with improvements in all areas. The relative importance of fertilizer activities outside of Europe continues to grow, totaling 55 percent of total sales volumes through the end of the third quarter of 2002.

Operating results of non-consolidated investees reflected a loss of NOK 356 million in the third quarter of 2002 compared to a profit of NOK 17 million in the third quarter of 2001. The lower results were caused by unrealized foreign exchange losses in connection with alumina activities in Brazil.

Cash flow from operations in the first three quarters of 2002 was NOK 19.8 billion (NOK 22.9 billion).

HYDRO OIL AND ENERGY

EBITDA

NOK million	Third quarter		01.01.-30.09.		Year
	2002	2001	2002	2001	2001
Exploration and Production	5,022	6,533	16,163	20,497	25,768
Energy and Oil Marketing	429	224	1,290	1,579	1,836
Total	5,451	6,757	17,453	22,076	27,604

Operating income

NOK million	Third quarter		01.01.-30.09.		Year
	2002	2001	2002	2001	2001
Exploration and Production	2,844	4,499	9,546	14,849	17,813
Energy and Oil Marketing	326	122	1,017	1,144	1,365
Eliminations and other	-	1	-	-	-
Total	3,170	4,622	10,563	15,993	19,178

	Third quarter		01.01.-30.09.		Year
	2002	2001	2002	2001	2001
Oil and gas production					
(thousands boe/d)	452	419	460	410	421
Oil price (USD/bbl)	27.10	24.50	24.30	26.00	24.20
Oil price (NOK/bbl)	204.00	220.50	197.60	234.20	217.20
Average exchange rate NOK/USD	7.52	8.99	8.13	9.00	8.98
Gas price (NOK/Sm ³)	0.86	1.12	0.95	1.24	1.21
Exploration expense (NOK million)	1,342	295	2,992	940	1,400

Hydro Oil and Energy consists of two sub-segments: "Exploration and Production" and "Energy and Oil Marketing." EBITDA for Oil and Energy was NOK 5,451 million for the third quarter of 2002, a decrease of NOK 1,306 million, or 19 percent compared to the corresponding period of the prior year. EBITDA for the first three quarters of 2002 was NOK 17,453 million, a decline of 21 percent compared to the corresponding period of the prior year.

EXPLORATION AND PRODUCTION

Exploration and Production's EBITDA for the third quarter of 2002 was NOK 5,022 million, a decline of 23 percent compared to the third quarter of 2001. EBITDA for the first three quarters of 2002 was NOK 16,163 million (NOK 20,497 million). The decline was primarily due to lower oil prices when expressed in Norwegian kroner, as a result of the strengthening of the Norwegian kroner and the weakening of the US dollar and increased exploration costs expensed relating to activities outside of Norway. Oil and gas production increased during the third quarter of 2002 positively affecting operating results. Operating income in the third quarter of 2002 was NOK 2,844 million, compared to NOK 4,499 million in the corresponding period of the prior year.

Hydro's production of oil and gas in the third quarter of 2002 averaged 452,000 barrels of oil equivalents per day (boed), an increase of 33,000 boed compared to the corresponding period of the prior year. For the first three quarters of 2002, production of oil and gas averaged 460,000 boed, 50,000 boed higher than the corresponding period of the prior year. Oil production in the third quarter of 2002 increased by approximately 11 percent compared to the same period of the prior year. The increase was primarily attributable to Hydro's increased interest in production from the Oseberg fields, the result of purchasing assets of the Norwegian State's Direct Financial Interest (SDFI) in May 2002. For the third quarter of 2002, Hydro's increased interests in the SDFI fields accounted for 35,000 boed. The increase in the annual production was also due to production from new fields, Terra Nova in Canada and Girassol in Angola, which came on stream in January 2002 and December 2001, respectively. Planned maintenance shutdowns in the third quarter accounted for a shortfall in oil production of approximately 28,000 boed. Gas production for the third quarter of 2002 was approximately 4 percent lower than the corresponding period of the prior year.

Oil and gas production in the fourth quarter of 2002 is expected to increase to approximately 500,000 boed. The estimated increase is primarily associated with fewer maintenance

shutdowns and higher gas volumes. Accordingly, Hydro has revised its production target for 2002 to an average of 470,000 boed.

The average crude oil price in the third quarter of 2002 was USD 27.1 per barrel, compared with USD 24.5 per barrel in the corresponding period of the previous year. Measured in Norwegian kroner, the oil price declined by 7 percent. Average realized gas prices were NOK 0.86 per standard cubic meter (Sm³), 23 percent lower than in the corresponding period of the previous year.

Exploration costs expensed amounted to NOK 1,342 million in the third quarter of 2002 compared to NOK 295 million in the corresponding period of the prior year. Exploration costs expensed for the first three quarters of 2002 were NOK 2,992 million (NOK 940 million). Following the first dry exploration well, N'Demba, on Block 34 in Angola, recent technical assessments revealed little prospects for substantial discoveries and thus, the previously capitalized property acquisition costs (NOK 480 million) related to Block 34 were expensed during the third quarter of 2002. A third exploration well in the Gulf of Mexico, Spa, also proved dry resulting in additional charges of NOK 300 million including previously capitalized property acquisition costs. The write-offs also included a non-commercial find on the Danish shelf, Svane, of NOK 140 million. The remaining exploration costs were incurred almost equally between the Norwegian Continental Shelf and international activities for the third quarter of 2002. Previously capitalized exploration costs and property acquisition costs, amounting to NOK 1,413 million, were expensed during the first three quarters of 2002. At the end of the third quarter of 2002 the remaining capitalized property acquisition costs amounted to approximately NOK 150 million.

Discoveries were made in Canada (Annapolis) and in Libya during the third quarter of 2002. Exploration activity on the Norwegian Continental Shelf was at a lower level for the third quarter of 2002 compared to the same period of the prior year.

The Norwegian authorities approved the sale of Hydro's interest in Varg/license 038. The transaction generated a profit in the amount of NOK 48 million in the third quarter of 2002.

Total estimated development costs for the Grane field were reduced by NOK 1 billion compared to the estimate in the Plan for Development and Operation (PDO) of NOK 16.8 billion. The project shows very good progress and is approximately 75 percent complete. Hydro is the operator for Grane and has an ownership interest of 38 percent.

ENERGY AND OIL MARKETING

EBITDA for Energy and Oil Marketing in the third quarter of 2002 was NOK 429 million, an increase of 92 percent compared to the third quarter of 2001. EBITDA for the first three quarters of 2002 reflected a decline of 8 percent, after adjusting for a gain on the sale of electricity grid assets in Norway of NOK 179 million in the corresponding period of the prior year.

EBITDA and operating income from Power Sourcing and Marketing activities increased by approximately NOK 95 million in the third quarter of 2002 compared to the third quarter of 2001. Electricity production increased by 31 percent to 2.4 TWh compared to the third quarter of the prior year when production was unusually low. Average spot prices were 14.8 øre per kWh, reflecting a decline of approximately 14 percent compared to the same period of the prior year. Production in the first three quarters of 2002 was higher than in the same period of the prior year, while prices were considerably lower.

EBITDA and operating income from Gas Sourcing and Marketing activities declined by approximately NOK 40 million compared with the third quarter of the prior year. An unplanned 4-week shutdown of the gas pipeline "Interconnector" between Great Britain and Belgium negatively affected EBITDA in the third quarter of 2002.

EBITDA and operating income from Oil Trading and Refinery operations increased by approximately NOK 55 million compared to the third quarter of 2001. The increase in third quarter 2002 operating results was mainly attributable to an inventory gain of NOK 25 million, compared with an inventory loss of NOK 68 million in the third quarter of 2001. However, third quarter 2002 operating results were negatively affected by lower refinery margins of roughly USD 1 per barrel. A planned six-week maintenance shutdown at the Scanraff refinery also had an adverse effect on third quarter 2002 operating results. Refinery margins for the first three quarters of 2002 were USD 2 per barrel lower than the unusually high level in the corresponding period in the prior year.

