



HYDRO

Second quarter report

2015

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Overview

Summary underlying financial and operating results and liquidity

Key financial information	Second quarter 2015	First quarter 2015	%change prior quarter	Second quarter 2014	%change prior year quarter	First half 2015	First half 2014	Year 2014
NOK million, except per share data								
Revenue	22 436	23 290	(4) %	18 272	23 %	45 726	36 553	77 907
Earnings before financial items and tax (EBIT)	2 698	3 206	(16) %	620	>100 %	5 904	1 442	5 674
Items excluded from underlying EBIT	(31)	2	>(100) %	(75)	59 %	(29)	(126)	18
Underlying EBIT	2 667	3 208	(17) %	544	>100 %	5 875	1 316	5 692
<i>Underlying EBIT :</i>								
Bauxite & Alumina	482	780	(38) %	(269)	>100 %	1 261	(557)	(55)
Primary Metal	1 448	2 012	(28) %	420	>100 %	3 459	732	3 937
Metal Markets	(89)	24	>(100) %	100	>(100) %	(65)	241	634
Rolled Products	315	292	8 %	177	78 %	607	358	698
Energy	179	382	(53) %	169	6 %	560	603	1 197
Other and eliminations ¹⁾	333	(281)	>100 %	(52)	>100 %	51	(61)	(717)
Underlying EBIT	2 667	3 208	(17) %	544	>100 %	5 875	1 316	5 692
Underlying EBITDA	3 880	4 437	(13) %	1 653	>100 %	8 317	3 514	10 299
Net income (loss)	2 064	1 072	93 %	269	>100 %	3 136	730	1 228
Underlying net income (loss)	1 830	2 206	(17) %	318	>100 %	4 036	705	3 728
Earnings per share	0.94	0.46	>100 %	0.09	>100 %	1.40	0.28	0.39
Underlying earnings per share	0.83	0.95	(12) %	0.13	>100 %	1.78	0.29	1.55
<i>Financial data:</i>								
Investments ²⁾	1 192	802	49 %	740	61 %	1 993	1 286	3 625
Adjusted net interest-bearing debt	(11 000)	(13 478)	18 %	(13 551)	19 %	(11 000)	(13 551)	(13 587)

Key Operational information

Alumina production (kmt)	1 437	1 451	(1) %	1 526	(6) %	2 888	2 954	5 933
Primary aluminium production (kmt)	509	497	2 %	488	4 %	1 005	972	1 958
Realized aluminium price LME (USD/mt)	1 803	1 897	(5) %	1 762	2 %	1 851	1 755	1 850
Realized aluminium price LME (NOK/mt) ³⁾	13 923	14 383	(3) %	10 660	31 %	14 160	10 682	11 624
Realized NOK/USD exchange rate ³⁾	7.72	7.58	2 %	6.05	28 %	7.65	6.09	6.28
Metal products sales, total Hydro (kmt) ⁴⁾	830	767	8 %	833	-	1 597	1 701	3 274
Rolled Products sales volumes to external market (kmt)	243	227	7 %	245	(1) %	471	488	946
Power production (GWh)	2 103	3 071	(32) %	2 248	(6) %	5 173	5 212	10 206

1) Other and eliminations includes Hydro's 50 percent share of underlying net income from Sapa.

2) Investments include non-cash elements relating to capitalized leases.

3) Including the effect of strategic hedges (hedge accounting applied).

4) Sales from casthouses (incl. Rheinwerk), remelters, third party sources and liquid metal. Sales volumes for 2014 have been restated.

Hydro's underlying earnings before financial items and tax declined to NOK 2,667 million in the second quarter, down from NOK 3,208 million in the first quarter of 2015 mainly reflecting lower aluminium prices and the continued decline in premiums.

Underlying EBIT for Bauxite and Alumina decreased in the second quarter reflecting lower LME-linked alumina prices, a decline in alumina index prices and lower index based sales volumes.

Primary Metal underlying EBIT declined in the second quarter, mainly due to lower realized aluminium prices and premiums.

Underlying EBIT for Metal Markets declined in the second quarter impacted by higher negative currency and inventory valuation effects. Sourcing and trading operations continued to incur underlying losses, reflecting the further fall in standard ingot premiums. Results from remelt operations improved mainly due to higher margins.

Rolled Products delivered improved underlying EBIT mainly driven by seasonally higher shipments and somewhat better operating margins. Results were negatively influenced by a decrease in the contribution from the Rheinwerk smelter and negative currency developments.⁵⁾

Underlying EBIT for Energy declined compared to the first quarter, mainly due to seasonally lower production also influenced by the delayed spring thaw in the Norwegian mountains.

Underlying EBIT for Sapa increased compared to the previous quarter, due to seasonally higher sales volumes, strong North American market development, as well as improvement programs progressing ahead of plan across the organization. The second quarter results were also negatively affected by sharply falling metal premiums in North America.

Operating cash flow amounted to NOK 4.2 billion for the second quarter. Cash used for investment activities amounted to NOK 1.2 billion. Dividends paid during the quarter amounted to NOK 2.0 billion. Hydro's net cash position amounted to NOK 0.7 billion at the end of the second quarter.

5) Rolled Products incurs currency gains and losses on export sales from its Euro based operations mainly denominated in US dollars. These gains and losses affect the value of the margin contribution to underlying EBIT and can be significant. Offsetting gains and losses on internal currency hedges are reported as financial items

Reported EBIT and net income

Reported earnings before financial items and tax amounted to NOK 2,698 million in the second quarter. In addition to the factors discussed above, reported EBIT included net unrealized derivative gains and positive metal effects of NOK 132 million in total and a compensation of NOK 37 million relating to insurance proceeds. Reported earnings also included a charge of NOK 139 million (Hydro's share) for Sapa net of tax, including NOK 106 million relating to restructuring charges.

In the previous quarter reported earnings before financial items and tax amounted to NOK 3,206 million including net unrealized derivative gains and positive metal effects of NOK 72 million in total. Reported earnings also included a charge of NOK 74 million (Hydro's share) for Sapa mainly relating to unrealized derivative losses.

Net income amounted to NOK 2,064 million in the second quarter including a net foreign exchange gain of NOK 346 million due to unrealized currency gains on US dollar debt mainly in Brazil. In the previous quarter, net income was NOK 1,072 million including a net foreign exchange loss of NOK 1,587 million mainly due to the strengthening of the USD.

