



Results up on higher aluminium and alumina prices

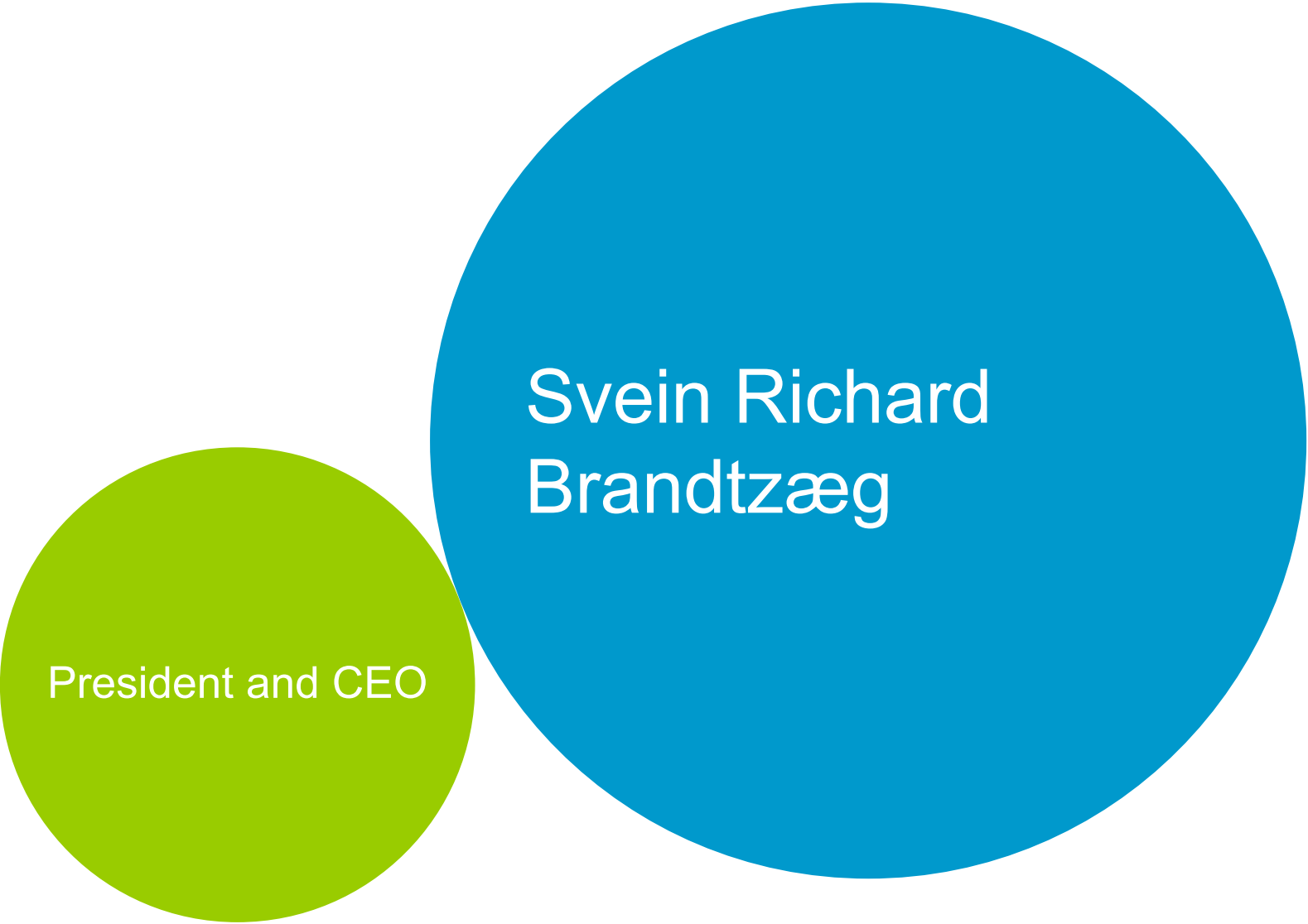
Q4 2017

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



Q4

highlights

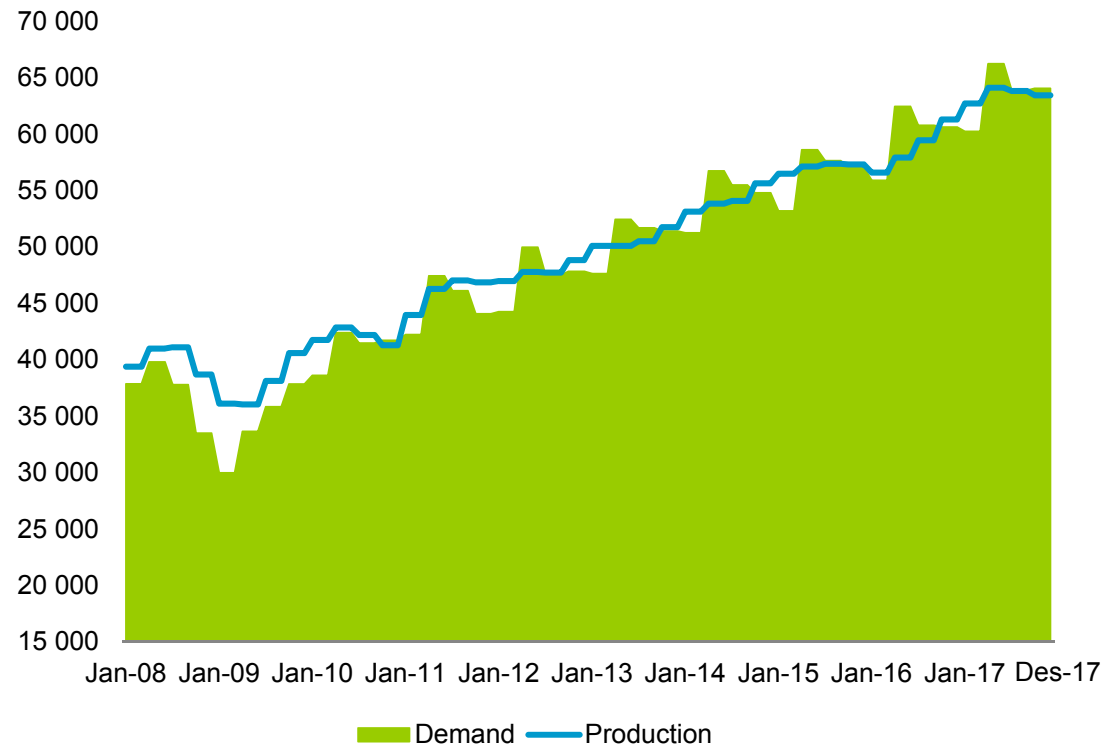
- Underlying EBIT of NOK 3 555 million
- Higher realized all-in aluminium and alumina prices, partly offset by increased costs
- Downstream results down on seasonality, first quarter fully consolidating Extruded Solutions
- Energy up on increased production volumes
- *Better* improvement program on track for increased 2019 target of NOK 3.0 billion, despite 2017 setback
- Karmøy Technology Pilot producing first metal, ramping up during first half 2018
- Proposed dividend for 2017 of NOK 1.75 per share, up from NOK 1.25 per share for 2016
- 2018 global primary demand growth outlook of 4-5%, market largely balanced

Global market balanced in 2017

Continued deficit in world outside China, offset by similar surplus in China

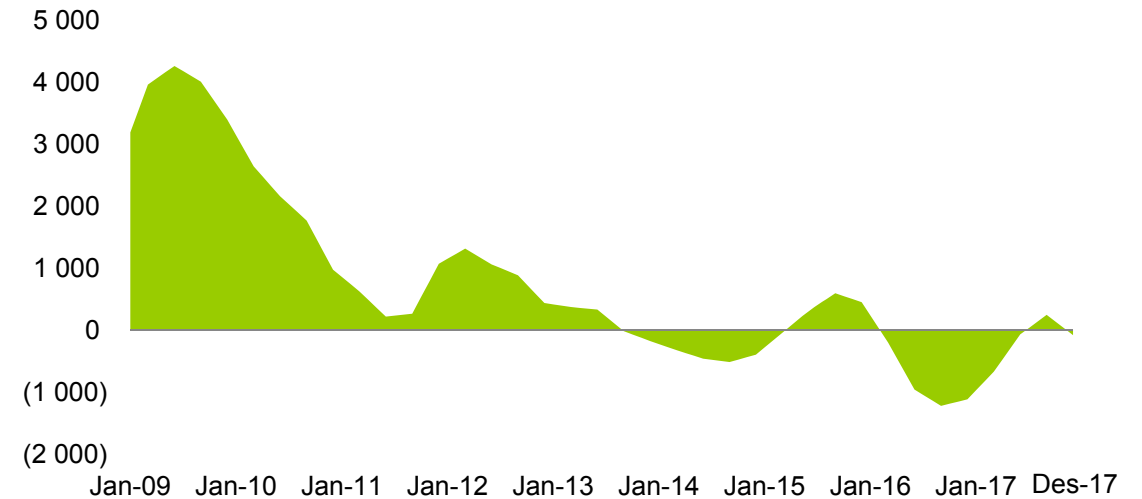
Demand and production (quarterly annualized)

1 000 mt primary aluminium



Production less demand^{*)}

1 000 mt primary aluminium



- ~5.8% demand growth vs ~7.7% supply growth in 2017
- ~5.6% demand growth Q4-17 vs Q4-16
 - ~6.9% China
 - ~4.1% World ex. China
- 2018 demand growth expected at 4-5%

Source: CRU/Hydro

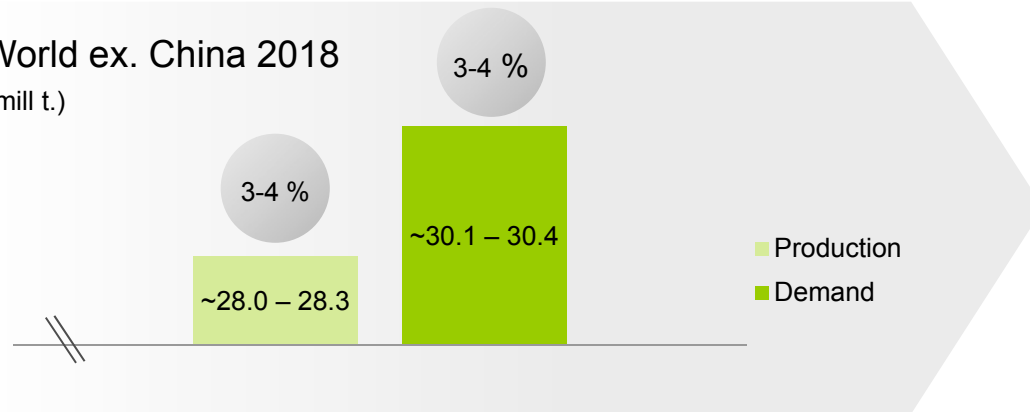
* Yearly rolling average of quarterly annualized production less demand

Primary aluminium market expected to be largely balanced in 2018

2018 global demand growth expected at 4-5%

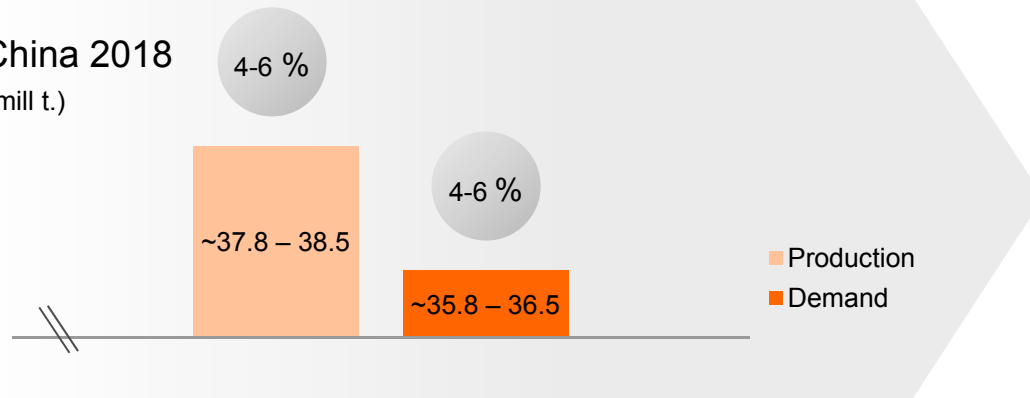
World ex. China 2018

(mill t.)



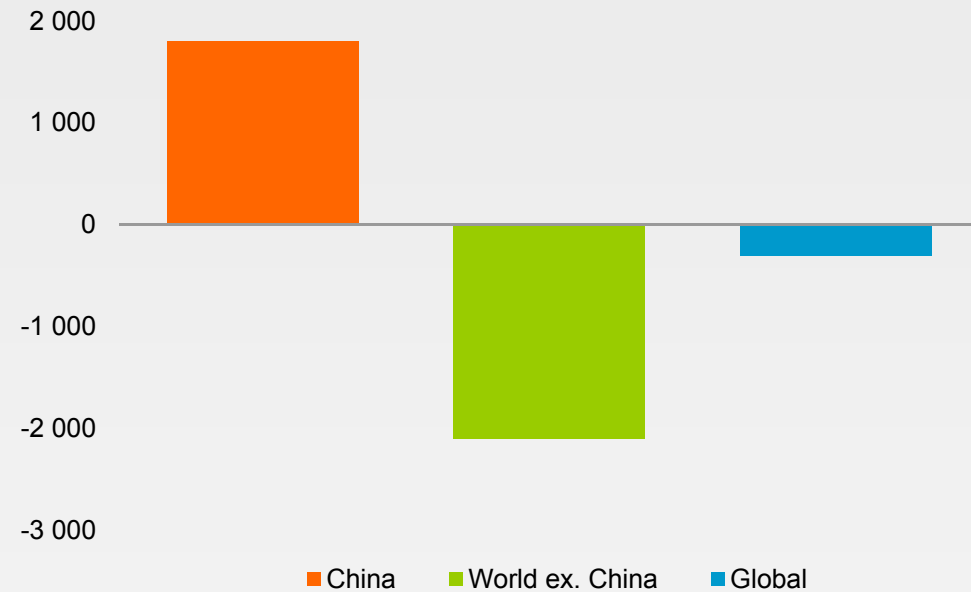
China 2018

(mill t.)



Estimated primary market balance 2018

('000t)



