



Financial Review

2nd Quarter 2016

August 4, 2016

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, 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, raw material price increases and availability 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 MD&A.

Proportionate Consolidation

This presentation contains results presented on a proportionate consolidation basis. Under this method, the results of Seigneurie de Beauré Wind Farms 2 and 3 ("Joint Venture Phase I") and Seigneurie de Beauré Wind Farm 4 ("Joint Venture Phase II") General Partnerships (the "Joint Ventures"), 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 MD&A.



Mr. Patrick Lemaire

*President and
Chief Executive Officer
Boralex Inc.*

Highlights

Q2 2016

Financial Results

- ✦ In Q2 2016, production, revenues, cash flow from operations and EBITDA(A) are up by 2%, 6%, 4% and 4% respectively according to proportionate consolidation (up by 8%, 12%, 42% and 5% according to IFRS)
- ✦ The positive results of the quarter are explained by the contribution of the six new sites (123.6 MW) commissioned in the second half of 2015 and the favourable changes in the Euro and the US dollar. However, weaker wind conditions for existing sites in France and Canada, as well as the US hydro segment, mitigated the contribution of these new sites

Projects under development

- ✦ Boralex recently started the construction of the Port Ryerse wind farm (10 MW) in Ontario, for which commissioning is expected by the end of 2016, and the Moose Lake wind farm (15 MW) in British Columbia, for which commissioning is slated in 2017
- ✦ We expect the Touvent (14 MW) wind project in France to be commissioned in the next few days

