



Financial Review

2nd Quarter 2013

August 7th, 2013

Disclaimer



Forward-looking Statements

Certain statements contained in this presentation, including those regarding future results and performance, are forward-looking statements based on current expectations. The accuracy of such statements is subject to a number of risks, uncertainties and assumptions that may cause actual results to differ materially from those projected, including, but not limited to, the general impact of economic conditions, raw material price increases and availability, currency fluctuations, volatility in electricity selling prices, the company's financing capacity, negative changes in general market conditions and regulations affecting the industry, as well as other factors listed in the Company's filings with different securities commissions.

This presentation contains certain financial measures not in accordance with IFRS. For more information, please refer to Boralex's press release.



Mr. Patrick Lemaire

*President and
Chief Executive Officer
Boralex Inc.*

Highlights

Q2 2013



- ✦ **Boralex's power production, revenues, adjusted EBITDA and cash flow from operations are higher compared to the same period last year mainly as a result of:**
 - the contribution from the St-Patrick wind farm in France;
 - better wind conditions in Canada; and
 - stronger water flows in the United States.

Those elements offset the impact from the shutdown of the Kingsey Falls thermal power station of 1.6 M\$ in the EBITDA.

- ✦ **On June 27, 2013, the Corporation has completed the long-term refinancing of its U.S. private placement for an amount of US\$90 M secured by two U.S. power stations. This financing bears interest at an annual rate of 3.51% and will be amortized by semi-annual payments over a 12-year period. Funding has been scheduled with the current debt maturity date on September 3, 2013.**
- ✦ **Boralex's growth path remains unchanged. Boralex is in a position to double its EBITDA by the end of 2016 in comparison to the last twelve months results, this, without the need to access the equity markets.**

Highlights (cont'd)

Q2 2013



Growth in Canada:

- ✦ **Seigneurie de Beauré wind farm, Québec**
(Phase I: 272 MW - 136 MW net to Boralex)

Work is progressing on schedule, despite a week delay due to a general strike in the construction industry. This project is expected to be commissioned in December 2013.

Growth in France:

- ✦ **La Vallée (32 MW)**

The construction is under way. The project financing was completed in April 2013. Commissioning is expected by the end of 2013.

