ALGONQUIN
Power & Utilities Corp.

First Quarter 2016 Earnings Conference Call

May 13, 2016



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Certain written and oral statements contained in this presentation and discussion are forward-looking within the meaning of certain securities laws and reflect the views of Algonquin Power & Utilities Corp. (the “Company”) with respect to future events, based upon assumptions relating to, among others, the performance of the Company's assets and the business, financial and regulatory climates in which it operates. These forward looking statements include, among others, statements with respect to the expected performance of the Company, its future plans and its dividends to shareholders.

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NON-GAAP FINANCIAL MEASURES

The terms “adjusted net earnings”, “adjusted earnings before interest, taxes, depreciation and amortization” (“Adjusted EBITDA”), “adjusted funds from operations”, “per share cash provided by adjusted funds from operations”, “per share cash provided by operating activities”, "net energy sales", and "net utility sales", (together the “Financial Measures”) may be used in this presentation. The Financial Measures are not recognized measures under GAAP. There is no standardized measure of the Financial Measures, consequently APUC’s method of calculating these measures may differ from methods used by other companies and therefore may not be comparable to similar measures presented by other companies. A calculation and analysis of the Financial Measures can be found in APUC’s most recent Management Discussion & Analysis. Per share cash provided by operating activities is not a substitute measure of performance for earnings per share. Amounts represented by per share cash provided by operating activities do not represent amounts available for distribution to shareholders and should be considered in light of various charges and claims against APUC.

Agenda

Introductory Remarks	**Chris Jarratt** *Vice Chairman – Algonquin Power and Utilities Corp.*
2016 First Quarter Growth Highlights	**Ian Robertson** *CEO – Algonquin Power and Utilities Corp.*
2016 First Quarter Financial Highlights	**David Bronicheski** CFO – Algonquin Power and Utilities Corp.
2016 Outlook	**Ian Robertson** *CEO – Algonquin Power and Utilities Corp.*

2016 First Quarter Highlights

Strong Q1 2016 Financial Results

- **Adjusted EBITDA: 29% increase compared to Q1 2015**
- **Adjusted FFO: 21% increase**
- **Adjusted EPS: 24% increase**
- **10% dividend increase to U.S.$0.4235 per common share**

Material Progress on our Growth Initiatives

- **Distribution**
  - **Park Water acquisition completed**
  - **Empire District Electric Company acquisition announced**
  - **Rate cases totaling U.S. $14 million completed**
- **Generation**
  - **360 MW in construction**
  - **351 MW in development**
  - **Acquisition of 75% interest in Red Lily 1 partnership**
- **Transmission**
  - **New England market remains an opportunity**

Empire Acquisition Update

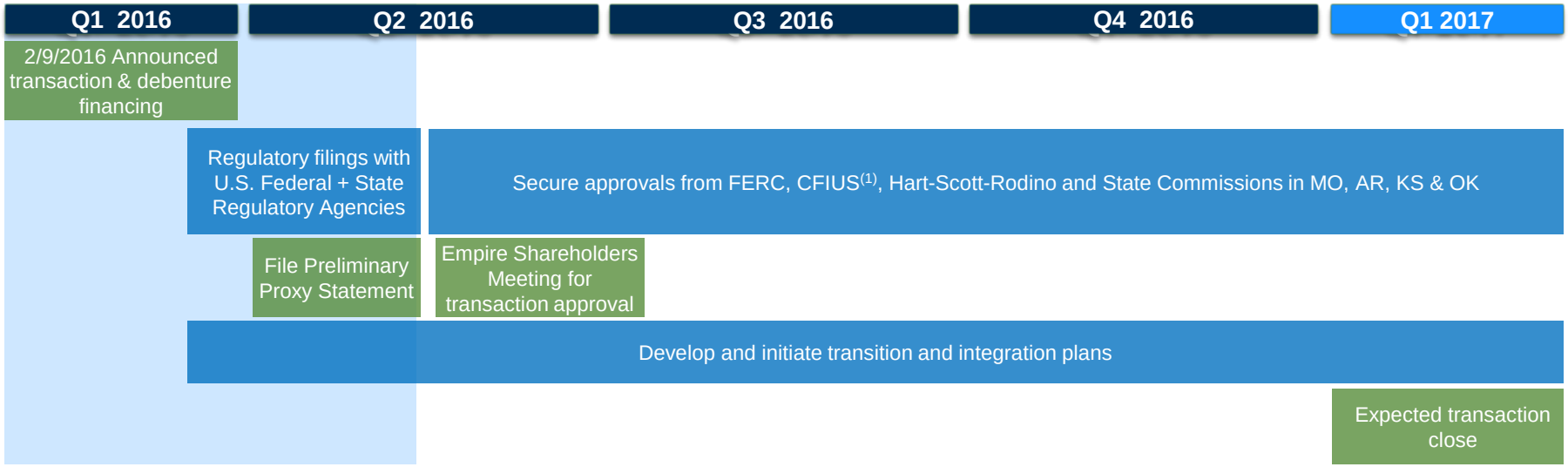
March 16, 2016: Applications to four state commissions (OK, KS, MO, AR) as well as FERC were filed

