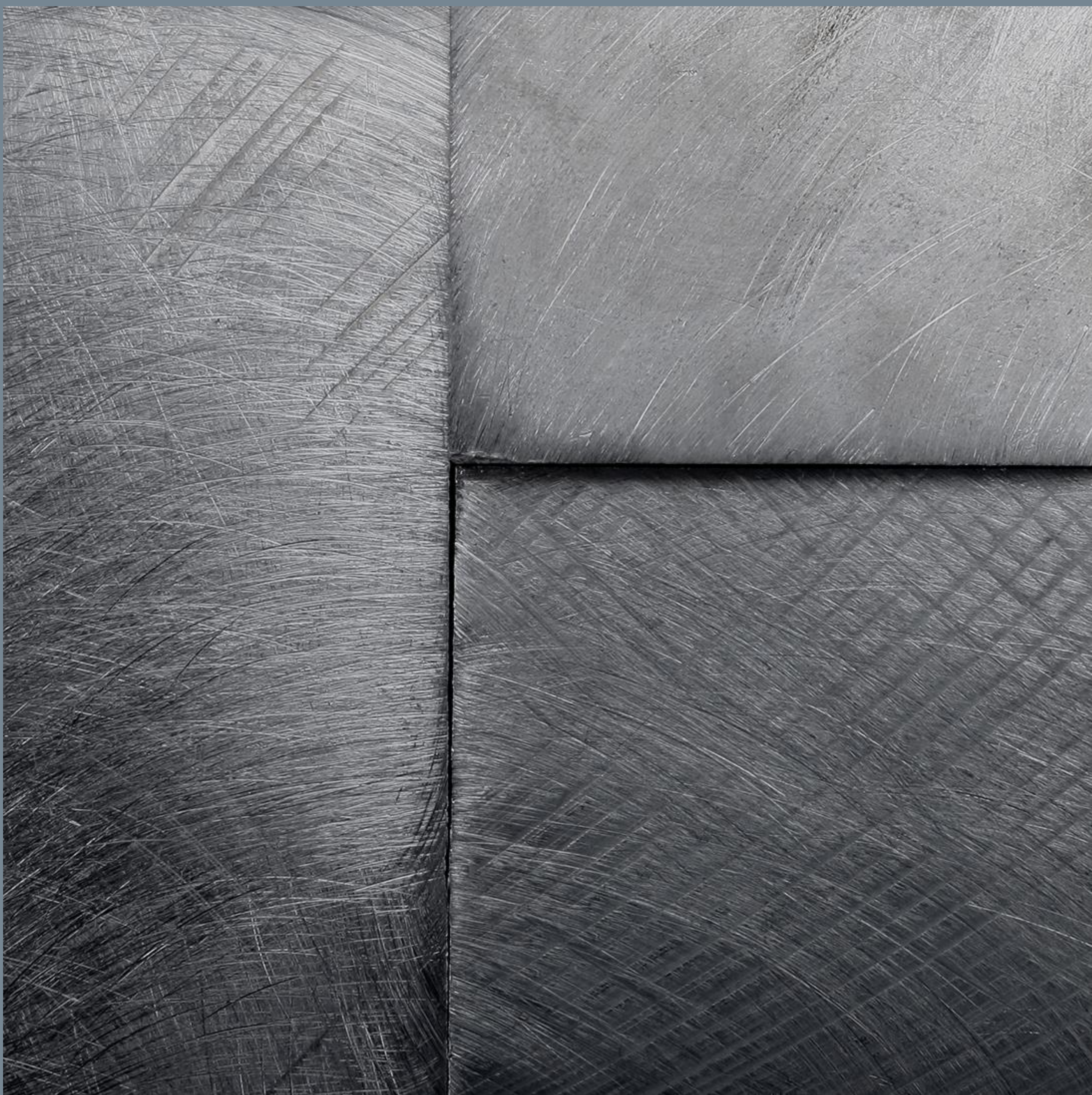
Hydro

Third quarter 2019
Report



Contents

Oslo, October 22, 2019

Overview

Summary underlying financial and operating results and liquidity

Key financial information NOK million, except per share data	**Third quarter 2019**	Third quarter 2018	Change prior year quarter	Second quarter 2019	Change prior quarter	**First 9 months 2019**	First 9 months 2018	Year 2018
Revenue	**37,517**	39,766	(6) %	39,176	(4) %	**114,276**	120,991	159,377
Earnings before financial items and tax (EBIT)	**222**	2,057	(89) %	656	(66) %	**898**	8,344	8,522
Items excluded from underlying EBIT[1)]	**1,144**	620	85 %	219	>100 %	**1,902**	192	547
Underlying EBIT[1)]	**1,366**	2,676	(49) %	875	56 %	**2,800**	8,535	9,069
Underlying EBIT :								
Bauxite & Alumina	**481**	685	(30) %	415	16 %	**1,049**	1,789	2,282
Primary Metal	**(39)**	861	>(100) %	(604)	94 %	**(1,414)**	2,439	1,762
Metal Markets	**362**	(3)	>100 %	299	21 %	**851**	412	686
Rolled Products	**166**	82	>100 %	75	>100 %	**379**	526	413
Extruded Solutions	**559**	497	12 %	772	(28) %	**1,924**	2,188	2,390
Energy	**254**	652	(61) %	176	44 %	**946**	1,347	1,846
Other and eliminations	**(417)**	(97)	>(100) %	(258)	(61) %	**(936)**	(165)	(310)
Underlying EBIT[1)]	**1,366**	2,676	(49) %	875	56 %	**2,800**	8,535	9,069
Earnings before financial items, tax, depreciation and amortization (EBITDA)[2)]	**2,430**	3,890	(38) %	2,737	(11) %	**7,261**	13,942	15,796
Underlying EBITDA[1)]	**3,479**	4,510	(23) %	2,928	19 %	**9,040**	14,134	16,344
Net income (loss)	**(1,390)**	925	>(100) %	(190)	>(100) %	**(1,705)**	5,074	4,323
Underlying net income (loss)[1)]	**606**	1,696	(64) %	281	>100 %	**1,011**	5,994	5,819
Earnings per share	**(0.62)**	0.37	>(100) %	(0.04)	>(100) %	**(0.65)**	2.42	2.08
Underlying earnings per share[1)]	**0.33**	0.74	(55) %	0.19	75 %	**0.64**	2.81	2.75
Financial data:								
Investments[1) 2)]	**2,184**	2,051	6 %	3,173	(31) %	**7,110**	4,990	7,614
Net cash (debt)[1)]	**(14,549)**	(6,471)	>(100) %	(15,117)	4 %	**(14,549)**	(6,471)	(11,745)
Adjusted net cash (debt)[1)]	**(29,606)**	(18,380)	(61) %	(27,905)	(6) %	**(29,606)**	(18,380)	(24,511)

Key Operational information	**Third quarter 2019**	Third quarter 2018	Change prior year quarter	Second quarter 2019	Change prior quarter	**First 9 months 2019**	First 9 months 2018	Year 2018
Bauxite production (kmt)[3)]	**2,152**	1,286	67 %	1,624	33 %	**5,138**	4,960	6,214
Alumina production (kmt)	**1,320**	821	61 %	932	42 %	**3,057**	2,926	3,712
Realized alumina price (USD/mt)[4)]	**310**	460	(33) %	365	(15) %	**345**	417	429
Primary aluminium production (kmt)	**522**	497	5 %	486	7 %	**1,493**	1,503	1,993
Realized aluminium price LME (USD/mt)	**1,784**	2,194	(19) %	1,858	(4) %	**1,852**	2,171	2,140
Realized USD/NOK exchange rate	**8.82**	8.16	8 %	8.59	3 %	**8.64**	7.99	8.08
Rolled Products sales volumes to external market (kmt)	**245**	235	4 %	242	1 %	**733**	731	951
Extruded Solutions sales volumes to external market (kmt)	**316**	343	(8) %	348	(9) %	**996**	1,078	1,396
Power production (GWh)	**2,273**	2,888	(21) %	1,993	14 %	**6,819**	7,871	10,693

1) Alternative performance measures (APMs) are described in the corresponding section in the back of the report.
2) EBITDA and investments per segment are specified in Note 2: Operating segment information.
3) Paragominas production on wet basis.
4) Weighted average of own production and third party contracts. The majority of the alumina is sold linked to the alumina index with a one month delay.

Key developments third quarter 2019

The Alunorte situation

The federal court in Belem, Brazil, lifted the final embargo on Alunorte's new bauxite residue disposal area (DRS2) on September 26, allowing Alunorte to resume activities of installation and commissioning at DRS2, ending a 19-month embargo period which has restricted activities at the plant. Alunorte, with an annual production capacity of 6.3 million mt, reached 83 percent utilization of its capacity in the third quarter. For more information on the background of the Alunorte situation please see the 2018 Annual report.

Cyber attack

The cyber attack on Hydro on March 19, affected our entire global organization, with Extruded Solutions having suffered the most significant operational challenges and financial losses. The financial impact of the cyber attack is estimated to be around NOK 550-650 million in the first half year with limited financial effects for the third quarter. Hydro has a robust cyber insurance in place with recognized insurers. Hydro has recognized NOK 33 million insurance compensation in the third quarter. Further compensation will be recognized when deemed virtually certain.

Third quarter 2019 versus third quarter 2018

Hydro's underlying earnings before financial items and tax decreased in the third quarter mainly reflecting a decrease in the realized aluminium and alumina price, partly offset by a decrease in raw material costs and positive effects from increased production in Brazil.

Third quarter 2019 versus second quarter 2019

Results increased reflecting positive effects from increased production in Brazil and lower raw material cost, partly offset by lower realized aluminium and alumina prices.

