



HYDRO

Norsk Hydro ASA

Registration Document

Joint Lead Managers:



Handelsbanken
Capital Markets

Nordea

Oslo, 7 December 2017

Important information

The Prospectus has been prepared in order to list the Bonds (as defined in the Securities Notes) on Oslo Børs, in accordance with the requirements of the Norwegian Securities Trading Act.

A prospective investor should consider carefully the factors set forth in chapter 1 Risk factors, and elsewhere in the Prospectus, and should consult his or her own expert advisers as to the suitability of an investment in the bonds.

The Joint Lead Managers and/or any of their affiliated companies and/or officers, directors and employees may be a market maker or hold a position in any instrument or related instrument discussed in this Registration Document, and may perform or seek to perform financial advisory or banking services related to such instruments. The Joint Lead Managers' corporate finance department may act as manager or co-manager for this Company in private and/or public placement and/or resale not publicly available or commonly known.

All inquiries relating to the Prospectus must be directed to the Company. No other person is authorized to give any information about, or to make any representations on behalf of the Company. If any such information is given or made, it must not be relied upon as having been authorized by the Company. The information contained herein is as of the date hereof and is subject to change, completion, and amendment without further notice. The delivery of this Information Memorandum shall not imply that there has been no change in the Company's affairs or that the information set forth herein is correct as of any date subsequent to the date hereof.

Copies of this Registration Document are not being mailed or otherwise distributed or sent in or into or made available in the United States. Persons receiving this document (including custodians, nominees and trustees) must not distribute or send such documents or any related documents in or into the United States.

Other than in compliance with applicable United States securities laws, no solicitations are being made or will be made, directly or indirectly, in the United States. Securities will not be registered under the United States Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

The distribution of the Registration Document may be limited by law also in certain jurisdictions. Approval of the Registration Document by Finanstilsynet (the Norwegian FSA) implies that the Registration Document may be used in any EEA country. No other measures have been taken to obtain authorisation to distribute the Registration Document in any jurisdiction where such action is required.

The Norwegian FSA has controlled and approved the Registration Document pursuant to the Norwegian Securities Trading Act, § 7-7. The Norwegian FSA has not controlled and approved the accuracy or completeness of the information given in the Registration Document. The control and approval performed by the Norwegian FSA relates solely to descriptions included by the Company according to a pre-defined list of content requirements. The Norwegian FSA has not undertaken any form of control or approval of corporate matters described in or otherwise covered by the Registration Document. The Registration Document was approved on 8 December 2017. The Registration Document is valid for 12 month from the approval date.

The Registration Document dated 7 December 2017 together with a Securities Note and any supplements to these documents constitute the Prospectus.

The content of the Prospectus does not constitute legal, financial or tax advice and potential investors should seek legal, financial and/or tax advice. Each reader of the Prospectus should consult with their own legal, business or tax advisor as to legal, business or tax matters. If you are in any doubt about the contents of the Prospectus, you should consult your stockbroker, bank manager, lawyer, accountant, or other professional advisor.

The Prospectus is subject to Norwegian law. Any dispute arising out of or in respect of this Prospectus is subject to the exclusive jurisdiction of the Norwegian courts, with Oslo District Court as legal venue in the first instance.

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1 Risk factors

Investing in bonds issued by Norsk Hydro ASA involves inherent risks.

The risk factors for Norsk Hydro ASA and the Group are deemed to be equivalent for the purpose of this Registration Document.

The risks and uncertainties described in the Prospectus are risks of which the Group is aware and that the Group considers to be material to its business. If any of these risks were to occur, the Group's business, financial position, operating results or cash flows could be materially adversely affected, and the Group could be unable to pay interest, principal or other amounts on or in connection with the bonds. Prospective investors should carefully consider, among other things, the risk factors set out in this Registration Document and in the Securities Note, before making an investment decision. The risk factors set out in the Registration Document and the Securities Note cover the Company and the bonds issued by the Company, respectively.

An investment in the bonds is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of their investment.

Changes in the regulatory framework or political environment in which Hydro operates could have a material adverse effect on the Company's operating results and financial position

Hydro is subject to a broad range of laws and regulations in the legal jurisdictions in which we operate. These laws and regulations impose stringent standards and requirements and potential liabilities regarding accidents and injuries, the construction and operation of our plants and facilities, payment of taxes, air and water pollutant emissions, the storage, treatment and discharge of waste waters, the use and handling of hazardous or toxic materials, waste disposal practices, and the remediation of environmental contamination, among other things. Changes in such laws and regulations, or changes in the way these laws and regulations are interpreted or enforced, may have a significant negative financial effect for Hydro.

Hydro's operations include extracting and refining bauxite resources and utilizing water resources for the generation of power. Such activities have increasingly been subject to local and regional tax regimes which are separate and in addition to national tax regimes such as corporate income tax. There is a risk that new taxes are introduced, or the current tax levels will be increased, in the future.

In Brazil, the tax system is complex and volatile, with a broad range of direct and indirect taxes levied at the federal, state and municipal levels. Over the past several years, state finances in Brazil have deteriorated, leading to mounting pressure to increase tax revenues.

ICMS is a value added tax collected by Brazilian states on circulation of goods and on services such as transportation and communications. ICMS varies from 7 to 25 percent of the gross value of such goods and services, including ICMS. Hydro's main operations in Brazil are located in the state of Pará, which has historically granted a deferral of the collection point for ICMS on certain goods and services. Furthermore, Brazil has a general ICMS exemption on exports. In 2015, Hydro reached an agreement with the state of Pará, granting a renewed ICMS deferral regime for Hydro Paragominas, Hydro Alunorte and Alumínio Brasileiro S.A (Albras) for a 15 year period. With this regulation, the deferred ICMS tax will not be due on the goods that are destined for export. The agreement is subject to several conditions which Hydro must comply with on an ongoing basis. A discontinuation of the ICMS deferral would adversely affect Hydro's operating results from its Brazilian operations.

Failure to comply with the requirements of the Brazilian Department of Mines with respect to exploration permits and mining concessions may result in a loss of title. Third parties (including, but not limited to, indigenous persons) may dispute title to mineral concessions or the right to conduct mining or exploration activities.

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Environmental regulations have continued to tighten in various jurisdictions over the last years due to higher ambitions for national and international environmental targets. In the mining industry, recent major incidents (e.g. Samarco¹) have increased public awareness and pressure towards authorities and politicians to impose further restrictions. In this context, Hydro and its joint ventures, face the risk of further tightening of environmental regulation requiring further resources to maintain our operations and avoid restrictions or delay in obtaining new licenses in the future.

On June 5, 2017, Saudi Arabia, United Arab Emirates, Bahrain and Egypt imposed certain measures on Qatar including severing diplomatic ties and cutting off transportation links. Qatalum, a 50/50 Joint Venture between Hydro and Qatar Petroleum, has been immediately affected causing Qatalum to re-arrange its logistics, so far with limited financial consequences. The development of this situation remains highly uncertain. Qatalum and Hydro may be materially adversely affected if the situation significantly escalates further.

Qatalum, was established in 2007 and started its first production in December 2009. Qatalum was at the outset granted a ten-year income tax holiday, expiring in 2020. According to the joint venture agreement it is the generally applicable tax rate that will apply after 2020. A tax reform came into effect from 2010, which introduced a generally applicable corporate income tax rate of 10 percent. A different tax rate may apply to entities with oil and gas operations or where the activities are carried out under an agreement with the government or entities owned by the government, unless the agreement specifies another tax rate. It is Hydro's position that the generally applicable income tax rate, currently at 10 percent, shall apply to Qatalum after the expiry of the tax holiday.

Hydro is, directly and indirectly, exposed to increasingly demanding legislation on reducing greenhouse gas emissions. Hydro has substantial smelter operations located in Europe and other regions as well as alumina refining operations located in Brazil. Aluminium production is an energy-intensive process that potentially leads to significant environmental emissions, especially emissions to air, including CO₂. An increasing number of countries have introduced, or are likely to introduce in the near future, legislation with the objective of reducing greenhouse gas emissions. Due to a new climate accord reached at the Paris climate conference in December 2015, there is a general belief that the political framework for regulating emissions of greenhouse gases will accelerate together with a focus on technology improvements leading to lower emissions. A new directive on EU/ETS is now being discussed in the EU. This can affect the level of CO₂ price, the level of free allowances for direct emissions and compensation regime for indirect CO₂ cost.

Hydro has been an active participant in the development of international frameworks on climate change and greenhouse gas emissions supporting the establishment of a level playing field for global aluminium production. The Company engages in significant R&D activities focused on reducing energy consumption and improving electrolysis efficiency including anode consumption which is the main source of CO₂ emissions from the Company's smelter operations.

Hydro is engaged in a systematic dialogue with local, state and federal politicians, industry associations, non-governmental organizations and local communities regarding the regulatory challenges facing its operations. The focus of the dialogue is on Hydro's contribution to a sustainable aluminium value chain and underlines the need for competitive and predictable framework conditions for the Company's operations.

These efforts may fail or prove to be inadequate to mitigate the risks the Company faces regarding changes in the regulatory framework or political environment in which the Group operates.

Hydro is exposed to a risk of unfavorable macro-economic development, including risk of prolonged periods of low aluminium and alumina prices and oversupply in the global aluminium market

The aluminium industry is pro-cyclical with demand for products closely linked to economic development. This results in significant volatility in the market prices for aluminium products in periods of macroeconomic

1. The Samarco mine dam failure in Brazil on November 5, 2015.

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uncertainty or recession. Macroeconomic development also drives changes in currency values, which have a significant effect on Hydro's cost and competitive position.

Global aluminium oversupply, in addition to high global stock levels, has had a dampening effect on LME prices in recent years. Following improvements in 2014, market conditions deteriorated throughout 2015 and into 2016, impacted by oversupply in China leading to increased exports of primary metal in the form of semi-fabricated products (see also risk factor below on competition from China). This development, together with increased metal availability from warehouses and an overall downward shift of the industry cost curve, has resulted in a decline in all-in metal prices. Despite the improved market performance late 2016 and into 2017, global economic uncertainty continues, potentially affecting demand in key downstream markets. There are regional differences, with Europe in particular experiencing modest growth.

Aluminium products are traded globally. Development in global trade flows, trade framework, tariffs and anti-dumping legislation are therefore of importance. Global trade framework and protectionism are moving higher on the agenda, following events such as Brexit and the US presidential election, as well as the disputes regarding market economy status (MES) for China under the WTO agreement.

The majority of Hydro's upstream capacity is located in countries with typical "commodity currencies" such as Norway, Brazil, Canada and Australia where strong commodity pricing is mirrored in strong currencies. There is a fairly strong historic correlation supporting this relationship, however with a volatility around the trend. From 2015 the Company's major cost currencies weakened substantially, having significant positive impact on the Company's cost level and competitive position. However, these currencies have periodically been volatile. If Hydro's main cost currencies strengthen going forward, this will increase the Company's operating cost and may weaken the Company's global competitive position relative to production from other regions.

Hydro's core strategy to reduce the risks related to weak economic and unfavorable market developments is the continuous improvement of the Company's business in terms of operational efficiency, cost reductions and enhanced commercial strategies. These efforts help the Company to partly offset the effects of low market prices and raw material cost increases. In order to secure financial liquidity, Hydro concentrates on maintaining a strong balance sheet, capital discipline and a continued focus on working capital. However, the cost reductions and improvements that Hydro targets may prove to be insufficient to achieve a sustainable level of profitability for the Company's business operations in the event of an extended period of low aluminium prices, significant strengthening of Hydro's local currencies, relatively high costs for key raw materials, or weak market demand.

The Group's business is exposed to competition from China, which could have a significant negative impact on market prices and demand for the Group's products

China is the world's largest consumer and producer of aluminium, with more than half of the global production capacity. As a result, changes and developments in aluminium supply and demand in China have a significant impact on global market fundamentals.

Chinese alumina refineries and, consequently, aluminium smelters are dependent on imports of bauxite. Bauxite has traditionally been sourced from the Pacific region, with Malaysia as a major supplier in 2015. In early 2016, Malaysia imposed a bauxite mining moratorium, significantly restricting exports. Throughout 2016, increasing bauxite volumes have become available from Guinea to supply Chinese demand. While the increased export volumes from Guinea have removed the risk of a bauxite supply shortage for China, sourcing from Guinea increases the freight distance and relative costs compared with Pacific supply sources.

