HYDRO

Q1

FIRST QUARTER REPORT 2018

Contents

Oslo, April 24, 2018

Overview

Summary underlying financial and operating results and liquidity

Key financial information NOK million, except per share data	**First quarter 2018**	First quarter 2017	Change prior year quarter	Fourth quarter 2017	Change prior quarter	Year 2017
Revenue	**39 971**	23 026	74 %	38 803	3 %	109 220
Earnings before financial items and tax (EBIT)	**3 301**	2 410	37 %	4 511	(27) %	12 189
Items excluded from underlying EBIT[1)]	**(155)**	(126)	(23) %	(956)	84 %	(974)
Underlying EBIT[1)]	**3 147**	2 284	38 %	3 555	(11) %	11 215
Underlying EBIT :						
Bauxite & Alumina	**741**	756	(2) %	1 872	(60) %	3 704
Primary Metal	**823**	900	(9) %	1 377	(40) %	5 061
Metal Markets	**178**	24	>100 %	185	(4) %	544
Rolled Products	**232**	106	>100 %	95	>100 %	380
Extruded Solutions[2)]	**734**			284	>100 %	284
Energy	**278**	423	(34) %	457	(39) %	1 531
Other and eliminations[2)]	**161**	74	>100 %	(715)	>100 %	(289)
Underlying EBIT[1)]	**3 147**	2 284	38 %	3 555	(11) %	11 215
Earnings before financial items, tax, depreciation and amortization (EBITDA)[3)]	**5 193**	3 762	38 %	6 481	(20) %	18 344
Underlying EBITDA[1)]	**5 038**	3 637	39 %	5 524	(9) %	17 369
Net income (loss)	**2 076**	1 838	13 %	3 600	(42) %	9 184
Underlying net income (loss)[1)]	**2 201**	1 580	39 %	2 816	(22) %	8 396
Earnings per share	**1.02**	0.86	19 %	1.71	(40) %	4.30
Underlying earnings per share[1)]	**1.06**	0.75	41 %	1.33	(21) %	3.95
Financial data:						
Investments[1) 3)]	**1 319**	1 372	(4) %	24 632	(95) %	28 848
Adjusted net cash (debt)[1)]	**(16 890)**	(5 358)	>(100) %	(17 968)	6 %	(17 968)

Key Operational information	**First quarter 2018**	First quarter 2017	Change prior year quarter	Fourth quarter 2017	Change prior quarter	Year 2017
Bauxite production (kmt)[4)]	**2 326**	2 400	(3) %	3 049	(24) %	11 435
Alumina production (kmt)	**1 277**	1 523	(16) %	1 693	(25) %	6 397
Primary aluminium production (kmt)	**514**	516	-	528	(3) %	2 094
Realized aluminium price LME (USD/mt)	**2 140**	1 757	22 %	2 092	2 %	1 915
Realized aluminium price LME (NOK/mt)	**16 929**	14 798	14 %	17 066	(1) %	15 888
Realized USD/NOK exchange rate	**7.91**	8.42	(6) %	8.16	(3) %	8.30
Rolled Products sales volumes to external market (kmt)	**245**	241	2 %	224	9 %	940
Extruded Solutions sales volumes to external market (kmt)[5)]	**362**	178	>100 %	318	14 %	845
Power production (GWh)	**2 433**	2 869	(15) %	3 089	(21) %	10 835

1) Alternative performance measures (APMs) are described in the corresponding section in the back of the report.
2) Other and eliminations includes Hydro's 50 percent share of underlying net income from Sapa until end of third quarter 2017. Extruded Solutions was fully consolidated from October 2, 2017.
3) EBITDA and investments per segment are specified in Note 2: Operating segment information.
4) Paragominas production, on wet basis.
5) Hydro's 50 percent share of Sapa sales volumes until end of third quarter 2017 and 100 percent of Extruded Solutions sales volumes from the beginning of the fourth quarter 2017.

Hydro's underlying earnings before financial items and tax increased to NOK 3,147 million in the first quarter, up from NOK 2,284 million for same quarter last year. The increase mainly reflects a higher all-in metal price[1)] and higher realized alumina price, partly offset by increased raw material costs.

Compared to the fourth quarter of 2017 the underlying EBIT decreased from NOK 3,555 to NOK 3,147 million. The decrease reflects lower alumina sales prices and increased raw material costs.

Following a period of extreme rainfall in February authorities ordered several measures against Alunorte, including that the Alunorte alumina refinery is required to operate at 50 percent of its capacity while authorities review the situation, over concerns that flooding led to harmful spills. Findings of an internal and an external task force confirm that there was no overflow from the bauxite residue deposit areas as well as no indication or evidence of contamination to nearby local communities from Alunorte as a result of the heavy rainfall.

Due to the situation in Brazil, Hydro's "Better" improvement program is not expected to reach the 2018 target of NOK 500 million.

Hydro's net debt position improved from NOK 4.1 billion[2)] to NOK 3.6 billion at the end of the quarter. Net cash provided by operating activities amounted to NOK 2.0 billion. Net cash used in investment activities, excluding short term investments, amounted to NOK 1.5 billion.

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

2) 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	**First quarter 2018**	First quarter 2017	Fourth quarter 2017	Year 2017
Unrealized derivative effects on LME related contracts	**(114)**	18	140	220
Unrealized derivative effects on power and raw material contracts	**(87)**	173	91	246
Metal effect, Rolled Products	**47**	(286)	(146)	(419)
Significant rationalization charges and closure costs[2)]	**-**	-	210	210
Other effects[3)]	**-**	-	212	212
Transaction related effects (Sapa)[4)]	**-**	-	(1 463)	(1 463)
Items excluded in equity accounted investments (Sapa)[5)]	**-**	(32)	-	19
Items excluded from underlying EBIT	**(155)**	(126)	(956)	(974)
Net foreign exchange (gain)/loss	**333**	(218)	696	875
Calculated income tax effect	**(54)**	86	(523)	(564)
Other adjustments to net income[6)]	**-**	-	-	(125)
Items excluded from underlying net income	**125**	(258)	(783)	(788)
Income (loss) tax rate	**27 %**	28 %	4 %	17 %
Underlying income (loss) tax rate	**27 %**	28 %	19 %	24 %

1) Negative figures indicate reversal of a gain and positive figures indicate reversal of a loss.
2) Significant rationalization charges and closure costs include environmental liability in Kurri Kurri of NOK 181 million and rationalization costs in Extruded Solutions of NOK 29 million in the fourth quarter 2017.
3) Other effects include a charge of NOK 245 million related to a customs case in Germany and a gain of NOK 33 in relation to remeasurement of environmental liabilities related to closed business in Germany in the fourth quarter 2017.
4) Transaction related effects include the revaluation gain of NOK 2,171 million of Hydro's pre-transactional 50 percent interest in Sapa, as well as the fair value allocated to inventory of finished goods and to the backlog of contractual deliveries as of closure, sold during fourth quarter 2017, reflecting an expense of NOK 707 million.
5) Items excluded in equity accounted investments (Sapa) for the year 2017 include unrealized derivative gains, rationalization charges and net foreign exchange gains.
6) Other adjustments to net income include reduction in tax expense and related interest income of NOK 125 million in total following a closed tax case in September 2017.

