Higher alumina and aluminium prices lift results

Fourth quarter presentation

Cautionary note

Certain statements included in this announcement contain forward-looking information, including, without limitation, information relating to (a) forecasts, projections and estimates, (b) statements of Hydro management concerning plans, objectives and strategies, such as planned expansions, investments, divestments, curtailments or other projects, (c) targeted production volumes and costs, capacities or rates, start-up costs, cost reductions and profit objectives, (d) various expectations about future developments in Hydro's markets, particularly prices, supply and demand and competition, (e) results of operations, (f) margins, (g) growth rates, (h) risk management, and (i) qualified statements such as "expected", "scheduled", "targeted", "planned", "proposed", "intended" or similar.

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Svein Richard
Brandtzæg

President and CEO

Q4 highlights

- Underlying EBIT of NOK 1 829 million
- Higher realized all-in aluminium and alumina prices
- Record production at Alunorte and Paragominas
- Weak Rolled Products on lower sales and margins, increased costs
- NOK 1.4 billion *Better* improvements in 2016 vs NOK 1.1 billion target
- Karmøy Technology Pilot and new automotive line on time and budget
- Proposed dividend for 2016 of NOK 1.25 per share
- 2017 global primary demand growth outlook of 3-5%, global market largely balanced

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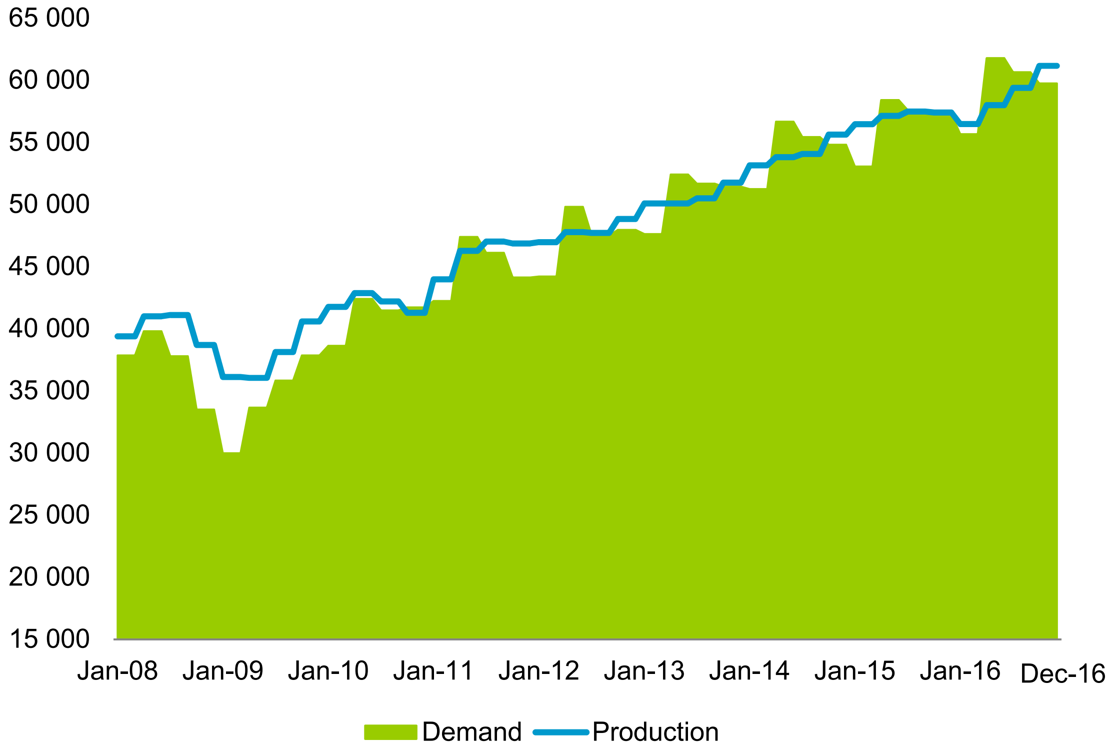
Global undersupply in 2016

Moderate supply growth and continued strong demand growth

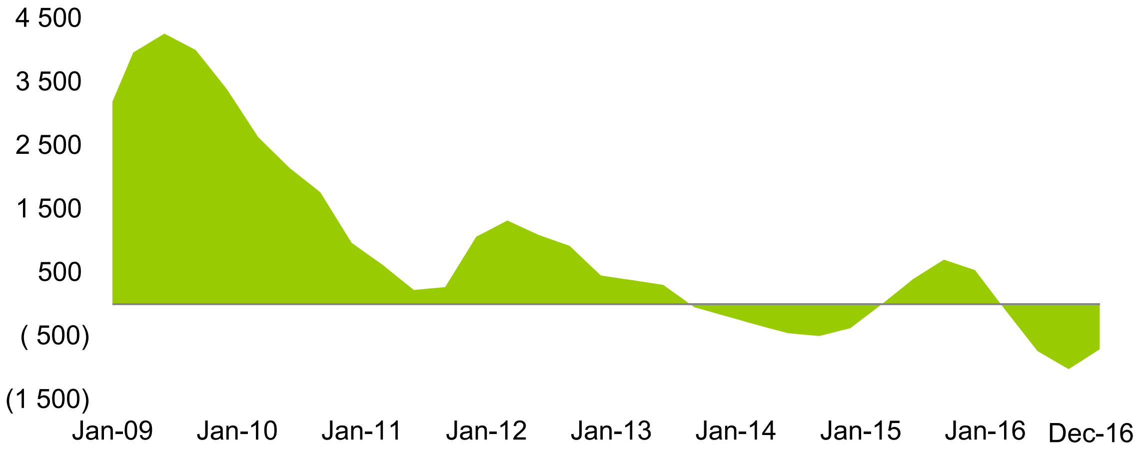
Demand and production

Quarterly annualized, in 1 000 mt primary aluminium



Production less demand

12 month rolling quarterly average, in 1 000 mt primary aluminium

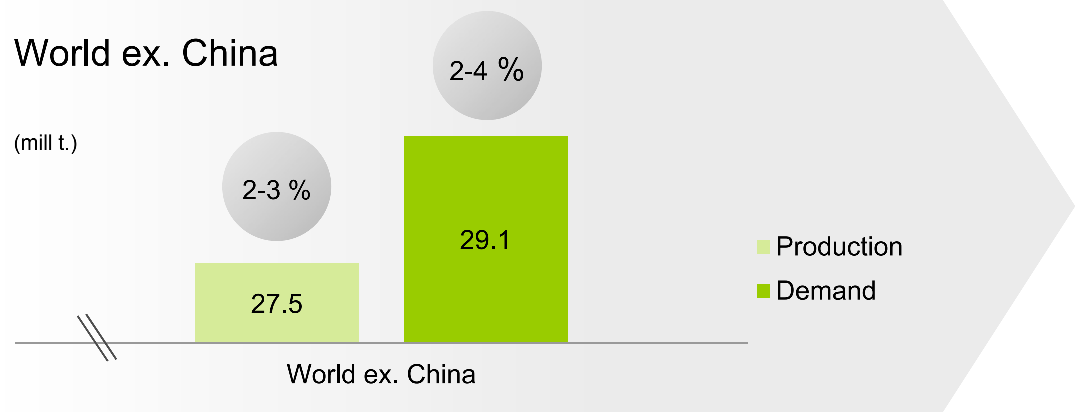


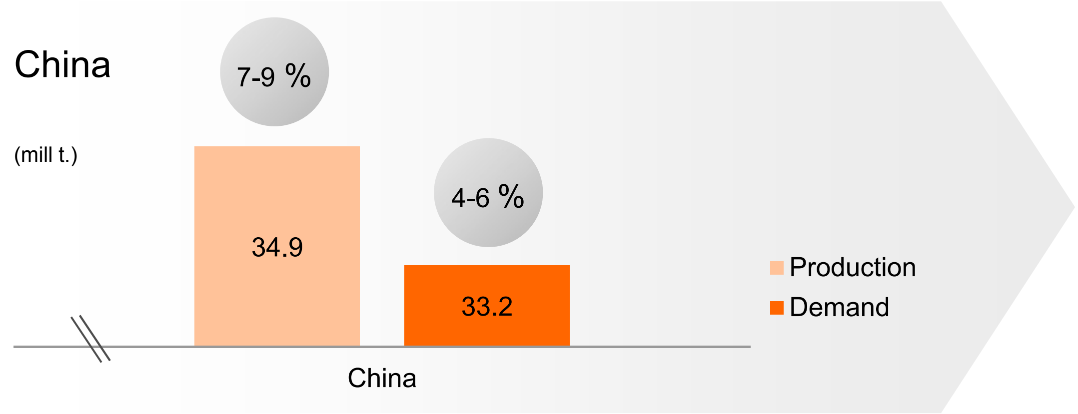
- ~5.3 % demand growth vs ~3.1 % supply growth in 2016
- ~4.3 % demand growth Q4-16 vs Q4-15
  - ~5.5 % China
  - ~2.9 % World ex. China

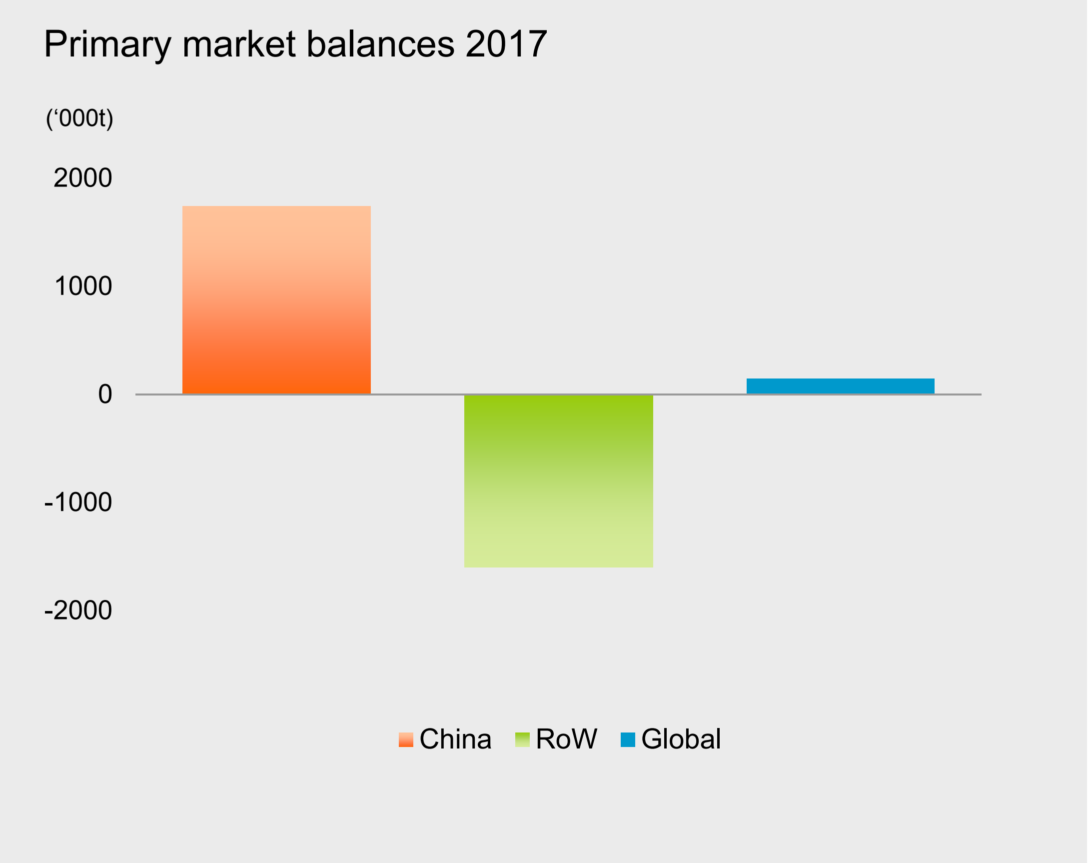
Source: CRU/Hydro

Primary aluminium market expected to be largely balanced in 2017

Expected global demand growth of 3-5%, increasing production growth in China on new projects and restarts







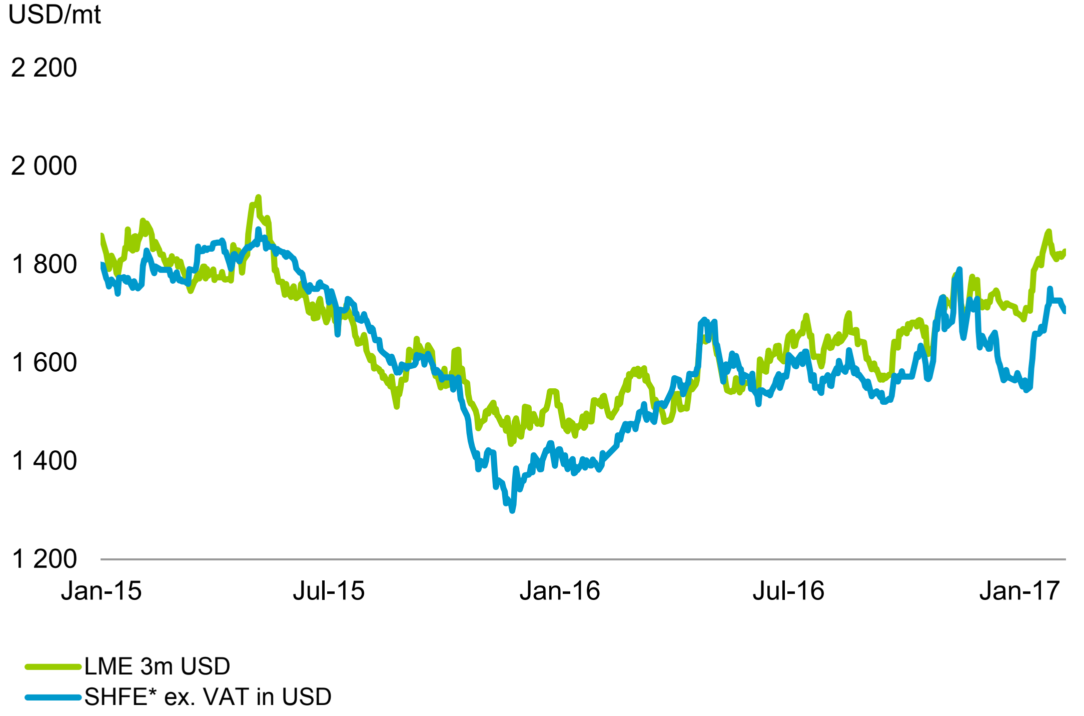
Source: CRU, Hydro analysis

x% Growth from 2016 to 2017

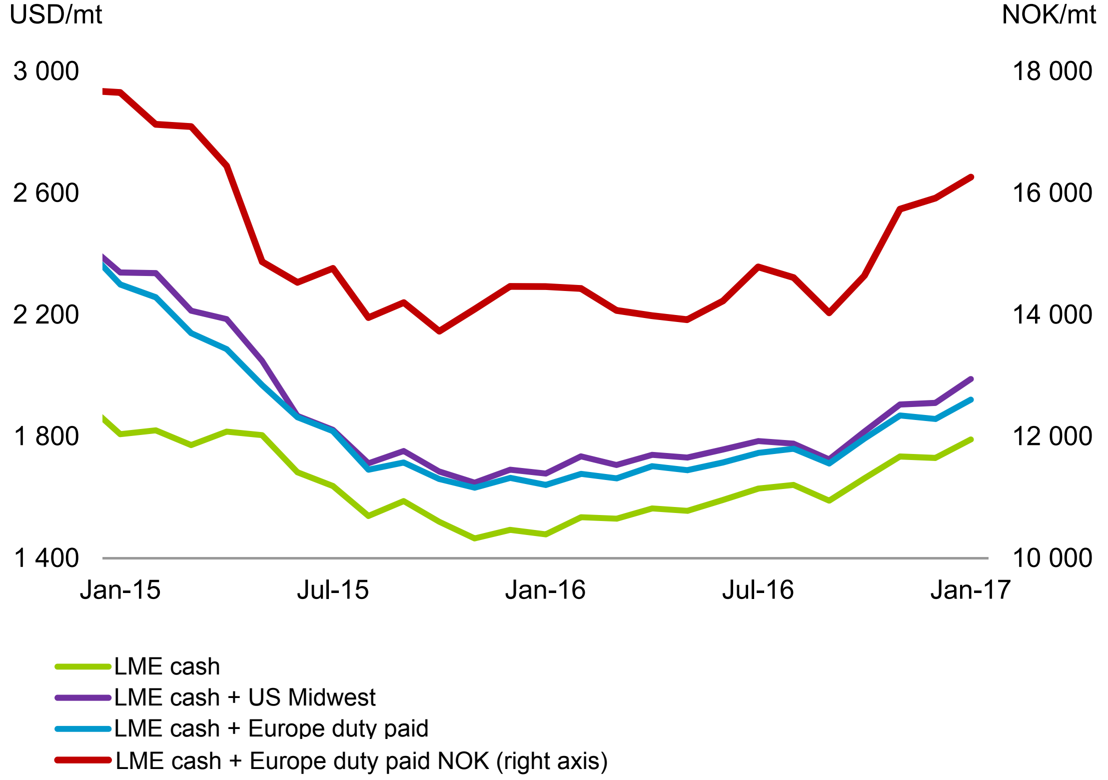
Increasing average all-in aluminium prices in Q4

