CANADIAN UTILITIES LIMITED
An ATCO Company

Canadian Utilities Reports Higher 2018 Earnings

CALGARY, Alberta, Feb. 28, 2019 (GLOBE NEWSWIRE) -- **Canadian Utilities Limited (TSX: CU, CU.X)**

Canadian Utilities announced adjusted earnings in 2018 of $607 million, or $2.24 per share, compared to $602 million, or $2.23 per share, in 2017. Canadian Utilities had fourth quarter 2018 adjusted earnings of $187 million, or $0.69 per share, compared to $169 million, or $0.63 per share, in the fourth quarter of 2017.

Higher fourth quarter 2018 earnings compared to the same period in 2017 were due to strong results in all business segments.

Strong 2018 earnings were driven by our non-regulated businesses mainly due to improved results in electricity generation and Alberta PowerLine. Continued capital investment and operational cost improvements in our regulated businesses helped partially offset the adverse earnings impact of rate re-basing in several of our Alberta utilities.

Canadian Utilities invested $2 billion in capital growth projects in 2018, of which $1.1 billion was invested in Regulated Utilities and more than $800 million was invested in long-term contracted assets, including Alberta PowerLine and a hydroelectric power station acquisition in Mexico.

In the period 2019 to 2021, Canadian Utilities plans to invest $3.6 billion in Regulated Utility and long-term contracted assets in Canada, Australia, and Latin America, which will continue to strengthen our high-quality earnings base.

RECENT DEVELOPMENTS

- On January 10, 2019, Canadian Utilities declared a first quarter dividend for 2019 of 42.27 cents per Class A non-voting and Class B common share. Canadian Utilities has increased its dividend per share for 47 consecutive years, the longest track record of annual dividend increases of any publicly traded Canadian company.

- In the fourth quarter of 2018, construction continued on the Alberta PowerLine Project. The project is ahead of schedule and the expected energization date has been advanced to March 2019 from the original target date of June 2019.

- In December, Canadian Utilities sold its 100 per cent ownership interest in Barking Power assets in the U.K. The total proceeds received on the sale of the Barking Power assets were $219 million. This transaction is consistent with Canadian Utilities' strategy of selling mature assets and recycling the proceeds into growing areas of the Company.

- In November, Canadian Utilities subsidiary CU Inc. issued $385 million of 3.95 per cent 30-year debentures. Proceeds from this issuance were used to fund capital investments, to repay existing indebtedness, and for other general corporate purposes.

FINANCIAL SUMMARY AND RECONCILIATION OF ADJUSTED EARNINGS

A financial summary and reconciliation of adjusted earnings to earnings attributable to equity owners of the company is provided below:

	For the Three Months Ended December 31		For the Year Ended December 31	
($ millions except share data)	**2018**	2017 (10)	**2018**	2017 (10)
Adjusted earnings (1)	**187**	169	**607**	602
Gain on sale of operation (2) (8)	**—**	—	**—**	30
Proceeds from termination of PPA (3) (8)	**—**	—	**36**	—
Restructuring and other costs (4) (8)	**—**	—	**(60)**	—
Derecognition of customer contributions (5) (8)	**—**	31	**—**	31
Impairment (6) (8)	**—**	(7)	**—**	(7)
Sale of Barking Power assets (7) (8)	**87**	—	**87**	—
Unrealized gains (losses) on mark-to-market forward commodity contracts (8)	**2**	(53)	**31**	(90)
Rate-regulated activities (8)	**(37)**	(52)	**(133)**	(119)
Dividends on equity preferred shares	**17**	17	**67**	67
Other (8) (9)	**—**	(3)	**(1)**	—
Earnings attributable to equity owners of the Company	**256**	102	**634**	514
Weighted average shares outstanding (millions of shares)	**272.2**	270.3	**271.5**	269.4

(1) *Adjusted earnings are defined as earnings attributable to equity owners of the Company after adjusting for the timing of revenues and expenses associated with rate-regulated activities, dividends on equity preferred shares of the Company, and unrealized gains or losses on mark-to-market forward commodity contracts. Adjusted earnings also exclude one-time gains and losses, significant impairments, and items that are not in the normal course of business or a result of day-to-day operations. Adjusted earnings present earnings on the same basis as was used prior to*

adopting International Financial Reporting Standards (IFRS) - that basis being the U.S. accounting principles for rate-regulated entities - and they are a key measure used to assess segment performance, to reflect the economics of rate regulation and to facilitate comparability of Canadian Utilities' earnings with other Canadian rate-regulated companies.

