



HYDRO

Third quarter report

Q3

2013

About our reporting

On October 15, 2012 Hydro announced an agreement with Orkla ASA to combine their respective extrusion profile, building systems and tubing businesses within a new joint venture company, Sapa AS owned 50 percent by each party. On September 1, 2013 the transaction was completed. Up until completion operating results for Hydro's Extruded Products are presented net of financial items and tax as Income (loss) from discontinued operations and excluded from reported EBIT and underlying EBIT. All prior periods in this report are reclassified accordingly. In addition, depreciation of property, plant and equipment for Extruded Products is excluded from operating results in periods subsequent to the date of the agreement until closing. Assets and liabilities related to Extruded Products are presented as assets held for sale in Hydro's consolidated balance sheet as of June 30, 2013 and December 31, 2012. Assets and liabilities in prior periods have not been reclassified.

Following the completion of the transaction, Hydro's share of operating results from Sapa is included in Share of profit (loss) in equity accounted investments in Other and eliminations. Hydro's share of net assets in Sapa is included in Investments accounted for using the equity method in the consolidated balance as of September 30, 2013.

As of January 1, 2013 Hydro has implemented a new accounting standard for employee benefits (IAS19R) with retrospective application resulting in changes to the prior periods in this report. See note 1 to the condensed consolidated financial statements for more information.

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Overview

Summary underlying financial and operating results and liquidity

Key financial information	Third quarter 2013	Second quarter 2013	%change prior quarter	Third quarter 2012	%change prior year quarter	First 9 months 2013	First 9 months 2012	Year 2012
NOK million, except per share data								
Revenue	16 146	16 053	1 %	14 722	10 %	48 309	48 596	64 181
Earnings before financial items and tax (EBIT)	597	375	59 %	(232)	>100 %	1 677	(132)	571
Items excluded from underlying EBIT	62	144	(57) %	249	(75) %	577	1 257	725
Underlying EBIT	659	518	27 %	16	>100 %	2 254	1 125	1 297
<i>Underlying EBIT :</i>								
Bauxite & Alumina	(370)	(244)	(51) %	(386)	4 %	(678)	(718)	(791)
Primary Metal	337	237	42 %	(4)	>100 %	938	277	335
Metal Markets	111	147	(24) %	8	>100 %	404	140	210
Rolled Products	182	181	1 %	213	(15) %	516	567	637
Energy	485	268	81 %	220	>100 %	1 270	1 137	1 459
Other and eliminations ¹⁾	(87)	(70)	(23) %	(35)	>(100) %	(195)	(278)	(553)
Underlying EBIT	659	518	27 %	16	>100 %	2 254	1 125	1 297
Underlying EBITDA	1 753	1 624	8 %	1 149	53 %	5 541	4 577	5 827
Underlying income (loss) from discontinued operations ¹⁾	57	112	(49) %	16	>100 %	220	49	(5)
Net income (loss)	321	(665)	>100 %	(256)	>100 %	(81)	(1 418)	(1 331)
Underlying net income (loss)	393	427	(8) %	(44)	>100 %	1 470	432	408
Earnings per share	0.11	(0.31)	>100 %	(0.15)	>100 %	(0.06)	(0.70)	(0.65)
Underlying earnings per share	0.14	0.19	(26) %	(0.01)	>100 %	0.63	0.22	0.21
<i>Financial data:</i>								
Investments ²⁾	948	612	55 %	806	18 %	2 615	2 275	3 382
Adjusted net interest-bearing debt ³⁾	(10 732)	(11 317)	5 %	(12 918)	17 %	(10 732)	(12 918)	(8 304)
Key Operational information								
Alumina production (kmt)	1 316	1 248	5 %	1 441	(9) %	3 925	4 396	5 792
Primary aluminium production (kmt)	491	483	2 %	484	1 %	1 452	1 500	1 985
Realized aluminium price LME (USD/mt)	1 822	1 926	(5) %	2 022	(10) %	1 932	2 119	2 080
Realized aluminium price LME (NOK/mt) ⁴⁾	10 938	11 217	(2) %	11 856	(8) %	11 233	12 321	12 047
Realized NOK/USD exchange rate ⁴⁾	6.00	5.82	3 %	5.86	2 %	5.81	5.81	5.79
Metal products sales, total Hydro (kmt) ⁵⁾	792	789	-	794	-	2 387	2 522	3 254
Rolled Products sales volumes to external market (kmt)	234	245	(5) %	228	3 %	715	683	909
Power production (GWh)	2 838	2 090	36 %	2 157	32 %	7 831	7 860	10 307

1) Other and eliminations includes Hydro's 50 percent share of underlying net income from Sapa for September only. Underlying income (loss) from discontinued operations includes results from Hydro's Extruded Products business for July and August and all prior periods.

2) Investments exclude amounts relating to Extruded Products for all periods presented. Investments include non-cash elements relating to capitalized lease obligations and the Vigeland acquisition.

3) See note 35 Capital Management in Hydro's Financial statements - 2012 for a discussion of the definition of adjusted interest bearing debt. From the third quarter 2012, net interest bearing debt in Qatalum is excluded from our reported adjusted interest bearing debt following the termination of Hydro's guarantee of Qatalum debt.

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

5) Sales from casthouses (incl. Neuss), remelters and third party sources.

Hydro's underlying earnings before financial items and tax improved to NOK 659 million in the third quarter, up from NOK 518 million in the second quarter of 2013 mainly due to higher power production and lower operating costs. The positive developments were partly offset by a further weakening of underlying results for Bauxite & Alumina.

Underlying EBIT for Bauxite & Alumina declined compared to the second quarter due to lower LME-linked alumina prices and continued low production volumes from Alunorte.

Primary Metal delivered improved underlying EBIT despite lower realized aluminium prices. Lower costs for alumina and power, higher premiums and seasonally lower fixed costs had a positive effect on underlying results for the quarter.

Underlying EBIT for Metal Markets declined compared to the previous quarter mainly impacted by seasonally lower volumes and lower margins.

Compared to the second quarter, underlying EBIT for Rolled Products was stable. Shipments were seasonally lower while operating costs declined.

Underlying EBIT for Energy improved compared to the second quarter mainly due to higher production.