2016 average all-in aluminium prices down from 2015

LME and SHFE aluminium prices



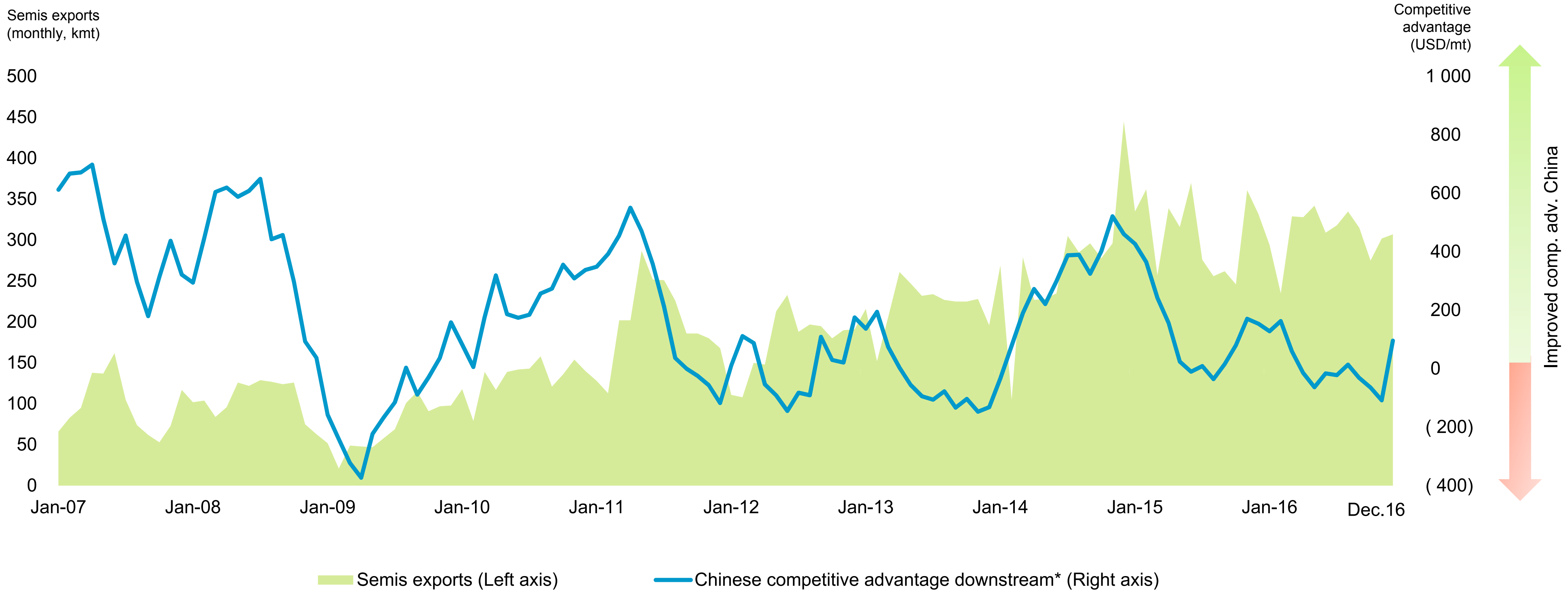
All-in aluminium prices



Source: Metal Bulletin, Platts, Reuters Ecowin, Hydro analysis

* Shanghai Futures Exchange

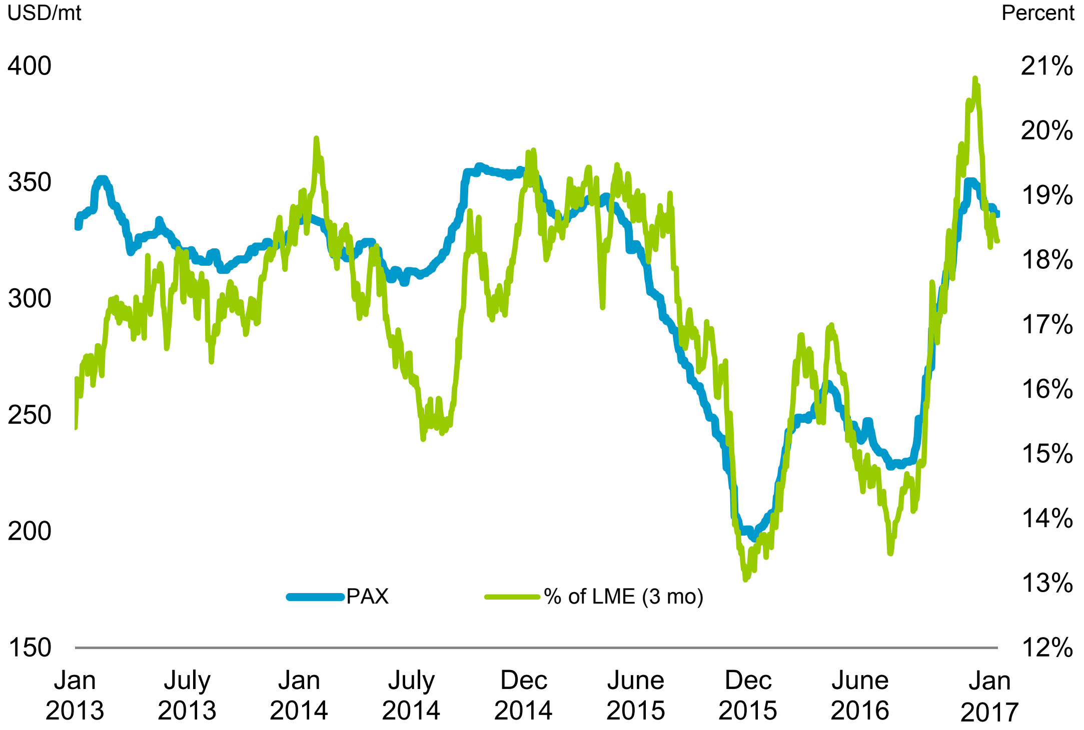
Stable Chinese export levels 2016 vs 2015



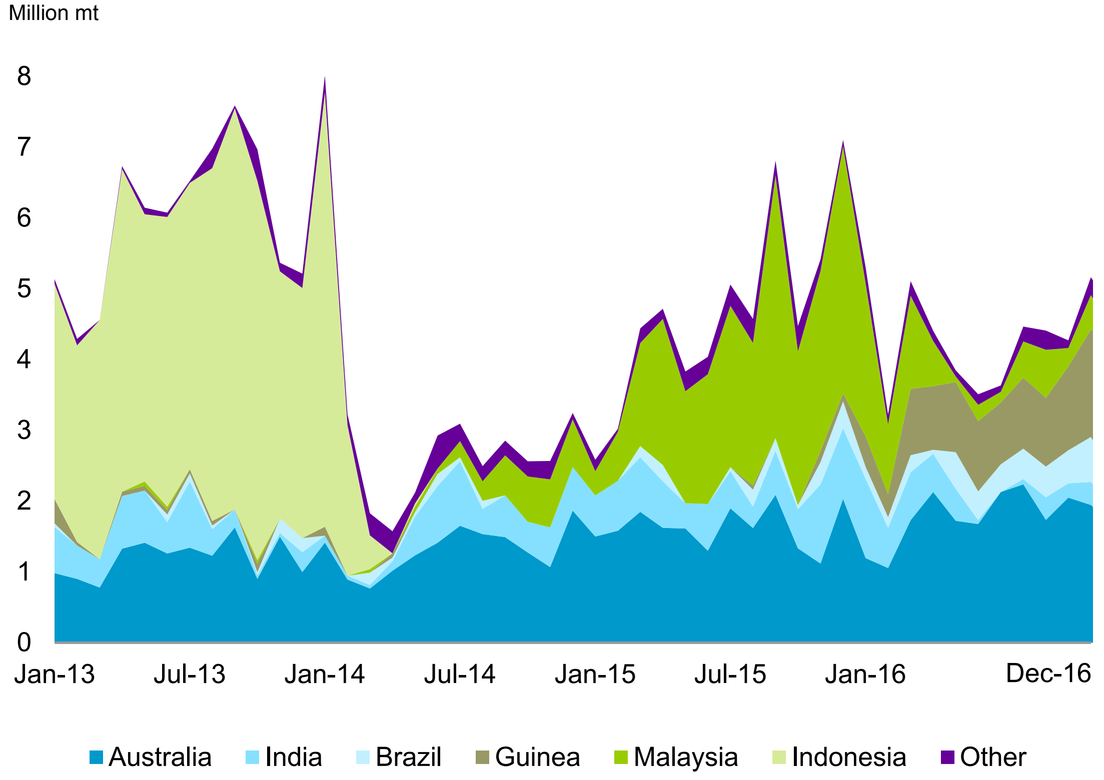
Source: CRU/Ecowin
Est. metal cost China versus Europe
Europe: LME cash + European duty-paid standard ingot premium
China: SHFE cash + avg. local premium + freight – export rebates (~13 %)

Alumina prices rally in Q4, increasing Chinese bauxite imports from the Atlantic during 2016

Platts alumina index (PAX)



Monthly Chinese bauxite imports



Source: Platts, Ecowin, China Customs

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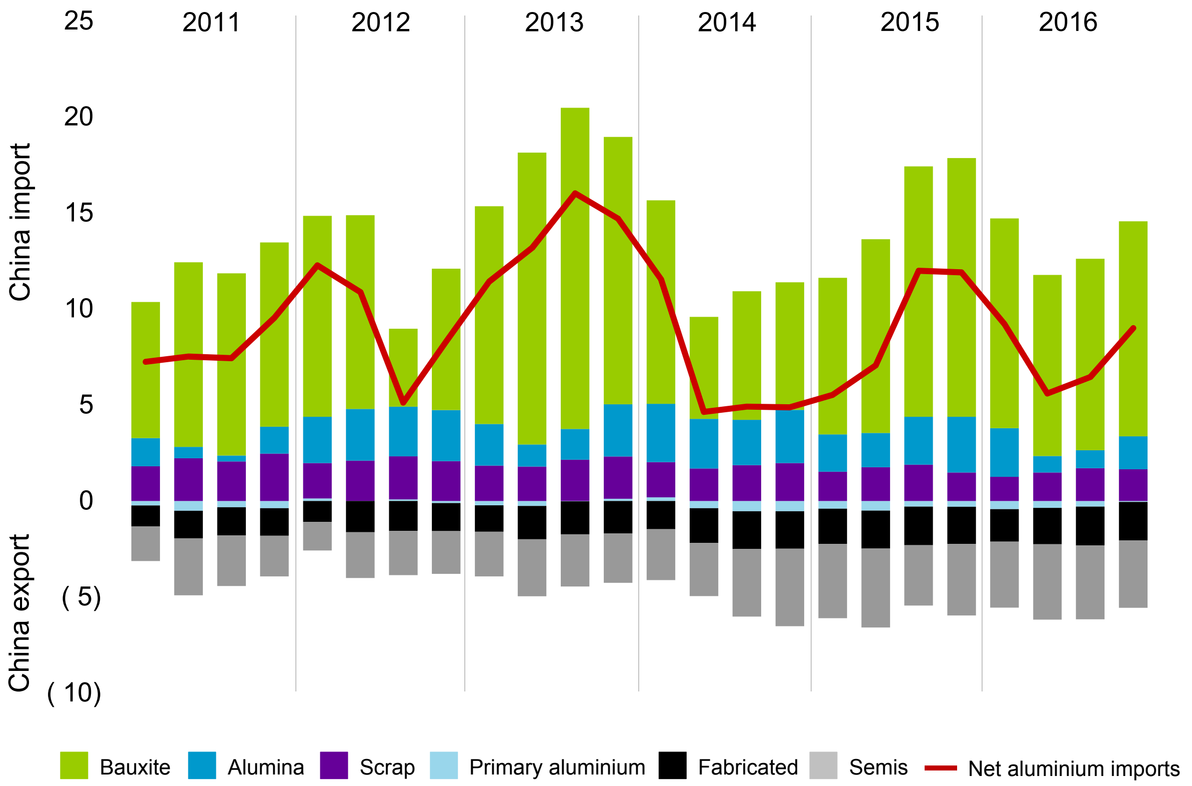
Increasing raw material imports in second half 2016

China net imports declined in 2016 vs 2015

Annualized aluminium equivalents[1), million mt



- Bauxite and alumina
  - Increasing bauxite volumes from Guinea and Brazil
  - Alumina imports up in Q4, but lower 2016 vs 2015
- Primary aluminium exports at low levels
- Largely stable scrap imports
- Largely stable annual exports of semis and fabricated products

Source: CRU/Antaike/Hydro

1) Bauxite/alumina to aluminium conversion factor: 5.0/1.92

Better ahead of schedule, NOK 1.4 billion delivered in 2016

On track for 2019 target of NOK 2.9 billion 2016-2019

Better Bauxite & Alumina
BNOK 1.0

Target 2016
NOK 500 million

- Delivered NOK 900 million in 2016
- High production at Alunorte and Paragominas
- Optimized logistics and margins
- Raw material efficiency

Better Rolled Products
BNOK 0.9

Target 2016
NOK 200 million

- Delivered NOK 175 million in 2016
- Operational improvements, offset by portfolio mix and delayed ramp-up of the UBC recycling line
- AL3 official opening scheduled for May 4, 2017

Better Primary Metal
BNOK 1.0

Target 2016
NOK 400 million

- Delivered NOK 350 million in 2016
- Improved overall performance, negative impact from Årdal power outage
- USD 180 JV program completed by end-2016

Better
BNOK
2.9[1)]

Target 2017
BNOK ~0.5

1) Real 2015 terms. Includes some larger investments of NOK ~3 billion NOK in 2015-2019: AL3 and UBC in Rolled Products. Creep projects in Primary Metal. Alunorte debottlenecking in B&A.

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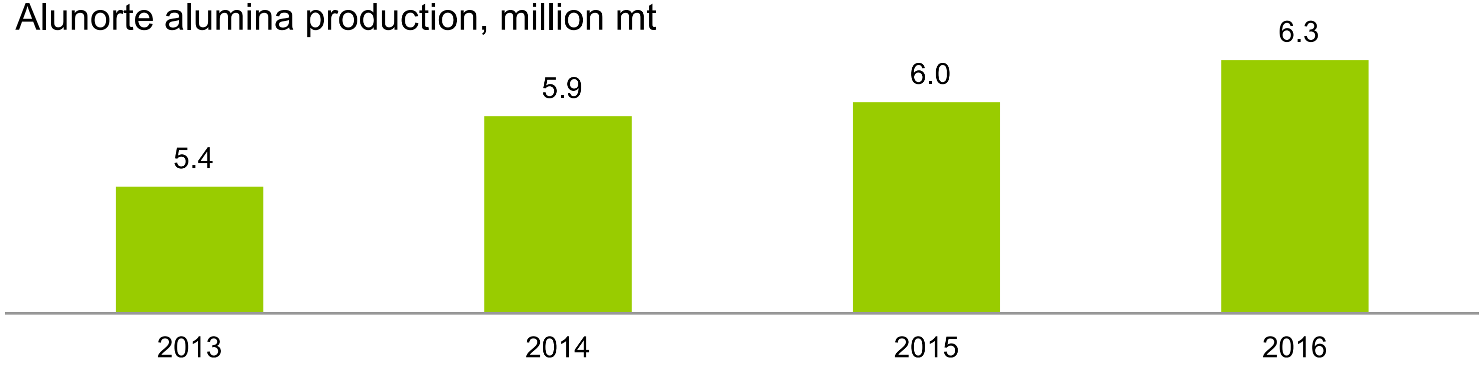
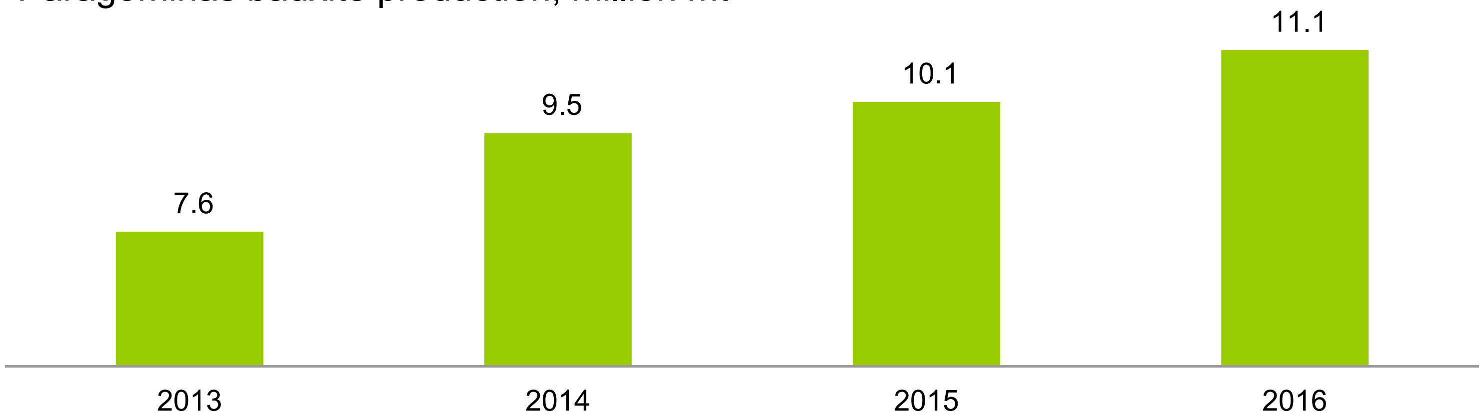
Record full-year production at Paragominas and Alunorte

Alunorte alumina production, million mt



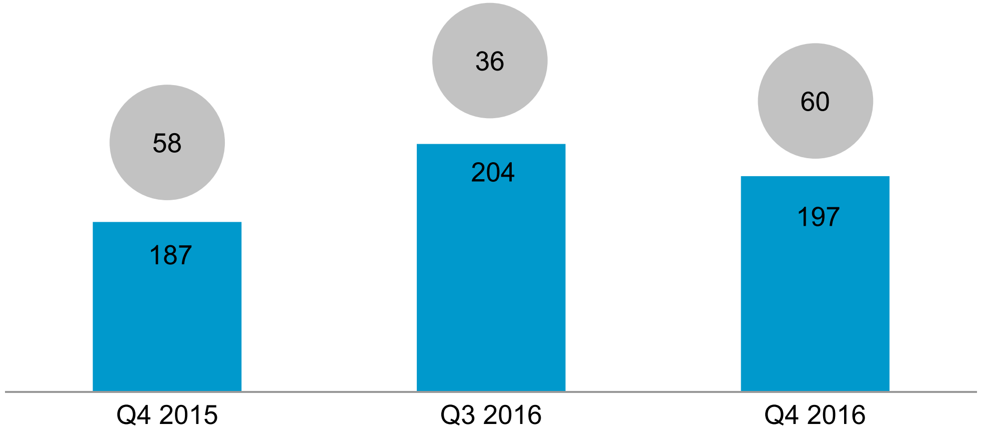
Paragominas bauxite production, million mt



- Strong improvement trend
- Improved equipment effectiveness and process stability based on Bauxite & Alumina Business System
- Annualized Q4 production well above nameplate capacity
  - Alunorte 6.5 million mt
  - Paragominas 12.2 million mt
- Continuous efforts to stabilize production around nameplate capacity

