



HYDRO

Fourth quarter report

Q4

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 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 sheet as of December 31, 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	Fourth quarter 2013	Third quarter 2013	%change prior quarter	Fourth quarter 2012	%change prior year quarter	Year 2013	Year 2012
NOK million, except per share data							
Revenue	16 571	16 146	3 %	15 585	6 %	64 880	64 181
Earnings before financial items and tax (EBIT)	(3)	597	>(100) %	704	>(100) %	1 674	571
Items excluded from underlying EBIT	485	62	>100 %	(532)	>100 %	1 063	725
Underlying EBIT	483	659	(27) %	172	>100 %	2 737	1 297
<i>Underlying EBIT :</i>							
Bauxite & Alumina	(379)	(370)	(2) %	(73)	>(100) %	(1 057)	(791)
Primary Metal	484	337	44 %	58	>100 %	1 422	335
Metal Markets	190	111	70 %	70	>100 %	594	210
Rolled Products	111	182	(39) %	70	59 %	627	637
Energy	383	485	(21) %	322	19 %	1 653	1 459
Other and eliminations ¹⁾	(306)	(87)	>(100) %	(275)	(11) %	(502)	(553)
Underlying EBIT	483	659	(27) %	172	>100 %	2 737	1 297
Underlying EBITDA	1 578	1 753	(10) %	1 250	26 %	7 119	5 827
Underlying income (loss) from discontinued operations ¹⁾	-	57	(100) %	(54)	100 %	220	(5)
Net income (loss)	(758)	321	>(100) %	87	>(100) %	(839)	(1 331)
Underlying net income (loss)	140	393	(64) %	(24)	>100 %	1 610	408
Earnings per share	(0.39)	0.11	>(100) %	0.06	>(100) %	(0.45)	(0.65)
Underlying earnings per share	0.02	0.14	(83) %	(0.01)	>100 %	0.65	0.21
<i>Financial data:</i>							
Investments ²⁾	971	948	2 %	1 107	(12) %	3 586	3 382
Adjusted net interest-bearing debt ³⁾	(9 503)	(10 732)	11 %	(8 304)	(14) %	(9 503)	(8 304)
Key Operational information							
Alumina production (kmt)	1 452	1 316	10 %	1 397	4 %	5 377	5 792
Primary aluminium production (kmt)	492	491	-	485	2 %	1 944	1 985
Realized aluminium price LME (USD/mt)	1 802	1 822	(1) %	1 940	(7) %	1 902	2 080
Realized aluminium price LME (NOK/mt) ⁴⁾	10 916	10 938	-	11 069	(1) %	11 160	12 047
Realized NOK/USD exchange rate ⁴⁾	6.06	6.00	1 %	5.71	6 %	5.87	5.79
Metal products sales, total Hydro (kmt) ⁵⁾	777	792	(2) %	731	6 %	3 164	3 254
Rolled Products sales volumes to external market (kmt)	226	234	(3) %	226	-	941	909
Power production (GWh)	2 411	2 838	(15) %	2 448	(1) %	10 243	10 307

1) Other and eliminations includes Hydro's 50 percent share of underlying net income from Sapa beginning September 2013. Underlying income (loss) from discontinued operations includes results from Hydro's Extruded Products business for 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 declined to NOK 483 million in the fourth quarter, down from NOK 659 million in the third quarter of 2013 mainly due to seasonal effects and lower power production.

Underlying EBIT for Bauxite & Alumina in the fourth quarter was positively impacted by improved production at Alunorte, offset by claims relating to ICMS taxes.

Primary Metal underlying EBIT improved compared to the third quarter mainly due to insurance proceeds relating to the fire in a cooling tower at Qatalum in the previous year. Hydro successfully completed its USD 300 improvement program in the quarter. The program has generated substantial improvements for 2013 compared to the previous year and roughly NOK 1.5 billion in annual improvements compared to 2009 cost levels.

Metal Markets delivered higher underlying EBIT during the quarter due to higher margins and improved results from sourcing and trading activities.

Rolled Products Underlying EBIT declined in the fourth quarter mainly due to seasonal volume declines and higher maintenance activity.

Underlying EBIT for Energy declined compared to the third quarter mainly due to lower production compared with higher than normal production in the previous quarter.

Underlying EBIT for Sapa for the fourth quarter reflected a seasonally weaker quarter and charges related to impairment of inventories and accounts receivables.

Operating cash flow was NOK 2.5 billion for the fourth quarter. Net cash used for investment activities amounted to NOK 0.9 billion. Hydro's net cash position amounted to around NOK 0.7 billion at the end of the fourth quarter.

For the full year 2013, underlying EBIT improved to NOK 2,737 million from NOK 1,297 influenced by substantially lower costs for our smelters, improved results for Qatalum and higher product premiums. Positive developments were partly offset by lower realized alumina and aluminium prices together with production disruptions relating to external power outages at Alunorte.

Dedicated improvement programs, including the USD 300 program in Primary Metal and Rolled Products Climb improvement program have generated substantial savings over and above cost inflation partly offsetting the negative effects of continued low alumina and aluminium prices. Due to the production disruptions at Alunorte, however, Bauxite & Alumina did not achieve the improvement targeted for its From B to A program in 2013.

Hydro's Board of Directors proposes to pay a dividend of NOK 0.75 per share for 2013 reflecting the company's strong commitment to provide a cash return to its shareholders. The dividend reflects our operational performance for 2013 and a strong financial position, also taking into consideration the uncertain market outlook.

