BORALEX
energy creator

INTERIM REPORT
AS AT MARCH 31, 2016

1

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PROFILE

Boralex develops, builds and operates renewable energy power facilities in Canada, France and the United States. A leader in the Canadian market and France's largest independent producer of onshore wind power, the Corporation is recognized for its solid experience in optimizing its asset base in four power generation types — wind, hydroelectric, thermal and solar. Boralex ensures sustained growth by leveraging the expertise and diversification developed over the past 25 years. Boralex's shares and convertible debentures are listed on the Toronto Stock Exchange under the ticker symbols BLX and BLX.DB.A, respectively.

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Management's Discussion and Analysis I

As at March 31, 2016

Table of Contents

Introductory Comments

General

This Interim Management's Discussion and Analysis ("MD&A") reviews the operating results and cash flows for the three-month period ended March 31, 2016 compared with the corresponding period of 2015, as well as the Corporation's financial position as at March 31, 2016 compared with as at December 31, 2015. This report should be read in conjunction with the unaudited interim consolidated financial statements and related notes found in this Interim Report, as well as with the audited consolidated financial statements and related notes found in the most recent Annual Report for the fiscal year ended December 31, 2015.

Additional information about the Corporation, including the annual information form, previous annual reports, MD&As and audited consolidated financial statements, as well as press releases, is published separately and is available on the Boralex (www.boralex.com) and SEDAR (www.sedar.com) websites.

In this MD&A, Boralex or the Corporation means, as applicable, either Boralex and its subsidiaries and divisions or Boralex or one of its subsidiaries or divisions. The information contained in this MD&A reflects all material events up to May 10, 2016, the date on which the Board of Directors approved this interim MD&A and the unaudited interim consolidated financial statements. Unless otherwise indicated, the financial information presented in this MD&A, including tabular amounts, is prepared in accordance with International Financial Reporting Standards ("IFRS") which constitute Canadian generally accepted accounting principles ("GAAP") under Part I of the *CPA Canada Handbook*. The unaudited interim consolidated financial statements included in this interim MD&A have been prepared according to IFRS applicable to the preparation of interim financial statements, IAS 34, *Interim Financial Reporting*, and contain comparative figures for 2015.

This MD&A includes a section, *Proportionate Consolidation*, where 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") (collectively, "the Joint Ventures" and "Joint Ventures Phases I and II") owned at 50% by Boralex, were proportionately consolidated instead of being accounted for using the equity method as required by IFRS. Under proportionate consolidation, which is no longer permitted in accordance with IFRS, *Interests in the Joint Ventures* and *Share in earnings of the Joint Ventures* items have been eliminated and replaced by Boralex's share (50%) in all of the financial statement items (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 *Proportionate Consolidation* section into the MD&A 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.

As discussed under *Non-IFRS Measures*, this MD&A also contains information consisting of non-IFRS measures. The Corporation uses the term "EBITDA(A)" to assess the operational performance of its power stations. This measure represents earnings before interest, taxes, depreciation and amortization, adjusted to include other items. In this MD&A, the Corporation uses the EBITDA(A) as defined under *Non-IFRS Measures*.

All financial information presented in this MD&A, as well as tabular information, is in Canadian dollars.

Notice Concerning Forward-Looking Statements

The purpose of this MD&A is to help the reader understand the nature and importance of changes and trends as well as the risks and uncertainties that may affect Boralex's operating results and financial position. Accordingly, some of the statements contained in this analysis, including those regarding future results and performance, are forward-looking statements based on current expectations, within the meaning of securities legislation. These statements are characterized by the use of positive or negative verbs, such as plan, anticipate, evaluate, estimate, believe and other related expressions. They are based on Boralex management's expectations, estimates and assumptions as at May 10, 2016. Boralex would like to point out that, by their very nature, forward-looking statements involve risks and uncertainties such that its results or the measures it adopts could differ materially from those indicated by or underlying these statements, or could have an impact on the degree of realization of a particular projection. The main factors that could lead to a material difference between the Corporation's actual results and the projections or expectations set forth in the forward-looking statements include, but are not limited to, the general impact of economic conditions, currency fluctuations, volatility in the selling price of energy, the Corporation's financing capacity, negative changes in general market conditions, regulations affecting the industry, raw material price increases and availability, as well as other factors described later in *Outlook and Development Objectives* and *Risk Factors and Uncertainties* in the Corporation's Annual Report for the year ended December 31, 2015.

Unless otherwise specified by the Corporation, the forward-looking statements do not take into account the possible impact on its activities, transactions, non-recurring items or other exceptional items announced or occurring after the statements are made. There can be no assurance as to the materialization of the results, performance or achievements as expressed or implied by forward-looking statements. The reader is cautioned not to place undue reliance on such forward-looking statements. Unless required to do so under applicable securities legislation, Boralex management does not assume any obligation to update or revise forward-looking statements to reflect new information, future events or other changes.

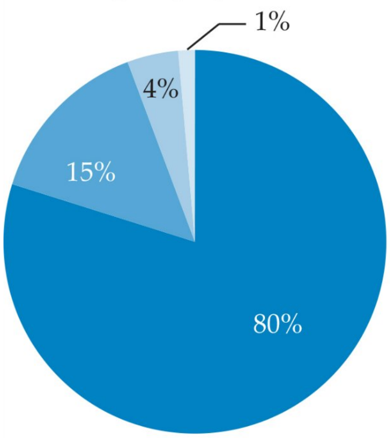
Description of Business

Boralex Inc. ("Boralex" or the "Corporation") is a Canadian power producer that develops, constructs and operates renewable energy power stations. As at March 31, 2016, the Corporation had approximately 300 employees and operated an asset base with an installed capacity of 1,264 megawatts ("MW"), of which 1,094 MW[(1)] were under its control, consisting of 493 MW in Canada, 518 MW in France and 83 MW in the Northeastern United States. In addition, Boralex has new projects under development representing an additional 165 MW, to be commissioned by the end of 2019.

- Boralex operates an **874 MW[(1)] wind power** portfolio of assets in France and Canada. In recent years, Boralex has become France's leading independent onshore wind power producer with 491 MW currently in operation and an additional 105 MW to be commissioned by the end of 2018. In addition, Boralex owns the rights to a large portfolio of wind power projects in France in various phases of development. Boralex is also a well-established wind power operator in Canada with an installed capacity of 553 MW (including 383 MW under its control) in Québec and Ontario, with 44 MW to be commissioned by the end of 2019. Further, the Corporation has the option to acquire a 25% interest in a 230 MW wind power project in Ontario, to be commissioned by the end of 2016.
- Boralex has been a **hydroelectric power** producer for over two decades, operating **158 MW** in Québec and British Columbia, Canada, and in the Northeastern United States. The Corporation also has a 16 MW hydroelectric power station currently under development in Ontario, Canada, to be commissioned in early 2017.
- Boralex owns two **thermal power** stations with a total installed capacity of **47 MW**, consisting of a 35 MW wood-residue power station in Québec and a 12 MW natural gas cogeneration power station in France.
- Boralex operates three **solar power** facilities in France and in Canada with a **15 MW** installed capacity.

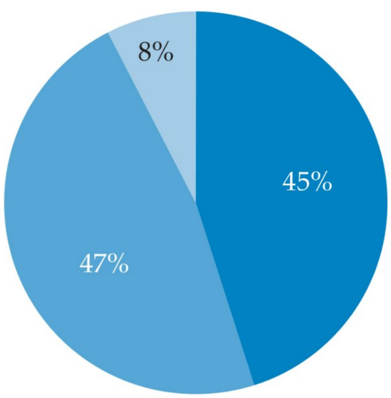
The following charts[(1)] provide information about the makeup of the Corporation's energy portfolio in operation as at March 31, 2016. As they show, one of Boralex's driving forces is its geographic and segment diversification. In addition, substantially all of its assets in operation are covered by long-term indexed, fixed-price energy sales contracts – a cornerstone of its strategy. That is also the case for 100% of its sites under development.

Capacity by sector



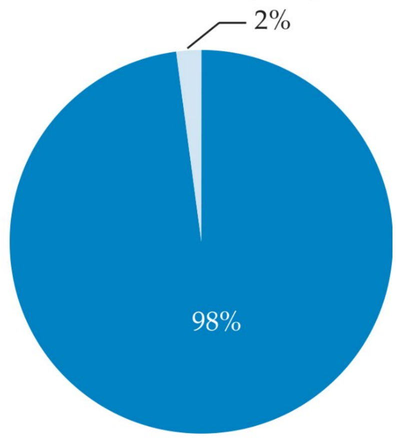
Wind	874 MW
Hydroelectric	158 MW
Thermal	47 MW
Solar	15 MW

Capacity by country



Canada	493 MW
France	518 MW
United States	83 MW

Contracted capacity



Under contracts	1,071 MW
Market prices	23 MW

TOTAL: 1,094 MW

Average remaining contractual term: 15 years

(1) These data, and all of the data contained in this MD&A, reflect Boralex's share in various assets and exclude, accordingly, its partner's 50% share in Joint Ventures operating the Seigneurie de Beaupré Wind Farms in Québec with a total installed capacity of 340 MW.

Boralex's shares, 20.3% of which are held by Cascades Inc. ("Cascades"), and convertible debentures are listed on the Toronto Stock Exchange under the ticker symbols BLX and BLX.DB.A, respectively.

Executive Summary

During the three-month period ended March 31, 2016, Boralex delivered its best quarterly performance ever, generating $20.6 million in net earnings attributable to shareholders of Boralex, $80.0 million in EBITDA(A) on $106.0 million in revenues ($90.4 million in EBITDA(A) on $122.4 million in revenues under proportionate consolidation), as well as $59.6 million in cash flows from operations ($69.9 million under proportionate consolidation).

Financial Highlights

For the three-month periods ended March 31

	IFRS			Proportionate Consolidation [1]		
(in thousands of dollars, except production, EBITDA(A) margin and per share amounts)	2016	2015	Change	2016	2015	Change
Power production (MWh)	821,060	559,675	**+ 47%**	973,225	733,540	**+ 33%**
Revenues from energy sales	105,977	72,517	**+ 46%**	122,386	91,174	**+ 34%**
EBITDA(A) [2]	79,999	51,754	**+ 55%**	90,449	62,315	**+ 45%**
EBITDA(A) margin (%)	75%	71%		74%	68%	
Net earnings	22,502	6,746		22,502	6,746	
Net earnings attributable to shareholders of Boralex	20,555	5,299		20,555	5,299	
Per share (basic)	$0.32	$0.11		$0.32	$0.11	
Net cash flows related to operating activities	75,677	49,067		81,511	46,880	
Cash flows from operations [2]	59,579	40,201	**+ 48%**	69,923	42,753	**+ 64%**

[1] These amounts are adjusted on a proportionate consolidation basis; a Non-IFRS Measure. See the *Reconciliations between IFRS and Proportionate Consolidation* and *Non-IFRS Measures* sections.

[2] See the *Non-IFRS Measures* section.

Growth Strategy and Recent Developments

Growth Strategy

To lay the foundations of above-average, balanced and sustainable growth, Boralex has been executing its strategy since 2009 to develop its asset base and increasingly secure steady and predictable revenue and cash flow streams, while lowering its business risk exposures. As a result, the Corporation has made the following strategic choices:

- Acquire and develop renewable energy assets covered by long-term indexed, fixed-price energy sales contracts;
- Prioritize renewable energy assets with above-average profit margins, particularly in wind, hydroelectric and solar power; and
- Focus development initiatives mainly on North America and Europe.

Dynamic and orderly execution of this strategy resulted first in a surge in Boralex's wind power segment development, increasing its installed capacity eight-fold in a seven-year period to 874 MW as at March 31, 2016, in addition to acquiring a sizeable project portfolio, a number of which are at advanced stages of development. Over the same period, the hydroelectric power segment also expanded its operating base, which grew 25 MW to 158 MW. Boralex made its first foray into solar energy production, with its solar power stations in operation totalling 15 MW.

In addition, every single energy asset acquired or developed by Boralex since 2009 is covered by long-term indexed, fixed-price energy sales contracts. For these sites currently in operation, the average remaining contractual term of Boralex is 15 years, which ensures predictable long-term cash flows for the Corporation.

Effect of Boralex's Strategy on the Makeup of its Energy Portfolio and on its Financial Performance

Boralex's strategic decisions in recent years have substantially transformed and enhanced its positioning.

In **contractual** terms, Boralex's installed capacity in operation covered by long-term energy sales contracts grew to 98% in 2016 from 51% in 2009.

From a **segment** perspective, these developments mainly resulted in a higher relative weight of the wind and hydroelectric power segments, which generate higher profit margins than Boralex's thermal power segment. The combined share of assets in operation in those two segments totalled nearly 95% as at March 31, 2016. In contrast, the thermal power segment's share of Boralex's overall installed capacity fell to 4% in 2016 from 57% in 2009. One of the main benefits of this trend is that the Corporation's results will become more stable and predictable by reducing its exposure to fluctuations in the cost of fuel used in the thermal power stations, namely natural gas and wood residue, and the risks related to their sourcing and availability.

Developments over recent fiscal years have strengthened the Corporation's **geographic** positioning in Canada and France, where 45% and 47%, respectively, of Boralex's capacity in operation is now located, compared with 10% and 29% respectively, in 2009.

Generally, Boralex estimates that the financial benefits from its development strategy are as follows:

- Growth in the Corporation's operating profit margin resulting from the increased weighting of more profitable segments in its energy portfolio - wind and hydroelectric power;
- A smoothing effect on the aforementioned segments' results and cash flows resulting from geographic diversification of their assets; and
- Despite the scale of recent and planned investments, and the introduction of a dividend policy, maintaining a solid cash position and reasonable debt levels through significant and steady cash inflows from operations and a series of financial transactions providing the Corporation with greater financial flexibility and strength.

Recent or Ongoing Developments Affecting Boralex's Results and Financial Position in 2016 Compared with 2015

Commissioning of New Production Sites in Canada and in France

2015

During fiscal 2015, the Corporation commissioned eight facilities totalling 156 MW, including six wind power stations (146 MW) and two solar power stations (10 MW). As the majority of this new installed capacity went into production during the final weeks of fiscal 2015, its impact on 2016 results will be significant. The new facilities commissioned in 2015 are as follows:

In France:

- On March 9 and April 13, 2015, the 23 MW **St-François** wind power station was commissioned, covered by a 15-year energy sales contract with Électricité de France ("EDF"). This wind farm should generate annual EBITDA(A) of approximately $6 million.
- On April 13, 2015, the 10 MW **Comes de l'Arce** wind power station was commissioned. This wind farm is also covered by a 15-year contract with EDF and its annual contribution to EBITDA(A) is estimated at approximately $3 million.
- On October 2, 2015, the 10 MW **Les Cigalettes** solar power station was commissioned, covered by a 20-year contract with EDF. Management estimates its annual contribution to EBITDA(A) at $1.6 million.
- On December 6, 2015, the 14 MW **Calmont** wind power station was commissioned, covered by a 15-year energy sales contract with EDF. Management expects Calmont to generate EBITDA(A) of approximately $3.5 million per year.

In Canada:

- On October 16, 2015, the 0.4 MW **Vaughan** solar power facility in Ontario with solar rooftop panels was commissioned. The facility is covered by a 20-year energy sales contract with the Independent Electricity System Operator ("IESO"). Although marginal in terms of installed capacity and expected benefits, this project is Boralex's first foray into the solar market in Canada.
- On November 11, 2015, the 52 MW **Témiscouata II** site was commissioned. This wind farm is wholly owned by Boralex and is covered by a 20-year contract with Hydro-Québec. Management expects this site to contribute approximately $15 million to annual EBITDA(A).
- On November 19, 2015, the 23.5 MW **Côte-de-Beaupré** facility, developed jointly with La Côte-de-Beaupré RCM, was commissioned. This wind farm is located on Seigneurie de Beaupré lands and benefits from logistical synergies with the wind farms operated by Boralex thereon, totalling 340 MW. Management estimates its future contribution to annual EBITDA(A) will be approximately $8 million.
- On December 15, 2015, the 24 MW **Frampton** community wind power station was commissioned. This project, in which the Municipality of Frampton holds a 33% interest and Boralex, a 67% interest, is located on private lands of the Municipality of Frampton, in Québec's Chaudière-Appalaches region, and is covered by a 20-year energy sales contract with Hydro-Québec. This power station will generate annual EBITDA(A) estimated at $9 million.

2016

In France:

- During the third quarter of 2016, the Corporation will commission the 14 MW **Touvent** wind power facility, covered by a 15-year contract with EDF. The project, acquired on February 3, 2015, saw financing close on advantageous terms in late January 2016. Management expects Touvent to generate EBITDA(A) of approximately $3 million per year. A total investment of about $36 million is slated for this project.
- During the fourth quarter of 2016, Boralex will commission the 12 MW **Plateau de Savernat** wind power station, whose future contribution to consolidated EBITDA(A) is estimated by management at approximately $3 million per annum. Financing for this facility, which is also covered by a 15-year contract with EDF, is currently being arranged. A total investment of about $25 million is slated for this project.

In Canada:

- During the fourth quarter of 2016, Boralex will commission the 10 MW **Port Ryerse** wind power site in Ontario, covered by a 20-year contract with the IESO. Management expects Port Ryerse to generate annual EBITDA(A) of about $3.5 million. A total investment of about $38 million is slated for this project.

Although these sites will make only a marginal contribution to 2016 financial results, their development and commissioning will impact cash flows during the fiscal year.

Subject to the achievement of certain conditions, Boralex could also acquire a 25% economic interest in the 230 MW **Niagara Region Wind Farm** project in Ontario, Canada, if it exercises its buy option (the "Option") and could thereby add 57.5 MW to its wind power portfolio. Located in the Regional Municipality of Niagara, the wind power project is to be commissioned toward the end of 2016. Boralex agreed to pay Enercon, the majority owner of this project, an initial deposit of $5 million to acquire the Option. The total investment planned for this major undertaking ranges from $900 million to $950 million. Under its partnership agreement with Enercon, Boralex is responsible for the coordination of project construction, which began in June 2015, and the operation and management of the future site following the exercise of the Option. Management estimates the equity contribution required for this project following the exercise of the Option at $60 million.

Projects in Advanced Stages of Development

In addition to the wind power stations Touvent, Plateau de Savernat and Port Ryerse, plus Boralex's potential interest in the Niagara Region Wind Farm project in Ontario, the Corporation is working on a number of other development projects that will require significant investments and financing arrangements in 2016.

- In April 2015, Boralex started building its first hydroelectric power station in Ontario, Canada, namely the 16 MW **Yellow Falls** power station, which is expected to be commissioned in the first quarter of 2017. Project financing is underway. It will require an additional investment of approximately $68 million through to its operation date, including $55 million over the coming quarters of 2016.
- The Corporation currently has a project under development - the 15 MW **Moose Lake** wind power project in British Columbia, Canada covered by a 40-year contract with BC Hydro - which is slated for commissioning during the fourth quarter of 2017. The Corporation estimates the total required investment at about $70 million.
- In December 2015, Boralex acquired a portfolio of wind power projects in Northern France totalling nearly 350 MW from **Ecotera**. That total includes 79 MW in ready-to-build projects for commissioning in 2017 and 2018, giving rise to an investment of approximately €150 million ($222 million) including approximately 20% or €30 million ($44 million) in the form of an equity contribution already made at the closing of the transaction in December 2015. Boralex expects construction of these projects to get underway in the second quarter of 2016 with around 57 MW to be commissioned by the second half of 2017 and the balance in 2018. These projects will also benefit from the prevailing energy purchase rate in France and the project financing phase is currently underway.
- On March 10, 2016, in connection with the request for proposals process in Ontario, Boralex and its partner, Renewable Energy Systems Canada Inc. ("RES"), announced that they had been awarded an LRP I Contract for their **Otter Creek Wind Farm** project. The project is slated for commissioning by the end of 2019. Note that RES and Boralex also secured the support of the Walpole Island First Nation for this project. The partners' interests in the projects stood at 51% for RES, 38.5% for Boralex and 10.5% for the Walpole Island First Nation. A total investment of about $138 million is slated for this project.

Financial Transactions

2015

In January 2015, Boralex issued 9,505,000 **new common shares** at a price of $13.05 per share for $124.0 million in gross proceeds and $117.9 million in proceeds net of issuance costs, which served primarily to repay the $100.0 million bridge facility contracted in December 2014 upon acquiring Enel Green Power France S.A.S. (renamed "Boralex Énergie Verte" or "BEV"). However, as this transaction took place at the beginning of 2015, it had little effect on the change in the Corporation's results between 2015 and 2016.

On February 27, 2015, Boralex completed a transaction to repurchase the 25% equity interest of **Cube Energy SCA** ("Cube"), which agreed to exchange its entire 25% equity interest in Boralex Europe S.A. for loans. Accordingly, excluding an initial payment of €16.0 million ($24.0 million) already made to Cube in December 2015, two loans totalling €40.0 million ($59.1 million) were contracted from Cube by two European subsidiaries of the Corporation and bear interest at a fixed rate of 6.5%, with no repayment prior to maturity in January 2019. The impact of this transaction on the change in Boralex's financial results between the first quarters of 2015 and 2016 was to generate additional financing costs of approximately $0.5 million during the first two months of the first quarter of 2016. Note that the transaction demonstrates management's intention to strengthen Boralex's leadership position in the French market, which it considers to be the most promising market for wind power development in Europe. As a result, the Corporation now enjoys greater leverage to implement its growth strategy in Europe.

In June 2015, the Corporation issued **new convertible unsecured subordinated debentures** in a total amount of $143.8 million ($137.4 million net of transaction costs). These debentures bear interest at an annual rate of 4.50% payable semi-annually as of December 31, 2015. (For more information on the 2015 debentures, readers should refer to the Corporation's annual report for the year ended December 31, 2015.)

On August 31, 2015, Boralex committed itself to make a cash redemption on September 30, 2015 of a $150 million principal amount (out of a $244.1 million total principal amount) on its **2010 6.75% convertible unsecured subordinated debentures**, which would not have been converted as of the redemption date. Between August 31, 2015 and September 29, 2015, debentures totalling a principal amount of $197 million were converted by their holders into 16,864,000 Class A shares of Boralex. The $47.1 million outstanding balance of the debenture principal amount was redeemed by the Corporation plus accrued and unpaid interest thereon up to September 29, 2015, inclusively. The total redemption price amounted to $47.9 million. The 2010 debentures were delisted from the Toronto Stock Exchange at the close of business on September 30, 2015.

In terms of the immediate financial impact, the issuance of the 2015 debentures, followed by the conversion and redemption of the 2010 debentures, has generated approximately $3 million in financing cost savings per quarter since the fourth quarter of 2015. This savings will favourably impact the financial results for the first nine months of 2016 compared with the same period of 2015.

2016

In January 2016, Boralex **refinanced a number of its wind power assets in France** under more favourable terms, particularly the St-Patrick facility. In addition to reducing financial costs, this transaction freed up cash for reinvestment in the Corporation's development projects in France.

On April 28, 2016, the Corporation announced the closing of the refinancing and the increasing of its revolving credit facility for a total authorized amount of $360 million. The new financing facility, comprising a $300 million revolving credit facility and a $60 million letter of credit facility guaranteed by Export Development Canada, replaces the $175 million revolving credit facility maturing in June 2018. This refinancing will significantly increase our financial flexibility, allowing us to allocate capital to new projects and achieve our growth objectives.

On May 4, 2016, the Corporation and its partner in Joint Venture Phase I announced the closing of the $617.5 million refinancing facility secured by the assets of Joint Venture Phase I and without recourse against the partners. This new financing facility comprises an unsecured $383.4 million tranche of a term loan maturing in 2032, a $192.7 million tranche of a term loan guaranteed by the Federal Republic of Germany via its export credit agency Euler-Hermes and maturing in 2029, and a $41.4 million letter of credit facility. For the Joint Venture, this refinancing represents a $132.3 million increase and a one-year extension for its unsecured tranche, as well as a decrease in the secured tranche by $44.5 million and in its term by two years. The refinancing will allow the Joint Venture partners to receive a special distribution of $80 million which will be paid in the days following the closing of the transaction, in the second quarter of 2016, with Boralex's share amounting to $40 million.

Enhancement of Our Dividend Policy

On February 24, 2016, two years after introducing Boralex's shareholder dividend policy, the Corporation's Board of Directors authorized a 7.7% increase in the annual dividend to $0.56 per share (or $0.14 per quarter) starting in the second quarter of 2016. The first dividend reflecting this increase will be paid on June 15, 2016 to shareholders of record at the close of business on May 31, 2016.