Market developments and outlook

Market statistics	First quarter 2018	First quarter 2017	Change prior year quarter	Fourth quarter 2017	Change prior quarter	Year 2017
USD/NOK Average exchange rate	**7.84**	8.44	(7) %	8.16	(4) %	8.26
USD/NOK Period end exchange rate	**7.78**	8.58	(9) %	8.21	(5) %	8.21
BRL/NOK Average exchange rate	**2.42**	2.69	(10) %	2.51	(4) %	2.59
BRL/NOK Period end exchange rate	**2.34**	2.71	(14) %	2.48	(6) %	2.48
USD/BRL Average exchange rate	**3.24**	3.14	3 %	3.24	-	3.19
USD/BRL Period end exchange rate	**3.33**	3.16	5 %	3.31	1 %	3.31
EUR/NOK Average exchange rate	**9.63**	8.99	7 %	9.60	-	9.33
EUR/NOK Period end exchange rate	**9.64**	9.17	5 %	9.84	(2) %	9.84
Bauxite and alumina:						
Average alumina price - Platts PAX FOB Australia (USD/t)	**383**	340	13 %	446	(14) %	355
China bauxite import price (USD/mt CIF China)	**54**	49	9 %	53	2 %	51
Global production of alumina (kmt)	**30 336**	30 357	-	30 799	(2) %	123 779
Global production of alumina (ex. China) (kmt)	**14 107**	13 684	3 %	14 080	-	55 697
Primary aluminium:						
LME three month average (USD/mt)	**2 164**	1 856	17 %	2 119	2 %	1 980
LME three month average (NOK/mt)	**16 958**	15 651	8 %	17 285	(2) %	16 337
Standard ingot premium (EU DP Cash)	**165**	149	11 %	159	4 %	148
Extrusion ingot premium (DP)	**351**	313	12 %	353	(1) %	334
Global production of primary aluminium (kmt)	**15 604**	15 573	-	15 831	(1) %	63 527
Global consumption of primary aluminum (kmt)	**15 582**	14 969	4 %	16 094	(3) %	63 711
Global production of primary aluminium (ex. China) (kmt)	**6 854**	6 702	2 %	6 940	(1) %	27 222
Global consumption of primary aluminum (ex. China) (kmt)	**7 387**	7 149	3 %	7 299	1 %	29 242
Reported primary aluminium inventories (kmt)	**5 959**	5 594	7 %	5 370	11 %	5 370
Rolled products and extruded products:						
Consumption rolled products - Europe (kmt)	**1 267**	1 223	4 %	1 150	10 %	4 882
Consumption rolled products - USA & Canada (kmt)	**1 368**	1 233	11 %	1 222	12 %	5 063
Consumption extruded products - Europe (kmt)	**788**	765	3 %	704	12 %	3 050
Consumption extruded products - USA & Canada (kmt)	**655**	609	8 %	584	12 %	2 448
Energy:						
Average southern Norway spot price (NO2) (NOK/MWh)	**361**	278	30 %	287	26 %	269
Average mid Norway spot price (NO3) (NOK/MWh)	**374**	282	33 %	291	29 %	275
Average nordic system spot price (NOK/MWh)	**372**	280	33 %	294	26 %	274

Bauxite and alumina

Chinese alumina imports amounted to 0.2 million mt in the first two months of 2018, down 65 percent from the same period in 2017. Chinese bauxite imports increased 48 percent to 13.1 million mt compared to the first two months of 2017. Driven by the ramp-up of new bauxite mines during 2017, imports from Guinea surged to 6.9 million mt from 4.8 million mt in the first two months of 2017. Supply of bauxite from the Atlantic basin accounted for 56 percent of Chinese imports in the first two months in the year, up from 41 percent in the corresponding period in 2017.

Platts alumina spot prices averaged USD 383 per mt in the first quarter of 2018, a decrease of USD 63 per mt compared to the previous quarter. Prices started the quarter at USD 389 per mt and weakened through the end of February on the expectation of Chinese capacity restarts after the mandated production cuts during the winter heating season from November 15 to March 15. Prices then rallied strongly ending the quarter at USD 443 per mt, due to concerns about the market balance as the Alunorte refinery was required to reduce production by 50 percent. Average prices represented 17.8 percent of LME in the quarter compared with 18.3 percent in the previous quarter. Lower production at Alunorte has tightened the alumina market balance excluding China and driven alumina prices up significantly.

According to Chinese import statistics, the average delivered China bauxite price was USD 53.9 per mt in the first two months of 2018, 2 percent above the fourth quarter 2017 average of USD 52.7 per mt.

Primary aluminium

Three-month LME prices ranged between USD 2,014 and USD 2,268 per mt during the first quarter of 2018. The average LME three-month price was USD 2,164, increasing USD 308 per mt compared to the first quarter of 2017. European average all-in metal prices [1] increased from USD 1,999 per mt in the first quarter of 2017 to USD 2,324 in the first quarter of 2018, due to a combination of an increase in LME prices, and increased premiums.

European duty paid standard ingot premiums ended the first quarter of 2018 at USD 164 per mt, compared to USD 162 at the beginning of the quarter, averaging USD 165 per mt for the the first quarter compared to USD 149 per mt in the first quarter of 2017. Midwest premiums started the first quarter at USD 209 per mt, and ended at USD 419 per mt, averaging USD 318 per mt compared to USD 214 per mt in the first quarter of 2017. The reason for the large increase in premiums in North America is the 10 percent import duty that USA has introduced for aluminium imports from many countries.

Shanghai Futures Exchange (SHFE) prices increased by USD 217 per mt ex. VAT, compared to the first quarter in 2017. The SHFE increase was less than the equivalent LME increase over the quarter as reported stock levels in China continue to increase, despite the central Government's efforts to reduce primary production capacity. The US administration's implementation of higher import duties also contributed to the differentials in price increases. As a consequence, export arbitrage potential and semis exports increased during the quarter compared to the first quarter of 2017.

Global primary aluminium consumption increased by 4.1 percent to 15.6 million mt in the first quarter of this year compared to the first quarter of 2017, due to improved global sentiments and a continued still strong demand growth in China. Compared to the fourth quarter of 2017, global demand in the first quarter of 2018 decreased by 3.2 percent, due largely to seasonality effects in China. Global demand for primary aluminium grew by 6.0 percent in 2017, and is expected to grow by around 4-5 percent in 2018.

Outside China, demand increased by 3.3 percent in the first quarter compared to the first quarter of 2017, while the increase from the fourth quarter of 2017 was 1.2 percent. Consumption outside China amounted to 7.4 million mt for the first quarter of 2018. Corresponding production amounted to 6.9 million mt, an increase of 2.3 percent compared to the first quarter of 2017. Production outside China experienced a 1.2 percent decrease in the first quarter this year compared to the fourth quarter of 2017. Production was dampened by increasing raw material costs and higher uncertainty. Demand for primary aluminium outside China grew by around 3.4 percent in 2017, and is expected to grow by 3-4 percent in 2018. Production outside China is expected to increase by 3-4 percent in 2018.

Compared to the first quarter of 2017, Chinese aluminium consumption increased by 4.8 percent to 8.2 million mt. The decrease compared to the fourth quarter of 2017 was, however, 6.8 percent, due to seasonal effects with the New Year holiday in China occurring in February this year. Corresponding aluminium production decreased by 1.4 percent compared to the first quarter last year, and decreased 1.6 percent compared to the fourth quarter of 2017, due to government enforced capacity closures. The Chinese government has announced that they will continue with smelter curtailments also next winter in order to reduce air pollution in a number of Chinese cities. Production of primary aluminium in China grew by 13.2 percent in 2017, but due to the capacity control measurements that were introduced in 2017 production increase is expected to be dampened to around 3-4 percent in 2018. Demand is expected to increase by 4-6 percent in 2018, a dampening compared to growth of 8.3 percent in 2017. Import tariffs announced by the US administration in March 2018 will most likely lead to reduced semis exports (Sections 232, 301).

The global primary aluminium market is moving towards a deficit in 2018, driven by slower than expected supply growth.

On March 8th, the US administration announced a 10 percent tariff on aluminium imports to the US, effective from March 23rd. Temporary exemptions have been granted until May 1st for Canada and Mexico, EU, Australia, Argentina, Brazil and

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

South-Korea. The tariff increases supply cost for the US fabrication sector. However, the increase in US premiums reflecting the duty level is expected to be passed through to the product price, with uncertain effects for US downstream fabrication.

On April 6, the US Department of Treasury's Office of Foreign Assets Control issued a sanctions list that included Russian individuals and companies including the Russian aluminium company Rusal. The US sanctions are likely to lead to changes in the global metal flow and following this announcement the LME price increased sharply.