In past years, China has followed a policy of promoting a balanced internal market for primary aluminium including incentives to discourage the export of primary metal while encouraging domestic production of more labor-intensive semi-fabricated and finished aluminium products. During 2015 and 2016, overcapacity in China, led to a continued rise in exports of primary aluminium in the form of semi-fabricated products. This affected all-in metal prices outside China which declined significantly. Exports from China have varied considerably, driven, amongst other factors, by periodic arbitrage opportunities between Chinese and international metal prices. However, trend-wise, exports have increased over the last years, but remained at 10-12 percentage of Chinese semis production. Although Chinese central authorities have voiced their concerns regarding the market surplus, and 2015-2016 demonstrated that Chinese players are willing and able to reduce loss making production, measures may be counteracted by local authorities, not implemented or may prove inadequate. An increase in

the oversupply of primary metal in China may lead to higher export of rolled and extruded downstream products, affecting demand for Hydro's metal products.

The Group's dedicated improvement programs are the key strategies aimed at maintaining and improving the Group's relative position on the industry cost curve. This is further supported by the Group's focus on producing value-added products and exposure to different parts of the value chain and product segments. However, the targeted cost reductions and improvements may prove to be insufficient to achieve a sustainable level of profitability for the Group's business operations in the event of an extended period of low aluminium prices, stronger local currencies, relatively high costs for key raw materials or weak market demand, or an extended period of significantly increased aluminium products exports from China.

Hydro could be adversely affected by disruptions or major incidents in the Group's operations and may not be able to maintain sufficient insurance to cover all risks related to its operations

Hydro's business is subject to a number of risks and hazards which could result in disruptions to operations, damage to properties and production facilities, personal injury or death, environmental damages, monetary losses and possible legal liability. Some of the Group's operations are located in close proximity to sizable communities. Major accidents could result in substantial claims, fines or significant damage to Hydro's reputation. Breakdown of equipment, power failures or other events leading to production interruptions in the Group's plants could have a material adverse effect on the Group's financial results and cash flows.

In 2013 power outages at Alumina do Norte do Brasil S.A. (Alunorte), the Company's Brazilian alumina refinery, resulted in significant production disruptions, having a negative impact on operating results for the year. In 2016, power outage at the Årdal smelter caused a partial loss of production, some damage to equipment in addition to temporarily increasing the cost position of the plant.

In addition, the potential physical impacts of climate change on the Group's facilities and operations are highly uncertain and may cause disruptions in the Group's operations. Effects of climate changes may include changes in rainfall patterns, flooding, shortages of water or other natural resources, changing sea levels, changing storm patterns and intensities, and changing temperature levels.

In order to reduce the risk of disruptions of the Group's operations and potential consequences, the Company performs regular risk assessments and engages in comprehensive emergency preparedness training for key managers and employees. The scope of risk assessments has been expanded over time. The Company has also focused on increasing the Group's resilience against power outages including automation of substations and power generating facilities and improved back-up facilities. Although Hydro maintains insurance to protect against certain risks in such amounts as it considers reasonable and in accordance with market practice, its insurance may not cover all the potential risks associated with Hydro's operations. These measures may be insufficient to mitigate the risks associated with operational disruptions or major incidents.

Hydro may fail to realize sufficient value in the execution and implementation of major projects or business acquisitions

Hydro makes significant capital investments and acquisitions as part of its business development, and may not be able to realize the benefits expected from such transactions and projects. Major projects and acquisitions are subject to significant risk, and uncertainty in making the investment evaluation, project execution and subsequent operations. Acquisitions may also contain significant unidentified risks and liabilities, which could have a material adverse effect on our profits and financial position.

Being at the forefront of technological development is important for Hydro to remain competitive. Hydro has decided to build the Karmøy Technology Pilot to operationalize "next generation" cell and smelter technology developed together with key suppliers. We may fail to execute the project on time or on budget. We may also fail to achieve the expected technical enhancements and benefits for the existing smelter portfolio resulting from the new technology.

In 2014, Hydro decided to build a beverage can recycling facility (UBC line) at the Rheinwerk site in Germany. The UBC line will expand Hydro's recycling capabilities and enhance sourcing of material for the Rolled Products system. The project has experienced delays in ramp up and has not yet been able to reach targeted capacity. Some further modifications and investments are expected in 2017 to enable ramp up to rated capacity.

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Hydro has made major investments in emerging and transitioning markets and future investments may occur or may be more likely to occur in countries characterized as emerging and transitioning markets. Investing in emerging and transitioning markets is demanding in terms of organizational capacity, cultural understanding, effort, knowledge and experience, and Hydro may not be capable of succeeding in expanding its business in such markets.

At the end of 2016, around half of our smelter capacity was owned through interests in joint ventures and partly-owned subsidiaries. Investments as a minority partner in jointly owned entities reduces Hydro's ability to manage and control this part of its portfolio. Investments in jointly owned entities, including those in which we hold a majority position, also entail the risk of diverging interests between business partners, which could impede Hydro's ability to realize its objectives, repatriate funds from such entities and to achieve full compliance with Hydro's standards.

In order to mitigate the risk associated with the execution and implementation of major projects, all capital projects in Hydro, including M&A projects, are subject to a formal, comprehensive, internal review process prior to making any commitment. Hydro is continuously working to improve our project evaluation and execution processes. This includes improving risk assessment, methodologies and clarifying and refining minimum return requirements for different parts of the value chain. These measures, may however, prove to be insufficient to mitigate the risks we face in the execution and implementation of major projects or business combinations.

Hydro cannot be certain that the integration of Sapa into its existing business will result in the expected benefits from anticipated business opportunities, revenue enhancements or growth levels or that such results can be achieved in the timeframe expected. Future business conditions and events may reduce, eliminate or delay Hydro's ability to realize them.

Further, the growth and operating strategies for the combined entity may not be successful. Hydro may fail to realize the anticipated benefits of the Transaction due to integration and other challenges, including, but not limited to:

- complications consolidating corporate and administrative infrastructures, including information technology, communications and other systems;
- difficulties with retaining employees;
- inability to coordinate research and development, marketing and other functions;
- potential disruption of ongoing businesses or inconsistencies in standards, controls, procedures and policies which could have a material adverse effect on the ability to maintain relationships with customers, suppliers, distributors or creditors;
- diversion of management's attention and resources from ongoing business concerns; and
- difficulties mitigating contingent and assumed liabilities.

The inability to benefit from business opportunities, experience revenue and overall growth or to meet the expected cost of integrating Sapa, or inability to achieve them within the expected timeframe, could have a material adverse effect on Hydro's business, financial condition, operating results and/or cash flows.

Hydro could be negatively affected by investigations, legal proceedings, material CSR incidents or major non-compliance with internal or external regulations.

Hydro could be negatively affected by criminal or civil proceedings or investigations related to, but not limited to product liability, environment, health and safety, alleged anti-competitive or corrupt practices or commercial disputes.

Violation of applicable laws and regulations could result in substantial fines or penalties, costs of corrective work and, in rare instances, the suspension or shutdown of the Group's operations and substantial damage to the Company's reputation. In addition, Hydro is exposed to actual or perceived failures to behave in a socially responsible manner beyond regulatory requirements, as defined by non-governmental organizations or other key stakeholder groups. Such failures could result in significant, negative publicity and potential serious harm to Hydro's reputation. Reactions by key stakeholders and communities in which Hydro operates could also interfere or interrupt the operations of the Group's business.

Hydro has significant operations in Barcarena, Brazil, including the Alunorte alumina refinery and Albras aluminium smelter. Local social conditions are challenging with high levels of unemployment and general poverty.

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Social unrest in Barcarena could result in operational instability and reduced performance of the affected operations. To improve social conditions in Barcarena, Hydro is working on several projects that aim to have positive impact on the social development of the municipality.

Extruded Solutions Profiles Inc. (SPI), a Portland, Oregon-based wholly-owned subsidiary of Extruded Solutions AS is under investigation by the United States Department of Justice (DOJ) Civil and Criminal Divisions regarding certain aluminum extrusions that SPI manufactured from 1996 to 2015, including extrusions that were delivered to a supplier to NASA. SPI is cooperating fully in these investigations. The investigations are currently ongoing, and, at this point, the outcome of the investigations and of any identified quality issues, including financial consequences for Extruded Solutions, is uncertain. SPI also has been temporarily suspended as a federal government contractor. Based on the information currently known to Hydro, Hydro does not expect any resulting liabilities to have a material adverse effect on its consolidated results of operations, liquidity or financial position.

Hydro's board-sanctioned code of conduct requires adherence with laws and regulations as well as internal steering documents and is systematically implemented and followed up through the Company's compliance system. The compliance system is based on four pillars: prevention, detection, reporting and responding. In addition to financial compliance, priority areas are HSE, anti-corruption and competition law. Hydro's procedure for integrity risk management of business partners includes suppliers and customers, strategic partners and intermediaries/agents and sets requirements for integrity due diligence. Hydro is active in, and has a long tradition for, conducting dialogue with the relevant parties affected by the Group's activities. These include unions, works councils, customers, suppliers, business partners, local authorities and non-governmental organizations. The above mentioned controls and initiatives may, however, be insufficient to mitigate these risks.

Hydro may be unable to achieve or maintain the operational targets necessary to secure the competitiveness of the Group's business

Hydro operates in a highly competitive market where operational excellence in all parts of the value chain is required to reach and maintain a competitive position. This includes each step of the business process from the sourcing of raw materials, to physical operations of each plant, and the commercial optimization of the product portfolio. Failure to build or maintain a high performance culture throughout the organization will reduce the competitiveness of the Group's business and result in the failure to meet the Company's long-term financial targets.

Operational performance may also be inhibited by other factors such as the inability to develop necessary technical solutions; changes or variations in geologic conditions, environmental hazards, weather, climate change or natural phenomena; mining and processing equipment failures and unexpected maintenance problems and interruptions. Driving improvements and performance is heavily dependent on achieving sufficient capacity and skill in the workforce. Substantial parts of the Brazilian operation are located in remote areas where it has been difficult to attract and retain the competence required to achieve the Company's performance goals for these operations. In addition, Hydro's bauxite reserves in Brazil and the estimated quantities of bauxite that Hydro expects can be economically mined and processed are subject to material uncertainties.

The operational performance of Hydro's production assets has been gradually improved over the past several years through the implementation of defined improvement programs. Unrelenting focus on continuous improvement is necessary for Hydro to maintain and further improve the competitiveness of the Group's portfolio. This is reflected in the significant improvements targeted for 2019.

The Group's operations, and in particular its aluminium smelters, are dependent upon large volumes of energy. Securing new, competitive energy sources for the Group's business is a key operational target and the Company's business could be materially adversely affected by the inability to replace, on competitive terms, the Company's long-term energy supply contracts when they expire, or the Company's own electricity production, to the extent that concessions revert to the Norwegian state. Hydro has, over the last years, secured several long-term power supply contracts in Norway. In 2016, an important regulatory change was implemented in Norway that allows for private ownership to waterfalls through companies with liability, often referred to as industrial ownership or ANS/DA, enabling further progress on Hydro's work to re-structure ownership and protect the value of the Company's power assets.

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A cornerstone in the Company's work to reach operational targets and secure the competitiveness of the Group's operations is the use of standardized business systems to structure and formalize continuous improvement work. Improvements are also supported by benchmarking to identify and implement best practices between the Company's business areas. Hydro is also engaged in a number of initiatives to identify and secure competitive energy supplies for its operations, and is actively involved in promoting a sustainable energy policy in the regions where the Company operates. However, the Company may not succeed in achieving or maintaining the operational targets necessary to secure its competitiveness. Hydro may also fail to identify and secure sufficient competitive energy supplies for the Company's operations.

Hydro is exposed to the threat of cyber attacks which may disrupt its business operations, and result in reputational harm and other negative consequences

Hydro's IS/IT infrastructure is a critical element in all parts of the Company's operations, ranging from process control systems at production sites, central personnel databases to systems for external financial reporting. Cyber crime is increasing globally, and Hydro is exposed to threats to the integrity, availability and confidentiality of the Company's systems. Threats may include attempts to access information, computer viruses, denial of service and other electronic security breaches.