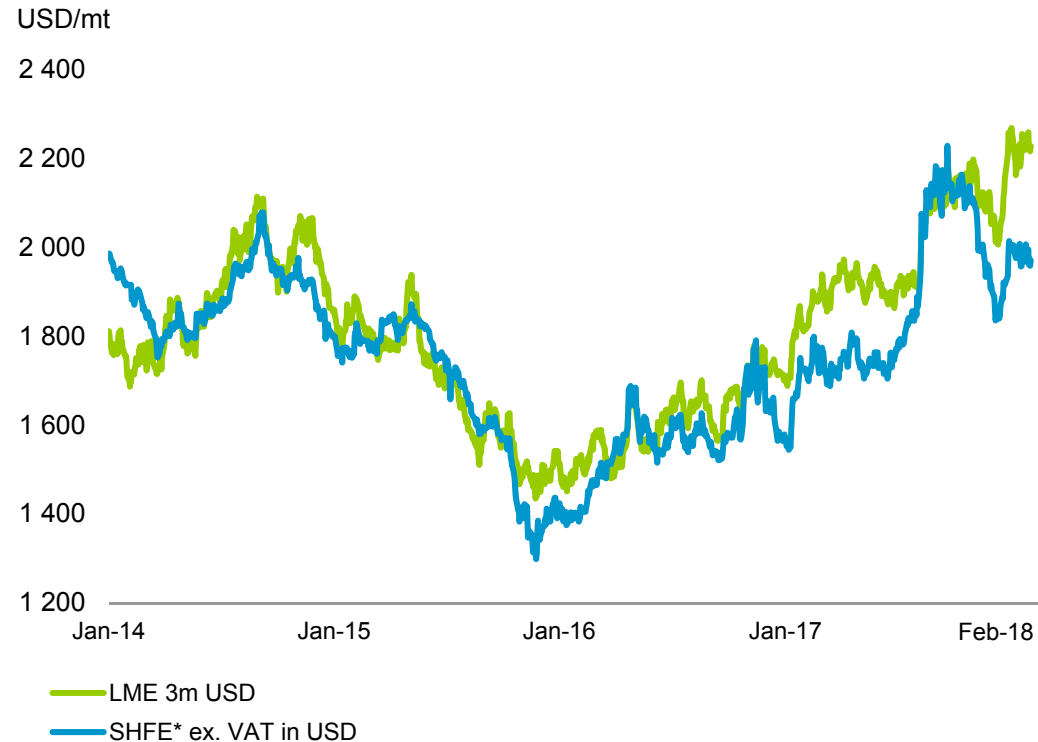
Source: CRU, Hydro analysis

% Growth from 2017 to 2018

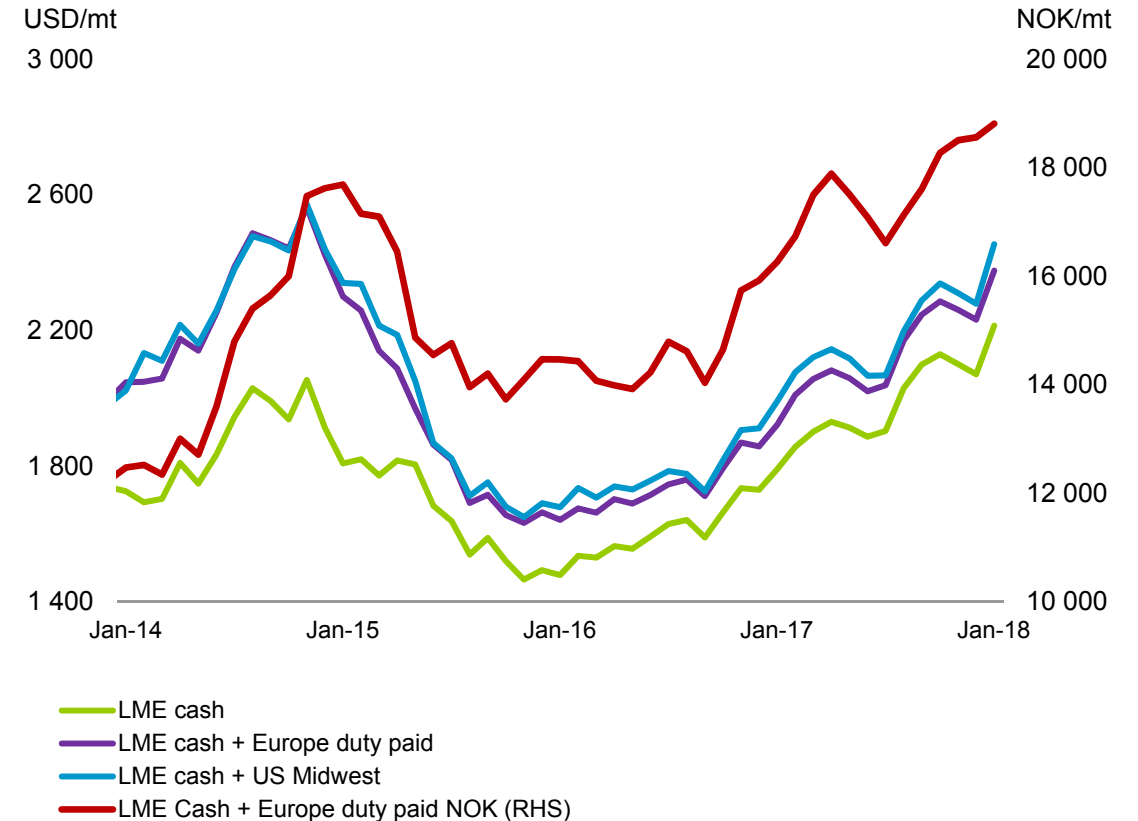
Increasing average all-in aluminium prices in Q4

2017 average all-in aluminium prices significantly up from 2016

LME and SHFE aluminium prices



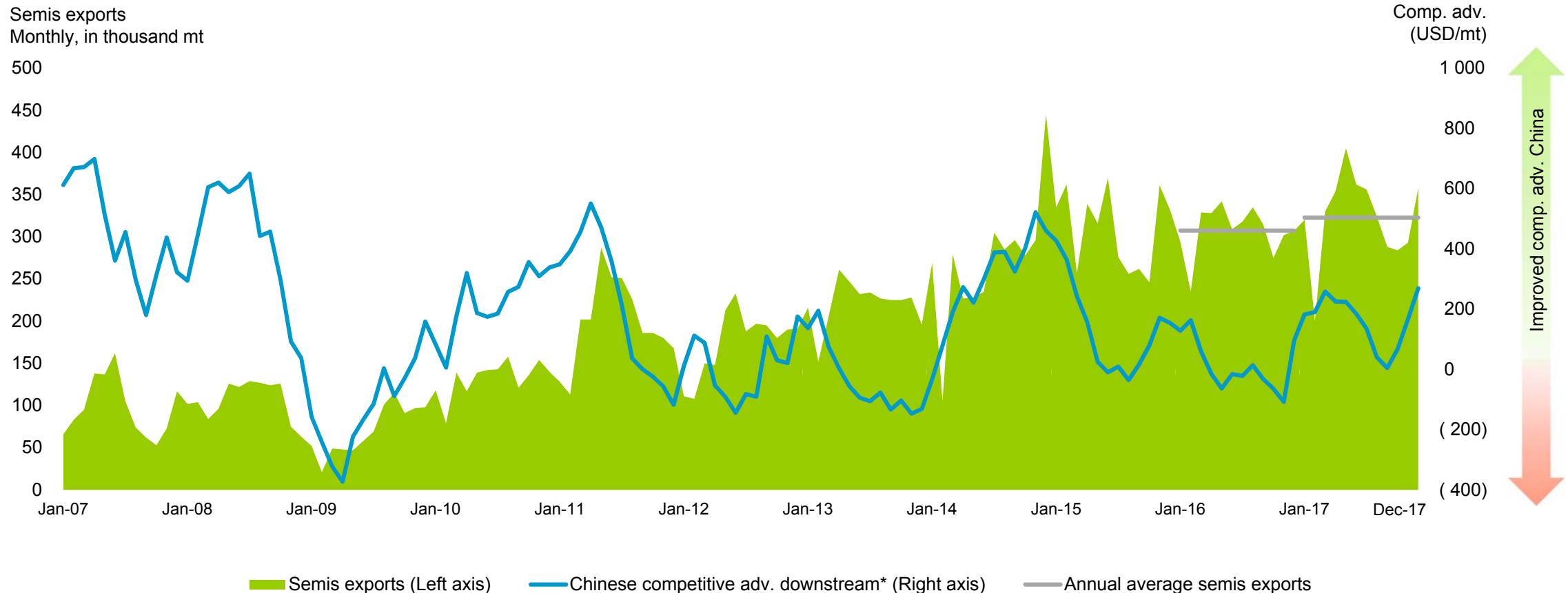
All-in aluminium prices



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

Slightly increased Chinese export levels in 2017 vs 2016

Widening price arbitrage between LME and SHFE during Q4



Source: CRU/Ecowin

* Est. metal cost China versus Europe

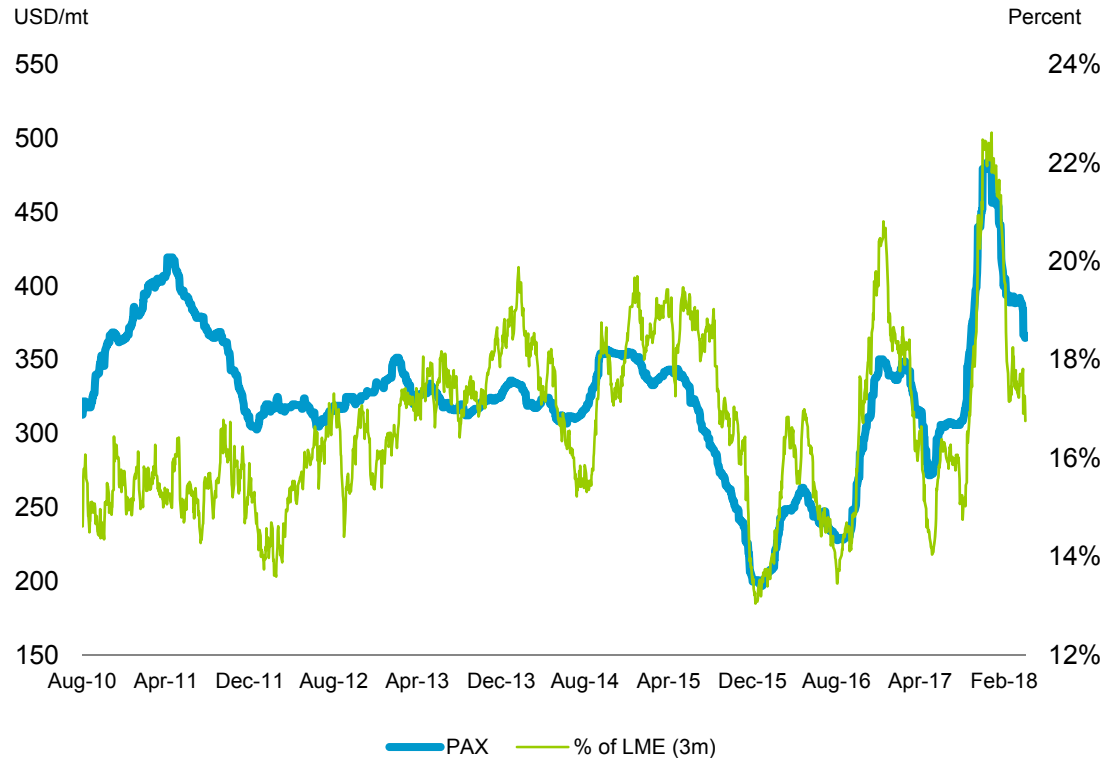
Europe: LME cash + European duty-paid standard ingot premium

China: SHFE cash + avg. local premium + freight – export rebates (~13 %)

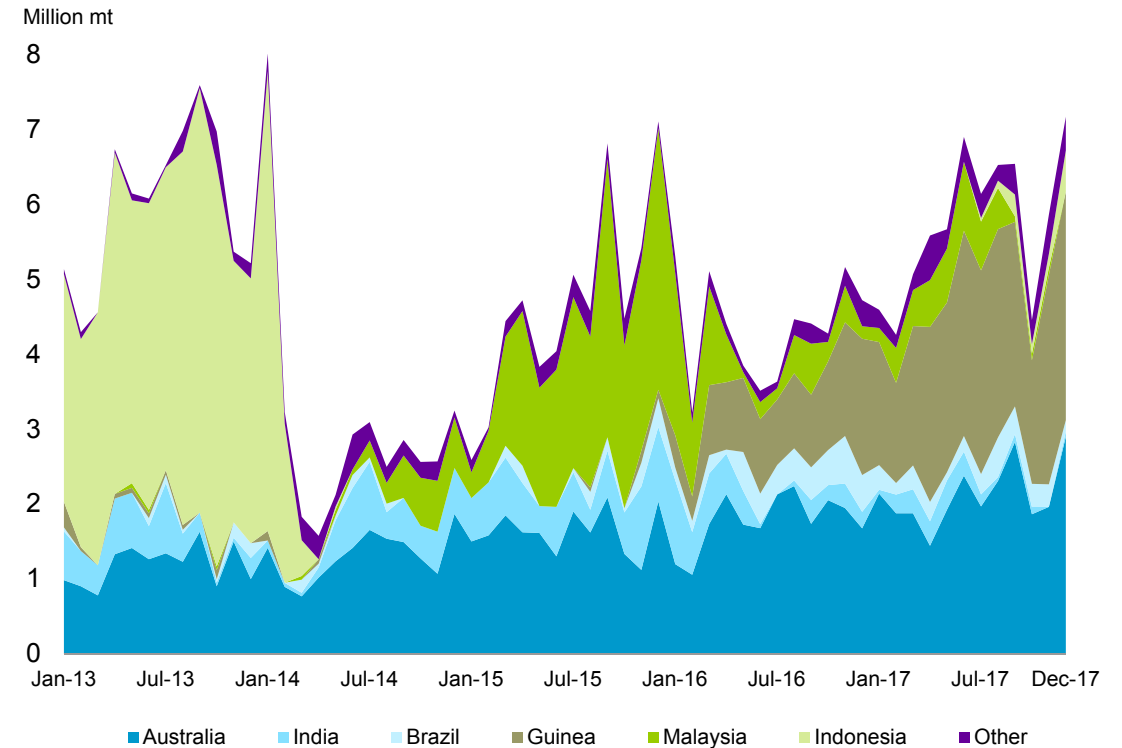
Alumina price rally early Q4, decreasing in November and December

Increasing Atlantic bauxite exports to China, primarily from Guinea

Platts alumina index (PAX)



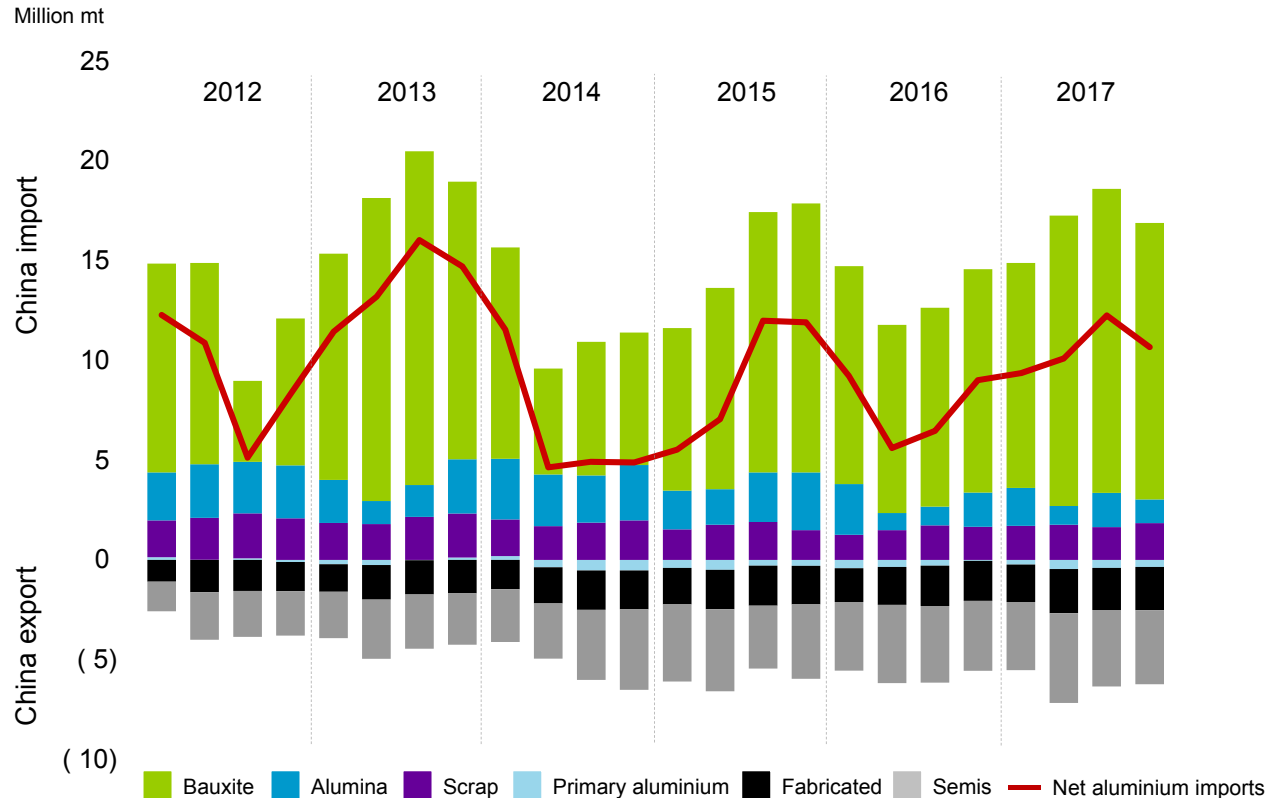
Monthly Chinese bauxite imports



Source: Platts, Ecwin, China Customs

China: net aluminium imports increasing in 2017 vs 2016

Annualized aluminium equivalents*



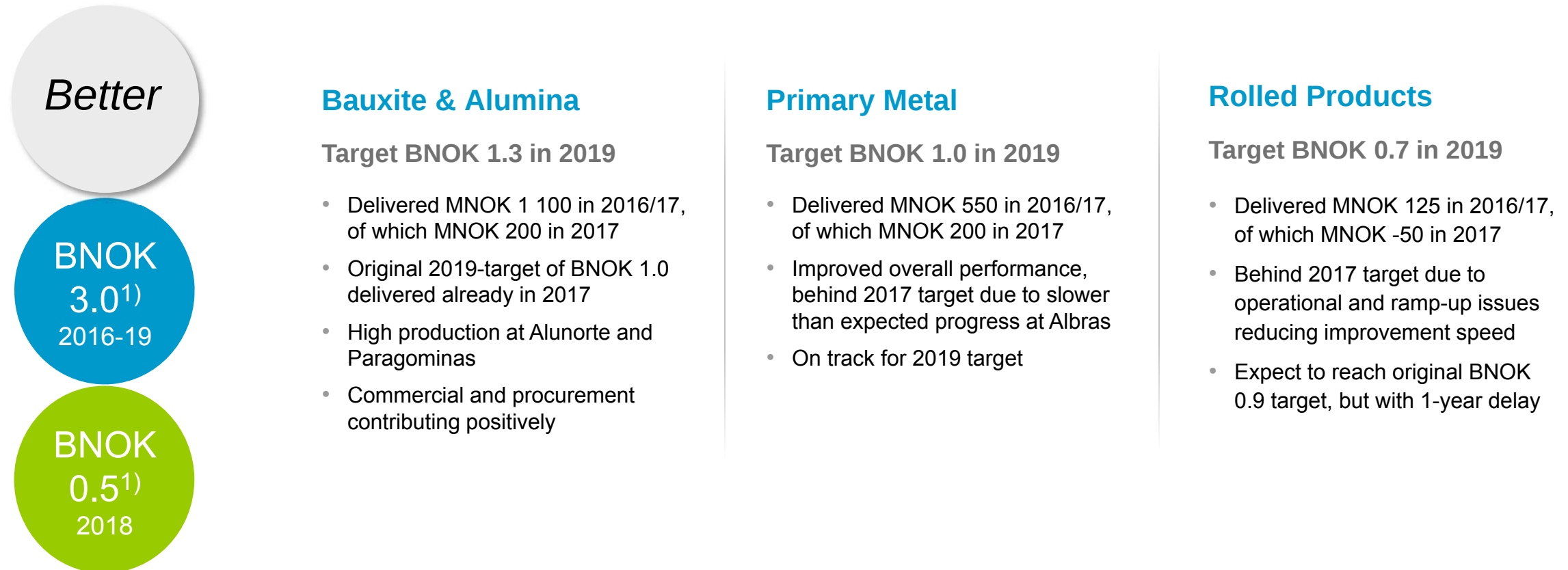
- Increased bauxite imports, Guinea surpassed Australia as the largest bauxite source in 2017
- Alumina imports slightly reduced in 2017 vs 2016
- Primary aluminium exports at low levels
- Largely stable scrap imports
- Slightly increasing exports of semis and fabricated products