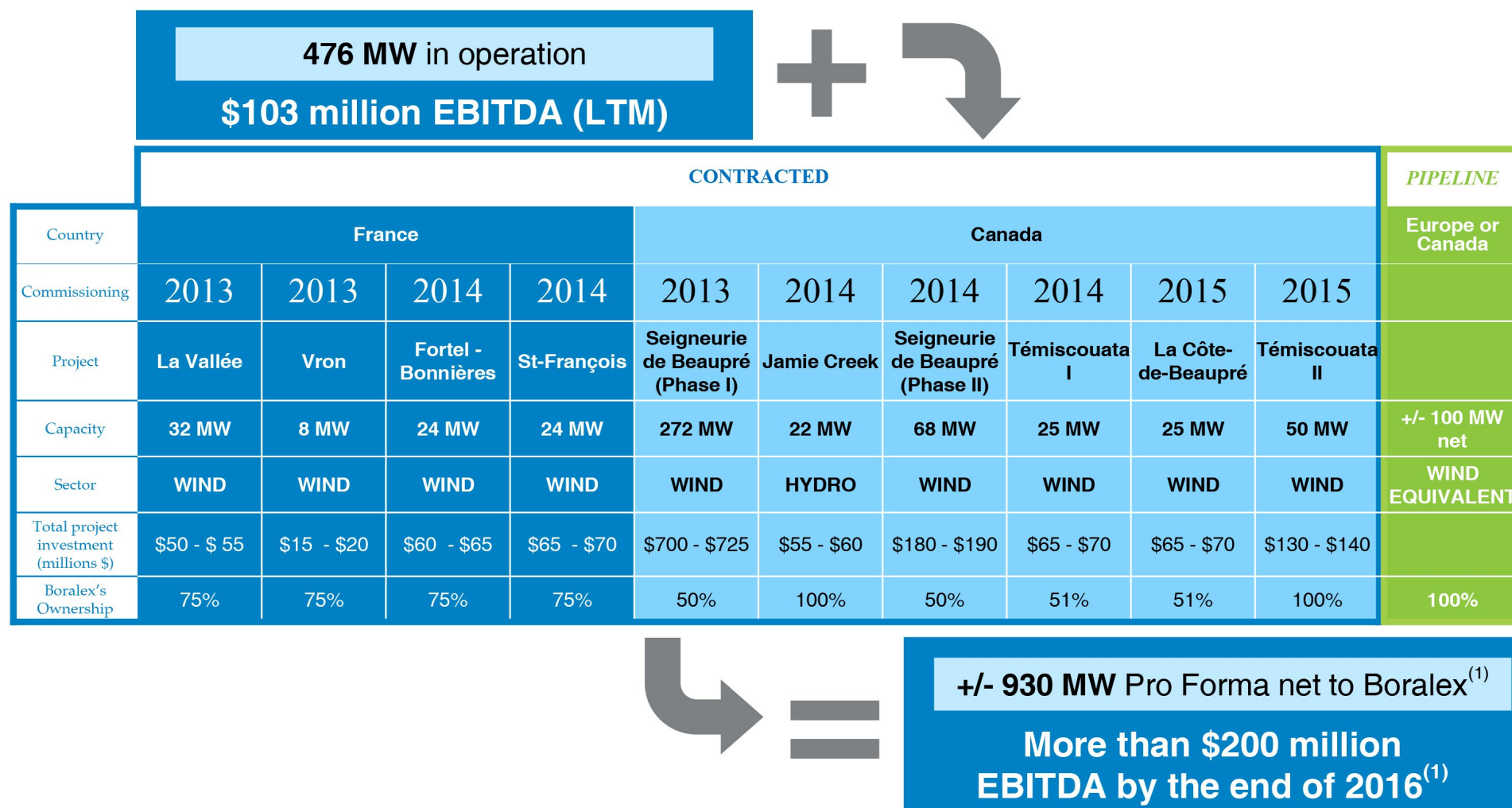
- ✦ **Vron (8 MW)**

The financing has been closed and the contract with EDF has been signed. This wind farm is also expected to be commissioned by the end of 2013.

- ✦ **Fortel-Bonnières and St-François (24 MW respectively)**

The Corporation is currently negotiating the financing of these wind farm projects. Commissioning is expected for 2014.

The Growth Path



(1) This data is compiled in accordance to IFRS, with the exception of the Seigneurie de Beaurpré Phases I and II projects (owned at 50%) which are proportionally consolidated for projection purposes. Under IFRS, these projects are accounted for using the equity method.



Mr. Jean-François Thibodeau

*Vice President and
Chief Financial Officer
Boralex Inc.*

Summary

Q2 2013



(in thousands of dollars, except power production, EBITDA margin, adjusted EBITDA margin and per share amounts)

	Q2 2013	Q2 2012
Power Production (MWh)	373,894	341,631
Revenues from energy sales	40,141	38,905
EBITDA	23,193	18,860
EBITDA margin	57.8%	48.5%
Adjusted EBITDA ⁽¹⁾	24,185	19,694
Adjusted EBITDA margin ⁽¹⁾	60.3%	50.6%
Net loss from continuing operations ⁽²⁾	(1,685)	(6,035)
Net loss from continuing operation, per share ⁽²⁾	(\$0.04)	(\$0.16)
Net loss ⁽²⁾	(1,063)	(5,901)
Net loss, per share (basic) ⁽²⁾	(\$0.02)	(\$0.16)
Cash flow from operations ⁽³⁾	17,775	5,507
Cash flow from operations, per share ⁽³⁾	\$0.47	\$0.15

(1) Professional fees incurred in connection with acquisitions in Canada for Q2 2013 (+\$ 122K) and in France for Q2 2012 (+\$ 832K) and items non related to the share in earnings (loss) of the Joint Venture for Q2 2013 (+\$ 870K) and for Q2 2012 (+\$2 K)

(2) Attributable to shareholders of Boralex

(3) As the scheduled payment date of the \$8 258 K interest on the convertible debentures was on June 30, a Sunday, the payment was made on the following business day on July 2, 2013

Summary

YTD 2013



(in thousands of dollars, except power production, EBITDA margin, adjusted EBITDA margin and per share amounts)

	YTD 2013	YTD 2012
Power Production (MWh)	785,353	796,783
Revenues from energy sales	90,877	96,356
EBITDA	56,446	52,204
EBITDA margin	62.1 %	54.2 %
Adjusted EBITDA ⁽¹⁾	57,604	52,936
Adjusted EBITDA margin ⁽¹⁾	63.4 %	54.9 %
Net earnings (loss) from continuing operations ⁽²⁾	2,322	(1,211)
Net earnings (loss) from continuing operation, per share ⁽²⁾	\$0.06	(\$0.03)
Net earnings ⁽²⁾	3,105	1,248
Net earnings, per share (basic) ⁽²⁾	\$0.08	\$0.03
Cash flow from operations ⁽³⁾	40,729	27,356
Cash flow from operations, per share ⁽³⁾	\$1.08	\$0.73

