



Financial Review

2st Quarter 2015

August 5, 2015

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 could lead to a material difference between actual results and the projections, including, but not limited to, the general impact of economic conditions, raw material price increases and availability, currency fluctuations, volatility in the selling prices of energy, the Corporation's financing capacity, negative changes in general market conditions and regulations affecting the industry, as well as other factors listed in the Corporation's filings with different securities commissions.

This presentation contains certain financial measures that are non IFRS measures. For more information, please refer to Boralex's interim report.

Proportionate Consolidation

This presentation contains results presented on a proportionate consolidation basis. Under this method, 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" or the "Joint Ventures phases I and II"), which are 50% owned by Boralex, were proportionately consolidated instead of being accounted for using the equity method as required by IFRS. Under the proportionate consolidation method, which is no longer permitted under the IFRS, the *Interests in the Joint Ventures* and *Share in earnings (loss) of the Joint Ventures* are eliminated and replaced by Boralex's share (50%) in all items in the financial statements (revenues, expenses, assets and liabilities). Since the information that Boralex uses to perform internal analyses and make strategic and operating decisions is compiled on a proportionate consolidation basis, management has considered it relevant to integrate this *Proportional Consolidation* section into the presentation to help investors 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 the MD&A.

EBITDA(A)

The Corporation uses the term "EBITDA(A)" to assess the operational performance of its power stations. This measure represents earnings before interest, taxes, depreciation, amortization, adjusted to include other items. EBITDA(A) as defined under *Non-IFRS Measures* section of the interim MD&A.



Mr. Patrick Lemaire

*President and
Chief Executive Officer
Boralex Inc.*

Highlights

Q2 2015

Financial results

- ✧ In Q2 2015, production, revenues, EBITDA(A) and cash flows from operations are up by 33%, 36%, 45% et 125% respectively according to proportionate consolidation (up by 29%, 33%, 53% et 149% under IFRS)
- ✧ Besides the contribution of assets recently acquired or commissioned, the results of the quarter are explained by better wind conditions in Canada and in France, the favorable evolution of the US\$ and better hydro conditions in Canada

Issuance of convertible debentures - June 2015 (BLX.DB.A)

- ✧ Issue of convertible debentures for \$143.8 M (\$137.3 M net of transaction costs)
- ✧ These debentures, maturing June 30, 2020, bear interest at an annual rate of 4.50% payable semi-annually and are convertible at a price of \$19.60
- ✧ With the proceeds of issuance, the entire revolving credit facility of \$104 M was repaid

Highlights

Q2 2015

New credit facility

- ✦ Set up of a new credit facility of \$75 M due in 2018
- ✦ As at June 30, 2015, no amounts were drawn on this facility

Niagara Region Wind Farm

- ✦ Option to purchase a 25% interest in the 230 MW Ontario's Niagara Region Wind Farm, for an equity amount valued at \$60 M
- ✦ Total investment for this project: between \$900 and \$950 M
- ✦ The option is exercisable at the closing of a financing under certain conditions

