CANADIAN IMPERIAL BANK OF COMMERCE /CAN/
Form 424B5
June 21, 2005

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The information in this terms supplement is not complete and may be changed. This terms supplement relates to an effective Registration Statement under the Securities Act of 1933. We may not sell the Notes until we deliver a final terms supplement. The terms supplement is not an offer to sell these Notes and is not soliciting an offer to buy these securities in any jurisdiction where the offer would not be permitted.

Filed Pursuant to Rule 424(b)(5)
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Subject to Completion, dated June 21, 2005

Terms Supplement No. 21
(to the Prospectus dated May 28, 2003
and the Prospectus Supplement dated May 28, 2003)

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CANADIAN IMPERIAL BANK OF COMMERCE

Principal Protected "Performance Allocation" Notes due July 29, 2010
(Based on the Value of a Global Basket of Three Equity Indices)

The Notes are our direct, unsecured and unsubordinated contractual obligations and will constitute deposit liabilities which will rank equally in right of payment with all of our deposit liabilities, except for obligations preferred by mandatory provisions of law. The Notes will not be insured under the Canada Deposit Insurance Corporation Act or by the U.S. Federal Deposit Insurance Corporation or any other Canadian or U.S. governmental agency or instrumentality.

The Notes mature on July 29, 2010. We will not make interest or other payments on the Notes before maturity.

The performance of the Notes is linked to the S&P 500® Index, the Dow Jones EURO STOXX 50® Index and the Nikkei 225 Index, each of which we will refer to as a "basket index" and collectively we refer to as the "basket indices." On the maturity date, we will pay you the full principal amount of your Notes plus the Basket Return Payment, if any. The Notes are principal protected such that the Basket Return Payment may not be less than zero and you will receive at least the full principal amount of your Notes at maturity.

The Basket Return Payment, per $1,000 principal amount of Notes, will equal the greater of $0 and the amount determined by the following formula:

$1,000 × Upside Participation Rate × Allocated Basket Return

The Allocated Basket Return will equal [50% × The highest of the three Average Index Returns] + [30% × The second highest of the three Average Index Returns] + [20% × The lowest of the three Average Index Returns].

The Average Index Return for each of the three basket indices will equal

The Initial Index Value for each of the three basket indices is the closing value for each basket index on July 26, 2005.

The Upside Participation Rate is 100%.

The Average Index Value for each of the three basket indices is the arithmetic average of the index closing values on each of the five annual determination dates.

We will apply to list the Notes on the American Stock Exchange under the symbol "MRS.U."

Your investment in the Notes involves risks. Please read "Risk Factors" beginning on page TS-6 of this terms supplement and beginning on page S-2 of the accompanying prospectus supplement.

	Per Note	Total
Price to public	$1,000.00	$
Agents' commission	(1)	$
Proceeds to us	(1)	$

(1) The agents will receive a commission of $30.00 per Note sold through their efforts. However, additional commissions have been granted in some instances. See "Supplemental Plan of Distribution" on page TS-38.

We will deliver the Notes in book-entry form only through The Depository Trust Company on or about July 29, 2005 against payment in immediately available funds.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this terms supplement and the accompanying prospectus supplement and prospectus. Any representation to the contrary is a criminal offense.

CIBC World Markets Corp., our indirect wholly-owned subsidiary, and the other agents referred to in this terms supplement have agreed to use their reasonable efforts to solicit offers to purchase the Notes as our agents. They may also purchase the Notes as principal at prices to be agreed upon at the time of sale. They may resell any Notes they purchase as principal at prevailing market prices, or at other prices, as they determine.

The agents may use this terms supplement and the accompanying prospectus supplement in the initial sale of any Notes. In addition, CIBC World Markets Corp. or any other affiliate of ours may use this terms supplement and the accompanying prospectus supplement in a secondary

market transaction in any Note after its initial sale. Unless CIBC World Markets Corp. informs the purchaser otherwise in the confirmation of sale, this terms supplement and the accompanying prospectus supplement are being used in a secondary market transaction.

CIBC World Markets H&R Block Financial Advisors, Inc.

The date of this terms supplement is , 2005

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TERMS SUPPLEMENT SUMMARY

The following summary answers some questions that you might have regarding the Notes in general terms only. It does not contain all the information that may be important to you. You should read the summary together with the more detailed information that is contained in the rest of this terms supplement and in the accompanying prospectus and prospectus supplement. You should carefully consider, among other things, the matters set forth in "Risk Factors." In addition, we urge you to consult with your investment, legal, accounting, tax and other advisors with respect to any investment in the Notes. Please note that references to "CIBC," "we," "our," and "us" refer only to Canadian Imperial Bank of Commerce and not to its consolidated subsidiaries.

Key Terms

Issuer:	Canadian Imperial Bank of Commerce
Maturity Date:	July 29, 2010
Interest Payments:	We will not make interest or other payments on the Notes before maturity.
Basket Indices:	The return on the Notes at maturity is linked to the performance of the S&P 500® Index, the Dow Jones EURO STOXX 50® Index and the Nikkei 225 Index.
Payment on Maturity Date:	On the maturity date, you will receive the full principal amount of your Notes plus the Basket Return Payment, if any.
Basket Return Payment:	The Basket Return Payment, per $1,000 principal amount of Notes, will equal the greater of: (a) $0; and (b) $1,000 × Upside Participation Rate × Allocated Basket Return The Notes are principal protected which means that the Basket Return Payment may not be less than zero and, on the maturity date, you will receive at least the full principal amount of your Notes.
Allocated Basket Return:	[50% × The highest of the three Average Index Returns] + [30% × The second highest of the three Average Index Returns] + [20% × The lowest of the three Average Index Returns]
Average Index Return:	The Average Index Return for each of the three basket indices is:
Upside Participation Rate:	100%
Initial Index Value:	The Initial Index Value for each of the three basket indices is the closing value for each basket index on July 26, 2005.
Average Index Value:	The Average Index Value, for each of the three basket indices, is the arithmetic average of the index closing values on each of the five determination dates.

Determination Dates:	The 26th day of each July (the first determination date is July 26, 2006, and the last determination date is July 26, 2010), in each case, subject to adjustment for nontrading days or market disruption events with respect to a basket index as follows. If any determination date is not a trading day or if a market disruption event occurs on any such date with respect to a basket index, such determination date with respect to that basket index will be the immediately succeeding trading day during which no market disruption event shall have occurred with respect to that basket index; provided that, with respect to any basket index, if a market disruption event has occurred on each of the eight trading days immediately succeeding any of the scheduled determination dates, the calculation agent will determine the applicable basket index closing value on such eighth succeeding trading day in accordance with the formula for calculating the value of the applicable basket index last in effect prior to the commencement of the market disruption event, without rebalancing or substitution, using the closing price (or, if trading in the relevant securities has been materially suspended or materially limited, its good faith estimate of the closing price that would have prevailed but for such suspension or limitation) on such eighth succeeding trading day of each security most recently comprising the applicable basket index.
Trading Day:	A day, as determined by the calculation agent, on which trading is generally conducted on the relevant exchange(s) for securities underlying the applicable basket index; provided that in respect of the Dow Jones EURO STOXX 50® Index only, any day on which (i) the index level sponsor publishes the level of the basket index and (ii) Eurex is scheduled to be open for its regular trading session.
Dow Jones EURO STOXX 50® Index Closing Value	The Dow Jones EURO STOXX 50® Index Closing Value on any trading day will equal the closing value of the Dow Jones EURO STOXX 50® Index or any successor index published at the regular weekday close of trading on that trading day. In certain circumstances, the Dow Jones EURO STOXX 50® Index Closing Value will be based on the alternate calculation of the Dow Jones EURO STOXX 50® Index described under " Discontinuance of a Basket Index; Alteration of Method of Calculation."
S&P 500® Index Closing Value	The S&P 500® Index Closing Value on any trading day will equal the closing value of the S&P 500® Index or any successor index published at the regular official weekday close of trading on that trading day. In certain circumstances, the S&P 500® Index Closing Value will be based on the alternate calculation of the S&P 500® Index described under " Discontinuance of a Basket Index; Alteration of Method of Calculation."
Nikkei 225 Index Closing Value	The Nikkei 225 Index Closing Value on any trading day will equal the official closing value (2nd session) of the Nikkei 225 Index or any successor index published by NIKKEI on that trading day. In certain circumstances, the Nikkei 225 Index Closing Value will be based on the alternate calculation of the Nikkei 225 Index described under " Discontinuance of a Basket Index; Alteration of Method of Calculation."
Listing:	We will apply to list the Notes on the American Stock Exchange under the symbol "MRS.U."

QUESTIONS AND ANSWERS REGARDING THE NOTES

What are the Notes?

The Notes combine certain features of debt and equity by offering a return of principal at maturity and the opportunity to earn a return based upon performance of the S&P 500® Index, the Dow Jones EURO STOXX 50® Index and the Nikkei 225 Index.

The Notes will mature on July 29, 2010. The Notes will be issued in denominations of $1,000 or integral multiples of $1,000. Unless otherwise specified, all references to currency in this terms supplement are to U.S. dollars. The Notes will be our direct, unsecured and unsubordinated contractual obligations and will constitute deposit liabilities which will rank *pari passu* in right of payment with all of our deposit liabilities, except for obligations preferred by mandatory provisions of law. The Notes will not be insured under the Canada Deposit Insurance Corporation Act or by the U.S. Federal Deposit Insurance Corporation or any other Canadian or U.S. governmental agency or instrumentality.

Will I receive interest payments on the Notes?

We will not make periodic interest payments on the Notes and we will not make any other payments on the Notes until maturity.

What will I receive at maturity?

On the maturity date, we will pay you the full principal amount of your Notes plus the Basket Return Payment, if any. The Basket Return Payment, per $1,000 principal amount of Notes, will equal the greater of:

(a) $0; and

(b) $1,000 × Upside Participation Rate × Allocated Basket Return

The Notes are principal protected, which means that the Basket Return Payment may not be less than zero and, on the maturity date, you will receive at least the full principal amount of your Notes.

The Allocated Basket Return will equal [50% × The highest of the three Average Index Returns] + [30% × The second highest of the three Average Index Returns] + [20% × The lowest of the three Average Index Returns]

The Average Index Return for each of the three basket indices will equal

The Upside Participation Rate means 100%.

The Initial Index Value for each of the three basket indices is the closing value for each basket index on July 26, 2005

The Average Index Value for each of the three basket indices is the arithmetic average of the index closing values on each of the five determination dates, as calculated by the calculation agent on the final determination date. The determination dates will be the 26th day of each July, in each case subject to adjustment for nontrading days, and a determination of the index closing value required to be made on a determination date may be postponed due to a market disruption event as described in "Specific Terms of the Notes Market Disruption Event." The first determination date is July 26, 2006, and the last determination date is July 26, 2010.

What about United States federal income taxes?

For United States federal income tax purposes, the Notes are classified as debt instruments that provide for contingent interest. As a result, the Notes are considered to be issued with original issue discount, or "OID."

If you are a United States holder, you will be required to include a portion of such OID in income for each taxable year that you own Notes, even though you will not receive any cash payments before maturity. Additionally, you generally will be required to recognize ordinary income on the gain, if any, realized on a sale, upon maturity, or other disposition of the Notes. See the section entitled "Supplemental U.S. Federal Income Tax Consequences."

Who publishes the S&P 500® Index and what does it measure?

The S&P 500® Index is intended to provide a performance benchmark for the U.S. equity markets. The calculation of the value of the index is based on the relative value of the aggregate market value of the common stocks of 500 companies as of a particular time compared to the aggregate market value of the common stocks of 500 similar companies during the base period of the years 1941 through 1943. As of May 31, 2005, 425 companies, or 85.1% of the index (based on market capitalization), traded on the New York Stock Exchange, 74 companies or 14.8% of the index, traded on The Nasdaq Stock Market and 1 company, or 0.1% of the index, traded on the American Stock Exchange. Standard & Poor's chooses companies for inclusion in the index with the aim of achieving a distribution by broad industry groupings that approximates the distribution of these groupings in the common stock population of its stock database of over 6,969 equities, which Standard & Poor's uses as an assumed model for the composition of the total market.

The index is determined, comprised and calculated by the Standard & Poor's division of The McGraw-Hill Companies, Inc., which we refer to as "Standard and Poor's," without regard to the Notes.

Please note that an investment in the Notes does not entitle you to any ownership interest in the stocks of the companies included in this index.

For further information, please see "The S&P 500® Index."

How has the S&P 500® Index performed historically?

We have included a graph showing the quarter-end closing value of the index for each year from 2000 through June 6, 2005 in the section entitled "Historical Closing Levels of the S&P 500® Index" in this terms supplement. We have provided this historical information to help you evaluate the behavior of the index in various economic environments, however, past performance of the index is not necessarily indicative of how the index will perform in the future.

Who publishes the Dow Jones EURO STOXX 50® Index and what does it measure?

The Dow Jones EURO STOXX 50® Index is a capitalization-weighted index of 50 European blue-chip stocks. The Dow Jones EURO STOXX 50® Index was created by STOXX Limited, a joint venture between Deutsche Boerse AG, Dow Jones & Company and SWX Swiss Exchange. Publication of the Dow Jones EURO STOXX 50® Index began on February 26, 1998, based on an initial Dow Jones EURO STOXX 50® Index value of 1,000 on December 31, 1991.

Please note that an investment in the Notes does not entitle you to any ownership interest in the stocks of the companies included in this index.

For further information, please see "The Dow Jones EURO STOXX 50® Index."

How has the Dow Jones EURO STOXX 50® Index performed historically?

We have included a graph showing the quarter-end closing value of the index for each year from 2000 through June 6, 2005 in the section entitled "Historical Closing Levels of the Dow Jones EURO STOXX 50® Index" in this terms supplement. We have provided this historical information to help you evaluate the behavior of the index in various economic environments, however, past performance of the index is not necessarily indicative of how the index will perform in the future.

Who publishes the Nikkei 225 Index and what does it measure?

The Nikkei 225 Index is a stock index calculated, published and disseminated by the Nihon Keizai Shimbun, Inc. ("NKS") that measures the composite price performance of selected Japanese stocks. The Nikkei 225 Index currently is based on 225 underlying stocks trading on the Tokyo Stock Exchange (the "TSE") representing a broad cross-section of Japanese industries. Stocks listed in the First

Section of the TSE are among the most actively traded stocks on the TSE. All 225 underlying stocks are listed in the First Section of the TSE. NKS rules require that the 75 most liquid issues (one-third of the component count of the Index) be included in the Index.

How has the Nikkei 225 Index performed historically?

We have included a graph showing the quarter-end closing value of the index for each year from 2000 through June 6, 2005 in the section entitled "Historical Closing Levels of the Nikkei 225 Index" in this terms supplement. We have provided this historical information to help you evaluate the behavior of the index in various economic environments, however, past performance of the index is not necessarily indicative of how the index will perform in the future.

Will the Notes be listed on a securities exchange?

We will apply to list the Notes on the American Stock Exchange, or AMEX, under the trading symbol "MRS.U." The listing of the Notes on the AMEX will not necessarily ensure that a liquid trading market will be available for the Notes. Accordingly, you should be willing to hold your investment in the Notes until the maturity date. You should review the section entitled "Risk Factors There may not be an active trading market for the Notes. Sales in the secondary market may result in significant losses," in this terms supplement.

Tell me more about CIBC.

We are a leading North American financial institution which provides financial services to retail and small business banking customers as well as corporate and investment banking customers. At the end of our 2004 fiscal year, our total assets were in excess of C$278 billion and as of May 31, 2005, we had a senior debt credit rating of Aa3 by Moody's and A+ by S&P®. We are headquartered in Toronto, Canada, and, as of October 31, 2004, had more than 37,000 employees located worldwide.

The range of banking services we offer includes: personal financial services, credit cards, mortgage lending, insurance, investment services, consumer and commercial credit, lease financing, treasury and private banking. In our fiscal year ended October 31, 2004, we generated revenue of approximately C$11.8 billion and after-tax income of approximately C$2.1 billion. Since 1997, we have been listed on the NYSE (ticker symbol BCM).

Who invests in the Notes?

The Notes are not suitable for all investors. The Notes might be considered by investors who are willing to forego market interest payments, such as floating interest rates paid on a conventional debt security, with a comparable credit rating in return for the possibility of earning a return if the Basket Return Payment is greater than zero.

You should carefully consider whether the Notes are suited to your particular circumstances before you decide to purchase them. In addition, we urge you to consult with your investment, legal, accounting, tax and other advisors with respect to any investment in the Notes.

What are some of the risks in owning the Notes?

Investing in the Notes involves a number of risks. We have described the most significant risks relating to the Notes under the heading "Risk Factors" in this terms supplement and in the accompanying prospectus supplement, which you should read before making an investment in the Notes.

RISK FACTORS

An investment in the Notes is subject to the risks described below as well as described beginning on page S-2 of the accompanying prospectus supplement. The Notes are a riskier investment than ordinary debt securities. You should carefully consider whether the Notes are suited to your particular circumstances.

You will not receive interest payments on your Notes.

You will not receive any interest payments or other payments on your Notes before maturity. Even if the amount payable on your Notes on the maturity date exceeds the principal amount of your Notes, the overall return you earn on your Notes may be less than you would have earned by investing in a conventional debt security of comparable maturity that bears interest at a prevailing market rate.

You will receive no more than the full principal amount of your Notes at maturity if the Basket Return Payment is not greater than zero.

It is possible that one or more of the basket indices may not increase over the relevant period, or, even if one or more of the basket indices does increase, that the Allocated Basket Return will not exceed zero. If the Allocated Basket Return does not exceed zero, the amount of the Basket Return Payment will be zero. Consequently, you may receive only the full principal amount of your Notes at maturity and no return on your investment.

Changes in the value of one or more of the basket indices may offset each other.

Price movements in the basket indices may not correlate with each other. At a time when the value of one or more of the basket indices increases, the value of one or more of the other basket indices may not increase as much or may even decline in value. Therefore, in calculating the Basket Return Payment, increases in the value of one or more of the basket indices may be moderated, or wholly offset, by lesser increases or declines in the value of one or more of the other basket indices. You can review the historical prices of each of the basket indices for each calendar quarter in the period from January 1, 2000 through June 16, 2005 in this terms supplement under "Historical Closing Levels of the S&P 500® Index," "Historical Closing Levels of the Dow Jones EURO STOXX 50® Index," and "Historical Closing Levels of the Nikkei 225 Index." You cannot predict the future performance of any of the basket indices or of the basket as a whole, or whether increases in the levels of any of the basket indices will be offset by decreases in the levels of other basket indices, based on their historical performance. In addition, there can be no assurance that the Average Index Value will be higher than the Initial Index Value. If the Allocated Basket Return is not greater than zero, you will receive at maturity only the principal amount of the Notes.

Owning the Notes is not the same as owning the basket index stocks or a security directly linked to the performance of the basket indices.

The return on your Notes will not reflect the return you would realize if you actually owned the common stocks comprising the indices to which your Note is linked, or a security directly linked to the performance of the indices and held such investment for a similar period because:

- as more fully described in the next risk factor, the return is calculated based on the average of the index closing values for each of the three basket indices over five determination dates;
- at a minimum, you will receive the full principal amount of your Notes if the Notes are held to maturity; and
- the value of the basket indices is calculated in part by reference to the prices of the basket indices stocks without taking into consideration the value of dividends paid on those basket indices stocks.

You will not receive any dividends that may be paid on any of the basket indices stocks by

the basket indices stock issuers. In addition, as an owner of the Notes, you will not have voting rights or any other rights that holders of basket indices stocks may have.

The Average Index Value for one or more of the basket indices may be less than the index closing value at the maturity date of the Notes or may be less than the index closing value at other times during the term of the Notes.

Because the Average Index Value for each basket index will be calculated based on the index closing value on five determination dates, the index closing value at the maturity date or at other times during the term of the Notes could be higher than the Average Index Value. This difference could be particularly large if there is a significant increase in the index value during the latter portion of the term of the Notes or if there is significant volatility in the index closing values during the term of the Notes.

For example, if index closing values for a basket index decline or remain relatively constant during the first four years, and then significantly increase above the Initial Index Value in the six months prior to maturity, the Average Index Value for that basket index will be significantly lower than the index closing value at maturity. This is because the Average Index Value will be based on the index closing value on all five determination dates. Similarly, if index closing values steadily increase during the first 30 months and then steadily decrease back to the Initial Index Value by maturity, the Average Index Value for that basket index will be significantly less than the index closing value at its peak.

Calculating the Average Index Value of each basket index based on five determination dates is not equivalent to using either the index closing value for that basket index at the maturity date or the average daily index closing value for that basket index over the entire period. Since all of the five determination dates are prior to the maturity date, you will not have exposure to the actual performance of each basket index over the 5 year term of the Notes. Instead, you will have exposure to the average of the performance of each basket index on those five determination dates only.

There are risks associated with investments in securities indexed to the value of foreign equity securities.

The underlying stocks that constitute the Dow Jones EURO STOXX 50® Index have been issued by companies in various European countries and the underlying stocks that constitute the Nikkei 225 Index have been issued by Japanese companies. Investments in securities indexed to the value of European and Japanese equity securities involve risks associated with the securities markets in those countries, including risks of volatility in those markets, governmental intervention in those markets and cross-shareholdings in companies in certain countries. Also, there is generally less publicly available information about European and Japanese companies than about U.S. companies that are subject to the reporting requirements of the U.S. Securities and Exchange Commission, and European and Japanese companies are subject to accounting, auditing and financial reporting standards and requirements different from those applicable to U.S. reporting companies. The prices of securities in foreign markets may be affected by political, economic, financial and social factors in those countries, or global regions, including changes in government, economic and fiscal policies and currency exchange laws. Moreover, the economies in such countries may differ favorably or unfavorably from the economy in the United States in such respects as growth of gross national product, rate of inflation, capital reinvestment, resources and self-sufficiency.

The maturity payment amount for the notes will not be adjusted for changes in the Japanese yen/U.S. dollar or the euro/U.S. dollar exchange rates.

Although the stocks underlying the Nikkei 225 Index and the Dow Jones EURO STOXX 50® Index are traded in Japanese yen and euros, respectively, and the Notes, which are linked to the basket indices, are denominated in U.S. dollars, the maturity payment amount will not be adjusted for changes in the Japanese yen/U.S.

dollar exchange rate or the euro/U.S. dollar exchange rate. Changes in exchange rates, however, may reflect changes in the Japanese or European economy, as applicable, that in turn may affect the maturity payment amount for the Notes. The maturity payment amount will be based solely on the principal amount of the Notes plus the Basket Return Payment.

You will be required to pay taxes on your Notes each year.

If you are a U.S. person, you generally will be required to pay taxes on ordinary income from your Notes over their term based upon an estimated yield for the Notes, even though you will not receive any payments from us until maturity. The estimated yield is determined solely to calculate the amounts you will be taxed on prior to maturity and is neither a prediction nor a guarantee of what the actual yield will be. In addition, any gain you may recognize upon the sale or maturity of the Notes will be taxed as ordinary interest income. Conversely, if the actual payment at maturity for the Notes is less than the projected payment at maturity based on the estimated yield for the Notes, you would have an ordinary tax loss. If you purchase the Notes at a time other than the original issuance date, the tax consequences to you may be different. You should consult your tax advisor about your own tax situation.

For further information, you should refer to "Supplemental U.S. Federal Income Tax Consequences."

Adjustments to the basket indices could adversely affect the value of the Notes.

STOXX Limited, the publisher of the Dow Jones EURO STOXX 50® Index, is responsible for calculating and maintaining the EURO STOXX 50® Index. Standard & Poor's Corporation, or S&P®, the publisher of the S&P 500® Index, is responsible for calculating and maintaining the S&P 500® Index. Nihon Keizai Shimbun, Inc. ("NKS"), the publisher of the Nikkei 225 Index, is responsible for calculating and maintaining the Nikkei 225 Index.

The publisher of any basket index can add, delete or substitute the stocks underlying the basket index, and can make other methodological changes required by certain events relating to the underlying stocks, such as stock dividends, stock splits, spin-offs, rights offerings and extraordinary dividends, that could change the value of the basket index. Any of these actions could adversely affect the value of the Notes.

The publisher of any basket index may discontinue or suspend calculation or publication of the basket index at any time. In these circumstances, the calculation agent which initially will be us will have the sole discretion to substitute a successor index that is comparable to the discontinued index. We could have an economic interest that is different than that of investors in the Notes insofar as, for example, we are not precluded from considering indices that are calculated and published by us or any of our affiliates. If we determine that there is no appropriate successor index, on the following determination date(s) the index closing value for the affected basket indices will be based on the closing prices of the remaining basket indices and the stocks underlying the discontinued index at the time of such discontinuance, without rebalancing or substitution, computed by us, as calculation agent, in accordance with the formula for calculating the index closing value last in effect prior to discontinuance of the applicable basket index.

Historical levels of the basket indices should not be taken as an indication of the future performance of the basket indices during the term of the Notes.

The trading prices of the basket indices stocks will determine the level of the index. As a result, it is impossible to predict whether the level of the basket indices will rise or fall. Trading prices of the basket indices stocks will be influenced by complex and interrelated political, economic, financial and other factors that can affect the markets in which the basket indices stocks are traded, the values of the basket indices stocks themselves and other equity securities.

Changes in our credit ratings may affect the value of the Notes.

Real or anticipated changes in our credit ratings may affect the trading value of the Notes. However, because your return on the Notes depends upon factors in addition to our ability to pay our obligations under the Notes, such as the percentage increase in the value of the basket indices, trends in the movement of the basket indices and the volatility of the basket indices, an improvement in our credit ratings will not reduce the other investment risks related to the Notes.

There may not be an active trading market in the Notes. Sales in the secondary market may result in significant losses.

Although we will apply to have the Notes listed on the American Stock Exchange, there is no guarantee that we will be able to list the Notes. If the Notes are successfully listed, the secondary markets may not provide enough liquidity to allow you to trade or sell the Notes easily. Therefore, you should be willing to hold your Notes to maturity. If you sell your Notes before maturity, you may have to do so at a substantial discount from the issue price, and as a result, you may suffer substantial losses.

We and our affiliates have no affiliation with the publishers of the basket indices and are not responsible for their public disclosure of information.

We and our affiliates are not affiliated with any of the publishers of the basket indices in any way (except for the licensing arrangements discussed below in "The S&P 500® Index License Agreement", "The Dow Jones EURO STOXX 50® Index License Agreement" and "The Nikkei 225 Index License Agreement") and have no ability to control or predict their actions, including any errors in or discontinuation of disclosure regarding their methods or policies relating to the calculation of the index. If a publisher of a basket index discontinues or suspends the calculation of its respective Basket Index, it may become difficult to calculate the index closing value of such basket index on each determination date. In our role as calculation agent, we may designate a successor index if a basket index is discontinued. If we determine that no successor index comparable to the discontinued basket index exists, we will calculate the index closing values on each determination date in our role as calculation agent in accordance with the formula previously used to calculate the index closing values, and we have the right to make adjustments or calculations we deem to be necessary to achieve an equitable result. See "Specific Terms of the Notes Market Disruption Event" and "Specific Terms of the Notes Discontinuation of or Adjustments to the Index; Alteration of Method of Calculation." None of the publishers of the basket indices is involved in the offer of the Notes in any way and none of them has any obligation to consider your interest as an owner of Notes in taking any actions that might affect the value of your Notes.

We have derived the information about each of the basket indices in this terms supplement from publicly available information, without independent verification. Neither we nor any of our affiliates assumes any responsibility for the adequacy or accuracy of the information about any of the basket indices contained in this terms supplement. You, as an investor in the Notes, should make your own investigation into the indices and their publishers.

There are potential conflicts of interest between you and the calculation agent.

We will initially serve as the calculation agent. We will, among other things, decide the amount, if any, of the return paid out to you on the Notes at maturity and determine the index closing values for each basket index on each determination date. For a description of our role as calculation agent, see "Specific Terms of the Notes Role of Calculation Agent." In our role as calculation agent, we will exercise our judgment when performing our functions. For example, we may have to determine whether a market disruption event affecting the basket indices stocks or the basket indices has occurred or is continuing on a determination date. Absent manifest error, all of our determinations in our role as calculation agent will be final and binding on you and us, without any liability on our part.

You will not be entitled to any compensation from us for any loss suffered as a result of any of our determinations in our role as calculation agent.

Since these determinations by us as calculation agent may affect the market value of the Notes, we may have a conflict of interest if we need to make any such decision.

Hedging and trading activity by the calculation agent and its affiliates could potentially adversely affect the values of the basket indices.

We or our affiliates expect to enter into hedging activities related to the Notes (and possibly to other instruments linked to the basket indices or their component stocks), including trading in the stocks underlying the basket indices as well as in other instruments related to the basket indices. We or our affiliates may also trade the stocks underlying the basket indices and other financial instruments related to the basket indices on a regular basis as part of our general broker-dealer and other businesses. Any of these hedging or trading activities on or prior to the day we price the Notes for initial sale to the public could potentially increase the initial index value of one or more of the basket indices and, as a result, could increase the values at which the basket indices must close on the determination dates before you receive a payment at maturity that exceeds the principal amount on the Notes. Additionally, such hedging or trading activities during the term of the Notes could potentially affect the values of the basket indices on the determination dates and, accordingly, the amount of cash you will receive at maturity.

We can postpone a determination of the basket closing value on a determination date if a market disruption event occurs on such date.

In our role as calculation agent, we may postpone any determination of the index closing values of the basket indices if we determine that on the applicable determination date, a market disruption event has occurred or is continuing. If such a postponement occurs, in our role as calculation agent, we will determine the index closing value for each basket index on the first trading day after that date on which no market disruption event occurs or is continuing. In no event, however, will the necessary determination be postponed for more than eight consecutive trading days immediately following the originally scheduled determination date.

If a determination date is postponed to the last possible day, but a market disruption event occurs or is continuing on that day, that day will nevertheless be the date on which the determination will be made. In such an event, in our role as calculation agent, we will determine the closing value for the affected basket index in accordance with the formula for determining the index closing value in effect before the market disruption event. This determination may involve estimating the value of securities included in the basket index.

If the determination of the index closing value for one or more of the basket indices on the final determination date is postponed as a result of a market disruption event, the maturity of the Notes will be postponed until three business days after such determination is made.

USE OF PROCEEDS

We will use the net proceeds from the sale of the Notes for general corporate purposes, which may include additions to working capital, investments in or extensions of credit to our subsidiaries and the repayment of indebtedness.

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our ratio of earnings to fixed charges for the twelve month period ended October 31, for the years 2000 through 2004 and for the six month period ended April 30, 2005, calculated in accordance with generally accepted accounting principles in Canada and the United States.

		Twelve months ended October 31,				
	2005 (Through April 30, 2005)	2004	2003	2002	2001	2000
Canadian GAAP: (1)						
Excluding interest on deposits	2.51	2.60	1.95	1.16	1.68	1.85
Including interest on deposits	1.51	1.55	1.35	1.04	1.17	1.23
U.S. GAAP:						
Excluding interest on deposits	(2)	2.78	2.18	(3)	1.82	1.85
Including interest on deposits	(2)	1.59	1.42	(3)	1.20	1.23

(1) Ratios for the twelve month period ended October 31 for the years 2000 through 2004 have been restated due to retroactive adoption of amendments to the Canadian Institute of Chartered Accountants handbook section "Financial Instruments Disclosure and Presentation" on November 1, 2004.

(2) No U.S. GAAP information is provided for the six month period ended April 30, 2005 because a U.S. GAAP reconciliation was not required for this period.

(3) Earnings for the year ended October 31, 2002 were inadequate to cover fixed charges as calculated under U.S. GAAP (both excluding and including interest on deposits) by C$291 million.

THE S&P 500® INDEX

We have derived all information regarding the S&P 500® Index contained in this terms supplement, including, without limitation, its make-up, method of calculation and changes in its components, from publicly available information. That information reflects the policies of, and is subject to change by, Standard & Poor's. Standard & Poor's owns the copyright and all other rights to the index. Standard & Poor's has no obligation to continue to publish the index, and may discontinue publication of the index. Current information regarding the market value of the index is available from Standard & Poor's and from numerous public information sources. We do not make any representation that the publicly available information about the index is accurate or complete. The index is determined, comprised and calculated by Standard & Poor's without regard to the Notes. Neither we nor any of our affiliates accept any responsibility for the calculation, maintenance or publication of, or for any error, omission or disruption in the index.

The index is intended to provide a performance benchmark for the U.S. equity markets. The calculation of the level of the index, discussed below in further detail, is based on the relative value of the aggregate market value of the common stocks of 500 companies as of a particular time, which are referred to as index stocks, compared to the aggregate average market value of the common stocks of 500 similar companies during the base period of the years 1941 through 1943. As of May 31, 2005, 425 companies, or 85.1% of the index by market capitalization, traded on the New York Stock Exchange ("NYSE"), 74 companies, or 14.8% of the index by market capitalization, traded on The Nasdaq Stock Market, and 1 company, or 0.1% of the index by market capitalization traded on the American Stock Exchange. Standard & Poor's chooses companies for inclusion in the index with the aim of achieving a distribution by broad industry groupings that approximates the distribution of these groupings in the common stock population of its database of over 6,969 equities, which Standard & Poor's uses as an assumed model for the composition of the total market. Relevant criteria employed by Standard & Poor's include the viability of the particular company, the extent to which that company represents the industry group to which it is assigned, the extent to which the market price of that company's common stock is generally responsive to changes in the affairs of the respective industry and the market value and trading activity of the common stock of that company. As of May 31, 2005, ten main groups of companies comprise the index with the number of companies currently included in each group indicated in parentheses: Consumer Discretionary (89), Consumer Staples (36), Energy (29), Financials (82), Health Care (55), Industrials (54), Information Technology (80), Materials (32), Telecommunication Services (10), and Utilities (33). Standard & Poor's may from time to time, in its sole discretion, add companies to or delete companies from the index to achieve the objectives stated above.

Standard & Poor's calculates the index by reference to the prices of the index stocks without taking account of the value of dividends paid on such stocks.

On September 28, 2004, S&P released the details for transitioning the S&P 500® Index to a full float adjusted weighted index. The S&P 500® Index is presently a full market-capitalization weighted index, where the value of the index is calculated by, for each component, multiplying the total number of shares outstanding of the component by the price per share of the component. The value of the full float adjusted index will be calculated by, for each component, multiplying the number of shares in the public float of the component by the price per share of the component. Thus the float-adjusted methodology will exclude blocks of stocks that do no publicly trade, including blocks held by affiliates and governments. This transition is being implemented over an 18-month period and is expected to be completed on September 16, 2005.

Computation of the Index

Standard & Poor's currently computes the index as of a particular time as follows:

- the product of the market price per share and the number of then outstanding shares of each component stock is determined as of that time (referred to as the "market value" of that stock);
- the market values of all component stocks as of that time are aggregated;
- the mean average of the market values as of each week in the base period of the years 1941 through 1943 of the common stock of each company in a group of 500 substantially similar companies is determined;
- the mean average market values of all these common stocks over the base period are aggregated (the aggregate amount being referred to as the "base value");
- the current aggregate market value of all component stocks is divided by the base value; and
- the resulting quotient, expressed in decimals, is multiplied by ten.

While Standard & Poor's currently employs the above methodology to calculate the index, no assurance can be given that it will not modify or change this methodology in a manner that may affect the amount payable at maturity to beneficial owners of the Notes.

Standard & Poor's adjusts the foregoing formula to offset the effects of changes in the market value of a component stock that are determined by Standard & Poor's to be arbitrary or not due to true market fluctuations. These changes may result from causes such as:

- the issuance of stock dividends;
- the granting to shareholders of rights to purchase additional shares of stock;
- the purchase of shares by employees pursuant to employee benefit plans;
- consolidations and acquisitions;
- the granting to shareholders of rights to purchase other securities of the issuer;
- the substitution by Standard & Poor's of particular component stocks in the index; or
- other reasons.

In these cases, Standard & Poor's first recalculates the aggregate market value of all component stocks, after taking account of the new market price per share of the particular component stock or the new number of outstanding shares of that stock or both, as the case may be, and then determines the new base value in accordance with the following formula:

Old Base Value	×	New Market Value	=	New Base Value

Old Market Value

The result is that the base value is adjusted in proportion to any change in the aggregate market value of all component stocks resulting from the causes referred to above to the extent necessary to negate the effects of these causes upon the index.

Standard & Poor's does not guarantee the accuracy or the completeness of the index or any data included in the index. Standard & Poor's assumes no liability for any errors, omissions or disruption in the calculation and dissemination of the index. Standard & Poor's disclaims all responsibility for any errors or omissions in the calculation and dissemination of the index or the manner in which the index is applied in determining the amount payable at maturity.

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THE DOW JONES EURO STOXX 50® INDEX

We have derived all information contained in this terms supplement regarding the Dow Jones EURO STOXX 50® Index, including, without limitation, its make-up, method of calculation and changes in its components, from publicly available information. Such information reflects the policies of, and is subject to change by, STOXX Limited. The Dow Jones EURO STOXX 50® Index is calculated, maintained and published by STOXX Limited. We make no representation or warranty as to the accuracy or completeness of such information.

The Dow Jones EURO STOXX 50® Index was created by STOXX Limited, a joint venture between Deutsche Boerse AG, Dow Jones & Company and SWX Swiss Exchange. Publication of the Dow Jones EURO STOXX 50® Index began on February 26, 1998, based on an initial Dow Jones EURO STOXX 50® Index value of 1,000 at December 31, 1991. The Dow Jones EURO STOXX 50® Index is published in *The Wall Street Journal* and disseminated on the STOXX Limited website: http://www.STOXX.com.

The Dow Jones EURO STOXX 50® Index is composed of 50 component stocks of market sector leaders from within the Dow Jones EURO STOXX® Index, which includes stocks selected from the Eurozone. The component stocks have a high degree of liquidity and represent the largest companies across all market sectors defined by the Dow Jones Global Classification Standard. The industrial sector weightings of the securities currently included in the Dow Jones EURO STOXX 50® Index as of June 8, 2005 were as follows: Automobiles & Parts, 1.71%; Banks, 20.11%; Chemicals, 4.09%; Construction & Materials, 1.74%; Food & Beverage, 3.08%; Health Care, 4.52%; Industrial Goods & Services, 3.21%; Insurance, 10.41%; Media, 1.64%; Oil & Gas, 17.59%; Personal & Household Goods, 3.89%; Retail, 2.08%; Technology, 6.53%; Telecommunications, 9.85%; and Utilities, 9.54%. As of June 8, 2005, the six countries that are represented in the Dow Jones EURO STOXX 50® Index account for the following approximate percentages: (1) Finland, 4.01%; (2) France, 32.27%; (3) Germany, 22.08%; (4) Italy, 10.51%; (5) The Netherlands, 17.94%; and (6) Spain, 13.20%.

The composition of the Dow Jones EURO STOXX 50® Index is reviewed annually, based on the closing stock data on the last trading day in August. The component stocks are announced on the first trading day in September. Changes to the component stocks are implemented on the third Friday in September and are effective the following trading day. Changes in the composition of the Dow Jones EURO STOXX 50® Index are made to ensure that the Dow Jones EURO STOXX 50® Index includes the 50 market sector leaders from within the Dow Jones EURO STOXX® Index. The free float factors for each component stock used to calculate the Dow Jones EURO STOXX 50® Index, as described below, are reviewed, calculated and implemented on a quarterly basis and are fixed until the next quarterly review. The Dow Jones EURO STOXX 50® Index is also reviewed on an ongoing basis. Corporate actions (including initial public offerings, mergers and takeovers, spin-offs, delistings and bankruptcy) that affect the Dow Jones EURO STOXX 50® Index composition are immediately reviewed. Any changes are announced, implemented and effective in line with the type of corporate action and the magnitude of the effect.

Computation of the Index

The Dow Jones EURO STOXX 50® Index is calculated with the "Laspeyres formula," which measures the aggregate price changes in the component stocks against a fixed, base quantity weight. The formula for calculating the Dow Jones EURO STOXX 50® Index value can be expressed as follows:

$$\text{Index} = \frac{\text{free float market capitalization of the Index}}{\text{adjusted base date market capitalization of the Index}} \times 1{,}000$$

The "free float market capitalization of the Index" is equal to the sum of the products of the closing price, market capitalization and free float factor for each component stock as of the time the Dow Jones EURO STOXX 50® Index is being calculated.

The Dow Jones EURO STOXX 50® Index is also subject to a divisor, which is adjusted to maintain the continuity of the Dow Jones EURO STOXX 50® Index values across changes due to corporate actions. The following is a summary of the adjustments to any component stock made for corporate actions and the effect of such adjustment on the divisor, where shareholders of the component stock will receive "B" number of shares for every "A" share held (share applicable).

(1) Split and reverse split:

Adjusted price = closing price * A/B

New number of shares = old number of shares * B/A

Divisor: no change

(2) Rights offering:

Adjusted price = (closing price * A + subscription price * B) /(A + B)

New number of shares = old number of shares * (A + B) /A

Divisor: increases

(3) Stock dividend:

Adjusted price = closing price * A / (A + B)

New number of shares = old number of shares * (A + B) /A

Divisor: no change

(4) Stock dividend of another company:

Adjusted price = (closing price * A   price of other company * B) /A

Divisor: decreases

(5) Return of capital and share consideration:

Adjusted price = (closing price   dividend announced by company * (1-withholding tax)) * A/B

New number of shares = old number of shares * B /A

Divisor: decreases

(6) Repurchases of shares/self tender:

Adjusted price = ((price before tender * old number of shares)   (tender price * number of tendered shares))/(old number of shares   number of tendered shares)

New number of shares = old number of shares   number of tendered shares

Divisor: decreases

(7) Spin-off:

Adjusted price = (closing price * A   price of spun-off shares * B) /A

Divisor: decreases

(8) Combination stock distribution (dividend or split) and rights offering:

For this corporate action, the following additional assumptions apply:

Shareholders receive B new shares from the distribution and C new shares from the rights offering for every one A share held

If A is not equal to one share, all the following "new number of shares" formulae need to be divided by A:

If rights are applicable after stock distribution (one action applicable to other):

Adjusted price = (closing price * A + subscription price * C * (1 + B/A))/((A + B) * (1 + C/A))

New number of shares = old number of shares * ((A + B) * (1 + C/A))/A

Divisor: increases

If stock distribution is applicable after rights (one action applicable to other):

Adjusted price = (closing price * A + subscription price * C) /((A + C+ (1 + B/A))

New number of shares = old number of shares * ((A + C) * (1 + B/A))

Divisor: increases

Stock distribution and rights (neither action is applicable to the other):

Adjusted price = (closing price * A + subscription price * C) /(A + B+ C)

New number of shares = old number of shares * (A + B + C) /A

Divisor: increases

License Agreement

We have entered into a non-exclusive license agreement with STOXX Limited for the license to us, and certain of our affiliated companies or subsidiary companies, in exchange for a fee, of the right to use indices owned and published by STOXX Limited (including the

Dow Jones EURO STOXX 50® Index) in connection with certain securities, including the Notes.

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HAVE ANY RESPONSIBILITY OR LIABILITY FOR OR MAKE ANY DECISIONS ABOUT THE TIMING, AMOUNT OR PRICING OF THE NOTES.

HAVE ANY RESPONSIBILITY OR LIABILITY FOR THE ADMINISTRATION, MANAGEMENT OR MARKETING OF THE NOTES.

CONSIDER THE NEEDS OF THE NOTES OR THE OWNERS OF THE NOTES IN DETERMINING, COMPOSING OR CALCULATING THE DOW JONES EURO STOXX 50® INDEX OR HAVE ANY OBLIGATION TO DO SO.

STOXX AND DOW JONES WILL NOT HAVE ANY LIABILITY IN CONNECTION WITH THE NOTES. SPECIFICALLY:

STOXX AND DOW JONES DO NOT MAKE ANY WARRANTY, EXPRESS OR IMPLIED AND DISCLAIM ANY AND ALL WARRANTY ABOUT:

THE RESULTS TO BE OBTAINED BY THE NOTES, THE OWNER OF THE NOTES OR ANY OTHER PERSON IN CONNECTION WITH THE USE OF THE DOW JONES EURO STOXX 50® INDEX AND THE DATA INCLUDED IN SUCH INDEX.

THE ACCURACY OR COMPLETENESS OF THE DOW JONES EURO STOXX 50® INDEX AND ITS DATA.

THE MERCHANTABILITY AND THE FITNESS FOR A PARTICULAR PURPOSE OR USE OF THE DOW JONES EURO STOXX 50® INDEX AND ITS DATA.

STOXX AND DOW JONES WILL HAVE NO LIABILITY FOR ERRORS, OMISSIONS OR INTERRUPTIONS IN THE DOW JONES EURO STOXX 50® INDEX OR ITS DATA.

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THE NIKKEI 225 INDEX

All information in this terms supplement regarding the Nikkei 225 Index, including, without limitation, its make-up, method of calculation and changes in its components, is derived from publicly available information. Such information reflects the policies of, and is subject to change by, NKS or any of its affiliates. NKS owns the copyright and all other rights to the Nikkei 225 Index. NKS has no obligation to continue to publish, and may discontinue publication of, the Nikkei 225 Index. We do not assume any responsibility for the accuracy or completeness of such information. Historical performance of the Nikkei 225 Index is not an indication of future performance. Future performance of the Nikkei 225 Index may differ significantly from historical performance, either positively or negatively.

The Nikkei 225 Index is a stock index calculated, published and disseminated by NKS that measures the composite price performance of selected Japanese stocks. The Nikkei 225 Index is currently based on 225 underlying stocks trading on the Tokyo Stock Exchange (the "TSE"), and represents a broad cross-section of Japanese industry. All 225 Index Constituent Stocks are stocks listed in the First Section of the TSE. Domestic stocks admitted to the TSE are assigned either to the First Section, Second Section or Mothers Section. Stocks listed in the First Section are among the most actively traded stocks on the TSE. At the end of each business year, the TSE examines each First Section stock to determine whether it continues to meet the criteria for inclusion in the First Section and each Second Section stock to determine whether it may qualify for inclusion in the First Section. Futures and options contracts on the Index are traded on the Singapore Exchange Ltd., the Osaka Securities Exchange Co., Ltd. and the Chicago Mercantile Exchange Inc.

The Nikkei 225 Index is a modified, price-weighted index. Each stock's weight in the Nikkei 225 Index is based on its price per share rather than the total market capitalization of the issuer. NKS calculates the Nikkei 225 Index by multiplying the per-share price of each stock underlying the Nikkei 225 Index by the corresponding weighting factor for that stock, calculating the sum of all these products and dividing that sum by a divisor. The divisor, initially set in 1949 at 225, was 23.896 as of May 17, 2005 and is subject to periodic adjustments as described below. The weighting factor for each stock underlying the Nikkei 225 Index is computed by dividing 50 Japanese yen by the par value of that stock, so that the share price of each stock underlying the Nikkei 225 Index when multiplied by its weighting factor corresponds to a share price based on a uniform par value of 50 Japanese yen. Each weighting factor represents the number of shares of the related stock underlying the Nikkei 225 Index that are included in one trading unit of the Nikkei 225 Index. The stock prices used in the calculation of the Nikkei 225 Index are those reported by a primary market for the stock underlying the Nikkei 225 Index, which is currently the TSE. The level of the Nikkei 225 Index is calculated once per minute during TSE trading hours.

In order to maintain continuity in the level of the Nikkei 225 Index in the event of certain changes affecting the stock underlying the Nikkei 225 Index, such as the addition or deletion of stocks, substitution of stocks, stock dividends, stock splits or distributions of assets to stockholders, the divisor used in calculating the Nikkei 225 Index is adjusted in a manner designed to prevent any change or discontinuity in the level of the Nikkei 225 Index. The divisor remains at the new value until a further adjustment is necessary as the result of another change. As a result of each change affecting any stock underlying the Nikkei 225 Index, the divisor is adjusted in such a way that the sum of all share prices immediately after the change multiplied by the applicable weighting factor and divided by the new divisor, the level of the Nikkei 225 Index immediately after the change, will equal the level of the Nikkei 225 Index immediately prior to the change.

Stocks underlying the Nikkei 225 Index may be deleted or added by NKS. NKS conducts a periodic review in October of each year to reconsider component issues from the standpoint

of changes in the industry and market structure. However, to maintain continuity in the Nikkei 225 Index, the policy of NKS is generally not to alter the composition of the Stocks underlying the Nikkei 225 Index except when a stock underlying the Nikkei 225 Index is deleted in accordance with the following criteria.

Any stock underlying the Nikkei 225 Index becoming ineligible for listing in the First Section of the TSE due to any of the following reasons will be deleted from the stocks underlying the Nikkei 225 Index: bankruptcy of the issuer; merger of the issuer into, or acquisition of the issuer by, another company; delisting of the stock because of excess debt of the issuer or because of any other reason; transfer of the stock underlying the Nikkei 225 Index to the "Kanri Post" (Post for stocks under supervision); transfer of the stock to the "Seiri Post" (the Liquidation Post); or transfer of the Nikkei Index Stock to the Second Section of the TSE. In addition, Nikkei Index Stocks with relatively low liquidity based on trading volume and price fluctuation over the past five years may be deleted by NKS. Upon deletion of a stock underlying the Nikkei 225 Index from the stocks underlying the Nikkei 225 Index, NKS will select, in accordance with certain criteria established by it, a replacement for the deleted stock underlying the Nikkei 225 Index. Until such replacement, the Nikkei 225 Index will be calculated with the stocks underlying the Nikkei 225 Index less the deleted stock underlying the Nikkei 225 Index.

A list of the issuers of the stocks underlying the Nikkei 225 Index is available from the NKS Economic Electronic Databank System and from the NKS directly. NKS may delete, add or substitute any stock underlying the Nikkei 225 Index.

The Tokyo Stock Exchange

The TSE is one of the world's largest securities exchanges in terms of market capitalization. Trading hours for TSE-listed stocks are currently from 9:00 a.m. to 11:00 a.m. and from 12:30 p.m. to 3:00 p.m., Tokyo time, Monday through Friday.

Due to time zone differences, on any normal trading day the TSE will close before the opening of business in New York City on the same calendar day. Therefore, the closing level of the Nikkei 225 Index on any particular business day will generally be available in the United States by the opening of business on that business day.

The TSE has adopted certain measures, including daily price floors and ceilings on individual stocks, intended to prevent any extreme short-term price fluctuations resulting from order imbalances. In general, any stock listed on the TSE cannot be traded at a price lower than the applicable price floor or higher than the applicable price ceiling. These price floors and ceilings are expressed in absolute Japanese yen, rather than percentage limits based on the closing price of the stock on the previous trading day. In addition, when there is a major order imbalance in a listed stock, the TSE posts a "special bid quote" or a "special offer quote" for that stock at a specified higher or lower price level than the stock's last sale price in order to solicit counter-orders and balance supply and demand for the stock. Prospective investors should also be aware that the TSE may suspend the trading of individual stocks in certain limited and extraordinary circumstances, including, for example, unusual trading activity in that stock. As a result, changes in the Nikkei 225 Index may be limited by price limitations, special quotes or by suspension of trading in stocks underlying the Nikkei 225 Index, and these limitations may, in turn, adversely affect the value of the Notes.

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HISTORICAL CLOSING LEVELS OF THE S&P 500® INDEX

Since its inception, the index has experienced significant fluctuations. Any historical upward or downward trend in the value of the index during any period shown below is not an indication that the value of the index is more or less likely to increase or decrease at any time during the term of the Notes. You should not take the historical index levels as an indication of future performance of the index. We cannot assure you that the future performance of the index or the index stocks will result in you receiving an amount greater than the principal amount of your Notes on the maturity date. The actual performance of the index over the life of the Notes may bear little relation to the historical levels shown below.

The table below sets forth the high, the low, and the last closing levels at the end of each calendar quarter of the S&P 500® Index for the calendar years 2000, 2001, 2002, 2003 and 2004 and for 2005 (through June 6, 2005). The closing levels listed in the table below were obtained from Bloomberg Financial Services, without independent verification.

QUARTER ENDED	HIGH	LOW	CLOSE
2000			
First Quarter	1,527.46	1,333.36	1,498.58
Second Quarter	1,516.35	1,355.62	1,454.60
Third Quarter	1,520.77	1,419.89	1,436.51
Fourth Quarter	1,436.28	1,264.74	1,320.28
2001			
First Quarter	1,373.73	1,117.58	1,160.33
Second Quarter	1,312.83	1,103.25	1,224.42
Third Quarter	1,236.72	965.80	1,040.94
Fourth Quarter	1,170.35	1,038.55	1,148.08
2002			
First Quarter	1,172.51	1,080.17	1,147.39
Second Quarter	1,146.54	973.53	989.82
Third Quarter	989.03	797.70	815.28
Fourth Quarter	938.87	776.76	879.82
2003			
First Quarter	931.66	800.73	848.18
Second Quarter	1,011.66	858.48	974.50
Third Quarter	1,039.58	965.46	995.97
Fourth Quarter	1,111.92	1,018.22	1,111.92
2004			
First Quarter	1,157.76	1,091.33	1,126.21
Second Quarter	1,150.57	1,084.10	1,140.84
Third Quarter	1,129.30	1,063.23	1,114.58
Fourth Quarter	1,213.55	1,094.81	1,211.92
2005			
First Quarter	1,225.31	1,163.75	1,180.59
Second Quarter (through June 6, 2005)	1,204.29	1,137.50	1,197.51

HISTORICAL CLOSING LEVELS OF THE DOW JONES EURO STOXX 50® INDEX

Since its inception, the index has experienced significant fluctuations. Any historical upward or downward trend in the value of the index during any period shown below is not an indication that the value of the index is more or less likely to increase or decrease at any time during the term of the Notes. You should not take the historical index levels as an indication of future performance of the index. We cannot assure you that the future performance of the index or the index stocks will result in you receiving an amount greater than the principal amount of your Notes on the maturity date. The actual performance of the index over the life of the Notes may bear little relation to the historical levels shown below.

The table below sets forth the high, the low, and the last closing levels at the end of each calendar quarter of the Dow Jones Euro Stoxx 50® Index for the calendar years 2000, 2001, 2002, 2003 and 2004 and for 2005 (through June 6, 2005). The closing levels listed in the table below were obtained from Bloomberg Financial Services, without independent verification.

QUARTER ENDED	HIGH	LOW	CLOSE
2000			
First Quarter	5,464.43	4,500.69	5,249.55
Second Quarter	5,434.81	4,903.92	5,145.35
Third Quarter	5,392.63	4,915.18	4,915.18
Fourth Quarter	5,101.40	4,614.24	4,772.39
2001			
First Quarter	4,787.45	3,891.49	4,185.00
Second Quarter	4,582.07	4,039.16	4,243.91
Third Quarter	4,304.44	2,877.68	3,296.66
Fourth Quarter	3,828.76	3,208.31	3,806.13
2002			
First Quarter	3,833.09	3,430.18	3,784.05
Second Quarter	3,748.44	2,928.72	3,133.39
Third Quarter	3,165.47	2,187.22	2,204.39
Fourth Quarter	2,669.89	2,150.27	2,386.41
2003			
First Quarter	2,529.86	1,849.64	2,036.86
Second Quarter	2,527.44	2,067.23	2,419.51
Third Quarter	2,641.55	2,366.86	2,395.87
Fourth Quarter	2,760.66	2,434.63	2,760.66
2004			
First Quarter	2,959.71	2,702.05	2,787.49
Second Quarter	2,905.88	2,659.85	2,811.08
Third Quarter	2,806.62	2,580.04	2,726.30
Fourth Quarter	2,955.11	2,734.37	2,951.24
2005			
First Quarter	3,114.54	2,924.01	3,055.73
Second Quarter (through June 6, 2005)	3,131.03	2,930.10	3,099.20

HISTORICAL CLOSING LEVELS OF THE NIKKEI 225 INDEX

Since its inception, the index has experienced significant fluctuations. Any historical upward or downward trend in the value of the index during any period shown below is not an indication that the value of the index is more or less likely to increase or decrease at any time during the term of the Notes. You should not take the historical index levels as an indication of future performance of the index. We cannot assure you that the future performance of the index or the index stocks will result in you receiving an amount greater than the principal amount of your Notes on the maturity date. The actual performance of the index over the life of the Notes may bear little relation to the historical levels shown below.

The table below sets forth the high, the low, and the last closing levels at the end of each calendar quarter of the Nikkei 225 Index for the calendar years 2000, 2001, 2002, 2003 and 2004 and for 2005 (through June 6, 2005). The closing levels listed in the table below were obtained from Bloomberg Financial Services, without independent verification.

QUARTER ENDED	HIGH	LOW	CLOSE
2000			
First Quarter	20,706.65	18,168.27	20,337.32
Second Quarter	20,833.21	16,008.14	17,411.05
Third Quarter	17,614.66	15,626.96	15,747.26
Fourth Quarter	16,149.08	13,423.21	13,785.69
2001			
First Quarter	14,032.42	11,819.70	12,999.70
Second Quarter	14,529.41	12,574.26	12,969.05
Third Quarter	12,817.41	9,504.41	9,774.68
Fourth Quarter	11,064.30	9,924.23	10,542.62
2002			
First Quarter	11,919.30	9,420.85	11,024.94
Second Quarter	11,979.85	10,074.56	10,621.84
Third Quarter	10,960.25	9,075.09	9,383.29
Fourth Quarter	9,215.56	8,303.39	8,578.95
2003			
First Quarter	8,790.92	7,862.43	7,972.71
Second Quarter	9,137.14	7,607.88	9,083.11
Third Quarter	11,033.32	9,265.56	10,219.05
Fourth Quarter	11,161.71	9,614.60	10,676.64
2004			
First Quarter	11,770.65	10,365.40	11,715.39
Second Quarter	12,163.89	10,505.05	11,858.87
Third Quarter	11,896.01	10,687.81	10,823.57
Fourth Quarter	11,488.76	10,659.15	11,488.76
2005			
First Quarter	11,966.69	11,238.37	11,668.95
Second Quarter (through June 6, 2005	11,874.75	10,825.39	11,270.62

HYPOTHETICAL EXAMPLES

Example 1

Allocated Basket Return Ranking	Weight
1st	50%
2nd	30%
3rd	20%

Allocated Basket Return = [50% × The highest of the three Average Index Returns] +
[30% × The second highest of the three Average Index Returns] +
[20% × The lowest of the three Average Index Returns]

Basket Index	S&P 500® Index	Dow Jones EURO STOXX 50® Index	Nikkei 225 Index
Initial Index Value	1,200.00	3,125.00	11,280.00
Year 1	1,296.00	3,468.75	11,956.80
Year 2	1,440.00	4,062.50	12,295.20
Year 3	1,512.00	4,562.50	12,633.60
Year 4	1,728.00	4,718.75	12,746.40
Year 5	1,812.00	5,093.75	12,972.00
Average Index Value	1,557.60	4,381.25	12,520.80

The Average Index Return for each of the three basket indices is:

Basket Index	S&P 500® Index	Dow Jones EURO STOXX 50® Index	Nikkei 225 Index
Average Index Return	29.80%	40.20%	11.00%

Allocated Basket Return Ranking	Basket Index	Average Index Return	Weight	Basket Return
1st	Dow Jones EURO STOXX 50® Index	40.20%	50%	20.100%
2nd	S&P 500® Index	29.80%	30%	8.940%
3rd	Nikkei 225 Index	11.00%	20%	2.200%
	Allocated Basket Return			31.240%
	Payment at Maturity = $1,000 + ($1,000 × 31.24%) =			$ 1,312.40

Hypothetical Payment at Maturity for each $1,000 Principal Amount Note

The example above illustrates the payment at maturity of the Notes on a hypothetical investment under a five-year scenario. The Initial Index Value for the S&P 500® Index is 1,200.00, the Initial Index Value for the Dow Jones EURO STOXX 50® Index is 3,125.00, and the Initial Index Value for the Nikkei 225 Index is 11,280.00.