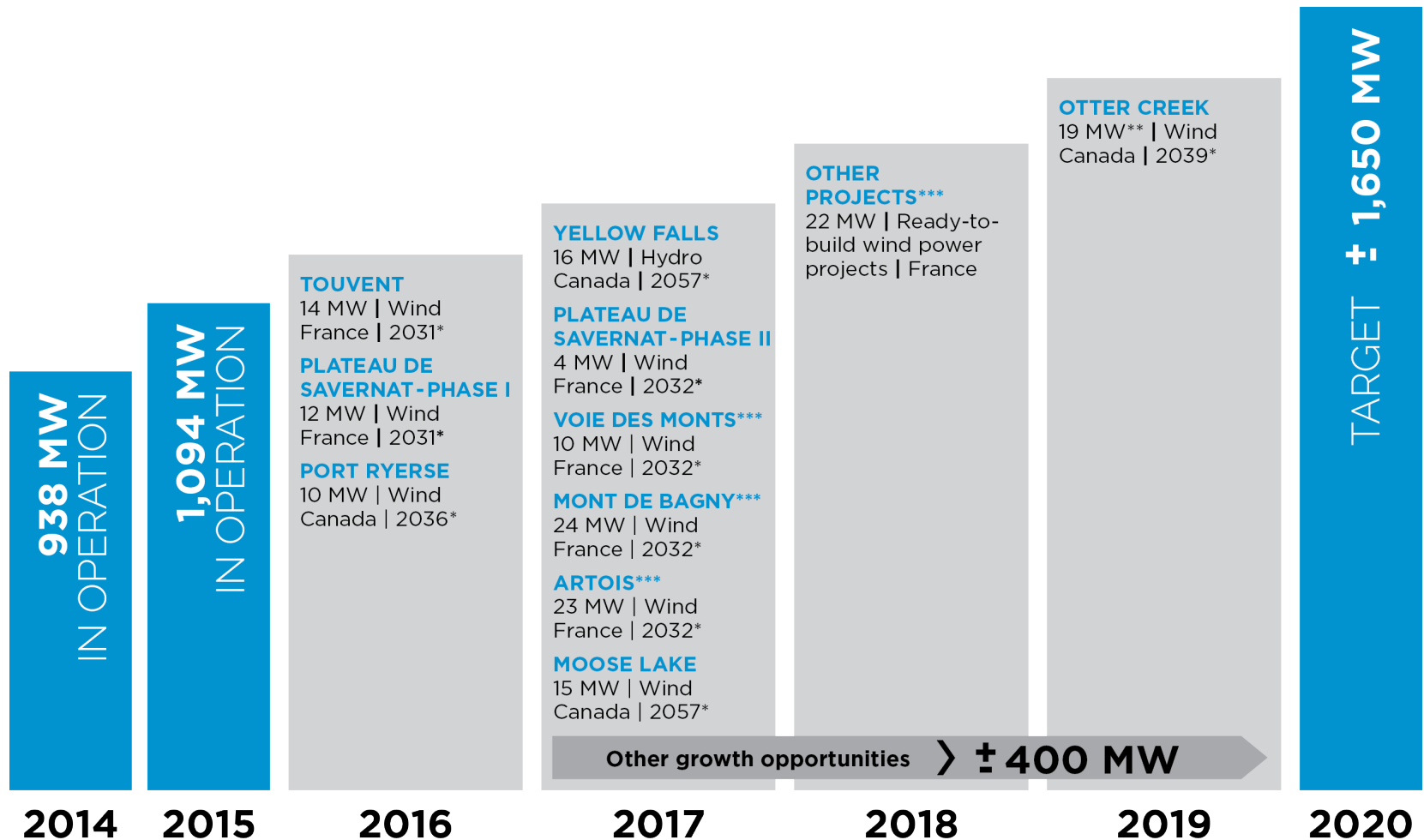
Highlights

Q2 2016

Refinancing

- ✦ The loan of the Seigneurie de Beaupré Joint Venture Phase I was refinanced under advantageous conditions
This refinancing allowed Boralex to receive a return of capital of \$40 M in Q2 2016
- ✦ Financing of the Plateau de Savernat wind farm project (€17.6 M (\$25.2 M)) and the Avignonet II site (€2.8 M (\$4 M)) were completed in June

The Growth Path



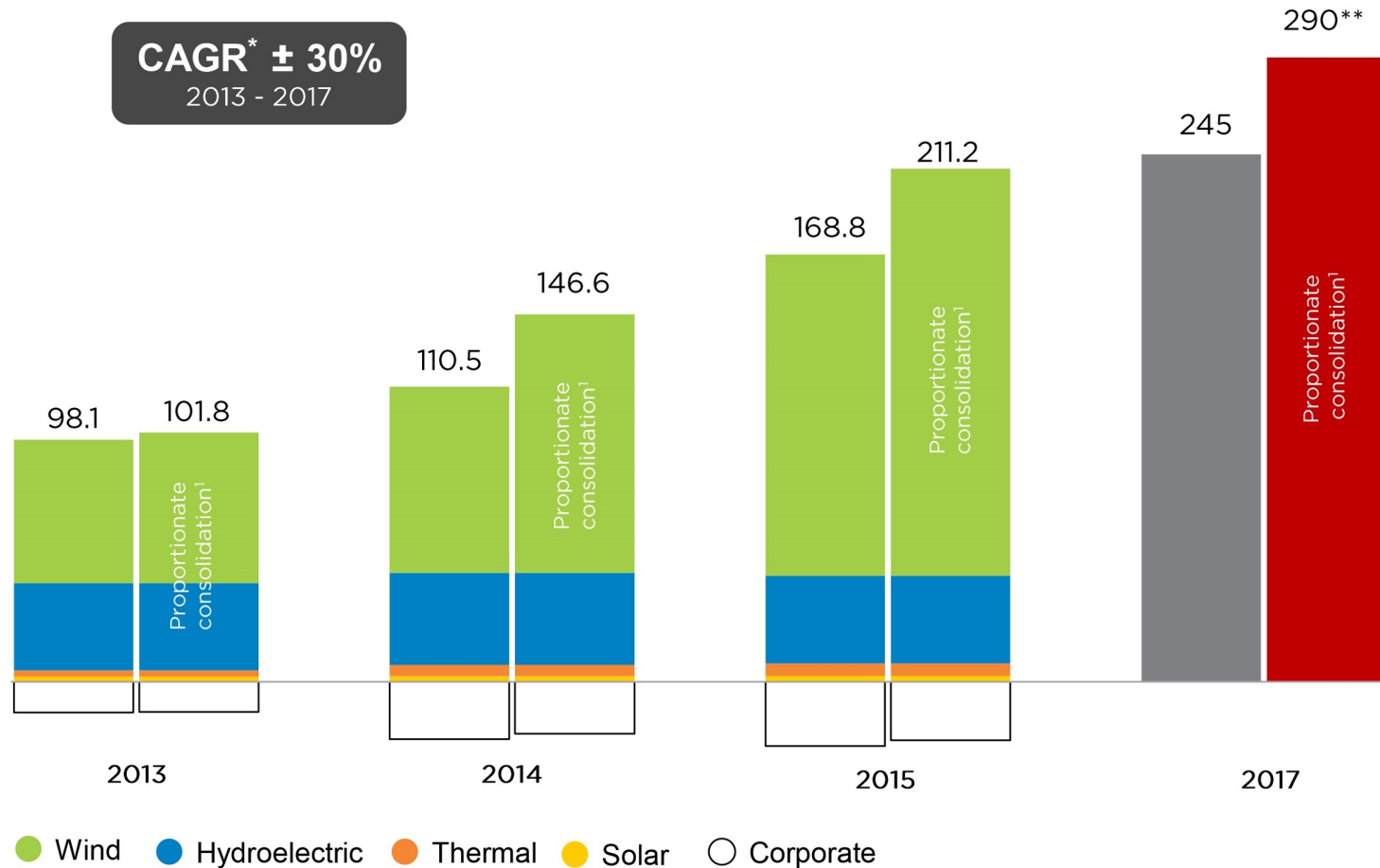
* Represent, in order: project name, installed capacity, segment, country and contract end-date.

