



Financial Review

2nd Quarter 2014

August 6, 2014

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 interim report.

Proportionate Consolidation

This financial review has been prepared on a proportionate consolidation basis. The results of Seigneurie de Beaupré Wind Farms 2 and 3 ("Joint Venture Phase I") and Seigneurie de Beaupré Wind Farm 4 ("Joint Venture Phase II ") General Partnerships (the "Joint Ventures"), which are 50% owned by Boralex, have been treated as if they were proportionately consolidated and not as if they were accounted for using the equity method as required by IFRS. Since the information Boralex uses to carry out internal analyses and make strategic and operating decisions is collected on a proportionate consolidation basis, management has considered it relevant to use this accounting basis for this presentation to make it easier for investors to understand the concrete impacts of decisions made by the Corporation. Moreover, tables reconciling IFRS data with data presented on a proportionate consolidation basis are included in Boralex's interim report.



Mr. Patrick Lemaire

*President and
Chief Executive Officer
Boralex Inc.*

Highlights

Q2 2014

- ✚ Boralex's power production, revenues, EBITDA and cash flows from operations are higher compared to the same period last year mainly as a result of:
 - the contribution from the newly commissioned facilities:
 - France
 - Vron: wind, September 2013
 - La Vallée: wind, December 2013
 - Canada
 - Seigneurie de Beaupré - phase I: wind, Québec, December 2013
 - Jamie Creek: hydro, British Columbia, May 2014
 - more favorable water flows in the US hydro sector
 - the depreciation of the Canadian dollar
- ✚ On July 30, 2014, Boralex announced the acquisition of a 14 MW wind power project in France (Calmont)
- ✚ Boralex's growth path remains unchanged. Boralex is in a position to double its EBITDA by the end of 2016 to over \$200 M, without the need to access the equity markets
- ✚ Boralex declares a quarterly dividend of 13¢ per share:
 - The dividend will be paid on September 16, 2014 to shareholders of record at the close of business on August 29, 2014

The Growth Path

674 MW in operation
\$128 million EBITDA (LTM)



	CONTRACTED							PIPELINE
Country	FRANCE			CANADA				Europe or Canada
Commissioning	2014	2015	2015	2014	2014	2015	2015	
Project	Fortel-Bonnières	St-François	Calmont	Seigneurie de Beauré (phase II)	Témiscouata I (municipal)	Côte-de-Beauré (municipal)	Témiscouata II	
Capacity	23 MW	23 MW	14 MW	68 MW	25 MW	25 MW	50 MW	+/- 80 MW
Segment	WIND	WIND	WIND	WIND	WIND	WIND	WIND	WIND EQUIVALENT
Contract termination date	2029	2030	2030	2034	2034	2035	2035	
Total project investment (million \$) ⁽¹⁾	60 - 65	60 - 65	35 - 40	180 - 190	65 - 70	65 - 70	145 - 150	
Boralex's ownership	75%	75%	75%	50%	51%	51%	100%	100%



± 950 MW
\$200 million EBITDA
 Pro forma attributable to Boralex in 2016

(1) Investment estimates include all costs related to project development including turbine costs and installation expenses, road construction costs, financing costs and interest capitalized during construction. Investment estimates may vary over time for reasons including but not limited to changes in site configuration, foreign exchange fluctuations or a change in turbine type.

Note: This data is consolidated in accordance with IFRS, except for the Seigneurie de Beauré phases I and II (owned at 50%) which are proportionately consolidated for projection purposes.



**Mr. Jean-François
Thibodeau**

*Vice President and
Chief Financial Officer
Boralex Inc.*

Summary

Q2 2014

	Q2 2014	Q2 2013
<i>(in thousands of dollars, except power production, EBITDA margin, and per share amounts)</i>		
Power Production (MWh)	499,993	373,894
Revenues from energy sales	53,792	40,141
EBITDA	32,177	23,965
EBITDA margin	59.8%	59.7%
Net loss ⁽¹⁾	(4,284)	(1,161)
Net loss, per share (basic) ⁽¹⁾	(\$0.11)	(\$0.03)
Cash flow from operations adjusted ⁽²⁾	12,200	9,366
Cash flow from operations adjusted, per share ⁽²⁾	\$0.32	\$0.25