If you hold the Notes until maturity, you will receive at least the full principal amount of your Notes. The Notes are intended to be long-term investments, and as such, should be held to maturity. They are not intended to be short-term trading instruments. The price at which you will be able to sell your Notes prior to maturity may be at a substantial discount from the principal amount of the Notes, even in cases where the index closing values of the basket indices have increased after the pricing date of the Notes. The potential returns described here assume that your Notes are held to maturity. The results above are based solely on this hypothetical example. You should consider carefully whether the Notes are suitable to your investment goals.

Example 2

Allocated Basket Return Ranking	Weight
1st	50%
2nd	30%
3rd	20%

Allocated Basket Return = [50% × The highest of the three Average Index Returns] +
[30% × The second highest of the three Average Index Returns] +
[20% × The lowest of the three Average Index Returns]

Basket Index	S&P 500® Index	Dow Jones EURO STOXX 50® Index	Nikkei 225 Index
Initial Index Value	1,200.00	3,125.00	11,280.00
Year 1	1,308.00	3,312.50	12,069.60
Year 2	1,380.00	3,718.75	13,084.80
Year 3	1,500.00	3,968.75	14,664.00
Year 4	1,596.00	4,343.75	16,017.60
Year 5	1,668.00	4,406.25	17,032.80
Average Index Value	1,490.40	3,950.00	14,573.76

The Average Index Return for each of the three basket indices is:

Basket Index	S&P 500® Index	Dow Jones EURO STOXX 50® Index	Nikkei 225 Index
Average Index Return	24.20%	26.40%	29.20%

Allocated Basket Return Ranking	Basket Index	Average Index Return	Weight	Basket Return
1st	Nikkei 225 Index	29.20%	50%	14.600%
2nd	Dow Jones EURO STOXX 50® Index	26.40%	30%	7.920%
3rd	S&P 500® Index	24.20%	20%	4.840%
	Allocated Basket Return			27.360%
	Payment at Maturity = $1,000 + ($1,000 × 27.360%) =			$ 1,273.60

Hypothetical Payment at Maturity for each $1,000 Principal Amount Note

The example above illustrates the payment at maturity of the Notes on a hypothetical investment under a five-year scenario. The Initial Index Value for the S&P 500® Index is 1,200.00, the Initial Index Value for the Dow Jones EURO STOXX 50® Index is 3,125.00, and the Initial Index Value for the Nikkei 225 Index is 11,280.00.

If you hold the Notes until maturity, you will receive at least the full principal amount of your Notes. The Notes are intended to be long-term investments, and as such, should be held to maturity. They are not intended to be short-term trading instruments. The price at which you will be able to sell your Notes prior to maturity may be at a substantial discount from the principal amount of the Notes, even in cases where the index closing values of the basket indices have increased after the pricing date of the Notes. The potential returns described here assume that your Notes are held to maturity. The results above are based solely on this hypothetical example. You should consider carefully whether the Notes are suitable to your investment goals.

Example 3

Allocated Basket Return Ranking	Weight
1st	50%
2nd	30%
3rd	20%

Allocated Basket Return = [50% × The highest of the three Average Index Returns] +
[30% × The second highest of the three Average Index Returns] +
[20% × The lowest of the three Average Index Returns]

Basket Index	S&P 500® Index	Dow Jones EURO STOXX 50® Index	Nikkei 225 Index
Initial Index Value	1,200.00	3,125.00	11,280.00
Year 1	1,245.36	2,792.81	9,424.44
Year 2	1,353.72	2,959.06	10,027.92
Year 3	1,516.20	3,235.00	11,415.36
Year 4	1,496.76	3,589.38	11,787.60
Year 5	1,632.00	3,814.06	11,956.80
Average Index Value	1,448.81	3,278.06	10,922.42

The Average Index Return for each of the three basket indices is:

Basket Index	S&P 500® Index	Dow Jones EURO STOXX 50® Index	Nikkei 225 Index
Average Index Return	20.73%	4.90%	-3.17%

Allocated Basket Return Ranking	Basket Index	Average Index Return	Weight	Basket Return
1st	S&P 500® Index	20.73%	50%	10.367%
2nd	Dow Jones EURO STOXX 50® Index	4.90%	30%	1.469%
3rd	Nikkei 225 Index	-3.17%	20%	-0.634%
	Allocated Basket Return			11.202%
	Payment at Maturity = $1,000 + ($1,000 × 11.202%) =			$ 1,112.02

Hypothetical Payment at Maturity for each $1,000 Principal Amount Note

The example above illustrates the payment at maturity of the Notes on a hypothetical investment under a five-year scenario. The Initial Index Value for the S&P 500® Index is 1,200.00, the Initial Index Value for the Dow Jones EURO STOXX 50® Index is 3,125.00, and the Initial Index Value for the Nikkei 225 Index is 11,280.00.

If you hold the Notes until maturity, you will receive at least the full principal amount of your Notes. The Notes are intended to be long-term investments, and as such, should be held to maturity. They are not intended to be short-term trading instruments. The price at which you will be able to sell your Notes prior to maturity may be at a substantial discount from the principal amount of the Notes, even in cases where the index closing values of the basket indices have increased after the pricing date of the Notes. The potential returns described here assume that your Notes are held to maturity. The results above are based solely on this hypothetical example. You should consider carefully whether the Notes are suitable to your investment goals.

Example 4

Allocated Basket Return Ranking	Weight
1st	50%
2nd	30%
3rd	20%

Allocated Basket Return = [50% × The highest of the three Average Index Returns] +
[30% × The second highest of the three Average Index Returns] +
[20% × The lowest of the three Average Index Returns]

Basket Index	S&P 500® Index	Dow Jones EURO STOXX 50® Index	Nikkei 225 Index
Initial Index Value	1,200.00	3,125.00	11,280.00
Year 1	1,188.00	3,343.75	10,039.20
Year 2	1,212.00	3,250.00	9,813.60
Year 3	1,104.00	3,218.75	9,588.00
Year 4	1,128.00	3,156.25	10,603.20
Year 5	1,068.00	3,312.50	11,280.00
Average Index Value	1,140.00	3,256.25	10,264.80

The Average Index Return for each of the three basket indices is:

Basket Index	S&P 500® Index	Dow Jones EURO STOXX 50® Index	Nikkei 225 Index
Average Index Return	-5.00%	4.20%	-9.00%

Allocated Basket Return Ranking	Basket Index	Average Index Return	Weight	Basket Return
1st	Dow Jones EURO STOXX 50® Index	4.20%	50%	2.100%
2nd	S&P 500® Index	-5.00%	30%	-1.500%
3rd	Nikkei 225 Index	-9.00%	20%	-1.800%
	Allocated Basket Return			-1.200%
	Payment at Maturity = $1,000 + ($1,000 × -1.20%) =			$ 1,000.00

Hypothetical Payment at Maturity for each $1,000 Principal Amount Note

The example above illustrates the payment at maturity of the Notes on a hypothetical investment under a five-year scenario. The Initial Index Value for the S&P 500® Index is 1,200.00, the Initial Index Value for the Dow Jones EURO STOXX 50® Index is 3,125.00, and the Initial Index Value for the Nikkei 225 Index is 11,280.00.

If you hold the Notes until maturity, you will receive at least the full principal amount of your Notes. The Notes are intended to be long-term investments, and as such, should be held to maturity. They are not intended to be short-term trading instruments. The price at which you will be able to sell your Notes prior to maturity may be at a substantial discount from the principal amount of the Notes, even in cases where the index closing values of the basket indices have increased after the pricing date of the Notes. The potential returns described here assume that your Notes are held to maturity. The results above are based solely on this hypothetical example. You should consider carefully whether the Notes are suitable to your investment goals.

SPECIFIC TERMS OF THE NOTES

In this section, references to "holders" mean those who own the Notes registered in their own names, on the books that we or the trustee maintain for this purpose, and not those who own beneficial interests in the Notes registered in street name or in the Notes issued in book-entry form through The Depository Trust Company or another depositary. Owners of beneficial interests in the Notes should read the section entitled "Clearance and Settlement" in the accompanying prospectus supplement.

The Notes are part of a series of debt securities entitled "Principal Protected "Performance Allocation" Notes due July 29, 2010 (Based on the Value of a Global Basket of Three Equity Indices)" that we may issue under the indenture, described in the accompanying prospectus supplement and prospectus, from time to time. This terms supplement summarizes specific financial and other terms that apply to the Notes. Terms that apply generally to all equity linked notes are described in "Description of Notes Equity-Linked Notes" in the accompanying prospectus supplement. The terms described below supplement those described in the accompanying prospectus supplement and, if the terms described below are inconsistent with those described there, the terms described below are controlling.

Please note that the information about the price to the public and our net proceeds on the front cover of this terms supplement relates only to the initial sale of the Notes. If you have purchased the Notes in a secondary market transaction after the initial sale, information about the price and date of sale to you will be provided in a separate confirmation of sale.

We describe the terms of the Notes in more detail below. Each of the S&P 500® Index, the Dow Jones EURO STOXX 50® Index and the Nikkei 225 Index is referred to as a "basket index" and collectively referred to as "basket indices."

Denominations

The Notes will be issued in denominations of $1,000 and integral multiples of $1,000.

Ranking

The Notes will be our direct, unsecured and unsubordinated contractual obligations and will constitute deposit liabilities which will rank *pari passu* in right of payment with all of our deposit liabilities, except for obligations preferred by mandatory provisions of law. The Notes will not be insured under the Canada Deposit Insurance Corporation Act or by the U.S. Federal Deposit Insurance Corporation or any other Canadian or U.S. governmental agency or instrumentality.

Interest

We will not make interest or other payments on the Notes before maturity.

Payment at Maturity

You will receive a cash payment per Note equal to the full principal amount of the Note plus the Basket Return Payment, if any.

The Basket Return Payment, per $1,000 principal amount of Notes, will equal the greater of:

(a) $0; and

(b) $1,000 × Upside Participation Rate × Allocated Basket Return

The Allocated Basket Return will equal [50% × The highest of the three Average Index Returns] + [30% × The second highest of the three Average Index Returns] + [20% × The lowest of the three Average Index Returns]

The Average Index Return for each of the three basket indices will equal

The Upside Participation Rate means 100%.

The Initial Index Value for each of the three basket indices is the closing value for each basket index on July 26, 2005.

The Average Index Value for each of the three basket indices is the arithmetic average of the index closing values on each of the five determination dates, as calculated by the

calculation agent on the final determination date. The determination dates will be the 26th day of each July. The first determination date is July 26, 2006, and the last determination date is July 26, 2010. If any determination date is not a trading day or if a market disruption event occurs on any such date with respect to a basket index, such determination date with respect to that basket index will be the immediately succeeding trading day during which no market disruption event shall have occurred with respect to that basket index; provided that, with respect to any basket index, if a market disruption event has occurred on each of the eight trading days immediately succeeding any of the scheduled determination dates, the calculation agent will determine the applicable basket index closing value on such eighth succeeding trading day in accordance with the formula for calculating the value of the applicable basket index last in effect prior to the commencement of the market disruption event, without rebalancing or substitution, using the closing price (or, if trading in the relevant securities has been materially suspended or materially limited, its good faith estimate of the closing price that would have prevailed but for such suspension or limitation) on such eighth succeeding trading day of each security most recently comprising the applicable basket index.

Business Day

A business day is a day that is not a day on which banking institutions in New York City are authorized or required by law to close. If the maturity date is not a business day, we will make the payment scheduled to be made on that date on the next succeeding business day, but we will not pay any interest on that payment during the period from and after the scheduled maturity date.

Trading Day

A day, as determined by the calculation agent, on which trading is generally conducted on the relevant exchange(s) for securities underlying the applicable basket index; provided that in respect of the Dow Jones EURO STOXX 50® Index only, any day on which (i) the index level sponsor publishes the level of the basket index and (ii) Eurex is scheduled to be open for its regular trading session.

Maturity Date

The maturity date will be July 29, 2010. The maturity date may be extended if the final determination date is postponed as a result of a market disruption event or otherwise. In that case, the maturity date will be the third business day following the latest final determination date with respect to any basket index so postponed.

Market Disruption Event

The determination of the basket index closing value on any determination date may be postponed if the calculation agent determines that, on that determination date, a market disruption event has occurred or is continuing with respect to any basket index. If such a postponement occurs, the determination date will be the first trading day on which no market disruption event occurs or is continuing with respect to that basket index.

If a market disruption event with respect to any basket index continues for eight consecutive scheduled trading days after the originally scheduled determination date, then the eighth trading day after that date will be deemed to be the determination date and the basket index closing value will be determined by the calculation agent in accordance with the formula for and method of calculating the value of the applicable basket index last in effect prior to the commencement of the market disruption event, without rebalancing or substitution, using the closing price on such eighth succeeding trading day of each security most recently comprising the applicable basket index. If trading in the relevant securities has been materially suspended or materially limited, the calculation agent will estimate, in good faith, the closing value of such security as of that date.

A "market disruption event" means, with respect to any basket index, an "early closure" or the occurrence or existence of a "trading disruption" or an "exchange disruption," which in either case the calculation agent determines is material, at any time during the one hour period that ends at the time such basket index is to be valued.

"Early closure" means the closure on a trading day of the relevant exchanges of the securities that then comprise 20 percent or more of such basket index (or any exchanges or quotation systems on which the calculation agent determines trading has a material effect on the overall market for options and futures contracts relating to such basket index) prior to their scheduled closing time unless such earlier closing time is announced by such exchanges at least one hour prior to the earlier of (a) the actual closing time for the regular trading session on such exchanges on such day and (b) the submission deadline for orders to be entered into the relevant exchanges for execution at the valuation time on such day.

A "trading disruption" is (a) any suspension of or limitation imposed on trading by the relevant exchanges (or any exchanges or quotation systems on which the calculation agent determines trading has a material effect on the overall market for options and futures contracts relating to such basket index) or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant exchange or related exchange or otherwise (1) on any relevant exchanges relating to securities that then comprise 20 percent or more of the level of such basket index, or (2) in futures or options contracts relating to such basket index on any exchanges or quotation systems on which we determine trading has a material effect on the overall market for basket indices options and futures contracts, or (b) any event, circumstance or cause (whether or not reasonably foreseeable) beyond the reasonable control of us or any person that does not deal at arm's length with us which has or will have a material adverse effect on the ability of equity dealers generally to place, maintain or modify hedges of positions in respect of such basket index.

An "exchange disruption" is any event (other than an early closure) that disrupts or impairs (as determined by the calculation agent) the ability of market participants in general (a) to effect transactions in, or obtain market values for, securities that then comprise 20 percent or more of the level of such basket index on the relevant exchanges, or (b) to effect transactions in, or obtain market values for, futures or options contracts relating to such basket index on any relevant exchange.

For the purposes of determining whether a "market disruption event" has occurred, the relevant contribution of a component security to the level of a basket index will be based on a comparison of (x) the portion of the level of such basket index attributable to that component security to (y) the overall level of such basket index, in each case immediately before the market disruption event.

Redemption upon Optional Tax Redemption

We have the right to redeem the Notes in the circumstances described under "Description of Notes Redemption and Repayment of Notes Tax Redemption" in the accompanying prospectus supplement**.** If we exercise this right, the redemption price of the Notes will be determined by the calculation agent in a manner reasonably calculated to preserve your and our relative economic position.

Discontinuance of or Adjustments to the Basket Indices; Alteration of Method of Calculation

If a particular basket index is calculated and announced by a successor index sponsor acceptable to us, or if a particular basket index is replaced by a successor index using, as determined by the calculation agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the basket index, then we will deem that successor index to be a basket index for the purposes of determinations pertaining to the Notes.

If a "basket index adjustment event" occurs, then the calculation agent will determine if the basket index adjustment event has a material effect on the potential amount payable under the

Notes and, if so, the calculation agent will calculate the index closing value using, instead of the published value for the affected basket index, the index closing value as of that determination date and for all determination dates after that determined by the calculation agent in accordance with the formula for and method of calculating the basket index last in effect prior to the change, failure or cancellation, but using only those securities that comprised the basket index immediately prior to that basket index adjustment event.

If the calculation agent determines, in its sole discretion, that the calculations described in the previous paragraph will not achieve an equitable result or are impracticable, then the calculation agent may make such further calculations and adjustments as, in the good faith judgment of the calculation agent, may be necessary in order to arrive at a level of a stock index comparable to the basket index or such successor basket index, as the case may be, as if the basket index adjustment event had not occurred, and the calculation agent will calculate the index closing value and the Initial Index Value, if necessary, with reference to the basket index or such successor basket index, as adjusted. Accordingly, if the method of calculating the basket index or a successor basket index is modified so that the level of such basket index is a fraction of what it would have been if it had not been modified, then the calculation agent will adjust such basket index in order to arrive at a level of the basket index or such successor basket index as if it had not been modified. We will notify you in a reasonable manner of any such adjustments or calculations.

A "basket index adjustment event" occurs if (a) one of the basket index sponsors announces, on or prior to any determination date, that it will make a material change in the formula for or the method of calculating its basket index or in any other way materially modifies its basket index or permanently cancels its basket index and no successor basket index exists or (b) one of the basket indices fails, on any determination date, to calculate and announce its basket index (other than a modification prescribed in that formula or method to maintain its basket index in the event of changes in constituent stock and capitalization and other routine events).

If, during the term of the Notes, any closing level published by one of the basket index sponsors that is utilized for any calculation of amounts payable under the Notes is subsequently corrected and the correction is published by one of the basket index sponsors, we will determine the amount that is payable as a result of that correction, and, to the extent necessary, will adjust the terms of the amounts payable under the Notes to account for such correction; provided, that if any correction is made by one of the basket index sponsors to the basket index closing value on the final determination date, we will make the adjustment described above as to the final determination date only if the correction is published by that particular basket index sponsor within one scheduled trading day after the final determination date.

Manner of Payment and Delivery

Any payment on or delivery of the Notes at maturity will be made to accounts designated by you and approved by us, or at the office of the trustee in Wilmington, Delaware, but only when the Notes are surrendered to the trustee at that office. We also may make any payment or delivery in accordance with the applicable procedures of the depositary.

Role of the Calculation Agent

We will serve initially as the calculation agent. We may change the calculation agent after the original issue date of the Notes without notice. In our role as calculation agent, we will make all determinations regarding the basket closing values on determination dates, the amount of the Basket Return Payment at maturity, market disruption events, extraordinary events, trading days, business days, and the amounts payable in respect of your Notes. Absent manifest error, all of our determinations in our role as calculation agent will be final and binding on you and us, without any liability on our part. You will not be entitled to any compensation from us for any loss suffered as a result of any determinations we make in our role as calculation agent.

HEDGING

In anticipation of the sale of the Notes, we or our affiliates expect to enter into hedging transactions involving purchases of securities included in or linked to the basket indices and/or listed and/or over-the-counter options or futures on basket indices stocks or listed and/or over-the-counter options, futures or exchange-traded funds on the basket indices. From time to time, we or our affiliates may enter into additional hedging transactions or unwind those we have entered into. In this regard, we or our affiliates may:

- acquire or dispose of long or short positions of securities of issuers of the basket indices stocks,
- acquire or dispose of long or short positions in listed or over-the-counter options, futures, exchange-traded funds or other instruments based on the basket value or the value of the basket indices stocks,
- acquire or dispose of long or short positions in listed or over-the-counter options, futures, or exchange-traded funds or other instruments based on the level of other similar market indices or stocks, or
- any combination of the above three.

We or our affiliates may acquire a long or short position in securities similar to the Notes from time to time and may, in our or their sole discretion, hold or resell those securities.

We or our affiliates may close out our or their hedge on or before the final determination date. That step may involve sales or purchases of basket indices stocks, listed or over-the-counter options or futures on basket indices stocks or listed or over-the-counter options, futures, exchange-traded funds or other instruments based on the basket value or basket indices designed to track the performance of the basket indices or other components of the U.S. equity market.

The hedging activity discussed above may adversely affect the market value of the Notes from time to time. See "Risk Factors" in the accompanying prospectus supplement for a discussion of these adverse effects.

SUPPLEMENTAL U.S. FEDERAL INCOME TAX CONSEQUENCES

The discussion below supplements the discussion of U.S. federal income taxation in the accompanying prospectus and prospectus supplement. This discussion applies to you if you are a United States holder, you hold your Notes as a capital asset for U.S. federal income tax purposes, and you acquire your Notes at the initial issue price in this offering. You are a United States holder if you are a beneficial owner of Notes and you are either:

- a citizen or resident alien individual of the United States;
- a corporation (including for this purpose any other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States or any political subdivision thereof;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust that (i) is subject to the primary supervision of a court within the United States and under the control of one or more U.S. persons, or (ii) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a United States holder.

This discussion is based on the provisions of the Internal Revenue Code of 1986, as amended (referred to as the "Code"), U.S. Treasury regulations issued thereunder, and administrative and judicial interpretations thereof, all as of the date of this terms supplement and all of which are subject to change, possibly with retroactive effect. This discussion is not a detailed description of the U.S. federal income tax consequences to you in light of your particular circumstances. Furthermore, this discussion may not provide a detailed description of the U.S. federal income tax consequences applicable to you if you are a taxpayer subject to special treatment under the U.S. federal income tax laws, such as:

- a person subject to the alternative minimum tax;
- an expatriate;
- a financial institution;
- an individual retirement or other tax-deferred account;
- a dealer in securities or currencies;
- a trader in securities that elects to use a mark-to-market method of accounting for your securities holdings;
- a life insurance company;
- a tax-exempt organization;
- a person that holds the Notes as a hedge, a position in a "straddle" or as part of a "conversion" transaction for tax purposes; or
- a person whose functional currency is not the U.S. dollar.

If a partnership (including for this purpose any other entity, whether or not created or organized in or under the laws of the United States, treated as a partnership for U.S. federal income tax purposes) holds the Notes, the tax treatment of a partner as a beneficial owner of a Note generally will depend upon the status of the partner and the activities of the partnership. Foreign partnerships are subject to special tax documentation requirements.

You should consult your own tax advisor concerning the particular U.S. federal income tax consequences to you resulting from your ownership of the Notes.

Interest Income

In the opinion of our counsel, Mayer, Brown, Rowe & Maw LLP, your Notes will be treated as a single debt instrument subject to the special tax rules governing contingent debt instruments for U.S. federal income tax purposes. Although the Notes do not provide for stated interest payments, under contingent debt instrument rules, you will be required to take into account interest based upon a projected payment schedule for the Notes, and applying the rules similar to those for accruing original issue discount on a hypothetical noncontingent

debt instrument with that projected payment schedule. This method is applied by first determining the yield at which we would issue a noncontingent fixed rate debt instrument with terms and conditions similar to the Notes (the "comparable yield") and then determining a payment schedule as of the issue date that would produce the comparable yield. These rules will generally have the effect of requiring you to include amounts in respect of the Notes prior to your receipt of cash attributable to that income (which, in the case of the Notes, will be at maturity or retirement).

We have determined that the comparable yield is equal to 4.30% per annum, compounded semi-annually, with a projected payment at maturity of $1,234.30, based on an investment of $1,000. Based upon this comparable yield, if you are an initial holder that holds a Note until maturity and you pay your taxes on a calendar year basis, you would generally be required to pay taxes on the following amounts of ordinary income from the Note each year: $17.85 in 2005, $43.77 in 2006, $45.65 in 2007, $47.61 in 2008, $49.66 in 2009 and $29.77 in 2010. However, in 2010, the amount of ordinary income that you would be required to pay taxes on from owning each Note may be greater or less than $29.77, depending on the payment at maturity that you actually receive. Also, if the payment at maturity were less than $1,234.30, you would have a net ordinary loss in 2010.

You are required to use the comparable yield and the projected payment schedule that we compute in determining your interest accruals on a Note, and the adjustments thereto described below, in respect of the Notes, unless you timely disclose and justify on your U.S. federal income tax return the use of a different comparable yield and projected payment schedule.

The comparable yield and projected payment schedule are not provided to you for any purpose other than the determination of your interest accruals in respect of the Notes, and we make no representations regarding the amount of contingent payments with respect to the Notes.

If you purchase the Notes for an amount that differs from the Notes' adjusted issue price at the time of the purchase, you must determine the extent to which the difference between the price you paid for the Notes and its adjusted issue price is attributable to a change in expectations as to the projected payment schedule, a change in interest rates, or both, and allocate the difference accordingly. If the Notes are listed on the American Stock Exchange, you may (but are not required to) allocate the difference pro rata to interest accruals over the remaining term of the Notes to the extent that the yield on the Notes, determined after taking into account amounts allocated to interest, is not less than the U.S. federal short-term rate. This rate is determined monthly by the U.S. Secretary of Treasury and is intended to approximate the average yield on short-term U.S. government obligations. The adjusted issue price of the Notes will equal the Notes' original issue price plus any interest deemed to be accrued on the Notes (under the rules governing contingent payment obligations) as of the time you purchased the Notes.

If the adjusted issue price of the Notes is greater than the price you paid for the Notes, you must make positive adjustments increasing the amount of interest that you would otherwise accrue and include in income each year and the amount of ordinary income (or decreasing the amount of ordinary loss) recognized upon maturity by the amounts allocated to each of interest and projected payment schedule. If the adjusted issue price of the Notes is less than the price you paid for the Notes, you must make negative adjustments, decreasing the amount of interest that you must include in income each year and the amount of ordinary income (or increasing the amount of ordinary loss) recognized upon maturity by the amounts allocated to each of interest and projected payment schedule. Adjustments allocated to the interest amount are not made until the date the daily portion of interest accrues.

Because any Form 1099-OID that you receive will not reflect the effects of positive or negative adjustments resulting from your purchase of the Notes at a price other than the adjusted issue price determined for tax purposes,

you are urged to consult with your tax advisor as to whether and how adjustments should be made to the amounts reported on any Form 1099-OID.

Sale, Exchange or Retirement of a Note

You will recognize gain or loss upon the sale or maturity of the Notes in an amount equal to the difference, if any, between the amount of cash you receive at such time and your adjusted basis in the Notes. In general, your adjusted basis in the Notes will equal the amount you paid for the Notes, increased by the amount of interest you previously accrued with respect to the Notes (in accordance with the comparable yield and the projected payment schedule for the Notes) and increased or decreased by the amount of any positive or negative adjustment, respectively, that you are required to make if you purchased the Notes at a price other than the adjusted issue price determined for tax purposes.

In addition, if you hold a Note at maturity, and the actual payment of cash you receive at maturity is greater or less than the payment at maturity reflected on the projected payment schedule, you will incur a net positive adjustment or net negative adjustment, respectively, equal to the amount of the excess or deficit. In the case of net positive adjustment, you will treat the adjustment as additional interest income for that taxable year. In the case of net negative adjustment, this adjustment will (a) reduce the amount of interest income on the Notes you included in income for that taxable year, and (b) to the extent of any excess after the application of (a), give rise to an ordinary loss to the extent of the amount of interest income on the Notes you included in income during prior taxable years.

Any gain you recognize upon the sale or maturity of the Notes will be ordinary interest income. Any loss you recognize at such time will be ordinary loss to the extent of interest you included as income in the current or previous taxable years in respect of the Notes, and thereafter, capital loss. The deductibility of capital loss is subject to limitation.

Information Reporting and Backup Withholding

Please see the discussion under "United States Federal Income Taxation Information Reporting and Backup Withholding" in the accompanying prospectus supplement for a description of the applicability of the information reporting and backup withholding rules to payments made on your Note. Please note, however, that the current rate of backup withholding is 28%.

SUPPLEMENTAL CANADIAN FEDERAL INCOME TAX CONSEQUENCES

The following summary describes certain of the principal Canadian federal income tax consequences generally applicable to a holder who purchases Notes at the time of their issuance and who at all relevant times, for purposes of the *Income Tax Act* (Canada) which we refer to as the "Act", is neither resident nor deemed for any purpose to be resident in Canada, deals with CIBC at arm's length, does not use or hold and is not deemed to use or hold the Note in carrying on a business in Canada and is not a non-resident insurer which carries on business partly in Canada and partly outside Canada. We refer to such holders as "non-resident holders".

This summary is based on the Act and the regulations made thereunder (which we refer to as the "regulations") in force on the date of this terms supplement, all specific proposals (which we refer to as the "proposals") to amend the Act and the regulations publicly announced prior to the date of this terms supplement by the Minister of Finance (Canada) and the administrative positions or assessing practices of the Canada Revenue Agency, formerly known as The Canada Customs and Revenue Agency (which we refer to as the "CRA") as made publicly available prior to the date of this terms supplement. Except for the proposals, this summary does not take into account or anticipate any changes to the law or the CRA's administrative positions or assessing practices whether by legislative, governmental or judicial action, nor does it take into account provincial, territorial or foreign income tax legislation or considerations. This summary is not applicable to a holder that would be a "foreign affiliate" of a person resident in Canada for purposes of the Act.

This summary is of a general nature only, is not exhaustive of all Canadian federal income tax considerations and is not intended to be, nor should it be construed to be, legal or tax advice to any particular non-resident holder. Non-resident holders are advised to consult their own tax advisors with respect to their particular situations.

The discussion below supplements the Canadian federal income tax consequences described in the accompanying prospectus supplement and, if the discussion below is inconsistent with that contained in the prospectus supplement, the discussion below should supersede that contained in the prospectus supplement.

Based in part on an understanding of the CRA's administrative practice, the payment by CIBC of the principal amount, and the basket return payment, if any, on a Note to a non-resident holder will be exempt from Canadian non-resident withholding tax. Similarly, Canadian non-resident withholding tax should not apply to any amount paid to the non-resident holder as proceeds of a disposition of the Note.

No other taxes on income (including taxable capital gains) will be payable under the Act by a non-resident holder in respect of the acquisition, holding, redemption or disposition of a Note.

ERISA CONSIDERATIONS

The discussion below is general in nature and is not intended to be all-inclusive. Any fiduciary of a Plan (as defined below) that is considering an investment in the Notes should consult with its legal advisors regarding the consequences of such investment.

Any prospective purchaser using "plan assets" of any "employee benefit plan" within the meaning of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") or of any "plan" within the meaning of Section 4975 of the Code (each of the foregoing, a "Plan") should consider the applicable fiduciary standards under ERISA, the Code and any other applicable law, including diversification and prudence requirements, before authorizing an investment in the Notes. In addition, ERISA and the Code prohibit a wide range of transactions involving the assets of a Plan and persons having specified relationships to such Plan ("parties in interest" under ERISA and "disqualified persons" under Section 4975 of the Code).

Governmental and certain church plans (each as defined under ERISA) are not subject to ERISA or Section 4975 of the Code but may be subject to substantially similar applicable laws or regulations. Any fiduciary of a governmental or church plan considering purchase of Notes should determine the need for, and the availability of, any exemptive relief under such laws or regulations.

We, or CIBC World Markets Corp., may be a party in interest or a disqualified person with respect to Plans that purchase Notes, as a result of various financial services (including trustee, custodian, investment management or other services) that we or an affiliate provide to such Plans. An investment in Notes by a Plan may give rise to a prohibited transaction in the form of a sale of property to an investing Plan, or an extension of credit by such investing Plan. Consequently, before investing in the Notes, any person who is, or who is acquiring the Notes for, or on behalf of, a Plan must determine that the purchase, holding and disposition will not result in a prohibited transaction or that a statutory or administrative exemption from the prohibited transaction rules is applicable to the purchase, holding and disposition of the Notes.

The statutory or administrative exemptions from the prohibited transaction rules under ERISA and Section 4975 of the Code which may be available to a Plan which is investing in the Notes include: (i) Prohibited Transaction Class Exemption ("PTCE") 90-1, regarding investments by insurance company pooled separate accounts; (ii) PTCE 91-38, regarding investments by bank collective investments funds; (iii) PTCE 84-14, regarding transactions effected by qualified professional asset managers; and (iv) PTCE 95-60, regarding investments by insurance company general accounts (collectively referred to as the "Plan investor exemptions"). The Notes may not be acquired by any person who is, or who in acquiring such Notes is using the assets of, a Plan unless one of the Plan investor exemptions or another applicable exemption is available to the Plan, and all conditions of such exemption are satisfied.

The acquisition of the Notes by any person or entity who is, or who in acquiring such Notes is using the assets of, a Plan shall be deemed to constitute a representation by such person or entity to us that the purchase, holding and disposition of the Notes is afforded exemptive relief from the prohibited transaction restrictions under ERISA and Section 4975 of the Code pursuant to the Plan investor exemptions or another applicable exemption. The acquisition of the Notes by any person or entity who is, or who in acquiring such Notes is using the assets of, a governmental or church plan shall be deemed to constitute a representation by such person or entity that the acquisition and holding of such Notes is not prohibited by any federal, state or local laws or regulations applicable to such plan.

SUPPLEMENTAL PLAN OF DISTRIBUTION

We have appointed CIBC World Markets Corp. and certain other dealers as our agents to solicit offers on a reasonable efforts basis to purchase the Notes. Each is party to the distribution agreement described in the "Plan of Distribution" in the accompanying prospectus supplement. The agents may also appoint subagents to purchase the Notes. The agents or their subagents will receive a commission of up to 3.0% of the principal amount of each Note sold through their efforts. We may, in our discretion, offer certain agents or subagents additional commission of up to 0.50% of the principal amount of the Notes sold through their efforts.

The agents may purchase the Notes as principal at prices to be agreed upon at the time of sale. They may resell any Notes they purchase as principal at prevailing market prices, or at other prices, as they determine.

This terms supplement may be used by CIBC World Markets Corp. or any of our other affiliates in connection with offers and sales of the Notes in secondary market transactions. A secondary market transaction is one in which CIBC World Markets Corp. or another of our affiliates resells a Note that it has previously acquired from another holder. A secondary market transaction in a particular Note occurs after the original sale of the note. We describe secondary market transactions and other matters relating to the distribution of the Notes in the accompanying prospectus supplement and the accompanying prospectus under "Plan of Distribution."

Unless we or any of the agents inform you in your confirmation of sale that your Note is being purchased in its original offering and sale, you may assume that you are purchasing your Note in a secondary market transaction.

You should rely only on the information incorporated by reference or provided in this terms supplement and the accompanying prospectus supplement and prospectus. We have not authorized anyone to provide you with different information. We are not making an offer of these securities in any state where the offer is not permitted. You should not assume that the information in this terms supplement and accompanying prospectus supplement and prospectus is accurate as of any date other than the date on the front of the document.

PROSPECTUS SUPPLEMENT
(To Prospectus Dated May 28, 2003)

US$600,000,000
Canadian Imperial Bank of Commerce
EQUITY-LINKED NOTES

We may offer global equity-linked notes from time to time. The specific terms of any notes that we offer will be included in a terms supplement. The equity-linked notes will have the following general terms unless otherwise specified in the applicable terms supplement:

Payments on the notes will be linked to single reference equity securities, baskets or indices of reference equity securities, baskets of indices of reference equity securities or one or more commodity prices.

The notes may be optionally or mandatorily exchanged for reference equity securities of an issuer that is not affiliated with us or for the cash value of the reference equity securities, baskets or indices of reference equity securities, baskets of indices of reference equity securities or one or more commodity prices to which the notes may be linked.

The notes will pay interest on the dates stated in the applicable terms supplement, or the notes may be non-interest bearing.

The notes will be denominated in U.S. dollars.

The notes may be callable by us or puttable by you.

The notes will be initially held in global form by The Depository Trust Company.

The notes will not be insured under the Canadian Deposit Insurance Corporation Act or by the U.S. Federal Deposit Insurance Corporation or any other Canadian or U.S. government agency or instrumentality.

Investing in the notes involves risks.
See "Risk Factors" beginning on page S-2 and in the applicable terms supplement.

The Securities and Exchange Commission and state securities regulators have not approved or disapproved these securities, or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

CIBC World Markets Corp., our indirect wholly-owned subsidiary, has agreed to use its reasonable efforts to solicit offers to purchase the notes as our agent. It may also purchase the notes as principal at prices to be agreed upon at the time of sale. It may resell any notes it purchases as principal at prevailing market prices, or at other prices, as the agent determines.

CIBC World Markets Corp. may use this prospectus supplement and the accompanying prospectus in the initial sale of any note. In addition, CIBC World Markets Corp. or any other affiliate of ours may use this prospectus supplement and the accompanying prospectus in a market-making transaction in any note after its initial sale. Unless CIBC World Markets Corp. informs the purchaser otherwise in the confirmation of sale, this prospectus supplement and the accompanying prospectus are being used in a market-making transaction.

CIBC World Markets

May 28, 2003

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You should rely only on the information contained or incorporated by reference in this prospectus supplement, the prospectus and any terms supplement. We have not authorized anyone else to provide you with different or additional information. We are offering to sell these notes and seeking offers to buy these notes only in jurisdictions where offers and sales are permitted.

SUMMARY

The following summary describes the notes we are offering in general terms only. You should read the summary together with the more detailed information contained in this prospectus supplement, in the accompanying prospectus and in the applicable terms supplement.

We may offer from time to time up to US$600,000,000 of the equity-linked notes described in this prospectus supplement. We will sell the notes primarily in the United States, but we may also sell them outside the United States in accordance with applicable securities laws or both in and outside the United States simultaneously.

General terms of the notes

We will describe the terms of each issue of notes in the applicable terms supplement. The notes will have the following general terms unless we specify otherwise in the applicable terms supplement.

- Payments of principal and/or interest on the notes will be linked to the performance of a single reference equity security, baskets or indices of reference equity securities, baskets of indices of reference equity securities or commodity prices.

- The notes may be optionally or mandatorily exchanged for equity securities of an issuer that is not affiliated with us or for the cash value of the reference equity securities, baskets or indices of reference equity securities, baskets of indices of reference equity securities or commodity prices to which the notes may be linked.

- The notes will mature and will pay interest, if any, on the dates specified in the applicable terms supplement.

- The notes will bear interest at a fixed rate, which may be zero, or at a rate subject to a formula that will be described in the applicable terms supplement.

- The notes will be denominated in U.S. dollars.

- The notes will constitute our unsecured and unsubordinated contractual obligations and will constitute deposit liabilities which will rank *pari passu* in right of payment with all of our deposit liabilities, except for obligations preferred by mandatory provisions of law. The notes will not be insured under the Canada Deposit Insurance Corporation Act or by the U.S. Federal Deposit Insurance Corporation or any other Canadian or U.S. governmental agency or instrumentality.

- The notes will not be redeemable prior to their stated maturity.

- We will use reasonable efforts to list the notes on a securities exchange.

Forms of the notes

The notes will be issued in fully registered form and will be represented by one or more global securities registered in the name of a nominee of The Depository Trust Company ("DTC"), as depositary, or by certificates issued in definitive form, as set forth in the applicable terms supplement. We will not issue notes originally represented by global securities as certificated securities except under the circumstances described in "Forms of Debt Securities Global Securities" in the prospectus. For information on DTC's book-entry system, see "Clearance and Settlement" in this prospectus supplement.

How to reach us

You may contact us at our principal executive offices at Canadian Imperial Bank of Commerce, Commerce Court, Toronto, Ontario, M5L 1A2, Canada, attention: Investor Relations (telephone number (416) 980-6657).

RISK FACTORS

The information set forth in this prospectus supplement is directed to prospective purchasers who are United States residents. We disclaim any responsibility to advise prospective purchasers who are residents of countries other than the United States of any matters arising under foreign law that may affect the purchase or holding of, or receipt of payments on, the notes. These persons should consult their own legal and financial advisors concerning these matters.

The notes are not secured debt and are riskier than ordinary unsecured debt securities. The return on the notes will be linked to the performance of the reference equity securities or an index of equity securities specified in the applicable terms supplement. Investing in the notes is not the equivalent of investing in the associated reference equity securities or index. This section describes the most significant risks relating to the notes. We urge you to read the following information about these risks, together with the other information in this prospectus supplement and the accompanying terms supplement and prospectus, before investing in the notes.

The notes are not ordinary debt securities; the return is linked to equity securities.

The notes combine features of equity and debt. The terms of the notes differ from those of ordinary debt securities in that the amount of interest we will pay you or the amount we will pay you at maturity will depend upon the market value of the reference equity securities or index of equity securities. The terms supplement for any notes will set forth the manner in which we will determine the payments of interest and maturity amount we will make. Accordingly, you may receive a greater or lesser return than you would receive on comparable debt securities that are not equity-linked. In addition, we may have the right to deliver to you shares of the reference equity security rather than cash. Under some circumstances, the market value of the reference equity security may be less than the principal amount of the notes and may be zero. Accordingly, you may lose some or all of the amount you invest in certain of our notes.

The market price of the notes will be influenced by unpredictable factors.

The market price of the notes may move up or down between the date you purchase them and the date when we determine the amount to be paid to holders of the notes on the maturity date or any earlier redemption date. Therefore, you may sustain a loss, which may be significant, if you sell the notes in the secondary market during that time. Several factors, many of which are beyond our control, will influence the value of the notes.

Various factors may affect the value of the notes.

Factors that may influence the value of the notes include:

- the market price on any day of the reference equity securities, indices of reference equity securities or commodity prices;
- the frequency and magnitude of changes (volatility) in price of the reference equity securities, indices of reference equity securities or commodity prices;
- the dividend rate on the reference equity securities (while not paid to holders of the notes, dividend payments, if any, on the securities may have an influence on the market price of the securities and therefore on the associated notes);
- economic, financial, political and regulatory or judicial events that affect stock markets generally which may also affect the market price of the reference equity securities or index;
- interest and yield rates in the market;

the time remaining to the maturity of the notes; and

the creditworthiness of CIBC.

If the market price of the reference equity securities or index changes, the market value of the associated notes may not change in the same manner.

Owning the notes is not the same as owning the reference equity securities. Accordingly, the market value of your notes may not have a direct relationship with the market price of the reference equity securities or index and changes in the market price of the reference equity securities or index may not result in a comparable change in the market value of your notes. For example, the market value of your notes may not increase even if the price of the reference equity securities or index increases. It is also possible for the price of the reference equity securities or index to increase while the market price of your notes declines.

Trading and other transactions by our affiliates in the reference equity securities or options or in other derivative products on the reference equity securities or indices may impair the value of the associated notes.

As described below under "Hedging," one or more of our affiliates may hedge our or its obligations under the notes by purchasing the reference equity securities, or options on those securities or other derivative instruments with returns linked to or related to changes in the value of the reference equity securities or index. One or more of our affiliates may also adjust these hedges by, among other things, purchasing or selling the reference equity securities, options or other derivative instruments at any time and from time to time. Any of these hedging activities may affect the price of the reference equity securities or index and, therefore, the value of associated notes. It is possible that one or more of our affiliates could receive substantial returns from these hedging activities while the value of the reference equity securities or index may decline.

We or one or more of our affiliates may also engage in trading in the reference equity securities and other investments relating to the reference equity securities or indices on a regular basis as part of our or their general broker-dealer and other businesses, for proprietary accounts, for other accounts under management or to facilitate transactions for customers, including block transactions. Any of these activities could affect the price of the reference equity securities or index and, therefore, the value of the associated notes. We or one or more of our affiliates may also issue or underwrite other securities or financial or derivative instruments with returns linked or related to changes in the value of the reference equity securities or indices. By introducing competing products into the marketplace in this manner, we or one or more of our affiliates could adversely affect the value of the notes.

The indenture governing the notes does not contain any restrictions on our ability or the ability of any of our affiliates to sell, pledge or otherwise convey all or any portion of the reference equity securities or derivative instruments acquired by us or our affiliates. Neither we nor any of our affiliates will pledge or otherwise hold the reference equity securities or derivative instruments for your benefit in order to enable you to exchange your notes for the associated reference equity securities or derivative commitments under any circumstances. Consequently, in the event of a bankruptcy, insolvency or liquidation involving us, any of the reference equity securities or derivative commitments owned by us or our affiliates will be subject to the claims of our creditors generally and will not be available specifically for your benefit.

Amounts payable on the Notes may be limited by state law.

New York State law governs the Indenture under which the notes will be issued. New York has usury laws that limit the amount of interest that can be charged and paid on loans, which includes debt securities like the notes. Under present New York law, the maximum rate of interest is 25% per annum

on a simple interest basis. This limit may not apply to debt securities in which $2,500,000 or more has been invested.

While we believe that New York law would be given effect by a state or a federal court sitting outside New York, many other states also have laws that regulate the amount of interest that may be charged to and paid by a borrower. We will promise, for the benefit of the noteholders, to the extent permitted by law, not to voluntarily claim the benefits of any laws concerning usurious rates of interest.

You have no shareholder rights in the reference equity securities.

As a holder of notes, you will not have voting rights or rights to receive dividends or other distributions or any other rights that holders of the reference equity securities would have.

You will have more limited antidilution protection than if you invested directly in the reference equity securities.

CIBC, as calculation agent for the notes, will adjust the amount of interest or the amount payable at maturity, as specified in the applicable terms supplement, for certain events affecting any reference index of equity securities, such as additions or subtractions of companies from the index, or any issuer of reference equity securities, such as stock splits and stock dividends and mergers. However, we may not be required to make an adjustment for every event that can affect the reference index or equity securities. If an event occurs that does not require us to adjust the amount payable at maturity in respect of the reference equity security or reference index of equity securities, the market price of the associated notes and the amount of interest or the principal amount payable at the maturity may be materially and adversely affected.

Our business activities may create conflicts of interest between you and us.

As calculation agent, we will calculate the amount of interest and principal at maturity you will receive. We and one or more of our affiliates may, at present or in the future, engage in business with an issuer of reference equity securities or its competitors, including making loans to or equity investments in an issuer of reference equity securities or its competitors or providing either with investment banking, asset management or other advisory services, including merger and acquisition advisory services. These activities may present a conflict between our affiliates' obligations and your interests. Moreover, we or one or more of our affiliates may have published and may in the future publish research reports on an issuer of reference equity securities or upon any reference index. This research is modified from time to time without notice and may express opinions or provide recommendations that are inconsistent with purchasing or holding the notes. Any of these activities could influence our determinations as calculation agent or affect the price of the reference equity securities or index and, therefore, the value of the associated notes.

We, CIBC World Markets and our affiliates have no affiliation with the issuers of the reference equity securities, and are not responsible for public disclosure of information by an issuer of reference equity securities, whether contained in SEC filings or otherwise.

We, CIBC World Markets and our affiliates are not affiliated with the issuers of the reference equity securities and have no ability to control or predict the actions of these issuers, including any corporate actions of the type that would require us to adjust the amount payable to you on the notes, and have no ability to control the public disclosure of these corporate actions or any other events or circumstances affecting the issuers of reference equity securities. The issuers of the reference equity securities will not be involved in the offer of the notes in any way and have no obligation to consider your interest as a holder of the notes in taking any corporate actions that might affect the value of the associated notes. The issuers of the reference equity securities may take actions that will adversely

affect the value of the associated notes. None of the money paid for the notes will go to the issuers of the reference equity securities.

Neither we nor any of our affiliates assumes any responsibility for the adequacy or accuracy of the information about the issuers of the reference equity securities contained in any terms supplement or in any publicly available filings made by the issuers of the reference equity securities. You should make your own investigation into the relevant issuers of the reference equity securities.

Significant aspects of the tax treatment of the notes are uncertain.

You should also consider the tax consequences of investing in the notes. Significant aspects of the tax treatment of the notes may be uncertain. We do not plan to request a ruling from the Internal Revenue Service (the "IRS") or the Canada Customs and Revenue Agency (the "CCRA") regarding the tax treatment of the notes, and the IRS or a court may not agree with the tax treatment described in this prospectus supplement and any applicable terms supplement. Please read carefully the sections entitled "United States Federal Income Taxation" and "Canadian Federal Income Taxation" below and in the applicable terms supplement. You should consult your tax advisor about your own tax situation.

Secondary trading in the notes may be limited and may affect your ability to sell your notes.

You should be willing to hold your notes until the maturity date. There may be little or no secondary market for the notes. Although we expect to list the notes on a national securities exchange, we are not obligated to do so. Even if we list an issue of notes on a national securities exchange, it is not possible to predict whether the notes will trade in the secondary markets. Even if there is a secondary market, it may not provide enough liquidity to allow you to trade or sell the notes easily. Upon completion of any offering of an issue of notes, our affiliates may act as market makers for the notes of that issuer but they are not required to do so. If our affiliates do make a market in an issue of notes, they may stop making a market in the notes at any time.

ADDITIONAL RISKS

Additional risks specific to the notes will be detailed in the applicable terms supplements.

DESCRIPTION OF NOTES

Investors should read carefully the general terms and provisions of our debt securities in "Description of the Debt Securities" in the prospectus. This section supplements that description. **The terms supplement will add specific terms for each issuance of notes and may modify or replace any of the information in this section and in the "Description of the Debt Securities" section of the prospectus.**

General Terms of Notes

We will issue the notes under the Indenture dated , 2003 between us and Wilmington Trust Company, as trustee (the "Indenture"). The Indenture does not limit the amount of additional indebtedness that we may incur.

The amount of payments of principal (and premium, if any) or interest or return, if any, on the notes will be linked to or determined with reference to the price change or the performance of (on specific dates or periods) a reference equity security, baskets or indices of reference equity securities, baskets of indices of reference equity securities or one or more commodity prices specified in the applicable terms supplement.

Ranking. The notes will be direct, unsecured and unsubordinated contractual obligations of CIBC and will constitute deposit liabilities which will rank *pari passu* in right of payment with all of our deposit liabilities, except for obligations preferred by mandatory provisions of law. The notes will not be insured under the Canada Deposit Insurance Corporation Act or by the U.S. Federal Deposit Insurance Corporation or any other Canadian or U.S. governmental agency or instrumentality. In the case of the insolvency of CIBC, the Bank Act provides that priorities among payments of deposit liabilities of CIBC (including payments in respect of the debt securities) and payments of all other liabilities are to be determined in accordance with the laws governing priorities and, where applicable, by the terms of the indebtedness and liabilities.

Terms Specified in Terms Supplements. A terms supplement will specify the following terms of any issuance of notes to the extent applicable:

- the issue price (price to public);
- the aggregate principal amount;
- the denominations or minimum denominations;
- the original issue date;
- the stated maturity date and any terms related to any extension of the maturity date;
- the single reference equity security, basket of reference equity securities, index of reference equity securities, baskets of indices of reference equity securities or commodity prices to which the notes are linked, which may be securities of U.S. or foreign entities or indices of securities of U.S. or foreign entities;
- the rate (including any formula used to calculate such rate) per year at which the notes will bear interest, if any, and the dates on which interest will be payable;
- whether the notes may be redeemed, in whole or in part, at our option or repaid at your option, prior to the stated maturity date, and the terms of any redemption or repayment;
- whether the notes may be optionally or mandatorily exchanged for a reference equity security or securities;
- whether the notes will be listed on any securities exchange;

the events that may cause us to adjust the payment terms of the notes to reflect a change in any reference index or a corporate event involving the issuer of any reference equity securities, and the terms of any such adjustment; and

any other terms on which we will issue the notes.

Forms of Notes

We will offer the notes on a continuing basis and will issue notes only in fully registered form either as book-entry notes or as certificated notes.

Book-Entry Notes. For notes in book-entry form, we will issue one or more global certificates representing the entire issue of notes. Except as set forth in the prospectus under "Forms of Debt Securities Global Securities," you may not exchange book-entry notes or interests in book-entry notes for certificated notes.

Each global certificate representing book-entry notes will be deposited with, or on behalf of, DTC and registered in the name of Cede & Co., a nominee of DTC. These certificates name DTC or its nominee as the owner of the notes. DTC maintains a computerized system that will reflect the interests held by its participants in the global notes. An investor's beneficial interest will be reflected in the records of DTC's direct or indirect participants through an account maintained by the investor with its broker/dealer, bank, trust company or other representative. A further description of DTC's procedures for global notes representing book-entry notes is set forth in the prospectus under "Forms of Debt Securities Global Securities." DTC has confirmed to us that it intends to follow these procedures. For additional information about these procedures see "Clearance and Settlement."

Certificated Notes. If we issue notes in certificated form, the certificates will name the investor or the investor's nominee as the owner of the note. The person named in the note register will be considered the owner of the note for all purposes under the Indenture. For example, if we need to ask the holders of the notes to vote on a proposed amendment to the notes, the person named in the note register will be asked to cast any vote regarding that note. If you have chosen to have some other entity hold the certificates for you, that entity will be considered the owner of your note in our records and will be entitled to cast the vote regarding your note. You may not exchange certificated notes for book-entry notes or for interests in book-entry notes.

Replacement of Notes. At the expense of the holder, we will replace any notes that become mutilated, destroyed, lost or stolen or are apparently destroyed, lost or stolen. The mutilated notes must be delivered to the trustee, the paying agent and the registrar, in the case of registered notes, or satisfactory evidence of the destruction, loss or theft of the notes must be delivered to us, the paying agent, the registrar, in the case of registered notes, and the trustee. At the expense of the holder, an indemnity that is satisfactory to us, the principal paying agent, the registrar, in the case of registered notes, and the trustee may be required before a replacement note will be issued.

Interest and Principal Payments

Payments, Exchanges and Transfers. Holders may present notes for payment of principal, premium, if any, and interest, if any, register the transfer of the notes and exchange the notes at the office of the paying agent in Wilmington, Delaware or New York, New York that we maintain for that purpose. However, holders of global notes may transfer and exchange global notes only in the manner and to the extent set forth under "Forms of the Debt Securities Global Securities" in the prospectus. On the date of this prospectus supplement, the agent for the payment, transfer and exchange of the notes is Wilmington Trust Company, acting through its corporate trust office at Rodney Square North, 1100 North Market Street, Wilmington, Delaware 19890. We refer to Wilmington Trust Company, acting in this capacity, as the paying agent.

We will not be required to:

register the transfer of or exchange any note if the holder has exercised the holder's right, if any, to require us to repurchase the note, in whole or in part, except the portion of the note not required to be repurchased,

register the transfer of notes or exchange notes to be redeemed, for a period of fifteen calendar days preceding the mailing of the relevant notice of redemption, or

register the transfer of or exchange any registered note selected for redemption in whole or in part, except the unredeemed or unpaid portion of that registered note being redeemed in part.

No service charge will be made for any registration of transfer or exchange of notes, but we may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the registration of transfer or exchange of notes.

Recipients of Payments. The paying agent will pay interest to the person in whose name the note is registered at the close of business on the applicable record date. The "record date" for any interest payment date is the date one business day prior to that interest payment date. However, upon maturity, redemption or repayment, the paying agent will pay any interest due to the person to whom it pays the principal of the note. The paying agent will make the payment of interest on the date of maturity, redemption or repayment, whether or not that date is an interest payment date. The paying agent will make the initial interest payment on a note on the first interest payment date falling after the date of issuance, unless the date of issuance is less than fifteen calander days before an interest payment date. In that case, the paying agent will pay interest on the next succeeding interest payment date to the holder of record on the record date corresponding to the succeeding interest payment date.

Book-Entry Notes. The paying agent will make payments of principal, premium, if any, and interest, if any, to the account of DTC, as holder of book-entry notes, by wire transfer of immediately available funds. We expect that DTC, upon receipt of any payment, will immediately credit its participants' accounts in amounts proportionate to their respective beneficial interests in the book-entry notes as shown on the records of DTC. We also expect that payments by DTC's participants to owners of beneficial interests in the book-entry notes will be governed by standing customer instructions and customary practices and will be the responsibility of those participants.

Certificated Notes. Except as indicated below for payments of interest at maturity, redemption or repayment, the paying agent will make payments of interest either:

by check mailed to the address of the person entitled to payment as shown on the note register; or

for a holder of at least US$10,000,000 in aggregate principal amount of certificated notes having the same interest payment date, by wire transfer of immediately available funds, if the holder has given written notice to the paying agent not later than 15 calendar days prior to the applicable interest payment date.

U.S. dollar payments of principal, premium, if any, and interest, if any, upon maturity, redemption or repayment on a note will be made in immediately available funds against presentation and surrender of the note.

Equity-Linked Notes

Each note will bear interest, if any, from the date of issuance at the annual rate stated on its face until the principal is paid or made available for payment or at a rate subject to a formula that will be described in the applicable terms supplement.

How Interest Is Calculated. Interest on notes will be computed on the basis of a 360-day year of twelve 30-day months.

How Interest Accrues. Interest on notes will accrue from and including the most recent interest payment date to which interest has been paid or duly provided for, or, if no interest has been paid or duly provided for, from and including the issue date or any other date specified in a terms supplement on which interest begins to accrue. Interest will accrue to but excluding the next interest payment date,

or, if earlier, the date on which the principal has been paid or duly made available for payment, except as described below under " If a Payment Date is Not a Business Day."

When Interest Is Paid. Payments of interest on notes will be made on the interest payment dates specified in the applicable terms supplement. However, if the first interest payment date is less than 15 days after the date of issuance, interest will not be paid on the first interest payment date, but will be paid on the second interest payment date.

Amount of Interest Payable. Interest payments for notes will include accrued interest from and including the date of issue or from and including the last date in respect of which interest has been paid, as the case may be, to but excluding the relevant interest payment date or date of maturity or earlier redemption or repayment, as the case may be.

If a Payment Date is Not a Business Day. If any scheduled interest payment date is not a business day, we will pay interest on the next business day, but interest on that payment will not accrue during the period from and after the scheduled interest payment date. If the scheduled maturity date or date of redemption or repayment is not a business day, we may pay interest and principal and premium, if any, on the next succeeding business day, but interest on that payment will not accrue during the period from and after the scheduled maturity date or date of redemption or repayment.

A "business day" means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions are authorized or required by law or regulation to close in Toronto, Ontario, Wilmington, Delaware or New York, New York.

Exchangeable Notes

We may issue notes, which we refer to as "exchangeable notes," that are optionally or mandatorily exchangeable into:

- the equity securities of an entity not affiliated with us;
- a basket of those securities;
- an index or indices of those securities; or
- any combination (or the cash value thereof) of the above.

The exchangeable notes may or may not bear interest or may be issued with original issue discount or at a premium. The general terms of the exchangeable notes are described below.

Optionally Exchangeable Notes. If the notes you purchase are optionally exchangeable, you will have the option, during a specified period, or at specific times, to exchange your notes for the underlying equity securities at a specified rate of exchange. If specified in the applicable terms supplement, we will have the option to redeem the optionally exchangeable note prior to maturity. If you do not elect to exchange your optionally exchangeable notes prior to maturity or any applicable redemption date, you will receive the principal amount of the note plus any accrued interest at maturity or upon redemption.