** Boralex owns 38.5% of the 50 MW Otter Creek Wind Farm Project or 19.25 MW on a net basis

*** Part of the Ecotera wind power portfolio

Financial Target

EBITDA(A) (in millions of dollars)



* Compounded annual growth rate

** In line with the growth path. Represents a year-end estimated run rate EBITDA(A).

¹ EBITDA(A) according to proportionate consolidation basis (see *Reconciliations between IFRS and Proportionate consolidation* of the 2015 Annual Report)



Mr. Jean-François Thibodeau

*Vice president and
Chief Financial Officer
Boralex Inc.*

Summary

Q2 2016

	Q2			
	IFRS		Proportionate Consolidation	
	2016	2015	2016	2015
<i>(in thousands of dollars, unless otherwise specified)</i>				
Power Production (GWh)	566.3	524.7	677.3	662.5
Revenues from energy sales	65,035	58,194	77,007	72,986
EBITDA(A)	37,688	35,947	48,423	46,644
EBITDA(A) margin (%)	58%	62%	63%	64%
Net loss *	(7,281)	(6,284)	(7,281)	(6,284)
Per share (basic) (\$)	(0.11)	(0.13)	(0.11)	(0.13)
Cash flow from operations	27,396	19,266	28,489	27,499

* Attributable to shareholders of Boralex.

Summary

Q2 2016

	YTD			
	IFRS		Proportionate Consolidation	
	2016	2015	2016	2015
<i>(in thousands of dollars, unless otherwise specified)</i>				
Power Production (GWh)	1,387.3	1,084.3	1,650.5	1,396.1
Revenues from energy sales	171,012	130,711	199,393	164,159
EBITDA(A)	117,687	87,701	138,872	108,958
EBITDA(A) margin (%)	69%	67%	70%	66%
Net earnings (loss) *	13,274	(985)	13,274	(985)
Per share (basic) (\$)	0.20	(0.02)	0.20	(0.02)
Cash flow from operations	86,975	59,467	98,412	70,251

* Attributable to shareholders of Boralex.

EBITDA(A) by sector

Q2 2016

	Q2			
	IFRS		Proportionate Consolidation	
	2016	2015	2016	2015
<i>(in thousands of dollars)</i>				
Wind	35,389	30,676	45,481	40,718
Hydroelectricity	10,775	12,741	10,775	12,741
Thermal	(703)	(654)	(703)	(654)
Solar	1,427	837	1,427	837
	46,888	43,600	56,980	53,642
Corporate and eliminations	(9,200)	(7,653)	(8,557)	(6,998)
EBITDA(A)	37,688	35,947	48,423	46,644

