



Higher prices lift results, increased raw material costs

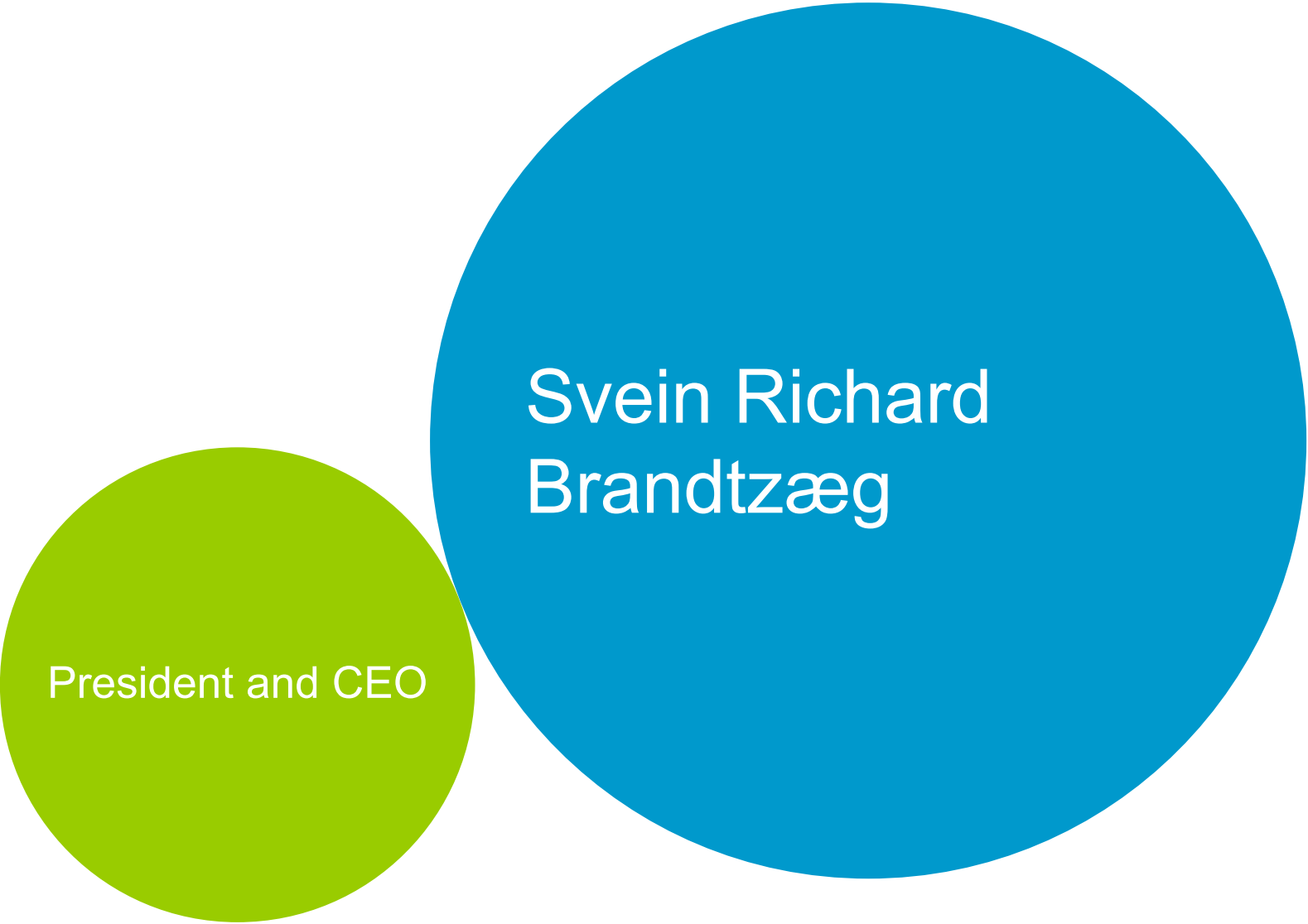
First quarter presentation

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.

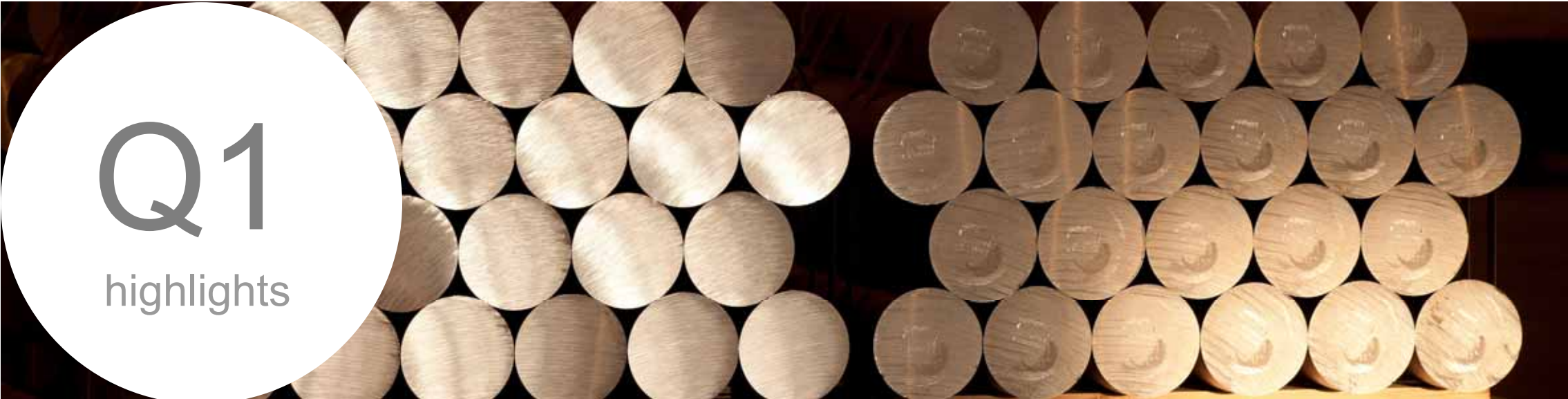
Although we believe that the expectations reflected in such forward-looking statements are reasonable, these forward-looking statements are based on a number of assumptions and forecasts that, by their nature, involve risk and uncertainty. Various factors could cause our actual results to differ materially from those projected in a forward-looking statement or affect the extent to which a particular projection is realized. Factors that could cause these differences include, but are not limited to: our continued ability to reposition and restructure our upstream and downstream businesses; changes in availability and cost of energy and raw materials; global supply and demand for aluminium and aluminium products; world economic growth, including rates of inflation and industrial production; changes in the relative value of currencies and the value of commodity contracts; trends in Hydro's key markets and competition; and legislative, regulatory and political factors.

No assurance can be given that such expectations will prove to have been correct. Hydro disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



Svein Richard
Brandtzæg

President and CEO



Q1

highlights

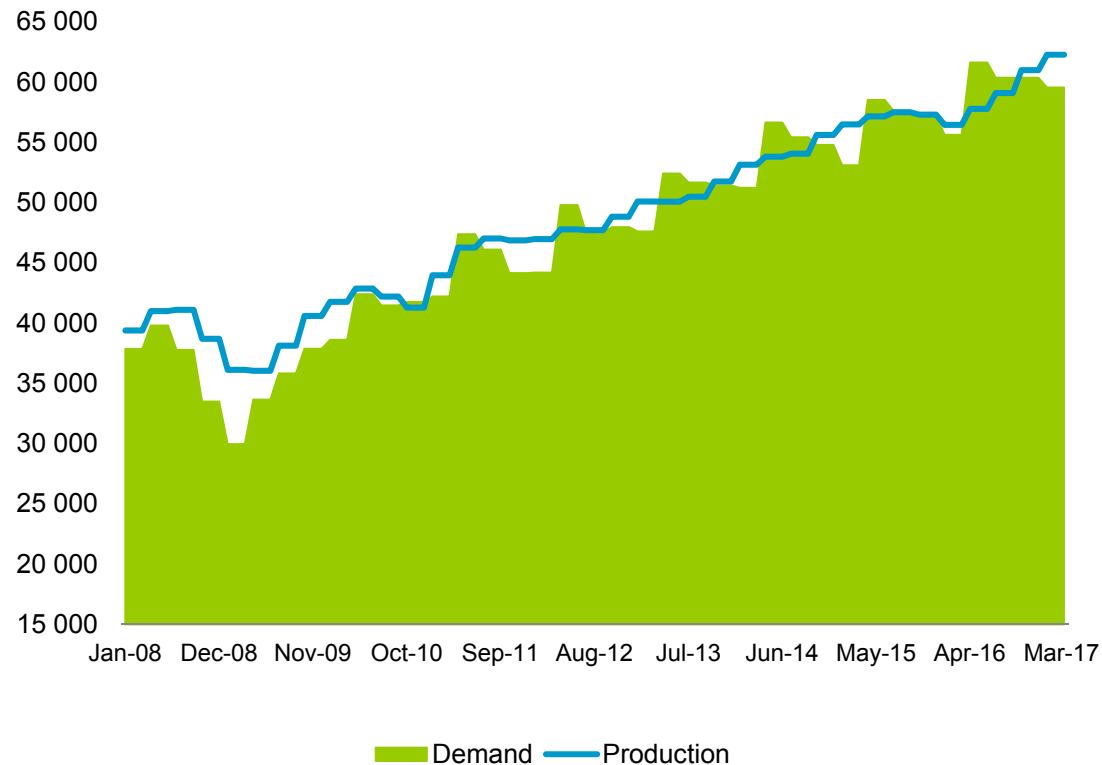
- Underlying EBIT of NOK 2 284 million
- Higher realized all-in aluminium and alumina prices
- Raw material cost pressure
- Rolled Products results affected by operational issues
- *Better* program on schedule for 2017 target of NOK 500 million
- Karmøy Technology Pilot on time and budget for Q4 2017 start-up
- Product qualification at Automotive Line 3 in progress – ramp-up during 2017
- 2017 global primary demand growth outlook of 4-6%, global market largely balanced

Global primary aluminium surplus in Q1

Driven by strong production growth in China, partly offset by continued strong demand

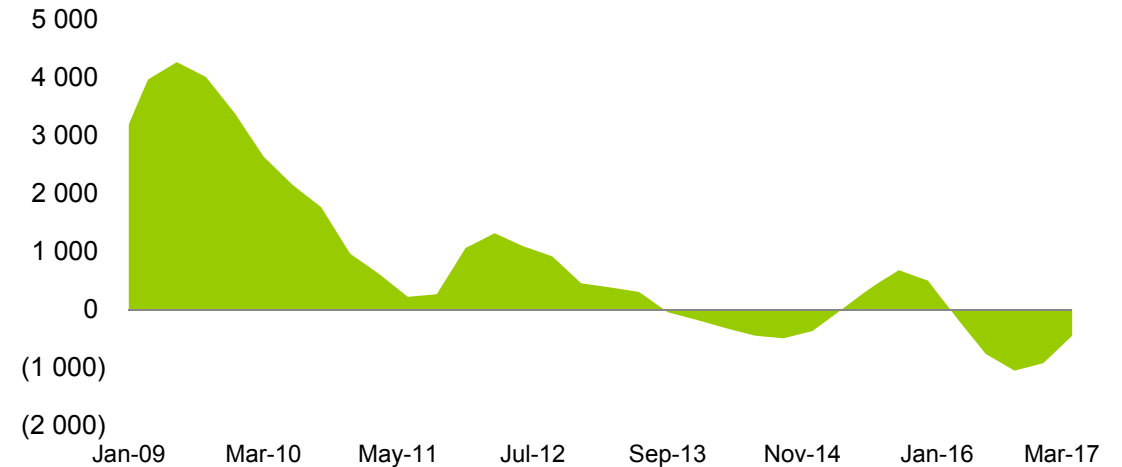
Demand and production (quarterly annualized)