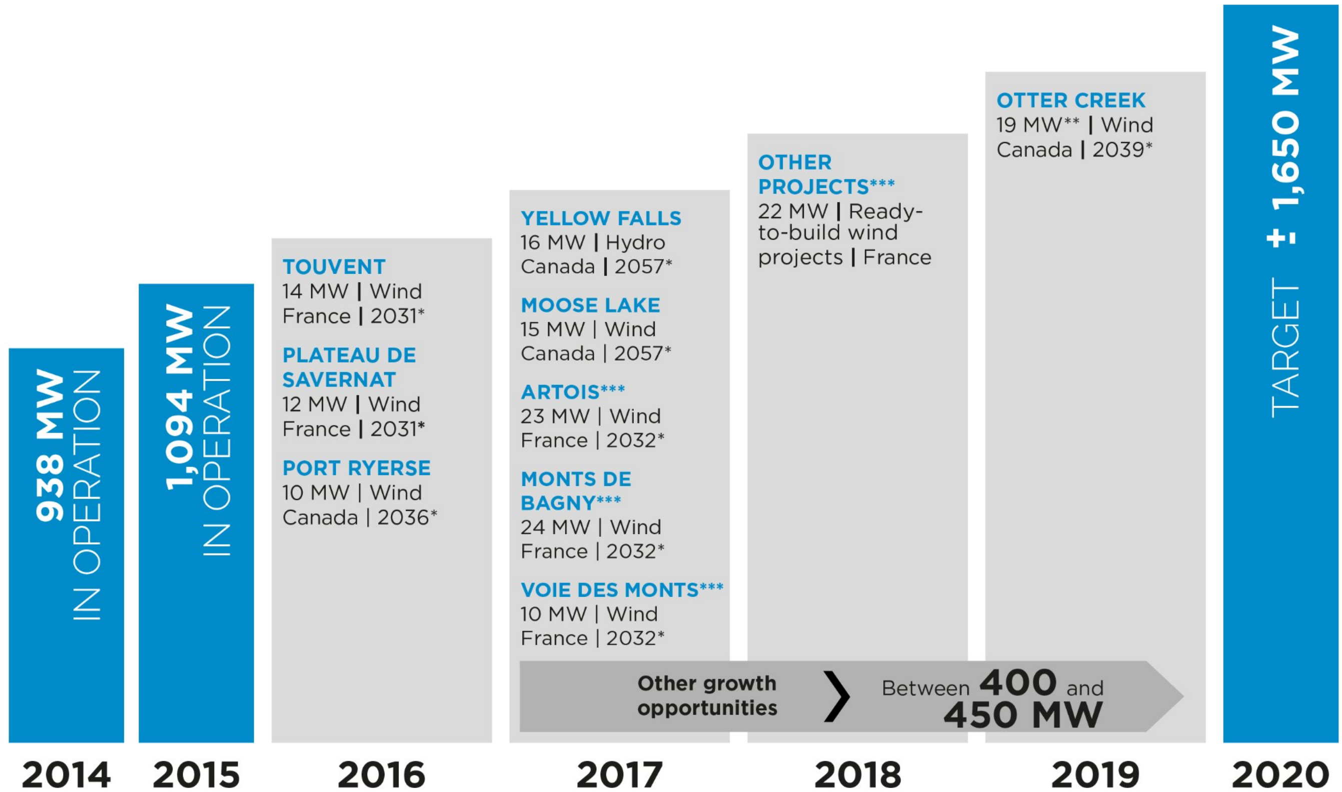
The Board of Directors made this decision as a result of the steady growth in the Corporation's results since the introduction of a dividend in 2014 and its confidence in its future prospects. This decision reflects first and foremost Boralex's commitment to shareholder value creation and is a milestone in the Corporation's development as it enjoys a strong cash position, supported by stable cash flows generated by quality assets under long-term indexed, fixed-price energy sales contracts.

Note that in the medium term, Boralex expects to pay common share dividends on an annual basis representing a ratio of 40% to 60% of its discretionary cash flows, defined as its cash flows from operations (as defined under *Non-IFRS Measures*), less capital investments required to maintain operations, project-related non-current debt repayments and distributions paid to non-controlling shareholders, plus discretionary development costs. Boralex may adjust this calculation for any items unrelated to current operations to ensure comparable ratios between periods.

For illustrative purposes, during the 12-month period ended March 31, 2016, discretionary cash flows totalled $57.9 million and the payout ratio stood at 50.7% (see the *Non-IFRS Measures* section in this MD&A). Management expects discretionary cash flows for the fiscal year ending December 31, 2017 to reach approximately $75 million (on a year-end rate run basis) and the distribution ratio should fall in the middle the above-mentioned target range.

Outlook and Development Objectives

Growth Path
as at March 31, 2016



* 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

Wind

Accounting for 80% of Boralex's total installed capacity, the wind power segment has been Boralex's top growth driver over the last seven years and will remain so over the short and medium terms, particularly in France. In addition to the team's expertise and skills in identifying, financing, developing and operating high-quality wind farms, some of which are very large in scale, Boralex has a unique development strategy based on two geographic areas: Europe and Canada. This strategy not only affords it geographic and climate diversification that has a smoothing effect on its results, but also gives it access to a wider range of growth opportunities and the latitude to adjust to its differently evolving target markets.

2016-2020 Outlook

Short-term Outlook

Fiscal 2016 will see solid growth in Boralex's wind power segment operating results, as evidenced by the first-quarter results. This growth will be largely driven by full contributions from the wind power stations totalling 146 MW which began operations in 2015, of which 113 MW was commissioned in the fourth quarter. These facilities were discussed in the preceding section.

In addition, although they only contribute partially to 2016 results, three wind power stations totalling 36 MW will be commissioned in 2016, namely the **Touvent** and **Plateau de Savernat** sites in France and the **Port Ryerse** facility in Ontario, Canada. Subject to the achievement of certain conditions, Boralex may exercise its option to acquire a 25% economic interest in the 230 MW **Niagara Region Wind Farm** project in Ontario, which is slated for commissioning late in 2016.

Regarding development projects, in addition to the aforementioned facilities to be commissioned, the coming year will be dedicated above all to developing projects that are part of the portfolio acquired by Boralex in France, including 79 MW available for commissioning in 2017 and 2018, as well as the 15 MW **Moose Lake** project in British Columbia and the 19 MW **Otter Creek** project in Ontario, whose respective commissioning are slated for 2017 and 2019. The foregoing does not include acquisition opportunities of facilities in operation or at an advanced stage of development that could materialize in the meantime.

Longer-term Outlook

Despite intense competition in the global wind power market, certain external factors are conducive to development in this energy niche. The Paris climate change agreement negotiated in December 2015 makes the legislative and regulatory environment in our markets conducive to the development of renewable energy. Moreover, the current low interest-rate environment and breakthroughs in wind turbine technology that enhance equipment productivity are other factors that enable Boralex to maintain its profit margins in spite of competitive pressures.

Moreover, as the global wind power industry has consolidated over the past few years, certain major players have refined their target positioning and withdrawn from certain markets to redeploy resources accordingly. This trend generates acquisition opportunities for Boralex, such as when multinational Enel Green Power decided to divest of its subsidiary Enel Green Power France.

Boralex continues to evaluate the potential of new geographic markets using its profitability criteria and a sound assessment of the risks they represent.

Europe

Europe is fertile ground for Boralex as it seeks both opportunities to acquire power stations in operation or under development and undertake greenfield projects. The Corporation's view is that France currently offers the highest concentration of development opportunities for its wind power segment. First of all, France is firmly committed to the development of wind power, having set the objective of increasing to 30% by 2030 the share of renewable energy in its national electricity production. Furthermore, as France's largest private onshore wind power producer, Boralex holds the rights to a sizeable portfolio of projects totalling over 700 MW of wind power, mainly through BEV and the recently acquired Ecotera projects. Many of these projects are ready to build and will be commissioned in 2016 (26 MW), 2017 (57 MW) and 2018 (22 MW).

In July 2014, Boralex and a Danish developer entered into an equally owned joint venture to develop a nearshore wind power project in Denmark over a three- to five-year horizon. Management sees Denmark as a welcoming and favourable market for this type of project. Under this partnership, Boralex has pre-qualified for the nearshore RFP and a non-binding bid was filed in this respect on October 20, 2015. The submission of bids has been postponed to September 2016.

Boralex is also currently preparing for the long-term future of its wind power segment in Europe by developing a number of positioning alternatives that may be contemplated following expiration of its sales contracts with EDF, barring their renewal, which include opportunities in the open market.

Canada

In Canada, although provincial governments have offered some support for wind power, the business environment has significantly hardened over the past few years owing to a number of factors including the overall weakness of the economy and the heightened competition among bidders leading to upward pressure on prices.

Nevertheless, Boralex remains confident in the medium- and long-term outlook for its wind power segment in Canada, particularly in light of a potential economic recovery and commitments by provincial governments to reduce greenhouse gases, factors that could trigger higher demand, as well as the solid positioning the Corporation has already built, particularly in connection with projects developed with local communities, including First Nations. In Québec, Boralex management is pleased with the government's new energy policy, whose main highlights were unveiled recently, including a clear commitment to replacing hydrocarbon fuels by renewable energies as well as the export of its clean energy. In Ontario, Boralex intends to participate in the next LRP II request for proposals for the acquisition of 930 MW of renewable energy by IESO.

In the foreseeable future, Boralex's development initiatives in Canada will continue to consist primarily of seeking opportunities to acquire wind power projects covered by energy sales contracts at various stages of development. Apart from the aforementioned development projects, the Corporation has acquired the rights to wind power projects in Ontario and British Columbia, whose potential is currently under review.

Competitive Advantages of Boralex's Wind Power Segment

Boralex's management team generally believes that the quality of the wind power segment's medium- and long-term outlook is also largely based on the Corporation's intrinsic strengths, such as:

- Its solid and flexible financial position;
- Its geographic diversification across all regions of France, as well as various Canadian provinces;
- The scope and quality of its assets in operation and its projects under development, which are all covered by long-term energy sales contracts;
- Its highly skilled, multidisciplinary and entrepreneurial team with a constant eye out for the best development opportunities;
- Its growing expertise in project development, financing, construction and operation of wind farms, based on rigorous financial management and proactive and disciplined operational management;
- Its established reputation in world financial markets as a credible, highly efficient developer and operator of increasingly large-scale wind power facilities; and
- Its growing credibility with local communities as a respectful and proactive economic, social and environmental partner.

Hydroelectric

In April 2015, Boralex started building its first hydroelectric power station in Ontario, Canada, namely the 16 MW **Yellow Falls** power station. The power station's annual production is estimated at 67 GWh and will generate annual EBITDA(A) of approximately $7 million. It is covered by an initial 20-year energy sales contract with four renewal options, each for a five-year period, at the Corporation's discretion. Project financing will be finalized within the next few weeks.

In 2016, Boralex will continue the work at its **Buckingham** power station in Québec, Canada, to comply with the *Dam Safety Act*. Building on $2.8 million and $5 million investments in 2014 and 2015, respectively, the Corporation expects to invest approximately $5 million in 2016. Concurrently with this work, the Corporation plans to invest additional amounts to expand the power station's installed capacity by up to 10 MW to a total of approximately 20 MW.

Boralex has also submitted sales contract renewal requests to Hydro-Québec for two of its hydroelectric power stations in Québec, namely the **Beauport** and **Forestville** power stations. Unable to reach an agreement on a rate for the renewal period, Boralex has begun arbitration proceedings to resolve this issue. Given that some producers have already entered into similar proceedings, Boralex and Hydro-Québec have agreed to suspend their proceedings until a final decision is reached in the other cases. The Corporation and Hydro-Québec started negotiations several months ago and these are still underway. In any event, Boralex's management considers that the risk related to the renewal period rate for its agreements with Hydro-Québec is relatively low as the revenues from these two power stations are not significant compared with the Corporation's consolidated revenues. However, Boralex will continue to defend its right to obtain a fair rate from Hydro-Québec.

The Corporation continues to review a number of acquisition opportunities to grow its hydroelectric power segment in markets in which it has an established presence so as to generate operating synergies. With over 25 years' experience in hydroelectric power, a skilled team and high-quality assets, Boralex believes it is poised to make further inroads into the hydroelectric market. The Corporation has a large hydroelectric power base with good geographic distribution, attractive profit margins, and steady and predictable cash flows. This balanced profile softens the impact on segment results of weather or economic conditions, including fluctuations in open market selling prices in the United States, and U.S. and Canadian dollar exchange rate fluctuations. Given the quality of the assets and the ongoing maintenance program underway at all Boralex hydroelectric power stations, there is no indication that production will not be in line with historical averages. In addition, Canadian power stations will continue to benefit from indexation under energy sales contracts, throughout the contract terms.

Thermal

While thermal power is not a preferred development target under Boralex's growth strategy, the Corporation is still open to business opportunities that could arise in the sector, provided the assets are covered by long-term energy sales and raw material supply contracts, and meet Boralex's market position and performance objectives.

The Corporation is interested in new green and renewable energy production technologies based on forest biomass. For example, in 2014, the Corporation acquired an interest in a young Nova Scotia, Canada company that is developing a technology to produce renewable synthetic diesel fuel from wood fibre.

Senneterre Power Station - Canada

Under a new agreement entered into with Hydro-Québec for fiscal 2014 to 2018 inclusively, the Senneterre power station generates electricity eight months of the year, from December to March and June to September, and will receive financial compensation to maintain comparable profitability relative to previous years. As demonstrated by the performance reported by this power station since it came into effect, this agreement affords operating conditions conducive to more stable and predictable profitability.

Blendecques Power Station - France

The power station's performance has met management's expectations since the 2014 modernization and the new energy sales contract entered into with EDF in 2013.

Solar

Boralex's first photovoltaic solar power facility in operation, the 5 MW **Avignonet-Lauragais** power station, has performed to management's expectations since its commissioning in June 2011. For illustrative purposes, this facility generated EBITDA(A) of $2.6 million for the year ended December 31, 2015.

On October 2, 2015, Boralex inaugurated a second photovoltaic solar power facility, the 10 MW **Les Cigalettes** power station in Southeastern France, which is covered by a 20-year contract with EDF. Management estimates the facility's annual contribution to the Corporation's EBITDA(A) at $1.5 million. Rates in the solar energy market have declined substantially over the last few years, reflecting the significant decrease in the costs related to this technology. Boralex's management therefore expects to achieve a return in line with its expectations on this second solar power site.

In France, Boralex draws on a skilled solar power project development team and holds the rights to a number of projects under development.

On October 16, 2015, the Corporation commissioned the 0.4 MW **Vaughan** solar power project in Ontario, consisting of solar rooftop panels, covered by a 20-year energy sales contract with IESO. While marginal in terms of installed capacity and expected returns, this project represents Boralex's first foray into Canada's solar power market.

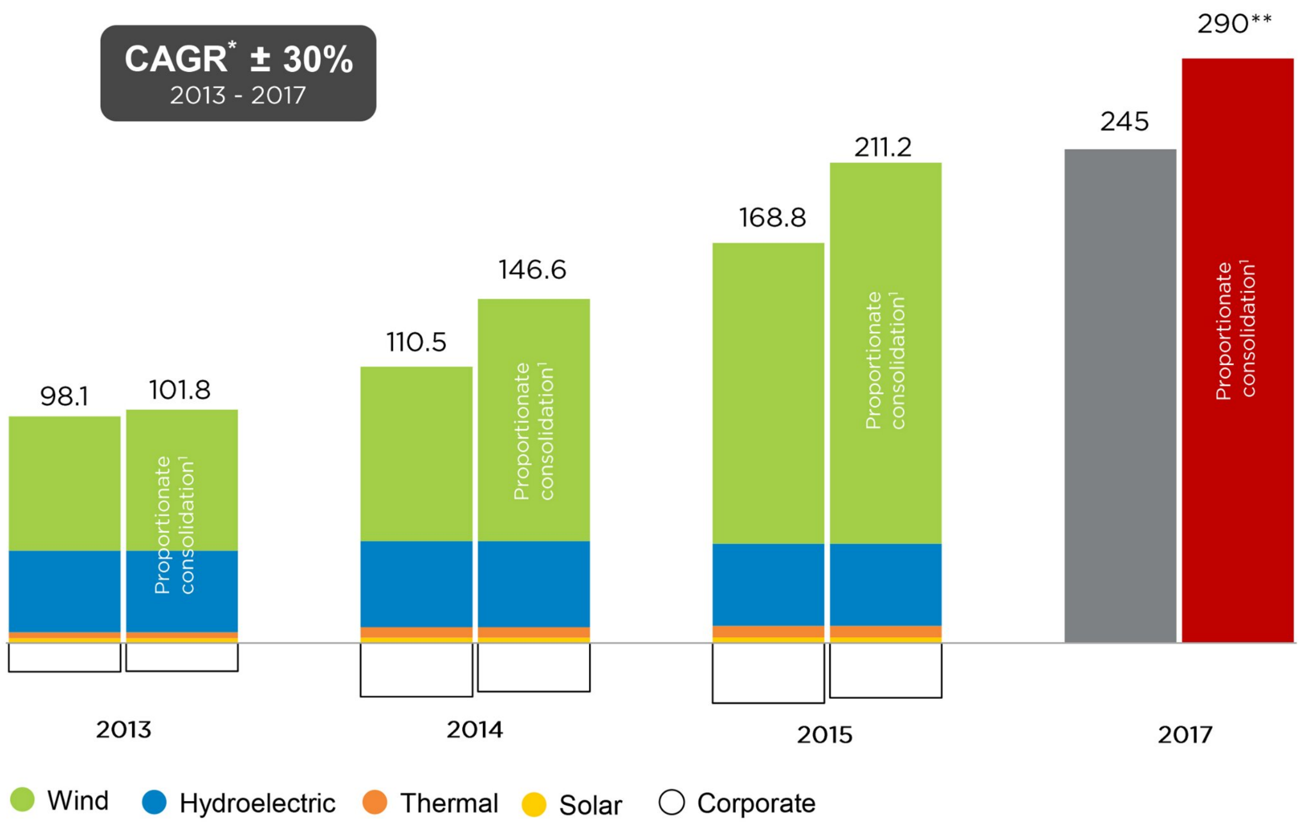
Solar power generation is a growth industry with market rules and government positions to be worked out in the years to come. Boralex believes this clean and abundant source of renewable energy has potential, particularly as technological breakthroughs gradually push down equipment costs, thereby making solar power a more competitive energy alternative.

Boralex Inc.: Taking Growth to the Next Level

As shown in the *Growth Path* table above and the following chart *Financial Target*, Boralex's outlook is closely linked to prospects in the wind power industry, given its dominant position in the Corporation's current energy portfolio and the strong growth potential of its project pipeline and business environment, particularly in France. The acquisitions of BEV in 2014 and Ecotera (a 350 MW portfolio of projects) in December 2015 have brought Boralex to a new level of growth. Specifically, Boralex sets itself the target of achieving annual growth in its installed capacity of approximately 10% compared with the December 31, 2014 level. At the end of 2020, its installed capacity should total more than 1,650 MW.

Financial Target

EBITDA(A) (in millions of dollars)



* Compounded annual growth rate

** In line with the growth path, based on 57 MW of projects under construction and 22 MW of ready-to-build projects from the acquisition of Ecotera. 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 Reports)

2016-2020 Outlook

In 2015, the Corporation made a commitment to its shareholders that its energy assets will total 1,650 MW by the end of 2020. In view of the sites currently under construction, Boralex's installed capacity will reach a minimum of 1,130 MW by the end of 2016, If Boralex invests in the Niagara Region Wind Farm as contemplated, this capacity could reach 1,188 MW.

In the coming fiscal years, besides the commissioning of the 16 MW Yellow Falls hydroelectric power station in Ontario, Canada in early 2017, Boralex is preparing to commission wind power assets totalling 79 MW in France in 2017 and 2018, as well as 34 MW in wind power assets in Ontario and British Columbia by the end of 2019. In the meantime, the Corporation will remain on the lookout for opportunities to accelerate its growth opportunities in its key segments.

Driven mainly by the expansion in the wind power segment, the Corporation's financial growth over the coming quarters and fiscal years will be fuelled principally by:

- The full contribution of assets totalling 156 MW commissioned in 2015, including three wind farms in France, three wind farms in Canada, one solar power facility in France and another solar power facility in Canada;
- The operational and competitive advantages generated by the integration of the operating sites acquired from BEV;

- Other wind power sites totalling 36 MW that will be commissioned in France and in Canada in 2016 and Boralex's potential 25% investment in the 230 MW **Niagara Region Wind Farm**;
- Commissioning of the new 16 MW **Yellow Falls** hydroelectric power station in 2017 and approximately 94 MW of wind power projects in 2017 and 2018;
- Commissioning of the 19 MW **Otter Creek** wind power project expected to take place by the end of 2019;
- Development and commissioning of projects at various stages of development totalling approximately 400 MW to 450 MW by 2020;
- All without taking into account any additional expansion projects that could arise in the interim.

To support execution of its various projects and to compensate its shareholders, Boralex can rely on its solid financial position, whose makeup and flexibility were considerably strengthened by:

- The issuance of new debentures as well as the conversion and repurchase of old debentures in 2015;
- The significant cash flows generated by operations quarter after quarter;
- The refinancing of its revolving credit facility; and
- The special dividend paid to Boralex at the beginning of the second quarter of 2016 following the refinancing of Joint Venture Phase I.

Accordingly, as at March 31, 2016, Boralex benefited from a cash position, including restricted cash, of $143.2 million under IFRS ($157.5 million on a proportionate consolidation basis).

Given its expertise acquired over many years in the development, financing and construction on budget and on time, commissioning and profitable operation of increasingly large-scale energy assets, Boralex is confident its full slate of projects under development and construction will be delivered successfully.

Priority Objective: Creating Value

For Boralex, the ultimate goal is to create growing and sustainable economic value for its shareholders through the right mix of strategic, operating and financial conditions to increase profits and cash flows, to support its dividend policy and promote growth in its share price.

To that end and to offer competitive returns to its shareholders, the Corporation intends to become one of the five largest, most experienced and best diversified Canadian independent renewable energy producers. Boralex intends to do that by delivering on its current project pipeline and tapping into its strong future development potential, particularly in France.

The Corporation will continue exclusively targeting operating assets or projects covered by long-term energy sales contracts to secure steady and predictable cash flows. More specifically, its expansion targets are as follows:

- The wind power segment, primarily in Europe and Canada (Québec, Ontario and British Columbia);
- The hydroelectric power segment, mainly in jurisdictions where Boralex already operates power stations; and
- The solar power segment in Europe and Canada.

At the same time, the Corporation will closely monitor new international developments in green and renewable energy production to eventually export to new jurisdictions the business model which has led to rapid, balanced and profitable growth in its activities since 2009.

Boralex believes that along with its solid presence in the markets conducive to further expansion, it commands strong competitive advantages to continue seizing market opportunities in terms of asset quality and available development projects, in line with its strategy. The Corporation's main strengths lie in its robust finances, its growing ability to generate cash flows from operations, its targeted development approach, its solid multidisciplinary team and its entrepreneurial culture. It is thus able to act on arising business opportunities with speed and precision and complete increasingly large-scale projects while meeting budgets, deadlines and financial performance targets.

To meet its growth goals and maintain its operating and development capacity, Boralex will remain a solid and innovative organization, driven by clear objectives with rigorous attention to meeting target returns and guided by a long-term vision setting out its sources of production, its target markets and its approach to project development. It will continue to strengthen its business model based on:

- Maintaining comprehensive in-house expertise in developing and operating renewable energy production assets, supported by leading-edge management tools;
- A disciplined and targeted development approach based on meeting financial performance targets in step with the risks inherent in each project; and
- Maintaining sound capital management and sufficient financial flexibility to seize potential growth opportunities and ensure uninterrupted access to capital markets.

