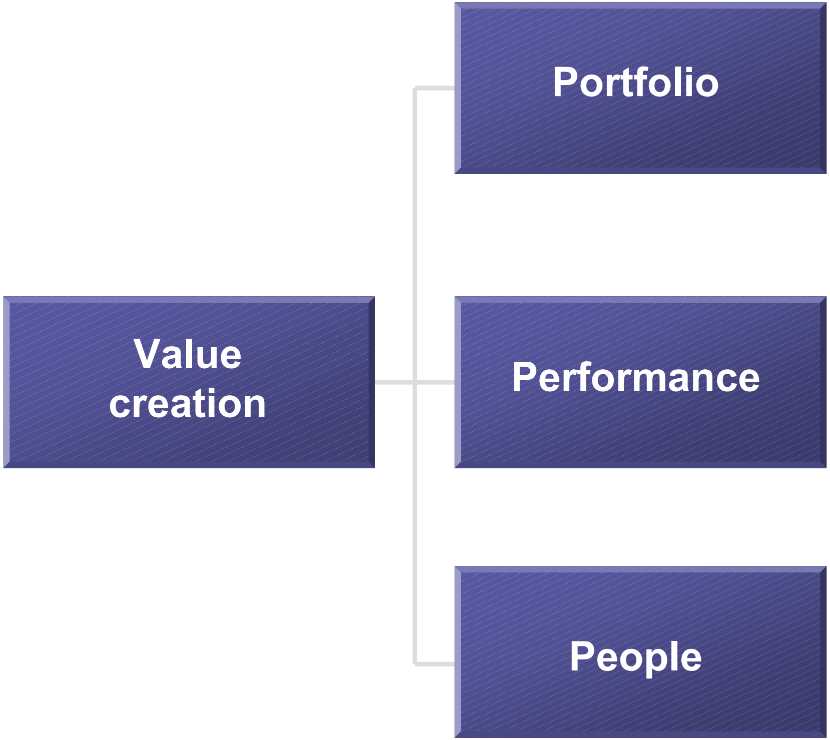
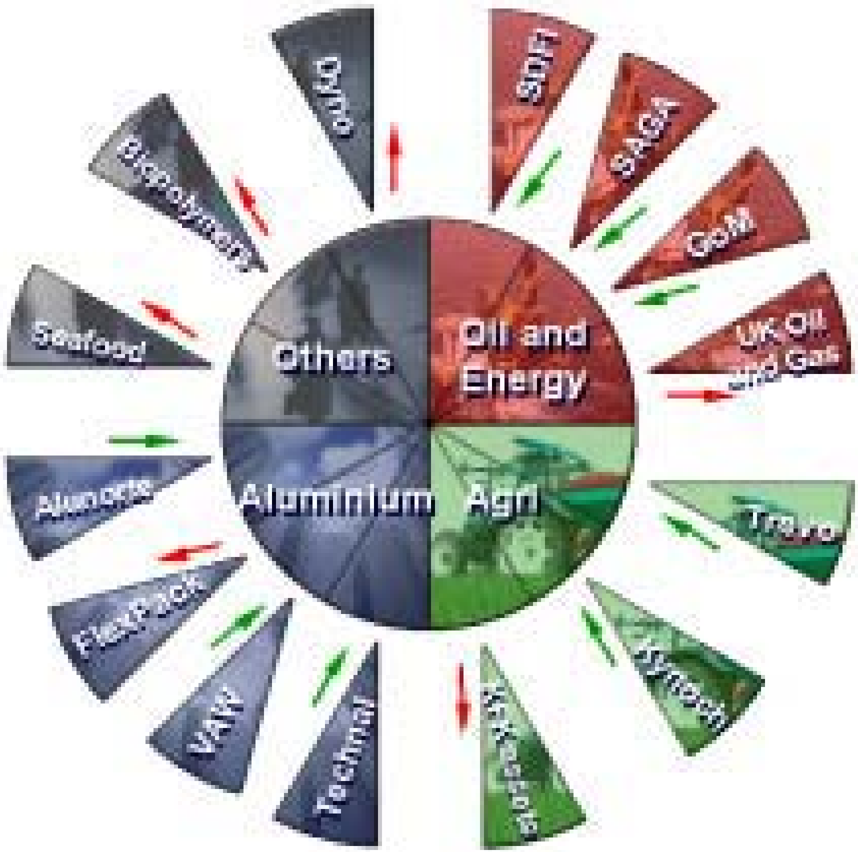
Norsk Hydro ASA
Capital Markets Day 2002

President and CEO
Eivind Reiten
Oslo, December 9, 2002

Key levers for value creation

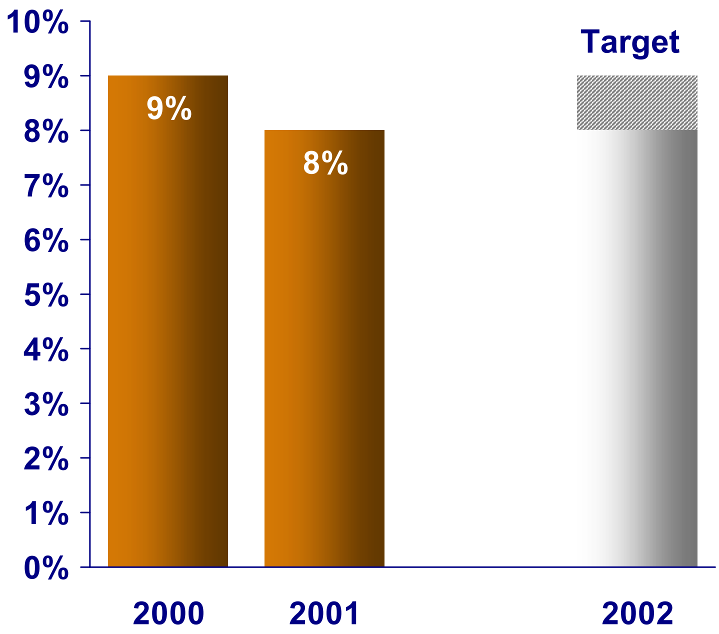


Strengthening the core businesses



We deliver: 2002 CROGI target

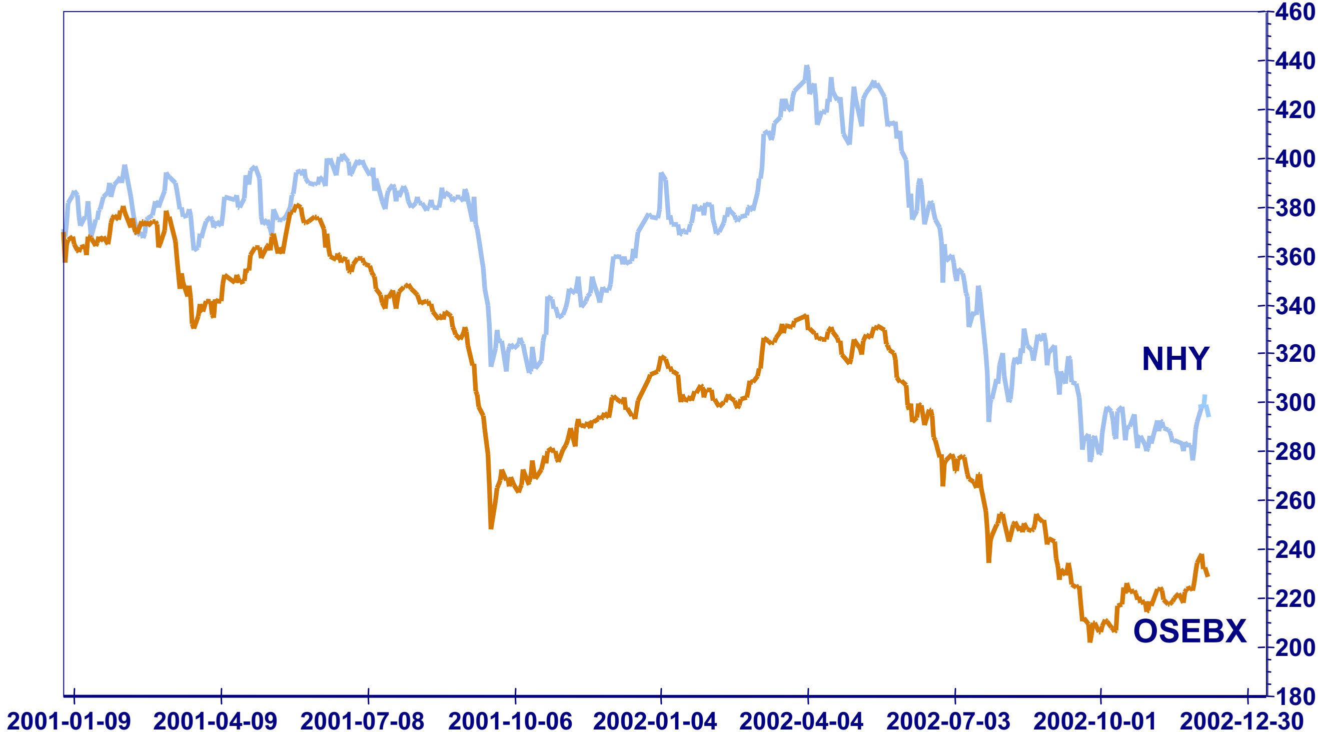
Normalized CROGI



Normalized to reflect long-term commodity prices and a stable exchange rate – not normalized for volumes and margins

* Cash Return on Gross Investments

Share price performance



Source: Reuters

Oil and Energy: Strong production growth

- 2002 production target being met; new target for 2003 is 510 000 barrels per day
- Target of 8% average annual growth confirmed and extended one more year to 2006
- On track to meet F&D cost target of 5 dollars per barrel in 2003
- Rigorous examination of international exploration strategy during 2003

Agri:
The industry leader

- Building on position as global leader in selected industry segments
- Continue productivity improvements
- Remain alert to opportunities created by industry consolidation

Moving forward

- Delivering on 2002 return target; higher target set for 2003

- Significant potential in all three Business Areas
  - Oil and Energy: Several years of high production growth
  - Aluminium: Improved performance as world class player
  - Agri: Leveraging strong market positions

- Continued evaluation of attractive strategic options; retaining flexibility of timing

- Maintaining financial strength provides a basis for strategic moves

Capital Markets Day 2002
Financial Issues

Executive Vice President and CFO
John Ottestad
Oslo, December 9, 2002

CROGI – our key measure of return

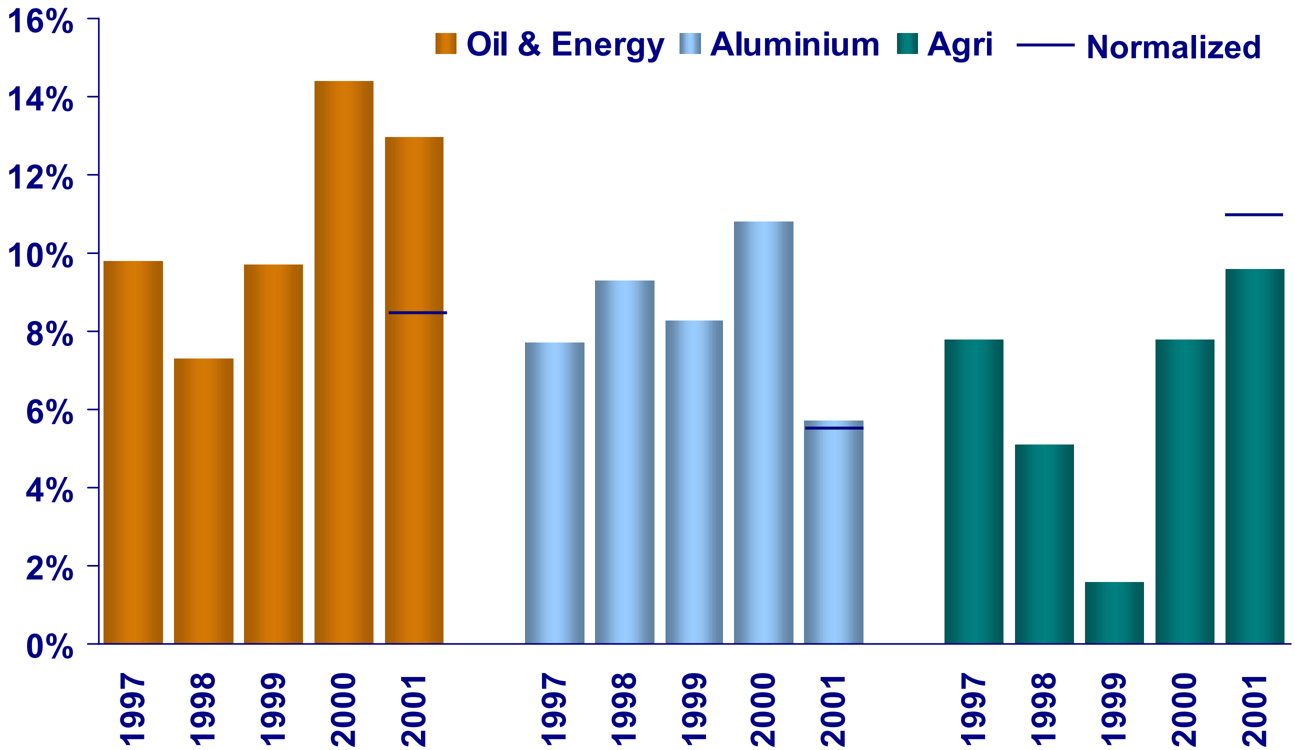
- CROGI – cash return on gross investment

$$\frac{\text{EBITDA less tax}}{\text{Gross invested capital}}$$

- CROGI at normalized prices
  - Indicator for average performance over the cycle
  - Target 10%
- CROGI as a management tool
  - Measures effects of internal improvement efforts
  - Gives the right incentives