1 000 mt primary aluminium



Production less demand^{*)}

1 000 mt primary aluminium



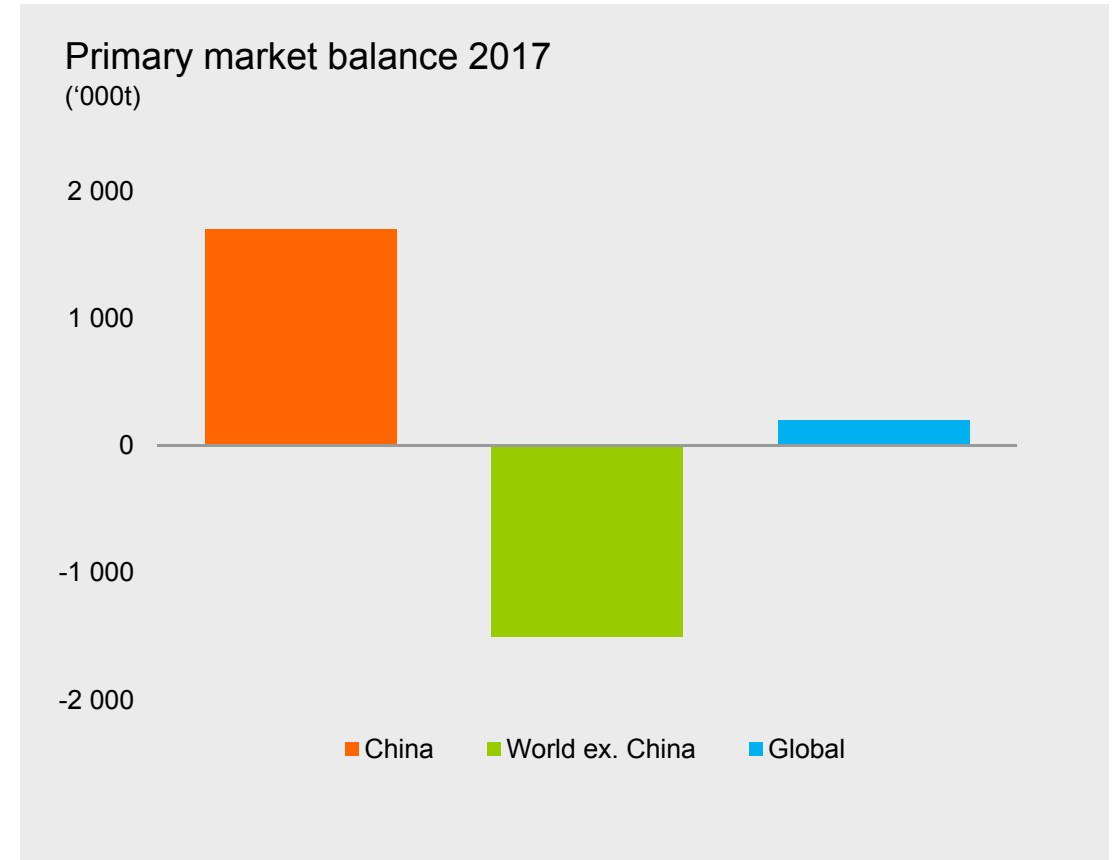
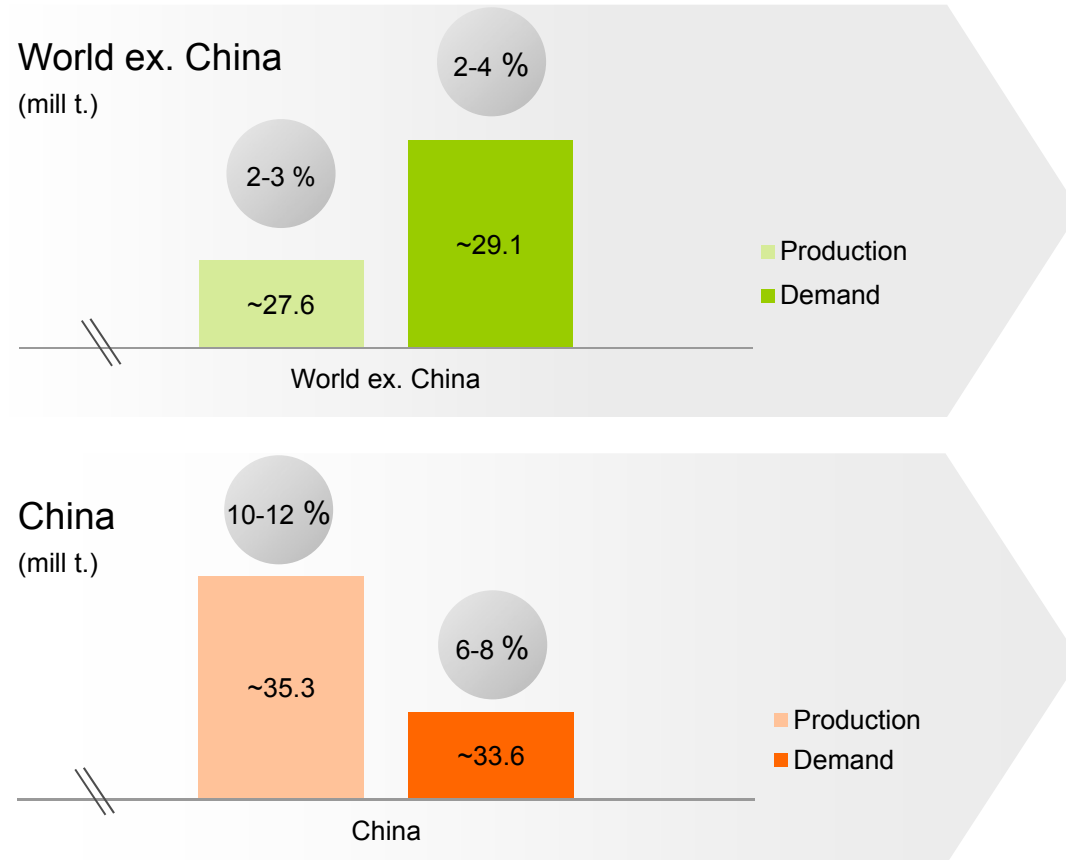
- ~5.4 % demand growth 2016
- ~5.9 % demand growth Q1-17 vs Q1-16
 - ~8.3 % China
 - ~1.7 % Western Europe
 - ~3.3 % North America
 - ~4.8 % Central and South America
- 2017 global demand growth outlook 4-6%, lifted from 3-5% outlook end-Q4

Source: CRU/Hydro

* Yearly rolling average of quarterly annualized production less demand

Primary aluminium market expected to be largely balanced in 2017

Stronger-than-expected demand and production growth in China



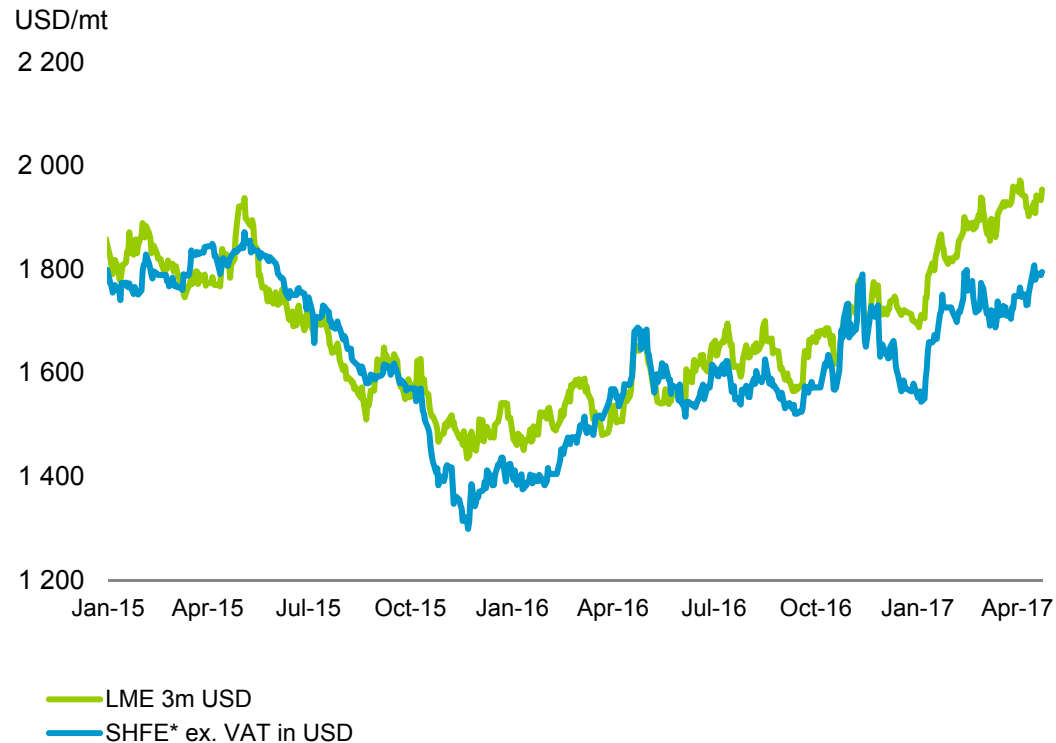
Source: CRU, Hydro analysis

x% Growth from 2016 to 2017

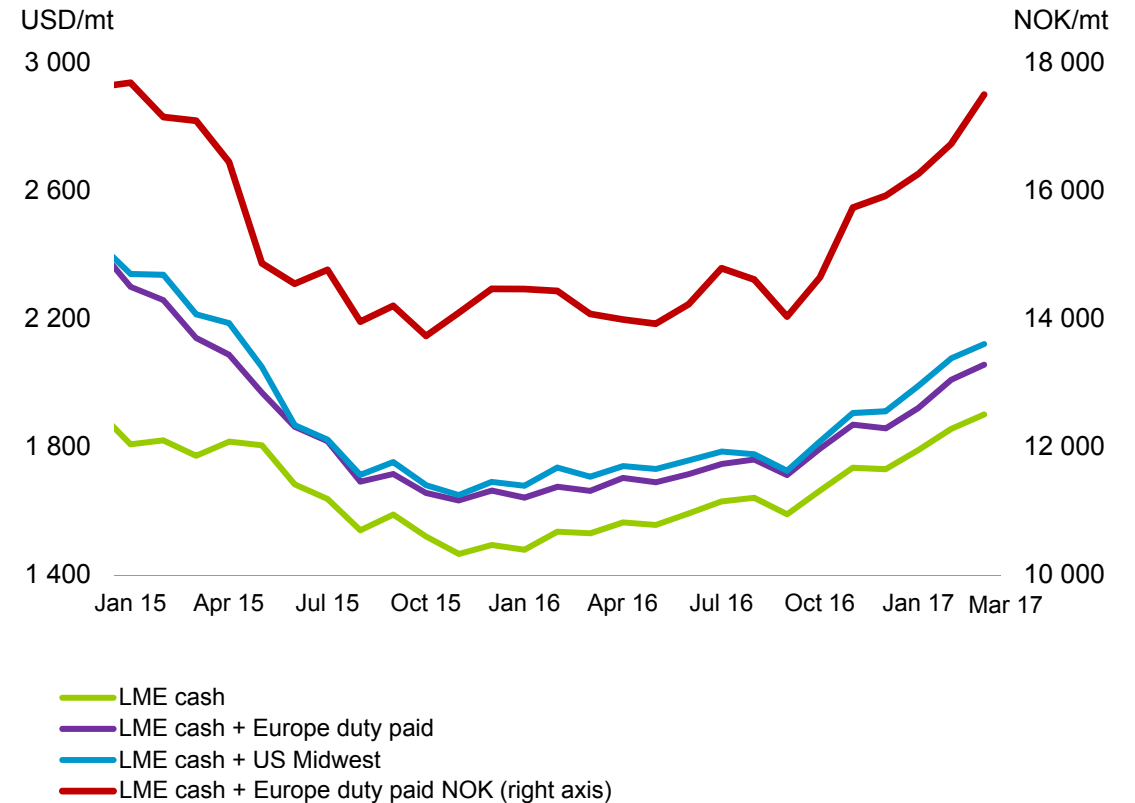
Increasing average all-in aluminium prices in Q1

Widening arbitrage between LME and SHFE in Q1 compared to Q4

LME and SHFE aluminium prices



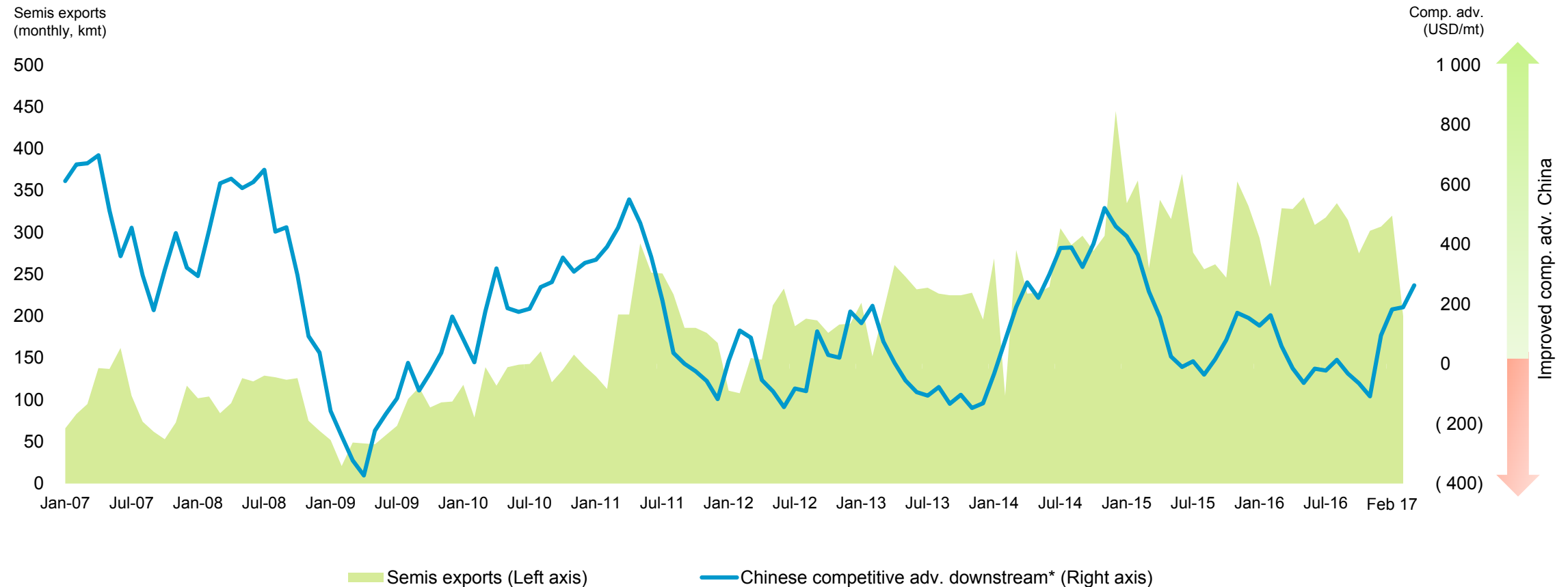
All-in aluminium prices



Source: Metal Bulletin, Platts, Reuters Ecowin, Hydro analysis
* Shanghai Futures Exchange

