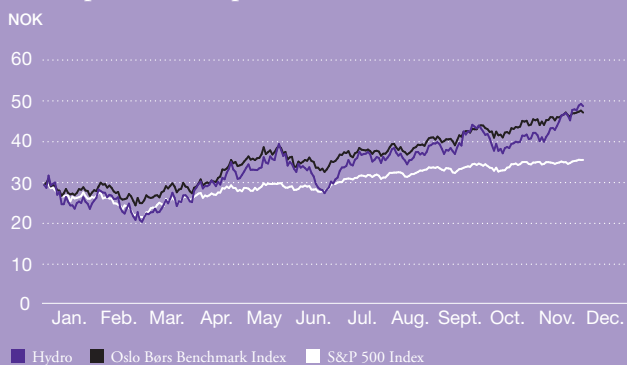


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Shareholder information



Share price development in 2009



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QUICK OVERVIEW

Hydro's share price closed at NOK 48.71 at the end of 2009. The return for 2009 was positive with NOK 20.91, or 75 percent. Due to the strong commitment of returning cash to shareholders, improved market and earnings visibility compared to the beginning of 2009, and Hydro's cash position, the board of directors has proposed a dividend of NOK 0.50 per share for approval by the Annual General Meeting on May 4, 2010.

There were 1,204,785,945 outstanding shares at the end of 2009. Hydro had 52,225 registered shareholders as per the Norwegian Central Securities Depository. The Ministry of Trade and Industry of Norway was the largest of these with a shareholding of 43.8 percent of the total number of ordinary shares authorized and issued.

Hydro's shares are also listed in London while our American Depository Shares (ADSs) trade on OTCQX International in the US, the premium over-the-counter market tier on PinkSheets. The share was delisted from the stock exchanges in Paris, Frankfurt, Düsseldorf and Hamburg during 2009.

Introduction

Hydro's share price closed at NOK 48.71 at the end of 2009. The return for 2009 was positive with NOK 20.91, or 75 percent. Due to the strong commitment of returning cash to shareholders, improved market and earnings visibility compared to the beginning of 2009, and Hydro's cash position, the board of directors has proposed a dividend of NOK 0.50 per share for approval by the Annual General Meeting on May 4, 2010.

There were 1,204,785,945 outstanding shares at the end of 2009. A total of 2.5 billion Hydro shares were traded on the Oslo Stock Exchange during 2009, representing 5.5 percent of the total turnover on the exchange in terms of share value.

Hydro's shares are also listed in London while our American Depositary Shares (ADSs) trade on OTCQX International in the US, the premium over-the-counter market tier on PinkSheets. The share was delisted from the stock exchanges in Paris, Frankfurt, Düsseldorf and Hamburg during 2009.

Dividend policy

Long-term returns to shareholders should reflect the value created by Hydro. Shareholders' returns consist of dividends and share price development. Over time, value creation should be reflected to a greater extent by share price development than through dividends. Our policy is to pay out, on average, 30 percent of net income as ordinary dividend over time to our shareholders. In setting the dividend for a specific year, we will take into consideration future earnings, future investment opportunities, the outlook for world commodity markets and our financial position. Share buybacks or extraordinary dividends will supplement ordinary dividends during periods of strong financials, due consideration being given to the commodity cycle and capital requirements for future growth. The total payout should reflect Hydro's aim to give its shareholders competitive returns benchmarked against alternative investments in comparable companies.

Hydro's board of directors normally propose a dividend per share in connection with the publication of our fourth quarter results. The Annual General Meeting then considers this proposal in May each year, and the approved dividend is subsequently paid to shareholders in May or June. We pay dividends once each year. For non-Norwegian shareholders, Norwegian tax will be deducted at source in accordance with the current regulations.

Buyback of shares

In periods when earnings are high, Hydro may consider buying back shares in addition to ordinary or extraordinary dividend payments. This consideration will be made in the light of alternative investment opportunities and our financial situation. In circumstances when buying back shares are relevant, our board of directors proposes buyback authorizations to be considered and approved by the Annual General Meeting. Authorizations are granted for a specific time period and for a specific share price interval during which share buybacks can be made.