EBITDA for Oil Marketing was NOK 112 million compared to NOK 21 million in the third quarter of 2001. Oil Marketing recorded an inventory gain of NOK 58 million in the third quarter of 2002, compared to an inventory loss of NOK 65 million in the third quarter of 2001.

HYDRO ALUMINIUM

EBITDA

NOK million	Third quarter		01.01.-30.09.		Year
	2002	2001 ¹⁾	2002	2001 ¹⁾	2001 ¹⁾
Metals	474	287	1,739	2,115	1,766
Rolled Products	101	46	211	137	162
Extrusion and Automotive	274	210	799	723	632
Other and eliminations	(22)	(17)	269	(130)	(17)
Total	827	526	3,018	2,845	2,543

Operating income (loss)

NOK million	Third quarter		01.01.-30.09.		Year
	2002	2001 ¹⁾	2002	2001 ¹⁾	2001 ¹⁾
Metals	441	(163)	1,265	1,119	372
Rolled Products	(18)	18	(108)	55	58
Extrusion and Automotive	12	16	43	138	(228)
Other and eliminations	(23)	(17)	268	(130)	(17)
Total	412	(146)	1,468	1,182	185

	Third quarter		01.01.-30.09.		Year
	2002	2001	2002	2001	2001
Realized Aluminium price (US dollar/tonne)	1379	1,472	1,368	1,520	1,484
USD/NOK, realized ²⁾	8.03	9.19	8.60	9.11	8.90
Primary production (Kmt)	348	199	904	586	785

1) Hydro has changed its presentation to include all unrealized gains and losses related to the LME contracts at the Hydro Aluminium area level. Prior periods have been reclassified to be presented on a consistent basis.

2) Difference between realized exchange rate and spot rate at the transaction date is reported as currency gain/loss and not included in EBITDA

As of the first quarter of 2002, the Aluminium business area is comprised of all of Hydro's and VAW's aluminum and magnesium activities other than VAW's Flexible Packaging operations which are included in "Other Activities." The new Aluminium business area is comprised of the following sub segments:

- Metals (Primary Metals and Metal Products)
- Rolled Products
- Extrusion and Automotive (including the North America unit)

Prior year amounts have been restated in accordance with this organizational structure.

During the first quarter 2002, Hydro acquired VAW Aluminium AG and Technal. Both companies are fully integrated into the operations of Hydro Aluminium. Hydro's consolidated results include the operating results of VAW as of March 15, 2002 and Technal, as of January 26, 2002.

Hydro Aluminium's EBITDA for the third quarter of 2002 was NOK 827 million, reflecting an improvement of approximately 57 percent compared to the same period of the previous year. The increase in operating results primarily reflects the contributions made by VAW and Technal. In addition, the third quarter of 2001 included a loss in connection with the option program amounting to NOK 340 million. Adjusted for the addition of the new units and the option program loss, EBITDA declined approximately 65 percent, primarily due to lower realized aluminium prices and lower margins measured in Norwegian kroner and Euro. Measured in Norwegian kroner, realized aluminium prices were approximately 20 percent lower than in the third quarter of 2001. Fixed costs are reduced by approximately NOK 300 million compared to the corresponding period in 2001.

EBITDA for the first three quarters of 2002 was NOK 3,018 million, an improvement of 6 percent compared to the same period of the prior year. Operating income for the third quarter of

2002 was NOK 412 million, an increase of NOK 558 million from the same period in the prior year.

Hydro Aluminium has initiated improvement programs in order to capture synergies from integration with VAW and improve efficiency and reduce administrative costs. The improvement programs are expected to produce total estimated annual cost savings, including manpower reductions, of NOK 1.6 billion from 2004 compared to the level in 2001. In addition, the closure of primary magnesium production in Norway is expected to reduce annual operating costs by approximately NOK 500 million. Through the end of the third quarter of 2002, total realized cost reductions amounted to NOK 590 million of which NOK 430 million related to the closure of the primary magnesium production in Norway.

Total costs directly related to these programs are now estimated to be NOK 1,400 million. Part of these costs relates to staff reductions in VAW made possible by the coordination and efficiency improvements within administrative functions, announced during Hydro's acquisition. These were recorded as liabilities for purposes of allocating the purchase price to the acquired operations and will not be charged to the results for 2002. Costs of NOK 235 million were accrued in the first three quarters of 2002 compared to NOK 700 million in the corresponding period of the prior year. Costs for the third quarter of 2002 were NOK 108 million. Of this amount, NOK 19 million was charged to earnings, while NOK 89 million was included in the opening balance liabilities upon the acquisition of VAW. NOK 69 million, a portion of previously accrued restructuring costs, for the primary magnesium production was reversed in the third quarter of 2002 as a result of reduced costs in connection with contract cancellations.

Staff reductions in the first three quarters of 2002 totaled 489 employees in the primary magnesium operations and 575 employees associated with other cost reduction initiatives. In addition, costs connected with the integration of the two companies amounted to approximately NOK 100 million, which was expensed in the first three quarters of 2002.

Results from non-consolidated investees were negative, primarily as a result of further currency losses of NOK 380 million (NOK 125 million) on USD-denominated loans held by the Brazilian alumina producer, Alunorte, in which Hydro holds a minority interest. During the third quarter of 2002, the Brazilian Real declined approximately 26 percent against the US dollar. Hydro's part of the currency losses for the first three quarters of 2002 was NOK 626 million (NOK 238 million).

Third quarter of 2002 included non-recurring costs of NOK 145 million which had an impact on EBITDA. Non-recurring effects amounted to NOK 90 million associated with the permanent closure of a factory and two offices in the US, which resulted in the reduction of the workforce by 121 employees.

METALS

Metals includes Hydro's former Aluminium Metal Products, consisting of production of primary aluminium, remelt activities in Europe and Magnesium metal activities, as well as the primary materials and metal products activities of VAW. Such activities related to North America are included in the Extrusion and Automotive segment.

EBITDA for Metals in the third quarter of 2002 was NOK 474 million, an increase of 65 percent compared to the same period of the prior year. The activities acquired as part of the VAW acquisition contributed approximately NOK 469 million in the third quarter of 2002. Results from non-consolidated investees were negatively impacted by the above-described currency effect in Alunorte. Adjusted for non-recurring items and the currency loss related to Alunorte, EBITDA from activities in the former Hydro Aluminium was at the same level as in the third quarter of 2001. EBITDA in the first three quarters of 2002 was NOK 1,739 million, compared to NOK 2,115 million in the corresponding period of the prior year.

Hydro realized an LME price of USD 1,379 per tonne for the third quarter of 2002 compared to USD 1,472 per tonne for the same period of the prior year, a reduction of 6 percent. Measured in NOK, the price reduction was 20 percent.

Volumes were increased with the addition of the VAW business, while the former Hydro Aluminium business reflected a stable performance. Product margins were lower than the level in 2001, though higher than in the second quarter of 2002.

The projects for expanding the aluminium factory in Sunndalsøra in Norway, alumina refinery, Alunorte, in Brazil, and the anode production factory, Aluchemie, in Holland are proceeding in accordance with plans and costs.

Hydro has decided to participate in the expansion of the primary aluminium plant, Alouette in Canada, in which Hydro owns 20 percent. The expansion of 307,000 tonnes will bring Alouette's capacity up to 550,000 tonnes per year. The expansion project will place Alouette among the world's lowest cost primary aluminium plants and will start in the fourth quarter of 2002 with its first production of aluminium scheduled in February 2005.

The Board of Hydro has approved an investment of about NOK 560 million in a modernization and capacity increase of an anode baking furnace at Hydro Aluminium Årdal Carbon in Norway. Capacity will be increased by 50,000 tonnes to approximately 104,000 tonnes of prebaked anodes per year. The facility will be operational from the spring of 2004.

ROLLED PRODUCTS

EBITDA for Rolled Products for the third quarter of 2002 was NOK 101 million compared to NOK 46 million for the comparable period of the previous year. Activities relating to acquired VAW plants contributed NOK 19 million in EBITDA for the third quarter of 2002. Operating income for the third quarter of 2002 was a negative NOK 18 million. EBITDA for the first three quarters of 2002 totaled NOK 211 million (NOK 137 million). For previous quarters the contribution from VAW activities was reduced by NOK 123 million due to revaluation of inventory to market value at the acquisition date.

