



First quarter results 2019

Cautionary note



Certain statements included in this announcement contain forward-looking information, including, without limitation, information relating to (a) forecasts, projections and estimates, (b) statements of Hydro management concerning plans, objectives and strategies, such as planned expansions, investments, divestments, curtailments or other projects, (c) targeted production volumes and costs, capacities or rates, start-up costs, cost reductions and profit objectives, (d) various expectations about future developments in Hydro's markets, particularly prices, supply and demand and competition, (e) results of operations, (f) margins, (g) growth rates, (h) risk management, and (i) qualified statements such as "expected", "scheduled", "targeted", "planned", "proposed", "intended" or similar.

Although we believe that the expectations reflected in such forward-looking statements are reasonable, these forward-looking statements are based on a number of assumptions and forecasts that, by their nature, involve risk and uncertainty. Various factors could cause our actual results to differ materially from those projected in a forward-looking statement or affect the extent to which a particular projection is realized. Factors that could cause these differences include, but are not limited to: our continued ability to reposition and restructure our upstream and downstream businesses; changes in availability and cost of energy and raw materials; global supply and demand for aluminium and aluminium products; world economic growth, including rates of inflation and industrial production; changes in the relative value of currencies and the value of commodity contracts; trends in Hydro's key markets and competition; and legislative, regulatory and political factors.

No assurance can be given that such expectations will prove to have been correct. Hydro disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



**Lifting
profitability**



**Driving
sustainability**

Strong foundation

- Strong company culture and competence
- Efficient operations and quality products
- Attractive assets across the value chain
- Leading position in sustainability and innovation



We believe in aluminium

Building block of modern society

Transportation and
automotive



Packaging and
recycling



Buildings and
construction

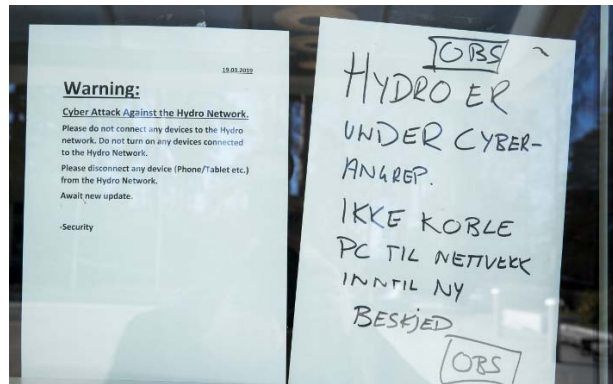


Applications and
end-user products



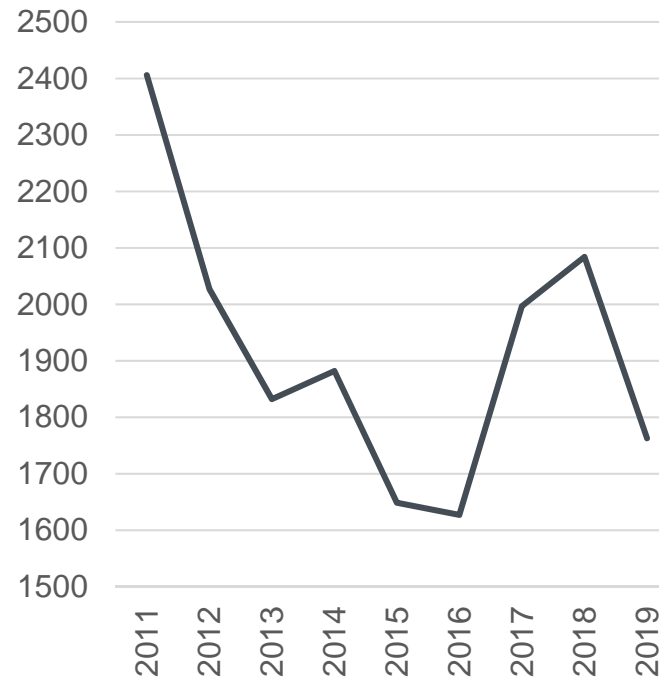
Challenging period for Hydro and the industry

Extraordinary events

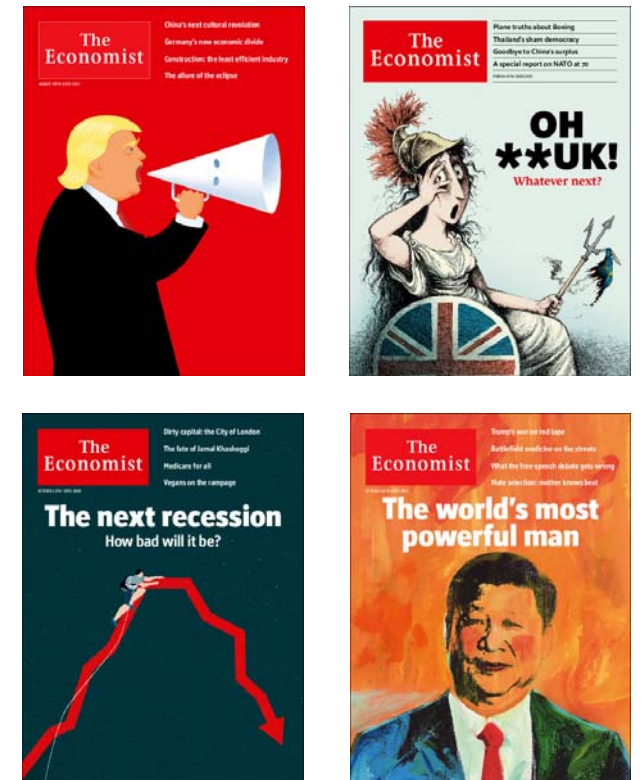


Industry and Hydro not delivering satisfactory returns

LME in USD



Increasing political unpredictability



Immediate actions to improve performance and cash generation

- Safe and efficient operations - always key priority
- Return Alunorte, Paragominas and Albras to full production and operational excellence
- Rolled Products restructuring and strategic review
- New improvement efforts across all business areas and staffs
- Ensuring stricter capital discipline and capital allocation
- Evaluate the way we work to simplify and optimize
- Hydro will host Investor Day on September 24, in Oslo





Results down on volume, price and raw material cost

Hilde Merete Aasheim,
President and CEO



First quarter highlights

- Underlying EBIT of NOK 559 million
- Production embargos at Alunorte lifted by Federal Court – Alunorte, Paragominas and Albras resuming production
- Financial impact of cyber attack NOK 300-350 million in Q1 – main impact in Extruded Solutions
- Strong performance in Extruded Solutions, in particular in North American operations
- Primary Metal results down on price and raw material cost
- Strong Energy results on high prices
- 2019 global primary market expected in deficit, continued macro uncertainty

Operations in Pará moving towards normal production

Status

- Federal court in Belem, Brazil, lifted production embargoes May 15 and 20 – allowing full value chain in Pará to move towards normal production
- Federal court decision to keep embargos on the new bauxite residue disposal area (DRS2)

Operations and ramp-up process

Alunorte

- Estimated to reach 75-85% capacity utilization within two months
- The timing of return to nameplate capacity is dependent on further process optimization of press filters, as well as commissioning of 9th press filter starting during Q3 2019
- Further testing of press filters at higher capacity utilization necessary for evaluating overall capacity
- Lifetime of DRS1 estimated to ~1 year, further geotechnical studies is being conducted with the aim of verifying an extended lifetime
- DRS2 with leading press filter technology only long-term sustainable solution for Alunorte

Paragominas

- Will be ramped up in line with the ramp-up speed at Alunorte

Albras

- Estimated to reach full production within 3-4 months



Going forward

- Safe ramp-up of Alunorte, Albras and Paragominas key priority
- Fully committed to deliver on obligations under technical and social agreement (TAC and TC)
- Continued dialogue with state environmental agency SEMAS and Ministerio Público on creating common platform – timing for embargoes on DRS2 being lifted remains uncertain



Status update cyber attack

Operational and financial impact

- Overall financial impact for Q1 NOK 300-350 million
 - Of which Extruded Solutions NOK 250-300 million
- Production running close to normal in Extruded Solutions, with value creation approaching 100%
- Production running as normal in other business areas, with only few manual operations
- Estimated financial impact for Q2 NOK 200-250 million
 - Of which Extruded Solutions NOK 100-150 million
- Hydro has a robust cyber insurance policy in place with recognized insurers

Way forward

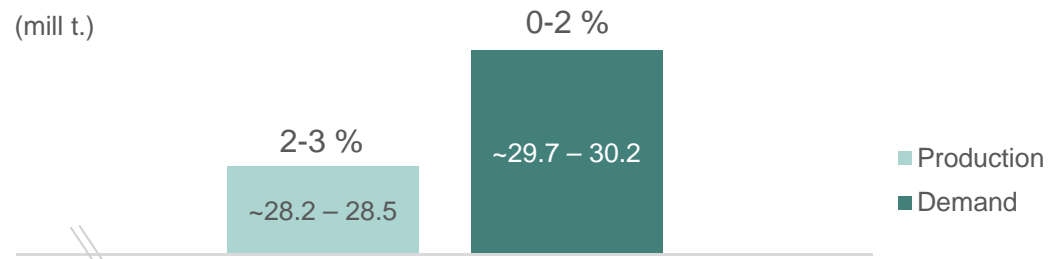
- Recovery towards normal IT operations progressing according to plan
- Increasing robustness through further strengthening IT infrastructure and cyber security



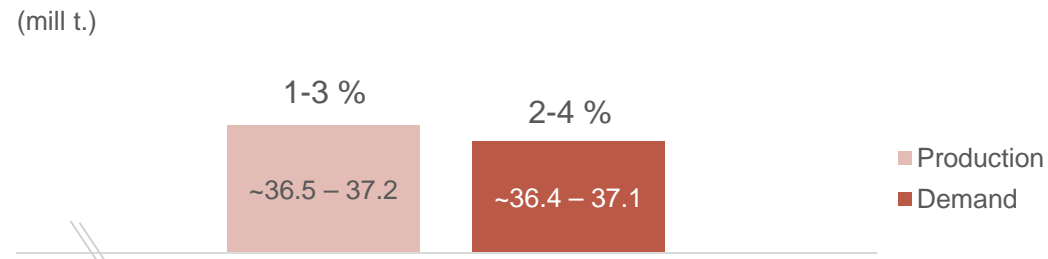
Global market expected in deficit for 2019

China largely balanced, world outside China in deficit

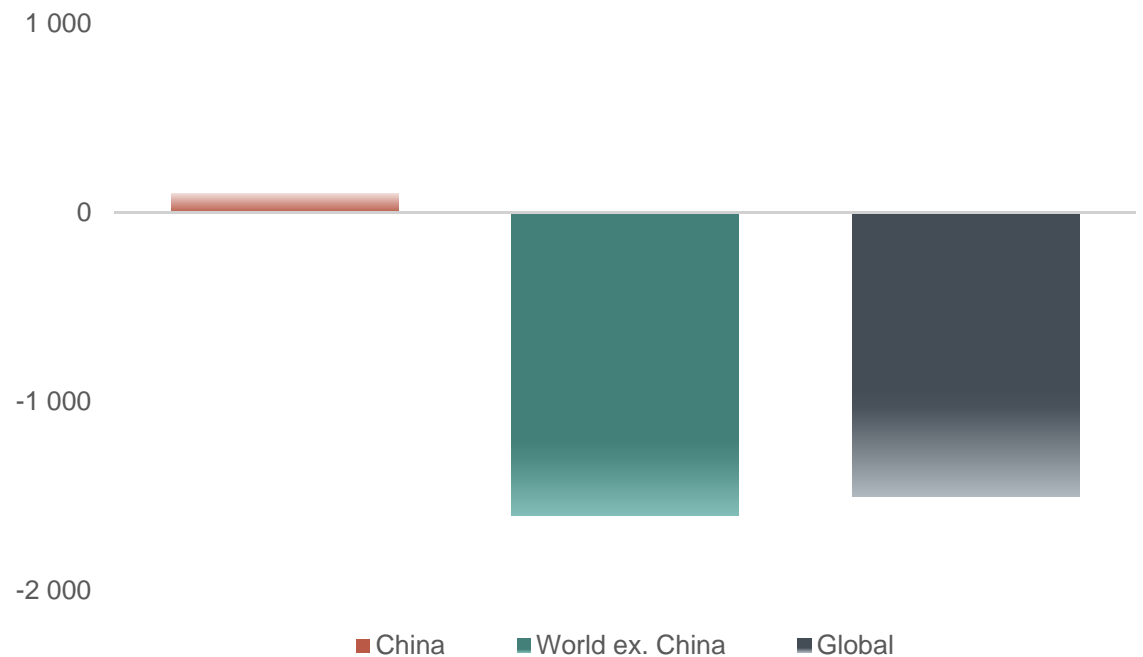
World ex. China 2019
(mill t.)