Market developments and outlook

Market statistics ¹⁾	Second quarter 2015	First quarter 2015	%change prior quarter	Second quarter 2014	%change prior year quarter	First half 2015	First half 2014	Year 2014
NOK/USD Average exchange rate	7.75	7.76	-	5.99	30 %	7.76	6.04	6.30
NOK/USD Balance sheet date exchange rate	7.86	8.09	(3) %	6.15	28 %	7.86	6.15	7.43
NOK/BRL Average exchange rate	2.52	2.72	(7) %	2.68	(6) %	2.62	2.63	2.68
NOK/BRL Balance sheet date exchange rate	2.53	2.49	2 %	2.80	(10) %	2.53	2.80	2.80
NOK/EUR Average exchange rate	8.57	8.73	(2) %	8.21	4 %	8.65	8.28	8.35
NOK/EUR Balance sheet date exchange rate	8.79	8.70	1 %	8.40	5 %	8.79	8.40	9.04
<i>Bauxite and alumina:</i>								
Average alumina price - Platts PAX FOB Australia (USD/t)	337	341	(1) %	316	7 %	339	322	330
Global production of alumina (kmt)	27 844	27 026	3 %	26 136	7 %	54 870	52 587	106 291
Global production of alumina (ex. China) (kmt)	14 051	13 511	4 %	13 551	4 %	27 562	27 565	54 687
<i>Primary aluminium:</i>								
LME three month average (USD/mt)	1 787	1 813	(1) %	1 836	(3) %	1 800	1 793	1 894
LME three month average (NOK/mt)	13 831	14 062	(2) %	10 991	26 %	13 948	10 829	11 962
Global production of primary aluminium (kmt)	14 334	14 013	2 %	13 350	7 %	28 348	26 498	54 239
Global consumption of primary aluminium (kmt)	14 751	12 791	15 %	14 092	5 %	27 542	26 559	54 139
Global production of primary aluminium (ex. China) (kmt)	6 555	6 479	1 %	6 508	1 %	13 034	12 878	25 913
Global consumption of primary aluminium (ex. China) (kmt)	7 043	6 659	6 %	6 896	2 %	13 702	13 511	26 917
Reported primary aluminium inventories (kmt)	7 508	7 822	(4) %	8 303	(10) %	7 508	8 303	7 381
<i>Rolled products and extruded products:</i>								
Consumption rolled products - Europe (kmt)	1 168	1 143	2 %	1 146	2 %	2 311	2 277	4 441
Consumption rolled products - USA & Canada (kmt)	1 196	1 170	2 %	1 139	5 %	2 367	2 168	4 447
Consumption extruded products - Europe (kmt)	764	727	5 %	754	1 %	1 491	1 478	2 861
Consumption extruded products - USA & Canada (kmt)	618	594	4 %	570	8 %	1 212	1 100	2 216
<i>Energy:</i>								
Average southern Norway spot price (NO2) (NOK/MWh)	171	238	(28) %	168	2 %	204	208	228
Average nordic system spot price (NOK/MWh)	177	246	(28) %	211	(16) %	211	231	248

1) Industry statistics have been derived from analyst reports, trade associations and other public sources unless otherwise indicated. These statistics do not have any direct relationship to the reported figures of Norsk Hydro. Amounts presented in prior reports may have been restated based on updated information. Currency rates have been derived from Norges Bank.

Bauxite and alumina

Chinese alumina imports amounted to 1,590 thousand mt for the first five months of 2015, down 34 percent from the same period in 2014. For the first five months of 2015, bauxite imports amounted to 18.6 million mt, an increase of 11 percent from the same period in 2014. This was mainly due to an increase of 6.0 million mt of bauxite imports from Malaysia that offset the effects of export restrictions on bauxite from Indonesia which took effect in January 2014.

Platts alumina spot prices averaged USD 337 per mt in the second quarter of 2015, a decrease of USD 4 per mt compared to the previous quarter. Average prices represented 18.8 percent of LME in the quarter compared with 18.4 percent in the previous quarter. According to Chinese import statistics, the average delivered China bauxite price was USD 53 per mt in May 2015, USD 4 per mt below the first quarter 2015 average.

Primary aluminium

Three month LME prices ranged between USD 1,683 and USD 1,938 per mt throughout the second quarter of 2015, with the lowest prices experienced towards the end of the quarter. Average LME three month prices declined compared with the first quarter of 2015 by USD 26 per mt. In Europe, all-in prices including duty paid standard ingot premiums continued to decline during the quarter and ranged between USD 1,868 and USD 2,113 per mt.

Standard ingot premiums continued to decline significantly during the quarter. European duty paid standard ingot premiums fell to USD 185 per mt at the end of the quarter compared with USD 330 at the beginning of the quarter. Average European duty paid standard ingot premiums amounted to USD 205 per mt in the second quarter compared with USD 433 per mt in the first quarter. Midwest premiums started the quarter at USD 408 per mt and ended the quarter at USD 187 per mt. Average Midwest standard ingot premiums amounted to USD 269 per mt compared with USD 497 per mt in the first quarter.

Premium developments have been heavily influenced by increased exports of semi-finished products from China and increased metal available from warehouses partly due to a reduced contango. However, the difference between SHFE prices and all-in metal prices outside of China declined during the quarter, mainly due to the lower ingot premiums. This has reduced the incentive for China to export fabricated and semi-finished aluminium products. Exports of semi-fabricated products from China remained at higher levels compared to the second quarter of last year.

Global primary aluminium consumption increased by 15 percent to 14.8 million mt in second quarter compared with first quarter. Compared with second quarter 2014, global demand increased by 5 percent. Global demand growth for 2015 is expected to be around 5 percent.

Global demand (excluding China) increased by 5.8 percent compared with the first quarter and was 2.1 percent higher compared to the second quarter of 2014. Annualized consumption amounted to 28.2 million mt for the quarter. Corresponding production amounted to 26.3 million mt. This was the same level as in the first quarter of 2015 and up 0.7 percent from the second quarter in 2014, driven by ramp-up of new production capacity in India and some announced restarts in Europe. Global demand for primary aluminium (excluding China) is expected to grow 2 - 3 percent in 2015.

Aluminium consumption increased seasonally by 25.7 percent to 7.7 million mt in China compared to the first quarter and was up 7.1 percent compared to the second quarter of last year. Compared with the second quarter of 2014, aluminium production increased 13.7 percent. Ramp up of new capacity continued in the Northwest regions, while closures in Eastern regions have been more limited. Shanghai Futures Exchange (SHFE) prices declined 0.9 percent compared to the first quarter.

European demand for extrusion ingot, sheet ingot and primary foundry alloys in the second quarter of 2015 was slightly higher compared to the same period in 2014. Product premiums have fallen following the decline in standard ingot premiums. The decline in standard ingot premiums throughout the quarter is expected to impact developments for value added premiums also going forward.

Rolled products

European demand for flat rolled products increased by around 2 percent compared to the first quarter of 2015 mainly due to seasonality and improved demand in the general engineering market segment. Demand growth was at the same level compared to the second quarter of the previous year.