First nine months 2019 versus first nine months 2018

Hydro's underlying EBIT decreased significantly, mainly reflecting a decrease in the realized aluminium and alumina price, partly offset by positive currency effects.

New improvement program

As outlined on Hydro's Investor Day, new improvement programs have been launched across the company, representing NOK 6.4 billion in EBIT improvements over the next five years, in addition to NOK 0.9 billion targeted in Rolled Products over the same time period. The improvements include the curtailment reversal of the Brazilian assets with the effect of NOK 2.7 billion. At the end of the third quarter the improvement programs are progressing according to plan.

Strategic review of Rolled Products

Hydro has initiated a strategic review and comprehensive restructuring of the Rolled Products business area to mitigate the declining profitability the business has faced over the last years. The aim is to significantly turn this development around by lifting organizational and operational efficiency as well as shifting the product portfolio away from declining markets and towards growth markets like automotive and can. The improvement target is NOK 0.9 billion by 2023. A provision of NOK 1,145 million was recognized in the third quarter and this has been excluded from underlying EBIT.

Net debt position

Hydro's net debt[1] position decreased from NOK 15.1 billion to NOK 14.5 billion at the end of the quarter. Net cash provided by operating activities amounted to NOK 3.5 billion. Net cash used in investment activities, excluding short term investments, amounted to NOK 2.0 billion.

[1] Net cash (debt) includes Cash and cash equivalents and Short-term investments less Bank loans and other interest bearing Short-term debt and Long-term debt.

Reported EBIT and net income

In addition to the factors discussed above, reported earnings before financial items and tax (EBIT) and net income include effects that are disclosed in the below table. Items excluded from underlying EBIT and underlying net income (loss) are defined and described as part of the APM section in the back of this report.

Items excluded from underlying EBIT and net income[1)] NOK million	**Third quarter 2019**	Third quarter 2018	Second quarter 2019	**First 9 months 2019**	First 9 months 2018	Year 2018
Unrealized derivative effects on LME related contracts	**(120)**	436	11	**91**	17	39
Unrealized derivative effects on power and raw material contracts	**(46)**	(183)	(72)	**(107)**	(178)	(260)
Metal effect, Rolled Products	**123**	(153)	3	**393**	(166)	(73)
Significant rationalization charges and closure costs[2)]	**1,206**	-	200	**1,406**	-	79
Impairment charges[2)]	**95**	-	28	**123**	-	-
Alunorte agreements - provision[3)]	**30**	519	14	**80**	519	519
Transaction related effects [4)]	**-**	-	35	**35**	-	-
Pension[5)]	**(62)**	-	-	**(62)**	-	40
Other effects[6)]	**(82)**	-	-	**(56)**	-	203
Items excluded from underlying EBIT	**1,144**	620	219	**1,902**	192	547
Net foreign exchange (gain)/loss	**1,403**	257	451	**1,646**	895	1,303
Calculated income tax effect	**(550)**	(105)	(198)	**(832)**	(167)	(355)
Other adjustments to net income	**-**	-	-	**-**	-	-
Items excluded from underlying net income	**1,996**	772	472	**2,716**	920	1,495
Income (loss) tax rate	**1%**	43%	>(100) %	**(23)%**	28%	33%
Underlying income (loss) tax rate	**47%**	32%	58%	**53%**	26%	30%

1) Negative figures indicate reversal of a gain and positive figures indicate reversal of a loss.

2) Impairment, rationalization charges and closure costs relate to activities in Rolled Products and Extruded Solutions as described in the corresponding section in the back of the report.

3) Alunorte agreements - provision relates to provisions for the TAC and TC agreements with the Government of Parà and Ministèrio Pùblico made on September 5, 2018, including later adjustments for changes in cost estimates.

4) Transaction related effects in the second quarter 2019 include the revaluation loss of Extruded Solutions' pre-transactional 50 percent share in Technal Middle East, as well as the fair value allocated to inventory sold during second quarter.

5) Pension includes adjustments in Extruded Solutions as described in the corresponding section in the back of the report.

6) Other effects include adjustments in Rolled Products, Extruded Solutions, Energy, as well as Other and eliminations as described in the corresponding section in the back of the report.

Market developments and outlook

Market statistics	**Third quarter 2019**	Third quarter 2018	Change prior year quarter	Second quarter 2019	Change prior quarter	**First 9 months 2019**	First 9 months 2018	Year 2018
USD/NOK Average exchange rate	**8.86**	8.24	8 %	8.65	2 %	**8.70**	8.03	8.13
USD/NOK Period end exchange rate	**9.09**	8.18	11 %	8.52	7 %	**9.09**	8.18	8.69
BRL/NOK Average exchange rate	**2.24**	2.09	7 %	2.21	1 %	**2.24**	2.24	2.23
BRL/NOK Period end exchange rate	**2.19**	2.03	8 %	2.23	(2) %	**2.19**	2.03	2.24
USD/BRL Average exchange rate	**3.97**	3.95	1 %	3.92	1 %	**3.88**	3.61	3.66
USD/BRL Period end exchange rate	**4.16**	4.02	3 %	3.82	9 %	**4.16**	4.02	3.88
EUR/NOK Average exchange rate	**9.85**	9.58	3 %	9.72	1 %	**9.77**	9.59	9.60
EUR/NOK Period end exchange rate	**9.90**	9.47	5 %	9.69	2 %	**9.90**	9.47	9.95
Bauxite and alumina:								
Average alumina price - Platts PAX FOB Australia (USD/t)	**299**	542	(45) %	363	(18) %	**349**	482	474
China bauxite import price (USD/mt CIF China)[1)]	**50**	54	(7) %	52	(4) %	**52**	53	53
Global production of alumina (kmt)	**32,410**	31,054	4 %	30,936	5 %	**93,836**	92,552	124,230
Global production of alumina (ex. China) (kmt)	**14,478**	13,114	10 %	13,570	7 %	**41,347**	39,708	53,309
Primary aluminium:								
LME cash average (USD/mt)	**1,762**	2,057	(14) %	1,792	(2) %	1,804	2,157	2,110
LME three month average (USD/mt)	**1,789**	2,068	(13) %	1,818	(2) %	1,828	2,162	2,115
Standard ingot premium (EU DP Cash)	**153**	157	(3) %	146	5 %	144	175	164
Extrusion ingot premium (EU DP)	**313**	500	(37) %	352	(11) %	367	442	455
Chinese production of primary aluminium (kmt)	**8,985**	9,244	(3) %	9,003	-	26,798	27,161	36,221
Chinese consumption of primary aluminium (kmt)	**9,373**	9,190	2 %	9,882	(5) %	27,284	27,000	35,787
Global production of primary aluminium (ex. China) (kmt)	**7,148**	6,971	3 %	6,959	3 %	20,945	20,669	27,649
Global consumption of primary aluminum (ex. China) (kmt)	**7,208**	7,384	(2) %	7,366	(2) %	21,813	22,216	29,392
Global production of primary aluminium (kmt)	**16,132**	16,215	(1) %	15,962	1 %	47,743	47,830	63,870
Global consumption of primary aluminum (kmt)	**16,582**	16,574	-	17,247	(4) %	49,096	49,216	65,179
Reported primary aluminium inventories (ex. China) (kmt)	**2,599**	2,673	(3) %	2,614	(1) %	2,599	2,673	2,935
Reported primary aluminium inventories (China) (kmt)	**1,792**	2,412	(26) %	1,934	(7) %	1,792	2,412	2,075
Rolled products and extruded products:								
Consumption rolled products - Europe (kmt)	**1,210**	1,205	-	1,295	(7) %	**3,771**	3,758	4,951
Consumption rolled products - USA & Canada (kmt)	**1,376**	1,335	3 %	1,420	(3) %	**4,144**	3,969	5,327
Consumption extruded products - Europe (kmt)	**787**	802	(2) %	850	(7) %	**2,433**	2,485	3,242
Consumption extruded products - USA & Canada (kmt)[2)]	**630**	644	(2) %	633	-	**1,900**	1,955	2,562
Energy:								
Average southern Norway spot price (NO2) (NOK/MWh)	**328**	475	(31) %	360	(9) %	**385**	402	415
Average mid Norway spot price (NO3) (NOK/MWh)	**343**	487	(30) %	343	-	**379**	413	423
Average nordic system spot price (NOK/MWh)	**342**	484	(29) %	346	(1) %	**381**	410	423

1) The quarterly China bauxite import price is an estimate based on the average of the first 2 months of the quarter.
2) The quarterly consumption volume is an estimate based on the average of the first 2 months of the quarter.

Bauxite and alumina

The average Platts alumina spot prices decreased in the third quarter of 2019 (USD 299 per mt) compared to the second quarter 2019 (USD 363 per mt). Increasing production at the Alunorte alumina refinery following the lifting of the embargo and ramping up of production at the greenfield Al Taweelah refinery, in Abu Dhabi, has returned the ex-China alumina market into surplus, putting alumina prices under pressure.

The Platts alumina spot price started the quarter at USD 321 per mt, declining to USD 291 per mt at the end of the quarter. Compared to the third quarter of 2018 (USD 542 per mt), the Platts alumina spot price was substantially lower.

China imported 17.7 million mt of bauxite in July and August 2019 at an annualised third quarter rate 23 percent higher than the same period a year ago. Guinea remains the largest exporter to China as projects continue ramping-up. Guinea and Australia maintained their dominant market share accounting for 82 percent of China's bauxite imports in the quarter. Imports from Indonesia increased to 2.3 million mt compared to 1.2 million mt for the corresponding quarter last year. The average Chinese bauxite import price was USD 49.8 per mt CIF in July and August 2019, down from USD 53.6 per mt CIF in the third quarter 2018, and down from USD 52.0 per mt CIF in the second quarter of 2019.