EBITDA(A) by sector

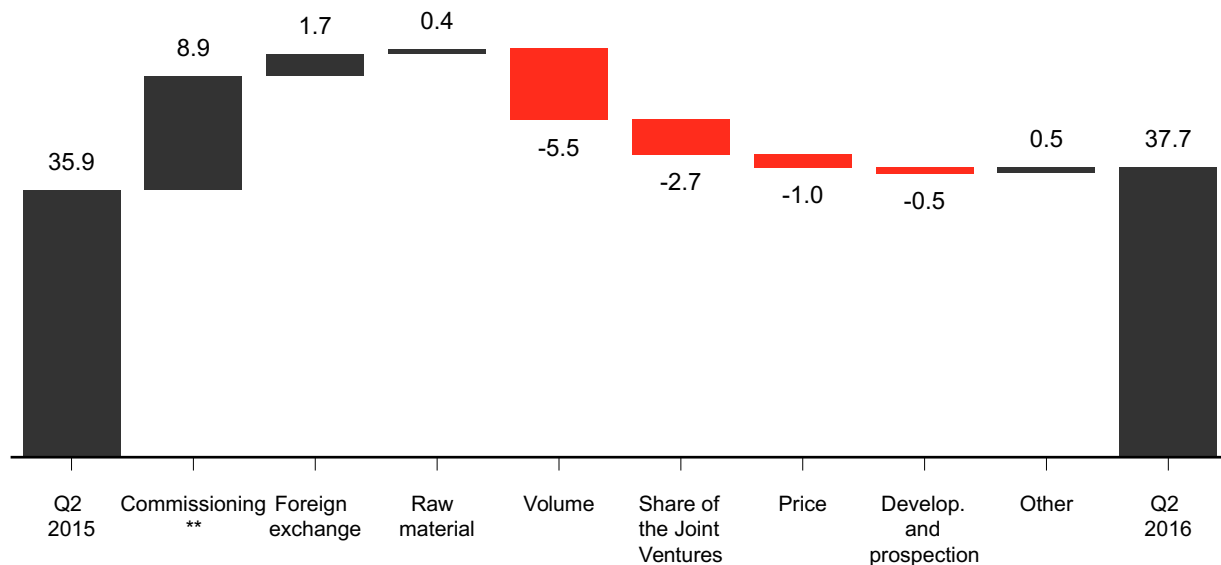
Q2 2016

	YTD			
	IFRS		Proportionate Consolidation	
	2016	2015	2016	2015
<i>(in thousands of dollars)</i>				
Wind	106,251	75,262	126,142	95,212
Hydroelectricity	23,694	21,988	23,694	21,988
Thermal	3,451	3,871	3,451	3,871
Solar	2,212	1,241	2,212	1,241
	135,608	102,362	155,499	122,312
Corporate and eliminations	(17,921)	(14,661)	(16,627)	(13,354)
EBITDA(A)	117,687	87,701	138,872	108,958