Seasonal Factors

(in thousands of dollars, except MWh, per share amounts and number of shares outstanding) (unaudited)	Three-month periods ended June 30, 2015	September 30, 2015	December 31, 2015	March 31, 2016	Twelve-month period ended March 31, 2016
POWER PRODUCTION (MWh)					
Wind power stations	301,334	258,592	450,179	581,451	1,591,556
Hydroelectric power stations	205,678	149,051	158,161	170,627	683,517
Thermal power stations	15,628	48,787	31,131	64,827	160,373
Solar power stations	2,030	1,972	3,680	4,155	11,837
	524,670	458,402	643,151	821,060	2,447,283
REVENUES FROM ENERGY SALES					
Wind power stations	37,016	33,369	58,624	77,736	206,745
Hydroelectric power stations	16,785	13,799	14,998	17,228	62,810
Thermal power stations	3,467	5,753	6,521	10,061	25,802
Solar power stations	926	963	890	952	3,731
	58,194	53,884	81,033	105,977	299,088
EBITDA(A)					
Wind power stations	30,676	23,016	51,238	70,862	175,792
Hydroelectric power stations	12,741	8,911	9,893	12,918	44,463
Thermal power stations	(654)	1,121	711	4,154	5,332
Solar power stations	837	851	743	785	3,216
	43,600	33,899	62,585	88,719	228,803
Corporate and eliminations	(7,653)	(6,150)	(9,278)	(8,720)	(31,801)
	35,947	27,749	53,307	79,999	197,002
NET EARNINGS (LOSS)	(5,791)	(14,899)	5,732	22,502	7,544
NET EARNINGS (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX	(6,284)	(15,421)	5,571	20,555	4,421
NET EARNINGS (LOSS) PER SHARE (BASIC) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX	($0.13)	($0.32)	$0.09	$0.32	$0.08
NET EARNINGS (LOSS) PER SHARE (DILUTED) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX	($0.13)	($0.32)	$0.09	$0.30	$0.08
NET CASH FLOWS RELATED TO OPERATING ACTIVITIES	13,057	22,187	30,275	75,677	141,196
CASH FLOWS FROM OPERATIONS	19,266	31,826	37,254	59,579	147,925
Weighted average number of shares outstanding (basic)	47,951,885	48,770,481	64,829,112	65,032,645	56,646,871

Seasonal Factors

(in thousands of dollars, except MWh, per share amounts and number of shares outstanding) (unaudited)	Three-month periods ended June 30, 2014	September 30, 2014	December 31, 2014	March 31, 2015	Twelve-month period ended March 31, 2015
POWER PRODUCTION (MWh)					
Wind power stations	163,508	112,029	245,601	385,895	907,033
Hydroelectric power stations	223,702	139,938	154,752	113,587	631,979
Thermal power stations	18,521	45,909	34,092	59,155	157,677
Solar power stations	2,042	1,952	1,080	1,038	6,112
	407,773	299,828	435,525	559,675	1,702,801
REVENUES FROM ENERGY SALES					
Wind power stations	21,296	14,133	31,278	48,712	115,419
Hydroelectric power stations	17,622	12,236	14,312	12,584	56,754
Thermal power stations	3,885	5,660	7,569	10,736	27,850
Solar power stations	1,021	945	514	485	2,965
	43,824	32,974	53,673	72,517	202,988
EBITDA(A)					
Wind power stations	16,610	9,567	29,207	44,586	99,970
Hydroelectric power stations	14,002	8,816	9,730	9,247	41,795
Thermal power stations	(1,101)	588	1,188	4,525	5,200
Solar power stations	902	850	391	404	2,547
	30,413	19,821	40,516	58,762	149,512
Corporate and eliminations	(6,897)	(5,057)	(10,458)	(7,008)	(29,420)
	23,516	14,764	30,058	51,754	120,092
NET EARNINGS (LOSS)	(4,679)	(10,132)	(5,661)	6,746	(13,726)
NET EARNINGS (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX					
Continuing operations	(5,044)	(9,506)	(6,981)	5,299	(16,232)
Discontinued operations	785	312	716	—	1,813
	(4,259)	(9,194)	(6,265)	5,299	(14,419)
NET EARNINGS (LOSS) PER SHARE (BASIC AND DILUTED) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX					
Continuing operations	($0.13)	($0.25)	($0.18)	$0.11	($0.40)
Discontinued operations	$0.02	$0.01	$0.02	—	$0.05
	($0.11)	($0.24)	($0.16)	$0.11	($0.35)
NET CASH FLOWS RELATED TO OPERATING ACTIVITIES	3,913	10,776	3,204	49,067	66,960
CASH FLOWS FROM OPERATIONS	7,739	2,633	13,983	40,201	64,556
Weighted average number of shares outstanding (basic)	38,346,572	38,390,851	38,411,980	47,759,276	40,695,160

The Corporation's operations and results are partly subject to seasonal cycles and other cyclical factors that vary by segment. Since nearly all of Boralex facilities have long-term indexed fixed-price energy sales contracts, seasonal cycles mainly affect the total volume of power generated by the Corporation. Only five hydroelectric power stations in the United States, accounting for 2% of the Corporation's total installed capacity in operation, sell their production in the market where prices are more volatile.

Operating volumes at Boralex facilities are influenced by the following seasonal factors, depending on their specific power generation method.

Wind

For the wind power assets currently in operation in which Boralex's share totals 874 MW, wind conditions are usually more favourable in the winter, which falls during Boralex's first and fourth quarters, both in France and Canada. However, in winter there is a greater risk of lower production caused by weather conditions, such as icing. In general, management estimates that approximately 60% of annual production in its wind power segment is generated in the first and fourth quarters and 40% in the second and third quarters.

The wind power segment now accounts for 80% of Boralex's aggregate installed capacity and represents by far the Corporation's key driver of revenues, EBITDA(A) and cash flows. This segment will account for an even larger share of the Corporation's energy portfolio in coming years, with the development, construction and commissioning of the wind power sites comprising the significant pipeline of projects Boralex has created and acquired in recent years, whose potential amounts to about 1,000 MW worldwide. From this pipeline, 149 MW of projects are ready to build. Boralex therefore expects the development of this pipeline, combined with other expansion opportunities arising in the coming years, will intensify the impact of the seasonal factors of this type of power generation on Boralex's overall performance, such that an increasing proportion of the Corporation's revenues will be generated in the first and fourth quarters.

Hydroelectric

For Boralex's hydroelectric assets in operation totalling 158 MW, power output depends on water flow, which in Canada and the Northeastern United States is typically at a maximum in spring and high in the fall, in Boralex's second and fourth quarters. Historically, water flow tends to decrease in winter and summer. In general, management estimates that approximately 60% of annual production in its hydroelectric power segment is generated in the second and fourth quarters and 40% in the first and third quarters. Note that apart from four hydroelectric power stations whose water flow is regulated upstream yet not under the Corporation's control, Boralex's other hydroelectric facilities do not have reservoirs that would permit water flow regulation during the year.

As previously discussed, five U.S. power stations sell their electricity in the New York State open market. These facilities have an installed capacity of 23 MW, which currently accounts for 2% of the Corporation's total installed capacity. These power stations have greater exposure to seasonal fluctuations which, in addition to influencing power production volumes, also impact the selling prices they obtain. They are partly influenced by seasonal demand, which is traditionally higher during winter and summer. Historically, power stations obtain generally higher average prices during these periods. Moreover, the price of natural gas, which is volatile, has an influence on New York State electricity selling prices.

Thermal

Boralex owns and operates two thermal power stations for an aggregate 47 MW of installed capacity. Of the two, the Senneterre power station in Québec, Canada is fuelled by wood-residue and is covered by a Hydro-Québec energy sales contract expiring in 2027. The Corporation has entered into an agreement with Hydro-Québec covering the years 2014 to 2018, inclusively, under which the Senneterre power station is limited to producing power eight months per year, from December to March and from June to September. During the term of this agreement, the Senneterre power station will receive financial compensation from Hydro-Québec which will allow it to anticipate profitability akin to recent-year performance.

Boralex also operates a natural gas-fired power station located in Blendecques, France. For the past several years, due to specific market conditions, the Corporation operates this cogeneration plant five months of the year, from November to March, which represents all of Boralex's first quarter and part of its fourth quarter. During the electricity production shutdown period, steam continues to be produced for the power station's industrial client using an auxiliary boiler.

Solar

The solar power facilities totalling 15 MW in operation by the Corporation are all covered by long-term energy sales contracts. They benefit from sunlight conditions that are usually more favourable in the spring and summer, which fall during Boralex's second and third quarters. In view of these weather conditions, management estimates that approximately 65% of the annual production at its solar power stations will be generated in the second and third quarters.

Generally, while Boralex's production in a given fiscal year is exposed to seasonal cycles and other cyclical factors, substantially all of its revenues are derived from indexed fixed-price contracts, thereby mitigating their effect. The Corporation also capitalizes on solid diversification in its power generation sources and favourable geographic positioning. Furthermore, Boralex exercises sound capital management to ensure financial health and flexibility to effectively manage the seasonality of its business. These factors will contribute to strong, stable results for Boralex in the coming years.

Financial Highlights

(in thousands of dollars, except MW, MWh, per share amounts and number of shares outstanding) (unaudited)	Three-month periods ended March 31 2016	2015
POWER PRODUCTION (MWh)		
Wind power stations	581,451	385,895
Hydroelectric power stations	170,627	113,587
Thermal power stations	64,827	59,155
Solar power stations	4,155	1,038
	821,060	559,675
REVENUES FROM ENERGY SALES		
Wind power stations	77,736	48,712
Hydroelectric power stations	17,228	12,584
Thermal power stations	10,061	10,736
Solar power stations	952	485
	105,977	72,517
EBITDA(A)		
Wind power stations	70,862	44,586
Hydroelectric power stations	12,918	9,247
Thermal power stations	4,154	4,525
Solar power stations	785	404
	88,719	58,762
Corporate and eliminations	(8,720)	(7,008)
	79,999	51,754
NET EARNINGS	22,502	6,746
NET EARNINGS ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX	20,555	5,299
NET EARNINGS PER SHARE (BASIC) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX	$0.32	$0.11
NET EARNINGS PER SHARE (DILUTED) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX	$0.30	$0.11
NET CASH FLOWS RELATED TO OPERATING ACTIVITIES	75,677	49,067
CASH FLOWS FROM OPERATIONS	59,579	40,201
DIVIDENDS PAID ON COMMON SHARES	8,468	6,232
DIVIDENDS PAID PER COMMON SHARE	$0.13	$0.13
Weighted average number of shares outstanding (basic)	65,032,645	47,759,276

Statement of Financial Position Data

(in thousands of dollars) (unaudited)	As at March 31, 2016	As at December 31, 2015
Total cash*	143,231	102,986
Property, plant and equipment	1,532,270	1,556,374
Total assets	2,431,646	2,441,927
Debt, including non-current debt and current portion of debt	1,402,322	1,421,057
Liability component of convertible debentures	133,578	133,070
Total liabilities	1,888,644	1,889,230
Total equity	543,002	552,697
Net debt to market capitalization ratio	51.7%	55.2%

* Including restricted cash

Analysis of Operating Results for the Three-Month Period Ended March 31, 2016

Consolidated

The three-month period ended March 31, 2016 saw Boralex's best ever quarterly performance for production volume and revenues as well as EBITDA(A). Owing to the seasonal cycle to which Boralex's operations are exposed, the first quarter is one of the most productive quarters of the year for the wind power segment. As a result, this quarter is traditionally one of the most profitable quarters of the year for Boralex. In addition, during the first quarter of 2016, Boralex's wind power sites in France and Ontario and its hydroelectric power stations located in Northeastern United States benefited from much more favourable weather conditions than in 2015. Last and above all, besides the sound performance of Boralex's existing operating assets, the strong growth in results for the first quarter of 2016 stem from the continuous and orderly growth in its wind power segment.

The following table shows major changes in net earnings attributable to shareholders of Boralex:

	Net earnings (in thousands of $)	Per share (in $, basic)
THREE-MONTH PERIOD ENDED MARCH 31, 2015	5,299	$0.11
EBITDA(A)	28,245	$0.38
Amortization	(8,733)	($0.12)
Other gains	428	$0.01
Financing costs	(759)	($0.01)
Foreign exchange effect	1,426	$0.02
Financial instruments	3,027	$0.04
Income taxes	(7,878)	($0.10)
Non-controlling shareholders	(500)	($0.01)
Change	15,256	$0.21
THREE-MONTH PERIOD ENDED MARCH 31, 2016	20,555	$0.32

For the three-month period ended March 31, 2016, Boralex recorded net earnings attributable to shareholders of $20.6 million or $0.32 per share (basic), compared with $5.3 million or $0.11 per share (basic) for the same quarter of 2015.

This significant improvement of $15.3 million or $0.21 per share in net earnings attributable to shareholders of Boralex between the two comparative periods was driven mostly by a $28.2 million rise in EBITDA(A) stemming from the expansion of the Corporation's operating assets in 2015 combined with a sharply higher production volume at existing sites. Accordingly, the higher EBITDA(A) more than offset the increase in amortization and financing costs arising from the expanding asset base and the higher income taxes. The Corporation also benefited from a $3.0 million decrease in losses on financial instruments as well as favourable changes totalling $1.9 million related to the foreign exchange effect and other gains.

The following table shows major differences in revenues from energy sales and EBITDA(A):

	Revenues from energy sales		EBITDA(A)	
	(in thousands of $)	%	(in thousands of $)	%
THREE-MONTH PERIOD ENDED MARCH 31, 2015	72,517		51,754	
Power stations commissioned*	16,122	22.2%	13,999	27.1%
Pricing	(2,449)	(3.4)%	(2,449)	(4.7)%
Volume	15,666	21.6%	15,426	29.8%
Capacity premiums	(399)	(0.6%)	(399)	(0.8)%
Foreign exchange effect	4,461	6.2%	2,953	5.7%
Raw material costs	—	—	1,228	2.4%
Maintenance	—	—	(82)	(0.2)%
Development - prospection	—	—	102	0.2%
Share of Joint Ventures	—	—	(1,770)	(3.4)%
Other	59	0.1%	(763)	(1.5)%
Change	33,460	46.1%	28,245	54.6%
THREE-MONTH PERIOD ENDED MARCH 31, 2016	105,977		79,999	

* Commissioning of 156 MW: In France, St-François (March and April 2015) and Comes de l'Arce (April 2015) wind farms, Les Cigalettes (October 2015) solar power facility and Calmont (December 2015) wind farm; in Ontario, Canada, Vaughan solar power facility (October 2015); in Québec, Canada, Côte-de-Beaupré (November 2015), Témiscouata II (November 2015) and Frampton (December 2015) wind farms.

Revenues from Energy Sales

For the three-month period ended March 31, 2016, revenues from energy sales rose by $33.5 million or 46.1% to a record $106.0 million. As indicated in the table above, this robust growth was driven by two primary factors:

- Additional revenues of $16.1 million generated by the addition, in 2015, of eight new power sites listed in the footnote of the previous table; and
- Favourable volume effect of $15.7 million generated by a substantially higher production at existing wind power farms in France, particularly those acquired from BEV in December 2014, the Thames River wind farms in Ontario, as well as Boralex's hydroelectric power stations, particularly those located in Northeastern United States. More detailed analyses are provided in the sections below on each of the operating segments.

Another factor underlying the growth in revenues between the two comparative periods was a favourable foreign exchange effect of $4.5 million stemming mainly from the fluctuations of the euro against the Canadian dollar and to a lesser extent, from the U.S. dollar's fluctuations against the Canadian currency. On the downside, 2016 revenues were affected by an amount of $2.4 million due to lower average selling prices at the Blendecques thermal power station in France and at U.S. hydroelectric power stations.

Note that in accordance with IFRS, revenues from energy sales do not include Boralex's $16.4 million ($18.7 million in the first quarter of 2015) share in the revenues generated by the Joint Ventures, the performance of which is discussed in the *Proportionate Consolidation* section of this MD&A.

In total, Boralex generated 821,060 MWh of electricity in the first quarter of 2016 (excluding its share of the production of the Joint Ventures), up 46.7% from 559,675 MWh for the same period of 2015. This growth resulted from the full contribution of eight power sites totalling 156 MW commissioned in 2015, combined with an overall increase of 23.7% in the production of existing sites.

EBITDA(A) and EBITDA(A) Margin

First-quarter consolidated EBITDA(A) reached $80.0 million, another historical high for Boralex. As shown in the table above, EBITDA(A) was up by $28.2 million or 54.6% from the same period in 2015. As a percentage of revenues, EBITDA(A) margin rose to 75.5% in the first quarter of 2016 from 71.4% in 2015. The growth in EBITDA(A) and EBITDA(A) margin was driven by the following main items:

- A $15.4 million favourable volume effect related primarily to the wind power and hydroelectric power segments;
- $14.0 million in total additional EBITDA(A) resulting from the full contribution of eight sites commissioned in 2015;
- A $3.0 million favourable foreign exchange effect; and
- A $1.2 million decrease in raw material costs, mainly natural gas used in the cogeneration power station in France, combined with a slight decline in development and prospection costs.

The combination of these items more than offset certain less important unfavourable factors that reined in consolidated EBITDA(A) growth during the quarter, mainly:

- A $2.4 million unfavourable price effect related to the thermal power station in France and the hydroelectric power stations in the United States, as previously mentioned;
- A $1.8 million decrease in Boralex's share in the results of Joint Ventures to $4.1 million, mainly because the wind conditions for the Joint Ventures, particularly Phase I, were not as favourable as in the 2015 winter;
- A $0.4 million decrease in capacity premiums mainly related to the thermal segment;
- A slight increase in maintenance costs; and
- Various other unfavourable changes totalling $0.8 million, mainly comprising the non-recurrence of favourable items occurring in 2015, losses realized on the disposal of assets in the normal course of business and increases in other miscellaneous operating costs.

Amortization

The amortization expense for the first quarter of 2016 increased by $8.7 million to $29.5 million, owing primarily to the commissioning of facilities in 2015 and an unfavourable foreign exchange effect.

Financing Costs, Foreign Exchange Loss (Gain) and Net Loss on Financial Instruments

Although substantial investments were made in 2015, financing costs increased by only $0.8 million, totalling $18.3 million for the first quarter of 2016. The conversion and redemption of all the 2010 debentures as at September 29, 2015 resulted in a decrease in financing costs by a net amount of approximately $2.9 million for the quarter. Financing costs were also reduced by a decrease in the debt related to existing sites and certain other favourable items. The combination of these favourable factors partly offset the increase in financing costs stemming from the expansion of the Corporation's operating assets, the debt contracted from Cube and the unfavourable foreign exchange effect.

Boralex recognized a $0.4 million foreign exchange gain compared with a $1.0 million foreign exchange loss in the same quarter of the previous year, representing a favourable change of $1.4 million.

The Corporation recorded a net loss on financial instruments in the amount of $1.3 million compared with a net loss on financial instruments of $4.4 million for the same period of 2015. Note that the 2015 amount mainly comprised losses on undesignated financial instruments resulting from fair value remeasurement adjustments. Presently, all the financial instruments used by Boralex are designated for specific development projects. As it is generally the case, the *Net loss on financial instruments* item for 2016 mainly includes the amounts related to the ineffective portion of financial instruments. Although all of the financial instruments used by Boralex are highly effective, they always include a small ineffective portion.

Net Earnings

Boralex ended the first quarter of 2016 with net earnings of $22.5 million compared with net earnings of $6.7 million for the same period of 2015. Of this amount, the net earnings attributable to shareholders of Boralex amounted to $20.6 million or $0.32 per share (basic), compared with $5.3 million or $0.11 per share in 2015.

Review of Operating Segments

Wind

The wind power segment, Boralex's main driver of growth, reported exceptional results for the first quarter of 2016. While better weather conditions than in 2015 was a contributory factor, this performance speaks above all to the merits of the expansion strategy carried out with consistency and discipline over several years by Boralex, the quality of its wind power facilities, the capacity of its team to effectively integrate and optimize the newly acquired or commissioned assets and last, the benefits of the wind power segment's geographic diversification in France, Québec and Ontario.

The main differences in revenues from energy sales and EBITDA(A) are as follows:

	Revenues from energy sales		EBITDA(A)	
	(in thousands of $)	%	(in thousands of $)	%
THREE-MONTH PERIOD ENDED MARCH 31, 2015	48,712		44,586	
Power stations commissioned*	15,676	32.2%	13,632	30.6%
Pricing	79	0.1%	79	0.2%
Volume	10,217	21.0%	10,217	22.9%
Foreign exchange effect	3,115	6.4%	2,275	5.1%
Maintenance	—	—	314	0.7 %
Share of Joint Ventures	—	—	(1,770)	(4.0)%
Other	(63)	(0.1)%	1,529	3.4%
Change	29,024	59.6%	26,276	58.9%
THREE-MONTH PERIOD ENDED MARCH 31, 2016	77,736		70,862	

* Commissioning of 146 MW: In France, St-François (March and April 2015), Comes de l'Arce (April 2015) and Calmont (December 2015) wind farms; in Québec, Canada, Côte-de-Beaupré (November 2015), Témiscouata II (November 2015) and Frampton (December 2015) wind farms.

Operating Results for the Three-Month Period

Production

The wind power segment produced 581,451 MWh in the first quarter of 2016 compared with 385,895 MWh for the same period in 2015 (excluding the 152,165 MWh and 173,865 MWh contributions in 2016 and 2015, respectively, from the Joint Ventures as discussed in the *Proportionate Consolidation* section of this MD&A). The 50.7% increase in segment production stemmed largely from the full contribution of the six sites totalling 146 MW commissioned in Canada and in France since March 2015 as well as an 18.1% increase in production volume at existing sites.

Broken down geographically, the changes in production were as follows:

- Wind power production in France increased by 35.1%, driven by the full contribution of the St-François, Comes de l'Arce and Calmont wind farms commissioned in 2015 coupled with a 21.5% increase in the production volume of existing sites. Besides an excellent equipment availability rate, this increase stemmed primarily from favourable wind conditions in France in 2016 compared with below average conditions in 2015. Note that the production of 11 operating sites acquired from BEV in December 2014 rose by 25.0% in the first quarter of 2016 compared with the same period in 2015, which also demonstrates the Boralex team's capacity to quickly and effectively integrate a large-scale acquisition.
- In Canada, wind power segment production (excluding the Joint Ventures) nearly doubled with the commissioning of the Côte-de-Beaupré, Témiscouata II and Frampton sites in the fourth quarter of 2015, combined with a 16.2% increase in production of the Thames River sites in Ontario. These sites continued to report excellent equipment availability rates in addition to benefiting from better wind conditions than in the previous year.

Revenues

Wind power segment revenues for the first quarter of 2016 totalled $77.7 million, up $29.0 million or 59.6% from the same period of 2015. As shown in the table, this growth stemmed primarily from the additional contribution totalling $15.7 million from the six new sites commissioned, combined with a $10.2 million volume effect. In addition, the fluctuations of the euro against the Canadian dollar generated a $3.1 million favourable foreign exchange effect.

Broken down geographically, 68.4% of quarterly wind power segment revenues were generated in France and 31.6% in Canada (excluding the Joint Ventures). Excluding the foreign exchange effect, revenues in euros of French sites grew 34.6%, following the expansion in the asset base and revenue growth at existing sites. Meanwhile, revenues of Canadian sites nearly doubled following the commissioning of three new sites in November and December 2015 and a 16.8% increase in revenues at Thames River sites.

EBITDA(A)

During the first quarter of 2016, EBITDA(A) of the wind power segment increased by $26.3 million or 58.9% to $70.9 million. Besides more favourable wind conditions than in 2015 in France and Ontario, this performance is the result of Boralex's expansion and value creation strategy based on the addition of high quality assets coupled with the pooling of leading-edge expertise in the development, construction, integration and optimal operation of wind farms. More specifically, growth in wind power segment EBITDA(A) for the first quarter of 2016 was driven by the following:

- A $13.6 million contribution from the six new sites commissioned between March and December 2015;
- A $10.2 million volume effect, as discussed previously;
- A $2.3 million favourable foreign exchange effect stemming from the euro's fluctuations against the Canadian dollar;
- A $0.3 million decrease in maintenance costs; and
- A $1.6 million favourable change in various other items, mainly related to the re-allocation of expenses to the corporate segment, following the integration of entities acquired from BEV.

However, as mentioned in the previous section, the Corporation recorded a $1.8 million decrease in its share in the results of the Joint Ventures owing to less favourable wind conditions than during the 2015 winter in this part of Québec. Note that, despite this decline, the production level of Joint Ventures remains above the long-term forecast.

Broken down geographically, the EBITDA(A) of French operations rose 52.0% in euros while the Canadian operations grew by 51.7% (excluding the Joint Ventures).