(1) Attributable to shareholders of Boralex

(2) In 2013, 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 (Q2) 2014

	YTD 2014	YTD 2013
<i>(in thousands of dollars, except power production, EBITDA margin, and per share amounts)</i>		
Power Production (MWh)	1,077,270	785,353
Revenues from energy sales	129,315	90,877
EBITDA	83,934	57,280
EBITDA margin	64.9%	63.0%
Net earnings ⁽¹⁾	3,604	2,910
Net earnings, per share (basic) ⁽¹⁾	\$0.09	\$0.08
Cash flow from operations adjusted ⁽²⁾	48,768	32,172
Cash flow from operations adjusted, per share ⁽²⁾	\$1.28	\$0.85

(1) Attributable to shareholders of Boralex

(2) In 2013, 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.

EBITDA by sector

Q2 2014

	Q2 2014	Q2 2013
<i>(in thousands of dollars)</i>		
Wind	24,626	16,439
Hydroelectricity	14,002	12,532
Thermal	(1,101)	(1,070)
Solar	902	706
	38,429	28,607
Corporate and eliminations	(6,252)	(4,642)
EBITDA	32,177	23,965

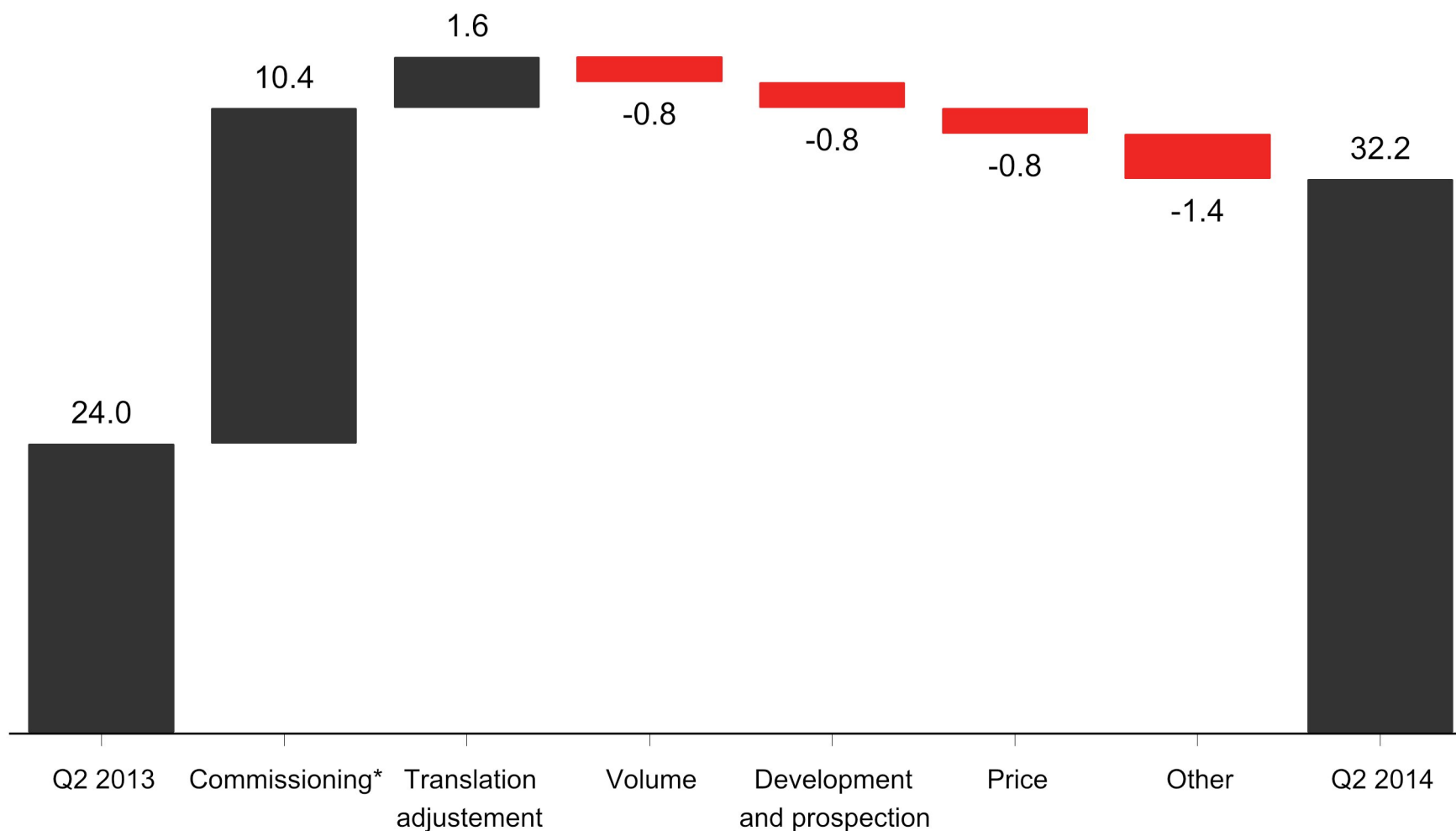
EBITDA by sector

YTD (Q2) 2014

<i>(in thousands of dollars)</i>	YTD 2014	YTD 2013
Wind	65,787	36,473
Hydroelectricity	24,169	23,816
Thermal	3,471	3,598
Solar	1,393	1,088
Corporate and eliminations	(10,886)	(7,695)
EBITDA	83,934	57,280