Operating cash flow was NOK 1.1 billion for the third quarter. Net cash used for investment activities amounted to NOK 0.7 billion. Hydro's net debt position amounted to around NOK 0.5 billion at the end of the third quarter.

Reported EBIT and net income

Reported earnings before financial items and tax amounted to NOK 597 million in the third quarter. In addition to the factors discussed above, reported EBIT included net unrealized derivative gains and negative metal effects amounting to a loss of NOK 80 million in total, divestment gains of NOK 53 million and other items amounting to a net loss of NOK 36 million. The divestment gains related to a revaluation of previously owned shares in the Vigeland metal refinery. In the previous quarter, reported EBIT amounted to NOK 375 million including net unrealized derivative gains and negative metal effects amounting to a loss of NOK 74 million in total, rationalization and closure cost of NOK 86 million and divestment gains of NOK 16 million. For more information see section on Items excluded from underlying EBIT later in this report.

Income from continuing operations amounted to NOK 189 million in the third quarter including a net foreign exchange loss of NOK 152 million. In the previous quarter, Loss from continuing operations amounted to NOK 713 million including a net foreign exchange loss of NOK 1,291 million.

Income from discontinued operations amounted to NOK 132 million in the third quarter including a gain on the Sapa transaction amounting to NOK 75 million. In the previous quarter, Income from discontinued operations amounted to NOK 48 million including rationalization and closure costs of NOK 77 million.

Market developments and outlook

Market statistics ¹⁾	Third quarter 2013	Second quarter 2013	% change prior quarter	Third quarter 2012	% change prior year quarter	First 9 months 2013	First 9 months 2012	Year 2012
NOK/USD Average exchange rate	5.99	5.83	3 %	5.91	1 %	5.82	5.87	5.82
NOK/USD Balance sheet date exchange rate	6.01	6.03	-	5.70	5 %	6.01	5.70	5.57
NOK/BRL Average exchange rate	2.62	2.82	(7) %	2.92	(10) %	2.75	3.07	2.99
NOK/BRL Balance sheet date exchange rate	2.67	2.73	(2) %	2.81	(5) %	2.67	2.81	2.72
NOK/EUR Average exchange rate	7.93	7.62	4 %	7.39	7 %	7.67	7.51	7.47
NOK/EUR Balance sheet date exchange rate	8.11	7.88	3 %	7.37	10 %	8.11	7.37	7.34
<i>Bauxite & Alumina:</i>								
Average alumina price - Platts PAX FOB Australia (USD/t)	317	326	(3) %	315	1 %	328	316	319
Global production of alumina (kmt)	25 595	25 275	1 %	24 145	6 %	74 889	71 283	96 044
Global production of alumina (ex. China) (kmt)	13 651	13 412	2 %	13 815	(1) %	40 262	40 949	54 802
<i>Primary Metal and Metal Markets:</i>								
LME three month average (USD/mt)	1 827	1 870	(2) %	1 945	(6) %	1 912	2 061	2 050
LME three month average (NOK/mt)	10 933	10 891	-	11 482	(5) %	11 100	12 062	11 908
Global production of primary aluminium (kmt)	12 663	12 411	2 %	12 033	5 %	37 344	35 650	47 963
Global consumption of primary aluminium (kmt)	12 995	12 671	3 %	12 052	8 %	37 244	35 533	47 565
Global production of primary aluminium (ex. China) (kmt)	6 507	6 488	-	6 412	1 %	19 408	19 287	25 765
Global consumption of primary aluminium (ex. China) (kmt)	6 700	6 585	2 %	6 567	2 %	19 659	19 525	25 891
Reported primary aluminium inventories (kmt)	8 197	8 656	(5) %	7 930	3 %	8 197	7 930	8 145
<i>Rolled products and extruded products:</i>								
Consumption rolled products - Europe (kmt)	1 088	1 089	-	1 075	1 %	3 250	3 204	4 181
Consumption rolled products - USA & Canada (kmt)	1 099	1 086	1 %	1 082	2 %	3 224	3 265	4 228
Consumption extruded products - Europe (kmt)	679	695	(2) %	694	(2) %	2 032	2 154	2 784
Consumption extruded products - USA & Canada (kmt)	471	480	(2) %	464	2 %	1 405	1 412	1 823
<i>Energy:</i>								
Average southern Norway spot price (NO2) (NOK/MWh)	267	296	(10) %	131	>100 %	291	202	218
Average nordic system spot price (NOK/MWh)	284	294	(3) %	154	85 %	297	220	234

1) Industry statistics have been derived from analyst reports, trade associations and other public sources unless otherwise indicated. 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 declined 36 percent for the first nine months of 2013 compared to the corresponding period in 2012. Bauxite imports into China continued to be high in advance of the announced restrictions on Indonesian exports expected to take effect beginning January 2014. For the first eight months of 2013, bauxite imports amounted to 46.5 million mt, an increase of 60 percent compared to the corresponding period in 2012.

Platts alumina spot prices averaged USD 317 per mt for the quarter representing 17.3 percent of LME.¹⁾ Prices were relatively stable throughout the quarter.

1) 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 revenues for this period.

Primary aluminium

LME prices remained at a level of around USD 1,800 to 1,900 per mt throughout most of the third quarter. Average European and North American ingot premiums declined by 7 percent and 4 percent respectively compared to the second quarter influenced by potential changes in LME warehousing rules. By the end of the third quarter, standard ingot premiums had declined 19 percent and 17 percent respectively from the highest level quoted in 2013.

Global demand for primary aluminium (excluding China) increased compared to the second quarter and the same quarter of the previous year. Annualized consumption amounted to 26.6 million mt in the third quarter. Annualized production declined somewhat amounting to 25.8 million mt. Global demand (excluding China) is expected to grow around 2 percent in 2013 resulting in a largely balanced market assuming execution of announced ramp ups and curtailments.

In China, aluminium consumption increased compared to the second quarter, amounting to 25.0 million mt on an annualized basis. Corresponding production increased to 24.4 million mt. New capacity continues to be ramped up in the Northwest regions somewhat offset by further curtailments in the Eastern provinces.