(1) Professional fees incurred in connection with acquisitions in Canada for YTD 2013 (+\$ 129K) and in France for YTD 2012 (+\$ 832K) and items non related to the share in earnings (loss) of the Joint Venture for cumul 2013 (+\$ 1 029K) and for cumul 2012 (-\$100 K)

(2) Attributable to shareholders of Boralex

(3) As the scheduled payment date of the \$8 258 K interest on the convertible debentures was on June 30, a Sunday, the payment was made on the following business day on July 2, 2013

Adjusted EBITDA by sector ⁽¹⁾

Q2 2013



<i>(in thousands of dollars)</i>	Q2 2013	Q2 2012
Wind	16,439	13,084
Hydroelectricity	12,532	9,056
Thermal	(1,070)	1,154
Solar	706	723
	28,607	24,017
Corporate and eliminations	(4,422)	(4,323)
Adjusted EBITDA	24,185	19,694

(1) To take into account the specific items (see details on page 8)

Adjusted EBITDA by sector ⁽¹⁾

YTD 2013

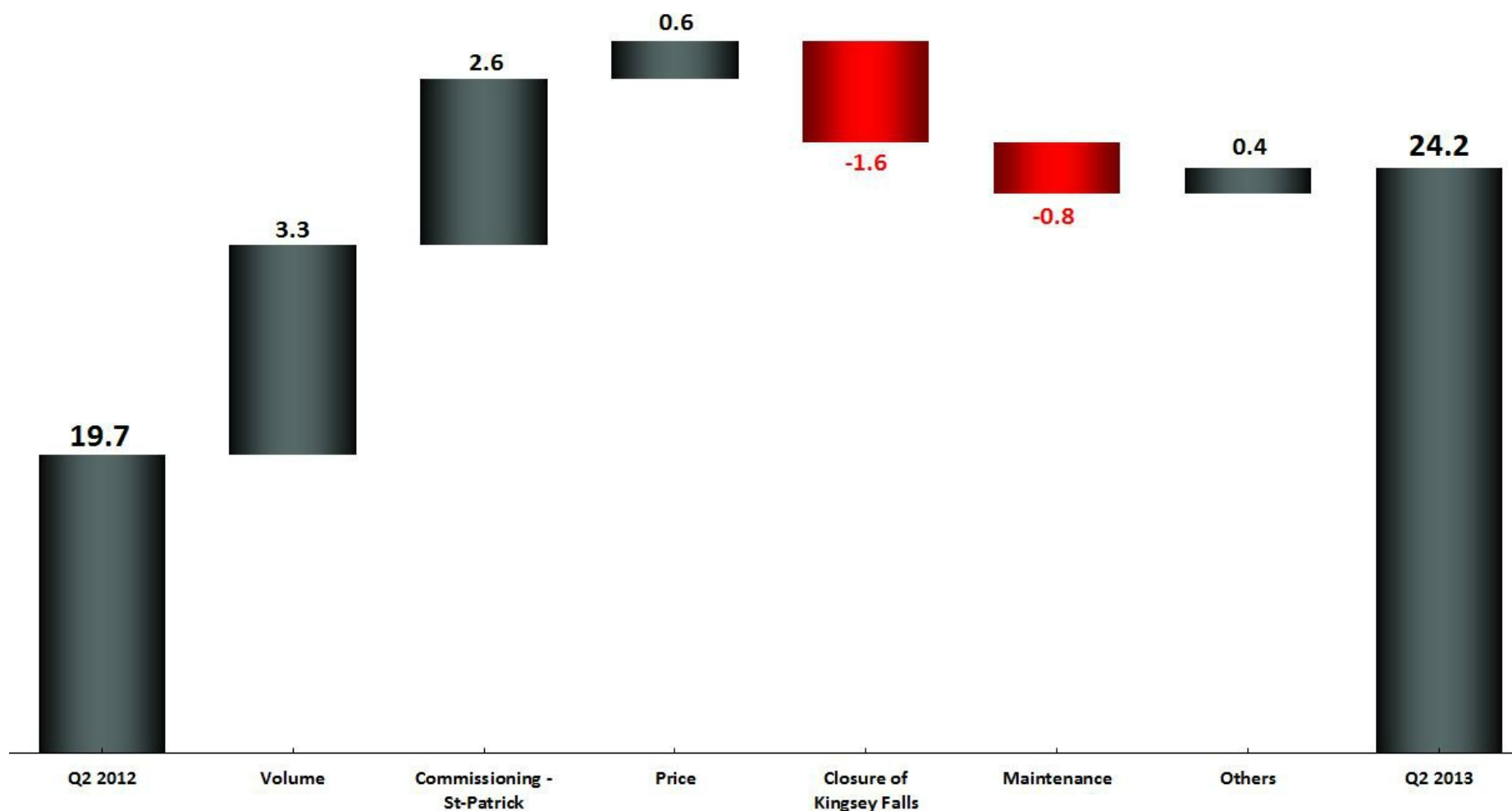


(in thousands of dollars)	YTD 2013	YTD 2012
Wind	36,473	29,959
Hydroelectricity	23,816	19,701
Thermal	3,598	9,549
Solar	1,088	1,218
Corporate and eliminations	64,975	60,427
Adjusted EBITDA	(7,371)	(7,491)
	57,604	52,936

(1) To take into account the specific items (see details on page 9)