EBITDA – Variance Analysis

Q2 2014 vs 2013

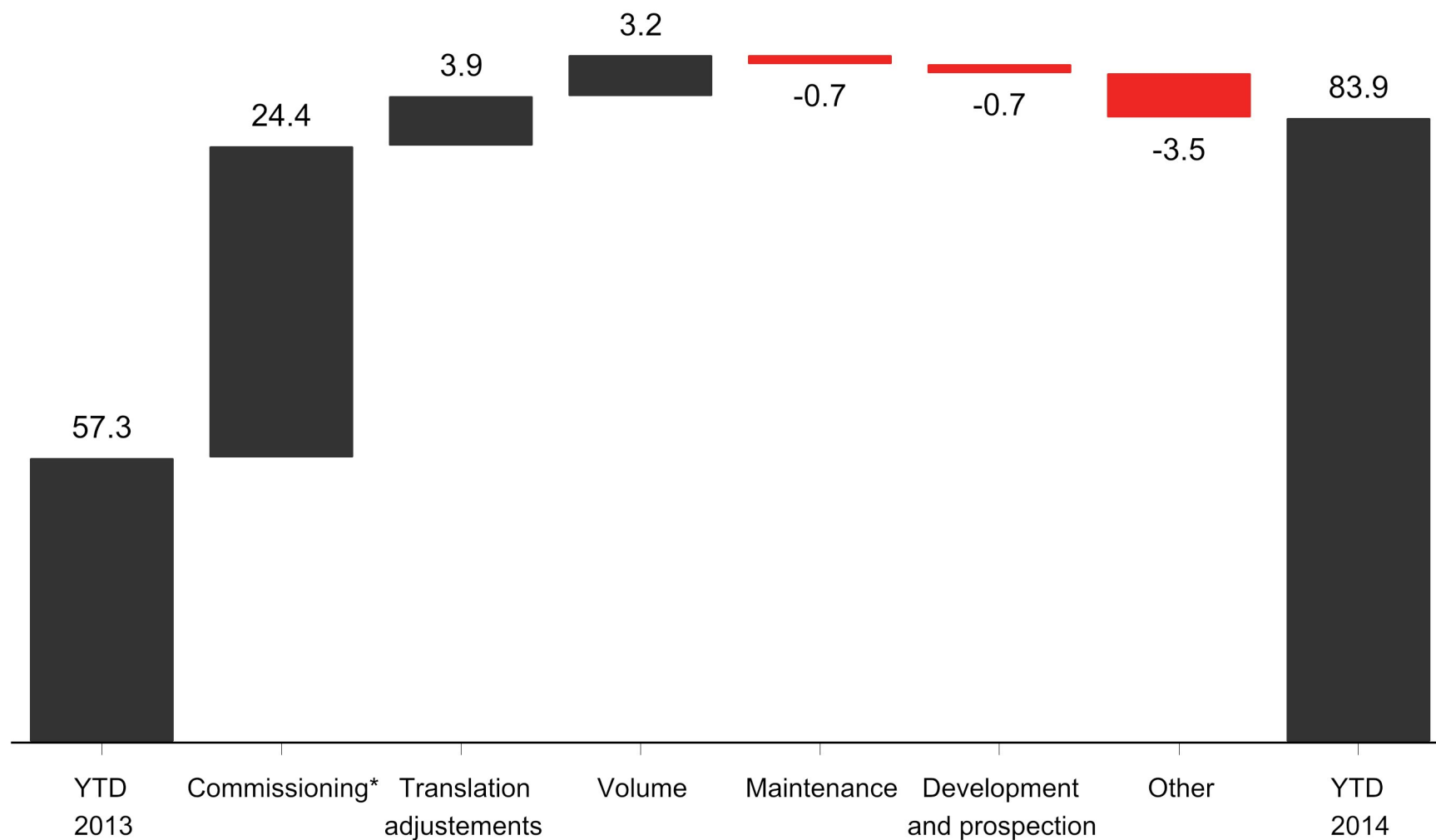


(in millions of dollars)

* Commissioning of Vron, La Vallée, phase I of Seigneurie de Beaupré and Jamie Creek

EBITDA – Variance Analysis

YTD (Q2) 2014 vs 2013



(in millions of dollars)

* Commissioning of Vron, La Vallée, phase I of Seigneurie de Beaupré and Jamie Creek

Sector Review Q2 2014

Wind Energy

	Q2		YTD	
	2014	2013	2014	2013
<i>(in thousands of dollars, unless otherwise specified)</i>				
Power Production (MWh)	255,728	166,992	637,117	358,020
Utilization factor	25.3%	26.7%	31.5%	28.6%
Revenues from energy sales	31,264	20,384	79,213	43,982
EBITDA	24,626	16,439	65,787	36,473
EBITDA margin	78.8%	80.6%	83.1%	82.9%

▲ Production was higher by 53% vs Q2 2013

▲ Lower by 12% excluding the contribution from Vron, La Vallée and Seigneurie de Beauré - phase I

PRODUCTION	
Canadian Stations	European Stations
147% higher vs Q2 2013 9% lower excluding the contribution of the Seigneurie de Beauré - phase I	2% higher vs Q2 2013 14% lower excluding the contribution of Vron and La Vallée

▲ The commissioning of the Seigneurie de Beauré - phase I had a positive impact on revenues and EBITDA of \$10.0 M and \$8.3 M respectively