Source: CRU/Antaika/Hydro

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

On track for increased 2019 target of BNOK 3.0, despite 2017 setback

Realized 2017 improvements of MNOK 350 vs MNOK 500 target

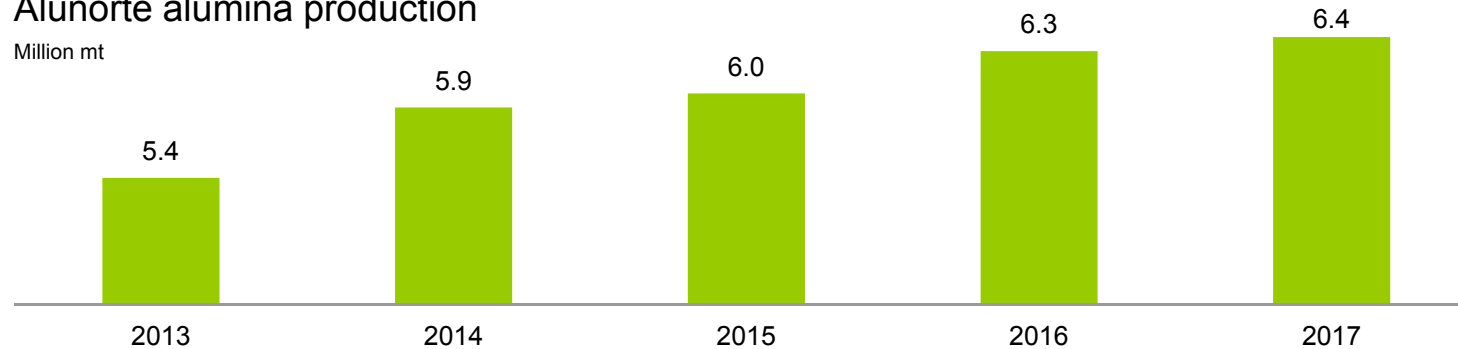


1) Real 2015 terms. Includes some larger investments of NOK 3-3.5 billion NOK in 2015-2019: AL3 and UBC in Rolled Products. Creep projects in Primary Metal. Alunorte debottlenecking in B&A.

Record production at Paragominas and Alunorte

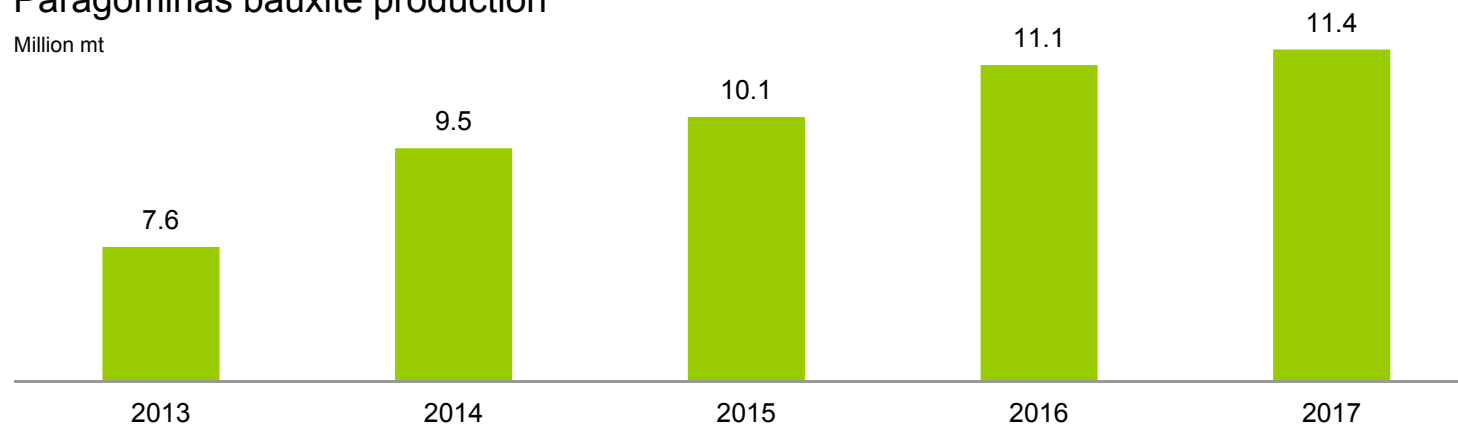
Alunorte alumina production

Million mt



Paragominas bauxite production

Million mt

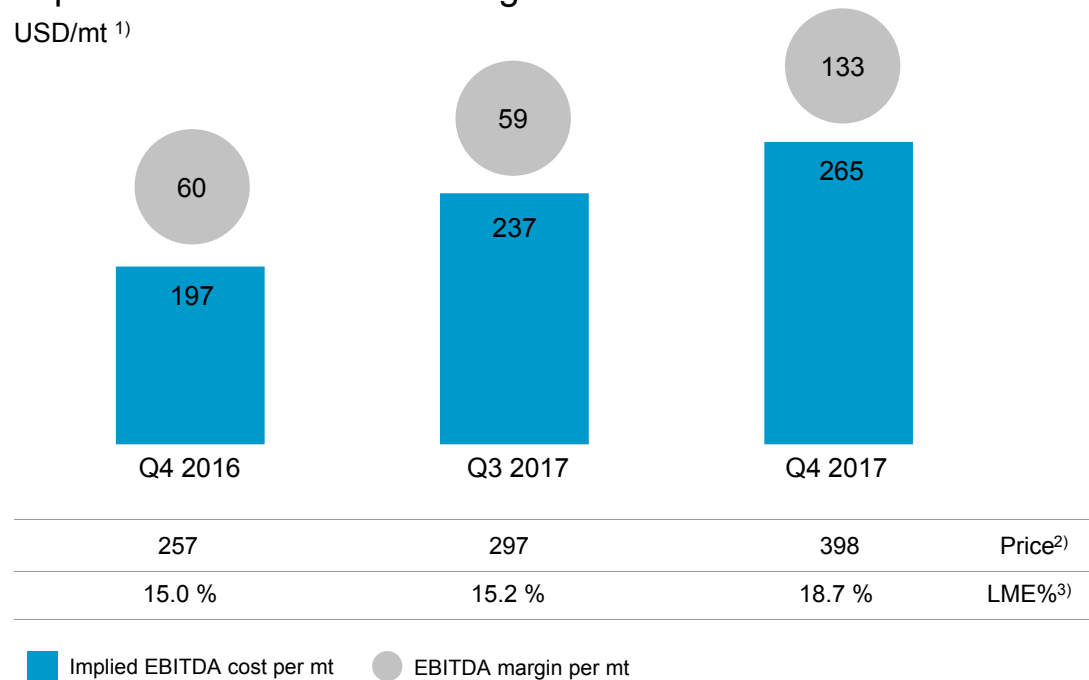


- Strong improvement trend continues in 2017
- Improved equipment effectiveness, process stability and operating standard based on Bauxite & Alumina Business System
- Annualized Q4 production above nameplate capacity
 - Alunorte 6.7 million mt
 - Paragominas 12.1 million mt

Record margins on increased realized alumina prices, costs up

Implied alumina cost and margin

USD/mt ¹⁾



Developments Q4 vs Q3

- Margins up on strongly increased realized alumina prices, partly offset by higher implied alumina cost
- Implied alumina cost in Q4 affected by:
 - Increased external alumina sourcing costs
 - Increased raw material prices
 - Improved raw material consumption, positive currency effects from weaker BRL vs USD

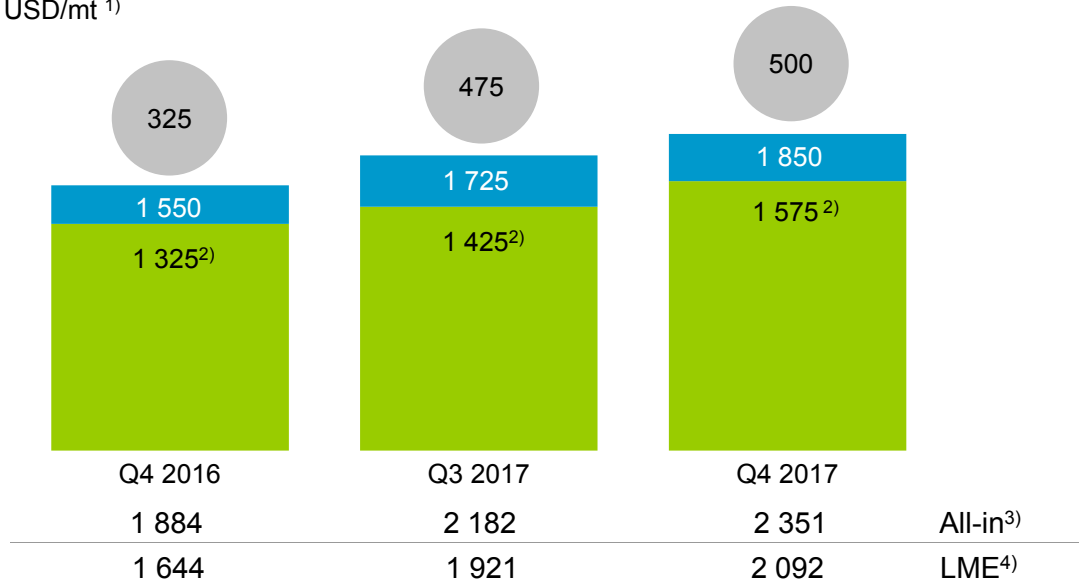
1) Realized alumina price minus underlying EBITDA for B&A, per mt alumina sales

2) Realized alumina price

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

Improved margins, increasing all-in implied primary cost

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 Q4 vs Q3

- Margins up on increased realized aluminium prices, partly offset by higher implied primary cost
- Implied primary cost in Q4 affected by:
 - Increased raw material costs
 - Increased fixed 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

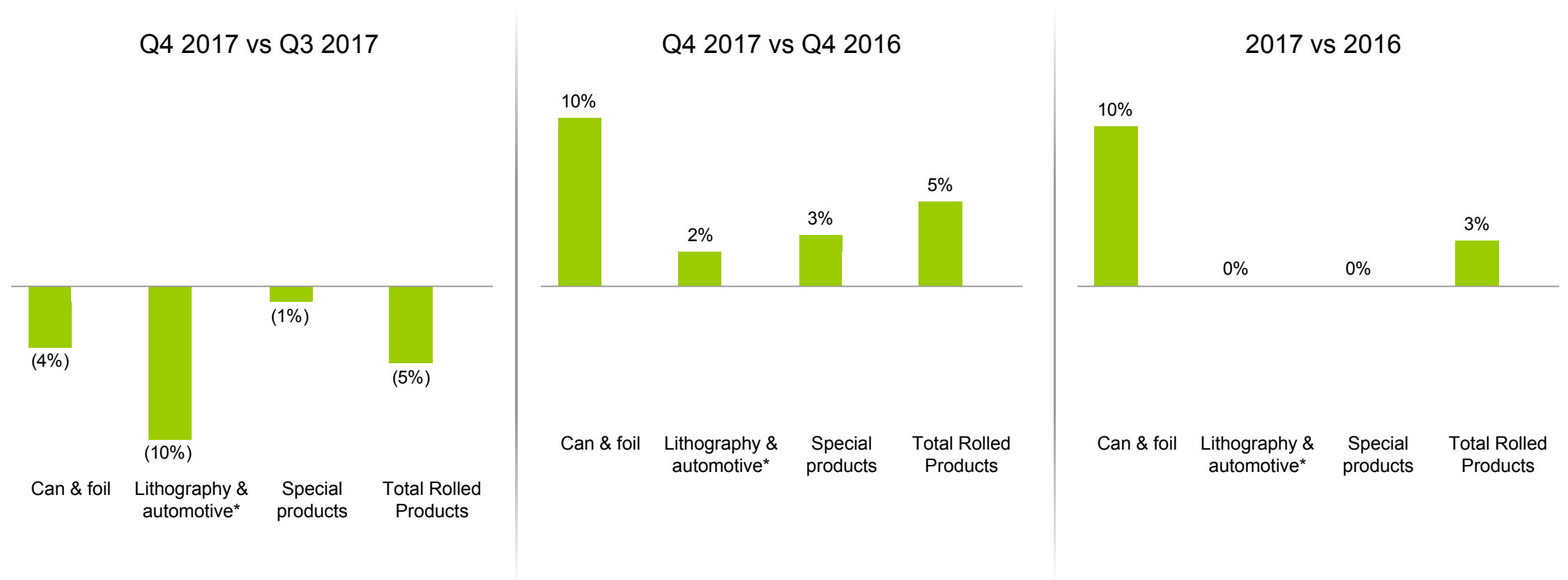
2) Realized LME aluminium price minus underlying EBITDA margin, including Qatalum, per mt primary aluminium produced

3) Realized LME plus realized premiums, including Qatalum

4) Realized LME, including Qatalum

Rolled Products: increased sales volumes in 2017 vs 2016

2017 sales affected by operational issues



* Include Body-in-White sales growth of 0% Q4 2017 vs Q3 2017, 17% Q4 2017 vs Q4 2016 and 16% full year 2017 vs full year 2016

Healthy demand growth for extruded products, seasonally weaker



- Seasonally weaker demand in Q4 versus Q3
 - ~7% decrease in North America
 - ~7% decrease in Europe
- Demand increased Q4 2017 vs Q4 2016
 - ~7% in North America
 - Stronger automotive demand and higher activity in the building and construction market
 - The commercial transportation market declined slightly, but improved towards the end of the year
 - ~3% in Europe
 - Positive developments in automotive and transportation
 - Improved building and construction market
- Seasonally stronger demand for extruded products in Q1

Advancing in product innovation

Acoustic window



Ikea Delaktig sofa

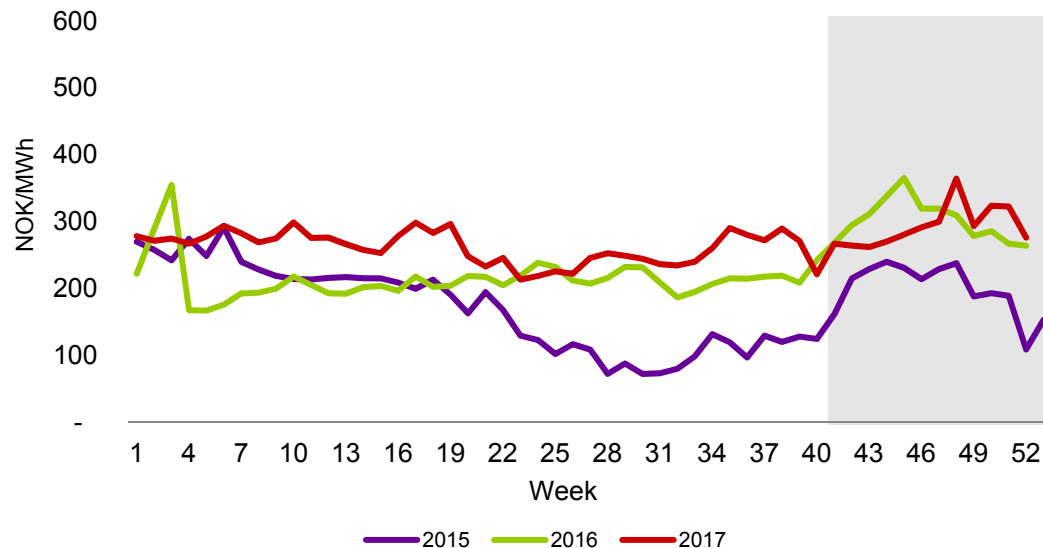


London taxi



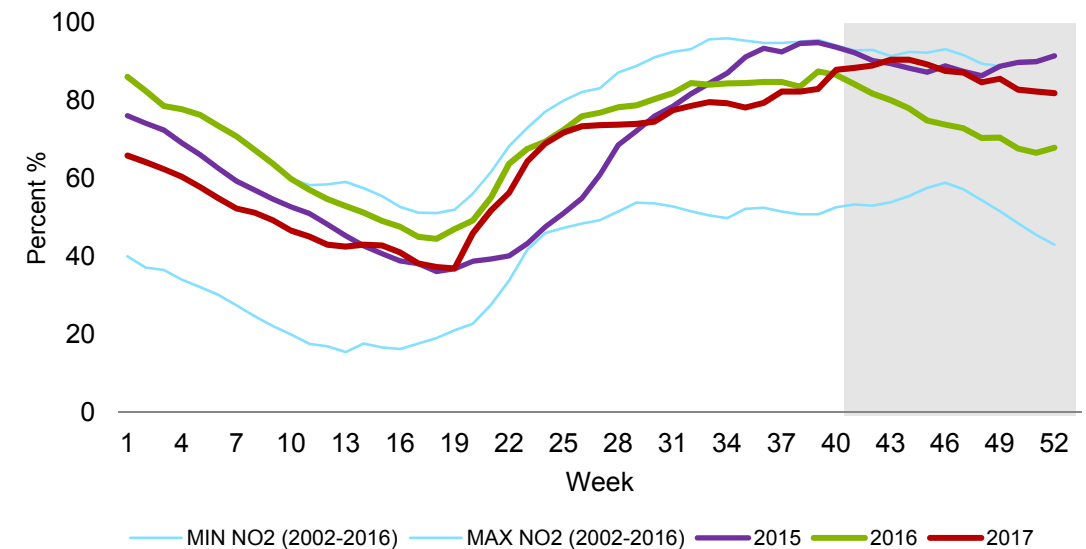
Energy: average prices up, improved hydrology in Q4