European consumption of extrusion ingot was relatively stable during the third quarter of 2013 compared to the same period of last year. Demand for primary foundry alloys in Europe strengthened during the same period. European consumption of sheet ingot increased slightly.

Rolled products

European demand for rolled products was stable compared to the previous quarter. Compared to the same quarter one year ago demand improved slightly.

Demand for rolled products in the automotive segment in Europe grew due to an expected increase of car production in the fourth quarter. In general, demand from the automotive segment continues to be supported by the substitution of steel by aluminium. Customer destocking had a negative impact on demand within the foil and beverage can segments during the quarter. However the underlying demand for beverage cans remained healthy. Demand in the building and construction segment was stable but on a low level. General engineering demand was seasonally lower.

European demand for rolled products is expected to be lower in the fourth quarter due to seasonality.

Extruded products

Extruded products demand in North America increased 2 percent in the third quarter of 2013 compared to third quarter of 2012. Demand was mainly supported by growth in the automotive segment. Within the transport and industrial segments demand was stable.

The decline in the beginning of 2013 in demand for extruded products in Europe has slowed. Total market demand was down approximately 2 percent in the third quarter of 2013 compared to the second quarter and the third quarter of 2012. Transport, renewable energy and building segments contributed negatively, while automotive, especially in emerging markets, continued to support demand in Europe. The building industry remained weak in particular in Southern Europe.

Global demand in the automotive sector supported the precision tubing segment in emerging markets in particular.

Energy

Spot prices remained stable throughout the summer, supported by higher power prices in Germany, outages of nuclear power production in Sweden and a declining hydrological balance. The Nordic hydrological balance fell by more than 8 TWh in the third quarter, ending the quarter around 17 TWh below normal.

Additional factors impacting Hydro

Primary Metal has sold forward around 50 percent of its expected primary aluminium production for the fourth quarter of 2013 at a price level of around USD 1,800 per mt.¹⁾ This excludes volumes from Qatalum.

The Alunorte alumina refinery and Albras aluminium smelter have entered into additional USD currency forward contracts in Brazil for second half 2013 and 2014. The total program value amounted to USD 1,220 million, including settled amounts, split 30 percent and 70 percent for 2013 and 2014 respectively. The achieved average exchange rates for the total program are 2.30 and 2.41 for 2013 and 2014 respectively.

¹⁾ From February 2013 we have changed our pricing formula for metal sales. Prices are now 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.

On October 8 2013, Hydro announced that its part-owned aluminium smelter Svalco signed a power agreement for the supply of electricity in the period 2014 to 2021.

Measures continue to restore production at the Alunorte refinery in Brazil following the external power outages in the first half of 2013.

Underlying EBIT

Bauxite & Alumina

Operational and financial information	Third quarter 2013	Second quarter 2013	%change prior quarter	Third quarter 2012	%change prior year quarter	First 9 months 2013	First 9 months 2012	Year 2012
Underlying EBIT (NOK million)	(370)	(244)	(51) %	(386)	4 %	(678)	(718)	(791)
Underlying EBITDA (NOK million)	47	203	(77) %	42	13 %	617	623	959
Alumina production (kmt)	1 316	1 248	5 %	1 441	(9) %	3 925	4 396	5 792
Sourced alumina (kmt)	711	427	67 %	399	78 %	1 614	1 055	1 390
Total alumina sales (kmt)	1 879	1 696	11 %	1 683	12 %	5 449	5 347	7 227
Realized alumina price (USD/mt) ¹⁾	267	275	(3) %	270	(1) %	280	287	286
Apparent alumina cash cost (USD/mt) ²⁾	265	252	5 %	261	2 %	259	265	259
Bauxite production (kmt) ³⁾	1 513	1 765	(14) %	2 439	(38) %	5 487	6 844	9 221
Sourced bauxite (kmt) ⁴⁾	2 353	2 431	(3) %	2 166	9 %	6 049	6 148	8 692

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

2) Calculated 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.

3) Paragominas on wet basis.

4) 40 percent MRN off take from Vale and 5 percent Hydro share on wet basis.

Underlying EBIT for Bauxite & Alumina declined compared to the second quarter due to continued low production at Alunorte and lower LME-linked alumina prices.

Alumina production at Alunorte increased compared to the second quarter. However, production has not fully recovered from the power outages that occurred in the first half of 2013. Results were negatively impacted by costs relating to increased sourcing of alumina. Bauxite production was impacted due to lower off-take by Alunorte.

Production disruptions from the power outages will impact Bauxite & Alumina's improvement program "from B to A" in 2013. However, Hydro expects to reach targeted savings of NOK 1 billion by the end of 2015.

Compared to third quarter of the previous year, underlying EBIT for Bauxite and Alumina, was stable. Positive effects relating to lower energy costs and a weaker BRL were offset by the negative impacts of the production disruptions discussed above.

Developments in underlying EBIT for the first nine months of 2013 were impacted by the same factors discussed above.

Primary Metal

Operational and financial information ¹⁾	Third quarter 2013	Second quarter 2013	%change prior quarter	Third quarter 2012	%change prior year quarter	First 9 months 2013	First 9 months 2012	Year 2012
Underlying EBIT (NOK million)	337	237	42 %	(4)	>100 %	938	277	335
Underlying EBITDA (NOK million)	802	713	13 %	482	67 %	2 353	1 805	2 332
Realized aluminium price LME (USD/mt) ²⁾	1 822	1 926	(5) %	2 022	(10) %	1 932	2 119	2 080
Realized aluminium price LME (NOK/mt) ²⁾	10 938	11 217	(2) %	11 856	(8) %	11 233	12 321	12 047
Realized premium above LME (USD/mt) ³⁾	382	363	5 %	296	29 %	365	290	298
Realized premium above LME (NOK/mt) ³⁾	2 290	2 114	8 %	1 733	32 %	2 120	1 686	1 726
Realized NOK/USD exchange rate	6.00	5.82	3 %	5.86	2 %	5.81	5.81	5.79
Primary aluminium production (kmt)	491	483	2 %	484	1 %	1 452	1 500	1 985
Casthouse production (kmt)	525	522	1 %	548	(4) %	1 550	1 736	2 248
Casthouse sales (kmt)	525	522	1 %	548	(4) %	1 578	1 771	2 266

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 includes effects of strategic currency hedges (hedge accounting applied).