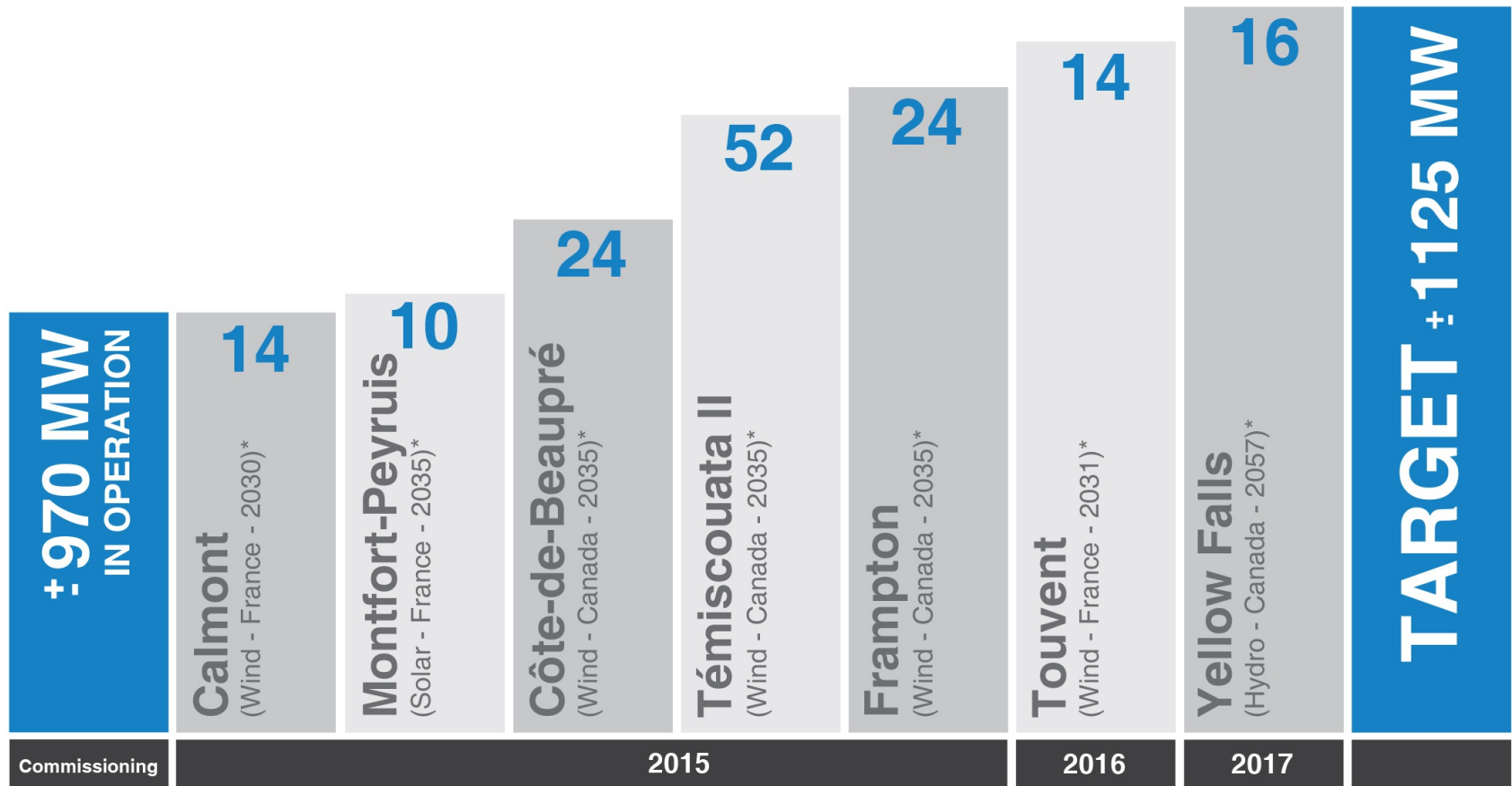
Commissioning

- ✦ On April 10, 2015, commissioning of the 10 MW Comes de l'Arce wind farm in France. The site, with a 15-year contract, is expected to generate an EBITDA(A) of approximately \$2 M annually

The Growth Path

Contracted projects under construction

As at June 30, 2015



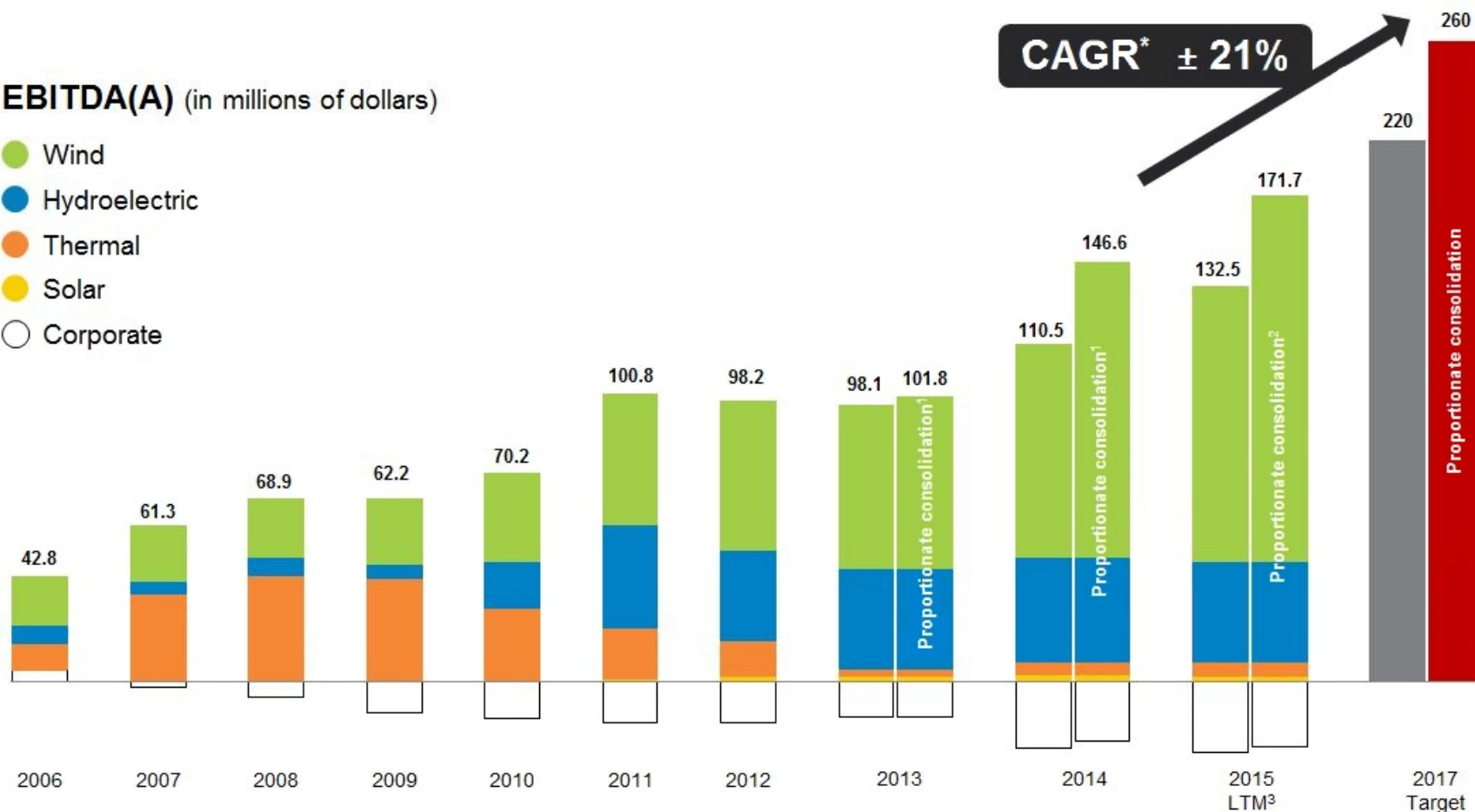
* Represent, in order, the segment, the country and the contract end-date.