European demand for extrusion ingot increased in the first quarter compared to the first quarter of 2017. Demand for sheet ingot and primary foundry alloys also continued increasing, mainly due to the positive developments in the automotive industry.

Total global stocks at the end of the first quarter were estimated to be 12.3 million mt, 0.6 million mt lower than the level at the end of first quarter last year, but at the same level as at fourth quarter of 2017. LME stocks have declined 0.6 million mt since the first quarter of 2017, amounting to 1.3 million mt at the end of the first quarter 2018. LME stocks have, however, increased 0.2 million mt from the end of the fourth quarter 2017. Chinese reported stocks have increased 1.0 million mt since the first quarter of 2017, and are now at 3.0 million mt. Chinese reported stocks have increased 0.4 million mt since the fourth quarter of 2017. Estimated unreported global stocks were down 1.2 million mt compared to the first quarter of 2017, and have decreased 0.6 million mt compared to the fourth quarter of 2017.

Rolled products

European demand for flat rolled products increased by around 4 percent compared to the first quarter of last year due to improved demand across most segments. Compared to the fourth quarter of 2017 growth of around 10 percent was mainly driven by seasonality.

Compared to the first quarter last year demand in automotive continued to show a positive development, driven by increasing substitution of steel by aluminium for automotive body sheet. However, total European car production has been flat in the quarter. Building and construction demand continued to recover, particularly in parts of Southern Europe and in Germany. Beverage can is developing positively due to beverage can steel line conversions and expected new aluminium lines in Southern Europe. European foil demand improved, partly due to increased demand from the US as a result of the imposed anti-dumping duties on China. The demand growth in general engineering was solid despite the intensified competition from China.

The current positive market conditions for rolled products are expected to continue into the second quarter of 2018.

Extruded products

European demand for extrusions increased 3 percent compared to the first quarter of 2017, supported by stronger automotive demand. Compared to the fourth quarter of the previous year demand increased by 12 percent, caused by increased seasonal demand and demand growth within the automotive and building and construction markets.

The North American demand for extrusion experienced an increase of 8 percent compared to the first quarter of last year. Demand increased 12 percent compared to the fourth quarter of last year, supported by positive seasonality. North America is currently driven by stronger automotive demand and higher activity in the building and construction market. The commercial trailer market is is also improving.

The current positive market conditions are expected to continue into the second quarter of 2018.

Energy

Nordic spot prices were significantly higher compared to the same period last year and the previous quarter. High consumption due to cold weather, increasing export volumes towards continental Europe and lower available production capacity in the Nordic market gave support to prices. Higher coal and carbon prices also had an impact.

At the end of the first quarter in 2018, the Nordic hydrological balance was around 3 TWh below normal[1)], which is the same level as the end of the first quarter last year. Compared to the previous quarter the hydrological balance decreased from 14 TWh above normal to 3 TWh below normal. Water reservoirs in Norway were 29.6 percent of full capacity at the end of the quarter, which is 9.5 percentage points below the normal level. Snow reservoirs were above normal levels at the end of the quarter.

1) Normal based on long term historical averages.

Additional factors impacting Hydro

Following a period of extreme rainfall in February authorities ordered several measures against Alunorte, including that the Alunorte alumina refinery is required to operate at 50 percent of its capacity while authorities review the situation, over concerns that flooding led to harmful spills. Findings of an internal and an external task force confirm that there was no overflow from the bauxite residue deposit areas as well as no indication or evidence of contamination to nearby local communities from Alunorte as a result of the heavy rainfall.

Hydro has decided to initiate a NOK 500 million investment to the water treatment system at Alunorte. This aims at increasing the water treatment capacity by 50 percent and improving the robustness of the plant to withstand future extreme weather conditions. In addition, to support broad collaboration for social change in Barcarena, Hydro will commit around NOK 250 million in local community investments through the Sustainable Barcarena Initiative. The initiative will establish an independent organization that will provide a public platform for data monitoring and evaluation, and develop social and environmental projects.

On April 10, 2018 Albras' Board of Directors has decided to curtail 50 percent of aluminium production at the Albras aluminium plant. The curtailment represents 230,000 mt on an annualized basis and is a result of the Alunorte alumina refinery not being able to supply more than 50 percent of Albras' alumina needs following Alunorte's forced production cut. Hydro has issued a force majeure notice towards Albras' customers due to the production cuts.

On February 26, 2018, Hydro made a binding offer to acquire Rio Tinto's Icelandic aluminium plant Rio Tinto Iceland Ltd (ISAL), its 53 percent share in Dutch anode facility Aluminium & Chemie Rotterdam B.V. (Aluchemie) in which Hydro currently holds 47 percent, and 50 percent of the shares in Swedish aluminium fluoride plant Alufluor AB. ISAL produces 210,000 mt liquid metal and a total of 230,000 mt extrusion ingot for the European building, construction and transportation segments from its newly built casthouse with full ultrasonic testing capabilities. Completion of the transaction is subject to approval from relevant competition authorities, and is expected in the second or third quarter of 2018.

Primary Metal has sold forward around 50 percent of its expected primary aluminium production for the second quarter of 2018 at a price level of around USD 2,125 per mt.[1)]

On March 8, 2018 the US administration imposed tariffs of 10 percent on aluminium imports to the US. Exemptions for certain countries are currently under discussion. The final framework is yet to be decided, and long-term effects are uncertain. In the short-term, Hydro does not expect any significant impact on its operations.

On April 2, 2018 Norsk Hydro's acquisition of Arconic's two extrusion plants in Brazil was completed. The acquisition will strengthen Hydro's downstream position in Brazil and create a solid platform for further growth. The two extrusion plants in Utinga and Tubarão in southern Brazil have combined more than 600 employees, one cast house, seven presses ranging from 7 to 14 inches and value-added capabilities.

On April 6, 2018 the US Department of Treasury's Office of Foreign Assets Control issued a sanctions list that included Russian individuals and companies including the Russian aluminium company Rusal. Hydro has multiple business relations with Rusal throughout the value chain and is currently evaluating potential effects and mitigating actions.

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

1) 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	First quarter 2018	First quarter 2017	Change prior year quarter	Fourth quarter 2017	Change prior quarter	Year 2017
Earnings before financial items and tax (EBIT) (NOK million)	**741**	756	(2) %	1 872	(60) %	3 704
Underlying EBIT (NOK million)	**741**	756	(2) %	1 872	(60) %	3 704
Underlying EBITDA (NOK million)	**1 370**	1 334	3 %	2 551	(46) %	6 190
Alumina production (kmt)	**1 277**	1 523	(16) %	1 693	(25) %	6 397
Sourced alumina (kmt)	**1 121**	600	87 %	610	84 %	2 522
Total alumina sales (kmt)	**2 071**	2 129	(3) %	2 344	(12) %	8 920
Realized alumina price (USD/mt) [1)]	**371**	309	20 %	398	(7) %	326
Bauxite production (kmt) [2)]	**2 326**	2 400	(3) %	3 049	(24) %	11 435
Sourced bauxite (kmt) [3)]	**1 317**	1 675	(21) %	2 103	(37) %	7 601

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

The 50 percent production restriction at Alunorte and subsequent reduction of production at Paragominas during March had a negative impact on the results for the first quarter. The impact is estimated at around NOK 450 million, largely driven by lost margins on reduced Alunorte and Paragominas volumes.

Underlying EBIT for Bauxite & Alumina was similar to the first quarter of last year. The results were driven by higher realized alumina sales prices offset by higher raw material prices and reduced output at both plants.

Due to the situation at Alunorte, Bauxite and Alumina's "Better" improvement program will not reach the 2018 target.

Compared to the fourth quarter of 2017 the underlying EBIT decreased driven by lower realized alumina prices, higher raw material prices and lower alumina sales volumes due to the factors discussed above.