Primary aluminium

Three-month LME prices ranged between USD 1,723 and USD 1,856 per mt during the third quarter of 2019, with a slight declining trend throughout the quarter trading mostly in the range of USD 1,750-1,800 per mt. Prices have been pressured by a slowdown in global demand impacted by the ongoing US-China trade dispute. Prices ended the third quarter at USD 1,723 per mt and have been trading around this level so far in October.

European duty paid standard ingot premiums ended the third quarter where it started, at USD 150 per mt, while the US Midwest premium started the third quarter at USD 402 per mt, and ended at USD 397 per mt. So far in October, the US Midwest has been stable, while the European duty paid has declined slightly compared to where it ended the third quarter.

Average Shanghai Futures Exchange (SHFE) prices decreased by USD 63 per mt ex. VAT compared to the third quarter of 2018, compared to a decline of USD 279 per mt in the equivalent LME. Compared to the second quarter of 2019, average SHFE decreased by USD 44 per mt, while the equivalent LME price declined USD 30 per mt. The average estimated export arbitrage in the third quarter was stable compared to the second quarter of 2019, however at much lower levels compared to levels observed throughout 2018. At current prices the estimated arbitrage for Chinese exports is marginally positive.

Global primary aluminium consumption was flat compared to the third quarter of 2018, driven by a combination of growth around 2 percent in China and a similar decline in the world outside China. Compared to the second quarter of 2019, global demand decreased by around 4 percent, due to both softening demand and seasonal effects in China. Global demand for primary aluminium is expected to be weaker in 2019, estimated in the range of negative 0.5 percent to positive 0.5 percent compared to 3.1 percent in 2018.

Demand for primary aluminium outside China grew by around 2 percent in 2018 and is expected to decline by 1-2 percent in 2019. Production outside China is expected to increase by 2-3 percent in 2019, compared to 1.6 percent in 2018. Production of primary aluminium in China was flat in 2018, and is expected to fall by 1-2 percent in 2019, driven by slower-than-expected ramp-ups of new projects in addition to several production disruptions during the third quarter. Demand for primary aluminium in China is expected to increase by 1-2 percent in 2019, lower than the 4.1 percent demand growth in 2018 and significantly lower than the 8.0 percent demand growth in 2017.

The global primary aluminium market ended at approximately 1.3 million mt deficit in 2018, and is expected to be in a 1-1.5 million mt deficit in 2019.

European demand for sheet ingot was slightly up in the third quarter 2019 compared to the third quarter of 2018 while demand for extrusion ingot and primary foundry alloys decreased in the third quarter of 2019 compared to the same period last year, mainly due to the weak development in the European manufacturing industry, such as automotive and general engineering.

Total global stocks at the end of the third quarter of 2019 were estimated to be 10.5 million mt, down around 0.5 million mt compared to the second quarter of 2019. Stocks were also down around 1.3 million mt compared to the third quarter of 2018.

Rolled products

European demand for flat rolled products was stable compared to the third quarter of 2018. Compared to the second quarter of 2019, demand decreased by around 7 percent due to seasonality.

Compared to the same quarter last year, demand in automotive continued to show a positive development supported by the ongoing substitution of steel by aluminium. This was despite a steep drop in car production resulting from reduced consumer confidence in Europe and lower car demand from China. Building and construction demand was robust and demand for beverage can was solid, supported by the substitution of PET bottles by aluminium cans. Demand in foil and general engineering was flat. In both segments, import pressure especially from China increased substantially.

The European demand for flat rolled products is expected to increase by around 0.5 percent in 2019.

Extruded products

European demand for extrusions in the third quarter decreased 2 percent compared to the same quarter of 2018. Compared to the second quarter of 2019 demand decreased by 7 percent, driven by seasonality and weaker demand. The building and construction market is weakening, driven by key Western European markets, somewhat offset by positive developments in Eastern Europe. The decline in automotive demand has resulted in further postponement of orders. The European demand for extruded products is expected to decrease by 3 percent for 2019 compared to 2018.

North American extrusion demand is estimated to decrease 4 percent during the third quarter of 2019 compared to the same-quarter 2018 and 2 percent compared to the second quarter of 2019. Commercial transportation demand, which has been supported by sustained record trailer builds in 2019 has recently seen a significant deceleration in order activity. Heavy-duty truck production has been strong and offsets a significant drop in the recreational vehicle segment. Despite slow build rates, automotive demand continues to be positive supported by continued material substitution. The building & construction market is experiencing an overall weakening trend, particularly in the residential segment, while the commercial segment is supported by non-residential construction spending. Overall, the North American demand for extruded products is expected to decrease 3 percent for full year 2019 compared to 2018.

Energy

Nordic power prices were on average significantly lower compared to the same quarter last year and slightly lower than the previous quarter. The lower prices were driven mainly by improved hydrology. During the quarter, prices increased in July on lower hydrological balance and higher continental prices before decreasing again in late August due to high precipitation and somewhat lower continental prices. In September prices remained stable.

The Nordic hydrological balance ended the quarter close to normal[2] compared to around 7 TWh below normal at the end of the third quarter last year and around 1 TWh below normal at the end of the previous quarter. Water reservoirs in Norway were at 81.5 percent of full capacity at the end of the quarter, which is 6.1 percentage points below the normal level. Snow reservoirs are close to normal at the end of the quarter.

[2] Normal based on long term historical averages.

Additional factors impacting Hydro

The federal court in Belem, Brazil, lifted the final embargo on Alunorte's new bauxite residue disposal area (DRS2) on September 26, allowing Alunorte to resume activities of installation and commissioning at DRS2, ending a 19-month embargo period which has restricted activities at the plant. Alunorte, with an annual production capacity of 6.3 million mt, has reached 83 percent utilization of its capacity in the third quarter, with an estimated capacity utilization of 75-85 percent in the current setup. Commissioning of an additional press filter will begin during November. With 9 fully operational press filters we expect an average capacity utilization of 85-95 percent for 2020, expecting to reach full capacity utilization for 2021 with further process optimization.

Albras' Board of Directors decided on May 21, to restart aluminium production at the Albras aluminium plant in Brazil. Albras curtailed 50 percent of its production in April 2018, following the Alunorte production embargo. All electrolysis cells were restarted by the end of the third quarter.

Primary Metal has sold forward around 55 percent of its expected primary aluminium production for the fourth quarter at a price level of around USD 1,765 per mt[3].

[3] Prices are fixed mainly one month prior to production. As a result, and due to the hedging of product inventories, Hydro's realized aluminium prices lag LME spot prices by around 1 to 2 months.

Underlying EBIT

Alternative performance measures (APMs) are described in the corresponding section in the back of the report

Bauxite & Alumina

Operational and financial information	**Third quarter 2019**	Third quarter 2018	Change prior year quarter	Second quarter 2019	Change prior quarter	**First 9 months 2019**	First 9 months 2018	Year 2018
Earnings before financial items and tax (EBIT) (NOK million)	**450**	166	>100 %	401	12 %	**969**	1,270	1,763
Underlying EBIT (NOK million)	**481**	685	(30) %	415	16 %	**1,049**	1,789	2,282
Underlying EBITDA (NOK million)	**1,071**	1,193	(10) %	1,004	7 %	**2,833**	3,500	4,377
Alumina production (kmt)	**1,320**	821	61 %	932	42 %	**3,057**	2,926	3,712
Sourced alumina (kmt)	**660**	907	(27) %	704	(6) %	**2,076**	2,791	3,954
Total alumina sales (kmt)	**2,124**	1,711	24 %	1,668	27 %	**5,215**	5,625	7,607
Realized alumina price (USD/mt) 1)	**310**	460	(33) %	365	(15) %	**345**	417	429
Bauxite production (kmt) 2)	**2,152**	1,286	67 %	1,624	33 %	**5,138**	4,960	6,214
Sourced bauxite (kmt) 3)	**1,563**	905	73 %	1,315	19 %	**3,908**	3,472	5,202

1) Weighted average of own production and third party contracts. The majority of the alumina is sold linked to the alumina index with a one month delay.
2) Paragominas on wet basis.
3) 40 percent MRN off take from Vale and 5 percent Hydro share on wet basis.

Underlying EBIT for Bauxite & Alumina decreased compared to the third quarter of last year. The results were driven by a decrease in the realized alumina sales price partly offset by positive effects from increased production following the lifting of the production embargo on May 20, 2019.

Compared to the second quarter of 2019 the underlying EBIT increased slightly. Increased sales volumes and positive effects from increased production following the lifting of the production embargo on May 20, 2019, were partly offset by a decrease in the realized alumina sales price.

The results for the first nine months decreased compared to the first nine months of 2018 driven by lower alumina sales price, partly offset by effects of increased production at Alunorte and Paragominas and positive currency effects.

Primary Metal

Operational and financial information[1)]	**Third quarter 2019**	Third quarter 2018	Change prior year quarter	Second quarter 2019	Change prior quarter	**First 9 months 2019**	First 9 months 2018	Year 2018
Earnings before financial items and tax (EBIT) (NOK million)	**30**	954	(97) %	(554)	>100 %	**(1,444)**	2,647	2,123
Underlying EBIT (NOK million)	**(39)**	861	>(100) %	(604)	94 %	**(1,414)**	2,439	1,762
Underlying EBITDA (NOK million)	**550**	1,424	(61) %	(27)	>100 %	**343**	4,081	3,906
Realized aluminium price LME (USD/mt) [2)]	**1,784**	2,194	(19) %	1,858	(4) %	**1,852**	2,171	2,140
Realized aluminium price LME (NOK/mt) [2)]	**15,732**	17,905	(12) %	15,959	(1) %	**15,996**	17,359	17,282
Realized premium above LME (USD/mt) [3)]	**305**	367	(17) %	326	(7) %	**325**	341	346
Realized premium above LME (NOK/mt) [3)]	**2,688**	2,999	(10) %	2,802	(4) %	**2,810**	2,722	2,791
Realized USD/NOK exchange rate	**8.82**	8.16	8 %	8.59	3 %	**8.64**	7.99	8.08
Primary aluminium production (kmt)	**522**	497	5 %	486	7 %	**1,493**	1,503	1,993
Casthouse production (kmt)	**509**	507	-	477	7 %	**1,459**	1,562	2,058
Total sales (kmt)	**537**	516	4 %	527	2 %	**1,598**	1,642	2,145

1) Operating and financial information includes Hydro's proportionate share of underlying income (loss), production and sales volumes in equity accounted investments. Realized prices, premiums and exchange rates exclude equity accounted investments.
2) Realized aluminium prices lag the LME price developments by approximately 1.5 - 2 months.
3) Average realized premium above LME for casthouse sales from Primary Metal.