Hydroelectric

Boralex's second largest segment, the hydroelectric power segment, has always been a significant and reliable source of profits and cash flows for Boralex, due to the Corporation's long-established expertise in the production of this renewable energy and the quality of its hydroelectric power assets. For the first quarter of 2016, the segment contributed $12.9 million to the Corporation's consolidated EBITDA(A).

The main differences in revenues from energy sales and EBITDA(A) are as follows:

	Revenues from energy sales		EBITDA(A)	
	(in thousands of $)	%	(in thousands of $)	%
THREE-MONTH PERIOD ENDED MARCH 31, 2015	12,584		9,247	
Pricing	(1,280)	(10.2)%	(1,280)	(13.9)%
Volume	5,005	39.8%	5,005	54.1%
Foreign exchange effect	848	6.7%	635	6.9%
Maintenance	—	—	(270)	(2.9)%
Other	71	0.6%	(419)	(4.5)%
Change	4,644	36.9%	3,671	39.7%
THREE-MONTH PERIOD ENDED MARCH 31, 2016	17,228		12,918	

The following table shows recent and historical statistical data concerning hydroelectric power segment production:

	Three-month periods ended March 31,					Annual historical average [1]
	Actual		Historical average	Change		
HYDROELECTRIC PRODUCTION (MWh)	2016	2015	2016	vs actual	vs historical average	2016
Canada	47,652	44,665	45,995	+ 6.7%	+ 3.6%	284,835
United States	122,975	68,922	108,309	+ 78.4%	+ 13.5%	390,756
	170,627	113,587	154,304	+ 50.2%	+ 10.6%	675,591

[1] Historical averages are calculated using all production data available for each power station up to the end of Boralex's previous fiscal year.

Operating Results for the Three-Month Period

Production

Hydroelectric power segment production rose to 170,627 MWh for the first quarter of fiscal 2016 from 113,587 MWh for the same quarter of 2015. In addition to growing by 50.2% over the previous year, total production of Boralex's hydroelectric power stations exceeded their historical average for this period of the year by 10.6%.

The improvement in operating performance was particularly evident in the United States where the power stations had to deal with extreme weather conditions in the first quarter of 2015, more specifically ice drifts that caused certain power stations to suspend operations. Amid much more favourable operating conditions in the winter of 2016, the production volume of the U.S. power stations exceeded 2015 performance by 78.4% and the historical average by 13.5%. The Canadian power stations also reported higher production, although to a lesser extent than in the United States, exceeding 2015 results by 6.7% and the historical average by 3.6%.

Revenues

For the three-month period ended March 31, 2016, the hydroelectric power segment generated revenues of $17.2 million, representing an increase of $4.6 million or 36.9% which is nearly exclusively attributable to the U.S. power stations. Besides a $5.0 million volume effect, the performance of U.S. power stations was bolstered by a favourable foreign exchange effect of $0.8 million resulting from the fluctuations of the U.S. dollar against the Canadian dollar and the recording of certain other benefits. These two factors offset the $1.3 million shortfall in revenues stemming from the decline in the average selling price of electricity sold in the New York State market by the five power stations without energy sales contracts.

Note that the average selling price of electricity sold in the open market in the United States has decreased significantly over recent years due to lower natural gas prices. The impact of this decline was amplified during the first quarter of 2016 by a particularly mild winter which led to lower demand. Boralex management does not expect market prices to improve significantly in the foreseeable future but believes that prices could stabilize over the coming quarters.

In Canada, although production increased, the revenues of power stations remained stable due to the non-recurrence of benefits received in 2015.

EBITDA(A)

Hydroelectric power segment EBITDA(A) increased by $3.7 million or 39.7% to $12.9 million, driven essentially by the U.S. power stations owing to the factors mentioned above, namely the $5.0 million volume effect and the $0.6 million favourable exchange effect. These factors more than offset the $1.3 million unfavourable price effect and the increase in certain expenses, including maintenance costs. The EBITDA(A) of Canadian power stations declined slightly due primarily to the non-recurrence of certain positive items that bolstered profitability in 2015.

Thermal

In light of the thermal power stations' operating patterns, as discussed in the *Seasonal Factors* section of this MD&A, both the Senneterre power station in Québec and the Blendecques power station in France were fully operational during the first quarters of 2016 and 2015. Despite a slight decline in their results, these two power stations made positive contributions to Boralex's profitability by generating EBITDA(A) of $4.2 million in the first quarter of 2016.

The main differences in revenues from energy sales and EBITDA(A) are as follows:

	Revenues from energy sales		EBITDA(A)	
	(in thousands of $)	%	(in thousands of $)	%
THREE-MONTH PERIOD ENDED MARCH 31, 2015	10,736		4,525	
Pricing	(1,249)	(11.6)%	(1,249)	(27.6)%
Volume	466	4.3%	226	5.0%
Capacity premiums	(349)	(3.3)%	(349)	(7.7)%
Foreign exchange effect	457	4.3 %	97	2.1%
Raw material costs	—	—	1,228	27.2%
Maintenance	—	—	(109)	(2.4)%
Other	—	—	(215)	(4.8)%
Change	(675)	(6.3)%	(371)	(8.2)%
THREE-MONTH PERIOD ENDED MARCH 31, 2016	10,061		4,154	

Operating Results for the Three-Month Period

Production

Boralex's thermal power segment produced 64,827 MWh of electricity in the first quarter of 2016, up 9.6% from the same period of 2015, for both power stations. The steam produced and supplied by the Blendecques cogeneration power station to its industrial client also increased slightly.

Revenues

However, thermal power segment revenues were down $0.7 million or 6.3% to $10.1 million for the first quarter of 2016. This decline is attributable to the Blendecques power station as the Senneterre power station reported a 6.1% increase in revenues, driven by the combined effect of higher production, capacity premiums and selling price indexation. The Blendecques power station was affected by a $1.3 million unfavourable price effect due to a lower selling price for its steam and to a lesser extent the fall in the average electricity selling price. In addition, capacity premiums decreased by $0.4 million following a retroactive adjustment to their calculation. These unfavourable items were partly offset by the $0.5 million favourable foreign exchange effect.

EBITDA(A)

Thermal power segment EBITDA(A) totalled $4.2 million for the first quarter of 2016 compared with $4.5 million for the same period in 2015. The 8.2% decline, which is attributable to both thermal power stations, stemmed more specifically from the retroactive adjustment to the capacity premiums of the Blendecques power station as previously mentioned, as well as the increase in maintenance costs and certain other expenses incurred by the Senneterre power station. Note that once again, the results of the first quarter of 2016 underscore the Blendecques power station's natural protection against market price fluctuations since the decline in selling prices for steam and electricity was nearly offset by the lower cost of its raw material, natural gas.

Solar

Since October 2015, Boralex's solar power segment comprises two main sites with a total installed capacity of 15 MW, both located in the south of France. Although this segment remains marginal in Boralex's portfolio in terms of size and financial contribution, it allows the Corporation to fine-tune its expertise in an area of renewable energy production expected to grow in future years.

The main differences in revenues from energy sales and EBITDA(A) are as follows:

	Revenues from energy sales		EBITDA(A)	
	(in thousands of $)	%	(in thousands of $)	%
THREE-MONTH PERIOD ENDED MARCH 31, 2015	485		404	
Power stations commissioned*	446	92.0%	367	90.8%
Pricing	1	0.2%	1	0.2%
Volume	(22)	(4.5)%	(22)	(5.4)%
Foreign exchange effect	41	8.4%	34	8.4%
Maintenance	—	—	(9)	(2.2)%
Other	1	0.2%	10	2.5%
Change	467	96.3%	381	94.3%
THREE-MONTH PERIOD ENDED MARCH 31, 2016	952		785	

* Commissioned: In France, the 10 MW Les Cigalettes site (October 2015) and in Ontario, Canada, the 0.4 MW Vaughan site (October 2015).

Operating Results for the Three-Month Period

The solar power segment generated 4,155 MWh for the quarter ended March 31, 2016, up from 1,038 MWh for the same quarter in 2015, stemming from the addition of the Les Cigalettes and Vaughan sites. The production of the first site, Avignonet-Lauragais, declined slightly owing to a lower rate of irradiation. Note that first quarter performance is generally not very representative of the annual performance of the solar power segment, due to the seasonal nature of operations.

Following the commissioning of the two new sites and the favourable foreign exchange effect, the solar power segment's quarterly revenues and EBITDA(A) nearly doubled to $1.0 million and $0.8 million, respectively.

Boralex's management is satisfied with the sustained performance of its first solar power facility and is confident that the return on investment of the two new sites will be as attractive, despite the changes taking place in the market in recent years, particularly the downward adjustment to selling prices obtained for solar power assets owing to the significant drop in the cost of solar power panels.

Cash Flows

The changes in cash flows for the quarter ended March 31, 2016 were driven mostly by the benefits generated by Boralex's targeted strategy and its growing expertise in developing and operating energy assets. The 48.2% increase in cash flows from operations to $59.6 million is the result of Boralex's focus on activities that generate superior profit margins and which are covered by indexed, fixed-price energy sales contracts.

	Three-month periods ended March 31	
(in thousands of dollars)	**2016**	**2015**
Cash flows from operations*	59,579	40,201
Change in non-cash items related to operating activities	16,098	8,866
Net cash flows related to operating activities	75,677	49,067
Net cash flows related to investing activities	(21,330)	(47,527)
Net cash flows related to financing activities	(13,012)	1,831
Translation adjustment on cash and cash equivalents	(1,516)	670
NET CHANGE IN CASH AND CASH EQUIVALENTS	39,819	4,041
CASH AND CASH EQUIVALENTS - END OF PERIOD	139,460	79,435

* See the *Non-IFRS Measures* section.

Analysis of Cash Flows for the Three-Month Period ended March 31, 2016

Operating Activities

For the three-month period ended March 31, 2016, Boralex reported $59.6 million in cash flows from operations compared with $40.2 million for the same period in 2015. Excluding non-cash items related to operating activities for both periods, this strong increase resulted primarily from the previously discussed increase in EBITDA(A), which largely offset the higher financing costs in 2016 and the time lag of several days for the distributions received from Joint Ventures (the $9.6 million distribution in 2015 had been recorded at the very end of the first quarter whereas in 2016, a regular distribution in the amount of $3.9 million was received by Boralex very early in the second quarter).

The change in non-cash items related to operating activities generated cash of $16.1 million during the first quarter of 2016 (compared with $8.9 million in 2015). For the first quarter of 2016, cash flows were generated primarily by the $13.9 million decrease in *Trade and other receivables* resulting essentially from the seasonal nature of the Corporation's operations and the timing of cash inflows. However, this favourable impact was partly offset by the $2.5 million increase in prepaid expenses owing to the commissioning of facilities and the timing of cash outflows.

In light of the foregoing, operating activities generated cash flows totalling $75.7 million for the first quarter of 2016, up $26.6 million from $49.1 million for the same period of the previous year.

Investing Activities

Investing activities for the quarter ended March 31, 2016 used cash in the amount of $21.3 million, net of a $0.1 million change in reserve funds. The investments were mainly related to the acquisition of the following new property, plant and equipment in the amount of $20.1 million:

- $14.5 million in the wind power segment, primarily for the development of new sites in France and in Ontario, including Touvent, Plateau de Savernat and Port Ryerse, for the final payments related to the commissioning of the Côte-de-Beaupré, Témiscouata II, Frampton and Calmont sites toward the end of 2015, and for the upgrading of certain equipment and the maintenance of existing sites;
- $3.1 million for the hydroelectric power segment, including work on the Yellow Falls hydroelectric power station in Ontario, upgrading of the Buckingham power station in Québec and improving certain other existing power stations;
- $1.0 million for the final payments related to the commissioning of the Les Cigalettes solar power site;
- $0.2 million for improving the existing infrastructure of the thermal power segment; and
- $1.3 million for the corporate segment.

The Corporation also invested $1.0 million in various development projects in France and Canada, and allocated an additional amount of $0.4 million to restricted cash.

Financing Activities

Financing activities resulted in net cash outflows totalling $13.0 million.

New Financing Arrangements and Repayments on Existing Debt

The Corporation's main financing activities during the first quarter of 2016 consisted in contracting new debt of $78.8 million and repaying $80.8 million on its existing debt.

The highlight of the quarter was the closing, on January 29, 2016, of a financing arrangement in the amount of €63 million ($93 million) in France, comprising:

- A loan with a 11-year term in the amount of €42.4 million ($62.7 million), bearing interest at approximately 1.6%, to refinance the St-Patrick wind power site. The refinanced amount was partly used to repay the €28.4 million ($42.7 million) balance of the existing loan for St-Patrick. Accordingly, Boralex will have at its disposal a net amount of €10.5 million that it could invest in its various development projects; and
- A loan with a 15-year term in the amount of €20.6 million ($30.4 million), bearing interest at approximately 2.1%, to finance the construction and development of the Touvent wind power site. As at March 31, 2016, this term credit facility was undrawn.

The Corporation also drew down $12.9 million from its revolving credit facility during the quarter and repaid $37.0 million on the non-current debt related to its existing sites.

Dividends and Other

During the first quarter, the Corporation disbursed an amount of $8.5 million to pay a quarterly dividend of $0.13 per share to its shareholders. Note that this dividend will be increased by 7.7% starting June 15, 2016. The Corporation also distributed $1.0 million to the non-controlling shareholder of the Témiscouata I wind power project and paid an amount of $4.4 million for the early redemption of financial instruments when unwinding the interest rate swaps related to the initial loan for St-Patrick. Conversely, Boralex received an amount of $2.4 million on the exercise of stock options as well a $0.6 million capital injection by a partner in a Canadian wind power project.

Net Change in Cash and Cash Equivalents

Total cash movements for the three-month period resulted in a $39.8 million increase in cash and cash equivalents to $139.5 million as at March 31, 2016 from $99.6 million as at December 31, 2015.

Financial Position

There were no significant changes in Boralex's financial position between December 31, 2015 and March 31, 2016. The main changes, which are discussed in this section, primarily reflect the significant funds generated by operations, the seasonal nature of operations, the impact of new financing and refinancing arrangements and the effect of amortization.

The following table shows condensed information from the Consolidated Statements of Financial Position:

(in thousands of dollars)	As at March 31, 2016	As at December 31, 2015
ASSETS		
Cash and cash equivalents	139,460	99,641
Restricted cash	3,771	3,345
Miscellaneous current assets	85,783	97,572
CURRENT ASSETS	229,014	200,558
Property, plant and equipment	1,532,270	1,556,374
Intangible assets	411,077	423,622
Goodwill	125,584	127,007
Miscellaneous non-current assets	133,701	134,366
NON-CURRENT ASSETS	2,202,632	2,241,369
TOTAL ASSETS	2,431,646	2,441,927
LIABILITIES		
CURRENT LIABILITIES	255,114	280,217
Non-current debt	1,294,710	1,275,857
Convertible debentures	133,578	133,070
Miscellaneous non-current liabilities	205,242	200,086
NON-CURRENT LIABILITIES	1,633,530	1,609,013
TOTAL LIABILITIES	1,888,644	1,889,230
EQUITY		
TOTAL EQUITY	543,002	552,697
TOTAL LIABILITIES AND EQUITY	2,431,646	2,441,927

Assets

Boralex's total assets as at March 31, 2016 remained relatively stable at $2,431.6 million.

Current assets rose by a total amount of $28.5 million due mainly to the $40.2 million combined increase in cash and cash equivalents and restricted cash resulting from the significant generation of funds by the Corporation's operations. This increase was offset by the aforementioned decrease in *Trade and other receivables* mainly resulting from the seasonal nature of the Corporation's operations.

In contrast, *Non-current assets* decreased $38.7 million owing primarily to the effect of amortization on the value of property, plant and equipment and intangible assets, given the relatively modest level of investment and the foreign exchange effect for the period.

Working Capital

As at March 31, 2016, the Corporation had a working capital deficit of $26.1 million with a ratio of 0.90:1 compared with a working capital deficit of $79.7 million and a ratio of 0.72:1 as at December 31, 2015. This improvement is due to the increase in cash and cash equivalents mentioned previously together with a $25.1 million decrease in total current liabilities. In particular, the current portion of non-current debt decreased $37.6 million owing to repayment of the balance of the $42.7 million St-Patrick loan as part of the refinancing, the favourable effect of which was partly offset by the $10.3 million increase in other current financial liabilities owing to fair value remeasurement adjustments on financial instruments.

Note also that the working capital deficit resulted in large part from a net amount of $51.1 million in *Other current financial assets* and *Other current financial liabilities* as at March 31, 2016 ($40.8 million as at December 31, 2015) consisting primarily of the fair value of financial instruments. Although they have short-term maturities, Boralex intends to request an extension as these financial instruments continue to be effective for managing the interest rate risk of projects that are expected to be financed in the coming year. Excluding that item, the Corporation had a working capital surplus of $25.0 million with a ratio of 1.12:1 as at March 31, 2016 (compared with a working capital deficit of $38.8 million and a ratio of 0.84:1 as at December 31, 2015).

Non-current Liabilities

Total non-current liabilities increased by $24.5 million, driven essentially by a $18.9 million increase in non-current debt and a $5.2 million rise in miscellaneous non-current liabilities. The increase in non-current debt resulted from new loans contracted during the period and the drawdown of additional funds from the revolving credit facility to finance and/or refinance the Corporation's existing projects and facilities. The increase in miscellaneous non-current liabilities was due to the increase in other non-current financial liabilities following fair value remeasurement adjustments to financial instruments.

Breaking down the Corporation's non-current debt geographically as at March 31, 2016, 43% originated in Canada, 51% in France and 6% in the United States, compared with 41%, 52% and 7%, respectively, as at December 31, 2015.

As at March 31, 2016, Boralex had contracted but undrawn debt for its projects under construction totalling $49.8 million, as well as $144.9 million under the revolving credit facility.

Equity

Total equity decreased $9.7 million during the first quarter of 2016 to $543.0 million as at March 31, 2016, owing to the change in *Accumulated other comprehensive loss* following fair value remeasurement adjustments on financial instruments and, to a lesser degree, the payment of dividends. Those items were largely offset by substantial net earnings for the period and the issuance of new shares on exercise of stock options.

Debt Ratios

Net debt, as defined under *Non-IFRS Measures*, amounted to $1,282.7 million as at March 31, 2016 compared with $1,341.6 million as at December 31, 2015.

As a result, the net debt ratio, based on market capitalization, as defined under *Non-IFRS Measures*, fell to 51.7 % as at March 31, 2016 from 55.2 % as at December 31, 2015.

Information About the Corporation's Equity

As at March 31, 2016, Boralex's capital stock consisted of 65,138,750 Class A shares issued and outstanding (64,829,112 as at December 31, 2015) owing to the issuance of 309,638 shares following the exercise of stock options.

There were 1,321,378 outstanding stock options as at March 31, 2016, of which 1,013,034 were exercisable.

As at March 31, 2016, Boralex had issued 1,437,500 convertible debentures.

From April 1 to May 10, 2016, no new shares were issued on exercise of stock options while nil shares were issued in connection with the conversion of debentures.

Normal Course Issuer Bid

On September 2, 2015, Boralex announced its intention to carry out a normal course issuer bid (the "Bid"). Under the twelve-month Bid from September 4, 2015 to September 3, 2016, Boralex may repurchase up to 500,000 Class A shares. All repurchases will be carried out through the Toronto Stock Exchange, and the repurchased shares will be cancelled. As at May 10, 2016, Boralex had not repurchased any Class A shares under the Bid. A copy of the Notice of Intention to Make a Bid may be obtained free of charge from the Corporation.

Related Party Transactions

The Corporation has entered into a management agreement with R.S.P. Énergie Inc., an entity in which Richard and Patrick Lemaire, directors of the Corporation, are two of three shareholders. For the three-month period ended March 31, 2016, revenues from this agreement totalled $0.1 million ($0.2 million for the corresponding period of 2015).

The Corporation has entered into a four-year consulting agreement with Bernard Lemaire, a major shareholder of Cascades, an entity exercising significant influence over the Corporation. The agreement for an amount of $0.1 million per year began in May 2013.

Cascades provides the Corporation with various IT, engineering, transportation, maintenance and building repair services. For the three-month period ended March 31, 2016, these services totalled $0.1 million ($0.1 million for the corresponding period of 2015).

Transactions with the Joint Ventures

Joint Venture Phase I

For the three-month period ended March 31, 2016, Joint Venture Phase I reported $8.2 million in net earnings ($11.3 million for the same period of 2015), with Boralex's share amounting to $4.1 million ($5.6 million for the same period of 2015). Amortization of the unrealized loss on financial instruments generated an expense of $0.6 million ($0.7 million for the same period of 2015). Accordingly, for the period, the Corporation's *Share in earnings of the Joint Ventures* amounting to $3.5 million ($5.0 million in 2015).

For the three-month period ended March 31, 2016, Boralex also charged back $0.2 million in salaries, management fees and other costs to this joint venture in connection with operation of the wind farm ($0.2 million for the same period of 2015).

Joint Venture Phase II

For the three-month period ended March 31, 2016, Joint Venture Phase II reported $1.3 million in net earnings ($1.7 million for the same period of 2015), with Boralex's share amounting to $0.6 million ($0.9 million for the same period of 2015). Boralex charged back $0.1 million in salaries and management fees to this joint venture in connection with the operation of the wind farm ($0.2 million for the same period of 2015).

Interests in the Joint Ventures

In June 2011 and May 2013, Boralex and its equal partner in the development of the first two 272 MW and 68 MW phases of the Seigneurie de Beaupré Wind Farms in Québec, created the Joint Ventures in which each partner has a 50% interest. Under IFRS, the Corporation's investment in the Joint Ventures is reported under *Interests in the Joint Ventures* in the Consolidated Statement of Financial Position and the Corporation's share in results of the Joint Ventures is accounted for using the equity method and reported separately under *Share in earnings of the Joint Ventures* in Boralex's Consolidated Statement of Earnings.

Given the strategic nature and scale of these assets and the significant results that these wind farms generate, Boralex's management has considered it relevant to include a section, *Proportionate Consolidation*, in this MD&A, where the results of the Joint Ventures are 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 IFRS, the *Interests in the Joint Ventures* and *Share in earnings of the Joint Ventures* items are eliminated and replaced by Boralex's share (50%) in all of the financial statements (revenues, expenses, assets and liabilities). This section is added to make it easier for investors to understand the concrete impacts of strategic and operating decisions made by the Corporation.

The acquisition of 50% of the shares of a Danish developer completed in July 2014 by Boralex also represents an interest in a joint venture. Currently, the project is under development and is reported in the Consolidated Statement of Financial Position in *Interests in the Joint Ventures* under IFRS and in *Other non-current assets* under proportionate consolidation. In the event this project is completed, it will be included in the proportionate consolidation section if the holding percentage stays the same.

These amounts are clearly identified as "proportionate consolidation" and are reconciled in the *Non-IFRS Measures* and *Reconciliations between IFRS and Proportionate Consolidation* sections. These financial statements have not been reviewed by the independent auditor.