Increased realized alumina prices and margins

Implied alumina cost and margin, USD/mt [1)]



245	240	257	Price[2)]
15.8 %	14.7 %	15.0 %	LME%[3)]

Implied EBITDA cost per mt · EBITDA margin per mt

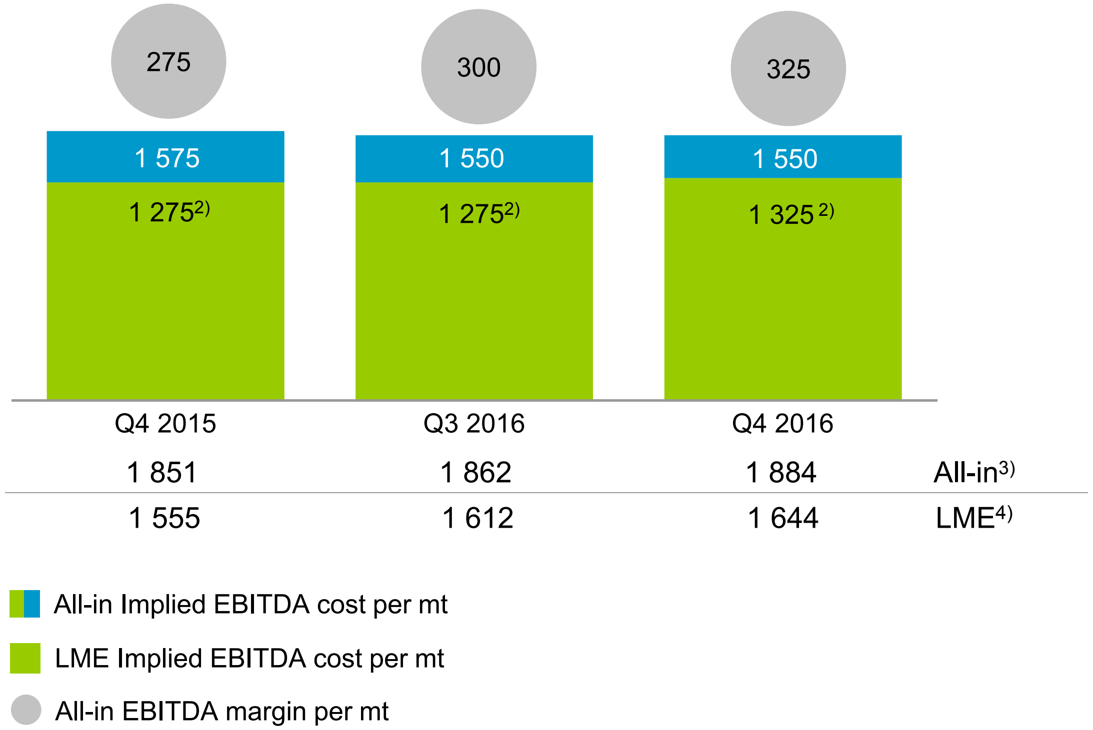
Developments Q4 vs Q3

- Implied alumina cost in Q4 affected by:
  - Stable alumina cost when adjusting for the positive effect related to the final settlement of the acquisition of Vale's remaining shares in Paragominas
  - Improved energy matrix, reduced bauxite costs and positive currency effects, offset by increased energy and caustic prices and alumina sourcing costs
- Margins up from Q3 on higher realized prices

1) Realized alumina price minus underlying EBITDA for B&A, per mt alumina sales
2) Realized alumina price
3) Realized alumina price as % of three-month LME price with one month lag

Stable all-in implied primary cost, higher margins

All-in implied primary cost and margin, USD/mt [1)]



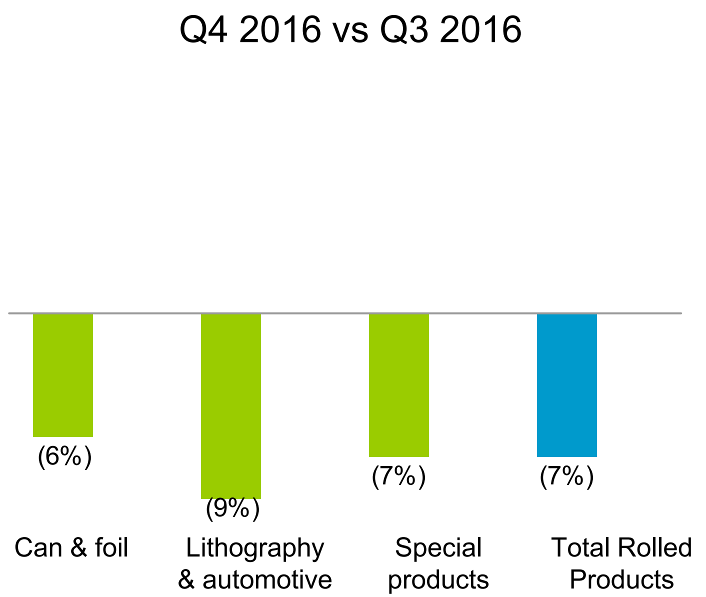
Developments Q4 vs Q3

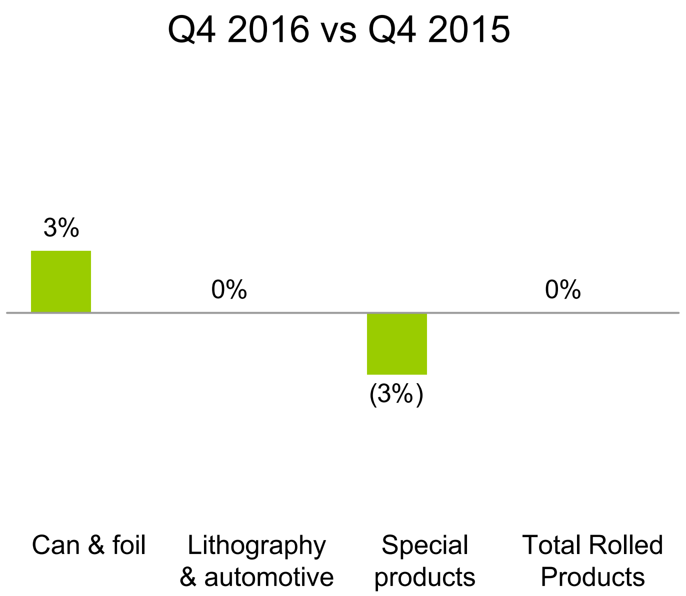
- Margins up from Q3 on increased realized aluminium prices
- Stable all-in implied primary cost

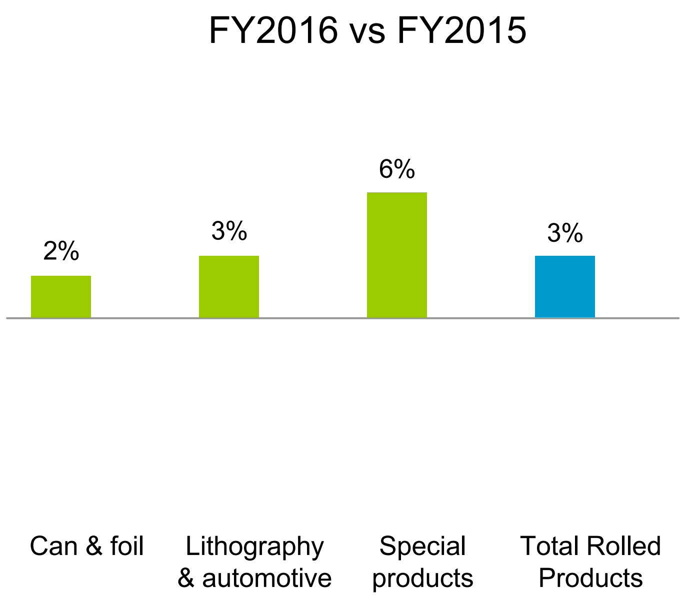
1) Realized all-in aluminium price minus underlying EBITDA margin, including Qatalum, per mt aluminium sold. Implied primary cost and margin rounded to nearest USD 25
2) Realized LME aluminium price minus underlying EBITDA margin, including Qatalum, per mt primary aluminium produced
3) Realized LME plus realized premiums, including Qatalum
4) Realized LME, including Qatalum

Seasonally weaker Q4, overall healthy demand in Rolled Products

Hydro Rolled Products*

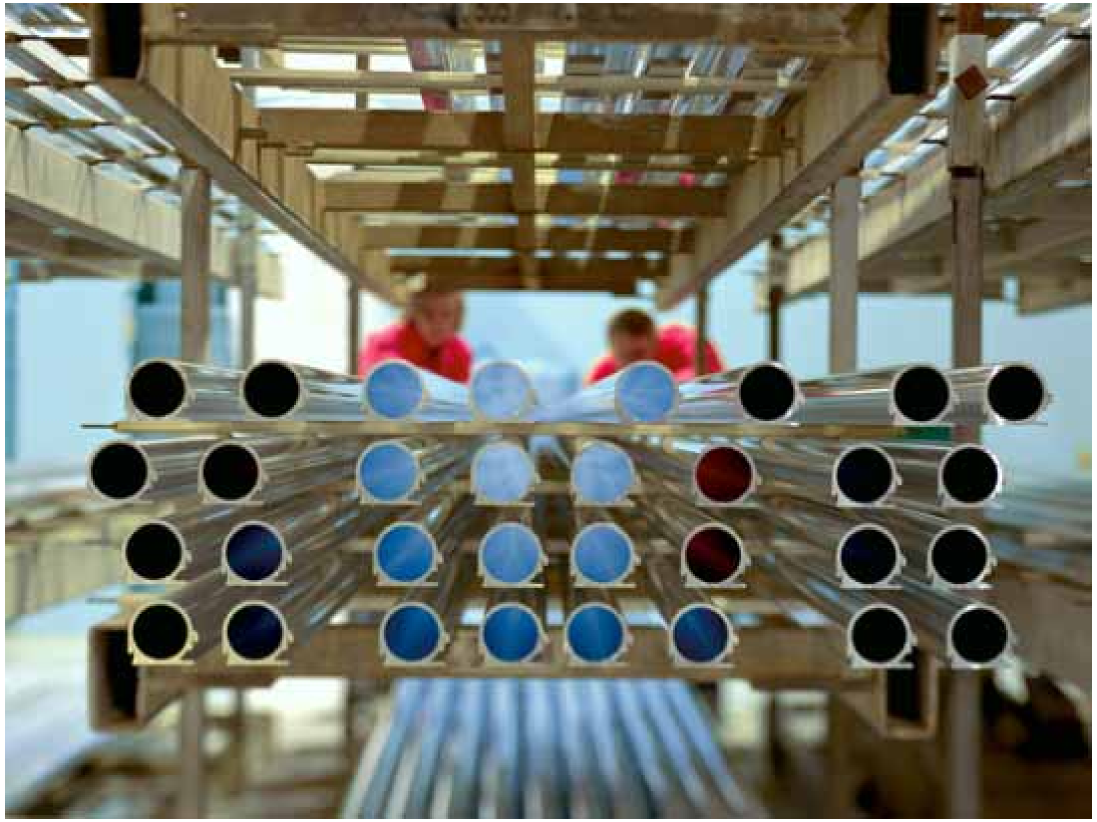






* Ex Slim volumes, divested in 2015

Seasonally weaker market demand for extruded products



- Seasonally weaker demand in Q4
  - ~8.2% decrease in North America
  - ~7.3% decrease in Europe
- Demand increased year-over-year
  - ~1.9% in North America
    - Higher building and construction activity and automotive demand
    - Weaker development in the transportation segment
  - ~1.3% in Europe
    - Positive developments in automotive and transportation
    - Slightly improved building and construction market
- Outlook
  - Seasonally improved demand expected in Q1

Source: CRU

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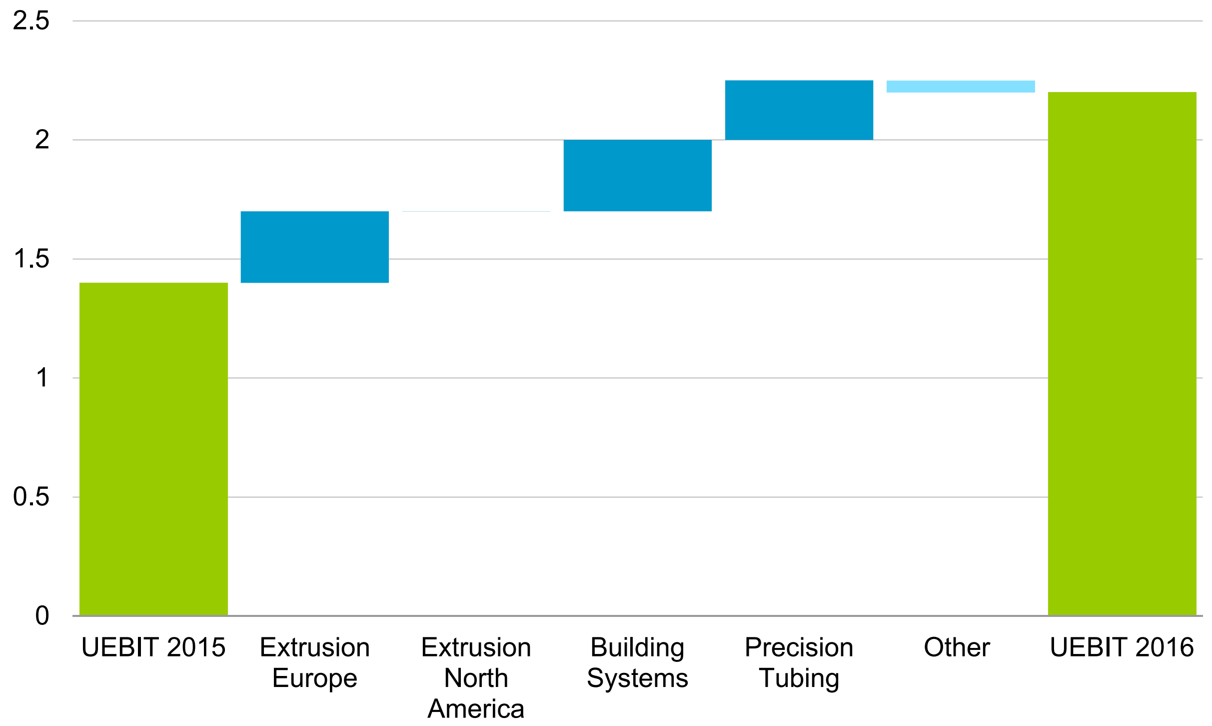
Strong improvement trend in Sapa JV

NOK 3 billion dividend proposed for 2016

sapa:

- Result improvement driven by higher share of value-add business and improved cost position
- Strong improvements in Extrusion Europe, Building Systems and Precision Tubing, stable development in Extrusion North America
- Net interest bearing debt end-2016 of NOK 0.1 billion, down from NOK 1.8 billion end-2015
- Sapa's BoD proposes to pay a dividend of NOK 3 billion (NOK 1.5 billion Hydro share) for 2016*

Sapa 100% basis, in BNOK



Sapa is a 50/50 joint venture between Hydro and Orkla
* Pending approval from the Sapa AGM

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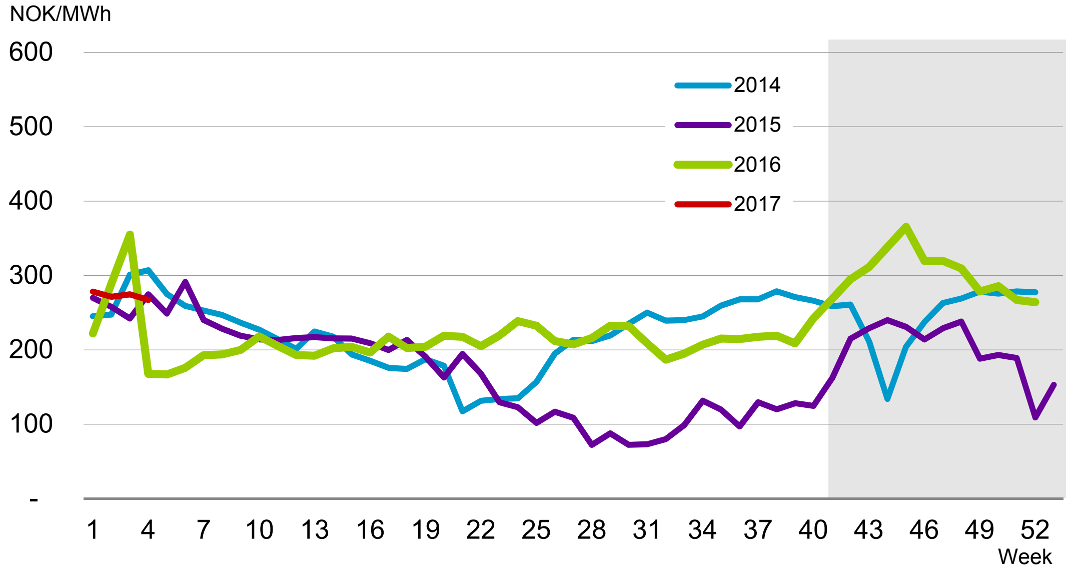
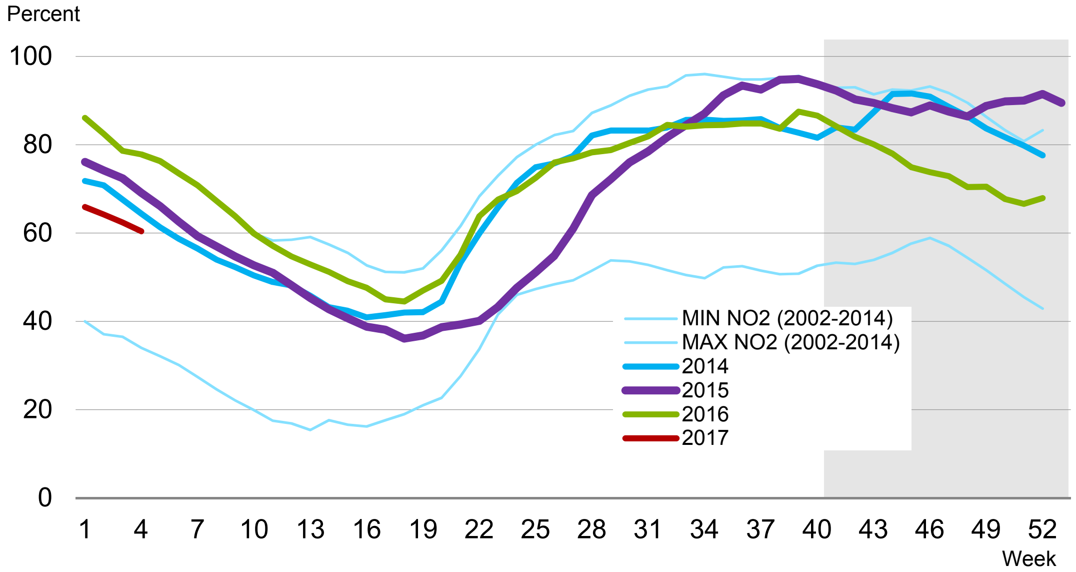
Energy: Average prices up, improving hydrology towards end-Q4