Demand for automotive products was higher compared to the first quarter despite lower car production, primarily due to the increasing substitution of steel by aluminium for automotive body sheet. Despite a slight seasonal increase, building and construction market demand was low in Southern Europe in particular, following somewhat improved market conditions in the first quarter. The foil market showed a healthy demand growth, influenced by improved consumer sentiment and restocking activities. Demand growth in beverage can and general engineering markets was solid. General engineering was positively influenced by a somewhat reduced import pressure as the Euro weakened.

Market demand in the third quarter is expected to be stable.

Extruded products

Demand for extruded products in North America increased by 4 percent compared to the previous quarter, due to seasonal variations in demand and strong markets. Compared to the same quarter of the previous year, demand grew 8 percent, due to strong automotive and truck demand and a ramp-up of residential building and construction activity.

In Europe, extruded products demand seasonally increased 5 percent compared with the previous quarter. Demand is showing signs of improvement compared to the same quarter of the previous year, but weaker building and construction market is, to a large degree, offsetting most other segments.

Demand for extruded products is expected to seasonally weaken in Europe going into the third quarter, compared to the second quarter, while in North America demand is expected to remain stable. When comparing to the same quarter last year, demand in Europe in the third quarter is expected to improve slightly, while the strong development is expected to continue in North America.

Energy

The Nordic system price was stable for most of the second quarter but started to decline toward the end of the quarter as water inflow levels increased due to melting snow in the lower catchment areas in Norway and Sweden. Price development was also influenced by the expectation of increased inflow and risk of flooding during the summer months as cold weather conditions in the Norwegian mountains resulted in lower inflows than normal.

The Nordic hydrological balance started the quarter around 6 TWh above normal and ended at around 4 TWh above normal. Water reservoirs in Norway were 51 percent of full capacity at the end of the second quarter which is 17 percentage points below normal. Snow reservoirs were 20 TWh above normal at the end of the quarter.

The severe drought in Brazil, which began in early 2014, has resulted in a deteriorating hydrological balance. However, during the second quarter reservoir levels have continued to improve and thermal power production is operating at close to maximum. These factors, together with reduced demand due to lower economic growth and higher power prices, have reduced significantly the risk of rationing for 2015.

Additional factors impacting Hydro

Primary Metal has sold forward around 50 percent of its expected primary aluminium production for the third quarter of 2015 at a price level of around USD 1,750 per mt.¹⁾ This excludes volumes from Qatalum.

Hydro has reached an agreement with the state of Para in Brazil relating to the deferral of ICMS taxation for the next 15 years. For further information on the agreement, please see related stock exchange announcement "Norsk Hydro: Long-term ICMS tax framework established for Hydro's Brazil operations" dated July, 17 2015 on Hydro's website under Press room.

1) Prices are fixed mainly one month prior to production. As a result, and due to the hedging of product inventories, Hydro's realized aluminium prices lag LME spot prices by around 1.5 to 2 months.

Underlying EBIT

Bauxite & Alumina

Operational and financial information	Second quarter 2015	First quarter 2015	%change prior quarter	Second quarter 2014	%change prior year quarter	First half 2015	First half 2014	Year 2014
Underlying EBIT (NOK million)	482	780	(38) %	(269)	>100 %	1 261	(557)	(55)
Underlying EBITDA (NOK million)	951	1 240	(23) %	162	>100 %	2 191	284	1 747
Alumina production (kmt)	1 437	1 451	(1) %	1 526	(6) %	2 888	2 954	5 933
Sourced alumina (kmt)	725	666	9 %	431	68 %	1 391	981	2 016
Total alumina sales (kmt)	2 099	2 136	(2) %	2 071	1 %	4 235	3 977	7 942
Realized alumina price (USD/mt) ¹⁾	292	300	(3) %	276	6 %	296	273	284
Bauxite production (kmt) ²⁾	2 232	2 135	5 %	2 370	(6) %	4 366	4 612	9 481
Sourced bauxite (kmt) ³⁾	2 103	1 806	16 %	2 204	(5) %	3 909	4 078	8 815

1) Weighted average of own production and third party contracts. The majority of the alumina is sold linked to LME prices with a one month delay.

2) Paragominas on wet basis.

3) 40 percent MRN off take from Vale and 5 percent Hydro share on wet basis.

Underlying EBIT for Bauxite and Alumina decreased in the second quarter reflecting lower LME-linked alumina prices, a decline in alumina index prices and lower index based sales volumes.

Bauxite production at Paragominas increased in the second quarter following the completion of an extended maintenance period. Alumina production was stable compared to the previous quarter.

Compared with the second quarter of the previous year, underlying EBIT increased significantly influenced by higher index-linked alumina prices together with increased alumina index based sales volumes. Positive currency effects and further cost reductions relating to the "From B to A" improvement program also contributed to the higher underlying results for the quarter.

Underlying EBIT for the first half of 2015 also increased compared to the same period of the previous year influenced by the same factors discussed in the preceding paragraph.

Primary Metal

Operational and financial information ¹⁾	Second quarter 2015	First quarter 2015	%change prior quarter	Second quarter 2014	%change prior year quarter	First half 2015	First half 2014	Year 2014
Underlying EBIT (NOK million)	1 448	2 012	(28) %	420	>100 %	3 459	732	3 937
Underlying EBITDA (NOK million)	1 931	2 522	(23) %	852	>100 %	4 453	1 605	5 745
Realized aluminium price LME (USD/mt) ²⁾	1 803	1 897	(5) %	1 762	2 %	1 851	1 755	1 850
Realized aluminium price LME (NOK/mt) ²⁾	13 923	14 383	(3) %	10 660	31 %	14 160	10 682	11 624
Realized premium above LME (USD/mt) ³⁾	509	614	(17) %	476	7 %	561	448	500
Realized premium above LME (NOK/mt) ³⁾	3 927	4 660	(16) %	2 883	36 %	4 291	2 729	3 140
Realized NOK/USD exchange rate	7.72	7.58	2 %	6.05	28 %	7.65	6.09	6.28
Primary aluminium production (kmt)	509	497	2 %	488	4 %	1 005	972	1 958
Casthouse production (kmt)	516	495	4 %	529	(2) %	1 010	1 053	2 088
Total sales (kmt)	544	534	2 %	559	(3) %	1 078	1 152	2 220

- 1) Operating and financial information includes Hydro's proportionate share of underlying income (loss), production and sales volumes in equity accounted investments. Realized prices, premiums and exchange rates exclude equity accounted investments, and include the effects of strategic currency hedges (hedge accounting applied).
- 2) Realized aluminium prices lag the LME price developments by approximately 1.5 - 2 months.
- 3) Average realized premium above LME for casthouse sales from Primary Metal.