Reported EBIT and net income

Reported earnings before financial items and tax amounted to negative NOK 3 million in the fourth quarter. In addition to the factors discussed above, reported EBIT included net unrealized derivative losses and negative metal effects amounting to NOK 151 million in total. Reported earnings also included a loss of NOK 69 million from divestment of the rolling mill in Malaysia, charges of NOK 392 million relating to Hydro's head office lease arrangement, penalties of NOK 109 million relating to the settlement of ICMS tax claims in Brazil and charges of NOK 172 million primarily related to rationalization activities in Sapa. In addition, reported earnings included pension curtailment gains of NOK 390 million relating to the transition to defined contribution plans in Norway.

In the previous quarter, reported EBIT amounted to NOK 597 million including 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. For more information see section on Items excluded from underlying EBIT later in this report.

Loss from continuing operations amounted to NOK 758 million in the fourth quarter including a net foreign exchange loss of NOK 688 million. In the previous quarter, income from continuing operations amounted to NOK 189 million including a net foreign exchange loss of NOK 152 million.

Market developments and outlook

Market statistics ¹⁾	Fourth quarter 2013	Third quarter 2013	%change prior quarter	Fourth quarter 2012	%change prior year quarter	Year 2013	Year 2012
NOK/USD Average exchange rate	6.05	5.99	1 %	5.68	6 %	5.88	5.82
NOK/USD Balance sheet date exchange rate	6.08	6.01	1 %	5.57	9 %	6.08	5.57
NOK/BRL Average exchange rate	2.67	2.62	2 %	2.76	(4) %	2.73	2.99
NOK/BRL Balance sheet date exchange rate	2.58	2.67	(3) %	2.72	(5) %	2.58	2.72
NOK/EUR Average exchange rate	8.23	7.93	4 %	7.37	12 %	7.81	7.47
NOK/EUR Balance sheet date exchange rate	8.38	8.11	3 %	7.34	14 %	8.38	7.34
<i>Bauxite & Alumina:</i>							
Average alumina price - Platts PAX FOB Australia (USD/t)	323	317	2 %	327	(1) %	326	319
Global production of alumina (kmt)	25 695	25 685	-	24 761	4 %	100 752	96 044
Global production of alumina (ex. China) (kmt)	13 792	13 599	1 %	13 853	-	53 987	54 802
<i>Primary Metal and Metal Markets:</i>							
LME three month average (USD/mt)	1 815	1 827	(1) %	2 017	(10) %	1 887	2 050
LME three month average (NOK/mt)	10 981	10 933	-	11 458	(4) %	11 070	11 908
Global production of primary aluminium (kmt)	12 862	12 598	2 %	12 313	4 %	50 114	47 981
Global consumption of primary aluminium (kmt)	12 945	12 946	-	12 049	7 %	50 154	47 596
Global production of primary aluminium (ex. China) (kmt)	6 342	6 451	(2) %	6 479	(2) %	25 690	25 784
Global consumption of primary aluminium (ex. China) (kmt)	6 577	6 656	(1) %	6 383	3 %	26 229	25 922
Reported primary aluminium inventories (kmt)	8 143	8 086	1 %	8 138	-	8 143	8 138
<i>Rolled products and extruded products:</i>							
Consumption rolled products - Europe (kmt)	997	1 082	(8) %	978	2 %	4 267	4 182
Consumption rolled products - USA & Canada (kmt)	1 025	1 069	(4) %	963	6 %	4 219	4 228
Consumption extruded products - Europe (kmt)	639	676	(5) %	632	1 %	2 681	2 791
Consumption extruded products - USA & Canada (kmt)	446	493	(10) %	414	8 %	1 884	1 839
<i>Energy:</i>							
Average southern Norway spot price (NO2) (NOK/MWh)	287	267	8 %	268	7 %	290	218
Average nordic system spot price (NOK/MWh)	296	284	4 %	275	7 %	297	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 amounted to 3.8 million mt for 2013, down 24 percent from 2012. Bauxite imports into China were high in 2013 in advance of announced restrictions on Indonesian exports that took effect beginning January 2014. For the year 2013, bauxite imports reached record levels amounting to 71.6 million mt, an increase of 79 percent compared to 2012.

Platts alumina spot prices averaged USD 323 per mt for the quarter an increase of USD 6 per mt compared to the previous quarter. Average prices represented 17.8 percent of LME in the quarter compared with 17.3 percent in the previous quarter.

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 1,750 to 1,900 per mt throughout most of the fourth quarter.

Average North American and European standard ingot premiums declined by 5 percent and 3 percent respectively compared to the third quarter influenced by potential changes in LME warehousing rules. However, by the end of the fourth quarter, ingot premiums strengthened in North America, ending the quarter at the highest level of the year and continued increasing into January 2014. In Europe, ingot premiums also improved significantly by the end of the quarter. The positive developments resulted from stronger demand in the physical markets combined with announced and expected closures and curtailments. Continued financing of metal in warehouses by financial investors also influenced developments for the quarter.

Global demand for primary aluminium (excluding China) was seasonally lower compared to the third quarter but increased compared to the same quarter of the previous year. Annualized consumption amounted to 26.1 million mt in the fourth quarter. Annualized production declined somewhat to 25.2 million mt. Global demand (excluding China) increased around 1 percent in 2013. This, combined with further curtailments resulted in a slightly under-supplied market. We expect demand to grow by 2-4 percent in 2014. Corresponding production is expected to grow at a somewhat lower rate.

In China, aluminium consumption increased compared to the third quarter, amounting to 25.3 million mt on an annualized basis. Corresponding production increased to 25.9 million mt, exceeding production in the rest of the world for the first time. New capacity continues to be ramped up in the Northwest regions somewhat offset by further curtailments in the Eastern provinces.