Primary Metal

Operational and financial information [1)]	First quarter 2018	First quarter 2017	Change prior year quarter	Fourth quarter 2017	Change prior quarter	Year 2017
Earnings before financial items and tax (EBIT) (NOK million)	**917**	797	15 %	1 112	(18) %	4 729
Underlying EBIT (NOK million)	**823**	900	(9) %	1 377	(40) %	5 061
Underlying EBITDA (NOK million)	**1 349**	1 392	(3) %	1 900	(29) %	7 078
Realized aluminium price LME (USD/mt) [2)]	**2 140**	1 757	22 %	2 092	2 %	1 915
Realized aluminium price LME (NOK/mt) [2)]	**16 929**	14 798	14 %	17 066	(1) %	15 888
Realized premium above LME (USD/mt) [3)]	**295**	266	11 %	259	14 %	265
Realized premium above LME (NOK/mt) [3)]	**2 335**	2 236	4 %	2 116	10 %	2 197
Realized USD/NOK exchange rate	**7.91**	8.42	(6) %	8.16	(3) %	8.30
Primary aluminium production (kmt)	**514**	516	-	528	(3) %	2 094
Casthouse production (kmt)	**531**	521	2 %	550	(3) %	2 169
Total sales (kmt)	**578**	577	-	554	4 %	2 278

1) Operating and financial information includes Hydro's proportionate share of underlying income (loss) of 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%)	First quarter 2018	First quarter 2017	Change prior year quarter	Fourth quarter 2017	Change prior quarter	Year 2017
Revenue (NOK million)	**1 356**	1 355	-	1 613	(16) %	5 821
Underlying EBIT (NOK million)	**266**	157	69 %	318	(16) %	985
Underlying EBITDA (NOK million)	**532**	457	16 %	599	(11) %	2 157
Net income (loss) (NOK million)	**210**	98	>100 %	259	(19) %	747
Underlying Net income (loss) (NOK million)	**210**	98	>100 %	259	(19) %	747
Primary aluminium production (kmt)	**77**	76	1 %	78	(1) %	310
Casthouse sales (kmt)	**73**	80	(9) %	86	(15) %	325

Underlying EBIT for Primary Metal declined compared to the first quarter of last year due to higher raw material costs, partly offset by higher all-in metal prices[1)].

The "Better Primary Metal" improvement program is not expected to reach the target for 2018 due to the production curtailment at Albras. The curtailment is a result of reduced availability of alumina from Alunorte.

Compared to the fourth quarter of 2017, underlying EBIT for Primary Metal declined, mainly due to higher raw material costs, partly offset by higher all-in metal prices, higher sales volumes and lower fixed costs.

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

Metal Markets

Operational and financial information	**First quarter 2018**	First quarter 2017	Change prior year quarter	Fourth quarter 2017	Change prior quarter	Year 2017
Earnings before financial items and tax (EBIT) (NOK million)	**305**	(13)	>100 %	158	94 %	485
Underlying EBIT (NOK million)	**178**	24	>100 %	185	(4) %	544
Currency effects	**(11)**	(21)	47 %	47	>(100) %	83
Inventory valuation effects	**50**	(38)	>100 %	(19)	>100 %	(38)
Underlying EBIT excl. currency and inventory valuation effects	**139**	83	67 %	157	(11) %	499
Underlying EBITDA (NOK million)	**201**	47	>100 %	209	(4) %	638
Remelt production (kmt)	**150**	143	4 %	137	9 %	568
Metal products sales excluding ingot trading (kmt) [1)]	**745**	735	1 %	720	4 %	2 921
Hereof external sales (kmt)	**580**	672	(14) %	589	(1) %	2 575

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

Underlying EBIT for Metal Markets increased compared to the first quarter of last year. The increase was due to higher sales volumes and margins from the remelters, higher results from sourcing and trading activities, as well as positive inventory valuation effects.

Compared to the fourth quarter of 2017 underlying EBIT for Metal Markets declined, mainly due to lower results from sourcing and trading activities and negative currency effects, partly offset by positive inventory valuation effects and higher sales volumes and margins from the remelters.

Rolled Products

Operational and financial information	**First quarter 2018**	First quarter 2017	Change prior year quarter	Fourth quarter 2017	Change prior quarter	Year 2017
Earnings before financial items and tax (EBIT) (NOK million)	**78**	450	(83) %	-	-	512
Underlying EBIT (NOK million)	**232**	106	>100 %	95	>100 %	380
Underlying EBITDA (NOK million)	**456**	307	48 %	325	40 %	1 240
Sales volumes to external market (kmt)	**245**	241	2 %	224	9 %	940
Sales volumes to external markets (kmt) - Product areas						
Can & foil	**90**	85	6 %	87	4 %	352
Lithography & automotive	**78**	78	-	68	14 %	297
Special products	**77**	78	(2) %	69	12 %	291
Rolled Products	**245**	241	2 %	224	9 %	940

Underlying EBIT increased compared to the first quarter of 2017. Increasing margins and improved production performance were partly offset by negative currency effects. Results from the Neuss smelter increased mainly due to positive effects from new power contracts, including an internal contract with Energy.

Rolled Products is on track with its "Better Rolled Products" improvement program for 2018.

Compared to the fourth quarter of 2017 the underlying EBIT improved significantly. Seasonally higher sales volumes and lower maintenance cost more than offset the negative currency development. Results from the Neuss smelter increased mainly due to a positive effect from new power contracts.

Extruded Solutions

Operational and financial information	**First quarter 2018**	First quarter 2017	Change prior year quarter	Fourth quarter 2017	Change prior quarter	Year 2017
Earnings before financial items and tax (EBIT) (NOK million)	**687**			1 722	(60) %	1 722
Underlying EBIT (NOK million)	**734**			284	>100 %	284
Underlying EBITDA (NOK million)	**1 155**			728	59 %	728
Sales volumes to external markets (kmt)	**362**			318	14 %	318
Sales volumes to external markets (kmt) - Business units						
Extrusion Europe	**154**			130	18 %	130
Extrusion North America	**152**			134	13 %	134
Building Systems	**20**			19	4 %	19
Precision tubing	**37**			34	8 %	34
Extruded Solutions	**362**			318	14 %	318

The new Extruded Solutions business area was formed at the beginning of the fourth quarter following Hydro's acquisition of the remaining 50 percent of Sapa shares. The business areas' financial results are fully consolidated from the closing date October 2, 2017.

Sapa's financial results prior to the transaction were reported as a 50 percent owned joint venture in the Other and eliminations section.

For pro forma information related to the Extruded Solutions business area and a more detailed results explanation please see the corresponding section later in this report.

Energy

Operational and financial information	**First quarter 2018**	First quarter 2017	Change prior year quarter	Fourth quarter 2017	Change prior quarter	Year 2017
Earnings before financial items and tax (EBIT) (NOK million)	**278**	423	(34) %	457	(39) %	1 531
Underlying EBIT (NOK million)	**278**	423	(34) %	457	(39) %	1 531
Underlying EBITDA (NOK million)	**339**	476	(29) %	519	(35) %	1 757
Direct production costs (NOK million)[1)]	**163**	164	(0) %	171	(5) %	614
Power production (GWh)	**2 433**	2 869	(15) %	3 089	(21) %	10 835
External power sourcing (GWh)	**2 215**	2 272	(3) %	2 498	(11) %	9 562
Internal contract sales (GWh)	**3 622**	3 470	4 %	3 724	(3) %	14 424
External contract sales (GWh)	**263**	261	1 %	230	14 %	767
Net spot sales (GWh)	**763**	1 409	(46) %	1 633	(53) %	5 206

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

Underlying EBIT for Energy decreased, both compared to the same quarter last year and the previous quarter. The decrease was mainly due to lower production and the negative effects from the repricing of an internal power contract with the Neuss smelter. These negative effects were partly offset by higher sales prices. First quarter production was reduced due to a planned maintenance outage at one of the power plants.

Other and eliminations

Financial information NOK million	First quarter 2018	First quarter 2017	Change prior year quarter	Fourth quarter 2017	Change prior quarter	Year 2017
Earnings before financial items and tax (EBIT)	**295**	(3)	>100 %	(810)	>100 %	(495)
Sapa (50%) 1)		281				819
Other	**(207)**	(140)	(48) %	(279)	26 %	(586)
Eliminations	**368**	(67)	>100 %	(436)	>100 %	(522)
Underlying EBIT	**161**	74	>100 %	(715)	>100 %	(289)

1) Hydro's share of Sapa's underlying net income.