Hydro has launched several initiatives to increase the robustness of its IS/IT infrastructure towards malicious attacks by improving system infrastructure and educating employees to develop and improve secure work processes and routines. However, these initiatives may fail to deliver the expected results or prove to be inadequate to prevent cyber attacks or security breaches that manipulate or improperly use the Company's systems or networks.

Financial position

Hydro's main strategy for mitigating risk related to volatility in cash flow is to maintain a strong balance sheet. Specific key financial ratio levels over the business cycle are targeted, reflecting a solid financial position and strong credit worthiness. These include adjusted net cash (debt) to equity ratio below 0.55 and a ratio of Funds from operations to adjusted net cash (debt) above a level of 0.40. Hydro closely monitors liquidity reserves and its debt instalment profile in order to secure its financial position.

Hydro's liquidity position at the end of June 2017 is considered to be solid. In addition Hydro has an undrawn credit facility of USD 1.7 billion which expires in 2020. Hydro continues to focus on cash flow and credit risk throughout the organization. However, any adverse development of Hydro's financial position may lead to losses for Hydro, lower operating results and/or cash flows.

Commodity prices and currency fluctuations

Hydro's operating results are primarily affected by price developments of the Company's main products: aluminium, alumina, bauxite and power, and of raw materials including commodities such as fuel oil, petroleum coke and coal. In addition, Hydro has a substantial portion of its primary metal capacity based in Norway and its accounting and reporting currency is the Norwegian krone. Primary aluminium prices, alumina and certain product premiums as well as a major part of the raw materials for producing aluminium are denominated in US dollars.

Roughly half of Hydro's capital employed is located in Brazil. Much of Hydro's downstream business is based in Europe and a large portion of the production is sold in Euro while export sales to other regions are typically denominated in US dollars. As a result of these exposures, the relative value of the Norwegian krone, US dollar, Brazilian Real and Euro are of high importance to Hydro's operating results.

Commodity price volatility and currency fluctuations in general have increased significantly in recent years and can have a substantial impact on the Group's operating costs directly and can also have a significant effect on the Group's reported operating results due to realized and unrealized gains and losses on derivative instruments. Underlying results for the Group's trading and hedging operations are also subject to substantial variations in periods of significant fluctuations of spot and forward prices for aluminium.

The Group's main risk management strategy for upstream operations is to accept exposure to price movements, while at the same time focusing on reducing the average cost position of its production assets. In certain circumstances, derivatives may be used to hedge certain revenue and cost exposures.

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Downstream and other margin-based operations are to a certain extent hedged to protect processing and manufacturing margins against price fluctuations. An operational hedging system has been established to protect commercial contracts from aluminium price fluctuations.

To mitigate the US dollar exposure, the Company's general policy is to raise funding in US dollars. To reduce the effects of fluctuations in the US dollar and other exchange rates, Hydro may use foreign currency swaps and forward currency contracts. No such contracts are currently in place.

Any revaluation of derivative instruments and contracts classified as derivatives may influence reported earnings. For accounting purposes, derivative financial and commodity instruments are recognized at fair value, with changes in fair value impacting earnings unless specific hedge criteria are met. This may result in volatility in earnings, since the associated gain or loss on the related physical transactions may be reported in earnings in different periods.

2 Definitions

Annual Report 2015	Norsk Hydro ASA annual report for 2015
Annual Report 2016	Norsk Hydro ASA annual report for 2016
Articles of Association	The articles of association of the Company, as amended and currently in effect
Board of Directors	the board of directors of the Company
CAP	Companhia de Alumina do Para's (CAP), a potential new alumina refinery to be located in Barcarena
Company/Issuer/Norsk Hydro	Norsk Hydro ASA, a Norwegian public limited company existing under the laws of Norway, with company registration number 914 778 271
Group/Hydro	the Company and its subsidiaries
IFRS	International Financial Reporting Standards
ISIN	International Securities Identification Number
Joint Lead Managers	DNB Bank ASA, Nordea Bank AB (publ) and Svenska Handelsbanken AB (publ)
LME	London Metal Exchange
Management	the corporate management board of the Company
MRN	Mineração Rio do Norte, a bauxite mine in Brazil
NOK	Norwegian kroner
Registration Document	this document dated 7 December 2017
Securities Note	document to be prepared for each new issue of bonds under the Prospectus
VPS or VPS System	The Norwegian Central Securities Depository, Verdipapirsentralen

3 Persons responsible

3.1 Person responsible for the information

Person responsible for the information given in the Registration Document are as follows:

Norsk Hydro ASA, P.O. Box 980 Skøyen, N-0240 Oslo, Norway

3.2 Declaration by persons responsible

Norsk Hydro ASA accepts responsibility for the information contained in the Registration Document. The Issuer confirms that, after having taken all reasonable care to ensure that such is the case, the information contained in the Registration Document is, to the best of its knowledge, in accordance with the facts and contains no omissions likely to affect its import.

Oslo, 7 December 2017

Norsk Hydro ASA

4 Statutory Auditors

4.1 Names and addresses

The Company's auditor for 2015 and 2016 has been KPMG AS, P.O. Box 7000 Majorstuen, N-0306 Oslo, Norway.

KPMG AS is member of The Norwegian Institute of Public Accountants.

5 Information about the Issuer

5.1 History and development of the Issuer

5.1.1 Legal and commercial name

The legal name of the Issuer is Norsk Hydro ASA, the commercial name is Hydro.

5.1.2 Place of registration and registration number

The Issuer is registered in the Norwegian Companies Registry with registration number 914 778 271.

5.1.3 Date of incorporation

Norsk Hydro ASA was incorporated on 2 December 1905.

5.1.4 Domicile and legal form

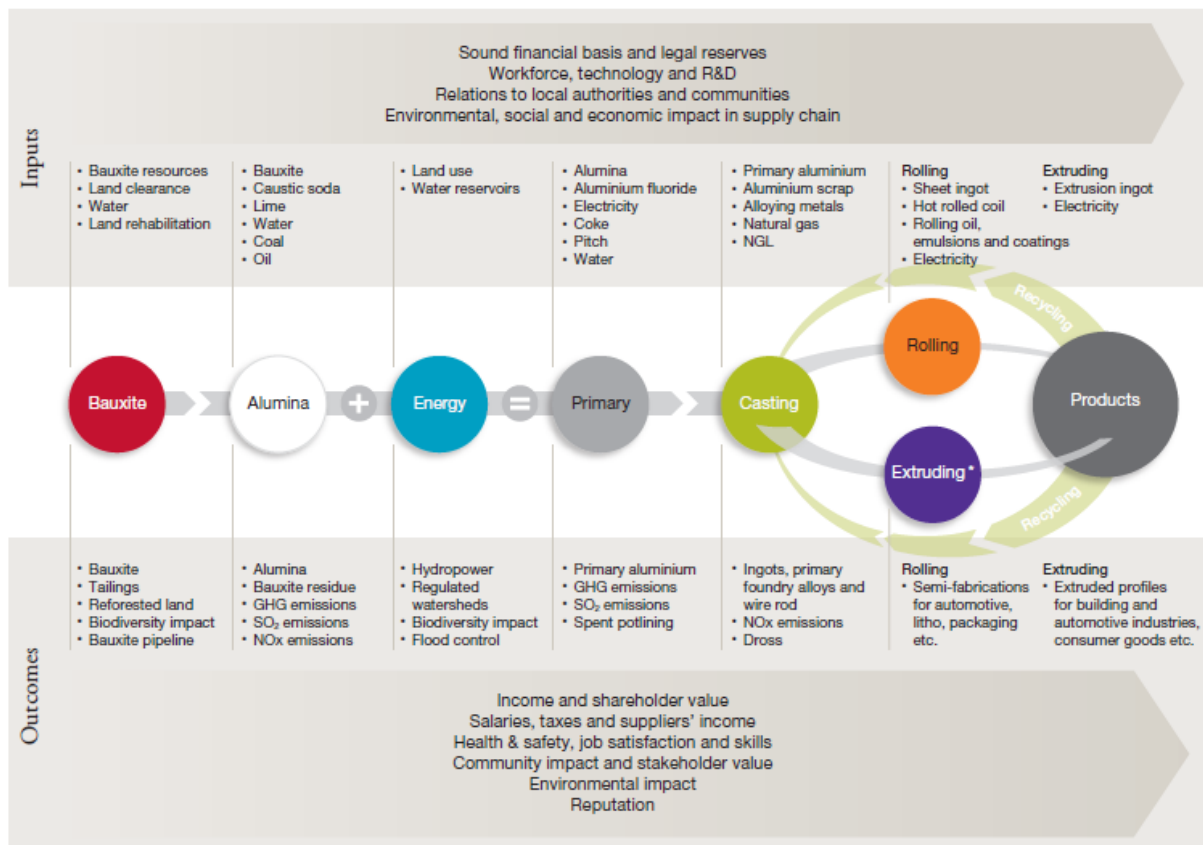
The Company is a public limited liability company organized under the laws of Norway, including the Public Limited Companies Act. See also section 7.1 Description of Group that Issuer is part of.

The Company's registered address is P.O. Box 980 Skøyen, N-0240 Oslo, Norway. The Company has no registered telephone number. The Company's telephone number is +47 22 53 81 00.

6 Business overview

Hydro is a fully integrated aluminium company with 35,000 employees in 40 countries on all continents, combining local expertise, worldwide reach and unmatched capabilities in R&D. In addition to production of primary aluminium, rolled and extruded products and recycling, Hydro also extracts bauxite, refines alumina and generates energy to be the only 360° company of the global aluminium industry. Hydro is present within all market segments for aluminium, with sales and trading activities throughout the value chain serving more than 30,000 customers. Based in Norway and rooted in more than a century of experience in renewable energy, technology and innovation, Hydro is committed to strengthening the viability of its customers and communities, shaping a sustainable future through innovative aluminium solutions.

Hydro's value chain is shown below:



The operating segments are described below.

6.1 Bauxite & Alumina

Industry overview

Bauxite rock is composed mainly of aluminium hydroxide bearing ore minerals, with accompanying accessory minerals commonly containing iron oxides and hydroxides, and silica as clay and/or quartz. The three main ore minerals are gibbsite, boehmite, and diasporite. Their relative abundances in a particular bauxite source will determine alumina processing characteristics, and consequently will impact on the design, capital and operating costs of a related alumina refinery. In general, it can be stated that gibbsitic bauxite is preferred, as it can be digested at lower temperature and pressure than boehmitic or diasporic bauxites. Most bauxites occur within a lateritic crust formed by intense tropical weathering, as near-surface blanket deposits. Bauxite is typically extracted from open cut mines, and either processed at nearby refineries, or transported to distant refineries, which can add substantial logistical costs to the production of alumina. About 80 percent of alumina refining outside of China is based on integrated bauxite mines. In China, about 60 percent of alumina refining is based on integrated sources.

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China, Australia, Brazil and Guinea accounted for 31, 29, 12 and 10 percent of global bauxite production of 303 million mt in 2016, respectively. The five largest mines outside China represented around 48 percent of the Western World bauxite production of 209 million mt.

Alumina is a significant cost element in the production of aluminium. The alumina market is competitive, but relatively few players hold a long position. China is the largest producing country representing approximately 55 percent of the global demand and capacity.

Operations

Bauxite from Paragominas is mined in open pits and sorted and crushed into sizes suitable for transportation as slurry through the world's longest pipeline approximately 240 kilometers to Alunorte for refining into alumina. Bauxite from *Mineração Rio do Norte* (MRN) is transported by vessel. Alumina processing begins by removing the water from the bauxite slurry, then mixing the bauxite with caustic soda at high temperature and pressure. The resulting mixture is pumped into a digester, where a chemical reaction dissolves the alumina. This process produces a sodium aluminate solution, which is transferred into tanks to separate impurities through settling and filtration. The cooled sodium aluminate solution is then pumped into precipitators to grow alumina crystals, which are transferred to thickening tanks and further to fluid bed calciners to remove water, producing pure alumina.