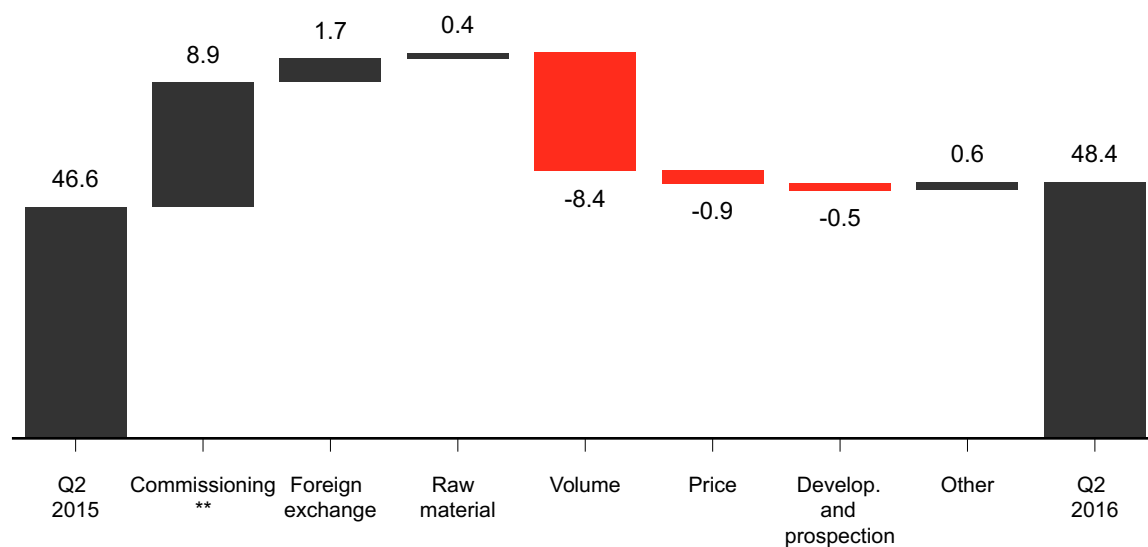
EBITDA(A) - Variance Analysis*

Q2 2016 vs 2015

IFRS



Proportionate Consolidation



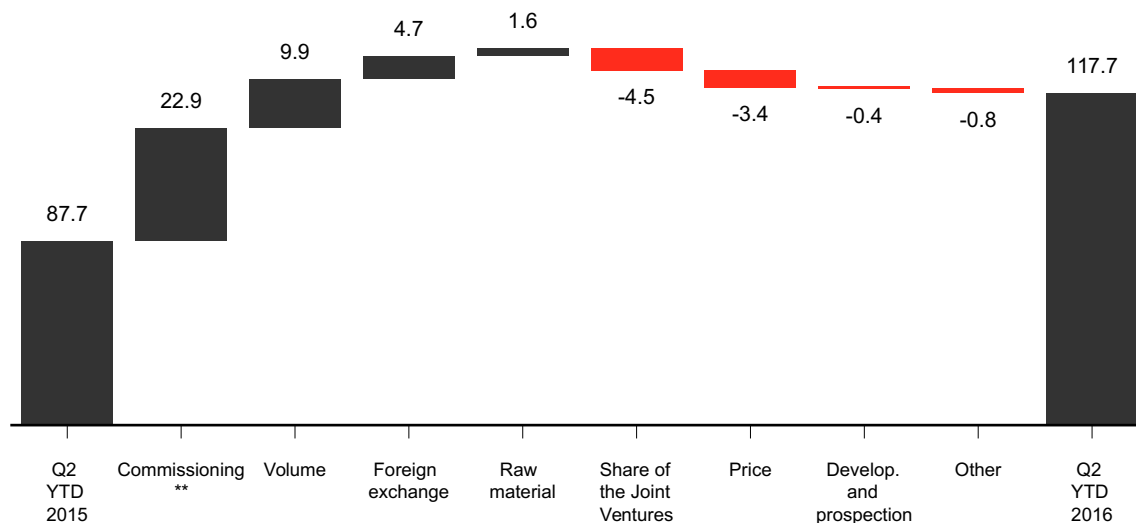
* The amounts in these graphs are expressed in millions of dollars

** Commissioning of 123.6 MW: the Témiscouata II, Côte-de-Beaupré, Calmont and Frampton wind farms, and the Les Cigarettes and Vaughan solar sites

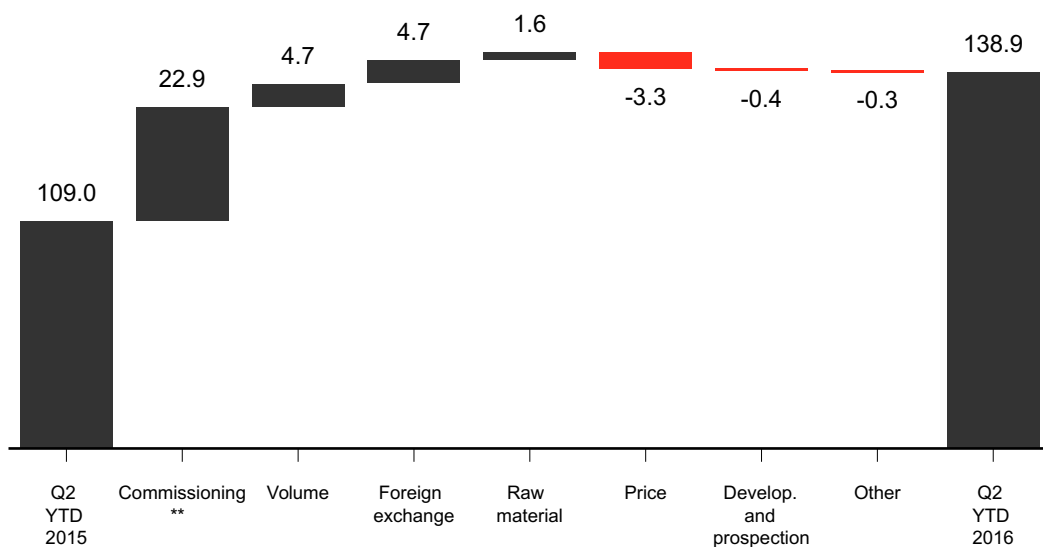
EBITDA(A) - Variance Analysis*

YTD 2016 vs 2015

IFRS



Proportionate Consolidation



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

** Commissioning of 156.4 MW: the St-François, Cômes de l'Arce, Témiscouata II, Côte-de-Beaupré, Calmont and Frampton wind farms, and the Les Cigarettes and Vaughan solar sites