Mandatorily Exchangeable Notes. If the notes you purchase are mandatorily exchangeable, you must exchange the notes for the underlying equity securities at a specified rate of exchange, and, therefore, depending upon the value of the underlying equity securities at maturity, you may receive more or less than the principal amount of the notes at maturity. If so indicated in the applicable terms supplement, the specified rate at which you may exchange a mandatorily exchangeable note may vary depending on the value of the underlying equity securities so that, upon exchange, you will participate in a percentage, which may be less than, equal to, or greater than 100% of the change in value of the underlying equity securities. Mandatorily exchangeable notes may include notes where we have the right, but not the obligation, to require you to exchange your notes for the underlying equity securities.

Payments upon Exchange. The terms supplement will specify if upon exchange, at maturity or otherwise, you may receive, at the specified exchange rate, either the underlying reference equity securities or the cash value of the underlying reference equity securities upon exchange of your exchangeable notes. The exchangeable notes may or may not provide for protection against fluctuations in the exchange rate between the currency in which that note is denominated and the currency or currencies in which the market prices of the underlying security or securities are quoted. Exchangeable notes may have other terms, which will be specified in the applicable terms supplement.

Special Requirements for Exchange of Global Securities. If an optionally exchangeable note is represented by a global note, DTC's nominee will be the holder of that note and therefore will be the only entity that can exercise a right to exchange. In order to ensure that DTC's nominee will timely exercise a right to exchange a particular note or any portion of a particular note, the beneficial owner of the note must instruct the broker or other direct or indirect participant through which it holds an interest in that note to notify DTC of its desire to exercise a right to exchange. Different firms have different deadlines for accepting instructions from their customers. Each beneficial owner should consult the broker or other participant through which it holds an interest in a note in order to ascertain the deadline for ensuring that timely notice will be delivered to DTC.

Redemption and Repayment of Notes

Optional Redemption by CIBC. The terms supplement will indicate the terms of any option that we may have to redeem the notes prior to their maturity. We will mail a notice of redemption to each holder by first-class mail, postage prepaid, at least 30 days and not more than 60 days prior to the date fixed for redemption, or within the redemption notice period designated in the applicable terms supplement, to the address of each holder as that address appears upon the books maintained by the paying agent. The notes will not be subject to any sinking fund unless otherwise stated in the applicable terms supplement.

Repayment at Option of Holder. If applicable, the terms supplement relating to each note will indicate that you have the option to require us to repay the note on a specified date or dates prior to their maturity date. The repayment price will be specified in the terms supplement.

For CIBC to repay a note, the paying agent must receive at least 15 days but not more than 30 days prior to the repayment date:

- the note with the form entitled "Option to Elect Repayment" on the reverse of the note duly completed; or

- a telegram, telex, facsimile transmission or a letter from a member of a national securities exchange, or the National Association of Securities Dealers, Inc. or a commercial bank or trust company in the United States setting forth the name of the holder of the note, the principal amount of the note, the principal amount of the note to be repaid, the certificate number or a description of the tenor and terms of the note, a statement that the option to elect repayment is being exercised and a guarantee that the note to be repaid, together with the duly completed form entitled "Option to Elect Repayment" on the reverse of the note, will be received by the paying agent not later than the fifth business day after the date of that telegram, telex, facsimile transmission or letter. However, the telegram, telex, facsimile transmission or letter will only be effective if that note and form duly completed are received by the paying agent by the fifth business day after the date of that telegram, telex, facsimile transmission or letter.

You may not revoke your exercise of the repayment option for a note. The holder may exercise the repayment option for less than the entire principal amount of the note but, in that event, the principal amount of the note remaining outstanding after repayment must be an authorized denomination.

Special Requirements for Optional Repayment of Global Notes. If a note is represented by a global note, DTC or DTC's nominee will be the holder of the note and therefore will be the only entity that

can exercise a right to repayment. In order to ensure that DTC's nominee will timely exercise a right to repayment of a particular note, the beneficial owner of the note must instruct the broker or other direct or indirect participant through which it holds an interest in the note to notify DTC of its desire to exercise a right to repayment. Different firms have different deadlines for accepting instructions from their customers and, accordingly, each beneficial owner should consult the broker or other direct or indirect participant through which it holds an interest in a note in order to ascertain the deadline by which an instruction must be given in order for timely notice to be delivered to DTC.

Open Market Purchases by CIBC. We or one of our affiliates may purchase notes at any price in the open market or otherwise. Notes so purchased by us may, at our discretion, be held or resold or surrendered to the trustee for cancellation. We will comply with the requirements under applicable securities laws or regulations in connection with any repurchase.

Tax Redemption. Unless otherwise indicated in the applicable terms supplement, we have the right to redeem, in whole but not in part, any of the notes at our option at any time prior to maturity, upon the giving of a notice of redemption as described below if we have or will become obligated to pay additional amounts with respect to any such notes as described below under " Payment of Additional Amounts." If we exercise this right, the redemption price of the notes will be determined in the manner described in the applicable terms supplement. Prior to the giving of any notice of redemption pursuant to this paragraph, we will deliver to the trustee:

- a certificate stating that we are entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to our right to so redeem have occurred; and

- an opinion of independent counsel or written advise of a qualified tax expert, such counsel or expert being reasonably acceptable to the trustee, to such effect based on such statement of facts;

provided that no such notice of redemption shall be given earlier than 60 days prior to the earliest date on which we would be obligated to pay such additional amounts if a payment in respect of such notes were then due. Notice of redemption will be given not less than 30 nor more than 60 days prior to the date fixed for redemption, which date and the applicable redemption price will be specified in the notice. Such notice will be given in accordance with "Clearance and Settlement Notices" below.

Payment of Additional Amounts

Unless otherwise indicated in the applicable terms supplement, we will, subject to certain exceptions and limitations set forth below, pay such additional amounts to the beneficial owner of any note who is resident in the United States (for purposes of The Canada-United States Tax Convention (1980)) as may be necessary in order that every net payment of the principal of and interest on such security and any other amounts payable on the note, after withholding for or on account of any present or future tax, assessment or governmental charge imposed upon such payment by Canada (or any political subdivision or taxing authority thereof or therein), will not be less than the amount provided for in such note to be then due and payable. We will not, however, be required to make any payment of additional amounts to any beneficial owner for or on account of:

- any such tax, assessment or other governmental charge that would not have been so imposed but for a connection (including, without limitation, carrying on business in Canada or a Province of Canada or having a permanent establishment or fixed base in Canada or a Province of Canada) between such owner or the beneficial owner of a note and Canada or a political subdivision or taxing authority of or in Canada, other than merely holding such note or receiving payments with respect to such notes;

- any estate, inheritance, gift, sales, transfer or personal property tax or any similar tax, assessment or governmental charge with respect to such note;

any tax, assessment or other governmental charge imposed by reason that such owner or beneficial owner of a note does not deal at arm's length within the meaning of the Income Tax Act (Canada) with us;

any tax, assessment or other governmental charge that is levied or collected otherwise than by withholding from payments on or in respect of any such note;

any tax, assessment or other governmental charge required to be withheld by any paying agent from any payment of principal of, or interest on, any such security, if such payment can be made without such withholding by at least one other paying agent;

any tax, assessment or other governmental charge that would not have been imposed but for the failure to comply with certification, information or other reporting requirements concerning the nationality, residence or identity of the beneficial owner of such security, if such compliance is required by Canada or any political subdivision or taxing authority of or in Canada as a precondition to relief or exemption from such tax, assessment or other governmental charge; or

any combination of the items listed above;

nor shall additional amounts be paid with respect to any payment on a note to a resident of the United States (for purposes of The Canada-United States Income Tax Convention (1980)) who is a fiduciary or partnership or other than the sole beneficial owner of such payment to the extent such payment would be required by the laws of the United States (or any political subdivision thereof) to be included in the income, for tax purposes, of a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner who would not have been entitled to the additional amounts had such beneficiary, settlor, member or beneficial owner held its interest in the security directly.

HEDGING

In anticipation of the sale of the notes, we or our affiliates may enter into hedging transactions involving purchases or sales of any of the reference equity securities and listed or over-the-counter options on any of the reference equity securities or indices. From time to time, we or our affiliates may enter into additional hedging transactions or unwind those we have entered into. In this regard, we or our affiliates may:

acquire or dispose of any of the reference equity securities or other securities of the issuers of the reference equity securities;

take or dispose of positions in listed or over-the-counter options, futures or equity swaps or other instruments based on any of the reference equity securities or indices; and

take or dispose of positions in listed or over-the-counter options or other instruments based on indices designed to track the performance of the U.S. equity markets.

We or our affiliates may acquire a long or short position in securities similar to the notes from time to time and may, in our sole discretion, hold or resell those securities.

We or our affiliates may close out our hedging positions on or before the maturity date of the notes. That step may involve sales or purchases of any of the reference equity securities, listed or over-the-counter options on any of the reference equity securities or listed or over-the-counter options or other instruments based on indices designed to track the performance of the U.S. equity market, or one or more of its components.

The hedging activity discussed above may adversely affect the market value of the notes from time to time. See "Risk Factors" above for a discussion of these adverse effects.

CLEARANCE AND SETTLEMENT

We have obtained the information in this section from sources we believe to be reliable, including from DTC, Euroclear Bank S.A./N.V. as operator of the Euroclear system ("Euroclear") and Clearstream Banking, societe anonyme, Luxembourg ("Clearstream Banking Luxembourg"), but we take no responsibility for the accuracy of this information. DTC, Euroclear and Clearstream Banking Luxembourg are under no obligation to perform or continue to perform the procedures described below, and they may modify or discontinue them at any time. Neither we nor the registrar will be responsible for DTC's, Euroclear's or Clearstream Banking Luxembourg's performance of their obligations under their rules and procedures; nor will we or the registrar be responsible for the performance by direct or indirect participants of their obligations under their rules and procedures.

Introduction

The Depository Trust Company

DTC is:

- a limited-purpose trust company organized within the meaning of the New York Banking Law;
- a "banking organization" under the New York Banking Law;
- a member of the Federal Reserve System;
- a "clearing corporation" within the meaning of the New York Uniform Commercial Code; and
- a "clearing agency" registered under Section 17A of the Securities Exchange Act of 1934.

DTC was created to hold securities for its participants and facilitate the clearance and settlement of securities transactions between its participants. It does this through electronic book-entry changes in the accounts of its direct participants, eliminating the need for physical movement of securities certificates. DTC is owned by The Depository Trust & Clearing Corporation, which in turn is owned by a number of its direct participants and by the New York Stock Exchange, Inc., the NASDAQ, the American Stock Exchange and the National Association of Securities Dealers, Inc.

According to DTC, the foregoing information about DTC has been provided to us for informational purposes only and is not a representation, warranty or contract modification of any kind.

Euroclear and Clearstream Banking Luxembourg

Like DTC, Euroclear and Clearstream Banking Luxembourg hold securities for their participants and facilitate the clearance and settlement of securities transactions between their participants through electronic book-entry changes in their accounts. Euroclear and Clearstream Banking Luxembourg provide various services to their participants, including the safekeeping, administration, clearance and settlement and lending and borrowing of internationally traded securities. Euroclear and Clearstream Banking Luxembourg participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and other organizations. Other banks, brokers, dealers and trust companies have indirect access to Euroclear or Clearstream Banking Luxembourg by clearing through or maintaining a custodial relationship with Euroclear or Clearstream Banking Luxembourg participants.

Ownership of Notes through DTC, Euroclear and Clearstream Banking Luxembourg

We will issue the notes in the form of a fully registered book-entry security, registered in the name of Cede & Co., a nominee of DTC. Financial institutions, acting as direct and indirect participants in DTC, will represent your beneficial interests in the book-entry security. These financial institutions will record the ownership and transfer of your beneficial interests through book-entry accounts.

You may hold your beneficial interests in the book-entry security through Euroclear or Clearstream Banking Luxembourg, as participants in DTC, or indirectly through organizations that are participants in such systems. Euroclear and Clearstream Banking Luxembourg will hold their participants' beneficial interests in the book-entry security in their customers' securities accounts with their depositaries.

These depositaries of Euroclear and Clearstream Banking Luxembourg in turn will hold such interests in their customers' securities accounts with DTC.

We and the trustee generally will treat the registered holder of the notes, initially Cede & Co., as the absolute owner of the notes for all purposes. Once we and the trustee make payments to the registered holders, we and the trustee will no longer be liable on the notes for the amounts so paid. Accordingly, if you own a beneficial interest in the book-entry security, you must rely on the procedures of the institutions through which you hold your interests in the book-entry security (including DTC, Euroclear, Clearstream Banking Luxembourg, and their participants) to exercise any of the rights granted to the holder of the book-entry security. Under existing industry practice, if you desire to take any action that Cede & Co., as the holder of such book-entry security, is entitled to take, then Cede & Co. would authorize the DTC participant through which you own your beneficial interest to take such action, and that DTC participant would then either authorize you to take the action or act for you on your instructions.

DTC may grant proxies or authorize its participants (or persons holding beneficial interests in the notes through such participants) to exercise any rights of a holder or take any other actions that a holder is entitled to take under the Indenture or the notes. Euroclear's or Clearstream Banking Luxembourg's ability to take actions as a holder under the notes or the Indenture will be limited by the ability of their respective depositaries to carry out such actions for them through DTC. Euroclear and Clearstream Banking Luxembourg will take such actions only in accordance with their respective rules and procedures.

The trustee will not charge you any fees for the notes, other than reasonable fees for the replacement of lost, stolen, mutilated or destroyed notes. However, you may incur fees for the maintenance and operation of the book-entry accounts with the clearing systems in which your beneficial interests are held.

Transfers Within and Between DTC, Euroclear and Clearstream Banking Luxembourg

Trading Between DTC Purchasers and Sellers

DTC participants will transfer interests in the notes among themselves in the ordinary way according to DTC rules. DTC participants will pay for such transfers by wire transfer. The laws of some states require certain purchasers of securities to take physical delivery of the securities in definitive form. These laws may impair your ability to transfer beneficial interests in the notes to such purchasers. DTC can act only on behalf of its direct participants, who in turn act on behalf of indirect participants and certain banks. Thus, your ability to pledge a beneficial interest in the notes to persons that do not participate in the DTC system, and to take other actions, may be limited because you will not possess a physical certificate that represents your interest.

Trading Between Euroclear and/or Clearstream Banking Luxembourg Participants

Participants in Euroclear and Clearstream Banking Luxembourg will transfer interests in the notes among themselves in the ordinary way according to the rules and operating procedures of Euroclear and Clearstream Banking Luxembourg.

Trading Between a DTC Seller and a Euroclear or Clearstream Banking Luxembourg Purchaser

When the notes are to be transferred from the account of a DTC participant to the account of a Euroclear or Clearstream Banking Luxembourg participant, the purchaser must first send instructions to Euroclear or Clearstream Banking Luxembourg through a participant at least one business day prior to the settlement date. Euroclear or Clearstream Banking Luxembourg will then instruct its depositary to receive the notes and make payment for them. On the settlement date, the depositary will make payment to the DTC participant's account and the notes will be credited to the depositary's account. After settlement has been completed, DTC will credit the notes to Euroclear or Clearstream Banking Luxembourg, Euroclear or Clearstream Banking Luxembourg will credit the notes, in accordance with its usual procedures, to the participant's account, and the participant will then credit the purchaser's account. These securities credits will appear the next day (European time) after the settlement date. The cash debit from Euroclear's or Clearstream Banking Luxembourg's account will be back-valued to the value date (which will be the preceding day if settlement occurs in New York). If settlement is not completed on the intended value date (*i.e.*, the trade fails), the cash debit will instead be valued at the actual settlement date.

Participants in Euroclear and Clearstream Banking Luxembourg will need to make funds available to Euroclear or Clearstream Banking Luxembourg in order to pay for the notes by wire transfer on the value date. The most direct way of doing this is to pre-position funds (*i.e.*, have funds in place at Euroclear Clearstream Banking Luxembourg before the value date), either from cash on hand or existing lines of credit. Under this approach, however, participants may take on credit exposure to Euroclear and Clearstream Banking Luxembourg until the notes are credited to their accounts one day later.

As an alternative, if Euroclear or Clearstream Banking Luxembourg has extended a line of credit to a participant, the participant may decide not to pre-position funds, but to allow Euroclear or Clearstream Banking Luxembourg to draw on the line of credit to finance settlement for the notes. Under this procedure, Euroclear or Clearstream Banking Luxembourg would charge the participant overdraft charges for one day, assuming that the overdraft would be cleared when the notes were credited to the participant's account. However, interest on the notes would accrue from the value date. Therefore, in many cases the interest income on notes that the participant earns during that one-day period will substantially reduce or offset the amount of the participant's overdraft charges. Of course, this result will depend on the cost of funds (*i.e.*, the interest rate that Euroclear or Clearstream Banking Luxembourg charges) to each participant.

Since the settlement will occur during New York business hours, a DTC participant selling an interest in the notes can use its usual procedures for transferring notes to the depositaries of Euroclear or Clearstream Banking Luxembourg for the benefit of Euroclear or Clearstream Banking Luxembourg participants. The DTC seller will receive the sale proceeds on the settlement date. Thus, to the DTC seller, a cross-market sale will settle no differently than a trade between two DTC participants.

Trading Between a Euroclear or Clearstream Banking Luxembourg Seller and DTC Purchaser

Due to time zone differences in their favor, Euroclear and Clearstream Banking Luxembourg participants can use their usual procedures to transfer notes through their depositaries to a DTC participant. The seller must first send instructions to Euroclear or Clearstream Banking Luxembourg through a participant at least one business day prior to the settlement date. Euroclear or Clearstream Banking Luxembourg will then instruct its depositary to credit the notes to the DTC participant's account and receive payment. The payment will be credited in the account of the Euroclear or Clearstream Banking Luxembourg participant on the following day, but the receipt of the cash proceeds will be back-valued to value date (which will be the preceding day if the settlement occurs in

New York). If settlement is not completed on the intended value date (*i.e.*, the trade fails), the receipt of the cash proceeds will instead be valued at the actual settlement date.

If the Euroclear or Clearstream Banking Luxembourg participant selling the notes has a line of credit with Euroclear or Clearstream Banking Luxembourg and elects to be in debit for the notes until it receives the sale proceeds in its account, then the back-valuation may substantially reduce or offset any overdraft charges that the participant incurs over that one-day period.

Finally, a day trader that uses Euroclear or Clearstream Banking Luxembourg and that purchases notes from a DTC participant for credit to a Euroclear or Clearstream Banking Luxembourg accountholder should bond that these trades would automatically fail on the sale side unless affirmative action were taken. At least three techniques should be readily available to eliminate this potential problem:

(a) borrowing through Euroclear or Clearstream Banking Luxembourg for one day (until the purchase side of the day trade is reflected in its Euroclear or Clearstream Banking Luxembourg account) in accordance with the clearing system's customary procedures;

(b) borrowing the notes in the United States from a DTC participant no later than one day prior to settlement, which would give the notes sufficient time to be reflected in the borrower's Euroclear or Clearstream Banking Luxembourg account in order to settle the sale side of the trade; or

(c) staggering the value dates for the buy and sell sides of the trade so that the value date for the purchase from the DTC participant is at least one day prior to the value date for the sale to the Euroclear or Clearstream Banking Luxembourg accountholder.

Notices

Notices to holders of the notes will be given by mailing such notices to each holder by first class mail, postage prepaid, at the respective address of each holder as that address appears upon our books. Notices given to DTC, as holder of the registered global securities, will be passed on to the beneficial owners of the notes in accordance with the standard rules and procedures of DTC and its direct and indirect participants, including Clearstream Banking Luxembourg and the Euroclear.

See also "Plan of Distribution Notes Offered on a Global Basis."

UNITED STATES FEDERAL INCOME TAXATION

The following summary is based on the advice of Mayer, Brown, Rowe & Maw and describes certain of the principal United States federal income tax consequences resulting from the beneficial ownership of notes. This summary does not purport to consider all the possible U.S. federal income tax consequences of the purchase, ownership and disposition of the notes and is not intended to reflect the individual tax position of any beneficial owner. The summary is based upon the Internal Revenue Code of 1986, as amended, which we refer to as the "Code," its legislative history, existing and proposed Treasury regulations thereunder, published rulings and court decisions, all as currently in effect and all subject to change at any time, perhaps with retroactive effect. It deals only with notes held as capital assets by initial purchasers (unless otherwise specified) and does not purport to deal with purchasers in special tax situations, such as financial institutions, tax exempt organizations, insurance companies, regulated investment companies, dealers in securities or currencies, persons holding notes as a hedge against currency risks or as a position in a "straddle" for tax purposes, or persons whose functional currency (as defined in section 985 of the Code) is not the U.S. dollar. The summary does not include any description of the tax laws of any state, local or foreign governments that may be applicable to the notes or the holders of the notes.

Prospective purchasers of the notes should consult their own tax advisors concerning the application of U.S. federal income tax laws to their particular situations as well as any consequences of the purchase, ownership and disposition of the notes arising under the laws of any other taxing jurisdiction.

U.S. Holders

As used in this prospectus supplement, the term "U.S. holder" means a beneficial owner of a note who or which, for U.S. federal income tax purposes, is:

- an individual citizen or resident of the United States;
- a corporation or other entity treated as a corporation for U.S. federal income tax purposes created or organized in or under the laws of the United States or of any state thereof, including the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if both (i) a court within the United States is able to exercise primary supervision over its administration and (ii) one or more United States persons (as defined in the Code) have the authority to control all of its substantial decisions, or a trust that has made a valid election under Treasury regulations to be treated as a domestic trust.

As used in this prospectus, the term "non-U.S. holder" means a beneficial owner of a note that is not a U.S. holder. In the case of a holder of notes that is a partnership for U.S. federal income tax purposes, each partner will take into account its allocable share of income or loss from the notes, and will take such income or loss into account under the rules of taxation applicable to such partner, taking into account the activities of the partnership and the partner.

Payments of Interest. Subject to the discussion below, payments of interest on a note will be taxable to a U.S. holder as ordinary interest income at the time such payments are accrued or are received, in accordance with the U.S. holder's regular method of accounting for U.S. federal income tax purposes.

Original Issue Discount

General. The following summary is a general discussion of the U.S. federal income tax consequences to U.S. holders of the purchase, ownership and disposition of notes issued with original issue discount, which we refer to as discount notes. Special rules apply to original issue discount on a discount note that is denominated in a non-U.S. currency. See " Non-U.S. Currency Notes Original Issue Discount."

For U.S. federal income tax purposes, original issue discount is the excess of the stated redemption price at maturity of a note over its issue price, if such excess equals or exceeds a *de minimis* amount (generally defined as $^{1}/_{4}$ of 1-percent of the note's stated redemption price at maturity multiplied by the number of complete years to its maturity). The issue price of each note in an issue of notes is the first price at which a substantial amount of such issue of notes has been sold (ignoring sales to brokers, dealers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The stated redemption price at maturity of a note generally is the sum of all payments provided by the note other than "qualified stated interest" payments. The term "qualified stated interest" generally means stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually at a single fixed rate.

Payments of qualified stated interest on a note are taxable to a U.S. holder as ordinary interest income at the time when such payments are accrued or are received, in accordance with the U.S. holder's regular method of tax accounting. A U.S. holder of a discount note having a maturity of more

than one year from the date of issue must include original issue discount in income as ordinary interest for U.S. federal income tax purposes as it accrues under a constant yield method in advance of receipt of the cash payments attributable to such income, regardless of such U.S. holder's regular method of tax accounting. In general, the amount of original issue discount included in income by the initial U.S. holder of a discount note is the sum of the daily portions of original issue discount with respect to such discount note for each day during the taxable year on which such U.S. holder held such discount note. The "daily portions" of original issue discount on any discount note are determined by allocating to each day in an accrual period a ratable portion of the original issue discount allocable to that accrual period. An "accrual period" may be of any length and the accrual periods may vary in length over the term of the discount note as long as (i) each accrual period is no longer than one year, and (ii) each scheduled payment of principal or interest occurs either on the final day of an accrual period or on the first day of an accrual period. The amount of original issue discount allocable to each accrual period is generally equal to the difference between (i) the product of the discount note's adjusted issue price at the beginning of such accrual period and its yield to maturity (determined on the basis of compounding at the close of each accrual period and appropriately adjusted to take into account the length of the particular accrual period) and (ii) the amount of any qualified stated interest payments allocable to such accrual period. The "adjusted issue price" of a discount note at the beginning of the first accrual period is its issue price. Thereafter, the "adjusted issue price" of a discount note is the sum of the issue price plus the amount of original issue discount previously includible in the gross income of the holder reduced by the amount of any payment previously made on the discount note other than a payment of qualified stated interest. Under these rules, U.S. holders generally will have to include in income increasingly greater amounts of original issue discount in successive accrual periods.

Acquisition Premium. A U.S. holder who purchases a discount note for an amount that is greater than its adjusted issue price but less than its stated redemption price at maturity will be considered to have purchased the discount note at an "acquisition premium." Under the acquisition premium rules, the daily portions of original issue discount which a U.S. holder must include in its gross income with respect to such discount note will be reduced by an amount equal to the daily portion of the original issue discount for such day multiplied by the acquisition premium fraction. The numerator of the "acquisition premium fraction" is the excess of the U.S. holder's adjusted basis in the note immediately after its purchase over the adjusted issue price of the note, and the denominator is the sum of the daily portions for such note for all days after the date of purchase and ending on the stated maturity date (i.e., the total original issue discount remaining on the note).

Alternatively, rather than applying the acquisition premium fraction to reduce the daily portion of accrued original issue discount, a U.S. holder of a note may elect to compute original issue discount by treating the purchase as a purchase at original issuance and applying the mechanics of the constant yield method described above in " Original Issue Discount General." Prior to making this election, U.S. holders of notes should consult their own tax advisors concerning the potential U.S. federal income tax consequences to their particular situations.

Notes Subject to Contingencies. For purposes of determining the yield to maturity on a note, if CIBC or the U.S. holder has an unconditional option to cause payments on a note to be made under an alternative payment schedule or schedules, then (i) in the case of an option of CIBC, CIBC will be deemed to exercise or not exercise the option in a manner that minimizes the yield on the note, and (ii) in the case of an option of the U.S. holder, the U.S. holder will be deemed to exercise or not exercise the option in a manner that maximizes the yield on the note.

If an option is exercised, or not exercised, contrary to the assumptions made pursuant to the rules described above (i.e., a change in circumstances), then, solely for purposes of the accrual of original issue discount, the yield to maturity of the note is redetermined by treating the note as reissued on the date of the change of circumstances for an amount equal to its adjusted issue price on that date.

Election to Treat all Interest as Original Issue Discount. A U.S. holder of a note may elect to include in gross income all interest that accrues on the note by using the constant yield method described in " Original Issue Discount General" with certain modifications. For the purposes of this election, interest includes stated interest, acquisition discount, original issue discount, *de minimis* original issue discount, market discount, *de minimis* market discount, and unstated interest, as adjusted by any amortizable bond premium or acquisition premium.

In applying the constant yield method to a note with respect to which this election has been made, (a) the issue price of the note will equal the electing U.S. holder's adjusted basis on the note immediately after acquisition, (b) the issue date of the note will be the date of acquisition by the electing U.S. holder, and (c) no payments on the note will be treated as payments of qualified stated interest. The election must be made for the taxable year in which the U.S. holder acquires the note and will generally apply only to the note (or notes) identified by the U.S. holder in a statement attached to the holder's timely filed U.S. federal income tax return. The election may not be revoked without the consent of the IRS. If a U.S. holder makes the election with respect to a note with "amortizable bond premium" (as described in " Amortizable Bond Premium"), then the electing U.S. holder is deemed to have elected to apply amortizable bond premium against interest with respect to all debt instruments with amortizable bond premium (other than debt instruments the interest on which is excludible from gross income) held by the electing U.S. holder as of the beginning of the taxable year in which the note (with respect to which the election is made) is acquired or thereafter acquired. The deemed election with respect to amortizable bond premium may not be revoked without the consent of the IRS.

If the election to apply the constant yield method to all interest on a note is made with respect to a "market discount note" (as described in " Market Discount"), the electing U.S. holder will be deemed to have made an election to include market discount in income currently over the life of all debt instruments held in the year the election applies and all subsequent tax years. The election to currently include market discount in income may not be revoked without the consent of the IRS. Prior to making an election to treat all income of a note (or other debt instrument) as original issue discount, U.S. holders should consult with their own tax advisors as to the consequences resulting from such an election with respect to their own particular situations.

Short-Term Notes

Generally, an individual or other cash basis U.S. holder of notes having a fixed maturity date not more than 1 year from the date of issue is not required to accrue original issue discount for U.S. federal income tax purposes unless it elects to do so. An election by a cash basis U.S. holder applies to all short-term obligations acquired on or after the beginning of the first taxable year to which the election applies, and for all subsequent taxable years unless the consent is secured from the IRS to revoke the election. Accrual basis U.S. holders and certain other U.S. holders, including banks, regulated investment companies, dealers in securities, common trust funds, U.S. holders who hold short-term notes as part of certain identified hedging transactions, certain pass-through entities and cash basis U.S. holders who so elect, are required to accrue original issue discount on short-term notes on either a straight-line basis or, at the election of the U.S. holder, under the constant yield method (based on daily compounding). In the case of a U.S. holder not required and not electing to include original issue discount in income currently, any gain realized on the sale or retirement of the short-term note will be ordinary income to the extent of the original issue discount accrued on a straight-line basis (unless an election is made to accrue the original issue discount under the constant yield method) through the date of sale or retirement. U.S. holders who are not required and do not elect to accrue original issue discount on short-term notes will be required to defer deductions for interest on borrowings allocable to short-term notes in an amount not exceeding the deferred income until the deferred income is realized.

Contingent Payment Notes

General. Certain of the equity-linked notes will likely be characterized as contingent payment debt instruments ("CPDIs") for U.S. federal income tax purposes. U.S. holders of CPDIs are required to accrue interest income over time based upon a projected payment schedule that is derived from the issuer's cost of capital for fixed-rate non-contingent debt instruments. The primary method for such accrual is the non-contingent bond method. Under the non-contingent bond method, the issuer of a CPDI is required to calculate the yield it would reasonably be expected to pay on a non-contingent fixed-rate debt instrument and then construct a projected payment schedule of all contingent and non-contingent payments on the instrument that produces the comparable yield. The projected payment schedule is then used to determine the amount of original issue discount that can be included in income by a U.S. holder on a CPDI during a tax year, as well as to make positive and negative adjustments to such amount in order to arrive at the interest income or ordinary loss to be included in the U.S. holder's income for the tax year.

The amount of interest that accrues on a CPDI is required to be adjusted upward or downward to reflect differences between the actual and projected amounts of the contingent payments. These periodic positive and negative adjustments determine the amount of interest income or, in general, ordinary loss to U.S. holders of CPDIs during a particular accrual period. If the actual amount of a contingent payment is more than its projected amount, the difference is a positive adjustment on the date of the payment. If the amount of a contingent payment is less than its projected amount, the difference is a negative adjustment on the date of the payment. The U.S. holder accounts only for those adjustments that occur during a taxable year in which it holds a CPDI. The amount, if any, by which total positive adjustments on a CPDI exceed the total negative adjustments in the taxable year is a net positive adjustment. A net positive adjustment is generally treated as additional interest for the taxable year. The amount, if any, by which total negative adjustments on a CPDI exceed the total positive adjustments in the taxable year is a net negative adjustment. A U.S. holder's net negative adjustment on a CPDI for a taxable year is treated as follows: (i) first, it reduces the amount of interest for the taxable year that the U.S. holder would otherwise account for on the CPDI, then (ii) if the net negative adjustment exceeds the interest that would otherwise be taken into account, the excess is treated as an ordinary loss by the U.S. holder. However, the amount treated as ordinary loss is limited to the amount of interest income recognized by the U.S. holder on the CPDI in prior taxable years reduced by the total amount of the net negative adjustments treated as ordinary loss on the CPDI in prior taxable years. If the net negative adjustment exceeds the sum of the amounts treated as a reduction of interest and as ordinary loss on the CPDI for the taxable year, the excess is a negative adjustment carryforward. In general, a U.S. holder treats a negative adjustment carryforward for a taxable year as a negative adjustment on the CPDI on the first day of the succeeding taxable year. However, if a holder of a CPDI has a negative adjustment carryforward on the CPDI in a taxable year in which the CPDI is sold, exchanged, or retired, the negative adjustment carryforward reduces the U.S. holder's amount realized on the sale, exchange, or retirement.

Sale, Exchange or Retirement. In general, any gain recognized by a U.S. holder on the sale, exchange, or retirement of a CPDI is interest income. Any loss so recognized by a U.S. holder is in general ordinary loss to the extent that the total interest inclusions on the CPDI exceed the total net negative adjustments the U.S. holder already accounted for as ordinary loss. Any additional loss is treated as loss from the sale, exchange, or retirement of the CPDI. If at the time of the sale, exchange, or retirement there are no remaining contingent payments due on the CPDI under the projected payment schedule, then any gain or loss recognized by the U.S. holder is generally treated as gain or loss from the sale, exchange, or retirement of the CPDI.

For purposes of determining the amount realized by a U.S. holder on the scheduled retirement of a CPDI, a U.S. holder is treated as receiving the projected amount of any contingent payment due at maturity. If the amount received is different from the projected amount, the difference is treated as a positive or negative adjustment, as discussed above. The amount realized by a U.S. holder on the retirement of a CPDI is reduced by any negative adjustment carryforward determined in the taxable year of the retirement. An unscheduled retirement of a CPDI (or the receipt of a *pro rata* prepayment that is treated as a retirement of a portion of a CPDI) is treated as a repurchase of the CPDI by the issuer from the U.S. holder for the amount paid.

Market Discount

A note, other than a short-term note, will be treated as purchased at a market discount (a "market discount note") if the amount for which a U.S. holder purchased the note is less than

- the note's issue price (as determined above under " Original issue Discount General"),
- the note's stated redemption price at maturity (in the case of a subsequent purchaser), or
- the note's "revised issue price" (in the case of a discount note),

and such excess is greater than or equal to $^1/_4$ of 1-percent of such note's stated redemption price at maturity multiplied by the number of complete years to the note's maturity. If such excess is not sufficient to cause the note to be a market discount note, then such excess constitutes *de minimis* market discount.

The Code provides that, for these purposes, the "revised issue price" of a note generally equals its issue price, increased by the amount of original issue discount that has accrued over the term of the note.

Any gain recognized on the maturity or disposition of a market discount note will be treated as ordinary income to the extent that such gain does not exceed the accrued market discount on such note. Alternatively, a U.S. holder of a market discount note may elect to include market discount in income currently over the life of the note. Such election shall apply to all debt instruments with market discount acquired by the electing U.S. holder on or after the first day of the first year to which the election applies and may not be revoked without the consent of the IRS.

Market discount accrues on a straight-line basis unless the U.S. holder elects to accrue such market discount on a constant yield basis. Such an election shall apply only to the note with respect to which it is made and may not be revoked without the consent of the IRS. A U.S. holder of a market discount note that does not elect to include market discount in income currently generally will be required to defer deductions for interest on borrowings allocable to such note in an amount not exceeding the accrued market discount on such note until the maturity or disposition of or partial payment of principal on such note.

Amortizable Bond Premium

Generally, a U.S. holder that purchases a note for an amount that is in excess of the sum of all amounts payable on the note after its acquisition date (other than payments of qualified stated interest) will be considered to have purchased the note with "amortizable bond premium" equal to such excess. A U.S. holder of such a note will not be subject to the original discount rules and may elect to amortize such premium using a constant yield method over the remaining term of the note and may offset qualified stated interest otherwise required to be included in respect of the note with respect to an accrual period by the bond premium allocable to the accrual period. If the bond premium allocable to the accrual period exceeds the qualified stated interest allocable to the accrual period, the excess is treated as a bond premium deduction for the accrual period. However, the amount treated as a bond

premium deduction is limited to the amount by which the holder's total interest inclusions on the note in prior accrual periods exceed the total amount treated by the holder as a bond premium deduction on the note in prior accrual periods. If the bond premium allocable to an accrual period exceeds the sum of the qualified stated interest allocable to the accrual period and the amount treated as a bond premium deduction for the accrual period as described above, the excess is carried forward to the next accrual period and is treated as bond premium allocable to that period. Special rules apply to the determination of the amortization of bond premium on notes that provide for certain contingencies. Any election to amortize bond premium with respect to any note (or general debt obligation) applies to all taxable debt obligations held by the holder at the beginning of the first taxable year to which the election applies and to all debt obligations thereafter acquired in all subsequent tax years. The election may not be revoked without the consent of the IRS.

Sale, Exchange or Retirement of a Note

Except as discussed above, upon the sale, exchange or retirement of a note, a U.S. holder generally will recognize taxable gain or loss equal to the difference between the amount realized on the sale, exchange or retirement (other than amounts representing accrued and unpaid interest) and such U.S. holder's adjusted tax basis in the note. A U.S. holder's adjusted tax basis in a note generally will equal such U.S. holder's initial investment in the note increased by any original issue discount included in income and any accrued market discount included in income, decreased by the amount of any payments that are not deemed qualified stated interest payments and any amortizable bond premium applied to reduce interest with respect to such note. Such gain or loss generally will be long-term capital gain or loss if the note has been held for more than one year at the time of such sale, exchange or retirement.

Foreign Tax Credit

Interest and Original Issue Discount. Interest paid on, and any original issue discount accrued with respect to, notes will constitute income from sources outside the United States, and, with certain exceptions, will be grouped together with other items of "passive" income, for purposes of computing the foreign tax credit allowable to a U.S. holder. If the interest or original issue discount is subject to a withholding tax imposed by a foreign country at a rate of 5% or more, the interest or original issue discount may be considered "high withholding tax interest" for purposes of computing the foreign tax credit. If a U.S. holder is predominantly engaged in the active conduct of a banking, insurance, financing or similar business, the interest or original issue discount may be considered "financial services income" for purposes of computing the foreign tax credit.

Effect of Withholding Taxes. A U.S. holder will be required to include foreign withholding taxes, if any, imposed on payments on a note (including any additional amounts payable by CIBC on the note with respect to such foreign withholding taxes) in gross income as interest income. Such treatment will be required regardless of whether, as will generally be true, CIBC is required to pay additional amounts so that the amount of Canadian withholding taxes does not reduce the net amount actually received by the holder of the note.

Subject to certain limitations, a U.S. holder may be entitled to a credit against its U.S. federal income tax liability, or a deduction in computing its U.S. federal taxable income, for foreign income taxes withheld by CIBC (which, as described above, would include the amount of any additional amounts paid by CIBC with respect to such foreign taxes). A U.S. holder may be required to provide the IRS with a certified copy of the receipt evidencing payment of withholding tax imposed in respect of payments on a note in order to claim a foreign tax credit in respect of such foreign withholding tax.

Potential purchasers of notes should carefully consider the applicable terms supplement for information regarding the U.S. federal income tax consequences of payments by CIBC of Canadian withholding or other taxes and of additional amounts.

Non-U.S. Holders

Subject to the discussion of backup withholding below, (a) payment of principal, premium, redemption amount and interest by the Company or any paying agent to a non-U.S. holder will not be subject to U.S. federal income or withholding tax, (b) gain realized by a non-U.S. holder on the sale or redemption of the notes is not subject to U.S. federal income tax or withholding tax and (c) the notes are not subject to U.S. federal estate tax, if held by an individual who was a non-U.S. holder at the time of his death.

Special rules may apply in the case of non-U.S. holders (i) that are engaged in a U.S. trade or business, (ii) that are former citizens or long-term residents of the United States, "controlled foreign corporations," "foreign personal holding companies," corporations that accumulate earnings to avoid U.S. federal income tax, and certain foreign charitable organizations, each within the meaning of the Code, or (iii) certain non-resident alien individuals who are present in the United States for 183 days or more during a taxable year. Such persons are urged to consult their U.S. tax advisors before purchasing notes.

Information Reporting and Backup Withholding

For each calendar year in which the notes are outstanding, each DTC participant or indirect DTC participant holding an interest in a note on behalf of a beneficial owner of a note and each paying agent making payments in respect of a registered note will generally be required to provide the IRS with certain information, including such beneficial owner's name, address, taxpayer identification number (either such beneficial owner's Social Security number, its employer identification number or its IRS individual taxpayer identification number, as the case may be), and the aggregate amount of interest (including original issue discount) and principal paid to such beneficial owner during the calendar year. These reporting requirements, however, do not apply with respect to certain beneficial owners, including corporations, securities broker-dealers, other financial institutions, tax-exempt organizations, qualified pension and profit sharing trusts and individual retirement accounts.

In the event that a beneficial owner of a note fails to establish its exemption from such information reporting requirements or is subject to the reporting requirements described above and fails to supply its correct taxpayer identification number in the manner required by applicable law, or underreports its tax liability, as the case may be, the DTC participant or indirect DTC participant holding such interest on behalf of such beneficial owner or paying agent making payments in respect of a note may be required to "backup" withhold a tax at the current rate of 30% (subject to reduction in subsequent years) of each payment of interest and principal with respect to notes. This backup withholding tax is not an additional tax and may be credited against the beneficial owner's U.S. federal income tax liability if the required information is furnished to the IRS. Compliance with the identification procedures contained in IRS Form W-8 BEN (or other similar form) will establish an exemption from information reporting and backup withholding for those non-U.S. holders who are not exempt recipients.

Prospective purchasers of notes are advised to consult their own tax advisers as to the consequences of a purchase and sale of notes, including, without limitation, (i) the applicability and effect of any state, local or non-U.S. tax laws to which they may be subject, and of any legislative or administrative changes in law, (ii) the U.S. federal income tax consequences of CIBC's withholding of foreign withholding taxes (and of the payment by CIBC of additional amounts with respect thereto) and (iii) the availability of a credit or deduction for foreign withholding taxes.

CANADIAN FEDERAL INCOME TAXATION

The following summary is based on the advice of Blake, Cassels & Graydon LLP and describes certain of the principal Canadian federal income tax considerations generally applicable to a holder of a note who, for the purposes of the *Income Tax Act* (Canada), which we refer to as the "Act," and at all relevant times, is neither resident nor deemed to be resident in Canada, deals at arm's length with CIBC, does not use or hold and is not deemed to use or hold the note in or in the course of carrying on a business in Canada and is not a non-resident insurer which carries on business partly in Canada and partly outside Canada. We refer to such holders in this prospectus as "Non-Resident Holders."

This summary is based upon the current provisions of the Act and the regulations thereunder (which we refer to as the "Regulations") in force on the date hereof and takes into account all specific proposals to amend the Act and the Regulations publicly announced prior to the date hereof by the Minister of Finance for Canada and the current published assessing practices and administrative policies of the CCRA. This summary does not otherwise take into account or anticipate any other changes in law or in the practices or policies of the CCRA whether by legislative, governmental or judicial action or interpretation, nor does it take into account provincial, territorial or foreign income tax legislation or considerations.

This summary is of a general nature only, is not exhaustive of all Canadian federal income tax considerations and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Non-Resident Holder. Non-Resident Holders are advised to consult their own tax advisers with respect to their particular situations.

Interest paid or credited or deemed to be paid or credited by CIBC on a note issued by CIBC to a Non-Resident Holder will not be subject to Canadian non-resident withholding tax where,

(i) such interest is payable in a currency other than Canadian currency, such note is issued by a branch or office of CIBC in a country other than Canada and such interest is deductible in computing the income of CIBC from its business carried on in such country for purposes of the Act;

(ii) such interest is payable in a currency other than Canadian currency and such note evidences a deposit with CIBC which is not repayable in Canadian currency; or

(iii) under the terms and conditions of a series of notes issued pursuant to a particular terms supplement or any agreement relating to such notes CIBC may not under any circumstances be obliged to repay more than 25% of the aggregate principal amount of the notes of such series within five years from the date of issue of the particular series except, generally, in the event of a failure or default under such notes or a related agreement;

unless all or any portion of such interest (other than interest on a prescribed obligation described below) is contingent or dependent upon the use of or production from property in Canada or is computed by reference to revenue, profit, cash flow, commodity price or any other similar criterion or by reference to dividends paid or payable to shareholders of any class or series of shares of the capital stock of a corporation.

A prescribed obligation for this purpose is an "indexed debt obligation," as defined in the Act, in respect of which no amount payable is contingent or dependent upon the use of, or production from, property in Canada or is computed by reference to revenue, profit, cash flow, commodity price or any other similar criterion, other than a change in the purchasing power of money, or by reference to dividends paid or payable to shareholders of any class or series of shares. An "indexed debt obligation" is a debt obligation the terms or conditions of which provide for an adjustment to an amount payable in respect of the obligation for a period during which the obligation was outstanding that is determined by reference to a change in the purchasing power of money. All or a portion of an adjustment to an

amount payable in respect of such an obligation may be treated for purposes of the Act as being paid or credited by CIBC as interest on such obligations.

In the event that a note issued by CIBC is redeemed, cancelled, repurchased or purchased by CIBC or any other resident or deemed resident of Canada from a Non-Resident Holder, or otherwise assigned or transferred by a Non-Resident Holder to a resident or deemed resident of Canada, for an amount which exceeds, generally, the issue price thereof, the difference between the price for which such Note is redeemed, cancelled, repurchased or purchased or otherwise assigned or transferred and the issue price may, in certain circumstances, be deemed to be interest and may be subject to non-resident withholding tax if the note is not considered to be an "excluded obligation" as defined by subsection 214(8) of the Act and such interest is not otherwise exempt from non-resident withholding tax. Notes, the interest in respect of which is exempt from Canadian withholding tax because they are described in (i), (ii) or (iii) above, will be "excluded obligations" for this purpose.

Generally, there are no other taxes on income (including taxable capital gains) payable in respect of a note or interest, discount or premium thereon by a Non-Resident Holder who is not otherwise required by or for the purposes of the Act to include an amount in respect of the notes in computing income from carrying on a business in Canada and to whom the note is not a designated insurance property within the meaning of the Act.

The applicable terms supplement will contain a summary of the Canadian withholding tax treatment of amounts paid or credited on the notes by CIBC. Such summary contained in the applicable terms supplement may, to the extent indicated therein, supersede the information contained in this section. Unless otherwise set forth in the applicable terms supplement, no other tax on income (including taxable capital gains) is payable under the Canadian Act by an owner of notes in respect of the holding or disposition of the notes.

PLAN OF DISTRIBUTION

We will offer the notes on a continuing basis through CIBC World Markets Corp., which we refer to as the "agent," who has agreed to use reasonable efforts to solicit offers to purchase the notes. We will have the sole right to accept offers to purchase these notes and may reject an offer in whole or in part. Each agent may reject, in whole or in part, any offer it solicited to purchase notes.

We may also sell these notes to the agent as principal for its own account at discounts to be agreed upon at the time of sale. The agent may resell these notes to investors and other purchasers at a fixed offering price or at prevailing market prices, or prices related thereto at the time of resale or otherwise, as the agent determines and as we will specify in the applicable terms supplement. An agent may offer the notes it has purchased as principal to other dealers. The agent may sell the notes to any dealer at a discount and, unless otherwise specified in the applicable terms supplement, the discount allowed to any dealer will not be in excess of the discount that agent will receive from us. After the initial public offering of notes that the agent is to resell on a fixed public offering price basis, the agent may change the public offering price, concession and discount.

The agent, whether acting as agent or principal, may be deemed to be an "underwriter" within the meaning of the Securities Act of 1933. We have agreed to indemnify the agent against certain liabilities, including liabilities under the Securities Act, or to contribute to payments made in respect of those liabilities. We have also agreed to reimburse the agent for specified expenses.

We may also sell notes directly to investors. We will not pay commissions on notes we sell directly.

We may also appoint agents other than or in addition to CIBC World Markets with respect to the notes. Any other agents will be named in the applicable terms supplements and those agents will enter into a distribution agreement similar to the one we have entered into with CIBC World Markets. The other agents may be affiliates or customers of CIBC and may engage in transactions with and perform

services for CIBC in the ordinary course of business. CIBC World Markets may resell notes to or through another of our affiliates, as selling agents.

The notes are a new issue of securities, and there will be no established trading market for any note before its original issue date. We may not list the notes on a securities exchange or quotation system. We have been advised by CIBC World Markets that it intends to make a market in the notes. However, neither CIBC World Markets nor any of our other affiliates nor any other agent named in the terms supplement that makes a market is obligated to do so and any of them may stop doing so at any time without notice. No assurance can be given as to the liquidity or trading market for the notes.

CIBC World Markets Corp. is an indirect wholly-owned subsidiary of CIBC. The agent will conduct each offering of these notes in compliance with the requirements of Rule 2720 of the Conduct Rules of the National Association of Securities Dealers, Inc. (the "NASD") regarding a NASD member firm's distributing of notes of an affiliate. Neither the agent nor any dealer utilized in the initial offering of these notes will confirm sales to accounts over which it exercises discretionary authority without the prior specific written approval of its customer.

This prospectus supplement may be used by CIBC World Markets Corp., any of our other affiliates or any other agent in connection with offers and sales of the notes in market-making transactions. A market-making transaction is one in which CIBC World Markets Corp., another of our affiliates or any other agent resells a note that it has previously acquired from another holder. A market-making transaction in a particular note occurs after the original sale of the note. We describe market-making transactions and other matters relating to the distribution of the notes in the accompanying prospectus under "Plan of Distribution."

Unless we or any of the agents inform you in your confirmation of sale that your note is being purchased in its original offering and sale, you may assume that you are purchasing your note in a market-making transaction.

You will receive information about the trade and settlement dates, as well as the purchase price, for a market-making transaction in a separate confirmation of sale.

The aggregate initial offering price specified on the cover of this prospectus supplement relates to the initial offering of new notes we may issue on and after the date of this prospectus supplement. This amount does not include notes that may be resold in market-making transactions. The latter include notes that we may issue going forward as well as notes we have previously issued.

In this prospectus supplement, the term "this offering" means the initial offering of the notes made in connection with their original issuance. This term does not refer to any subsequent resales of notes in market-making transactions.

In order to facilitate the offering of these notes, the agents may engage in transactions that stabilize, maintain or otherwise affect the price of these notes or of any other notes the prices of which may be used to determine payments on these notes. Specifically, the agents may overallot in connection with any offering of these notes, creating a short position in these notes for their own account. In addition, to cover overallotments or to stabilize the price of these notes or of any other notes, the agent may bid for, and purchase, these notes or any other notes in the open market. Finally, in any offering of these notes through a syndicate of underwriters, the underwriting syndicate may reclaim selling concessions allowed to an underwriter or a dealer for distributing these notes in the offering if the syndicate repurchases previously distributed notes in transactions to cover syndicate short positions, in stabilization transactions or otherwise. Any of these activities may stabilize or maintain the market price of these notes above independent market levels. The agents are not required to engage in these activities, and may end any of these activities at any time.

Notes Offered on a Global Basis

If the applicable terms supplement indicates that any of our notes will be offered on a global basis, such registered global notes will be offered for sale in those jurisdictions outside of the United States where it is legal to make such offers.

The agent has represented and agreed, and any other agent through which we may offer such notes on a global basis will represent and agree, that it will comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers the notes or possesses or distributes the applicable terms supplement, this prospectus supplement or the accompanying prospectus and will obtain any consent, approval or permission required by it for the purchase, offer or sale by it of the notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales and we shall not have responsibility in that regard.

Purchasers of any notes offered on a global basis may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the issue price set forth on the cover page of this prospectus supplement.

LEGAL MATTERS

Blake, Cassels & Graydon LLP will pass upon certain legal matters relating to the offering with respect to Canadian law for CIBC and Mayer, Brown, Rowe & Maw will pass upon certain legal matters relating to the offering with respect to U.S. law. Mayer, Brown, Rowe & Maw may rely on the opinion of Blake, Cassels & Graydon LLP as to all matters of Canadian law.

PROSPECTUS

US$600,000,000

Canadian Imperial Bank of Commerce

DEBT SECURITIES

We may offer debt securities from time to time. This prospectus describes the general terms of these debt securities and the general manner in which we will offer the debt securities.

The specific terms of any debt securities we offer will be included in one or more supplements to this prospectus. The prospectus supplement will also describe the specific manner in which we will offer the debt securities.

This prospectus also relates to market-making transactions that may occur on a continuous or delayed basis in the securities described above, after they are initially offered and sold.

This prospectus may not be used to sell securities unless accompanied by a prospectus supplement.

The debt securities will not be insured under the Canadian Deposit Insurance Corporation Act or by the U.S. Federal Deposit Insurance Corporation or any other Canadian or U.S. governmental agency or instrumentality.

The Securities and Exchange Commission and state securities regulators have not approved or disapproved these securities, or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

We may use this prospectus in the initial sale of these securities. In addition, we or our affiliates may use this prospectus in a market-making transaction in any of these securities after their initial sale. Unless we or our agent informs you otherwise in the confirmation of sale, this prospectus is being used in a market-making transaction.

CIBC WORLD MARKETS

May 28, 2003

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the United States Securities and Exchange Commission, which we refer to as the SEC, using the "shelf" registration process. Under the shelf registration process, we may sell the securities described in this prospectus in one or more offerings.

This prospectus provides you with a general description of the securities that can be offered. Each time we sell securities, we will provide prospective investors with one or more prospectus supplements that will contain specific information about the terms of the securities. The prospectus supplement may also add to or update or change information contained in this prospectus. You should read both this prospectus and any prospectus supplement together with the additional information described under the heading "Where You Can Find More Information."

You should rely only on the information we incorporate by reference or provide in this prospectus or the relevant prospectus supplement. We have not authorized anyone else to provide you with different or additional information. We are not making an offer of these securities in any state where the offer is not permitted. The terms "CIBC," "we," "us," and "our" refer to Canadian Imperial Bank of Commerce and its subsidiaries including, in the applicable context, its branches or agencies outside Canada, as contemplated in this prospectus and the applicable prospectus supplement.

Unless otherwise specified, all references to "U.S. dollars," or "US$" are to the currency of the United States, and references to "Canadian dollars" and "C$" are to the currency of Canada. This prospectus contains translations of Canadian dollar amounts into U.S. dollars solely for the convenience of the reader. Unless otherwise specified, those amounts presented in U.S. dollars are translated from the Canadian dollar amounts at the rate of US$0.6421 per Canadian dollar, the Bank of Canada closing rate for U.S. dollars as at October 31, 2002. The corresponding Bank of Canada closing rate as at April 11, 2003 was US$0.6880 per Canadian dollar. These currency conversions should not be construed as representations that the Canadian dollar amounts actually represent such U.S. dollar amounts. Additionally, these conversions should not be construed as representations that these Canadian dollar amounts have been, could have been or could be converted into U.S. dollars at those or any other rates of exchange.

SUMMARY

We may offer debt securities from time to time in one or more series under an indenture. The following summary describes the debt securities in general terms only. You should read the summary together with the more detailed information contained in the rest of this prospectus and the applicable prospectus supplement.

Debt Securities, Indenture and Form

We will offer our debt securities to investors on terms determined by market and other conditions. Our debt securities may be sold for U.S. dollars or foreign currency. Principal of and any premium or interest on our debt securities may be payable in U.S. dollars or foreign currency (other than Canadian dollars), as we specifically designate in the related prospectus supplement.

Our debt securities will be unsecured and unsubordinated in priority of payment. Our debt securities will not be insured under the Canada Deposit Insurance Corporation Act or by the U.S. Federal Deposit Insurance Corporation or any other Canadian or U.S. governmental agency or instrumentality.

The debt securities will be issued under an indenture between us and Wilmington Trust Company as trustee. The indenture does not limit the amount of additional indebtedness that we or any of our subsidiaries may incur. We have summarized the material features of the indenture under the heading "Description of the Debt Securities." We encourage you to read the indenture, which is an exhibit to our registration statement No. 333-104577.

Unless a prospectus supplement states otherwise, we will issue debt securities in fully registered form and generally in global form. We will issue certificates to evidence the beneficial interests of holders of the global notes only in limited circumstances.

Terms Specified in Prospectus Supplements

When we decide to sell particular debt securities, we will prepare one or more prospectus supplements describing the securities offering and the specific terms of the securities. You should carefully read this prospectus and any applicable prospectus supplement.

In any prospectus supplement, we will specify the aggregate principal amount, the purchase price, the maturity, the redemption, the interest rate or the manner of calculating the interest rate, the time of payment of interest, if any, the listing, if any, on a securities exchange and any other specific terms of such debt securities. We will also provide the name of and compensation to each dealer, underwriter or agent, if any, involved in the sale of the securities being offered and the managing underwriters for any securities sold to or through underwriters. Any underwriters, including managing underwriters, dealers or agents in the United States, may include CIBC World Markets Corp., an indirect wholly-owned subsidiary of ours.

Market-Making by Our Indirect Wholly-owned Subsidiary

Following the initial distribution of an offering of securities, CIBC World Markets Corp. may offer and sell those securities in the course of its business as a broker-dealer. It may act as a principal or agent in these transactions and will use this prospectus and the applicable prospectus supplement in connection with those transactions. Sales in any of those transactions will be made at varying prices related to prevailing market prices and other circumstances at the time of sale.

WHERE YOU CAN FIND MORE INFORMATION

We file annual and special reports with the SEC from time to time. You can obtain our SEC filings over the Internet at the SEC's website at http://www.sec.gov, but only the filings we specify below as being incorporated by reference are part of this prospectus. You may also read and copy the documents that we file with the SEC at its public reference facilities at Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549. You may also obtain copies at prescribed rates by writing to the Public Reference Room of the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0300 for further information on the public reference facilities.

This prospectus is part of a registration statement we filed with the SEC. This prospectus omits some information contained in the registration statement in accordance with SEC rules and regulations. You should review the information and exhibits in the registration statement for further information on us and/or our consolidated subsidiaries and the securities we are offering. Statements in this prospectus concerning any document that we filed as an exhibit to the registration statement or that we otherwise filed with the SEC are not intended to be comprehensive and are qualified by reference to these filings. You should review the complete document to evaluate these statements.

Our common shares, without par value, are listed on the New York Stock Exchange, Inc. under the symbol "BCM" and the Toronto Stock Exchange under the symbol "CM." You may inspect information concerning us and our consolidated subsidiaries at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

The SEC allows us to incorporate by reference information we file with it. This means that we can disclose important information to you by referring you to those publicly available documents. The information that we incorporate by reference in this prospectus is considered to be part of this prospectus. Because we are incorporating by reference some of our future filings with the SEC, this prospectus is continually updated and those future filings may modify or supersede some of the information included or incorporated in this prospectus. This means that you must look at all of the SEC filings that we incorporate by reference to determine if any of the statements in this prospectus or in any document previously incorporated by reference have been modified or superseded. This prospectus incorporates by reference the documents listed below that have been filed with the SEC:

- Annual Report on Form 40-F for the fiscal year ended October 31, 2002; and

- Report on Form 6-K for fiscal quarter ended January 31, 2003, filed February 27, 2003.

We will also incorporate by reference all future annual reports on Form 40-F that we file with or furnish to the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 until we complete our offering of the securities to be issued under the registration statement or, if later, the date on which any of our affiliates cease offering and selling these securities. In addition, we will incorporate by reference some future reports on Form 6-K (which may be filed after the date of the filing of this registration statement and before its effectiveness), but only to the extent indicated in those reports.