Adjusted EBITDA ⁽¹⁾ – Variance Analysis

Q2 2013 vs 2012

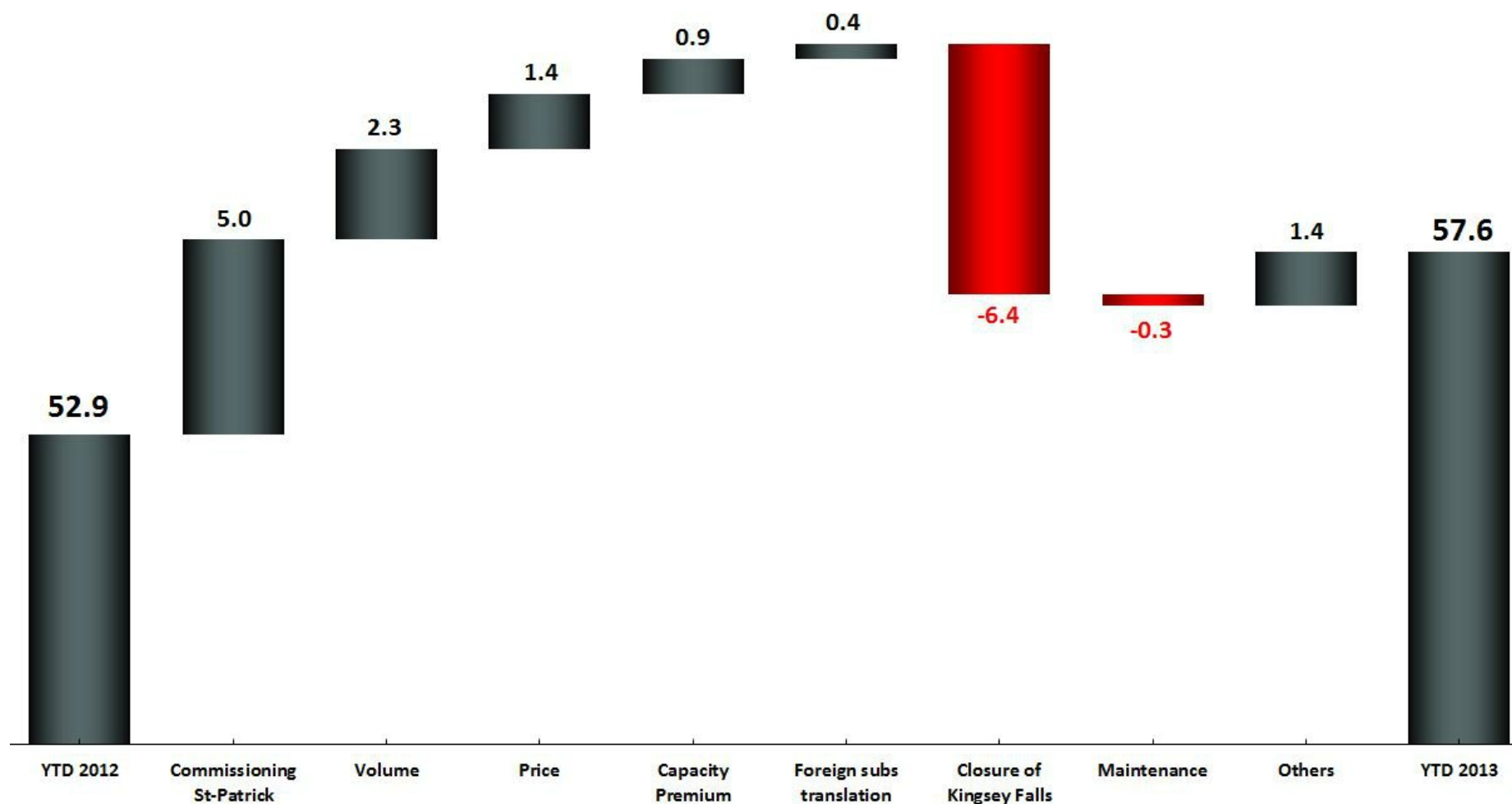


(in millions of dollars)

(1) To take into account the specific items (see details on page 8)

Adjusted EBITDA ⁽¹⁾ – Variance Analysis

YTD 2013 vs 2012



(in millions of dollars)

(1) To take into account the specific items (see details on page 9)

Sector Review Q2 2013

Wind Energy

(in thousands of dollars, unless otherwise specified)

Power Production (MWh)

Utilization factor

Revenues from energy sales

EBITDA

EBITDA margin

Adjusted EBITDA

Adjusted EBITDA margin

Q2		YTD	
2013	2012	2013	2012
166,992	138,836	358,020	311,241
26.6%	25.2%	28.6%	28.2%
20,384	16,345	43,982	36,991
15,569	13,082	35,444	30,059
76.4%	80.0%	80.6%	81.3%
16,439	13,084	36,473	29,959
80.6%	80.0%	82.9%	81.0%

▲ Production was higher by 20% vs Q2 2012

▲ Higher by 3% excluding the contribution from St-Patrick

PRODUCTION	
Canadian Stations	European Stations
16% higher vs Q2 2012	23% higher vs Q2 2012 4% lower excluding the contribution of St-Patrick

▲ The commissioning of the St-Patrick wind farm had a positive impact on revenues and EBITDA of \$2.9 M and \$2.6 M respectively

▲ Adjusted EBITDA excludes non-EBITDA items included in the share in earnings (loss) of the Joint Venture of \$0.9 M

Sector Review Q2 2013

Hydro Energy

(in thousands of dollars, unless otherwise specified)

Power Production (MWh)

Revenues from energy sales

EBITDA

EBITDA margin

Q2		YTD	
