

Normalized earnings attributable to common shareholders and normalized earnings per share

The Company uses normalized earnings per share to measure performance by period on a comparable basis. Normalized earnings per share is based on earnings used in the calculation of earnings per share according to GAAP adjusted for items that are not reflective of performance in the period such as fair value changes, impairment charges, unusual tax adjustments, gains and losses on disposal of assets or unusual contracts, and foreign exchange loss on the translation of U.S. dollar denominated debt. A reconciliation of net income (loss) attributable to shareholders to normalized earnings attributable to common shareholders, and basic earnings (loss) per share to normalized earnings per share is as follows:

(unaudited, \$millions except basic earnings (loss) per share and number of common shares)	Year ended December 31		Three months ended							
	2012	2011	Dec 2012	Sep 2012	Jun 2012	Mar 2012	Dec 2011	Sep 2011	Jun 2011	Mar 2011
	2012	2011	2012	2012	2012	2012	2011	2011	2011	2011
Basic earnings (loss) per share	0.84	1.60	0.19	0.55	(0.50)	0.66	1.47	\$0.29	(0.67)	0.06
Net income (loss) attributable to shareholders of the Company per Consolidated Statements of Income	62	77	15	39	(32)	40	84	15	(25)	3
Preferred share dividends	(6)	(6)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)
Earnings (loss) attributable to common shareholders	56	71	13	38	(34)	39	82	14	(27)	2
Unrealized changes in fair value of CPLP's derivative instruments	-	15	12	(4)	4	(12)	2	2	2	9
Unrealized changes in fair value of CPILP's derivative instruments	-	1	-	-	-	-	(1)	2	-	-
Impairment loss on North East U.S. assets	37	-	-	-	37	-	-	-	-	-
Impairment loss on manager and operating contracts	-	30	-	-	-	-	-	-	30	-
Gain on sale of hydro facilities	(9)	-	(9)	-	-	-	-	-	-	-
Gain on sale of CPILP	-	(60)	-	-	-	-	(60)	-	-	-
Gain on settlement of pension expense from sale of CPILP	-	(3)	-	-	-	-	(3)	-	-	-
Gain on sale of Taylor Coulee Chute	-	(1)	-	-	-	-	(1)	-	-	-
Genesee 1 unplanned outage costs due to plant research and development project	4	-	-	4	-	-	-	-	-	-
Impact of change in non-controlling interest percentage on adjustments of previous quarters	(2)	2	-	-	(2)	-	1	1	-	-
Foreign exchange losses on translation of U.S. dollar debt	-	2	-	-	-	-	-	2	-	-
Income tax adjustments	-	(2)	-	-	-	-	-	-	(2)	-
Normalized earnings attributable to common shareholders	86	55	16	38	5	27	20	21	3	11
Weighted average number of common shares outstanding (millions)	66.82	44.25	69.84	69.52	68.51	59.18	55.64	48.33	40.42	32.32
Normalized earnings per share	1.29	1.24	0.23	0.55	0.07	0.46	0.36	0.43	0.07	0.33

Normalized earnings per share reflects the period-over-period change in normalized earnings and the changes from period to period as the weighted average number of common shares outstanding increases and the net income attributable to non-controlling interests decreases.