You can request a copy of the documents referred to above, excluding exhibits that are not specifically incorporated by reference, at no cost, by writing or telephoning us at the following address:

Canadian Imperial Bank of Commerce
Commerce Court
Toronto, Ontario
Canada M5L1A2
Attention: Investor Relations
(416) 980-6657

FORWARD-LOOKING STATEMENTS

This prospectus, including the documents that are incorporated in this prospectus by reference, contains forward-looking statements which are made pursuant to the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, statements about our operations, business lines, financial condition, risk management, priorities, targets, ongoing objectives, strategies and outlook for 2003 and subsequent periods. Forward-looking statements are typically identified by the words "believe," "expect," "anticipate," "intend," "estimate" and other similar expressions or future or conditional verbs such as "will," "should," "would" and "could." A forward-looking statement is subject to inherent risks and uncertainties that may be general or specific. A variety of factors, many of which are beyond our control, affect our operations, performance and results and our business lines, and could cause actual results to differ materially from the expectations expressed in any of our forward-looking statements. These factors include:

- current, pending and proposed legislative or regulatory developments in the jurisdictions where we operate including pending developments in Canadian laws regulating financial institutions and U.S. regulatory changes affecting foreign companies listed on a U.S. exchange;
- political conditions and developments, including conflict in the Middle East and the war on terrorism;
- weakened market conditions;
- intensifying competition from established competitors and new entrants in the financial services industry;
- technological change;
- global capital market activity;
- interest rate fluctuation;
- currency value fluctuation;
- general economic conditions worldwide, as well as in Canada, the United States and other countries where we have operations;
- the impact of the events of September 11, 2001;
- changes in market rates and prices which may adversely affect the value of financial products;
- our success in developing and introducing products and services to a receptive market, expanding existing distribution channels, developing new ones and realizing increased revenue from these channels, including electronic commerce-based efforts.

This list is not exhaustive of the factors that may affect any of our forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on our forward-looking statements. We do not undertake to update any forward-looking statement that is contained in this prospectus or the documents incorporated in this prospectus by reference.

CANADIAN IMPERIAL BANK OF COMMERCE

CIBC is a diversified financial institution governed by the Bank Act (Canada) (the "Bank Act"). CIBC's registered head office is at Commerce Court, Toronto, Canada M5L 1A2. A list of CIBC's principal subsidiaries is contained in CIBC's Annual Report on Form 40-F for the year ended October 31, 2002, incorporated into this prospectus by reference.

CIBC was formed through the amalgamation of The Canadian Bank of Commerce and Imperial Bank of Canada in 1961. The Canadian Bank of Commerce was originally incorporated as Bank of Canada by special act of the legislature of the Province of Canada in 1858. Subsequently, the name was changed to The Canadian Bank of Commerce and it opened for business under that name in 1867. Imperial Bank of Canada was incorporated in 1875 by special act of the Parliament of Canada and commenced operations in that year.

At October 31, 2002, CIBC had total assets of C$273 billion, total deposits of C$197 billion, and common shareholders' equity of C$9.2 billion.

CIBC is organized into three business lines: CIBC Retail Markets, CIBC Wealth Management and CIBC World Markets.

CIBC Retail Markets provides financial services and lending, credit card and mortgage products to personal and small business customers through CIBC branches, automated banking machines, internet banking, telephone banking, as well as a co-branded retail electronic banking business.

CIBC Wealth Management provides relationship-based advisory sales, services and products including full-service brokerage, discount brokerage, asset management, private banking, trust services, and a broad selection of investment and credit services through its branch-based sales force.

CIBC World Markets is a full-service investment bank active throughout North America, and with niche capabilities in the United Kingdom and Asia. Areas of specialization include mergers and acquisitions; research; sales and trading of securities and derivatives; merchant banking; and commercial banking.

In Canada, CIBC's business and operations are subject to a variety of regulations. Outside Canada, CIBC's branches, agencies and affiliates are also subject to local regulatory requirements.

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth the ratio of earnings to fixed charges of CIBC for the three month period ended January 31, 2003 and each of the years in the five-year period ended October 31, 2002 calculated in accordance with generally accepted accounting principles in Canada and the United States.

	Three months ended January 31, 2003	Twelve months ended October 31,				
		2002	2001	2000	1999	1998
Canadian GAAP:						
Excluding interest on deposits	2.25	1.24	1.75	1.93	1.41	1.39
Including interest on deposits	1.42	1.06	1.18	1.25	1.13	1.14
U.S. GAAP:						
Excluding interest on deposits	(1)	(2)	1.82	1.85	1.46	1.37
Including interest on deposits	(1)	(2)	1.20	1.23	1.15	1.14

(1) No U.S. GAAP information is provided for the three months ended January 31, 2003 because U.S. GAAP reconciliation was not required for this period.

(2) Earnings for the year ended October 31, 2002 were inadequate to cover fixed charges as calculated under U.S. GAAP (both excluding and including interest on deposits) by C$291 million.

USE OF PROCEEDS

Generally, we will use the net proceeds from the sale of the debt securities we describe in this prospectus for general corporate purposes, which may include additions to working capital, investments in or extensions of credit to our subsidiaries and the repayment of indebtedness. The applicable prospectus supplement will describe any other purposes for which the proceeds may be used.

We will receive the net proceeds only from sales of the notes made in connection with their original issuance. We do not expect to receive any proceeds from resales of the notes by CIBC World Markets Corp. or any of our other affiliates in market-making transactions. We expect our affiliates to retain the proceeds of their market-making resales and not to pay the proceeds to us.

We will disclose the discounts or commissions that we will pay any underwriters or other placement or selling agents and a reasonably itemized description of the major expenses incurred in connection with any sale and distribution of our debt securities in the applicable prospectus supplement.

CAPITALIZATION

The table below sets forth our consolidated capitalization as of January 31, 2003. This information should be read in conjunction with our unaudited consolidated financial statements for the three month period ended January 31, 2003, incorporated herein by reference.

	January 31, 2003
	(C$ millions)
Subordinated Indebtedness:	
Subordinated Liabilities	3,841
Shareholders' Equity:	
Class A Preferred Shares entitled to non-cumulative dividends:	
8,000,000 Series 14	200
12,000,000 Series 15	300
5,500,000 Series 16	209
6,500,000 Series 17	163
12,000,000 Series 18	300
8,000,000 Series 19	200
4,000,000 Series 20	152
8,000,000 Series 21	200
4,000,000 Series 22	152
16,000,000 Series 23	400
16,000,000 Series 24	400
16,000,000 Series 25	400
10,000,000 Series 26	250
Total Class A Preferred Shares	3,326
359,246,494 Common Shares	2,842
Contributed Surplus	33
Retained Earnings	6,621
Total Shareholders' Equity	12,822
Total Capitalization	16,663

DESCRIPTION OF THE DEBT SECURITIES

We have summarized below the material provisions of the indenture and the debt securities, or indicated which material provisions will be described in the related prospectus supplement. These descriptions are only summaries, and each investor should refer to the indenture, which describes completely the terms and definitions summarized below and contains additional information regarding the debt securities. Any reference to provisions or defined terms of the indenture in any statement under this heading qualifies the entire statement and incorporates by reference the applicable section or definition into that statement.

General

We will issue the debt securities under an indenture between us and Wilmington Trust Company, as Trustee. A copy of the indenture is filed as an exhibit to the registration statement. We may issue debt securities under the indenture from time to time in one or more series. The indenture does not limit the aggregate principal amount of the debt securities which we can issue under such indenture. We will authorize the aggregate amount from time to time for each series.

The debt securities will be unsecured and unsubordinated deposit liability obligations of CIBC and will rank on a parity in right of payment with all of CIBC's deposit liabilities, except for obligations preferred by mandatory provisions of law. The debt securities will not be insured under the Canada Deposit Insurance Corporation Act or by the U.S. Federal Deposit Insurance Corporation or any other Canadian or U.S. governmental agency or instrumentality. In the case of the insolvency of CIBC, the Bank Act provides that priorities among payments of deposit liabilities of CIBC (including payments in respect of the debt securities) and payments of all other liabilities are to be determined in accordance with the laws governing priorities and, where applicable, by the terms of the indebtedness and liabilities.

We may issue debt securities from time to time in one or more series. The provisions of the indenture allow us to "reopen" a previous issue of a series of debt securities and issue additional debt securities of that series. The debt securities in each series may be denominated and payable in U.S. dollars or foreign currencies (other than Canadian dollars). We may also issue debt securities, from time to time, with the principal amount or interest payable on any relevant payment date to be determined by reference to one or more currency exchange rates, securities or baskets of securities, commodity prices or indices. Holders of these types of debt securities will receive payments of principal or interest that depend upon the values of the applicable currency, security or basket of securities, commodity or index.

The debt securities may bear interest at a floating rate or a fixed rate. A floating rate is determined by reference to an interest rate formula which may be adjusted by adding or subtracting the spread or multiplying the spread multiplier. Debt securities bearing no interest or interest at a rate that at the time of issuance is below the prevailing market rate may be sold at a discount below their stated principal amount.

Terms Specified in Prospectus Supplement

The prospectus supplement will contain, where applicable, the following terms of and other information relating to any offered debt securities:

- the specific designation;
- aggregate principal amount, purchase price and denomination;
- currency (other than Canadian dollars) in which the debt securities are denominated and/or in which principal, and premium, if any, and/or interest, if any, is payable;

- date of maturity;
- the interest rate or rates or the method by which the calculation agent (to be designated in the applicable prospectus supplement) will determine the interest rate or rates, if any;
- the interest payment dates, if any;
- the place or places for payment of the principal of and any premium and/or interest on the debt securities;
- any repayment, redemption, prepayment or sinking fund provisions, including any notice provisions;
- whether we will issue the debt securities in global form and under what terms and conditions;
- information as to the methods for determining the amount of principal or interest payable on any date and/or the currencies, securities or baskets of securities, commodities or indices to which the amount payable on that date is linked;
- any agents for the debt securities, including trustees, depositories, authenticating or paying agents, transfer agents or registrars;
- any applicable United States and Canadian federal income tax consequences, including, but not limited to:
  - whether and under what circumstances we will pay additional amounts on debt securities for any tax, assessment or governmental charge withheld or deducted and, if so, whether we will have the option to redeem those debt securities rather than pay the additional amounts;
  - tax considerations applicable to any discounted debt securities or to debt securities issued at par that are treated as having been issued at a discount for United States federal income tax purposes; and
  - tax considerations applicable to any debt securities denominated and payable in foreign currencies;
- any other specific terms of the debt securities, including any additional events of default or covenants, and any terms required by or advisable under applicable laws or regulations.

We may sell the debt securities at a substantial discount below their stated principal amount. We will describe special United States federal income tax and Canadian tax considerations, if any, applicable to debt securities sold at an original issue discount in the prospectus supplement. An "original issue discount security" is any debt security that provides for an amount less than the principal amount to be due and payable upon the declaration of acceleration of the maturity in accordance with the terms of the applicable indenture. The prospectus supplement relating to any original issue discount securities will describe the particular provisions relating to acceleration of the maturity upon the occurrence of an event of default. In addition, we will describe certain United States federal income tax, Canadian tax or other considerations applicable to any debt securities that are denominated in a currency or unit other than U.S. dollars in the applicable prospectus supplement.

Registration and Transfer of Debt Securities

Registered holders may present debt securities for exchange or registration of transfer. The debt securities will state and the applicable prospectus supplement will describe the manner, the places and applicable restrictions with respect to such exchange or transfer. We will provide these services without charge except for any tax or other governmental charge payable in connection with these services and subject to any limitations provided in the indenture.

The procedures for transfer of interests in the debt securities in global form will depend upon the procedures of the depositary for such global securities. See "Forms of the Debt Securities."

Merger, Consolidation, Sale, Lease or Conveyance

The indenture provides that we may merge or consolidate with any other person or sell, lease or convey all or substantially all of our assets, individually or in aggregate, to one or more persons, only if certain conditions including the following are met:

- we will be the surviving entity; or
- each successor entity, transferee or lessee that acquires all or substantially all of our assets, by itself or in aggregate with others, will be one or more direct or indirect affiliates which we control or which are under common control with us, or will expressly assume or guaranty, either individually or in aggregate, all of our obligations under the indenture and all of our obligations under the debt securities issued under the indenture; and
- immediately after such merger, consolidation, sale, lease or conveyance, we, or any successor that has assumed our obligations, will not be in default in the performance of the covenants and conditions of the indenture applicable to us.

Absence of Protections against All Potential Actions of CIBC. There are no covenants or other provisions in the indenture that would afford holders of debt securities additional protection in the event of a recapitalization transaction, a change of control of CIBC or a highly leveraged transaction. The merger covenant described above would only apply if the recapitalization transaction, change of control or highly leveraged transaction were structured to include a merger or consolidation of CIBC or a sale, lease or conveyance of all or substantially all of our assets. However, we may provide specific protections, such as a put right or increased interest, for particular debt securities which we would describe in the applicable prospectus supplement.

Events of Default

The indenture provides holders of debt securities with remedies if we fail to perform specific obligations, such as making payments on the debt securities or other indebtedness, or if we become bankrupt. Holders should review these provisions and understand which of our actions would trigger an event of default and which actions would not. The indenture permits the issuance of debt securities in one or more series, and, in many cases, whether an event of default has occurred is determined on a series by series basis.

An event of default is defined under the indenture, with respect to any series of debt securities issued under the indenture, as being:

- default for 7 days in payment of any principal of the debt securities of that series, either at maturity or upon any redemption, by declaration or otherwise;
- default for 30 days in payment of any interest on any debt securities of that series;
- default for 60 days after written notice in the observance or performance of any other covenant or agreement in the debt securities of that series or the related indenture, other than a covenant included in that indenture solely for the benefit of a different series of debt securities;
- events of bankruptcy, insolvency or reorganization; or
- any other event of default provided in the supplemental indenture under which that series of debt securities is issued.

Acceleration of Debt Securities Upon an Event of Default. The indenture provides that:

- if an event of default due to the default in payment of principal of, or any premium or interest on, any series of debt securities issued under the indenture, or due to the default in the performance or breach of any other covenant or warranty of CIBC applicable to the debt securities of that series but not applicable to all outstanding debt securities issued under the indenture occurs and is continuing, either the trustee or the holders of not less than 25% in aggregate principal amount of the outstanding debt securities of each affected series, voting as one class, by notice in writing to CIBC, may declare the principal of all debt securities of each affected series and interest accrued thereon to be due and payable immediately; and

- if an event of default due to a default in the performance of any other of the covenants or agreements in that indenture applicable to all outstanding debt securities issued under that indenture or due to specified events of bankruptcy, insolvency or reorganization of CIBC, occurs and is continuing, either the trustee or the holders of not less than 25% in aggregate principal amount of all outstanding debt securities issued under that indenture, voting as one class, by notice in writing to CIBC may declare the principal of all those debt securities and interest accrued thereon to be due and payable immediately.

Annulment of Acceleration and Waiver of Defaults. In some circumstances, if any and all events of default under the indenture, other than the non-payment of the principal of the securities that has become due as a result of an acceleration, have been cured, waived or otherwise remedied, then the holders of a majority in aggregate principal amount of all series of outstanding debt securities affected, voting as one class, may annul past declarations of acceleration of or waive past defaults of the debt securities.

Indemnification of Trustee for Actions Taken on Your Behalf. The indenture contains a provision entitling the trustee, subject to the duty of the trustee during a default to act with the required standard of care, to be indemnified by the holders of debt securities before proceeding to exercise any right or power at the request of holders. Subject to these provisions and some other limitations, the holders of a majority in aggregate principal amount of each series of outstanding debt securities of each affected series, voting as one class, may direct the time, method and place of conducting any proceeding for any remedy available to the trustee, or exercising any trust or power conferred on the trustee.

Limitation on Actions by You as an Individual Holder. The indenture provides that no individual holder of debt securities may institute any action against us under the indenture, except actions for payment of overdue principal and interest, unless the following actions have occurred:

- the holder must have previously given written notice to the trustee of the continuing default;

- the holders of not less than 25% in aggregate principal amount of the outstanding debt securities of each affected series, treated as one class, must have (1) requested the trustee to institute that action and (2) offered the trustee reasonable indemnity;

- the trustee must have failed to institute that action within 60 days after receipt of the request referred to above; and

- the holders of a majority in principal amount of the outstanding debt securities of each affected series, voting as one class, must not have given directions to the trustee inconsistent with those of the holders referred to above.

The indenture contains a covenant that we will file annually with the trustee a certificate of no default or a certificate specifying any default that exists.

Discharge, Defeasance and Covenant Defeasance

We have the ability to eliminate most or all of our obligations on any series of debt securities prior to maturity if we comply with the following provisions.

Discharge of Indenture. We may discharge all of our obligations, other than as to transfers and exchanges, under the relevant indenture after we have:

- paid or caused to be paid the principal of and interest on all of the outstanding debt securities in accordance with their terms;
- delivered to the applicable trustee for cancellation all of the outstanding debt securities; or
- irrevocably deposited with the applicable trustee cash or, in the case of a series of debt securities payable only in U.S. dollars, U.S. government obligations in trust for the benefit of the holders of any series of debt securities issued under the indenture that have either become due and payable, or are by their terms due and payable, or are scheduled for redemption, within one year, in an amount certified to be sufficient to pay on each date that they become due and payable, the principal of and interest on, and any mandatory sinking fund payments for, those debt securities, except that the deposit of cash or U.S. government obligations for the benefit of holders of a series of debt securities that are due and payable, or are scheduled for redemption, within one year will discharge obligations under the relevant indenture relating only to that series of debt securities.

Defeasance of a Series of Securities at Any Time. We may also discharge all of our obligations, other than as to transfers and exchanges, under any series of debt securities at any time, which we refer to as defeasance.

We may be released with respect to any outstanding series of debt securities from the obligations imposed by Section 9.01 of the indenture which contains the covenants described above limiting liens and consolidations, mergers, asset sales and leases, and elect not to comply with those sections without creating an event of default. Discharge under those procedures is called "covenant defeasance."

Defeasance or covenant defeasance may be effected only if, among other things:

- we irrevocably deposit with the relevant trustee cash or, in the case of debt securities payable only in U.S. dollars, U.S. government obligations, as trust funds in an amount certified to be sufficient to pay on each date that they become due and payable, the principal of and interest on, and any mandatory sinking fund payments for, all outstanding debt securities of the series being defeased;
- such deposit will not cause the trustee to have any conflicting interest with respect to other securities of CIBC; and
- we deliver to the relevant trustee an opinion of counsel to the effect that:
  - the holders of the series of debt securities being defeased will not recognize income, gain or loss for United States federal income tax purposes as a result of the defeasance or covenant defeasance; and
  - the defeasance or covenant defeasance will not otherwise alter those holders' United States federal income tax treatment of principal and interest payments on the series of debt securities being defeased; in the case of a defeasance (but not a covenant defeasance), this opinion must be based on a ruling of relevant tax authorities or a change in United States tax laws occurring after the date of this prospectus, since that result would not occur under current tax laws.

Modification of the Indenture

Modification without Consent of Holders. We and the trustee may enter into supplemental indentures without the consent of the holders of debt securities issued under the indenture to:

- secure any debt securities;
- evidence the assumption by a successor corporation of our obligations;
- add covenants for the protection of the holders of debt securities;
- cure any ambiguity or correct any inconsistency;
- establish the forms or terms of debt securities of any series;
- evidence the acceptance of appointment by a successor trustee;
- add to, change or eliminate provisions of the indenture with respect to a new series of debt securities; or
- to increase the minimum denomination of debt securities of any series as may be permitted by the terms of such series.

Modification with Consent of Holders. We and the trustee, with the consent of the holders of not less than a majority in aggregate principal amount of each affected series of outstanding debt securities, voting as one class, may add any provisions to, or change in any manner or eliminate any of the provisions of, the indenture or modify in any manner the rights of the holders of those debt securities. However, we and the trustee may not make any of the following changes to any outstanding debt security without the consent of each potentially affected holder:

- extend the stated maturity of any debt security;
- reduce the principal amount;
- reduce the rate or extend the time of payment of interest;
- reduce any amount payable on redemption;
- change the place or the currency in which the principal, including any amount of original issue discount, premium, or interest thereon is payable;
- modify or amend the provisions for conversion of any currency into another currency;
- reduce the amount of any original issue discount security payable upon acceleration or provable in bankruptcy;
- modify or amend the provisions for conversion of the debt securities into other securities or property;

impair the right of any holder to institute suit for the enforcement of any payment on any debt security when due; or

reduce the percentage of debt securities the consent of whose holders is required for modification of the indenture or for waiver of certain defaults.

FORMS OF THE DEBT SECURITIES

Except as provided in an applicable prospectus supplement, each debt security will generally be represented by one or more global securities representing the entire issuance of securities. We will issue debt securities evidenced by certificates in definitive form to a particular investor only in limited circumstances. Both certificated securities in definitive form and global securities will be issued in registered form, where our obligation runs to the holder of the security named on the face of the security. Definitive securities name you or your nominee as the owner of the security, and in order to transfer or exchange these securities or to receive payments other than interest or other interim payments, you or your nominee must physically deliver the securities to the trustee, registrar, paying agent or other agent, as applicable. Global securities name a depositary or its nominee as the owner of the debt securities. The depositary maintains a computerized system that will reflect each investor's beneficial ownership of the securities through an account maintained by the investor with its broker/dealer, bank, trust company or other representative, as we explain more fully below.

Global Securities

We will issue the registered debt securities in the form of one or more fully registered global securities that will be deposited with a depositary or its nominee identified in the applicable prospectus supplement and registered in the name of that depositary or nominee. In those cases, one or more registered global securities will be issued in a denomination or aggregate denominations equal to the portion of the aggregate principal or face amount of the securities to be represented by registered global securities. Unless and until it is exchanged in whole for securities in definitive registered form, a registered global security may not be transferred except as a whole by and among the depositary for the registered global security, the nominees of the depositary or any successors of the depositary or those nominees.

We anticipate that the following provisions will apply to all depositary arrangements. The applicable prospectus supplement will describe any specific terms of the depositary arrangement with respect to any securities to be represented by a registered global security.

Ownership of beneficial interests in a registered global security will be limited to persons, called participants, that have accounts with the depositary or persons that may hold interests through participants. Upon the issuance of a registered global security, the depositary will credit, on its book-entry registration and transfer system, the participants' accounts with the respective principal or face amounts of the securities beneficially owned by the participants. Any dealers, underwriters or agents participating in the distribution of the securities will designate the accounts to be credited. Ownership of beneficial interests in a registered global security will be shown on, and the transfer of ownership interests will be effected only through, records maintained by the depositary, with respect to interests of participants, and on the records of participants, with respect to interests of persons holding through participants. The laws of some states may require that some purchasers of securities take physical delivery of these securities in definitive form. These laws may impair your ability to own, transfer or pledge beneficial interests in registered global securities.

So long as the depositary, or its nominee, is the registered owner of a registered global security, that depositary or its nominee, as the case may be, will be considered the sole owner or holder of the securities represented by the registered global security for all purposes under the indenture. Except as described below, owners of beneficial interests in a registered global security will not be entitled to have the securities represented by the registered global security registered in their names, will not receive or be entitled to receive physical delivery of the securities in definitive form and will not be considered the owners or holders of the securities under the indenture. Accordingly, each person owning a beneficial interest in a registered global security must rely on the procedures of the depositary for that registered global security and, if that person is not a participant, on the procedures of the

participant through which the person owns its interest, to exercise any rights of a holder under the indenture. We understand that under existing industry practices, if we request any action of holders or if an owner of a beneficial interest in a registered global security desires to give or take any action that a holder is entitled to give or take under the indenture, the depositary for the registered global security would authorize the participants holding the relevant beneficial interests to give or take that action, and the participants would authorize beneficial owners owning through them to give or take that action or would otherwise act upon the instructions of beneficial owners holding through them.

Principal, premium, if any, and interest payments on debt securities represented by a registered global security registered in the name of a depositary or its nominee will be made to the depositary or its nominee, as the case may be, as the registered owner of the registered global security. None of CIBC, the trustee, or agent of the trustee will have any responsibility or liability for any aspect of the records relating to payments made on account of beneficial ownership interests in the registered global security or for maintaining, supervising or reviewing any records relating to those beneficial ownership interests.

We expect that the depositary for any of the securities represented by a registered global security, upon receipt of any payment of principal, premium, interest or other distribution of underlying securities or other property to holders of that registered global security, will immediately credit participants' accounts in amounts proportionate to their respective beneficial interests in that registered global security as shown on the records of the depositary. We also expect that payments by participants to owners of beneficial interests in a registered global security held through participants will be governed by standing customer instructions and customary practices, as is now the case with the securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of those participants.

Definitive Securities

If the depositary for any of these securities represented by a registered global security is at any time unwilling or unable to continue as depositary or ceases to be a clearing agency registered under the Securities Exchange Act of 1934, and a successor depositary registered as a clearing agency under the Securities Exchange Act is not appointed by us within 90 days, we will issue securities in definitive form in exchange for the registered global security that had been held by the depositary.

In addition, we may at any time and in our sole discretion decide not to have any of the securities represented by one or more registered global securities. If we make that decision, we will issue securities in definitive form in exchange for all of the registered global security or securities representing those securities.

Furthermore, when an event of default has occurred and is continuing with respect to the debt securities, beneficial owners of the debt securities will not be entitled to have any portion of such debt securities registered in their name, will not receive or be entitled to receive physical delivery of the debt securities in certificated, definitive form and will not be considered the owners or holder of the global debt securities. Under such circumstances, we will cause the appropriate definitive notes to be delivered to such owners. Any securities issued in definitive form in exchange for a registered global security will be registered in the name or names that the depositary gives to the relevant trustee. It is expected that the depositary's instructions will be based upon directions received by the depositary from participants with respect to ownership of beneficial interests in the registered global security that had been held by the depositary.

PLAN OF DISTRIBUTION

We may sell the securities being offered by this prospectus in four ways: (1) through agents, (2) through underwriters, (3) through dealers and/or (4) directly to one or more purchasers. Any of these agents, underwriters or dealers may include our affiliates, including CIBC World Markets Corp.

We may designate agents from time to time to solicit offers to purchase these securities. We will name any such agent, who may be deemed to be an underwriter as that term is defined in the Securities Act, and state any commissions we are to pay to that agent in the applicable prospectus supplement. That agent will be acting on a reasonable efforts basis for the period of its appointment or, if indicated in the applicable prospectus supplement, on a firm commitment basis.

If we use a dealer to offer and sell these securities, we will sell the securities to the dealer, as principal, and will name the dealer in the applicable prospectus supplement. The dealer may then resell the securities to the public at varying prices to be determined by that dealer at the time of resale.

Any underwriter, agent or dealer utilized in the initial offering of securities will not confirm sales to accounts over which it exercises discretionary authority without the prior specific written approval of its customer.

Our net proceeds will be the purchase price in the case of sales to a dealer, the public offering price less discount in the case of sales to an underwriter or the purchase price less commission in the case of sales through an agent, in each case, less other expenses attributable to issuance and distribution.

If so indicated in the applicable prospectus supplement, one or more firms, including CIBC World Markets Corp., which we refer to as "remarketing firms," acting as principals for their own accounts or as agents for us, may offer and sell these securities as part of a remarketing upon their purchase, in accordance with their terms. We will identify any remarketing firm, the terms of its agreement, if any, with us and its compensation in the applicable prospectus supplement.

Remarketing firms, agents, underwriters and dealers may be entitled under agreements with us to indemnification by us against some civil liabilities, including liabilities under the Securities Act, and may be customers of, engage in transactions with or perform services for us in the ordinary course of business.

If so indicated in the applicable prospectus supplement, we will authorize agents, underwriters or dealers to solicit offers by some purchasers to purchase debt securities from us at the public offering price stated in the applicable prospectus supplement under delayed delivery contracts providing for payment and delivery on a specified date in the future. These contracts will be subject to only those conditions described in the applicable prospectus supplement, and the applicable prospectus supplement will state the commission payable for solicitation of these offers.

This prospectus may be used by CIBC World Markets Corp. in connection with offers and sales of the securities in market-making transactions. In a market-making transaction, CIBC World Markets Corp. may resell a security it acquires from other holders, after the original offering and sale of the security. Resales of this kind may occur in the open market or may be privately negotiated, at prevailing market prices at the time of the resale or at related or negotiated prices. In these transactions, CIBC World Markets Corp. may act as principal or agent, including as agent for the counterparty in a transaction in which CIBC World Markets Corp. does act as principal. CIBC World Markets Corp. may receive compensation in the form of discounts and commissions, including from both counterparties in some cases. Other affiliates of ours may also engage in transactions of this kind and may use this prospectus for this purpose.

The aggregate initial offering price specified on the cover of this prospectus relates to the initial offering of the securities not yet issued as of the date of this prospectus. This amount does not include

the securities to be sold in market-making transactions. The latter include securities to be issued after the date of this prospectus.

We do not expect to receive any proceeds from market-making transactions. We do not expect that CIBC World Markets Corp. or any other affiliate that engages in these transactions will pay any proceeds from its market-making resales to us.

Information about the trade and settlement dates, as well as the purchase price, for a market-making transaction will be provided to the purchaser in a separate confirmation of sale. Unless we or an agent informs you in your confirmation of sale that your security is being purchased on its original offering and sale, you may assume that you are purchasing your security in a market-making transaction.

In this prospectus, the terms "this offering" means the initial offering of securities made in connection with their original issuance. This term does not refer to any subsequent resales of securities in market-making transactions.

To the extent an initial offering of the securities will be distributed by an affiliate of CIBC, including CIBC World Markets Corp., each such offering of securities will be conducted in compliance with the requirements of Rule 2720 of the National Association of Securities Dealers, Inc., which is commonly referred to as the NASD, regarding an NASD member firm's distribution of securities of an affiliate. Following the initial distribution of any of these securities, affiliates of CIBC may offer and sell these securities in the course of their businesses as broker-dealers. Such affiliates may act as principals or agents in these transactions and may make any sales at varying prices related to prevailing market prices at the time of sale or otherwise. Such affiliates may also use this prospectus in connection with these transactions. None of our affiliates is obligated to make a market in any of these securities and may discontinue any market-making activities at any time without notice.

In the event that any NASD member participates in a public offering of these securities: (a) the actual price and selling terms will be disclosed in post-effective amendments or prospectus or pricing supplements; (b) the maximum compensation to be received by any NASD member in this distribution will be disclosed and submitted for approval to the NASD's Corporate Financing Department (the "Department"); and (c) prior to the commencement of the distribution, underwriting discounts proposed for use will be submitted to the Department for review. Underwriting discounts and commissions on securities sold in the initial distribution will not exceed 8% of the offering proceeds.

LEGAL MATTERS

Blake, Cassels & Graydon LLP will pass upon legal matters relating to the debt securities with respect to Canadian law for CIBC and Mayer, Brown, Rowe & Maw will pass upon certain legal matters relating to the debt securities with respect to U.S. law. Mayer, Brown, Rowe & Maw or other U.S. counsel for CIBC may rely on the opinion of Blake, Cassels & Graydon LLP as to all matters of Canadian law.

EXPERTS

The consolidated financial statements included in our annual report on Form 40-F for our financial year ended October 31, 2002 are incorporated by reference in this prospectus. The consolidated financial statements incorporated in this prospectus by reference to the Annual Report on Form 40-F as at October 31, 2002 and for the year then ended, have been so incorporated in reliance on the report of Deloitte & Touche LLP and PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firms as experts in audinherit;font-size:10pt;">

Regulatory assets
55.2

59.0

Derivative assets
25.9

9.2

Deferred income tax assets
35.9

13.5

Prepayments and other
11.9

11.0

Total current assets
467.3

323.1

Investments
17.0

16.8

Other assets:

Regulatory assets	1,095.8	1,058.3
Deferred charges and other	19.3	19.2
Total other assets	1,115.1	1,077.5
Total assets	$5,399.2	$5,093.5

The accompanying Combined Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

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INTERSTATE POWER AND LIGHT COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED) (Continued)

	September 30, 2012	December 31, 2011
	(in millions, except per share and share amounts)	
CAPITALIZATION AND LIABILITIES		
Capitalization:		
Interstate Power and Light Company common equity:		
Common stock - $2.50 par value - 24,000,000 shares authorized; 13,370,788 shares outstanding	$33.4	$33.4
Additional paid-in capital	1,007.8	927.7
Retained earnings	456.9	433.3
Total Interstate Power and Light Company common equity	1,498.1	1,394.4
Cumulative preferred stock	145.1	145.1
Total equity	1,643.2	1,539.5
Long-term debt, net	1,359.3	1,309.0
Total capitalization	3,002.5	2,848.5
Current liabilities:		
Commercial paper	—	7.1
Accounts payable	231.4	118.2
Accounts payable to associated companies	35.1	36.7
Regulatory liabilities	111.0	137.1
Accrued taxes	38.0	43.8
Accrued interest	22.9	22.8
Derivative liabilities	17.9	24.5
Other	34.2	32.3
Total current liabilities	490.5	422.5
Other long-term liabilities and deferred credits:		
Deferred income tax liabilities	1,039.4	936.9
Regulatory liabilities	577.1	584.2
Pension and other benefit obligations	99.8	101.9
Other	189.9	199.5
Total other long-term liabilities and deferred credits	1,906.2	1,822.5
Total capitalization and liabilities	$5,399.2	$5,093.5

The accompanying Combined Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

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INTERSTATE POWER AND LIGHT COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	For the Nine Months Ended September 30,	
	2012	2011
	(in millions)	
Cash flows from operating activities:		
Net income	$124.6	$129.5
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	141.1	134.1
Deferred tax benefit and investment tax credits	(9.2)	(31.1)
Other	5.4	17.6
Other changes in assets and liabilities:		
Accounts receivable	(2.6)	14.3
Sales of accounts receivable	(85.0)	50.0
Production fuel	(8.4)	19.3
Regulatory assets	(57.7)	(202.0)
Deferred income tax assets	(22.4)	3.1
Accounts payable	27.4	(2.3)
Accrued taxes	(5.8)	(28.2)
Regulatory liabilities	(27.5)	145.1
Deferred income tax liabilities	111.3	91.5
Pension and other benefit obligations	(2.1)	(37.5)
Other	(16.7)	10.7
Net cash flows from operating activities	172.4	314.1
Cash flows used for investing activities:		
Utility construction and acquisition expenditures	(194.6)	(232.3)
Proceeds from sale of wind project assets to affiliate	—	115.3
Other	(16.5)	(15.2)
Net cash flows used for investing activities	(211.1)	(132.2)
Cash flows from (used for) financing activities:		
Common stock dividends	(91.6)	(43.7)
Preferred stock dividends	(9.4)	(10.4)
Capital contributions from parent	80.0	—
Repayment of capital to parent	—	(100.7)
Payments to redeem cumulative preferred stock	—	(40.0)
Net change in commercial paper	42.9	—
Changes in cash overdrafts	20.0	7.3
Other	—	0.1
Net cash flows from (used for) financing activities	41.9	(187.4)
Net increase (decrease) in cash and cash equivalents	3.2	(5.5)
Cash and cash equivalents at beginning of period	2.1	5.7
Cash and cash equivalents at end of period	$5.3	$0.2
Supplemental cash flows information:		
Cash paid (refunded) during the period for:		
Interest	$58.5	$58.3
Income taxes, net of refunds	($11.3)	$15.0

Significant noncash investing and financing activities:		
Accrued capital expenditures	$69.2	$11.3

The accompanying Combined Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

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WISCONSIN POWER AND LIGHT COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2012	2011	2012	2011
	(in millions)			
Operating revenues:				
Electric utility	$358.7	$353.7	$929.6	$940.4
Gas utility	17.2	18.9	114.7	144.4
Other	0.7	2.0	2.5	5.1
Total operating revenues	376.6	374.6	1,046.8	1,089.9
Operating expenses:				
Electric production fuel and energy purchases	104.9	105.4	277.6	295.9
Purchased electric capacity	41.9	39.7	97.1	90.8
Electric transmission service	27.6	27.2	80.0	79.0
Cost of gas sold	4.8	7.1	60.6	84.8
Other operation and maintenance	58.3	62.3	175.5	194.6
Depreciation and amortization	35.8	35.0	104.8	104.5
Taxes other than income taxes	9.9	11.0	31.7	33.1
Total operating expenses	283.2	287.7	827.3	882.7
Operating income	93.4	86.9	219.5	207.2
Interest expense and other:				
Interest expense	19.7	19.9	59.6	60.0
Equity income from unconsolidated investments	(10.5)	(9.8)	(31.2)	(28.9)
Allowance for funds used during construction	(3.7)	(1.5)	(9.1)	(4.3)
Total interest expense and other	5.5	8.6	19.3	26.8
Income before income taxes	87.9	78.3	200.2	180.4
Income taxes	31.2	26.9	75.5	59.6
Net income	56.7	51.4	124.7	120.8
Preferred dividend requirements	0.8	0.8	2.5	2.5
Earnings available for common stock	$55.9	$50.6	$122.2	$118.3

Earnings per share data is not disclosed given Alliant Energy Corporation is the sole shareowner of all shares of WPL's common stock outstanding during the periods presented.

The accompanying Combined Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

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WISCONSIN POWER AND LIGHT COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

	September 30, 2012	December 31, 2011
	(in millions)	
ASSETS		
Property, plant and equipment:		
Electric plant in service	$3,568.0	$3,481.4
Gas plant in service	432.5	424.7
Other plant in service	224.0	228.8
Accumulated depreciation	(1,444.5)	(1,372.2)
Net plant	2,780.0	2,762.7
Leased Sheboygan Falls Energy Facility, less accumulated amortization	78.6	83.2
Construction work in progress:		
Edgewater Generating Station Unit 5 emission controls	124.0	77.7
Columbia Energy Center Units 1 and 2 emission controls	91.6	9.0
Other	71.7	73.9
Other, less accumulated depreciation	1.5	15.1
Total property, plant and equipment	3,147.4	3,021.6
Current assets:		
Cash and cash equivalents	16.2	2.7
Accounts receivable:		
Customer, less allowance for doubtful accounts	84.6	76.2
Unbilled utility revenues	59.8	75.1
Other, less allowance for doubtful accounts	44.4	38.2
Income tax refunds receivable	23.0	0.7
Production fuel, at weighted average cost	34.4	34.2
Materials and supplies, at weighted average cost	26.7	25.7
Gas stored underground, at weighted average cost	17.7	32.2
Regulatory assets	37.7	44.6
Derivative assets	10.0	3.5
Prepaid gross receipts tax	29.1	40.2
Deferred income tax assets	50.3	6.0
Prepayments and other	20.8	6.7
Total current assets	454.7	386.0
Investments:		
Investment in American Transmission Company LLC	253.2	238.8
Other	19.3	19.8
Total investments	272.5	258.6
Other assets:		
Regulatory assets	329.7	333.1
Deferred charges and other	53.6	44.7
Total other assets	383.3	377.8
Total assets	$4,257.9	$4,044.0

The accompanying Combined Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

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WISCONSIN POWER AND LIGHT COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED) (Continued)

	September 30, 2012	December 31, 2011
	(in millions, except per share and share amounts)	
CAPITALIZATION AND LIABILITIES		
Capitalization:		
Wisconsin Power and Light Company common equity:		
Common stock - $5 par value - 18,000,000 shares authorized; 13,236,601 shares outstanding	$66.2	$66.2
Additional paid-in capital	869.2	869.0
Retained earnings	545.3	507.2
Total Wisconsin Power and Light Company common equity	1,480.7	1,442.4
Cumulative preferred stock	60.0	60.0
Long-term debt, net	1,082.5	1,082.2
Total capitalization	2,623.2	2,584.6
Current liabilities:		
Commercial paper	—	25.7
Accounts payable	133.5	98.5
Accounts payable to associated companies	20.5	20.5
Regulatory liabilities	57.5	27.6
Accrued interest	18.1	21.6
Derivative liabilities	19.9	31.4
Other	38.3	32.3
Total current liabilities	287.8	257.6
Other long-term liabilities and deferred credits:		
Deferred income tax liabilities	809.3	672.5
Regulatory liabilities	160.8	161.2
Capital lease obligations - Sheboygan Falls Energy Facility	100.2	103.3
Pension and other benefit obligations	127.8	128.0
Other	148.8	136.8
Total long-term liabilities and deferred credits	1,346.9	1,201.8
Total capitalization and liabilities	$4,257.9	$4,044.0

The accompanying Combined Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

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WISCONSIN POWER AND LIGHT COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	For the Nine Months Ended September 30,	
	2012	2011
	(in millions)	
Cash flows from operating activities:		
Net income	$124.7	$120.8
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	104.8	104.5
Other amortizations	32.7	31.8
Deferred tax expense and investment tax credits	89.3	77.3
Equity income from unconsolidated investments	(31.2)	(28.9)
Distributions from equity method investments	25.7	24.4
Other	(8.9)	6.9
Other changes in assets and liabilities:		
Accounts receivable	9.9	27.5
Income tax refunds receivable	(22.3)	25.1
Regulatory assets	(15.8)	10.9
Deferred income tax assets	(44.3)	(1.3)
Regulatory liabilities	32.5	13.4
Deferred income tax liabilities	46.6	6.2
Pension and other benefit obligations	(0.2)	(15.5)
Other	(3.9)	(21.8)
Net cash flows from operating activities	339.6	381.3
Cash flows used for investing activities:		
Utility construction and acquisition expenditures	(218.1)	(247.9)
Other	5.6	5.5
Net cash flows used for investing activities	(212.5)	(242.4)
Cash flows used for financing activities:		
Common stock dividends	(84.1)	(83.3)
Preferred stock dividends	(2.5)	(2.5)
Capital contributions from parent	—	25.0
Net change in commercial paper	(25.7)	(47.4)
Other	(1.3)	(7.3)
Net cash flows used for financing activities	(113.6)	(115.5)
Net increase in cash and cash equivalents	13.5	23.4
Cash and cash equivalents at beginning of period	2.7	0.1
Cash and cash equivalents at end of period	$16.2	$23.5
Supplemental cash flows information:		
Cash paid (refunded) during the period for:		
Interest	$63.1	$63.4
Income taxes, net of refunds	$7.9	($37.1)
Significant noncash investing and financing activities:		
Accrued capital expenditures	$45.0	$15.1

The accompanying Combined Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

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ALLIANT ENERGY CORPORATION
INTERSTATE POWER AND LIGHT COMPANY
WISCONSIN POWER AND LIGHT COMPANY

COMBINED NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(a) General - The interim condensed consolidated financial statements included herein have been prepared by Alliant Energy, IPL and WPL, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Accordingly, certain information and note disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the U.S. (GAAP) have been condensed or omitted, although management believes that the disclosures are adequate to make the information presented not misleading. Alliant Energy's condensed consolidated financial statements include the accounts of Alliant Energy and its consolidated subsidiaries (including IPL, WPL, Resources and Alliant Energy Corporate Services, Inc. (Corporate Services)). IPL's condensed consolidated financial statements include the accounts of IPL and its consolidated subsidiary. WPL's condensed consolidated financial statements include the accounts of WPL and its consolidated subsidiaries. These financial statements should be read in conjunction with the financial statements and the notes thereto included in Alliant Energy's, IPL's and WPL's latest combined Annual Report on Form 10-K.

In the opinion of management, all adjustments, which unless otherwise noted are normal and recurring in nature, necessary for a fair presentation of the condensed consolidated results of operations for the three and nine months ended September 30, 2012 and 2011, the condensed consolidated financial position at September 30, 2012 and December 31, 2011, and the condensed consolidated statements of cash flows for the nine months ended September 30, 2012 and 2011 have been made. Results for the nine months ended September 30, 2012 are not necessarily indicative of results that may be expected for the year ending December 31, 2012. A change in management's estimates or assumptions could have a material impact on Alliant Energy's, IPL's and WPL's respective financial condition and results of operations during the period in which such change occurred. Certain prior period amounts in the Condensed Consolidated Financial Statements and Notes to Condensed Consolidated Financial Statements have been reclassified to conform to the current period presentation for comparative purposes. Unless otherwise noted, the notes herein have been revised to exclude discontinued operations and assets and liabilities held for sale for all periods presented.

(b) Regulatory Assets and Regulatory Liabilities -
Regulatory assets were comprised of the following items (in millions):

	Alliant Energy		IPL		WPL	
	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011
Tax-related	$709.4	$634.7	$686.2	$614.6	$23.2	$20.1
Pension and other postretirement benefits costs	495.4	514.1	256.3	264.9	239.1	249.2
Asset retirement obligations (AROs)	57.8	65.9	38.7	48.7	19.1	17.2
Derivatives	56.6	77.7	22.6	33.5	34.0	44.2
Environmental-related costs	36.3	38.9	31.5	32.2	4.8	6.7
Emission allowances	30.0	30.0	30.0	30.0	—	—
Debt redemption costs	20.3	21.8	14.0	15.1	6.3	6.7
IPL's electric transmission service costs	18.7	24.9	18.7	24.9	—	—

Proposed base-load projects costs	16.0	21.5	11.4	15.3	4.6	6.2
Other	77.9	65.5	41.6	38.1	36.3	27.4
	$1,518.4	$1,495.0	$1,151.0	$1,117.3	$367.4	$377.7

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Regulatory liabilities were comprised of the following items (in millions):

	Alliant Energy		IPL		WPL	
	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011
Cost of removal obligations	$406.6	$404.9	$266.5	$261.9	$140.1	$143.0
IPL's tax benefit rider	327.4	349.6	327.4	349.6	—	—
Energy conservation cost recovery	48.8	29.6	8.9	4.7	39.9	24.9
IPL's electric transmission assets sale	35.2	45.1	35.2	45.1	—	—
Derivatives	21.3	7.2	10.2	3.6	11.1	3.6
Commodity cost recovery	20.4	23.8	14.8	23.2	5.6	0.6
Other	46.7	49.9	25.1	33.2	21.6	16.7
	$906.4	$910.1	$688.1	$721.3	$218.3	$188.8

Tax-related - Alliant Energy's and IPL's tax-related regulatory assets are generally impacted by certain property-related differences at IPL for which deferred tax is not recorded in the income statement pursuant to Iowa rate-making principles. Deferred tax amounts are recorded to regulatory assets, along with the necessary revenue requirement tax gross-ups. During the nine months ended September 30, 2012, Alliant Energy's and IPL's tax-related regulatory assets increased primarily due to changes in the estimated amount of qualifying repair expenditures and allocation of mixed service costs at IPL.

Derivatives - In accordance with IPL's and WPL's fuel and natural gas recovery mechanisms, prudently incurred costs from derivative instruments are recovered from customers in the future after any losses are realized and gains from derivative instruments are refunded to customers in the future after any gains are realized. Based on these recovery mechanisms, the changes in the fair value of derivative liabilities/assets resulted in comparable changes to regulatory assets/liabilities on Alliant Energy's, IPL's and WPL's Condensed Consolidated Balance Sheets for the nine months ended September 30, 2012. Refer to Note 10 for additional details of Alliant Energy's, IPL's and WPL's derivative assets and derivative liabilities.

Emission allowances - IPL entered into forward contracts in 2007 to purchase sulfur dioxide (SO2) emission allowances with vintage years of 2014 through 2017 from various counterparties for $34 million to meet future Clean Air Interstate Rule (CAIR) emission reduction standards. Any SO2 emission allowances acquired under these forward contracts may be used to meet requirements under the existing Acid Rain program regulations or the more stringent CAIR emission reduction standards but are not eligible to be used for compliance requirements under the Cross-State Air Pollution Rule (CSAPR). In July 2011, the EPA issued CSAPR to replace CAIR with an anticipated effective date in 2012. As a result of the issuance of CSAPR, Alliant Energy and IPL concluded in the third quarter of 2011 that the allowances to be acquired under these forward contracts would not be needed by IPL to comply with expected environmental regulations in the future. The value of these allowances was nominal, which was significantly below the $34 million contract price for these allowances. As a result, Alliant Energy and IPL recognized charges of $34 million for these forward contracts in the third quarter of 2011. The $34 million obligation was recorded in other long-term liabilities and deferred credits in the third quarter of 2011. Alliant Energy and IPL concluded that $30 million of the charges are probable of recovery from IPL's customers and therefore were recorded to regulatory assets in the third quarter of 2011. The remaining $4 million of charges were determined not to be probable of recovery from IPL's customers resulting in $2 million of charges related to electric customers recorded to "Electric production fuel and energy purchases" and $2 million of charges related to steam customers recorded to "Utility - Other operation and maintenance" in Alliant Energy's and IPL's Condensed Consolidated Statements of Income for the three and nine months ended September 30, 2011. In August 2012, the U.S. Court of Appeals for the D.C. Circuit (D.C. Circuit Court) issued its opinion to the EPA vacating and remanding CSAPR for further revision to the EPA. The D.C. Circuit

Court order also requires the EPA to continue administering CAIR pending the promulgation of a valid replacement for CSAPR. Despite CSAPR being vacated, the current value of these allowances continues to be nominal and significantly below the $34 million contract price for these allowances. Alliant Energy and IPL currently believe that CAIR will be replaced in the future, either by a modified CSAPR or another rule that addresses the interstate transport of air pollutants.

Proposed base-load projects costs - In accordance with the Minnesota Public Utilities Commission’s (MPUC’s) August 2011 order related to IPL’s 2009 test year Minnesota retail electric rate case, IPL was authorized to recover $2 million of previously incurred plant cancellation costs for its proposed base-load project referred to as Sutherland #4. As a result, Alliant Energy and IPL recorded a $2 million increase to regulatory assets, and a $2 million credit to “Utility - Other operation and maintenance” in their Condensed Consolidated Statements of Income for the nine months ended September 30, 2011.

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IPL's tax benefit rider - Alliant Energy's and IPL's "IPL's tax benefit rider" regulatory liabilities in the above table decreased $22 million primarily due to $63 million of regulatory liabilities used to credit IPL's Iowa retail electric customers' bills during the nine months ended September 30, 2012. This item was offset by changes in the estimated amounts of qualifying repair expenditures and allocation of mixed service costs at IPL. Refer to Note 2 for discussion of a proposed tax benefit rider for IPL's Iowa retail gas customers and Note 4 for additional details regarding the tax benefit rider for IPL's Iowa retail electric customers.

Energy conservation cost recovery - WPL collects revenues from its customers to offset certain expenditures incurred by WPL for conservation programs, including state mandated programs and WPL's Shared Savings program. Differences between forecasted costs used to set rates and actual costs for these programs are deferred as a regulatory asset or regulatory liability. During the nine months ended September 30, 2012, WPL's forecasted costs used to set current rates exceeded actual costs for these programs, resulting in a $15 million increase to Alliant Energy's and WPL's "Energy conservation cost recovery" regulatory liability.

IPL's electric transmission assets sale - In accordance with the MPUC's August 2011 order related to IPL's 2009 test year Minnesota retail electric rate case, IPL was authorized to refund a higher amount of the gain realized from the sale of its electric transmission assets in 2007 to its Minnesota retail electric customers than previously estimated. As a result, Alliant Energy and IPL recorded a $5 million increase to regulatory liabilities, and a $5 million charge to "Utility - Other operation and maintenance" in their Condensed Consolidated Statements of Income for the nine months ended September 30, 2011 for the additional amount to be refunded.

Other - Based on an assessment completed for the nine months ended September 30, 2011, Alliant Energy, IPL and WPL recognized impairment charges of $7 million, $2 million and $5 million, respectively, for regulatory assets that were no longer probable of future recovery. The regulatory asset impairment charges were recorded by Alliant Energy, IPL and WPL as reductions in regulatory assets, and charges to "Utility - Other operation and maintenance" in their Condensed Consolidated Statements of Income for the nine months ended September 30, 2011.

Based on the Public Service Commission of Wisconsin's (PSCW's) July 2012 order related to WPL's 2013/2014 test period Wisconsin retail electric and gas rate case, WPL was authorized to recover previously incurred costs associated with the acquisition of a 25% ownership interest in Edgewater Unit 5 and proposed clean air compliance plan projects. As a result, Alliant Energy and WPL recorded a $5 million increase to "Regulatory assets" on their Condensed Consolidated Balance Sheets and a $5 million credit to "Utility - Other operation and maintenance" in their Condensed Consolidated Statements of Income for the nine months ended September 30, 2012.

(c) Utility Property, Plant and Equipment -
WPL's Edgewater Unit 5 Emission Controls Project - WPL is currently installing a selective catalytic reduction (SCR) system at Edgewater Unit 5 to reduce nitrogen oxide (NOx) emissions at the generating facility. Construction began in the third quarter of 2010 and is expected to be completed by the end of 2012. The SCR is expected to help meet requirements under the Wisconsin Reasonably Available Control Technology (RACT) Rule, which require additional NOx emission reductions at Edgewater by May 2013. As of September 30, 2012, WPL recorded capitalized expenditures of $116 million and allowance for funds used during construction (AFUDC) of $8 million for the SCR system in "Construction work in progress - Edgewater Generating Station Unit 5 emission controls" on Alliant Energy's and WPL's Condensed Consolidated Balance Sheets.

WPL's Columbia Units 1 and 2 Emission Controls Project - WPL is currently installing scrubbers and baghouses at Columbia Units 1 and 2 to reduce SO2 and mercury emissions at the generating facility. WPL owns a 46.2% interest in Columbia Units 1 and 2. Construction began in the first quarter of 2012 and is expected to be completed in 2014. The scrubbers and baghouses are expected to help meet requirements under CAIR or some alternative to this rule that

may be implemented, the Utility Maximum Achievable Control Technology (MACT) Rule and the Wisconsin State Mercury Rule. As of September 30, 2012, WPL recorded capitalized expenditures of $90 million and AFUDC of $2 million for its allocated portion of the scrubbers and baghouses in "Construction work in progress - Columbia Energy Center Units 1 and 2 emission controls" on Alliant Energy's and WPL's Condensed Consolidated Balance Sheets.

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IPL's George Neal Units 3 and 4 Emission Controls Project - MidAmerican Energy Company (MidAmerican) is currently installing scrubbers and baghouses at George Neal Units 3 and 4 to reduce SO2 and mercury emissions at the generating facility. IPL owns a 28.0% and 25.695% interest in George Neal Units 3 and 4, respectively. Construction began in the fourth quarter of 2011 and is expected to be completed in 2013 and 2014. The scrubbers and baghouses are expected to help meet requirements under CAIR or some alternative to this rule that may be implemented and the Utility MACT Rule. As of September 30, 2012, IPL recorded capitalized expenditures of $53 million and AFUDC of $1 million for its allocated portion of the scrubbers and baghouses in "Construction work in progress - George Neal Generating Station Units 3 and 4 emission controls" on Alliant Energy's and IPL's Condensed Consolidated Balance Sheets.

IPL's Ottumwa Unit 1 Emission Controls Project - IPL is currently installing a scrubber and baghouse at Ottumwa Unit 1 to reduce SO2 and mercury emissions at the generating facility. IPL owns a 48% interest in Ottumwa Unit 1. Construction began in the second quarter of 2012 and is expected to be completed in 2014. The scrubber and baghouse are expected to help meet requirements under CAIR or some alternative to this rule that may be implemented and the Utility MACT Rule. As of September 30, 2012, IPL recorded capitalized expenditures of $52 million and AFUDC of $1 million for its allocated portion of the scrubber and baghouse in "Construction work in progress - Ottumwa Generating Station Unit 1 emission controls" on Alliant Energy's and IPL's Condensed Consolidated Balance Sheets.

Franklin County Wind Project - In 2008, Alliant Energy entered into a master supply agreement with Vestas-American Wind Technology, Inc. (Vestas) to purchase 500 MW of wind turbine generator sets and related equipment. Alliant Energy utilized 400 MW of these wind turbine generator sets and related equipment to construct IPL's Whispering Willow - East and WPL's Bent Tree - Phase I wind projects. In the second quarter of 2011, Alliant Energy decided to utilize the remaining 100 MW of wind turbine generator sets and related equipment at Resources to build the Franklin County wind project. In the second quarter of 2011, IPL sold the assets for this wind project to Resources for $115.3 million, which represented IPL's book value for progress payments to date for the 100 MW of wind turbine generator sets and related equipment and land rights in Franklin County, Iowa. In addition, Resources assumed the remaining progress payments to Vestas for the 100 MW of wind turbine generator sets and related equipment. The proceeds received by IPL were recorded in investing activities in IPL's Condensed Consolidated Statement of Cash Flows for the nine months ended September 30, 2011. Refer to Note 1(d) for further discussion of the Franklin County wind project.

IPL's Whispering Willow - East Wind Project - In 2011, IPL received an order from the MPUC approving a temporary recovery rate for the Minnesota retail portion of its Whispering Willow - East wind project construction costs. In its order, the MPUC did not conclude on the prudence of these project costs. The prudence of these project costs and the final recovery rate for these costs will be addressed in a separate proceeding that is expected to be completed in 2013. The initial recovery rate approved by the MPUC is below the amount required by IPL to recover the Minnesota retail portion of its total project costs. Based on its interpretation of the order, IPL currently believes that it is probable it will not be allowed to recover the entire Minnesota retail portion of its project costs. IPL currently believes the most likely outcome of the final rate proceeding will result in the MPUC effectively disallowing recovery of approximately $8 million of project costs out of a total of approximately $30 million of project costs allocated to the Minnesota retail jurisdiction. As a result, IPL recognized an $8 million impairment related to this probable disallowance, which was recorded as a reduction to electric plant in service and a charge to "Utility - Other operation and maintenance" in Alliant Energy's and IPL's Condensed Consolidated Statements of Income for the nine months ended September 30, 2011. This amount is subject to change until the MPUC determines the final recovery rate for these project costs.

Wind Site in Green Lake and Fond du Lac Counties in Wisconsin - In 2009, WPL purchased development rights to an approximate 100 MW wind site in Green Lake and Fond du Lac Counties in Wisconsin. Due to events in the first

quarter of 2011 resulting in uncertainty regarding wind siting requirements in Wisconsin and increased risks with permitting this wind site, WPL determined it would be difficult to sell or effectively use the site for wind development. As a result, WPL recognized a $5 million impairment in the first quarter of 2011 for the amount of capitalized costs incurred for this site. The impairment was recorded as a reduction in other utility property, plant and equipment, and a charge to “Utility - Other operation and maintenance” in Alliant Energy’s and WPL’s Condensed Consolidated Statements of Income for the nine months ended September 30, 2011.

Depreciation - In May 2012, the PSCW issued an order approving the implementation of updated depreciation rates for WPL as a result of a recently completed depreciation study. The updated depreciation rates will be effective January 1, 2013 for all assets other than Riverside. WPL’s depreciation rates for Riverside will be effective on the purchase date of Riverside. WPL estimates the new average rates of depreciation for its electric generation, electric distribution and gas properties will be approximately 3.4%, 2.7% and 2.5%, respectively, during 2013.

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(d) Non-regulated and Other Property, Plant and Equipment - As of September 30, 2012, Alliant Energy recorded capitalized expenditures of $198 million, capitalized interest of $8 million and AROs of $8 million in Non-regulated Generation property, plant and equipment on Alliant Energy's balance sheet related to Resources' Franklin County wind project. Alliant Energy expects to place the Franklin County wind project in service in the fourth quarter of 2012. Refer to Note 1(c) for further discussion of the Franklin County wind project and Note 14 for further discussion of the Franklin County wind project AROs.

In April 2012, Alliant Energy exercised its option under the corporate headquarters lease and purchased the building at the expiration of the lease term for $48 million.