Rolled Products' sales prices are based on a margin over the metal price. The production process makes a long lead time necessary, resulting in an inventory level of typically between two and three months. In a market with changing metal prices, margins will be impacted by variances in inventory values. When prices are falling, this results in losses on inventory, included in the segment's margin. During the third quarter of 2002, such losses amounted to approximately NOK 100 million.

Third quarter 2002 market conditions continued to be weak, with pressure on margins, but market share increased somewhat. Most of the rolled products plants made production and efficiency improvements in the third quarter, but there continues to be considerable problems at the rolled products plant at Holmestrand in Norway, which resulted in losses.

EXTRUSION AND AUTOMOTIVE

EBITDA for Extrusion and Automotive for the third quarter of 2002 was NOK 274 million, representing an improvement of NOK 64 million compared to the corresponding period of the prior year. Excluding the operations of Technal and VAW and non-recurring items, EBITDA increased by NOK 75 million. Non-recurring charges of NOK 103 million were incurred in the third quarter of 2002, compared to NOK 27 million in the third quarter of the prior year. Of the charges, NOK 90 million were relating to the permanent closure of an extrusion plant in the US. In addition, the charges comprise staff reductions as well as the closure of two offices. EBITDA for the first three quarters of 2002 was NOK 799 million compared to NOK 723 million of the corresponding period of the prior year.

The market is especially difficult in North America with low volumes and pressure on margins. Automotive experienced low volumes as a result of low demand for important car models in the European market. The result for the European Extrusion activities was better than in 2001, which was a particularly difficult year. Volumes have increased as a result of increased market share and productivity is showing a positive development.

HYDRO AGRI

NOK million	Third quarter		01.01.-30.09.		Year 2001
	2002	2001	2002	2001	
EBITDA	719	725	3,300	3,303	4,402
Operating income	436	207	1,998	1,468	2,114

Hydro Agri is comprised of Hydro's former "Plant Nutrition" and "Gas and Chemicals" segments, whose operating results were previously disclosed separately. KFK, which was previously included in Hydro Agri, has been included in "Other Activities" since January 1, 2002.

EBITDA for the first three quarters of 2002 was NOK 3,300 million, approximately the same as in the corresponding period of the prior year. EBITDA for the third quarter of 2002 was NOK 719 million, virtually unchanged compared to the same period of the prior year. Non-recurring costs totaling NOK 94 million related to the non-consolidated investee, Farmland Hydro, were

recorded in the third quarter of 2002, while the corresponding period of the prior year included non-recurring costs of NOK 46 million. Excluding the effect of the strengthening of the Norwegian kroner and Euro against the US dollar, compared with the same period in 2001 EBITDA for the third quarter of 2002 showed material underlying improvements.

Operating income for the third quarter of 2002 was NOK 436 million, an improvement of NOK 229 million compared to the same period of the prior year. Operating income for the first three quarters of 2002 was NOK 1,998 million compared to NOK 1,468 million in the corresponding period of the prior year.

Operating results for the first three quarters of 2002 were negatively affected by continued low international fertilizer prices. The effect of the price decline in US dollar amounted to NOK 800 million, this effect was even greater when expressed in Euro and Norwegian kroner. Lower variable costs, mainly lower gas costs for European ammonia plants, of roughly NOK 650 million, offset the effect of the low fertilizer prices.

Fixed costs were further reduced by NOK 70 million in the third quarter of 2002 compared with the corresponding period of the prior year. Year-to-date savings were NOK 300 million, partly due to further rationalization and the divestment of non-core enterprises that were unable to achieve satisfactory results. In addition, there was a reduction due to the foreign currency translation effect so that fixed costs show a reduction of NOK 650 million for the first three quarters of 2002.

The price levels, expressed in US dollars, for the main fertilizer products in Europe for the first nine months and for the third quarter of 2002 were 8 percent and 5 percent lower, respectively, than in the corresponding periods of the prior year. The urea price remained at the same level for the first three quarters of 2002 compared with the same period of the prior year; however, for the third quarter of 2002 it was 13 percent higher than in the same period of the prior year. The ammonia price for the first nine months of 2002 was an average 34 percent lower than in the corresponding period of the prior year. Currently, the ammonia price is 50 percent higher than the year-to-date average due to the significant price increase at the end of the third quarter of 2002. A higher ammonia price has relatively little effect on the total result for Hydro Agri, although it is important to note its impact on price levels for urea and nitrates. The increase in ammonia and urea prices was primarily attributable to the continuing rising gas prices in the US, production difficulties at the ammonia plants of major competitors, an upward price trend for agricultural products, and the subsequent favorable boost to the demand for fertilizer.

Demand for fertilizer in Europe has been weak for the past two years, although the reduced import volumes have partially compensated for this situation during the past fertilizer season. Capacity utilization for nitrate fertilizer remained at a satisfactory level, although it remains weak at NPK plants. Hydro Agri is addressing this situation by developing new markets outside Europe.

Fertilizer deliveries to European markets in the third quarter of 2002 were considerably lower than in the same quarter of the prior year, when sales volumes were relatively high. Hydro Agri's sales volume to European markets fell only slightly compared to the prior year due to the increase in market share during the third quarter, mainly at the expense of imported products.

Fertilizer sales volume outside Europe continued a very positive trend in the third quarter of 2002. Developments in all regions (Latin America, North America, Asia and Africa) were positive, especially in Africa and Asia, compared with the third quarter of 2001. Sales of complex fertilizer (NPK) to major Asian markets have displayed a positive trend through the end of the third quarter of 2002. The total global sales volume for fertilizer during the third quarter of 2002 was 5.4 million tonnes, the highest third quarter volume ever. Sales volume for the first nine months of 2002 was 15.8 million tonnes, compared with 14.7 million tonnes in the corresponding period of the prior year. The relative significance of fertilizer operations outside of Europe continues to grow, totaling 55 percent of total sales volumes through the end of the third quarter of 2002.

Earnings related to the industrial gas and chemicals business continued to progress and very satisfactorily through the end of the third quarter of 2002. EBITDA for the first three quarters of 2002 and the third quarter of 2002 improved by NOK 43 million and by NOK 153 million, respectively. The industrial gas business in Scandinavia, environmental products for water and emission gas purification, and the technical ammonium nitrate operations all recorded improved results. Demand remains high for environmental products and gases for food production and transport. Plant closures, undertaken as the European chemicals industry restructures, have led to greater demand for nitrogen-based chemicals.

Hydro expects to sign a final agreement with Cargill regarding the divestment of Hydro's ownership interest in the phosphate company, Farmland Hydro, in the fourth quarter of 2002. The divestment is not expected to have any material earnings effect.

OTHER ACTIVITIES**EBITDA**

NOK million	Third quarter		01.01.-30.09.		Year
	2002	2001	2002	2001	2001
Petrochemicals	154	117	285	363	363
KFK	161	187	333	276	350
Flexible Packaging	97	-	207	-	-
Other	(47)	332	(114)	105	502
Total	365	636	711	744	1,215

Operating Income (loss)

NOK million	Third quarter		01.01.-30.09.		Year
	2002	2001	2002	2001	2001
Petrochemicals	62	27	29	44	(101)
KFK	(79)	92	(90)	6	(26)
Flexible Packaging	50	-	86	-	-
Other	(14)	(13)	(32)	(380)	(214)
Total	19	106	(7)	(330)	(341)

Other activities consist of Petrochemicals, KFK, VAW Flexible Packaging, Pronova, Industriforsikring (the industrial insurance company), and Hydro Business Partner.

stated positive results in both the third quarter and the first three quarters of 2002 on a cumulative basis, compared with the corresponding periods of 2001.

PETROCHEMICALS

EBITDA in the third quarter of 2002 improved by NOK 37 million compared with the third quarter of 2001. Both operating income and income from non-consolidated investees showed an improvement. The price of S-PVC increased in the third quarter of 2002 by approximately 20 percent compared to the price in the third quarter of 2001.