▲ The commissioning of the Vron and La Vallée wind farms had a positive impact on revenues and EBITDA of \$2.2 M and \$1.5 M respectively

▲ The strengthening of the Euro had a positive impact of \$1.5 M and \$1.2 M on revenues and EBITDA respectively

Sector Review Q2 2014

Hydro Energy

	Q2		YTD	
	2014	2013	2014	2013
<i>(in thousands of dollars, unless otherwise specified)</i>				
Power Production (MWh)	223,702	197,923	347,289	346,396
Revenues from energy sales	17,622	15,691	31,618	29,804
EBITDA	14,002	12,532	24,169	23,816
EBITDA margin	79.5%	79.9%	76.4%	79.9%

- ▲ Production was higher by 7% against Q2 2013 and 13% compared to historical averages (excluding Jamie Creek)

PRODUCTION	
Canadian Stations	US Stations
9% lower vs Q2 2013 (excluding Jamie Creek) 5% lower vs historical averages (excluding Jamie Creek) 7% higher vs Q2 2013	17% higher vs Q2 2013 24% higher vs historical averages

- ▲ Average selling price of electricity in the United States
- ▲ Lower by 7% vs Q2 2013
- ▲ The commissioning of Jamie Creek in May had a positive impact on revenues and EBITDA of \$0,9 M and \$0,6 M, respectively
- ▲ The strengthening of the US dollar had a positive impact of \$0.6 M and \$0.5 M on revenues and EBITDA respectively