2) Including effect of strategic LME hedges (hedge accounting applied). 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%)	Third quarter 2013	Second quarter 2013	%change prior quarter	Third quarter 2012	%change prior year quarter	First 9 months 2013	First 9 months 2012	Year 2012
Revenue (NOK million)	1 074	1 080	(1) %	1 075	-	3 278	3 259	4 292
Underlying EBIT (NOK million)	78	89	(12) %	(79)	>100 %	273	(26)	(22)
Underlying EBITDA (NOK million)	331	338	(2) %	179	85 %	1 019	748	998
Underlying Net income (loss) (NOK million)	31	44	(30) %	(129)	>100 %	140	(178)	(217)
Primary aluminium production (kmt)	76	75	1 %	76	-	226	225	302
Casthouse sales (kmt)	79	79	-	82	(4) %	241	239	320

Underlying EBIT for Primary Metal improved compared to the second quarter of 2013 despite lower realized aluminium prices. Lower costs for alumina and power, higher premiums and seasonally lower fixed costs had a positive effect on underlying results for the quarter.

Realized aluminium prices declined reflecting the weak LME. However, prices measured in Norwegian kroner declined to a lesser extent due to the stronger US dollar. Fixed costs declined impacted by reduced labor costs during the summer holiday season and lower maintenance costs. Initiatives relating to our USD 300 per mt improvement program continued according to plan.

Hydro's share of underlying results from Qatalum declined compared to the second quarter impacted by the declining LME prices partly offset by higher volumes. Fixed costs for Qatalum were somewhat lower.

Underlying EBIT improved compared to the third quarter of 2012 reflecting lower raw material costs, higher premiums and improved results for Qatalum. Lower realized prices had a negative effect on underlying results for the quarter.

Underlying EBIT increased compared to the nine months of the previous year influenced by the same factors discussed above.

Metal Markets

Operational and financial information	Third quarter 2013	Second quarter 2013	%change prior quarter	Third quarter 2012	%change prior year quarter	First 9 months 2013	First 9 months 2012	Year 2012
Underlying EBIT (NOK million)	111	147	(24) %	8	>100 %	404	140	210
Currency effects ¹⁾	38	37	2 %	(47)	>100 %	88	(150)	(145)
Ingot inventory valuation effects ²⁾	-	-	-	(49)	100 %	24	(49)	(24)
Underlying EBIT excl. currency and ingot inventory effects	73	109	(33) %	104	(30) %	293	339	379
Underlying EBITDA (NOK million)	149	165	(10) %	33	>100 %	477	216	308
Remelt production (kmt)	127	132	(4) %	136	(7) %	394	429	548
Metal products sales excluding ingot trading (kmt) ³⁾	673	682	(1) %	717	(6) %	2 056	2 279	2 941
Hereof external sales (kmt)	584	581	1 %	610	(4) %	1 752	1 902	2 469

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

Underlying EBIT for Metal Markets decreased compared to the previous quarter impacted by seasonally lower volumes and lower margins. The negative effects were partly offset by improved performance from sourcing and trading activities. Currency effects were stable between the quarters.

Underlying EBIT improved compared to the third quarter 2012 which was negatively impacted by currency and ingot inventory valuation effects. Excluding these effects, underlying EBIT declined slightly mainly due to lower sourcing and trading results.

For the first nine months of 2013, underlying EBIT increased compared to the corresponding period in 2012 which included significant negative currency and ingot inventory valuation effects.

Rolled Products

Operational and financial information	Third quarter 2013	Second quarter 2013	%change prior quarter	Third quarter 2012	%change prior year quarter	First 9 months 2013	First 9 months 2012	Year 2012
Underlying EBIT (NOK million)	182	181	1 %	213	(15) %	516	567	637
Underlying EBITDA (NOK million)	304	296	3 %	324	(6) %	864	901	1 090
Sales volumes to external market (kmt)	234	245	(5) %	228	3 %	715	683	909

Sales volumes to external markets (kmt) - Customer business units

Foil	29	31	(7) %	30	(4) %	89	88	117
Can beverage	54	59	(8) %	50	10 %	165	146	200
Other packaging and building	17	19	(7) %	16	5 %	54	55	74
Automotive, heat exchanger	30	29	6 %	27	13 %	86	85	110
General engineering	62	64	(4) %	57	9 %	188	171	226
Lithography	41	44	(7) %	49	(15) %	133	138	181
Rolled Products	234	245	(5) %	228	3 %	715	683	909

Underlying EBIT was at same level compared to the second quarter 2013. Negative effects relating to seasonally lower sales volumes were offset by lower operating costs and a higher margin contribution.

Underlying EBIT declined compared to the third quarter of 2012 which included significant positive currency effects on export sales. Excluding currency effects results improved, impacted by higher shipments within the can beverage and general engineering market segments. Operating margins excluding currency effects were higher. Operating costs were stable per mt.

For the first nine months of 2013 underlying EBIT was lower compared to the same period of last year which also included significant positive currency effects on export sales. Excluding these effects, results improved. Operating margins declined mainly relating to general engineering shipments.

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 and can be significant. Offsetting gains and losses on internal hedges are reported as financial items.

Energy

Operational and financial information	Third quarter 2013	Second quarter 2013	%change prior quarter	Third quarter 2012	%change prior year quarter	First 9 months 2013	First 9 months 2012	Year 2012
Underlying EBIT (NOK million)	485	268	81 %	220	>100 %	1 270	1 137	1 459
Underlying EBITDA (NOK million)	522	302	73 %	250	>100 %	1 381	1 225	1 588
Direct production costs (NOK million) ¹⁾	119	115	3 %	104	14 %	364	363	493
Power production (GWh)	2 838	2 090	36 %	2 157	32 %	7 831	7 860	10 307
External power sourcing (GWh)	2 381	2 376	-	2 214	8 %	6 938	6 449	8 608
Internal contract sales (GWh)	3 318	3 360	(1) %	3 163	5 %	9 856	9 336	12 500
External contract sales (GWh)	227	276	(18) %	219	4 %	893	821	1 164
Net spot sales (GWh)	1 673	829	>100 %	989	69 %	4 021	4 152	5 251

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

Underlying EBIT for Energy improved compared to the second quarter mainly due to high production partly offset by somewhat lower prices.