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 transaction and integration costs related to the Sapa transaction.

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.

Following the acquisition of the remaining 50 percent interest in Sapa AS completed on October 2, 2017, Sapa AS has been renamed Hydro Extruded Solutions AS and the fully consolidated financial results are presented in the Extruded Solutions business area.

Finance

Financial income (expense) NOK million	First quarter 2018	First quarter 2017	Change prior year quarter	Fourth quarter 2017	Change prior quarter	Year 2017
Interest income	**60**	93	(36) %	67	(11) %	322
Dividends received and net gain (loss) on securities	**(2)**	11	>(100) %	75	>(100) %	159
Financial income	**58**	104	(44) %	142	(59) %	481
Interest expense	**(123)**	(105)	(17) %	(115)	(7) %	(378)
Capitalized interest	**-**	21	-	8	-	76
Net foreign exchange gain (loss)	**(333)**	218	>(100) %	(696)	52 %	(875)
Net interest on pension liability	**(33)**	(33)	-	(51)	36 %	(152)
Other	**(44)**	(69)	37 %	(65)	33 %	(266)
Financial expense	**(533)**	33	>(100) %	(919)	42 %	(1 596)
Financial income (expense), net	**(475)**	136	>(100) %	(776)	39 %	(1 114)

The net foreign exchange loss, mainly unrealized, of NOK 333 million reflects primarily a weakening of USD rates against NOK. This resulted in an unrealized loss on the intercompany financial assets denominated in USD.

Tax

Income tax expense amounted to NOK 749 million for the first quarter of 2018 or about 27 percent of income before tax.

Pro forma information

The following section is comprised of selected financial and operating information and a discussion of underlying developments including 100 percent of the acquired Sapa business for the full year 2017 and the first quarter 2018 on a comparable basis with the earlier periods presented.

Summary consolidated underlying financial and operating results

Key financial information NOK million	**First quarter 2018**	First quarter 2017	Change prior quarter	Fourth quarter 2017	Change prior year quarter	Year 2017
Revenue	**39 971**	36 129	11 %	38 803	3 %	148 920
Earnings before financial items and tax (EBIT)	**3 301**	2 868	15 %	3 048	8 %	11 927
Items excluded from underlying EBIT	**(155)**	(182)	15 %	508	>(100) %	510
Underlying EBIT[1)]	**3 147**	2 686	17 %	3 555	(11) %	12 437
Earnings before financial items, tax, depreciation and amortization (EBITDA)	**5 193**	4 620	12 %	5 016	4 %	19 294
Underlying EBITDA	**5 038**	4 438	14 %	5 524	(9) %	19 786

1) Underlying EBIT includes certain effects of the acquisition such as increased depreciation and amortization following fair value adjustment related to long-lived assets.

Extruded Solutions

Operational and financial information	**First quarter 2018**	First quarter 2017	Change prior quarter	Fourth quarter 2017	Change prior year quarter	Year 2017
Revenue (NOK million)	**15 911**	14 323	11 %	14 153	12 %	57 769
Earnings before financial items and tax (EBIT) (NOK million)	**687**	778	(12) %	258	>100 %	2 265
Unrealized derivative effects (NOK million)	**47**	(78)	>100 %	(4)	>100 %	36
Significant rationalization charges and closure costs (NOK million)	**-**	-	-	29	(100) %	29
Items excluded from underlying EBIT (NOK million)	**47**	(78)	>100 %	25	86 %	65
Underlying EBIT (NOK million)[1)]	**734**	700	5 %	284	>100 %	2 330
Earnings before financial items, tax, depreciation and amortization (EBITDA)	**1 108**	1 178	(6) %	703	58 %	3 917
Underlying EBITDA (NOK million)	**1 155**	1 100	5 %	728	59 %	3 982
Sales volumes to external markets (kmt)	**362**	355	2 %	318	14 %	1 372
Sales volumes to external markets (kmt) - Business units						
Extrusion Europe	**154**	149	3 %	130	18 %	568
Extrusion North America	**152**	150	1 %	134	13 %	584
Building Systems	**20**	20	-	19	4 %	78
Precision tubing	**37**	36	3 %	34	8 %	143
Extruded Solutions	**362**	355	2 %	318	14 %	1 372

1) Underlying EBIT includes certain effects of the acquisition such as increased depreciation and amortization following fair value adjustment related to long-lived assets.

Underlying EBIT for Extruded Solutions increased compared to the pro forma underlying EBIT in the first quarter 2017, driven by improved sales volumes and margins.

Compared to the the fourth quarter 2017 the underlying EBIT increased, primarily due to seasonally higher volumes.

Interim financial statements

Condensed consolidated statements of income (unaudited)

NOK million, except per share data	First quarter **2018**	First quarter 2017	Year 2017
Revenue	**39 971**	23 026	109 220
Share of the profit (loss) in equity accounted investments	**221**	409	1 527
Other income, net	**155**	164	2 947
Total revenue and income	**40 346**	23 599	113 693
Raw material and energy expense	**25 196**	14 822	69 848
Employee benefit expense	**5 772**	2 613	13 285
Depreciation, amortization and impairment	**1 909**	1 352	6 162
Other expenses	**4 168**	2 402	12 209
Total expenses	**37 045**	21 190	101 504
Earnings before financial items and tax (EBIT)	**3 301**	2 410	12 189
Financial income	**58**	104	481
Financial expense	**(533)**	33	(1 596)
Financial income (expense), net	**(475)**	136	(1 114)
Income (loss) before tax	**2 826**	2 546	11 075
Income taxes	**(749)**	(707)	(1 891)
Net income (loss)	**2 076**	1 838	9 184
Net income (loss) attributable to non-controlling interests	**(14)**	76	401
Net income (loss) attributable to Hydro shareholders	**2 091**	1 762	8 783
Basic and diluted earnings per share attributable to Hydro shareholders (in NOK) [1)]	**1.02**	0.86	4.30
Weighted average number of outstanding shares (million)	**2 045**	2 043	2 044

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)

NOK million	First quarter 2018	First quarter 2017 Restated	Year 2017 Restated
Net income (loss)	**2 076**	1 838	9 184
Other comprehensive income			
Items that will not be reclassified to income statement:			
Remeasurement postemployment benefits, net of tax	**68**	465	761
Unrealized gain (loss) on securities, net of tax	**(37)**	(20)	(255)
Share of remeasurement postemployement benefits of equity accounted investments, net of tax	**-**	-	(2)
Total	**31**	445	504
Items that will be reclassified to income statement:			
Currency translation differences, net of tax	**(3 147)**	808	(1 387)
Cash flow hedges, net of tax	**(86)**	32	174
Share of items that will be reclassified to income statement of equity accounted investments, net of tax	**39**	107	(736)
Total	**(3 193)**	946	(1 949)
Other comprehensive income	**(3 162)**	1 391	(1 444)
Total comprehensive income	**(1 085)**	3 230	7 740
Total comprehensive income attributable to non-controlling interests	**(287)**	184	103
Total comprehensive income attributable to Hydro shareholders	**(798)**	3 046	7 637

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

Condensed balance sheets (unaudited)