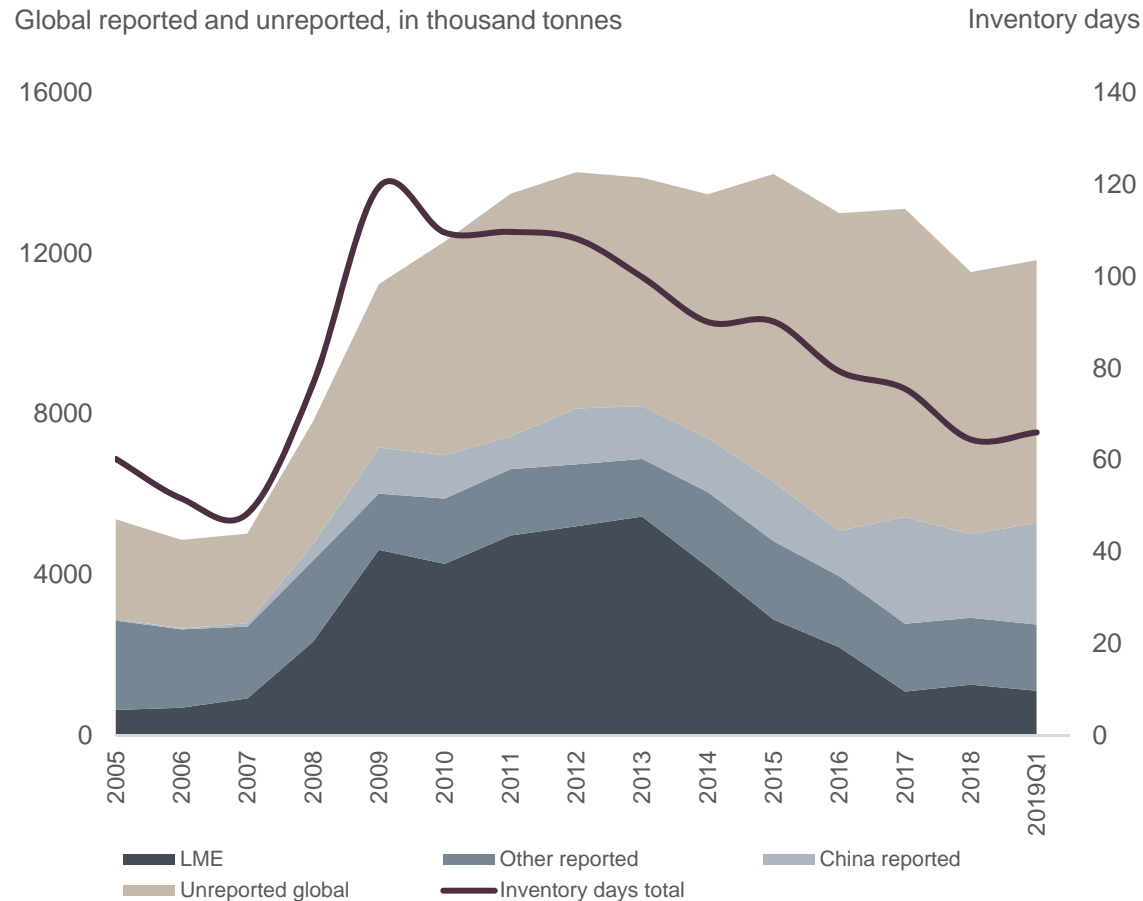
China 2019
(mill t.)



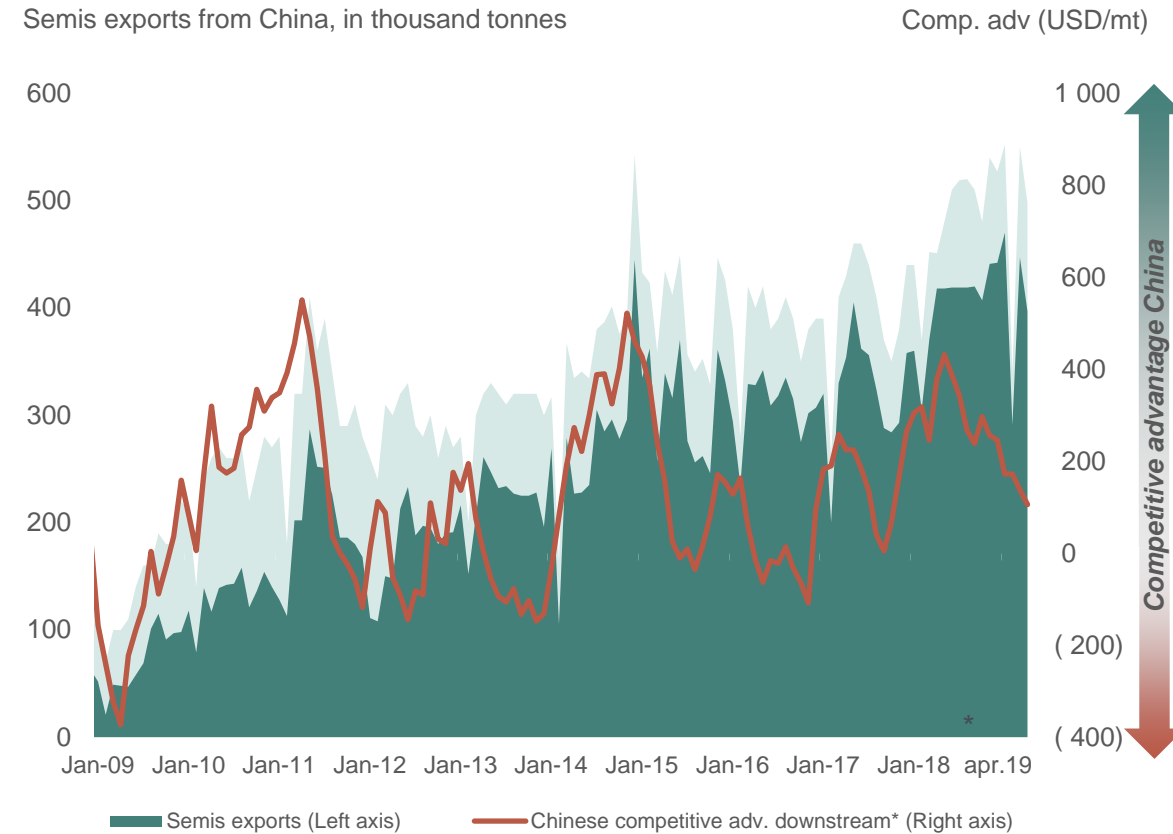
Estimated primary market balance 2019
(‘000t)



Inventories gradually trending downwards, increasing Chinese semis exports



*2019 Q1 inventory days estimated on 12-months rolling historic consumption
 Source: Republished under license from CRU International Ltd, Hydro analysis

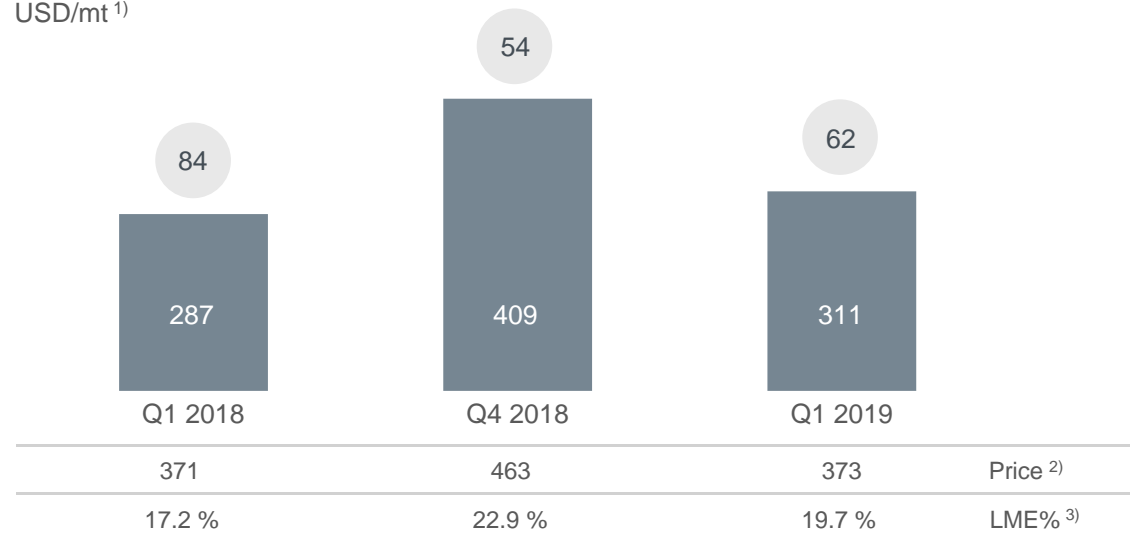


Source: CRU, Thomson Reuters
 Estimated metal cost China versus Europe
 Europe: LME cash + European duty-paid standard ingot premium
 China: SHFE cash + avg. local premium + freight – export rebates (~13 %)
 *No detailed data for April to September 2018, semis months for these months distributed flat

Q1 vs Q4: upstream costs down, stable margins

Implied alumina cost and margin

USD/mt ¹⁾



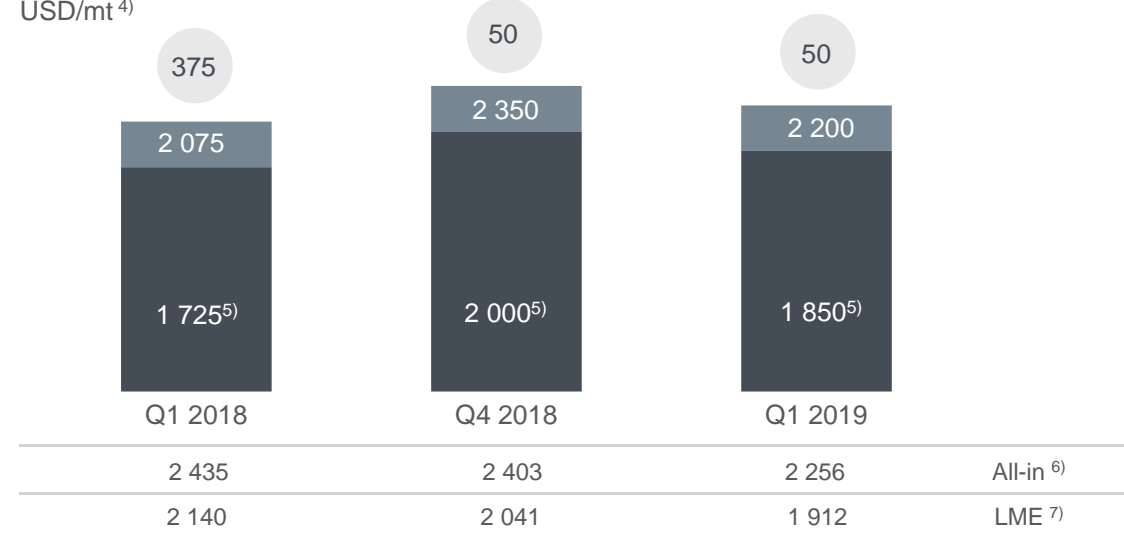
Implied alumina cost down in Q119 vs Q418, mainly on lower external alumina sourcing volume and costs

■ Implied EBITDA cost per mt ● EBITDA margin per mt

1) Realized alumina price minus underlying EBITDA for B&A, per mt alumina sales
 2) Realized alumina price
 3) Realized alumina price as % of three-month LME price with one month lag
 4) Realized all-in aluminium price less underlying EBITDA margin, incl Qatalum, per mt aluminium sold.
 Implied primary cost and margin rounded to nearest USD 25

All-in implied primary cost and margin

USD/mt ⁴⁾



Implied primary cost down in Q119 vs Q418, mainly on reduced raw material and fixed costs

■ All-in Implied EBITDA cost per mt ■ LME Implied EBITDA cost per mt ●

5) Realized LME aluminium price less underlying EBITDA margin, incl Qatalum, per mt primary aluminium produced
 6) Realized LME plus realized premiums, including Qatalum
 7) Realized LME, including Qatalum