Operational and financial information Qatalum (50%)	Second quarter 2015	First quarter 2015	%change prior quarter	Second quarter 2014	%change prior year quarter	First half 2015	First half 2014	Year 2014
Revenue (NOK million)	1 542	1 492	3 %	1 095	41 %	3 034	2 182	4 918
Underlying EBIT (NOK million)	303	305	(1) %	158	92 %	608	273	874
Underlying EBITDA (NOK million)	584	585	-	370	58 %	1 169	712	1 772
Underlying Net income (loss) (NOK million)	245	246	-	111	>100 %	491	187	693
Primary aluminium production (kmt)	76	76	-	77	(1) %	152	153	306
Casthouse sales (kmt)	83	77	8 %	80	4 %	160	163	328

Underlying EBIT for Primary Metal declined in the second quarter, mainly due to lower realized aluminium prices and premiums.

Hydro's share of underlying results from Qatalum was stable compared to the first quarter of 2015.

Higher realized premiums and aluminium prices, in addition to the significantly stronger US dollar, had a substantial positive impact on underlying EBIT in the second quarter compared to the same quarter of 2014. Increased raw material costs, reflecting higher prices and currency effects, partly offset the positive developments. Improved results from Qatalum also had a positive effect on underlying results for the quarter, driven mainly by higher realized all-in metal prices.

Underlying EBIT for the first half of 2015 improved compared with the same period in 2014 mainly due to the same factors discussed in the preceding paragraph.

Metal Markets

Operational and financial information	Second quarter 2015	First quarter 2015	%change prior quarter	Second quarter 2014	%change prior year quarter	First half 2015	First half 2014	Year 2014
Underlying EBIT (NOK million)	(89)	24	>(100) %	100	>(100) %	(65)	241	634
Currency effects ¹⁾	(63)	(8)	>(100) %	7	>(100) %	(71)	-	44
Inventory valuation effects ²⁾	(47)	(28)	(69) %	(29)	(63) %	(75)	(36)	31
Underlying EBIT excl. currency and ingot inventory effects	21	60	(64) %	121	(82) %	82	277	559
Underlying EBITDA (NOK million)	(64)	47	>(100) %	120	>(100) %	(17)	277	712
Remelt production (kmt)	141	145	(3) %	141	-	286	280	538
Metal products sales excluding ingot trading (kmt) ³⁾	750	626	20 %	726	3 %	1 375	1 501	2 852
Hereof external sales (kmt) ⁴⁾	674	571	18 %	619	9 %	1 245	1 273	2 478

1) Includes the effects of changes in currency rates on sales and purchase contracts denominated in foreign currencies (mainly US dollar and Euro for our European operations) and the effects of changes in currency rates on the fair valuation of dollar denominated derivative contracts (including LME futures) and inventories mainly translated into Norwegian kroner. Hydro manages its external currency exposure on a consolidated basis in order to take advantage of offsetting positions. Currency effects for 2014 have been restated.

2) Comprised of hedging gains and losses relating to inventories. Increasing LME prices result in unrealized hedging losses, while the offsetting gains on physical inventories are not recognized until realized. In periods of declining prices, unrealized hedging gains are offset by write-downs of physical inventories.

3) Includes external and internal sales from primary casthouse operations, remelters and third party metal sources. Sales volumes for 2014 have been restated.

4) Sales volumes for 2014 have been restated.

Underlying EBIT for Metal Markets declined in the second quarter impacted by higher negative currency and inventory valuation effects. Sourcing and trading operations continued to incur underlying losses, reflecting the further decline in standard ingot premiums. Negative effects were partly offset by improved results from remelt operations mainly due to higher margins.

Compared to the second quarter of 2014, underlying EBIT for Metal Markets declined substantially, influenced by negative results from sourcing and trading activities as a result of the decline in standard ingot premiums. This was partly offset by improved results from remelt operations due to higher margins. Underlying EBIT was also impacted by higher net negative currency and inventory valuation effects.

In the first half of 2015, underlying EBIT decreased significantly compared to the same period of the previous year, mainly due to the same factors discussed in the preceding paragraph.

Rolled Products

Operational and financial information	Second quarter 2015	First quarter 2015	%change prior quarter	Second quarter 2014	%change prior year quarter	First half 2015	First half 2014	Year 2014
Underlying EBIT (NOK million)	315	292	8 %	177	78 %	607	358	698
Underlying EBITDA (NOK million)	488	465	5 %	350	40 %	953	701	1 398
Sales volumes to external market (kmt)	243	227	7 %	245	(1) %	471	488	946
Sales volumes to external markets (kmt) - Customer business units								
Packaging and building ¹⁾	97	85	14 %	95	2 %	183	186	365
Lithography, automotive & heat exchanger	75	78	(3) %	81	(8) %	152	161	317
General engineering	71	64	10 %	69	3 %	135	141	263
Rolled Products	243	227	7 %	245	(1) %	471	488	946

1) Includes beverage can, foil packaging and lacquered building products.

Underlying EBIT for Rolled Products improved compared with the first quarter of 2015, mainly driven by seasonally higher shipments for can beverage and improved demand for general engineering products. Positive effects were mostly offset by a decreased contribution from the Rheinwerk smelter, due to lower all-in metal prices and negative currency developments.²⁾ Operating margins improved somewhat.

Compared to the second quarter of last year, underlying EBIT improved mainly due to an increased contribution from the Rheinwerk smelter as a result of higher all-in metal prices, and significant positive currency developments.²⁾ Sales volumes and operating margins were stable.

Underlying EBIT for the first half year 2015 improved substantially compared to the same period last year, primarily driven by an increased contribution from the Rheinwerk smelter as a result of higher all-in metal prices, and significant positive currency developments.²⁾

2) Rolled Products incurs currency gains and losses on export sales from its Euro based operations mainly denominated in US dollars. These gains and losses affect the value of the margin contribution to underlying EBIT and can be significant. Offsetting gains and losses on internal currency hedges are reported as financial items

Energy

Operational and financial information	Second quarter 2015	First quarter 2015	%change prior quarter	Second quarter 2014	%change prior year quarter	First half 2015	First half 2014	Year 2014
Underlying EBIT (NOK million)	179	382	(53) %	169	6 %	560	603	1 197
Underlying EBITDA (NOK million)	227	429	(47) %	209	9 %	656	683	1 360
Direct production costs (NOK million) ¹⁾	113	204	(44) %	140	(19) %	317	302	608
Power production (GWh)	2 103	3 071	(32) %	2 248	(6) %	5 173	5 212	10 206
External power sourcing (GWh)	2 221	2 200	1 %	2 381	(7) %	4 422	4 695	9 315
Internal contract sales (GWh)	3 356	3 315	1 %	3 361	-	6 670	6 694	13 514
External contract sales (GWh)	244	346	(29) %	241	1 %	591	604	1 187
Net spot sales (GWh)	724	1 610	(55) %	1 028	(30) %	2 334	2 609	4 820

1) Includes maintenance and operational costs, transmission costs, property taxes and concession fees for Hydro as operator.