Seasonal Factors

(in thousands of dollars, except MWh, per share amounts and number of shares outstanding) (unaudited)	Three-month periods ended June 30, 2015	September 30, 2015	December 31, 2015	March 31, 2016	Twelve-month period ended March 31, 2016
POWER PRODUCTION (MWh)					
Wind power stations	439,212	363,531	580,707	733,616	2,117,066
Hydroelectric power stations	205,678	149,051	158,161	170,627	683,517
Thermal power stations	15,628	48,787	31,131	64,827	160,373
Solar power stations	2,030	1,972	3,680	4,155	11,837
	662,548	563,341	773,679	973,225	2,972,793
REVENUES FROM ENERGY SALES					
Wind power stations	51,808	44,624	72,621	94,145	263,198
Hydroelectric power stations	16,785	13,799	14,998	17,228	62,810
Thermal power stations	3,467	5,753	6,521	10,061	25,802
Solar power stations	926	963	890	952	3,731
	72,986	65,139	95,030	122,386	355,541
EBITDA(A)					
Wind power stations	40,718	32,986	61,139	80,662	215,505
Hydroelectric power stations	12,741	8,911	9,893	12,918	44,463
Thermal power stations	(654)	1,121	711	4,154	5,332
Solar power stations	837	851	743	785	3,216
	53,642	43,869	72,486	98,519	268,516
Corporate and eliminations	(6,998)	(5,489)	(8,616)	(8,070)	(29,173)
	46,644	38,380	63,870	90,449	239,343
NET EARNINGS (LOSS)	(5,791)	(14,899)	5,732	22,502	7,544
NET EARNINGS (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX	(6,284)	(15,421)	5,571	20,555	4,421
NET EARNINGS (LOSS) PER SHARE (BASIC) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX	($0.13)	($0.32)	$0.09	$0.32	$0.08
NET EARNINGS (LOSS) PER SHARE (DILUTED) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX	($0.13)	($0.32)	$0.09	$0.30	$0.08
NET CASH FLOWS RELATED TO OPERATING ACTIVITIES	26,790	7,792	45,757	81,511	161,850
CASH FLOWS FROM OPERATIONS	27,499	17,155	44,853	69,923	159,430
Weighted average number of shares outstanding (basic)	47,951,885	48,770,481	64,829,112	65,032,645	56,646,871

Seasonal Factors

(in thousands of dollars, except MWh, per share amounts and number of shares outstanding) (unaudited)	Three-month periods ended June 30, 2014	September 30, 2014	December 31, 2014	March 31, 2015	Twelve-month period ended March 31, 2015
POWER PRODUCTION (MWh)					
Wind power stations	255,728	203,769	370,742	559,760	1,389,999
Hydroelectric power stations	223,702	139,938	154,752	113,587	631,979
Thermal power stations	18,521	45,909	34,092	59,155	157,677
Solar power stations	2,042	1,952	1,080	1,038	6,112
	499,993	391,568	560,666	733,540	2,185,767
REVENUES FROM ENERGY SALES					
Wind power stations	31,264	24,042	44,913	67,369	167,588
Hydroelectric power stations	17,622	12,236	14,312	12,584	56,754
Thermal power stations	3,885	5,660	7,569	10,736	27,850
Solar power stations	1,021	945	514	485	2,965
	53,792	42,883	67,308	91,174	255,157
EBITDA(A)					
Wind power stations	24,626	17,466	37,930	54,494	134,516
Hydroelectric power stations	14,002	8,816	9,730	9,247	41,795
Thermal power stations	(1,101)	588	1,188	4,525	5,200
Solar power stations	902	850	391	404	2,547
	38,429	27,720	49,239	68,670	184,058
Corporate and eliminations	(6,252)	(4,439)	(9,815)	(6,355)	(26,861)
	32,177	23,281	39,424	62,315	157,197
NET EARNINGS (LOSS)	(4,704)	(10,177)	(5,691)	6,746	(13,826)
NET EARNINGS (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX					
Continuing operations	(5,069)	(9,551)	(7,011)	5,299	(16,332)
Discontinued operations	785	312	716	—	1,813
	(4,284)	(9,239)	(6,295)	5,299	(14,519)
NET EARNINGS (LOSS) PER SHARE (BASIC AND DILUTED) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX					
Continuing operations	($0.13)	($0.25)	($0.18)	$0.11	($0.40)
Discontinued operations	$0.02	$0.01	$0.02	—	$0.05
	($0.11)	($0.24)	($0.16)	$0.11	($0.35)
NET CASH FLOWS RELATED TO OPERATING ACTIVITIES	8,331	43,962	9,454	46,880	108,627
CASH FLOWS FROM OPERATIONS	12,200	7,577	22,008	42,753	84,538
Weighted average number of shares outstanding (basic)	38,346,572	38,390,851	38,411,980	47,759,276	40,695,160

Financial Highlights

(in thousands of dollars, except MW, MWh, per share amounts and number of shares outstanding) (unaudited)	Three-month periods ended March 31 2016	2015
POWER PRODUCTION (MWh)		
Wind power stations	733,616	559,760
Hydroelectric power stations	170,627	113,587
Thermal power stations	64,827	59,155
Solar power stations	4,155	1,038
	973,225	733,540
REVENUES FROM ENERGY SALES		
Wind power stations	94,145	67,369
Hydroelectric power stations	17,228	12,584
Thermal power stations	10,061	10,736
Solar power stations	952	485
	122,386	91,174
EBITDA(A)		
Wind power stations	80,662	54,494
Hydroelectric power stations	12,918	9,247
Thermal power stations	4,154	4,525
Solar power stations	785	404
	98,519	68,670
Corporate and eliminations	(8,070)	(6,355)
	90,449	62,315
NET EARNINGS	22,502	6,746
NET EARNINGS ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX	20,555	5,299
NET EARNINGS PER SHARE (BASIC) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX	$0.32	$0.11
NET EARNINGS PER SHARE (DILUTED) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX	$0.30	$0.11
NET CASH FLOWS RELATED TO OPERATING ACTIVITIES	81,511	46,880
CASH FLOWS FROM OPERATIONS	69,923	42,753
DIVIDENDS PAID ON COMMON SHARES	8,468	6,232
DIVIDENDS PAID PER COMMON SHARE	$0.13	$0.13
Weighted average number of shares outstanding (basic)	65,032,645	47,759,276

Statement of Financial Position Data

(in thousands of dollars) (unaudited)	As at March 31, 2016	As at December 31, 2015
Total cash*	157,539	111,998
Property, plant and equipment	1,933,818	1,963,455
Total assets	2,792,283	2,799,192
Debt, including non-current debt and current portion of debt	1,700,181	1,718,916
Liability component of convertible debentures	133,578	133,070
Total liabilities	2,249,798	2,247,012
Total equity	542,485	552,180
Net debt to market capitalization ratio	56.9%	60.2%

* Including restricted cash.

Analysis of Operating Results for the Three-Month Period Ended March 31, 2016

Consolidated

For the first quarter ended March 31, 2016, proportionate consolidation of the results of Joint Ventures mainly affected Boralex's production volume, revenues, EBITDA(A) and cash flows from operations, and had no effect on net earnings and net earnings per share compared with the IFRS equity method.

In the table below, which shows the major changes in revenues from energy sales and EBITDA(A) for the three-month period ended March 31, 2016, proportionate consolidation primarily affected the *Volume* item:

	Revenues from energy sales		EBITDA(A)	
	(in thousands of $)	%	(in thousands of $)	%
THREE-MONTH PERIOD ENDED MARCH 31, 2015	91,174		62,315	
Power stations commissioned*	16,122	17.7%	13,999	22.5%
Pricing	(2,364)	(2.6)%	(2,364)	(3.8)%
Volume	13,333	14.6%	13,093	21.0%
Capacity premiums	(399)	(0.5)%	(399)	(0.7)%
Foreign exchange effect	4,461	4.9%	2,953	4.7%
Raw material costs	—	—	1,228	2.0%
Maintenance	—	—	219	0.3%
Development - prospection	—	—	102	0.2%
Other	59	0.1%	(697)	(1.1)%
Change	31,212	34.2%	28,134	45.1%
THREE-MONTH PERIOD ENDED MARCH 31, 2016	122,386		90,449	

* Commissioning of 156 MW: In France, St-François (March and April 2015), Comes de l'Arce (April 2015) wind farms, Les Cigalettes (October 2015) solar power facility and Calmont (December 2015) wind farm; in Ontario, Canada, Vaughan (October 2015) solar power facility; in Québec, Canada, Côte-de-Beaupré (November 2015), Témiscouata II (November 2015) and Frampton (December 2015) wind farms.

Operating Results for the Three-Month Period

Production

During the first quarter of 2016, Boralex's 50% share in the production of the Joint Ventures amounted to 152,165 MWh compared with 173,865 MWh in the same quarter of 2015, or a decline of 12.5%. This decline was due to the occurrence of exceptionally good weather conditions in this region of Québec during winter 2015 whereas they have been closer to normal this year. We point out, however, that production at these two facilities in the first quarter of 2016 has once again exceeded management's expectations owing in particular to excellent equipment availability.

Note that, for the first quarter of 2016, proportionately consolidating the production of the Joint Ventures added 18.5% to production reported under IFRS.

Revenues

Boralex's share in the revenues of Joint Ventures amounted to $16.4 million for the first quarter of 2016 compared with $18.7 million for the same period of 2015, down 12.0% owing to lower production compared with the exceptional level for 2015.

As shown in the table, Boralex's revenues totalled $122.4 million under proportionate consolidation, up $31.2 million or 34.2% from the same period of 2015. The increase was primarily a result of the facilities commissioned in 2015 listed in the footnote of the table, coupled with the favourable volume effect originating primarily from the wind power facilities in France and Ontario, and the hydroelectric power stations in the United States.

Proportionately consolidating revenues from the Joint Ventures for the first quarter of 2016 contributed an additional 15.5% to revenues reported under IFRS.

EBITDA(A)

(in thousands of dollars) (unaudited)	Three-month periods ended March 31 2016	2015
EBITDA(A) (IFRS)	79,999	51,754
Less: Share in earnings of Joint Ventures Phases I and II	4,093	5,862
Plus: EBITDA(A) of Joint Ventures Phases I and II	14,543	16,423
EBITDA(A) (Proportionate Consolidation)	90,449	62,315

In the first quarter of 2016, Boralex's share in the EBITDA(A) of the Joint Ventures under proportionate consolidation amounted to $14.5 million, compared with $16.4 million for the same period of 2015. In light of the foregoing factors, as shown in the first table in this section, the Corporation's EBITDA(A) totalled $90.4 million under proportionate consolidation, up $28.1 million or 45.1% from the same period of 2015. Consistent with the key factors set out in the table and commented in detail in the main section of this MD&A, *Analysis of Results and Financial Position - IFRS*, the increase in EBITDA(A) resulted in large part from the facilities commissioned in 2015 and higher production volumes at existing wind power facilities in France and Ontario and the hydroelectric power stations in the Northeastern United States.

However, as shown in the above table, despite the easing in EBITDA(A) of the Joint Ventures, proportionate consolidation had a net favourable effect of $10.5 million or 13.1% on consolidated EBITDA(A) for the first quarter of 2016 compared with reporting under IFRS. Apart from the addition of EBITDA(A) from the Joint Ventures, this difference resulted from eliminating the *Share in earnings of Joint Ventures Phases I and II*, which comprises costs not related to EBITDA(A) of the Joint Ventures, such as amortization, financing costs and other gains.

Net Earnings

Proportionately consolidating the results of the Joint Ventures had no impact on net earnings attributable to shareholders and net earnings per share, as the share in earnings of the Joint Ventures is equal to the percentage of our share in the Joint Ventures.

Wind

The following table shows the main changes in revenues from energy sales and EBITDA(A) for the three-month period ended March 31, 2016:

	Revenues from energy sales		EBITDA(A)	
	(in thousands of $)	%	(in thousands of $)	%
THREE-MONTH PERIOD ENDED MARCH 31, 2015	67,369		54,494	
Power stations commissioned*	15,676	23.3%	13,632	25.0%
Pricing	164	0.2%	164	0.3%
Volume	7,884	11.7%	7,884	14.5%
Foreign exchange effect	3,115	4.6%	2,275	4.2%
Maintenance	—	—	610	1.1%
Other	(63)	(0.1)%	1,603	2.9%
Change	26,776	39.7%	26,168	48.0%
THREE-MONTH PERIOD ENDED MARCH 31, 2016	94,145		80,662	

* Commissioning of 146 MW: In France, St-François (March and April 2015), Comes de l'Arce (April 2015) and Calmont (December 2015) wind farms; in Québec, Canada, Côte-de-Beaupré (November 2015), Témiscouata II (November 2015) and Frampton (December 2015) wind farms.

Operating Results for the Three-Month Period

Production

For the first quarter of 2016, the addition of Boralex's share of 152,165 MWh in the production of the Joint Ventures (173,865 MWh for the same quarter of 2015) represented an additional contribution of 26.2% compared with total wind power production reported under IFRS. Wind power segment production rose 31.1% from the first quarter of 2015 to 733,616 MWh. As mentioned previously, this increase results in large part from the contributions of the six sites totalling 146 MW commissioned in 2015, together with higher production at the existing wind farms in France and Ontario, spurred by favourable weather conditions and a very high level of equipment availability. This last factor is also true for Joint Ventures Phases I and II, although weather conditions have been less favourable than during 2015 in this region of Canada.

Revenues

As shown in the preceding table, including the $16.4 million share in revenues of the Joint Ventures ($18.7 million in 2015), wind power segment revenues totalled $94.1 million under proportionate consolidation, up $26.8 million or 39.7% from the same period of 2015. This increase is due in large part to the same key factors which drove revenue growth, together with the favourable foreign exchange rate and various other less significant items.

Proportionately consolidating revenues from the Joint Ventures for the first quarter of 2016 contributed an additional 21.1% to segment revenues reported under IFRS. In addition, under proportionate consolidation, 44% of wind power segment revenues were generated in Canada and 56% in France (compared with 32% and 68%, respectively, under IFRS), which reflects a more balanced distribution of revenue streams.

EBITDA(A)

	Three-month periods ended March 31	
(in thousands of dollars) (unaudited)	**2016**	**2015**
EBITDA(A) (IFRS)	70,862	44,586
Less: Share in earnings of Joint Ventures Phases I and II	4,743	6,515
Plus: EBITDA(A) of Joint Ventures Phases I and II	14,543	16,423
EBITDA(A) (Proportionate Consolidation)	80,662	54,494

In the first quarter of 2016, including the $14.5 million share of EBITDA(A) of the Joint Ventures under proportionate consolidation ($16.4 million in 2015), wind power segment EBITDA(A) totalled $80.7 million, up $26.2 million or 48.0% from the same period of 2015. Proportionately consolidating wind power segment EBITDA(A) for the first quarter of 2016 had a net favourable impact of $9.8 million or 13.8% compared with IFRS.

Cash Flows

Under proportionate consolidation, cash flows from operations for the first quarter ended March 31, 2016 amounted to $69.9 million (compared with $59.6 million under IFRS). The $10.3 million favourable difference resulted from the addition of EBITDA(A) from Joint Ventures, offset by payments related to financing costs of the Joint Ventures. In contrast, cash generated by non-cash items related to operating activities was $4.5 million lower under proportionate consolidation than under IFRS. As a result, cash generated by operating activities for the first quarter of 2016 was $5.8 million higher under proportionate consolidation, for a total of $81.5 million, compared with $75.7 million under IFRS.

Cash used in investing activities under proportionate consolidation reflected a slight improvement of $0.1 million, owing primarily to additions to property, plant and equipment by the Joint Ventures.

Cash flows used in financing activities were $0.4 million higher under proportionate consolidation than under IFRS, owing primarily to repayments on non-current debt of the Joint Ventures.

In light of the foregoing, under proportionate consolidation, the change in cash and cash equivalents between December 31, 2015 and March 31, 2016 represented a $45.1 million increase, compared with a $39.8 million increase under IFRS, for a net addition of $5.3 million.

Financial Position

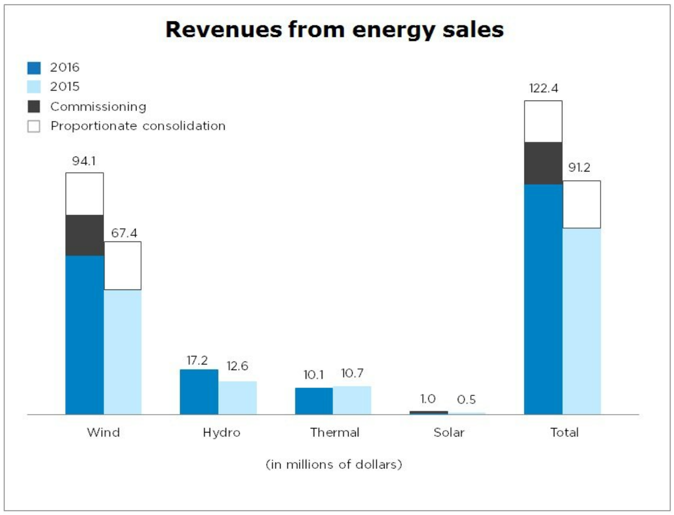
The main changes in financial position as at March 31, 2016 owing to proportionate consolidation were as follows:

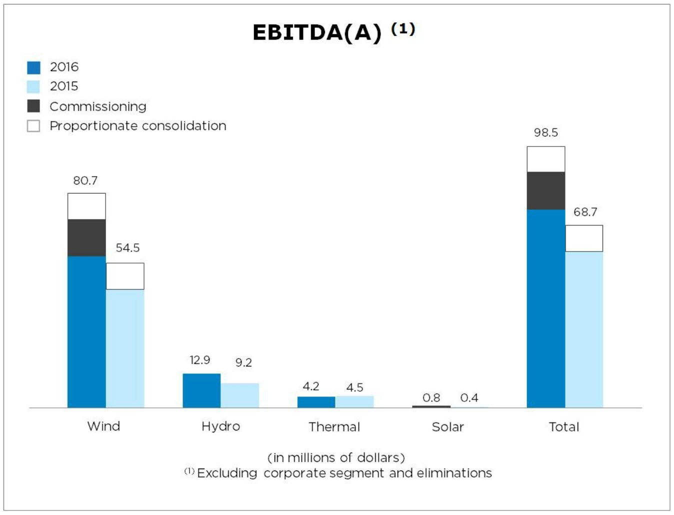
- A $21.7 million increase in total current assets, including a $14.3 million increase in the sum of cash and cash equivalents and restricted cash and a $6.4 million increase in *Trade and other receivables*;
- A $339.0 million increase in total non-current assets, driven primarily by a $401.5 million increase in the total net value of property, plant and equipment, partly offset by the elimination of *Interests in the Joint Ventures*, in the amount of $65.1 million;
- An $18.3 million increase in total current liabilities, including a $14.3 million increase in the current portion of non-current debt and a $4.0 million increase in *Trade and other payables*; and
- A $342.8 million increase in total non-current liabilities, consisting mainly of a $283.5 million increase in non-current debt, a $29.3 million increase in other non-current financial liabilities and the addition of $28.7 million in deferred revenues included under *Other non-current liabilities*.

Accordingly, cash and cash equivalents and restricted cash as at March 31, 2016 totalled $157.5 million under proportionate consolidation, compared with $143.2 million under IFRS.

Segment and Geographic Breakdown of Results for the Three-month Periods Ended March 31, 2016 and 2015

Segment breakdown





The following is a discussion of changes in segment breakdown of revenues and EBITDA(A) for the three-month period ended March 31, 2016 compared with the same period of 2015 under proportionate consolidation (see the *Non-IFRS Measures* and *Reconciliations between IFRS and Proportionate Consolidation* sections).

Wind

For the first three months of fiscal 2016, revenues in the wind power segment grew 39.7% from the same period of the previous year, boosting its share of consolidated revenues to 76.9% in 2016 from 73.9% in 2015. The solid growth in segment revenues was driven by two main factors:

- The commissioning of an additional 146 MW in 2015 (St-François, Comes de l'Arce and Calmont wind farms in France and Côte-de-Beaupré, Témiscouata II and Frampton wind farms in Canada). Given that 78% of this new capacity was commissioned in the fourth quarter, it contributed only a very small portion to the first quarter results of fiscal 2015; and
- Organic growth of 17.7% in revenues generated by existing power stations, particularly those in France and Ontario, driven by better wind conditions compared with 2015.

For the same main reasons, wind power segment EBITDA(A) for the first quarter of 2016 rose 48.0% compared with the same period of 2015, increasing its share of quarterly consolidated EBITDA(A) (before the corporate segment and eliminations) to 81.9% in 2016 from 79.4% in 2015, strengthening its position as Boralex's most significant source of EBITDA(A). The segment's EBITDA(A) margin is also higher than the average for Boralex's energy asset portfolio, at approximately 85.7% in 2016 (80.9% in 2015). Given the impact of the 146 MW commissioned since March 2015 (113 MW of which very late in 2015), the wind power projects under development for a minimum additional contracted capacity of about 149 MW slated for commissioning between 2016 and 2019 and the large pool of potential wind power projects at our disposal, the segment's dominant contribution to the Corporation's operating profitability is poised to grow in the coming years, strengthening our average profit margin.

Hydroelectric

Revenues in the hydroelectric power segment were up 36.9% in the first quarter of 2016, owing primarily to better water flow conditions in the Northeastern United States than during 2015. However, given the strong growth in the wind power segment, the hydroelectric power segment's share of consolidated revenues was relatively stable, rising to 14.1% in the first quarter of 2016 from 13.8% in the same period of 2015. In the first quarter of 2016, hydroelectric power segment EBITDA(A) rose 39.7% compared with the same period of 2015, owing mainly to increased production volume, while EBITDA(A) margin grew to 75.0% in 2016 from 73.5% in 2015. Given the strong growth of the wind power segment, the hydroelectric power segment generated consolidated EBITDA(A) of 13.1% (before corporate and eliminations) for the first quarter of 2016 compared with 13.5% the previous year.

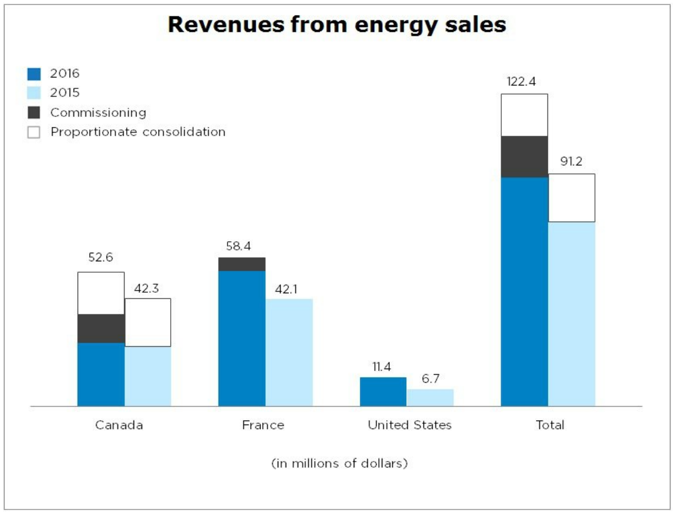
Thermal

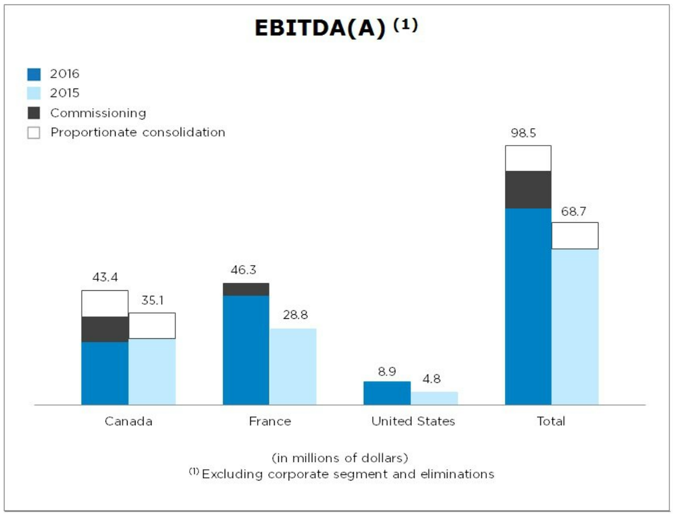
Thermal power segment revenues were down 6.3% in the first quarter of 2016, owing in large part to lower selling prices at the Blendecques power station in France. The segment accounted for 8.2% of consolidated revenues in this period in 2016, compared with 11.8% in 2015. Thermal power segment EBITDA(A) was down 8.2%. Therefore, the segment's share of quarterly consolidated EBITDA(A) (before the corporate segment and eliminations) stood at 4.2% for the first quarter of 2016, compared with 6.6% in the prior year. EBITDA(A) margin declined to 41.3% in 2016 from 42.1% in 2015.

Solar

In the first quarter of fiscal 2016, Boralex's solar power segment generated EBITDA(A) of $0.8 million on revenues of $1.0 million, compared with EBITDA(A) of $0.4 million on revenues of $0.5 million for the same period in 2015. These increases resulted primarily from the commissioning of the Les Cigalettes solar power station in October 2015. EBITDA(A) margin stood at 82.5% in the first quarter of 2016 compared with 83.3% in 2015. The solar power segment, which for the time being accounts for only a marginal share of Boralex's energy portfolio, generated 0.8% of consolidated revenues and EBITDA(A) (before the corporate segment and eliminations) for the period.

Geographic breakdown





Geographically, Boralex's revenues from energy sales for the three-month period ended March 31, 2016, were broken down as follows:

- 43.0% in Canada compared with 46.4% for the same period of 2015;
- 47.7% in France, compared with 46.2% for the same period of 2015; and
- 9.3% in the United States compared with 7.4% for the same period of 2015.

Note that the relative weights of the Canadian and European operations are now nearly balanced, which further strengthens the advantages garnered by the geographic diversification of Boralex's asset base with regard to weather conditions and growth opportunities.