Operational and financial information Qatalum (50%)	**Third quarter 2019**	Third quarter 2018	Change prior year quarter	Second quarter 2019	Change prior quarter	**First 9 months 2019**	First 9 months 2018	Year 2018
Revenue (NOK million)	**1,568**	1,746	(10) %	1,382	13 %	**4,547**	4,694	6,202
Underlying EBIT (NOK million)	**216**	301	(28) %	103	>100 %	**423**	911	971
Underlying EBITDA (NOK million)	**448**	591	(24) %	398	13 %	**1,297**	1,731	2,085
Net income (loss) (NOK million)	**149**	238	(37) %	24	>100 %	**205**	728	724
Underlying Net income (loss) (NOK million)	**149**	238	(37) %	24	>100 %	**205**	728	724
Primary aluminium production (kmt)	**79**	79	1 %	78	1 %	**234**	234	308
Casthouse sales (kmt)	**85**	84	1 %	75	14 %	**241**	237	315

Underlying EBIT for Primary Metal declined in third quarter of 2019 compared to the third quarter of 2018 mainly due to lower all-in metal prices[1] and lower earnings on power sales in Brazil, somewhat offset by lower raw material cost and positive currency effects.

Compared to the second quarter of 2019, underlying EBIT for Primary Metal increased due to lower raw material prices, lower fixed cost, positive currency effects and higher earnings on power sales in Brazil, partly offset by lower all-in metal prices.

Underlying EBIT for the first nine months of 2019 declined substantially compared to the same period in 2018. The decrease was driven by lower all-in metal prices, and lower earnings on power sales in Brazil, partly offset by positive currency effects and lower raw material costs.

[1] The all-in metal price refers to the LME cash price plus premiums.

Metal Markets

Operational and financial information	**Third quarter 2019**	Third quarter 2018	Change prior year quarter	Second quarter 2019	Change prior quarter	**First 9 months 2019**	First 9 months 2018	Year 2018
Earnings before financial items and tax (EBIT) (NOK million)	**381**	(107)	>100 %	361	6 %	**710**	467	886
Underlying EBIT (NOK million)	**362**	(3)	>100 %	299	21 %	**851**	412	686
Currency effects	**24**	(81)	>100 %	(53)	>100 %	**(68)**	(82)	(25)
Inventory valuation effects	**-**	-	100 %	1	(100) %	**-**	53	53
Underlying EBIT excl. currency and inventory valuation effects	**338**	78	>100 %	352	(4) %	**919**	441	658
Underlying EBITDA (NOK million)	**395**	22	>100 %	328	20 %	**943**	486	786
Remelt production (kmt)	**125**	126	(1) %	139	(10) %	**395**	428	563
Metal products sales excluding ingot trading (kmt) [1]	**662**	685	(3) %	707	(6) %	**2,052**	2,177	2,859
Hereof external sales (kmt)	**517**	543	(5) %	556	(7) %	**1,613**	1,685	2,217

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

Underlying EBIT for Metal Markets improved in the third quarter compared to the same quarter last year due to increased results from the remelters, higher results in the sourcing and trading activities and positive currency effects.

Compared to the second quarter of 2019, underlying EBIT for Metal Markets improved due to higher results from sourcing and trading activities and positive currency effects, partly offset by lower results from the remelters.

Underlying EBIT for the first nine months of 2019 increased compared to the same period in 2018 due to positive currency effects, higher results from the remelters and sourcing and trading activities, partly offset by negative inventory valuation effects.

Rolled Products

Operational and financial information	**Third quarter 2019**	Third quarter 2018	Change prior year quarter	Second quarter 2019	Change prior quarter	**First 9 months 2019**	First 9 months 2018	Year 2018
Earnings before financial items and tax (EBIT) (NOK million)	**(978)**	223	>(100) %	12	>(100) %	**(1,019)**	655	336
Underlying EBIT (NOK million)	**166**	82	>100 %	75	>100 %	**379**	526	413
Underlying EBITDA (NOK million)	**430**	314	37 %	326	32 %	**1,140**	1,207	1,340
Sales volumes to external market (kmt)	**245**	235	4 %	242	1 %	**733**	731	951
Sales volumes to external markets (kmt) - Product areas								
Can & foil	**92**	87	7 %	86	7 %	**264**	269	348
Lithography & automotive	**76**	78	(3) %	76	-	**233**	237	309
GE and other[1]	**77**	71	9 %	79	(3) %	**236**	225	295
Rolled Products	**245**	235	4 %	242	1 %	**733**	731	951

1) Earlier named Special Products

Underlying EBIT increased compared to the third quarter of 2018. The result from the rolling mills was stable, positive currency effects were offset by inflationary cost increases and depreciation. The Neuss smelter result increased driven by lower raw material costs and insurance compensation partly offset by lower all-in metal prices.

Underlying EBIT increased compared to the second quarter of 2019. The result from the rolling mills was stable, a seasonal decrease in costs and increased sales volumes were offset by lower average margin. The Neuss smelter result improved due to lower raw material costs and insurance compensation.

Underlying EBIT for the first nine months of 2019 decreased compared to the same period in 2018. The result from the rolling mills decreased mainly due to inflationary cost increases, partly offset by positive currency effects. The Neuss smelter result decrease was driven by lower all-in metal prices, partly offset by lower raw material costs.

Extruded Solutions

Operational and financial information	**Third quarter 2019**	Third quarter 2018	Change prior year quarter	Second quarter 2019	Change prior quarter	**First 9 months 2019**	First 9 months 2018	Year 2018
Earnings before financial items and tax (EBIT) (NOK million)	**449**	286	57 %	483	(7) %	**1,576**	2,081	1,774
Underlying EBIT (NOK million)	**559**	497	12 %	772	(28) %	**1,924**	2,188	2,390
Underlying EBITDA (NOK million)	**1,099**	931	18 %	1,279	(14) %	**3,477**	3,469	4,114
Sales volumes to external markets (kmt)	**316**	343	(8) %	348	(9) %	**996**	1,078	1,396

Sales volumes to external markets (kmt) - Business units								
Extrusion Europe	**120**	134	(10) %	142	(15) %	**397**	443	568
Extrusion North America	**142**	152	(6) %	148	(4) %	**437**	461	598
Building Systems	**19**	18	9 %	22	(11) %	**59**	58	77
Precision Tubing	**34**	40	(15) %	36	(7) %	**103**	117	154
Extruded Solutions	**316**	343	(8) %	348	(9) %	**996**	1,078	1,396

Underlying EBIT for Extruded Solutions increased compared to the same quarter last year. Higher margins were partly offset by increased costs and lower volumes mainly due to the softening market. Extrusion North America results increased driven by higher margins, while Extrusion Europe results were lower driven by a decline in most market segments.

Compared to the second quarter 2019 the underlying EBIT decreased, mainly due to seasonally lower volumes and softening markets.

For the first nine months of 2019 Extruded Solutions underlying EBIT decreased compared to the same period of the previous year. Increased costs and reduced volumes mainly resulting from the cyber attack and a somewhat softening market were partly offset by higher margins. Extrusion Europe results were lower driven by a decline in most market segments, while Extrusion North America results increased driven by higher margins.

Energy

Operational and financial information	**Third quarter 2019**	Third quarter 2018	Change prior year quarter	Second quarter 2019	Change prior quarter	**First 9 months 2019**	First 9 months 2018	Year 2018
Earnings before financial items and tax (EBIT) (NOK million)	**295**	652	(55) %	174	69 %	**979**	1,347	1,853
Underlying EBIT (NOK million)	**254**	652	(61) %	176	44 %	**946**	1,347	1,846
Underlying EBITDA (NOK million)	**319**	716	(55) %	242	32 %	**1,144**	1,534	2,100
Direct production costs (NOK million)[1)]	**126**	158	(20) %	116	9 %	**431**	461	630
Power production (GWh)	**2,273**	2,888	(21) %	1,993	14 %	**6,819**	7,871	10,693
External power sourcing (GWh)	**2,483**	2,374	5 %	2,305	8 %	**7,085**	6,835	9,217
Internal contract sales (GWh)	**3,975**	3,796	5 %	3,778	5 %	**11,489**	11,049	14,848
External contract sales (GWh)	**199**	151	31 %	231	(14) %	**774**	619	858
Net spot sales (GWh)	**582**	1,315	(56) %	289	>100 %	**1,641**	3,038	4,204

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

Underlying EBIT decreased significantly compared to the same quarter in the previous year. The decrease was mainly due to lower production and lower prices.

Compared to the previous quarter Underlying EBIT increased mainly due to higher production, partly offset by lower prices, as well as higher area cost and production cost.

Compared to the first nine months of the previous year, Underlying EBIT were significantly lower, mainly due to significantly lower production.