Rolled Products: Stable sales volumes Q1 2019 vs Q1 2018

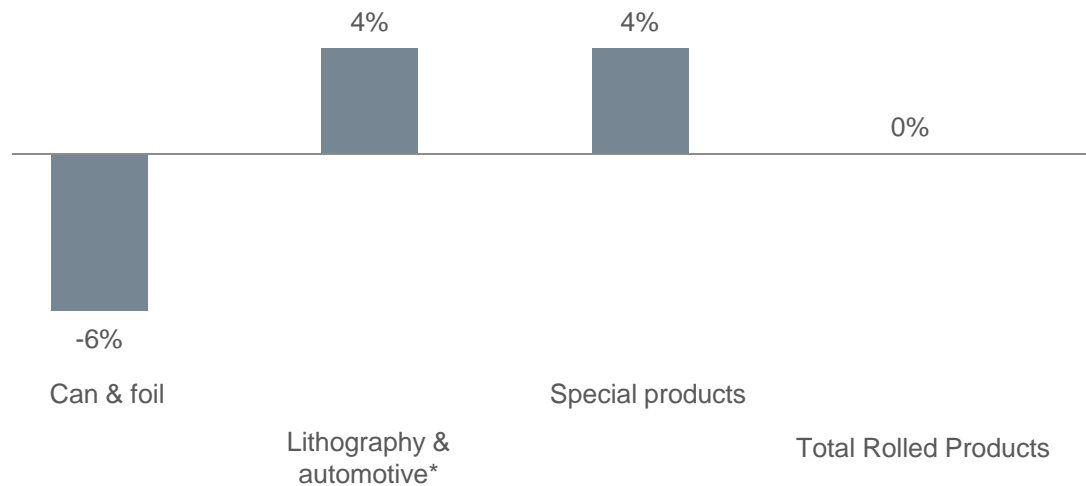


Lower foil sales offset by higher sales in automotive and general engineering

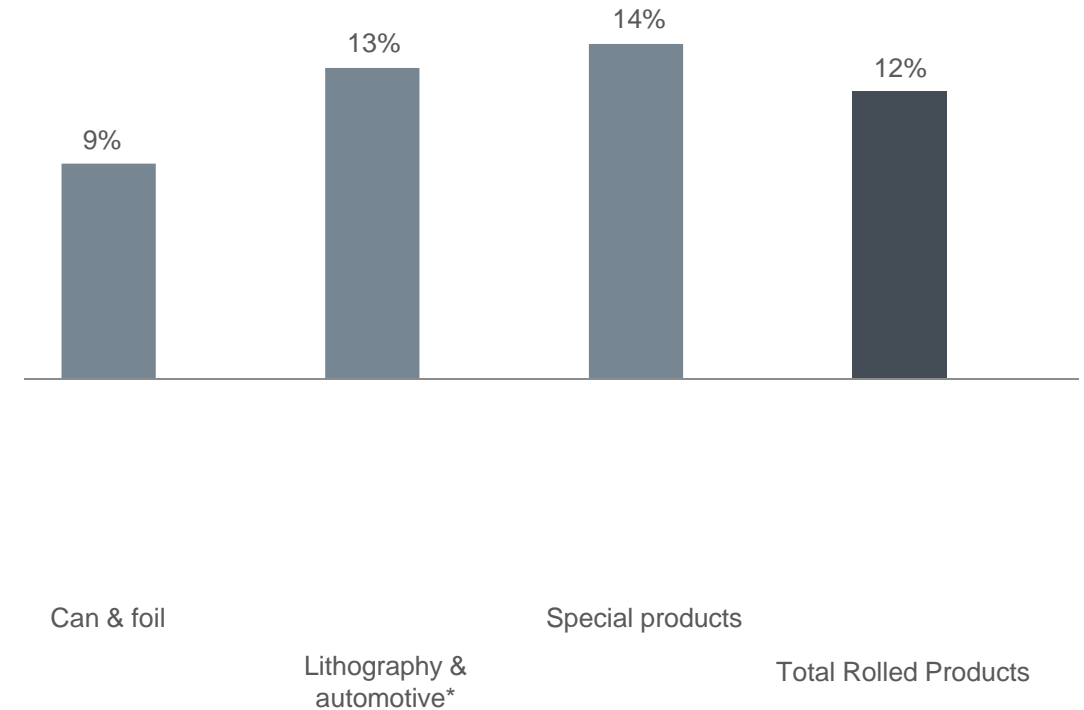
Q1 2019 vs Q1 2018

Sales volume

Growth in %



Q1 2019 vs Q4 2018

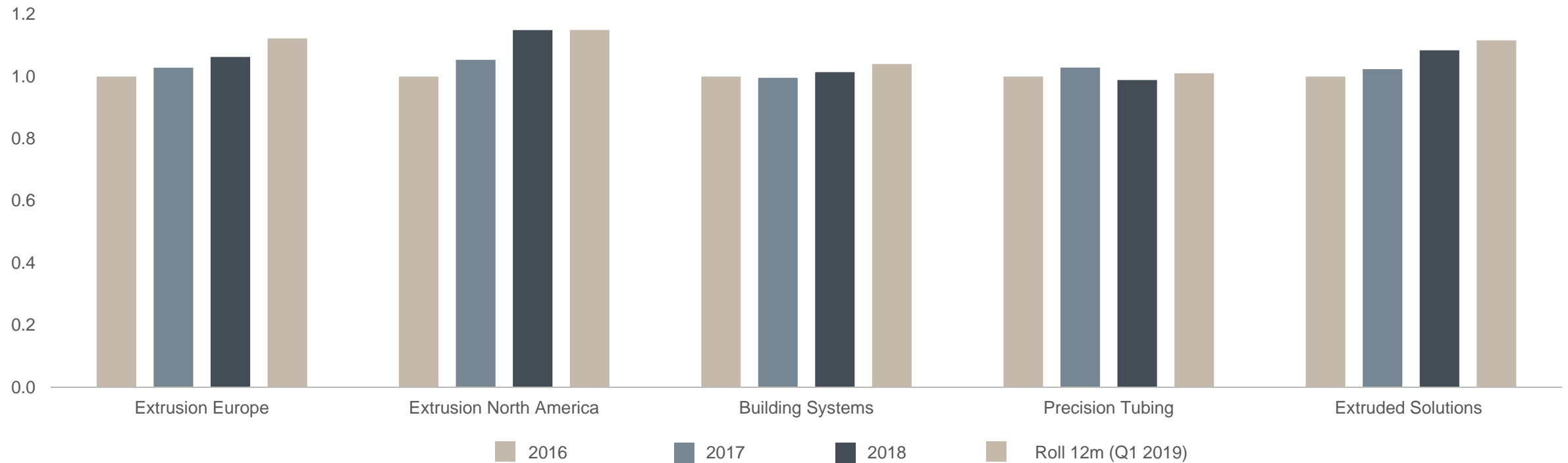


* Include Body-in-White sales growth of 35% Q1 2019 vs Q1 2018, 14% Q1 2019 vs Q4 2018

Extruded Solutions: Continued improvements in net added value



Net added value* per kg
(NOK**, indexed to 2016)



* Net Added Value: calculated as operating revenues less cost of material, including freight costs out
 ** Translated to NOK based on Q1 2019 12 months rolling currency rates



Financial update

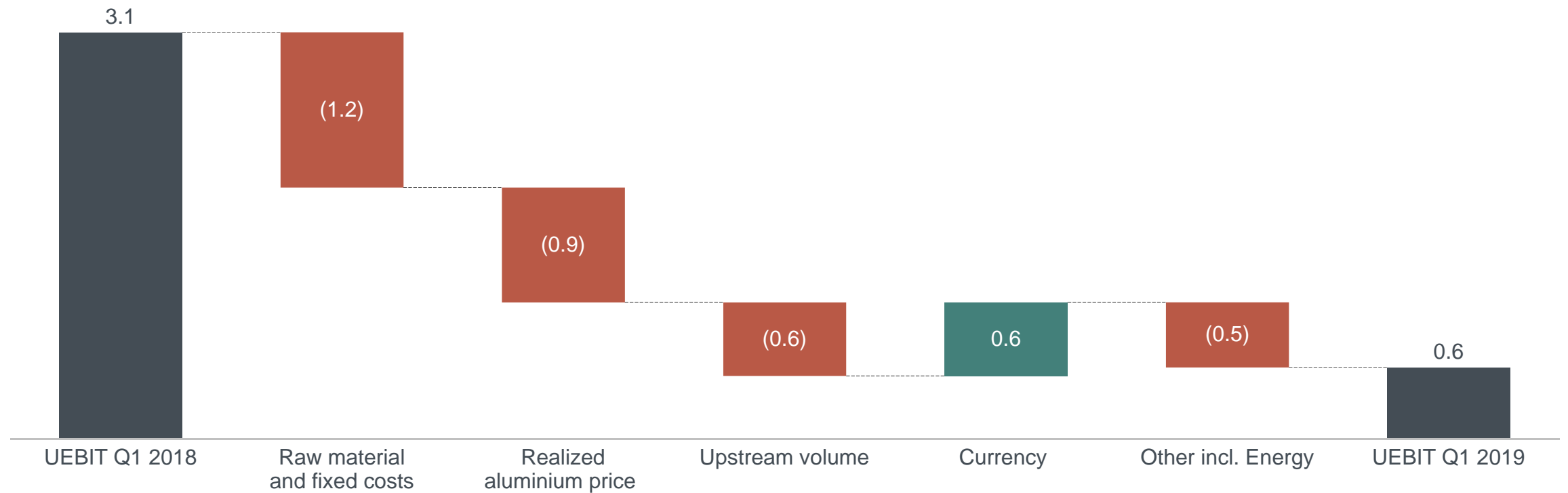
Eivind Kallevik,
Executive Vice President and CFO

Results down on volume, price and raw material cost



Q1 2019 vs Q1 2018

NOK billion

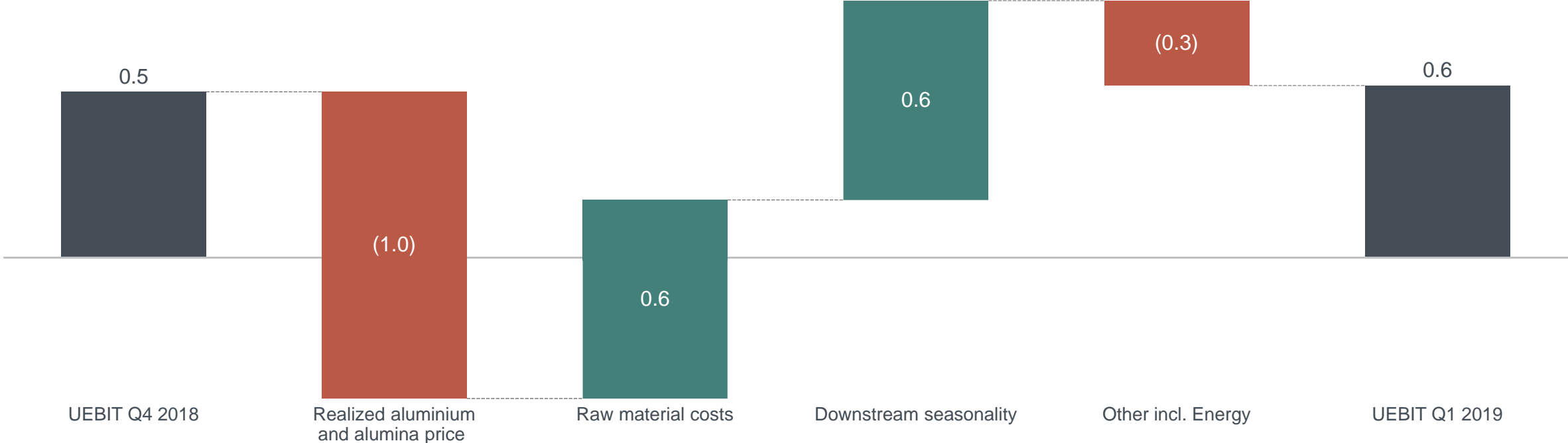


Results flat as lower raw material costs and downstream seasonality offset lower prices



Q1 2019 vs Q4 2018

NOK billion



Key financials



NOK million	Q1 2019	Q1 2018	Q4 2018	Year 2018
Revenue	37 583	39 971	38 386	159 377
Underlying EBIT	559	3 147	534	9 069
Items excluded from underlying EBIT	539	(155)	356	547
Reported EBIT	20	3 301	178	8 522
Financial income (expense)	6	(475)	(721)	(2 060)
Income (loss) before tax	26	2 826	(543)	6 462
Income taxes	(150)	(749)	(207)	(2 139)
Net income (loss)	(124)	2 076	(750)	4 323
Underlying net income (loss)	124	2 201	(175)	5 819
Reported EPS, NOK	0	1.02	(0.34)	2.08
Underlying EPS, NOK	0.13	1.06	(0.06)	2.75

Items excluded from Underlying EBIT



Excluded a loss of 539 MNOK from Underlying EBIT

NOK million	Q1 2019	Q1 2018	Q4 2018	Year 2018
Underlying EBIT	559	3 147	534	9 069
Unrealized derivative effects on LME related contracts	(200)	114	(22)	(39)
Unrealized derivative effects on power and raw material contracts	(12)	87	82	260
Metal effect, Rolled Products	(267)	(47)	(93)	73
Significant rationalization charges and closure costs	-	-	(79)	(79)
Alunorte agreements – provisions	(35)	-	-	(519)
Other effects	(26)	-	(203)	(203)
Pension	-	-	(40)	(40)
Reported EBIT	20	3 301	178	8 522

Bauxite & Alumina

Results down on production restrictions and higher raw material costs

Key figures	Q1 2019	Q1 2018	Q4 2018
Alumina production, kmt	805	1 277	786
Total alumina sales, kmt	1 423	2 071	1 983
Realized alumina price, USD/mt	373	371	463
Implied alumina cost, USD/mt	311	287	409
Bauxite production, kmt	1 361	2 326	1 254
Underlying EBITDA, NOK million	758	1 370	877
Underlying EBIT, NOK million	153	741	493

Underlying EBIT

NOK million



Results Q1 19 vs Q1 18

- Lower volumes due to production restrictions at Alunorte and Paragominas
- Higher raw material costs
- Positive currency effect

Outlook Q2 19

- Alunorte and Paragominas ramping up towards 75-85% capacity within 2 months
- Limited scale effects on costs per mt in Q2, improving into second half

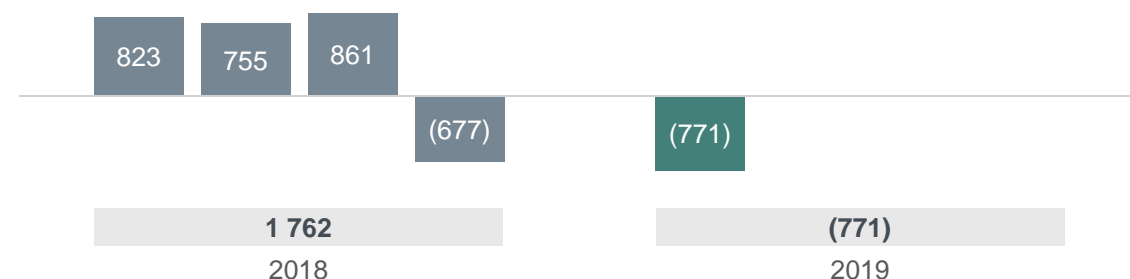
Primary Metal

Results down on lower prices and higher raw material costs

Key figures	Q1 2019	Q1 2018	Q4 2018
Primary aluminium production, kmt	485	514	490
Total sales, kmt	534	578	503
Realized LME price, USD/mt	1 912	2 140	2 041
Realized LME price, NOK/mt	16 291	16 929	17 038
Realized premium, USD/mt	344	295	362
Implied all-in primary cost, USD/mt ¹⁾	2 200	2 075	2 350
Underlying EBITDA, NOK million	(180)	1 349	(176)
Underlying EBIT, NOK million	(771)	823	(677)

Underlying EBIT

NOK million



1) Realized all-in aluminium price minus underlying EBITDA margin, including Qatalum, per mt aluminium sold. Including Qatalum volumes. Bookings as of April 30, 2019.