EBITDA for Petrochemicals declined by NOK 78 million in the first three quarters of 2002 compared with the same period in the previous year. The lower results were mainly due to a reduction in the prices of S-PVC and caustic soda of approximately 9 and 46 percent, respectively. The negative effect was partly offset by lower raw material costs for liquid gas and purchased ethylene. Results from non-consolidated investees were approximately NOK 30 million lower compared to the same period of the previous year.

KFK signed an agreement with a consortium of eight Danish chemical and feed companies to divest its Danish feed and grain business during the third quarter of 2002. In October 2002, a similar agreement was signed to divest its Swedish operations. The planned divestments are subject to approval by the competition authorities. KFK anticipates that such approvals will be forthcoming during the fourth quarter of 2002. The divestments resulted in the write-down of KFK's non-current assets totaling NOK 154 million which was expensed in the third quarter of 2002. The primary remaining business activity in KFK following the announced divestment plans is its Biomar fish feed business. This business will continue to operate under the name, Treka A/S.

FLEXIBLE PACKAGING

EBITDA for Flexible Packaging in the third quarter of 2002 was NOK 97 million which was at the same level as the second quarter of 2002. The Flexible Packaging business is included in Hydro's operating results from March 15, 2002.

A/S KORN-OG FODERSTOFKOMPAGNIET –KFK

EBITDA for KFK in the third quarter of 2002 was NOK 161 million, representing a decline of NOK 26 million compared with the same period of the prior year. EBITDA for the first three quarters of 2002 was NOK 333 million, an increase of NOK 57 million compared with the previous year. The fish feed business demon-

FINANCE

NOK million	Third quarter		01.01.-30.09.		Year
	2002	2001	2002	2001	2001
Interest income	305	730	1,220	2,025	2,775
Dividends received / net gain (loss) on securities	(95)	(75)	(136)	34	72
Interest income and other financial income	210	655	1,084	2,059	2,847
Interest expense	(761)	(902)	(2,422)	(2,789)	(3,721)
Capitalized interest	162	153	437	521	685
Net foreign exchange gain (loss)	30	527	2,405	(213)	(416)
Other	(59)	(28)	(126)	(92)	(157)
Interest expense and foreign exchange gain/(loss)	(628)	(250)	294	(2,573)	(3,609)
Net financial income (expense)	(418)	405	1,378	(514)	(762)

Net financial expense for the third quarter of 2002 was NOK 418 million compared to net financial income of NOK 405 million in the corresponding period of the prior year. Included in the reduction of NOK 823 million was approximately NOK 500 million resulting from the lower foreign currency exchange gains in the third quarter of 2002. Interest income was NOK 425 million lower because of lower cash levels; however, interest costs were reduced by NOK 100 million, mainly as a result of the weaker US dollar.

The exchange rate for the Norwegian kroner against the US dollar at the end of the third quarter 2002 was at the same level as at the beginning of the quarter. However, the Euro, and the Canadian and Australian dollar weakened against the US dollar and Norwegian kroner. The gain from the weakening of the Euro and Canadian dollar against the Norwegian kroner was offset by a loss due to the strengthening of the US dollar against the Euro and Australian dollar.

Capitalized interest in connection with plant under construction represented NOK 162 million in the third quarter of 2002, compared with NOK 153 million in the corresponding period of the prior year.

Cash and bank deposits at the end of the third quarter of 2002 amounted to NOK 10.6 billion, an increase of NOK 3.5 billion from the end of previous quarter.

Net interest bearing debt at the end of the third quarter of 2002 was NOK 32.8 billion compared to NOK 36.2 billion at the beginning of the quarter.

Hydro's debt/equity ratio, calculated as net interest bearing debt divided by equity plus minority interests, was 0.43 at the end of the third quarter compared to 0.48 at the end of the second quarter of 2002. The reduction was due to positive cash

inflows during the third quarter. However, a large tax payment was due on October 1, 2002. Adjusted for this payment, the debt/equity ratio would have been 0.51, which is in line with Hydro's target of 0.50.

TAXES

The provision for current and deferred taxes for the first three quarters of 2002 amounted to NOK 9,549 million, approximately 64 percent of income before tax. This amount is mainly comprised of current taxes. The equivalent figures for the third quarter of 2001 were NOK 12,047 million and 65 percent. The high rate of taxation in both 2002 and 2001 was due to the marginal tax rate for oil and gas operations in Norway (78 percent), which accounted for a relatively major share of earnings in each year.

The effective tax rate for the third quarter of 2002 was 85 percent. The high tax rate in the third quarter was principally due to a high marginal tax rate on earnings from oil and gas operations on the Norwegian Continental Shelf, which accounted for a large share of third quarter earnings. The effective tax rate was further increased because the large expenses from international exploration activities only provide tax benefits of approximately 30 percent. In addition, the accounting loss realized by non-consolidated investees, particularly by Alunorte in Brazil contributed to the increased effective tax rate. The tax charge for the third quarter of 2002 included a benefit of approximately NOK 460 million as Hydro anticipates being able to use tax loss carryforwards to reduce taxable income from Hydro Agri's earnings.

Oslo, 21 October 2002
The Board of Directors

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

	Third quarter			Nine months ended September 30,		Year ended December 31,	
	2002 NOK	2002 EURO ⁱ⁾	2001 NOK	2002 NOK	2002 EURO ⁱ⁾	2001 NOK	2001 NOK
Million, except per share data							
Operating revenues	40,560	5,521	36,086	123,301	16,783	118,165	152,835
Depreciation, depletion and amortization	3,569	486	3,278	10,206	1,389	9,171	12,273
Other operating costs	33,115	4,507	28,067	99,260	13,510	90,743	118,518
Restructuring costs	(69)	(9)	-	(10)	(1)	-	961
Operating income	3,945	537	4,741	13,845	1,884	18,251	21,083
Equity in net income of non-consolidated investees	(356)	(48)	17	(451)	(61)	301	566
Interest income and other financial income	210	29	655	1,084	148	2,059	2,847
Other income, net	-	-	418	219	30	597	578
Earnings before interest expense and tax (EBIT)	3,799	517	5,831	14,697	2,001	21,208	25,074
Interest expense and foreign exchange gain/(loss)	(628)	(85)	(250)	294	40	(2,573)	(3,609)
Income before tax and minority interest	3,171	432	5,581	14,991	2,040	18,635	21,465
Income tax expense	(2,701)	(368)	(4,213)	(9,549)	(1,300)	(12,047)	(13,750)
Minority interest	43	6	(35)	43	6	160	177
Net income	513	70	1,333	5,485	746	6,748	7,892
Earnings per share (in NOK and Euro)	2.00	0.30	5.20	21.30	2.90	26.10	30.50
Average number of outstanding shares	257,960,532	257,960,532	257,377,942	257,745,113	257,745,113	258,778,727	258,434,202

1) Presentation in EURO is a convenience translation based on the exchange rate at September 30, 2002, which was 7.3469.