Other and eliminations

Financial information NOK million	**Third quarter 2019**	Third quarter 2018	Change prior year quarter	Second quarter 2019	Change prior quarter	**First 9 months 2019**	First 9 months 2018	Year 2018
Earnings before financial items and tax (EBIT)	**(405)**	(117)	>(100) %	(220)	(84) %	**(874)**	(124)	(214)
Other	**(160)**	(190)	16 %	(253)	37 %	**(720)**	(552)	(851)
Eliminations	**(257)**	93	>(100) %	(5)	>(100) %	**(216)**	387	541
Underlying EBIT	**(417)**	(97)	>(100) %	(258)	(61) %	**(936)**	(165)	(310)

Other is mainly comprised of head office costs, and costs related to holding companies as well as earnings from Hydro's industrial insurance company. Other also includes integration costs related to the Sapa transaction and costs related to the cyber attack.

Eliminations are comprised mainly of unrealized gains and losses on inventories purchased from group companies which fluctuate with product flows, volumes and margin developments throughout Hydro's value chain.

Finance

Financial income (expense) NOK million	Third quarter 2019	Third quarter 2018	Change prior year quarter	Second quarter 2019	Change prior quarter	First 9 months 2019	First 9 months 2018	Year 2018
Interest income	**58**	48	22 %	72	(19) %	**164**	171	250
Dividends received and net gain (loss) on securities	**14**	16	(12) %	18	(21) %	**61**	40	6
Financial income	**72**	64	13 %	90	(20) %	**225**	211	255
Interest expense	**(221)**	(157)	(40) %	(231)	4 %	**(632)**	(429)	(699)
Capitalized interest	**10**	-	-	15	(31) %	**27**	-	1
Net foreign exchange gain (loss)	**(1,403)**	(257)	>(100) %	(451)	>(100) %	**(1,646)**	(895)	(1,303)
Net interest on pension liability	**(45)**	(32)	(39) %	(47)	4 %	**(133)**	(97)	(138)
Other	**(43)**	(40)	(7) %	(41)	(6) %	**(128)**	(127)	(175)
Financial expense	**(1,700)**	(486)	>(100) %	(754)	>(100) %	**(2,512)**	(1,549)	(2,315)
Financial income (expense), net	**(1,628)**	(423)	>(100) %	(664)	>(100) %	**(2,287)**	(1,339)	(2,060)

For the third quarter, the net foreign exchange loss, mainly unrealized, of NOK 1,403 million primarily reflects a weaker NOK versus EUR on a forward basis, affecting the embedded derivatives in Norwegian power contracts denominated in EUR.

The net foreign exchange loss, mainly unrealized, of NOK 1,646 million year to date, primarily reflects a weaker NOK versus EUR on a forward basis, affecting the embedded derivatives in Norwegian power contracts denominated in EUR.

Tax

Tax income amounted to NOK 16 million for the third quarter of 2019. Tax expense for the first nine months of 2019 amounted to NOK 316 million.

Interim financial statements

Condensed consolidated statements of income (unaudited)

NOK million, except per share data	**Third quarter 2019**	Third quarter 2018	**First 9 months 2019**	First 9 months 2018	Year 2018
Revenue	**37,517**	39,766	**114,276**	120,991	159,377
Share of the profit (loss) in equity accounted investments	**123**	229	**173**	735	765
Other income, net	**268**	169	**590**	508	772
Total revenue and income	**37,908**	40,163	**115,040**	122,233	160,913
Raw material and energy expense	**24,090**	25,667	**75,146**	77,359	102,523
Employee benefit expense	**6,728**	5,650	**18,943**	17,250	23,176
Depreciation, amortization and impairment	**2,236**	1,851	**6,440**	5,650	7,369
Other expenses	**4,632**	4,939	**13,613**	13,631	19,324
Total expenses	**37,686**	38,106	**114,142**	113,890	152,391
Earnings before financial items and tax (EBIT)	**222**	2,057	**898**	8,344	8,522
Financial income	**72**	64	**225**	211	255
Financial expense	**(1,700)**	(486)	**(2,512)**	(1,549)	(2,315)
Financial income (expense), net	**(1,628)**	(423)	**(2,287)**	(1,339)	(2,060)
Income (loss) before tax	**(1,407)**	1,634	**(1,389)**	7,005	6,462
Income taxes	**16**	(710)	**(316)**	(1,931)	(2,139)
Net income (loss)	**(1,390)**	925	**(1,705)**	5,074	4,323
Net income (loss) attributable to non-controlling interests	**(131)**	174	**(370)**	124	67
Net income (loss) attributable to Hydro shareholders	**(1,259)**	751	**(1,335)**	4,949	4,256
Basic and diluted earnings per share attributable to Hydro shareholders (in NOK) [1)]	**(0.62)**	0.37	**(0.65)**	2.42	2.08
Weighted average number of outstanding shares (million)	**2,048**	2,046	**2,047**	2,046	2,046

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

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

Condensed consolidated statements of comprehensive income (unaudited)

	Third Quarter		First 9 months		Year
NOK million	**2019**	2018	**2019**	2018	2018
Net income (loss)	**(1,390)**	925	**(1,705)**	5,074	4,323
Other comprehensive income					
Items that will not be reclassified to income statement:					
Remeasurement postemployment benefits, net of tax	**(1,282)**	632	**(1,561)**	1,063	(718)
Unrealized gain (loss) on securities, net of tax	**31**	(21)	**(387)**	(20)	394
Total	**(1,251)**	612	**(1,948)**	1,043	(324)
Items that will be reclassified to income statement:					
Currency translation differences, net of tax	**1,712**	(1,449)	**143**	(7,513)	(2,031)
Cash flow hedges, net of tax	**(23)**	221	**41**	123	(14)
Share of items that will be reclassified to income statement of equity accounted investments, net of tax	**2**	14	**32**	60	72
Total	**1,691**	(1,214)	**215**	(7,330)	(1,973)
Other comprehensive income	**440**	(602)	**(1,732)**	(6,286)	(2,296)
Total comprehensive income	**(950)**	322	**(3,437)**	(1,213)	2,027
Total comprehensive income attributable to non-controlling interests	**(82)**	(14)	**(3,029)**	(691)	(273)
Total comprehensive income attributable to Hydro shareholders	**(868)**	336	**(409)**	(522)	2,300

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

Condensed balance sheets (unaudited)

NOK million, except number of shares	**September 30 2019**	September 30 2018	December 31 2018 Restated
Assets			
Cash and cash equivalents	**10,581**	6,846	5,995
Short-term investments	**929**	1,176	975
Accounts receivables	**23,007**	21,727	20,744
Inventories	**21,679**	23,916	26,483
Other current assets	**700**	738	801
Total current assets	**56,897**	54,403	54,998
Property, plant and equipment	**74,025**	66,251	74,369
Intangible assets	**11,695**	10,695	11,443
Investments accounted for using the equity method	**11,809**	11,094	11,570
Prepaid pension	**5,721**	6,857	5,162
Other non-current assets	**6,877**	5,962	7,385
Total non-current assets	**110,128**	100,859	109,929
Total assets	**167,025**	155,261	164,928
Liabilities and equity			
Bank loans and other interest-bearing short-term debt	**6,074**	6,607	9,373
Trade and other payables	**19,716**	19,906	20,381
Other current liabilities	**4,095**	5,897	6,062
Total current liabilities	**29,885**	32,410	35,817
Long-term debt	**19,985**	7,886	9,342
Provisions	**6,283**	5,358	5,588
Pension liabilities	**17,879**	14,416	15,648
Deferred tax liabilities	**2,911**	3,952	3,031
Other non-current liabilities	**5,435**	3,756	4,746
Total non-current liabilities	**52,494**	35,368	38,354
Total liabilities	**82,379**	67,778	74,172
Equity attributable to Hydro shareholders	**80,275**	83,012	85,820
Non-controlling interests	**4,371**	4,472	4,936
Total equity	**84,646**	87,484	90,756
Total liabilities and equity	**167,025**	155,261	164,928
Total number of outstanding shares (million)	**2,048**	2,046	2,046

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

Condensed consolidated statements of cash flows (unaudited)

NOK million	Third quarter 2019	Third quarter 2018	Nine months ended September 30 2019	Nine months ended September 30 2018	Year 2018
Operating activities					
Net income (loss)	**(1,390)**	925	**(1,705)**	5,074	4,323
Depreciation, amortization and impairment	**2,236**	1,851	**6,440**	5,650	7,369
Other adjustments	**2,645**	(202)	**2,135**	(4,643)	(4,667)
Net cash provided by operating activities	**3,491**	2,574	**6,870**	6,081	7,025
Investing activities					
Purchases of property, plant and equipment	**(1,971)**	(1,796)	**(5,833)**	(4,702)	(7,219)
Purchases of other long-term investments	**(60)**	(53)	**(538)**	(287)	(389)
Purchases of short-term investments	**(3)**	-	**(45)**	-	-
Proceeds from long-term investing activities	**72**	336	**152**	383	412
Proceeds from sales of short-term investments	**18**	-	**18**	-	-
Net cash used in investing activities	**(1,944)**	(1,513)	**(6,246)**	(4,606)	(7,196)
Financing activities					
Loan proceeds	**1,849**	1,837	**12,780**	5,572	7,057
Principal repayments	**(3,337)**	(1,763)	**(6,298)**	(5,054)	(5,984)
Net increase (decrease) in other short-term debt	**(249)**	151	**(63)**	(2,794)	(2,934)
Proceeds from shares issued	**6**	11	**20**	35	47
Dividends paid	**-**	(19)	**(2,558)**	(3,600)	(3,622)
Net cash provided by (used in) financing activities	**(1,731)**	217	**3,881**	(5,841)	(5,436)
Foreign currency effects on cash	**175**	(114)	**81**	(616)	(226)
Net increase (decrease) in cash and cash equivalents	**(9)**	1,164	**4,586**	(4,982)	(5,833)
Cash and cash equivalents at beginning of period	**10,590**	5,682	**5,995**	11,828	11,828
Cash and cash equivalents at end of period	**10,581**	6,846	**10,581**	6,846	5,995