Lower Chinese Jan-Feb export levels despite increasing arbitrage

Preliminary export figures indicate increased exports in March

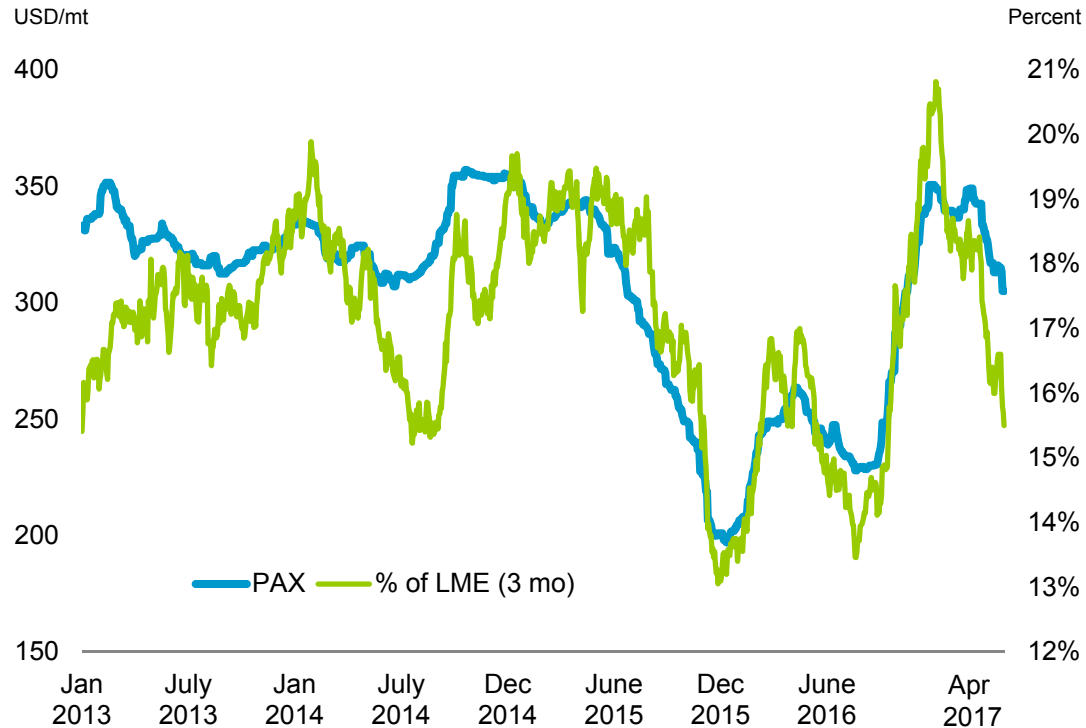


Source: CRU/Ecowin
Est. metal cost China versus Europe
Europe: LME cash + European duty-paid standard ingot premium
China: SHFE cash + avg. local premium + freight – export rebates (~13 %)

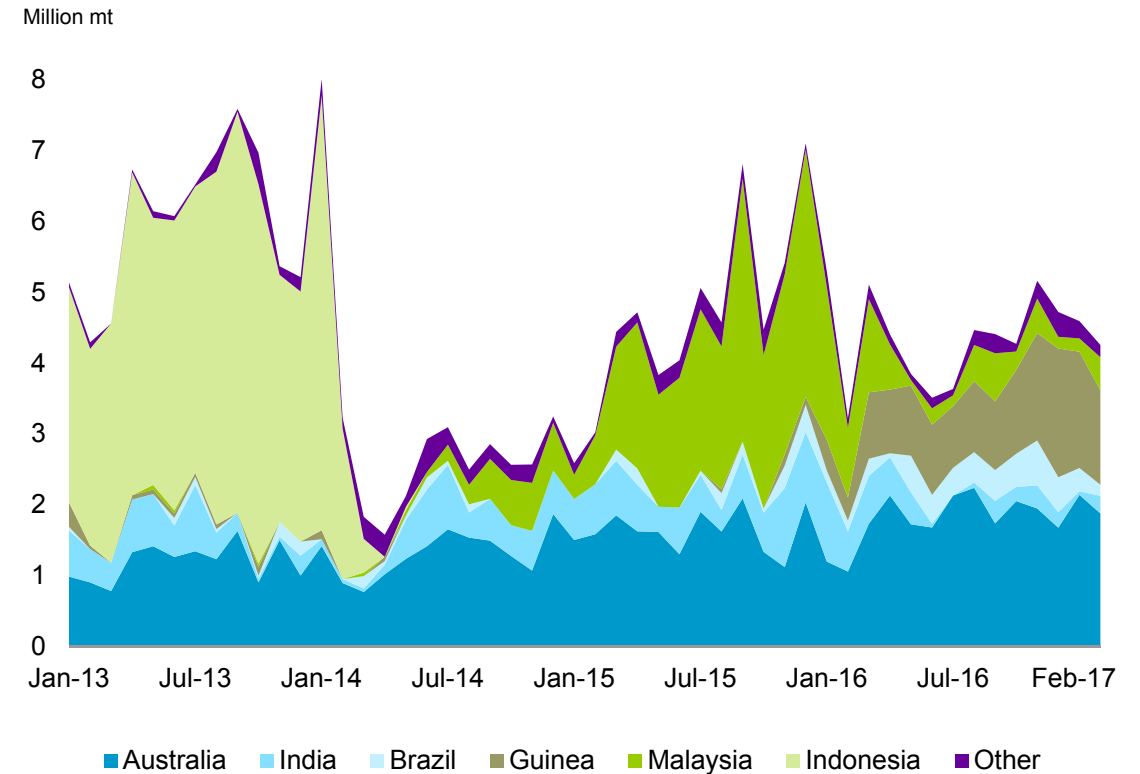
Alumina prices significantly up on average in Q1 vs Q4

Continued high Atlantic bauxite exports to China

Platts alumina index (PAX)



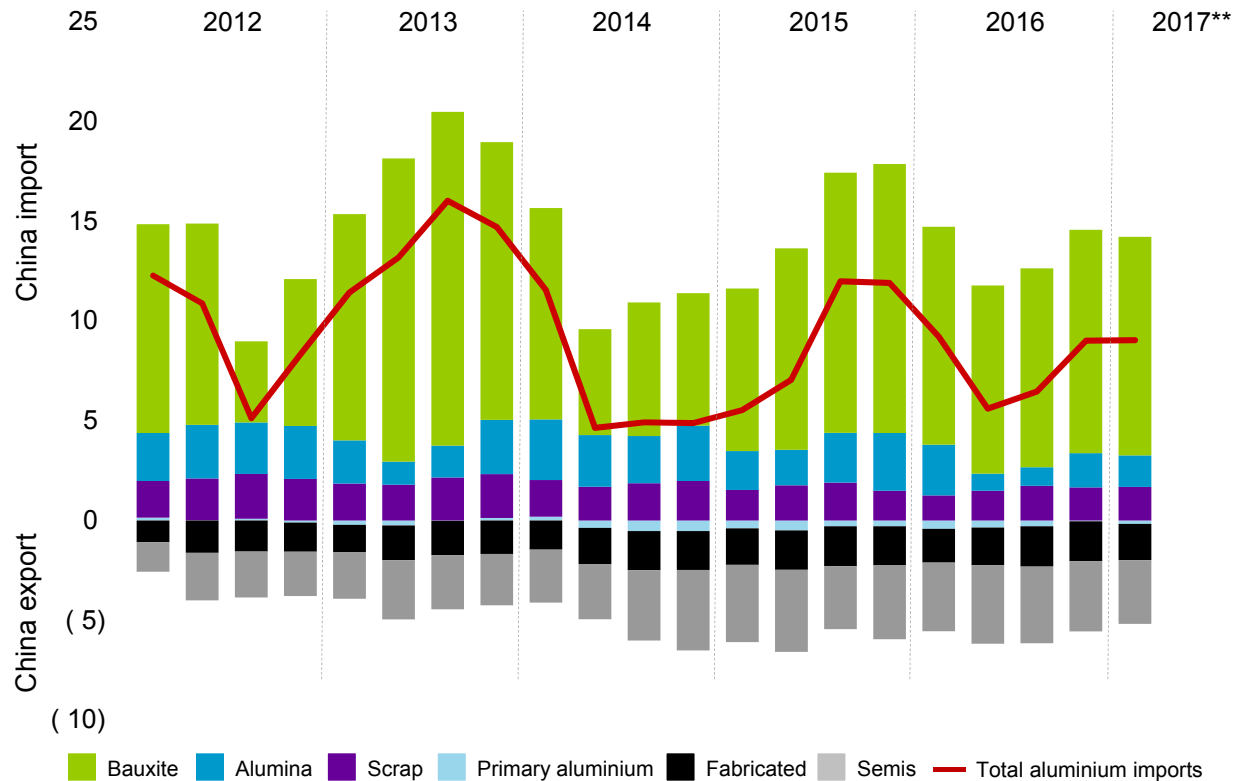
Monthly Chinese bauxite imports



Source: Platts, Ecwin, China Customs

China: bauxite imports remain high in Q1, slightly lower semis export

Annualized aluminium equivalents*, million mt



- Bauxite and alumina
 - Continued high volumes from Australia and Guinea
 - Alumina imports remain subdued
- Primary aluminium exports at low levels
- Largely stable scrap imports
- Slight reduction in exports of semis and fabricated products last two quarters

Source: CRU/Antaika/Hydro

* Bauxite/alumina to aluminium conversion factor: 5.6/1.925

** Quarterly annualized for Q1 2017 based on Jan/Feb data; full Q1 figures not available

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

Slightly behind plan, still expect to reach 2017 target of NOK 500 million



- Lower Q1 production at Alunorte and Paragominas as expected, due to planned maintenance
- On track for 2019 target



- Operational issues in Q1 reducing improvement speed – expect to recover during 2017
- On track for 2019 target



- Slower than expected progress in Albras, partly offset by improved overall performance
- On track for 2019 target

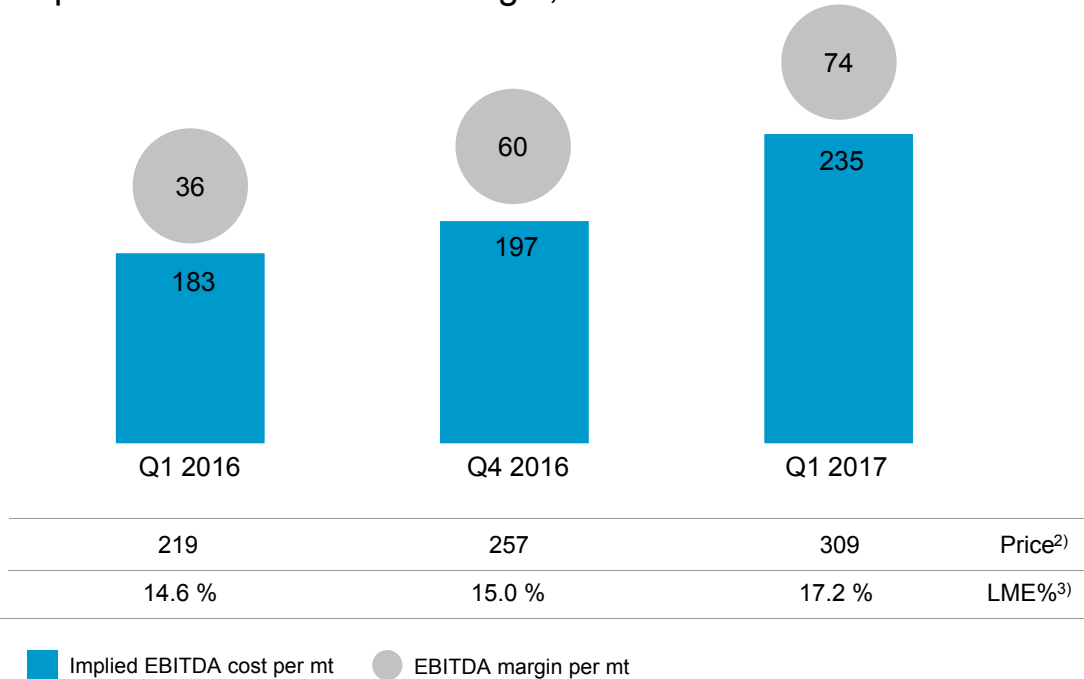


Target 2017
BNOK ~0.5

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.

Increased implied alumina cost, higher prices lift margins

Implied alumina cost and margin, USD/mt ¹⁾



Developments Q1 vs Q4

- Margins up on higher realized prices
- Implied alumina cost in Q1 affected by:
 - Increased raw material prices, mainly caustic and fuel oil
 - Higher alumina sourcing costs
 - Strengthening BRL

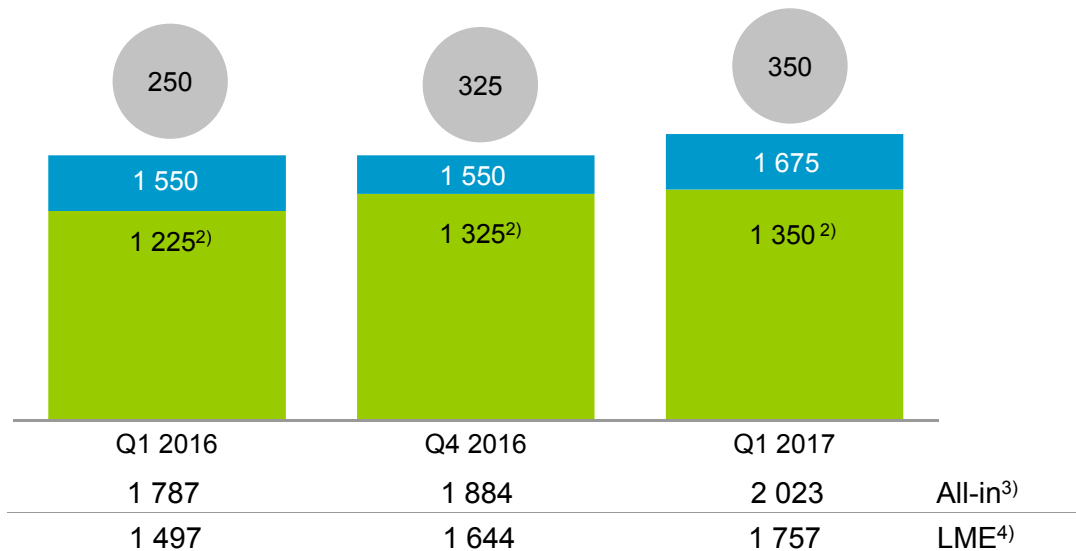
1) Realized alumina price minus underlying EBITDA for B&A, per mt alumina sales