Bauxite mining

Paragominas is located in the Brazilian state of Pará. The mine has a nominal production capacity amounting to 9.9 million metric tons, 14-percent moisture bauxite on an annual basis, which represents about 4 percent of global capacity. Operations include a mining fleet of about 182 vehicles and 1,372 employees.

Operations at Paragominas commenced in the first quarter of 2007, and began supplying raw material to the Alunorte alumina refinery at the same time. An expansion - Paragominas II - was completed in the second quarter of 2008. The potential for further expansion is estimated up to 15 million mt in total.

The site is connected to a 244-kilometer slurry pipeline with an annual capacity of 15 million mt. It is the only bauxite slurry pipeline in the world, and has significant integration advantages combined with a very low environmental impact.

Paragominas supplies all of its production to Alunorte. In 2016 Hydro acquired the remaining shares for a 100 percent ownership in Paragominas, providing about 71 percent of Alunorte's bauxite requirements. The remainder is sourced from MRN, which Hydro has a 5 percent ownership interest in and off-take agreements with Vale for a further 40 percent of the volume produced by MRN.1) The MRN mine is one of the three largest and most efficient bauxite mines worldwide and the largest in Brazil.

Alumina refining

Hydro's major alumina asset is its 92 percent interest in the Alunorte alumina refinery. Alunorte has a nominal capacity of approximately 6.3 million mt of alumina. The Alunorte refinery is competitive due to the high quality of its alumina, advantages in scale and technology, relatively low energy consumption and labor costs. The plant has several cost advantages, including an efficient energy mix of heavy fuel oil and coal, competitive caustic soda consumption due to high quality bauxite and a potential for lower transport costs through higher pipeline throughput.

Companhia de Alumina do Pará's (CAP), a potential new alumina refinery to be located in Barcarena, close to Alunorte, has been under evaluation for development in a joint venture between Hydro and Dubal Holding LLC (Hydro's share, 81 percent). The technical design for the refinery was reviewed in 2016 resulting in further planned improvements in performance and costs. The new design has an initial annual capacity of 2.6 million mt, with the potential for future expansions of up to 7.4 million mt. Further progress in this project is mainly dependent on the balance between industry production capacity and market demand.

Commercial operations

Hydro has a long position in bauxite of 3-4 million mt and in alumina of approximately 2-3 million mt. Hydro is pricing bauxite on its own fundamentals to reflect the superior Brazilian quality. As mentioned above, in addition to Paragominas and Hydro's equity interests in MRN bauxite mine, It has volume off-take agreements for Vale's 40 percent interest in MRN, which amounted to 7.9 million mt in 2016. The excess bauxite not consumed in Alunorte is sold to third parties.

In addition to Alunorte, Hydro buys alumina from a number of external sources. The main external source is Hydro's contract with Rio Tinto Alcan (RTA) for the supply of 900,000 mt of alumina annually until 2030. In addition, Hydro buys and sells alumina in order to optimize our physical alumina portfolio on a short and medium-term basis.

6.2 Primary Metal

Industry overview

The basic raw material for aluminium is bauxite which is refined into alumina. Aluminium smelting is a capitalintensive, technology-driven industry. Energy represents approximately 50 percent of the costs throughout the value chain. As the world's largest consumer and producer of aluminium, China has a significant impact on market fundamentals. In 2016, China represented 53 percent of worldwide aluminium consumption and 54 percent of corresponding production. India and the Middle East are also growing in importance in the production of aluminium.

Aluminium is also derived from remelting and recycling aluminium scrap. Scrap is generated both in the production (pre-consumed) and use (post-consumed) of aluminium products. Recycling of post-consumed scrap requires about 5 percent of the energy required for electrolysis metal. Globally almost 20 percent of aluminium products are made from post-consumed scrap. Around 70-75 percent of all aluminium produced since the Hall-Heroult process was discovered in 1886 is still in use.

Aluminium is used in a variety of applications in several industries. The major consumer segments are transportation, building and construction, packaging and foil and electrical applications. The major consuming areas are China, North America, Western Europe, Japan and the rest of Asia.

Demand for aluminium products in mature markets like North America and Europe is normally in line with economic developments, although with greater volatility. However, substitution for steel and other metals by aluminium, in particular for automotive applications, contributes to higher growth levels and is a key fundamental driver underlying increasing demand in aluminium markets. In recent years total global demand has exceeded the growth in GDP and is expected to continue to do so in the medium term. Increased consumer demand and continued infrastructure investment in China are expected to drive global demand growth in primary metal in the range of 4 to 6 percent for 2017 and 3 to 4 percent over the coming 10 years, despite an expected lower pace of global economic development compared to the previous decade. Primary demand is expected to grow 2 to 4 percent in the world outside China in 2017, with North America leading the way driven by macroeconomic improvements and increasing market penetration of aluminium components within the transportation market segments.

Although growth in the Chinese economy is slowing, the growth in aluminium consumption continues to outpace other commodities. However, continued capacity increases have resulted in an oversupply in China leading to exports of semi-fabricated products above historical levels.

Operations

Hydro's primary aluminium plants have reduction facilities with pot lines and casthouses, where liquid and remelted aluminium is cast to form value-added products such as extrusion ingot, primary foundry alloys, sheet ingot and wire rod, in addition to standard ingot.

Aluminium smelter system

Hydro is a producer of primary aluminium, with installed capacity in 10² wholly or partly owned plants in 2016. In 2016, Hydro produced around 2.1 million mt of primary aluminium, which is around 90 kmt below full capacity, affected by the partial curtailment at the Husnes plant in Norway. Following a restart of the curtailed capacity at Sunndal in 2015, only Husnes continues to have curtailed capacity, of around 50 percent of total capacity.

Internal supply contracts between Hydro's hydro power production operations and its aluminium metal business covered about half of the energy consumption of its wholly owned Norwegian smelters in 2016. The remainder was mainly covered by an external supply contract with Statkraft, a Norwegian electricity company. The contract will expire in 2020.

Hydro has entered into various new power supply contracts, adding up to a total annual supply of 4.75 TWh for the period 2021-2030, 1 TWh for the period 2031-39, securing a significant part of the power consumption required by Hydro's Norwegian smelters for these periods.

Electricity for Qatalum is provided by an integrated natural gas-fired power plant supplied with gas by Hydro's joint venture partner, Qatar Petroleum. Albras purchases electricity from the Tucuruí hydroelectric power plant under a longterm agreement with Eletronorte. Alouette, Hydro's partowned aluminium plant in Canada, purchased electricity from the supplier Hydro Quebec. In 2016, Alouette signed a new contract with new terms and conditions extending the existing supply of electricity for a 13 year period to 2029. Electricity for the remainder of Hydro's smelter system is covered under medium to long-term contracts.

²

Excluding the Neuss smelter which is part of the Rolled Products segment

6.3 Metal Markets

Operations

Metal Markets is responsible for all sales and distribution activities relating to products from Hydro's primary metal plants and its stand-alone remelters. Hydro operates seven remelters, which recycle mainly scrap, but also standard ingot 5) into new products. Hydro also market metal products from its partowned smelters and third parties, and engage in other sourcing and trading activities, including hedging activities on behalf of all business areas in Hydro.

Remelting

Hydro has a network of seven stand-alone remelt plants that convert scrap metal and standard ingot into extrusion ingot. Hydro has five plants in Europe and two in the U.S. with a total capacity of about 0.6 million mt, roughly 0.4 million mt of which is located in Europe. Hydro's remelters in Europe are located in Luxembourg, the United Kingdom, Germany, Spain and France. In addition Hydro operates the scrap shredding and sorting plant St. Peter, Germany with a capacity of some 36 thousand mt of scrap. Total remelt activity, including remelted metal from casthouses integrated with Hydro's primary metal plants and third-party sourcing, has historically represented about half of Hydro's total sales of metal each year, but has been reduced during the past years to adjust to market balance and improve margins. In addition to remelting process scrap returned from customers, Hydro purchases pre and post-consumer scrap from third parties. Standard ingot is procured globally under a combination of short and long-term contracts.

Sourcing and trading

To supplement Hydro's own equity standard ingot production, Hydro sources standard ingot for remelting in Hydro's remelters and primary casthouses from third parties. Third-party contracts are also executed in order to optimize Hydro's total portfolio position and to reduce logistics costs. Hydro also sells standard ingot to external customers.

Hydro's main risk management objectives are to achieve an average LME aluminium price on smelter production, matching the average customer pricing pattern, and to secure margins in Hydro's midstream and downstream businesses. Hydro's sourcing and trading operation acts as an internal broker for all LME-hedging transactions by our business units in order to consolidate Hydro's exposure and reduce transaction cost.

Markets, products and customers.

Most of Hydro's aluminium is sold in the form of value-added casthouse products such as extrusion ingot, sheet ingot, foundry alloys and wire rod. Hydro's product with the highest volume is extrusion ingot, which is sold to extruders producing aluminium profiles. The most important end-use segments include the building and construction industry, transport and general engineering. Hydro's key market region for extrusion ingot is Europe. However, the Asian and U.S. markets are also important markets for Hydro selling units from Qatalum and Tomago. Other important markets for Qatalum include Turkey, the Middle East and Australia/New Zealand.

Foundry alloys are sold to foundries producing cast parts primarily for the automotive industry. With Qatalum tonnage Asia has become Hydro's most significant market for this product. Sheet ingot is sold to European rolling mills, with packaging and transportation as the most important end-use segments. Wire rod is sold to wire and cable mills in Europe for power transmission and other electrical applications.

In addition to marketing Hydro's own products, it has commercial agreements to market products from part-owned smelters including a full marketing responsibility for all of the casthouse production at the smelters in Qatar and Slovakia.

Hydro's regional market teams are key to its customer approach, delivering commercial, technical, logistical and scrap conversion services. Optimized solutions, such as Hydro's customer service programs and online customer portal, add further value and help build and reinforce customer relationships.

6.4 Rolled Products

Industry overview

The aluminium rolled products industry is characterized by economies of scale, with significant capital investments required to achieve and maintain technological capabilities and to meet customer qualification standards.

Worldwide consumption amounted to approximately 25 million mt in 2016 in which foil, can and transport were the largest segments. Europe and North America represent around 20 percent of world consumption each. The five largest producers in Western Europe supply about 70 percent of the European market. China is the largest single market, representing around 35 percent of global consumption. The export of semi fabricated and fabricated aluminium products from China to the rest of the world has steadily increased over the last several years, driven

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by the utilization of Chinese production overcapacity as well as export tax rebates provided for several semi-fabricated products.

Operations

The rolling process consists of heating up to 600 millimeters (mm) sheet ingot to about 500 degrees Celsius and gradually rolling it into thicknesses of 3-13 mm for further processing. An alternative process, continuous casting, converts molten metal directly into coiled strip, typically 4-8 mm thick. Once cool, the thinner metal is further processed in cold rolling mills, producing various types of products for all markets supplied.

Rolling mills

Following the divestment of the Slim plant in Italy at the end of 2015 Hydro's flat rolled products operations are located in Germany and Norway. Hydro generated approximately 75 percent of its total sales in 2016 in Europe. More than half of Hydro's production was produced in the Grevenbroich/AluNorf rolling system in Germany, one of the most modern and efficient rolling operations in the world. Grevenbroich is the center of Hydro's packaging, lithographic and automotive sheet operations. Hydro's production network mainly comprises of so-called "wall-to-wall" processing, including an integrated casthouse combined with both hot and cold rolling mills.

One third of the metal used was sourced internally, based on arm's-length conditions related to LME and applicable premium prices. External supplies of liquid metal, sheet ingots, standard ingots as well as post-consumer and preconsumer scrap from Hydro's customers accounted for two thirds of its total requirements in 2016.

Neuss smelter

Neuss is an aluminium smelter in Germany, with a primary metal capacity of 235,000 mt per year including one curtailed pot line. Beside the primary capacity Rheinwerk Neuss has a recycling capacity of 50,000 mt which was extended in 2016 by the start of a new, state-of-the-art UBC recycling line with a capacity of 40,000 mt. The plant supplies the near-by AluNorf rolling mill with primary and recycling based sheet ingots for processing and subsequent fabrication of rolled products in Grevenbroich. The Neuss smelter is an important element of this integrated system and provides significant operating synergies.