2013	2012	2013	2012
197,923	158,874	346,396	321,969
15,691	12,445	29,804	26,431
12,532	9,056	23,816	19,701
79.9%	72.8%	79.9%	74.5%

▲ **Production was higher by 25% vs Q2 2012 and higher by 5% compared to historical averages**

PRODUCTION	
Canadian Stations	US Stations
5% higher vs historical averages 2% higher vs Q2 2012	5% higher vs historical averages 44% higher vs Q2 2012

Sector Review Q2 2013

Thermal Energy

(in thousands of dollars, unless otherwise specified)

Steam production ('000 lbs)

Power Production (MWh)

Revenues from energy sales

EBITDA

EBITDA margin

Q2		YTD	
2013	2012	2013	2012
129,763	313,220	269,617	658,193
7,191	41,981	78,070	160,304
3,268	9,285	15,814	31,528
(1,070)	1,154	3,598	9,549
(32.7%)	12.4%	22.8%	30.3%

- ▲ Steam and electricity productions were down 59% and 83% respectively, due to the shutdown of Kingsey Falls power station
- ▲ As a reminder, in Q2 2012, Kingsey Falls generated revenues and EBITDA of \$6.6 M and \$1.6 M respectively

Sector Review Q2 2013

Solar Energy

(in thousands of dollars, unless otherwise specified)

Power Production (MWh)

Revenues from energy sales

EBITDA

EBITDA margin

Q2		YTD	
2013	2012	2013	2012
1,788	1,940	2,867	3,269
798	830	1,277	1,406
706	723	1,088	1,218
88.5%	87.1%	85.2%	86.6%

▲ Production was lower by 8% compared to Q2 2012

▲ This decrease is mainly due to expected lower irradiation which is normal with solar panels

Cash Flows Q2 2013



(in thousands of dollars)