Market price Southwestern Norway (NO2)



Energy price NOK/MWh	Q4 2017	Q3 2017
Southwestern Norway (NO2)	287	258
System	294	266

Water reservoir levels Southwestern Norway (NO2)



Reservoir levels	Dec 31, 2017	Sep 30, 2017
Southwestern Norway (NO2)	81.9%	83.0%
Norway	72.3%	82.8%



- Karmøy pilot now producing the world's most climate and energy-efficient aluminium
- Ramp-up during first half 2018
- Positive spin-off effects for the existing smelter portfolio
- Net Hydro capex 2015-2018 BNOK 2.7
 - Total capex BNOK 4.3
 - Enova support BNOK 1.6

Husnes to resume full production

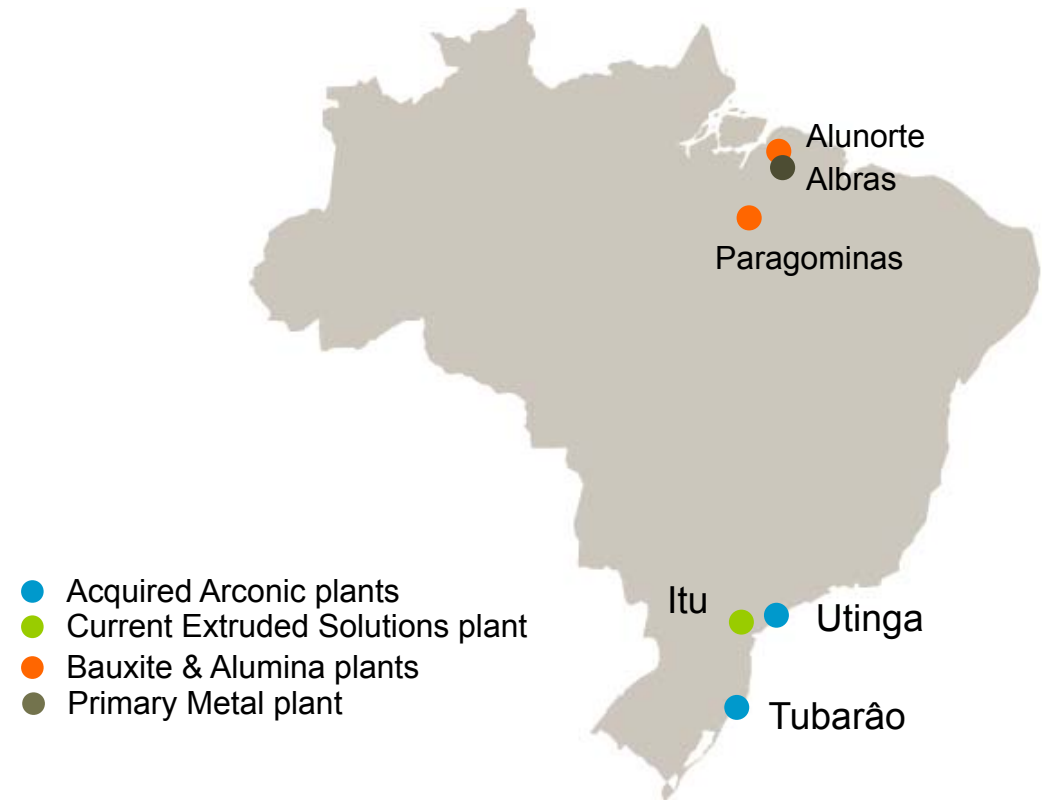


- Investment decision to upgrade and start up the second line at Husnes, lifting production from current 95 000 mt/yr to 190 000 mt/yr
- New technology elements to be introduced, leading to increased efficiency and profitability
- Expected to begin production first half 2020
- Estimated investment of NOK 1.3 billion*

* In 2017 terms

Hydro acquires Arconic's two extrusion plants in Brazil

- Acquisition strengthens downstream position in Brazil
- Transaction in line with strategy of selected growth within Extruded Solutions
- Synergy potential with existing Extruded Solutions plant in Brazil
- Agreed cash payment of USD 10 million
- Tubarão and Utinga facts:
 - 1 casthouse
 - 7 presses and value-added capabilities
 - ~ 600 employees



Proposing increased 2017 dividend of NOK 1.75¹ per share

Payout ratio of ~41% for the year



- Aiming for competitive shareholder returns compared to alternative investments in peers
- Reflects strong operational performance in 2017 and solid financial position, taking into account the volatility in the aluminium industry
 - Dividend of 1.25 NOK/share remains the floor, as communicated since Q4-16
- Average five-year payout ratio² of ~70%
 - Dividend policy 40% payout ratio of reported net income over the cycle
- Represents payout of ~NOK 3.6 billion

1) Pending approval from the AGM on May 7, 2018

2) Dividend paid divided by net income from continuing operations attributable to equity holders, including proposed 2017 dividend



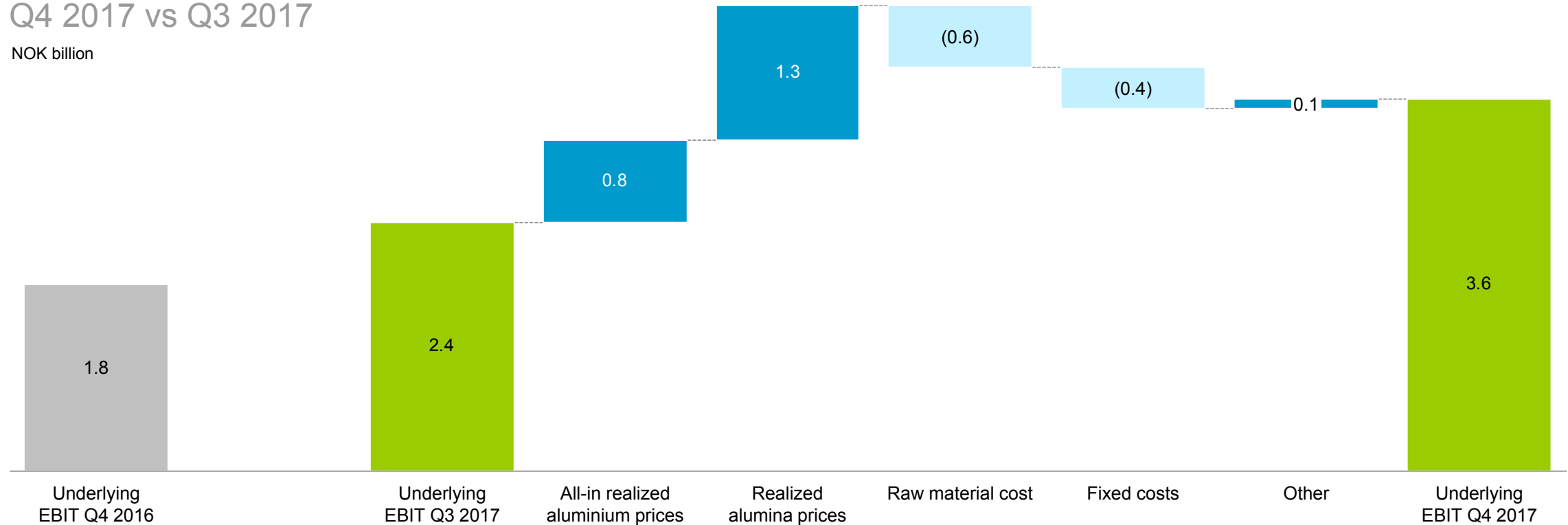
Eivind Kallevik

Executive Vice
President and CFO

Results up on higher alumina and aluminium prices, partly offset by costs

Q4 2017 vs Q3 2017

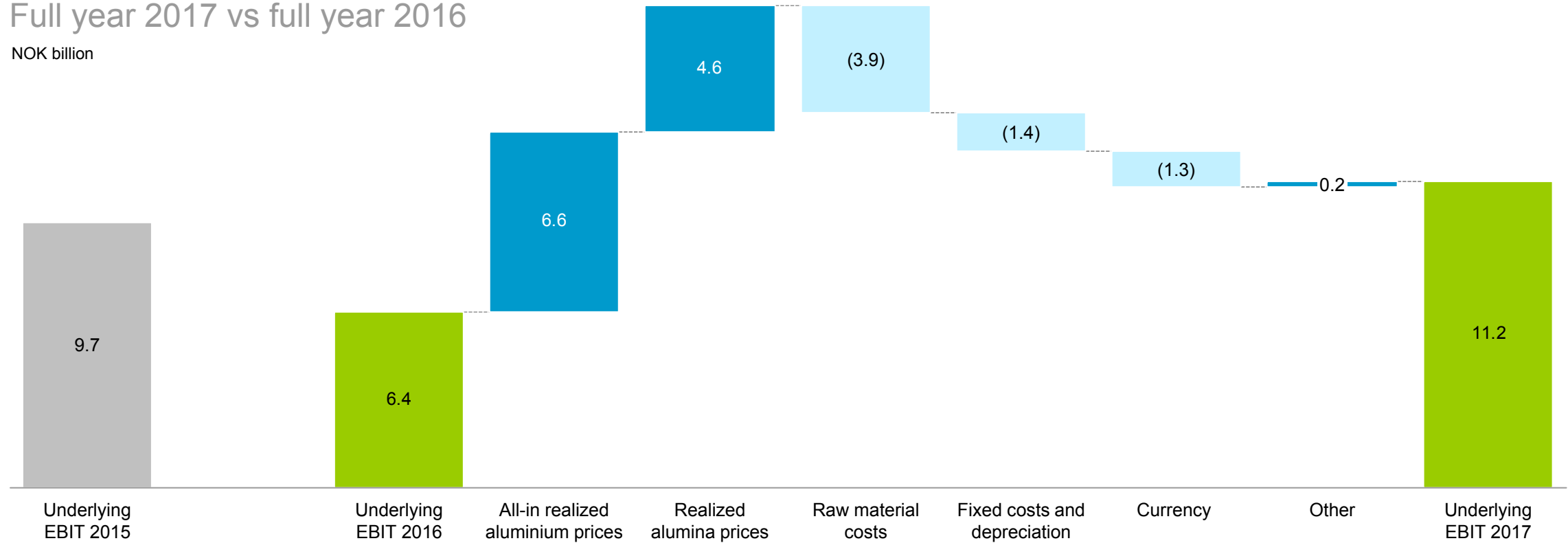
NOK billion



Results up on higher alumina and aluminium prices, partly offset by costs and currency

Full year 2017 vs full year 2016

NOK billion



Key financials

Underlying EPS up to 1.33 NOK/share

NOK million	Q4 2017	Q3 2017	Q4 2016	Full year 2017	Full year 2016
Revenue	38 803	22 799	21 250	109 220	81 953
Underlying EBIT	3 555	2 446	1 829	11 215	6 425
Items excluded from underlying EBIT	956	(123)	135	974	586
Reported EBIT	4 511	2 323	1 964	12 189	7 011
Financial income (expense)	(776)	485	(140)	(1 114)	2 126
Income (loss) before tax	3 735	2 808	1 823	11 075	9 137
Income taxes	(135)	(624)	(815)	(1 891)	(2 551)
Net income (loss)	3 600	2 184	1 008	9 184	6 586
Underlying net income (loss)	2 816	1 785	968	8 396	3 875
Reported EPS, NOK	1.71	1.00	0.52	4.30	3.13
Underlying EPS, NOK	1.33	0.82	0.48	3.95	1.84

Items excluded from underlying EBIT

Excluded positive BNOK ~1 from underlying EBIT, mainly transaction related effects from Sapa acquisition

NOK million	Q4 2017	Q3 2017	Q4 2016	Full year 2017	Full year 2016
Underlying EBIT	3 555	2 446	1 829	11 215	6 425
Unrealized derivative effects on LME related contracts	(140)	30	87	(220)	401
Unrealized effects on power and raw material contracts	(91)	(7)	20	(246)	61
Metal effect, Rolled Products	146	(151)	68	419	91
Significant rationalization charges and closure costs	(210)	-	-	(210)	(192)
Impairment charges	-	-	(285)	-	(426)
Gains (losses) on divestments	-	-	-	-	314
Other effects	(212)	-	223	(212)	223
Transaction related effects	1 463	-	-	1 463	-
Items excluded in equity accounted investments	-	6	23	(19)	113
Reported EBIT	4 511	2 323	1 964	12 189	7 011

Bauxite & Alumina

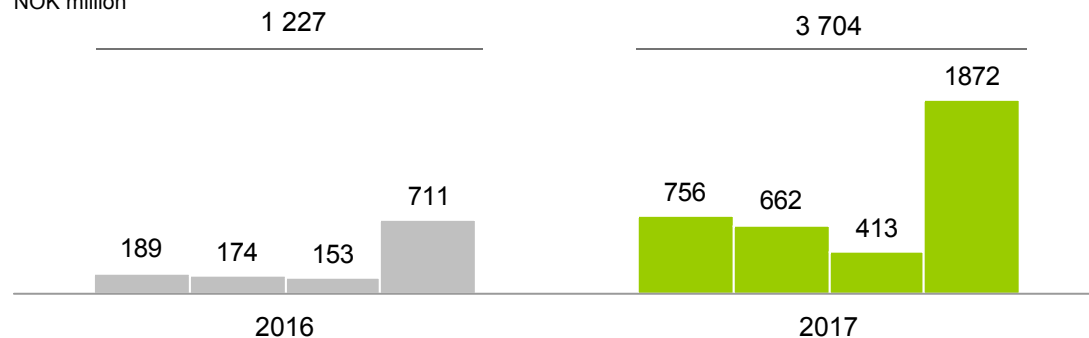
Results up on increased alumina prices

Key figures	Q4 2017	Q3 2017	Q4 2016
Alumina production, kmt	1 693	1 605	1 635
Total alumina sales, kmt	2 344	2 251	2 472
Realized alumina price, USD/mt	398	297	257
Implied alumina cost, USD/mt	265	237	197
Bauxite production, kmt	3 049	3 043	3 063
Underlying EBITDA, NOK million	2 551	1 057	1 258
Underlying EBIT, NOK million	1 872	413	711



Underlying EBIT

NOK million



Q4 results

- Higher realized alumina prices
- Alunorte and Paragominas production above nameplate capacity, all-time high Q4 in Alunorte
- Increased caustic soda, bauxite and fuel oil prices at Alunorte, partly offset by reduced raw material consumption

Outlook

- Reduced production at Alunorte and Paragominas due to maintenance
- Increased caustic soda and energy costs
- Increased depreciation
- Decreased alumina prices

Primary Metal

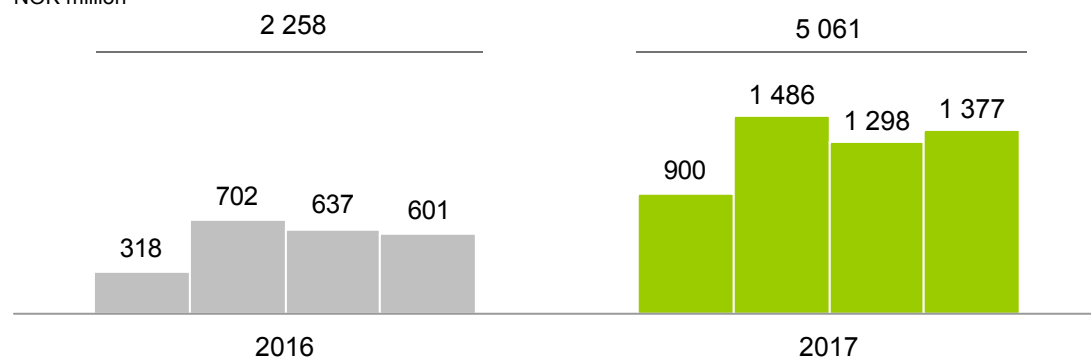
Results up on increased aluminium prices, partly offset by costs