CROGI per business area

Actual and normalized prices

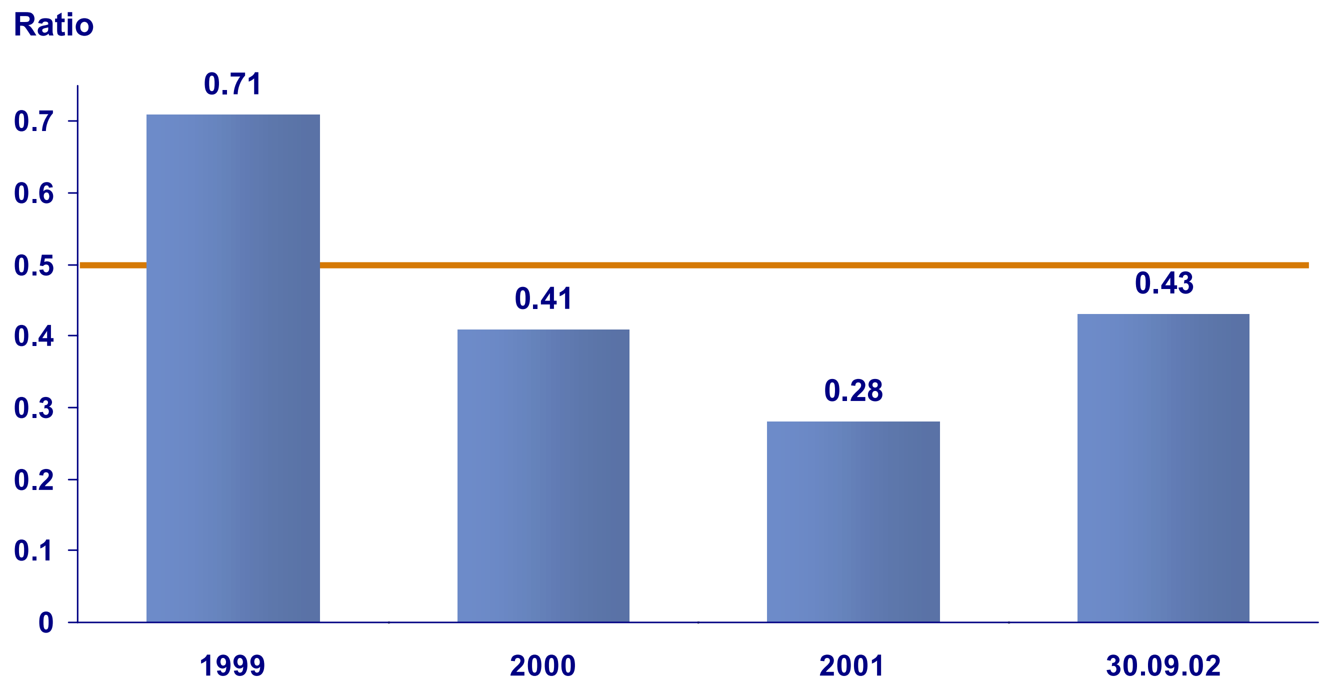


Acquisitions 2002

- VAW Aluminium – a transforming transaction
  - Cash and debt: NOK 20.4 billion
  - Pension liabilities: NOK 3.2 billion
- SDFI – strengthening position in core areas
  - Cash: NOK 3.5 billion
- Technal – creating world leader in building systems
  - Cash and debt: NOK 870 million
- All three acquisitions accretive to 2002 earnings

Gross-up effects from deferred tax are not included in these figures

Debt / equity



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

Indicative P&L sensitivities 2003

NOK million

Price sensitivity	Pre tax	After tax	
OIL price sensitivity, O&E	1 300	350	$1 increase
OIL price sensitivity, Agri	(110)	(80)	$1 increase
OIL price sensitivity	1 190	270	$1 increase
LME price sensitivity, Aluminium	830	580	$100 increase
CAN price sensitivity, Agri	500	350	$10 increase

USD sensitivity *			
USD sensitivity O&E	3 000	810	1 NOK increase
USD sensitivity Aluminium	1 650	1 160	1 NOK increase
USD sensitivity Agri	600	420	1 NOK increase
USD sensitivity Hydro	5 250	2 390	1 NOK increase
USD sensitivity Financial Items **	(2 440)	(1 340)	1 NOK increase
USD sensitivity NET	2 810	1 050	1 NOK increase

* USD sensitivity estimates assuming USD/NOK changes, all other currencies fixed against NOK
** Excluding cash flow and equity hedge total exposure USD 1 275 mill and USD 400 mill debt in USD-based subsidiaries

Financial priorities

- Operational performance
- Capital discipline
- Meet NOK 10 billion divestment target
- Maintain financial strength

Main financial targets

- **Annual performance**

  Cash return on gross investment – CROGI

  Nominal after tax, normalized prices — 10%

- **Investment criteria**

  Real IRR after tax — 10%

  (Oil $14/bbl, Aluminium $1 400/tonne, USD/NOK 8.00)

- **Dividend**

  Share of net income, average over cycle — 30%

- **Solidity**

  Net interest-bearing debt/equity — 0.5

Estimated pension cost 2002

NOK million		
1. Service costs		600
2. Interest costs on obligations:	17 620 * 7%	1 230
3. Expected return on assets:	16 876 * 8%	(1 350)
4. Amortizations (of gain/loss and prior service costs)		200
5. Curtailment loss and other		70
Net periodic pension costs		750
Termination benefits and other pension plans		600
Total		1 350
VAW for 9 ½ months of 2002		250
Total including VAW		1 600

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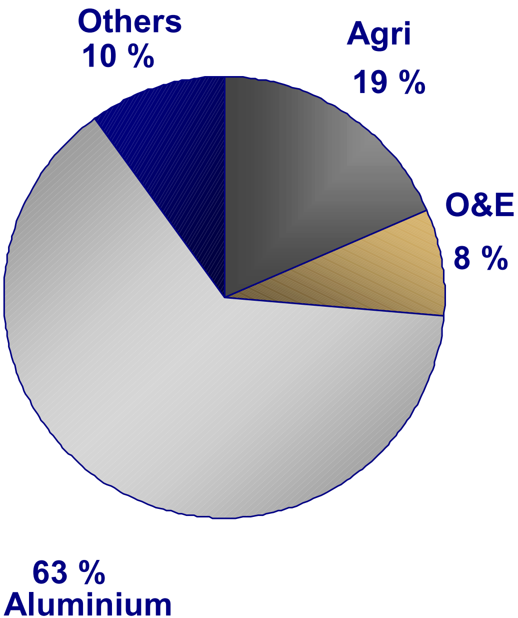
A performance culture

Executive Vice President
Alexandra Bech
Oslo, December 9, 2002

A large international organisation

50 700 employees*



60+ countries
(Top ten)

Norway	14 669
Germany	6 788
USA	4 153
France	3 913
Denmark	2 449
UK	2 156
Italy	2 141
Sweden	1 731
China	1 701
Brazil	1 120

*Per 30.09.02

People Policy for culture change

"The main objective of our People Policy is to strengthen Hydro's competitiveness. We want to be a dynamic, diverse and energetic organisation where everyone contributes to innovation, performance improvement and first-class results."

Capitalising on our management model

- Demanding corporate owner
  - Portfolio, Performance, People
- Business Areas - accountable, competing for capital
- Reducing costs and increasing service through Hydro Business Partner

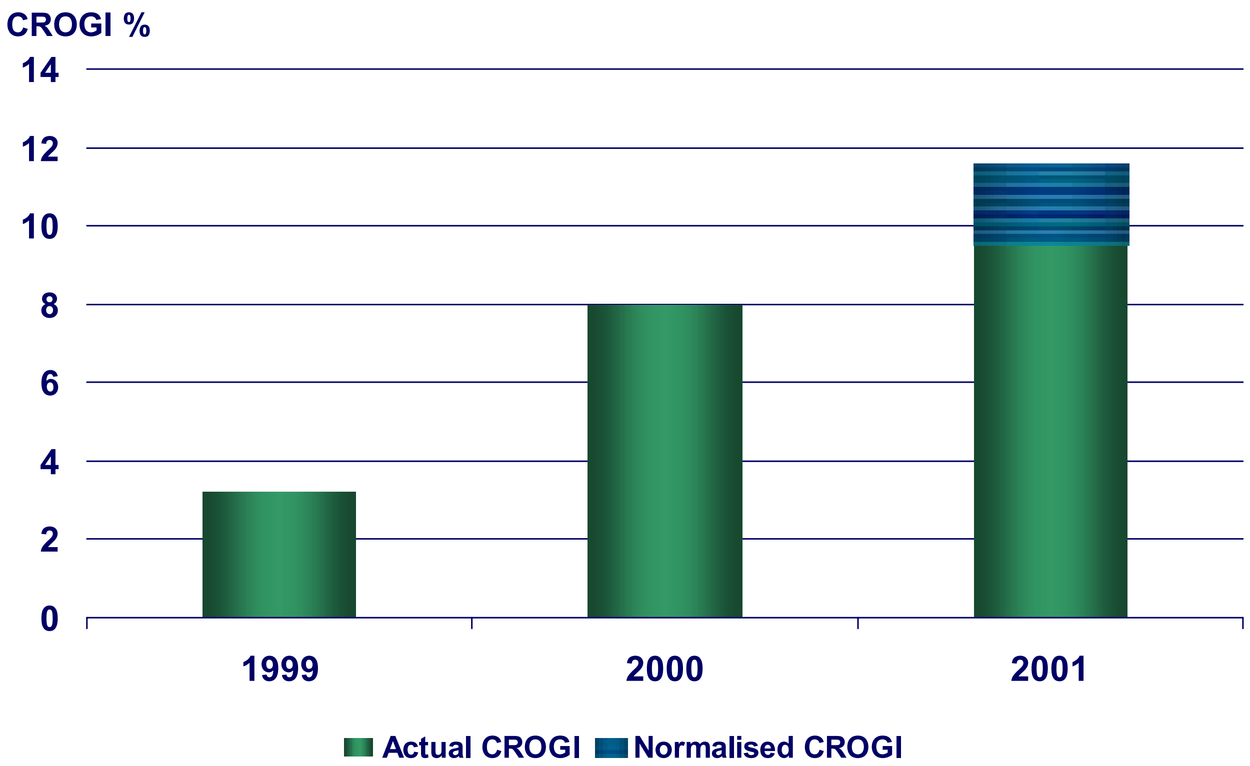
Real change at the top

- Generation change,
  New challenges and
  Performance drive
  - 4 of 6 CMB members new since 1999
  - 12 of 16 sector managers new since 1999
- More international
  - 44% non-Norwegian sector heads vs. 12% in 1999
- More women
  - 1 sector head, 9 CMB reports, vs. 0 in 1999
- Younger
  - Average age CMB + reports from 52 to 48 in 1999