Sector Review Q2 2014

Thermal Energy

	Q2		YTD	
	2014	2013	2014	2013
<i>(in thousands of dollars, unless otherwise specified)</i>				
Steam production ('000 lbs)	134,260	129,763	271,883	269,617
Power Production (MWh)	18,521	7,191	89,637	78,070
Revenues from energy sales	3,885	3,268	16,861	15,814
EBITDA	(1,101)	(1,070)	3,471	3,598

- ▲ The Senneterre facility operated one additional month in Q2 2014 than in Q2 2013 (reopened in June) generating a positive impact on revenues of \$1.1 M and on EBITDA of \$0.8 M
- ▲ The Blendecques facility operated in April 2013, as per EDF's request, but not in 2014, which generated a negative impact on revenues of \$0.6 M
 - ▲ The renovation is underway and progressing according to plan. Electricity production will resume in November

Sector Review Q2 2014

Solar Energy

	Q2		YTD	
	2014	2013	2014	2013
<i>(in thousands of dollars, unless otherwise specified)</i>				
Power Production (MWh)	2,042	1,788	3,227	2,867
Utilization factor	18.7%	16.3%	14.7%	13.1%
Revenues from energy sales	1,021	798	1,623	1,277
EBITDA	902	706	1,393	1,088
EBITDA margin	88.3%	88.5%	85.8%	85.2%

▲ EBITDA grew by 28%, due to higher production of 14% and the appreciation of the Euro

Cash Flows

Q2 2014

	Q2		YTD	
	2014	2013	2014	2013
<i>(in thousands of dollars)</i>				
Cash flows from operations adjusted ⁽¹⁾	12,200	9,366	48,768	32,172
Changes in non cash items	(3,869)	4,919	81	6,866
Operating activities adjusted	8,331	14,285	48,849	39,038
Investing activities	(22,349)	(94,910)	(68,004)	(105,895)
Financing operations	10,454	73,050	30,008	72,258
Discontinued operations	712	968	1,927	1,066
Translation adjustment	(2,566)	2,315	(431)	2,742
Variation in cash flows (adjusted)	(5,418)	(4,292)	12,349	9,209
Cash and cash equivalents – beginning of period (adjusted)	145,308	120,639	127,541	107,138
Interest on convertible debentures ⁽¹⁾	—	8,258	—	8,258
Cash and cash equivalents – end of period	139,890	124,605	139,890	124,605

(1) In 2013, 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 2014

	June 30, 2014	December 31, 2013
<i>(in thousands of dollars, unless otherwise specified)</i>		
Cash	139,890	127,541
Restricted cash	47,946	60,126
Total assets	1,854,410	1,791,440
Net debt	854,592	821,040
Convertible debentures - nominal value	244,620	244,655
Average rate - total debt	5.40%	5.46%
Equity attributable to shareholders' of Boralex ⁽¹⁾	337,950	356,094
Book value per share	\$8.86	\$9.43
Net debt ratio ⁽²⁾	58.6%	57.1%

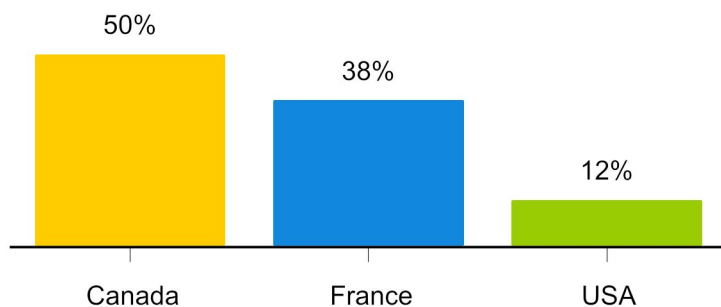
(1) Excludes Non-controlling shareholders

(2) For calculation details, refer to the section: Non-IFRS Measures in the MD&A

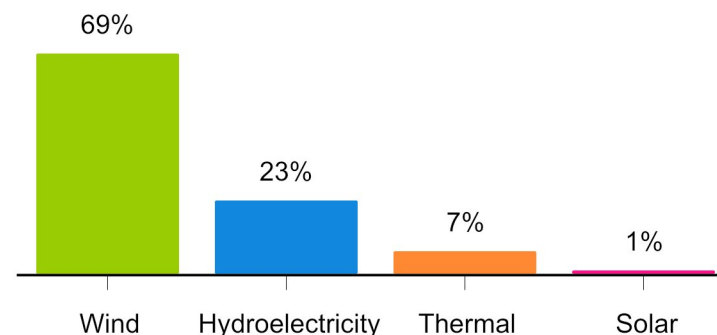
Geographical and segment review as of June 30, 2014