2) Realized alumina price

3) Realized alumina price as % of three-month LME price with one month lag

Increased all-in implied primary cost, higher margins

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



■ All-in Implied EBITDA cost per mt

■ LME Implied EBITDA cost per mt

● All-in EBITDA margin per mt

Developments Q1 vs Q4

- Margins up from Q4 on increased realized aluminium prices
- All-in implied primary cost up on increased alumina costs

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

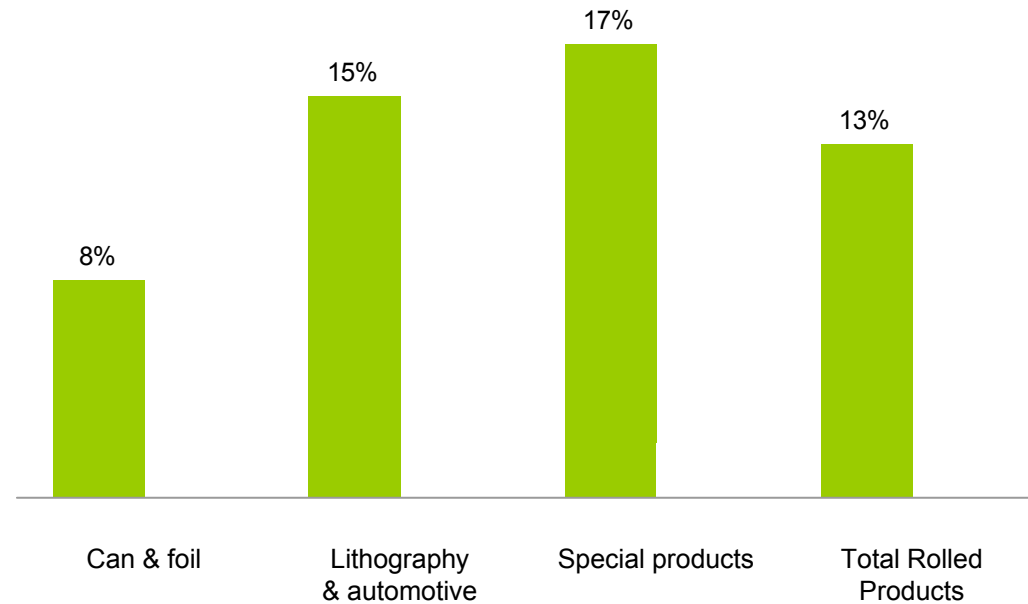
3) Realized LME plus realized premiums, including Qatalum

4) Realized LME, including Qatalum

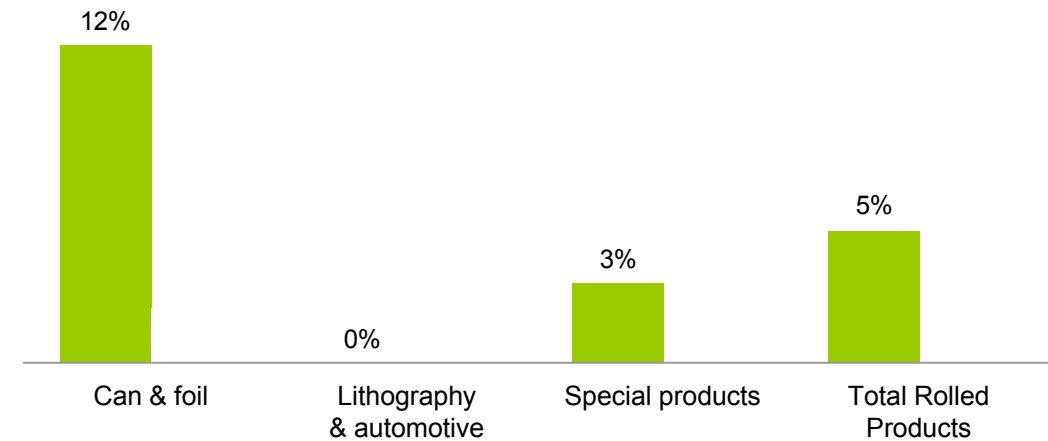
Seasonally stronger Q1, overall healthy demand in Rolled Products

Continued strong growth within Body-in-White car parts

Q1 2017 vs Q4 2016



Q1 2017 vs Q1 2016



* Include BiW sales growth of 15% Q1 2017 vs Q4 2016, and 28% Q1 2017 vs Q1 2016

Seasonally stronger market demand for extruded products



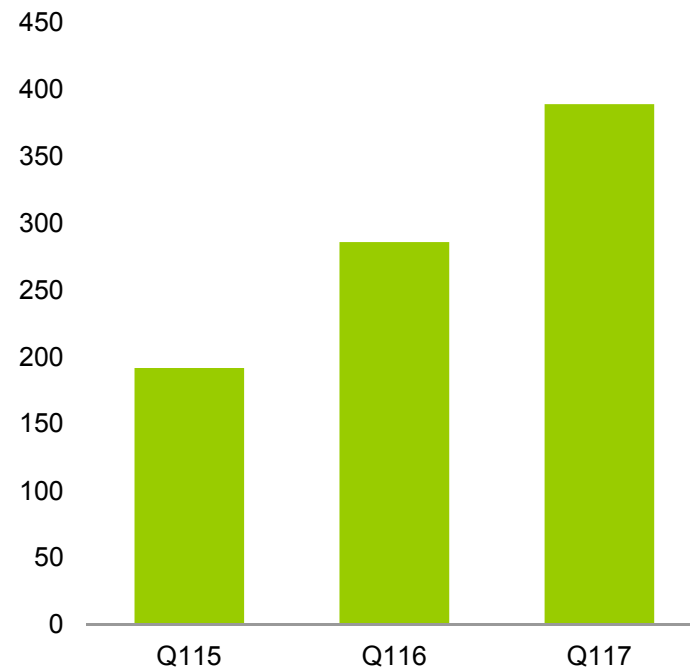
- Seasonally stronger demand in Q1 versus Q4
 - ~11.1% increase in North America
 - ~10.9% increase in Europe
- Demand increased year-over-year
 - ~1.7% in North America
 - Stronger automotive demand and higher building and construction activity
 - Reduced demand from commercial transportation
 - ~1.8% in Europe
 - Positive developments in automotive and transportation
 - Improved building and construction market

Source: CRU

Earnings continue to improve in Sapa

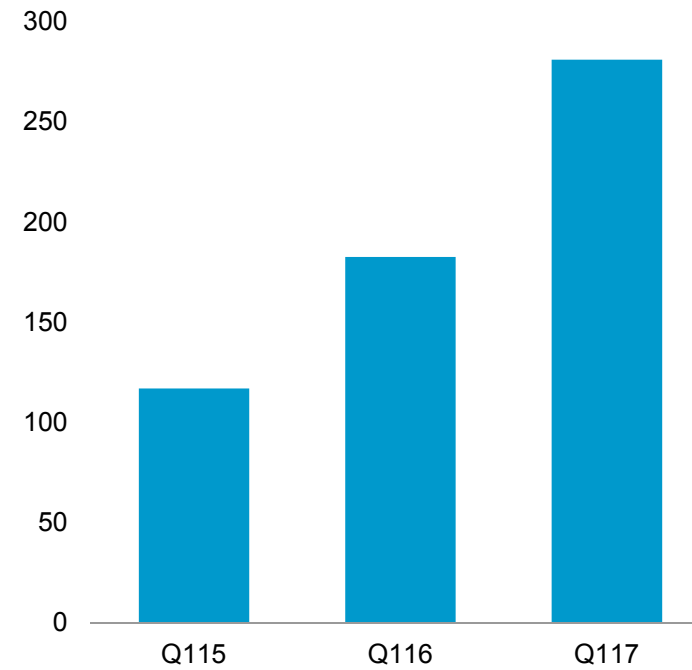
Hydro share of underlying EBIT

NOK million



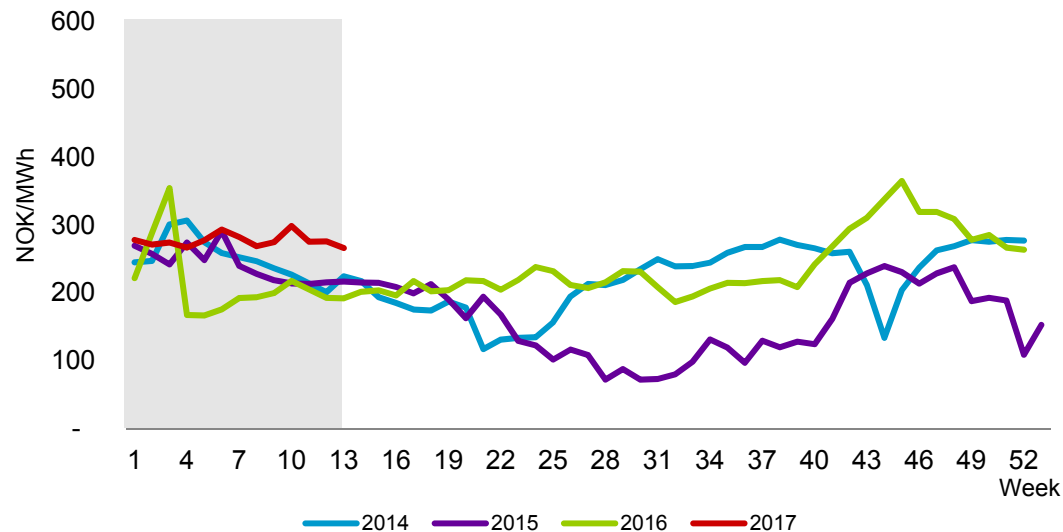
Hydro share of underlying net income

NOK million



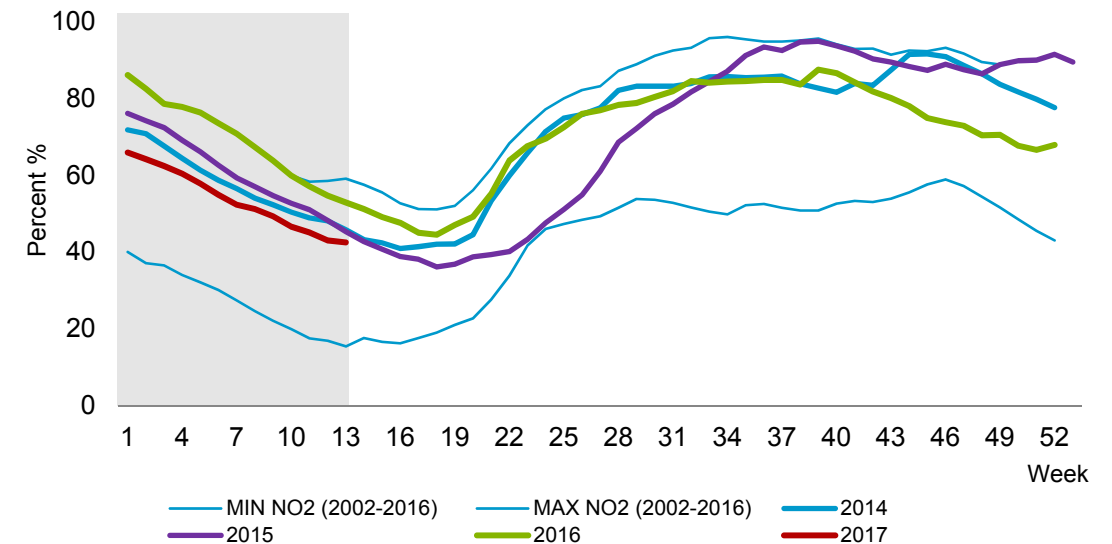
Energy: Stable prices, hydrological balance normalizing during Q1

Market price Southwestern Norway (NO2)



Energy price NOK/MWh	Q1 2017	Q4 2016
Southwestern Norway (NO2)	278	296
System	280	311

Water reservoir levels Southwestern Norway (NO2)



Reservoir levels	Mar 31, 2017	Dec 31, 2016
Southwestern Norway (NO2)	42.5%	67.9%
Norway	34.8%	65.7%

Karmøy Technology Pilot on track for first metal in Q4 2017

World's most climate and energy-efficient aluminium production



- On time and budget, ~80 % completed end-Q1
- Net Hydro capex 2015-Q1 2017 BNOK 1.9
 - Total capex BNOK 2.8
 - Enova support BNOK 0.9
- Net Hydro capex 2015-2018 BNOK 2.7
 - Total capex BNOK 4.3
 - Enova support BNOK 1.6

Investing for the future in Rolled Products

Targeting UBC ramp-up during 2017



- The most advanced sorting technology available, closing the loop for our can customers
- Ramp-up ongoing
- Delay due to equipment performance issues
- Output speed of >40 000 mtpa liquid aluminium expected by end-2017

Investing for the future in Rolled Products

Product qualification in progress at Automotive Line 3

- EUR 130 million investment, on time and budget
- Product qualification in progress, moving forward for ramp-up to nominal capacity of 150 000 mtpa in 2017
- Strengthens Hydro's position in automotive, increasing capacity from 50 000 to 200 000 mtpa
- AL3 official opening scheduled for May 4, 2017