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

Condensed consolidated statements of changes in equity (unaudited)

NOK million	Share capital	Additional paid-in capital	Treasury shares	Retained earnings	Other components of equity	Equity attributable to Hydro shareholders	Non-controlling interests	Total equity
January 1, 2018	2,272	29,097	(810)	56,452	20	87,032	5,178	92,209
Changes in equity for 2018								
Treasury shares issued to employees		29	53			83		83
Dividends				(3,581)		(3,581)	(18)	(3,599)
Capital contribution in subsidiaries							3	3
Total comprehensive income for the period				4,949	(5,471)	(522)	(691)	(1,213)
September 30, 2018	2,272	29,126	(756)	57,820	(5,451)	83,012	4,472	87,484
December 31, 2018	2,272	29,126	(756)	57,127	(1,936)	85,833	4,936	90,769
Effect of change in accounting principle				(13)		(13)		(13)
January 1, 2019	2,272	29,126	(756)	57,114	(1,936)	85,820	4,936	90,756
Changes in equity for 2019								
Treasury shares issued to employees		(3)	45			42		42
Capital contribution in subsidiaries							2	2
Dividends				(2,558)		(2,558)	(159)	(2,717)
Total comprehensive income for the period				(1,335)	(1,693)	(3,029)	(409)	(3,437)
September 30, 2019	2,272	29,123	(711)	53,220	(3,629)	80,275	4,371	84,646

The accompanying notes are an integral part of the condensed consolidated financial statements

Notes to the condensed consolidated financial statements

Note 1: Accounting policies

All reported figures in the financial statements are based on International Financial Reporting Standards (IFRS). Hydro's accounting principles are presented in note 2 Significant accounting policies and note 3 Changes in accounting principles and new pronouncements in Hydro's Financial Statements - 2018.

IFRS 16 Leases
Hydro implemented IFRS 16 Leases on January 1, 2019. The standard was implemented retrospectively with the cumulative effect of initially applying the standard recognized in the balance sheet as of January 1, 2019. IFRS 16 requires all leases except short-term leases and small asset leases to be recognized on the balance sheet as a right-of-use asset and a lease liability. The right-of-use asset is recognized according to the underlying asset, i.e. included in Property, plant and equipment. The lease liability is included in Long-term debt, with the short-term portion included in Bank loans and other interest-bearing short-term debt.

At implementation of IFRS 16, the liabilities were measured as the contractually fixed payments in future periods discounted using the estimated alternative borrowing rate for the relevant duration and currency. Renewal options that at initial recognition are highly probable to be used are included in the contractual cash flows when measuring the lease liability. The right-of-use assets are measured as the remaining liability for close to all contracts. For two long-term contracts, both in Rolled Products, the asset value has been measured as if IFRS 16 had always been applied to those contracts, an alternative allowed by the implementation guidance in the standard on an individual contract basis. As required by the implementation guidance in the standard, amounts for prior periods have not been restated and are thus not fully comparable.

The right-of-use asset is depreciated over the lease term. Contractual payments represent a combination of interest on the liability and repayment of the principal amount. Lease amounts representing variable payments based on such factors as specific cost elements in related services or usage, lease amounts for short-term leases of a duration of up to 12 months as well as lease amounts for small asset leases covering such elements as PCs and other office equipment, is expensed as Other expenses over the lease term.

During the third quarter of 2019, Hydro expensed about NOK 80 million as lease expense in Other expenses, a slight increase from about NOK 75 million in the second quarter and NOK 70 million in the first quarter. In the last quarter before implementing IFRS 16, the fourth quarter of 2018, Hydro expensed about NOK 250 million during as lease expenses in Other expenses.

Depreciation of right-of-use assets increased by about NOK 170 million for each of the two first quarters of 2019 compared to the fourth quarter of 2018. For the third quarter of 2019 the increase was slightly higher due to new contracts. Interest on lease liabilities amounted to about NOK 40 million for each of the first three quarters of 2019, and increase of about NOK 20 million per quarter compared to the level in 2018.

Change of accounting principles, amounts in NOK million	Effect of implementing IFRS 16
Property, plant and equipment	3,070
Deferred tax asset	6
Other assets	2
Total assets	3,079
Bank loans and other interest-bearing short-term debt	830
Long-term debt	2,262
Equity attributable to Hydro shareholders	(13)
Total liabilities and equity	3,079

The interim accounts are presented in accordance with IAS 34 Interim Financial Reporting. The condensed consolidated interim financial information should be read in conjunction with Hydro's Financial Statements - 2018 that are a part of Hydro's Annual Report - 2018.

As a result of rounding adjustments, the figures in one or more columns may not add up to the total of that column.

Note 2: Operating segment information

Hydro identifies its reportable segments and discloses segment information under IFRS 8 Operating Segments. This standard requires Hydro to identify its segments according to the organization and reporting structure used by management. See Hydro's Financial statements - 2018 note 7 Operating and geographic segment information for a description of Hydro's management model and segments, including a description of Hydro's segment measures and accounting principles used for segment reporting.

The following tables include information about Hydro's operating segments, including a reconciliation of EBITDA to EBIT for Hydro's operating segments.

NOK million	**Third quarter 2019**	Third quarter 2018	**First 9 months 2019**	First 9 months 2018	Year 2018
Total revenue					
Bauxite & Alumina	**6,211**	6,749	**16,822**	19,935	28,548
Primary Metal	**8,718**	9,984	**26,678**	30,237	39,434
Metal Markets	**12,326**	13,230	**38,586**	41,334	54,237
Rolled Products	**6,672**	6,791	**20,139**	20,732	26,955
Extruded Solutions	**15,233**	15,976	**48,516**	48,866	64,085
Energy	**1,990**	2,488	**6,066**	6,414	8,681
Other and eliminations	**(13,633)**	(15,452)	**(42,530)**	(46,528)	(62,562)
Total	**37,517**	39,766	**114,276**	120,991	159,377
External revenue					
Bauxite & Alumina	**3,684**	3,016	**8,746**	10,164	14,396
Primary Metal	**1,642**	2,312	**4,489**	6,324	7,829
Metal Markets	**9,742**	10,575	**30,458**	32,380	42,502
Rolled Products	**6,639**	6,773	**20,070**	20,653	26,940
Extruded Solutions	**15,214**	15,934	**48,410**	48,743	64,023
Energy	**594**	1,151	**2,096**	2,712	3,673
Other and eliminations	**1**	5	**6**	15	14
Total	**37,517**	39,766	**114,276**	120,991	159,377
Internal revenue					
Bauxite & Alumina	**2,527**	3,733	**8,076**	9,771	14,152
Primary Metal	**7,075**	7,672	**22,189**	23,914	31,605
Metal Markets	**2,584**	2,656	**8,127**	8,954	11,735
Rolled Products	**33**	18	**69**	79	15
Extruded Solutions	**18**	42	**106**	123	61
Energy	**1,382**	1,337	**3,932**	3,698	4,986
Other and eliminations	**(13,620)**	(15,457)	**(42,499)**	(46,539)	(62,554)
Total	**-**	-	**-**	-	-
Share of the profit (loss) in equity accounted investments					
Bauxite & Alumina	**-**	-	**-**	-	-
Primary Metal	**150**	238	**205**	727	722
Metal Markets	**-**	-	**-**	-	-
Rolled Products	**-**	-	**-**	-	-
Extruded Solutions	**-**	14	**18**	43	53
Energy	**(4)**	(4)	**(22)**	(24)	(35)
Other and eliminations	**(23)**	(20)	**(28)**	(12)	24
Total	**123**	229	**173**	735	765

NOK million	**Third quarter 2019**	Third quarter 2018	**First 9 months 2019**	First 9 months 2018	Year 2018
Depreciation, amortization and impairment					
Bauxite & Alumina	**590**	509	**1,784**	1,711	2,095
Primary Metal	**616**	583	**1,839**	1,705	2,253
Metal Markets	**33**	25	**92**	74	101
Rolled Products	**264**	231	**761**	682	927
Extruded Solutions	**639**	434	**1,680**	1,280	1,723
Energy	**62**	61	**187**	177	239
Other and eliminations	**32**	7	**96**	21	30
Total	**2,236**	1,851	**6,440**	5,650	7,369
Earnings before financial items and tax (EBIT) [1)]					
Bauxite & Alumina	**450**	166	**969**	1,270	1,763
Primary Metal	**30**	954	**(1,444)**	2,647	2,123
Metal Markets	**381**	(107)	**710**	467	886
Rolled Products	**(978)**	223	**(1,019)**	655	336
Extruded Solutions	**449**	286	**1,576**	2,081	1,774
Energy	**295**	652	**979**	1,347	1,853
Other and eliminations	**(405)**	(117)	**(874)**	(124)	(214)
Total	**222**	2,057	**898**	8,344	8,522
Earnings before financial items, tax, depreciation and amortization (EBITDA)					
Bauxite & Alumina	**1,040**	674	**2,753**	2,982	3,858
Primary Metal	**619**	1,517	**313**	4,290	4,267
Metal Markets	**414**	(82)	**802**	541	986
Rolled Products	**(715)**	455	**(258)**	1,336	1,263
Extruded Solutions	**1,085**	720	**3,252**	3,362	3,498
Energy	**361**	716	**1,177**	1,534	2,107
Other and eliminations	**(373)**	(110)	**(778)**	(103)	(183)
Total	**2,430**	3,890	**7,261**	13,942	15,796
Investments [2)]					
Bauxite & Alumina	**340**	392	**1,377**	925	963
Primary Metal	**1,002**	675	**2,978**	1,809	2,724
Metal Markets	**45**	32	**112**	78	165
Rolled Products	**191**	194	**475**	447	1,047
Extruded Solutions	**545**	702	**1,872**	1,469	2,390
Energy	**47**	52	**233**	223	280
Other and eliminations	**14**	2	**64**	40	45
Total	**2,184**	2,051	**7,110**	4,990	7,614

1) Total segment EBIT is the same as Hydro group's total EBIT. Financial income and expense are not allocated to the segments. There are no reconciling items between segment EBIT to Hydro EBIT. Therefore, a separate reconciliation table is not presented.