Key figures	Q4 2017	Q3 2017	Q4 2016
Primary aluminium production, kmt	528	527	526
Total sales, kmt	554	568	528
Realized LME price, USD/mt	2 092	1 921	1 647
Realized LME price, NOK/mt	17 066	15 496	13 659
Realized premium, USD/mt	259	261	240
Implied all-in primary cost, USD/mt *	1 850	1 725	1 550
Underlying EBITDA, NOK million	1 900	1 795	1 068
Underlying EBIT, NOK million	1 377	1 298	601



Underlying EBIT

NOK million



Q4 results

- Higher realized aluminium prices
- Increased alumina, energy and carbon costs
- Higher fixed costs

Outlook

- ~ 50% of primary production for Q1 priced at USD ~2 100 per mt**
- ~ 65% of premiums affecting Q1 booked at USD ~325 per mt**
 - Q1 realized premium expected in the range of 275-300 USD/mt
- Increased alumina, carbon and energy costs

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

** Including Qatalum volumes

Metal Markets

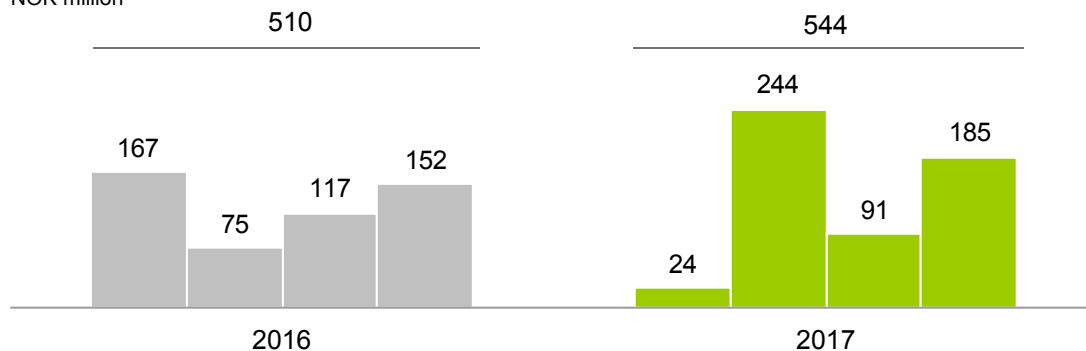
Increased results from sourcing and trading activities and positive currency effects

Key figures	Q4 2017	Q3 2017	Q4 2017
Remelt production, kmt	137	136	133
Metal products sales, kmt ¹⁾	720	707	660
Underlying EBITDA, NOK million	209	114	175
Underlying EBIT excl currency and inventory valuation effects, NOK million	157	107	149
Underlying EBIT, NOK million	185	91	152



Underlying EBIT

NOK million



Q4 results

- Increased results from sourcing and trading activities
- Increased results from remelters
- NOK 28 million positive currency and inventory valuation effects vs negative NOK 17 million in Q3

Outlook

- Volatile trading and currency effects

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

Rolled Products

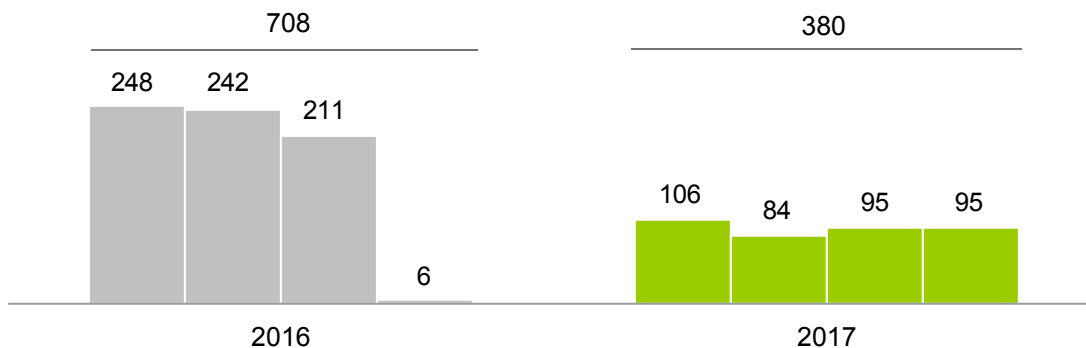
Improved margins, offset by lower volumes and increased cost

Key figures	Q4 2017	Q3 2017	Q4 2016
External sales volumes, kmt	224	236	213
Underlying EBITDA, NOK million	325	312	222
Underlying EBIT, NOK million	95	95	6



Underlying EBIT

NOK million



Q4 results

- Improved margins
- Positive inventory effect
- Volumes seasonally lower
- Increased year-end maintenance cost
- Neuss result down on increased raw material costs

Outlook

- Seasonally higher sales volumes
- Production performance stabilized at Alunorf
- Neuss positively impacted by improved power contract (MNOK ~400 yearly effect)

Extruded Solutions

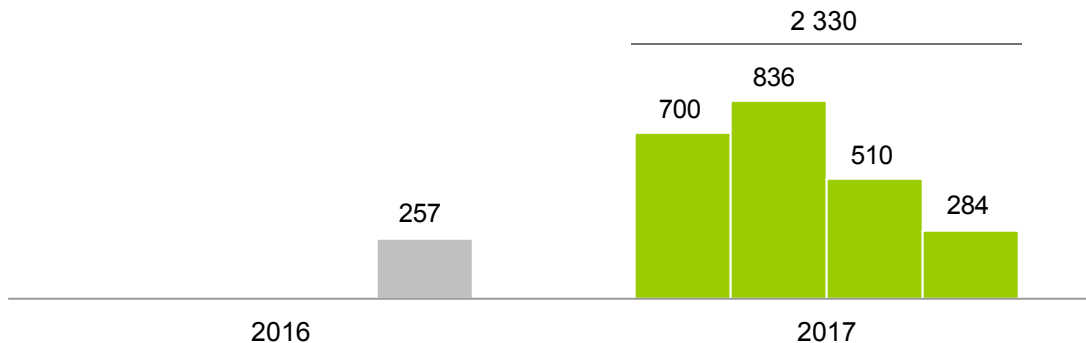
Volumes and results down on seasonality

Key figures	Q4 2017	Q3 2017*	Q4 2016*
External sales volumes, kmt	318	339	310
Underlying EBITDA, NOK million	728	903	652
Underlying EBIT, NOK million	284	510	257



Underlying EBIT*

NOK million



Q4 results

- Seasonally lower volumes
- Improved margins
- Depreciation in Extruded Solutions up ~MNOK 300 per year compared to “old Sapa” due to transactional effects, mainly excess value depreciation

Outlook

- Seasonally higher sales volumes

* Pro-forma figures for Q1-Q3 2017 and Q4 2016

Energy

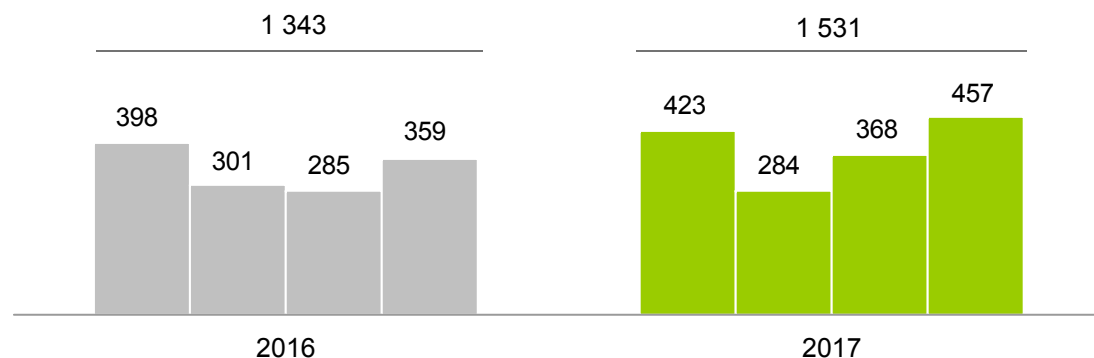
Results up on higher power production

Key figures	Q4 2017	Q3 2017	Q4 2016
Power production, GWh	3 089	2 509	2 551
Net spot sales, GWh	1 633	1 168	1 176
Southwest Norway spot price (NO2), NOK/MWh	287	258	296
Underlying EBITDA, NOK million	519	424	412
Underlying EBIT, NOK million	457	368	359



Underlying EBIT

NOK million



Q4 results

- Increased power production resulting in higher net spot sales
- Increased prices, offset by reduced contribution from commercial activities

Outlook

- Price and volume uncertainty
- Higher property taxes*
- Maintenance at large power plant reducing power production
- Energy results negatively affected by internal power contract with Rolled Products (MNOK ~250 yearly effect)

* 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 per quarter with higher taxes in Q1 and Q3 and lower taxes in Q2 and Q4.

Other and Eliminations

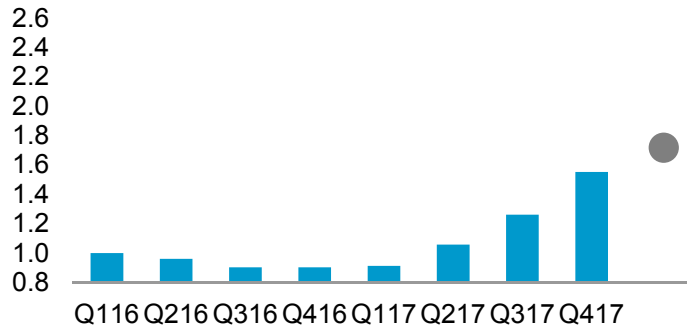


Other and Eliminations, Underlying EBIT, NOK million	Q4 2017	Q3 2017	Q4 2016
Sapa JV		209	167
Other	(279)	(96)	(130)
Eliminations	(436)	68	(38)
Other and Eliminations	(715)	181	(1)

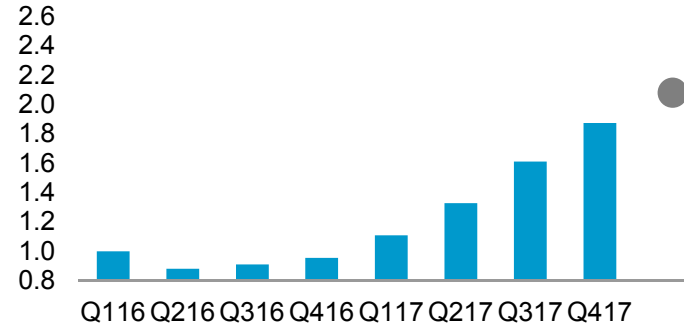
Continued cost increases in the aluminium industry

Increasing market prices for all input factors

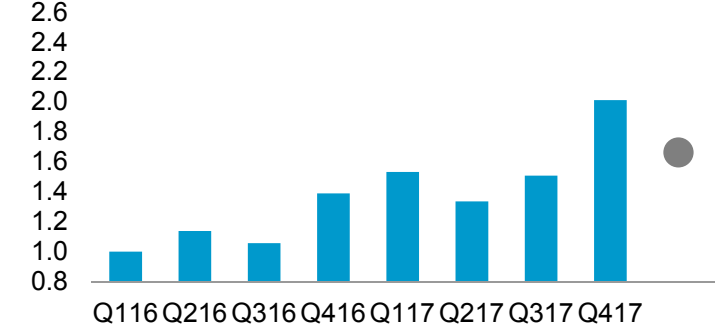
Petroleum coke FOB USG (indexed)



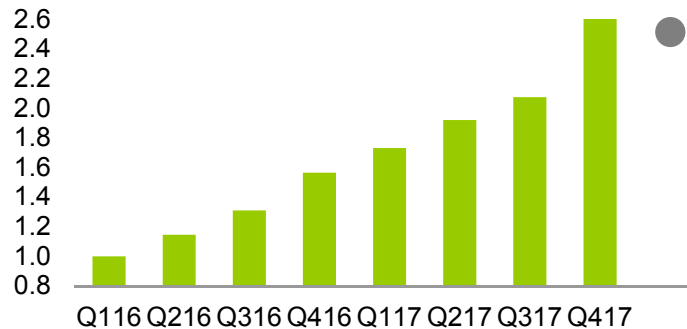
Pitch FOB USG (indexed)



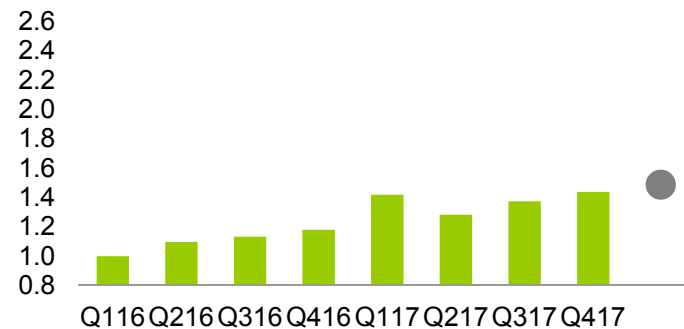
Alumina PAX index (indexed)



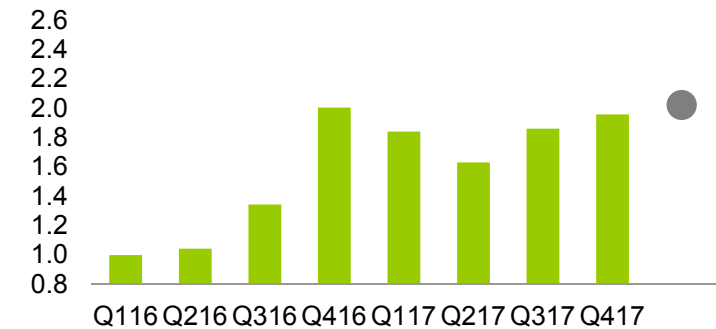
Caustic soda (indexed)



Fuel oil A1 (Indexed)



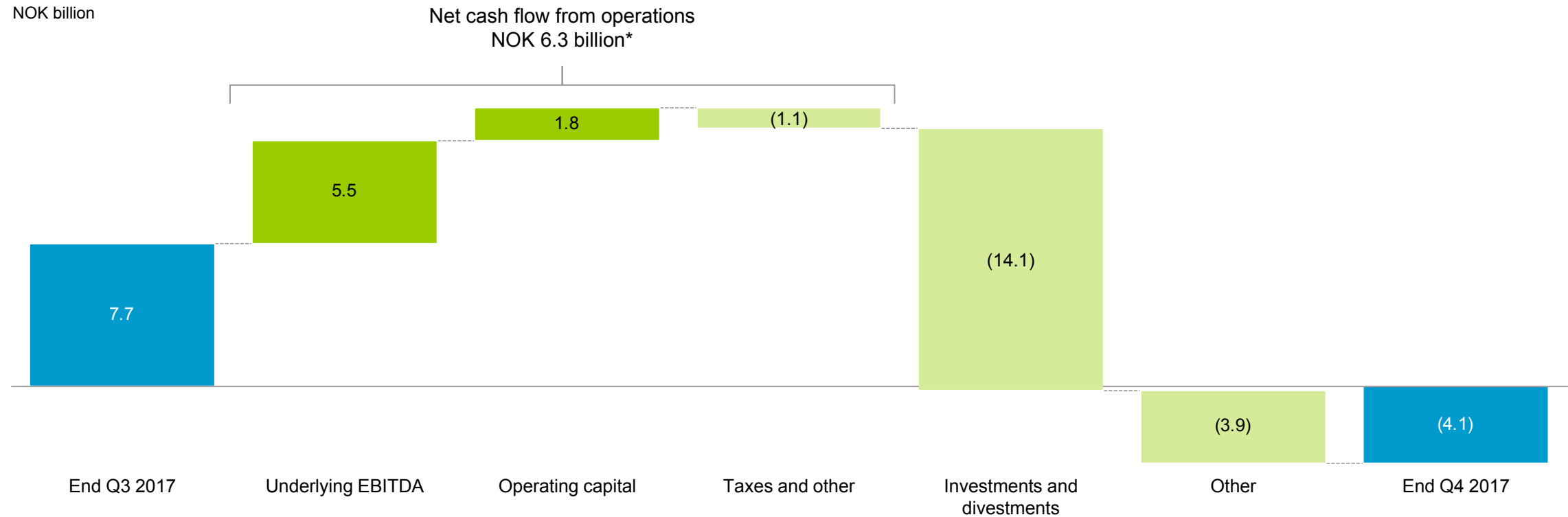
Steam coal (indexed)