May 2, 2016: Record date for determining eligibility to vote on the Agreement and Plan of Merger

May 6, 2016: FERC approval received for the proposed acquisition of Empire District

May 12, 2016: The Oklahoma Corporation Commission issued order approving the Acquisition as filed, without material conditions

June 16, 2016: Empire's Special Shareholder's Meeting for the purpose of voting on the Agreement and Plan of Merger



Financial Highlights – Q1 2016

	Q1 2016	Q1 2015	Variance
Adjusted EBITDA	**$147.9**	$114.5	**29%**
Adjusted EPS	**$0.21**	$0.17	**24%**
Adjusted Funds From Operations	**$121.8**	$101.0	**21%**
Revenue*	**$341.7**	$381.9	**(10.5%)**
Dividend per share (USD)	**$0.105875**	$0.09625	**10%**
Electricity Generation (GWh)	**906.6**	789.8	**15%**

* Revenue decrease due to lower regulated commodity pass through costs at the Company's electric and natural gas distribution utilities. Revenue, net of commodity pass through costs, grew by $37.5 million in the quarter compared to the first quarter of 2015, an increase of 19%.

Financial Update

January 2016

- U.S. $235.0 million term credit facility, provides additional liquidity for general corporate purposes and acquisitions. The facility matures on July 5, 2017

February 2016

- $1 billion Bought Deal Offering of 5.00% Convertible Unsecured Subordinated Debentures Represented by Instalment Receipts

March 2016

- Exercise of Underwriters option to purchase an additional $150 million of Debentures, bringing the total amount of Debentures under the Offering to $1.15 billion

No further equity is required for the Empire acquisition

2016 Outlook

- Deliver our 2016 capital programs on-time and on-budget across Generation, Distribution and Transmission groups
- Secure Empire transaction approvals (shareholder / regulatory)
- Plan the transition and integration of Empire
- Drive returns through timely rate cases in Arizona and California
- Expand the Generation Group growth opportunity set

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Appendix



Pending Rate Cases

Utility	State	Regulatory Proceeding Type	Requested Revenue Requirement Increase (US$ M)	Status
Rio Rico Water/Sewer System	Arizona	General Rate Case	**$0.9**	Application filed October 2015 Final rate decision expected Q4 2016
Bella Vista Water System	Arizona	General Rate Case	**$1.6**	Application filed October 2015 Final rate decision expected Q4 2016
Entrada Del Oro	Arizona	General Rate Case	**$0.3**	Application filed March 2016 Final rate decision expected Q2 2017
Granite State Electric System	New Hampshire	General Rate Case	**$7.7**	Application filed April 2016 Final rate decision expected 2017
Total			**$10.5**	

Generation Group Growth Initiatives

Total Project in Construction	Location	Size (MW)	Estimated Capital Cost (millions)	Commercial Operation Date	PPA Term	Production GW-hrs
Odell Wind Project	Minnesota	200	$419.2	2016	20	815
Bakersfield II Solar Project	California	10	$35.1	2016	20	24
Deerfield Wind Project	Michigan	150	$393.5	2016/17	20	555
		360	**$847.8**			**1,394**
Projects in Development						
Amherst Island Wind Project	Ontario	75	$272.5	2017	20	235
Chaplin Wind Project	Saskatchewan	177	$340.0	2017/18	25	720
Great Bay Solar Project	Maryland	75	$233.8	2017	10	152
Val Eo Wind Project	Quebec	24	$70.0	2016/17	20	66
Total Projects in Development		**351**	**$916.3**			**1,173**
Total in Construction and Development		**711**	**$1,764.1**			**2,567**

360 MW
In Construction

351 MW
In Development

20.2 years
Weighted Average
PPA Length

CORPORATE INFORMATION

Head Office	Oakville, ON
Common Share Symbol	TSX: AQN
Preferred Share Symbols	AQN.PR.A, AQN.PR.D
Shares Outstanding	258, 912 , 456
Dividend	U.S. $0.4235 per share annually
Price*	$11.39
Market Cap	$2.9 Billion

* Closing price on May 12, 2016

CONTACT INFORMATION

Ian Robertson
Chief Executive Officer
905-465-4510

David Bronicheski
Chief Financial Officer
905-465-4512

Ian Tharp
Vice President Investor Relations
905-465-6770

@AQN_Utilities