Market price South-Western Norway (NO2)



Energy price NOK/MWh	Q4 2016	Q3 2016
Southwestern Norway (NO2)	296	212
System	311	235

Water reservoir levels South-Western Norway (NO2)



Reservoir levels	Dec 31, 2016	Sep 30, 2016
Southwestern Norway (NO2)	67.9%	87.5%
Norway	65.7%	86.1%

Karmøy Technology Pilot on track for first metal in Q4 2017

World's most climate and energy efficient aluminium production

- On time and budget, ~70% completed
- Net Hydro capex 2015/2016 BNOK 1.6
  - Total capex BNOK 2.2
  - Enova support BNOK 0.6
- Net Hydro capex 2015-2018 BNOK 2.7
  - Total capex BNOK 4.3
  - Enova support BNOK 1.6

Plan for possible use of natural gas at Alunorte

Aiming to reduce energy costs and emissions

- Exploring switch from fuel oil to natural gas, which could further increase Alunorte's cost-efficiency while significantly lowering emissions
  - Letter of Intent (LoI) signed with the state of Pará to develop infrastructure and enable the use of natural gas in the region
  - Memorandum of Understanding (MoU) signed with Shell Brasil Petróleo LTDA, outlining terms of LNG delivery and infrastructure establishment
  - Feasibility study to be conducted during 2017 in cooperation with Shell
- Supports Hydro's ambition of being carbon-neutral from a life-cycle perspective

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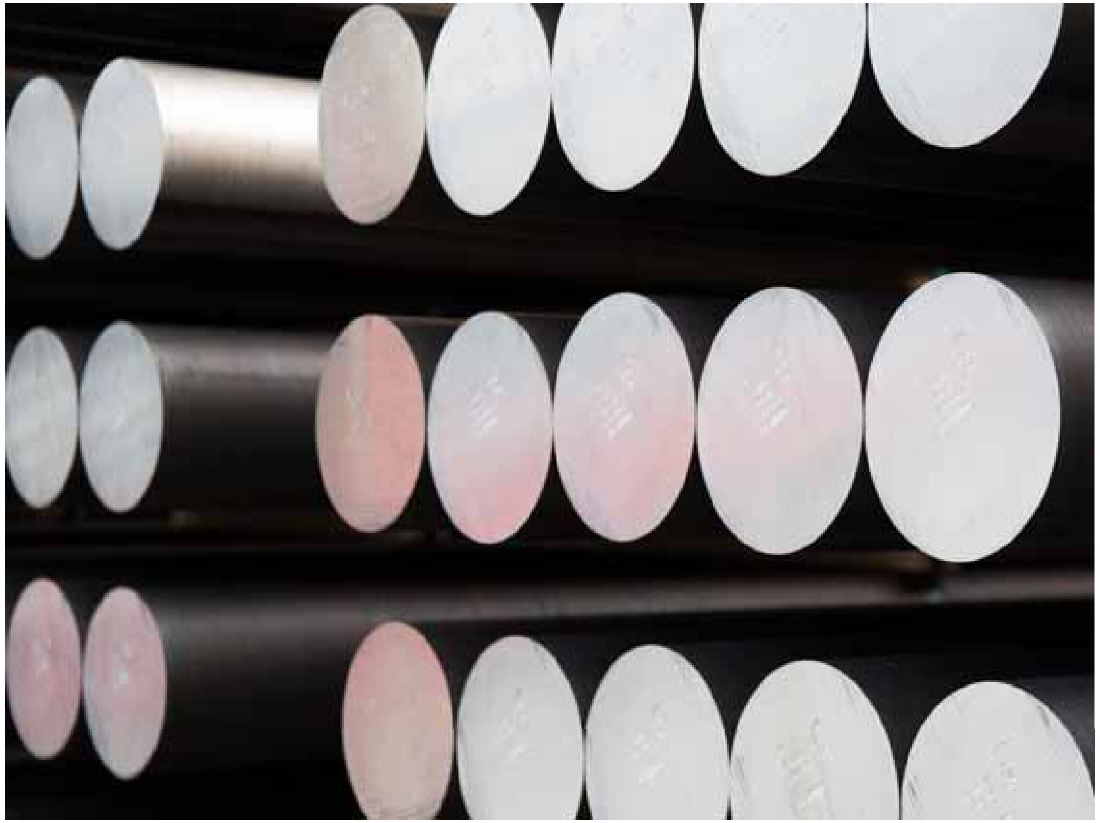
Proposing increased 2016 dividend of NOK 1.25[1] per share

Payout ratio of ~40 % for the year



- Aim to provide a predictable and competitive cash return to shareholders
- Reflects operational performance and strong financial position, taking into account the volatility in the aluminium industry
- Average five-year payout ratio[2] of ~133%
  - Dividend policy 40% payout ratio of reported net income over the cycle
- Represents payout of ~NOK 2.6 billion
- Hydro's BoD has revised the dividend policy to reflect the ambition to pay a stable or increasing dividend

1) Pending approval from the AGM on May 3, 2017
2) Dividend paid divided by net income from continuing operations attributable to equity holders, including proposed 2016 dividend

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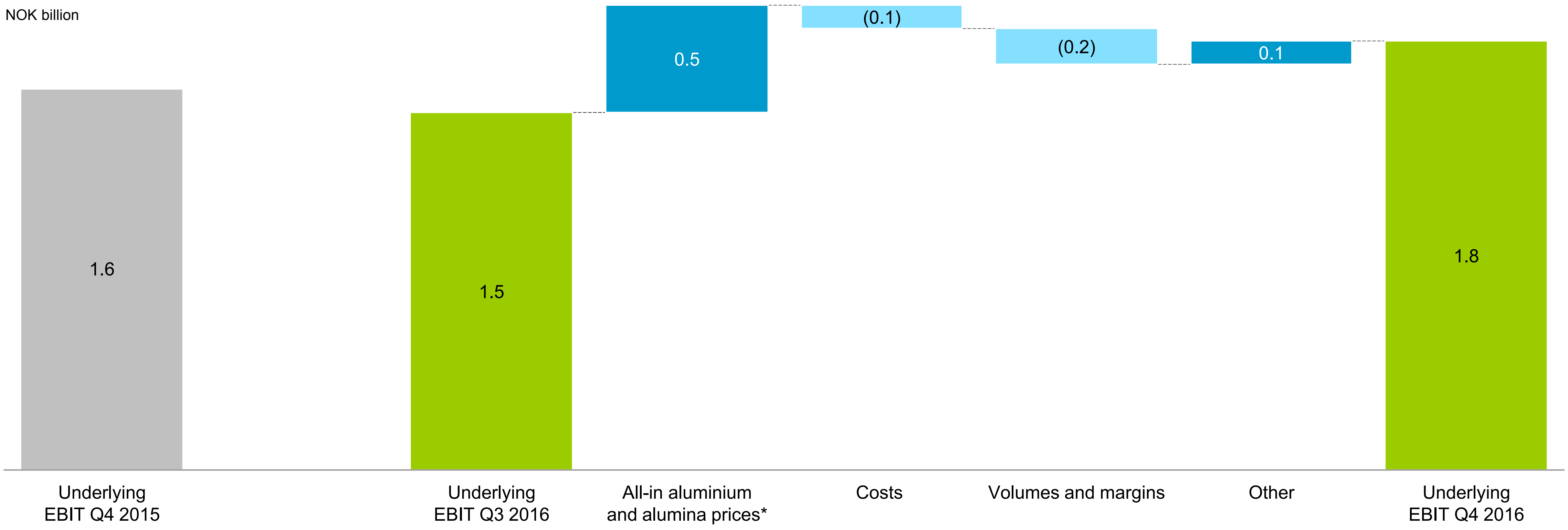
Eivind Kallevik

Executive Vice President and CFO

Higher alumina and aluminium prices lift results



* Price revenue effects

Key financials

Underlying EPS stable at 0.47 NOK/share

NOK million	Q4 2016	Q3 2016	Q4 2015	2016	2015
Revenue	21 250	20 174	20 374	81 953	87 694
Underlying EBIT	**1 829**	**1 477**	**1 566**	**6 425**	**9 656**
Items excluded from underlying EBIT	135	(101)	(841)	586	(1 398)
Reported EBIT	**1 964**	**1 376**	**725**	**7 011**	**8 258**
Financial income (expense)	(140)	317	(70)	2 126	(4 834)
Income (loss) before tax	**1 823**	**1 693**	**655**	**9 137**	**3 425**
Income taxes	(815)	(574)	(113)	(2 551)	(1 092)
Net income (loss)	**1 008**	**1 119**	**541**	**6 586**	**2 333**
Underlying net income (loss)	**968**	**958**	**1 296**	**3 875**	**6 709**
Reported EPS, NOK	0.52	0.53	0.23	3.13	0.99
Underlying EPS, NOK	0.47	0.46	0.59	1.83	2.98

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Items excluded from underlying EBIT

Excluded MNOK 135 in timing and other material effects

NOK million	Q4 2016	Q3 2016	Q4 2015	2016	2015
Underlying EBIT	**1 829**	**1 477**	**1 566**	**6 425**	**9 656**
Unrealized derivative effects on LME related contracts	87	32	5	401	(415)
Unrealized effects on power and raw material contracts	20	68	33	61	419
Metal effect, Rolled Products	68	48	(177)	91	(458)
Significant rationalization charges and closure costs	-	(124)	-	(192)	-
Impairment charges	(285)	(140)	-	(426)	-
Gains (losses) on divestments	-	-	(365)	314	(365)
Other effects	223	-	(285)	223	(285)
Items excluded in equity accounted investments	23	15	(53)	113	(294)
Reported EBIT	**1 964**	**1 376**	**725**	**7 011**	**8 258**

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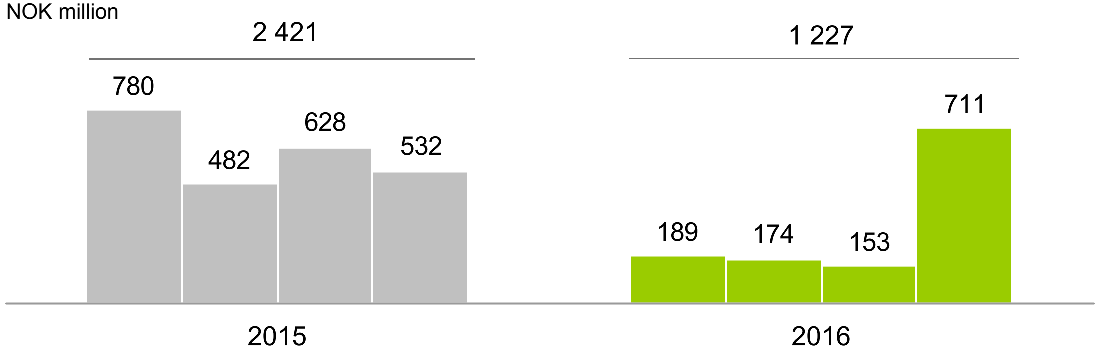
Bauxite & Alumina

Results up on higher realized alumina price, margin and volume

Key figures	Q4 2016	Q3 2016	Q4 2015
Alumina production, kmt	1 635	1 635	1 577
Total alumina sales, kmt	2 472	2 221	2 368
Realized alumina price, USD/mt	257	240	245
Implied alumina cost, USD/mt	197	204	187
Bauxite production, kmt	3 063	2 777	2 959
Underlying EBITDA, NOK million	1 258	664	1 165
Underlying EBIT, NOK million	711	153	532

Underlying EBIT

NOK million



Q4 results

- Higher realized alumina price and margin
- All-time high bauxite production at Paragominas
- Stable alumina production above nameplate capacity
- Positive effect related to the final settlement of the acqusition of Vale’s remaining shares in Paragominas

Outlook

- Lower bauxite and alumina production due to planned maintenance
- Higher raw material costs at Alunorte
- Higher index exposure

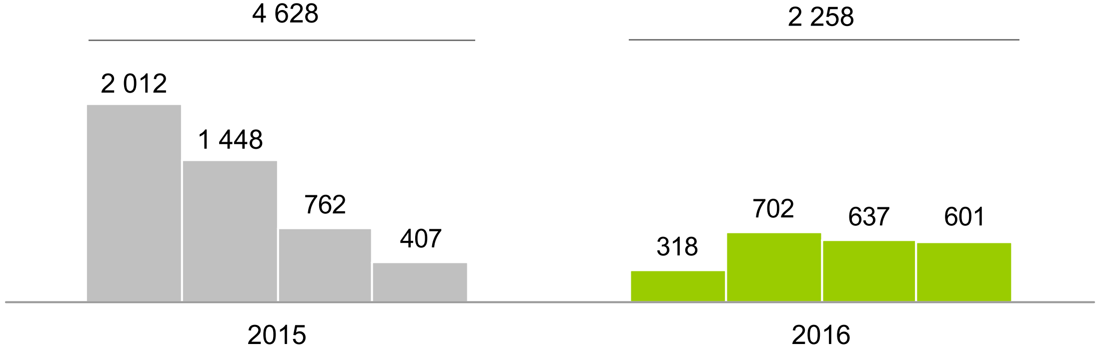
Primary Metal

Higher realized all-in prices offset by seasonally higher fixed costs and lower sales

Key figures	Q4 2016	Q3 2016	Q4 2015
Primary aluminium production, kmt	526	526	521
Total sales, kmt	528	573	531
Realized LME price, USD/mt	1 647	1 612	1 555
Realized LME price, NOK/mt	13 659	13 375	13 125
Realized premium, USD/mt	240	251	291
Implied all-in primary cost, USD/mt *	1 550	1 550	1 575
Underlying EBITDA, NOK million	1 068	1 125	883
Underlying EBIT, NOK million	601	637	407

Underlying EBIT

NOK million



Q4 results

- Higher realized all-in prices
- Higher fixed costs, stable raw material costs
- Seasonally lower sales volumes

Outlook

- ~ 50% of primary production for Q1 priced at USD ~1 725 per mt, ex-Qatalum
- ~ 55% of premiums affecting Q1 booked at USD ~310 per mt, ex-Qatalum
  - Q1 realized premium expected in the range of 225-275 USD/mt
- Higher raw material costs
- Higher sales volumes

* Realized all-in aluminium price minus underlying EBITDA margin, including Qatalum, per mt aluminium sold.

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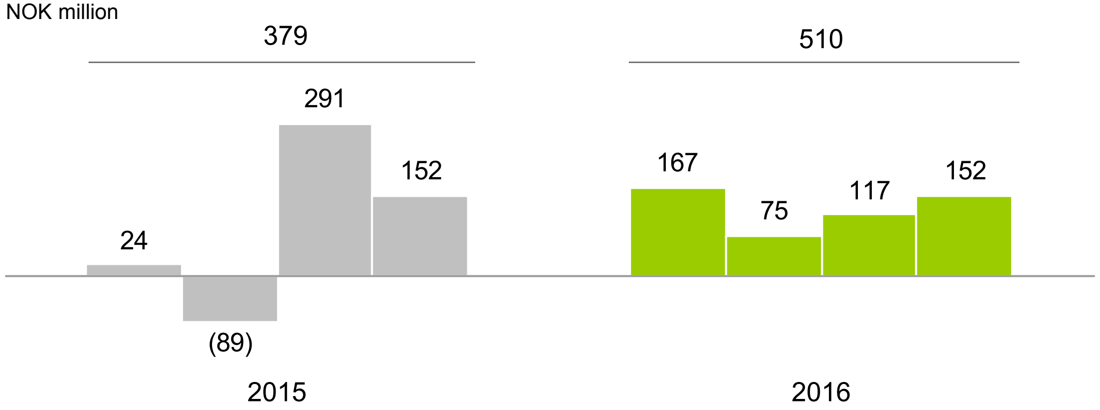
Metal Markets

Improved results on positive contribution from metal sourcing and trading

Key figures	Q4 2016	Q3 2016	Q4 2015
Remelt production, kmt	133	125	130
Metal products sales, kmt [1)]	660	720	670
Underlying EBITDA, NOK million	175	141	180
Underlying EBIT excl currency and inventory valuation effects, NOK million	149	116	180
Underlying EBIT, NOK million	152	117	152

Underlying EBIT

NOK million



Q4 results

- Seasonally lower metal product sales
- Somewhat weaker results from remelters
- Positive contribution from metal sourcing and trading
- Minor positive currency and inventory valuation effects

Outlook

- Seasonally higher metal product and remelter sales
- Volatile trading and currency effects

1) Includes external and internal sales from primary casthouse operations, remelters and third-party metal sources.