(e) Comprehensive Income - For the three and nine months ended September 30, 2012 and 2011, Alliant Energy's other comprehensive income was not material; therefore, its comprehensive income was substantially equal to its net income for such periods. For the three and nine months ended September 30, 2012 and 2011, IPL and WPL had no other comprehensive income; therefore their comprehensive income was equal to their earnings available for common stock for such periods.

(f) Cash Flows Presentation - Alliant Energy reports cash flows from continuing operations together with cash flows from discontinued operations in its Condensed Consolidated Statements of Cash Flows. Refer to Note 13 for details of cash flows from discontinued operations.

(2) UTILITY RATE CASES
WPL's Wisconsin Retail Electric and Gas Rate Case (2013/2014 Test Period) - In May 2012, WPL filed a retail base rate filing based on a forward-looking test period that includes 2013 and 2014. The filing requested approval for WPL to implement a decrease in annual base rates for WPL's retail gas customers of $13 million effective January 1, 2013 followed by a freeze of such gas base rates through the end of 2014. The filing also requested authority to maintain customer base rates for WPL's retail electric customers at their current levels through the end of 2014. Recovery of the costs for the planned acquisition of Riverside, the SCR project at Edgewater Unit 5 and the scrubber and baghouse projects at Columbia Units 1 and 2 are included in the request. The recovery of the costs for these capital projects are offset by decreases in rate base resulting from increased net deferred tax liabilities, the impact of changes in the amortizations of regulatory assets and regulatory liabilities, and the reduction of capacity payments. In July 2012, WPL received an order from the PSCW authorizing WPL to implement its retail base rate filing as requested. Refer to Note 1(b) for details of increases to "Regulatory assets" on Alliant Energy's and WPL's Condensed Consolidated Balance Sheets and regulatory-related credits to "Utility - Other operation and maintenance" in Alliant Energy's and WPL's Condensed Consolidated Statements of Income during the nine months ended September 30, 2012 as a result of the PSCW's order authorizing WPL to recover previously incurred costs associated with the acquisition of a 25% interest in Edgewater Unit 5 and proposed clean air compliance plan projects.

IPL's Iowa Retail Gas Rate Case (2011 Test Year) - In May 2012, IPL filed a request with the Iowa Utilities Board (IUB) to increase annual rates for its Iowa retail gas customers by $15 million, or approximately 6%. The request was based on a 2011 historical test year as adjusted for certain known and measurable changes occurring up to 12 months after the commencement of the proceeding. The key drivers for the filing included recovery of capital investments since IPL's last Iowa retail gas rate case filed in 2005. IPL's request included a proposal to utilize regulatory liabilities to credit bills of Iowa retail gas customers to help mitigate the impact of the proposed final rate increase on such customers. IPL is proposing to reduce customer bills utilizing a tax benefit rider over a three-year period by approximately $36 million in aggregate. In conjunction with the filing, IPL implemented an interim retail gas rate increase of $9 million, or approximately 3%, on an annual basis, effective June 4, 2012, without regulatory review and subject to refund pending determination of final rates from the request. During the three and nine months ended September 30, 2012, Alliant Energy and IPL recorded $2 million and $2 million, respectively, in gas revenues from

IPL’s Iowa retail gas customers related to the interim retail gas rate increase. In August 2012, IPL, the Iowa Office of Consumer Advocate (OCA) and the Iowa Consumers Coalition filed a unanimous settlement proposal with the IUB addressing all issues among these parties related to this rate case. The unanimous settlement proposal includes an increase in annual rates for IPL’s Iowa retail gas customers of $11 million and utilization of IPL’s proposed tax benefit rider. The unanimous settlement proposal and the gas tax benefit rider for this rate case are subject to approval by the IUB. The IUB established a December 2012 hearing date to address the issues in this rate case and is expected to issue its decision by April 2013.

IPL’s Minnesota Retail Electric Rate Case (2009 Test Year) - In May 2010, IPL filed a request with the MPUC to increase annual rates for its Minnesota retail electric customers by $15 million, or approximately 22%. The request was based on a 2009 historical test year as adjusted for certain known and measurable items at the time of the filing. The key drivers for the filing included recovery of investments in the Whispering Willow - East wind project and emission controls projects at

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Lansing Unit 4, and recovery of increased electric transmission service costs. In conjunction with the filing, IPL implemented an interim retail rate increase of $14 million, on an annual basis, effective July 6, 2010. In November 2011, IPL received an order from the MPUC authorizing a final annual retail electric rate increase equivalent to $11 million. The final annual retail electric rate increase of $11 million includes $8 million of higher base rates, $2 million from the temporary renewable energy rider and $1 million from the utilization of regulatory liabilities to offset higher electric transmission service costs. Refer to Note 1(b) for discussion of changes to regulatory assets and regulatory liabilities during the nine months ended September 30, 2011 based on the MPUC's decisions to provide IPL's retail electric customers in Minnesota additional refunds from the gain on the sale of electric transmission assets in 2007 and to provide IPL recovery of $2 million of previously incurred costs for Sutherland #4. Refer to Note 1(c) for discussion of an impairment recognized during the nine months ended September 30, 2011 based on the MPUC's decision regarding the recovery of IPL's Whispering Willow - East wind project costs.

WPL's Retail Fuel-related Rate Case (2013 Test Year) - In June 2012, WPL filed a request with the PSCW to decrease annual rates for WPL's retail electric customers by $25 million, or approximately 2%, to reflect anticipated decreases in retail electric production fuel and energy purchases costs (fuel-related costs) in 2013 compared to the fuel-related cost estimates used to determine rates for 2012. In October 2012, WPL received an oral decision from the PSCW authorizing an annual retail electric rate decrease of $29 million, or approximately 3%, related to expected changes in retail fuel-related costs. The 2013 fuel-related costs approved by the PSCW were based on forecasted energy market prices for 2013, which were updated in October 2012. WPL currently anticipates the 2013 fuel-related costs will be monitored using an annual bandwidth of plus or minus 2%. The rate change granted from this request is scheduled to be effective on January 1, 2013.

WPL's Retail Fuel-related Rate Case (2012 Test Year) - In December 2011, WPL received an order from the PSCW authorizing an annual retail electric rate increase of $4 million related to expected changes in retail fuel-related costs for 2012. The December 2011 order also required WPL to defer direct CSAPR compliance costs that are not included in the fuel monitoring level and set a zero percent tolerance band for the CSAPR-related deferral. The 2012 fuel-related costs, excluding deferred CSAPR compliance costs, will be monitored using an annual bandwidth of plus or minus 2%. The retail electric rate increase granted from this request was effective January 1, 2012. Retail fuel-related costs incurred by WPL for the period from January 2012 through September 2012 were lower than retail fuel-related costs used to determine rates. WPL currently projects that its retail fuel-related costs for the 2012 calendar year will remain lower than the approved fuel monitoring level by more than the 2% bandwidth resulting in future refunds anticipated to be paid to WPL's retail electric customers. As of September 30, 2012, Alliant Energy and WPL recorded $5 million in "Regulatory liabilities" on their Condensed Consolidated Balance Sheets for refunds anticipated to be paid to WPL's retail electric customers.

(3) RECEIVABLES

Sales of Accounts Receivable - IPL maintains a Receivables Purchase and Sale Agreement (Agreement) whereby it may sell its customer accounts receivables, unbilled revenues and certain other accounts receivables to a third-party financial institution through wholly-owned and consolidated special purpose entities. In March 2012, IPL extended through March 2014 the purchase commitment from the third-party financial institution to which it sells its receivables. In exchange for the receivables sold, IPL receives cash proceeds from the third-party financial institution (based on seasonal limits up to $180 million), and deferred proceeds recorded in "Accounts receivable" on Alliant Energy's and IPL's Condensed Consolidated Balance Sheets.

As of September 30, 2012 and December 31, 2011, IPL sold $210.9 million and $195.3 million aggregate amounts of receivables, respectively. IPL's maximum and average outstanding cash proceeds, and costs incurred related to the sales of accounts receivable program for the three and nine months ended September 30 were as follows (in millions):

	Three Months	Nine Months

	2012	2011	2012	2011
Maximum outstanding aggregate cash proceeds (based on daily outstanding balances)	$150.0	$160.0	$160.0	$160.0
Average outstanding aggregate cash proceeds (based on daily outstanding balances)	95.0	125.4	124.2	114.0
Costs incurred	0.4	0.3	1.1	1.1

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The attributes of IPL's receivables sold under the Agreement were as follows (in millions):

	September 30, 2012	December 31, 2011
Customer accounts receivable	$137.9	$122.4
Unbilled utility revenues	64.7	65.4
Other receivables	8.3	7.5
Receivables sold	210.9	195.3
Less: cash proceeds (a)	55.0	140.0
Deferred proceeds	155.9	55.3
Less: allowance for doubtful accounts	2.0	1.6
Fair value of deferred proceeds	$153.9	$53.7
Outstanding receivables past due	$16.6	$15.9

(a) Changes in cash proceeds for the nine months ended September 30, 2012 are recorded in "Sales of accounts receivable" in operating activities in Alliant Energy's and IPL's Condensed Consolidated Statements of Cash Flows.

Additional attributes of IPL's receivables sold under the Agreement for the three and nine months ended September 30 were as follows (in millions):

	Three Months		Nine Months	
	2012	2011	2012	2011
Collections reinvested in receivables	$522.9	$482.3	$1,334.7	$1,367.8
Credit losses, net of recoveries	3.0	3.4	7.3	7.9

(4) INCOME TAXES

Income Tax Rates - The provision for income taxes for earnings from continuing operations is based on an estimated annual effective income tax rate that excludes the impact of significant unusual or infrequently occurring items, discontinued operations or extraordinary items. The effective income tax rates for Alliant Energy, IPL and WPL differ from the federal statutory rate of 35% generally due to effects of enacted tax legislation, utility rate-making, including the tax benefit rider, tax credits, state income taxes and certain non-deductible expenses. Changes in state apportionment rates caused by the planned sale of Alliant Energy's RMT business also impacted the effective income tax rates for the nine months ended September 30, 2012 for Alliant Energy, IPL and WPL. The effective income tax rates shown in the following table for the three and nine months ended September 30 were computed by dividing income tax expense (benefit) by income from continuing operations before income taxes.

	Three Months				Nine Months			
	2012		2011		2012		2011	
Alliant Energy	20.4	%	23.5	%	24.0	%	16.6	%
IPL	(12.6	%)	(3.3	%)	(5.6	%)	(1.7	%)
WPL	35.5	%	34.4	%	37.7	%	33.0	%

State Apportionment - Alliant Energy, IPL and WPL utilize state apportionment projections to record their deferred tax assets and liabilities each reporting period. Deferred tax assets and liabilities for temporary differences between the tax basis of assets and liabilities and the amounts reported in the condensed consolidated financial statements are recorded utilizing currently enacted tax rates and estimates of future state apportionment rates expected to be in effect at the time the temporary differences reverse. These state apportionment projections are most significantly impacted by the estimated amount of revenues expected in the future from each state jurisdiction for Alliant Energy's consolidated tax group, including both its regulated operations and its non-regulated operations. In the first quarter of 2012, Alliant Energy, IPL and WPL recorded $15.2 million, $8.1 million and $7.0 million, respectively, of deferred income tax expense due to changes in state apportionment projections caused by the planned sale of Alliant Energy's RMT business. These income tax expense amounts recognized in the first quarter of 2012 increased Alliant Energy's,

IPL's and WPL's effective income tax rates for continuing operations for the nine months ended September 30, 2012 by 4.3%, 6.9% and 3.5%, respectively.

IPL's Electric Tax Benefit Rider - In January 2011, the IUB approved an electric tax benefit rider proposed by IPL, which utilizes tax-related regulatory liabilities to credit bills of Iowa retail electric customers beginning in February 2011 to help offset the impact of recent rate increases on such customers. These regulatory liabilities are related to tax benefits from tax

accounting method changes for repairs, mixed service costs and allocation of insurance proceeds from the floods in 2008. Alliant Energy's and IPL's effective income tax rates for the three and nine months ended September 30, 2012 and 2011 include the impact of reducing income tax expense with offsetting reductions to regulatory liabilities as a result of implementing the electric tax benefit rider. Tax benefit rider-related regulatory liabilities of $23 million and $63 million for the three and nine months ended September 30, 2012, and $20 million and $44 million for the three and nine months ended September 30, 2011, respectively, were used to credit IPL's Iowa retail electric customers' bills. The tax impacts of the electric tax benefit rider are currently expected to decrease Alliant Energy's and IPL's 2012 annual effective income tax rates for continuing operations by 11.0% and 34.5%, respectively. The tax impacts of the electric tax benefit rider decreased Alliant Energy's effective income tax rates for continuing operations by 9.2% and 8.9% for the three and nine months ended September 30, 2011, respectively, and decreased IPL's effective income tax rates by 26.5% and 25.4% for the three and nine months ended September 30, 2011, respectively.

Production Tax Credits - Alliant Energy has three wind projects that are currently generating production tax credits: WPL's 68 MW Cedar Ridge wind project, which began generating electricity in late 2008; IPL's 200 MW Whispering Willow - East wind project, which began generating electricity in late 2009; and WPL's 200 MW Bent Tree - Phase I wind project, which began generating electricity in late 2010. For the three and nine months ended September 30, production tax credits (net of state tax impacts) resulting from these wind projects were as follows (in millions):

	Three Months		Nine Months	
	2012	2011	2012	2011
Cedar Ridge (WPL)	$0.7	$0.6	$3.0	$3.2
Bent Tree - Phase I (WPL)	1.8	1.4	6.0	6.7
Subtotal (WPL)	2.5	2.0	9.0	9.9
Whispering Willow - East (IPL)	2.0	1.8	8.7	8.2
	$4.5	$3.8	$17.7	$18.1

Effect of Rate-making on Property-related Differences - Alliant Energy's and IPL's income tax expense and benefits are impacted by certain property-related differences at IPL for which deferred tax is not recognized in the income statement pursuant to Iowa rate-making principles. The primary factor contributing to the increase in the current tax benefits recorded for the effect of rate-making on property-related differences is related to repair expenditures and the allocation of mixed service costs at IPL in 2012. The Internal Revenue Service (IRS) audit process was completed for allocation of mixed service costs with the income tax return for calendar year 2010 and repairs expenditures with the income tax return for calendar year 2011. The tax benefits and expenses from the change in accounting method for allocation of mixed service costs subsequent to 2010 and the tax benefits and expenses from the change in accounting method for repairs expenditures subsequent to 2011 are being recorded consistent with general Iowa rate-making principles, which impact income tax expense and benefits at Alliant Energy and IPL.

Wisconsin Tax Legislation - In June 2011, the 2011 Wisconsin Act 32 (Act 32) was enacted. The most significant provision of Act 32 for Alliant Energy authorizes combined groups to share net operating loss carryforwards that were incurred by group members prior to January 1, 2009 and utilize these shared net operating losses over 20 years beginning after December 31, 2011. Based on this provision of Act 32, Alliant Energy anticipated its Wisconsin combined group will be able to fully utilize $368 million of Wisconsin net operating losses incurred by Alliant Energy and Resources prior to January 1, 2009 to offset future taxable income and therefore reversed previously recorded deferred tax asset valuation allowances related to state net operating loss carryforwards of $19 million in the second quarter of 2011. The income tax benefits recognized in the second quarter of 2011 from Act 32 decreased Alliant Energy's effective income tax rate for continuing operations by 5.8% for the nine months ended September 30, 2011.

Deferred Tax Assets and Liabilities - For the nine months ended September 30, 2012, Alliant Energy's, IPL's and WPL's current deferred tax assets increased $67.2 million, $22.4 million and $44.3 million, respectively, and Alliant

Energy's, IPL's and WPL's non-current deferred tax liabilities increased $244.5 million, $102.5 million and $136.8 million, respectively. These increases were primarily due to a transfer of deferred tax assets from non-current to current caused by an increase in the amount of federal and state net operating loss carryforwards expected to be utilized during the next 12 months. The increase in non-current deferred tax liabilities was also due to property-related temporary differences recorded during the nine months ended September 30, 2012 from bonus depreciation deductions available in 2012.

Bonus Depreciation Deductions - In 2010, the Small Business Jobs Act of 2010 (SBJA) and the Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act of 2010 (the Act) were enacted. The most significant provisions of the SBJA and the Act for Alliant Energy, IPL and WPL are related to the extension of bonus depreciation deductions for certain

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expenditures for property that are placed in service through December 31, 2012. Based on capital projects expected to be placed into service in 2012, Alliant Energy currently estimates its total bonus depreciation deductions to be claimed in its 2012 federal income tax return will be approximately $415 million ($114 million for IPL, $203 million for WPL and $98 million for Resources).

Carryforwards - At September 30, 2012, tax carryforwards and associated deferred tax assets and expiration dates were estimated as follows (in millions):

Alliant Energy	Carryforward Amount	Deferred Tax Assets	Earliest Expiration Date
Federal net operating losses	$828	$284	2028
Federal net operating losses offset - uncertain tax positions	(55)	(19)	
State net operating losses	776	40	2014
State net operating losses offset - uncertain tax positions	(26)	(2)	
Federal tax credits	128	126	2022
		$429	

IPL	Carryforward Amount	Deferred Tax Assets	Earliest Expiration Date
Federal net operating losses	$354	$121	2028
Federal net operating losses offset - uncertain tax positions	(25)	(9)	
State net operating losses	170	9	2022
Federal tax credits	34	34	2022
		$155	

WPL	Carryforward Amount	Deferred Tax Assets	Earliest Expiration Date
Federal net operating losses	$379	$130	2028
Federal net operating losses offset - uncertain tax positions	(30)	(10)	
State net operating losses	183	10	2022
State net operating losses offset - uncertain tax positions	(26)	(2)	
Federal tax credits	36	35	2022
		$163	

Uncertain Tax Positions - In October 2012, the Joint Committee of Taxation finalized the audits of Alliant Energy's, IPL's and WPL's federal income tax returns for calendar years 2005 through 2009. The completion of these audits also finalized the deductions for the repairs expenditures change in method of accounting included in Alliant Energy's, IPL's and WPL's federal income tax returns for calendar years 2008 through 2010. With the completion of these audits in the fourth quarter of 2012, Alliant Energy, IPL and WPL expect to reduce their uncertain tax positions related to the repairs expenditures change in method of accounting. The reduction of these uncertain tax positions is not expected to have a material impact on effective tax rates for continuing operations for Alliant Energy, IPL and WPL in the fourth quarter of 2012.

(5) BENEFIT PLANS

(a) Pension and Other Postretirement Benefits Plans -

Net Periodic Benefit Costs (Credits) - The components of net periodic benefit costs (credits) for Alliant Energy's, IPL's and WPL's sponsored defined benefit pension and other postretirement benefits plans, and defined benefit pension plans amounts directly assigned to IPL and WPL, for the three and nine months ended September 30 are included in the tables below (in millions). In the "IPL" and "WPL" tables below, the qualified defined benefit pension plans costs represent only those respective costs for IPL's and WPL's bargaining unit employees covered under the plans that are sponsored by IPL and WPL, respectively. Also in the "IPL" and "WPL" tables below, the other postretirement benefits

plans costs (credits) represent costs (credits) for all IPL and WPL employees, respectively. The “Directly assigned defined benefit pension plans” tables below include amounts directly assigned to each of IPL and WPL related to IPL’s and WPL’s current and former non-bargaining employees who are participants in Alliant Energy and Corporate Services sponsored qualified and non-qualified defined benefit pension plans.

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	Defined Benefit Pension Plans				Other Postretirement Benefits Plans			
Alliant Energy	Three Months		Nine Months		Three Months		Nine Months	
	2012	2011	2012	2011	2012	2011	2012	2011
Service cost	$3.3	$2.9	$10.0	$8.6	$1.7	$1.6	$5.2	$5.4
Interest cost	13.0	13.0	38.9	39.0	2.6	2.8	7.7	9.5
Expected return on plan assets	(17.2)	(15.9)	(51.6)	(47.8)	(1.9)	(2.0)	(5.7)	(5.9)
Amortization of:								
Prior service cost (credit)	0.1	0.2	0.2	0.6	(3.0)	(3.4)	(9.0)	(6.6)
Actuarial loss	8.3	5.2	24.9	15.7	1.6	1.2	4.7	4.0
Additional benefit costs (a)	—	1.3	—	10.2	—	—	—	—
Settlement loss	—	1.1	—	1.1	—	—	—	—
	$7.5	$7.8	$22.4	$27.4	$1.0	$0.2	$2.9	$6.4

	Qualified Defined Benefit Pension Plans				Other Postretirement Benefits Plans			
IPL	Three Months		Nine Months		Three Months		Nine Months	
	2012	2011	2012	2011	2012	2011	2012	2011
Service cost	$1.8	$1.5	$5.6	$4.6	$0.7	$0.6	$2.2	$2.0
Interest cost	4.3	4.2	12.8	12.5	1.1	1.3	3.3	4.3
Expected return on plan assets	(5.8)	(5.0)	(17.3)	(15.0)	(1.3)	(1.4)	(3.9)	(4.0)
Amortization of:								
Prior service cost (credit)	0.1	0.2	0.3	0.4	(1.5)	(1.8)	(4.7)	(3.3)
Actuarial loss	2.6	1.4	7.7	4.3	0.9	0.7	2.7	2.2
	$3.0	$2.3	$9.1	$6.8	($0.1)	($0.6)	($0.4)	$1.2

	Qualified Defined Benefit Pension Plan				Other Postretirement Benefits Plans			
WPL	Three Months		Nine Months		Three Months		Nine Months	
	2012	2011	2012	2011	2012	2011	2012	2011
Service cost	$1.3	$1.1	$3.9	$3.4	$0.7	$0.7	$2.1	$2.2
Interest cost	4.1	4.1	12.3	12.1	1.0	1.1	3.1	3.7
Expected return on plan assets	(5.6)	(5.0)	(16.8)	(15.0)	(0.3)	(0.3)	(1.0)	(1.0)
Amortization of:								
Prior service cost (credit)	0.2	0.1	0.4	0.4	(1.0)	(1.1)	(2.9)	(2.2)
Actuarial loss	3.0	1.8	9.1	5.3	0.6	0.5	1.7	1.6
	$3.0	$2.1	$8.9	$6.2	$1.0	$0.9	$3.0	$4.3

	IPL				WPL			
Directly assigned defined benefit pension plans	Three Months		Nine Months		Three Months		Nine Months	
	2012	2011	2012	2011	2012	2011	2012	2011
Interest cost	$1.8	$1.9	$5.3	$5.6	$1.3	$1.4	$3.9	$4.1
Expected return on plan assets	(2.4)	(2.4)	(7.2)	(7.3)	(1.9)	(1.9)	(5.5)	(5.5)
Amortization of:								
Prior service credit	(0.1)	(0.1)	(0.2)	(0.2)	—	—	(0.1)	(0.1)
Actuarial loss	1.0	0.7	2.9	2.2	0.9	0.8	2.7	2.2
Additional benefit costs (a)	—	0.6	—	2.8	—	0.1	—	0.7
	$0.3	$0.7	$0.8	$3.1	$0.3	$0.4	$1.0	$1.4

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(a) Alliant Energy reached an agreement with the IRS, which resulted in a favorable determination letter for the Cash Balance Plan during the first quarter of 2011. The agreement with the IRS required Alliant Energy to amend the Cash Balance Plan, which was completed in the second quarter of 2011, resulting in aggregate additional benefits of $10.2 million paid by Alliant Energy to certain former participants in the Cash Balance Plan in the second half of 2011. Alliant Energy recognized $1.3 million and $10.2 million of additional benefits costs during the three and nine months ended September 30, 2011, respectively, related to these benefits. IPL recognized $0.8 million ($0.6 million directly assigned and $0.2 million allocated by Corporate Services) and $6.3 million ($2.8 million directly assigned and $3.5 million allocated by Corporate Services) of additional benefits costs during the three and nine months ended September 30, 2011, respectively, related to these benefits. WPL recognized $0.4 million ($0.1 million directly assigned and $0.3 million allocated by Corporate Services) and $3.4 million ($0.7 million directly assigned and $2.7 million allocated by Corporate Services) of additional benefits costs during the three and nine months ended September 30, 2011, respectively, related to these benefits. Refer to Note 11(c) for additional information regarding the Cash Balance Plan.

Corporate Services provides services to IPL and WPL and, as a result, IPL and WPL are allocated pension and other postretirement benefits costs (credits) associated with Corporate Services employees. The following table includes the allocated qualified and non-qualified pension and other postretirement benefits costs (credits) associated with Corporate Services employees providing services to IPL and WPL for the three and nine months ended September 30 (in millions):

	Pension Benefits Costs (a)				Other Postretirement Benefits Costs			
	Three Months		Nine Months		Three Months		Nine Months	
	2012	2011	2012	2011	2012	2011	2012	2011
IPL	$0.4	$1.3	$1.4	$5.4	$—	$—	$0.1	$0.4
WPL	0.4	0.9	1.0	3.9	0.1	(0.1)	0.1	0.2

(a) For the three and nine months ended September 30, 2011, additional qualified pension benefits costs resulting from the amendment to the Cash Balance Plan in the second quarter of 2011 allocated to IPL were $0.2 million and $3.5 million, and to WPL were $0.3 million and $2.7 million, respectively.

Estimated Future and Actual Employer Contributions - Estimated and actual funding for the qualified defined benefit pension, non-qualified defined benefit pension and other postretirement benefits plans, and the directly assigned qualified and non-qualified defined benefit pension plans amounts for 2012 are as follows (in millions):

	Estimated for Calendar Year 2012			Actual Through September 30, 2012		
	Alliant Energy	IPL	WPL	Alliant Energy	IPL	WPL
Qualified defined benefit pension plans	$—	$—	$—	$—	$—	$—
Non-qualified defined benefit pension plans (a)	16.3	N/A	N/A	3.1	N/A	N/A
Directly assigned defined benefit pension plans (b)	N/A	0.8	0.2	N/A	0.7	0.1
Other postretirement benefits plans	4.4	2.2	2.0	4.4	2.2	2.0

(a) Alliant Energy sponsors several non-qualified defined benefit pension plans that cover certain current and former key employees of IPL and WPL. Alliant Energy allocates pension costs to IPL and WPL for these plans. Estimated amounts for calendar year 2012 include amounts paid to a retired executive in the fourth quarter of 2012, which are expected to result in a settlement loss of $5 million in the fourth quarter of 2012.

(b) Amounts directly assigned to IPL and WPL for non-bargaining employees who are participants in Alliant Energy and Corporate Services sponsored qualified and non-qualified defined benefit pension plans.

Cash Balance Plan - Refer to Note 11(c) for discussion of a class-action lawsuit filed against the Cash Balance Plan in 2008, and an agreement Alliant Energy reached with the IRS, which resulted in a favorable determination letter for the Cash Balance Plan in 2011.

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401(k) Savings Plans - A significant number of Alliant Energy, IPL and WPL employees participate in defined contribution retirement plans (401(k) savings plans). For the three and nine months ended September 30, costs related to the 401(k) savings plans, which are partially based on the participants' level of contribution, were as follows (in millions):

	Alliant Energy				IPL (a)				WPL (a)			
	Three Months		Nine Months		Three Months		Nine Months		Three Months		Nine Months	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
401(k) costs	$4.4	$4.4	$14.1	$14.3	$2.4	$2.2	$7.4	$7.1	$2.0	$2.0	$6.2	$6.6

(a) IPL's and WPL's amounts include allocated costs associated with Corporate Services employees.

(b) Equity Incentive Plans - A summary of compensation expense and the related income tax benefits recognized for share-based compensation awards for the three and nine months ended September 30 was as follows (in millions):

	Alliant Energy				IPL				WPL			
	Three Months		Nine Months		Three Months		Nine Months		Three Months		Nine Months	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Compensation expense	$0.1	$0.1	$3.8	$4.9	$0.1	$0.1	$2.0	$2.7	$0.1	$0.1	$1.7	$2.0
Income tax benefits	—	0.1	1.5	2.0	—	0.1	0.8	1.1	0.1	—	0.7	0.8

As of September 30, 2012, total unrecognized compensation cost related to share-based compensation awards was $9.8 million, which is expected to be recognized over a weighted average period of between one and two years. Share-based compensation expense is recognized on a straight-line basis over the requisite service periods and is primarily recorded in "Utility - Other operation and maintenance" in the Condensed Consolidated Statements of Income.

In the first quarter of 2012, Alliant Energy granted performance shares, performance units, performance-contingent restricted stock and performance contingent cash awards to certain key employees. Payouts of nonvested awards issued in 2012 are prorated at retirement, death or disability based on time worked during the first year of the performance period and achievement of the performance criteria. Upon achievement of the performance criteria, payouts of these awards to participants who terminate employment after the first year of the performance period due to retirement, death or disability are not prorated. Participants' nonvested awards issued in 2012 are forfeited if the participant voluntarily leaves Alliant Energy or is terminated for cause.

Performance Shares and Units - Alliant Energy assumes it will make future payouts of its performance shares and units in cash; therefore, performance shares and units are accounted for as liability awards.

Performance Shares - A summary of the performance shares activity for the nine months ended September 30 was as follows:

	2012 Shares (a)	2011 Shares (a)
Nonvested shares, January 1	236,979	234,518
Granted	45,612	64,217
Vested (b)	(111,980)	(57,838)
Forfeited	(25,334)	(3,918)
Nonvested shares, September 30	145,277	236,979

(a)

Share amounts represent the target number of performance shares. Each performance share's value is based on the price of one share of Alliant Energy's common stock at the end of the performance period. The actual number of shares that will be paid out upon vesting is dependent upon actual performance and may range from zero to 200% of the target number of shares.

(b) In the first quarter of 2012, 111,980 performance shares granted in 2009 vested at 162.5% of the target, resulting in payouts valued at $8.0 million, which consisted of a combination of cash and common stock (6,399 shares). In the first quarter of 2011, 57,838 performance shares granted in 2008 vested at 75% of the target, resulting in payouts valued at $1.6 million, which consisted of a combination of cash and common stock (1,387 shares).

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Performance Units - A summary of the performance unit activity for the nine months ended September 30 was as follows:

	2012 Units (a)	2011 Units (a)
Nonvested units, January 1	42,996	23,128
Granted	24,686	23,975
Forfeited	(878)	(4,107)
Nonvested units, September 30	66,804	42,996

(a) Unit amounts represent the target number of performance units. Each performance unit's value is based on the average price of one share of Alliant Energy's common stock on the grant date of the award. The actual payout for performance units is dependent upon actual performance and may range from zero to 200% of the target number of units.

Fair Value of Awards - Information related to fair values of nonvested performance shares and units at September 30, 2012 by year of grant, were as follows:

	Performance Shares			Performance Units		
	2012 Grant	2011 Grant	2010 Grant	2012 Grant	2011 Grant	2010 Grant
Nonvested awards	45,612	45,235	54,430	24,686	21,693	20,425
Alliant Energy common stock closing price on September 30, 2012	$43.39	$43.39	$43.39			
Alliant Energy common stock average price on grant date				$43.05	$38.75	$32.56
Estimated payout percentage based on performance criteria	78%	91%	162%	78%	91%	162%
Fair values of each nonvested award	$33.84	$39.48	$70.29	$33.58	$35.26	$52.74

At September 30, 2012, fair values of nonvested performance shares and units were calculated using a Monte Carlo simulation to determine the anticipated total shareowner returns of Alliant Energy and its investor-owned utility peer groups. Expected volatility was based on historical volatilities using daily stock prices over the past three years. Expected dividend yields were calculated based on the most recent quarterly dividend rates announced prior to the measurement date and stock prices at the measurement date. The risk-free interest rate was based on the three-year U.S. Treasury rate in effect as of the measurement date.

Restricted Stock - Restricted stock consists of time-based and performance-contingent restricted stock.

Time-based restricted stock - A summary of the time-based restricted stock activity for the nine months ended September 30 was as follows:

	2012		2011	
	Shares	Weighted Average Fair Value	Shares	Weighted Average Fair Value
Nonvested shares, January 1	35,800	$30.87	70,033	$32.27
Granted during first quarter	—	—	5,000	39.86
Vested	(32,466)	29.95	(38,633)	34.60
Forfeited	—	—	(600)	29.41
Nonvested shares, September 30	3,334	39.86	35,800	30.87

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Performance-contingent restricted stock - A summary of the performance-contingent restricted stock activity for the nine months ended September 30 was as follows:

	2012		2011	
	Shares	Weighted Average Fair Value	Shares	Weighted Average Fair Value
Nonvested shares, January 1	301,738	$32.60	296,190	$32.32
Granted during first quarter	45,612	43.05	64,217	38.75
Vested	(65,172)	32.56	(53,274)	37.93
Forfeited	(70,527)	39.93	(5,395)	38.00
Nonvested shares, September 30	211,651	32.42	301,738	32.60

Non-qualified Stock Options - A summary of the stock option activity for the nine months ended September 30 was as follows:

	2012		2011	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding, January 1	63,889	$24.21	163,680	$24.51
Exercised	(38,711)	24.41	(62,481)	27.10
Outstanding and exercisable, September 30	25,178	23.89	101,199	22.92

The weighted average remaining contractual term for options outstanding and exercisable at September 30, 2012 was between one and two years. The aggregate intrinsic value of options outstanding and exercisable at September 30, 2012 was $0.5 million.

Other information related to stock option activity for the three and nine months ended September 30 was as follows (in millions):

	Three Months		Nine Months	
	2012	2011	2012	2011
Cash received from stock options exercised	$0.2	$0.1	$0.9	$1.7
Aggregate intrinsic value of stock options exercised	0.3	—	0.8	0.8
Income tax benefit from the exercise of stock options	0.1	—	0.3	0.3

Performance Contingent Cash Awards - A summary of the performance contingent cash awards activity for the nine months ended September 30 was as follows:

	2012	2011
	Awards	Awards
Nonvested awards, January 1	46,676	23,428
Granted	36,936	23,975
Vested (a)	(21,605)	—
Forfeited	(1,533)	(727)
Nonvested awards, September 30	60,474	46,676

(a) In the first quarter of 2012, 21,605 performance contingent cash awards granted in 2010 vested, resulting in cash payouts valued at $0.9 million.

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(6) COMMON EQUITY

Common Share Activity - A summary of Alliant Energy's common stock activity during the nine months ended September 30, 2012 was as follows:

Shares outstanding, January 1	111,018,821	
Equity incentive plans (Note 5(b))	20,195	
Other (a)	(51,616	)
Shares outstanding, September 30	110,987,400	

(a) Includes shares transferred from employees to Alliant Energy to satisfy tax withholding requirements in connection with the vesting of certain restricted stock under the equity incentive plans.

Dividend Restrictions - As of September 30, 2012, IPL's amount of retained earnings that were free of dividend restrictions was $375 million. As of September 30, 2012, WPL's amount of retained earnings that were free of dividend restrictions was $209 million.

Restricted Net Assets of Subsidiaries - As of September 30, 2012, the amount of net assets of IPL and WPL that were not available to be transferred to their parent company, Alliant Energy, in the form of loans, advances or cash dividends without the consent of IPL's and WPL's regulatory authorities was $1.1 billion and $1.3 billion, respectively.

Capital Transactions with Subsidiaries - For the nine months ended September 30, 2012, IPL received capital contributions of $80.0 million from its parent company. For the nine months ended September 30, 2012, IPL and WPL paid common stock dividends of $91.6 million and $84.1 million, respectively, to their parent company.

(7) DEBT

(a) Short-term Debt - Information regarding commercial paper issued under Alliant Energy's, IPL's and WPL's credit facilities classified as short-term debt was as follows (dollars in millions):

September 30, 2012	Alliant Energy (Consolidated)	Parent Company	IPL	WPL
Commercial paper:				
Amount outstanding	$70.4	$70.4	$—	$—
Remaining maturity	1 day	1 day	N/A	N/A
Interest rates	0.4%	0.4%	N/A	N/A
Available credit facility capacity (a)	$879.6	$229.6	$250.0	$400.0

	Alliant Energy				IPL				WPL			
Three Months Ended September 30	2012		2011		2012		2011		2012		2011	
Maximum amount outstanding (based on daily outstanding balances)	$185.3		$22.1		$19.5		$18.0		$35.6		$—	
Average amount outstanding (based on daily outstanding balances)	$133.0		$2.6		$1.3		$1.7		$11.9		$—	
Weighted average interest rates	0.4	%	0.4	%	0.4	%	0.3	%	0.3	%	N/A	
Nine Months Ended September 30												
Maximum amount outstanding (based on daily outstanding balances)	$185.3		$96.5		$35.4		$54.4		$35.6		$96.5	
Average amount outstanding (based on daily outstanding balances)	$100.2		$28.7		$7.2		$7.1		$13.3		$23.0	
Weighted average interest rates	0.4	%	0.3	%	0.4	%	0.3	%	0.3	%	0.3	%

(a)

Alliant Energy's and IPL's available credit facility capacities reflect outstanding commercial paper classified as both short- and long-term debt at September 30, 2012. Refer to Note 7(b) for further discussion of $50 million of commercial paper outstanding at September 30, 2012 classified as long-term debt.

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(b) Long-term Debt - In September 2012, Corporate Services issued $75 million of 3.45% senior notes due 2022. The proceeds from the September 2012 issuance were used by Corporate Services to repay short-term debt primarily incurred for the purchase of the corporate headquarters building and for general working capital purposes.

As of September 30, 2012, $50 million of commercial paper was recorded in "Long-term debt, net" on Alliant Energy's and IPL's Condensed Consolidated Balance Sheets due to the existence of long-term credit facilities that back-stop this commercial paper balance, along with Alliant Energy's and IPL's intent and ability to refinance these balances on a long-term basis. As of September 30, 2012, this commercial paper balance had a weighted average remaining maturity of 2 days and a 0.4% interest rate.

(8) INVESTMENTS

Unconsolidated Equity Investments - Equity (income) loss from Alliant Energy's and WPL's unconsolidated investments accounted for under the equity method of accounting for the three and nine months ended September 30 was as follows (in millions):

	Alliant Energy				WPL			
	Three Months		Nine Months		Three Months		Nine Months	
	2012	2011	2012	2011	2012	2011	2012	2011
American Transmission Company LLC (ATC)	($10.4)	($9.7)	($30.6)	($28.2)	($10.4)	($9.7)	($30.6)	($28.2)
Other	—	(0.4)	0.2	(1.4)	(0.1)	(0.1)	(0.6)	(0.7)
	($10.4)	($10.1)	($30.4)	($29.6)	($10.5)	($9.8)	($31.2)	($28.9)

Summary financial information from the unaudited financial statements of ATC for the three and nine months ended September 30 was as follows (in millions):

	Three Months		Nine Months	
	2012	2011	2012	2011
Operating revenues	$150.3	$142.8	$450.1	$420.6
Operating income	81.5	76.4	240.0	228.1
Net income	60.5	56.6	177.9	166.5

(9) FAIR VALUE MEASUREMENTS

Fair Value of Financial Instruments - The carrying amounts of Alliant Energy's, IPL's and WPL's current assets and current liabilities approximate fair value because of the short maturity of such financial instruments. Carrying amounts and the related estimated fair values of other financial instruments were as follows (in millions):

	Alliant Energy		IPL		WPL	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
September 30, 2012						
Assets:						
Money market fund investments	$13.6	$13.6	$1.1	$1.1	$12.5	$12.5
Derivative assets (Note 10)	46.5	46.5	28.1	28.1	18.4	18.4
Deferred proceeds (sales of receivables) (Note 3)	153.9	153.9	153.9	153.9	—	—
Capitalization and liabilities:						
Long-term debt (including current maturities) (Note 7(b))	2,829.5	3,598.7	1,359.3	1,696.1	1,082.5	1,492.4
Cumulative preferred stock of subsidiaries	205.1	215.6	145.1	154.8	60.0	60.8
Derivative liabilities (Note 10)	57.3	57.3	22.8	22.8	34.5	34.5

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	Alliant Energy		IPL		WPL	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
December 31, 2011						
Assets:						
Derivative assets (Note 10)	$15.7	$15.7	$10.6	$10.6	$5.1	$5.1
Deferred proceeds (sales of receivables) (Note 3)	53.7	53.7	53.7	53.7	—	—
Capitalization and liabilities:						
Long-term debt (including current maturities) (Note 7(b))	2,704.5	3,325.3	1,309.0	1,560.4	1,082.2	1,439.0
Cumulative preferred stock of subsidiaries	205.1	222.5	145.1	164.3	60.0	58.2
Derivative liabilities (Note 10)	78.0	78.0	33.6	33.6	44.4	44.4

Valuation Techniques -
Money market fund investments - As of September 30, 2012, money market fund investments were measured at fair value using quoted market prices.

Derivative assets and derivative liabilities - Alliant Energy, IPL and WPL periodically use derivative instruments for risk management purposes to mitigate exposures to fluctuations in certain commodity prices and transmission congestion costs. Alliant Energy, IPL and WPL maintain risk policies that govern the use of derivative instruments. Alliant Energy's, IPL's and WPL's derivative instruments as of September 30, 2012 and December 31, 2011 were not designated as hedging instruments. Alliant Energy's, IPL's and WPL's derivative instruments as of September 30, 2012 and December 31, 2011 included electric physical forward purchase contracts and forward swap contracts to mitigate pricing volatility for the electricity purchased to supply to IPL's and WPL's customers; natural gas swap contracts to mitigate pricing volatility for the fuel used to supply to the natural gas-fired electric generating facilities they operate, optimize the value of IPL's natural gas pipeline capacity and mitigate pricing volatility for natural gas supplied to IPL's retail customers; natural gas options to mitigate pricing volatility for natural gas supplied to WPL's retail customers; natural gas physical forward purchase contracts to mitigate pricing volatility for natural gas supplied to IPL's and WPL's retail customers; natural gas physical forward purchase and sale contracts to optimize the value of natural gas pipeline capacity; financial transmission rights (FTRs) acquired to manage transmission congestion costs; and a coal supply contract with volumetric optionality to assist in mitigating pricing volatility for fuel used in the coal-fired electric generating facilities they operate.

IPL's and WPL's swap, option and physical forward commodity contracts were non-exchange-based derivative instruments and were valued using indicative price quotations available through a pricing vendor that provides daily exchange forward price settlements, from broker or dealer quotations or from on-line exchanges. The indicative price quotations reflected the average of the bid-ask mid-point prices and were obtained from sources believed to provide the most liquid market for the commodity. IPL and WPL corroborated a portion of these indicative price quotations using quoted prices for similar assets or liabilities in active markets and categorized derivative instruments based on such indicative price quotations as Level 2. IPL's and WPL's commodity contracts that were valued using indicative price quotations based on significant assumptions such as seasonal or monthly shaping and indicative price quotations that could not be readily corroborated were categorized as Level 3. IPL's and WPL's swap, option and physical forward commodity contracts were predominately at liquid trading points. IPL's and WPL's FTRs were measured at fair value each reporting date using monthly or annual auction shadow prices from relevant auctions. Refer to Note 10 for additional details of derivative assets and derivative liabilities.

Deferred proceeds (sales of receivables) - The fair value of IPL's deferred proceeds related to its sales of receivables program was calculated each reporting date using the cost approach valuation technique. The fair value represents the

carrying amount of receivables sold less the allowance for doubtful accounts associated with the receivables sold and cash proceeds received from the receivables sold due to the short-term nature of the collection period. Deferred proceeds represent IPL's maximum exposure to loss related to the receivables sold. Refer to Note 3 for additional information regarding deferred proceeds.

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Long-term debt (including current maturities) - For long-term debt instruments that are actively traded, the fair value was based upon quoted market prices for similar liabilities on each reporting date. For long-term debt instruments that are not actively traded, the fair value was based on a discounted cash flow methodology and utilizes assumptions of current market pricing curves at each reporting date. Refer to Note 7(b) for additional information regarding long-term debt.

Cumulative preferred stock of subsidiaries - The fair value of IPL's 8.375% cumulative preferred stock was based on its closing market price quoted by the New York Stock Exchange on each reporting date. The fair value of WPL's 4.50% cumulative preferred stock was based on the closing market price quoted by the NYSE Amex LLC on each reporting date. The fair value of WPL's remaining preferred stock was calculated based on the market yield of similar securities on each reporting date.

Valuation Hierarchy - Fair value measurement accounting establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy and examples of each are as follows:

Level 1 - Pricing inputs are quoted prices available in active markets for identical assets or liabilities as of the reporting date. As of September 30, 2012, Level 1 items included money market fund investments, IPL's 8.375% cumulative preferred stock and WPL's 4.50% cumulative preferred stock.

Level 2 - Pricing inputs are quoted prices for similar assets or liabilities in active markets or quoted prices for identical or similar assets or liabilities in markets that are not active as of the reporting date. As of September 30, 2012 and December 31, 2011, Level 2 items included certain of IPL's and WPL's non-exchange traded commodity contracts. Level 2 items as of September 30, 2012 also included the remainder of WPL's cumulative preferred stock and substantially all of the long-term debt instruments.

Level 3 - Pricing inputs are unobservable inputs for assets or liabilities for which little or no market data exist and require significant management judgment or estimation. As of September 30, 2012 and December 31, 2011, Level 3 items included IPL's deferred proceeds, and IPL's and WPL's FTRs and certain non-exchange traded commodity contracts.

The fair value hierarchy gives the highest priority to quoted prices in active markets (Level 1) and the lowest priority to unobservable data (Level 3). In some cases, the inputs used to measure fair value might fall in different levels of the fair value hierarchy. The lowest level input that is significant to a fair value measurement in its entirety determines the applicable level in the fair value hierarchy. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability. Items subject to fair value measurement disclosure requirements were as follows (Not Applicable (N/A); in millions):

Alliant Energy	September 30, 2012				December 31, 2011			
	Fair Value	Level 1	Level 2	Level 3	Fair Value	Level 1	Level 2	Level 3
Assets:								
Money market fund investments	$13.6	$13.6	$—	$—	$—	$—	$—	$—
Derivatives - commodity contracts	46.5	—	11.9	34.6	15.7	—	3.4	12.3
Deferred proceeds	153.9	—	—	153.9	53.7	—	—	53.7
Capitalization and liabilities:								
Long-term debt (including current maturities)	3,598.7	—	3,598.2	0.5	N/A	N/A	N/A	N/A

Cumulative preferred stock of subsidiaries	215.6	165.2	50.4	—	N/A	N/A	N/A	N/A
Derivatives - commodity contracts	57.3	—	40.3	17.0	78.0	—	64.8	13.2

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IPL	September 30, 2012				December 31, 2011			
	Fair Value	Level 1	Level 2	Level 3	Fair Value	Level 1	Level 2	Level 3
Assets:								
Money market fund investments	$1.1	$1.1	$—	$—	$—	$—	$—	$—
Derivatives - commodity contracts	28.1	—	8.1	20.0	10.6	—	1.3	9.3
Deferred proceeds	153.9	—	—	153.9	53.7	—	—	53.7
Capitalization and liabilities:								
Long-term debt	1,696.1	—	1,696.1	—	N/A	N/A	N/A	N/A
Cumulative preferred stock	154.8	154.8	—	—	N/A	N/A	N/A	N/A
Derivatives - commodity contracts	22.8	—	18.3	4.5	33.6	—	28.6	5.0

WPL	September 30, 2012				December 31, 2011			
	Fair Value	Level 1	Level 2	Level 3	Fair Value	Level 1	Level 2	Level 3
Assets:								
Money market fund investments	$12.5	$12.5	$—	$—	$—	$—	$—	$—
Derivatives - commodity contracts	18.4	—	3.8	14.6	5.1	—	2.1	3.0
Capitalization and liabilities:								
Long-term debt	1,492.4	—	1,492.4	—	N/A	N/A	N/A	N/A
Cumulative preferred stock	60.8	10.4	50.4	—	N/A	N/A	N/A	N/A
Derivatives - commodity contracts	34.5	—	22.0	12.5	44.4	—	36.2	8.2

Alliant Energy, IPL and WPL generally record gains and losses from IPL's and WPL's derivative instruments with offsets to regulatory assets or regulatory liabilities, based on their fuel and natural gas cost recovery mechanisms, as well as other specific regulatory authorizations. Based on these recovery mechanisms, the changes in the fair value of derivative liabilities resulted in comparable changes to regulatory assets, and the changes in the fair value of derivative assets resulted in comparable changes to regulatory liabilities on the Condensed Consolidated Balance Sheets.

The significant unobservable inputs (Level 3 inputs) used in the fair value measurement of IPL's and WPL's commodity contracts are forecasted electricity, natural gas and coal prices, and the expected volatility of such prices. Significant changes in any of those inputs would result in a significantly lower or higher fair value measurement. Information for fair value measurements using significant unobservable inputs (Level 3 inputs) for the three and nine months ended September 30 was as follows (in millions):

Alliant Energy	Derivative Assets and (Liabilities), net					
	Commodity Contracts		Foreign Contracts		Deferred Proceeds	
Three Months Ended September 30	2012	2011	2012	2011	2012	2011
Beginning balance, July 1	$18.8	$18.1	$—	$2.1	$81.7	$66.4
Total net losses (realized/unrealized) included in changes in net assets (a)	(2.3)	(0.1)	—	—	—	—
Transfers into Level 3 (b)	(0.4)	—	—	—	—	—
Transfers out of Level 3 (c)	9.3	—	—	—	—	—
Settlements (d)	(7.8)	(6.1)	—	(1.7)	72.2	21.0

Ending balance, September 30	$17.6	$11.9	$—	$0.4	$153.9	$87.4
The amount of total net losses for the period included in changes in net assets attributable to the change in unrealized losses relating to assets and liabilities held at September 30 (a)	($0.7)	($0.1)	$—	$—	$—	$—

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Alliant Energy	Derivative Assets and (Liabilities), net					
	Commodity Contracts		Foreign Contracts		Deferred Proceeds	
Nine Months Ended September 30	2012	2011	2012	2011	2012	2011
Beginning balance, January 1	($0.9)	$2.8	$—	$4.7	$53.7	$152.9
Total net losses (realized/unrealized) included in changes in net assets (a)	(8.3)	—	—	—	—	—
Transfers into Level 3 (b)	(1.7)	0.2	—	—	—	—
Transfers out of Level 3 (c)	8.3	—	—	—	—	—
Purchases	35.8	21.8	—	—	—	—
Settlements (d)	(15.6)	(12.9)	—	(4.3)	100.2	(65.5)
Ending balance, September 30	$17.6	$11.9	$—	$0.4	$153.9	$87.4
The amount of total net losses for the period included in changes in net assets attributable to the change in unrealized losses relating to assets and liabilities held at September 30 (a)	($4.4)	$—	$—	$—	$—	$—

IPL	Derivative Assets and (Liabilities), net					
	Commodity Contracts		Foreign Contracts		Deferred Proceeds	
Three Months Ended September 30	2012	2011	2012	2011	2012	2011
Beginning balance, July 1	$14.1	$17.5	$—	$—	$81.7	$66.4
Total net losses (realized/unrealized) included in changes in net assets (a)	(0.2)	(0.1)	—	—	—	—
Transfers out of Level 3 (c)	7.4	—	—	—	—	—
Settlements (d)	(5.8)	(5.0)	—	—	72.2	21.0
Ending balance, September 30	$15.5	$12.4	$—	$—	$153.9	$87.4
The amount of total net gains (losses) for the period included in changes in net assets attributable to the change in unrealized gains (losses) relating to assets and liabilities held at September 30 (a)	$1.4	($0.1)	$—	$—	$—	$—

IPL	Derivative Assets and (Liabilities), net					
	Commodity Contracts		Foreign Contracts		Deferred Proceeds	
Nine Months Ended September 30	2012	2011	2012	2011	2012	2011
Beginning balance, January 1	$4.3	$4.3	$—	$4.8	$53.7	$152.9
Total net gains (losses) (realized/unrealized) included in changes in net assets (a)	(4.8)	0.4	—	—	—	—
Transfers into Level 3 (b)	(1.1)	—	—	—	—	—
Transfers out of Level 3 (c)	2.4	—	—	—	—	—
Purchases	26.8	18.1	—	—	—	—
Sales (e)	—	—	—	(2.1)	—	—
Settlements (d)	(12.1)	(10.4)	—	(2.7)	100.2	(65.5)
Ending balance, September 30	$15.5	$12.4	$—	$—	$153.9	$87.4
The amount of total net gains (losses) for the period included in changes in net assets attributable to the change in unrealized gains (losses) relating to assets and liabilities held at September 30 (a)	($0.7)	$0.4	$—	$—	$—	$—

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WPL	Derivative Assets and (Liabilities), net			
	Commodity Contracts		Foreign Contracts	
Three Months Ended September 30	2012	2011	2012	2011
Beginning balance, July 1	$4.7	$0.6	$—	$—
Total net losses (realized/unrealized) included in changes in net assets (a)	(2.1)	—	—	—
Transfers into Level 3 (b)	(0.4)	—	—	—
Transfers out of Level 3 (c)	1.9	—	—	—
Settlements	(2.0)	(1.1)	—	—
Ending balance, September 30	$2.1	($0.5)	$—	$—
The amount of total net losses for the period included in changes in net assets attributable to the change in unrealized losses relating to assets and liabilities held at September 30 (a)	($2.1)	$—	$—	$—

WPL	Derivative Assets and (Liabilities), net			
	Commodity Contracts		Foreign Contracts	
Nine Months Ended September 30	2012	2011	2012	2011
Beginning balance, January 1	($5.2)	($1.5)	$—	($0.1)
Total net losses (realized/unrealized) included in changes in net assets (a)	(3.5)	(0.4)	—	—
Transfers into Level 3 (b)	(0.6)	0.2	—	—
Transfers out of Level 3 (c)	5.9	—	—	—
Purchases	9.0	3.7	—	—
Settlements	(3.5)	(2.5)	—	0.1
Ending balance, September 30	$2.1	($0.5)	$—	$—
The amount of total net losses for the period included in changes in net assets attributable to the change in unrealized losses relating to assets and liabilities held at September 30 (a)	($3.7)	($0.4)	$—	$—

(a) Gains and losses related to derivative assets and derivative liabilities are recorded in “Regulatory assets” and “Regulatory liabilities” on the Condensed Consolidated Balance Sheets.

(b) Markets for similar assets and liabilities became inactive and observable market inputs became unavailable for transfers into Level 3. The transfers were valued as of the beginning of the period.

(c) Observable market inputs became available for certain commodity contracts previously classified as Level 3 for transfers out of Level 3. The transfers were valued as of the beginning of the period.

(d) Settlements related to deferred proceeds are due to the change in the carrying amount of receivables sold less the allowance for doubtful accounts associated with the receivables sold and cash proceeds received from the receivables sold.

(e) The foreign exchange contract was transferred from IPL to Resources in connection with the sale of wind project assets in the second quarter of 2011.

Electric, Natural Gas and Coal Commodity Contracts - As of September 30, 2012, the fair value of Alliant Energy’s, IPL’s and WPL’s electric, natural gas and coal commodity contracts classified as Level 3, excluding FTRs, were recognized as net derivative liabilities of $5.6 million, $1.2 million and $4.4 million, respectively. These commodity contracts were valued using a market approach technique that utilizes significant observable inputs to estimate forward commodity prices. Forward electric and coal prices are estimated using market information obtained from counterparties and brokers, including bids, offers, historical transactions (including historical price differences between locations with both observable and unobservable prices) and executed trades. Forward natural gas prices are estimated using the most recent quoted observable inputs applied to future months (including historical price

differences between locations with both observable and unobservable prices). Observable inputs are obtained from third-party pricing data sources and include bids, offers, historical transactions and executed trades. Forward electric price commodity curves that extend beyond currently available observable inputs utilize market prices for the most recent period for which observable inputs are available. Observable inputs include bids, offers, historical transactions and executed trades.

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FTRs - As of September 30, 2012, Alliant Energy's, IPL's and WPL's FTRs classified as Level 3 were recognized as net derivative assets of $23.2 million, $16.7 million and $6.5 million, respectively. These FTRs were measured at fair value using monthly or annual auction shadow prices for identical or similar instruments from relevant closed auctions.

(10) DERIVATIVE INSTRUMENTS

Commodity Derivatives -

Purpose - Alliant Energy, IPL and WPL periodically use derivative instruments for risk management purposes to mitigate exposures to fluctuations in certain commodity prices and transmission congestion costs. Refer to Note 9 for detailed discussion of Alliant Energy's, IPL's and WPL's derivative instruments as of September 30, 2012 and December 31, 2011.

Notional Amounts - As of September 30, 2012, notional amounts by delivery year related to outstanding swap contracts, option contracts, physical forward contracts, FTRs and coal contracts that were accounted for as commodity derivative instruments were as follows (units in thousands):

	2012	2013	2014	2015	Total
Alliant Energy					
Electricity (megawatt-hours (MWhs))	1,280	3,860	2,118	876	8,134
FTRs (MWs)	16	28	—	—	44
Natural gas (dekatherms (Dths))	26,070	44,899	6,410	—	77,379
Coal (tons)	—	956	981	561	2,498
IPL					
Electricity (MWhs)	786	1,978	366	—	3,130
FTRs (MWs)	8	15	—	—	23
Natural gas (Dths)	19,274	32,309	3,235	—	54,818
WPL					
Electricity (MWhs)	494	1,882	1,752	876	5,004
FTRs (MWs)	8	13	—	—	21
Natural gas (Dths)	6,796	12,590	3,175	—	22,561
Coal (tons)	—	956	981	561	2,498

The notional amounts in the above table were computed by aggregating the absolute value of purchase and sale positions within commodities for each delivery year.

Financial Statement Presentation - Alliant Energy, IPL and WPL record derivative instruments at fair value each reporting date on the balance sheet as assets or liabilities. The fair values of current derivative assets were included in "Derivative assets," non-current derivative assets were included in "Deferred charges and other," current derivative liabilities were included in "Derivative liabilities" and non-current derivative liabilities were included in "Other long-term liabilities and deferred credits" on the Condensed Consolidated Balance Sheets as follows (in millions):

	Alliant Energy		IPL		WPL	
Commodity contracts	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011
Current derivative assets	$35.9	$12.7	$25.9	$9.2	$10.0	$3.5
Non-current derivative assets	10.6	3.0	2.2	1.4	8.4	1.6
Current derivative liabilities	37.8	55.9	17.9	24.5	19.9	31.4
Non-current derivative liabilities	19.5	22.1	4.9	9.1	14.6	13.0

Alliant Energy, IPL and WPL generally record gains and losses from IPL's and WPL's derivative instruments with offsets to regulatory assets or regulatory liabilities, based on their fuel and natural gas cost recovery mechanisms, as well as other specific regulatory authorizations. Gains (losses) from commodity derivative instruments not designated as hedging instruments were recorded on the Condensed Consolidated Balance Sheets as follows (in millions):

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	Alliant Energy		IPL		WPL	
	2012	2011	2012	2011	2012	2011
Three Months Ended September 30						
Regulatory assets	($6.3)	($23.8)	($0.1)	($13.3)	($6.2)	($10.5)
Regulatory liabilities	15.8	3.7	6.9	2.2	8.9	1.5
Nine Months Ended September 30						
Regulatory assets	(38.3)	(33.1)	(17.3)	(18.7)	(21.0)	(14.4)
Regulatory liabilities	21.3	8.6	11.3	5.4	10.0	3.2

Losses from commodity contracts during the nine months ended September 30, 2012 were primarily due to impacts of decreases in electricity and natural gas prices during the first quarter of 2012.