Cash flow from operations ⁽¹⁾

Changes in non cash items

Operating activities

Investing activities

Financing operations

Discontinued operations

Translation adjustment

Cash flows variation

**Cash and cash equivalents –
beginning of period**

**Cash and cash equivalents –
end of period**

Restricted cash – end of period

Total cash - end of period

Q2		YTD	
2013	2012	2013	2012
17,775	5,507	40,729	27,356
13,979	7,731	13,472	18,956
31,754	13,238	54,201	46,312
(48,514)	(32,100)	(58,646)	(35,635)
19,665	15,473	15,488	3,409
968	(1,232)	1,066	(5,479)
2,604	318	2,967	(196)
6,477	(4,303)	15,076	8,411
115,737	157,417	107,138	144,703
122,214	153,114	122,214	153,114
6,107	6,660	6,107	6,660
128,321	159,774	128,321	159,774

(1) As the scheduled payment date of the \$8 258 K interest on the convertible debentures was on June 30, a Sunday, the payment was made on the following business day on July 2, 2013

Financial Position Q2 2013



<i>(in thousands of dollars, unless otherwise specified)</i>	June 30, 2013	December 31, 2012
Total cash (including restricted cash)	128,321	112,201
Total assets	1,298,918	1,229,871
Non current debt ⁽¹⁾	558,364	529,449
Convertible debentures - nominal value	244,693	244,749
Total debt - nominal value	803,057	774,198
Average rate - Total debt	6.08 %	6.07 %
Equity attributable to shareholders' of Boralex ⁽²⁾	351,628	319,868
Book value per share	\$9.38	\$8.48
Net debt ratio ⁽³⁾	41.4 %	42.1 %

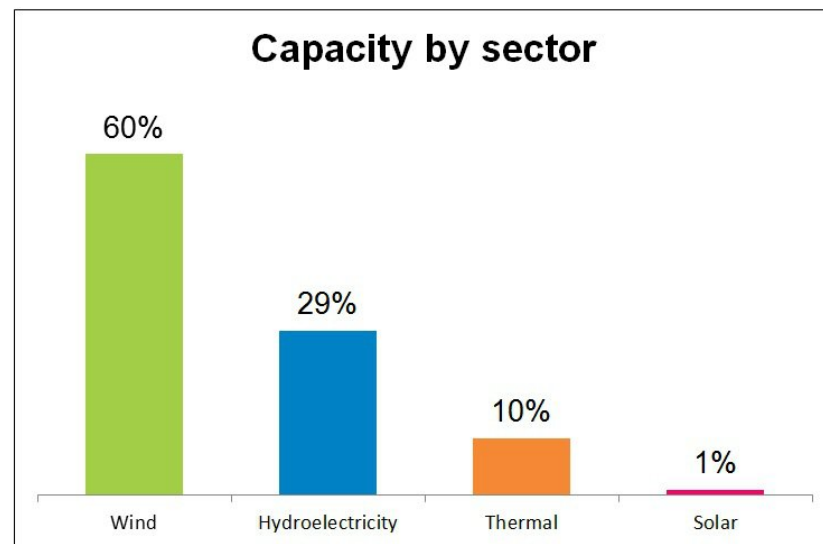
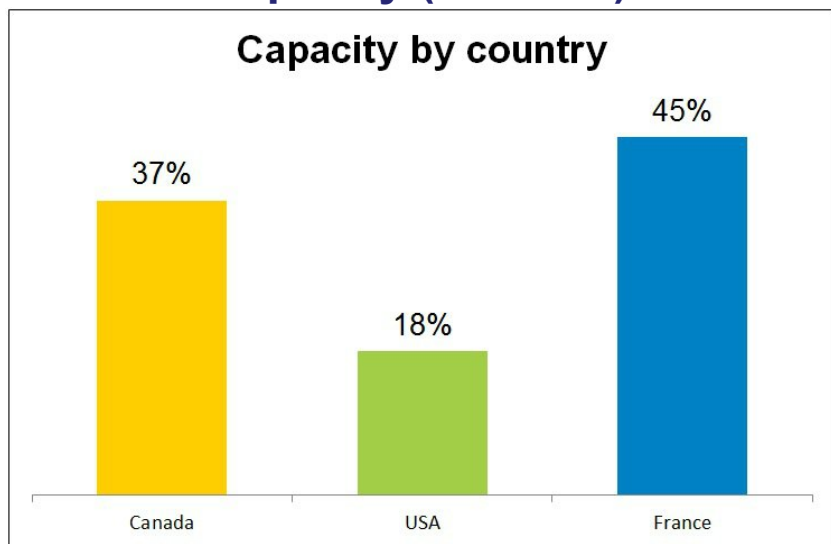
(1) Includes the current portion of debt but excludes deferred borrowing costs