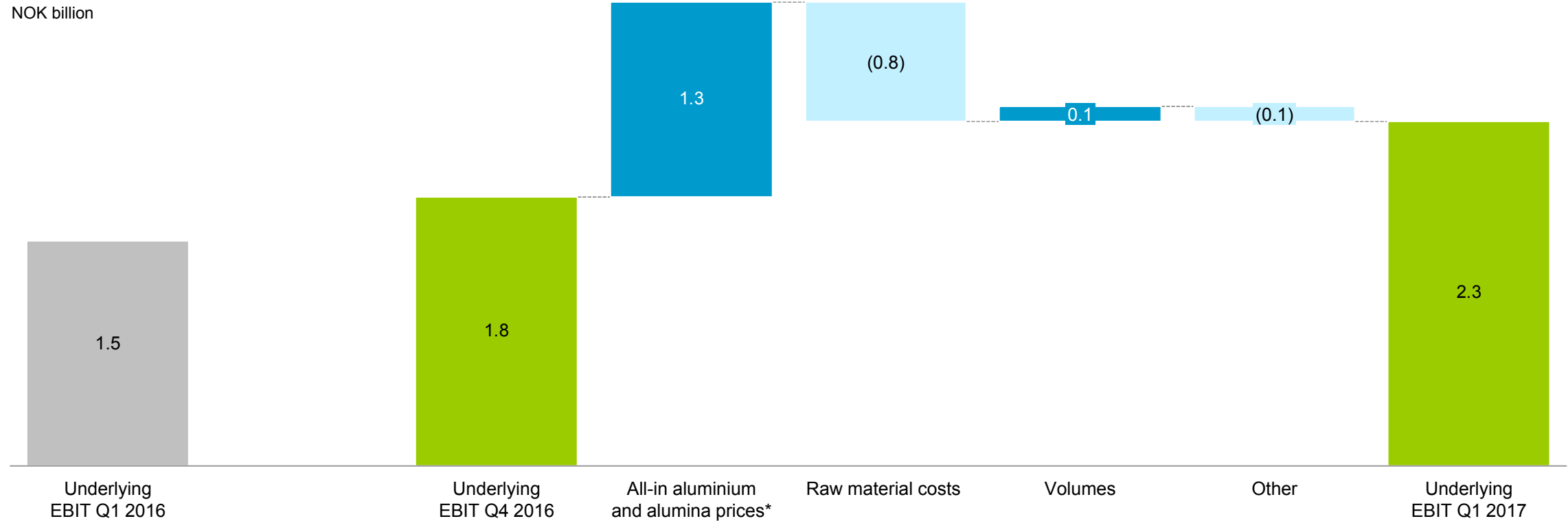
1) Body-in-white



Eivind Kallevik

Executive Vice
President and CFO

Higher prices lift results, increased raw material costs



* Price revenue effects

Key financials

Underlying EPS up to 0.75 NOK/share

NOK million	Q1 2017	Q4 2016	Q1 2016	2016
Revenue	23 026	21 250	20 138	81 953
Underlying EBIT	2 284	1 829	1 501	6 425
Items excluded from underlying EBIT	126	135	192	586
Reported EBIT	2 410	1 964	1 693	7 011
Financial income (expense)	136	(140)	1 001	2 126
Income (loss) before tax	2 546	1 823	2 694	9 137
Income taxes	(707)	(815)	(313)	(2 551)
Net income (loss)	1 838	1 008	2 382	6 586
Underlying net income (loss)	1 580	968	822	3 875
Reported EPS, NOK	0.86	0.52	1.12	3.13
Underlying EPS, NOK	0.75	0.47	0.39	1.83

Items excluded from underlying EBIT

Excluded MNOK 126 in timing effects

NOK million	Q1 2017	Q4 2016	Q1 2016	2016
Underlying EBIT	2 284	1 829	1 501	6 425
Unrealized derivative effects on LME related contracts	(18)	87	137	401
Unrealized effects on power and raw material contracts	(173)	20	87	61
Metal effect, Rolled Products	286	68	(43)	91
Significant rationalization charges and closure costs	-	-	-	(192)
Impairment charges	-	(285)	-	(426)
Gains (losses) on divestments	-	-	(15)	314
Other effects	-	223	-	223
Items excluded in equity accounted investments	32	23	26	113
Reported EBIT	2 410	1 964	1 693	7 011

Bauxite & Alumina

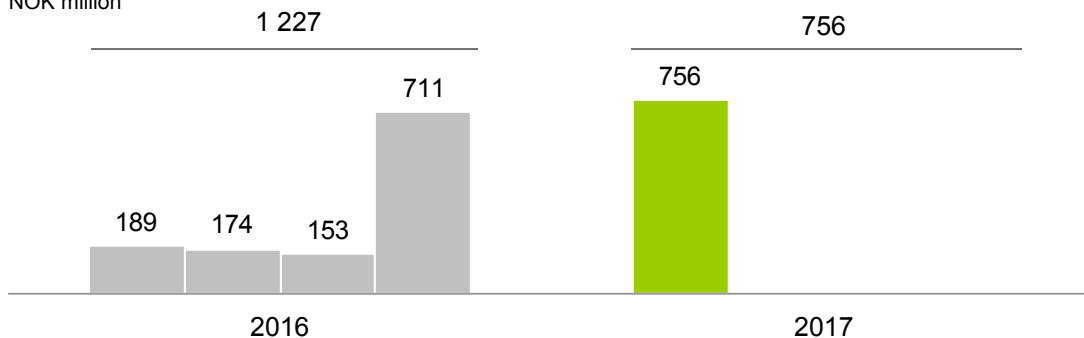
Results up on higher realized alumina prices, partly offset by rising raw material costs and reduced volumes

Key figures	Q1 2017	Q4 2016	Q1 2016
Alumina production, kmt	1 523	1 635	1 517
Total alumina sales, kmt	2 129	2 472	2 073
Realized alumina price, USD/mt	309	257	219
Implied alumina cost, USD/mt	235	197	183
Bauxite production, kmt	2 400	3 063	2 682
Underlying EBITDA, NOK million	1 334	1 258	640
Underlying EBIT, NOK million	756	711	189



Underlying EBIT

NOK million



Q1 results

- Higher realized alumina prices and margins
- Lower production levels due to planned maintenance
- Lower sales on reduced external sourcing and lower production
- Higher raw material costs
- Negative currency effects

Outlook

- Increased bauxite and alumina production

Primary Metal

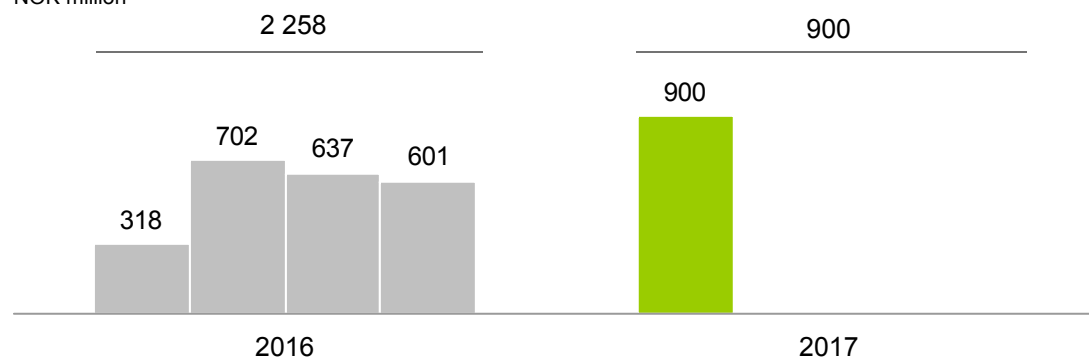
Results up on higher realized all-in prices, partly offset by increased alumina cost

Key figures	Q1 2017	Q4 2016	Q1 2016
Primary aluminium production, kmt	516	526	514
Total sales, kmt	577	528	552
Realized LME price, USD/mt	1 757	1 647	1 497
Realized LME price, NOK/mt	14 798	13 659	12 950
Realized premium, USD/mt	266	240	288
Implied all-in primary cost, USD/mt *	1 675	1 550	1 550
Underlying EBITDA, NOK million	1 392	1 068	792
Underlying EBIT, NOK million	900	601	318



Underlying EBIT

NOK million



Q1 results

- Higher realized all-in prices
- Increased sales volumes
- Significantly higher alumina cost

Outlook

- ~ 55% of primary production for Q2 priced at USD ~1 875 per mt**
- ~ 60% of premiums affecting Q2 booked at USD ~300 per mt**
 - Q2 realized premium expected in the range of 250-300 USD/mt
- Higher raw material costs

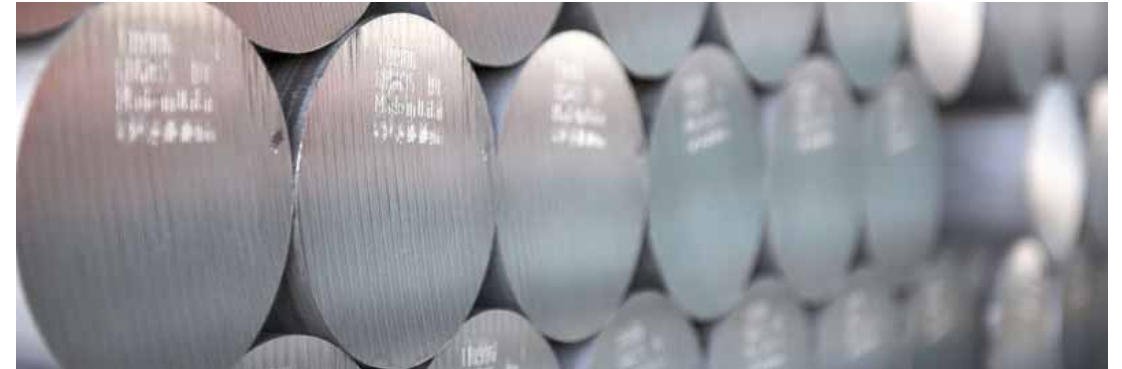
* Realized all-in aluminium price minus underlying EBITDA margin, including Qatalum, per mt aluminium sold.

** Including Qatalum volumes

Metal Markets

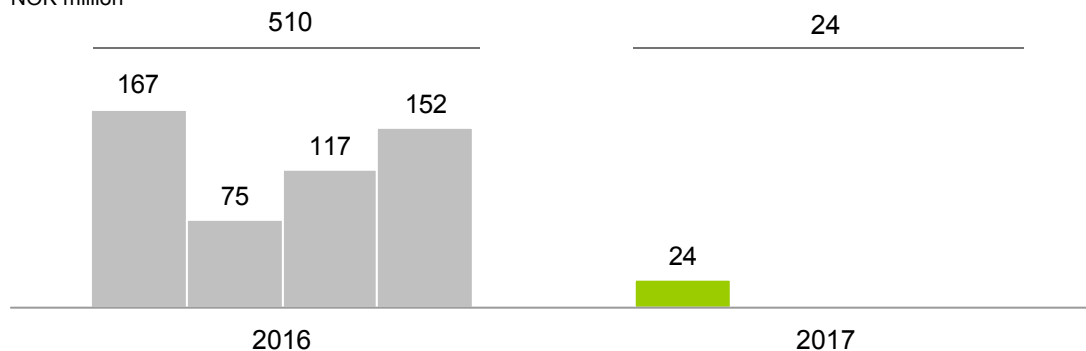
Reduced contribution from metal sourcing and trading and negative currency and inventory valuation effects

Key figures	Q1 2017	Q4 2016	Q1 2016
Remelt production, kmt	143	133	144
Metal products sales, kmt ¹⁾	735	660	736
Underlying EBITDA, NOK million	47	175	191
Underlying EBIT excl currency and inventory valuation effects, NOK million	83	149	145
Underlying EBIT, NOK million	24	152	167



Underlying EBIT

NOK million



Q1 results

- Seasonally higher metal product sales
- Reduced results from metal sourcing and trading
- Negative 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.

Rolled Products

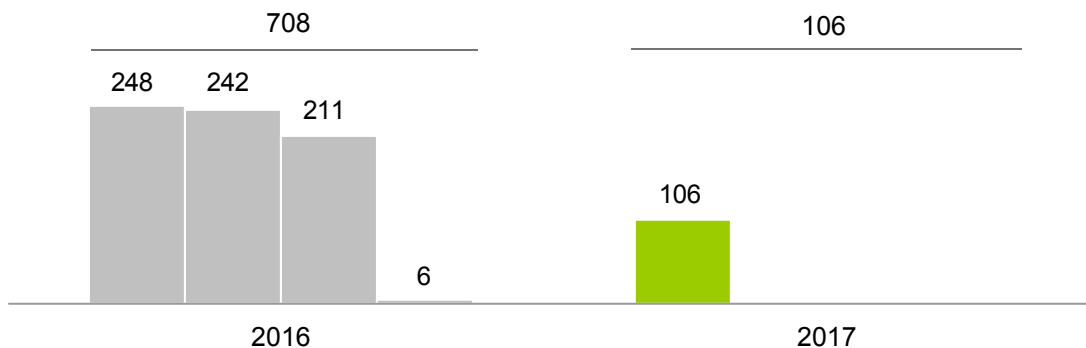
Results up on increased sales volumes, negative impact from operational issues

Key figures	Q1 2017	Q4 2016	Q1 2016
External sales volumes, kmt	241	213	229
Underlying EBITDA, NOK million	307	222	446
Underlying EBIT, NOK million	106	6	248



Underlying EBIT

NOK million



Q1 results

- Seasonally higher sales volumes
- Operational issues affecting results negatively, mainly related to start-up after year-end maintenance and implementation of new equipment
- Slightly improved Neuss result with higher all-in metal price

Outlook

- Seasonally stronger demand
- Part of negative operational effects to continue into Q2
- Neuss results driven by all-in metal and raw material price development

Energy

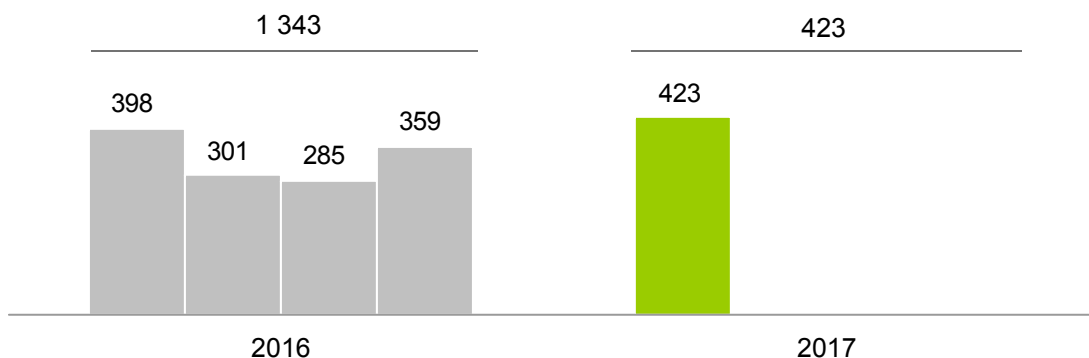
Results up on higher power production, partly offset by lower prices

Key figures	Q1 2017	Q4 2016	Q1 2016
Power production, GWh	2 869	2 551	3 160
Net spot sales, GWh	1 409	1 176	1 795
Southwest Norway spot price (NO2), NOK/MWh	278	296	212
Underlying EBITDA, NOK million	476	412	453
Underlying EBIT, NOK million	423	359	398



Underlying EBIT

NOK million



Q1 results

- Higher power production and net spot sales
- Slightly lower power prices
- Lower area cost
- Higher production cost

Outlook

- Price and volume uncertainty
- Lower 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 expected to be around MNOK 25-30 per quarter with higher taxes in Q1 and Q3 and lower taxes in Q2 and Q4.