Financial Target

Q2 2015

EBITDA(A) (in millions of dollars)

- Wind
- Hydroelectric
- Thermal
- Solar
- Corporate



* Compounded annual growth rate 2014-2017

¹ EBITDA(A) according to proportionate consolidation basis (see Reconciliations between IFRS and Proportionate consolidation of the 2014 Annual Report)

² EBITDA(A) under IFRS and proportionate consolidation basis, respectively. (see Seasonal Factors of the MD&A). In proportionate consolidation, adjustments of \$39.2 million were accounted for the Joint Ventures Phases I and II.

³ LTM represents the twelve-month period ended June 30, 2015



**Mr. Jean-François
Thibodeau**

*Vice president and
Chief Financial Officer
Boralex Inc.*

Summary

Q2 2015

	Q2			
	IFRS		Proportionate Consolidation	
<i>(in thousands of dollars, except power production, EBITDA(A) margin, and per share amounts)</i>	2015	2014	2015	2014
Power Production (GWh)	524.7	407.8	662.5	500.0
Revenues from energy sales	58,194	43,824	72,986	53,792
EBITDA(A)	35,947	23,516	46,644	32,177
EBITDA(A) margin (%)	61.8%	53.7%	63.9%	59.8%
Net earnings (loss)	(4,485)	(4,679)	(4,485)	(4,704)
Cash flow from operations	19,266	7,739	27,499	12,200
Per share (basic)	\$0.40	\$0.20	\$0.57	\$0.32

Summary

Q2 2015

	YTD			
	IFRS		Proportionate Consolidation	
	2015	2014	2015	2014
<i>(in thousands of dollars, except power production, EBITDA(A) margin, and per share amounts)</i>				
Power Production (GWh)	1,084.3	868.5	1,396.1	1,077.3
Revenues from energy sales	130,711	106,754	164,159	129,315
EBITDA(A)	87,701	65,721	108,958	83,934
EBITDA(A) margin (%)	67.1%	61.6%	66.4%	64.9%
Net earnings	3,568	4,704	3,568	4,616
Cash flow from operations	59,467	37,065	70,251	48,768
Per share (basic)	\$1.24	\$0.97	\$1.47	\$1.28

EBITDA(A) by sector

Q2 2015

	Q2			
	IFRS		Proportionate Consolidation	
	2015	2014	2015	2014
<i>(in thousands of dollars)</i>				
Wind	30,094	16,610	40,136	24,626
Hydroelectricity	12,741	14,002	12,741	14,002
Thermal	(654)	(1,101)	(654)	(1,101)
Solar	837	902	837	902
	43,018	30,413	53,060	38,429
Corporate and eliminations	(7,071)	(6,897)	(6,416)	(6,252)
EBITDA(A)	35,947	23,516	46,644	32,177

EBITDA(A) by sector

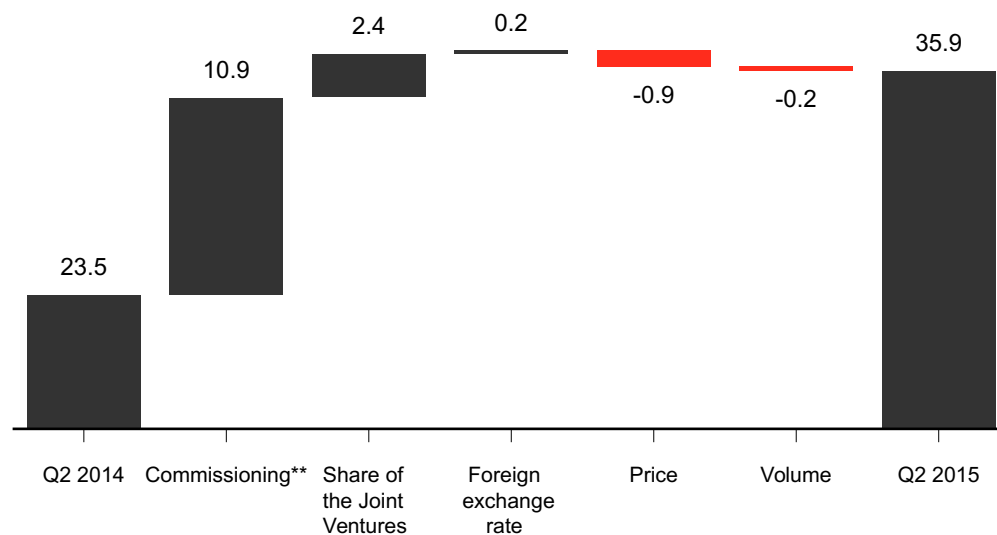
Q2 2015

	YTD			
	IFRS		Proportionate Consolidation	
	2015	2014	2015	2014
<i>(in thousands of dollars)</i>				
Wind	74,680	48,821	94,630	65,787
Hydroelectricity	21,988	24,169	21,988	24,169
Thermal	3,871	3,471	3,871	3,471
Solar	1,241	1,393	1,241	1,393
	101,780	77,854	121,730	94,820
Corporate and eliminations	(14,079)	(12,133)	(12,772)	(10,886)
EBITDA(A)	87,701	65,721	108,958	83,934