CONDENSED CONSOLIDATED BALANCE SHEETS

Million, except per share data	September 30,		2001 NOK	December 31, 2001 NOK
	2002 NOK	2002 EURO ¹⁾		
ASSETS				
Cash and cash equivalents	10,571	1,439	31,241	27,148
Other liquid assets	1,956	266	2,304	2,421
Receivables	39,643	5,396	35,013	34,960
Inventories	17,238	2,346	16,776	15,794
Total current assets	69,408	9,447	85,334	80,323
Property, plant and equipment, less accumulated depreciation, depletion and amortization	111,311	15,151	93,551	95,277
Other assets	28,327	3,856	21,555	22,322
Total non-current assets	139,638	19,007	115,106	117,599
Total assets	209,046	28,454	200,440	197,922
LIABILITIES AND SHAREHOLDERS' EQUITY				
Bank loans and other interest bearing short-term debt	8,048	1,095	7,944	8,458
Current portion of long-term debt	2,062	281	3,542	1,966
Other current liabilities	40,604	5,528	34,924	32,569
Total current liabilities	50,714	6,904	46,410	42,993
Long-term debt	33,247	4,525	37,742	37,853
Other long-term liabilities	14,325	1,950	9,269	10,127
Deferred tax liabilities	35,254	4,798	31,732	31,105
Total long-term liabilities	82,826	11,273	78,743	79,085
Minority shareholders' interest in consolidated subsidiaries	1,175	160	1,181	1,051
Shareholders' equity	74,331	10,117	74,106	74,793
Total liabilities and shareholders' equity	209,046	28,454	200,440	197,922
Shareholders' equity per share	288.10	39.20	287.90	290.30
Total number of outstanding shares	257,960,532	257,960,532	257,378,513	257,634,172

1) Presentation in EURO is a convenience translation based on the exchange rate at September 30, 2002, which was 7.3469.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Million	Nine months ended September 30,			Year ended December 31,
	2002 NOK	2002 EURO ¹⁾	2001 NOK	2001 NOK
Operating activities:				
Net income	5,485	747	6,748	7,892
Adjustments:				
Depreciation, depletion and amortization	10,206	1,389	9,171	12,273
Other adjustments	4,093	557	6,961	6,007
Net cash provided by operating activities	19,784	2,693	22,880	26,172
Investing activities:				
Purchases of property, plant and equipment	(14,193)	(1,932)	(9,189)	(14,348)
Purchases of other long-term investments	(17,171)	(2,337)	(1,021)	(1,663)
Net sales (purchases) of short-term investments	(531)	(72)	24	42
Proceeds from sales of property, plant and equipment	698	95	535	629
Proceeds from sales of other long-term investments	1,042	142	283	659
Net cash used in investing activities	(30,155)	(4,104)	(9,368)	(14,681)
Financing activities:				
Loan proceeds	592	81	527	408
Principal repayments	(3,785)	(515)	(899)	(2,865)
Ordinary shares purchased	-	-	(1,155)	(1,155)
Ordinary shares issued	53	7	70	92
Dividends paid	(2,576)	(351)	(2,470)	(2,470)
Net cash used in financing activities	(5,716)	(778)	(3,927)	(5,990)
Foreign currency effects on cash flows	(490)	(67)	(110)	(119)
Net increase (decrease) in cash and cash equivalents	(16,577)	(2,256)	9,475	5,382
Cash and cash equivalents at beginning of period	27,148	3,695	21,766	21,766
Cash and cash equivalents at end of period	10,571	1,439	31,241	27,148

1) Presentation in EURO is a convenience translation based on the exchange rate at September 30, 2002, which was 7.3469.

CHANGES IN SHAREHOLDERS' EQUITY

NOK million	2002	30.09.	Year
		2001	2001
Shareholders' equity at beginning of period	74,793	71,227	71,227
Net income	5,485	6,748	7,892
Dividend declared and paid	(2,576)	(2,470)	(2,470)
Foreign currency translation, net	(5,364)	(695)	(793)
Hedge of net investment and cash flow hedge	1,885	274	225
Other items recorded directly to shareholders' equity	(26)	39	(356)
Purchase (reissue) of treasury stock	134	(1,017)	(932)
Shareholders' equity at end of period	74,331	74,106	74,793

All figures are based on generally accepted accounting principles in the United States (US GAAP) unless otherwise stated.

Hydro's accounting principles are included in its 2001 Annual Report. The principles are similar for the interim accounts, with the exception of the new accounting standards implemented on January 1, 2002 in accordance with the description in the 2001 Annual Report and in this Report.

Interim figures are unaudited.

GOODWILL AND OTHER INTANGIBLE ASSETS

Beginning January 1, 2002 Hydro adopted Statement of Financial Accounting Standards No. 141 (SFAS 141), "Business Combinations" and Statement No. 142 (SFAS 142), "Goodwill and Other Intangible Assets". SFAS 141 requires all business combinations initiated after June 30, 2001 to be accounted for under the purchase method. SFAS 141 also sets forth guidelines for applying the purchase method of accounting in the determination of intangible assets, including goodwill acquired in a business combination, and expands financial disclosures concerning business combinations consummated after June 30, 2001.

Under SFAS 142, goodwill and certain other intangible assets are no longer systematically amortized but reviewed at least annually for impairment. The largest portion of goodwill was recorded in the Extrusion and Automotive sub segment. Hydro has determined that the reporting unit level where goodwill is to be recorded is the sector level. Hydro is required to complete the first step of the transitional goodwill impairment test within six months from the adoption date and the second step by the end of the 2002 calendar year. This step requires Hydro to compare the fair value of sectors with goodwill to the carrying value of the net assets of the respective sectors. If this assessment indicates that the fair value is less than the carrying value for certain sectors, such sectors will then be subject to the second step of the impairment test which can lead to identifying and measuring impairments to goodwill.

The first step of the transitional of goodwill impairment test has been completed and indicates that further analysis is necessary for the North America sector. The second step of the impairment test, which measures the amount of goodwill impairment, if any, will be completed in the second half of 2002. The net carrying value of goodwill in the North America sector amounts to NOK 804681 million. The amount of the potential impairment of this goodwill, if any, is expected to be substantially less.

Under SFAS 142, intangible assets determined to have indefinite useful lives are not amortized until a finite life can be estimated. These intangible assets are subject to impairment testing on an annual basis. Hydro determined that trademarks, in connection with the Technal acquisition in January 2002 within the Extrusion and Automotive segment, has indefinite useful life. The carrying value of the trademarks was NOK 197 million as of September 30, 2002.

The following table reconciles the reported Earnings Before Interest Expenses and Taxes (EBIT), reported net income, and reported earnings per share to that which would have resulted for the third quarter ended September 30, 2001 and the first nine months of 2001, and for the year ended December 31, 2001, assuming SFAS 142 were adopted January 1, 2001.

	Third quarter 2001	01.01.-30.09. 2001	Year 2001
NOK million, except per share data			
Reported earnings before interest expenses and taxes (EBIT)	5,831	21,208	25,074
Goodwill amortization	41	117	161
Pro forma EBIT	5,872	21,325	25,235
Net income	1,333	6,748	7,892
Goodwill amortization (after tax)	41	117	161
Proforma net income	1,374	6,865	8,053
Reported earnings per share	5.20	26.10	30.50
Goodwill amortization per share	0.20	0.50	0.60
Pro forma earnings per share	5.40	26.60	31.10

Hydro has following intangible assets and goodwill, included in Other Assets:

NOK million	30.09.2002			30.09.2001		
	Gross carrying amount	Accumulated amortization/ impairment	Net	Gross carrying amount	Accumulated amortization/ impairment	Net
Intangible assets						
with finite useful life	3,381	(1,580)	1,801	1,321	(749)	572
Intangible assets with indefinite useful life	196	-	196	-	-	-
Total intangible assets	3,577	(1,580)	1,997	1,321	(749)	572
Goodwill			1,147			1,287
Goodwill in non-consolidated investees accounted for by the equity method			222			271

NOK million	Extrusion and Automotive	Other	Total
Balance at December 31, 2001	1,042	223	1,265
Adjustments:			
Goodwill acquired during the quarter	152	-	152
Other	(174)	(96)	(270)
Balance at September 30, 2002	1,020	127	1,147

EBITDA¹⁾ AND RECONCILIATION TO INCOME BEFORE TAXES AND MINORITY INTEREST

Hydro's steering model, Value-Based Management, reflects Hydro's focus on cash flow-based indicators, before and after taxes, to measure performance in Hydro's operating segments. EBITDA, which Hydro defines as income/(loss) before tax, interest expense, depreciation, amortization and write-downs is an approximation of cash flow from operations before tax. EBITDA is a measure that includes in addition to operating income, interest income and other financial income, results from non-consolidated investees and gains and losses on sales of activities classified as "Other income, net" in the income statement. It excludes depreciation, write-downs and amortization, as well as amortization of excess values and goodwill in non-consolidated investees. Hydro's definition of EBITDA may differ from that of other companies.