Markets, products and customers

Hydro's ambition is to leverage its position as a preferred supplier by focusing on quality, product development and innovative solutions, together with excellent customer service and overall cost efficiency. To ensure a strong market orientation, Hydro's sales function is organized centrally along business lines. This is supported by sales offices in Europe, Brazil, the US, and Singapore where Hydro optimizes market contact and sales potential.

Global products

Lithography: Hydro is a global supplier of lithographic sheet for printing plates, a market characterized by demanding requirements for surface quality, metal characteristics and mechanical properties. Hydro differentiates its products through innovation, consistent high quality, supply chain solutions and extensive service to Hydro's customers. Key customers in this segment include Agfa, FujiFilm and Kodak. Hydro's litho production is concentrated at the Grevenbroich plant.

Automotive: Hydro is a supplier of aluminium sheet and coil to the European automotive market for interior and exterior vehicle body parts, chassis and component applications. Key customers include Audi, BMW, Daimler, PSA and Jaguar Landrover. Production is concentrated within Hydro's Grevenbroich and Hamburg plants. To increase Hydro's car body sheet capacity it has invested in a new production line in Grevenbroich with start up in the fourth quarter of 2016.

Heat Exchanger: Hydro produces a wide variety of mainly clad strip and sheet used in the manufacture of heat exchangers for passenger and commercial vehicles as well as other product applications. Hydro is among the top producers in Europe, working with key tier one suppliers such as Mahle, Denso, Modine and Linde to develop specially adapted alloys and optimized production techniques to fit their manufacturing processes.

Foil: Hydro serves customer needs in the rigid and semi-rigid packaging industry, offering plain and converted foil and strip. Hydro provides packaging solutions combining highquality manufacturing with innovation, cost effectiveness and sound ecological characteristics. Hydro also offers a wide range of services relating to its packaging products in terms of consulting and technical support. Hydro is specialists in thingauge foil for flexible packaging, offering foil as thin as 5.0 μ m for the packaging of food as well as for technical applications, including converted qualities with a variety of lacquered, laminated and coated finishing. Tetra Pak, Amcor Flexibles and Constantia Flexibles are key customers. Production of packaging is mainly concentrated in Hydro's Grevenbroich rolling mill.

Beverage can: Hydro is a worldwide supplier of body, end and tab stock in the form of rolled coil for the production of aluminium beverage cans. Hydro's modern and efficient production facilities, technical know-how and experienced development support facilitate the delivery of high-quality materials to meet the specific requirements of can manufacturers. Hydro's Grevenbroich plant is dedicated to the production of Hydro's quality

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proprietary can-end stock efficiEND®, which promotes productivity and cost-effective manufacturing to major beverage can manufacturers such as Ardagh, Ball and Crown.

Special products

General Engineering: Hydro is a supplier of hot and cold rolled aluminium strip and sheet, offering a comprehensive range of products tailored to meet the individual requirements of a variety of applications in the industrial and consumer products sectors. Products include coil and sheet for wholesalers and end-producers. Hydro operates modern and efficient manufacturing processes, offering quality products and extensive technical support.

Buiding (coated): Hydro is a manufacturer of coated aluminium strip, with experience in the building market for many decades. Hydro offers to its customers a portfolio of cost-effective solutions from the dedicated production lines in Hydro's Holmestrand rolling mill, including product applications for roofing and cladding, roller shutters, ceilings, composites and other specific applications.

6.5 Energy

Industry overview

Electricity generation in the Nordic market is mainly based on hydropower (54 percent) and nuclear power (22 percent). Generation in Norway is almost entirely based on hydropower. Total annual Nordic consumption is approximately 400 TWh.

There has been a common Nordic electricity market since the late 1990s. The Nordic electricity market includes the Baltic countries. Nordic system prices are set in day-ahead auctions at the Nord Pool Spot market. The system price is normally the main reference price for financial contracts traded bilaterally and at the Nasdaq OMX. Area prices are calculated for physical delivery to constrain flows when available transmission capacity would otherwise be exceeded. There are five price areas in Norway, four in Sweden and two in Denmark. Finland, Estonia, Lithuania and Latvia constitute one bidding area each.

Prices are influenced by fuel cost (including emission allowance cost), meteorological parameters (precipitation, temperature, and wind) and exchange transmission possibilities with adjoining markets, as well as fluctuations in demand. An increase in intermittent generation from solar and wind power capacity has had a significant effect on price volatility in Continental markets and influenced price developments in the Nordic market.

Implementation of EU energy and climate regulations has and will continue to have a significant influence on energy prices and energy and climate policy in all EU/EEA countries. Emission trading has increased electricity prices by up to 50 percent in periods with high emission allowance cost in Europe, including the Nordic market where electricity is predominantly generated by non-emitting sources. There is, however, an ongoing EU legislative process aimed at reducing emissions and consequently increasing future allowance prices. In order to prevent carbon leakage, the EU established guidelines in 2012 allowing national governments to support industries exposed to global competition. Actual compensation, which is dependent on national implementation, is established in Norway and Germany with conditions corresponding closely to the EU guidelines.

A common electricity certificate market for Norway and Sweden was established in the beginning of 2012 with the objective to support the development of new renewable generation capacity. The certificate system is designed to support an increase in annual renewable generation in the Norwegian/Swedish market of 28.4 TWh by 2020.

Operations

Hydro is a global energy player, purchasing and consuming substantial quantities of energy for its smelters, rolling mills and alumina refinery operations. In Norway, Hydro is a private-owned power producer with operating and ownership interests in 26 hydroelectric power plants. Installed capacity was approximately 2,000 MW in total at the end of 2016 representing normal annual production of 10 TWh.¹⁰ This corresponds to about 40 percent of Hydro's total electricity consumption worldwide. Hydro also purchases above 9 TWh annually in the Nordic Market under longterm contracts, mainly from the Norwegian state-owned company Statkraft.

Norwegian power assets

Hydro's power plants are located in three main areas - Telemark, Sogn and Røldal-Suldal - and managed from a common operations center at Rjukan in Telemark. Hydro also owns the Vigeland power plant in Vennesla, and a 33 percent interest in Skafså Kraftverk ANS in Telemark.

Approximately two-thirds of Hydro's normal annual power production in Norway is subject to reversion to the Norwegian state with Røldal-Suldal (RSK) being the first significant production facility subject to reversion. The Norwegian Parliament amended the Waterfall concession act in June 2016. This implies that private entities are allowed physical hydropower offtake for ownership stakes below 33.4 percent in hydropower companies (ANS/DA model). This will enable Hydro to maintain access to physical power from its assets through restructuring the assets within a one-third ownership position in a company with liability.

In addition to sourcing power for Hydro's aluminium operations, Hydro sells about 1 TWh of the electricity related to concession power obligations to the local communities where the power plants are located. Hydro optimizes power production on a daily basis, according to the market outlook and the hydrological situation within Hydro's water reservoirs. By utilizing the flexibility of the hydropower plant systems and the volatility in the spot market price, Hydro aims to realize a premium above the average spot price. Hydro's total Norwegian power portfolio, including its own production, is balanced in the market on the Nord Pool Spot power exchange. Spot market sales vary significantly between dry and wet years, with an average of 4.0 TWh.

Recently constructed power plants have increased production over the last several years. Two new, smaller power plants, Mannsberg and Midtlæger, were commissioned in late 2016, adding further to Hydro's production capacity.

6.6 Extruded solutions

Extruded Solutions has been established as a new business area in Hydro, consisting of Hydro Extruded Solutions AS (former Sapa AS) and its subsidiaries. Extruded Solutions delivers tailored components and solutions to all industries, from automotive and mass transportation to building and construction, electronics, offshore and maritime. Extruded Solutions employs around 22,400 people in more than 40 countries. The headquarters are located in Oslo, Norway.

Industry overview

Over the past several years there has been significant overcapacity in the extrusion industry in Europe and in southern Europe in particular. Combined with weak economic developments, this has led to increased market competition and restructuring activities within the industry. Despite these developments, companies with high quality solutions, services and competitive costs, are able to defend margins that lead to sustainable returns.

The North American extrusion industry is more consolidated than Europe. However, margins remain under pressure despite market improvements and further consolidation within the industry. The market consumption of extruded products in South America is relatively low. Brazil represents over half of the South American extrusion market, followed by Argentina. Asia represents the largest consumer region for extruded products reflecting the ongoing investment in infrastructure and high level of construction activity.

Due to the sharp decline in the building market following the financial crisis in 2008, overcapacity in southern Europe and the U.K. has resulted in increasing competition within the European building systems industry.

Precision tubing is a global business mainly focused on automotive heat transfer applications. The market is relatively fragmented.

Operations

Extruded Solutions is a supplier of extrusion-based aluminum solutions. Market share at the end of 2016 was 22 percent in Europe and 24 percent in North America. Extruded Solutions also has a solid foothold in emerging markets with extrusion capacity in South America and in Asia. Extruded Solutions's extrusion operations serve a diverse customer base within the automotive, transportation, building and construction, electrical and engineering market sectors. Extruded Solutions operates in value added aluminium solutions, within the areas extruded profiles, building systems and precision tubing. The majority of the Building systems operations are located throughout Europe while Precision Tubing is a global business.

Extruded Solutions has an extensive network of production plants that ensures a global reach combined with a local presence. The majority of operations are located throughout Europe and in North America. Extruded Solutions also has a solid foothold in emerging markets with extrusion capacity in South America and in Asia.

Markets, products and commercial activities

Approximately one third of Extruded Solutions's products go to the building and construction markets, with the remainder split evenly between automotive, transportation, industrial and distribution market segments. Extruded Solutions's general extrusion business delivers custom made aluminium extrusions to customers in most industries. Local plants work closely with customers tailoring solutions with aluminium profiles and providing supporting services according to customers' needs. In North America, the extrusion business is organized to optimize capabilities across the continent while providing high-quality local service.

Extruded Solutions Building Systems (SBS) offers extensive geographic coverage and superior products in a European market that favors solutions linked to regional building habits and local preferences. Each of the brands represents a distinct system that enable SBS' customers to target products to individual markets. Efficient distribution and logistics operations ensure quick and accurate deliveries. SBS is at the forefront in the development of products and solutions for energy-efficient buildings.

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Extruded Solutions Precision Tubing (PT) produce and sell specialized products used in heat transfer applications, mainly for the automotive market, which represents about 70 percent of the total sales. PT is also active in the general heat transfer applications, a growing market segment, and applications for transporting liquids and gases. PT operates globally and has market positions in Europe, North America and South America, and a solid market position in Asia.

7 Organisational structure

7.1 Description of group

Norsk Hydro ASA is an operational company and the ultimate parent company in the Group. The Group has been listed on the Oslo stock exchange since 1909 and consists of about 220 companies in around 40 countries. Most subsidiaries, including the large operating units in Norway and Germany, are 100 percent owned, directly or indirectly, by Norsk Hydro ASA. The two most significant subsidiaries in the Group are Hydro Aluminium AS, owning directly or indirectly all the bauxite, primary and downstream assets and Hydro Energi AS, owning the majority of Hydro's energy assets in Norway. Both companies are owned directly by Norsk Hydro ASA. Restrictions in the ability to transfer dividend based on reported results and/or equity in the relevant subsidiaries exist in most countries where Hydro operates. In some countries, including Brazil, there are also legal restrictions in the Company's ability to integrate cash holdings in subsidiaries in the Group's cash pool. There are non-controlling interests in some subsidiaries.

7.2 Dependence upon other entities

As a parent company of the Group and primarily a holding company, the profit of the Company is dependent upon the results of the operations of the Company's subsidiaries, as well as the Group's investments in associates and jointly controlled entities.

Liquidity management and funding

Hydro manages its liquidity and funding requirements centrally to cover group operating requirements and long-term capital needs. Hydro operates cash pools in several currencies where all wholly-owned subsidiaries participate, to the extent permitted by country legislation. Such cash pool arrangements facilitate netting of cash positions within the group, thereby reducing the requirement for external financing, and centralizing management of aggregated positions to the parent company.