Credit Risk-related Contingent Features - Alliant Energy, IPL and WPL have entered into various agreements that contain credit risk-related contingent features including requirements for them to maintain certain credit ratings from each of the major credit rating agencies and/or limitations on their liability positions under the various agreements based upon their credit ratings. In the event of a downgrade in their credit ratings or if their liability positions exceed certain contractual limits, Alliant Energy, IPL or WPL may need to provide credit support in the form of letters of credit or cash collateral up to the amount of their exposure under the contracts, or may need to unwind the contracts and pay the underlying liability positions.

Certain of these agreements with credit risk-related contingency features are accounted for as derivative instruments. The aggregate fair value of all derivatives with credit risk-related contingent features that were in a net liability position on September 30, 2012 was $57.3 million, $22.8 million and $34.5 million for Alliant Energy, IPL and WPL, respectively. At September 30, 2012, Alliant Energy, IPL and WPL all had investment-grade credit ratings. However, IPL exceeded its liability position with one counterparty requiring it to post $0.3 million of cash collateral. If the most restrictive credit risk-related contingent features for derivative agreements in a net liability position were triggered on September 30, 2012, Alliant Energy, IPL and WPL would be required to post an additional $57.0 million, $22.5 million and $34.5 million, respectively, of credit support to their counterparties.

(11) COMMITMENTS AND CONTINGENCIES

(a) Capital Purchase Obligations - Alliant Energy and WPL have entered into capital purchase obligations that contain minimum future commitments related to capital expenditures for certain of their emission controls projects. At September 30, 2012, Alliant Energy's and WPL's minimum future commitments related to capital expenditures for the installation of scrubbers and baghouses at WPL's Columbia Units 1 and 2 to reduce SO2 and mercury emissions at the generating facility were $34 million.

(b) Operating Expense Purchase Obligations - Alliant Energy, IPL and WPL have entered into various commodity supply, transportation and storage contracts to meet their obligations to deliver electricity and natural gas to IPL's and WPL's utility customers. Alliant Energy, IPL and WPL also enter into other operating expense purchase obligations with various vendors for other goods and services. At September 30, 2012, minimum future commitments related to these operating expense purchase obligations were as follows (in millions):

	Alliant Energy	IPL	WPL
Purchased power (a):			
Duane Arnold Energy Center (DAEC) (IPL)	$271	$271	$—
Kewaunee Nuclear Power Plant (Kewaunee) (WPL)	95	—	95
Other	63	4	59
	429	275	154
Natural gas	344	208	136

Coal (b)	302	79	52
SO_2 emission allowances	34	34	—
Other (c)	22	9	13
	$1,131	$605	$355

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(a) Includes payments required by PPAs for capacity rights and minimum quantities of MWhs required to be purchased. Excludes contracts that are considered operating leases.

(b) Corporate Services entered into system-wide coal contracts on behalf of IPL and WPL that include minimum future commitments of $171 million that have not been directly assigned to IPL and WPL since the specific needs of each utility were not yet known as of September 30, 2012.

(c) Includes individual commitments incurred during the normal course of business that exceeded $1 million at September 30, 2012.

(c) Legal Proceedings -

Air Permitting Violation Claims - In 2009, the EPA sent a Notice of Violation (NOV) to WPL as an owner and the operator of Edgewater Generating Station (Edgewater), Nelson Dewey Generating Station (Nelson Dewey) and Columbia Energy Center (Columbia). The NOV alleges that the owners of Edgewater, Nelson Dewey and Columbia failed to comply with appropriate pre-construction review and permitting requirements and as a result violated the Prevention of Significant Deterioration (PSD) program requirements, Title V Operating Permit requirements of the Clean Air Act (CAA) and the Wisconsin state implementation plan (SIP).

In September 2010, Sierra Club filed in the U.S. District Court for the Western District of Wisconsin a complaint against WPL, as owner and operator of Nelson Dewey and Columbia, based on allegations that modifications were made at the facilities without complying with the PSD program requirements, Title V Operating Permit requirements of the CAA and state regulatory counterparts contained within the Wisconsin SIP designed to implement the CAA. In October 2010, WPL responded to these claims related to Nelson Dewey and Columbia by filing with the U.S. District Court an answer denying the Columbia allegations and a motion to dismiss the Nelson Dewey allegations based on statute of limitations arguments. In November 2010, WPL filed a motion to dismiss the Nelson Dewey and Columbia allegations based on lack of jurisdiction. Sierra Club has responded to the motions. In May 2012, the parties filed a Stipulation of Dismissal without Prejudice, and the court closed the case.

In September 2010, Sierra Club filed in the U.S. District Court for the Eastern District of Wisconsin a complaint against WPL, as owner and operator of Edgewater, which contained similar allegations regarding air permitting violations at Edgewater. In the Edgewater complaint, additional allegations were made regarding violations of emission limits for visible emissions. In February 2011, WPL responded to these claims related to Edgewater by filing with the U.S. District Court an answer denying the allegations and a motion to dismiss the allegations based on lack of jurisdiction.

Alliant Energy and WPL are defending against these allegations because they believe the projects at Edgewater, Nelson Dewey and Columbia were routine or not projected to increase emissions and therefore did not violate the requirements of the CAA. Simultaneously, WPL, the other owners of Edgewater and Columbia, the EPA and Sierra Club (collectively “the parties”) are exploring settlement options. Alliant Energy and WPL believe that the parties have reached agreement on general terms to settle these air permitting violation claims and are currently negotiating a consent decree based upon those general terms. Those terms are subject to change during the negotiations. Based on a review of existing EPA consent decrees, Alliant Energy and WPL anticipate that the final consent decree could include the installation of emission control technology, changed operating conditions (including use of fuels other than coal and retirement of units), limitations on emissions, beneficial environmental mitigation projects, and a civil penalty.

Once the parties agree to the final terms, the Court must approve the consent decree. Alliant Energy and WPL cannot predict the outcome of these claims, but believe the outcome could be significant if the parties are unable to reach final agreement, or reach final agreement on different terms than currently anticipated, or if the Court does not approve the final consent decree.

Alliant Energy and WPL currently expect to recover any material costs that could be incurred by WPL related to the terms of the final consent decree from WPL's electric customers. Alliant Energy and WPL do not currently believe any material losses from these air permitting violation claims are both probable and reasonably estimated and therefore have not recognized any material loss contingency amounts related to these claims as of September 30, 2012.

Alliant Energy Cash Balance Pension Plan (Plan) - In February 2008, a class-action lawsuit was filed against the Plan in the U.S. District Court for the Western District of Wisconsin (Court). The complaint alleged that certain Plan participants who received distributions prior to their normal retirement age did not receive the full benefit to which they were entitled in violation of ERISA because the Plan applied an improper interest crediting rate to project the cash balance account to their normal retirement age. These Plan participants were limited to individuals who, prior to normal retirement age, received a lump-sum distribution or an annuity payment. The Court originally certified two subclasses of plaintiffs that in aggregate include all persons vested or partially vested in the Plan who received these distributions from January 1, 1998 to August 17,

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2006 including: (1) persons who received distributions from January 1, 1998 through February 28, 2002; and (2) persons who received distributions from March 1, 2002 to August 17, 2006.

In June 2010, the Court issued an opinion and order that granted the plaintiffs' motion for summary judgment on liability. In December 2010, the Court issued an opinion and order that decided the interest crediting rate that the Plan used to project the cash balance accounts of the plaintiffs during the class period should have been 8.2% and that a pre-retirement mortality discount would not be applied to the damages calculation. In May 2011, the Plan was amended and the Plan subsequently made approximately $10 million in additional payments in 2011 to certain former participants in the Plan. This amendment was required based on an agreement Alliant Energy reached with the IRS, which resulted in a favorable determination letter for the Plan in 2011. In November 2011, plaintiffs filed a motion for leave to file a supplemental complaint to assert that the 2011 amendment to the Plan was itself an ERISA violation. In March 2012, the Plan and the plaintiffs each filed motions for summary judgment related to the supplemental complaint, and the plaintiffs filed a motion for class certification, seeking to amend the class definition and for appointment of class representatives and class counsel.

On July 2, 2012, the Court issued an opinion and order granting plaintiffs' motion for class certification, but only as to the interest crediting rate and the pre-retirement mortality discount claims of lump-sum recipients. As a result of the opinion and order, two new subclasses were certified in lieu of the prior subclass certification. Subclass A involves persons who received a lump-sum distribution between January 1, 1998 and August 17, 2006 and who received an interest crediting rate of less than 8.2% under the Plan as amended in May 2011. Subclass B involves persons who received a lump-sum distribution between January 1, 1998 and August 17, 2006 and who would have received a larger benefit under the Plan as amended in May 2011 if a pre-retirement mortality discount had not been applied. In the opinion and order the Court then granted plaintiffs' motion for summary judgment as to the two subclasses, and denied as moot the parties' motions for summary judgment with respect to issues beyond the two subclasses. In August 2012, as amended in September 2012, the Court entered a final judgment for the two subclasses in the total amount of approximately $18.7 million. The judgment amount includes pre-judgment interest through July 2012 and takes into account the approximate $10 million of additional benefits paid by the Plan following the Plan amendment in 2011. The judgment amount does not include any award for plaintiffs' attorney's fees or costs. In September 2012, the plaintiffs filed a motion for payment of plaintiffs' attorney's fees and costs in the amount of $9.6 million, of which $4.3 million was requested to be paid out of the common fund awarded to the two subclasses in the September 2012 judgment. The Plan expects to contest the request for plaintiffs' attorney's fees and costs to be paid by the Plan. In September 2012, the Plan appealed the judgment, and the interlocutory orders that led to the judgment, to the Seventh Circuit Court of Appeals, and the plaintiffs filed a cross appeal in October 2012. Alliant Energy, IPL and WPL have not recognized any material loss contingency amounts for the final judgment of damages as of September 30, 2012, and do not believe the final outcome of the plaintiffs' motion for attorney's fees and costs will have a material impact on their financial condition or results of operations. A material loss contingency for the judgment will not be recognized unless a final unappealable ruling is received, or a settlement is reached, which results in an amendment to the Plan and payment of additional benefits to Plan participants. Alliant Energy, IPL and WPL are currently unable to predict the final outcome of the class-action lawsuit or the ultimate impact on their financial condition or results of operations but believe an adverse outcome could have a material effect on their retirement plan funding and expense.

RMT Contract Disputes - In September 2011, RMT filed a lawsuit in the U.S. District Court for the Western District of Wisconsin alleging, among other things, breach of contract against Cable System Installation (CSI), a subcontractor to RMT on several solar projects in New Jersey. The complaint alleges that CSI breached its contract with RMT by failing to complete the work, by failing to complete the work in a timely manner, by failing to perform work according to the contract, for abandonment of work, and for other related claims. RMT incurred additional costs to replace CSI and to complete CSI's work with alternative subcontractors, incurred liquidated damages assessed by the project owners due to project delays, and had liens filed by CSI's vendors that CSI has not paid. The lawsuit seeks to

recover all costs incurred by RMT as a result of the breaches of contract by CSI. CSI filed an answer and counterclaims against RMT asserting that RMT owes CSI additional amounts for work performed under the contract that have not been paid to date. CSI also filed a motion requesting the case be transferred to New Jersey that has subsequently been denied by the court. CSI has filed liens against the projects based on claims that they have not been paid for work performed under the contract with RMT and has filed lawsuits in New Jersey to foreclose upon the liens that it has filed in that jurisdiction. Vendors of CSI have also filed liens against the projects based on claims that they have not been paid as required under their agreements with CSI. Three vendors of CSI have filed lawsuits in New Jersey including claims against both CSI and RMT resulting from work allegedly performed by the three vendors but not paid by CSI or RMT. As of September 30, 2012, RMT posted bonds to discharge liens of $16 million filed against the New Jersey project sites by CSI and CSI's vendors. Alliant Energy does not currently believe any material losses from these claims are both probable and reasonably estimated and therefore has not recognized any material loss contingency amounts related to these claims as of September 30, 2012. Alliant Energy is currently not able to estimate the possible loss or range of

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possible loss related to these claims given the state of the lawsuits. Alliant Energy also has not recognized any material benefits from the lawsuit filed by RMT against CSI as of September 30, 2012.

(d) Guarantees - RMT provides renewable energy services to clients throughout the U.S., including facility siting, permitting, design, procurement, construction and high voltage connection services for wind and solar projects. Alliant Energy has guaranteed RMT's performance obligations related to certain of these projects. As of September 30, 2012, Alliant Energy had $598 million of performance guarantees outstanding, with $262 million, $289 million and $47 million expiring in 2013, 2014 and 2015, respectively. RMT has also provided surety bonds in support of the payment and performance obligations of certain of these projects and Alliant Energy has guaranteed RMT's indemnity obligations to the surety company. As of September 30, 2012, Alliant Energy had $79 million in surety bonds and related Alliant Energy performance guarantees outstanding, with $70 million expiring in 2012 and $9 million expiring in 2013. Alliant Energy currently believes that no material cash payments will be made under any of these obligations. Alliant Energy has not recognized any material liabilities related to these obligations as of September 30, 2012.

Alliant Energy continues to guarantee the abandonment obligations of Whiting Petroleum Corporation (Whiting) under the Point Arguello partnership agreements following the sale of Alliant Energy's remaining interest in Whiting in 2004. The guarantee does not include a maximum limit. As of September 30, 2012, the present value of the abandonment obligations is estimated at $29 million. Alliant Energy believes that no payments will be made under this guarantee. Alliant Energy has not recognized any material liabilities related to this guarantee as of September 30, 2012.

(e) Environmental Matters -
Manufactured Gas Plant (MGP) Sites - IPL and WPL have current or previous ownership interests in 40 and 14 sites, respectively, previously associated with the production of gas for which they may be liable for investigation, remediation and monitoring costs. IPL and WPL have received letters from state environmental agencies requiring no further action at 13 and 9 of these sites, respectively. Additionally, IPL has met state environmental agency expectations at 3 additional sites requiring no further action for soil remediation. IPL and WPL are working pursuant to the requirements of various federal and state agencies to investigate, mitigate, prevent and remediate, where necessary, the environmental impacts to property, including natural resources, at and around the sites in order to protect public health and the environment.

Alliant Energy, IPL and WPL record environmental liabilities related to these MGP sites based upon periodic studies. Such amounts are based on the best current estimate of the remaining amount to be incurred for investigation, remediation and monitoring costs for those sites where the investigation process has been or is substantially completed, and the minimum of the estimated cost range for those sites where the investigation is in its earlier stages. There are inherent uncertainties associated with the estimated remaining costs for MGP projects primarily due to unknown site conditions and potential changes in regulatory agency requirements. It is possible that future cost estimates will be greater than current estimates as the investigation process proceeds and as additional facts become known. The amounts recognized as liabilities are reduced for expenditures incurred and are adjusted as further information develops or circumstances change. Costs of future expenditures for environmental remediation obligations are not discounted. Management currently estimates the range of remaining costs to be incurred for the investigation, remediation and monitoring of these sites to be $19 million ($17 million for IPL and $2 million for WPL) to $44 million ($40 million for IPL and $4 million for WPL). At September 30, 2012, Alliant Energy, IPL and WPL recorded $30 million, $27 million and $3 million, respectively, in current and non-current environmental liabilities for their remaining costs to be incurred for these MGP sites.

Other Environmental Contingencies - In addition to the environmental liabilities discussed above, Alliant Energy, IPL and WPL are also monitoring various environmental regulations that may have a significant impact on their future

operations. Given uncertainties regarding the outcome, timing and compliance plans for these environmental matters, Alliant Energy, IPL and WPL are currently not able to determine the complete financial impact of these regulations but do believe that future capital investments and/or modifications to their electric generating facilities to comply with these regulations could be significant. Specific current, proposed or potential environmental matters that may require significant future expenditures by Alliant Energy, IPL and WPL include, among others: CAIR, CSAPR, Clean Air Visibility Rule (CAVR), Utility MACT Rule, Wisconsin State Mercury Rule, Wisconsin RACT Rule, Ozone National Ambient Air Quality Standards (NAAQS) Rule, Fine Particle NAAQS Rule, Nitrogen Dioxide NAAQS Rule, SO2 NAAQS Rule, Industrial Boiler and Process Heater MACT Rule, Federal Clean Water Act including Section 316(b), Wisconsin and Iowa State Thermal Rules, Hydroelectric Fish Passage Device, Coal Combustion Residuals, Polychlorinated Biphenyls, and various legislation and EPA regulations to monitor and regulate the emission of greenhouse gases (GHG), including the EPA New Source Performance Standard (NSPS) for GHG Emissions from Electric Utilities and the EPA GHG Tailoring Rule. Some recent developments concerning these environmental matters are included below:

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Air Quality -
CSAPR - In August 2012, the D.C. Circuit Court issued its opinion vacating and remanding CSAPR for further revision to the EPA. The D.C. Circuit Court order also requires the EPA to continue administering CAIR pending the promulgation of a valid replacement for CSAPR. The requirements of CSAPR remain subject to further review by the D.C. Circuit Court and the EPA.

CAVR - In June 2012, the EPA published a final rule that would allow Best Available Retrofit Technology Rule (BART) obligations for SO_2 and NO_x emissions to be fulfilled by compliance with CSAPR. In June 2012, the EPA also finalized the Iowa and Minnesota CAVR plans, and in August 2012, the EPA finalized the Wisconsin CAVR plan. The Iowa, Minnesota and Wisconsin CAVR plans would require compliance with CSAPR to fulfill BART requirements for SO_2 and NO_x emission reductions. In August 2012, CSAPR requirements were vacated by the D.C. Circuit Court and the related rule that allowed for CAVR BART obligations to be met by CSAPR also became subject to legal challenges that are pending in the D.C. Circuit Court. It is unknown whether the EPA will allow BART to be fulfilled by CAIR, a modified CSAPR or another rule. This outcome remains uncertain pending the ongoing D.C. Circuit Court's review of these regulations and the EPA's responses to resolve the court orders on these rules.

Ozone NAAQS Rule - In May 2012, the EPA issued a final rule that classifies Sheboygan County in Wisconsin as marginal non-attainment, which requires this area to achieve the eight-hour ozone NAAQS by December 2015. WPL operates Edgewater and the Sheboygan Falls Energy Facility in Sheboygan County, Wisconsin.

Fine Particle NAAQS Rule - In June 2012, the EPA issued a proposed rule revising the fine particle primary NAAQS (PM2.5 NAAQS). The proposed rule would strengthen the annual standard from 15 micrograms per cubic meter (ug/m3) to a level between 12 ug/m3 and 13 ug/m3. In addition, the proposal would set a new 24-hour standard to improve visibility. The EPA is under a court order to issue the final rule by December 2012. The EPA is expected to designate non-attainment areas for the revised PM2.5 NAAQS by December 2014. Compliance with the final rule is expected to be required by 2019 for non-attainment areas designated in 2014.

Water Quality -
Hydroelectric Fish Passages Device - In March 2012, the Federal Energy Regulatory Commission (FERC) extended the deadline to install an agency-approved fish passage device at WPL's Prairie du Sac hydro plant to July 1, 2015.

GHG Emissions -
EPA NSPS for GHG Emissions from Electric Utilities - In April 2012, the EPA published proposed NSPS for GHG, including carbon dioxide (CO_2) emissions from new fossil-fueled electric generating units (EGUs) larger than 25 MW (not including simple-cycle combustion turbines), with an output-based emissions rate limitation of 1,000 pounds of CO_2 per MWh. This emissions rate limitation is expected to be effective upon the EPA's issuance of the final rule in the second quarter of 2013.

(12) SEGMENTS OF BUSINESS
Alliant Energy - Certain financial information relating to Alliant Energy's business segments is as follows. As of September 30, 2012, Alliant Energy's RMT business qualified as assets and liabilities held for sale. The operating results of RMT have been separately classified and reported as discontinued operations in Alliant Energy's Condensed Consolidated Statements of Income. As a result, Alliant Energy no longer reports "Non-regulated - RMT" segment information. Intersegment revenues were not material to Alliant Energy's operations.

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	Utility				Non-Regulated,	Alliant Energy
	Electric	Gas	Other	Total	Parent and Other	Consolidated
	(in millions)					
Three Months Ended September 30, 2012						
Operating revenues	$815.3	$46.8	$12.2	$874.3	$13.3	$887.6
Operating income	203.1	0.8	1.5	205.4	8.3	213.7
Amounts attributable to Alliant Energy common shareowners:						
Income (loss) from continuing operations, net of tax				159.2	(10.2)	149.0
Income from discontinued operations, net of tax				—	1.7	1.7
Net income (loss) attributable to Alliant Energy common shareowners				159.2	(8.5)	150.7
Three Months Ended September 30, 2011						
Operating revenues	$796.9	$46.4	$15.8	$859.1	$11.8	$870.9
Operating income (loss)	206.1	(2.8)	0.1	203.4	6.0	209.4
Amounts attributable to Alliant Energy common shareowners:						
Income (loss) from continuing operations, net of tax				148.9	(12.0)	136.9
Loss from discontinued operations, net of tax				—	(14.9)	(14.9)
Net income (loss) attributable to Alliant Energy common shareowners				148.9	(26.9)	122.0

	Utility				Non-Regulated,	Alliant Energy
	Electric	Gas	Other	Total	Parent and Other	Consolidated
	(in millions)					
Nine Months Ended September 30, 2012						
Operating revenues	$2,000.3	$263.9	$39.7	$2,303.9	$39.7	$2,343.6
Operating income	354.0	32.1	4.7	390.8	27.3	418.1
Amounts attributable to Alliant Energy common shareowners:						
Income from continuing operations, net of tax				237.4	16.4	253.8
Loss from discontinued operations, net of tax				—	(2.3)	(2.3)
Net income attributable to Alliant Energy common shareowners				237.4	14.1	251.5
Nine Months Ended September 30, 2011						
Operating revenues	$2,037.7	$342.5	$45.8	$2,426.0	$34.6	$2,460.6
Operating income (loss)	357.6	34.0	(2.3)	389.3	18.0	407.3
Amounts attributable to Alliant Energy common shareowners:						

Income from continuing operations, net of tax	236.0	23.2		259.2	
Loss from discontinued operations, net of tax	—	(12.6	)	(12.6	)
Net income attributable to Alliant Energy common shareowners	236.0	10.6		246.6	

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IPL - Certain financial information relating to IPL's business segments is as follows. Intersegment revenues were not material to IPL's operations.

	Electric	Gas	Other	Total
	(in millions)			
Three Months Ended September 30, 2012				
Operating revenues	$456.6	$29.6	$11.5	$497.7
Operating income	109.5	0.6	1.9	112.0
Earnings available for common stock				103.3
Three Months Ended September 30, 2011				
Operating revenues	$443.2	$27.5	$13.8	$484.5
Operating income (loss)	117.5	(1.3)	0.3	116.5
Earnings available for common stock				98.3
Nine Months Ended September 30, 2012				
Operating revenues	$1,070.7	$149.2	$37.2	$1,257.1
Operating income	149.3	15.6	6.4	171.3
Earnings available for common stock				115.2
Nine Months Ended September 30, 2011				
Operating revenues	$1,097.3	$198.1	$40.7	$1,336.1
Operating income	162.3	15.1	4.7	182.1
Earnings available for common stock				117.7

WPL - Certain financial information relating to WPL's business segments is as follows. Intersegment revenues were not material to WPL's operations.

	Electric	Gas	Other	Total
	(in millions)			
Three Months Ended September 30, 2012				
Operating revenues	$358.7	$17.2	$0.7	$376.6
Operating income	93.6	0.2	(0.4)	93.4
Earnings available for common stock				55.9
Three Months Ended September 30, 2011				
Operating revenues	$353.7	$18.9	$2.0	$374.6
Operating income (loss)	88.6	(1.5)	(0.2)	86.9
Earnings available for common stock				50.6
Nine Months Ended September 30, 2012				
Operating revenues	$929.6	$114.7	$2.5	$1,046.8
Operating income (loss)	204.7	16.5	(1.7)	219.5
Earnings available for common stock				122.2
Nine Months Ended September 30, 2011				
Operating revenues	$940.4	$144.4	$5.1	$1,089.9
Operating income (loss)	195.3	18.9	(7.0)	207.2
Earnings available for common stock				118.3

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(13) DISCONTINUED OPERATIONS AND ASSETS AND LIABILITIES HELD FOR SALE
In March 2011, Alliant Energy sold its Industrial Energy Applications, Inc. (IEA) business to narrow its strategic focus and risk profile and received net proceeds of $5 million. In June 2011, RMT sold its environmental business unit and received net proceeds of $12 million.

Alliant Energy is currently pursuing the disposal of the remainder of its RMT business in order to narrow its strategic focus and risk profile. Alliant Energy currently expects to complete the disposal of RMT in 2012. The RMT business qualified as assets and liabilities held for sale as of September 30, 2012.

The operating results of RMT and IEA have been separately classified and reported as discontinued operations in Alliant Energy's Condensed Consolidated Statements of Income. A summary of the components of discontinued operations in Alliant Energy's Condensed Consolidated Statements of Income for the three and nine months ended September 30 was as follows (in millions):

	Three Months		Nine Months	
	2012	2011	2012	2011
Operating revenues	$94.5	$150.7	$243.0	$326.6
Operating expenses	91.7	175.0	246.6	346.0
Interest expense and other	0.2	(0.2)	0.4	(0.1)
Income (loss) before income taxes	2.6	(24.1)	(4.0)	(19.3)
Income tax expense (benefit)	0.9	(9.2)	(1.7)	(6.7)
Income (loss) from discontinued operations, net of tax	$1.7	($14.9)	($2.3)	($12.6)

A summary of the assets and liabilities held for sale on Alliant Energy's Condensed Consolidated Balance Sheets was as follows (in millions):

	September 30, 2012	December 31, 2011
Assets held for sale:		
Property, plant and equipment, net	$—	$3.8
Current assets	51.1	115.5
Other assets	0.3	0.3
Total assets held for sale	51.4	119.6
Liabilities held for sale:		
Current liabilities	66.0	62.0
Other long-term liabilities and deferred credits	0.1	0.1
Total liabilities held for sale	66.1	62.1
Net assets (liabilities) held for sale	($14.7)	$57.5

A summary of the components of cash flows for discontinued operations for the nine months ended September 30 was as follows (in millions):

	2012	2011
Net cash flows from (used for) operating activities	$72.0	($79.5)
Net cash flows from (used for) investing activities	(0.2)	11.6
Net cash flows from (used for) financing activities (a)	(71.7)	49.6

(a) Includes intercompany borrowings.

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(14) ASSET RETIREMENT OBLIGATIONS (AROs)

A reconciliation of the changes in AROs associated with long-lived assets is as follows (in millions):

	Alliant Energy		IPL		WPL	
	2012	2011	2012	2011	2012	2011
Balance, January 1	$91.1	$75.9	$56.2	$43.6	$34.9	$32.3
Revisions in estimated cash flows (a)	(9.9)	7.8	(9.2)	7.7	(0.7)	0.1
Liabilities settled	(2.6)	(0.5)	(2.5)	(0.4)	(0.1)	(0.1)
Liabilities incurred (b)	16.0	4.0	—	3.1	7.6	0.9
Accretion expense	2.6	3.4	1.4	2.1	1.2	1.3
Balance, September 30	$97.2	$90.6	$45.9	$56.1	$42.9	$34.5

(a) For the nine months ended September 30, 2012 and 2011, IPL recorded revisions in estimated cash flows of ($8.2) million and $7.0 million, respectively, based on revised remediation timing and cost information for asbestos remediation at its Sixth Street Generating Station.

(b) For the nine months ended September 30, 2012, Resources recorded AROs of $8.4 million related to its Franklin County wind project and WPL recorded AROs of $7.6 million related to its Nelson Dewey generating station.

(15) VARIABLE INTEREST ENTITIES (VIEs)

After making an ongoing exhaustive effort, Alliant Energy and WPL concluded they were unable to obtain the information necessary from the counterparty (a subsidiary of Calpine Corporation) for the Riverside PPA for Alliant Energy and WPL to determine whether the counterparty is a VIE and if WPL is the primary beneficiary. This PPA is currently accounted for as an operating lease. The counterparty for the Riverside PPA sells a portion of its generating capacity to WPL and can sell its energy output to WPL. Alliant Energy's and WPL's maximum exposure to loss from this PPA is undeterminable due to the inability to obtain the necessary information to complete such evaluation. Alliant Energy's (primarily WPL's) costs, excluding fuel costs, related to the Riverside PPA were $29.7 million and $57.7 million for the three and nine months ended September 30, 2012, and $28.5 million and $55.4 million for the three and nine months ended September 30, 2011, respectively.

In April 2012, the PSCW approved WPL's Certificate of Authority (CA) application to acquire Riverside for approximately $393 million. In June 2012, FERC approved WPL's application to acquire Riverside. In August 2012, the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (HSR Act), required for WPL to acquire Riverside expired. WPL's purchase of Riverside would replace the 490 MW of electricity output currently obtained from the Riverside PPA to meet the long-term energy needs of its customers. WPL currently plans to complete the acquisition in December 2012.

(16) RELATED PARTIES

System Coordination and Operating Agreement - IPL and WPL are parties to a system coordination and operating agreement whereby Corporate Services serves as agent on behalf of IPL and WPL. The agreement, which has been approved or reviewed by FERC and all state regulatory bodies having jurisdiction, provides a contractual basis for coordinated planning, construction, operation and maintenance of the interconnected electric generation systems of IPL and WPL. As agent of the agreement, Corporate Services enters into energy, capacity, ancillary services, and transmission sale and purchase transactions. Corporate Services allocates such sales and purchases among IPL and WPL based on procedures included in the agreement. The sales credited to and purchases billed to IPL and WPL for the three and nine months ended September 30 were as follows (in millions):

	IPL				WPL			
	Three Months		Nine Months		Three Months		Nine Months	
	2012	2011	2012	2011	2012	2011	2012	2011
Sales credited	$3	$6	$7	$26	$4	$7	$10	$23

Purchases billed	87	93	237	238	13	20	50	56

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Service Agreement - Pursuant to a service agreement, IPL and WPL receive various administrative and general services from an affiliate, Corporate Services. These services are billed to IPL and WPL at cost based on expenses incurred by Corporate Services for the benefit of IPL and WPL, respectively. These costs consisted primarily of employee compensation, benefits and fees associated with various professional services. The amounts billed to IPL and WPL for the three and nine months ended September 30 were as follows (in millions):

	IPL				WPL			
	Three Months		Nine Months		Three Months		Nine Months	
	2012	2011	2012	2011	2012	2011	2012	2011
Corporate Services billings	$34	$37	$97	$117	$26	$29	$76	$93

Net intercompany payables to Corporate Services were as follows (in millions):

	IPL		WPL	
	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011
Net payables to Corporate Services	$80	$82	$49	$48

ATC - Pursuant to various agreements, WPL receives a range of transmission services from ATC. WPL provides operation, maintenance, and construction services to ATC. WPL and ATC also bill each other for use of shared facilities owned by each party. The related amounts billed between the parties for the three and nine months ended September 30 were as follows (in millions):

	Three Months		Nine Months	
	2012	2011	2012	2011
ATC billings to WPL	$22	$23	$67	$67
WPL billings to ATC	3	2	7	8

WPL owed ATC net amounts of $6 million as of September 30, 2012 and $6 million as of December 31, 2011.

IPL’s Sale of Certain Wind Project Assets to Resources - Pursuant to a wind development asset purchase and sale agreement, IPL sold Resources wind project assets for the Franklin County wind project at cost in the second quarter of 2011 for $115.3 million.

(17) EARNINGS PER SHARE

A reconciliation of the weighted average common shares outstanding used in the basic and diluted earnings per weighted average common share (EPS) calculation for the three and nine months ended September 30 was as follows (in thousands):

	Three Months		Nine Months	
	2012	2011	2012	2011
Weighted average common shares outstanding:				
Basic EPS calculation	110,768	110,647	110,747	110,613
Effect of dilutive share-based awards	11	48	16	55
Diluted EPS calculation	110,779	110,695	110,763	110,668

For the three and nine months ended September 30, 2012 and 2011, there were no potentially dilutive securities excluded from the calculation of diluted EPS.

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (MDA)

This MDA includes information relating to Alliant Energy, IPL and WPL, as well as Resources and Corporate Services. Where appropriate, information relating to a specific entity has been segregated and labeled as such. The following discussion and analysis should be read in conjunction with the Condensed Consolidated Financial Statements and Combined Notes to Condensed Consolidated Financial Statements included in this report as well as the financial statements, notes and MDA included in the 2011 Form 10-K. Unless otherwise noted, all “per share” references in MDA refer to earnings per diluted share.

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CONTENTS OF MDA

Alliant Energy's, IPL's and WPL's MDA consists of the following information:

- Executive Summary
- Strategic Overview
- Rate Matters
- Environmental Matters
- Legislative Matters
- Alliant Energy's Results of Operations
- IPL's Results of Operations
- WPL's Results of Operations
- Liquidity and Capital Resources
- Other Matters
- Market Risk Sensitive Instruments and Positions
- Critical Accounting Policies and Estimates
- Other Future Considerations

EXECUTIVE SUMMARY

Description of Business
General - Alliant Energy is an investor-owned public utility holding company whose primary subsidiaries are IPL, WPL, Resources and Corporate Services. IPL is a public utility engaged principally in the generation and distribution of electricity and the distribution and transportation of natural gas in selective markets in Iowa and southern Minnesota. WPL is a public utility engaged principally in the generation and distribution of electricity and the distribution and transportation of natural gas in selective markets in southern and central Wisconsin. WPL also owns an approximate 16% interest in ATC, a transmission-only utility operating in Wisconsin, Michigan, Illinois and Minnesota. Resources is the parent company for Alliant Energy's non-regulated businesses. Corporate Services provides administrative services to Alliant Energy and its subsidiaries. An illustration of Alliant Energy's primary businesses is shown below.

Alliant Energy

Utility and Corporate Services	Non-regulated and Parent (a)
- Electric and gas services in IA (IPL)	- Transportation (Resources)
- Electric and gas services in WI (WPL)	- Non-regulated Generation (Resources)
- 16% interest in ATC (WPL)	- Parent Company
- Electric and gas services in MN (IPL)	
- Corporate Services	

(a) In 2012, Alliant Energy announced plans to sell RMT in 2012. As of September 30, 2012, Alliant Energy's RMT business qualified as assets and liabilities held for sale. The operating results of RMT have been separately classified and reported as discontinued operations in Alliant Energy's Condensed Consolidated Statements of Income.

Financial Results

Alliant Energy's net income and EPS attributable to Alliant Energy common shareowners for the third quarter were as follows (dollars in millions, except per share amounts):

	2012		2011	
	Income (Loss)	EPS	Income (Loss)	EPS
Continuing operations:				
Utility and Corporate Services	$160.5	$1.45	$148.9	$1.35
Non-regulated and parent	(11.5)	(0.11)	(12.0)	(0.12)
Income from continuing operations	149.0	1.34	136.9	1.23
Income (loss) from discontinued operations	1.7	0.02	(14.9)	(0.13)
Net income	$150.7	$1.36	$122.0	$1.10

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The table above includes utility and Corporate Services, and non-regulated and parent EPS from continuing operations, which are non-GAAP financial measures. Alliant Energy believes utility and Corporate Services, and non-regulated and parent EPS from continuing operations are useful to investors because they facilitate an understanding of segment performance and trends and provide additional information about Alliant Energy's operations on a basis consistent with the measures that management uses to manage its operations and evaluate its performance. Alliant Energy's management also uses utility and Corporate Services EPS from continuing operations to determine incentive compensation.

Utility and Corporate Services - Higher income from continuing operations in the third quarter of 2012 compared to the same period in 2011 was primarily due to:

- $0.06 per share related to the impact of IPL's electric tax benefit rider in the third quarter of 2012 compared to the third quarter of 2011, which is not expected to have a material impact on the full year results;
- an estimated $0.04 per share increase in revenues from higher electric sales in the third quarter of 2012 compared to the third quarter of 2011 due to weather conditions;
- $0.03 per share of higher electric margins related to changes in the recovery of electric production fuel and energy purchases at WPL;
- $0.02 per share of charges for emission allowance forward contracts in the third quarter of 2011; and
- $0.02 per share of AFUDC related to emission controls projects at WPL in the third quarter of 2012.

These items were partially offset by:

- $0.02 per share of higher purchased electric capacity expenses related to the DAEC and Kewaunee PPAs in the third quarter of 2012 compared to the third quarter of 2011;
- $0.02 per share related to a contract cancellation charge at IPL in the third quarter of 2012; and
- $0.02 per share of higher depreciation expense in the third quarter of 2012 compared to the third quarter of 2011.

Non-regulated and parent - Higher income from continuing operations in the third quarter of 2012 compared to the same period in 2011 was primarily due to $0.02 per share of lower income tax expense at the parent company due to quarterly effective tax rate adjustments and higher earnings from the Transportation business. These items were substantially offset by a $0.02 per share decrease related to the impact of IPL's electric tax benefit rider at the parent company in the third quarter of 2012 compared to the third quarter of 2011. The quarterly effective tax rate adjustments and the tax benefit rider at the parent are not expected to have a material impact on the full year results.

Refer to "Alliant Energy's Results of Operations," "IPL's Results of Operations" and "WPL's Results of Operations" for additional details regarding the various factors impacting their respective earnings during the third quarters of 2012 and 2011.

Strategic Overview

Alliant Energy's, IPL's and WPL's strategic plans focus on their core business of delivering regulated electric and natural gas service in Iowa, Wisconsin and Minnesota. The strategic plans are built upon three key elements: competitive costs, safe and reliable service and balanced generation. The strategic plans for Alliant Energy, IPL and WPL include purchasing and/or constructing new natural gas-fired electric generating facilities; implementing emission controls and performance upgrades at their newer, larger and most efficient coal-fired electric generating facilities, and fuel switching at, and retirement of, certain older, smaller and less efficient generating facilities; entering into a new nuclear generation PPA related to DAEC; constructing a new wind generating facility at Resources; and evaluating potential future development of existing utility wind sites. Key strategic plan developments impacting Alliant Energy, IPL and WPL during 2012 include:

- April 2012 - The PSCW approved WPL's CA application to acquire Riverside for approximately $393 million. In June 2012, FERC approved WPL's application to acquire Riverside. In August 2012, the waiting period under the HSR Act

required for WPL to purchase Riverside expired. WPL currently plans to complete the acquisition in December 2012.

- April 2012 - IPL and MidAmerican each filed an updated Emissions Plan and Budget (EPB) with the IUB. IPL's EPB includes emission controls projects for Ottumwa Unit 1 and Lansing Unit 4. MidAmerican's EPB includes emission controls projects for George Neal Units 3 and 4. Alliant Energy and IPL currently expect the IUB to issue their decisions on IPL's and MidAmerican's EPBs by the first quarter of 2013.
- July 2012 - WPL announced plans to retire Edgewater Unit 3 and Nelson Dewey Units 1 and 2 by December 31, 2015, and fuel switch or retire Edgewater Unit 4 by December 31, 2018, subject to necessary approvals.
- July 2012 - WPL filed a CA application with the PSCW to install a scrubber and baghouse system at Edgewater Unit 5 to reduce SO2 emissions at the generating facility. WPL expects a decision from the PSCW regarding this emission controls project by the second quarter of 2013. Subject to regulatory approval of the project and the timing of such approvals, WPL expects to begin construction of the project in 2014 and place it in service in 2016.
- August 2012 - IPL announced it expects to file in the fourth quarter of 2012 for regulatory approvals to construct an approximate 600 MW natural gas-fired combined-cycle electric generating facility in Marshalltown, Iowa. The

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advanced rate-making principles filing is expected to include a fixed cost cap of $700 million, excluding AFUDC and transmission upgrade costs, and a return on common equity of 11.25%. The filing is also expected to include a request that any costs incurred in excess of the cost cap be incorporated into rates if determined to be reasonable and prudent. IPL expects to receive decisions on the required regulatory approvals for the new facility by 2014. Subject to regulatory approvals of the new facility and the timing of such approvals, IPL expects to begin construction of the facility in 2014 and place it in service by the second quarter of 2017.

- August 2012 - IPL filed for regulatory approvals to enter into a new PPA that was recently negotiated with NER, a subsidiary of NextEra Energy, Inc., for the purchase of capacity and energy generated by DAEC located near Palo, Iowa. These filings with the IUB will seek authority to recover the Iowa retail portion of the cost of the new PPA from Iowa retail electric customers through the energy adjustment clause. IPL expects to receive the IUB's decision on the new PPA by early 2013.
- November 2012 - IPL announced plans to retire Lansing Unit 3 and Dubuque Units 3 and 4 by December 31, 2014, and Fox Lake Units 1 and 3, Sutherland Units 1 and 3 and various other units by December 31, 2016. The retirement of IPL's Fox Lake Units 1 and 3 and Sutherland Units 1 and 3 is contingent on the approval and construction of the proposed Marshalltown Generating Station, among other necessary approvals.

Refer to "Strategic Overview" for additional details regarding strategic plan developments.

Rate Matters

Alliant Energy's utility subsidiaries, IPL and WPL, are subject to federal regulation by FERC, which has jurisdiction over wholesale electric rates, and state regulation in Iowa, Wisconsin and Minnesota for retail utility rates. Key regulatory developments impacting Alliant Energy, IPL and WPL during 2012 include:

- May 2012 - IPL filed a request with the IUB to increase annual rates for its Iowa retail gas customers by $15 million, or approximately 6%, to recover increased capital investments since IPL's last Iowa retail gas rate case filed in 2005. IPL's request included a proposal to utilize approximately $36 million of regulatory liabilities over a three-year period to credit bills of Iowa retail gas customers to help mitigate the impact of the proposed final rate increase on such customers. In conjunction with the filing, IPL implemented an interim retail gas rate increase of $9 million, or approximately 3%, on an annual basis, effective June 4, 2012, without regulatory review and subject to refund pending determination of final rates from the request. In August 2012, IPL, the Iowa OCA and the Iowa Consumers Coalition filed a unanimous settlement proposal with the IUB that includes an increase in annual rates for IPL's Iowa retail gas customers of $11 million, a 9.6% return on common equity after the application of double leverage and the gas tax benefit rider as proposed by IPL. The IUB is expected to issue its decision for this rate case by April 2013.
- May 2012 - IPL filed a request with the IUB for proposed changes to the energy adjustment clause rules in Iowa to include cost recovery of emission control chemicals and impacts of future EPA rule changes, including recovery of certain emission allowance costs. IPL also proposed to allow the option of including production tax credits and renewable energy credit revenues in the energy adjustment clause rules. IPL anticipates a decision by the IUB by the first quarter of 2013.
- May 2012 - The PSCW issued an order approving the implementation of updated depreciation rates for WPL effective January 1, 2013 as a result of a recently completed depreciation study. The updated depreciation rates reflect recovery of the remaining net book value of Nelson Dewey Units 1 and 2, and Edgewater Unit 3 over a 10-year period beginning January 1, 2013.
- July 2012 - WPL received an order from the PSCW authorizing WPL to implement a decrease in annual base rates for WPL's retail gas customers of $13 million effective January 1, 2013 followed by a freeze of such gas base rates through the end of 2014. The order also granted WPL authority to maintain customer base rates for its retail electric customers at their current levels through the end of 2014. Recovery of the costs for the planned acquisition of Riverside, the SCR project at Edgewater Unit 5 and the scrubber and baghouse projects at Columbia Units 1 and 2 is included in the order. The recovery of the costs for these capital projects is offset by decreases in rate base resulting from increased net deferred tax liabilities, the impact of changes in the amortizations of regulatory assets and regulatory liabilities, and the reduction of capacity payments. The order also included a return on common equity of

10.4% and the following related provisions: (1) WPL may request a change in retail base rates if its annual return on common equity falls below 8.5%; and (2) WPL must defer a portion of its earnings if its annual return on common equity exceeds 10.65%. The amount of earnings WPL must defer is equal to 50% of its excess earnings between 10.66% and 11.40% and 100% of any excess earnings above 11.40%.

- October 2012 - WPL received an oral decision from the PSCW authorizing an annual retail electric rate decrease of $29 million, or approximately 3%, to reflect anticipated decreases in retail fuel-related costs in 2013. WPL currently anticipates the 2013 fuel-related costs will be monitored using an annual bandwidth of plus or minus 2%. The rate change granted from this request is scheduled to be effective on January 1, 2013.

Refer to "Rate Matters" for additional details regarding regulatory developments.

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Environmental Matters

Alliant Energy, IPL and WPL are subject to regulation of environmental matters by various federal, state and local authorities. Key environmental developments during 2012 that may impact Alliant Energy, IPL and WPL include:

- March 2012 - FERC extended the deadline to install an agency-approved fish passage device at WPL's Prairie du Sac hydro plant to July 1, 2015.
- April 2012 - The EPA published proposed NSPS for GHG, including CO2 emissions from new fossil-fueled EGUs larger than 25 MW (not including simple-cycle combustion turbines), with an output-based emissions rate limitation of 1,000 pounds of CO2 per MWh. This emissions rate limitation is expected to be effective upon the EPA's issuance of the final rule in the second quarter of 2013. The proposed NSPS for new EGUs is expected to apply to IPL's proposed construction of an approximate 600 MW natural gas-fired combined-cycle electric generating facility in Marshalltown, Iowa.
- May 2012 - The EPA issued a final ozone NAAQS rule that classifies Sheboygan County in Wisconsin as marginal non-attainment, which requires this area to achieve the eight-hour ozone NAAQS of a level of 0.075 parts per million (ppm) by December 2015. WPL operates Edgewater and the Sheboygan Falls Energy Facility in Sheboygan County, Wisconsin.
- June 2012 - The EPA published a final CAVR rule that would allow BART obligations for SO2 and NOx emissions to be fulfilled by compliance with CSAPR. The EPA finalized the Iowa, Minnesota and Wisconsin CAVR plans, which would require compliance with CSAPR to fulfill BART requirements for SO2 and NOx emission reductions. In August 2012, CSAPR requirements were vacated by the D.C. Circuit Court and the related rule that allowed for CAVR BART obligations to be met by CSAPR also became subject to legal challenges that are pending in the D.C. Circuit Court. It is unknown whether the EPA will allow BART to be fulfilled by CAIR, a modified CSAPR or another rule.
- June 2012 - The EPA issued a proposed rule revising the PM2.5 NAAQS. The proposed rule would strengthen the annual standard from 15 ug/m3 to a level between 12 ug/m3 and 13 ug/m3. In addition, the proposal would set a new 24-hour standard to improve visibility as measured in deciviews of 28 to 30. The EPA is under a court order to issue the final rule by December 2012. Compliance with the final rule is expected to be required by 2019 for non-attainment areas designated in 2014.
- August 2012 - The D.C. Circuit Court issued its opinion vacating CSAPR and remanding it for further revision to the EPA. The D.C. Circuit Court order also requires the EPA to continue administering CAIR pending the promulgation of a valid replacement for CSAPR.

Refer to "Environmental Matters" for additional details regarding environmental developments.

Liquidity and Capital Resources

Based on their current liquidity positions and capital structures, Alliant Energy, IPL and WPL believe they will be able to secure the additional capital required to implement their strategic plans and to meet their long-term contractual obligations. Key financing developments impacting Alliant Energy, IPL and WPL during 2012 include:

- March 2012 - FERC authorized Corporate Services to issue up to $150 million in long-term debt securities and to maintain up to $200 million in short-term debt securities outstanding (including borrowings from its parent or other affiliates) during the period from March 31, 2012 through March 30, 2014.
- March 2012 - IPL extended through March 2014 the purchase commitment from the third-party financial institution to which it sells its receivables.
- April 2012 - Alliant Energy exercised its option under the corporate headquarters lease and purchased the building at the expiration of the lease term for $48 million.
- May 2012 - WPL received authorization from the PSCW to arrange one or more interim credit facilities not to exceed 364 days in length for the prospective purchase of Riverside and to increase the short-term debt limit up to $700 million. This authorization expires the earlier of when such acquisition-related short-term debt has been refinanced with long-term debt, or January 31, 2014.
-

September 2012 - Corporate Services issued $75 million of 3.45% senior notes due 2022. The proceeds from the September 2012 issuance were used by Corporate Services to repay short-term debt primarily incurred for the purchase of the corporate headquarters building and for general working capital purposes.

- September 2012 - Moody's Investors Service affirmed the current credit ratings for Alliant Energy, IPL and WPL and changed each of their credit rating outlooks from negative to stable.
- September 2012 - At September 30, 2012, Alliant Energy and its subsidiaries had $880 million of available capacity under their revolving credit facilities, $125 million of available capacity at IPL under its sales of accounts receivable program and $41 million of cash and cash equivalents.

Refer to "Liquidity and Capital Resources" for additional details regarding financing developments.

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Other Matters

Other key developments in 2012 that could impact Alliant Energy's, IPL's or WPL's future financial condition or results of operations are as follows:

- September 2012 - ITC and ATC finalized their respective Attachment "O" rates they propose to charge their customers in 2013 for electric transmission services. The increase in ITC's and ATC's Attachment "O" rates, as well as MISO transmission charges for shared transmission projects, are expected to contribute to material increases in future electric transmission service charges for IPL and WPL. Alliant Energy, IPL and WPL currently estimate their electric transmission service expenses in 2013 will be approximately $80 million, $70 million and $10 million, respectively, higher than the comparable expenses anticipated in 2012. A significant portion of the increase in IPL's electric transmission service expenses is expected to be offset with increases in electric revenues resulting from the automatic transmission cost recovery rider approved by the IUB and implemented in 2011. Recovery of the increases in WPL's electric transmission service expenses for 2013 and 2014 was requested as part of WPL's retail electric and gas rate case for the 2013/2014 test period.
- September 2012 - IPL filed a formal complaint with FERC alleging that ITC's Attachment "FF" tariff is unjust, unreasonable and unduly discriminatory to IPL and its customers. In the complaint, IPL alleges that its customers have incurred and are expected to incur in the future incremental costs as compared to costs that would have been charged under the version of Attachment "FF" tariff applicable in the majority of the MISO pricing zones without obtaining equal benefits. IPL requested in its formal complaint that FERC investigate ITC's Attachment "FF" tariff, establish a refund date of September 14, 2012 with respect to the complaint and establish hearing procedures.

Refer to "Other Matters" for additional details regarding potential impacts to future financial condition and results of operations.

STRATEGIC OVERVIEW

A summary of Alliant Energy's, IPL's and WPL's strategic overview is included in the 2011 Form 10-K and has not changed materially from the items reported in the 2011 Form 10-K, except as described below.

Generation Plans - One of the key components of Alliant Energy's, IPL's and WPL's strategic plans is focused on a balanced and flexible portfolio of energy resources that will meet their customers' near-term and long-term energy needs. The current generation plans include a diversified portfolio of energy resources:

- Natural gas - purchasing and/or constructing new natural gas-fired EGUs;
- Coal - implementing emission controls and performance upgrades at their newer, larger and most efficient coal-fired EGUs, and fuel switching at, and retirement of, certain older, smaller and less efficient coal-fired EGUs;
- Nuclear - entering into a new nuclear generation PPA related to DAEC; and
- Renewable - constructing a new wind generating facility at Resources and evaluating potential future development of existing wind sites.

Natural Gas-Fired Generation -

IPL's Construction of a Natural Gas-Fired Electric Generating Facility - IPL expects to file in the fourth quarter of 2012 for regulatory approvals to construct an approximate 600 MW natural gas-fired combined-cycle electric generating facility in Marshalltown, Iowa. These filings include a Certificate of Public Convenience, Use and Necessity application and an advanced rate-making principles filing, which are both required to be approved by the IUB prior to construction of the new facility. The advanced rate-making principles filing is expected to include a fixed cost cap of $700 million, excluding AFUDC and transmission upgrade costs, and a return on common equity of 11.25%. In addition, the filing is expected to include a request that any costs incurred in excess of the cost cap be incorporated into rates if determined to be reasonable and prudent. This new facility is expected to meet a portion of IPL's long-term energy resource requirements caused by projected growth in customer demand and the impacts of anticipated retirements of IPL's older, smaller and less efficient coal-fired and peaking EGUs due to the age of such

units and operational and environmental compliance considerations. IPL expects to receive decisions on the required regulatory approvals for the new facility by 2014. Subject to regulatory approvals of the new facility and the timing of such approvals, IPL expects to begin construction of the facility in 2014 and place it in service by the second quarter of 2017. Refer to "Liquidity and Capital Resources - Construction and Acquisition Expenditures" for details regarding the capital expenditures in 2012 through 2016 currently anticipated for this facility.

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WPL's Purchase of Riverside - In April 2012, the PSCW approved WPL's CA application to acquire Riverside for approximately $393 million. Refer to "Rate Matters" for discussion of the recovery of the Riverside acquisition costs from WPL's retail electric customers addressed in the PSCW's order issued in July 2012 related to WPL's Wisconsin retail electric and gas rate case (2013/2014 test period). In June 2012, FERC approved WPL's application to acquire Riverside. WPL will evaluate whether any post-closing accounting filings with FERC are required, which may impact the amount of the purchase price that is recoverable from WPL's wholesale customers. In August 2012, the waiting period under the HSR Act required for WPL to acquire Riverside expired. WPL's purchase of Riverside would replace the 490 MW of electricity output currently obtained from the Riverside PPA to meet the long-term energy needs of its customers. WPL currently plans to complete the acquisition in December 2012.

Coal-Fired Generation -
Emission Controls Projects - Alliant Energy's, IPL's and WPL's strategic plans include new emission controls at IPL's and WPL's newer, larger and more efficient coal-fired EGUs to continue producing affordable energy for customers and to benefit the environment. Refer to "Environmental Compliance Plans" below for details regarding these emission controls projects including the capital expenditures in 2012 through 2016 currently anticipated for these projects.

Generation Improvement Projects - Alliant Energy's, IPL's and WPL's strategic plans include investments in performance and reliability improvements at their newer, larger and most efficient coal-fired EGUs including IPL's Lansing Unit 4 and Ottumwa Unit 1, and WPL's Edgewater Unit 5 and Columbia Units 1 and 2. Refer to "Liquidity and Capital Resources - Construction and Acquisition Expenditures" for details regarding the capital expenditures in 2012 through 2016 currently anticipated for these generation performance improvement projects.

Plant Retirements or Fuel Switching - Alliant Energy's, IPL's and WPL's current strategic plans include the retirement of, and fuel switching at, several older, smaller and less efficient EGUs. The following table provides a list of the EGUs recently retired as well as EGUs that may be retired or changed from coal-fired to an alternative fuel source in the next 5 years.

EGU (In-Service Year)	Nameplate Rated Capacity (a)	Actual / Expected Action
IPL:		
Sixth Street Units (1900-1950)	85 MW	Retired in 2010
Dubuque Unit 2 (1929)	15 MW	Retired in 2010
M.L. Kapp Unit 1 (1947)	19 MW	Retired in 2010
Prairie Creek Unit 2 (1951)	23 MW	Retired in 2010
Sutherland Unit 2 (1955)	38 MW	Retired in 2010
Lansing Unit 2 (1949)	12 MW	Retired in 2010
Lansing Unit 3 (1957)	38 MW	Retire by December 31, 2014
Dubuque Unit 3 (1952)	29 MW	Retire by December 31, 2014 (b) (c)
Dubuque Unit 4 (1959)	38 MW	Retire by December 31, 2014 (b) (c)
Fox Lake Unit 1 (1950)	12 MW	Retire by December 31, 2016 (d)
Fox Lake Unit 3 (1962)	82 MW	Retire by December 31, 2016 (b) (d)
Sutherland Unit 1 (1955)	38 MW	Retire by December 31, 2016 (d) (e)
Sutherland Unit 3 (1961)	82 MW	Retire by December 31, 2016 (d) (e)
Other units	Approximately 230 MW	Retire by December 31, 2016 (d)
WPL:		
Edgewater Unit 3 (1951)	60 MW	Retire by December 31, 2015 (b)
Nelson Dewey Unit 1 (1959)	100 MW	Retire by December 31, 2015 (b)
Nelson Dewey Unit 2 (1962)	100 MW	Retire by December 31, 2015 (b)
Edgewater Unit 4 (1969)	225 MW (f)	Fuel switch or retire by December 31, 2018

(a) Nameplate rated capacity represents the nominal amount of electricity an EGU is designed to produce. Each EGU is also assessed a generating capacity amount from the Midwest Independent Transmission System Operator (MISO) through its annual resource adequacy process. The generating capacity amount assessed by MISO is subject to change each year and is based upon the current performance capability of the EGU and is reduced based on historical forced outages.

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(b) Final MISO studies could indicate that the retirement of Dubuque Units 3 and 4, Fox Lake Unit 3, Edgewater Unit 3 and Nelson Dewey Units 1 and 2 may result in reliability issues and that transmission upgrades are necessary to enable the retirement. Under the current MISO tariff, the specific timing for the retirement of these EGUs could depend on the timing of the required transmission upgrades as well as various operational, market and other factors.

(c) Dubuque Units 3 and 4 ceased coal firing in 2011 and are currently fueled with natural gas.

(d) The retirement of IPL's Fox Lake Units 1 and 3, Sutherland Units 1 and 3 and Other units is contingent on the approval and construction of the proposed Marshalltown Generating Station.

(e) Sutherland Units 1 and 3 ceased coal firing in 2012 and are currently fueled with natural gas.

(f) Reflects WPL's 68.2% ownership interest in Edgewater Unit 4.

IPL and WPL will work with MISO, state regulatory commissions and other regulatory agencies, as required, to determine the final timing of these actions. The expected dates for the retirement and fuel switching of these units are subject to change depending on operational, regulatory, market and other factors. Alliant Energy, IPL and WPL will also continue to evaluate the potential retirement of other EGUs within their generation fleets.

Nuclear Generation -
IPL's DAEC PPA - In August 2012, IPL filed for regulatory approvals to enter into a new PPA that was recently negotiated with NER, a subsidiary of NextEra Energy, Inc., for the purchase of capacity and energy generated by DAEC located near Palo, Iowa. These filings with the IUB seek authority to recover the Iowa retail portion of the cost of the new PPA from Iowa retail electric customers through the energy adjustment clause. The terms of the PPA provide IPL the right to NER's entire output quantities (70% of the total plant output) in exchange for payment from IPL to NER based on the amount of MWhs received by IPL. IPL has agreed to purchase 431 MWs of capacity and the resulting energy from DAEC for a term from the expiration of the existing PPA in February 2014 through December 31, 2025. Among the terms and conditions of the PPA are guarantees by NER to provide minimum amounts of capacity and energy. The PPA also contains provisions for the replacement of energy from alternative sources under certain conditions as well as provisions that convey to IPL the potential environmental attributes associated with its portion of the output from DAEC. In September 2012, the IUB issued an order setting an updated procedural schedule, with an evidentiary hearing in December 2012. IPL expects to receive the IUB's decision on the new PPA by early 2013.