Source: Reuters Ecowin, PACE, UHS Markit, Platts, ANP, CRU

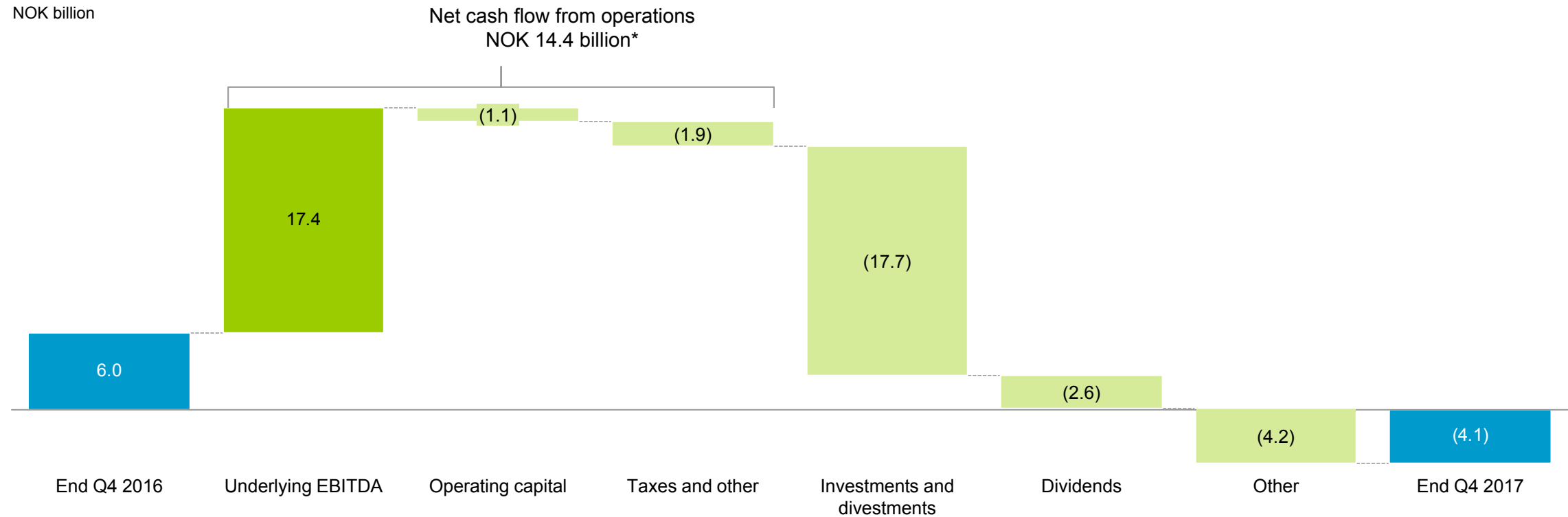
● Indication of current market prices

Net cash development Q4 2017



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

Net cash development full year 2017



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

Adjusted net debt up in Q4 on Sapa transaction related effects

NOK billion	Dec 31 2017	Sept 30 2017	Jun 30 2017
Cash and cash equivalents	11.8	17.9	8.0
Short-term investments	1.3	2.0	4.9
Short-term debt	(8.2)	(9.1)	(3.7)
Long-term debt	(9.0)	(3.1)	(3.2)
Net cash/(debt)	(4.1)	7.7	6.0
Net pension liability at fair value, net of expected tax benefit	(7.9)	(6.5)	(6.9)
Other adjustments ¹⁾	(6.0)	(4.1)	(4.2)
Adjusted net debt ex. EAI	(18.0)	(3.0)	(5.1)
Net debt in EAI ²⁾	(5.8)	(6.9)	(7.6)
Adjusted net debt incl. EAI	(23.8)	(9.9)	(12.8)



1) Operating lease commitments and other obligations

2) Equity accounted investment in Qatalum as of December 31, 2017, both Sapa and Qatalum in previous periods



2017 accomplishments

- Created world-leading integrated aluminium company
- Record production at Alunorte and Paragominas
- *Better* improvements of MNOK 350
- Addressed operational and ramp-up issues in Rolled Products



2018 priorities

- Safety first
- Value-creating integration
- Technology pilot, automotive line and recycling facility
- *Better* improvement program
- Innovation and technology

03

Additional
information

Prudent financial framework

Managing industry cyclicality, driving long-term shareholder value

Lifting cash flow potential

Improving efficiency, strengthening margins

Improvement efforts

- 5.9 BNOK 2009-2016
- 0.4 BNOK 2017
- 1.2 BNOK 2018-2019E 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

- 5.5 – 6.0 BNOK per year

Total capex incl. growth

- 2017 BNOK 7.9⁴⁾

Selective value-add growth

Attractive organic growth prospects and M&A optionality

Reliable shareholder remuneration policy

Sector competitive TSR

1.75 NOK/share dividend proposed for 2017

Dividend policy

- 40% payout ratio of Net income over the cycle
- Dividend 1.25 NOK/share to be considered as floor

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

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 and including Extruded Solution for the full year

Hydro's aspiration underpinned by firm financial targets

Medium and long-term

	Ambition	Timeframe	Q4 2017 status
Better improvement ambition	3.0 BNOK	2016-2019	1.8 BNOK 2017
Long-term sustaining capex	~ 5.5 - 6.0 BNOK	Over the cycle	5.7 BNOK 2017
Dividend payout ratio	40% of net income	Over the cycle	~70% ¹⁾ 2013-2017
FFO/adjusted net debt ²⁾	> 40%	Over the cycle	68% 2017 ³⁾
Adjusted net debt/Equity	< 55%	Over the cycle	26% 2017
ROaCE	Competitive ⁴⁾	Over the cycle	9.6% ^{3,5)} 2017

Better Bigger Greener

1) Payout ratio 5 year average – dividend per share divided by earnings per share from continuing operations for the last 5 years

2) FFO – funds from operations

3) Extruded Solutions reflected as 50% equity accounted investment Q1-Q3 2017 and fully consolidated in Q4 2017

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
 - 1.25 NOK/share to be considered as a floor, as communicated since Q4 2016
 - Share buybacks and extraordinary dividends as supplement in periods with strong financials and outlook
 - 2017 dividend 1.75 NOK/share*, up from 1.25 NOK/share 2016
 - Five-year average ordinary pay-out ratio 2013-2017 of ~70%*
- Maintain investment-grade credit rating
 - Currently: BBB stable (S&P) & Baa2 stable (Moody's)
 - Competitive access to capital is 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 11.8 billion in cash and cash equivalents, end-Q4 2017
 - USD 1.7 billion in multi-currency revolving credit facility maturing in 2020

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 cyclicity 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

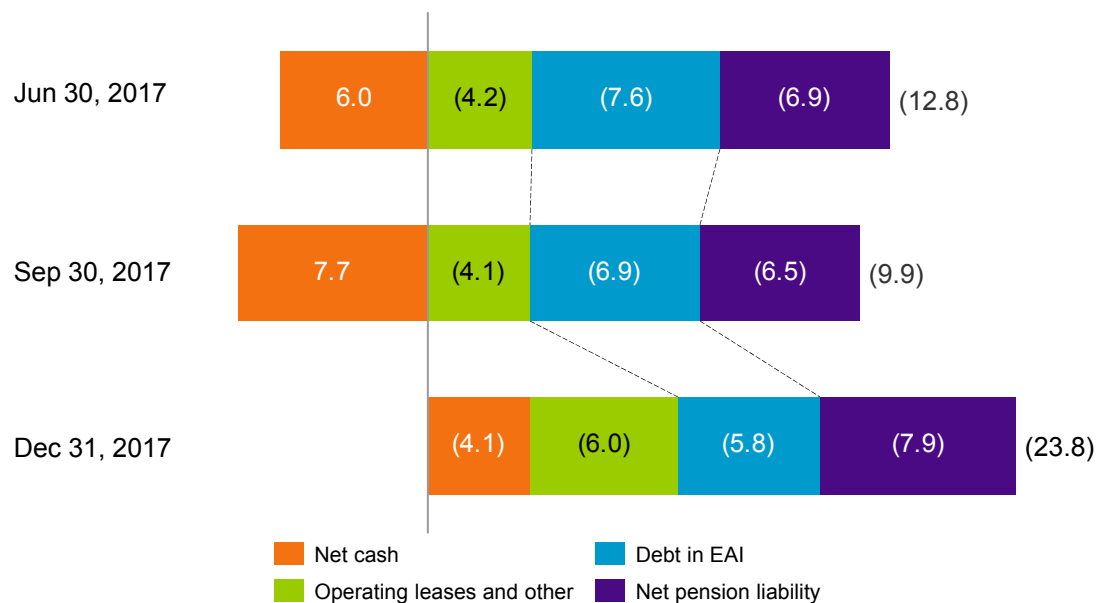
* The proposed NOK 1.75 2017 dividend per share pending approval from the AGM on May 7th, 2018

Maintaining a solid balance sheet and investment-grade credit rating

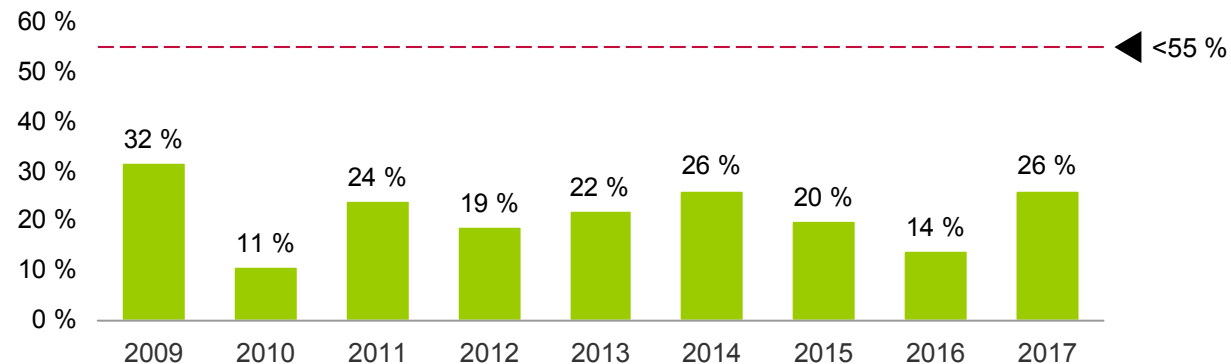
Funds from operations determine the balance sheet structure

Adjusted net debt

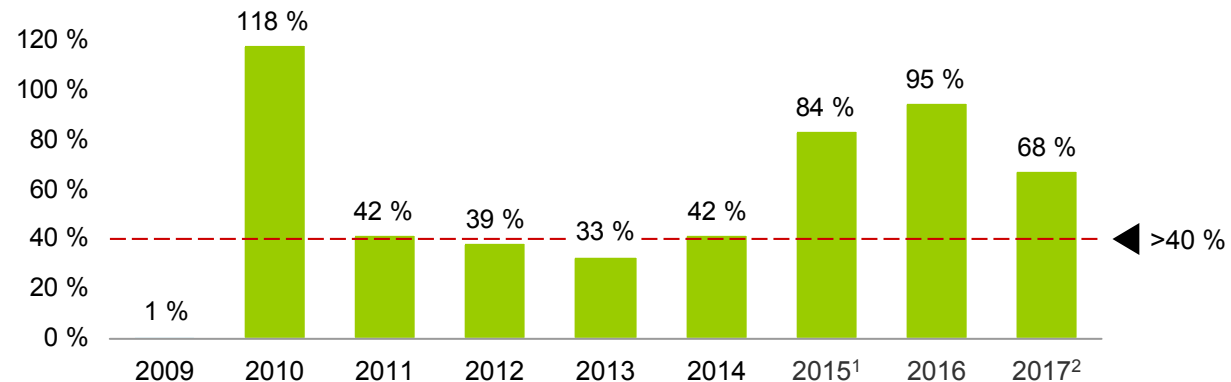
NOK billion



Adjusted net debt / Equity



Funds from operations / Adjusted net debt

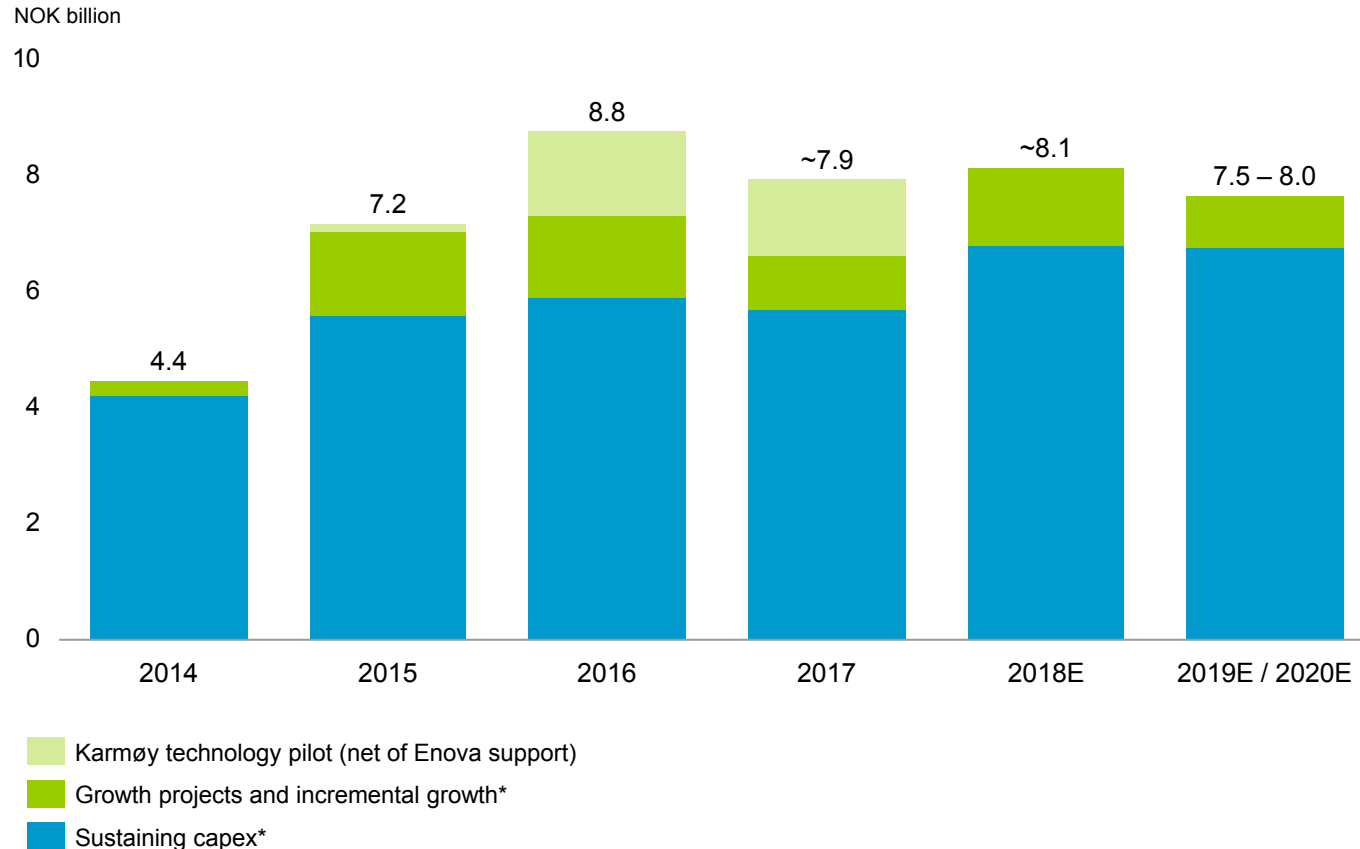


1) 2015 FFO/aND ratio has been restated due to change of definition

2) Extruded Solutions reflected as 50% equity accounted investment Q1-Q3 2017 and fully consolidated in Q4 2017

Growth capex focused on high-grading, recycling and technology

Majority of sustaining capex allocated upstream



- Sustaining projects for 2018-2020:
 - Bauxite residue disposal area
 - Opening of new bauxite mining area
 - Pipeline replacement
 - Primary rectifiers and asset integrity Albras
 - Smelter relining
- Ongoing organic growth projects:
 - Productivity improvements across the portfolio
- Karmøy technology pilot 2015-2018:
 - Gross investment 4.3 BNOK
 - Of which Enova support 1.6 BNOK
 - Net investment 2.7 BNOK
- Capex related to specific growth projects will be announced when decision is made**

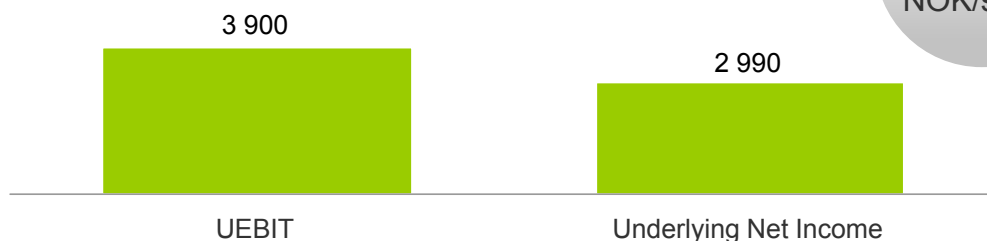
* Includes Extruded Solutions

** Capex estimates 2018-2020 does not include NOK 1.3 billion related to the announced Husnes restart

Significant exposure to commodity and currency fluctuations

Aluminium price sensitivity +10%

NOK million



UEPS
+1.31
NOK/share

Currency sensitivities +10%*

Sustainable effect:

NOK million	USD	BRL	EUR
UEBIT	3 860	(1 210)	(230)