European demand for extrusion ingot, foundry alloys and sheet ingot strengthened during the fourth quarter compared to the same period of 2012.

Rolled products

European demand for flat rolled products declined in the fourth quarter of 2013 compared to the previous quarter mainly due to seasonality. Compared to the same quarter one year ago demand showed positive developments.

Improved demand in the automotive segment reflected the ongoing recovery of European car production as well as the growing substitution of steel by aluminium in the production process, in particular for exports of premium cars to China and the US. Consumption in the building and construction segment was stable, supported by mild weather conditions in Central Europe. Demand for foil and beverage can was seasonally lower and continued to be impacted by customer destocking. General engineering demand declined from the third quarter driven by seasonal effects.

Demand for flat rolled products in Europe is expected to be seasonally higher in the first quarter of 2014.

Extruded products

Demand for extruded products in North America increased in the fourth quarter of 2013 compared to fourth quarter of 2012, mainly supported by growth in the automotive and building segments. Within the transport and industrial segments demand was stable.

In Europe, demand for extruded products was stable. Demand in the automotive market segment improved while demand for the transport, renewable energy and building segments weakened. Demand for the building and construction industry remained weak in Southern Europe in particular.

Energy

Average spot prices increased somewhat compared to the previous quarter as producers reserved water resources for expected higher winter prices. Prices declined, however, towards the end of the quarter due to warm, wet conditions in December.

The Nordic hydrological balance improved by 22 TWh in the fourth quarter, ending the quarter around 4 TWh above normal. Water reservoir levels in Norway were around 68 percent of full capacity at the end of the quarter which is at normal levels.

Additional factors impacting Hydro

Primary Metal has sold forward around 50 percent of its expected primary aluminium production for the first quarter of 2014 at a price level of around USD 1,770 per mt.¹⁾ This excludes volumes from Qatalum.

Hydro's alumina refinery Alunorte in Brazil will be subject to ICMS taxation on fuel oil beginning February 1, 2014. This will result in an additional cost of approximately NOK 150 million per quarter impacting underlying EBIT for Bauxite & Alumina. Hydro is evaluating measures to mitigate the effects of the additional charges.

The Alunorte alumina refinery and Albras aluminium smelter have entered into USD currency forward contracts in Brazil for second half 2013 and all of 2014. The remaining program value at the end of 2013 amounted to roughly USD 850 million. The achieved average exchange rate for the program is 2.41 for 2014.

On October 8, 2013, Hydro announced that its part-owned aluminium smelter Slovalco signed a power agreement for the supply of electricity in the period 2014 to 2021. This will increase energy costs for Slovalco by roughly NOK 75 million per quarter.

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.

Underlying EBIT

Bauxite & Alumina

Operational and financial information	Fourth quarter 2013	Third quarter 2013	%change prior quarter	Fourth quarter 2012	%change prior year quarter	Year 2013	Year 2012
Underlying EBIT (NOK million)	(379)	(370)	(2) %	(73)	>(100) %	(1 057)	(791)
Underlying EBITDA (NOK million)	45	47	(5) %	336	(87) %	662	959
Alumina production (kmt)	1 452	1 316	10 %	1 397	4 %	5 377	5 792
Sourced alumina (kmt)	395	711	(44) %	335	18 %	2 009	1 390
Total alumina sales (kmt)	1 959	1 879	4 %	1 880	4 %	7 408	7 227
Realized alumina price (USD/mt) ¹⁾	263	267	(1) %	285	(8) %	275	286
Apparent alumina cash cost (USD/mt) ²⁾	245	265	(8) %	239	3 %	256	259
Bauxite production (kmt) ³⁾	2 080	1 513	37 %	2 378	(13) %	7 567	9 221
Sourced bauxite (kmt) ⁴⁾	2 474	2 353	5 %	2 543	(3) %	8 523	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 was stable compared to the third quarter. Results were positively impacted by improved production at Alunorte, but this was offset by the settlement of claims relating to ICMS taxes amounting to roughly NOK 170 million.

Alumina production at Alunorte increased compared to the third quarter as operations continued to recover from external power outages that occurred in the first half of 2013. As a result, costs relating to alumina sourcing declined. Bauxite production also increased due to higher consumption at Alunorte.

Due to the production disruptions, Bauxite & Alumina did not achieve the improvement targets for its From B to A program in 2013. However, despite the temporary setbacks Hydro expects to reach targeted savings of NOK 1 billion by the end of 2015.

Compared to fourth quarter of the previous year, underlying EBIT for Bauxite and Alumina declined due to lower alumina prices and the ICMS tax claim discussed above. Costs declined somewhat due to a weaker BRL partly offsetting the negative effects.

Underlying EBIT declined for the full year 2013 impacted by the production disruptions discussed above resulting in lower alumina production and higher sourcing costs for alumina. Bauxite production declined due to lower off-take by Alunorte. Lower realized alumina prices also had a negative influence on underlying EBIT for the year.