Compared to the third quarter of the previous year, underlying EBIT also increased due to significantly higher prices as well as higher production.

For the first nine months of 2013 underlying EBIT increased compared to the same period of the previous year mainly due to increased prices.

Other and eliminations

Financial information NOK million	Third quarter 2013	Second quarter 2013	%change prior quarter	Third quarter 2012	%change prior year quarter	First 9 months 2013	First 9 months 2012	Year 2012
Sapa (50%)	10	-	-	-	-	10	-	-
Other	(90)	(110)	18 %	(125)	28 %	(325)	(380)	(504)
Eliminations	(7)	40	>(100) %	90	>(100) %	119	101	(50)
Underlying EBIT Other and eliminations	(87)	(70)	(23) %	(35)	>(100) %	(195)	(278)	(553)

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.

Operational and financial information Sapa (50%)
Sep 2013

Revenue (NOK million)	1 933
Underlying EBIT (NOK million)	29
Underlying EBITDA (NOK million)	77
Underlying Net income (loss) (NOK million)	10
Sales volumes (kmt)	122

Underlying EBIT for the SAPA group for September reflects positive developments in the Americas and within the Precision Tubing segment. Weak European extrusion demand affected both the general extrusion business and the building systems business.

Finance

Financial income (expense)	Third quarter 2013	Second quarter 2013	% change prior quarter	Third quarter 2012	% change prior year quarter	First 9 months 2013	First 9 months 2012	Year 2012
Interest income	53	54	-	60	(11)%	169	199	286
Dividends received and net gain (loss) on securities	31	42	(28)%	47	(34)%	112	81	133
Financial income	84	96	(12)%	107	(22)%	282	281	418
Interest expense	(105)	(103)	(2)%	(102)	(3)%	(302)	(283)	(393)
Capitalized interest	1	-	-	-	-	1	2	15
Net foreign exchange gain (loss)	(152)	(1 291)	88 %	282	>(100)%	(1 557)	(178)	(280)
Net interest on pension liability ¹⁾	(39)	(41)	5 %	(70)	45 %	(112)	(211)	(282)
Other	(35)	(28)	(26)%	(36)	2 %	(96)	(88)	(108)
Financial expense	(331)	(1 462)	77 %	74	>(100)%	(2 065)	(758)	(1 047)
Financial income (expense), net	(246)	(1 367)	82 %	181	>(100)%	(1 784)	(477)	(629)

1) Reflecting implementation of IAS 19R. See note 1 to the condensed consolidated financial statements later in this report for more information.

The net foreign exchange loss for the third quarter primarily related to inter-company balances denominated in Euro.

Tax

Income taxes amounted to 46 percent of pre-tax income for the third quarter of 2013.

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⁾	Third quarter 2013	Second quarter 2013	Third quarter 2012	First 9 months 2013	First 9 months 2012	Year 2012
NOK million						
Unrealized derivative effects on LME related contracts ²⁾	(34)	129	266	124	237	(109)
Unrealized derivative effects on power and raw material contracts ³⁾	7	(155)	(182)	121	(769)	(937)
Metal effect, Rolled Products ⁴⁾	107	100	53	202	105	64
Significant rationalization charges and closure costs ⁵⁾	(9)	86	32	155	466	617
Impairment charges (PP&E and equity accounted investments) ⁶⁾	-	-	140	-	1 324	1 215
(Gains)/losses on divestments ⁷⁾	(53)	(16)	6	(69)	(38)	(57)
Other effects ⁸⁾	-	-	(68)	-	(68)	(68)
Items excluded in equity accounted investment (Sapa)	45	-	-	45	-	-
Items excluded from underlying EBIT	62	144	249	577	1 257	725
Net foreign exchange (gain)/loss ⁹⁾	152	1 291	(282)	1 557	178	280
Calculated income tax effect ¹⁰⁾	(66)	(406)	63	(613)	98	222
Items excluded from continuing operations	148	1 028	29	1 521	1 533	1 227
Items excluded from discontinued operations	(75)	64	184	30	316	509
Items excluded from underlying net income	73	1 092	213	1 551	1 849	1 736

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) Impairment charges reflect 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, etc.

9) 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.

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⁾	Third quarter 2013	Second quarter 2013	Third quarter 2012	First 9 months 2013	First 9 months 2012	Year 2012
NOK million						
Unrealized derivative effects on LME related contracts	-	(3)	1	9	3	(8)
Bauxite & Alumina	-	(3)	1	9	3	(8)
Unrealized derivative effects on LME related contracts	(70)	55	220	57	249	98
Unrealized derivative effects on power contracts	19	(42)	(221)	228	(300)	(240)
Unrealized derivative effects on power contracts (Søral)	40	88	(1)	144	13	15
Unrealized derivative effects on raw material contracts	10	8	13	24	30	40
Impairment charges	-	-	-	-	1 154	1 045
Impairment charges (Qatalum)	-	-	-	-	30	30
Rationalization charges and closure costs	-	7	32	7	466	600
Primary Metal	(1)	116	44	461	1 642	1 588
Unrealized derivative effects on LME related contracts	49	26	177	(7)	137	11
Impairment charges	-	-	77	-	77	76
(Gains)/losses on divestments	(53)	-	-	(53)	-	(15)
Metal Markets	(4)	26	254	(61)	214	73
Unrealized derivative effects on LME related contracts	(28)	58	(179)	75	(205)	(232)
Metal effect	107	100	53	202	105	64
Rationalization charges and closure costs	28	45	-	73	-	17
Rolled Products	107	202	(126)	350	(100)	(151)
Unrealized derivative effects on power contracts	4	(3)	2	4	13	11
Energy	4	(3)	2	4	13	11
Unrealized derivative effects on power contracts	(66)	(205)	24	(279)	(525)	(764)
Unrealized derivative effects on LME related contracts	15	(6)	48	(10)	53	22
Impairment charges	-	-	63	-	63	64
Pension	-	-	(68)	-	(68)	(68)
(Gains)/losses on divestments	-	(16)	6	(16)	(38)	(42)
Rationalization charges and closure costs	(37)	34	-	75	-	-
Items excluded in equity accounted investment (Sapa)	45	-	-	45	-	-
Other and eliminations ²⁾	(43)	(193)	74	(186)	(514)	(788)
Items excluded from underlying EBIT	62	144	249	577	1 257	725

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 elimination of changes in the valuation of certain internal aluminium contracts.