WPL's Kewaunee PPA - In October 2012, Dominion Resources, Inc. (Dominion) announced plans to shut down Kewaunee in the second quarter of 2013. WPL currently expects that Dominion will provide WPL replacement energy and capacity under the terms of the Kewaunee PPA after the plant is shut down through the end of the PPA term in December 2013. As a result, WPL currently expects no material changes to the expected energy and capacity payments under the PPA.

Wind Generation -
Resources' Franklin County Wind Project - Alliant Energy has substantially completed the installation of wind turbines for the project and expects the project to begin generating electricity in the fourth quarter of 2012. Alliant Energy anticipates the cost of the project will be approximately $235 million, excluding capitalized interest. Refer to Notes 1(c) and 1(d) of the "Combined Notes to Condensed Consolidated Financial Statements" for further discussion of the Franklin County wind project.

WPL's Bent Tree Wind Project - In July 2012, the Wisconsin Supreme Court affirmed the Dane County Circuit Court's decision that denied the Petition for Review filed by the Wisconsin Industrial Energy Group, Inc. and Citizens Utility Board seeking judicial review of: (1) the PSCW's 2008 interim order that determined WPL's application for the Bent Tree - Phase I wind project must be reviewed under the CA statute and not the Certificate of Public Convenience and

Necessity statute; and (2) the PSCW's 2009 final order that granted WPL a CA to construct the Bent Tree - Phase I wind project.

IPL and WPL have additional wind sites that are available for future development. The timing of the future development of these additional wind sites will depend on numerous factors such as changes in customer demand, renewable portfolio standards, environmental requirements, electricity and fossil fuel prices, wind project costs, technology advancements and transmission capabilities.

Environmental Compliance Plans - Alliant Energy, IPL and WPL have developed environmental compliance plans to help ensure cost effective compliance with current and proposed environmental laws and regulations. The following table provides current estimates of capital expenditures planned for 2012 through 2016 as well as the total project costs for emission controls projects included in Alliant Energy's, IPL's and WPL's current environmental compliance plans (in millions):

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Generating Unit	Expected In-Service Date	Technology	2012	2013	2014	2015	2016	Total Project Cost
IPL:								
George Neal Units 3 & 4 (a)	2013/2014	Scrubber & Baghouse	$45	$60	$30	$—	$—	$120-$140
Ottumwa Unit 1	2014	Scrubber & Baghouse	65	65	25	—	—	150-170
Lansing Unit 4	2015	Scrubber	5	15	30	10	—	50-60
Other		Various	—	45	35	5	5	
			115	185	120	15	5	
WPL:								
Edgewater Unit 5	2012	SCR	60	5	—	—	—	140-145
Columbia Units 1 & 2	2014	Scrubber & Baghouse	115	145	20	—	—	280-310
Edgewater Unit 5	2016	Scrubber & Baghouse	—	15	70	185	140	390-430
Other		Various	—	5	—	—	20	
			175	170	90	185	160	
Alliant Energy			$290	$355	$210	$200	$165	

(a) George Neal Units 3 and 4 are operated by MidAmerican. IPL owns a 28% interest in George Neal Unit 3 and a 25.695% interest in George Neal Unit 4.

These capital expenditure estimates represent IPL's or WPL's respective portion of the total escalated capital expenditures and exclude AFUDC, if applicable. Capital expenditure estimates are subject to change based on future changes to plant-specific costs of emission control technologies and environmental requirements. The D.C. Circuit Court decision in August 2012 that vacates CSAPR and requires the EPA to continue administering CAIR is not expected to impact Alliant Energy's, IPL's and WPL's environmental controls projects included in their current environmental compliance plans, which are disclosed in the table above.

IPL's Emission Controls Projects - In April 2012, IPL and MidAmerican each filed an updated EPB with the IUB. IPL's EPB includes emission controls projects for Ottumwa Unit 1 and Lansing Unit 4. MidAmerican's EPB includes emission controls projects for George Neal Units 3 and 4. In September 2012, MidAmerican filed with the IUB a settlement on its EPB reached with the OCA. In November 2012, IPL filed with the IUB a settlement on its EPB reached with the OCA. The settlements reached with the OCA include the emission controls projects for Ottumwa Unit 1, Lansing Unit 4 and George Neal Units 3 and 4 included in the table above. Alliant Energy and IPL currently expect the IUB to issue their decisions on IPL's and MidAmerican's EPBs by the first quarter of 2013.

WPL's Emission Controls Projects -
Edgewater Unit 5 - In July 2012, WPL filed a CA application with the PSCW to install a scrubber and baghouse system at Edgewater Unit 5 to reduce SO2 emissions at the generating facility. WPL expects a decision from the PSCW regarding this emission controls project by the second quarter of 2013. Subject to regulatory approval of the project and the timing of such approvals, WPL expects to begin construction of the project in 2014 and place it in service in 2016. The scrubber and baghouse system is expected to support compliance obligations for current and anticipated air quality regulatory requirements, including CAIR, a modified CSAPR or some alternative to these rules that may be implemented.

RATE MATTERS

A summary of Alliant Energy’s, IPL’s and WPL’s rate matters is included in the 2011 Form 10-K and has not changed materially from the items reported in the 2011 Form 10-K, except as described below.

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Recent Retail Base Rate Filings - Details of IPL's and WPL's recent retail base rate cases impacting their historical and future results of operations are as follows (dollars in millions; Electric (E); Gas (G); Not Applicable (N/A); To Be Determined (TBD)):

Retail Base Rate Cases	Utility Type	Filing Date	Interim Increase Implemented (a)(b)	Interim Effective Date	Final Increase/(Decrease) Granted (b)	Actual/ Expected Final Effective Date
WPL:						
Wisconsin 2013/2014 Test Period	E/G	May-12	N/A	N/A	E-$0;G-($13)	Jan-13
IPL:						
Iowa 2011 Test Year	G	May-12	$9	Jun-12	TBD	Apr-13
Minnesota 2009 Test Year	E	May-10	14	Jul-10	8	Feb-12 (c)
Iowa 2009 Test Year	E	Mar-10	119	Mar-10	114	Apr-11

(a) In Iowa, IPL's interim rates can be implemented 10 days after the filing date, without regulatory review and are subject to refund, pending determination of final rates. In Minnesota, IPL's interim rates can be implemented 60 days after the filing date, with regulatory review and are subject to refund, pending determination of final rates. The amount of the interim rates is replaced by the amount of final rates once the final rates are granted.

(b) Base rate changes reflect both returns on additions to infrastructure and recovery of changes in costs incurred or expected to be incurred. Given that a portion of the rate changes will offset changes in costs, revenues from rate changes should not be expected to result in an equal change in income for either IPL or WPL.

(c) The final recovery amount for the Minnesota retail portion of IPL's Whispering Willow - East wind project construction costs will be addressed in a separate proceeding that is currently expected to be completed in 2013.

WPL's Wisconsin Retail Electric and Gas Rate Case (2013/2014 Test Period) - In May 2012, after discussions with PSCW staff and major intervener groups, WPL filed a retail base rate filing based on a forward-looking test period that includes 2013 and 2014. The filing requested approval for WPL to implement a decrease in annual base rates for WPL's retail gas customers of $13 million effective January 1, 2013 followed by a freeze of such gas base rates through the end of 2014. The filing also requested authority to maintain customer base rates for WPL's retail electric customers at their current levels through the end of 2014. Recovery of the costs for the planned acquisition of Riverside, the SCR project at Edgewater Unit 5 and the scrubber and baghouse projects at Columbia Units 1 and 2 is included in the request. The recovery of the costs for these capital projects is offset by decreases in rate base resulting from increased net deferred tax liabilities, the impact of changes in the amortizations of regulatory assets and regulatory liabilities, and the reduction of capacity payments. WPL's May 2012 retail base rate filing included a return on common equity of 10.4% and the following related provisions: (1) WPL may request a change in retail base rates if its annual return on common equity falls below 8.5%; and (2) WPL must defer a portion of its earnings if its annual return on common equity exceeds 10.65%. The amount of earnings WPL must defer is equal to 50% of its excess earnings between 10.66% and 11.40% and 100% of any excess earnings above 11.40%. In addition, the filing requested WPL maintain its ability to request deferrals based on current practices. The retail base rate filing in May 2012 also included the following key assumptions (dollars in billions; Common Equity (CE); Preferred Equity (PE); Long-term Debt (LD); Short-term Debt (SD); Weighted-average Cost of Capital (WACC)):

Utility	Test	Regulatory Capital Structure				After-tax	Average
Type	Period	CE	PE	LD	SD	WACC	Rate Base (a)
Electric	2013	49.3%	2.0%	45.5%	3.2%	7.8%	$2.1
Electric	2014	49.4%	1.9%	44.2%	4.5%	7.8%	2.2
Gas	2013	49.3%	2.0%	45.5%	3.2%	7.8%	0.2
Gas	2014	49.4%	1.9%	44.2%	4.5%	7.8%	0.2

(a) Average rate base is calculated using a 13-month average.

In July 2012, WPL received an order from the PSCW authorizing WPL to implement its retail base rate filing as requested. The fuel-related cost component of WPL's retail electric rates for 2013 and 2014 will be addressed in separate filings. Refer to "WPL's Retail Fuel-related Rate Filings" below for information on WPL's retail fuel-related cost filing for 2013. WPL currently expects to make a retail fuel-related cost filing for 2014 in the second or third quarter of 2013. Refer to Note 1(b) of the "Combined Notes to Condensed Consolidated Financial Statements" for details of increases to "Regulatory assets" on Alliant Energy's and WPL's Condensed Consolidated Balance Sheets and regulatory-related credits to "Utility - Other operation and maintenance" in Alliant Energy's and WPL's Condensed Consolidated Statements of Income during the nine

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months ended September 30, 2012 as a result of the PSCW's order authorizing WPL to recover previously incurred costs associated with the acquisition of a 25% interest in Edgewater Unit 5 and proposed clean air compliance plan projects.

IPL's Iowa Retail Gas Rate Case (2011 Test Year) - In May 2012, IPL filed a request with the IUB to increase annual rates for its Iowa retail gas customers by $15 million, or approximately 6%. The request was based on a 2011 historical test year as adjusted for certain known and measurable changes occurring up to 12 months after the commencement of the proceeding. The key drivers for the filing included recovery of capital investments since IPL's last Iowa retail gas rate case filed in 2005. In conjunction with the filing, IPL implemented an interim retail gas rate increase of $9 million, or approximately 3%, on an annual basis, effective June 4, 2012, without regulatory review and subject to refund pending determination of final rates from the request.

In August 2012, IPL, the Iowa OCA and the Iowa Consumers Coalition filed a unanimous settlement proposal with the IUB addressing all issues among these parties related to this rate case. The parties have agreed to an increase in annual rates for IPL's Iowa retail gas customers of $11 million and a 9.6% return on common equity after the application of double leverage. The parties also agreed to IPL's proposed tax benefit rider discussed below. Because the increase in annual rates of $11 million in the settlement is greater than the interim rate increase of $9 million, customer refunds of interim rates would not be necessary under the settlement.

IPL's request for a final rate increase of $15 million, the interim rate increase of $9 million and the settlement proposal for a final rate increase of $11 million were calculated based on the following:

	Initial Rate Request (a)	Interim Rates Implemented (b)	Final Rates Requested in Settlement Proposal (c)
Return on common equity	10.9%	9.9%	9.6%
Regulatory capital structure:			
Common equity	48.7%	48.6%	48.8%
Preferred equity	5.1%	5.3%	5.0%
Long-term debt	46.2%	46.1%	46.2%
After-tax WACC	8.5%	8.0%	7.8%
Average rate base (d)	$264 million	$258 million	$255 million

(a) IPL did not apply double leverage to the return on common equity and after-tax WACC used to determine the rate increase requested in its May 2012 filing with the IUB.

(b) For interim rates, return on common equity and after-tax WACC reflects application of double leverage. Prior to the application of double leverage, return on common equity for interim rates is 10.4% and after-tax WACC is 8.3%.

(c) For final rates per the settlement proposal, return on common equity and after-tax WACC reflects application of double leverage. Prior to the application of double leverage, return on common equity for final rates per the settlement proposal is 10.0% and after-tax WACC was 8.0%.

(d) Average rate base is calculated using a 13-month average.

Gas Tax Benefit Rider - IPL's May 2012 retail gas rate case filing with the IUB included a proposal to utilize regulatory liabilities to credit bills of Iowa retail gas customers to help mitigate the impact of the proposed final rate increase on such customers. IPL is proposing to reduce customer bills utilizing a gas tax benefit rider over a three-year period by approximately $36 million in aggregate. In the unanimous settlement proposal filed with the IUB in August 2012, all parties agreed to IPL's proposed utilization of a gas tax benefit rider over a three-year period.

The unanimous settlement proposal and the gas tax benefit rider proposal for this rate case are subject to approval by the IUB. The IUB established a December 2012 hearing date to address the issues in this rate case and is expected to issue its decision by April 2013.

IPL's Minnesota Retail Electric Rate Case (2009 Test Year) - In May 2010, IPL filed a request with the MPUC to increase annual rates for its Minnesota retail electric customers. In conjunction with the filing, IPL implemented an interim retail rate increase of $14 million, on an annual basis, effective July 6, 2010. The interim retail rate increase was approved by the MPUC, subject to refund pending determination of final rates from the request. In November 2011, IPL received an order from the MPUC establishing a final annual retail electric rate increase equivalent to $11 million. The final annual retail electric rate increase of $11 million includes $8 million of higher base rates, $2 million from the temporary renewable energy rider and $1 million from the utilization of regulatory liabilities to offset higher electric transmission service costs. Because

the final rate increase level was below the interim retail rate increase level implemented in July 2010, IPL refunded $4 million to its Minnesota retail electric customers in the first half of 2012.

Refer to Note 1(b) of the "Combined Notes to Condensed Consolidated Financial Statements" for discussion of changes to regulatory assets and regulatory liabilities during the nine months ended September 30, 2011 based on the MPUC's decisions to provide IPL's retail electric customers in Minnesota additional refunds from the gain on the sale of electric transmission assets in 2007 and to provide IPL recovery of $2 million of previously incurred costs for Sutherland #4. Refer to Note 1(c) of the "Combined Notes to Condensed Consolidated Financial Statements" for discussion of an impairment recognized during the nine months ended September 30, 2011 based on the MPUC's decision regarding the recovery of IPL's Whispering Willow - East wind project costs.

IPL's Iowa Retail Electric Rate Case (2009 Test Year) - In March 2010, IPL filed a request with the IUB to increase annual rates for its Iowa retail electric customers. In conjunction with the filing, IPL implemented an interim retail electric rate increase of $119 million, or approximately 10%, on an annual basis, effective March 20, 2010, without regulatory review and subject to refund pending determination of final rates. In February 2011, IPL received an order from the IUB authorizing a final annual retail electric rate increase of $114 million, or approximately 10%. Because the final rate increase level was below the interim rate increase level implemented in March 2010, IPL refunded $5 million to its Iowa retail customers in 2011.

Electric Tax Benefit Rider - In January 2011, the IUB approved an electric tax benefit rider proposed by IPL in its Iowa retail electric rate case (2009 test year). The electric tax benefit rider, which was implemented in late February 2011, utilizes regulatory liabilities to credit bills of Iowa retail customers to help offset the impact of recent rate increases on such customers. These credits on customers' electric bills reduce electric revenues each quarter based on customers' kilowatt-hour usage, which is fairly consistent throughout each calendar year. The electric tax benefit rider also results in a reduction in income tax expense from the benefits of certain tax initiatives. While the electric tax benefit rider is not expected to have a material impact on total year earnings, it does result in considerable quarterly variations in earnings due to the accounting rules for recording income taxes in interim financial statements. According to these rules, the offsetting tax benefits from the electric tax benefit rider are recorded based on the percentage of annual expected earnings each quarter, which fluctuates significantly causing considerable quarterly variation in the income tax benefits from the electric tax benefit rider. Increases (decreases) in earnings from the impact of the electric tax benefit rider for the three and nine months ended September 30 were as follows (in millions):

	Three Months		Nine Months	
	2012	2011	2012	2011
Alliant Energy parent company	($12)	($12)	($2)	($6)
IPL	19	13	4	6
Alliant Energy	$7	$1	$2	$—

As of September 30, 2012, Alliant Energy's and IPL's remaining regulatory liabilities related to the tax benefit riders were $327 million, which includes amounts attributable to both electric and gas retail customers in Iowa. Refer to Note 4 of the "Combined Notes to Condensed Consolidated Financial Statements," "Results of Operations - Income Taxes" and "Other Future Considerations" for additional discussion of the impact of the electric tax benefit rider on Alliant Energy's and IPL's income tax expense and effective income tax rates.

Management Audit - As part of the IUB's February 2011 order related to IPL's Iowa retail electric rate case (2009 test year), the IUB outlined plans for IPL's management activities to be audited by a third-party vendor. This audit commenced in the third quarter of 2011. In September 2012, the IUB accepted the final IPL management audit report issued by the third-party vendor. In response to the audit, IPL expects to file a progress report by April 1, 2013 and its

initial status report by October 1, 2013. Alliant Energy and IPL do not currently believe that the final report will have a significant impact upon their financial condition or results of operations.

WPL's Retail Fuel-related Rate Filings -
2013 Test Year - In June 2012, WPL filed a request with the PSCW to decrease annual rates for WPL's retail electric customers by $25 million, or approximately 2%, to reflect anticipated decreases in retail electric production fuel and energy purchases costs (fuel-related costs) in 2013 compared to the fuel-related cost estimates used to determine rates for 2012. In October 2012, WPL received an oral decision from the PSCW authorizing an annual retail electric rate decrease of $29 million, or approximately 3%, related to expected changes in retail fuel-related costs. The 2013 fuel-related costs approved by the PSCW were based on forecasted energy market prices for 2013, which were updated in October 2012. WPL currently

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anticipates that the 2013 fuel-related costs will be monitored using an annual bandwidth of plus or minus 2%. The rate change granted from this request is scheduled to be effective on January 1, 2013.

2012 Test Year - In December 2011, WPL received an order from the PSCW authorizing an annual retail electric rate increase of $4 million related to expected changes in retail fuel-related costs for 2012. The December 2011 order also required WPL to defer direct CSAPR compliance costs that are not included in the fuel monitoring level and set a zero percent tolerance band for the CSAPR-related deferral. The 2012 fuel-related costs, excluding deferred CSAPR compliance costs, will be monitored using an annual bandwidth of plus or minus 2%. The retail electric rate increase granted from this request was effective January 1, 2012. Retail fuel-related costs incurred by WPL for the period from January 2012 through September 2012 were lower than retail fuel-related costs used to determine rates. WPL currently projects that its retail fuel-related costs for the 2012 calendar year will remain lower than the approved fuel monitoring level by more than the 2% bandwidth resulting in future refunds anticipated to be paid to WPL's retail electric customers. As of September 30, 2012, Alliant Energy and WPL recorded $5 million in regulatory liabilities on their Condensed Consolidated Balance Sheets for refunds anticipated to be paid to WPL's retail electric customers.

Proposed Rule Changes -
Proposed Changes to Energy Adjustment Clause Rules in Iowa - In May 2012, IPL filed a request with the IUB for proposed changes to the energy adjustment clause rules in Iowa. IPL proposed modifications to include cost recovery of emission control chemicals and impacts of future EPA rule changes, including recovery of certain emission allowance costs. IPL also proposed to allow the option of including production tax credits and renewable energy credit revenues in the energy adjustment clause rules. IPL's production tax credits related to its Whispering Willow - East wind project are currently being recovered in base rates. In July 2012, the IUB issued a decision opening a rulemaking proceeding on IPL's request for the proposed changes to the energy adjustment clause rules and set a procedural schedule, including a public hearing in September 2012. IPL anticipates a decision by the IUB by the first quarter of 2013.

Other -
WPL Depreciation Study - In May 2012, the PSCW issued an order approving the implementation of updated depreciation rates for WPL effective January 1, 2013 as a result of a recently completed depreciation study. The updated depreciation rates reflect recovery of the remaining net book value of Nelson Dewey Units 1 and 2, and Edgewater Unit 3 over a 10-year period beginning January 1, 2013. Refer to "Strategic Overview" for details of anticipated retirements of Nelson Dewey Units 1 and 2, and Edgewater Unit 3. Refer to Note 1(c) of the "Combined Notes to Condensed Consolidated Financial Statements" for details of the depreciation study.

ENVIRONMENTAL MATTERS

A summary of Alliant Energy's, IPL's and WPL's environmental matters is included in the 2011 Form 10-K and has not changed materially from the items reported in the 2011 Form 10-K, except as described below.

Air Quality -
CSAPR/CAIR - CSAPR was expected to require SO2 and NOx emission reductions from IPL's and WPL's fossil-fueled EGUs with greater than 25 MW of capacity located in Iowa, Minnesota and Wisconsin. CSAPR emission reductions were expected to replace CAIR beginning in 2012. However, in December 2011, the D.C. Circuit Court stayed the implementation of CSAPR leaving CAIR obligations effective pending resolution of the legal challenges to this final rule. In August 2012, the D.C. Circuit Court issued its opinion vacating CSAPR and remanding it for further revision to the EPA. The D.C. Circuit Court order also requires the EPA to continue administering CAIR pending the promulgation of a valid replacement for CSAPR. In October 2012, the EPA as well as several states, cities and other organizations filed petitions for rehearing en banc of the August 2012 decision that vacated CSAPR. If granted, an en

banc rehearing would involve new consideration of the case by the D.C. Circuit Court. It is anticipated that the D.C. Circuit Court will make a determination on whether to grant an en banc rehearing by the end of 2012. Alliant Energy, IPL and WPL are currently unable to predict with certainty the final outcome of the CSAPR vacatur and the impact on their financial condition or results of operations. Alliant Energy, IPL and WPL currently believe that CAIR will be replaced in the future, either by a modified CSAPR or another rule that addresses the interstate transport of air pollutants, and expect that capital investments and/or modifications to their EGUs to meet the final compliance requirements will be significant.

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CAVR - In June 2012, the EPA published a final rule that would allow BART obligations for SO2 and NOx emissions to be fulfilled by compliance with CSAPR. In June 2012, the EPA also finalized the Iowa and Minnesota CAVR plans, and in August 2012, the EPA finalized the Wisconsin CAVR plan. The Iowa, Minnesota and Wisconsin CAVR plans would require compliance with CSAPR to fulfill BART requirements for SO2 and NOx emission reductions. In August 2012, CSAPR requirements were vacated by the D.C. Circuit Court and the related rule that allowed for CAVR BART obligations to be met by CSAPR also became subject to legal challenges that are pending in the D.C. Circuit Court. It is unknown whether the EPA will allow BART to be fulfilled by CAIR, a modified CSAPR or another rule pending the ongoing D.C. Circuit Court’s review of these regulations and the EPA’s responses to resolve the court orders on these rules. If the EPA does not allow for BART to be fulfilled by CAIR, a modified CSAPR or another rule, then facility-specific BART evaluations will be needed for each impacted unit to determine what emission controls must be installed to address visibility improvements. In addition, there are uncertainties whether additional emission reductions could be required to address regional haze impacts beyond BART. Alliant Energy, IPL and WPL are unable to predict with certainty the impact that CAVR might have on the operations of their existing EGUs until the legal challenges to CAIR and CSAPR are resolved.

Ozone NAAQS Rule - In 2008, the EPA announced reductions in the primary NAAQS for eight-hour ozone to a level of 0.075 ppm from the previous standard of 0.08 ppm. In May 2012, the EPA issued a final rule that classifies Sheboygan County in Wisconsin as marginal non-attainment, which requires this area to achieve the eight-hour ozone NAAQS by December 2015. WPL operates Edgewater and the Sheboygan Falls Energy Facility in Sheboygan County, Wisconsin. The final rule does not list any areas as ozone non-attainment in Iowa or Minnesota that impact IPL. The EPA indicated that it expects to issue another rule in late 2012 to assist state agencies in developing SIPs. The SIPs will explain what actions and emission reductions may be required for compliance to achieve attainment. The Edgewater Unit 5 SCR system is expected to assist with possible compliance obligations under an ozone NAAQS SIP for Wisconsin. Given the ozone NAAQS remains subject to legal challenges in the D.C. Circuit Court and the Wisconsin Department of Natural Resources (DNR) has not yet issued an eight-hour ozone non-attainment SIP, Alliant Energy and WPL are currently unable to predict with certainty the impact of the ozone NAAQS changes for Sheboygan County, Wisconsin on their financial condition and results of operations.

Fine Particle NAAQS Rule - In June 2012, the EPA issued a proposed rule revising the PM2.5 NAAQS. The proposed rule would strengthen the annual standard from 15 ug/m3 to a level between 12 ug/m3 and 13 ug/m3. In addition, the proposal would set a new 24-hour standard to improve visibility as measured in deciviews of 28 to 30. A deciview is a measurement scale representing perceptible changes in visibility. The EPA is under a court order to issue the final rule by December 2012. The EPA is expected to designate non-attainment areas for the revised PM2.5 NAAQS by December 2014. States with areas designated as non-attainment will be required to submit PM2.5 NAAQS SIPs within three years of the effective date of area designations by the EPA. The SIPs will explain what actions are needed in the non-attainment areas to achieve compliance with primary PM2.5 NAAQS. Compliance with the final rule is expected to be required by 2019 for non-attainment areas designated in 2014. Given that the fine particle NAAQS remains subject to legal challenges in the D.C. Circuit Court, the EPA has not yet designated non-attainment areas and the PM2.5 NAAQS SIPs have not been issued, Alliant Energy, IPL and WPL are currently unable to predict with certainty the impact of the EPA’s proposed PM2.5 NAAQS rule on their financial condition and results of operations.

Air Permit Renewal Challenges -
Columbia - In June 2012, Alliant Energy received a notice from the EPA Region V of its proposal for WPL to apply for a Federal Part 71 operation permit since the Wisconsin DNR has not addressed the EPA’s objections to the Title V operation permit issued by the Wisconsin DNR to Columbia. Alliant Energy has until December 15, 2012 to comment on the EPA’s proposal. If the EPA decides to require the submittal of an operation permit, it would be due within six months of the EPA’s notice to Alliant Energy. Alliant Energy and WPL believe the previously issued Title V operation permit for Columbia is still valid. Alliant Energy and WPL are currently unable to predict with certainty the outcome

of this matter and the impact on their financial condition or results of operations.

Edgewater - In October 2012, the Wisconsin DNR issued a revised proposed Title V permit for Edgewater to the EPA for review. Alliant Energy and WPL believe the previously issued air permit for Edgewater is still valid. Alliant Energy and WPL are currently unable to predict with certainty the outcome of this matter and the impact on their financial condition and results of operations.

Air Permitting Violation Claims - Refer to Note 11(c) of the “Combined Notes to Condensed Consolidated Financial Statements” for discussion of an NOV issued by the EPA in 2009 and complaints filed by the Sierra Club in 2010 regarding alleged air permitting violations at Nelson Dewey, Columbia and Edgewater.

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Water Quality -
Hydroelectric Fish Passage Device - In March 2012, FERC extended the deadline to install an agency-approved fish passage device at WPL's Prairie du Sac hydro plant to July 1, 2015. Alliant Energy and WPL currently believe the required capital investments and/or modifications to install the fish passage device at the facility are expected to be approximately $15 million. Alliant Energy and WPL are currently reviewing the project, which may change their expected capital investments. As of September 30, 2012, Alliant Energy and WPL have $5 million recorded in "Utility construction work in progress" on their Condensed Consolidated Balance Sheets for the fish passage device project.

Land and Solid Waste -
MGP Sites - Refer to Note 11(e) of the "Combined Notes to Condensed Consolidated Financial Statements" for discussion of IPL's and WPL's MGP sites.

GHG Emissions -
EPA NSPS for GHG Emissions from Electric Utilities - In April 2012, the EPA published proposed NSPS for GHG, including CO2 emissions from new fossil-fueled EGUs larger than 25 MW (not including simple-cycle combustion turbines), with an output-based emissions rate limitation of 1,000 pounds of CO2 per MWh. This emissions rate limitation is expected to be effective upon the EPA's issuance of the final rule in the second quarter of 2013. The proposed NSPS for new EGUs is expected to apply to IPL's proposed construction of an approximate 600 MW natural gas-fired combined-cycle electric generating facility in Marshalltown, Iowa, which will be designed to achieve compliance with the proposed CO2 emissions rate limitation. The proposed GHG NSPS rule is subject to a legal challenge that is pending in the D.C. Circuit Court. The EPA announced that the issuance of proposed regulations for existing EGUs will be delayed and has not yet established a new schedule. Alliant Energy, IPL and WPL are currently unable to predict with certainty the final outcome of this proposed standard, but expect that expenditures to comply with any regulations to reduce GHG emissions could be significant.

Other Environmental Matters - IPL, the EPA, the State of Iowa and the Sierra Club are in discussions regarding CAA issues associated with IPL's Iowa operations. Alliant Energy and IPL believe that they are in compliance with the CAA. IPL is pursuing these discussions because IPL believes there is an opportunity to reach an agreement among the parties that avoids potential litigation and the long-term planning and operational uncertainty associated with such litigation. Alliant Energy and IPL believe that any agreement could contain terms similar to those seen in other EPA CAA settlements, including, among others, the installation of emission controls, the retirement or fuel switching of EGUs, compliance with specified emission rates and emission caps, beneficial environmental mitigation projects and penalties. Alliant Energy and IPL are currently unable to predict with certainty the outcome of these discussions and the impact on their financial condition or results of operations.

LEGISLATIVE MATTERS

A summary of Alliant Energy's, IPL's and WPL's legislative matters is included in the 2011 Form 10-K and has not changed materially from the items reported in the 2011 Form 10-K, except as described below.

Federal Tax Legislation -
Small Business Jobs Act of 2010 (SBJA) and the Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act of 2010 (the Act) - In 2010, the SBJA and the Act were enacted. The most significant provisions of the SBJA and the Act for Alliant Energy, IPL and WPL were provisions related to the extension of bonus depreciation deductions for certain expenditures for property that are incurred through December 31, 2012. Refer to Note 4 of the "Combined Notes to Condensed Consolidated Financial Statements" for further discussion of the SBJA and the Act, including estimated bonus depreciation deductions expected to be claimed in Alliant Energy's 2012 federal income tax return.

ALLIANT ENERGY'S RESULTS OF OPERATIONS

Overview - Third Quarter Results - Refer to "Executive Summary" for an overview of Alliant Energy's third quarter 2012 and 2011 earnings and the various components of Alliant Energy's business. Additional details of Alliant Energy's earnings for the three and nine months ended September 30, 2012 and 2011 are discussed below.

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Utility Electric Margins - Electric margins are defined as electric operating revenues less electric production fuel, energy purchases and purchased electric capacity expenses. Management believes that electric margins provide a more meaningful basis for evaluating utility operations than electric operating revenues since electric production fuel, energy purchases and purchased electric capacity expenses are generally passed through to customers, and therefore, result in changes to electric operating revenues that are comparable to changes in electric production fuel, energy purchases and purchased electric capacity expenses.

Third Quarter 2012 vs. Third Quarter 2011 Summary - Electric margins and MWh sales for Alliant Energy for the three months ended September 30 were as follows:

	Revenues and Costs (dollars in millions)				MWhs Sold (MWhs in thousands)			
	2012	2011	Change		2012	2011	Change	
Residential	$319.0	$311.7	2	%	2,290	2,243	2	%
Commercial	194.6	186.2	5	%	1,762	1,705	3	%
Industrial	224.9	221.3	2	%	3,020	3,021	—	%
Retail subtotal	738.5	719.2	3	%	7,072	6,969	1	%
Sales for resale:								
Wholesale	55.3	54.2	2	%	987	918	8	%
Bulk power and other	8.5	11.2	(24	%)	371	338	10	%
Other	13.0	12.3	6	%	37	37	—	%
Total revenues/sales	815.3	796.9	2	%	8,467	8,262	2	%
Electric production fuel expense	134.2	129.7	3	%				
Energy purchases expense	87.4	85.6	2	%				
Purchased electric capacity expense	84.0	80.2	5	%				
Margins	$509.7	$501.4	2	%				

Electric margins increased $8 million, or 2%, primarily due to an estimated $7 million increase in electric margins from changes in sales caused by weather conditions in Alliant Energy's service territories, $5 million of higher revenues at IPL related to changes in recovery of transmission costs related to the transmission rider implemented in the first quarter of 2011, a $4 million increase in electric margins from changes in the recovery of electric production fuel and energy purchases expenses at WPL and $2 million of SO2 emission allowance charges allocated to IPL's electric business in the third quarter of 2011. Estimated increases to Alliant Energy's electric margins from the impacts of weather during the third quarters of 2012 and 2011 were $36 million and $29 million, respectively. The higher transmission rider revenues were offset by higher electric transmission service expenses. These items were offset by $3 million of decreased revenues due to higher credits on Iowa retail electric customers' bills resulting from the electric tax benefit rider in the third quarter of 2012 compared to the same period in 2011. Other decreases to electric margins included $2 million of higher purchased electric capacity expenses at IPL related to the DAEC PPA, $2 million of higher purchased electric capacity expenses at WPL related to the Kewaunee PPA and lower weather-normalized sales volumes at WPL. The electric tax benefit rider resulted in $23 million and $20 million of credits on Iowa retail electric customers' bills in the third quarters of 2012 and 2011, respectively. IPL's electric tax benefit rider is expected to result in reductions in electric revenues that are offset by reductions in income tax expense for the year ended December 31, 2012.

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Nine Months Ended September 30, 2012 vs. Nine Months Ended September 30, 2011 Summary - Electric margins and MWh sales for Alliant Energy for the nine months ended September 30 were as follows:

	Revenues and Costs (dollars in millions)			MWhs Sold (MWhs in thousands)		
	2012	2011	Change	2012	2011	Change
Residential	$761.5	$768.0	(1 %)	5,887	5,948	(1 %)
Commercial	473.8	472.2	— %	4,811	4,726	2 %
Industrial	572.3	572.4	— %	8,699	8,628	1 %
Retail subtotal	1,807.6	1,812.6	— %	19,397	19,302	— %
Sales for resale:						
Wholesale	142.3	146.6	(3 %)	2,522	2,573	(2 %)
Bulk power and other	14.3	44.6	(68 %)	818	1,480	(45 %)
Other	36.1	33.9	6 %	111	112	(1 %)
Total revenues/sales	2,000.3	2,037.7	(2 %)	22,848	23,467	(3 %)
Electric production fuel expense	272.9	335.8	(19 %)			
Energy purchases expense	277.5	254.2	9 %			
Purchased electric capacity expense	216.2	205.2	5 %			
Margins	$1,233.7	$1,242.5	(1 %)			

Electric margins decreased $9 million, or 1%, primarily due to $19 million of decreased revenues due to higher credits on Iowa retail electric customers' bills resulting from the electric tax benefit rider during the nine months ended September 30, 2012 compared to the same period in 2011. Other decreases to electric margins included $6 million of higher purchased electric capacity expenses at WPL related to the Kewaunee PPA, $5 million of higher purchased electric capacity expenses at IPL related to the DAEC PPA, $4 million of revenues recognized in 2011 related to interim fuel rates collected in 2010 at WPL and lower weather-normalized sales volumes at WPL. The electric tax benefit rider resulted in $63 million and $44 million of credits on Iowa retail electric customers' bills during the nine months ended September 30, 2012 and 2011, respectively. IPL's electric tax benefit rider is expected to result in reductions in electric revenues that are offset by reductions in income tax expense for the year ended December 31, 2012. These items were partially offset by an $11 million increase in electric margins from changes in the recovery of electric production fuel and energy purchases expenses at WPL, $11 million of higher revenues at IPL related to changes in recovery of transmission costs related to the transmission rider implemented in the first quarter of 2011, an estimated $2 million increase in electric margins from changes in sales caused by weather conditions in Alliant Energy's service territories, $2 million of SO2 emission allowance charges allocated to IPL's electric business in the third quarter of 2011 and an increase in weather-normalized sales volumes at IPL. The higher transmission rider revenues were offset by higher electric transmission service expenses. Estimated increases to Alliant Energy's electric margins from the impacts of weather during the nine months ended September 30, 2012 and 2011 were $37 million and $35 million, respectively.

Weather Conditions - Heating degree days (HDD) and cooling degree days (CDD) in Alliant Energy's service territories for the three and nine months ended September 30 were as follows:

	Three Months			Nine Months		
	Actual			Actual		
	2012	2011	Normal	2012	2011	Normal
HDD (a):						
Cedar Rapids, Iowa (IPL)	218	204	146	3,420	4,573	4,271
Madison, Wisconsin (WPL)	212	216	183	3,581	4,804	4,530
CDD (a):						
Cedar Rapids, Iowa (IPL)	699	654	507	1,044	867	729

Madison, Wisconsin (WPL)	731	612	442	1,067	804	618

(a) HDD and CDD are calculated using a simple average of the high and low temperatures each day compared to a 65-degree base. Normal degree days are calculated using a rolling 20-year average of historical HDD and CDD.

Electric Production Fuel and Energy Purchases (Fuel-related) Cost Recoveries - Alliant Energy burns coal and other fossil fuels to produce electricity at its generating facilities. The cost of fossil fuels used during each period is included in

electric production fuel expense. Alliant Energy also purchases electricity to meet the demand of its customers and charges these costs to energy purchases expense. Alliant Energy's electric production fuel expense decreased $63 million, or 19%, for the nine-month period. Alliant Energy's energy purchases expense increased $23 million, or 9%, for the nine-month period. The changes in Alliant Energy's electric production fuel expense and energy purchases expense were largely due to lower MISO dispatch of Alliant Energy's generating facilities for the nine months ended September 30, 2012 compared to the same period in 2011. Alliant Energy's generating facilities were dispatched at a lower level during the nine months ended September 30, 2012 because electricity could be purchased in the MISO market at prices that were lower than the cost to generate electricity at certain of Alliant Energy's generating facilities. The impact of changes in electricity volumes generated from Alliant Energy's generating facilities was largely offset by the impact of the changes in energy volumes purchased and changes in bulk power sales volumes discussed below.

Due to IPL's rate recovery mechanisms for fuel-related costs, changes in fuel-related costs resulted in comparable changes in electric revenues and, therefore, did not have a significant impact on IPL's electric margins. WPL's rate recovery mechanism for wholesale fuel-related costs also provides for adjustments to its wholesale electric rates for changes in commodity costs, thereby mitigating impacts of changes to commodity costs on its electric margins.

WPL's retail fuel-related costs incurred during the three and nine months ended September 30, 2012 were lower than the forecasted fuel-related costs used to set retail rates during such periods. WPL estimates the lower than forecasted retail fuel-related costs increased electric margins by approximately $1 million and $4 million during the three and nine months ended September 30, 2012, respectively. WPL's retail fuel-related costs incurred during the three and nine months ended September 30, 2011 were higher than the forecasted fuel-related costs used to set retail rates during such periods. WPL estimates the higher than forecasted retail fuel-related costs decreased electric margins by approximately $3 million and $7 million during the three and nine months ended September 30, 2011, respectively.

Purchased Electric Capacity Expenses - Alliant Energy enters into PPAs to help meet the electricity demand of IPL's and WPL's customers. Certain of these PPAs include minimum payments for IPL's and WPL's rights to electric generating capacity. Details of purchased electric capacity expense included in the utility electric margins table above for the three and nine months ended September 30 were as follows (in millions):

	Three Months		Nine Months	
	2012	2011	2012	2011
DAEC PPA (IPL)	$42	$40	$118	$113
Riverside PPA (WPL)	27	27	53	53
Kewaunee PPA (WPL)	15	13	44	38
Other	—	—	1	1
	$84	$80	$216	$205

Sales Trends - Retail sales volumes increased 1% in the third quarter of 2012 and were relatively flat during the nine months ended September 30, 2012 compared to the same periods in 2011. The increase in retail sales volumes in the third quarter of 2012 was primarily due to warmer weather conditions during the third quarter of 2012 compared to the third quarter of 2011.

Wholesale sales volumes increased 8% in the third quarter of 2012 and decreased 2% during the nine months ended September 30, 2012 compared to the same periods in 2011, primarily due to the impact of changes in sales to WPL's partial-requirement wholesale customers that have contractual options to be served by WPL, other power supply sources or the MISO market.

Bulk power and other revenue changes were largely due to changes in revenues from sales in the wholesale energy markets operated by MISO and PJM Interconnection, LLC. These changes are impacted by several factors including

the availability of Alliant Energy's generating facilities and electricity demand within these wholesale energy markets. Changes in bulk power and other sales revenues were offset by changes in fuel-related costs and therefore did not have a significant impact on electric margins.

Alliant Energy, IPL and WPL are currently expecting relatively flat weather-normalized retail electric sales in 2013 compared to 2012. This is driven largely by low customer growth and continuing slow economic growth.

Refer to "Rate Matters" for discussion of retail rate cases including a retail electric base rate freeze at WPL through December 31, 2014. Refer to "Other Future Considerations" for discussion of potential impacts on future electric sales due to drought conditions in the Midwest in 2012 and a large IPL wholesale electric customer that is attempting to invoke an

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early termination provision of its wholesale power supply agreement with IPL, and higher expected revenues at IPL in 2013 from revenue requirement changes related to tax initiatives and increased recoveries under the transmission rider related to expected increases in electric transmission service expenses.

Utility Gas Margins - Gas margins are defined as gas operating revenues less cost of gas sold. Management believes that gas margins provide a more meaningful basis for evaluating utility operations than gas operating revenues since cost of gas sold is generally passed through to customers, and therefore results in changes to gas operating revenues that are comparable to changes in cost of gas sold.

Third Quarter 2012 vs. Third Quarter 2011 Summary - Gas margins and Dth sales for Alliant Energy for the three months ended September 30 were as follows:

	Revenues and Costs (dollars in millions)			Dths Sold (Dths in thousands)		
	2012	2011	Change	2012	2011	Change
Residential	$21.9	$21.6	1 %	1,542	1,541	— %
Commercial	13.4	13.8	(3 %)	1,797	1,788	1 %
Industrial	3.1	4.3	(28 %)	618	735	(16 %)
Retail subtotal	38.4	39.7	(3 %)	3,957	4,064	(3 %)
Transportation/other	8.4	6.7	25 %	16,295	13,396	22 %
Total revenues/sales	46.8	46.4	1 %	20,252	17,460	16 %
Cost of gas sold	17.7	19.8	(11 %)			
Margins	$29.1	$26.6	9 %			

Nine Months Ended September 30, 2012 vs. Nine Months Ended September 30, 2011 Summary - Gas margins and Dth sales for Alliant Energy for the nine months ended September 30 were as follows:

	Revenues and Costs (dollars in millions)			Dths Sold (Dths in thousands)		
	2012	2011	Change	2012	2011	Change
Residential	$147.8	$194.2	(24 %)	14,830	19,234	(23 %)
Commercial	82.2	109.8	(25 %)	11,183	13,534	(17 %)
Industrial	10.9	18.4	(41 %)	2,033	2,866	(29 %)
Retail subtotal	240.9	322.4	(25 %)	28,046	35,634	(21 %)
Transportation/other	23.0	20.1	14 %	43,303	39,500	10 %
Total revenues/sales	263.9	342.5	(23 %)	71,349	75,134	(5 %)
Cost of gas sold	141.1	211.0	(33 %)			
Margins	$122.8	$131.5	(7 %)			

Gas margins decreased $9 million, or 7%, for the nine-month period largely due to an estimated $16 million decrease in gas margins from changes in sales caused by weather conditions in Alliant Energy's service territories. Estimated increases (decreases) to Alliant Energy's gas margins from the impacts of weather during the nine months ended September 30, 2012 and 2011 were ($11) million and $5 million, respectively. This item was partially offset by an increase in weather-normalized sales volumes and $2 million of higher gas revenues due to the impact of an interim retail gas base rate increase effective in June 2012 at IPL. Alliant Energy believes the increase in weather-normalized sales volumes is partially due to relatively low natural gas prices.

Refer to "Utility Electric Margins" for details of Alliant Energy's HDD data and "Rate Matters" for discussion of retail rate cases including an interim retail gas base rate increase for IPL's Iowa customers effective June 4, 2012 and a retail gas base rate decrease for WPL's customers scheduled to be effective January 1, 2013.

Non-regulated Revenues - Alliant Energy’s non-regulated revenues increased $5 million for the nine-month period, primarily due to increased Transportation revenues resulting from increased demand for freight services provided by Alliant Energy’s short-line railway company and increased demand for barge terminal and hauling services.

Electric Transmission Service Expense - Alliant Energy’s electric transmission service expense for the utilities increased $6 million and $13 million for the three- and nine-month periods, respectively, primarily due to changes in transmission costs at IPL related to transmission services from ITC Midwest LLC (ITC). The increases were primarily due to $2 million and $6

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million of higher electric transmission service costs billed by ITC to IPL during the three and nine months ended September 30, 2012, respectively, compared to the same periods in 2011 due to a modest increase in transmission service rates, and the impact of IPL utilizing regulatory liabilities to credit a portion of the transmission service expenses billed to IPL by ITC during the three and nine months ended September 30, 2011. IPL is currently recovering the Iowa retail portion of these increased electric transmission service costs from its retail electric customers in Iowa through the transmission cost rider resulting in an offsetting increase in electric revenues. Refer to "Other Future Considerations" for discussion of potential changes in future electric transmission services expenses for IPL and WPL.

Utility Other Operation and Maintenance Expenses - Alliant Energy's other operation and maintenance expenses for the utilities decreased $2 million and $44 million for the three- and nine-month periods, respectively, due to the following reasons (amounts represent variances between the periods in millions):

Third Quarter 2012 vs. Third Quarter 2011 Summary:

	Alliant Energy	IPL	WPL
SO2 emission allowance charge allocated to IPL's steam business in the third quarter of 2011 (a)	($2)	($2)	$—
Contract cancellation charge at IPL in the third quarter of 2012 (b)	3	3	—
Other (primarily changes in other administrative and general expenses)	(3)	1	(4)
	($2)	$2	($4)

Nine Months Ended September 30, 2012 vs. Nine Months Ended September 30, 2011 Summary:

	Alliant Energy	IPL	WPL
Regulatory-related charges and credits from IPL's Minnesota electric rate case order recorded in the second quarter of 2011 (c)	($11)	($11)	$—
Additional benefits costs for the Cash Balance Plan in 2011 (d)	(10)	(6)	(4)
Regulatory asset impairments in 2011 (e)	(7)	(2)	(5)
Regulatory-related credits from WPL's 2013/2014 rate case decision recorded in the second quarter of 2012 (f)	(5)	—	(5)
Wind site impairment charge at WPL in the first quarter of 2011 (g)	(5)	—	(5)
Lower generation operation and maintenance expenses at IPL (h)	(5)	(5)	—
SO2 emission allowance charge allocated to IPL's steam business in the third quarter of 2011 (a)	(2)	(2)	—
Contract cancellation charge at IPL in the third quarter of 2012 (b)	3	3	—
Other (primarily changes in other administrative and general expenses)	(2)	(2)	—
	($44)	($25)	($19)

(a) Refer to Note 1(b) of the "Combined Notes to Condensed Consolidated Financial Statements" for details of the SO2 emission allowance charge recorded by IPL in the third quarter of 2011.

(b) Due to the cancellation of a services agreement at one of IPL's electric generating facilities in the third quarter of 2012.

(c) Refer to Notes 1(b) and 1(c) of the "Combined Notes to Condensed Consolidated Financial Statements" for details of regulatory-related charges and credits incurred by Alliant Energy and IPL in the second quarter of 2011 due to the order issued by the MPUC in IPL's Minnesota retail electric rate case (2009 test year).

(d) Refer to Note 5(a) of the "Combined Notes to Condensed Consolidated Financial Statements" for details of additional benefit costs incurred by Alliant Energy, IPL and WPL in 2011 resulting from an amendment to the

Cash Balance Plan.

(e) Refer to Note 1(b) of the “Combined Notes to Condensed Consolidated Financial Statements” for details of asset impairment charges recognized by Alliant Energy, IPL and WPL in 2011.

(f) Refer to Note 1(b) of the “Combined Notes to Condensed Consolidated Financial Statements” for details of regulatory-related credits recorded by Alliant Energy and WPL in the second quarter of 2012 due to the decision by the PSCW in WPL’s Wisconsin retail electric and gas rate case (2013/2014 test period).

(g) Refer to Note 1(c) of the “Combined Notes to Condensed Consolidated Financial Statements” for details of the wind site impairment charge recorded by WPL in the first quarter of 2011.

(h) Primarily resulting from the timing of maintenance projects at IPL’s electric generating facilities.

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Alliant Energy and WPL currently expect their other operation and maintenance expenses to decrease in 2013 as compared to 2012 due to decreases in regulatory amortizations at WPL related to energy conservation. This item is expected to be partially offset by additional expenses associated with Riverside, which WPL anticipates purchasing in December 2012.

Depreciation and Amortization Expenses - Depreciation and amortization expenses increased $3 million and $7 million for the three- and nine-month periods, respectively, primarily due to higher depreciation rates at IPL effective January 1, 2012 resulting from IPL's most recent depreciation study, and property additions. Alliant Energy and WPL currently expect their depreciation expense to increase in 2013 as compared to 2012 primarily due to the full year impact of depreciation from WPL's anticipated purchase of Riverside in December 2012, and certain large projects expected to be placed in service in the fourth quarter of 2012, including WPL's SCR project at Edgewater Unit 5 and Resources' Franklin County wind project.

AFUDC - AFUDC increased $3 million and $6 million for the three- and nine-month periods, respectively, primarily due to AFUDC recognized in 2012 for WPL's emission controls projects at Columbia Units 1 and 2, and Edgewater Unit 5. Alliant Energy and IPL currently expect AFUDC to increase in 2013 as compared to 2012 primarily due to increased construction work in progress balances related to environmental projects at Ottumwa Unit 1, George Neal Units 3 and 4, and Lansing Unit 4.

Interest Expense - Alliant Energy's interest expense decreased $4 million for the nine-month period, primarily due to capitalized interest recognized in 2012 for the Franklin County wind project. Alliant Energy and WPL currently expect their interest expense to increase in 2013 as compared to 2012 due to financings related to WPL's anticipated purchase of Riverside in December 2012.

Income Taxes - Details of the effective income tax rates for Alliant Energy's continuing operations during the three and nine months ended September 30 were as follows:

	Three Months		Nine Months	
	2012	2011	2012	2011
Statutory federal income tax rate	35.0 %	35.0 %	35.0 %	35.0 %
State apportionment changes	—	—	4.3	—
IPL's electric tax benefit rider	(10.3)	(9.2)	(11.0)	(8.9)
Production tax credits	(5.5)	(6.2)	(6.0)	(5.9)
Effect of rate-making on property-related differences	(4.7)	(3.0)	(4.3)	(3.0)
Wisconsin Tax Legislation enacted in June 2011	—	—	—	(5.8)
Other items, net	5.9	6.9	6.0	5.2
Overall income tax rate	20.4 %	23.5 %	24.0 %	16.6 %

Refer to Note 4 of the "Combined Notes to Condensed Consolidated Financial Statements" for additional discussion of state apportionment changes, IPL's electric tax benefit rider, production tax credits, effect of rate-making on property-related differences and Wisconsin Tax Legislation enacted in the second quarter of 2011. Refer to "Critical Accounting Policies and Estimates" for discussion of the effect of rate-making on property-related differences at IPL. Refer to "Other Future Considerations" for discussion of possible impacts to Alliant Energy's future income taxes resulting from IPL's tax benefit riders and potential tax accounting method changes.

Income (Loss) from Discontinued Operations, Net of Tax - Refer to Note 13 of the "Combined Notes to Condensed Consolidated Financial Statements" for discussion of Alliant Energy's discontinued operations.

Preferred Dividend Requirements of Subsidiaries - Preferred dividend requirements of subsidiaries decreased $2 million for the nine-month period primarily due to a $2 million charge in the first quarter of 2011 related to IPL's redemption of its 7.10% Series C Cumulative Preferred Stock in 2011.

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IPL'S RESULTS OF OPERATIONS

Overview - Third Quarter Results - Earnings available for common stock increased $5 million primarily due to the electric tax benefit rider, which resulted in higher tax benefits recorded in the third quarter of 2012 compared to the third quarter of 2011. The electric tax benefit rider is not expected to have a material impact on IPL's results for the year ended December 31, 2012.

Electric Margins - Electric margins are defined as electric operating revenues less electric production fuel, energy purchases and purchased electric capacity expenses. Management believes that electric margins provide a more meaningful basis for evaluating utility operations than electric operating revenues since electric production fuel, energy purchases and purchased electric capacity expenses are generally passed through to customers, and therefore, result in changes to electric operating revenues that are comparable to changes in electric production fuel, energy purchases and purchased electric capacity expenses.

Third Quarter 2012 vs. Third Quarter 2011 Summary - Electric margins and MWh sales for IPL for the three months ended September 30 were as follows:

	Revenues and Costs (dollars in millions)				MWhs Sold (MWhs in thousands)			
	2012	2011	Change		2012	2011	Change	
Residential	$182.8	$179.6	2	%	1,243	1,233	1	%
Commercial	121.6	115.0	6	%	1,112	1,075	3	%
Industrial	132.0	127.6	3	%	1,824	1,846	(1	%)
Retail subtotal	436.4	422.2	3	%	4,179	4,154	1	%
Sales for resale:								
Wholesale	8.7	8.9	(2	%)	118	114	4	%
Bulk power and other	2.9	4.6	(37	%)	91	140	(35	%)
Other	8.6	7.5	15	%	21	21	—	%
Total revenues/sales	456.6	443.2	3	%	4,409	4,429	—	%
Electric production fuel expense	80.1	72.0	11	%				
Energy purchases expense	36.6	37.9	(3	%)				
Purchased electric capacity expense	42.1	40.5	4	%				
Margins	$297.8	$292.8	2	%				

Electric margins increased $5 million, or 2%, primarily due to $5 million of higher revenues related to changes in recovery of transmission costs related to the transmission rider implemented in the first quarter of 2011 and $2 million of SO2 emission allowance charges allocated to IPL's electric business in the third quarter of 2011. The higher transmission rider revenues were offset by higher electric transmission service expenses. These items were partially offset by $3 million of decreased revenues during the three-month period due to higher credits on Iowa retail electric customers' bills resulting from the electric tax benefit rider and $2 million of higher purchased electric capacity expenses related to the DAEC PPA. The electric tax benefit rider resulted in $23 million and $20 million of credits on Iowa retail electric customers' bills in the third quarters of 2012 and 2011, respectively. IPL's electric tax benefit rider is expected to result in reductions in electric revenues that are offset by reductions in income tax expenses for the year ended December 31, 2012. Estimated increases to IPL's electric margins from the impacts of weather during the third quarters of 2012 and 2011 were $17 million and $17 million, respectively.

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Nine Months Ended September 30, 2012 vs. Nine Months Ended September 30, 2011 Summary - Electric margins and MWh sales for IPL for the nine months ended September 30 were as follows:

	Revenues and Costs (dollars in millions)			MWhs Sold (MWhs in thousands)		
	2012	2011	Change	2012	2011	Change
Residential	$418.8	$428.2	(2 %)	3,186	3,267	(2 %)
Commercial	283.5	283.4	— %	3,042	2,978	2 %
Industrial	317.8	320.0	(1 %)	5,342	5,303	1 %
Retail subtotal	1,020.1	1,031.6	(1 %)	11,570	11,548	— %
Sales for resale:						
Wholesale	21.8	23.0	(5 %)	320	321	— %
Bulk power and other	6.0	21.1	(72 %)	200	614	(67 %)
Other	22.8	21.6	6 %	62	64	(3 %)
Total revenues/sales	1,070.7	1,097.3	(2 %)	12,152	12,547	(3 %)
Electric production fuel expense	151.2	178.9	(15 %)			
Energy purchases expense	121.6	115.2	6 %			
Purchased electric capacity expense	119.1	114.4	4 %			
Margins	$678.8	$688.8	(1 %)			

Electric margins decreased $10 million, or 1%, primarily due to $19 million of decreased revenues during the nine-month period due to additional credits on Iowa retail electric customers' bills resulting from the electric tax benefit rider. Other decreases to electric margins included an estimated $5 million decrease in electric margins from changes in sales caused by weather conditions in IPL's service territory and $5 million of higher purchased electric capacity expenses related to the DAEC PPA. The electric tax benefit rider resulted in $63 million and $44 million of credits on Iowa retail electric customers' bills during the nine months ended September 30, 2012 and 2011, respectively. IPL's electric tax benefit rider is expected to result in reductions in electric revenues that are offset by reductions in income tax expenses for the year ended December 31, 2012. Estimated increases to IPL's electric margins from the impacts of weather during the nine months ended September 30, 2012 and 2011 were $15 million and $20 million, respectively. These items were partially offset by $11 million of higher revenues related to changes in recovery of transmission costs related to the transmission rider implemented in the first quarter of 2011, $2 million of SO2 emission allowance charges allocated to IPL's electric business in the third quarter of 2011 and an increase in weather-normalized retail sales volumes. The higher transmission rider revenues were offset by higher electric transmission service expenses.

Refer to "Alliant Energy's Results of Operations - Utility Electric Margins" for details on IPL's HDD and CDD data, purchased electric capacity expenses, recoveries of electric production fuel and energy purchases expenses and sales trends. Refer to "Rate Matters" for additional discussion of IPL's retail electric rate increases from its Iowa and Minnesota test year base rate cases. Refer to "Other Future Considerations" for discussion of potential impacts on future electric sales due to drought conditions in the Midwest in 2012 and a large IPL wholesale electric customer that is attempting to invoke an early termination provision of its wholesale power supply agreement with IPL, and higher expected revenues in 2013 from revenue requirement changes related to tax initiatives and increased recoveries under the transmission rider related to expected increases in electric transmission service expenses.

Gas Margins - Gas margins are defined as gas operating revenues less cost of gas sold. Management believes that gas margins provide a more meaningful basis for evaluating utility operations than gas operating revenues since cost of gas sold is generally passed through to customers, and therefore, results in changes to gas operating revenues that are comparable to changes in cost of gas sold.

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Third Quarter 2012 vs. Third Quarter 2011 Summary - Gas margins and Dth sales for IPL for the three months ended September 30 were as follows:

	Revenues and Costs (dollars in millions)			Dths Sold (Dths in thousands)		
	2012	2011	Change	2012	2011	Change
Residential	$13.7	$12.7	8 %	931	930	— %
Commercial	8.6	7.7	12 %	1,061	968	10 %
Industrial	2.7	3.9	(31 %)	537	671	(20 %)
Retail subtotal	25.0	24.3	3 %	2,529	2,569	(2 %)
Transportation/other	4.6	3.2	44 %	7,284	6,406	14 %
Total revenues/sales	29.6	27.5	8 %	9,813	8,975	9 %
Cost of gas sold	12.9	12.7	2 %			
Margins	$16.7	$14.8	13 %			

Nine Months Ended September 30, 2012 vs. Nine Months Ended September 30, 2011 Summary - Gas margins and Dth sales for IPL for the nine months ended September 30 were as follows:

	Revenues and Costs (dollars in millions)			Dths Sold (Dths in thousands)		
	2012	2011	Change	2012	2011	Change
Residential	$82.0	$111.3	(26 %)	8,247	11,129	(26 %)
Commercial	46.0	62.3	(26 %)	6,153	7,440	(17 %)
Industrial	8.3	14.2	(42 %)	1,611	2,224	(28 %)
Retail subtotal	136.3	187.8	(27 %)	16,011	20,793	(23 %)
Transportation/other	12.9	10.3	25 %	22,380	20,499	9 %
Total revenues/sales	149.2	198.1	(25 %)	38,391	41,292	(7 %)
Cost of gas sold	80.5	126.2	(36 %)			
Margins	$68.7	$71.9	(4 %)			

Gas margins decreased $3 million, or 4%, for the nine-month period largely due to an estimated $8 million decrease in gas margins from changes in sales caused by weather conditions in IPL's service territory. Estimated increases (decreases) to IPL's gas margins from the impacts of weather during the nine months ended September 30, 2012 and 2011 were ($5) million and $3 million, respectively. This item was partially offset by an increase in weather-normalized sales volumes and $2 million of higher gas revenues due to the impact of an interim retail gas base rate increase effective June 2012. IPL believes the increase in weather-normalized sales volumes is partially due to relatively low natural gas prices.