2) Additions to property, plant and equipment (capital expenditures) plus long-term securities, intangible assets, long-term advances and investments in equity accounted investments, including amounts recognized in business combinations. In 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 NOK 635 million and NOK 145 million, respectively.

NOK million	EBIT	Depr., amor. and impairment	Other items[1)]	EBITDA
EBIT - EBITDA Third quarter 2019				
Bauxite & Alumina	450	590	-	1,040
Primary Metal	30	616	(27)	619
Metal Markets	381	33	-	414
Rolled Products	(978)	264	-	(715)
Extruded Solutions	449	639	(4)	1,085
Energy	295	62	3	361
Other and eliminations	(405)	32	-	(373)
Total	222	2,236	(28)	2,430

NOK million	EBIT	Depr., amor. and impairment	Other items[1)]	EBITDA
EBIT - EBITDA First 9 months 2019				
Bauxite & Alumina	969	1,784	-	2,753
Primary Metal	(1,444)	1,839	(82)	313
Metal Markets	710	92	-	802
Rolled Products	(1,019)	761	-	(258)
Extruded Solutions	1,576	1,680	(4)	3,252
Energy	979	187	10	1,177
Other and eliminations	(874)	96	-	(778)
Total	898	6,440	(77)	7,261

1) Investment grants, and amortization of excess values in equity accounted investments and impairment loss of such investments.

Note 3: Contingent liabilities

Hydro is involved in or threatened with various legal and tax matters arising in the ordinary course of business. A discussion of contingent liabilities is included in note 36 *Contingent liabilities and contingent assets* in Hydro's Annual financial statements – 2018. There is no information indicating a significant change to Hydro's contingent liabilities since the issuance of Hydro's 2018 Annual financial statements.

Note 4: Impairment of non-current assets

The Hydro share price has been below the carrying value of net assets for a period of almost one year. This fact is considered, in combination with market expectations for our main products, key input factors and market demand, as well as individual conditions such as the newly lifted production embargo for our Brazilian alumina refinery Alunorte, when we assess whether there are impairment indicators for any of our cash generating units.

An indicator that one primary aluminium plant, Slovalco, might be impaired was identified in the second quarter. The profitability of the plant is expected to be challenging going forward with the recent reduction in aluminium prices. The plant was also tested for impairment at the end of 2018. The impairment test is consistent with the methodology described in note 20 *Impairment of non-current assets* to Hydro's annual financial statements – 2018 with updated price and other relevant assumptions, including a higher expected price level for energy in central Europe compared to areas where most of our other smelters are situated. The estimated recoverable amount equals the carrying amount of NOK 1.1 billion. Any negative development in such factors as aluminium price, operating costs or production volume reducing the plant margin is likely to lead to a write-down of the plant.

Impairment losses of NOK 95 million in the third quarter and NOK 28 million in the second quarter have been recognized related to announced closure of production facilities in Extruded Solutions.

Alternative performance measures (APMs)

Alternative performance measures, i.e. financial performance measures not within the applicable financial reporting framework, are used by Hydro to provide supplemental information, by excluding items that, in Hydro's view, does not give an indication of the periodic operating results or cash flows of Hydro. Financial APMs are intended to enhance comparability of the results and cash flows from period to period, and it is Hydro's experience that these are frequently used by analysts, investors and other parties. Management also uses these measures internally to drive performance in terms of long-term target setting and as basis for performance related pay. These measures are adjusted IFRS measures defined, calculated and used in a consistent and transparent manner over the years and across the company where relevant. Operational measures such as, but not limited to, volumes, prices per mt, production costs and improvement programs are not defined as financial APMs. To provide a better understanding of the company's underlying financial performance for the relevant period, Hydro focuses on underlying EBIT in the discussions on periodic underlying financial and operating results and liquidity from the business areas and the group, while effects excluded from underlying EBIT and net income (loss) are discussed separately in the section on reported EBIT and net income. Financial APMs should not be considered as a substitute for measures of performance in accordance with the IFRS. Disclosures of APMs are subject to established internal control procedures.

Hydro's financial APMs

- *EBIT:* Income (loss) before tax, financial income and expense.
- *Underlying EBIT:* EBIT +/- identified items to be excluded from underlying EBIT as described below.
- *EBITDA:* EBIT + depreciation, amortization and impairments, net of investment grants.
- *Underlying EBITDA:* EBITDA +/- identified items to be excluded from underlying EBIT as described below + impairments.
- *Underlying net income (loss):* Net income (loss) +/- items to be excluded from underlying income (loss) as described below.
- *Underlying earnings per share:* Underlying net income (loss) attributable to Hydro shareholders divided by a weighted average of outstanding shares (ref.: the interim financial statements).
- *Investments:* Additions to property, plant and equipment (capital expenditures) plus long-term securities, intangible assets, long-term advances and investments in equity accounted investments, including amounts recognized in business combinations.
- *Adjusted net cash (debt):* Short- and long-term interest-bearing debt adjusted for Hydro's liquidity positions, and for liquidity positions regarded unavailable for servicing debt, pension obligation and other obligations which are considered debt-like in nature.
- Metal Markets specific adjustments to underlying EBIT:
  - *Currency effects* include the effects of changes in currency rates on sales and purchase contracts denominated in foreign currencies (mainly US dollar and Euro for our European operations) and the effects of changes in currency rates on the fair valuation of derivative contracts (including LME futures) and inventories mainly translated into Norwegian kroner. Hydro manages its external currency exposure on a consolidated basis in order to take advantage of offsetting positions.
  - *Inventory valuation effects* comprise hedging gains and losses relating to inventories. Increasing LME prices result in unrealized hedging losses, while the offsetting gains on physical inventories are not recognized until realized. In period of declining prices, unrealized hedging gains are offset by write-downs of physical inventories.

Items excluded from underlying EBIT, EBITDA, net income (loss) and earnings per share

Hydro has defined two categories of items which are excluded from underlying results in all business areas, equity accounted investments and at group level. One category is the timing effects, which are unrealized changes to the market value of certain derivatives and the metal effect in Rolled Products. When realized, effects of changes in the market values since the inception are included in underlying EBIT. Changes in the market value of the trading portfolio are included in underlying results. The other category includes material items which are not regarded as part of underlying business performance for the period, such as major rationalization charges and closure costs, major impairments of property, plant and equipment, effects of disposals of businesses and operating assets, as well as other major effects of a special nature. Materiality is defined as items with a value above NOK 20 million. All items excluded from underlying results are reflecting a reversal of transactions recognized in the financial statements for the current period, except for the metal effect. Part-owned entities have implemented similar adjustments.

- *Unrealized derivative effects on LME related contracts* include unrealized gains and losses on contracts measured at market value, which are used for operational hedging purposes related to fixed-price customer and supplier contracts, where hedge accounting is not applied. Also includes elimination of changes in fair value of certain internal physical aluminium contracts.
- *Unrealized derivative effects on power and raw material contracts* include unrealized gains and losses on embedded derivatives in raw material and power contracts for Hydro's own use and for financial power contracts used for hedging purposes, as well as elimination of changes in fair value of embedded derivatives within certain internal power contracts.
- *Metal effect in Rolled Products* is an effect of timing differences resulting from inventory adjustments due to changing aluminium prices during the production, sales and logistics process, lasting two to three months. As a result, margins are impacted by timing differences resulting from the FIFO inventory valuation method (first in, first out), due to changing aluminium prices during the process. The effect of inventory write-downs is included. Decreasing aluminium prices in Euro results in a negative metal effect on margins, while increasing prices have a positive effect.
- *Significant rationalization charges and closure costs* include costs related to specifically defined major projects, and not considered to reflect periodic performance in the individual plants or operations. Such costs involve termination benefits, dismantling of installations and buildings, clean-up activities that exceed legal liabilities, etc. Costs related to regular and continuous improvement initiatives are included in underlying results.
- *Impairment charges (PP&E and equity accounted investments)* relate to significant write-downs of assets or groups of assets to estimated recoverable amounts in the event of an identified loss in value. Gains from reversal of impairment charges are simultaneously excluded from underlying results.
- *Alunorte agreements – provision* refers to the provision recognized in relation to the TAC and TC agreements with the Government of Parà and Ministèrio Pùblico made on September 5, 2018
- *(Gains) losses on divestments* include a net gain or loss on divested businesses and/or individual major assets.
- *Other effects* include insurance proceeds covering asset damage, legal settlements, etc. Insurance proceeds covering lost income are included in underlying results.
- *Pension* includes recognition of pension plan amendments and related curtailments and settlements.
- *Transaction related effects* reflect the net measurement (gains) losses relating to previously owned shares in acquired business and inventory valuation expense related to the transaction.
- *Items excluded in equity accounted investments* reflects Hydro's share of items excluded from underlying net income Qatalum and are based on Hydro's definitions, including both timing effects and material items not regarded as part of underlying business performance for the period.
- *Net foreign exchange (gain) loss:* Realized and unrealized gains and losses on foreign currency denominated accounts receivable and payable, funding and deposits, embedded currency derivatives in certain power contracts and forward currency contracts purchasing and selling currencies that hedge net future cash flows from operations, sales contracts and operating capital.
- *Calculated income tax effect:* In order to present underlying net income on a basis comparable with our underlying operating performance, the underlying income taxes are adjusted for the expected taxable effects on items excluded from underlying income before tax.
- *Other adjustments to net income* include other major financial and tax related effects not regarded as part of the underlying business performance of the period.