Results Q1 19 vs Q1 18

- Lower realized LME price
- Increased raw material costs
- Reduced volumes on Albras curtailment

Outlook Q2 19

- ~ 85% of primary production for Q2 priced at USD ~1 875 per mt ²⁾
- ~ 75% of premiums affecting Q2 booked at USD ~360 per mt ²⁾
- Q2 realized premium expected in the range of USD 300-350 per mt
- Raw material costs trending downwards
- Albras ramping up, expected to reach full capacity within 3-4 months

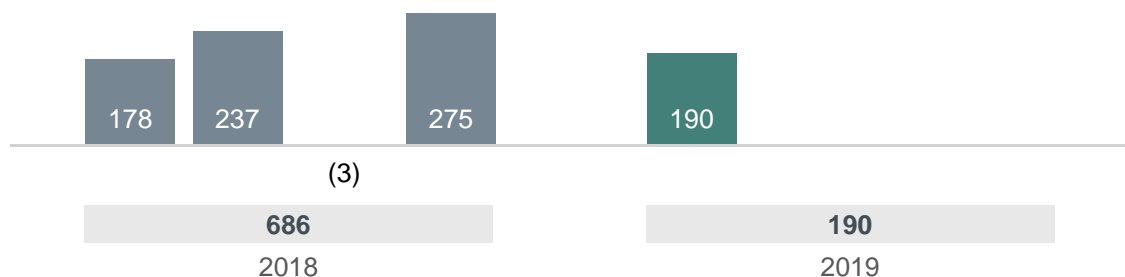
Metal Markets

Results up on stronger performance from remelters and commercial activities

Key figures	Q1 2019	Q1 2018	Q4 2018
Remelt production, kmt	131	150	135
Metal products sales, kmt ¹⁾	683	745	682
Underlying EBITDA, NOK million	219	201	301
Underlying EBIT excl currency and inventory valuation effects, NOK million	230	139	217
Underlying EBIT, NOK million	190	178	275

Underlying EBIT

NOK million



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

Results Q1 19 vs Q1 18

- Improved results from remelters on higher margins
- Improved contribution from sourcing and trading activities
- NOK 40 million in negative currency effects Q1 19 vs positive NOK 39 million in currency and inventory valuation effects Q1 18

Outlook Q2 19

- Strong market conditions for remelters
- Volatile trading and currency effects

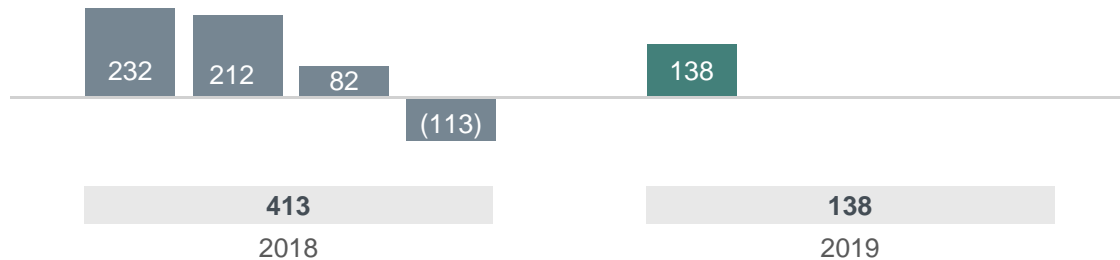
Rolled Products

Lower results mainly due to negative Neuss contribution

Key figures	Q1 2019	Q1 2018	Q4 2018
External sales volumes, kmt	246	245	220
Underlying EBITDA, NOK million	384	456	133
Underlying EBIT, NOK million	138	232	(113)

Underlying EBIT

NOK million



Results Q1 19 vs Q1 18

- Stable results from the rolling mills:
 - Increased personnel costs
 - Positive currency effect
- Lower realized aluminium prices and higher raw material costs for Neuss smelter

Outlook Q2 19

- Softening demand growth in some market segments
- Neuss results driven by all-in metal and raw material price development

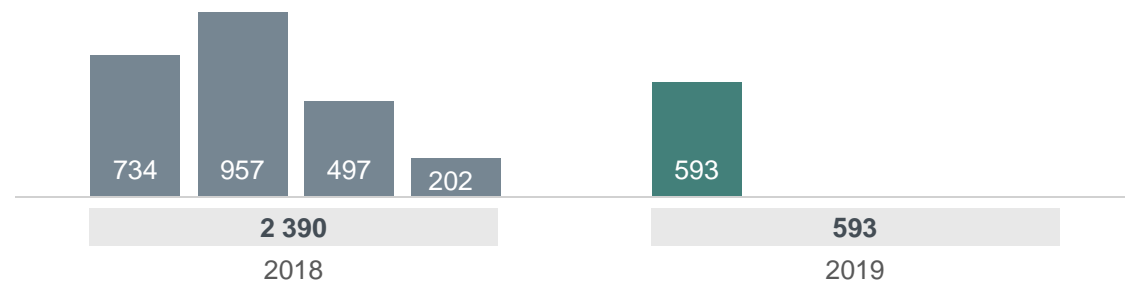
Extruded Solutions

Strong performance negatively affected by the cyber attack

Key figures	Q1 2019	Q1 2018	Q4 2018
External sales volumes, kmt	333	362	318
Underlying EBITDA, NOK million	1 099	1 155	645
Underlying EBIT, NOK million	593	734	202

Underlying EBIT

NOK million



Results Q1 19 vs Q1 18

- Estimated negative effect of the cyber attack of ~MNOK 250-300
 - Lower sales volumes and higher costs
- Improved Net added value (NAV) ¹⁾
 - Strong performance in Extrusion North America

Outlook Q2 19

- Estimated cyber attack impact of ~MNOK 100-150
- Softening demand growth in some market segments

1) Net added value calculated as operating revenues less cost of material, incl. freight costs out

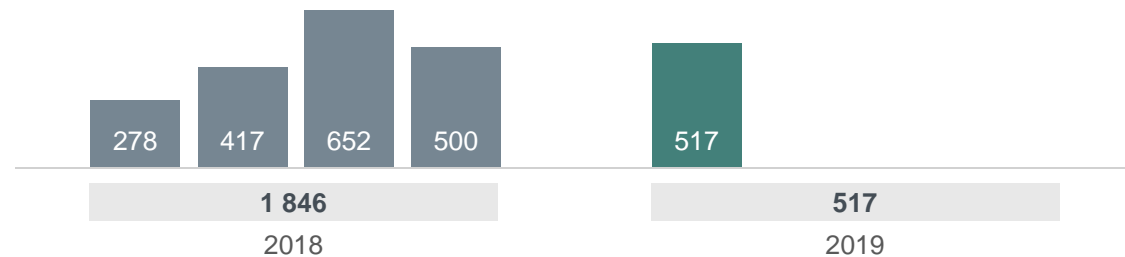
Energy

Results up on higher prices and improved commercial performance

Key figures	Q1 2019	Q1 2018	Q4 2018
Power production, GWh	2 553	2 433	2 822
Net spot sales, GWh	770	763	1 166
Southwest Norway spot price (NO2), NOK/MWh	468	361	455
Underlying EBITDA, NOK million	583	339	566
Underlying EBIT, NOK million	517	278	500

Underlying EBIT

NOK million



Results Q1 19 vs Q1 18

- Higher power prices
- Improved commercial performance

Outlook Q2 19

- Low reservoir levels indicate reduced production expectations

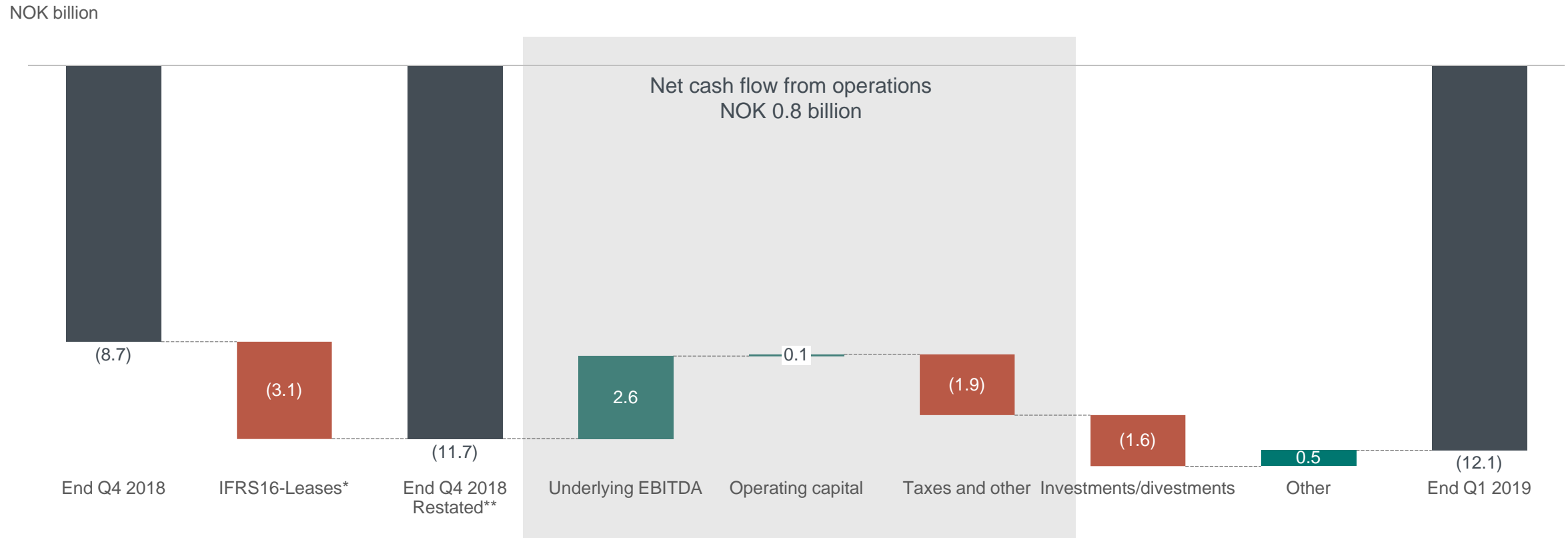


Other and Eliminations

Underlying EBIT, NOK million	Q1 2019	Q1 2018	Q4 2018
Other	(307)	(207)	(299)
Eliminations	46	368	154
Other and Eliminations	(261)	161	(145)

Net debt increased in Q1 2019

Affected by the new IFRS16 Leases standard



*IFRS16 standard requires all leases except short-term leases and small asset leases to be recognized on the balance sheet as of January 1, 2019.

**The Net cash (debt) position per December 31, 2018 was restated due to the implementation of IFRS16.

Adjusted net debt up in Q1

Driven by increased net debt position

NOK billion	Mar 31 2019	Dec 31 2018 Restated ¹⁾	Dec 31 2018	Sep 30 2018
Cash and cash equivalents	6.1	6.0	6.0	6.8
Short-term investments	1.3	1.0	1.0	1.2
Short-term debt	(8.9)	(9.4)	(8.5)	(6.6)
Long-term debt	(10.6)	(9.3)	(7.1)	(7.9)
Net cash/(debt)	(12.1)	(11.7)	(8.7)	(6.5)
Net pension liability at fair value, net of expected tax benefit	(8.4)	(8.8)	(8.8)	(6.4)
Other adjustments ²⁾	(3.9)	(4.0)	(5.6)	(5.5)
Adjusted net debt ex. EAI	(24.4)	(24.5)	(23.1)	(18.4)
Net debt in EAI	(5.7)	(5.6)	(5.6)	(5.6)
Adjusted net debt incl. EAI	(30.1)	(30.1)	(28.7)	(24.0)

1) Restated with implementation of IFRS16 - Leases

2) "Other adjustments" include, e.g., asset retirement obligations, cash and short-term investments in Industriforsikring. Operating lease obligations included pre the implementation of IFRS16 on Jan 1, 2019.





2019 priorities

- Safe and efficient operations
- Ramp up Alunorte, Paragominas and Albras, resume DRS2 operations
- Rolled Products restructuring and strategic review
- New improvement drive
- Focus on cash



Additional information

Prudent financial framework

Managing industry cyclicality, driving long-term shareholder value

Lifting cash flow potential

Improving efficiency, strengthening margins

Improvement efforts

- 4.5 BNOK 2009-2015
- 3.0 BNOK target 2016-2019¹⁾
- 1.8 BNOK 2016-2017
- (0.6) BNOK 2016-2018²⁾

Optimizing Net operating capital

Financial strength and flexibility

Investment grade credit rating

Financial ratio targets over the cycle

- FFO/aND ³⁾ > 40%
- aND/E ⁴⁾ < 55%

Strong liquidity

Disciplined capital allocation

Long-term sustaining capex below depreciation

- ~6.5-7.0 BNOK average 2019E-2021E

Total capex incl. growth

- 2018 ~7.8 BNOK⁵⁾

Selective value-add growth

Attractive organic growth prospects and M&A optionality

Predictable dividend policy

Sector competitive TSR

1.25 NOK/share dividend for 2018

Dividend policy

- 40% payout ratio of Net income over the cycle
- Dividend 1.25 NOK/share to be considered as floor

Special dividends and share buybacks in the toolbox

Effective risk management

Volatility mitigated by strong balance sheet and relative positioning

Hedging policy

- Operational LME and currency hedging
- Limited financial hedging

Diversified business

1) Real 2015 terms

2) The Better improvement ambition in 2018 was 2.9 BNOK behind the 2018 cumulative target of 2.3 BNOK due to the Alunorte situation. 3 BNOK 2019 target will not be reached.

3) Funds from operations / adjusted net debt

4) Adjusted net debt / Equity

5) In the fourth quarter of 2018, investments were reduced with certain indirect tax charges in Brazil not completely deducted and claimed at the time of investment. A review of deductibility resulted in reduction of asset costs for Bauxite & Alumina and Primary Metal of ~0.8 BNOK. Including the adjustment, 2018 capex amounted to BNOK 7.0

Hydro's aspiration underpinned by firm financial targets



Medium and long-term

	Ambition	Timeframe	2018 status
<i>Better</i> improvement ambition	3.0 BNOK	2016-2019	(0.6) BNOK 2018
Dividend payout ratio	40% of net income	Over the cycle	~57% ¹⁾ 2014-2018
FFO/adjusted net debt ²⁾	> 40%	Over the cycle	44% 2018 ⁵⁾
Adjusted net debt/Equity	< 55%	Over the cycle	33% 2018 ⁵⁾
URoACE	Competitive ³⁾	Over the cycle	6.4 % ^{3,4)} 2018

Better Bigger Greener

1) Payout ratio 5 year average – dividend per share divided by earnings per share from continuing operations for the last 5 years

2) FFO – funds from operations

3) Measured against a relevant peer group

4) Underlying return on average capital employed after tax (URoACE)

5) The figures per December 31, 2018 were restated due to the implementation of IFRS16.