Sapa JV

Seasonally stronger demand and continuous improvements

Key figures – Sapa (50%)	Q1 2017	Q4 2016	Q1 2016
Revenue, NOK million	7 162	6 105	6 953
Underlying EBITDA, NOK million	550	327	450
Underlying EBIT, NOK million	389	168	286
Extrusion Europe	137	48	112
Extrusion North America	165	45	157
Building Systems	59	37	37
Precision Tubing	62	51	43
Other and elimination	(34)	(14)	(64)
Underlying Net income (loss), NOK million	281	167	183
Sales volumes (kmt)	178	155	174

- Quarter-on-quarter results up on seasonally stronger demand
- Year-on-year results supported by:
 - Underlying EBIT improvements in all business areas
 - Increased value-add business
 - Improved cost position
 - Higher volumes in Europe

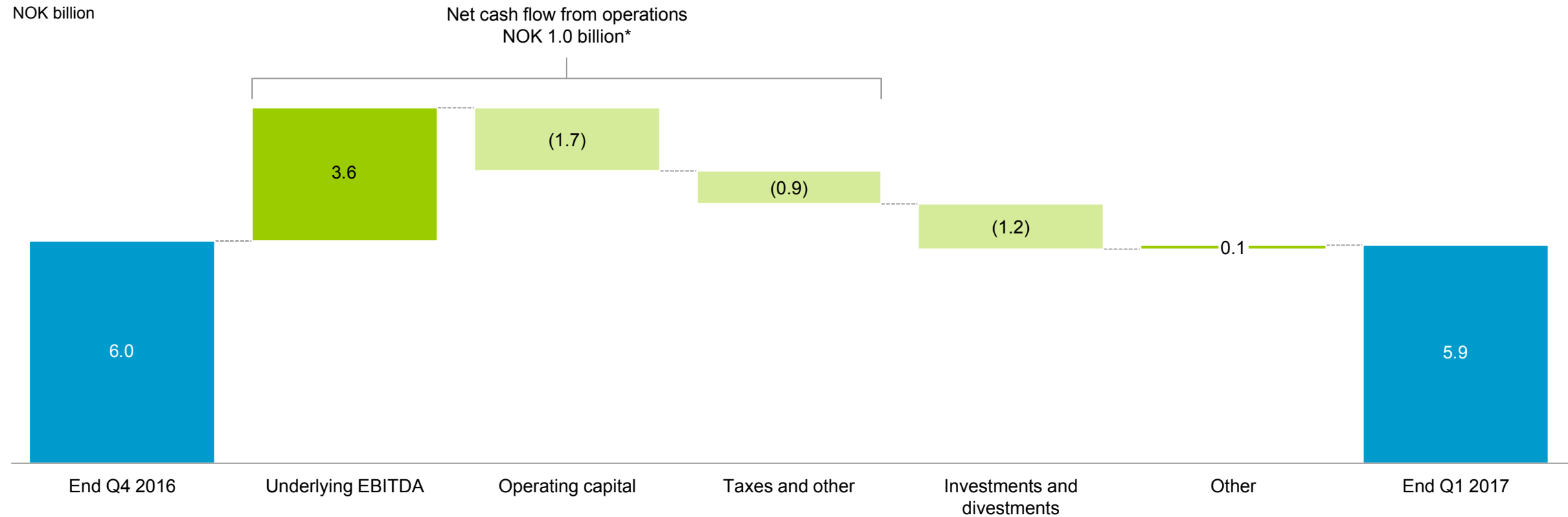
Other and Eliminations



Other and Eliminations, Underlying EBIT, NOK million	Q1 2017	Q4 2016	Q1 2016
Sapa JV	281	167	183
Other	(140)	(130)	(162)
Eliminations	(67)	(38)	160
Other and Eliminations	74	(1)	181

Net cash development Q1 2017

Stable net cash position



* Net cash provided by operating activities, less change in restricted deposits of ~0.3 BNOK

Adjusted net debt decreased slightly in Q1 2017

Reduced net pension liability and net debt in equity accounted investments

NOK billion	Mar 31 2017	Dec 31 2016	Sep 30 2016
Cash and cash equivalents	8.3	8.0	8.0
Short-term investments	4.4	4.6	4.4
Short-term debt	(3.5)	(3.3)	(3.6)
Long-term debt	(3.4)	(3.4)	(3.4)
Net cash/(debt)	5.9	6.0	5.4
Net pension liability at fair value, net of expected tax benefit	(6.9)	(7.3)	(8.6)
Other adjustments ¹⁾	(4.3)	(4.2)	(4.9)
Adjusted net debt ex. EAI	(5.4)	(5.6)	(8.1)
Net debt in EAI ²⁾	(6.7)	(6.9)	(6.1)
Adjusted net debt incl. EAI	(12.1)	(12.5)	(14.2)



1) Operating lease commitments and other obligations

2) Equity accounted investments Qatalum and Sapa. Hydro share (50%) of net debt in Qatalum 6.6 BNOK, and in Sapa 0.2 BNOK at the end of Q1 2017

The background image shows an industrial setting. A large white robotic arm, labeled 'AL 3', is positioned horizontally. Below it, a large roll of metal is being processed. The scene is filled with industrial equipment, pipes, and structural elements, suggesting a manufacturing or processing facility.

Priorities

- Safety first
- Deliver on *Better* improvement ambition
- Strengthen competitive position through technology pilot, new automotive line and UBC facility

04

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 2017-2019E¹⁾

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/share⁵⁾
- 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'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)

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 8.3 billion in cash and cash equivalents, end-Q1 2017
 - 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 cyclicalities 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)

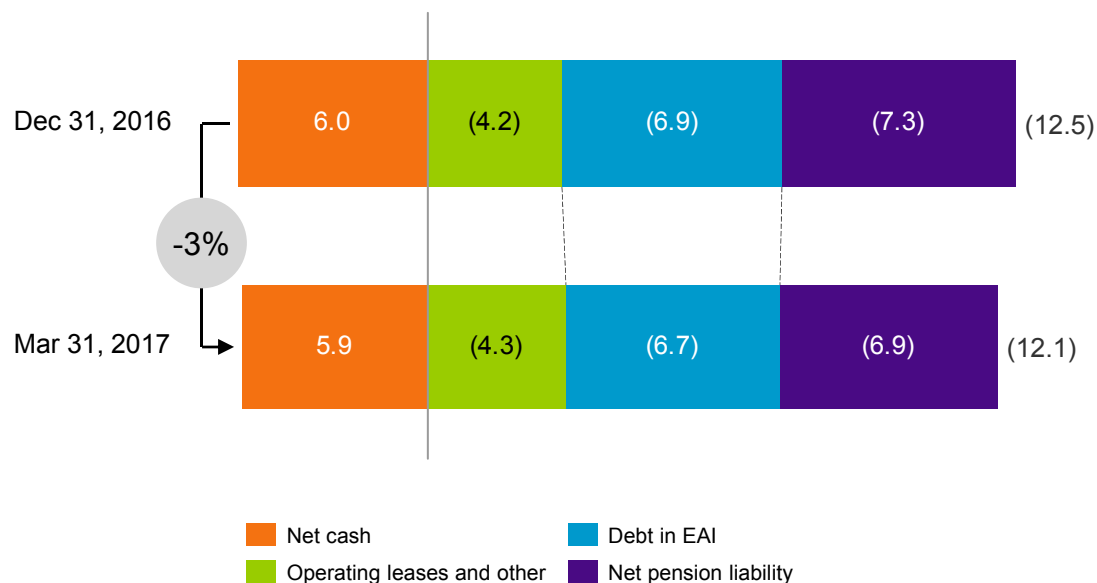
* Including NOK 1.25 2016 dividend per share proposed by the Board of Directors, pending approval from the Annual General meeting on May 3, 2017

Maintaining a solid balance sheet and investment-grade credit rating

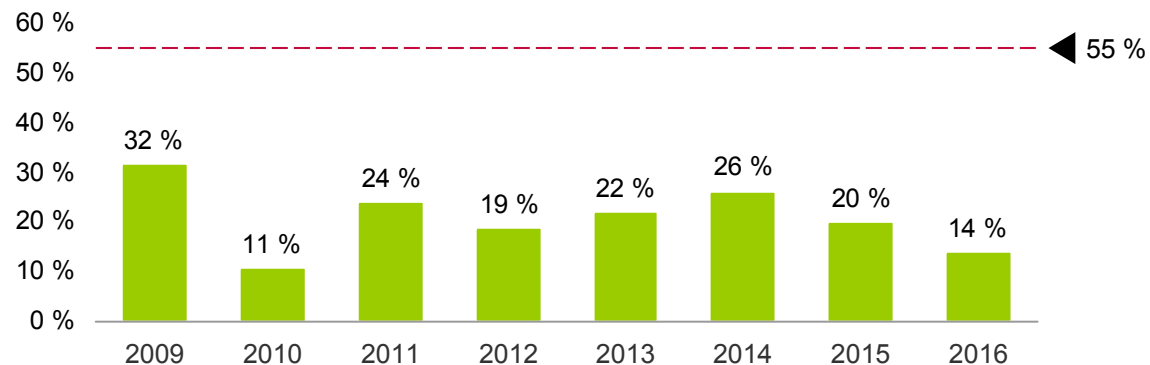
Funds from operations determine the balance sheet structure

Adjusted net debt

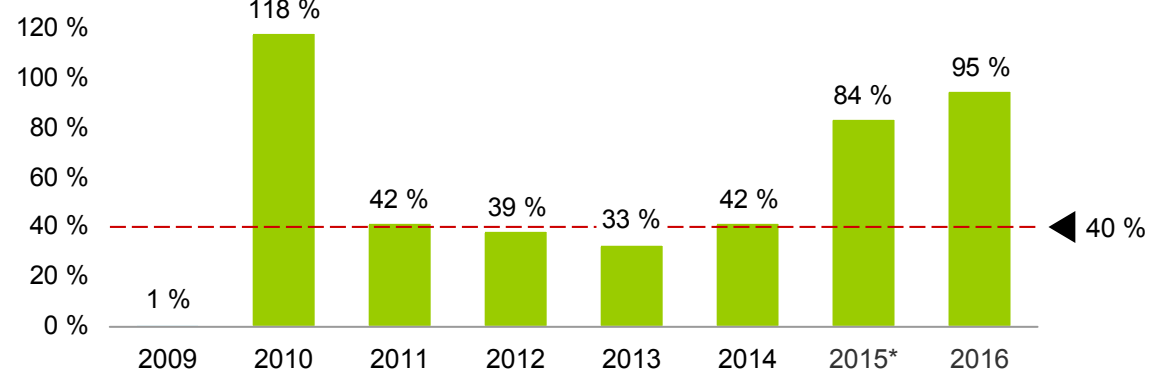
NOK billion



Adjusted net debt / Equity



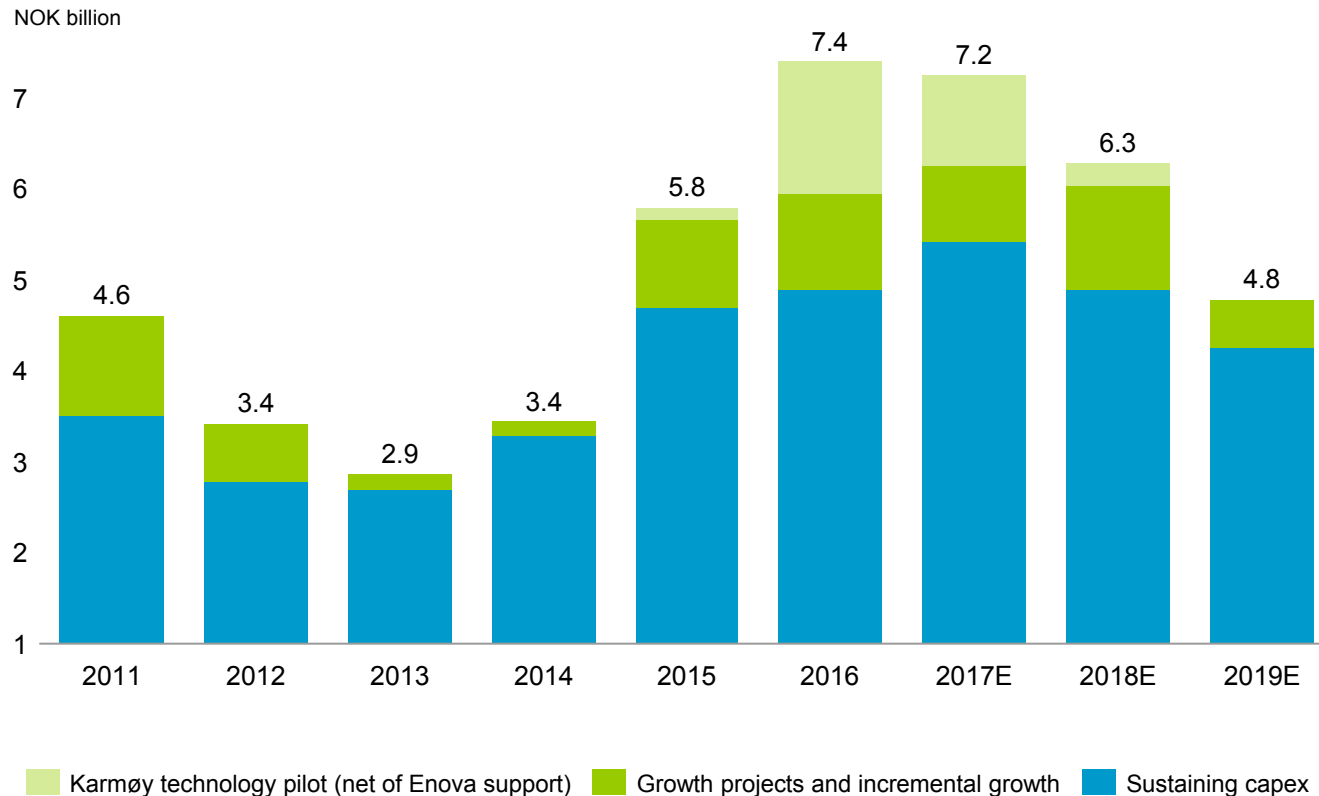
Funds from operations / Adjusted net debt