Primary Metal

Operational and financial information ¹⁾	Fourth quarter 2013	Third quarter 2013	%change prior quarter	Fourth quarter 2012	%change prior year quarter	Year 2013	Year 2012
Underlying EBIT (NOK million)	484	337	44 %	58	>100 %	1 422	335
Underlying EBITDA (NOK million)	940	802	17 %	528	78 %	3 293	2 332
Realized aluminium price LME (USD/mt) ²⁾	1 802	1 822	(1) %	1 940	(7) %	1 902	2 080
Realized aluminium price LME (NOK/mt) ²⁾	10 916	10 938	-	11 069	(1) %	11 160	12 047
Realized premium above LME (USD/mt) ³⁾	378	382	(1) %	318	19 %	368	298
Realized premium above LME (NOK/mt) ³⁾	2 291	2 290	-	1 814	26 %	2 157	1 726
Realized NOK/USD exchange rate	6.06	6.00	1 %	5.71	6 %	5.87	5.79
Primary aluminium production (kmt)	492	491	-	485	2 %	1 944	1 985
Casthouse production (kmt)	532	525	1 %	512	4 %	2 082	2 248
Casthouse sales (kmt)	498	525	(5) %	495	-	2 075	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%)	Fourth quarter 2013	Third quarter 2013	%change prior quarter	Fourth quarter 2012	%change prior year quarter	Year 2013	Year 2012
Revenue (NOK million)	1 072	1 074	-	1 034	4 %	4 351	4 292
Underlying EBIT (NOK million)	237	78	>100 %	4	>100 %	510	(22)
Underlying EBITDA (NOK million)	504	331	52 %	250	>100 %	1 523	998
Underlying Net income (loss) (NOK million)	203	31	>100 %	(39)	>100 %	343	(217)
Primary aluminium production (kmt)	77	76	1 %	76	1 %	303	302
Casthouse sales (kmt)	80	79	1 %	81	(1) %	321	320

Underlying EBIT for Primary Metal improved compared to the third quarter of 2013 mainly due to insurance proceeds of NOK 150 million (Hydro share) relating to the fire in a cooling tower at Qatalum in the previous year. Lower costs for alumina and power had a positive effect on underlying EBIT for the quarter. However, this was offset by seasonally lower sales volumes. Fixed costs increased somewhat due to seasonality. Realized aluminium prices continued to be low.

Hydro successfully completed its USD 300 improvement program in the quarter. The program has generated substantial improvements for 2013 compared to the previous year and roughly NOK 1.5 billion in annual improvements compared to 2009 cost levels.

Hydro's share of underlying results from Qatalum improved compared to the third quarter mainly due to the insurance proceeds discussed above. Realized prices and sales volumes were stable. Somewhat lower fixed costs made a positive contribution.

Underlying EBIT improved compared to the fourth quarter of 2012 reflecting higher product premiums partly offset by somewhat lower realized aluminium prices. The insurance proceeds discussed above also had a positive effect.

Underlying EBIT increased significantly for the year 2013 compared to the previous year influenced by lower operating costs and improved results for Qatalum. The effect of lower realized aluminium prices and lower sales volumes was partly offset by higher product premiums. Substantial savings and improvements relating to the USD 300 program also contributed to the improved underlying EBIT for the year.

Metal Markets

Operational and financial information	Fourth quarter 2013	Third quarter 2013	%change prior quarter	Fourth quarter 2012	%change prior year quarter	Year 2013	Year 2012
Underlying EBIT (NOK million)	190	111	70 %	70	>100 %	594	210
Currency effects ¹⁾	48	38	26 %	4	>100 %	136	(145)
Ingot inventory valuation effects ²⁾	(2)	-	-	25	>(100) %	21	(24)
Underlying EBIT excl. currency and ingot inventory effects	144	73	96 %	40	>100 %	437	379
Underlying EBITDA (NOK million)	214	149	44 %	92	>100 %	691	308
Remelt production (kmt)	123	127	(3) %	119	3 %	517	548
Metal products sales excluding ingot trading (kmt) ³⁾	653	673	(3) %	661	(1) %	2 709	2 941
Hereof external sales (kmt)	631	584	8 %	567	11 %	2 382	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 increased compared to the third quarter influenced by higher margins and improved results from sourcing and trading activities. Positive effects were partly offset by seasonally lower volumes.

Compared to the fourth quarter of 2012, underlying EBIT improved mainly due to higher results from sourcing and trading operations and improved margins for remelters. Higher net positive currency and ingot inventory valuation effects also had a positive influence on underlying results for the quarter.

Underlying EBIT increased significantly for the year 2013 compared to the previous year which included substantial negative currency and ingot inventory valuation effects. Excluding these effects, underlying EBIT increased mainly due to higher margins at remelt plants.

Rolled Products

Operational and financial information	Fourth quarter 2013	Third quarter 2013	%change prior quarter	Fourth quarter 2012	%change prior year quarter	Year 2013	Year 2012
Underlying EBIT (NOK million)	111	182	(39) %	70	59 %	627	637
Underlying EBITDA (NOK million)	244	304	(20) %	189	29 %	1 108	1 090
Sales volumes to external market (kmt)	226	234	(3) %	226	-	941	909

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

Foil	27	29	(6) %	29	(6) %	116	117
Can beverage	44	54	(20) %	54	(19) %	208	200
Other packaging and building	19	17	13 %	19	2 %	74	74
Automotive, heat exchanger	30	30	-	25	20 %	116	110
General engineering	63	62	2 %	56	12 %	251	226
Lithography	42	41	2 %	43	(2) %	176	181
Rolled Products	226	234	(3) %	226	-	941	909

Underlying EBIT for Rolled Products declined in the fourth quarter mainly due to seasonal volume declines and higher maintenance activity. Seasonal declines and customer destocking had a significant negative influence on the packaging business in particular.

Compared to the fourth quarter 2012, underlying EBIT increased mainly due to higher margins. Results in the fourth quarter of 2012 included insurance proceeds relating to the break-down of a hot rolling mill in the previous year. Operating costs were stable.

Underlying EBIT was stable for the year 2013 compared to the previous year which included significant positive currency effects on export sales.¹⁾ Excluding currency effects, results improved due to higher volumes and cost reductions from Rolled Products' Climb improvement program.