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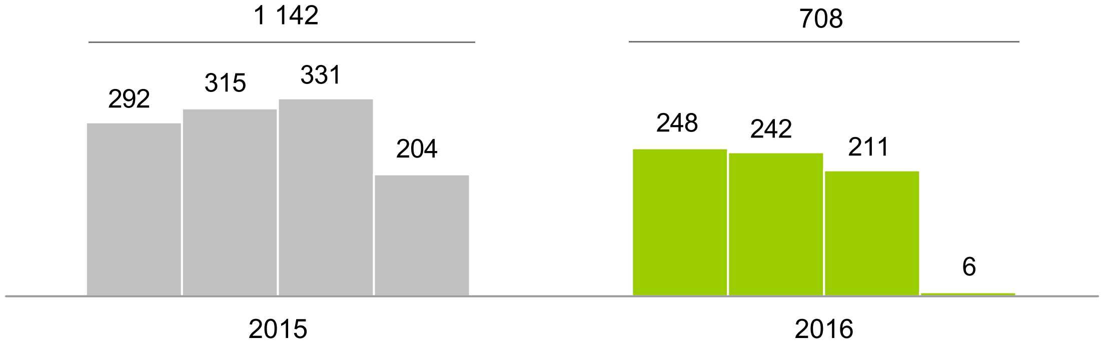
Rolled Products

Weak results on lower sales and margins, higher costs

Key figures	Q4 2016	Q3 2016	Q4 2015
External sales volumes, kmt	213	231	229
Underlying EBITDA, NOK million	222	407	404
Underlying EBIT, NOK million	6	211	204

Underlying EBIT

NOK million



Q4 results

- Seasonally lower shipments
- Lower margins, higher maintenance and other costs
- Increased depreciation due to new automotive line (AL3) production start
- Somewhat improved Neuss result with higher all-in metal price

Outlook

- Continuous margin pressure
- Seasonally stronger demand
- Neuss results driven by all-in metal and raw material price development

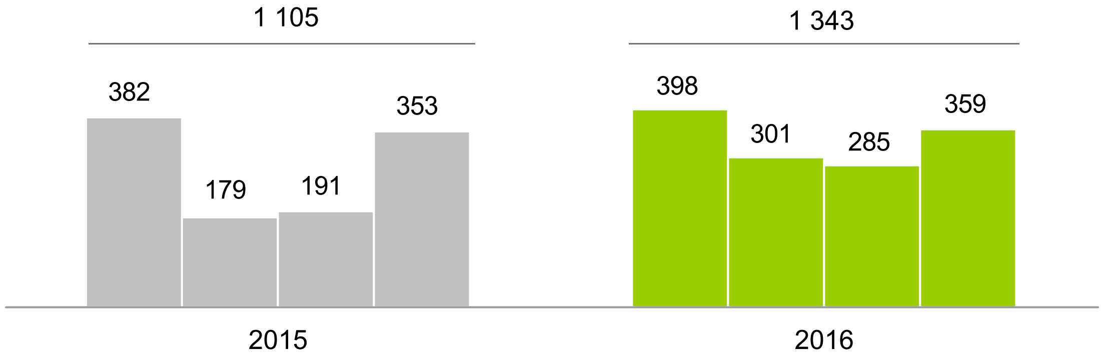
Energy

Results up on higher prices and improved commercial results

Key figures	Q4 2016	Q3 2016	Q4 2015
Power production, GWh	2 551	2 946	2 882
Net spot sales, GWh	1 176	1 699	1 292
Southwest Norway spot price (NO2), NOK/MWh	296	212	197
Underlying EBITDA, NOK million	412	336	403
Underlying EBIT, NOK million	359	285	353

Underlying EBIT

NOK million



Q4 results

- Increased Nordic power prices
- Lower power production
- Lower area cost
- Improved contribution from commercial activities

Outlook

- Price and volume uncertainty
- Higher property taxes*

* From 2015 property tax is charged to the period it becomes an unconditional payment obligation (in Norway when invoiced). This leads to periodic variations within the year without affecting the annual property tax level. The variation is around MNOK 45 per quarter with higher taxes in Q1 and Q3 and lower taxes in Q2 and Q4.

Sapa JV

Results down on seasonally weaker market demand

Key figures – Sapa (50%)	Q4 2016	Q3 2016	Q4 2015
Revenue, NOK million*	6 105	6 570	6 410
Underlying EBITDA, NOK million	327	406	245
Underlying EBIT, NOK million	168	244	64
Underlying Net income (loss), NOK million	167	157	70
Sales volumes (kmt)	155	170	156

- Quarter-on-quarter results down mainly on seasonally weaker demand
  - Net income affected by a positive full year tax adjustment
- Year-on-year results supported by:
  - Higher value-add margins
  - Continuous improvement efforts
  - Q4 2015 negatively affected by non-operational costs

* Historical revenues have been reclassified

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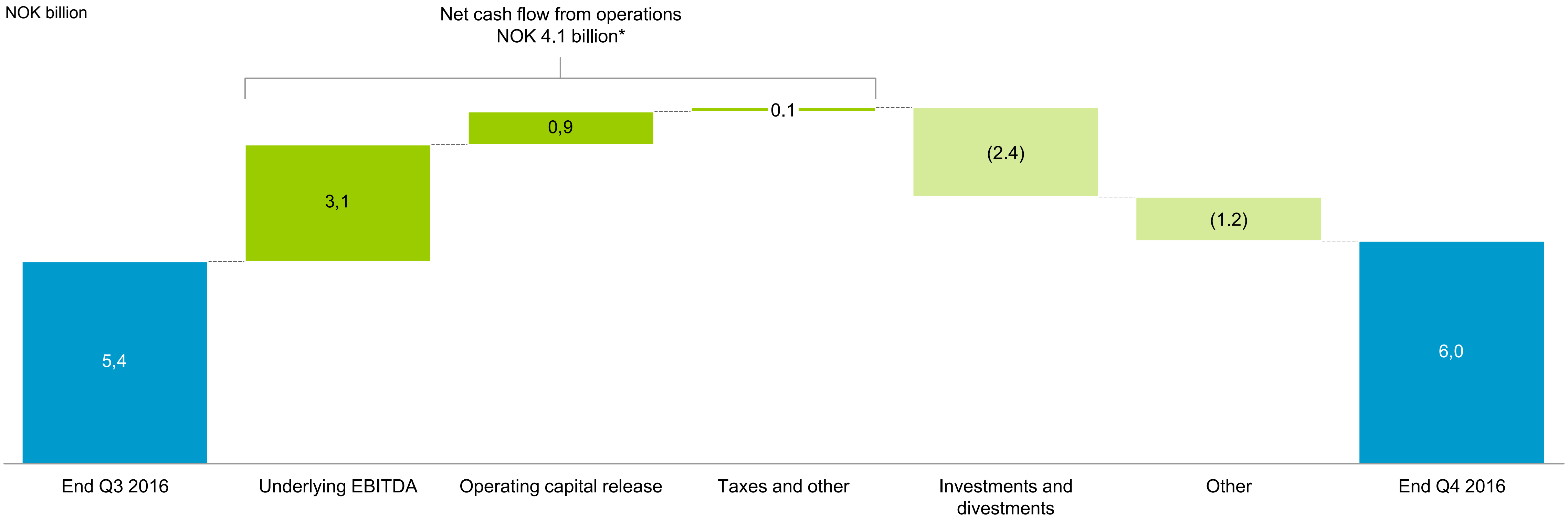
Other and Eliminations

Other and Eliminations, Underlying EBIT, NOK million	Q4 2016	Q3 2016	Q4 2015
Sapa JV	167	157	70
Other	(130)	(66)	(169)
Eliminations	(38)	(17)	17
Other and Eliminations	**(1)**	**75**	**(83)**

Net cash development Q4 2016

Increase in net cash position driven by cash flow from operations

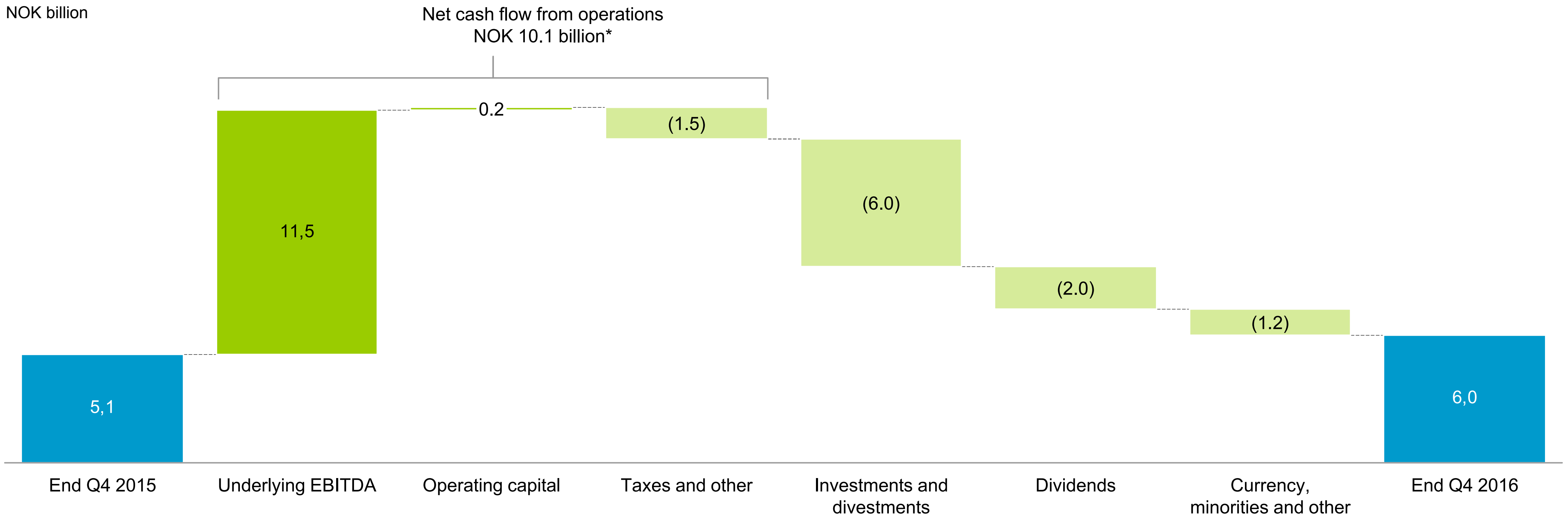


* Net cash provided by operating activities, less change in restricted deposits of ~0.1 BNOK

HYDRO

Net cash development 2016

Increase in net cash position despite elevated capex level

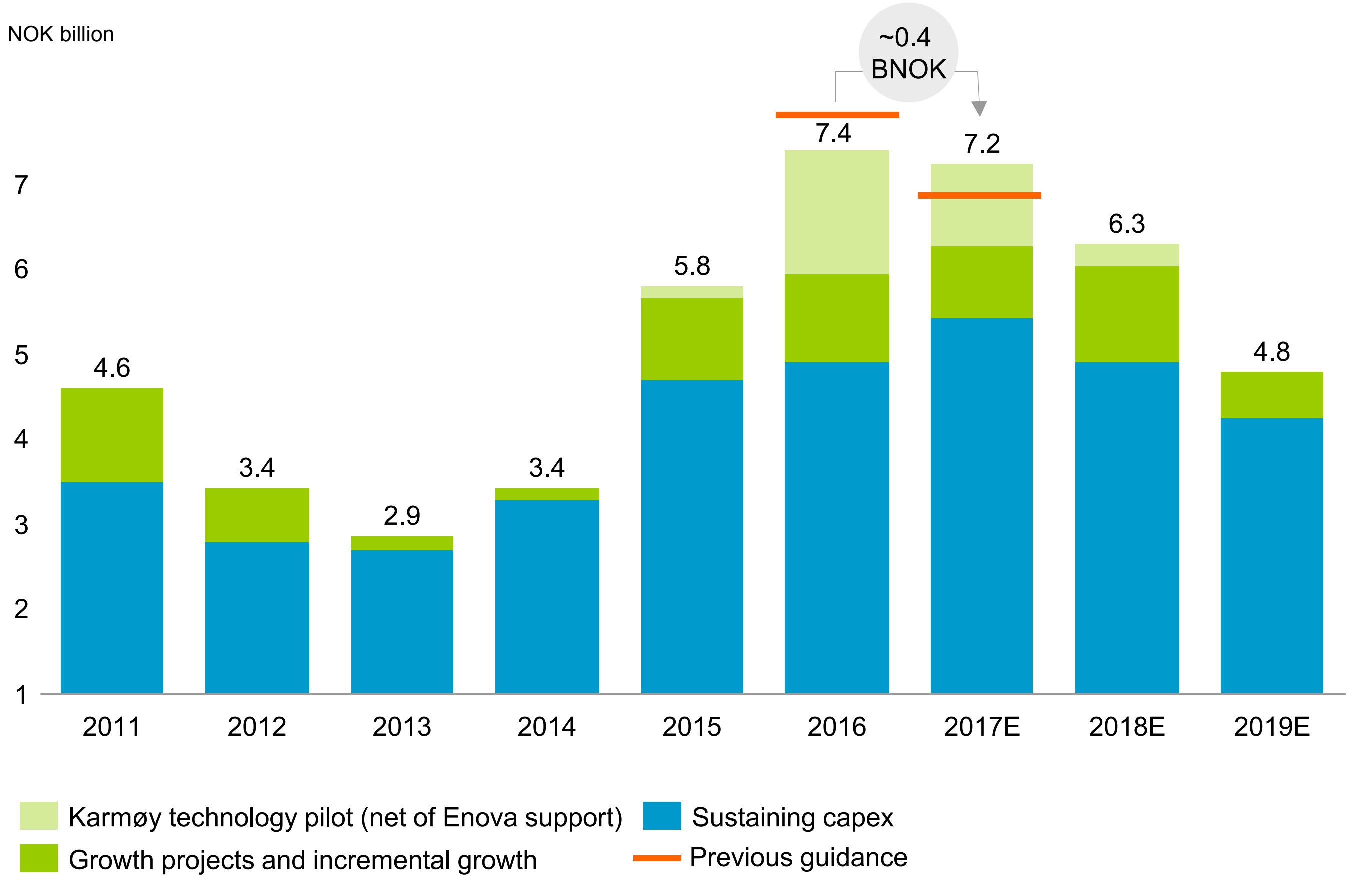


* Net cash provided by operating activities, less change in restricted deposits of ~(0.1) BNOK

HYDRO

2016 capex reduced by ~0.4 BNOK

B&A sustaining projects postponed from 2016 to 2017



- Sustaining projects for 2016-2019:
  - Residue disposal area
  - Bauxite tailing dam
  - Opening of new bauxite mining area
  - Primary rectifiers
  - Smelter relining
  - Energy rehabilitation
- Ongoing organic growth projects:
  - Automotive line (AL3)
  - Alunorte debottlenecking
  - Incremental growth
- Karmøy technology pilot 2015-2018:
  - Gross investment 4.3 BNOK
  - Of which Enova support ~1.6 BNOK
  - Net Hydro investment 2.7 BNOK

2011 excludes Vale assets acquisition
Excluding Extruded Products from 2012 onwards

HYDRO

Adjusted net debt decreased further in Q4 2016

Higher net cash position and reduced net pension liability

NOK billion	Dec 31 2016	Sep 30 2016	Jun 30 2016
Cash and cash equivalents	8.0	8.0	9.2
Short-term investments	4.6	4.4	2.6
Short-term debt	(3.3)	(3.6)	(3.6)
Long-term debt	(3.4)	(3.4)	(3.5)
Net cash/(debt)	**6.0**	**5.4**	**4.8**
Net pension liability at fair value, net of expected tax benefit	(7.3)	(8.6)	(8.7)
Other adjustments[1)]	(4.2)	(4.9)	(4.8)
Adjusted net debt ex. EAI	**(5.6)**	**(8.1)**	**(8.8)**
Net debt in EAI[2)]	(6.9)	(6.1)	(7.2)
Adjusted net debt incl. EAI	**(12.5)**	**(14.2)**	**(15.9)**

1) Operating lease commitments and other obligations
2) Equity accounted investments Qatalum and Sapa. Hydro share (50%) of net debt in Qatalum 6.8 BNOK, and in Sapa 0.1 BNOK at the end of Q4 2016

2016

- Record safety results
- Record production at Alunorte and Paragominas
- Delivered NOK 1.4 billion under the *Better* improvement ambition
- Karmøy technology pilot ~70% completed, on time and budget
- Trial production started at new automotive line, on time and budget

2017

- Deliver on *Better* improvement ambition
- Strengthen competitive position through technology pilot and new automotive line
- Maintain financial strength and flexibility

Additional information

Prudent financial framework

Managing industry cyclicality, driving long-term shareholder value

Lifting cash flow potential

Improving efficiency, strengthening margins

Improvement efforts
- 4.5 BNOK 2009-2015
- 1.4 BNOK 2016
- 1.5 BNOK 2017-2019E[1)]

Managing working capital

Financial strength and flexibility

Investment grade credit rating

Financial ratio targets over the cycle
- FFO/aND [2)] > 40%
- aND/E [3)] < 55%

Strong liquidity

Disciplined capital allocation

Long-term sustaining capex below depreciation
- Around 4 BNOK per year

Total capex incl. growth
- 2016 BNOK 7.4 [4)]
- Average 2017-2019E BNOK 6.1 [4)]

Selective value-add growth

Attractive organic growth prospects and M&A optionality

Reliable shareholder remuneration policy

Sector competitive TSR

Dividend policy
- Dividend 1.25 NOK/ share[5)]
- 40% payout ratio of reported Net income over the cycle

Special dividends and share buybacks in the toolbox

Effective risk management

Volatility mitigated by strong balance sheet and relative positioning

Hedging policy
- Operational LME and currency hedging
- Limited financial hedging
- Long-term debt in USD

Diversified business

1) Real 2015 terms
2) Funds from operations / adjusted net debt
3) Adjusted net debt / Equity
4) With Karmøy Technology Pilot net investment, after ENOVA support
5) 2016 dividend proposed by the Board of Directors, pending approval from the Annual General meeting on May 3, 2017

HYDRO

Hydro’s aspiration underpinned by firm financial targets

Medium and long-term

	Ambition	Timeframe	2016 status
Better improvement ambition	2.9 BNOK	2016-2019	1.4 BNOK 2016
Sustaining capex	~ 4 BNOK	Over the cycle	4.9 BNOK 2016
Average capex incl. growth	6.1 BNOK [1)]	2017-2019	7.4 BNOK 2016
Dividend payout ratio	40% of reported net income	Over the cycle	~133% [2)] 2012-2016
FFO/adjusted net debt [3)]	> 40%	Over the cycle	95% 2016
Adjusted net debt/Equity	< 55%	Over the cycle	14% 2016
RoACE	Competitive [4)]	Over the cycle	5.1% [5)] 2016