NOK million, except number of shares	March 31 2018	March 31 2017	December 31 2017 Restated
Assets			
Cash and cash equivalents	**9 371**	8 333	11 828
Short-term investments	**1 031**	4 403	1 311
Accounts receivables	**22 785**	12 851	19 983
Inventories	**20 626**	12 557	20 711
Other current assets	**818**	301	798
Total current assets	**54 631**	38 445	54 631
Property, plant and equipment	**69 945**	59 627	72 933
Intangible assets	**12 133**	5 919	12 712
Investments accounted for using the equity method	**10 551**	19 937	11 221
Prepaid pension	**5 933**	4 718	5 750
Other non-current assets	**5 588**	5 630	6 028
Total non-current assets	**104 150**	95 831	108 643
Total assets	**158 781**	134 276	163 273
Liabilities and equity			
Bank loans and other interest-bearing short-term debt	**5 269**	3 481	8 245
Trade and other payables	**20 621**	10 224	19 571
Other current liabilities	**4 852**	3 337	5 521
Total current liabilities	**30 742**	17 041	33 337
Long-term debt	**8 746**	3 373	9 012
Provisions	**5 652**	4 526	5 828
Pension liabilities	**14 911**	12 804	15 118
Deferred tax liabilities	**3 522**	2 567	3 501
Other non-current liabilities	**4 084**	3 174	4 269
Total non-current liabilities	**36 916**	26 444	37 728
Total liabilities	**67 658**	43 486	71 064
Equity attributable to Hydro shareholders	**86 233**	84 952	87 032
Non-controlling interests	**4 891**	5 838	5 178
Total equity	**91 124**	90 790	92 209
Total liabilities and equity	**158 781**	134 276	163 273
Total number of outstanding shares (million)	**2 045**	2 043	2 045

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

Condensed consolidated statements of cash flows (unaudited)

	First quarter		Year
NOK million	**2018**	2017	2017
Operating activities			
Net income	**2 076**	1 838	9 184
Depreciation, amortization and impairment	**1 909**	1 352	6 162
Other adjustments	**(1 996)**	(2 522)	(999)
Net cash provided by operating activities	**1 989**	668	14 347
Investing activities			
Purchases of property, plant and equipment	**(1 369)**	(1 396)	(7 296)
Purchases of other long-term investments	**(130)**	(32)	(11 190)
Purchases of short-term investments	**-**	(1 250)	(5 094)
Proceeds from long-term investing activities	**28**	272	742
Proceeds from sales of short-term investments	**-**	1 750	8 402
Net cash used in investing activities	**(1 471)**	(656)	(14 436)
Financing activities			
Loan proceeds	**1 594**	2 180	15 271
Principal repayments	**(1 365)**	(1 821)	(10 917)
Net increase (decrease) in other short-term debt	**(2 931)**	(153)	2 515
Proceeds from shares issued	**10**	5	40
Dividends paid	**-**	-	(3 069)
Net cash provided by (used in) financing activities	**(2 692)**	211	3 840
Foreign currency effects on cash	**(283)**	73	40
Net increase (decrease) in cash and cash equivalents	**(2 457)**	296	3 791
Cash and cash equivalents at beginning of period	**11 828**	8 037	8 037
Cash and cash equivalents at end of period	**9 371**	8 333	11 828

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, 2017	2 272	29 070	(870)	50 210	1 224	81 906	5 733	87 640
Changes in equity for 2017								
Dividends				-		-	(79)	(79)
Total comprehensive income for the period				1 762	1 283	3 046	184	3 230
March 31, 2017	2 272	29 070	(870)	51 973	2 508	84 952	5 838	90 790
December 31, 2017	2 272	29 097	(810)	56 435	80	87 074	5 178	92 252
Effect of change in accounting principle				17	(60)	(43)	-	(43)
January 1, 2018	2 272	29 097	(810)	56 452	20	87 032	5 178	92 209
Changes in equity for 2018								
Total comprehensive income for the period				2 091	(2 889)	(798)	(287)	(1 085)
March 31, 2018	2 272	29 097	(810)	58 543	(2 869)	86 233	4 891	91 124

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

Notes to the condensed consolidated financial statements

Note 1: Accounting policies

All reported figures in the financial statements are based on International Financial Reporting Standards (IFRS). Hydro's accounting principles are presented in note 2 Significant accounting policies and note 3 Changes in accounting principles and new pronouncements in Hydro's Financial Statements - 2017.

IFRS 15 Revenue from Contracts with Customers
Hydro implemented IFRS 15 as of January 1, 2018. The new standard is implemented retrospectively with the cumulative effect of initially applying this standard recognized directly to equity at implementation.

IFRS 15 requires us to, for each contract with a customer, to identify the performance obligations, determine the transaction price, allocate the transaction price to performance obligations to the extent the contract covers more than one performance obligation, determine whether revenue should be recognized over time or at a point in time, and, finally, recognize revenue when or as performance obligations are recognized. The potential changes for Hydro are related to which contracts that qualify for recognition over time, versus recognition at a point in time; at delivery to customer.

Hydro's performance obligations can be described as follows:

- sale of products, produced independent of customer orders
- sale of products, produced to customer order
- sale of products made to customer specifications and order
- sale of electricity

For products which are not made to the customer's specification, performance obligations are either the individual product, the delivery in total, or an agreed volume of products delivered in more than one delivery. Contracts covering a fixed, committed volume at fixed or determinable prices are relevant for this assessment. Delivery period for such contracts can cover a period of a few weeks, and up to one year. Some contracts cover more than one year, however, these are a declining number. Prices are usually a combination of fixed elements and market references such as the aluminium price at the London Metal Exchange, at, or prior to, delivery. Revenue related to such contracts continues to be recognized at delivery of products to customers. Such contracts accounts for the majority of sales in the segments Bauxite & Alumina, Primary Metal, Metal Markets and Rolled Products, and a significant share of sales in Extruded Solutions. Some of these contracts includes an element of freight services, which is considered a separate performance obligation under IFRS 15, and related revenue is recognized over the time of journey.

For products made to customer specifications and orders, we have assessed whether the finished product has an alternative use to Hydro, and whether Hydro has an enforceable right to payment. For contracts where both of these conditions are fulfilled, revenue shall be recognized over the time from start of production of the specialized product until completion of delivery to the customer. For Hydro's products, the alternative use of customer designed products would, in most cases, be as basis for producing other products rather than for sale of the product unchanged. Further, we are in the process of finalizing the assessment of whether Hydro has an enforceable right to payment for performance completed to date, including a reasonable margin, throughout the production period. The assessment is primarily related to the segment Extruded Solutions, which was acquired by Hydro in October 2017. The main assessment is related to which compensation Hydro would be entitled to in a situation where firm orders are canceled or amended by the customer. Our preliminary conclusion is that most contracts do not secure enforceable right to payment, however, as our conclusions depends both on legal assessment of a large number of contracts in many countries, and on the understanding of what constitutes an enforceable right to payment under IFRS 15, we might reach a different conclusion in the future for some of the contracts. The period from contract inception (firm order) to delivery of products to customer in Extruded Solutions is usually not exceeding about six weeks, often considerably shorter. For one unit in Metal Markets selling casthouse equipment, the period from order to final delivery varies from a few months to more than one year.

For some contracts, mainly where products are delivered to the customer's site as consignment stock, control is concluded to pass to the customer at an earlier time than transfer of risk and rewards as assessed under IAS 18.

Sale of electricity from the Energy segment continues to be recognized as electricity is delivered to customers through the relevant grid.

IFRS 9 Financial Instruments

IFRS 9 shall be applied retrospectively. There are some transitional effects that shall or may be recognized in the opening equity at transition, i.e. January 1, 2018. IFRS 9 will not lead to any significant changes in timing of recognition or how to measure assets or liabilities and related income and expense. Hydro has classified the currently held portfolio of equity investments that are not part of trading portfolios as instruments at fair value through Other Comprehensive Income (FVOCI). All changes in the fair value of those instruments, including an ultimate gain or loss at divestment of the instrument, will be recognized in OCI. Recognized changes to fair value of such investments of NOK 239 million, after tax, will not be recycled in future periods. There will be some changes to presentation and disclosures, however, the impact for Hydro's current portfolio of instruments is minor. Some additional risk management strategies related to commodity price exposure will qualify for hedge accounting, however, Hydro has decided not to apply hedge accounting for any additional risk management activities utilized as of the end of 2017. For one cash flow hedge program for a previous investment project which is deferred in the hedging reserve in equity and reclassified to income over the depreciation period of the asset, the remaining hedging reserve of NOK 60 million will be reclassified to reduce the carrying value of the asset and related deferred tax as a basis adjustment.