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	Fourth quarter 2013	Third quarter 2013	%change prior quarter	Fourth quarter 2012	%change prior year quarter	Year 2013	Year 2012
Underlying EBIT (NOK million)	383	485	(21) %	322	19 %	1 653	1 459
Underlying EBITDA (NOK million)	420	522	(20) %	363	16 %	1 801	1 588
Direct production costs (NOK million) ¹⁾	121	119	2 %	130	(7) %	485	493
Power production (GWh)	2 411	2 838	(15) %	2 448	(1) %	10 243	10 307
External power sourcing (GWh)	2 474	2 381	4 %	2 159	15 %	9 412	8 608
Internal contract sales (GWh)	3 448	3 318	4 %	3 164	9 %	13 304	12 500
External contract sales (GWh)	348	227	53 %	343	1 %	1 241	1 164
Net spot sales (GWh)	1 089	1 673	(35) %	1 099	(1) %	5 110	5 251

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

Underlying EBIT for Energy declined compared to the third quarter mainly due to lower production and seasonally higher concession power sales, partly offset by somewhat higher prices.

Compared to the fourth quarter of the previous year, underlying EBIT increased mainly due to higher prices and improved contributions from commercial activities.

Underlying EBIT for 2013 improved compared to 2012 due to significantly higher prices and lower transmission costs somewhat offset by increased external sourcing costs.

Other and eliminations

Financial information	Fourth quarter 2013	Third quarter 2013	%change prior quarter	Fourth quarter 2012	%change prior year quarter	Year 2013	Year 2012
NOK million							
Sapa (50%)	(140)	10	>(100) %	-	-	(130)	-
Other	(134)	(90)	(50) %	(124)	(8) %	(459)	(504)
Eliminations	(31)	(7)	>(100) %	(151)	79 %	88	(50)
Underlying EBIT Other and eliminations	(306)	(87)	>(100) %	(275)	(11) %	(502)	(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%)	Fourth quarter	Sep 2013
	2013	
Revenue (NOK million)	5 066	1 933
Underlying EBIT (NOK million)	(170)	29
Underlying EBITDA (NOK million)	(22)	77
Underlying Net income (loss) (NOK million)	(140)	10
Sales volumes (kmt)	157	61

Underlying EBIT for the Sapa group for the fourth quarter reflects a seasonally weaker quarter and charges related to impairment of inventories and accounts receivables. Total volume for Sapa was somewhat higher compared to fourth quarter last year. Sapa's restructuring agenda is progressing according to plan and reported EBIT is affected by related restructuring charges. Net debt at the end of the fourth quarter was NOK 1.8 billion (100 percent).

Finance

Financial income (expense)	Fourth quarter	Third quarter	% change prior quarter	Fourth quarter	% change prior year quarter	Year 2013	Year 2012
NOK million	2013	2013		2012		2013	2012
Interest income	65	53	22 %	86	(24)%	235	286
Dividends received and net gain (loss) on securities	58	31	88 %	51	12 %	170	133
Financial income	123	84	46 %	138	(11)%	405	418
Interest expense	(118)	(105)	(12)%	(111)	(6)%	(419)	(393)
Capitalized interest	1	1	-	14	(95)%	2	15
Net foreign exchange gain (loss)	(688)	(152)	>(100)%	(102)	>(100)%	(2 245)	(280)
Net interest on pension liability ¹⁾	(47)	(39)	(22)%	(70)	33 %	(159)	(282)
Other	(37)	(35)	(4)%	(20)	(82)%	(132)	(108)
Financial expense	(889)	(331)	>(100)%	(290)	>(100)%	(2 954)	(1 047)
Financial income (expense), net	(766)	(246)	>(100)%	(152)	>(100)%	(2 550)	(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 fourth quarter primarily related to external US dollar debt and inter-company balances denominated in Euro.

Tax

Income taxes for the fourth quarter of 2013 mainly reflects tax benefits arising from currency losses offset by power surtaxes.

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⁾	Fourth quarter 2013	Third quarter 2013	Fourth quarter 2012	Year 2013	Year 2012
NOK million					
Unrealized derivative effects on LME related contracts ²⁾	78	(34)	(346)	202	(109)
Unrealized derivative effects on power and raw material contracts ³⁾	(14)	7	(168)	107	(937)
Metal effect, Rolled Products ⁴⁾	87	107	(41)	289	64
Significant rationalization charges and closure costs ⁵⁾	324	(9)	151	479	617
Impairment charges (PP&E and equity accounted investments) ⁶⁾	80	-	(109)	80	1 215
(Gains)/losses on divestments ⁷⁾	69	(53)	(19)	-	(57)
Other effects ⁸⁾	(311)	-	-	(311)	(68)
Items excluded in equity accounted investment (Sapa)	172	45	-	217	-
Items excluded from underlying EBIT	485	62	(532)	1 063	725
Net foreign exchange (gain)/loss ⁹⁾	688	152	102	2 245	280
Calculated income tax effect ¹⁰⁾	(276)	(66)	124	(889)	222
Items excluded from continuing operations	898	148	(305)	2 419	1 227
Items excluded from discontinued operations	-	(75)	193	30	509
Items excluded from underlying net income	898	73	(112)	2 449	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) Write-downs of assets or groups of assets to estimated recoverable amounts in the event of an identified loss in value.