Better Bigger Greener

1) With Karmøy Technology Pilot net investment, after ENOVA support
2) Payout ratio 5 year average – dividend per share divided by earnings per share from continuing operations for the last 5 years, including proposed 2016 dividend
3) FFO – funds from operations
4) Measured against a relevant peer group
5) Underlying return on average capital employed after tax (RoACE)

HYDRO

Shareholder and financial policy

- Hydro aims to give its shareholders competitive returns compared to alternative investments in comparable companies
- Dividend policy
  - Average ordinary payout ratio: 40% of reported net income over the cycle
  - Five-year average ordinary pay-out ratio 2012-2016 of ~133%*
  - Ambition to pay a stable or increasing dividend: an increase from 1 NOK/share to 1.25 NOK/share* proposed for 2016
  - Share buybacks and extraordinary dividends as supplement in periods with strong financials and outlook
- Maintain investment-grade credit rating
  - Currently: BBB stable (S&P) & Baa2 stable (Moody's)
  - Competitive access to capital and important for Hydro's business model (counterparty risk and partnerships)
- Financial ratios over the business cycle
  - Funds from operations to adjusted net debt > 40%
  - Adjusted net debt to equity < 55%
- Strong liquidity
  - NOK 8.0 billion in cash and cash equivalents, end-Q4 2016
  - USD 1.7 billion in multi-currency revolving credit facility maturing in 2020, currently undrawn

Hedging policy

- Hedging strategy
  - Fluctuating with the market: primarily exposed to LME and USD
  - Volatility mitigated by strong balance sheet
  - Strengthening relative position to ensure competitiveness
- Diversified business
  - Upstream cyclicality balanced with more stable earnings downstream
  - Exposed to different markets and cycles
- Bauxite & Alumina
  - Currency exposure, mainly USD and BRL
  - Exposed to LME and Platts alumina index prices
- Primary Metal
  - Operational LME hedging - one-month forward sales
  - Currency exposure, mainly USD, NOK and BRL
- Metal Markets, Rolled Products
  - Operational LME and currency hedging to secure margin
- Flexibility to hedge LME or currency in certain cases
- Maintaining long-term debt in the revenue currency (USD)

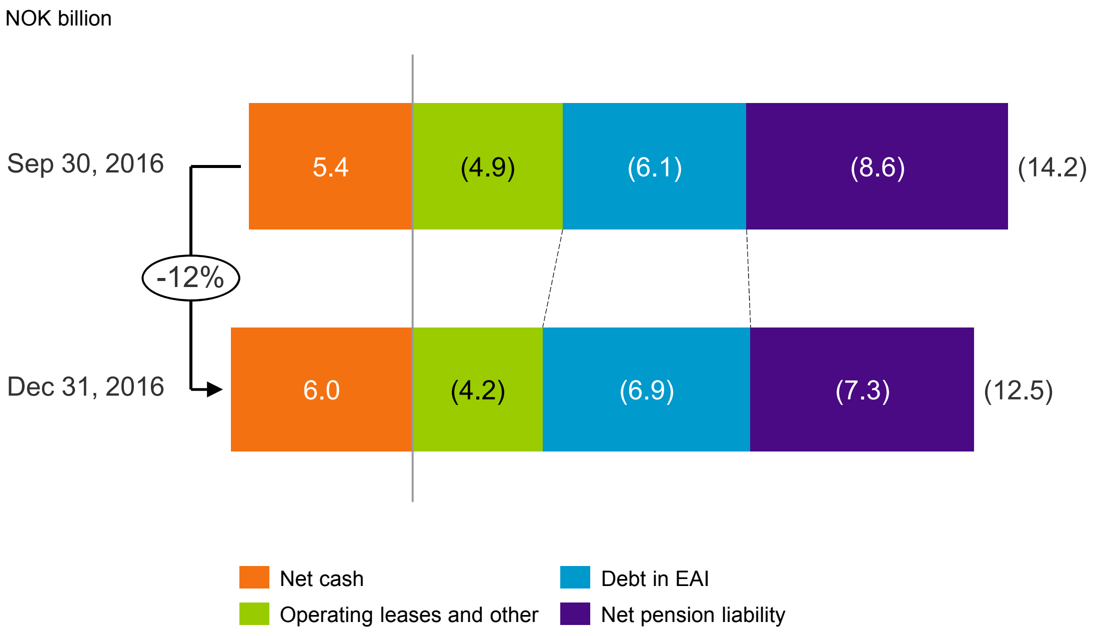
* Including NOK 1.25 2016 dividend per share proposed by the Board of Directors, pending approval from the Annual General meeting on May 3, 2017

HYDRO

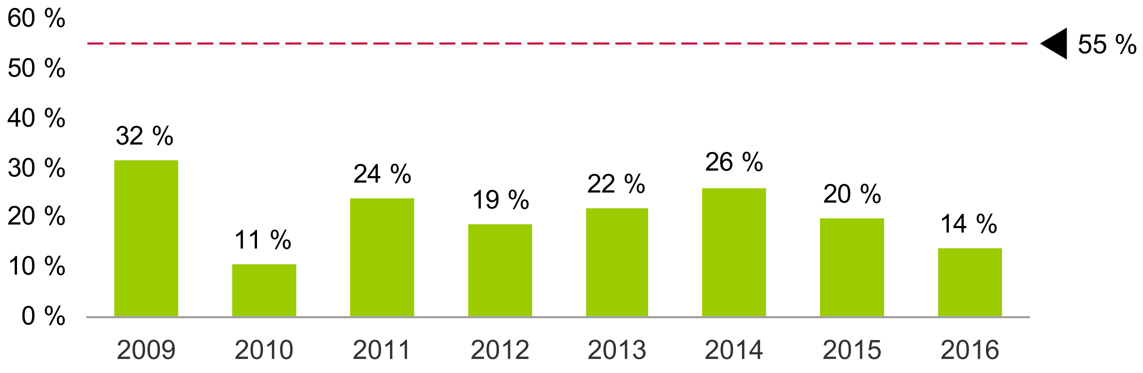
Maintaining a solid balance sheet and investment-grade credit rating

Funds from operations determine the balance sheet structure

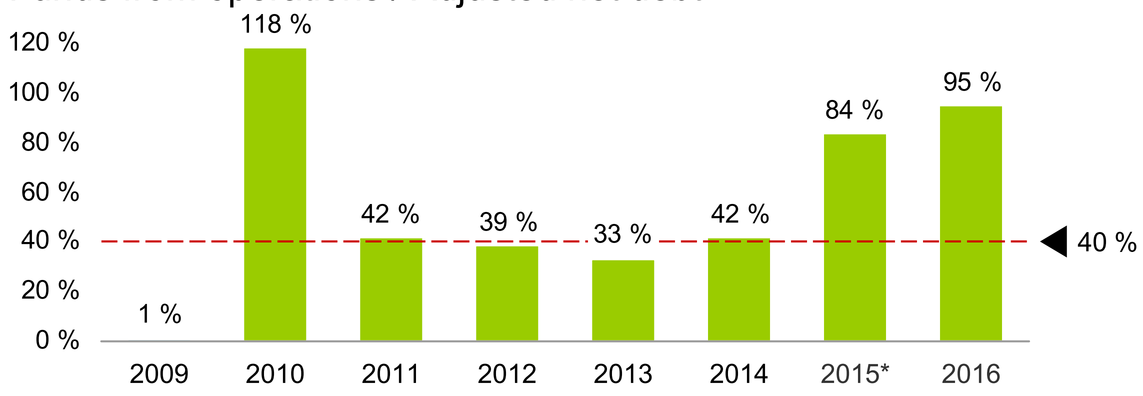
Adjusted net debt



Adjusted net debt / Equity



Funds from operations / Adjusted net debt

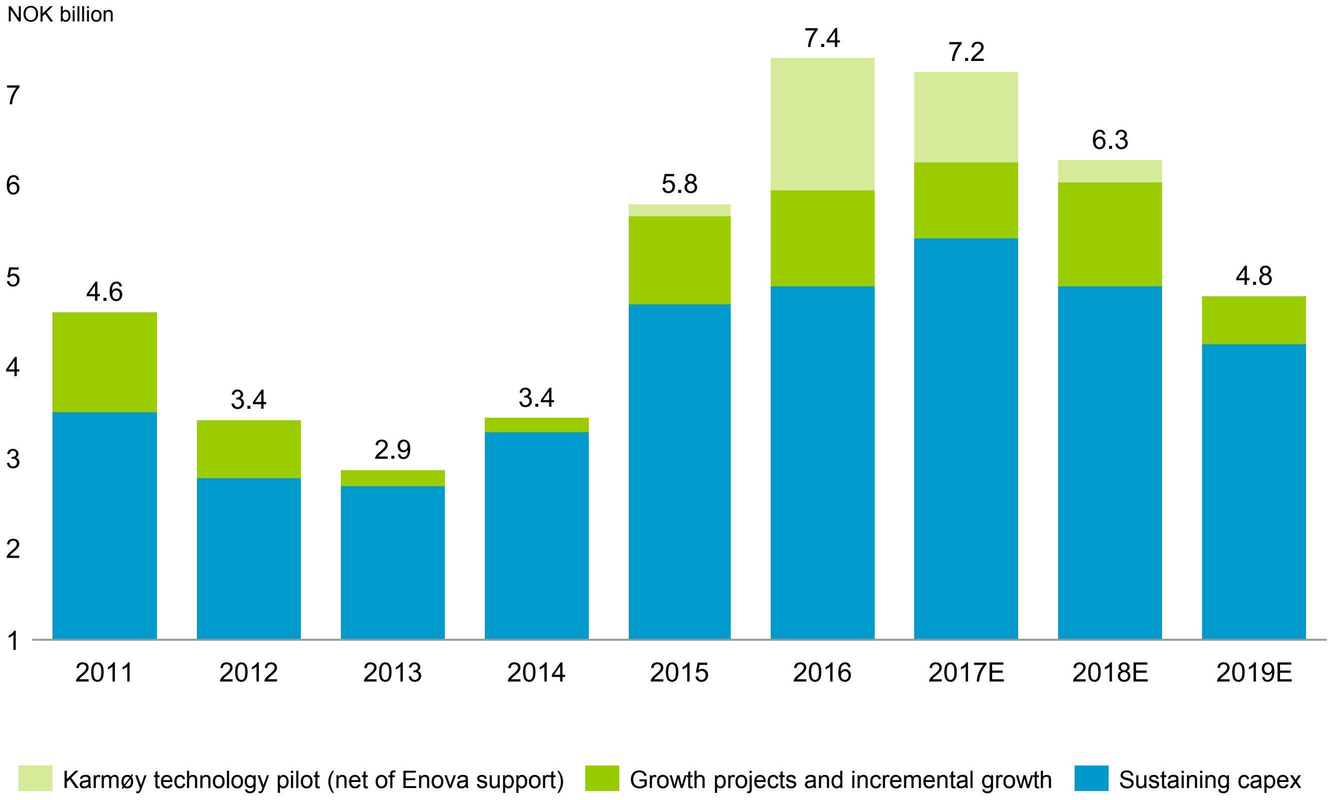


* 2015 FFO/aND ratio has been restated due to change of definition

HYDRO

Growth capex focused on high-grading, recycling and technology

Majority of sustaining capex allocated upstream



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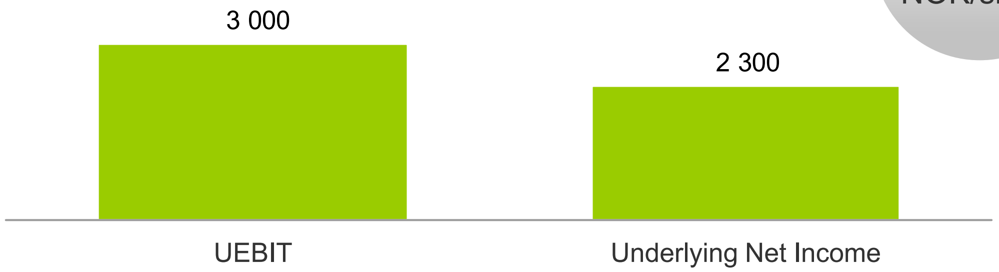
2011 excludes Vale assets acquisition
Excluding Extruded Products from 2012 onwards

Significant exposure to commodity and currency fluctuations

Aluminium price sensitivity +10%*

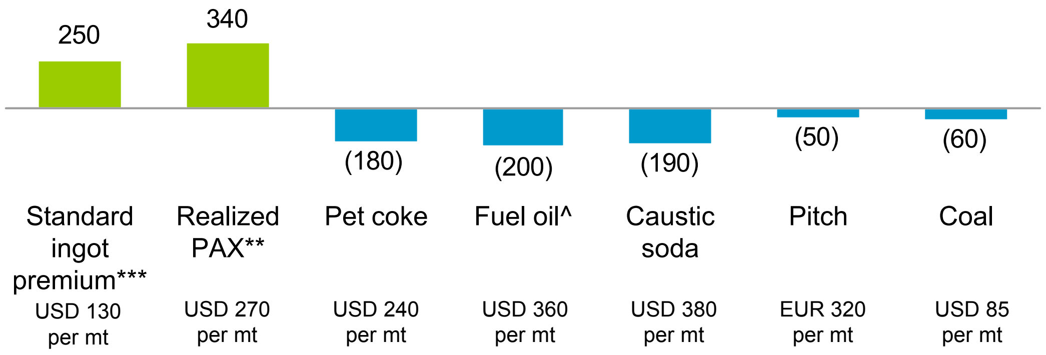
NOK million



UEPS
+1.02
NOK/share

Other commodity prices, sensitivity +10%*

NOK million



Currency sensitivities +10%*

Sustainable effect:

NOK million	USD	BRL	EUR
UEBIT	2 840	(1 080)	(240)

One-off reevaluation effect:

Financial items	(250)	440	(2 040)

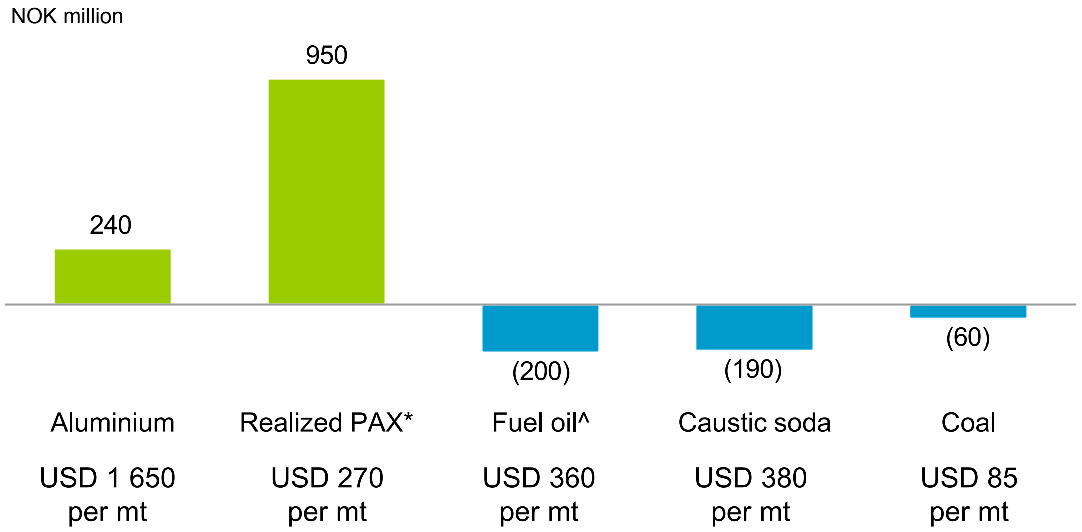
- Annual sensitivities based on normal annual business volumes, LME USD 1 650 per mt, fuel oil USD 360 per mt^, petroleum coke USD 240 per mt, caustic soda USD 380 per mt, coal USD 85 per mt, USD/NOK 8.30, BRL/NOK 2.50, EUR/NOK 9.00
- Aluminium price sensitivity is net of aluminium price indexed costs and excluding unrealized effects related to operational hedging
- BRL sensitivity calculated on a long-term basis with fuel oil assumed in USD. In the short-term, fuel oil is BRL-denominated
- Excludes effects of priced contracts in currencies different from underlying currency exposure (transaction exposure)
- Currency sensitivity on financial items includes effects from intercompany positions
- 2017 Platts alumina index (PAX) exposure used

* Excluding Sapa JV
** 2017 Platts alumina index exposure
*** Europe duty paid
^Excluding ICMS tax

HYDRO

Bauxite & Alumina sensitivities

Annual sensitivities on underlying EBIT if +10% in price



Currency sensitivities +10%

NOK million	USD	BRL	EUR
UEBIT	870	(740)	-

Revenue impact

- ~14% of 3-month LME price per tonne alumina
  - ~One month lag
- Realized alumina price lags PAX by one month

Cost impact

Bauxite

- ~2.45 tonnes bauxite per tonne alumina
- Pricing partly LME-linked

Caustic soda

- ~0.1 tonnes per tonne alumina
- Prices based on IHS Chemical, pricing mainly monthly per shipment

Energy

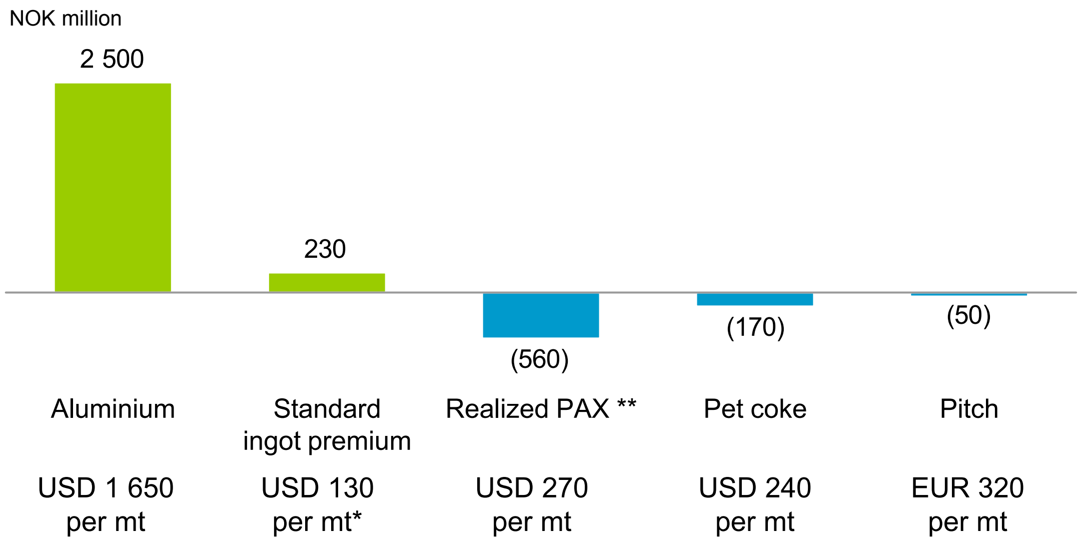
- ~0.12 tonnes coal per tonne alumina, Platts prices, one year volume contracts, weekly per shipment pricing
- ~0.11 tonnes heavy fuel oil per tonne alumina, prices set by ANP/Petrobras in Brazil, weekly pricing (ANP) or anytime (Petrobras)
- Increased use of coal as energy source in Alunorte

