



Norsk Hydro

Den store aksjekvelden - Oslo

Stian Hasle, Head of Investor Relations

Norsk Hydro

Who we are - well positioned in
challenging markets



110 years of industrial and sustainable development

Hydro has led the industrialization of Norway for more than a century



Turning science and natural resources into products, contributing to viable societies



Fertilizer, aluminium, magnesium, oil & gas, polymers, fish farming, pharmacy, investments...



A world-leading aluminium company

Fully-integrated value chain

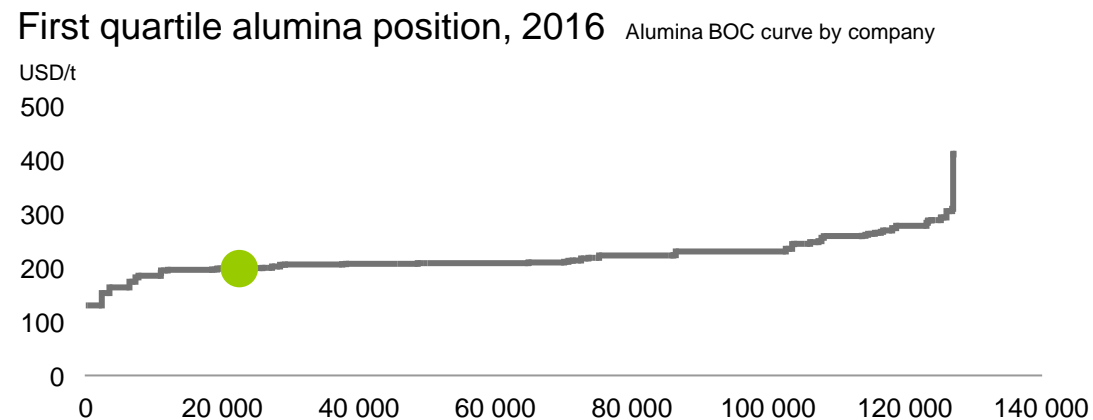
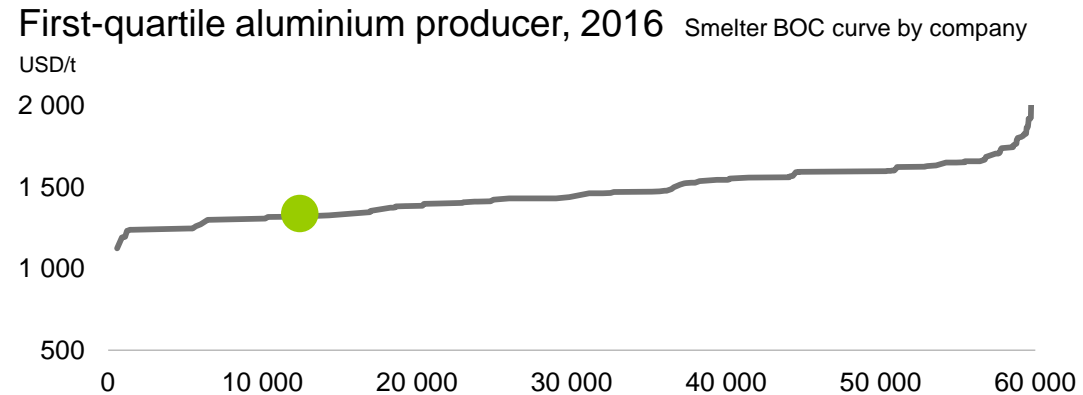
World class assets, high-end products and leading market positions



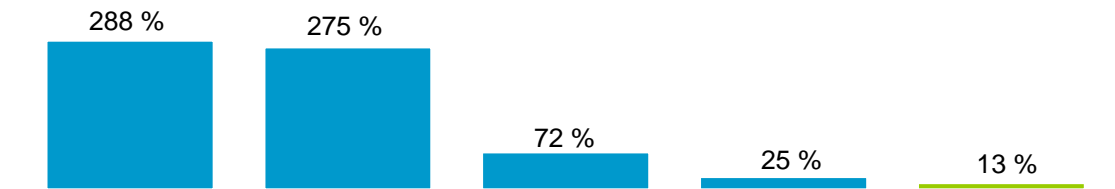
- Global provider of alumina, aluminium and aluminium products
- Leading businesses along the value chain
- 13 000 employees involved in activities in more than 40 countries