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

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

9) Realized and unrealized gains and losses on foreign currency denominated accounts receivable and payable, funding and deposits, 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⁾	Fourth quarter 2013	Third quarter 2013	Fourth quarter 2012	Year 2013	Year 2012
NOK million					
Unrealized derivative effects on LME related contracts	3	-	(11)	12	(8)
Legal settlements	109	-	-	109	-
Bauxite & Alumina	112	-	(11)	121	(8)
Unrealized derivative effects on LME related contracts	23	(70)	(151)	81	98
Unrealized derivative effects on power contracts	57	19	61	285	(240)
Unrealized derivative effects on power contracts (Sørøst)	45	40	2	189	15
Unrealized derivative effects on raw material contracts	12	10	10	36	40
Impairment charges	-	-	(110)	-	1 045
Impairment charges (Qatalum)	-	-	-	-	30
Insurance compensation (Qatalum)	(30)	-	-	(30)	-
Rationalization charges and closure costs	-	-	134	7	600
Primary Metal	107	(1)	(54)	568	1 588
Unrealized derivative effects on LME related contracts	(5)	49	(126)	(12)	11
Impairment charges	-	-	-	-	76
(Gains)/losses on divestments	-	(53)	(15)	(53)	(15)
Pension	(7)	-	-	(7)	-
Metal Markets	(12)	(4)	(141)	(73)	73
Unrealized derivative effects on LME related contracts	59	(28)	(27)	134	(232)
Metal effect	87	107	(41)	289	64
Rationalization charges and closure costs	12	28	17	85	17
(Gains)/losses on divestments	69	-	-	69	-
Pension	(45)	-	-	(45)	-
Rolled Products	182	107	(51)	532	(151)
Unrealized derivative effects on power contracts	(8)	4	(1)	(4)	11
Energy	(8)	4	(1)	(4)	11
Unrealized derivative effects on power contracts	(119)	(66)	(239)	(399)	(764)
Unrealized derivative effects on LME related contracts	(2)	15	(32)	(13)	22
Impairment charges	80	-	1	80	64
Pension	(338)	-	-	(338)	(68)
(Gains)/losses on divestments	-	-	(4)	(16)	(42)
Rationalization charges and closure costs	312	(37)	-	386	-
Items excluded in equity accounted investment (Sapa)	172	45	-	217	-
Other and eliminations ²⁾	104	(43)	(274)	(81)	(788)
Items excluded from underlying EBIT	485	62	(532)	1 063	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	Fourth quarter		Year	
	2013	2012	2013	2012
Revenue	16 571	15 585	64 880	64 181
Share of the profit (loss) in equity accounted investments	(164)	(95)	(312)	(450)
Other income, net	100	257	790	853
Total revenue and income	16 507	15 747	65 358	64 583
Raw material and energy expense	11 235	9 866	42 943	41 559
Employee benefit expense	1 430	1 777	6 782	7 457
Depreciation, amortization and impairment	1 157	951	4 391	5 544
Other expenses	2 687	2 449	9 568	9 453
Total expenses	16 509	15 043	63 684	64 012
Earnings before financial items and tax (EBIT)	(3)	704	1 674	571
Financial income	123	138	405	418
Financial expense	(889)	(290)	(2 954)	(1 047)
Financial income (expense), net	(766)	(152)	(2 550)	(629)
Income (loss) from continuing operations before tax	(769)	552	(875)	(58)
Income taxes	11	(217)	(153)	(759)
Income (loss) from continuing operations	(758)	334	(1 029)	(817)
Income (loss) from discontinued operations	-	(247)	189	(514)
Net income (loss)	(758)	87	(839)	(1 331)
Net income (loss) attributable to minority interests	35	(31)	81	(13)
Net income (loss) attributable to Hydro shareholders	(793)	118	(920)	(1 318)
Basic and diluted earnings per share from continuing operations (in NOK) ^{1) 2)}	(0.39)	0.18	(0.54)	(0.39)
Basic and diluted earnings per share from discontinued operations (in NOK) ¹⁾	-	(0.12)	0.09	(0.25)
Basic and diluted earnings per share attributable to Hydro shareholders (in NOK) ¹⁾	(0.39)	0.06	(0.45)	(0.65)
Weighted average number of outstanding shares (million)	2 039	2 038	2 038	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	Fourth quarter		Year	
	2013	2012	2013	2012
Net income (loss)	(758)	87	(839)	(1 331)
Other comprehensive income				
Items that will not be reclassified to income statement:				
Remeasurement postemployment benefits, net of tax	(331)	2 495	(259)	2 532
Share of remeasurement postemployment benefit of equity accounted investments, net of tax	46	(68)	46	(68)
Total	(285)	2 426	(213)	2 464
Items that will be reclassified to income statement:				
Currency translation differences, net of tax	330	(1 242)	2 753	(8 236)
Unrealized gain (loss) on securities, net of tax	80	(120)	(38)	(49)
Cash flow hedges, net of tax	(101)	(129)	(291)	(137)
Share of items that will be recycled to profit or loss of equity accounted investees, net of tax	227	34	388	(47)
Total	536	(1 457)	2 811	(8 469)
Other comprehensive income	251	969	2 598	(6 005)
Total comprehensive income	(506)	1 057	1 759	(7 336)
Total comprehensive income attributable to minority interests	(70)	(192)	(55)	(962)
Total comprehensive income attributable to Hydro shareholders	(436)	1 249	1 814	(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	December 31		
	2013	2012	2011
Assets			
Cash and cash equivalents	8 412	7 034	8 365
Short-term investments	2 480	4 343	1 780
Accounts receivables	9 719	8 761	13 217
Inventories	9 929	9 685	14 157
Other current assets	181	336	666
Total current assets	30 721	30 159	38 185
Assets held for sale	-	9 564	-
Property, plant and equipment	50 670	52 208	64 192
Intangible assets	5 557	5 716	7 930
Investments accounted for using the equity method	18 210	10 234	11 446
Prepaid pension	3 595	3 080	1 775
Other non-current assets	6 482	6 396	9 151
Total non-current assets	84 515	77 635	94 494
Total assets	115 235	117 357	132 680
Liabilities and equity			
Bank loans and other interest-bearing short-term debt	6 195	5 956	4 248
Trade and other payables	9 255	8 336	12 316
Other current liabilities	3 432	3 230	4 653
Total current liabilities	18 882	17 522	21 216
Liabilities included in disposal groups	-	3 445	-
Long-term debt	3 986	3 674	4 190
Provisions	2 622	2 408	2 614
Pension obligation	9 202	8 077	10 627
Deferred tax liabilities	2 412	3 645	5 363
Other non-current liabilities	2 867	3 089	4 225
Total non-current liabilities	21 089	20 892	27 019
Total liabilities	39 971	41 859	48 235
Equity attributable to Hydro shareholders	69 981	69 663	77 457
Minority interest	5 283	5 835	6 988
Total equity	75 264	75 498	84 445
Total liabilities and equity	115 235	117 357	132 680
Total number of outstanding shares (million)	2 039	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	Year	
	2013	2012
Operating activities		
Net income (loss)	(839)	(1 331)
Loss (income) from discontinued operations	(189)	514
Depreciation, amortization and impairment	4 391	5 544
Other adjustments	1 710	707
Net cash provided by continuing operating activities	5 073	5 434
Investing activities		
Purchases of property, plant and equipment	(2 701)	(3 256)
Purchases of other long-term investments	(187)	(158)
Purchases of short-term investments	(1 250)	(3 050)
Proceeds from sales of property, plant and equipment	64	73
Proceeds from sales of other long-term investments	293	99
Proceeds from sales of short-term investments	3 050	-
Net cash used in continuing investing activities	(731)	(6 292)
Financing activities		
Loan proceeds	6 744	9 552
Principal repayments	(7 255)	(6 815)
Net decrease in other short-term debt	(289)	(492)
Proceeds from shares issued	56	72
Dividends paid	(1 975)	(1 741)
Net cash provided by (used in) continuing financing activities	(2 719)	576
Foreign currency effects on cash and bank overdraft	183	(344)
Net cash used in discontinued operations	(431)	(318)
Net increase (decrease) in cash, cash equivalents and bank overdraft	1 375	(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
Cash, cash equivalents and bank overdraft at end of period	8 408	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	Additional		Treasury shares	Retained earnings	Other components of equity	Equity attributable to		Total equity
	Share capital	paid-in capital				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)	(240)	(1 768)
Capital contribution in subsidiaries							128	128
Transactions with minority holders				71		71	(71)	-
Equity interests sold							(8)	(8)
Total comprehensive income for the period				(1 318)	(5 056)	(6 374)	(962)	(7 336)
December 31, 2012	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)	(528)	(2 057)
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				(920)	2 734	1 814	(55)	1 759
December 31, 2013	2 272	29 049	(1 006)	46 617	(6 950)	69 981	5 283	75 264

