

1 Q. What steps are being taken by Hydro to improve management of foreign
2 exchange?

3

4

5 A. Hydro's foreign exchange risk is now limited to its requirement to fund
6 purchases of No. 6 fuel oil with U.S. dollars. In an effort to mitigate this risk,
7 Hydro uses an approach, whereby buying opportunities in advance of the
8 shipment date are identified, and portions of the total U.S. dollar requirement
9 are bought forward. This strategy helps avoid exposing the entire
10 requirement to exchange rates on a given day.