	IFRS 15		IFRS 9	Effect of change
Change of accounting principles, amounts in NOK million	Earlier recognition	Later recognition		in accounting principles
Current assets	26	8		34
Property, plant and equipment			(87)	(87)
Total assets	26	8	(87)	(54)
Current liabilities		11		11
Deferred tax liabilities	6	(1)	(27)	(22)
Equity attributable to Hydro shareholders	20	(2)	(60)	(43)
Total liabilities and equity	26	8	(87)	(54)

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 - 2017 that are a part of Hydro's Annual Report - 2017.

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 - 2017 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 Extruded Solutions segment includes the business acquired as a 100 percent owned subsidiary in fourth quarter 2017.

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

NOK million	First quarter 2018	First quarter 2017	Year 2017
Total revenue			
Bauxite & Alumina	**6 309**	5 911	25 421
Primary Metal	**10 170**	8 641	36 466
Metal Markets	**13 898**	12 149	50 606
Rolled Products	**6 797**	6 277	25 715
Extruded Solutions[1)]	**15 911**	-	14 153
Energy	**1 762**	1 955	7 705
Other and eliminations	**(14 877)**	(11 906)	(50 847)
Total	**39 971**	23 026	109 220
External revenue			
Bauxite & Alumina	**3 509**	3 382	15 188
Primary Metal	**2 018**	1 700	7 578
Metal Markets	**10 901**	11 094	44 264
Rolled Products	**6 870**	6 153	25 538
Extruded Solutions[1)]	**15 932**	**-**	14 083
Energy	**738**	687	2 550
Other and eliminations	**4**	9	18
Total	**39 971**	23 026	109 220
Internal revenue			
Bauxite & Alumina	**2 800**	2 528	10 234
Primary Metal	**8 152**	6 941	28 888
Metal Markets	**2 997**	1 054	6 341
Rolled Products	**(72)**	124	178
Extruded Solutions[1)]	**(21)**	**-**	70
Energy	**1 024**	1 267	5 155
Other and eliminations	**(14 881)**	(11 915)	(50 865)
Total	**-**	-	-
Share of the profit (loss) in equity accounted investments			
Bauxite & Alumina	**-**	-	-
Primary Metal	**210**	98	745
Metal Markets	**-**	-	-
Rolled Products	**-**	-	-
Extruded Solutions[1)]	**17**	313	812
Energy	**(10)**	-	(7)
Other and eliminations	**3**	(1)	(24)
Total	**221**	409	1 527

NOK million	First quarter 2018	First quarter 2017	Year 2017
Depreciation, amortization and impairment			
Bauxite & Alumina	**630**	577	2 486
Primary Metal	**546**	492	2 026
Metal Markets	**24**	23	95
Rolled Products	**223**	201	860
Extruded Solutions[1)]	**421**	-	444
Energy	**58**	53	223
Other and eliminations	**7**	6	28
Total	**1 909**	1 352	6 162
Earnings before financial items and tax (EBIT)[2)]			
Bauxite & Alumina	**741**	756	3 704
Primary Metal	**917**	797	4 729
Metal Markets	**305**	(13)	485
Rolled Products	**78**	450	512
Extruded Solutions1)	**687**	313	2 522
Energy	**278**	423	1 531
Other and eliminations	**295**	(316)	(1 295)
Total	**3 301**	2 410	12 189
EBITDA			
Bauxite & Alumina	**1 370**	1 334	6 190
Primary Metal	**1 443**	1 289	6 747
Metal Markets	**329**	9	579
Rolled Products	**302**	651	1 372
Extruded Solutions[1)]	**1 108**	313	2 966
Energy	**339**	476	1 757
Other and eliminations	**302**	(310)	(1 268)
Total	**5 193**	3 762	18 344
Investments[3)]			
Bauxite & Alumina	**240**	318	1 634
Primary Metal	**530**	827	3 537
Metal Markets	**11**	14	143
Rolled Products	**127**	120	997
Extruded Solutions[1)]	**280**	-	22 137
Energy	**97**	75	361
Other and eliminations	**34**	16	39
Total	**1 319**	1 372	28 848

1) The Extruded Solutions segment includes the business acquired as a 100 percent owned subsidiary in fourth quarter 2017. For the previous periods, the segment includes the same business reported as 50 percent owned joint venture, reported using the equity method.
2) 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.
3) 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.

NOK million	EBIT	Depr., amor. and impairment	Other items[2]	EBITDA
EBIT - EBITDA First quarter 2018				
Bauxite & Alumina	741	630	-	1 370
Primary Metal	917	546	(21)	1 443
Metal Markets	305	24	-	329
Rolled Products	78	223	-	302
Extruded Solutions[1]	687	421	-	1 108
Energy	278	58	3	339
Other and eliminations	295	7	-	302
Total	3 301	1 909	(17)	5 193

1) The Extruded Solutions segment includes the business acquired as a 100 percent owned subsidiary in fourth quarter 2017. For the previous periods, the segment includes the same business reported as 50 percent owned joint venture, reported using the equity method.

2) 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. Hydro is of the opinion that it is not probable that the resulting financial liabilities, if any, will have a material adverse effect on its consolidated results of operations, liquidity or financial position.

Following a period of extreme rainfall in February authorities ordered several measures against Alunorte, including that the Alunorte alumina refinery is required to operate at 50 percent of its capacity while authorities review the situation, over concerns that flooding led to harmful spills. Findings of an internal and an external task force confirms that there was no overflow from the bauxite residue deposit areas as well as no indication or evidence of contamination to nearby local communities from Alunorte as a result of the heavy rainfall. Authorities have issued, or are preparing to issue, fines related to discharge of partly untreated water. Hydro is assessing the potential financial and other impacts of these and other potential actions on an ongoing basis. As of the issuance of these interim financial statements, there is a limited financial effect of fines and related costs that is considered probable and thus provided for. Additional claims for fines and various compensation might be raised against Hydro. The State of Pará has issued a claim with an indicated value of about NOK 600 million, for predominantly moral damages for the population in the area.

In response to the needs in the area, Hydro has decided to increase the social measures for communities close to the plant. Hydro continues to support the communities with immediate needs for water supply and health services, and has committed to contribute to long-term improvements. The associated costs to such measures are considered future operating expenses and thus not provided for.

Note 4: Acquisition of Sapa

On July 10, 2017, Hydro entered into a contract to acquire 50 percent of the shares in Sapa AS, which was a joint venture owned 50 percent by Hydro and 50 percent by Orkla, a listed company in Norway. Following completion of the transaction on October 2, 2017, Hydro owns 100 percent of the parent company Hydro Extruded Solutions AS.

Hydro has started the process of identifying the fair value of assets acquired and liabilities assumed. This process depends on access to detailed information of Sapa's businesses, and many of these procedures could thus not start before Hydro obtained control with Sapa at completion of the transaction. The estimated fair value of net assets of Sapa, which is not yet completed, is unchanged from the amounts recognized at the end of 2017. The valuation of property, plant and equipment and intangible assets is considered good estimates, however, certain quality assurance procedures have not yet been completed.

A preliminary estimate of goodwill in the transaction amounts to NOK 4,119 million, including goodwill recognized in Sapa prior to the acquisition, and is reflected in the preliminary purchase price allocation. Any adjustments in later period will impact deferred tax and goodwill in addition to the item valued. Depreciation and amortization of assets may be impacted should the value of property, plant and equipment or intangible assets, or the remaining useful life of such assets, be reconsidered in later periods. The final fair value assessment is required to be completed within 12 months from completion of the transaction, and may differ from these estimates.