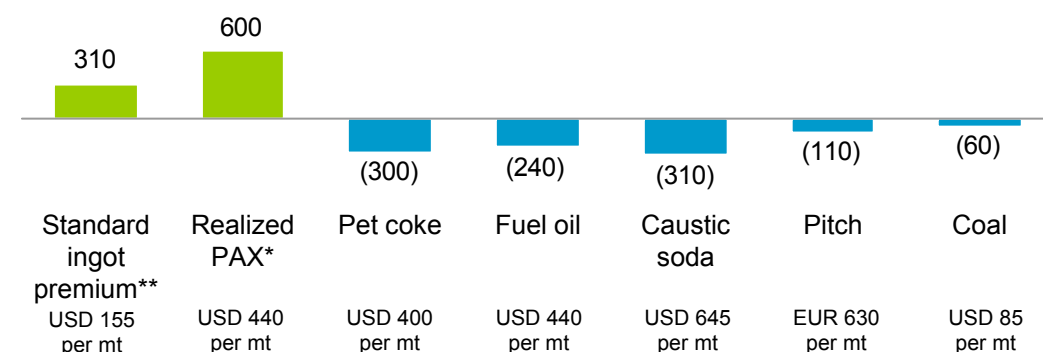
One-off reevaluation effect:

Financial items	(280)	550	(2 170)
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- Annual sensitivities based on normal annual business volumes, LME USD 2 100 per mt, fuel oil USD 440 per mt, petroleum coke USD 400 per mt, caustic soda USD 645 per mt, coal USD 85 per mt, USD/NOK 8.20, BRL/NOK 2.50, EUR/NOK 9.60
- 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
- 2018 Platts alumina index (PAX) exposure used

Other commodity prices, sensitivity +10%*

NOK million



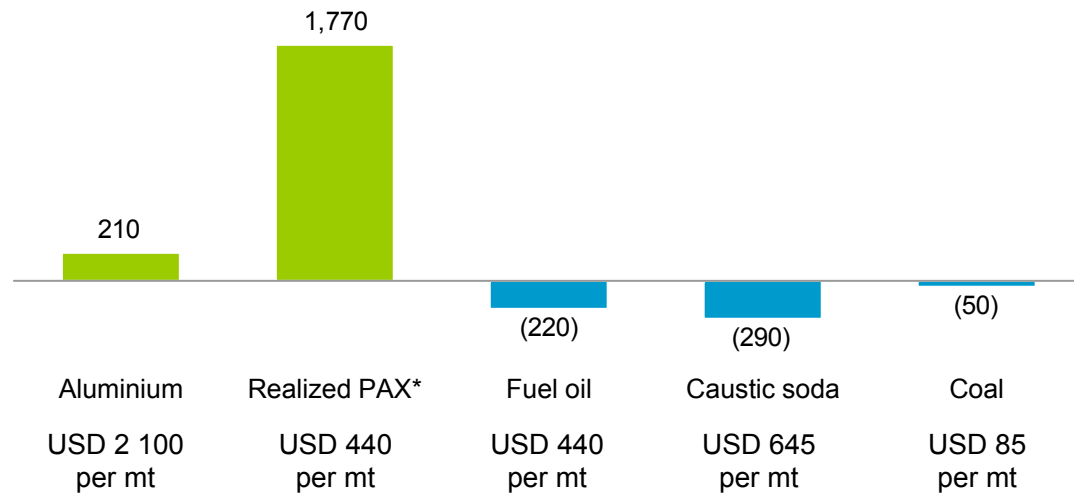
* 2018 Platts alumina index exposure

** 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	1 480	(820)	-

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

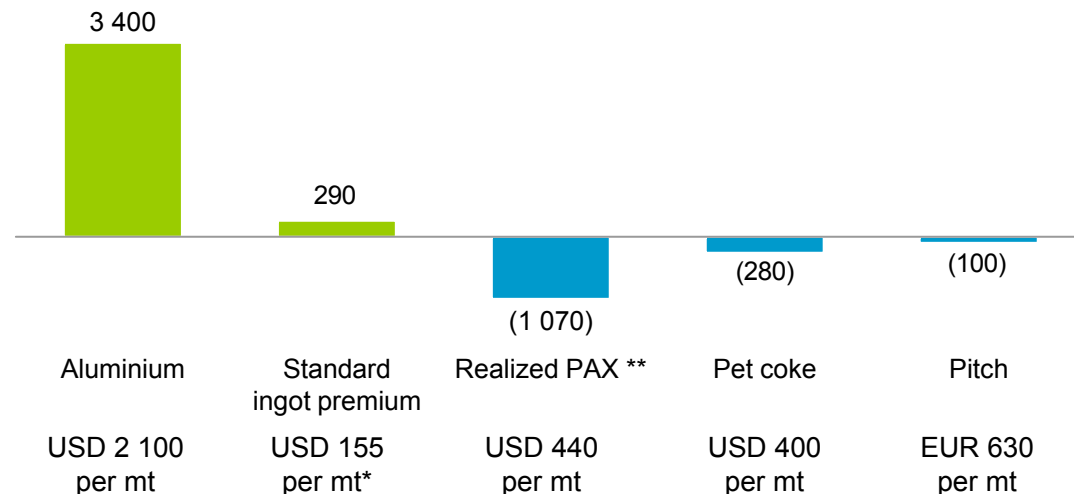
* 2018 Platts alumina index exposure

Currency rates used: USD/NOK 8.20, BRL/NOK 2.50, EUR/NOK 9.60

Primary Metal sensitivities

Annual sensitivities on underlying EBIT if +10% in price

NOK million



Currency sensitivities +10%

NOK million	USD	BRL	EUR
UEBIT	2 000	(-390)	(-240)

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

- ~0.40 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

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

* Europe duty paid

**2017 Platts alumina index exposure

Currency rates used: USD/NOK 8.20, BRL/NOK 2.50, EUR/NOK 9.60

Items excluded from underlying results - 2017

NOK million (+=loss/)=gain)		Q1 2017	Q2 2017	Q3 2017	Q4 2017	Year 2017
Impairment charge	Bauxite & alumina	-	-	-	-	-
Other effects	Bauxite & alumina	-	-	-	-	-
Total impact	Bauxite & alumina	-	-	-	-	-
Unrealized derivative effects on LME related contracts	Primary metal	29	(8)	(20)	100	101
Unrealized effects on power contracts	Primary metal	73	(44)	36	(16)	50
Significant rationalization charges and closure costs	Primary metal	-	-	-	181	181
Total impact	Primary metal	103	(52)	16	265	331
Unrealized derivative effects on LME related contracts	Metal markets	38	(38)	31	27	58
Total impact	Metal markets	38	(38)	31	27	58
Unrealized derivative effects on LME related contracts	Rolled products	(58)	139	(35)	(4)	41
Metal effect	Rolled products	(286)	(138)	151	(146)	(419)
(Gains)/losses on divestments	Rolled products	-	-	-	-	-
Other effects	Rolled Products	-	-	-	245	245
Total impact	Rolled products	(344)	-	116	95	(132)
Unrealized derivative effects on LME related contracts	Extruded Solutions				(4)	(4)
Significant rationalization charges and closure costs	Extruded Solutions				29	29
Transaction related effects (Sapa)	Extruded Solutions				(1 463)	(1 463)
Total impact	Extruded Solutions				(1 438)	(1 438)
Unrealized derivative effects on power contracts	Energy	-	-	-	-	-
Total impact	Energy	-	-	-	-	-
Unrealized derivative effects on power contracts	Other and eliminations	100	19	(29)	107	197
Unrealized derivative effects on LME related contracts	Other and eliminations	9	(1)	(5)	21	23
Impairment charges	Other and eliminations	-	-	-	-	-
(Gains)/losses on divestments	Other and eliminations	-	-	-	-	-
Other effects	Other and eliminations	-	-	-	(33)	(33)
Unrealized derivative effects	Other and eliminations – Sapa (Hydro share)	(39)	67	(8)		20
Significant rationalization charges and closure costs	Other and eliminations – Sapa (Hydro share)	-	-	-		-
Currency (gain) loss	Other and eliminations – Sapa (Hydro share)	(4)	9	-		5
Tax on items excluded	Other and eliminations – Sapa (Hydro share)	11	(19)	2		(6)
Total impact	Other and eliminations	78	74	(40)	95	206
Items excluded from underlying EBIT	Hydro	(126)	(16)	123	(956)	(974)
Net foreign exchange (gain)/loss	Hydro	(218)	918	(520)	696	875
Items excluded from underlying income (loss) before tax	Hydro	(344)	902	(397)	(260)	(99)
Calculated income tax effect	Hydro	86	(250)	123	(523)	(564)
Other adjustments to net income	Hydro	-	-	(125)	-	(125)
Items excluded from underlying net income (loss)	Hydro	(258)	652	(398)	(783)	(788)

Operating segment information

Underlying EBIT

NOK million	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Year 2016	Year 2017
Bauxite & Alumina	189	174	153	711	756	662	413	1 872	1 227	3 704
Primary Metal	318	702	637	601	900	1 486	1 298	1 377	2 258	5 061
Metal Markets	167	75	117	152	24	244	91	185	510	544
Rolled Products	248	242	211	6	106	84	95	95	708	380
Extruded Solutions	183	270	157	167	281	329	209	284	777	1 103
Energy	398	301	285	359	423	284	368	457	1 343	1 531
Other and Eliminations	(2)	(145)	(83)	(167)	(207)	(159)	(28)	(715)	(397)	(1 108)
Total	1 501	1 618	1 477	1 829	2 284	2 930	2 446	3 555	6 425	11 215

Underlying EBITDA

NOK million	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Year 2016	Year 2017
Bauxite & Alumina	640	659	664	1 258	1 334	1 248	1 057	2 551	3 221	6 190
Primary Metal	792	1 186	1 125	1 068	1 392	1 991	1 795	1 900	4 172	7 078
Metal Markets	191	98	141	175	47	268	114	209	604	638
Rolled Products	446	432	407	222	307	297	312	325	1 507	1 240
Extruded Solutions	183	270	157	167	281	329	209	728	777	1 547
Energy	453	352	336	412	476	337	424	519	1 553	1 757
Other and Eliminations	12	(134)	(76)	(160)	(200)	(151)	(21)	(708)	(359)	(1 081)
Total	2 716	2 862	2 753	3 143	3 637	4 319	3 889	5 524	11 474	17 369

Extruded Solutions reflected as 50% equity accounted investment Q1 2016-Q3 2017 and fully consolidated in Q4 2017

Operating segment information

EBIT

NOK million	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Year 2016	Year 2017
Bauxite & Alumina	189	174	153	680	756	662	413	1 872	1 196	3 704
Primary Metal	408	668	591	619	797	1 538	1 282	1 112	2 285	4 729
Metal Markets	235	91	131	172	(13)	282	59	158	629	485
Rolled Products	179	428	255	91	450	84	(22)	-	953	512
Extruded Solutions	209	319	172	190	313	273	215	1 722	889	2 522
Energy	394	291	295	364	423	284	368	457	1 343	1 531
Other and Eliminations	79	8	(220)	(151)	(316)	(176)	7	(810)	(285)	(1 295)
Total	1 693	1 978	1 376	1 964	2 410	2 946	2 323	4 511	7 011	12 189

EBITDA

NOK million	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Year 2016	Year 2017
Bauxite & Alumina	640	659	664	1 513	1 334	1 248	1 057	2 551	3 475	6 190
Primary Metal	882	1 152	1 079	1 086	1 289	2 043	1 779	1 635	4 199	6 747
Metal Markets	259	114	154	195	9	306	82	182	723	579
Rolled Products	376	618	451	307	651	296	196	230	1 752	1 372
Extruded Solutions	209	319	172	190	313	273	215	2 166	889	2 966
Energy	450	341	346	416	476	337	424	519	1 553	1 757
Other and Eliminations	92	19	(74)	(143)	(310)	(168)	13	(803)	(107)	(1 268)
Total	2 908	3 222	2 792	3 563	3 762	4 335	3 766	6 481	12 485	18 344

Extruded Solutions reflected as 50% equity accounted investment Q1 2016-Q3 2017 and fully consolidated in Q4 2017

Operating segment information

Total revenue

NOK million	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Year 2016	Year 2017
Bauxite & Alumina	4 212	4 572	4 925	5 834	5 911	5 858	5 612	8 040	19 543	25 421
Primary Metal	7 694	8 006	7 900	7 262	8 641	9 575	8 958	9 291	30 862	36 466
Metal Markets	11 248	11 239	10 649	10 117	12 149	13 604	11 862	12 991	43 254	50 606
Rolled Products	5 737	5 985	5 648	5 262	6 277	6 569	6 435	6 434	22 632	25 715
Extruded Solutions	-	-	-	-	-	-	-	14 153	-	14 153
Energy	1 620	1 670	1 576	2 314	1 955	1 750	1 831	2 169	7 180	7 705
Other and Eliminations	(10 373)	(11 080)	(10 525)	(9 539)	(11 906)	(12 765)	(11 900)	(14 276)	(41 517)	(50 847)
Total	20 138	20 391	20 174	21 250	23 026	24 591	22 799	38 803	81 953	109 220

External revenue

NOK million	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Year 2016	Year 2017
Bauxite & Alumina	2 443	2 699	2 997	3 921	3 382	3 417	3 293	5 095	12 059	15 188
Primary Metal	1 175	1 312	1 459	1 582	1 700	1 944	1 865	2 068	5 529	7 578
Metal Markets	10 133	10 169	9 678	9 440	11 094	12 080	10 675	10 414	39 420	44 264
Rolled Products	5 795	5 831	5 637	5 205	6 153	6 629	6 380	6 375	22 469	25 538
Extruded Solutions	-	-	-	-	-	-	-	14 083	-	14 083
Energy	575	364	394	1 093	687	514	582	767	2 426	2 550
Other and Eliminations	17	15	8	10	9	6	3	-	50	18
Total	20 138	20 391	20 174	21 250	23 026	24 591	22 799	38 803	81 953	109 220

Operating segment information

Internal revenue

NOK million	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Year 2016	Year 2017
Bauxite & Alumina	1 769	1 873	1 929	1 914	2 528	2 441	2 320	2 944	7 484	10 234
Primary Metal	6 519	6 693	6 441	5 680	6 941	7 631	7 093	7 223	25 333	28 888
Metal Markets	1 116	1 070	971	677	1 054	1 523	1 187	2 577	3 834	6 341
Rolled Products	(58)	153	11	57	124	(61)	55	59	163	178
Extruded Solutions	-	-	-	-	-	-	-	70	-	70
Energy	1 044	1 306	1 182	1 221	1 267	1 236	1 249	1 403	4 753	5 155
Other and Eliminations	(10 390)	(11 095)	(10 533)	(9 549)	(11 915)	(12 772)	(11 903)	(14 276)	(41 567)	(50 865)
Total	-	-	-	-	-	-	-	-	-	-

Share of profit /(loss) in equity accounted investments

NOK million	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Year 2016	Year 2017
Bauxite & Alumina	-	-	-	-	-	-	-	-	-	-
Primary Metal	(37)	10	74	48	98	231	159	258	96	745
Metal Markets	-	-	-	-	-	-	-	-	-	-
Rolled Products	-	-	-	-	-	-	-	-	-	-
Extruded Solutions	209	319	172	190	313	273	215	12	889	812
Energy	-	-	-	-	-	-	-	(7)	-	(7)
Other and Eliminations	(3)	(6)	10	(1)	(1)	(13)	(3)	(7)	-	(24)
Total	170	323	256	236	409	491	371	256	985	1 527

Operating segment information

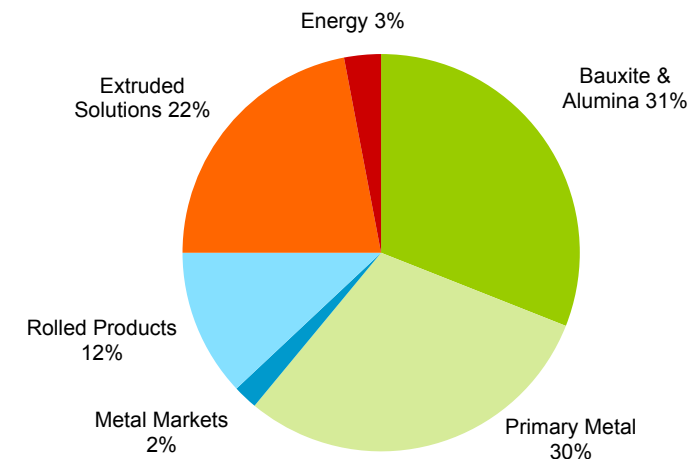
Return on average capital employed* (ROaCE)