Shareholder and financial policy

- Hydro aims to give its shareholders competitive returns compared to alternative investments in comparable companies
- Dividend policy
 - Average ordinary payout ratio: 40% of reported net income over the cycle
 - 1.25 NOK/share to be considered as a floor, as of Q4 2016
 - Share buybacks and extraordinary dividends as supplement in periods with strong financials and outlook
 - 2018 dividend 1.25 NOK/share, vs. 1.75 NOK/share in 2017
 - Five-year average ordinary pay-out ratio 2014-2018 of ~57%
- Maintain investment-grade credit rating
 - Currently: BBB stable (S&P) & Baa2 stable (Moody's)
 - Competitive access to capital is important for Hydro's business model (counterparty risk and partnerships)
- Financial ratios over the business cycle
 - Funds from operations to adjusted net debt > 40%
 - Adjusted net debt to equity < 55%
- Strong liquidity
 - NOK 6.1 billion in cash and cash equivalents, end-Q1 2019
 - USD 1.7 billion in multi-currency revolving credit facility maturing in 2020

Hedging policy



- Hedging strategy
 - Fluctuating with the market: primarily exposed to LME and USD
 - Volatility mitigated by strong balance sheet
 - Strengthening relative position to ensure competitiveness
- Diversified business
 - Upstream cyclicalities balanced with more stable earnings downstream
 - Exposed to different markets and cycles
- Bauxite & Alumina
 - Currency exposure, mainly USD and BRL
 - Exposed to LME and Platts alumina index prices
- Primary Metal
 - Operational LME hedging - one-month forward sales
 - Currency exposure, mainly USD, NOK and BRL
- Metal Markets, Rolled Products
 - Operational LME and currency hedging to secure margin
- Flexibility to hedge LME or currency in certain cases

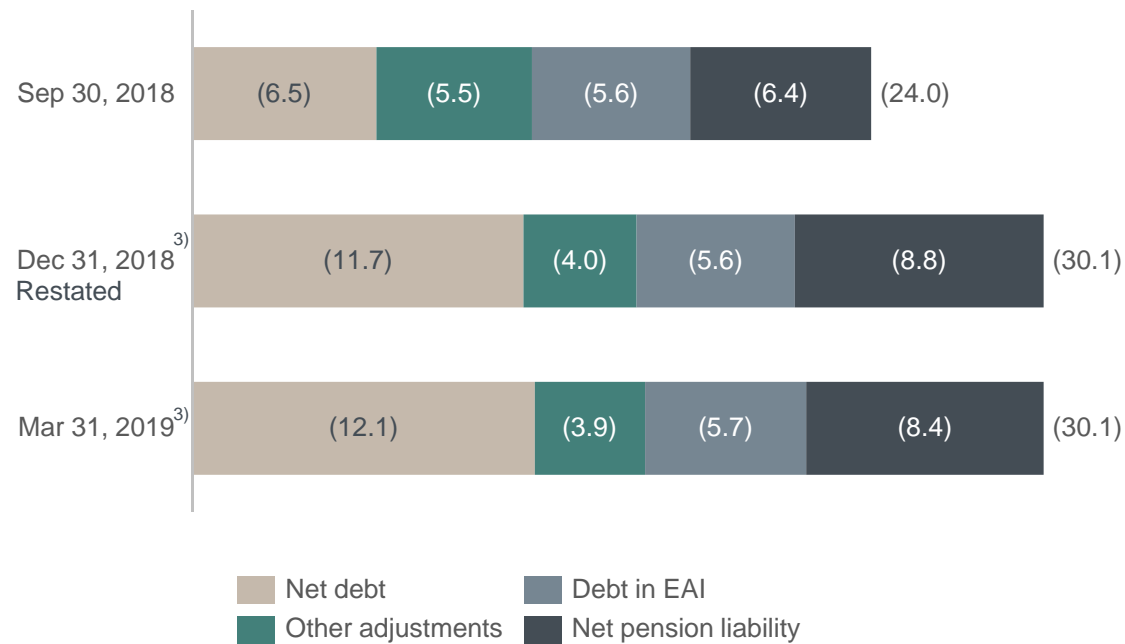
Maintaining a solid balance sheet and investment-grade credit rating



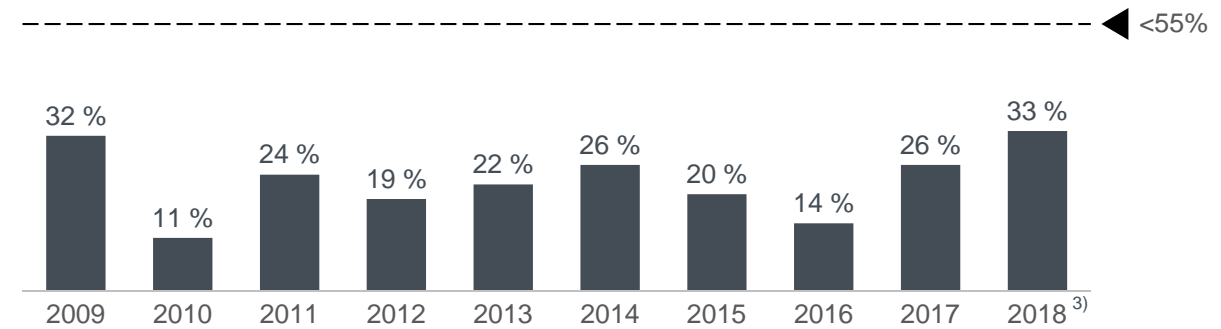
Funds from operations determine the balance sheet structure

Adjusted net debt

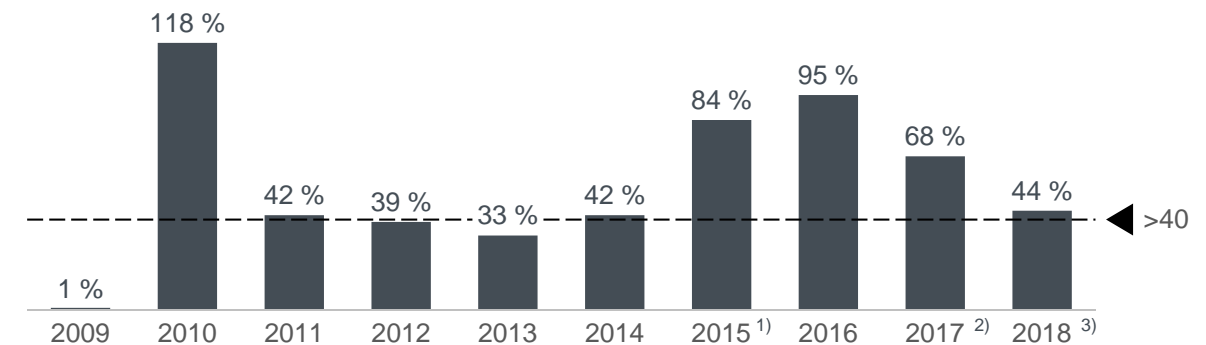
BNOK



Adjusted net debt / Equity



Funds from operations / Adjusted net debt



1) 2015 FFO/aND ratio has been restated due to change of definition

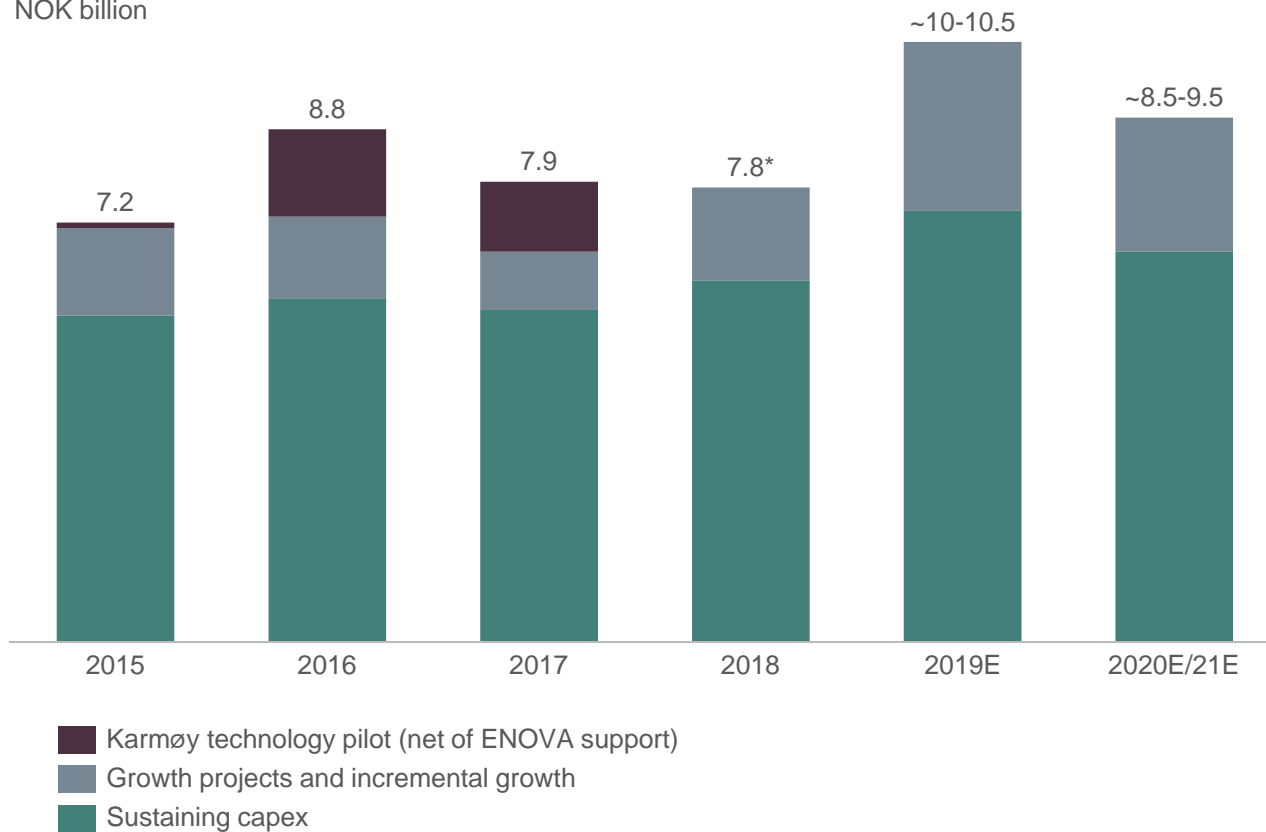
2) Extruded Solutions reflected as 50% equity accounted investment Q1-Q3 2017 and fully consolidated in Q4 2017

3) Reflecting the IFRS16 Leases adjustment as of Jan 1, 2019. The figures per December 31, 2018 were restated due to the implementation of IFRS16.

Growth capex focused on incremental growth and productivity improvements

Majority of sustaining capex allocated upstream

NOK billion



- Sustaining projects for 2018-2021:
 - Pipeline replacement in B&A
 - PM rectifiers and asset integrity Albras
 - Smelter relining
 - Alunorte robustness
- Ongoing growth projects:
 - Husnes upgrade and restart
 - Capacity creep and Industry 4.0 in PM
 - Selected customer-driven growth in ES
 - Productivity improvements across the portfolio
- Capex related to specific growth projects will be announced when decision is made

*In the fourth quarter of 2018, investments were reduced with certain indirect tax charges in Brazil not completely deducted and claimed at the time of investment. A review of deductibility resulted in reduction of asset costs for Bauxite & Alumina and Primary Metal of ~0.8 BNOK. Including the adjustment, 2018 capex amounted to BNOK 7.0
Capex including Extruded Solutions

Significant exposure to commodity and currency fluctuations



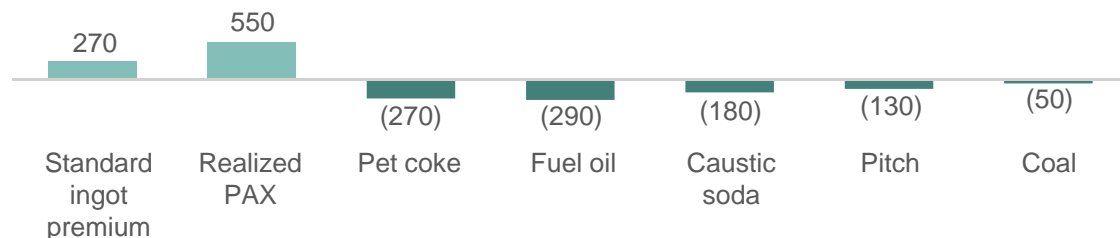
Sensitivities affected by the Alunorte and Albras curtailments

Sensitivities with full production

Aluminium price sensitivity +10%, NOK million



Other commodity prices, sensitivity +10%, NOK million



Currency sensitivities +10%

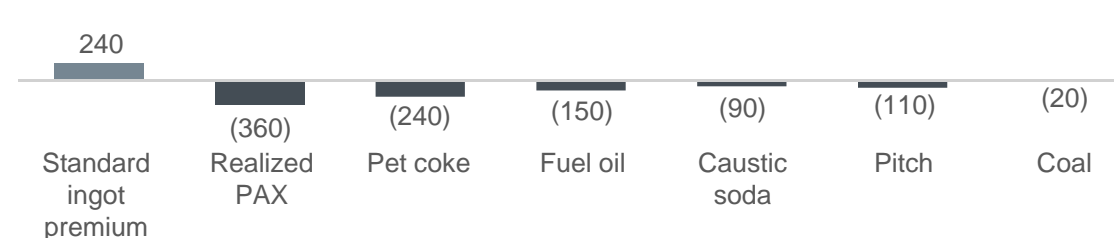
NOK million	USD	BRL	EUR
UEBIT	3 650	(1 060)	(240)

Sensitivities with 50% production

Aluminium price sensitivity +10%, NOK million



Other commodity prices, sensitivity +10%, NOK million



Currency sensitivities +10%

NOK million	USD	BRL	EUR
UEBIT	2 640	(1 060)	(240)

Annual sensitivities based on Q1 19 realized prices as a starting point LME USD 1 900 per mt, standard ingot premium (Europe duty paid) USD 130 per mt, realized PAX USD 390 per mt, fuel oil USD 520 per mt, petroleum coke USD 340 per mt, caustic soda USD 360 per mt, coal USD 70 per mt, USD/NOK 8.5, BRL/NOK 2.2, EUR/NOK 9.7. LME and PAX sensitivities reflect financial exposures to movement in the respective prices, net of LME/PAX indexed costs. The net exposures might deviate from the net physical position. B&A and PM sensitivities reflect internal pricing of alumina assuming planned 2018 PAX exposure before the curtailment. The 50% sensitivities are simplified estimates based on full year 50% curtailment of Alunorte and Albras, ignoring any effects from the Force Majeure clauses.