EBITDA should not be construed as an alternative to operating income and income before taxes as an indicator of the company's operations in accordance with generally accepted accounting principles. Nor is EBITDA an alternative to cash flow from operating activities in accordance with generally accepted accounting principles. Hydro's definition of EBITDA can differ from that of other companies.

The EBITDA figures by core business area are presented in the table below, in addition to the reconciliation from EBITDA to income before taxes and minority interest.

NOK million	Third quarter		01.01.-30.09.		Year
	2002	2001	2002	2001	2001
Hydro Oil and Energy	5,451	6,757	17,453	22,076	27,604
Hydro Aluminium	827	526	3,018	2,845	2,543
Hydro Agri	719	725	3,300	3,303	4,402
Other Activities	365	636	711	744	1,215
Corporate and Eliminations	128	487	721	1,492	1,993
Total EBITDA	7,490	9,131	25,203	30,460	37,757
Depreciation, depletion and amortization	(3,569)	(3,278)	(10,206)	(9,171)	(12,534)
Amortization of excess values in non-consolidated investees	(122)	(22)	(300)	(81)	(149)
Interest expense	(761)	(902)	(2,422)	(2,789)	(3,721)
Capitalized interest	162	153	437	521	685
Net foreign exchange gain/(loss)	30	527	2,405	(213)	(416)
Other financial items	(59)	(28)	(126)	(92)	(157)
Income before tax and minority interest	3,171	5,581	14,991	18,635	21,465

EBITDA information by segment in each of the core business areas, as well as explanation of the financial performance of each segment, is included in the presentation of the business areas.

1) EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortization.

2) This includes write-downs of property, plant and equipment included in restructuring costs of NOK 261 million in 2001.

INDIVIDUAL OPERATING SEGMENT

OPERATING REVENUES

NOK million	Third quarter		01.01.-30.09.		Year
	2002	2001 ¹⁾	2002	2001 ¹⁾	2001 ¹⁾
Exploration and Production	8,263	8,383	24,502	25,720	33,282
Energy and Oil Marketing	10,516	10,042	31,714	34,337	43,959
Eliminations	(6,862)	(5,756)	(17,597)	(19,579)	(25,225)
Hydro Oil and Energy	11,917	12,669	38,619	40,478	52,016
Metals	10,416	7,068	29,485	24,495	31,475
Rolled Products	4,388	972	10,634	3,273	4,228
Extrusion and Automotive	6,017	5,373	18,393	17,269	22,487
Other and eliminations	(4,057)	(1,701)	(10,096)	(5,643)	(7,107)
Hydro Aluminium	16,764	11,712	48,416	39,394	51,083
Hydro Agri	8,295	8,493	26,421	28,600	37,407
Other activities	5,957	5,503	17,117	17,237	22,361
Corporate and Eliminations	(2,373)	(2,291)	(7,272)	(7,544)	(10,032)
Total	40,560	36,086	123,301	118,165	152,835

EXTERNAL REVENUES

NOK million	Third quarter		01.01.-30.09.		Year
	2002	2001 ¹⁾	2002	2001 ¹⁾	2001 ¹⁾
Exploration and Production	1,236	2,605	6,268	6,018	7,848
Energy and Oil Marketing	9,405	8,976	28,700	30,900	39,450
Eliminations	-	-	-	-	-
Hydro Oil and Energy	10,641	11,581	34,968	36,918	47,298
Metals	6,547	5,554	19,418	19,352	24,961
Rolled Products	4,191	952	10,183	3,190	4,126
Extrusion and Automotive	6,001	5,202	18,335	16,753	21,854
Other and eliminations	(137)	(71)	112	(123)	1
Hydro Aluminium	16,602	11,637	48,048	39,172	50,942
Hydro Agri	8,195	8,412	26,013	28,146	36,809
Other activities	5,112	4,443	14,243	13,870	17,713
Corporate and eliminations	10	13	29	59	73
Total	40,560	36,086	123,301	118,165	152,835

1) Hydro has changed its presentation to include all unrealized gains and losses related to the LME contracts at the Hydro Aluminium area level. Prior periods have been reclassified to be presented on a consistent basis.

INTERNAL REVENUES

NOK million	Third quarter		01.01.-30.09.		Year
	2002	2001	2002	2001	2001
Exploration and Production	7,027	5,778	18,234	19,702	25,434
Energy and Oil Marketing	1,111	1,066	3,014	3,437	4,509
Eliminations	(6,862)	(5,756)	(17,597)	(19,579)	(25,225)
Hydro Oil and Energy	1,276	1,088	3,651	3,560	4,718
Metals	3,869	1,514	10,067	5,143	6,514
Rolled Products	197	20	451	83	102
Extrusion and Automotive	16	171	58	516	633
Other and eliminations	(3,920)	(1,630)	(10,208)	(5,520)	(7,108)
Hydro Aluminium	162	75	368	222	141
Hydro Agri	100	82	408	454	598
Other activities	845	1,059	2,874	3,367	4,649
Corporate and eliminations	(2,383)	(2,304)	(7,301)	(7,603)	(10,106)
Total	-	-	-	-	-

DEPRECIATION, DEPLETION AND AMORTIZATION

NOK million	Third quarter		01.01.-30.09.		Year
	2002	2001	2002	2001	2001
Exploration and Production	2,157	1,951	6,477	5,519	7,791
Energy and Oil Marketing	51	83	161	198	229
Eliminations	-	(1)	-	-	-
Hydro Oil and Energy	2,208	2,033	6,638	5,717	8,020
Metals	316	468	833	897	751
Rolled Products	116	26	268	81	104
Extrusion and Automotive	256	186	729	591	895
Other and eliminations	-	-	-	-	-
Hydro Aluminium	688	680	1,830	1,569	1,750
Hydro Agri	269	360	870	1,226	1,570
Other activities	402	202	858	643	912
Corporate and eliminations	2	3	10	16	21
Total	3,569	3,278	10,206	9,171	12,273

OPERATING INCOME (LOSS)

NOK million	Third quarter		01.01.-30.09.		Year
	2002	2001 ¹⁾	2002	2001 ¹⁾	2001 ¹⁾
Exploration and Production	2,844	4,499	9,546	14,849	17,813
Energy and Oil Marketing	326	122	1,017	1,144	1,365
Eliminations	-	1	-	-	-
Hydro Oil and Energy	3,170	4,622	10,563	15,993	19,178
Metals	441	(163)	1,265	1,119	372
Rolled Products	(18)	18	(108)	55	58
Extrusion and Automotive	12	16	43	138	(228)
Other and eliminations	(23)	(17)	268	(130)	(17)
Hydro Aluminium	412	(146)	1,468	1,182	185
Hydro Agri	436	207	1,998	1,468	2,114
Other activities	19	107	(7)	(329)	(341)
Corporate and eliminations	(92)	(49)	(177)	(63)	(53)
Total	3,945	4,741	13,845	18,251	21,083

EBITDA

NOK million	Third quarter		01.01.-30.09.		Year
	2002	2001 ¹⁾	2002	2001 ¹⁾	2001 ¹⁾
Exploration and Production	5,022	6,533	16,163	20,497	25,768
Energy and Oil Marketing	429	224	1,290	1,579	1,836
Eliminations	-	-	-	-	-
Hydro Oil and Energy	5,451	6,757	17,453	22,076	27,604
Metals	474	287	1,739	2,115	1,766
Rolled Products	101	46	211	137	162
Extrusion and Automotive	274	210	799	723	632
Other and eliminations	(22)	(17)	269	(130)	(17)
Hydro Aluminium	827	526	3,018	2,845	2,543
Hydro Agri	719	725	3,300	3,303	4,402
Other activities	365	636	711	744	1,215
Corporate and eliminations	128	487	721	1,492	1,993
Total	7,490	9,131	25,203	30,460	37,757

1) Hydro has changed its presentation to include all unrealized gains and losses related to the LME contracts at the Hydro Aluminium area level. Prior periods have been reclassified to be presented on a consistent basis.