Underlying EBIT for Energy declined compared to the first quarter, mainly due to seasonally lower production that was also influenced by the delayed spring thaw in the Norwegian mountains. Lower prices also contributed to the decline, but was more than offset by reduced property taxes and volume related transmission costs.

Compared to the second quarter of the previous year, underlying EBIT increased somewhat due to lower area costs partly offset by lower production.

Underlying EBIT for the first half of 2015 declined slightly compared to the same period in the previous year, mainly due to lower net spot sales volumes and higher production costs, partly offset by reduced area costs. Net spot sales volumes were also impacted by expired sourcing contracts.

Other and eliminations

Financial information NOK million	Second quarter 2015	First quarter 2015	%change prior quarter	Second quarter 2014	%change prior year quarter	First half 2015	First half 2014	Year 2014
Sapa (50%) ¹⁾	145	119	22 %	131	11 %	264	166	199
Other	(150)	(117)	(29) %	(176)	15 %	(267)	(303)	(549)
Eliminations	338	(284)	>100 %	(8)	>100 %	54	77	(367)
Underlying EBIT Other and eliminations	333	(281)	>100 %	(52)	>100 %	51	(61)	(717)

1) Hydro's share of Sapa's underlying net income

Eliminations are comprised mainly of unrealized gains and losses on inventories purchased from group companies which fluctuate with product flows, volumes and margin developments throughout Hydro's value chain.

Operational and financial information Sapa (50%)	Second quarter 2015	First quarter 2015	%change prior quarter	Second quarter 2014	%change prior year quarter	First half 2015	First half 2014	Year 2014
Revenue (NOK million)	7 247	7 067	3 %	5 772	26 %	14 314	11 445	23 192
Underlying EBIT (NOK million)	241	196	23 %	175	38 %	437	253	326
Underlying EBITDA (NOK million)	399	353	13 %	321	24 %	752	541	958
Underlying Net income (loss) (NOK million)	145	119	22 %	131	10 %	264	166	199
Sales volumes (kmt)	179	177	1 %	184	(3) %	355	364	699

Underlying EBIT for Sapa increased compared to the previous quarter, due to seasonally higher sales volumes, strong North American market development, as well as improvement programs progressing ahead of plan across the organization. The second quarter results were also impacted negatively by sharply falling metal premiums in North America.

Underlying EBIT increased compared to the same quarter of the previous year driven by strong North American demand, positive currency developments, as well as positive contributions from improvement programs and restructuring efforts.

Underlying EBIT for the first half of 2015 improved by more than 70 percent compared with the same period in 2014, influenced by the same factors discussed above.

Reported EBIT for Sapa for the second quarter was negatively influenced by restructuring cost and unrealized derivative losses. The restructuring cost relates to Southern Europe and China.

Finance

Financial income (expense)	Second quarter 2015	First quarter 2015	% change prior quarter	Second quarter 2014	% change prior year quarter	First half 2015	First half 2014	Year 2014
NOK million								
Interest income	59	75	(22)%	72	(18)%	134	132	275
Dividends received and net gain (loss) on securities	(1)	13	>(100)%	26	>(100)%	12	29	71
Financial income	58	88	(34)%	98	(41)%	146	161	347
Interest expense	(69)	(100)	32 %	(130)	47 %	(169)	(228)	(438)
Capitalized interest	7	-	-	1	>100%	7	2	3
Net foreign exchange gain (loss)	346	(1 587)	>100%	(101)	>100%	(1 241)	92	(3 161)
Net interest on pension liability	(35)	(36)	1 %	(47)	25 %	(71)	(94)	(189)
Other	(49)	(45)	(10)%	(19)	>(100)%	(94)	(40)	(115)
Financial expense	200	(1 768)	>100%	(297)	>100%	(1 568)	(268)	(3 900)
Financial income (expense), net	258	(1 680)	>100%	(199)	>100%	(1 422)	(107)	(3 554)

The net foreign exchange gain was comprised of unrealized currency gains on US dollar debt mainly in Brazil.

Tax

Income tax expense amounted to NOK 891 million for the second quarter of 2015 or about 30 percent of income before tax.

Items excluded from underlying EBIT and net income

To provide a better understanding of Hydro's underlying performance, the items in the table below have been excluded from EBIT and net income.

Items excluded from underlying EBIT are comprised mainly of unrealized gains and losses on certain derivatives, impairment and rationalization charges, effects of disposals of businesses and operating assets, as well as other items that are of a special nature or are not expected to be incurred on an ongoing basis.

Items excluded from underlying net income ¹⁾	Second quarter 2015	First quarter 2015	Second quarter 2014	First half 2015	First half 2014	Year 2014
NOK million						
Unrealized derivative effects on LME related contracts ²⁾	31	140	(136)	171	(131)	(352)
Unrealized derivative effects on power and raw material contracts ³⁾	(161)	(151)	40	(312)	(135)	72
Metal effect, Rolled Products ⁴⁾	(2)	(61)	(58)	(63)	(58)	(449)
Significant rationalization charges and closure costs ⁵⁾	-	-	-	-	-	-
Impairment charges (PP&E and equity accounted investments) ⁶⁾	-	-	-	-	33	207
(Gains)/losses on divestments ⁷⁾	-	-	(8)	-	(8)	(8)
Other effects ⁸⁾	(37)	-	-	(37)	-	36
Items excluded in equity accounted investment (Sapa)	139	74	87	213	173	512
Items excluded from underlying EBIT	(31)	2	(75)	(29)	(126)	18
Net foreign exchange (gain)/loss ⁹⁾	(346)	1 587	101	1 241	(92)	3 161
Calculated income tax effect ¹⁰⁾	144	(454)	23	(311)	193	(680)
Items excluded from underlying net income	(234)	1 134	49	901	5	2 499

1) Negative figures indicate a gain and positive figures indicate a loss.

2) Unrealized gains and losses on contracts used for operational hedging purposes where hedge accounting is not applied, as well as for LME derivatives in equity accounted investments and elimination of changes in fair value of certain internal physical aluminium contracts.

3) Unrealized gains and losses on embedded derivatives in raw material and power contracts for own use and financial power contracts used for hedging purposes, as well as financial power contracts in equity accounted investments and elimination of changes in fair value of embedded derivatives within certain internal power contracts.

4) Timing differences resulting from inventory adjustments due to changing aluminium prices during the production, sales and logistics process, as well as inventory write-downs for Rolled Products.

5) Costs that are typically non-recurring for significant individual plants or operations, for example termination benefits, plant removal costs and clean-up activities in excess of legal liabilities, etc.

6) Write-downs of assets or groups of assets to estimated recoverable amounts in the event of an identified loss in value.

7) Net gain or loss on divested businesses and individual major assets.

8) Other effects include recognition of pension plan amendments and related curtailments and settlements, insurance proceeds, legal settlements, etc.

9) Realized and unrealized gains and losses on foreign currency denominated accounts receivable and payable, funding and deposits, forward currency contracts purchasing and selling currencies that hedge net future cash flows from operations, embedded foreign currency derivatives in power contracts, sales contracts and working capital.

10) In order to present underlying net income on a basis comparable with our underlying operating performance, we have calculated an income tax effect of items excluded from underlying income before tax.

Items excluded from underlying EBIT - Operating segments

The following includes a summary table of items excluded from underlying EBIT for each of the operating segments and for Other and eliminations.

Items excluded from underlying EBIT ¹⁾	Second quarter 2015	First quarter 2015	Second quarter 2014	First half 2015	First half 2014	Year 2014
NOK million						
Unrealized derivative effects on LME related contracts	(6)	3	(1)	(3)	(4)	(16)
Bauxite & Alumina	(6)	3	(1)	(3)	(4)	(16)
Unrealized derivative effects on LME related contracts	(41)	54	(38)	12	(50)	(86)
Unrealized derivative effects on power contracts	(2)	2	(8)	-	35	63
Unrealized derivative effects on power contracts (Søral)	-	-	24	-	(9)	(16)
Unrealized derivative effects on raw material contracts	-	-	9	-	18	37
Impairment charges (Qatalum)	-	-	-	-	-	28
Insurance compensation (Qatalum)	(37)	-	-	(37)	-	(55)
Transaction effects Søral acquisition	-	-	-	-	-	38
Primary Metal	(81)	56	(14)	(25)	(6)	9
Unrealized derivative effects on LME related contracts	(45)	146	6	101	41	(117)
Impairment charges	-	-	-	-	33	33
Metal Markets	(45)	146	6	101	75	(83)
Unrealized derivative effects on LME related contracts	143	(80)	(101)	63	(117)	(119)
Metal effect	(2)	(61)	(58)	(63)	(58)	(449)
Impairment charges	-	-	-	-	-	145
Rolled Products	141	(141)	(159)	-	(174)	(423)
Unrealized derivative effects on power contracts	(9)	1	4	(8)	7	4
Energy	(9)	1	4	(8)	7	4
Unrealized derivative effects on power contracts ²⁾	(150)	(154)	12	(305)	(187)	(16)
Unrealized derivative effects on LME related contracts ²⁾	(20)	17	(2)	(3)	(1)	(13)
(Gains)/losses on divestments	-	-	(8)	-	(8)	(8)
Items excluded in equity accounted investment (Sapa)	139	74	87	213	173	512
Other effects ³⁾	-	-	-	-	-	53
Other and eliminations	(32)	(63)	88	(95)	(23)	528
Items excluded from underlying EBIT	(31)	2	(75)	(29)	(126)	18

1) Negative figures indicate a gain and positive figures indicate a loss.

2) Unrealized derivative effects on power contracts and LME related contracts result from elimination of changes in the valuation of embedded derivatives within certain internal power contracts and in the valuation of certain internal aluminium contracts.

3) Other effects include the remeasurement of environmental liabilities, due to change in interest rate, related to closed business in Germany.

Interim financial statements

Condensed consolidated statements of income (unaudited)

NOK million, except per share data	Second quarter		First half		Year
	2015	2014	2015	2014	2014
Revenue	22 436	18 272	45 726	36 553	77 907
Share of the profit (loss) in equity accounted investments	276	122	542	162	415
Other income, net	195	147	467	279	751
Total revenue and income	22 908	18 540	46 735	36 995	79 073
Raw material and energy expense	14 374	12 526	29 036	24 813	51 480
Employee benefit expense	2 272	2 018	4 566	4 051	8 089
Depreciation, amortization and impairment	1 213	1 104	2 442	2 222	4 771
Other expenses	2 352	2 272	4 787	4 467	9 059
Total expenses	20 210	17 921	40 831	35 553	73 399
Earnings before financial items and tax (EBIT)	2 698	620	5 904	1 442	5 674
Financial income	58	98	146	161	347
Financial expense	200	(297)	(1 568)	(268)	(3 900)
Financial income (expense), net	258	(199)	(1 422)	(107)	(3 554)
Income (loss) before tax	2 955	421	4 482	1 335	2 121
Income taxes	(891)	(152)	(1 346)	(604)	(892)
Net income (loss)	2 064	269	3 136	730	1 228
Net income (loss) attributable to minority interests	146	84	270	153	432
Net income (loss) attributable to Hydro shareholders	1 918	185	2 866	578	797
Basic and diluted earnings per share attributable to Hydro shareholders (in NOK) ¹⁾	0.94	0.09	1.40	0.28	0.39
Weighted average number of outstanding shares (million)	2 041	2 040	2 040	2 039	2 040

1) Basic earnings per share are computed using the weighted average number of ordinary shares outstanding. There were no significant diluting elements.

The accompanying notes are an integral part of the condensed consolidated financial statements (unaudited).

Condensed consolidated statements of comprehensive income (unaudited)

Condensed consolidated statements of comprehensive income (unaudited)

NOK million	Second quarter		First half		Year
	2015	2014	2015	2014	2014
Net income (loss)	2 064	269	3 136	730	1 288
Other comprehensive income					
Items that will not be reclassified to income statement:					
Remeasurement postemployment benefits, net of tax	1 731	(715)	1 712	(728)	(2 340)
Share of remeasurement postemployment benefit of equity accounted investments, net of tax	-	1	-	1	(150)
Total	1 731	(714)	1 712	(727)	(2 490)
Items that will be reclassified to income statement:					
Currency translation differences, net of tax	1 097	2 228	(2 613)	2 430	7 004
Unrealized gain (loss) on securities, net of tax	(26)	5	81	6	90
Cash flow hedges, net of tax	51	(56)	118	116	9
Share of items that will be recycled to profit or loss of equity accounted investments, net of tax	1	127	88	14	666
Total	1 123	2 304	(2 326)	2 567	7 769
Other comprehensive income	2 854	1 590	(614)	1 840	5 279
Total comprehensive income	4 918	1 859	2 522	2 571	6 507
Total comprehensive income attributable to minority interests	290	351	(144)	511	959
Total comprehensive income attributable to Hydro shareholders	4 628	1 508	2 666	2 059	5 548

The accompanying notes are an integral part of the condensed consolidated financial statements (unaudited).

Condensed balance sheets (unaudited)

NOK million, except number of shares	2015	June 30 2014	December 31 2014
Assets			
Cash and cash equivalents	8 142	6 617	9 253
Short-term investments	1 240	1 765	1 786
Accounts receivables	14 847	10 835	11 703
Inventories	12 722	10 213	12 642
Other current assets	301	371	543
Total current assets	37 252	29 799	35 927
Property, plant and equipment	51 945	54 041	55 719
Intangible assets	5 547	5 828	5 947
Investments accounted for using the equity method	18 413	16 717	18 095
Prepaid pension	4 313	3 178	2 881
Other non-current assets	5 856	7 082	7 703
Total non-current assets	86 075	86 847	90 345
Total assets	123 326	116 647	126 273
Liabilities and equity			
Bank loans and other interest-bearing short-term debt	3 683	6 141	6 039
Trade and other payables	10 192	8 936	9 663
Other current liabilities	4 081	2 608	3 414
Total current liabilities	17 957	17 684	19 116
Long-term debt	5 013	4 093	5 128
Provisions	2 876	2 857	3 993
Pension liabilities	11 706	10 257	12 796
Deferred tax liabilities	2 459	2 894	1 676
Other non-current liabilities	2 919	2 599	3 622
Total non-current liabilities	24 973	22 701	27 215
Total liabilities	42 929	40 386	46 332
Equity attributable to Hydro shareholders	74 737	70 542	74 030
Minority interest	5 660	5 720	5 911
Total equity	80 397	76 261	79 941
Total liabilities and equity	123 326	116 647	126 273
Total number of outstanding shares (million)	2 042	2 040	2 040

The accompanying notes are an integral part of the condensed consolidated financial statements (unaudited).

Condensed consolidated statements of cash flows (unaudited)

NOK million	Second quarter		Six months ended June 30		Year
	2015	2014	2015	2014	2014
Operating activities					
Net income (loss)	2 064	269	3 136	730	1 228
Depreciation, amortization and impairment	1 213	1 104	2 442	2 222	4 771
Other adjustments	1 172	(194)	(34)	(2 524)	(34)
Net cash provided by continuing operating activities	4 449	1 179	5 544	428	5 965
Investing activities					
Purchases of property, plant and equipment	(1 122)	(705)	(1 969)	(1 290)	(3 294)
Purchases of other long-term investments	(118)	(17)	(137)	(31)	166
Purchases of short-term investments	-	(500)	(500)	(1 000)	(1 500)
Proceeds from sales of property, plant and equipment	4	22	17	23	113
Proceeds from sales of other long-term investments	1	7	3	(12)	(10)
Proceeds from sales of short-term investments	1 000	1 750	1 000	1 750	2 250
Net cash provided by (used in) continuing investing activities	(235)	557	(1 586)	(560)	(2 275)
Financing activities					
Loan proceeds	1 391	1 968	1 771	3 620	6 880
Principal repayments	(2 655)	(2 124)	(4 501)	(3 610)	(8 226)
Net increase (decrease) in other short-term debt	81	65	(151)	54	170
Proceeds from shares issued	10	6	15	11	21
Dividends paid	(2 143)	(1 604)	(2 143)	(1 686)	(1 943)
Net cash used in continuing financing activities	(3 316)	(1 689)	(5 009)	(1 611)	(3 098)
Foreign currency effects on cash and bank overdraft	72	90	(55)	87	387
Net cash used in discontinued operations	-	-	-	(139)	(139)
Net increase (decrease) in cash, cash equivalents and bank overdraft	970	137	(1 106)	(1 795)	840
Cash, cash equivalents and bank overdraft at beginning of period	7 172	6 476	9 248	8 408	8 408
Cash, cash equivalents and bank overdraft at end of period	8 142	6 613	8 142	6 613	9 248

The accompanying notes are an integral part of the condensed consolidated financial statements (unaudited).

Condensed consolidated statements of changes in equity (unaudited)

Consolidated statements of changes in equity (unaudited)

NOK million	Share capital	Additional paid-in capital	Treasury shares	Retained earnings	Other components of equity	Equity attributable to Hydro shareholders	Minority interests	Total equity
January 1, 2014	2 272	29 049	(1 006)	46 617	(6 950)	69 981	5 283	75 264
<i>Changes in equity for 2014</i>								
Treasury shares reissued to employees		(4)	35			31		31
Dividends				(1 530)		(1 530)	(74)	(1 604)
Items not reclassified to income statement in subsidiaries sold/liquidated				1	(1)	-		-
Total comprehensive income for the period				578	1 482	2 059	511	2 571
June 30, 2014	2 272	29 045	(972)	45 666	(5 470)	70 542	5 720	76 261
January 1, 2015	2 272	29 045	(972)	45 872	(2 187)	74 030	5 911	79 941
<i>Changes in equity for 2015</i>								
Treasury shares reissued to employees		24	58			82		82
Dividends				(2 042)		(2 042)	(106)	(2 148)
Total comprehensive income for the period				2 866	(199)	2 666	(144)	2 522
June 30, 2015	2 272	29 068	(913)	46 696	(2 386)	74 737	5 660	80 397

The accompanying notes are an integral part of the condensed consolidated financial statements (unaudited).

Notes to the condensed consolidated financial statements

Note 1: Accounting policies

All reported figures in the financial statements are based on International Financial Reporting Standards (IFRS). Hydro's accounting principles are presented in note 2 Significant accounting policies and note 3 Changes in accounting principles and new pronouncements in Hydro's Financial Statements - 2014.

The interim accounts are presented in accordance with IAS 34 Interim Financial Reporting. The condensed consolidated interim financial information should be read in conjunction with Hydro's Financial Statements - 2014 that are a part of Hydro's Annual Report - 2014.

As a result of rounding adjustments, the figures in one or more columns may not add up to the total of that column.

Note 2: Operating segment information

Hydro identifies its reportable segments and discloses segment information under IFRS 8 Operating Segments. This standard requires Hydro to identify its segments according to the organization and reporting structure used by management. See Hydro's Financial statements - 2014 note 8 Operating and geographic segment information for a description of Hydro's management model and segments, including a description of Hydro's segment measures and accounting principles used for segment reporting.

The following tables include information about Hydro's operating segments, including a reconciliation of EBITDA to EBIT for Hydro's operating segments.

NOK million	Second quarter		First half		Year
	2015	2014	2015	2014	2014
Total revenue					
Bauxite & Alumina	5 127	3 828	10 588	7 340	15 847
Primary Metal	8 154	6 384	17 250	13 003	28 064
Metal Markets	13 127	10 109	25 308	20 401	43 029
Rolled Products	6 173	5 275	12 343	10 513	21 455
Energy	1 140	1 381	2 693	2 920	6 303
Other and eliminations	(11 286)	(8 706)	(22 457)	(17 623)	(36 790)
Total	22 436	18 272	45 726	36 553	77 907
External revenue					
Bauxite & Alumina	2 978	2 404	6 365	4 612	9 568
Primary Metal	1 059	1 337	2 848	2 564	6 397
Metal Markets	11 862	8 853	23 177	17 573	37 981
Rolled Products	6 254	5 212	12 333	10 502	21 345
Energy	264	436	962	1 243	2 492
Other and eliminations	19	29	41	60	124
Total	22 436	18 272	45 726	36 553	77 907
Internal revenue					
Bauxite & Alumina	2 150	1 424	4 223	2 728	6 279
Primary Metal	7 095	5 047	14 402	10 439	21 667
Metal Markets	1 265	1 256	2 131	2 829	5 048
Rolled Products	(81)	63	10	11	109
Energy	877	945	1 731	1 677	3 810
Other and eliminations	(11 306)	(8 735)	(22 498)	(17 683)	(36 914)
Total	-	-	-	-	-
Share of the profit (loss) in equity accounted investments					
Bauxite & Alumina	-	-	-	-	-
Primary Metal	282	77	532	169	728
Metal Markets	-	-	-	-	-
Rolled Products	-	-	-	-	-
Energy	-	-	-	-	-
Other and eliminations	(6)	45	10	(7)	(313)
Total	276	122	542	162	415

NOK million	Second quarter		First half		Year
	2015	2014	2015	2014	2014
Depreciation, amortization and impairment					
Bauxite & Alumina	470	431	930	841	1 802
Primary Metal	483	427	994	864	1 794
Metal Markets	25	21	48	70	112
Rolled Products	173	172	346	343	845
Energy	48	40	96	79	162
Other and eliminations	14	13	29	25	55
Total	1 213	1 104	2 442	2 222	4 771
Earnings before financial items and tax (EBIT) ¹⁾					
Bauxite & Alumina	487	(269)	1 264	(553)	(39)
Primary Metal	1 528	434	3 484	738	3 928
Metal Markets	(44)	93	(166)	166	717
Rolled Products	174	336	607	532	1 121
Energy	187	165	568	596	1 193
Other and eliminations	364	(140)	146	(38)	(1 245)
Total	2 698	620	5 904	1 442	5 674
EBITDA					
Bauxite & Alumina	957	163	2 194	288	1 763
Primary Metal	2 012	866	4 478	1 611	5 736
Metal Markets	(19)	114	(118)	236	829
Rolled Products	347	508	954	875	1 966
Energy	236	205	664	675	1 355
Other and eliminations	379	(127)	175	(12)	(1 190)
Total	3 911	1 728	8 346	3 672	10 460
Investments ²⁾					
Bauxite & Alumina	294	109	523	168	701
Primary Metal	437	348	812	654	1 606
Metal Markets	131	22	157	28	95
Rolled Products	215	144	356	233	783
Energy	99	92	125	166	364
Other and eliminations	16	27	19	37	76
Total	1 192	740	1 993	1 286	3 625

1) Total segment EBIT is the same as Hydro group's total EBIT. Financial income and expense are not allocated to the segments. There are no reconciling items between segment EBIT to Hydro EBIT. Therefore, a separate reconciliation table is not presented.

2) Additions to property, plant and equipment (capital expenditures) plus long-term securities, intangible assets, long-term advances and investments in equity accounted investments.

NOK million	EBIT	Depr., amor. and impairment ¹⁾	EBITDA
EBIT - EBITDA Second quarter 2015			
Bauxite & Alumina	487	470	957
Primary Metal	1 528	483	2 012
Metal Markets	(44)	25	(19)
Rolled Products	174	173	347
Energy	187	48	236
Other and eliminations	364	14	379
Total	2 698	1 213	3 911

NOK million	EBIT	Depr., amor. and impairment ¹⁾	EBITDA
EBIT - EBITDA first half 2015			
Bauxite & Alumina	1 264	930	2 194
Primary Metal	3 484	994	4 478
Metal Markets	(166)	48	(118)
Rolled Products	607	346	954
Energy	568	96	664
Other and eliminations	146	29	175
Total	5 904	2 443	8 346

1) Depreciation, amortization and impairment write-down of tangible and intangible assets, and amortization of excess values in equity accounted investments and impairment loss of such investments.

Note 3: Contingent liabilities

Hydro is involved in or threatened with various legal and tax matters arising in the ordinary course of business. Hydro is of the opinion that it is not probable that the resulting liabilities, if any, will have a material adverse effect on its consolidated results of operations, liquidity or financial position.

Responsibility statement

We confirm to the best of our knowledge that the condensed set of financial statements for the period January 1 to June 30, 2015 has been prepared in accordance with IAS 34 - Interim Financial Reporting, and gives a true and fair view of the Hydro Group's assets, liabilities, financial position and result for the period. We also confirm to the best of our knowledge that the financial review includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the financial statements, any major related parties transactions, and a description of the principal risks and uncertainties for the remaining six months of the financial year.

Oslo, July 20, 2015



DAG MEJDELL
Chair



INGE K. HANSEN
Deputy chair



LIV MONICA BARGEM STUBBOLT
Board member



OVE ELLEFSEN
Board member



BILLY FREDAGSVIK
Board member



FINN JEBSEN
Board member



STEN ROAR MARTINSEN
Board member



EVA PERSSON
Board member



PEDRO JOSÉ RODRIGUES
Board member



IRENE RUMMELHOFF
Board member



SVEIN RICHARD BRANDTZÆG
President and CEO

Additional information

Financial calendar

2015

October 21 Third quarter results

December 3-4 Capital Markets Day

Hydro reserves the right to revise these dates.

Cautionary note

Certain statements included within this announcement contain forward-looking information, including, without limitation, those relating to (a) forecasts, projections and estimates, (b) statements of management's plans, objectives and strategies for Hydro, such as planned expansions, investments 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, as well as (i) statements preceded by "expected", "scheduled", "targeted", "planned", "proposed", "intended" or similar statements.

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 aluminium business; 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.

Hydro is a global aluminium company with production, sales and trading activities throughout the value chain, from bauxite, alumina and energy generation to the production of primary aluminium and rolled products as well as recycling. Based in Norway, the company has 13,000 employees involved in activities in more than 50 countries on all continents. Rooted in more than a century of experience in renewable energy production, technology development and progressive partnerships, Hydro is committed to strengthening the viability of the customers and communities we serve.

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