BRL sensitivity calculated on a long-term basis with fuel oil assumed in USD. In the short-term, fuel oil is BRL-denominated. Fixed costs in B&A and PM assumed constant between the production scenarios.

1) U NI sensitivity calculated as U EBIT sensitivity after 30% tax

Bauxite & Alumina sensitivities

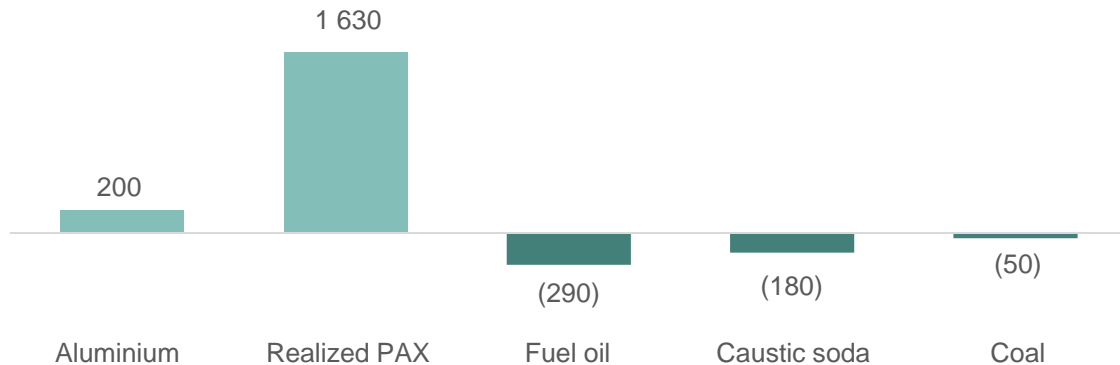


Sensitivities affected by the Alunorte curtailment

Sensitivities with full production

Annual sensitivities on underlying EBIT if +10% in price

NOK million



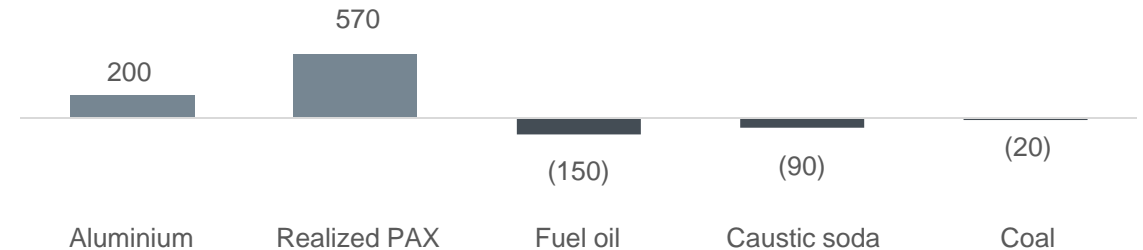
Currency sensitivities +10%

NOK million	USD	BRL	EUR
UEBIT	1 400	(720)	-

Sensitivities with 50% production

Annual sensitivities on underlying EBIT if +10% in price

NOK million



Currency sensitivities +10%

NOK million	USD	BRL	EUR
UEBIT	610	(720)	-

Annual sensitivities based on Q1 19 realized prices as a starting point LME USD 1 900 per mt, standard ingot premium (Europe duty paid) USD 130 per mt, realized PAX USD 390 per mt, fuel oil USD 520 per mt, petroleum coke USD 340 per mt, caustic soda USD 360 per mt, coal USD 70 per mt, USD/NOK 8.5, BRL/NOK 2.2, EUR/NOK 9.7. LME and PAX sensitivities reflect financial exposures to movement in the respective prices, net of LME/PAX indexed costs. The net exposures might deviate from the net physical position. B&A and PM sensitivities reflect internal pricing of alumina assuming planned 2018 PAX exposure before the curtailment. The 50% sensitivities are simplified estimates based on full year 50% curtailment of Alunorte and Albras, ignoring any effects from the Force Majeure clauses
BRL sensitivity calculated on a long-term basis with fuel oil assumed in USD. In the short-term, fuel oil is BRL-denominated. Fixed costs in B&A and PM assumed constant between the production scenarios.

Primary Metal sensitivities

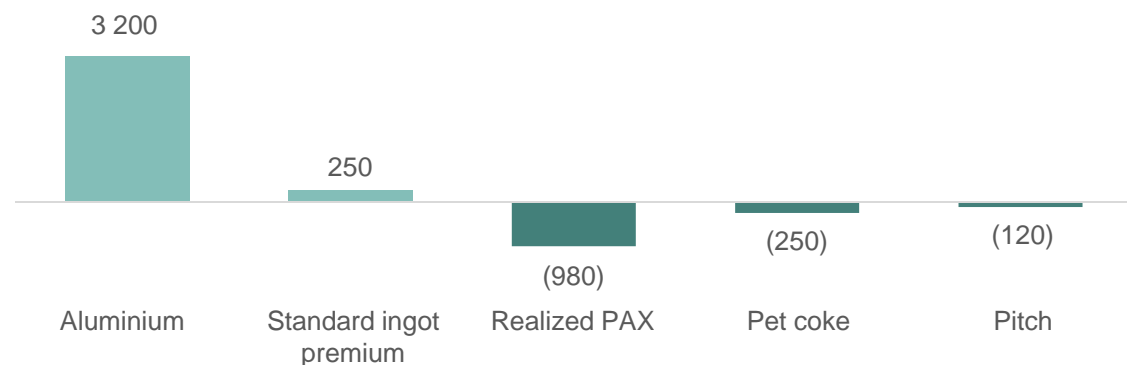


Sensitivities affected by the Albras curtailment

Sensitivities with full production

Annual sensitivities on underlying EBIT if +10% in price

NOK million



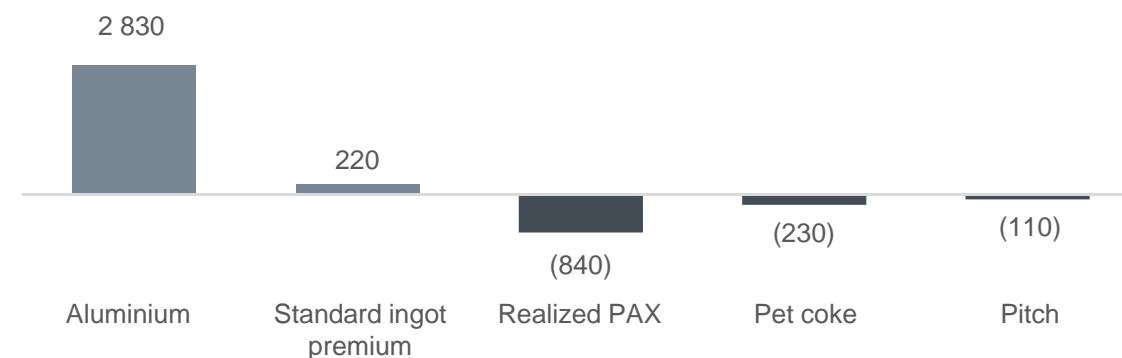
Currency sensitivities +10%

NOK million	USD	BRL	EUR
UEBIT	1 800	(340)	(250)

Sensitivities with 50% production

Annual sensitivities on underlying EBIT if +10% in price

NOK million



Currency sensitivities +10%

NOK million	USD	BRL	EUR
UEBIT	1 600	(340)	(250)

Annual sensitivities based on Q1 19 realized prices as a starting point LME USD 1 900 per mt, standard ingot premium (Europe duty paid) USD 130 per mt, realized PAX USD 390 per mt, fuel oil USD 520 per mt, petroleum coke USD 340 per mt, caustic soda USD 360 per mt, coal USD 70 per mt, USD/NOK 8.5, BRL/NOK 2.2, EUR/NOK 9.7. LME and PAX sensitivities reflect financial exposures to movement in the respective prices, net of LME/PAX indexed costs. The net exposures might deviate from the net physical position. B&A and PM sensitivities reflect internal pricing of alumina assuming planned 2018 PAX exposure before the curtailment. The 50% sensitivities are simplified estimates based on full year 50% curtailment of Alunorte and Albras, ignoring any effects from the Force Majeure clauses
BRL sensitivity calculated on a long-term basis with fuel oil assumed in USD. In the short-term, fuel oil is BRL-denominated. Fixed costs in B&A and PM assumed constant between the production scenarios.

Business area sensitivity parameters



Bauxite & Alumina

Revenue impact

- ~14% of 3-month LME price per tonne alumina with one month lag
- Realized alumina price lags PAX by one month

Cost impact

Bauxite

- ~2.45 tonnes bauxite per tonne alumina
- Pricing partly LME-linked

Caustic soda

- ~0.1 tonnes per tonne alumina
- Prices based on IHS Chemical, pricing mainly monthly per shipment

Energy

- ~0.12 tonnes coal per tonne alumina, Platts prices, one year volume contracts, weekly per shipment pricing
- ~0.11 tonnes heavy fuel oil per tonne alumina, prices set by ANP/Petrobras in Brazil, weekly pricing (ANP) or anytime (Petrobras)
- Increased use of coal as energy source in Alunorte

Primary Metal

Revenue impact

- Realized price lags LME spot by ~1-2 months
- Realized premium lags market premium by ~2-3 months

Cost impact

Alumina

- ~1.9 tonnes per tonne aluminium
- ~14.5% of 3-month LME price per tonne alumina, increasing volumes priced on Platts index
- ~ 2-3 months lag

Carbon

- ~0.40 tonnes petroleum coke per tonne aluminium, Pace Jacobs Consultancy, 2-3 year volume contracts, quarterly or half yearly pricing
- ~0.08 tonnes pitch per tonne aluminium, CRU, 2-3 year volume contracts, quarterly pricing

Power

- 13.9 MWh per tonne aluminium
- Long-term power contracts with indexations

Items excluded from underlying results - 2019



NOK million (+=loss/)=gain)		Q1 2019
Alunorte agreements - provision	Bauxite & Alumina	35
Total impact	Bauxite & Alumina	35
Unrealized derivative effects on LME related contracts	Primary Metal	122
Unrealized effects on power contracts	Primary Metal	27
Total impact	Primary Metal	149
Unrealized derivative effects on LME related contracts	Metal Markets	222
Total impact	Metal Markets	222
Unrealized derivative effects on LME related contracts	Rolled Products	(77)
Metal effect	Rolled Products	267
Total impact	Rolled Products	191
Unrealized derivative effects on LME related contracts	Extruded Solutions	(77)
Other effects	Extruded Solutions	26
Total impact	Extruded Solutions	(51)
Unrealized derivative effects on power contracts	Energy	6
Total impact	Energy	6
Unrealized derivative effects on power contracts	Other and eliminations	(21)
Unrealized derivative effects on LME related contracts	Other and eliminations	10
Total impact	Other and eliminations	(11)
Items excluded from underlying EBIT	Hydro	539
Net foreign exchange (gain)/loss	Hydro	(208)
Items excluded from underlying income (loss) before tax	Hydro	331
Calculated income tax effect	Hydro	(83)
Items excluded from underlying net income (loss)	Hydro	248

Items excluded from underlying results - 2018



NOK million (+=loss/)=gain)		Q1 2018	Q2 2018	Q3 2018	Q4 2018	Year 2018
Alunorte agreements - provision	Bauxite & Alumina	-	-	519	-	519
Total impact	Bauxite & Alumina	-	-	519	-	519
Unrealized derivative effects on LME related contracts	Primary Metal	(114)	(41)	101	(89)	(143)
Unrealized effects on power contracts	Primary Metal	20	20	(194)	(64)	(218)
Total impact	Primary Metal	(94)	(21)	(93)	(153)	(361)
Unrealized derivative effects on LME related contracts	Metal Markets	(128)	(32)	104	(144)	(200)
Total impact	Metal Markets	(128)	(32)	104	(144)	(200)
Unrealized derivative effects on LME related contracts	Rolled Products	108	(82)	11	74	111
Metal effect	Rolled Products	47	(60)	(153)	93	(73)
Significant rationalization charges and closure costs	Rolled Products	-	-	-	39	39
Total impact	Rolled Products	154	(142)	(141)	206	77
Unrealized derivative effects on LME related contracts	Extruded Solutions	47	(151)	211	192	299
Significant rationalization charges and closure costs	Extruded Solutions	-	-	-	40	40
Pension	Extruded Solutions	-	-	-	40	40
Other effects	Extruded Solutions	-	-	-	237	237
Total impact	Extruded Solutions	47	(151)	211	509	616
Unrealized derivative effects on power contracts	Energy	-	-	-	(7)	(7)
Total impact	Energy	-	-	-	(7)	(7)
Unrealized derivative effects on power contracts	Other and eliminations	(107)	72	11	(11)	(36)
Unrealized derivative effects on LME related contracts	Other and eliminations	(26)	1	8	(11)	(27)
Other effects	Other and eliminations	-	-	-	(34)	(34)
Total impact	Other and eliminations	(134)	73	19	(56)	(97)
Items excluded from underlying EBIT	Hydro	(155)	(274)	620	356	547
Net foreign exchange (gain)/loss	Hydro	333	306	257	408	1 303
Items excluded from underlying income (loss) before tax	Hydro	178	32	877	764	1 851
Calculated income tax effect	Hydro	(54)	(8)	(105)	(188)	(355)
Items excluded from underlying net income (loss)	Hydro	125	24	772	575	1 495