Interim financial statements

Condensed consolidated statements of income (unaudited)

NOK million, except per share data	Third quarter		First 9 months		Year
	2013	2012	2013	2012	2012
Revenue	16 146	14 722	48 309	48 596	64 181
Share of the profit (loss) in equity accounted investments	(77)	(218)	(147)	(355)	(450)
Other income, net	245	194	690	596	853
Total revenue and income	16 314	14 698	48 852	48 837	64 583
Raw material and energy expense	10 549	9 792	31 708	31 693	41 559
Employee benefit expense	1 688	1 635	5 352	5 680	7 457
Depreciation, amortization and impairment	1 076	1 155	3 235	4 592	5 544
Other expenses	2 404	2 349	6 880	7 003	9 453
Total expenses	15 717	14 931	47 175	48 969	64 012
Earnings before financial items and tax (EBIT)	597	(232)	1 677	(132)	571
Financial income	84	107	282	281	418
Financial expense	(331)	74	(2 065)	(758)	(1 047)
Financial income (expense), net	(246)	181	(1 784)	(477)	(629)
Income (loss) from continuing operations before tax	351	(52)	(107)	(609)	(58)
Income taxes	(162)	(37)	(164)	(542)	(759)
Income (loss) from continuing operations	189	(89)	(271)	(1 151)	(817)
Income (loss) from discontinued operations	132	(168)	189	(267)	(514)
Net income (loss)	321	(256)	(81)	(1 418)	(1 331)
Net income (loss) attributable to minority interests	99	46	46	18	(13)
Net income (loss) attributable to Hydro shareholders	222	(302)	(127)	(1 436)	(1 318)
Basic and diluted earnings per share from continuing operations (in NOK) ^{1) 2)}	0.04	(0.07)	(0.16)	(0.57)	(0.39)
Basic and diluted earnings per share from discontinued operations (in NOK) ¹⁾	0.06	(0.08)	0.09	(0.13)	(0.25)
Basic and diluted earnings per share attributable to Hydro shareholders (in NOK) ¹⁾	0.11	(0.15)	(0.06)	(0.70)	(0.65)
Weighted average number of outstanding shares (million)	2 039	2 038	2 038	2 037	2 037

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

2) Calculated using Income (loss) from continuing operations less Net income (loss) attributable to minority interests. There are no material minority interests in Income from discontinued operations.

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

Condensed consolidated statements of comprehensive income (unaudited)

NOK million	Third quarter		First 9 months		Year
	2013	2012	2013	2012	2012
Net income (loss)	321	(256)	(81)	(1 418)	(1 331)
Other comprehensive income					
Items that will not be reclassified to income statement:					
Remeasurement postemployment benefits, net of tax	-	-	72	37	2 532
Share of remeasurement postemployment benefit of equity accounted investments, net of ta	-	-	-	-	(68)
Total	-	-	72	37	2 464
Items that will be reclassified to income statement:					
Currency translation differences, net of tax	(686)	(2 581)	2 423	(6 994)	(8 236)
Unrealized gain (loss) on securities, net of tax	(22)	(19)	(119)	71	(49)
Cash flow hedges, net of tax	73	(6)	(190)	(8)	(137)
Share of items that will be recycled to profit or loss of equity accounted investees, net of tax	4	(27)	161	(82)	(47)
Total	(632)	(2 633)	2 275	(7 012)	(8 469)
Other comprehensive income	(632)	(2 633)	2 346	(6 975)	(6 005)
Total comprehensive income	(311)	(2 889)	2 265	(8 393)	(7 336)
Total comprehensive income attributable to minority interests	(65)	(210)	15	(771)	(962)
Total comprehensive income attributable to Hydro shareholders	(246)	(2 679)	2 250	(7 622)	(6 374)

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	September 30		December 31	
	2013	2012	2012	2011
Assets				
Cash and cash equivalents	8 396	8 654	7 034	8 365
Short-term investments	1 433	2 465	4 343	1 780
Accounts receivables	10 949	12 681	8 761	13 217
Inventories	9 613	12 140	9 685	14 157
Other current assets	375	243	336	666
Total current assets	30 766	36 183	30 159	38 185
Assets held for sale	-	-	9 564	-
Property, plant and equipment	51 292	56 118	52 208	64 192
Intangible assets	5 642	6 933	5 716	7 930
Investments accounted for using the equity method	18 107	10 564	10 234	11 446
Prepaid pension	3 307	1 846	3 080	1 775
Other non-current assets	6 423	8 616	6 396	9 151
Total non-current assets	84 771	84 076	77 635	94 494
Total assets	115 536	120 259	117 357	132 680
Liabilities and equity				
Bank loans and other interest-bearing short-term debt	6 201	6 336	5 956	4 248
Trade and other payables	8 621	10 796	8 336	12 316
Other current liabilities	2 946	3 226	3 230	4 653
Total current liabilities	17 768	20 357	17 522	21 216
Liabilities included in disposal groups	-	-	3 445	-
Long-term debt	4 148	4 815	3 674	4 190
Provisions	2 458	2 442	2 408	2 614
Pension obligation	8 690	10 441	8 077	10 627
Deferred tax liabilities	3 256	4 341	3 645	5 363
Other non-current liabilities	3 118	3 365	3 089	4 225
Total non-current liabilities	21 669	25 405	20 892	27 019
Total liabilities	39 437	45 762	41 859	48 235
Equity attributable to Hydro shareholders	70 417	68 344	69 663	77 457
Minority interest	5 682	6 153	5 835	6 988
Total equity	76 099	74 497	75 498	84 445
Total liabilities and equity	115 536	120 259	117 357	132 680
Total number of outstanding shares (million)	2 039	2 038	2 038	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	Nine months ended September 30		Year
	2013	2012	2012
Operating activities			
Net income (loss)	(81)	(1 418)	(1 331)
Loss (income) from discontinued operations	(189)	267	514
Depreciation, amortization and impairment	3 235	4 592	5 544
Other adjustments	(547)	(902)	707
Net cash provided by continuing operating activities	2 418	2 539	5 434
Investing activities			
Purchases of property, plant and equipment	(1 734)	(2 251)	(3 256)
Purchases of other long-term investments	(161)	(132)	(158)
Purchases of short-term investments	-	(1 000)	(3 050)
Proceeds from sales of property, plant and equipment	60	62	73
Proceeds from sales of other long-term investments	161	65	99
Proceeds from sales of short-term investments	3 050	-	-
Net cash provided by (used in) continuing investing activities	1 376	(3 256)	(6 292)
Financing activities			
Loan proceeds	4 655	8 917	9 552
Principal repayments	(4 769)	(5 314)	(6 815)
Net decrease in other short-term debt	(265)	(380)	(492)
Proceeds from shares issued	50	37	72
Dividends paid	(1 728)	(1 656)	(1 741)
Net cash provided by (used in) continuing financing activities	(2 057)	1 604	576
Foreign currency effects on cash and bank overdraft	108	(193)	(344)
Net cash used in discontinued operations	(482)	(400)	(318)
Net increase (decrease) in cash, cash equivalents and bank overdraft	1 363	294	(944)
Cash, cash equivalents and bank overdraft reclassified as assets held for sale	-	-	(367)
Cash, cash equivalents and bank overdraft at beginning of period	7 033	8 344	8 344
Cash, cash equivalents and bank overdraft at end of period	8 396	8 638	7 033

