

Algonquin Power & Utilities Corp.**Consolidated Statements of Cash Flows***(thousands of Canadian dollars)*

	2012	2011
Cash provided by (used in):		
Operating Activities:		
Net earnings from continuing operations	\$ 23,103	\$ 28,054
Adjustments and items not affecting cash:		
Depreciation of property, plant and equipment	50,382	37,988
Amortization of intangible assets	4,151	6,433
Other amortization	2,175	2,192
Gain on sale of assets	-	(357)
Deferred taxes	(14,304)	(22,847)
Unrealized (gain)/loss on derivative financial instruments	(3,127)	2,324
Share-based compensation	1,956	769
Pension and post retirement expense	2,852	-
Write down of long lived assets	-	15,166
Unrealized foreign exchange loss	57	-
Changes in non-cash operating items (note 22)	(3,884)	(1,542)
Cash provided/(used) in discontinued operations (note 18)	(375)	1,515
	62,986	69,695
Financing Activities:		
Cash dividends on common shares	(36,917)	(28,582)
Cash dividends on preferred shares	(769)	-
Cash distributions to non-controlling interests	(2,640)	(523)
Issuance of common shares	143,041	118,846
Proceeds from subscription receipts	61,160	-
Issuance of preferred shares	115,300	-
Deferred financing costs	(5,435)	(3,642)
Increase in long-term liabilities	505,542	204,759
Decrease in long-term liabilities	(75,432)	(134,932)
Increase in advances in aid of construction	1,051	6,288
Decrease in other long-term liabilities	(860)	(297)
	704,041	161,917
Investing Activities:		
Decrease/(increase) in restricted cash	805	(1,036)
Increase in short-term investments	-	(833)
Increase in other assets	(2,481)	(2,438)
Distributions received in excess of equity income	343	3,839
Receipt of principal on notes receivable	1,894	1,172
Decrease in non-controlling interest	-	1,351
Proceeds from liquidation of Highground assets	-	1,073
Increase in long-term investments and notes receivable	-	(6,900)
Proceeds from sale of property, plant and equipment	-	1,583
Proceeds from sale of subsidiaries	204	-
Additions to property, plant and equipment	(75,692)	(60,745)
Additions to intangibles (note 3(f))	(2,237)	-
Acquisitions of operating entities (note 3(a),(b), and (d))	(669,905)	(100,058)
Acquisition of noncontrolling interest in Calpeco (note 3(e))	(38,756)	-
	(785,825)	(162,992)
Effect of exchange rate differences on cash	(967)	(482)
Increase/(decrease) in cash and cash equivalents from continuing operations	(19,765)	68,138
Cash and cash equivalents, beginning of the period	72,887	4,749
Cash and cash equivalents, end of the period	\$ 53,122	\$ 72,887
Supplemental disclosure of cash flow information:		
Cash paid during the period for interest expense	\$ 28,635	\$ 28,143
Cash paid during the period for income taxes	\$ 252	\$ 195
Non-cash transactions		
Property, plant and equipment acquisitions in accruals	\$ 10,495	\$ 8,556

See accompanying notes to consolidated financial statements