Operating segment information



Underlying EBIT

NOK million	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Year 2017	Year 2018
Bauxite & Alumina	756	662	413	1 872	741	364	685	493	153	3 704	2 282
Primary Metal	900	1 486	1 298	1 377	823	755	861	(677)	(771)	5 061	1 762
Metal Markets	24	244	91	185	178	237	(3)	275	190	544	686
Rolled Products	106	84	95	95	232	212	82	(113)	138	380	413
Extruded Solutions	281	329	209	284	734	957	497	202	593	1 103	2 390
Energy	423	284	368	457	278	417	652	500	517	1 531	1 846
Other and Eliminations	(207)	(159)	(28)	(715)	161	(229)	(97)	(145)	(261)	(1 108)	(310)
Total	2 284	2 930	2 446	3 555	3 147	2 713	2 676	534	559	11 215	9 069

Underlying EBITDA

NOK million	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Year 2017	Year 2018
Bauxite & Alumina	1 334	1 248	1 057	2 551	1 370	937	1 193	877	758	6 190	4 377
Primary Metal	1 392	1 991	1 795	1 900	1 349	1 309	1 424	(176)	(180)	7 078	3 906
Metal Markets	47	268	114	209	201	262	22	301	219	638	786
Rolled Products	307	297	312	325	456	438	314	133	384	1 240	1 340
Extruded Solutions	281	329	209	728	1 155	1 383	931	645	1 099	1 547	4 114
Energy	476	337	424	519	339	479	716	566	583	1 757	2 100
Other and Eliminations	(200)	(151)	(21)	(708)	169	(223)	(90)	(135)	(231)	(1 081)	(280)
Total	3 637	4 319	3 889	5 524	5 038	4 586	4 510	2 210	2 633	17 369	16 344

Operating segment information



EBIT

NOK million	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Year 2017	Year 2018
Bauxite & Alumina	756	662	413	1 872	741	364	166	493	118	3 704	1 763
Primary Metal	797	1 538	1 282	1 112	917	776	954	(524)	(919)	4 729	2 123
Metal Markets	(13)	282	59	158	305	270	(107)	419	(31)	485	886
Rolled Products	450	84	(22)	-	78	353	223	(319)	(53)	512	336
Extruded Solutions	313	273	215	1 722	687	1 109	286	(307)	644	2 522	1 774
Energy	423	284	368	457	278	417	652	507	510	1 531	1 853
Other and Eliminations	(316)	(176)	7	(810)	295	(303)	(117)	(89)	(249)	(1 295)	(214)
Total	2 410	2 946	2 323	4 511	3 301	2 986	2 057	178	20	12 189	8 522

EBITDA

NOK million	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Year 2017	Year 2018
Bauxite & Alumina	1 334	1 248	1 057	2 551	1 370	937	674	877	724	6 190	3 858
Primary Metal	1 289	2 043	1 779	1 635	1 443	1 330	1 517	(23)	(328)	6 747	4 267
Metal Markets	9	306	82	182	329	295	(82)	445	(2)	579	986
Rolled Products	651	296	196	230	302	580	455	(73)	194	1 372	1 263
Extruded Solutions	313	273	215	2 166	1 108	1 534	720	136	1 150	2 966	3 498
Energy	476	337	424	519	339	479	716	573	576	1 757	2 107
Other and Eliminations	(310)	(168)	13	(803)	302	(296)	(110)	(80)	(219)	(1 268)	(183)
Total	3 762	4 335	3 766	6 481	5 193	4 860	3 890	1 854	2 094	18 344	15 796

Operating segment information



Total revenue

NOK million	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Year 2017	Year 2018
Bauxite & Alumina	5 911	5 858	5 612	8 040	6 309	6 877	6 749	8 613	4 866	25 421	28 548
Primary Metal	8 641	9 575	8 958	9 291	10 170	10 083	9 984	9 196	9 023	36 466	39 434
Metal Markets	12 149	13 604	11 862	12 991	13 898	14 205	13 230	12 903	12 959	50 606	54 237
Rolled Products	6 277	6 569	6 435	6 434	6 797	7 145	6 791	6 223	6 844	25 715	26 955
Extruded Solutions				14 153	15 911	16 980	15 976	15 218	16 013	14 153	64 085
Energy	1 955	1 750	1 831	2 169	1 762	2 163	2 488	2 267	2 261	7 705	8 681
Other and Eliminations	(11 906)	(12 765)	(11 900)	(14 276)	(14 877)	(16 198)	(15 452)	(16 034)	(14 382)	(50 847)	(62 562)
Total	23 026	24 591	22 799	38 803	39 971	41 254	39 766	38 386	37 583	109 220	159 377

External revenue

NOK million	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Year 2017	Year 2018
Bauxite & Alumina	3 382	3 417	3 293	5 095	3 509	3 640	3 016	4 232	2 370	15 188	14 396
Primary Metal	1 700	1 944	1 865	2 068	2 018	1 993	2 312	1 505	1 390	7 578	7 829
Metal Markets	11 094	12 080	10 675	10 414	10 901	10 905	10 575	10 121	10 139	44 264	42 502
Rolled Products	6 153	6 629	6 380	6 375	6 870	7 011	6 773	6 287	6 777	25 538	26 940
Extruded Solutions				14 083	15 932	16 877	15 934	15 280	15 924	14 083	64 023
Energy	687	514	582	767	738	823	1 151	961	983	2 550	3 673
Other and Eliminations	9	6	3	-	4	6	5	(1)	-	18	14
Total	23 026	24 591	22 799	38 803	39 971	41 254	39 766	38 386	37 583	109 220	159 377

Operating segment information



Internal revenue

NOK million	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Year 2017	Year 2018
Bauxite & Alumina	2 528	2 441	2 320	2 944	2 800	3 237	3 733	4 381	2 496	10 234	14 152
Primary Metal	6 941	7 631	7 093	7 223	8 152	8 090	7 672	7 691	7 633	28 888	31 605
Metal Markets	1 054	1 523	1 187	2 577	2 997	3 301	2 656	2 781	2 820	6 341	11 735
Rolled Products	124	(61)	55	59	(72)	134	18	(64)	66	178	15
Extruded Solutions				70	(21)	103	42	(62)	89	70	61
Energy	1 267	1 236	1 249	1 403	1 024	1 340	1 337	1 306	1 278	5 155	5 007
Other and Eliminations	(11 915)	(12 772)	(11 903)	(14 276)	(14 881)	(16 204)	(15 457)	(16 033)	(14 382)	(50 865)	(62 576)
Total	-	-	-	-	-	-	-	-	-	-	-

Share of profit /(loss) in equity accounted investments

NOK million	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Year 2017	Year 2018
Bauxite & Alumina	-	-	-	-	-	-	-	-	-	-	-
Primary Metal	98	231	159	258	210	280	238	(5)	32	745	722
Metal Markets	-	-	-	-	-	-	-	-	-	-	-
Rolled Products	-	-	-	-	-	-	-	-	-	-	-
Extruded Solutions	313	273	215	12	17	11	14	10	12	812	53
Energy	-	-	-	(7)	(10)	(11)	(4)	(11)	(9)	(7)	(35)
Other and Eliminations	(1)	(13)	(3)	(7)	3	5	(20)	35	(32)	(24)	24
Total	409	491	371	256	221	286	229	30	3	1 527	765

Operating segment information

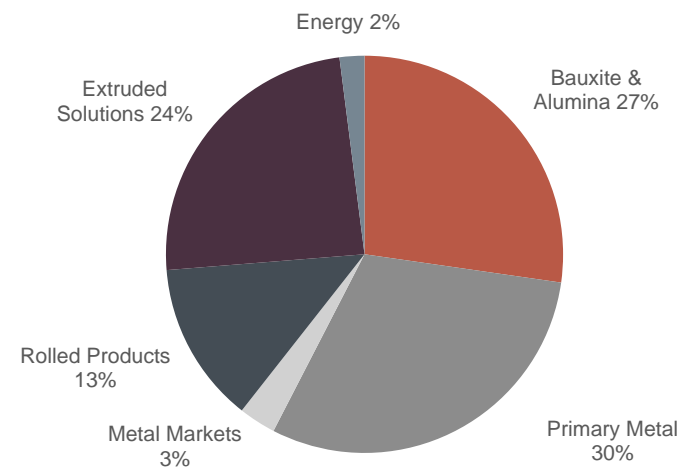


Return on average capital employed ¹⁾ (RoaCE)

	Reported RoaCE							Underlying RoaCE						
	2018	2017	2016	2015	2014	2013	2012	2018	2017	2016	2015	2014	2013	2012
Bauxite & Alumina	4.3%	8.5%	2.7 %	5.3 %	(0.1) %	(2.5) %	(1.5) %	5.5%	8.5%	2.8 %	5.3 %	(0.1) %	(2.2) %	(1.6) %
Primary Metal	5.4%	11.8%	5.2 %	10.7 %	10.4 %	2.3 %	(3.1) %	4.6%	12.6%	5.2 %	11.0 %	10.4 %	3.9 %	0.4 %
Metal Markets	26.6%	18.6%	19.6 %	5.4 %	21.9 %	22.3 %	4.3 %	20.6%	20.9%	15.9 %	11.4 %	19.4 %	19.9 %	6.6 %
Rolled Products	1.9%	3.2%	6.2 %	1.1 %	8.6 %	0.7 %	6.7 %	2.4%	2.4%	4.6 %	7.8 %	5.3 %	5.2 %	5.3 %
Extruded Solutions ²⁾	5.4%	13.4%						7.2%	6.6%					
Energy	20.6%	17.5%	18.1 %	17.2 %	17.4 %	36.1 %	23.0 %	20.5%	17.5%	18.1 %	17.3 %	17.4 %	36.1 %	23.2 %
Hydro Group	5.8%	11.2%	6.5 %	7.5 %	4.9 %	1.1 %	(0.5) %	6.4%	9.6%	5.1 %	9.2 %	5.2 %	2.3 %	0.9 %

Capital employed – upstream focus

NOK million	Mar 31, 2019
Bauxite & Alumina	29 818
Primary Metal	32 840
Metal Markets	2 934
Rolled Products	13 983
Extruded Solutions	26 512
Energy	2 553
Other and Eliminations	(7 146)
Total	101 494



Graph excludes BNOK (7.1) in capital employed in Other and Eliminations

1) RoaCE at business area level is calculated using 25% tax rate (30% tax rate applied for years prior to 2017). For Energy, 70% tax rate is used for 2018, 65% for 2017, 60% for 2016 and 55% for prior years. 2018 RoaCE has been restated due to the implementation of IFRS16 Leases.

2) Extruded Solutions reflected as 50% equity accounted investment Q1-Q3 2017 and fully consolidated from Q4 2017

Operating segment information



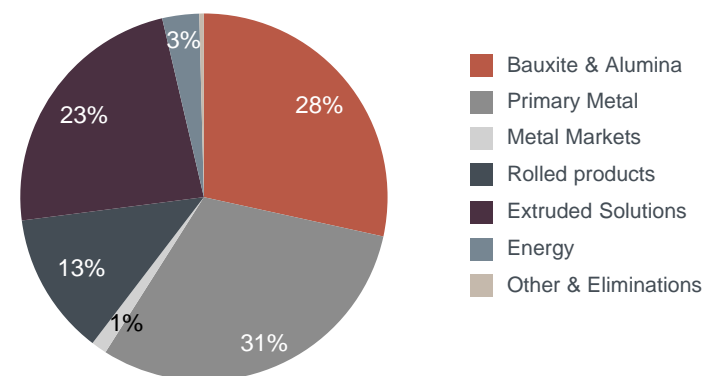
Depreciation, amortization and impairment

NOK million	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Year 2017	Year 2018
Bauxite & Alumina	577	586	644	679	630	573	509	384	605	2 486	2 095
Primary Metal	492	505	504	526	546	575	583	548	619	2 026	2 253
Metal Markets	23	24	24	24	24	25	25	26	29	95	101
Rolled Products	201	212	217	230	223	227	231	246	247	860	927
Extruded Solutions				444	421	425	434	443	506	444	1 723
Energy	53	54	56	60	58	59	61	63	62	223	239
Other and Eliminations	6	7	7	7	7	7	7	10	30	28	30
Total	1 352	1 389	1 450	1 970	1 909	1 891	1 851	1 719	2 098	6 162	7 369

Indicative depreciation currency exposure by business area

Percent	USD	EUR	BRL	NOK & Other
Bauxite & Alumina			100%	
Primary Metal	20%		20%	60%
Metal Markets	30%	50%		20%
Rolled Products		90%		10%
Extruded Solutions	30%	40%		30%
Energy				100%
Other & Eliminations		10%		90%

Depreciation by business area 2018, 7.4 BNOK



Income statements



NOK million	Q1 2019	Q1 2018	Q4 2018	Year 2018
Revenue	37 583	39 971	38 386	159 377
Share of the profit (loss) in equity accounted investments	3	221	30	765
Other income, net	183	155	264	772
Total revenue and income	37 769	40 346	38 680	160 913
Raw material and energy expense	25 136	25 196	25 164	102 523
Employee benefit expense	6 023	5 772	5 926	23 176
Depreciation, amortization and impairment	2 098	1 909	1 719	7 369
Other expenses	4 493	4 168	5 694	19 324
Earnings before financial items and tax (EBIT)	20	3 301	178	8 522
Financial income	63	58	45	255
Financial expense	(57)	(533)	(766)	(2 315)
Income (loss) before tax	26	2 826	(543)	6 462
Income taxes	(150)	(749)	(207)	(2 139)
Net income (loss)	(124)	2 076	(750)	4 323
Net income (loss) attributable to non-controlling interests	(134)	(14)	(57)	67
Net income (loss) attributable to Hydro shareholders	9	2 091	(693)	4 256
Earnings per share attributable to Hydro shareholders	0	1.02	(0.34)	2.08