Installed capacity (674 MW)

Capacity by country

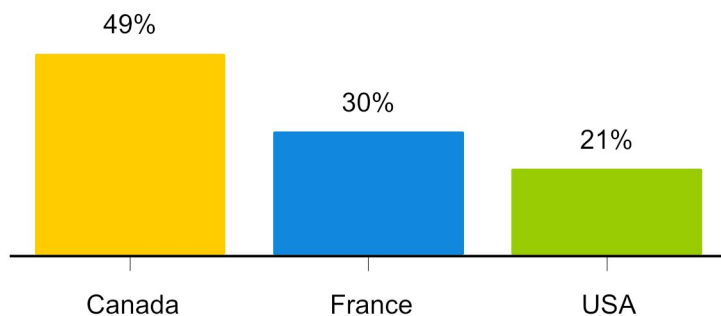


Capacity by sector

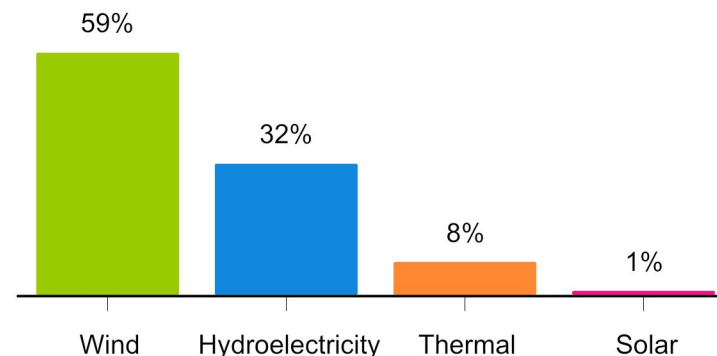


Power production (1.1 GWh)

Production by country

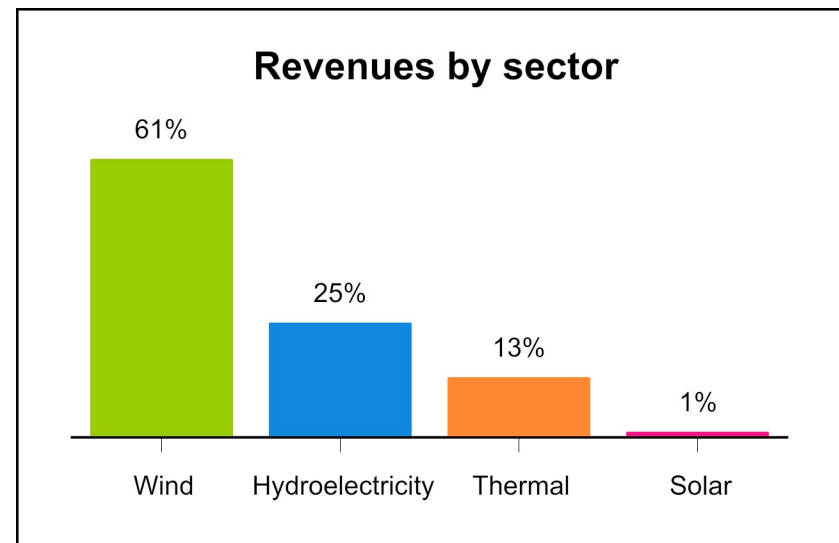
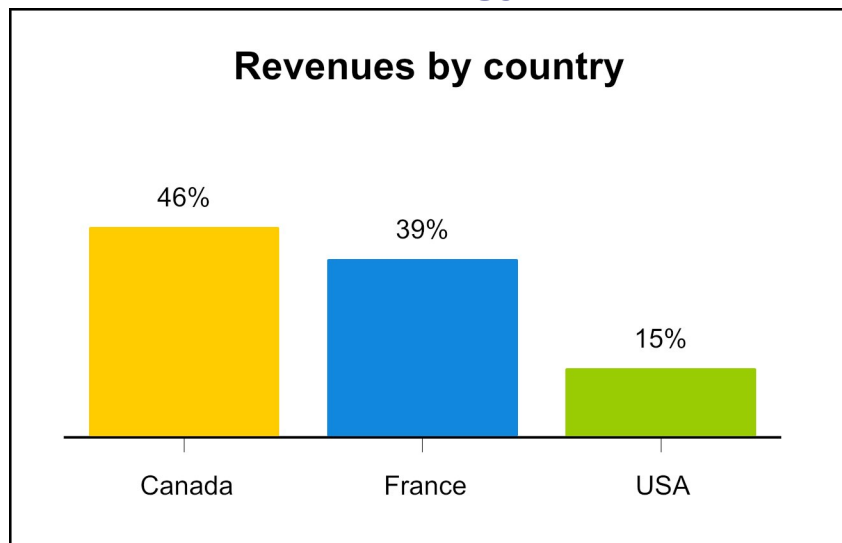


