

APPENDIX 1: DETAILED STOCK EXCHANGE ANNOUNCEMENT

Description of the business to which the transaction applies

Formed as a 50/50 joint venture between Orkla and Hydro in 2013, Sapa JV is a highly successful aluminium solutions provider and the world's largest extrusion company. Sapa's operations are organised into the business areas Extrusion Europe, Extrusion North America, Precision Tubing and Building Systems, and the company has 22,400 employees and is present in 40 countries.

Key financial figures for Sapa (100% basis) (unaudited)

In NOK million, except sales volumes

	Q1 2017	Q1 2016	Year 2016	Year 2015	Year 2014
Sales volume (1,000 mt)	355	349	1,365	1,363	1,399
Total revenues	14,337	13,919	53,430	55,397	46,377
Reported EBIT	856	655	2,420	528	-317
Reported net income (loss)	625	418	1,779	246	-626
Underlying EBITDA	1,100	901	3,498	2,729	1,916
Underlying EBIT	778	571	2,197	1,407	652
Total assets	28,628	28,204	25,939	28,870	27,629
Total equity	14,567	12,828	13,800	12,871	11,538
Total liabilities	14,060	15,376	12,139	15,999	16,091
Orkla's share of net profit after tax	312	209	890	123	-313

Financial impact

Orkla reported a diluted EPS of NOK 4.22 in 2016, of which the EPS contribution from Sapa was NOK 0.88.

Sapa has been accounted for under the equity method on the line for profit from associates and joint ventures. As from Q2 2017, Sapa will be reported on a separate line as discontinued operations, and comparative figures will be restated correspondingly.

Sapa Board of Directors and management team

At the date of this announcement, Sapa's Board of Directors consists of six persons. The Board of Directors is presented in the table below. After completion of the transaction, Hydro will own 100% of Sapa and will change the composition of the company's Board.

Peter A. Ruzicka	Chairman of the Board
Eivind Kallevik	Board member
Anne-Lene Midseim	Board member
Terje Andersen	Board member
Kenneth Hertz	Board member
Tor Egil Skulstad	Board member

At the date of this announcement, Sapa's management team consists of 10 individuals. The management team is presented in the table below.

<i>Name</i>	<i>Position</i>
Egil Hogna	President & CEO
Karl Eichinger	EVP & CFO
Katarina Nilsson	EVP HR & Organization
Florian Krumbacher	EVP & General Counsel
Rafael Fuertes	EVP Strategy & Innovation
Erika Ahlqvist	EVP Communication & CSR
Charlie Straface	EVP & Business Area President - Extrusion North America
Sergio Vendrasco	EVP & Business Area President - Precision Tubing
John Thuestad	EVP & Business Area President - Extrusion Europe
Salvador Biosca	EVP & Business Area President - Building Systems

Indicative timeline

Announcement date: 10 July 2017

Competition approvals: Brazil, Canada, China, EU, Turkey

Close of transaction: 2H 2017

Agreements in connection with the transaction

There are no, nor are there expected to be any, agreements made that would benefit board members or key personnel at Orkla as a result of the transaction. The same applies to the board members of Sapa. There are customary retention agreements in place for Sapa's management team. The total cost of the retention arrangements is estimated to approximately NOK 20 million. Orkla and Hydro have agreed to share the retention costs.