- Market capitalization ~NOK 82 billion
- Annual revenues ~NOK 88 billion
- Included in Dow Jones Sustainability Indexes and FTSE4Good

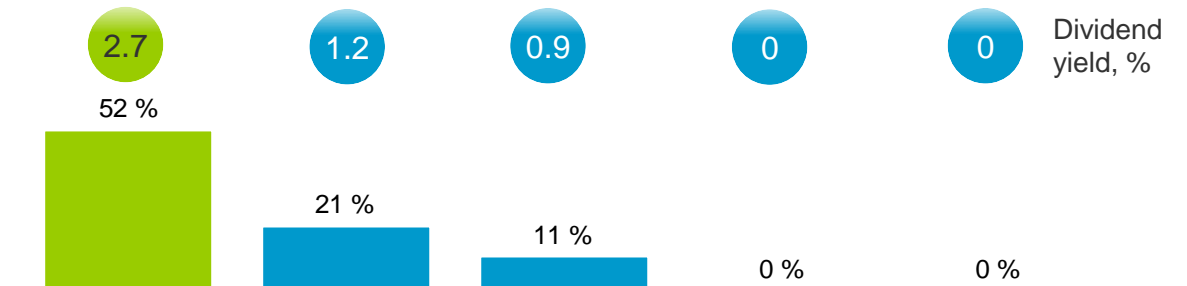
Leading performance compared to aluminium peers



Strongest balance sheet,
Total Debt/Total Equity, 2011-2015



Highest underlying payout ratio and dividend yield
2011-2015



Source: ThomsonOne, CRU, company filings
 Total debt/Total Equity= (Long Term Debt + Short Term Debt & Current Portion of Long Term Debt) /Equity attributable to shareholders
 Dividend yield = Dividend Per Share / Market Price at Year End
 Underlying dividend payout ratio = Dividend Per Share / Underlying Consolidated Earnings Per share

■ Peers ■ Hydro

Aluminium peers included: Alcoa, Century, Chalco, Rusal



Volatile markets

Solid demand growth



Aluminium – strong long-term growth drivers across all segments

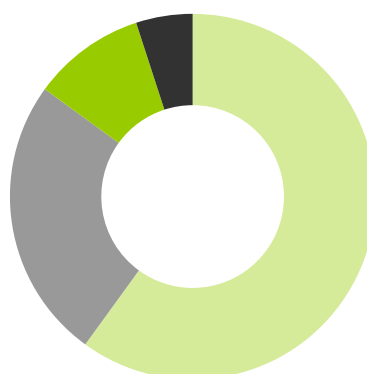
Wide range of applications and end-user benefits support long-term growth

Aluminium demand per segment



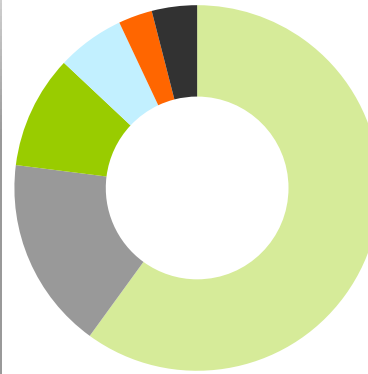
- Transport
- Construction
- Packaging
- Foil
- Electrical
- Consumer durables
- Machinery & Equipment
- Other