NOK million	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Year 2017	Year 2018
Net income (loss)	1 838	1 562	2 184	3 600	2 076	2 073	925	(750)	(124)	9 184	4 323
Underlying net income (loss)	1 580	2 214	1 785	2 816	2 201	2 096	1 696	(175)	124	8 396	5 819
Earnings per share	0.86	0.73	1.00	1.71	1.02	1.03	0.37	(0.34)	0	4.30	2.08
Underlying earnings per share	0.75	1.04	0.82	1.33	1.06	1.02	0.74	(0.06)	0.13	3.95	2.75

Balance sheets



NOK million	Mar 31, 2019	Dec 31 2018 ¹⁾	Sep 30 2018	Jun 30 2018	Mar 31 2018	Dec 31 2017 ¹⁾
Cash and cash equivalents	6 099	5 995	6 846	5 682	9 371	11 828
Short-term investments	1 274	975	1 176	1 136	1 031	1 311
Accounts receivable	23 542	20 744	21 727	23 442	22 785	19 983
Inventories	25 004	26 483	23 916	22 337	20 626	20 711
Other current assets	349	801	738	978	818	798
Property, plant and equipment	72 882	74 369	66 251	66 683	69 945	72 933
Intangible assets	11 133	11 443	10 695	11 660	12 133	12 712
Investments accounted for using the equity method	11 349	11 570	11 094	11 140	10 551	11 221
Prepaid pension	5 854	5 162	6 857	6 322	5 933	5 750
Other non-current assets	7 157	7 385	5 962	5 780	5 588	6 028
Total assets	164 644	164 928	155 261	155 159	158 781	163 273
Bank-loans and other interest-bearing short-term debt	8 913	9 373	6 607	4 969	5 269	8 245
Trade and other payables	22 146	20 381	19 906	21 351	20 621	19 571
Other current liabilities	4 674	6 062	5 897	4 976	4 852	5 521
Long-term debt	10 559	9 342	7 886	9 377	8 746	9 012
Provisions	5 673	5 588	5 358	5 532	5 652	5 828
Pension liabilities	15 981	15 648	14 416	14 665	14 911	15 118
Deferred tax liabilities	3 052	3 031	3 952	3 456	3 522	3 501
Other non-current liabilities	4 252	4 746	3 756	3 673	4 084	4 269
Equity attributable to Hydro shareholders	84 692	85 820	83 012	82 676	86 233	87 032
Non-controlling interests	4 703	4 936	4 472	4 486	4 891	5 178
Total liabilities and equity	164 644	164 928	155 261	155 159	158 781	163 273

1) Restated

Operational data



Bauxite & Alumina	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Year 2017	Year 2018
Alumina production (kmt)	1 523	1 576	1 605	1 693	1 277	829	821	786	805	6 397	3 712
Sourced alumina (kmt)	600	645	667	610	900	985	907	1 163	711	2 522	3 954
Total alumina sales (kmt)	2 129	2 196	2 251	2 344	2 071	1 842	1 711	1 983	1 423	8 920	7 607
Realized alumina price (USD) ¹⁾	309	295	297	398	371	430	460	463	373	326	429
Implied alumina cost (USD) ²⁾	235	228	237	265	287	367	376	409	311	242	358
Bauxite production (kmt) ³⁾	2 400	2 943	3 043	3 049	2 326	1 348	1 286	1 254	1 361	11 435	6 214
Sourced bauxite (kmt) ⁴⁾	1 675	1 809	2 013	2 103	1 317	1 250	905	1 730	1 029	7 601	5 202
Underlying EBITDA margin ¹¹⁾	22.6%	21.3%	18.8%	31.7%	21.7%	13.6%	17.7%	10.2%	15.6%	24.3%	15.3%

Primary Metal ⁵⁾	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Year 2017	Year 2018
Realized aluminium price LME, USD/mt	1 757	1 902	1 921	2 092	2 140	2 183	2 194	2 041	1 912	1 915	2 140
Realized aluminium price LME, NOK/mt ⁷⁾	14 798	16 265	15 496	17 066	16 929	17 292	17 905	17 038	16 291	15 888	17 282
Realized premium above LME, USD/mt ⁶⁾	266	273	261	259	295	364	367	362	344	265	346
Realized premium above LME, NOK/mt ⁶⁾⁷⁾	2 236	2 330	2 106	2 116	2 335	2 881	2 999	3 025	2 935	2 197	2 791
Realized NOK/USD exchange rate ⁷⁾	8.42	8.55	8.07	8.16	7.91	7.92	8.16	8.35	8.52	8.30	8.08
Implied primary cost (USD) ⁸⁾	1 350	1 375	1 425	1 575	1 725	1 775	1 750	2 000	1 850	1 425	1 825
Implied all-in primary cost (USD) ⁹⁾	1 675	1 700	1 725	1 850	2 075	2 175	2 150	2 350	2 200	1 725	2 175
Primary aluminium production, kmt	516	523	527	528	514	492	497	490	485	2 094	1 993
Casthouse production, kmt	521	551	548	550	531	523	507	496	473	2 169	2 058
Total sales, kmt ¹⁰⁾	577	579	568	554	578	549	516	503	534	2 278	2 145
Underlying EBITDA margin ¹¹⁾	16.1%	20.8%	20.0%	20.4%	13.3%	13.0%	14.3%	(1.9)%	(2.0)%	19.4%	9.9%

1) Weighted average of own production and third party contracts, excluding hedge results. The majority of the alumina is sold linked to either the LME prices or alumina index with a one month delay. Sourced alumina volumes have been re-calculated, with Q1 2018 being adjusted accordingly.

2) Implied alumina cost (based on EBITDA and sales volume) replaces previous apparent alumina cash cost

3) Paragominas production, on wet basis

4) 40 percent MRN offtake from Vale and 5 percent Hydro share on wet basis

5) Operating and financial information includes Hydro's proportionate share of production and sales volumes in equity accounted investments. Realized prices, premiums and exchange rates exclude equity accounted investments

6) Average realized premium above LME for casthouse sales from Primary Metal.

7) Including strategic hedges /hedge accounting applied

8) Realized LME price minus Underlying EBITDA margin (incl. Qatalum) per mt primary aluminium produced. Includes net earnings from primary casthouses

9) Realized all-in price minus Underlying EBITDA margin (incl. Qatalum) per mt primary aluminium sold. Includes net earnings from primary casthouses

10) Total sales replaces previous casthouse sales due to change of definition

11) Underlying EBITDA divided by total revenues

Operational data



Metal Markets	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Year 2017	Year 2018
Remelt production (1 000 mt)	143	152	136	137	150	153	126	135	131	568	563
Third-party Metal Products sales (1 000 mt)	79	80	74	86	70	77	83	73	70	319	304
Metal Products sales excl. ingot trading (1 000 mt) ¹⁾	735	759	707	720	745	746	685	682	683	2 921	2 859
Hereof external sales excl. ingot trading (1 000 mt)	672	675	639	589	580	563	543	532	539	2 575	2 217
External revenue (NOK million)	11 094	12 080	10 675	10 414	10 901	10 905	10 575	10 121	10 139	44 264	42 502
Rolled Products	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Year 2017	Year 2018
Rolled Products external shipments (1 000 mt)	241	239	236	224	245	251	235	220	246	940	951
Rolled Products – Underlying EBIT per mt, NOK	442	351	400	424	949	844	349	(512)	560	404	435
Underlying EBITDA margin ²⁾	4.9%	4.5%	4.8%	5.0%	6.7%	6.1%	4.6%	2.1%	5.6%	4.8 %	5.0%
Extruded Solutions³⁾	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Year 2017	Year 2018
Extruded Solutions external shipments (1 000 mt)	355	359	339	318	362	373	343	318	333	1 372	1 396
Extruded Solutions – Pro-forma underlying EBIT per mt, NOK	1 973	2 328	1 505	893	2 028	2 566	1 449	635	1 781	1 699	1 712
Underlying EBITDA margin ²⁾	7.7%	8.2%	6.5%	5.2%	7.3%	8.1%	5.8%	4.2%	6.9%	6.9%	6.4%
Energy	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Year 2017	Year 2018
Power production, GWh	2 869	2 369	2 509	3 089	2 433	2 550	2 888	2 822	2 553	10 835	10 693
Net spot sales, GWh	1 409	996	1 168	1 633	763	961	1 315	1 166	770	5 206	4 204
Nordic spot electricity price, NOK/MWh	280	257	266	294	372	373	484	460	457	274	423
Southern Norway spot electricity price (NO2), NOK/MWh	278	252	258	287	361	369	475	455	468	269	415
Underlying EBITDA margin ²⁾	24.4%	19.3%	23.1%	23.9 %	19.2%	22.2%	28.8%	24.9%	25.8%	22.8%	24.2%

1) Includes external and internal sales from primary casthouse operations, remelters and third party Metal sources

2) Underlying EBITDA divided by total revenues

3) FY 2017 and historical operational data based on pro forma figures

Extruded Solutions, information by business area



Historical Sapa information (100% basis) Q1 2017 – Q3 2017

Extruded Solutions, fully consolidated in Hydro in 2018 and Q4 2017¹⁾

Precision Tubing	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	2018	Q1 2019
Volume (kmt)	36	38	36	35	37	41	41	38	157	34
Operating revenues (NOKm)	1 651	1 734	1 601	1 645	1 700	1 910	1 873	1 722	7 205	1 623
Underlying EBITDA (NOKm)	180	193	157	138	168	120	121	98	507	86
Underlying EBIT (NOKm)	123	136	97	66	103	55	50	30	237	18

Building Systems	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	2018	Q1 2019
Volume (kmt)	20	21	19	19	20	21	18	19	78	18
Operating revenues (NOKm)	1 830	2 044	1 765	1 960	2 057	2 124	1 919	2 045	8 145	1 973
Underlying EBITDA (NOKm)	155	219	118	137	167	198	130	155	650	104
Underlying EBIT (NOKm)	119	183	85	85	116	146	70	99	430	22

Other and eliminations	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	2018	Q1 2019
Underlying EBITDA (NOKm)	(63)	(43)	(41)	(35)	(45)	(46)	(21)	(118)	(230)	(56)
Underlying EBIT (NOKm)	(69)	(49)	(42)	(45)	(55)	(58)	(35)	(130)	(278)	(58)

Extrusion Europe	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	2018	Q1 2019
Volume (kmt)	154	155	142	134	159	160	138	129	586	139
Operating revenues (NOKm)	5 553	5 999	5 460	5 541	6 600	6 664	5 867	5 719	24 850	6 328
Underlying EBITDA (NOKm)	390	416	290	240	417	504	263	201	1 385	346
Underlying EBIT (NOKm)	274	292	164	59	246	333	98	27	705	141

Extrusion North America	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	2018	Q1 2019
Volume (kmt)	150	151	148	134	152	157	152	137	598	146
Operating revenues (NOKm)	5 514	5 753	5 369	5 211	5 882	6 519	6 541	6 091	25 033	6 306
Underlying EBITDA (NOKm)	437	466	390	248	448	606	439	310	1 802	619
Underlying EBIT (NOKm)	330	353	284	119	325	481	314	176	1 295	469

1) Includes certain effects of the acquisition such as increased depreciation and amortization following fair value adjustments related to long-lived assets. Estimate increased depreciation of around MNOK 300 per annum for Extruded Solutions vs "old Sapa".

Historical information for Sapa



Sapa JV (100 % basis), underlying (unaudited)

NOK million, except sales volumes	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Year 2015	Year 2016
Sales volume (1000 mt)	359	367	350	322	353	358	341	312	349	366	340	310	355	359	339	1 363	1 365
Revenues*	11 311	11 496	11 561	11 842	14 051	14 484	13 895	12 821	13 905	14 071	13 140	12 210	14 323	15 309	13 983	55 252	53 327
Underlying EBITDA	440	641	492	343	705	799	734	491	901	1 132	812	653	1 100	1 252	912	2 729	3 498
Underlying EBIT	155	350	201	(55)	392	483	404	128	571	804	487	335	778	914	588	1 407	2 197
Underlying net income (loss)	69	263	110	(44)	238	291	240	139	365	540	315	334	562	658	419	907	1 553

Sapa JV (100 % basis), reported (unaudited)

NOK million	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Year 2015	Year 2016
Reported EBIT	(3)	168	198	(679)	201	65	174	88	655	920	497	350	856	781	604	528	2 420
Reported net income (loss)	(103)	89	107	(719)	89	14	109	34	418	639	344	379	625	545	430	246	1 779

Sapa JV (100 % basis), reconciliation between reported and underlying EBIT (unaudited)

NOK million, except sales volumes	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Year 2015	Year 2016
Reported EBIT	(3)	168	198	(679)	201	65	174	88	655	920	497	350	856	781	604	528	2 420
Items excluded from EBIT:																	
Unrealized derivative effects	73	36	66	(79)	(145)	(158)	(95)	208	83	116	51	82	78	(133)	15	(189)	333
Restructuring cost and other items	(231)	(218)	(70)	(546)	(47)	(260)	(135)	(249)	-	-	(42)	(67)	-	-	-	(690)	(109)
Total items excluded from EBIT**	(159)	(182)	(4)	(624)	(191)	(418)	(230)	(41)	83	116	9	15	78	(133)	15	(879)	223
Underlying EBIT	155	350	201	(55)	392	483	404	128	571	804	487	335	778	914	588	1 407	2 197

1) Historical revenues have been reclassified

2) Negative figures represent a net cost to be added to get from reported EBIT to Underlying EBIT

Next events

Second quarter results
July 23, 2019

Investor Day
September 24, 2019

For more information see
www.hydro.com/ir

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