Capital Markets Day
Hydro Agri

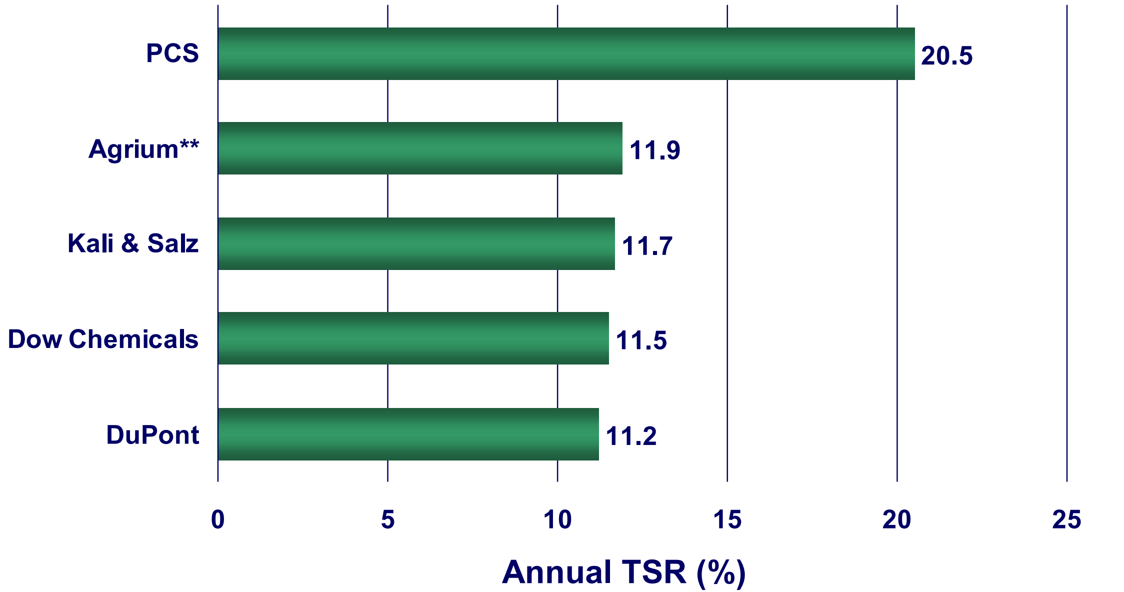
Executive Vice President
Thorleif Enger
Oslo, December 9, 2002

Strongly improved performance



Industry attractiveness – Competitive returns

Average annual total shareholder return* across the business cycle (1990-2001)

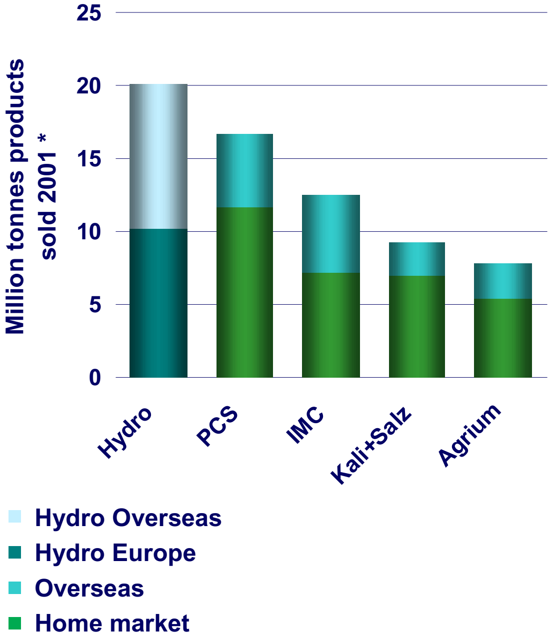


* TSR = Share price appreciation + dividends to shareholders
** Agrium from merger in 1993 to 2001

Source: BCG database

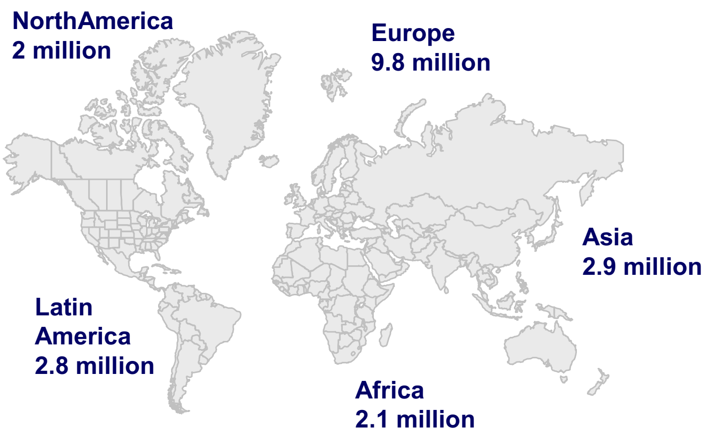
Good regional balance and global presence

All fertilizer products



** Kali & Salz figures based on year 2000*

Agri sales tonnes



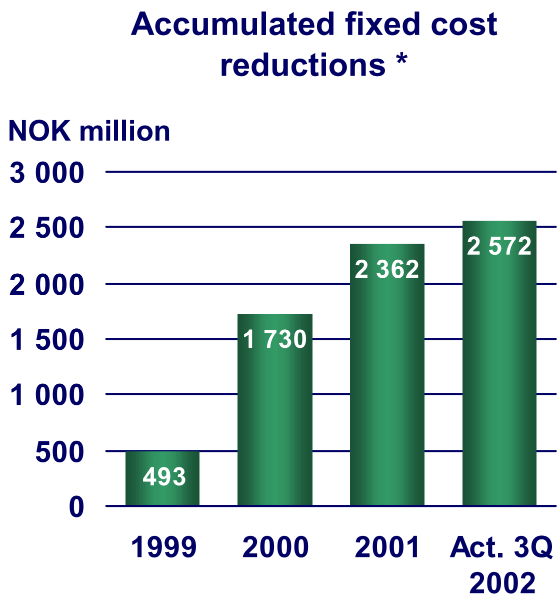
Accumulated 20 million

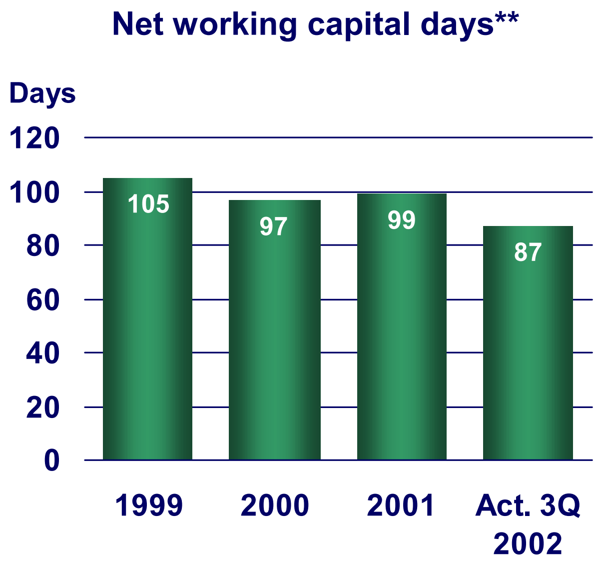
Hydro Agri cyclicality mitigated

- Plants are not cost based swing producers
- Global market presence and product flexibility provide hedging
- Growth overseas and in speciality/ industrial applications is less exposed

Target: NOK 3 billion EBITDA at bottom of business cycle

Reduced fixed costs and working capital

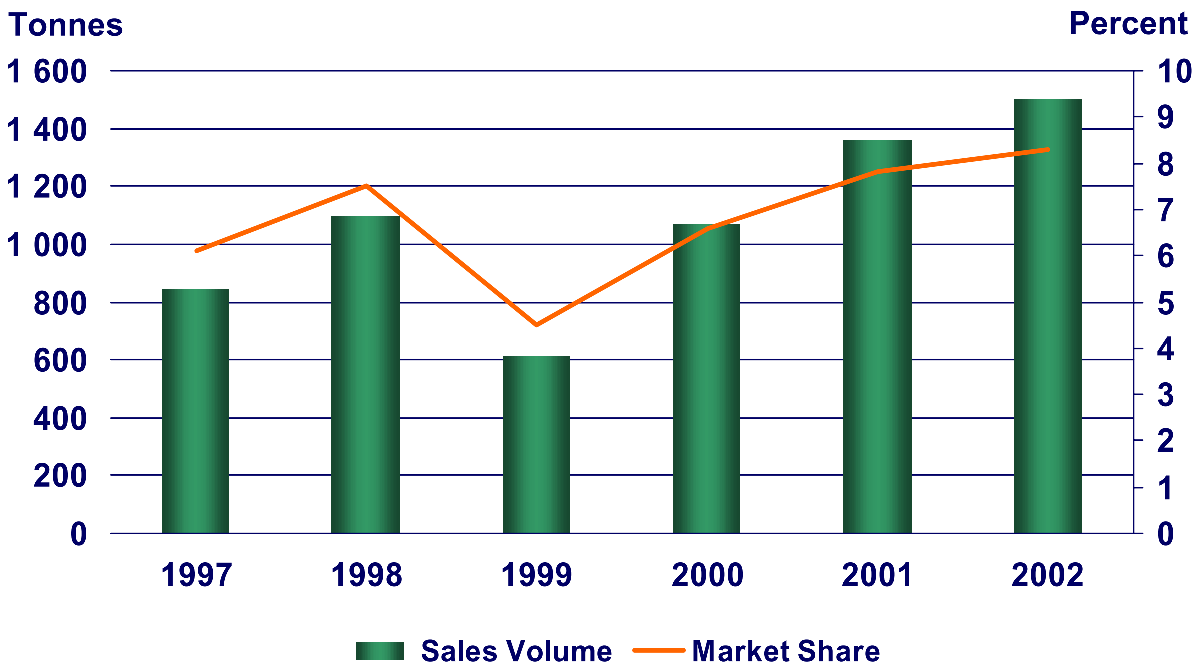




* Total fixed cost reductions compared with 1998 level

** Average net working capital divided by gross operating revenue

Trevo (Brazil) takeover: From bankruptcy to healthy business



We have a unique fertilizer position

- The largest player
- The only truly global company
- Balanced product portfolio (N,P,K)
- Strong sourcing power
- Unique brands

Positive market outlook

- Growth in fertilizer consumption
  - Cereal stocks diminishing rapidly
  - Increasing grain prices last months
  - Historically, fertilizer prices correlate well with grain prices
- Limited new capacity globally next 2-3 years
- Global supply/demand balance looks good

Possible opportunities and threats

Opportunities

- Increased exports to China and India
- Russian WTO membership expected to establish gas prices reflecting real costs
  - Reduce Government impact
  - Intermediate EU antidumping measures linked to gas price

Threats

- Improved US cost position
- Imports into Europe

Key messages

- Market outlook positive
- Unique business position
- Global leadership in key strategic areas
- Industry leadership after Turnaround
- Strong platform for profitable growth

Hydro Agri – indicative sensitivities

	EBITDA NOK million	CROGI % points
Urea + 10 USD/t	170	0.33
CAN + 10 USD/t *	500	0.97
Oil price + 1 USD/bbl	- 110	- 0.21
Currency + 0.1 NOK/USD	60	0.12

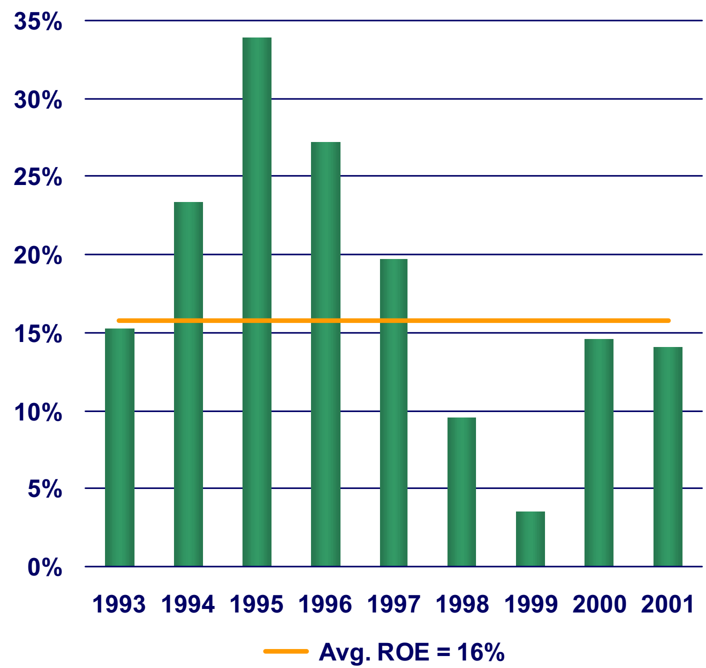
* Reference price for nitrogen sales in Europe
  CAN prices are influenced by urea

Underlying assumptions: Oil USD 18, CAN 113 USD/t , NOK/USD 8.00
Simplified tax rate: 30%

Qafco – a successful ammonia/urea investment

- Qatar Fertilizer Company, one of the most cost efficient nitrogen plants in the world.
- Hydro ownership 25%
- Hydro marketing agreement of 0.6 million tonnes (1.4 million tonnes)* urea p.a.