Items excluded from underlying EBIT per operating segment and for Other and eliminations [1)] NOK million	**Third quarter 2019**	Third quarter 2018	Second quarter 2019	**First 9 months 2019**	First 9 months 2018	Year 2018
Alunorte agreements - provision[2)]	**30**	519	14	**80**	519	519
Bauxite & Alumina	**30**	519	14	**80**	519	519
Unrealized derivative effects on LME related contracts	**(27)**	101	(15)	**80**	(55)	(143)
Primary Metal	**(69)**	(93)	(50)	**30**	(208)	(361)
Unrealized derivative effects on LME related contracts	**(19)**	104	(62)	**141**	(56)	(200)
Metal Markets	**(19)**	104	(62)	**141**	(56)	(200)
Unrealized derivative effects on LME related contracts	**(24)**	11	60	**(41)**	37	111
Metal effect	**123**	(153)	3	**393**	(166)	(73)
Significant rationalization charges and closure costs[3)]	**1,145**	-	-	**1,145**	-	39
Other effects[4)]	**(99)**	-	-	**(99)**	-	-
Rolled Products	**1,145**	(141)	63	**1,398**	(129)	77
Unrealized derivative effects on LME related contracts	**(44)**	211	27	**(93)**	107	299
Impairment charges[5)]	**95**	-	28	**123**	-	-
Significant rationalization charges and closure costs[5)]	**61**	-	200	**261**	-	40
Pension [6)]	**(62)**	-	-	**(62)**	-	40
Transaction related effects [7)]	**-**	-	35	**35**	-	-
Other effects[8)]	**13**	-	-	**39**	-	237
Extruded Solutions	**109**	211	289	**348**	107	616
Unrealized derivative effects on power contracts	**1**	-	2	**9**	-	(7)
Other effects[9)]	**(42)**	-	-	**(42)**	-	-
Energy	**(41)**	-	2	**(33)**	-	(7)
Unrealized derivative effects on power contracts[10)]	**(5)**	11	(39)	**(65)**	(24)	(36)
Unrealized derivative effects on LME related contracts[10)]	**(7)**	8	1	**4**	(17)	(27)
Other effects[11)]	**-**	-	-	**-**	-	(34)
Other and eliminations	**(12)**	19	(39)	**(62)**	(41)	(97)
Items excluded from underlying EBIT	**1,144**	620	219	**1,902**	192	547

1) Negative figures indicate reversal of a gain and positive figures indicate reversal of a loss.

2) Alunorte agreements - provision relates to provisions for the TAC and TC agreements with the Government of Parà and Ministèrio Pùblico made on September 5, 2018, including later adjustments for changes in cost estimates.

3) Significant rationalization and closure costs of NOK 1 145 million include provision for cost related to reduction of overcapacity, closures and environmental clean-up activities in Rolled Products.

4) Other effects of NOK 99 million refer to a partly reversal of the provision recognized in the fourth quarter 2017 related to the customs case in Germany

5) Impairment and rationalization charges of NOK 156 million in the third quarter and NOK 228 million in the second quarter include write down of assets and provision for costs related to existing over capacity in Extruded Solutions. Rationalization charges and closure costs in 2018 was NOK 40 million.

6) Pension include in the third quarter of 2019 a gain of NOK 62 million due to partially settled pension liabilities in Hydro Extrusion US LLC and in the fourth quarter 2018 a charge of NOK 40 million due to remeasurement of all UK schemes with Guaranteed Minimum Pensions (GMP) required to be adjusted to equalize pension benefits for gender. The remeasurement is based on the accrued pension benefits in the period between 1990 and 1997.

7) Transaction related effects include the revaluation loss of Hydro's pre-transactional 50 percent share in Technal Middle East, as well as the fair value allocated to inventory sold during second quarter.

8) Other effects include in third quarter an environmental provision of NOK 46 million related to a closed site. A charge of NOK 13 million in the third quarter and NOK 26 million in the first quarter are adjustments to the value of certain assets in relation to the Sapa acquisition. In 2018 other effects include a charge of NOK 80 million due to adjustments to the value of certain assets in relation to the Sapa acquisition. Subsequent to the release of fourth quarter 2018 on February 7, 2019, an agreement in principle was reached between Sapa Profiles Inc. (SPI) and the United States Department of Justice (DOJ) Civil and Criminal Divisions. Following the agreement, an increase, NOK 157 million, of the provision was recognized in the final annual results of 2018 (see note 35 in the 2018 Annual report).

9) Other effects include a dilution gain of NOK 42 million as the effect of an equity issuance in our associate Corvus, reducing our ownership share from 24.8 percent to 21.1.

10) Unrealized derivative effects on power contracts and LME related contracts result from elimination of changes in the valuation of embedded derivatives within certain internal power contracts and in the valuation of certain internal aluminium contracts.

11) Other effects in Other and eliminations in 2018 include the remeasurement of environmental liabilities related to closed business in Germany.

Underlying EBITDA NOK million	**Third quarter 2019**	Third quarter 2018	Change prior year quarter	Second quarter 2019	Change prior quarter	**First 9 months 2019**	First 9 months 2018	Year 2018
EBITDA	**2,430**	3,890	(38) %	2,737	(11) %	**7,261**	13,942	15,796
Items excluded from underlying EBIT	**1,144**	620	85 %	219	>100 %	**1,902**	192	547
Reversal of impairments	**(95)**	-	-	(28)	>(100) %	**(123)**	-	-
Underlying EBITDA	**3,479**	4,510	(23) %	2,928	19 %	**9,040**	14,134	16,344

Underlying earnings per share NOK million	**Third quarter 2019**	Third quarter 2018	Change prior year quarter	Second quarter 2019	Change prior quarter	**First 9 months 2019**	First 9 months 2018	Year 2018
Net income (loss)	**(1,390)**	925	>(100) %	(190)	>(100) %	**(1,705)**	5,074	4,323
Items excluded from net income (loss)	**1,996**	772	>100 %	472	>100 %	**2,716**	920	1,495
Underlying net income (loss)	**606**	1,696	(64) %	281	>100 %	**1,011**	5,994	5,819
Underlying net income attributable to non-controlling interests	**(69)**	182	>(100) %	(104)	34 %	**(306)**	240	184
Underlying net income attributable to Hydro shareholders	**675**	1,514	(55) %	385	75 %	**1,317**	5,754	5,635
Number of shares	**2,048**	2,046	-	2,047	-	**2,047**	2,046	2,046
Underlying earnings per share	**0.33**	0.74	(55) %	0.19	75 %	**0.64**	2.81	2.75

Adjusted net cash (debt) NOK million	**Sep 30 2019**	Jun 30 2019	Change prior quarter	Sep 30 2018	Jun 30 2018	Change prior year quarter
Cash and cash equivalents	**10,581**	10,590	(8)	6,846	5,682	1,164
Short-term investments[1)]	**929**	1,090	(161)	1,176	1,136	40
Short-term debt[4)]	**(6,074)**	(8,177)	2,103	(6,607)	(4,969)	(1,638)
Long-term debt[4)]	**(19,985)**	(18,620)	(1,365)	(7,886)	(9,377)	1,491
Net cash (debt)[4)]	**(14,549)**	(15,117)	568	(6,471)	(7,528)	1,057
Cash and cash equiv. and short-term investm. in captive insurance company [2)]	**(899)**	(944)	44	(968)	(1,059)	90
Net pension obligation at fair value, net of expected income tax benefit [3)]	**(10,282)**	(8,757)	(1,525)	(6,419)	(6,998)	579
Operating lease commitments, net of expected income tax benefit [4)]	**-**	-	-	(1,585)	(1,585)	-
Short- and long-term provisions net of exp. income tax benefit, and other liab.[5)]	**(3,876)**	(3,087)	(789)	(2,938)	(3,040)	102
Adjusted net cash (debt)	**(29,606)**	(27,905)	(1,701)	(18,380)	(20,209)	1,829
Net debt in EAI[6)]	**(5,376)**	(5,386)	10	(5,648)	(5,658)	10
Adjusted net cash (debt) incl. EAI	**(34,982)**	(33,291)	(1,691)	(24,028)	(25,868)	1,839

1) Hydro's policy is that the maximum maturity for cash deposits is 12 months. Cash flows relating to bank time deposits with original maturities beyond three months are classified as investing activities and included in short-term investments on the balance sheet.

2) Cash and cash equivalents and short-term investments in Hydro's captive insurance company Industriforsikring AS are assumed to not be available to service or repay future Hydro debt, and are therefore excluded from the measure Adjusted net debt.

3) The expected income tax benefit related to the pension liability is NOK 1877 million and NOK 1889 million for September 2019 and June 2019, respectively.

4) As a consequence of implementing IFRS 16 - Leases (see note 1 Accounting policies to the interim financial statements), there are no adjustments for operating leases made to the adjusted net cash (debt) for Dec 31, 2018 or later dates. The majority of such liabilities are recognized as short-term and long-term debt as of December 31, 2018.

5) Consists of Hydro's short and long-term provisions related to asset retirement obligations, net of an expected tax benefit estimated at 30 percent, and other non-current financial liabilities.

6) Net debt in equity accounted investments is defined as the total of Hydro's relative ownership percentage of each equity accounted investment's short and long-term interest bearing debt less their cash position, reduced by total outstanding loans from Hydro to the equity accounted investment. Net debt per individual equity accounted investment is limited to a floor of zero.

Additional Information

Financial calendar 2020

February 7	Fourth quarter results
March 13	Annual Report
April 29	First quarter results
May 12	Annual General Meeting
July 22	Second quarter results
October 23	Third quarter results

Hydro reserves the right to revise these dates.

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.

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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.