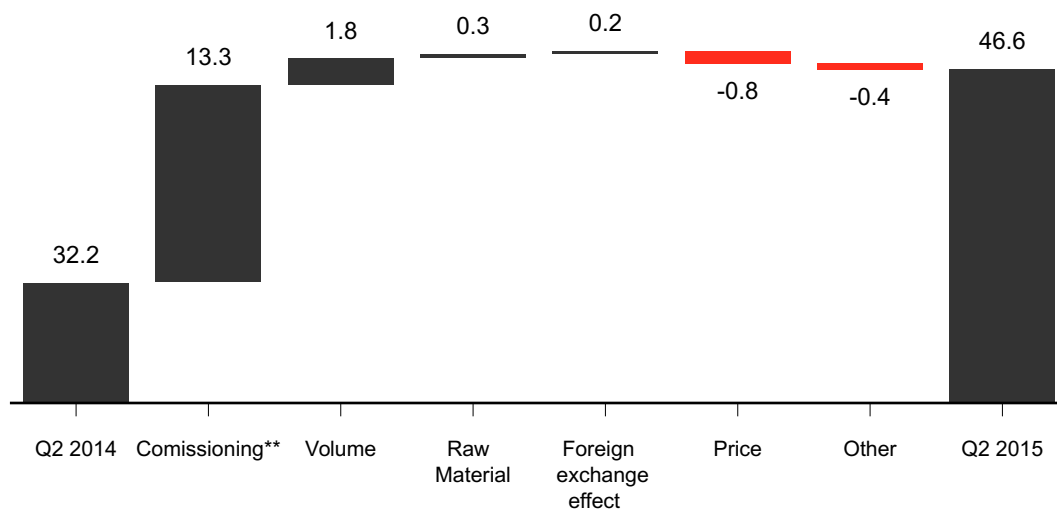
EBITDA(A) - Variance Analysis*

Q2 2015 vs 2014

IFRS



Proportionate Consolidation



* The amounts in these graphs are expressed in millions of dollars

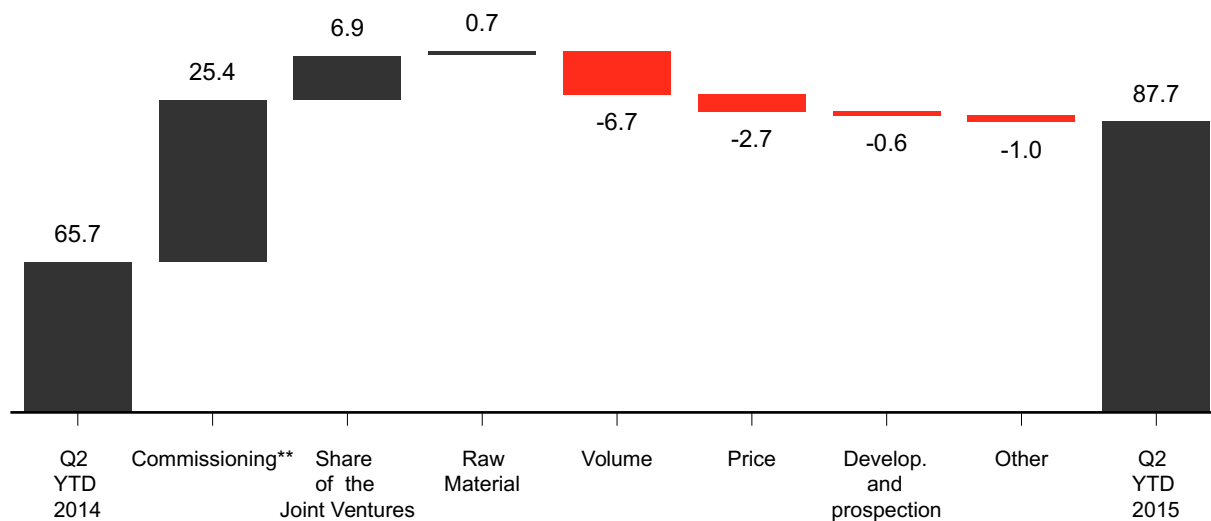
** Commissioning of the Jamie Creek hydroelectric facility and the wind sites Fortel-Bonnières, St-François, Comes de l'Arce and Témiscouata I and acquisition of Boralex Énergie Verte in December 2014

In proportionate consolidation, also the commissioning of the phase II of Seigneurie de Beauré