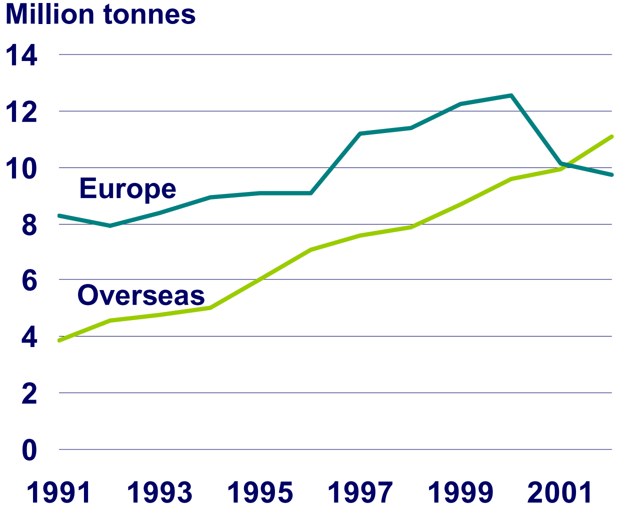
Return on Equity (ROE)



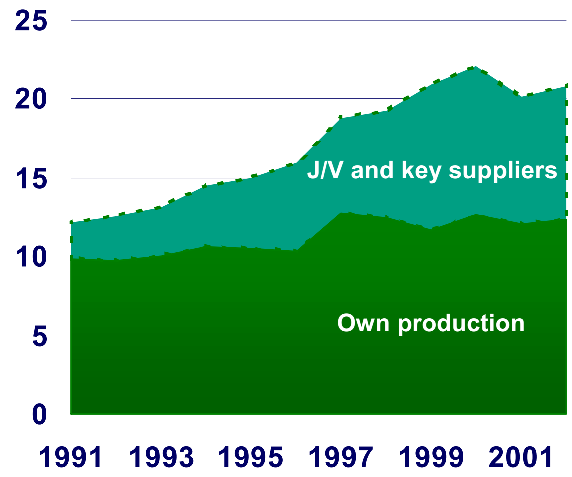
** Volume after June 2004 (Qafco 4 expansion)*

Growth in non-European markets

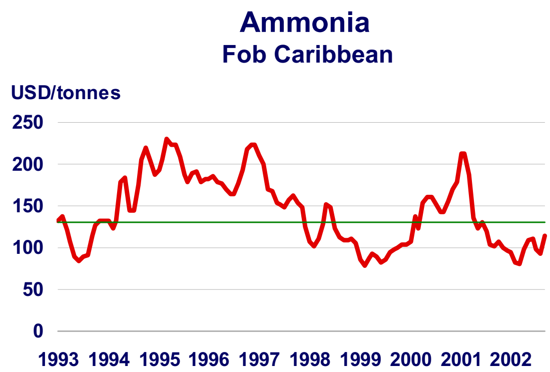
Est. 2002 Agri sales overseas higher than sales in Europe

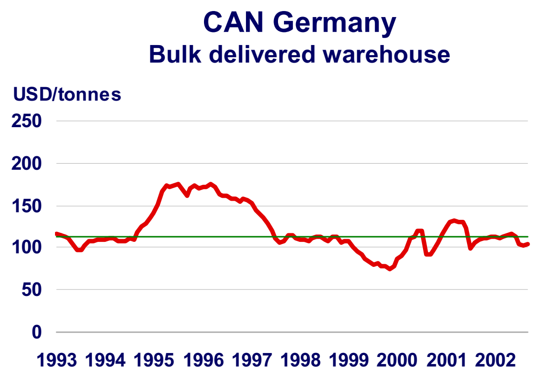


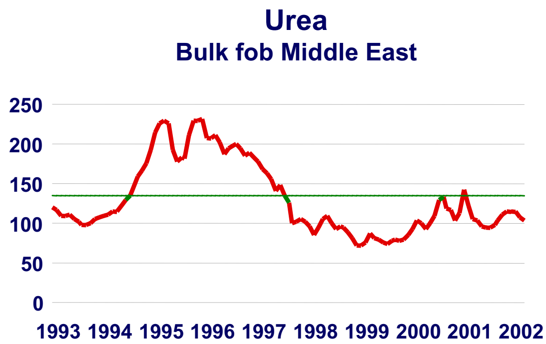
Sourcing

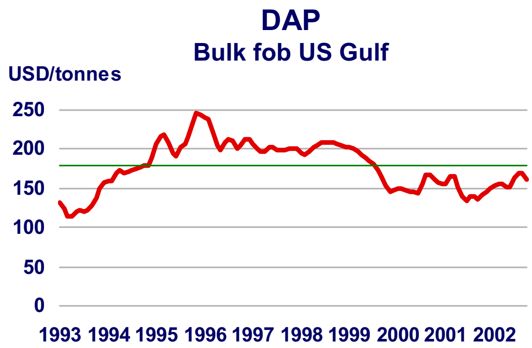


Historical and average fertilizer prices





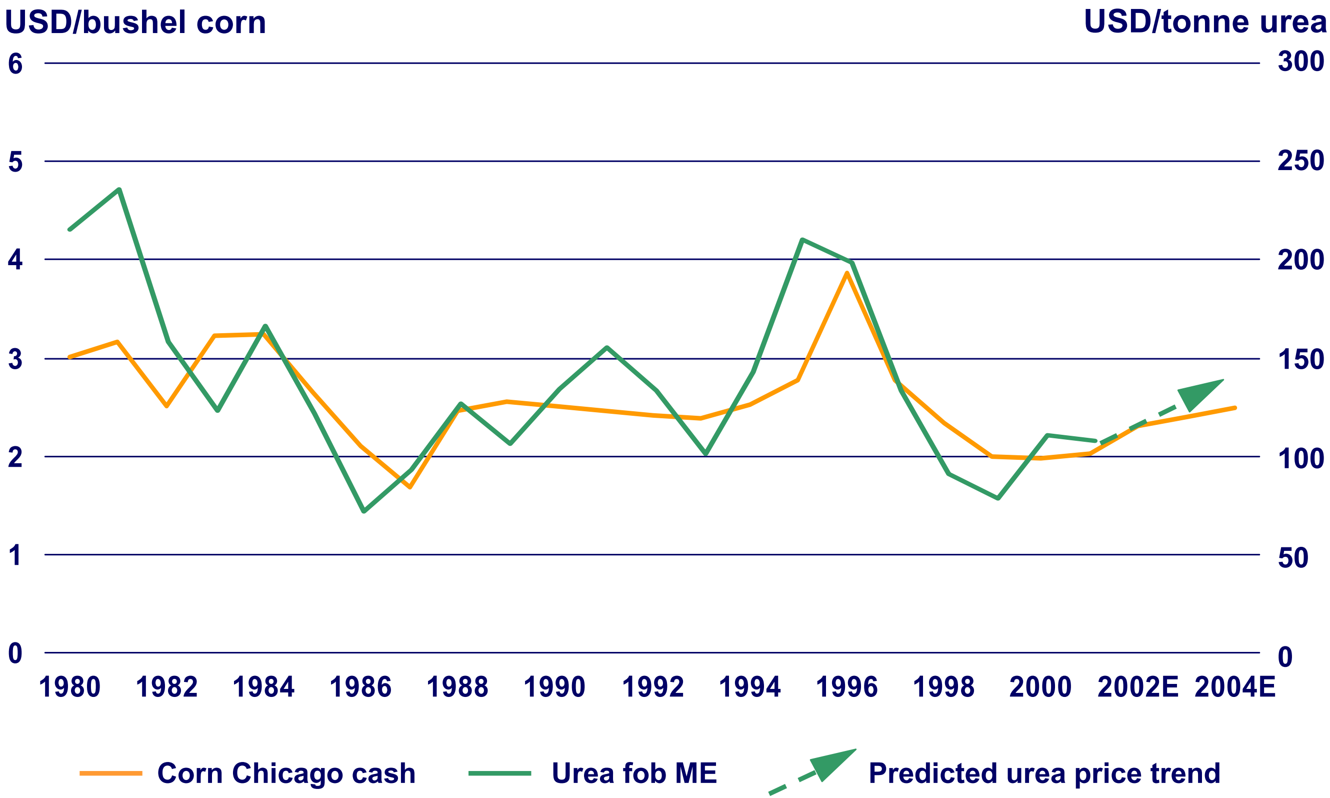




Average prices 1993 - 2001

Source: Fertilizer Week, The Market for CAN

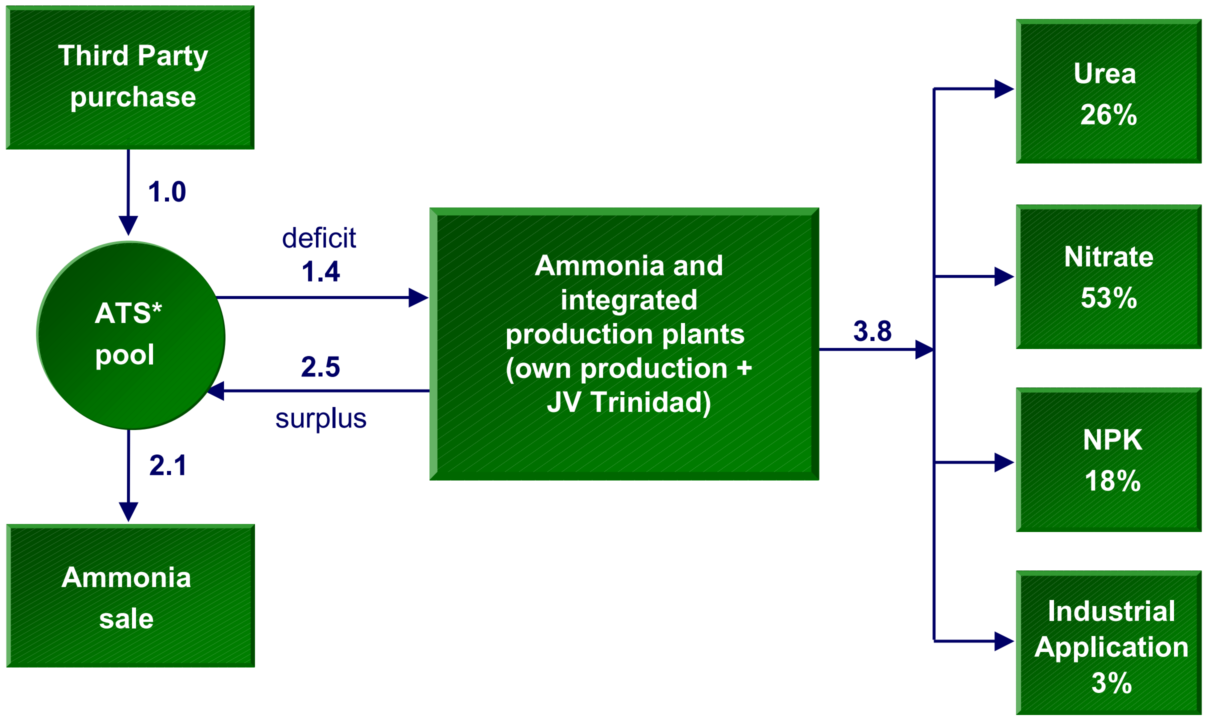
Fertilizer prices linked to grain prices -



Source: Blue-Johnson, CBT

Ammonia Value Chain (2001)

Ammonia use



* *Ammonia Trade & Shipping*

Product Value Chain

Raw materials	Intermediate products	Finished Products	
		Main	Other
Natural Gas/Air (N)	Ammonia/nitric acid	Urea	• Nitrates • Compounds NPK • Straights • Blends
Rock (P)	Phosphoric acid	DAP	
Salts (K)	-	MOP	