Sector Review Q2 2016

Wind Energy

Q2				
	IFRS		Proportionate Consolidation	
	2016	2015	2016	2015
<i>(in thousands of dollars, unless otherwise specified)</i>				
Power production (GWh)	356.4	301.3	467.5	439.2
Power factor	23.1%	23.4%	24.4%	26.4%
Revenues from energy sales	45,899	37,016	57,871	51,808
EBITDA(A)	35,389	30,676	45,481	40,718
EBITDA(A) margin (%)	77.1%	82.9%	78.6%	78.6%

Under Proportionate Consolidation

- ▲ Production was higher by 6% vs Q2 2015
 - ▲ Lower by 11% excluding the commissioned sites

PRODUCTION	
Canadian Stations	French Stations
Power factor of 29% 15% higher vs Q2 2015 17% lower excluding the contribution of Côte-de-Beaupré, Témiscouata II and Frampton	Power factor of 21% 2% lower vs Q2 2015 6% lower excluding the contribution of Calmont

- ▲ Commissioning of Côte-de-Beaupré, Témiscouata II, Frampton and Calmont had a positive impact on revenues and EBITDA(A) of \$9.9 M and \$8.3 M, respectively
- ▲ The fluctuation of the Euro and the favourable price effect had a combined positive impact of \$2.8 M on revenues and \$2.4 M on EBITDA(A)
- ▲ These favourable items were partially offset by lower production at existing sites for an impact of \$6.6 M on revenues and EBITDA(A)

Sector Review Q2 2016

Wind Energy

	YTD			
	IFRS		Proportionate Consolidation	
<i>(in thousands of dollars, unless otherwise specified)</i>	2016	2015	2016	2015
Power production (GWh)	937.9	687.2	1,201.1	999.0
Power factor	30.4%	30.5%	31.4%	30.6%
Revenues from energy sales	123,636	85,728	152,017	119,176
EBITDA(A)	106,251	75,262	126,142	95,212
EBITDA(A) margin (%)	85.9%	87.8%	83.0%	79.9%

Sector Review Q2 2016

Hydro Energy

IFRS				
	Q2		YTD	
	2016	2015	2016	2015
<i>(in thousands of dollars, unless otherwise specified)</i>				
Power production (GWh)	190.6	205.7	361.2	319.3
Revenues from energy sales	14,999	16,785	32,227	29,369
EBITDA(A)	10,775	12,741	23,694	21,988
EBITDA(A) margin (%)	71.8%	75.9%	73.5%	74.9%

▲ Production lower by 7% compared to Q2 2015 and by 10% versus historical averages

PRODUCTION	
Canadian Stations	US Stations
11% higher vs Q2 2015 15% higher vs historical averages	24% lower vs Q2 2015 29% lower vs historical averages

- ▲ The decline in revenues and EBITDA(A) is explained by an unfavourable volume effect of \$1.5 M mainly due to lower production at US power stations and a negative price effect of \$0.8 M
- ▲ This decrease was offset by a favourable foreign exchange effect stemming from the fluctuation of the US dollar for an impact of \$0.4 M on revenues and \$0.3 M on EBITDA(A)

Sector Review Q2 2016

Thermal Energy

IFRS				
	Q2		YTD	
	2016	2015	2015	2015
<i>(in thousands of dollars, unless otherwise specified)</i>				
Steam production ('000 lbs)	156.5	158.5	327.3	325.1
Power production (GWh)	12.5	15.6	77.3	74.8
Revenues from energy sales	2,531	3,467	12,592	14,203
EBITDA(A)	(703)	(654)	3,451	3,871

- ▲ At Blendecques, the steam prices decreased by 34% resulting in a negative impact of \$0.9 M on revenues and EBITDA(A), partially offset by a 25% decrease in natural gas costs and the decline of some operating costs for a combined positive impact of \$0.7 M on EBITDA(A)
- ▲ At Senneterre, EBITDA(A) rose by \$0.2 M owing to a reduction of its maintenance costs and an insurance reimbursement, which more than offset the 20% decline in production

