

1 Q. **2012 Capital Projects Overview p. 2**

2 What is the status of Hydro's IFRS implementation Plan?

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5 A. Hydro commenced its IFRS conversion project in 2008 and established a formal
6 project governance structure which includes a steering committee consisting of
7 senior levels of management from various disciplines as appropriate. Regular
8 reporting is provided to the leadership team and the Audit Committee of the Board
9 of Directors. In addition to dedicated internal resources, Hydro has also engaged an
10 external advisor to assist in the IFRS conversion project.

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12 Hydro is currently finalizing and implementing system and process changes,
13 preparing comparative financial information, finalizing and obtaining Audit
14 Committee approval of IFRS compliant financial statements as well as providing
15 further training and communication to affected stakeholders.

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17 Hydro intends to provide a more comprehensive overview of the overall impact of
18 the transition to IFRS during Q4 2011.