Hydro Agri structure

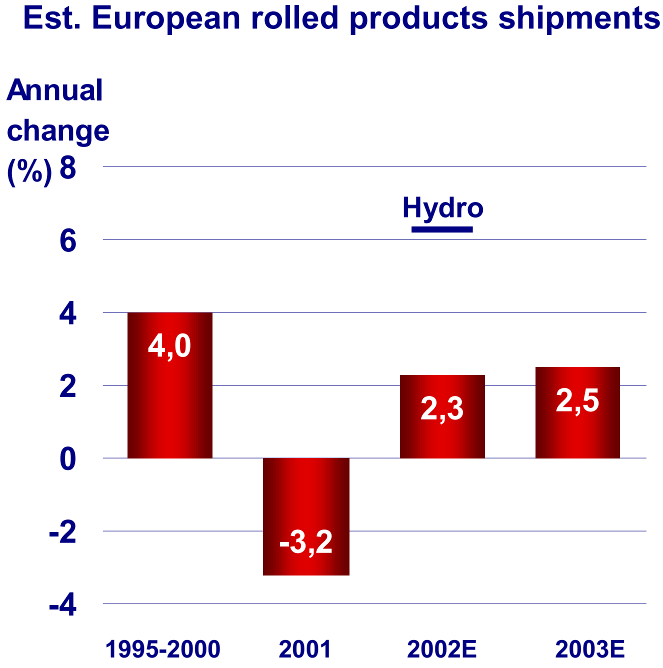
EVP Hydro Agri
Thorleif Enger

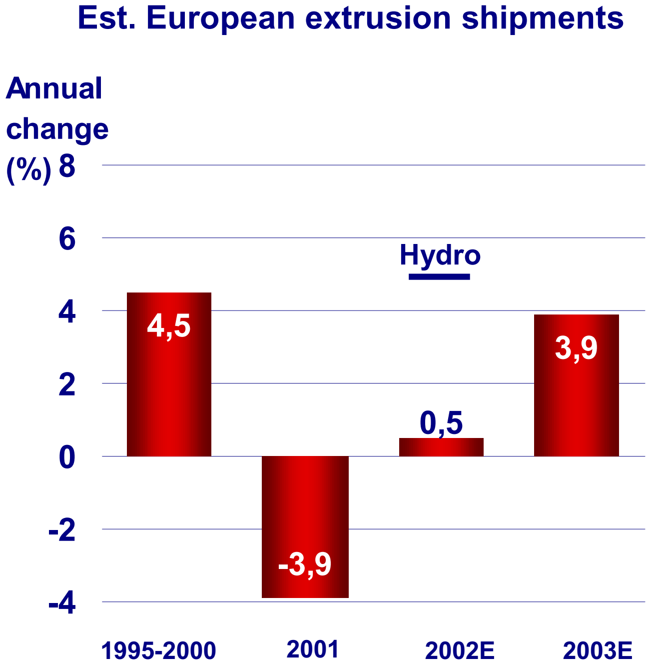
- **Finance & Strategy** — *Hallgeir Storvik*
- **Chief Operating Officer** — *Daniel Clauw*
- **Human Resources** — *Harald Aasheim*
- **Treka** — *Jan Stranges*

Capital Markets Day
Hydro Aluminium

Executive vice president
Jon-Harald Nilsen
Senior vice president
Arvid Moss
Oslo, December 9, 2002

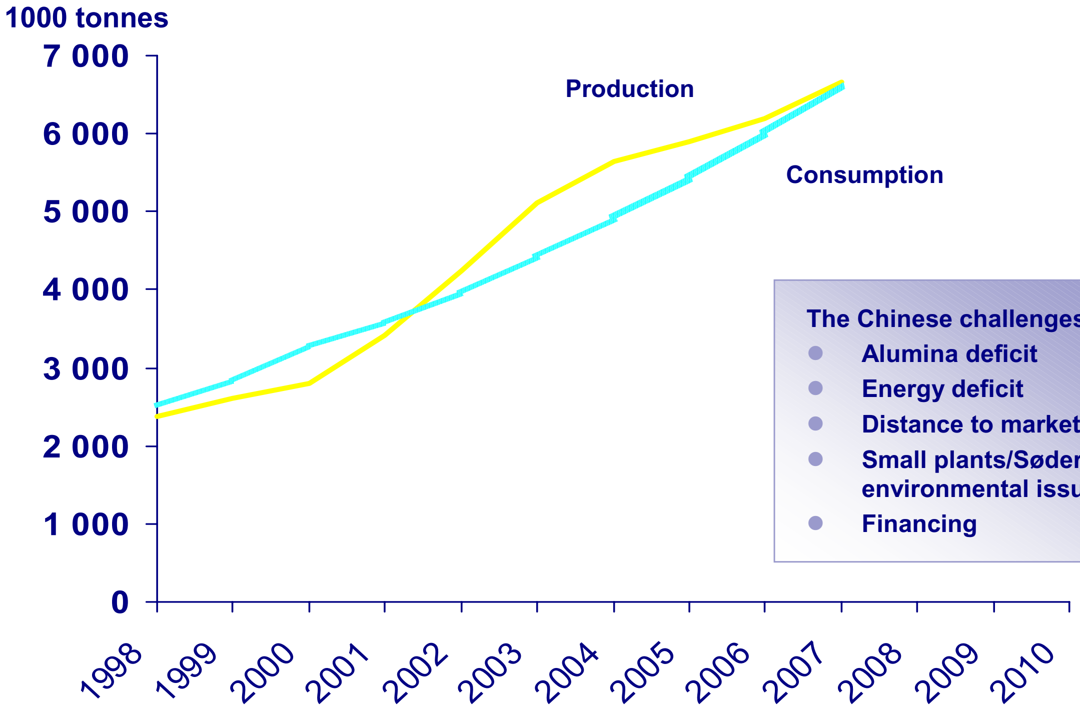
Europe: Moderate growth





Source: EAA

China: Primary metal balance



The Chinese challenges:

- **Alumina deficit**
- **Energy deficit**
- **Distance to market**
- **Small plants/Søderberg – environmental issues**
- **Financing**

Decision made by central government to close down inefficient and polluting Søderberg capacity due to environmental legislation. Søderberg plants assumed to be closed down by around 1 million tonnes between 2003-2007 (200 000 tonnes per year in 2003 and 2004, 300 000 tonnes per year in 2005 and 2006).

Source: CRU, HAL

Rapid acquisition and integration processes

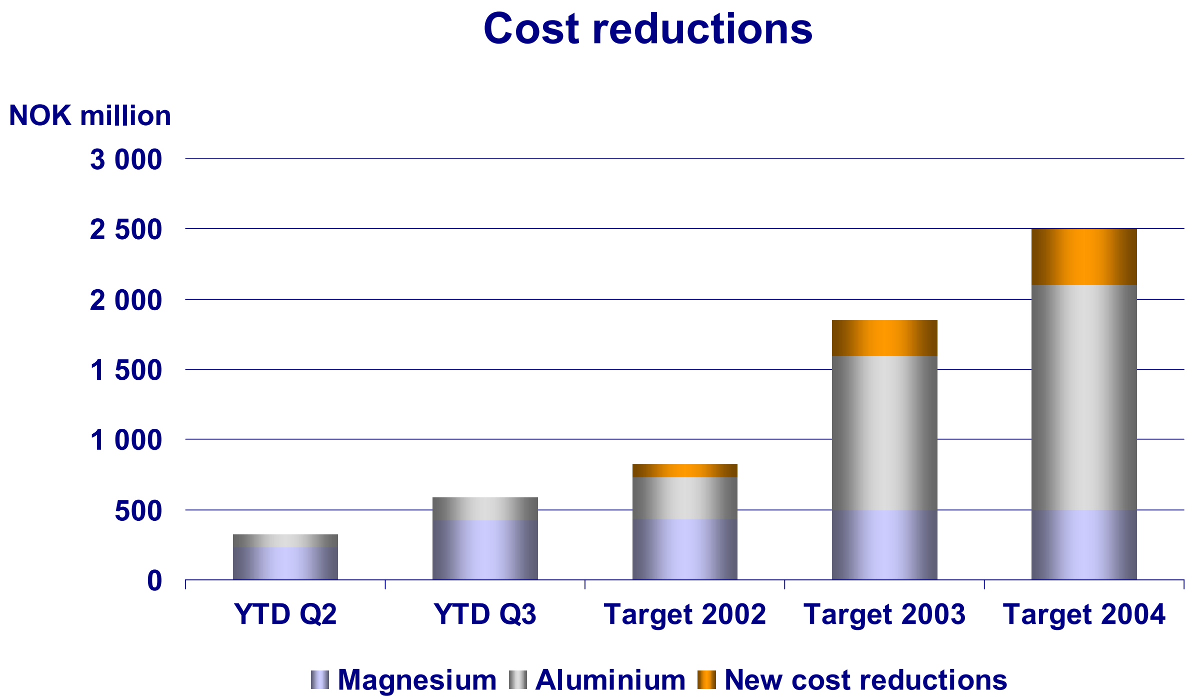
Industry examples: Time from announcement to closing

	Days
Hydro/ VAW	67
Hydro/ Technal	86
Alcan/ Algroup	140 (440 from APA -announcement)
Pechiney/ Corus	240 (expected)
Alcoa/ Reynolds	258

Hydro Aluminium

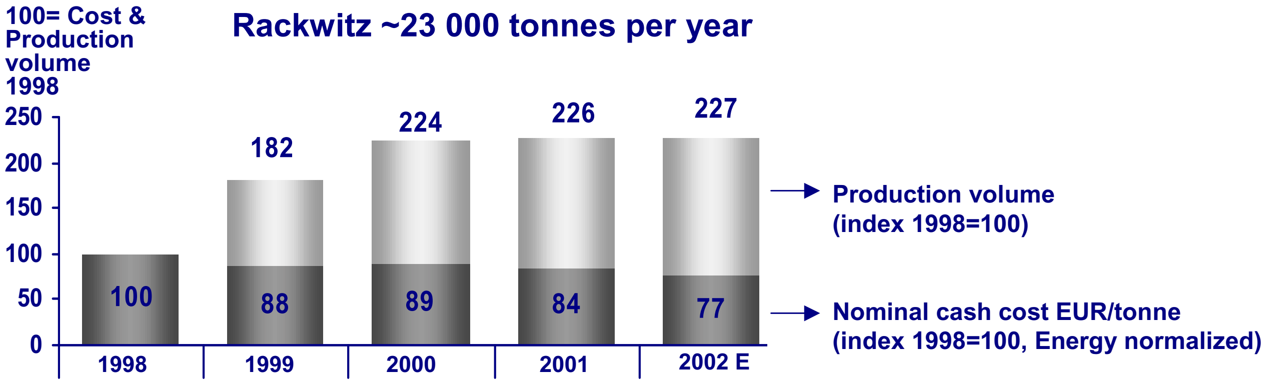
- Broad experience and diversity in the management teams
- Kept momentum in day-to-day business
- Successful execution of value capturing