Copper demand per segment



- Electrical wire
- Roofing and plumbing
- Industrial machinery
- Other

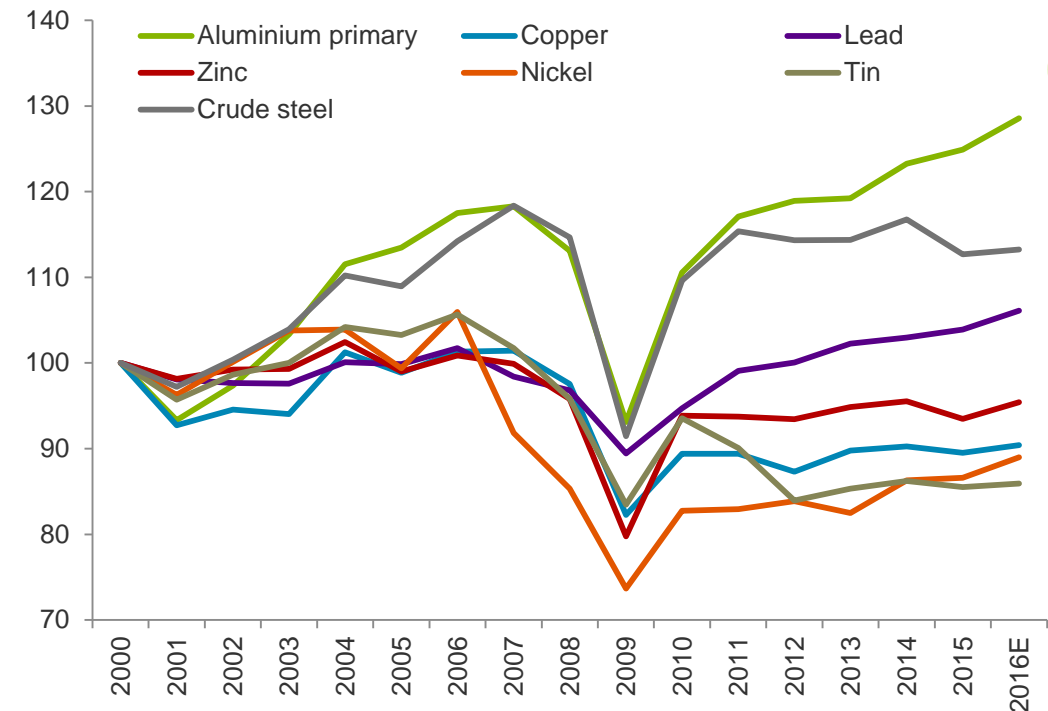
Steel demand per segment



- Construction
- Engineering
- Transport
- Energy
- Home appliances
- Other

World ex-China demand base metals

Index 2000=100



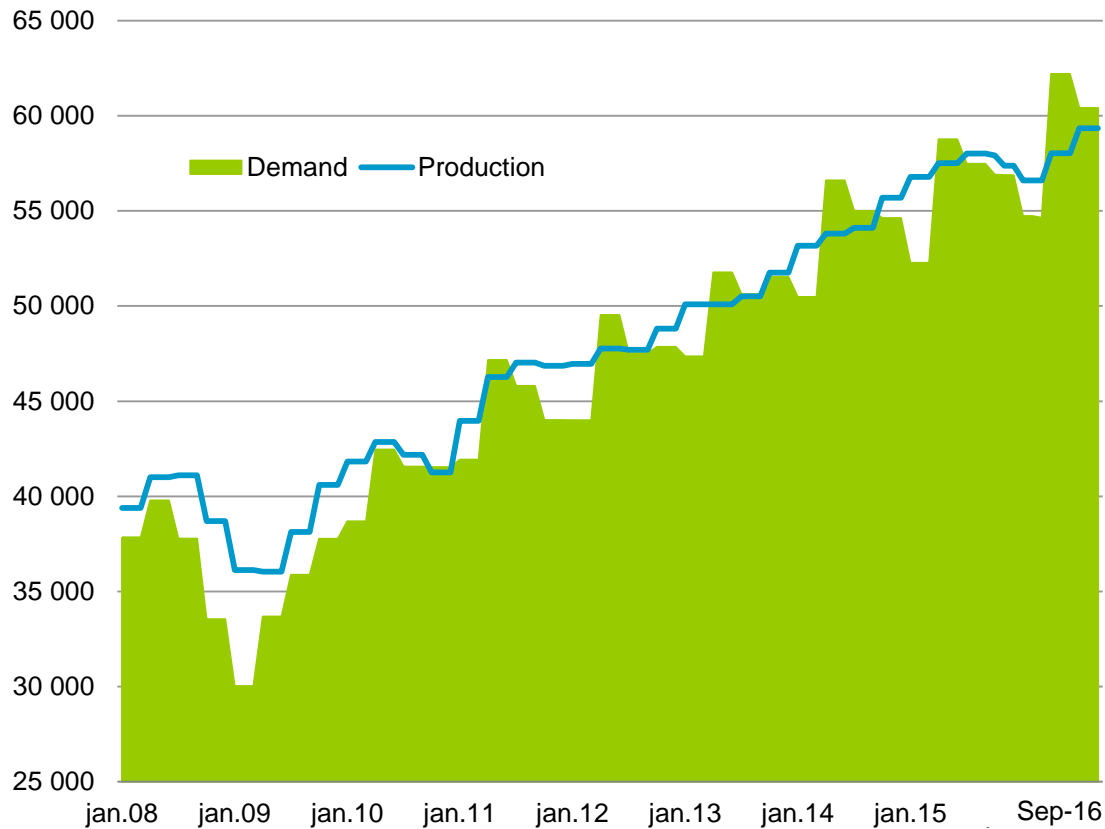
CAGR
2015-25
3 – 4 %

Primary aluminium market expected to be largely balanced in 2016

Tighter 2016 global market balance - increasing prices

Demand and production

Quarterly annualized, in 1 000 mt primary aluminium

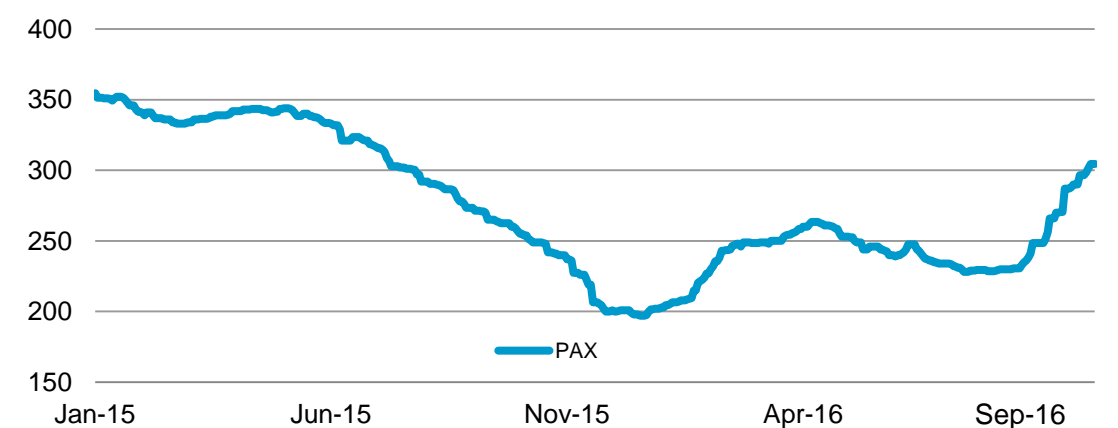


Source: CRU, Hydro analysis

LME aluminium prices, USD/mt



Platts alumina index (PAX), in USD/mt



Norsk Hydro

Strengthening
relative industry position
with ambitious aspirations



Hydro's aspiration for higher value creation

Better

- Strive for an injury free environment
- Continue improvements drive, deliver on ambitious improvement programs
- Extend technology and innovation lead

Bigger

- Enhance market positions and high-grade portfolio
- Mature selective growth projects for when time is right

Greener

- Become carbon neutral from a life-cycle perspective
- Capitalize on strong climate position over time
- Increase recycling of post-consumed scrap
- Turn leading HSE/CSR position into competitive advantage



Priorities

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

Better **Bigger** *Greener*