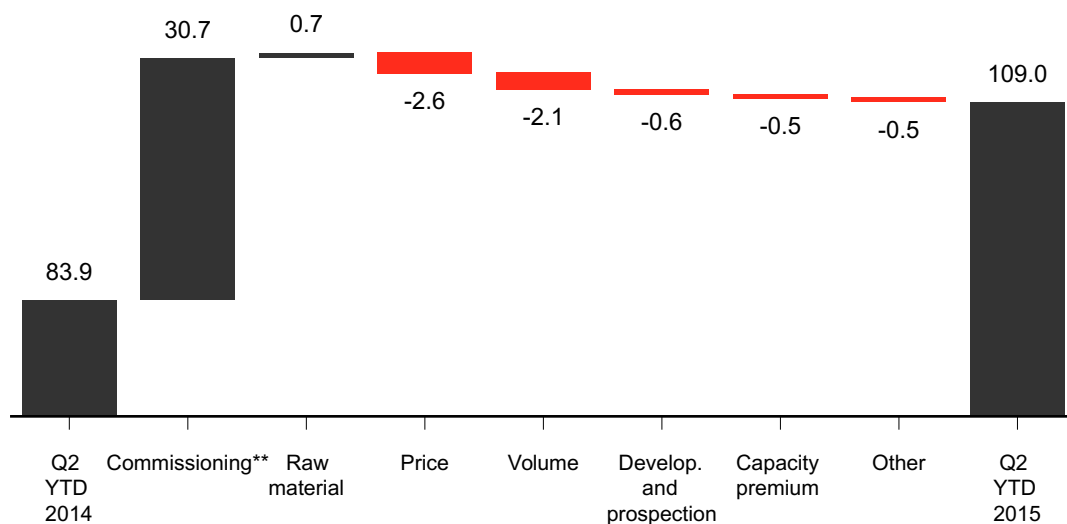
EBITDA(A) - Variance Analysis*

YTD (Q2) 2015 vs 2014

IFRS



Proportionate Consolidation



* The amounts in these graphs are expressed in millions of dollars

** Commissioning of the Jamie Creek hydroelectric facility and the wind sites Fortel-Bonnières, St-François, Comes de l'Arce and Témiscouata I and acquisition of Boralex Énergie Verte in December 2014

In proportionate consolidation, also the commissioning of the phase II of Seigneurie de Beauré

Sector Review Q2 2015

Wind Energy

Q2				
	IFRS		Proportionate Consolidation	
	2015	2014	2015	2014
<i>(in thousands of dollars, unless otherwise specified)</i>				
Power Production (GWh)	301.3	163.5	439.2	255.7
Utilization factor	23.4 %	22.9 %	26.4 %	25.3 %
Revenues from energy sales	37,016	21,296	51,808	31,264
EBITDA(A)	30,094	16,610	40,136	24,626
EBITDA(A) margin (%)	81.3 %	78.0 %	77.5 %	78.8 %

Under Proportionate Consolidation

▲ Production was higher by 72% vs Q2 2014 (higher by 84% under IFRS)

▲ Higher by 11% excluding the commissioned sites and the acquisition of BEV

PRODUCTION	
Canadian Stations	European Stations
47% higher vs Q2 2014 13% higher excluding the contribution of Seigneurie de Beauré phase II and Témiscouata I	105% higher vs Q2 2014 9% higher excluding the contribution of Fortel, St-François, Comes de l'Arce and the acquisition of BEV

▲ The full contribution during the quarter of Seigneurie de Beauré phase II and Témiscouata I had a positive impact on EBITDA(A) of \$4.6 M

▲ The full contribution of Fortel and BEV, as well as the commissioning of St-François and Comes de l'Arce during the quarter, had a positive impact on EBITDA(A) of \$8.9 M

Sector Review Q2 2015

Wind Energy

	YTD			
	IFRS		Proportionate Consolidation	
<i>(in thousands of dollars, unless otherwise specified)</i>	2015	2014	2015	2014
Power Production (GWh)	687.2	428.4	999.0	637.1
Utilization factor	30.5 %	31.5 %	30.5 %	31.5 %
Revenues from energy sales	85,728	56,652	119,176	79,213
EBITDA(A)	74,680	48,821	94,630	65,787
EBITDA(A) margin (%)	87.1 %	86.2 %	79.4 %	83.1 %

Sector Review Q2 2015

Hydro Energy

IFRS

	Q2		YTD	
	2015	2014	2015	2014
<i>(in thousands of dollars, unless otherwise specified)</i>				
Power Production (GWh)	205.7	223.7	319.3	347.3
Revenues from energy sales	16,785	17,622	29,369	31,618
EBITDA(A)	12,741	14,002	21,988	24,169
EBITDA(A) margin (%)	75.9%	79.5%	74.9%	76.4%

- ▲ **Production lower by 8% compared to Q2 2014 and lower by 4% compared to historical averages**

PRODUCTION	
Canadian Stations	US Stations
22% higher vs Q2 2014 1% lower vs historical averages 6% higher vs Q2 2014 (excluding Jamie Creek)	25% lower vs Q2 2014 8% lower vs historical averages

- ▲ **The variation in volume had a positive impact on revenue and EBITDA(A) of \$1.1 M in Canada and a negative impact of \$3.0 M in United States**
- ▲ **The strengthening of the US dollar had a positive impact of \$1.4 M on revenues and \$1.1 M on EBITDA(A)**
- ▲ **Average selling price of electricity in United States**
 - ➔ **Lower by 5% compared with Q2 2014, negative impact of \$0.4 M on revenues and EBITDA(A)**

Sector Review Q2 2015

Thermal Energy

IFRS				
	Q2		YTD	
	2015	2014	2015	2014
<i>(in thousands of dollars, unless otherwise specified)</i>				
Steam production ('000 lbs)	158.5	134.3	325.1	271.9
Power Production (GWh)	15.6	18.5	74.8	89.6
Revenues from energy sales	3,467	3,885	14,203	16,861
EBITDA(A)	(654)	(1,101)	3,871	3,471