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

Growth capex focused on high-grading, recycling and technology

Majority of sustaining capex allocated upstream



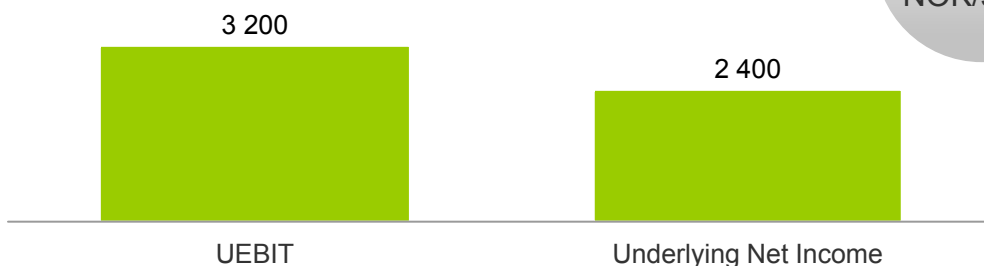
- Sustaining projects for 2016-2019:
 - Residue disposal area
 - Bauxite tailing dam
 - Opening of new bauxite mining area
 - Primary rectifiers
 - Smelter relining
 - Energy rehabilitation
- Ongoing organic growth projects:
 - Automotive line (AL3)
 - Alunorte Debottlenecking
 - Incremental growth
- 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

Significant exposure to commodity and currency fluctuations

Aluminium price sensitivity +10%*

NOK million



UEPS
+1.06
NOK/share

Currency sensitivities +10%*

Sustainable effect:

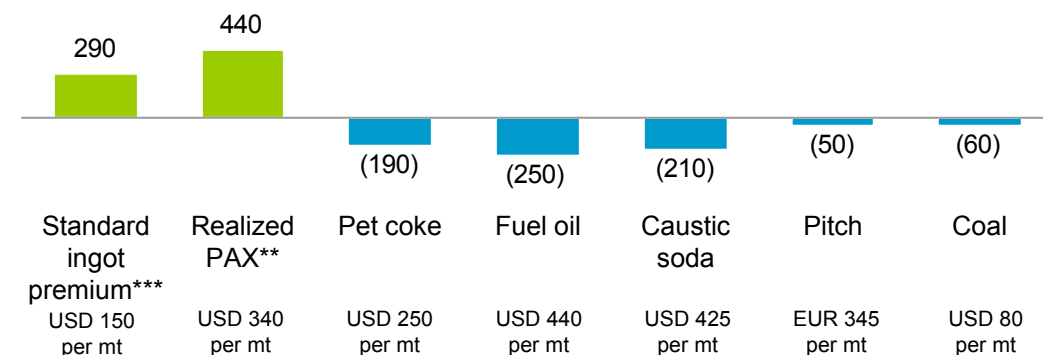
NOK million	USD	BRL	EUR
UEBIT	3 120	(1 170)	(250)

One-off reevaluation effect:

Financial items	(370)	470	(1 860)
-----------------	-------	-----	---------

Other commodity prices, sensitivity +10%*

NOK million



- Annual sensitivities based on normal annual business volumes, LME USD 1 750 per mt, fuel oil USD 440 per mt, petroleum coke USD 250 per mt, caustic soda USD 425 per mt, coal USD 80 per mt, USD/NOK 8.40, BRL/NOK 2.70, 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

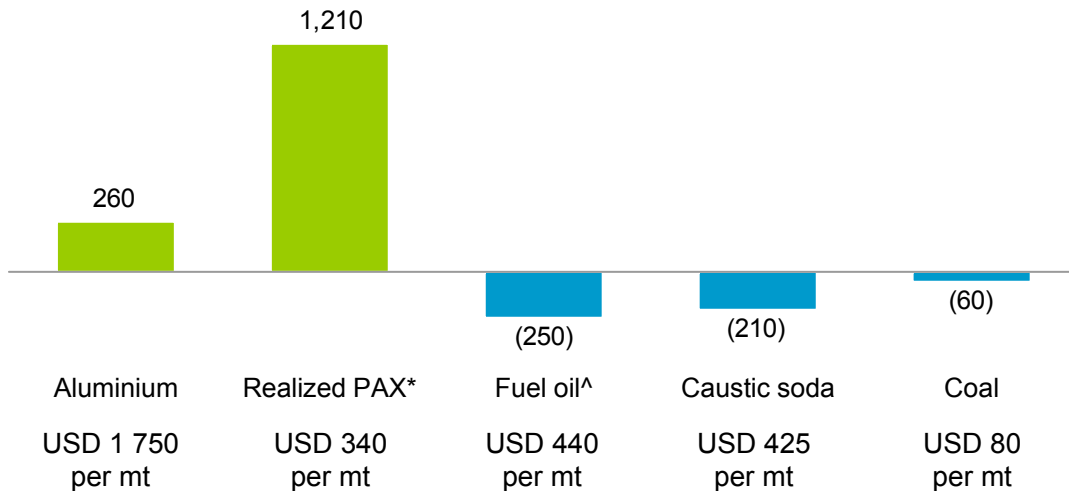
** 2017 Platts alumina index exposure

*** Europe duty paid

Bauxite & Alumina sensitivities

Annual sensitivities on underlying EBIT if +10% in price

NOK million



Currency sensitivities +10%

NOK million	USD	BRL	EUR
UEBIT	1 080	(800)	-

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

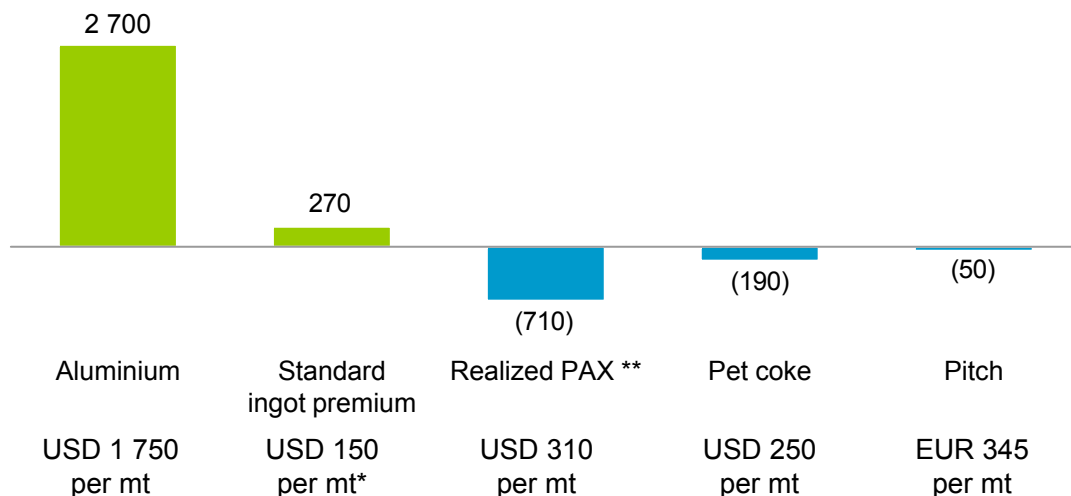
* 2017 Platts alumina index exposure

Currency rates used: USD/NOK 8.40, BRL/NOK 2.70, EUR/NOK 9.00

Primary Metal sensitivities

Annual sensitivities on underlying EBIT if +10% in price

NOK million



Currency sensitivities +10%

NOK million	USD	BRL	EUR
UEBIT	1 700	(370)	(130)

Revenue impact

- Realized price lags LME spot by ~1-2 months
- Realized premium lags market premium by ~2-3 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 8.40, BRL/NOK 2.70, EUR/NOK 9.00

Items excluded from underlying results - 2017

NOK million (+=loss/)=gain)		Q1 2017
Impairment charge	Bauxite & alumina	-
Other effects	Bauxite & alumina	-
Total impact	Bauxite & alumina	-
Unrealized derivative effects on LME related contracts	Primary metal	29
Unrealized effects on power contracts	Primary metal	73
Significant rationalization charges and closure costs	Primary metal	-
Total impact	Primary metal	103
Unrealized derivative effects on LME related contracts	Metal markets	38
Total impact	Metal markets	38
Unrealized derivative effects on LME related contracts	Rolled products	(58)
Metal effect	Rolled products	(286)
(Gains)/losses on divestments	Rolled products	-
Total impact	Rolled products	(344)
Unrealized derivative effects on power contracts	Energy	-
Total impact	Energy	-
Unrealized derivative effects on power contracts	Other and eliminations	100
Unrealized derivative effects on LME related contracts	Other and eliminations	9
Impairment charges	Other and eliminations	-
(Gains)/losses on divestments	Other and eliminations	-
Other effects	Other and eliminations	-
Unrealized derivative effects	Other and eliminations – Sapa (Hydro share)	(39)
Significant rationalization charges and closure costs	Other and eliminations – Sapa (Hydro share)	-
Currency (gain) loss	Other and eliminations – Sapa (Hydro share)	(4)
Tax on items excluded	Other and eliminations – Sapa (Hydro share)	11
Total impact	Other and eliminations	78
Items excluded from underlying EBIT	Hydro	(126)
Net foreign exchange (gain)/loss	Hydro	(218)
Items excluded from underlying income (loss) before tax	Hydro	(344)
Calculated income tax effect	Hydro	86
Other adjustments to net income	Hydro	-
Items excluded from underlying net income (loss)	Hydro	(258)

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)

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	Q1 2017	Year 2015	Year 2016
Bauxite & Alumina	(288)	(269)	(26)	528	780	482	628	532	189	174	153	711	756	2 421	1 227
Primary Metal	312	420	1 216	1 989	2 012	1 448	762	407	318	702	637	601	900	4 628	2 258
Metal Markets	141	100	171	221	24	(89)	291	152	167	75	117	152	24	379	510
Rolled Products	181	177	243	96	292	315	331	204	248	242	211	6	106	1 142	708
Sapa	35	131	55	(22)	119	145	120	70	183	270	157	167	281	454	777
Energy	435	169	234	360	382	179	191	353	398	301	285	359	423	1 105	1 343
Other and Eliminations	(43)	(184)	(404)	(286)	(400)	187	(108)	(152)	(2)	(145)	(83)	(167)	74	(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	2 284	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	Q1 2017	Year 2015	Year 2016
Bauxite & Alumina	122	162	417	1 046	1 240	951	1 048	1 165	640	659	664	1 258	1 334	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	1 392	6 581	4 172
Metal Markets	157	120	192	243	47	(64)	317	180	191	98	141	175	47	480	604
Rolled Products	351	350	417	280	465	488	517	404	446	432	407	222	307	1 873	1 507
Sapa	35	131	55	(22)	119	145	120	70	183	270	157	167	281	454	777
Energy	474	209	275	402	429	227	241	403	453	352	336	412	476	1 300	1 553
Other and Eliminations	(31)	(171)	(391)	(268)	(385)	201	(94)	(134)	12	(134)	(76)	(160)	(205)	(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	3 637	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	Q1 2017	Year 2015	Year 2016
Bauxite & Alumina	(284)	(269)	(23)	537	776	487	634	513	189	174	153	680	756	2 411	1 196
Primary Metal	303	434	1 278	1 912	1 956	1 528	664	311	408	668	591	619	797	4 459	2 285
Metal Markets	73	93	265	285	(122)	(44)	205	141	235	91	131	172	(13)	180	629
Rolled Products	197	336	525	64	433	174	(95)	(358)	179	428	255	91	450	154	953
Sapa	(51)	45	53	(360)	45	7	55	17	209	319	172	190	313	123	889
Energy	431	165	235	362	381	187	182	353	394	291	295	364	423	1 103	1 343
Other and Eliminations	154	(185)	(395)	(506)	(263)	358	(13)	(251)	79	8	(220)	(151)	(316)	(170)	(285)
Total	822	620	1 937	2 295	3 206	2 698	1 630	725	1 693	1 978	1 376	1 964	2 410	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	Q1 2017	Year 2015	Year 2016
Bauxite & Alumina	125	163	419	1 056	1 237	957	1 054	1 146	640	659	664	1 513	1 334	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	1 289	6 411	4 199
Metal Markets	122	114	286	307	(99)	(19)	231	168	259	114	154	195	9	281	723
Rolled Products	367	508	698	393	607	347	91	(158)	376	618	451	307	651	886	1 752
Sapa	(51)	45	53	(360)	45	7	55	17	209	319	172	190	313	123	889
Energy	471	205	276	404	428	236	231	402	450	341	346	416	476	1 297	1 553
Other and Eliminations	166	(172)	(383)	(489)	(248)	372	1	(233)	92	19	(74)	(143)	(310)	(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	3 762	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	Q1 2017	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	5 911	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	8 641	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	12 149	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	6 277	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	1 955	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)	(11 906)	(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	23 026	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	Q1 2017	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	3 382	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	1 700	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	11 094	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	6 153	24 293	22 469
Sapa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Energy	807	436	540	710	698	264	176	485	575	364	394	1 093	687	1 623	2 426
Other and Eliminations	31	29	28	35	21	19	17	19	17	15	8	10	9	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	23 026	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	Q1 2017	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	2 528	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	6 941	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	1 054	4 114	3 834
Rolled Products	(52)	63	120	(22)	91	(81)	(109)	(33)	(58)	153	11	57	124	(132)	163
Sapa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Energy	732	945	952	1 181	854	877	976	996	1 044	1 306	1 182	1 221	1 267	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)	(11 915)	(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	Q1 2017	Year 2015	Year 2016
Bauxite & Alumina	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Primary Metal	92	77	234	325	250	282	25	(168)	(37)	10	74	48	98	389	96
Metal Markets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rolled Products	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sapa	(51)	45	53	(360)	45	7	55	17	209	319	172	190	313	123	889
Energy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other and Eliminations	-	-	-	-	(29)	(13)	35	6	(3)	(6)	10	(1)	(1)	-	-
Total	40	122	287	(34)	265	276	115	(144)	170	323	256	236	409	512	985