Non-IFRS Measures

In order to assess the performance of its assets and reporting segments, Boralex uses EBITDA(A), cash flows from operations, the ratio of net debt, discretionary cash flows and the payout ratio as performance measures under IFRS and proportionate consolidation. Management believes that these measures are widely accepted financial indicators used by investors to assess the operational performance of a company and its ability to generate cash through operations.

These non-IFRS measures are derived primarily from the unaudited interim consolidated financial statements, but do not have a standardized meaning under IFRS; accordingly, they may not be comparable to similarly named measures used by other companies.

This section also shows these measures under proportionate consolidation, where the results of the Joint Ventures are proportionately consolidated instead of being accounted for using the equity method as required by IFRS. Since the information that Boralex uses to perform internal analyses and make strategic and operating decisions is prepared on a proportionate consolidation basis, management has considered it relevant to include these amounts to help investors understand the concrete impacts of decisions made by the Corporation. Tables reconciling IFRS data with data presented on a proportionate consolidation basis are included in the *Reconciliations between IFRS and Proportionate Consolidation* section.

EBITDA(A)

EBITDA(A) represents earnings before interest, taxes, depreciation and amortization, adjusted to include other items. EBITDA(A) does not have a standardized meaning under IFRS; accordingly, it may not be comparable to similarly named measures used by other companies. Investors should not view EBITDA(A) as an alternative measure to, for example, net earnings, or as a measure of operating results, which are IFRS measures.

EBITDA and EBITDA(A) are reconciled to the most comparable IFRS measure, namely, net earnings, in the following table:

IFRS

(in thousands of dollars) (unaudited)	Three-month periods ended March 31 2016	2015
Net earnings	22,502	6,746
Income tax expense	9,336	1,458
Financing costs	18,285	17,526
Amortization	29,452	20,719
EBITDA	79,575	46,449
Adjustments:		
Net loss on financial instruments	1,349	4,376
Foreign exchange loss (gain)	(420)	1,006
Other gains	(505)	(77)
EBITDA(A)	79,999	51,754

Proportionate Consolidation

(in thousands of dollars) (unaudited)	Three-month periods ended March 31 2016	2015
Net earnings	22,502	6,746
Income tax expense	9,336	1,458
Financing costs	23,605	22,959
Amortization	34,986	26,251
EBITDA	90,429	57,414
Adjustments:		
Net loss on financial instruments	1,349	4,376
Foreign exchange loss (gain)	(423)	1,005
Other gains	(906)	(480)
EBITDA(A)	90,449	62,315

Reconciliation between IFRS and Proportionate Consolidation

(in thousands of dollars) (unaudited)	Three-month periods ended March 31 2016	2015
EBITDA(A) (IFRS)	79,999	51,754
Less: Share in earnings of Joint Ventures Phases I and II	4,093	5,862
Plus: EBITDA(A) of Joint Ventures Phases I and II	14,543	16,423
EBITDA(A) (Proportionate Consolidation)	90,449	62,315

Cash Flows from Operations

Cash flows from operations under IFRS and proportionate consolidation are equal to net cash flows related to operating activities before change in non-cash items. Management uses this measure to assess cash flows generated by the Corporation's operations and its capacity to finance its expansion through those funds. In light of the seasonal nature of the Corporation's operations and development activities, changes in non-cash items can vary considerably. In addition, development activities result in significant changes in *Trade and other payables* during the construction period, as well as an initial injection of working capital at project start-up. Accordingly, the Corporation considers it more representative not to integrate changes in non-cash items in this performance measure.

Investors should not consider cash flows from operations as an alternative measure to cash flows related to operating activities, which is an IFRS measure.

Cash flows from operations are reconciled to the most comparable IFRS measure, namely net cash flows related to operating activities, in the following table:

IFRS

(in thousands of dollars) (unaudited)	Three-month periods ended March 31 2016	2015
Net cash flows related to operating activities*	75,677	49,067
Change in non-cash items related to operating activities	16,098	8,866
CASH FLOWS FROM OPERATIONS	59,579	40,201

Proportionate Consolidation

(in thousands of dollars) (unaudited)	Three-month periods ended March 31 2016	2015
Net cash flows related to operating activities	81,511	46,880
Change in non-cash items related to operating activities	11,588	4,127
CASH FLOWS FROM OPERATIONS	69,923	42,753

Tables reconciling IFRS data with data presented on a proportionate consolidation basis are included in the *Reconciliations between IFRS and Proportionate Consolidation* section.

Net Debt Ratio

The Corporation defines net debt as follows:

	IFRS		Proportionate Consolidation	
(in thousands of dollars) (unaudited)	As at March 31, 2016	As at December 31, 2015	As at March 31, 2016	As at December 31, 2015
Non-current debt	1,294,710	1,275,857	1,578,255	1,559,439
Current portion of debt	107,612	145,200	121,926	159,477
Borrowing costs, net of accumulated amortization	23,635	23,546	39,100	39,398
Less:				
Cash and cash equivalents	139,460	99,641	153,606	108,491
Restricted cash	3,771	3,345	3,933	3,507
Net debt	1,282,726	1,341,617	1,581,742	1,646,316

The Corporation defines total market capitalization as follows:

(in thousands of dollars, except for the number of outstanding shares and share market price) (unaudited)	IFRS As at March 31, 2016	 As at December 31, 2015	Proportionate Consolidation As at March 31, 2016	 As at December 31, 2015
Number of outstanding shares (in thousands)	65,139	64,829	65,139	64,829
Share market price (in $ per share)	16.10	14.46	16.10	14.46
Market value of equity attributable to shareholders	1,048,734	937,429	1,048,734	937,429
Non-controlling shareholders	7,549	8,038	7,549	8,038
Net debt	1,282,726	1,341,617	1,581,742	1,646,316
Convertible debentures (nominal value)	143,750	143,750	143,750	143,750
Total market capitalization	2,482,759	2,430,834	2,781,775	2,735,533

The Corporation computes the net debt to market capitalization ratio as follows:

(in thousands of dollars) (unaudited)	IFRS As at March 31, 2016	 As at December 31, 2015	Proportionate Consolidation As at March 31, 2016	 As at December 31, 2015
Net debt	1,282,726	1,341,617	1,581,742	1,646,316
Total market capitalization	2,482,759	2,430,834	2,781,775	2,735,533
NET DEBT RATIO (market capitalization)	51.7%	55.2%	56.9%	60.2%

Discretionary Cash Flows and Payout Ratio

Discretionary Cash Flows

When evaluating its operating results, discretionary cash flows is a key performance indicator for the Corporation.

Discretionary cash flows represents the cash generated from the operations that management believes is representative of the amount that is available for future development or to be paid as dividends to common shareholders while preserving the long-term value of the business.

Payout Ratio

The payout ratio represents the dividends paid to shareholders of Boralex divided by discretionary cash flows. Boralex believes it is a measure of its ability to sustain current dividends as well as its ability to fund its future development.

For the three-month period ended March 31, 2016, the dividends paid to shareholders by the Corporation corresponded to 50.7% of discretionary cash flows.

In the medium term, Boralex expects to pay common share dividends on an annual basis representing a ratio of 40% to 60% of its discretionary cash flows.

The Corporation computes the discretionary cash flows and payout ratio as follows:*

(in thousands of dollars, except per share amount)	Last twelve months As at March 31, 2016	 As at December 31, 2015
Net cash flows related to operating activities	158,936	132,254
Distributions paid to non-controlling shareholders	(9,343)	(8,363)
Additions to property, plant and equipment (maintenance)	(6,757)	(6,638)
Repayments on current and non-current debt (projects)	(95,688)	(79,485)
Development costs (from statement of earnings)	10,748	10,277
Discretionary cash flows	**57,896**	**48,045**
Discretionary cash flows per share	$1.03	$0.92
Dividends paid to shareholders of Boralex	29,365	27,129
Payout ratio	**50.7%**	**56.5%**

*Under proportionate consolidation

Financial Instruments

Foreign Exchange Risk

The Corporation generates foreign currency liquidity through the operation of its power stations in France and the United States. First, the Corporation reduces its risk exposure naturally, as revenues, expenses and financing are in the local currency. Accordingly, foreign exchange risk arises from the residual liquidity that can be distributed to the parent company.

In France, given the above, the large BEV acquisition made in December 2014 and that Boralex now pays a dividend in Canadian dollars, the Corporation entered into forward sales to hedge the exchange rate on a portion of the distributions it expects to repatriate from Europe up to 2025. Similar purchases will be made when large transactions are entered into outside Canada.

Management considers that the cash flows generated in the United States do not represent a significant risk at present. A hedging strategy could be developed in due course.

In connection with Canadian project development, certain future expenditures may be in foreign currencies. For example, equipment purchases in Canada are partly denominated in euros or U.S. dollars. Where applicable, the Corporation's objective is to protect its anticipated return on its investment by entering into hedging instruments to eliminate volatility in expected expenditures and, in turn, stabilize significant costs such as turbines.

Price Risk

In the Northeastern United States, a portion of the Corporation's power production is sold at market prices or under short-term contracts and is accordingly subject to fluctuations in energy prices. Energy prices vary according to supply, demand and certain external factors, including weather conditions, and the price from other sources of power. As a result, prices may fall too low for the power stations to yield an operating profit.

As at March 31, 2016, the power stations in France and Canada, as well as those in Hudson Falls and South Glens Falls in the United States, have long-term energy sales contracts, the vast majority of which are subject to partial or full indexation clauses tied to inflation. Consequently, only 23 MW or 2% of Boralex's installed capacity is exposed to price risk.

Interest Rate Risk

Under IFRS, as at March 31, 2016, approximately 43% of non-current debt issued bears interest at variable rates, excluding the revolving credit facility. A sharp increase in interest rates in the future could affect the liquid assets available for the Corporation's development projects. However, since the Corporation uses interest rate swaps and interest rate forward contracts, its actual exposure to interest rate fluctuations is reduced to only 8% of total debt under IFRS and proportionate consolidation.

IFRS

As at March 31,
2016

		Current notional		Fair value	
	Currency	(currency of origin)	(CAD)	(currency of origin)	(CAD)
Financial swaps - interest rates	EUR	276,661	408,823	(20,742)	(30,651)
Financial swaps - interest rates	CAD	212,531	212,531	(59,895)	(59,895)
Foreign exchange forward contracts	EUR	91,000	134,471	(2,525)	(2,525)
			755,825		(93,071)

Proportionate Consolidation

As at March 31,
2016

		Current notional		Fair value	
	Currency	(currency of origin)	(CAD)	(currency of origin)	(CAD)
Financial swaps - interest rates	EUR	276,661	408,823	(20,742)	(30,651)
Financial swaps - interest rates	CAD	443,170	443,170	(89,158)	(89,158)
Foreign exchange forward contracts	EUR	91,000	134,471	(2,525)	(2,525)
			986,464		(122,334)

The Corporation does not plan to sell these instruments, since they were entered into to reduce the Corporation's risk related to interest rate and exchange rate fluctuations, and to protect, to all extent possible, the anticipated return on those projects. As a result, the fact that fair value is unfavourable only indicates that forward interest rates or exchange rates have fallen and has no bearing on the effectiveness of the instrument as part of the Corporation's risk management strategy.

Commitments

During the three-month period ended March 31, 2016, the Corporation entered into the following significant new commitments:

Canada - Port Ryerse Wind Power Project

In 2016, the Corporation entered into a wind turbine purchase contract and a 10-year maintenance contract expiring in 2026 for the **Port Ryerse** wind power project. The maintenance contract includes a cancellation option at the Corporation's discretion after five years. The Corporation's net commitment under the purchase and maintenance contracts, including the first five years of the maintenance contract, amounted to $21.4 million and $1.4 million, respectively, as at March 31, 2016.

France - Touvent Wind Power Project

In 2016, the Corporation entered into a 15-year wind turbine maintenance contract expiring in 2031 for the **Touvent** wind power project. The Corporation's net commitment under this contract amounted to €4.6 million ($6.8 million) as at March 31, 2016.

Subsequent Events

Refinancing - Revolving Credit Facility

On April 28, 2016, the Corporation announced the closing of the refinancing and the increasing of its revolving credit facility for a total authorized amount of $360 million. The new financing facility, comprising a $300 million revolving credit facility and a $60 million letter of credit facility guaranteed by Export Development Canada, replaces the $175 million revolving credit facility maturing in June 2018. The revolving credit facility, maturing in 2020, is renewable annually and is secured by Boralex Inc.'s assets, its hydroelectric power stations located in Québec and its investments in its operations in the United States. For drawdowns in U.S. dollars, the interest rate formula is based on the LIBOR or the U.S. prime rate plus a margin, while the interest rate for drawdowns in Canadian dollars is based on Canadian bankers' acceptance rates or the Canadian prime rate, plus their respective margins.

Refinancing - Joint Venture Phase I

On May 4, 2016, the Corporation and its partner in Joint Venture Phase I, a subsidiary of Gaz Métro L.P. and Valener Inc., announced the closing of the $617.5 million refinancing facility secured by the assets of Joint Venture Phase I and without recourse against the partners. This new financing facility comprises an unsecured $383.4 million tranche of a term loan maturing in 2032, a $192.7 million tranche of a term loan guaranteed by the Federal Republic of Germany via its export credit agency Euler-Hermes and maturing in 2029, and a $41.4 million letter of credit facility. The non-current debt has a variable interest rate based on the CDOR, plus a margin and is repayable in semi-annual payments. For the Joint Venture, this refinancing represents a $132.3 million increase and a one-year extension for its unsecured tranche, as well as a decrease in the secured tranche by $44.5 million and in its term by two years. The refinancing will allow the Joint Venture partners to receive a special distribution of $80 million which will be paid in the days following the closing of the transaction, in the second quarter of 2016, with Boralex's share amounting to $40 million.

Risk Factors and Uncertainties

Risk Factors

Boralex has not observed any significant changes regarding the risks to which it is subject, and which are discussed under *Risk Factors and Uncertainties* in Boralex's annual MD&A for the year ended December 31, 2015.

Main Sources of Uncertainty Relating to Management's Estimates and Key Judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates and judgments that can materially affect the revenues, expenses, comprehensive income (loss), assets and liabilities, and the information reported in the consolidated financial statements. Management determines its estimates based on a number of factors, namely its experience, current events and measures the Corporation could subsequently take, as well as other assumptions it deems reasonable given the circumstances. By their nature, these estimates are subject to measurement uncertainty and actual results may differ from them. Underlying estimates and assumptions are periodically reviewed and the impact of any changes is recognized immediately.

Items in question are presented under *Risk Factors and Uncertainties* in Boralex's annual MD&A for the year ended December 31, 2015.

Accounting Policies

IAS 1, Presentation of Financial Statements

In December 2014, the IASB issued amendments to IAS 1, *Presentation of Financial Statements*, as part of its initiative to improve presentation and disclosure requirements for financial reporting. The amendments to IAS 1 provide further guidance on the current presentation and disclosure requirements for materiality, notes structure, subtotals, accounting policies and disaggregation. The amendments also provide additional guidance on the exercise of professional judgment when determining what information to disclose in the preparation of notes to the financial statements. These amendments apply to fiscal years beginning on or after January 1, 2016, date at which the Corporation adopted this new standard, and this change had no material impact on the Corporation's consolidated financial statements.

Internal Controls and Procedures

In accordance with Regulation 52-109 respecting certification of disclosure in issuers' annual and interim filings, disclosure controls and procedures have been designed to provide reasonable assurance that the information that must be presented in Boralex's interim and annual reports is accumulated and communicated to management on a timely basis, including the Chief Executive Officer and the Chief Financial Officer, so that appropriate decisions can be made regarding disclosure. Internal control over financial reporting has also been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS.

The Chief Executive Officer and the Chief Financial Officer have evaluated the effectiveness of Boralex's disclosure controls and procedures as of December 31, 2015, as well as the effectiveness of Boralex's internal control over financial reporting as of the same date, and have concluded that they are effective.

During the three-month period ended March 31, 2016, no changes were made to internal control over financial reporting or disclosure controls and procedures that have materially affected, or are reasonably likely to materially affect, internal controls and procedures.

Consolidated Statements of Financial Position [(1)]

(in thousands of dollars) (unaudited)	As at March 31, 2016	As at December 31, 2015
ASSETS		
Cash and cash equivalents	153,606	108,491
Restricted cash	3,933	3,507
Trade and other receivables	77,900	90,489
Inventories	6,495	6,902
Other current financial assets	474	541
Prepaid expenses	8,292	4,822
CURRENT ASSETS	250,700	214,752
Property, plant and equipment	1,933,818	1,963,455
Intangible assets	411,077	423,622
Goodwill	125,584	127,007
Deferred income tax asset	24,211	21,190
Other non-current financial assets	492	239
Other non-current assets	46,401	48,927
NON-CURRENT ASSETS	2,541,583	2,584,440
TOTAL ASSETS	2,792,283	2,799,192
LIABILITIES		
Trade and other payables	97,380	98,574
Current portion of debt	121,926	159,477
Current income tax liability	2,541	1,536
Other current financial liabilities	51,610	41,356
CURRENT LIABILITIES	273,457	300,943
Non-current debt	1,578,255	1,559,439
Convertible debentures	133,578	133,070
Deferred income tax liability	88,458	87,353
Decommissioning liability	32,952	33,077
Other non-current financial liabilities	71,690	59,803
Other non-current liabilities	71,408	73,327
NON-CURRENT LIABILITIES	1,976,341	1,946,069
TOTAL LIABILITIES	2,249,798	2,247,012
EQUITY		
Equity attributable to shareholders	534,936	544,142
Non-controlling shareholders	7,549	8,038
TOTAL EQUITY	542,485	552,180
TOTAL LIABILITIES AND EQUITY	2,792,283	2,799,192

[(1)] These financial statements have not been reviewed by the independent auditor.

Consolidated Statements of Earnings [1]

(in thousands of dollars, except per share amounts) (unaudited)	Three-month periods ended March 31 2016	2015
REVENUES		
Revenues from energy sales	122,386	91,174
Other income	292	323
	122,678	91,497
COSTS AND OTHER EXPENSES		
Operating	25,203	22,310
Administrative	4,746	4,536
Development	2,221	2,238
Amortization	34,986	26,251
Other gains	(906)	(480)
	66,250	54,855
OPERATING INCOME	56,428	36,642
Financing costs	23,605	22,959
Foreign exchange loss (gain)	(423)	1,005
Net loss on financial instruments	1,349	4,376
Other	59	98
EARNINGS BEFORE INCOME TAXES	31,838	8,204
Income tax expense	9,336	1,458
NET EARNINGS	22,502	6,746
NET EARNINGS ATTRIBUTABLE TO:		
Shareholders of Boralex	20,555	5,299
Non-controlling shareholders	1,947	1,447
NET EARNINGS	22,502	6,746
NET EARNINGS PER SHARE (BASIC) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX	$0.32	$0.11
NET EARNINGS PER SHARE (DILUTED) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX	$0.30	$0.11

[1] These financial statements have not been reviewed by the independent auditor.

Consolidated Statements of Cash Flows [1]

(in thousands of dollars) (unaudited)	Three-month periods ended March 31 2016	2015
Net earnings	22,502	6,746
Financing costs	23,605	22,959
Interest paid	(21,881)	(18,401)
Income tax expense	9,336	1,458
Income taxes paid	(68)	(449)
Non-cash items in earnings:		
Net loss on financial instruments	1,349	4,376
Amortization	34,986	26,251
Other	94	(187)
Change in non-cash items related to operating activities	11,588	4,127
NET CASH FLOWS RELATED TO OPERATING ACTIVITIES	81,511	46,880
Business acquisitions, net of cash acquired	—	(16,128)
Additions to property, plant and equipment	(20,188)	(33,689)
Change in restricted cash	(426)	4,486
Change in reserve funds	148	(175)
Development projects	(954)	(1,248)
Other	(9)	(1,510)
NET CASH FLOWS RELATED TO INVESTING ACTIVITIES	(21,429)	(48,264)
Net increase in non-current debt	78,712	14,678
Repayments on current and non-current debt	(81,232)	(127,463)
Contribution of non-controlling shareholders	550	2,058
Distributions paid to non-controlling shareholders	(980)	—
Dividends paid to shareholders of Boralex	(8,468)	(6,232)
Share issuance proceeds, net of transaction costs	—	118,427
Exercise of options	2,391	85
Redemption of financial instruments prior to maturity	(4,424)	—
Other	—	(90)
NET CASH FLOWS RELATED TO FINANCING ACTIVITIES	(13,451)	1,463
TRANSLATION ADJUSTMENT ON CASH AND CASH EQUIVALENTS	(1,516)	670
NET CHANGE IN CASH AND CASH EQUIVALENTS	45,115	749
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	108,491	86,845
CASH AND CASH EQUIVALENTS - END OF PERIOD	153,606	87,594

[1] These financial statements have not been reviewed by the independent auditor.

Information by Operating Segment [1]

(in thousands of dollars, except MWh) (unaudited)	Three-month periods ended March 31 2016	2015
POWER PRODUCTION (MWh)		
Wind power stations	733,616	559,760
Hydroelectric power stations	170,627	113,587
Thermal power stations	64,827	59,155
Solar power stations	4,155	1,038
	973,225	733,540
REVENUES FROM ENERGY SALES		
Wind power stations	94,145	67,369
Hydroelectric power stations	17,228	12,584
Thermal power stations	10,061	10,736
Solar power stations	952	485
	122,386	91,174
EBITDA(A)		
Wind power stations	80,662	54,494
Hydroelectric power stations	12,918	9,247
Thermal power stations	4,154	4,525
Solar power stations	785	404
Corporate and eliminations	(8,070)	(6,355)
	90,449	62,315

[1] These financial statements have not been reviewed by the independent auditor.

Information by Geographic Segment [1]

(in thousands of dollars, except MWh) (unaudited)	Three-month periods ended March 31 2016	2015
POWER PRODUCTION (MWh)		
Canada	434,469	357,456
France	415,781	307,162
United States	122,975	68,922
	973,225	733,540
REVENUES FROM ENERGY SALES		
Canada	52,635	42,329
France	58,351	42,101
United States	11,400	6,744
	122,386	91,174
EBITDA(A)		
Canada	39,510	30,445
France	42,198	27,171
United States	8,741	4,699
	90,449	62,315

[1] These financial statements have not been reviewed by the independent auditor.