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	Fourth quarter 2012		Year 2012	
	Effect of IAS19R	Adjusted	Effect of IAS19R	Adjusted
Employee benefit expense	(34)	1 777	(136)	7 457
Earnings before financial items and tax	35	704	139	571
Financial expense	(70)	(290)	(281)	(1 047)
Income (loss) from continuing operations	(29)	334	(99)	(817)
Income (loss) from discontinued operations	4	(247)	14	(514)
Net income (loss)	(25)	87	(85)	(1 331)
Basic and diluted earnings per share attributable to Hydro shareholders (in NOK)	(0.01)	0.06	(0.04)	(0.65)
Other comprehensive income	2 426	969	2 464	(6 005)

NOK million	January 1, 2012		December 31, 2012	
	Effect of IAS19R	Adjusted	Effect of IAS19R	Adjusted
Assets held for sale	-	-	129	9 564
Prepaid pension	179	1 775	1 420	3 080
Total assets	126	132 680	805	117 357
Liabilities in disposal groups	-	-	51	3 445
Provisions	(717)	2 614	(683)	2 408
Pension obligation	1 528	10 627	(434)	8 077
Equity attributable to Hydro shareholders	(723)	77 457	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	Fourth quarter		Year	
	2013	2012	2013	2012
Total revenue				
Bauxite & Alumina	3 546	3 465	13 350	13 265
Primary Metal	5 554	5 485	23 279	26 690
Metal Markets	8 996	8 666	37 791	39 931
Rolled Products	4 869	4 885	20 096	20 080
Energy	1 596	1 240	6 279	4 691
Other and eliminations	(7 990)	(8 157)	(35 914)	(40 476)
Total	16 571	15 585	64 880	64 181
External revenue				
Bauxite & Alumina	2 171	2 367	8 124	8 459
Primary Metal	988	1 043	3 866	4 479
Metal Markets	7 668	6 675	29 646	28 960
Rolled Products	4 969	4 846	20 290	20 000
Energy	737	586	2 830	2 095
Other and eliminations	38	68	124	187
Total	16 571	15 585	64 880	64 181
Internal revenue				
Bauxite & Alumina	1 375	1 098	5 226	4 806
Primary Metal	4 566	4 442	19 413	22 210
Metal Markets	1 328	1 992	8 144	10 971
Rolled Products	(101)	39	(194)	80
Energy	860	654	3 449	2 595
Other and eliminations	(8 028)	(8 225)	(36 038)	(40 663)
Total	-	-	-	-
Share of the profit (loss) in equity accounted investments				
Bauxite & Alumina	-	-	-	-
Primary Metal	162	(73)	108	(320)
Metal Markets	-	1	-	-
Rolled Products	(14)	(21)	(70)	(67)
Energy	-	-	(2)	(2)
Other and eliminations	(312)	(2)	(348)	(61)
Total	(164)	(95)	(312)	(450)