	Reported ROaCE						Underlying ROaCE					
	2017	2016	2015	2014	2013	2012	2017	2016	2015	2014	2013	2012
Bauxite & Alumina	8.5%	2.7 %	5.3 %	(0.1) %	(2.5) %	(1.5) %	8.5%	2.8 %	5.3 %	(0.1) %	(2.2) %	(1.6) %
Primary Metal	11.8%	5.2 %	10.7 %	10.4 %	2.3 %	(3.1) %	12.6%	5.2 %	11.0 %	10.4 %	3.9 %	0.4 %
Metal Markets	18.6%	19.6 %	5.4 %	21.9 %	22.3 %	4.3 %	20.8%	15.9 %	11.4 %	19.4 %	19.9 %	6.6 %
Rolled Products	3.2%	6.2 %	1.1 %	8.6 %	0.7 %	6.7 %	2.4%	4.6 %	7.8 %	5.3 %	5.2 %	5.3 %
Extruded Solutions**	13.4%						6.6%					
Energy	17.5%	18.1 %	17.2 %	17.4 %	36.1 %	23.0 %	17.5%	18.1 %	17.3 %	17.4 %	36.1 %	23.2 %
Hydro Group	11.2%	6.5 %	7.5 %	4.9 %	1.1 %	(0.5) %	9.6%	5.1 %	9.2 %	5.2 %	2.3 %	0.9 %

Capital employed – upstream focus

NOK million	Dec 31, 2017
Bauxite & Alumina	31 694
Primary Metal	31 627
Metal Markets	1 635
Rolled Products	12 860
Extruded Solutions	22 939
Energy	2 956
Other and Eliminations	(7 226)
Total	96 370

Graph excludes BNOK (7.2) in capital employed in Other and Eliminations



* ROaCE at business area level is calculated using 25% tax rate for 2017 (30% tax rate applied for prior years). For Energy, 65% tax rate is used for 2017, 60% for 2016 and 55% for prior years

** Extruded Solutions reflected as 50% equity accounted investment Q1-Q3 2017 and fully consolidated in Q4 2017

Operating segment information

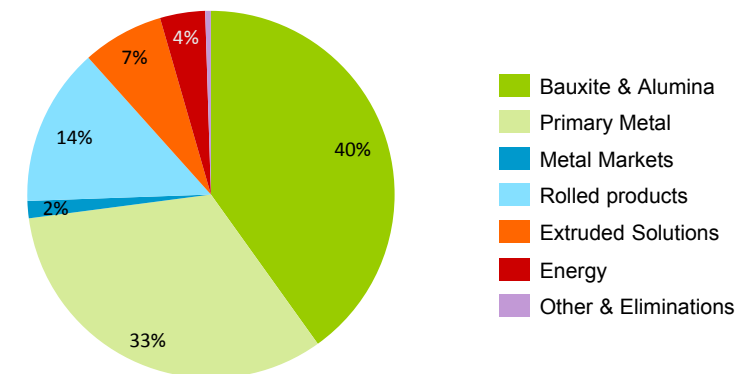
Depreciation, amortization and impairment

NOK million	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Year 2015	Year 2016	Year 2017
Bauxite & Alumina	460	470	420	633	451	485	511	833	577	586	644	679	1 983	2 279	2 486
Primary Metal	511	483	483	475	474	484	488	467	492	505	504	526	1 952	1 913	2 026
Metal Markets	23	25	26	27	24	24	24	23	23	24	24	24	101	94	95
Rolled Products	173	173	186	200	197	189	196	216	201	212	217	230	732	799	860
Extruded Solutions												444			444
Energy	47	48	50	49	55	51	51	53	53	54	56	60	195	210	223
Other and Eliminations	15	14	14	18	13	11	146	8	6	7	7	7	61	178	28
Total	1 229	1 213	1 178	1 403	1 215	1 244	1 416	1 599	1 352	1 389	1 450	1 970	5 023	5 474	6 162

Indicative depreciation currency exposure by business area

Percent	USD	EUR	BRL	NOK & Other
Bauxite & Alumina			100%	
Primary Metal	20%		25%	55%
Metal Markets	30%	50%		20%
Rolled Products		90%		10%
Extruded Solutions	30%	40%		30%
Energy				100%
Other & Eliminations				100%

Depreciation by business area 2017, 6.2 BNOK



Income statements

NOK million	Q4 2017	Q3 2017	Q4 2016	Year 2016	Year 2017
Revenue	38 803	22 799	21 250	81 953	109 220
Share of the profit (loss) in equity accounted investments	256	371	236	985	1 527
Other income, net	2 358	240	342	1 030	2 947
Total revenue and income	41 417	23 410	21 829	83 969	113 693
Raw material and energy expense	24 411	14 768	13 391	52 151	69 848
Employee benefit expense	5 578	2 416	2 382	9 485	13 285
Depreciation, amortization and impairment	1 970	1 450	1 599	5 474	6 162
Other expenses	4 948	2 454	2 493	9 848	12 209
Earnings before financial items and tax (EBIT)	4 511	2 323	1 964	7 011	12 189
Financial income	142	101	137	574	481
Financial expense	(919)	384	(277)	1 552	(1 596)
Income (loss) before tax	3 735	2 808	1 823	9 137	11 075
Income taxes	(135)	(624)	(815)	(2 551)	(1 891)
Net income (loss)	3 600	2 184	1 008	6 586	9 184
Net income (loss) attributable to non-controlling interests	100	147	(51)	199	401
Net income (loss) attributable to Hydro shareholders	3 499	2 037	1 059	6 388	8 783
Earnings per share attributable to Hydro shareholders	1.71	1.00	0.52	3.13	4.30

NOK million	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Year 2016	Year 2017
Net income (loss)	2 382	2 077	1 119	1 008	1 838	1 562	2 184	3 600	6 586	9 184
Underlying net income (loss)	822	1 126	958	968	1 580	2 214	1 785	2 816	3 875	8 396
Earnings per share	1.12	0.95	0.53	0.52	0.86	0.73	1.00	1.71	3.13	4.30
Underlying earnings per share	0.39	0.52	0.46	0.48	0.75	1.04	0.82	1.33	1.84	3.95

Balance sheets

NOK million	Dec 31 2017	Sep 30 2017	Jun 30 2017	Mar 31 2017	Dec 31 2016
Cash and cash equivalents	11 828	17 853	7 993	8 333	8 037
Short-term investments	1 311	1 985	4 896	4 403	4 611
Accounts receivable	19 983	13 156	13 465	12 851	10 884
Inventories	20 873	13 585	12 940	12 557	12 381
Other current assets	602	255	290	301	457
Property, plant and equipment	73 020	56 500	57 610	59 627	58 734
Intangible assets	12 712	5 427	5 577	5 919	5 811
Investments accounted for using the equity method	11 221	18 178	18 800	19 937	19 807
Prepaid pension	5 750	5 296	5 018	4 718	4 195
Other non-current assets	6 028	5 322	5 252	5 630	5 875
Total assets	163 327	137 557	131 840	134 276	130 793
Bank-loans and other interest-bearing short-term debt	8 245	9 065	3 741	3 481	3 283
Trade and other payables	19 561	10 347	10 472	10 224	10 108
Other current liabilities	5 521	3 542	2 911	3 337	3 716
Long-term debt	9 012	3 077	3 183	3 373	3 397
Provisions	5 828	4 507	4 452	4 526	4 384
Pension liabilities	15 118	12 808	12 997	12 804	12 871
Deferred tax liabilities	3 522	2 621	2 566	2 567	2 384
Other non-current liabilities	4 269	3 691	3 955	3 174	3 011
Equity attributable to Hydro shareholders	87 074	82 685	82 343	84 952	81 906
Non-controlling interests	5 178	5 216	5 219	5 838	5 733
Total liabilities and equity	163 327	137 557	131 840	134 276	130 793

Operational data

Bauxite & Alumina	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Year 2016	Year 2017
Alumina production (kmt)	1 517	1 554	1 635	1 635	1 523	1 576	1 605	1 693	6 341	6 397
Sourced alumina (kmt)	531	615	512	883	600	645	667	610	2 541	2 522
Total alumina sales (kmt)	2 073	2 078	2 221	2 472	2 129	2 196	2 251	2 344	8 843	8 920
Realized alumina price (USD) ¹⁾	219	240	240	257	309	295	297	398	240	326
Implied alumina cost (USD) ²⁾	183	201	204	197	235	228	237	265	197	242
Bauxite production (kmt) ³⁾	2 682	2 609	2 777	3 063	2 400	2 943	3 043	3 049	11 132	11 435
Sourced bauxite (kmt) ⁴⁾	1 924	2 233	2 108	2 235	1 675	1 809	2 013	2 103	8 499	7 601
Underlying EBITDA margin ¹¹⁾	15.2%	14.4%	13.5%	21.6%	22.6%	21.3%	18.8%	31.7%	16.5%	24.3%

Primary Metal ⁵⁾	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Year 2016	Year 2017
Realized aluminium price LME, USD/mt	1 497	1 546	1 612	1 647	1 757	1 902	1 921	2 092	1 574	1 915
Realized aluminium price LME, NOK/mt ⁷⁾	12 950	12 826	13 375	13 659	14 798	16 265	15 496	17 066	13 193	15 888
Realized premium above LME, USD/mt ⁶⁾	288	270	251	240	266	273	261	259	263	265
Realized premium above LME, NOK/mt ⁶⁾⁷⁾	2 488	2 243	2 082	1 993	2 236	2 330	2 106	2 116	2 201	2 197
Realized NOK/USD exchange rate ⁷⁾	8.65	8.30	8.30	8.29	8.42	8.55	8.07	8.16	8.38	8.30
Implied primary cost (USD) ⁸⁾	1 225	1 175	1 275	1 325	1 350	1 375	1 425	1 575	1 250	1 425
Implied all-in primary cost (USD) ⁹⁾	1 550	1 500	1 550	1 550	1 675	1 700	1 725	1 850	1 550	1 725
Primary aluminium production, kmt	514	518	526	526	516	523	527	528	2 085	2 094
Casthouse production, kmt	534	547	541	523	521	551	548	550	2 146	2 169
Total sales, kmt ¹⁰⁾	552	596	573	528	577	579	568	554	2 248	2 278
Underlying EBITDA margin ¹¹⁾	10.3%	14.8%	14.2%	14.7%	16.1%	20.8%	20.0%	20.4%	13.5%	19.4%

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 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Year 2016	Year 2017
Remelt production (1 000 mt)	144	146	125	133	143	152	136	137	548	568
Third-party Metal Products sales (1 000 mt)	72	74	78	80	79	80	74	86	304	319
Metal Products sales excl. ingot trading (1 000 mt) ¹⁾	736	777	720	660	735	759	707	720	2 893	2 921
Hereof external sales excl. ingot trading (1 000 mt)	664	694	652	616	672	675	639	589	2 627	2 575
External revenue (NOK million)	10 133	10 169	9 678	9 440	11 094	12 080	10 675	10 414	39 420	44 264

Rolled Products	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Year 2016	Year 2017
Rolled Products external shipments (1 000 mt)	229	238	231	213	241	239	236	224	911	940
Rolled Products – Underlying EBIT per mt, NOK	1 086	1 017	914	29	442	351	400	424	777	404
Underlying EBITDA margin ²⁾	7.8%	7.2%	7.2%	4.2%	4.9%	4.5%	4.8%	5.0%	6.7%	4.8 %

Extruded Solutions ³⁾	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Year 2016	Year 2017
Extruded Solutions external shipments (1 000 mt)				310	355	359	339	318	1 365	1 372
Extruded Solutions – Pro-forma underlying EBIT per mt, NOK				829	1 973	2 328	1 505	893	1 381	1 699
Underlying EBITDA margin ²⁾				5.3%	7.7%	8.2%	6.5%	5.2%	6.6%	6.9%

Energy	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Year 2016	Year 2017
Power production, GWh	3 160	2 674	2 946	2 551	2 869	2 369	2 509	3 089	11 332	10 835
Net spot sales, GWh	1 795	1 393	1 699	1 176	1 409	996	1 168	1 633	6 063	5 206
Nordic spot electricity price, NOK/MWh	229	223	235	311	280	257	266	294	250	274
Southern Norway spot electricity price (NO2), NOK/MWh	212	213	212	296	278	252	258	287	233	269
Underlying EBITDA margin ²⁾	28.0%	21.1%	21.3%	17.8%	24.4%	19.3%	23.1%	23.9 %	21.6%	22.8%

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

2) Underlying EBITDA divided by total revenues

3) FY 2017 and historical operational data based on pro forma figures

Pro forma information

Summary consolidated underlying financial and operating results

NOK million	Q4 2017	Q3 2017	Q4 2016	2017	2016
Revenue	38,803	35,454	32,568	148,920	130,630
EBIT	3,048	2,640	2,045	11,927	8,229
Items excluded from underlying EBIT	508	114	(128)	510	(698)
Underlying EBIT	3,555	2,754	1,917	12,437	7,531
EBITDA	5,016	4,482	4,038	19,294	15,331
Underlying EBITDA	5,524	4,596	3,927	19,786	14,633

Extruded Solutions

NOK million	Q4 2017	Q3 2017	Q4 2016	2017	2016
Revenue	14,153	13,983	12,210	57,770	53,327
EBIT	258	525	272	2,265	2,109
Items excluded from underlying EBIT	25	(15)	(15)	65	(224)
Underlying EBIT*	283	510	257	2,330	1,885
EBITDA	703	918	667	3,917	3,739
Underlying EBITDA	728	903	652	3,982	3,516
Sales volumes to external market (kmt)	318	339	310	1,372	1,365

* Underlying EBIT includes certain effects of the acquisition such as increased depreciation and amortization following fair value adjustment related to long-lived assets.

Extruded Solutions, information by business area

Historical Sapa information (100% basis) Q1 2016 – Q3 2017 and FY 2016-17
Extruded Solutions, fully consolidated in Hydro in Q4 2017*

Precision Tubing	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	2015	2016		Q4 2017
Volume (kmt)	37	40	37	35	36	38	36	145	150		35
Operating revenues (NOKm)	1 620	1 664	1 549	1 543	1 651	1 734	1 601	6 299	6 376		1 645
Underlying EBITDA (NOKm)	144	169	135	161	180	193	157	353	608		138
Underlying EBIT (NOKm)	86	112	76	103	123	136	97	124	376		66
Building Systems	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	2015	2016		Q4 2017
Volume (kmt)	19	21	18	19	20	21	19	77	77		19
Operating revenues (NOKm)	1 869	1 939	1 680	1 685	1 830	2 044	1 765	7 097	7 173		1 960
Underlying EBITDA (NOKm)	110	210	104	109	155	219	118	220	533		137
Underlying EBIT (NOKm)	75	166	67	74	119	183	85	71	381		85
Other and eliminations	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	2015	2016		Q4 2017
Underlying EBITDA (NOKm)	(116)	(33)	(64)	(37)	(63)	(43)	(41)	(155)	(249)		(35)
Underlying EBIT (NOKm)	(127)	(41)	(69)	(28)	(69)	(49)	(42)	(194)	(266)		(45)

Extrusion Europe	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	2015	2016		Q4 2017
Volume (kmt)	148	157	142	130	154	155	142	563	577		134
Operating revenues (NOKm)	5 366	5 468	4 932	4 565	5 553	5 999	5 460	20 925	20 331		5 541
Underlying EBITDA (NOKm)	349	425	276	221	390	416	290	1 016	1 271		240
Underlying EBIT (NOKm)	223	304	154	97	274	292	164	475	778		59
Extrusion North America	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	2015	2016		Q4 2017
Volume (kmt)	150	155	149	131	150	151	148	598	585		134
Operating revenues (NOKm)	5 265	5 234	5 183	4 617	5 514	5 753	5 369	21 696	20 299		5 211
Underlying EBITDA (NOKm)	414	362	361	199	437	466	390	1 295	1 335		248
Underlying EBIT (NOKm)	315	263	260	89	330	353	284	931	927		119

* Includes certain effects of the acquisition such as increased depreciation and amortization following fair value adjustments related to long-lived assets.
Estimate increased depreciation of around MNOK 300 per annum for Extruded Solutions vs "old Sapa".

Historical information for Sapa

Sapa JV (100 % basis), underlying (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	Q2 2017	Q3 2017	Year 2015	Year 2016
Sales volume (1000 mt)	359	367	350	322	353	358	341	312	349	366	340	310	355	359	339	1 363	1 365
Revenues*	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	15 309	13 983	55 252	53 327
Underlying EBITDA	440	641	492	343	705	799	734	491	901	1 132	812	653	1 100	1 252	912	2 729	3 498
Underlying EBIT	155	350	201	(55)	392	483	404	128	571	804	487	335	778	914	588	1 407	2 197
Underlying net income (loss)	69	263	110	(44)	238	291	240	139	365	540	315	334	562	658	419	907	1 553

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

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	Q2 2017	Q3 2017	Year 2015	Year 2016
Reported EBIT	(3)	168	198	(679)	201	65	174	88	655	920	497	350	856	781	604	528	2 420
Reported net income (loss)	(103)	89	107	(719)	89	14	109	34	418	639	344	379	625	545	430	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	Q2 2017	Q3 2017	Year 2015	Year 2016
Reported EBIT	(3)	168	198	(679)	201	65	174	88	655	920	497	350	856	781	604	528	2 420
Items excluded from EBIT:																	
Unrealized derivative effects	73	36	66	(79)	(145)	(158)	(95)	208	83	116	51	82	78	133	(15)	(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	133	(15)	(879)	223
Underlying EBIT	155	350	201	(55)	392	483	404	128	571	804	487	335	778	914	588	1 407	2 197

* 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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Next event
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