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		Total equity
						Hydro shareholders	Minority interests	
January 1, 2012	2 272	29 056	(1 084)	51 792	(4 579)	77 457	6 988	84 445
<i>Changes in equity for 2012</i>								
Treasury shares reissued to employees		-	37			37		37
Dividends				(1 528)		(1 528)	(155)	(1 683)
Capital contribution in subsidiaries							91	91
Total comprehensive income for the period				(1 436)	(6 186)	(7 622)	(771)	(8 393)
September 30, 2012	2 272	29 056	(1 047)	48 828	(10 765)	68 344	6 153	74 497
January 1, 2013	2 272	29 056	(1 047)	49 018	(9 635)	69 663	5 835	75 498
<i>Changes in equity for 2013</i>								
Treasury shares reissued to employees		(7)	41			33		33
Dividends				(1 529)		(1 529)	(199)	(1 728)
Capital contribution in subsidiaries							33	33
Items not reclassified to income statement in subsidiaries sold				49	(49)	-		-
Minority interests in subsidiaries sold							(1)	(1)
Total comprehensive income for the period				(127)	2 377	2 250	15	2 265
September 30, 2013	2 272	29 049	(1 006)	47 410	(7 307)	70 417	5 682	76 099

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 - 2012.

Hydro implemented IAS19R as of January 1, 2013 and changed the classification of the interest component of employee benefits. The changes are made with retrospective application. The main changes to previously reported numbers are shown in the table below. In addition there are minor changes to some other line items, including results and investments in equity accounted investments, and taxes. There are no changes to minority interests.

NOK million	Third quarter 2012		First 9 months 2012		Year 2012	
	Effect of IAS19R	Adjusted	Effect of IAS19R	Adjusted	Effect of IAS19R	Adjusted
Employee benefit expense	(34)	1 635	(102)	5 680	(136)	7 457
Earnings before financial items and tax	35	(232)	105	(132)	139	571
Financial expense	(70)	73	(209)	(756)	(281)	(1 047)
Income (loss) from continuing operations	(25)	(89)	(69)	(1 151)	(99)	(817)
Income (loss) from discontinued operations	(1)	(168)	9	(267)	14	(514)
Net income (loss)	(25)	(256)	(60)	(1 418)	(85)	(1 331)
Basic and diluted earnings per share attributable to Hydro shareholders (in NOK)	(0.01)	(0.15)	(0.03)	(0.70)	(0.04)	(0.65)
Other comprehensive income	-	(2 633)	37	(6 975)	2 464	(6 005)

NOK million	January 1, 2012		September 30, 2012		December 31, 2012	
	Effect of IAS19R	Adjusted	Effect of IAS19R	Adjusted	Effect of IAS19R	Adjusted
Assets held for sale	-	-	-	-	129	9 564
Prepaid pension	179	1 775	158	1 846	1 420	3 080
Total assets	126	132 680	142	120 259	805	117 357
Liabilities in disposal groups	-	-	-	-	51	3 445
Provisions	(717)	2 614	(720)	2 442	(683)	2 408
Pension obligation	1 528	10 627	1 569	10 441	(434)	8 077
Equity attributable to Hydro shareholders	(723)	77 457	(745)	68 344	1 654	69 663

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 - 2012 that are a part of Hydro's Annual Report - 2012.

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 - 2012 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.

NOK million	Third quarter		First 9 months		Year
	2013	2012	2013	2012	2012
Total revenue					
Bauxite & Alumina	3 354	3 032	9 804	9 800	13 265
Primary Metal	5 884	6 169	17 725	21 205	26 690
Metal Markets	9 061	8 968	28 794	31 265	39 931
Rolled Products	5 006	5 063	15 227	15 195	20 080
Energy	1 674	1 144	4 682	3 450	4 691
Other and eliminations	(8 833)	(9 653)	(27 924)	(32 318)	(40 476)
Total	16 146	14 722	48 309	48 596	64 181
External revenue					
Bauxite & Alumina	2 077	1 921	5 953	6 092	8 459
Primary Metal	1 025	1 072	2 878	3 437	4 479
Metal Markets	7 228	6 466	21 978	22 285	28 960
Rolled Products	5 003	4 955	15 321	15 154	20 000
Energy	779	285	2 094	1 509	2 095
Other and eliminations	34	24	86	119	187
Total	16 146	14 722	48 309	48 596	64 181
Internal revenue					
Bauxite & Alumina	1 277	1 111	3 851	3 708	4 806
Primary Metal	4 860	5 097	14 847	17 768	22 210
Metal Markets	1 833	2 502	6 816	8 979	10 971
Rolled Products	3	108	(94)	41	80
Energy	895	859	2 589	1 941	2 595
Other and eliminations	(8 867)	(9 677)	(28 010)	(32 438)	(40 663)
Total	-	-	-	-	-
Share of the profit (loss) in equity accounted investments					
Bauxite & Alumina	-	-	-	-	-
Primary Metal	(19)	(137)	(54)	(247)	(320)
Metal Markets	-	-	-	(1)	-
Rolled Products	(23)	(16)	(56)	(46)	(67)
Energy	-	-	(1)	(1)	(2)
Other and eliminations	(35)	(63)	(36)	(60)	(61)
Total	(77)	(218)	(147)	(355)	(450)