(2) Excludes Non-controlling shareholders

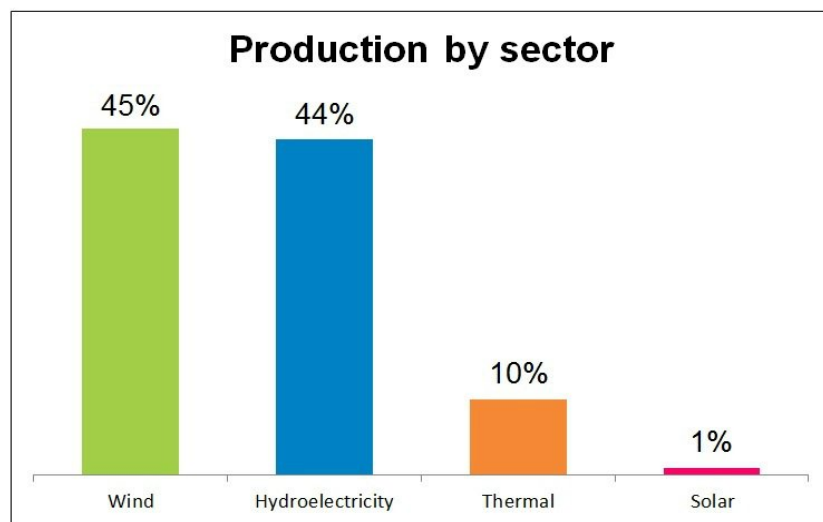
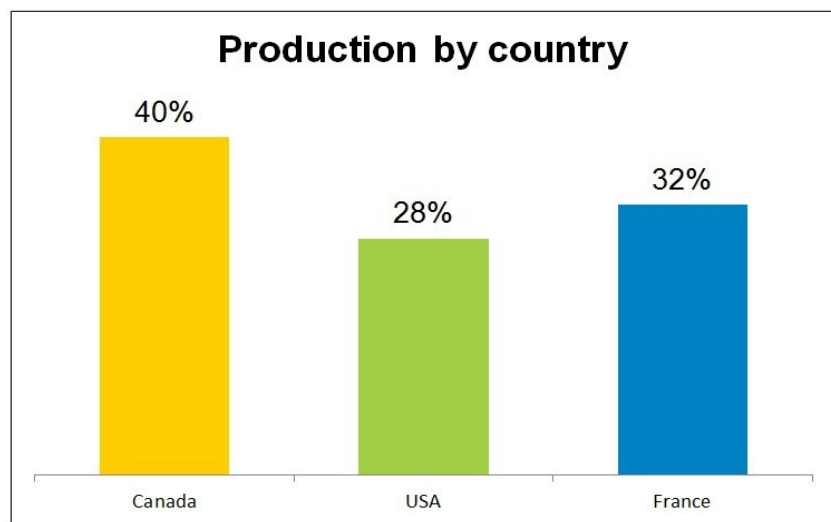
(3) For calculation details, refer to the Management's Discussion and Analysis report under the section: Non-IFRS Measures

Geographical and segment review as of June 30, 2013

Installed capacity (476 MW)

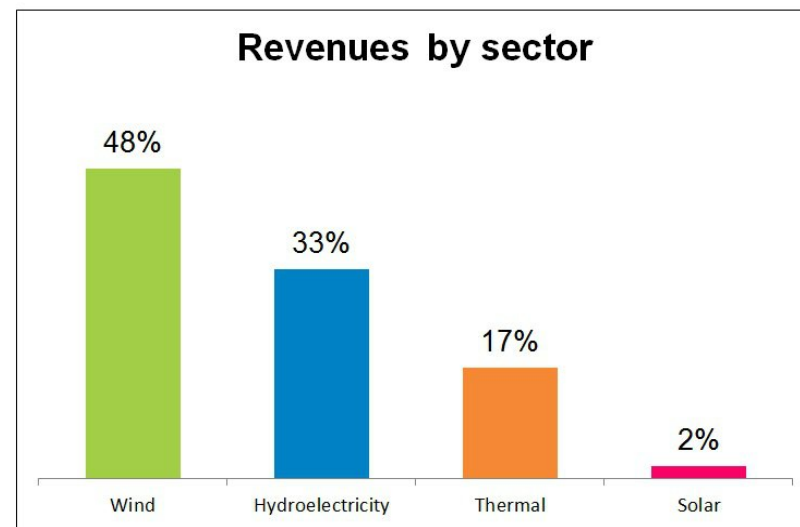
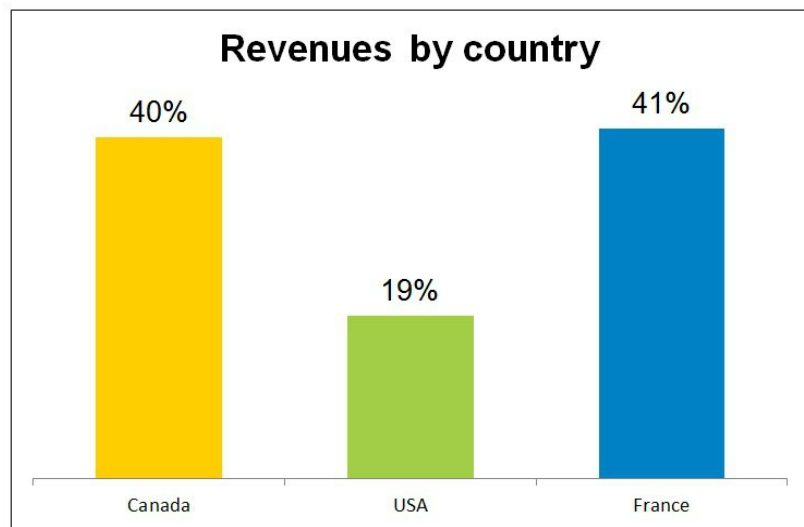