Funding and credit quality

Maintaining a strong financial position and an investment grade credit rating are viewed as important risk mitigating factors, supporting Hydro's possibilities for strategic development of its businesses. Access to external financial resources is required in order to maximize value creation over time, balanced with acceptable risk exposure. To secure access to debt capital on attractive terms, we aim at maintaining an investment grade credit rating from the leading rating agencies.

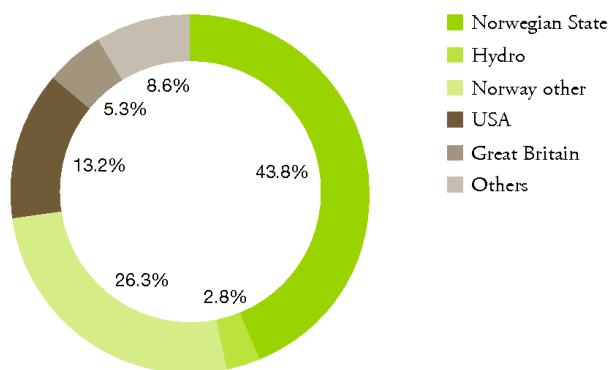
Contributing toward this ambition to retain our credit rating, we intend to keep our funds from operations at a level no less than 40 percent of net adjusted interest-bearing debt, in addition to net adjusted interest-bearing debt at a ratio not higher than 0.55 to equity capital over time. In calculating this ratio, we include off-balance sheet pension obligations, operating lease commitments, share of net interest-bearing debt in joint ventures and certain other debt-like items. For a discussion of these adjustments see Note 35 - Capital Management in the Financial Statements section of this report.

Major shareholders and voting rights

As of December 31, 2009, Hydro had 52,225 registered shareholders as per the Norwegian Central Securities Depository. The Ministry of Trade and Industry of Norway was the largest of these with a shareholding of 43.8 percent of the total number of ordinary shares authorized and issued, and 45.1 percent of the total shares outstanding. As of the same date, The Government Pension Fund - Norway (Folketrygdfondet) owned 5.8 percent of the total number of ordinary shares issued and 6.0 percent of the total shares outstanding. In total, the Norwegian state owns 49.6 percent of the total number of ordinary shares issued and 51.1 percent of the total shares outstanding. There are no different voting rights associated with the ordinary shares held by the state.

The state, represented by the Ministry of Trade and Industry, has in a white paper stated its intention to maintain its shareholding in Hydro. The Norwegian Ministry of Trade and Industry represents the Norwegian government in exercising the state's voting rights. The state has never taken an active role in the day-to-day management of Hydro and has for several decades not disposed of any of the ordinary shares owned by it, except when participating in the share buyback programs.

Geographical ownership distribution of shares



This requirement also applies to our US-traded ADSs.

JPMorgan Chase & Co, as depository of the ADSs, through its nominee company, Morgan Guaranty Trust Company, held interests in 36,429,186 ordinary shares, or 3.0 percent of the issued and outstanding ordinary shares as of December 31, 2009. The interests are on behalf of approximately 500 registered and an estimated 18,500 beneficial holders of ADSs.

All shares basically carry one vote. It is, however, a requirement of Norwegian legislation that a shareholder can only vote for shares registered in their name. Shares registered with a nominee account must be re-registered in the Norwegian Central Securities Depository before the Annual General Meeting in order to obtain voting rights.

Hydro's 20 largest shareholders, 31 December 2009

Shareholder	Number of shares	Ownership interest
Ministry of Trade and Industry	543 463 361	43,82 %
Folketrygdfondet	72 359 835	5,83 %
State Street Bank and Trust (nominee)	49 019 516	3,95 %
JPMorgan Chase Bank (nominee)	36 429 186	2,94 %
Hydro	35 324 266	2,85 %
Clearstream Banking (nominee)	19 620 966	1,58 %
Rasmussengruppen	17 152 000	1,38 %
State Street Bank & Trust (nominee)	14 872 303	1,20 %
State Street Bank and Trust (nominee)	11 725 269	0,95 %
Bank of New York Mellon (nominee)	8 430 107	0,68 %
DnB NOR Bank	8 375 324	0,68 %
The Northern Trust Co. (nominee)	7 386 045	0,60 %
Pareto Aksje Norge	7 247 800	0,58 %
JPMorgan Chase Bank (nominee)	7 128 815	0,57 %
Bank of New York Mellon (nominee)	7 063 044	0,57 %
JPMorgan Chase Bank (nominee)	6 795 409	0,55 %
Odin	6 101 674	0,49 %
State Street Bank and Trust (nominee)	5 851 218	0,47 %
Vital Forsikring	5 779 526	0,47 %
DnB NOR Norge (IV)	5 769 537	0,47 %