Aluminium improvement program
Raised targets

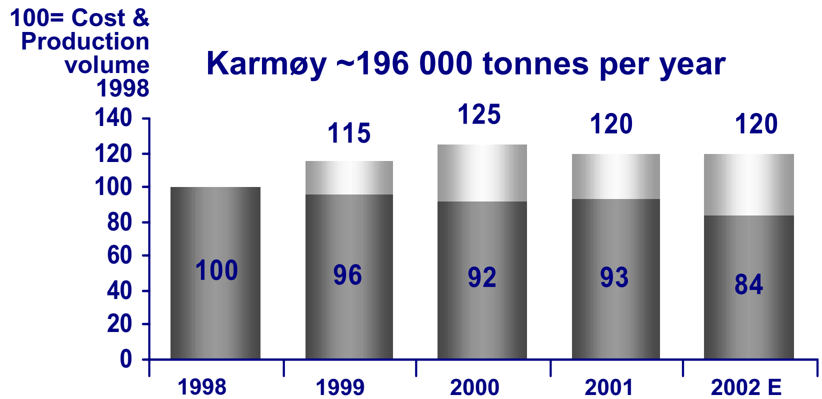


Metal Products
Increased volume and lower cost in operations

Rackwitz ~23 000 tonnes per year

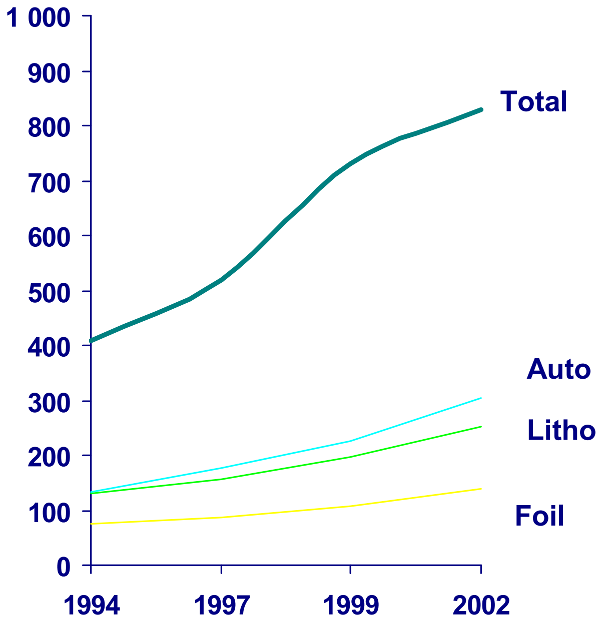


Karmøy ~196 000 tonnes per year

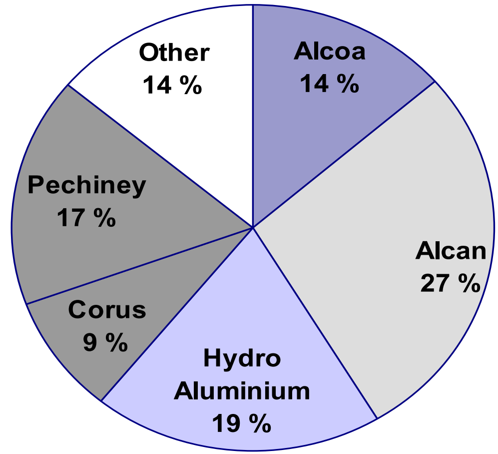


Rolled Products:
Increased volume. Improved industry structure

Volume
1 000 tonnes per year



Estimated market shares 2001
100% = 3.2 million tonnes per year



Four largest 2002: 86% market share*

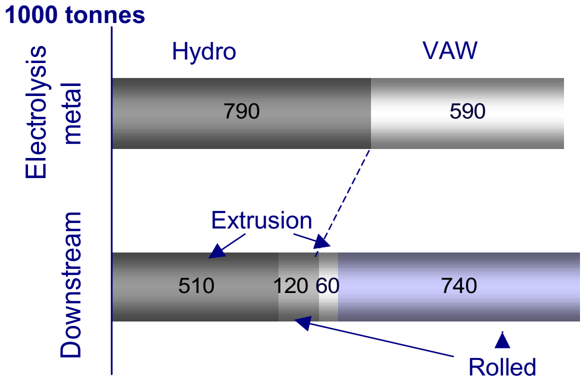
Four largest 1998: 58% market share

*Assumed Hydro/VAW and Pechiney/Corus together

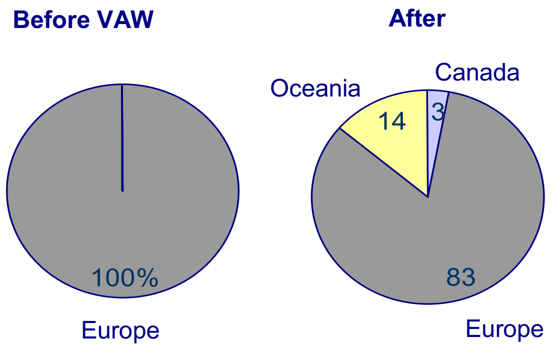
Source: EAA, Annual Reports

The new strategic platform

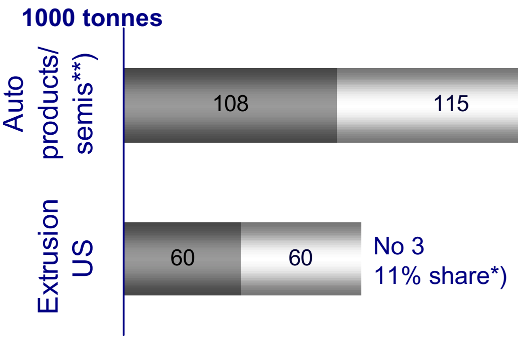
More downstream ….



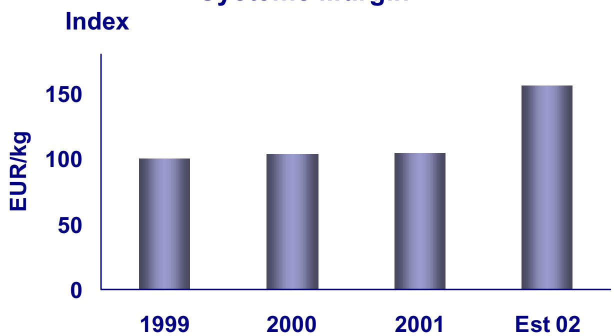
.. and Primary Metal in new areas



In addition to Rolling, leap forward in two areas



Technal: Quantum leap for Building Systems

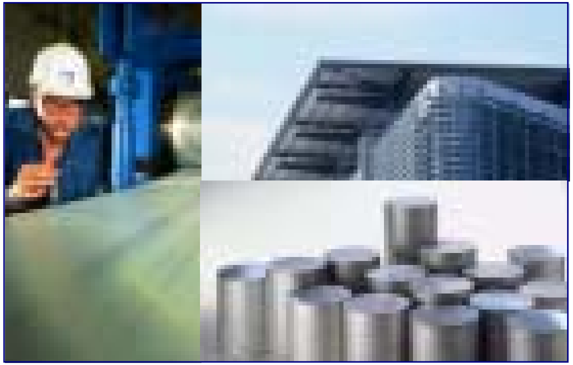


*) With automotive **) In addttion HAL sells 180.000 t Foundry alloys

Key steps in Hydro Aluminium's strategy

1. Global upstream

2. Europe mid- and downstream



3. Outside Europe, mid- and downstream

4. Global automotive

The leading player in Europe

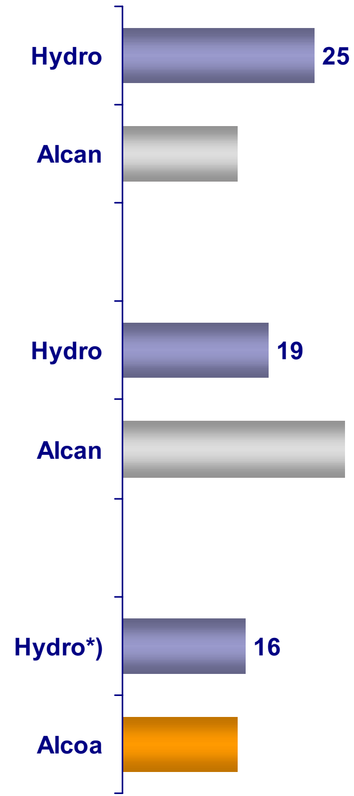
Key strengths

Metal (casthouse) Products
- Unique business model
- High recognition in market
- Low cost to market

Rolled Products
- Strong market positions in specialized products
- High technology standard
- 50% partner in the world's leading rolling mill

Extrusion
- Unique business model
- High recognition in market
- Strong performance culture

Market shares Europe

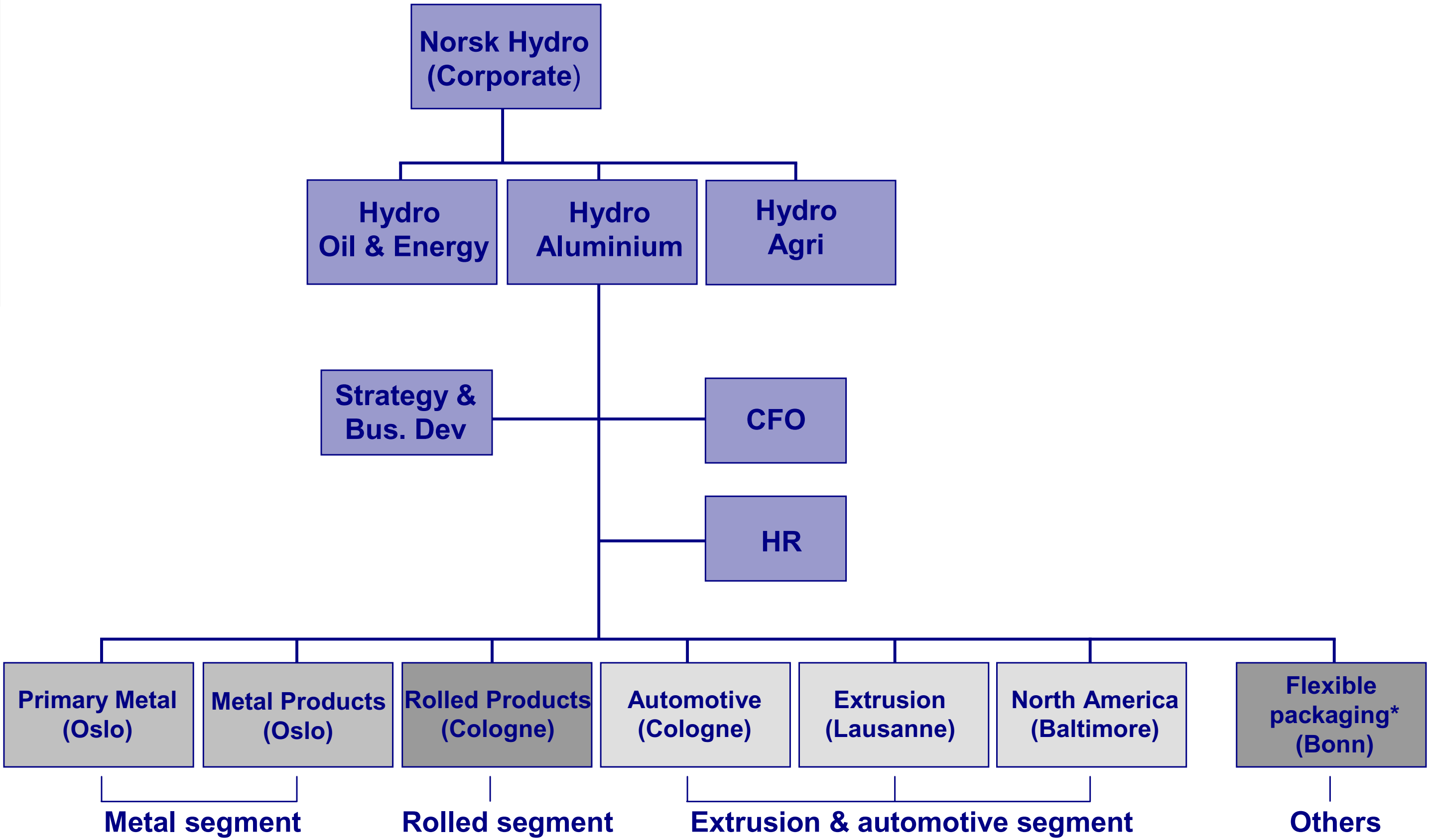


*) total, including automotive use

Priorities ahead

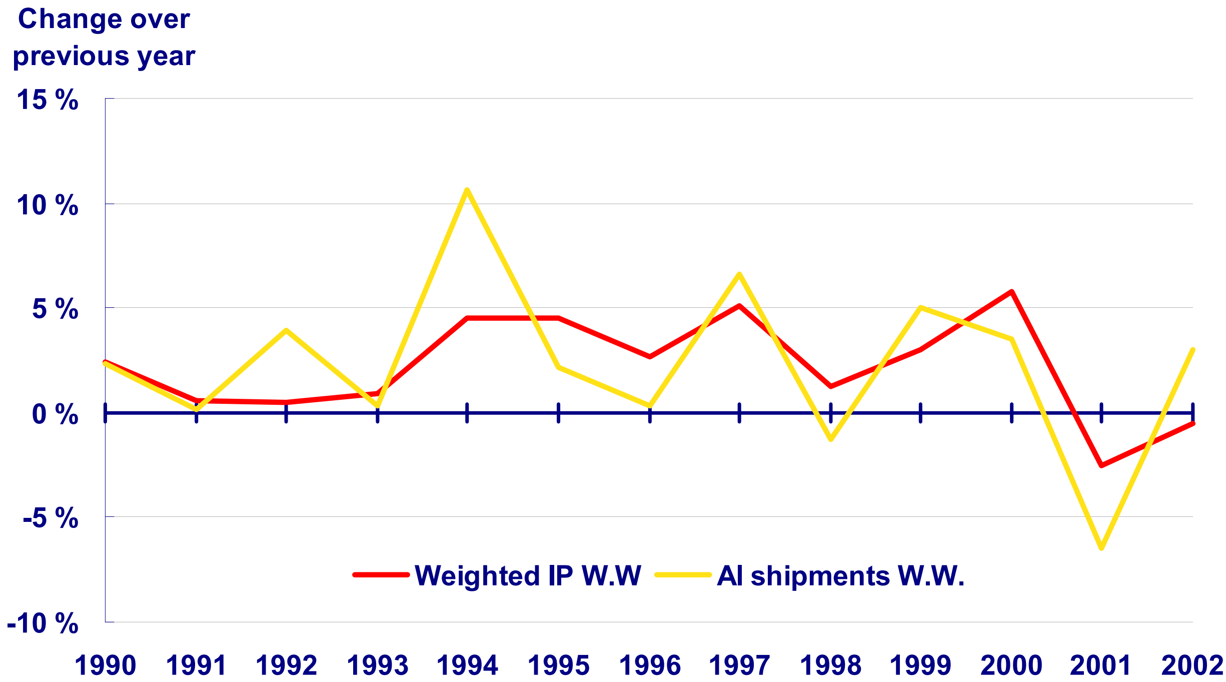
- Deliver improvement programs and value capturing as planned
- Further enhance value of HAL-VAW integration
- Win market share based on strengths
- Improve relative cost position for smelter system
- Continue active portfolio management
- Meet 10% CROGI target 2004 (normalized prices)