- ▲ Steam production higher compared to Q2 2014, which had a positive impact of 18% or \$0.4 M on EBITDA(A)
- ▲ In Blendecques, the steam prices decreased by 22% resulting in a negative impact of \$0.6 M on EBITDA(A), offset by lower gas costs by 18% with a positive impact of \$0.4 M on EBITDA(A)
- ▲ Lower maintenance costs at Senneterre had a favorable impact of \$0.4 M on EBITDA(A)

Sector Review Q2 2015

Solar Energy

	IFRS			
	Q2		Cumul	
	2015	2014	2015	2014
<i>(in thousands of dollars, unless otherwise specified)</i>				
Power Production (GWh)	2.0	2.0	3.1	3.2
Utilization factor	18.5%	18.7%	14.0 %	14.7 %
Revenues from energy sales	926	1,021	1,411	1,623
EBITDA(A)	837	902	1,241	1,393
EBITDA(A) margin (%)	90.4%	88.3%	88.0 %	85.8 %

- ▲ **Better EBITDA(A) margin driven by a decrease in costs higher than the decrease in revenues**

Sector Review Q2 2015

Corporate

	Q2			
	IFRS		Proportionate Consolidation	
<i>(in thousands of dollars)</i>	2015	2014	2015	2014
Development	(1,965)	(1,736)	(1,965)	(1,736)
Administrative	(4,663)	(3,740)	(4,697)	(3,806)
Other	(443)	(1,421)	246	(710)
Corporate EBITDA(A)	(7,071)	(6,897)	(6,416)	(6,252)

	Cumul			
	IFRS		Proportionate Consolidation	
<i>(in thousand of dollars)</i>	2015	2014	2015	2014
Development	(4,203)	(2,748)	(4,203)	(2,748)
Administrative	(9,174)	(7,277)	(9,232)	(7,365)
Other	(702)	(2,108)	663	(773)
Corporate EBITDA(A)	(14,079)	(12,133)	(12,772)	(10,886)

Cash Flows

Q2 2015

	Q2			
	IFRS		Proportionate Consolidation	
	2015	2014	2015	2014
<i>(in thousands of dollars)</i>				
Cash flows from operations	19,266	7,739	27,499	12,200
Changes in non cash items	(6,209)	(3,826)	(709)	(3,869)
Operating activities	13,057	3,913	26,790	8,331
Investing activities	(58,018)	(30,304)	(58,087)	(22,349)
Financing operations	90,760	18,612	84,232	10,454
Other	821	(1,854)	821	(1,854)
Net variation in cash flows	46,620	(9,633)	53,756	(5,418)
Cash and cash equivalents – beginning of period	79,435	136,831	87,594	145,308
Cash and cash equivalents – end of period	126,055	127,198	141,350	139,890

Cash Flows

Q2 2015

YTD				
	IFRS		Proportionate Consolidation	
	2015	2014	2015	2014
<i>(in thousands of dollars)</i>				
Cash flows from operations	59,467	37,065	70,251	48,768
Changes in non cash items	2,657	616	3,419	81
Operating activities	62,124	37,681	73,670	48,849
Investing activities	(105,545)	(40,922)	(106,351)	(68,004)
Financing operations	92,591	4,001	85,695	30,008
Other	1,491	1,496	1,491	1,496
Net variation in cash flows	50,661	2,256	54,505	12,349
Cash and cash equivalents – beginning of period	75,394	124,942	86,845	127,541
Cash and cash equivalents – end of period	126,055	127,198	141,350	139,890

Financial Position

Q2 2015

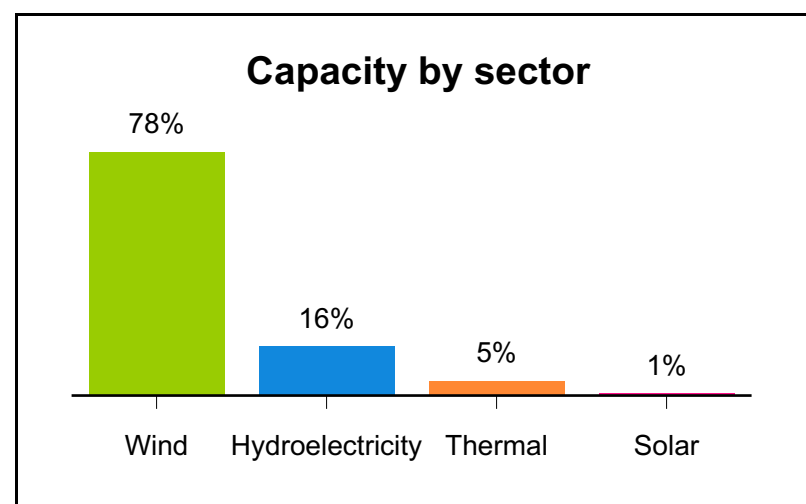
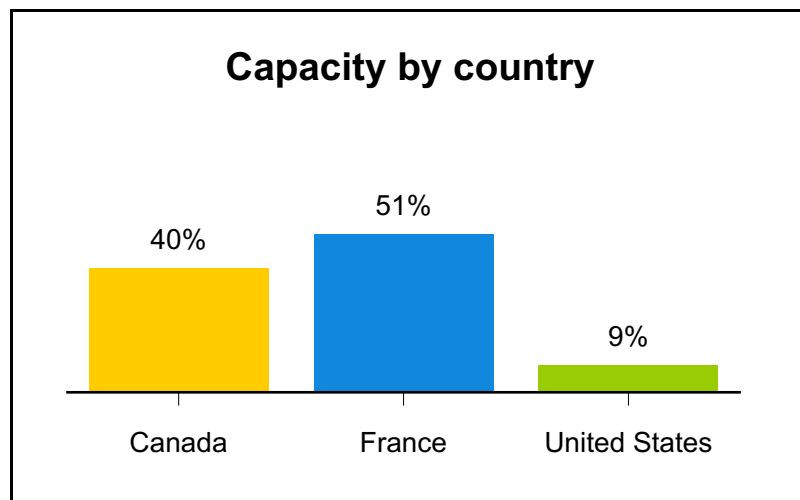
	IFRS		Proportionate Consolidation	
	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
<i>(in thousands of dollars, unless otherwise specified)</i>				
Cash and cash equivalent	126,055	75,394	141,350	86,845
Restricted cash	6,190	12,459	11,822	19,814
Total assets	2,074,096	1,917,959	2,437,755	2,288,750
Net debt ⁽¹⁾	974,653	994,991	1,280,258	1,309,613
Convertible debentures - nominal value	387,901	244,337	387,901	244,337
Average rate - total debt	4.27%	3.94%	4.49%	4.83%
Equity attributable to shareholders of Boralex ⁽²⁾	375,290	303,191	374,773	302,674
Book value per share	\$7.83	\$7.91	\$7.83	\$7.91
Net debt ratio	56.1%	59.9%	62.7%	66.3%