Source: Norwegian Central Securities Depository (VPS)

Key figures for the Hydro share

	2009	2008	2007	2006	2005
Share price high, Oslo (NOK) ¹⁾	49.25	85.60	80.13	64.68	48.56
Share price low, Oslo (NOK)	20.40	21.20	68.00	43.79	30.01
Share price average, Oslo (NOK)	33.65	57.32	70.32	53.22	38.65
Share price year-end, Oslo (NOK)	48.71	27.80	77.60	62.77	44.96
Earnings per share (EPS) (NOK)	0.25	(3.25)	14.90	14.00	12.50
EPS from continuing operations (NOK) ²⁾	(2.64)	(3.04)	7.20	13.90	12.40
Dividend per share (NOK)	0.50	0.00	5.00	5.00	4.40
Pay-out ratio ³⁾	-	-	69 %	36 %	35 %
Dividend growth	-	(100) %	0 %	14 %	10 %
Pay-out ratio five year average ⁴⁾	39 %	38 %	34 %	35 %	34 %
Adjusted debt/equity ratio ⁵⁾	0.32	0.30	0.01	0.22	0.31
Credit rating, Standard & Poor's	BBB-	BBB	BBB	A-	A
Credit rating, Moody's	Baa2	Baa1	Baa1	A2	A1
Non-Norwegian ownership, year-end	27 %	33 %	42 %	38 %	40 %
Outstanding shares, average	1 205 376 724	1 209 143 809	1 221 195 650	1 240 804 344	1 254 036 520
Outstanding shares, year-end	1 204 785 945	1 206 325 863	1 209 304 379	1 226 175 885	1 250 692 320

1) An adjustment factor of 0.324396 has been used for share prices prior to the demerger of the oil and gas activities on October 1, 2007. In addition an adjustment factor of 0.881699 has been used for share prices prior to the demerger of Yara International on March 25, 2004. The adjustments are according to Oslo Stock Exchange's calculation methods.

2) Oil and gas activities only included as discontinued for 2007.

3) Dividend per share divided by earnings per share from continuing operations.

4) Total dividend divided by net income for last five years.

5) See note 35 to the Consolidated Financial Statements. Years 2004-2006 not adjusted for revised definition introduced in 2008.

Information from Hydro

Hydro gives a high priority to communicating with the stock market, and aims to maintain an open dialogue with market participants. Our objective is to provide sufficient information on a timely basis to all market participants to ensure a fair valuation of our shares. Information that is considered price sensitive is communicated by news releases and stock exchange announcements. We host regular meetings for investors in Europe and the US. The major brokers in Oslo and London publish equity research reports on Hydro. All information about Hydro is published on our website: www.hydro.com

Our annual and quarterly reports are available on www.hydro.com, and our latest annual reports can also be ordered in printed versions from the website.

Two weeks before the announcement of quarterly results, Hydro practices a "closed period" meaning that contact with external analysts, investors and journalists is minimized. This is done to minimize the risk of information leaks and potentially unequal information in the marketplace.

Annual General Meeting

The Annual General Meeting will be held at the company's headquarters at Drammensveien 260, Oslo, Norway, on Tuesday, May 4, 2010, at 17:00 CET. Shareholders who wish to attend are asked to inform the registrar by 12:00 CET on Monday, May 3:

DnB NOR Bank ASA
Verdipapirservise
0021 Oslo, Norway
Fax: + 47 22 48 11 71

You may also register electronically on our website www.hydro.com/register or via VPS Investor Services. Any shareholder may appoint a proxy with written authority to attend the meeting and vote on his or her behalf. Voting rights are discussed under "Major shareholders and voting rights."

Change of address

Shareholders registered in the Norwegian Central Securities Depository should send information on changes of address to their registrar and not directly to Hydro.

Financial calendar 2010

April 27 First quarter results
May 4 Annual General Meeting
May 5 Shares traded ex-dividend
May 7 Record date for dividend
July 27 Second quarter results
October 27 Third quarter results
December 1 Capital Markets Day