NOK million	Fourth quarter		Year	
	2013	2012	2013	2012
Depreciation, amortization and impairment				
Bauxite & Alumina	424	409	1 718	1 750
Primary Metal	452	356	1 855	3 026
Metal Markets	24	22	98	174
Rolled Products	118	106	427	401
Energy	37	41	148	129
Other and eliminations	101	17	146	63
Total	1 157	951	4 391	5 544
Earnings before financial items and tax (EBIT) ¹⁾				
Bauxite & Alumina	(491)	(62)	(1 178)	(783)
Primary Metal	377	112	855	(1 254)
Metal Markets	202	211	666	138
Rolled Products	(71)	121	95	788
Energy	391	323	1 657	1 448
Other and eliminations	(410)	(1)	(420)	235
Total	(3)	704	1 674	571
EBITDA				
Bauxite & Alumina	(67)	347	540	967
Primary Metal	833	472	2 726	1 789
Metal Markets	226	232	764	312
Rolled Products	61	240	576	1 241
Energy	428	364	1 805	1 577
Other and eliminations	(309)	16	(274)	337
Total	1 173	1 672	6 137	6 222
Investments ²⁾				
Bauxite & Alumina	186	476	1 198	1 430
Primary Metal	390	326	1 093	1 023
Metal Markets	31	19	74	37
Rolled Products	254	167	442	405
Energy	94	97	689	430
Other and eliminations	16	22	90	56
Total	971	1 107	3 586	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 Fourth quarter 2013			
Bauxite & Alumina	(491)	424	(67)
Primary Metal	377	456	833
Metal Markets	202	24	226
Rolled Products	(71)	133	61
Energy	391	37	428
Other and eliminations	(410)	101	(309)
Total	(3)	1 176	1 173
EBIT - EBITDA 2013			
Bauxite & Alumina	(1 178)	1 718	540
Primary Metal	855	1 871	2 726
Metal Markets	666	98	764
Rolled Products	95	481	576
Energy	1 657	148	1 805
Other and eliminations	(420)	146	(274)
Total	1 674	4 462	6 137

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 were estimates for expected payments to or from the joint venture according to contract clauses requiring certain levels of working capital and investments. Hydro has also issued certain customary representations and warranties which may results in payments to the joint venture, for which estimated payment have been provided. The items resolved during the fourth quarter have not resulted in any adjustments to the recognized gain.

Summary of financial data for discontinued operations

NOK million	Fourth quarter		Year	
	2013	2012	2013	2012
Revenue and other income	-	3 947	11 531	17 598
Share of the profit (loss) in equity accounted investments	-	4	10	18
Depreciation, amortization and impairment	-	26	-	392
Other expenses	-	4 102	11 347	17 610
Earnings before financial items and tax	-	(177)	194	(386)
Financial income (expense), net	-	(2)	(52)	(58)
Income (loss) before tax	-	(179)	142	(444)
Income tax expense	-	(68)	(28)	(70)
Gain on disposal	-	-	75	-
Income (loss) from discontinued operations	-	(247)	189	(514)
Net cash provided by (used in) operating activities			(238)	313
Net cash used in investing activities			(285)	(716)
Net cash provided by (used in) financing activities			(12)	123
Foreign currency effects on cash			11	(38)
Net decrease in cash classified as assets held for sale			93	-
Net cash used in discontinued operations			(431)	(318)

Asset groups held for sale

NOK million	December 31	
	2013	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

Return on average Capital Employed (RoaCE)

NOK million	Underlying		Reported	
	2013	2012	2013	2012
EBIT	2 737	1 297	1 674	571
Adjusted Income tax expense ¹⁾	(1 082)	(629)	(867)	(935)
EBIT after tax	1 655	668	807	(363)

NOK million	31 December		
	2013	2012	2011
Current assets ²⁾	19 829	28 346	28 040
Property, plant and equipment	50 670	52 208	64 192
Other assets ³⁾	33 844	25 426	30 302
Other current liabilities	(12 688)	(15 010)	(16 968)
Other long-term liabilities ⁴⁾	(17 103)	(17 219)	(22 829)
Capital Employed	74 553	73 752	82 737

Return on average Capital Employed (RoaCE)	Underlying		Reported	
	2013	2012	2013	2012
Hydro	2.2 %	0.9 %	1.1 %	(0.5) %
Business areas ⁵⁾				
Bauxite & Alumina	(2.2) %	(1.6) %	(2.5) %	(1.5) %
Primary Metal	3.7 %	0.4 %	2.3 %	(3.1) %
Metal Markets	19.9 %	6.6 %	22.3 %	4.3 %
Rolled Products	5.0 %	5.3 %	0.5 %	6.7 %
Energy	23.1 %	23.2 %	23.2 %	23.0 %

1) Adjusted Income tax expense is based on reported and underlying tax expense adjusted for tax on financial items.

2) Excluding cash and cash equivalents and short-term investments.

3) Including deferred tax assets.

4) Including provisions for pension and deferred tax liabilities.

5) RoaCE at business area level is calculated using 30% tax rate. For Energy, 55% tax rate is used.

Financial calendar

2014

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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