* 2017 Platts alumina index exposure
Currency rates used: USD/NOK 8.30, BRL/NOK 2.50, EUR/NOK 9.00
^Excluding ICMS tax

HYDRO

Primary Metal sensitivities

Annual sensitivities on underlying EBIT if +10% in price



Currency sensitivities +10%

NOK million	USD	BRL	EUR
UEBIT	1 600	(340)	(130)

Revenue impact

- Realized price lags LME spot by ~1-2 months
- Realized premium lags market premium by ~1-2 months

Cost impact

Alumina

- ~1.9 tonnes per tonne aluminium
- ~14.5% of 3-month LME price per tonne alumina, increasing volumes priced on Platts index
- ~ 2-3 months lag

Carbon

- ~0.35 tonnes petroleum coke per tonne aluminium,
  Pace Jacobs Consultancy, 2-3 year volume contracts, quarterly or half yearly pricing
- ~0.08 tonnes pitch per tonne aluminium, CRU, 2-3 year volume contracts, quarterly pricing

Power

- 13.7 MWh per tonne aluminium
- Long-term power contracts with indexations

* Europe duty paid. Hydro Q4'16 realized premium USD 240 per mt
**2017 Platts alumina index exposure
Currency rates used: USD/NOK 8.30, BRL/NOK 2.50, EUR/NOK 9.00

Items excluded from underlying results - 2016

NOK million (+=loss/()=gain)		Q1 2016	Q2 2016	Q3 2016	Q4 2016	Year 2016
Unrealized derivative effects on LME related contracts	Bauxite & alumina	-	-	-	-	-
Impairment charge	Bauxite & alumina	-	-	-	285	285
Other effects	Bauxite & alumina	-	-	-	(254)	(254)
Total impact	**Bauxite & alumina**	**-**	**-**	**-**	**31**	**31**
Unrealized derivative effects on LME related contracts	Primary metal	(72)	38	(24)	(36)	(93)
Unrealized effects on power contracts	Primary metal	(18)	(71)	(54)	18	(125)
Significant rationalization charges and closure costs	Primary metal	-	67	124	-	192
Total impact	**Primary metal**	**(90)**	**34**	**47**	**(18)**	**(27)**
Unrealized derivative effects on LME related contracts	Metal markets	(68)	(16)	(14)	(20)	(119)
Total impact	**Metal markets**	**(68)**	**(16)**	**(14)**	**(20)**	**(119)**
Unrealized derivative effects on LME related contracts	Rolled products	12	(182)	4	(16)	(183)
Metal effect	Rolled products	43	(17)	(48)	(68)	(91)
(Gains)/losses on divestments	Rolled products	15	13	-	-	28
Total impact	**Rolled products**	**69**	**(186)**	**(45)**	**(85)**	**(246)**
Unrealized derivative effects on power contracts	Energy	4	10	(10)	(4)	-
Total impact	**Energy**	**4**	**10**	**(10)**	**(4)**	**-**
Unrealized derivative effects on power contracts	Other and eliminations	(73)	175	(4)	(34)	64
Unrealized derivative effects on LME related contracts	Other and eliminations	(8)	15	2	(14)	(6)
Impairment charges	Other and eliminations	-	-	140	-	140
(Gains)/losses on divestments	Other and eliminations	-	(342)	-	-	(342)
Termination of lease contract Vækerø Park	Other and eliminations	-	-	-	-	-
Other effects	Other and eliminations	-	-	-	32	32
Unrealized derivative effects	Other and eliminations – Sapa (Hydro share)	(42)	(59)	(26)	(41)	(166)
Significant rationalization charges and closure costs	Other and eliminations – Sapa (Hydro share)	-	-	21	34	55
Other effects	Other and eliminations – Sapa (Hydro share)	-	-	-	-	-
Currency (gain) loss	Other and eliminations – Sapa (Hydro share)	4	(12)	(17)	(25)	(49)
Tax on items excluded	Other and eliminations – Sapa (Hydro share)	12	21	7	10	48
Total impact	**Other and eliminations**	**(107)**	**(202)**	**123**	**(39)**	**(225)**
Items excluded from underlying EBIT	**Hydro**	**(192)**	**(360)**	**101**	**(135)**	**(586)**
Net foreign exchange (gain)/loss	Hydro	(1 032)	(904)	(358)	26	(2 266)
Items excluded from underlying income (loss) before tax	**Hydro**	**(1 224)**	**(1 264)**	**(256)**	**(108)**	**(2 852)**
Calculated income tax effect	Hydro	365	313	95	68	841
Other adjustments to net income	Hydro	(700)	-	-	-	(700)
Items excluded from underlying net income (loss)	**Hydro**	**(1 559)**	**(951)**	**(161)**	**(40)**	**(2 712)**

HYDRO

Items excluded from underlying results - 2015

NOK million (+=loss/()=gain)		Q1 2015	Q2 2015	Q3 2015	Q4 2015	Year 2015
Unrealized derivative effects on LME related contracts	Bauxite & alumina	3	(6)	(6)	19	11
Total impact	**Bauxite & alumina**	**3**	**(6)**	**(6)**	**19**	**11**
Unrealized derivative effects on LME related contracts	Primary metal	54	(41)	75	7	95
Unrealized effects on power contracts	Primary metal	2	(2)	23	89	112
Insurance compensation (Qatalum)	Primary metal	-	(37)	-	-	(37)
Total impact	**Primary metal**	**56**	**(81)**	**99**	**96**	**169**
Unrealized derivative effects on LME related contracts	Metal markets	146	(45)	86	12	199
Total impact	**Metal markets**	**146**	**(45)**	**86**	**12**	**199**
Unrealized derivative effects on LME related contracts	Rolled products	(80)	143	82	(49)	95
Metal effect	Rolled products	(61)	(2)	344	177	458
(Gains)/losses on divestments	Rolled products	-	-	-	434	434
Total impact	**Rolled products**	**(141)**	**141**	**426**	**562**	**988**
Unrealized derivative effects on power contracts	Energy	1	(9)	10	1	3
Total impact	**Energy**	**1**	**(9)**	**10**	**1**	**3**
Unrealized derivative effects on power contracts	Other and eliminations	(154)	(150)	(106)	(122)	(533)
Unrealized derivative effects on LME related contracts	Other and eliminations	17	(20)	12	6	15
(Gains)/losses on divestments	Other and eliminations	-	-	-	(69)	(69)
Termination of lease contract Vækerø Park	Other and eliminations	-	-	-	285	285
Unrealized derivative effects	Other and eliminations – Sapa (Hydro share)	73	79	48	(105)	95
Significant rationalization charges and closure costs	Other and eliminations – Sapa (Hydro share)	22	152	68	125	366
Other effects	Other and eliminations – Sapa (Hydro share)	2	(22)	-	-	(20)
Currency (gain) loss	Other and eliminations – Sapa (Hydro share)	11	(11)	(22)	55	33
Tax on items excluded	Other and eliminations – Sapa (Hydro share)	(32)	(60)	(28)	(23)	(142)
Total impact	**Other and eliminations**	**(63)**	**(32)**	**(29)**	**152**	**28**
Items excluded from underlying EBIT	**Hydro**	**2**	**(31)**	**586**	**841**	**1 398**
Net foreign exchange (gain)/loss	Hydro	1 587	(346)	3 205	(48)	4 397
Items excluded from underlying income (loss) before tax	**Hydro**	**1 589**	**(377)**	**3 790**	**793**	**5 795**
Calculated income tax effect	Hydro	(454)	144	(1 069)	(38)	(1 418)
Items excluded from underlying net income (loss)	**Hydro**	**1 134**	**(234)**	**2 721**	**755**	**4 377**

Operating segment information

Underlying EBIT

NOK million	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Year 2015	Year 2016
Bauxite & Alumina	(288)	(269)	(26)	528	780	482	628	532	189	174	153	711	2 421	1 227
Primary Metal	312	420	1 216	1 989	2 012	1 448	762	407	318	702	637	601	4 628	2 258
Metal Markets	141	100	171	221	24	(89)	291	152	167	75	117	152	379	510
Rolled Products	181	177	243	96	292	315	331	204	248	242	211	6	1 142	708
Sapa	35	131	55	(22)	119	145	120	70	183	270	157	167	454	777
Energy	435	169	234	360	382	179	191	353	398	301	285	359	1 105	1 343
Other and Eliminations	(43)	(184)	(404)	(286)	(400)	187	(108)	(152)	(2)	(145)	(83)	(167)	(473)	(397)
Total	**772**	**544**	**1 490**	**2 886**	**3 208**	**2 667**	**2 215**	**1 566**	**1 501**	**1 618**	**1 477**	**1 829**	**9 656**	**6 425**

Underlying EBITDA

NOK million	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Year 2015	Year 2016
Bauxite & Alumina	122	162	417	1 046	1 240	951	1 048	1 165	640	659	664	1 258	4 404	3 221
Primary Metal	753	852	1 651	2 489	2 522	1 931	1 245	883	792	1 186	1 125	1 068	6 581	4 172
Metal Markets	157	120	192	243	47	(64)	317	180	191	98	141	175	480	604
Rolled Products	351	350	417	280	465	488	517	404	446	432	407	222	1 873	1 507
Sapa	35	131	55	(22)	119	145	120	70	183	270	157	167	454	777
Energy	474	209	275	402	429	227	241	403	453	352	336	412	1 300	1 553
Other and Eliminations	(31)	(171)	(391)	(268)	(385)	201	(94)	(134)	12	(134)	(76)	(160)	(412)	(359)
Total	**1 861**	**1 653**	**2 615**	**4 170**	**4 437**	**3 880**	**3 394**	**2 969**	**2 716**	**2 862**	**2 753**	**3 143**	**14 680**	**11 474**

Operating segment information

EBIT

NOK million	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Year 2015	Year 2016
Bauxite & Alumina	(284)	(269)	(23)	537	776	487	634	513	189	174	153	680	2 411	1 196
Primary Metal	303	434	1 278	1 912	1 956	1 528	664	311	408	668	591	619	4 459	2 285
Metal Markets	73	93	265	285	(122)	(44)	205	141	235	91	131	172	180	629
Rolled Products	197	336	525	64	433	174	(95)	(358)	179	428	255	91	154	953
Sapa	(51)	45	53	(360)	45	7	55	17	209	319	172	190	123	889
Energy	431	165	235	362	381	187	182	353	394	291	295	364	1 103	1 343
Other and Eliminations	154	(185)	(395)	(506)	(263)	358	(13)	(251)	79	8	(220)	(151)	(170)	(285)
Total	**822**	**620**	**1 937**	**2 295**	**3 206**	**2 698**	**1 630**	**725**	**1 693**	**1 978**	**1 376**	**1 964**	**8 258**	**7 011**

EBITDA

NOK million	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Year 2015	Year 2016
Bauxite & Alumina	125	163	419	1 056	1 237	957	1 054	1 146	640	659	664	1 513	4 393	3 475
Primary Metal	745	866	1 713	2 413	2 467	2 012	1 146	786	882	1 152	1 079	1 086	6 411	4 199
Metal Markets	122	114	286	307	(99)	(19)	231	168	259	114	154	195	281	723
Rolled Products	367	508	698	393	607	347	91	(158)	376	618	451	307	886	1 752
Sapa	(51)	45	53	(360)	45	7	55	17	209	319	172	190	123	889
Energy	471	205	276	404	428	236	231	402	450	341	346	416	1 297	1 553
Other and Eliminations	166	(172)	(383)	(489)	(248)	372	1	(233)	92	19	(74)	(143)	(109)	(107)
Total	**1 944**	**1 728**	**3 062**	**3 725**	**4 436**	**3 911**	**2 808**	**2 128**	**2 908**	**3 222**	**2 792**	**3 563**	**13 282**	**12 485**

Operating segment information

Total revenue

NOK million	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Year 2015	Year 2016
Bauxite & Alumina	3 511	3 828	3 737	4 770	5 461	5 127	5 758	5 542	4 212	4 572	4 925	5 834	21 889	19 543
Primary Metal	6 618	6 384	6 986	8 075	9 096	8 154	7 951	7 138	7 694	8 006	7 900	7 262	32 340	30 862
Metal Markets	10 292	10 109	10 919	11 709	12 181	13 127	11 173	10 428	11 248	11 239	10 649	10 117	46 909	43 254
Rolled Products	5 238	5 275	5 618	5 324	6 170	6 173	6 225	5 592	5 737	5 985	5 648	5 262	24 160	22 632
Sapa	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Energy	1 539	1 381	1 492	1 891	1 553	1 140	1 152	1 481	1 620	1 670	1 576	2 314	5 326	7 180
Other and Eliminations	(8 917)	(8 706)	(9 055)	(10 112)	(11 171)	(11 286)	(10 666)	(9 808)	(10 373)	(11 080)	(10 525)	(9 539)	(42 931)	(41 517)
Total	**18 282**	**18 272**	**19 698**	**21 656**	**23 290**	**22 436**	**21 594**	**20 374**	**20 138**	**20 391**	**20 174**	**21 250**	**87 694**	**81 953**

External revenue

NOK million	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Year 2015	Year 2016
Bauxite & Alumina	2 208	2 404	2 257	2 699	3 387	2 978	3 656	3 513	2 443	2 699	2 997	3 921	13 534	12 059
Primary Metal	1 227	1 337	1 590	2 242	1 789	1 059	1 311	1 214	1 175	1 312	1 459	1 582	5 373	5 529
Metal Markets	8 719	8 853	9 784	10 625	11 315	11 862	10 100	9 518	10 133	10 169	9 678	9 440	42 795	39 420
Rolled Products	5 290	5 212	5 498	5 345	6 079	6 254	6 334	5 625	5 795	5 831	5 637	5 205	24 293	22 469
Sapa	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Energy	807	436	540	710	698	264	176	485	575	364	394	1 093	1 623	2 426
Other and Eliminations	31	29	28	35	21	19	17	19	17	15	8	10	77	50
Total	**18 282**	**18 272**	**19 698**	**21 656**	**23 290**	**22 436**	**21 594**	**20 374**	**20 138**	**20 391**	**20 174**	**21 250**	**87 694**	**81 953**

Operating segment information

Internal revenue

NOK million	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Year 2015	Year 2016
Bauxite & Alumina	1 304	1 424	1 480	2 071	2 074	2 150	2 103	2 030	1 769	1 873	1 929	1 914	8 356	7 484
Primary Metal	5 391	5 047	5 396	5 833	7 307	7 095	6 641	5 925	6 519	6 693	6 441	5 680	26 967	25 333
Metal Markets	1 573	1 256	1 136	1 084	866	1 265	1 073	910	1 116	1 070	971	677	4 114	3 834
Rolled Products	(52)	63	120	(22)	91	(81)	(109)	(33)	(58)	153	11	57	(132)	163
Sapa	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Energy	732	945	952	1 181	854	877	976	996	1 044	1 306	1 182	1 221	3 703	4 753
Other and Eliminations	(8 948)	(8 735)	(9 084)	(10 147)	(11 192)	(11 306)	(10 683)	(9 827)	(10 390)	(11 095)	(10 533)	(9 549)	(43 008)	(41 567)
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Share of profit /(loss) in equity accounted investments

NOK million	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Year 2015	Year 2016
Bauxite & Alumina	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Primary Metal	92	77	234	325	250	282	25	(168)	(37)	10	74	48	389	96
Metal Markets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rolled Products	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sapa	(51)	45	53	(360)	45	7	55	17	209	319	172	190	123	889
Energy	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other and Eliminations	-	-	-	-	(29)	(13)	35	6	(3)	(6)	10	(1)	-	-
Total	**40**	**122**	**287**	**(34)**	**265**	**276**	**115**	**(144)**	**170**	**323**	**256**	**236**	**512**	**985**

Operating segment information

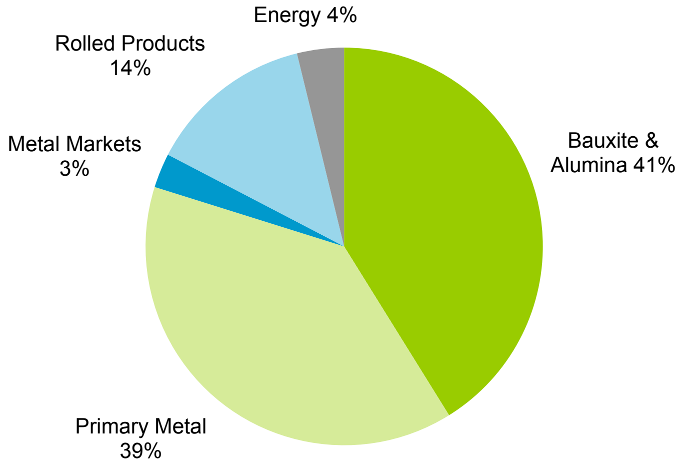
Return on average capital employed* (RoaCE)