Sector Review Q2 2016

Solar Energy

IFRS

	Q2		YTD	
	2016	2015	2016	2015
<i>(in thousands of dollars, unless otherwise specified)</i>				
Power production (GWh)	6.8	2.0	10.9	3.1
Power factor	20.1%	18.5%	16.6 %	14.0 %
Revenues from energy sales	1,606	926	2,557	1,411
EBITDA(A)	1,427	837	2,212	1,241
EBITDA(A) margin (%)	88.9%	90.4%	86.5 %	88.0 %

- ▲ The commissioning of the Les Cigarettes and Vaughan sites had a positive impact of \$0.7 M and \$0.6 M on revenues and EBITDA(A), respectively

Sector Review Q2 2016

Corporate

	Q2			
	IFRS		Proportionate Consolidation	
<i>(in thousands of dollars)</i>	2016	2015	2016	2015
Development	2,537	1,965	2,537	1,965
Administrative	4,324	5,124	4,324	5,158
Other expenses	2,339	564	1,696	(125)
Corporate EBITDA(A)	9,200	7,653	8,557	6,998

	YTD			
	IFRS		Proportionate Consolidation	
<i>(in thousands of dollars)</i>	2016	2015	2016	2015
Development	4,753	4,203	4,753	4,203
Administrative	8,710	8,267	8,710	8,325
Other expenses	4,458	2,191	3,164	826
Corporate EBITDA(A)	17,921	14,661	16,627	13,354

Cash Flows

Q2 2016

	Q2			
	IFRS		Proportionate Consolidation	
<i>(in thousands of dollars)</i>	2016	2015	2016	2015
Cash flows from operations	27,396	19,266	28,489	27,499
Changes in non-cash items	1,459	(6,209)	4,043	(709)
Operating activities	28,855	13,057	32,532	26,790
Investing activities *	12,580	(58,018)	(27,279)	(58,087)
Financing activities	(36,947)	90,760	(3,788)	84,232
Other	(1,553)	821	(1,553)	821
Net change in cash	2,935	46,620	(88)	53,756
Cash and cash equivalents – beginning of period	139,460	79,435	153,606	87,594
Cash and cash equivalents – end of period	142,395	126,055	153,518	141,350

* Under IFRS, includes a \$40 M return of capital received following the refinancing of the Joint Venture Phase I

Cash Flows

Q2 2016

YTD				
	IFRS		Proportionate Consolidation	
	2016	2015	2016	2015
<i>(in thousands of dollars)</i>				
Cash flows from operations	86,975	59,467	98,412	70,251
Changes in non-cash items	17,557	2,657	15,631	3,419
Operating activities	104,532	62,124	114,043	73,670
Investing activities *	(8,750)	(105,545)	(48,708)	(106,351)
Financing activities	(49,959)	92,591	(17,239)	85,695
Other	(3,069)	1,491	(3,069)	1,491
Net change in cash	42,754	50,661	45,027	54,505
Cash and cash equivalents – beginning of period	99,641	75,394	108,491	86,845
Cash and cash equivalents – end of period	142,395	126,055	153,518	141,350

* Under IFRS, includes a \$40 M return of capital received following the refinancing of the Joint Venture Phase I

Financial Position

Q2 2016

	IFRS		Proportionate Consolidation	
	June 30, 2016	December 31, 2015	June 30, 2016	December 31, 2015
<i>(in thousands of dollars, unless otherwise specified)</i>				
Cash and cash equivalent	142,395	99,641	153,518	108,491
Restricted cash	1,001	3,345	1,001	3,507
Total assets	2,360,242	2,449,042	2,759,963	2,806,307
Net debt ⁽¹⁾	1,232,411	1,341,617	1,571,401	1,646,316
Convertible debentures - nominal value	143,750	143,750	143,750	143,750
Average rate - total debt	4.06%	4.26%	4.23%	4.43%
Equity attributable to shareholders of Boralex ⁽²⁾	508,229	544,659	507,712	544,142
Book value per share (in \$)	7.79	8.41	7.78	8.39
Net debt ratio (market capitalization)	46.3%	55.1%	52.4%	60.0%

(1) Excludes Convertible debentures

(2) Excludes Non-controlling shareholders



Question Period