Consolidated Statements of Financial Position

(in thousands of dollars) (unaudited)	As at March 31, 2016 IFRS	 Adjustments Joint Ventures	 Proportionate Consolidation
ASSETS			
Cash and cash equivalents	139,460	14,146	153,606
Restricted cash	3,771	162	3,933
Trade and other receivables	71,500	6,400	77,900
Inventories	6,477	18	6,495
Other current financial assets	474	—	474
Prepaid expenses	7,332	960	8,292
CURRENT ASSETS	229,014	21,686	250,700
Property, plant and equipment	1,532,270	401,548	1,933,818
Intangible assets	411,077	—	411,077
Goodwill	125,584	—	125,584
Interests in the Joint Ventures	65,103	(65,103)	—
Deferred income tax asset	24,211	—	24,211
Other non-current financial assets	492	—	492
Other non-current assets	43,895	2,506	46,401
NON-CURRENT ASSETS	2,202,632	338,951	2,541,583
TOTAL ASSETS	2,431,646	360,637	2,792,283
LIABILITIES			
Trade and other payables	93,351	4,029	97,380
Current portion of debt	107,612	14,314	121,926
Current income tax liability	2,541	—	2,541
Other current financial liabilities	51,610	—	51,610
CURRENT LIABILITIES	255,114	18,343	273,457
Non-current debt	1,294,710	283,545	1,578,255
Convertible debentures	133,578	—	133,578
Deferred income tax liability	88,458	—	88,458
Decommissioning liability	31,669	1,283	32,952
Other non-current financial liabilities	42,427	29,263	71,690
Other non-current liabilities	42,688	28,720	71,408
NON-CURRENT LIABILITIES	1,633,530	342,811	1,976,341
TOTAL LIABILITIES	1,888,644	361,154	2,249,798
EQUITY			
Equity attributable to shareholders	535,453	(517)	534,936
Non-controlling shareholders	7,549	—	7,549
TOTAL EQUITY	543,002	(517)	542,485
TOTAL LIABILITIES AND EQUITY	2,431,646	360,637	2,792,283

Consolidated Statements of Financial Position

(in thousands of dollars) (unaudited)	As at December 31, 2015 IFRS	Adjustments Joint Ventures	Proportionate Consolidation
ASSETS			
Cash and cash equivalents	99,641	8,850	108,491
Restricted cash	3,345	162	3,507
Trade and other receivables	85,350	5,139	90,489
Inventories	6,887	15	6,902
Other current financial assets	541	—	541
Prepaid expenses	4,794	28	4,822
CURRENT ASSETS	200,558	14,194	214,752
Property, plant and equipment	1,556,374	407,081	1,963,455
Intangible assets	423,622	—	423,622
Goodwill	127,007	—	127,007
Interests in the Joint Ventures	66,506	(66,506)	—
Deferred income tax asset	21,190	—	21,190
Other non-current financial assets	239	—	239
Other non-current assets	46,431	2,496	48,927
NON-CURRENT ASSETS	2,241,369	343,071	2,584,440
TOTAL ASSETS	2,441,927	357,265	2,799,192
LIABILITIES			
Trade and other payables	92,125	6,449	98,574
Current portion of debt	145,200	14,277	159,477
Current income tax liability	1,536	—	1,536
Other current financial liabilities	41,356	—	41,356
CURRENT LIABILITIES	280,217	20,726	300,943
Non-current debt	1,275,857	283,582	1,559,439
Convertible debentures	133,070	—	133,070
Deferred income tax liability	87,353	—	87,353
Decommissioning liability	31,812	1,265	33,077
Other non-current financial liabilities	36,716	23,087	59,803
Other non-current liabilities	44,205	29,122	73,327
NON-CURRENT LIABILITIES	1,609,013	337,056	1,946,069
TOTAL LIABILITIES	1,889,230	357,782	2,247,012
EQUITY			
Equity attributable to shareholders	544,659	(517)	544,142
Non-controlling shareholders	8,038	—	8,038
TOTAL EQUITY	552,697	(517)	552,180
TOTAL LIABILITIES AND EQUITY	2,441,927	357,265	2,799,192

Consolidated Statements of Earnings

	Three-month period ended March 31		
	2016		
(in thousands of dollars, except per share amounts) (unaudited)	IFRS	Adjustments Joint Ventures	Proportionate Consolidation
REVENUES			
Revenues from energy sales	105,977	16,409	122,386
Other income	445	(153)	292
	106,422	16,256	122,678
COSTS AND OTHER EXPENSES			
Operating	23,503	1,700	25,203
Administrative	4,733	13	4,746
Development	2,221	—	2,221
Amortization	29,452	5,534	34,986
Other gains	(505)	(401)	(906)
	59,404	6,846	66,250
OPERATING INCOME	47,018	9,410	56,428
Financing costs	18,285	5,320	23,605
Foreign exchange gain	(420)	(3)	(423)
Net loss on financial instruments	1,349	—	1,349
Share in earnings of the Joint Ventures	4,082	(4,082)	—
Other	48	11	59
EARNINGS BEFORE INCOME TAXES	31,838	—	31,838
Income tax expense	9,336	—	9,336
NET EARNINGS	22,502	—	22,502
NET EARNINGS ATTRIBUTABLE TO:			
Shareholders of Boralex	20,555	—	20,555
Non-controlling shareholders	1,947	—	1,947
NET EARNINGS	22,502	—	22,502
NET EARNINGS PER SHARE (BASIC) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX	$0.32	—	$0.32
NET EARNINGS PER SHARE (DILUTED) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX	$0.30	—	$0.30

Consolidated Statements of Earnings

	Three-month period ended March 31		
	2015		
(in thousands of dollars, except per share amounts) (unaudited)	IFRS	Adjustments Joint Ventures	Proportionate Consolidation
REVENUES			
Revenues from energy sales	72,517	18,657	91,174
Other income	477	(154)	323
	72,994	18,503	91,497
COSTS AND OTHER EXPENSES			
Operating	20,256	2,054	22,310
Administrative	4,511	25	4,536
Development	2,238	—	2,238
Amortization	20,719	5,532	26,251
Other gains	(77)	(403)	(480)
	47,647	7,208	54,855
OPERATING INCOME	25,347	11,295	36,642
Financing costs	17,526	5,433	22,959
Foreign exchange loss	1,006	(1)	1,005
Net loss on financial instruments	4,376	—	4,376
Share in earnings of the Joint Ventures	5,862	(5,862)	—
Other	97	1	98
EARNINGS BEFORE INCOME TAXES	8,204	—	8,204
Income tax expense	1,458	—	1,458
NET EARNINGS	6,746	—	6,746
NET EARNINGS ATTRIBUTABLE TO:			
Shareholders of Boralex	5,299	—	5,299
Non-controlling shareholders	1,447	—	1,447
NET EARNINGS	6,746	—	6,746
NET EARNINGS PER SHARE (BASIC AND DILUTED) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX	$0.11	—	$0.11

Consolidated Statements of Cash Flows

	Three-month period ended March 31		
	2016		
(in thousands of dollars) (unaudited)	IFRS	Adjustments Joint Ventures	Proportionate Consolidation
Net earnings	22,502	—	22,502
Financing costs	18,285	5,320	23,605
Interest paid	(17,670)	(4,211)	(21,881)
Income tax expense	9,336	—	9,336
Income taxes paid	(68)	—	(68)
Non-cash items in earnings:			
Net loss on financial instruments	1,349	—	1,349
Share in results of the Joint Ventures	(4,082)	4,082	—
Amortization	29,452	5,534	34,986
Other	475	(381)	94
Change in non-cash items related to operating activities	16,098	(4,510)	11,588
NET CASH FLOWS RELATED TO OPERATING ACTIVITIES	75,677	5,834	81,511
Additions to property, plant and equipment	(20,089)	(99)	(20,188)
Change in restricted cash	(426)	—	(426)
Change in reserve funds	148	—	148
Development projects	(954)	—	(954)
Other	(9)	—	(9)
NET CASH FLOWS RELATED TO INVESTING ACTIVITIES	(21,330)	(99)	(21,429)
Net increase in non-current debt	78,764	(52)	78,712
Repayments on current and non-current debt	(80,845)	(387)	(81,232)
Contribution of non-controlling shareholders	550	—	550
Distributions paid to non-controlling shareholders	(980)	—	(980)
Dividends paid to shareholders of Boralex	(8,468)	—	(8,468)
Exercise of options	2,391	—	2,391
Redemption of financial instruments prior to maturity	(4,424)	—	(4,424)
NET CASH FLOWS RELATED TO FINANCING ACTIVITIES	(13,012)	(439)	(13,451)
TRANSLATION ADJUSTMENT ON CASH AND CASH EQUIVALENTS	(1,516)	—	(1,516)
NET CHANGE IN CASH AND CASH EQUIVALENTS	39,819	5,296	45,115
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	99,641	8,850	108,491
CASH AND CASH EQUIVALENTS - END OF PERIOD	139,460	14,146	153,606

Consolidated Statements of Cash Flows

	Three-month period ended March 31		
	2015		
(in thousands of dollars) (unaudited)	IFRS	Adjustments Joint Ventures	Proportionate Consolidation
Net earnings	6,746	—	6,746
Distributions received from Joint Ventures	9,550	(9,550)	—
Financing costs	17,526	5,433	22,959
Interest paid	(14,057)	(4,344)	(18,401)
Income tax expense	1,458	—	1,458
Income taxes paid	(449)	—	(449)
Non-cash items in earnings:			
Net loss on financial instruments	4,376	—	4,376
Share in results of the Joint Ventures	(5,862)	5,862	—
Amortization	20,719	5,532	26,251
Other	194	(381)	(187)
Change in non-cash items related to operating activities	8,866	(4,739)	4,127
NET CASH FLOWS RELATED TO OPERATING ACTIVITIES	49,067	(2,187)	46,880
Business acquisitions, net of cash acquired	(16,128)	—	(16,128)
Additions to property, plant and equipment	(31,328)	(2,361)	(33,689)
Change in restricted cash	2,862	1,624	4,486
Change in reserve funds	(175)	—	(175)
Development projects	(1,248)	—	(1,248)
Other	(1,510)	—	(1,510)
NET CASH FLOWS RELATED TO INVESTING ACTIVITIES	(47,527)	(737)	(48,264)
Net increase in non-current debt	14,678	—	14,678
Repayments on current and non-current debt	(127,095)	(368)	(127,463)
Contribution of non-controlling shareholders	2,058	—	2,058
Dividends paid to shareholders of Boralex	(6,232)	—	(6,232)
Share issuance proceeds, net of transaction costs	118,427	—	118,427
Exercise of options	85	—	85
Other	(90)	—	(90)
NET CASH FLOWS RELATED TO FINANCING ACTIVITIES	1,831	(368)	1,463
TRANSLATION ADJUSTMENT ON CASH AND CASH EQUIVALENTS	670	—	670
NET CHANGE IN CASH AND CASH EQUIVALENTS	4,041	(3,292)	749
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	75,394	11,451	86,845
CASH AND CASH EQUIVALENTS - END OF PERIOD	79,435	8,159	87,594

Information by Operating Segment

(in thousands of dollars, except MWh) (unaudited)	Three-month period ended March 31 2016 IFRS	Adjustments Joint Ventures	Proportionate Consolidation
POWER PRODUCTION (MWh)			
Wind power stations	581,451	152,165	733,616
Hydroelectric power stations	170,627	—	170,627
Thermal power stations	64,827	—	64,827
Solar power stations	4,155	—	4,155
	821,060	152,165	973,225
REVENUES FROM ENERGY SALES			
Wind power stations	77,736	16,409	94,145
Hydroelectric power stations	17,228	—	17,228
Thermal power stations	10,061	—	10,061
Solar power stations	952	—	952
	105,977	16,409	122,386
EBITDA(A)			
Wind power stations	70,862	9,800	80,662
Hydroelectric power stations	12,918	—	12,918
Thermal power stations	4,154	—	4,154
Solar power stations	785	—	785
	88,719	9,800	98,519
Corporate and eliminations	(8,720)	650	(8,070)
	79,999	10,450	90,449

(in thousands of dollars, except MWh) (unaudited)	Three-month period ended March 31 2015 IFRS	Adjustments Joint Ventures	Proportionate Consolidation
POWER PRODUCTION (MWh)			
Wind power stations	385,895	173,865	559,760
Hydroelectric power stations	113,587	—	113,587
Thermal power stations	59,155	—	59,155
Solar power stations	1,038	—	1,038
	559,675	173,865	733,540
REVENUES FROM ENERGY SALES			
Wind power stations	48,712	18,657	67,369
Hydroelectric power stations	12,584	—	12,584
Thermal power stations	10,736	—	10,736
Solar power stations	485	—	485
	72,517	18,657	91,174
EBITDA(A)			
Wind power stations	44,586	9,908	54,494
Hydroelectric power stations	9,247	—	9,247
Thermal power stations	4,525	—	4,525
Solar power stations	404	—	404
	58,762	9,908	68,670
Corporate and eliminations	(7,008)	653	(6,355)
	51,754	10,561	62,315

Information by Geographic Segment

(in thousands of dollars, except MWh) (unaudited)	Three-month period ended March 31 2016 IFRS	Adjustments Joint Ventures	Proportionate Consolidation
POWER PRODUCTION (MWh)			
Canada	282,304	152,165	434,469
France	415,781	—	415,781
United States	122,975	—	122,975
	821,060	152,165	973,225
REVENUES FROM ENERGY SALES			
Canada	36,226	16,409	52,635
France	58,351	—	58,351
United States	11,400	—	11,400
	105,977	16,409	122,386
EBITDA(A)			
Canada	29,060	10,450	39,510
France	42,198	—	42,198
United States	8,741	—	8,741
	79,999	10,450	90,449

(in thousands of dollars, except MWh) (unaudited)	Three-month period ended March 31 2015 IFRS	Adjustments Joint Ventures	Proportionate Consolidation
POWER PRODUCTION (MWh)			
Canada	183,591	173,865	357,456
France	307,162	—	307,162
United States	68,922	—	68,922
	559,675	173,865	733,540
REVENUES FROM ENERGY SALES			
Canada	23,672	18,657	42,329
France	42,101	—	42,101
United States	6,744	—	6,744
	72,517	18,657	91,174
EBITDA(A)			
Canada	19,884	10,561	30,445
France	27,171	—	27,171
United States	4,699	—	4,699
	51,754	10,561	62,315

Consolidated Financial Statements

Unaudited Interim

Table of Contents

Consolidated Statements of Financial Position

(in thousands of Canadian dollars) (unaudited)	Note	As at March 31, 2016	As at December 31, 2015
ASSETS			
Cash and cash equivalents		139,460	99,641
Restricted cash		3,771	3,345
Trade and other receivables		71,500	85,350
Inventories		6,477	6,887
Other current financial assets	7	474	541
Prepaid expenses		7,332	4,794
CURRENT ASSETS		229,014	200,558
Property, plant and equipment		1,532,270	1,556,374
Intangible assets		411,077	423,622
Goodwill		125,584	127,007
Interests in the Joint Ventures	4	65,103	66,506
Deferred income tax asset		24,211	21,190
Other non-current financial assets	7	492	239
Other non-current assets		43,895	46,431
NON-CURRENT ASSETS		2,202,632	2,241,369
TOTAL ASSETS		2,431,646	2,441,927
LIABILITIES			
Trade and other payables		93,351	92,125
Current portion of debt	5	107,612	145,200
Current income tax liability		2,541	1,536
Other current financial liabilities	7	51,610	41,356
CURRENT LIABILITIES		255,114	280,217
Non-current debt	5	1,294,710	1,275,857
Convertible debentures		133,578	133,070
Deferred income tax liability		88,458	87,353
Decommissioning liability		31,669	31,812
Other non-current financial liabilities	7	42,427	36,716
Other non-current liabilities		42,688	44,205
NON-CURRENT LIABILITIES		1,633,530	1,609,013
TOTAL LIABILITIES		1,888,644	1,889,230
EQUITY			
Equity attributable to shareholders		535,453	544,659
Non-controlling shareholders		7,549	8,038
TOTAL EQUITY		543,002	552,697
TOTAL LIABILITIES AND EQUITY		2,431,646	2,441,927

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Earnings

(in thousands of Canadian dollars, except per share amounts) (unaudited)	Note	Three-month periods ended March 31 2016	2015
REVENUES			
Revenues from energy sales		105,977	72,517
Other income		445	477
		106,422	72,994
COSTS AND OTHER EXPENSES			
Operating		23,503	20,256
Administrative		4,733	4,511
Development		2,221	2,238
Amortization		29,452	20,719
Other gains		(505)	(77)
		59,404	47,647
OPERATING INCOME		47,018	25,347
Financing costs		18,285	17,526
Foreign exchange loss (gain)		(420)	1,006
Net loss on financial instruments		1,349	4,376
Share in earnings of the Joint Ventures	4	4,082	5,862
Other		48	97
EARNINGS BEFORE INCOME TAXES		31,838	8,204
Income tax expense		9,336	1,458
NET EARNINGS		22,502	6,746
NET EARNINGS ATTRIBUTABLE TO:			
Shareholders of Boralex		20,555	5,299
Non-controlling shareholders		1,947	1,447
NET EARNINGS		22,502	6,746
NET EARNINGS PER SHARE (BASIC) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX	6	$0.32	$0.11
NET EARNINGS PER SHARE (DILUTED) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX	6	$0.30	$0.11

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Comprehensive Income (Loss)

(in thousands of Canadian dollars) (unaudited)	Three-month periods ended March 31 2016	2015
NET EARNINGS	22,502	6,746
Other comprehensive income (loss) to be subsequently reclassified to net earnings when certain conditions are met		
Translation adjustments:		
Unrealized foreign exchange loss on translation of financial statements of self-sustaining foreign operations	(10,067)	(2,596)
Hedge of net investment:		
Change in fair value	774	6,971
Income taxes	—	(926)
Cash flow hedges:		
Change in fair value	(19,045)	(5,765)
Hedging items realized and recognized in net earnings	2,000	3,023
Income taxes	5,062	845
Cash flow hedges - Joint Ventures:		
Change in fair value	(7,510)	(10,199)
Hedging items realized and recognized in net earnings	1,376	1,166
Income taxes	1,629	2,398
Total other comprehensive loss	(25,781)	(5,083)
COMPREHENSIVE INCOME (LOSS)	(3,279)	1,663
COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:		
Shareholders of Boralex	(3,220)	15
Non-controlling shareholders	(59)	1,648
COMPREHENSIVE INCOME (LOSS)	(3,279)	1,663

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Changes in Equity

Three-month period ended March 31

2016

(in thousands of Canadian dollars) (unaudited)	Equity attributable to shareholders: Capital stock	Equity component of convertible debentures	Contributed surplus	Retained earnings	Accumulated other comprehensive loss	Total	Non-controlling shareholders	Total equity
BALANCE AS AT JANUARY 1, 2016	555,680	3,940	8,606	19,376	(42,943)	544,659	8,038	552,697
Net earnings	—	—	—	20,555	—	20,555	1,947	22,502
Other comprehensive loss	—	—	—	—	(23,775)	(23,775)	(2,006)	(25,781)
COMPREHENSIVE INCOME (LOSS)	—	—	—	20,555	(23,775)	(3,220)	(59)	(3,279)
Dividends (note 6)	—	—	—	(8,468)	—	(8,468)	—	(8,468)
Exercise of options	2,391	—	—	—	—	2,391	—	2,391
Stock option expense	—	—	91	—	—	91	—	91
Net contribution of a non-controlling shareholder	—	—	—	—	—	—	550	550
Distributions paid to non-controlling shareholders	—	—	—	—	—	—	(980)	(980)
BALANCE AS AT MARCH 31, 2016	558,071	3,940	8,697	31,463	(66,718)	535,453	7,549	543,002

Three-month period ended March 31

2015

(in thousands of Canadian dollars) (unaudited)	Equity attributable to shareholders: Capital stock	Equity component of convertible debentures	Contributed surplus	Retained earnings	Accumulated other comprehensive loss	Total	Non-controlling shareholders	Total equity
BALANCE AS AT JANUARY 1, 2015	228,257	14,379	8,266	108,907	(56,618)	303,191	33,128	336,319
Net earnings	—	—	—	5,299	—	5,299	1,447	6,746
Other comprehensive income (loss)	—	—	—	—	(5,284)	(5,284)	201	(5,083)
COMPREHENSIVE INCOME (LOSS)	—	—	—	5,299	(5,284)	15	1,648	1,663
Dividends (note 6)	—	—	—	(6,232)	—	(6,232)	—	(6,232)
Shares issued	119,562	—	—	—	—	119,562	—	119,562
Conversion of convertible debentures	14	—	—	—	—	14	—	14
Exercise of options	85	—	—	—	—	85	—	85
Stock option expense	—	—	79	—	—	79	—	79
Excess of proceeds on repurchase of non-controlling shareholders	—	—	—	(51,567)	—	(51,567)	(25,296)	(76,863)
Contribution of non-controlling shareholders	—	—	—	—	—	—	2,058	2,058
BALANCE AS AT MARCH 31, 2015	347,918	14,379	8,345	56,407	(61,902)	365,147	11,538	376,685

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Cash Flows

(in thousands of Canadian dollars) (unaudited)	Note	Three-month periods ended March 31 2016	2015
Net earnings		22,502	6,746
Distributions received from Joint Ventures		—	9,550
Financing costs		18,285	17,526
Interest paid		(17,670)	(14,057)
Income tax expense		9,336	1,458
Income taxes paid		(68)	(449)
Non-cash items in earnings:			
Net loss on financial instruments		1,349	4,376
Share in results of the Joint Ventures	4	(4,082)	(5,862)
Amortization		29,452	20,719
Other		475	194
Change in non-cash items related to operating activities		16,098	8,866
NET CASH FLOWS RELATED TO OPERATING ACTIVITIES		75,677	49,067
Business acquisitions, net of cash acquired		—	(16,128)
Additions to property, plant and equipment		(20,089)	(31,328)
Change in restricted cash		(426)	2,862
Change in reserve funds		148	(175)
Development projects		(954)	(1,248)
Other		(9)	(1,510)
NET CASH FLOWS RELATED TO INVESTING ACTIVITIES		(21,330)	(47,527)
Net increase in non-current debt		78,764	14,678
Repayments on current and non-current debt		(80,845)	(127,095)
Contribution of non-controlling shareholders		550	2,058
Distributions paid to non-controlling shareholders		(980)	—
Dividends paid to shareholders of Boralex	6	(8,468)	(6,232)
Share issuance proceeds, net of transaction costs		—	118,427
Exercise of options		2,391	85
Redemption of financial instruments prior to maturity		(4,424)	—
Other		—	(90)
NET CASH FLOWS RELATED TO FINANCING ACTIVITIES		(13,012)	1,831
TRANSLATION ADJUSTMENT ON CASH AND CASH EQUIVALENTS		(1,516)	670
NET CHANGE IN CASH AND CASH EQUIVALENTS		39,819	4,041
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD		99,641	75,394
CASH AND CASH EQUIVALENTS - END OF PERIOD		139,460	79,435

The accompanying notes are an integral part of these consolidated financial statements

Notes to Consolidated Financial Statements

As at March 31, 2016

(Tabular amounts are in thousands of Canadian dollars, unless otherwise specified) (unaudited)

Note 1. Incorporation and Nature of Business

Boralex Inc., its subsidiaries and its joint ventures ("Boralex" or the "Corporation") are dedicated to the development, construction and operation of renewable energy power facilities. As at March 31, 2016, the Corporation had interests in 45 wind power stations, 15 hydroelectric power stations, two thermal power stations and three solar power facilities representing an asset base with a total installed capacity of 1,264 megawatts ("MW") of which 1,094 MW are under its control. Boralex has new production sites under development representing an additional 165 MW of power. The Corporation also operates two hydroelectric power stations on behalf of R.S.P. Énergie Inc., an entity of which two of the three shareholders, Richard and Patrick Lemaire, are directors of the Corporation. The generated power is sold mainly in Canada, France and the United States.

The Corporation is incorporated under the Canada Business Corporations Act. Boralex's head office is located at 36 Lajeunesse St., Kingsey Falls, Québec, Canada and its shares and convertible debentures are listed on the Toronto Stock Exchange ("TSX").

(The data expressed in MW and MWh contained in notes 1, 9 and 10 have not been reviewed by the auditors.)

Note 2. Basis of Presentation

These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as published by the International Accounting Standards Board ("IASB"), and set out in the *CPA Canada Handbook*, including International Accounting Standards ("IAS") and the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") applicable to the preparation of interim financial statements, IAS 34, *Interim Financial Reporting*. The accounting policies followed in these unaudited interim condensed consolidated financial statements are the same as those applied in the audited annual consolidated financial statements of the Corporation for the year ended December 31, 2015, except for income taxes for the interim periods, which were calculated using the tax rate that would be applicable to expected annual earnings for each jurisdiction. The Corporation has consistently applied the same accounting policies for all of the periods presented, except for the new standards adopted at the beginning of the year (note 3). As permitted under IAS 34, these interim financial statements do not constitute a complete set of financial statements, as the Corporation does not present all the notes included in its annual report. To avoid repetition of previously reported information, the Corporation deemed it unnecessary to include such information and, therefore, advises readers that these financial statements constitute a condensed set of financial statements under IAS 34. These unaudited interim condensed consolidated financial statements are intended to provide an update on the latest complete set of annual financial statements and should therefore be read in conjunction with the Corporation's audited annual consolidated financial statements for the year ended December 31, 2015.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Corporation's accounting policies. These areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in the audited annual consolidated financial statements of the Corporation for the year ended December 31, 2015.

The Board of Directors approved these unaudited interim condensed consolidated financial statements on May 10, 2016.

Note 3. Change in Accounting Policies

IAS 1, Presentation of Financial Statements

In December 2014, the IASB issued amendments to IAS 1, *Presentation of Financial Statements*, as part of its initiative to improve presentation and disclosure requirements for financial reporting. The amendments to IAS 1 provide further guidance on the current presentation and disclosure requirements for materiality, notes structure, subtotals, accounting policies and disaggregation. The amendments also provide additional guidance on the exercise of professional judgment when determining what information to disclose in the preparation of notes to the financial statements. These amendments apply to fiscal years beginning on or after January 1, 2016, date at which the Corporation adopted this new standard, and this change had no material impact on the Corporation's consolidated financial statements.