Norsk Hydro organization



* Flexible Packaging will be divested

Moderate growth in primary shipments- 6 % drop in 2001



Updated: November 2002

Source: CRU, WBMS, HAMP

Capital Markets Day 2002
Hydro Oil & Energy

- Growth
- Performance

Executive Vice President
Tore Torvund
Oslo, December 9, 2002

Major energy player in Europe*

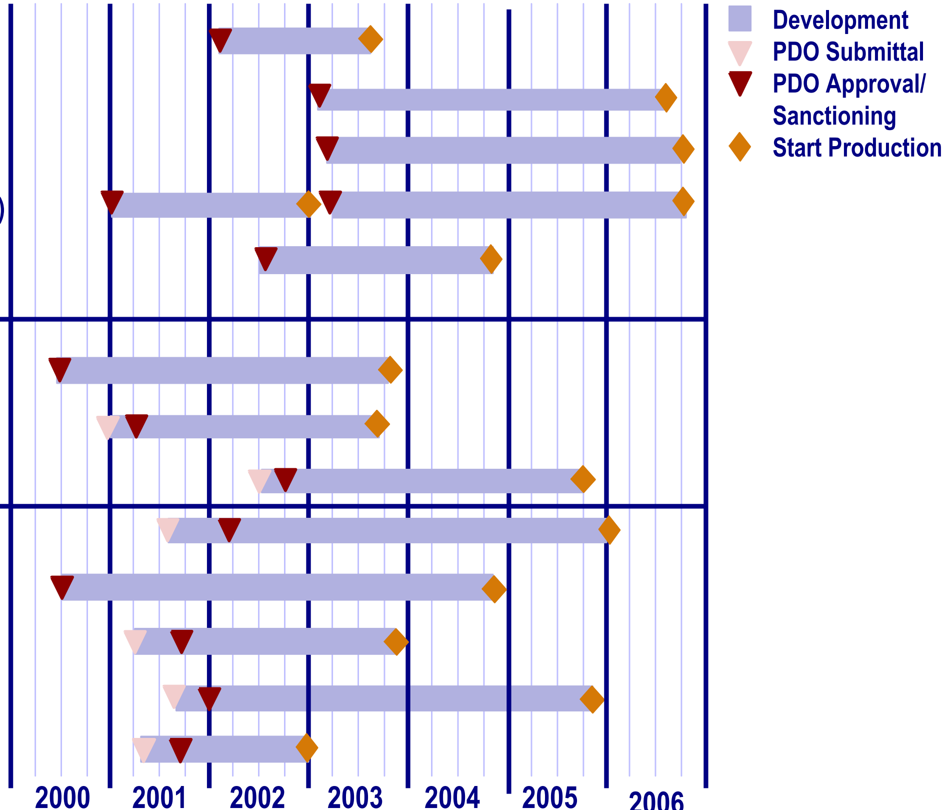
- **Norway**
  - 52% of proven oil reserves
  - 27% of proven gas reserves
  - 31% of hydroelectric power production
  - 1% of population
- **Norsk Hydro**
  - Operate 1.2 million boe/day on NCS
  - Hydroelectric power generation 8.5 TWh
  - Largest energy consumer in Europe

* EU15+Norway

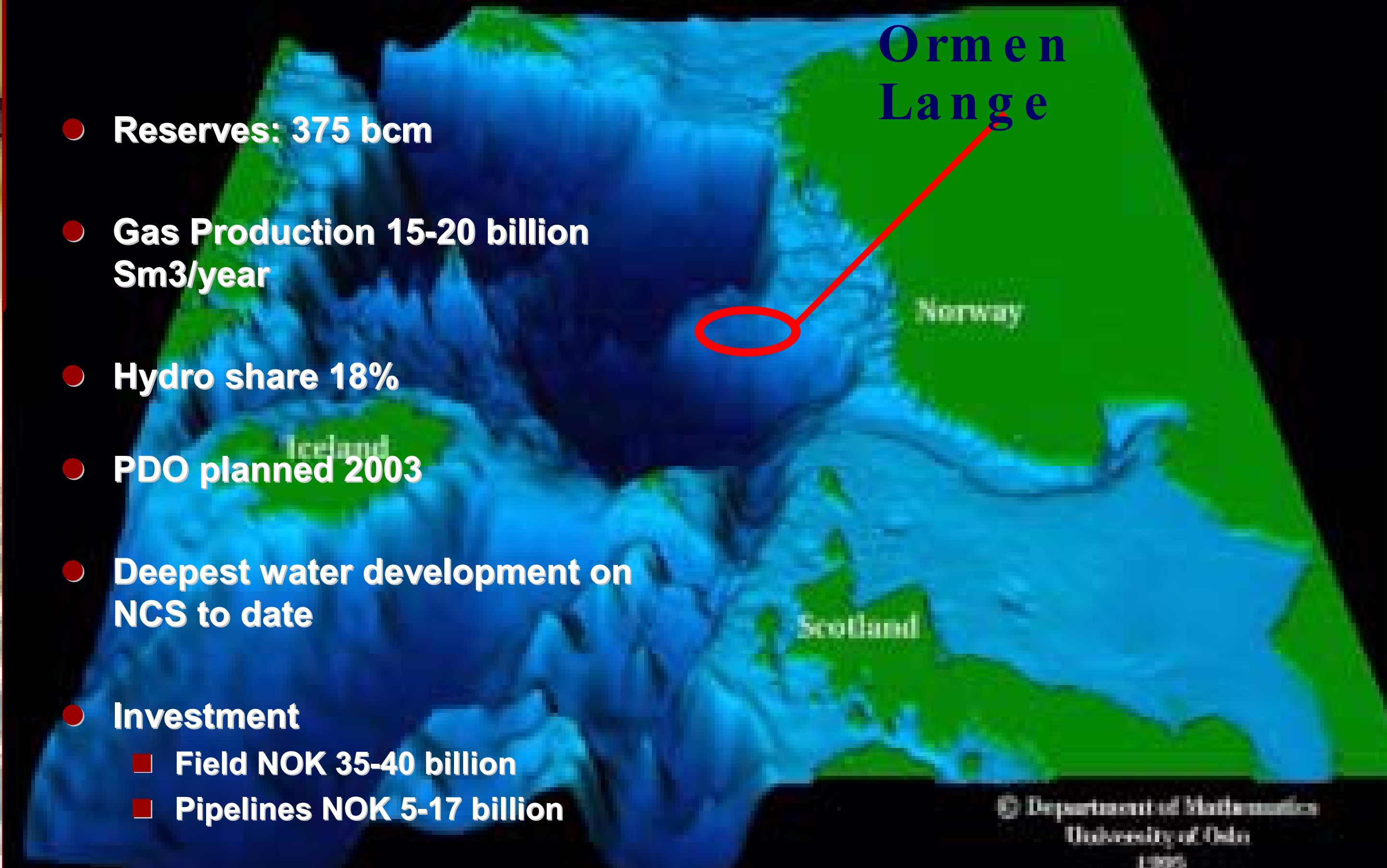
Sources: BP Statictical review, Eurostat

New fields on stream 2003-2006

	Hydro share boe/day	
International activity	Jasmim	4 000
	Dalia	20 000
	Rosa/Lirio	12 000
	Kharyaga 2+3	18 000 (phase 1-3)
	Murzuq A-field	4 000
NCS Operator	Grane	77 000
	Fram Vest	15 000
	Visund gas phase	17 900
NCS non-operator	Snøhvit	14 000
	Kvitebjørn	25 000
	Mikkel	5 000
	Kristin	30 000
	Sigyn	5 000

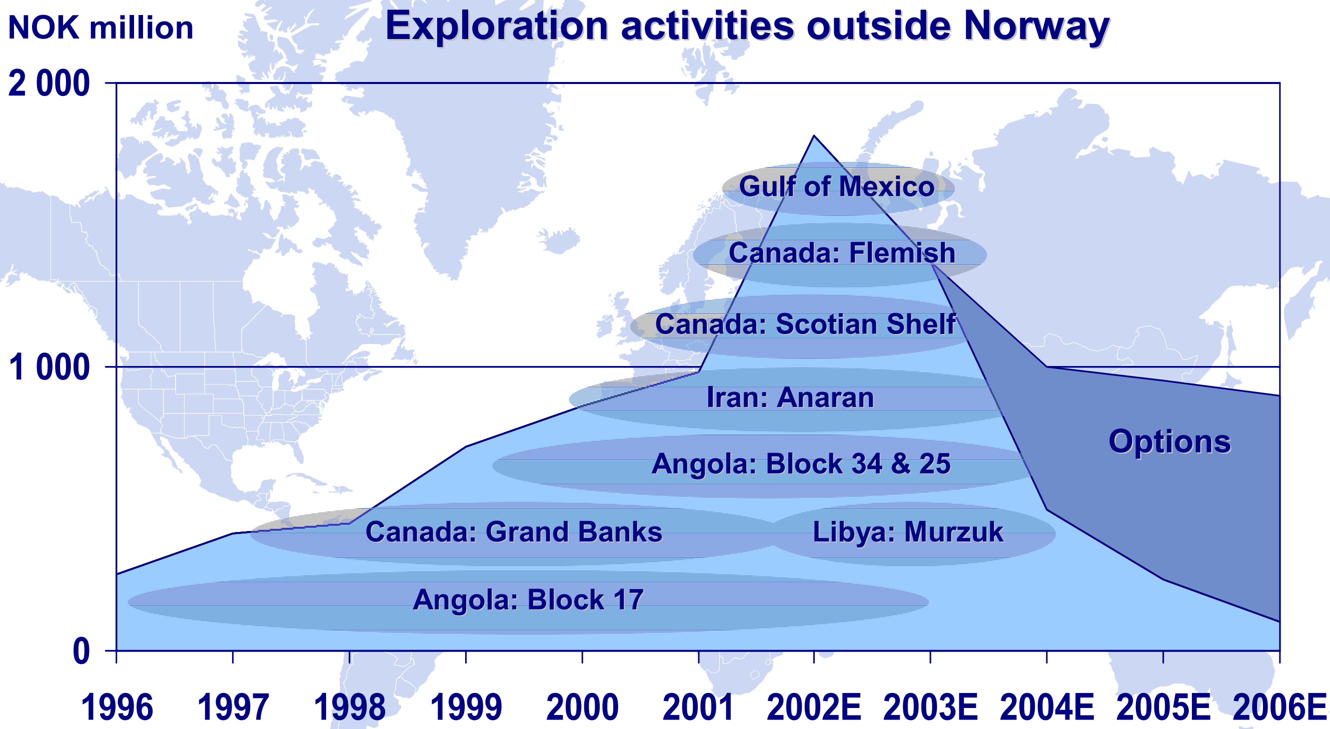


Ormen Lange – planned production 2007



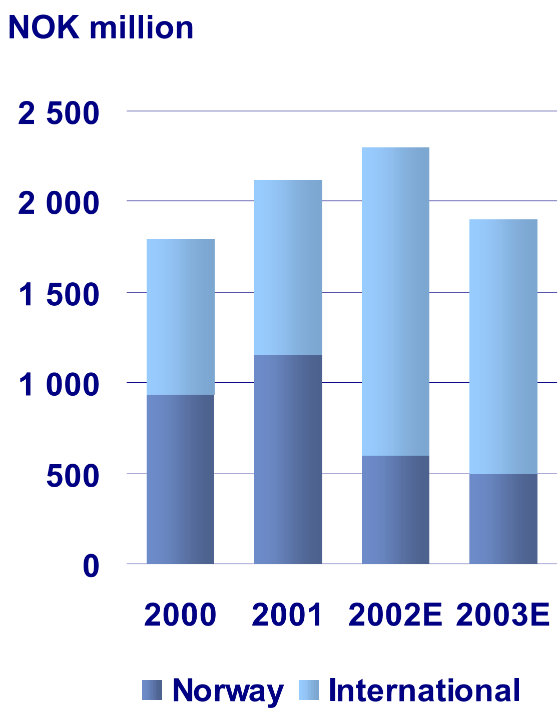
- Reserves: 375 bcm
- Gas Production 15-20 billion Sm3/year
- Hydro share 18%
- PDO planned 2003
- Deepest water development on NCS to date
- Investment
  - Field NOK 35-40 billion
  - Pipelines NOK 5-17 billion