OPERATING INCOME - EBIT – EBITDA - THIRD QUARTER 2002

NOK million	Operating income	Non-cons. investees	Interest income	Selected Financial items	Other income	EBIT	Depr. And Amort.	EBITDA
Exploration and Production	2,844	6	13	(1)	-	2,862	2,160	5,022
Energy and Oil Marketing	326	48	7	(2)	-	379	50	429
Eliminations	-	-	-	-	-	-	-	-
Hydro Oil and Energy	3,170	54	20	(3)	-	3,241	2,210	5,451
Metals	441	(329)	2	12	-	126	348	474
Rolled Products	(18)	(18)	(17)	0	-	(53)	154	101
Extrusion and Automotive	12	(23)	3	(3)	-	(11)	285	274
Other and eliminations	(23)	-	-	1	-	(22)	-	(22)
Hydro Aluminium	412	(370)	(12)	10	-	40	787	827
Hydro Agri	436	(50)	45	(1)	-	430	289	719
Other activities	19	10	38	(106)	-	(39)	404	365
Corporate and eliminations	(92)	-	214	5	-	127	1	128
Total	3,945	(356)	305	(95)	-	3,799	3,691	7,490

OPERATING INCOME - EBIT – EBITDA - 01.01.-30.09.2002

NOK million	Operating income	Non-cons. investees	Interest income	Selected Financial items	Other income	EBIT	Depr. And Amort.	EBITDA
Exploration and Production	9,546	24	26	9	77	9,682	6,481	16,163
Energy and Oil Marketing	1,017	95	19	(1)	-	1,130	160	1,290
Hydro Oil and Energy	10,563	119	45	8	77	10,812	6,641	17,453
Metals	1,265	(514)	7	66	-	824	915	1,739
Rolled Products	(108)	(39)	6	-	-	(141)	352	211
Extrusion and Automotive	43	(7)	12	(7)	-	41	758	799
Other and eliminations	268	-	-	1	-	269	-	269
Hydro Aluminium	1,468	(560)	25	60	-	993	2,025	3,018
Hydro Agri	1,998	(17)	156	31	166	2,334	966	3,300
Other activities	(7)	7	111	(265)	-	(154)	865	711
Corporate and eliminations	(177)	-	883	30	(24)	712	9	721
Total	13,845	(451)	1,220	(136)	219	14,697	10,506	25,203

INVESTMENTS ¹⁾

NOK million	Third quarter		01.01.-30.09.		Year
	2002	2001	2002	2001	2001
Exploration and Production	1,926	2,530	11,814	6,278	9,618
Energy and Oil Marketing	100	76	294	237	472
Hydro Oil and Energy	2,026	2,606	12,108	6,515	10,090
Metals	922	523	12,058	1,054	1,872
Rolled Products	54	47	7,060	76	201
Extrusion and Automotive	256	308	4,629	1,011	1,454
Hydro Aluminium	1,232	878	23,747	2,141	3,527
Hydro Agri	260	126	886	481	797
Other activities	165	168	2,763	636	1,372
Corporate and eliminations	29	42	263	271	542
Total	3,712	3,820	39,767	10,044	16,328

1) Additions to property, plant and equipment (capital expenditures) plus long-term securities, intangibles, long-term advances and investments in non-consolidated investees.

EBITDA

NOK million	2002				2001		
	3rd qtr	2nd qtr	1st qtr ¹⁾	4th qtr ¹⁾	3rd qtr ¹⁾	2nd qtr ¹⁾	1st qtr ¹⁾
Exploration and Production	5,022	5,776	5,365	5,271	6,533	6,902	7,062
Energy and Oil Marketing	429	379	482	257	224	523	832
Hydro Oil and Energy	5,451	6,155	5,847	5,528	6,757	7,425	7,894
Metals	474	715	550	(349)	287	593	1,235
Rolled Products	101	82	28	25	46	36	55
Extrusion and Automotive	274	331	194	(91)	210	179	334
Other and eliminations	(22)	164	127	113	(17)	81	(194)
Hydro Aluminium	827	1,292	899	(302)	526	889	1,430
Hydro Agri	719	1,198	1,383	1,099	725	1,008	1,570
Other activities	365	183	163	471	636	88	20
Corporate and eliminations	128	297	296	501	487	560	445
Total	7,490	9,125	8,588	7,297	9,131	9,970	11,359

1) Hydro has changed its presentation to include all unrealized gains and losses related to the LME futures contracts at the Hydro Aluminium area level. Prior periods have been reclassified to be presented on a consistent basis.

QUARTERLY RESULTS

NOK million	2002				2001		
	3rd qtr	2nd qtr	1st qtr	4th qtr	3rd qtr	2nd qtr	1st qtr
Operating revenues	40,560	44,702	38,039	34,670	36,086	40,951	41,128
Operating income	3,945	5,077	4,823	2,832	4,741	6,065	7,445
EBITDA	7,490	9,125	8,588	7,297	9,131	9,970	11,359
Net income	513	2,840	2,132	1,144	1,333	2,180	3,235
Earnings per share (NOK)	2.00	11.00	8.30	4.40	5.20	8.40	12.40

EURO million	2002				2001		
	3rd qtr	2nd qtr	1st qtr	4th qtr.	3rd qtr.	2nd qtr.	1st qtr.
Operating revenues	5,521	6,029	4,933	4,352	4,449	5,202	5,118
Operating income	537	685	625	355	585	770	927
EBITDA	1,019	1,231	1,114	916	1,126	1,267	1,414
Net income	70	383	276	144	164	277	403
Earnings per share (EURO)	0.30	1.50	1.10	0.60	0.60	1.10	1.50

Amounts have been converted to EURO for convenience using the end exchange rate (NOK/EURO) in effect during the quarters as follows:

	7.3469	7.4145	7.7116	7.9667	8.1105	7.8716	8.0356
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VAW ACQUISITION

VAW

In January 2002, Hydro entered into an agreement to purchase all the outstanding shares of the German aluminum company, VAW Aluminium AG, a leading aluminum company in Europe. The acquisition was completed on March 15, 2002. VAW is included in Hydro's consolidated results from that date. VAW has operations in more than 20 countries. The major part of these activities is located in the EU. In addition, VAW has important operations located in North America and the Pacific region.

The consideration for VAW amounts to EURO 1,911 million (NOK 14.9 billion). In addition, interest-bearing debt of EURO 703 million (NOK 5.5 billion) and pension obligations of approximately EURO 410 million (NOK 3.2 billion) were assumed. The acquisition was financed by Hydro's cash holdings.

Assets acquired and liabilities assumed in the VAW acquisition have been recorded at estimated fair value. Preliminary purchase price allocation is based on estimates for fair value of assets and liabilities in VAW. The preliminary allocation of purchase price does not indicate major intangible assets. Excess values are for the most part allocated to tangible fixed assets. The preliminary allocation does not indicate goodwill in the transaction.

Because VAW's inventories have been recorded at estimated fair values as of the time of the acquisition, cost of goods sold was unusually high in the first half year. The effect was NOK 253 million. Similar effects are not expected in later periods. Pro forma information for the first quarter of 2002 does not include this effect; instead, the information reflects the underlying earnings of VAW.

NOK million

Preliminary allocation of purchase price:

Cash and cash equivalents	410
Other liquid assets	12,448
Property, plant and equipment, less accumulated depreciation, depletion and amortization	15,261
Other assets	6,924
Total current liabilities	(11,166)
Total long-term liabilities	(8,606)
Minority shareholders' interest in consolidated subsidiaries	(356)
Estimated fair value of assets in VAW as of March 15, 2002	14,915

Purchase price allocation may be changed later.

PRO FORMA INFORMATION

The following unaudited pro forma information has been prepared assuming VAW was acquired as of the beginning of 2001.

NOK million	Third quarter		01.01.-30.09.		Year
	2002	2001	2002	2001	2001
Operating revenues	40,560	42,990	129,148	138,998	180,567
Operating income	3,945	5,034	14,392	19,666	23,091
EBITDA	7,490	9,513	25,914	32,317	40,627
Net income	513	1,166	5,692	6,837	8,180
Earnings per share in NOK	2.00	4.50	22.10	26.40	31.60

VAW's results have been translated into Norwegian kroner at average exchange rates. Pro forma adjustments are made for the fair value adjustments relating to assets and liabilities, depreciation and the amortization of these adjustments as well as finance cost of the acquisition price and deferred tax related to the above mentioned adjustments.