Refer to "Alliant Energy's Results of Operations - Utility Electric Margins" for details of IPL's HDD data. Refer to "Rate Matters" for discussion of an interim retail gas base rate increase for IPL's Iowa customers effective June 4, 2012.

Electric Transmission Service Expense - Electric transmission service expense increased $6 million and $12 million for the three- and nine-month periods, respectively, primarily due to changes in transmission costs related to transmission services from ITC. The increase was primarily due to $2 million and $6 million of higher electric transmission service costs billed by ITC to IPL during the three and nine months ended September 30, 2012, respectively, compared to the same periods last year due to a modest increase in transmission service rates and the impact of IPL utilizing regulatory liabilities to credit a portion of the transmission service expenses billed to IPL by ITC during the three and nine months ended September 30, 2011. IPL is currently recovering the Iowa retail portion of these increased electric transmission service costs from its retail electric customers in Iowa through the transmission cost rider resulting in an offsetting increase in electric revenues. Refer to "Other Future Considerations" for discussion of potential changes in future electric transmission services expenses for IPL.

Other Operation and Maintenance Expenses -
Third Quarter 2012 vs. Third Quarter 2011 Summary - Other operation and maintenance expenses increased $2 million primarily due to a $3 million contract cancellation charge recorded by IPL in the third quarter of 2012 and increases in other administrative and general expenses. These items were partially offset by a $2 million charge recorded in the third quarter of 2011 related to SO2 emission allowance forward contracts allocated to IPL's steam business.

Nine Months Ended September 30, 2012 vs. Nine Months Ended September 30, 2011 Summary - Other operation and maintenance expenses decreased $25 million primarily due to $11 million of regulatory-related charges and credits incurred

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by IPL in the second quarter of 2011 due to the oral decision issued by the MPUC in IPL's Minnesota retail electric rate case (2009 test year), $6 million of additional benefits costs in 2011 resulting from an amendment to the Cash Balance Plan, $5 million of lower generation operation and maintenance expenses primarily resulting from the timing of maintenance projects, a $2 million charge recorded in the third quarter of 2011 related to SO2 emission allowance forward contracts allocated to IPL's steam business, $2 million of regulatory asset impairment charges recorded in 2011 and decreases in other administrative and general expenses. These items were partially offset by a $3 million contract cancellation charge recorded by IPL in the third quarter of 2012.

Refer to "Alliant Energy's Results of Operations - Utility Other Operation and Maintenance Expenses" for additional details of IPL's other operation and maintenance expenses.

Depreciation and Amortization Expenses - Depreciation and amortization expenses increased $2 million and $7 million for the three- and nine-month periods, respectively, primarily due to higher depreciation rates effective January 1, 2012 resulting from IPL's most recent depreciation study, and property additions.

AFUDC - IPL currently expects AFUDC to increase in 2013 as compared to 2012 primarily due to increased construction work in progress balances related to environmental projects at Ottumwa Unit 1, George Neal Units 3 and 4, and Lansing Unit 4.

Income Taxes - Details of IPL's effective income tax rates during the three and nine months ended September 30 were as follows:

	Three Months				Nine Months			
	2012		2011		2012		2011	
Statutory federal income tax rate	35.0	%	35.0	%	35.0	%	35.0	%
State apportionment changes	—		—		6.9		—	
Electric tax benefit rider	(34.2	)	(26.5	)	(34.5	)	(25.4	)
Effect of rate-making on property-related differences	(11.2	)	(7.1	)	(10.6	)	(6.9	)
Production tax credits	(8.6	)	(8.4	)	(8.6	)	(7.9	)
Other items, net	6.4		3.7		6.2		3.5	
Overall income tax rate	(12.6	%)	(3.3	%)	(5.6	%)	(1.7	%)

Refer to Note 4 of the "Combined Notes to Condensed Consolidated Financial Statements" for additional discussion of state apportionment changes, the electric tax benefit rider, effect of rate-making on property-related differences and production tax credits. Refer to "Critical Accounting Policies and Estimates" for discussion of the effect of rate-making on property-related differences at IPL. Refer to "Other Future Considerations" for discussion of possible impacts to IPL's future income taxes resulting from the tax benefit riders and potential tax accounting method changes.

Preferred Dividend Requirements - Preferred dividend requirements decreased $2 million for the nine-month period primarily due to a $2 million charge in the first quarter of 2011 related to IPL's redemption of its 7.10% Series C Cumulative Preferred Stock in 2011.

WPL'S RESULTS OF OPERATIONS

Overview - Third Quarter Results - WPL's earnings available for common stock increased $5 million primarily due to higher electric sales from warmer weather conditions in the third quarter of 2012 compared to the third quarter of 2011, changes in the recovery of electric production fuel and energy purchases expenses, and AFUDC recognized for emission controls projects at Columbia Units 1 and 2, and Edgewater Unit 5 in the third quarter of 2012. These items were partially offset by higher purchased electric capacity expenses related to the Kewaunee PPA.

Electric Margins - Electric margins are defined as electric operating revenues less electric production fuel, energy purchases and purchased electric capacity expenses. Management believes that electric margins provide a more meaningful basis for evaluating utility operations than electric operating revenues since electric production fuel, energy purchases and purchased electric capacity expenses are generally passed through to customers, and therefore result in changes to electric operating revenues that are comparable to changes in electric production fuel, energy purchases and purchased electric capacity expenses.

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Third Quarter 2012 vs. Third Quarter 2011 Summary - Electric margins and MWh sales for WPL for the three months ended September 30 were as follows:

	Revenues and Costs (dollars in millions)			MWhs Sold (MWhs in thousands)		
	2012	2011	Change	2012	2011	Change
Residential	$136.2	$132.1	3 %	1,047	1,010	4 %
Commercial	73.0	71.2	3 %	650	630	3 %
Industrial	92.9	93.7	(1 %)	1,196	1,175	2 %
Retail subtotal	302.1	297.0	2 %	2,893	2,815	3 %
Sales for resale:						
Wholesale	46.6	45.3	3 %	869	804	8 %
Bulk power and other	5.6	6.6	(15 %)	280	198	41 %
Other	4.4	4.8	(8 %)	16	16	— %
Total revenues/sales	358.7	353.7	1 %	4,058	3,833	6 %
Electric production fuel expense	54.1	57.7	(6 %)			
Energy purchases expense	50.8	47.7	6 %			
Purchased electric capacity expense	41.9	39.7	6 %			
Margins	$211.9	$208.6	2 %			

Electric margins increased $3 million, or 2%, primarily due to an estimated $7 million increase in electric margins from changes in sales caused by weather conditions in WPL’s service territory and a $4 million increase in electric margins from changes in the recovery of electric production fuel and energy purchases expenses. Estimated increases to WPL’s electric margins from the impacts of weather during the third quarters of 2012 and 2011 were $19 million and $12 million, respectively. These items were partially offset by $2 million of higher purchased electric capacity expenses related to the Kewaunee PPA and a decrease in weather-normalized sales volumes.

Nine Months Ended September 30, 2012 vs. Nine Months Ended September 30, 2011 Summary - Electric margins and MWh sales for WPL for the nine months ended September 30 were as follows:

	Revenues and Costs (dollars in millions)			MWhs Sold (MWhs in thousands)		
	2012	2011	Change	2012	2011	Change
Residential	$342.7	$339.8	1 %	2,701	2,681	1 %
Commercial	190.3	188.8	1 %	1,769	1,748	1 %
Industrial	254.5	252.4	1 %	3,357	3,325	1 %
Retail subtotal	787.5	781.0	1 %	7,827	7,754	1 %
Sales for resale:						
Wholesale	120.5	123.6	(3 %)	2,202	2,252	(2 %)
Bulk power and other	8.3	23.5	(65 %)	618	866	(29 %)
Other	13.3	12.3	8 %	49	48	2 %
Total revenues/sales	929.6	940.4	(1 %)	10,696	10,920	(2 %)
Electric production fuel expense	121.7	156.9	(22 %)			
Energy purchases expense	155.9	139.0	12 %			
Purchased electric capacity expense	97.1	90.8	7 %			
Margins	$554.9	$553.7	— %			

Electric margins increased $1 million, primarily due to an $11 million increase in electric margins from changes in the recovery of electric production fuel and energy purchases expenses and an estimated $7 million increase in electric margins from changes in sales caused by weather conditions in WPL’s service territory. Estimated increases to WPL’s

electric margins from the impacts of weather during the nine months ended September 30, 2012 and 2011 were $22 million and $15 million, respectively. These items were largely offset by $6 million of higher purchased electric capacity expenses related to the Kewaunee PPA, $4 million of revenues recognized in 2011 related to interim fuel rates collected in 2010 and a decrease in weather-normalized sales volumes.

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Refer to "Alliant Energy's Results of Operations - Utility Electric Margins" for details of WPL's HDD and CDD data, purchased electric capacity expenses, recoveries of electric production fuel and energy purchases expenses and sales trends. Refer to "Rate Matters" for discussion of retail rate cases including a retail electric base rate freeze through December 31, 2014. Refer to "Other Future Considerations" for discussion of potential impacts on future electric sales due to drought conditions in the Midwest in 2012.

Gas Margins - Gas margins are defined as gas operating revenues less cost of gas sold. Management believes that gas margins provide a more meaningful basis for evaluating utility operations than gas operating revenues since cost of gas sold is generally passed through to customers, and therefore, results in changes to gas operating revenues that are comparable to changes in cost of gas sold.

Third Quarter 2012 vs. Third Quarter 2011 Summary - Gas margins and Dth sales for WPL for the three months ended September 30 were as follows:

	Revenues and Costs (dollars in millions)				Dths Sold (Dths in thousands)			
	2012	2011	Change		2012	2011	Change	
Residential	$8.2	$8.9	(8	%)	611	611	—	%
Commercial	4.8	6.1	(21	%)	736	820	(10	%)
Industrial	0.4	0.4	—	%	81	64	27	%
Retail subtotal	13.4	15.4	(13	%)	1,428	1,495	(4	%)
Transportation/other	3.8	3.5	9	%	9,011	6,990	29	%
Total revenues/sales	17.2	18.9	(9	%)	10,439	8,485	23	%
Cost of gas sold	4.8	7.1	(32	%)				
Margins	$12.4	$11.8	5	%				

Nine Months Ended September 30, 2012 vs. Nine Months Ended September 30, 2011 Summary - Gas margins and Dth sales for WPL for the nine months ended September 30 were as follows:

	Revenues and Costs (dollars in millions)				Dths Sold (Dths in thousands)			
	2012	2011	Change		2012	2011	Change	
Residential	$65.8	$82.9	(21	%)	6,583	8,105	(19	%)
Commercial	36.2	47.5	(24	%)	5,030	6,094	(17	%)
Industrial	2.6	4.2	(38	%)	422	642	(34	%)
Retail subtotal	104.6	134.6	(22	%)	12,035	14,841	(19	%)
Transportation/other	10.1	9.8	3	%	20,923	19,001	10	%
Total revenues/sales	114.7	144.4	(21	%)	32,958	33,842	(3	%)
Cost of gas sold	60.6	84.8	(29	%)				
Margins	$54.1	$59.6	(9	%)				

Gas margins decreased $6 million, or 9%, for the nine-month period largely due to an estimated $8 million decrease in gas margins from changes in sales caused by weather conditions in WPL's service territory. Estimated increases (decreases) to WPL's gas margins from the impacts of weather during the nine months ended September 30, 2012 and 2011 were ($6) million and $2 million, respectively. This item was partially offset by an increase in weather normalized sales volumes. WPL believes the increase in weather-normalized sales volumes is partially due to relatively low natural gas prices.

Refer to "Alliant Energy's Results of Operations - Utility Electric Margins" for WPL's HDD data. Refer to "Rate Matters" for discussion of retail rate cases including a retail gas base rate decrease scheduled to be effective January 1, 2013.

Electric Transmission Service Expense - Refer to "Other Future Considerations" for discussion of potential changes in future electric transmission services expenses for WPL.

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Other Operation and Maintenance Expenses -
Third Quarter 2012 vs. Third Quarter 2011 Summary - Other operation and maintenance expenses decreased $4 million primarily due to lower other administrative and general expenses.

Nine Months Ended September 30, 2012 vs. Nine Months Ended September 30, 2011 Summary - Other operation and maintenance expenses decreased $19 million primarily due to $5 million of regulatory-related credits from WPL's 2013/2014 rate case decision recorded in the second quarter of 2012, $5 million of regulatory asset impairment charges recorded in 2011, a $5 million wind site impairment charge recorded in the first quarter of 2011 and $4 million of additional benefits costs recorded in 2011 resulting from an amendment to the Cash Balance Plan.

Refer to "Alliant Energy's Results of Operations - Utility Other Operation and Maintenance Expenses" for additional details of WPL's other operation and maintenance expenses. WPL currently expects its other operation and maintenance expense to decrease in 2013 as compared to 2012 due to decreases in regulatory amortizations related to energy conservation, partially offset by additional expenses associated with Riverside, which WPL anticipates purchasing in December 2012.

Depreciation and Amortization Expenses - WPL currently expects its depreciation expense to increase in 2013 as compared to 2012 primarily due to the full year impact of depreciation from its anticipated purchase of Riverside in December 2012 and the SCR at Edgewater Unit 5, which is expected to be placed in service in the fourth quarter of 2012.

AFUDC - AFUDC increased $2 million and $5 million for the three- and nine-month periods, respectively, primarily due to AFUDC recognized in 2012 for WPL's emission controls projects at Columbia Units 1 and 2, and Edgewater Unit 5.

Interest Expense - WPL currently expects its interest expense to increase in 2013 as compared to 2012 due to financings related to its anticipated purchase of Riverside in December 2012.

Income Taxes - Details of WPL's effective income tax rates during the three and nine months ended September 30 were as follows:

	Three Months		Nine Months	
	2012	2011	2012	2011
Statutory federal income tax rate	35.0 %	35.0 %	35.0 %	35.0 %
State apportionment changes	—	—	3.5	—
Production tax credits	(4.3)	(5.0)	(5.5)	(5.3)
Other items, net	4.8	4.4	4.7	3.3
Overall income tax rate	35.5 %	34.4 %	37.7 %	33.0 %

Refer to Note 4 of the "Combined Notes to Condensed Consolidated Financial Statements" for additional discussion of state apportionment changes and production tax credits.

LIQUIDITY AND CAPITAL RESOURCES

A summary of Alliant Energy's, IPL's and WPL's liquidity and capital resources matters is included in the 2011 Form 10-K and has not changed materially from the items reported in the 2011 Form 10-K, except as described below.

Liquidity Position - At September 30, 2012, Alliant Energy had $41 million of cash and cash equivalents, $880 million ($230 million at the parent company, $250 million at IPL and $400 million at WPL) of available capacity

under their revolving credit facilities and $125 million of available capacity at IPL under its sales of accounts receivable program.

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Capital Structures - Capital structures at September 30, 2012 were as follows (dollars in millions):

	Alliant Energy (Consolidated)		IPL		WPL	
Common equity	$3,116.0	50.1 %	$1,498.1	49.9 %	$1,480.7	56.4 %
Preferred stock	205.1	3.3 %	145.1	4.8 %	60.0	2.3 %
Noncontrolling interest	1.7	— %	—	— %	—	— %
Long-term debt (incl. current maturities)	2,829.5	45.5 %	1,359.3	45.3 %	1,082.5	41.3 %
Short-term debt	70.4	1.1 %	—	— %	—	— %
	$6,222.7	100.0 %	$3,002.5	100.0 %	$2,623.2	100.0 %

Cash Flows - Selected information from the Condensed Consolidated Statements of Cash Flows for the nine months ended September 30 was as follows (in millions):

	Alliant Energy		IPL		WPL	
	2012	2011	2012	2011	2012	2011
Cash and cash equivalents, January 1	$11.4	$159.3	$2.1	$5.7	$2.7	$0.1
Cash flows from (used for):						
Operating activities	600.3	612.7	172.4	314.1	339.6	381.3
Investing activities	(517.7)	(506.4)	(211.1)	(132.2)	(212.5)	(242.4)
Financing activities	(52.9)	(219.9)	41.9	(187.4)	(113.6)	(115.5)
Net increase (decrease)	29.7	(113.6)	3.2	(5.5)	13.5	23.4
Cash and cash equivalents, September 30	$41.1	$45.7	$5.3	$0.2	$16.2	$23.5

Operating Activities -
Nine Months Ended September 30, 2012 vs. Nine Months Ended September 30, 2011 - Alliant Energy's cash flows from operating activities decreased $12 million primarily due to $135 million of lower cash flows from changes in the level of IPL's accounts receivable sold during the nine months ended September 30, 2012 and 2011, lower cash flows resulting from changes in inventory levels of production fuel during the nine months ended September 30, 2012 and 2011, the timing of fuel-related cost recoveries at IPL and $19 million of higher credits on retail electric customers' bills in Iowa during the nine months ended September 30, 2012 compared to the nine months ended September 30, 2011 resulting from IPL's electric tax benefit rider. These items were partially offset by $152 million of higher cash flows from operations at RMT due to changes in working capital requirements associated with renewable energy projects in 2012 and 2011, higher cash flows from changes in prepaid gas and inventory levels of gas stored underground at IPL and WPL, and changes in the recovery of fuel-related costs at WPL.

IPL's cash flows from operating activities decreased $142 million primarily due to $135 million of lower cash flows from changes in the level of accounts receivable sold during the nine months ended September 30, 2012 and 2011, the timing of fuel-related cost recoveries, lower cash flows resulting from changes in inventory levels of production fuel during the nine months ended September 30, 2012 and 2011 and $19 million of higher credits on retail electric customers' bills in Iowa during the nine months ended September 30, 2012 compared to the nine months ended September 30, 2011 resulting from the electric tax benefit rider. These items were partially offset by $26 million of higher cash flows from income tax refunds during the nine months ended September 30, 2012 compared to income tax payments during the nine months ended September 30, 2011, and higher cash flows from changes in prepaid gas and inventory levels of gas stored underground.

WPL's cash flows from operating activities decreased $42 million primarily due to $45 million of lower cash flows from income tax payments during the nine months ended September 30, 2012 compared to income tax refunds during the nine months ended September 30, 2011, and lower cash flows resulting from changes in inventory levels of production fuel during the nine months ended September 30, 2012 and 2011. These items were partially offset by

changes in the recovery of fuel-related costs and higher cash flows from changes in prepaid gas and inventory levels of gas stored underground.

IPL's Sales of Accounts Receivable Program - Changes in cash flows related to IPL's sales of accounts receivable program increased (decreased) Alliant Energy's and IPL's cash flows from operations by ($85.0) million and $50.0 million during the nine months ended September 30, 2012 and 2011, respectively. These changes were primarily due to IPL relying less on its sales of accounts receivable program in 2012 for financing its cash needs. In March 2012, IPL extended through March 2014 the purchase commitment from the third-party financial institution to which it sells its receivables. Refer to Note 3 of the

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"Combined Notes to Condensed Consolidated Financial Statements" for additional details of IPL's sales of accounts receivable program.

Production Fuel - MISO's dispatch of Alliant Energy's generating facilities impacts the amount of production fuel used each period at IPL and WPL. During the nine months ended September 30, 2012, lower MISO dispatch of Alliant Energy's generating facilities resulted in lower production fuel used, which contributed to increased production fuel inventory levels at IPL and WPL. Production fuel inventory levels at IPL and WPL decreased significantly during the nine months ended September 30, 2011 due to higher dispatch of Alliant Energy's generating facilities during such period. The changes in production fuel inventory levels during the nine months ended September 30, 2012 and 2011 resulted in a decrease to Alliant Energy's, IPL's and WPL's cash flows from operations of $36 million, $28 million and $8 million, respectively.

IPL's Electric Tax Benefit Rider - Refer to "Alliant Energy's Results of Operations," "IPL's Results of Operations," and Note 4 of the "Combined Notes to Condensed Consolidated Financial Statements" for further discussion of IPL's electric tax benefit rider.

RMT's Working Capital Requirements - Cash flows from operations at RMT can fluctuate significantly from period to period based on the timing of cash receipts from customers and cash payments for construction activities associated with its customers' large renewable energy projects. Cash flows from operations at RMT increased significantly during the nine months ended September 30, 2012 compared to the nine months ended September 30, 2011 largely due to amounts collected in 2012 for customers' large renewable energy projects completed in late 2011 and in 2012. In February 2012, Alliant Energy announced plans to sell RMT in 2012.

Income Tax Payments and Refunds - Alliant Energy, IPL and WPL do not expect to make any significant federal income tax payments in 2012 through 2014, based on federal net operating loss and credit carryforward positions as of September 30, 2012. While no significant federal income tax payments in 2012 through 2014 are expected to occur, some tax payments and refunds may occur between consolidated group members under the tax sharing agreement between Alliant Energy and its subsidiaries.

Investing Activities -

Nine Months Ended September 30, 2012 vs. Nine Months Ended September 30, 2011 - Alliant Energy's cash flows used for investing activities increased $11 million primarily due to $12 million of net proceeds from the sale of RMT's environmental business unit in June 2011, partially offset by $7 million of lower construction and acquisition expenditures. The lower construction and acquisition expenditures resulted from progress payments by IPL during the nine months ended September 30, 2011 for wind turbine generators that were sold to Resources in June 2011, and expenditures during the nine months ended September 30, 2011 for WPL's Bent Tree - Phase I wind project, WPL's acquisition of the remaining 25% interest in Edgewater Unit 5 and WPL's emission controls projects at Edgewater Unit 5. These items were partially offset by expenditures during the nine months ended September 30, 2012 for the purchase of Alliant Energy's corporate headquarters building at the expiration of the lease term for $48 million, Resources' Franklin County wind project, and emission controls projects at WPL's Columbia Units 1 and 2, WPL's Edgewater Unit 5, IPL's Ottumwa Unit 1 and IPL's George Neal Units 3 and 4.

IPL's cash flows used for investing activities increased $79 million primarily due to $115 million of proceeds from the sale of wind project assets to Resources in June 2011, partially offset by $38 million of lower construction expenditures. The lower construction expenditures resulted from progress payments during the nine months ended September 30, 2011 for wind turbine generators that were sold to Resources in June 2011, partially offset by expenditures during the nine months ended September 30, 2012 for the emission controls projects at Ottumwa Unit 1 and George Neal Units 3 and 4.

WPL's cash flows used for investing activities decreased $30 million primarily due to $30 million of lower construction and acquisition expenditures. The lower construction and acquisition expenditures resulted from expenditures during the nine months ended September 30, 2011 for the Bent Tree - Phase I wind project, the acquisition of the remaining 25% interest in Edgewater Unit 5 and emission controls projects at Edgewater Unit 5. These items were partially offset by expenditures during the nine months ended September 30, 2012 for emission controls projects at Columbia Units 1 and 2 and Edgewater Unit 5.

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Construction and Acquisition Expenditures - Alliant Energy, IPL and WPL currently anticipate construction and acquisition expenditures for 2012 through 2016 as follows (in millions):

	Alliant Energy					IPL					WPL				
	2012	2013	2014	2015	2016	2012	2013	2014	2015	2016	2012	2013	2014	2015	2016
Utility business (a):															
Generation - new facilities:															
WPL gas - Riverside acquisition	$395	$—	$—	$—	$—	$—	$—	$—	$—	$—	$395	$—	$—	$—	$—
IPL gas - new facility	5	10	100	325	200	5	10	100	325	200	—	—	—	—	—
Subtotal	400	10	100	325	200	5	10	100	325	200	395	—	—	—	—
Environmental	290	355	210	200	165	115	185	120	15	5	175	170	90	185	160
Generation performance improvements	20	35	75	25	45	20	30	60	10	20	—	5	15	15	25
Other	335	380	410	405	410	175	200	225	230	235	160	180	185	175	175
Total utility business	1,045	780	795	955	820	$315	$425	$505	$580	$460	$730	$355	$290	$375	$360
Corporate Services (b)	60	40	45	30	20										
Franklin County Wind (b)	65	5	15	—	—										
Other (b)	10	10	5	5	5										
	$1,180	$835	$860	$990	$845										

(a) Cost estimates represent IPL's or WPL's estimated portion of total escalated construction and acquisition expenditures and exclude AFUDC, if applicable. Refer to "Strategic Overview" for further discussion of the generation plans and environmental compliance plans.

(b) Cost estimates represent total escalated construction and acquisition expenditures and exclude capitalized interest.

Government Incentives for Wind Projects - Alliant Energy, IPL and WPL evaluated their options for government incentive elections for IPL's Whispering Willow - East wind project and WPL's Bent Tree - Phase I wind project and currently believe they will continue with the production tax credits incentive election for those two wind projects. Refer to "Other Matters - Other Future Considerations" for further discussion of government incentives for wind projects.

Financing Activities -

Nine Months Ended September 30, 2012 vs. Nine Months Ended September 30, 2011 - Alliant Energy's cash flows used for financing activities decreased $167 million primarily due to $75 million of proceeds from the issuance of 3.45% senior notes by Corporate Services in September 2012, changes in the amount of commercial paper outstanding at Alliant Energy, IPL and WPL, and $40 million of payments to redeem IPL's 7.10% Series C Cumulative Preferred Stock in April 2011.

IPL's cash flows from financing activities increased $229 million primarily due to $101 million of repayments of capital to its parent company, Alliant Energy, during the nine months ended September 30, 2011, $80 million of capital contributions from its parent company during the nine months ended September 30, 2012, changes in the

amount of commercial paper outstanding, and $40 million of payments to redeem IPL's 7.10% Series C Cumulative Preferred Stock in April 2011. These items were partially offset by $48 million of higher common stock dividends paid to its parent company during the nine months ended September 30, 2012 compared to the nine months ended September 30, 2011.

WPL's cash flows used for financing activities decreased $2 million primarily due to changes in the amount of commercial paper outstanding, largely offset by $25 million of capital contributions from its parent company, Alliant Energy, during the nine months ended September 30, 2011.

FERC Financing Authorizations - In March 2012, FERC authorized Corporate Services to issue up to $150 million of long-term debt securities and to maintain up to $200 million of short-term debt securities outstanding (including borrowings from its parent or other affiliates) during the period from March 31, 2012 through March 30, 2014. FERC also authorized Corporate Services to receive an unspecified amount of capital contributions and advances from its parent or other affiliates during the period from March 31, 2012 through March 30, 2014. As of September 30, 2012, Corporate Services had remaining authority to issue up to $75 million of long-term debt securities and maintain up to $200 million of short-term debt securities outstanding under this authority.

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State Regulatory Financing Authorizations - In May 2012, WPL received authorization from the PSCW to arrange one or more interim credit facilities not to exceed 364 days in length for the prospective purchase of Riverside and to increase the short-term debt limit up to $700 million. This authorization expires the earlier of when such acquisition-related short-term debt has been refinanced with long-term debt, or January 31, 2014.

Common Stock Issuances and Capital Contributions - Refer to Note 5(b) of the "Combined Notes to Condensed Consolidated Financial Statements" for discussion of Alliant Energy's common stock issuances during the nine months ended September 30, 2012 under its equity incentive plans for employees. Refer to Note 6 of the "Combined Notes to Condensed Consolidated Financial Statements" for discussion of capital contributions from Alliant Energy to IPL, and payments of common stock dividends by IPL and WPL to their parent company during the nine months ended September 30, 2012.

Short-term Debt - Alliant Energy's, IPL's and WPL's credit facility agreements each contain a covenant, which requires the entities to maintain certain debt-to-capital ratios in order to borrow under the credit facilities. The required debt-to-capital ratios compared to the actual debt-to-capital ratios at September 30, 2012 were as follows:

	Alliant Energy	IPL	WPL
Requirement	Less than 65%	Less than 58%	Less than 58%
Status at September 30, 2012	46%	45%	44%

Refer to Note 7(a) of the "Combined Notes to Condensed Consolidated Financial Statements" for additional information on short-term debt.

Long-term Debt - Alliant Energy, IPL and WPL currently expect to issue up to $450 million, $0 and $300 million, respectively, of long-term debt in 2012, excluding any amounts of commercial paper outstanding that may be classified as long-term debt. Refer to Note 7(b) of the "Combined Notes to Condensed Consolidated Financial Statements" for discussion of $50 million of commercial paper outstanding at September 30, 2012 classified as long-term debt and $75 million of long-term debt issued by Corporate Services in September 2012.

Creditworthiness - In September 2012, Moody's Investors Service affirmed the current credit ratings for Alliant Energy, IPL and WPL and changed each of their credit rating outlooks from negative to stable.

Off-Balance Sheet Arrangements - A summary of Alliant Energy's off-balance sheet arrangements is included in the 2011 Form 10-K and has not changed materially from the items reported in the 2011 Form 10-K, except as described below. Refer to Note 1(d) of the "Combined Notes to Condensed Consolidated Financial Statements" for information regarding Alliant Energy's purchase of the corporate headquarters building in April 2012 at the expiration of the lease term. Refer to Note 3 of the "Combined Notes to Condensed Consolidated Financial Statements" for information regarding IPL's sales of accounts receivable program including an extension through March 2014 of the purchase commitment from the third-party financial institution to which IPL sells its receivables. Refer to Note 11(d) of the "Combined Notes to Condensed Consolidated Financial Statements" for information regarding various guarantees and surety bonds related to RMT's performance obligations related to various wind and solar projects, and a guarantee outstanding related to Alliant Energy's prior divestiture activities.

Certain Financial Commitments -

Contractual Obligations - A summary of Alliant Energy's, IPL's and WPL's contractual obligations is included in the 2011 Form 10-K and has not changed materially from the items reported in the 2011 Form 10-K, except for the items described in Notes 7, 11(a) and 11(b) of the "Combined Notes to Condensed Consolidated Financial Statements."

OTHER MATTERS

Market Risk Sensitive Instruments and Positions - Alliant Energy’s, IPL’s and WPL’s primary market risk exposures are associated with commodity prices, investment prices and interest rates. Alliant Energy, IPL and WPL have risk management policies to monitor and assist in mitigating these market risks and use derivative instruments to manage some of the exposures. A summary of Alliant Energy’s, IPL’s and WPL’s market risks is included in the 2011 Form 10-K and such market risks have not changed materially from those reported in the 2011 Form 10-K, except as described below.

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Retail fuel-related costs incurred by WPL for the period from January 2012 through September 2012 were lower than retail fuel-related costs used to determine rates for such period. WPL currently projects that its retail fuel-related costs for the 2012 calendar year will remain lower than the approved fuel monitoring level by more than the 2% bandwidth resulting in future refunds anticipated to be paid to WPL's retail electric customers. As of September 30, 2012, Alliant Energy and WPL recorded $5 million in regulatory liabilities on their Condensed Consolidated Balance Sheets for refunds expected to be paid to WPL customers.

In its October 2012 oral decision, the PSCW approved annual forecasted fuel-related costs per MWh of $23.28 based on $320 million of variable fuel-related costs for WPL's 2013 test period. These 2013 fuel-related costs are expected to be monitored using an annual bandwidth of plus or minus 2%. Based on the cost recovery mechanism in Wisconsin, the annual forecasted fuel-related costs approved by the PSCW in October 2012 and an annual bandwidth of plus or minus 2%, Alliant Energy and WPL currently estimate the commodity risk exposure to their electric margins in 2013 is approximately $5 million.

Critical Accounting Policies and Estimates - A summary of Alliant Energy's, IPL's and WPL's critical accounting policies and estimates is included in the 2011 Form 10-K and such policies and estimates have not changed materially from those reported in the 2011 10-K, except as described below.

Contingencies - Alliant Energy, IPL and WPL make assumptions and judgments each reporting period regarding the future outcome of contingent events and record loss contingency amounts for any contingent events that are both probable and reasonably estimated based upon current available information. Note 11 of the "Combined Notes to Condensed Consolidated Financial Statements" provides discussion of contingencies assessed at September 30, 2012 including various pending legal proceedings that may have a material impact on Alliant Energy's, IPL's and WPL's financial condition and results of operations.

Regulatory Assets and Regulatory Liabilities - Alliant Energy, IPL and WPL make assumptions and judgments each reporting period regarding whether their regulatory assets are probable of future recovery and their regulatory liabilities are probable future obligations. Note 1(b) of the "Combined Notes to Condensed Consolidated Financial Statements" provides details of the nature and amounts of Alliant Energy's, IPL's and WPL's regulatory assets and regulatory liabilities assessed at September 30, 2012 as well as material changes to Alliant Energy's and IPL's regulatory assets and regulatory liabilities during the nine months ended September 30, 2012. Material changes to these regulatory assets and regulatory liabilities during the nine months ended September 30, 2012 were largely due to changes in the estimated amounts of qualifying repair expenditures and allocation of mixed service costs at IPL, IPL's electric tax benefit rider, which utilized $63 million of regulatory liabilities to credit IPL's Iowa retail electric customers' bills during such period, and the PSCW's July 2012 order related to WPL's 2013/2014 test period Wisconsin retail electric and gas rate case.

Long-Lived Assets - Alliant Energy, IPL and WPL complete periodic assessments regarding the recoverability of certain long-lived assets when factors indicate the carrying value of such assets may be impaired or such assets are planned to be sold. These assessments require significant assumptions and judgments by management. The long-lived assets assessed for impairment generally include assets within their non-regulated operations, which are proposed to be sold or are not yet generating cash flows, and assets within their regulated operations, which may not be fully recovered from IPL's and WPL's customers as a result of regulatory decisions in the future.

Refer to "Strategic Overview" and Note 1(c) of the "Combined Notes to Condensed Consolidated Financial Statements" for recent developments of the Franklin County wind project, undeveloped wind sites, the Whispering Willow - East wind project and generating units subject to early retirement. In addition, Alliant Energy and WPL assessed the recoverability of certain transmission system upgrade costs related to WPL's Bent Tree - Phase I wind project in 2012.

WPL placed the remaining portion of its 200 MW Bent Tree - Phase I wind project in service in 2011. In 2009, WPL requested that MISO conduct an optional study to identify transmission system upgrades needed to enable the Bent Tree wind project to reach full generation capacity. Based on the results of the optional study performed by MISO, WPL requested ITC to perform a facilities study to determine the feasibility and cost of the upgrades needed to enable Bent Tree to reach full generation capacity, which ITC completed in 2010. WPL entered into a Facility Construction Agreement (FCA) with ITC and MISO in January 2011 to address the transmission system constraints. Pursuant to the FCA and ITC’s Attachment “FF” tariff, WPL advanced funds to ITC in 2011 and 2012 necessary to construct the transmission upgrades on ITC’s system required to enable full output at Bent Tree. As of September 30, 2012, Alliant Energy and WPL recorded $15 million in “Deferred charges and other” on their Condensed Consolidated Balance Sheets related to the project constructed by ITC. MISO is expected to complete the definitive planning phase study for Bent Tree in the first half of 2013. If the facilities are identified as required network upgrades as a result of the MISO definitive planning phase study, the facilities will be entitled

to cost reimbursement from ITC and WPL will be reimbursed by ITC for up to 100% of the transmission upgrade costs. While Alliant Energy and WPL believe their cost of the facilities will be reimbursed by ITC, Alliant Energy and WPL could record an impairment of these costs if they are determined not to be a required network upgrade and thus fail to qualify for reimbursement under ITC's current Attachment "FF" tariff mechanism or if there is a change in ITC's current Attachment "FF" tariff mechanism, and WPL is not able to recover these costs from its electric customers. Refer to "Other Future Considerations - Electric Transmission Service Charges" for further discussion of ITC's Attachment "FF" tariff mechanism.

Unbilled Revenues - Alliant Energy, IPL and WPL make assumptions and judgments each reporting period to estimate their amount of unbilled revenues. At September 30, 2012, unbilled revenues related to Alliant Energy's utility operations were $125 million ($65 million at IPL and $60 million at WPL). Note 3 of the "Combined Notes to Condensed Consolidated Financial Statements" provides discussion of IPL's unbilled revenues as of September 30, 2012 sold to a third-party financial institution related to its sales of accounts receivable program.

Pensions and Other Postretirement Benefits - Alliant Energy, IPL and WPL make assumptions and judgments periodically to estimate the obligations and costs related to their retirement plans. Note 5(a) of the "Combined Notes to Condensed Consolidated Financial Statements" provides additional details of pension and other postretirement benefits plans. Note 11(c) of the "Combined Notes to Condensed Consolidated Financial Statements" provides recent developments of the class-action lawsuit filed against the Cash Balance Plan in 2008.

Income Taxes - Alliant Energy, IPL and WPL make assumptions and judgments each reporting period to estimate their income tax assets, liabilities, benefits and expenses. Alliant Energy's, IPL's and WPL's critical assumptions and judgments include projections of future taxable income used to determine their ability to utilize net operating loss and credit carryforwards prior to their expiration and the states in which such future taxable income will be apportioned. Alliant Energy's and IPL's critical assumptions and judgments also include projections of qualifying repairs expenditures and allocation of mixed service costs due to the impact of Iowa rate-making principles on such property-related differences.

Effect of Rate-making on Property-related Differences - Alliant Energy's and IPL's effective tax rates are normally impacted by certain property-related differences at IPL for which deferred tax is not recorded in the income statement pursuant to Iowa rate-making principles. In 2009, IPL filed a request with the IUB to create a regulatory liability account for potential tax benefits and expenses resulting from certain of these property-related differences caused by changes in accounting methodologies and tax elections available under the Internal Revenue Code. These tax benefits related to the tax treatment of repair expenditures, allocation of insurance proceeds from the floods in 2008 and allocation of mixed services costs. In 2010, IPL received approval from the IUB to record any tax benefits and expenses from these changes in accounting methodologies in a regulatory liability account until the IRS audit process related to such changes in accounting methodologies was completed. The IRS audit process was completed for allocation of mixed service costs with the income tax return for calendar year 2010 and repairs expenditures with the income tax return for calendar year 2011. As a result, IPL has recognized the tax benefits and expenses from the change in accounting method for allocation of mixed service costs through 2010 and the tax benefits and expenses from the change in accounting method for repairs expenditures through 2011 in a regulatory liability referred to as the tax benefit rider. The tax benefits and expenses from the changes in accounting method for allocation of mixed service costs subsequent to 2010 and the tax benefits and expenses from the changes in accounting method for repairs expenditures subsequent to 2011 are being recorded consistent with general Iowa rate-making principles, which impact income tax expense and benefits at Alliant Energy and IPL. Changes in assumptions regarding the amount of, and regulatory treatment of, IPL's qualifying repairs expenditures and allocation of mixed service costs could result in a material impact on Alliant Energy's and IPL's financial condition and results of operations. Refer to Note 4 of the "Combined Notes to Condensed Consolidated Financial Statements" and "Other Future Considerations - IPL's Tax

Benefit Rider" for further discussion of the tax benefit rider and details of how the effect of rate-making on property-related differences impacted Alliant Energy's and IPL's effective tax rates for the nine months ended September 30, 2012 and 2011.

Carryforward Utilization - Alliant Energy, IPL and WPL generated significant federal tax credits and federal and state net operating losses that are currently being carried forward. Based on current projections of future taxable income, Alliant Energy, IPL and WPL plan to utilize substantially all of these carryforwards prior to their expiration. Changes in assumptions regarding Alliant Energy's, IPL's and WPL's future taxable income could require valuation allowances in the future resulting in a material impact on their financial condition and results of operations. Refer to Note 4 of the "Combined Notes to Condensed Consolidated Financial Statements" for additional information on federal tax credit and federal and state net operating loss carryforwards as of September 30, 2012.

State Apportionment - Alliant Energy, IPL and WPL utilize state apportionment projections to record their deferred tax assets and liabilities each reporting period. Deferred tax assets and liabilities for temporary differences between the tax basis of

assets and liabilities and the amounts reported in the consolidated financial statements are recorded utilizing currently enacted tax rates and estimates of future state apportionment rates expected to be in effect at the time the temporary differences reverse. These state apportionment projections are most significantly impacted by the estimated amount of revenues expected in the future from each state jurisdiction for Alliant Energy's consolidated tax group, including both its regulated operations and its non-regulated operations. Alliant Energy, IPL and WPL recorded $15 million, $8 million and $7 million, respectively, of income tax expense during the nine months ended September 30, 2012 due to changes in state apportionment projections caused by the planned sale of Alliant Energy's RMT business. A significant majority of the additional income tax expense recognized from changes in state apportionment projections were recorded at IPL and WPL due to their large deferred tax liability positions at September 30, 2012. Refer to Note 4 of the "Combined Notes to Condensed Consolidated Financial Statements" for further discussion of state apportionment impacts during the nine months ended September 30, 2012.

Other Future Considerations - A summary of Alliant Energy's, IPL's and WPL's other future considerations is included in the 2011 Form 10-K and such considerations have not changed materially from the items reported in the 2011 Form 10-K, except as described below.

Electric Transmission Service Charges -
2013 Electric Transmission Service Expenses
2013 Rates Charged by ITC to IPL - In September 2012, ITC filed with MISO the Attachment "O" rate it proposes to charge its customers in 2013 for electric transmission services. The proposed rate was based on ITC's net revenue requirement for 2013 as well as a true-up adjustment credit related to amounts that ITC over-recovered from its customers in 2011. The 2013 Attachment "O" rate filed with MISO is approximately 15% higher than the rate ITC charged its customers in 2012.

2013 Rates Charged by ATC to WPL - In September 2012, ATC shared with its customers the Attachment "O" rate it proposes to charge them in 2013 for electric transmission services. The proposed rate was based on ATC's net revenue requirement for 2013 as well as a true-up adjustment credit related to amounts that ATC over-recovered from its customers in 2011. The 2013 Attachment "O" rate is approximately 5% higher than the rate ATC charged its customers in 2012.

MISO Transmission Charges Billed to IPL and WPL - MISO tariffs billed to IPL and WPL include costs related to various shared transmission projects including Multi-Value Projects (MVPs). MVPs include new large scale transmission projects that enable the reliable and economic delivery of energy in support of documented energy policy mandates or provide economic value across multiple pricing zones within MISO. MVP costs are socialized across the entire MISO footprint based on energy usage of each MISO participant. MISO tariffs billed to IPL and WPL also include costs related to other shared transmission projects, including projects designed to reduce market congestion, provide interconnection to the transmission grid for new generation, and to ensure compliance with applicable standards. The costs of these projects are allocated to MISO participants in a way that is commensurate with the benefit to the participants' pricing zone. The MISO transmission charges billed to IPL and WPL are expected to increase in the future due to the increased number of shared transmission projects occurring in the MISO region.

The increase in ITC's and ATC's Attachment "O" rates and MISO transmission charges for shared transmission projects are expected to contribute to material increases in future electric transmission service charges for IPL and WPL. Alliant Energy, IPL and WPL currently estimate their electric transmission service expenses in 2013 will be approximately $80 million, $70 million and $10 million, respectively, higher than the comparable expenses anticipated in 2012. A significant portion of the increase in IPL's electric transmission service expenses is expected to be offset with increases in electric revenues resulting from the automatic transmission cost recovery rider approved by the IUB and implemented in 2011. Recovery of the increases in WPL's electric transmission service expenses for 2013

and 2014 was requested as part of WPL's retail electric and gas rate case for the 2013/2014 test period.

ITC's Attachment "FF" Tariff - In September 2012, IPL filed a formal complaint with FERC alleging that ITC's Attachment "FF" tariff is unjust, unreasonable and unduly discriminatory to IPL and its customers. In the complaint, IPL alleges that its customers have made payments of $32 million in incremental costs for the period 2008 through 2011 as compared to costs that would have been charged under the version of Attachment "FF" tariff applicable in the majority of the MISO pricing zones without obtaining equal benefits. The complaint filed with FERC also includes estimates that IPL's customers could make aggregate payments of $138 million in incremental costs for the period 2012 through 2016. IPL requested in its formal complaint that FERC investigate ITC's Attachment "FF" tariff, establish a refund date of September 14, 2012 with respect to the complaint and establish hearing procedures. IPL further requests that if FERC determines that ITC's Attachment "FF" tariff is unjust and unreasonable then it should require ITC to file revisions to conform its Attachment "FF" tariff to the MISO Attachment "FF" tariff, which is applicable in the majority of the other pricing zones. In October 2012, ITC filed a response to IPL's formal complaint. Alliant Energy and IPL are currently unable to predict what action FERC may take regarding

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IPL's formal complaint or a time-line under which FERC may act, but believe the outcome could be material to the future amount of transmission service costs billed by ITC to IPL. Alliant Energy and IPL expect any changes in the amount of electric transmission services expenses resulting from IPL's formal complaint will have a comparable offsetting impact in electric revenues due to the automatic transmission cost recovery rider approved by the IUB and implemented in 2011.

FERC Audit of ITC - FERC audit staff conducted an audit of ITC's compliance with certain of FERC's regulations and conditions established in FERC's approval of ITC's acquisition of IPL's electric transmission assets. In September 2011, FERC audit staff issued an audit report that identified certain findings and recommendations related to specific aspects of the accounting treatment for the acquisition, which have the potential to result in adjustments to ITC's annual revenue requirement calculations and corresponding refunds to IPL. In September 2012, ITC filed a proposed Refund Report with FERC, which proposes to implement a $3 million refund to IPL in either 2013 or 2014 through a true-up adjustment under its formula rates. ITC's proposed Refund Report is subject to FERC approval.

Electric Sales Projections -
2012 Drought Conditions in Midwest - The Midwest, including a large portion of IPL's and WPL's service territories, experienced severe drought conditions during the summer of 2012, which has resulted in a significant decrease to the grain harvest in the Midwest in 2012. These severe drought conditions may result in a future reduction in demand of electricity from IPL's and WPL's electric customers involved in food processing and ethanol production that are dependent on grain for their operations. Alliant Energy, IPL and WPL are currently unable to predict what the potential impact of the 2012 drought conditions will be on their financial condition or results of operations in 2013, but believe it could be material.

IPL's Wholesale Electric Sales - In July 2012, Jo-Carroll Energy, Inc. (Jo-Carroll) filed a complaint in the U.S. District Court for the Northern District of Illinois Western Division against IPL seeking declaratory relief from a wholesale power supply agreement (Agreement) between the parties dated May 1, 2008. Sales to Jo-Carroll represented 2% of IPL's total electric sales for the year ended December 31, 2011. Jo-Carroll is attempting to invoke an early termination provision of the Agreement. While IPL feels it has a strong position to refute Jo-Carroll's claim, based on the outcome of the proceeding, Jo-Carroll may no longer be IPL's wholesale customer starting sometime in 2014. Alliant Energy and IPL are currently unable to predict the ultimate impact of this proceeding, but believe the outcome could be material to their financial condition and results of operations.

Government Incentives for Wind Projects - In December 2011, the National Defense Authorization Act (NDAA) was enacted. Pursuant to the terms of the NDAA, utilities are no longer subject to a tax normalization violation if they provide the benefits of the government grant incentive to their customers over a shorter time period than the regulatory life of the project assets. This provision of the NDAA can be applied retroactively to renewable energy projects placed into service since 2009. As a result of the enactment of NDAA, Alliant Energy, IPL and WPL evaluated their options for government incentive elections for IPL's Whispering Willow - East wind project and WPL's Bent Tree - Phase I wind project and will continue with the production tax credits incentive election for those two wind projects. Alliant Energy currently expects to elect the government grant equal to 30% of the qualified cost basis of its Franklin County wind project scheduled to be completed by the end of 2012. Beginning in January 2013, the Budget Control Act of 2011 is scheduled to introduce automatic federal spending cuts, or sequestration, if a budget reduction plan does not occur at the end of 2012. A portion (7.6%) of government grant funding may be subject to sequestration and may impact any government grant that is not received by the end of 2012. In the event of sequestration, Alliant Energy may reevaluate its options on government incentive elections for the Franklin County wind project.

IPL’s Tax Benefit Riders - In 2010, the IUB authorized IPL to create a regulatory liability account and credit such account for any potential tax benefits and expenses resulting from changes in tax accounting methodologies and tax elections available under the Internal Revenue Code. As of September 30, 2012, Alliant Energy and IPL have recognized $451 million of regulatory liabilities from the aggregate amount of such tax benefits estimated to-date, of which $63 million and $61 million were utilized to credit IPL’s retail electric customer bills in Iowa for the nine months ended September 30, 2012 and the calendar year 2011, respectively. A total of $81 million is expected to be utilized to credit IPL’s retail electric customer bills in Iowa for calendar year 2012. The remaining amounts of regulatory liabilities under the current electric and proposed gas tax benefit riders and the period over which they will be returned to customers will be determined by the IUB in the future. Alliant Energy and IPL have also recognized $451 million of regulatory assets to date to reflect the benefit IPL expects to receive from its Iowa retail customers in the future through increased rates as the significant temporary differences associated with these tax benefits reverse into current income tax expense in the future.

The changes in accounting methodologies reflected in the tax benefit riders relate to repair expenditures and allocation of mixed service costs, and these accounting changes are expected to continue into the future. Due to the previous uncertainty

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of retaining these tax benefits and expenses, the IUB authorized IPL to record the related tax benefits and expenses to a regulatory liability account until the IRS audit process for such changes in accounting methodologies was completed. In addition, IPL and the IUB agreed to calculate IPL's revenue requirement under previous accounting methodologies until the IRS audit process was completed. The IRS audit process was completed for allocation of mixed service costs with the income tax return for calendar year 2010 and repairs expenditures with the income tax return for calendar year 2011. Income tax expenses or benefits resulting from allocation of mixed service costs or repair expenditures incurred after calendar year 2010 for allocation of mixed service costs and after calendar year 2011 for repairs expenditures are being recorded to income tax benefit and expense. In addition, IPL expects to submit a filing to the IUB in the fourth quarter of 2012 requesting authority to adjust the tax benefit rider bill credit amount to reflect the revenue requirement impacts of the changes in accounting methods. Subject to approval by the IUB, the revenue requirement adjustment is anticipated to increase Alliant Energy's and IPL's electric revenues starting in 2013 and continuing until addressed in IPL's next retail electric base rate case. Refer to Note 4 of the "Combined Notes to Condensed Consolidated Financial Statements" for further discussion of tax benefit riders.

Potential Tax Accounting Method Changes - Alliant Energy, IPL and WPL are currently assessing accounting method changes as a result of tangible property regulations released in 2011. In addition, Alliant Energy, IPL and WPL anticipate the IRS will publish guidance clarifying the tax treatment of costs incurred to retire and remove depreciable assets. The outcomes of the assessment and additional guidance could result in Alliant Energy, IPL and WPL filing additional tax accounting method changes with the IRS. If approved by the IRS, these tax accounting method changes could materially impact Alliant Energy's and IPL's future income tax benefits and expenses due to Iowa rate-making principles, which do not recognize deferred income tax benefits and expenses for certain property-related differences at IPL including costs incurred to retire and remove depreciable assets.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Quantitative and Qualitative Disclosures About Market Risk are reported in "Other Matters - Market Risk Sensitive Instruments and Positions" in MDA.

ITEM 4. CONTROLS AND PROCEDURES

Alliant Energy's, IPL's and WPL's management evaluated, with the participation of each of Alliant Energy's, IPL's and WPL's Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Disclosure Committee, the effectiveness of the design and operation of Alliant Energy's, IPL's and WPL's disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934) as of September 30, 2012 pursuant to the requirements of the Securities Exchange Act of 1934. Based on their evaluation, the CEO and the CFO concluded that Alliant Energy's, IPL's and WPL's disclosure controls and procedures were effective as of September 30, 2012.

There was no change in Alliant Energy's, IPL's and WPL's internal control over financial reporting that occurred during the quarter ended September 30, 2012 that has materially affected, or is reasonably likely to materially affect, Alliant Energy's, IPL's or WPL's internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

WPL -
Air Permitting Violation Claims - As discussed in the combined Quarterly Report on Form 10-Q filed by Alliant Energy, IPL and WPL for the quarterly period ended June 30, 2012, in 2009, the EPA sent an NOV to WPL as an

owner and the operator of Edgewater, Nelson Dewey and Columbia. The NOV alleges that the owners of Edgewater, Nelson Dewey and Columbia failed to comply with appropriate pre-construction review and permitting requirements and as a result violated the PSD program requirements, Title V Operating Permit requirements of the CAA and the Wisconsin SIP.

In September 2010, Sierra Club filed in the U.S. District Court for the Western District of Wisconsin a complaint against WPL, as owner and operator of Nelson Dewey and Columbia, based on allegations that modifications were made at the facilities without complying with the PSD program requirements, Title V Operating Permit requirements of the CAA and state regulatory counterparts contained within the Wisconsin SIP designed to implement the CAA. In October 2010, WPL responded to these claims related to Nelson Dewey and Columbia by filing with the U.S. District Court an answer denying the Columbia allegations and a motion to dismiss the Nelson Dewey allegations based on statute of limitations arguments. In November 2010, WPL filed a motion to dismiss the Nelson Dewey and Columbia allegations based on lack of jurisdiction.

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Sierra Club has responded to the motions. In May 2012, the parties filed a Stipulation of Dismissal without Prejudice, and the court closed the case.

In September 2010, Sierra Club filed in the U.S. District Court for the Eastern District of Wisconsin a complaint against WPL, as owner and operator of Edgewater, which contained similar allegations regarding air permitting violations at Edgewater. In the Edgewater complaint, additional allegations were made regarding violations of emission limits for visible emissions. In February 2011, WPL responded to these claims related to Edgewater by filing with the U.S. District Court an answer denying the allegations and a motion to dismiss the allegations based on lack of jurisdiction.

Alliant Energy and WPL are defending against these allegations because they believe the projects at Edgewater, Nelson Dewey and Columbia were routine or not projected to increase emissions and therefore did not violate the requirements of the CAA. Simultaneously, WPL, the other owners of Edgewater and Columbia, the EPA and Sierra Club (collectively “the parties”) are exploring settlement options. Alliant Energy and WPL believe that the parties have reached agreement on general terms to settle these air permitting violation claims and are currently negotiating a consent decree based upon those general terms. Those terms are subject to change during the negotiations. Based on a review of existing EPA consent decrees, Alliant Energy and WPL anticipate that the final consent decree could include the installation of emission control technology, changed operating conditions (including use of fuels other than coal and retirement of units), limitations on emissions, beneficial environmental mitigation projects, and a civil penalty.

Once the parties agree to the final terms, the Court must approve the consent decree. Alliant Energy and WPL cannot predict the outcome of these claims, but believe the outcome could be significant if the parties are unable to reach final agreement, or reach final agreement on different terms than currently anticipated, or if the Court does not approve the final consent decree.

ITEM 1A. RISK FACTORS

A summary of Alliant Energy’s, IPL’s and WPL’s risk factors is included in Item 1A in the 2011 Form 10-K and such risk factors have not changed materially from the items reported in the 2011 Form 10-K.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

A summary of Alliant Energy common stock repurchases for the quarter ended September 30, 2012 was as follows:

Period	Total Number of Shares Purchased (a)	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plan	Maximum Number (or Approximate Dollar Value) of Shares That May Yet Be Purchased Under the Plan (a)
July 1 to July 31	3,226	$45.75	—	N/A
August 1 to August 31	2,535	46.26	—	N/A
September 1 to September 30	15	43.79	—	N/A
	5,776	45.97	—	

(a) All shares were purchased on the open market and held in a rabbi trust under the Alliant Energy Deferred Compensation Plan (DCP). There is no limit on the number of shares of Alliant Energy common stock that may be held under the DCP, which currently does not have an expiration date.

Refer to Note 6 of the “Combined Notes to Condensed Consolidated Financial Statements” for discussion of restrictions on IPL’s and WPL’s distributions to their parent company.

ITEM 6. EXHIBITS

Exhibits for Alliant Energy, IPL and WPL are listed in the Exhibit Index, which is incorporated herein by reference.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, Alliant Energy Corporation, Interstate Power and Light Company and Wisconsin Power and Light Company have each duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized on the 9th day of November 2012.

ALLIANT ENERGY CORPORATION
Registrant

By: /s/ Robert J. Durian	Controller and Chief Accounting Officer
Robert J. Durian	(Principal Accounting Officer and Authorized Signatory)

INTERSTATE POWER AND LIGHT COMPANY
Registrant

By: /s/ Robert J. Durian	Controller and Chief Accounting Officer
Robert J. Durian	(Principal Accounting Officer and Authorized Signatory)

WISCONSIN POWER AND LIGHT COMPANY
Registrant

By: /s/ Robert J. Durian	Controller and Chief Accounting Officer
Robert J. Durian	(Principal Accounting Officer and Authorized Signatory)

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ALLIANT ENERGY CORPORATION
INTERSTATE POWER AND LIGHT COMPANY
WISCONSIN POWER AND LIGHT COMPANY

Exhibit Index to Quarterly Report on Form 10-Q
For the quarter ended September 30, 2012

The following Exhibits are filed herewith.

Exhibit Number	Description
12.1	Ratio of Earnings to Fixed Charges for Alliant Energy
12.2	Ratio of Earnings to Fixed Charges and Ratio of Earnings to Combined Fixed Charges and Preferred Dividend Requirements for IPL
12.3	Ratio of Earnings to Fixed Charges and Ratio of Earnings to Combined Fixed Charges and Preferred Dividend Requirements for WPL
31.1	Certification of the Chairman, President and CEO for Alliant Energy
31.2	Certification of the Vice President and CFO for Alliant Energy
31.3	Certification of the Chairman and CEO for IPL
31.4	Certification of the Vice President and CFO for IPL
31.5	Certification of the Chairman and CEO for WPL
31.6	Certification of the Vice President and CFO for WPL
32.1	Written Statement of the CEO and CFO Pursuant to 18 U.S.C.§1350 for Alliant Energy
32.2	Written Statement of the CEO and CFO Pursuant to 18 U.S.C.§1350 for IPL
32.3	Written Statement of the CEO and CFO Pursuant to 18 U.S.C.§1350 for WPL
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document

* Filed as Exhibit 101 to this report are the following documents formatted in Extensible Business Reporting Language (XBRL): (i) Alliant Energy’s, IPL’s and WPL’s Condensed Consolidated Statements of Income for the three and nine months ended September 30, 2012 and 2011; (ii) Alliant Energy’s, IPL’s and WPL’s Condensed Consolidated Balance Sheets as of September 30, 2012 and December 31, 2011; (iii) Alliant Energy’s, IPL’s and WPL’s Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2012 and 2011; and (iv) the Combined Notes to Condensed Consolidated Financial Statements.

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