Exploration options with low future commitments



Excluding licence acquisition costs

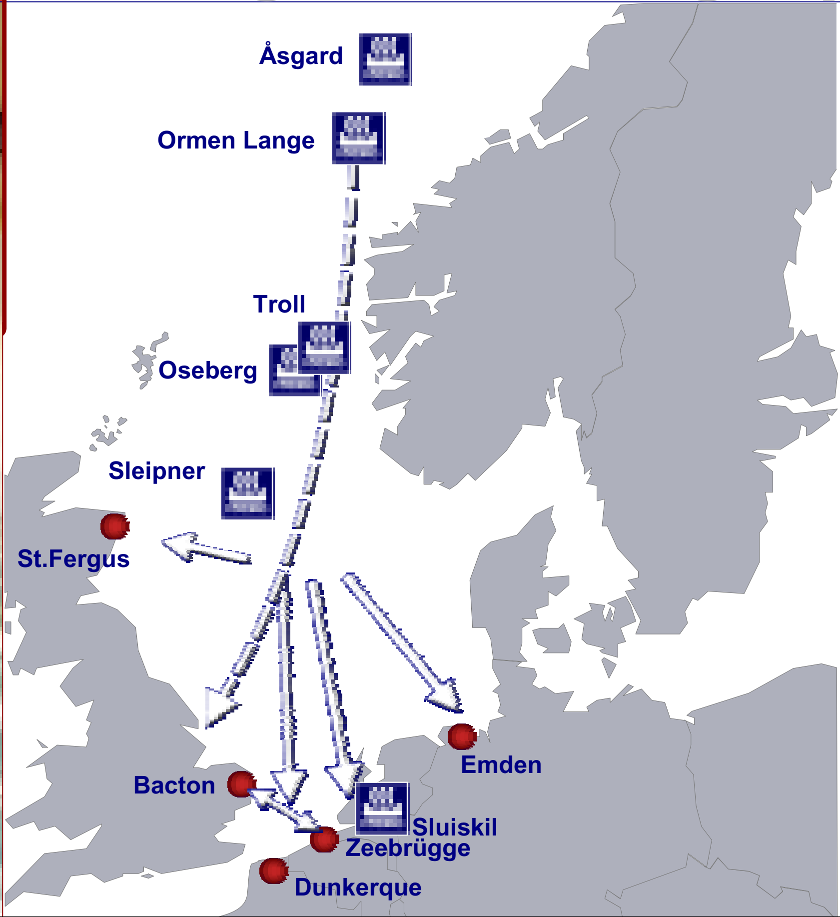
Substantial exploration in 2003



Major exploration wells

Location	Hydro share	Status
USA – Gulf of Mexico	25%	2 wells Q1, new options
Canada – Annapolis	25%	Delineation well Q4
Canada – Flemish Pass	33%	2 wells Q1-2
Iran – Anaran	100%	2 wells Q1
Angola – Block 34	30%	1 well Q4
Angola – Block 25	20%	2 wells Q2
Libya	20%	4-6 wells
Norway	–	17th round & satellite wells

Strong and flexible gas position in Europe

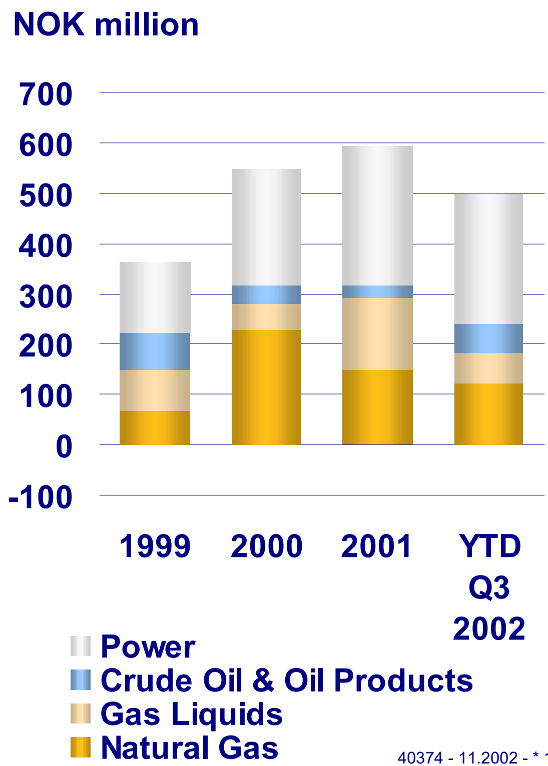


- Strong growth in equity production
- Ormen Lange – large uncommitted volumes
- Access to several landing points
- Diversified customer portfolio

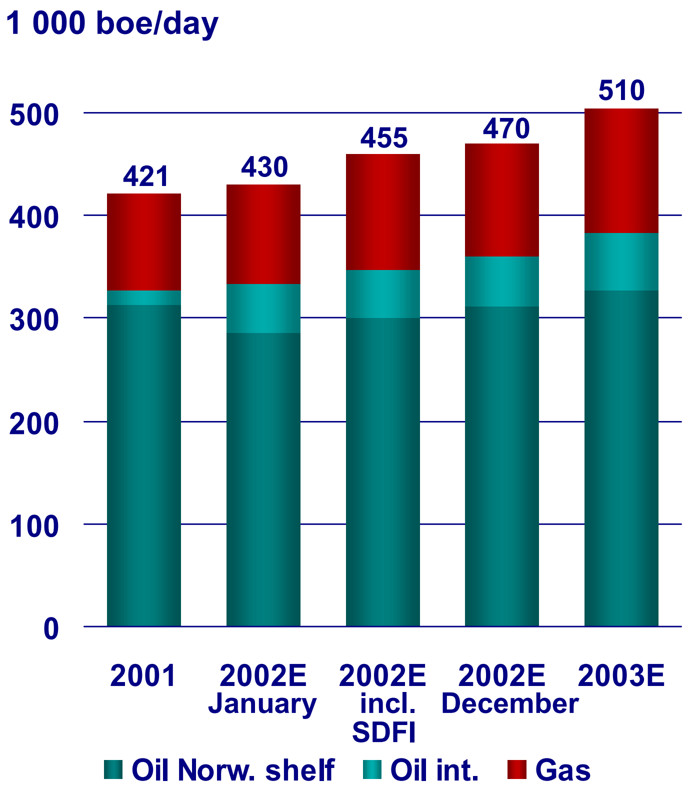
Commercial track record

- Active player at gas hubs since market opening
- Nordpool experience in power trading
- Active portfolio management

Contribution margin – Trading

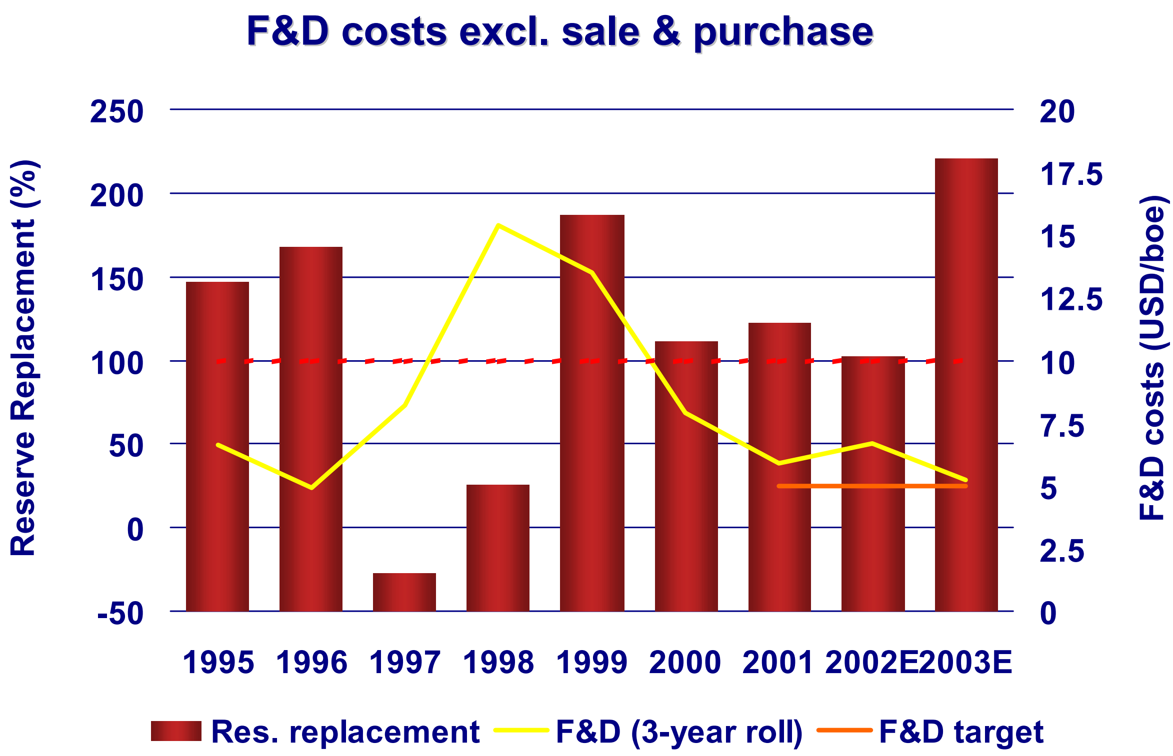


Strong production growth

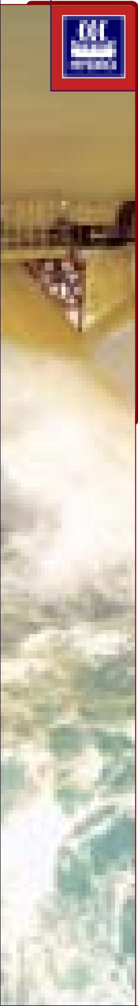


- 12% production growth 2001-2002 including SDFI
- Production target for 2003 510 000 boe/day

F&D costs tracking down towards target



Reserves changed from P80 to P90 in 1997



Financial and operating targets for 2003

• **Production target**	**510 000 boe/day**
• **Operating cost** (excl. exploration)	**NOK 82/boe**
• **F&D costs** (3 year average)	**USD 5/boe**
• **Reserves Replacement Ratio** (3 year average)	**140%**
• **CAPEX level**	**NOK 11.5 billion**
• **Exploration level**	**NOK 1.9 billion**

Safe harbour statement

In order to utilize the "Safe Harbour" provisions of the United States Private Securities Litigation Reform Act of 1995, Hydro is providing the following cautionary statement: This presentation contains certain forward-looking statements with respect to the financial condition, results of operations and business of the Company and certain of the plans and objectives of the Company with respect to these items. By the nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. The actual results and developments may differ materially from those expressed or implied in the forward-looking statements due to any number of different factors. These factors include, but are not limited to, changes in costs and prices, changes in economic conditions, and changes in demand for the Company's products. Additional information, including information on factors which may affect Hydro's business, is contained in the Company's 2001 Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission.