HYDRO

First quarter report – 2012

Q1

2012

Contents

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To provide a better understanding of Hydro's underlying performance, the following discussion of operating performance excludes certain items from EBIT (earnings before financial items and tax) and net income. See "Items excluded from underlying EBIT and net income" later in this report for more information on these items.

Overview

Summary underlying financial and operating results and liquidity

Key financial information NOK million, except per share data	**First quarter 2012**	Fourth quarter 2011	% change prior quarter	First quarter 2011	% change prior year quarter	Year 2011
Revenue	**21 748**	21 749	-	21 138	3 %	91 444
Earnings before financial items and tax (EBIT)	**665**	(362)	>100 %	5 855	(89) %	9 827
Items excluded from underlying EBIT [1]	**(108)**	1 494	>(100) %	(4 408)	98 %	(3 694)
Underlying EBIT	**557**	1 133	(51) %	1 448	(62) %	6 133
Underlying EBIT :						
Bauxite & Alumina	**(144)**	159	>(100) %	155	>(100) %	887
Primary Metal	**30**	484	(94) %	583	(95) %	2 486
Metal Markets	**87**	(39)	>100 %	143	(39) %	441
Rolled Products	**151**	86	76 %	232	(35) %	673
Extruded Products	**14**	(90)	>100 %	105	(86) %	151
Energy	**556**	441	26 %	573	(3) %	1 883
Other and eliminations	**(137)**	92	>(100) %	(344)	60 %	(389)
Underlying EBIT	**557**	1 133	(51) %	1 448	(62) %	6 133
Underlying EBITDA	**1 870**	2 524	(26) %	2 415	(23) %	11 152
Net income (loss)	**585**	(749)	>100 %	5 154	(89) %	6 749
Underlying net income (loss)	**256**	876	(71) %	834	(69) %	3 947
Earnings per share [2]	**0.25**	(0.36)	>100 %	2.89	(92) %	3.41
Underlying earnings per share [2]	**0.13**	0.42	(70) %	0.45	(72) %	1.89
Financial data:						
Investments [3]	**898**	4 190	(79) %	41 625	(98) %	48 025
Adjusted net interest-bearing debt [4]	**(19 231)**	(19 895)	3 %	(20 490)	6 %	(19 895)
Key Operational information [5]						
Alumina production (kmt)	**1 464**	1 490	(2) %	773	89 %	5 264
Primary aluminium production (kmt)	**514**	539	(5) %	415	24 %	1 982
Realized aluminium price LME (USD/mt) [6]	**2 155**	2 439	(12) %	2 358	(9) %	2 480
Realized aluminium price LME (NOK/mt) [6]	**12 404**	13 834	(10) %	13 607	(9) %	13 884
Realized NOK/USD exchange rate	**5.75**	5.67	1 %	5.77	-	5.60
Metal Markets sales volumes to external market (kmt) [7]	**591**	564	5 %	467	27 %	2 091
Rolled Products sales volumes to external market (kmt)	**227**	215	6 %	245	(7) %	929
Extruded Products sales volumes to external market (kmt)	**133**	121	10 %	136	(2) %	536
Power production (GWh)	**3 190**	2 706	18 %	2 308	38 %	9 582

1) See section "Items excluded from underlying EBIT and net income" for more information on these items.

2) Per share amounts are computed using Net income and Underlying net income respectively, attributable to Hydro shareholders based on weighted average number of shares outstanding.

3) Investments include amounts relating to the acquisition of Vale Aluminium amounting to NOK 43,376 million for the full year 2011.

4) See note 35 *Capital Management* in Hydro's Financial statements - 2011 for a discussion on adjusted net interest-bearing debt definition.

5) Includes proportionate share of production and prices in equity accounted investments.

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

7) Excluding ingot trading volumes.

Hydro's underlying earnings before financial items and tax amounted to NOK 557 million in the first quarter, down from NOK 1,133 million in the previous quarter. The decline was mainly due to lower realized aluminium prices, partly offset by higher sales volumes. Markets remained weak, in particular for Hydro's European extrusion operations.

Underlying EBIT for Bauxite & Alumina decreased compared to the fourth quarter primarily due to lower realized alumina prices and lower sales volumes. Bauxite and alumina production was stable.

Lower realized aluminium prices and lower premiums had a substantial negative effect on underlying EBIT for Primary Metal in the first quarter, partly offset by higher sales volumes and lower raw material costs. Production volumes declined mainly due to the curtailment of one production line at the Kurri Kurri smelter in Australia.

Underlying results for Hydro's midstream operations improved compared to the fourth quarter which included significant, negative currency effects. Underlying EBIT excluding currency effects increased, mainly due to higher volumes for remelt operations.

Underlying EBIT improved for Hydro's downstream business from the fourth quarter result which was impacted by seasonal declines and poor market developments in Europe. Demand remained weak for our European extrusion business and our building systems operations in particular.

Energy continued to deliver solid underlying results for the quarter with high production.

Operating cash flow amounted to NOK 0.6 billion for the quarter. Net cash used for investment activities amounted to NOK 0.9 billion. Hydro's net cash position was NOK 1.5 billion at the end of the first quarter.

Reported EBIT and net income

Reported earnings before financial items and tax amounted to NOK 665 million in the first quarter including net unrealized derivative gains of NOK 307 million, negative metal effects of NOK 60 million and rationalization and closure costs of NOK 132 million. Amounts relating to other items of a special or infrequent nature were not significant for the first quarter.

In the previous quarter, Hydro incurred a reported loss amounting to NOK 362 million including net unrealized derivative losses of NOK 379 million, negative metal effects of NOK 134 million, rationalization and closure costs of NOK 121 million, impairment charges of NOK 1,326 million and gains on divestments of NOK 465 million.

Hydro had net income of NOK 585 million for the first quarter including net foreign exchange gains of NOK 410 million. In the fourth quarter, Hydro incurred a net loss amounting to NOK 749 million including net foreign exchange losses of NOK 28 million.

Market developments and outlook

Market statistics [1)]	First quarter 2012	Fourth quarter 2011	% change prior quarter	First quarter 2011	% change prior year quarter	Year 2011
NOK/USD Average exchange rate	**5.79**	5.76	1 %	5.73	1 %	5.61
NOK/USD Balance sheet date exchange rate	**5.69**	5.99	(5) %	5.51	3 %	5.99
NOK/EUR Average exchange rate	**7.59**	7.76	(2) %	7.82	(3) %	7.79
NOK/EUR Balance sheet date exchange rate	**7.60**	7.75	(2) %	7.83	(3) %	7.75
Bauxite & Alumina:						
Alumina price - Platts PAX FOB Australia (USD/t)	**316**	332	(5) %	392	(19) %	375
Global production of alumina (kmt)	**22 769**	23 101	(1) %	21 285	7 %	90 220
Global production of alumina (ex. China) (kmt)	**13 814**	13 807	-	13 075	6 %	53 902
Primary Metal and Metal Markets:						
LME three month average (USD/mt)	**2 216**	2 110	5 %	2 527	(12) %	2 420
LME three month average (NOK/mt)	**12 805**	12 134	6 %	14 437	(11) %	13 539
Global production of primary aluminium (kmt)	**11 525**	11 736	(2) %	10 717	8 %	45 572
Global consumption of primary aluminum (kmt)	**10 748**	11 067	(3) %	10 400	3 %	44 883
Global production of primary aluminium (ex. China) (kmt)	**6 492**	6 698	(3) %	6 438	1 %	26 395
Global consumption of primary aluminum (ex. China) (kmt)	**6 241**	6 137	2 %	6 268	-	25 535
Reported primary aluminium inventories (kmt)	**7 970**	7 445	7 %	7 578	5 %	7 445
Rolled Products and Extruded Products:						
Consumption Rolled Products - Europe (kmt)	**1 117**	938	19 %	1 135	(2) %	4 231
Consumption Rolled Products - USA & Canada (kmt)	**1 037**	952	9 %	1 026	1 %	4 144
Consumption Extruded Products - Europe (kmt)	**743**	707	5 %	773	(4) %	3 083
Consumption Extruded Products - USA & Canada (kmt)	**336**	302	11 %	318	6 %	1 296
Energy:						
Southern Norway spot price (NO2) (NOK/MWh)	**272**	259	5 %	520	(48) %	360
Nordic system spot price (NOK/MWh)	**291**	265	9 %	518	(44) %	367

1) Industry statistics have been derived from analyst reports, trade associations and other public sources unless otherwise indicated. Recent information is based partly on estimates and is subject to revision as new information becomes available. As a result, differences between general market developments and actual Hydro volumes are not necessarily indicative of significant changes in market share. Amounts presented in prior reports may have been restated based on updated information. Currency rates have been derived from Norges Bank.

Bauxite and alumina

Global demand for alumina outside China was slightly lower in the first quarter compared to the fourth quarter mainly due to curtailments of primary metal production. Annualized alumina production outside China amounted to about 54 million mt.

Alumina demand and production in China declined somewhat in the first quarter compared to the fourth quarter, influenced by the Chinese New Year holiday celebrations.

Platts alumina spot prices increased during the first quarter from around USD 305 per mt in the beginning of the quarter to USD 316 per mt at the end of the quarter. Spot prices have ranged between 14-15 percent of LME during the period.[2)]

2) Due to existing sales contracts, Hydro has limited volumes available for sale for the next few years. As a result, short-term alumina market developments have limited influence on Hydro's earnings for this period.

Primary aluminium

LME prices increased in the beginning of the first quarter from a level of around USD 2,000 per mt to over USD 2,300 per mt at the end of February. Towards the end of the quarter prices fluctuated at a level between USD 2,100 - 2,200 per mt. Price developments measured in NOK and EUR were more moderate due to changes in currency rates.

Global demand for primary aluminium (excluding China) increased somewhat during the first quarter compared to the fourth quarter. Compared to the first quarter of the previous year, demand declined slightly, mainly due to weak developments in Europe. Annualized consumption amounted to 25.0 million mt in the first quarter of 2012. Corresponding global supply declined in the first quarter as a result of capacity curtailments announced at the end of 2011 with annualized production amounting to 26.0 million mt. Global demand (excluding China) is expected to grow by about 3 percent in 2012. However, the aluminium market continues to be influenced by significant economic uncertainty.

In China, aluminium consumption was seasonally lower in the first quarter, amounting to about 18 million mt on an annualized basis. Production was relatively stable compared to the fourth quarter resulting in increased inventory levels in China. Demand is expected to improve in the second quarter.

LME stocks were relatively stable at around 5.0 million mt in the first quarter. A large portion of the metal in warehouses continues to be owned by several large financial investors.

European consumption of metal products (extrusion ingot, sheet ingot, primary foundry alloys and wire rod) increased somewhat during the first quarter of 2012 following a seasonal decline and softening markets in the fourth quarter of last year. Demand in Germany and the Benelux countries continues to be stronger than most countries in Southern Europe, for extrusion ingot in particular.

Rolled products

European demand for flat rolled products improved compared to the fourth quarter which was impacted by seasonal declines and customer destocking. Demand was lower compared to the solid first quarter of 2011.

Demand in the automotive segment declined somewhat compared to the fourth quarter due to lower production in most automotive market sectors. Chinese demand for European cars softened, but continued to support the export of premium German brands. Consumption in the beverage can segment increased and was above expected market developments. The foil market developed positively compared to the seasonally weak fourth quarter. Demand for general engineering applications improved compared to the previous quarter which was impacted by destocking activities. However, margins continued to be negatively influenced by strong competition in this market segment.

Demand for rolled products is expected to be higher in the second quarter of 2012 compared to the first quarter due to further seasonal increases.

Extruded products

European demand for extruded aluminium products increased compared to the seasonally weak fourth quarter, but declined compared to the same quarter of 2011. Demand remained weak within the building and construction sector and in Southern Europe in particular. Weaker demand from the European automotive industry and declining consumption of solar extrusion profiles due to reduced subsidies also influenced market developments during the quarter. Margins continued to be under pressure in Europe in general.

Demand for extruded aluminium products in North America was higher compared with the seasonally lower fourth quarter, and also higher than the first quarter of 2011. Demand improved in the transport and automotive segments, and was generally helped by a stronger economy. Demand in South America improved compared to the previous quarter and the first quarter of last year, with positive developments in most market segments.

The precision tubing market segment continued to be healthy, supported by demand for premium cars and increased automotive production in North America. Compared to the first quarter of 2011, demand for precision tubing weakened in Europe.

The second quarter of 2012 is expected to be seasonally stronger, however, demand in the European extrusion and building systems markets is expected to remain weak, driven by poor economic developments, especially in Southern Europe. In North America, aluminium extrusion demand is expected to continue to increase. The outlook for South America remains positive for all major extrusion segments, with solid growth forecasted for 2012.

Energy

Nordic electricity spot prices started the quarter at very low levels due to mild and windy weather conditions together with low Continental power prices. A brief cold period combined with nuclear power plant outages increased prices substantially in the beginning of February, while very mild weather in March put pressure on prices towards the end of the quarter. Spot prices are expected to fall once the spring thaw has started.

The hydrological balance at the end of the first quarter was virtually unchanged from the end of last year. Water levels in Norway were about 50 percent of full capacity at the end of the quarter, which is 13 percentage points above normal. Snow accumulation declined to normal levels.

Additional factors impacting Hydro

Hydro has sold forward around 80 percent of its expected primary aluminium production for the second quarter of 2012 at a price level of around USD 2,200 per mt. This excludes expected volumes from Qatalum.

In January 2012 Hydro decided to curtail 60,000 mt of production at its Kurri Kurri aluminium smelter in Australia.

In March, 2012 a fire occurred in a cooling tower at the Qatalum power plant. There were no injuries and production of primary aluminium has not been affected. However, additional operating costs are expected to be incurred.

Hydro's total snow and water reservoirs remained above normal at the end of the first quarter. However, production is expected to decline in the second quarter.

There continues to be significant uncertainty regarding global economic developments impacting the aluminium industry in general. Market developments in Southern Europe in particular are expected to remain weak.

Underlying EBIT

Bauxite & Alumina

Operational and financial information	**First quarter 2012**	Fourth quarter 2011	% change prior quarter	First quarter 2011	% change prior year quarter	Year 2011
Underlying EBIT (NOK million)	**(144)**	159	>(100) %	155	>(100) %	887
Underlying EBITDA (NOK million)	**331**	609	(46) %	340	(3) %	2 480
Alumina production (kmt) [1)]	**1 464**	1 490	(2) %	773	89 %	5 264
Sourced alumina (kmt)	**324**	418	(22) %	436	(26) %	1 958
Total alumina sales (kmt) [2)]	**1 776**	1 956	(9) %	1 143	55 %	7 278
Realized alumina price (USD/mt) [3)]	**293**	306	(4) %	330	(11) %	333
Apparent alumina cash cost (USD/mt) [4)]	**269**	261	3 %	258	4 %	266
Bauxite production (kmt) [5)]	**2 290**	2 317	(1) %	674	>100 %	7 104
Sourced bauxite (kmt) [6)]	**1 841**	2 073	(11) %	911	>100 %	7 435

1) Including Alunorte on a 100 percent basis.

2) Including own production and third party contracts.

3) Weighted average of own production and third party contracts, excluding hedge results.

4) Apparent integrated alumina cash production cost based on cost of produced alumina and cost of alumina sourced on contracts. Paragominas bauxite included at cost and MRN bauxite included at contract price.

5) Paragominas on wet basis (100 percent).

6) 40 percent MRN off take from Vale and 5 percent Hydro share on wet basis.

Underlying EBIT for Bauxite & Alumina decreased compared to the fourth quarter primarily due to lower realized alumina prices and lower sales volumes. Somewhat higher apparent alumina cash cost also had a negative effect on underlying EBIT for the quarter.

Bauxite and alumina production was stable and continued with the same daily production level as in the previous quarter.

Realized alumina prices[7)] declined due to lower LME prices having a negative effect on underlying EBIT for the quarter. The fourth quarter of 2011 included about NOK 90 million of positive effects relating to the Vale aluminium acquisition hedge which expired at the end of the year.

Underlying results from our Commercial operations declined substantially compared to the previous quarter primarily due to lower sales volumes. Part of the decline in sales volumes was the result of the expiration of certain third party sourcing contracts at the end of 2011.

Cash costs at Alunorte increased somewhat driven by higher fuel prices and consumption levels, together with higher caustic costs.

Underlying EBIT decreased compared to the first quarter of 2011, mainly due to lower alumina prices and higher production costs.

7) The majority of the alumina is sold linked to LME prices with a one month delay.

Primary Metal

Operational and financial information [1]	First quarter 2012	Fourth quarter 2011	% change prior quarter	First quarter 2011	% change prior year quarter	Year 2011
Underlying EBIT (NOK million)	**30**	484	(94) %	583	(95) %	2 486
Underlying EBITDA (NOK million)	**577**	1 097	(47) %	1 055	(45) %	4 671
Realized aluminium price LME (USD/mt) [2]	**2 155**	2 439	(12) %	2 358	(9) %	2 480
Realized aluminium price LME (NOK/mt) [2]	**12 404**	13 834	(10) %	13 607	(9) %	13 884
Realized premium above LME (USD/mt) [3]	**290**	309	(6) %	376	(23) %	333
Realized premium above LME (NOK/mt) [3]	**1 668**	1 754	(5) %	2 169	(23) %	1 866
Realized NOK/USD exchange rate	**5.75**	5.67	1 %	5.77	-	5.60
Primary aluminium production (kmt)	**514**	539	(5) %	415	24 %	1 982
Casthouse production (kmt)	**600**	613	(2) %	560	7 %	2 463
Casthouse sales (kmt)	**617**	584	6 %	568	9 %	2 451

1) Operating and financial information includes Hydro's proportionate share of underlying profit (loss), production and sales volumes in equity accounted investments. Realized prices, premiums and exchange rates exclude equity accounted investments.
2) Including effect of strategic LME hedges (hedge accounting applied).
3) Average realized premium above LME for total metal products sold from Primary Metal.

Operational and financial information Qatalum (50%)	First quarter 2012
Revenue (NOK million)	**1 018**
Underlying EBIT (NOK million)	**(14)**
Underlying EBITDA (NOK million)	**226**
Underlying Net income (NOK million)	**(64)**
Primary aluminium production (kmt)	**75**
Casthouse sales (kmt)	**76**

Underlying EBIT for Primary Metal declined compared to the fourth quarter of 2011, impacted by lower aluminium prices.

Lower realized aluminium prices[4] and lower premiums had a negative effect on underlying results totalling about NOK 700 million for the quarter. Lower alumina and carbon costs made a positive contribution, together with higher sales volumes. Our USD 300 per mt cost improvement program targeted to reach USD 235 per mt by end of 2012 continued according to plan.

Production volumes declined compared to the fourth quarter of 2011, mainly due to the partial curtailment of the Kurri Kurri smelter in Australia.

Underlying results for Qatalum declined mainly due to lower realized aluminium prices.

Underlying EBIT declined substantially compared to the first quarter of 2011. Lower realized aluminium prices had a negative effect on underlying results, partly offset by higher sales volumes. Higher carbon costs had a negative impact. Volumes increased substantially due to the completion of Qatalum and inclusion of Albras.

4) Due to hedging and inventory effects, our realized aluminium prices lag LME price developments by about 4 months.

Metal Markets

Operational and financial information	First quarter 2012	Fourth quarter 2011	% change prior quarter	First quarter 2011	% change prior year quarter	Year 2011
Underlying EBIT (NOK million)	**87**	(39)	>100 %	143	(39) %	441
Currency effects [1)]	**(28)**	(119)	76 %	56	>(100) %	(34)
Ingot inventory valuation effects [2)]	**(1)**	-	-	(7)	86 %	71
Underlying EBIT excl. currency and ingot inventory effects	**116**	80	46 %	95	23 %	404
Underlying EBITDA (NOK million)	**113**	(13)	>100 %	168	(33) %	542
Remelt production (kmt) [3)]	**152**	131	16 %	150	1 %	565
Sale of metal products from own production (kmt) [4)]	**783**	730	7 %	734	7 %	3 086
Sale of third-party metal products (kmt)	**76**	73	3 %	38	>100 %	217
Total metal products sales excluding ingot trading (kmt)	**858**	804	7 %	772	11 %	3 303
Hereof external sales excluding ingot trading (kmt)	**591**	564	5 %	467	27 %	2 091
External revenue (NOK million) [5)]	**8 043**	7 977	1 %	7 520	7 %	33 363
Product sales (NOK million) [6)]	**7 022**	6 328	11 %	6 983	1 %	27 681

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.

2) Comprised of hedging gains and losses relating to standard ingot inventories in our metal sourcing and trading operations. 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) Production in Metal Markets' soft alloy remelt casthouses. Hannover casthouse production excluded from Q1 2011.

4) Includes external and internal sales from our primary casthouse operations, remelters, part owned and third party metal sources. Includes volumes from Albras casthouse (Hydro's share 51 percent) from March 1, 2011.

5) External sales revenue from our primary casthouse operations, remelters, part owned and third party metal sources as well as aluminium trading and hedging activities, including derivatives.

6) Excludes revenues from our aluminium trading and hedging activities and derivatives.

Underlying EBIT for Metal Markets improved compared to the fourth quarter 2011 which was impacted by significant negative currency effects. Excluding the currency effects, underlying EBIT increased mainly due to higher volumes for remelt operations in Europe and in the U.S.

Total metal product sales excluding ingot trading increased in the quarter influenced by seasonally higher demand for casthouse products and higher ingot deliveries from our Brazilian operations.

Underlying EBIT declined compared to the first quarter 2011, which was influenced by positive currency effects. Excluding these effects, underlying EBIT increased in the quarter due to higher sales of third-party metal products sourced from Qatalum, and improved sourcing and trading results.

Rolled Products

Operational and financial information	First quarter 2012	Fourth quarter 2011	% change prior quarter	First quarter 2011	% change prior year quarter	Year 2011
Underlying EBIT (NOK million)	**151**	86	76 %	232	(35) %	673
Underlying EBITDA (NOK million)	**263**	211	25 %	342	(23) %	1 126
Sales volumes to external market (kmt)	**227**	215	6 %	245	(7) %	929
Sales volumes to external markets (kmt) - Customer business units						
Foil	**29**	27	9 %	32	(9) %	121
Can beverage	**46**	49	(6) %	44	5 %	188
Other packaging and building	**19**	19	(1) %	23	(17) %	85
Automotive, heat exchanger	**31**	31	1 %	37	(16) %	134
General engineering	**57**	48	18 %	66	(14) %	236
Lithography	**45**	40	10 %	44	1 %	165
Rolled Products	**227**	215	6 %	245	(7) %	929

Underlying EBIT for Rolled Products was substantially higher compared to the fourth quarter of 2011, mainly driven by seasonally higher shipments and somewhat higher margins. Operating costs per mt were stable.

Shipments increased for general engineering from the seasonally lower fourth quarter which was also impacted by higher customer destocking activities. Shipments for other product segments also showed seasonally higher volumes except the can beverage segment and heat exchanger business which was impacted by a breakdown at the Hamburg hot-rolling mill and the discontinuance of certain products. Overall margins were higher compared to the previous quarter despite continued margin pressure within the general engineering and foil market segments.

Underlying EBIT was below the same period of last year, primarily due to lower shipments. Margins improved mainly due to positive currency effects on export sales.[1)] Operating costs per mt were higher mainly due to the lower volumes.

Shipments declined for most product segments. Both the general engineering and foil market segments were impacted by weaker market conditions while the heat exchanger business was affected by the same factors discussed above.

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

Extruded Products

Operational and financial information	First quarter 2012	Fourth quarter 2011	% change prior quarter	First quarter 2011	% change prior year quarter	Year 2011
Underlying EBIT (NOK million)	**14**	(90)	>100 %	105	(86) %	151
Underlying EBITDA (NOK million)	**125**	31	>100 %	237	(47) %	655
Sales volumes to external market (kmt)	**133**	121	10 %	136	(2) %	536
Sales volumes to external markets (kmt) - sectors						
Extrusion Eurasia	**74**	66	12 %	78	(5) %	303
Building Systems	**14**	16	(9) %	16	(11) %	64
Extrusion Americas	**27**	24	11 %	24	11 %	101
Precision Tubing	**18**	15	18 %	19	(3) %	69
Extruded Products	**133**	121	10 %	136	(2) %	536

Underlying results for Extruded Products improved compared with the fourth quarter, which was impacted by seasonally lower sales volumes and weak demand in general. Results for the quarter were heavily impacted by the challenging situation in the building systems market in Europe. Rationalization and restructuring initiatives are in progress and we expect increasing cost improvements for the remaining quarters of 2012.

Volumes were seasonally higher for our European extrusion operations, but demand remained weak. Building systems volumes declined compared to the previous quarter due to low activity in Southern Europe. Volumes improved and were relatively strong in North America and stable in South America. Precision tubing volumes also increased, mainly driven by higher demand in North America.

Operating costs increased in the first quarter, driven by the higher sales volumes, however cost per mt declined due to higher productivity in our general extrusion operations.

Compared to the first quarter of 2011, underlying EBIT was substantially lower, impacted by the difficult market conditions for our high-margin building systems business. Volumes also declined for our European general extrusion operations and precision tubing business, while American volumes increased. Cost savings from rationalization and restructuring were partly offsetting the effects of the market declines.

Energy

Operational and financial information	**First quarter 2012**	Fourth quarter 2011	% change prior quarter	First quarter 2011	% change prior year quarter	Year 2011
Underlying EBIT (NOK million)	**556**	441	26 %	573	(3) %	1 883
Underlying EBITDA (NOK million)	**584**	484	21 %	600	(3) %	2 018
Direct production costs (NOK million) [1)]	**149**	119	25 %	122	22 %	468
Power production (GWh)	**3 190**	2 706	18 %	2 308	38 %	9 582
External power sourcing (GWh)	**2 113**	2 258	(6) %	2 096	1 %	8 675
Internal contract sales (GWh)	**3 082**	3 202	(4) %	3 072	-	12 446
External contract sales (GWh)	**343**	332	3 %	377	(9) %	1 187
Net spot sales (GWh)	**1 879**	1 430	31 %	955	97 %	4 624

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

Underlying results for Energy increased in the first quarter compared to the previous quarter, due to higher production which reached record levels.

Compared to the corresponding quarter of 2011, underlying results were stable. Negative effects due to significantly lower prices and higher transmission costs were mostly offset by substantially higher production.

Other and eliminations

Other and eliminations NOK million	**First quarter 2012**	Fourth quarter 2011	% change prior quarter	First quarter 2011	% change prior year quarter	Year 2011
Underlying EBIT	**(137)**	92	>(100) %	(344)	60 %	(389)
of which eliminations	***34***	*250*	*(86) %*	*(157)*	*>100 %*	*190*

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

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] NOK million	**First quarter 2012**	Fourth quarter 2011	First quarter 2011	Year 2011
Unrealized derivative effects on LME related contracts [2]	**(55)**	337	79	431
Derivative effects on LME related contracts (Vale Aluminium) [3]	**-**	5	42	(74)
Unrealized derivative effects on power contracts [4]	**(265)**	31	(40)	(195)
Unrealized derivative effects on currency contracts [5]	-	-	(1)	(1)
Unrealized derivative effects on raw material contracts [6]	**13**	6	16	43
Metal effect, Rolled Products [7]	**60**	134	(176)	7
Significant rationalization charges and closure costs [8]	**132**	121	-	225
Impairment charges (PP&E and equity accounted investments) [9]	**30**	1 326	-	1 382
Pension [10]	**17**	-	-	-
(Gains)/losses on divestments [11]	**(40)**	(465)	-	(1 184)
Transaction related effects (Vale Aluminium) [12]	-	-	(4 328)	(4 328)
Items excluded from underlying EBIT	**(108)**	1 494	(4 408)	(3 694)
Net foreign exchange (gain)/loss [13]	**(410)**	28	30	971
Calculated income tax effect [14]	**189**	103	57	(78)
Items excluded from underlying net income	**(329)**	1 625	(4 321)	(2 802)

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) Realized and unrealized derivative effects on LME contracts related to the hedge of the net aluminium price exposure in Vale Aluminium not subject to hedge accounting. Realized effects recognized as of March 1, 2011 are included in underlying EBIT.

4) Unrealized gains and losses on embedded derivatives in power contracts for own use and financial power contracts used for hedging purposes.

5) Relates to currency effects in equity accounted investments (Alunorte) prior to February 28, 2011.

6) Unrealized gains and losses on embedded derivatives in raw material contracts for own use.

7) 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.

8) 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.

9) Impairment charges reflect write-downs of assets or groups of assets to estimated recoverable amounts in the event of an identified loss in value.

10) Recognition of pension plan amendments, curtailments and settlements, etc.

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

12) Effects related to the acquisition of Vale Aluminium on February 28, 2011 include the revaluation gain of Hydro's pre-transaction stake in Alunorte and CAP, gains and losses related to settlement of pre-existing contracts and agreements, as well as the fair value adjustment of inventory of finished goods sold.

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

14) 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. In addition, we have adjusted for the write-down of deferred tax assets in fourth quarter of 2011.

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, with a brief discussion of the major factors affecting the development of these items in the first quarter of 2012.

Items excluded from underlying EBIT [1)] NOK million	**First quarter 2012**	Fourth quarter 2011	First quarter 2011	Year 2011
Unrealized derivative effects on currency contracts (Alunorte)	-	-	(1)	(1)
Derivative effects on LME related contracts (Vale Aluminium)	**-**	3	16	(72)
Unrealized derivative effects on LME related contracts	**(8)**	-	-	-
Transaction related effects (Vale Aluminium)	-	-	(4 421)	(4 421)
(Gains)/losses on divestments	**-**	(465)	-	(465)
Bauxite & Alumina	**(8)**	(461)	(4 406)	(4 959)
Derivative effects on LME related contracts (Vale Aluminium)	**-**	1	27	(1)
Unrealized derivative effects on LME related contracts (Søral)	**-**	3	-	(3)
Unrealized derivative effects on LME related contracts	**113**	165	(23)	(143)
Unrealized derivative effects on power contracts (Søral)	**11**	7	30	43
Unrealized derivative effects on power contracts	**(152)**	56	(84)	139
Unrealized derivative effects on raw material contracts	**13**	6	16	43
Impairment charges	**-**	970	-	970
Impairment charges (Qatalum)	**30**	-	-	-
Rationalization charges and closure costs	**112**	37	-	80
Transaction related effects (Vale Aluminium)	-	-	93	93
Primary Metal	**126**	1 244	59	1 221
Unrealized derivative effects on LME related contracts	**(68)**	148	(8)	(16)
Metal Markets	**(68)**	148	(8)	(16)
Unrealized derivative effects on LME related contracts	**(78)**	1	59	584
Metal effect	**60**	134	(176)	7
Rationalization charges and closure costs	-	-	-	17
Rolled Products	**(18)**	135	(117)	608
Unrealized derivative effects on LME related contracts	**(13)**	(1)	(3)	29
Rationalization charges and closure costs	**20**	84	-	127
Impairment charges	**-**	235	-	235
Pension	**17**	-	-	-
Extruded Products	**24**	318	(3)	391
Unrealized derivative effects on power contracts	**2**	(7)	7	(8)
(Gains)/losses on divestments	**-**	-	-	(658)
Energy	**2**	(7)	7	(667)
Unrealized derivative effects on power contracts	**(126)**	(25)	8	(370)
Unrealized derivative effects on LME related contracts	**(1)**	22	54	(20)
Impairment charges	**-**	121	-	177
(Gains)/losses on divestments	**(40)**	-	-	(60)
Other and eliminations	**(166)**	118	61	(273)
Items excluded from underlying EBIT	**(108)**	1 494	(4 408)	(3 694)

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

Bauxite & Alumina
Unrealized gains on LME derivative contracts related to our operational hedge program were the effect of changes in LME forward prices.

Primary Metal
Unrealized losses on LME derivative contracts related to our operational hedging program were the net effect of realized positions and unrealized gains on forward positions due to the changes in LME forward prices. Unrealized gains on power contracts were comprised of net unrealized gains on embedded derivatives in power contracts, and unrealized losses on financial power contracts in Søral, the effect of decreasing forward prices on power. Unrealized losses on embedded derivatives in raw material contracts were mainly the effect of realized volumes. Impairment charges relate to impairment of assets damaged in the cooling tower fire in Qatalum in March. Rationalization charges and closure costs relate to the closure of one production line in Kurri Kurri.

Metal Markets
Unrealized gains on LME derivative contracts related to our operational hedging program were mainly the net effect of realized positions and unrealized gains on forward positions due to changes in LME forward prices.

Rolled Products
Unrealized gains on LME derivative contracts related to our operational hedging program were the net effect of realized positions and unrealized losses on forward positions due to changes in LME forward prices. The negative metal effect reflects changes in LME prices affecting inventories.

Extruded Products
Unrealized gains on LME derivative contracts related to our operational hedging program were the net effect of realized positions and unrealized losses on forward positions due to changes in LME forward prices. Rationalization charges and closure costs relate to the rationalization program involving Building Systems and Extrusion Eurasia. Further rationalization charges are expected in 2012. Pension charges reflects an actuarial loss on liabilities related to retired employees from the closed plants in the U.S.

Energy
Unrealized losses on financial power contracts relate to hedging of our power portfolio positions.

Other and eliminations
Unrealized derivative effects on power contracts result from changes in the fair value of certain internal power contracts related to the delivery of power from Hydro's Energy segment to consuming units. These internal contracts, or embedded derivatives within the contracts, are accounted for at fair value by the Energy segment. Valuation effects are included in Other and eliminations. The net unrealized gain reflects mainly a weaker US dollar, partly offset by an upward shift in LME forward prices. Unrealized derivative effects on LME related contracts resulted from changes in the fair value of certain internal aluminium contracts between Metal Markets and other units. These internal contracts are accounted for at fair value by Metal Markets. Valuation effects are eliminated as part of Other and eliminations, and excluded from underlying results. Gains on divestments relate to the sale of shares in Ascent.

Finance

Financial income (expense) NOK million	**First quarter 2012**	Fourth quarter 2011	% change prior quarter	First quarter 2011	% change prior year quarter	Year 2011
Interest income	**76**	107	(29)%	51	49 %	263
Dividends received and net gain (loss) on securities	**50**	17	>100%	(10)	>100%	(53)
Financial income	**126**	124	1 %	41	>100%	209
Interest expense	**(77)**	(86)	10 %	(80)	3 %	(367)
Capitalized interest	**1**	(4)	>100%	-	-	1
Net foreign exchange gain (loss)	**410**	(28)	>100%	(30)	>100%	(971)
Other	**(26)**	(32)	18 %	(25)	(7)%	(161)
Financial expense	**307**	(150)	>100%	(134)	>100%	(1 498)
Financial income (expense), net	**433**	(26)	>100%	(93)	>100%	(1 288)

The net currency gain for the first quarter was influenced by the depreciation of the US dollar compared with the Norwegian krone and Brazilian real. Net currency gains related to intercompany financial balances amounted to roughly NOK 260 million in the first quarter 2012 and about NOK 130 million in the fourth quarter 2011.[1)]

1) Currency effects on intercompany balances arise from group positions where the counter parties have different functional currencies. Such gains and losses have no cash effects for the consolidated group.

Tax

Income tax expense for the first quarter of 2012 was about 47 percent of pre-tax income reflecting the relative high share of earnings from the power sur-tax area.

Interim financial statements

Condensed consolidated statements of income (unaudited)

	First quarter		Year
NOK million, except per share data	**2012**	2011	2011
Revenue	**21 748**	21 138	91 444
Share of the profit (loss) in equity accounted investments	**(115)**	(19)	(260)
Other income, net	**268**	4 553	6 222
Total revenue and income	**21 901**	25 672	97 406
Raw material and energy expense	**13 219**	13 194	55 825
Employee benefit expense	**3 051**	2 695	11 202
Depreciation, amortization and impairment	**1 295**	940	6 158
Other	**3 670**	2 988	14 394
Total expenses	**21 235**	19 817	87 579
Earnings before financial items and tax	**665**	5 855	9 827
Financial income	**126**	41	209
Financial expense	**307**	(134)	(1 498)
Financial income (expense), net	**433**	(93)	(1 288)
Income before tax	**1 098**	5 762	8 539
Income taxes	**(513)**	(608)	(1 790)
Net income	**585**	5 154	6 749
Net income attributable to minority interests	**85**	112	44
Net income attributable to Hydro shareholders	**499**	5 043	6 705
Adjusted basic and diluted earnings per share attributable to Hydro shareholders (in NOK) [1)]	**0.25**	2.89	3.41
Adjusted weighted average number of outstanding shares (million)	**2 036**	1 747	1 965

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)

	First quarter		Year
NOK million	**2012**	2011	2011
Net income	**585**	5 154	6 749
Other comprehensive income			
Currency translation differences, net of tax	**(2 409)**	(1 623)	(3 264)
Unrealized gain (loss) on securities, net of tax	**13**	(30)	(259)
Cash flow hedges, net of tax	**(1)**	(132)	58
Share of other comprehensive income in equity accounted investments, net of tax	**11**	22	(289)
Other comprehensive income	**(2 386)**	(1 763)	(3 754)
Total comprehensive income	**(1 801)**	3 391	2 995
Total comprehensive income attributable to minority interests	**(130)**	75	(272)
Total comprehensive income attributable to Hydro shareholders	**(1 672)**	3 316	3 267

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

Condensed consolidated balance sheets (unaudited)

NOK million, except number of shares	March 31, 2012	March 31, 2011	December 31, 2011
Assets			
Cash and cash equivalents	**8 786**	3 698	8 365
Short-term investments	**1 568**	1 319	1 780
Accounts receivable	**14 524**	19 262	13 217
Inventories	**13 201**	13 827	14 157
Other current assets	**382**	1 178	666
Total current assets	**38 461**	39 286	38 185
Property, plant and equipment	**62 286**	69 042	64 192
Intangible assets	**7 646**	7 377	7 930
Investments accounted for using the equity method	**10 857**	11 654	11 442
Prepaid pension	**1 650**	1 512	1 596
Other non-current assets	**8 740**	6 190	9 208
Total non-current assets	**91 179**	95 774	94 368
Total assets	**129 641**	135 060	132 554
Liabilities and equity			
Bank loans and other interest-bearing short-term debt	**5 080**	2 482	4 248
Trade and other payables	**12 384**	12 245	12 316
Other current liabilities	**4 215**	4 813	4 653
Total current liabilities	**21 679**	19 540	21 216
Long-term debt	**3 736**	4 539	4 190
Provisions	**3 271**	2 257	3 331
Pension obligation	**8 982**	9 043	9 099
Deferred tax liabilities	**4 746**	6 692	5 325
Other non-current liabilites	**3 885**	5 022	4 225
Total non-current liabilities	**24 621**	27 552	26 170
Total liabilities	**46 300**	47 092	47 386
Equity attributable to Hydro shareholders	**76 509**	79 719	78 180
Minority interest	**6 832**	8 250	6 988
Total equity	**83 341**	87 968	85 168
Total liabilities and equity	**129 641**	135 060	132 554
Total number of outstanding shares (million)	**2 036**	2 036	2 036

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

Condensed consolidated statements of cash flows (unaudited)

NOK million	First quarter 2012	First quarter 2011	Year 2011
Operating activities			
Net income	**585**	5 154	6 749
Depreciation, amortization and impairment	**1 295**	940	6 158
Other adjustments	**(1 265)**	(6 711)	(5 630)
Net cash provided by operating activities	**615**	(617)	7 277
Investing activities			
Purchases of property, plant and equipment	**(981)**	(515)	(3 841)
Purchases of other long-term investments	**(7)**	(5 955)	(6 328)
Proceeds from sales of property, plant and equipment	**2**	41	110
Proceeds from sales of other long-term investments	**45**	23	1 295
Net cash used in investing activities	**(941)**	(6 406)	(8 764)
Financing activities			
Loan proceeds	**2 132**	22	3 668
Principal repayments	**(597)**	(22)	(2 880)
Net increase (decrease) in other short-term debt	**(743)**	178	146
Proceeds from shares issued	**7**	7	88
Dividends paid	**-**	-	(1 781)
Net cash provided by (used in) financing activities	**799**	185	(759)
Foreign currency effects on cash and bank overdraft	**(130)**	(218)	(145)
Net increase (decrease) in cash, cash equivalents and bank overdraft	**343**	(7 056)	(2 391)
Cash, cash equivalents and bank overdraft at beginning of period	**8 344**	10 735	10 735
Cash, cash equivalents and bank overdraft at end of period	**8 687**	3 679	8 344

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

Condensed 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, 2011	1 780	9 553	(1 112)	46 616	(418)	56 418	1 025	57 443
Changes in equity for 2011								
Shares issued	492	19 493				19 985		19 985
Minority interest recognized at acquisition of subsidiaries							7 150	7 150
Total comprehensive income for the period				5 043	(1 727)	3 316	75	3 391
March 31, 2011	2 272	29 045	(1 112)	51 658	(2 145)	79 719	8 250	87 968
January 1, 2012	2 272	29 056	(1 084)	51 792	(3 856)	78 180	6 988	85 168
Changes in equity for 2012								
Dividends							(27)	(27)
Capital contribution in subsidiaries							1	1
Total comprehensive income for the period				499	(2 171)	(1 672)	(130)	(1 801)
March 31, 2012	2 272	29 056	(1 084)	52 292	(6 027)	76 509	6 832	83 341

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 1 Significant accounting policies and reporting entity and note 2 Changes in accounting principles and new pronouncements in Hydro's Financial Statements - 2011.

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 - 2011 that are a part of Hydro's Annual Report - 2011.

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 - 2011 note 7 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.

	First quarter		Year
NOK million	**2012**	2011	2011
Total revenue			
Bauxite & Alumina	**3 195**	2 183	14 471
Primary Metal	**7 458**	8 234	34 720
Metal Markets	**11 461**	12 005	48 725
Rolled Products	**5 143**	5 703	21 297
Extruded Products	**4 716**	5 102	20 085
Energy	**1 454**	2 080	6 393
Other and eliminations	**(11 681)**	(14 168)	(54 246)
Total	**21 748**	21 138	91 444
External revenue			
Bauxite & Alumina	**1 954**	1 014	8 595
Primary Metal	**1 127**	651	4 462
Metal Markets	**8 043**	7 520	33 363
Rolled Products	**5 113**	5 585	21 392
Extruded Products	**4 704**	5 068	19 944
Energy	**762**	1 226	3 424
Other and eliminations	**44**	73	264
Total	**21 748**	21 138	91 444
Internal revenue			
Bauxite & Alumina	**1 241**	1 168	5 876
Primary Metal	**6 331**	7 582	30 258
Metal Markets	**3 418**	4 485	15 362
Rolled Products	**30**	118	(95)
Extruded Products	**13**	34	140
Energy	**691**	855	2 969
Other and eliminations	**(11 724)**	(14 241)	(54 510)
Total	**-**	-	-
Share of the profit (loss) in equity accounted investments			
Bauxite & Alumina	**-**	13	6
Primary Metal	**(105)**	(6)	13
Metal Markets	**-**	-	-
Rolled Products	**(14)**	(22)	(76)
Extruded Products	**3**	4	16
Energy	**-**	7	15
Other and eliminations	**2**	(15)	(235)
Total	**(115)**	(19)	(260)

NOK million	First quarter 2012	First quarter 2011	Year 2011
Depreciation, amortization and impairment			
Bauxite & Alumina	**475**	178	1 580
Primary Metal	**542**	467	3 136
Metal Markets	**26**	25	101
Rolled Products	**98**	96	399
Extruded Products	**111**	132	742
Energy	**28**	26	132
Other and eliminations	**16**	16	69
Total	**1 295**	940	6 158
Earnings before financial items and tax (EBIT) [1]			
Bauxite & Alumina	**(136)**	4 561	5 846
Primary Metal	**(96)**	525	1 265
Metal Markets	**155**	151	457
Rolled Products	**169**	349	66
Extruded Products	**(10)**	108	(240)
Energy	**554**	566	2 550
Other and eliminations	**29**	(405)	(116)
Total	**665**	5 855	9 827
EBITDA			
Bauxite & Alumina	**339**	4 746	7 438
Primary Metal	**450**	997	4 421
Metal Markets	**182**	176	557
Rolled Products	**280**	459	519
Extruded Products	**101**	240	501
Energy	**582**	593	2 685
Other and eliminations	**44**	(389)	109
Total	**1 979**	6 822	16 231
Investments [2]			
Bauxite & Alumina [3]	**444**	31 614	36 865
Primary Metal [3]	**167**	7 128	9 505
Metal Markets	**2**	9	103
Rolled Products	**63**	36	435
Extruded Products	**122**	52	515
Energy	**89**	69	564
Other and eliminations [3]	**11**	2 716	39
Total	**898**	41 625	48 025

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.

3) Investments for Bauxite & Alumina, Primary Metal, Other and eliminations and Total include the acquisition of Vale Aluminium in the first quarter of 2011. The allocation of the purchase price was finalized and goodwill allocated in the fourth quarter of 2011. In total for 2011, investments related to the acquisition of Vale Aluminium amounted to NOK 35,321 million for Bauxite & Alumina and NOK 8,055 million for Primary Metal.

NOK million	EBIT	Depr., amor. and impairment 1)	EBITDA
EBIT - EBITDA First quarter 2012			
Bauxite & Alumina	(136)	475	339
Primary Metal	(96)	546	450
Metal Markets	155	26	182
Rolled Products	169	112	280
Extruded Products	(10)	111	101
Energy	554	28	582
Other and eliminations	29	15	44
Total	665	1 313	1 979

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: Contingencies

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 resulting liabilities, if any, will not have a material adverse effect on its consolidated results of operations, liquidity or financial position.

Additional information

Financial calendar 2012

8 May	Annual General Meeting
24 July	Second quarter results
23 October	Third quarter results
29 November	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 supplier of aluminium with activities throughout the value chain, from bauxite extraction to the production of rolled and extruded aluminium products and building systems. Based in Norway, the company employs 23,000 people in more than 40 countries. Rooted in 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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