Funding of subsidiaries, associates and jointly controlled entities

Normally the parent company, Norsk Hydro ASA, incurs debt and extends loans or equity to wholly-owned subsidiaries to fund capital requirements. Hydro's policy is to finance part-owned subsidiaries and investments in associates and joint arrangements according to its ownership share, on equal terms with the other owners. All financing is executed on an arm's-length basis. Project financing is used for certain funding requirements mainly to mitigate risk while also considering partnership and other relevant factors.

8 Trend information

Bauxite and alumina

For the first eight months of 2017, Chinese alumina imports were 2.0 million mt, 3 percent lower than the same period in 2016. For the first eight months of 2017, Chinese bauxite imports increased 34 percent to 44.7 million mt compared to the first eight months of 2016. Driven by the continued ramp-up of a new bauxite mine, imports from Guinea surged to 17.7 million mt in the first eight months of the year, compared to 6.5 million mt over the same period in 2016. Supply of bauxite from the Atlantic basin accounted for 47 percent of Chinese imports over the period, up from 35 percent for the same period in 2016.

Platts alumina spot prices averaged USD 334 per mt in the third quarter, an increase of USD 38 per mt compared to the previous quarter. Prices started the quarter at USD 307 per mt, remained steady until mid-August, before rallying strongly to 440 USD per mt at quarter-end. Average prices represented 16.5 percent of LME in the third quarter compared with 15.5 percent in the previous quarter. According to Chinese import statistics, the average delivered China bauxite price was USD 50.0 per mt for the first eight months of the year, marginally above the USD 49.2 per mt average in corresponding period in 2016.

Primary aluminium

Three-month LME prices ranged between USD 1,892 and USD 2,191 per mt throughout the third quarter of 2017. The average LME three-month price was USD 2,028, increasing by USD 112 per mt compared to the second quarter. European average all-in metal prices¹⁾ increased from USD 2,055 per mt in the second quarter to USD 2,153 in the third quarter, both due to increase in LME prices and premiums.

European duty paid standard ingot premiums ended the quarter at USD 152 per mt, compared to USD 133 at the beginning of the quarter, and averaged USD 141 per mt in the third quarter compared to USD 144 per mt in the second quarter. Midwest premiums started the third quarter at USD 170 per mt, and ended the quarter at USD 204 per mt, averaging USD 173 per mt compared to USD 199 per mt in the second quarter.

Shanghai Futures Exchange (SHFE) prices increased in the third quarter compared to the second and at a higher rate than the LME. Semis exports have decreased throughout the quarter as arbitrage has been reduced compared to the second quarter.

Global primary aluminium consumption decreased by 2.1 percent to 16.2 million mt in the third quarter compared to the second, mainly due to seasonality. Compared to the third quarter of 2016, global demand increased 5.6 percent. Global demand for primary aluminium grew by 6.1 percent in 2016, and is expected to grow by around 5-6 percent in 2017. Outside China, demand seasonally decreased by 2.8 percent in the third quarter compared to the second quarter, while the year-on-year increase from the third quarter of 2016 was 3.7 percent. Consumption outside China amounted to 7.3 million mt for the third quarter of 2017. Corresponding production amounted to 6.8 million mt, an increase of 1.9 percent compared to the second quarter. Production outside China experienced a 0.8 percent increase compared to the third quarter of 2016, largely driven by ramp up of new production capacity in India. Demand for primary aluminium outside China grew by around 3.2 percent in 2016, and is expected to grow by 3-4 percent in 2017.

Compared to the second quarter of 2017, Chinese aluminium consumption decreased by 1.5 percent to 8.8 million mt, mainly due to lower seasonal activity in the third quarter. The year-on-year increase compared to the third quarter of 2016 was, however, 7.2 percent. Corresponding aluminium production decreased by 0.1 percent compared to the second quarter, but increased 12.9 percent compared to the third quarter of 2016. The ramp up of new capacity continues in China, but at the same time the government has ordered closing of plants, as some smelters are running without governmental approvals. The Chinese government has also announced that there will be additional smelter curtailments in order to reduce winter air pollution in a number of Chinese cities. Demand for primary aluminium in China is expected to grow by around 6-8 percent in 2017 and production is expected to increase by 10-12 percent.

The global primary aluminium market is expected to be largely balanced in 2017.

European demand for extrusion ingot increased in the third quarter compared to the third quarter of 2016. Demand for sheet ingot and primary foundry alloys also continued increasing, mainly due to the positive developments in the automotive industry.

Total global stocks at the end of the third quarter were 12 million mt, at the same level as at end of the second quarter, up 0.3 million mt compared to the third quarter of 2016. LME stocks have declined further, amounting to 1.3 million mt at the end of the third quarter, down 0.1 million mt from the end of the second quarter. Compared to third quarter of last year, LME stocks are down 0.9 million mt. Chinese reported stocks have increased 0.4 million mt since the second quarter, and 1.4 million mt since the third quarter of 2016. Estimated unreported global

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stocks have fallen 0.3 million mt compared to the second quarter of 2017 and fallen 0.1 million mt compared to the third quarter of 2016.

Rolled products

European demand for flat rolled products declined by around 3 percent compared to the second quarter of 2017 due to seasonality. Compared to the third quarter of the previous year demand increased by around 3 percent.

Demand growth in automotive remained solid as substitution of steel by aluminium for automotive body sheet outweighed the seasonal car production decline. Building and construction demand improved further. Beverage can developed positively driven by conversions of beverage can production lines from steel to aluminium. Foil products growth was positive driven by increased demand from the US. The demand growth in general engineering was solid driven by sound industrial activity.

The European demand for flat rolled products is expected to slightly decline in the fourth quarter due to seasonality.

Extruded products

Demand for extruded products in Europe and North America decreased compared to the previous quarter by 7 and 1 percent respectively, driven by seasonality.

In North America, total demand for extruded products increased by 4 percent compared to the same quarter last year. The increase was driven by stronger automotive demand and higher activity in the building and construction market. The commercial transportation market has bottomed out and is now trending upwards. In Europe, total demand for extruded products increased by 3 percent compared to the same quarter last year. Europe experienced stronger automotive and transportation demand, as well as an improved building and construction market.

The fourth quarter is a seasonally weak quarter, and demand traditionally decreases from the third quarter.

Energy

Nordic spot prices were on average slightly higher compared to the previous quarter. A continued deficit in the Nordic hydrological balance gave support to prices. Prices were stable before declining somewhat during the summer holiday season. In August prices increased, based on lower supply due to maintenance of nuclear power plants in Sweden as well as rising power consumption after holiday season, before stabilizing in September.

The Nordic hydrological balance ended at around 9 TWh below normal¹⁾ for the third quarter compared to around 3 TWh below normal at the end of the previous quarter. Water reservoirs in Norway were 83 percent of full capacity at the end of the quarter, which is somewhat below the normal level. Snow reservoirs were also somewhat lower than normal at the end of the quarter.

8.1 Statement of no material adverse change

There has been no material adverse change in the prospects of the Issuer since the date of their last published audited financial statements. See clause 11.6.

9 Administrative, management and supervisory bodies

9.1 Information about persons

Board of Directors

Name	Position	Business address
Dag Mejdell	Chairman	P.O. Box 980 Skøyen, N-0240 Oslo, Norway
Irene Rummelhoff	Director	P.O. Box 980 Skøyen, N-0240 Oslo, Norway
Billy Fredagsvik	Director	P.O. Box 980 Skøyen, N-0240 Oslo, Norway
Finn Jebsen	Director	P.O. Box 980 Skøyen, N-0240 Oslo, Norway
Sten Roar Martinsen	Director	P.O. Box 980 Skøyen, N-0240 Oslo, Norway
Thomas Schulz	Director	P.O. Box 980 Skøyen, N-0240 Oslo, Norway
Liv Monica Bargem	Director	P.O. Box 980 Skøyen, N-0240 Oslo, Norway
Svein Kåre Sund	Director	P.O. Box 980 Skøyen, N-0240 Oslo, Norway
Marianne Wiinholt	Director	P.O. Box 980 Skøyen, N-0240 Oslo, Norway

Dag Mejdell, Chairperson (Non-executive Director)

Dag Mejdell holds a degree in Economics and Business Administration (siviløkonom), a four-year program in economics and business administration consisting of three years at undergraduate level and one year at graduate level from the Norwegian School of Economics (NHH).

Mr. Mejdell started his career in the chemical division in Dyno. He held a number of positions in the company, and advanced to become CFO and later President and CEO of Dyno. When Dyno was delisted in 2000, he became President and CEO of Dyno Nobel ASA, a position he held until he became President and CEO of Posten Norge AS in 2006. Mr. Mejdell left Posten Norge AS in 2016, and is currently an independent advisor.

Current other directorships: Chairperson of International Post Corporation, Sparebank1 SR Bank ASA, NSB AS, Telecomputing Topco AS and Telecomputing Finco AS, as well as deputy chairperson of SAS AB. He is also chairperson of his wholly-owned investment company Nobel Partners AS.

Irene Rummelhoff, Board Member

Irene Rummelhoff has a Master of Science Degree in Geology/Geophysics, NTNU Norwegian University of Science & Technology.

Ms. Rummelhoff has held a number of positions in Statoil from 1991 onwards giving her broad experiences from one of the world's leading oil companies. She is currently Executive Vice President, New Energy Solutions in Statoil.

Finn Jebsen, Board Member

Mr. Jebsen is Master of Science in business from the Norwegian School of Economics and Business Administration (NHH) and holds a master's degree in Business Administration from the University of California, Los Angeles.

Mr. Jebsen was employed by the Orkla group from 1980 onwards, becoming a member of the group's main management team in 1984. Jebsen was CEO of Orkla from 2001 to 2005. He is currently chair of the board of Kavli Holding AS. He is also board member in A. Wilhelmsen AS, Nel ASA, Norfund, Future Technology AS and the company Fateburet AS (which is controlled by him).

Thomas Schultz, Board Member

Mr. Schultz has a PhD in Mining & Mineral Processing from Rheinisch-Westfälische Universität Aachen RWTH in Germany. He is currently the Group Chief Executive Officer of FL Smidth. Mr. Schultz has currently no other directorships.

Liv Monica Bargem Stubholt, Board Member

Since 2015 Ms. Stubholt has been partner in the Norwegian law firm Selmer DA. Ms. Stubholt was partner in the Norwegian law firm Hjort DA from 2013-2015. She was senior vice president in Kværner ASA until 2013. She was investment director in Aker ASA, chairman of the board and managing director in Aker Clean Carbon AS and acting CEO of Aker Seafoods in the period 2009-2012. Ms. Stubholt has also been on the board of the state-owned Norwegian national main grid company Statnett.

Ms Stubholt is presently chair of the board of the Russian-Norwegian Chamber of Commerce, board member of the German-Norwegian Chamber of Commerce. Chairperson of Klemetsrudanlegget AS, Varangerkraft AS, and RN Nordic Oil AS. Board member of VNG Norge AS, Broadnet AS, Biomega,AS and Solveig Gas Norway AS. Representing Kværner ASA she heads the board of the Russian-Norwegian Chamber of Commerce.

Ms. Stubholt graduated from the law faculty of University of Oslo in 1987, and was partner in the law firm BA-HR in Norway when she entered politics in 2005. From 2005 to 2009 she was first state secretary in the Norwegian Ministry of Foreign Affairs and then later state secretary in the Norwegian Ministry of Petroleum and Energy.

Ms. Stubholt was deputy chair of the EEA Review Committee in Norway, and in 2013 she chaired an industry working group (Konkraft) submitting a report on the competitiveness of the Norwegian offshore yards.

Marianne Wiinholt, Board Member

Ms. Wiinholt is currently the Executive Vice President and Chief Financial Officer of Dong Energy A/S. Ms. Wiinholt is a State Authorised public Accountant. She is currently a board member and the chair of the audit committee of J. Lauritzen A/S and a board member of Hempel A/S.

Billy Fredagsvik, Employee representative

Mr. Fredagsvik has long experience as a process operator and represents members of the Norwegian Confederation of Trade Unions (LO). From 2005 to 2007 he was a member of the Corporate Assembly. He is educated in mechanics from a trade school.

Sten Roar Martinsen, Employee representative

Mr. Martinsen represents members of the Norwegian Confederation of Trade Unions (LO). He has a certificate of apprenticeship in electrochemistry and has undergone work supervisor training. Martinsen is employed in Hydro as a process operator.