Operating segment information

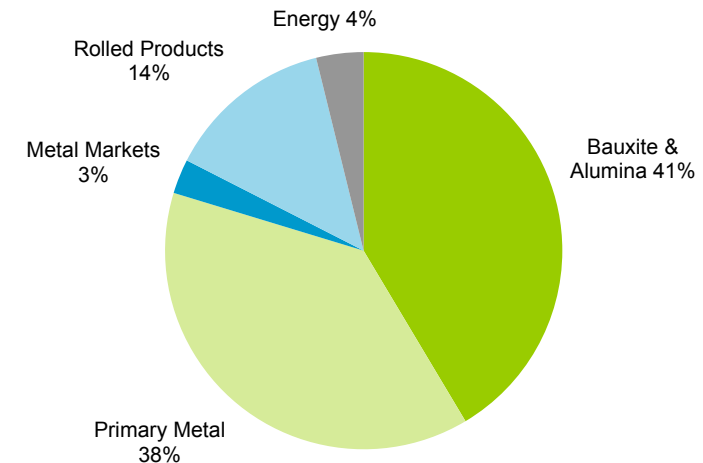
Return on average capital employed* (RoCE)

	Reported RoCE					Underlying RoCE				
	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	Mar 31, 2017
Bauxite & Alumina	34 775
Primary Metal	31 998
Metal Markets	2 103
Rolled Products	11 894
Energy	3 311
Other and Eliminations	827
Total	84 909

Graph excludes BNOK 0.8 in capital employed in Other and Eliminations



* RoCE 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

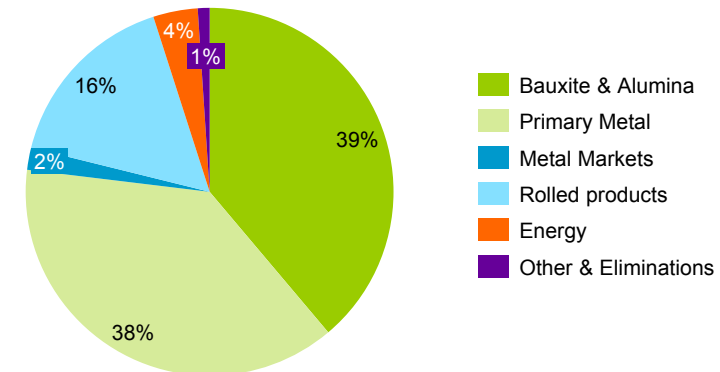
Depreciation, amortization and impairment

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	Q1 2017	Year 2015	Year 2016
Bauxite & Alumina	410	431	442	519	460	470	420	633	451	485	511	833	577	1 983	2 279
Primary Metal	437	427	431	499	511	483	483	475	474	484	488	467	492	1 952	1 913
Metal Markets	49	21	21	22	23	25	26	27	24	24	24	23	23	101	94
Rolled Products	170	172	174	329	173	173	186	200	197	189	196	216	201	732	799
Sapa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Energy	39	40	41	42	47	48	50	49	55	51	51	53	53	195	210
Other and Eliminations	13	13	13	17	15	14	14	18	13	11	146	8	6	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	1 352	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	Q1 2017	Q4 2016	Q1 2016	Year 2016
Revenue	23 026	21 250	20 138	81 953
Share of the profit (loss) in equity accounted investments	409	236	170	985
Other income, net	164	342	111	1 030
Total revenue and income	23 599	21 829	20 419	83 969
Raw material and energy expense	14 822	13 391	12 729	52 151
Employee benefit expense	2 613	2 382	2 381	9 485
Depreciation, amortization and impairment	1 352	1 599	1 215	5 474
Other expenses	2 402	2 493	2 401	9 848
Earnings before financial items and tax (EBIT)	2 410	1 964	1 693	7 011
Financial income	104	137	157	574
Financial expense	33	(277)	844	1 552
Income (loss) before tax	2 546	1 823	2 694	9 137
Income taxes	(707)	(815)	(313)	(2 551)
Net income (loss)	1 838	1 008	2 382	6 586
Net income (loss) attributable to non-controlling interests	76	(51)	86	199
Net income (loss) attributable to Hydro shareholders	1 762	1 059	2 296	6 388
Earnings per share attributable to Hydro shareholders	0.86	0.52	1.12	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	Q1 2017	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	1 838	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	1580	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	0.86	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	0.75	2.98	1.83

Balance sheets

NOK million	Mar 31 2017	Dec 31 2016	Sep 30 2016	Jun 30 2016	Mar 31 2016
Cash and cash equivalents	8 333	8 037	7 952	9 220	5 946
Short-term investments	4 403	4 611	4 438	2 629	5 479
Accounts receivable	12 851	10 884	11 495	12 085	12 699
Inventories	12 557	12 381	11 517	11 820	11 684
Other current assets	301	457	204	158	128
Property, plant and equipment	59 627	58 734	54 476	55 378	51 828
Intangible assets	5 919	5 811	5 469	5 622	5 132
Investments accounted for using the equity method	19 937	19 807	19 333	19 841	19 455
Prepaid pension	4 718	4 195	3 227	3 198	3 319
Other non-current assets	5 630	5 875	6 563	6 798	6 845
Total assets	134 276	130 793	124 672	126 749	122 515
Bank-loans and other interest-bearing short-term debt	3 481	3 283	3 562	3 593	3 753
Trade and other payables	10 224	10 108	9 131	9 719	8 857
Other current liabilities	3 337	3 716	4 193	3 822	3 864
Long-term debt	3 373	3 397	3 409	3 474	3 735
Provisions	4 526	4 384	3 764	3 630	3 443
Pension liabilities	12 804	12 871	13 771	13 837	13 457
Deferred tax liabilities	2 567	2 384	2 480	2 477	2 222
Other non-current liabilities	3 174	3 011	2 969	3 154	3 436
Equity attributable to Hydro shareholders	84 952	81 906	75 877	77 285	74 524
Non-controlling interests	5 838	5 733	5 518	5 757	5 224
Total liabilities and equity	134 276	130 793	124 672	126 749	122 515

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	Q1 2017	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	1 523	5 962	6 341
Sourced alumina (kmt)	550	431	532	503	666	725	806	590	531	615	512	883	600	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	2 129	8 871	8 843
Realized alumina price (USD) ¹⁾	269	276	287	303	300	292	273	245	219	240	240	257	309	276	240
Implied alumina cost (USD) ²⁾	259	263	252	229	225	233	217	187	183	201	204	197	235	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	2 400	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	1 675	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%	22.6%	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	Q1 2017	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	1 757	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	14 798	13 813	13 193
Realized premium above LME, USD/mt ⁶⁾	422	476	537	575	614	509	342	291	288	270	251	240	266	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	2 236	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	8.42	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	8.42	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	1 350	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	1 675	1 725	1 550
Primary aluminium production, kmt	484	488	487	499	497	509	520	521	514	518	526	526	516	2 046	2 085
Casthouse production, kmt	525	529	521	515	495	516	524	525	534	547	541	523	521	2 059	2 146
Total sales, kmt ¹⁰⁾	593	559	542	527	534	544	550	531	552	596	573	528	577	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%	16.1%	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	Q1 2017	Year 2015	Year 2016
Remelt production (1 000 mt)	139	141	128	130	145	141	117	130	144	146	125	133	143	533	548
Third-party Metal Products sales (1 000 mt)	84	81	80	79	74	80	81	84	72	74	78	80	79	319	304
Metal Products sales excl. ingot trading (1 000 mt) ¹⁾	776	726	696	654	626	750	676	670	736	777	720	660	735	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	672	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	11 094	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	Q1 2017	Year 2015	Year 2016
Rolled Products external shipments (1 000 mt)	243	245	244	213	227	243	248	229	229	238	231	213	241	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	442	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%	4.9%	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	Q1 2017	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	2 869	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	1 409	4 989	6 063
Nordic spot electricity price, NOK/MWh	252	211	263	264	246	177	122	204	229	223	235	311	280	187	250
Southern Norway spot electricity price (NO2), NOK/MWh	249	168	247	248	238	171	102	197	212	213	212	296	278	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%	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

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	Q1 2017	Year 2015	Year 2016
Sales volume (1000 mt)	346	360	346	314	359	367	350	322	353	358	341	312	349	366	340	310	355	1 364	1 365
Operating 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	14 323	55 252	53 327
Underlying EBITDA	304	508	328	(43)	440	641	492	343	705	799	734	491	901	1 132	812	653	1 100	2 729	3 498
Underlying EBIT	16	213	24	(339)	155	350	201	(55)	392	483	404	128	571	804	487	335	778	1 407	2 197
Underlying net income (loss)				(281)	69	263	110	(44)	238	291	240	139	365	540	315	334	562	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	Q1 2017	Year 2015	Year 2016
Reported EBIT	(148)	(1 096)	(1 985)	(787)	(3)	168	198	(679)	201	65	174	88	655	920	497	350	856	528	2 420
Reported net income (loss)				(620)	(103)	89	107	(719)	89	14	109	34	418	639	344	379	625	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	Q1 2017	Year 2015	Year 2016
Reported EBIT	(3)	168	198	(679)	201	65	174	88	655	920	497	350	856	528	2 420
Items excluded from EBIT:															
Unrealized derivative effects	73	36	66	(79)	(145)	(158)	(95)	208	83	116	51	82	78	(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	78	(879)	223
Underlying EBIT	155	350	201	(55)	392	483	404	128	571	804	487	335	778	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

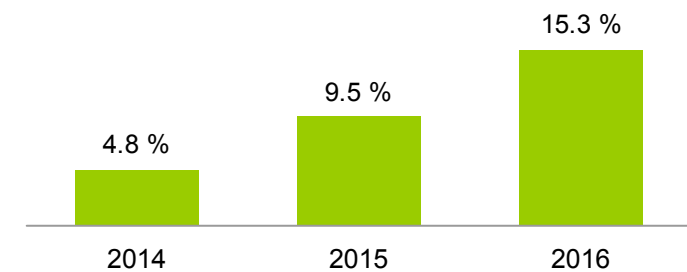
Sapa joint venture

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

Precision Tubing	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	2015	2016
Volume (kmt)	37	40	37	35	36	145	150
Operating revenues (NOKm)	1 620	1 664	1 549	1 543	1 651	6 299	6 376
Underlying EBITDA (NOKm)	144	169	135	161	180	353	608
Underlying EBIT (NOKm)	86	112	76	103	123	124	376
Building Systems	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	2015	2016
Volume (kmt)	19	21	18	19	20	77	77
Operating revenues (NOKm)	1 869	1 939	1 680	1 685	1 830	7 097	7 123
Underlying EBITDA (NOKm)	110	210	104	109	155	220	533
Underlying EBIT (NOKm)	75	166	67	74	119	71	381
Other and eliminations	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	2015	2016
Underlying EBITDA (NOKm)	(116)	(33)	(64)	(37)	(63)	(155)	(249)
Underlying EBIT (NOKm)	(128)	(41)	(69)	(28)	(69)	(194)	(266)

Extrusion Europe	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	2015	2016
Volume (kmt)	148	157	142	130	154	563	577
Operating revenues (NOKm)	5 366	5 468	4 932	4 565	5 553	20 925	20 331
Underlying EBITDA (NOKm)	349	425	276	221	390	1 016	1 271
Underlying EBIT (NOKm)	223	304	154	97	274	475	778
Extrusion North America	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	2015	2016
Volume (kmt)	150	155	149	131	150	598	585
Operating revenues (NOKm)	5 265	5 234	5 183	4 617	5 514	21 696	20 299
Underlying EBITDA (NOKm)	414	362	361	199	437	1 295	1 335
Underlying EBIT (NOKm)	315	263	260	90	331	931	927

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



Investor Relations in Hydro



Stian Hasle

Head of Investor Relations

t: +47 97736022

e: stian.hasle@hydro.com



Even Simonsen

Investor Relations Officer

t: +47 97953364

e: even.simonsen@hydro.com



Gunn Elise Skogen

Investor Relations Assistant

t: +47 97622252

e: gunn.elise.skogen@hydro.com

Next event
Second quarter results
July 25, 2017

For more information see
www.hydro.com/ir