However, no adjustment has been made for the fair valuation of inventories. Significant sales between the companies are eliminated.

The effect of other acquisitions and divestitures on accounting results for 2001 and 2002 is not material.

CHANGE IN PRESENTATION OF UNREALIZED GAINS AND LOSSES FOR LME CONTRACTS

Hydro Aluminium is susceptible to swings in both the aluminum price and currency exchange rates because of its activities in many different countries. To secure margins on physical contracts and to minimize its exposure to the aluminum price and US dollar exchange rate Hydro uses commodity derivatives for aluminum (LME contracts) and financial derivatives, primarily forward currency contracts. All derivatives are marked-to-market with the changes in the fair market value recorded in the income statement, except for certain derivative contracts designated as hedges. Changes in the fair market value of these contracts are recorded directly to shareholders' equity (hedge accounting).

Changes in the fair value of LME contracts (unrealized gains or losses) are recorded as an income or expense and are included in operating income and EBITDA, in addition to realized gains or losses.

Changes in the fair value of forward contracts and other financial instruments result in unrealized gains or losses that are recorded as foreign exchange gain or loss together with the realized effects. These foreign exchange gains and losses are classified as financial income and expense and are thereby not included in operating income nor EBITDA.

In contrast to Hydro, VAW accounted for most of its LME contracts, forward currency contracts and currency options under

hedge accounting where the unrealized gains and losses were recorded directly to shareholders' equity and reclassified to operating income or operating expense matching the earnings impact of the hedged sales or purchases of aluminum. This accounting policy has been changed upon Hydro's acquisition of VAW so that all commodity and financial derivative contracts are accounted for in accordance to Hydro's accounting policy as described above.

Beginning from the second quarter of 2002 Hydro has changed its presentation of the effect of unrealized gains and losses associated with LME contracts. LME price exposure is managed centrally at the Hydro Aluminium level. All unrealized effects of these commodity derivatives are presented together on the "Other and eliminations" line at the Hydro Aluminium level and are not split between the different segments. When the contracts are realized, the realized gain and loss is recorded in operating income for the business segment. Unrealized and realized foreign exchange gain and loss on forward currency contracts and other financial derivatives is recorded as described above, and is still presented as a part of financial income and expense, which is not included in operating income and EBITDA. The restated 2001 numbers have been corrected from what was presented in the second quarter.

SPECIFICATION OF THE CHANGE IN THE PRESENTATION OF UNREALISED GAINS AND LOSSES FOR LME CONTRACTS:

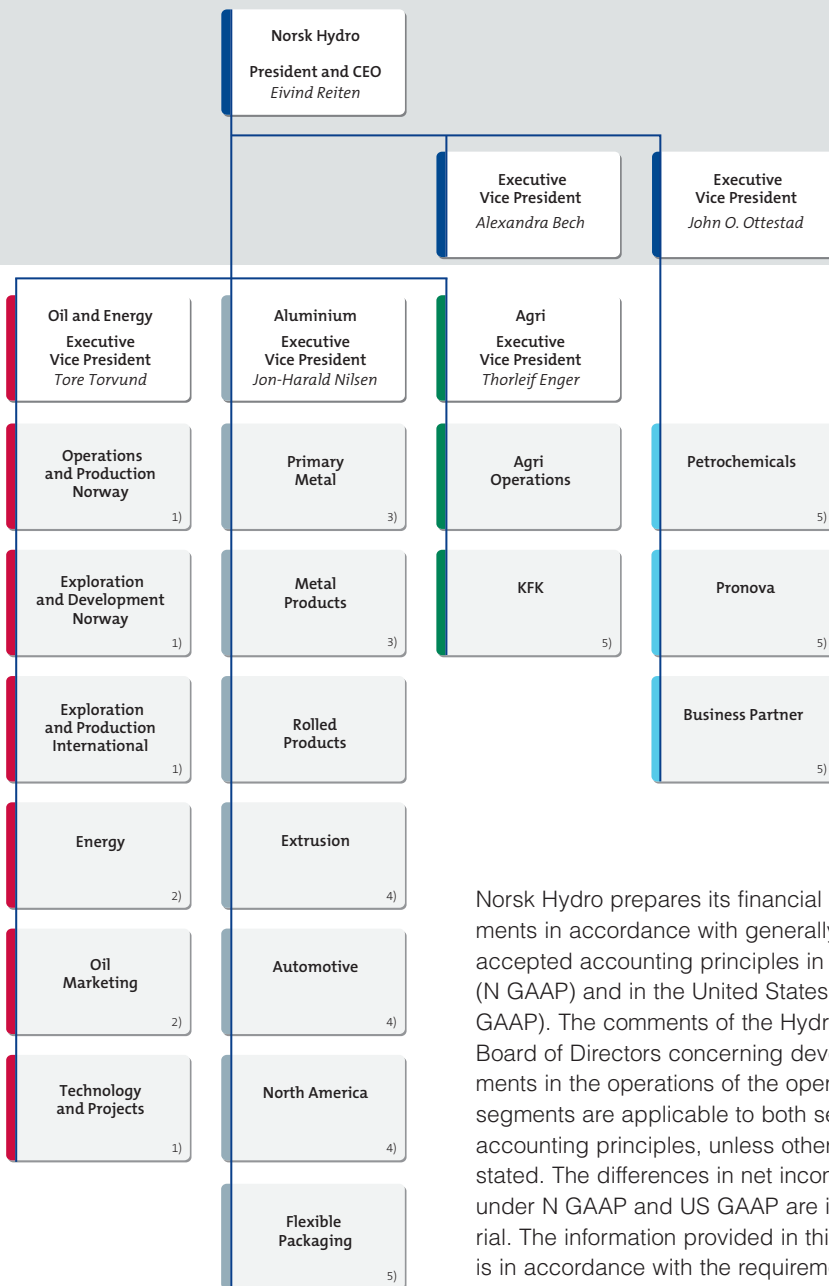
NOK million	2002 2nd qtr	2002 1st qtr	2001 4th qtr	2001 3rd qtr	2001 2nd qtr	2001 1st qtr
Metals	(190)	(87)	(124)	72	(123)	175
Rolled Products	-	-	-	-	-	-
Extrusion and Automotive	7	(26)	17	(49)	66	17
Other and eliminations	183	113	107	(23)	57	(192)
Hydro Aluminium	-	-	-	-	-	-

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Organization chart 2002



- 1) Reported as Exploration and Production
- 2) Reported as Energy and Oil Marketing
- 3) Reported as Metals
- 4) Reported as Extrusion and Automotive
- 5) Reported as Other Activities

Norsk Hydro prepares its financial statements in accordance with generally accepted accounting principles in Norway (N GAAP) and in the United States (US GAAP). The comments of the Hydro's Board of Directors concerning developments in the operations of the operating segments are applicable to both sets of accounting principles, unless otherwise stated. The differences in net income under N GAAP and US GAAP are immaterial. The information provided in this report is in accordance with the requirements of the NRS(F) on interim reporting.

Quarterly results 2002:

4th quarter: February 10, 2003

The results will be released at 0930 hours CET. Hydro reserves the right to revise these dates.

In order to utilize the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995, Hydro is providing the following cautionary statement:

This document contains (and oral communications made by or on behalf of Hydro may contain) forecasts, projections, estimates, statements of management's plans, objectives and strategies for Hydro, such as planned expansions, investments or other projects, targeted production volumes, capacity or rate, start-up costs, cost reductions, profit objectives, and various expectations about future developments in Hydro's markets (particularly prices, supply and demand, and competition), results of operations, margins, risk management and so forth. These forward-looking statements are based on a number of assumptions and forecasts, including 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, aluminum and fertilizer supply and demand conditions. By their nature, forward-looking statements involve risk and uncertainty and 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.