Svein Kåre Sund, Employee representative

Svein Kåre Sund has a Bachelor of Science from HIST in Trondheim, Norway. He is responsible for cathodes in the electrolysis at Hydro, Sunndal. Sund is an employee representative in The Norwegian Society of Engineers and Technologists (NITO) representing the employees through the Central Cooperative Council (Sentralt samarbeidsråd).

Management

Name	Position	Business address
Svein Richard Brandtzæg	President and Chief Executive Officer	P.O. Box 980 Skøyen, N-0240 Oslo, Norway
Eivind Kallevik	Executive Vice President, Chief Financial Officer	P.O. Box 980 Skøyen, N-0240 Oslo, Norway
Hilde Merete Aasheim	Executive Vice President, Primary Metal	P.O. Box 980 Skøyen, N-0240 Oslo, Norway
Kjetil Ebbesberg	Executive Vice President, Rolled Products	P.O. Box 980 Skøyen, N-0240 Oslo, Norway
Arvid Moss	Executive Vice President, Energy and Corporate Business Development	P.O. Box 980 Skøyen, N-0240 Oslo, Norway
Anne-Lene Midseim	Executive Vice President of CSR & General Counsel	P.O. Box 980 Skøyen, N-0240 Oslo, Norway
Katarina Nilsson	Executive Vice President of People & HSE	P.O. Box 980 Skøyen, N-0240 Oslo, Norway
Inger Sethov	Executive Vice President of Communication & Public Affairs	P.O. Box 980 Skøyen, N-0240 Oslo, Norway
Silvio Porto	Executive Vice President Bauxite & Alumina	P.O. Box 980 Skøyen, N-0240 Oslo, Norway
Egil Hogna	Executive Vice President, Extruded Solutions	P.O. Box 980 Skøyen, N-0240 Oslo, Norway

Svein Richard Brandtzæg, President and Chief Executive Officer

Brandtzæg started his career as Project Manager in the ÅSV Group before joining Hydro at Karmøy in 1986. In subsequent years he held various positions within Hydro's aluminium business, including Cathode Workshop

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Manager, Human Resources Training and Education Manager, Technical Manager and Casthouse and Marketing Manager. In 1998-1999 he was Vice President Casthouses before serving as President of Magnesium in 2000-2001. During the period 2002-2003 he was President of Metal Products and in 2003-2006 President of Rolled Products.

From 2006 to March 2009, Brandtzæg was responsible for the Aluminium Products business area with more than 16,000 employees in the sectors Rolled Products, Extrusion Eurasia, Extrusion Americas, Precision Tubing and the business unit Automotive Structures.

Born in Haugesund, Norway, Brandtzæg graduated from the Norwegian University of Science and Technology (NTNU). He holds a Foundation Program in Business Administration from the Norwegian School of Management in Trondheim, a PhD from NTNU and a postdoc position at the University of Auckland.

Brandtzæg's many positions outside Hydro include being Chair of the Board of the Norwegian University of Science and Technology (NTNU), member of the Board of Directors for the International Council of Mining and Metal (ICMM), member of the European Round Table for Industrialists and member of the Steering Committee of the Bilderberg Meetings

Eivind Kallevik, Executive Vice President, Chief Financial Officer

Kallevik has worked in Hydro since 1998 and has held a variety of senior positions in the corporate center and in business areas along the value chain, in Norway and internationally. His Hydro career includes core positions within the finance area, including corporate accounting, financial reporting, performance management and treasury.

In 2011, when Hydro took over Vale's aluminium activities in Brazil, Kallevik became head of Finance in Hydro's new Bauxite & Alumina business area, a position he held until he was appointed CFO of Norsk Hydro ASA in 2013.

Prior to Hydro, Kallevik held positions in Christiania Bank within Oil and Gas Financing in New York and Oslo. Kallevik has been a member of the board in Sapa since February 2015. Kallevik holds a Master's degree in Business Administration from the University of San Francisco.

Hilde Merete Aasheim, Executive Vice President, Primary Metal

Prior to Hydro's reorganization of business areas in March 2009, Hilde Merete Aasheim served as Executive Vice President for the Aluminium Metal business area since November 2008.

Aasheim joined Hydro in October 2005 as Executive Vice President for Leadership and Culture (human resources, health, environment, safety and corporate social responsibility).

In January 2007, she stepped out of Hydro's corporate management board to lead the planning of the integration between Hydro's oil and gas activities and Statoil. When the merger closed in October 2007, she became executive vice president of staff functions and corporate services in StatoilHydro.

From 1986 to 2005 she held several senior positions in Elkem. In 2002 she was head of Elkem's Silicon division and member of the corporate management board. Vice Chair of the Qatalum Board since 2009.

From 2015 to May 2017 she was the chairperson in the Federation of Norwegian Industries (Norsk Industri). Aasheim has a master's degree in business economics from the Norwegian School of Economics and Business Administration in Bergen and is also a state authorized public accountant. Aasheim has also work experience from Arthur Andersen & Co.

Kjetil Ebbesberg, Executive Vice President, Rolled Products

Kjetil M. Ebbesberg has worked for Hydro since 1996, including as CFO for Metal Products, Head of BU Foundry Alloys and EVP Metal Markets. Ebbesberg stepped out to the position as CFO for the Norwegian retailer Coop in 2007, before re-joining Hydro in 2009. Ebbesberg comes from the position as Managing Director of Hydro's Holmestrand rolling mill in Norway.

Ebbesberg is currently Chairman of European Aluminium, Vice President of the board of Gesamtverband der Aluminiumindustrie e.V., and board member of Wirtschaft Vereinigung Metalle e.V., German-Norwegian Chamber of Commerce and Multiconsult ASA.

Ebbesberg has an MA degree in business economics from Norwegian School of Economics and Business Administration (NHH), including part studies of MBA at University of Ottawa.

Arvid Moss, Executive Vice President, Energy and Corporate Business Development

Arvid Moss is also responsible for Hydro's Climate Office and for Corporate Business Development, including coordination of strategic initiatives across the business areas.

Moss came to Hydro in 1991 and has held several senior management positions within the Company's aluminium business area, among them as President of Automotive Structures in 1996-2001 and President of the Metal Products sector in 2004-2006. Over the years, Moss has also been responsible for strategy and business

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development in the aluminium area as well as on corporate level. He was project leader for the process that ended up in the oil and gas merger agreement with Statoil in December 2006.

In 1989-1990 Moss was State Secretary and Chief of Staff at the Norwegian Prime Minister's office. In June 2017, Moss was elected chairman/president of the Confederation of Norwegian Enterprise (NHO – Næringslivets Hovedorganisasjon). Arvid Moss graduated at the Norwegian School of Economics and Business Administration.

Anne-Lene Midseim, Executive Vice President of CSR & General Counsel

Anne-Lene Midseim has worked for Hydro since 1998 and previous held positions as Company Secretary, Head of Staffs in Bauxite & Alumina, Head of Corporate Social Responsibility and Legal Counsel. Previous positions include resident legal advisor for the Norwegian Oil for Development Program in East Timor, lawyer with the law firm of Vogt & Co, and Executive Officer at the Norwegian Ministry of Oil and Energy. Midseim holds a law degree from Oslo University. Midseim is a board member of the SAPA Board and she is a member of the election committee of Transparency International Norge.

Katarina Nilsson, Executive Vice President of People & HSE

Katarina Nilsson, holds a Master of Law degree from Lund University in Sweden and a Bachelor of Arts degree in Chinese studies from the University of London.

A Swedish national, she has broad international experience, including from Asia as head of the China offices for the law firm Vinge for several years. Nilsson joined Extruded Solutions in 2015, and has held senior management positions in Extruded Solutions since.

Inger Sethov, Executive Vice President Communication & Public Affairs

Inger Sethov has worked in Hydro Communication since 2005 and as SVP of Communication since 2008. Before joining Hydro, Sethov worked as a correspondent and journalist for Reuters news agency for nine years and before that as a journalist for Dow Jones Newswires and for Fresno Business Journal in California, US. Sethov has a BA in Mass Communication & Journalism from California State University and has studied international journalism at City University of London.

Silvio Porto, Executive Vice President Bauxite & Alumina

Silvio Porto comes from the position as Chief Operational Officer (COO) in Bauxite and Alumina. He joined Hydro in 2014, when he was appointed plant manager for Hydro Paragominas bauxite mine.

Porto has more than 30 years' experience from the aluminium industry with management positions in bauxite mining, alumina refineries and aluminium smelters. He is currently Chairman of the Board of the Aluminum Brazilian Association (ABAL).

Egil Hogna, Executive Vice President, Extruded Solutions

Egil Hogna comes from the position as President & Chief Executive Officer in Extruded Solutions. He has previously served in a variety of management positions in Yara and Hydro, including CFO and head of Investor Relations. Hogna has a Master of Science degree from the Norwegian university of science and technology, NTNU, in Norway, and an MBA from INSEAD, France.

9.2 Administrative, management and supervisory bodies conflicts of interest

There are no potential conflicts of interest between any duties to the Issuer of the persons referred to in item 9.1 and their private interests and or other duties.

10 Major shareholders

10.1 Ownership

The share capital of Norsk Hydro ASA is NOK 2,271,760,107 consisting of 2,068,998,276 ordinary shares at NOK 1.098 per share. As of December 31, 2016 Norsk Hydro ASA had purchased 26,104,160 treasury shares at a cost of NOK 870 million.

An overview of the Company's 20 largest shareholders as of 30 October 2017 is set out in the table below:

Shareholder	No. Of shares	% of total
NÆRINGS- OG FISKERIDEPARTEMENTET	708 865 253	34.26%
FOLKETRYGDFONDET	137 972 794	6.67%
CLEARSTREAM BANKING S.A.*	51 483 152	2.49%
STATE STREET BANK AND TRUST COMP*	37 407 439	1.81%
HSBC BANK PLC*	34 657 336	1.68%
STATE STREET BANK AND TRUST COMP*	33 166 069	1.60%
THE NORTHERN TRUST COMP, LONDON BR*	28 787 639	1.39%
BANQUE PICTET & CIE SA*	26 875 402	1.30%
NORSK HYDRO ASA	24 300 928	1.17%
STATE STREET BANK AND TRUST COMP*	23 227 334	1.12%
STATE STREET BANK AND TRUST COMP*	20 490 368	0.99%
JPMORGAN CHASE BANK, N.A., LONDON*	19 002 312	0.92%
INVESCO FUNDS	18 380 788	0.89%
JPMORGAN CHASE BANK, N.A., LONDON*	18 361 176	0.89%
JPMORGAN CHASE BANK, N.A., LONDON*	17 165 579	0.83%
KLP AKSJENORGE INDEKS	14 144 928	0.68%
STATE STREET BANK AND TRUST COMP*	11 995 849	0.58%
THE BANK OF NEW YORK MELLON SA/NV*	11 472 930	0.55%
EUROCLEAR BANK S.A./N.V.*	10 590 481	0.51%
CITIBANK, N.A.*	10 072 046	0.49%
No. of shares 20 largest shareholders	1 258 419 803	60.82%
Total number of shares	2 068 998 276	100%

*) Nominee accounts

As of October 30, 2017 the Norwegian state, represented by the Ministry of Trade, Industry and Fisheries, owned 34.26 percent of Hydro's authorized and issued shares. Hydro holds regular meetings with the Ministry, where topics discussed include Hydro's economic and strategic development, corporate social responsibility, and the Norwegian State's expectations regarding results and returns on investments. These meetings are comparable to what is customary between a private company and its principal shareholders. The meetings comply with the provisions specified in Norwegian company and securities legislation, not least with respect to equal treatment of shareholders. As a shareholder, the Norwegian state does not usually have access to more information than what is available to other shareholders. If state participation is imperative and the government must seek approval from the Norwegian parliament (Stortinget), it may be necessary to provide the Ministry with insider information. In such cases, the state is subject to the general rules that apply to the handling of such information.