(1) Excludes Convertible debentures and Bridge facility as at December 31, 2014

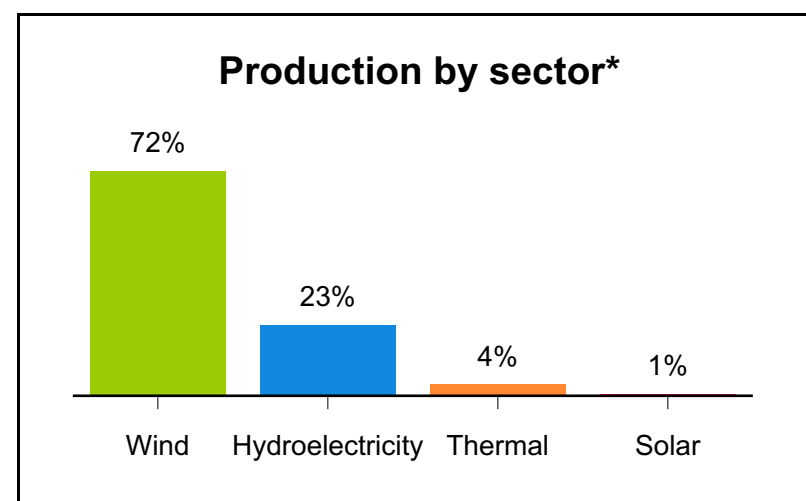
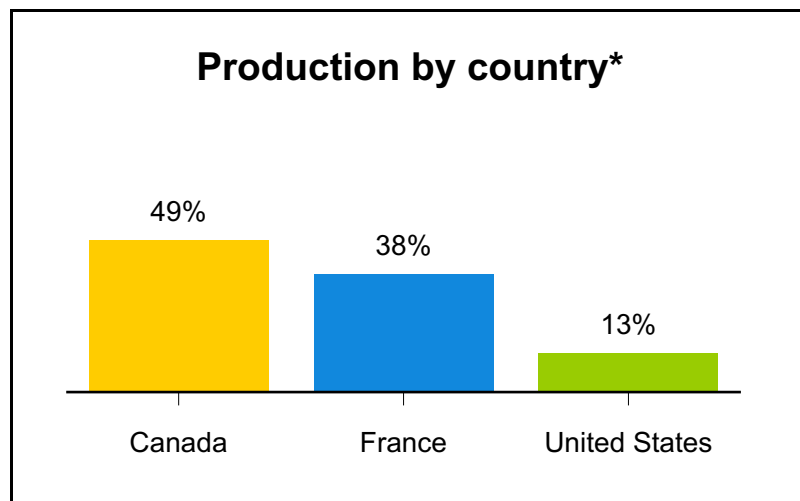
(2) Excludes Non-controlling shareholders

Geographical and Segment Review as of June 30, 2015

Installed Capacity (970 MW)



Power Production (1,396 GWh⁽¹⁾ and 1,084 GWh⁽²⁾)