Production by sector

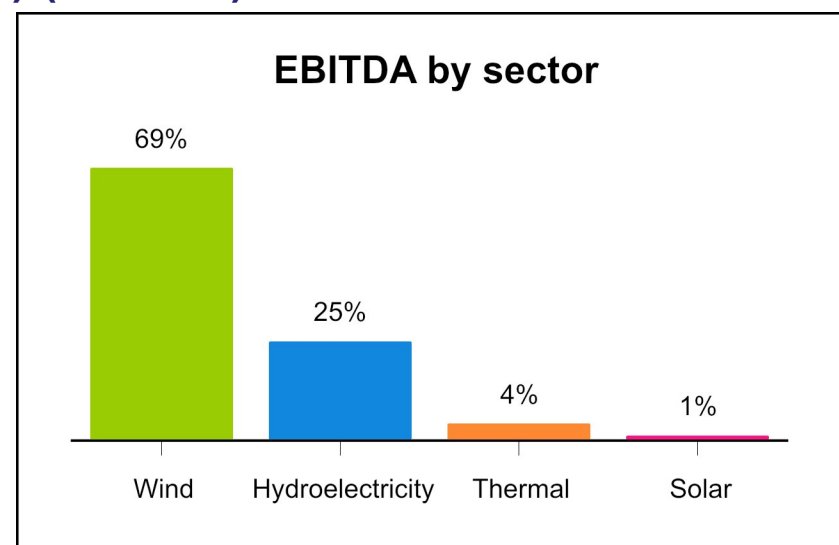
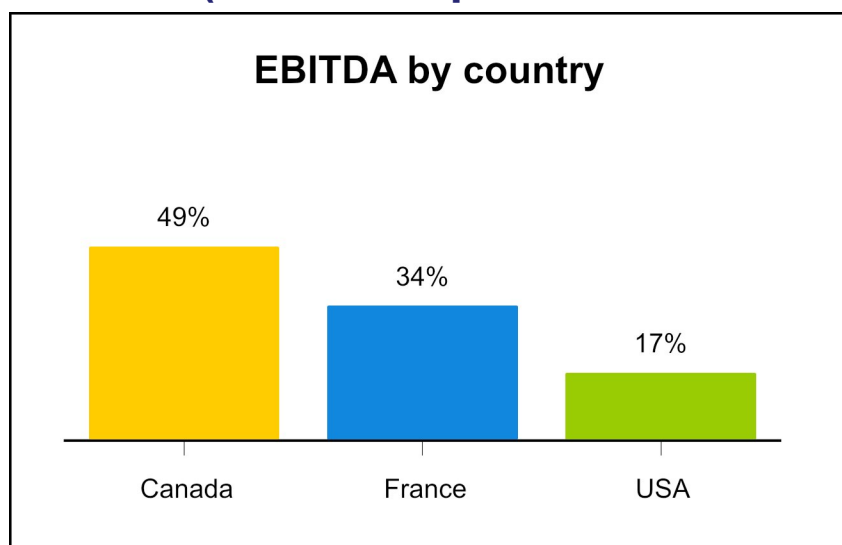


Geographical and segment review as of June 30, 2014

Revenues from energy sales (\$129.3 M)



EBITDA (before corporate and eliminations) (\$94.8 M)





Question Period