Note 4. Interests in the Joint Ventures

Joint Ventures Phases I and II

The Corporation entered into partnership agreements with a subsidiary of Gaz Métro L.P. and Valener Inc. and created Seigneurie de Beaupré Wind Farms 2 and 3 General Partnership ("Joint Venture Phase I") and Seigneurie de Beaupré Wind Farm 4 General Partnership ("Joint Venture Phase II") located in Canada, of which each party owns 50%. Under these agreements, all expenditures are made jointly and all earnings, costs, expenses, liabilities, obligations and risks resulting from the joint ventures are shared jointly but not severally. The Corporation's interest in these joint ventures is accounted for using the equity method. The year-end date of these joint ventures is December 31.

Joint Venture in Denmark

In July 2014, Boralex entered into a joint venture agreement with a Danish developer. The joint venture's goal is to develop nearshore wind farms in Denmark. In 2014, Boralex invested €1,818,000 ($2,656,000) to acquire a 50% share in the joint venture and to finance development activities. To date, Boralex's share in results is non-material.

Interests in the Joint Ventures

	Three-month period ended March 31				Twelve-month period ended December 31			
	2016				2015			
	Phase I	Phase II	Denmark	Total	Phase I	Phase II	Denmark	Total
Balance - beginning of period	50,343	13,470	2,693	66,506	67,287	21,627	2,569	91,483
Share in net earnings (loss)	4,103	639	(11)	4,731	9,618	643	(15)	10,246
Share in other comprehensive income (loss)	(6,155)	—	21	(6,134)	(6,262)	—	139	(6,123)
Distributions	—	—	—	—	(20,300)	(8,800)	—	(29,100)
Balance - end of period	48,291	14,109	2,703	65,103	50,343	13,470	2,693	66,506

Financial Statements of Joint Ventures Phases I and II (100%)

	As at March 31,			As at December 31,		
	2016			2015		
	Phase I	Phase II	Total	Phase I	Phase II	Total
Cash and cash equivalents	23,634	4,656	28,290	14,815	2,884	17,699
Restricted cash	—	325	325	—	325	325
Other current assets	12,040	2,966	15,006	8,784	1,991	10,775
Non-current assets	632,778	171,352	804,130	641,573	173,617	815,190
TOTAL ASSETS	668,452	179,299	847,751	665,172	178,817	843,989
Current portion of debt	24,785	3,844	28,629	24,785	3,767	28,552
Other current liabilities	5,217	3,089	8,306	10,291	3,015	13,306
Non-current debt	435,932	131,157	567,089	435,213	131,951	567,164
Non-current financial liabilities	58,526	—	58,526	46,175	—	46,175
Other non-current liabilities	47,410	12,597	60,007	48,023	12,750	60,773
TOTAL LIABILITIES	571,870	150,687	722,557	564,487	151,483	715,970
NET ASSETS	96,582	28,612	125,194	100,685	27,334	128,019

	Three-month period ended March 31			Three-month period ended March 31		
	2016			2015		
	Phase I	Phase II	Total	Phase I	Phase II	Total
Revenues from energy sales	26,584	6,234	32,818	30,515	6,798	37,313
Operating	2,933	775	3,708	3,587	830	4,417
Administrative	19	8	27	36	13	49
Amortization	8,820	2,247	11,067	8,817	2,247	11,064
Other gains	(642)	(161)	(803)	(642)	(164)	(806)
OPERATING INCOME	15,454	3,365	18,819	18,717	3,872	22,589
Financing costs	7,252	2,087	9,339	7,420	2,140	9,560
Foreign exchange gain	(5)	—	(5)	—	(2)	(2)
NET INCOME	8,207	1,278	9,485	11,297	1,734	13,031
Total other comprehensive loss	(12,310)	—	(12,310)	(18,022)	(1)	(18,023)
COMPREHENSIVE INCOME (LOSS)	(4,103)	1,278	(2,825)	(6,725)	1,733	(4,992)

Share in Earnings of the Joint Ventures

The following table reconciles the total share in earnings (loss) of the Joint Ventures as reported in the consolidated statements of earnings of Boralex:

	Three-month period ended March 31				Three-month period ended March 31			
	2016				2015			
	Phase I	Phase II	Denmark	Total	Phase I	Phase II	Denmark	Total
Share in results (50%)	4,103	639	(11)	4,731	5,649	867	(1)	6,515
Other [(1)]	(649)	—	—	(649)	(654)	1	—	(653)
Share in earnings (loss) of the Joint Ventures	3,454	639	(11)	4,082	4,995	868	(1)	5,862

(1) *Other* represents the amortization of Boralex's unrealized gains (losses) on financial swaps - interest rates designated for Phases I and II wind power projects. These unrealized gains (losses), which had been accumulated in *Accumulated other comprehensive loss* upon termination of the hedging relationships, are accounted for in net earnings (loss) over the life of the Joint Ventures' debt financing.

Share in Comprehensive Income (Loss) of the Joint Ventures

The following table reconciles the change in fair value of financial instruments of the Joint Ventures as reported in the consolidated statements of comprehensive income (loss) of Boralex:

	Three-month period ended March 31				Three-month period ended March 31			
	2016				2015			
	Phase I	Phase II	Denmark	Total	Phase I	Phase II	Denmark	Total
Share in comprehensive income (loss) (50%)	(6,155)	—	21	(6,134)	(9,011)	(1)	(21)	(9,033)

Note 5. Non-current Debt

	Note	Maturity	Rate (1)	Currency of origin	As at March 31, 2016	As at December 31, 2015
Revolving credit facility		2018	—		83,113	70,210
Term loans payable – Canada		2024-2054	5.45		524,926	527,372
Term loans payable – Europe	(a)	2017-2033	3.01	456,704	674,863	689,742
Term loan payable – United States		2026	3.51	64,640	83,947	97,163
Term loan payable – Cube		2019	6.50	40,000	59,108	60,116
			3.90		1,425,957	1,444,603
Current portion of debt					(107,612)	(145,200)
Borrowing cost, net of accumulated amortization					(23,635)	(23,546)
					1,294,710	1,275,857

(1) Weighted average rates adjusted to reflect the impact of interest rate swaps, where applicable.

(a) Term Loans Payable - Europe

Term Loan Payable - Touvent Wind Power Project

On January 26, 2016, the Corporation completed the closing of long-term financing for the **Touvent** wind power project. The loan, secured by the assets of this wind power project, consists of an amount of €20,590,000 ($30,426,000) and an amount of €3,200,000 ($4,729,000) from a revolving VAT financing facility. The €20,590,000 loan will be fully amortized in quarterly payments over a 15-year period. The first quarterly repayment is due a few months after commissioning slated for July 2016. The variable interest rate for the €20,590,000 facility is based on EURIBOR, plus a margin. To reduce its exposure to rate fluctuations, Boralex entered into financial swaps - interest rates with a notional amount of €18,531,000 ($27,383,000) at a rate of 0.88%, excluding the margin. With these swaps, the rate is fixed at 2.18% for 90% of the €20,590,000 debt. As at March 31, 2016, this term credit facility was undrawn.

Term Loan Payable - St-Patrick Wind Farm

On January 26, 2016, the Corporation refinanced the term loan for the **St-Patrick** wind farm. The initial loan with a balance of €28,422,000 ($42,717,000) as at December 31, 2015 was repaid in full on January 29, 2016 and the financial swaps - interest rates were closed out. The new loan, secured by the assets of this wind power project, consists of an amount of €42,412,000 ($62,672,000). The loan will be fully amortized in quarterly payments over an 11-year period. The variable interest rate for the facility is based on EURIBOR, plus a margin. To reduce its exposure to rate fluctuations, Boralex entered into financial swaps - interest rates with a notional amount of €38,171,000 ($56,405,000) at a rate of 0.38%, excluding the margin. With these swaps, the rate is fixed at 1.68% for 90% of the €42,412,000 debt. As at March 31, 2016, the balance of this loan amounted to €41,238,000 ($60,938,000).

Note 6. Net Earnings per Share

(a) Net Earnings per Share (Basic)

(in thousands of dollars, except per share amounts and number of shares) (unaudited)	Three-month periods ended March 31 2016	2015
Net earnings attributable to shareholders of Boralex	20,555	5,299
Weighted average number of shares (basic)	65,032,645	47,759,276
Net earnings per share (basic) attributable to shareholders of Boralex	$0.32	$0.11

(b) Net Earnings per Share (Diluted)

(in thousands of dollars, except per share amounts and number of shares) (unaudited)	Three-month periods ended March 31 2016	2015
Net earnings attributable to shareholders of Boralex	20,555	5,299
Interest on convertible debentures, net of tax	1,294	3,356
Net earnings (diluted) attributable to shareholders of Boralex	21,849	8,655
Weighted average number of shares	65,032,645	47,759,276
Dilutive effect of stock options	1,200,969	1,285,069
Dilutive effect of convertible debentures	7,334,183	20,362,834
Weighted average number of shares (diluted)	73,567,797	69,407,179
Net earnings per share (diluted) attributable to shareholders of Boralex	$0.30	$0.11

The table below shows the items that could dilute basic net earnings per common share in the future, but that were not reflected in the calculation of diluted net earnings per common share due to their anti-dilutive effect:

	Three-month periods ended March 31 2016	2015
Stock options excluded due to their anti-dilutive effect	120,409	257,248

(c) Dividends Paid

On March 7, 2016, the Board of Directors authorized a 7.7% increase in the annual dividend from $0.52 to $0.56 per common share (from $0.13 to $0.14 on a quarterly basis). A dividend of $0.14 per common share was declared and will be paid on June 15, 2016 to holders of record at the close of business on May 31, 2016.

On March 15, 2016, the Corporation paid a dividend of $0.13 per common share for a total amount of $8,468,000 ($6,232,000 in 2015).

Note 7. Financial Instruments

The classification of financial instruments, complete with the respective carrying amounts and fair values, is as follows:

	As at March 31, 2016		As at December 31, 2015	
	Carrying amount	Fair value	Carrying amount	Fair value
OTHER LIABILITIES				
Non-current debt	1,402,322	1,481,854	1,421,057	1,502,335
Convertible debentures (including equity portion)	137,518	150,938	137,010	145,906

The fair value of the derivative financial instruments designated as cash flow hedges and hedge of a net investment is as follows:

	As at March 31, 2016	As at December 31, 2015
OTHER CURRENT FINANCIAL ASSETS		
Foreign exchange forward contracts	474	541
OTHER NON-CURRENT FINANCIAL ASSETS		
Foreign exchange forward contracts	492	239
OTHER CURRENT FINANCIAL LIABILITIES		
Financial swaps - interest rates	51,610	41,356
OTHER NON-CURRENT FINANCIAL LIABILITIES		
Foreign exchange forward contracts	3,491	4,130
Financial swaps - interest rates	38,936	32,586
	42,427	36,716

The fair value of a financial instrument is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash and cash equivalents, restricted cash, trade and other receivables, reserve funds, and trade and other payables approximate their carrying amounts due to their short-term maturities.

The fair value of non-current debt is essentially based on the calculation of discounted cash flows. Discount rates, ranging from 1.00% to 5.26%, were determined based on local government bond yields adjusted for the risks specific to each of the borrowings and for credit market liquidity conditions. The convertible debentures are traded on the stock exchange, and their fair values are based on the prices as at March 31, 2016.

Financial Swaps - Interest Rates

Cash flows are discounted using a curve that reflects the credit risk of the Corporation or the counterparty, as applicable. The following table summarizes the Corporation's commitments under its financial swaps - interest rates as at March 31, 2016:

As at March 31, 2016	Currency	Fixed-rate payer	Floating-rate receiver	Maturity	Current notional (in CAD)	Fair value (in CAD)
Financial swaps - interest rates	EUR	0.38%–5.16%	6-month Euribor	2016-2033	408,823	(30,651)
Financial swaps - interest rates	CAD	2.38%–5.83%	3-month CDOR	2034-2055	212,531	(59,895)

Some financial swaps - interest rates denominated in Canadian dollars contain an early termination clause that is mandatory in 2016. As a result, they are presented as current financial liabilities.

Foreign Exchange Forward Contracts

The fair values of foreign exchange forward contracts are determined using a generally accepted technique, namely the discounted value of the difference between the value of the contract at expiry calculated using the contracted exchange rate and the value determined using the exchange rate the financial institution would use if it renegotiated the same contract under the same conditions as at the statement of financial position date. Discount rates are adjusted for the credit risk of the Corporation or of the counterparty, as applicable. When determining credit risk adjustments, Boralex considers offsetting agreements, if any.

As at March 31, 2016	Exchange rate	Maturity	Current notional (in CAD)	Fair value (in CAD)
Foreign exchange forward contracts (EUR for CAD)	1.5475	2016-2025	134,471	(2,525)

Hierarchy of Financial Assets and Liabilities Measured at Fair Value

The fair value of a financial instrument is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. Financial instruments measured at fair value in the financial statements are classified according to the following hierarchy of levels:

- Level 1: Consists of measurements based on quoted prices (unadjusted) in markets for identical assets or liabilities;
- Level 2: Consists of measurement techniques based mainly on inputs, other than quoted prices, that are observable either directly or indirectly in the market;
- Level 3: Consists of measurement techniques that are not based mainly on observable market data.

The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety shall be determined on the basis of the lowest level input that is significant to the financial instrument fair value measurement in its entirety.

The Corporation classified the convertible debentures as Level 1, as their fair values are determined using quoted market prices.

For non-current debt, financial swaps - interest rates, and foreign exchange forward contracts, the Corporation classified the fair value measurements as Level 2, as they are based mainly on observable market data, namely government bond yields, interest rates and exchange rates.

The following table classifies the Corporation's financial instruments by level in the fair value hierarchy:

	Fair value hierarchy levels			
	As at March 31, 2016	Level 1	Level 2	Level 3
DERIVATIVE FINANCIAL ASSETS				
Foreign exchange forward contracts	966	—	966	—
OTHER FINANCIAL LIABILITIES				
Non-current debt	1,481,854	—	1,481,854	—
Convertible debentures	150,938	150,938	—	—
	1,632,792	150,938	1,481,854	—
DERIVATIVE FINANCIAL LIABILITIES				
Foreign exchange forward contracts	3,491	—	3,491	—
Financial swaps - interest rates	90,546	—	90,546	—
	94,037	—	94,037	—

	Fair value hierarchy levels			
	As at December 31, 2015	Level 1	Level 2	Level 3
DERIVATIVE FINANCIAL ASSETS				
Foreign exchange forward contracts	780	—	780	—
OTHER FINANCIAL LIABILITIES				
Non-current debt	1,502,335	—	1,502,335	—
Convertible debentures	145,906	145,906	—	—
	1,648,241	145,906	1,502,335	—
DERIVATIVE FINANCIAL LIABILITIES				
Foreign exchange forward contracts	4,130	—	4,130	—
Financial swaps - interest rates	73,942	—	73,942	—
	78,072	—	78,072	—

Note 8. Commitments

During the three-month period ended March 31, 2016, the Corporation entered into the following new significant commitments:

Canada - Port Ryerse Wind Power Project

In 2016, the Corporation entered into a wind turbine purchase contract and a 10-year maintenance contract expiring in 2026 for the **Port Ryerse** wind power project. The maintenance contract includes a cancellation option at the Corporation's discretion after five years. The Corporation's net commitment under the purchase and maintenance contracts, including the first five years of the maintenance contract, amounted to $21,446,000 and $1,362,000, respectively, as at March 31, 2016.

France - Touvent Wind Power Project

In 2016, the Corporation entered into a 15-year wind turbine maintenance contract expiring in 2031 for the **Touvent** wind power project. The Corporation's net commitment under this contract amounted to €4,633,000 ($6,847,000) as at March 31, 2016.

Note 9. Seasonal and Other Cyclical Factors

The Corporation's operations and results are partly subject to seasonal cycles and other cyclical factors that vary by segment. Since nearly all of Boralex facilities have long-term indexed fixed-price energy sales contracts, seasonal cycles mainly affect the total volume of power generated by the Corporation. Only five hydroelectric power stations in the United States, accounting for 2% of the Corporation's total installed capacity in operation, sell their production in the market where prices are more volatile.

Operating volumes at Boralex facilities are influenced by the following seasonal factors, depending on their specific power generation method.

Wind

For the wind power assets currently in operation in which Boralex's share totals 874 MW, wind conditions are usually more favourable in the winter, which falls during Boralex's first and fourth quarters, both in France and Canada. However, in winter there is a greater risk of lower production caused by weather conditions, such as icing. In general, management estimates that approximately 60% of annual production in its wind power segment is generated in the first and fourth quarters and 40% in the second and third quarters.

Hydroelectric

For Boralex's hydroelectric assets in operation totalling 158 MW, power output depends on water flow, which in Canada and the Northeastern United States is typically at a maximum in spring and high in the fall, in Boralex's second and fourth quarters. Historically, water flow tends to decrease in winter and summer. In general, management estimates that approximately 60% of annual production in its hydroelectric power segment is generated in the second and fourth quarters and 40% in the first and third quarters. Note that apart from four hydroelectric power stations whose water flow is regulated upstream yet not under the Corporation's control, Boralex's other hydroelectric facilities do not have reservoirs that would permit water flow regulation during the year.

Thermal

Boralex owns and operates two thermal power stations for an aggregate 47 MW of installed capacity. Of the two, the Senneterre power station in Québec, Canada is fuelled by wood-residue and is covered by a Hydro-Québec energy sales contract expiring in 2027. The Corporation has entered into an agreement with Hydro-Québec covering the years 2014 to 2018, inclusively, under which the Senneterre power station is limited to producing power eight months per year, from December to March and from June to September. During the term of this agreement, the Senneterre power station will receive financial compensation from Hydro-Québec which will allow it to anticipate profitability akin to recent-year performance.

Boralex also operates a natural gas-fired power station located in Blendecques, France. For the past several years, due to specific market conditions, the Corporation operates this cogeneration plant five months of the year, from November to March, which represents all of Boralex's first quarter and part of its fourth quarter. During the electricity production shutdown period, steam continues to be produced for the power station's industrial client using an auxiliary boiler.

Solar

The solar power facilities totalling 15 MW in operation by the Corporation are all covered by long-term energy sales contracts. They benefit from sunlight conditions that are usually more favourable in the spring and summer, which fall during Boralex's second and third quarters. In view of these weather conditions, management estimates that approximately 65% of the annual production at its solar power stations will be generated in the second and third quarters.

Generally, while Boralex's production in a given fiscal year is exposed to seasonal cycles and other cyclical factors, substantially all of its revenues are derived from indexed fixed-price contracts, thereby mitigating their effect. The Corporation also capitalizes on solid diversification in its power generation sources and favourable geographic positioning. Furthermore, Boralex exercises sound capital management to ensure financial health and flexibility to effectively manage the seasonality of its business. These factors will contribute to strong, stable results for Boralex in the coming years.

Note 10. Segmented Information

The Corporation's power stations are grouped into four distinct operating segments – wind, hydroelectric, thermal and solar power. The Corporation operates under one identifiable industry sector: power generation. The classification of these segments is based on the different cost structures relating to each of the four types of power stations. The same accounting rules are used for segmented information as for the consolidated accounts.

The operating segments are presented according to the same criteria used to prepare the internal report submitted to the segment leader who allocates resources and assesses operating segment performance. The President and Chief Executive Officer is considered the segment leader, who assesses segment performance based on power production, revenues from energy sales and EBITDA(A).

EBITDA(A) represents earnings before interest, taxes, depreciation and amortization, adjusted to include other items. EBITDA(A) does not have a standardized meaning under IFRS; accordingly, it may not be comparable to similarly named measures used by other companies. Investors should not view EBITDA(A) as an alternative measure to, for example, net earnings, or as a measure of operating results, which are IFRS measures.

EBITDA(A) and EBITDA are reconciled to the most comparable IFRS measure, namely, net earnings, in the following table:

	Three-month periods ended March 31	
	2016	**2015**
Net earnings	22,502	6,746
Income tax expense	9,336	1,458
Financing costs	18,285	17,526
Amortization	29,452	20,719
EBITDA	79,575	46,449
Adjustments:		
Net loss on financial instruments	1,349	4,376
Foreign exchange loss (gain)	(420)	1,006
Other gains	(505)	(77)
EBITDA(A)	79,999	51,754

Note 10. Segmented Information (cont'd)

Information by Operating Segment

	Three-month periods ended March 31			
	2016	2015	2016	2015
	Power production (MWh)		Revenues from energy sales	
Wind power stations	581,451	385,895	77,736	48,712
Hydroelectric power stations	170,627	113,587	17,228	12,584
Thermal power stations	64,827	59,155	10,061	10,736
Solar power stations	4,155	1,038	952	485
	821,060	559,675	105,977	72,517
	EBITDA(A)		Additions to property, plant and equipment	
Wind power stations	70,862	44,586	14,467	29,981
Hydroelectric power stations	12,918	9,247	3,082	502
Thermal power stations	4,154	4,525	222	395
Solar power stations	785	404	1,010	16
Corporate and eliminations	(8,720)	(7,008)	1,308	434
	79,999	51,754	20,089	31,328

	As at March 31, 2016	As at December 31, 2015
Total assets		
Wind power stations	1,749,976	1,756,548
Hydroelectric power stations	486,367	478,837
Thermal power stations	45,088	41,684
Solar power stations	41,582	40,752
Corporate	108,633	124,106
	2,431,646	2,441,927
Total liabilities		
Wind power stations	1,395,379	1,382,196
Hydroelectric power stations	184,333	174,853
Thermal power stations	13,690	12,744
Solar power stations	31,538	32,935
Corporate	263,704	286,502
	1,888,644	1,889,230

Information by Geographic Segment

	Three-month periods ended March 31			
	2016	**2015**	**2016**	**2015**
	Power production (MWh)		**Revenues from energy sales**	
Canada	282,304	183,591	36,226	23,672
France	415,781	307,162	58,351	42,101
United States	122,975	68,922	11,400	6,744
	821,060	559,675	105,977	72,517
	EBITDA(A)		**Additions to property, plant and equipment**	
Canada	29,060	19,884	11,668	8,492
France	42,198	27,171	8,231	22,809
United States	8,741	4,699	190	27
	79,999	51,754	20,089	31,328

	As at March 31, **2016**	As at December 31, **2015**
Total assets		
Canada	1,100,031	1,055,924
France	1,137,908	1,178,015
United States	193,707	207,988
	2,431,646	2,441,927
Non-current assets, excluding *Interests in the Joint Ventures* and *Deferred income tax asset*		
Canada	876,262	878,544
France	1,063,729	1,089,368
United States	173,327	185,761
	2,113,318	2,153,673
Total liabilities		
Canada	861,043	834,495
France	892,806	905,905
United States	134,795	148,830
	1,888,644	1,889,230

Note 11. Subsequent Events

Refinancing - Revolving Credit Facility

On April 28, 2016, the Corporation announced the closing of the refinancing and the increasing of its revolving credit facility for a total authorized amount of $360,000,000. The new financing facility, comprising a $300,000,000 revolving credit facility and a $60,000,000 letter of credit facility guaranteed by Export Development Canada, replaces the $175,000,000 revolving credit facility maturing in June 2018. The revolving credit facility, maturing in 2020, is renewable annually and is secured by Boralex Inc.'s assets, its hydroelectric power stations located in Québec and its investments in its operations in the United States. For drawdowns in U.S. dollars, the interest rate formula is based on the LIBOR or the U.S. prime rate plus a margin, while the interest rate for drawdowns in Canadian dollars is based on Canadian bankers' acceptance rates or the Canadian prime rate, plus their respective margins.

Refinancing - Joint Venture Phase I

On May 4, 2016, the Corporation and its partner in Joint Venture Phase I, a subsidiary of Gaz Métro L.P. and Valener Inc., announced the closing of the $617,500,000 refinancing facility secured by the assets of Joint Venture Phase I and without recourse against the partners. This new financing facility comprises an unsecured $383,400,000 tranche of a term loan maturing in 2032, a $192,700,000 tranche of a term loan guaranteed by the Federal Republic of Germany via its export credit agency Euler-Hermes and maturing in 2029, and a $41,400,000 letter of credit facility. The non-current debt has a variable interest rate based on the CDOR, plus a margin and is repayable in half-yearly payments. For the Joint Venture, this refinancing represents a $132,300,000 increase and a one-year extension for its unsecured tranche as well as a decrease in the secured tranche by $44,500,000 and in its term by two years. The refinancing will allow the Joint Venture partners to receive a special distribution of $80,000,000 which will be paid in the days following the closing of the transaction, in the second quarter of 2016, with Boralex's share amounting to $40,000,000.

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