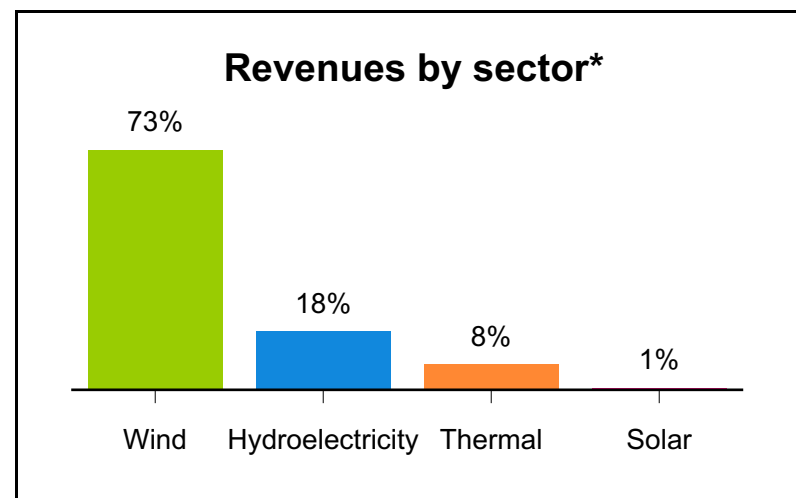
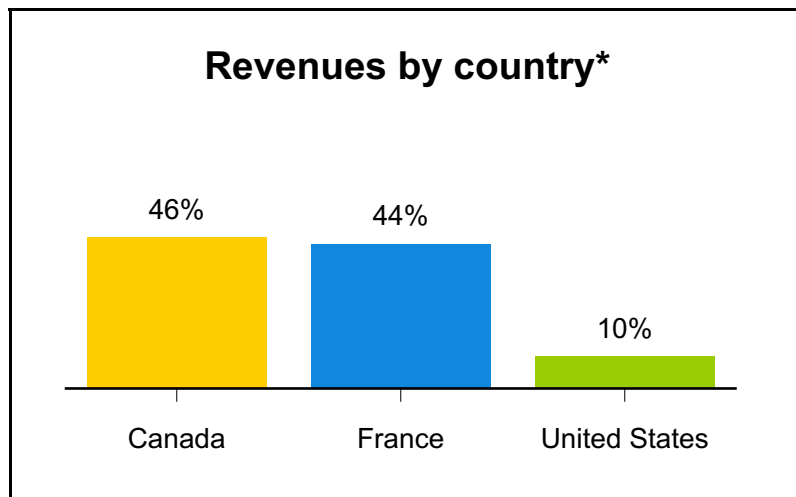
(1) Under Proportionate consolidation

(2) Under IFRS

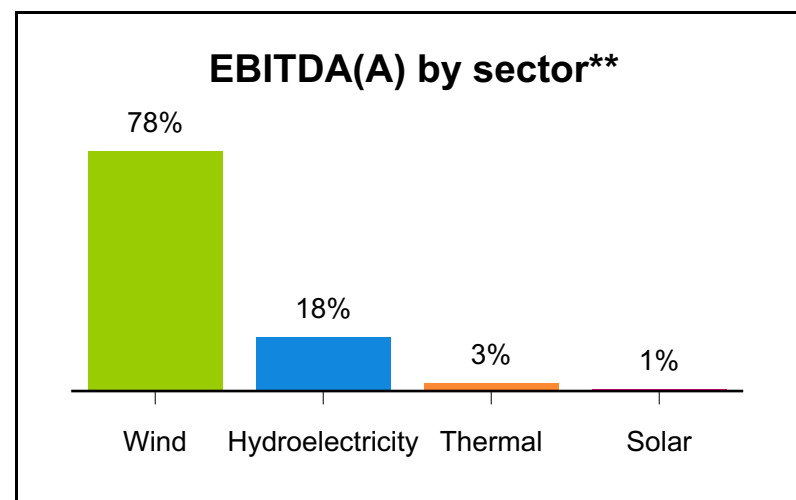
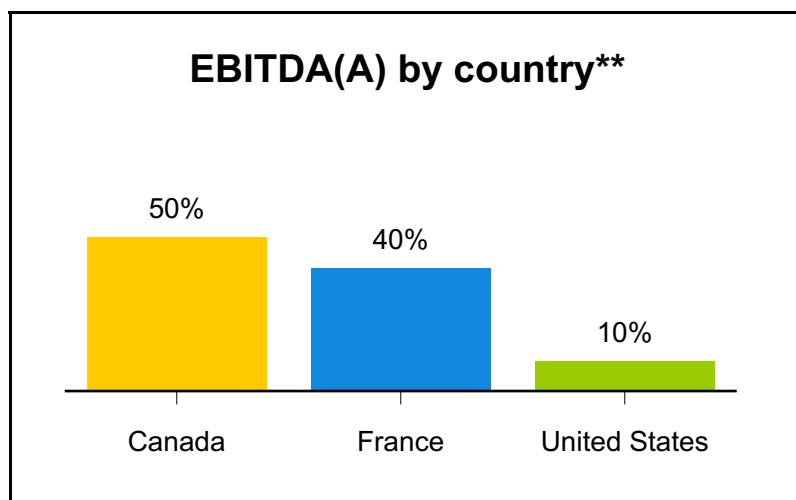
* Under proportionate consolidation. Under IFRS, Canada, France and the United State represent respectively, 34%, 50% and 16% and the wind, hydroelectric, thermal and solar sector represent respectively 63%, 29%, 7% et 1%.

Geographical and Segment Review as of June 30, 2015

Revenues from Energy Sales (\$164.2 M⁽¹⁾ and et \$130.7 M⁽²⁾)



EBITDA(A) (before corporate and elimination) (\$121.7 M⁽¹⁾ and \$101.8 M⁽²⁾)



(1) Under Proportionate consolidation

(2) Under IFRS

* Under proportionate consolidation. Under IFRS, Canada, France and the United State represent respectively, 33%, 56% et 11%, and the wind, hydroelectric, thermal and solar sector represent respectively 66%, 22%, 11% et 1%.

** Under proportionate consolidation. Under IFRS, Canada, France and the United State represent respectively, 41%, 48% et 11%, and the wind, hydroelectric, thermal and solar sector represent respectively 73%, 22%, 4% et 1%.



Question Period