NOK million	Third quarter		First 9 months		Year
	2013	2012	2013	2012	2012
Depreciation, amortization and impairment					
Bauxite & Alumina	417	428	1 294	1 341	1 750
Primary Metal	461	482	1 403	2 669	3 026
Metal Markets	38	101	73	153	174
Rolled Products	107	98	308	295	401
Energy	37	30	111	88	129
Other and eliminations	15	15	45	47	63
Total	1 076	1 155	3 235	4 592	5 544
Earnings before financial items and tax (EBIT) ¹⁾					
Bauxite & Alumina	(370)	(387)	(687)	(721)	(783)
Primary Metal	338	(48)	478	(1 366)	(1 254)
Metal Markets	116	(246)	465	(73)	138
Rolled Products	76	339	166	667	788
Energy	481	217	1 265	1 125	1 448
Other and eliminations	(43)	(108)	(10)	236	235
Total	597	(232)	1 677	(132)	571
EBITDA					
Bauxite & Alumina	47	41	607	620	967
Primary Metal	803	438	1 892	1 317	1 789
Metal Markets	153	(145)	538	80	312
Rolled Products	197	450	515	1 001	1 241
Energy	518	248	1 377	1 212	1 577
Other and eliminations	(28)	(55)	35	321	337
Total	1 691	977	4 964	4 551	6 222
Investments ²⁾					
Bauxite & Alumina	118	244	1 012	954	1 430
Primary Metal	253	314	704	697	1 023
Metal Markets	21	11	43	19	37
Rolled Products	94	96	188	238	405
Energy	441	127	595	333	430
Other and eliminations	21	13	74	34	56
Total	948	806	2 615	2 275	3 382

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. Excludes investments in discontinued operations.

NOK million	EBIT	Depr., amor. and impairment ¹⁾	EBITDA
EBIT - EBITDA Third quarter 2013			
Bauxite & Alumina	(370)	417	47
Primary Metal	338	466	803
Metal Markets	116	38	153
Rolled Products	76	121	197
Energy	481	37	518
Other and eliminations	(43)	15	(28)
Total	597	1 094	1 691
EBIT - EBITDA First 9 months 2013			
Bauxite & Alumina	(687)	1 294	607
Primary Metal	478	1 415	1 892
Metal Markets	465	73	538
Rolled Products	166	348	515
Energy	1 265	111	1 377
Other and eliminations	(10)	45	35
Total	1 677	3 287	4 964

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.

Note 4: Discontinued operations

In October 2012 Hydro's Board of Directors decided to combine the Extruded Products activities with the Profiles and Building System, as well as extruded and welded tubes, of the Norwegian industrial group Orkla's fully-owned subsidiary Sapa. The new combined company named Sapa, was established on September 1, 2013 and is a 50/50 jointly controlled entity owned by Orkla and Hydro. The transaction was subject to clearance by competition authorities in several countries. The transaction is further described in note 5 - Significant subsidiaries and changes to the consolidated group in Hydro's Financial statements - 2012.

The Extruded Products business was reported as Assets held for sale and Discontinued operations as of mid October 2012 until completion of the transaction. The results of operations in the businesses contributed to the joint venture are reported separately under the caption "Income (loss) from discontinued operations" for the current and all prior periods. Cash flows from discontinued operations are presented separately. In the balance sheet as of December 31, 2012, assets in the business about to be disposed of and the related liabilities were reported as "Assets held for sale" and "Liabilities in disposal groups", respectively. Prior period balance sheets were not reclassified. The gain on divestment of the Extruded Products business of about NOK 150 million included a negative cumulative translation difference of NOK 517 million as of closing of the transaction. According to Hydro's accounting policy 50 percent of the gain is considered unrealized and thus eliminated. Certain components of the gain are estimates for expected payments to or from the joint venture according to contract clauses requiring certain levels of working capital, investments, or related to customary representations and warranties.

Summary of financial data for discontinued operations

NOK million	Third quarter		First 9 months		Year
	2013	2012	2013	2012	2012
Revenue and other income	2 851	4 149	11 531	13 651	17 598
Share of the profit (loss) in equity accounted investments	4	6	10	14	18
Depreciation, amortization and impairment	-	124	-	366	392
Other expenses	2 772	4 175	11 347	13 507	17 610
Earnings before financial items and tax	83	(144)	194	(208)	(386)
Financial income (expense), net	(21)	(16)	(52)	(56)	(58)
Income (loss) before tax	62	(160)	142	(264)	(444)
Income tax expense	(4)	(8)	(28)	(2)	(70)
Gain on disposal	75	-	75	-	-
Income (loss) from discontinued operations	132	(168)	189	(267)	(514)
Net cash provided by (used in) operating activities			(238)	(68)	313
Net cash used in investing activities			(336)	(406)	(716)
Net cash provided by (used in) financing activities			(12)	109	123
Foreign currency effects on cash			11	(35)	(38)
Net decrease in cash classified as assets held for sale			93	-	-
Net cash used in discontinued operations			(482)	(400)	(318)

Asset groups held for sale

NOK million	September 30		December 31
	2013	2012	2012
Current assets	-	-	4 750
Non-current assets	-	-	4 814
Total assets	-	-	9 564
Current liabilities	-	-	782
Non-current liabilities	-	-	2 663
Assets held for sale, net	-	-	6 119

Additional information

Financial calendar

2013

December 5 Capital Markets Day

2014

February 12 Fourth quarter results

March 14 Annual report

April 30 First quarter results

May 7 Annual General Meeting

July 22 Second quarter results

October 22 Third quarter results

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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Design and production: Hydro/Artbox 04/2013
Print: Printbox
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