

consolidated statements of cash flows

Years ended December 31 (millions)	2006	2005
Operating Activities		
Net income	\$ 1,122.5	\$ 700.3
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	1,575.6	1,623.7
Future income taxes	409.2	340.0
Share-based compensation (Note 11(a))	25.1	24.3
Net employee defined benefit plans expense	(5.4)	3.9
Employer contributions to employee defined benefit plans	(123.3)	(118.8)
Restructuring and workforce reduction costs, net of cash payments (Note 7)	(4.0)	(13.6)
Amortization of deferred gains on sale-leaseback of buildings, amortization of deferred charges and other, net	51.7	1.1
Net change in non-cash working capital (Note 20(c))	(247.7)	353.7
Cash provided by operating activities	2,803.7	2,914.6
Investing Activities		
Capital expenditures (Notes 6, 14)	(1,618.4)	(1,319.0)
Acquisitions	(49.0)	(29.4)
Proceeds from the sale of property and other assets	14.9	4.5
Change in non-current materials and supplies, purchase of investments and other	(22.7)	(11.3)
Cash used by investing activities	(1,675.2)	(1,355.2)
Financing Activities		
Common Shares and Non-Voting Shares issued	104.5	219.4
Dividends to shareholders	(411.7)	(312.2)
Purchase of Common Shares and Non-Voting Shares for cancellation (Note 18(f))	(800.2)	(892.1)
Long-term debt issued (Note 17)	1,585.9	147.4
Redemptions and repayment of long-term debt (Note 17)	(1,314.7)	(1,601.1)
Partial payment of deferred hedging liability (Note 17(b))	(309.4)	–
Dividends paid by a subsidiary to non-controlling interests	(3.0)	(7.9)
Other	–	(0.8)
Cash used by financing activities	(1,148.6)	(2,447.3)
Cash Position		
Decrease in cash and temporary investments, net	(20.1)	(887.9)
Cash and temporary investments, net, beginning of period	8.6	896.5
Cash and temporary investments, net, end of period	\$ (11.5)	\$ 8.6
Supplemental Disclosure of Cash Flows		
Interest (paid) (Note 20(c))	\$ (516.1)	\$ (638.3)
Interest received	\$ 24.2	\$ 47.3
Income taxes (inclusive of Investment Tax Credits (Note 9)) received, net	\$ 98.3	\$ 69.5
<i>The accompanying notes are an integral part of these consolidated financial statements.</i>		