Note 5: Impairment of non-current assets

Hydro has considered whether the requirement to reduce production by 50 percent in the alumina refinery Alunorte, and consequential curtailments represent impairment indicators as of the end of the first quarter. At the time of issuing this report, the duration of the curtailment is still highly uncertain for Alunorte and its primary bauxite source Paragominas, which constitute one, combined Cash Generating Unit (CGU) for impairment assessment. The full production can be resumed within about three weeks when permission to resume full production is received. The period of curtailment is a limited part of the estimated useful life of the CGU provided a restart is allowed within the next few weeks. If a restart permit is not received during the second quarter, the situation is likely to represent a potentially significant reduction of the value of the CGU, and an impairment test may thus be required for the second quarter reporting. For further information about the impairment test of this CGU performed at the end of 2017, see Hydro's Financial statements - 2017 note 19 Impairment of non-current assets.

In April, Hydro's part-owned subsidiary Albras decided to curtail 50 percent of aluminium production at the Albras aluminium plant. The curtailment represents 230,000 mt on an annualized basis and is a result of the Alunorte alumina refinery not being able to supply more than 50 percent of Albras' alumina needs following Alunorte's forced production cut. The decision to reduce capacity is considered an impairment indicator for the Albras plant. Assumptions for an impairment test are highly uncertain, in particular related to timing of restart of production and the cash flows in the near term impacted by both disturbance in market balance and volatile prices for aluminium, alumina and power in the region. In addition, there is uncertainty for power prices beyond the current purchase contract, which expires in 2024. The test performed is based on the assumption that full production is resumed after a limited period; however, reflecting the longer restart period for a smelter compared to the refinery. There is significant uncertainty related to market prices for aluminum, alumina and other raw material. We have assumed that price levels both for raw materials and metal remains at levels similar to levels observed prior to the market disruption, with the long-term development assumed in our long-term price assumptions developed in December 2017. Based on these assumptions, the plant has a limited coverage above carrying value of the assets.

Should the curtailment of 50 percent of the capacity at the Alunorte alumina refinery continue over a significant period of time, it may result in impairment assessment in future periods for affected plants, including the alumina refinery at Alunorte, the Paragominas bauxite mine supplying raw material in to Alunorte, the Albras aluminium plant as well as other aluminium plants using alumina from Alunorte as raw material.

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.
- *(Gains) losses on divestments* include a net gain or loss on divested businesses and/or individual major assets.
- *Other effects* include recognition of pension plan amendments and related curtailments and settlements, insurance proceeds covering asset damage, legal settlements, etc. Insurance proceeds covering lost income are included in underlying results.
- *Transaction related effects (Sapa)* reflect the net measurement gain relating to previously owned shares in Sapa and an inventory valuation expense related to the Sapa transaction.
- *Items excluded in equity accounted investments* reflects Hydro's share of items excluded from underlying net income in Sapa, until end of third quarter 2017, and 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	**First quarter 2018**	First quarter 2017	Fourth quarter 2017	Year 2017
Bauxite & Alumina	**-**	-	-	-
Unrealized derivative effects on LME related contracts	**(114)**	29	100	101
Unrealized derivative effects on power contracts	**20**	73	(16)	50
Significant rationalization charges and closure costs	**-**	-	181	181
Primary Metal	**(94)**	103	265	331
Unrealized derivative effects on LME related contracts	**(128)**	38	27	58
Metal Markets	**(128)**	38	27	58
Unrealized derivative effects on LME related contracts	**108**	(58)	(4)	41
Metal effect	**47**	(286)	(146)	(419)
Other effects[2]	**-**	-	245	245
Rolled Products	**154**	(344)	95	(132)
Unrealized derivative effects on LME related contracts	**47**		(4)	(4)
Significant rationalization charges and closure costs	**-**		29	29
Transaction related effects (Sapa)[3]	**-**		(1 463)	(1 463)
Extruded Solutions	**47**		(1 438)	(1 438)
Energy	**-**	-	-	-
Unrealized derivative effects on power contracts[4]	**(107)**	100	107	197
Unrealized derivative effects on LME related contracts[4]	**(26)**	9	21	23
Other effects[5]	**-**	-	(33)	(33)
Unrealized derivative effects (Sapa)		(39)		20
Significant rationalization charges and closure costs (Sapa)		-		-
Net foreign exchange (gain) loss (Sapa)		(4)		5
Calculated income tax effect (Sapa)		11		(6)
Other and eliminations	**(134)**	78	95	206
Items excluded from underlying EBIT	**(155)**	(126)	(956)	(974)

1) Negative figures indicate reversal of a gain and positive figures indicate reversal of a loss.
2) Other effects in Rolled Products reflect a charge related to a customs case in Germany.
3) Transaction related effects include the revaluation gain of Hydro's pre-transactional 50 percent share in Sapa, as well as the fair value allocated to inventory of finished goods and to the backlog of contractual deliveries as of closure, sold during fourth quarter 2017.
4) 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.
5) Other effects in Other and eliminations include the remeasurement of environmental liabilities related to closed business in Germany.

Underlying EBITDA NOK million	**First quarter 2018**	First quarter 2016	Change prior year quarter	Fourth quarter 2017	Change prior quarter	Year 2017
EBITDA	**5 193**	3 762	38 %	6 481	(20) %	18 344
Items excluded from underlying EBIT	**(155)**	(126)	(23) %	(956)	84 %	(974)
Underlying EBITDA	**5 038**	3 637	39 %	5 524	(9) %	17 369

Underlying earnings per share NOK million	**First quarter 2018**	First quarter 2017	Change prior year quarter	Fourth quarter 2017	Change prior quarter	Year 2017
Net income (loss)	**2 076**	1 838	13 %	3 600	(42) %	9 184
Items excluded from net income (loss)	**125**	(258)	>100 %	(783)	>100 %	(788)
Underlying net income (loss)	**2 201**	1 580	39 %	2 816	(22) %	8 396
Underlying net income attributable to non-controlling interests	**40**	44	(9) %	90	(55) %	331
Underlying net income attributable to Hydro shareholders	**2 161**	1 536	41 %	2 726	(21) %	8 066
Number of shares	**2 045**	2 043	-	2 045	-	2 044
Underlying earnings per share	**1.06**	0.75	41 %	1.33	(21) %	3.95

Adjusted net cash (debt)

NOK million	**Mar 31 2018**	Dec 31 2017	Change prior quarter	Mar 31 2017	Dec 31 2016	Change prior year quarter
Cash and cash equivalents	**9 371**	11 828	(2 457)	8 333	8 037	296
Short-term investments [1]	**1 031**	1 311	(279)	4 403	4 611	(209)
Short-term debt	**(5 269)**	(8 245)	2 976	(3 481)	(3 283)	(198)
Long-term debt	**(8 746)**	(9 012)	267	(3 373)	(3 397)	23
Net cash (debt)	**(3 612)**	(4 118)	506	5 882	5 969	(88)
Cash and cash equiv. and short-term investm. in captive insurance company [2]	**(1 026)**	(1 076)	50	(1 134)	(1 103)	(31)
Net pension obligation at fair value, net of expected income tax benefit [3]	**(7 517)**	(7 895)	377	(6 907)	(7 338)	431
Operating lease commitments, net of expected income tax benefit [4]	**(1 585)**	(1 585)	-	(507)	(507)	-
Short- and long-term provisions net of exp. income tax benefit, and other liab. [5]	**(3 150)**	(3 295)	145	(2 691)	(2 619)	(72)
Adjusted net cash (debt)	**(16 890)**	(17 968)	1 078	(5 358)	(5 598)	240
Net debt in EAI [6]	**(5 666)**	(5 798)	132	(6 726)	(6 887)	161
Adjusted net cash (debt) incl. EAI	**(22 556)**	(23 767)	1 210	(12 084)	(12 485)	401

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 1 460 million and NOK 1 474 million for March 2018 and December 2017, respectively.

4) Operating lease commitments are discounted using a rate of 1.14 percent for March 2018 and December 2017 (1.29 for March 2017 and December 2016). The expected tax benefit on operating lease commitments is estimated at 30 percent. The net present value of operating lease commitments is re-calculated once a year in connection with full year reporting.

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. Per March 2018, the adjustment is related to Qatalum.

Additional information

Financial calendar

May 7	Annual General Meeting
July 24	Second quarter results
October 24	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.

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.

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Infinite aluminium