The Norwegian state has expressed (Report to the Storting no. 27 (2013-2014)) a long-term ownership perspective in the Company for the purpose of retaining its head office and research activities in Norway. The Norwegian Ministry of Trade, Industry and Fisheries represents the Norwegian government in exercising the state's voting rights. The state has never taken an active role in the day-to-day management of Hydro and has for several decades not disposed of any of the ordinary shares owned by it, except when participating in the share buyback programs.

10.2 Change in control of the issuer

There are no arrangements, known to the Issuer, the operation of which may at a subsequent date result in a change in control of the Issuer.

11 Financial information concerning the Company's assets and liabilities, financial position and profits and losses

11.1 Historical Financial Information

The financial statements of Norsk Hydro ASA are prepared in accordance with the Norwegian accounting act and accounting principles generally accepted in Norway (N GAAP).

The consolidated financial statements of Norsk Hydro ASA and its subsidiaries are prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU) and Norwegian authorities.

The accounting policies of the Company and the Group are shown in the Annual Report 2016, page F68 note 1 and page F7 note 2, respectively.

According to the Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council, information in a prospectus may be incorporated by reference. Because of the complexity in the historical financial information and financial statements this information is incorporated by reference to the Annual Report 2016 and the Annual Report 2015, available at the [webpage of the Company](#). Please see Cross Reference List for complete references.

Historical financial information is available on the pages shown below.

	Annual Report	
	2016*)	2015*)
Norsk Hydro ASA		
Income statement	F65	F64
Balance sheet	F66	F65
Statements of cash flows	F67	F66
Notes	F68-F76	F67-F75
Group		
Consolidated income statements	F2	F2
Consolidated balance sheets	F4	F4
Consolidated statement of cash flows	F5	F5
Notes	F7-F64	F7-F63

*) including comparative figures for previous year

11.2 Financial statements

See section 11.1 Historical Financial Information.

11.3 Auditing of historical annual financial information

11.3.1 Statement of audited historical financial information

The historical financial information for 2015 and 2016 has been audited.

A statement of audited historical financial information is given in the Annual Report 2016 pages F78-F79 and Annual Report 2015 pages F77-F78, available at the [webpage of the Company](https://hydro.com/en/investor-relations/reports/) (<https://hydro.com/en/investor-relations/reports/>). Please see Cross Reference List for complete references.

11.4 Age of latest financial information

11.4.1 Latest year of audited financial information

The last year of audited financial information is 2016.

11.5 Legal and arbitration proceedings

Sapa Profiles Inc. (SPI), a Portland, Oregon based subsidiary of Hydro Extruded Solutions AS (formerly Sapa AS) is under investigation by the United States Department of Justice (DOJ) Civil and Criminal Divisions regarding certain aluminum extrusions that SPI manufactured from 1996 to 2015, including extrusions that were delivered to a supplier to NASA. SPI is cooperating fully in these investigations. The investigations are currently ongoing, and, at this point, the outcome of the investigations and of any identified quality issues, including financial consequences, is uncertain. SPI also has been temporarily suspended as a federal government contractor. Based on the information currently known to Hydro, Hydro does not expect any resulting liabilities to have a material adverse effect on its consolidated results of operations, liquidity or financial position. As part of the share purchase agreement the parties have agreed that Orkla ASA shall indemnify Hydro for 50 percent of any liability in relation to this case.

The Group is engaged in a large number of legal proceedings and disputes around the world. As of the date of this Registration Document, neither the Company nor any other company in the Group are, nor have during the course of the last 12 months, except for the dispute described above, been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware), which may have, or have had in the recent past significant effects on the Company and/or the Group's financial position or profitability.

11.6 Significant change in the financial or trading position

There has been no significant change in the financial or trading position of the Group which has occurred since the end of the last financial period for which interim financial information have been published.

12 Documents on display

The following documents (or copies thereof) may be inspected for the life of the Registration Document at the headquarters of the Company, Drammensveien 264, NO-0283 Oslo, Norway:

- (a) articles of association of the Company;
- (b) the historical financial information of the Company and its subsidiaries, for each of the two financial years preceding the publication of the Registration Document.

Cross Reference List

Reference in Registration Document	Refers to	Details
11.1 Historical Financial Information	Annual Report 2016, available at https://hydro.com/en/investor-relations/reports/	Accounting policies, page F68 note 1 (the Company) and page F7 note 2 (the Group)
	Annual Report 2016, available at https://hydro.com/en/investor-relations/reports/	Norsk Hydro ASA: Income statement, page F65 Balance sheet, page F66 Statement of cash flows, page F67 Notes, pages F68-F76 Group: Consolidated income statements, page F2 Consolidated balance sheets, page F4 Consolidated statement of cash flows, page F5 Notes, pages F7-F64
	Annual Report 2015, available at https://hydro.com/en/investor-relations/reports/	Norsk Hydro ASA: Income statement, page F64 Balance sheet, page F65 Statement of cash flows, page F66 Notes, pages F67-F75 Group: Consolidated income statements, page F2 Consolidated balance sheets, page F4 Consolidated statement of cash flows, page F5 Notes, pages F7-F63
11.3.1 Statement of audited historical financial information	Annual Report 2016, available at https://hydro.com/en/investor-relations/reports/	Auditor's report, pages F78-F79
	Annual Report 2015, available at https://hydro.com/en/investor-relations/reports/	Auditor's report, pages F77-F78

References to the above mentioned documents are limited to information given in "Details", e.g. that the non-incorporated parts are either not relevant for the investor or covered elsewhere in the prospectus.

Joint Lead Managers' disclaimer

DNB Bank ASA, Nordea Bank AB (publ) and Svenska Handelsbanken AB (publ), the Joint Lead Managers, have assisted the Company in preparing the Registration Document. The Joint Lead Managers have not verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and the Joint Lead Managers expressly disclaim any legal or financial liability as to the accuracy or completeness of the information contained in this Registration Document or any other information supplied in connection with the issuance or distribution of bonds by Norsk Hydro ASA.

Confidentiality rules and internal rules restricting the exchange of information between different parts of the Joint Lead Managers may prevent employees of the Joint Lead Managers who are preparing this Registration Document from utilizing or being aware of information available to the Joint Lead Managers and/or any of their affiliated companies and which may be relevant to the recipient's decisions.

Each person receiving this Registration Document acknowledges that such person has not relied on the Joint Lead Managers, nor on any person affiliated with it in connection with its investigation of the accuracy of such information or its investment decision.

Oslo, 7 December 2017

DNB Bank ASA
(www.dnb.no)

Nordea Bank AB (publ),
Norwegian branch
(www.nordea.no)

Svenska Handelsbanken AB (publ),
Norwegian branch
(www.handelsbanken.no)

Annex 1 Articles of Association of the Company



Articles of Association

Approved by: Annual General Meeting by proxy Svein Richard Brandtzæg
Verified by: Company Secretary Ingeborg M. Liahjell
Prepared by: Company Secretary Ingeborg M. Liahjell

INTERNAL

NHC-AOA-001
Rev. date: 2015-05-06
Rev. no: 13
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Norsk Hydro ASA Articles of Association

Changes from last revision:
Article 5A.

ARTICLES OF ASSOCIATION OF NORSK HYDRO ASA (last amended on 6 May 2015 – effective from 6 May 2015)

Section 1

The name of the company is Norsk Hydro ASA.

Section 2

The objectives of the company are to engage in industry, commerce and transport, to utilize energy resources and raw materials, and to engage in other activities connected with these objectives. Activities may also proceed through participation in or in co-operation with other enterprises.

Section 3

The company's registered office is in Oslo.

Section 4

The shares capital is NOK 2,271,760,107.048 divided into 2,068,998,276 shares with a nominal value of 1.098. The shares shall be registered in the Norwegian Central Securities Depository. The Board of Directors may refuse the transfer of shares and may take such other steps as may be necessary to prevent shares from being transferred in contravention of the restrictions laid down in Norwegian law.

Section 4 A

If the share capital is increased, and provided that Norwegian law in force at the time so permits, preferential subscription rights shall be reserved in connection with each such capital increase on the conditions stipulated by the Board of Directors, for up to

- a) 0.83 percent of the increase for holders of the 83 unredeemed founder certificates, and up to
- b) 2.79 percent of the increase for holders of the 4,343 unredeemed subscription certificates.

These preferential rights shall not apply if the increase is made in order to issue shares to third parties as compensation for their transfer of assets to the company. The certificates may be transferred independently of the shares.

Section 5

The company's Board of Directors shall be composed of nine to eleven members who are elected by the Corporate Assembly for periods of up to two years at a time. The Corporate Assembly elects the chairperson and the deputy chairperson of the Board of Directors for the same period.

If the office of a director comes to an end during the period for which he or she is elected, the Corporate Assembly may elect another director to hold office for the remainder of the period in question.

Section 5A

The Nomination Committee consists of minimum three and maximum four members who shall be shareholders or shareholders' representative. The members of the Nomination Committee, including its chairperson, are elected by the General Meeting. The chairperson of the Nomination Committee and at least one other member shall be elected among the members of the Corporate Assembly elected by the shareholders. The members of the Nomination Committee are elected for periods of up to two years at a time. If the chairperson resigns as member of the Nomination Committee during the electoral period, the Nomination Committee shall elect among its members a new chairperson for the remainder of the new chairperson's electoral period.

The chairperson of the Board of Directors and the President and CEO, who do not hold voting rights, shall be requested to attend at least one meeting of the Nomination Committee before it furnishes its final recommendation.

The Nomination Committee makes its recommendation to the General Meeting regarding the shareholders' election of members and deputy members to the Corporate Assembly and regarding remuneration to the members of the Corporate Assembly.

The Nomination Committee makes its recommendation to the General Meeting regarding the election of the members and chairperson of the Nomination Committee and regarding remuneration to the members of the Nomination Committee.

The Nomination Committee makes its recommendation to the Corporate Assembly regarding the election of the shareholders' representatives of the Board of Directors and regarding remuneration to the members of the Board of Directors.

At the proposal of the Corporate Assembly's shareholder-elected members, the General Meeting adopts guidelines for the Nomination Committee."

Section 6

The Board of Directors may authorize a Board member, the President or specifically designated employees to sign for the company, and also to designate procurists. The Board of Directors may decide that authorization to sign for the company may only be exercised by several persons jointly.

Section 7

The company's Corporate Assembly shall comprise eighteen members, who are elected for periods of up to two years at a time. Twelve of the members and their four deputy members shall be elected by the General Meeting, while six of the members and their deputy members shall be elected by and from among the company's employees. The Corporate Assembly elects its own chairperson and deputy chairperson for periods of up to two years at a time.

Section 8

The Corporate Assembly shall exercise supervision to ensure that the company's objects are furthered in compliance with applicable law, the Articles of Association and the resolutions of the General Meeting and the Corporate Assembly. The Corporate Assembly may adopt recommendations on any matter whatsoever for submission to the Board of Directors. At the proposal of the Board of Directors, the Corporate Assembly shall adopt resolutions in matters concerning investments that are substantial compared with the company's resources, or concerning such rationalization of, or changes in, operations as will entail a major change in or redeployment of the labor force.

Section 9

The General Meeting shall be convened by the Board of Directors in accordance with applicable legal requirements.

Documents concerning matters to be considered at the general meeting and which have been made available for the shareholders on the company's website do not have to be sent to the shareholders. This also applies to documents which by law shall be included in or attached to the notice of the general meeting. A shareholder may nonetheless request that documents concerning matters to be considered at the general meeting be sent to him or her free of charge.

Shareholders or their representatives wishing to attend and vote at the General Meeting must inform the company of this no later than five days prior to the General Meeting

The right to attend and vote at the General Meeting may only be exercised when the transfer of the relevant shares appears in the register of shareholders on the fifth business day before the general meeting (the Record Date).

The Board of Directors may determine that the shareholders shall be able to cast their votes in writing, including by electronic means, during a period preceding the General Meeting. Where such a form of voting is used, a satisfactory method shall be employed to authenticate the identity of the sender.

The General Meeting is presided over by the Chairperson of the Corporate Assembly or, in his or her absence, by the Deputy Chairperson.”

Section 10

The Annual General Meeting shall:

- a) approve the annual accounts and the Board of Director’s report, including distribution of dividend;
- b) elect the shareholders’ members and deputy members to the Corporate Assembly; and
- c) deal with any other matters listed in the notice of the meeting.

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