	Reported RoaCE					Underlying RoaCE				
	2016	2015	2014	2013	2012	2016	2015	2014	2013	2012
Bauxite & Alumina	**2.7 %**	5.3 %	(0.1) %	(2.5) %	(1.5) %	**2.8 %**	5.3 %	(0.1) %	(2.2) %	(1.6) %
Primary Metal	**5.2 %**	10.7 %	10.4 %	2.3 %	(3.1) %	**5.2 %**	11.0 %	10.4 %	3.9 %	0.4 %
Metal Markets	**19.6 %**	5.4 %	21.9 %	22.3 %	4.3 %	**15.9 %**	11.4 %	19.4 %	19.9 %	6.6 %
Rolled Products	**6.2 %**	1.1 %	8.6 %	0.7 %	6.7 %	**4.6 %**	7.8 %	5.3 %	5.2 %	5.3 %
Energy	**18.1 %**	17.2 %	17.4 %	36.1 %	23.0 %	**18.1 %**	17.3 %	17.4 %	36.1 %	23.2 %
Hydro Group	**6.5 %**	7.5 %	4.9 %	1.1 %	(0.5) %	**5.1 %**	9.2 %	5.2 %	2.3 %	0.9 %

Capital employed – upstream focus

NOK million	Dec 31, 2016
Bauxite & Alumina	33 536
Primary Metal	31 534
Metal Markets	2 279
Rolled Products	11 039
Energy	3 115
Other and Eliminations	167
Total	**81 670**

Graph excludes BNOK 0.2 in capital employed in Other and Eliminations



* RoaCE at business area level is calculated using 30% tax rate. For Energy, 60% tax rate is used for 2016, 55% for the prior years

Operating segment information

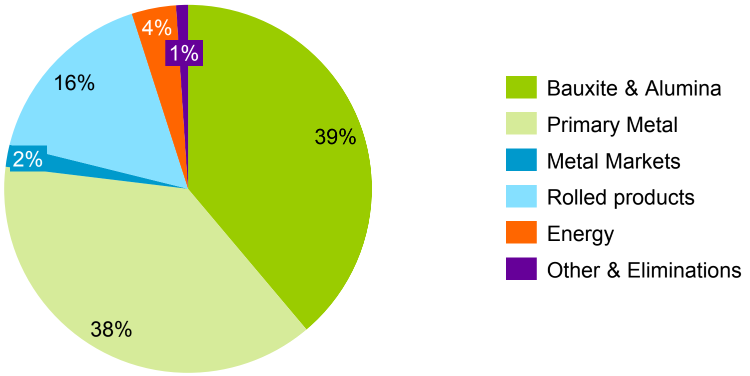
Depreciation, amortization and impairment

NOK million	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Year 2015	Year 2016
Bauxite & Alumina	410	431	442	519	460	470	420	633	451	485	511	833	1 983	2 279
Primary Metal	437	427	431	499	511	483	483	475	474	484	488	467	1 952	1 913
Metal Markets	49	21	21	22	23	25	26	27	24	24	24	23	101	94
Rolled Products	170	172	174	329	173	173	186	200	197	189	196	216	732	799
Sapa	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Energy	39	40	41	42	47	48	50	49	55	51	51	53	195	210
Other and Eliminations	13	13	13	17	15	14	14	18	13	11	146	8	61	178
Total	**1 117**	**1 104**	**1 121**	**1 428**	**1 229**	**1 213**	**1 178**	**1 403**	**1 215**	**1 244**	**1 416**	**1 599**	**5 023**	**5 474**

Indicative depreciation currency exposure by business area

Percent	USD	EUR	BRL	NOK & Other
Bauxite & Alumina			100%	
Primary Metal	25%		25%	50%
Metal Markets	25%	45%		30%
Rolled Products		90%		10%
Energy				100%
Other & Eliminations				100%

Depreciation by business area 2016, 5.0 BNOK



Income statements

NOK million	Q4 2016	Q3 2016	Q4 2015	Year 2015	Year 2016
Revenue	21 250	20 174	20 374	87 694	81 953
Share of the profit (loss) in equity accounted investments	236	256	(144)	512	985
Other income, net	342	96	(172)	461	1 030
Total revenue and income	**21 829**	**20 526**	**20 057**	**88 667**	**83 969**
Raw material and energy expense	13 391	12 886	12 933	56 330	52 151
Employee benefit expense	2 382	2 281	2 309	9 048	9 485
Depreciation, amortization and impairment	1 599	1 416	1 403	5 023	5 474
Other expenses	2 493	2 568	2 687	10 008	9 848
Earnings before financial items and tax (EBIT)	**1 964**	**1 376**	**725**	**8 258**	**7 011**
Financial income	137	102	104	297	574
Financial expense	(277)	216	(174)	(5 130)	1 552
Income (loss) before tax	1 823	1 693	655	3 425	9 137
Income taxes	(815)	(574)	(113)	(1 092)	(2 551)
Net income (loss)	**1 008**	**1 119**	**541**	**2 333**	**6 586**
Net income (loss) attributable to non-controlling interests	(51)	34	63	313	199
Net income (loss) attributable to Hydro shareholders	1 059	1 085	478	2 020	6 388
Earnings per share attributable to Hydro shareholders	**0.52**	**0.53**	**0.23**	**0.99**	**3.13**

NOK million	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Year 2015	Year 2016
Net income (loss)	462	269	665	(168)	1 072	2 064	(1 345)	541	2 382	2 077	1 119	1 008	2 333	6 586
Underlying net income (loss)	**388**	**318**	**1 043**	**1 979**	**2 206**	**1 830**	**1 377**	**1 296**	**822**	**1 126**	**958**	**968**	**6 709**	**3 875**
Earnings per share	0.19	0.09	0.29	(0.18)	0.46	0.94	(0.65)	0.23	1.12	0.95	0.53	0.52	0.99	3.13
Underlying earnings per share	**0.16**	**0.13**	**0.43**	**0.83**	**0.95**	**0.83**	**0.61**	**0.59**	**0.39**	**0.52**	**0.46**	**0.47**	**2.98**	**1.83**

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Balance sheets

NOK million	Dec 31 2016	Sep 30 2016	Jun 30 2016	Mar 31 2016	Dec 31 2015
Cash and cash equivalents	8 037	7 952	9 220	5 946	6 917
Short-term investments	4 611	4 438	2 629	5 479	5 752
Accounts receivable	10 884	11 495	12 085	12 699	10 797
Inventories	12 381	11 517	11 820	11 684	12 192
Other current assets	457	204	158	128	502
Property, plant and equipment	58 734	54 476	55 378	51 828	51 174
Intangible assets	5 811	5 469	5 622	5 132	5 121
Investments accounted for using the equity method	19 807	19 333	19 841	19 455	20 150
Prepaid pension	4 195	3 227	3 198	3 319	3 382
Other non-current assets	5 875	6 563	6 798	6 845	6 557
Total assets	**130 793**	**124 672**	**126 749**	**122 515**	**122 544**
Bank-loans and other interest-bearing short-term debt	3 283	3 562	3 593	3 753	3 562
Trade and other payables	10 108	9 131	9 719	8 857	9 375
Other current liabilities	3 716	4 193	3 822	3 864	4 462
Long-term debt	3 397	3 409	3 474	3 735	3 969
Provisions	4 384	3 764	3 630	3 443	3 264
Pension liabilities	12 871	13 771	13 837	13 457	12 782
Deferred tax liabilities	2 384	2 480	2 477	2 222	1 999
Other non-current liabilities	3 011	2 969	3 154	3 436	3 801
Equity attributable to Hydro shareholders	81 906	75 877	77 285	74 524	74 169
Non-controlling interests	5 733	5 518	5 757	5 224	5 159
Total liabilities and equity	**130 793**	**124 672**	**126 749**	**122 515**	**122 544**

Operational data

Bauxite & Alumina	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Year 2015	Year 2016
Alumina production (kmt)	1 428	1 526	1 478	1 501	1 451	1 437	1 498	1 577	1 517	1 554	1 635	1 635	5 962	6 341
Sourced alumina (kmt)	550	431	532	503	666	725	806	590	531	615	512	883	2 787	2 541
Total alumina sales (kmt)	1 906	2 071	1 922	2 043	2 136	2 099	2 268	2 368	2 073	2 078	2 221	2 472	8 871	8 843
Realized alumina price (USD) [1]	269	276	287	303	300	292	273	245	219	240	240	257	276	240
Implied alumina cost (USD) [2]	259	263	252	229	225	233	217	187	183	201	204	197	215	197
Bauxite production (kmt) [3]	2 242	2 370	2 287	2 582	2 135	2 232	2 735	2 959	2 682	2 609	2 777	3 063	10 060	11 132
Sourced bauxite (kmt) [4]	1 874	2 204	2 305	2 433	1 806	2 103	2 377	2 398	1 924	2 233	2 108	2 235	8 684	8 499
Underlying EBITDA margin [11]	3.5%	4.2%	11.2%	21.9%	22.7%	18.5%	18.2%	21.0%	15.2%	14.4%	13.5%	21.6%	20.1%	16.5%

Primary Metal [5]	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Year 2015	Year 2016
Realized aluminium price LME, USD/mt	1 749	1 762	1 906	1 997	1 897	1 803	1 685	1 555	1 497	1 546	1 612	1 647	1 737	1 574
Realized aluminium price LME, NOK/mt[7]	10 702	10 660	11 909	13 355	14 383	13 923	13 779	13 125	12 950	12 826	13 375	13 659	13 813	13 193
Realized premium above LME, USD/mt[6]	422	476	537	575	614	509	342	291	288	270	251	240	439	263
Realized premium above LME, NOK/mt[6,7]	2 583	2 883	3 355	3 845	4 660	3 927	2 796	2 460	2 488	2 243	2 082	1 993	3 492	2 201
Realized NOK/USD exchange rate [7]	6.12	6.05	6.25	6.69	7.58	7.72	8.18	8.44	8.65	8.30	8.30	8.29	7.95	8.38
Realized NOK/USD exchange rate excluding hedge	6.12	5.98	6.21	6.76	7.58	7.72	8.18	8.44	8.65	8.30	8.30	8.29	7.95	8.38
Implied primary cost (USD) [8]	1 400	1 375	1 275	1 150	1 150	1 225	1 325	1 275	1 225	1 175	1 275	1 325	1 250	1 250
Implied all-in primary cost (USD) [9]	1 900	1 925	1 875	1 775	1 800	1 775	1 675	1 575	1 550	1 500	1 550	1 550	1 725	1 550
Primary aluminium production, kmt	484	488	487	499	497	509	520	521	514	518	526	526	2 046	2 085
Casthouse production, kmt	525	529	521	515	495	516	524	525	534	547	541	523	2 059	2 146
Total sales, kmt[10]	593	559	542	527	534	544	550	531	552	596	573	528	2 159	2 248
Underlying EBITDA margin [11]	11.4%	13.3%	23.6%	30.8%	27.7%	23.7%	15.7%	12.4%	10.3%	14.8%	14.2%	14.7%	20.3%	13.5%

1) Weighted average of own production and third party contracts, excluding hedge results. The majority of the alumina is sold linked to either the LME prices or alumina index with a one month delay.
2) Implied alumina cost (based on EBITDA and sales volume) replaces previous apparent alumina cash cost
3) Paragominas production, on wet basis
4) 40 percent MRN offtake from Vale and 5 percent Hydro share on wet basis
5) Operating and financial information includes Hydro's proportionate share of production and sales volumes in equity accounted investments. Realized prices, premiums and exchange rates exclude equity accounted investments
6) Average realized premium above LME for casthouse sales from Primary Metal.
7) Including strategic hedges /hedge accounting applied
8) Realized LME price minus Underlying EBITDA margin (incl. Qatalum) per mt primary aluminium produced. Includes net earnings from primary casthouses
9) Realized all-in price minus Underlying EBITDA margin (incl. Qatalum) per mt primary aluminium sold. Includes net earnings from primary casthouses
10) Total sales replaces previous casthouse sales due to change of definition
11) Underlying EBITDA divided by total revenues

Operational data

Metal Markets	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Year 2015	Year 2016
Remelt production (1 000 mt)	139	141	128	130	145	141	117	130	144	146	125	133	533	548
Third-party Metal Products sales (1 000 mt)	84	81	80	79	74	80	81	84	72	74	78	80	319	304
Metal Products sales excl. ingot trading (1 000 mt) 1)	776	726	696	654	626	750	676	670	736	777	720	660	2 722	2 893
Hereof external sales excl. ingot trading (1 000 mt)	654	619	609	596	571	674	616	613	664	694	652	616	2 474	2 627
External revenue (NOK million)	8 719	8 853	9 784	10 625	11 315	11 862	10 100	9 518	10 133	10 169	9 678	9 440	42 795	39 420

Rolled Products	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Year 2015	Year 2016
Rolled Products external shipments (1 000 mt)	243	245	244	213	227	243	248	229	229	238	231	213	948	911
Rolled Products – Underlying EBIT per mt, NOK	744	723	996	452	1 284	1 294	1 332	888	1 086	1 017	914	29	1 204	777
Underlying EBITDA margin 2)	6.7%	6.6%	7.4%	5.3%	7.5%	7.9%	8.3%	7.2%	7.8%	7.2%	7.2%	4.2%	7.8%	6.7%

Energy	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Year 2015	Year 2016
Power production, GWh	2 964	2 248	2 170	2 823	3 071	2 103	2 839	2 882	3 160	2 674	2 946	2 551	10 894	11 332
Net spot sales, GWh	1 581	1 028	873	1 339	1 610	724	1 363	1 292	1 795	1 393	1 699	1 176	4 989	6 063
Nordic spot electricity price, NOK/MWh	252	211	263	264	246	177	122	204	229	223	235	311	187	250
Southern Norway spot electricity price (NO2), NOK/MWh	249	168	247	248	238	171	102	197	212	213	212	296	177	233
Underlying EBITDA margin 2)	30.8%	15.1%	18.4%	21.3%	27.6%	19.9%	20.9%	27.2%	28.0%	21.1%	21.3%	17.8%	24.4%	21.6%

1) Includes external and internal sales from primary casthouse operations, remelters and third party Metal sources
2) Underlying EBITDA divided by total revenues

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Sapa joint venture

Sapa JV (100 % basis), underlying (unaudited)

NOK million, except sales volumes	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Year 2015	Year 2016
Sales volume (1000 mt)	346	360	346	314	359	367	350	322	353	358	341	312	349	366	340	310	1 364	1 365
Revenues*	10 367	10 974	10 798	10 132	11 311	11 496	11 561	11 842	14 051	14 484	13 895	12 821	13 905	14 071	13 140	12 210	55 252	53 327
Underlying EBITDA	304	508	328	(43)	440	641	492	343	705	799	734	491	901	1 132	812	653	2 729	3 498
Underlying EBIT	16	213	24	(339)	155	350	201	(55)	392	483	404	128	571	804	488	335	1 407	2 197
Underlying net income (loss)				(281)	69	263	110	(44)	238	291	240	139	365	540	315	334	907	1 553

Sapa JV (100 % basis), reported (unaudited)

NOK million	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Year 2015	Year 2016
Reported EBIT	(148)	(1 096)	(1 985)	(787)	(3)	168	198	(679)	201	65	174	88	655	920	497	350	528	2 420
Reported net income (loss)				(620)	(103)	89	107	(719)	89	14	109	34	418	639	344	379	246	1 779

Sapa JV (100 % basis), reconciliation between reported and underlying EBIT (unaudited)

NOK million, except sales volumes	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Year 2015	Year 2016
Reported EBIT	**(3)**	**168**	**198**	**(679)**	**201**	**65**	**174**	**88**	**655**	**920**	**497**	**350**	**528**	**2 420**
Items excluded from EBIT:														
Unrealized derivative effects	73	36	66	(79)	(145)	(158)	(95)	208	83	116	51	82	(189)	333
Restructuring cost and other items	(231)	(218)	(70)	(546)	(47)	(260)	(135)	(249)	-	-	(42)	(67)	(690)	(109)
Total items excluded from EBIT**	(159)	(182)	(4)	(624)	(191)	(418)	(230)	(41)	83	116	9	15	(879)	223
Underlying EBIT	**155**	**350**	**201**	**(55)**	**392**	**483**	**404**	**128**	**571**	**804**	**488**	**335**	**1 407**	**2 197**

Pro forma figures before Q4 2013
* Historical revenues have been reclassified
** Negative figures represent a net cost to be added to get from reported EBIT to Underlying EBIT

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Sapa joint venture

Sapa JV (100 % basis), information by business area

Precision Tubing	2016	2015	2014
Volume (kmt)	150	145	147
External revenues (NOKm)	6 338	6 275	5 039
Underlying EBITDA (NOKm)	608	353	371
Underlying EBIT (NOKm)	376	124	181

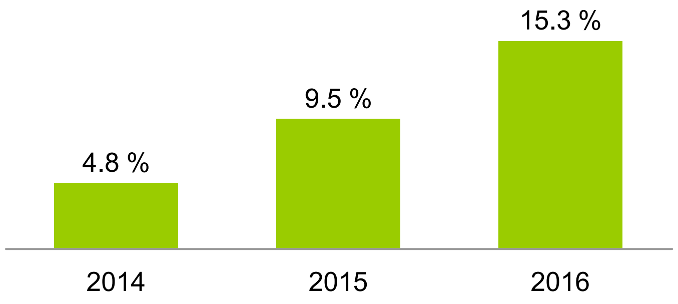
Building Systems	2016	2015	2014
Volume (kmt)	77	77	88
External revenues (NOKm)	7 089	7 043	6 677
Underlying EBITDA (NOKm)	533	220	159
Underlying EBIT (NOKm)	381	71	(1)

Extrusion Europe	2016	2015	2014
Volume (kmt)	577	563	613
External revenues (NOKm)	19 600	20 031	17 877
Underlying EBITDA (NOKm)	1 271	1 016	763
Underlying EBIT (NOKm)	778	475	224

Extrusion North America	2016	2015	2014
Volume (kmt)	585	598	577
External revenues (NOKm)	20 298	21 694	16 437
Underlying EBITDA (NOKm)	1 335	1 295	1 013
Underlying EBIT (NOKm)	927	931	705

Other and eliminations	2016	2015	2014
Underlying EBITDA (NOKm)	(249)	(155)	(390)
Underlying EBIT (NOKm)	(266)	(194)	(458)

Sapa JV (100 % basis), Underlying RoaCE (pre-tax)



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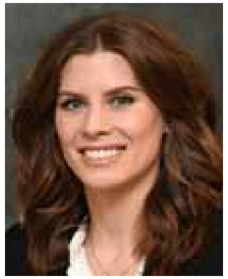

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Next event

First quarter results
April 28, 2017

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