Power production (785.4 GWh) (YTD 2013)

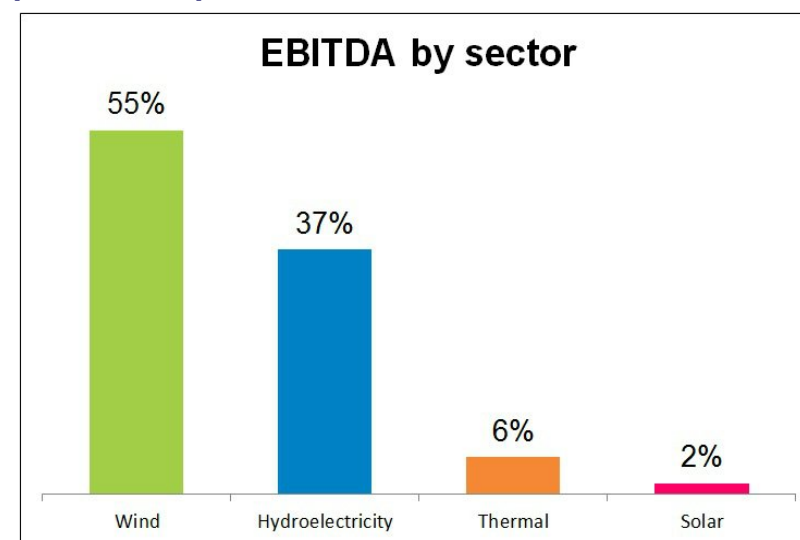
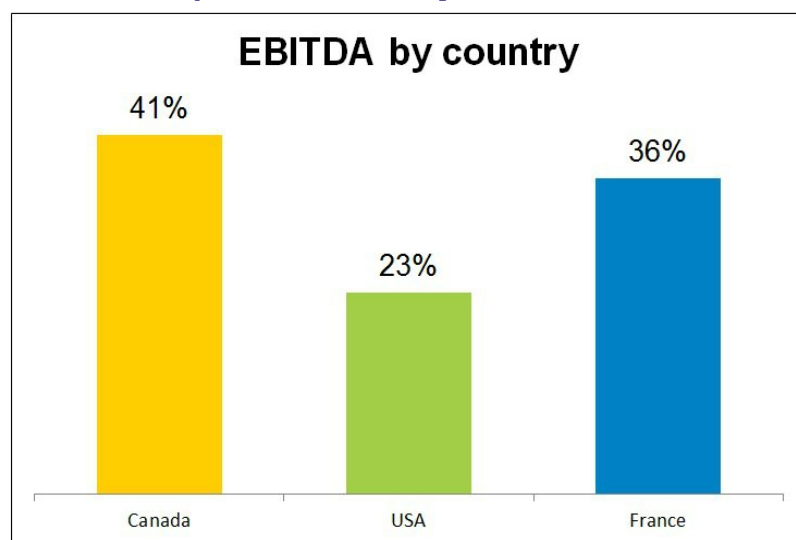


Geographical and segment review as of June 30, 2013

Revenues from energy sales (\$90.9 M) (YTD 2013)



EBITDA (before corporate and eliminations) (\$63.9 M) (YTD 2013)





Question Period