(2) In January 2017, Canadian Utilities sold its 100 per cent investment in ATCO Real Estate Holdings Ltd. to ATCO Ltd. which resulted in a gain of $30 million.

(3) In the third quarter of 2018, the Battle River unit 5 Power Purchase Arrangement was terminated by the Balancing Pool and dispatch control was returned to Canadian Utilities. Canadian Utilities received a payment from the Balancing Pool and recorded additional coal-related costs and Asset Retirement Obligations associated with the Battle River generating facility. This one-time receipt and costs in the net amount of $36 million were excluded from adjusted earnings.

(4) In the second quarter of 2018, restructuring and other costs not in the normal course of business of $60 million were recorded. These costs mainly relate to staff reductions and associated severance costs, as well as costs related to decisions to discontinue certain projects that no longer represent long-term strategic value to the Company.

(5) In December 2017, Canadian Utilities signed a contract amendment that triggered a reassessment of the accounting treatment of the Muskeg River generating plant. Due to the nature of the contract amendment, the Company recorded $31 million on derecognition of customer contributions related to a sale of electricity generation assets on transition to finance lease.

(6) In the fourth quarter of 2017, Structures & Logistics recognized an impairment relating to workforce housing assets in Canada and space rental assets in the U.S. Canadian Utilities' 24.5 per cent share of the impairment decreased earnings by $7 million in the Corporate & Other segment.

(7) In the fourth quarter of 2018, Canadian Utilities sold its 100 per cent ownership interest in the Barking Power assets. A gain in the amount of $87 million was excluded from adjusted earnings.

(8) Refer to Note 4 of the 2018 Consolidated Financial Statements for detailed descriptions of the adjustments.

(9) The Company adjusted the deferred tax asset which was recognized as a result of the Tula Pipeline Project impairment. The adjustment is due to a difference between the tax base currency, which is the Mexican peso, and the U.S. dollar functional currency.

(10) These numbers have been restated to account for the impact of IFRS 15. Additional detail on IFRS 15 is discussed in Note 3 of the 2018 Consolidated Financial Statements.

TELECONFERENCE AND WEBCAST

Canadian Utilities will hold a live teleconference and webcast to discuss our year-end financial results. Dennis DeChamplain, Senior Vice President and Chief Financial Officer, will discuss year-end financial results and recent developments at 8:00 am Mountain Time (10:00 am Eastern Time) on Thursday, February 28, 2019 at 1-800-319-4610. No pass code is required. Opening remarks will be followed by a question and answer period with investment analysts. Participants are asked to please dial-in 10 minutes prior to the start and request to join the Canadian Utilities teleconference.

Management invites interested parties to listen via live webcast at:
http://www.canadianutilities.com/Investors/Events-and-Presentations/

A replay of the teleconference will be available approximately two hours after the conclusion of the call until March 28, 2019. Please call 1-800-319-6413 and enter pass code 2938. An archive of the webcast will be available on February 28, 2019 and a transcript of the call will be posted on http://www.canadianutilities.com/Investors/Events-and-Presentations/ within a few business days.

This news release should be used as a preparation for reading the full disclosure documents. Canadian Utilities' consolidated financial statements and management's discussion and analysis for the quarter ended December 31, 2018 will be available on the Canadian Utilities website (www.canadianutilities.com), via SEDAR (www.sedar.com) or can be requested from the Company.

With approximately 5,000 employees and assets of $22 billion, Canadian Utilities Limited is an ATCO company. Canadian Utilities is a diversified global energy infrastructure corporation delivering service excellence and innovative business solutions in Electricity (electricity generation, transmission, and distribution); Pipelines & Liquids (natural gas transmission, distribution and infrastructure development, energy storage, and industrial water solutions); and Retail Energy (electricity and natural gas retail sales). More information can be found at www.canadianutilities.com.

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Forward-Looking Information:

Certain statements contained in this news release may constitute forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as “anticipate”, “plan”, “estimate”, “expect”, “may”, “will”, “intend”, “should”, and similar expressions.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information.

The Company's actual results could differ materially from those anticipated in this forward-looking information as a result of regulatory decisions, competitive factors in the industries in which the Company operates, prevailing economic conditions, and other factors, many of which are beyond the control of the Company.

The Company believes that the expectations reflected in the forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking information should not be unduly relied upon.

Any forward-looking information contained in this news release represents the Company's expectations as of the date hereof and is subject to change after such date. The Company disclaims any intention or obligation to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required by applicable securities legislation.